

Business Situation

Final Estimates for the First Quarter of 2003

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

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

liminary estimates. In both sets of estimates,

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

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

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

This article was prepared by Daniel Larkins.

Chart 1. Real Gross Domestic Product

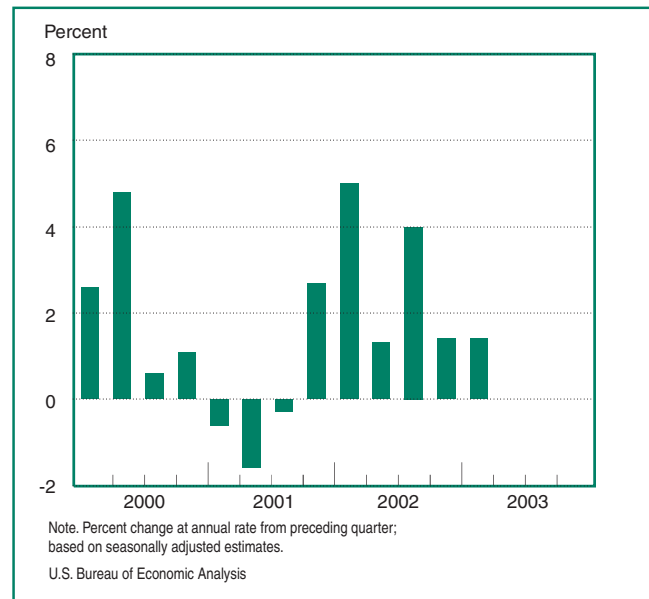


Table 1. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers
[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2003	2002			2003	2002			2003
	I	II	III	IV	I	II	III	IV	I
Gross domestic product	9,552.0	29.2	93.2	32.6	33.8	1.3	4.0	1.4	1.4
Less: Exports of goods and services	1,058.1	34.9	12.2	-16.1	-3.5	14.3	4.6	-5.8	-1.3
Plus: Imports of goods and services	1,568.4	75.8	12.8	28.1	-25.4	22.2	3.3	7.4	-6.2
Equals: Gross domestic purchases	10,020.7	62.6	93.9	70.8	15.2	2.6	3.9	2.9	0.6
Less: Change in private inventories	4.8	33.8	13.9	7.0	-21.0	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	10,004.7	31.6	80.1	64.0	34.6	1.3	3.3	2.6	1.4
Personal consumption expenditures	6,670.9	28.6	67.5	28.0	33.0	1.8	4.2	1.7	2.0
Durable goods	1,005.4	4.8	51.7	-21.8	-5.2	2.0	22.8	-8.2	-2.0
Nondurable goods	1,978.9	-0.5	4.9	24.2	28.9	-0.1	1.0	5.1	6.1
Services	3,714.9	24.0	20.8	20.0	7.9	2.7	2.3	2.2	0.9
Private fixed investment	1,587.9	-3.8	-1.0	16.9	-0.6	-1.0	-0.3	4.4	-0.1
Nonresidential	1,172.1	-7.3	-2.4	6.6	-13.2	-2.4	-0.8	2.3	-4.4
Structures	211.0	-11.5	-13.5	-5.6	-1.6	-17.6	-21.4	-9.9	-2.9
Equipment and software	979.9	7.7	15.8	14.9	-12.2	3.3	6.7	6.2	-4.8
Residential	405.5	2.5	1.0	8.8	9.6	2.7	1.1	9.4	10.1
Government consumption expenditures and gross investment	1,736.7	6.0	12.3	19.4	1.7	1.4	2.9	4.6	0.4
Federal	632.5	10.9	6.4	16.3	1.1	7.5	4.3	11.0	0.7
National defense	409.7	7.3	6.7	10.7	-3.5	7.8	6.9	11.0	-3.3
Nondefense	222.8	3.6	-0.2	5.6	4.5	6.9	-0.3	11.1	8.4
State and local	1,104.6	-4.6	5.9	3.4	0.6	-1.7	2.2	1.2	0.2
Addendum: Final sales of domestic product	9,536.2	-1.5	79.3	25.9	53.1	-0.1	3.4	1.1	2.3

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

According to the final estimates for the first quarter,

- Consumer spending contributed 1.40 percentage points to first-quarter growth, and residential investment contributed 0.45 percentage point; each had contributed somewhat less in the fourth quarter (table 2).

- Inventory investment and nonresidential fixed investment each subtracted from growth in the first quarter after adding to growth in the fourth.
- Imports, which are subtracted in the calculation of GDP, and exports both decreased. The decrease in imports was considerably larger than that in exports.
- The price index for gross domestic purchases increased 3.4 percent after increasing 1.8 percent. Most of the step-up was due to a jump in energy prices. Excluding the prices of food and energy, the index increased 1.8 percent after increasing 1.5 percent, and much of this small step-up was due to a pay raise for Federal civilian and military personnel.

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

[Seasonally adjusted at annual rates]

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

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

Revisions

The final estimate of first-quarter GDP growth, 1.4 percent, is 0.5 percentage point lower than the preliminary estimate (table 3). Over the past 20 years, the average revision to GDP growth, without regard to the sign, from the preliminary estimate to the final estimate was 0.3 percentage point.

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

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

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

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

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

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

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

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

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

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

(Seasonally adjusted at annual rates)

	Percent change from preceding quarter		Final estimate minus preliminary estimate	
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1996) dollars
Gross domestic product	1.9	1.4	-0.5	-10.9
Less: Exports	-1.4	-1.3	0.1	0.2
Goods	0.1	1.9	1.8	3.4
Services	-4.6	-8.0	-3.4	-2.9
Plus: Imports	-7.1	-6.2	0.9	3.6
Goods	-7.3	-6.7	0.6	2.3
Services	-5.9	-4.0	1.9	1.2
Equals: Gross domestic purchases	0.9	0.6	-0.3	-8.0
Less: Change in private inventories				-8.4
Equals: Final sales to domestic purchasers	1.4	1.4	0.0	0.1
Personal consumption expenditures	2.0	2.0	0.0	-0.7
Durable goods	-1.8	-2.0	-0.2	-0.6
Nondurable goods	6.4	6.1	-0.3	-1.4
Services	0.7	0.9	0.2	1.1
Private fixed investment	-0.2	-0.1	0.1	0.2
Nonresidential	-4.8	-4.4	0.4	1.3
Structures	0.4	-2.9	-3.3	-1.7
Equipment and software	-6.3	-4.8	1.5	3.9
Residential	11.0	10.1	-0.9	-0.9
Government consumption expenditures and gross investment	0.3	0.4	0.1	0.5
Federal	0.9	0.7	-0.2	-0.3
National defense	-3.4	-3.3	0.1	0.1
Nondefense	9.1	8.4	-0.7	-0.4
State and local	-0.1	0.2	0.3	0.8
Addendum:				
Final sales of domestic product	2.4	2.3	-0.1	-2.9
Gross domestic purchases price index	3.6	3.4	-0.2	
GDP price index	2.5	2.4	-0.1	

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

Personal consumption expenditures: Revised retail sales for March.

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

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

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

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

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

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

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

Gross National Product

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

“Command-basis” GNP increased 0.5 percent (chart 2). This variant of GNP measures the change in the purchasing power in world markets of the goods and services that are produced by the U.S. economy—in other words, the change in the quantity of goods and services that could be purchased by the United States as a result of its current production.

Changes in command-basis GNP reflect changes in the prices of traded goods and services as summarized by movements in the “terms of trade”—the ratio of export prices to import prices. When the terms of trade improve (that is, when export prices rise relative to import prices) the purchasing power, or command value, of U.S. GNP in international markets increases by more than the production of goods and services valued

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

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

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

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

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

Chart 2. Real Gross National Product

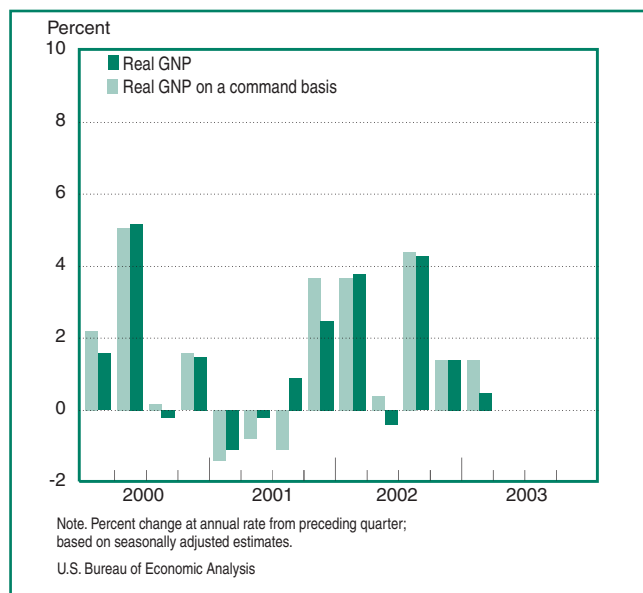


Table 4. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Command-Basis Gross National Product

[Seasonally adjusted at annual rates]

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

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

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

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

Corporate Profits

Profits from current production increased \$20.4 billion (2.6 percent at a quarterly rate) in the first quarter, a little less than in the fourth quarter (table 5).⁵

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

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

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

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

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

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

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

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

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

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

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

Table 5. Corporate Profits

[Seasonally adjusted]

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

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

CCAdj Capital consumption adjustment

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

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

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

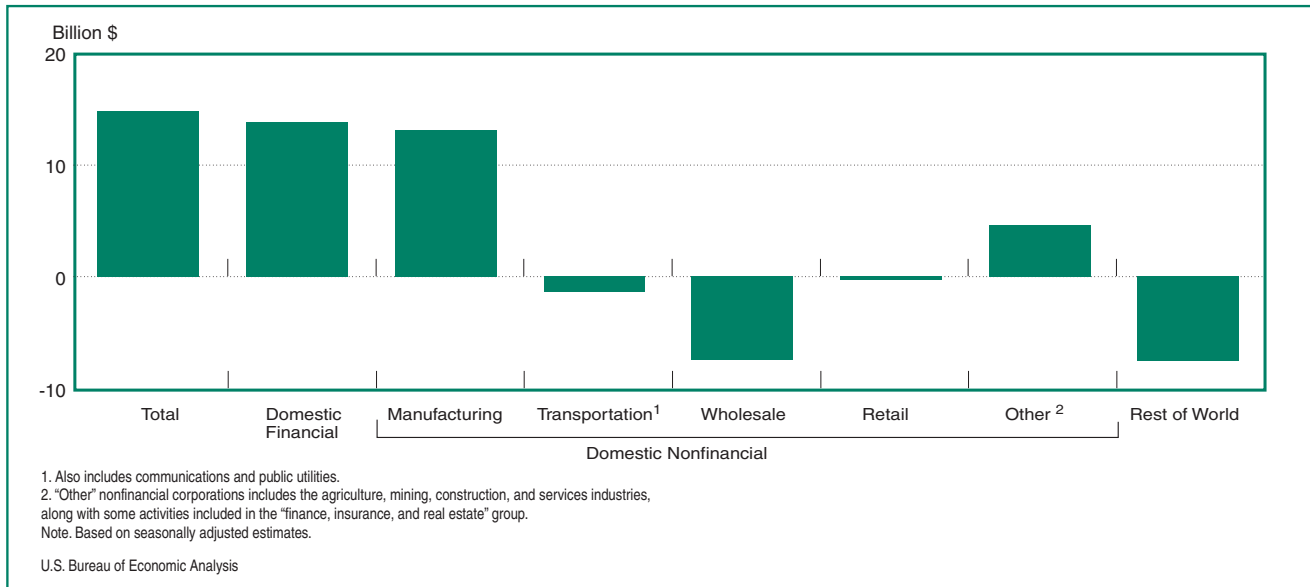
lowed a sharp fourth-quarter increase. The decrease in the transportation and utilities group reflected a decrease in transportation that was partly offset by an increase in utilities.

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

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

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

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



Jobs and Growth Tax Relief Reconciliation Act of 2003

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

Corporate profits and nonfarm proprietors' income.

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

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

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

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

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

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

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

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

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

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

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

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

Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2003:1

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

Data availability

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

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

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

Table 1B. Real Manufacturing and Trade Inventories, Seasonally Adjusted, End of Period

[Billions of chained (1996) dollars]

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

^p Preliminary.

^r Revised.

NOTE: The estimates in this table are based on the North American Industry Classification System. Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change

in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

**Table 2B. Real Manufacturing and Trade Sales,
Seasonally Adjusted at Monthly Rate**

[Billions of chained (1996) dollars]

	2002		2003		2002		2003			
	IV	I	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	April ^p		
Manufacturing and trade industries	866.5	867.2	867.3	870.7	876.1	857.6	868.0	866.1		
Manufacturing industries	327.6	324.6	327.3	326.4	329.6	320.5	323.8	320.9		
Durable goods industries.....	186.1	185.6	186.4	182.8	187.5	184.3	184.9	183.8		
Wood product manufacturing.....	7.6	7.4	7.7	7.7	7.5	7.3	7.6	7.5		
Nonmetallic mineral product manufacturing.....	7.9	7.8	7.8	7.9	8.1	7.6	7.7	7.7		
Primary metal manufacturing.....	11.9	11.7	11.8	11.8	12.0	11.6	11.6	11.3		
Fabricated metal product manufacturing.....	20.1	19.7	20.1	20.0	19.9	19.6	19.6	19.3		
Machinery manufacturing.....	21.3	20.8	21.4	20.9	21.1	20.6	20.9	20.7		
Computer and electronic product manufacturing.....	41.8	43.0	42.0	41.3	43.6	42.1	43.4	44.6		
Electrical equipment, appliance, and component manufacturing.....	9.0	8.7	9.1	9.0	9.0	8.6	8.7	8.6		
Transportation equipment manufacturing.....	51.1	51.7	51.3	48.7	51.8	52.3	50.8	49.9		
Furniture and related product manufacturing.....	5.1	5.0	5.1	5.3	5.2	5.0	4.9	4.9		
Miscellaneous manufacturing.....	10.0	9.9	10.0	10.1	9.8	9.8	10.1	9.8		
Nondurable goods industries.....	141.0	138.7	140.4	142.8	141.5	136.0	138.5	136.8		
Food manufacturing.....	39.0	37.7	39.0	38.9	38.3	37.3	37.5	37.7		
Beverage and tobacco product manufacturing.....	6.2	6.1	6.2	6.1	6.2	5.9	6.3	6.3		
Textile mills.....	3.7	3.7	3.8	3.6	3.8	3.7	3.6	3.6		
Textile product mills.....	3.0	2.9	3.0	3.0	2.9	2.9	2.9	2.9		
Apparel manufacturing.....	4.7	4.6	4.8	4.7	4.8	4.5	4.5	4.4		
Leather and allied product manufacturing.....	0.6	0.7	0.7	0.6	0.7	0.7	0.7	0.7		
Paper manufacturing.....	12.4	12.6	12.2	12.5	12.5	12.3	13.1	12.8		
Printing and related support activities.....	7.7	7.5	7.6	7.7	7.6	7.4	7.5	7.6		
Petroleum and coal product manufacturing.....	16.1	15.0	15.7	17.8	16.4	14.2	14.4	14.4		
Chemical manufacturing.....	33.3	33.9	33.2	33.4	34.0	33.5	34.1	33.0		
Plastics and rubber product manufacturing.....	14.7	14.6	14.7	14.9	14.7	14.4	14.6	14.2		
Merchant wholesale industries	246.3	245.8	248.1	248.0	247.9	244.3	245.2	245.2		
Durable goods industries.....	131.3	131.5	132.0	130.9	132.1	130.0	132.3	132.6		
Nondurable goods industries.....	114.4	113.8	115.5	116.2	115.2	113.6	112.7	112.4		
Retail trade in industries	301.0	304.3	300.0	305.4	306.5	300.0	306.5	307.7		
Motor vehicle and parts dealers.....	75.6	75.9	74.5	78.9	76.9	73.8	77.1	78.7		
Furniture and home furnishings, electronics, and appliance stores.....	30.6	30.9	30.7	30.8	30.7	30.4	31.6	31.9		
Building materials, garden equipment and supply stores.....	28.4	28.2	28.6	28.2	28.9	26.9	28.8	28.7		
Food and beverage stores.....	36.4	37.3	36.7	36.2	37.4	37.1	37.5	37.3		
Clothing and accessory stores.....	17.3	17.6	17.1	17.4	17.7	17.4	17.8	17.5		
General merchandise stores.....	44.0	44.8	43.8	44.1	44.5	44.9	45.1	44.8		
Other retail stores.....	73.3	73.9	73.1	74.3	74.6	73.8	73.3	73.5		

^p Preliminary.

^r Revised.

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

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

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

[Ratio, based on chained (1996) dollars]

	2002		2003		2002		2003			
	IV	I	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	April ^p		
Manufacturing and trade industries	1.33	1.33	1.32	1.32	1.32	1.35	1.33	1.34		
Manufacturing industries	1.37	1.38	1.36	1.37	1.36	1.40	1.38	1.39		
Durable goods industries.....	1.48	1.47	1.46	1.51	1.47	1.49	1.48	1.48		
Wood product manufacturing.....	1.11	1.15	1.11	1.11	1.13	1.18	1.12	1.13		
Nonmetallic mineral product manufacturing.....	1.16	1.18	1.16	1.15	1.13	1.20	1.20	1.20		
Primary metal manufacturing.....	1.76	1.79	1.77	1.77	1.75	1.82	1.81	1.83		
Fabricated metal product manufacturing.....	1.52	1.55	1.53	1.53	1.54	1.56	1.56	1.58		
Machinery manufacturing.....	1.71	1.69	1.69	1.74	1.71	1.74	1.69	1.70		
Computer and electronic product manufacturing.....	1.48	1.40	1.49	1.50	1.41	1.44	1.38	1.33		
Electrical equipment, appliance, and component manufacturing.....	1.46	1.50	1.47	1.47	1.48	1.54	1.51	1.52		
Transportation equipment manufacturing.....	1.30	1.29	1.26	1.37	1.29	1.28	1.31	1.34		
Furniture and related product manufacturing.....	1.29	1.32	1.31	1.26	1.29	1.33	1.35	1.34		
Miscellaneous manufacturing.....	1.84	1.87	1.81	1.82	1.88	1.88	1.84	1.87		
Nondurable goods industries.....	1.23	1.25	1.23	1.21	1.22	1.28	1.25	1.27		
Food manufacturing.....	0.95	1.00	0.96	0.96	0.97	1.00	1.00	0.99		
Beverage and tobacco product manufacturing.....	1.90	1.92	1.90	1.94	1.91	2.01	1.86	1.91		
Textile mills.....	1.53	1.57	1.47	1.59	1.50	1.57	1.61	1.60		
Textile product mills.....	1.58	1.65	1.56	1.58	1.64	1.67	1.64	1.66		
Apparel manufacturing.....	1.73	1.81	1.68	1.72	1.73	1.83	1.85	1.91		
Leather and allied product manufacturing.....	2.31	2.15	2.21	2.53	2.24	2.09	2.11	2.07		
Paper manufacturing.....	1.30	1.28	1.33	1.29	1.29	1.31	1.24	1.28		
Printing and related support activities.....	0.80	0.80	0.80	0.80	0.80	0.81	0.80	0.78		
Petroleum and coal product manufacturing.....	0.76	0.80	0.75	0.68	0.74	0.85	0.83	0.86		
Chemical manufacturing.....	1.54	1.52	1.57	1.54	1.50	1.55	1.51	1.55		
Plastics and rubber product manufacturing.....	1.19	1.22	1.20	1.18	1.20	1.24	1.22	1.25		
Merchant wholesale industries	1.24	1.24	1.22	1.23	1.23	1.25	1.24	1.24		
Durable goods industries.....	1.40	1.41	1.39	1.40	1.39	1.42	1.40	1.39		
Nondurable goods industries.....	1.05	1.05	1.02	1.03	1.04	1.05	1.06	1.06		
Retail trade in industries	1.32	1.33	1.33	1.30	1.30	1.34	1.32	1.32		
Motor vehicle and parts dealers.....	1.71	1.76	1.78	1.64	1.70	1.80	1.73	1.72		
Furniture and home furnishings, electronics, and appliance stores.....	1.07	1.05	1.06	1.06	1.06	1.07	1.03	1.02		
Building materials, garden equipment and supply stores.....	1.41	1.45	1.38	1.42	1.37	1.51	1.42	1.41		
Food and beverage stores.....	0.84	0.82	0.82	0.84	0.81	0.82	0.82	0.82		
Clothing and accessory stores.....	1.82	1.83	1.80	1.80	1.84	1.81	1.83	1.83		
General merchandise stores.....	1.44	1.42	1.43	1.44	1.42	1.40	1.41	1.43		
Other retail stores.....	0.97	0.96	0.97	0.96	0.95	0.96	0.97	0.96		

^p Preliminary.

^r Revised.

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

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

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

^p Preliminary.

^r Revised.

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

Chained (1996) dollar inventory series are calculated to ensure that the

chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

The International Investment Position of the United States at Yearend 2002

By Elena L. Nguyen

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

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

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

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

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

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

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

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

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

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

In the following discussion, the current-cost esti-

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

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

Improvements in the Estimates

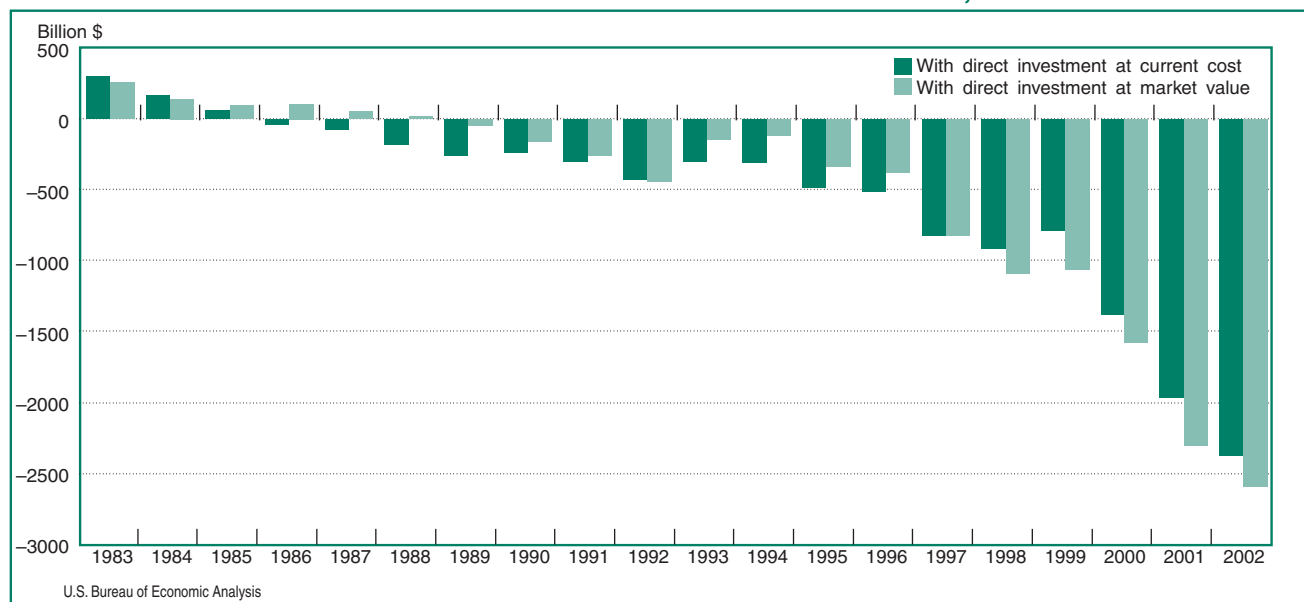
As is customary each July, the estimates of the U.S. international investment position incorporate newly available source data and methodological improvements that relate to the improvements incorporated in the annual revision of the U.S. international transactions accounts.

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

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

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

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



yearend 2001 (table A).

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

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

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

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

Table A. U.S. Net International Investment Position at Yearend
[Billions of dollars]

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

Table B. Changes in U.S.-Owned Assets Abroad, 2002
[Billions of dollars]

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

Table C. Changes in Foreign-Owned Assets in the United States, 2002
[Billions of dollars]

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

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

Changes in U.S.-Owned Assets Abroad

Bank and nonbank claims

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

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

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

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

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

Foreign securities

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

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

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

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

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

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

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

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

Table F. U.S. Holdings of Foreign Bonds by Major Area and Country at Yearend

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

U.S. direct investment abroad

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

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

Table G. U.S. Direct Investment Abroad at Yearend

	[Billions of dollars]		
	2000	2001	2002
U.S. direct investment abroad:			
At current cost.....	1,529.7	1,598.1	1,751.9
At market value.....	2,694.0	2,301.9	2,036.2

Table H. U.S. Direct Investment Abroad, 2002

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

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

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

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

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

Changes in Foreign-Owned Assets in the United States

Bank and nonbank liabilities

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

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

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

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

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

U.S. Treasury securities

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

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

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

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

Other U.S. securities

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

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

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

Table K. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend

[Billions of dollars]

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

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

Table L. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend

[Billions of dollars]

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

U.S. currency

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

Foreign direct investment in the United States

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

Table M. Foreign Direct Investment in the United States at Yearend

[Billions of dollars]

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

Table N. Foreign Direct Investment in the United States, 2002

[Billions of dollars]

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

Foreign official assets

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

Table 1. International Investment Position of the United States at Yearend, 2001 and 2002

[Millions of dollars]

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

^p 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, capital gains and losses of direct investment affiliates, and other statistical adjustments to the value of assets.

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

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

tizations are not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

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

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

Table 2. International Investment Position

[Millions]

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

^P Preliminary.^R Revised.¹ U.S. official gold stock is valued at market price.² Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.³ Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.⁴ A break in series in 1994 reflects the reclassification of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation from the direct invest-

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

⁵ Estimates include results of the 1994, 1997, and 2001 Benchmark Survey of U.S. Ownership of Foreign Long-Term Securities conducted by the U.S. Department of Treasury.⁶ A break in series in 1983 reflects the introduction of data from the United Kingdom and from the Bank for International Settlements (BIS) for several European countries, Caribbean banking centers, and Asian banking centers. Additional coverage from BIS data was introduced in 1986, 1989, 1993, and 1994. In 1994, intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation are reclassified from the direct investment accounts to the nonbank investment accounts.

of the United States at Yearend, 1976–2002

of dollars]

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998 ^r	1999 ^r	2000 ^r	2001 ^r	2002 ^p	Line
-178,470	-259,506	-245,347	-309,259	-431,198	-306,956	-311,882	-495,966	-521,545	-833,158	-918,679	-797,559	-1,387,741	-1,979,906	-2,387,211	1
10,466	-46,987	-164,495	-260,819	-452,305	-144,268	-123,736	-343,340	-386,514	-835,208	-1,094,090	-1,068,759	-1,588,164	-2,314,271	-2,605,155	2
1,829,665	2,070,868	2,178,978	2,286,456	2,331,696	2,753,648	2,998,633	3,451,983	4,012,746	4,567,906	5,090,938	5,965,148	6,229,361	6,187,410	6,189,191	3
2,008,365	2,350,235	2,294,085	2,470,629	2,466,496	3,091,421	3,326,650	3,930,269	4,631,276	5,379,128	6,174,518	7,390,432	7,393,650	6,891,251	6,473,562	4
144,179	168,714	174,664	159,223	147,435	164,945	163,394	176,061	160,739	134,836	146,006	136,418	128,400	129,961	158,602	5
107,434	105,164	102,406	92,561	87,168	102,556	100,110	101,279	96,698	75,929	75,291	75,950	71,799	72,328	90,806	6
9,637	9,951	10,989	11,240	8,503	9,039	10,039	11,037	10,312	10,027	10,603	10,336	10,539	10,783	12,166	7
9,745	9,048	9,076	9,488	11,759	11,818	12,030	14,649	15,435	18,071	24,111	17,950	14,824	17,869	21,979	8
17,363	44,551	52,193	45,934	40,005	41,532	41,215	49,096	38,294	30,809	36,001	32,182	31,238	28,981	33,651	9
87,892	86,643	84,344	81,422	83,022	83,382	83,908	85,064	86,123	86,198	86,768	84,227	85,168	85,654	85,686	10
87,163	86,057	83,716	79,776	81,352	81,435	81,884	82,802	83,999	84,130	84,850	81,657	82,574	83,132	83,059	11
85,768	84,734	82,602	78,814	80,498	80,660	81,389	82,358	83,606	83,780	84,528	81,367	82,293	82,854	82,785	12
1,395	1,323	1,114	962	854	775	495	444	393	350	322	290	281	278	274	13
729	586	628	1,646	1,670	1,947	2,024	2,262	2,124	2,068	1,918	2,570	2,594	2,522	2,627	14
1,597,594	1,815,511	1,919,970	2,045,811	2,101,239	2,505,321	2,751,331	3,190,858	3,765,884	4,346,872	4,858,164	5,744,503	6,015,793	5,971,795	5,944,903	15
1,776,294	2,094,878	2,035,077	2,229,984	2,236,039	2,843,094	3,079,348	3,669,144	4,384,414	5,158,094	5,941,744	7,169,787	7,180,082	6,675,636	6,229,274	16
513,761	553,093	616,655	643,364	663,830	723,526	786,565	885,506	989,810	1,068,063	1,196,021	1,414,355	1,529,725	1,598,072	1,751,852	17
692,461	832,460	731,762	827,537	798,630	1,061,299	1,114,582	1,363,792	1,608,340	1,879,285	2,279,601	2,839,639	2,694,014	2,301,913	2,036,223	18
232,849	314,294	342,313	455,750	515,083	853,528	948,668	1,169,636	1,467,985	1,751,183	2,052,995	2,525,346	2,385,360	2,114,734	1,846,976	19
104,187	116,949	144,717	176,774	200,817	309,666	321,208	392,827	465,057	543,396	578,009	521,620	532,504	502,061	501,784	20
128,662	197,345	197,596	278,976	314,266	543,862	627,460	776,809	1,002,928	1,207,787	1,474,986	2,003,726	1,852,856	1,612,673	1,345,192	21
197,757	234,307	265,315	256,295	254,303	242,022	322,980	367,567	450,578	545,524	588,322	704,517	836,559	835,780	890,961	22
653,227	713,817	695,687	690,402	668,023	686,245	693,118	768,149	857,511	982,102	1,020,826	1,100,285	1,264,149	1,423,209	1,455,114	23
2,008,135	2,330,374	2,424,325	2,595,715	2,762,894	3,060,604	3,310,515	3,947,949	4,534,291	5,401,064	6,009,617	6,762,707	7,617,102	8,167,316	8,576,402	24
1,997,899	2,397,222	2,458,580	2,731,448	2,918,801	3,235,689	3,450,386	4,273,609	5,017,790	6,214,336	7,268,608	8,459,191	8,981,814	9,205,522	9,078,717	25
322,036	341,746	373,293	398,538	437,263	509,422	535,227	682,873	820,823	873,716	896,174	951,088	1,014,467	1,027,194	1,132,530	26
260,934	263,612	291,228	311,199	329,317	381,687	407,152	507,460	631,088	648,188	669,768	693,781	749,904	798,844	898,005	27
252,962	257,201	285,911	305,994	322,600	373,050	396,887	489,952	606,427	615,076	622,921	617,680	625,161	650,703	710,608	28
7,972	6,411	5,317	5,205	6,717	8,637	10,265	17,508	24,661	33,112	46,847	76,101	124,743	148,141	187,397	29
15,200	15,374	17,243	18,610	20,801	22,113	23,678	23,573	22,592	21,712	18,386	21,141	19,316	17,007	17,144	30
31,520	36,495	39,880	38,396	54,967	69,721	73,386	107,394	113,098	135,384	125,883	138,847	153,403	123,425	141,019	31
14,382	26,265	24,942	30,333	32,178	35,901	31,011	44,446	54,045	68,432	82,137	97,319	91,844	87,918	76,362	32
1,686,099	1,988,628	2,051,032	2,197,177	2,325,631	2,551,182	2,775,288	3,265,076	3,713,468	4,527,348	5,113,443	5,811,619	6,602,635	7,140,122	7,443,872	33
1,675,863	2,055,476	2,085,287	2,332,910	2,481,538	2,726,267	2,915,159	3,590,736	4,196,967	5,340,620	6,372,434	7,508,103	7,967,347	8,178,328	7,946,187	34
401,766	467,886	505,346	533,404	540,270	593,313	617,982	680,066	745,619	824,136	920,044	1,101,709	1,418,523	1,514,374	1,504,428	35
391,530	534,734	539,601	669,137	696,177	768,398	757,853	1,005,726	1,229,118	1,637,408	2,179,035	2,798,193	2,783,235	2,552,580	2,006,743	36
100,877	166,541	152,452	170,295	197,739	221,501	235,684	330,210	440,832	550,613	562,036	462,761	400,983	389,000	503,630	37
392,292	482,864	460,644	546,008	599,447	696,449	739,695	969,849	1,165,113	1,512,725	1,903,443	2,351,291	2,623,703	2,855,705	2,861,115	38
191,314	231,673	238,903	274,136	299,287	355,822	368,077	459,080	539,308	618,837	724,619	825,175	1,076,002	1,391,616	1,690,296	39
200,978	251,191	221,741	271,872	300,160	340,627	371,618	510,769	625,805	893,888	1,178,824	1,526,116	1,547,701	1,464,089	1,170,819	40
61,261	67,118	85,933	101,317	114,804	133,734	157,185	169,484	186,846	211,628	228,250	250,657	251,786	275,569	297,082	41
144,548	167,093	213,406	208,908	220,666	229,038	239,817	300,424	346,810	459,407	485,675	578,046	738,904	799,120	870,259	42
585,355	637,126	633,251	637,245	652,705	677,147	784,925	815,043	828,248	968,839	1,013,995	1,067,155	1,168,736	1,306,354	1,407,358	43

7. A break in series in 1988 reflects the introduction of data on holdings of foreign commercial paper.

8. Estimates include results of 1978, 1984, 1989, 1994 and 2000 Benchmark Survey of Foreign Portfolio Investment in the United States conducted by the U.S. Department of Treasury.

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

10. Estimates for 1976 forward are linked to the 1980, 1987, 1992, and 1997 Benchmark Survey of Foreign Direct

Investment in the United States.

11. A break in series in 1983 reflects the introduction of data from the United Kingdom. A break in series in 1994 reflects the reclassification of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation from the direct investment accounts to the nonbank investment accounts. A break in series in 1996 reflects the introduction of data from the Bank for International Settlements for several European countries.

Direct Investment Positions for 2002

Country and Industry Detail

By Maria Borge

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

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

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

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

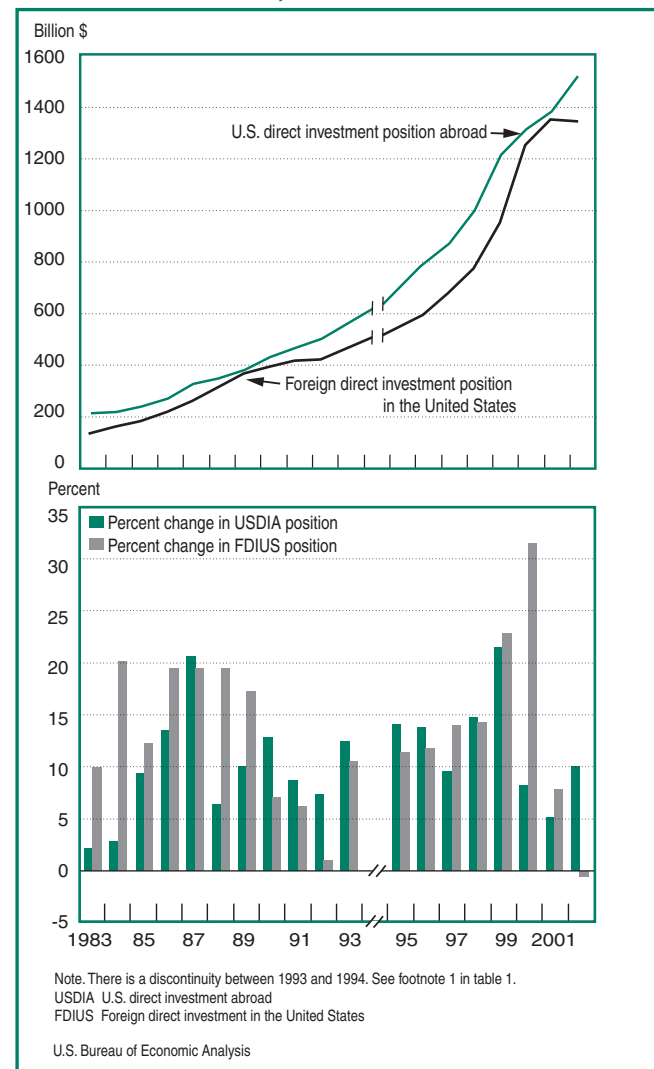


Table A. U.S. Direct Investment Position Abroad and Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 1982–2002

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

^p Preliminary.

^r Revised.

1. The USDIA and FDIUS positions reflect a discontinuity between 1993 and 1994 because of the reclassification from direct investment to other investment accounts of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries.

USDIA U.S. direct investment abroad

FDIUS Foreign direct investment in the United States

Key Terms

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

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

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

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

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

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

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

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

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

Direct investment capital flows consist of equity capital,

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

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

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

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

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

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

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

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

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

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

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

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

U.S. Direct Investment Abroad

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

Alternative Measures of the Direct Investment Positions

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

**Alternative Direct Investment Position Estimates,
2001 and 2002**
[Millions of dollars]

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

^p Preliminary.
^r Revised.

percent) (table 1 and chart 2).

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

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

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

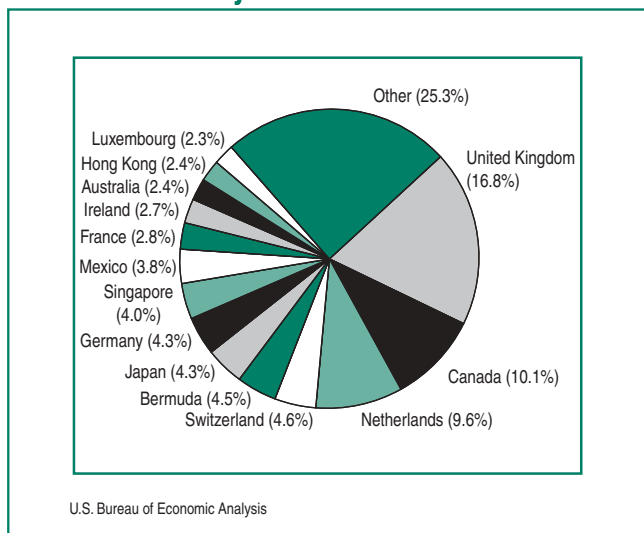
Reinvested earnings, at \$76.1 billion, increased 36 percent in 2002, reflecting both higher earnings and an increase in the share of earnings that was reinvested. Earnings increased 16 percent, to \$119.5 billion. Much of the increase in earnings was by affiliates in Europe and partly reflected the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

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

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

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

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



Acknowledgments

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

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

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

Changes by area and by country

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

New Industry Classifications

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

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

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

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

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

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

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

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

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

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

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

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

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

Table C. Change in the U.S. Direct Investment Position Abroad by Country of Foreign Affiliate, 2002

[Billions of dollars]

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

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

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

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

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

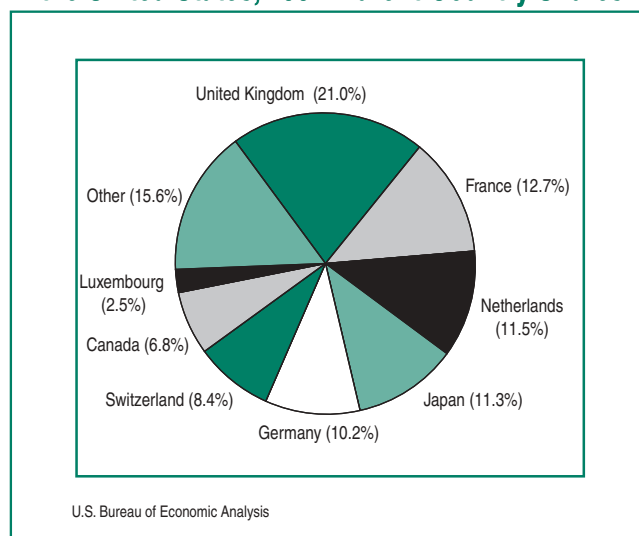
The increase in the position in Canada was boosted by acquisitions of computer and electronic products manufacturers and of mining companies and by increased lending to transportation equipment manufacturers.

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

Foreign Direct Investment in the United States

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

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



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

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

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

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

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

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

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

[Billions of dollars]

	2001	2002
Total.....	98.2	-7.1
Capital inflows.....	144.0	30.0
Equity capital.....	137.3	70.3
Increases.....	168.6	84.1
Decreases.....	31.3	13.8
Intercompany debt.....	43.4	-37.4
Reinvested earnings.....	-36.7	-2.8
Valuation adjustments.....	-45.7	-37.2
Currency translation.....	-1.9	0.6
Other.....	-43.9	-37.7

Revisions

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

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

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

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

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

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

Changes by area and by country

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

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

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

Table E. Change in the Foreign Direct Investment Position in the United States by Country of Foreign Parent, 2002

[Billions of dollars]

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

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

Tables 1 and 2 follow.

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

[Millions of dollars]

	1999 ^r	2000 ^r	2001 ^r	2002 ^p		1999 ^r	2000 ^r	2001 ^r	2002 ^p
All countries, all industries.....	1,215,960	1,316,247	1,383,225	1,520,965	Africa.....	13,118	11,891	13,411	15,066
By country of foreign affiliate					Egypt.....	2,210	1,998	2,537	2,959
Canada.....	119,590	132,472	141,789	152,522	Nigeria.....	233	470	788	1,761
Europe.....	627,754	687,320	716,901	796,913	South Africa.....	3,474	3,562	3,088	3,428
Austria.....	3,848	2,872	3,629	3,988	Other.....	7,202	5,861	6,996	6,919
Belgium.....	21,756	17,973	19,395	24,122	Middle East.....	10,950	10,863	12,351	14,154
Czech Republic.....	1,038	1,228	1,058	1,345	Israel.....	4,777	3,735	4,864	5,207
Denmark.....	3,846	5,270	4,615	7,688	Saudi Arabia.....	3,336	3,661	3,527	3,687
Finland.....	1,379	1,342	1,421	1,397	United Arab Emirates.....	540	683	847	1,398
France.....	43,120	42,628	40,839	43,978	Other.....	2,298	2,784	3,113	3,862
Germany.....	53,399	55,508	65,800	64,739	Asia and Pacific.....	190,621	207,125	216,445	269,947
Greece.....	760	795	842	1,056	Australia.....	35,386	34,838	32,574	36,337
Hungary.....	2,409	1,920	1,989	2,460	China.....	9,401	11,140	11,387	10,294
Ireland.....	25,157	35,903	35,712	41,636	Hong Kong.....	22,759	27,447	32,089	35,764
Italy.....	17,889	23,484	25,015	28,499	India.....	2,390	2,379	2,775	3,678
Luxembourg.....	22,148	27,849	29,940	35,727	Indonesia.....	8,402	8,904	8,227	7,546
Netherlands.....	121,315	115,429	126,076	145,474	Japan.....	55,120	57,091	58,233	65,676
Norway.....	5,944	4,379	5,659	7,348	Korea, Republic of.....	7,474	8,968	10,524	12,192
Poland.....	3,281	3,884	4,272	4,750	Malaysia.....	6,222	7,910	7,748	8,576
Portugal.....	2,188	2,664	2,852	3,394	New Zealand.....	4,852	4,271	4,395	4,383
Russia.....	1,678	1,147	709	617	Philippines.....	3,517	3,638	3,279	4,097
Spain.....	19,970	21,236	20,514	23,884	Singapore.....	20,665	24,133	26,749	61,361
Sweden.....	10,624	25,959	17,356	18,999	Taiwan.....	6,744	7,836	9,109	10,091
Switzerland.....	40,532	55,377	60,675	70,051	Thailand.....	5,500	5,824	6,444	6,883
Turkey.....	1,792	1,826	1,698	1,888	Other.....	2,190	2,746	2,911	3,068
United Kingdom.....	216,638	230,762	238,773	255,391	Addenda:				
Other.....	7,042	7,885	8,060	8,482	Eastern Europe ¹	14,441	14,989	15,118	16,572
Latin America and Other Western Hemisphere.....	253,928	266,576	282,328	272,363	European Union (15) ²	564,037	609,674	632,781	699,970
South America.....	83,477	84,220	82,799	74,694	OPEC ³	23,479	28,545	28,745	30,831
Argentina.....	18,865	17,488	15,799	11,303	By industry of affiliate				
Brazil.....	37,184	36,717	35,523	31,715	Mining.....	72,526	72,111	78,319	80,976
Chile.....	10,177	10,052	12,026	11,625	Utilities.....	22,472	21,964	23,214	20,932
Colombia.....	3,775	3,693	3,603	3,735	Manufacturing.....	327,282	343,899	365,924	392,553
Ecuador.....	1,116	832	480	1,082	<i>Of which:</i>				
Peru.....	3,148	3,130	3,127	3,237	Food.....	23,268	23,497	24,681	28,240
Venezuela.....	7,385	10,531	10,632	10,819	Chemicals.....	81,727	75,807	93,779	99,371
Other.....	1,828	1,778	1,608	1,177	Primary and fabricated metals.....	21,569	21,644	22,699	24,359
Central America.....	73,761	73,841	84,659	81,199	Machinery.....	21,501	22,229	21,292	22,025
Costa Rica.....	1,493	1,716	1,677	1,602	Computers and electronic products.....	46,783	59,909	65,559	69,208
Honduras.....	347	399	242	184	Electrical equipment, appliances, and components.....	8,212	10,005	10,118	10,166
Mexico.....	37,151	39,352	56,554	58,074	Transportation equipment.....	43,322	49,887	44,210	48,378
Panama.....	33,493	30,758	25,170	20,003	Wholesale trade.....	86,313	93,936	102,322	114,895
Other.....	1,277	1,618	1,015	1,336	Information.....	50,062	52,345	50,492	53,841
Other Western Hemisphere.....	96,690	108,515	114,870	116,470	Depository credit intermediation (banking).....	40,879	40,152	52,681	52,935
Barbados.....	3,030	2,141	1,435	1,487	Finance (except depository institutions) and insurance.....	198,749	217,086	225,556	244,480
Bermuda.....	50,847	60,114	66,144	68,856	Professional, scientific, and technical services.....	29,968	32,868	34,704	38,307
Dominican Republic.....	968	1,143	1,233	1,123	Other industries.....	387,709	441,886	450,013	522,047
United Kingdom Islands, Caribbean.....	29,762	33,451	30,242	29,252					
Other.....	12,083	11,665	15,815	15,751					

^p Preliminary.^r Revised.

1. "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.

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

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

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

[Millions of dollars]

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

^p Preliminary.^r Revised.^q Suppressed to avoid disclosure of data of individual companies.

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

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

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

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

By Christopher L. Bach

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

This year, the major revisions are as follows:

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

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

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

billion (table 1). By account, \$0.7 billion is removed from goods exports and \$2.2 billion is removed from goods imports, resulting in a deficit that is \$1.5 billion lower than previously estimated. For services, \$3.0 billion is added to services exports and \$13.0 billion is removed from services imports, resulting in a surplus that is \$16.0 billion higher than previously estimated. For income, \$10.9 billion is added to income receipts

and \$3.0 billion is added to income payments, resulting in a deficit that is \$7.9 billion lower than previously estimated. For net current unilateral transfers, \$2.8 billion in outflows is added, resulting in an increase to net outflows for transfers of the same amount. Net financial account inflows were revised up \$53.8 billion, to \$528.0 billion. Details on revisions to individual series are shown in table 2.

Table 1. Revisions to U.S. International Transactions

[Millions of dollars; quarters seasonally adjusted]

	Exports of goods and services and income receipts			Imports of goods and services and income payments			Unilateral current transfers, net			Balance on current account			Net financial flows		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
1992: I.....	748,603	748,881	278	-762,105	-763,741	-1,636	-35,013	-33,154	1,859	-48,515	-48,013	502	96,253	96,253	.....
1992: II.....	777,044	776,921	-123	-821,930	-821,797	133	-37,637	-37,113	524	-82,523	-81,989	534	81,488	81,488	.....
1992: III.....	869,328	868,460	-868	-949,312	-948,555	757	-38,260	-37,583	677	-118,244	-117,678	566	129,933	129,933	.....
1992: IV.....	1,005,935	1,005,645	-290	-1,077,701	-1,075,674	2,027	-34,057	-35,188	-1,131	-105,823	-105,217	606	86,186	86,186	.....
1993: I.....	1,077,966	1,077,148	-818	-1,155,706	-1,155,489	217	-40,081	-38,862	1,219	-117,821	-117,203	618	137,173	137,173	.....
1993: II.....	1,195,538	1,194,899	-639	-1,283,116	-1,281,291	1,825	-40,794	-41,292	-498	-128,372	-127,684	688	219,210	219,210	.....
1993: III.....	1,192,045	1,191,206	-839	-1,351,363	-1,347,462	3,901	-44,509	-48,435	-3,926	-203,827	-204,691	-864	63,809	75,740	11,931
1993: IV.....	1,247,682	1,255,671	7,989	-1,491,781	-1,499,762	-7,981	-48,757	-46,755	2,002	-292,856	-290,846	2,010	264,910	236,570	-28,340
1994: I.....	1,417,236	1,416,915	-321	-1,774,135	-1,772,694	1,441	-53,442	-55,679	-2,237	-410,341	-411,458	-1,117	409,497	456,341	46,844
1994: II.....	1,281,793	1,284,942	3,149	-1,625,701	-1,632,072	-6,371	-49,463	-46,615	2,848	-393,371	-393,745	-374	381,844	415,592	33,748
1994: III.....	1,216,504	1,229,649	13,145	-1,663,908	-1,651,657	12,251	-56,023	-58,853	-2,830	-503,427	-480,861	22,566	474,195	527,998	53,803
1994: IV.....	185,822	185,909	87	-183,681	-183,755	-74	-7,545	-6,847	698	-5,404	-4,693	711	19,651	19,651	.....
1995: I.....	186,302	186,380	78	-190,411	-190,447	-36	-8,418	-7,890	528	-12,527	-11,957	570	34,069	34,069	.....
1995: II.....	187,644	187,709	65	-191,986	-193,531	-1,545	-7,837	-7,457	380	-12,179	-13,279	-1,100	21,899	21,899	.....
1995: III.....	188,834	188,880	46	-196,029	-196,005	24	-11,214	-10,960	254	-18,409	-18,085	324	20,632	20,632	.....
1995: IV.....	190,901	190,925	24	-196,141	-196,106	35	-7,905	-7,741	164	-13,145	-12,922	223	3,608	3,608	.....
1996: I.....	192,641	192,634	-7	-204,858	-204,825	33	-8,576	-8,451	125	-20,793	-20,642	151	13,195	13,195	.....
1996: II.....	193,687	193,639	-48	-205,631	-205,599	32	-9,339	-9,211	128	-21,283	-21,171	112	32,719	32,719	.....
1996: III.....	199,813	199,716	-97	-215,303	-215,267	36	-11,816	-11,709	107	-27,306	-27,260	46	31,967	31,967	.....
1996: IV.....	203,793	203,607	-186	-219,175	-219,109	66	-7,971	-7,708	263	-23,353	-23,210	143	50,540	50,540	.....
1997: I.....	211,509	211,276	-233	-231,549	-231,424	125	-8,482	-8,277	205	-28,522	-28,425	97	13,770	13,770	.....
1997: II.....	222,795	222,554	-241	-244,408	-244,192	216	-9,610	-9,452	158	-31,223	-31,090	133	50,949	50,949	.....
1997: III.....	231,233	231,025	-208	-254,181	-253,831	350	-12,194	-12,146	48	-35,142	-34,952	190	14,672	14,672	.....
1997: IV.....	241,599	241,511	-88	-261,741	-261,135	606	-8,577	-8,812	-235	-28,719	-28,436	283	32,965	32,965	.....
1998: I.....	249,063	249,001	-62	-271,787	-271,151	636	-8,080	-8,418	-338	-30,804	-30,568	236	4,190	4,190	.....
1998: II.....	255,633	255,574	-59	-272,735	-272,181	554	-8,460	-8,784	-324	-25,562	-25,391	171	69,607	69,607	.....
1998: III.....	259,636	259,555	-81	-271,439	-271,208	231	-8,939	-9,174	-235	-20,742	-20,827	-85	-20,574	-20,574	.....
1998: IV.....	262,927	262,752	-175	-276,913	-276,829	84	-10,519	-10,212	307	-24,505	-24,289	216	4,319	4,319	.....
1999: I.....	266,859	266,662	-197	-286,958	-286,956	2	-8,744	-8,462	282	-28,843	-28,756	87	32,893	32,893	.....
1999: II.....	267,240	267,200	-220	-293,473	-293,453	20	-8,940	-8,653	287	-35,173	-35,086	87	52,434	52,434	.....
1999: III.....	280,934	280,708	-226	-298,363	-298,252	111	-11,878	-11,535	343	-29,307	-29,079	228	47,529	47,529	.....
1999: IV.....	287,373	287,175	-198	-310,740	-310,602	138	-9,054	-8,899	155	-32,421	-32,326	95	20,792	20,792	.....
2000: I.....	300,459	300,275	-184	-317,828	-317,518	310	-9,280	-9,285	-5	-26,649	-26,528	121	47,103	47,103	.....
2000: II.....	305,114	304,962	-152	-325,650	-325,106	544	-9,561	-9,772	-211	-30,097	-29,916	181	47,940	47,940	.....
2000: III.....	302,595	302,490	-105	-328,901	-328,068	833	-12,902	-13,336	-434	-39,208	-38,914	294	103,371	103,371	.....
2000: IV.....	301,808	301,310	-498	-332,743	-331,242	1,501	-9,900	-10,868	-968	-40,835	-40,800	35	3,281	6,232	2,951
2001: I.....	298,310	297,869	-441	-337,467	-336,183	1,284	-10,134	-11,171	-1,037	-49,291	-49,485	-194	15,106	17,927	2,821
2001: II.....	291,511	292,139	628	-338,013	-337,144	869	-10,775	-11,954	-1,179	-57,277	-56,959	318	15,665	18,943	3,278
2001: III.....	300,414	299,886	-528	-343,142	-342,895	247	-13,699	-14,441	-742	-56,427	-57,450	-1,023	29,755	32,636	2,881
2001: IV.....	297,111	299,118	2,007	-345,676	-347,512	-1,836	-11,107	-10,899	208	-59,672	-59,293	379	35,328	24,993	-10,335
2002: I.....	303,765	306,214	2,449	-362,299	-364,498	-2,199	-11,614	-11,316	298	-70,148	-69,600	548	72,003	67,218	-4,785
2002: II.....	316,533	318,820	2,287	-385,035	-386,995	-1,960	-11,641	-11,092	549	-80,143	-79,267	876	39,590	31,632	-7,958
2002: III.....	330,273	331,524	1,251	-398,776	-400,756	-1,980	-14,393	-13,449	944	-82,896	-82,681	215	117,992	112,727	-5,265
2002: IV.....	340,178	340,457	279	-422,527	-423,355	-828	-11,749	-12,123	-374	-94,098	-95,021	-923	11,835	29,845	18,010
2003: I.....	355,468	354,103	-1,365	-441,206	-440,583	623	-12,349	-12,646	-297	-98,087	-99,126	-1,039	135,317	134,435	-882
2003: II.....	360,827	359,157	-1,670	-455,079	-454,244	835	-12,925	-13,480	-555	-107,177	-108,567	-1,390	151,904	154,469	2,565
2003: III.....	360,765	363,198	2,433	-455,329	-454,517	812	-16,418	-17,435	-1,017	-110,982	-108,754	2,228	110,440	137,592	27,152
2003: IV.....	349,040	348,355	-685	-445,154	-440,865	4,289	-11,608	-11,494	114	-107,722	-104,004	3,718	86,695	121,699	35,004
2004: I.....	331,612	331,765	153	-418,930	-420,408	-1,478	-11,916	-11,321	595	-99,234	-99,964	-730	101,574	121,258	19,684
2004: II.....	309,477	309,601	124	-388,448	-401,981	-13,533	-12,360	-11,256	1,104	-91,331	-103,636	-12,305	42,867	61,437	18,570
2004: III.....	291,667	295,222	3,555	-373,174	-368,820	4,354	-13,579	-12,542	1,037	-95,086	-86,140	8,946	150,709	111,198	-39,511
2004: IV.....	291,005	297,074	6,069	-387,616	-387,864	-248	-15,931	-15,938	-7	-112,542	-106,728	5,814	87,416	111,586	24,170
2005: I.....	304,923	307,616	2,693	-419,693	-416,962	2,731	-12,927	-13,481	-554	-127,697	-122,827	4,870	73,066	92,675	19,609
2005: II.....	312,392	313,939	1,547	-425,656	-422,666	2,990	-13,073	-13,997	-924	-126,337	-122,724	3,613	169,591	171,190	1,599
2005: III.....	308,183	311,015	2,832	-430,949	-424,165	6,784	-14,088	-15,436	-1,348	-136,854	-128,586	8,268	144,115	152,546	8,431

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

[Millions of dollars]

(Credits +; debits -) ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Current account											
Royalties and license fees receipts (line 9):											
Revised.....								39,670	43,233	41,098	44,142
Changes due to 1999 U.S. direct investment benchmark survey.....								2,768	(⁽²⁾)	(⁽²⁾)	(⁽²⁾)
Revisions due to updated source data.....								(⁽³⁾)	3,626	2,430	1,183
Previously published.....								36,902	39,607	38,668	42,959
Other private services receipts (line 10):											
Revised.....	49,864	53,023	60,209	64,386	72,615	83,349	91,158	103,523	107,361	116,139	122,594
Changes due to 1999 U.S. direct investment benchmark survey.....								4,245	(⁽²⁾)	(⁽²⁾)	(⁽²⁾)
Changes due to insurance services.....	-92	-509	-1,268	-708	-1,243	-1,107	-160	1,072	437	2,552	-288
Changes due to futures trading commissions.....									-230	-192	-243
Revisions due to updated source data.....								48	2,447	5,670	5,785
Previously published.....	49,956	53,532	61,477	65,094	73,858	84,456	91,318	98,158	104,707	108,109	117,340
Direct investment income receipts (line 14):											
Revised.....								131,626	151,839	124,333	142,933
Changes due to 1999 U.S. direct investment benchmark survey.....								3,170	(⁽²⁾)	(⁽²⁾)	(⁽²⁾)
Revisions due to updated source data.....								(⁽³⁾)	2,162	-1,663	14,865
Previously published.....								128,456	149,677	125,996	128,068
Other private income receipts (line 15):											
Revised.....							148,647	152,627	188,243	146,378	106,143
Previously published.....							149,868	156,673	197,133	151,832	110,766
Interest on foreign bonds:											
Revised.....							34,986	36,026	35,708	29,302	24,552
Changes due to 2001 Treasury outward benchmark survey.....							-4,260	-4,295	-6,929	-10,603	-13,345
Revisions due to updated source data.....										1	11
Previously published.....							39,246	40,321	42,637	39,904	37,886
Dividends on foreign stocks:											
Revised.....							26,507	29,950	33,295	33,970	37,849
Changes due to 2001 Treasury outward benchmark survey.....							3,040	-655	-2,452	8,788	11,813
Revisions due to updated source data.....									-1	5	42
Previously published.....							23,467	30,605	35,748	25,177	25,994
Other:											
Revised.....								86,651	119,240	83,106	43,742
Changes due to improvements in bank income.....										-1,682	-1,604
Changes due to improvements in nonbank income.....										-1,905	-1,238
Revisions due to updated bank and nonbank source data.....								904	492	-58	-302
Previously published.....								85,747	118,748	86,751	46,886
Compensation of employees receipts (line 17):											
Revised.....	1,796	1,820	1,943	2,179	2,181	2,270	2,437	2,748	2,933	3,090	3,163
Changes due to earnings of U.S. residents temporarily working abroad.....	371	389	408	427	447	474	508	540	583	598	611
Revisions due to updated source data.....		-3	-8	-9	-22	-6	-5	-2	9	110	89
Previously published.....	1,425	1,434	1,543	1,761	1,756	1,802	1,934	2,210	2,341	2,382	2,463
Royalties and license fees payments (line 26):											
Revised.....								-13,107	-16,468	-16,713	-19,258
Changes due to 1999 U.S. direct investment benchmark survey.....								-498	(⁽²⁾)	(⁽²⁾)	(⁽²⁾)
Revisions due to updated source data.....								(⁽³⁾)	-353	-354	641
Previously published.....								-12,609	-16,115	-16,359	-19,899
Other private services payments (line 27):											
Revised.....	-23,931	-26,129	-29,629	-33,222	-37,758	-41,657	-45,513	-53,007	-57,793	-63,387	-69,436
Changes due to 1999 U.S. direct investment benchmark survey.....								-2,529	(⁽²⁾)	(⁽²⁾)	(⁽²⁾)
Changes due to insurance services.....	-1,561	209	824	2,088	285	1,890	3,942	-3,682	526	-7,287	727
Changes due to expenditures of U.S. residents temporarily working abroad.....	-148	-156	-163	-171	-179	-189	-203	-216	-233	-239	-244
Revisions due to updated source data.....	74	79	96	110	111	124	136	-267	-2,833	-1,273	9,460
Previously published.....	-22,296	-26,261	-30,386	-35,249	-37,975	-43,482	-49,388	-46,313	-55,253	-54,588	-79,379
Other private income payments (line 32):											
Revised.....								-137,149	-179,854	-160,042	-127,735
Changes due to improvements in bank income.....										-3,012	-2,846
Changes due to improvements in nonbank income.....										1,199	-518
Revisions due to updated source data.....								-694	-637	-1,445	171
Previously published.....								-136,455	-179,217	-156,784	-124,542
Private remittances and other transfers (line 38):											
Revised.....	-12,791	-15,973	-18,049	-20,547	-18,995	-24,629	-30,860	-28,575	-34,260	-29,300	-36,631
Changes due to emigrants' remittances.....	204	218	234	249	263	286	302	327	353	375	393
Changes due to insurance transactions.....	1,655	306	443	-1,380	956	-784	-3,783	2,612	-961	4,736	-440
Revisions due to updated source data.....								-445	-936	-1,736	-2,606
Previously published.....	-14,650	-16,497	-18,726	-19,416	-20,214	-24,131	-26,934	-30,577	-31,916	-32,037	-33,978
Capital account											
Capital account transactions, net (line 39):											
Revised.....	-557	-1,299	-1,723	-927	-654	-1,044	-740	-4,843	-799	-1,062	-1,285
Changes due to emigrants' transfers.....	-1,279	-1,323	-1,369	-1,416	-1,466	-1,516	-1,568	-1,627	-1,745	-2,006	-2,123
Changes due to immigrants' transfers.....	110	112	115	117	119	122	124	127	131	135	136
Revisions due to updated source data.....								-3	-22	-17	-6
Previously published.....	612	-88	-469	372	693	350	704	-3,340	837	826	708
Financial account											
U.S. direct investment abroad (line 51):											
Revised.....								-224,934	-159,212	-119,963	-137,836
Changes due to 1999 U.S. direct investment benchmark survey.....								-36,033	(⁽²⁾)	(⁽²⁾)	(⁽²⁾)
Revisions due to updated source data.....								(⁽³⁾)	19,082	7,877	-14,308
Previously published.....								-188,901	-178,294	-127,840	-123,528
Foreign Securities (line 52):											
Revised.....							-124,204	-116,236	-121,908	-84,637	15,801
Previously published.....							-136,135	-128,436	-127,502	-94,662	2,222
Foreign bonds:											
Revised.....							-22,842	-1,925	-15,194	24,465	33,478
Changes due to 2001 Treasury outward benchmark survey.....							12,200	12,200	8,650	12,200	12,200
Revisions due to updated source data.....							-191		14	117	453
Previously published.....							-34,851	-14,125	-23,858	12,148	20,825
Foreign stocks:											
Revised.....							-101,362	-114,311	-106,714	-109,102	-17,677
Changes due to 2001 Treasury outward benchmark survey.....									-3,150		
Revisions due to updated source data.....							-78		80	-2,292	926
Previously published.....							-101,284	-114,311	-103,644	-106,810	-18,603

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

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

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

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

Insurance

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

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

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

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

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

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

[Millions of dollars]

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

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

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

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

Regularly occurring losses and catastrophic losses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table A. Insurance Services

[Millions of dollars]

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

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

2. Currently published estimates of insurance services.

3. Previously published estimates of insurance services.

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

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

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

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

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

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

Securities, banking, and nonbanking transactions.

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

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

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

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

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

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

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

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

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

Included in the above position estimates are the re-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bank and nonbank income receipts and payments

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

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

Transactions that do not fit into the above catego-

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

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

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

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

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

Benchmark Survey of U.S. Direct Investment Abroad

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

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

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

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

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

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

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

Migrants' transfers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table B. Migrants' Transfers in 2002

[Millions of dollars]

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

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

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

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

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

In order to estimate native-born immigrants' transfers, data from U.S. Census Bureau studies on native-born emigration from the United States⁹ and U.S. household composition¹⁰ were multiplied by U.S. Census Bureau data on median household net worth and asset ownership.¹¹ Native-born immigrants' transfers are \$0.1 billion in 2002 (table B). These new estimates of wealth transfers by native-born immigrants to the United States augment estimates of wealth transfers of foreign-born immigrants already included in the capital account (table 1, line 39).

Emigrants' remittances

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

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

reau estimates of the annual flow of U.S. emigrants. The Social Security Administration provides annual data on the number of emigrants over 65 (retirees) living abroad by country of residence.¹² The number of emigrants under 65 is based on the State Department's estimate of the number of U.S. emigrants living abroad in 1984.¹³ From 1984 forward, this number is augmented by each year's emigrant outflow, as estimated by the Census Bureau; these flows are age and country specific.¹⁴ The State Department and Census data are divided into age groups and each group is advanced in age over time.

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

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

U.S. Residents' Earnings Abroad

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

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

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

14. Fernandez, 1995.

15. Davern and Fisher, 2001.

9. Fernandez, 1995.

10. Rawlings, 2001.

11. Davern and Fisher, 2001.

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

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

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

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

Commissions on U.S. futures trading

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

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

Acknowledgments

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

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

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

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

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

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

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

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

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

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

Ralph H. Kozlow prepared this note.

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

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

1. Computed from TIC quarterend position data.

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

[Millions of dollars]

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

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

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

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

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

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

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

[Millions of dollars]

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

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

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

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

U.S. International Transactions, First Quarter 2003

By Douglas B. Weinberg and Patricia E. Abaroa

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

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

In the financial account, net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—decreased to \$112.8 billion in the first quarter from \$152.5 billion in the fourth. Financial outflows for U.S.-owned assets abroad increased, and

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

The following are highlights for the first quarter of 2003:

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

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

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

Table A. Summary of U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

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

[†] Preliminary.

U.S. dollar in exchange markets

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

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

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

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

covery of Japanese exports.

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

Current Account

Goods and services

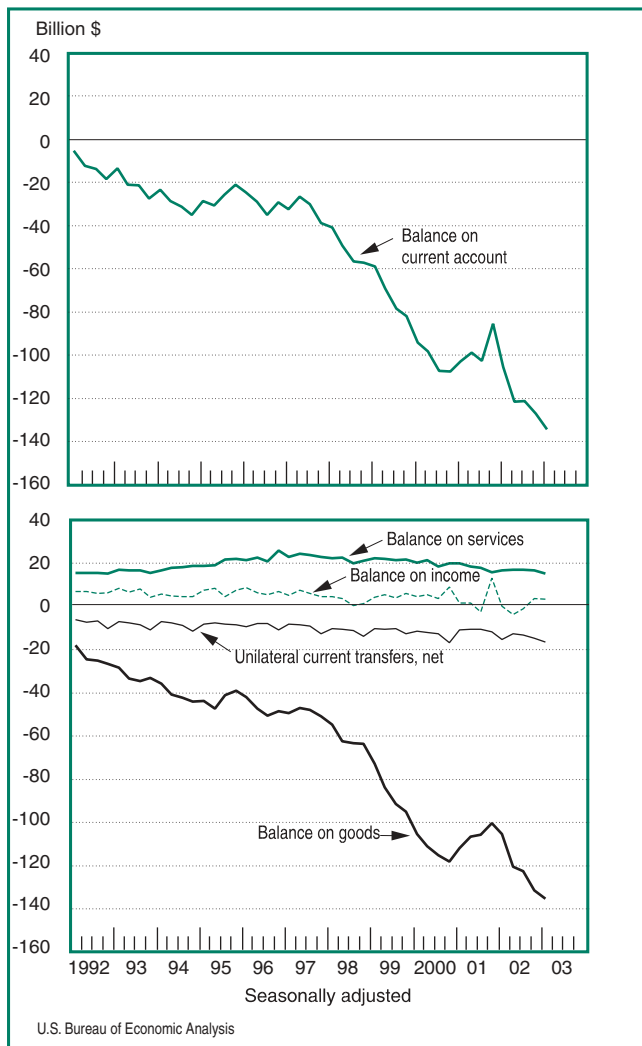
The deficit on goods and services increased to \$121.6 billion in the first quarter from \$116.1 billion in the fourth. The deficit on goods increased, and the surplus on services decreased.

Goods

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

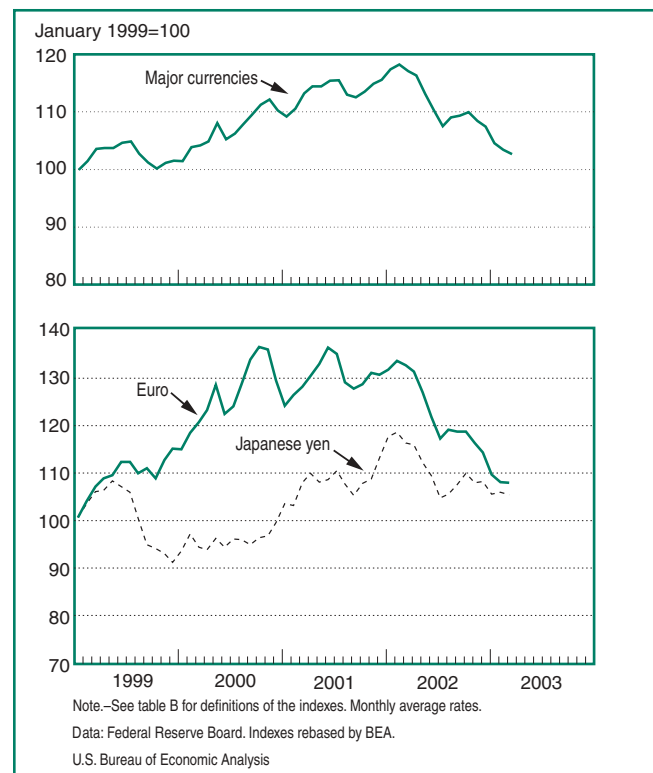
Exports. Goods exports increased \$2.4 billion, or 1 percent, to \$173.3 billion in the first quarter, following a decline in the fourth quarter. Real exports and export prices both increased less than 1 percent (table C).² In value, the largest increases in exports were to Western

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



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

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



Europe and to Canada.

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

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

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

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

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

[January 1999=100]

	2002				2003	2002										2003			
	I	II	III	IV	I	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Nominal: ¹																			
Broad ²	112.3	110.5	109.0	109.9	107.7	112.1	111.8	110.5	109.3	107.9	109.1	110.0	110.8	109.7	109.2	107.9	107.8	107.3	
Major currencies ³	117.7	113.3	108.7	108.7	103.6	117.2	116.4	113.2	110.3	107.6	109.1	109.4	110.0	108.5	107.5	104.6	103.5	102.7	
Other important trading partners ⁴	106.8	108.0	109.9	112.0	113.3	106.9	107.2	107.9	108.8	108.7	109.7	111.2	112.5	111.8	111.8	112.5	113.7	113.7	
Real: ¹																			
Broad ²	113.5	112.0	110.4	110.7	108.6	113.5	113.4	111.9	110.7	109.2	110.6	111.3	112.0	110.5	109.7	108.5	108.7	108.5	
Major currencies ³	121.6	117.1	112.5	112.2	107.5	121.3	120.5	117.0	113.9	111.2	112.9	113.3	113.8	112.1	110.8	108.2	107.5	106.8	
Other important trading partners ⁴	104.3	106.0	107.8	108.8	109.6	104.7	105.3	106.0	106.8	106.7	107.7	108.9	109.8	108.4	108.1	108.6	109.9	110.3	
Selected currencies: (nominal) ⁵																			
Canada.....	105.0	102.3	102.9	103.3	99.4	104.5	104.1	102.0	100.8	101.7	103.3	103.7	103.9	103.4	102.6	101.4	99.5	97.2	
European currencies:																			
Euro area ⁶	132.2	126.1	117.8	115.9	108.0	132.2	130.8	126.4	121.2	116.7	118.5	118.2	118.1	115.8	113.7	109.1	107.5	107.4	
United Kingdom.....	115.7	112.8	106.5	105.0	103.0	115.9	114.3	113.0	111.2	106.0	107.4	106.0	105.9	105.0	104.0	102.0	102.6	104.3	
Switzerland.....	121.3	115.1	107.4	105.8	98.6	120.8	119.4	114.7	111.1	106.2	108.1	107.8	107.8	105.8	103.9	99.3	98.2	98.3	
Japan.....	116.9	111.9	105.3	108.1	105.0	115.7	115.4	111.6	108.8	104.1	105.0	106.9	109.4	107.3	107.6	104.9	105.3	104.8	
Mexico.....	90.0	93.6	97.7	100.5	106.9	89.5	90.5	93.9	96.4	96.6	97.1	99.4	99.7	100.7	101.0	104.9	108.1	107.7	
Brazil.....	157.6	165.6	207.3	242.9	231.2	155.1	153.6	163.7	179.5	194.5	205.6	221.9	251.1	237.6	239.9	227.3	237.8	228.6	

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

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

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

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

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

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

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

Table C. U.S. Trade in Goods, Current and Chained (1996) Dollars, and Percent Changes from Previous Period

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

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

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

^p Preliminary.

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

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

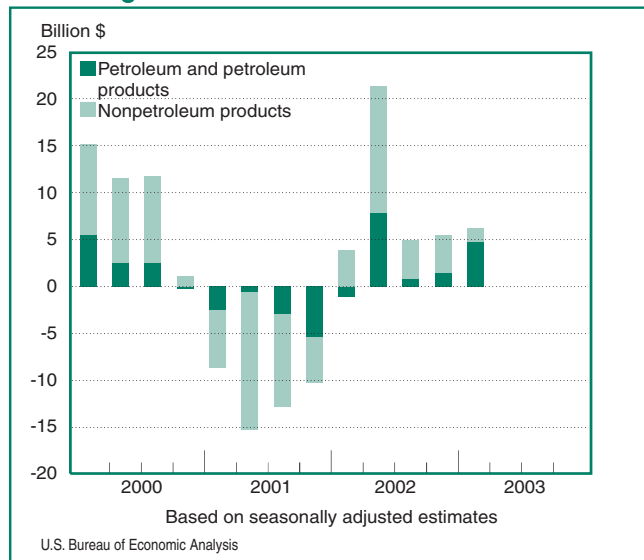
Imports. Goods imports increased \$6.2 billion, or 2 percent, to \$309.2 billion in the first quarter, the fifth consecutive quarterly increase. Real imports decreased 1 percent, and import prices increased 3 percent. The rise in import prices was largely a result of higher prices for energy products.

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

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

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

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



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

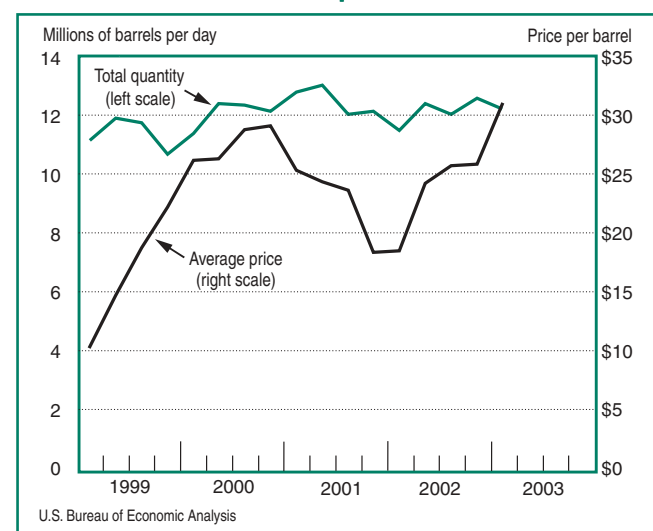
Automotive vehicles, engines, and parts decreased \$1.3 billion, or 2 percent, after four quarters of growth. Passenger cars from Japan and Germany more than accounted for the decrease. Trucks, buses, and special purpose vehicles also decreased, mostly from Canada and Mexico. Final sales of motor vehicles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

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

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

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

Chart 4. U.S. Petroleum Imports and Price



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

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

Services

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

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

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

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

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

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

Income

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

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

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

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

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

Revisions to the Estimates

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

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

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

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

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

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

Unilateral current transfers

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

Capital Account

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

Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$112.8 billion in the first quarter, down from \$152.5 billion in the fourth. Financial outflows for U.S.-owned assets abroad increased, and financial inflows for foreign-owned assets in the United States decreased.

U.S.-owned assets abroad

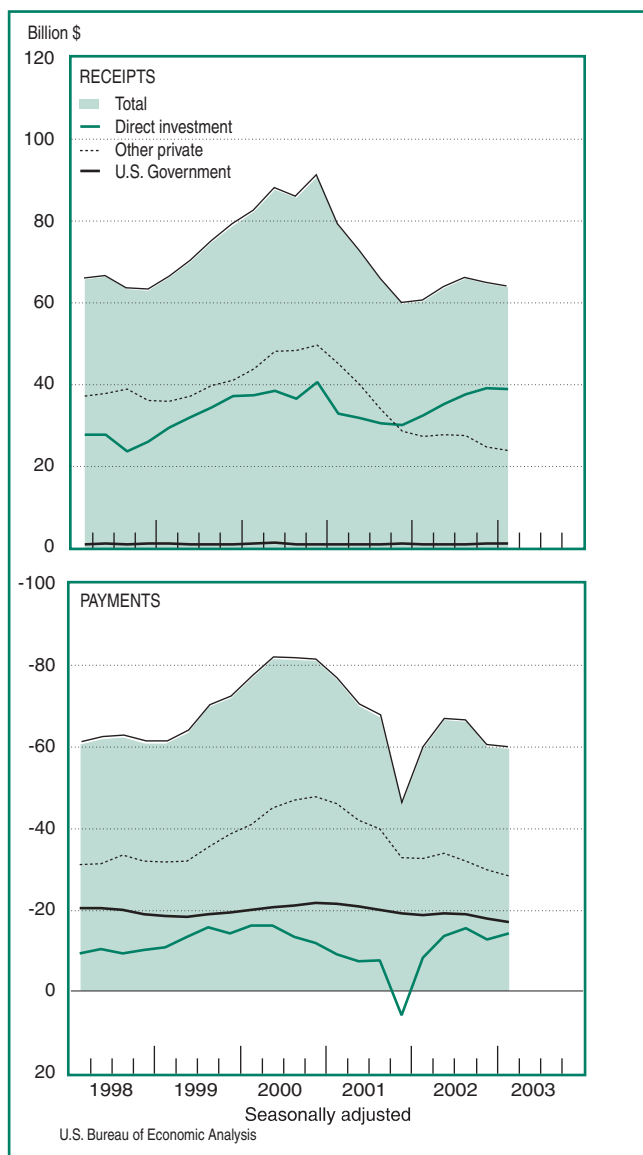
Net U.S.-owned assets abroad increased \$75.9 billion in the first quarter, following an increase of \$44.9 billion in the fourth. The acceleration was more than accounted for by a step-up in net U.S. purchases of foreign securities and by a larger increase in U.S. claims on foreigners reported by banks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

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

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

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

Chart 5. Investment Income



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

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

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

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

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

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

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

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

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

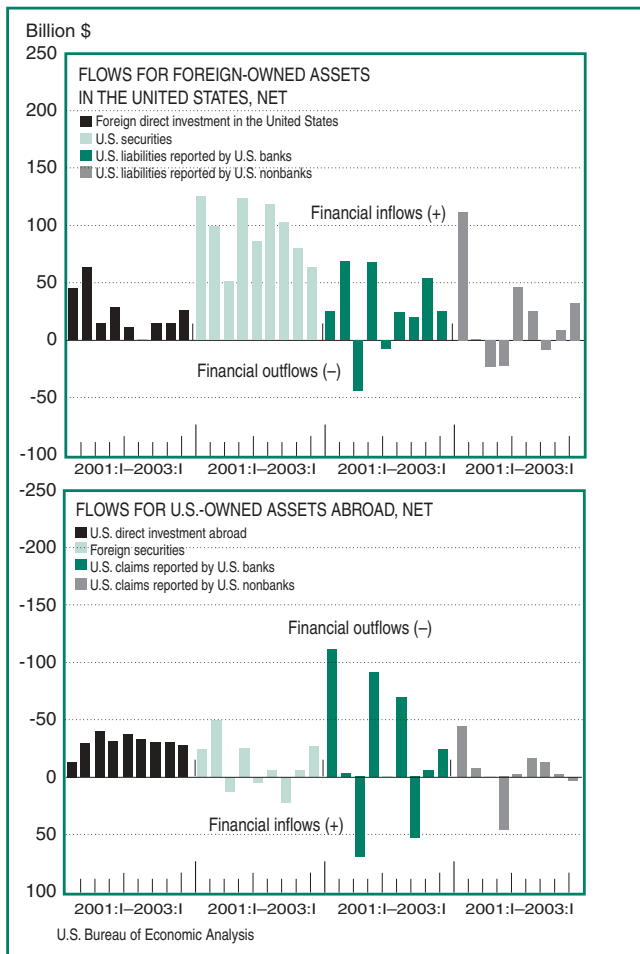
Foreign-owned assets in the United States

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

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

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

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



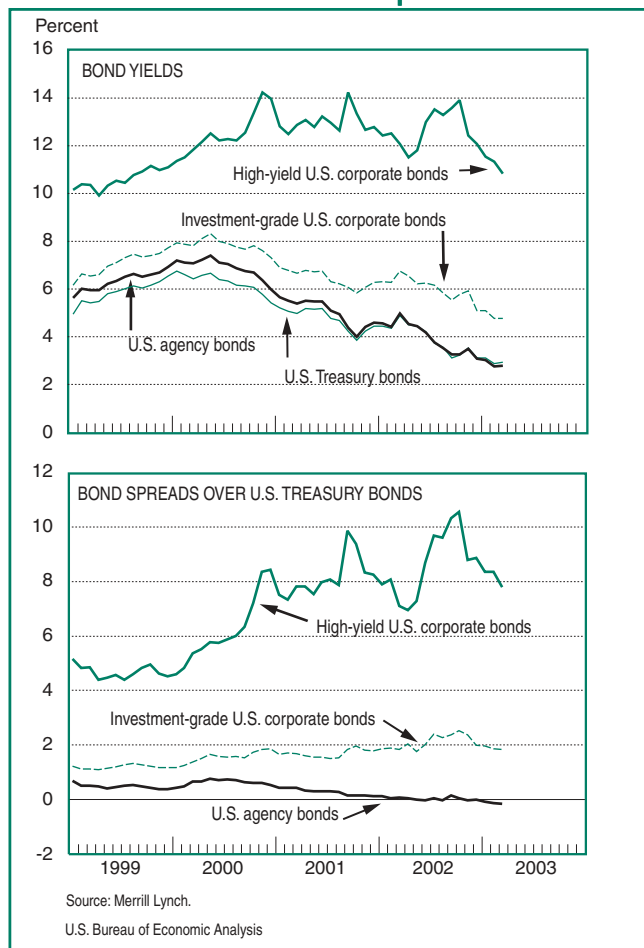
rities, increased \$25.0 billion in the first quarter, following an increase of \$54.2 billion in the fourth (chart 6).⁷

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

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

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

Chart 7. U.S. Bond Yields and Spreads



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

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

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

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

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

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

Data Availability

Interactive access to the estimates that are presented in tables 1–12 of the U.S. international transactions accounts is available on BEA's Web site at <www.bea.gov>. You may view the most recent quarterly estimates (annual estimates for table 12) for an entire table with a single mouse click, or you may select the period, frequency, and line(s) that you wish to view. The estimates are available as an HTML table or as comma-separated values that can be downloaded and imported into a spreadsheet or database.

The current and historical estimates in tables 1–12 are also available as compressed files on BEA's Web site; click on "Catalog of Products," and look under "International Accounts Products," "Balance of Payments."

The estimates are also available on diskettes. For more information, call BEA's Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

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

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

Tables 1 through 12 follow.

New and Revised Tables

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

Table 1. U.S. International

[Millions]

Line	(Credits +; debits -) ¹	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Current account															
1	Exports of goods and services and income receipts	72,384	81,986	113,050	148,484	157,936	172,090	184,655	220,516	287,965	344,440	380,928	366,983	356,106	399,913
2	Exports of goods and services	59,677	67,222	91,242	120,897	132,585	142,716	152,301	178,428	224,131	271,834	294,398	275,236	266,106	291,094
3	Goods, balance of payments basis ²	43,319	49,381	71,410	98,306	107,088	114,745	120,816	142,075	184,439	224,250	237,044	211,157	201,799	219,926
4	Services ³	16,358	17,841	19,832	22,591	25,497	27,971	31,485	36,353	39,692	47,584	57,354	64,079	64,307	71,168
5	Transfers under U.S. military agency sales contracts ⁴	5,472	5,856	5,369	5,197	6,256	5,826	7,554	8,209	6,981	9,029	10,720	12,572	12,524	9,969
6	Travel	2,534	3,412	4,032	4,697	5,742	6,150	7,183	8,441	10,588	12,913	12,393	10,947	16,177	17,177
7	Passenger fares	615	699	975	1,104	1,039	1,229	1,366	1,603	2,156	2,591	3,111	3,174	3,610	4,067
8	Other transportation	3,299	3,579	4,465	5,697	5,840	6,747	7,090	8,136	9,971	11,618	12,560	12,317	12,590	13,809
9	Royalties and license fees ⁵	2,545	3,225	3,821	4,300	4,353	4,920	5,885	6,184	7,085	7,284	5,603	5,778	6,177	6,177
10	Other private services ⁵	1,546	1,764	1,985	2,321	2,920	3,584	3,848	4,717	5,439	6,276	10,250	17,444	18,192	19,255
11	U.S. Government miscellaneous services	347	357	401	419	446	489	557	620	520	398	517	576	666	714
12	Income receipts	12,707	14,765	21,808	27,587	25,351	29,375	32,354	42,088	63,834	72,606	86,529	91,747	90,000	108,819
13	Income receipts on U.S.-owned assets abroad	12,707	14,765	21,808	27,587	25,351	29,375	32,354	42,088	63,834	72,606	86,529	91,747	90,000	108,819
14	Direct investment receipts	9,160	10,949	16,542	19,157	16,595	18,999	19,673	25,458	38,183	37,146	32,549	16,269	31,750	35,325
15	Other private receipts	2,641	2,949	4,330	7,356	7,644	9,043	11,057	14,788	23,356	32,898	50,300	58,160	53,418	68,267
16	U.S. Government receipts	906	866	936	1,074	1,112	1,332	1,625	1,843	2,295	2,562	3,680	4,118	4,832	5,227
17	Compensation of employees														
18	Imports of goods and services and income payments	-66,414	-79,237	-98,997	-137,274	-132,745	-162,109	-193,764	-229,870	-281,657	-333,774	-364,196	-355,975	-377,488	-473,923
19	Imports of goods and services	-60,979	-72,665	-89,342	-125,190	-120,181	-148,798	-179,547	-208,191	-248,696	-291,241	-310,570	-299,391	-323,874	-400,166
20	Goods, balance of payments basis ²	-45,579	-55,797	-70,499	-103,811	-98,185	-124,228	-151,907	-176,002	-212,007	-249,750	-265,067	-247,642	-269,901	-332,418
21	Services ³	-15,400	-16,868	-18,843	-21,379	-21,996	-24,570	-32,189	-36,689	-41,491	-45,503	-51,749	-54,973	-67,748	-74,748
22	Direct defense expenditures	-4,819	-4,784	-4,629	-5,032	-4,795	-4,895	-5,823	-7,352	-8,294	-10,851	-11,564	-12,460	-13,087	-12,516
23	Travel	-4,373	-5,042	-5,526	-5,980	-6,417	-6,856	-7,451	-8,475	-9,413	-10,397	-11,479	-12,394	-13,149	-16,291
24	Passenger fares	-1,290	-1,596	-1,790	-2,095	-2,263	-2,568	-2,748	-2,896	-3,184	-3,607	-4,487	-4,772	-6,003	-5,735
25	Other transportation	-3,130	-3,520	-4,694	-5,942	-5,708	-6,852	-7,972	-9,124	-10,906	-11,790	-12,474	-11,710	-12,222	-14,843
26	Royalties and license fees ⁵	-241	-294	-385	-346	-472	-482	-504	-671	-831	-724	-650	-795	-943	-1,168
27	Other private services ⁵	-956	-1,043	-1,180	-1,262	-1,551	-2,006	-2,190	-2,573	-2,822	-2,909	-3,562	-4,159	-4,801	-9,040
28	U.S. Government miscellaneous services	-592	-589	-640	-722	-789	-911	-951	-1,099	-1,239	-1,214	-1,287	-1,460	-1,568	-1,534
29	Income payments	-5,435	-6,572	-9,655	-12,084	-12,564	-13,311	-14,217	-21,680	-32,961	-42,532	-53,626	-56,583	-53,614	-73,756
30	Income payments on foreign-owned assets in the United States	-5,435	-6,572	-9,655	-12,084	-12,564	-13,311	-14,217	-21,680	-32,961	-42,532	-53,626	-56,583	-53,614	-73,756
31	Direct investment payments	-1,164	-1,284	-1,610	-1,331	-2,234	-3,110	-2,834	-4,211	-6,357	-8,635	-6,898	-12,114	-14,120	-8,443
32	Other private payments	-2,428	-2,604	-4,209	-6,491	-5,788	-5,681	-5,841	-8,795	-15,481	-21,214	-29,415	-35,187	-30,501	-44,158
33	U.S. Government payments	-1,844	-2,684	-3,206	-4,262	-4,542	-4,520	-5,846	-8,674	-11,122	-12,684	-17,313	-19,282	-18,993	-21,155
34	Compensation of employees														
35	Unilateral current transfers, net	-7,402	-8,544	-6,913	-9,249	-7,075	-5,686	-5,226	-5,788	-6,593	-8,349	-11,702	-16,544	-17,310	-20,335
36	U.S. Government grants ⁴	-5,589	-6,665	-4,748	-7,293	-5,101	-3,519	-2,990	-3,412	-4,015	-5,486	-5,145	-6,087	-6,469	-8,696
37	U.S. Government pensions and other transfers	-696	-770	-915	-939	-1,068	-1,250	-1,378	-1,532	-1,658	-1,818	-2,041	-2,251	-2,207	-2,159
38	Private remittances and other transfers ⁶	-1,117	-1,109	-1,250	-1,017	-906	-917	-859	-844	-920	-1,044	-1,173	-1,207	-8,635	-9,479
Capital and financial account															
Capital account															
39	Capital account transactions, net												199	209	235
Financial account															
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-11,758	-13,787	-22,874	-34,745	-39,703	-51,269	-34,785	-61,130	-64,915	-85,815	-113,054	-127,882	-66,373	-40,376
41	U.S. official reserve assets, net	3,066	706	158	-1,467	-849	-2,558	-375	732	6	-7,003	-4,082	-4,965	-1,196	-3,131
42	Gold ⁷	866	547					-118	-65	-65					
43	Special drawing rights	468	7	9	-172	-66	-78	3	1,249	3	1,136	-730	-1,371	-66	-979
44	Reserve position in the International Monetary Fund	1,350	153	-33	-1,265	-466	-2,212	-294	4,231	-189	-1,667	-2,491	-2,552	-4,434	-995
45	Foreign currencies	382	-1	182	-30	-317	-268	158	-4,883	257	-6,472	-861	-1,041	3,304	-1,156
46	U.S. Government assets, other than official reserve assets, net	-1,884	-1,568	-2,644	366	-3,474	-4,214	-3,693	-4,660	-3,746	-5,162	-5,097	-6,131	-5,006	-5,489
47	U.S. credits and other long-term assets	-4,181	-3,819	-4,638	-5,001	-5,941	-6,943	-6,445	-7,470	-7,697	-9,860	-9,674	-10,063	-9,967	-9,599
48	Repayments on U.S. credits and other long-term assets ⁸	2,115	2,086	2,596	14,826	2,475	2,596	2,719	2,941	3,926	4,456	4,413	4,292	5,012	4,490
49	U.S. foreign currency holdings and U.S. short-term assets, net	182	165	-602	14,541	-9	133	33	-131	25	242	164	-360	-51	-379
50	U.S. private assets, net	-12,940	-12,925	-20,388	-33,643	-35,380	-44,498	-30,717	-57,202	-61,176	-73,651	-103,875	-116,786	-60,172	-31,757
51	Direct investment	-7,618	-7,747	-11,353	-9,052	-14,244	-11,949	-11,890	-16,056	-25,222	-19,222	-9,624	-4,556	-12,528	-16,407
52	Foreign securities	-1,113	-618	-671	-1,854	-6,247	-8,885	-5,460	-3,626	-4,726	-3,568	-5,699	-7,983	-6,762	-4,756
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-1,229	-1,054	-2,383	-3,221	-1,357	-2,296	-1,940	-3,853	-5,014	-4,023	-4,377	6,823	-10,954	533
54	U.S. claims reported by U.S. banks, not included elsewhere	-2,980	-3,506	-5,980	-19,516	-13,532	-21,368	-11,427	-33,667	-26,213	-46,838	-84,175	-111,070	-29,928	-11,127
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	22,970	21,461	18,388	35,341	17,170	38,018	53,219	67,036	40,852	62,612	86,232	96,589	88,694	117,752
56	Foreign official assets in the United States, net	26,879	10,475	6,026	10,546	7,027	17,693	36,816	33,678	-13,665	15,497	4,960	3,593	5,845	3,140
57	U.S. Government securities	26,570	8,470	641	4,172	5,563	9,892	32,538	24,221	-21,972	11,895	6,322	5,085	6,496	4,703
58	U.S. Treasury securities ⁹	26,578	8,213	59	3,270	4,658	9,319	30,230	23,555	-22,435	9,708	5,019	5,779	6,972	4,690
59	Other ¹⁰	-8	257	582	902	905	573	2,308	666	463	2,187	1,303	-694	-476	13
60	Other U.S. Government liabilities ¹¹	-510	182	936	301	1,517	4,627	1,400	2,476	-40	615	-338	605	602	739
61	U.S. liabilities reported by U.S. banks, not included elsewhere	819	1,638	4,126	5,818	-2,158	969	773	5,551	7,213	-159	-3,670	-1,747	545	555
62	Other foreign official assets ¹²		185	323	254	2,104	2,205	2,105	1,430	1,135	3,145	2,646	-350	-1,798	-2,857
63	Other foreign assets in the United States, net	-3,909	10,986	12,362	24,796	10,143	20,326	16,403	33,358	54,516	47,115	81,272	92,997	82,849	114,612
64	Direct investment	367	949	2,800	4,760	6,203	4,347	3,728	7,897	11,877	16,918	25,195	16,235	10,372	24,468
65	U.S. Treasury securities	-24	-39	-216	697	2,590	2,783	534	15,218	15,060	15,2				

Transactions

of dollars]

1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Line
387,612	407,098	457,053	567,862	648,290	706,975	727,557	748,881	776,921	868,460	1,005,645	1,077,148	1,194,899	1,191,206	1,255,671	1,416,915	1,284,942	1,229,649	1
289,070	310,033	348,869	431,149	487,003	535,233	578,344	616,455	642,376	702,622	793,725	850,877	933,873	932,558	965,473	1,070,054	1,007,580	974,107	2
215,915	223,344	250,208	320,230	359,916	387,401	414,083	439,631	456,943	502,859	575,204	612,113	678,366	670,416	683,965	771,994	718,712	681,874	3
73,155	86,689	98,661	110,919	127,087	147,832	164,261	176,824	185,433	199,763	218,521	238,764	255,507	262,142	281,508	298,060	288,868	292,233	4
8,718	8,549	11,106	9,284	8,564	9,932	11,135	12,387	13,471	12,787	14,643	16,446	16,675	17,405	15,928	13,790	12,539	11,943	5
17,762	20,385	23,563	29,434	36,205	43,007	48,385	54,742	57,875	58,417	63,395	69,809	73,426	71,325	74,801	82,400	71,893	66,547	6
4,411	5,582	7,003	8,976	10,657	12,298	13,854	15,854	16,618	16,997	18,909	20,422	20,868	20,098	19,785	20,687	17,926	17,046	7
14,674	16,154	17,027	19,311	20,526	22,042	22,631	21,531	21,958	23,754	26,081	26,074	27,006	25,604	26,916	29,803	28,442	29,166	8
6,678	8,113	10,174	12,139	13,818	16,634	17,819	20,841	21,695	26,712	30,289	32,470	33,228	35,626	39,670	43,233	41,098	44,142	9
20,035	18,207	29,263	31,111	36,729	40,251	47,748	49,864	53,023	60,209	64,386	72,615	83,349	91,158	103,523	107,361	116,139	122,594	10
878	595	526	664	587	668	690	841	883	887	818	928	955	926	885	786	831	795	11
98,542	97,064	108,184	136,713	161,287	171,742	149,214	132,427	134,545	165,838	211,920	226,271	261,026	258,648	290,198	346,861	277,362	255,542	12
98,542	96,156	107,190	135,718	160,270	170,570	147,924	130,631	132,725	163,895	209,741	224,090	258,756	256,211	287,450	343,928	274,272	252,379	13
35,410	36,938	46,288	58,445	61,981	65,973	58,718	57,538	67,246	77,344	95,260	102,505	115,323	103,963	131,626	151,839	124,333	142,933	14
57,633	52,806	55,592	70,571	92,638	94,072	81,186	65,977	60,353	82,423	109,768	116,994	139,874	148,647	152,627	188,243	146,378	106,143	15
5,499	6,413	5,311	6,703	5,651	10,525	8,019	7,115	5,126	4,128	4,713	4,591	3,559	3,601	3,197	3,846	3,561	3,303	16
	908	994	995	1,017	1,172	1,290	1,796	1,920	1,943	2,179	2,181	2,270	2,437	2,748	2,933	3,090	3,163	17
-483,769	-530,142	-594,443	-663,741	-721,607	-759,287	-734,563	-763,741	-821,729	-948,555	-1,075,674	-1,155,489	-1,281,291	-1,347,462	-1,499,762	-1,772,694	-1,632,072	-1,651,657	18
-410,950	-448,572	-500,552	-545,715	-580,144	-616,094	-609,479	-654,639	-711,542	-799,811	-888,794	-953,746	-1,040,920	-1,095,711	-1,226,674	-1,445,438	-1,365,399	-1,392,145	19
-338,088	-368,425	-409,765	-447,189	-477,665	-498,435	-491,020	-536,528	-589,394	-668,690	-749,374	-803,113	-876,485	-917,112	-1,029,987	-1,224,417	-1,145,927	-1,164,746	20
-72,862	-80,147	-90,787	-98,526	-102,479	-117,659	-118,459	-118,111	-122,148	-131,121	-139,420	-150,633	-164,435	-178,599	-196,687	-221,021	-219,472	-227,999	21
-13,108	-13,730	-14,950	-15,604	-15,313	-17,531	-16,409	-13,835	-12,086	-10,217	-10,043	-11,061	-11,707	-12,185	-13,335	-13,473	-14,975	-19,245	22
-24,558	-25,913	-29,310	-32,114	-33,416	-37,349	-35,322	-38,552	-40,713	-43,782	-44,916	-48,078	-52,051	-56,483	-58,963	-64,705	-60,200	-58,044	23
-6,444	-6,505	-7,283	-7,729	-8,249	-10,531	-10,012	-10,603	-11,410	-13,062	-14,663	-15,809	-18,138	-19,971	-21,315	-24,274	-22,633	-19,969	24
-15,643	-17,766	-19,010	-20,891	-22,172	-24,966	-24,975	-23,767	-24,524	-26,019	-27,034	-27,403	-28,959	-30,363	-34,139	-41,425	-38,682	-38,527	25
-1,170	-1,401	-1,857	-2,601	-2,528	-3,135	-4,035	-5,161	-5,032	-5,852	-6,919	-7,837	-8,353	-11,235	-13,107	-16,468	-16,713	-19,258	26
-10,203	-13,146	-16,485	-17,667	-18,930	-22,229	-25,590	-23,931	-26,129	-29,629	-33,222	-37,758	-41,657	-45,513	-53,007	-57,793	-63,387	-69,436	27
-1,735	-1,686	-1,893	-1,921	-1,871	-1,919	-2,116	-2,263	-2,255	-2,560	-2,623	-2,687	-2,762	-2,849	-2,821	-2,883	-2,882	-2,920	28
-72,819	-81,571	-93,891	-118,026	-141,463	-143,192	-125,084	-109,101	-110,255	-148,744	-186,880	-201,743	-240,371	-251,751	-273,088	-327,256	-266,673	-259,512	29
-72,819	-78,893	-91,553	-116,179	-139,177	-139,728	-121,058	-104,349	-105,123	-142,792	-180,617	-195,443	-233,705	-244,757	-265,133	-319,737	-258,571	-251,108	30
-6,945	-6,856	-7,676	-12,150	-7,045	-3,450	2,266	-2,189	-7,943	-22,150	-30,318	-33,093	-42,950	-38,418	-53,437	-56,910	-17,848	-49,458	31
-42,745	-47,412	-57,659	-72,314	-93,768	-95,508	-82,452	-63,079	-57,804	-76,450	-96,490	-97,079	-112,117	-127,052	-137,149	-179,854	-160,042	-127,735	32
-23,129	-24,625	-26,218	-31,715	-38,364	-40,770	-40,872	-39,081	-39,376	-44,192	-53,809	-65,271	-78,638	-79,287	-74,547	-82,973	-80,681	-73,915	33
	-2,678	-2,338	-1,847	-2,286	-3,464	-4,026	-4,752	-5,132	-5,952	-6,263	-6,300	-6,666	-6,994	-7,955	-7,519	-8,102	-8,404	34
-21,998	-24,132	-23,265	-25,274	-26,169	-26,654	10,752	-33,154	-37,113	-37,583	-35,188	-38,862	-41,292	-48,435	-46,755	-55,679	-46,615	-58,853	35
-11,268	-11,883	-10,309	-10,537	-10,860	-10,359	29,193	-16,320	-17,036	-14,978	-11,190	-15,401	-12,472	-13,270	-13,774	-16,714	-11,517	-17,097	36
-2,138	-2,372	-2,409	-2,709	-2,775	-3,224	-3,775	-4,043	-4,104	-4,556	-3,451	-4,466	-4,191	-4,305	-4,406	-4,705	-5,798	-5,125	37
-8,593	-9,877	-10,548	-12,028	-12,534	-13,070	-14,665	-12,791	-15,973	-18,049	-20,547	-18,995	-24,629	-30,860	-28,575	-34,260	-29,300	-36,631	38
315	304	365	493	336	-6,579	-4,479	-557	-1,299	-1,723	-927	-654	-1,044	-740	-4,843	-799	-1,062	-1,285	39
-44,752	-111,723	-79,296	-106,573	-175,383	-81,234	-64,388	-74,410	-200,552	-176,056	-352,376	-413,923	-487,599	-347,829	-503,640	-569,798	-349,939	-178,985	40
-3,858	312	9,149	-3,912	-25,293	-2,158	5,763	3,901	-1,379	5,346	-9,742	6,668	-1,010	-6,783	8,747	-290	-4,911	-3,681	41
-897	-246	-509	127	-535	-192	1,773	2,316	-537	-441	-808	370	-350	-147	10	-722	-630	-475	42
908	1,501	2,070	1,025	471	731	-367	-2,692	-44	494	-2,466	-1,280	-3,575	-5,119	5,484	2,308	-3,600	-2,632	43
-3,869	-942	7,588	-5,064	-25,229	-2,697	6,307	4,277	-797	5,293	-6,468	7,578	2,915	-1,517	3,253	-1,876	-681	-574	44
-2,821	-2,022	1,006	2,967	1,233	2,317	2,924	-1,667	-351	-390	-984	-989	68	-422	2,750	-941	-486	-32	46
-7,657	-9,084	-6,506	-7,680	-5,608	-8,410	-12,879	-7,408	-6,311	-5,383	-4,859	-5,025	-5,417	-4,678	-6,175	-5,182	-4,431	-5,611	47
4,719	6,089	7,625	10,370	6,725	10,856	16,776	5,807	6,270	5,088	4,125	3,930	5,438	4,111	9,559	4,265	3,873	5,684	48
117	973	-113	277	115	-130	-974	-66	-310	-95	-250	106	47	145	-634	-24	72	-105	49
-38,074	-110,014	-89,450	-105,628	-151,323	-81,393	-73,075	-76,644	-198,822	-181,012	-341,650	-419,602	-486,657	-340,624	-515,137	-568,567	-344,542	-175,272	50
-18,927	-23,995	-35,034	-22,528	-43,447	-37,183	-37,889	-48,266	-83,950	-80,167	-98,750	-91,885	-104,803	-142,644	-224,934	-159,212	-119,963	-137,836	51
-7,481	-4,271	-5,251	-7,980	-22,070	-28,765	-45,673	-49,166	-146,253	-60,309	-122,506	-149,829	-118,976	-124,204	-116,236	-121,908	-84,637	15,801	

Table 1. U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Not seasonally adjusted							
		1991				1992			
		I	II	III	IV	I	II	III	IV
Current account									
1	Exports of goods and services and income receipts	180,793	182,608	179,128	185,028	185,641	188,061	185,127	190,052
2	Exports of goods and services	138,434	145,535	144,126	150,248	151,690	153,659	153,174	157,931
3	Goods, balance of payments basis ²	101,408	105,772	99,438	107,465	108,897	110,683	105,587	114,464
4	Services ³	37,026	39,763	44,688	42,783	42,793	42,976	47,587	43,467
5	Transfers under U.S. military agency sales contracts ⁴	2,688	2,748	2,586	3,112	3,399	3,006	3,158	2,824
6	Travel	9,544	12,033	14,736	12,072	12,283	13,680	15,977	12,802
7	Passenger fares	3,094	3,818	5,034	3,908	3,834	4,034	4,944	3,806
8	Other transportation	5,382	5,559	5,806	5,884	5,276	5,343	5,420	5,492
9	Royalties and license fees ⁵	4,095	4,272	4,263	5,189	4,883	5,113	5,153	5,692
10	Other private services ⁵	12,024	11,189	12,049	12,487	¹⁶ 12,987	11,529	12,636	12,712
11	U.S. Government miscellaneous services	200	145	213	132	131	272	299	139
12	Income receipts	42,359	37,073	35,002	34,780	33,951	34,402	31,954	32,121
13	Income receipts on U.S.-owned assets abroad	42,041	36,754	34,677	34,452	33,521	33,964	31,498	31,649
14	Direct investment receipts	16,658	14,593	12,813	14,654	14,719	15,752	13,742	13,326
15	Other private receipts	22,679	20,486	19,821	18,200	17,083	16,678	15,771	16,445
16	U.S. Government receipts	2,704	1,675	2,043	1,597	1,719	1,534	1,984	1,878
17	Compensation of employees	318	319	325	328	430	438	456	472
18	Imports of goods and services and income payments	-177,773	-182,335	-187,770	-186,686	-177,244	-190,271	-198,092	-198,134
19	Imports of goods and services	-144,076	-150,126	-156,248	-159,029	-150,046	-161,629	-170,671	-172,293
20	Goods, balance of payments basis ²	-116,412	-119,837	-124,527	-130,244	-122,902	-131,734	-138,225	-143,667
21	Services ³	-27,664	-30,289	-31,721	-28,785	-27,144	-29,895	-32,446	-28,626
22	Direct defense expenditures	-5,169	-3,933	-3,597	-3,710	-3,714	-3,438	-3,309	-3,374
23	Travel	-6,770	-9,816	-10,862	-7,874	-7,772	-10,459	-11,787	-8,534
24	Passenger fares	-2,033	-2,641	-2,884	-2,455	-2,371	-2,716	-2,542	-2,542
25	Other transportation	-6,011	-6,181	-6,510	-6,273	-5,768	-5,715	-6,239	-6,045
26	Royalties and license fees ⁵	-882	-1,006	-1,080	-1,067	-1,359	-1,106	-1,520	-1,177
27	Other private services ⁵	-6,328	-6,224	-6,170	-6,869	¹⁶ -5,669	-5,845	-6,033	-6,384
28	U.S. Government miscellaneous services	-472	-489	-618	-537	-491	-616	-584	-572
29	Income payments	-33,697	-32,209	-31,522	-27,657	-27,198	-28,643	-27,421	-25,840
30	Income payments on foreign-owned assets in the United States	-32,813	-31,277	-30,484	-26,485	-26,092	-27,504	-26,200	-24,554
31	Direct investment payments	1,186	-123	-424	1,626	1,032	-1,530	-1,424	-268
32	Other private payments	-23,549	-20,934	-19,794	-18,175	-17,333	-16,152	-14,996	-14,598
33	U.S. Government payments	-10,450	-10,220	-10,266	-9,936	-9,791	-9,822	-9,780	-9,688
34	Compensation of employees	-884	-932	-1,038	-1,172	-1,106	-1,139	-1,221	-1,286
35	Unilateral current transfers, net	14,897	4,211	-2,721	-5,635	-6,874	-7,505	-7,342	-11,432
36	U.S. Government grants ⁴	19,445	8,285	1,730	-267	-3,040	-3,532	-3,161	-6,586
37	U.S. Government pensions and other transfers	-773	-680	-774	-1,548	-722	-1,008	-892	-1,421
38	Private remittances and other transfers ⁶	-3,775	-3,394	-3,677	-3,820	-3,112	-2,965	-3,289	-3,425
Capital and financial account									
Capital account									
39	Capital account transactions, net	-941	73	-3,786	175	-137	-175	-131	-114
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-11,679	-1,015	-17,536	-34,159	-12,459	-17,838	-15,015	-29,098
41	U.S. official reserve assets, net	-353	1,014	3,877	1,225	-1,057	1,464	1,952	1,542
42	Gold ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights	31	-190	6	-23	-172	-168	-173	2,829
44	Reserve position in the International Monetary Fund	-341	72	-114	17	111	1	-118	-2,685
45	Foreign currencies	-43	1,132	3,986	1,232	-996	1,631	2,243	1,398
46	U.S. Government assets, other than official reserve assets, net	619	-508	3,281	-469	-329	-372	-322	-644
47	U.S. credits and other long-term assets	-2,018	-1,061	-8,724	-1,077	-1,517	-1,247	-1,980	-2,664
48	Repayments on U.S. credits and other long-term assets ⁸	2,700	755	12,442	880	1,256	1,014	1,429	2,108
49	U.S. foreign currency holdings and U.S. short-term assets, net	-63	-202	-437	-272	-68	-139	229	-89
50	U.S. private assets, net	-11,945	-1,520	-24,694	-34,916	-11,074	-18,930	-16,645	-29,995
51	Direct investment	-15,497	-2,904	-11,016	-8,472	-21,657	-11,801	-6,672	-8,136
52	Foreign securities	-9,960	-12,021	-12,550	-11,142	-8,668	-8,196	-13,059	-19,243
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-40	7,902	3,341	-106	7,562	-6,620	-3,737	2,408
54	U.S. claims reported by U.S. banks, not included elsewhere	13,552	5,503	-4,469	-15,196	11,689	7,687	6,823	-5,024
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	8,118	13,274	33,793	55,624	30,776	50,768	36,118	53,001
56	Foreign official assets in the United States, net	5,569	-4,914	3,854	12,879	20,988	20,879	-7,524	6,133
57	U.S. Government securities	126	-3,764	6,095	13,690	15,380	12,950	593	-6,520
58	U.S. Treasury securities ⁹	155	-3,545	5,621	12,615	14,916	11,251	-319	-7,394
59	Other ¹⁰	-29	-219	474	1,075	464	1,699	912	874
60	Other U.S. Government liabilities ¹¹	769	253	771	-426	-73	518	607	1,138
61	U.S. liabilities reported by U.S. banks, not included elsewhere	3,908	-1,517	-3,107	-768	5,568	7,486	-7,724	11,241
62	Other foreign official assets ¹²	766	115	95	383	113	-75	-1,000	274
63	Other foreign assets in the United States, net	2,549	18,188	29,939	-42,745	9,787	29,888	43,642	46,868
64	Direct investment	3,847	13,975	-798	6,147	1,782	6,379	3,547	8,114
65	U.S. Treasury securities	4,739	13,461	-1,196	1,822	686	10,231	4,908	21,306
66	U.S. securities other than U.S. Treasury securities	5,023	14,872	10,310	4,939	4,569	10,467	2,531	12,476
67	U.S. currency	4,800	2,200	4,200	4,200	1,300	1,100	6,100	4,900
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-586	-2,549	4,761	-4,741	5,689	3,954	4,854	-924
69	U.S. liabilities reported by U.S. banks, not included elsewhere	-15,274	-23,771	12,661	30,378	-4,239	-2,243	21,702	996
70	Statistical discrepancy (sum of above items with sign reversed)	-13,415	-16,817	-1,109	-14,347	-19,702	-23,039	-665	-4,276
Memoranda:									
71	Balance on goods (lines 3 and 20)	-15,004	-14,065	-25,089	-22,779	-14,005	-21,051	-32,638	-29,203
72	Balance on services (lines 4 and 21)	9,362	9,475	12,967	13,998	15,649	13,082	15,140	14,841
73	Balance on goods and services (lines 2 and 19)	-5,642	-4,591	-12,122	-8,781	1,644	-7,969	-17,498	-14,362
74	Balance on income (lines 12 and 29)	8,663	4,864	3,481	7,123	6,753	5,759	4,533	6,281
75	Unilateral current transfers, net (line 35)	14,897	4,211	-2,721	-5,635	-6,874	-7,505	-7,342	-11,432
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	17,917	4,484	-11,362	-7,293	1,522	-9,715	-20,307	-19,513

See footnotes on pages 112-113.

Transactions—Continued
of dollars]

Not seasonally adjusted																Line
1993				1994				1995				1996				
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
189,778	193,980	191,856	201,308	202,599	212,845	220,297	232,719	241,038	249,989	253,476	261,142	262,889	266,329	264,195	283,735	1
156,738	160,928	158,192	166,518	165,750	173,505	177,625	185,742	189,432	196,283	201,198	206,812	207,345	211,497	207,862	224,173	2
112,161	115,764	108,267	120,751	118,792	124,955	123,800	135,312	138,769	144,742	141,105	150,588	151,603	154,006	145,526	160,978	3
44,577	45,164	49,925	45,767	46,958	48,550	53,825	50,430	50,663	51,541	60,093	56,224	55,742	57,491	62,336	63,195	4
3,690	3,419	3,625	2,736	2,860	3,244	3,714	2,969	3,407	3,502	4,041	3,693	3,610	3,902	4,341	4,593	5
12,710	14,410	17,156	13,599	12,818	14,644	17,208	13,747	13,157	14,887	19,475	15,876	14,950	17,462	19,386	18,011	6
3,800	3,989	4,966	3,773	3,870	4,147	5,025	3,955	4,227	4,349	5,653	4,680	4,675	4,914	5,639	5,194	7
5,392	5,499	5,447	5,620	5,387	5,856	6,099	6,412	6,180	6,549	6,576	6,776	6,147	6,480	6,482	6,965	8
4,994	5,400	5,260	6,040	6,310	6,550	6,497	7,355	6,999	7,280	7,662	8,348	7,682	7,682	8,013	9,093	9
13,787	12,161	13,245	13,830	15,462	13,959	15,056	15,732	16,491	14,816	16,424	16,655	18,353	16,858	18,249	19,155	10
204	286	225	168	251	150	226	260	202	158	262	196	325	193	226	184	11
33,040	33,051	33,664	34,790	36,849	39,340	42,672	46,977	51,606	53,706	52,278	54,330	55,544	54,832	56,333	59,562	12
32,605	32,605	33,202	34,313	36,384	38,865	42,179	46,467	51,063	53,162	51,731	53,785	55,000	54,288	55,786	59,016	13
16,174	16,930	16,628	17,513	17,944	18,460	19,668	21,272	22,893	24,805	22,881	24,681	25,367	24,891	24,721	27,526	14
15,040	14,575	15,124	15,614	17,301	19,605	21,437	24,080	26,855	27,225	27,677	28,011	28,264	28,487	29,646	30,597	15
1,390	1,100	1,450	1,186	1,139	800	1,074	1,115	1,315	1,132	1,173	1,093	1,369	910	1,419	893	16
435	446	462	477	465	475	493	510	543	544	547	545	544	544	547	546	17
-188,581	-204,916	-210,577	-217,723	-211,093	-231,813	-249,511	-256,138	-252,700	-271,795	-277,779	-273,320	-268,311	-286,919	-299,545	-300,804	18
-163,539	-177,537	-183,440	-187,027	-180,003	-196,469	-209,869	-213,470	-208,802	-225,530	-228,499	-225,963	-221,745	-237,525	-247,113	-247,363	19
-136,194	-146,396	-150,197	-156,607	-150,167	-162,978	-173,862	-181,683	-177,389	-189,998	-190,392	-191,595	-187,681	-199,437	-205,505	-210,490	20
-27,345	-31,141	-33,243	-30,420	-29,836	-33,491	-36,007	-31,787	-31,413	-35,532	-38,107	-34,368	-34,064	-38,088	-41,608	-36,873	21
-3,177	-3,194	-2,919	-2,797	-2,695	-2,669	-2,487	-2,366	-2,572	-2,447	-2,446	-2,446	-2,745	-2,691	-2,811	-2,814	22
-8,108	-10,749	-12,265	-9,591	-8,998	-11,848	-13,341	-9,595	-9,140	-12,208	-13,457	-10,111	-10,119	-12,611	-14,762	-10,586	23
-2,486	-2,894	-3,281	-2,749	-2,908	-3,401	-3,789	-2,964	-3,119	-3,883	-4,232	-3,429	-3,542	-4,158	-4,521	-3,588	24
-5,887	-6,151	-6,239	-6,247	-6,024	-6,390	-6,934	-6,671	-6,595	-6,743	-7,019	-6,677	-6,389	-6,955	-7,124	-6,935	25
-1,118	-1,219	-1,317	-1,378	-1,591	-1,259	-1,432	-1,570	-1,547	-1,567	-1,787	-2,018	-1,780	-1,741	-2,284	-2,032	26
-5,994	-6,378	-6,621	-7,136	-6,990	-7,286	-7,340	-8,008	-7,748	-8,504	-8,922	-8,504	-9,275	-8,831	-9,414	-10,238	27
-575	-556	-601	-523	-630	-638	-679	-613	-692	-636	-662	-633	-658	-657	-692	-680	28
-25,042	-27,379	-27,138	-30,696	-31,090	-35,344	-39,642	-42,668	-43,978	-46,265	-49,280	-47,357	-46,566	-49,394	-52,342	-53,441	29
-23,897	-26,163	-25,814	-29,249	-29,732	-33,905	-38,090	-41,065	-42,523	-44,759	-47,655	-45,680	-45,147	-47,891	-50,713	-51,692	30
288	-2,650	-1,974	-3,607	-3,514	-5,214	-6,725	-6,697	-6,626	-7,380	-9,339	-6,973	-6,892	-8,467	-9,150	-8,584	31
-14,483	-13,826	-13,878	-15,617	-16,032	-18,112	-20,225	-22,081	-23,822	-24,201	-24,323	-24,144	-23,318	-23,727	-24,768	-25,266	32
-9,702	-9,687	-9,962	-10,025	-10,186	-10,579	-11,140	-12,287	-12,075	-13,178	-13,993	-14,563	-14,937	-15,697	-16,795	-17,842	33
-1,145	-1,216	-1,324	-1,447	-1,358	-1,439	-1,552	-1,603	-1,455	-1,506	-1,625	-1,677	-1,419	-1,503	-1,629	-1,749	34
-7,665	-8,200	-8,981	-12,266	-7,818	-7,815	-9,165	-12,785	-8,968	-8,060	-8,745	-9,415	-10,275	-7,872	-8,792	-11,923	35
-3,007	-3,468	-4,097	-6,463	-2,488	-2,946	-3,323	-4,621	-2,964	-2,491	-3,037	-4,509	-2,780	-2,780	-5,546	-3,566	36
-598	-1,036	-813	-1,657	-845	-747	-1,257	-1,707	-713	-816	-910	-1,012	-1,010	-744	-1,229	-1,483	37
-4,060	-3,696	-4,071	-4,146	-4,485	-4,122	-4,585	-4,857	-5,291	-4,753	-5,137	-5,366	-4,756	-4,562	-4,783	-4,894	38
-758	-150	-232	-159	-158	-1,011	-396	-158	-175	-46	-637	-69	-177	-157	-172	-148	39
-22,486	-46,952	-53,991	-77,122	-42,259	-44,263	-32,927	-56,607	-67,309	-118,914	-48,010	-118,143	-83,909	-70,244	-93,349	-166,421	40
-983	822	-545	-673	-59	3,537	-165	2,033	-5,318	-2,722	-1,893	191	17	-523	7,489	-315	41
-140	-166	-118	-113	-101	-108	-111	-121	-867	-156	362	-147	-199	-133	848	-146	43
-228	313	-48	-80	-3	251	-78	-27	-526	-786	-891	-220	-163	-220	-183	-28	44
-615	675	-378	-480	45	3,394	-327	2,181	-3,925	-1,780	-1,264	501	1,065	-170	6,824	-141	45
487	-304	-194	-340	399	477	-243	-943	-553	-225	252	-458	-210	-568	105	-316	46
-945	-773	-1,668	-2,925	-757	-1,006	-1,372	-2,248	-1,622	-862	-1,028	-1,347	-1,076	-1,512	-1,192	-1,245	47
1,763	891	2,036	1,580	1,120	1,648	1,383	937	1,072	649	1,522	882	1,013	683	1,214	1,020	48
-331	-422	-562	1,005	36	-165	-334	368	-3	-12	-242	7	-147	261	83	-91	49
-21,990	-47,470	-53,253	-76,110	-42,599	-48,277	-32,439	-57,697	-61,438	-115,967	-46,369	-117,876	-83,716	-69,153	-100,943	-165,790	50
-15,977	-24,373	-14,171	-29,430	-31,073	-16,123	-19,258	-13,713	-21,684	-16,033	-23,023	-38,010	-26,732	-16,828	-24,803	-23,522	51
-28,208	-29,833	-51,940	-36,272	-19,540	-9,229	-12,405	-19,135	-8,775	-27,834	-41,564	-44,333	-44,043	-30,968	-33,273	-41,545	52
-6,130	-725	5,896	1,725	-2,215	-20,966	-960	-12,195	-2,631	-24,580	13,729	-31,804	-15,210	-22,000	-9,090	-40,033	53
28,325	7,461	6,962	-12,133	10,229	-1,959	184	-12,654	-28,348	-47,520	4,489	-3,729	2,269	643	-33,777	-60,690	54
24,852	59,450	86,155	111,584	89,869	57,101	82,848	76,171	97,430	122,459	117,462	101,211	84,870	101,919	145,448	218,859	55
10,937	17,466	19,073	24,277	10,568	9,455	19,358	202	21,956	37,072	39,302	11,550	51,771	13,503	23,020	38,430	56
1,745	6,750	20,443	24,076	1,074	8,282	18,697	8,774	11,258	26,560	21,116	13,778	55,839	-1,934	26,135	40,639	57
1,080	5,668	19,098	23,106	897	5,922	16,475	7,456	10,132	25,234	20,598	13,013	55,685	-3,378	24,908	38,456	58
665	1,082	1,345	970	177	2,360	2,222	1,318	1,126	1,326	518	765	154	1,444	1,227	2,183	59
-469	132	932	718	659	-5	284	626	-562	54	-504	907	-554	-65	147	-510	60
8,257	9,485	-2,486	-415	9,588	2,143	1,177	-9,243	10,995	7,510	18,918	-3,415	-3,303	14,217	-1,677	-3,533	61

Table 1. U.S. International
 [Millions]

Line	(Credits +; debits -) ¹	Seasonally adjusted							
		1991				1992			
		I	II	III	IV	I	II	III	IV
Current account									
1	Exports of goods and services and income receipts	181,195	180,564	181,692	184,112	185,909	186,380	187,709	188,880
2	Exports of goods and services	139,048	143,356	146,143	149,798	152,046	151,911	155,361	157,134
3	Goods, balance of payments basis ²	101,157	102,611	104,283	106,032	108,005	107,884	110,851	112,891
4	Services ³	37,891	40,745	41,860	43,766	44,041	44,027	44,510	44,243
5	Transfers under U.S. military agency sales contracts ⁴	2,689	2,748	2,586	3,112	3,399	3,005	3,158	2,824
6	Travel	10,529	12,064	12,533	13,260	13,619	13,716	13,562	13,845
7	Passenger fares	3,352	3,964	4,212	4,328	4,152	4,157	4,141	4,168
8	Other transportation	5,480	5,579	5,734	5,837	5,376	5,365	5,352	5,436
9	Royalties and license fees ⁵	4,348	4,366	4,436	4,668	5,153	5,203	5,295	5,192
10	Other private services ⁵	11,293	11,879	12,146	12,429	¹⁶ 12,211	12,309	12,703	12,639
11	U.S. Government miscellaneous services	200	145	213	132	131	272	299	139
12	Income receipts	42,147	37,208	35,549	34,314	33,863	34,469	32,348	31,746
13	Income receipts on U.S.-owned assets abroad	41,829	36,889	35,224	33,986	33,433	34,031	31,892	31,274
14	Direct investment receipts	16,541	14,552	13,459	14,169	14,714	15,548	14,263	13,013
15	Other private receipts	22,679	20,486	19,821	18,200	17,083	16,678	15,771	16,445
16	U.S. Government receipts	2,609	1,851	1,944	1,617	1,636	1,805	1,858	1,816
17	Compensation of employees	318	319	325	328	430	438	456	472
18	Imports of goods and services and income payments	-184,921	-182,176	-183,523	-183,948	-183,755	-190,447	-193,531	-196,005
19	Imports of goods and services	-150,881	-150,244	-152,371	-155,984	-156,133	-162,067	-166,541	-169,895
20	Goods, balance of payments basis ²	-121,080	-120,584	-123,171	-126,185	-126,756	-132,983	-136,718	-140,071
21	Services ³	-29,801	-29,660	-29,200	-29,799	-29,377	-29,084	-29,823	-29,824
22	Direct defense expenditures	-5,169	-3,933	-3,597	-3,710	-3,714	-3,438	-3,309	-3,374
23	Travel	-8,434	-9,065	-8,816	-9,007	-9,475	-9,575	-9,644	-9,858
24	Passenger fares	-2,298	-2,527	-2,516	-2,672	-2,626	-2,579	-2,629	-2,769
25	Other transportation	-6,122	-6,262	-6,352	-6,239	-5,902	-5,794	-6,074	-5,999
26	Royalties and license fees ⁵	-916	-1,033	-1,061	-1,025	-1,392	-1,137	-1,497	-1,134
27	Other private services ⁵	-6,390	-6,351	-6,240	-6,609	¹⁶ -5,777	-5,945	-6,086	-6,118
28	U.S. Government miscellaneous services	-472	-489	-618	-537	-491	-616	-584	-572
29	Income payments	-34,040	-31,932	-31,152	-27,964	-27,622	-28,380	-26,990	-26,110
30	Income payments on foreign-owned assets in the United States	-33,141	-30,951	-30,129	-26,838	-26,445	-27,194	-25,816	-24,894
31	Direct investment payments	858	203	-69	1,273	679	-1,220	-1,040	-608
32	Other private payments	-23,549	-20,934	-19,794	-18,175	-17,333	-16,152	-14,996	-14,598
33	U.S. Government payments	-10,450	-10,220	-10,266	-9,936	-9,791	-9,822	-9,780	-9,688
34	Compensation of employees	-899	-981	-1,023	-1,126	-1,177	-1,186	-1,174	-1,216
35	Unilateral current transfers, net	15,004	3,780	-2,812	-5,224	-6,847	-7,890	-7,457	-10,960
36	U.S. Government grants ⁴	19,444	8,285	1,730	-267	-3,040	-3,532	-3,161	-6,586
37	U.S. Government pensions and other transfers	-869	-877	-880	-1,150	-907	-1,197	-1,021	-919
38	Private remittances and other transfers ⁶	-3,571	-3,628	-3,662	-3,807	-2,900	-3,161	-3,275	-3,455
Capital and financial account									
Capital account									
39	Capital account transactions, net	-941	73	-3,786	175	-137	-175	-131	-114
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-10,570	745	-15,900	-38,664	-11,428	-16,235	-13,570	-33,177
41	U.S. official reserve assets, net	-353	1,014	3,877	1,225	-1,057	1,464	1,952	1,542
42	Gold ⁷								
43	Special drawing rights	31	-190	6	-23	-172	-168	-173	2,829
44	Reserve position in the International Monetary Fund	-341	72	-114	17	111	1	-118	-2,685
45	Foreign currencies	-43	1,132	3,986	1,232	-996	1,631	2,243	1,398
46	U.S. Government assets, other than official reserve assets, net	549	-423	3,256	-459	-259	-302	-392	-715
47	U.S. credits and other long-term assets	-2,018	-1,061	-8,724	-1,077	-1,517	-1,247	-1,980	-2,664
48	Repayments on U.S. credits and other long-term assets ⁸	2,630	840	12,417	890	1,326	1,084	1,359	2,038
49	U.S. foreign currency holdings and U.S. short-term assets, net	-63	-202	-437	-272	-68	-139	229	-89
50	U.S. private assets, net	-10,766	154	-23,034	-39,431	-10,112	-17,397	-15,130	-34,004
51	Direct investment	-14,318	-1,230	-9,356	-12,987	-20,695	-10,268	-5,157	-12,145
52	Foreign securities	-9,960	-12,021	-12,550	-11,142	-8,668	-8,196	-13,059	-19,243
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-40	7,902	3,341	-106	7,562	-6,620	-3,737	2,408
54	U.S. claims reported by U.S. banks, not included elsewhere	13,552	5,503	-4,469	-15,196	11,689	7,687	6,823	-5,024
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	8,347	12,678	33,236	56,549	31,079	50,304	35,469	53,809
56	Foreign official assets in the United States, net	4,914	3,854	12,879	20,988	20,879	20,879	-7,524	6,133
57	U.S. Government securities	126	-3,764	6,095	13,690	15,380	12,950	593	-6,520
58	U.S. Treasury securities ⁹	155	-3,545	5,621	12,615	14,916	11,251	-319	-7,394
59	Other ¹⁰	-29	-219	474	1,075	464	1,699	912	874
60	Other U.S. Government liabilities ¹¹	769	253	771	-426	-73	518	607	1,138
61	U.S. liabilities reported by U.S. banks, not included elsewhere	3,908	-1,517	-3,107	-768	5,568	7,486	-7,724	11,241
62	Other foreign official assets ¹²	766	115	95	383	113	-75	-1,000	274
63	Other foreign assets in the United States, net	2,778	17,591	29,382	43,670	10,091	29,425	42,993	47,676
64	Direct investment	4,076	13,378	-1,354	7,072	2,086	5,916	2,898	8,922
65	U.S. Treasury securities	4,739	13,461	-1,196	1,822	686	10,231	4,908	21,306
66	U.S. securities other than U.S. Treasury securities	5,023	14,872	10,310	4,939	4,569	10,467	2,531	12,476
67	U.S. currency	4,800	2,200	4,200	4,200	1,300	1,100	6,100	4,900
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-586	-2,549	4,761	-4,741	5,689	3,954	4,854	-924
69	U.S. liabilities reported by U.S. banks, not included elsewhere	-15,274	-23,771	12,661	30,378	-4,239	-2,243	21,702	996
70	Statistical discrepancy (sum of above items with sign reversed)	-8,114	-15,664	-8,907	-13,000	-14,821	-21,937	-8,489	-2,433
70a	Of which: Seasonal adjustment discrepancy	5,301	1,153	-7,798	1,347	4,881	1,102	-7,824	1,843
Memoranda:									
71	Balance on goods (lines 3 and 20)	-19,923	-17,973	-18,888	-20,153	-18,751	-25,099	-25,867	-27,180
72	Balance on services (lines 4 and 21)	8,090	11,085	12,660	13,967	14,664	14,943	14,687	14,419
73	Balance on goods and services (lines 2 and 19)	-11,833	-6,888	-6,228	-6,186	-4,087	-10,156	-11,180	-12,761
74	Balance on income (lines 12 and 29)	8,107	5,276	4,397	6,350	6,241	6,089	5,358	5,636
75	Unilateral current transfers, net (line 35)	15,004	3,780	-2,812	-5,224	-6,847	-7,890	-7,457	-10,960
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	11,278	2,168	-4,643	-5,060	-4,693	-11,957	-13,279	-18,085

Table 2. U.S. Trade

[Millions]

Line	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
A	Balance of payments adjustments to Census trade data:														
	EXPORTS														
1	Exports of goods, Census basis ¹ including reexports and including military grant shipments.....	362,999	392,967	421,851	448,171	464,858	512,626	584,741	625,075	689,182	682,138	695,797	781,918	729,100	693,103
2	Adjustments:														
3	Private gift parcel remittances.....	683	913	1,046	1,224	1,181	866	779	751	685	648	647	511	458	380
4	Gold exports, nonmonetary.....	544	740	225	398	.....	88	38	264	22	.....	27	.....	.....	.....
5	Inland U.S. freight to Canada.....	1,980	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6	U.S.-Canadian reconciliation adjustments, n.e.c., net ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7	Exports transferred under U.S. military agency sales contracts identified in Census documents ³	-6,109	-7,137	-7,943	-8,531	-7,830	-8,922	-9,278	-12,354	-10,494	-10,855	-10,658	-8,086	-7,935	-7,974
8	Other adjustments, net ⁴	-181	-82	-1,096	-1,631	-1,267	-1,799	-1,076	-1,623	-1,030	-1,515	-1,848	-2,349	-2,911	-3,635
8	Equals: Exports of goods, adjusted to balance of payments basis, excluding 'military' (table 1, line 3).....	359,916	387,401	414,083	439,631	456,943	502,859	575,204	612,113	678,366	670,416	683,965	771,994	718,712	681,874
	IMPORTS														
9	Imports of goods, Census basis ¹ (general imports).....	473,385	495,269	487,128	532,665	580,526	663,256	743,543	795,289	869,704	911,896	1,024,618	1,218,022	1,140,999	1,161,366
10	Adjustments:														
11	Electric energy.....	81	85	84	85	84	84	78	72	1	3	6	4	26	10
12	Gold imports, nonmonetary.....	2,134	1,348	949	1,887	6,775	2,752	3,066	4,948	3,536	2,907	2,727	3,214	2,221	400
13	Inland freight in Canada.....	2,120	2,263	2,525	2,809	2,768	3,129	3,358	3,597	3,705	3,572	3,654	3,930	3,609	3,782
14	U.S.-Canadian reconciliation adjustment, n.e.c., net ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15	Imports of U.S. military agencies identified in Census documents ³	-1,086	-1,050	-936	-871	-704	-546	-683	-751	-451	-1,218	-892	-744	-872	-671
16	Other adjustments, net ⁵	1,031	520	1,270	-46	-55	15	12	-43	-10	-48	-126	-9	-57	-142
16	Equals: Imports of goods, adjusted to balance of payments basis, excluding 'military' (table 1, line 20).....	477,665	498,435	491,020	536,528	589,394	668,690	749,374	803,113	876,485	917,112	1,029,987	1,224,417	1,145,927	1,164,746
B	Trade in goods, by area and country, adjusted to balance of payments basis, excluding military: ⁷														
	EXPORTS														
1	Total, all countries (A-8).....	359,916	387,401	414,083	439,631	456,943	502,859	575,204	612,113	678,366	670,416	683,965	771,994	718,712	681,874
2	Western Europe.....	98,052	110,478	115,856	114,638	111,284	115,418	132,505	136,902	152,410	159,320	162,728	178,731	171,420	153,377
3	European Union.....	84,303	95,604	100,581	100,679	95,205	100,672	121,728	124,825	138,489	146,297	149,040	162,520	155,788	140,366
4	Belgium and Luxembourg.....	8,394	10,303	10,625	9,871	9,293	11,017	12,823	12,681	13,993	14,410	13,264	14,212	13,846	13,623
5	France.....	11,509	13,428	15,123	14,433	13,109	13,499	14,117	14,374	15,859	17,510	16,518	20,199	19,716	18,869
6	Germany ⁸	16,347	18,201	20,557	20,510	18,465	18,745	21,914	22,884	23,811	26,171	26,359	28,921	29,363	26,024
7	Italy.....	7,115	7,871	8,491	8,619	6,362	7,030	8,753	8,687	8,916	8,922	9,878	10,951	9,716	9,810
8	Netherlands.....	11,240	12,819	13,368	13,522	12,760	13,464	16,388	16,566	19,817	18,878	19,342	21,715	19,328	18,108
9	United Kingdom.....	20,398	22,731	21,284	22,458	25,859	26,244	28,229	30,448	35,763	38,385	37,657	40,724	39,701	32,091
10	Other.....	9,300	10,251	11,133	11,266	9,357	10,673	19,504	19,185	20,330	22,021	24,022	25,798	24,118	21,841
11	Western Europe, excluding EU.....	13,749	14,874	15,275	13,959	16,079	14,746	10,777	12,077	13,921	13,023	13,688	16,211	15,632	13,011
12	Canada ²	79,888	83,359	85,678	91,103	100,702	114,650	127,388	134,288	151,899	156,735	166,713	178,877	163,259	160,895
13	Japan.....	43,996	48,005	47,327	46,961	47,020	52,433	63,619	66,476	64,384	56,477	56,072	63,473	55,879	49,664
14	Australia, New Zealand, and South Africa ⁹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15	Australia.....	8,107	8,232	8,092	8,622	8,073	9,564	10,491	11,748	11,744	11,604	11,539	12,187	10,597	12,760
16	Eastern Europe.....	5,363	4,188	4,719	5,223	6,181	5,324	5,717	7,286	7,887	7,441	5,568	5,925	6,804	6,367
17	Latin America and Other Western Hemisphere.....	48,793	54,288	63,257	75,419	78,448	92,203	96,218	109,308	135,248	142,195	141,494	170,269	158,973	147,944
18	Brazil.....	4,793	5,005	6,106	5,701	6,007	8,065	11,394	12,674	15,877	15,085	13,116	15,257	15,789	12,266
19	Mexico.....	24,663	28,093	33,104	40,409	41,484	50,635	46,173	56,715	71,218	78,623	86,758	111,172	101,181	97,282
20	Venezuela.....	2,991	3,071	4,640	5,415	4,574	4,020	4,641	4,693	6,569	6,483	5,313	5,509	5,600	3,966
21	Other.....	16,346	18,119	19,407	23,894	26,383	29,483	34,010	35,226	41,584	42,004	36,307	38,331	36,403	34,430
22	Other countries in Asia and Africa ⁷	75,544	78,293	88,764	97,577	105,012	113,178	139,266	146,103	154,794	136,568	139,851	162,531	151,780	150,867
23	Asia ⁷	67,629	70,240	80,101	88,047	96,166	104,308	129,255	135,185	143,826	125,550	129,563	152,002	140,062	140,823
24	Members of OPEC.....	8,226	7,773	10,820	12,452	11,853	10,457	11,329	12,778	15,600	14,979	11,910	10,517	11,903	11,800
25	China.....	5,776	4,784	6,259	7,389	8,691	9,223	11,748	11,935	12,823	14,196	13,047	16,141	19,108	22,038
26	Hong Kong.....	6,232	6,749	8,069	8,987	9,800	11,404	14,199	13,864	15,076	12,860	12,565	14,510	13,944	12,539
27	Korea, Republic of.....	13,190	13,943	14,955	14,116	14,286	17,253	24,178	25,913	24,260	15,648	22,256	27,150	21,203	21,755
28	Singapore.....	7,193	7,851	8,598	9,386	11,350	12,857	15,206	16,576	17,500	15,413	16,009	17,620	17,337	15,973
29	Taiwan.....	11,011	11,061	12,464	14,711	15,438	16,195	18,254	17,708	18,888	17,018	17,430	23,832	17,394	17,886
30	Africa ⁷	7,549	7,764	8,224	9,012	8,409	8,461	9,727	10,486	10,580	10,588	9,493	10,165	11,383	9,772
31	Members of OPEC.....	1,337	1,623	1,697	1,807	1,892	1,820	1,435	1,753	1,527	1,471	1,092	1,599	1,999	2,041
32	International organizations and unallocated.....	173	558	390	88	223	89	.....	2	.....	76	.....	1	.....	.....
	Memoranda:														
33	Industrial countries ⁷	232,799	252,924	260,059	265,048	270,511	295,724	338,476	354,276	385,401	389,619	401,525	438,291	406,149	381,001
34	Of which: Euro area ¹⁰.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35	Members of OPEC ⁷	13,189	13,141	18,105	20,666	18,319	16,297	17,405	19,224	23,696	22,933	18,315	17,625	19,502	17,807
36	Other countries ⁷	113,755	120,778	135,529	153,829	167,890	190,749	219,323	238,611	269,269	257,788	264,125	316,077	293,061	283,066

See footnotes on pages 112-113.

in Goods
of dollars]

Not seasonally adjusted									Seasonally adjusted									Line	
2001				2002				2003	2001				2002				2003		
I	II	III	IV	I	II	III	IV	I ^P	I	II	III	IV	I	II	III	IV	I ^P		
195,262	190,280	169,954	173,604	166,457	177,951	171,800	176,895	173,664	196,502	187,105	175,201	170,292	167,971	174,370	177,100	173,662	175,829	1	
128	110	108	112	87	102	95	96	96	128	110	108	112	87	102	95	96	96	2	
.....	3
.....	4
.....	5
-1,771	-2,080	-2,012	-2,072	-2,039	-1,867	-2,031	-2,037	-1,876	-1,771	-2,080	-2,012	-2,072	-2,039	-1,867	-2,031	-2,037	-1,876	6	
-714	-679	-770	-748	-720	-1,184	-850	-881	-798	-714	-679	-770	-748	-720	-1,184	-850	-881	-798	7	
192,905	187,631	167,280	170,896	163,785	175,002	169,014	174,073	171,086	194,145	184,457	172,526	167,584	165,298	171,421	174,315	170,840	173,251	8	
297,045	288,532	280,837	274,585	259,999	290,955	302,178	308,234	297,396	305,143	289,696	278,166	267,994	270,598	291,792	296,732	302,244	308,597	9	
8	14	4	.....	1	3	3	3	2	8	14	4	.....	1	3	3	3	2	10
1,012	1,198	5	6	6	150	151	93	97	1,012	1,198	5	6	6	150	151	93	97	11	
950	956	863	840	892	988	955	947	948	950	956	863	840	892	988	955	947	948	12	
.....	13
-226	-219	-195	-232	-141	-168	-179	-183	-250	-226	-219	-195	-232	-141	-168	-179	-183	-250	14	
-16	-19	4	-26	-25	-58	-36	-23	-49	-16	-19	4	-26	-25	-58	-36	-23	-49	15	
298,773	290,463	281,518	275,173	260,732	291,870	303,073	309,071	298,047	306,871	291,627	278,847	268,582	271,331	292,707	297,627	303,081	309,248	16	
192,905	187,631	167,280	170,896	163,785	175,002	169,014	174,073	171,086	194,145	184,457	172,526	167,584	165,298	171,421	174,315	170,840	173,251	1	
47,724	45,842	37,586	40,268	39,388	38,649	35,907	39,433	40,198	48,137	44,962	38,685	39,636	39,796	37,767	36,977	38,837	40,763	2	
42,898	40,703	35,124	37,063	36,132	35,137	32,946	36,151	36,891	43,286	39,889	36,125	36,488	36,551	34,311	33,904	35,600	37,429	3	
3,624	3,677	3,440	3,105	3,147	3,348	3,601	3,527	3,827	3,654	3,605	3,529	3,058	3,186	3,268	3,696	3,473	3,895	4	
5,610	5,016	4,209	4,881	5,190	4,646	4,010	5,023	4,368	5,664	4,912	4,320	4,820	5,268	4,531	4,125	4,945	4,426	5	
8,213	7,373	6,873	6,904	6,607	6,290	6,270	6,857	7,244	8,284	7,210	7,069	6,800	6,676	6,139	6,453	6,756	7,334	6	
2,754	2,399	2,119	2,444	2,350	2,462	2,282	2,716	2,467	2,779	2,354	2,188	2,395	2,372	2,406	2,357	2,675	2,516	7	
5,488	4,955	4,132	4,753	4,606	4,797	4,295	4,410	4,889	5,533	4,872	4,250	4,673	4,645	4,696	4,421	4,346	4,947	8	
10,338	11,301	9,268	8,794	8,238	8,318	7,758	7,777	8,454	10,443	11,061	9,532	8,665	8,354	8,110	7,969	7,658	8,581	9	
6,871	5,982	5,083	6,182	5,994	5,276	4,730	5,841	5,642	6,929	5,875	5,237	6,077	6,050	5,161	4,883	5,747	5,730	10	
4,826	5,139	2,462	3,205	3,256	3,512	2,961	3,282	3,307	4,851	5,073	2,560	3,148	3,245	3,456	3,073	3,237	3,334	11	
42,517	44,505	37,840	38,397	38,330	42,888	38,834	40,843	41,120	42,838	43,738	38,955	37,728	38,764	41,996	39,963	40,172	41,697	12	
16,030	14,489	12,876	12,484	12,199	12,323	12,965	12,177	12,179	16,051	14,341	13,351	12,136	12,229	12,154	13,442	11,839	12,262	13	
.....	14
2,698	2,640	2,574	2,685	2,833	3,228	3,368	3,331	2,765	2,720	2,581	2,647	2,649	2,859	3,134	3,479	3,288	2,816	15	
1,679	1,842	1,595	1,688	1,525	1,642	1,573	1,627	1,511	1,680	1,834	1,658	1,632	1,540	1,613	1,629	1,585	1,519	16	
41,167	40,440	38,780	38,586	34,638	37,421	37,544	38,341	35,022	41,456	39,745	39,965	37,807	35,034	36,646	38,699	37,565	35,538	17	
3,828	4,270	4,134	3,557	3,074	3,028	3,139	3,025	2,525	3,857	4,171	4,249	3,512	3,116	2,951	3,223	2,976	2,566	18	
26,642	25,263	24,366	24,910	22,520	24,832	24,777	25,153	22,638	26,855	24,835	25,091	24,400	22,808	24,311	25,524	24,639	22,996	19	
1,369	1,464	1,401	1,366	1,101	927	1,019	919	480	1,376	1,439	1,446	1,339	1,120	900	1,053	893	485	20	
9,328	9,443	8,879	8,753	7,943	8,634	8,609	9,244	9,379	9,368	9,300	9,179	8,556	7,990	8,484	8,899	9,057	9,491	21	
41,090	37,873	36,029	36,788	34,872	38,851	38,823	38,321	38,291	41,263	37,256	37,265	35,996	35,076	38,111	40,126	37,554	38,656	22	
38,189	34,883	33,222	33,768	32,257	36,290	36,424	35,852	36,096	38,340	34,307	34,331	33,084	32,456	35,577	37,632	35,158	36,451	23	
3,322	2,915	2,791	2,875	2,337	3,012	3,378	3,073	3,039	3,284	2,893	2,913	2,813	2,343	2,959	3,495	3,003	3,053	24	
4,313	4,771	4,823	5,201	4,702	5,499	5,689	6,148	6,467	4,305	4,702	4,974	5,127	4,751	5,386	5,876	6,025	6,479	25	
3,572	3,701	3,503	3,168	2,930	3,221	3,250	3,138	3,047	3,579	3,641	3,618	3,106	2,947	3,156	3,353	3,083	3,078	26	
6,095	4,846	5,297	4,965	4,929	5,691	5,603	5,532	5,899	6,123	4,761	5,474	4,845	4,955	5,591	5,794	5,415	5,966	27	
4,575	4,166	4,228	4,368	4,102	4,027	4,002	3,842	3,980	4,618	4,071	4,351	4,297	4,137	3,932	4,117	3,787	4,038	28	
5,086	4,341	4,131	3,836	3,812	4,693	5,128	4,253	3,757	5,125	4,271	4,271	3,727	3,820	4,596	5,319	4,151	3,803	29	
2,825	2,925	2,688	2,945	2,549	2,483	2,339	2,401	2,135	2,848	2,883	2,812	2,840	2,554	2,458	2,430	2,330	2,145	30	
603	498	460	438	466	649	426	500	301	610	491	479	419	467	643	447	484	300	31	
.....	32
110,372	108,918	91,943	94,916	93,723	98,148	92,269	96,861	97,218	111,145	107,040	94,741	93,223	94,627	96,086	95,091	95,197	98,508	33	
30,941	28,153	24,763	27,192	26,649	25,705	24,087	27,309	27,248	31,216	27,601	25,468	26,764	26,941	25,113	24,802	26,894	27,648	34	
5,294	4,877	4,652	4,679	3,904	4,588	4,823	4,492	3,820	5,270	4,823	4,838	4,571	3,930	4,502	4,995	4,380	3,838	35	
77,239	73,836	70,685	71,301	66,158	72,266	71,922	72,720	70,048	77,730	72,594	72,947	69,790	66,741	70,833	74,229	71,263	70,905	36	

Table 3. Private
[Millions]

Line		2000	2001	2002	Not seasonally adjusted			
					2001			
					I	II	III	IV
1	Exports of private services	283,484	275,498	279,495	69,981	69,600	71,438	64,479
2	Travel (table 1, line 6)	82,400	71,893	66,547	18,303	20,265	20,178	13,147
3	Passenger fares (table 1, line 7)	20,687	17,926	17,046	4,684	4,849	5,076	3,317
4	Other transportation (table 1, line 8)	29,803	28,442	29,166	7,125	7,263	7,401	6,653
5	Freight	12,547	11,731	12,330	2,893	2,971	2,908	2,959
6	Port services	17,256	16,711	16,836	4,232	4,292	4,493	3,694
7	Royalties and license fees (table 1, line 9)	43,233	41,098	44,142	10,133	10,240	9,754	10,971
8	Affiliated	30,479	29,023	32,218	7,009	7,202	6,781	8,031
9	U.S. parents' receipts	28,255	27,030	29,066	6,572	6,810	6,399	7,249
10	U.S. affiliates' receipts	2,224	1,993	3,152	437	392	382	782
11	Unaffiliated	12,754	12,075	11,924	3,124	3,038	2,973	2,940
12	Industrial processes ¹	4,662	4,226	3,900	1,118	1,073	1,033	1,002
13	Other ²	8,093	7,849	8,024	2,006	1,965	1,940	1,938
14	Other private services (table 1, line 10)	107,361	116,139	122,594	29,736	26,983	29,209	30,391
15	Affiliated services	35,857	39,760	43,500	9,007	9,267	9,826	11,660
16	U.S. parents' receipts	23,107	24,759	25,194	5,805	6,005	6,037	6,912
17	U.S. affiliates' receipts	12,750	15,001	18,306	3,202	3,262	3,789	4,748
18	Unaffiliated services	71,504	76,379	79,094	20,729	17,716	19,203	18,731
19	Education	10,348	11,478	12,759	4,543	1,431	3,100	2,404
20	Financial services	15,522	15,228	15,859	4,060	3,936	3,541	3,691
21	Insurance services	2,486	2,399	2,839	594	586	595	623
22	Telecommunications	3,883	4,504	4,137	1,083	1,134	1,140	1,147
23	Business, professional, and technical services	25,318	28,611	28,799	6,966	7,125	7,230	7,289
24	Other unaffiliated services ³	13,948	14,160	14,700	3,483	3,504	3,597	3,576
25	Imports of private services	204,665	201,615	205,234	47,515	54,922	53,275	45,903
26	Travel (table 1, line 23)	64,705	60,200	58,044	13,542	18,471	17,203	10,984
27	Passenger fares (table 1, line 24)	24,274	22,633	19,969	5,219	6,772	6,551	4,091
28	Other transportation (table 1, line 25)	41,425	38,682	38,527	9,960	9,979	9,582	9,161
29	Freight	27,388	25,736	25,973	6,753	6,614	6,188	6,181
30	Port services	14,037	12,946	12,554	3,207	3,365	3,394	2,980
31	Royalties and license fees (table 1, line 26)	16,468	16,713	19,258	4,007	3,966	4,031	4,709
32	Affiliated	12,536	13,310	15,132	3,151	3,111	3,182	3,866
33	U.S. parents' payments	2,469	2,541	2,958	562	591	669	719
34	U.S. affiliates' payments	10,067	10,769	12,174	2,589	2,520	2,513	3,147
35	Unaffiliated	3,932	3,403	4,126	856	855	849	843
36	Industrial processes ¹	1,692	1,796	1,935	428	444	457	467
37	Other ²	2,241	1,607	2,192	427	411	393	376
38	Other private services (table 1, line 27)	57,793	63,387	69,436	14,787	15,734	15,908	16,958
39	Affiliated services	28,776	30,053	32,367	6,802	7,522	7,382	8,347
40	U.S. parents' payments	16,267	16,774	17,529	3,939	4,093	4,007	4,735
41	U.S. affiliates' payments	12,509	13,279	14,838	2,863	3,429	3,375	3,612
42	Unaffiliated services	29,017	33,334	37,069	7,985	8,212	8,526	8,611
43	Education	2,034	2,269	2,466	433	565	741	529
44	Financial services	4,564	4,049	3,665	1,151	1,088	889	921
45	Insurance services	7,598	11,613	15,348	2,603	2,722	3,008	3,281
46	Telecommunications	5,428	4,756	4,180	1,239	1,205	1,172	1,140
47	Business, professional, and technical services	8,769	10,034	10,732	2,408	2,481	2,562	2,584
48	Other unaffiliated services ³	624	613	679	152	151	154	157
Supplemental detail on insurance transactions:								
49	Premiums received	8,455	8,531	11,937	2,061	2,093	2,156	2,221
50	For insurance services ⁴ (line 21)	2,486	2,399	2,839	594	586	595	623
51	For loss settlement ⁵	5,969	6,133	9,098	1,467	1,507	1,561	1,598
52	Actual losses paid ⁵	6,405	8,594	8,619	1,997	2,141	2,222	2,235
53	Premiums paid	26,888	40,382	47,156	8,962	9,854	10,539	11,027
54	For insurance services ⁴ (line 45)	7,598	11,613	15,348	2,603	2,722	3,008	3,281
55	For loss settlement ⁵	19,290	28,769	31,808	6,360	7,132	7,531	7,746
56	Actual losses recovered ⁵	18,764	35,965	30,914	5,025	5,403	19,076	6,462
Memoranda:								
57	Balance on goods (table 1, line 71)	-452,423	-427,215	-482,872	-105,868	-102,832	-114,238	-104,277
58	Balance on private services (line 1 minus line 25)	78,819	73,883	74,261	22,466	14,678	18,163	18,576
59	Balance on goods and private services (lines 57 and 58)	-373,604	-353,332	-408,611	-83,402	-88,154	-96,075	-85,701

See footnotes on pages 112-113.

Services Transactions

of dollars]

Not seasonally adjusted					Seasonally adjusted										Line
2002				2003	2001				2002				2003		
I	II	III	IV	I ^P	I	II	III	IV	I	II	III	IV	I ^P		
66,848	67,752	73,234	71,661	70,039	72,160	70,952	67,826	64,561	68,164	69,325	69,882	72,121	71,332	1	
14,479	16,732	18,829	16,507	14,578	20,735	19,619	17,374	14,165	16,295	16,030	16,217	18,005	16,424	2	
3,872	4,281	4,831	4,062	3,487	5,100	4,865	4,507	3,454	4,224	4,279	4,288	4,255	3,754	3	
6,784	7,104	7,646	7,632	7,439	7,477	7,234	7,050	6,681	7,102	7,075	7,307	7,682	7,794	4	
2,879	2,926	3,134	3,391	3,196	2,945	2,960	2,915	2,911	2,934	2,918	3,140	3,338	3,257	5	
3,905	4,178	4,512	4,241	4,243	4,532	4,274	4,135	3,770	4,168	4,157	4,167	4,344	4,537	6	
10,139	11,012	11,168	11,823	11,270	10,370	10,406	9,922	10,401	10,373	11,221	11,389	11,157	11,606	7	
7,200	8,050	8,173	8,795	8,210	7,246	7,368	6,949	7,461	7,434	8,259	8,394	8,129	8,546	8	
6,881	7,236	7,199	7,750	7,227	6,738	6,902	6,531	6,860	7,066	7,313	7,357	7,329	7,427	9	
319	814	974	1,045	983	508	466	418	601	368	946	1,037	800	1,119	10	
2,939	2,962	2,995	3,028	3,060	3,124	3,038	2,973	2,940	2,939	2,962	2,995	3,028	3,060	11	
981	974	972	973	976	1,118	1,073	1,033	1,002	981	974	972	973	976	12	
1,958	1,988	2,023	2,055	2,084	2,006	1,965	1,940	1,938	1,958	1,988	2,023	2,055	2,084	13	
31,574	28,623	30,760	31,637	33,265	28,478	28,828	28,973	29,860	30,170	30,720	30,681	31,022	31,754	14	
9,465	10,389	10,988	12,658	11,212	9,459	9,687	10,036	10,577	9,992	10,897	11,195	11,415	11,855	15	
5,793	6,167	6,207	7,027	6,566	6,042	6,092	6,209	6,416	6,035	6,262	6,380	6,517	6,836	16	
3,672	4,222	4,781	5,631	4,646	3,417	3,595	3,827	4,161	3,957	4,635	4,815	4,898	5,019	17	
22,109	18,234	19,772	18,979	22,053	19,019	19,141	18,937	19,283	20,178	19,823	19,486	19,607	19,899	18	
5,095	1,584	3,471	2,610	5,607	2,747	2,829	2,908	2,994	3,082	3,150	3,253	3,274	3,364	19	
4,083	4,126	3,842	3,808	3,871	4,060	3,936	3,541	3,691	4,083	4,126	3,842	3,808	3,871	20	
663	701	735	740	742	594	586	595	623	663	701	735	740	742	21	
1,092	1,045	1,009	992	1,043	1,083	1,134	1,140	1,147	1,092	1,045	1,009	992	1,043	22	
7,599	7,146	6,993	7,062	7,082	6,966	7,125	7,230	7,289	7,599	7,146	6,993	7,062	7,082	23	
3,578	3,632	3,723	3,767	3,709	3,569	3,531	3,522	3,538	3,660	3,655	3,654	3,731	3,797	24	
46,360	52,365	54,978	51,531	49,862	51,601	52,814	49,660	47,543	50,033	50,484	51,453	53,264	53,722	25	
12,430	15,806	16,930	12,878	12,316	15,885	16,725	14,611	12,979	14,453	14,252	14,314	15,025	14,330	26	
4,422	5,475	5,430	4,642	4,584	5,798	6,136	5,895	4,804	4,874	4,874	4,829	5,392	5,078	27	
8,420	9,577	10,138	10,392	10,257	10,447	10,014	9,144	9,080	8,891	9,580	9,787	10,271	10,824	28	
5,594	6,428	6,806	7,145	6,910	7,091	6,669	5,875	6,102	5,924	6,456	6,579	7,016	7,305	29	
2,826	3,149	3,332	3,247	3,347	3,356	3,345	3,269	2,978	2,967	3,124	3,208	3,255	3,519	30	
4,607	4,765	4,941	4,945	4,798	4,132	4,087	4,145	4,349	4,728	4,902	5,036	4,592	4,936	31	
3,242	3,691	4,106	4,093	3,933	3,276	3,232	3,296	3,506	3,363	3,828	4,201	3,740	4,071	32	
598	718	843	799	772	562	591	669	719	598	718	843	799	772	33	
2,644	2,973	3,263	3,294	3,161	2,714	2,641	2,627	2,787	2,765	3,110	3,358	2,941	3,299	34	
1,365	1,074	835	852	865	856	855	849	843	1,365	1,074	835	852	865	35	
474	480	487	494	504	428	444	457	467	474	480	487	494	504	36	
891	594	349	358	362	427	411	393	376	891	594	349	358	362	37	
16,481	16,742	17,539	18,674	17,907	15,339	15,852	15,865	16,331	17,087	16,876	17,487	17,984	18,554	38	
7,616	7,496	8,053	9,202	8,231	7,237	7,641	7,505	7,670	8,094	7,631	8,183	8,457	8,750	39	
3,749	4,181	4,607	4,992	4,122	4,245	4,178	4,055	4,296	4,062	4,287	4,657	4,522	4,480	40	
3,867	3,315	3,446	4,210	4,109	2,992	3,463	3,450	3,374	4,032	3,344	3,526	3,935	4,270	41	
8,865	9,246	9,486	9,472	9,676	8,102	8,211	8,360	8,661	8,993	9,245	9,304	9,527	9,804	42	
471	615	807	573	510	550	564	575	579	597	612	624	627	639	43	
975	999	834	857	911	1,151	1,088	889	921	975	999	834	857	911	44	
3,533	3,756	3,948	4,111	4,250	2,603	2,722	3,008	3,281	3,533	3,756	3,948	4,111	4,250	45	
1,112	1,050	1,023	996	985	1,239	1,205	1,172	1,140	1,112	1,050	1,023	996	985	46	
2,613	2,658	2,702	2,759	2,841	2,408	2,481	2,562	2,584	2,613	2,658	2,702	2,759	2,841	47	
161	169	173	176	180	152	151	154	157	161	169	173	176	180	48	
2,649	2,916	3,124	3,248	3,265	2,061	2,093	2,156	2,221	2,649	2,916	3,124	3,248	3,265	49	
663	701	735	740	742	594	586	595	623	663	701	735	740	742	50	
1,986	2,215	2,389	2,508	2,523	1,467	1,507	1,561	1,598	1,986	2,215	2,389	2,508	2,523	51	
2,199	2,158	2,131	2,131	2,176	1,997	2,141	2,222	2,235	2,199	2,158	2,131	2,131	2,176	52	
11,416	11,663	11,902	12,175	12,472	8,962	9,854	10,539	11,027	11,416	11,663	11,902	12,175	12,472	53	
3,533	3,756	3,948	4,111	4,250	2,603	2,722	3,008	3,281	3,533	3,756	3,948	4,111	4,250	54	
7,882	7,907	7,954	8,064	8,222	6,360	7,132	7,531	7,746	7,882	7,907	7,954	8,064	8,222	55	
7,123	7,658	8,003	8,130	8,026	5,025	5,403	19,076	6,462	7,123	7,658	8,003	8,130	8,026	56	
-96,947	-116,868	-134,059	-134,998	-126,961	-112,726	-107,170	-106,321	-100,998	-106,033	-121,286	-123,312	-132,241	-135,997	57	
20,488	15,387	18,256	20,130	20,177	20,559	18,138	18,166	17,018	18,131	18,841	18,429	18,857	17,610	58	
-76,459	-101,481	-115,803	-114,868	-106,784	-92,167	-89,032	-88,155	-83,980	-87,902	-102,445	-104,883	-113,384	-118,387	59	

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

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

See footnotes on pages 112-113.

Official Assets in the United States

of dollars]

Not seasonally adjusted																	Amounts outstanding March 31, 2003	Line
1999				2000				2001				2002				2003		
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I ^P		
4,068	1,159	1,951	1,569	-554	2,020	-346	-1,410	190	-1,343	-3,559	-199	390	-1,843	-1,416	-812	83	156,434	A1
562	-190	-184	-178	-180	-180	-182	-180	-189	-156	-145	-140	-109	-107	-132	-127	897	87,576	2
3	1,413	2,268	1,800	-237	2,328	1,300	-1,083	574	-1,015	-3,242	83	652	-1,607	-1,136	-541	-644	11,392	3
3,503	-64	-133	-53	-137	-128	-1,464	-147	-195	-172	-172	-142	-153	-129	-148	-144	-170	22,858	4
4,381	-757	12,625	27,294	22,542	6,548	12,952	-4,318	4,290	-21,197	16,702	5,309	6,106	47,552	8,992	32,210	35,870	34,608	5
800	-6,708	12,963	5,122	16,204	-4,000	-9,001	-13,436	-1,027	-20,798	15,810	16,760	-1,039	15,138	1,415	27,630	18,099	1,165,391	B1
7,764	-3,423	13,939	3,720	8,604	-7,591	-1,692	-2,488	-3,806	-16,009	14,704	7,820	-843	14,810	9,501	5,188	15,778	726,944	2
-7,081	-3,076	-1,093	1,389	7,977	3,586	-6,816	-11,049	3,142	-4,885	2,151	9,566	56	487	-8,144	22,732	2,268	206,153	3
117	-209	117	13	-377	5	-493	101	-363	96	-1,045	-626	-252	-159	58	-290	53	517,969	4
5,993	5,792	1,835	6,730	8,107	10,334	14,272	8,196	3,574	9,932	-216	7,630	7,296	6,568	10,885	5,628	9,380	2,822	5
-1,244	-1,085	-767	233	-430	-899	-185	-311	-601	-1,154	-205	-349	-597	365	464	-95	-694	197,233	6
-1,273	1,761	-1,617	14,093	-2,270	209	7,554	253	1,341	-10,205	-675	-20,439	-280	24,575	-4,607	-2,094	7,759	16,450	7
-3,259	1,685	-1,293	20,226	-10,121	1,612	6,882	1,001	227	2,950	1,531	-17,700	-4,139	13,394	3,519	-5,776	4,456	148,778	8
-5,576	2,579	-1,070	3,841	373	3,824	5,481	-2,436	-7,885	3,744	-183	-12,363	-5,147	-707	-902	4,717	8,946	95,278	9
2,317	-894	-223	16,385	-10,494	-2,212	1,401	3,437	8,112	1,714	-794	-5,337	1,008	14,101	4,421	-10,493	-7,421	64,993	10
1,986	76	-324	-6,133	7,851	-1,403	672	-748	1,114	-13,155	-2,206	-2,739	3,859	11,181	-8,126	3,682	3,303	23,560	11
2,221	408	-949	-5,451	7,537	-1,108	440	-685	1,010	-13,411	-1,757	-3,660	3,716	11,372	-8,048	4,562	2,482	6,725	12
-235	-332	625	-682	314	-295	232	-63	104	256	-449	921	143	-191	-78	-880	821	53,500	13
105	-517	211	1,116	931	904	312	980	1,003	1,028	1,988	1,707	726	906	835	1,141	1,326	52,615	14
-2,385	-12,304	-922	3,856	6,986	2,288	4,467	-5,140	-3,414	1,372	10,200	-6,215	-1,254	11,977	6,920	12,453	3,979	885	15
2,905	-598	331	-679	1,167	-150	-711	-439	-1,992	1,162	-275	819	868	-3,199	-995	993	-1,246	75,986	16
-6,684	3,975	-2,201	-1,112	3,677	-5,897	6,584	-1,171	2,348	-194	-3,477	1,655	-4,488	-2,071	-2,299	1,043	-280	294,756	17
10,574	8,378	16,031	25,527	10,187	10,205	1,316	1,256	7,774	-23,151	10,213	8,694	10,516	40,138	5,439	14,705	36,194	10,065	18
-38	-1,398	-27	-747	443	-170	594	703	33	-109	1,175	-614	-2,345	1,291	-1,051	1,975	-330	66,310	19
9	1,190	-587	449	82	272	702	473	-459	-277	-1,134	970	2,809	-584	978	1,041	-2,447	768,967	20
																	14,594	21
																	10,699	22

Table 5. Selected U.S.
[Millions]

Line		1998	1999	2000	2001	2002	Not seasonally adjusted							
							1998				1999			
							I	II	III	IV	I	II	III	IV
A1	U.S. Government grants and transactions increasing Government assets, total	17,828	20,651	21,949	15,900	23,007	3,585	3,392	4,048	6,804	4,019	5,379	4,564	6,689
	By category													
2	Grants, net	13,294	13,841	16,743	11,541	17,290	2,371	2,209	2,899	5,815	2,582	3,100	2,852	5,307
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	13,270	13,774	16,714	11,517	17,097	2,365	2,209	2,882	5,814	2,574	3,097	2,847	5,256
4	Financing military purchases ¹	4,152	3,911	7,098	1,673	5,818	621	369	591	2,571	506	662	630	2,113
5	Other grants	9,118	9,862	9,616	9,843	11,279	1,744	1,840	2,292	3,244	2,068	2,434	2,217	3,143
6	Cash contributions received from coalition partners for Persian Gulf operations													
7	Debt forgiveness (table 1, part of line 39, with sign reversed)	22	69	29	25	193	5		17		9	3	6	51
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	4,678	6,175	5,182	4,431	5,611	1,192	1,156	1,286	1,044	1,314	2,167	1,595	1,099
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,580	1,451	1,500	1,704	1,485	385	444	413	338	394	456	329	272
10	Credits repayable in U.S. dollars	2,434	3,999	3,682	2,727	4,125	648	610	628	549	736	1,544	1,094	626
11	Credits repayable in other than U.S. dollars	-3	-3	-1	(*)	(*)	-7	2	1	-6	1	2	1	1
12	Other long-term assets	667	728				159	109	243	157	191	167	170	201
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	-145	634	24	-72	105	22	26	-138	-55	122	112	117	283
14	Foreign currency holdings (excluding administrative cash holdings), net	22	-24	5	5	6	5	-5	38	-17	7	-38	4	2
	Receipts from:													
15	Sales of agricultural commodities													
16	Interest	43	2	(*)	2	1	4	4	4	30	1	1		
17	Repayments of principal	22	15	6	3	5	11	3	6	2	8	2	2	3
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	42	1		(*)	10	12	-29	49	2	41	-2	1
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	44	328	-17	44	73	-1	11	(*)	34	19	139	96	74
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	330	37	-120	27	18	21	-176	-72	96	11	17	206
	By program													
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,580	1,451	1,500	1,704	1,485	385	444	413	338	394	456	329	272
28	Under Agricultural Trade Development and Assistance Act and related programs	1,144	2,003	1,539	1,585	2,426	180	194	298	471	497	571	502	432
29	Under Foreign Assistance Act and related programs	11,617	11,575	15,552	9,705	15,663	2,100	1,909	2,493	5,116	1,964	2,458	2,496	4,657
30	Under Export-Import Bank Act	1,530	1,636	1,499	1,679	1,460	388	512	244	385	192	269	750	425
31	Under Commodity Credit Corporation Charter Act	325	1,806	436	31	712	140	6	147	33	467	1,204	80	55
32	Under other grant and credit programs	1,150	1,147	1,383	1,313	1,227	209	202	347	393	211	282	215	439
33	Other foreign currency assets acquired (lines A16, A17, and A19)	65	18	6	5	6	16	7	10	32	10	3	2	3
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	42	42	1		(*)	10	12	-29	49	2	41	-2	1
35	Other (including changes in administrative cash holdings), net	457	1,058	37	-120	27	176	130	66	85	287	178	186	407
	By disposition³													
36	Estimated transactions involving no direct dollar outflow from the United States	11,446	13,705	16,773	10,757	17,319	2,318	2,084	2,608	4,437	2,581	3,803	3,220	4,101
37	Expenditures on U.S. goods	5,536	5,655	8,246	4,289	7,658	786	943	925	2,882	818	992	1,504	2,342
38	Expenditures on U.S. services ⁴	3,061	3,203	4,289	3,889	4,590	670	726	836	829	727	874	831	771
39	Financing of military sales contracts by U.S. Government ⁵ (line C6)	2,381	2,644	3,458	1,924	2,361	661	378	631	711	527	648	776	693
40	By long-term credits	215	264	422	517	328	66	37	68	44	48	24	182	9
41	By short-term credits ¹													
42	By grants	2,166	2,380	3,036	1,407	2,033	595	341	564	667	478	624	594	683
43	U.S. Government grants and credits to repay prior U.S. Government credits ¹⁴	391	1,858	496	505	2,417	161	13	187	30	493	1,191	11	164
44	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	133	407	376	170	321	51	45	3	34	20	142	110	135
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	20	90	22	28	2	9	2	1	1	3	13	3
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	42	42	1		(*)	10	12	-29	49	2	41	-2	1
48	Estimated dollar payments to foreign countries and international financial institutions	6,382	6,946	5,176	5,143	5,688	1,267	1,308	1,440	2,367	1,438	1,576	1,344	2,588
B1	Repayments on U.S. Government long-term assets, total (table 1, line 48)	4,111	9,559	4,265	3,873	5,684	1,134	699	1,336	942	1,554	1,887	1,026	5,092
2	Receipts of principal on U.S. Government credits	3,362	4,862	4,265	3,872	5,684	949	578	1,090	746	1,359	1,701	848	954
3	Under Agricultural Trade Development and Assistance Act and related programs	302	366	512	601	1,649	32	30	106	134	52	31	106	178
4	Under Foreign Assistance Act and related programs	1,509	1,672	1,913	1,662	1,703	535	276	471	227	574	370	475	253
5	Under Export-Import Bank Act	927	1,066	1,243	1,219	1,695	238	246	220	252	208	233	372	372
6	Under Commodity Credit Corporation Charter Act	375	1,604	175	218	561	159	32	153	32	473	1,089	26	16
7	Under other credit programs	249	154	422	172	77	(*)	3	113	133	8	3	8	136
8	Receipts on other long-term assets	748	4,697	(*)	(*)		186	121	246	196	196	186	178	4,138
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)	-3,326	-2,863	-1,825	-2,309	137	-954	-760	-281	-1,331	-1,244	-1,085	-767	233
2	Associated with military sales contracts ²	-3,315	-2,857	-1,806	-2,305	113	-1,009	-705	-269	-1,333	-1,242	-1,086	-765	235
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds ¹	12,486	10,427	10,494	7,132	10,024	3,036	3,166	2,446	3,838	1,730	1,917	2,860	3,921
4	Less U.S. Government receipts from principal repayments	809	748	634	735	916	342	105	274	87	289	84	278	97
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	-32	-748	1,335	-1,912	-586	-195	-327	-922	1,412	-791	-981	171	852
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A39)	2,381	2,644	3,458	1,924	2,361	661	378	631	711	527	648	776	693
7	By long-term credits	215	264	422	517	328	66	37	68	44	48	24	182	9
8	By short-term credits ¹													
9	By grants	2,166	2,380	3,036	1,407	2,033	595	341	564	667	478	624	594	683
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ¹² (table 1, line 5)	17,406	15,928	13,790	12,539	11,943	4,558	4,471	3,994	4,383	4,000	4,547	3,951	3,430
11	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	-6	-18	-4	24	54	-55	-12	2	-3	1	-2	-2
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation ⁸	-11					62	-53	-20					
14	Sales of space launch and other services by National Aeronautics and Space Administration	3	-7	-6	(*)	11	-4	-1	2	6	-3	-2	-1	-1
15	Other sales and miscellaneous operations	-2		-12	-4	14	-4	-1	6	-4		2	-1	-1

See footnotes on pages 112-113.

Government Transactions

of dollars]

Not seasonally adjusted													Line
2000				2001				2002				2003	
I	II	III	IV	I	II	III	IV	I	II	III	IV	I ^P	
4,345	4,609	4,807	8,189	3,427	3,839	3,919	4,715	7,263	3,827	4,636	7,281	7,381	A1
2,889	3,178	3,655	7,021	2,433	2,483	2,878	3,747	6,402	3,303	3,157	4,429	5,914	2
2,884	3,173	3,637	7,020	2,426	2,479	2,867	3,745	6,397	3,287	3,075	4,338	5,865	3
999	659	1,251	4,190	333	294	354	693	3,504	617	319	1,378	3,010	4
1,886	2,514	2,386	2,830	2,093	2,185	2,513	3,052	2,893	2,671	2,756	2,959	2,856	5
5	5	18	1	8	4	11	2	5	15	82	91	49	6
1,750	1,371	1,051	1,010	1,094	1,330	1,011	996	853	565	1,375	2,818	1,420	7
343	410	335	412	521	498	359	327	446	368	364	308	397	8
1,409	961	715	597	573	832	652	669	408	197	1,011	2,510	1,023	9
-2		1	1				(*)					(*)	10
													11
													12
-294	59	101	158	-100	26	30	-28	8	-41	104	34	48	13
4	-1	1			2		3		2	(*)	4		14
													15
													16
4		1			1		1		(*)		1		17
					1		2		2	(*)	3		18
													19
													20
													21
	1												22
													23
-220	40	115	49	13	30	29	-28	10	-23	92	-6	8	24
													25
-78	21	-15	110	-113	-5	1	-3	-2	-20	12	37	40	26
													27
343	410	335	412	521	498	359	327	446	368	364	308	397	28
507	374	343	314	317	313	342	613	291	239	383	1,514	347	29
2,739	2,700	3,561	6,552	1,832	1,969	2,893	3,011	6,030	2,734	2,963	3,936	5,472	30
562	246	321	371	446	772	93	369	230	118	636	477	874	31
44	355	27	11	15	5	8	3	3	10	15	685	37	32
224	505	234	420	410	288	224	392	266	377	263	321	213	33
4		1			2		3		2	(*)	4		34
	1								(*)				35
-78	21	-15	110	-113	-5	1	-3	-2	-20	12	37	40	36
													37
3,326	3,141	3,628	6,678	2,154	2,545	2,719	3,339	5,813	2,404	3,249	5,853	5,948	38
1,261	1,011	1,570	4,405	814	1,299	796	1,380	4,058	711	1,107	1,782	3,867	39
1,007	1,245	919	1,118	767	872	1,002	1,248	1,228	1,023	1,109	1,230	1,288	40
729	657	971	1,100	324	320	828	453	345	616	634	767	633	41
67	34	295	27	2	29	476	11	6	4	317	1	10	42
													43
662	623	676	1,074	322	291	352	442	339	612	317	766	622	44
282	157	54	3	179	24	61	241	141	41	285	1,949	152	45
49	111	126	89	71	32	49	19	46	17	131	128	16	46
													47
													48
1	40	12	37		2	17	3	5	4	17	3	8	49
	1								(*)				50
1,019	1,468	1,179	1,511	1,273	1,294	1,200	1,376	1,450	1,423	1,387	1,428	1,434	51
1,329	860	1,266	810	1,071	573	1,118	1,111	994	566	1,452	2,672	1,505	B1
1,329	860	1,266	810	1,071	573	1,118	1,111	994	566	1,452	2,672	1,505	2
174	25	124	189	99	13	173	316	47	39	161	1,401	88	3
715	385	587	225	486	251	553	373	509	254	569	370	847	4
384	266	498	95	366	270	262	322	340	219	635	501	441	5
48	49	49	30	65	37	75	42	91	52	87	331	125	6
8	136	8	271	56	2	56	59	6	2	(*)	69	5	7
							(*)						8
-430	-899	-185	-311	-601	-1,154	-205	-349	-597	365	464	-95	-694	C1
-425	-890	-177	-315	-599	-1,155	-203	-348	-602	363	450	-99	-711	2
													3
2,107	2,171	2,444	3,772	1,238	1,872	1,747	2,276	2,649	2,190	2,695	2,491	3,062	4
174	73	296	91	224	88	261	162	204	91	254	367	346	5
													6
-241	-106		1,682	-806	-289	-817		607	-400	-793	1	997	7
729	657	971	1,100	324	320	828	453	345	616	634	767	633	8
67	34	295	27	2	29	476	11	6	4	317	1	10	9
													10
662	623	676	1,074	322	291	352	442	339	612	317	766	622	11
3,328	3,751	3,296	3,415	2,741	3,548	3,334	2,916	2,785	2,751	3,418	2,989	3,063	12
													13
-5	-10	-7	4	-2	1	-2	-1	5	2	14	4	17	14
													15
													16
													17
													18
-5	-7	-2	2	-2	-1	-1	(*)	2		9	3		19

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

[Millions]

Line	(Credits +; debits -)	1999	2000	2001	2002	Not seasonally adjusted											
						1999				2000				2001			
						I	II	III	IV	I	II	III	IV	I	II	III	IV
U.S. direct investment abroad:																	
1	Income (table 1, line 14)	131,626	151,839	124,333	142,933	29,861	32,144	34,384	35,237	38,012	38,981	36,947	37,899	33,077	31,916	30,655	28,685
2	Earnings	126,785	146,467	119,108	137,605	28,671	30,997	33,134	33,983	36,639	37,680	35,675	36,473	31,800	30,683	29,324	27,301
3	Distributed earnings	62,536	52,863	47,065	43,453	15,646	12,954	13,984	19,952	9,266	10,608	9,249	23,740	10,420	9,917	9,134	17,594
4	Reinvested earnings	64,249	93,604	72,043	94,152	13,025	18,043	19,150	14,031	27,373	27,072	26,426	12,733	21,380	20,766	20,190	9,707
5	Reinvested earnings without current-cost adjustment	48,706	77,018	55,844	76,057	9,422	14,216	15,151	9,917	23,227	22,906	22,272	8,613	17,376	16,764	16,141	5,563
6	Current-cost adjustment	15,543	16,586	16,199	18,095	3,603	3,827	3,999	4,114	4,146	4,166	4,154	4,120	4,004	4,002	4,049	4,144
7	Interest	4,841	5,372	5,225	5,328	1,190	1,147	1,250	1,254	1,373	1,301	1,272	1,426	1,277	1,233	1,331	1,384
8	U.S. parents' receipts	8,078	9,057	9,108	8,751	1,942	1,932	2,058	2,146	2,203	2,224	2,249	2,381	2,257	2,280	2,239	2,332
9	U.S. parents' payments	-3,237	-3,685	-3,883	-3,423	-752	-785	-808	-892	-830	-923	-977	-955	-980	-1,047	-908	-948
10	Income without current-cost adjustment	116,083	135,253	108,134	124,838	26,258	28,317	30,385	31,123	33,866	34,815	32,793	33,779	29,073	27,914	26,606	24,541
11	Manufacturing	36,373	42,714	32,659	31,688	8,261	9,490	9,546	9,076	10,836	11,156	10,891	9,831	9,530	7,767	8,545	6,817
12	Wholesale trade	12,554	14,448	13,099	13,315	3,141	2,740	3,382	3,291	3,379	3,486	3,461	4,122	3,359	3,520	2,440	3,780
13	Finance (including depository institutions and insurance)	14,230	17,603	11,224	16,375	4,046	3,830	3,927	2,427	4,599	4,377	3,963	4,664	3,316	3,476	2,939	1,493
14	Holding companies, except bank holding companies	33,848	37,658	35,391	41,529	7,370	8,092	8,036	10,350	9,517	9,999	8,677	9,465	8,999	8,417	8,790	9,185
15	Other	19,078	22,830	15,761	21,931	3,440	4,165	5,494	5,979	5,535	5,797	5,801	5,697	3,869	4,734	3,892	3,266
16	Earnings without current-cost adjustment (line 2 less line 6)	111,242	129,881	102,909	119,510	25,068	27,170	29,135	29,869	32,493	33,514	31,521	32,353	27,796	26,681	25,275	23,157
17	Manufacturing	34,857	41,140	31,080	30,380	7,901	9,119	9,161	8,676	10,454	10,771	10,496	9,419	9,150	7,415	8,091	6,424
18	Wholesale trade	12,581	13,987	12,652	12,927	3,170	2,765	3,395	3,261	3,269	3,376	3,345	3,997	3,248	3,416	2,318	3,670
19	Finance (including depository institutions and insurance)	14,328	17,918	11,713	16,662	4,034	3,856	3,919	2,519	4,641	4,502	4,090	4,685	3,393	3,601	3,051	1,668
20	Holding companies, except bank holding companies	32,816	36,621	34,328	40,446	7,144	7,841	7,764	10,067	9,269	9,729	8,404	9,219	8,788	8,131	8,568	8,841
21	Other	16,650	20,215	13,136	19,095	2,819	3,589	4,896	5,346	4,860	5,136	5,186	5,033	3,217	4,118	3,247	2,554
22	Interest	4,841	5,372	5,225	5,328	1,190	1,147	1,250	1,254	1,373	1,301	1,272	1,426	1,277	1,233	1,331	1,384
23	Manufacturing	1,516	1,574	1,579	1,308	360	371	385	400	382	385	395	412	380	352	454	393
24	Wholesale trade	-37	461	447	388	-29	-25	-13	30	110	110	116	125	111	104	122	110
25	Finance (including depository institutions and insurance)	-98	-315	-489	-287	12	-26	8	-92	-42	-125	-127	-21	-77	-125	-112	-175
26	Holding companies, except bank holding companies	1,032	1,037	1,063	1,083	226	251	272	283	248	270	273	246	211	286	222	344
27	Other	2,428	2,615	2,625	2,836	621	576	598	633	675	661	615	664	652	616	645	712
28	Capital (table 1, line 51)	-224,934	-159,212	-119,963	-137,836	-72,236	-52,259	-66,765	-33,674	-38,510	-55,407	-42,712	-22,583	-17,010	-33,133	-44,133	-25,687
29	Equity capital	-98,929	-78,040	-50,422	-18,103	-30,519	-18,221	-34,258	-15,931	-20,784	-29,277	-8,912	-19,067	-8,944	-10,923	-18,334	-12,221
30	Increases in equity capital	-142,258	-110,002	-76,230	-48,257	-35,529	-31,529	-39,983	-35,217	-29,923	-36,255	-19,596	-28,228	-15,664	-18,981	-21,866	-19,719
31	Decreases in equity capital	43,329	31,962	25,808	30,154	5,010	13,308	5,725	19,286	5,139	6,978	10,684	9,161	6,720	8,058	3,532	7,498
32	Reinvested earnings (line 4 with sign reversed)	-64,249	-93,604	-72,043	-94,152	-13,025	-18,043	-19,150	-14,031	-27,373	-27,072	-26,426	-12,733	-21,380	-20,766	-20,190	-9,707
33	Intercompany debt	-61,756	12,432	2,502	-25,581	-28,692	-15,995	-13,357	-3,712	9,647	942	-7,374	9,217	13,314	-1,444	-5,609	-3,759
34	U.S. parents' receivables	-82,389	5,535	-2,913	-24,880	-33,877	-19,182	-22,258	-7,072	1,805	1,030	-3,721	6,421	11,590	-5,755	-4,214	-4,534
35	U.S. parents' payables	20,633	6,897	5,415	-701	5,185	3,187	8,901	3,360	7,842	-88	-3,653	2,796	1,724	4,311	-1,395	775
36	Capital without current-cost adjustment	-209,391	-142,626	-103,764	-119,741	-68,633	-48,432	-62,766	-29,560	-34,364	-51,241	-38,558	-18,463	-13,006	-29,131	-40,084	-21,543
37	Manufacturing	-39,671	-43,003	-29,899	-29,512	-11,800	-11,271	-11,933	-4,667	-12,760	-11,579	-13,117	-5,547	-7,136	-13,247	-9,750	234
38	Wholesale trade	-11,030	-11,936	-9,095	-7,181	-5,938	-572	-3,616	-904	-2,640	-4,710	-2,246	-2,340	-3,368	-2,064	-3,208	-455
39	Finance (including depository institutions and insurance)	-28,736	-20,385	-15,521	-24,590	-11,940	-9,795	-7,251	250	-1,919	-3,865	-13,889	-712	-832	2,351	-11,928	-5,112
40	Holding companies, except bank holding companies	-68,029	-40,212	-23,650	-42,136	-26,902	-12,225	-13,504	-15,398	-14,189	-10,965	-8,655	-6,403	24	-8,396	-7,430	-7,858
41	Other	-61,925	-27,090	-25,599	-16,322	-12,053	-14,569	-26,462	-8,841	-2,856	-20,122	-651	-3,461	-1,684	-7,785	-7,768	-8,352
42	Equity capital	-98,929	-78,040	-50,422	-18,103	-30,519	-18,221	-34,258	-15,931	-20,784	-29,277	-8,912	-19,067	-8,944	-10,923	-18,334	-12,221
43	Manufacturing	-16,072	-16,312	-13,920	-13,717	-4,260	-3,826	-3,466	-4,520	-4,142	-2,637	-2,997	-6,536	-3,826	-6,915	-2,145	-1,034
44	Wholesale trade	3,148	-3,958	-1,522	-1,361	-563	758	-804	3,757	-575	-2,553	-331	-499	-552	-394	-102	-474
45	Finance (including depository institutions and insurance)	-18,395	-14,168	-17,295	-2,887	-6,283	-3,761	-4,760	-3,591	-2,814	-3,273	-5,453	-2,628	-1,581	607	-12,983	-3,338
46	Holding companies, except bank holding companies	-29,294	-20,316	-4,830	-357	-11,177	-839	-8,138	-9,140	-6,872	-4,170	-3,174	-6,100	-125	-1,888	-894	-1,923
47	Other	-38,316	-23,286	-12,855	219	-8,236	-10,553	-17,090	-2,437	-6,381	-16,644	3,043	-3,304	-2,860	-2,333	-2,210	-5,452
48	Reinvested earnings without current-cost adjustment (line 5 with sign reversed)	-48,706	-77,018	-55,844	-76,057	-9,422	-14,216	-15,151	-9,917	-23,227	-22,906	-22,272	-8,613	-17,376	-16,764	-16,141	-5,563
49	Manufacturing	-14,333	-27,263	-18,567	-15,602	-3,076	-5,055	-5,108	-1,094	-7,620	-7,952	-7,998	-3,693	-5,762	-4,326	-5,489	-2,990
50	Wholesale trade	-6,313	-9,439	-7,449	-7,715	-1,826	-1,184	-2,293	-1,010	-2,548	-2,555	-2,571	-1,765	-2,208	-2,378	-1,648	-1,215
51	Finance (including depository institutions and insurance)	-2,757	-7,411	-2,081	-8,376	-1,373	-1,386	-1,228	1,230	-2,952	-2,431	-1,967	-61	-1,530	-1,586	-1,034	2,069
52	Holding companies, except bank holding companies	-20,599	-22,917	-23,645	-32,292	-3,275	-5,972	-4,352	-7,000	-7,657	-7,544	-5,944	-1,772	-7,500	-6,578	-6,343	-3,224
53	Other	-4,704	-9,988	-4,102	-12,072	128	-619	-2,170	-2,043	-2,450	-2,424	-3,792	-1,322	-376	-1,896	-1,627	-203
54	Intercompany debt	-61,756	12,432	2,502	-25,581	-28,692	-15,995	-13,357	-3,712	9,647	942	-7,374	9,217	13,314	-1,444	-5,609	-3,759
55	Manufacturing	-9,266	572	2,588	-193	-4,464	-2,390	-3,359	947	-998	-990	-2,122	4,682	2,452	-2,006	-2,116	4,258
56	Wholesale trade	-7,865	1,461	-124	1,895	-3,549	-146	-519	-3,651	483	398	656	-608	708	-1,458	1,234	
57	Finance (including depository institutions and insurance)	-7,584	1,194	3,855	-13,327	-4,284	-4,648	-1,263	2,611	3,847	1,839	-6,469	1,977	2,279	3,330	2,089	-3,843
58	Holding companies, except bank holding companies	-18,136	3,021	4,825	-9,487	-12,450	-5,414	-1,014	742	340	749	463	1,469	7,649	80	-19	

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

[Millions]

Line	(Credits +; debits -)	1997	1998	1999	Not seasonally adjusted			
					1998			
					I	II	III	IV
U.S. direct investment abroad:								
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 14)	115,323	103,963	131,626	27,734	27,606	23,108	25,515
2	Earnings	113,208	100,905	126,785	27,092	26,863	22,300	24,650
3	Distributed earnings	55,196	56,742	62,536	11,353	10,997	12,013	22,379
4	Reinvested earnings	58,012	44,162	64,249	15,738	15,866	10,287	2,271
5	Interest ¹	2,115	3,060	4,841	643	743	809	865
6	U.S. parents' receipts	4,866	5,658	8,078	1,280	1,379	1,465	1,534
7	U.S. parents' payments	-2,751	-2,599	-3,237	-637	-636	-657	-669
8	Less: Current-cost adjustment	9,034	11,640	15,543	2,625	2,809	3,005	3,201
9	Less: Withholding taxes	1,495	1,648	1,735	274	270	398	706
10	Equals: Income without current-cost adjustment, after deduction of withholding taxes ²	104,794	90,675	114,348	24,835	24,527	19,705	21,608
11	Petroleum	12,507	7,228	10,340	2,277	2,277	1,799	608
12	Manufacturing	38,468	29,682	34,875	8,234	8,422	6,163	6,863
13	Other	53,817	53,766	69,134	14,057	13,828	11,744	14,137
14	Capital with current-cost adjustment (table 1, line 51)	-104,803	-142,644	-224,934	-45,257	-46,885	-22,958	-27,544
15	Equity capital	-40,792	-72,447	-98,929	-23,074	-16,093	-15,497	-17,783
16	Increases in equity capital ³	-63,516	-96,817	-142,258	-27,851	-21,372	-21,366	-26,228
17	Decreases in equity capital ⁴	22,724	24,370	43,329	4,777	5,279	5,869	8,445
18	Reinvested earnings	-58,012	-44,162	-64,249	-15,738	-15,866	-10,287	-2,271
19	Intercompany debt	-5,999	-26,035	-61,756	-6,445	-14,926	2,826	-7,490
20	U.S. parents' receivables	-16,995	-43,289	-82,389	-6,572	-15,421	-3,948	-17,348
21	U.S. parents' payables	10,995	17,255	20,633	127	495	6,774	9,859
22	Less: Current-cost adjustment (line 8 with sign reversed)	-9,034	-11,640	-15,543	-2,625	-2,809	-3,005	-3,201
23	Equals: Capital without current-cost adjustment ²	-95,769	-131,004	-209,391	-42,632	-44,076	-19,953	-24,343
24	Equity capital (line 15)	-40,792	-72,447	-98,929	-23,074	-16,093	-15,497	-17,783
25	Petroleum	-4,904	-7,320	-4,200	-3,084	-2,042	-462	-1,732
26	Manufacturing	-7,570	-15,403	-17,780	-3,540	-3,392	-6,137	-2,334
27	Other	-28,318	-49,725	-76,950	-16,450	-10,659	-8,899	-13,717
28	Reinvested earnings without current-cost adjustment (line 18 less line 22)	-48,978	-32,522	-48,706	-13,113	-13,057	-7,282	930
29	Petroleum	-4,194	-512	-1,230	-719	-1,061	-450	1,718
30	Manufacturing	-18,590	-10,091	-14,942	-4,620	-3,968	-1,589	86
31	Other	-26,196	-21,919	-32,537	-7,775	-8,028	-5,242	-874
32	Intercompany debt (line 19)	-5,999	-26,035	-61,756	-6,445	-14,926	2,826	-7,490
33	Petroleum	-2,456	339	-6,143	-788	209	1,090	-172
34	Manufacturing	-2,167	2,371	-8,098	-969	1,570	1,243	527
35	Other	-1,376	-28,745	-47,516	-4,687	-16,706	492	-7,844
36	Royalties and license fees, before deduction of withholding taxes, net	21,712	22,580	25,265	5,309	5,499	5,340	6,432
37	U.S. parents' receipts (table 1, part of line 9)	23,091	24,362	27,575	5,710	5,887	5,835	6,930
38	U.S. parents' payments (table 1, part of line 26)	-1,379	-1,782	-2,310	-401	-388	-495	-498
39	Other private services, before deduction of withholding taxes, net	8,277	7,720	6,742	2,221	1,957	1,737	1,805
40	U.S. parents' receipts (table 1, part of line 10)	17,288	18,135	22,222	4,406	4,496	4,301	4,932
41	U.S. parents' payments (table 1, part of line 27)	-9,012	-10,415	-15,480	-2,185	-2,539	-2,563	-3,128
Foreign direct investment in the United States:								
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 31)	-42,950	-38,418	-53,437	-8,786	-10,730	-9,193	-9,709
43	Earnings	-33,770	-28,055	-38,034	-6,399	-8,189	-6,601	-6,866
44	Distributed earnings	-18,801	-25,214	-33,906	-4,582	-5,107	-4,851	-10,674
45	Reinvested earnings	-14,968	-2,842	-4,128	-1,817	-3,082	-1,750	3,807
46	Interest ¹	-9,182	-10,362	-15,403	-2,387	-2,541	-2,592	-2,842
47	U.S. affiliates' payments	-10,984	-12,188	-17,043	-2,741	-2,994	-3,023	-3,430
48	U.S. affiliates' receipts	1,802	1,825	1,639	354	453	431	587
49	Less: Current-cost adjustment	-2,204	-4,611	-6,068	-936	-1,093	-1,233	-1,349
50	Less: Withholding taxes	-802	-1,404	-985	-146	-145	-248	-865
51	Equals: Income without current-cost adjustment, after deduction of withholding taxes ²	-39,944	-32,403	-46,384	-7,704	-9,492	-7,712	-7,495
52	Petroleum	-4,138	-1,443	-4,511	-426	-383	-500	-134
53	Manufacturing	-17,029	-19,319	-24,673	-4,573	-5,601	-3,793	-5,352
54	Other	-18,778	-18,778	-17,199	-2,705	-3,507	-3,419	-2,009
55	Capital with current-cost adjustment (table 1, line 64)	105,603	179,045	289,444	20,060	21,047	25,124	112,814
56	Equity capital	59,499	147,091	221,562	13,921	11,954	16,945	104,271
57	Increases in equity capital ³	71,213	185,217	254,783	17,617	15,333	29,255	123,012
58	Decreases in equity capital ⁴	-11,716	-38,126	-33,221	-3,696	-3,379	-12,310	-18,741
59	Reinvested earnings	14,968	2,842	4,128	1,817	3,082	1,750	-3,807
60	Intercompany debt	31,136	29,111	63,754	4,322	6,010	6,429	12,350
61	U.S. affiliates' payables	36,688	43,964	66,465	3,209	5,300	7,034	28,421
62	U.S. affiliates' receivables	-5,553	-14,853	-2,712	1,113	710	-605	-16,071
63	Less: Current-cost adjustment (line 49 with sign reversed)	2,204	4,611	6,068	936	1,093	1,233	1,349
64	Equals: Capital without current-cost adjustment ²	103,399	174,434	283,376	19,124	19,954	23,891	111,465
65	Equity capital (line 56)	59,499	147,091	221,562	13,921	11,954	16,945	104,271
66	Petroleum	746	57,337	218	-215	-186	-1,549	59,287
67	Manufacturing	19,208	59,666	44,536	3,478	5,041	16,556	34,591
68	Other	39,544	30,087	176,808	10,658	7,099	1,938	10,392
69	Reinvested earnings without current-cost adjustment (line 59 less line 63)	12,764	-1,769	-1,940	881	1,989	517	-5,156
70	Petroleum	1,416	-661	2,644	-269	-36	48	-404
71	Manufacturing	5,193	545	-4,453	1,208	1,949	556	-3,168
72	Other	6,155	-1,654	-130	-58	76	-87	-1,585
73	Intercompany debt (line 60)	31,136	29,111	63,754	4,322	6,010	6,429	12,350
74	Petroleum	1,079	2,247	1,917	2,211	-28	1,322	-1,258
75	Manufacturing	11,195	23,196	29,768	7,014	2,388	4,702	9,092
76	Other	18,861	3,670	32,071	-4,902	3,651	405	4,516
77	Royalties and license fees, before deduction of withholding taxes, net	-3,995	-4,814	-6,364	-1,045	-1,273	-1,290	-1,206
78	U.S. affiliates' payments (table 1, part of line 26)	-5,370	-6,765	-8,064	-1,405	-1,620	-1,656	-2,084
79	U.S. affiliates' receipts (table 1, part of line 9)	1,374	1,951	1,700	360	347	366	878
80	Other private services, before deduction of withholding taxes, net	1,207	1,018	276	296	93	419	210
81	U.S. affiliates' payments (table 1, part of line 27)	-8,613	-9,022	-10,310	-1,919	-2,243	-2,356	-2,504
82	U.S. affiliates' receipts (table 1, part of line 10)	9,819	10,041	10,587	2,216	2,336	2,775	2,714

Long-Term Securities
of dollars]

Table with columns for years 1999, 2000, 2001, 2002, and 2003, and rows for various line items. The table is titled 'Not seasonally adjusted' and includes a 'Line' column on the right. Each year has four sub-columns (I, II, III, IV) except for 2003 which has one (I P). Values range from negative to positive, with some bolded for emphasis.

Table 7b. Securities

[Millions]

Line	(Credits +; debits -)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
A1	Foreign securities, net U.S. purchases (-), (table 1, line 52 or lines 2 + 13 below)	-124,204	-116,236	-121,908	-84,637	15,801	-17,951	-41,461	9,283	-74,075
2	Stocks, net U.S. purchases	-101,362	-114,311	-106,714	-109,102	-17,677	-6,902	-13,185	1,256	-82,531
3	New issues in the United States	-11,608	-8,772	-15,526	-4,583	-3,429	-1,144	-4,856	-2,707	-2,901
4	Of which: Western Europe	-3,949	(D)	-2,924	(D)	(D)	-138	-1,963	-1,679	-169
5	Canada	-531	(D)	-1,665	(D)	(D)	-48	-109	-374	
6	Latin America.....	-174	(D)	-1,477	(D)	(D)		-174		
7	Transactions in outstanding stocks, net.....	-89,754	-105,539	-91,188	-104,519	-14,248	-5,758	-8,329	3,963	-79,630
8	Western Europe	-70,514	-43,656	-57,809	-51,460	-12,284	339	285	8,587	-79,725
9	Of which: United Kingdom	-44,483	-45,251	-43,464	-27,389	-14,577	104	5,701	2,836	-53,124
10	Canada	3,779	-2,441	-17,996	-4,986	4,489	-102	283	2,536	1,062
11	Japan	-1,538	-46,027	16,820	-19,822	-921	-2,671	2,744	357	-1,968
12	Other	-21,481	-13,415	-32,203	-28,251	-5,532	-3,324	-11,641	-7,517	1,001
13	Bonds, net U.S. purchases	-22,842	-1,925	-15,194	24,465	33,478	-11,049	-28,276	8,027	8,456
14	New issues in the United States	-58,295	-34,775	-54,273	-39,511	-20,777	-13,658	-24,270	-10,702	-9,665
	By issuer:									
15	Central governments and their agencies and corporations.....	-8,701	-11,439	-15,548	(D)	-9,294	-300	-7,142	-984	-275
16	Other governments and their agencies and corporations ¹	-2,764	-1,450	-1,595	(D)	(D)		-1,971	-500	-293
17	Private corporations	-46,420	-21,886	-36,899	-23,969	-9,751	-13,358	-15,157	-9,218	-8,687
18	International financial institutions ²	-410		-231	(D)	(D)				-410
	By area:									
19	Western Europe	-17,474	-8,797	-26,745	(D)	(D)	-6,196	-5,756	-3,907	-1,615
20	Canada	-9,940	-4,794	-2,662	-9,108	(D)	-775	-2,335	-3,141	-3,689
21	Japan	-2,271	-50	-2,000	(D)		-2,271			
22	Latin America	-13,011	-12,834	-17,894	-14,286	-6,001	-1,999	-5,965	-2,466	-2,581
23	Other countries	-14,984	-8,300	-4,972	-10,547	(D)	-2,217	-10,209	-1,188	-1,370
24	International financial institutions ²	-615			(D)	(D)	-200	-5		-410
25	Redemptions of U.S.-held foreign bonds ³	17,522	18,532	20,886	33,441	35,326	3,102	5,580	4,605	4,235
26	Western Europe	3,682	4,151	3,561	9,774	10,487	1,065	886	1,057	674
27	Canada	3,135	4,273	6,927	6,240	7,985	890	1,018	590	637
28	Other countries	9,974	7,565	8,757	13,929	14,925	1,047	3,532	2,731	2,664
29	International financial institutions ²	731	2,543	1,641	3,498	1,929	100	144	227	260
30	Other transactions in outstanding bonds, net ³	17,931	14,318	18,193	30,535	18,929	-493	-9,586	14,124	13,886
31	Western Europe	-1,373	2,568	-14,501	-1,461	14,062	-755	-11,478	157	10,703
32	Of which: United Kingdom	-4,195	3,658	-22,342	-11,888	11,488	-1,153	-8,992	-3,047	8,997
33	Canada	1,632	333	649	4,000	-2,684	-3	-790	3,768	-1,343
34	Japan	3,241	2,222	5,608	147	-8,687	-2,836	-2,857	3,158	5,776
35	Other	14,431	9,195	26,437	27,849	16,238	3,101	5,539	7,041	-1,250
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 66 or lines 2 + 10 below)	156,315	298,834	455,318	406,633	291,492	63,237	56,146	6,628	30,304
2	Stocks, net foreign purchases	45,647	112,917	192,492	119,455	55,183	30,695	13,127	-6,618	8,443
	By area:									
3	Western Europe	62,194	91,931	181,271	86,671	31,507	27,390	20,436	11,865	2,503
4	Of which: Germany	9,067	13,371	31,605	8,282	-250	1,912	3,640	3,290	225
5	Switzerland	4,836	5,384	11,736	3,335	2,444	3,730	4,049	-195	-2,748
6	United Kingdom	21,776	40,587	71,780	37,326	14,375	10,686	3,878	3,183	4,029
7	Canada.....	-5,634	11,679	7,704	11,707	12,130	-175	-1,971	-889	-2,599
8	Japan	-1,680	5,119	1,898	6,604	12,214	-3,212	-87	530	1,089
9	Other	-9,233	4,188	1,619	14,473	-668	6,692	-5,251	-18,124	7,450
10	Corporate and other bonds, net foreign purchases	110,668	185,917	262,826	287,178	236,309	32,542	43,019	13,246	21,861
	By type:									
11	New issues sold abroad by U.S. corporations.....	53,977	41,843	64,965	63,113	57,786	15,829	15,664	13,314	9,170
12	U.S. federally sponsored agency bonds, net.....	4,721	43,097	96,423	85,161	76,323	9,596	6,853	-6,673	-5,055
13	Other outstanding bonds, net.....	51,970	100,977	101,438	138,904	102,200	7,117	20,502	6,605	17,746
	By area:									
14	Western Europe	92,124	105,958	146,728	180,545	109,650	16,732	28,102	19,401	27,889
15	Of which: Germany	4,431	6,502	2,656	7,940	3,039	860	1,720	1,134	717
16	Switzerland.....	3,564	4,178	2,736	3,993	5,677	368	1,793	1,285	118
17	United Kingdom.....	71,956	82,134	123,443	159,457	87,053	13,221	21,329	14,394	23,012
18	Canada.....	5,541	4,183	10,375	516	-3,471	1,793	1,456	1,455	837
19	Japan	-1,361	12,082	36,869	18,060	37,016	-1,626	1,679	-3,468	2,054
20	Other countries	14,117	63,244	69,043	88,189	93,291	15,617	11,530	-4,031	-8,999
21	International financial institutions ²	247	450	-189	-132	-177	26	252	-111	80
	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	-9,861	-6,302	9,974	15,131	6,186	-1,426	-26,755	26,118
2	Other U.S. Government securities (line A6)	6,332	20,350	40,909	20,920	30,377	2,610	254	1,906	1,562
3	U.S. corporate and other bonds (part of line A14)	202	1,543	2,019	3,762	5,593	97	802	-608	-89
4	U.S. stocks (part of line A14).....	-3,689	-628	1,108	1,964	-1,985	-1,053	30	-1,886	-780
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	24,202	-24,679	-72,286	-16,239	81,477	167	25,168	-2,651	1,518

See footnotes on pages 112-113.

Table 8a. Claims on and Liabilities to Unaffiliated Foreigners

[Millions]

Line	(Credits +; decrease in U.S. assets or increase in U.S. liabilities. Debits -; increase in U.S. assets or decrease in U.S. liabilities.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
A1	Claims, total (table 1, line 53)	-38,204	-97,704	-138,790	-4,997	-31,880	-7,822	-20,363	-15,658	5,639
2	Financial claims	-38,179	-92,477	-138,110	-10,264	-32,513	-8,290	-20,221	-15,793	6,125
3	Denominated in U.S. dollars.....	-35,161	-76,847	-119,344	-16,238	-25,016	-2,590	-17,264	-11,505	-3,802
4	Denominated in foreign currencies.....	-3,018	-15,630	-18,766	5,974	-7,497	-5,700	-2,957	-4,288	9,927
	By instrument: ³									
5	Resale agreements.....									
6	Negotiable certificates of deposit.....									
7	Other short-term instruments (including money market instruments).....									
8	Deposits.....	-6,779	-41,239	-133,093	-21,688	-31,630	18,595	-18,653	-24,384	17,663
9	Other claims.....	-31,400	-51,238	-5,017	11,424	-883	-26,885	-1,568	8,591	-11,538
10	Of which: Financial intermediaries' accounts ⁴	-30,558	-46,767	-4,355	14,968	-1,937	-25,696	-1,705	7,450	-10,607
	By area:									
11	Europe.....	-28,754	-68,115	-47,832	-25,073	-22,421	-14,279	-17,507	-4,499	7,531
	Of which:									
12	United Kingdom.....	-3,093	-43,910	-25,104	-18,334	-13,940	-12,421	-6,994	-305	16,627
13	Germany.....	-9,334	-10,494	-16,814	-16,645	-451	7,703	-4,107	-4,080	-8,850
14	Caribbean financial centers ⁵	-13,417	-11,897	-83,241	21,434	-10,357	5,623	-1,959	-14,490	-2,591
15	Other.....	3,992	-12,465	-7,037	-6,625	265	366		3,196	1,185
16	Commercial claims	-25	-5,227	-680	5,267	633	468	-142	135	-486
17	Denominated in U.S. dollars.....	-258	-4,650	838	3,943	2,925	86	-374	808	778
18	Denominated in foreign currencies.....	233	-577	-1,518	1,324	-2,292	382	232	-673	-292
	By instrument:									
19	Trade receivables.....	334	-5,427	-475	5,518	1,133	648	124	434	-872
20	Advance payments and other claims.....	-359	200	-205	-251	-500	-180	-266	-299	386
	By area:									
21	Europe.....	-1,124	-3,140	447	1,906	-190	-729	-28	-579	212
22	Canada.....	51	-132	-737	655	69	-220	105	490	-324
23	Asia.....	1,521	-1,973	-477	1,787	515	1,075	271	143	32
24	Other.....	-473	18	87	919	239	342	-490	81	-406
B1	Liabilities, total (table 1, line 68)	23,140	76,247	170,672	67,489	72,142	39,833	30,722	14,976	-62,391
2	Financial liabilities	27,147	77,910	158,472	59,451	67,193	40,366	29,854	14,940	-58,013
3	Denominated in U.S. dollars.....	41,324	84,782	139,158	57,801	50,829	40,003	16,104	13,462	-28,245
4	Denominated in foreign currencies.....	-14,177	-6,872	19,314	1,650	16,364	363	13,750	1,478	-29,768
	By instrument: ³									
5	Repurchase agreements.....									
6	Short-term instruments.....									
7	Other liabilities.....	27,147	77,910	158,472	59,451	67,193	40,366	29,854	14,940	-58,013
8	Of which: Financial intermediaries' accounts ⁴	12,994	76,164	43,683	-27,624	6,954	19,523	7,552	8,887	-22,968
	By area:									
9	Europe.....	18,016	96,403	113,007	40,018	40,526	32,765	28,708	7,726	-51,183
	Of which:									
10	United Kingdom.....	23,292	59,531	67,114	17,108	28,327	29,684	29,173	11,916	-47,481
11	Germany.....	6,828	7,140	17,516	18,184	4,248	-999	5,329	582	1,916
12	Caribbean financial centers ⁵	12,492	-21,773	38,622	26,955	30,191	7,615	1,343	8,839	-5,305
13	Other.....	-3,361	3,280	6,843	-7,522	-3,524	-14	-197	-1,625	-1,525
14	Commercial liabilities	-4,007	-1,663	12,200	8,038	4,949	-533	868	36	-4,378
15	Denominated in U.S. dollars.....	-3,433	-1,984	10,735	9,350	4,578	-241	1,094	-243	-4,043
16	Denominated in foreign currencies.....	-574	321	1,465	-1,312	371	-292	-226	279	-335
	By instrument:									
17	Trade payables.....	74	1,879	1,436	-2,473	2,519	-797	-570	739	702
18	Advance receipts and other liabilities.....	-4,081	-3,542	10,764	10,511	2,430	264	1,438	-703	-5,080
	By area:									
19	Europe.....	169	1,717	3,689	3,664	-5,778	285	1,346	-5	-1,457
20	Canada.....	-233	-377	6,327	3,755	3,220	-321	71	1,269	-1,252
21	Asia.....	-2,977	-2,715	2,070	306	6,256	-279	-1,067	-648	-983
22	Other.....	-966	-288	114	313	1,251	-218	518	-580	-686

See footnotes on pages 112-113.

Reported by U.S. Nonbanking Concerns Except Securities Brokers ¹

of dollars]

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

Table 8b. Claims on and Liabilities to Unaffiliated

[Millions]

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
A1	Claims, total (table 1, line 53)	-38,204	-97,704	-138,790	-4,997	-31,880	-7,822	-20,363	-15,658	5,639
2	Financial claims	-38,179	-92,477	-138,110	-10,264	-32,513	-8,290	-20,221	-15,793	6,125
3	<i>Denominated in U.S. dollars</i>	-35,161	-76,847	-119,344	-16,238	-25,016	-2,590	-17,264	-11,505	-3,802
4	<i>Denominated in foreign currencies</i>	-3,018	-15,630	-18,766	5,974	-7,497	-5,700	-2,957	-4,288	9,927
5	By type: Deposits ²	-6,779	-41,239	-133,093	-21,688	-31,630	18,595	-18,653	-24,384	17,663
6	Financial intermediaries' accounts	-30,558	-46,767	-4,355	14,968	-1,937	-25,696	-1,705	7,450	-10,607
7	Other claims ^{2,3}	-842	-4,471	-662	-3,544	1,054	-1,189	137	1,141	-931
8	By area: Industrial countries ⁴	-25,046	-78,495	-50,298	-27,496	-24,676	-11,669	-19,957	-1,748	8,328
9	<i>Of which: United Kingdom</i>	-3,093	-43,910	-25,104	-18,334	-13,940	-12,421	-6,994	-305	16,627
10	Canada	5,030	-5,022	-1,890	2,216	511	166	-1,233	3,484	2,613
11	Caribbean banking centers ⁵	-13,484	-11,918	-83,235	22,871	-11,111	5,576	-1,968	-14,476	-2,616
12	Other	351	-2,064	-4,577	-5,639	3,274	-2,197	1,704	431	413
13	Commercial claims	-25	-5,227	-680	5,267	633	468	-142	135	-486
14	<i>Denominated in U.S. dollars</i>	-258	-4,650	838	3,943	2,925	86	-374	808	-778
15	<i>Denominated in foreign currencies</i>	233	-577	-1,518	1,324	-2,292	382	232	-673	292
16	By type: Trade receivables	334	-5,427	-475	5,518	1,133	648	124	434	-872
17	Advance payments and other claims	-359	200	-205	-251	-500	-180	-266	-299	386
18	By area: Industrial countries ⁴	-581	-4,006	-876	3,071	-826	-548	56	-112	23
19	Members of OPEC ⁶	230	-501	657	440	-9	282	-237	190	-5
20	Other	326	-720	-461	1,756	1,468	734	39	57	-504
B1	Liabilities, total (table 1, line 68)	23,140	76,247	170,672	67,489	72,142	39,833	30,722	14,976	-62,391
2	Financial liabilities	27,147	77,910	158,472	59,451	67,193	40,366	29,854	14,940	-58,013
3	<i>Denominated in U.S. dollars</i>	41,324	84,782	139,158	57,801	50,829	40,003	16,104	13,462	-28,245
4	<i>Denominated in foreign currencies</i>	-14,177	-6,872	19,314	1,650	16,364	363	13,750	1,478	-29,768
5	By type: Financial intermediaries' accounts	12,994	76,164	43,683	-27,624	6,954	19,523	7,552	8,887	-22,968
6	Other liabilities	14,153	1,746	114,789	87,075	60,239	20,843	22,302	6,053	-35,045
7	By area: Industrial countries ⁴	15,129	98,134	117,804	35,813	37,599	31,089	27,900	6,965	-50,825
8	<i>Of which: United Kingdom</i>	23,292	59,531	67,114	17,108	28,327	29,684	29,173	11,916	-47,481
9	Caribbean banking centers ⁵	12,621	-21,677	36,888	27,832	30,161	7,758	1,380	8,819	-5,336
10	Other	-603	1,453	3,780	-4,194	-567	1,519	574	-844	-1,852
11	Commercial liabilities	-4,007	-1,663	12,200	8,038	4,949	-533	868	36	-4,378
12	<i>Denominated in U.S. dollars</i>	-3,433	-1,984	10,735	9,350	4,578	-241	1,094	-243	-4,043
13	<i>Denominated in foreign currencies</i>	-574	321	1,465	-1,312	371	-292	-226	279	-335
14	By type: Trade payables	74	1,879	1,436	-2,473	2,519	-797	-570	739	702
15	Advance receipts and other liabilities	-4,081	-3,542	10,764	10,511	2,430	264	1,438	-703	-5,080
16	By area: Industrial countries ⁴	-1,473	-1,151	10,569	8,289	1,216	-634	820	735	-2,394
17	Members of OPEC ⁶	-354	-176	297	-327	1,134	-71	53	391	-727
18	Other	-2,180	-336	1,334	76	2,599	172	-5	-1,090	-1,257

See footnotes on pages 112-113.

Foreigners Reported by U.S. Nonbanking Concerns

of dollars]

Not seasonally adjusted																Line
1999				2000				2001				2002				
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
-47,211	-27,021	-13,663	-9,809	-79,800	-25,287	-14,121	-19,582	-43,929	-7,404	-101	46,437	-1,886	-16,210	-11,862	-1,922	A1
-47,578	-25,934	-11,903	-7,062	-79,772	-25,329	-14,051	-18,958	-47,608	-5,277	-1,621	44,242	-3,374	-17,772	-12,622	1,255	2
-40,271	-24,051	-8,931	-3,594	-70,373	-26,616	-3,795	-18,560	-35,353	-5,548	-9,577	34,240	1,969	-22,847	-4,279	141	3
-7,307	-1,883	-2,972	-3,468	-9,399	1,287	-10,256	-398	-12,255	271	7,956	10,002	-5,343	5,075	-8,343	1,114	4
-14,734	-19,266	-13,473	6,234	-52,601	-31,907	241	-48,826	-38,796	22,335	-28,255	23,028	6,170	-6,716	-25,191	-5,893	5
-32,467	-6,129	2,720	-10,891	-27,078	7,537	-15,683	30,869	-4,731	-27,943	24,191	23,451	-10,280	-11,435	13,487	6,291	6
-377	-539	-1,150	-2,405	-93	-959	1,391	-1,001	-4,081	331	2,443	-2,237	736	379	-918	857	7
-57,149	-13,329	12,226	-20,243	-33,046	-11,253	-32,339	26,340	-50,168	-20,584	3,531	39,725	-30,690	5,410	-16,327	16,931	8
-35,938	-12,795	15,220	-10,397	-24,466	-7,854	-7,983	15,199	-35,592	-21,247	9,045	29,460	-25,234	12,904	-19,476	-17,866	9
-3,480	582	-31	-2,093	944	360	-3,881	687	3,187	386	-3,023	1,666	2,288	1,367	-4,675	1,531	10
10,659	-12,390	-22,622	12,435	-45,057	-12,778	18,552	-43,952	5,371	17,267	-4,285	4,518	27,324	-24,905	3,142	-16,672	11
-1,088	-215	-1,507	746	-1,669	-1,298	-264	-1,346	-2,811	-1,960	-867	-1	-8	1,723	563	996	12
367	-1,087	-1,760	-2,747	-28	42	-70	-624	3,679	-2,127	1,520	2,195	1,488	1,562	760	-3,177	13
107	-1,100	-926	-2,731	1,003	-1,323	200	958	3,132	-2,205	1,152	1,864	2,831	1,731	149	-1,786	14
260	13	-834	-16	-1,031	1,365	-270	-1,582	547	78	368	331	-1,343	-169	611	-1,391	15
478	-1,067	-1,606	-3,232	1,186	160	-247	-1,574	4,146	-1,673	1,303	1,742	1,968	1,355	772	-2,962	16
-111	-20	-154	485	-1,214	-118	177	950	-467	-454	217	453	-480	207	-12	-215	17
47	-139	-1,444	-2,470	-78	287	-356	-729	2,360	-1,395	1,119	987	1,211	789	41	-2,867	18
25	-352	-48	-126	150	109	-37	435	163	-6	64	219	140	-185	51	-15	19
295	-596	-268	-151	-100	-354	323	-330	1,156	-726	337	989	137	958	668	-295	20
51,307	16,928	-8,777	16,789	72,433	28,796	16,914	52,529	111,565	752	-22,623	-22,205	46,771	24,610	-8,102	8,863	B1
54,458	17,078	-8,771	15,145	72,351	26,815	14,408	44,898	105,887	258	-26,251	-20,443	41,686	21,655	-8,079	11,931	2
49,831	22,779	-8,541	20,713	66,796	23,325	12,921	36,116	90,302	13,085	-21,397	-24,189	35,645	11,109	-1,752	5,827	3
4,627	-5,701	-230	-5,568	5,555	3,490	1,487	8,782	15,585	-12,827	-4,854	3,746	6,041	10,546	-6,327	6,104	4
43,549	10,284	3,464	18,867	46,745	-19,417	6,596	9,759	14,020	9,866	-17,491	-34,019	24,586	3,543	-26,299	5,124	5
10,909	6,794	-12,235	-3,722	25,606	46,232	7,812	35,139	91,867	-9,608	-8,760	13,576	17,100	18,112	18,220	6,807	6
49,159	27,390	-4,756	26,341	73,244	2,772	9,864	31,924	92,148	-7,590	-19,470	-29,275	40,338	8,672	-27,111	15,700	7
34,991	13,159	-5,027	16,408	46,547	-250	9,950	10,867	77,596	-9,221	-15,332	-35,935	18,963	7,446	-8,168	10,066	8
3,585	-12,318	-2,451	-10,493	-2,997	19,893	3,006	16,986	16,960	7,643	-4,511	7,740	2,278	11,809	18,467	-2,393	9
1,714	2,006	-1,564	-703	2,104	4,150	1,538	-4,012	-3,221	205	-2,270	1,092	-930	1,174	565	-1,376	10
-3,151	-150	-6	1,644	82	1,981	2,506	7,631	5,678	494	3,628	-1,762	5,085	2,955	-23	-3,068	11
-3,532	-201	-46	1,795	-128	2,125	2,452	6,286	5,957	975	3,579	-1,161	4,810	3,119	285	-3,636	12
381	51	40	-151	210	-144	54	1,345	-279	-481	49	-601	275	-164	-308	568	13
-979	936	1,716	206	-456	1,363	154	375	-1,812	646	-1,387	80	3,052	-913	401	781	14
-2,172	-1,086	-1,722	1,438	538	618	2,352	7,256	7,490	-152	5,015	-1,842	2,033	3,868	378	-3,849	15
-2,714	383	-751	1,931	-451	588	1,938	8,494	5,121	452	2,747	-31	3,224	3,148	-1,105	-4,051	16
-482	-248	688	-134	-325	1,303	260	-941	563	-334	-18	-538	633	-42	611	-68	17
45	-285	57	-153	858	90	308	78	-6	376	899	-1,193	1,228	-151	471	1,051	18

Table 9a. Claims on Foreigners Reported by

[Millions]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
1	Claims reported by U.S. banks and securities brokers, total (table 1, line 54)	-35,572	-76,263	-148,657	-134,945	-21,357	-4,797	-28,187	-28,329	25,741
2	Claims for own accounts	-18,741	-49,907	-104,207	-146,314	-15,091	15,656	-30,178	-26,390	22,171
3	Denominated in dollars	-26,772	-58,144	-111,503	-122,851	-25,257	15,857	-43,979	-29,076	30,426
	By instrument: ²									
4	Resale agreements									
5	Negotiable certificates of deposit									
6	Other short-term instruments (including money market instruments)									
7	Deposits and brokerage balances									
8	Other claims (including loans)									
	By foreign borrower:									
	Claims on:									
9	Own foreign offices	-52,852	-45,147	-100,454	-86,069	-38,074	24,512	-36,220	-39,935	-1,209
10	Unaffiliated foreign banks	3,024	9,020	1,943	-9,251	18,921	1,505	-43	-1,054	2,616
11	Foreign official institutions ³	-2,961	-11,548	-2,818	-11,775	654	-7,535	295	1,160	3,119
12	Other foreigners	26,017	-10,469	-10,174	-15,756	-6,758	-2,625	-8,011	10,753	25,900
	By type of U.S. reporting institution: ⁴									
	U.S.-owned banks' claims on:									
13	Own foreign offices and unaffiliated foreign banks	5,463	-13,528	-33,517	-30,195	22,127	25,791	-18,642	16,376	-18,062
14	Foreign official institutions and other foreigners	-5,366	70	4,085	16,413	3,923	2,499	-2,493	5,352	-10,724
	Foreign-owned banks' claims on:									
15	Own foreign offices and unaffiliated foreign banks	-51,986	-21,162	-66,485	-63,233	-44,001	8,243	-20,876	-56,029	16,676
16	Foreign official institutions and other foreigners	-1,838	-7,175	-6,954	-16,561	1,480	-4,728	-3,915	-4,832	11,637
	Brokers' and dealers' claims on:									
17	Own foreign offices and unaffiliated foreign banks	-3,305	-1,437	1,491	-1,892	2,721	-8,017	3,255	-1,336	2,793
18	Foreign official institutions and other foreigners	30,260	-14,912	-10,123	-27,383	-11,507	-7,931	-1,308	11,393	28,106
19	Denominated in foreign currencies	8,031	8,237	7,296	-23,463	10,166	-201	13,801	2,686	-8,255
	By instrument: ²									
20	Deposits and brokerage balances									
21	Other claims (including loans)									
22	Claims for customers' accounts	-16,831	-26,356	-44,450	11,369	-6,266	-20,453	1,991	-1,939	3,570
23	Denominated in dollars	-4,305	-32,005	-40,865	4,589	-4,299	-20,718	1,419	-840	15,834
	By instrument: ²									
24	Commercial paper ⁵	-8,563	-13,102	-39,645	16,720	-21,554	-12,797	2,005	1,770	459
25	Negotiable certificates of deposit									
26	Other short-term instruments (including money market instruments) ⁶	6,581	-11,247	-7,433	-15,828	-6,324	4,638	-3,100	1,586	3,457
27	Deposits and brokerage balances (including sweep accounts) ⁷	-6,253	-8,643	6,310	6,784	14,053	-12,296	-602	-3,806	10,451
28	Other claims	3,930	987	-97	-3,087	9,526	-263	3,116	-390	1,467
29	Denominated in foreign currencies	-12,526	5,649	-3,585	6,780	-1,967	265	572	-1,099	-12,264
	By instrument: ²									
30	Deposits and brokerage balances									
31	Other claims									
	Claims, total (line 1), by area:									
32	Europe	-48,787	-99,891	-105,125	-62,677	-20,676	-16,765	-24,983	-8,142	1,103
	Of which:									
33	United Kingdom	-14,984	-28,586	-52,305	-31,665	-8,034	6,555	-23,122	11,730	-10,147
34	Switzerland	-14,486	-27,377	-3,435	-11,145	-31,168	1,186	-2,535	-19,881	6,744
35	Canada	-22,068	19,106	-1,941	-19,269	-5,239	-500	718	-15,066	-7,220
36	Caribbean financial centers ⁸	-13,318	-37,164	-31,444	-47,416	1,933	-14,056	-26,476	-445	27,659
37	Latin America, excluding Caribbean financial centers	906	8,220	-3,483	6,066	16,218	-5,205	681	5,497	-67
38	Asia	52,704	31,087	-2,432	-14,696	-12,557	34,811	22,016	-6,835	2,712
39	Of which: Japan	36,548	21,113	-6,190	-5,574	-11,830	20,937	19,297	-8,229	4,543
40	Africa	700	991	268	-162	133	21	1,417	-581	-157
41	Other	-5,709	1,388	-4,500	3,209	-1,169	-3,103	-1,560	-2,757	1,711
	Memoranda:									
1	International banking facilities' (IBF's) own claims, denominated in dollars (in lines 1-16 above)	39,271	-26,380	-37,869	-25,429	-9,155	24,228	-7,469	6,663	15,849
	By bank ownership: ⁴									
2	U.S.-owned IBF's	-1,120	-10,682	3,717	-13,474	16,519	174	-2,456	-3,401	4,563
3	Foreign-owned IBF's	40,391	-15,698	-41,586	-11,955	-25,674	24,054	-5,013	10,064	11,286

See footnotes on pages 112-113.

U.S. Banks and Securities Brokers ¹

of dollars]

Not seasonally adjusted																	Amounts outstanding March 31, 2003	Line	
1999				2000				2001				2002				2003			
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I ^P			
23,037	-36,016	-10,476	-52,808	-68,210	4,491	-1,651	-83,287	-110,566	-3,173	69,577	-90,783	-148	-69,254	52,999	-4,954	-24,392	1,671,928	1	
29,286	-23,505	-14,101	-41,587	-27,389	-26,250	-5,664	-44,904	-103,556	-21,751	40,758	-61,765	-9,115	-52,766	51,730	-4,940	-15,322	1,292,629	2	
35,039	-42,719	-9,843	-40,621	-29,946	-21,020	-11,387	-49,150	-83,001	-16,226	28,920	-52,544	-6,731	-48,238	46,433	-16,721	-7,907	1,211,387	3	
.....	-13,308	287,043	4
.....	-151	2,621	5
.....	-10,708	21,296	6
.....	-503	371,168	7
.....	16,763	529,259	8
26,950	-21,764	-272	-50,061	-36,525	-8,814	-17,647	-37,468	-42,215	-21,285	24,089	-46,658	-3,653	-39,375	59,834	-54,880	38,255	849,095	9	
12,044	-10,483	2,339	5,120	7,210	1,274	1,914	-8,455	-10,766	10,194	-925	-7,754	4,197	3,347	-2,097	13,474	11,140	23,214	10	
-10,069	-3,078	2,271	-672	-1,075	-4,640	787	2,110	-11,494	-3,075	5,490	-2,696	-6,075	4,228	-10,048	12,549	8,364	51,034	11	
6,114	-7,394	-14,181	4,992	444	-8,840	3,559	-5,337	-18,526	-2,060	266	4,564	-1,200	-16,438	-1,256	12,136	-65,666	288,044	12	
18,779	8,779	-10,811	-30,275	7,354	-23,629	-729	-16,513	-5,922	11,077	-21,531	-13,819	13,944	-5,798	12,004	1,977	30,774	252,489	13	
5,498	-1,512	-1,417	-2,499	1,933	3,170	-467	-551	18,024	4,470	-15,900	9,819	-4,972	3,010	11,134	-5,249	41,169	56,789	14	
15,695	-35,052	14,551	-16,356	-41,313	17,992	-16,529	-26,635	-47,979	-21,426	45,897	-39,725	-13,070	-32,795	49,835	-47,971	30,579	563,432	15	
-5,708	-868	471	-1,070	1,463	-3,244	22	-5,195	-22,849	-5,941	14,189	-1,960	-641	1,936	-7,725	7,910	-42,826	98,614	16	
4,520	-5,974	-1,673	1,690	4,644	-1,903	1,525	-2,775	920	-742	-1,202	-868	-330	2,565	-4,102	4,588	-11,958	56,388	17	
-3,745	-8,092	-10,964	7,889	-4,027	-13,406	4,791	2,519	-25,195	-3,664	7,467	-5,991	-1,662	-17,156	-14,713	22,024	-55,645	183,675	18	
-5,753	19,214	-4,258	-966	2,557	-5,230	5,723	4,246	-20,555	-5,525	11,838	-9,221	-2,384	-4,528	5,297	11,781	-7,415	81,242	19	
.....	-19,041	54,194	20
.....	11,626	27,048	21
-6,249	-12,511	3,625	-11,221	-40,821	30,741	4,013	-38,383	-7,010	18,578	28,819	-29,018	8,967	-16,488	1,269	-14	-9,070	379,299	22	
-15,928	-76	-8,315	-7,686	-39,893	27,790	4,333	-33,095	-10,316	18,617	28,560	-32,272	7,978	-17,282	5,896	-891	-4,706	351,593	23	
-3,367	5,248	-2,939	-12,044	-15,702	240	-9,527	-14,656	11,521	1,493	4,576	-870	78	-7,758	-6,115	-7,759	-1,274	139,367	24	
.....	-10,393	87,925	25
82	-5,951	-7,449	2,071	-1,935	7,161	-8,097	-4,562	-10,226	2,340	-4,549	-3,393	3,884	-8,356	4,672	-6,524	487	8,553	26	
-13,668	-1,611	5,853	783	-22,880	23,459	18,715	-12,984	-10,974	17,667	22,119	-22,028	891	-1,455	7,267	7,350	5,621	98,891	27	
1,025	2,238	-3,780	1,504	624	-3,070	3,242	-893	-637	-2,883	6,414	-5,981	3,125	287	72	6,042	853	16,857	28	
9,679	-12,435	11,940	-3,535	-928	2,951	-320	-5,288	3,306	-39	259	3,254	989	794	-4,627	877	-4,364	27,706	29	
.....	2,979	5,065	30
.....	-7,343	22,641	31
-7,340	-74,122	-10,654	-7,775	-83,209	23,533	-7,965	-37,484	-89,727	-18,406	71,045	-25,589	-34,553	-23,168	34,695	2,350	3,380	828,714	32	
5,865	-36,509	-1,986	4,044	-12,167	-12,591	-6,915	-20,632	-30,154	-2,311	1,969	-1,169	3,688	-15,313	-4,680	8,271	-11,415	420,920	33	
-3,136	-25,995	-14,601	16,355	-35,692	24,516	-9,957	17,698	-23,857	-12,917	45,233	-19,604	-26,235	176	12,247	-17,356	20,214	116,260	34	
9,242	9,434	1,107	-677	-6,075	-2,104	7,816	-1,578	-6,143	-5,881	1,936	-9,181	-3,133	-6,721	1,689	2,926	3,123	88,070	35	
6,016	11,184	-12,166	-42,198	17,672	-4,657	1,238	-45,697	-4,393	15,734	-6,016	-52,741	34,714	-32,927	26,987	-26,841	-28,519	544,490	36	
4,142	2,660	4,101	-2,683	3,442	-1,036	-1,685	-4,204	1,806	-639	-861	5,760	590	3,162	7,217	5,249	475	60,666	37	
11,454	16,981	103	2,549	1,624	-8,253	-1,501	5,698	-13,396	4,216	2,111	-7,627	3,284	-10,500	-18,613	13,272	-1,652	127,259	38	
5,815	15,101	487	-290	962	-5,111	-3,224	1,183	-7,732	4,803	2,094	-4,739	4,578	-5,291	-8,031	-3,086	-7,503	65,473	39	
508	-56	303	236	362	-496	-50	452	-212	-48	305	-207	7	5	116	5	-31	1,892	40	
-985	-2,097	6,730	-2,260	-2,026	-2,496	496	-474	1,499	1,851	1,057	-1,198	-1,057	895	908	-1,915	-1,168	20,837	41	
18,188	-7,122	-25,501	-11,945	-30,500	13,210	-16,311	-4,268	-12,840	-18,786	31,183	-24,986	-3,036	-13,004	22,103	-15,218	13,224	302,312	1	
3,559	-4,594	-7,515	-2,132	8,933	-5,780	5,199	-4,635	8,967	-6,030	-3,440	-12,971	19,808	-1,484	-1,490	-315	5,297	67,624	2	
14,629	-2,528	-17,986	-9,813	-39,433	18,990	-21,510	367	-21,807	-12,756	34,623	-12,015	-22,844	-11,520	23,593	-14,903	7,927	234,688	3	

Table 9b. Claims on Foreigners

[Millions]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
1	Total (table 1, line 54)	-35,572	-76,263	-148,657	-134,945	-21,357	-4,797	-28,187	-28,329	25,741
2	By type:									
3	Banks' own claims.....	-18,741	-49,907	-104,207	-146,314	-15,091	15,656	-30,178	-26,390	22,171
3	Payable in dollars.....	-26,772	-58,144	-111,503	-122,851	-25,257	15,857	-43,979	-29,076	30,426
4	By borrower:									
4	Claims on:									
5	own foreign offices.....	-52,852	-45,147	-100,454	-86,069	-38,074	24,512	-36,220	-39,935	-1,209
6	unaffiliated foreign banks.....	3,024	9,020	1,943	-9,251	18,921	1,505	-43	-1,054	2,616
5	foreign public borrowers ¹	-2,961	-11,548	-2,818	-11,775	654	-7,535	295	1,160	3,119
7	other private foreigners.....	26,017	-10,469	-10,174	-15,756	-6,758	-2,625	-8,011	10,753	25,900
8	By type of reporting institution: ²									
8	U.S.-owned banks' claims on:									
9	own foreign offices.....	4,430	-5,082	-35,407	-21,958	10,831	18,572	-12,020	11,153	-13,275
9	unaffiliated foreign banks.....	1,033	-8,446	1,890	-8,237	11,296	7,219	-6,622	5,223	-4,787
10	other foreigners.....	-5,366	70	4,085	16,413	3,923	2,499	-2,493	5,352	-10,724
11	Foreign-owned banks' claims on:									
11	own foreign offices.....	-57,282	-40,065	-65,047	-64,111	-48,905	5,940	-24,200	-51,088	12,066
12	unaffiliated foreign banks.....	5,296	18,903	-1,438	878	4,904	2,303	3,324	-4,941	4,610
13	other foreigners.....	-1,838	-7,175	-6,954	-16,561	1,480	-4,728	-3,915	-4,832	11,637
14	Brokers' and dealers' claims on:									
14	unaffiliated foreign banks.....	-3,305	-1,437	1,491	-1,892	2,721	-8,017	3,255	-1,336	2,793
15	other foreigners.....	30,260	-14,912	-10,123	-27,383	-11,507	-7,931	-1,308	11,393	28,106
16	Payable in foreign currencies.....	8,031	8,237	7,296	-23,463	10,166	-201	13,801	2,686	-8,255
17	Banks' domestic customers' claims.....	-16,831	-26,356	-44,450	11,369	-6,266	-20,453	1,991	-1,939	3,570
18	Payable in dollars.....	-4,305	-32,005	-40,865	4,589	-4,299	-20,718	1,419	-840	15,834
19	Deposits.....	-6,253	-8,643	6,310	6,784	14,053	-12,296	-602	-3,806	10,451
20	Foreign commercial paper ³	-8,563	-13,102	-39,645	16,720	-21,554	-12,797	2,005	1,770	459
21	Other negotiable and readily transferable instruments ⁴	6,581	-11,247	-7,433	-15,828	-6,324	4,638	-3,100	1,586	3,457
22	Outstanding collections and other.....	3,930	987	-97	-3,087	9,526	-263	3,116	-390	1,467
23	Payable in foreign currencies.....	-12,526	5,649	-3,585	6,780	-1,967	265	572	-1,099	-12,264
24	By area:									
24	Industrial countries ⁵	-36,776	-57,919	-118,782	-84,617	-40,046	3,752	-6,783	-32,620	-1,125
25	Western Europe.....	-50,296	-99,944	-105,918	-62,342	-20,406	-17,186	-25,308	-9,085	1,283
26	Of which: United Kingdom.....	-14,984	-28,586	-52,305	-31,665	-8,034	6,555	-23,122	11,730	-10,147
27	Canada.....	-22,068	19,106	-1,941	-19,269	-5,239	-500	718	-15,066	-7,220
28	Japan.....	36,548	21,113	-6,189	-5,574	-11,830	20,937	19,297	-8,229	4,543
29	Other.....	-960	1,806	-4,734	2,568	-2,571	501	-1,490	-240	269
30	Caribbean banking centers ⁶	-13,944	-33,735	-30,187	-47,821	4,933	-12,760	-25,398	2,120	22,094
31	Other areas.....	15,148	15,391	312	-2,507	13,756	4,211	3,994	2,171	4,772
32	Of which: Members of OPEC, included below ⁷	-7,917	2,348	7,397	1,900	-1,491	2,238	1,997	-4,874	-7,278
33	Latin America.....	1,587	4,624	-4,598	6,747	13,077	-6,543	-460	2,777	5,813
34	Asia.....	16,156	9,974	3,756	-8,644	-873	13,879	2,728	1,504	-1,955
35	Africa.....	508	937	-68	254	17	-220	1,511	-588	-195
36	Other ⁸	-3,103	-144	1,222	-864	1,535	-2,905	215	-1,522	1,109
1	Memoranda:									
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above).....	39,271	-26,380	-37,869	-25,429	-9,155	24,228	-7,469	6,663	15,849
2	By borrower:									
2	Claims on:									
2	own foreign offices.....	32,970	-34,374	-51,599	-27,619	-28,357	17,547	-9,595	9,867	15,151
3	unaffiliated foreign banks.....	5,582	5,495	10,965	-2,837	12,615	7,531	2,860	-3,084	-1,725
4	foreign public borrowers.....	-163	451	445	1,414	1,234	-164	-590	966	-375
5	all other foreigners.....	882	2,048	2,320	3,613	5,353	-686	-144	-1,086	2,798
6	By bank ownership: ²									
6	U.S.-owned IBF's.....	-1,120	-10,682	3,717	-13,474	16,519	174	-2,456	-3,401	4,563
7	Foreign-owned IBF's.....	40,391	-15,698	-41,586	-11,955	-25,674	24,054	-5,013	10,064	11,286
8	Banks' dollar acceptances payable by foreigners.....	5,104	-33	304	1,661	138	2,129	896	531	1,548
9	Resale agreements ⁹ (in lines 1 through 15 above).....					-23,606				

See footnotes on pages 112-113.

Reported by U.S. Banks

of dollars]

Not seasonally adjusted																Line
1999				2000				2001				2002				
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
23,037	-36,016	-10,476	-52,808	-68,210	4,491	-1,651	-83,287	-110,566	-3,173	69,577	-90,783	-148	-69,254	52,999	-4,954	1
29,286	-23,505	-14,101	-41,587	-27,389	-26,250	-5,664	-44,904	-103,556	-21,751	40,758	-61,765	-9,115	-52,766	51,730	-4,940	2
35,039	-42,719	-9,843	-40,621	-29,946	-21,020	-11,387	-49,150	-83,001	-16,226	28,920	-52,544	-6,731	-48,238	46,433	-16,721	3
26,950	-21,764	-272	-50,061	-36,525	-8,814	-17,647	-37,468	-42,215	-21,285	24,089	-46,658	-3,653	-39,375	59,834	-54,880	4
12,044	-10,483	2,339	5,120	7,210	1,274	1,914	-8,455	-10,766	10,194	-925	-7,754	4,197	3,347	-2,097	13,474	5
-10,069	-3,078	2,271	-672	-1,075	-4,640	787	2,110	-11,494	-3,075	5,490	-2,696	-6,075	4,228	-10,048	12,549	6
6,114	-7,394	-14,181	4,992	444	-8,840	3,559	-5,337	-18,526	-2,060	266	4,564	-1,200	-16,438	-1,256	12,136	7
21,093	8,391	-13,390	-21,176	1,178	-21,894	-522	-14,169	4,105	793	-20,704	-6,152	11,673	-9,114	12,364	-4,092	8
-2,314	388	2,579	-9,099	6,176	-1,735	-207	-2,344	-10,027	10,284	-827	-7,667	2,271	3,316	-360	6,069	9
5,498	-1,512	-1,417	-2,499	1,933	3,170	-467	-551	18,024	4,470	-15,900	9,819	-4,972	3,010	11,134	-5,249	10
5,857	-30,155	13,118	-28,885	-37,703	13,080	-17,125	-23,299	-46,320	-22,078	44,793	-40,506	-15,326	-30,261	47,470	-50,788	11
9,838	-4,897	1,433	12,529	-3,610	4,912	596	-3,336	-1,659	652	1,104	781	2,256	-2,534	2,365	2,817	12
-5,708	-868	471	-1,070	1,463	-3,244	22	-5,195	-22,849	-5,941	14,189	-1,960	-641	1,936	-7,725	7,910	13
4,520	-5,974	-1,673	1,690	4,644	-1,903	1,525	-2,775	920	-742	-1,202	-868	-330	2,565	-4,102	4,588	14
-3,745	-8,092	-10,964	7,889	-4,027	-13,406	4,791	2,519	-25,195	-3,664	7,467	-5,991	-1,662	-17,156	-14,713	22,024	15
-5,753	19,214	-4,258	-966	2,557	-5,230	5,723	4,246	-20,555	-5,525	11,838	-9,221	-2,384	-4,528	5,297	11,781	16
-6,249	-12,511	3,625	-11,221	-40,821	30,741	4,013	-38,383	-7,010	18,578	28,819	-29,018	8,967	-16,488	1,269	-14	17
-15,928	-76	-8,315	-7,686	-39,893	27,790	4,333	-33,095	-10,316	18,617	28,560	-32,272	7,978	-17,282	5,896	-891	18
-13,668	-1,611	5,853	783	-22,880	23,459	18,715	-12,984	-10,974	17,667	22,119	-22,028	891	-1,455	7,267	7,350	19
-3,367	5,248	-2,939	-12,044	-15,702	240	-9,527	-14,656	11,521	1,493	4,576	-870	78	-7,758	-6,115	-7,759	20
82	-5,951	-7,449	2,071	-1,935	7,161	-8,097	-4,562	-10,226	2,340	-4,549	-3,393	3,884	-8,356	4,672	-6,524	21
1,025	2,238	-3,780	1,504	624	-3,070	3,242	-893	-637	-2,883	6,414	-5,981	3,125	287	72	6,042	22
9,679	-12,435	11,940	-3,535	-928	2,951	-320	-5,288	3,306	-39	259	3,254	989	794	-4,627	877	23
8,783	-53,422	-3,041	-10,239	-91,364	13,720	-2,997	-38,141	-102,662	-16,756	76,201	-41,400	-32,602	-36,614	27,251	1,919	24
-6,433	-74,949	-10,404	-8,158	-84,149	23,531	-8,043	-37,257	-88,921	-19,232	71,392	-25,581	-33,869	-23,990	34,433	3,020	25
5,865	-36,509	-1,986	4,044	-12,167	-12,591	-6,915	-20,632	-30,154	-2,311	1,969	-1,169	3,688	-15,313	-4,680	8,271	26
9,242	9,434	1,107	-677	-6,075	-2,104	7,816	-1,578	-6,143	-5,881	1,936	-9,181	-3,133	-6,721	1,689	2,926	27
5,815	15,101	487	-290	962	-5,111	-3,224	1,184	-7,732	4,803	2,094	-4,739	4,578	-5,291	-8,031	-3,086	28
159	-3,008	5,769	-1,114	-2,102	-2,596	454	-490	134	3,554	779	-1,899	-178	-612	-840	-941	29
5,827	12,703	-9,038	-43,227	17,542	-6,494	1,625	-42,860	-5,835	14,064	-3,910	-52,140	35,331	-29,105	28,633	-29,926	30
8,427	4,703	1,603	658	5,612	-2,735	-279	-2,286	-2,069	-481	-2,714	2,757	-2,877	-3,535	-2,885	23,053	31
6,019	3,026	-4,028	-2,669	5,621	-457	1,537	696	286	464	512	638	-2,369	-859	863	874	32
4,198	1,152	697	-1,423	3,560	692	-1,910	-6,940	3,114	1,162	-3,210	5,681	-83	-617	5,542	8,235	33
5,639	1,883	-387	2,839	661	-3,142	1,924	4,313	-5,664	-239	-216	-2,525	-1,584	-5,144	-10,450	16,304	34
656	-147	105	323	121	-142	-477	430	39	-73	261	27	58	-96	56	-1	35
-2,066	1,815	1,188	-1,081	1,270	-143	184	-89	442	-1,331	451	-426	-1,268	2,322	1,967	-1,486	36
18,188	-7,122	-25,501	-11,945	-30,500	13,210	-16,311	-4,268	-12,840	-18,786	31,183	-24,986	-3,036	-13,004	22,103	-15,218	1
10,721	-8,683	-25,358	-11,054	-37,857	9,300	-18,840	-4,202	-15,552	-22,009	32,557	-22,615	-8,982	-15,272	21,154	-25,257	2
7,453	344	-401	-1,901	6,614	3,902	386	63	330	1,156	-943	-3,380	4,692	355	-685	8,253	3
298	380	-351	124	75	-399	796	-27	353	468	138	455	-191	529	599	297	4
-284	837	609	886	668	407	1,347	-102	2,029	1,599	-569	554	1,445	1,384	1,035	1,489	5
3,559	-4,594	-7,515	-2,132	8,933	-5,780	5,199	-4,635	8,967	-6,030	-3,440	-12,971	19,808	-1,484	-1,490	-315	6
14,629	-2,528	-17,986	-9,813	-39,433	18,990	-21,510	367	-21,807	-12,756	34,623	-12,015	-22,844	-11,520	23,593	-14,903	7
34	30	-76	-21	89	-592	229	578	1,256	-61	586	-120	449	-217	3	-97	8
.....	.....	.....	.....	.....	.....	.....	.....	.....	4,390	17,550	-25,836	14,780	-35,585	-7,784	4,983	9

Table 10a. Liabilities to Foreigners, except Foreign Official

[Millions]

Line	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)	1998	1999	2000	2001	2002	Not seasonally adjusted							
							1998				1999			
							I	II	III	IV	I	II	III	IV
1	Liabilities reported by U.S. banks and securities brokers, total (table 1, part of line 65 and table 1, line 69)	44,148	34,414	112,308	127,180	105,866	-55,644	30,514	72,883	-3,605	-11,700	18,988	3,432	23,694
2	U.S. Treasury bills and certificates (table 1, part of line 65).....	4,379	-19,818	-4,663	8,801	14,740	-6,702	-3,354	-2,431	16,866	1,734	-10,092	-4,236	-7,224
3	Other U.S. liabilities, total (table 1, line 69)	39,769	54,232	116,971	118,379	91,126	-48,942	33,868	75,314	-20,471	-13,434	29,080	7,668	30,918
4	Liabilities for own accounts	1,944	57,722	109,924	94,850	76,091	-56,251	28,855	50,484	-21,144	-3,811	35,976	996	24,561
5	Denominated in dollars.....	23,730	69,238	116,726	84,948	86,132	-40,501	41,464	48,434	-25,667	-8,095	45,218	-3,553	35,668
	By instrument: ²													
6	Repurchase agreements.....													
7	Deposits and brokerage balances.....													
8	Other liabilities (including loans).....													
	By foreign holder:													
	Liabilities to:													
9	Own foreign offices.....	77,788	46,311	85,808	73,524	60,180	-44,966	37,747	64,153	20,854	-29,749	48,145	-11,780	39,695
10	Unaffiliated foreign banks.....	-43,179	6,124	17,006	-13,484	-4,697	-10,827	9,055	-10,714	-30,693	2,975	4,781	6,001	-7,633
11	Other foreigners and international organizations.....	-10,879	16,803	13,912	24,908	30,649	15,292	-5,338	-5,005	-15,828	18,679	-7,708	2,226	3,606
	By type of U.S. reporting institution: ³													
	U.S.-owned banks' liabilities to:													
12	Own foreign offices and unaffiliated foreign banks.....	17,638	48,554	111,918	17,035	4,104	-8,205	11,205	9,129	5,509	-11,481	31,548	7,443	21,044
13	Other foreigners and international organizations.....	8,444	14,140	-20,284	-16,642	-17,754	-5,212	5,671	1,940	6,045	-364	-4,261	4,938	13,827
	Foreign-owned banks' liabilities to:													
14	Own foreign offices and unaffiliated foreign banks.....	16,129	3,862	-2,007	42,139	42,322	-51,332	37,398	42,574	-12,511	-17,342	16,726	-10,836	15,314
15	Other foreigners and international organizations.....	-4,823	8,590	8,892	21,647	14,482	5,740	-2,194	-255	-8,114	9,133	3,201	-1,755	-1,989
	Brokers' and dealers' liabilities to:													
16	Own foreign offices and unaffiliated foreign banks.....	842	19	-7,097	866	9,057	3,744	-1,801	1,736	-2,837	2,049	4,652	-2,386	-4,296
17	Other foreigners and international organizations.....	-14,500	-5,927	25,304	19,903	33,921	14,764	-8,815	-6,690	-13,759	9,910	-6,648	-957	-8,232
18	Denominated in foreign currencies.....	-21,786	-11,516	-6,802	9,902	-10,041	-15,750	-12,609	2,050	4,523	4,284	-9,242	4,549	-11,107
	By instrument: ²													
19	Deposits and brokerage balances.....													
20	Other liabilities (including loans).....													
21	Liabilities for customers' accounts	37,825	-3,490	7,047	23,529	15,035	7,309	5,013	24,830	673	-9,623	-6,896	6,672	6,357
22	Denominated in dollars.....	37,825	-3,490	7,047	23,529	15,035	7,309	5,013	24,830	673	-9,623	-6,896	6,672	6,357
	By instrument: ²													
23	Negotiable certificates of deposit and other short-term instruments.....	36,256	-5,311	7,039	9,457	12,342	5,761	5,158	25,178	159	-10,609	-8,804	7,754	6,348
24	Other liabilities (including loans).....	1,569	1,821	8	14,072	2,693	1,548	-145	-348	514	986	1,908	-1,082	9
25	Denominated in foreign currencies.....													
	By instrument: ²													
26	Negotiable certificates of deposit and other short-term instruments.....													
27	Other liabilities (including loans).....													
	Other U.S. liabilities, total (line 3), by area:													
28	Europe.....	-8,559	10,721	11,973	46,002	63,426	-31,085	11,472	38,696	-27,642	-7,052	14,983	12,122	-9,332
29	Canada.....	430	7,098	-4,003	-7,810	-424	-2,811	1,882	1,880	-521	1,065	776	-81	5,338
30	Caribbean financial centers ⁴	11,549	59,632	116,189	57,203	37,550	-14,940	38,905	5,979	-18,395	6,099	29,124	2,379	22,030
31	Latin America, excluding Caribbean financial centers.....	5,305	9,564	813	-168	-871	6,471	-630	-118	-418	4,037	4,861	-2,041	2,707
32	Asia.....	31,785	-37,246	-4,932	22,642	-16,102	-11,662	-14,428	28,209	29,666	-19,806	-23,173	-5,949	11,682
33	Africa.....	-843	769	309	-499	753	272	-732	148	-531	-298	76	-169	1,160
34	Other.....	102	3,694	-3,378	1,009	6,794	4,813	-2,601	520	-2,630	2,521	2,433	1,407	-2,667
	Memoranda:													
1	International banking facilities' (IBF's) own liabilities, denominated in dollars (in lines 3-15 above).....	-36,911	-6,604	20,722	5,552	17,111	-33,779	-10,985	32,720	-24,867	-23,310	8,335	4,624	3,747
	By bank ownership: ⁵													
2	U.S.-owned IBF's.....	-6,147	16,178	-3,004	2,448	-9,639	-4,667	2,781	2,307	-6,568	-1,809	2,886	6,041	9,060
3	Foreign-owned IBF's.....	-30,764	-22,782	23,726	3,104	26,750	-29,112	-13,766	30,413	-18,299	-21,501	5,449	-1,417	-5,313

See footnotes on pages 112-113.

Agencies, Reported by U.S. Banks and Securities Brokers ¹
of dollars]

Not seasonally adjusted													Amounts Outstanding March 31, 2003	Line
2000				2001				2002				2003		
I	II	III	IV	I	II	III	IV	I	II	III	IV	I P		
-9,139	47,521	23,724	50,202	26,688	69,971	-41,212	71,733	-2,271	28,902	25,469	53,766	24,418	1,719,651	1
678	-6,326	-4,732	5,717	1,234	698	3,070	3,799	5,175	4,954	5,021	-410	-585	38,551	2
-9,817	53,847	28,456	44,485	25,454	69,273	-44,282	67,934	-7,446	23,948	20,448	54,176	25,003	1,681,100	3
2,036	55,795	32,738	19,355	26,348	43,363	-45,510	70,649	-13,310	23,605	8,243	57,553	33,896	1,425,090	4
3,443	54,219	37,637	21,427	7,885	23,643	-25,257	78,677	-8,562	16,879	15,946	61,869	28,074	1,336,507	5
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45,351	273,438	6
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,974	731,332	7
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-21,251	331,737	8
6,591	25,179	37,774	16,264	-17,390	15,717	-10,945	86,142	-11,820	15,492	-7,765	64,273	-12,154	928,874	9
-5,031	9,924	1,090	11,023	15,760	-5,667	-4,825	-18,752	2,534	-8,174	-6,133	7,076	-33,685	34,871	10
1,883	19,116	-1,227	-5,860	9,515	13,593	-9,487	11,287	724	9,561	29,844	-9,480	73,913	372,762	11
6,655	65,708	22,849	16,706	-60,062	18,172	5,059	53,866	-37,257	17,793	-13,700	37,268	-59,735	390,708	12
-14,693	-5,661	-1,371	1,441	-13,244	-3,268	5,216	-5,346	-4,512	-3,346	-10,883	987	28,849	69,393	13
-271	-29,926	15,484	12,706	53,300	-7,042	-19,933	15,814	20,495	-10,175	-6,319	38,321	-10,699	470,900	14
5,175	10,172	-2,730	-3,725	12,772	11,305	-6,535	4,105	3,845	-359	10,823	173	26,728	99,421	15
-4,824	-679	531	-2,125	5,132	-1,080	-896	-2,290	7,476	-300	6,121	-4,240	24,595	102,137	16
11,401	14,605	2,874	-3,576	9,987	5,556	-8,168	12,528	1,391	13,266	29,904	-10,640	18,336	203,948	17
-1,407	1,576	-4,899	-2,072	18,463	19,720	-20,253	-8,028	-4,748	6,726	-7,703	-4,316	5,822	88,583	18
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,934	50,582	19
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,888	38,001	20
-11,853	-1,948	-4,282	25,130	-894	25,910	1,228	-2,715	5,864	343	12,205	-3,377	-8,893	256,010	21
-11,853	-1,948	-4,282	25,130	-894	25,910	1,228	-2,715	5,864	343	12,205	-3,377	-8,893	255,689	22
-12,484	-1,137	-4,287	24,947	-12,071	23,057	1,553	-3,082	7,106	-1,803	9,560	-2,521	3,564	117,182	23
631	-811	5	183	11,177	2,853	-325	367	-1,242	2,146	2,645	-856	-12,457	138,507	24
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	321	25
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	16	26
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	305	27
5,493	7,323	15,908	-16,751	19,999	33,936	-68,882	60,949	-1,024	3,064	20,268	41,118	-23,298	605,303	28
920	1,562	-3,626	-2,859	-5,499	-1,425	-722	-164	71	-195	440	-740	6,531	32,401	29
9,324	34,316	25,694	46,855	9,028	26,047	15,825	6,303	-19,356	33,081	8,585	15,240	54,750	779,806	30
-1,460	2,730	-1,890	1,433	-4,274	3,891	3,100	-2,885	1,838	-3,953	-101	1,345	-446	79,368	31
-25,981	4,549	-1,038	17,538	4,583	2,258	7,334	8,467	12,052	-13,109	-8,471	-6,574	-9,796	155,409	32
-724	100	441	492	85	101	-281	-404	385	74	-68	362	-155	6,682	33
2,611	3,267	-7,033	-2,223	1,532	4,465	-656	-4,332	-1,412	4,986	-205	3,425	-2,583	22,131	34
-10,261	9,435	31,144	-9,596	-23,791	18,932	-36,811	47,222	11,771	3,968	-19,065	20,437	-64,673	341,702	1
-11,414	8,566	-4,699	4,543	-7,912	6,534	-13,053	16,879	-17,753	3,257	5,166	-309	-4,692	63,778	2
1,153	869	35,843	-14,139	-15,879	12,398	-23,758	30,343	29,524	711	-24,231	20,746	-59,981	277,924	3

Table 11. U.S. International
 [Millions]

Line	(Credits +; debits -) ¹	Australia							
		2000	2001	2002	2002				2003
					I	II	III	IV		I^{P}
Current account									
1	Exports of goods and services and income receipts	24,385	19,628	22,653	5,105	5,572	6,096	5,880	5,447
2	Exports of goods and services	18,083	15,672	18,149	4,069	4,569	4,802	4,709	4,070
3	Goods, balance of payments basis ²	12,187	10,597	12,760	2,833	3,228	3,368	3,331	2,765
4	Services ³	5,896	5,075	5,389	1,236	1,341	1,434	1,378	1,305
5	Transfers under U.S. military agency sales contracts ⁴	347	196	176	43	43	42	48	49
6	Travel	1,856	1,382	1,473	298	385	420	370	298
7	Passenger fares	530	361	339	104	91	77	67	87
8	Other transportation	282	291	292	65	73	74	80	72
9	Royalties and license fees ⁵	747	723	834	182	200	235	217	193
10	Other private services ⁵	2,125	2,114	2,264	542	546	583	593	604
11	U.S. Government miscellaneous services	9	8	11	2	3	3	3	2
12	Income receipts	6,302	3,956	4,504	1,036	1,003	1,294	1,171	1,377
13	Income receipts on U.S.-owned assets abroad	6,278	3,932	4,480	1,030	997	1,288	1,165	1,370
14	Direct investment receipts	3,436	1,718	2,612	555	515	809	733	946
15	Other private receipts	2,842	2,214	1,868	475	482	479	432	424
16	U.S. Government receipts								
17	Compensation of employees	24	24	24	6	6	6	6	7
18	Imports of goods and services and income payments	-11,966	-12,937	-11,356	-2,386	-2,918	-3,014	-3,038	-2,831
19	Imports of goods and services	-10,017	-10,260	-9,539	-2,205	-2,371	-2,508	-2,455	-2,287
20	Goods, balance of payments basis ²	-6,422	-6,463	-6,446	-1,385	-1,668	-1,753	-1,640	-1,415
21	Services ³	-3,595	-3,797	-3,093	-820	-703	-755	-815	-872
22	Direct defense expenditures	-81	-112	-119	-24	-29	-34	-32	-24
23	Travel	-1,473	-1,549	-997	-300	-207	-244	-246	-296
24	Passenger fares	-620	-762	-641	-188	-147	-142	-164	-196
25	Other transportation	-247	-221	-192	-55	-47	-45	-45	-45
26	Royalties and license fees ⁵	-96	-86	-76	-14	-17	-16	-29	-27
27	Other private services ⁵	-1,044	-1,035	-1,029	-230	-246	-264	-289	-275
28	U.S. Government miscellaneous services	-34	-32	-39	-9	-10	-10	-10	-9
29	Income payments	-1,949	-2,677	-1,817	-181	-547	-506	-583	-544
30	Income payments on foreign-owned assets in the United States	-1,943	-2,664	-1,805	-178	-544	-503	-580	-540
31	Direct investment payments	-395	-1,499	-777	52	-300	-227	-302	-280
32	Other private payments	-1,020	-722	-594	-132	-140	-160	-162	-155
33	U.S. Government payments	-528	-443	-434	-98	-104	-116	-116	-105
34	Compensation of employees	-6	-13	-12	-3	-3	-3	-3	-4
35	Unilateral current transfers, net	-343	-428	-238	-62	-62	-59	-55	-55
36	U.S. Government grants ⁴								
37	U.S. Government pensions and other transfers	-43	-47	-52	-13	-13	-13	-13	-12
38	Private remittances and other transfers ⁶	-300	-381	-186	-49	-49	-46	-42	-43
Capital and financial account									
Capital account									
39	Capital account transactions, net	-20	-24	-24	-6	-6	-6	-6	-6
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-3,437	-1,448	-5,165	-4,618	-626	2,358	-2,279	-133
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	1							
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	1							
50	U.S. private assets, net	-3,438	-1,448	-5,165	-4,618	-626	2,358	-2,279	-133
51	Direct investment	-889	391	-3,726	-3,188	239	106	-883	-634
52	Foreign securities	871	-3,266	457	-203	-370	904	126	379
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	833	-1,422	-2,880	-2,071	504	993	-2,306	
54	U.S. claims reported by U.S. banks, not included elsewhere	-4,253	2,849	984	844	-999	355	784	122
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	8,861	1,103	19,574	7,194	4,980	5,380	2,020	-4,261
56	Foreign official assets in the United States, net	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
57	U.S. Government securities	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
58	U.S. Treasury securities ⁹	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
59	Other ¹⁰	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
60	Other U.S. Government liabilities ¹¹	-110	92	99	34	30	29	6	
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
62	Other foreign official assets ¹²	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
63	Other foreign assets in the United States, net	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
64	Direct investment	4,936	5,670	4,262	650	3,018	1,114	-520	585
65	U.S. Treasury securities	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
66	U.S. securities other than U.S. Treasury securities	1,825	-2,155	7,703	2,148	936	4,124	495	-2,309
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-1,072	456	314	150	688	-794	270	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 3,282	18 -2,960	18 7,196	18 4,212	18 308	18 907	18 1,769	18 -2,537
70	Statistical discrepancy (sum of above items with sign reversed)	-17,480	-5,894	-25,444	-5,227	-6,940	-10,755	-2,522	1,839
Memoranda:									
71	Balance on goods (lines 3 and 20)	5,765	4,134	6,314	1,448	1,560	1,615	1,691	1,350
72	Balance on services (lines 4 and 21)	2,301	1,278	2,296	416	638	679	563	433
73	Balance on goods and services (lines 2 and 19)	8,066	5,412	8,610	1,864	2,198	2,294	2,254	1,783
74	Balance on income (lines 12 and 29)	4,353	1,279	2,687	855	456	788	588	833
75	Unilateral current transfers, net (line 35)	-343	-428	-238	-62	-62	-59	-55	-55
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	12,076	6,263	11,059	2,657	2,592	3,023	2,787	2,561

See footnotes on pages 112-113.

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

General notes for all tables: ^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 account transactions payments; financial outflows— decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

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

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

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

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

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

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

8. Includes sales of foreign obligations to foreigners.

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

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

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

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

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

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

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

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

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

Table 2:

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

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

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

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

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

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

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

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

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

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

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

Table 3:

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

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

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

4. Includes charges for auxiliary insurance services.

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

Table 4:

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

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

Table 5:

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

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

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

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

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

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

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

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

Table 6a:

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

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

Table 6b:

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

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

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

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

Table 7a:

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

2. Includes all redemptions and early retirements.

Table 7b:

1. Primarily provincial, regional, and municipal.

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

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

Table 8a:

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

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

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

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

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

Table 8b:

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

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

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

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

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

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

Table 9a:

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

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

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

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

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

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

7. Prior to 2003, includes only deposits.

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

Table 9b:

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

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

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

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

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

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

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

8. Includes Eastern Europe and international and regional organizations.

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

Table 10a:

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

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

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

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

Table 10b:

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

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

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

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

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

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

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

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

9. Includes Eastern Europe and international and regional organizations.

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

Table 11:

For footnotes 1–13, see table 1.

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

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

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

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

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

Table 12:

For footnotes 1–13, see table 1.

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

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

BEA Current and Historical Data

National, International, and Regional Data

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

BEA's economic statistics are available on BEA's Web site at <www.bea.gov>. The site contains data, articles, news releases, and other information from BEA's national, industry, international, and regional programs.

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

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National Data

A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on June 26, 2003 and include the "final" estimates for the first quarter of 2003. Also included are revised estimates of wages and salaries and affected income-side series for the fourth quarter of 2002.

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

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

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

S. Summary Tables

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

[Percent]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Gross domestic product..	.3	2.4	5.0	1.3	4.0	1.4	1.4
Personal consumption expenditures.....	2.5	3.1	3.1	1.8	4.2	1.7	2.0
Durable goods.....	6.0	7.3	-6.3	2.0	22.8	-8.2	-2.0
Nondurable goods.....	2.0	3.2	7.9	-1	1.0	5.1	6.1
Services.....	2.0	2.2	2.9	2.7	2.3	2.2	.9
Gross private domestic investment.....	-10.7	1.0	18.2	7.9	3.6	6.3	-5.3
Fixed investment.....	-3.8	-3.1	-5	-1.0	-3	4.4	-1
Nonresidential.....	-5.2	-5.7	-5.8	-2.4	-8	2.3	-4.4
Structures.....	-1.7	-16.4	-14.2	-17.6	-21.4	-9.9	-2.9
Equipment and software	-6.4	-1.7	-2.7	3.3	6.7	6.2	-4.8
Residential.....	.3	3.9	14.2	2.7	1.1	9.4	10.1
Change in private inventories							
Net exports of goods and services.....							
Exports.....	-5.4	-1.6	3.5	14.3	4.6	-5.8	-1.3
Goods.....	-5.9	-3.6	-3.4	15.9	4.1	-11.5	1.9
Services.....	-4.0	3.2	21.7	10.7	5.9	8.0	-8.0
Imports.....	-2.9	3.7	8.5	22.2	3.3	7.4	-6.2
Goods.....	-3.3	3.9	3.7	27.9	3.4	6.2	-6.7
Services.....	-5	2.1	35.7	-2.1	3.1	13.0	-4.0
Government consumption expenditures and gross investment.....	3.7	4.4	5.6	1.4	2.9	4.6	.4
Federal.....	4.8	7.5	7.4	7.5	4.3	11.0	.7
National defense.....	5.0	9.3	11.6	7.8	6.9	11.0	-3.3
Nondefense.....	4.5	4.3	.4	6.9	-3	11.1	8.4
State and local.....	3.1	2.8	4.6	-1.7	2.2	1.2	.2
Addenda:							
Final sales of domestic product.....	1.5	1.8	2.4	-1	3.4	1.1	2.3
Gross domestic purchases..	.4	3.0	5.6	2.6	3.9	2.9	.6
Final sales to domestic purchasers.....	1.6	2.4	3.0	1.3	3.3	2.6	1.4
Gross national product.....	.2	2.1	3.7	.4	4.4	1.4	1.4
Disposable personal income	1.8	4.2	14.5	3.9	1.8	1.4	2.1

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Percent change at annual rate:							
Gross domestic product.....	.3	2.4	5.0	1.3	4.0	1.4	1.4
Percentage points at annual rates:							
Personal consumption expenditures.....	1.67	2.15	2.22	1.22	2.93	1.19	1.40
Durable goods.....	.48	.59	-55	.16	1.74	-.72	-.17
Nondurable goods.....	.39	.64	1.57	-.02	.22	1.01	1.21
Services.....	.80	.92	1.20	1.08	.97	.90	.36
Gross private domestic investment.....	-1.90	.15	2.53	1.16	.55	.93	-.83
Fixed investment.....	-.65	-.50	-.07	-.15	-.03	.65	-.02
Nonresidential.....	-.66	-.68	-.66	-.27	-.08	.24	-.47
Structures.....	-.05	-.52	-.44	-.53	-.62	-.25	-.07
Equipment and software							
Residential.....	-.61	-.15	-.22	.26	.53	.49	-.40
Change in private inventories.....	.01	.18	.60	.12	.05	.41	.45
Net exports of goods and services.....	-1.24	.65	2.60	1.31	.58	.28	-.82
Net exports of goods and services.....	-1.18	-.67	-.75	-1.40	-.01	-1.59	.78
Exports.....	-.59	-.17	.33	1.29	.45	-.59	-.13
Goods.....	-.47	-.26	-.23	.99	.28	-.82	.13
Services.....	-.13	.09	.56	.30	.17	.23	-.25
Imports.....	.42	-.50	-1.08	-2.69	-.47	-1.00	.91
Goods.....	.40	-.43	-.40	-2.74	-.40	-.71	.81
Services.....	.01	-.07	-.68	.05	-.07	-.30	.10
Government consumption expenditures and gross investment.....	.65	.81	1.04	.27	.56	.85	.08
Federal.....	.29	.47	.47	.47	.29	.70	.05
National defense.....	.19	.37	.46	.32	.29	.46	-.15
Nondefense.....	.10	.10	.01	.16	-.01	.25	.20
State and local.....	.36	.34	.56	-.21	.27	.15	.03

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

1. National Product and Income

Table 1.1. Gross Domestic Product
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Gross domestic product	10,082.2	10,446.2	10,313.1	10,376.9	10,506.2	10,588.8	10,688.4
Personal consumption expenditures	6,987.0	7,303.7	7,174.2	7,254.7	7,360.7	7,425.4	7,512.5
Durable goods	835.9	871.9	859.0	856.9	897.8	873.9	861.2
Nondurable goods	2,041.3	2,115.0	2,085.1	2,108.2	2,116.9	2,150.0	2,206.8
Services	4,109.9	4,316.8	4,230.1	4,289.5	4,346.0	4,401.5	4,444.6
Gross private domestic investment	1,586.0	1,593.2	1,559.4	1,588.0	1,597.3	1,628.1	1,611.2
Fixed investment	1,646.3	1,589.3	1,589.4	1,584.6	1,579.7	1,603.6	1,610.7
Nonresidential	1,201.6	1,117.4	1,126.8	1,115.8	1,109.8	1,117.1	1,103.4
Structures	324.5	269.3	288.3	275.2	259.4	254.2	254.9
Equipment and software	877.1	848.1	838.5	840.7	850.4	863.0	848.6
Residential	444.8	471.9	462.6	468.7	469.9	486.5	507.3
Change in private inventories	-60.3	3.9	-29.9	3.4	17.6	24.5	.4
Net exports of goods and services	-348.9	-423.6	-360.1	-425.6	-432.9	-476.0	-487.2
Exports	1,034.1	1,014.9	977.5	1,018.1	1,038.6	1,025.4	1,031.8
Goods	733.5	703.6	679.8	709.4	722.6	702.6	711.9
Services	300.6	311.3	297.7	308.8	316.0	322.8	319.9
Imports	1,383.0	1,438.5	1,337.5	1,443.7	1,471.5	1,501.4	1,519.0
Goods	1,167.2	1,192.1	1,102.3	1,202.9	1,220.9	1,242.5	1,256.1
Services	215.8	246.4	235.2	240.8	250.6	258.9	262.9
Government consumption expenditures and gross investment	1,858.0	1,972.9	1,939.5	1,959.8	1,981.1	2,011.3	2,052.0
Federal	628.1	693.7	672.0	688.2	697.7	716.9	735.2
National defense	399.9	447.4	431.7	442.1	451.2	464.7	471.1
Nondefense	228.2	246.3	240.3	246.1	246.5	252.2	264.1
State and local	1,229.9	1,279.2	1,267.5	1,271.6	1,283.3	1,294.4	1,316.8

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Gross domestic product ..	9,214.5	9,439.9	9,363.2	9,392.4	9,485.6	9,518.2	9,552.0
Personal consumption expenditures	6,377.2	6,576.0	6,513.8	6,542.4	6,609.9	6,637.9	6,670.9
Durable goods	931.9	999.9	975.9	980.7	1,032.4	1,010.6	1,005.4
Nondurable goods	1,869.8	1,929.5	1,921.4	1,920.9	1,925.8	1,950.0	1,978.9
Services	3,594.9	3,675.6	3,642.2	3,666.2	3,687.0	3,707.0	3,714.9
Gross private domestic investment	1,574.6	1,589.6	1,554.0	1,583.9	1,598.0	1,622.4	1,600.4
Fixed investment	1,627.4	1,577.3	1,576.4	1,572.6	1,571.6	1,588.5	1,587.9
Nonresidential	1,255.1	1,183.4	1,188.4	1,181.1	1,178.7	1,185.3	1,172.1
Structures	270.9	226.4	243.2	231.7	218.2	212.6	211.0
Equipment and software	988.2	971.1	953.7	961.4	977.2	992.1	979.9
Residential	373.5	388.2	383.6	386.1	387.1	395.9	405.5
Change in private inventories	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Net exports of goods and services	-415.9	-488.5	-446.6	-487.4	-488.0	-532.2	-510.3
Exports	1,076.1	1,058.8	1,030.6	1,065.5	1,077.7	1,061.6	1,058.1
Goods	785.2	756.9	738.1	765.8	773.5	750.3	753.9
Services	292.0	301.5	292.2	299.7	304.0	310.0	303.5
Imports	1,492.0	1,547.4	1,477.1	1,552.9	1,565.7	1,593.8	1,568.4
Goods	1,270.5	1,320.1	1,250.0	1,329.2	1,340.3	1,360.8	1,337.4
Services	222.4	227.2	225.5	224.3	226.0	233.0	230.7
Government consumption expenditures and gross investment	1,640.4	1,712.8	1,697.3	1,703.3	1,715.6	1,735.0	1,736.7
Federal	570.6	613.3	597.8	608.7	615.1	631.4	632.5
National defense	366.0	400.0	388.5	395.8	402.5	413.2	409.7
Nondefense	204.4	213.3	209.3	212.9	212.7	218.3	222.8
State and local	1,069.4	1,099.7	1,099.3	1,094.7	1,100.6	1,104.0	1,104.6
Residual	22.6	19.9	20.2	25.1	12.1	22.2	25.2

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

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

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
Gross domestic product	10,082.2	10,446.2	10,313.1	10,376.9	10,506.2	10,588.8	10,688.4
Final sales of domestic product	10,142.5	10,442.4	10,343.0	10,373.5	10,488.7	10,564.3	10,688.0
Change in private inventories	-60.3	3.9	-29.9	3.4	17.6	24.5	.4
Goods	3,593.7	3,694.1	3,664.2	3,659.1	3,732.7	3,720.4	3,735.5
Final sales	3,654.0	3,690.2	3,694.1	3,655.7	3,715.2	3,695.9	3,735.0
Change in private inventories	-60.3	3.9	-29.9	3.4	17.6	24.5	.4
Durable goods	1,611.4	1,644.8	1,621.2	1,612.0	1,683.1	1,662.7	1,639.4
Final sales	1,676.4	1,643.7	1,641.5	1,616.8	1,678.3	1,638.2	1,627.8
Change in private inventories ¹	-65.0	1.1	-20.3	-4.8	4.8	24.5	11.6
Nondurable goods	1,982.3	2,049.3	2,042.9	2,047.1	2,049.6	2,057.7	2,096.0
Final sales	1,977.6	2,046.5	2,052.6	2,038.9	2,036.9	2,057.8	2,107.3
Change in private inventories ¹	4.7	2.8	-9.7	8.2	12.7	-1	-11.2
Services	5,535.1	5,814.7	5,696.6	5,781.5	5,849.7	5,930.9	5,993.0
Structures	953.3	937.5	952.3	936.3	923.8	937.5	960.0
Addenda:							
Motor vehicle output	312.0	344.2	331.8	334.7	360.7	349.7	347.4
Gross domestic product less motor vehicle output	9,770.2	10,102.0	9,981.3	10,042.1	10,145.5	10,239.1	10,341.1

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
Gross domestic product	9,214.5	9,439.9	9,363.2	9,392.4	9,485.6	9,518.2	9,552.0
Final sales of domestic product	9,258.4	9,424.4	9,379.4	9,377.9	9,457.2	9,483.1	9,536.2
Change in private inventories	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Residual	17.5	10.3	12.7	9.6	9.6	9.3	11.0
Goods	3,589.9	3,710.1	3,670.8	3,674.4	3,754.8	3,740.1	3,760.9
Final sales	3,643.3	3,697.6	3,693.4	3,663.0	3,728.1	3,705.9	3,748.3
Change in private inventories	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Durable goods	1,754.9	1,822.8	1,781.1	1,784.6	1,872.5	1,852.8	1,839.7
Final sales	1,823.9	1,819.3	1,801.6	1,787.6	1,864.6	1,823.2	1,824.3
Change in private inventories	-67.9	1.4	-20.3	-4.4	5.0	25.1	12.2
Nondurable goods	1,834.2	1,888.2	1,886.8	1,887.2	1,888.0	1,890.8	1,920.5
Final sales	1,825.6	1,879.9	1,890.7	1,874.5	1,870.2	1,884.2	1,921.9
Change in private inventories ¹	4.8	3.8	-8.8	9.0	13.6	1.4	-6.7
Services	4,826.4	4,959.9	4,903.2	4,945.5	4,976.4	5,014.6	5,021.8
Structures	797.1	775.0	792.1	774.9	764.0	768.8	775.7
Residual	4.6	.6	4.7	5.3	-8.2	.9	2.8
Addenda:							
Motor vehicle output	315.9	356.5	340.5	347.2	375.7	362.4	360.8
Gross domestic product less motor vehicle output	8,896.6	9,085.0	9,022.6	9,045.9	9,113.8	9,157.8	9,192.8

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

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

Gross domestic product	10,082.2	10,446.2	10,313.1	10,376.9	10,506.2	10,588.8	10,688.4
Less: Exports of goods and services	1,034.1	1,014.9	977.5	1,018.1	1,038.6	1,025.4	1,031.8
Plus: Imports of goods and services	1,383.0	1,438.5	1,337.5	1,443.7	1,471.5	1,501.4	1,519.0
Equals: Gross domestic purchases	10,431.0	10,869.9	10,673.1	10,802.4	10,939.1	11,064.8	11,175.6
Less: Change in private inventories	-60.3	3.9	-29.9	3.4	17.6	24.5	.4
Equals: Final sales to domestic purchasers	10,491.4	10,866.0	10,703.1	10,799.0	10,921.5	11,040.3	11,175.2

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

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

Gross domestic product	9,214.5	9,439.9	9,363.2	9,392.4	9,485.6	9,518.2	9,552.0
Less: Exports of goods and services	1,076.1	1,058.8	1,030.6	1,065.5	1,077.7	1,061.6	1,058.1
Plus: Imports of goods and services	1,492.0	1,547.4	1,477.1	1,552.9	1,565.7	1,593.8	1,568.4
Equals: Gross domestic purchases	9,600.7	9,889.8	9,778.2	9,840.8	9,934.7	10,005.5	10,020.7
Less: Change in private inventories	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Equals: Final sales to domestic purchasers	9,644.9	9,874.1	9,794.4	9,826.0	9,906.1	9,970.1	10,004.7

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

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

Gross domestic product	10,082.2	10,446.2	10,313.1	10,376.9	10,506.2	10,588.8	10,688.4
Business¹	8,482.7	8,759.1	8,656.2	8,700.1	8,808.6	8,871.4	8,938.0
Nonfarm ²	8,402.1	8,680.2	8,567.6	8,631.5	8,731.3	8,790.3	8,852.2
Nonfarm less housing	7,571.1	7,814.4	7,712.8	7,757.5	7,862.0	7,925.2	7,980.7
Housing	831.1	865.8	854.8	874.1	869.2	865.1	871.5
Farm	80.6	78.9	88.6	68.6	77.4	81.1	85.8
Households and institutions	459.6	486.1	472.5	481.4	490.5	499.9	508.7
Private households	11.9	10.8	10.5	10.7	10.8	11.0	11.2
Nonprofit institutions	447.7	475.3	462.0	470.8	479.7	488.9	497.5
General government³	1,139.8	1,201.1	1,184.4	1,195.3	1,207.1	1,217.4	1,241.7
Federal	332.8	355.6	350.1	354.1	357.7	360.5	378.6
State and local	807.0	845.5	834.3	841.3	849.3	857.0	863.1

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

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

Gross domestic product	9,214.5	9,439.9	9,363.2	9,392.4	9,485.6	9,518.2	9,552.0
Business¹	7,838.3	8,032.8	7,966.9	7,989.2	8,075.1	8,099.8	8,127.2
Nonfarm ²	7,724.7	7,917.7	7,849.1	7,876.8	7,961.0	7,983.9	8,010.7
Nonfarm less housing	7,012.9	7,208.9	7,140.4	7,157.0	7,252.6	7,285.5	7,311.9
Housing	712.6	711.7	710.9	721.0	711.7	703.2	703.8
Farm	114.3	114.7	119.8	110.8	112.9	115.5	116.2
Households and institutions	398.7	407.7	403.4	406.4	409.0	411.8	414.0
Private households	10.1	8.8	8.7	8.8	8.9	9.0	9.1
Nonprofit institutions	388.7	398.9	394.8	397.7	400.3	402.9	405.0
General government³	978.5	1,000.9	994.3	998.1	1,003.2	1,008.1	1,012.2
Federal	291.3	297.5	294.3	296.0	298.5	301.3	304.7
State and local	687.0	703.1	699.7	701.7	704.4	706.5	707.1
Residual	-2.4	-3.7	-5.4	-6	-3.7	-5.7	-5.8

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

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

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Gross domestic product	10,082.2	10,446.2	10,313.1	10,376.9	10,506.2	10,588.8	10,688.4
<i>Plus:</i> Income receipts from the rest of the world	316.9	278.0	264.7	276.0	287.3	284.2	281.3
<i>Less:</i> Income payments to the rest of the world	295.0	287.6	262.8	296.1	298.2	293.4	291.5
Equals: Gross national product	10,104.1	10,436.7	10,314.9	10,356.8	10,495.3	10,579.7	10,678.2
<i>Less:</i> Consumption of fixed capital	1,329.3	1,393.5	1,363.5	1,389.8	1,405.3	1,415.4	1,421.4
Private	1,106.8	1,163.9	1,136.9	1,161.2	1,174.8	1,182.7	1,185.9
Capital consumption allowances	1,168.4	1,320.0	1,324.0	1,322.0	1,317.9	1,315.9	1,323.5
<i>Less:</i> Consumption adjustment	61.6	156.1	187.0	160.8	143.1	133.3	137.6
Government	222.4	229.6	226.5	228.6	230.5	232.7	235.5
General government	187.7	195.0	192.5	194.1	195.7	197.6	200.0
Government enterprises	34.8	34.6	34.0	34.4	34.8	35.1	35.5
Equals: Net national product	8,774.8	9,043.2	8,951.5	8,967.0	9,090.0	9,164.3	9,256.8
<i>Less:</i> Indirect business tax and nontax liability Business transfer payments	774.8	800.4	786.2	795.1	806.9	813.3	821.7
Statistical discrepancy	42.5	44.1	43.8	43.9	44.4	44.3	44.9
<i>Plus:</i> Subsidies less current surplus of government enterprises	-117.3	-108.8	-110.0	-165.0	-82.1	-78.2	-91.4
Equals: National income	8,122.0	8,340.1	8,268.5	8,328.0	8,349.9	8,413.9	8,512.3
<i>Less:</i> Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	797.6	785.0	771.0	796.1	816.5
Net interest	649.8	684.2	672.8	678.1	687.6	698.3	703.3
Contributions for social insurance	726.1	746.5	740.4	746.1	748.8	750.9	764.1
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	1.4
<i>Plus:</i> Personal interest income	1,091.3	1,078.5	1,069.9	1,082.3	1,080.7	1,080.9	1,075.8
Personal dividend income	409.2	433.8	423.7	430.3	437.3	443.8	451.2
Government transfer payments to persons	1,137.0	1,252.9	1,217.4	1,247.7	1,263.1	1,283.5	1,304.9
Business transfer payments to persons	33.4	35.1	34.6	34.9	35.3	35.6	35.9
Equals: Personal income	8,685.3	8,922.2	8,803.4	8,914.0	8,958.9	9,012.5	9,094.8
Addenda:							
Gross domestic income	10,199.4	10,555.1	10,423.1	10,541.8	10,588.3	10,667.0	10,779.8
Gross national income	10,221.4	10,545.5	10,424.9	10,521.8	10,577.4	10,657.9	10,769.5
Net domestic product	8,752.9	9,052.8	8,949.6	8,987.0	9,101.0	9,173.4	9,267.0

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

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Gross domestic product	9,214.5	9,439.9	9,363.2	9,392.4	9,485.6	9,518.2	9,552.0
<i>Plus:</i> Income receipts from the rest of the world	292.0	253.3	242.8	251.8	261.3	257.5	252.5
<i>Less:</i> Income payments to the rest of the world	269.2	260.3	239.2	268.2	269.5	264.2	260.4
Equals: Gross national product	9,237.3	9,433.5	9,367.5	9,376.7	9,477.9	9,512.1	9,544.7
<i>Less:</i> Consumption of fixed capital	1,320.8	1,399.9	1,357.9	1,390.9	1,417.0	1,433.7	1,448.7
Private	1,110.7	1,184.5	1,144.8	1,176.2	1,200.9	1,216.0	1,229.4
Government	210.9	216.6	214.0	215.8	217.5	219.1	220.8
General government	179.2	185.4	183.2	184.7	186.1	187.5	189.1
Government enterprises ..	31.7	31.2	30.9	31.1	31.3	31.6	31.7
Equals: Net national product	7,928.1	8,049.7	8,022.0	8,001.6	8,078.2	8,097.2	8,116.2
Addenda:							
Gross domestic income ¹	9,321.7	9,538.3	9,463.1	9,541.7	9,559.7	9,588.5	9,633.7
Gross national income ²	9,344.5	9,532.0	9,467.4	9,526.0	9,552.1	9,582.4	9,626.4
Net domestic product	7,905.4	8,055.8	8,017.7	8,017.0	8,085.5	8,103.0	8,123.2

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

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

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

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

Table 1.11. Command-Basis Real Gross National Product

[Billions of chained (1996) dollars]

Gross national product	9,237.3	9,433.5	9,367.5	9,376.7	9,477.9	9,512.1	9,544.7
<i>Less:</i> Exports of goods and services and income receipts from the rest of the world ...	1,366.5	1,307.1	1,268.0	1,311.9	1,334.2	1,314.4	1,305.5
<i>Plus:</i> Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,410.0	1,344.4	1,321.2	1,345.6	1,365.6	1,345.4	1,316.2
Equals: Command-basis gross national product	9,280.9	9,470.8	9,420.6	9,410.3	9,509.3	9,543.1	9,555.4
Addendum:							
Terms of trade ²	103.2	102.8	104.2	102.6	102.4	102.4	100.8

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

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

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

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

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

Table 1.14. National Income by Type of Income

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
National income	8,122.0	8,340.1	8,268.5	8,328.0	8,349.9	8,413.9	8,512.3
Compensation of employees	5,874.9	5,969.5	5,908.4	5,963.9	5,988.4	6,017.4	6,081.2
Wage and salary accruals.....	4,950.6	4,996.4	4,957.8	4,997.3	5,007.4	5,023.1	5,070.8
Government	810.8	852.8	840.4	848.4	857.1	865.4	882.4
Other	4,139.8	4,143.6	4,117.4	4,148.9	4,150.3	4,157.7	4,188.5
Supplements to wages and salaries	924.3	973.1	950.7	966.6	981.0	994.3	1,010.4
Employer contributions for social insurance	353.9	362.5	359.9	362.5	363.5	364.1	371.2
Other labor income	570.4	610.6	590.8	604.1	617.5	630.2	639.2
Proprietors' income with inventory valuation and capital consumption adjustments	727.9	756.5	748.4	747.5	758.7	771.6	784.4
Farm	19.0	12.9	21.7	7.5	10.7	11.7	14.2
Proprietors' income with inventory valuation adjustment	26.7	21.6	30.0	16.1	19.6	20.8	23.5
Capital consumption adjustment	-7.7	-8.7	-8.2	-8.7	-8.9	-9.1	-9.3
Nonfarm	708.8	743.7	726.7	740.0	748.0	759.9	770.2
Proprietors' income	621.6	630.1	612.5	626.9	635.0	646.1	657.7
Inventory valuation adjustment .....	.9	-1.0	-2	-1.1	-1.7	-9	-3.8
Capital consumption adjustment	86.3	114.5	114.4	114.2	114.6	114.7	116.2
Rental income of persons with capital consumption adjustment	137.9	142.4	141.3	153.5	144.1	130.6	126.9
Rental income of persons.....	204.4	212.0	209.1	221.9	214.5	202.6	201.8
Capital consumption adjustment	-66.5	-69.6	-67.8	-68.4	-70.3	-72.1	-74.9
Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	797.6	785.0	771.0	796.1	816.5
Corporate profits with inventory valuation adjustment	675.1	658.3	641.3	652.2	653.4	686.4	701.2
Profits before tax	670.2	665.2	639.4	657.9	668.5	694.9	728.1
Profits tax liability	199.3	213.3	202.4	213.7	214.7	222.4	237.8
Profits after tax	470.9	451.9	437.0	444.3	453.8	472.5	490.2
Dividends	409.6	434.3	424.2	430.8	437.7	444.3	451.6
Undistributed profits	61.2	17.6	12.8	13.5	16.1	28.2	38.6
Inventory valuation adjustment	5.0	-6.9	1.9	-5.7	-15.1	-8.5	-26.9
Capital consumption adjustment	56.5	129.1	156.3	132.8	117.6	109.7	115.3
Net interest	649.8	684.2	672.8	678.1	687.6	698.3	703.3
Addenda:							
Corporate profits after tax with inventory valuation and capital consumption adjustments	532.3	574.1	595.2	571.3	556.3	573.7	578.6
Net cash flow with inventory valuation and capital consumption adjustments	911.8	967.3	979.3	966.7	954.7	968.7	964.7
Undistributed profits with inventory valuation and capital consumption adjustments	122.7	139.9	171.0	140.5	118.6	129.4	127.0
Consumption of fixed capital	789.1	827.5	808.3	826.1	836.1	839.3	837.6
Less: Inventory valuation adjustment	5.0	-6.9	1.9	-5.7	-15.1	-8.5	-26.9
Equals: Net cash flow	906.8	974.2	977.4	972.4	969.8	977.2	991.5

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
			Billions of dollars				
Gross product of corporate business	6,117.5	6,323.4	6,249.2	6,320.3	6,335.7	6,388.4	6,455.0
Consumption of fixed capital ..	789.1	827.5	808.3	826.1	836.1	839.3	837.6
Net product	5,328.4	5,495.9	5,440.9	5,494.1	5,499.6	5,549.1	5,617.4
Indirect business tax and nontax liability plus business transfer payments less subsidies..	565.7	592.6	582.1	588.8	598.0	601.2	606.0
Domestic income	4,762.7	4,903.4	4,858.9	4,905.3	4,901.6	4,947.8	5,011.4
Compensation of employees	3,945.6	3,980.2	3,941.7	3,979.5	3,991.2	4,008.2	4,044.4
Wage and salary accruals	3,378.6	3,382.0	3,360.6	3,386.5	3,387.3	3,393.7	3,418.8
Supplements to wages and salaries	567.0	598.1	581.1	593.1	603.9	614.6	625.6
Corporate profits with inventory valuation and capital consumption adjustments	580.9	668.1	665.6	669.9	654.9	682.0	710.0
Profits before tax	519.4	545.9	507.4	542.9	552.4	580.8	621.6
Profits tax liability	199.3	213.3	202.4	213.7	214.7	222.4	237.8
Profits after tax	320.1	332.6	305.0	329.2	337.7	358.4	383.7
Dividends	383.1	392.9	402.8	385.1	379.2	404.4	412.5
Undistributed profits	-63.0	-60.3	-97.9	-56.0	-41.5	-46.0	-28.7
Inventory valuation adjustment	5.0	-6.9	1.9	-5.7	-15.1	-8.5	-26.9
Capital consumption adjustment	56.5	129.1	156.3	132.8	117.6	109.7	115.3
Net interest	236.3	255.1	251.6	255.8	255.4	257.6	257.0
Gross product of financial corporate business	763.3	830.3	825.5	831.3	830.9	833.6	852.2
Gross product of nonfinancial corporate business	5,354.2	5,493.1	5,423.8	5,489.0	5,504.8	5,554.7	5,602.8
Consumption of fixed capital ..	652.8	686.6	670.7	685.1	693.7	696.7	696.2
Net product	4,701.4	4,806.5	4,753.1	4,803.8	4,811.1	4,858.0	4,906.6
Indirect business tax and nontax liability plus business transfer payments less subsidies..	523.7	549.1	539.3	545.6	554.2	557.2	561.3
Domestic income	4,177.7	4,257.5	4,213.9	4,258.2	4,256.9	4,300.8	4,345.3
Compensation of employees	3,573.5	3,605.0	3,570.1	3,604.4	3,615.0	3,630.5	3,663.3
Wage and salary accruals	3,056.4	3,059.5	3,040.2	3,063.5	3,064.3	3,070.1	3,092.8
Supplements to wages and salaries	517.1	545.5	529.9	540.8	550.7	560.4	570.5
Corporate profits with inventory valuation and capital consumption adjustments	407.4	458.4	452.4	459.3	447.6	474.4	486.5
Profits before tax	328.8	328.6	289.2	324.4	336.3	364.4	391.3
Profits tax liability	123.5	131.5	119.8	130.8	133.4	142.2	153.4
Profits after tax	205.3	197.0	169.5	193.6	202.9	222.1	237.9
Dividends	278.5	285.8	293.1	280.2	275.9	294.2	300.1
Undistributed profits	-73.2	-88.8	-123.6	-86.6	-73.0	-72.1	-62.2
Inventory valuation adjustment	5.0	-6.9	1.9	-5.7	-15.1	-8.5	-26.9
Capital consumption adjustment	73.6	136.7	161.3	140.6	126.4	118.6	122.1
Net interest	196.8	194.1	191.4	194.6	194.3	195.9	195.5
			Billions of chained (1996) dollars				
Gross product of nonfinancial corporate business ¹	5,141.8	5,301.9	5,231.3	5,298.7	5,320.7	5,357.1	5,394.0
Consumption of fixed capital ² ..	671.9	720.8	695.2	715.4	731.4	741.1	749.9
Net product ³	4,469.9	4,581.2	4,536.0	4,583.3	4,589.4	4,615.9	4,644.1

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

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

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

2. Personal Income and Outlays

Table 2.1. Personal Income and Its Disposition

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Personal income	8,685.3	8,922.2	8,803.4	8,914.0	8,958.9	9,012.5	9,094.8
Wage and salary disbursements	4,950.6	4,996.4	4,957.8	4,997.3	5,007.4	5,023.1	5,069.5
Private industries	4,139.8	4,143.6	4,117.4	4,148.9	4,150.3	4,157.7	4,188.5
Goods-producing industries	1,142.4	1,115.7	1,116.9	1,121.3	1,115.2	1,109.3	1,111.3
Manufacturing	789.4	758.7	759.4	765.3	757.9	752.0	752.3
Distributive industries	1,109.2	1,114.4	1,110.1	1,115.3	1,117.8	1,114.6	1,116.9
Service industries	1,888.2	1,913.5	1,890.4	1,912.4	1,917.3	1,933.9	1,960.2
Government	810.8	852.8	840.4	848.4	857.1	865.4	881.0
Other labor income	570.4	610.6	590.8	604.1	617.5	630.2	639.2
Proprietors' income with inventory valuation and capital consumption adjustments	727.9	756.5	748.4	747.5	758.7	771.6	784.4
Farm	19.0	12.9	21.7	7.5	10.7	11.7	14.2
Nonfarm	708.8	743.7	726.7	740.0	748.0	759.9	770.2
Rental income of persons with capital consumption adjustment	137.9	142.4	141.3	153.5	144.1	130.6	126.9
Personal dividend income	409.2	433.8	423.7	430.3	437.3	443.8	451.2
Personal interest income	1,091.3	1,078.5	1,069.9	1,082.3	1,080.7	1,080.9	1,075.8
Transfer payments to persons	1,170.4	1,288.0	1,252.0	1,282.6	1,298.4	1,319.1	1,340.8
Old-age, survivors, disability, and health insurance benefits	664.3	699.8	690.2	696.3	701.9	710.8	722.6
Government unemployment insurance benefits	31.9	62.9	52.3	67.3	67.6	64.2	62.0
Veterans benefits	26.7	29.6	28.5	29.3	30.0	30.5	31.2
Other transfer payments	447.6	495.8	481.0	489.8	498.9	513.6	525.0
Family assistance ¹	19.2	19.3	19.3	19.3	19.3	19.4	19.4
Other	428.3	476.5	461.7	470.4	479.6	494.2	505.6
Less: Personal contributions for social insurance	372.3	384.0	380.5	383.6	385.3	386.8	392.9
Less: Personal tax and nontax payments	1,292.1	1,111.9	1,136.8	1,121.8	1,099.0	1,090.1	1,077.2
Equals: Disposable personal income	7,393.2	7,810.3	7,666.7	7,792.2	7,859.9	7,922.5	8,017.6
Less: Personal outlays	7,223.5	7,524.5	7,396.3	7,477.9	7,583.0	7,640.7	7,727.6
Personal consumption expenditures	6,987.0	7,303.7	7,174.2	7,254.7	7,360.7	7,425.4	7,512.5
Interest paid by persons	205.4	188.4	190.6	191.3	189.3	182.5	181.7
Personal transfer payments to the rest of the world (net)	31.1	32.3	31.5	31.9	32.9	32.8	33.4
Equals: Personal saving	169.7	285.8	270.4	314.3	276.9	281.8	290.0
Addenda:							
Disposable personal income: Total, billions of chained (1996) dollars ²	6,748.0	7,032.2	6,961.0	7,027.2	7,058.1	7,082.3	7,119.4
Per capita:							
Current dollars	25,957	27,170	26,759	27,144	27,313	27,463	27,732
Chained (1996) dollars	23,692	24,463	24,296	24,479	24,527	24,551	24,625
Population (mid-period, millions)	284.8	287.5	286.5	287.1	287.8	288.5	289.1
Personal saving as a percentage of disposable personal income	2.3	3.7	3.5	4.0	3.5	3.6	3.6

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

NOTE: Percent changes from preceding period for disposable personal income are shown in table 8.1.

Table 2.2. Personal Consumption Expenditures by Major Type of Product

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Personal consumption expenditures	6,987.0	7,303.7	7,174.2	7,254.7	7,360.7	7,425.4	7,512.5
Durable goods	835.9	871.9	859.0	856.9	897.8	873.9	861.2
Motor vehicles and parts	361.3	376.1	365.8	362.1	400.7	375.9	366.5
Furniture and household equipment	306.1	318.7	317.1	319.1	319.2	319.4	314.9
Other	168.4	177.1	176.1	175.8	177.9	178.6	179.8
Nondurable goods	2,041.3	2,115.0	2,085.1	2,108.2	2,116.9	2,150.0	2,206.8
Food	992.4	1,029.4	1,025.0	1,023.9	1,024.8	1,043.9	1,070.1
Clothing and shoes	315.3	324.3	325.8	323.9	321.0	326.6	324.5
Gasoline, fuel oil, and other energy goods	178.6	173.5	156.2	174.7	178.2	184.7	211.1
Gasoline and oil	162.1	158.5	142.3	160.7	163.5	167.4	191.4
Fuel oil and coal	16.5	15.0	13.9	14.0	14.7	17.3	19.7
Other	555.0	587.8	578.0	585.6	592.9	594.8	601.1
Services	4,109.9	4,316.8	4,230.1	4,289.5	4,346.0	4,401.5	4,444.6
Housing	1,014.5	1,071.5	1,051.7	1,066.0	1,078.0	1,090.1	1,101.9
Household operation	406.3	405.2	399.2	400.9	406.3	414.2	422.4
Electricity and gas	154.5	148.2	143.9	144.9	147.4	156.5	162.1
Other household operation	251.8	257.0	255.4	256.1	258.9	257.7	260.4
Transportation	271.4	275.8	273.3	275.6	276.1	278.3	278.0
Medical care	1,072.2	1,148.5	1,119.0	1,139.3	1,158.8	1,176.9	1,192.0
Recreation	271.9	285.1	279.0	283.8	285.9	291.8	292.7
Other	1,073.6	1,130.7	1,107.8	1,123.8	1,140.9	1,150.2	1,157.5
Addenda:							
Energy goods and services ¹	333.0	321.6	300.1	319.6	325.6	341.1	373.1
Personal consumption expenditures less food and energy	5,661.6	5,952.7	5,849.1	5,911.1	6,010.3	6,040.3	6,069.3

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

Table 2.3. Real Personal Consumption Expenditures by Major Type of Product

[Billions of chained (1996) dollars]

	2001	2002	2002	2002	2002	2002	2002
Personal consumption expenditures	6,377.2	6,576.0	6,513.8	6,542.4	6,609.9	6,637.9	6,670.9
Durable goods	931.9	999.9	975.9	980.7	1,032.4	1,010.6	1,005.4
Motor vehicles and parts	361.9	382.4	370.0	369.1	407.6	382.8	374.9
Furniture and household equipment	398.0	438.1	428.2	435.2	441.4	447.5	447.8
Other	175.3	185.8	184.2	184.1	187.0	188.1	191.3
Nondurable goods	1,869.8	1,929.5	1,921.4	1,920.9	1,925.8	1,950.0	1,978.9
Food	887.0	902.3	901.4	899.2	897.9	910.7	929.7
Clothing and shoes	337.7	357.0	355.8	355.1	355.3	361.8	364.0
Gasoline, fuel oil, and other energy goods	151.2	157.5	157.2	156.5	157.5	158.9	159.2
Gasoline and oil	138.8	145.1	145.1	144.7	145.4	145.1	146.2
Fuel oil and coal	12.6	12.7	12.4	12.1	12.4	14.0	13.3
Other	495.5	515.8	510.1	513.1	518.0	521.9	528.9
Services	3,594.9	3,675.6	3,642.2	3,666.2	3,687.0	3,707.0	3,714.9
Housing	866.0	880.1	874.0	878.5	882.1	885.8	889.9
Household operation	382.6	384.7	381.3	382.9	384.7	389.9	388.5
Electricity and gas	134.5	136.4	133.5	133.6	135.7	142.8	140.7
Other household operation	248.2	248.4	248.0	249.5	249.1	247.0	247.8
Transportation	251.1	250.3	250.9	250.3	249.8	250.1	250.1
Medical care	938.3	978.6	963.4	974.7	984.4	992.0	1,002.1
Recreation	233.2	237.5	235.6	237.1	237.1	240.3	238.8
Other	922.7	942.7	935.3	941.0	947.0	947.5	943.8
Residual	-23.6	-37.2	-34.1	-34.9	-40.3	-39.5	-38.4
Addenda:							
Energy goods and services ¹	285.6	293.9	290.7	290.1	293.3	301.6	299.9
Personal consumption expenditures less food and energy	5,204.5	5,380.3	5,322.1	5,353.5	5,419.6	5,426.1	5,441.5

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

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

Chain-type quantity indexes for the series in this table are shown in table 7.4.

Contributions to the percent change in real personal consumption expenditures are shown in table 8.3.

3. Government Current Receipts and Expenditures

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

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

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Current receipts	2,008.4	1,873.3	1,884.7	1,883.7	1,864.1	1,860.8	1,869.8
Personal tax and nontax receipts	1,010.9	845.8	874.8	856.6	831.3	820.5	803.3
Income taxes	1,000.3	836.4	864.8	847.0	822.3	811.4	794.1
Nontaxes	10.6	9.4	10.0	9.6	9.1	9.0	9.2
Corporate profits tax accruals	170.2	179.8	170.5	180.2	181.1	187.5	200.7
Federal Reserve banks	27.1	22.2	22.7	23.2	22.2	20.6	20.4
Other	143.2	157.6	147.8	157.0	158.8	166.9	180.3
Indirect business tax and nontax accruals	110.3	110.6	108.4	110.2	112.4	111.5	111.2
Excise taxes	66.3	69.6	68.4	69.9	69.8	70.3	69.5
Customs duties	20.6	20.3	18.8	19.4	22.4	20.6	20.9
Nontaxes	23.4	20.7	21.2	20.9	20.2	20.5	20.8
Contributions for social insurance	716.9	737.1	731.1	736.7	739.3	741.4	754.6
Current expenditures	1,936.4	2,075.5	2,030.5	2,079.3	2,074.6	2,117.4	2,145.1
Consumption expenditures	528.4	586.5	566.3	581.0	589.8	608.9	626.6
Transfer payments (net)	842.2	931.7	916.9	927.6	934.1	948.5	970.7
To persons	832.6	917.4	894.1	917.0	924.4	934.0	950.7
To the rest of the world (net)	9.6	14.4	22.8	10.6	9.7	14.5	20.1
Grants-in-aid to State and local governments	277.4	305.7	292.3	309.6	305.0	315.8	313.0
Net interest paid	238.1	207.8	208.5	214.9	205.8	202.1	192.7
Interest paid	257.8	228.9	228.3	234.6	226.8	225.9	217.5
To persons and business	177.2	155.9	154.2	159.9	154.0	155.3	149.7
To the rest of the world	80.7	73.0	74.0	74.7	72.8	70.7	67.9
Less: Interest received by government	19.7	21.1	19.8	19.7	21.0	23.9	24.9
Subsidies less current surplus of government enterprises ..	50.3	43.7	46.6	46.3	39.9	42.1	43.5
Subsidies	47.5	45.4	44.9	45.5	45.0	46.3	49.4
Less: Current surplus of government enterprises ..	-2.8	1.7	-1.7	-7	5.0	4.2	6.0
Less: Wage accruals less disbursements	0	0	0	0	0	0	1.4
Current surplus or deficit (-), national income and product accounts ..	72.0	-202.1	-145.8	-195.6	-210.5	-256.6	-275.3
Social insurance funds	93.3	52.0	64.1	49.7	48.1	46.0	51.5
Other	-21.3	-254.1	-209.9	-245.3	-258.6	-302.6	-326.8
Addenda:							
Net lending or net borrowing (-)	58.9	-226.7	-169.5	-223.2	-233.5	-280.6	-290.4
Current surplus or deficit (-), national income and product accounts	72.0	-202.1	-145.8	-195.6	-210.5	-256.6	-275.3
Plus: Consumption of fixed capital	98.7	101.9	100.6	101.3	102.2	103.6	104.7
Plus: Capital transfers received (net)	-12.9	-19.1	-18.3	-21.8	-16.8	-19.5	-13.9
Less: Gross investment ...	99.7	107.2	105.7	107.1	107.9	108.0	108.6
Less: Net purchases of nonproduced assets	-7	2	2	-1	6	1	-2.7

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Current receipts	1,261.3	1,304.5	1,273.3	1,302.5	1,310.3	1,331.6	1,344.0
Personal tax and nontax receipts	281.2	266.1	262.0	265.3	267.7	269.6	273.9
Income taxes	218.7	200.3	197.4	199.9	201.4	202.4	205.2
Nontaxes	41.9	45.1	43.9	44.7	45.5	46.4	47.7
Other	20.6	20.7	20.7	20.7	20.7	20.8	20.9
Corporate profits tax accruals ..	29.1	33.5	32.0	33.5	33.7	34.9	37.2
Indirect business tax and nontax accruals	664.4	689.8	677.8	684.9	694.5	701.8	710.4
Sales taxes	321.2	333.5	327.4	330.6	337.2	338.6	342.3
Property taxes	257.4	267.8	263.5	265.9	268.6	273.2	278.0
Other	85.8	88.5	86.9	88.3	88.7	90.0	90.1
Contributions for social insurance	9.2	9.4	9.3	9.4	9.4	9.5	9.5
Federal grants-in-aid	277.4	305.7	292.3	309.6	305.0	315.8	313.0
Current expenditures	1,292.6	1,356.4	1,329.1	1,347.6	1,365.0	1,384.0	1,410.9
Consumption expenditures	993.7	1,034.5	1,017.7	1,030.6	1,039.6	1,050.1	1,071.8
Transfer payments to persons ..	304.4	335.6	323.4	330.7	338.7	349.5	354.2
Net interest paid	-2.1	-2.0	-1.9	-2.0	-2.0	-1.9	-1.8
Interest paid	83.3	85.2	84.5	84.9	85.4	85.9	86.4
Less: Interest received by government	85.4	87.1	86.4	87.0	87.4	87.8	88.2
Less: Dividends received by government	4	5	4	5	5	5	5
Subsidies less current surplus of government enterprises ..	-3.1	-11.2	-9.6	-11.2	-10.8	-13.2	-12.7
Subsidies	7.8	8	1.4	5	1.7	-4	2
Less: Current surplus of government enterprises ..	10.9	12.0	11.0	11.7	12.5	12.8	12.9
Less: Wage accruals less disbursements	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts ..	-31.3	-52.0	-55.8	-45.1	-54.7	-52.4	-66.9
Social insurance funds	-1	-1	-2	-1	-1	-1	-1
Other	-31.2	-51.9	-55.6	-44.9	-54.6	-52.3	-66.8
Addenda:							
Net lending or net borrowing (-)	-105.8	-127.8	-136.1	-118.1	-128.5	-128.6	-147.6
Current surplus or deficit (-), national income and product accounts	-31.3	-52.0	-55.8	-45.1	-54.7	-52.4	-66.9
Plus: Consumption of fixed capital	123.7	127.7	125.9	127.3	128.3	129.1	130.8
Plus: Capital transfers received (net)	48.3	52.0	54.1	51.5	52.5	49.8	44.5
Less: Gross investment ...	236.2	244.7	249.7	241.1	243.8	244.2	245.0
Less: Net purchases of nonproduced assets	10.3	10.8	10.6	10.7	10.9	10.9	11.0

Table 3.7. Government Consumption Expenditures and Gross Investment by Type

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Government consumption expenditures and gross investment¹	1,858.0	1,972.9	1,939.5	1,959.8	1,981.1	2,011.3	2,052.0
Federal	628.1	693.7	672.0	688.2	697.7	716.9	735.2
National defense	399.9	447.4	431.7	442.1	451.2	464.7	471.1
Consumption expenditures	344.5	386.6	372.1	382.5	388.9	403.2	408.7
Durable goods ²	24.2	25.3	24.7	24.9	26.3	25.2	24.7
Nondurable goods	10.5	11.5	10.9	11.7	12.0	11.4	12.2
Services	309.8	349.9	336.5	345.9	350.6	366.6	371.8
Compensation of general government employees, except own-account investment ³	143.7	154.4	152.7	155.0	155.8	153.9	165.1
Consumption of general government fixed capital ⁴	63.5	64.2	63.8	64.0	64.3	64.9	65.2
Other services	102.5	131.3	120.0	127.0	130.5	147.7	141.5
Gross investment	55.5	60.8	59.7	59.6	62.4	61.5	62.4
Structures	5.4	5.3	5.1	5.4	5.4	5.3	5.5
Equipment and software	50.0	55.5	54.6	54.2	57.0	56.3	56.9
Nondefense	228.2	246.3	240.3	246.1	246.5	252.2	264.1
Consumption expenditures	184.0	199.9	194.2	198.6	200.9	205.8	217.9
Durable goods ²	1.3	1.4	1.4	1.4	1.4	1.6	1.5
Nondurable goods	8.7	9.4	8.6	10.1	9.4	9.4	8.9
Commodity Credit Corporation inventory change ..	.8	-.2	-.2	.3	-.2	-.6	-.4
Other nondurables	7.9	9.6	8.8	9.8	9.6	10.1	9.3
Services	174.0	189.1	184.3	187.1	190.1	194.7	207.5
Compensation of general government employees, except own-account investment ³	95.2	104.3	101.7	102.7	104.6	108.0	113.8
Consumption of general government fixed capital ⁴	28.7	30.8	30.0	30.5	31.0	31.6	32.3
Other services	50.1	54.0	52.6	53.9	54.5	55.1	61.3
Gross investment	44.2	46.4	46.1	47.5	45.5	46.5	46.2
Structures	10.4	12.3	13.3	12.1	11.3	12.6	12.0
Equipment and software ..	33.8	34.1	32.8	35.4	34.3	33.8	34.1
State and local	1,229.9	1,279.2	1,267.5	1,271.6	1,283.3	1,294.4	1,316.8
Consumption expenditures ..	993.7	1,034.5	1,017.7	1,030.6	1,039.6	1,050.1	1,071.8
Durable goods ²	18.3	19.4	19.1	19.3	19.5	19.7	20.0
Nondurable goods	118.7	121.1	115.3	120.2	122.6	126.3	139.7
Services	856.7	894.0	883.3	891.1	897.5	904.1	912.1
Compensation of general government employees, except own-account investment ³	700.4	733.8	723.9	730.1	737.1	744.0	748.6
Consumption of general government fixed capital ⁴	95.4	100.0	98.6	99.6	100.4	101.1	102.5
Other services	60.9	60.3	60.8	61.3	59.9	59.0	61.0
Gross investment	236.2	244.7	249.7	241.1	243.8	244.2	245.0
Structures	177.6	188.2	192.5	184.4	187.4	188.6	189.8
Equipment and software ..	58.6	56.5	57.2	56.6	56.4	55.6	55.2
Addenda:							
Compensation of general government employees ³ ..	952.1	1,006.1	991.9	1,001.2	1,011.3	1,019.8	1,041.7
Federal	240.5	260.5	256.2	259.6	262.5	263.9	281.1
State and local ⁵	711.6	745.5	735.7	741.6	748.9	755.8	760.6

Table 3.8. Real Government Consumption Expenditures and Gross Investment by Type

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Government consumption expenditures and gross investment¹	1,640.4	1,712.8	1,697.3	1,703.3	1,715.6	1,735.0	1,736.7
Federal	570.6	613.3	597.8	608.7	615.1	631.4	632.5
National defense	366.0	400.0	388.5	395.8	402.5	413.2	409.7
Consumption expenditures	308.9	337.0	326.7	333.9	338.0	349.4	345.4
Durable goods ²	24.3	25.3	24.8	24.9	26.4	25.2	24.6
Nondurable goods	9.9	11.4	11.5	11.7	11.6	10.8	10.7
Services	275.1	300.6	290.7	297.6	300.5	313.4	310.0
Compensation of general government employees, except own-account investment ³	121.2	123.4	122.4	123.8	124.3	123.0	125.5
Consumption of general government fixed capital ⁴	62.4	62.6	62.4	62.5	62.6	62.8	63.1
Other services	91.7	114.9	106.2	111.6	113.8	128.2	121.8
Gross investment	57.3	63.3	62.2	62.2	65.0	63.9	64.7
Structures	4.6	4.4	4.2	4.5	4.4	4.3	4.5
Equipment and software ..	53.0	59.5	58.5	58.2	61.1	60.1	60.7
Nondefense	204.4	213.3	209.3	212.9	212.7	218.3	222.8
Consumption expenditures	161.1	167.8	164.3	166.5	167.9	172.5	177.1
Durable goods ²	1.5	1.7	1.7	1.7	1.7	1.9	1.9
Nondurable goods	8.9	8.5	7.8	9.6	8.3	8.4	7.8
Commodity Credit Corporation inventory change ..	1.7	-.1	-.4	.8	-.1	-.6	-.1
Other nondurables	7.2	8.6	8.3	8.8	8.4	9.0	8.0
Services	151.6	157.7	154.6	155.8	157.9	162.2	167.5
Compensation of general government employees, except own-account investment ³	79.0	80.7	79.4	79.2	80.4	83.6	83.7
Consumption of general government fixed capital ⁴	28.0	30.1	29.3	29.8	30.3	30.9	31.5
Other services	45.4	48.0	47.0	47.9	48.3	48.7	53.8
Gross investment	43.6	45.9	45.4	47.0	45.1	46.0	45.7
Structures	8.9	10.4	11.3	10.2	9.5	10.6	10.0
Equipment and software ..	35.4	36.0	34.4	37.3	36.3	35.9	36.3
State and local	1,069.4	1,099.7	1,099.3	1,094.7	1,100.6	1,104.0	1,104.6
Consumption expenditures ..	856.8	881.1	875.9	879.4	883.0	886.3	887.9
Durable goods ²	18.3	19.3	19.0	19.2	19.4	19.6	19.8
Nondurable goods	108.7	113.0	111.8	112.6	113.3	114.1	114.9
Services	731.1	750.5	746.6	749.2	751.9	754.2	754.9
Compensation of general government employees, except own-account investment ³	589.6	601.7	599.4	600.8	602.6	604.1	604.1
Consumption of general government fixed capital ⁴	88.7	92.6	91.4	92.2	93.0	93.7	94.4
Other services	53.2	56.8	56.5	56.8	57.0	57.1	57.3
Gross investment	212.8	218.6	223.7	215.3	217.6	217.7	216.6
Structures	148.6	154.9	159.4	151.9	153.9	154.5	153.8
Equipment and software ..	65.9	64.6	65.0	64.6	64.7	64.0	63.6
Residual	-6.8	-7.0	-6.2	-7.7	-7.3	-6.5	-7.2
Addenda:							
Compensation of general government employees ³ ..	800.5	817.0	812.4	814.8	818.6	822.2	824.8
Federal	201.6	205.7	203.4	204.5	206.4	208.4	210.9
State and local ⁵	598.9	611.3	609.1	610.3	612.2	613.8	613.7

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

See footnotes to table 3.7.

Chain-type quantity indexes for the series in this table are shown in table 7.11. Contributions to percent change in real government consumption expenditures and gross investment are shown in table 8.6.

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addenda.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

5. Beginning with 2001, in accordance with the Consolidated Appropriations Act of 2001, includes compensation of employees of Indian tribal governments reclassified from the private sector.

Table 3.10. National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
National defense consumption expenditures and gross investment¹	399.9	447.4	431.7	442.1	451.2	464.7	471.1
Consumption expenditures	344.5	386.6	372.1	382.5	388.9	403.2	408.7
Durable goods²	24.2	25.3	24.7	24.9	26.3	25.2	24.7
Aircraft	11.2	11.3	11.1	11.3	11.6	11.4	10.8
Missiles	2.5	2.8	2.6	2.5	3.0	3.1	2.7
Ships	1.2	1.3	1.3	1.3	1.5	1.2	1.2
Vehicles	1.0	1.1	1.0	1.1	1.0	1.2	1.1
Electronics	3.0	3.1	3.1	3.2	3.3	2.8	3.4
Other durable goods	5.3	5.6	5.6	5.5	5.8	5.5	5.5
Nondurable goods	10.5	11.5	10.9	11.7	12.0	11.4	12.2
Petroleum products	4.0	4.2	3.8	4.3	4.7	4.0	5.0
Ammunition	2.1	2.5	2.4	2.6	2.7	2.4	2.1
Other nondurable goods ..	4.4	4.8	4.7	4.8	4.6	5.0	5.1
Services	309.8	349.9	336.5	345.9	350.6	366.6	371.8
Compensation of general government employees, except own-account investment ³	143.7	154.4	152.7	155.0	155.8	153.9	165.1
Military	94.1	102.1	101.2	102.4	103.0	101.5	110.4
Civilian	49.6	52.3	51.4	52.5	52.8	52.4	54.7
Consumption of general government fixed capital ⁴	63.5	64.2	63.8	64.0	64.3	64.9	65.2
Other services	102.5	131.3	120.0	127.0	130.5	147.7	141.5
Research and development	29.6	42.0	37.5	40.9	40.0	49.5	44.7
Installation support	25.5	28.5	27.2	27.1	29.6	30.2	26.9
Weapons support	12.2	18.3	16.0	17.2	19.2	20.7	17.2
Personnel support	28.0	35.5	32.2	34.2	36.6	39.0	39.1
Transportation of material	4.9	5.0	4.8	4.9	5.0	5.2	10.0
Travel of persons	4.2	4.0	4.0	4.0	4.0	4.1	4.7
Other	-2.0	-1.9	-1.7	-1.3	-3.9	-9	-1.1
Gross investment	55.5	60.8	59.7	59.6	62.4	61.5	62.4
Structures	5.4	5.3	5.1	5.4	5.4	5.3	5.5
Equipment and software	50.0	55.5	54.6	54.2	57.0	56.3	56.9
Aircraft	8.3	9.3	8.6	9.0	9.9	9.9	9.5
Missiles	3.3	3.1	3.6	3.1	2.6	3.1	2.8
Ships	7.2	8.7	8.1	8.5	8.9	9.0	8.8
Vehicles	1.8	2.6	2.1	2.8	3.0	2.7	3.6
Electronics and software ..	13.7	15.0	14.9	14.7	15.3	14.9	15.7
Other equipment	15.7	16.8	17.2	16.2	17.1	16.7	16.5
Addendum:							
Compensation of general government employees ³ ..	144.3	155.3	153.6	155.9	156.8	154.9	166.1

Table 3.11. Real National Defense Consumption Expenditures and Gross Investment

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
National defense consumption expenditures and gross investment¹	366.0	400.0	388.5	395.8	402.5	413.2	409.7
Consumption expenditures	308.9	337.0	326.7	333.9	338.0	349.4	345.4
Durable goods²	24.3	25.3	24.8	24.9	26.4	25.2	24.6
Aircraft	11.2	11.3	11.1	11.2	11.6	11.3	10.7
Missiles	2.5	2.8	2.6	2.6	3.0	3.1	2.7
Ships	1.2	1.3	1.3	1.3	1.5	1.2	1.2
Vehicles .....	.8	.8	.8	.8	.8	.9	.8
Electronics	3.4	3.6	3.6	3.7	3.9	3.3	4.0
Other durable goods	5.2	5.6	5.6	5.5	5.8	5.5	5.4
Nondurable goods	9.9	11.4	11.5	11.7	11.6	10.8	10.7
Petroleum products	3.4	4.3	4.6	4.4	4.5	3.6	3.7
Ammunition	2.1	2.6	2.5	2.7	2.8	2.5	2.2
Other nondurable goods ..	4.2	4.5	4.4	4.5	4.3	4.6	4.7
Services	275.1	300.6	290.7	297.6	300.5	313.4	310.0
Compensation of general government employees, except own-account investment ³	121.2	123.4	122.4	123.8	124.3	123.0	125.5
Military	80.7	83.7	83.0	84.0	84.5	83.3	86.3
Civilian	40.7	39.9	39.6	40.0	40.1	39.9	39.5
Consumption of general government fixed capital ⁴	62.4	62.6	62.4	62.5	62.6	62.8	63.1
Other services	91.7	114.9	106.2	111.6	113.8	128.2	121.8
Research and development	26.9	37.5	33.7	36.7	35.6	43.9	39.4
Installation support	23.4	25.6	24.8	24.5	26.4	26.7	23.5
Weapons support	10.7	15.8	13.9	14.9	16.6	17.9	14.8
Personnel support	23.4	28.6	26.3	27.6	29.4	31.2	30.9
Transportation of material	4.6	4.6	4.5	4.5	4.5	4.7	9.0
Travel of persons	4.1	3.9	3.8	3.8	3.9	4.0	4.6
Other	-1.7	-1.6	-1.4	-1.1	-3.2	-7	-9
Gross investment	57.3	63.3	62.2	62.2	65.0	63.9	64.7
Structures	4.6	4.4	4.2	4.5	4.4	4.3	4.5
Equipment and software	53.0	59.5	58.5	58.2	61.1	60.1	60.7
Aircraft	9.6	11.2	10.4	10.8	11.9	11.7	11.4
Missiles	3.5	3.4	3.9	3.4	2.9	3.4	3.0
Ships	7.1	8.5	8.1	8.4	8.7	8.8	8.6
Vehicles	1.9	2.8	2.2	2.9	3.2	2.7	3.6
Electronics and software ..	15.3	17.1	16.9	16.7	17.5	17.2	18.2
Other equipment	15.5	16.5	17.0	15.9	16.8	16.4	16.1
Residual	-7	-1.3	-1.3	-9	-1.5	-1.0	-1.3
Addendum:							
Compensation of general government employees ³ ..	121.7	124.1	123.1	124.5	125.1	123.8	126.2

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

Chain-type indexes for the series in this table are shown in table 7.12.

See footnotes to table 3.10.

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addendum.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

4. Foreign Transactions

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Receipts from the rest of the world	1,351.1	1,292.9	1,242.2	1,294.1	1,325.9	1,309.6	1,313.1
Exports of goods and services	1,034.1	1,014.9	977.5	1,018.1	1,038.6	1,025.4	1,031.8
Goods ¹	733.5	703.6	679.8	709.4	722.6	702.6	711.9
Durable.....	522.4	493.0	477.2	499.3	509.5	486.0	485.7
Nondurable.....	211.2	210.6	202.6	210.0	213.1	216.5	226.1
Services ¹	300.6	311.3	297.7	308.8	316.0	322.8	319.9
Income receipts.....	316.9	278.0	264.7	276.0	287.3	284.2	281.3
Payments to the rest of the world	1,351.1	1,292.9	1,242.2	1,294.1	1,325.9	1,309.6	1,313.1
Imports of goods and services	1,383.0	1,438.5	1,337.5	1,443.7	1,471.5	1,501.4	1,519.0
Goods ¹	1,167.2	1,192.1	1,102.3	1,202.9	1,220.9	1,242.5	1,256.1
Durable.....	754.4	771.1	732.4	781.6	783.8	786.6	769.7
Nondurable.....	412.8	421.0	369.9	421.3	437.2	455.9	486.4
Services ¹	215.8	246.4	235.2	240.8	250.6	258.9	262.9
Income payments.....	295.0	287.6	262.8	296.1	298.2	293.4	291.5
Transfer payments (net).....	49.8	55.7	63.5	51.5	51.8	55.9	62.5
From persons (net).....	31.1	32.3	31.5	31.9	32.9	32.8	33.4
From government (net).....	9.6	14.4	22.8	10.6	9.7	14.5	20.1
From business.....	9.1	9.0	9.2	9.0	9.2	8.7	9.0
Net foreign investment.....	-376.7	-488.9	-421.7	-497.2	-495.6	-541.0	-559.9

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Exports of goods and services	1,076.1	1,058.8	1,030.6	1,065.5	1,077.7	1,061.6	1,058.1
Goods ¹	785.2	756.9	738.1	765.8	773.5	750.3	753.9
Durable.....	558.3	529.2	512.3	536.3	546.6	521.5	520.3
Nondurable.....	226.7	227.5	225.7	229.3	226.7	228.5	233.2
Services ¹	292.0	301.5	292.2	299.7	304.0	310.0	303.5
Income receipts	292.0	253.3	242.8	251.8	261.3	257.5	252.5
Imports of goods and services	1,492.0	1,547.4	1,477.1	1,552.9	1,565.7	1,593.8	1,568.4
Goods ¹	1,270.5	1,320.1	1,250.0	1,329.2	1,340.3	1,360.8	1,337.4
Durable.....	865.6	901.4	856.0	912.5	915.5	921.6	901.9
Nondurable.....	402.3	415.5	391.5	414.3	421.7	434.5	430.1
Services ¹	222.4	227.2	225.5	224.3	226.0	233.0	230.7
Income payments	269.2	260.3	239.2	268.2	269.5	264.2	260.4

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.

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

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

5. Saving and Investment

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Gross saving	1,662.4	1,565.1	1,603.2	1,604.0	1,535.5	1,517.5	1,496.2
Gross private saving	1,399.3	1,589.6	1,578.3	1,616.1	1,570.2	1,593.8	1,602.9
Personal saving	169.7	285.8	270.4	314.3	276.9	281.8	290.0
Undistributed corporate profits with inventory valuation and capital consumption adjustments	122.7	139.9	171.0	140.5	118.6	129.4	127.0
Undistributed profits	61.2	17.6	12.8	13.5	16.1	28.2	38.6
Inventory valuation adjustment	5.0	-6.9	1.9	-5.7	-15.1	-8.5	-26.9
Capital consumption adjustment	56.5	129.1	156.3	132.8	117.6	109.7	115.3
Corporate consumption of fixed capital	789.1	827.5	808.3	826.1	836.1	839.3	837.6
Noncorporate consumption of fixed capital	317.7	336.4	328.6	335.1	338.7	343.3	348.3
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Gross government saving	263.1	-24.5	24.9	-12.1	-34.7	-76.2	-106.7
Federal	170.7	-100.2	-45.2	-94.3	-108.3	-153.0	-170.6
Consumption of fixed capital	98.7	101.9	100.6	101.3	102.2	103.6	104.7
Current surplus or deficit (-), national income and product accounts	72.0	-202.1	-145.8	-195.6	-210.5	-256.6	-275.3
State and local	92.4	75.7	70.1	82.2	73.6	76.7	63.9
Consumption of fixed capital	123.7	127.7	125.9	127.3	128.3	129.1	130.8
Current surplus or deficit (-), national income and product accounts	-31.3	-52.0	-55.8	-45.1	-54.7	-52.4	-66.9
Gross investment	1,545.1	1,456.2	1,493.2	1,439.0	1,453.4	1,439.3	1,404.8
Gross private domestic investment	1,586.0	1,593.2	1,559.4	1,588.0	1,597.3	1,628.1	1,611.2
Gross government investment	335.8	351.9	355.5	348.2	351.7	352.2	353.6
Net foreign investment	-376.7	-488.9	-421.7	-497.2	-495.6	-541.0	-559.9
Statistical discrepancy	-117.3	-108.8	-110.0	-165.0	-82.1	-78.2	-91.4
Addendum:							
Gross saving as a percentage of gross national product	16.5	15.0	15.5	15.5	14.6	14.3	14.0

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Private fixed investment	1,646.3	1,589.3	1,589.4	1,584.6	1,579.7	1,603.6	1,610.7
Nonresidential	1,201.6	1,117.4	1,126.8	1,115.8	1,109.8	1,117.1	1,103.4
Structures	324.5	269.3	288.3	275.2	259.4	254.2	254.9
Nonresidential buildings, including farm	216.3	179.2	192.4	182.3	171.1	170.9	171.3
Utilities	55.0	53.1	56.3	53.9	51.5	50.6	49.4
Mining exploration, shafts, and wells	42.7	30.6	32.3	31.7	31.0	27.3	29.2
Other structures	10.5	6.4	7.3	7.3	5.8	5.4	4.9
Equipment and software	877.1	848.1	838.5	840.7	850.4	863.0	848.6
Information processing equipment and software	404.3	399.7	388.7	397.1	406.9	406.3	411.8
Computers and peripheral equipment ¹	74.2	74.2	71.9	72.8	76.8	75.4	76.3
Software ²	180.4	182.8	177.2	181.0	186.3	186.7	187.0
Other	149.8	142.7	139.6	143.3	143.8	144.2	148.5
Industrial equipment	159.0	152.2	153.4	150.5	153.3	151.5	149.8
Transportation equipment	165.8	148.9	154.1	145.2	141.7	154.5	138.5
Other	148.0	147.4	142.3	148.0	148.5	150.8	148.4
Residential	444.8	471.9	462.6	468.7	469.9	486.5	507.3
Structures	435.4	462.4	453.0	459.2	460.4	476.9	497.7
Single family	232.1	247.0	241.1	244.3	245.3	257.4	273.8
Multifamily	30.7	33.6	34.2	34.2	33.4	32.4	35.7
Other structures	172.7	181.8	177.7	180.7	181.7	187.1	188.2
Equipment	9.3	9.6	9.5	9.6	9.5	9.6	9.6

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Private fixed investment	1,627.4	1,577.3	1,576.4	1,572.6	1,571.6	1,588.5	1,587.9
Nonresidential	1,255.1	1,183.4	1,188.4	1,181.1	1,178.7	1,185.3	1,172.1
Structures	270.9	226.4	243.2	231.7	218.2	212.6	211.0
Nonresidential buildings, including farm	178.7	145.6	157.1	148.2	139.1	137.8	136.5
Utilities	50.3	47.3	50.8	48.4	45.6	44.6	43.2
Mining exploration, shafts, and wells	34.0	29.2	30.2	30.3	29.9	26.5	28.4
Other structures	9.3	5.5	6.3	6.3	5.0	4.6	4.2
Equipment and software	988.2	971.1	953.7	961.4	977.2	992.1	979.9
Information processing equipment and software	548.5	563.1	540.4	557.0	575.2	579.7	594.5
Computers and peripheral equipment ¹	239.9	283.7	262.1	271.6	297.6	303.2	319.1
Software ²	182.0	185.7	179.0	184.3	189.4	190.3	192.5
Other	163.9	158.2	154.1	158.5	159.7	160.7	165.3
Industrial equipment	153.8	146.9	148.3	145.6	147.9	145.9	143.9
Transportation equipment	163.6	147.0	151.5	143.4	141.7	151.4	135.8
Other	140.7	139.3	134.6	140.1	140.3	142.3	139.6
Residential	373.5	388.2	383.6	386.1	387.1	395.9	405.5
Structures	364.0	378.5	373.9	376.4	377.4	386.1	395.6
Single family	192.6	200.5	197.2	198.4	199.8	206.5	214.7
Multifamily	24.4	26.3	27.0	26.8	26.2	25.1	27.0
Other structures	146.9	151.6	149.6	151.0	151.3	154.4	153.5
Equipment	9.5	9.7	9.7	9.7	9.7	9.8	9.9
Residual	-62.2	-99.2	-81.1	-90.0	-111.6	-114.6	-125.7

1. Includes new computers and peripheral equipment only. The chained-dollar estimates for computers can be used to accurately measure the real growth rate of this component. However, for computers, or for other components that exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; accurate estimates of these contributions are shown in table 8.4.

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

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

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

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

Table 5.10B. Change in Private Inventories by Industry

[Billions of dollars]

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

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

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

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

Table 5.11B. Real Change in Private Inventories by Industry

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Change in private inventories	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Farm	2.0	1.1	6.4	.8	-2.2	-.8	1.0
Construction, mining, and utilities	6.4	-.7	1.6	-1.0	-2.3	-1.1	-9.9
Manufacturing	-36.2	-11.5	-31.9	-14.1	-2.6	2.8	-6.1
Durable goods industries	-30.1	-11.4	-25.9	-15.0	-10.3	5.5	-9.8
Nondurable goods industries	-6.3	-.1	-6.0	.8	7.4	-2.5	3.4
Wholesale trade	-16.5	-3.4	-19.8	-8.7	7.9	7.0	-2.2
Durable goods industries	-21.8	-3.6	-17.0	-7.7	6.5	3.8	2.1
Nondurable goods industries	4.3	.0	-3.2	-1.3	1.6	3.1	-3.8
Retail trade	-20.3	16.6	13.8	22.0	15.5	15.2	21.8
Motor vehicle dealers	-15.5	10.5	14.0	15.6	4.7	7.8	16.0
Food and beverage stores .....	.5	-1	-2.0	.1	1.6	-.1	.4
General merchandise stores	-.4	1.3	-4.4	.0	2.6	6.8	1.1
Other retail stores	-5.2	5.2	6.7	6.7	6.6	1.0	4.9
Other industries	2.6	2.5	.0	5.0	2.3	2.5	1.4
Residual	2.1	.5	.9	.9	.3	-.2	-2.0
Addenda:							
Change in private inventories	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Durable goods industries	-67.9	1.4	-20.3	-4.4	5.0	25.1	12.2
Nondurable goods industries	4.8	3.8	-8.8	9.0	13.6	1.4	-6.7
Nonfarm industries	-63.2	4.1	-35.1	4.2	20.8	26.5	3.8
Wholesale trade	-16.5	-3.4	-19.8	-8.7	7.9	7.0	-2.2
Merchant wholesale trade	-13.3	-3.9	-16.4	-8.2	4.6	4.2	1.8
Durable goods industries	-18.7	-4.1	-14.8	-7.5	4.0	1.9	5.5
Nondurable goods industries	4.5	.0	-2.0	-.9	.8	2.3	-3.2
Nonmerchant wholesale trade	-3.2	.5	-3.4	-6	3.2	2.7	-3.7

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

Table 5.12B. Private Inventories and Domestic Final Sales by Industry
[Billions of dollars]

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

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

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

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

Table 5.13B. Real Private Inventories and Real Domestic Final Sales by Industry
[Billions of chained (1996) dollars]

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

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

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

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

6. Income and Employment by Industry

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
National income without capital consumption adjustment	8,053.5	8,174.8	8,073.8	8,158.0	8,196.8	8,270.6	8,364.9
Domestic industries	8,031.5	8,184.4	8,071.9	8,178.1	8,207.7	8,279.8	8,375.1
Private industries	6,969.4	7,068.4	6,970.6	7,067.0	7,086.4	7,149.6	7,225.0
Agriculture, forestry, and fishing	111.1	109.5	116.8	102.8	108.0	110.6	114.5
Mining	69.5	59.1	58.2	57.5	57.5	63.2	66.6
Construction	438.9	442.0	439.3	440.6	442.5	445.6	449.4
Manufacturing	1,132.2	1,122.2	1,092.9	1,126.8	1,131.3	1,137.8	1,154.3
Durable goods	640.5	628.4	610.3	634.2	634.5	634.6	638.1
Nondurable goods	491.8	493.8	482.6	492.6	496.8	503.2	516.3
Transportation and public utilities	529.9	514.3	508.5	514.3	512.2	522.3	523.0
Transportation	236.6	236.2	231.0	233.8	237.7	242.2	239.2
Communications	148.4	136.8	139.8	135.9	134.7	136.9	136.7
Electric, gas, and sanitary services	144.9	141.3	137.6	144.6	139.8	143.2	147.1
Wholesale trade	458.4	465.8	457.4	463.9	464.9	477.1	471.2
Retail trade	686.1	702.8	695.2	705.5	707.7	702.9	706.6
Finance, insurance, and real estate	1,571.1	1,635.8	1,613.2	1,649.0	1,639.7	1,641.2	1,662.4
Services	1,972.0	2,016.8	1,989.1	2,006.6	2,022.6	2,048.9	2,077.0
Government	1,062.1	1,116.0	1,101.4	1,111.1	1,121.3	1,130.2	1,150.2
Rest of the world	21.9	-9.6	1.9	-20.0	-10.9	-9.2	-10.2

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

Table 6.16C. Corporate Profits by Industry Group
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	797.6	785.0	771.0	796.1	816.5
Domestic industries	580.9	668.1	665.6	669.9	654.9	682.0	710.0
Financial	173.5	209.7	213.2	210.7	207.3	207.6	223.5
Nonfinancial	407.4	458.4	452.4	459.3	447.6	474.4	486.5
Rest of the world	150.8	119.3	132.0	115.1	116.1	114.1	106.5
Receipts from the rest of the world	172.4	177.0	161.4	173.4	185.9	187.3	193.0
Less: Payments to the rest of the world	21.6	57.7	29.4	58.3	69.7	73.3	86.6
Corporate profits with inventory valuation adjustment	675.1	658.3	641.3	652.2	653.4	686.4	701.2
Domestic industries	524.4	539.0	509.3	537.1	537.3	572.3	594.7
Financial	190.6	217.3	218.2	218.5	216.1	216.5	230.3
Federal Reserve banks	27.9	22.8	23.4	23.9	22.9	21.2	20.9
Other	162.8	194.5	194.8	194.6	193.2	195.2	209.4
Nonfinancial	333.7	321.7	291.1	318.6	321.2	355.8	364.4
Manufacturing	83.4	92.6	68.9	91.9	100.5	108.9	122.0
Durable goods	9.9	17.0	2.5	17.8	22.8	24.6	28.0
Primary metal industries	-1.6	1.2	.5	.3	1.3	2.6	2.6
Fabricated metal products	9.0	5.8	5.2	5.8	4.7	7.3	6.0
Industrial machinery and equipment	-6	-2.5	-4.9	-2.9	-1	-2.2	-6
Electronic and other electric equipment	-3.2	.7	-6.2	-9	4.0	6.1	8.8
Motor vehicles and equipment	-9.4	-7.6	-11.8	-4.4	-6.6	-7.7	3.3
Other	15.7	19.4	19.7	20.0	19.5	18.5	7.8
Nondurable goods	73.5	75.6	66.4	74.1	77.6	84.3	94.0
Food and kindred products	16.6	20.1	18.9	19.2	21.0	21.1	22.8
Chemicals and allied products	15.2	16.9	15.1	16.7	17.0	18.9	20.9
Petroleum and coal products	25.7	16.9	14.1	15.4	17.4	20.7	36.5
Other	16.0	21.8	18.3	22.8	22.3	23.7	13.9
Transportation and public utilities	27.7	16.7	15.0	17.1	13.2	21.5	20.1
Transportation	1.2	.3	-5	-1.7	-3	3.6	-1.5
Communications	-5.8	-11.7	-9.3	-12.7	-13.1	-11.8	-11.3
Electric, gas, and sanitary services	32.2	28.1	24.8	31.4	26.5	29.6	33.0
Wholesale trade	44.8	47.3	41.2	44.8	44.5	58.9	51.4
Retail trade	79.1	81.2	81.4	86.0	82.5	75.1	74.8
Other	98.8	83.9	84.6	78.9	80.6	91.5	96.1
Rest of the world	150.8	119.3	132.0	115.1	116.1	114.1	106.5

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

Table 7.6. Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV		I
Chain-type quantity indexes							
Private fixed investment	134.20	130.06	129.99	129.68	129.60	130.99	130.94
Nonresidential	139.55	131.57	132.13	131.32	131.05	131.79	130.32
Structures	120.43	100.62	108.09	102.97	96.97	94.47	93.79
Nonresidential buildings, including farm.....	110.52	90.04	97.17	91.65	86.07	85.27	84.43
Utilities.....	139.52	131.34	141.04	134.15	126.53	123.65	119.78
Mining exploration, shafts, and wells.....	161.41	138.63	143.20	143.55	141.96	125.83	134.57
Other structures.....	149.20	89.29	101.75	100.97	80.03	74.39	67.94
Equipment and software	146.51	143.98	141.41	142.55	144.88	147.09	145.28
Information processing equipment and software.....	190.92	196.02	188.13	193.91	200.24	201.81	206.94
Computers and peripheral equipment ¹	338.61	400.31	369.90	383.36	420.05	427.94	450.31
Software ²	191.35	195.21	188.10	193.67	199.09	199.97	202.37
Other.....	135.16	130.48	127.03	130.74	131.65	132.51	136.35
Industrial equipment.....	112.69	107.67	108.69	106.71	108.38	106.89	105.43
Transportation equipment.....	117.80	105.81	109.04	103.23	102.02	108.97	97.73
Other.....	125.83	124.61	120.36	125.33	125.47	127.28	124.85
Residential	119.22	123.92	122.44	123.25	123.59	126.39	129.45
Structures	119.12	123.84	122.35	123.17	123.51	126.34	129.43
Single family.....	121.05	125.99	123.91	124.70	125.53	129.80	134.96
Multifamily.....	120.21	129.37	132.84	131.98	129.14	123.51	132.88
Other structures.....	116.48	120.15	118.56	119.71	119.95	122.38	121.70
Equipment	123.67	127.27	126.36	127.32	127.23	128.19	129.85
Chain-type price indexes							
Private fixed investment	101.16	100.76	100.82	100.76	100.52	100.95	101.44
Nonresidential	95.73	94.43	94.82	94.48	94.17	94.25	94.15
Structures	119.76	118.95	118.56	118.77	118.89	119.57	120.79
Nonresidential buildings, including farm.....	121.05	123.06	122.43	122.97	122.92	123.91	125.41
Utilities.....	109.45	112.12	110.68	111.50	112.82	113.50	114.45
Mining exploration, shafts, and wells.....	125.45	104.34	106.93	104.41	103.41	102.63	102.86
Other structures.....	113.16	116.00	115.35	115.93	116.35	116.36	117.13
Equipment and software	88.76	87.36	87.93	87.46	87.04	87.00	86.61
Information processing equipment and software.....	73.72	71.04	71.96	71.31	70.76	70.12	69.30
Computers and peripheral equipment ¹	30.91	26.26	27.48	26.84	25.84	24.91	23.94
Software ²	99.10	98.43	98.99	98.24	98.34	98.13	97.13
Other.....	91.37	90.23	90.68	90.39	90.10	89.75	89.82
Industrial equipment.....	103.40	103.56	103.42	103.33	103.67	103.83	104.14
Transportation equipment.....	101.32	101.26	101.73	101.25	100.03	102.05	102.05
Other.....	105.16	105.76	105.70	105.58	105.84	105.91	106.31
Residential	119.09	121.57	120.61	121.40	121.38	122.88	125.10
Structures	119.61	122.16	121.16	121.98	121.98	123.51	125.82
Single family.....	120.50	123.20	122.30	123.10	122.80	124.60	127.48
Multifamily.....	125.60	127.74	126.81	127.64	127.33	129.19	132.18
Other structures.....	117.49	119.90	118.76	119.62	120.04	121.18	122.57
Equipment	98.50	98.17	98.66	98.14	97.91	97.97	96.96

1. Includes new computers and peripheral equipment only.

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

Table 7.9. Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services and for Receipts and Payments of Income

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV		I
Chain-type quantity indexes							
Exports of goods and services	123.10	121.13	117.89	121.89	123.28	121.44	121.04
Goods ¹	126.97	122.40	119.36	123.84	125.08	121.34	121.91
Durable.....	132.39	125.49	121.50	127.18	129.63	123.66	123.37
Nondurable.....	115.23	115.67	114.72	116.56	115.23	116.17	118.54
Services ¹	114.18	117.87	114.24	117.18	118.87	121.19	118.67
Income receipts	118.90	103.17	98.87	102.55	106.41	104.85	102.83
Imports of goods and services	154.91	160.66	153.37	161.24	162.56	165.48	162.84
Goods ¹	157.18	163.31	154.63	164.44	165.81	168.34	165.45
Durable.....	162.31	169.03	160.51	171.12	171.66	172.82	169.12
Nondurable.....	146.27	151.05	142.32	150.62	153.30	157.97	156.38
Services ¹	143.71	146.79	145.69	144.92	146.02	150.54	149.03
Income payments	118.35	114.41	105.14	117.90	118.46	116.13	114.45
Chain-type price indexes							
Exports of goods and services	96.10	95.87	94.88	95.58	96.41	96.62	97.55
Goods ¹	93.42	92.98	92.14	92.67	93.45	93.67	94.46
Durable.....	93.56	93.19	93.17	93.13	93.23	93.22	93.39
Nondurable.....	93.17	92.54	89.78	91.61	94.02	94.76	96.98
Services ¹	102.94	103.27	101.90	103.04	103.97	104.18	105.43
Income receipts	108.55	109.74	109.02	109.61	109.95	110.39	111.40
Imports of goods and services	92.70	92.99	90.61	93.03	94.05	94.27	96.92
Goods ¹	91.87	90.32	88.24	90.55	91.15	91.36	93.98
Durable.....	87.16	85.57	85.60	85.67	85.65	85.38	85.38
Nondurable.....	102.59	101.23	94.52	101.73	103.71	104.96	113.13
Services ¹	97.03	108.47	104.37	107.43	110.92	111.16	114.03
Income payments	109.57	110.47	109.86	110.36	110.64	111.03	111.95

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

Table 7.11. Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted					2001	2002	Seasonally adjusted					
			2002				2003			2002				2003	
			I	II	III	IV	I			I	II	III	IV	I	
	Chain-type quantity indexes							Chain-type price indexes							
Government consumption expenditures and gross investment¹	115.36	120.46	119.37	119.79	120.65	122.02	122.14	Government consumption expenditures and gross investment¹	113.27	115.18	114.27	115.06	115.47	115.92	118.15
Federal	107.33	115.37	112.46	114.50	115.71	118.79	118.99	Federal	110.09	113.11	112.42	113.07	113.44	113.53	116.23
National defense	102.51	112.04	108.82	110.87	112.74	115.74	114.76	National defense	109.27	111.86	111.14	111.71	112.12	112.46	114.98
Consumption expenditures	102.17	111.46	108.05	110.42	111.80	115.56	114.22	Consumption expenditures	111.50	114.71	113.89	114.56	115.04	115.37	118.33
Durable goods ²	116.02	120.85	118.29	118.91	125.79	120.40	117.54	Durable goods ²	99.37	99.68	99.52	99.72	99.65	99.81	100.23
Nondurable goods	129.00	148.45	149.88	152.03	151.30	140.58	139.60	Nondurable goods	106.08	100.68	94.31	99.84	103.19	105.40	113.37
Services	100.50	109.80	106.22	108.71	109.77	114.49	113.24	Services	112.61	116.41	115.74	116.26	116.67	116.95	119.94
Compensation of general government employees, except own-account investment ³	91.09	92.73	91.99	93.03	93.44	92.44	94.28	Compensation of general government employees, except own-account investment ³	118.58	125.09	124.71	125.19	125.33	125.13	131.58
Consumption of general government fixed capital ⁴	99.03	99.35	99.06	99.22	99.42	99.70	100.13	Consumption of general government fixed capital ⁴	101.84	102.63	102.30	102.37	102.60	103.25	103.35
Other services	118.09	148.01	136.73	143.65	146.55	165.10	156.80	Other services	111.79	114.20	113.04	113.84	114.66	115.25	116.24
Gross investment	104.87	115.94	113.93	113.83	119.04	116.96	118.42	Gross investment	96.77	96.01	95.88	95.89	95.95	96.31	96.48
Structures	68.01	65.07	63.21	66.47	66.30	64.31	66.62	Structures	118.80	121.72	120.94	121.56	121.89	122.47	123.96
Equipment and software	110.58	124.05	122.04	121.32	127.46	125.39	126.68	Equipment and software	94.40	93.34	93.26	93.23	93.27	93.61	93.68
Nondefense	117.10	122.18	119.91	121.93	121.83	125.07	127.62	Nondefense	111.64	115.46	114.79	115.61	115.89	115.53	118.54
Consumption expenditures	112.76	117.42	114.99	116.48	117.48	120.74	123.94	Consumption expenditures	114.18	119.12	118.21	119.31	119.70	119.25	123.05
Durable goods ²								Durable goods ²							
Nondurable goods								Nondurable goods							
Commodity Credit Corporation inventory change								Commodity Credit Corporation inventory change							
Other nondurables	111.07	132.68	127.22	135.70	129.39	138.43	122.80	Other nondurables	108.99	110.76	106.60	111.34	113.42	111.69	116.29
Services	111.72	116.17	113.95	114.83	116.35	119.54	123.46	Services	114.75	119.92	119.16	120.07	120.42	120.05	123.84
Compensation of general government employees, except own-account investment ³	103.40	105.63	103.95	103.75	105.28	109.52	109.58	Compensation of general government employees, except own-account investment ³	120.51	129.23	128.03	129.63	130.11	129.14	136.01
Consumption of general government fixed capital ⁴	155.81	167.02	162.56	165.47	168.46	171.61	175.06	Consumption of general government fixed capital ⁴	102.45	102.48	102.68	102.44	102.34	102.46	102.52
Other services	109.87	116.07	113.63	115.97	116.86	117.80	130.10	Other services	110.27	112.56	111.93	112.39	112.79	113.14	114.08
Gross investment	137.77	144.80	143.43	148.22	142.28	145.28	144.26	Gross investment	101.39	101.15	101.39	101.18	101.04	101.00	101.02
Structures	80.33	93.17	101.08	91.85	84.94	94.81	89.36	Structures	116.73	118.72	117.97	118.42	118.91	119.60	120.84
Equipment and software	172.20	175.17	167.59	181.69	176.60	174.79	176.88	Equipment and software	95.58	94.74	95.26	94.85	94.54	94.30	93.97
State and local	120.11	123.51	123.47	122.95	123.62	123.99	124.06	State and local	115.01	116.33	115.29	116.17	116.60	117.24	119.21
Consumption expenditures	117.93	121.28	120.56	121.04	121.54	121.99	122.21	Consumption expenditures	115.99	117.40	116.19	117.19	117.72	118.49	120.70
Durable goods ²	139.80	147.53	145.10	146.72	148.34	149.97	151.62	Durable goods ²	100.11	100.58	100.58	100.67	100.55	100.54	100.66
Nondurable goods	136.09	141.40	139.93	140.90	141.89	142.89	143.89	Nondurable goods	109.20	107.15	103.13	106.74	108.10	110.62	121.47
Services	115.40	118.45	117.84	118.25	118.68	119.04	119.15	Services	117.18	119.12	118.31	118.94	119.36	119.88	120.83
Compensation of general government employees, except own-account investment ³	108.72	110.96	110.53	110.79	111.13	111.40	111.40	Compensation of general government employees, except own-account investment ³	118.80	121.95	120.79	121.53	122.33	123.16	123.94
Consumption of general government fixed capital ⁴	129.92	135.67	133.88	135.17	136.31	137.31	138.32	Consumption of general government fixed capital ⁴	107.64	107.98	107.94	108.04	107.99	107.94	108.59
Other services	231.02	246.72	245.08	246.56	247.35	247.89	248.47	Other services	114.44	105.86	107.45	107.86	104.98	103.16	106.42
Gross investment	129.86	133.43	136.57	131.41	132.83	132.90	132.20	Gross investment	111.00	111.95	111.62	111.97	112.02	112.17	113.13
Structures	121.33	126.48	130.10	123.97	125.67	126.16	125.53	Structures	119.49	121.51	120.81	121.47	121.74	122.04	123.48
Equipment and software	159.28	156.24	157.30	156.32	156.51	154.83	153.91	Equipment and software	88.96	87.43	88.02	87.62	87.14	86.93	86.68
Addenda:								Addenda:							
Compensation of general government employees ⁵	105.41	107.58	106.98	107.30	107.79	108.26	108.61	Compensation of general government employees ⁵	118.94	123.15	122.10	122.88	123.56	124.05	126.31
Federal	95.56	97.47	96.38	96.94	97.80	98.75	99.94	Federal	119.30	126.69	125.98	126.91	127.19	126.68	133.29
State and local	109.21	111.47	111.06	111.29	111.63	111.92	111.91	State and local	118.80	121.96	120.80	121.53	122.34	123.16	123.94

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all

general government employees is shown in the addenda.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

5. Beginning with 2001, in accordance with the Consolidated Appropriations Act of 2001, includes compensation of employees of Indian tribal governments reclassified from the private sector.

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

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV		I
Chain-type quantity indexes							
Gross domestic product	117.94	120.82	119.84	120.21	121.41	121.82	122.26
Business ¹	119.56	122.53	121.52	121.86	123.17	123.55	123.97
Nonfarm ²	119.51	122.49	121.43	121.86	123.16	123.52	123.93
Nonfarm less housing	120.48	123.84	122.67	122.95	124.60	125.16	125.61
Housing	110.86	110.72	110.59	112.17	110.72	109.39	109.49
Farm	124.00	124.46	129.90	120.17	122.49	125.29	126.02
Households and institutions	114.39	116.95	115.74	116.59	117.35	118.14	118.78
Private households	84.25	73.59	72.41	73.19	73.92	74.82	75.75
Nonprofit institutions	115.49	118.53	117.31	118.17	118.93	119.71	120.34
General government ³	107.69	110.15	109.42	109.84	110.41	110.95	111.39
Federal	99.77	101.90	100.78	101.39	102.24	103.18	104.36
State and local	111.40	114.01	113.46	113.79	114.22	114.57	114.67
Chain-type price indexes							
Gross domestic product	109.42	110.66	110.14	110.48	110.76	111.25	111.90
Business ¹	108.23	109.04	108.65	108.89	109.08	109.53	109.98
Nonfarm ²	108.78	109.63	109.16	109.59	109.68	110.10	110.51
Nonfarm less housing	107.97	108.40	108.02	108.39	108.41	108.79	109.15
Housing	116.62	121.65	120.25	121.22	122.13	123.02	123.82
Farm	70.50	68.00	73.18	61.18	67.77	69.86	73.27
Households and institutions	115.28	119.24	117.13	118.47	119.93	121.42	122.89
Private households	117.43	121.68	120.48	121.29	122.18	122.75	123.45
Nonprofit institutions	115.20	119.16	117.03	118.38	119.85	121.36	122.85
General government ³	116.48	120.00	119.13	119.77	120.33	120.77	122.68
Federal	114.23	119.51	118.97	119.60	119.83	119.63	124.23
State and local	117.47	120.26	119.25	119.90	120.59	121.31	122.07

1. Equals gross domestic product less gross product of households and institutions and of general government.

2. Equals gross domestic business product less gross farm product.

3. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 7.15. Price, Costs, and Profit Per Unit of Real Gross Product of Nonfinancial Corporate Business

[Dollars]

Price per unit of real gross product of nonfinancial corporate business ¹	1.041	1.036	1.037	1.036	1.035	1.037	1.039
Compensation of employees (unit labor cost)	.695	.680	.682	.680	.679	.678	.679
Unit nonlabor cost	.267	.270	.268	.269	.271	.271	.269
Consumption of fixed capital	.127	.129	.128	.129	.130	.130	.129
Indirect business tax and nontax liability plus business transfer payments less subsidies..	.102	.104	.103	.103	.104	.104	.104
Net interest	.038	.037	.037	.037	.037	.037	.036
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) ....	.079	.086	.086	.087	.084	.089	.090
Profits tax liability	.024	.025	.023	.025	.025	.027	.028
Profits after tax with inventory valuation and capital consumption adjustments	.055	.062	.064	.062	.059	.062	.062

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

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

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

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

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

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

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV		I
Gross domestic product..	117.94	120.82	119.84	120.21	121.41	121.82	122.26
Final sales of domestic product	118.95	121.09	120.51	120.49	121.51	121.84	122.52
Change in private inventories							
Goods	121.64	125.71	124.38	124.50	127.23	126.73	127.43
Final sales	124.71	126.57	126.43	125.39	127.62	126.86	128.31
Change in private inventories							
Durable goods	129.90	134.92	131.84	132.10	138.60	137.15	136.17
Final sales	136.94	136.59	135.27	134.22	140.00	136.89	136.97
Change in private inventories							
Nondurable goods	114.62	117.99	117.90	117.93	117.98	118.15	120.01
Final sales	114.86	118.28	118.96	117.94	117.67	118.55	120.92
Change in private inventories							
Services	115.16	118.35	117.00	118.01	118.74	119.65	119.83
Structures	118.80	115.51	118.06	115.51	113.88	114.60	115.62
Addenda:							
Motor vehicle output	114.63	129.33	123.54	125.97	136.32	131.50	130.90
Gross domestic product less motor vehicle output	118.03	120.53	119.70	120.01	120.91	121.50	121.96

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

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV		I
Motor vehicle output...	114.63	129.33	123.54	125.97	136.32	131.50	130.90
Auto output	89.86	93.97	95.00	93.02	97.86	90.01	83.13
Truck output ¹	135.17	158.50	147.17	153.18	168.04	165.62	170.00
Final sales of domestic product	119.40	122.56	117.53	115.98	131.99	124.74	120.02
Personal consumption expenditures	143.85	152.48	146.80	146.73	164.00	152.39	148.50
New motor vehicles	152.65	164.29	159.22	156.46	179.76	161.70	160.30
Autos	131.93	130.12	130.40	129.18	138.70	122.19	126.84
Light trucks	177.01	204.40	193.06	188.48	227.97	208.09	199.61
Net purchases of used autos	117.43	117.37	109.88	117.67	117.26	124.68	113.40
Private fixed investment	106.83	103.02	95.86	100.72	106.73	108.75	97.22
New motor vehicles	106.87	104.24	96.41	102.26	107.74	110.57	98.47
Autos	95.08	92.02	84.78	90.77	95.56	96.97	87.42
Trucks	118.27	116.04	107.62	113.36	119.50	123.67	109.15
Light trucks	137.74	135.69	126.81	132.07	136.71	147.17	132.33
Other	82.30	79.69	72.21	78.64	87.11	80.78	67.26
Net purchases of used autos	106.65	108.39	98.10	107.53	111.10	116.85	102.65
Gross government investment	126.36	122.90	125.94	117.17	115.74	132.75	129.05
Autos	97.37	97.51	101.19	92.55	87.91	108.40	100.75
New trucks	142.63	137.12	139.76	130.97	131.45	146.29	144.89
Net exports	92.55	104.06	94.07	102.26	109.72	110.21	110.20
Exports	101.19	115.49	104.95	116.09	121.85	119.06	119.00
Autos	77.15	83.66	74.65	77.57	88.05	94.36	94.45
Trucks	153.19	161.37	150.99	164.52	164.33	165.64	154.66
Imports	157.44	167.33	155.00	171.40	171.52	171.41	161.05
Autos	132.92	132.99	131.76	131.82	130.20	138.17	124.32
Trucks							
Change in private inventories							
Autos							
New							
Domestic							
Foreign							
Used							
New trucks							
Domestic							
Foreign							
Addenda:							
Final sales of motor vehicles to domestic purchasers	129.80	133.53	127.60	129.04	141.60	135.90	129.20
Private fixed investment in new autos and new light trucks	112.41	109.78	101.87	107.57	112.31	117.36	105.66
Domestic output of new autos ²	92.85	98.82	96.57	101.17	104.43	93.11	90.09
Sales of imported new autos ³	152.80	157.39	151.28	153.87	166.84	157.56	153.19

1. Except for exports and imports, consists of new trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 8.2. Contributions to Percent Change in Real Gross Domestic Product

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Percent change at annual rate:							
Gross domestic product.....	.3	2.4	5.0	1.3	4.0	1.4	1.4
Percentage points at annual rates:							
Personal consumption expenditures	1.67	2.15	2.22	1.22	2.93	1.19	1.40
Durable goods.....	.48	.59	-.55	.16	1.74	-.72	-.17
Motor vehicles and parts.....	.24	.20	-1.18	-.03	1.46	-.93	-.29
Furniture and household equipment.....	.19	.30	.43	.20	.18	.17	.01
Other.....	.06	.10	.20	.00	.11	.04	.12
Nondurable goods.....	.39	.64	1.57	-.02	.22	1.01	1.21
Food.....	.09	.17	.65	-.09	-.05	.56	.83
Clothing and shoes.....	.08	.17	.40	-.03	.01	.22	.08
Gasoline, fuel oil, and other energy goods.....	.02	.07	.16	-.03	.05	.06	.01
Other.....	.21	.23	.37	.13	.22	.17	.30
Services.....	.80	.92	1.20	1.08	.97	.90	.36
Housing.....	.17	.17	.22	.21	.18	.17	.19
Household operation.....	.05	.02	.15	.06	.07	.21	-.05
Electricity and gas.....	-.03	.02	.14	.01	.09	.30	-.09
Other household operation.....	.08	.00	.01	.06	-.01	-.09	.04
Transportation.....	-.02	-.01	.10	-.03	-.02	.01	.00
Medical care.....	.43	.46	.40	.51	.45	.34	.45
Recreation.....	.08	.05	.04	.07	.00	.14	-.07
Other.....	.09	.23	.30	.26	.29	.02	-.16
Gross private domestic investment	-1.90	.15	2.53	1.16	.55	.93	-.83
Fixed investment	-.65	-.50	-.07	-.15	-.03	.65	-.02
Nonresidential.....	-.66	-.68	-.66	-.27	-.08	.24	-.47
Structures.....	-.05	-.52	-.44	-.53	-.62	-.25	-.07
Equipment and software.....	-.61	-.15	-.22	.26	.53	.49	-.40
Information processing equipment and software.....	-.26	.10	.25	.46	.50	.12	.39
Computers and peripheral equipment.....	-.02	.12	.21	.10	.26	.05	.15
Software ¹	-.02	.03	-.06	.20	.20	.03	.08
Other.....	-.22	-.05	.10	.16	.04	.04	.16
Industrial equipment.....	-.07	-.07	.15	-.11	.09	-.08	-.08
Transportation equipment.....	-.23	-.17	-.56	-.32	-.06	.37	-.60
Other.....	-.04	-.01	-.06	.23	.01	.08	-.11
Residential.....	.01	.18	.60	.12	.05	.41	.45
Change in private inventories	-1.24	.65	2.60	1.31	.58	.28	-.82
Farm.....	.04	-.01	.09	-.20	-.10	.05	.07
Nonfarm.....	-1.28	.66	2.51	1.51	.68	.24	-.88
Net exports of goods and services	-.18	-.67	-.75	-1.40	-.01	-1.59	.78
Exports	-.59	-.17	.33	1.29	.45	-.59	-.13
Goods.....	-.47	-.26	-.23	.99	.28	-.82	.13
Services.....	-.13	.09	.56	.30	.17	.23	-.25
Imports	.42	-.50	-1.08	-2.69	-.47	-1.00	.91
Goods.....	.40	-.43	-.40	-2.74	-.40	-.71	.81
Services.....	.01	-.07	-.68	.05	-.07	-.30	.10
Government consumption expenditures and gross investment	.65	.81	1.04	.27	.56	.85	.08
Federal	.29	.47	.47	.47	.29	.70	.05
National defense.....	.19	.37	.46	.32	.29	.46	-.15
Consumption expenditures.....	.16	.31	.34	.32	.19	.50	-.18
Gross investment.....	.02	.06	.12	.00	.11	-.04	.03
Nondefense.....	.10	.10	.01	.16	-.01	.25	.20
Consumption expenditures.....	.08	.08	.03	.10	.07	.21	.21
Gross investment.....	.01	.02	-.02	.06	-.07	.04	-.01
State and local	.36	.34	.56	-.21	.27	.15	.03
Consumption expenditures.....	.30	.28	.25	.16	.17	.14	.08
Gross investment.....	.07	.06	.32	-.37	.10	.00	-.05
Addenda:							
Goods.....	-.85	1.19	2.89	.14	3.10	-.55	.78
Services.....	1.11	1.52	1.60	1.91	1.43	1.71	.33
Structures.....	-.01	-.26	.56	-.80	-.50	.22	.32
Motor vehicle output.....	-.21	.39	.31	.25	1.06	-.49	-.06
Final sales of computers ².....	.08	.08	-.06	.08	.39	.17	.18

Table 8.3. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Percent change at annual rate:							
Personal consumption expenditures	2.5	3.1	3.1	1.8	4.2	1.7	2.0
Percentage points at annual rates:							
Durable goods	.71	.86	-.80	.23	2.49	-1.03	-.24
Motor vehicles and parts.....	.35	.29	-1.70	-.05	2.09	-1.32	-.41
Furniture and household equipment.....	.28	.43	.61	.29	.25	.24	.01
Other.....	.08	.14	.29	.00	.15	.06	.17
Nondurable goods	.58	.93	2.23	-.03	.32	1.45	1.73
Food.....	.13	.25	.92	-.13	-.08	.80	1.18
Clothing and shoes.....	.12	.25	.57	-.04	.01	.32	.11
Gasoline, fuel oil, and other energy goods.....	.03	.10	.22	-.04	.07	.09	.02
Gasoline and oil.....	.05	.10	.21	-.02	.05	-.01	.07
Fuel oil and coal.....	-.03	.00	.01	-.02	.02	.10	-.05
Other.....	.30	.33	.52	.19	.31	.25	.42
Services	1.17	1.33	1.69	1.56	1.38	1.29	.51
Housing.....	.25	.24	.30	.30	.25	.25	.27
Household operation.....	.07	.03	.21	.09	.11	.30	-.08
Electricity and gas.....	-.04	.02	.20	.01	.12	.42	-.13
Other household operation.....	.12	.00	.01	.08	-.02	-.12	.05
Transportation.....	-.03	-.01	.14	-.04	-.03	.02	.00
Medical care.....	.64	.66	.56	.73	.64	.49	.65
Recreation.....	.11	.07	.05	.10	.00	.21	-.10
Other.....	.13	.34	.41	.37	.41	.03	-.23
Addenda:							
Energy goods and services ¹	-.01	.12	.42	-.03	.19	.51	-.11
Personal consumption expenditures less food and energy.....	2.35	2.75	1.78	1.94	4.07	.41	.93

1. Consists of gasoline, fuel oil, and other energy goods, and of electricity and gas.
NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.4. The estimates in this table differ from those in table 8.2 because this table shows contributions to real personal consumption expenditures, whereas table 8.2 shows contributions to real gross domestic product.

1. Excludes software "embedded," or bundled, in computers and other equipment.
2. For some components of final sales of computers, includes computer parts.
NOTE: The quantity indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, 7.9, 7.11, and 7.17.

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Percent change at annual rate:							
Private fixed investment.....	-3.8	-3.1	-5	-1.0	-3	4.4	-1
Percentage points at annual rates:							
Nonresidential	-3.88	-4.18	-4.29	-1.74	-.58	1.63	-3.10
Structures.....	-.31	-3.23	-2.83	-3.44	-4.05	-1.68	-.46
Nonresidential buildings, including farm.....	-.95	-2.46	-1.98	-2.75	-2.81	-.40	-.42
Utilities.....	-.01	-.20	.42	-.69	-.78	-.29	-.40
Mining exploration, shafts, and wells.....	.48	-.31	-1.28	.02	-.09	-.89	.47
Other structures.....	.16	-.26	.01	-.01	-.38	-.10	-.12
Equipment and software	-3.57	-.94	-1.46	1.70	3.47	3.31	-2.64
Information processing equipment and software.....	-1.54	.61	1.57	2.99	3.26	.82	2.56
Computers and peripheral equipment ¹	-.13	.71	1.32	.65	1.73	.36	.96
Software ²	-.13	.22	-.41	1.31	1.28	.22	.56
Other.....	-1.27	-.32	.66	1.02	.25	.24	1.04
Industrial equipment.....	-.43	-.43	.95	-.70	.60	-.53	-.52
Transportation equipment.....	-1.37	-1.03	-3.56	-2.06	-.43	2.47	-3.96
Other.....	-.23	-.09	-.42	1.48	.04	.55	-.72
Residential.....	.07	1.10	3.79	.78	.32	2.73	2.96
Structures.....	.07	1.08	3.77	.76	.32	2.71	2.93
Single family.....	.11	.60	1.80	.38	.41	2.13	2.57
Multifamily.....	.11	.14	.62	-.06	-.19	-.37	.62
Other structures.....	-.15	.34	1.35	.43	.09	.94	-.26
Equipment.....	.00	.02	.02	.02	.00	.02	.03

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Percent change at annual rate:							
Exports of goods and services..	-5.4	-1.6	3.5	14.3	4.6	-5.8	-1.3
Percentage points at annual rates:							
Exports of goods¹	-4.23	-2.55	-2.43	10.92	2.86	-8.25	1.29
Foods, feeds, and beverages.....	.13	-.10	.08	-.61	-.61	.08	.66
Industrial supplies and materials.....	-.58	.05	-.47	2.84	-.99	.34	1.16
Capital goods, except automotive.....	-3.21	-2.71	-1.79	4.48	3.21	-6.21	-.69
Automotive vehicles, engines, and parts.....	-.47	.27	-.25	2.73	.74	-2.04	.43
Consumer goods, except automotive.....	-.07	-.32	-.67	.96	.59	-.15	.45
Other.....	-.03	.26	.67	.54	-.07	-.26	-.72
Exports of services¹	-1.14	.95	5.89	3.36	1.77	2.42	-2.62
Percent change at annual rate:							
Imports of goods and services..	-2.9	3.7	8.5	22.2	3.3	7.4	-6.2
Percentage points at annual rates:							
Imports of goods¹	-2.78	3.19	3.24	22.25	2.81	5.23	-5.55
Foods, feeds, and beverages.....	.14	.19	.18	.41	.12	.17	.42
Industrial supplies and materials, except petroleum and products.....	-.45	.39	.68	1.38	1.06	.76	-.79
Petroleum and products.....	.27	-.16	-1.25	2.13	-1.07	1.69	-1.11
Capital goods, except automotive.....	-2.73	-.38	2.40	3.77	-.63	.56	-.47
Automotive vehicles, engines, and parts.....	-.41	.98	.98	5.21	.57	-.67	-1.21
Consumer goods, except automotive.....	.33	1.89	2.42	7.03	2.07	2.30	1.37
Other.....	.07	.28	-2.16	2.32	.69	.43	-3.76
Imports of services¹	-.08	.52	5.31	-.10	.52	2.14	-.67

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

NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.10. The estimates in this table differ from those in table 8.2 because this table shows contributions to real exports and to real imports, whereas table 8.2 shows contributions to real gross domestic product. Because imports are subtracted in the calculation of gross domestic product, the contributions of components of real imports have opposite signs in this table and in table 8.2.

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV		I
Percent change at annual rate:							
Government consumption expenditures and gross investment¹	3.7	4.4	5.6	1.4	2.9	4.6	.4
Percentage points at annual rates:							
Federal	1.61	2.54	2.53	2.52	1.50	3.76	.25
National defense	1.06	2.01	2.46	1.68	1.53	2.44	-.78
Consumption expenditures.....	.92	1.70	1.81	1.69	.98	2.65	-.93
Durable goods ².....	.09	.05	.13	.03	.29	-.23	-.12
Nondurable goods.....	.03	.08	.04	.03	-.01	-.17	-.02
Services.....	.80	1.56	1.65	1.63	.70	3.05	-.80
Compensation of general government employees, except own-account investment ³.....	.05	.14	.30	.36	.14	-.33	.62
Consumption of general government fixed capital ⁴	-.01	.01	.01	.02	.03	.04	.06
Other services.....	.76	1.40	1.34	1.25	.53	3.34	-1.47
Gross investment.....	.14	.31	.65	-.01	.56	-.22	.15
Structures.....	-.01	-.01	-.12	.05	.00	-.03	.04
Equipment and software.....	.14	.32	.77	-.07	.56	-.18	.11
Nondefense.....	.55	.54	.07	.84	-.04	1.33	1.03
Consumption expenditures.....	.47	.42	.16	.52	.35	1.13	1.09
Durable goods ².....	.01	.01	.01	.00	.01	.03	.00
Nondurable goods.....	.13	.03	.07	.22	-.17	.04	-.19
Services.....	.34	.38	.08	.29	.51	1.06	1.27
Compensation of general government employees, except own-account investment ³	-.03	.12	.11	-.04	.31	.85	.01
Consumption of general government fixed capital ⁴.....	.11	.11	.11	.11	.11	.12	.13
Other services.....	.26	.15	-.14	.22	.09	.09	1.14
Gross investment.....	.08	.12	-.10	.32	-.39	.20	-.06
Structures.....	-.04	.09	.34	-.25	-.19	.26	-.14
Equipment and software.....	.11	.03	-.43	.57	-.20	-.07	.08
State and local	2.05	1.87	3.03	-1.10	1.42	.85	.13
Consumption expenditures.....	1.66	1.52	1.33	.84	.89	.81	.39
Durable goods ².....	.06	.05	.06	.04	.04	.04	.04
Nondurable goods.....	.36	.24	.24	.17	.17	.18	.18
Services.....	1.24	1.22	1.03	.63	.67	.59	.16
Compensation of general government employees, except own-account investment ³.....	.79	.78	.50	.36	.46	.40	-.01
Consumption of general government fixed capital ⁴.....	.24	.23	.27	.20	.17	.15	.15
Other services.....	.21	.21	.26	.08	.04	.03	.03
Gross investment.....	.39	.35	1.70	-1.94	.53	.04	-.25
Structures.....	.23	.41	1.95	-1.87	.52	.15	-.19
Equipment and software.....	.16	-.06	-.25	-.07	.02	-.12	-.07

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.11. The estimates in this table differ from those in table 8.2 because this table shows contributions to real government consumption expenditures and gross investment, whereas table 8.2 shows contributions to real gross domestic product.

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

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

Table 8.8B. Motor Vehicle Output
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
Motor vehicle output.....	312.0	344.2	331.8	334.7	360.7	349.7	347.4
Auto output.....	109.6	111.6	114.1	110.3	115.8	106.0	96.0
Truck output ¹	202.4	232.7	217.7	224.4	244.9	243.7	251.4
Final sales of domestic product.....	329.3	330.8	320.4	312.6	353.8	336.6	321.9
Personal consumption expenditures.....	288.4	299.7	290.6	287.5	321.8	298.7	289.2
New motor vehicles.....	227.8	241.0	235.1	228.8	262.9	237.4	233.1
Autos.....	105.9	103.2	104.1	102.2	109.6	96.9	99.4
Light trucks.....	121.8	137.8	131.0	126.6	153.3	140.5	133.7
Net purchases of used autos.....	60.6	58.6	55.5	58.7	59.0	61.4	56.1
Private fixed investment.....	127.7	122.5	114.9	119.9	125.0	130.2	116.3
New motor vehicles.....	164.2	158.0	147.5	155.1	161.5	167.7	149.3
Autos.....	70.6	67.4	62.5	66.4	69.8	71.1	63.3
Trucks.....	93.6	90.5	85.0	88.7	91.8	96.7	86.0
Light trucks.....	70.2	67.1	64.0	65.7	66.0	72.6	65.8
Other.....	23.4	23.5	21.0	23.0	25.7	24.1	20.2
Net purchases of used autos.....	-36.5	-35.5	-32.6	-35.2	-36.6	-37.5	-33.0
Gross government investment.....	13.7	13.3	13.7	12.7	12.4	14.3	13.9
Autos.....	3.8	3.9	4.1	3.7	3.6	4.3	4.0
New trucks.....	9.9	9.4	9.7	9.0	8.9	10.0	10.0
Net exports.....	-100.5	-104.6	-98.9	-107.5	-105.4	-106.7	-97.5
Exports.....	25.4	28.9	25.9	28.3	30.5	30.9	30.9
Autos.....	17.8	20.5	18.6	20.6	21.6	21.4	21.4
Trucks.....	7.6	8.4	7.4	7.7	8.8	9.5	9.6
Imports.....	125.9	133.5	124.8	135.8	135.9	137.5	128.4
Autos.....	106.7	114.1	105.7	116.6	116.9	117.4	110.2
Trucks.....	19.2	19.4	19.1	19.2	19.0	20.2	18.2
Change in private inventories.....	-17.3	13.4	11.4	22.1	6.9	13.1	25.4
Autos.....	-6.1	7.4	7.6	10.5	5.7	5.9	-5.0
New.....	-6.7	7.0	7.1	10.4	4.4	5.9	-5.6
Domestic.....	-7.4	5.7	6.9	9.1	7.9	-9	-3.9
Foreign.....	.7	1.2	.2	1.3	-3.4	6.8	-1.7
Used.....	.6	.5	.5	.1	1.3	.0	.7
New trucks.....	-11.3	6.0	3.8	11.6	1.2	7.2	30.4
Domestic.....	-10.7	4.3	2.4	11.6	2.2	1.0	28.1
Foreign.....	-5	1.7	1.4	.1	-1.0	6.2	2.3
Addenda:							
Final sales of motor vehicles to domestic purchasers.....	429.8	435.5	419.3	420.1	459.2	443.3	419.4
Private fixed investment in new autos and new light trucks.....	140.8	134.5	126.5	132.1	135.8	143.6	129.1
Domestic output of new autos ²	107.3	113.2	111.2	115.8	119.3	106.5	101.7
Sales of imported new autos ³	82.9	84.4	81.6	82.3	89.1	84.5	81.2

1. Except for exports and imports, consists of new trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 8.9B. Real Motor Vehicle Output
[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
Motor vehicle output.....	315.9	356.5	340.5	347.2	375.7	362.4	360.8
Auto output.....	113.4	118.5	119.8	117.3	123.4	113.5	104.9
Truck output ¹	202.0	236.9	220.0	229.0	251.2	247.5	254.1
Final sales of domestic product.....	333.9	342.7	328.7	324.3	369.1	348.8	335.6
Personal consumption expenditures.....	290.0	307.4	295.9	295.8	330.6	307.2	299.3
New motor vehicles.....	229.2	246.7	239.1	234.9	269.9	242.8	240.7
Autos.....	108.0	106.5	106.8	105.8	113.6	100.0	103.8
Light trucks.....	120.9	139.6	131.8	128.7	155.6	142.1	136.3
Net purchases of used autos.....	60.4	60.4	56.5	60.5	60.3	64.1	58.3
Private fixed investment.....	129.1	124.4	115.8	121.7	128.9	131.4	117.4
New motor vehicles.....	165.8	161.8	149.6	158.7	167.2	171.6	152.8
Autos.....	71.9	69.6	64.1	68.7	72.3	73.4	66.1
Trucks.....	94.0	92.3	85.6	90.1	95.0	98.3	86.8
Light trucks.....	72.0	71.0	66.3	69.1	71.5	77.0	69.2
Other.....	22.4	21.7	19.7	21.4	23.7	22.0	18.3
Net purchases of used autos.....	-36.7	-37.3	-33.7	-37.0	-38.2	-40.2	-35.3
Gross government investment.....	13.7	13.3	13.6	12.7	12.5	14.4	14.0
Autos.....	3.7	3.7	3.9	3.5	3.4	4.2	3.9
New trucks.....	10.0	9.6	9.8	9.2	9.2	10.2	10.1
Net exports.....	-97.8	-101.3	-95.7	-104.3	-102.2	-103.1	-94.4
Exports.....	24.0	27.0	24.4	26.6	28.5	28.6	28.6
Autos.....	17.2	19.6	17.8	19.7	20.7	20.2	20.2
Trucks.....	7.0	7.5	6.7	7.0	7.9	8.5	8.5
Imports.....	121.8	128.4	120.1	130.9	130.7	131.7	123.0
Autos.....	103.7	110.2	102.1	112.9	113.0	112.9	106.1
Trucks.....	18.2	18.2	18.0	18.0	17.8	18.9	17.0
Change in private inventories.....	-15.9	12.1	10.2	20.1	6.3	11.7	22.7
Autos.....	-6.2	7.7	7.8	10.8	6.0	6.0	-5.2
New.....	-6.8	7.1	7.2	10.7	4.6	5.9	-5.8
Domestic.....	-7.6	6.0	7.1	9.5	8.3	-1.0	-4.1
Foreign.....	.7	1.2	.2	1.2	-3.3	6.5	-1.6
Used.....	.6	.5	.5	.1	1.4	-.1	.7
New trucks.....	-8.8	4.4	2.8	8.7	.9	5.3	21.6
Domestic.....	-8.3	3.2	1.7	8.6	.6	.9	19.7
Foreign.....	-5	1.4	1.3	.1	-9	5.3	1.9
Residual.....	-3.9	.7	.1	2.0	-6	1.1	7.9
Addenda:							
Final sales of motor vehicles to domestic purchasers.....	432.5	445.0	425.2	430.0	471.8	452.8	430.5
Private fixed investment in new autos and new light trucks.....	143.8	140.5	130.4	137.6	143.7	150.2	135.2
Domestic output of new autos ²	108.4	115.3	112.7	118.1	121.9	108.7	105.1
Sales of imported new autos ³	84.6	87.1	83.7	85.1	92.3	87.2	84.8

1. Except for exports and imports, consists of new trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

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

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
Percent change at annual rate:							
Gross domestic purchases	1.9	1.2	1.2	2.3	1.2	1.8	3.4
Percentage points at annual rates:							
Personal consumption expenditures	1.34	.92	.74	1.83	1.15	1.22	1.84
Durable goods	-.16	-.23	-.35	-.23	-.16	-.18	-.29
Motor vehicles and parts .....	.01	-.05	-.13	-.10	.03	-.01	-.06
Furniture and household equipment	-.17	-.17	-.20	-.12	-.16	-.16	-.16
Other .....	.01	-.01	-.02	-.01	-.02	-.01	-.07
Nondurable goods .....	.29	.08	.05	.89	.12	.24	.90
Food .....	.28	.19	.23	.05	.09	.17	.16
Clothing and shoes	-.06	-.08	-.06	-.04	-.11	-.01	-.15
Gasoline, fuel oil, and other energy goods	-.06	-.12	-.17	.72	.09	.18	.94
Other .....	.12	.09	.05	.16	.06	-.09	-.05
Services	1.21	1.07	1.05	1.18	1.19	1.17	1.23
Housing .....	.37	.38	.42	.33	.28	.28	.25
Household operation .....	.15	-.03	-.05	.00	.13	.09	.35
Electricity and gas .....	.15	-.08	-.10	.03	.01	.05	.29
Other household operation .....	.00	.05	.05	-.03	.12	.04	.06
Transportation .....	.05	.05	.07	.11	.04	.07	-.01
Medical care .....	.37	.28	.23	.27	.30	.33	.12
Recreation .....	.08	.08	.06	.11	.08	.08	.10
Other .....	.19	.32	.33	.35	.36	.32	.43
Gross private domestic investment .....	.19	-.08	-.22	-.06	-.16	.24	.19
Fixed investment .....	.19	-.06	-.22	-.03	-.14	.25	.28
Nonresidential .....	.02	-.15	-.22	-.15	-.14	.04	-.04
Structures .....	.15	-.02	-.10	.02	.01	.05	.09
Equipment and software	-.14	-.13	-.12	-.17	-.15	-.01	-.14
Information processing equipment and software	-.16	-.14	-.11	-.13	-.11	-.14	-.17
Computers and peripheral equipment	-.17	-.11	-.10	-.06	-.10	-.10	-.11
Software ¹ .....	.03	-.01	.00	-.05	.01	-.01	-.07
Other	-.03	-.02	-.01	-.02	-.02	-.02	.00
Industrial equipment .....	.01	.00	-.01	-.01	.02	.01	.02
Transportation equipment	-.01	.00	.00	-.03	-.06	.11	.00
Other equipment .....	.02	.01	.01	-.01	.01	.00	.02
Residential .....	.17	.09	.00	.11	.00	.21	.32
Change in private inventories .....	.00	-.02	.00	-.03	-.03	-.01	-.09
Farm .....	.00	.00	.00	.00	.00	.00	.00
Nonfarm .....	.00	-.02	.00	-.03	-.02	-.01	-.09
Government consumption expenditures and gross investment .....	.41	.31	.64	.51	.26	.28	1.41
Federal .....	.10	.17	.50	.15	.08	.02	.62
National defense .....	.06	.09	.28	.08	.06	.05	.38
Consumption expenditures .....	.07	.10	.29	.08	.06	.04	.37
Gross investment .....	.00	.00	-.01	.00	.00	.01	.00
Nondefense .....	.04	.08	.22	.06	.02	-.03	.24
Consumption expenditures .....	.04	.08	.23	.07	.02	-.03	.24
Gross investment .....	.00	.00	.00	.00	.00	.00	.00
State and local .....	.31	.14	.13	.36	.18	.26	.79
Consumption expenditures .....	.26	.12	.13	.33	.17	.25	.71
Gross investment .....	.05	.02	.00	.03	.00	.01	.08
Addenda:							
Final sales of computers ²	-.27	-.19	-.19	-.11	-.16	-.19	-.17
Gross domestic purchases less final sales of computers	2.21	1.34	1.35	2.39	1.41	1.94	3.61
Food .....	.28	.18	.23	.04	.06	.17	.17
Energy goods and services .....	.09	-.26	-.32	.93	.14	.31	1.64
Gross domestic purchases less food and energy	1.57	1.23	1.25	1.31	1.05	1.27	1.63

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

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

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

Annual Estimates

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

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

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

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

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

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

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

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

Table with 13 columns: 3 for 'Billions of dollars' (1999, 2000, 2001), 3 for 'Billions of chained (1996) dollars' (1999, 2000, 2001), and 7 for 'Personal Consumption Expenditures' (1999, 2000, 2001, 1999, 2000, 2001, Residual). Rows include categories like Personal consumption expenditures, Food and tobacco, Clothing, accessories, and jewelry, etc.

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

- 1. Consists of purchases (including tips) of meals and beverages from retail, service, and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms. Includes meals and beverages consumed both on- and off-premise.
2. Includes luggage.
3. Consists of watch, clock, and jewelry repairs, costume and dress suit rental, and miscellaneous personal services.

- 18. Consists of current expenditures (including consumption of fixed capital) of trade unions and professional associations, employment agency fees, money order fees, spending for classified advertisements, tax return preparation services, and other personal business services.
19. Consists of premiums, less benefits and dividends, for motor vehicle insurance.
20. Consists of baggage charges, coastal and inland waterway fares, travel agencies' fees, and airport bus fares.

Table B.5. Private Fixed Investment in Structures by Type

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

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.

2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.

3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.

4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.

5. Consists primarily of dormitories and of fraternity and sorority houses.

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

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

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

1. Includes new computers and peripheral equipment only. Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component.

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

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

n.e.c. Not elsewhere classified.

Table B.7. Compensation and Wage and Salary Accruals by Industry
(Millions of dollars)

	Compensation			Wage and salary accruals				Compensation			Wage and salary accruals		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
Total	5,308,801	5,723,399	5,874,879	4,475,588	4,836,329	4,950,605							
Domestic industries	5,314,546	5,729,274	5,881,042	4,481,333	4,842,204	4,956,768							
Private industries ¹	4,361,287	4,721,994	4,818,943	3,757,166	4,073,263	4,145,921	Communications	103,714	114,010	113,175	87,644	96,406	95,286
Agriculture, forestry, and fishing ...	49,786	52,656	57,497	43,643	46,253	50,496	Telephone and telegraph	78,733	86,828	84,956	66,277	73,142	71,216
Farms	19,341	19,314	21,544	16,478	16,563	18,394	Radio and television	24,981	27,182	28,219	21,367	23,264	24,070
Agricultural services, forestry, and fishing	30,445	33,342	35,953	27,165	29,690	32,102	Electric, gas, and sanitary services	58,541	62,541	65,156	49,212	52,574	54,610
Mining	34,234	36,534	39,627	29,256	31,204	33,844	Wholesale trade	359,519	385,755	379,752	309,254	332,293	325,688
Metal mining	2,917	2,600	2,421	2,446	2,161	1,996	Retail trade	478,563	511,114	531,075	420,523	449,515	465,818
Coal mining	5,129	4,869	5,258	4,328	4,091	4,422	Finance, insurance, and real estate	458,091	501,923	531,995	395,757	434,720	459,937
Oil and gas extraction	20,749	23,512	26,240	17,827	20,205	22,555	Depository institutions	98,577	100,040	106,840	83,358	84,543	90,230
Nonmetallic minerals, except fuels	5,439	5,553	5,708	4,655	4,747	4,871	Nondepository institutions	40,714	41,510	49,161	34,787	35,473	42,046
Construction	272,904	298,999	313,027	233,740	256,839	268,645	Security and commodity brokers	107,093	135,094	138,866	95,771	120,994	124,161
Manufacturing	926,201	981,781	939,155	782,635	829,413	789,402	Insurance carriers	91,260	94,360	98,832	77,637	80,274	83,936
Durable goods	585,734	626,444	590,814	493,369	527,421	495,186	Insurance agents, brokers, and service	38,697	41,075	44,766	33,701	35,800	38,956
Lumber and wood products	28,712	29,146	28,559	24,464	24,814	24,256	Real estate	57,599	61,891	66,628	49,811	53,588	57,620
Furniture and fixtures	18,727	19,707	18,929	15,955	16,759	16,047	Holding and other investment offices	24,151	27,953	26,902	20,692	24,048	22,988
Stone, clay, and glass products	25,799	27,661	27,313	21,702	23,250	22,904	Services	1,431,970	1,578,136	1,644,716	1,250,487	1,380,070	1,434,418
Primary metal industries	37,240	38,213	35,730	30,851	31,572	29,317	Hotels and other lodging places	46,437	49,802	50,191	40,453	43,495	43,722
Fabricated metal products	66,605	69,559	67,318	56,015	58,339	56,259	Personal services	28,441	30,078	32,128	25,313	26,784	28,563
Industrial machinery and equipment	121,216	132,198	118,992	104,321	113,783	102,037	Business services	351,919	412,930	405,062	309,610	363,879	355,624
Electronic and other electric equipment	97,771	114,454	103,720	82,973	97,365	87,785	Auto repair, services, and parking	36,996	39,809	41,571	32,594	35,172	36,637
Motor vehicles and equipment	68,743	70,613	65,296	54,741	56,015	51,167	Miscellaneous repair services	13,499	13,947	14,652	11,856	12,256	12,844
Other transportation equipment	51,965	51,649	52,500	43,375	42,954	43,615	Motion pictures	22,480	23,933	24,443	19,779	21,052	21,435
Instruments and related products	53,491	57,079	56,364	45,974	48,993	48,311	Amusement and recreation services	47,274	51,547	52,647	41,316	45,082	45,929
Miscellaneous manufacturing industries	15,465	16,165	16,093	12,998	13,577	13,488	Health services	408,567	430,446	464,063	349,595	368,492	396,845
Nondurable goods	340,467	355,337	348,341	289,266	301,992	294,216	Legal services	72,180	79,170	85,255	63,581	69,846	75,067
Food and kindred products	66,468	70,102	71,808	56,619	59,780	60,977	Educational services	66,841	72,643	78,808	57,978	63,057	68,314
Tobacco products	2,758	2,946	3,130	2,168	2,321	2,464	Social services and membership organizations	114,376	123,692	131,746	101,619	109,876	116,749
Textile mill products	18,269	18,054	16,411	15,709	15,520	13,990	Social services	59,270	65,086	71,803	51,339	56,420	62,197
Apparel and other textile products	18,462	17,721	16,594	15,757	15,085	14,010	Membership organizations	55,106	58,606	59,943	50,280	53,456	54,552
Paper and allied products	34,474	35,062	34,378	29,663	30,154	29,399	Other services ³	210,248	236,574	252,269	184,404	207,845	221,113
Printing and publishing	69,716	73,248	71,895	60,196	63,280	61,773	Private households	12,712	13,565	11,881	12,389	13,234	11,576
Chemicals and allied products	77,224	83,713	80,990	64,397	69,950	67,159	Government	953,259	1,007,280	1,062,099	724,167	768,941	810,847
Petroleum and coal products	10,040	9,810	10,149	8,288	8,070	8,317	Federal	277,699	293,678	300,286	184,222	195,598	197,378
Rubber and miscellaneous plastics products	40,582	42,232	40,731	34,345	35,730	34,208	General government	221,496	233,437	240,534	146,475	154,845	157,914
Leather and leather products	2,474	2,449	2,255	2,124	2,102	1,919	Civilian	134,369	142,052	144,305	90,174	96,000	95,609
Transportation and public utilities	350,019	375,096	382,099	291,871	312,956	317,673	Military ⁴	87,127	91,385	96,229	56,301	58,845	62,305
Transportation	187,764	198,545	203,768	155,015	163,976	167,777	Government enterprises	56,203	60,241	59,752	37,747	40,753	39,464
Railroad transportation	17,023	16,749	16,759	12,656	12,415	12,383	State and local	675,560	713,602	761,813	539,945	573,343	613,469
Local and interurban passenger transit	11,952	12,684	13,272	10,185	10,814	11,291	General government	633,337	669,207	711,554	505,640	537,090	572,373
Trucking and warehousing ²	70,671	74,287	75,765	58,645	61,625	62,623	Education	340,095	360,574	382,057	269,529	287,229	305,171
Water transportation	9,068	9,667	10,043	7,588	8,100	8,392	Other ¹	293,242	308,633	329,497	236,111	249,861	267,202
Transportation by air ²	59,591	64,005	66,426	49,281	52,887	54,721	Government enterprises ⁵	42,223	44,395	50,259	34,305	36,253	41,096
Pipelines, except natural gas	1,000	1,018	1,092	850	865	925	Rest of the world	-5,745	-5,875	-6,163	-5,745	-5,875	-6,163
Transportation services	18,459	20,135	20,411	15,810	17,270	17,442	Receipts from the rest of the world	2,210	2,341	2,382	2,210	2,341	2,382
							Less: Payments to the rest of the world ³	7,955	8,216	8,545	7,955	8,216	8,545
							Addenda:						
							Households and institutions	403,143	431,088	459,628			
							Nonfarm business	4,037,229	4,376,228	4,447,782			

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

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

3. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

4. Includes Coast Guard.

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

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

Table B.8. Employment by Industry
[Thousands]

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

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

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

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

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

services, not elsewhere classified.

5. Includes Coast Guard.

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

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

Table B.9. Wage and Salary Accruals Per Full-Time Equivalent Employee and Full-Time Equivalent Employees by Industry

	Wage and salary accruals per full-time equivalent employee			Full-time equivalent employees ¹				Wage and salary accruals per full-time equivalent employee			Full-time equivalent employees ¹		
	Dollars			Thousands				Dollars			Thousands		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
Total	36,677	38,759	39,784	122,028	124,779	124,438							
Domestic industries	36,578	38,652	39,667	122,514	125,276	124,959							
Private industries ²	36,208	38,343	39,293	103,767	106,233	105,514							
Agriculture, forestry, and fishing	21,124	22,258	24,219	2,066	2,078	2,085	Water transportation	43,114	44,751	46,883	176	181	179
Farms	20,832	21,708	24,657	791	763	746	Transportation by air ³	42,520	43,817	45,715	1,159	1,207	1,197
Agricultural services, forestry, and fishing	21,306	22,578	23,975	1,275	1,315	1,339	Pipelines, except natural gas	65,385	66,538	66,071	13	13	14
Mining	55,409	58,875	60,871	528	530	556	Transportation services	36,178	38,549	39,641	437	448	440
Metal mining	55,591	54,025	57,029	44	40	35	Communications	62,336	64,057	62,157	1,406	1,505	1,533
Coal mining	51,524	53,130	55,275	84	77	80	Telephone and telegraph	66,079	67,661	64,683	1,003	1,081	1,101
Oil and gas extraction	61,472	66,904	68,142	290	302	331	Radio and television	53,020	54,868	55,718	403	424	432
Nonmetallic minerals, except fuels	42,318	42,766	44,282	110	111	110	Electric, gas, and sanitary services	62,365	64,399	64,399	849	843	848
Construction	36,138	37,899	39,385	6,468	6,777	6,821	Wholesale trade	45,986	48,738	49,701	6,725	6,818	6,553
Manufacturing	42,821	45,675	45,580	18,277	18,159	17,319	Retail trade	21,445	22,264	23,009	19,609	20,190	20,245
Durable goods	44,835	47,930	47,409	11,004	11,004	10,445	Finance, insurance, and real estate	55,374	60,817	63,738	7,147	7,148	7,216
Lumber and wood products	28,982	30,005	30,978	844	827	783	Depository institutions	43,370	44,473	47,440	1,922	1,901	1,902
Furniture and fixtures	29,601	30,694	31,465	539	546	510	Nondepository institutions	51,999	54,997	62,849	669	645	669
Stone, clay, and glass products	38,616	40,718	40,900	562	571	560	Securify and commodity brokers	139,608	161,541	161,879	686	749	767
Primary metal industries	44,582	45,493	45,808	692	694	640	Insurance carriers	50,876	53,623	56,409	1,526	1,497	1,488
Fabricated metal products	37,145	38,305	39,096	1,508	1,523	1,439	Insurance agents, brokers, and service	45,358	48,118	51,325	743	744	759
Industrial machinery and equipment	49,629	54,703	51,717	2,102	2,080	1,973	Real estate	36,492	39,115	41,364	1,365	1,370	1,393
Electronic and other electric equipment	50,348	57,307	54,729	1,648	1,699	1,604	Holding and other investment offices	87,678	99,372	96,588	236	242	238
Motor vehicles and equipment	53,879	55,296	54,783	1,016	1,013	934	Services	34,236	36,396	37,647	36,525	37,918	38,102
Other transportation equipment	50,087	51,877	54,315	866	828	803	Hotels and other lodging places	23,657	24,727	25,229	1,710	1,759	1,733
Instruments and related products	54,993	58,957	58,347	836	831	828	Personal services	21,024	21,811	22,759	1,204	1,228	1,255
Miscellaneous manufacturing industries	33,243	34,635	36,356	391	392	371	Business services	35,235	38,706	39,444	8,787	9,401	9,016
Nondurable goods	39,773	42,207	42,801	7,273	7,155	6,874	Auto repair, services, and parking	25,685	26,788	27,321	1,269	1,313	1,341
Food and kindred products	34,149	35,990	36,755	1,658	1,661	1,659	Miscellaneous repair services	32,482	34,235	35,383	365	358	363
Tobacco products	60,222	68,265	74,667	36	34	33	Motion pictures	40,781	43,406	45,413	485	485	472
Textile mill products	28,458	29,394	29,957	552	528	467	Amusement and recreation services	28,513	29,446	30,763	1,449	1,531	1,493
Apparel and other textile products	23,344	25,268	25,944	675	597	540	Health services	37,765	39,256	41,022	9,257	9,387	9,674
Paper and allied products	44,876	46,462	47,265	661	649	622	Legal services	62,580	67,484	71,019	1,016	1,035	1,057
Printing and publishing	41,061	43,254	43,533	1,466	1,463	1,419	Educational services	28,104	29,356	30,538	2,063	2,148	2,237
Chemicals and allied products	62,949	68,311	66,825	1,023	1,024	1,005	Social services and membership organizations	21,901	22,786	23,729	4,640	4,822	4,920
Petroleum and coal products	63,754	64,560	67,618	130	125	123	Social services	20,228	21,139	22,071	2,538	2,669	2,818
Rubber and miscellaneous plastics products	34,483	35,623	36,199	996	1,003	945	Membership organizations	23,920	24,829	25,952	2,102	2,153	2,102
Leather and leather products	27,947	29,606	31,459	76	71	61	Other services ⁴	53,951	57,447	58,682	3,418	3,618	3,768
Transportation and public utilities	45,449	47,310	48,009	6,422	6,615	6,617	Private households	14,372	15,887	14,975	862	833	773
Transportation	37,201	38,429	39,607	4,167	4,267	4,236	Government	38,628	40,379	41,700	18,747	19,043	19,445
Railroad transportation	60,555	61,766	64,495	209	201	192	Federal	44,210	46,593	47,919	4,167	4,198	4,119
Local and interurban passenger transit	22,785	23,663	24,439	447	457	462	General government	43,464	45,329	47,308	3,370	3,416	3,338
Trucking and warehousing ³	33,977	35,014	35,744	1,726	1,760	1,752	Civilian	49,519	51,364	53,413	1,821	1,869	1,790
							Military ⁵	36,347	38,038	40,249	1,549	1,547	1,548
							Government enterprises	47,361	52,114	50,530	797	782	781
							State and local	37,033	38,622	40,028	14,580	14,845	15,326
							General government	36,895	38,462	39,931	13,705	13,964	14,334
							Education	36,586	37,958	39,205	7,367	7,567	7,884
							Other ²	37,253	39,059	40,794	6,338	6,397	6,550
							Government enterprises ⁶	39,206	41,150	41,427	875	881	992
							Rest of the world ⁶				-486	-497	-521

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

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

4. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

5. Includes Coast Guard.

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

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

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

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

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

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

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

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

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

C. Historical Measures

This table is derived from the "GDP and Other Major NIPA Series" tables that were published in the August 2002 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. GDP and Other Major NIPA Aggregates

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1996) 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 indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,319.0	2,317.4	2,332.8	7.2	6.3	21.88	21.41	21.88	21.88	1.1	1.1	1.1	1.1
1960	2,376.7	2,378.5	2,391.9	2.5	2.6	22.19	21.71	22.19	22.18	1.4	1.4	1.4	1.4
1961	2,432.0	2,435.5	2,448.8	2.3	2.4	22.43	21.94	22.44	22.43	1.1	1.1	1.1	1.1
1962	2,578.9	2,569.5	2,598.0	6.0	5.5	22.74	22.23	22.74	22.74	1.4	1.3	1.4	1.4
1963	2,690.4	2,683.6	2,710.8	4.3	4.4	22.99	22.50	23.00	22.99	1.1	1.2	1.1	1.1
1964	2,846.5	2,844.1	2,868.5	5.8	6.0	23.34	22.85	23.34	23.34	1.5	1.6	1.5	1.5
1965	3,028.5	3,008.5	3,051.7	6.4	5.8	23.77	23.26	23.78	23.77	1.9	1.8	1.9	1.9
1966	3,227.5	3,191.1	3,248.9	6.6	6.1	24.45	23.91	24.46	24.45	2.8	2.8	2.9	2.9
1967	3,308.3	3,288.2	3,330.4	2.5	3.0	25.21	24.61	25.21	25.21	3.1	2.9	3.1	3.1
1968	3,466.1	3,450.0	3,489.8	4.8	4.9	26.29	25.66	26.30	26.29	4.3	4.3	4.3	4.3
1969	3,571.4	3,555.9	3,594.1	3.0	3.1	27.59	26.92	27.59	27.59	4.9	4.9	4.9	4.9
1970	3,578.0	3,588.6	3,600.6	.2	.9	29.05	28.37	29.06	29.05	5.3	5.4	5.3	5.3
1971	3,697.7	3,688.1	3,722.9	3.3	2.8	30.52	29.84	30.52	30.52	5.0	5.2	5.0	5.1
1972	3,898.4	3,887.7	3,925.7	5.4	5.4	31.81	31.17	31.82	31.82	4.2	4.5	4.3	4.2
1973	4,123.4	4,094.3	4,161.0	5.8	5.3	33.60	32.99	33.60	33.60	5.6	5.8	5.6	5.6
1974	4,099.0	4,080.7	4,142.3	-6	-3	36.60	36.35	36.62	36.62	9.0	10.2	9.0	9.0
1975	4,084.4	4,118.5	4,117.7	-4	.9	40.03	39.69	40.03	40.03	9.4	9.2	9.3	9.3
1976	4,311.7	4,288.8	4,351.4	5.6	4.1	42.29	41.93	42.30	42.31	5.7	5.7	5.7	5.7
1977	4,511.8	4,478.8	4,556.6	4.6	4.4	45.02	44.80	45.02	45.03	6.4	6.8	6.4	6.4
1978	4,760.6	4,722.9	4,805.3	5.5	5.5	48.22	48.02	48.23	48.24	7.1	7.2	7.1	7.1
1979	4,912.1	4,894.4	4,973.9	3.2	3.6	52.24	52.26	52.25	52.26	8.3	8.8	8.3	8.3
1980	4,900.9	4,928.1	4,962.3	-2	.7	57.05	57.79	57.04	57.05	9.2	10.6	9.2	9.2
1981	5,021.0	4,989.5	5,075.4	2.5	1.2	62.37	63.05	62.37	62.38	9.3	9.1	9.3	9.3
1982	4,919.3	4,954.9	4,973.6	-2.0	-7	66.26	66.71	66.25	66.26	6.2	5.8	6.2	6.2
1983	5,132.3	5,154.5	5,184.9	4.3	4.0	68.87	69.05	68.88	68.89	3.9	3.5	4.0	4.0
1984	5,505.2	5,427.9	5,553.8	7.3	5.3	71.44	71.46	71.44	71.45	3.7	3.5	3.7	3.7
1985	5,717.1	5,698.8	5,750.9	3.8	5.0	73.69	73.56	73.69	73.70	3.2	2.9	3.2	3.2
1986	5,912.4	5,912.6	5,932.5	3.4	3.8	75.32	75.22	75.31	75.32	2.2	2.3	2.2	2.2
1987	6,113.3	6,088.8	6,130.8	3.4	3.0	77.58	77.70	77.58	77.58	3.0	3.3	3.0	3.0
1988	6,368.4	6,352.6	6,391.1	4.2	4.3	80.22	80.36	80.21	80.22	3.4	3.4	3.4	3.4
1989	6,591.8	6,565.4	6,615.5	3.5	3.3	83.27	83.45	83.27	83.28	3.8	3.8	3.8	3.8
1990	6,707.9	6,695.6	6,740.0	1.8	2.0	86.53	86.85	86.51	86.53	3.9	4.1	3.9	3.9
1991	6,676.4	6,681.5	6,703.4	-5	-2	89.66	89.81	89.66	89.67	3.6	3.4	3.6	3.6
1992	6,880.0	6,867.7	6,905.8	3.0	2.8	91.85	92.03	91.84	91.84	2.4	2.5	2.4	2.4
1993	7,062.6	7,043.8	7,087.8	2.7	2.6	94.05	94.14	94.05	94.06	2.4	2.3	2.4	2.4
1994	7,347.7	7,285.8	7,364.3	4.0	3.4	96.01	96.06	96.01	96.02	2.1	2.0	2.1	2.1
1995	7,543.8	7,512.2	7,564.0	2.7	3.1	98.10	98.20	98.10	98.11	2.2	2.2	2.2	2.2
1996	7,813.2	7,783.2	7,831.2	3.6	3.6	100.00	100.00	100.00	100.00	1.9	1.8	1.9	1.9
1997	8,159.5	8,095.2	8,168.1	4.4	4.0	101.95	101.64	101.95	101.93	1.9	1.6	1.9	1.9
1998	8,508.9	8,431.8	8,508.4	4.3	4.2	103.20	102.43	103.20	103.17	1.2	.8	1.2	1.2
1999	8,859.0	8,793.9	8,883.7	4.1	4.3	104.69	103.97	104.69	104.65	1.4	1.5	1.4	1.4
2000	9,191.4	9,121.1	9,216.2	3.8	3.7	106.89	106.58	106.89	106.86	2.1	2.5	2.1	2.1
2001	9,214.5	9,258.4	9,237.3	.3	1.5	109.42	108.65	109.42	109.38	2.4	2.4	2.4	2.4
2002	9,439.9	9,424.4	9,433.5	2.4	1.8	110.66	109.90	110.66	110.63	1.1	1.2	1.1	1.1
1959: I	2,273.0	2,275.1	2,286.2	8.6	9.1	21.79	21.33	21.83	21.82	.9	1.2	.1	.1
1959: II	2,332.4	2,314.9	2,345.5	10.9	7.2	21.84	21.37	21.83	21.83	.9	.9	.1	.1
1959: III	2,331.4	2,344.3	2,345.5	-2	5.2	21.90	21.43	21.88	21.88	1.2	1.1	.9	.9
1959: IV	2,339.1	2,335.5	2,354.1	1.3	-1.5	21.99	21.52	21.98	21.98	1.7	1.7	1.8	1.8
1960: I	2,391.0	2,360.4	2,405.4	9.2	4.3	22.04	21.57	22.08	22.07	.9	.8	1.7	1.8
1960: II	2,379.2	2,382.7	2,393.9	-2.0	3.8	22.14	21.66	22.15	22.15	1.7	1.8	1.4	1.3
1960: III	2,383.6	2,380.0	2,398.9	.7	-5	22.23	21.76	22.23	22.23	1.8	1.8	1.5	1.5
1960: IV	2,352.9	2,391.1	2,369.3	-5.0	1.9	22.33	21.86	22.30	22.29	1.8	1.9	1.2	1.1
1961: I	2,366.5	2,392.9	2,383.7	2.3	.3	22.36	21.88	22.35	22.34	.5	.4	1.0	1.0
1961: II	2,410.8	2,418.3	2,427.1	7.7	4.3	22.40	21.91	22.40	22.39	.7	.5	.8	.8
1961: III	2,450.4	2,437.7	2,467.2	6.8	3.2	22.45	21.96	22.46	22.45	.9	.9	1.1	1.1
1961: IV	2,500.4	2,493.2	2,517.5	8.4	9.4	22.51	22.01	22.53	22.53	1.0	.9	1.4	1.4
1962: I	2,544.0	2,522.5	2,561.0	7.2	4.8	22.64	22.13	22.67	22.67	2.4	2.2	2.5	2.5
1962: II	2,571.5	2,564.6	2,590.3	4.4	6.8	22.71	22.20	22.71	22.70	1.1	1.3	.6	.6
1962: III	2,596.8	2,586.2	2,615.7	4.0	3.4	22.77	22.26	22.76	22.75	1.1	1.0	1.0	1.0
1962: IV	2,603.3	2,604.6	2,625.1	1.0	2.9	22.84	22.34	22.83	22.83	1.4	1.4	1.3	1.3
1963: I	2,634.1	2,619.3	2,654.8	4.8	2.3	22.93	22.42	22.91	22.90	1.4	1.6	1.3	1.3
1963: II	2,668.4	2,663.9	2,688.2	5.3	7.0	22.95	22.45	22.94	22.93	.3	.4	.6	.6
1963: III	2,719.6	2,712.0	2,739.8	7.9	7.4	22.98	22.49	22.98	22.97	.6	.8	.6	.6
1963: IV	2,739.4	2,739.6	2,760.3	2.9	4.1	23.12	22.63	23.16	23.15	2.5	2.6	3.2	3.2
1964: I	2,800.5	2,799.3	2,823.2	9.2	9.0	23.20	22.72	23.22	23.22	1.4	1.5	1.2	1.2
1964: II	2,833.8	2,833.5	2,855.7	4.8	5.0	23.27	22.79	23.28	23.27	1.2	1.3	.9	.9
1964: III	2,872.0	2,868.3	2,894.7	5.5	5.0	23.39	22.90	23.37	23.37	2.0	1.8	1.6	1.6
1964: IV	2,879.5	2,875.5	2,900.5	1.0	1.0	23.49	22.99	23.49	23.48	1.8	1.7	2.0	2.0

Table C.1. GDP and Other Major NIPA Aggregates

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1996) 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 indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1965: I.....	2,950.1	2,920.2	2,974.0	10.2	6.4	23.60	23.08	23.61	23.60	1.9	1.6	2.1	2.1
II.....	2,989.9	2,973.2	3,014.6	5.5	7.4	23.71	23.19	23.71	23.71	1.8	1.8	1.8	1.8
III.....	3,050.7	3,029.4	3,073.6	8.4	7.8	23.81	23.30	23.81	23.80	1.8	1.9	1.5	1.5
IV.....	3,123.6	3,111.4	3,144.5	9.9	11.3	23.97	23.46	23.97	23.97	2.6	2.9	2.8	2.8
1966: I.....	3,201.1	3,165.1	3,222.6	10.3	7.1	24.11	23.59	24.13	24.12	2.4	2.1	2.6	2.6
II.....	3,213.2	3,180.0	3,234.8	1.5	1.9	24.33	23.81	24.32	24.32	3.8	3.8	3.3	3.3
III.....	3,233.6	3,205.0	3,254.7	2.6	3.2	24.57	24.03	24.58	24.58	4.0	3.7	4.3	4.3
IV.....	3,261.8	3,214.5	3,283.7	3.5	1.2	24.79	24.22	24.79	24.79	3.5	3.3	3.5	3.5
1967: I.....	3,291.8	3,246.9	3,313.4	3.7	4.1	24.90	24.32	24.89	24.89	1.9	1.6	1.6	1.6
II.....	3,289.7	3,281.5	3,310.7	-3	4.3	25.06	24.47	25.05	25.04	2.5	2.5	2.5	2.5
III.....	3,313.5	3,297.4	3,336.6	2.9	2.0	25.29	24.70	25.31	25.31	3.8	3.8	4.3	4.3
IV.....	3,338.3	3,326.9	3,360.8	3.0	3.6	25.57	24.96	25.59	25.59	4.4	4.3	4.5	4.5
1968: I.....	3,406.2	3,394.2	3,429.2	8.4	8.3	25.86	25.24	25.88	25.87	4.6	4.6	4.5	4.5
II.....	3,464.8	3,428.5	3,488.3	7.1	4.1	26.15	25.51	26.14	26.14	4.5	4.2	4.1	4.1
III.....	3,489.2	3,478.1	3,513.4	2.8	5.9	26.39	25.77	26.39	26.39	3.8	4.1	3.9	3.9
IV.....	3,504.1	3,499.5	3,528.1	1.7	2.5	26.76	26.13	26.76	26.76	5.7	5.7	5.7	5.7
1969: I.....	3,558.3	3,535.0	3,582.2	6.3	4.1	27.02	26.37	27.03	27.03	3.9	3.8	4.1	4.1
II.....	3,567.6	3,551.3	3,590.6	1.0	1.9	27.39	26.73	27.39	27.38	5.5	5.5	5.3	5.3
III.....	3,588.3	3,569.0	3,610.3	2.3	2.0	27.79	27.11	27.79	27.79	6.0	5.8	6.0	6.0
IV.....	3,571.4	3,568.3	3,593.3	-1.9	-1	28.15	27.46	28.15	28.15	5.3	5.3	5.3	5.3
1970: I.....	3,566.5	3,578.9	3,589.1	-6	1.2	28.54	27.85	28.55	28.54	5.6	5.8	5.8	5.8
II.....	3,573.9	3,573.2	3,597.4	.8	-6	28.94	28.24	28.94	28.94	5.8	5.6	5.7	5.7
III.....	3,605.2	3,605.0	3,628.3	3.6	3.6	29.17	28.51	29.18	29.18	3.2	3.9	3.3	3.3
IV.....	3,566.5	3,597.4	3,587.6	-4.2	-8	29.55	28.89	29.56	29.56	5.3	5.5	5.3	5.3
1971: I.....	3,666.1	3,643.1	3,691.3	11.6	5.2	30.00	29.31	30.00	30.00	6.1	6.0	6.1	6.1
II.....	3,686.2	3,667.8	3,712.8	2.2	2.7	30.40	29.71	30.40	30.40	5.5	5.5	5.4	5.4
III.....	3,714.5	3,698.9	3,738.4	3.1	3.4	30.71	30.04	30.71	30.71	4.1	4.6	4.2	4.2
IV.....	3,723.8	3,742.5	3,749.2	1.0	4.8	30.96	30.30	30.96	30.96	3.3	3.5	3.3	3.3
1972: I.....	3,796.9	3,802.2	3,823.4	8.1	6.5	31.42	30.76	31.41	31.41	6.1	6.1	5.8	5.8
II.....	3,883.8	3,862.7	3,910.0	9.5	6.5	31.61	30.98	31.61	31.61	2.5	2.9	2.6	2.6
III.....	3,922.3	3,897.2	3,950.7	4.0	3.6	31.92	31.30	31.92	31.92	4.0	4.2	4.0	4.0
IV.....	3,990.5	3,988.5	4,018.7	7.1	9.7	32.30	31.67	32.32	32.32	4.8	4.8	5.1	5.1
1973: I.....	4,092.3	4,075.5	4,125.0	10.6	9.0	32.73	32.09	32.71	32.71	5.4	5.4	4.9	4.9
II.....	4,133.3	4,094.4	4,168.3	4.1	1.9	33.27	32.69	33.25	33.25	6.8	7.7	6.9	6.9
III.....	4,117.0	4,100.7	4,158.0	-1.6	.6	33.90	33.29	33.86	33.86	7.9	7.6	7.5	7.5
IV.....	4,151.1	4,106.3	4,192.5	3.4	.5	34.48	33.91	34.58	34.58	7.0	7.6	8.7	8.7
1974: I.....	4,119.3	4,101.8	4,168.1	-3.0	-4	35.18	34.80	35.20	35.20	8.4	10.9	7.4	7.4
II.....	4,130.4	4,105.6	4,176.5	1.1	.4	35.97	35.79	36.02	36.02	9.2	11.9	9.6	9.6
III.....	4,084.5	4,089.8	4,126.5	-4.4	-1.5	37.07	37.07	37.09	37.08	12.8	12.7	12.4	12.4
IV.....	4,062.0	4,025.8	4,098.0	-2.2	-6.1	38.20	37.93	38.20	38.19	12.7	12.0	12.5	12.5
1975: I.....	4,010.0	4,054.7	4,040.1	-5.0	2.9	39.08	38.76	39.08	39.08	9.6	9.0	9.6	9.6
II.....	4,045.2	4,099.2	4,075.6	3.6	4.5	39.63	39.33	39.63	39.63	5.8	6.0	5.7	5.7
III.....	4,115.4	4,135.9	4,148.4	7.1	3.6	40.35	39.99	40.33	40.33	7.5	7.0	7.3	7.3
IV.....	4,167.2	4,184.3	4,206.7	5.1	4.8	41.05	40.67	41.05	41.05	7.1	6.9	7.3	7.3
1976: I.....	4,266.1	4,248.8	4,304.2	9.8	6.3	41.49	41.11	41.50	41.50	4.3	4.4	4.5	4.5
II.....	4,301.5	4,264.1	4,341.2	3.4	1.4	41.93	41.56	41.92	41.92	4.3	4.5	4.1	4.1
III.....	4,321.9	4,289.7	4,362.0	1.9	2.4	42.51	42.18	42.50	42.51	5.6	6.1	5.7	5.7
IV.....	4,357.4	4,352.4	4,398.4	3.3	6.0	43.25	42.88	43.27	43.28	7.1	6.8	7.4	7.4
1977: I.....	4,410.5	4,393.8	4,457.6	5.0	3.9	43.97	43.68	43.97	43.97	6.9	7.7	6.6	6.6
II.....	4,489.8	4,464.0	4,535.9	7.4	6.5	44.69	44.45	44.69	44.71	6.9	7.2	6.8	6.8
III.....	4,570.6	4,509.7	4,616.4	7.4	4.2	45.32	45.14	45.23	45.25	5.8	6.4	4.9	4.9
IV.....	4,576.1	4,547.5	4,616.6	.5	3.4	46.08	45.92	46.16	46.17	6.9	7.0	8.5	8.4
1978: I.....	4,588.9	4,552.0	4,636.0	1.1	.4	46.86	46.67	46.86	46.87	6.9	6.8	6.2	6.2
II.....	4,765.7	4,730.8	4,804.8	16.3	16.7	47.79	47.60	47.77	47.78	8.2	8.2	8.0	8.0
III.....	4,811.7	4,774.7	4,854.6	3.9	3.8	48.64	48.45	48.60	48.61	7.3	7.3	7.1	7.1
IV.....	4,876.0	4,834.2	4,925.8	5.5	5.1	49.62	49.37	49.59	49.60	8.3	7.8	8.4	8.4
1979: I.....	4,888.3	4,855.1	4,939.6	1.0	1.7	50.58	50.38	50.55	50.56	8.0	8.4	7.9	7.9
II.....	4,891.4	4,852.9	4,949.3	.3	-2	51.73	51.58	51.71	51.72	9.4	9.9	9.5	9.5
III.....	4,926.2	4,921.9	4,995.6	2.9	5.8	52.79	52.89	52.81	52.82	8.5	10.5	8.8	8.8
IV.....	4,942.6	4,947.7	5,011.4	1.3	2.1	53.86	54.20	53.90	53.90	8.3	10.3	8.5	8.5
1980: I.....	4,958.9	4,961.4	5,028.8	1.3	1.1	55.08	55.73	55.11	55.12	9.4	11.8	9.3	9.3
II.....	4,857.8	4,861.6	4,922.5	-7.9	-7.8	56.35	57.14	56.34	56.35	9.5	10.5	9.2	9.2
III.....	4,850.3	4,923.9	4,911.3	-6	5.2	57.62	58.43	57.60	57.61	9.4	9.3	9.2	9.2
IV.....	4,936.6	4,965.2	4,986.3	7.3	3.4	59.16	59.89	59.13	59.14	11.1	10.4	11.0	11.1
1981: I.....	5,032.5	4,985.6	5,086.4	8.0	1.7	60.67	61.42	60.66	60.67	10.6	10.7	10.8	10.8
II.....	4,997.3	4,995.9	5,048.1	-2.8	.8	61.75	62.53	61.76	61.77	7.3	7.4	7.5	7.5
III.....	5,056.8	5,003.5	5,110.5	4.9	.6	62.95	63.56	62.95	62.97	8.0	6.7	8.0	8.0
IV.....	4,997.1	4,972.9	5,056.8	-4.6	-2.4	64.10	64.70	64.10	64.11	7.5	7.0	7.5	7.5
1982: I.....	4,914.3	4,959.7	4,969.4	-6.5	-1.1	65.00	65.56	64.99	65.00	5.8	5.4	5.7	5.7
II.....	4,935.5	4,954.2	4,996.9	1.7	-4	65.84	66.29	65.83	65.84	5.3	4.6	5.3	5.2
III.....	4,912.1	4,916.8	4,963.4	-1.9	-3.0	66.75	67.16	66.75	66.76	5.6	5.4	5.7	5.7
IV.....	4,915.6	4,989.1	4,964.8	.3	6.0	67.44	67.83	67.45	67.46	4.2	4.0	4.3	4.3
1983: I.....	4,972.4	5,036.1	5,021.5	4.7	3.8	67.98	68.22	67.95	67.96	3.3	3.3	3.0	3.0
II.....	5,089.8	5,113.1	5,142.2	9.8	6.3	68.59	68.80	68.56	68.57	3.6	3.5	3.7	3.7
III.....	5,180.4	5,200.3	5,233.9	7.3	7.0	69.17	69.35	69.16	69.18	3.4	3.2	3.6	3.6
IV.....	5,286.8	5,268.5	5,342.0	8.5	5.4	69.75	69.83	69.77	69.79	3.4	2.8	3.6	3.6

Table C.1. GDP and Other Major NIPA Aggregates

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1996) 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 indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1984: I.....	5,402.3	5,313.9	5,452.6	9.0	3.5	70.59	70.67	70.59	70.60	4.9	4.9	4.8	4.7
1984: II.....	5,493.8	5,410.8	5,544.3	7.0	7.5	71.18	71.25	71.16	71.17	3.4	3.3	3.3	3.3
1984: III.....	5,541.3	5,456.0	5,591.1	3.5	3.4	71.74	71.72	71.73	71.74	3.2	2.7	3.2	3.2
1984: IV.....	5,583.1	5,531.0	5,627.1	3.1	5.6	72.24	72.18	72.24	72.25	2.8	2.5	2.9	2.9
1985: I.....	5,629.7	5,619.8	5,664.3	3.4	6.6	73.01	72.80	73.00	73.01	4.3	3.5	4.3	4.2
1985: II.....	5,673.8	5,657.0	5,710.9	3.2	2.7	73.49	73.32	73.50	73.50	2.7	2.8	2.7	2.8
1985: III.....	5,758.6	5,746.0	5,788.6	6.1	6.4	73.88	73.73	73.85	73.86	2.1	2.3	2.0	1.9
1985: IV.....	5,806.0	5,772.5	5,839.6	3.3	1.9	74.40	74.38	74.39	74.40	2.9	3.6	3.0	3.0
1986: I.....	5,858.9	5,828.7	5,887.3	3.7	3.9	74.69	74.71	74.68	74.69	1.5	1.8	1.5	1.5
1986: II.....	5,883.3	5,872.6	5,901.9	1.7	3.1	75.04	74.85	75.05	75.05	1.9	.7	2.0	2.0
1986: III.....	5,937.9	5,956.0	5,959.0	3.8	5.8	75.51	75.37	75.51	75.51	2.5	2.9	2.5	2.5
1986: IV.....	5,969.5	5,993.1	5,981.7	2.1	2.5	76.05	75.94	76.01	76.02	2.9	3.0	2.7	2.7
1987: I.....	6,013.3	5,985.4	6,027.6	3.0	-5	76.73	76.76	76.70	76.71	3.6	4.4	3.7	3.7
1987: II.....	6,077.2	6,066.8	6,095.8	4.3	5.6	77.27	77.40	77.27	77.27	2.9	3.4	3.0	3.0
1987: III.....	6,128.1	6,138.7	6,145.8	3.4	4.8	77.83	78.01	77.84	77.84	2.9	3.2	3.0	3.0
1987: IV.....	6,234.4	6,164.1	6,254.1	7.1	1.7	78.46	78.64	78.46	78.46	3.3	3.3	3.2	3.2
1988: I.....	6,275.9	6,263.0	6,302.0	2.7	6.6	78.99	79.21	78.98	78.99	2.7	2.9	2.7	2.7
1988: II.....	6,349.8	6,334.0	6,372.8	4.8	4.6	79.79	80.01	79.79	79.79	4.1	4.1	4.1	4.1
1988: III.....	6,382.3	6,365.9	6,402.0	2.1	2.0	80.73	80.75	80.71	80.72	4.8	3.8	4.7	4.7
1988: IV.....	6,465.2	6,447.5	6,487.4	5.3	5.2	81.36	81.46	81.33	81.34	3.2	3.6	3.1	3.1
1989: I.....	6,543.8	6,492.7	6,565.6	5.0	2.8	82.20	82.36	82.20	82.20	4.2	4.5	4.3	4.3
1989: II.....	6,579.4	6,542.8	6,599.7	2.2	3.1	83.02	83.26	83.01	83.02	4.0	4.4	4.0	4.0
1989: III.....	6,610.6	6,605.8	6,633.4	1.9	3.9	83.62	83.74	83.62	83.63	2.9	2.4	2.9	3.0
1989: IV.....	6,633.5	6,620.4	6,663.4	1.4	.9	84.24	84.43	84.24	84.25	3.0	3.3	3.0	3.0
1990: I.....	6,716.3	6,705.8	6,743.6	5.1	5.3	85.19	85.48	85.18	85.20	4.6	5.1	4.5	4.6
1990: II.....	6,731.7	6,697.6	6,760.8	.9	-5	86.17	86.27	86.16	86.17	4.7	3.7	4.7	4.6
1990: III.....	6,719.4	6,699.2	6,742.6	-7	-1	87.00	87.26	86.99	87.00	3.9	4.7	3.9	3.9
1990: IV.....	6,664.2	6,680.0	6,713.3	-3.2	-1.1	87.76	88.41	87.74	87.76	3.5	5.3	3.5	3.5
1991: I.....	6,631.4	6,652.5	6,667.4	-2.0	-1.6	88.78	89.09	88.76	88.78	4.7	3.1	4.8	4.7
1991: II.....	6,668.5	6,692.5	6,692.1	2.3	2.4	89.41	89.51	89.40	89.41	2.9	1.9	2.9	2.9
1991: III.....	6,684.9	6,689.2	6,704.7	1.0	-2	89.99	90.04	89.99	90.00	2.6	2.4	2.7	2.6
1991: IV.....	6,720.9	6,692.0	6,749.4	2.2	.2	90.47	90.60	90.47	90.48	2.2	2.5	2.2	2.2
1992: I.....	6,783.3	6,788.9	6,811.1	3.8	5.9	91.16	91.25	91.16	91.15	3.1	2.9	3.1	3.0
1992: II.....	6,846.8	6,827.1	6,873.8	3.8	2.3	91.68	91.81	91.67	91.67	2.3	2.5	2.3	2.3
1992: III.....	6,899.7	6,882.7	6,923.3	3.1	3.3	91.98	92.26	91.97	91.97	1.3	2.0	1.3	1.3
1992: IV.....	6,990.6	6,972.4	7,015.1	5.4	5.3	92.56	92.81	92.55	92.55	2.5	2.4	2.5	2.5
1993: I.....	6,988.7	6,953.6	7,020.9	-1	-1.1	93.33	93.42	93.32	93.32	3.4	2.7	3.4	3.4
1993: II.....	7,031.2	7,008.8	7,056.0	2.5	3.2	93.83	93.98	93.82	93.83	2.2	2.4	2.2	2.2
1993: III.....	7,062.0	7,057.9	7,092.4	1.8	2.8	94.26	94.32	94.24	94.26	1.8	1.5	1.8	1.8
1993: IV.....	7,168.7	7,154.8	7,182.1	6.2	5.6	94.79	94.83	94.79	94.81	2.3	2.2	2.4	2.4
1994: I.....	7,229.4	7,187.1	7,249.8	3.4	1.8	95.28	95.22	95.28	95.29	1.1	1.7	2.0	2.1
1994: II.....	7,330.2	7,250.2	7,346.3	5.7	3.6	95.72	95.74	95.71	95.73	2.8	2.1	1.8	1.8
1994: III.....	7,370.2	7,318.5	7,385.1	2.2	3.8	96.29	96.43	96.28	96.29	2.4	2.9	2.4	2.4
1994: IV.....	7,461.1	7,387.2	7,476.0	5.0	3.8	96.74	96.86	96.74	96.74	1.9	1.8	1.9	1.9
1995: I.....	7,488.7	7,427.3	7,510.2	1.5	2.2	97.45	97.51	97.45	97.45	3.0	2.7	3.0	3.0
1995: II.....	7,503.3	7,469.6	7,528.6	.8	2.3	97.86	98.04	97.86	97.87	1.7	2.2	1.7	1.7
1995: III.....	7,561.4	7,549.7	7,572.3	3.1	4.4	98.31	98.42	98.30	98.31	1.8	1.6	1.8	1.8
1995: IV.....	7,621.9	7,602.5	7,645.2	3.2	2.8	98.79	98.85	98.78	98.79	2.0	1.8	2.0	2.0
1996: I.....	7,676.4	7,669.6	7,703.1	2.9	3.6	99.40	99.42	99.39	99.39	2.5	2.3	2.5	2.5
1996: II.....	7,802.9	7,773.4	7,820.4	6.8	5.5	99.74	99.74	99.74	99.74	1.4	1.3	1.4	1.4
1996: III.....	7,841.9	7,792.1	7,853.5	2.0	1.0	100.23	100.16	100.22	100.22	2.0	1.7	1.9	1.9
1996: IV.....	7,931.3	7,897.6	7,947.9	4.6	5.5	100.63	100.68	100.63	100.63	1.6	2.1	1.7	1.6
1997: I.....	8,016.4	7,966.4	8,025.1	4.4	3.5	101.36	101.28	101.34	101.33	2.9	2.4	2.9	2.8
1997: II.....	8,131.9	8,043.2	8,145.6	5.9	3.9	101.82	101.49	101.82	101.80	1.9	.8	1.9	1.8
1997: III.....	8,216.6	8,164.9	8,225.1	4.2	6.2	102.12	101.74	102.12	102.10	1.2	1.2	1.2	1.2
1997: IV.....	8,272.9	8,206.3	8,276.9	2.8	2.0	102.49	102.07	102.49	102.46	1.4	1.3	1.4	1.4
1998: I.....	8,396.3	8,286.6	8,405.4	6.1	4.0	102.76	102.09	102.76	102.73	1.1	.1	1.1	1.1
1998: II.....	8,442.9	8,397.2	8,448.7	2.2	5.4	103.02	102.26	103.01	102.98	1.0	.7	1.0	1.0
1998: III.....	8,528.5	8,454.9	8,517.6	4.1	2.8	103.38	102.54	103.38	103.34	1.4	1.1	1.4	1.4
1998: IV.....	8,667.9	8,588.5	8,662.0	6.7	6.5	103.66	102.84	103.65	103.62	1.1	1.2	1.1	1.1
1999: I.....	8,733.2	8,654.3	8,755.5	3.0	3.1	104.12	103.19	104.12	104.08	1.8	1.4	1.8	1.8
1999: II.....	8,775.5	8,741.0	8,801.8	2.0	4.1	104.52	103.72	104.51	104.48	1.5	2.1	1.5	1.5
1999: III.....	8,886.9	8,833.6	8,906.4	5.2	4.3	104.84	104.21	104.83	104.80	1.2	1.9	1.2	1.2
1999: IV.....	9,040.1	8,946.6	9,071.1	7.1	5.2	105.28	104.77	105.27	105.24	1.7	2.2	1.7	1.7
2000: I.....	9,097.4	9,042.9	9,119.7	2.6	4.4	106.08	105.72	106.07	106.04	3.1	3.7	3.1	3.1
2000: II.....	9,205.7	9,111.1	9,233.0	4.8	3.1	106.69	106.30	106.68	106.64	2.3	2.2	2.3	2.3
2000: III.....	9,218.7	9,150.4	9,238.2	.6	1.7	107.13	106.87	107.12	107.08	1.6	2.2	1.6	1.7
2000: IV.....	9,243.8	9,179.8	9,274.0	1.1	1.3	107.68	107.43	107.68	107.64	2.1	2.1	2.1	2.1
2001: I.....	9,229.9	9,243.8	9,241.7	-6	2.8	108.66	108.30	108.65	108.62	3.7	3.3	3.7	3.7
2001: II.....	9,193.1	9,234.3	9,224.3	-1.6	-4	109.32	108.76	109.32	109.29	2.5	1.7	2.5	2.5
2001: III.....	9,186.4	9,230.5	9,199.8	-3	-2	109.92	108.72	109.92	109.89	2.2	-2	2.2	2.2
2001: IV.....	9,248.8	9,324.9	9,283.5	2.7	4.2	109.78	108.84	109.78	109.74	-5	.4	-5	-5
2002: I.....	9,363.2	9,379.4	9,367.5	5.0	2.4	110.14	109.15	110.14	110.13	1.3	1.2	1.3	1.4
2002: II.....	9,392.4	9,377.9	9,376.7	1.3	-1	110.48	109.77	110.48	110.45	1.2	2.3	1.2	1.2
2002: III.....	9,485.6	9,457.2	9,477.9	4.0	3.4	110.76	110.11	110.76	110.73	1.0	1.2	1.0	1.0
2002: IV.....	9,518.2	9,483.1	9,512.1	1.4	1.1	111.25	110.59	111.25	111.22	1.8	1.8	1.8	1.8
2003: I.....	9,552.0	9,536.2	9,544.7	1.4	2.3	111.90	111.53	111.90	111.88	2.4	3.4	2.4	2.4

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

	2001	2002	2002								2003				
			May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Consumer and producer prices, (monthly data seasonally adjusted) ¹															
Consumer price index for all urban consumers, 1982=100:															
All items.....	177.1	179.9	179.5	179.8	180.1	180.5	180.9	181.2	181.4	181.6	182.2	183.3	183.9	183.3	183.3
Commodities.....	150.7	149.7	149.8	149.9	150.0	150.2	150.3	150.4	150.3	150.0	150.5	152.2	152.8	151.3	150.2
Services.....	203.4	209.8	209.1	209.5	210.0	210.7	211.2	211.8	212.3	212.9	213.6	214.1	214.9	215.1	216.1
All items less food and energy.....	186.1	190.5	190.0	190.2	190.5	191.1	191.4	191.6	191.8	192.1	192.3	192.5	192.5	192.5	193.0
Food.....	173.1	176.2	175.9	175.9	176.1	176.0	176.4	176.6	177.0	177.3	177.0	178.2	178.5	178.3	178.9
Energy.....	129.3	121.7	122.1	122.9	123.7	123.9	124.4	126.2	125.6	125.1	130.1	137.8	144.2	137.5	133.3
Producer price index, 1982=100:															
Finished goods.....	140.7	138.9	138.4	138.6	138.6	138.6	139.0	140.1	139.7	139.3	141.2	143.0	145.1	142.3	141.9
Consumer goods.....	141.5	139.4	138.7	139.0	139.1	139.2	139.6	141.0	140.5	140.1	142.5	145.2	147.5	144.0	143.3
Capital equipment.....	139.7	139.1	139.1	139.2	138.8	138.6	139.0	139.3	139.1	138.8	139.2	138.9	140.0	139.3	139.4
Less food and energy.....	150.0	150.2	150.3	150.4	150.0	149.8	150.2	150.7	150.5	149.6	150.1	150.3	151.4	150.0	150.2
Intermediate materials.....	129.7	127.8	127.1	127.4	127.7	128.2	128.9	129.8	129.7	129.6	131.2	133.9	136.6	133.6	132.5
Less food and energy.....	136.4	135.8	135.3	135.6	135.9	136.2	136.4	136.7	136.8	136.7	137.2	138.2	138.5	138.5	138.4
Crude materials.....	121.0	108.1	109.3	105.1	105.9	107.8	110.2	112.6	116.8	119.1	128.2	135.0	153.0	128.0	130.2
Less energy.....	130.7	135.7	133.9	137.7	140.0	139.5	139.2	139.6	141.5	141.8	143.6	146.9	148.3	146.4	143.6
Money, interest rates, and stock prices															
Money stock (monthly and quarterly data seasonally adjusted): ²															
Percent change:															
M1.....			0.91	0.47	0.58	-0.94	0.57	0.95	-0.04	0.68	0.21	1.66	0.35	0.03	1.68
M2.....			1.14	0.54	0.86	0.67	0.45	0.67	0.69	0.26	0.51	0.94	0.25	0.39	1.46
Ratio:															
Gross domestic product to M1.....	8.9	8.769	8.777			8.819			8.782			8.713			
Personal income to M2.....	1.7	1.589	1.602	1.606	1.585	1.579	1.576	1.571	1.565	1.566	1.564	1.552	1.555	1.549	
Interest rates (percent, not seasonally adjusted): ²															
Prime rate charged by banks.....	6.92	4.68	4.75	4.75	4.75	4.75	4.75	4.75	4.35	4.25	4.25	4.25	4.25	4.25	4.25
3-month Treasury bills, secondary market.....	3.39	1.60	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19	1.17	1.17	1.13	1.13	1.07
3-Year U.S. Treasury bonds.....	4.08	3.10	3.80	3.49	3.01	2.52	2.32	2.25	2.32	2.23	2.18	2.05	1.98	2.06	1.75
10-Year U.S. Treasury bonds.....	5.02	4.61	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03	4.05	3.90	3.81	3.96	3.57
Federal funds rate.....	3.89	1.67	1.75	1.75	1.73	1.74	1.75	1.75	1.34	1.24	1.24	1.26	1.25	1.26	1.26
New home mortgages.....	6.97	6.54	6.81	6.65	6.49	6.29	6.09	6.11	6.07	6.05	5.92	5.84	5.75	5.81	5.48
Index of stock prices (not seasonally adjusted): ³															
500 common stocks, 1941-43=10.....	1,194.18	993.94	1,079.27	1,014.05	903.59	912.55	867.81	854.63	909.93	899.18	895.84	837.62	846.62	890.03	935.96
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) ¹															
Civilian labor force.....	143,734	144,863	144,911	144,852	144,786	145,123	145,634	145,393	145,180	145,150	145,838	145,857	145,793	146,473	146,485
Labor force participation rates (percent):															
Total.....	66.8	66.6	66.7	66.6	66.5	66.6	66.8	66.6	66.4	66.4	66.3	66.3	66.2	66.4	66.4
Males, age 20 and over.....	76.5	76.3	76.7	76.5	76.4	76.4	76.6	76.3	76.0	75.9	75.8	76.0	75.9	76.1	76.0
Females, age 20 and over.....	60.6	60.5	60.5	60.5	60.4	60.5	60.6	60.6	60.5	60.6	60.7	60.5	60.6	60.7	60.7
Both sexes, age 16-19.....	49.6	47.4	47.4	47.7	47.5	47.3	48.1	47.2	47.0	46.3	46.0	45.5	44.1	45.0	45.1
Civilian employment.....	136,933	136,485	136,487	136,383	136,343	136,757	137,312	136,988	136,542	136,439	137,536	137,408	137,348	137,687	137,487
Ratio, civilian employment to working-age population (percent).....	63.7	62.7	62.8	62.7	62.6	62.8	63.0	62.7	62.5	62.4	62.5	62.4	62.3	62.4	62.3
Employees on nonagricultural payrolls.....	131,922	130,791	130,702	130,736	130,790	130,913	130,829	130,898	130,817	130,670	130,873	130,520	130,396	130,348	
Goods-producing industries.....	24,944	23,836	23,870	23,861	23,812	23,801	23,748	23,688	23,631	23,551	23,563	23,463	23,439	23,366	
Services-producing industries.....	106,978	106,955	106,832	106,875	106,978	107,112	107,081	107,210	107,186	107,119	107,310	107,057	106,957	106,982	
Hours of production workers:															
Average weekly hours, total private sector....	34.2	34.2	34.2	34.3	34.0	34.1	34.2	34.2	34.2	34.1	34.3	34.1	34.3	34.0	
Average weekly hours, manufacturing.....	40.7	40.9	40.9	41.1	40.7	40.9	40.8	40.7	40.6	40.9	40.9	40.8	40.8	40.5	
Average weekly overtime hours, manufacturing.....	3.9	4.1	4.2	4.3	4.0	4.2	4.1	4.1	4.0	4.2	4.1	4.1	4.0	3.9	
Number of persons unemployed.....	6,801	8,378	8,424	8,469	8,443	8,366	8,321	8,405	8,637	8,711	8,302	8,450	8,445	8,786	8,998
Unemployment rates (percent):															
Total.....	4.7	5.8	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0	5.7	5.8	5.8	6.0	6.1
Males, age 20 and over.....	4.2	5.3	5.2	5.4	5.3	5.3	5.3	5.4	5.6	5.6	5.4	5.3	5.3	5.6	5.9
Females, age 20 and over.....	4.1	5.1	5.2	5.1	5.1	5.0	5.0	5.2	5.0	5.2	4.7	5.0	5.0	5.1	5.1
Both sexes, age 16-19.....	14.7	16.5	17.0	16.9	17.0	16.9	16.2	15.1	16.8	16.4	16.8	17.1	17.7	18.0	18.5
15 weeks and over.....	1.2	2.0	2.0	2.1	2.0	2.0	2.1	2.1	2.2	2.3	2.2	2.2	2.1	2.2	2.2
Average weeks unemployed.....	13.1	16.6	16.8	17.1	16.6	16.3	17.8	17.6	17.9	18.4	18.4	18.6	18.0	19.6	19.2
Median weeks unemployed.....	6.8	9.1	9.6	11.6	8.9	8.7	9.5	9.6	9.4	9.6	9.8	9.4	9.6	10.2	10.1
Productivity and costs, nonfarm business sector, 1992=100:															
Indexes:															
Output per hour of all persons.....	117.5	123.1	122.3			123.9				124.2			124.8		
Unit labor costs.....	116.3	113.6	114.1			113.1				113.9			114.4		
Hourly compensation.....	136.6	139.8	139.5			140.1				141.5			142.7		
Percent change from preceding period, annual rate:															
Output per hour.....	1.1	4.8	1.7			5.5				0.7			1.9		
Unit labor costs.....	1.6	-2.3	2.3			-3.4				3.2			1.5		
Real hourly compensation.....	-0.1	0.8	0.4			-0.3				1.9			-0.4		

See footnotes at end of table.

Table D.1. Domestic Perspectives—Continued

	2001	2002	2002								2003				
			May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Construction (monthly data seasonally adjusted at annual rates) ⁴															
New construction put in place (billions of dollars).....	842.5	846.1	847.1	833.7	837.8	829.8	832.2	840.0	850.5	856.7	875.3	873.5	864.8	862.6	.....
Private construction.....	650.0	642.2	642.2	634.6	635.7	627.1	626.5	636.8	643.8	650.0	664.3	666.5	664.1	661.4	.....
Residential buildings.....	388.7	415.5	413.5	410.8	414.0	409.3	412.2	418.0	427.2	440.2	450.0	452.2	451.4	449.9	.....
Nonresidential buildings.....	201.1	167.9	170.5	166.7	163.7	159.8	156.5	160.2	161.8	155.6	160.8	159.8	160.3	156.1	.....
Public construction.....	192.5	203.9	204.9	199.1	202.1	202.8	205.7	203.2	206.7	206.7	211.0	207.0	200.7	201.2	.....
Housing starts (thousands of units):															
Total.....	1,603	1,705	1,752	1,709	1,666	1,630	1,810	1,653	1,760	1,815	1,828	1,640	1,742	1,632	1,732
1-unit structures.....	1,273	1,359	1,389	1,359	1,329	1,249	1,449	1,366	1,403	1,462	1,509	1,312	1,398	1,358	1,378
New 1-family houses sold (thousands of units).....	908	973	981	959	961	1025	1057	1005	1022	1052	1009	935	1018	1028	1157
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴															
Inventories:															
Total manufacturing and trade.....	.....	.....	1,126,477	1,124,639	1,127,436	1,130,357	1,136,896	1,137,189	1,144,210	1,145,753	1,149,332	1,156,115	1,159,136	1,166,786	1,170,601
Manufacturing.....	.....	.....	431,434	430,153	428,592	428,230	427,996	428,574	429,385	429,074	428,220	430,951	431,311	433,227	432,500
Retail trade.....	.....	.....	410,401	411,707	416,352	418,394	423,139	422,377	427,879	430,960	434,693	436,317	439,120	443,879	447,163
Merchant wholesalers.....	.....	.....	284,642	282,779	282,492	283,733	285,761	286,238	286,946	285,719	286,419	288,847	288,705	289,680	290,938
Sales:															
Total manufacturing and trade.....	9,759,711	9,852,280	805,070	820,157	816,987	819,513	830,802	832,553	826,227	830,507	831,696	831,848	842,599	834,860	848,661
Manufacturing.....	3,897,730	3,855,872	315,593	322,962	323,736	320,810	326,101	323,729	322,608	326,339	322,863	321,016	327,265	322,601	327,745
Retail trade.....	3,153,315	3,245,407	265,947	270,022	266,146	269,762	274,476	276,318	271,307	271,703	273,570	277,100	278,356	274,066	280,369
Merchant wholesalers.....	2,708,666	2,751,001	223,530	227,173	227,105	228,941	230,225	232,506	232,312	232,465	235,263	233,732	236,978	238,193	240,547
Inventory-sales ratio:															
Total manufacturing and trade.....	.....	.....	1.40	1.37	1.38	1.38	1.37	1.37	1.38	1.38	1.38	1.39	1.38	1.40	1.38
Manufacturing.....	.....	.....	1.37	1.33	1.32	1.33	1.31	1.32	1.33	1.31	1.33	1.34	1.32	1.34	1.32
Retail trade.....	.....	.....	1.54	1.52	1.56	1.55	1.54	1.53	1.58	1.59	1.59	1.57	1.58	1.62	1.59
Merchant wholesalers.....	.....	.....	1.27	1.24	1.24	1.24	1.24	1.23	1.24	1.23	1.22	1.24	1.22	1.22	1.21
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²															
Industrial production indexes, 1997=100:															
Total.....	111.2	110.8	110.4	110.8	111.6	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.1	109.4	109.6
Final products.....	109.0	108.1	107.1	107.5	107.9	107.6	107.4	106.6	107.1	106.0	107.1	107.2	106.8	106.2	106.2
Consumer goods.....	106.5	107.0	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.3	106.6	106.5
Business equipment.....	117.3	112.3	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.9	104.9
Nonindustrial supplies.....	115.3	114.9	114.6	114.8	115.5	115.4	115.8	115.4	114.9	113.9	114.4	114.7	113.8	112.8	113.1
Materials.....	111.8	112.0	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.0	111.5	111.7
Capacity utilization rates (percent):															
Total industry.....	77.3	75.6	75.7	75.9	76.4	76.1	76.0	75.5	75.6	74.9	75.4	75.3	74.8	74.3	74.3
Manufacturing.....	75.6	73.7	73.9	74.1	74.3	74.3	74.1	73.7	73.7	73.0	73.3	73.3	73.1	72.5	72.6
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²															
All sectors, by instrument:															
Total.....	2,055.5	2,327.4	2,532.0	.....	.....	2,137.3	.....	.....	2,719.1	.....	.....	2,362.7	.....	.....	.....
Open market paper.....	-164.4	-98.2	-154.3	.....	.....	70.8	.....	.....	-53.3	.....	.....	-16.1	.....	.....	.....
U.S. government securities.....	623.8	811.5	1,013.8	.....	.....	686.5	.....	.....	814.8	.....	.....	532.3	.....	.....	.....
Municipal securities.....	122.8	167.0	196.2	.....	.....	156.8	.....	.....	238.2	.....	.....	162.2	.....	.....	.....
Corporate and foreign bonds.....	669.9	527.9	592.4	.....	.....	140.5	.....	.....	773.0	.....	.....	742.2	.....	.....	.....
Bank loans, n.e.c.....	-76.2	-76.0	-139.0	.....	.....	-54.4	.....	.....	-107.5	.....	.....	-101.6	.....	.....	.....
Other loans and advances.....	60.4	49.9	89.7	.....	.....	148.5	.....	.....	-16.0	.....	.....	52.4	.....	.....	.....
Mortgages.....	710.5	885.2	841.9	.....	.....	919.5	.....	.....	1,072.8	.....	.....	915.6	.....	.....	.....
Consumer credit.....	108.7	60.1	91.3	.....	.....	69.1	.....	.....	-2.9	.....	.....	75.7	.....	.....	.....

Sources:

1. Bureau of Labor Statistics
2. Federal Reserve Board

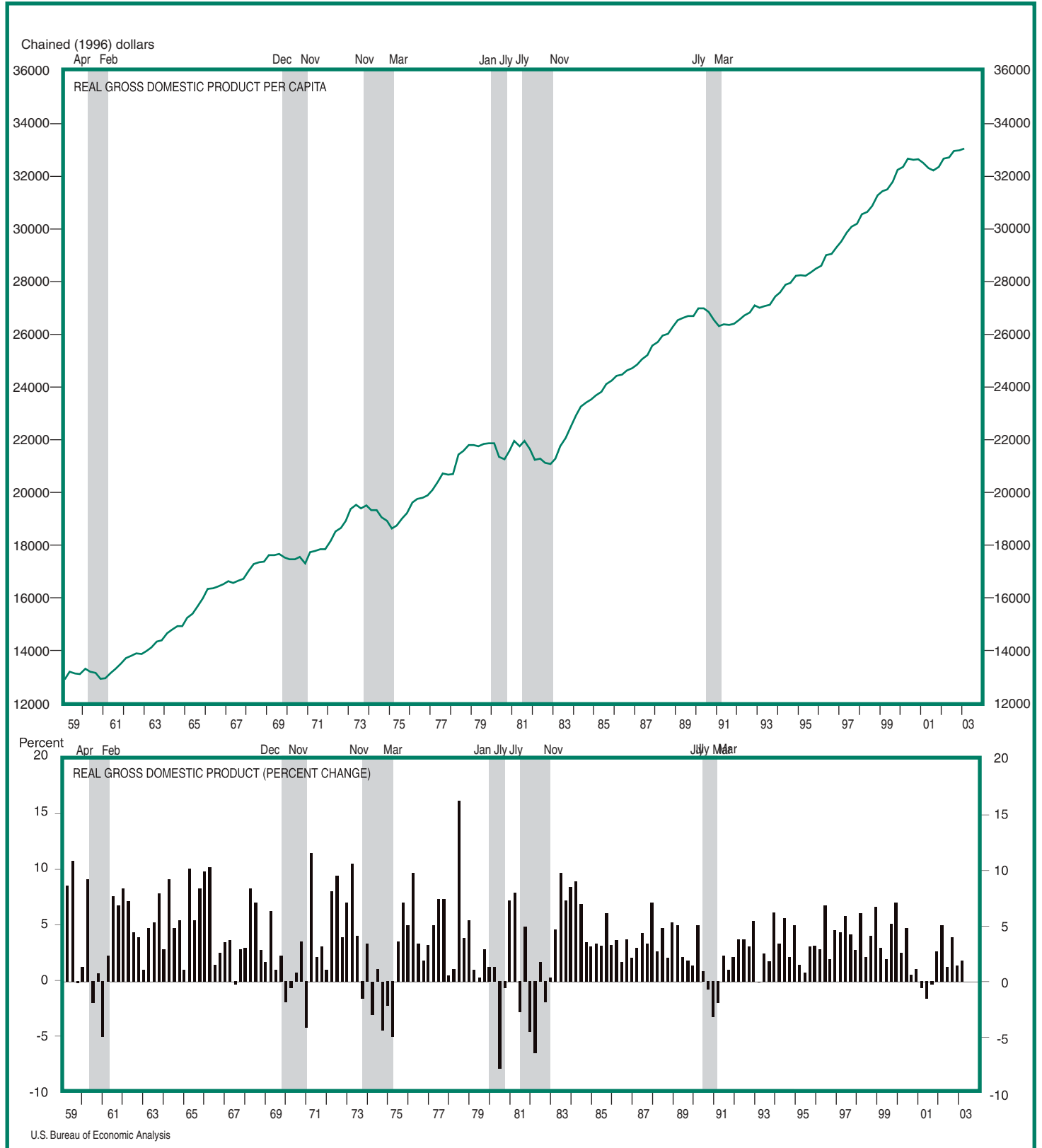
3. Standard and Poor's, Inc.

4. Bureau of the Census
n.e.c. Not elsewhere classified

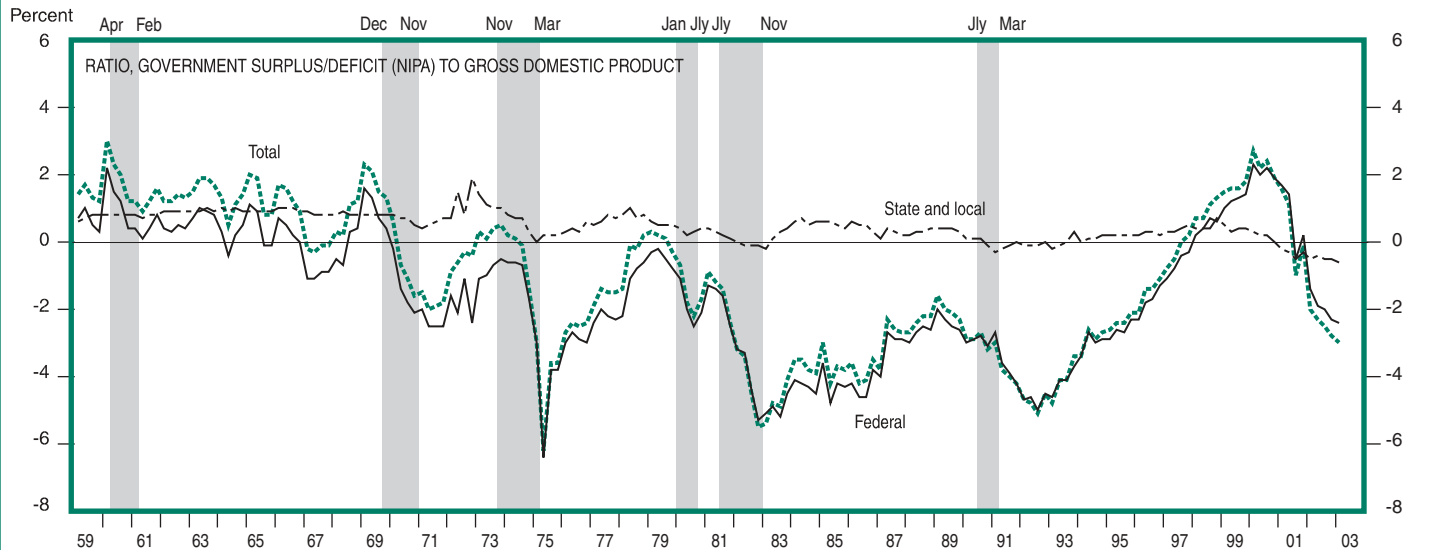
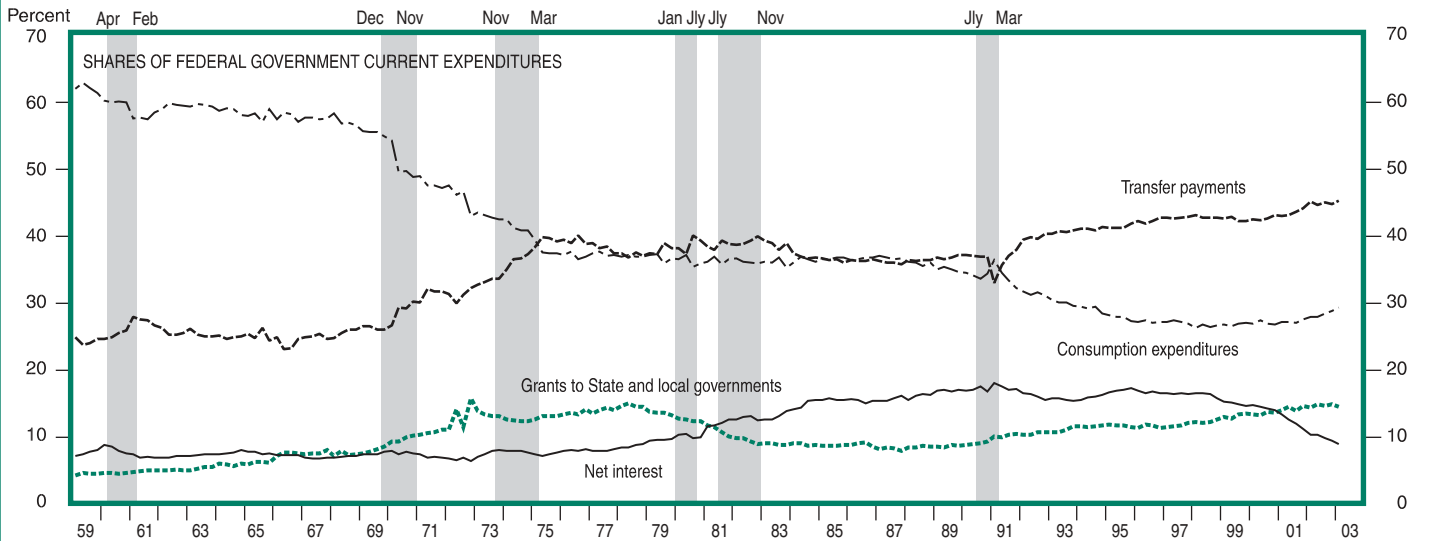
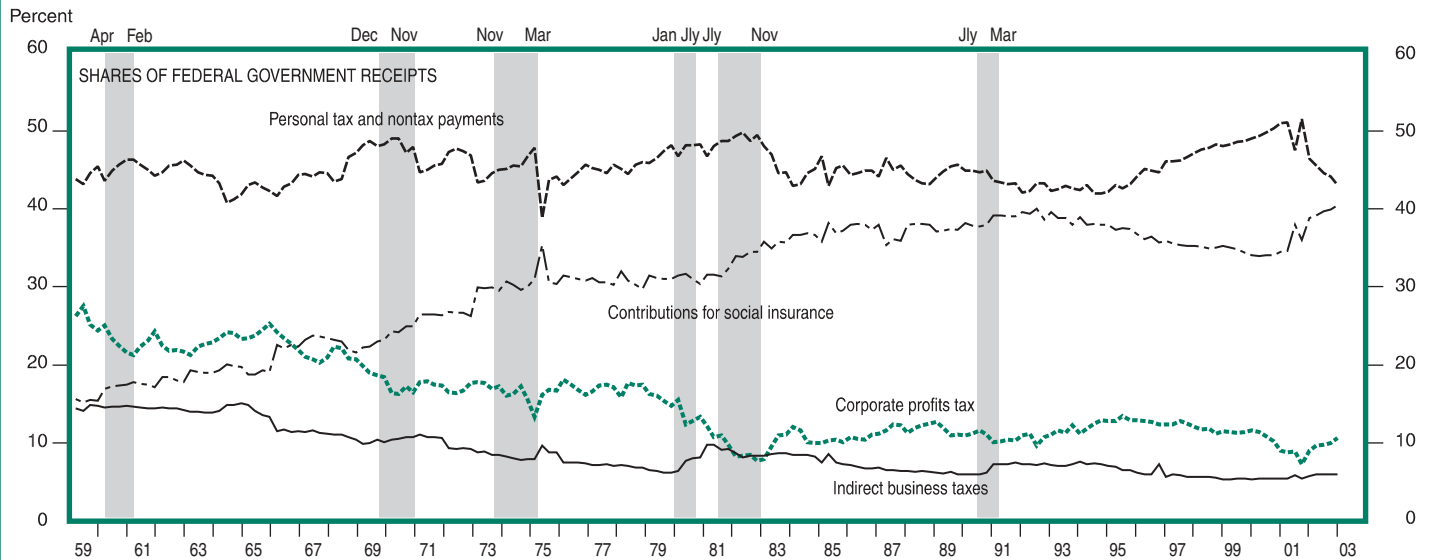
E. Charts

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

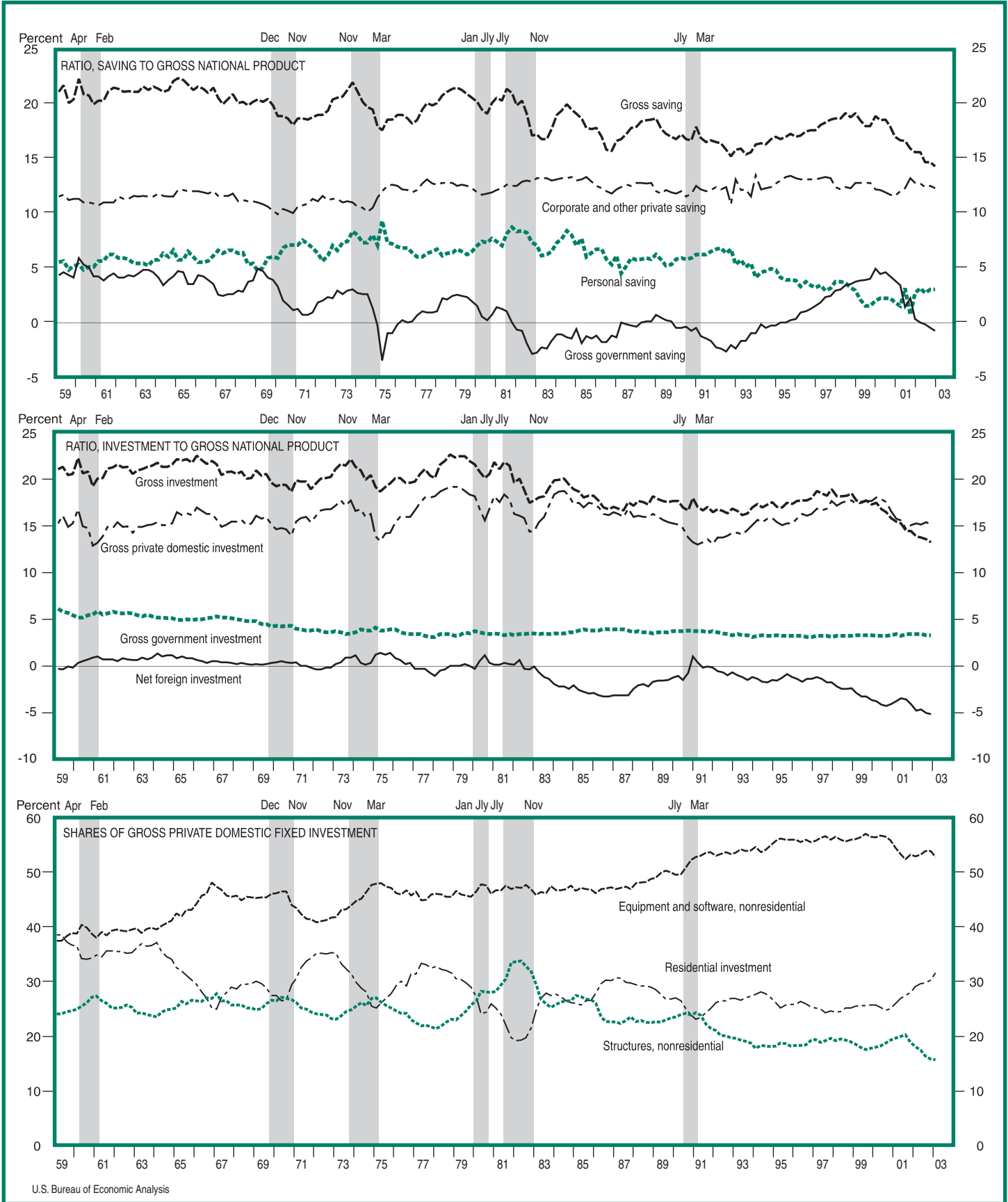
SELECTED NIPA SERIES



SELECTED NIPA SERIES

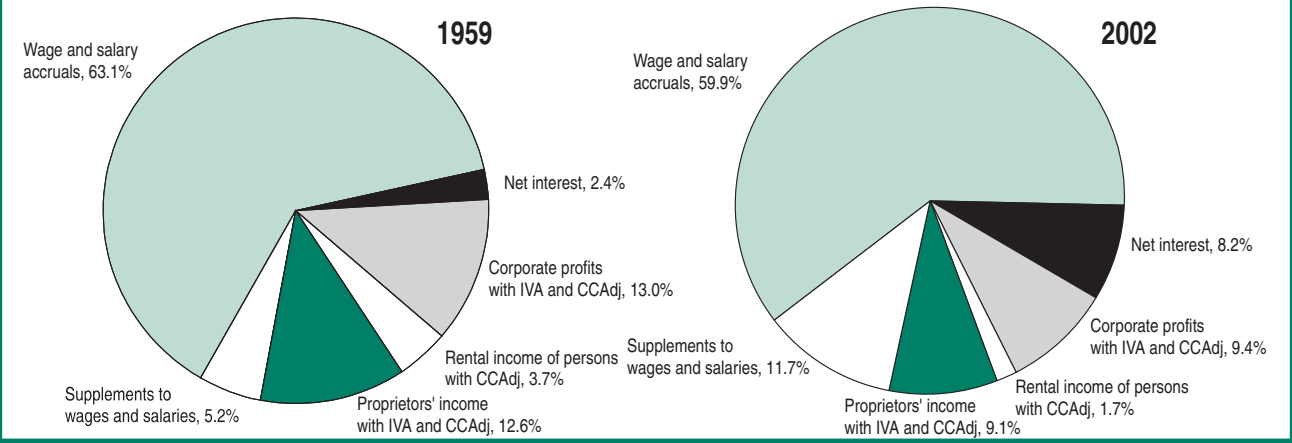


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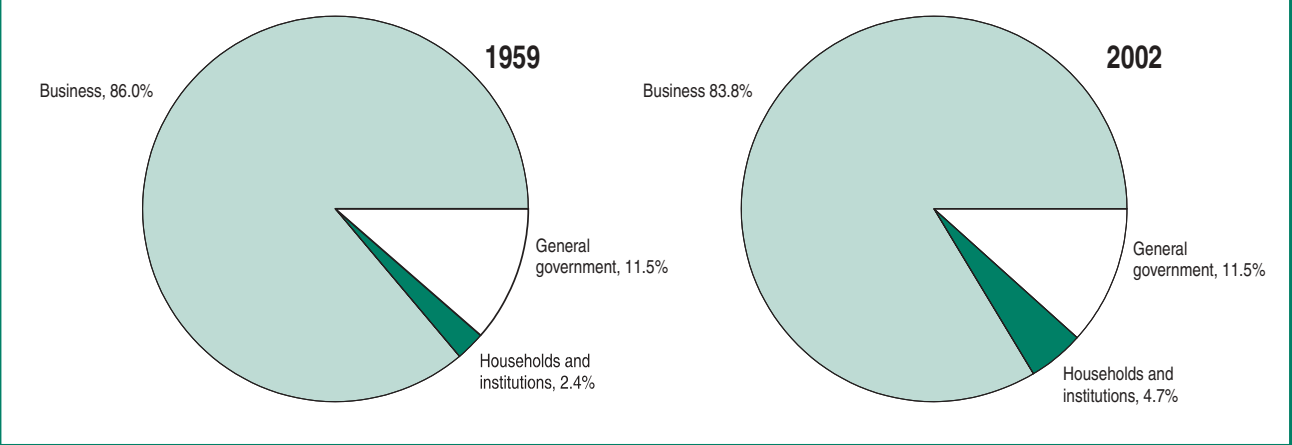


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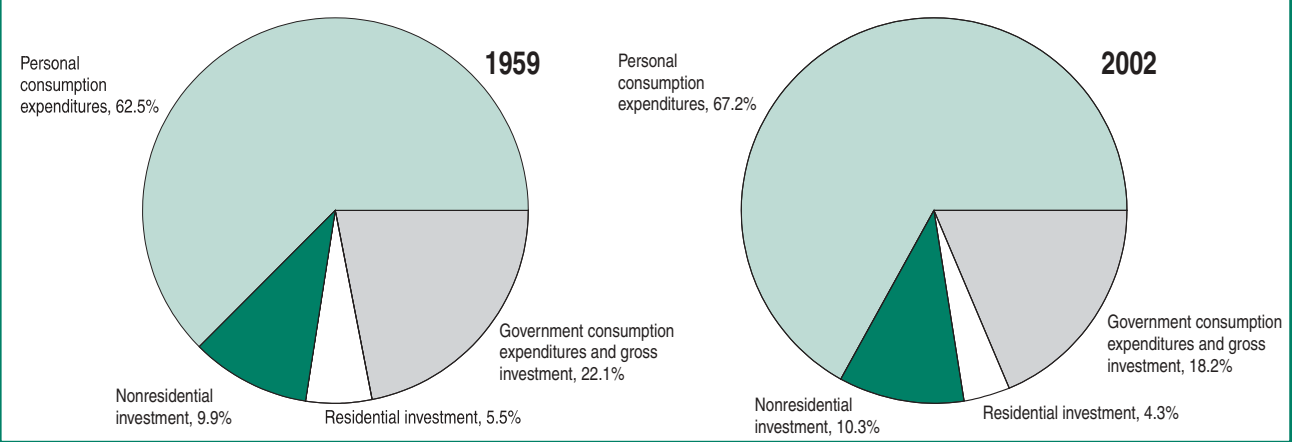
SHARES OF NATIONAL INCOME



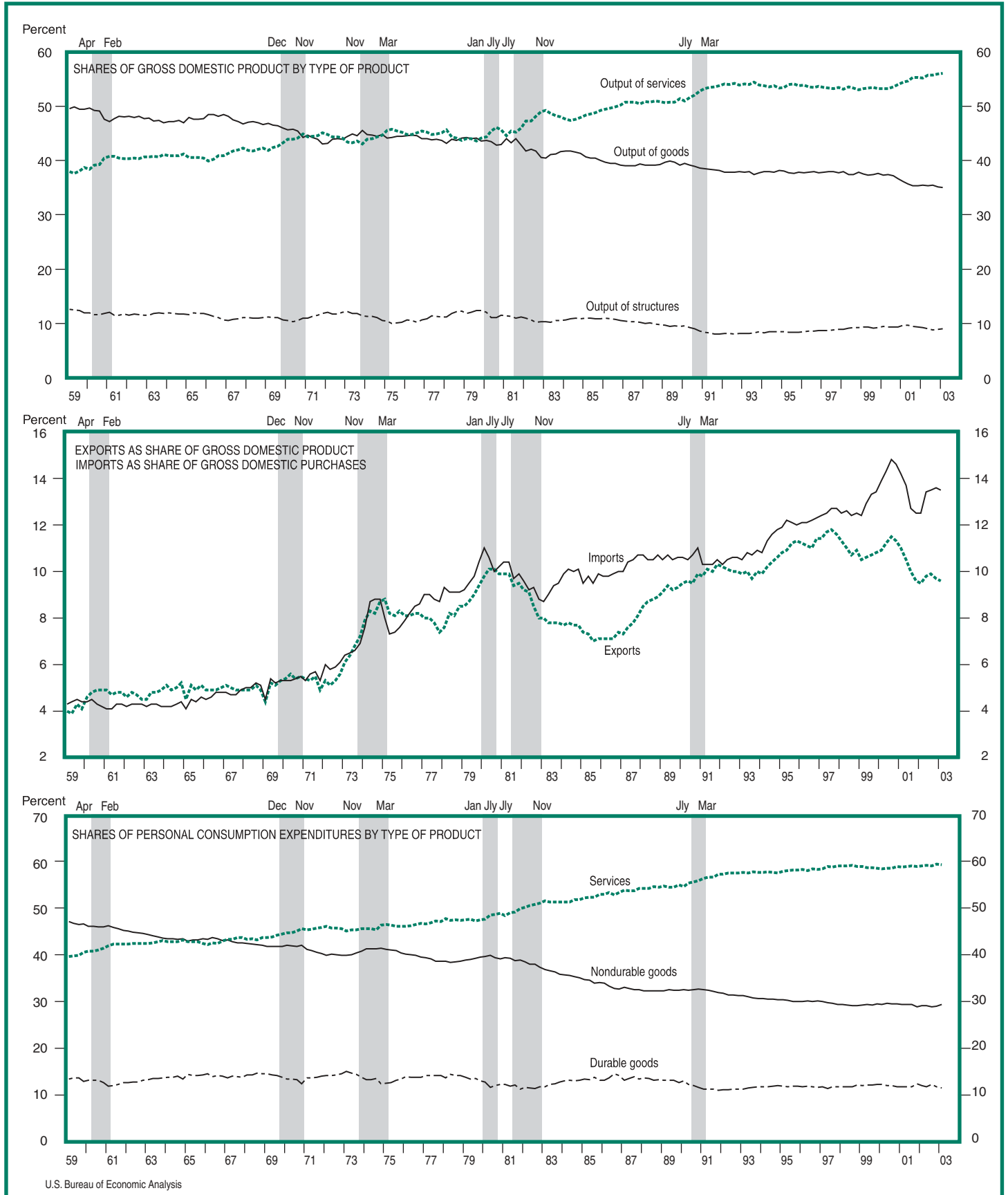
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



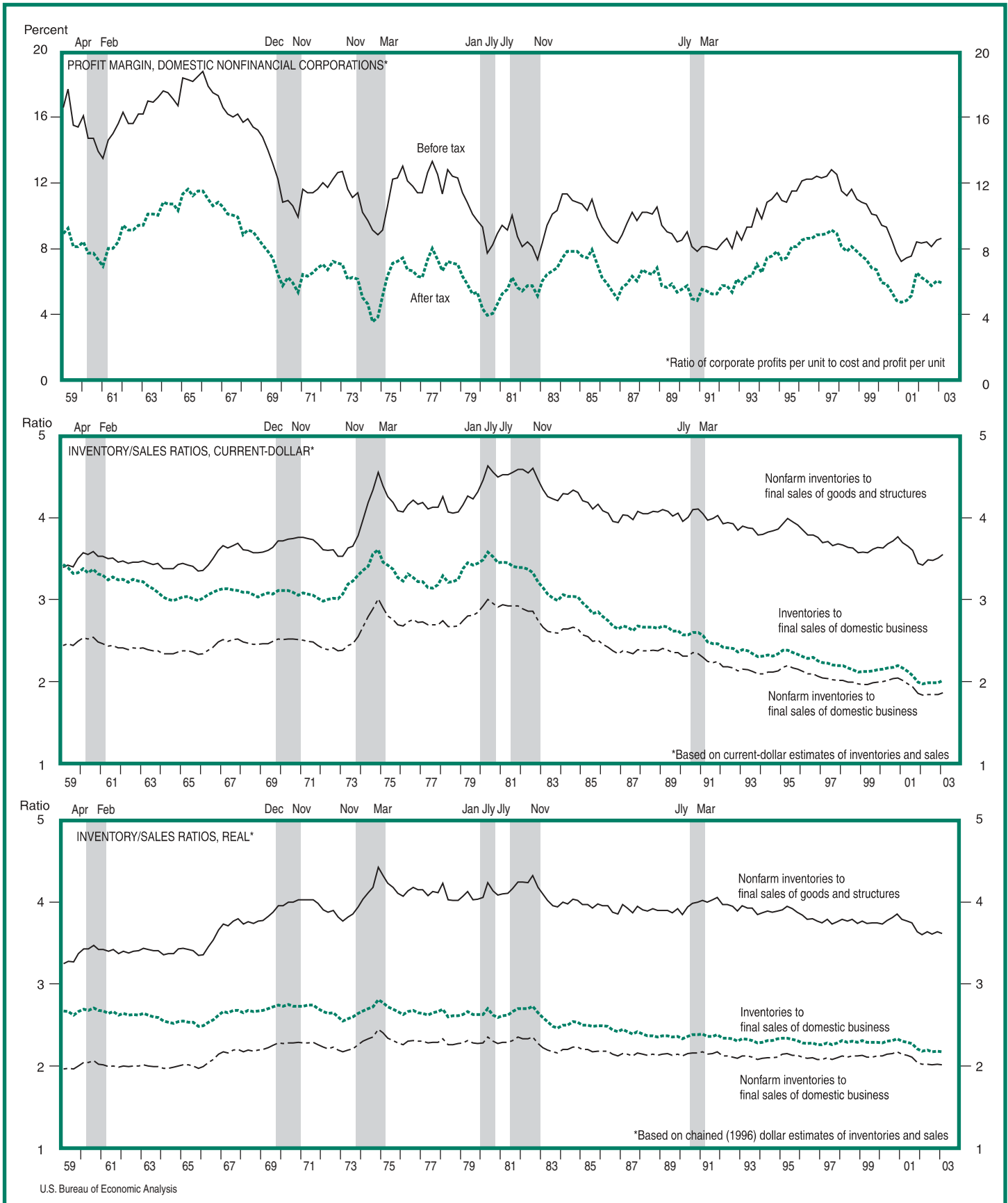
SHARES OF GROSS DOMESTIC PURCHASES



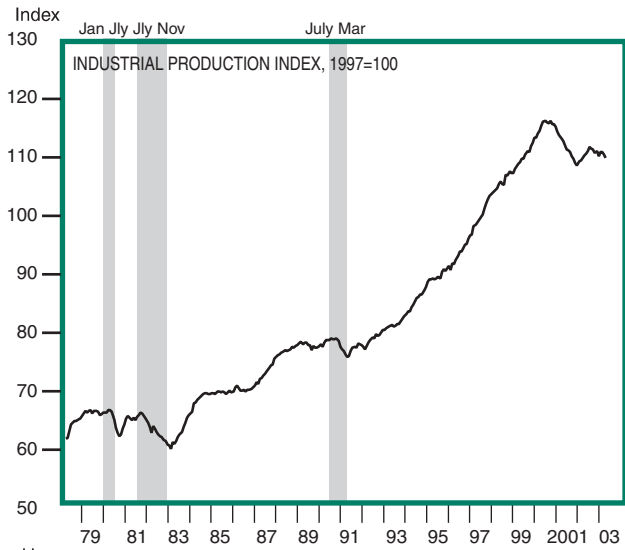
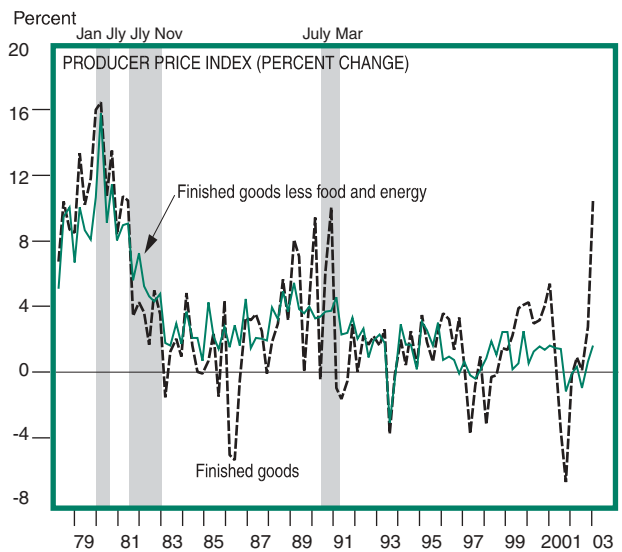
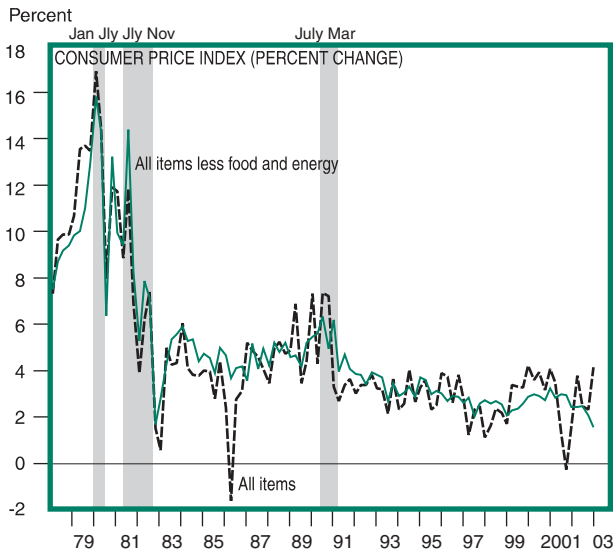
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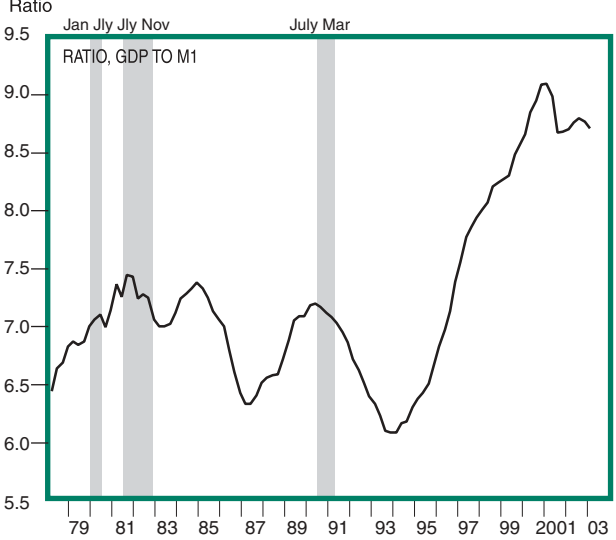
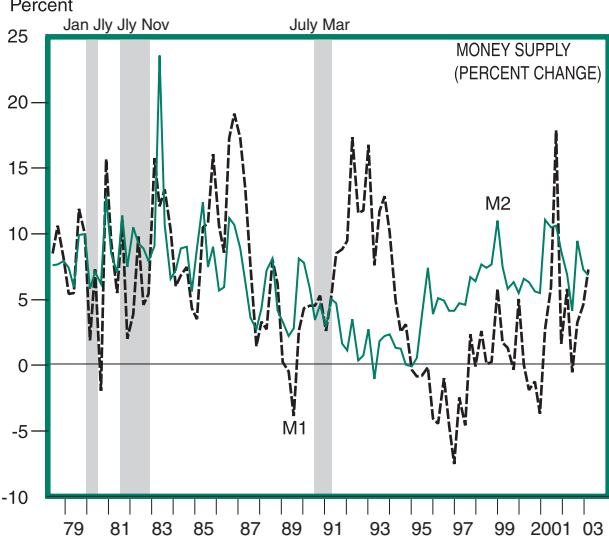
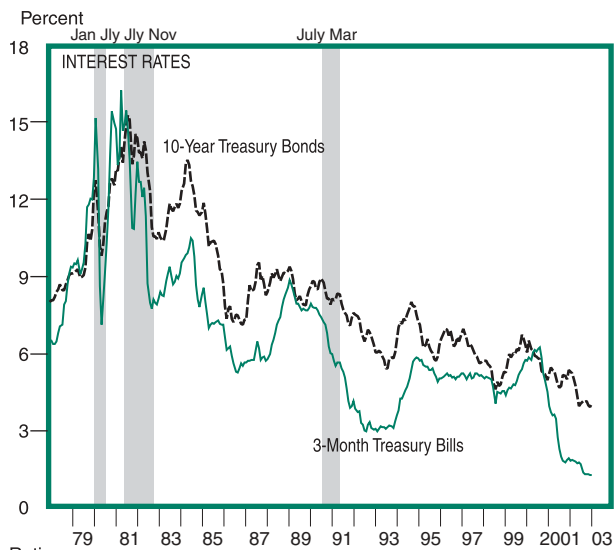
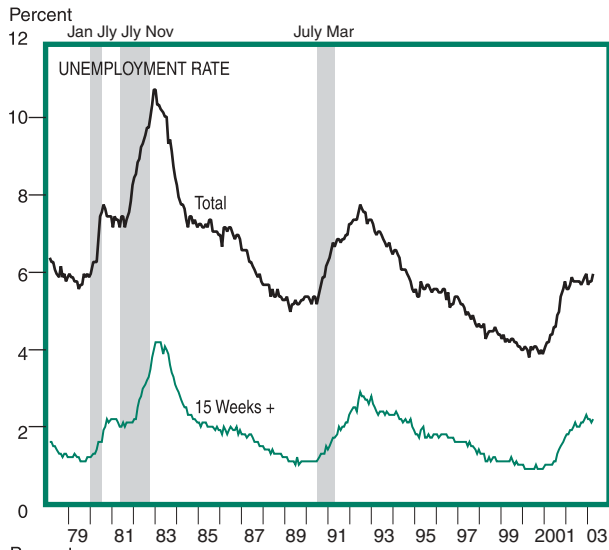
SELECTED NIPA SERIES



OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Bureau of Economic Analysis

H. International Perspectives

The quarterly data in this table are shown in the middle month of the quarter.

Table H.1. International Perspectives

	2002								2003				
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Unemployment rate (percent)													
Euro area	8.3	8.4	8.4	8.4	8.5	8.5	8.5	8.6	8.7	8.7	8.8	8.8	8.8
France	8.9	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.1	9.2	9.3	9.3	9.3
Germany	9.7	9.8	9.8	9.8	9.8	9.9	10.0	10.1	10.3	10.5	10.6	10.7	10.7
Italy	9.0	.....	.....	9.0	.....	.....	8.9	.....	.....	9.0	.....	.....	.....
Netherlands.....	3.9	4.1	4.3	4.3	4.2	4.2	4.3	4.3	4.6	5.1	5.3	5.3	.....
United Kingdom.....	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	.....
Japan	5.4	5.4	5.4	5.5	5.4	5.5	5.3	5.3	5.5	5.2	5.4	5.4	5.4
Singapore.....	4.3	.....	.....	4.6	.....	.....	4.2	.....	.....	4.5	.....	.....	.....
South Korea	3.0	2.8	2.8	3.0	2.6	2.8	2.8	3.1	3.5	3.7	3.6	3.3	.....
Taiwan	5.0	5.1	5.2	5.4	5.3	5.3	5.2	5.0	5.0	5.2	5.1	4.9	.....
Canada	7.7	7.5	7.6	7.5	7.7	7.6	7.5	7.5	7.4	7.4	7.3	7.5	7.8
Mexico	2.7	2.4	2.9	2.8	3.1	2.7	2.6	2.1	2.8	2.8	2.8	3.0	2.7
United States	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0	5.7	5.8	5.8	6.0	6.1
Short-term interest rate (percent per year)													
Euro area	3.46	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69	2.53	2.54	2.41
France	3.45	3.46	3.40	3.32	3.25	3.17	3.02	2.86	2.79	2.67	2.44	2.46	2.32
Germany	3.44	3.45	3.39	3.33	3.29	3.24	3.11	2.93	2.81	2.67	2.51	2.52	.....
Italy	3.58	3.54	3.37	3.20	3.11	3.01	2.94	2.69	2.60	2.43	.....	.....	.....
Netherlands.....	3.47	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69	2.53	2.53	2.40
United Kingdom.....	4.00	3.93	3.72	3.82	3.77	3.69	3.83	3.84	3.75	3.46	3.48	3.55	.....
Singapore.....	0.77	0.74	0.70	0.78	1.20	0.95	0.65	0.67	0.66	0.62	0.63	0.55	0.55
South Korea	4.81	4.85	4.91	4.80	4.81	4.91	4.91	4.90	4.70	4.54	4.76	4.62	4.39
Taiwan	2.24	2.08	1.85	1.86	1.90	1.91	1.73	1.52	1.37	1.21	1.19	1.16	1.11
Canada	2.62	2.74	2.85	3.00	2.83	2.81	2.73	2.67	2.81	2.86	3.14	3.24	3.20
Mexico	7.68	8.62	8.38	7.47	8.50	8.85	8.61	8.47	9.49	9.93	9.99	8.81	5.91
United States	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19	1.17	1.17	1.13	1.13	1.07
Long-term interest rate (percent per year)													
Euro area	5.30	5.16	5.03	4.73	4.52	4.62	4.59	4.41	4.27	4.06	4.13	4.23	3.92
France	5.31	5.18	5.01	4.70	4.46	4.63	4.66	4.43	4.27	4.07	4.17	4.25	3.97
Germany	5.20	5.00	4.90	4.60	4.40	4.50	4.50	4.30	4.20	4.00	4.00	4.20	3.80
Italy	5.41	5.26	5.11	4.83	4.62	4.76	4.74	4.55	4.38	4.16	4.19	.....	.....
Netherlands.....	5.30	5.16	4.99	4.71	4.50	4.58	4.55	4.36	4.19	3.97	4.01	4.23	3.93
United Kingdom.....	5.18	5.02	4.90	4.64	4.45	4.59	4.64	4.62	4.44	4.39	4.54	4.67	.....
Japan	1.36	1.30	1.33	1.16	1.17	1.03	0.96	0.89	0.75	0.78	0.73	0.60	.....
Singapore.....	3.93	3.70	3.72	3.51	3.31	3.04	2.97	2.55	2.44	2.24	2.05	2.10	1.89
South Korea	7.09	6.76	6.54	6.24	6.16	6.11	5.80	5.77	5.43	5.15	5.20	5.03	4.68
Taiwan	4.02	3.78	3.50	3.37	3.23	2.99	2.82	2.48	1.96	1.90	1.93	1.91	1.49
Canada	5.49	5.37	5.23	5.14	4.92	5.16	5.18	4.88	5.02	4.93	5.13	4.90	4.50
United States	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03	4.05	3.90	3.81	3.96	3.57
Real GDP (percent change from same quarter a year earlier)													
Euro area	0.8	.....	.....	1.0	.....	.....	1.2	.....	.....	0.8	.....	.....	.....
France	1.4	.....	.....	1.3	.....	.....	1.4	.....	.....	1.1	.....	.....	.....
Germany	0.4	.....	.....	1.0	.....	.....	0.5	.....	.....	0.5	.....	.....	.....
Italy	0.5	.....	.....	0.6	.....	.....	0.8	.....	.....	0.8	.....	.....	.....
Netherlands.....	0.2	.....	.....	0.7	.....	.....	0.1	.....	.....	-0.3	.....	.....	.....
United Kingdom.....	1.6	.....	.....	2.2	.....	.....	2.2	.....	.....	2.3	.....	.....	.....
Japan	-0.3	.....	.....	1.6	.....	.....	2.2	.....	.....	2.6	.....	.....	.....
Singapore.....	3.8	.....	.....	3.8	.....	.....	3.0	.....	.....	1.6	.....	.....	.....
South Korea	6.6	.....	.....	5.8	.....	.....	6.8	.....	.....	3.7	.....	.....	.....
Taiwan	4.2	.....	.....	5.6	.....	.....	5.0	.....	.....	5.0	.....	.....	.....
Canada	3.2	.....	.....	4.0	.....	.....	3.5	.....	.....	2.6	.....	.....	.....
Mexico	2.0	.....	.....	1.8	.....	.....	1.9	.....	.....	2.3	.....	.....	.....
United States	2.2	.....	.....	3.3	.....	.....	2.9	.....	.....	2.0	.....	.....	.....
Stock market prices (index number)													
France	68.3	62.3	54.6	53.8	44.4	50.3	53.1	48.9	46.9	44.0	41.8	45.3	47.8
Germany	68.4	62.2	52.5	52.7	39.3	44.7	47.1	41.1	39.0	36.1	34.4	37.7	42.3
Italy	69.5	64.6	59.0	59.6	51.0	55.5	60.3	55.4	53.2	54.2	50.9	56.1	56.5
Netherlands.....	73.5	66.7	55.1	56.3	44.9	52.0	54.9	48.9	44.7	40.4	37.7	41.0	42.5
United Kingdom.....	80.2	73.4	66.9	66.6	58.7	63.7	65.7	62.1	56.2	57.6	57.0	60.1	63.8
Japan	69.6	62.8	58.4	56.9	55.5	51.1	54.5	50.7	49.3	49.5	47.2	47.2	49.8
Singapore.....	81.7	75.9	73.7	72.8	66.1	71.5	68.0	65.5	63.1	62.3	62.0	64.2	65.9
South Korea	112.7	105.1	101.6	104.2	91.5	93.3	102.6	88.8	83.8	81.4	75.8	84.8	89.7
Taiwan	73.5	66.7	64.0	61.7	54.3	59.3	60.2	57.6	64.9	57.4	55.9	58.2	59.0
Canada	79.7	74.4	68.8	68.8	64.3	65.0	68.4	68.8	68.4	68.2	66.0	65.9	71.4
Mexico	108.0	99.3	92.5	95.5	88.0	91.7	94.6	94.1	91.5	91.1	90.9	90.6	102.9
United States	75.2	69.7	64.2	64.5	57.4	62.4	65.9	62.0	60.3	59.2	59.7	61.9	67.9
Exchange rate ¹													
Euro area (E).....	0.9170	0.9561	0.9935	0.9781	0.9806	0.9812	1.0013	1.0194	1.0622	1.0785	1.0797	1.0862	1.1556
United Kingdom (f).....	1.4598	1.4837	1.5565	1.5368	1.5563	1.5575	1.5711	1.5863	1.6175	1.6079	1.5825	1.5739	1.6224
Japan (Y).....	126.38	123.29	117.90	118.99	121.08	123.91	121.61	121.89	118.81	119.34	118.69	119.90	117.37
Singapore (S\$).....	1.8004	1.7831	1.7524	1.7553	1.7682	1.7843	1.7653	1.7532	1.7363	1.7451	1.7551	1.7771	1.7357
South Korea (W).....	1262.20	1219.70	1179.99	1197.51	1211.61	1240.19	1210.20	1206.61	1176.45	1190.37	1237.2	1231.1	1201.23
Taiwan (NT\$).....	34.454	33.889	33.272	33.884	34.573	34.947	34.673	34.799	34.571	34.734	34.721	34.824	34.697
Canada (Can\$).....	1.5502	1.5318	1.5456	1.5694	1.5761	1.5780	1.5715	1.5592	1.5414	1.5121	1.4761	1.4582	1.384
Mexico (Ps).....	9.51	9.767	9.779	9.839	10.071	10.094	10.195	10.225	10.622	10.945	10.905	10.589	10.253
United States (\$).....	127.35	125.96	124.20	125.64	126.67	127.69	126.38	125.70	124.12	124.12	123.56	122.54	118.54

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

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

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

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

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

[Millions of dollars]

State and region	Rank of total GSP	Total GSP	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States		10,137,190	140,650	139,040	480,013	1,422,990	819,464	680,683	931,756	2,076,987	2,226,585	1,219,022
New England		594,686	4,563	320	26,205	78,655	34,833	37,940	50,290	158,783	146,039	57,057
Connecticut	22	166,165	1,152	129	5,898	24,277	9,754	10,004	12,887	51,458	35,654	14,951
Maine	42	37,449	725	5	1,723	5,239	2,518	2,198	4,481	7,194	7,970	5,396
Massachusetts	11	287,802	1,683	99	13,512	34,427	16,093	19,443	22,767	73,880	79,902	25,995
New Hampshire	38	47,183	365	37	2,282	7,610	2,818	3,359	4,923	11,792	10,179	3,818
Rhode Island	43	36,939	234	14	1,922	4,105	2,285	1,830	3,312	10,934	7,951	4,352
Vermont	49	19,149	403	36	868	2,998	1,365	1,107	1,920	3,526	4,382	2,544
Mideast		1,900,223	12,092	3,922	75,070	208,027	146,418	120,175	143,945	522,373	449,316	218,886
Delaware	41	40,509	387	2	1,598	5,235	1,902	1,576	2,674	17,476	6,229	3,429
District of Columbia		64,459	25	22	578	762	3,095	705	1,759	10,569	24,629	22,675
Maryland	15	195,007	1,798	157	11,319	13,963	14,192	11,766	16,972	42,025	48,534	34,280
New Jersey	8	365,388	2,060	299	15,749	42,068	32,957	33,782	28,999	90,097	83,497	35,878
New York	2	826,488	3,729	657	27,372	77,701	59,282	46,992	56,468	282,888	190,202	81,197
Pennsylvania	6	408,373	4,093	2,785	18,453	68,297	34,989	25,354	37,072	79,318	96,584	41,427
Great Lakes		1,536,991	16,840	4,494	74,687	315,515	114,262	109,332	141,777	278,109	315,053	166,913
Illinois	5	475,541	4,303	1,050	23,556	68,339	40,445	37,136	39,031	105,089	108,099	48,493
Indiana	16	189,919	2,458	668	9,971	51,647	14,376	11,636	17,544	27,224	34,306	20,089
Michigan	9	320,470	2,993	915	16,012	73,937	20,774	22,659	31,350	50,256	66,417	35,157
Ohio	7	373,708	3,506	1,573	16,537	79,603	26,198	26,507	37,261	68,439	73,297	42,786
Wisconsin	20	177,354	3,579	288	8,611	41,988	12,468	11,394	16,601	29,102	32,935	20,387
Plains		647,904	16,965	3,598	32,174	104,786	60,046	49,068	61,956	109,367	130,377	79,567
Iowa	30	90,942	3,454	203	3,951	19,112	7,631	6,256	8,218	14,594	16,210	11,313
Kansas	31	87,196	2,392	1,266	4,051	14,053	11,145	6,535	8,545	11,669	15,533	12,007
Minnesota	17	188,050	3,166	753	9,982	29,801	13,468	15,353	18,358	36,348	40,589	20,234
Missouri	19	181,493	2,506	459	9,619	30,442	17,777	13,287	17,536	29,653	38,646	21,568
Nebraska	36	56,967	2,772	129	2,712	6,994	6,340	4,340	4,962	8,981	11,536	8,201
North Dakota	50	19,005	1,004	628	896	1,641	1,932	1,607	1,870	2,771	3,662	2,965
South Dakota	46	24,251	1,671	129	963	2,744	1,755	1,690	2,467	5,353	4,201	3,280
Southeast		2,205,625	33,751	40,281	111,379	320,110	191,168	149,546	221,091	379,132	457,688	301,478
Alabama	25	121,490	2,427	1,483	5,929	21,626	10,338	7,883	12,507	18,015	21,991	19,292
Arkansas	34	67,913	2,263	496	3,368	13,136	7,216	4,581	8,109	8,354	11,514	8,876
Florida	4	491,488	7,753	730	26,974	29,038	39,353	37,353	56,063	108,534	125,903	59,787
Georgia	10	299,874	4,188	1,126	15,307	43,489	33,414	26,675	28,405	48,978	61,114	37,179
Kentucky	26	120,266	2,498	2,235	5,635	30,297	9,905	7,461	11,369	14,152	20,081	16,633
Louisiana	24	148,697	1,308	28,114	6,482	17,416	12,909	7,877	12,547	19,613	25,014	17,418
Mississippi	35	67,125	1,879	740	3,098	12,041	6,360	3,875	7,327	8,244	12,046	11,514
North Carolina	12	275,615	5,218	511	14,101	58,923	18,829	16,766	25,113	52,309	47,977	35,868
South Carolina	28	115,204	1,506	162	6,825	23,124	10,256	7,035	12,236	16,571	19,583	17,906
Tennessee	18	182,515	1,926	516	8,173	34,166	15,420	13,177	20,314	27,533	39,657	21,634
Virginia	13	273,070	2,444	1,154	13,338	31,607	22,577	14,576	22,758	51,815	64,526	48,275
West Virginia	40	42,368	343	3,013	2,149	5,249	4,589	2,289	4,343	5,016	8,281	7,096
Southwest		1,073,842	15,417	59,682	53,897	136,041	107,138	75,997	106,552	168,990	218,620	131,507
Arizona	23	160,687	2,605	1,183	9,701	21,707	11,172	10,570	17,582	31,387	34,490	20,291
New Mexico	37	55,426	1,270	5,224	2,418	7,545	4,137	2,225	5,023	7,434	10,145	10,006
Oklahoma	29	93,855	1,967	5,386	3,933	13,034	8,820	5,596	9,831	11,934	17,576	15,779
Texas	3	763,874	9,575	47,890	37,846	93,754	83,010	57,606	74,117	118,235	156,410	85,431
Rocky Mountain		324,139	7,126	10,174	21,175	32,718	32,922	19,500	31,582	56,021	70,205	42,716
Colorado	21	173,772	2,738	3,068	11,827	14,991	19,317	10,714	16,909	31,816	41,860	20,532
Idaho	44	36,905	2,143	156	2,585	6,570	2,919	2,312	3,877	4,515	6,635	5,195
Montana	47	22,635	860	838	1,313	1,535	2,503	1,405	2,303	3,200	4,804	3,874
Utah	33	70,409	874	1,323	4,357	8,079	5,595	4,243	6,989	14,135	14,498	10,315
Wyoming	48	20,418	511	4,789	1,094	1,542	2,588	826	1,503	2,355	2,410	2,800
Far West		1,853,781	33,896	16,568	85,426	227,140	132,676	119,123	174,553	404,211	439,287	220,899
Alaska	45	28,581	497	5,590	1,384	1,056	4,560	842	1,920	3,197	3,962	5,572
California	1	1,359,265	24,435	8,623	57,712	163,841	92,421	89,384	127,073	317,481	326,119	152,176
Hawaii	39	43,710	504	33	1,891	1,173	4,085	1,632	4,915	10,057	10,019	9,400
Nevada	32	79,220	629	1,761	7,523	3,070	5,750	3,635	8,502	14,860	25,210	8,282
Oregon	27	120,055	3,075	156	5,893	30,613	7,750	8,428	10,059	17,583	21,848	14,652
Washington	14	222,950	4,757	405	11,024	27,387	18,111	15,202	22,086	41,034	52,128	30,817

NOTE: Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equip-

ment, except office equipment. Also, GSP and GDP have different revision schedules.

Source: This table reflects the GSP estimates for 2001 that were released on May 22, 2003. Detailed estimates are available on BEA's Web site at <www.bea.gov> under "State and local area data."

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

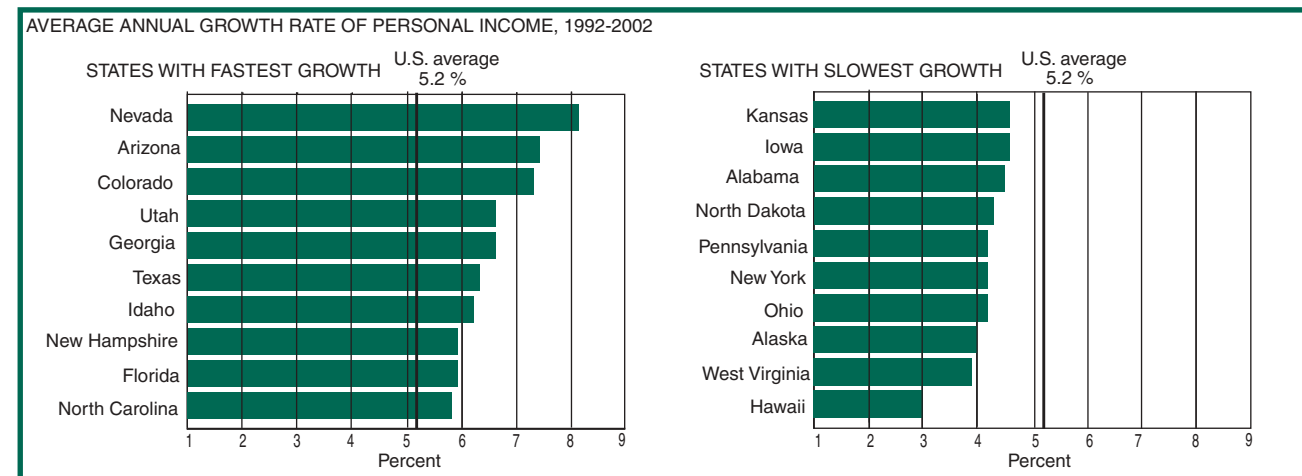
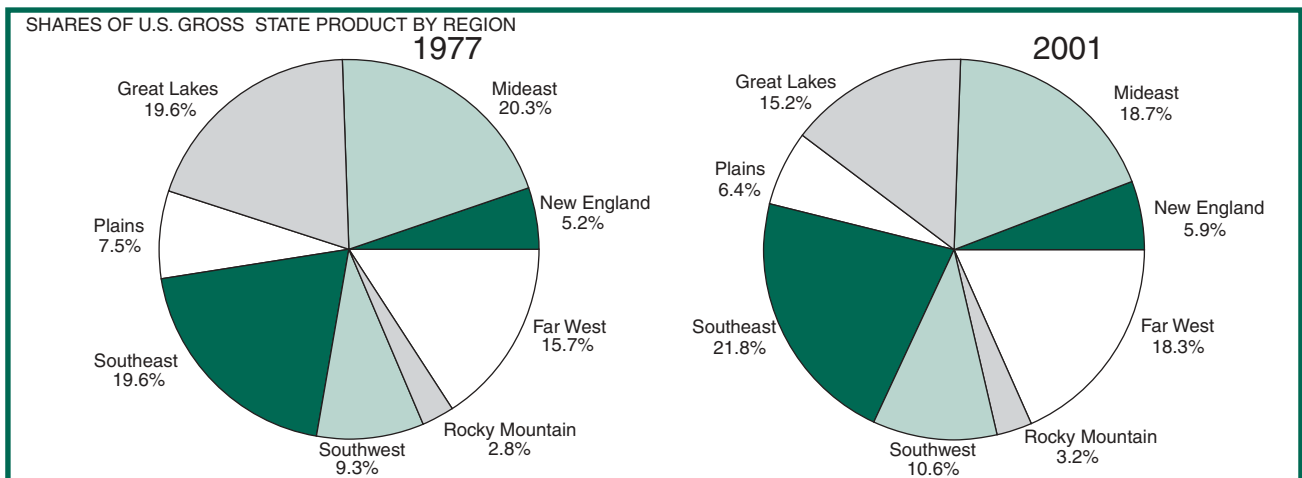
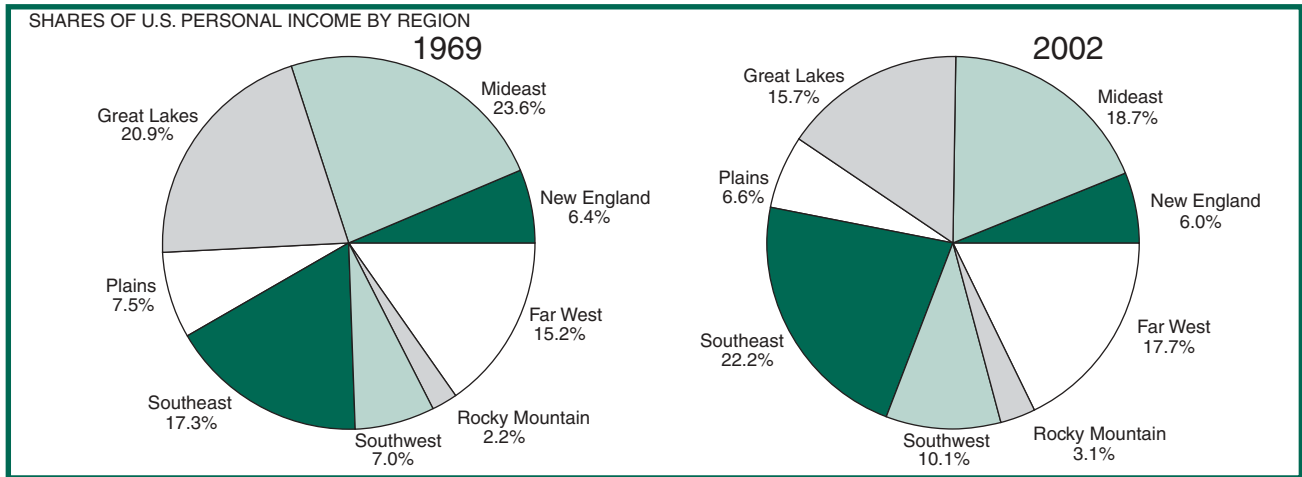
Table with columns for Area name, Personal income (Millions of dollars, Percent change), and Per capita personal income (Dollars, Rank in U.S.) for 1999, 2000, and 2001. The table lists 100 metropolitan areas, including La Crosse, WI-MN; Lafayette, LA; Lafayette, IN; Lake Charles, LA; Lakeland-Winter Haven, FL; Lancaster, PA; Lansing-East Lansing, MI; Laredo, TX; Las Cruces, NM; Las Vegas, NV-AZ; Lawrence, KS; Lawton, OK; Lewiston-Auburn, ME (NECMA); Lexington, KY; Lima, OH; Lincoln, NE; Little Rock-North Little Rock, AR; Longview-Marshall, TX; Los Angeles-Long Beach, CA; Louisville, KY-IN; Lubbock, TX; Lynchburg, VA; Macon, GA; Madison, WI; Mansfield, OH; McAllen-Edinburg-Mission, TX; Medford-Ashtland, OR; Melbourne-Titusville-Palm Bay, FL; Memphis, TN-AR-MS; Merced, CA; Miami, FL; Middlesex-Somerset-Hunterdon, NJ; Milwaukee-Waukesha, WI; Minneapolis-St. Paul, MN-WI; Missoula, MT; Mobile, AL; Modesto, CA; Monmouth-Ocean, NJ; Monroe, LA; Montgomery, AL; Muncie, IN; Myrtle Beach, SC; Naples, FL; Nashville, TN; Nassau-Suffolk, NY; New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT; New London-Norwich, CT (NECMA); New Orleans, LA; New York, NY; Newark, NJ; Newburgh, NY-PA; Norfolk-Virginia Beach-Newsport News, VA-NC; Oakland, CA; Ocala, FL; Odessa-Midland, TX; Oklahoma City, OK; Olympia, WA; Omaha, NE-IA; Orange County, CA; Orlando, FL; Owensboro, KY; Panama City, FL; Parkersburg-Marietta, WV-OH; Pensacola, FL; Peoria-Pekin, IL; Philadelphia, PA-NJ; Phoenix-Mesa, AZ; Pine Bluff, AR; Pittsburgh, PA; Pittsfield, MA (NECMA); Pocatello, ID; Portland, ME (NECMA); Portland-Vancouver, OR-WA; Providence-Warwick-Pawtucket, RI (NECMA); Provo-Orem, UT; Pueblo, CO; Punta Gorda, FL; Racine, WI; Raleigh-Durham-Chapel Hill, NC; Rapid City, SD; Reading, PA; Redding, CA.

1. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2001 reflect county population estimates available as of April 2003. 2. Percent change calculated from unrounded data. 3. The personal income level shown for the United States is derived as the sum of the county estimates. It differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In particular, it differs from

the NIPA estimate because, by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. 4. Includes Metropolitan Statistical Areas, Primary Metropolitan Statistical Areas (PMSAs designated by *), and New England County Metropolitan Areas (NECMAs). The New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT NECMA is presented as a PMSA (part of the New York CMSA). Source: Table 1 in "Local Area Personal Income, 1999-2001" in the May 2003 issue of the SURVEY OF CURRENT BUSINESS.

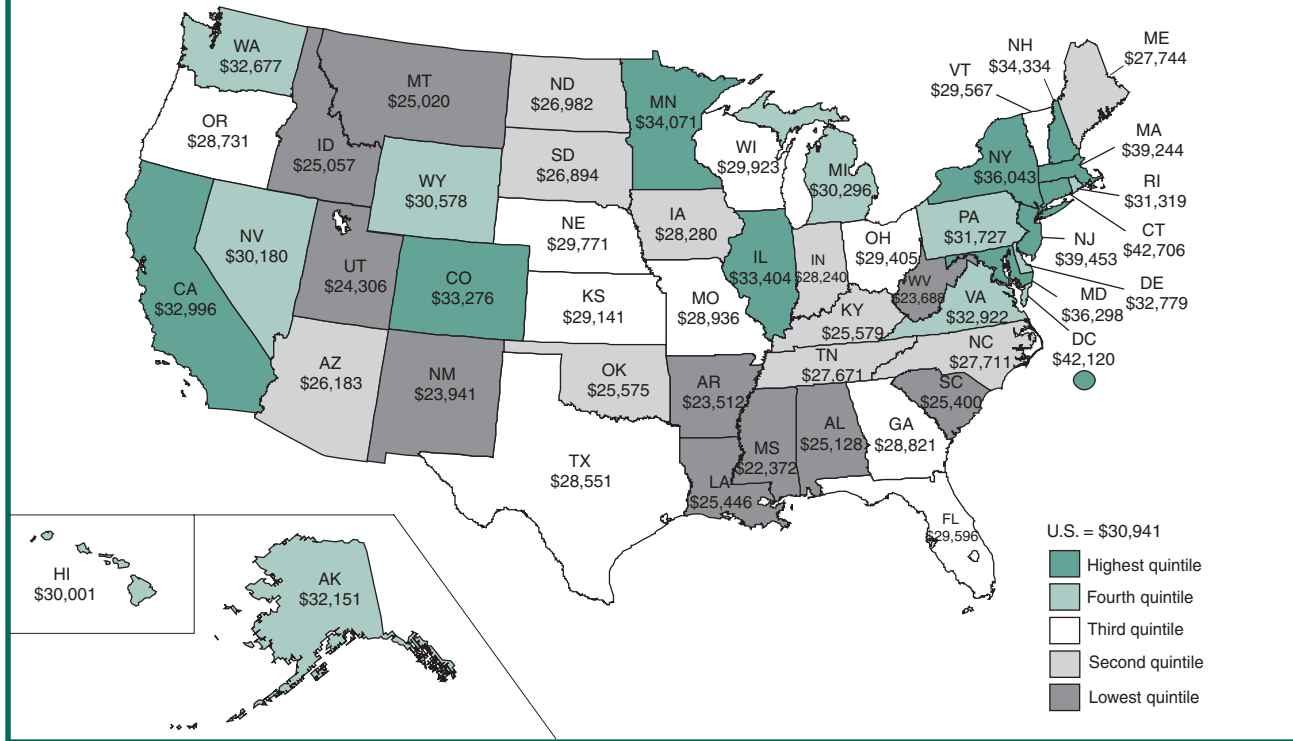
L. Charts

SELECTED REGIONAL ESTIMATES

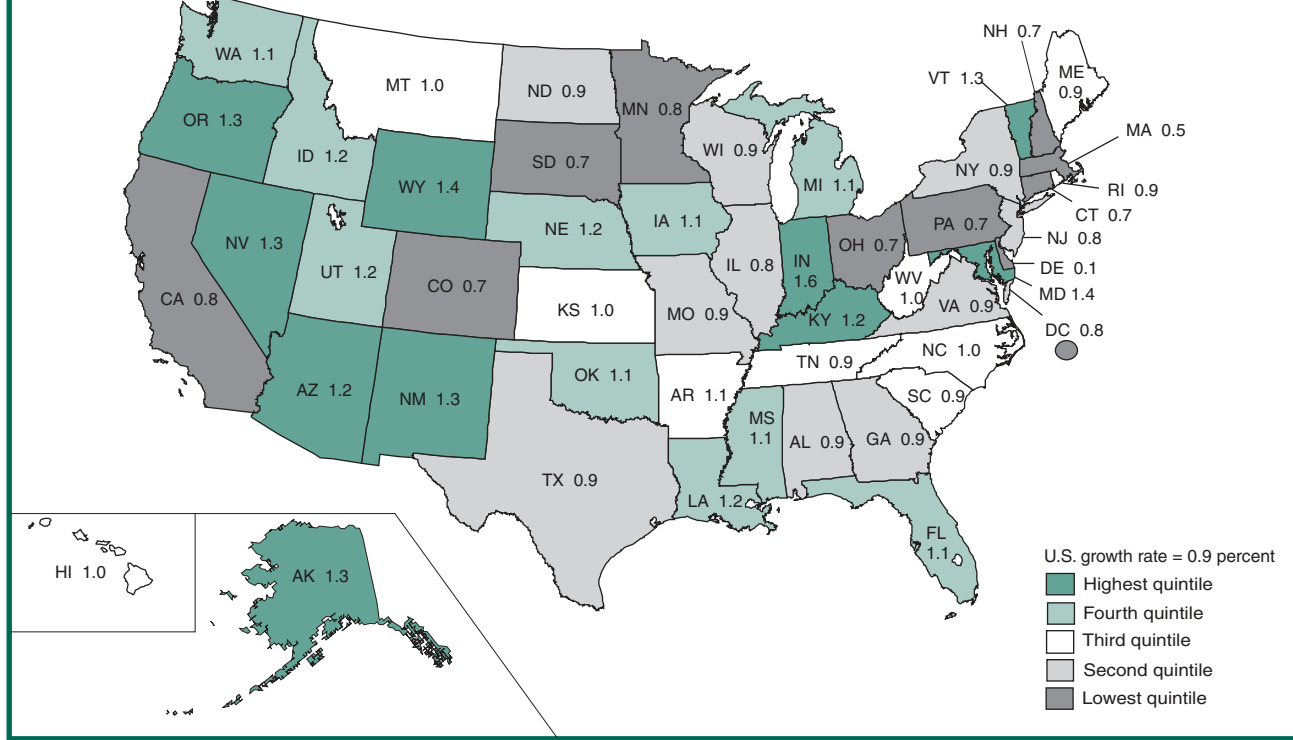


SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2002



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



U.S. Bureau of Economic Analysis

Appendix A

Additional Information About the NIPA Estimates

Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in “real GDP.”) For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP in 1997–98 uses prices for 1997 and 1998 as weights, and the 1997–98 annual percent change in the GDP price index uses quantities for 1997 and 1998 as weights. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula.¹ These annual changes are “chained” (multiplied) together to form time series of quantity and price; the percent changes that are calculated from these time series are not affected by the choice of reference period.

The quarterly changes in quantities and prices are calculated with weights from two adjacent quarters. As part of an annual or comprehensive revision, the quarterly indexes through the most recent complete year are adjusted to ensure that the average of the quarterly indexes conforms to the corresponding annual index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated “chained (1996) dollar estimates.” These estimates are computed by multiplying the 1996 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased by 10 percent in 1997, then the “chained (1996) dollar” value of this com-

ponent in 1997 would be \$110 ($\100×1.10). Note that percentage changes in the chained (1996) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1996) dollar estimates for detailed GDP components do not add to the chained-dollar value of GDP or to any intermediate aggregates. A “residual” line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. Accurate measures of component contributions to the percentage changes in real GDP and its major components are shown in NIPA tables 8.2–8.6.

BEA also publishes the “implicit price deflator” (IPD), which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100; the values of the IPD and of the corresponding “chain-type” price index are very close.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or by 12 (for monthly data).

Percent changes in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[\left(\frac{x_t}{x_o} \right)^{m/n} - 1 \right] \times 100,$$

where r is the percent change at an annual rate; x_t is the level of activity in the later period; x_o is the level of activity in the earlier period; m is the periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and n is the number of periods between the earlier and later periods (that is, $t - o$).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

1. In addition, because the changes in quantities and prices calculated using these weights are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

Reconciliation Tables

Table 1. Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings
[Percent change from preceding period]

	2001	2002	Seasonally adjusted at annual rates					
			2001	2002				2003
				IV	I	II	III	
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) ¹	2.7	2.2	1.5	2.9	4.0	2.1	1.0	3.0
<i>Less:</i> Contribution of supplements to wages and salaries per hour.....	0.3	0.6	0.1	1.3	0.8	0.8	0.7	0.4
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions.....	0.0	-0.1	-0.5	0.0	0.1	0.4	0.4	0.2
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed.....	0.0	0.0	0.2	-0.2	0.1	0.5	0.3	0.1
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	2.5	1.5	0.7	1.8	3.1	1.3	0.4	2.7
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing	-0.1	0.0	0.2	-0.2	0.0	-0.2	0.2	0.2
<i>Less:</i> Other differences ²	-1.2	-1.4	-2.4	-0.2	0.5	-2.6	-3.4	-0.7
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	3.8	2.9	3.0	2.2	2.6	4.0	3.6	3.2
Addendum:								
BLS estimates of compensation per hour in the nonfarm business sector ³	2.7	2.4	1.5	2.9	4.0	1.8	3.9	3.4

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

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

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing. In addition, the published BLS estimates for the fourth quarter of 2002 and first quarter of 2003 do not reflect revisions to BEA wages and salaries for the fourth quarter of 2002 and first quarter of 2003.
BLS Bureau of Labor Statistics.

Table 2. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPA's to Balance on Goods and Services and Income in the ITA's

[Billions of dollars]

	Line	Seasonally adjusted at annual rates							
		2001	2002	2001	2002				2003
					IV	I	II	III	
Exports of goods and services and income receipts, ITA's	1	1,284.9	1,229.6	1,180.9	1,188.3	1,230.5	1,255.8	1,244.1	1,247.7
<i>Less:</i> Gold, ITA's.....	2	4.9	3.4	2.9	2.6	3.5	3.6	3.8	3.8
Statistical differences ¹	3	3.1	14.8	14.5	22.2	13.3	8.7	15.1	14.7
Other items.....	4	0.9	0.8	0.7	0.9	1.0	0.8	0.7	0.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.0	5.0	6.1	4.3	5.1	4.8	5.7	5.3
Adjustment for U.S. territories and Puerto Rico.....	6	50.7	57.3	53.3	56.6	56.6	57.7	58.2	58.0
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	18.3	20.1	17.8	18.6	19.8	20.6	21.3	21.5
Equals: Exports of goods and services and income receipts, NIPA's	8	1,351.1	1,292.9	1,240.0	1,242.2	1,294.1	1,325.9	1,309.6	1,313.1
Imports of goods and services and income payments, ITA's	9	1,632.1	1,651.7	1,475.3	1,551.5	1,667.8	1,690.7	1,696.7	1,723.6
<i>Less:</i> Gold, ITA's.....	10	4.3	2.9	2.4	2.0	3.5	3.0	2.9	2.4
Statistical differences ¹	11	6.2	-17.7	-17.3	-1.2	-16.9	-19.0	-33.5	-34.0
Other items.....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Plus:</i> Gold, NIPA's.....	13	-3.4	-3.3	-3.3	-3.3	-3.6	-3.5	-2.9	-3.4
Adjustment for grossing of parent/affiliate interest payments.....	14	6.0	5.0	6.1	4.3	5.1	4.8	5.7	5.3
Adjustment for U.S. territories and Puerto Rico.....	15	35.6	38.0	38.6	30.1	37.2	41.1	43.4	31.9
Imputed interest paid to rest of world.....	16	18.3	20.1	17.8	18.6	19.8	20.6	21.3	21.5
Equals: Imports of goods and services and income payments, NIPA's	17	1,678.0	1,726.1	1,549.3	1,600.4	1,739.8	1,769.7	1,794.7	1,810.6
Balance on goods and services and income ITA's (1-9)	18	-347.2	-422.1	-294.4	-363.2	-437.3	-434.9	-452.6	-475.9
<i>Less:</i> Gold (2-10+13).....	19	-2.8	-2.8	-2.8	-2.7	-3.6	-2.9	-2.0	-2.0
Statistical differences (3-11) ¹	20	-3.1	32.5	31.8	23.4	30.2	27.7	48.6	48.7
Other items (4-12).....	21	0.9	0.8	0.7	0.9	1.0	0.8	0.7	0.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	15.1	19.3	14.7	26.5	19.4	16.6	14.8	26.1
Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)	23	-326.9	-433.2	-309.3	-358.2	-445.7	-443.8	-485.1	-497.5

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

ITA's International transactions accounts
NIPA's National income and product accounts

Appendix B

Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, industry, international, and regional accounts. In addition, most of this information is available on BEA's Web site at <www.bea.gov>. Look under "Methodologies"; for articles from the SURVEY OF CURRENT BUSINESS, look under "Publications."

National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of wealth and related estimates.

National income and product accounts (NIPAs). This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

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

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (2002)

Foreign Transactions (1987)

GNP: An Overview of Source Data and Estimating Methods (1987)

Government Transactions (1988)

Personal Consumption Expenditures (1990)

The methodologies described in these papers have been updated and improved, typically as part of the comprehensive and annual revisions of the NIPAs. For more information, see the following.

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

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

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

and Proposed Definitional and Statistical Changes" (January 2003)

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

In addition, see the following articles.

"Updated Summary NIPA Methodologies" (October 2002) briefly describes the principal source data and methods used to prepare the current-dollar and real estimates of GDP.

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

"BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth" (May 1997) describes the conceptual basis for the chain-type measures of real output and prices that are used in the NIPAs.

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

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

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

Industry accounts

The industry accounts consist of the estimates of gross domestic product by industry, the input-output accounts, and two satellite accounts.

Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and the latest update to its strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <www.bea.gov>; look under "About BEA."

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

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

Input-output accounts. “Benchmark Input-Output Accounts for the U.S. Economy, 1997” (December 2002) presents the 1997 accounts and describes the improvements that were incorporated.

Satellite accounts. These accounts extend the analytical capacity of the input-output accounts by focusing on a particular aspect of economic activity.

“U.S. Transportation Satellite Accounts”

For 1992 (April 1998)

For 1996 (May 2000)

“U.S. Travel and Tourism Satellite Accounts”

For 1992 (July 1998)

For 1996 and 1997 (July 2000)

International accounts

The international accounts encompass the international transactions accounts, direct investment, and international transactions in services.

International transactions accounts (ITAs). *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990) describes the methodologies used to prepare the estimates in the ITAs and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITAs.

The annual revisions of the ITAs are described in a series of articles, the latest of which is published in the July 2003 SURVEY.

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

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

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

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

available in the February 1990 SURVEY

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

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

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

Regional accounts

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

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

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

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

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

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

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

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