



# Bureau of Economic Analysis

## Survey of Current Business

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December 1998

### Special in this issue

#### 12. Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income

An analysis of the reliability of the current quarterly estimates of real GDP since 1983 shows that they almost always provide the correct indication of the direction of change in U.S. economic activity. About three-fourths of the time, the current quarterly estimates correctly indicate whether the pace of U.S. economic activity is picking up or slowing down and whether it is deviating from its long-term growth trend. More than two-thirds of the time, the current quarterly estimates correctly identify the cyclical turning points in U.S. economic activity, and when they have "missed," it has never been by more than one quarter.

#### 26. Investment in New Structures and Equipment in 1992 by Using Industries

The 1992 capital flow table is a supplementary table to the 1992 benchmark input-output (I-O) accounts that shows the flows of new structures and equipment to the private industries that purchased or leased them in 1992. The capital flow table can be used in conjunction with tables from the I-O accounts to identify the markets for new structures and equipment, and it can be used to estimate the output by commodity that is required to support a change in new investment or to estimate the effects of an industry's purchase of new structures and equipment on the outputs of all industries.

### Regular features

#### 1. Business Situation

Real GDP increased 3.9 percent in the third quarter of 1998 after increasing 1.8 percent in the second quarter; the price index for gross domestic purchases increased 0.5 percent after increasing 0.4 percent. Corporate profits increased \$3.3 billion in the third quarter after decreasing \$8.6 billion in the second. The Federal Government current surplus increased \$18.7 billion, to \$93.1 billion, in the third quarter, and the State and local government current surplus increased \$8.7 billion, to \$150.0 billion.

#### 22. Federal Personal Income Tax Liabilities and Payments, 1995--96

According to newly available BEA estimates of Federal personal income tax liabilities, liabilities exceeded payments by \$5.0 billion in 1995, and payments exceeded liabilities by \$1.1 billion in 1996. These estimates incorporate the results of the annual NIPA revision that was released in July and newly available tax return data from the Internal Revenue Service.

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

This article was prepared by Larry R. Moran, Daniel Larkins, Ralph W. Morris, Deborah Y. Sieff, Melissa C. Wilson, and Laura M. Bilenki.

**R**EAL GROSS domestic product (GDP) increased 3.9 percent in the third quarter of 1998, according to the "preliminary" estimates of the national income and product accounts (NIPAs), after increasing 1.8 percent in the second quarter (table 1 and chart 1); the "advance" third-quarter estimate of real GDP, reported in the November "Business Situation," had shown a 3.3-percent increase.<sup>1</sup> The upward revision to real GDP reflected a downward revision to imports,

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

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

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

[Seasonally adjusted at annual rates]

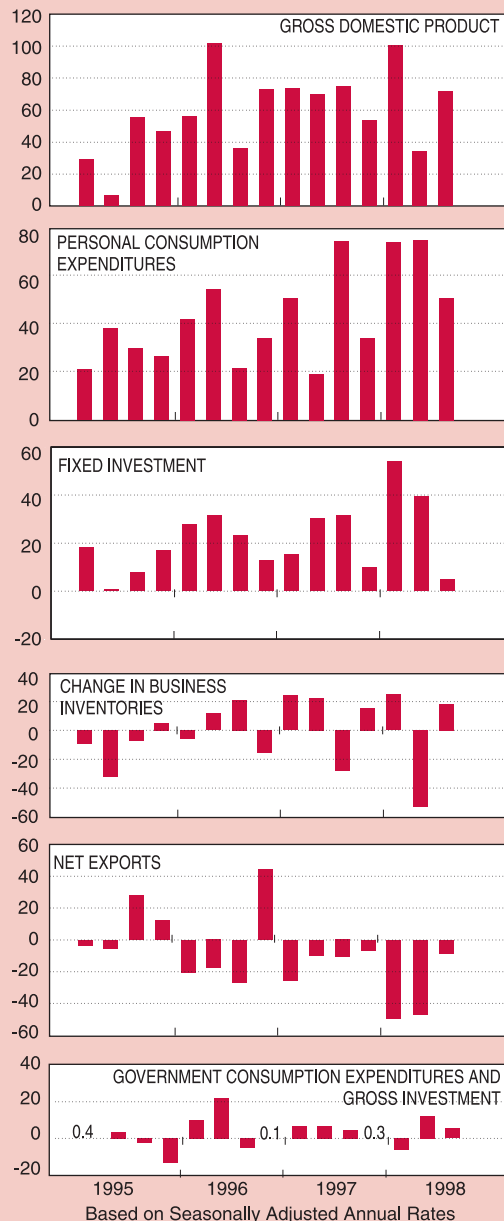
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			1997		1998	
	1998	1997	1998			IV	I	II	III
	III	IV	I	II	III				
<b>Gross domestic product</b> .....	<b>7,570.0</b>	<b>53.4</b>	<b>100.1</b>	<b>33.9</b>	<b>71.4</b>	<b>3.0</b>	<b>5.5</b>	<b>1.8</b>	<b>3.9</b>
Less: Exports of goods and services .....	967.4	10.7	-6.9	-19.8	-4.7	4.4	-2.8	-7.7	-1.9
Plus: Imports of goods and services .....	1,221.3	17.3	42.6	26.9	4.0	6.3	15.7	9.3	1.3
<b>Equals: Gross domestic purchases</b> .....	<b>7,798.1</b>	<b>59.0</b>	<b>142.8</b>	<b>73.7</b>	<b>79.5</b>	<b>3.2</b>	<b>7.8</b>	<b>3.9</b>	<b>4.2</b>
Less: Change in business inventories .....	56.6	15.5	24.9	-53.2	18.4	.....	.....	.....	.....
Nonfarm .....	48.4	18.7	23.2	-56.0	18.5	.....	.....	.....	.....
Farm .....	8.7	-3.6	1.6	3.4	0	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>7,738.2</b>	<b>44.1</b>	<b>120.1</b>	<b>124.2</b>	<b>61.8</b>	<b>2.4</b>	<b>6.6</b>	<b>6.7</b>	<b>3.3</b>
Personal consumption expenditures .....	5,181.9	34.0	74.1	75.1	51.7	2.8	6.1	6.1	4.1
Durable goods .....	733.6	5.2	25.5	19.1	4.2	3.1	15.8	11.2	2.4
Nondurable goods .....	1,548.9	-1.4	26.9	19.7	8.0	-4	7.4	5.3	2.1
Services .....	2,905.0	29.4	24.5	37.5	38.2	4.3	3.5	5.4	5.4
Gross private domestic fixed investment .....	1,268.7	10.2	55.4	39.2	4.6	3.6	20.4	13.4	1.4
Nonresidential fixed investment .....	957.4	4.0	45.7	28.5	-3.0	1.8	22.2	12.8	-1.2
Structures .....	201.2	.5	-2.6	-1.2	-7	.9	-4.9	-2.3	-1.5
Producers' durable equipment .....	769.1	3.8	52.4	32.5	-2.2	2.2	34.3	18.8	-1.1
Residential investment .....	315.5	5.6	10.6	10.6	6.4	8.2	15.6	15.0	8.6
Government consumption expenditures and gross investment .....	1,300.0	.3	-6.2	11.8	5.2	.1	-1.9	3.7	1.6
Federal .....	452.2	-2.4	-10.4	8.0	-1.9	-2.1	-8.8	7.3	-1.6
National defense .....	303.6	-1.5	-15.4	7.0	3.3	-2.0	-18.5	9.9	4.3
Nondefense .....	148.0	-9	4.6	1.0	-4.9	-2.3	13.1	2.6	-12.2
State and local .....	848.0	2.8	4.2	3.8	7.1	1.3	2.1	1.8	3.4
<b>Addendum: Final sales of domestic product</b> .....	<b>7,510.2</b>	<b>38.5</b>	<b>77.7</b>	<b>83.9</b>	<b>53.8</b>	<b>2.1</b>	<b>4.3</b>	<b>4.6</b>	<b>2.9</b>

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

**CHART 1**

## Real Product: Change from Preceding Quarter

Billion chained (1992) \$



U.S. Department of Commerce, Bureau of Economic Analysis

which are subtracted in the calculation of GDP, and an upward revision to personal consumption expenditures for durable goods; these revisions were partly offset by a downward revision to business investment in producers' durable equipment. (The sources of the revisions are discussed in the section "Revisions.")

The 3.9-percent increase in the third quarter is higher than the 3.0-percent average annual growth rate for real GDP over the current expansion that began in the second quarter of 1991. The picture of the economy in the third quarter presented by the preliminary estimates is little changed from that presented by the advance estimates. Like the advance estimates, the preliminary estimates showed the following:

- Real GDP growth accelerated in the third quarter.
- This acceleration was more than accounted for by an upturn in inventory investment; real final sales of domestic product increased less than in the second quarter.<sup>2</sup>
- Real gross domestic purchases accelerated much less than GDP; the slowdown in the

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

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

[Seasonally adjusted at annual rates]

	1997	1998		
	IV	I	II	III
<b>Percent change at annual rate:</b>				
Gross domestic product .....	3.0	5.5	1.8	3.9
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures .....	1.88	4.09	4.09	2.78
Durable goods .....	.26	1.23	.91	.20
Non-durable goods .....	-.08	1.41	1.01	.41
Services .....	1.70	1.40	2.14	2.17
Gross private domestic investment .....	1.34	4.07	-.75	1.16
Fixed investment .....	.48	2.82	1.95	.22
Nonresidential .....	.16	2.21	1.35	-.14
Structures .....	.03	-.15	-.07	-.04
Producers' durable equipment .....	.13	2.36	1.42	-.09
Residential .....	.32	.60	.60	.36
Change in business inventories .....	.85	1.22	-2.66	.94
Net exports of goods and services .....	-.30	-2.24	-2.08	-.39
Exports .....	.53	-.33	-.92	-.22
Goods .....	.67	-.29	-.98	.02
Services .....	-.14	-.04	.06	-.24
Imports .....	-.83	-1.94	-1.18	-.17
Goods .....	-.71	-1.75	-1.19	-.25
Services .....	-.12	-.19	.01	.08
Government consumption expenditures and gross investment .....	.02	-.34	.64	.29
Federal .....	-.14	-.57	.44	-.10
National defense .....	-.09	-.84	.38	-.17
Nondefense .....	-.05	-.26	.06	-.27
State and local .....	.15	.24	.20	.39

increase in imports was larger than the slowdown in the decrease in exports.<sup>3</sup>

- The largest contributors to the third-quarter increase in real GDP were PCE for services and inventory investment, primarily investment in motor vehicle inventories (table 2). The increase in GDP was moderated by decreases in Federal nondefense spending and in exports of services and by an increase in imports of goods.

The price index for gross domestic purchases increased 0.5 percent in the third quarter after increasing 0.4 percent in the second (table 3); over the past four quarters, prices increased 0.4 percent, the lowest four-quarter increase during the current expansion. The price index for GDP increased 0.8 percent in the third quarter after increasing 0.9 percent in the second. The larger increases in GDP prices than in gross domestic purchases prices in the past two quarters were due to larger decreases in the prices of imports than in the prices of exports.<sup>4</sup>

Real disposable personal income (DPI) increased 3.1 percent in the third quarter after increasing 2.6 percent in the second. The personal saving rate was 0.2 percent in the third quarter, down from 0.4 percent in the second; these quarters are the only ones in which the saving rate has been below 1.0 percent since the quarterly series began in 1946.

3. Gross domestic purchases—a measure of purchases by U.S. residents regardless of where the purchased goods and services were produced—is calculated as GDP less exports of goods and services plus imports of goods and services.

4. Import prices are included in gross domestic purchases prices but not in GDP prices, and export prices are included in GDP prices but not in gross domestic purchases prices.

**Table 3.—Price Indexes**

[Percent change at annual rates; based on seasonally adjusted index numbers (1992=100)]

	1997	1998		
	IV	I	II	III
<b>Gross domestic product</b> .....	<b>1.1</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>
Less: Exports of goods and services .....	-1.6	-3.4	-1.8	-2.9
Plus: Imports of goods and services .....	-2.3	-10.4	-4.5	-4.8
<b>Equals: Gross domestic purchases</b> .....	<b>1.0</b>	<b>-.2</b>	<b>.4</b>	<b>.5</b>
Less: Change in business inventories .....				
<b>Equals: Final sales to domestic purchasers</b> .....	<b>1.0</b>	<b>-.1</b>	<b>.5</b>	<b>.5</b>
Personal consumption expenditures .....	1.1	0	.9	1.0
Private nonresidential fixed investment .....	-1.6	-3.0	-3.1	-3.7
Private residential investment .....	2.4	0	1.7	2.8
Government consumption expenditures and gross investment .....	2.2	1.1	.8	1.0
Addendum: Gross domestic purchases less food and energy .....	1.0	.7	.7	.6

NOTE.—Percent changes in major aggregates are in NIPA table B.1. Index number levels are in NIPA tables 7.1, 7.2, and 7.4.

**Personal consumption expenditures**

Real PCE increased 4.1 percent in the third quarter after increasing 6.1 percent in the second (table 4). Expenditures for both durable and nondurable goods slowed; expenditures for services increased at the same rate as in the second quarter.

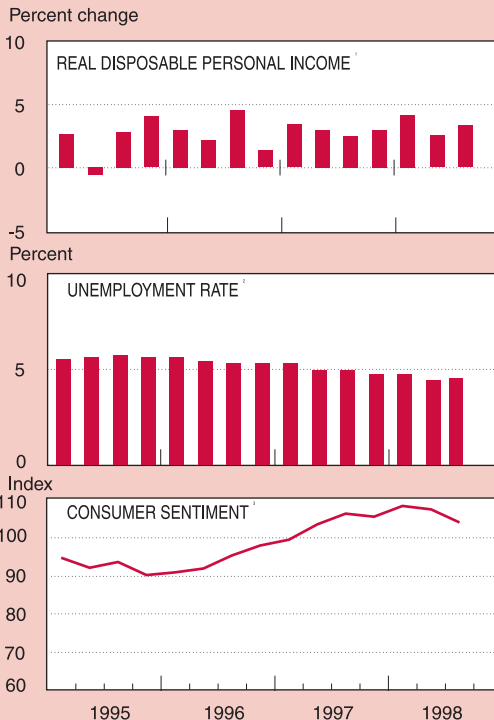
Many of the factors usually considered in analyses of PCE remained strong in the third quarter (chart 2). As mentioned above, real DPI accelerated. The Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) was only slightly below its near-record high in the second quarter. The unemployment rate edged up to 4.5 percent from 4.4 percent—its lowest rate in more than 25 years.

Expenditures for durable goods increased 2.4 percent after increasing 11.2 percent. A downturn in motor vehicles and parts was more than accounted for by downturns in purchases of new autos and trucks; net purchases of used autos turned up.<sup>5</sup> Furniture and household equipment accelerated; most of this acceleration was in consumer electronics, which includes computers.

5. Net purchases of used autos in PCE is defined as consumer purchases of used autos from business, government, and foreigners less consumer sales of used autos to these sectors. PCE for used autos has two components: Net transactions, which is consumer purchases less sales valued at wholesale prices, and dealers' margins, which is the difference between the retail and wholesale value of purchases by consumers from dealers. The sum of the net transactions of all sectors is zero and does not affect total GDP; dealers' margins do affect total GDP.

**CHART 2**

**Selected Factors Affecting Consumer Spending**



1. Disposable personal income in chained (1992) dollars; seasonally adjusted annual rates.  
 2. All civilian workers, seasonally adjusted.  
 Data: U.S. Department of Labor, Bureau of Labor Statistics  
 3. Data: University of Michigan's Survey Research Center.  
 U.S. Department of Commerce, Bureau of Economic Analysis

**Table 4.—Real Personal Consumption Expenditures**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	1998	1997	1998			1997	1998		
	III	IV	I	II	III	IV	I	II	III
<b>Personal consumption expenditures</b> .....	<b>5,181.9</b>	<b>34.0</b>	<b>74.1</b>	<b>75.1</b>	<b>51.7</b>	<b>2.8</b>	<b>6.1</b>	<b>6.1</b>	<b>4.1</b>
Durable goods .....	733.6	5.2	25.5	19.1	4.2	3.1	15.8	11.2	2.4
Motor vehicles and parts .....	252.3	-1.7	5.1	11.1	-6.6	-2.7	8.6	19.1	-9.8
Of which: New autos .....	79.2	-2.1	1.4	5.3	-6.5	-9.9	7.4	29.1	-27.2
New trucks .....	66.4	1.9	.8	6.7	-4.7	13.0	4.7	48.4	-23.8
Furniture and household equipment .....	352.3	5.4	17.7	3.5	13.0	7.1	24.1	4.3	16.2
Other .....	139.2	2.3	4.3	3.5	.6	7.3	13.9	10.5	1.7
Nondurable goods .....	1,548.9	-1.4	26.9	19.7	8.0	-4	7.4	5.3	2.1
Food .....	718.5	-7	6.9	9.5	2.2	-4	4.0	5.5	1.2
Clothing and shoes .....	310.0	.4	15.1	4.0	-1.4	.6	22.2	5.3	-1.8
Gasoline and oil .....	121.1	-3	.4	-1	2.7	-1.0	1.4	-3	9.2
Fuel oil and coal .....	9.9	-6	-9	.5	.2	-20.4	-29.7	23.6	9.7
Other .....	393.5	-2	6.7	5.7	4.3	-3	7.4	6.0	4.5
Services .....	2,905.0	29.4	24.5	37.5	38.2	4.3	3.5	5.4	5.4
Housing .....	737.0	4.4	4.8	4.0	4.3	2.5	2.7	2.2	2.4
Household operation .....	324.8	6.1	-4.8	10.2	8.3	8.2	-6.0	14.0	11.0
Electricity and gas .....	122.3	1.2	-7.9	6.9	4.9	4.3	-24.2	27.4	17.9
Other household operation .....	202.4	4.8	3.1	3.3	3.5	10.7	6.5	7.1	7.2
Transportation .....	221.3	2.2	2.0	3.5	-1	4.2	3.7	6.7	-2
Medical care .....	724.8	5.2	5.5	6.7	3.2	3.0	3.1	3.9	1.8
Other .....	899.5	11.8	16.3	13.8	22.8	5.8	7.9	6.5	10.8

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA tables 2.3, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

Expenditures for nondurable goods increased 2.1 percent after increasing 5.3 percent. Most of the deceleration was accounted for by a slowdown in food and by a downturn in clothing and shoes.

Expenditures for services increased 5.4 percent in both the second and third quarters. Transportation changed little after increasing, and medical care and household operation decelerated. "Other" services stepped up, reflecting an upturn in net foreign travel, which primarily resulted from a downturn in foreign residents' travel in the United States.

### Nonresidential fixed investment

Real private nonresidential fixed investment decreased 1.2 percent in the third quarter after increasing 12.8 percent in the second (table 5). The downturn was more than accounted for by a downturn in producers' durable equipment (PDE); structures decreased less than in the second quarter.

The downturn in nonresidential fixed investment may have reflected a weakening in some of the factors that affect investment spending (chart 3). Over the past four quarters, the capacity utilization rate declined to 81.5 percent from 83.1 percent, and domestic corporate profits decreased 2.6 percent. However, other factors remained strong. Real final sales of domestic product increased 3.5 percent, and long-term interest rates decreased—for example, the yield

on high-grade corporate bonds decreased to 6.32 percent from 7.26 percent.

PDE decreased 1.1 percent—the first decrease since the fourth quarter of 1991—after jumping 18.8 percent in the second quarter. Transportation and related equipment turned down sharply in the third quarter; all components except ships and boats contributed to the downturn, but trucks, buses, and trailers contributed the most. "Other" PDE and information processing and related equipment each increased less than in the second quarter.

Structures decreased 1.5 percent after decreasing 2.3 percent; structures have decreased in the last three quarters. In the third quarter, "other" structures turned up, and mining exploration, shafts, and wells decreased less than in the second quarter. In contrast, nonresidential buildings decreased more than in the second quarter.

### Residential investment

Real residential investment increased 8.6 percent in the third quarter after increasing 15.0 percent in the second (table 5). The slowdown was accounted for by single-family structures and by "other" residential investment, both of which increased less than in the second quarter. Multifamily construction decreased less than in the second quarter.

Single-family structures increased 12.8 percent after increasing 17.8 percent. Multifamily

Table 5.—Real Gross Private Domestic Fixed Investment

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1998			
	1998	1997	1998			IV	I	II	III
	III	IV	I	II	III	IV	I	II	III
<b>Gross private domestic fixed investment</b> .....	<b>1,268.7</b>	<b>10.2</b>	<b>55.4</b>	<b>39.2</b>	<b>4.6</b>	<b>3.6</b>	<b>20.4</b>	<b>13.4</b>	<b>1.4</b>
Nonresidential .....	957.4	4.0	45.7	28.5	-3.0	1.8	22.2	12.8	-1.2
Structures .....	201.2	.5	-2.6	-1.2	-7	.9	-4.9	-2.3	-1.5
Nonresidential buildings, including farm .....	149.2	-2.5	.6	-3	-6	-6.3	1.5	-9	-1.4
Utilities .....	29.7	.1	0	.3	.2	1.1	.9	4.2	1.9
Mining exploration, shafts, and wells .....	16.4	.3	-1.0	-9	-6	5.7	-18.7	-19.3	-12.8
Other .....	5.8	2.6	-2.2	-1	.3	401.0	-73.1	-9.2	20.5
Producers' durable equipment .....	769.1	3.8	52.4	32.5	-2.2	2.2	34.3	18.8	-1.1
Information processing and related equipment .....	399.0	9.2	32.7	23.4	22.2	12.4	47.5	29.2	25.8
Computers and peripheral equipment .....	370.2	13.0	49.3	39.3	38.7	24.6	109.2	65.7	55.7
Other .....	142.5	1.5	5.2	3.0	2.8	4.6	16.9	8.9	8.5
Industrial equipment .....	133.2	.9	2.9	1.0	.7	2.9	9.3	3.0	2.1
Transportation and related equipment .....	151.7	-2.1	15.8	8.3	-16.2	-5.4	51.7	22.4	-33.4
Of which: Motor vehicles .....	120.8	-6	5.4	6.3	-11.4	-1.9	19.1	21.3	-30.3
Other .....	125.8	-1.5	6.1	4.4	1.2	-4.4	23.5	15.3	3.9
Residential .....	315.5	5.6	10.6	10.6	6.4	8.2	15.6	15.0	8.6
Single-family structures .....	155.9	2.9	6.2	6.1	4.6	9.1	19.1	17.8	12.8
Multifamily structures .....	20.3	1.5	1.1	-1.4	-4	31.9	24.7	-23.6	-8.3
Other <sup>1</sup> .....	139.9	1.3	3.1	6.0	2.1	4.0	10.1	19.4	6.3

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA tables 5.5, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

1. "Other" residential investment includes home improvements, new mobile home sales, brokers' commissions on home sales, residential equipment, and other residential structures (which consists primarily of dormitories and fraternity and sorority houses).

structures decreased 8.3 percent after falling 23.6 percent.

“Other” residential investment increased 6.3 percent after jumping 19.4 percent.<sup>6</sup> A downturn in brokers’ commissions more than offset an acceleration in home improvements. The downturn in brokers’ commissions reflected a decrease in home sales of 68,000 units (seasonally adjusted annual rate) in the third quarter after an increase of 316,000 units in the second. The downturn in home sales occurred despite a decrease in the commitment rate on 30-year,

fixed-rate mortgages from 7.10 percent to 6.90 percent (chart 4).

**Inventory investment**

Real inventory investment—that is, the change in business inventories—increased \$18.4 billion in the third quarter, as inventory accumulation stepped up to \$56.6 billion from \$38.2 billion in the second quarter (table 6).<sup>7</sup> Inventory investment had decreased sharply in the second quarter, as accumulation slowed from \$91.4 billion in the first quarter.

Wholesale trade inventories increased \$29.2 billion after increasing \$7.6 billion. Inventories of both durable goods and nondurable goods increased more than in the second quarter. The step-up in durable goods mainly reflected inventories of motor vehicles held by merchant wholesalers. The step-up in nondurable goods mainly reflected inventories of farm products.

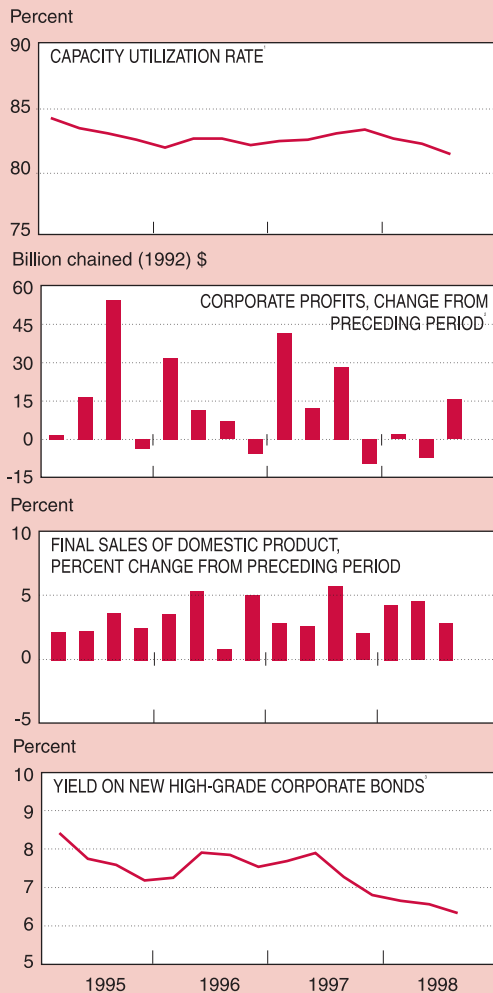
Retail trade inventories decreased \$4.5 billion after decreasing \$11.9 billion. Inventories of durable goods decreased less than in the second quarter, largely reflecting the pattern of

6. “Other” residential investment includes home improvements, new mobile home sales, brokers’ commissions on home sales, residential equipment, and other residential structures (which consists primarily of dormitories and fraternity and sorority houses).

7. Inventory accumulation in the third quarter was affected by the Federal Government’s privatization in late July of the United States Enrichment Corporation, which performs commercial nuclear enrichment activities. Proceeds of the sale totaled \$3.1 billion (current dollars). Of this total, \$1.6 billion (\$6.4 billion at an annual rate) was the market value of uranium inventories and of machinery and equipment. (The remaining \$1.5 billion was treated as a sale of financial assets and, consequently, excluded from GDP.) The inventory portion was deducted from government consumption expenditures and added to the change in business inventories; the machinery and equipment portion was deducted from government gross investment and was added to gross private domestic fixed investment.

**CHART 3**

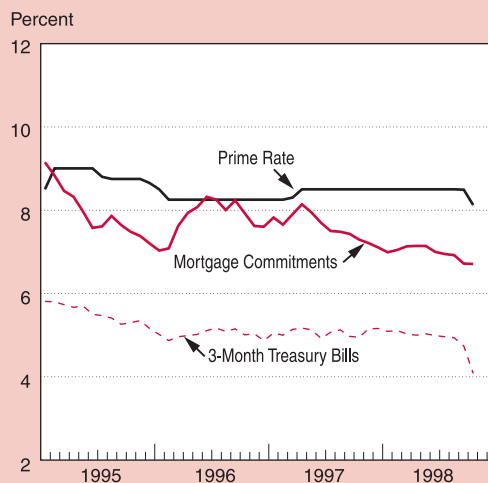
**Selected Factors Affecting Nonresidential Investment**



1. All industries. Data: Federal Reserve Board  
 2. Domestic industries.  
 3. Data: U.S. Treasury Department

**CHART 4**

**Selected Interest Rates**



Data: Federal Reserve Board, Federal Home Loan Mortgage Corporation

inventories of motor vehicle dealers. Inventories of nondurable goods increased less than in the second quarter; the slowdown largely reflected inventories of food stores and apparel stores.

Manufacturing inventories increased \$21.1 billion after increasing \$23.9 billion. Inventories of durable goods industries increased less than in the second quarter, and inventories of nondurable goods industries increased more. In the durable goods industries, inventories of transportation equipment (mainly aircraft) increased moderately after increasing sharply. In the nondurable goods industries, the step-up mainly reflected inventories of chemical manufacturers.

“Other” nonfarm inventories increased \$3.1 billion after increasing \$10.4 billion.<sup>8</sup> The slowdown was mainly accounted for by nondurable goods.

Farm inventories increased \$8.7 billion, the same as in the second quarter. Crop inventories increased more than in the second quarter, but livestock inventories decreased somewhat after little change.

The ratio of real nonfarm inventories to real final sales of domestic businesses edged up to 2.27 in the third quarter from 2.26 in the second. The ratio that limits final sales to goods and struc-

8. “Other” nonfarm inventories includes inventories held by the following industries: Mining; construction; public utilities; transportation; communication; finance, insurance, and real estate; and services.

**Table 6.—Real Change in Business Inventories**

[Billions of chained (1992) dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	1997		1998			1997		1998	
	III	IV	I	II	III	IV	I	II	III
<b>Change in business inventories</b> .....	<b>51.0</b>	<b>66.5</b>	<b>91.4</b>	<b>38.2</b>	<b>56.6</b>	<b>15.5</b>	<b>24.9</b>	<b>-53.2</b>	<b>18.4</b>
Farm .....	7.3	3.7	5.3	8.7	8.7	-3.6	1.6	3.4	0
Nonfarm .....	44.0	62.7	85.9	29.9	48.4	18.7	23.2	-56.0	18.5
Manufacturing .....	15.8	17.7	30.2	23.9	21.1	1.9	12.5	-6.3	-2.8
Durable goods .....	8.4	8.1	21.0	19.1	12.7	-3	12.9	-1.9	-6.4
Nondurable goods .....	7.4	9.5	9.2	4.9	8.4	2.1	-3	-4.3	3.5
Wholesale trade .....	16.7	20.2	27.0	7.6	29.2	3.5	6.8	-19.4	21.6
Durable goods .....	4.5	8.6	25.1	1.6	14.5	4.1	16.5	-23.5	12.9
Nondurable goods .....	11.8	11.4	2.3	5.9	14.5	-4	-9.1	3.6	8.6
Retail trade .....	5.0	16.9	17.3	-11.9	-4.5	11.9	.4	-29.2	7.4
Durable goods .....	3.4	14.1	1.6	-16.3	-6.8	10.7	-12.5	-17.9	9.5
Of which: Motor vehicle dealers .....	.7	10.5	-3.7	-13.8	-8.9	9.8	-14.2	-10.1	4.9
Nondurable goods .....	1.6	2.5	16.1	4.9	2.5	.9	13.6	-11.2	-2.4
Other .....	6.5	8.1	11.5	10.4	3.1	1.6	3.4	-1.1	-7.3
Durable goods .....	2.3	1.2	.4	.7	-1	-1.1	-8	.3	-8
Nondurable goods .....	4.2	6.9	11.5	10.0	3.3	2.7	4.6	-1.5	-6.7
<b>Addenda:</b>									
Motor vehicles .....	.8	10.3	2.6	-22.6	-9.2	9.5	-7.7	-25.2	13.4
Autos .....	.5	4.2	-1	-12.3	-3.0	3.7	-4.3	-12.2	9.3
Trucks .....	.4	5.9	2.5	-10.2	-6.0	5.5	-3.4	-12.7	4.2

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels for most series are in NIPA table 5.11; chained (1992) dollar levels for autos (new and used) and trucks (new only) are in NIPA tables 8.5 and 8.7.

**Table 7.—Real Exports and Imports of Goods and Services**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997		1998	
	1998	1997	1998			IV	I	II	III
	III	IV	I	II	III				
<b>Exports of goods and services</b> .....	<b>967.4</b>	<b>10.7</b>	<b>-6.9</b>	<b>-19.8</b>	<b>-4.7</b>	<b>4.4</b>	<b>-2.8</b>	<b>-7.7</b>	<b>-1.9</b>
Goods .....	726.8	14.3	-6.4	-22.2	.5	7.9	-3.4	-11.3	.3
Agricultural goods .....	45.8	3.6	-1.3	-3.3	-1.8	32.8	-9.9	-23.4	-14.1
Nonagricultural goods .....	685.5	10.1	-4.9	-18.6	2.6	5.9	-2.7	-10.2	1.5
Services .....	244.4	-2.5	-8	1.0	-4.4	-4.0	-1.2	1.7	-7.0
<b>Imports of goods and services</b> .....	<b>1,221.3</b>	<b>17.3</b>	<b>42.6</b>	<b>26.9</b>	<b>4.0</b>	<b>6.3</b>	<b>15.7</b>	<b>9.3</b>	<b>1.3</b>
Goods .....	1,054.8	15.1	39.2	27.8	6.0	6.4	17.0	11.4	2.3
Petroleum and products .....	72.6	-2.2	1.4	6.2	-1.9	-12.2	8.8	41.4	-9.8
Nonpetroleum products .....	981.9	17.6	37.7	22.4	7.3	8.1	17.6	9.7	3.1
Services .....	169.4	2.3	3.8	-3	-1.6	5.8	9.3	-6	-3.7
<b>Addendum: Net exports of goods and services</b> .....	<b>-253.9</b>	<b>-6.6</b>	<b>-49.5</b>	<b>-46.7</b>	<b>-8.7</b>				

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA table 4.4. Percent changes in major aggregates are in NIPA table 8.1.

tures increased to 4.06 from 4.03. For both ratios, the third-quarter levels are somewhat higher than their averages since 1995.

**Exports and imports**

Real exports of goods and services decreased 1.9 percent in the third quarter after decreasing 7.7 percent in the second (table 7). Real imports of goods and services increased 1.3 percent after increasing 9.3 percent.

Real exports of goods increased 0.3 percent after decreasing 11.3 percent; exports of nonagricultural goods turned up, and exports of agricultural goods decreased less than in the second quarter. The upturn in nonagricultural goods was mainly accounted for by a sharp upturn in civilian aircraft and engines and by a smaller decrease in “other” nonautomotive capital goods in the third quarter than in the second.

Real exports of services decreased 7.0 percent after increasing 1.7 percent. Downturns in travel and in passenger fares more than offset upturns in transfers under U.S. military agency sales contracts and in “other transportation.”

Real imports of goods increased 2.3 percent after increasing 11.4 percent; imports of non-petroleum goods slowed considerably, and imports of petroleum and products turned down. The slowdown in nonpetroleum imports was mainly in nonautomotive capital goods and in nonautomotive consumer goods.

Real imports of services decreased 3.7 percent after decreasing 0.6 percent. The larger decrease was accounted for by “other private services,” which changed little after increasing, and by passenger fares, travel, and “other transportation,” all of which turned down.

**Government spending**

Real government consumption expenditures and gross investment increased 1.6 percent in the third quarter after increasing 3.7 percent in the second (table 8). A downturn in Federal Government spending more than offset an acceleration in State and local government spending.

Federal nondefense spending decreased 12.2 percent after increasing 2.6 percent. The third-quarter decrease was more than accounted for by the privatization of the United States Enrichment Corporation (see footnote 7 for more information). Consumption expenditures decreased after increasing, largely reflecting the deduction in inventories that resulted from the sale of the United States Enrichment Corporation. Investment spending decreased considerably less than in the second quarter, reflecting a smaller decrease in equipment and an upturn in structures.

Federal defense spending increased 4.3 percent after increasing 9.9 percent. The slowdown was more than accounted for by a downturn in consumption spending that reflected a downturn in services other than compensation of employees. Investment increased substantially after decreasing, mainly reflecting an upturn in equipment—largely in aircraft and in “other” equipment.

State and local government spending increased 3.4 percent after increasing 1.8 percent. The step-up was accounted for by an upturn in investment spending, largely in structures; consumption expenditures increased about the same in each quarter. (For more information on government spending, see the section “Government Sector.”)

**Table 8.—Real Government Consumption Expenditures and Real Gross Investment by Type**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997	1998		
	1998	1997	1998				IV	I	II
	III	IV	I	II	III				
<b>Government consumption expenditures and gross investment .....</b>	<b>1,300.0</b>	<b>0.3</b>	<b>-6.2</b>	<b>11.8</b>	<b>5.2</b>	<b>0.1</b>	<b>-1.9</b>	<b>3.7</b>	<b>1.6</b>
Federal .....	452.2	-2.4	-10.4	8.0	-1.9	-2.1	-8.8	7.3	-1.6
National defense .....	303.6	-1.5	-15.4	7.0	3.3	-2.0	-18.5	9.9	4.3
Consumption expenditures .....	265.2	-2.3	-12.1	8.2	-9	-3.3	-16.8	13.3	-1.4
Gross investment .....	38.5	.8	-3.3	-1.3	4.4	8.3	-29.9	-13.7	62.1
Nondefense .....	148.0	-9	4.6	1.0	-4.9	-2.3	13.1	2.6	-12.2
Consumption expenditures .....	128.2	.5	1.0	2.9	-4.7	1.4	3.3	9.1	-13.3
Gross investment .....	19.8	-1.5	4.1	-2.3	-1	-27.9	128.0	-35.1	-2.7
State and local .....	848.0	2.8	4.2	3.8	7.1	1.3	2.1	1.8	3.4
Consumption expenditures .....	691.7	3.8	4.3	4.5	4.4	2.3	2.5	2.7	2.6
Gross investment .....	156.2	-1.0	-1	-7	2.7	-2.6	0	-1.9	7.3

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA table 3.8. Percent changes in major aggregates are in NIPA table 8.1.



## Revisions

As noted earlier, the preliminary estimate of a 3.9-percent increase in real GDP in the third quarter is 0.6 percentage point higher than the advance estimate (table 9); for 1978–97, the average revision, without regard to sign, from the advance estimate to the preliminary estimate was 0.5 percentage point.

The revision to GDP primarily reflected upward revisions to nonautomotive inventory investment and to nonresidential and residential structures. Revisions to imports and exports, to PCE for durable goods, to business investment in PDE,

and to business investment in motor vehicle inventories were mostly offsetting.

The upward revision to nonautomotive inventory investment primarily reflected the incorporation of revised Census Bureau data on wholesale trade inventories for August and newly available data for September.

The upward revisions to nonresidential and residential structures primarily reflected the incorporation of revised Census Bureau data on the value of construction put in place for July and August and newly available data for September.

Imports were revised down, and exports were revised up; both revisions primarily reflected the incorporation of revised Census Bureau data for goods for August and newly available data for September. These revisions were primarily in capital goods (both equipment and parts). Because the imports and exports of capital equipment are also used to calculate PDE, PDE was revised down; in order to estimate PDE—that is, domestic business spending on equipment—imports are added to domestic manufacturers' shipments of business equipment, and exports are subtracted.

PCE for durable goods was revised up. The revision was mainly to trucks and to used autos, largely reflecting the incorporation of newly available September data on the consumer share of truck purchases and on used car sales and inventories. The incorporation of newly available data also contributed to downward revisions to PDE for trucks and to business investment in motor vehicle inventories.

The preliminary estimates of the increases in the price indexes for gross domestic purchases (0.5 percent) and for GDP (0.8 percent) were the same as the advance estimates.

The preliminary estimate of the increase in real DPI was 3.1 percent, 0.5 percentage point higher than the advance estimate. Current-dollar DPI increased 4.1 percent, also 0.5 percentage point higher than the advance estimate. The upward revision to DPI was primarily accounted for by a downward revision to personal tax and non-tax payments that reflected the incorporation of newly available Federal tax collection data from the *Monthly Treasury Statement* for September; current-dollar personal income was revised up only slightly. The preliminary estimate of the personal saving rate—personal savings as a percentage of current-dollar DPI—was 0.2 percent, 0.1 percentage point higher than the advance estimate.

**Table 9.—Revisions to Real Gross Domestic Product and Prices,  
Third Quarter 1998**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Preliminary estimate minus advance estimate	
	Advance estimate	Preliminary estimate	Percentage points	Billions of chained (1992) dollars
<b>Gross domestic product</b> .....	<b>3.3</b>	<b>3.9</b>	<b>0.6</b>	<b>10.5</b>
Less: Exports of goods and services .....	-2.9	-1.9	1.0	2.4
Goods .....	-4	.3	.7	1.3
Services .....	-8.6	-7.0	1.6	1.1
Plus: Imports of goods and services .....	3.4	1.3	-2.1	-6.2
Goods .....	4.5	2.3	-2.2	-5.5
Services .....	-2.2	-3.7	-1.5	-7
<b>Equals: Gross domestic purchases</b> .....	<b>4.0</b>	<b>4.2</b>	<b>.2</b>	<b>3.6</b>
Less: Change in business inventories .....				-6
Nonfarm .....				-8
Farm .....				.2
<b>Equals: Final sales to domestic purchasers</b> .....	<b>2.3</b>	<b>2.9</b>	<b>.6</b>	<b>11.0</b>
Personal consumption expenditures .....	3.9	4.1	.2	2.6
Durable goods .....	0	2.4	2.4	4.2
Nondurable goods .....	2.3	2.1	-.2	-.7
Services .....	5.5	5.4	-.1	-.4
Fixed investment .....	1.2	1.4	.2	.9
Nonresidential .....	-1.0	-1.2	-.2	-.7
Structures .....	-6.5	-1.5	5.0	2.6
Producers' durable equipment .....	1.1	-1.1	-2.2	-4.2
Residential .....	6.8	8.6	1.8	1.2
Government consumption expenditures and gross investment .....	1.4	1.6	.2	.6
Federal .....	-1.7	-1.6	.1	.1
National defense .....	4.2	4.3	.1	.2
Nondefense .....	-12.1	-12.2	-.1	-.1
State and local .....	3.2	3.4	.2	.5
<b>Addenda:</b>				
Final sales of domestic product .....	2.3	2.9	.6	11.0
Gross domestic purchases price index <sup>1</sup> .....	.5	.5	0	
GDP price index <sup>1</sup> .....	.8	.8	0	

1. Based on chained-type annual (1992) weights.

NOTE.—The preliminary estimates for the third quarter of 1998 incorporate the following revised or additional major source data that were not available when the advance estimates were prepared.

*Personal consumption expenditures:* Retail sales for August and September (revised), consumers' share of new-car purchases for September, average unit value for domestic new autos for September (revised), used car sales for July and August, consumers' share of new-truck purchases for September, and residential electricity usage for July.

*Nonresidential fixed investment:* Construction put in place for July and August (revised) and September, manufacturers' shipments of machinery and equipment for August and September (revised), and exports and imports of machinery and equipment for August (revised) and September.

*Residential fixed investment:* Construction put in place for July and August (revised) and September.

*Change in business inventories:* Manufacturing, retail trade, and wholesale trade inventories for August (revised) and September.

*Exports and imports of goods and services:* Exports and imports of goods for August (revised) and September.

*Government consumption expenditures and gross investment:* Monthly Treasury Statement detailed data for September, Department of Defense detailed financial reports for the quarter, and State and local government construction put in place for July and August (revised) and September.

*Wages and salaries:* Employment, average hourly earnings, and average weekly hours for August and September (revised).

*GDP prices:* Detailed merchandise export and import price indexes for July through September (revised), unit-value index for petroleum imports for August (revised) and September, and housing prices for the third quarter.

## Corporate Profits

Profits from current production increased \$3.3 billion in the third quarter after decreasing \$8.6 billion in the second (table 10).<sup>9</sup> An increase in profits of domestic corporations was largely offset by a decrease in profits from the rest of the world. Profits of domestic financial corporations increased \$2.0 billion after decreasing \$1.2 billion. Profits of domestic nonfinancial corporations increased \$13.6 billion after decreasing \$6.1 billion; in the third quarter, unit profits and real product increased. Profits from the rest of the world decreased \$12.2 billion after decreasing \$1.3 billion; the third-quarter decrease mainly reflected a drop in receipts of earnings from foreign affiliates.<sup>10</sup>

Cash flow from current production, a profits-related measure of internally generated funds

9. 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 (which are part of the "Selected NIPA Tables"; see page D-2 of this issue) as corporate profits with inventory valuation and capital consumption adjustments.

10. 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 are derived from BEA's international transactions accounts.

**Table 10.—Corporate Profits**

[Seasonally adjusted at annual rates]

	Level		Change from preceding quarter		
	1998	1997	1998		
	III	IV	I	II	III
	Billions of dollars				
<b>Profits from current production</b> .....	<b>823.9</b>	<b>-20.1</b>	<b>8.4</b>	<b>-8.6</b>	<b>3.3</b>
Domestic industries .....	738.9	-9.8	1.8	-7.3	15.6
Financial .....	132.1	6.2	1.8	-1.2	2.0
Nonfinancial .....	606.8	-15.9	0	-6.1	13.6
Rest of the world .....	85.1	-10.3	6.6	-1.3	-12.2
Receipts (inflows) .....	134.8	-14.7	3.6	-1	-11.2
Payments (outflows) .....	49.7	-4.2	-3.1	1.2	1.0
IVA .....	12.1	-5	21.0	-17.5	4.3
CCAadj .....	94.9	2.9	4.8	4.5	5.5
Profits before tax .....	717.0	-22.5	-17.3	4.4	-6.5
Profits tax liability .....	243.8	-4.9	-9.4	1.7	2.2
Profits after tax .....	473.2	-17.6	-7.9	2.6	-8.6
Cash flow from current production .....	804.3	-9.7	21.9	-5.8	5.6
<b>Corporate profits with IVA</b> .....	<b>729.1</b>	<b>-23.0</b>	<b>3.6</b>	<b>-13.0</b>	<b>-2.2</b>
Domestic industries .....	644.0	-12.7	-2.9	-11.9	10.1
Financial .....	135.7	6.1	1.6	-1.9	1.3
Nonfinancial .....	508.3	-18.8	-4.6	-9.9	8.8
Rest of the world .....	85.1	-10.3	6.6	-1.3	-12.2
	Dollars				
<b>Unit price, costs, and profits of nonfinancial corporations:</b>					
Unit price .....	1.061	0	-0.002	0	0
Unit labor cost .....	.698	.007	.002	.002	-.001
Unit nonlabor cost .....	.225	-.001	-.001	-.001	-.001
Unit profits from current production .....	.137	-.006	-.002	-.003	.001

NOTE.—Levels of these and other profits series are in NIPA tables 1.14, 1.16, 6.18C, and 7.15.

IVA Inventory valuation adjustment  
CCAadj Capital consumption adjustment

available for investment, increased \$5.6 billion after decreasing \$5.8 billion. The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, increased to 86.5 percent from 84.8 percent; the increase followed four consecutive decreases. The average quarterly ratio for 1991-97 was 91.9 percent.

*Industry profits and related measures.*—Industry profits decreased \$2.2 billion after decreasing \$13.0 billion.<sup>11</sup> Profits of domestic nonfinancial corporations increased \$8.8 billion after decreasing \$9.9 billion, partly reflecting upturns in the transportation and public utility group and in manufacturing. Profits of domestic financial corporations increased \$1.3 billion after decreasing \$1.9 billion. Profits from the rest of the world decreased \$12.2 billion after decreasing \$1.3 billion.

Profits before tax (PBT) decreased \$6.5 billion after increasing \$4.4 billion. About half of the difference between this decrease and the \$3.3 billion increase in profits from current production was accounted for by larger inventory losses, as reflected in a \$4.3 billion increase in the inventory valuation adjustment.<sup>12</sup> The rest of the difference was accounted for by the capital consumption adjustment.

## Government Sector

The current surplus of the Federal Government and of State and local governments, the NIPA measure of net saving by government, grew \$27.4 billion, to \$243.1 billion, in the third quarter after increasing \$16.7 billion in the second (table 11).<sup>13</sup> The step-up was accounted for by accelerations in the current surpluses of both the State and local governments and Federal Government.<sup>14</sup>

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

12. As prices change, companies that value inventory withdrawals at original acquisition (historical) costs may realize inventory profits or losses. Inventory profits—a capital-gains-like element in profits—result from an increase in inventory prices, and inventory losses—a capital-loss-like element in profits—result from a decrease in inventory prices. In the NIPA's, inventory profits or losses are shown as adjustments to business income (corporate profits and proprietors' income). Inventory profits are shown as the inventory valuation adjustment with the sign reversed.

13. Net saving equals gross saving less consumption of fixed capital (CFC). Estimates of government gross saving, CFC, and net saving are shown in NIPA table 5.1.

14. The NIPA estimates for the government sector are based on financial statements for the Federal Government and for State and local governments, but they differ from them in several respects. The major differences are shown in NIPA tables 3.18B and 3.19, which reconcile the NIPA estimates with government financial statements; these tables were most recently published on pages 10 and 11 of the October 1998 SURVEY OF CURRENT BUSINESS.

**Federal**

The Federal Government current surplus increased \$18.7 billion, to \$93.1 billion, in the third quarter after increasing \$15.6 billion in the second; the acceleration resulted from a sharper deceleration in current expenditures than in receipts.

*Receipts.*—Federal receipts increased \$20.1 billion in the third quarter after increasing \$29.2 billion in the second. The deceleration was accounted for by personal tax and nontax receipts, which

**Table 11.—Government Sector Receipts and Current Expenditures**

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	1998	1997		1998		
	III	III	IV	I	II	III
Receipts .....	2,779.3	51.1	34.3	53.3	41.6	34.1
Current expenditures .....	2,536.2	10.2	26.9	-2.1	24.9	6.7
Current surplus or deficit (-) .....	243.1	40.9	7.4	55.4	16.7	27.4
Social insurance funds .....	164.0	5.6	7.7	3.5	6.3	5.7
Other .....	79.0	35.3	-3	51.9	10.4	21.6
<b>Federal Government</b>						
Receipts .....	1,858.4	36.0	25.9	43.6	29.2	20.1
Personal tax and nontax receipts .....	863.5	17.8	21.7	37.9	19.2	7.8
Corporate profits tax accruals .....	208.0	10.5	-4.2	-8.0	1.4	1.8
Indirect business tax and nontax accruals .....	97.9	-4	-1.3	.1	1.3	2.7
Contributions for social insurance .....	689.1	8.2	9.7	13.6	7.3	7.9
Current expenditures .....	1,765.3	1.5	23.5	-13.1	13.6	1.4
Consumption expenditures .....	458.2	-4.8	.1	-9.2	13.1	-5.8
National defense .....	302.7	-4.4	-1.2	-11.5	9.7	-3
Nondefense .....	155.4	-4	1.3	2.3	3.3	-5.5
Transfer payments (net) .....	816.1	4.1	14.7	2.6	2.6	5.0
To persons .....	805.8	3.9	3.2	14.2	3.5	3.7
To the rest of the world .....	10.3	0	11.6	-11.6	-9	1.3
Grants-in-aid to State and local governments .....	231.4	1.2	7.4	-3.1	-1.8	4.5
Net interest paid .....	225.7	.3	-1	-3.0	.5	-2.6
Subsidies less current surplus of government enterprises .....	34.0	.9	1.2	-3	.1	.5
Subsidies .....	30.6	-4	-5	-9	-5	-4
Of which: Agricultural subsidies .....	7.6	0	-1	-2	-1	-1
Less: Current surplus of government enterprises .....	-3.4	-1.3	-1.8	-5	-6	-9
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	93.1	34.5	2.5	56.6	15.6	18.7
Social insurance funds .....	96.6	6.2	8.0	3.6	6.1	6.0
Other .....	-3.5	28.2	-5.4	53.0	9.5	12.7
<b>State and local governments</b>						
Receipts .....	1,152.2	16.3	15.7	6.8	10.5	18.4
Personal tax and nontax receipts .....	244.3	5.4	4.8	3.5	6.8	7.1
Corporate profits tax accruals .....	35.8	1.9	-8	-1.4	.3	.4
Indirect business tax and nontax accruals .....	558.4	7.4	3.8	7.3	4.5	5.9
Contributions for social insurance .....	82.4	.5	.4	.5	.6	.7
Federal grants-in-aid .....	231.4	1.2	7.4	-3.1	-1.8	4.5
Current expenditures .....	1,002.3	9.9	10.8	7.9	9.5	9.8
Consumption expenditures .....	793.1	8.2	9.3	5.2	8.0	8.4
Transfer payments to persons .....	318.2	3.0	3.1	4.0	3.0	2.6
Net interest paid .....	-83.7	-1.5	-1.3	-1.2	-1.5	-1.5
Less: Dividends received by government .....	16.0	.1	.4	.5	.3	0
Subsidies less current surplus of government enterprises .....	-9.4	.1	.2	.4	.3	.2
Subsidies .....	.4	0	0	0	0	0
Less: Current surplus of government enterprises .....	9.8	-1	-2	-4	-3	-2
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	150.0	6.5	4.8	-1.2	1.1	8.7
Social insurance funds .....	67.4	-6	-3	-1	.2	-3
Other .....	82.6	7.1	5.1	-1.1	.9	9.0

NOTE.—Levels of these series are in NIPA tables 3.1–3.3.

increased \$7.8 billion after increasing \$19.2 billion. In personal tax and nontax receipts, “estimated income tax payments and final settlements, less refunds” decreased \$3.1 billion after increasing \$3.7 billion, and net estate and gift taxes decreased \$2.4 billion after increasing \$2.7 billion.<sup>15</sup>

Indirect business tax and nontax accruals increased \$2.7 billion after increasing \$1.3 billion. The step-up was accounted for by customs duties, which increased \$1.4 billion after increasing \$0.2 billion.

Contributions for social insurance increased \$7.9 billion after increasing \$7.3 billion. The acceleration was mostly attributable to contributions for social security (old-age, survivors, disability, and health insurance), which increased \$7.6 billion after increasing \$7.2 billion, partly reflecting a step-up in wages and salaries.

Corporate profits tax accruals increased \$1.8 billion after increasing \$1.4 billion, reflecting the pattern of domestic corporate profits before tax.

*Current expenditures.*—Current expenditures increased \$1.4 billion in the third quarter after increasing \$13.6 billion in the second.<sup>16</sup> The deceleration was more than accounted for by a downturn in consumption expenditures and by a larger decrease in net interest paid in the third quarter than in the second. In contrast, grants-in-aid to State and local governments turned up, and transfer payments accelerated.

Consumption expenditures decreased \$5.8 billion after increasing \$13.1 billion. The downturn was accounted for by both defense consumption expenditures, which decreased \$0.3 billion after increasing \$9.7 billion, and nondefense consumption expenditures, which decreased \$5.5 billion after increasing \$3.3 billion.

Within defense consumption expenditures, services turned down, mostly as a result of a deceleration in research and development services and a downturn in personnel support services. The downturn in services was partly offset by an upturn in nondurable goods, primarily in ammunition, and by a step-up in durable goods, mainly in missile parts.

The downturn in nondefense consumption expenditures was more than accounted for by a downturn in durable goods and by a deceleration

15. “Estimated income tax payments and final settlements, less refunds” reflects data on collections of Federal nonwithheld income taxes through September, which include the final payment of quarterly estimated taxes in the calendar year. For information on recent changes in the methodology for these estimates, see Eugene P. Seskin, “Annual Revision of the National Income and Product Accounts,” SURVEY 78 (August 1998): 29–31.

16. For information on the definition of current expenditures as well as of other major NIPA components, see “A Guide to the NIPAs,” SURVEY 78 (March 1998): 26–68.

tion in services. Durable goods decreased \$6.1 billion after increasing \$0.1 billion; the downturn was attributable to the sale of the United States Enrichment Corporation, which reduced consumption expenditures \$5.8 billion in the third quarter (see [footnote 7](#) for more information). The deceleration in services was primarily attributable to an upturn in sales of services; sales except those by government enterprises for goods and services that are similar to those provided by the private sector are treated as deductions from government consumption expenditures.

Net interest paid decreased \$2.6 billion after decreasing \$0.5 billion. The larger decrease was attributable to gross interest paid, which decreased \$2.6 billion after decreasing \$0.1 billion.

Grants-in-aid to State and local governments increased \$4.5 billion after decreasing \$1.8 billion. Grants for education, highways, and food and nutrition programs turned up, and grants for public assistance and the Environmental Protection Agency turned down.


Transfer payments (net) increased \$5.0 billion after increasing \$2.6 billion. The acceleration was attributable to transfer payments to the rest of the world, which increased \$1.3 billion after decreasing \$0.9 billion. Transfer payments to persons increased \$3.7 billion after increasing \$3.5 billion.

### *State and local*

The State and local government current surplus increased \$8.7 billion, to \$150.0 billion,

in the third quarter after increasing \$1.1 billion in the second. The acceleration was more than accounted for by an acceleration in receipts.

Receipts increased \$18.4 billion after increasing \$10.5 billion. The acceleration was mostly accounted for by the upturn in Federal grants-in-aid and by a step-up in indirect business tax and nontax accruals. Indirect business tax and nontax accruals increased \$5.9 billion after increasing \$4.5 billion; the acceleration was mostly accounted for by a step-up in "other tax and nontax accruals"; these accruals were boosted \$1.7 billion by payments from tobacco companies for out-of-court settlements with four States. The step-up in "other tax and nontax accruals" was partly offset by a deceleration in sales taxes.

Current expenditures increased \$9.8 billion after increasing \$9.5 billion; an acceleration in consumption expenditures and a deceleration in dividends received by government were partly offset by a deceleration in transfer payments. Consumption expenditures increased \$8.4 billion after increasing \$8.0 billion; the acceleration was primarily attributable to a step-up in services. Dividends received by government, which are recorded as a deduction to current expenditures in the derivation of the current surplus, were unchanged after increasing \$0.3 billion. Transfer payments to persons increased \$2.6 billion after increasing \$3.0 billion; the deceleration was the result of a deceleration in payments for medicaid. 

# BUSINESS SITUATION

This article was prepared by Larry R. Moran, Daniel Larkins, Ralph W. Morris, Deborah Y. Sieff, Melissa C. Wilson, and Laura M. Bilenki.

**R**EAL GROSS domestic product (GDP) increased 3.9 percent in the third quarter of 1998, according to the "preliminary" estimates of the national income and product accounts (NIPA's), after increasing 1.8 percent in the second quarter (table 1 and chart 1); the "advance" third-quarter estimate of real GDP, reported in the November "Business Situation," had shown a 3.3-percent increase.<sup>1</sup> The upward revision to real GDP reflected a downward revision to imports,

1. Quarterly estimates in the NIPA's are expressed at seasonally adjusted annual rates unless otherwise specified. Quarter-to-quarter dollar changes are the differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data. Real estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except those in the most recent year, which are calculated using quarterly weights; real estimates are expressed both as index numbers (1992=100) and as chained (1992) dollars. Price indexes (1992=100) are also calculated using a chain-type Fisher formula.

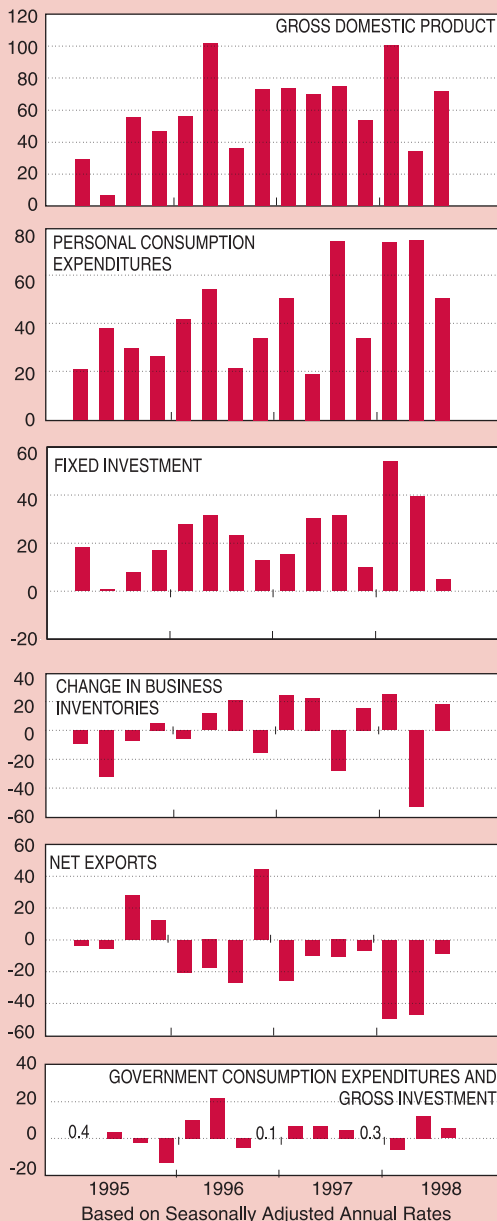
**Table 1.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers**  
[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			1997		1998	
	1998	1997	1998			IV	I	II	III
	III	IV	I	II	III				
<b>Gross domestic product</b> .....	<b>7,570.0</b>	<b>53.4</b>	<b>100.1</b>	<b>33.9</b>	<b>71.4</b>	<b>3.0</b>	<b>5.5</b>	<b>1.8</b>	<b>3.9</b>
Less: Exports of goods and services .....	967.4	10.7	-6.9	-19.8	-4.7	4.4	-2.8	-7.7	-1.9
Plus: Imports of goods and services .....	1,221.3	17.3	42.6	26.9	4.0	6.3	15.7	9.3	1.3
<b>Equals: Gross domestic purchases</b> .....	<b>7,798.1</b>	<b>59.0</b>	<b>142.8</b>	<b>73.7</b>	<b>79.5</b>	<b>3.2</b>	<b>7.8</b>	<b>3.9</b>	<b>4.2</b>
Less: Change in business inventories .....	56.6	15.5	24.9	-53.2	18.4				
Nonfarm .....	48.4	18.7	23.2	-56.0	18.5				
Farm .....	8.7	-3.6	1.6	3.4	0				
<b>Equals: Final sales to domestic purchasers</b> .....	<b>7,738.2</b>	<b>44.1</b>	<b>120.1</b>	<b>124.2</b>	<b>61.8</b>	<b>2.4</b>	<b>6.6</b>	<b>6.7</b>	<b>3.3</b>
Personal consumption expenditures .....	5,181.9	34.0	74.1	75.1	51.7	2.8	6.1	6.1	4.1
Durable goods .....	733.6	5.2	25.5	19.1	4.2	3.1	15.8	11.2	2.4
Nondurable goods .....	1,548.9	-1.4	26.9	19.7	8.0	-4	7.4	5.3	2.1
Services .....	2,905.0	29.4	24.5	37.5	38.2	4.3	3.5	5.4	5.4
Gross private domestic fixed investment .....	1,268.7	10.2	55.4	39.2	4.6	3.6	20.4	13.4	1.4
Nonresidential fixed investment .....	957.4	4.0	45.7	28.5	-3.0	1.8	22.2	12.8	-1.2
Structures .....	201.2	.5	-2.6	-1.2	-7	.9	-4.9	-2.3	-1.5
Producers' durable equipment .....	769.1	3.8	52.4	32.5	-2.2	2.2	34.3	18.8	-1.1
Residential investment .....	315.5	5.6	10.6	10.6	6.4	8.2	15.6	15.0	8.6
Government consumption expenditures and gross investment .....	1300.0	.3	-6.2	11.8	5.2	.1	-1.9	3.7	1.6
Federal .....	452.2	-2.4	-10.4	8.0	-1.9	-2.1	-8.8	7.3	-1.6
National defense .....	303.6	-1.5	-15.4	7.0	3.3	-2.0	-18.5	9.9	4.3
Nondefense .....	148.0	-9	4.6	1.0	-4.9	-2.3	13.1	2.6	-12.2
State and local .....	848.0	2.8	4.2	3.8	7.1	1.3	2.1	1.8	3.4
<b>Addendum: Final sales of domestic product</b> .....	<b>7510.2</b>	<b>38.5</b>	<b>77.7</b>	<b>83.9</b>	<b>53.8</b>	<b>2.1</b>	<b>4.3</b>	<b>4.6</b>	<b>2.9</b>

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

**CHART 1**

**Real Product:  
Change from Preceding Quarter**  
Billion chained (1992) \$



U.S. Department of Commerce, Bureau of Economic Analysis

which are subtracted in the calculation of GDP, and an upward revision to personal consumption expenditures for durable goods; these revisions were partly offset by a downward revision to business investment in producers' durable equipment. (The sources of the revisions are discussed in the section "Revisions.")

The 3.9-percent increase in the third quarter is higher than the 3.0-percent average annual growth rate for real GDP over the current expansion that began in the second quarter of 1991. The picture of the economy in the third quarter presented by the preliminary estimates is little changed from that presented by the advance estimates. Like the advance estimates, the preliminary estimates showed the following:

- Real GDP growth accelerated in the third quarter.
- This acceleration was more than accounted for by an upturn in inventory investment; real final sales of domestic product increased less than in the second quarter.<sup>2</sup>
- Real gross domestic purchases accelerated much less than GDP; the slowdown in the

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

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

	1997	1998		
	IV	I	II	III
<b>Percent change at annual rate:</b>				
Gross domestic product .....	3.0	5.5	1.8	3.9
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures .....	1.88	4.09	4.09	2.78
Durable goods .....	.26	1.23	.91	.20
Non-durable goods .....	-.08	1.41	1.01	.41
Services .....	1.70	1.40	2.14	2.17
Gross private domestic investment .....	1.34	4.07	-.75	1.16
Fixed investment .....	.48	2.82	1.95	.22
Nonresidential .....	.16	2.21	1.35	-.14
Structures .....	.03	-.15	-.07	-.04
Producers' durable equipment .....	.13	2.36	1.42	-.09
Residential .....	.32	.60	.60	.36
Change in business inventories .....	.85	1.22	-2.66	.94
Net exports of goods and services .....	-.30	-2.24	-2.08	-.39
Exports .....	.53	-.33	-.92	-.22
Goods .....	.67	-.29	-.98	.02
Services .....	-.14	-.04	.06	-.24
Imports .....	-.83	-1.94	-1.18	-.17
Goods .....	-.71	-1.75	-1.19	-.25
Services .....	-.12	-.19	.01	.08
Government consumption expenditures and gross investment .....	.02	-.34	.64	.29
Federal .....	-.14	-.57	.44	-.10
National defense .....	-.09	-.84	.38	-.17
Nondefense .....	-.05	-.26	.06	-.27
State and local .....	.15	.24	.20	-.39

increase in imports was larger than the slowdown in the decrease in exports.<sup>3</sup>

- The largest contributors to the third-quarter increase in real GDP were PCE for services and inventory investment, primarily investment in motor vehicle inventories (table 2). The increase in GDP was moderated by decreases in Federal nondefense spending and in exports of services and by an increase in imports of goods.

The price index for gross domestic purchases increased 0.5 percent in the third quarter after increasing 0.4 percent in the second (table 3); over the past four quarters, prices increased 0.4 percent, the lowest four-quarter increase during the current expansion. The price index for GDP increased 0.8 percent in the third quarter after increasing 0.9 percent in the second. The larger increases in GDP prices than in gross domestic purchases prices in the past two quarters were due to larger decreases in the prices of imports than in the prices of exports.<sup>4</sup>

Real disposable personal income (DPI) increased 3.1 percent in the third quarter after increasing 2.6 percent in the second. The personal saving rate was 0.2 percent in the third quarter, down from 0.4 percent in the second; these quarters are the only ones in which the saving rate has been below 1.0 percent since the quarterly series began in 1946.

3. Gross domestic purchases—a measure of purchases by U.S. residents regardless of where the purchased goods and services were produced—is calculated as GDP less exports of goods and services plus imports of goods and services.

4. Import prices are included in gross domestic purchases prices but not in GDP prices, and export prices are included in GDP prices but not in gross domestic purchases prices.

**Table 3.—Price Indexes**

[Percent change at annual rates; based on seasonally adjusted index numbers (1992=100)]

	1997	1998		
	IV	I	II	III
<b>Gross domestic product .....</b>	<b>1.1</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>
Less: Exports of goods and services .....	-1.6	-3.4	-1.8	-2.9
Plus: Imports of goods and services .....	-2.3	-10.4	-4.5	-4.8
<b>Equals: Gross domestic purchases .....</b>	<b>1.0</b>	<b>-.2</b>	<b>.4</b>	<b>.5</b>
Less: Change in business inventories .....				
<b>Equals: Final sales to domestic purchasers .....</b>	<b>1.0</b>	<b>-.1</b>	<b>.5</b>	<b>.5</b>
Personal consumption expenditures .....	1.1	0	.9	1.0
Private nonresidential fixed investment .....	-1.6	-3.0	-3.1	-3.7
Private residential investment .....	2.4	0	1.7	2.8
Government consumption expenditures and gross investment .....	2.2	1.1	.8	1.0
Addendum: Gross domestic purchases less food and energy .....	1.0	.7	.7	.6

NOTE.—Percent changes in major aggregates are in NIPA table 8.1. Index number levels are in NIPA tables 7.1, 7.2, and 7.4.

**Personal consumption expenditures**

Real PCE increased 4.1 percent in the third quarter after increasing 6.1 percent in the second quarter (table 4). Expenditures for both durable and nondurable goods slowed; expenditures for services increased at the same rate as in the second quarter.

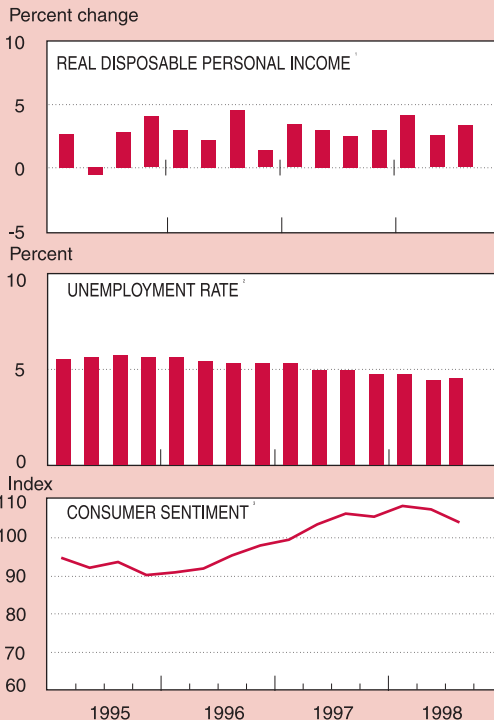
Many of the factors usually considered in analyses of PCE remained strong in the third quarter (chart 2). As mentioned above, real DPI accelerated. The Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) was only slightly below its near-record high in the second quarter. The unemployment rate edged up to 4.5 percent from 4.4 percent—its lowest rate in more than 25 years.

Expenditures for durable goods increased 2.4 percent after increasing 11.2 percent. A downturn in motor vehicles and parts was more than accounted for by downturns in purchases of new autos and trucks; net purchases of used autos turned up.<sup>5</sup> Furniture and household equipment accelerated; most of this acceleration was in consumer electronics, which includes computers.

5. Net purchases of used autos in PCE is defined as consumer purchases of used autos from business, government, and foreigners less consumer sales of used autos to these sectors. PCE for used autos has two components: Net transactions, which is consumer purchases less sales valued at wholesale prices, and dealers' margins, which is the difference between the retail and wholesale value of purchases by consumers from dealers. The sum of the net transactions of all sectors is zero and does not affect total GDP; dealers' margins do affect total GDP.

**CHART 2**

**Selected Factors Affecting Consumer Spending**



1. Disposable personal income in chained (1992) dollars; seasonally adjusted annual rates.  
 2. All civilian workers, seasonally adjusted.  
 Data: U.S. Department of Labor, Bureau of Labor Statistics  
 3. Data: University of Michigan's Survey Research Center.  
 U.S. Department of Commerce, Bureau of Economic Analysis

**Table 4.—Real Personal Consumption Expenditures**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997	1998		
	1998	1997	1998				IV	I	II
		III	IV	I	II	III			
<b>Personal consumption expenditures</b> .....	<b>5,181.9</b>	<b>34.0</b>	<b>74.1</b>	<b>75.1</b>	<b>51.7</b>	<b>2.8</b>	<b>6.1</b>	<b>6.1</b>	<b>4.1</b>
Durable goods .....	733.6	5.2	25.5	19.1	4.2	3.1	15.8	11.2	2.4
Motor vehicles and parts .....	252.3	-1.7	5.1	11.1	-6.6	-2.7	8.6	19.1	-9.8
Of which: New autos .....	79.2	-2.1	1.4	5.3	-6.5	-9.9	7.4	29.1	-27.2
New trucks .....	66.4	1.9	.8	6.7	-4.7	13.0	4.7	48.4	-23.8
Furniture and household equipment .....	352.3	5.4	17.7	3.5	13.0	7.1	24.1	4.3	16.2
Other .....	139.2	2.3	4.3	3.5	.6	7.3	13.9	10.5	1.7
Nondurable goods .....	1,548.9	-1.4	26.9	19.7	8.0	-4	7.4	5.3	2.1
Food .....	718.5	-7	6.9	9.5	2.2	-4	4.0	5.5	1.2
Clothing and shoes .....	310.0	.4	15.1	4.0	-1.4	.6	22.2	5.3	-1.8
Gasoline and oil .....	121.1	-3	.4	-1	2.7	-1.0	1.4	-3	9.2
Fuel oil and coal .....	9.9	-6	-9	.5	.2	-20.4	-29.7	23.6	9.7
Other .....	393.5	-2	6.7	5.7	4.3	-3	7.4	6.0	4.5
Services .....	2,905.0	29.4	24.5	37.5	38.2	4.3	3.5	5.4	5.4
Housing .....	737.0	4.4	4.8	4.0	4.3	2.5	2.7	2.2	2.4
Household operation .....	324.8	6.1	-4.8	10.2	8.3	8.2	-6.0	14.0	11.0
Electricity and gas .....	122.3	1.2	-7.9	6.9	4.9	4.3	-24.2	27.4	17.9
Other household operation .....	202.4	4.8	3.1	3.3	3.5	10.7	6.5	7.1	7.2
Transportation .....	221.3	2.2	2.0	3.5	-1	4.2	3.7	6.7	-2
Medical care .....	724.8	5.2	5.5	6.7	3.2	3.0	3.1	3.9	1.8
Other .....	899.5	11.8	16.3	13.8	22.8	5.8	7.9	6.5	10.8

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA tables 2.3, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

Expenditures for nondurable goods increased 2.1 percent after increasing 5.3 percent. Most of the deceleration was accounted for by a slowdown in food and by a downturn in clothing and shoes.

Expenditures for services increased 5.4 percent in both the second and third quarters. Transportation changed little after increasing, and medical care and household operation decelerated. "Other" services stepped up, reflecting an upturn in net foreign travel, which primarily resulted from a downturn in foreign residents' travel in the United States.

### Nonresidential fixed investment

Real private nonresidential fixed investment decreased 1.2 percent in the third quarter after increasing 12.8 percent in the second (table 5). The downturn was more than accounted for by a downturn in producers' durable equipment (PDE); structures decreased less than in the second quarter.

The downturn in nonresidential fixed investment may have reflected a weakening in some of the factors that affect investment spending (chart 3). Over the past four quarters, the capacity utilization rate declined to 81.5 percent from 83.1 percent, and domestic corporate profits decreased 2.6 percent. However, other factors remained strong. Real final sales of domestic product increased 3.5 percent, and long-term interest rates decreased—for example, the yield

on high-grade corporate bonds decreased to 6.32 percent from 7.26 percent.

PDE decreased 1.1 percent—the first decrease since the fourth quarter of 1991—after jumping 18.8 percent in the second quarter. Transportation and related equipment turned down sharply in the third quarter; all components except ships and boats contributed to the downturn, but trucks, buses, and trailers contributed the most. "Other" PDE and information processing and related equipment each increased less than in the second quarter.

Structures decreased 1.5 percent after decreasing 2.3 percent; structures have decreased in the last three quarters. In the third quarter, "other" structures turned up, and mining exploration, shafts, and wells decreased less than in the second quarter. In contrast, nonresidential buildings decreased more than in the second quarter.

### Residential investment

Real residential investment increased 8.6 percent in the third quarter after increasing 15.0 percent in the second (table 5). The slowdown was accounted for by single-family structures and by "other" residential investment, both of which increased less than in the second quarter. Multifamily construction decreased less than in the second quarter.

Single-family structures increased 12.8 percent after increasing 17.8 percent. Multifamily

Table 5.—Real Gross Private Domestic Fixed Investment

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997	1998		
	1998	1997	1998				IV	I	II
	III	IV	I	II	III				
<b>Gross private domestic fixed investment</b> .....	<b>1,268.7</b>	<b>10.2</b>	<b>55.4</b>	<b>39.2</b>	<b>4.6</b>	<b>3.6</b>	<b>20.4</b>	<b>13.4</b>	<b>1.4</b>
Nonresidential .....	957.4	4.0	45.7	28.5	-3.0	1.8	22.2	12.8	-1.2
Structures .....	201.2	.5	-2.6	-1.2	-7	.9	-4.9	-2.3	-1.5
Nonresidential buildings, including farm .....	149.2	-2.5	.6	-3	-6	-6.3	1.5	-.9	-1.4
Utilities .....	29.7	.1	0	.3	.2	1.1	.9	4.2	1.9
Mining exploration, shafts, and wells .....	16.4	.3	-1.0	-.9	-6	5.7	-18.7	-19.3	-12.8
Other .....	5.8	2.6	-2.2	-1	.3	401.0	-73.1	-9.2	20.5
Producers' durable equipment .....	769.1	3.8	52.4	32.5	-2.2	2.2	34.3	18.8	-1.1
Information processing and related equipment .....	399.0	9.2	32.7	23.4	22.2	12.4	47.5	29.2	25.8
Computers and peripheral equipment .....	370.2	13.0	49.3	39.3	38.7	24.6	109.2	65.7	55.7
Other .....	142.5	1.5	5.2	3.0	2.8	4.6	16.9	8.9	8.5
Industrial equipment .....	133.2	.9	2.9	1.0	.7	2.9	9.3	3.0	2.1
Transportation and related equipment .....	151.7	-2.1	15.8	8.3	-16.2	-5.4	51.7	22.4	-33.4
Of which: Motor vehicles .....	120.8	-6	5.4	6.3	-11.4	-1.9	19.1	21.3	-30.3
Other .....	125.8	-1.5	6.1	4.4	1.2	-4.4	23.5	15.3	3.9
Residential .....	315.5	5.6	10.6	10.6	6.4	8.2	15.6	15.0	8.6
Single-family structures .....	155.9	2.9	6.2	6.1	4.6	9.1	19.1	17.8	12.8
Multifamily structures .....	20.3	1.5	1.1	-1.4	-.4	31.9	24.7	-23.6	-8.3
Other <sup>1</sup> .....	139.9	1.3	3.1	6.0	2.1	4.0	10.1	19.4	6.3

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA tables 5.5, 8.5 (autos), and 8.7 (trucks). Percent changes in major aggregates are in NIPA table 8.1.

1. "Other" residential investment includes home improvements, new mobile home sales, brokers' commissions on home sales, residential equipment, and other residential structures (which consists primarily of dormitories and fraternity and sorority houses).



structures decreased 8.3 percent after falling 23.6 percent.

“Other” residential investment increased 6.3 percent after jumping 19.4 percent.<sup>6</sup> A downturn in brokers’ commissions more than offset an acceleration in home improvements. The downturn in brokers’ commissions reflected a decrease in home sales of 68,000 units (seasonally adjusted annual rate) in the third quarter after an increase of 316,000 units in the second. The downturn in home sales occurred despite a decrease in the commitment rate on 30-year,

fixed-rate mortgages from 7.10 percent to 6.90 percent (chart 4).

**Inventory investment**

Real inventory investment—that is, the change in business inventories—increased \$18.4 billion in the third quarter, as inventory accumulation stepped up to \$56.6 billion from \$38.2 billion in the second quarter (table 6).<sup>7</sup> Inventory investment had decreased sharply in the second quarter, as accumulation slowed from \$91.4 billion in the first quarter.

Wholesale trade inventories increased \$29.2 billion after increasing \$7.6 billion. Inventories of both durable goods and nondurable goods increased more than in the second quarter. The step-up in durable goods mainly reflected inventories of motor vehicles held by merchant wholesalers. The step-up in nondurable goods mainly reflected inventories of farm products.

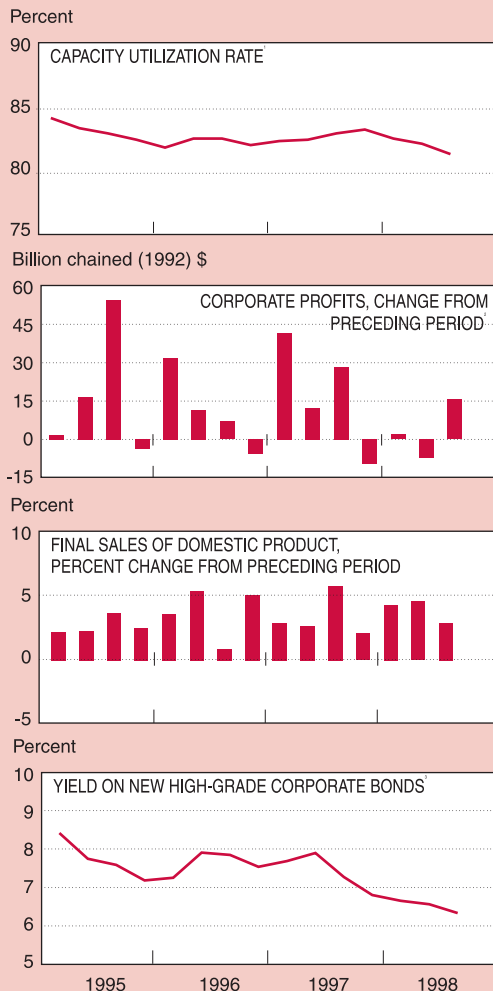
Retail trade inventories decreased \$4.5 billion after decreasing \$11.9 billion. Inventories of durable goods decreased less than in the second quarter, largely reflecting the pattern of

6. “Other” residential investment includes home improvements, new mobile home sales, brokers’ commissions on home sales, residential equipment, and other residential structures (which consists primarily of dormitories and fraternity and sorority houses).

7. Inventory accumulation in the third quarter was affected by the Federal Government’s privatization in late July of the United States Enrichment Corporation, which performs commercial nuclear enrichment activities. Proceeds of the sale totaled \$3.1 billion (current dollars). Of this total, \$1.6 billion (\$6.4 billion at an annual rate) was the market value of uranium inventories and of machinery and equipment. (The remaining \$1.5 billion was treated as a sale of financial assets and, consequently, excluded from GDP.) The inventory portion was deducted from government consumption expenditures and added to the change in business inventories; the machinery and equipment portion was deducted from government gross investment and was added to gross private domestic fixed investment.

**CHART 3**

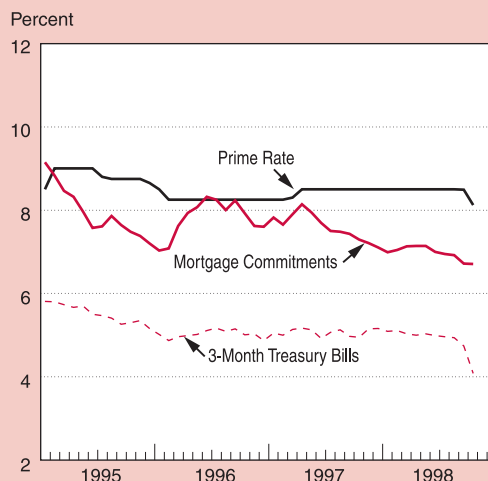
**Selected Factors Affecting Nonresidential Investment**



1. All industries. Data: Federal Reserve Board  
 2. Domestic industries.  
 3. Data: U.S. Treasury Department

**CHART 4**

**Selected Interest Rates**



Data: Federal Reserve Board, Federal Home Loan Mortgage Corporation

inventories of motor vehicle dealers. Inventories of nondurable goods increased less than in the second quarter; the slowdown largely reflected inventories of food stores and apparel stores.

Manufacturing inventories increased \$21.1 billion after increasing \$23.9 billion. Inventories of durable goods industries increased less than in the second quarter, and inventories of nondurable goods industries increased more. In the durable goods industries, inventories of transportation equipment (mainly aircraft) increased moderately after increasing sharply. In the nondurable goods industries, the step-up mainly reflected inventories of chemical manufacturers.

“Other” nonfarm inventories increased \$3.1 billion after increasing \$10.4 billion.<sup>8</sup> The slowdown was mainly accounted for by nondurable goods.

Farm inventories increased \$8.7 billion, the same as in the second quarter. Crop inventories increased more than in the second quarter, but livestock inventories decreased somewhat after little change.

The ratio of real nonfarm inventories to real final sales of domestic businesses edged up to 2.27 in the third quarter from 2.26 in the second. The ratio that limits final sales to goods and struc-

8. “Other” nonfarm inventories includes inventories held by the following industries: Mining; construction; public utilities; transportation; communication; finance, insurance, and real estate; and services.

**Table 6.—Real Change in Business Inventories**

[Billions of chained (1992) dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	1997		1998			1997		1998	
	III	IV	I	II	III	IV	I	II	III
<b>Change in business inventories</b> .....	<b>51.0</b>	<b>66.5</b>	<b>91.4</b>	<b>38.2</b>	<b>56.6</b>	<b>15.5</b>	<b>24.9</b>	<b>-53.2</b>	<b>18.4</b>
Farm .....	7.3	3.7	5.3	8.7	8.7	-3.6	1.6	3.4	0
Nonfarm .....	44.0	62.7	85.9	29.9	48.4	18.7	23.2	-56.0	18.5
Manufacturing .....	15.8	17.7	30.2	23.9	21.1	1.9	12.5	-6.3	-2.8
Durable goods .....	8.4	8.1	21.0	19.1	12.7	-3	12.9	-1.9	-6.4
Nondurable goods .....	7.4	9.5	9.2	4.9	8.4	2.1	-3	-4.3	3.5
Wholesale trade .....	16.7	20.2	27.0	7.6	29.2	3.5	6.8	-19.4	21.6
Durable goods .....	4.5	8.6	25.1	1.6	14.5	4.1	16.5	-23.5	12.9
Nondurable goods .....	11.8	11.4	2.3	5.9	14.5	-4	-9.1	3.6	8.6
Retail trade .....	5.0	16.9	17.3	-11.9	-4.5	11.9	.4	-29.2	7.4
Durable goods .....	3.4	14.1	1.6	-16.3	-6.8	10.7	-12.5	-17.9	9.5
Of which: Motor vehicle dealers .....	.7	10.5	-3.7	-13.8	-8.9	9.8	-14.2	-10.1	4.9
Nondurable goods .....	1.6	2.5	16.1	4.9	2.5	.9	13.6	-11.2	-2.4
Other .....	6.5	8.1	11.5	10.4	3.1	1.6	3.4	-1.1	-7.3
Durable goods .....	2.3	1.2	.4	.7	-1	-1.1	-8	.3	-8
Nondurable goods .....	4.2	6.9	11.5	10.0	3.3	2.7	4.6	-1.5	-6.7
<b>Addenda:</b>									
Motor vehicles .....	.8	10.3	2.6	-22.6	-9.2	9.5	-7.7	-25.2	13.4
Autos .....	.5	4.2	-1	-12.3	-3.0	3.7	-4.3	-12.2	9.3
Trucks .....	.4	5.9	2.5	-10.2	-6.0	5.5	-3.4	-12.7	4.2

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels for most series are in NIPA table 5.11; chained (1992) dollar levels for autos (new and used) and trucks (new only) are in NIPA tables 8.5 and 8.7.

**Table 7.—Real Exports and Imports of Goods and Services**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997		1998	
	1998	1997	1998			IV	I	II	III
	III	IV	I	II	III				
<b>Exports of goods and services</b> .....	<b>967.4</b>	<b>10.7</b>	<b>-6.9</b>	<b>-19.8</b>	<b>-4.7</b>	<b>4.4</b>	<b>-2.8</b>	<b>-7.7</b>	<b>-1.9</b>
Goods .....	726.8	14.3	-6.4	-22.2	.5	7.9	-3.4	-11.3	.3
Agricultural goods .....	45.8	3.6	-1.3	-3.3	-1.8	32.8	-9.9	-23.4	-14.1
Nonagricultural goods .....	685.5	10.1	-4.9	-18.6	2.6	5.9	-2.7	-10.2	1.5
Services .....	244.4	-2.5	-8	1.0	-4.4	-4.0	-1.2	1.7	-7.0
<b>Imports of goods and services</b> .....	<b>1,221.3</b>	<b>17.3</b>	<b>42.6</b>	<b>26.9</b>	<b>4.0</b>	<b>6.3</b>	<b>15.7</b>	<b>9.3</b>	<b>1.3</b>
Goods .....	1,054.8	15.1	39.2	27.8	6.0	6.4	17.0	11.4	2.3
Petroleum and products .....	72.6	-2.2	1.4	6.2	-1.9	-12.2	8.8	41.4	-9.8
Nonpetroleum products .....	981.9	17.6	37.7	22.4	7.3	8.1	17.6	9.7	3.1
Services .....	169.4	2.3	3.8	-3	-1.6	5.8	9.3	-6	-3.7
<b>Addendum: Net exports of goods and services</b> .....	<b>-253.9</b>	<b>-6.6</b>	<b>-49.5</b>	<b>-46.7</b>	<b>-8.7</b>				

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA table 4.4. Percent changes in major aggregates are in NIPA table 8.1.

tures increased to 4.06 from 4.03. For both ratios, the third-quarter levels are somewhat higher than their averages since 1995.

**Exports and imports**

Real exports of goods and services decreased 1.9 percent in the third quarter after decreasing 7.7 percent in the second (table 7). Real imports of goods and services increased 1.3 percent after increasing 9.3 percent.

Real exports of goods increased 0.3 percent after decreasing 11.3 percent; exports of nonagricultural goods turned up, and exports of agricultural goods decreased less than in the second quarter. The upturn in nonagricultural goods was mainly accounted for by a sharp upturn in civilian aircraft and engines and by a smaller decrease in “other” nonautomotive capital goods in the third quarter than in the second.

Real exports of services decreased 7.0 percent after increasing 1.7 percent. Downturns in travel and in passenger fares more than offset upturns in transfers under U.S. military agency sales contracts and in “other transportation.”

Real imports of goods increased 2.3 percent after increasing 11.4 percent; imports of non-petroleum goods slowed considerably, and imports of petroleum and products turned down. The slowdown in nonpetroleum imports was mainly in nonautomotive capital goods and in nonautomotive consumer goods.

Real imports of services decreased 3.7 percent after decreasing 0.6 percent. The larger decrease was accounted for by “other private services,” which changed little after increasing, and by passenger fares, travel, and “other transportation,” all of which turned down.

**Government spending**

Real government consumption expenditures and gross investment increased 1.6 percent in the third quarter after increasing 3.7 percent in the second (table 8). A downturn in Federal Government spending more than offset an acceleration in State and local government spending.

Federal nondefense spending decreased 12.2 percent after increasing 2.6 percent. The third-quarter decrease was more than accounted for by the privatization of the United States Enrichment Corporation (see footnote 7 for more information). Consumption expenditures decreased after increasing, largely reflecting the deduction in inventories that resulted from the sale of the United States Enrichment Corporation. Investment spending decreased considerably less than in the second quarter, reflecting a smaller decrease in equipment and an upturn in structures.

Federal defense spending increased 4.3 percent after increasing 9.9 percent. The slowdown was more than accounted for by a downturn in consumption spending that reflected a downturn in services other than compensation of employees. Investment increased substantially after decreasing, mainly reflecting an upturn in equipment—largely in aircraft and in “other” equipment.

State and local government spending increased 3.4 percent after increasing 1.8 percent. The step-up was accounted for by an upturn in investment spending, largely in structures; consumption expenditures increased about the same in each quarter. (For more information on government spending, see the section “Government Sector.”)

**Table 8.—Real Government Consumption Expenditures and Real Gross Investment by Type**

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1998			
	1998	1997	1998			1997	1998		
	III	IV	I	II	III	IV	I	II	III
<b>Government consumption expenditures and gross investment .....</b>	<b>1,300.0</b>	<b>0.3</b>	<b>-6.2</b>	<b>11.8</b>	<b>5.2</b>	<b>0.1</b>	<b>-1.9</b>	<b>3.7</b>	<b>1.6</b>
Federal .....	452.2	-2.4	-10.4	8.0	-1.9	-2.1	-8.8	7.3	-1.6
National defense .....	303.6	-1.5	-15.4	7.0	3.3	-2.0	-18.5	9.9	4.3
Consumption expenditures .....	265.2	-2.3	-12.1	8.2	-9	-3.3	-16.8	13.3	-1.4
Gross investment .....	38.5	.8	-3.3	-1.3	4.4	8.3	-29.9	-13.7	62.1
Nondefense .....	148.0	-9	4.6	1.0	-4.9	-2.3	13.1	2.6	-12.2
Consumption expenditures .....	128.2	.5	1.0	2.9	-4.7	1.4	3.3	9.1	-13.3
Gross investment .....	19.8	-1.5	4.1	-2.3	-1	-27.9	128.0	-35.1	-2.7
State and local .....	848.0	2.8	4.2	3.8	7.1	1.3	2.1	1.8	3.4
Consumption expenditures .....	691.7	3.8	4.3	4.5	4.4	2.3	2.5	2.7	2.6
Gross investment .....	156.2	-1.0	-1	-7	2.7	-2.6	0	-1.9	7.3

NOTE.—See note to table 1 for an explanation of chained (1992) dollar series. Chained (1992) dollar levels and residuals are in NIPA table 3.8. Percent changes in major aggregates are in NIPA table 8.1.

## Revisions

As noted earlier, the preliminary estimate of a 3.9-percent increase in real GDP in the third quarter is 0.6 percentage point higher than the advance estimate (table 9); for 1978–97, the average revision, without regard to sign, from the advance estimate to the preliminary estimate was 0.5 percentage point.

The revision to GDP primarily reflected upward revisions to nonautomotive inventory investment and to nonresidential and residential structures. Revisions to imports and exports, to PCE for durable goods, to business investment in PDE,

and to business investment in motor vehicle inventories were mostly offsetting.

The upward revision to nonautomotive inventory investment primarily reflected the incorporation of revised Census Bureau data on wholesale trade inventories for August and newly available data for September.

The upward revisions to nonresidential and residential structures primarily reflected the incorporation of revised Census Bureau data on the value of construction put in place for July and August and newly available data for September.

Imports were revised down, and exports were revised up; both revisions primarily reflected the incorporation of revised Census Bureau data for goods for August and newly available data for September. These revisions were primarily in capital goods (both equipment and parts). Because the imports and exports of capital equipment are also used to calculate PDE, PDE was revised down; in order to estimate PDE—that is, domestic business spending on equipment—imports are added to domestic manufacturers' shipments of business equipment, and exports are subtracted.

PCE for durable goods was revised up. The revision was mainly to trucks and to used autos, largely reflecting the incorporation of newly available September data on the consumer share of truck purchases and on used car sales and inventories. The incorporation of newly available data also contributed to downward revisions to PDE for trucks and to business investment in motor vehicle inventories.

The preliminary estimates of the increases in the price indexes for gross domestic purchases (0.5 percent) and for GDP (0.8 percent) were the same as the advance estimates.

The preliminary estimate of the increase in real DPI was 3.1 percent, 0.5 percentage point higher than the advance estimate. Current-dollar DPI increased 4.1 percent, also 0.5 percentage point higher than the advance estimate. The upward revision to DPI was primarily accounted for by a downward revision to personal tax and non-tax payments that reflected the incorporation of newly available Federal tax collection data from the *Monthly Treasury Statement* for September; current-dollar personal income was revised up only slightly. The preliminary estimate of the personal saving rate—personal savings as a percentage of current-dollar DPI—was 0.2 percent, 0.1 percentage point higher than the advance estimate.

**Table 9.—Revisions to Real Gross Domestic Product and Prices,  
Third Quarter 1998**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Preliminary estimate minus advance estimate	
	Advance estimate	Preliminary estimate	Percentage points	Billions of chained (1992) dollars
<b>Gross domestic product</b> .....	<b>3.3</b>	<b>3.9</b>	<b>0.6</b>	<b>10.5</b>
Less: Exports of goods and services .....	-2.9	-1.9	1.0	2.4
Goods .....	-4	.3	.7	1.3
Services .....	-8.6	-7.0	1.6	1.1
Plus: Imports of goods and services .....	3.4	1.3	-2.1	-6.2
Goods .....	4.5	2.3	-2.2	-5.5
Services .....	-2.2	-3.7	-1.5	-7
<b>Equals: Gross domestic purchases</b> .....	<b>4.0</b>	<b>4.2</b>	<b>.2</b>	<b>3.6</b>
Less: Change in business inventories .....				-6
Nonfarm .....				-8
Farm .....				.2
<b>Equals: Final sales to domestic purchasers</b> .....	<b>2.3</b>	<b>2.9</b>	<b>.6</b>	<b>11.0</b>
Personal consumption expenditures .....	3.9	4.1	.2	2.6
Durable goods .....	0	2.4	2.4	4.2
Nondurable goods .....	2.3	2.1	-.2	-.7
Services .....	5.5	5.4	-.1	-.4
Fixed investment .....	1.2	1.4	.2	.9
Nonresidential .....	-1.0	-1.2	-.2	-.7
Structures .....	-6.5	-1.5	5.0	2.6
Producers' durable equipment .....	1.1	-1.1	-2.2	-4.2
Residential .....	6.8	8.6	1.8	1.2
Government consumption expenditures and gross investment .....	1.4	1.6	.2	.6
Federal .....	-1.7	-1.6	.1	.1
National defense .....	4.2	4.3	.1	.2
Nondefense .....	-12.1	-12.2	-.1	-.1
State and local .....	3.2	3.4	.2	.5
<b>Addenda:</b>				
Final sales of domestic product .....	2.3	2.9	.6	11.0
Gross domestic purchases price index <sup>1</sup> .....	.5	.5	0	
GDP price index <sup>1</sup> .....	.8	.8	0	

1. Based on chained-type annual (1992) weights.

NOTE.—The preliminary estimates for the third quarter of 1998 incorporate the following revised or additional major source data that were not available when the advance estimates were prepared.

*Personal consumption expenditures:* Retail sales for August and September (revised), consumers' share of new-car purchases for September, average unit value for domestic new autos for September (revised), used car sales for July and August, consumers' share of new-truck purchases for September, and residential electricity usage for July.

*Nonresidential fixed investment:* Construction put in place for July and August (revised) and September, manufacturers' shipments of machinery and equipment for August and September (revised), and exports and imports of machinery and equipment for August (revised) and September.

*Residential fixed investment:* Construction put in place for July and August (revised) and September.

*Change in business inventories:* Manufacturing, retail trade, and wholesale trade inventories for August (revised) and September.

*Exports and imports of goods and services:* Exports and imports of goods for August (revised) and September.

*Government consumption expenditures and gross investment:* Monthly Treasury Statement detailed data for September, Department of Defense detailed financial reports for the quarter, and State and local government construction put in place for July and August (revised) and September.

*Wages and salaries:* Employment, average hourly earnings, and average weekly hours for August and September (revised).

*GDP prices:* Detailed merchandise export and import price indexes for July through September (revised), unit-value index for petroleum imports for August (revised) and September, and housing prices for the third quarter.

## Corporate Profits

Profits from current production increased \$3.3 billion in the third quarter after decreasing \$8.6 billion in the second (table 10).<sup>9</sup> An increase in profits of domestic corporations was largely offset by a decrease in profits from the rest of the world. Profits of domestic financial corporations increased \$2.0 billion after decreasing \$1.2 billion. Profits of domestic nonfinancial corporations increased \$13.6 billion after decreasing \$6.1 billion; in the third quarter, unit profits and real product increased. Profits from the rest of the world decreased \$12.2 billion after decreasing \$1.3 billion; the third-quarter decrease mainly reflected a drop in receipts of earnings from foreign affiliates.<sup>10</sup>

Cash flow from current production, a profits-related measure of internally generated funds

9. 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 (which are part of the "Selected NIPA Tables"; see page D-2 of this issue) as corporate profits with inventory valuation and capital consumption adjustments.

10. 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 are derived from BEA's international transactions accounts.

**Table 10.—Corporate Profits**

[Seasonally adjusted at annual rates]

	Level		Change from preceding quarter		
	1998	1997	1998		
	III	IV	I	II	III
	Billions of dollars				
<b>Profits from current production</b> .....	<b>823.9</b>	<b>-20.1</b>	<b>8.4</b>	<b>-8.6</b>	<b>3.3</b>
Domestic industries .....	738.9	-9.8	1.8	-7.3	15.6
Financial .....	132.1	6.2	1.8	-1.2	2.0
Nonfinancial .....	606.8	-15.9	0	-6.1	13.6
Rest of the world .....	85.1	-10.3	6.6	-1.3	-12.2
Receipts (inflows) .....	134.8	-14.7	3.6	-1	-11.2
Payments (outflows) .....	49.7	-4.2	-3.1	1.2	1.0
IVA .....	12.1	-5	21.0	-17.5	4.3
CCAadj .....	94.9	2.9	4.8	4.5	5.5
Profits before tax .....	717.0	-22.5	-17.3	4.4	-6.5
Profits tax liability .....	243.8	-4.9	-9.4	1.7	2.2
Profits after tax .....	473.2	-17.6	-7.9	2.6	-8.6
Cash flow from current production .....	804.3	-9.7	21.9	-5.8	5.6
<b>Corporate profits with IVA</b> .....	<b>729.1</b>	<b>-23.0</b>	<b>3.6</b>	<b>-13.0</b>	<b>-2.2</b>
Domestic industries .....	644.0	-12.7	-2.9	-11.9	10.1
Financial .....	135.7	6.1	1.6	-1.9	1.3
Nonfinancial .....	508.3	-18.8	-4.6	-9.9	8.8
Rest of the world .....	85.1	-10.3	6.6	-1.3	-12.2
	Dollars				
<b>Unit price, costs, and profits of nonfinancial corporations:</b>					
Unit price .....	1.061	0	-0.002	0	0
Unit labor cost .....	.698	.007	.002	.002	-.001
Unit nonlabor cost .....	.225	-.001	-.001	-.001	-.001
Unit profits from current production .....	.137	-.006	-.002	-.003	.001

NOTE.—Levels of these and other profits series are in NIPA tables 1.14, 1.16, 6.18C, and 7.15.

IVA Inventory valuation adjustment  
CCAadj Capital consumption adjustment

available for investment, increased \$5.6 billion after decreasing \$5.8 billion. The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, increased to 86.5 percent from 84.8 percent; the increase followed four consecutive decreases. The average quarterly ratio for 1991-97 was 91.9 percent.

*Industry profits and related measures.*—Industry profits decreased \$2.2 billion after decreasing \$13.0 billion.<sup>11</sup> Profits of domestic nonfinancial corporations increased \$8.8 billion after decreasing \$9.9 billion, partly reflecting upturns in the transportation and public utility group and in manufacturing. Profits of domestic financial corporations increased \$1.3 billion after decreasing \$1.9 billion. Profits from the rest of the world decreased \$12.2 billion after decreasing \$1.3 billion.

Profits before tax (PBT) decreased \$6.5 billion after increasing \$4.4 billion. About half of the difference between this decrease and the \$3.3 billion increase in profits from current production was accounted for by larger inventory losses, as reflected in a \$4.3 billion increase in the inventory valuation adjustment.<sup>12</sup> The rest of the difference was accounted for by the capital consumption adjustment.

## Government Sector

The current surplus of the Federal Government and of State and local governments, the NIPA measure of net saving by government, grew \$27.4 billion, to \$243.1 billion, in the third quarter after increasing \$16.7 billion in the second (table 11).<sup>13</sup> The step-up was accounted for by accelerations in the current surpluses of both the State and local governments and Federal Government.<sup>14</sup>

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

12. As prices change, companies that value inventory withdrawals at original acquisition (historical) costs may realize inventory profits or losses. Inventory profits—a capital-gains-like element in profits—result from an increase in inventory prices, and inventory losses—a capital-loss-like element in profits—result from a decrease in inventory prices. In the NIPA's, inventory profits or losses are shown as adjustments to business income (corporate profits and proprietors' income). Inventory profits are shown as the inventory valuation adjustment with the sign reversed.

13. Net saving equals gross saving less consumption of fixed capital (CFC). Estimates of government gross saving, CFC, and net saving are shown in NIPA table 5.1.

14. The NIPA estimates for the government sector are based on financial statements for the Federal Government and for State and local governments, but they differ from them in several respects. The major differences are shown in NIPA tables 3.18B and 3.19, which reconcile the NIPA estimates with government financial statements; these tables were most recently published on pages 10 and 11 of the October 1998 SURVEY OF CURRENT BUSINESS.

### Federal

The Federal Government current surplus increased \$18.7 billion, to \$93.1 billion, in the third quarter after increasing \$15.6 billion in the second; the acceleration resulted from a sharper deceleration in current expenditures than in receipts.

*Receipts.*—Federal receipts increased \$20.1 billion in the third quarter after increasing \$29.2 billion in the second. The deceleration was accounted for by personal tax and nontax receipts, which

**Table 11.—Government Sector Receipts and Current Expenditures**

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	1998	1997		1998		
	III	III	IV	I	II	III
Receipts .....	2,779.3	51.1	34.3	53.3	41.6	34.1
Current expenditures .....	2,536.2	10.2	26.9	-2.1	24.9	6.7
Current surplus or deficit (-) .....	243.1	40.9	7.4	55.4	16.7	27.4
Social insurance funds .....	164.0	5.6	7.7	3.5	6.3	5.7
Other .....	79.0	35.3	-3	51.9	10.4	21.6
<b>Federal Government</b>						
Receipts .....	1,858.4	36.0	25.9	43.6	29.2	20.1
Personal tax and nontax receipts .....	863.5	17.8	21.7	37.9	19.2	7.8
Corporate profits tax accruals .....	208.0	10.5	-4.2	-8.0	1.4	1.8
Indirect business tax and nontax accruals .....	97.9	-4	-1.3	.1	1.3	2.7
Contributions for social insurance .....	689.1	8.2	9.7	13.6	7.3	7.9
Current expenditures .....	1,765.3	1.5	23.5	-13.1	13.6	1.4
Consumption expenditures .....	458.2	-4.8	.1	-9.2	13.1	-5.8
National defense .....	302.7	-4.4	-1.2	-11.5	9.7	-3
Nondefense .....	155.4	-4	1.3	2.3	3.3	-5.5
Transfer payments (net) .....	816.1	4.1	14.7	2.6	2.6	5.0
To persons .....	805.8	3.9	3.2	14.2	3.5	3.7
To the rest of the world .....	10.3	0	11.6	-11.6	-9	1.3
Grants-in-aid to State and local governments .....	231.4	1.2	7.4	-3.1	-1.8	4.5
Net interest paid .....	225.7	.3	-1	-3.0	.5	-2.6
Subsidies less current surplus of government enterprises .....	34.0	.9	1.2	-3	.1	.5
Subsidies .....	30.6	-4	-5	-9	-5	-4
Of which: Agricultural subsidies .....	7.6	0	-1	-2	-1	-1
Less: Current surplus of government enterprises .....	-3.4	-1.3	-1.8	-5	-6	-9
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	93.1	34.5	2.5	56.6	15.6	18.7
Social insurance funds .....	96.6	6.2	8.0	3.6	6.1	6.0
Other .....	-3.5	28.2	-5.4	53.0	9.5	12.7
<b>State and local governments</b>						
Receipts .....	1,152.2	16.3	15.7	6.8	10.5	18.4
Personal tax and nontax receipts .....	244.3	5.4	4.8	3.5	6.8	7.1
Corporate profits tax accruals .....	35.8	1.9	-8	-1.4	.3	.4
Indirect business tax and nontax accruals .....	558.4	7.4	3.8	7.3	4.5	5.9
Contributions for social insurance .....	82.4	.5	.4	.5	.6	.7
Federal grants-in-aid .....	231.4	1.2	7.4	-3.1	-1.8	4.5
Current expenditures .....	1,002.3	9.9	10.8	7.9	9.5	9.8
Consumption expenditures .....	793.1	8.2	9.3	5.2	8.0	8.4
Transfer payments to persons .....	318.2	3.0	3.1	4.0	3.0	2.6
Net interest paid .....	-83.7	-1.5	-1.3	-1.2	-1.5	-1.5
Less: Dividends received by government .....	16.0	.1	.4	.5	.3	0
Subsidies less current surplus of government enterprises .....	-9.4	.1	.2	.4	.3	.2
Subsidies .....	.4	0	0	0	0	0
Less: Current surplus of government enterprises .....	9.8	-1	-2	-4	-3	-2
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	150.0	6.5	4.8	-1.2	1.1	8.7
Social insurance funds .....	67.4	-6	-3	-1	.2	-3
Other .....	82.6	7.1	5.1	-1.1	.9	9.0

NOTE.—Levels of these series are in NIPA tables 3.1–3.3.

increased \$7.8 billion after increasing \$19.2 billion. In personal tax and nontax receipts, “estimated income tax payments and final settlements, less refunds” decreased \$3.1 billion after increasing \$3.7 billion, and net estate and gift taxes decreased \$2.4 billion after increasing \$2.7 billion.<sup>15</sup>

Indirect business tax and nontax accruals increased \$2.7 billion after increasing \$1.3 billion. The step-up was accounted for by customs duties, which increased \$1.4 billion after increasing \$0.2 billion.

Contributions for social insurance increased \$7.9 billion after increasing \$7.3 billion. The acceleration was mostly attributable to contributions for social security (old-age, survivors, disability, and health insurance), which increased \$7.6 billion after increasing \$7.2 billion, partly reflecting a step-up in wages and salaries.

Corporate profits tax accruals increased \$1.8 billion after increasing \$1.4 billion, reflecting the pattern of domestic corporate profits before tax.

*Current expenditures.*—Current expenditures increased \$1.4 billion in the third quarter after increasing \$13.6 billion in the second.<sup>16</sup> The deceleration was more than accounted for by a downturn in consumption expenditures and by a larger decrease in net interest paid in the third quarter than in the second. In contrast, grants-in-aid to State and local governments turned up, and transfer payments accelerated.

Consumption expenditures decreased \$5.8 billion after increasing \$13.1 billion. The downturn was accounted for by both defense consumption expenditures, which decreased \$0.3 billion after increasing \$9.7 billion, and nondefense consumption expenditures, which decreased \$5.5 billion after increasing \$3.3 billion.

Within defense consumption expenditures, services turned down, mostly as a result of a deceleration in research and development services and a downturn in personnel support services. The downturn in services was partly offset by an upturn in nondurable goods, primarily in ammunition, and by a step-up in durable goods, mainly in missile parts.

The downturn in nondefense consumption expenditures was more than accounted for by a downturn in durable goods and by a deceleration

15. “Estimated income tax payments and final settlements, less refunds” reflects data on collections of Federal nonwithheld income taxes through September, which include the final payment of quarterly estimated taxes in the calendar year. For information on recent changes in the methodology for these estimates, see Eugene P. Seskin, “Annual Revision of the National Income and Product Accounts,” SURVEY 78 (August 1998): 29–31.

16. For information on the definition of current expenditures as well as of other major NIPA components, see “A Guide to the NIPAs,” SURVEY 78 (March 1998): 26–68.

tion in services. Durable goods decreased \$6.1 billion after increasing \$0.1 billion; the downturn was attributable to the sale of the United States Enrichment Corporation, which reduced consumption expenditures \$5.8 billion in the third quarter (see [footnote 7](#) for more information). The deceleration in services was primarily attributable to an upturn in sales of services; sales except those by government enterprises for goods and services that are similar to those provided by the private sector are treated as deductions from government consumption expenditures.

Net interest paid decreased \$2.6 billion after decreasing \$0.5 billion. The larger decrease was attributable to gross interest paid, which decreased \$2.6 billion after decreasing \$0.1 billion.

Grants-in-aid to State and local governments increased \$4.5 billion after decreasing \$1.8 billion. Grants for education, highways, and food and nutrition programs turned up, and grants for public assistance and the Environmental Protection Agency turned down.


Transfer payments (net) increased \$5.0 billion after increasing \$2.6 billion. The acceleration was attributable to transfer payments to the rest of the world, which increased \$1.3 billion after decreasing \$0.9 billion. Transfer payments to persons increased \$3.7 billion after increasing \$3.5 billion.

### *State and local*

The State and local government current surplus increased \$8.7 billion, to \$150.0 billion,

in the third quarter after increasing \$1.1 billion in the second. The acceleration was more than accounted for by an acceleration in receipts.

Receipts increased \$18.4 billion after increasing \$10.5 billion. The acceleration was mostly accounted for by the upturn in Federal grants-in-aid and by a step-up in indirect business tax and nontax accruals. Indirect business tax and nontax accruals increased \$5.9 billion after increasing \$4.5 billion; the acceleration was mostly accounted for by a step-up in "other tax and nontax accruals"; these accruals were boosted \$1.7 billion by payments from tobacco companies for out-of-court settlements with four States. The step-up in "other tax and nontax accruals" was partly offset by a deceleration in sales taxes.

Current expenditures increased \$9.8 billion after increasing \$9.5 billion; an acceleration in consumption expenditures and a deceleration in dividends received by government were partly offset by a deceleration in transfer payments. Consumption expenditures increased \$8.4 billion after increasing \$8.0 billion; the acceleration was primarily attributable to a step-up in services. Dividends received by government, which are recorded as a deduction to current expenditures in the derivation of the current surplus, were unchanged after increasing \$0.3 billion. Transfer payments to persons increased \$2.6 billion after increasing \$3.0 billion; the deceleration was the result of a deceleration in payments for medicaid. 

# Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income

By Bruce T. Grimm and Robert P. Parker

Kurt Kunze and Teresa L. Weadock contributed to the development of this article. Colleen Ryan provided secretarial support.

**T**HE GOAL of the national income and product accounts (NIPA's) is to provide a comprehensive and reliable picture of the condition of the domestic economy. In particular, the current quarterly estimates of gross domestic product (GDP) are of crucial importance for the analysis of economic conditions that supports economic policy-making and business planning.<sup>1</sup>

The reliability of these current quarterly estimates can be evaluated by answering the following four questions.

- Do the estimates provide a reliable indication of the direction in which aggregate economic activity is moving?
- Do they provide a reliable indication of whether the change in aggregate economic activity is accelerating or decelerating?
- Do they provide a reliable indication of whether the change in aggregate economic activity differs significantly from the longer run trend?
- Do they provide a reliable indication of cyclical turning points?

1. The current quarterly estimates consist of the "advance," "preliminary," and "final" estimates that are released near the end of the first, second, and third months, respectively, after the end of each quarter.

**Table 1.—Reliability of Current Quarterly Estimates of Real GDP, 1983–97**

[Percent]

Vintage of estimate	Percentage of estimates that provided the correct indication <sup>1</sup>		
	Of the direction of change	Of the acceleration/ deceleration from the preceding quarter	Of the growth of trend rate <sup>2</sup>
Advance .....	98	78	78
Preliminary .....	98	73	73
Final .....	98	78	73
Number of quarters compared .....	60	60	37

1. For each quarter, the current quarterly estimate is compared with the latest available estimate to determine whether the current quarterly estimate provided a "correct indication."

2. Consists of the quarters in which the latest estimates increased at least 1.5 percent but no more than 4.5 percent.

The first three questions are addressed, with respect to the current quarterly estimates of real GDP for 1983–97, in [table 1](#). The standards of comparison are the latest available estimates, which are assumed to provide the most accurate available measure of economic activity. The first column of the table shows that the three sets of current quarterly estimates each correctly indicated the direction of change 98 percent of the time (that is, in 59 of 60 quarters). The second column shows that the current quarterly estimates correctly indicated the acceleration or deceleration about three-fourths of the time. The final column examines the ability of the current quarterly estimates to indicate whether the economy was increasing at a rate near the trend rate of about 3 percent for 1983–97. It shows that the current quarterly estimates provide correct indications of near-trend rates of increase (1.5 percent to 4.5 percent) about three-fourths of the time.

**Table 2.—Timing Accuracy of Real GDP Estimates at Cyclical Peaks and Troughs**

Estimate	Peaks				
	1969:III	1973:IV	1980:I	1981:I	1990:II
Advance .....	x	x	x	x	y
Preliminary .....	x	x	x	x	y
Final .....	( <sup>1</sup> )	( <sup>1</sup> )	x	x	y
First annual .....	x	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	y
Second annual .....	x	x	x	y	x
Third annual .....	x	x	x	x	x
	Troughs				
	1970:IV	1975:I	1980:III	1982:III	1991:I
Advance .....	x	y	y	y	x
Preliminary .....	x	x	y	y	x
Final .....	( <sup>1</sup> )	( <sup>1</sup> )	y	y	x
First annual .....	x	x	( <sup>1</sup> )	y	x
Second annual .....	x	x	y	x	x
Third annual .....	x	x	y	( <sup>1</sup> )	x

1. Estimate was not made.  
 x Peak or trough correctly identified  
 y Peak or trough not correctly identified



The fourth question is addressed in [table 2](#). One or more of the current quarterly estimates successfully identified four of the five cyclical peaks since the beginning of 1969. The current quarterly estimates also successfully identified three of the five cyclical troughs. In all but one of the cases for which the peak or trough was not successfully identified, the “miss” was by a lag of one quarter; in the other case, the “miss” was by a lead of one quarter.

## Background

This article, which is based on a report recently submitted to the Office of Management and Budget (OMB), updates BEA’s evaluation of the GDP estimates.<sup>2</sup> It expands on previous articles by including an evaluation of the components of gross domestic income (GDI), an evaluation of annual estimates of GDP and GDI and their major components, and a review of the estimates of quarterly GDP at cyclical turning points.

The report to OMB follows the requirements of Statistical Policy Directive No. 3, which mandates that for each principal Federal economic indicator, the agency that compiles that indicator must evaluate its performance every 3 years.<sup>3</sup> It requires that the performance evaluation address the “accuracy and reliability of the series...” as well as some other standards for documentation, avoidance of premature disclosure, and promptness in releasing estimates.

As with previous evaluations, this article evaluates GDP performance using measures of revisions. It does not directly address the “accuracy” of GDP, because such an evaluation would require data on the total measurement error, which cannot be observed. This total error arises from errors in the source data and in the estimating procedures that use the source data. Assuming that later estimates are more accurate than earlier ones, the revisions reflect improvements in accuracy relative to earlier estimates, although the later estimates may contain unknown errors.

The measures of revisions presented in this article form the basis of the evaluation of the reliability of the estimates. Revisions are due to the following: (1) Replacement of preliminary source data with revised or more comprehensive data, (2) replacement of judgmental projections with source data, (3) changes in definitions or

estimating procedures, and (4) for real estimates, changes in the base year and changes in the index-number formulas used to calculate them. This last item covers a change from fixed-weight methodology to chain-weight methodology for calculating real economic measures. This change was introduced in the most recent comprehensive, or benchmark, revision of the NIPA’s; shifts in the base year were incorporated in previous comprehensive NIPA revisions.

This article discusses the reliability of the estimates for 1983–97.<sup>4</sup> Three groups of estimates were used to calculate the measures of reliability used in this article. The first group is the current quarterly estimates, which consist of the “advance,” “preliminary,” and “final” estimates. The second group is the annual revision estimates, which consist of the first, second, and third annual revision estimates that are released in late July except in the years of a comprehensive NIPA revision. The third group is the “latest” estimates, which include the results of the comprehensive NIPA revision released in January 1996 as well as the most recent annual revisions of the NIPA’s released in July 1997 and July 1998.<sup>5</sup>

The remainder of this article provides information that amplifies the initial findings presented in [tables 1 and 2](#). First, it describes the three measures used in this performance evaluation of reliability. Second, it provides additional evaluations of the current quarterly estimates of GDP and GDI and their major components. Third, it presents additional information about performance at cyclical turning points. Fourth, it evaluates the annual estimates of GDP and of GDI and their major components. Finally, it describes revisions to the estimates of the level of current-dollar GDP.

## Measures of revisions: Bias, dispersion, and relative dispersion

GDP estimates are made using a large number of disparate data sources, including government and private surveys, censuses, and administrative records. As a result, it is not possible to calculate some traditional measures of accuracy, such as the coefficients of variation for monthly retail sales that are published by the Census Bureau. The measures used by BEA are bias, dispersion,

4. Estimates for years before 1983 were benchmarked to the 1982 input-output table, which was released in July 1991, and were reviewed in the previous evaluation article. In the most recent comprehensive NIPA revision, the revisions to those current-dollar GDP estimates were small.

5. For additional information about the various vintages of estimates and how they are prepared, see “Updated Summary NIPA Methodologies,” *SURVEY* 78 (September 1998): 14–35.

2. See Allan H. Young, “Reliability and Accuracy of the Quarterly Estimates of GDP,” *SURVEY OF CURRENT BUSINESS* 73 (October 1993): 29–43.

3. “Statistical Policy Directive No. 3,” *Federal Register*, Vol. 50, No. 186 (September 25, 1985): 38, 932–34.

and relative dispersion, which are calculated as follows.

*Bias* is the average of the revisions:

$$\sum (P - L) / n$$

where  $P$  is the percentage change in the current quarterly (or annual) estimate,  $L$  is the percentage change in the latest estimate, and  $n$  is the number of quarterly changes.

*Dispersion* is the average of the absolute values of the revisions:

$$\sum |P - L| / n$$

*Relative dispersion* expresses the dispersion as a percentage of the average of the absolute values of the latest available estimates:

$$\frac{\sum |P - L| / n}{\sum |L| / n}$$

The two dispersion measures are emphasized in this article because the bias estimates are generally small, and small changes in the time period examined often result in substantial changes in the measures of bias.<sup>6</sup>

### Quarterly estimates

Table 3 shows dispersions and relative dispersions for current-dollar and real GDP and the major components for 1983–97. There is little or no tendency for improvements across the successive quarterly estimates: The revision measures

6. The previous article found that most bias estimates were generally not statistically significant; see Young, 37–38.

Table 3.—Dispersion and Relative Dispersion in Revisions to Current-Dollar and Real GDP and Its Components: Current Quarterly Estimates Compared with Latest Estimates, 1983–97

Vintage of estimates	Dispersion (percentage points)		Relative dispersion (percent)		Vintage of estimates	Dispersion (percentage points)		Relative dispersion (percent)	
	Current-dollar estimates	Real estimates	Current-dollar estimates	Real estimates		Current-dollar estimates	Real estimates	Current-dollar estimates	Real estimates
Gross domestic product:					Residential:				
Advance .....	1.04	1.08	16	31	Advance .....	4.75	4.90	36	41
Preliminary .....	0.99	1.10	16	32	Preliminary .....	4.60	4.93	35	41
Final .....	1.02	1.15	16	33	Final .....	4.69	4.81	36	40
Personal consumption expenditures:					Change in business inventories <sup>1</sup> .....				
Advance .....	1.18	1.24	18	36	Net exports of goods and services <sup>1</sup> .....				
Preliminary .....	1.11	1.18	17	35	Exports:				
Final .....	1.08	1.19	16	35	Advance .....	4.84	4.89	46	51
Durable goods:					Preliminary .....	4.18	4.34	40	45
Advance .....	3.60	3.66	32	35	Final .....	4.49	4.76	43	50
Preliminary .....	3.52	3.50	31	33	Imports:				
Final .....	3.55	3.59	32	34	Advance .....	6.52	7.89	58	73
Nondurable goods:					Preliminary .....	5.22	7.50	47	69
Advance .....	1.59	1.91	32	75	Final .....	5.38	7.61	48	70
Preliminary .....	1.20	1.66	24	65	Government consumption expenditures and gross investment: <sup>2</sup>				
Final .....	1.20	1.59	24	62	Advance .....	2.81	3.37	52	102
Services:					Preliminary .....	2.84	3.16	53	96
Advance .....	1.27	1.24	17	38	Final .....	2.86	3.24	53	98
Preliminary .....	1.33	1.23	17	38	Federal:				
Final .....	1.33	1.29	17	40	Advance .....	6.40	7.41	100	125
Gross private domestic investment:					Preliminary .....	6.56	7.36	103	124
Advance .....	7.89	7.79	62	63	Final .....	6.53	7.37	102	124
Preliminary .....	7.67	7.80	60	63	Defense:				
Final .....	7.47	7.77	59	63	Advance .....	3.38	4.05	46	61
Fixed investment:					Preliminary .....	3.08	3.90	42	59
Advance .....	2.97	3.61	37	50	Final .....	3.13	4.00	43	60
Preliminary .....	2.74	3.51	34	49	Nondefense:				
Final .....	2.95	3.77	37	52	Advance .....	24.91	21.52	225	209
Nonresidential:					Preliminary .....	25.80	21.27	233	207
Advance .....	3.42	4.08	40	49	Final .....	25.22	20.49	228	199
Preliminary .....	3.38	4.03	39	48	State and local:				
Final .....	3.37	4.39	39	52	Advance .....	1.52	1.55	24	50
Structures:					Preliminary .....	1.41	1.54	22	49
Advance .....	5.56	5.26	54	58	Final .....	1.41	1.57	22	50
Preliminary .....	4.36	4.40	42	48	Addenda:				
Final .....	4.43	4.26	43	47	Final sales of domestic product:				
Producers' durable equipment:					Advance .....	1.16	1.28	19	39
Advance .....	3.67	4.74	38	47	Preliminary .....	1.01	1.20	16	36
Preliminary .....	4.19	5.06	44	50	Final .....	1.11	1.35	18	41
Final .....	4.28	5.35	45	53					

1. Negative values in some quarters make the calculation of percent changes impossible.

2. Prior to the fourth quarter of 1995, this component was defined as "government purchases" and thus excluded consumption of fixed capital.

for current-dollar GDP all have about the same values, a dispersion of about 1 percentage point and a relative dispersion of 16 percent. The dispersions for real GDP are slightly larger, and the relative dispersions for real GDP are 31 to 33 percent. These larger relative dispersions reflect the larger average absolute rates of change for current-dollar GDP than for real GDP: For this period, the average absolute change for current-dollar GDP is 6.3 percent, and the average absolute rate of change for real GDP is 3.2 percent.<sup>7</sup>

The patterns for the GDP components are similar, but the disparities in the current-dollar and the real relative dispersions are not as dramatic. With the exception of personal consumption expenditures (PCE), the components' dispersions are considerably larger than the corresponding ones for GDP. The three components of PCE—durable goods, nondurable goods, and services—have dispersions larger than those for total PCE. Likewise, the components of fixed investment have dispersions larger than those for total fixed investment. In contrast, the dispersions for State and local government expenditures are much smaller than those for total government expenditures.

The dispersions for real private investment in producers' durable equipment and real Federal defense expenditures are about 1 percentage point higher, and the dispersions for real imports are more than 2 percentage points higher, than those for the corresponding current-dollar measures. The dispersions for real Federal nondefense expenditures are several percentage points lower.

Because change in business inventories is frequently negative, it is not possible to calculate percent changes or dispersion measures for this GDP component. However, the effects of revisions to change in business inventories can be approximated by comparing the dispersion measures for the three current quarterly estimates of gross private domestic investment (GPDI), which includes change in business inventories, with those for fixed investment, which does not. The dispersions for GPDI are more than double those for fixed investment, indicating that revisions to estimates of inventories contribute significantly to revisions to estimates of GPDI.

7. A 1-percentage-point revision to the change in current-dollar GDP, with no revision to prices or weights, will result in a 1-percentage-point revision to the change in real GDP. Thus, the effect on relative dispersion will be larger for real GDP simply because its denominator—the absolute average rate of change—will be smaller than the denominator for current-dollar GDP. In addition, the revisions to prices generally have only relatively small effects on the revisions to real measures in comparison with the effects of revisions to current-dollar estimates.

Another way to evaluate the effect of revisions to change in inventories is to compare the averages of the dispersion measures for the three current quarterly estimates of GDP with those for final sales of domestic product, which excludes inventories. The current-dollar dispersions and relative dispersions of final sales of domestic product are only slightly larger than those for GDP. Real dispersions average less than 0.2 percentage point higher, and real relative dispersions average less than 7 percent higher. Thus, on average, revisions to inventories tend to be offset by revisions to the other components of GDP.

Table 4 shows dispersions for current-dollar and real GDP and the major components for two shorter periods, 1983–89 and 1990–97. The presentation of two time periods allows a separate evaluation of the estimates for the later period, which reflect a change in the treatment of purchases and sales of agricultural goods by the Commodity Credit Corporation (CCC) and an improvement in the procedures for the processing of information about trade in goods; these two changes substantially affected quarterly changes in business inventories, government expenditures, and trade in goods.<sup>8</sup>

The effects of the first of these changes, the revised classification of CCC transactions, may be seen by comparing the dispersions for the estimates of GPDI and of fixed investment. The dispersions for GPDI are substantially smaller in 1990–97, but those for fixed investment are only slightly smaller. Likewise, the dispersions for Federal Government expenditures—and nondefense expenditures—are substantially smaller in 1990–97. (Because the revised treatment of CCC transactions produces offsetting revisions, current-dollar and real GDP are not affected.)

Improvements in the processing of data on trade in goods by the Census Bureau also have had a dramatic effect. In particular, the dispersions for current-dollar and real imports in 1990–97 are less than one-half of those in 1983–89. The improvements had smaller, but still noticeable, effects on exports.

Overall, the dispersions for current-dollar GDP and its components in 1990–97 are generally smaller than the corresponding dispersions in 1983–89. However, the smaller dispersions may not indicate improvements in reliability, because

8. The reclassification of purchases and sales of the CCC from the government sector to the business sector is described in "The Comprehensive Revision of the U.S. National Income and Product Accounts: A Review of Revisions and Major Statistical Changes," SURVEY 71 (December 1991): 30–31. The improvements in the trade in goods estimates are described in "An Advance Overview of the Comprehensive Revision of the National Income and Product Accounts," SURVEY 65 (October 1985): 24–25.

the latest estimates for 1990–97 have been subject to fewer successive revisions.

The dispersions for real GDP are about the same size in the two periods, mainly because the revisions to the real GDP components did not offset each other as much as the revisions to the current-dollar GDP components. The dispersions for most of the real GDP components are smaller in 1990–97.

Table 5 shows the biases for current-dollar and real GDP and the major components. The biases for current-dollar and real GDP are small and negative. (A negative bias means that GDP tended to be revised up.) The biases for current-dollar and real PCE and for most of its major components are also negative, and those for PCE are larger than those for GDP. The biases for current-dollar and real GDI and for current-dollar and

real nonresidential fixed investment are positive and larger than those for PCE. The biases for current-dollar and real exports are also large, but negative. The biases for imports are mixed. The biases for Federal Government nondefense expenditures are also large and positive, but the biases for all Federal Government expenditures are small and positive. The pattern for Federal nondefense expenditures partly reflects the changed classification of CCC transactions. The biases for current-dollar Federal defense expenditures are small, but those for real expenditures are substantial and negative.

Table 6 shows dispersions and relative dispersions for GDI and for national income and its major components for 1983–97. The dispersions and relative dispersions for GDI are somewhat larger than those for GDP, and the dispersions and

**Table 4.—Dispersion in Revisions to Current-Dollar and Real GDP and Its Components: Current Quarterly Estimates Compared with Latest Estimates for Selected Periods**  
(Percentage points)

Vintage of estimates	1983–89		1990–97		Vintage of estimates	1983–89		1990–97	
	Current-dollar estimates	Real estimates	Current-dollar estimates	Real estimates		Current-dollar estimates	Real estimates	Current-dollar estimates	Real estimates
Gross domestic product:					Residential:				
Advance .....	1.19	1.05	0.91	1.11	Advance .....	5.26	5.54	4.30	4.35
Preliminary .....	1.17	1.15	0.83	1.05	Preliminary .....	5.40	5.55	3.91	4.39
Final .....	1.25	1.28	0.82	1.05	Final .....	5.69	5.69	3.81	4.03
Personal consumption expenditures:					Change in business inventories <sup>1</sup> .....				
Advance .....	1.47	1.55	0.93	0.97	Net exports of goods and services <sup>1</sup> .....				
Preliminary .....	1.50	1.55	0.78	0.86	Exports:				
Final .....	1.50	1.54	0.71	0.88	Advance .....	5.49	5.54	4.27	4.32
Durable goods:					Preliminary .....	5.27	4.91	3.22	3.84
Advance .....	4.63	4.32	2.70	3.08	Final .....	5.78	5.62	3.36	4.02
Preliminary .....	4.46	4.15	2.69	2.93	Imports:				
Final .....	4.69	4.45	2.55	2.84	Advance .....	9.13	11.15	4.23	5.03
Non-durable goods:					Preliminary .....	8.85	12.02	2.05	3.55
Advance .....	1.97	2.40	1.27	1.48	Final .....	9.20	12.28	2.04	3.52
Preliminary .....	1.47	2.20	0.96	1.18	Government consumption expenditures and gross investment: <sup>2</sup>				
Final .....	1.50	2.14	0.94	1.11	Advance .....	4.38	5.23	1.43	1.74
Services:					Preliminary .....	4.41	5.14	1.46	1.42
Advance .....	1.40	1.30	1.16	1.18	Final .....	4.53	5.33	1.39	1.40
Preliminary .....	1.47	1.28	1.20	1.18	Federal:				
Final .....	1.64	1.47	1.05	1.13	Advance .....	10.28	12.09	3.01	3.30
Gross private domestic investment:					Preliminary .....	10.54	12.13	3.08	3.19
Advance .....	10.46	10.06	5.64	5.81	Final .....	10.53	12.24	3.03	3.12
Preliminary .....	9.95	9.96	5.67	5.92	Defense:				
Final .....	9.80	10.17	5.44	5.66	Advance .....	3.78	4.75	3.02	3.43
Fixed investment:					Preliminary .....	2.99	4.56	3.16	3.31
Advance .....	3.12	4.01	2.83	3.25	Final .....	2.97	4.39	3.27	3.66
Preliminary .....	2.96	3.95	2.54	3.13	Nondefense:				
Final .....	3.25	4.25	2.68	3.35	Advance .....	43.29	33.76	8.83	10.81
Nonresidential:					Preliminary .....	45.44	33.27	8.62	10.77
Advance .....	4.02	4.97	2.89	3.31	Final .....	44.15	33.74	8.65	10.64
Preliminary .....	3.78	4.73	3.04	3.41	State and local:				
Final .....	3.66	5.09	3.11	3.79	Advance .....	1.61	1.88	1.45	1.26
Structures:					Preliminary .....	1.60	1.88	1.23	1.24
Advance .....	6.06	5.84	5.13	4.76	Final .....	1.65	1.95	1.21	1.24
Preliminary .....	4.67	4.91	4.09	3.96	Addenda:				
Final .....	5.25	5.09	3.70	3.53	Final sales of domestic product:				
Producers' durable equipment:					Advance .....	1.46	1.74	1.16	0.88
Advance .....	4.11	6.06	3.28	3.60	Preliminary .....	1.36	1.63	1.01	0.84
Preliminary .....	4.31	6.12	4.07	4.14	Final .....	1.55	1.91	1.11	0.87
Final .....	4.50	6.38	4.09	4.44					

1. Negative values in some quarters make the calculation of percent changes impossible.

2. Prior to the fourth quarter of 1995, this component was defined as "government purchases" and thus excluded consumption of fixed capital.

relative dispersions for national income are even larger. The larger dispersions for national income reflect the substantial dispersions for the components that are added and subtracted from GDI to obtain national income. It should be noted that the measures for these components were greatly affected by the incorporation of a new depreciation pattern into consumption of fixed capital and the new treatment of government investment introduced in the most recent comprehensive NIPA revision. The new depreciation patterns result in revisions both to consumption of fixed capital and to the capital consumption adjust-

ment for the three types of business income; the new treatment of government investment results in the addition to GDI of consumption of fixed capital for government.

Among the components of GDI, only compensation of employees has dispersions and relative dispersions that are similar to those for the components of GDP. The other components of GDI have much larger dispersions and relative dispersions. The relative dispersions for proprietors' income with inventory valuation adjustment and capital consumption adjustment exceed 100 percent, reflecting the typically large revisions to

Table 5.—Bias in GDP and Its Components: Current Quarterly Compared to Latest Estimates, 1983–97

[Percentage points]

	Current-dollar estimates			Real estimates		
	Advance	Preliminary	Final	Advance	Preliminary	Final
Gross domestic product .....	-0.36	-0.21	-0.26	-0.17	-0.09	-0.13
Personal consumption expenditures .....	-0.57	-0.41	-0.49	-0.27	-0.12	-0.20
Durable goods .....	-0.89	-0.78	-0.80	-0.49	-0.35	-0.35
Nondurable goods .....	-0.80	-0.44	-0.52	-0.73	-0.38	-0.47
Services .....	-0.33	-0.25	-0.35	-0.00	0.05	-0.04
Gross private domestic investment .....	1.56	1.03	1.46	1.94	1.40	2.02
Fixed investment .....	0.32	0.86	1.10	1.19	1.56	1.99
Nonresidential .....	0.37	1.22	1.62	1.45	2.17	2.74
Structures .....	0.24	0.50	0.24	0.47	0.38	0.27
Equipment .....	0.16	1.42	2.14	1.28	2.48	3.31
Residential .....	0.26	0.14	0.06	0.37	-0.21	-0.12
Change in business inventories <sup>1</sup> .....						
Net exports of goods and services <sup>1</sup> .....						
Exports .....	-2.79	-1.23	-0.72	-2.25	-0.98	-0.63
Imports .....	-0.87	-0.17	0.45	0.29	1.32	1.84
Government consumption expenditures and gross investment <sup>2</sup> .....	-0.14	0.14	-0.02	-0.30	-0.13	-0.27
Federal .....	0.07	0.58	0.14	0.18	0.66	0.03
Defense .....	0.05	0.09	0.06	-1.47	-1.67	-1.78
Nondefense .....	5.50	7.49	5.63	4.46	5.88	3.87
State and local .....	-0.19	-0.08	-0.07	-0.92	-0.75	-0.75

1. Negative values in some quarters make the calculation of percent changes impossible.

2. Prior to the fourth quarter of 1995, this component was defined as "government purchases" and thus excluded consumption of fixed capital.

Table 6.—Dispersion and Relative Dispersion in Gross Domestic Income and in National Income and Its Components: Current Quarterly Estimates Compared with Latest Estimates, 1983–97

	Dispersion (percentage points)			Relative dispersion (percent)		
	Advance	Preliminary <sup>1</sup>	Final	Advance	Preliminary <sup>1</sup>	Final
Gross domestic income .....		1.28	1.26		20	20
Gross domestic income less national income <sup>2</sup> .....		4.55	5.41		61	73
Of which: Private consumption of fixed capital .....	4.75	4.91	4.91	50	52	52
National income .....		1.92	1.96		28	29
Compensation of employees .....	1.10	1.10	1.09	17	17	17
Proprietors' income with inventory valuation and capital consumption adjustments .....	11.42	11.83	11.05	99	103	96
Nonfarm .....	6.18	6.18	6.22	64	64	65
Farm <sup>3</sup> .....						
Rental income of persons with inventory valuation and capital consumption adjustments <sup>3</sup> .....						
Corporate profits with inventory valuation and capital consumption adjustments .....		13.04	12.61		58	56
Net interest .....		6.18	6.30		77	79

1. No preliminary estimates for 1994:IV, 1995:IV, 1996:IV, and 1997:IV.

2. Equals the consumption of fixed capital, plus indirect business tax and nontax liability, plus business transfer payments, less subsidies less current surplus of government enterprises, and

less net receipts of factor income from the rest of the world.

3. Negative values in some quarters make the calculation of percent changes impossible.

farm proprietors' income; the relative dispersions for nonfarm proprietors' income are about 65 percent. The larger dispersions and relative dispersions reflect the limited availability of source data for all components of GDI except compensation of employees and corporate profits. For the quarterly estimates of the other components, very little current quarterly source data are available. For the annual estimates of these components, most of the final data are incorporated in the second annual revision. As with the product-side components of GDP, there is little or no tendency for improvements when progressing from advance to preliminary to final current quarterly estimates.

### *Cyclical turning points*

One of the more important aspects of the reliability of GDP estimates is how well they identify cyclical peaks and troughs. The advance estimates correctly identified the peaks for the first four cycles beginning with 1969 (top panel of table 2). With the exception of one of the second annual revision estimates, all the later estimates also correctly identified these peaks. For the most recent cycle, the peak in the second quarter of 1990 was not correctly identified until the second annual revision estimate.

The troughs were not identified as reliably as the peaks. The advance estimates correctly identified two of the five troughs, and the preliminary estimates identified an additional trough (bottom panel of table 2). The second annual revision identified the fourth trough, and the fifth trough was not identified until the most recent comprehensive NIPA revision. All of the estimates correctly identified the most recent recession's trough in the first quarter of 1991.

*Revisions in the 1990–91 recession.*—The beginning of the 1990–91 recession in the second quarter of 1990 was not correctly identified until the second annual revision; previously, the third quarter of 1990 had been identified as the peak. The latest estimate shows that real GDP declined 1.9 percent in the third quarter; the current quarterly estimates showed increases in real GDP ranging from 1.6 percent in the advance estimate to 0.7 percent in the final estimate. In addition to missing the peak, the current quarterly estimates underestimated the rate of decline in real GDP in the fourth quarter of 1990 by about 2 percentage points and overestimated the rate of decline in the first quarter of 1991 by about 1 percentage point (chart 1). The more rapid decline in GDP

in the fourth quarter of 1990 did not appear until the second annual revision (in July 1992), and the smaller decline in real GDP in the first quarter of 1991 did not appear until the third annual revision (in July 1994). The three current quarterly estimates, and all successive ones, correctly identified the beginning of the recovery in the second quarter of 1991 and roughly indicated the pace of the recovery.

Revisions to real change in business inventories (CBI) played a major role in the mis-estimation of changes in real GDP in all three recession quarters. Roughly half of the revision from an increase to a decline in real GDP in the third quarter of 1990 reflected a revision to CBI. Most of the downward revision to the change in real GDP in the fourth quarter of 1990 was due to the effects of very large upward revisions to the price indexes for fixed nonresidential investment and exports; in addition, real CBI was revised down much more sharply than current-dollar CBI. The modest upward revision (that is, reduction in the decline) to real GDP in the first quarter of 1991 was due to upward revisions to real fixed investment and to real CBI that more than offset a downward revision to real PCE.

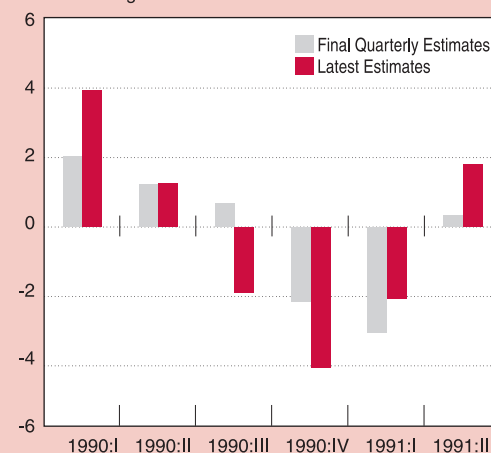
### *Annual estimates*

Table 7 shows dispersions and relative dispersions for estimates of annual percent changes in current-dollar and real GDP and some of the major components. The measures marked “final” are the annual estimates published at the

## CHART 1

### Selected Estimates of Changes in Real GDP, 1990:I–1991:II

Percent change at annual rates



U.S. Department of Commerce, Bureau of Economic Analysis

time that the final current quarterly estimates for each year's fourth quarter were published. The three successive annual revision estimates shown in the table are those revisions that are typically published in late July for the 3 preceding years; these are labeled first annual, second annual, and third annual. These annual estimates incorporate the increasing amounts of source data that become available following the end of each year.<sup>9</sup> Data that would allow a complete evaluation of the 1996 and 1997 estimates are not yet available.

The estimates of annual GDP and its components have much smaller dispersions and relative dispersions than those for the estimates of quarterly GDP and its components. In contrast to the successive current quarterly estimates, the sizes of dispersion and relative dispersion tend to decrease as the successive annual revision estimates are made. An exception is for Federal Government expenditures, which tends to register small increases in dispersion with the successive annual revisions, possibly reflecting the change in the classification of CCC purchases. Like the quarterly estimates, the relative dispersions for real GDP and its major components are usually considerably larger than those for current-dollar GDP and its ma-

major components. Also like the quarterly estimates, the dispersions and relative dispersions for current-dollar and real GDP are generally smaller than those for most of their major components. Among the components, PCE has the smallest dispersions and relative dispersions, and Federal Government expenditures has the largest.

Table 8 shows dispersions and relative dispersions for the annual estimates of national income and its major components. As with GDP and its major components, the annual estimates have much smaller dispersions than the quarterly estimates for national income and for compensation of employees. The smallest values of dispersion and relative dispersion are for the second annual revision estimates; however, the higher dispersions for the third annual revision may be an accidental result of the small number of observations. The dispersions and relative dispersions for national income are larger than those for GDP, and with the exception of compensation of employees, those for the components of national income are larger than those for most components of GDP. The dispersions and relative dispersions for total proprietors' income and for nonfarm proprietors' income are about the same size, and they are much larger than those for compensation of employees but smaller than those for corporate profits.

9. Annual revisions were not made in the years of comprehensive NIPA revisions—1985, 1991, and 1995.

Table 7.—Dispersion in Annual Changes in GDP and Its Components, 1983–95

Vintage of estimates	Dispersion (percentage points)		Relative dispersion (percent)		Vintage of estimates	Dispersion (percentage points)		Relative dispersion (percent)	
	Current-dollar estimates	Real estimates	Current-dollar estimates	Real estimates		Current-dollar estimates	Real estimates	Current-dollar estimates	Real estimates
Gross domestic product:					Net exports of goods and services:				
Final .....	0.40	0.42	6	13	Exports:				
First annual .....	0.39	0.40	6	13	Final .....	1.02	1.72	11	22
Second annual .....	0.40	0.41	6	13	First annual .....	0.85	1.52	9	19
Third annual .....	0.27	0.26	4	8	Second annual .....	0.74	1.26	8	16
Personal consumption expenditures:					Third annual .....	0.68	1.10	8	14
Final .....	0.74	0.60	11	19	Imports:				
First annual .....	0.56	0.39	8	12	Final .....	0.65	1.52	7	18
Second annual .....	0.44	0.29	6	9	First annual .....	0.51	1.28	6	15
Third annual .....	0.34	0.20	5	6	Second annual .....	0.52	1.04	6	13
Fixed nonresidential investment:					Third annual .....	0.40	0.88	4	11
Final .....	2.01	2.56	33	46	Federal government consumption expenditures and gross investment: <sup>2</sup>				
First annual .....	1.94	2.60	32	47	Final .....	1.36	1.75	31	55
Second annual .....	1.35	1.81	22	33	First annual .....	1.39	1.88	31	59
Third annual .....	0.99	1.17	16	21	Second annual .....	1.49	1.78	33	56
Fixed residential investment:					Third annual .....	1.46	2.03	33	64
Final .....	1.58	1.67	14	16	State and local government consumption expenditures and gross investment: <sup>2</sup>				
First annual .....	0.87	1.26	7	12	Final .....	0.65	0.95	10	3
Second annual .....	0.50	0.53	4	5	First annual .....	0.42	0.75	6	2
Third annual .....	0.39	0.35	3	3	Second annual .....	0.62	0.74	9	2
Change in business inventories <sup>1</sup> .....					Third annual .....	0.38	0.42	6	1

1. Negative values in some years make the calculation of percent changes impossible.

2. Prior to the fourth quarter of 1995, this component is defined as "government purchases" and thus excludes consumption of capital.

NOTE.—Final estimates were used for missing first annual estimates for 1984, 1990, and 1994. First annual estimates were used for missing second annual estimates for 1983, 1989, and 1993. Second annual estimates were used for missing third annual estimates for 1988 and 1992.

### Revisions in levels

Like BEA's previous studies of revisions to GDP, this analysis of the reliability of the GDP estimates is primarily based on revisions in change, and the latest estimates are assumed to be the best. Analyses of revisions in the levels of GDP (and its components) are not featured, because the largest revisions in levels almost always occur in comprehensive NIPA revisions, which incorporate both definitional and statistical revisions.<sup>10</sup> Definitional revisions are made to adapt the NIPA's to a changing economy and have little to do with the reliability of earlier vintage estimates. Revisions to the current-dollar annual estimates are reviewed, but revisions to the real levels are not. Changes in reference periods that are incorporated as part of comprehensive NIPA revisions result in substantially different real levels: In an inflationary environment, the adoption of a later reference period produces lower levels of price indexes and higher levels of real GDP.

This section looks at revisions to the level of GDP in annual NIPA revisions, revisions to the level of GDP in the latest comprehensive NIPA revision, and revisions to the average shares of GDP that are accounted for by its major components.

Annual revisions to the levels of GDP are similar in size to the dispersions of the three annual estimates (as measured by the latest estimates). For 1983–94, the annual revisions (without regard to sign) averaged 0.5 percent for the first annual, 0.4

percent for the second annual, and 0.2 percent for the third annual.<sup>11</sup> The dispersions for these years were 0.4 percent for the first and second annual, and 0.3 percent for the third annual.

In the comprehensive NIPA revision released in January 1996, the level of GDP was revised up throughout 1982–94, by amounts ranging from \$93 billion in 1982 to \$224 billion in 1992 (chart 2). On average, nearly two-thirds of the upward revisions were the result of definitional changes.<sup>12</sup> The upward revisions due to definitional changes increase smoothly from \$74 billion in 1982 to \$125 billion in 1994 (chart 3). The upward revisions due to statistical changes, which are the net results of both positive and negative revisions of various GDP components, fluctuate considerably around a generally upward trend.<sup>13</sup>

It is possible to separate the effects of the definitional and statistical revisions on reliability by comparing the 1982–94 dispersions in annual

11. Revisions to annual levels of GDP were not made in the years of a comprehensive NIPA revision. Thus, the following years are excluded from the calculations: 1984, 1990, and 1994 for the first annual revisions, 1983, 1989, and 1993 for the second annual, and 1988 and 1992 for the third annual.

12. The definitional changes that affected GDP were in "government consumption expenditures and gross investment." One change recognized government investment and resulted in a change in name from "government purchases." The other changed the treatment of Federal Government contributions to military and civilian retirement programs. For a more complete description of the definitional and statistical revisions, see Robert P. Parker and Eugene P. Seskin, "Improved Estimates of the National Income and Product Accounts for 1959–95: Results of the Comprehensive Revision," SURVEY 76 (January/February 1996): 1–27.

13. In the comprehensive NIPA revision that was released in December 1991, the effects of definitional revisions were small in comparison with the statistical revisions. The two largest definitional revisions resulted in largely offsetting revisions to components of GDP and so had almost no effect on GDP. One of these, a redefinition of government sales and nontaxes, lowered government purchases and raised PCE. The other, a reclassification of CCC loans, resulted in corresponding revisions of opposite sign to change in business inventories and to government purchases.

10. Statistical revisions generally reflect incorporation of better data, but it is sometimes difficult to separate revisions that are due to better data from those that are due to methodological improvements. For example, the comprehensive NIPA revision released in January 1996 incorporated a better methodology for calculating depreciation that also incorporated new and revised source data on investment.

Table 8.—Dispersion in Annual Changes in National Income and Its Components, 1983–95

Vintage of estimates	Dispersion (percentage points)	Relative dispersion (percent)	Vintage of estimates	Dispersion (percentage points)	Relative dispersion (percent)
National income:			Corporate profits with inventory valuation and capital consumption adjustments:		
Final .....	0.81	12	Final .....	6.57	57
First annual .....	0.62	10	First annual .....	6.39	55
Second annual .....	0.59	9	Second annual .....	5.11	44
Third annual .....	0.79	12	Third annual .....	3.88	34
Compensation of employees:			Net interest:		
Final .....	0.85	14	Final .....	4.49	74
First annual .....	0.44	7	First annual .....	3.29	54
Second annual .....	0.27	4	Second annual .....	4.00	66
Third annual .....	0.33	5	Third annual .....	2.74	45
Proprietors' income with inventory valuation and capital consumption adjustments:			Addenda:		
Final .....	3.65	44	Nonfarm proprietors' income with inventory valuation and capital consumption adjustments:		
First annual .....	2.33	28	Final .....	3.92	47
Second annual .....	2.62	32	First annual .....	2.73	32
Third annual .....	2.98	36	Second annual .....	3.16	38
Rental income of persons with inventory valuation and capital consumption adjustments <sup>1</sup> .....			Third annual .....	3.21	38

1. Negative values make the calculation of percent changes impossible.

NOTE.—Final estimates were used for missing first annual estimates for 1984, 1990, and 1994.

First annual estimates were used for missing second annual estimates for 1983, 1989, and 1993. Second annual estimates were used for missing third annual estimates for 1988 and 1992.





percent changes for the estimates of GDP before and after the 1996 comprehensive NIPA revision.

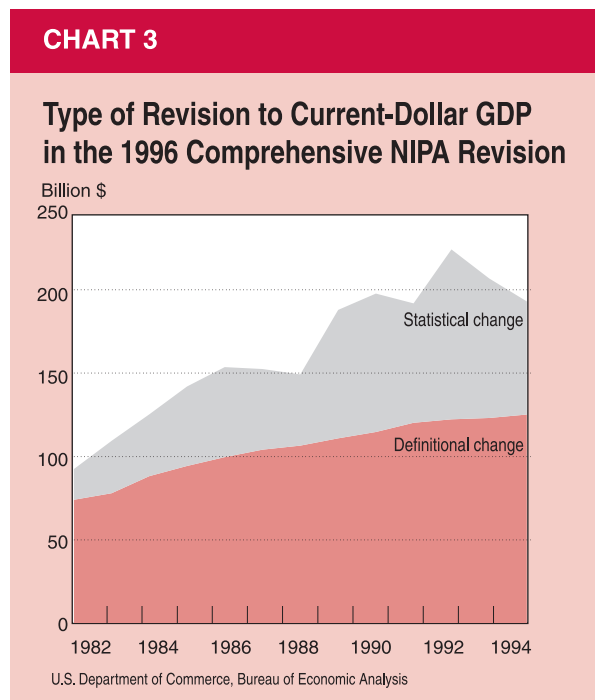
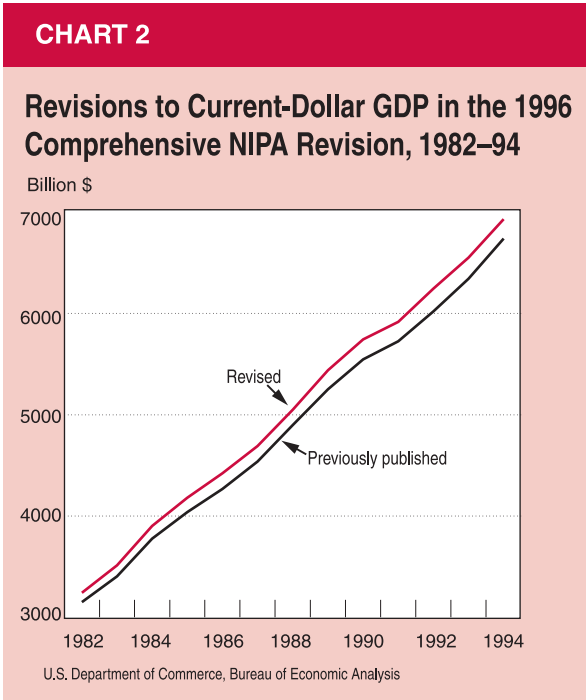
Standard	Dispersion (percentage point)
Revised GDP .....	0.26
Revised GDP less statistical revisions .....	0.06
Revised GDP less definitional revisions .....	0.25

The dispersions for the comprehensive revision GDP estimates and the revised GDP estimates less statistical revisions—that is, with only definitional revisions—differ by only 0.06 percentage point. In contrast, the dispersion for the revised GDP estimates without definitional revisions—that is, with only statistical revisions—is about the same size as the dispersion for the revised GDP estimates. Thus, definitional revisions have little effect on the revisions to the *changes* in GDP though they account for most of the revisions to the *levels* of GDP.

The comprehensive NIPA revision resulted in revisions to the shares of GDP that are accounted for by the major components of GDP. The revisions were small—all were less than 2 percent—with little trend for 1983–94. The revisions to the shares accounted for by PCE averaged 1.1 percent and ranged from 0.9 percent to 1.4 percent. The revisions to the shares accounted for by gross private domestic investment averaged 0.6 percent and ranged from 0.4 percent to 0.7 percent. The revisions to the shares accounted for by net exports averaged -0.1 percent and ranged from -0.1 percent to 0.0 percent. The revisions to the shares accounted for by government consumption expenditures and gross investment averaged -1.7 percent and ranged from -1.5 percent to -1.9 percent.

The comprehensive NIPA revision also resulted in only small revisions to the shares of national income that are accounted for by labor and capital. The revisions to the shares of national income accounted for by employee compensation, which approximates the share of labor, averaged -0.5 percent in 1983–94 and ranged from -0.1 percent to -0.8 percent. The share of the rest of national income, which approximates the share of capital, was revised up correspondingly. 

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# Federal Personal Income Tax Liabilities and Payments, 1995-96

By Thae S. Park

**T**HIS ARTICLE presents new BEA estimates for 1996 and revised estimates for 1995 of Federal personal income tax liabilities and revised estimates for 1995-96 of Federal personal income tax payments (table 1).<sup>1</sup> The liabilities estimates for 1996 are derived from newly available tax return data from the Internal Revenue Service; the payments estimates are from the annual revision of the national income and product accounts (NIPA's) that was released last July.<sup>2</sup>

1. The estimates for 1992-94 are in Thae S. Park, "Federal Personal Income Tax Liabilities and Payments, 1992-95," SURVEY OF CURRENT BUSINESS 77 (December 1997): 17-21; and those for 1959-91 are in Thae S. Park, "Federal Personal Income Tax Liabilities and Payments, 1959-94," SURVEY 76 (August 1996): 127-132.

2. For tax return data for 1996, see Internal Revenue Service, *Statistics of Income Bulletin* (Washington, DC: U.S. Government Printing Office, Summer 1998).

**Table 1.—Federal Personal Income Tax Liabilities and Payments, 1994-96**

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

	Federal personal income taxes			Disposable personal income (DPI)	
	Liabilities basis <sup>1</sup>	Payments basis <sup>2</sup>	Difference	Alternative DPI with NIPA Federal personal income taxes on a liabilities basis	Published DPI with NIPA Federal personal income taxes on a payments basis <sup>3</sup>
1994 .....	540.4	545.3	-4.9	5,023.8	5,018.9
1995 .....	594.0	589.0	5.0	5,272.1	5,277.0
1996 .....	665.8	666.9	-1.1	5,535.8	5,534.7
1995:I .....	576.6	566.7	9.9	5,202.4	5,212.3
II .....	586.2	593.3	-7.1	5,241.8	5,234.7
III .....	598.6	590.5	8.1	5,286.4	5,294.5
IV .....	614.7	605.5	9.2	5,357.6	5,366.8
1996:I .....	638.4	633.9	4.5	5,430.2	5,434.6
II .....	659.5	671.4	-11.9	5,508.7	5,496.7
III .....	675.6	672.8	2.8	5,574.5	5,577.3
IV .....	689.8	689.5	.3	5,629.8	5,630.1

1. This series is derived by the Bureau of Economic Analysis and is based on data from *Statistics of Income, Individual Income Tax Returns*.

2. This series appears in NIPA table 3.2 in the section "BEA Current and Historical Data" of the SURVEY OF CURRENT BUSINESS. The components of Federal personal income taxes are published annually in NIPA table 3.4, mostly recently on page 59 of the August 1998 SURVEY.

3. This series appears in NIPA table 2.1 in "BEA Current and Historical Data." Estimates for 1982-94 have been revised as a result of a redefinition of dividend payments in this year's annual revision of the NIPA's. The revised estimates for 1982-94 are in table 2.1 in the section "Annual NIPA Revision: Revised Estimates for 1982-94," on pages 128-131 in the August 1998 SURVEY, and the redefinition is described in Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," on page 29 of that issue.  
NIPA National income and product account

The first section of the article discusses the payments series, the derivation and the use of the estimates of tax liabilities, and the sources of the differences between liabilities and payments. The second section presents the estimates of tax liabilities for 1995-96 and discusses the sources of the differences for these years. The third section discusses the sources of the revisions to the estimates for 1995.

## Payments and liabilities

In the NIPA's, Federal personal tax payments is defined as tax payments (net of refunds) to the Federal Government by U.S. residents that are not chargeable to business expense. Federal personal income taxes consist of all Federal taxes except estate and gift taxes, and they are recorded on a payments basis. As shown below, Federal personal income tax payments have three components: Withheld income taxes; declarations and settlements, or "nonwithheld" taxes; and refunds.<sup>3</sup>

**Federal Personal Income Tax Payments, 1994-96**

[Billions of dollars]

	1994	1995	1996
Federal personal income taxes .....	545.3	589.0	666.9
Withheld .....	466.4	501.5	548.9
Declarations and settlements .....	157.2	174.2	209.2
Less: Refunds .....	78.3	86.7	91.1

Withheld income taxes are those withheld at the source of the income, mainly on wage and salary income. Declarations are estimated tax payments, mostly on income that is not subject to withholding, such as capital gains and self-employment income; settlements are additional taxes that are paid when tax returns are filed or

For a detailed discussion of the annual revisions to personal income and Federal personal income tax payments for 1995-97, see Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 78 (August 1998): 21-22.

3. The estimates of these components are published annually in NIPA table 3.4, most recently on page 59 of the August 1998 SURVEY. Quarterly estimates of Federal personal income taxes are published monthly in NIPA table 3.2 in the section "BEA Current and Historical Data" of the SURVEY.

as the result of audits. Refunds of excess payments, including excess social security taxes, are recorded as negatives in the payments series when the refunds are made.

For certain purposes, payments data may not be the most appropriate basis of measurement. For example, households may base their consumption decisions, especially about major purchases, on their disposable income calculated net of tax liabilities rather than net of tax payments. As a result, liabilities may be the more appropriate basis for analyzing the impact of taxes on consumption and for analyzing fiscal policy.

The BEA estimates of Federal personal income tax liabilities are derived primarily from the estimates of "total income tax" from the Internal Revenue Service's *Statistics of Income: Individual Income Tax Returns (SOI)*. SOI estimates of total income tax are the sum of income tax after credits and the alternative minimum tax and are on a liabilities basis. The SOI estimates are adjusted so that the coverage of the liabilities series will be comparable with that of the NIPA payments series.<sup>4</sup>

The following paragraphs identify the sources of differences between liabilities and payments, both for income that is subject to withholding and for income that is not subject to withholding.

*Income subject to withholding.*—In the Internal Revenue Code, three types of withholding are provided—mandatory, optional, and backup.

Mandatory withholding applies to most wages and salaries, supplemental wages, and certain other incomes, such as gambling winnings. For wages and salaries, differences between liabilities and payments arise for several reasons. The most important reason is that the withholding tables that are issued by the IRS and that are used by employers to calculate the amounts to be withheld on wages and salaries are based on two simplifying assumptions.

The first assumption is that taxpayers use the standard deduction in calculating their income tax liabilities. However, taxpayers who itemize their deductions may have overwithholding

if they underestimate the number of additional withholding allowances that are necessary to offset the excess of their estimated itemized deductions over the standard deduction.<sup>5</sup> The second assumption is that wages are constant throughout the year, so overwithholding may result if wages vary widely within the year and are therefore subject to varying withholding rates.

In addition, overwithholding may result from the use of withholding for "forced savings" or from the failure to estimate growth in itemized deductions. Overwithholding may also occur because, for certain payments, withholding is based on flat rates rather than on the withholding-table rates. For example, at the option of an employer, withholding may be based on a flat 28 percent for supplemental wages (such as bonuses, commissions, and overtime pay) and on a flat 20 percent for taxable fringe benefits (such as company cars provided to employees and free or discounted commercial flights). For certain gambling winnings of more than \$5,000, withholding must be at a flat 28 percent.

Payments and liabilities may also differ because withholding tables may not always be updated to coincide with the changes in liabilities: Tax law provisions are usually effective on January 1, but the tables are sometimes updated later.<sup>6</sup> The tables are usually updated to reflect changes in the standard deduction, exemptions, and tax rates, but they are not usually updated to reflect changes in the provisions affecting itemized deductions or adjustments to gross income.

Differences may also arise when withholding is at the taxpayer's option, as is the case for pensions and annuities and for sick pay from other than an employer.

Backup withholding applies to all types of non-wage income that are subject to information reporting. For example, backup withholding is required if the recipient fails to furnish an accurate taxpayer identification number to the payor or if the recipient lacks certification that the income is not subject to backup withholding (this withholding was initiated in 1984 as a compliance measure). The backup withholding system

4. The adjustments consist of the following. First, recapture taxes, penalties and other taxes, and exempt organizations excise taxes are added to the SOI estimates. Second, fiduciary income taxes are added, because personal income includes fiduciary income. Third, additional assessments from audits, net of refunds on amended returns (Form 1040X), are added because they are excluded from the SOI estimates. Fourth, excess social security taxes and the earned income credit that is used to offset nonincome taxes are subtracted. Fifth, income taxes paid by U.S. citizens living abroad for more than a year are subtracted, because, in the NIPA's, these citizens are considered nonresidents of the United States; the SOI estimates include these taxes, because these citizens are generally taxed on their worldwide income regardless of how long they have been living abroad.

For more information, see "Appendix: Estimating Methods," in Park, "Liabilities and Payments, 1992-95," 20-21.

5. Employees must fill out "Employee's Withholding Allowance Certificate" (Form W-4) so that their employers can withhold the correct amount of Federal income tax from their pay. Employees determine the number of withholding allowances based on estimated itemized deductions, on estimated adjustments to gross income, on the number of personal and dependency exemptions, and on filing status. Employees may submit new Form W-4's at any time to change the number of withholding allowances. These options provide them with some discretion over the effective rates at which taxes are withheld from their incomes.

6. For example, in August 1993, the Omnibus Budget Reconciliation Act of 1993 created two new tax brackets of 36 percent and 39.6 percent, which applied to all income in the whole year. The withholding tables reflecting these new rates were made available to employers in January 1994.

requires a payor to deduct and withhold income tax from reportable payments—such as interest or dividends—at a 31-percent rate, which may result in overwithholding if the income is actually taxed at a lower rate.

The net result of all of these factors has been persistent overwithholding of taxes on income subject to withholding, despite an attempt to reduce overwithholding through the redesign of the withholding tables in 1992.<sup>7</sup>

*Income not subject to withholding.*—For income that is not subject to withholding (such as self-employment income, capital gains, taxable social security benefits, and most interest, dividends, and pensions and annuities), differences between liabilities and payments arise for two reasons. First, the proportion of the current year's liabilities that must be paid in estimated taxes in order to avoid a penalty is less than 100 percent. Second, settlements and the last installment of quarterly estimated taxes are for liabilities that are incurred in one year but that are paid to the Treasury Department in the next year; refunds also are made in the year after the liabilities were incurred. (Settlements, quarterly estimated taxes, and refunds are recorded in the payments series in the calendar year in which they are received or paid by the Treasury Department.) As a result, net payments of nonwithheld taxes during a year may not reflect that year's income.

As a result of these factors, nonwithheld tax payments (declarations and settlements) tend to be less than liabilities. However, as noted earlier, overwithholding on wage and salary income tends to offset much of this shortfall, and the net difference between total payments and total liabilities is smaller than the difference that would be expected by an examination of either withheld income taxes or nonwithheld income taxes.

7. However, much of this overwithholding may not represent overwithholding on total income (that is, total payments in excess of total liabilities), because individuals may choose to withhold more from their wages in order to cover for tax liabilities of nonwage income, such as capital gains and other nonwithheld income.

In addition to the timing differences between payments and liabilities, there are measurement errors that cannot be isolated from the timing-basis differences. These errors include sampling and nonsampling errors with the *SOI* sample data, reporting and processing errors with the financial statements for the Federal Government and with employment tax return tabulations from the Social Security Administration, and estimating errors in the *NIPA* payments series and in the coverage adjustments made to the *SOI* data to derive the liabilities series.

### *Tax liabilities for 1995–96*

For 1995, tax liabilities exceeded tax payments by \$5.0 billion. The excess of liabilities was partly due to a large increase in nonwage income; in the *SOI* data, nonwage income increased 11.9 percent in 1995, and wage income increased 5.8 percent. Because most of nonwage income is not subject to withholding, much of the increase in income tax liabilities on this income was paid when tax returns were filed in 1996. Tax payments for 1995 reflected the deferral of additional 1993 taxes that were paid in 1995.<sup>8</sup> In the *SOI* data, about \$4 billion of the 1993 taxes were deferred to 1995 and about \$4 billion to 1996. In the payments series, the additional 1993 taxes that were paid in 1995 were largely reflected in the second quarter of 1995 and resulted in an excess of payments over liabilities in that quarter.

For 1996, tax payments exceeded tax liabilities by \$1.1 billion. The tax payments included payments of the 1995 nonwage liabilities and of the final portion of the deferred 1993 taxes that were paid in 1996. (The excess of payments over liabilities in the second quarter reflected the payment of the final portion of the deferred 1993 taxes.) In the *SOI* data, nonwage income continued to

8. The provisions of the Omnibus Budget Reconciliation Act of 1993 increased the marginal tax rates for high-income individuals. These individuals were given an option to defer payments of two-thirds of the additional taxes that resulted from the tax-rate increases; those who elected this deferral option paid half of their deferred taxes by April 17, 1995, and the other half by April 15, 1996.

**Table 2.—Revisions to Federal Personal Income Tax Liabilities and Payments for 1995**

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]


	Liabilities basis			Payments basis			Difference		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
1995 .....	594.2	594.0	-0.2	588.7	589.0	0.3	5.5	5.0	-0.5
1995:I .....	576.9	576.6	-3	565.2	566.7	1.5	11.7	9.9	-1.8
II .....	587.3	586.2	-1.1	592.0	593.3	1.3	-4.7	-7.1	-2.4
III .....	599.7	598.6	-1.1	590.0	590.5	.5	9.7	8.1	-1.6
IV .....	613.0	614.7	1.7	607.7	605.5	-2.2	5.3	9.2	3.9

surge in 1996, increasing 16.8 percent, and wage income increased 5.5 percent. As usual, much of the tax liabilities on nonwage income that were incurred in 1996 were paid in 1997.

### *Sources of revisions for 1995*

The revisions to the annual series for liabilities and for payments for 1995 reflected the incorporation of the results of this year's annual revision of the NIPA's.<sup>9</sup> The annual tax liabilities for 1995

were revised down \$0.2 billion, and the annual tax payments were revised up \$0.3 billion, so the difference between the two series was revised down \$0.5 billion (table 2).

The revisions to the quarterly liabilities for 1995 reflected the pattern of the revisions to the quarterly NIPA estimates of personal income. 

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9. As part of the 1998 annual NIPA revision, personal income was revised back to 1982 to exclude the capital gains distributions of regulated investment companies from personal dividend income. The revisions to personal income for 1982-94 do not affect the annual estimates of the payments or liabilities series for this period. Only the quarterly estimates of the liabilities series are affected because they are derived by the interpolation of the annual

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estimates using quarterly estimates of selected components of NIPA personal income, but the revisions are small. The revised quarterly estimates of the liabilities series are available on request; for information, write to the Government Division (BE-57), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

# Investment in New Structures and Equipment in 1992 by Using Industries

By *Belinda Bonds and Tim Aylor*

**T**HIS ARTICLE presents the 1992 capital flow table (CFT) as a supplementary table to the 1992 benchmark input-output (I-O) accounts.<sup>1</sup> The CFT shows the flows of new structures and equipment to the private industries that purchased or leased them in 1992. The I-O accounts and the gross domestic product (GDP) estimates in the national income and product accounts (NIPA's) record investment by type, but they do not provide a breakdown of this investment by industry. The CFT provides a crosswalk from investment by type of structure and equipment to investment by type and by industry.

CFT's are used in a variety of analytical and statistical contexts, including analyses of the demand by industry for particular types of structures and equipment, analyses of the impact of changes in tax laws that affect investment across industries, and as a framework for constructing industry-by-industry capital stocks and other statistical series. The 1992 CFT is the sixth in a series of tables that have supplemented earlier benchmark I-O accounts in 1963, 1967, 1972, 1977, and 1982.<sup>2</sup>

The CFT shows the use of new structures and equipment by industries regardless of ownership. The use of new structures and equipment is assumed to be more stable than ownership, which is frequently based on institutional or financial considerations rather than on technical considerations.

The industries in the 1992 CFT are defined along the lines of the 1987 Standard Industrial Classification (SIC) system.<sup>3</sup> Much of the economic data available on an industry basis are classified on the SIC basis. Traditionally, the I-O accounts

and capital flows are prepared using I-O classifications in which industries are redefined from a SIC basis to an I-O basis in order to better align inputs and outputs and to produce more homogeneous and consistent industries.<sup>4</sup> However, for the 1992 CFT, a decision was made to classify the industries on an SIC basis in order to facilitate comparisons of these industry estimates with other SIC-based industry estimates prepared by the Bureau of Economic Analysis (BEA) and other agencies. BEA also prepared alternative I-O accounts for 1992 on an SIC basis.<sup>5</sup>

This article describes the 1992 CFT, illustrates how the CFT is used and discusses the valuations and classifications that underlie the CFT and the methods and data that were used to prepare it. The 1992 CFT provides estimates of the allocation of investment in 163 types of equipment and structures across 64 industries.<sup>6</sup> The CFT also provides a companion allocation of investment in the 46 types of equipment and structures included in gross private fixed investment (GPFI) in the NIPA's across the same 64 industries.<sup>7</sup>

## Overview of the CFT

The relationship between the CFT and the alternative I-O use table is illustrated in [chart 1](#). The use table is shown in the upper panel of the chart, and the CFT is shown in the lower panel. In the use table, the rows show the commodities—the raw materials, semifinished goods, and services—that are either consumed by industries or sold to final consumers shown in the columns. The structures and equipment purchased by industries are shown as sales to GPFI, a component of final uses. As the chart indicates, the CFT expands GPFI from the use table to show the

1. See Ann M. Lawson, "Benchmark Input-Output Accounts for the U.S. Economy, 1992: Make, Use, and Supplementary Tables," *SURVEY OF CURRENT BUSINESS* 77 (November 1997): 36–82; and "Benchmark Input-Output Accounts for the U.S. Economy, 1992: Requirements Tables," *SURVEY* 77 (December 1997): 22–47.

2. The tables for 1963, 1967, 1972, and 1977 were presented in the August 1972, September 1975, July 1980, and November 1985 issues of the *SURVEY*, respectively. The 1982 table was not published, but it is available on request (see the box "Data Availability" on page 30). No table was prepared for 1987.

3. See "Appendix A.—Classification of Industries in the 1992 Capital Flow Table."

4. The 1997 I-O accounts will be prepared using the new North American Industry Classification System, which replaces the SIC.

5. See *Benchmark Input-Output Accounts of the United States, 1992* (Washington DC: U.S. Government Printing Office, September 1998). See also the box "Data Availability."

6. See "Appendix B.—Classification of Commodities in the 1992 Capital Flow Table."

7. In the NIPA's, structures are shown in table 5.6, and producers' durable equipment is shown in table 5.8.

CHART 1

Relationship Between the Alternative Input-Output Use Table and the Capital Flow Table

USE TABLE: COMMODITIES USED BY INDUSTRIES AND FINAL USES

		INDUSTRIES										FINAL USES (GDP)							TOTAL COMMODITY OUTPUT		
		Agriculture	Mining	Construction	Manufacturing	Transportation, communications and utilities	Trade	Finance	Services	Other*	Total intermediate use	Personal consumption expenditures	Gross private fixed investment	Change in business inventories	Exports of goods and services	Imports of goods and services	Government consumption expenditures and gross investment	GDP			
COMMODITIES	Agricultural products																				
	Minerals																				
	Construction																				
	Manufactured products																				
	Transportation, communications, and utilities																				
	Trade																				
	Finance																				
	Services																				
	Other*																				
	Noncomparable imports																				
	Total intermediate inputs																				
VALUE ADDED	Compensation of employees																				
	Indirect business tax and nontax liability																				
	Other value added**																				
	Total																				
TOTAL INDUSTRY OUTPUT																					

GROSS NEW PRIVATE FIXED INVESTMENT BY TYPE OF NEW COMMODITY

DISTRIBUTION ACROSS INDUSTRIES OF GROSS NEW PRIVATE FIXED INVESTMENT

CAPITAL FLOW TABLE: DISTRIBUTION OF NEW EQUIPMENT AND STRUCTURES TO USING INDUSTRIES

		INDUSTRIES								Gross private fixed investment
		Agriculture	Mining	Construction	Manufactured products	Transportation, communications, and utilities	Trade	Finance, Insurance and Real Estate	Services	
COMMODITIES	Minerals									
	Construction									
	Manufactured products									
	Transportation, communications, and utilities									
	Services									
TOTAL INDUSTRY USE OF NEW EQUIPMENT AND STRUCTURES										

\* The input-output (I-O) accounts use two classification systems, one for industries and another for commodities, but both generally use the same I-O numbers and titles. "Other" consists of government enterprises and I-O special industries; for more information see "Appendix A. Industry Classification of the 1992 Benchmark Input-Output Accounts," in "Benchmark Input-Output Accounts for the U.S. Economy, 1992: Make, Use, and Supplementary Tables," *Survey of Current Business* 77 (November 1997).

\*\* "Other value added" consists of the following components of gross domestic income: Consumption of fixed capital, net interest, proprietors' income, corporate profits, rental income of persons, business transfer payments, and subsidies less current surplus of government enterprises.

flows of new structures and equipment to using industries. Each column of the CFT shows the use by the industry identified in the column header of new structures and equipment identified by the row header; the column sum represents the total use of new structures and equipment by the industry identified in the column header. Each row shows the distribution of new structures and equipment identified by the row header to using industries identified by the column header; the row sum represents the total value of new structures and equipment purchased by industries in 1992.

The CFT and the GPF in the use table do not include all of the same items. The CFT shows only the new structures and new equipment by using industries and the real estate commissions on the sales of new structures; it does not include purchases of scrap, net purchases of used goods, and real estate commissions on the sales of used structures. GPF includes new structures and equipment, purchases of scrap, net purchases of used goods, and real estate commissions on the sales of both new and used structures.<sup>8</sup>

8. Gross domestic product (GDP), of which GPF is one component, is the market value of the goods and services produced by labor and property located in the United States. Transactions in used assets are excluded from GDP because they do not reflect current production activity; however, transactions in used assets between the business sector and persons, governments, and foreigners are added as purchases by the buying sector and subtracted from the selling sector.

**Table A** reconciles GPF in the use table with GPF in the CFT. It shows in the first column the value of GPF for each type of structures and equipment category from the I-O use table. The second column shows the value of scrap, net purchases of used goods, and commissions on the sale of used structures that are included in the use table but excluded from the CFT. The third column shows, for each type of structures and equipment category, the value in the CFT.

The data in the CFT are presented in two tables: The value in producers' prices of each capital commodity by each using industry in **table 1**; and the value in purchasers' prices of the new structures and equipment by using industries in **table 2**. Transactions in commodities are valued at producers' prices in the I-O accounts. These prices exclude distribution costs (wholesale and retail trade margins and transportation costs), but they include excise taxes collected by producers. Transportation costs and trade margins are shown as separate purchases by the users of the commodities. The sum of the producers' value, transportation cost, and trade margins equals the purchasers' value.

**Table 1** shows in each row the I-O commodity in producers' prices by the using industry in each column. For example, \$5.7 billion of the commodity "construction machinery" (commodity

**Table A.—Reconciliation of Gross Private Fixed Investment by NIPA Category in the Input-Output Use Table and in the Capital Flow Table, 1992**  
[Millions of dollars at purchasers' prices]

		Input- output use table	Reconcili- ation items	Capital flow table			Input- output use table	Reconcili- ation items	Capital flow table
	<b>Private purchases of structures .....</b>	<b>391,996.0</b>	<b>-22,193.0</b>	<b>369,803.0</b>		<b>Private purchases of producers' durable equipment .....</b>	<b>398,995.0</b>	<b>23,094.0</b>	<b>422,089.0</b>
5	Industrial buildings .....	29,091.0		29,091.0	5	Computers and peripheral equipment .....	43,580.0		43,580.0
6	Commercial buildings .....	51,623.0		51,623.0	6	Other office equipment .....	6,150.0	-486.0	5,664.0
9	Religious buildings .....	3,392.0		3,392.0	7	Communication equipment .....	47,806.0	-17.0	47,789.0
10	Educational buildings .....	5,134.0		5,134.0	8	Instruments .....	26,563.0	-28.0	26,535.0
11	Hospital and institutional .....	12,803.0		12,803.0	9	Photocopy and related equipment .....	12,571.0	-52.0	12,519.0
12	Other .....	8,715.0		8,715.0	11	Fabricated metal products .....	9,599.0		9,599.0
14	Railroads .....	2,928.0		2,928.0	12	Engines and turbines .....	3,663.0		3,663.0
15	Telecommunications .....	8,929.0		8,929.0	13	Metalworking machinery .....	20,501.0	53.0	20,554.0
16	Electric light and power .....	17,136.0		17,136.0	14	Special industry machinery, n.e.c. ....	22,830.0	-379.0	22,451.0
17	Gas .....	6,827.0		6,827.0	15	General industrial, including materials handling, equipment .....	20,932.0	-875.0	20,057.0
18	Petroleum pipelines .....	849.0		849.0	16	Electrical transmission, distribution, and industrial apparatus .....	14,850.0		14,850.0
19	Farm (nonresidential structures) .....	2,398.0		2,398.0	18	Trucks, buses, and truck trailers .....	36,155.0	1,241.0	37,396.0
21	Petroleum and natural gas mining exploration .....	12,942.0		12,942.0	19	Autos .....	32,029.0	22,058.0	54,087.0
22	Other mining construction .....	1,255.0		1,255.0	20	Aircraft .....	13,721.0	1,049.0	14,770.0
23	Other nonresidential nonbuilding construction .....	8,499.0		8,499.0	21	Ships and boats .....	1,177.0	-48.0	1,129.0
24	Brokers' commissions on sale of structures .....	1,290.0	-1,290.0		22	Railroad equipment .....	3,010.0	-93.0	2,917.0
25	Net purchases of used structures .....	-1,628.0	1,628.0		24	Furniture and fixtures .....	21,276.0	-147.0	21,129.0
30	Single family structures .....	116,505.0		116,505.0	25	Tractors .....	6,726.0	-145.0	6,581.0
31	Multifamily structures .....	13,094.0		13,094.0	26	Agricultural machinery, except tractors .....	7,132.0	-634.0	6,498.0
32	Mobile homes .....	5,542.0		5,542.0	27	Construction machinery, except tractors .....	8,442.0	-326.0	8,116.0
33	Improvements .....	58,271.0		58,271.0	28	Mining and oilfield machinery .....	1,297.0	-170.0	1,127.0
34	Other .....	345.0		345.0	29	Service industry machinery .....	10,108.0	-27.0	10,081.0
35	Brokers' commissions on sale of structures .....	27,117.0	-23,592.0	3,525.0	30	Electrical equipment, n.e.c. ....	9,417.0	21.0	9,438.0
36	Net purchases of used structures .....	-1,061.0	1,061.0		31	Other nonresidential equipment .....	15,545.0	93.0	15,638.0
					32	Less: Sale of equipment scrap, excluding autos .....	-2,006.0	2,006.0	
					33	Residential equipment .....	5,921.0		5,921.0

NOTE.—See "Table 5.6.—Private Purchases of Structures by Type" and "Table 5.8.—Private Purchases of Producers' Durable Equipment by Type" in the national income and product accounts.

n.e.c. Not elsewhere classified.



3531) is acquired by the industry “construction” (industry 1567); other users of construction machinery are the mining industries and the petroleum industry. The CFT also shows, down the columns, the detail on the composition of capital commodities by using industries. For example, the agriculture industry (industry 102) acquired \$13.9 billion of capital commodities, of which \$6.0 billion was the commodity “farm machinery and equipment” (commodity 3523), \$1.3 billion was the commodity “motor vehicles and passenger car bodies” (commodity 3711), and \$2.4 billion was the commodity “farm service facilities.”

Table 2 is shown in two parts: Equipment and structures. In the upper part, each row shows the capital equipment category in purchasers’ prices by using industries in each column. For example, the capital commodity category “tractors” is acquired by the industries “agriculture” (\$2.8 billion) and “agricultural services” (\$1.8 billion). The total for each column shows total new equipment by each using industry. The total for each row shows total new equipment for each capital commodity category.

In the lower part of table 2, each row shows the capital structures commodity in purchasers’ prices by using industries in each column. For example, the capital commodities category “educational buildings” is acquired by the industry “education services.” The total for each column shows total new structures by each using industry. The total for each row shows total new structures for each capital commodity category.

### Uses of the CFT

Capital flow information has a variety of uses that include its use as an analytical tool for studying the market for capital commodities and its use as a statistical framework and data source for preparing other economic statistics. This section describes the uses of the CFT, and it describes some of the assumptions that analysts and statisticians must make when they use the CFT.

*Analytical uses.*—The CFT is an important analytical tool because it provides information that can be used to supplement the information in the GPEI column of the I-O use table. For example, the CFT provides information on the markets for capital commodities because it disaggregates information in the GPEI column of the I-O use table by showing the distribution of capital commodities to using private industries. Another use of the CFT is to show the entire distribution of a commodity to users. The use table shows the dis-

tribution of commodities to intermediate users and final users, and the CFT expands the GPEI column in the use table to show all users of capital commodities. The CFT can be used to analyze the impact of changes in tax laws affecting investment across industries. The presentation of the CFT on an approximate SIC basis facilitates its use with other SIC-based data, such as employment, gross product originating by industry, and capital stock data.

The CFT provides information that can be used to estimate the effects of a change in capital purchases by an industry on the commodity output of all industries. The CFT information on the types of capital commodities used by an industry is used to translate a specified change in the level of total investment by the industry into a distribution of changes in purchased capital by commodity. These changes can then be multiplied by the commodity-by-commodity total requirements coefficients to estimate the output by commodity that is required to support the change in investment. Similarly, the CFT—with appropriate adjustments—can be used with the I-O industry-by-commodity total requirements table to show the effects of a change in an industry’s purchase of capital commodities on output by industry.<sup>9</sup>

9. The I-O industry-by-commodity total requirements table contains the input requirements coefficients for the output from each industry that is directly and indirectly required to deliver a dollar of a commodity to final users. However, for this analysis, the CFT must be converted to an I-O basis, or a total requirements table that is based on the alternative SIC accounts must be prepared, because the CFT and the I-O industry-by-commodity total requirements tables show industries defined on a different basis.

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When the CFT and either the commodity-by-commodity total requirements coefficients or the industry-by-commodity total requirements coefficients are used to estimate the effects of changes in the purchase of capital commodities on industries and commodities, the underlying I-O assumptions have to be kept in mind. For example, the CFT is based on information about industries' purchases of capital commodities in 1992. The patterns and levels of investment in 1992 may not reflect those of investment in other years.

**Statistical uses.**—The CFT is also used as a framework and data source for preparing other economic statistics. For example, information from the CFT is used to prepare BEA's estimates of fixed reproducible tangible wealth by industry.<sup>10</sup>

### **Definitions and conventions for classification and valuation**

**Classification.**—The classification of industries in the CFT is based on the 1987 SIC system, which classifies establishments into industries on the basis of the primary activity of the establishment.<sup>11</sup>

The CFT shows the investment in 1992 by private industries in new structures and equipment on a user basis. Capital commodities are included as investment by the using industry whether they are purchased outright or leased, and regardless of the type of lease. For private establishments engaged in capital leasing—that is leases in which payments over the term of the lease cover the costs of the commodity and usually result in eventual ownership of the leased commodity by the lessee—or in other types of leasing, the CFT shows the commodity as being used by the industry of the lessee. However, if the lessee is a government agency or a person, the CFT shows the commodity as being used by the industry of the lessor.

10. The CFT provides information on the investment flows that are needed for perpetual inventory estimates used to derive estimates of fixed private capital by industry, which is based on the 1987 SIC. However, the CFT estimates differ from the fixed private capital estimates because the CFT estimates are on a using-industry basis, and the fixed private capital estimates are on an ownership basis. See Bureau of Economic Analysis (BEA), *Fixed Reproducible Tangible Wealth in the United States, 1925–96* [CD-ROM] (Washington, DC: BEA, 1998, product number NCN-0136); and “Fixed Reproducible Tangible Wealth in the United States: Revised Estimates for 1995–97 and Summary Estimates for 1925–97,” *SURVEY* 78 (September 1998): 36–46. For an explanation of the methodology used, see Arnold J. Katz and Shelby W. Herman, “Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95,” *SURVEY* 77 (May 1997): 70–76.

11. Establishments are defined as economic units that are typically at a single location where business is conducted or where services or industrial operations are performed.

**Valuation.**—The CFT is presented in producers' prices (table 1) and in purchasers' prices (table 2). Producers' prices exclude distribution costs (wholesale and retail trade margins and transportation costs), but they include excise taxes collected by producers.

In order to show the relationship between the production of capital commodities and their use by industries, the CFT shows commodities as if they moved directly to users. Wholesale and retail trade margins on commodities are shown as purchases by users and are included in the trade rows of table 1. All transportation costs are shown as a purchase by users and are included in the transportation row of table 1.

### **Methodology**

The CFT was prepared in four steps. First, information on total expenditures for capital commodities for each industry were compiled. The primary data source for total expenditures by industry was the 1992 economic census of the Bureau of the Census. Additional data were obtained from the Census Bureau's Annual Capital Expenditures Survey, which includes tabulations of investment in structures and equipment by nonfarm businesses, and from the Farm Costs and Returns Survey of the U.S. Department of Agriculture.

#### **Data Availability**

The capital flow table (CFT) for the 1992 benchmark input-output (I-O) accounts is available on a diskette as “Investment in New Structures and Equipment in 1992 by Using Industries,” product number NDN-0224. The estimates are presented for four-digit commodity by two-digit industry and by NIPA category by two-digit industry. The alternative estimates for the 1992 make and use tables on an approximate 1987 SIC basis are also available: At the summary level, product number NDN-0180, and at the detailed level, product number NDN-0179.

These products and the 1982 CFT are available as free downloadable files on BEA's Web site at <[www.bea.doc.gov](http://www.bea.doc.gov)>; the products are also available as diskettes for \$20 each from BEA. To access the files on the Web site, click on Catalog of Products and look under National Accounts Products, Other Products. To order the diskettes using MasterCard or Visa, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666). To order by mail, send a check or money order payable to “Bureau of Economic Analysis, BE-53” to BEA Order Desk, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

In addition, several adjustments were made to the expenditures data:

- An adjustment for the establishments that were not covered by the economic censuses,<sup>12</sup>
- An adjustment for misreported tax return information,<sup>13</sup>
- An adjustment for conformance to national economic accounting conventions for expensed motor vehicles, for petroleum and natural gas well drilling, exploration, and other mining exploration, and for nonfarm business use of personal motor vehicles, and<sup>14</sup>
- An adjustment for force-account new construction.<sup>15</sup>


Second, expenditures for new structures and equipment were distributed to using industries. Because most types of equipment and some types of structures are used by more than one industry, most of the distributions were made in proportion to an occupational-employment-by-industry

matrix from the Bureau of Labor Statistics.<sup>16</sup> The use of this matrix assumes that the use of a type of equipment or structure is correlated with the related occupational employment; for example, anesthesia apparatus and blood transfusion equipment was distributed by industry on the basis of the number of health technicians and technologists and of surgical technologists that were employed by various industries in 1992.

The use of these employment-by-industry ratios to allocate capital commodities works best when capital-labor ratios across industries are relatively stable and when the types of capital and labor included in the associated types of equipment and structures and occupational employment categories are relatively homogeneous. Unfortunately, detailed data on purchases or leases by type of capital and by industry are not available to adequately assess the extent to which the estimates based on employment information approximate actual purchases or leases.

Third, expenditures for equipment and structures were summed to industry totals. These totals were then compared with the initial estimates of total industry expenditures in order to evaluate the industry controls. Then, the sum of the industry controls was adjusted to the total value of new structures and equipment from GPF1. An iterative balancing procedure was used to insure that all column sums and row sums added to their respective control totals.

Fourth, transportation costs and trade margins were estimated in order to determine CFT values in producers' values. The structures and equipment estimates were aggregated to approximately a four-digit SIC commodity level and to a GPF1 category level.

*Appendixes A and B and tables 1 and 2 follow.* 

16. Unpublished data from the 1992–2005 National Industry/Occupation Matrix provided by the Bureau of Labor Statistics, Office of Employment Projections.

12. This adjustment includes estimates for nonpayroll firms in mining, manufacturing, and wholesale trade; for auxiliary establishments in mining and manufacturing; for capital expenditures not collected in the economic censuses for transportation, communications, utilities, finance, insurance, real estate, and some services; and for agriculture and agriculture services.

13. This adjustment is made, because, in some cases, the Census Bureau data reflect tax return records. The tax return data must be adjusted to account for nonfilers and for filers who misreport information to the Internal Revenue Service. Capital expenditures based on Census Bureau data are similarly adjusted to account for the expenditures of nonfilers and filers who misreport. See Robert P. Parker, "Improved Adjustments for Misreporting of Tax Return Information Used to Estimate the National Income and Product Accounts, 1977," *SURVEY* 64 (June 1984): 17–25.

14. Expensed new motor vehicles that are retained for less than a full accounting period by the auto rental industry and expenditures for petroleum and natural gas well drilling, exploration, and other mining exploration are not reported as investment to the Census Bureau. The expenditures are recorded as investment items in the construction industry in the CFT. Nonfarm business use of personal motor vehicles represents personally owned motor vehicles used for business purposes; in national economic accounting, purchases of these "mixed-use" vehicles are allocated between consumer and business purchasers on the basis of the mileage driven for business purposes.

15. Force-account new construction is new construction work performed by and for establishments classified according to the SIC in nonconstruction industries. In both the alternative I-O and in the CFT, the value of such work is included in the output of the construction industry rather than in the industry in which the work is performed.

Appendix A.—Classification of Industries in the 1992 Capital Flow Table

Industry number	Industry title	Related 1987 SIC codes	Industry number	Industry title	Related 1987 SIC codes
102	Agriculture production .....	01, 02	4913	Electric services and combination electric and gas services.	491, 493
789	Agricultural services .....	07, 08, 09			
1000	Metal mining .....	10	4920	Gas production and distribution .....	492
1200	Coal mining .....	12	4947	Water supply; sanitary services; irrigation systems .....	494, 495, 496, 497
1300	Oil and gas extraction .....	13	5001	Wholesale trade .....	50, 51
1400	Nonmetallic minerals, except fuels .....	14	5800	Eating and drinking places .....	58
1567	Construction .....	15, 16, 17	5902	Retail trade, excluding eating and drinking places .....	52, 53, 54, 55, 56, 57, 59
2000	Food and kindred products .....	20	6000	Financial services .....	60, 61, 62, 67
2100	Tobacco manufactures .....	21	6340	Insurance services .....	63, 64
2200	Textile mill products .....	22	6500	Real estate .....	65
2300	Apparel and other textile products .....	23	7000	Hotels and other lodging places .....	70
2400	Lumber and wood products .....	24	7200	Personal services .....	72
2500	Furniture and fixtures .....	25	7309	Business services, excluding miscellaneous equipment and computer rental and leasing.	731, 732, 733, 734, 736, 738, 737 except 7377
2600	Paper and allied products .....	26	7350	Miscellaneous equipment rental and leasing .....	735
2700	Printing and publishing .....	27	7377	Computer rental and leasing .....	7377
2800	Chemicals and allied products .....	28	7509	Automotive repair, services, and parking, excluding automobile rental and leasing.	752, 753, 754
2900	Petroleum and coal products .....	29	7510	Automotive rental and leasing, without drivers .....	751
3000	Rubber and miscellaneous plastics products .....	30	7600	Miscellaneous repair services .....	76
3100	Leather and leather products .....	31	7800	Motion pictures .....	78
3200	Stone, clay, and glass products .....	32	7900	Amusement and recreation services .....	79
3300	Primary metal industries .....	33	8009	Health services, excluding hospitals .....	801, 802, 803, 804, 805, 807, 808, 809
3400	Fabricated metal products .....	34	8060	Hospitals .....	806
3500	Industrial machinery and equipment .....	35	8100	Legal services .....	81
3600	Electronic and other electric equipment .....	36	8200	Educational services .....	82
3710	Motor vehicles and equipment .....	371	8300	Social services .....	83
3729	Other transportation equipment .....	372, 373, 374, 375, 376, 379	8400	Museums, art galleries, and botanical and zoological gardens.	84
3800	Instruments and related products .....	38	8600	Membership organizations .....	86
3900	Miscellaneous manufacturing industries .....	39	8700	Engineering, accounting, research, management, and related services.	87
4000	Railroad transportation .....	40, 4741	8900	Services, n.e.c. ....	89
4100	Local and interurban passenger transportation .....	41			
4200	Trucking and warehousing .....	42			
4400	Water transportation .....	44			
4500	Transportation by air .....	45			
4600	Pipelines, except natural gas .....	46			
4701	Transportation services .....	472, 473, 478			
4800	Communications services .....	48			

n.e.c. Not elsewhere classified.

Appendix B.—Classification of Commodities in the 1992 Capital Flow Table

Commodity number	Commodity title	Related 1987 SIC codes	Commodity number	Commodity title	Related 1987 SIC codes
1094	Uranium-radium-vanadium ores .....	1094	3559	Special industry machinery, n.e.c. ....	3559
1380	Oil and gas field services .....	138	3561	Pumps and pumping equipment .....	3561
1510	Residential construction .....	15, 17, 6552	3563	Air and gas compressors .....	3563
1523	New warehouses construction .....	15, 17	3564	Industrial and commercial fans, blowers, and air purification equipment .....	3564
1524	New garages and service stations construction .....	15, 17	3565	Packaging machinery .....	3565
1525	Other new nonfarm buildings construction .....	15, 17	3567	Industrial process furnaces and ovens .....	3567
1526	New religious facilities construction .....	15, 17	3569	General industrial machinery and equipment, n.e.c. ....	3569
1527	New hospital construction .....	15, 17	3571	Electronic computers .....	3571
1528	New residential institutions and other health facilities construction .....	15, 17	3572	Computer storage devices .....	3572
1529	New amusement and recreation facilities construction .....	15, 17	3575	Computer terminals .....	3575
1532	New railroad facilities construction .....	15, 16, 17	3577	Computer peripheral equipment, n.e.c. ....	3577
1533	New electric utility construction .....	15, 16, 17	3578	Calculating and accounting machines, except electronic computers .....	3578
1534	New gas utility facilities construction .....	15, 16, 17	3579	Office machines, n.e.c. ....	3579
1535	New petroleum pipelines construction .....	15, 16, 17	3581	Automatic vending machines .....	3581
1536	New water supply facilities construction .....	15, 16, 17	3582	Commercial laundry, drycleaning, and pressing machines .....	3582
1543	New academic facilities construction .....	15, 17	3585	Air-conditioning and warm air heating equipment .....	3585
1544	New libraries, museums and cultural facilities construction .....	15, 17	3586	Measuring and dispensing pumps .....	3586
1545	New commercial structures .....	15, 17	3589	Service industry machinery, n.e.c. ....	3589
1552	New farm service facilities construction .....	15, 17	3594	Fluid power pumps and motors .....	3594
1572	New dams and reservoir construction .....	15, 16, 17	3596	Scales and balances, except laboratory .....	3596
1573	Other new conservation and development construction .....	15, 16, 17	3599	Industrial and commercial machinery and equipment, n.e.c. ....	3599
1574	Other new nonbuilding construction .....	15, 16, 17	3612	Power, distribution, and specialty transformers .....	3612
1612	New highways, bridges, and other horizontal construction .....	15, 16, 17	3613	Switchgear and switchboard apparatus .....	3613
1621	New industrial plants construction .....	15, 16, 17	3621	Motors and generators .....	3621
1624	New waste treatment plants construction .....	15, 16, 17	3625	Relays and industrial controls .....	3625
1625	New sewer facilities construction .....	15, 16, 17	3629	Electrical industrial apparatus, n.e.c. ....	3629
1628	New access structures for solid mineral development .....	15, 16, 17	3631	Household cooking equipment .....	3631
1631	New telephone and telegraph structures construction .....	15, 16, 17	3632	Household refrigerators and home and farm freezers .....	3632
1706	Railroad construction repair and maintenance .....	15, 16, 17	3633	Household laundry equipment .....	3633
1722	New office building construction .....	15, 17	3634	Electric housewares and fans .....	3634
2273	Carpets and rugs .....	2273	3635	Household vacuum cleaners .....	3635
2299	Textile goods, n.e.c. ....	2299	3639	Household appliances, n.e.c. ....	3639
2451	Mobile homes .....	2451	3643	Current-carrying wiring devices .....	3643
2499	Wood products, n.e.c. ....	2499	3645	Residential electric lighting fixtures .....	3645
2511	Wood household furniture, except upholstered .....	2511	3646	Commercial, industrial, and institutional electric lighting fixtures .....	3646
2512	Wood household furniture, upholstered .....	2512	3648	Lighting equipment, n.e.c. ....	3648
2514	Metal household furniture .....	2514	3651	Household audio and video equipment .....	3651
2515	Mattresses, foundations, and convertible beds .....	2515	3661	Telephone and telegraph apparatus .....	3661
2519	Household furniture, n.e.c. ....	2519	3663	Radio and television broadcasting and communications equipment .....	3663
2521	Wood office furniture .....	2521	3669	Communications equipment, n.e.c. ....	3669
2522	Office furniture, except wood .....	2522	3691	Storage batteries .....	3691
2531	Public building and related furniture .....	2531	3695	Magnetic and optical recording media .....	3695
2541	Wood office and store fixtures, partitions, shelving, and lockers .....	2541	3699	Electrical machinery, equipment, and supplies, n.e.c. ....	3699
2542	Partitions and fixtures, except wood .....	2542	3711	Motor vehicles and passenger car bodies .....	3711
2591	Drapery hardware and window blinds and shades .....	2591	3713	Truck and bus bodies .....	3713
2599	Furniture and fixtures, n.e.c. ....	2599	3715	Truck trailers .....	3715
2819	Industrial inorganic chemicals, n.e.c. ....	2819	3721	Aircraft .....	3721
3069	Fabricated rubber products, n.e.c. ....	3069	3724	Aircraft engines and engine parts .....	3724
3086	Plastics foam products .....	3086	3731	Ship building and repairing .....	3731
3357	Drawing and insulating of nonferrous wire .....	3357	3732	Boat building and repairing .....	3732
3399	Primary metal products, n.e.c. ....	3399	3743	Railroad equipment .....	3743
3412	Metal shipping barrels, drums, kegs, and pails .....	3412	3751	Motorcycles, bicycles, and parts .....	3751
3423	Hand and edge tools, except machine tools and handsaws .....	3423	3761	Guided missiles and space vehicles .....	3761
3425	Saw blades and handsaws .....	3425	3792	Travel trailers and campers .....	3792
3443	Fabricated plate work (boiler shops) .....	3443	3799	Transportation equipment, n.e.c. ....	3799
3444	Sheet metal work .....	3444	3812	Search and navigation equipment .....	3812
3491	Industrial valves .....	3491	3821	Laboratory apparatus and furniture .....	3821
3494	Valves and pipe fittings, n.e.c. ....	3494	3823	Industrial instruments for measurement, display .....	3823
3498	Fabricated pipe and pipe fittings .....	3498	3824	Totalizing fluid meters and counting devices .....	3824
3499	Fabricated metal products, n.e.c. ....	3499	3825	Instruments to measure electricity .....	3825
3511	Steam, gas, and hydraulic turbines, and turbine generator set units .....	3511	3826	Laboratory analytical instruments .....	3826
3519	Internal combustion engines, n.e.c. ....	3519	3827	Optical instruments and lenses .....	3827
3523	Farm machinery and equipment .....	3523	3829	Measuring and controlling devices, n.e.c. ....	3829
3524	Lawn and garden tractors and home lawn and garden equipment .....	3524	3841	Surgical and medical instruments and apparatus .....	3841
3531	Construction machinery and equipment .....	3531	3842	Orthopedic, prosthetic, and surgical appliances and supplies .....	3842
3532	Mining machinery .....	3532	3843	Dental equipment and supplies .....	3843
3533	Oil and gas field machinery and equipment .....	3533	3844	X-ray apparatus and tubes and related irradiation apparatus .....	3844
3535	Conveyors and conveying equipment .....	3535	3845	Electromedical and electrotherapeutic apparatus .....	3845
3536	Overhead traveling cranes, hoists, and monorail systems .....	3536	3861	Photographic equipment and supplies .....	3861
3537	Industrial trucks, tractors, trailers, and stackers .....	3537	3931	Musical instruments .....	3931
3541	Machine tools, metal cutting types .....	3541	3949	Sporting and athletic goods, n.e.c. ....	3949
3542	Machine tools, metal forming types .....	3542	3993	Signs and advertising specialties .....	3993
3544	Special dies, tools, jigs, and fixtures .....	3544	3999	Manufacturing industries, n.e.c. ....	3999
3546	Power-driven handtools .....	3546	4245	Transportation .....	40, 42, 44, 45
3547	Rolling mill machinery and equipment .....	3547	4810	Telephone communications .....	481
3548	Electric and gas welding and soldering equipment .....	3548	4822	Telegraph and other message communications .....	4822
3549	Metallworking machinery, n.e.c. ....	3549	5001	Wholesale trade .....	50, 51
3552	Textile machinery .....	3552	5902	Retail trade .....	52, 53, 54, 55, 56, 57, 59
3553	Woodworking machinery .....	3553			
3554	Paper industries machinery .....	3554	6520	Real estate agents and managers, title abstract offices .....	65
3555	Printing trades machinery and equipment .....	3555	7370	Computer and data processing services .....	737
3556	Food products machinery .....	3556	8710	Engineering, architectural, and surveying services .....	871

n.e.c. Not elsewhere classified.

Table 1.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Agricultural production	Agricultural services	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals except fuels	Construction	Food and kindred products
	Industry number	102	789	1000	1200	1300	1400	1567	2000
	<b>I-O commodity group in producers' prices</b> (commodity number in parentheses)								
1	(1094) Uranium-radium-vanadium ores .....								
2	(1380) Oil and gas field services .....			9	168	12,956	22	1	
3	(1510) Residential construction .....								52
4	(1523) New warehouses construction .....							22	
5	(1524) New garages and service stations construction .....							11	
6	(1525) Other new nonfarm buildings construction .....		1,449						
7	(1526) New religious facilities construction .....								
8	(1527) New hospital construction .....								
9	(1528) New residential institutions and other health facilities construction .....								
10	(1529) New amusement and recreation facilities construction .....								
11	(1532) New railroad facilities construction .....								20
12	(1533) New electric utility construction .....								
13	(1534) New gas utility facilities construction .....								
14	(1535) New petroleum pipelines construction .....					147			
15	(1536) New water supply facilities construction .....			258				198	
16	(1543) New academic facilities construction .....								
17	(1544) New libraries, museums and cultural facilities construction .....								
18	(1545) New commercial structures .....				7		1	22	75
19	(1552) New farm service facilities construction .....	2,398							
20	(1572) New dams and reservoir construction .....								
21	(1573) Other new conservation and development construction .....								
22	(1574) Other new nonbuilding construction .....		57	2		2			
23	(1612) New highways, bridges, and other horizontal construction .....								
24	(1621) New industrial plants construction .....			76	124	1,863	31	89	1,721
25	(1624) New waste treatment plants construction .....								
26	(1625) New sewer facilities construction .....								
27	(1628) New access structures for solid mineral development .....			319	614		128		
28	(1631) New telephone and telegraph structures construction .....								
29	(1706) Railroad construction repair and maintenance .....								
30	(1722) New office building construction .....			82		204		50	1,157
31	(2273) Carpets and rugs .....					19	1	3	39
32	(2299) Textile goods, n.e.c. ....								
33	(2451) Mobile homes .....							317	
34	(2499) Wood products, n.e.c. ....								1
35	(2511) Wood household furniture .....								
36	(2512) Upholstered wood household furniture .....								
37	(2514) Metal household furniture .....								
38	(2515) Mattresses and bedspings .....								
39	(2519) Household furniture, n.e.c. ....								
40	(2521) Wood office furniture .....			2	1	8	2	175	26
41	(2522) Office furniture, except wood .....	25		3	1	35	3	433	58
42	(2531) Public building and related furniture .....	2	5						14
43	(2541) Wood, partitions and fixtures .....	8	1	2	1	10	1	137	30
44	(2542) Partitions and fixtures, except wood .....	12	1		2	11	2	179	38
45	(2591) Drapery hardware and window blinds and shades .....	2				2		20	2
46	(2599) Furniture and fixtures, n.e.c. ....	5		3	2	3	3	82	81
47	(2819) Industrial inorganic chemicals, n.e.c. ....								
48	(3069) Fabricated rubber products, n.e.c. ....							4	
49	(3086) Plastics foam products .....								
50	(3357) Nonferrous wiring and insulating .....								
51	(3399) Primary metal products, n.e.c. ....							4	1
52	(3412) Metal barrels, drums, and pails .....	1				1		3	1
53	(3423) Hand and edge tools, n.e.c. ....								
54	(3425) Saw blades and handsaws .....	4	2			1		122	
55	(3443) Fabricated plate work (boiler shops) .....	149	51	2	6	50	4	38	332
56	(3444) Sheet metal work .....	37						9	17
57	(3491) Industrial valves .....			3	1	68	1	7	18
58	(3494) Valves and pipe fittings, n.e.c. ....					3			9
59	(3498) Fabricated pipe and fittings .....					5		164	1
60	(3499) Fabricated metal products, n.e.c. ....			1				130	1
61	(3511) Turbines and turbine generator sets .....								23
62	(3519) Internal combustion engines, n.e.c. ....	12	16	26	10	128	26	189	8
63	(3523) Farm machinery and equipment .....	6,020	979					34	
64	(3524) Lawn and garden equipment .....	11	947			1	1	68	4
65	(3531) Construction machinery .....			213	359	64	137	5,744	
66	(3532) Mining machinery .....			35	249	143	190		
67	(3533) Oil and gas field machinery .....					175			
68	(3535) Conveyors and conveying equipment .....			60	24	277	80	278	188
69	(3536) Hoists, cranes, and monorails .....	2	5	11	5	42	5	50	
70	(3537) Industrial trucks and tractors .....	3	6	15	8	9	16	50	285
71	(3541) Machine tools, metal cutting types .....	4	1					1	
72	(3542) Machine tools, metal forming types .....	1							
73	(3544) Special dies, jigs and fixtures .....	5							1
74	(3546) Power-driven handtools .....	192	2	7	3	4	2	513	27
75	(3547) Rolling mill machinery .....								
76	(3548) Welding apparatus .....	7	3	8	6	10	6	159	
77	(3549) Metalworking machinery, n.e.c. ....								
78	(3552) Textile machinery .....	1	1						
79	(3553) Woodworking machinery .....		3					85	
80	(3554) Paper industries machinery .....	2	6						
81	(3555) Printing trades machinery .....								
82	(3556) Food products machinery .....								1,731

n.e.c. Not elsewhere classified.



Table 1.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Agricultural production	Agricultural services	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals except fuels	Construction	Food and kindred products
	Industry number	102	789	1000	1200	1300	1400	1567	2000
	<b>I-O commodity group in producers' prices</b> (commodity number in parentheses)								
83	(3559) Special industry machinery, n.e.c. ....	5	70	3	2	3	3	27	40
84	(3561) Pumps and pumping equipment .....	3	4			381		88	2
85	(3563) Air and gas compressors .....	3	2			27		544	5
86	(3564) Blowers and fans .....				3	2	1		3
87	(3565) Packaging machinery .....	3	2						1,156
88	(3567) Industrial furnaces and ovens .....	4	2	12			10	1	41
89	(3569) General industrial machinery, n.e.c. ....	5	5	20	5	22	12	23	241
90	(3571) Electronic computers .....	36	4	13	8	97	7	504	254
91	(3572) Computer storage devices .....	23		3	5	41	4	262	105
92	(3575) Computer terminals .....	14		4	2	20	2	165	61
93	(3577) Computer peripheral equipment, n.e.c. ....	25		8	7	37	5	305	115
94	(3578) Calculating and accounting machines .....	3	1			3		26	11
95	(3579) Office machines, n.e.c. ....	6	1			4		52	40
96	(3581) Automatic vending machines .....								
97	(3582) Commercial laundry equipment .....								
98	(3585) Refrigeration and heating equipment .....	19	8			5		27	13
99	(3586) Measuring and dispensing pumps .....	3	1	3	3	4	2	3	49
100	(3589) Service industry machinery, n.e.c. ....	7	4		1	1		246	73
101	(3594) Fluid power pumps and motors .....		1	4		26		6	2
102	(3596) Scales and balances, except laboratory .....	1		2	2	2	1	3	16
103	(3599) Industrial machinery, n.e.c. ....								13
104	(3612) Transformers, except electronic .....				1				1
105	(3613) Switchgear and switchboard apparatus .....								
106	(3621) Motors and generators .....	7		5	3	2	2	382	17
107	(3625) Relays and industrial controls .....	3	1	2	2	6	3	67	13
108	(3629) Electrical industrial apparatus, n.e.c. ....	2		5	4	3	2	518	20
109	(3631) Household cooking equipment .....								
110	(3632) Household refrigerators and freezers .....								
111	(3633) Household laundry equipment .....								
112	(3634) Electric housewares and fans .....								
113	(3635) Household vacuum cleaners .....								1
114	(3639) Household appliances, n.e.c. ....								
115	(3643) Current-carrying wiring devices .....							2	
116	(3645) Residential lighting fixtures .....							4	
117	(3646) Commercial lighting fixtures .....							3	
118	(3648) Lighting equipment, n.e.c. ....							8	
119	(3651) Household audio and video equipment .....								
120	(3661) Telephone and telegraph apparatus .....	16		3	4	35	3	336	61
121	(3663) Radio and tv communications equipment .....	9	16			10	2	171	97
122	(3669) Communications equipment, n.e.c. ....								1
123	(3691) Storage batteries .....					1	1	2	18
124	(3695) Magnetic and optical recording media .....							4	
125	(3699) Electrical equipment, and supplies, n.e.c. ....				1			66	2
126	(3711) Motor vehicles and car bodies .....	1,284	883	200	181	154	192	9,970	1,205
127	(3713) Truck and bus bodies .....	17	11	8	4		15	208	113
128	(3715) Truck trailers .....	24	14	9	4		18	283	149
129	(3721) Aircraft .....	17	93	19	11	738	24	130	75
130	(3724) Aircraft engines and engine parts .....	1	21			5			
131	(3731) Ship building and repairing .....		41			40		97	
132	(3732) Boat building and repairing .....		112						
133	(3743) Railroad equipment .....				81				
134	(3751) Motorcycles, bicycles, and parts .....								
135	(3761) Guided missiles and space vehicles .....								
136	(3792) Travel trailers and campers .....								
137	(3799) Transportation equipment, n.e.c. ....								
138	(3812) Search and navigation equipment .....	5	264			5			
139	(3821) Laboratory apparatus and furniture .....	7	18	25	1	91	2		52
140	(3823) Process control instruments .....	3	2	9	6	75	6	12	69
141	(3824) Fluid meters and counting devices .....				1	12	1	6	50
142	(3825) Instruments to measure electricity .....	4	4	16	4	12	5	1,080	50
143	(3826) Analytical instruments .....	5	8	15	4	16	5	7	157
144	(3827) Optical instruments and lenses .....	3	2						6
145	(3829) Measuring and controlling devices, n.e.c. ....	5		20	3	267	4	42	25
146	(3841) Surgical and medical instruments .....	38	335						
147	(3842) Surgical appliances and supplies .....								
148	(3843) Dental equipment and supplies .....								
149	(3844) X-ray apparatus and tubes .....	130	23						5
150	(3845) Electromedical equipment .....	46							9
151	(3861) Photographic equipment and supplies .....	13	18	3	3	28	4	429	77
152	(3931) Musical instruments .....								
153	(3949) Sporting and athletic goods, n.e.c. ....								
154	(3993) Signs and advertising specialties .....								
155	(3999) Manufacturing industries, n.e.c. ....								
156	(4245) Transportation .....	330	96	17	20	52	21	894	131
157	(4810) Telephone communications .....								
158	(4822) Telegraph and other communications .....								
159	(5001) Wholesale trade .....	2,244	849	118	40	401	113	3,594	1,268
160	(5902) Retail trade .....	173	656	5	1	25	6	1,022	129
161	(6520) Real estate agents and managers, title abstract offices .....								
162	(7370) Computer and data processing services .....	1	2	2	1	29	1	10	51
163	(8710) Engineering and architectural services .....	436	129	6	73	177	30	998	484
	<b>Total</b> .....	<b>13,885</b>	<b>7,240</b>	<b>1,695</b>	<b>2,084</b>	<b>19,099</b>	<b>1,170</b>	<b>32,018</b>	<b>12,537</b>

n.e.c. Not elsewhere classified.



to Using Industries, I-O Commodities, 1992—Continued  
in producers' prices]

Tobacco manufactures	Textile mill products	Apparel and other textile products	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products	Line
2100	2200	2300	2400	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	
25	21	81	66	7	289	.....	1,992	179	931	21	491	568	118	83
.....	1	1	1	.....	483	10	327	99	4	.....	.....	7	1	84
.....	7	2	30	27	97	1	203	222	31	6	18	26	91	85
.....	.....	.....	.....	4	60	.....	76	90	.....	.....	8	16	1	86
40	15	12	10	10	131	40	443	43	40	3	38	24	37	87
2	27	43	38	7	36	31	72	56	38	5	79	286	86	88
21	55	27	27	9	275	27	252	321	58	4	33	104	86	89
44	33	30	21	19	166	349	600	186	48	2	29	80	91	90
15	15	16	12	8	74	152	252	77	20	.....	12	35	39	91
13	7	7	7	6	41	82	146	40	12	.....	7	19	24	92
24	17	13	12	10	78	153	267	72	21	.....	14	34	37	93
.....	1	2	1	1	1	5	5	2	1	.....	1	1	3	94
.....	6	15	6	6	27	51	43	4	11	2	6	12	22	95
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	96
.....	1	10	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	97
.....	2	2	3	1	21	5	69	611	3	.....	3	27	3	98
4	11	5	5	1	25	4	26	10	7	1	7	22	14	99
.....	5	6	4	3	11	10	14	.....	5	.....	3	8	8	100
.....	.....	.....	.....	.....	6	.....	6	13	.....	.....	.....	2	.....	101
2	5	3	4	2	16	4	12	7	5	.....	5	9	8	102
.....	2	2	2	.....	2	.....	2	.....	2	.....	2	2	2	103
.....	.....	.....	.....	.....	14	.....	12	8	.....	.....	1	7	1	104
.....	.....	.....	.....	.....	110	.....	85	61	.....	.....	.....	42	.....	105
2	4	3	7	4	21	5	17	10	6	.....	8	33	31	106
.....	6	12	10	6	26	10	12	4	16	.....	12	48	49	107
2	7	5	7	3	26	9	25	12	6	1	6	27	12	108
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	109
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	110
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	111
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	112
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	113
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	114
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	115
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	116
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	117
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	118
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	119
7	6	7	12	7	48	51	120	39	13	2	10	22	37	120
9	6	16	16	9	71	244	122	20	19	3	18	24	45	121
.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	1	122
2	3	2	5	2	19	3	8	2	4	.....	5	8	5	123
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	124
.....	1	.....	1	.....	2	76	2	3	1	.....	1	3	1	125
26	62	141	305	90	446	1,022	658	241	171	18	439	243	465	126
.....	3	2	24	5	21	27	24	18	4	.....	56	9	11	127
.....	3	3	30	8	28	35	29	22	6	.....	75	15	19	128
78	16	11	56	5	190	56	152	693	10	.....	46	131	59	129
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	130
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	131
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	132
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	133
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	134
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	135
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	136
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	137
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	138
5	2	.....	1	.....	13	2	626	61	4	.....	4	6	5	139
1	2	2	6	1	142	3	751	611	12	.....	12	40	11	140
.....	4	1	15	4	60	11	224	134	9	.....	3	3	5	141
4	5	2	11	2	51	8	59	33	8	4	16	59	19	142
27	7	1	2	1	68	.....	1,934	216	15	1	14	35	18	143
.....	.....	.....	.....	.....	.....	138	367	.....	.....	.....	.....	.....	1	144
3	3	2	5	3	15	3	131	36	9	.....	6	17	26	145
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	146
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	147
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	148
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	149
.....	1	.....	.....	.....	1	1	16	.....	.....	.....	.....	.....	1	150
3	9	18	15	9	52	258	111	27	17	2	14	23	37	151
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	152
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	153
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	154
1	23	7	20	4	118	75	145	64	59	.....	33	75	65	155
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	156
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	157
40	147	84	188	73	747	563	1,555	667	363	8	222	452	397	158
9	7	16	34	17	127	122	154	48	20	1	32	35	47	159
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	160
11	6	5	5	4	58	59	133	24	7	1	6	29	20	161
13	69	33	63	34	503	181	966	497	192	6	85	278	214	162
614	2,719	1,225	2,244	1,047	9,297	6,998	20,433	7,689	5,854	168	3,038	6,237	5,430	163

Table 1.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Industrial machinery and equipment	Electronic and other electric equipment	Motor vehicles and equipment	Other transportation equipment	Instruments and related products	Miscellaneous manufacturing industries	Railroad transportation	Local and interurban passenger transportation
		Industry number	3500	3600	3710	3729	3800	3900	4000
	<b>I-O commodity group in producers' prices</b> (commodity number in parentheses)								
1	(1094) Uranium-radium-vanadium ores .....								
2	(1380) Oil and gas field services .....								
3	(1510) Residential construction .....								
4	(1523) New warehouses construction .....	26	27	25	41	39	5	19	48
5	(1524) New garages and service stations construction .....								
6	(1525) Other new nonfarm buildings construction .....								
7	(1526) New religious facilities construction .....								
8	(1527) New hospital construction .....								
9	(1528) New residential institutions and other health facilities construction .....								
10	(1529) New amusement and recreation facilities construction .....								
11	(1532) New railroad facilities construction .....							541	
12	(1533) New electric utility construction .....	13	12	13	15	13			
13	(1534) New gas utility facilities construction .....								
14	(1535) New petroleum pipelines construction .....								
15	(1536) New water supply facilities construction .....								
16	(1543) New academic facilities construction .....								
17	(1544) New libraries, museums and cultural facilities construction .....								
18	(1545) New commercial structures .....	46	47	46	54	52	9	24	71
19	(1552) New farm service facilities construction .....								
20	(1572) New dams and reservoir construction .....								
21	(1573) Other new conservation and development construction .....								
22	(1574) Other new nonbuilding construction .....								
23	(1612) New highways, bridges, and other horizontal construction .....								
24	(1621) New industrial plants construction .....	1,093	1,091	1,064	1,380	1,260	187		
25	(1624) New waste treatment plants construction .....								
26	(1625) New sewer facilities construction .....								
27	(1628) New access structures for solid mineral development .....								
28	(1631) New telephone and telegraph structures construction .....								
29	(1706) Railroad construction repair and maintenance .....							2,270	
30	(1722) New office building construction .....	739	742	718	924	718	102	158	570
31	(2273) Carpets and rugs .....	29	51	182		21	1		
32	(2299) Textile goods, n.e.c. ....								
33	(2451) Mobile homes .....	1	1		2				
34	(2499) Wood products, n.e.c. ....								
35	(2511) Wood household furniture .....								
36	(2512) Upholstered wood household furniture .....								
37	(2514) Metal household furniture .....								
38	(2515) Mattresses and bedsprings .....								
39	(2519) Household furniture, n.e.c. ....								
40	(2521) Wood office furniture .....	37	21	9	8	17	7	1	6
41	(2522) Office furniture, except wood .....	96	70	36	43	75	11	1	6
42	(2531) Public building and related furniture .....	4	2	6		1			
43	(2541) Wood, partitions and fixtures .....	39	34	22	24	33	5	2	5
44	(2542) Partitions and fixtures, except wood .....	53	46	27	30	43	8	3	5
45	(2591) Drapery hardware and window blinds and shades .....	7	6	4	5	7			
46	(2599) Furniture and fixtures, n.e.c. ....	37	47	58	15	19	9	1	11
47	(2819) Industrial inorganic chemicals, n.e.c. ....								
48	(3069) Fabricated rubber products, n.e.c. ....		2				1		
49	(3086) Plastics foam products .....								
50	(3357) Nonferrous wire and insulating .....								
51	(3399) Primary metal products, n.e.c. ....	1	1						
52	(3412) Metal barrels, drums, and pails .....							1	
53	(3423) Hand and edge tools, n.e.c. ....						1		
54	(3425) Saw blades and handsaws .....	2							
55	(3443) Fabricated plate work (boiler shops) .....	46	57	66	16	34	13		1
56	(3444) Sheet metal work .....	2							
57	(3491) Industrial valves .....				11				
58	(3494) Valves and pipe fittings, n.e.c. ....	8	7	9	6	5	2		
59	(3498) Fabricated pipe and fittings .....	1	1	3	5	1			
60	(3499) Fabricated metal products, n.e.c. ....	6	5	7	5	1	1	1	
61	(3511) Turbines and turbine generator sets .....	1	1	1					
62	(3519) Internal combustion engines, n.e.c. ....	2	5	3				1	
63	(3523) Farm machinery and equipment .....								
64	(3524) Lawn and garden equipment .....	8	160			12	12		1
65	(3531) Construction machinery .....	5						2	
66	(3532) Mining machinery .....								
67	(3533) Oil and gas field machinery .....								
68	(3535) Conveyors and conveying equipment .....	28	54	106	6	5	9	5	
69	(3536) Hoists, cranes, and monorails .....	1		14	5			1	
70	(3537) Industrial trucks and tractors .....	72	67	146	21	20	10	2	8
71	(3541) Machine tools, metal cutting types .....	887	258	641	224	136	50		
72	(3542) Machine tools, metal forming types .....	193	88	202	45	39	22		
73	(3544) Special dies, jigs and fixtures .....	1,043	901	1,271	297	170	217		
74	(3546) Power-driven handtools .....	21	13	34	28	7	2	3	10
75	(3547) Rolling mill machinery .....								
76	(3548) Welding apparatus .....	168	37	315	118	16	13	3	
77	(3549) Metalworking machinery, n.e.c. ....	323	192	196	58	100	9		
78	(3552) Textile machinery .....								
79	(3553) Woodworking machinery .....	19		3	7	1	23		
80	(3554) Paper industries machinery .....								
81	(3555) Printing trades machinery .....		29						
82	(3556) Food products machinery .....								

n.e.c. Not elsewhere classified.

to Using Industries, I-O Commodities, 1992—Continued  
in producers' prices]

Trucking and warehousing	Water transportation	Transportation by air	Pipelines, except natural gas	Transportation services	Communications services	Electric services	Gas production and distribution	Water supply, sanitary services, and irrigation systems	Wholesale trade	Eating and drinking places	Retail trade, excluding eating and drinking places	Financial services	Line
4200	4400	4500	4600	4701	4800	4913	4920	4947	5001	5800	5902	6000	
						44		1					1
													2
													3
437	18	31		13					1,875		3,494		4
	5	107							6	47	1,355	4	5
											6		6
													7
													8
													9
													10
						332	20,699						11
							6,725						12
			585										13
								6					14
													15
35	4	48		25					246	4,041	3,148	8,672	16
													17
													18
									662				19
	213					1,501							20
	2	2											21
407						692							22
													23
													24
													25
													26
						7,527							27
													28
266	16	284	117	32	809	585	102		2,653	694	5,350	1,877	29
		1								49	209		30
										2	2		31
													32
													33
													34
													35
													36
										12			37
													38
													39
18	1	2		27	48	15	5	6	148	45	206	179	40
26	2	6	1	30	115	78	26	11	220	10	149	892	41
3		206							11	15	25	25	42
10	1	4		16	75	36	10	5	95	33	394	601	43
14	3	4		18	76	45	13	4	118	44	503	627	44
2		1		2	10	2			9	6	17		45
35	8	3		5	28	6	2	6	72	890	121		46
						1,957							47
										1	2		48
										3	24		49
						52							50
											6		51
1									9	1	3		52
13	1	1											53
											5		54
7	7	1	6	6	1	115	21	9	229	4	366		55
9									122	147	33		56
						321	87	122					57
			2			5	2	3			2		58
			2			9	12	5	1				59
1		1		1	44	99	17	3	16	34	64	141	60
	9	13	2			2,150	7						61
4	8					66	15	6			5		62
									10				63
									11	1	89	4	64
						5	15		14	5	77	66	65
													66
													67
100	41	13	27	18		78	99	13	147	5	24	39	68
11	4					64		2	11		7		69
138	6	4		23	57	22	5	7	238	1	72		70
									2				71
													72
													73
18	3	16	2	2	129	73	15	6	107	1	138	5	74
													75
3	3	1	2	3		22	12	7	47		2		76
													77
													78
													79
											68		80
													81
													82
										2	2		

Table 1.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Industrial machinery and equipment	Electronic and other electric equipment	Motor vehicles and equipment	Other transportation equipment	Instruments and related products	Miscellaneous manufacturing industries	Railroad transportation	Local and interurban passenger transportation
		Industry number	3500	3600	3710	3729	3800	3900	4000
	<b>I-O commodity group in producers' prices</b> (commodity number in parentheses)								
83	(3559) Special industry machinery, n.e.c. ....	94	1,977	133	38	131	61	1	25
84	(3561) Pumps and pumping equipment .....	2	2	5	1	.....	.....	2	.....
85	(3563) Air and gas compressors .....	65	60	100	82	28	16	1	3
86	(3564) Blowers and fans .....	8	.....	.....	.....	.....	.....	.....	.....
87	(3565) Packaging machinery .....	13	45	6	5	61	24	.....	.....
88	(3567) Industrial furnaces and ovens .....	116	76	152	53	11	6	.....	.....
89	(3569) General industrial machinery, n.e.c. ....	141	128	124	89	89	12	.....	.....
90	(3571) Electronic computers .....	668	654	143	233	475	26	4	16
91	(3572) Computer storage devices .....	206	263	58	87	172	12	5	10
92	(3575) Computer terminals .....	117	151	39	53	99	7	1	5
93	(3577) Computer peripheral equipment, n.e.c. ....	215	271	68	99	182	15	5	11
94	(3578) Calculating and accounting machines .....	5	4	2	2	3	1	.....	1
95	(3579) Office machines, n.e.c. ....	39	35	20	16	31	10	1	5
96	(3581) Automatic vending machines .....	.....	.....	.....	.....	.....	.....	.....	.....
97	(3582) Commercial laundry equipment .....	.....	.....	.....	.....	.....	.....	.....	.....
98	(3585) Refrigeration and heating equipment .....	14	10	6	4	7	2	3	5
99	(3586) Measuring and dispensing pumps .....	14	14	20	5	4	1	.....	3
100	(3589) Service industry machinery, n.e.c. ....	14	10	20	5	6	2	1	3
101	(3594) Fluid power pumps and motors .....	.....	.....	.....	.....	.....	.....	.....	.....
102	(3596) Scales and balances, except laboratory .....	17	14	14	11	9	1	3	.....
103	(3599) Industrial machinery, n.e.c. ....	2	2	4	.....	.....	.....	.....	.....
104	(3612) Transformers, except electronic .....	6	25	8	.....	1	.....	.....	.....
105	(3613) Switchgear and switchboard apparatus .....	.....	.....	.....	.....	.....	.....	.....	.....
106	(3621) Motors and generators .....	105	26	68	33	17	6	4	3
107	(3625) Relays and industrial controls .....	101	39	66	30	13	8	2	6
108	(3629) Electrical industrial apparatus, n.e.c. ....	37	193	45	17	19	5	3	3
109	(3631) Household cooking equipment .....	.....	.....	.....	.....	.....	.....	.....	.....
110	(3632) Household refrigerators and freezers .....	.....	.....	.....	.....	.....	.....	.....	.....
111	(3633) Household laundry equipment .....	.....	.....	.....	.....	.....	.....	.....	.....
112	(3634) Electric housewares and fans .....	.....	.....	.....	.....	.....	.....	.....	.....
113	(3635) Household vacuum cleaners .....	.....	.....	.....	.....	.....	.....	.....	.....
114	(3639) Household appliances, n.e.c. ....	.....	.....	.....	.....	.....	.....	.....	.....
115	(3643) Current-carrying wiring devices .....	.....	.....	.....	.....	.....	.....	.....	.....
116	(3645) Residential lighting fixtures .....	.....	1	.....	1	.....	.....	1	.....
117	(3646) Commercial lighting fixtures .....	.....	.....	.....	.....	.....	.....	.....	.....
118	(3648) Lighting equipment, n.e.c. ....	1	1	.....	2	.....	.....	1	.....
119	(3651) Household audio and video equipment .....	.....	.....	.....	.....	.....	.....	.....	.....
120	(3661) Telephone and telegraph apparatus .....	109	96	66	109	93	11	2	7
121	(3663) Radio and tv communications equipment .....	119	83	50	21	92	21	2	4
122	(3669) Communications equipment, n.e.c. ....	.....	.....	.....	.....	.....	.....	1	.....
123	(3691) Storage batteries .....	5	5	11	2	2	1	.....	.....
124	(3695) Magnetic and optical recording media .....	.....	1	.....	1	.....	.....	.....	.....
125	(3699) Electrical equipment, and supplies, n.e.c. ....	2	99	6	14	247	1	3	.....
126	(3711) Motor vehicles and car bodies .....	819	537	293	177	431	152	7	313
127	(3713) Truck and bus bodies .....	7	6	10	2	3	3	1	8
128	(3715) Truck trailers .....	10	8	12	3	4	3	1	11
129	(3721) Aircraft .....	309	247	170	53	81	23	.....	.....
130	(3724) Aircraft engines and engine parts .....	.....	.....	.....	6	.....	.....	.....	.....
131	(3731) Ship building and repairing .....	.....	.....	.....	.....	.....	.....	.....	.....
132	(3732) Boat building and repairing .....	.....	.....	.....	.....	.....	.....	.....	.....
133	(3743) Railroad equipment .....	.....	.....	.....	.....	.....	.....	2,557	10
134	(3751) Motorcycles, bicycles, and parts .....	.....	.....	.....	.....	.....	.....	.....	.....
135	(3761) Guided missiles and space vehicles .....	.....	1	.....	23	.....	.....	.....	.....
136	(3792) Travel trailers and campers .....	.....	.....	.....	.....	.....	.....	.....	.....
137	(3799) Transportation equipment, n.e.c. ....	.....	.....	.....	13	.....	.....	.....	.....
138	(3812) Search and navigation equipment .....	.....	.....	.....	6	.....	.....	.....	.....
139	(3821) Laboratory apparatus and furniture .....	2	9	7	7	41	1	.....	.....
140	(3823) Process control instruments .....	18	43	36	27	19	2	1	.....
141	(3824) Fluid meters and counting devices .....	2	5	5	2	8	2	.....	.....
142	(3825) Instruments to measure electricity .....	97	220	90	76	125	6	2	24
143	(3826) Analytical instruments .....	10	43	35	34	158	6	1	.....
144	(3827) Optical instruments and lenses .....	.....	12	.....	5	52	.....	.....	.....
145	(3829) Measuring and controlling devices, n.e.c. ....	97	121	57	73	96	4	1	.....
146	(3841) Surgical and medical instruments .....	.....	.....	.....	.....	.....	.....	.....	6
147	(3842) Surgical appliances and supplies .....	.....	.....	.....	.....	.....	.....	.....	.....
148	(3843) Dental equipment and supplies .....	.....	.....	.....	.....	.....	.....	.....	.....
149	(3844) X-ray apparatus and tubes .....	.....	.....	.....	.....	.....	.....	.....	.....
150	(3845) Electromedical equipment .....	1	1	5	1	9	.....	.....	98
151	(3861) Photographic equipment and supplies .....	110	105	43	55	103	17	3	7
152	(3931) Musical instruments .....	.....	.....	.....	.....	.....	.....	.....	.....
153	(3949) Sporting and athletic goods, n.e.c. ....	.....	.....	.....	.....	.....	.....	.....	.....
154	(3993) Signs and advertising specialties .....	.....	.....	.....	.....	.....	.....	.....	.....
155	(3999) Manufacturing industries, n.e.c. ....	.....	.....	.....	.....	.....	.....	.....	.....
156	(4245) Transportation .....	159	110	101	23	38	7	23	5
157	(4810) Telephone communications .....	.....	.....	.....	.....	.....	.....	.....	.....
158	(4822) Telegraph and other communications .....	.....	.....	.....	.....	.....	.....	.....	.....
159	(5001) Wholesale trade .....	845	1,054	603	320	504	76	10	54
160	(5902) Retail trade .....	133	218	98	52	90	17	.....	7
161	(6520) Real estate agents and managers, title abstract offices .....	.....	.....	.....	.....	.....	.....	.....	.....
162	(7370) Computer and data processing services .....	141	134	65	214	138	7	2	4
163	(8710) Engineering and architectural services .....	322	414	318	125	155	41	158	77
	<b>Total</b> .....	<b>10,373</b>	<b>11,648</b>	<b>8,408</b>	<b>5,723</b>	<b>6,693</b>	<b>1,346</b>	<b>5,853</b>	<b>1,475</b>

n.e.c. Not elsewhere classified.

to Using Industries, I-O Commodities, 1992—Continued  
in producers' prices]

Trucking and warehousing	Water transportation	Transportation by air	Pipelines, except natural gas	Transportation services	Communications services	Electric services	Gas production and distribution	Water supply, sanitary services, and irrigation systems	Wholesale trade	Eating and drinking places	Retail trade, excluding eating and drinking places	Financial services	Line	
4200	4400	4500	4600	4701	4800	4913	4920	4947	5001	5800	5902	6000		
37	1	4		3	18	49	10	74	242	3	630		83	
		1	2			424	16	12	4		6		84	
4	3	3	6			69	24	1	63	1	299		85	
						233		1					86	
									164		71		87	
6	3	10	3			22	13	2	4		5		88	
55	7	27	8	95	7	196	18	13	51		5		89	
25	4	13	3	45	873	376	89	22	1,860	55	595	2,270	90	
14	2	6	2	18	347	144	31	10	795	29	298	1,217	91	
24	5	12	4	34	148	73	17	4	396	18	172	491	92	
4	1	1		7	291	137	29	10	652	39	311	881	93	
25	2	3	1	37	9	8	2	1	57	69	816	392	94	
					42	27	5	3	134	3	131	303	95	
											497		96	
6	1	4	4	3	16	20	7	5	25	372	990	60	98	
4	1	1			1	55	5	3	44		193		99	
5		4			1	2		87	65	934	302	71	100	
	1	15	2			17	19						101	
8	1	1				12	2		19	30	213		102	
						2							103	
1					1	2,264	2	1		2	5		104	
						1,131	16	8					105	
5		1			160	20			19	1	7		106	
17	16	1		2		12		2	21	2	15		107	
7	1	1			1	75		1	14		10		108	
										6	1		109	
										32	7		110	
													111	
										66			112	
										4	4	7	113	
										2			114	
					12	4					1		115	
					31	11					3	2	116	
										64			117	
					41	14			2		3		118	
					198					6			119	
19	3	7	2	24	10,125	458	32	6	188	14	178	1,550	120	
32	2	181	17	54	3,513	76	45	19	1,374	10	544	130	121	
6		1			119				2				122	
17	1	1		3		1		1	18		7		123	
					225	9					2		124	
					55	27			5		7		125	
3,037	12	244	495	267	1,213	962	121	181	7,255	1,060	6,847	3,465	126	
510	1	14		37	8	8	2	25	475	48	203	3	127	
685	1	21	22	28	8	12	2	35	643	66	274	3	128	
19		6,694			301	365			378	10	475	737	129	
11		434											130	
													131	
	525												132	
	111												133	
													134	
													135	
													136	
48		6											137	
10	49	5,490	22	511	2,978		989						138	
1						14	5	9	9			5	139	
2		1	24		45	1,237	74	109	12		1	2	140	
1			4			103	33	17	4		1		141	
37	4	16	2	11	383	1,021	46	24	235	4	72	7	142	
3	1	1	2	4	15	59	6	20	19		5	12	143	
					117	7		1	4		17	1	144	
1		5	2		86	506	16	17	28		2	6	145	
											6		146	
													147	
													148	
													149	
		161							2			1	150	
		1					1			1	432		151	
33	2	12	4	56	336	133	34	17	323	34	378	1,245	152	
										10			153	
											72	2,027	748	154
137	2	76	4	20	13	37							155	
					199	306	14	9	394	97	696	416	156	
					5,012								157	
					53								158	
534	29	440	41	156	2,903	1,736	206	132	2,063	859	2,885	2,972	159	
134	18	7		62	245	106	21	17	796	128	776	648	160	
													161	
7	2	12	3	9	301	184	46	2	49	3	57	759	162	
57	13	142	21	24	2,525	1,299	86	68	311	181	841	620	163	
7,146	1,180	14,830	1,446	1,731	44,481	40,584	9,258	4,042	25,643	10,432	38,290	32,209		

Table 1.—Distribution of New Structures and Equipment

(Millions of dollars)

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Insurance services	Real estate	Hotels and other lodging places	Personal services	Business services, excluding miscellaneous equipment	Miscellaneous equipment rental and leasing	Computer rental and leasing	Automotive repair, services, and parking
	<b>I-O commodity group in producers' prices</b> (commodity number in parentheses)								
1	(1094) Uranium-radium-vanadium ores .....								
2	(1380) Oil and gas field services .....					2			
3	(1510) Residential construction .....		187,870	4,570					
4	(1523) New warehouses construction .....				10	73	24		
5	(1524) New garages and service stations construction .....						10		
6	(1525) Other new nonfarm buildings construction .....				1	28	63	8	403
7	(1526) New religious facilities construction .....								
8	(1527) New hospital construction .....								
9	(1528) New residential institutions and other health facilities construction .....								
10	(1529) New amusement and recreation facilities construction .....								
11	(1532) New railroad facilities construction .....								
12	(1533) New electric utility construction .....								
13	(1534) New gas utility facilities construction .....								
14	(1535) New petroleum pipelines construction .....								
15	(1536) New water supply facilities construction .....		2,010						
16	(1543) New academic facilities construction .....							1	
17	(1544) New libraries, museums and cultural facilities construction .....								
18	(1545) New commercial structures .....	835	137		264	273	38		
19	(1552) New farm service facilities construction .....								
20	(1572) New dams and reservoir construction .....								
21	(1573) Other new conservation and development construction .....		182						
22	(1574) Other new nonbuilding construction .....								
23	(1612) New highways, bridges, and other horizontal construction .....		1,076						
24	(1621) New industrial plants construction .....				101				
25	(1624) New waste treatment plants construction .....								
26	(1625) New sewer facilities construction .....								
27	(1628) New access structures for solid mineral development .....								
28	(1631) New telephone and telegraph structures construction .....								
29	(1706) Railroad construction repair and maintenance .....								
30	(1722) New office building construction .....	1,240	417		161	729	62		
31	(2273) Carpets and rugs .....		1,182	207					
32	(2299) Textile goods, n.e.c. ....		10	4					
33	(2451) Mobile homes .....		4,218				10		
34	(2499) Wood products, n.e.c. ....								
35	(2511) Wood household furniture .....		98	373					
36	(2512) Upholstered wood household furniture .....		73	283					
37	(2514) Metal household furniture .....		20	106					
38	(2515) Mattresses and bedspings .....		37	143					
39	(2519) Household furniture, n.e.c. ....		5	18					
40	(2521) Wood office furniture .....	50	13	5	18	62	28	9	16
41	(2522) Office furniture, except wood .....	212	49	11	16	289	32	19	17
42	(2531) Public building and related furniture .....	1	24	149	8	176	6		2
43	(2541) Wood, partitions and fixtures .....		82	22	8	82	15	8	7
44	(2542) Partitions and fixtures, except wood .....		102	25	10	102	18	10	9
45	(2591) Drapery hardware and window blinds and shades .....		10	5	12	13		2	1
46	(2599) Furniture and fixtures, n.e.c. ....		1	145	3	48	10	1	8
47	(2819) Industrial inorganic chemicals, n.e.c. ....								
48	(3069) Fabricated rubber products, n.e.c. ....		15	3		7			
49	(3086) Plastics foam products .....		7	16					
50	(3357) Nonferrous wiredrawing and insulating .....								
51	(3399) Primary metal products, n.e.c. ....								
52	(3412) Metal barrels, drums, and pails .....					1			
53	(3423) Hand and edge tools, n.e.c. ....								
54	(3425) Saw blades and handsaws .....		1			1			
55	(3443) Fabricated plate work (boiler shops) .....	1	12	5	7	85	19		22
56	(3444) Sheet metal work .....			6					
57	(3491) Industrial valves .....								
58	(3494) Valves and pipe fittings, n.e.c. ....								2
59	(3498) Fabricated pipe and fittings .....		1	1		1			
60	(3499) Fabricated metal products, n.e.c. ....	3	3	4		9			
61	(3511) Turbines and turbine generator sets .....								
62	(3519) Internal combustion engines, n.e.c. ....		4	1	1		6	2	
63	(3523) Farm machinery and equipment .....	1	57	10	6	30	2		
64	(3524) Lawn and garden equipment .....	1	677	24	9	61	558		
65	(3531) Construction machinery .....								
66	(3532) Mining machinery .....								
67	(3533) Oil and gas field machinery .....								
68	(3535) Conveyors and conveying equipment .....	5	11	4	5	208	359	1	
69	(3536) Hoists, cranes, and monorails .....					7	18		
70	(3537) Industrial trucks and tractors .....					58	29		5
71	(3541) Machine tools, metal cutting types .....					29			
72	(3542) Machine tools, metal forming types .....					28			
73	(3544) Special dies, jigs and fixtures .....					18			
74	(3546) Power-driven handtools .....	1	10	5	1	54	15	2	63
75	(3547) Rolling mill machinery .....								
76	(3548) Welding apparatus .....					18	10		9
77	(3549) Metalworking machinery, n.e.c. ....								
78	(3552) Textile machinery .....								
79	(3553) Woodworking machinery .....								1
80	(3554) Paper industries machinery .....								
81	(3555) Printing trades machinery .....							1	
82	(3556) Food products machinery .....					87			

n.e.c. Not elsewhere classified.

to Using Industries, I-O Commodities, 1992—Continued  
in producers' prices]

Automotive rental and leasing, without drivers	Miscellaneous repair services	Motion pictures	Amusement and recreation services	Health services, excluding hospitals	Hospitals	Legal services	Educational services	Social services	Museums, art galleries, and botanical and zoological gardens	Membership organizations	Engineering, accounting, research, management, and related services	Services, n.e.c.	Totals	Line
7510	7600	7800	7900	8009	8060	8100	8200	8300	8400	8600	8700	8900		
				1	4						1		50	1
							344						13,159	2
3		47											192,784	3
88													6,544	4
2	5	36	85	14	68			3	11		4	20	1,464	5
										3,392			2,375	6
				1,246	7,943								3,392	7
				1,888				1,726					9,189	8
		225	1,546										3,614	9
					485		196						1,771	10
													541	11
													21,881	12
													6,725	13
													732	14
													2,633	15
							4,611	116	229				4,957	16
							177						177	17
6	96	100	91	350	1,912			3			11		21,184	18
													2,398	19
													662	20
													395	21
													1,566	22
													1,076	23
													19,116	24
													1,568	25
													599	26
													1,061	27
													7,527	28
													2,270	29
35		164	41			285	38	381	260		1,385		28,941	30
		26	5	10	30		6			3			2,325	31
													18	32
				2			60					48	4,660	33
													1	34
													471	35
													356	36
													138	37
													180	38
													23	39
5	12	25	4	6	7	8	5	31	1	8	47	1	1,520	40
4	21	37	5	68	79	362	67	77	4	39	205	8	4,434	41
		115	23	11	33	3	124	59		78	6		1,147	42
2	7	16	4	18	24	33	16	29	1	9	76		2,265	43
4	10	20	4	18	30	43	36	42	3	14	98	3	2,736	44
		4	2	7	16	8	14	13		3	16		301	45
3	2	2	32	60	296	1	13	41		20	2	2	2,520	46
													1,957	47
					1								156	48
		3		1	3			1					59	49
													52	50
													16	51
													38	52
													27	53
			1		1						1		166	54
16	7	4	4		5		3	11		9			3,199	55
			1	3	5		4	7		1			413	56
							2						1,068	57
							2						205	58
	2				2		1				1		305	59
	2		2	1	6		3	2			14		644	60
													2,577	61
	3		19										694	62
			14	2	4		9	12	2	8	5		7,301	63
	1		35	5	7		20	25	5	13	10		2,869	64
													6,841	65
													617	66
													175	67
		11		3		5	4	15	4	1			3,157	68
5	2	2	3				1				22		332	69
	1												2,254	70
													3,380	71
													1,102	72
		1											8,358	73
10	20	2	3	2	6		6	3	1	2	5		1,817	74
													506	75
1	65										6		1,309	76
													1,180	77
													1,940	78
	19												756	79
													1,683	80
													1,841	81
													1,735	82

Table 1.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Insurance	Real estate	Hotels and	Personal	Business	Miscellaneous	Computer	Automotive
		services		other	services	services,	equipment	rental and	repair,
	Industry number	6340	6500	7000	7200	7309	7350	7377	7509
	<b>I-O commodity group in producers' prices</b> (commodity number in parentheses)								
83	(3559) Special industry machinery, n.e.c. ....		10	2	17	9	3	1	293
84	(3561) Pumps and pumping equipment .....		1	1	2	4	2		1
85	(3563) Air and gas compressors .....	1	15	3	1	17	4		70
86	(3564) Blowers and fans .....				2				
87	(3565) Packaging machinery .....					118	6		
88	(3567) Industrial furnaces and ovens .....			2	12	11			1
89	(3569) General industrial machinery, n.e.c. ....		11	3	6	10	3	1	1
90	(3571) Electronic computers .....	738	57	15	35	1,383	1,233	103	19
91	(3572) Computer storage devices .....	246	32	10	19	644	506	13	12
92	(3575) Computer terminals .....	122	22	7	13	305	247	4	7
93	(3577) Computer peripheral equipment, n.e.c. ....	195	38	12	24	577	573	8	13
94	(3578) Calculating and accounting machines .....	13	5	6	5	17	2	1	6
95	(3579) Office machines, n.e.c. ....	78	12	5	3	147	10	7	3
96	(3581) Automatic vending machines .....								
97	(3582) Commercial laundry equipment .....			45	172				
98	(3585) Refrigeration and heating equipment .....	15	4	46	3	9	3	2	2
99	(3586) Measuring and dispensing pumps .....				1	1			55
100	(3589) Service industry machinery, n.e.c. ....	7	60	139	19	614	6		162
101	(3594) Fluid power pumps and motors .....								
102	(3596) Scales and balances, except laboratory .....	2		4	3	10			2
103	(3599) Industrial machinery, n.e.c. ....							6	
104	(3612) Transformers, except electronic .....								
105	(3613) Switchgear and switchboard apparatus .....								
106	(3621) Motors and generators .....	1	2	1	1	14			3
107	(3625) Relays and industrial controls .....			1	3	14	6		3
108	(3629) Electrical industrial apparatus, n.e.c. ....	2	3	2	2	14			1
109	(3631) Household cooking equipment .....		965	1					
110	(3632) Household refrigerators and freezers .....		1,068	2					
111	(3633) Household laundry equipment .....			22	115				
112	(3634) Electric housewares and fans .....		12	5		2			
113	(3635) Household vacuum cleaners .....		6	29	1	5			
114	(3639) Household appliances, n.e.c. ....		272	1	1				1
115	(3643) Current-carrying wiring devices .....								
116	(3645) Residential lighting fixtures .....		4	3		1		1	
117	(3646) Commercial lighting fixtures .....			33					
118	(3648) Lighting equipment, n.e.c. ....					1		1	
119	(3651) Household audio and video equipment .....		74	32		4	68		
120	(3661) Telephone and telegraph apparatus .....	340	28	10	21	294	23	19	7
121	(3663) Radio and tv communications equipment .....	16	49	8	42	300	91	32	28
122	(3669) Communications equipment, n.e.c. ....								
123	(3691) Storage batteries .....					4	2		
124	(3695) Magnetic and optical recording media .....							1	
125	(3699) Electrical equipment, and supplies, n.e.c. ....					5			2
126	(3711) Motor vehicles and car bodies .....	1,414	250	86	355	1,512	761	185	335
127	(3713) Truck and bus bodies .....	1	1	1	11	39	74	1	8
128	(3715) Truck trailers .....	1	1	1	16	53	99	1	11
129	(3721) Aircraft .....	152	10	1	3	119	57		
130	(3724) Aircraft engines and engine parts .....					14	25		
131	(3731) Ship building and repairing .....								
132	(3732) Boat building and repairing .....								
133	(3743) Railroad equipment .....								
134	(3751) Motorcycles, bicycles, and parts .....					30			
135	(3761) Guided missiles and space vehicles .....					1			
136	(3792) Travel trailers and campers .....								
137	(3799) Transportation equipment, n.e.c. ....								
138	(3812) Search and navigation equipment .....					18	32		
139	(3821) Laboratory apparatus and furniture .....	1				8		1	
140	(3823) Process control instruments .....	1	2	10	1	12		2	
141	(3824) Fluid meters and counting devices .....			1	4				6
142	(3825) Instruments to measure electricity .....	5	3	2	1	46	20	16	32
143	(3826) Analytical instruments .....	4	1	1	1	26	3	1	
144	(3827) Optical instruments and lenses .....				207	155	3	1	
145	(3829) Measuring and controlling devices, n.e.c. ....	3	1	2		44	2	9	
146	(3841) Surgical and medical instruments .....	47	1		1	276			
147	(3842) Surgical appliances and supplies .....								
148	(3843) Dental equipment and supplies .....								
149	(3844) X-ray apparatus and tubes .....	13				1			
150	(3845) Electromedical equipment .....	36	5	1	16	319	15		
151	(3861) Photographic equipment and supplies .....	585	44	13	208	892	78	22	22
152	(3931) Musical instruments .....								
153	(3949) Sporting and athletic goods, n.e.c. ....		42	110	96				
154	(3993) Signs and advertising specialties .....		42	11					
155	(3999) Manufacturing industries, n.e.c. ....		66	79	64				
156	(4245) Transportation .....	56	208	34	32	132	96	6	15
157	(4810) Telephone communications .....								
158	(4822) Telegraph and other communications .....								
159	(5001) Wholesale trade .....	728	932	296	241	1,746	908	53	209
160	(5902) Retail trade .....	216	3,224	126	47	337	545	18	41
161	(6520) Real estate agents and managers, title abstract offices .....		3,525						
162	(7370) Computer and data processing services .....	316	4	3	2	37	6	232	1
163	(8710) Engineering and architectural services .....	158	132	102	99	357	140	13	59
	<b>Total</b> .....	<b>8,057</b>	<b>209,516</b>	<b>7,454</b>	<b>2,611</b>	<b>13,322</b>	<b>6,935</b>	<b>812</b>	<b>1,996</b>

n.e.c. Not elsewhere classified.



to Using Industries, I-O Commodities, 1992—Continued  
in producers' prices]

Automotive rental and leasing, without drivers	Miscellaneous repair services	Motion pictures	Amusement and recreation services	Health services, excluding hospitals	Hospitals	Legal services	Educational services	Social services	Museums, art galleries, and botanical and zoological gardens	Membership organizations	Engineering, accounting, research, management, and related services	Services, n.e.c.	Totals	Line
7510	7600	7800	7900	8009	8060	8100	8200	8300	8400	8600	8700	8900		
38	10		2		1		6						8,865	83
	5		1		3		1				1		1,921	84
25	4	2	1	1	6		3	2	1	1	3		2,330	85
													508	86
		2		1	2			1					2,560	87
	6		1		8						35		1,368	88
17	25	106	9	52	179	124	11	55	5	14	441	26	2,613	89
7	15	53	7	28	98	75	5	30	1	7	166	13	6,931	91
3	8	34	5	19	58	42	4	19	1	4	96	6	3,538	92
8	16	61	8	35	110	77	12	42	5	12	174	15	6,564	93
1	5	69	5	4	6	3	4	8	2	3	27		1,645	94
1	6	11	4	20	31	53	15	17	1	9	50	2	1,672	95
													497	96
				33	30			15					308	97
1	2	19	5	6	50	1	6	11		6	17		2,594	98
10	2				1								648	99
6	3	17	12	44	89	4	68	94	2	29	13		3,329	100
													120	101
	1	32	2		4			1			7		539	102
	2												41	103
	7		1		3		3	1			5		2,369	104
1	1		3	4	13	1	11	8		1	11		1,453	105
	4	6	3	4	13	1	11	8					1,086	106
													697	107
													1,221	108
													973	109
													1,118	110
													137	111
													87	112
													76	113
													277	114
													21	115
													66	116
													100	117
													96	118
													494	119
4	9	91	1	1	7		12						15,377	120
10	139	23	6	26	52	129	35	47	2	26	333	5	8,509	121
		332	18	5	3	2	4	15	2	30	63	4	133	122
													172	123
													427	124
													1,459	125
20,762	32	182	1	150	109	127	61	759	16	112	953	31	75,132	126
8	7	2	1	3	3		1	8			3		2,126	127
11	10	2	1	3	3		1	11			4		2,855	128
23	3	3	1		9	59	11			5	98	127	13,153	129
											6		523	130
													703	131
													382	132
													2,648	133
													36	134
													29	135
13													13	136
512			380										959	137
													9	138
													229	139
													30	140
													750	141
26	53	10	3		7		8	1	1	1	66		4,256	142
	2		1		49	1	39	3	4	2	688	29	3,865	143
		113	1	4	21		19	1	2	1	142	3	1,406	144
	1	4	1	1	6		9	1			240	18	2,085	145
					2,487	4,043	7	17	126	5	9		7,405	146
					48	1,498							1,546	147
					585	18							603	148
					1,193	622							2,294	149
					622	1,867							79	150
6	23	143	7	54	69	180		35	180	5	187	24	6,915	151
								43	62	4			136	152
								53					1,222	153
								288	32				2,900	154
													1,107	155
													6,652	156
													5,012	157
													53	158
877	86	239	546	1,541	1,884	330	408	269	6	112	663	33	44,662	159
1,866	35	63	94	27	47	49	85	90	4	38	136	6	13,353	160
													3,525	161
2	1	13	1	4	28	3	14	8	1	4	151	6	3,441	162
63	35	132	52	239	449	72	85	77	2	24	221	9	15,785	163
25,090	1,128	3,154	4,789	11,117	22,927	2,099	8,011	4,633	585	4,217	7,452	475	791,892	

Table 2.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Agricultural production	Agricultural services	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals except fuels	Construction	Food and kindred products
	Industry number	102	789	1000	1200	1300	1400	1567	2000
	<b>Capital equipment category in purchasers' prices</b> (line number from NIPA table 5.8 in parentheses)								
1	(5) Computers and peripheral equipment .....	115	7	33	23	257	20	1,526	695
2	(6) Office equipment .....	20	6	2	2	11	1	118	105
3	(7) Communication equipment .....	32	278	3	4	55	5	617	180
4	(8) Instruments .....	71	460	80	17	580	19	79	413
5	(9) Photocopy and related equipment .....	23	29	4	3	44	5	684	129
6	(11) Fabricated metal products .....	234	65	5	8	158	5	653	450
7	(12) Engines and turbines .....	15	18	29	13	148	30	228	34
8	(13) Metalworking machinery .....	401	7	13	9	9	8	1,088	53
9	(14) Special industry, nec .....	11	99	4	3	3	4	218	3,029
10	(15) General industrial, including materials handling equipment .....	24	30	243	173	951	154	1,161	1,866
11	(16) Electrical transmission, distribution and industrial apparatus .....	25	8	38	21	37	19	2,537	139
12	(18) Truck, buses and truck trailers .....	1,348	1,001	211	15	3	211	8,486	970
13	(19) Autos .....	157	34	21	174	171	40	3,535	693
14	(20) Aircraft .....	23	144	19	11	753	24	131	75
15	(21) Ships and boats .....		162			40		97	
16	(22) Railroad equipment .....				119				
17	(24) Furniture and fixtures .....	72	2	12	10	94	15	1,447	348
18	(25) Tractors .....	2,758	1,795	25	7	3	50	1,084	
19	(26) Agriculture machinery, except tractors .....	5,755	728						
20	(27) Construction machinery, except tractors .....			133	248	79	132	7,095	
21	(28) Mining and oilfield machinery .....			15	362	504	242	1	
22	(29) Service industry machinery .....	38	17	4	6	12	3	402	203
23	(30) Electrical equipment, nec .....	221	36		1		1	50	60
24	(31) Other nonresidential equipment .....	144	808		1	29	1	58	70
25	(33) Residential (landlord durables) .....								
	<b>Total new equipment .....</b>	<b>11,487</b>	<b>5,734</b>	<b>894</b>	<b>1,230</b>	<b>3,941</b>	<b>989</b>	<b>31,295</b>	<b>9,512</b>
	<b>Capital structures category in purchasers' prices</b> (line number from NIPA table 5.6 in parentheses)								
26	(5) Industrial buildings .....			96	124	1,886	31	107	1,924
27	(6) Commercial buildings (office, other commercial, and mobile structures) .....			62	7	181	1	418	1,086
28	(9) Religious buildings .....								
29	(10) Educational buildings .....								
30	(11) Hospital and institutional buildings .....								
31	(12) Other nonresidential buildings, excluding farm .....		1,449						
32	(14) Railroads .....								
33	(15) Telecommunications .....								
34	(16) Electric light and power .....								15
35	(17) Gas .....								
36	(18) Petroleum pipelines .....					147			
37	(19) Farm (nonresidential structures) .....	2,398							
38	(21) Petroleum and natural gas—exploration, shafts and wells .....					12,942			
39	(22) Other mining construction .....			383	723		149		
40	(23) Other (nonresidential nonbuilding structures) .....		57	260		2		198	
41	(30) Single-family structures .....								
42	(31) Multi-family structures .....								
43	(32) Mobile homes .....								
44	(33) Residential improvements .....								
45	(34) Other (nonhousekeeping) residential structures .....								
46	(35) Brokers' commissions on sale of (residential) structures .....								
	<b>Total new structures .....</b>	<b>2,398</b>	<b>1,506</b>	<b>801</b>	<b>854</b>	<b>15,158</b>	<b>181</b>	<b>723</b>	<b>3,025</b>
	<b>Total new structures and equipment .....</b>	<b>13,885</b>	<b>7,240</b>	<b>1,695</b>	<b>2,084</b>	<b>19,099</b>	<b>1,170</b>	<b>32,018</b>	<b>12,537</b>

n.e.c. Not elsewhere classified

to Using Industries, NIPA Categories, 1992  
in purchasers' prices]

Tobacco manu- factures	Textile mill products	Apparel and other textile products	Lumber and wood products	Furniture and fixtures	Paper and allied products	Printing and publishing	Chemicals and allied products	Petroleum and coal products	Rubber and miscellane- ous plastics products	Leather and leather products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products	Line
2100	2200	2300	2400	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	
124	90	82	62	49	490	957	1,674	474	125	3	78	228	247	1
2	14	25	15	11	55	83	83	16	22	3	14	27	44	2
19	14	26	34	19	136	422	284	68	38	5	31	54	95	3
41	20	6	33	11	359	32	4,313	1,287	55	6	44	117	76	4
4	13	28	25	14	81	554	611	42	26	3	22	34	60	5
4	24	28	72	32	304	27	1,179	734	57	6	30	81	61	6
2	2	.....	7	.....	210	.....	139	119	1	.....	6	60	.....	7
3	16	14	53	133	470	6	74	29	2,646	12	484	2,188	2,173	8
52	1,668	271	543	248	2,828	1,688	3,100	277	1,232	34	649	745	176	9
78	171	116	306	90	1,792	209	1,788	1,246	279	25	302	795	485	10
8	25	27	43	27	322	36	266	172	46	3	58	309	245	11
.....	13	10	200	41	184	234	200	166	33	.....	487	93	118	12
28	61	155	208	74	379	1,003	608	154	171	19	154	210	445	13
78	16	11	56	5	191	56	153	698	10	.....	46	132	59	14
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	15
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	16
12	41	83	70	33	193	248	387	80	72	10	56	97	158	17
.....	.....	.....	.....	.....	.....	.....	11	.....	.....	.....	.....	.....	.....	18
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	19
.....	.....	.....	43	.....	11	.....	.....	227	.....	.....	81	18	.....	20
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21
5	28	31	18	7	79	26	159	924	22	2	20	79	37	22
2	6	2	9	2	29	5	83	3	6	.....	7	13	10	23
19	2	6	2	2	27	16	194	67	5	.....	6	22	10	24
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	25
<b>481</b>	<b>2,224</b>	<b>921</b>	<b>1,799</b>	<b>798</b>	<b>8,140</b>	<b>5,602</b>	<b>15,306</b>	<b>6,783</b>	<b>4,846</b>	<b>131</b>	<b>2,575</b>	<b>5,302</b>	<b>4,499</b>	
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
87	328	208	184	193	772	932	3,274	603	672	.....	307	624	621	26
45	165	94	100	55	380	457	1,837	298	330	37	153	306	304	27
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	28
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	29
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	30
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	31
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	32
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	33
1	2	2	.....	1	5	7	16	5	6	.....	3	5	6	34
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	35
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	36
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	38
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39
.....	.....	.....	161	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	40
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	41
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	42
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	43
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	44
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	46
<b>133</b>	<b>495</b>	<b>304</b>	<b>445</b>	<b>249</b>	<b>1,157</b>	<b>1,396</b>	<b>5,127</b>	<b>906</b>	<b>1,008</b>	<b>37</b>	<b>463</b>	<b>935</b>	<b>931</b>	
<b>614</b>	<b>2,719</b>	<b>1,225</b>	<b>2,244</b>	<b>1,047</b>	<b>9,297</b>	<b>6,998</b>	<b>20,433</b>	<b>7,689</b>	<b>5,854</b>	<b>168</b>	<b>3,038</b>	<b>6,237</b>	<b>5,430</b>	

Table 2.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Industrial machinery and equipment	Electronic and other electric equipment	Motor vehicles and equipment	Other transportation equipment	Instruments and related products	Miscellaneous manufacturing industries	Railroad transportation	Local and interurban passenger transportation
		Industry number 3500	3600	3710	3729	3800	3900	4000	4100
<b>Capital equipment category in purchasers' prices</b> (line number from NIPA table 5.8 in parentheses)									
1	(5) Computers and peripheral equipment .....	1,603	1,767	433	779	1,268	73	17	50
2	(6) Office equipment .....	81	70	46	37	56	15	4	16
3	(7) Communication equipment .....	265	335	140	197	544	38	7	13
4	(8) Instruments .....	164	273	170	177	381	17	3	8
5	(9) Photocopy and related equipment .....	175	176	65	88	219	26	4	11
6	(11) Fabricated metal products .....	78	83	104	53	47	20	2	1
7	(12) Engines and turbines .....	2	7	3	1	.....	.....	1	.....
8	(13) Metalworking machinery .....	3,025	1,688	2,806	804	535	343	5	15
9	(14) Special industry, nec .....	150	2,578	178	59	197	131	3	32
10	(15) General industrial, including materials handling equipment .....	533	497	808	310	225	79	12	15
11	(16) Electrical transmission, distribution and industrial apparatus .....	604	601	668	292	210	38	14	42
12	(18) Truck, buses and truck trailers .....	57	76	117	10	29	19	4	277
13	(19) Autos .....	896	551	245	197	469	159	5	67
14	(20) Aircraft .....	312	248	171	65	81	23	.....	.....
15	(21) Ships and boats .....	.....	.....	.....	.....	.....	.....	.....	.....
16	(22) Railroad equipment .....	.....	.....	.....	.....	.....	.....	2,739	59
17	(24) Furniture and fixtures .....	377	311	221	167	262	54	9	45
18	(25) Tractors .....	.....	.....	.....	.....	.....	.....	.....	.....
19	(26) Agriculture machinery, except tractors .....	.....	.....	.....	.....	.....	.....	.....	.....
20	(27) Construction machinery, except tractors .....	5	.....	.....	.....	.....	.....	3	.....
21	(28) Mining and oilfield machinery .....	.....	.....	.....	.....	.....	.....	.....	.....
22	(29) Service industry machinery .....	58	46	68	19	21	6	5	14
23	(30) Electrical equipment, nec .....	11	12	25	9	13	1	3	121
24	(31) Other nonresidential equipment .....	59	409	274	43	54	1	1	.....
25	(33) Residential (landlord durables) .....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Total new equipment .....</b>		<b>8,455</b>	<b>9,728</b>	<b>6,542</b>	<b>3,307</b>	<b>4,611</b>	<b>1,043</b>	<b>2,841</b>	<b>786</b>
<b>Capital structures category in purchasers' prices</b> (line number from NIPA table 5.6 in parentheses)									
26	(5) Industrial buildings .....	1,223	1,225	1,191	1,542	1,389	207	16	89
27	(6) Commercial buildings (office, other commercial, and mobile structures) .....	686	686	665	862	683	96	68	600
28	(9) Religious buildings .....	.....	.....	.....	.....	.....	.....	.....	.....
29	(10) Educational buildings .....	.....	.....	.....	.....	.....	.....	.....	.....
30	(11) Hospital and institutional buildings .....	.....	.....	.....	.....	.....	.....	.....	.....
31	(12) Other nonresidential buildings, excluding farm .....	.....	.....	.....	.....	.....	.....	.....	.....
32	(14) Railroads .....	.....	.....	.....	.....	.....	.....	2,928	.....
33	(15) Telecommunications .....	.....	.....	.....	.....	.....	.....	.....	.....
34	(16) Electric light and power .....	9	9	10	12	10	.....	.....	.....
35	(17) Gas .....	.....	.....	.....	.....	.....	.....	.....	.....
36	(18) Petroleum pipelines .....	.....	.....	.....	.....	.....	.....	.....	.....
37	(19) Farm (nonresidential structures) .....	.....	.....	.....	.....	.....	.....	.....	.....
38	(21) Petroleum and natural gas—exploration, shafts and wells .....	.....	.....	.....	.....	.....	.....	.....	.....
39	(22) Other mining construction .....	.....	.....	.....	.....	.....	.....	.....	.....
40	(23) Other (nonresidential nonbuilding structures) .....	.....	.....	.....	.....	.....	.....	.....	.....
41	(30) Single-family structures .....	.....	.....	.....	.....	.....	.....	.....	.....
42	(31) Multi-family structures .....	.....	.....	.....	.....	.....	.....	.....	.....
43	(32) Mobile homes .....	.....	.....	.....	.....	.....	.....	.....	.....
44	(33) Residential improvements .....	.....	.....	.....	.....	.....	.....	.....	.....
45	(34) Other (nonhousekeeping) residential structures .....	.....	.....	.....	.....	.....	.....	.....	.....
46	(35) Brokers' commissions on sale of (residential) structures .....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Total new structures .....</b>		<b>1,918</b>	<b>1,920</b>	<b>1,866</b>	<b>2,416</b>	<b>2,082</b>	<b>303</b>	<b>3,012</b>	<b>689</b>
<b>Total new structures and equipment .....</b>		<b>10,373</b>	<b>11,648</b>	<b>8,408</b>	<b>5,723</b>	<b>6,693</b>	<b>1,346</b>	<b>5,853</b>	<b>1,475</b>

n.e.c. Not elsewhere classified

to Using Industries, NIPA Categories, 1992—Continued  
in purchasers' prices]

Trucking and warehousing	Water transportation	Transportation by air	Pipelines, except natural gas	Transportation services	Communications services	Electric services	Gas production and distribution	Water supply, sanitary services, and irrigation systems	Wholesale trade	Eating and drinking places	Retail trade, excluding eating and drinking places	Financial services	Line
4200	4400	4500	4600	4701	4800	4913	4920	4947	5001	5800	5902	6000	
143	20	75	21	236	2,299	1,076	241	56	4,874	170	1,742	6,677	1
50	5	15	2	61	158	81	12	6	310	141	1,578	991	2
66	6	5,535	87	598	26,516	696	1,157	30	1,745	36	816	2,159	3
9	1	9	36	4	177	2,512	162	207	86	.....	18	29	4
52	4	19	5	89	655	221	53	26	517	55	622	2,007	5
37	10	3	10	7	56	2,736	173	182	441	215	580	192	6
5	20	15	2	.....	.....	2,454	25	7	12	.....	5	.....	7
31	4	26	2	2	266	151	30	10	211	3	245	7	8
46	1	4	.....	4	21	62	11	94	377	5	931	.....	9
345	71	59	51	55	92	1,390	248	61	811	7	574	43	10
81	30	23	4	19	629	5,887	88	50	375	11	128	7	11
4,457	5	262	22	298	23	769	8	128	4,631	481	2,220	12	12
387	9	41	495	147	1,382	348	132	142	4,892	853	6,145	3,966	13
42	52	8,000	.....	.....	304	368	.....	.....	381	10	478	743	14
.....	659	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	15
147	21	32	2	133	469	245	74	43	936	1,453	1,914	3,329	17
.....	.....	.....	.....	.....	.....	.....	.....	.....	35	3	166	33	18
.....	.....	.....	.....	.....	.....	15	.....	.....	.....	.....	1	.....	19
.....	.....	.....	.....	.....	.....	.....	.....	26	.....	.....	.....	.....	20
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21
19	3	11	5	4	21	113	17	138	186	1,754	2,616	192	22
29	1	221	.....	4	525	92	.....	1	37	239	567	9	23
55	.....	8	.....	.....	27	84	.....	.....	6	214	3,591	1,260	24
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	25
<b>6,001</b>	<b>922</b>	<b>14,358</b>	<b>744</b>	<b>1,661</b>	<b>33,620</b>	<b>19,300</b>	<b>2,431</b>	<b>1,207</b>	<b>20,863</b>	<b>5,650</b>	<b>24,937</b>	<b>21,656</b>	
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
550	7	41	.....	7	74	4,799	.....	.....	815	93	1,585	262	26
595	31	322	.....	63	357	.....	.....	.....	3,959	4,642	11,762	10,287	27
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	28
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	29
.....	5	107	.....	.....	.....	.....	.....	.....	6	47	6	4	30
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	31
.....	.....	.....	.....	.....	8,929	16,485	.....	.....	.....	.....	.....	.....	32
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	33
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	34
.....	.....	.....	702	.....	.....	.....	6,827	.....	.....	.....	.....	.....	35
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	36
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	38
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39
.....	215	2	.....	.....	1,501	.....	.....	2,835	.....	.....	.....	.....	40
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	41
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	42
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	43
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	44
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	46
<b>1,145</b>	<b>258</b>	<b>472</b>	<b>702</b>	<b>70</b>	<b>10,861</b>	<b>21,284</b>	<b>6,827</b>	<b>2,835</b>	<b>4,780</b>	<b>4,782</b>	<b>13,353</b>	<b>10,553</b>	
<b>7,146</b>	<b>1,180</b>	<b>14,830</b>	<b>1,446</b>	<b>1,731</b>	<b>44,481</b>	<b>40,584</b>	<b>9,258</b>	<b>4,042</b>	<b>25,643</b>	<b>10,432</b>	<b>38,290</b>	<b>32,209</b>	

Table 2.—Distribution of New Structures and Equipment

[Millions of dollars]

Line	For the distribution of capital to using industries, read the row for that commodity or category For the composition of capital used by an industry, read the column for that industry	Insurance services	Real estate	Hotels and other lodging places	Personal services	Business services, excluding miscellaneous equipment	Miscellaneous equipment rental and leasing	Computer rental and leasing	Automotive repair, services, and parking
		Industry number 6340	6500	7000	7200	7309	7350	7377	7509
<b>Capital equipment category in purchasers' prices</b> (line number from NIPA table 5.8 in parentheses)									
1	(5) Computers and peripheral equipment .....	1,875	181	48	106	3,598	3,200	379	60
2	(6) Office equipment .....	129	23	24	25	256	18	12	13
3	(7) Communication equipment .....	452	89	62	73	704	213	60	42
4	(8) Instruments .....	68	5	15	7	463	6	15	6
5	(9) Photocopy and related equipment .....	946	69	20	556	1,544	128	34	33
6	(11) Fabricated metal products .....	4	18	18	9	110	21		30
7	(12) Engines and turbines .....		5	1	1		7	2	
8	(13) Metalworking machinery .....	1	22	8	3	163	32	2	107
9	(14) Special industry, nec .....		11	2	23	179	6	2	365
10	(15) General industrial, including materials handling equipment .....	6	44	15	30	493	567	2	94
11	(16) Electrical transmission, distribution and industrial apparatus .....	9	9	7	9	116	46	19	53
12	(18) Truck, buses and truck trailers .....	4	5	4	58	189	374	4	37
13	(19) Autos .....	1,617	283	95	381	1,643	683	210	364
14	(20) Aircraft .....	153	10	1	3	154	123		
15	(21) Ships and boats .....								
16	(22) Railroad equipment .....								
17	(24) Furniture and fixtures .....	628	180	1,466	116	1,047	144	64	81
18	(25) Tractors .....	2	213	40	18	116	10		
19	(26) Agriculture machinery, except tractors .....		6	2		2			
20	(27) Construction machinery, except tractors .....								
21	(28) Mining and oilfield machinery .....					2			
22	(29) Service industry machinery .....	29	88	296	228	904	11	2	307
23	(30) Electrical equipment, nec .....	58	24	121	161	406	20	4	1
24	(31) Other nonresidential equipment .....	1	1,551	638	240	95	1,174		
25	(33) Residential (landlord durables) .....		5,921						
	<b>Total new equipment .....</b>	<b>5,982</b>	<b>8,757</b>	<b>2,883</b>	<b>2,047</b>	<b>12,184</b>	<b>6,783</b>	<b>811</b>	<b>1,593</b>
<b>Capital structures category in purchasers' prices</b> (line number from NIPA table 5.6 in parentheses)									
26	(5) Industrial buildings .....	167				128	13		
27	(6) Commercial buildings (office, other commercial, and mobile structures) .....	1,908	554			408	952	131	
28	(9) Religious buildings .....								
29	(10) Educational buildings .....							1	
30	(11) Hospital and institutional buildings .....								
31	(12) Other nonresidential buildings, excluding farm .....			4,570			8		403
32	(14) Railroads .....				28	63			
33	(15) Telecommunications .....								
34	(16) Electric light and power .....								
35	(17) Gas .....								
36	(18) Petroleum pipelines .....								
37	(19) Farm (nonresidential structures) .....								
38	(21) Petroleum and natural gas—exploration, shafts and wells .....								
39	(22) Other mining construction .....								
40	(23) Other (nonresidential nonbuilding structures) .....		3,268						
41	(30) Single-family structures .....		116,505						
42	(31) Multi-family structures .....		13,094						
43	(32) Mobile homes .....		5,542						
44	(33) Residential improvements .....		58,271						
45	(34) Other (nonhousekeeping) residential structures .....			1					
46	(35) Brokers' commissions on sale of (residential) structures .....		3,525						
	<b>Total new structures .....</b>	<b>2,075</b>	<b>200,759</b>	<b>4,571</b>	<b>564</b>	<b>1,138</b>	<b>152</b>	<b>1</b>	<b>403</b>
	<b>Total new structures and equipment .....</b>	<b>8,057</b>	<b>209,516</b>	<b>7,454</b>	<b>2,611</b>	<b>13,322</b>	<b>6,935</b>	<b>812</b>	<b>1,996</b>

n.e.c. Not elsewhere classified

to Using Industries, NIPA Categories, 1992—Continued  
in purchasers' prices]

Automotive rental and leasing, without drivers	Miscellaneous repair services	Motion pictures	Amusement and recreation services	Health services, excluding hospitals	Hospitals	Legal services	Education services	Social services	Museums, art galleries, and botanical and zoological gardens	Membership organizations	Engineering, accounting, research, management, and related services	Services, n.e.c.	Totals	Line
7510	7600	7800	7900	8009	8060	8100	8200	8300	8400	8600	8700	8900		
40	76	319	32	162	563	386	48	179	13	43	1,217	76	43,580	1
2	16	170	12	96	161	79	31	44	3	15	119	2	5,664	2
15	202	488	27	40	79	163	1,030	74	4	65	491	11	47,789	3
	3	5	4	4,355	7,221	10	101	169	5	8	1,413	94	26,535	4
10	36	348	12	91	135	284	89	101	8	47	460	41	12,519	5
19	12	4	9	5	28		12	23		1	29		9,599	6
	3		24										3,663	7
15	56	2	6	2	10		10	5	1	2	9		20,554	8
47	36		3		2		8				1		22,451	9
39	20	20	8	5	26	5	11	20	5	2	75		20,057	10
33	138	19	9	4	27	1	26	12	1	2	98		14,850	11
8,663	33	8	4	12	12		4	41			15		37,396	12
15,215	299	600	73	166	117	144	68	846	17	126	1,084	34	54,087	13
23	3	3	1		9	59	11			5	115	128	14,770	14
			171										1,129	15
													2,917	16
24	68	267	91	256	653	673	341	381	12	212	621	20	21,129	17
	1		59	8	14		31	45	10	25	19		6,581	18
			2				1	1					6,498	19
													8,116	20
													1,127	21
25	9	47	24	103	217	7	99	160	2	46	39		10,081	22
	16	239	5	2,294	3,075	3	54	243	1	7	240		9,438	23
786		43	2,450	18	170		609	60	3	219	6		15,638	24
													5,921	25
<b>24,956</b>	<b>1,027</b>	<b>2,582</b>	<b>3,026</b>	<b>7,617</b>	<b>12,519</b>	<b>1,814</b>	<b>2,584</b>	<b>2,404</b>	<b>85</b>	<b>825</b>	<b>6,052</b>	<b>406</b>	<b>422,089</b>	
4		42	6		110	40	105	42	31		192		29,091	26
128	96	269	126	352	1,912	245	38	342	229		1,204	49	51,623	27
										3,392			3,392	28
							4,788						5,134	29
				3,134	7,943			116	229				12,903	30
2	5	261	1,631	14	68			1,726	3	11		20	8,715	31
													2,928	32
													8,929	33
					375		152						17,136	34
													6,827	35
													849	36
													2,398	37
													12,942	38
													1,255	39
													8,499	40
													116,505	41
													13,094	42
													5,542	43
													58,271	44
							344						345	45
													3,525	46
<b>134</b>	<b>101</b>	<b>572</b>	<b>1,763</b>	<b>3,500</b>	<b>10,408</b>	<b>285</b>	<b>5,427</b>	<b>2,229</b>	<b>500</b>	<b>3,392</b>	<b>1,400</b>	<b>69</b>	<b>369,803</b>	
<b>25,090</b>	<b>1,128</b>	<b>3,154</b>	<b>4,789</b>	<b>11,117</b>	<b>22,927</b>	<b>2,099</b>	<b>8,011</b>	<b>4,633</b>	<b>585</b>	<b>4,217</b>	<b>7,452</b>	<b>475</b>	<b>791,892</b>	

## An Ownership-Based Disaggregation of the U.S. Current Account, 1982–96

THIS REPORT UPDATES BEA's presentation of an ownership-based disaggregation of the current-account portion of the U.S. international transactions accounts (balance of payments).<sup>1</sup> The estimates for 1985–93 have been revised to incorporate the latest estimates of U.S. international transactions, and the estimates for 1993 have been revised to incorporate the latest estimates of the financial and operating data of foreign-owned affiliates in the United States and U.S.-owned affiliates abroad; new estimates are presented for 1994–96.

In the standard current-account presentation, U.S. sales to foreigners include only the goods and services delivered to foreign markets directly from the United States (shown in line 3 of table 1). In the ownership-based presentation, a more comprehensive measure of international "sales" (line 2) includes the income received by U.S. companies from the sale of goods and services by their subsidiaries abroad (line 8). Similarly, a comparable measure of U.S. international "purchases" (line 21) includes the income paid by foreign-owned firms in the United States to their foreign owners as well as the goods and services delivered to the U.S. market from abroad. These additions raise the value of total U.S. sales and purchases and provide an improved basis for assessing the impact of net "overseas" sales on the U.S. economy.

In the table, the balance on goods, services, and net receipts from sales by affiliates (line 41) shows the net result of the active participation of U.S. companies in international markets. In every year since 1985, this balance has been more favorable than the balances shown in the standard presentation; in 1996, the most recent year for which data are available, this balance was -\$42.4 billion, compared with -\$108.6 billion for the balance on goods and services.

Unlike the standard presentation, the ownership-based presentation (using exports as an example)

1. The estimates for 1982–93 were previously published in Obie G. Whichard and Jeffrey H. Lowe, "An Ownership-Based Disaggregation of the U.S. Current Account, 1982–93," *SURVEY OF CURRENT BUSINESS* 75 (October 1995): 52–61. This article also contains a discussion of the disaggregated estimates and of the sources and methods used to produce them. For a general review of the issues relating to ownership relationships in international transactions, see J. Steven Landefeld, Obie G. Whichard, and Jeffrey H. Lowe, "Alternative Frameworks for U.S. International Transactions," *SURVEY* 73 (December 1993): 50–61.

includes subtotals that group shipments of goods from U.S. plants and sales of services from U.S.-based providers with income received by U.S. companies as a result of sales by their overseas affiliates. However, like the standard presentation, the ownership-based presentation distinguishes between these two methods of servicing international markets on the basis of their impacts on the domestic economy. For example, given the high labor content in professional services, the U.S. economy is affected by whether a U.S. accounting or engineering firm decides to serve its European clients from offices located in the United States or from those of a locally established affiliate. Specifically, if the client is served from the U.S. office, the entire value of the service is recorded as a U.S. export; if the client is served by the locally established affiliate, then only the net U.S. receipt of investment income resulting from the sale is recorded.

In the table, trade is initially broken down into goods and services, each of which is then disaggregated into trade between affiliated parties and trade between unaffiliated parties. Trade within multinational companies is further disaggregated into trade between U.S. parent companies and their foreign affiliates and trade between U.S. affiliates of foreign companies and their foreign parent groups. The table also provides details on receipts and payments of direct investment income, showing how the income is derived from the production and sales of affiliates.<sup>2</sup> To highlight the links between the income and the activities that produce it, the income is designated "net receipts or payments of direct investment income resulting from sales by affiliates."

Information on the U.S. or foreign origin of affiliates' output is provided in the addenda to the table. (These estimates are not part of the current account, but they complement the data that are used to derive receipts and payments resulting from sales by affiliates.) For both foreign and U.S. affiliates, output sold (or added to inventory) is broken down between U.S. content and foreign content; the source of the content is further broken down between the affiliates' own value added and other content.

Table 1 follows. 

NOTE.—This report was prepared by Jeffrey H. Lowe.

2. These detailed estimates can be provided only for nonbank affiliates.





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\* These are target dates and are subject to revision.

† Joint release by Bureau of the Census and BEA.

For further information, call (202) 606-9900, or write to Public Information Office (BE-53), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

# National Data

## A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on November 24, 1998 and include the "preliminary" estimates for the third quarter of 1998.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most tables, the annual estimates are also shown. Most of the "annual only" NIPA tables were presented in the August 1998 SURVEY OF CURRENT BUSINESS; table 8.26 was presented in the September 1998 SURVEY; and the remaining "annual only" tables—tables 3.15–3.20 and 9.1–9.6—were presented in the October 1998 SURVEY.

The news release on gross domestic product (GDP) is available at the time of release, and the "Selected NIPA Tables" are available later that day, on STAT-USA's Economic Bulletin Board and Internet services; for information, call STAT-USA on 202-482-1986. In addition, the GDP news release is available the afternoon of the day of the release, and the "Selected NIPA Tables" a day or two later, on BEA's Web site <www.bea.doc.gov>.

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

### 1. National Product and Income

**Table 1.1.—Gross Domestic Product**

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b>	<b>7,661.6</b>	<b>8,110.9</b>	<b>8,063.4</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,538.6</b>
<b>Personal consumption expenditures</b>	<b>5,215.7</b>	<b>5,493.7</b>	<b>5,438.8</b>	<b>5,540.3</b>	<b>5,593.2</b>	<b>5,676.5</b>	<b>5,773.7</b>	<b>5,846.2</b>
Durable goods	643.3	673.0	659.9	681.2	682.2	705.1	720.1	718.8
Nondurable goods	1,539.2	1,600.6	1,588.2	1,611.3	1,613.2	1,633.1	1,655.2	1,669.9
Services	3,033.2	3,220.1	3,190.7	3,247.9	3,297.8	3,338.2	3,398.4	3,457.5
<b>Gross private domestic investment</b>	<b>1,131.9</b>	<b>1,256.0</b>	<b>1,259.9</b>	<b>1,265.7</b>	<b>1,292.0</b>	<b>1,366.6</b>	<b>1,345.0</b>	<b>1,362.2</b>
Fixed investment	1,099.8	1,188.6	1,176.4	1,211.1	1,220.1	1,271.1	1,305.8	1,304.1
Nonresidential	787.9	860.7	850.5	882.3	882.8	921.3	941.9	930.2
Structures	216.9	240.2	234.3	243.8	246.4	245.0	245.4	244.9
Producers' durable equipment	571.0	620.5	616.2	638.5	636.4	676.3	696.6	685.2
Residential	311.8	327.9	325.9	328.8	337.4	349.8	363.8	374.0
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.0
<b>Net exports of goods and services</b>	<b>-91.2</b>	<b>-93.4</b>	<b>-86.8</b>	<b>-94.7</b>	<b>-98.8</b>	<b>-123.7</b>	<b>-159.3</b>	<b>-160.8</b>
Exports	873.8	965.4	961.1	981.7	988.6	973.3	949.6	938.1
Goods	618.3	688.3	682.9	700.2	708.9	694.5	668.8	662.7
Services	255.5	277.1	278.2	281.5	279.7	278.8	280.8	275.4
Imports	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,098.9
Goods	809.0	888.3	879.2	902.7	912.4	920.9	931.8	923.2
Services	156.0	170.4	168.7	173.6	174.9	176.2	177.1	175.6
<b>Government consumption expenditures and gross investment</b>	<b>1,405.2</b>	<b>1,454.6</b>	<b>1,451.5</b>	<b>1,459.5</b>	<b>1,468.1</b>	<b>1,464.9</b>	<b>1,481.2</b>	<b>1,491.0</b>
Federal	518.4	520.2	522.9	521.0	520.1	511.6	520.7	518.7
National defense	351.0	346.0	349.1	347.1	346.5	331.6	339.8	343.6
Nondefense	167.4	174.3	173.8	173.9	173.6	180.0	180.9	175.1
State and local	886.8	934.4	928.6	938.5	947.9	953.3	960.4	972.2

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

**Table 1.2.—Real Gross Domestic Product**

(Billions of chained (1992) dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b>	<b>6,994.8</b>	<b>7,269.8</b>	<b>7,236.5</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,570.0</b>
<b>Personal consumption expenditures</b>	<b>4,752.4</b>	<b>4,913.5</b>	<b>4,872.7</b>	<b>4,947.0</b>	<b>4,981.0</b>	<b>5,055.1</b>	<b>5,130.2</b>	<b>5,181.9</b>
Durable goods	626.1	668.6	653.8	679.6	684.8	710.3	729.4	733.6
Nondurable goods	1,450.9	1,486.3	1,477.1	1,495.7	1,494.3	1,521.2	1,540.9	1,548.9
Services	2,676.7	2,761.5	2,743.6	2,775.4	2,804.8	2,829.3	2,866.8	2,905.0
<b>Gross private domestic investment</b>	<b>1,084.1</b>	<b>1,206.4</b>	<b>1,211.3</b>	<b>1,215.8</b>	<b>1,241.9</b>	<b>1,321.8</b>	<b>1,306.5</b>	<b>1,330.3</b>
Fixed investment	1,050.6	1,138.0	1,127.0	1,159.3	1,169.5	1,224.9	1,264.1	1,268.7
Nonresidential	776.6	859.4	848.2	882.2	886.2	931.9	960.4	957.4
Structures	189.7	203.2	199.3	205.2	205.7	203.1	201.9	201.2
Producers' durable equipment	589.8	660.9	653.8	682.6	686.4	738.8	771.3	769.1
Residential	275.9	282.8	282.5	282.3	287.9	298.5	309.1	315.5
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	56.6
<b>Net exports of goods and services</b>	<b>-111.2</b>	<b>-136.1</b>	<b>-131.6</b>	<b>-142.4</b>	<b>-149.0</b>	<b>-198.5</b>	<b>-245.2</b>	<b>-253.9</b>
Exports	860.0	970.0	963.6	988.1	998.8	991.9	972.1	967.4
Goods	629.4	726.5	719.1	740.6	754.9	748.5	726.3	726.8
Services	231.8	247.0	247.5	251.1	248.6	247.8	248.8	244.4
Imports	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,221.3
Goods	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,054.8
Services	147.3	161.8	159.2	165.2	167.5	171.3	171.0	169.4
<b>Government consumption expenditures and gross investment</b>	<b>1,268.2</b>	<b>1,285.0</b>	<b>1,284.4</b>	<b>1,288.9</b>	<b>1,289.2</b>	<b>1,283.0</b>	<b>1,294.8</b>	<b>1,300.0</b>
Federal	465.6	458.0	460.4	458.9	456.5	446.1	454.1	452.2
National defense	319.1	308.9	311.7	310.2	308.7	293.3	300.3	303.6
Nondefense	146.2	148.6	148.2	148.2	147.3	151.9	152.9	148.0
State and local	802.7	827.1	824.2	830.1	832.9	837.1	840.9	848.0
Residual	-1.5	-7.3	-6.7	-8.9	-8.9	-14.2	-8.4	-6.5

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

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

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

Table 1.3.—Gross Domestic Product by Major Type of Product

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b>	<b>7,661.6</b>	<b>8,110.9</b>	<b>8,063.4</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,538.6</b>
Final sales of domestic product	7,629.5	8,043.5	7,979.9	8,116.2	8,182.6	8,288.7	8,401.3	8,480.5
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.0
<b>Goods</b>	<b>2,812.4</b>	<b>2,978.5</b>	<b>2,967.0</b>	<b>2,998.9</b>	<b>3,020.5</b>	<b>3,101.3</b>	<b>3,064.5</b>	<b>3,087.0</b>
Final sales	2,780.3	2,911.1	2,883.6	2,944.3	2,948.7	3,005.8	3,025.3	3,029.0
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.0
Durable goods	1,249.5	1,343.8	1,342.5	1,357.0	1,368.2	1,426.9	1,385.4	1,394.0
Final sales	1,228.7	1,310.1	1,293.6	1,337.1	1,334.3	1,376.9	1,380.8	1,373.5
Change in business inventories	20.8	33.6	48.8	19.9	34.0	49.9	4.5	20.5
Nondurable goods	1,562.9	1,634.8	1,624.5	1,641.8	1,652.3	1,674.4	1,679.1	1,693.0
Final sales	1,551.6	1,601.0	1,589.9	1,607.2	1,614.4	1,628.8	1,644.4	1,655.5
Change in business inventories	11.4	33.8	34.6	34.7	37.9	45.6	34.7	37.6
<b>Services</b>	<b>4,179.5</b>	<b>4,414.1</b>	<b>4,386.9</b>	<b>4,448.0</b>	<b>4,501.2</b>	<b>4,538.4</b>	<b>4,619.5</b>	<b>4,681.3</b>
<b>Structures</b>	<b>669.7</b>	<b>718.3</b>	<b>709.4</b>	<b>723.9</b>	<b>732.7</b>	<b>744.6</b>	<b>756.6</b>	<b>770.3</b>
<b>Addenda:</b>								
Motor vehicle output	277.1	293.7	280.7	299.7	306.4	300.3	289.7	284.4
Gross domestic product less motor vehicle output	7,384.4	7,817.2	7,782.7	7,871.0	7,948.1	8,083.9	8,150.9	8,254.2

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

Table 1.4.—Real Gross Domestic Product by Major Type of Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b>	<b>6,994.8</b>	<b>7,269.8</b>	<b>7,236.5</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,570.0</b>
Final sales of domestic product	6,961.6	7,203.7	7,155.5	7,256.3	7,294.8	7,372.5	7,456.4	7,510.2
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	56.6
Residual	3.2	2.9	2.0	3.9	3.3	.8	4.0	3.2
<b>Goods</b>	<b>2,708.8</b>	<b>2,867.9</b>	<b>2,852.6</b>	<b>2,890.2</b>	<b>2,917.0</b>	<b>3,000.8</b>	<b>2,969.7</b>	<b>2,996.0</b>
Final sales	2,675.6	2,799.7	2,768.7	2,834.0	2,844.8	2,904.3	2,927.7	2,934.9
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	56.6
Durable goods	1,247.7	1,364.8	1,359.4	1,384.8	1,404.8	1,470.3	1,437.1	1,458.5
Final sales	1,227.7	1,331.9	1,311.2	1,365.8	1,371.4	1,420.4	1,434.1	1,438.6
Change in business inventories	19.5	31.6	45.8	18.7	32.2	47.3	4.2	19.5
Nondurable goods	1,464.2	1,509.6	1,499.7	1,512.7	1,520.4	1,541.6	1,541.6	1,547.7
Final sales	1,451.5	1,475.1	1,463.9	1,477.1	1,482.4	1,495.2	1,505.4	1,508.1
Change in business inventories	10.5	31.5	33.2	32.3	34.2	44.1	34.1	37.4
<b>Services</b>	<b>3,701.7</b>	<b>3,798.7</b>	<b>3,784.9</b>	<b>3,816.4</b>	<b>3,841.1</b>	<b>3,854.8</b>	<b>3,907.3</b>	<b>3,943.9</b>
<b>Structures</b>	<b>588.5</b>	<b>612.5</b>	<b>607.9</b>	<b>614.6</b>	<b>617.2</b>	<b>625.2</b>	<b>632.1</b>	<b>640.4</b>
Residual	-4.6	-11.5	-10.4	-13.7	-13.9	-22.3	-18.6	-17.9
<b>Addenda:</b>								
Motor vehicle output	246.3	260.8	249.6	265.1	274.7	268.5	260.7	252.7
Gross domestic product less motor vehicle output	6,748.4	7,008.8	6,986.8	7,046.0	7,089.7	7,195.9	7,237.6	7,316.8

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line following change in business inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in business 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 selected items in this table are shown in table 8.1. Chain-type quantity indexes for the series in this table appear in table 7.17.

Table 1.5.—Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers

[Billions of dollars]

<b>Gross domestic product</b>	<b>7,661.6</b>	<b>8,110.9</b>	<b>8,063.4</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,538.6</b>
Less: Exports of goods and services	873.8	965.4	961.1	981.7	988.6	973.3	949.6	938.1
Plus: Imports of goods and services	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,098.9
<b>Equals: Gross domestic purchases</b>	<b>7,752.8</b>	<b>8,204.3</b>	<b>8,150.2</b>	<b>8,265.5</b>	<b>8,353.3</b>	<b>8,508.0</b>	<b>8,599.9</b>	<b>8,699.3</b>
Less: Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.0
<b>Equals: Final sales to domestic purchasers</b>	<b>7,720.7</b>	<b>8,136.9</b>	<b>8,066.7</b>	<b>8,210.9</b>	<b>8,281.4</b>	<b>8,412.5</b>	<b>8,560.6</b>	<b>8,641.3</b>

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 (1992) dollars]

<b>Gross domestic product</b>	<b>6,994.8</b>	<b>7,269.8</b>	<b>7,236.5</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,570.0</b>
Less: Exports of goods and services	860.0	970.0	963.6	988.1	998.8	991.9	972.1	967.4
Plus: Imports of goods and services	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,221.3
<b>Equals: Gross domestic purchases</b>	<b>7,101.1</b>	<b>7,396.5</b>	<b>7,359.4</b>	<b>7,443.1</b>	<b>7,502.1</b>	<b>7,644.9</b>	<b>7,718.6</b>	<b>7,798.1</b>
Less: Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	56.6
<b>Equals: Final sales to domestic purchasers</b>	<b>7,068.0</b>	<b>7,330.2</b>	<b>7,278.3</b>	<b>7,388.0</b>	<b>7,432.1</b>	<b>7,552.2</b>	<b>7,676.4</b>	<b>7,738.2</b>

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

Percent changes from preceding period for selected items in this table are shown in table 8.1. Chain-type quantity indexes for the series in this table appear in table 7.2.

Table 1.7.—Gross Domestic Product by Sector

[Billions of dollars]

<b>Gross domestic product</b>	<b>7,661.6</b>	<b>8,110.9</b>	<b>8,063.4</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,538.6</b>
<b>Business</b> <sup>1</sup>	<b>6,432.9</b>	<b>6,836.5</b>	<b>6,792.9</b>	<b>6,890.9</b>	<b>6,967.0</b>	<b>7,083.1</b>	<b>7,126.3</b>	<b>7,210.3</b>
Nonfarm <sup>1</sup>	6,341.3	6,746.3	6,700.6	6,799.7	6,880.0	6,999.3	7,041.4	7,127.5
Nonfarm less housing	5,679.2	6,047.2	6,004.4	6,096.8	6,170.6	6,285.4	6,315.0	6,388.2
Housing	662.1	699.1	696.2	702.9	709.4	713.9	726.4	739.2
Farm	91.6	90.2	92.2	91.2	87.0	83.8	84.9	82.9
<b>Households and institutions</b> ...	<b>345.0</b>	<b>361.4</b>	<b>359.8</b>	<b>363.5</b>	<b>366.9</b>	<b>371.1</b>	<b>377.9</b>	<b>383.8</b>
Private households	11.9	12.0	12.0	12.0	12.0	11.8	12.0	12.2
Nonprofit institutions	333.1	349.4	347.8	351.5	355.0	359.2	365.9	371.6
<b>General government</b> <sup>2</sup>	<b>883.6</b>	<b>912.9</b>	<b>910.7</b>	<b>916.3</b>	<b>920.5</b>	<b>930.1</b>	<b>936.3</b>	<b>944.4</b>
Federal	279.2	281.3	282.4	281.0	278.8	282.1	281.2	281.9
State and local	604.4	631.7	628.3	635.3	641.7	648.0	655.2	662.6

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.7.

Table 1.8.—Real Gross Domestic Product by Sector

[Billions of chained (1992) dollars]

<b>Gross domestic product</b>	<b>6,994.8</b>	<b>7,269.8</b>	<b>7,236.5</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,570.0</b>
<b>Business</b> <sup>1</sup>	<b>5,903.5</b>	<b>6,164.9</b>	<b>6,133.3</b>	<b>6,203.0</b>	<b>6,255.6</b>	<b>6,352.3</b>	<b>6,382.6</b>	<b>6,449.2</b>
Nonfarm <sup>1</sup>	5,824.3	6,074.3	6,042.3	6,109.2	6,165.8	6,260.4	6,290.5	6,355.2
Nonfarm less housing	5,236.0	5,470.5	5,438.9	5,504.4	5,559.6	5,655.9	5,680.5	5,739.5
Housing	588.7	604.5	604.0	605.6	607.3	606.2	611.5	617.3
Farm	78.6	90.3	90.7	93.7	88.8	91.1	91.4	93.3
<b>Households and institutions</b> ...	<b>311.8</b>	<b>321.5</b>	<b>320.2</b>	<b>323.1</b>	<b>325.1</b>	<b>326.7</b>	<b>327.7</b>	<b>329.3</b>
Private households	10.5	10.2	10.3	10.2	10.0	9.8	9.9	10.0
Nonprofit institutions	301.3	311.3	310.0	313.0	315.1	316.9	317.9	319.4
<b>General government</b> <sup>2</sup>	<b>781.2</b>	<b>786.2</b>	<b>785.7</b>	<b>788.1</b>	<b>787.3</b>	<b>789.6</b>	<b>792.2</b>	<b>795.8</b>
Federal	240.7	235.4	236.3	235.5	232.5	232.4	231.9	232.3
State and local	540.8	551.3	549.9	553.2	555.5	557.9	561.1	564.2
Residual	-1.8	-3.7	-3.6	-4.4	-4.2	-5.5	-5.6	-6.0

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.8.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table appear in table 7.14.

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b> .....	<b>7,661.6</b>	<b>8,110.9</b>	<b>8,063.4</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,538.6</b>
Plus: Receipts of factor income from the rest of the world .....	235.5	265.5	268.3	274.3	266.3	270.3	270.6	260.9
Less: Payments of factor income to the rest of the world .....	223.1	273.5	269.4	283.0	285.9	285.1	289.3	292.3
<b>Equals: Gross national product</b> .....	<b>7,674.0</b>	<b>8,102.9</b>	<b>8,062.3</b>	<b>8,162.0</b>	<b>8,234.9</b>	<b>8,369.4</b>	<b>8,421.8</b>	<b>8,507.2</b>
Less: Consumption of fixed capital .....	832.0	871.8	866.5	877.0	887.6	894.5	902.3	911.7
Private .....	684.3	720.2	714.9	725.2	734.7	741.1	748.5	756.9
Capital consumption allowances .....	719.7	760.5	754.3	765.8	778.2	790.5	803.2	816.8
Less: Capital consumption adjustment .....	35.4	40.4	39.4	40.6	43.5	49.4	54.7	59.9
Government .....	147.7	151.6	151.6	151.8	152.9	153.4	153.7	154.8
General government .....	125.3	128.3	128.3	128.3	129.1	129.4	129.6	130.3
Government enterprises .....	22.4	23.4	23.3	23.5	23.7	24.0	24.2	24.4
<b>Equals: Net national product</b> .....	<b>6,842.0</b>	<b>7,231.1</b>	<b>7,195.8</b>	<b>7,285.1</b>	<b>7,347.3</b>	<b>7,474.9</b>	<b>7,519.6</b>	<b>7,595.5</b>
Less: Indirect business tax and nontax liability .....	606.4	627.2	625.0	632.0	634.5	641.9	647.7	656.2
Business transfer payments .....	33.8	35.1	35.0	35.4	35.6	36.0	36.0	36.6
Statistical discrepancy .....	-32.2	-55.8	-47.7	-65.1	-67.3	-54.1	-85.7	-98.9
Plus: Subsidies less current surplus of government enterprises .....	22.0	21.9	21.0	22.0	23.4	23.5	23.9	24.6
<b>Equals: National income</b> .....	<b>6,256.0</b>	<b>6,646.5</b>	<b>6,604.5</b>	<b>6,704.8</b>	<b>6,767.9</b>	<b>6,875.0</b>	<b>6,945.5</b>	<b>7,026.1</b>
Less: Corporate profits with inventory valuation and capital consumption adjustments .....	750.4	817.9	815.5	840.9	820.8	829.2	820.6	823.9
Net interest .....	418.6	432.0	431.8	433.3	432.4	440.5	447.1	452.1
Contributions for social insurance .....	688.0	727.0	722.1	730.8	740.9	755.0	762.9	771.5
Wage accruals less disbursements .....	9.3	3.7	3.7	3.7	3.7	4.0	4.0	4.0
Plus: Personal interest income .....	719.4	747.3	745.7	750.5	753.0	757.0	763.0	767.6
Personal dividend income .....	248.2	260.3	259.9	260.4	261.3	261.6	262.1	263.0
Government transfer payments to persons .....	1,041.5	1,083.3	1,079.7	1,086.7	1,093.1	1,111.2	1,117.7	1,124.0
Business transfer payments to persons .....	26.4	27.2	27.1	27.3	27.5	27.8	28.1	28.3
<b>Equals: Personal income</b> .....	<b>6,425.2</b>	<b>6,784.0</b>	<b>6,743.6</b>	<b>6,820.9</b>	<b>6,904.9</b>	<b>7,003.9</b>	<b>7,081.9</b>	<b>7,157.5</b>
<b>Addenda:</b>								
Gross domestic income .....	7,693.8	8,166.7	8,111.1	8,235.9	8,321.8	8,438.4	8,526.3	8,637.5
Gross national income .....	7,706.2	8,158.7	8,110.0	8,227.1	8,302.2	8,423.6	8,507.6	8,606.1
Net domestic product .....	6,829.6	7,239.1	7,196.9	7,293.8	7,366.9	7,489.8	7,538.3	7,626.9

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

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b> .....	<b>6,994.8</b>	<b>7,269.8</b>	<b>7,236.5</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,570.0</b>
Plus: Receipts of factor income from the rest of the world .....	214.8	238.0	241.0	245.6	237.6	241.0	241.0	232.1
Less: Payments of factor income to the rest of the world .....	200.9	240.7	237.5	248.9	250.5	249.6	252.8	254.8
<b>Equals: Gross national product</b> .....	<b>7,008.4</b>	<b>7,266.2</b>	<b>7,239.3</b>	<b>7,307.0</b>	<b>7,350.7</b>	<b>7,455.2</b>	<b>7,485.9</b>	<b>7,546.3</b>
Less: Consumption of fixed capital .....	777.2	808.8	799.2	814.0	829.3	841.1	854.4	867.8
Private .....	642.4	672.2	668.7	676.0	683.1	694.4	707.2	719.8
Government .....	135.5	137.4	137.2	137.7	138.1	138.6	139.0	139.8
General government .....	114.8	116.1	116.0	116.3	116.6	116.9	117.2	117.8
Government enterprises .....	20.1	20.6	20.6	20.7	20.9	21.0	21.1	21.3
<b>Equals: Net national product</b> .....	<b>6,230.9</b>	<b>6,457.3</b>	<b>6,437.3</b>	<b>6,493.3</b>	<b>6,525.1</b>	<b>6,617.8</b>	<b>6,635.8</b>	<b>6,683.4</b>
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	7,024.1	7,319.7	7,279.3	7,369.5	7,424.7	7,512.9	7,574.8	7,657.7
Gross national income <sup>2</sup> .....	7,037.7	7,316.2	7,282.1	7,365.2	7,410.8	7,503.4	7,562.1	7,634.1
Net domestic product .....	6,217.4	6,460.8	6,434.3	6,497.6	6,539.4	6,627.8	6,649.0	6,707.5

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

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

NOTE.—Except as noted in footnotes 1 and 2, chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

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

**Table 1.11.—Command-Basis Real Gross National Product**

[Billions of chained (1992) dollars]

<b>Gross national product</b> .....	<b>7,008.4</b>	<b>7,266.2</b>	<b>7,239.3</b>	<b>7,307.0</b>	<b>7,350.7</b>	<b>7,455.2</b>	<b>7,485.9</b>	<b>7,546.3</b>
Less: Exports of goods and services and receipts of factor income from the rest of the world .....	1,075.2	1,208.2	1,205.2	1,234.2	1,235.8	1,232.8	1,213.7	1,199.1
Plus: Command-basis exports of goods and services and receipts of factor income <sup>1</sup> .....	1,095.2	1,246.7	1,246.0	1,277.2	1,280.2	1,296.5	1,283.4	1,273.0
<b>Equals: Command-basis gross national product</b> .....	<b>7,028.3</b>	<b>7,304.7</b>	<b>7,280.1</b>	<b>7,350.1</b>	<b>7,395.1</b>	<b>7,518.9</b>	<b>7,555.6</b>	<b>7,620.2</b>
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	101.9	103.2	103.4	103.5	103.6	105.2	105.7	106.2

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

2. Ratio of the implicit price deflator for exports of goods and services and receipts of factor income to the corresponding implicit price deflator for imports with the decimal point shifted two places to the right.

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

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

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

Table 1.14.—National Income by Type of Income

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>National income</b> .....	<b>6,256.0</b>	<b>6,646.5</b>	<b>6,604.5</b>	<b>6,704.8</b>	<b>6,767.9</b>	<b>6,875.0</b>	<b>6,945.5</b>	<b>7,026.1</b>
<b>Compensation of employees</b> ...	<b>4,409.0</b>	<b>4,687.2</b>	<b>4,649.2</b>	<b>4,715.5</b>	<b>4,798.0</b>	<b>4,882.8</b>	<b>4,945.2</b>	<b>5,010.8</b>
Wage and salary accruals .....	3,640.4	3,893.6	3,859.2	3,919.3	3,993.6	4,065.9	4,121.6	4,180.4
Government .....	640.9	664.2	661.6	666.7	671.4	679.5	685.8	692.8
Other .....	2,999.5	3,229.4	3,197.6	3,252.6	3,322.2	3,386.4	3,435.8	3,487.6
Supplements to wages and salaries .....	768.6	793.7	790.0	796.2	804.4	816.8	823.5	830.4
Employer contributions for social insurance .....	381.7	400.7	398.4	402.7	407.4	414.1	417.9	422.0
Other labor income .....	387.0	392.9	391.5	393.6	397.0	402.8	405.7	408.4
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>527.7</b>	<b>551.2</b>	<b>549.9</b>	<b>556.5</b>	<b>558.0</b>	<b>564.2</b>	<b>571.7</b>	<b>575.7</b>
Farm .....	38.9	35.5	37.8	36.3	31.4	27.4	27.7	24.7
Proprietors' income with inventory valuation adjustment .....	46.7	43.0	45.4	43.8	38.8	34.7	35.0	31.8
Capital consumption adjustment .....	-7.8	-7.5	-7.6	-7.5	-7.4	-7.3	-7.2	-7.1
Nonfarm .....	488.8	515.8	512.1	520.2	526.6	536.8	544.0	551.0
Proprietors' income .....	461.6	485.3	481.5	489.8	495.5	502.9	511.6	516.9
Inventory valuation adjustment .....	-6	.6	1.0	.4	.5	2.4	-.1	.8
Capital consumption adjustment .....	27.8	29.9	29.6	30.0	30.6	31.5	32.4	33.4
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>150.2</b>	<b>158.2</b>	<b>158.0</b>	<b>158.6</b>	<b>158.8</b>	<b>158.3</b>	<b>161.0</b>	<b>163.6</b>
Rental income of persons .....	198.4	208.6	208.0	209.4	210.2	209.5	212.2	215.3
Capital consumption adjustment .....	-48.1	-50.4	-50.0	-50.8	-51.4	-51.2	-51.3	-51.8
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>750.4</b>	<b>817.9</b>	<b>815.5</b>	<b>840.9</b>	<b>820.8</b>	<b>829.2</b>	<b>820.6</b>	<b>823.9</b>
Corporate profits with inventory valuation adjustment .....	679.0	741.2	740.1	763.7	740.7	744.3	731.3	729.1
Profits before tax .....	680.2	734.4	729.8	758.9	736.4	719.1	723.5	717.0
Profits tax liability .....	226.1	246.1	241.9	254.2	249.3	239.9	241.6	243.8
Profits after tax .....	454.1	488.3	487.8	504.7	487.1	479.2	481.8	473.2
Dividends .....	261.9	275.1	274.7	275.1	276.4	277.3	278.1	279.0
Undistributed profits .....	192.3	213.2	213.2	229.5	210.6	201.8	203.7	194.3
Inventory valuation adjustment .....	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	12.1
Capital consumption adjustment .....	71.4	76.6	75.5	77.2	80.1	84.9	89.4	94.9
<b>Net interest</b> .....	<b>418.6</b>	<b>432.0</b>	<b>431.8</b>	<b>433.3</b>	<b>432.4</b>	<b>440.5</b>	<b>447.1</b>	<b>452.1</b>
<b>Addenda:</b>								
Corporate profits after tax with inventory valuation and capital consumption adjustments .....	524.3	571.8	573.6	586.7	571.4	589.3	579.0	580.2
Net cash flow with inventory valuation and capital consumption adjustments .....	714.4	774.1	772.6	792.3	782.6	804.5	798.7	804.3
Undistributed profits with inventory valuation and capital consumption adjustments .....	262.4	296.7	299.0	311.5	295.0	312.0	300.9	301.2
Consumption of fixed capital .....	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
Less: Inventory valuation adjustment .....	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	12.1
Equals: Net cash flow .....	715.7	767.2	762.3	787.5	778.4	779.2	790.9	792.2

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

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product of corporate business</b> .....	<b>4,607.8</b>	<b>4,960.9</b>	<b>4,911.3</b>	<b>5,015.5</b>	<b>5,090.8</b>	<b>5,160.6</b>	<b>5,210.0</b>	<b>5,286.6</b>
Consumption of fixed capital .....	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
<b>Net domestic product</b> .....	<b>4,155.8</b>	<b>4,483.5</b>	<b>4,437.6</b>	<b>4,534.7</b>	<b>4,603.2</b>	<b>4,668.0</b>	<b>4,712.2</b>	<b>4,783.5</b>
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	450.1	477.8	474.5	484.7	489.1	495.0	499.2	506.7
<b>Domestic income</b> .....	<b>3,705.7</b>	<b>4,005.7</b>	<b>3,963.1</b>	<b>4,049.9</b>	<b>4,114.0</b>	<b>4,173.0</b>	<b>4,213.0</b>	<b>4,276.8</b>
Compensation of employees .....	2,926.5	3,139.8	3,109.1	3,160.8	3,228.8	3,283.2	3,327.8	3,374.4
Wage and salary accruals .....	2,449.1	2,644.4	2,615.0	2,664.1	2,728.3	2,773.3	2,813.7	2,856.0
Supplements to wages and salaries .....	477.4	495.5	494.1	496.7	500.5	509.9	514.1	518.4
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>654.0</b>	<b>718.9</b>	<b>710.2</b>	<b>738.6</b>	<b>728.8</b>	<b>730.6</b>	<b>723.3</b>	<b>738.9</b>
Profits before tax .....	583.8	635.4	624.4	656.6	644.5	620.5	626.2	632.0
Profits tax liability .....	226.1	246.1	241.9	254.2	249.3	239.9	241.6	243.8
Profits after tax .....	357.7	389.3	382.4	402.3	395.1	380.6	384.5	388.2
Dividends .....	224.8	234.7	230.0	229.7	244.0	240.6	259.9	247.8
Undistributed profits .....	132.9	154.5	152.4	172.7	151.2	140.0	124.6	140.3
Inventory valuation adjustment .....	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	12.1
Capital consumption adjustment .....	71.4	76.6	75.5	77.2	80.1	84.9	89.4	94.9
Net interest .....	125.2	147.1	143.9	150.5	156.4	159.2	161.9	163.5
<b>Gross domestic product of financial corporate business</b> .....	<b>473.4</b>	<b>546.4</b>	<b>535.6</b>	<b>553.6</b>	<b>577.7</b>	<b>586.4</b>	<b>591.2</b>	<b>599.3</b>
<b>Gross domestic product of nonfinancial corporate business</b> .....	<b>4,134.4</b>	<b>4,414.5</b>	<b>4,375.7</b>	<b>4,461.9</b>	<b>4,513.2</b>	<b>4,574.2</b>	<b>4,618.8</b>	<b>4,687.2</b>
Consumption of fixed capital .....	393.4	415.4	412.2	418.4	424.4	428.5	433.1	437.4
<b>Net domestic product</b> .....	<b>3,741.0</b>	<b>3,999.1</b>	<b>3,963.5</b>	<b>4,043.4</b>	<b>4,088.8</b>	<b>4,145.7</b>	<b>4,185.7</b>	<b>4,249.8</b>
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	411.6	436.8	434.5	442.1	445.0	450.5	454.2	461.2
<b>Domestic income</b> .....	<b>3,329.4</b>	<b>3,562.3</b>	<b>3,529.0</b>	<b>3,601.4</b>	<b>3,643.8</b>	<b>3,695.2</b>	<b>3,731.4</b>	<b>3,788.6</b>
Compensation of employees .....	2,679.7	2,871.2	2,843.4	2,889.8	2,952.6	3,002.3	3,043.1	3,085.7
Wage and salary accruals .....	2,240.7	2,416.6	2,389.7	2,434.3	2,494.2	2,534.5	2,571.4	2,610.1
Supplements to wages and salaries .....	439.0	454.6	453.7	455.5	458.4	467.8	471.7	475.6
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>548.5</b>	<b>594.2</b>	<b>586.7</b>	<b>615.2</b>	<b>599.3</b>	<b>599.3</b>	<b>593.2</b>	<b>606.8</b>
Profits before tax .....	473.1	505.4	495.6	528.0	509.8	484.2	491.8	496.2
Profits tax liability .....	151.5	169.8	166.4	178.1	170.1	159.7	162.1	163.3
Profits after tax .....	321.5	335.6	329.2	349.9	339.6	324.5	329.6	332.9
Dividends .....	217.1	229.3	224.6	226.1	239.6	237.3	254.3	244.7
Undistributed profits .....	104.4	106.3	104.6	123.8	100.1	87.2	75.3	88.2
Inventory valuation adjustment .....	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	12.1
Capital consumption adjustment .....	76.7	81.9	80.7	82.5	85.3	89.8	93.7	98.5
Net interest .....	101.2	96.9	99.0	96.3	91.9	93.6	95.2	96.1
	Billions of chained (1992) dollars							
<b>Gross domestic product of nonfinancial corporate business</b> <sup>1</sup> .....	<b>3,914.8</b>	<b>4,154.4</b>	<b>4,117.0</b>	<b>4,198.5</b>	<b>4,247.5</b>	<b>4,309.2</b>	<b>4,352.0</b>	<b>4,417.7</b>
Consumption of fixed capital <sup>2</sup> .....	374.3	394.6	392.2	397.2	402.1	409.3	417.7	426.6
Net domestic product <sup>3</sup> .....	3,540.5	3,759.8	3,724.9	3,801.3	3,845.5	3,899.9	3,934.3	3,991.2

1. Chained-dollar gross domestic product of nonfinancial corporate business equals the current-dollar product deflated by the implicit price deflator for goods and structures in gross domestic product.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100.

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



## 2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Personal income</b> .....	<b>6,425.2</b>	<b>6,784.0</b>	<b>6,743.6</b>	<b>6,820.9</b>	<b>6,904.9</b>	<b>7,003.9</b>	<b>7,081.9</b>	<b>7,157.5</b>
<b>Wage and salary disbursements</b> .....	<b>3,631.1</b>	<b>3,889.8</b>	<b>3,855.5</b>	<b>3,915.5</b>	<b>3,989.9</b>	<b>4,061.9</b>	<b>4,117.6</b>	<b>4,176.4</b>
Private industries .....	2,990.2	3,225.7	3,193.9	3,248.9	3,318.4	3,382.4	3,431.8	3,483.6
Goods-producing industries .....	909.0	975.0	965.4	979.4	1,003.7	1,019.0	1,023.2	1,027.5
Manufacturing .....	674.6	719.5	712.0	722.3	741.3	750.4	750.8	750.7
Distributive industries .....	823.3	879.8	870.2	886.3	904.5	918.9	932.2	946.0
Service industries .....	1,257.9	1,370.8	1,358.3	1,383.2	1,410.2	1,444.5	1,476.4	1,510.1
Government .....	640.9	664.2	661.6	666.7	671.4	679.5	685.8	692.8
<b>Other labor income</b> .....	<b>387.0</b>	<b>392.9</b>	<b>391.5</b>	<b>393.6</b>	<b>397.0</b>	<b>402.8</b>	<b>405.7</b>	<b>408.4</b>
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>527.7</b>	<b>551.2</b>	<b>549.9</b>	<b>556.5</b>	<b>558.0</b>	<b>564.2</b>	<b>571.7</b>	<b>575.7</b>
Farm .....	38.9	35.5	37.8	36.3	31.4	27.4	27.7	24.7
Nonfarm .....	488.8	515.8	512.1	520.2	526.6	536.8	544.0	551.0
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>150.2</b>	<b>158.2</b>	<b>158.0</b>	<b>158.6</b>	<b>158.8</b>	<b>158.3</b>	<b>161.0</b>	<b>163.6</b>
<b>Personal dividend income</b> .....	<b>248.2</b>	<b>260.3</b>	<b>259.9</b>	<b>260.4</b>	<b>261.3</b>	<b>261.6</b>	<b>262.1</b>	<b>263.0</b>
<b>Personal interest income</b> .....	<b>719.4</b>	<b>747.3</b>	<b>745.7</b>	<b>750.5</b>	<b>753.0</b>	<b>757.0</b>	<b>763.0</b>	<b>767.6</b>
<b>Transfer payments to persons</b> .....	<b>1,068.0</b>	<b>1,110.4</b>	<b>1,106.8</b>	<b>1,114.0</b>	<b>1,120.5</b>	<b>1,139.0</b>	<b>1,145.8</b>	<b>1,152.4</b>
Old-age, survivors, disability, and health insurance benefits .....	538.0	565.9	563.9	568.3	572.2	581.6	585.0	588.7
Government unemployment insurance benefits .....	21.9	19.9	19.9	19.6	19.3	19.6	19.5	19.5
Veterans benefits .....	21.6	22.4	22.4	22.6	22.3	23.3	23.2	23.3
Government employees retirement benefits .....	141.3	151.4	150.7	152.2	153.8	156.8	158.4	160.3
Other transfer payments .....	345.0	350.8	349.9	351.3	352.9	357.6	359.6	360.6
Family assistance <sup>1</sup> .....	21.6	19.7	19.9	19.5	19.1	18.7	18.0	17.1
Other .....	323.5	331.1	330.0	331.8	333.8	338.9	341.6	343.6
<b>Less: Personal contributions for social insurance</b> .....	<b>306.3</b>	<b>326.2</b>	<b>323.7</b>	<b>328.2</b>	<b>333.6</b>	<b>340.9</b>	<b>345.1</b>	<b>349.5</b>
<b>Less: Personal tax and nontax payments</b> .....	<b>890.5</b>	<b>989.0</b>	<b>975.8</b>	<b>999.0</b>	<b>1,025.5</b>	<b>1,066.8</b>	<b>1,092.9</b>	<b>1,107.8</b>
<b>Equals: Disposable personal income</b> .....	<b>5,534.7</b>	<b>5,795.1</b>	<b>5,767.9</b>	<b>5,821.8</b>	<b>5,879.4</b>	<b>5,937.1</b>	<b>5,988.9</b>	<b>6,049.7</b>
<b>Less: Personal outlays</b> .....	<b>5,376.2</b>	<b>5,674.1</b>	<b>5,616.0</b>	<b>5,723.3</b>	<b>5,781.2</b>	<b>5,864.0</b>	<b>5,963.3</b>	<b>6,040.1</b>
Personal consumption expenditures .....	5,215.7	5,493.7	5,438.8	5,540.3	5,593.2	5,676.5	5,773.7	5,846.2
Interest paid by persons .....	143.6	161.5	159.0	163.5	168.2	168.3	169.8	173.4
Personal transfer payments to the rest of the world (net) .....	16.9	18.9	18.2	19.5	19.8	19.2	19.9	20.4
<b>Equals: Personal saving</b> .....	<b>158.5</b>	<b>121.0</b>	<b>151.9</b>	<b>98.5</b>	<b>98.2</b>	<b>73.0</b>	<b>25.6</b>	<b>9.6</b>
<b>Addenda:</b>								
Disposable personal income: Total, billions of chained (1992) dollars <sup>2</sup> .....	5,043.0	5,183.1	5,167.5	5,198.4	5,235.8	5,287.1	5,321.5	5,362.2
Per capita:								
Current dollars .....	20,840	21,633	21,558	21,709	21,871	22,046	22,192	22,363
Chained (1992) dollars .....	18,989	19,349	19,315	19,385	19,478	19,632	19,719	19,822
Population (mid-period, millions) .....	265.6	267.9	267.5	268.2	268.8	269.3	269.9	270.5
<b>Personal saving as a percentage of disposable personal income</b> .....	<b>2.9</b>	<b>2.1</b>	<b>2.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.2</b>	<b>.4</b>	<b>.2</b>

Table 2.2.—Personal Consumption Expenditures by Major Type of Product

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Personal consumption expenditures</b> .....	<b>5,215.7</b>	<b>5,493.7</b>	<b>5,438.8</b>	<b>5,540.3</b>	<b>5,593.2</b>	<b>5,676.5</b>	<b>5,773.7</b>	<b>5,846.2</b>
<b>Durable goods</b> .....	<b>643.3</b>	<b>673.0</b>	<b>659.9</b>	<b>681.2</b>	<b>682.2</b>	<b>705.1</b>	<b>720.1</b>	<b>718.8</b>
Motor vehicles and parts .....	264.8	269.5	260.7	274.5	271.6	277.0	288.8	282.3
Furniture and household equipment .....	256.0	271.4	269.2	273.8	276.0	288.5	288.9	294.3
Other .....	122.5	132.1	130.0	132.8	134.6	139.6	142.3	142.2
<b>Nondurable goods</b> .....	<b>1,539.2</b>	<b>1,600.6</b>	<b>1,588.2</b>	<b>1,611.3</b>	<b>1,613.2</b>	<b>1,633.1</b>	<b>1,655.2</b>	<b>1,669.9</b>
Food .....	755.0	780.9	775.8	785.3	787.1	796.9	810.2	818.3
Clothing and shoes .....	265.7	278.0	275.6	280.9	280.7	291.0	295.3	293.8
Gasoline and oil .....	124.5	126.5	123.7	125.7	125.9	116.2	111.6	111.7
Fuel oil and coal .....	12.2	11.2	11.5	11.2	10.7	9.5	9.8	9.8
Other .....	381.8	403.9	401.5	408.1	408.8	419.4	428.3	436.3
<b>Services</b> .....	<b>3,033.2</b>	<b>3,220.1</b>	<b>3,190.7</b>	<b>3,247.9</b>	<b>3,297.8</b>	<b>3,338.2</b>	<b>3,398.4</b>	<b>3,457.5</b>
Housing .....	787.4	829.8	824.0	835.4	847.0	859.1	871.9	883.8
Household operation .....	314.5	327.3	323.6	330.4	337.0	327.6	339.2	346.7
Electricity and gas .....	125.5	126.2	125.4	127.0	129.2	116.8	124.1	128.2
Other household operation .....	189.0	201.1	198.1	203.4	207.8	210.9	215.1	218.5
Transportation .....	222.3	240.3	238.4	242.2	246.3	249.5	253.2	252.5
Medical care .....	806.8	843.4	837.7	848.7	857.9	871.5	884.2	893.4
Other .....	902.3	979.3	967.1	991.3	1,009.5	1,030.5	1,049.8	1,081.0

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

(Billions of chained (1992) dollars)

	1996	1997	1997	1997	1998	1998	1998	1998
<b>Personal consumption expenditures</b> .....	<b>4,752.4</b>	<b>4,913.5</b>	<b>4,872.7</b>	<b>4,947.0</b>	<b>4,981.0</b>	<b>5,055.1</b>	<b>5,130.2</b>	<b>5,181.9</b>
<b>Durable goods</b> .....	<b>626.1</b>	<b>668.6</b>	<b>653.8</b>	<b>679.6</b>	<b>684.8</b>	<b>710.3</b>	<b>729.4</b>	<b>733.6</b>
Motor vehicles and parts .....	235.0	239.3	230.8	244.4	242.7	247.8	258.9	252.3
Furniture and household equipment .....	277.5	307.7	303.7	312.7	318.1	335.8	339.3	352.3
Other .....	117.1	127.7	125.9	128.5	130.8	135.1	138.6	139.2
<b>Nondurable goods</b> .....	<b>1,450.9</b>	<b>1,486.3</b>	<b>1,477.1</b>	<b>1,495.7</b>	<b>1,494.3</b>	<b>1,521.2</b>	<b>1,540.9</b>	<b>1,548.9</b>
Food .....	692.6	699.3	697.3	700.6	699.9	706.8	716.3	718.5
Clothing and shoes .....	276.1	288.4	283.3	291.9	292.3	307.4	311.4	310.0
Gasoline and oil .....	116.0	117.9	118.3	118.4	118.1	118.5	118.4	121.1
Fuel oil and coal .....	11.2	10.3	10.4	10.7	10.1	9.2	9.7	9.9
Other .....	356.7	373.0	369.9	377.0	376.8	383.5	389.2	393.5
<b>Services</b> .....	<b>2,676.7</b>	<b>2,761.5</b>	<b>2,743.6</b>	<b>2,775.4</b>	<b>2,804.8</b>	<b>2,829.3</b>	<b>2,866.8</b>	<b>2,905.0</b>
Housing .....	700.9	717.4	715.1	719.5	723.9	728.7	732.7	737.0
Household operation .....	291.4	301.3	297.8	305.0	311.1	306.3	316.5	324.8
Electricity and gas .....	118.0	116.0	116.0	117.2	118.4	110.5	117.4	122.3
Other household operation .....	173.3	185.1	181.6	187.7	192.5	195.6	198.9	202.4
Transportation .....	200.5	212.2	210.7	213.7	215.9	217.9	221.4	221.3
Medical care .....	686.6	701.7	698.6	704.2	709.4	714.9	721.6	724.8
Other .....	798.6	830.5	823.0	834.8	846.6	862.9	876.7	899.5
Residual .....	-7.7	-13.0	-11.9	-14.3	-14.5	-19.5	-20.3	-22.2

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines. Chain-type quantity indexes for the series in this table appear in table 7.4.

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

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

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

## 3. Government Receipts, Current Expenditures, and Gross Investment

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Receipts</b> .....	<b>2,411.0</b>	<b>2,589.2</b>	<b>2,564.9</b>	<b>2,616.0</b>	<b>2,650.3</b>	<b>2,703.6</b>	<b>2,745.2</b>	<b>2,779.3</b>
Personal tax and nontax receipts .....	890.5	989.0	975.8	999.0	1,025.5	1,066.8	1,092.9	1,107.8
Corporate profits tax accruals .....	226.1	246.1	241.9	254.2	249.3	239.9	241.6	243.8
Indirect business tax and nontax accruals .....	606.4	627.2	625.0	632.0	634.5	641.9	647.7	656.2
Contributions for social insurance .....	688.0	727.0	722.1	730.8	740.9	755.0	762.9	771.5
<b>Current expenditures</b> .....	<b>2,398.7</b>	<b>2,476.1</b>	<b>2,469.6</b>	<b>2,479.8</b>	<b>2,506.7</b>	<b>2,504.6</b>	<b>2,529.5</b>	<b>2,536.2</b>
Consumption expenditures .....	1,175.5	1,219.2	1,218.8	1,222.3	1,231.6	1,227.5	1,248.7	1,251.3
Transfer payments (net) .....	1,057.7	1,096.0	1,089.6	1,096.6	1,114.6	1,121.1	1,126.7	1,134.4
To persons .....	1,041.5	1,083.3	1,079.7	1,086.7	1,093.1	1,111.2	1,117.7	1,124.0
To the rest of the world (net) .....	16.2	12.7	9.9	9.9	21.5	9.9	9.0	10.3
Net interest paid .....	157.1	153.8	154.9	153.7	152.3	148.2	146.2	142.0
Interest paid .....	315.7	316.9	317.7	317.7	317.2	314.3	314.5	312.0
To persons and business .....	248.3	229.4	230.1	226.9	226.5	224.4	223.4	223.6
To the rest of the world .....	67.4	87.5	87.6	90.8	90.7	89.9	91.0	88.4
Less: Interest received by government .....	158.6	163.1	162.8	164.0	164.9	166.1	168.3	170.0
Less: Dividends received by government .....	13.7	14.8	14.7	14.8	15.2	15.7	16.0	16.0
Subsidies less current surplus of government enterprises .....	22.0	21.9	21.0	22.0	23.4	23.5	23.9	24.6
Subsidies .....	34.0	33.4	33.6	33.3	32.7	31.8	31.4	31.0
Less: Current surplus of government enterprises .....	12.0	11.5	12.6	11.3	9.3	8.4	7.5	6.4
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>12.3</b>	<b>113.1</b>	<b>95.3</b>	<b>136.2</b>	<b>143.6</b>	<b>199.0</b>	<b>215.7</b>	<b>243.1</b>
Social insurance funds .....	125.0	138.5	135.2	140.8	148.5	152.0	158.3	164.0
Other .....	-112.7	-25.4	-39.9	-4.6	-4.9	47.0	57.4	79.0

Table 3.2.—Federal Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Receipts</b> .....	<b>1,584.7</b>	<b>1,719.9</b>	<b>1,703.6</b>	<b>1,739.6</b>	<b>1,765.5</b>	<b>1,809.1</b>	<b>1,838.3</b>	<b>1,858.4</b>
Personal tax and nontax receipts	687.0	769.1	759.1	776.9	798.6	836.5	855.7	863.5
Income taxes	666.9	745.8	735.8	753.7	774.2	810.0	826.3	836.2
Estate and gift taxes	17.5	20.6	20.6	20.5	21.6	23.5	26.2	23.8
Nontaxes	2.6	2.7	2.6	2.7	2.8	3.0	3.2	3.5
Corporate profits tax accruals	193.0	210.0	206.5	217.0	212.8	204.8	206.2	208.0
Federal Reserve banks	20.1	20.6	20.2	20.8	21.2	21.6	21.5	21.8
Other	172.9	189.5	186.3	196.2	191.6	183.2	184.7	186.2
Indirect business tax and nontax accruals	94.5	93.8	95.5	95.1	93.8	93.9	95.2	97.9
Excise taxes	55.9	59.5	60.5	59.7	60.8	60.7	61.9	63.4
Customs duties	19.2	19.6	20.4	20.5	18.9	19.1	19.3	20.7
Nontaxes	19.4	14.6	14.6	14.9	14.2	14.1	13.9	13.7
Contributions for social insurance	610.2	647.0	642.4	650.6	660.3	673.9	681.2	689.1
<b>Current expenditures</b> .....	<b>1,695.0</b>	<b>1,741.0</b>	<b>1,738.4</b>	<b>1,739.9</b>	<b>1,763.4</b>	<b>1,750.3</b>	<b>1,763.9</b>	<b>1,765.3</b>
Consumption expenditures	450.9	460.4	464.8	460.0	460.1	450.9	464.0	458.2
Transfer payments (net)	764.2	791.9	787.1	791.2	805.9	808.5	811.1	816.1
To persons	748.0	779.2	777.3	781.2	784.4	798.6	802.1	805.8
To the rest of the world (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	10.3
Grants-in-aid to State and local governments	218.9	225.0	223.2	224.4	231.8	228.7	226.9	231.4
Net interest paid	228.4	231.2	231.6	231.9	231.8	228.8	228.3	225.7
Interest paid	252.4	253.6	254.5	254.4	253.8	250.7	250.6	248.0
To persons and business	185.0	166.1	166.9	163.6	163.1	160.7	159.6	159.6
To the rest of the world	67.4	87.5	87.6	90.8	90.7	89.9	91.0	88.4
Less: Interest received by government	24.0	22.4	22.8	22.5	22.0	21.8	22.3	22.3
Subsidies less current surplus of government enterprises	32.7	32.5	31.6	32.5	33.7	33.4	33.5	34.0
Subsidies	33.7	33.0	33.3	32.9	32.4	31.5	31.0	30.6
Less: Current surplus of government enterprises	1.0	.5	1.7	.4	-1.4	-1.9	-2.5	-3.4
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b>	<b>-110.3</b>	<b>-21.1</b>	<b>-34.8</b>	<b>-3</b>	<b>2.2</b>	<b>58.8</b>	<b>74.4</b>	<b>93.1</b>
Social insurance funds	54.6	70.3	66.7	72.9	80.9	84.5	90.6	96.6
Other	-164.9	-91.4	-101.5	-73.3	-78.7	-25.7	-16.2	-3.5

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Receipts</b> .....	<b>1,045.2</b>	<b>1,094.3</b>	<b>1,084.5</b>	<b>1,100.8</b>	<b>1,116.5</b>	<b>1,123.3</b>	<b>1,133.8</b>	<b>1,152.2</b>
Personal tax and nontax receipts	203.5	219.9	216.7	222.1	226.9	230.4	237.2	244.3
Income taxes	151.9	164.3	161.6	166.1	169.9	172.3	178.3	184.4
Nontaxes	29.5	32.0	31.7	32.3	32.9	33.6	34.2	34.9
Other	22.1	23.6	23.4	23.8	24.1	24.5	24.7	25.0
Corporate profits tax accruals	33.1	36.0	35.4	37.3	36.5	35.1	35.4	35.8
Indirect business tax and nontax accruals	511.9	533.4	529.5	536.9	540.7	548.0	552.5	558.4
Sales taxes	252.0	261.5	259.1	261.9	265.7	268.4	270.4	271.4
Property taxes	202.7	209.1	208.3	209.9	211.5	213.9	216.3	218.3
Other	57.2	62.8	62.1	65.1	63.5	65.7	65.9	68.7
Contributions for social insurance	77.8	79.9	79.7	80.2	80.6	81.1	81.7	82.4
Federal grants-in-aid	218.9	225.0	223.2	224.4	231.8	228.7	226.9	231.4
<b>Current expenditures</b> .....	<b>922.6</b>	<b>960.1</b>	<b>954.4</b>	<b>964.3</b>	<b>975.1</b>	<b>983.0</b>	<b>992.5</b>	<b>1,002.3</b>
Consumption expenditures	724.7	758.8	754.0	762.2	771.5	776.7	784.7	793.1
Transfer payments to persons	293.5	304.1	302.5	305.5	308.6	312.6	315.6	318.2
Net interest paid	-71.3	-77.4	-76.7	-78.2	-79.5	-80.7	-82.2	-83.7
Interest paid	63.3	63.3	63.2	63.3	63.4	63.6	63.8	64.0
Less: Interest received by government	134.5	140.6	140.0	141.5	142.9	144.3	146.0	147.7
Less: Dividends received by government	13.7	14.8	14.7	14.8	15.2	15.7	16.0	16.0
Subsidies less current surplus of government enterprises	-10.7	-10.6	-10.6	-10.5	-10.3	-9.9	-9.6	-9.4
Subsidies	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises	11.0	10.9	11.0	10.9	10.7	10.3	10.0	9.8
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b>	<b>122.6</b>	<b>134.1</b>	<b>130.1</b>	<b>136.6</b>	<b>141.4</b>	<b>140.2</b>	<b>141.3</b>	<b>150.0</b>
Social insurance funds	70.4	68.1	68.5	67.9	67.6	67.5	67.7	67.4
Other	52.2	66.0	61.6	68.7	73.8	72.7	73.6	82.6

Table 3.7.—Government Consumption Expenditures and Gross Investment by Type

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Government consumption expenditures and gross investment<sup>1</sup></b> .....	<b>1,405.2</b>	<b>1,454.6</b>	<b>1,451.5</b>	<b>1,459.5</b>	<b>1,468.1</b>	<b>1,464.9</b>	<b>1,481.2</b>	<b>1,491.0</b>
<b>Federal</b> .....	<b>518.4</b>	<b>520.2</b>	<b>522.9</b>	<b>521.0</b>	<b>520.1</b>	<b>511.6</b>	<b>520.7</b>	<b>518.7</b>
<b>National defense</b> .....	<b>351.0</b>	<b>346.0</b>	<b>349.1</b>	<b>347.1</b>	<b>346.5</b>	<b>331.6</b>	<b>339.8</b>	<b>343.6</b>
Consumption expenditures	304.1	306.3	310.4	306.0	304.8	293.3	303.0	302.7
Durable goods <sup>2</sup> .....	21.1	20.7	21.7	19.6	20.8	20.4	20.8	21.8
Nondurable goods .....	7.6	7.4	7.2	7.4	7.2	6.5	6.4	7.0
Services .....	275.3	278.2	281.4	279.1	276.7	266.4	275.8	274.0
Compensation of general government employees, except force-account construction <sup>3</sup> .....	133.8	133.3	133.5	133.1	131.9	133.4	132.2	132.3
Consumption of general government fixed capital <sup>4</sup> .....	56.8	56.3	56.7	56.0	55.7	55.3	54.8	54.5
Other services .....	84.7	88.6	91.2	90.0	89.1	77.7	88.9	87.2
Gross investment .....	46.9	39.7	38.7	41.1	41.7	38.3	36.8	40.8
Structures .....	6.7	5.7	5.6	5.7	5.7	5.4	4.9	5.4
Equipment .....	40.2	34.0	33.2	35.4	36.1	32.9	31.9	35.4
<b>Nondefense</b> .....	<b>167.4</b>	<b>174.3</b>	<b>173.8</b>	<b>173.9</b>	<b>173.6</b>	<b>180.0</b>	<b>180.9</b>	<b>175.1</b>
Consumption expenditures	146.8	154.2	154.4	154.0	155.3	157.6	160.9	155.4
Durable goods <sup>2</sup> .....	1.0	1.0	1.3	.9	.9	1.2	1.3	-4.8
Nondurable goods .....	5.8	6.8	6.7	6.7	7.4	7.3	7.6	8.1
Commodity Credit Corporation inventory change ...	-4	-1	-2	-2	.1	0	.2	.8
Other nondurables .....	6.2	6.9	6.8	6.9	7.3	7.3	7.4	7.3
Services .....	140.0	146.3	146.5	146.4	147.0	149.1	152.0	152.1
Compensation of general government employees, except force-account construction <sup>3</sup> .....	77.5	80.2	80.7	80.3	79.5	81.5	82.3	82.7
Consumption of general government fixed capital <sup>4</sup> .....	11.1	11.5	11.5	11.5	11.7	11.8	11.9	12.2
Other services .....	51.5	54.7	54.4	54.6	55.8	55.8	57.9	57.2
Gross investment .....	20.6	20.1	19.3	19.8	18.3	22.4	20.0	19.7
Structures .....	10.9	10.0	10.0	10.8	8.7	10.6	10.4	11.1
Equipment .....	9.8	10.0	9.4	9.1	9.6	11.8	9.6	8.6
<b>State and local</b> .....	<b>886.8</b>	<b>934.4</b>	<b>928.6</b>	<b>938.5</b>	<b>947.9</b>	<b>953.3</b>	<b>960.4</b>	<b>972.2</b>
Consumption expenditures .....	724.7	758.8	754.0	762.2	771.5	776.7	784.7	793.1
Durable goods <sup>2</sup> .....	15.6	16.2	16.1	16.3	16.4	16.6	16.7	16.9
Nondurable goods .....	77.7	79.7	79.1	79.2	80.1	78.0	78.4	78.3
Services .....	631.4	662.9	658.8	666.8	675.0	682.1	689.6	697.8
Compensation of general government employees, except force-account construction <sup>3</sup> .....	542.9	566.7	563.7	570.1	575.4	581.1	587.8	594.4
Consumption of general government fixed capital <sup>4</sup> .....	57.4	60.5	60.1	60.8	61.8	62.4	62.9	63.7
Other services .....	31.1	35.7	35.0	36.0	37.8	38.6	38.9	39.8
Gross investment .....	162.1	175.6	174.6	176.3	176.4	176.6	175.7	179.1
Structures .....	130.9	142.4	141.6	142.8	142.6	142.0	140.6	143.3
Equipment .....	31.2	33.2	32.9	33.4	33.9	34.6	35.2	35.8
<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup> .....	758.3	784.7	782.5	788.0	791.4	800.6	806.8	814.1
Federal .....	211.3	213.5	214.3	213.4	211.5	215.0	214.6	215.2
State and local .....	547.0	571.2	568.2	574.6	579.9	585.6	592.2	598.9

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

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

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

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

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

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Government consumption expenditures and gross investment<sup>1</sup></b> .....	<b>1,268.2</b>	<b>1,285.0</b>	<b>1,284.4</b>	<b>1,288.9</b>	<b>1,289.2</b>	<b>1,283.0</b>	<b>1,294.8</b>	<b>1,300.0</b>
<b>Federal</b> .....	<b>465.6</b>	<b>458.0</b>	<b>460.4</b>	<b>458.9</b>	<b>456.5</b>	<b>446.1</b>	<b>454.1</b>	<b>452.2</b>
<b>National defense</b> .....	<b>319.1</b>	<b>308.9</b>	<b>311.7</b>	<b>310.2</b>	<b>308.7</b>	<b>293.3</b>	<b>300.3</b>	<b>303.6</b>
Consumption expenditures	276.6	272.4	276.2	272.3	270.0	257.9	266.1	265.2
Durable goods <sup>2</sup> .....	20.8	20.4	21.4	19.2	20.6	20.1	20.7	21.7
Nondurable goods .....	7.0	7.0	6.8	7.1	6.9	6.7	6.7	7.5
Services .....	248.6	244.9	247.8	245.7	242.4	231.1	238.7	236.3
Compensation of general government employees, except force-account construction <sup>3</sup> .....	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.6
Consumption of general government fixed capital <sup>4</sup> .....	51.5	50.5	50.6	50.3	50.0	49.6	49.3	49.0
Other services .....	80.1	81.8	84.6	82.9	81.5	70.8	80.3	78.0
Gross investment .....	42.6	36.5	35.4	37.9	38.7	35.4	34.1	38.5
Structures .....	5.5	4.5	4.4	4.5	4.5	4.3	3.8	4.2
Equipment .....	37.0	31.9	30.9	33.3	34.2	31.0	30.3	34.2
<b>Nondefense</b> .....	<b>146.2</b>	<b>148.6</b>	<b>148.2</b>	<b>148.2</b>	<b>147.3</b>	<b>151.9</b>	<b>152.9</b>	<b>148.0</b>
Consumption expenditures	126.1	128.7	129.0	128.5	129.0	130.0	132.9	128.2
Durable goods <sup>2</sup> .....	1.2	1.4	1.6	1.3	1.3	1.5	1.7	-3.3
Nondurable goods .....	5.2	6.1	5.9	6.0	6.6	6.6	6.9	7.6
Commodity Credit Corporation inventory change ...	-2	-1	-2	-2	.2	0	.3	1.0
Other nondurables .....	5.5	6.2	6.1	6.2	6.5	6.5	6.6	6.5
Services .....	119.6	121.4	121.6	121.3	121.2	122.0	124.5	124.3
Compensation of general government employees, except force-account construction <sup>3</sup> .....	61.2	60.8	61.3	61.0	59.9	60.7	61.4	61.6
Consumption of general government fixed capital <sup>4</sup> .....	10.6	11.0	11.0	11.1	11.2	11.3	11.4	11.7
Other services .....	48.3	50.3	50.0	50.0	51.1	51.0	52.8	51.9
Gross investment .....	20.2	19.8	19.1	19.6	18.1	22.2	19.9	19.8
Structures .....	9.6	8.6	8.5	9.2	7.3	8.8	8.6	9.2
Equipment .....	10.7	11.6	10.8	10.6	11.3	14.1	11.7	10.7
<b>State and local</b> .....	<b>802.7</b>	<b>827.1</b>	<b>824.2</b>	<b>830.1</b>	<b>832.9</b>	<b>837.1</b>	<b>840.9</b>	<b>848.0</b>
Consumption expenditures .....	656.8	672.3	670.1	674.7	678.5	682.8	687.3	691.7
Durable goods <sup>2</sup> .....	14.6	15.1	15.1	15.2	15.3	15.4	15.6	15.7
Nondurable goods .....	71.1	73.4	73.2	73.7	74.3	74.9	75.4	76.0
Services .....	571.3	583.9	582.0	586.0	589.1	592.7	596.5	600.2
Compensation of general government employees, except force-account construction <sup>3</sup> .....	484.5	492.8	491.7	494.4	496.2	498.1	500.9	503.4
Consumption of general government fixed capital <sup>4</sup> .....	52.7	54.8	54.5	55.0	55.6	56.1	56.7	57.2
Other services .....	35.0	37.7	37.1	38.0	38.9	40.2	40.7	41.5
Gross investment .....	145.8	154.8	154.0	155.3	154.3	154.2	153.5	156.2
Structures .....	114.9	121.0	120.6	121.0	119.5	118.5	117.0	118.8
Equipment .....	31.1	34.3	33.9	34.8	35.5	36.7	37.7	38.8
<b>Residual</b> .....	<b>-1.7</b>	<b>-2.9</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-4.0</b>	<b>-3.9</b>	<b>-4.3</b>	<b>-4.9</b>
<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup> .....	666.5	670.2	669.8	671.9	670.8	672.8	675.1	678.1
Federal .....	178.7	174.2	174.9	174.3	171.7	171.8	171.5	171.9
State and local .....	488.1	496.7	495.5	498.3	500.0	501.9	504.6	507.2

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

Chain-type quantity indexes for the series in this table appear in table 7.11. See footnotes to table 3.7.

Table 3.10.—National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>National defense consumption expenditures and gross investment<sup>1</sup> .....</b>	<b>351.0</b>	<b>346.0</b>	<b>349.1</b>	<b>347.1</b>	<b>346.5</b>	<b>331.6</b>	<b>339.8</b>	<b>343.6</b>
<b>Consumption expenditures .....</b>	<b>304.1</b>	<b>306.3</b>	<b>310.4</b>	<b>306.0</b>	<b>304.8</b>	<b>293.3</b>	<b>303.0</b>	<b>302.7</b>
<b>Durable goods<sup>2</sup> .....</b>	<b>21.1</b>	<b>20.7</b>	<b>21.7</b>	<b>19.6</b>	<b>20.8</b>	<b>20.4</b>	<b>20.8</b>	<b>21.8</b>
Aircraft .....	9.0	9.6	10.3	8.7	9.7	9.3	10.1	9.8
Missiles .....	3.0	2.6	2.6	2.5	2.7	2.4	2.2	2.9
Ships .....	.9	.7	.7	.7	.7	.7	.6	.6
Vehicles .....	.8	.9	.9	.9	1.0	1.0	.9	.8
Electronics .....	2.5	2.6	2.7	2.7	2.4	2.6	2.5	2.5
Other durable goods .....	4.9	4.3	4.5	4.1	4.4	4.4	4.6	5.1
<b>Nondurable goods .....</b>	<b>7.6</b>	<b>7.4</b>	<b>7.2</b>	<b>7.4</b>	<b>7.2</b>	<b>6.5</b>	<b>6.4</b>	<b>7.0</b>
Petroleum products .....	3.4	2.9	3.1	3.1	2.5	2.0	2.0	2.0
Ammunition .....	1.3	1.5	1.5	1.2	1.7	1.4	1.2	2.0
Other nondurable goods .....	2.9	3.0	2.7	3.2	3.1	3.1	3.1	3.0
<b>Services .....</b>	<b>275.3</b>	<b>278.2</b>	<b>281.4</b>	<b>279.1</b>	<b>276.7</b>	<b>266.4</b>	<b>275.8</b>	<b>274.0</b>
Compensation of general government employees, except force-account construction <sup>3</sup> .....	133.8	133.3	133.5	133.1	131.9	133.4	132.2	132.3
Military .....	84.3	84.2	84.1	84.1	83.7	85.0	84.4	84.4
Civilian .....	49.5	49.1	49.4	48.9	48.2	48.4	47.8	47.9
Consumption of general government fixed capital <sup>4</sup> .....	56.8	56.3	56.7	56.0	55.7	55.3	54.8	54.5
Other services .....	84.7	88.6	91.2	90.0	89.1	77.7	88.9	87.2
Research and development .....	25.9	28.9	31.3	29.3	28.6	22.0	27.5	28.6
Installation support .....	27.2	26.3	26.8	26.9	25.7	25.1	25.8	25.2
Weapons support .....	5.7	6.4	6.3	6.9	7.0	5.6	6.4	5.8
Personnel support .....	18.8	20.1	19.7	20.4	21.0	18.6	21.5	20.3
Transportation of material .....	4.9	4.6	4.5	4.5	4.7	4.6	4.7	4.7
Travel of persons .....	4.0	3.6	3.6	3.6	3.6	3.5	3.5	3.5
Other .....	-1.9	-1.3	-1.0	-1.5	-1.4	-1.8	-6	-8
<b>Gross investment .....</b>	<b>46.9</b>	<b>39.7</b>	<b>38.7</b>	<b>41.1</b>	<b>41.7</b>	<b>38.3</b>	<b>36.8</b>	<b>40.8</b>
<b>Structures .....</b>	<b>6.7</b>	<b>5.7</b>	<b>5.6</b>	<b>5.7</b>	<b>5.7</b>	<b>5.4</b>	<b>4.9</b>	<b>5.4</b>
<b>Equipment .....</b>	<b>40.2</b>	<b>34.0</b>	<b>33.2</b>	<b>35.4</b>	<b>36.1</b>	<b>32.9</b>	<b>31.9</b>	<b>35.4</b>
Aircraft .....	9.2	6.0	3.7	7.1	8.3	5.1	4.3	6.1
Missiles .....	4.3	3.0	2.9	3.1	3.1	3.2	2.7	2.9
Ships .....	6.8	6.1	6.7	6.4	5.8	6.3	6.0	6.5
Vehicles .....	1.1	1.5	1.5	1.5	1.4	1.3	1.8	1.5
Electronics .....	3.5	3.6	3.8	3.6	3.2	3.4	3.6	3.3
Other equipment .....	15.3	13.9	14.7	13.6	14.3	13.6	13.5	15.1
<b>Addendum:</b>								
Compensation of general government employees <sup>3</sup> .....	133.8	133.3	133.5	133.1	131.9	133.5	132.2	132.3

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

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

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

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

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

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>National defense consumption expenditures and gross investment<sup>1</sup> .....</b>	<b>319.1</b>	<b>308.9</b>	<b>311.7</b>	<b>310.2</b>	<b>308.7</b>	<b>293.3</b>	<b>300.3</b>	<b>303.6</b>
<b>Consumption expenditures .....</b>	<b>276.6</b>	<b>272.4</b>	<b>276.2</b>	<b>272.3</b>	<b>270.0</b>	<b>257.9</b>	<b>266.1</b>	<b>265.2</b>
<b>Durable goods<sup>2</sup> .....</b>	<b>20.8</b>	<b>20.4</b>	<b>21.4</b>	<b>19.2</b>	<b>20.6</b>	<b>20.1</b>	<b>20.7</b>	<b>21.7</b>
Aircraft .....	8.7	9.4	10.0	8.5	9.6	9.1	9.9	9.7
Missiles .....	3.2	2.7	2.8	2.6	2.8	2.5	2.3	3.1
Ships .....	.8	.7	.7	.7	.6	.7	.6	.6
Vehicles .....	.7	.8	.8	.8	.8	.8	.7	.7
Electronics .....	2.6	2.8	2.9	2.9	2.6	2.8	2.7	2.8
Other durable goods .....	4.7	4.1	4.2	3.8	4.2	4.2	4.4	4.8
<b>Nondurable goods .....</b>	<b>7.0</b>	<b>7.0</b>	<b>6.8</b>	<b>7.1</b>	<b>6.9</b>	<b>6.7</b>	<b>6.7</b>	<b>7.5</b>
Petroleum products .....	3.1	2.8	3.0	3.2	2.5	2.5	2.7	2.8
Ammunition .....	1.2	1.4	1.4	1.1	1.6	1.3	1.2	1.9
Other nondurable goods .....	2.8	2.8	2.6	3.0	2.9	2.9	2.9	2.8
<b>Services .....</b>	<b>248.6</b>	<b>244.9</b>	<b>247.8</b>	<b>245.7</b>	<b>242.4</b>	<b>231.1</b>	<b>238.7</b>	<b>236.3</b>
Compensation of general government employees, except force-account construction <sup>3</sup> .....	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.6
Military .....	76.9	74.8	74.7	74.9	74.3	73.8	73.1	73.1
Civilian .....	40.4	38.3	38.6	38.2	37.3	37.0	36.7	36.7
Consumption of general government fixed capital <sup>4</sup> .....	51.5	50.5	50.6	50.3	50.0	49.6	49.3	49.0
Other services .....	80.1	81.8	84.6	82.9	81.5	70.8	80.3	78.0
Research and development .....	26.2	28.5	31.0	28.7	27.9	21.4	26.6	27.5
Installation support .....	24.9	23.8	24.4	24.3	23.1	22.6	23.1	22.2
Weapons support .....	5.2	5.6	5.5	6.1	6.1	4.9	5.6	5.0
Personnel support .....	17.0	17.5	17.2	17.8	18.0	15.8	18.1	16.8
Transportation of material .....	4.9	4.5	4.4	4.3	4.6	4.5	4.5	4.4
Travel of persons .....	3.8	3.4	3.4	3.3	3.3	3.1	3.1	3.1
Other .....	-1.7	-1.1	-9	-1.3	-1.2	-1.5	-5	-7
<b>Gross investment .....</b>	<b>42.6</b>	<b>36.5</b>	<b>35.4</b>	<b>37.9</b>	<b>38.7</b>	<b>35.4</b>	<b>34.1</b>	<b>38.5</b>
<b>Structures .....</b>	<b>5.5</b>	<b>4.5</b>	<b>4.4</b>	<b>4.5</b>	<b>4.5</b>	<b>4.3</b>	<b>3.8</b>	<b>4.2</b>
<b>Equipment .....</b>	<b>37.0</b>	<b>31.9</b>	<b>30.9</b>	<b>33.3</b>	<b>34.2</b>	<b>31.0</b>	<b>30.3</b>	<b>34.2</b>
Aircraft .....	6.9	4.9	2.9	5.9	7.0	4.2	3.5	5.4
Missiles .....	4.6	3.1	2.9	3.3	3.2	3.2	2.8	2.9
Ships .....	6.1	5.4	5.9	5.6	5.1	5.6	5.4	5.8
Vehicles .....	1.0	1.3	1.4	1.4	1.3	1.2	1.6	1.4
Electronics .....	4.4	4.9	5.2	5.1	4.6	5.0	5.4	5.3
Other equipment .....	14.4	13.0	13.7	12.7	13.4	12.7	12.6	14.1
Residual .....	-7	-1.5	-2.0	-1.5	-1.4	-9	-1.8	-1.8
<b>Addendum:</b>								
Compensation of general government employees <sup>3</sup> .....	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.6

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.

Chain-type indexes for the series in the table appear in table 7.12.

See footnotes to table 3.10.

## 4. Foreign Transactions

Table 4.1.—Foreign Transactions in the National Income and Product Accounts

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Receipts from the rest of the world</b> .....	<b>1,109.3</b>	<b>1,230.9</b>	<b>1,229.4</b>	<b>1,256.0</b>	<b>1,254.9</b>	<b>1,243.6</b>	<b>1,220.2</b>	<b>1,199.0</b>
Exports of goods and services ...	873.8	965.4	961.1	981.7	988.6	973.3	949.6	938.1
Goods <sup>1</sup> .....	618.3	688.3	682.9	700.2	708.9	694.5	668.8	662.7
Durable .....	421.6	483.0	478.7	495.3	498.7	495.4	474.3	476.6
Nondurable .....	196.7	205.3	204.2	204.9	210.2	199.2	194.5	186.1
Services <sup>1</sup> .....	255.5	277.1	278.2	281.5	279.7	278.8	280.8	275.4
Receipts of factor income .....	235.5	265.5	268.3	274.3	266.3	270.3	270.6	260.9
Capital grants received by the United States (net) .....	0	0	0	0	0	0	0	0
<b>Payments to the rest of the world</b> .....	<b>1,109.3</b>	<b>1,230.9</b>	<b>1,229.4</b>	<b>1,256.0</b>	<b>1,254.9</b>	<b>1,243.6</b>	<b>1,220.2</b>	<b>1,199.0</b>
Imports of goods and services ...	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,098.9
Goods <sup>1</sup> .....	809.0	888.3	879.2	902.7	912.4	920.9	931.8	923.2
Durable .....	533.6	589.5	583.7	600.5	608.7	625.6	634.1	629.3
Nondurable .....	275.4	298.8	295.5	302.3	303.7	295.2	297.7	294.0
Services <sup>1</sup> .....	156.0	170.4	168.7	173.6	174.9	176.2	177.1	175.6
Payments of factor income .....	223.1	273.5	269.4	283.0	285.9	285.1	289.3	292.3
Transfer payments (net) .....	40.4	39.5	36.0	37.6	49.4	37.0	36.8	39.1
From persons (net) .....	16.9	18.9	18.2	19.5	19.8	19.2	19.9	20.4
From government (net) .....	16.2	12.7	9.9	9.9	21.5	9.9	9.0	10.3
From business .....	7.3	8.0	8.0	8.1	8.1	7.9	7.9	8.3
Net foreign investment .....	-119.2	-140.9	-123.9	-141.0	-167.8	-175.6	-214.8	-231.2

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

Table 4.2.—Real Exports and Imports of Goods and Services and Receipts and Payments of Factor Income

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Exports of goods and services</b> .....	<b>860.0</b>	<b>970.0</b>	<b>963.6</b>	<b>988.1</b>	<b>998.8</b>	<b>991.9</b>	<b>972.1</b>	<b>967.4</b>
Goods <sup>1</sup> .....	629.4	726.5	719.1	740.6	754.9	748.5	726.3	726.8
Durable .....	464.1	554.5	548.6	570.4	578.1	577.9	556.2	562.9
Nondurable .....	169.3	180.8	179.2	180.4	186.3	181.1	179.3	174.4
Services <sup>1</sup> .....	231.8	247.0	247.5	251.1	248.6	247.8	248.8	244.4
<b>Receipts of factor income</b> .....	<b>214.8</b>	<b>238.0</b>	<b>241.0</b>	<b>245.6</b>	<b>237.6</b>	<b>241.0</b>	<b>241.0</b>	<b>232.1</b>
<b>Imports of goods and services</b> .....	<b>971.2</b>	<b>1,106.1</b>	<b>1,095.2</b>	<b>1,130.5</b>	<b>1,147.8</b>	<b>1,190.4</b>	<b>1,217.3</b>	<b>1,221.3</b>
Goods <sup>1</sup> .....	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,054.8
Durable .....	571.7	667.7	659.2	681.2	696.6	726.9	745.5	749.0
Nondurable .....	253.4	280.3	280.0	287.7	288.1	297.6	306.7	309.1
Services <sup>1</sup> .....	147.3	161.8	159.2	165.2	167.5	171.3	171.0	169.4
<b>Payments of factor income</b> .....	<b>200.9</b>	<b>240.7</b>	<b>237.5</b>	<b>248.9</b>	<b>250.5</b>	<b>249.6</b>	<b>252.8</b>	<b>254.8</b>

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Chain-type quantity indexes for the series in this table appear in table 7.9.



## 5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross saving</b> .....	<b>1,274.5</b>	<b>1,406.3</b>	<b>1,416.3</b>	<b>1,427.0</b>	<b>1,428.0</b>	<b>1,482.5</b>	<b>1,448.5</b>	<b>1,469.6</b>
<b>Gross private saving</b> .....	<b>1,114.5</b>	<b>1,141.6</b>	<b>1,169.5</b>	<b>1,139.0</b>	<b>1,131.6</b>	<b>1,130.1</b>	<b>1,079.0</b>	<b>1,071.7</b>
Personal saving .....	158.5	121.0	151.9	98.5	98.2	73.0	25.6	9.6
Undistributed corporate profits with inventory valuation and capital consumption adjustments .....	262.4	296.7	299.0	311.5	295.0	312.0	300.9	301.2
Undistributed profits .....	192.3	213.2	213.2	229.5	210.6	201.8	203.7	194.3
Inventory valuation adjustment .....	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	12.1
Capital consumption adjustment .....	71.4	76.6	75.5	77.2	80.1	89.9	89.4	94.9
Corporate consumption of fixed capital .....	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
Noncorporate consumption of fixed capital .....	232.3	242.8	241.3	244.4	247.0	248.6	250.7	253.8
Wage accruals less disbursements .....	9.3	3.7	3.7	3.7	3.7	4.0	4.0	4.0
<b>Gross government saving</b> .....	<b>160.0</b>	<b>264.7</b>	<b>246.9</b>	<b>288.0</b>	<b>296.4</b>	<b>352.4</b>	<b>369.4</b>	<b>397.8</b>
Federal .....	-39.6	49.5	36.1	70.0	72.3	128.7	143.9	162.6
Consumption of fixed capital .....	70.6	70.6	70.9	70.3	70.2	69.9	69.5	69.6
Current surplus or deficit (-), national income and product accounts .....	-110.3	-21.1	-34.8	-3	2.2	58.8	74.4	93.1
State and local .....	199.6	215.2	210.7	218.0	224.1	223.7	225.6	235.2
Consumption of fixed capital .....	77.1	81.1	80.6	81.4	82.7	83.5	84.3	85.2
Current surplus or deficit (-), national income and product accounts .....	122.6	134.1	130.1	136.6	141.4	140.2	141.3	150.0
<b>Capital grants received by the United States (net)</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross investment</b> .....	<b>1,242.3</b>	<b>1,350.5</b>	<b>1,368.6</b>	<b>1,361.9</b>	<b>1,360.7</b>	<b>1,428.4</b>	<b>1,362.7</b>	<b>1,370.7</b>
Gross private domestic investment .....	1,131.9	1,256.0	1,259.9	1,265.7	1,292.0	1,366.6	1,345.0	1,362.2
Gross government investment .....	229.7	235.4	232.6	237.3	236.5	237.4	232.5	239.7
Net foreign investment .....	-119.2	-140.9	-123.9	-141.0	-167.8	-175.6	-214.8	-231.2
<b>Statistical discrepancy</b> .....	<b>-32.2</b>	<b>-55.8</b>	<b>-47.7</b>	<b>-65.1</b>	<b>-67.3</b>	<b>-54.1</b>	<b>-85.7</b>	<b>-98.9</b>
<b>Addendum:</b>								
Gross saving as a percentage of gross national product .....	16.6	17.4	17.6	17.5	17.3	17.7	17.2	17.3

Table 5.4.—Private Fixed Investment by Type

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Private fixed investment</b> .....	<b>1,099.8</b>	<b>1,188.6</b>	<b>1,176.4</b>	<b>1,211.1</b>	<b>1,220.1</b>	<b>1,271.1</b>	<b>1,305.8</b>	<b>1,304.1</b>
<b>Nonresidential</b> .....	<b>787.9</b>	<b>860.7</b>	<b>850.5</b>	<b>882.3</b>	<b>882.8</b>	<b>921.3</b>	<b>941.9</b>	<b>930.2</b>
<b>Structures</b> .....	<b>216.9</b>	<b>240.2</b>	<b>234.3</b>	<b>243.8</b>	<b>246.4</b>	<b>245.0</b>	<b>245.4</b>	<b>244.9</b>
Nonresidential buildings, including farm .....	160.9	177.3	172.9	180.0	178.9	180.6	181.8	182.4
Utilities .....	31.7	33.5	33.4	34.1	34.1	34.2	34.7	35.0
Mining exploration, shafts, and wells .....	18.1	22.7	22.2	23.8	24.3	23.5	22.4	20.7
Other structures .....	6.2	6.7	5.8	6.1	9.2	6.6	6.5	6.8
<b>Producers' durable equipment</b> .....	<b>571.0</b>	<b>620.5</b>	<b>616.2</b>	<b>638.5</b>	<b>636.4</b>	<b>676.3</b>	<b>696.6</b>	<b>685.2</b>
Information processing and related equipment .....	189.4	206.6	202.6	213.0	213.6	226.5	231.6	234.9
Computers and peripheral equipment <sup>1</sup> .....	74.4	81.1	79.9	84.0	83.7	91.8	94.8	95.6
Other .....	114.9	125.5	122.7	129.0	129.9	134.7	136.8	139.3
Industrial equipment .....	131.7	138.6	138.9	140.7	142.1	145.4	146.8	147.6
Transportation and related equipment .....	137.2	152.0	151.9	158.8	155.9	172.4	181.2	164.0
Other .....	112.7	123.3	122.8	126.0	124.8	132.0	137.0	138.8
<b>Residential</b> .....	<b>311.8</b>	<b>327.9</b>	<b>325.9</b>	<b>328.8</b>	<b>337.4</b>	<b>349.8</b>	<b>363.8</b>	<b>374.0</b>
<b>Structures</b> .....	<b>304.3</b>	<b>319.9</b>	<b>317.9</b>	<b>320.8</b>	<b>329.4</b>	<b>341.5</b>	<b>355.4</b>	<b>365.5</b>
Single family .....	159.1	164.4	163.5	164.0	168.7	175.8	183.8	190.7
Multifamily .....	20.3	22.6	22.7	22.0	23.8	25.1	23.5	23.2
Other structures .....	124.8	132.8	131.8	134.7	136.8	140.6	148.1	151.5
<b>Producers' durable equipment</b> .....	<b>7.6</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.3</b>	<b>8.5</b>	<b>8.5</b>

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Private fixed investment</b> .....	<b>1,050.6</b>	<b>1,138.0</b>	<b>1,127.0</b>	<b>1,159.3</b>	<b>1,169.5</b>	<b>1,224.9</b>	<b>1,264.1</b>	<b>1,268.7</b>
<b>Nonresidential</b> .....	<b>776.6</b>	<b>859.4</b>	<b>848.2</b>	<b>882.2</b>	<b>886.2</b>	<b>931.9</b>	<b>960.4</b>	<b>957.4</b>
<b>Structures</b> .....	<b>189.7</b>	<b>203.2</b>	<b>199.3</b>	<b>205.2</b>	<b>205.7</b>	<b>203.1</b>	<b>201.9</b>	<b>201.2</b>
Nonresidential buildings, including farm .....	141.0	150.5	147.8	152.0	149.5	150.1	149.8	149.2
Utilities .....	27.8	28.7	28.6	29.1	29.2	29.2	29.5	29.7
Mining exploration, shafts, and wells .....	15.3	17.9	17.6	18.6	18.9	17.9	17.0	16.4
Other structures .....	5.5	5.8	5.1	5.2	7.8	5.6	5.5	5.8
<b>Producers' durable equipment</b> .....	<b>589.8</b>	<b>660.9</b>	<b>653.8</b>	<b>682.6</b>	<b>686.4</b>	<b>738.8</b>	<b>771.3</b>	<b>769.1</b>
Information processing and related equipment .....	245.4	298.0	288.1	311.5	320.7	353.4	376.8	399.0
Computers and peripheral equipment <sup>1</sup> .....	151.3	214.8	203.9	229.9	242.9	292.2	331.5	370.2
Other .....	115.4	126.6	123.7	130.0	131.5	136.7	139.7	142.5
Industrial equipment .....	120.5	125.9	126.4	127.7	128.6	131.5	132.5	133.2
Transportation and related equipment .....	127.6	140.3	140.5	145.9	143.8	159.6	167.9	151.7
Other .....	104.2	113.0	112.4	115.6	114.1	120.2	124.6	125.8
<b>Residential</b> .....	<b>275.9</b>	<b>282.8</b>	<b>282.5</b>	<b>282.3</b>	<b>287.9</b>	<b>298.5</b>	<b>309.1</b>	<b>315.5</b>
<b>Structures</b> .....	<b>268.6</b>	<b>275.1</b>	<b>274.9</b>	<b>274.5</b>	<b>280.1</b>	<b>290.5</b>	<b>300.9</b>	<b>307.3</b>
Single family .....	136.6	137.2	137.2	136.1	139.0	145.2	151.3	155.9
Multifamily .....	18.7	20.2	20.3	19.5	21.0	22.1	20.7	20.3
Other structures .....	113.8	118.5	118.0	119.7	120.9	123.8	129.6	131.7
<b>Producers' durable equipment</b> .....	<b>7.3</b>	<b>7.7</b>	<b>7.6</b>	<b>7.8</b>	<b>7.8</b>	<b>8.0</b>	<b>8.2</b>	<b>8.2</b>
<b>Residual</b> .....	<b>-34.4</b>	<b>-69.1</b>	<b>-62.1</b>	<b>-77.8</b>	<b>-85.5</b>	<b>-117.2</b>	<b>-143.7</b>	<b>-171.9</b>

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

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



Table 5.10.—Change in Business Inventories by Industry Group

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Change in business inventories</b> ....	<b>32.1</b>	<b>67.4</b>	<b>83.5</b>	<b>54.6</b>	<b>71.9</b>	<b>95.5</b>	<b>39.2</b>	<b>58.0</b>
Farm .....	7.6	4.3	6.2	7.3	4.9	5.0	7.7	7.3
Nonfarm .....	24.5	63.1	77.2	47.3	66.9	90.5	31.5	50.8
Change in book value <sup>1</sup> .....	28.7	52.1	63.2	41.8	61.1	56.3	21.2	33.2
Inventory valuation adjustment <sup>2</sup> .....	-4.2	11.0	14.0	5.5	5.9	34.3	10.3	17.6
Manufacturing .....	12.8	21.4	28.4	16.9	18.7	31.8	25.1	22.1
Durable goods .....	9.9	12.5	19.2	8.8	8.4	21.9	19.9	13.1
Nondurable goods .....	2.9	8.9	9.2	8.0	10.4	9.9	5.3	9.0
Wholesale trade .....	3.7	23.3	29.9	17.5	21.5	28.1	7.9	30.1
Durable goods .....	4.3	13.8	25.7	4.6	8.9	25.8	1.6	14.8
Nondurable goods .....	-6	9.5	4.1	12.9	12.6	2.3	6.2	15.3
Merchant wholesalers .....	2.7	19.6	23.0	15.6	19.0	26.0	4.8	28.7
Durable goods .....	3.4	11.4	20.7	3.7	7.3	23.3	-1	13.0
Nondurable goods .....	-7	8.2	2.3	11.9	11.7	2.7	5.0	15.7
Nonmerchant wholesalers .....	1.1	3.8	6.9	1.9	2.5	2.0	3.0	1.4
Durable goods .....	1.0	2.4	5.1	.9	1.6	2.4	1.8	1.8
Nondurable goods .....	.1	1.4	1.8	1.0	.9	-4	1.2	-3
Retail trade .....	6.3	7.3	6.5	5.5	17.8	18.3	-12.7	-4.7
Durable goods .....	4.4	5.1	1.6	3.7	15.3	1.8	-17.8	-7.3
Motor vehicle dealers <sup>3</sup> .....	2.2	1.3	-3.8	.8	11.7	-4.1	-15.3	-9.7
Other <sup>3</sup> .....	2.2	3.9	5.5	2.9	3.5	5.9	-2.5	2.5
Nondurable goods .....	1.9	2.2	4.9	1.7	2.5	16.5	5.1	2.5
Other .....	1.6	11.0	12.4	7.4	8.9	12.3	11.2	3.3
Durable goods .....	2.1	2.2	2.2	2.7	1.4	.4	.8	-1
Nondurable goods .....	-5	8.8	10.2	4.7	7.5	11.9	10.4	3.4

1. Beginning with 1982, this series is derived from the Census Bureau series "current cost inventories." For earlier periods, it is derived from the Census Bureau "book value inventories" series. The series differ in the treatment of inventories reported on a last-in, first-out (LIFO) basis: The series prior to 1982 is a mix of LIFO and non-LIFO inventories; the series beginning with 1982 is entirely on a non-LIFO basis.

2. Beginning with 1973, the inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (first-in, first-out; last-in, first-out; etc.) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics. Prior to 1973, the two IVA's are the same because information required for separate estimates is not available.

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

Table 5.11.—Real Change in Business Inventories by Industry Group

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Change in business inventories</b> ....	<b>30.0</b>	<b>63.2</b>	<b>79.0</b>	<b>51.0</b>	<b>66.5</b>	<b>91.4</b>	<b>38.2</b>	<b>56.6</b>
Farm .....	7.1	4.3	6.8	7.3	3.7	5.3	8.7	8.4
Nonfarm .....	23.2	58.8	72.1	44.0	62.7	85.9	29.9	48.4
Manufacturing .....	12.0	20.1	26.7	15.8	17.7	30.2	23.9	21.1
Durable goods .....	9.5	12.0	18.4	8.4	8.1	21.0	19.1	12.7
Nondurable goods .....	2.6	8.1	8.4	7.4	9.5	9.2	4.9	8.4
Wholesale trade .....	4.1	22.0	28.3	16.7	20.2	27.0	7.6	29.2
Durable goods .....	4.2	13.3	24.9	4.5	8.6	25.1	1.6	14.5
Nondurable goods .....	.1	8.7	3.9	11.8	11.4	2.3	5.9	14.5
Merchant wholesalers .....	3.1	18.5	21.8	14.9	17.8	24.8	4.7	27.7
Durable goods .....	3.2	11.0	20.0	3.6	7.0	22.6	-2	12.7
Nondurable goods .....	0	7.5	2.2	10.9	10.5	2.6	4.7	14.7
Nonmerchant wholesalers .....	1.0	3.6	6.6	1.8	2.4	2.1	3.0	1.4
Durable goods .....	.9	2.3	4.9	.9	1.5	2.4	1.8	1.8
Nondurable goods .....	.1	1.2	1.7	.9	.9	-3	1.2	-4
Retail trade .....	5.9	6.8	6.0	5.0	16.9	17.3	-11.9	-4.5
Durable goods .....	4.0	4.7	1.4	3.4	14.1	1.6	-16.3	-6.8
Motor vehicle dealers .....	1.9	1.1	-3.5	.7	10.5	-3.7	-13.8	-8.9
Other .....	2.1	3.6	5.1	2.7	3.3	5.5	-2.3	2.3
Nondurable goods .....	1.8	2.1	4.7	1.6	2.5	16.1	4.9	2.5
Other .....	1.3	9.9	11.1	6.5	8.1	11.5	10.4	3.1
Durable goods .....	1.8	1.9	1.9	2.3	1.2	.4	.7	-1
Nondurable goods .....	-6	8.1	9.3	4.2	6.9	11.5	10.0	3.3
Residual .....	-4	0	-9	.1	.9	-1.2	-1.5	-1.1

NOTE.—Chained (1992) dollar series for real change in business inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.12.—Inventories and Domestic Final Sales of Business by Industry Group

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1997			1998		
	II	III	IV	I	II	III
<b>Inventories</b> <sup>1</sup> .....	<b>1,323.3</b>	<b>1,339.9</b>	<b>1,348.4</b>	<b>1,363.6</b>	<b>1,366.5</b>	<b>1,369.3</b>
Farm .....	109.2	110.5	109.1	110.8	108.9	104.0
Nonfarm .....	1,214.1	1,229.4	1,239.3	1,252.8	1,257.6	1,265.4
Durable goods .....	700.6	704.1	711.0	721.5	720.0	722.3
Nondurable goods .....	513.5	525.2	528.3	531.3	537.6	543.1
Manufacturing .....	454.1	458.6	462.0	466.1	469.1	471.4
Durable goods .....	284.2	286.0	287.9	292.1	295.4	296.5
Nondurable goods .....	169.9	172.7	174.1	174.0	173.7	174.9
Wholesale trade .....	311.9	317.8	321.0	324.8	326.0	331.9
Durable goods .....	198.3	199.1	200.5	206.2	205.6	208.2
Nondurable goods .....	113.6	118.8	120.5	118.6	120.4	123.7
Merchant wholesalers .....	267.7	272.9	276.0	280.2	280.7	286.5
Durable goods .....	171.8	172.4	173.6	178.7	177.9	180.2
Nondurable goods .....	95.8	100.4	102.5	101.4	102.8	106.3
Nonmerchant wholesalers .....	44.2	45.0	44.9	44.6	45.2	45.4
Durable goods .....	26.4	26.6	26.9	27.4	27.7	28.0
Nondurable goods .....	17.8	18.4	18.0	17.2	17.5	17.4
Retail trade .....	316.3	318.1	321.4	325.3	323.6	323.2
Durable goods .....	171.5	172.1	175.3	175.8	171.3	170.0
Motor vehicle dealers .....	85.4	85.6	88.0	86.9	83.2	81.3
Other .....	86.0	86.5	87.4	88.8	88.1	88.7
Nondurable goods .....	144.9	146.0	146.0	149.5	152.3	153.2
Other .....	131.9	134.8	135.0	136.6	138.9	138.9
Durable goods .....	46.7	47.1	47.3	47.4	47.6	47.5
Nondurable goods .....	85.2	87.8	87.7	89.2	91.3	91.4
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>559.1</b>	<b>569.7</b>	<b>574.6</b>	<b>582.3</b>	<b>590.6</b>	<b>596.0</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>299.4</b>	<b>305.7</b>	<b>306.8</b>	<b>312.5</b>	<b>315.2</b>	<b>316.6</b>
<b>Ratio of inventories to final sales of domestic business</b>						
Inventories to final sales .....	2.37	2.35	2.35	2.34	2.31	2.30
Nonfarm inventories to final sales .....	2.17	2.16	2.16	2.15	2.13	2.12
Nonfarm inventories to final sales of goods and structures .....	4.05	4.02	4.04	4.01	3.99	4.00

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

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

Table 5.13.—Real Inventories and Real Domestic Final Sales of Business by Industry Group

[Billions of chained (1992) dollars]

	Seasonally adjusted quarterly totals					
	1997			1998		
	II	III	IV	I	II	III
<b>Inventories</b> <sup>1</sup> .....	<b>1,248.1</b>	<b>1,260.8</b>	<b>1,277.5</b>	<b>1,300.3</b>	<b>1,309.9</b>	<b>1,324.0</b>
Farm .....	106.8	108.6	109.6	110.9	113.1	115.2
Nonfarm .....	1,140.7	1,151.7	1,167.4	1,188.9	1,196.4	1,208.5
Durable goods .....	659.7	664.4	672.4	684.2	685.3	690.2
Nondurable goods .....	481.0	487.3	494.9	504.6	511.0	518.2
Manufacturing .....	426.8	430.8	435.2	442.8	448.7	454.0
Durable goods .....	271.7	273.8	275.8	281.1	285.9	289.1
Nondurable goods .....	155.3	157.1	159.5	161.8	163.0	165.1
Wholesale trade .....	295.6	299.8	304.9	311.6	313.5	320.8
Durable goods .....	191.2	192.4	194.5	200.8	201.2	204.8
Nondurable goods .....	104.8	107.7	110.6	111.2	112.6	116.3
Merchant wholesalers .....	253.1	256.8	261.3	267.5	268.7	275.6
Durable goods .....	165.3	166.2	168.0	173.6	173.6	176.8
Nondurable goods .....	88.2	90.9	93.5	94.1	95.3	99.0
Nonmerchant wholesalers .....	42.5	43.0	43.6	44.1	44.8	45.2
Durable goods .....	25.9	26.2	26.5	27.1	27.6	28.0
Nondurable goods .....	16.6	16.9	17.1	17.0	17.3	17.2
Retail trade .....	297.5	298.7	302.9	307.3	304.3	303.1
Durable goods .....	156.8	157.6	161.2	161.6	157.5	155.8
Motor vehicle dealers .....	76.8	77.0	79.6	78.7	75.3	73.0
Other .....	80.0	80.7	81.5	82.9	82.3	82.9
Nondurable goods .....	140.3	140.7	141.3	145.3	146.6	147.2
Other .....	120.8	122.4	124.4	127.3	129.9	130.7
Durable goods .....	40.1	40.7	41.0	41.0	41.2	41.2
Nondurable goods .....	80.7	81.8	83.5	86.4	88.9	89.7
Residual .....	.4	.2	.6	.4	-.2	-.4
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>504.3</b>	<b>512.3</b>	<b>515.5</b>	<b>521.6</b>	<b>528.4</b>	<b>532.4</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>281.3</b>	<b>287.3</b>	<b>288.4</b>	<b>294.0</b>	<b>296.5</b>	<b>297.9</b>
<b>Ratio of inventories to final sales of domestic business</b>						
Inventories to final sales .....	2.47	2.46	2.48	2.49	2.48	2.49
Nonfarm inventories to final sales .....	2.26	2.25	2.26	2.28	2.26	2.27
Nonfarm inventories to final sales of goods and structures .....	4.05	4.01	4.05	4.04	4.03	4.06

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

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

NOTE.—Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, divided by 100. Chained (1992) dollar final sales series are calculated as the product of the chain-type index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

## 6. Income and Employment by Industry

Table 6.1C.—National Income Without Capital Consumption Adjustment by Industry

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>National income without capital consumption adjustment</b> .....	<b>6,212.7</b>	<b>6,598.0</b>	<b>6,557.0</b>	<b>6,655.8</b>	<b>6,716.0</b>	<b>6,817.1</b>	<b>6,882.3</b>	<b>6,956.8</b>
<b>Domestic industries</b> .....	<b>6,200.3</b>	<b>6,606.0</b>	<b>6,558.1</b>	<b>6,664.5</b>	<b>6,735.4</b>	<b>6,832.2</b>	<b>6,901.3</b>	<b>6,988.4</b>
<b>Private industries</b> .....	<b>5,351.8</b>	<b>5,728.5</b>	<b>5,683.5</b>	<b>5,783.9</b>	<b>5,849.7</b>	<b>5,937.2</b>	<b>5,999.1</b>	<b>6,078.5</b>
Agriculture, forestry, and fishing .....	106.4	106.0	108.0	107.5	103.0	99.9	102.0	.....
Mining .....	47.9	52.5	52.3	52.8	53.8	54.9	51.2	.....
Construction .....	289.2	305.1	302.4	306.0	312.5	320.1	326.7	.....
Manufacturing .....	1,085.9	1,151.0	1,142.8	1,168.8	1,175.1	1,170.9	1,169.3	.....
Durable goods .....	617.9	659.4	650.7	674.1	680.0	678.8	680.2	.....
Nondurable goods .....	468.0	491.6	492.2	494.6	495.1	492.1	489.1	.....
Transportation and public utilities .....	464.7	480.9	476.3	484.4	489.4	497.3	495.1	.....
Transportation .....	195.0	208.0	205.3	210.6	213.6	213.7	214.9	.....
Communications .....	137.0	139.3	136.5	141.4	142.0	148.5	147.3	.....
Electric, gas, and sanitary services .....	132.7	133.6	134.4	132.4	133.8	135.0	132.9	.....
Wholesale trade .....	350.9	384.2	382.4	389.4	390.3	400.9	408.5	.....
Retail trade .....	509.6	543.2	537.5	546.6	552.8	567.0	576.5	.....
Finance, insurance, and real estate .....	1,089.2	1,192.0	1,181.3	1,201.9	1,223.0	1,245.4	1,264.4	.....
Services .....	1,407.9	1,513.6	1,500.6	1,526.5	1,549.8	1,580.6	1,605.4	.....
<b>Government</b> .....	<b>848.5</b>	<b>877.5</b>	<b>874.6</b>	<b>880.6</b>	<b>885.7</b>	<b>895.0</b>	<b>902.2</b>	<b>910.0</b>
<b>Rest of the world</b> .....	<b>12.4</b>	<b>-8.0</b>	<b>-1.1</b>	<b>-8.7</b>	<b>-19.6</b>	<b>-14.8</b>	<b>-18.8</b>	<b>-31.4</b>

Table 6.16C.—Corporate Profits by Industry

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>750.4</b>	<b>817.9</b>	<b>815.5</b>	<b>840.9</b>	<b>820.8</b>	<b>829.2</b>	<b>820.6</b>	<b>823.9</b>
<b>Domestic industries</b> .....	<b>654.0</b>	<b>718.9</b>	<b>710.2</b>	<b>738.6</b>	<b>728.8</b>	<b>730.6</b>	<b>723.3</b>	<b>738.9</b>
Financial .....	105.5	124.7	123.5	123.3	129.5	131.3	130.1	132.1
Nonfinancial .....	548.5	594.2	586.7	615.2	599.3	599.3	593.2	606.8
<b>Rest of the world</b> .....	<b>96.4</b>	<b>99.0</b>	<b>105.4</b>	<b>102.3</b>	<b>92.0</b>	<b>98.6</b>	<b>97.3</b>	<b>85.1</b>
Receipts from the rest of the world .....	134.5	149.5	153.3	157.2	142.5	146.1	146.0	134.8
Less: Payments to the rest of the world .....	38.1	50.4	47.9	54.8	50.6	47.5	48.7	49.7
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>679.0</b>	<b>741.2</b>	<b>740.1</b>	<b>763.7</b>	<b>740.7</b>	<b>744.3</b>	<b>731.3</b>	<b>729.1</b>
<b>Domestic industries</b> .....	<b>582.6</b>	<b>642.2</b>	<b>634.7</b>	<b>661.4</b>	<b>648.7</b>	<b>645.8</b>	<b>633.9</b>	<b>644.0</b>
Financial .....	110.7	130.0	128.7	128.6	134.7	136.3	134.4	135.7
Federal Reserve banks .....	21.8	23.3	23.0	23.6	24.1	24.5	24.4	24.7
Other .....	88.9	106.6	105.8	105.0	110.6	111.8	110.0	111.0
Nonfinancial .....	471.8	512.3	506.0	532.8	514.0	509.4	499.5	508.3
Manufacturing .....	195.6	214.4	215.5	228.9	212.3	197.1	194.6	.....
Durable goods .....	97.2	107.3	105.7	120.0	107.5	100.8	104.5	.....
Primary metal industries .....	5.4	5.6	5.5	6.6	5.8	6.3	5.7	.....
Fabricated metal products .....	14.2	15.5	14.9	17.3	15.7	12.6	15.5	.....
Industrial machinery and equipment .....	26.1	27.6	26.6	31.5	30.1	23.2	28.5	.....
Electronic and other electric equipment .....	20.1	24.8	24.4	27.6	24.0	21.9	19.8	.....
Motor vehicles and equipment .....	2.4	3.8	2.6	6.0	2.1	6.2	4.9	.....
Other .....	29.0	30.0	31.7	31.0	29.8	30.7	30.1	.....
Nondurable goods .....	98.5	107.1	109.8	109.0	104.8	96.2	90.2	.....
Food and kindred products .....	22.0	22.7	21.4	22.2	25.9	20.6	21.4	.....
Chemicals and allied products .....	28.8	28.1	27.2	28.9	28.4	27.0	18.9	.....
Petroleum and coal products .....	10.9	18.0	20.7	18.2	14.9	10.9	10.0	.....
Other .....	36.7	38.3	40.5	39.7	35.7	37.8	39.8	.....
Transportation and public utilities .....	92.7	88.4	87.0	88.3	88.6	91.7	87.5	.....
Transportation .....	14.8	17.6	18.3	18.0	17.0	17.3	17.5	.....
Communications .....	35.8	31.2	28.9	32.3	31.3	34.1	32.5	.....
Electric, gas, and sanitary services .....	42.1	39.7	39.8	38.0	40.3	40.3	37.5	.....
Wholesale trade .....	37.9	49.8	50.5	52.7	47.6	51.5	53.5	.....
Retail trade .....	51.8	61.2	59.1	62.7	62.2	67.4	67.4	.....
Other .....	93.8	98.5	93.8	100.1	103.4	101.8	96.5	.....
<b>Rest of the world</b> .....	<b>96.4</b>	<b>99.0</b>	<b>105.4</b>	<b>102.3</b>	<b>92.0</b>	<b>98.6</b>	<b>97.3</b>	<b>85.1</b>

NOTE.— Estimates in this table are based on the 1987 Standard Industrial Classification.









Table 7.11.—Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						1996	1997	Seasonally adjusted														
			1997			1998					1997			1998											
			II	III	IV	I	II	III			II	III	IV	I	II	III									
<b>Chain-type quantity indexes</b>													<b>Chain-type price indexes</b>												
<b>Government consumption expenditures and gross investment<sup>1</sup></b>													<b>Government consumption expenditures and gross investment<sup>1</sup></b>												
<b>Federal</b>	100.35	101.68	101.63	101.99	102.01	101.53	102.45	102.87	110.80	113.20	113.01	113.24	113.87	114.17	114.39	114.68	111.35	113.58	113.57	113.52	113.91	114.66	114.66	114.69	
<b>National defense</b>	84.93	82.20	82.94	82.56	82.15	78.06	79.93	80.78	109.98	112.00	112.01	111.90	112.23	113.04	113.12	113.17	109.95	112.45	112.38	112.38	112.86	113.74	113.88	114.17	
Consumption expenditures	86.52	85.20	86.40	85.20	84.48	80.68	83.25	82.95	109.95	112.45	112.38	112.38	112.86	113.74	113.88	114.17	101.43	101.39	101.41	101.64	101.05	101.27	100.78	100.50	
Durable goods <sup>2</sup>	69.11	67.69	71.11	63.92	68.51	66.85	68.76	71.96	101.43	101.39	101.41	101.64	101.05	101.27	100.78	100.50	108.83	106.50	105.60	103.41	104.81	97.81	95.53	93.69	
Nondurable goods	74.08	73.78	72.30	75.60	73.04	70.67	70.54	78.85	108.83	106.50	105.60	103.41	104.81	97.81	95.53	93.69	110.76	113.61	113.55	113.59	114.13	115.30	115.57	115.97	
Services	88.76	87.41	88.48	87.72	86.55	82.50	85.21	84.35	110.76	113.61	113.55	113.59	114.13	115.30	115.57	115.97	Compensation of general government employees, except force-account construction <sup>3</sup>								
	81.87	78.91	79.08	78.87	77.81	77.29	76.52	76.60	114.17	118.01	117.99	117.88	118.43	120.65	120.72	120.70	Consumption of general government fixed capital <sup>4</sup>								
	95.00	93.02	93.31	92.78	92.18	91.52	90.92	90.26	110.37	111.51	111.94	111.36	111.36	111.45	111.06	111.21	105.81	108.31	107.92	108.55	109.41	109.72	110.72	111.87	
Other services	96.76	98.89	102.16	100.20	98.45	85.52	96.98	94.23	105.81	108.31	107.92	108.55	109.41	109.72	110.72	111.87	Gross investment								
	75.98	65.05	63.11	67.53	68.89	63.03	60.76	68.55	110.08	108.78	109.39	108.41	107.72	108.04	107.59	105.95	Structures								
	105.23	86.49	84.72	86.11	85.60	81.96	73.21	81.26	121.69	126.09	125.93	126.85	126.60	126.74	127.27	128.12	Equipment								
	72.72	62.69	60.72	65.51	67.11	60.95	59.47	67.27	108.74	106.61	107.31	106.07	105.33	105.67	105.08	103.13	<b>Nondefense</b>								
	96.03	97.64	97.39	97.36	96.79	99.83	100.48	97.26	114.57	117.27	117.21	117.32	117.83	118.46	118.30	118.31	Consumption expenditures								
	95.94	97.99	98.21	97.82	98.17	98.96	101.14	97.59	116.47	119.76	119.68	119.84	120.42	121.20	121.12	121.24	Durable goods <sup>2</sup>								
																	Nondurable goods								
																	Commodity Credit Corporation inventory change								
	76.41	86.09	85.19	86.27	90.44	91.27	92.77	91.44	112.67	112.06	112.47	112.55	112.30	111.36	110.86	111.02	Other nondurables								
	95.98	97.40	97.61	97.38	97.28	97.95	99.91	99.78	117.06	120.57	120.47	120.63	121.24	122.14	122.09	122.35	Services								
																	Compensation of general government employees, except force-account construction <sup>3</sup>								
	90.45	89.88	90.60	90.11	88.53	89.68	90.69	91.11	126.58	131.80	131.59	131.65	132.70	134.30	134.06	134.20	Consumption of general government fixed capital <sup>4</sup>								
	114.30	118.62	118.13	119.13	120.19	121.32	122.27	126.31	104.30	104.37	104.49	104.13	104.62	104.48	104.27	104.07	Other services								
	101.32	105.56	105.02	105.02	107.23	106.99	110.76	108.91	106.59	108.69	108.69	109.08	109.16	109.44	109.65	110.16	Gross investment								
	96.78	95.18	91.52	94.22	86.82	106.68	95.76	95.10	102.45	101.35	101.45	101.18	101.29	100.98	100.29	99.59	Structures								
	93.56	83.49	83.11	89.17	71.25	85.90	83.93	89.18	113.01	116.95	116.40	117.46	118.82	120.10	120.56	121.27	Equipment								
	101.09	110.14	102.23	100.36	107.12	133.92	110.55	101.31	91.73	86.56	87.16	85.82	84.99	83.67	82.23	80.40	<b>State and local</b>								
	109.09	112.42	112.01	112.82	113.19	113.77	114.28	115.25	110.48	112.96	112.68	113.07	113.83	113.89	114.23	114.66	Consumption expenditures								
	108.82	111.38	111.01	111.78	112.41	113.12	113.86	114.59	110.33	112.86	112.54	112.98	113.71	113.76	114.18	114.67	Durable goods <sup>2</sup>								
	117.92	122.03	121.62	122.60	123.36	124.47	125.59	126.71	106.40	106.77	106.49	106.91	107.29	107.40	107.43	107.69	Nondurable goods								
	116.69	120.55	120.13	120.95	122.00	122.94	123.88	124.83	109.37	108.52	108.18	107.49	107.73	104.14	103.87	103.02	Services								
	107.72	110.11	109.74	110.50	111.08	111.76	112.48	113.17	110.53	113.53	113.21	113.80	114.60	115.10	115.63	116.29	Compensation of general government employees, except force-account construction <sup>3</sup>								
	106.09	107.91	107.66	108.26	108.65	109.07	109.68	110.23	112.05	114.99	114.66	115.30	115.97	116.68	117.36	118.08	Consumption of general government fixed capital <sup>4</sup>								
	113.04	117.41	116.83	117.97	119.13	120.31	121.50	122.70	108.86	110.45	110.34	110.47	111.19	111.13	111.08	111.25	Other services								
	129.70	139.74	137.55	140.80	144.16	149.08	151.07	153.81	88.84	94.83	94.30	94.78	97.37	96.11	95.48	96.03	Gross investment								
	110.31	117.11	116.55	117.49	116.72	116.71	116.15	118.22	111.18	113.46	113.35	113.53	114.37	114.51	114.49	114.64	Structures								
	106.31	111.88	111.52	111.95	110.52	109.60	108.20	109.84	113.90	117.75	117.47	117.99	119.27	119.82	120.13	120.64	Equipment								
	129.43	142.55	140.85	144.55	147.45	152.56	156.83	161.35	100.17	96.79	97.29	96.23	95.57	94.35	93.28	92.33	<b>Addenda:</b>								
																	Compensation of general government employees <sup>3</sup>								
	99.35	99.90	99.85	100.16	100.00	100.29	100.64	101.09	113.78	117.09	116.82	117.28	117.97	119.00	119.50	120.05	Federal								
	84.75	82.61	82.97	82.68	81.42	81.48	81.33	81.55	118.25	122.57	122.48	122.43	123.15	125.15	125.10	125.14	State and local								
	106.12	107.98	107.73	108.33	108.71	109.11	109.70	110.26	112.06	115.00	114.67	115.31	115.99	116.69	117.37	118.09									

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

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

3. Compensation of government employees engaged in new force-account construction and related expenditures

for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addenda.

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



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

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
<b>Chain-type quantity indexes</b>								
<b>Gross domestic product</b>	<b>112.02</b>	<b>116.42</b>	<b>115.89</b>	<b>117.08</b>	<b>117.94</b>	<b>119.54</b>	<b>120.09</b>	<b>121.23</b>
<b>Business</b> <sup>1</sup>	<b>113.87</b>	<b>118.91</b>	<b>118.30</b>	<b>119.65</b>	<b>120.66</b>	<b>122.53</b>	<b>123.11</b>	<b>124.40</b>
Nonfarm <sup>1</sup>	114.12	119.02	118.39	119.70	120.81	122.66	123.25	124.52
Nonfarm less housing	114.81	119.95	119.26	120.70	121.90	124.02	124.56	125.85
Housing	108.38	111.29	111.20	111.50	111.81	111.60	112.58	113.65
Farm	97.50	112.04	112.60	116.25	110.25	113.12	113.40	115.85
<b>Households and institutions</b>	<b>111.72</b>	<b>115.20</b>	<b>114.74</b>	<b>115.79</b>	<b>116.49</b>	<b>117.06</b>	<b>117.43</b>	<b>118.01</b>
Private households	104.40	101.12	101.81	100.63	99.38	97.46	98.19	98.78
Nonprofit institutions	112.00	115.74	115.23	116.38	117.15	117.82	118.17	118.76
<b>General government</b> <sup>2</sup>	<b>100.02</b>	<b>100.66</b>	<b>100.60</b>	<b>100.91</b>	<b>100.81</b>	<b>101.10</b>	<b>101.44</b>	<b>101.89</b>
Federal	87.71	85.80	86.11	85.82	84.75	84.71	84.51	84.68
State and local	106.75	108.83	108.55	109.20	109.64	110.12	110.76	111.37
<b>Chain-type price indexes</b>								
<b>Gross domestic product</b>	<b>109.54</b>	<b>111.57</b>	<b>111.45</b>	<b>111.77</b>	<b>112.09</b>	<b>112.33</b>	<b>112.57</b>	<b>112.80</b>
<b>Business</b> <sup>1</sup>	<b>108.98</b>	<b>110.89</b>	<b>110.78</b>	<b>111.11</b>	<b>111.38</b>	<b>111.52</b>	<b>111.66</b>	<b>111.81</b>
Nonfarm <sup>1</sup>	108.89	111.06	110.91	111.32	111.60	111.83	111.96	112.17
Nonfarm less housing	108.48	110.54	110.42	110.78	111.01	111.16	111.19	111.33
Housing	112.46	115.66	115.26	116.07	116.81	117.76	118.79	119.75
Farm	116.63	99.93	102.08	97.13	96.93	91.17	92.03	87.97
<b>Households and institutions</b>	<b>110.67</b>	<b>112.42</b>	<b>112.37</b>	<b>112.50</b>	<b>112.88</b>	<b>113.59</b>	<b>115.33</b>	<b>116.54</b>
Private households	113.41	117.56	116.77	118.17	119.63	120.13	121.10	122.21
Nonprofit institutions	110.57	112.24	112.22	112.30	112.64	113.36	115.13	116.34
<b>General government</b> <sup>2</sup>	<b>113.12</b>	<b>116.12</b>	<b>115.92</b>	<b>116.28</b>	<b>116.92</b>	<b>117.80</b>	<b>118.19</b>	<b>118.68</b>
Federal	116.04	119.48	119.51	119.33	119.89	121.38	121.25	121.30
State and local	111.76	114.57	114.26	114.85	115.53	116.16	116.77	117.43

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 7.15.—Current-Dollar Cost and Profit Per Unit of Real Gross Domestic Product of Nonfinancial Corporate Business

[Dollars]

<b>Current-dollar cost and profit per unit of real gross domestic product</b> <sup>1</sup>	<b>1.056</b>	<b>1.063</b>	<b>1.063</b>	<b>1.063</b>	<b>1.063</b>	<b>1.061</b>	<b>1.061</b>	<b>1.061</b>
Consumption of fixed capital	.100	.100	.100	.100	.100	.099	.100	.099
<b>Net domestic product</b>	<b>.956</b>	<b>.963</b>	<b>.963</b>	<b>.963</b>	<b>.963</b>	<b>.962</b>	<b>.962</b>	<b>.962</b>
Indirect business tax and nontax liability plus business transfer payments less subsidies	.105	.105	.106	.105	.105	.105	.104	.104
Domestic income	.850	.857	.857	.858	.858	.858	.857	.858
Compensation of employees	.685	.691	.691	.688	.695	.697	.699	.698
Corporate profits with inventory valuation and capital consumption adjustments	.140	.143	.143	.147	.141	.139	.136	.137
Profits tax liability	.039	.041	.040	.042	.040	.037	.037	.037
Profits after tax with inventory valuation and capital consumption adjustments	.101	.102	.102	.104	.101	.102	.099	.100
Net interest	.026	.023	.024	.023	.022	.022	.022	.022

1. Equals the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

Table 7.16.—Implicit Price Deflators for Inventories of Business by Industry Group

[Index numbers, 1992=100]

	Seasonally adjusted					
	1997			1998		
	II	III	IV	I	II	III
<b>Inventories</b> <sup>1</sup>	<b>106.02</b>	<b>106.27</b>	<b>105.55</b>	<b>104.86</b>	<b>104.33</b>	<b>103.42</b>
Farm	102.21	101.73	99.58	99.90	96.34	90.21
Nonfarm	106.43	106.74	106.16	105.37	105.12	104.71
Durable goods	106.20	105.99	105.74	105.45	105.06	104.66
Nondurable goods	106.75	107.78	106.74	105.29	105.21	104.80
Manufacturing	106.37	106.46	106.15	105.28	104.54	103.84
Durable goods	104.57	104.43	104.38	103.93	103.34	102.59
Nondurable goods	109.40	109.89	109.13	107.53	106.53	105.92
Wholesale	105.49	106.02	105.29	104.23	103.98	103.46
Durable goods	103.68	103.48	103.07	102.68	102.21	101.67
Nondurable goods	108.41	110.25	108.97	106.70	106.85	106.36
Merchant wholesalers	105.74	106.24	105.65	104.74	104.49	103.96
Durable goods	103.94	103.74	103.33	102.94	102.47	101.92
Nondurable goods	108.69	110.49	109.57	107.74	107.88	107.38
Nonmerchant wholesalers	103.99	104.68	103.15	101.12	100.89	100.44
Durable goods	101.97	101.77	101.37	101.00	100.52	100.03
Nondurable goods	106.93	109.03	105.72	101.08	101.26	100.85
Retail trade	106.34	106.49	106.08	105.87	106.36	106.62
Durable goods	109.36	109.15	108.80	108.79	108.78	109.15
Motor vehicle dealers	111.20	111.11	110.44	110.42	110.62	111.33
Other	107.50	107.18	107.16	107.14	106.95	107.00
Nondurable goods	103.25	103.79	103.32	102.88	103.90	104.05
Other	109.19	110.15	108.48	107.33	106.97	106.29
Durable goods	116.50	115.75	115.40	115.55	115.50	115.25
Nondurable goods	105.50	107.30	105.00	103.23	102.72	101.84

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

**Table 7.17.—Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product**

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
<b>Gross domestic product</b>	<b>112.02</b>	<b>116.42</b>	<b>115.89</b>	<b>117.08</b>	<b>117.94</b>	<b>119.54</b>	<b>120.09</b>	<b>121.23</b>
Final sales of domestic product	111.61	115.49	114.72	116.33	116.95	118.20	119.54	120.41
Change in business inventories								
<b>Goods</b>	<b>116.71</b>	<b>123.56</b>	<b>122.90</b>	<b>124.52</b>	<b>125.68</b>	<b>129.29</b>	<b>127.95</b>	<b>129.08</b>
Final sales	115.63	120.99	119.65	122.47	122.94	125.51	126.52	126.83
Change in business inventories								
Durable goods	130.65	142.91	142.35	145.00	147.10	153.95	150.48	152.72
Final sales	127.09	137.89	135.75	141.40	141.97	147.05	148.46	148.93
Change in business inventories								
Nondurable goods	107.19	110.51	109.79	110.74	111.30	112.85	112.86	113.30
Final sales	107.67	109.42	108.60	109.57	109.97	110.92	111.67	111.87
Change in business inventories								
<b>Services</b>	<b>108.52</b>	<b>111.36</b>	<b>110.96</b>	<b>111.88</b>	<b>112.61</b>	<b>113.01</b>	<b>114.55</b>	<b>115.62</b>
<b>Structures</b>	<b>114.88</b>	<b>119.55</b>	<b>118.65</b>	<b>119.96</b>	<b>120.47</b>	<b>122.03</b>	<b>123.37</b>	<b>124.99</b>
<b>Addenda:</b>								
Motor vehicle output	120.00	127.05	121.62	129.15	133.81	130.82	126.99	123.09
Gross domestic product less motor vehicle output	111.74	116.06	115.69	116.67	117.40	119.15	119.85	121.16

**Table 7.18.—Chain-Type Quantity Indexes for Auto Output**

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
<b>Auto output</b>	<b>98.56</b>	<b>98.92</b>	<b>95.56</b>	<b>101.19</b>	<b>100.64</b>	<b>95.91</b>	<b>87.97</b>	<b>91.71</b>
<b>Final sales</b>	<b>101.86</b>	<b>98.12</b>	<b>95.09</b>	<b>100.34</b>	<b>96.83</b>	<b>95.55</b>	<b>97.46</b>	<b>93.68</b>
Personal consumption expenditures	103.35	105.24	102.08	107.51	104.46	106.90	108.92	107.68
New autos	95.26	95.62	90.28	98.73	96.21	97.93	104.40	96.43
Net purchases of used autos	119.60	124.47	125.55	125.06	120.99	124.86	118.13	130.15
Producers' durable equipment	126.64	125.32	124.93	126.61	118.10	123.90	127.06	113.55
New autos	125.81	127.54	127.34	128.25	121.98	126.51	129.83	115.25
Net purchases of used autos	122.93	128.69	128.68	128.55	125.58	128.18	131.70	115.82
Net exports								
Exports	112.16	110.27	114.88	109.64	109.57	109.74	104.74	93.00
Imports	126.62	139.33	139.77	140.27	135.54	148.67	150.41	144.33
Gross government investment	103.21	89.31	80.80	92.71	91.78	79.51	96.67	100.29
<b>Change in business inventories of new and used autos</b>								
New								
Used								
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup>	110.84	110.36	108.04	113.34	110.46	105.39	97.38	105.24
Sales of imported new autos <sup>2</sup>	98.05	106.63	103.37	108.62	106.69	115.47	121.68	108.48

1. Consists of final sales and change in business inventories of new autos assembled in the United States.  
 2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

**Table 7.19.—Chain-Type Quantity Indexes for Truck Output**

[Index numbers, 1992=100]

<b>Truck output<sup>1</sup></b>	<b>150.72</b>	<b>167.41</b>	<b>158.99</b>	<b>169.26</b>	<b>181.39</b>	<b>180.93</b>	<b>183.04</b>	<b>168.11</b>
<b>Final sales</b>	<b>153.94</b>	<b>166.62</b>	<b>159.20</b>	<b>171.77</b>	<b>176.79</b>	<b>180.63</b>	<b>198.82</b>	<b>178.40</b>
Personal consumption expenditures	127.21	130.57	122.66	134.74	138.92	140.51	155.09	144.91
Producers' durable equipment	187.13	209.96	203.84	213.92	220.36	229.67	243.87	225.26
Net exports								
Exports	156.23	184.82	170.05	192.25	207.30	203.99	201.28	148.32
Imports	116.46	134.35	131.35	140.97	130.51	132.89	115.33	122.21
Gross government investment	102.20	122.69	124.99	141.46	112.14	106.46	130.04	98.26
<b>Change in business inventories</b>								

1. Includes new trucks only.



Table 8.2.—Contributions to Percent Change in Real Gross Domestic Product

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Percent change at annual rate:</b>								
Gross domestic product .....	3.4	3.9	4.0	4.2	3.0	5.5	1.8	3.9
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures</b>	<b>2.17</b>	<b>2.31</b>	<b>1.08</b>	<b>4.19</b>	<b>1.88</b>	<b>4.09</b>	<b>4.09</b>	<b>2.78</b>
Durable goods .....	.52	.56	-.13	1.30	.26	1.23	.91	.20
Nondurable goods .....	.48	.49	-.04	1.00	-.08	1.41	1.01	.41
Services .....	1.18	1.26	1.26	1.85	1.70	1.40	2.14	2.17
<b>Gross private domestic investment ...</b>	<b>1.26</b>	<b>1.65</b>	<b>2.92</b>	<b>.23</b>	<b>1.34</b>	<b>4.07</b>	<b>-.75</b>	<b>1.16</b>
Fixed investment .....	1.21	1.18	1.63	1.66	.48	2.82	1.95	.22
Nonresidential .....	.92	1.08	1.39	1.67	.16	2.21	1.35	-.14
Structures .....	.14	.20	-.19	.35	.03	-.15	-.07	-.04
Producers' durable equipment .....	.78	.88	1.58	1.32	.13	2.36	1.42	-.09
Residential .....	.29	.10	.24	-.02	.32	.60	.60	.36
Change in business inventories .....	.04	.47	1.27	-1.41	.85	1.22	-2.66	.94
<b>Net exports of goods and services ...</b>	<b>-.19</b>	<b>-.27</b>	<b>-.45</b>	<b>-.47</b>	<b>-.30</b>	<b>-2.24</b>	<b>-2.08</b>	<b>-.39</b>
Exports .....	.95	1.43	1.76	1.22	.53	-.33	-.92	-.22
Goods .....	.76	1.21	1.37	1.02	.67	-.29	-.98	.02
Services .....	.18	.22	.38	.20	-.14	-.04	.06	-.24
Imports .....	-1.13	-1.71	-2.21	-1.69	-.83	-1.94	-1.18	-.17
Goods .....	-1.02	-1.51	-1.99	-1.38	-.71	-1.75	-1.19	-.25
Services .....	-.11	-.20	-.21	-.31	-.12	-.19	.01	.08
<b>Government consumption expenditures and gross investment .....</b>	<b>.20</b>	<b>.24</b>	<b>.38</b>	<b>.25</b>	<b>.02</b>	<b>-.34</b>	<b>.64</b>	<b>.29</b>
Federal .....	-.08	-.11	.23	-.08	-.14	-.57	.44	-.10
National defense .....	-.06	-.15	.38	-.08	-.09	-.84	.38	.17
Nondefense .....	-.01	.04	-.15	.00	-.05	.26	.06	-.27
State and local .....	.28	.35	.15	.33	.15	.24	.20	.39

Table 8.3.—Selected Per Capita Product and Income Series in Current and Chained Dollars

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
[Dollars]								
<b>Current dollars:</b>								
Gross domestic product .....	28,849	30,278	30,138	30,468	30,707	31,132	31,277	31,563
Gross national product .....	28,895	30,248	30,134	30,436	30,634	31,077	31,207	31,447
Personal income .....	24,193	25,325	25,206	25,435	25,686	26,007	26,242	26,458
Disposable personal income .....	20,840	21,633	21,558	21,709	21,871	22,046	22,192	22,363
Personal consumption expenditures .....	19,639	20,508	20,329	20,660	20,807	21,078	21,394	21,611
Durable goods .....	2,422	2,512	2,467	2,540	2,538	2,618	2,668	2,657
Nondurable goods .....	5,795	5,975	5,936	6,008	6,001	6,064	6,134	6,173
Services .....	11,421	12,021	11,926	12,111	12,268	12,396	12,593	12,781
<b>Chained (1992) dollars:</b>								
Gross domestic product .....	26,338	27,138	27,048	27,263	27,397	27,718	27,786	27,983
Gross national product .....	26,389	27,125	27,058	27,248	27,345	27,683	27,739	27,895
Disposable personal income .....	18,989	19,349	19,315	19,385	19,478	19,632	19,719	19,822
Personal consumption expenditures .....	17,894	18,342	18,213	18,447	18,529	18,770	19,010	19,155
Durable goods .....	2,358	2,496	2,444	2,534	2,547	2,637	2,703	2,712
Nondurable goods .....	5,463	5,548	5,521	5,578	5,559	5,649	5,710	5,726
Services .....	10,079	10,309	10,255	10,349	10,434	10,506	10,623	10,739
Population (mid-period, thousands) .....	265,579	267,880	267,545	268,171	268,815	269,309	269,867	270,523

Table 8.4.—Auto Output

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Auto output</b> .....	<b>134.5</b>	<b>134.7</b>	<b>129.6</b>	<b>138.8</b>	<b>135.2</b>	<b>130.4</b>	<b>118.1</b>	<b>126.3</b>
<b>Final sales</b> .....	<b>139.8</b>	<b>134.8</b>	<b>131.4</b>	<b>137.5</b>	<b>131.8</b>	<b>130.1</b>	<b>132.5</b>	<b>128.0</b>
Personal consumption expenditures .....	141.6	143.5	139.9	145.7	141.0	144.2	146.9	145.5
New autos .....	85.8	86.2	81.5	89.0	86.3	87.7	93.3	86.5
Net purchases of used autos .....	55.8	57.3	58.4	56.6	54.7	56.5	53.6	59.0
Producers' durable equipment .....	44.8	45.7	45.2	46.9	43.7	45.8	46.7	41.7
New autos .....	78.8	79.9	79.9	80.4	76.1	78.8	80.7	71.9
Net purchases of used autos .....	-34.0	-34.2	-34.7	-33.5	-32.4	-33.0	-34.0	-30.2
Net exports .....	-48.9	-56.4	-55.6	-57.2	-55.0	-61.7	-63.3	-61.6
Exports .....	17.0	16.8	17.5	16.7	16.7	16.7	16.0	14.2
Imports .....	65.9	73.1	73.1	73.9	71.7	78.5	79.3	75.8
Gross government investment .....	2.3	2.0	1.8	2.1	2.1	1.8	2.2	2.3
<b>Change in business inventories of new and used autos</b> .....	<b>-5.2</b>	<b>-1</b>	<b>-1.8</b>	<b>1.3</b>	<b>3.4</b>	<b>4</b>	<b>-14.4</b>	<b>-1.7</b>
New .....	-5.5	.2	-9	1.4	3.0	1.8	-17.4	6.1
Used .....	.2	-3	-9	-1	.4	-1.4	3.0	-7.8
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	120.6	120.0	116.4	124.5	119.3	114.8	104.8	115.6
Sales of imported new autos <sup>2</sup> .....	58.0	63.1	61.3	64.3	62.9	67.9	71.4	63.9

1. Consists of final sales and change in business inventories of new autos assembled in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

Table 8.5.—Real Auto Output

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
<b>Auto output</b> .....	<b>119.8</b>	<b>120.2</b>	<b>116.1</b>	<b>123.0</b>	<b>122.3</b>	<b>116.6</b>	<b>106.9</b>	<b>111.5</b>
<b>Final sales</b> .....	<b>124.3</b>	<b>119.8</b>	<b>116.1</b>	<b>122.5</b>	<b>118.2</b>	<b>116.6</b>	<b>119.0</b>	<b>114.4</b>
Personal consumption expenditures .....	121.5	123.7	120.0	126.4	122.8	125.7	128.1	126.6
New autos .....	78.2	78.5	74.1	81.1	79.0	80.4	85.7	79.2
Net purchases of used autos .....	42.4	44.1	44.5	44.3	42.9	44.3	41.9	46.1
Producers' durable equipment .....	44.7	44.2	44.0	44.6	41.6	43.7	44.8	40.0
New autos .....	71.8	72.8	72.7	73.2	69.7	72.2	74.1	65.8
Net purchases of used autos .....	-26.9	-28.1	-28.1	-28.1	-27.4	-28.0	-28.8	-25.3
Net exports .....	-43.6	-49.8	-49.3	-50.3	-48.1	-54.3	-55.8	-54.6
Exports .....	16.0	15.7	16.4	15.6	15.6	15.7	14.9	13.3
Imports .....	59.6	65.5	65.7	66.0	63.8	69.9	70.7	67.9
Gross government investment .....	2.1	1.8	1.6	1.9	1.9	1.6	2.0	2.0
<b>Change in business inventories of new and used autos</b> .....	<b>-4.7</b>	<b>.4</b>	<b>0</b>	<b>.5</b>	<b>4.2</b>	<b>-1</b>	<b>-12.3</b>	<b>-3.0</b>
New .....	-5.1	.7	.9	.6	4.0	1.3	-15.8	4.4
Used .....	.2	-2	-8	-1	.3	-1.2	2.6	-6.5
Residual .....	.7	.4	.5	.5	.1	.2	1.0	.4
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	110.8	110.3	108.0	113.3	110.4	105.3	97.3	105.2
Sales of imported new autos <sup>2</sup> .....	52.9	57.5	55.7	58.6	57.5	62.3	65.6	58.5

1. Consists of final sales and change in business inventories of new autos assembled in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

Chain-type quantity indexes for the series in this table appear in table 7.18.

Table 8.6.—Truck Output

[Billions of dollars]

Truck output <sup>1</sup> .....	142.6	158.9	151.1	161.0	171.3	169.9	171.5	158.1
<b>Final sales</b> .....	<b>143.3</b>	<b>155.6</b>	<b>148.8</b>	<b>160.6</b>	<b>164.3</b>	<b>166.9</b>	<b>183.3</b>	<b>165.0</b>
Personal consumption expenditures .....	66.5	69.2	65.0	71.4	73.5	74.0	81.4	76.3
Producers' durable equipment .....	73.8	82.3	80.0	83.9	85.7	88.8	94.2	87.3
Net exports .....	-4.7	-4.9	-5.4	-5.2	-3.1	-3.6	-1.7	-5.8
Exports .....	9.0	10.9	10.0	11.3	12.3	12.2	12.0	8.9
Imports .....	13.7	15.8	15.4	16.6	15.5	15.8	13.8	14.6
Gross government investment .....	7.6	9.0	9.2	10.4	8.2	7.7	9.4	7.2
<b>Change in business inventories</b> .....	<b>-7</b>	<b>3.3</b>	<b>2.3</b>	<b>.4</b>	<b>7.0</b>	<b>3.0</b>	<b>-11.7</b>	<b>-6.9</b>

1. Includes new trucks only.

Table 8.7.—Real Truck Output

[Billions of chained (1992) dollars]

Truck output <sup>1</sup> .....	126.2	140.2	133.1	141.7	151.9	151.5	153.3	140.8
<b>Final sales</b> .....	<b>126.9</b>	<b>137.3</b>	<b>131.2</b>	<b>141.6</b>	<b>145.7</b>	<b>148.9</b>	<b>163.9</b>	<b>147.0</b>
Personal consumption expenditures .....	58.3	59.8	56.2	61.7	63.6	64.4	71.1	66.4
Producers' durable equipment .....	65.7	73.7	71.5	75.1	77.4	80.6	85.6	79.1
Net exports .....	-3.7	-4.0	-4.5	-4.3	-2.4	-2.8	-1.1	-4.8
Exports .....	8.7	10.3	9.5	10.7	11.5	11.3	11.2	8.2
Imports .....	12.4	14.3	14.0	15.0	13.9	14.2	12.3	13.0
Gross government investment .....	6.7	8.1	8.2	9.3	7.4	7.0	8.6	6.5
<b>Change in business inventories</b> .....	<b>-6</b>	<b>2.8</b>	<b>1.9</b>	<b>.4</b>	<b>5.9</b>	<b>2.5</b>	<b>-10.2</b>	<b>-6.0</b>
Residual .....	-2	-2	-2	-5	0	-1	-7	-4

1. Includes new trucks only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table appear in table 7.19.









Table B.5.—Private Purchases of Structures by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
<b>Private purchases of structures</b> ....	<b>478.8</b>	<b>521.2</b>	<b>560.1</b>	<b>430.5</b>	<b>458.4</b>	<b>478.4</b>
<b>Nonresidential</b> .....	<b>201.3</b>	<b>216.9</b>	<b>240.2</b>	<b>180.7</b>	<b>189.7</b>	<b>203.2</b>
New .....	200.9	216.6	238.9	180.3	189.4	202.0
Nonresidential buildings, excluding farm .....	140.8	157.1	173.3	126.1	137.7	147.2
Industrial .....	32.5	32.7	31.4	29.1	28.6	26.7
Commercial .....	70.8	78.8	87.0	63.4	69.0	73.8
Office buildings <sup>1</sup> .....	29.8	32.4	38.2	26.7	28.4	32.4
Other <sup>2</sup> .....	41.0	46.3	48.8	36.7	40.5	41.4
Religious .....	4.2	4.4	5.7	3.8	3.9	4.9
Educational .....	6.2	7.7	9.5	5.6	6.7	8.1
Hospital and institutional .....	12.5	13.1	15.3	11.2	11.5	13.0
Other <sup>3</sup> .....	14.5	20.5	24.4	13.0	18.0	20.7
Utilities .....	33.9	31.7	33.5	30.6	27.8	28.7
Railroads .....	3.5	4.4	5.1	3.1	3.7	4.1
Telecommunications .....	11.0	11.7	11.5	10.1	10.2	9.9
Electric light and power .....	12.3	9.8	11.1	11.0	8.7	9.7
Gas .....	6.2	4.8	4.8	5.6	4.3	4.2
Petroleum pipelines .....	.9	1.0	1.0	.8	.9	.8
Farm .....	3.0	3.8	4.0	2.7	3.3	3.4
Mining exploration, shafts, and wells .....	16.3	18.1	22.7	14.4	15.3	17.9
Petroleum and natural gas .....	14.8	16.5	20.8	13.1	13.8	16.3
Other .....	1.5	1.6	1.9	1.3	1.4	1.6
Other <sup>4</sup> .....	6.9	5.8	5.4	6.3	5.1	4.6
Brokers' commissions on sale of structures .....	1.6	1.8	2.0	1.5	1.7	1.8
Net purchases of used structures .....	-1.3	-1.5	-7	-1.1	-1.3	-6
<b>Residential</b> .....	<b>277.5</b>	<b>304.3</b>	<b>319.9</b>	<b>249.8</b>	<b>268.6</b>	<b>275.1</b>
New .....	246.7	269.7	282.7	220.6	236.0	240.4
New housing units .....	174.2	192.1	200.4	152.9	165.3	167.7
Permanent site .....	162.9	179.4	187.1	143.4	154.9	156.9
Single-family structures .....	145.0	159.1	164.4	126.8	136.6	137.2
Multifamily structures .....	17.9	20.3	22.6	16.9	18.7	20.2
Mobile homes .....	11.3	12.6	13.3	9.5	10.3	10.7
Improvements .....	72.0	77.0	81.5	67.3	70.2	72.0
Other <sup>5</sup> .....	.5	.6	.8	.4	.5	.7
Brokers' commissions on sale of structures .....	32.1	36.4	39.7	30.3	34.2	37.1
Net purchases of used structures .....	-1.3	-1.8	-2.5	-1.1	-1.5	-2.0
Residual .....	.....	.....	.....	-1	0	-5

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.

2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.

3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.

4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.

5. Consists primarily of dormitories and fraternity and sorority houses.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.6.—Private Purchases of Producers' Durable Equipment by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
<b>Private purchases of producers' durable equipment</b> .....	<b>533.7</b>	<b>578.6</b>	<b>628.5</b>	<b>538.7</b>	<b>597.1</b>	<b>668.5</b>
<b>Nonresidential equipment</b> .....	<b>526.4</b>	<b>571.0</b>	<b>620.5</b>	<b>531.7</b>	<b>589.8</b>	<b>660.9</b>
Information processing and related equipment .....	173.0	189.4	206.6	201.5	245.4	298.0
Office, computing, and accounting machinery .....	73.4	83.0	90.3	107.1	154.1	212.7
Computers and peripheral equipment <sup>1</sup> .....	64.9	74.4	81.1	100.8	151.3	214.8
Other .....	8.5	8.6	9.2	8.2	8.4	9.0
Communication equipment .....	59.1	64.1	71.1	61.9	68.5	76.5
Instruments .....	22.8	24.5	26.1	21.6	22.8	24.3
Photocopy and related equipment .....	17.7	17.7	19.1	16.8	16.4	17.6
Industrial equipment .....	123.8	131.7	138.6	115.4	120.5	125.9
Fabricated metal products .....	11.8	12.9	13.4	11.1	11.8	12.0
Engines and turbines .....	4.2	4.7	3.8	4.0	4.3	3.4
Metalworking machinery .....	28.3	29.7	32.7	26.0	26.8	29.3
Special industry machinery, n.e.c. ....	32.5	33.5	34.0	30.2	30.5	30.7
General industrial, including materials handling, equipment .....	26.0	28.6	30.3	24.2	26.2	27.4
Electrical transmission, distribution, and industrial apparatus .....	20.9	22.2	24.4	19.9	20.9	23.0
Transportation and related equipment .....	126.2	137.2	152.0	119.4	127.6	140.3
Trucks, buses, and truck trailers .....	63.6	71.3	79.9	56.9	63.4	71.5
Autos .....	41.6	44.8	45.7	42.7	44.7	44.2
Aircraft .....	13.4	13.0	17.9	12.2	11.5	15.6
Ships and boats .....	1.8	2.3	2.4	1.7	2.1	2.2
Railroad equipment .....	5.8	5.8	6.1	5.2	5.1	5.4
Other equipment .....	108.2	117.1	128.3	101.4	107.8	116.9
Furniture and fixtures .....	28.2	29.7	33.7	26.2	27.0	30.1
Tractors .....	10.4	10.8	11.7	9.8	10.1	10.8
Agricultural machinery, except tractors .....	10.8	11.5	12.3	10.0	10.4	11.0
Construction machinery, except tractors .....	13.4	15.8	17.6	12.4	14.2	15.6
Mining and oilfield machinery .....	1.9	1.9	2.3	1.7	1.8	2.0
Service industry machinery .....	14.0	14.9	15.1	13.1	13.7	13.7
Electrical equipment, n.e.c. ....	11.7	12.9	14.0	11.3	12.5	13.8
Other .....	17.7	19.6	21.7	16.7	18.1	19.9
Less: Sale of equipment scrap, excluding autos .....	4.7	4.4	5.0	3.5	3.6	4.0
<b>Residential equipment</b> .....	<b>7.3</b>	<b>7.6</b>	<b>8.0</b>	<b>7.0</b>	<b>7.3</b>	<b>7.7</b>
Residual .....	.....	.....	.....	-9.4	-29.1	-59.0
<b>Addenda:</b>						
Private purchases of producers' durable equipment .....	533.7	578.6	628.5	.....	.....	.....
Less: Dealers' margin on used equipment .....	6.1	6.6	6.8	.....	.....	.....
Net purchases of used equipment .....	.....	.....	.....	.....	.....	.....
from government .....	1.0	1.2	1.2	.....	.....	.....
Plus: Net sales of used equipment .....	37.8	39.5	39.9	.....	.....	.....
Net exports of used equipment .....	.5	.4	.6	.....	.....	.....
Sale of equipment scrap .....	4.8	4.5	5.1	.....	.....	.....
Equals: Private purchases of new equipment .....	569.8	615.2	666.0	.....	.....	.....

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.  
n.e.c. Not elsewhere classified.







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

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
	<b>Farm output</b> .....	<b>196.7</b>	<b>222.1</b>	<b>225.3</b>	<b>190.7</b>	<b>195.7</b>
Cash receipts from farm marketings .....	194.1	201.7	207.2	188.8	177.3	191.0
Crops .....	107.2	108.7	110.6	97.1	87.1	96.0
Livestock .....	87.0	93.0	96.5	91.3	90.6	95.1
Farm housing .....	5.9	6.1	6.3	5.2	5.1	5.0
Farm products consumed on farms .....	.5	.4	.5	.5	.4	.4
Other farm income .....	5.5	6.3	7.1	5.0	5.3	6.2
Change in farm inventories .....	-9.3	7.6	4.3	-11.0	7.1	4.3
Crops .....	-9.6	8.8	5.1	-9.2	6.5	4.2
Livestock .....	.2	-1.1	-7	.3	-1.3	-8
<b>Less: Intermediate goods and services</b>						
purchased .....	124.4	130.5	135.1	118.5	116.9	118.2
Intermediate goods and services, other than rent .....	109.9	113.5	119.6	104.0	100.7	103.6
Rent paid to nonoperator landlords .....	14.5	17.0	15.5	14.5	16.4	14.6
<b>Equals: Gross farm product</b> .....	<b>72.3</b>	<b>91.6</b>	<b>90.2</b>	<b>72.0</b>	<b>78.6</b>	<b>90.3</b>
<b>Less: Consumption of fixed capital</b> .....	<b>24.8</b>	<b>25.8</b>	<b>26.6</b>	<b>22.8</b>	<b>23.2</b>	<b>23.7</b>
<b>Equals: Net farm product</b> .....	<b>47.5</b>	<b>65.9</b>	<b>63.6</b>	<b>49.0</b>	<b>55.2</b>	<b>66.6</b>
<b>Less: Indirect business tax and nontax liability</b> .....	5.1	5.1	5.5			
<b>Plus: Subsidies to operators</b> .....	6.1	6.1	6.2			
<b>Equals: Farm national income</b> .....	<b>48.4</b>	<b>66.9</b>	<b>64.4</b>			
Compensation of employees .....	15.7	16.5	16.9			
Wage and salary accruals .....	13.3	14.2	14.4			
Supplements to wages and salaries .....	2.4	2.3	2.5			
Proprietors' income and corporate profits with IVA and CCAAdj .....	23.3	40.6	37.3			
Proprietors' income .....	22.4	38.9	35.5			
Corporate profits .....	.8	1.7	1.8			
Net interest .....	9.5	9.8	10.2			

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

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

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
	<b>Housing output</b> <sup>1</sup> .....	<b>723.1</b>	<b>758.4</b>	<b>799.8</b>	<b>663.9</b>	<b>675.8</b>
Nonfarm housing .....	717.2	752.3	793.5	658.7	670.7	687.6
Owner-occupied .....	532.4	559.1	590.3	487.4	496.0	508.9
Tenant-occupied .....	184.8	193.2	203.2	171.4	174.7	178.7
Farm housing .....	5.9	6.1	6.3	5.2	5.1	5.0
<b>Less: Intermediate goods and services consumed</b> .....	88.5	91.1	95.3	82.1	82.7	83.8
<b>Equals: Gross housing product</b> .....	<b>634.6</b>	<b>667.2</b>	<b>704.5</b>	<b>581.8</b>	<b>593.0</b>	<b>608.7</b>
Nonfarm housing .....	629.6	662.1	699.1	577.4	588.7	604.5
Owner-occupied .....	463.0	486.4	513.4	423.3	430.5	441.9
Tenant-occupied .....	166.5	175.6	185.8	154.2	158.3	162.6
Farm housing .....	5.0	5.2	5.3	4.4	4.4	4.2
<b>Less: Consumption of fixed capital</b> .....	115.9	119.6	126.2	103.7	104.6	107.2
Capital consumption allowances .....	59.7	63.0	67.1			
Less: CCAAdj .....	-56.2	-56.5	-59.1			
<b>Equals: Net housing product</b> .....	<b>518.7</b>	<b>547.7</b>	<b>578.3</b>	<b>478.3</b>	<b>488.7</b>	<b>501.7</b>
<b>Less: Indirect business tax and nontax liability plus business transfer payments</b> ..	116.0	119.9	123.5			
<b>Plus: Subsidies less current surplus of government enterprises</b> .....	20.8	21.9	22.3			
<b>Equals: Housing national income</b> .....	<b>423.5</b>	<b>449.6</b>	<b>477.1</b>			
Compensation of employees .....	8.1	8.5	9.1			
Proprietors' income with IVA and CCAAdj ...	25.0	26.5	27.9			
Rental income of persons with CCAAdj .....	105.2	119.7	127.7			
Corporate profits with IVA and CCAAdj .....	5.0	5.2	5.5			
Net interest .....	280.1	289.7	306.9			

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

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









**Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued**  
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1989: I .....	6,011.0	5,970.0	6,023.1	4.0	2.2	88.44	88.47	88.45	88.48	4.5	4.8	4.7	4.7
II .....	6,055.6	6,010.9	6,065.5	3.0	2.8	89.40	89.52	89.39	89.42	4.4	4.8	4.3	4.3
III .....	6,088.0	6,063.1	6,101.8	2.2	3.5	90.13	90.14	90.13	90.16	3.3	2.8	3.3	3.3
IV .....	6,093.5	6,070.8	6,112.3	.4	.5	90.91	90.98	90.88	90.91	3.5	3.8	3.4	3.4
1990: I .....	6,152.6	6,144.6	6,172.8	3.9	5.0	92.01	92.17	92.00	92.04	4.9	5.4	5.0	5.1
II .....	6,171.6	6,127.5	6,188.0	1.2	-1.1	93.20	93.14	93.18	93.21	5.2	4.2	5.2	5.2
III .....	6,142.1	6,126.6	6,155.7	-1.9	-1	94.19	94.32	94.14	94.17	4.3	5.2	4.2	4.2
IV .....	6,079.0	6,108.1	6,111.3	-4.0	-1.2	95.14	95.68	95.11	95.13	4.1	5.9	4.2	4.2
1991: I .....	6,047.5	6,065.4	6,074.3	-2.1	-2.8	96.26	96.42	96.27	96.29	4.8	3.1	5.0	4.9
II .....	6,074.7	6,095.9	6,086.4	1.8	2.0	97.02	96.95	97.00	97.01	3.2	2.2	3.1	3.1
III .....	6,090.1	6,085.4	6,099.2	1.0	-7	97.70	97.58	97.70	97.71	2.6	2.6	2.9	2.9
IV .....	6,105.3	6,083.8	6,119.5	1.0	-1	98.30	98.27	98.31	98.32	2.5	2.9	2.5	2.5
1992: I .....	6,175.7	6,175.8	6,192.0	4.7	6.2	99.14	99.04	99.13	99.13	3.4	3.2	3.4	3.4
II .....	6,214.2	6,203.8	6,225.2	2.5	1.8	99.81	99.76	99.79	99.79	2.8	2.9	2.7	2.7
III .....	6,260.7	6,249.5	6,270.3	3.0	3.0	100.17	100.28	100.17	100.17	1.4	2.1	1.5	1.5
IV .....	6,327.1	6,320.7	6,334.6	4.3	4.6	100.88	100.92	100.88	100.88	2.8	2.6	2.9	2.9
1993: I .....	6,327.9	6,297.3	6,351.3	.1	-1.5	101.85	101.71	101.84	101.84	3.9	3.2	3.9	3.8
II .....	6,359.9	6,344.9	6,375.9	2.0	3.1	102.38	102.28	102.35	102.34	2.1	2.3	2.0	2.0
III .....	6,393.5	6,379.3	6,415.3	2.1	2.2	102.83	102.64	102.83	102.83	1.8	1.4	1.9	1.9
IV .....	6,476.9	6,453.8	6,489.7	5.3	4.8	103.52	103.28	103.51	103.50	2.7	2.5	2.7	2.6
1994: I .....	6,524.5	6,473.0	6,540.5	3.0	1.2	104.16	103.80	104.13	104.14	2.5	2.0	2.4	2.5
II .....	6,600.3	6,526.7	6,609.3	4.7	3.4	104.74	104.46	104.71	104.71	2.2	2.6	2.2	2.2
III .....	6,629.5	6,580.4	6,635.6	1.8	3.3	105.39	105.24	105.39	105.38	2.5	3.0	2.6	2.6
IV .....	6,688.6	6,624.8	6,691.2	3.6	2.7	106.07	105.88	106.09	106.06	2.6	2.5	2.7	2.6
1995: I .....	6,717.5	6,661.8	6,735.9	1.7	2.2	106.74	106.47	106.75	106.73	2.5	2.2	2.5	2.6
II .....	6,724.2	6,700.0	6,746.3	.4	2.3	107.26	107.11	107.24	107.22	2.0	2.4	1.8	1.8
III .....	6,779.5	6,761.7	6,788.9	3.3	3.7	107.76	107.52	107.75	107.72	1.9	1.6	1.9	1.9
IV .....	6,825.8	6,803.3	6,846.8	2.8	2.5	108.30	107.99	108.29	108.26	2.0	1.8	2.0	2.0
1996: I .....	6,882.0	6,863.6	6,902.1	3.3	3.6	108.90	108.56	108.91	108.88	2.2	2.1	2.3	2.3
II .....	6,983.9	6,954.7	6,999.0	6.1	5.4	109.28	108.94	109.24	109.21	1.4	1.4	1.2	1.2
III .....	7,020.0	6,970.3	7,027.1	2.1	.9	109.77	109.34	109.74	109.70	1.8	1.5	1.8	1.8
IV .....	7,093.1	7,057.9	7,105.3	4.2	5.1	110.21	109.90	110.23	110.19	1.6	2.1	1.8	1.8
1997: I .....	7,166.7	7,108.1	7,167.8	4.2	2.9	110.97	110.51	111.00	110.95	2.8	2.2	2.8	2.8
II .....	7,236.5	7,155.5	7,239.3	4.0	2.7	111.45	110.76	111.43	111.37	1.7	.9	1.6	1.5
III .....	7,311.2	7,256.3	7,307.0	4.2	5.8	111.77	111.06	111.76	111.70	1.2	1.1	1.2	1.2
IV .....	7,364.6	7,294.8	7,350.7	3.0	2.1	112.09	111.34	112.08	112.03	1.1	1.0	1.2	1.2
1998: I .....	7,464.7	7,372.5	7,455.2	5.5	4.3	112.33	111.29	112.32	112.26	.9	-2	.8	.8
II .....	7,496.6	7,456.4	7,485.9	1.8	4.6	112.57	111.42	112.56	112.50	.9	.4	.9	.9
III .....	7,570.0	7,510.2	7,546.3	3.9	2.9	112.80	111.55	112.79	112.73	.8	.5	.8	.8







Table D.1.—Domestic Perspectives—Continued

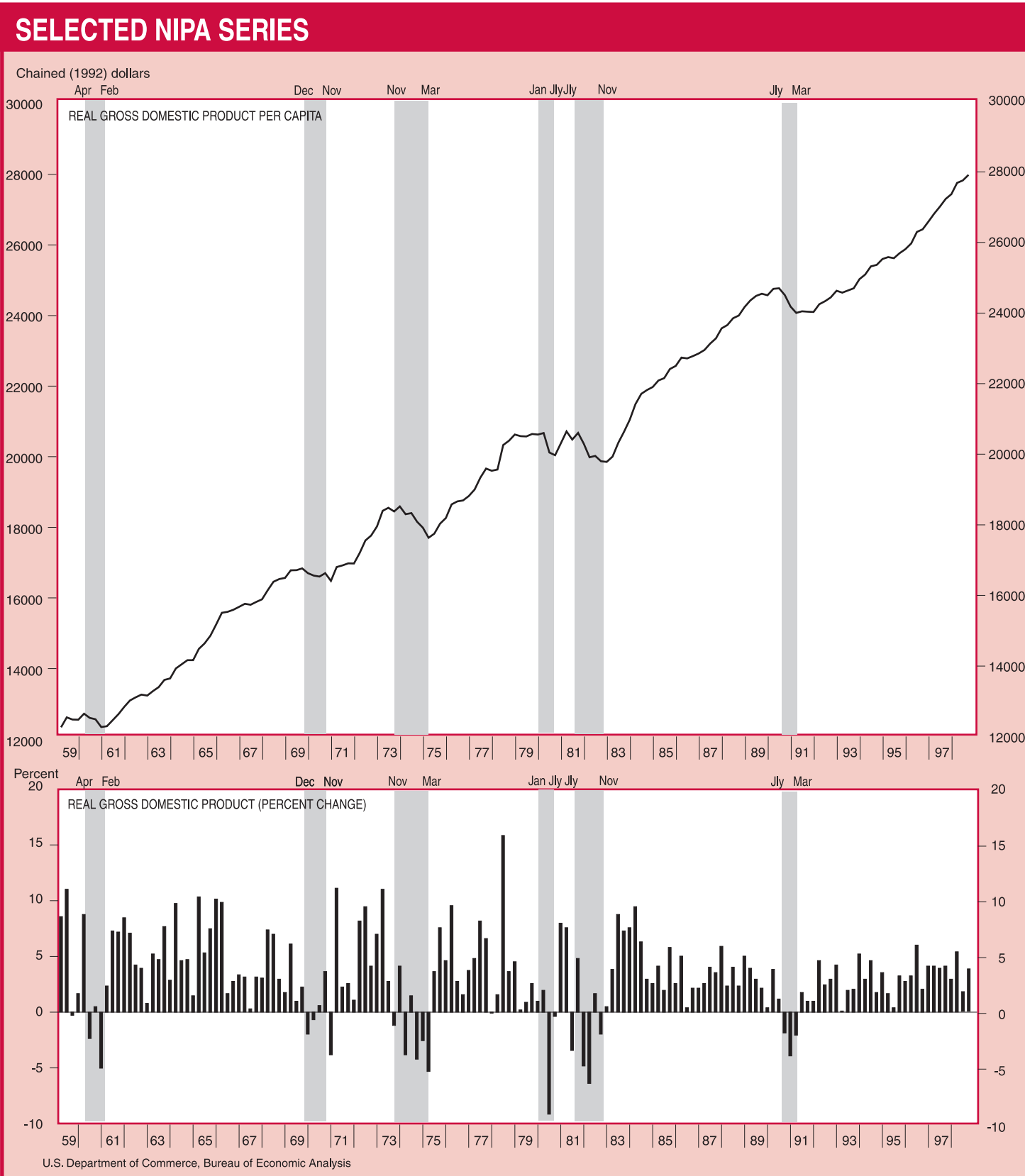
	1996	1997	1997				1998									
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Construction (seasonally adjusted at annual rates) <sup>4</sup>																
Total new private construction put in place (billions of dollars) .....	446.3	471.2	475.9	477.5	475.3	478.4	487.8	490.9	494.3	500.1	496.5	503.6	510.6	515.2	514.4	518.5
Residential .....	256.5	265.6	266.1	268.6	268.9	273.0	279.0	282.5	286.0	289.7	288.0	291.9	299.2	300.2	304.5	306.8
Nonresidential .....	150.4	165.1	167.3	166.4	164.8	164.9	167.6	167.0	165.4	169.4	166.3	169.6	169.1	172.1	166.9	168.4
Housing starts (thousands of units):																
Total .....	1,477	1,474	1,501	1,529	1,523	1,540	1,545	1,616	1,585	1,546	1,538	1,620	1,704	1,621	1,579	1,695
1-unit structures .....	1,161	1,134	1,174	1,124	1,167	1,130	1,225	1,263	1,239	1,237	1,224	1,269	1,300	1,261	1,248	1,286
New 1-family houses sold (thousands of units) .....	757	804	809	805	875	805	853	878	836	892	892	919	877	837	844	851
Manufacturing and trade, inventories and sales (millions of dollars, seasonally adjusted) <sup>4</sup>																
Inventories:																
Total manufacturing and trade .....	1,009,647	1,053,078	1,042,270	1,046,871	1,050,183	1,053,078	1,055,034	1,062,460	1,068,754	1,070,555	1,070,022	1,070,515	1,070,875	1,074,870	1,081,084	.....
Manufacturing .....	436,729	456,133	452,224	455,553	457,766	456,133	458,197	461,178	461,948	464,668	465,729	466,701	467,636	468,445	468,642	.....
Merchant wholesalers .....	256,442	273,298	268,196	269,182	270,955	273,298	272,130	275,750	277,624	275,933	277,699	277,518	277,466	280,591	283,914	.....
Retail trade .....	316,476	323,647	321,850	322,136	321,462	323,647	324,707	325,532	329,182	329,954	326,594	326,296	325,773	325,834	328,528	.....
Sales:																
Total manufacturing and trade .....	8,578,039	8,995,737	759,639	757,474	755,731	763,107	761,165	768,061	773,877	772,160	772,405	774,639	773,762	772,454	778,349	.....
Manufacturing .....	3,715,460	3,929,419	333,422	332,321	331,404	336,424	331,937	335,883	338,991	335,553	333,622	335,110	335,380	336,445	339,412	.....
Merchant wholesalers .....	2,401,383	2,500,109	210,396	210,040	208,413	209,816	210,224	211,312	213,781	213,900	213,413	213,904	214,229	211,713	214,055	.....
Retail trade .....	2,461,196	2,566,209	215,821	215,113	215,914	216,867	219,004	220,866	221,105	222,707	225,370	225,625	224,153	224,296	224,882	.....
Industrial production indexes and capacity utilization rates (seasonally adjusted) <sup>2</sup>																
Industrial production indexes, 1992=100:																
Total .....	119.5	126.8	128.5	129.3	129.9	130.3	130.3	130.2	130.7	131.3	131.9	130.6	130.5	132.5	132.0	132.0
By industry:																
Durable manufactures .....	134.1	147.1	150.3	151.8	153.3	154.0	153.9	154.0	155.2	156.2	157.2	154.8	154.4	160.0	159.1	160.2
Nondurable manufactures .....	107.9	111.3	111.8	112.0	112.6	112.7	113.1	112.8	112.4	113.0	113.0	112.0	112.1	111.5	111.2	111.1
By market category:																
Consumer goods .....	111.3	114.1	114.4	114.9	115.9	115.4	116.0	115.2	115.8	116.4	116.8	115.1	114.0	116.1	115.2	115.1
Capacity utilization rates (percent):																
Total industry .....	82.4	82.9	83.2	83.4	83.4	83.4	83.0	82.6	82.6	82.6	82.6	81.5	81.1	82.0	81.4	81.1
Manufacturing .....	81.4	82.0	82.2	82.3	82.6	82.5	82.2	81.8	81.6	81.7	81.6	80.2	79.8	80.9	80.1	80.1
Credit market borrowing (billions of dollars, seasonally adjusted at annual rates) <sup>2</sup>																
All sectors, by instrument:																
Total .....	1,358.9	1,469.7	.....	.....	1,985.1	.....	.....	1,828.2	.....	.....	2,019.6	.....	.....	.....	.....	.....
Open market paper .....	102.6	184.1	.....	.....	257.7	.....	.....	347.3	.....	.....	116.6	.....	.....	.....	.....	.....
U.S. government securities .....	376.5	235.9	.....	.....	338.9	.....	.....	196.0	.....	.....	343.8	.....	.....	.....	.....	.....
Municipal securities .....	2.6	71.4	.....	.....	103.2	.....	.....	116.7	.....	.....	86.1	.....	.....	.....	.....	.....
Corporate and foreign bonds .....	308.0	345.5	.....	.....	452.6	.....	.....	487.5	.....	.....	627.4	.....	.....	.....	.....	.....
Bank loans, n.e.c. ....	92.1	129.7	.....	.....	186.4	.....	.....	80.4	.....	.....	185.3	.....	.....	.....	.....	.....
Other loans and advances .....	62.5	101.8	.....	.....	195.3	.....	.....	106.4	.....	.....	106.1	.....	.....	.....	.....	.....
Mortgages .....	325.9	348.8	.....	.....	413.1	.....	.....	442.3	.....	.....	495.8	.....	.....	.....	.....	.....
Consumer credit .....	88.8	52.5	.....	.....	37.8	.....	.....	51.7	.....	.....	58.6	.....	.....	.....	.....	.....

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

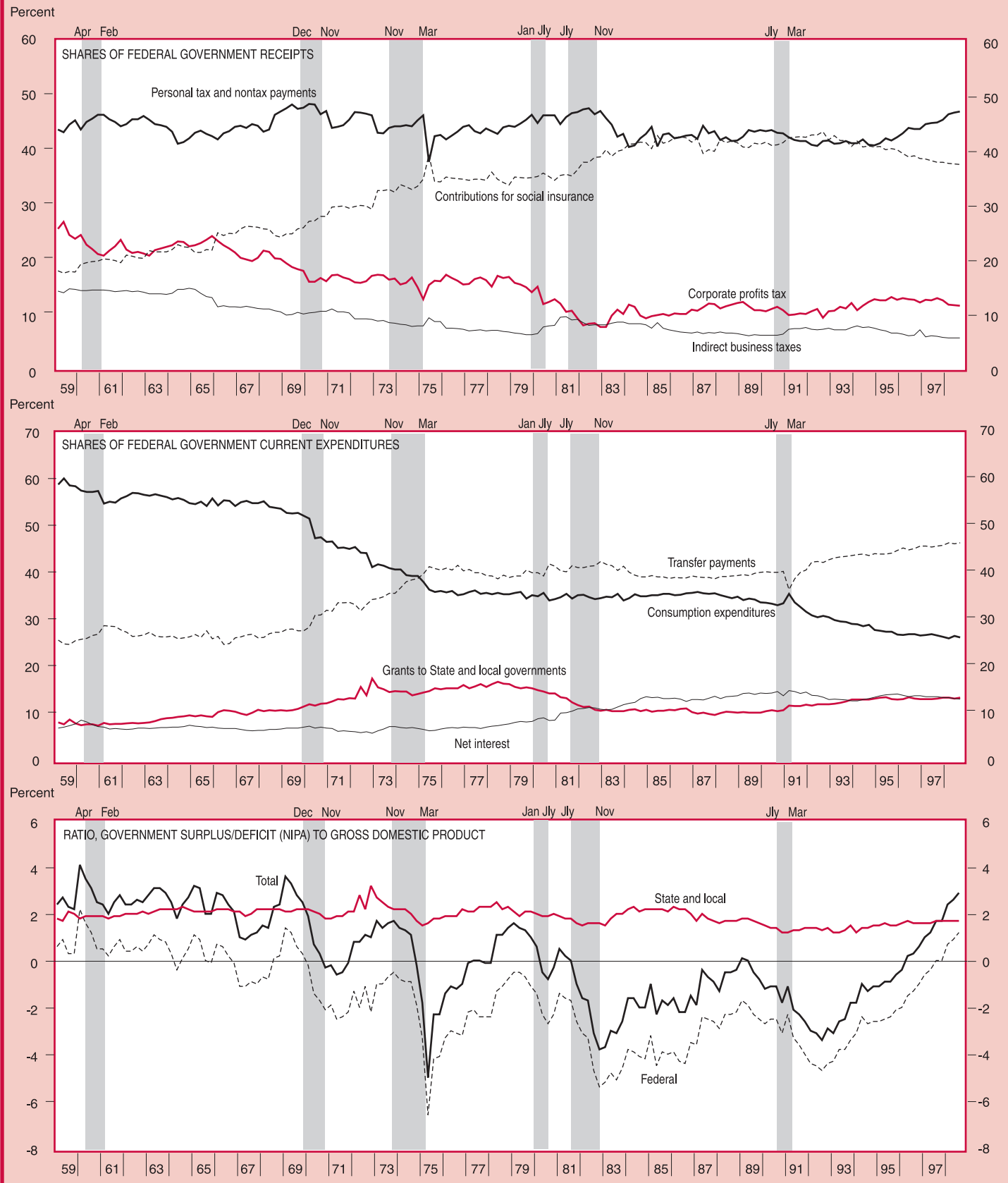
3. Standard and Poor's, Inc.  
4. Bureau of the Census  
n.e.c. Not elsewhere classified

# E. Charts

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

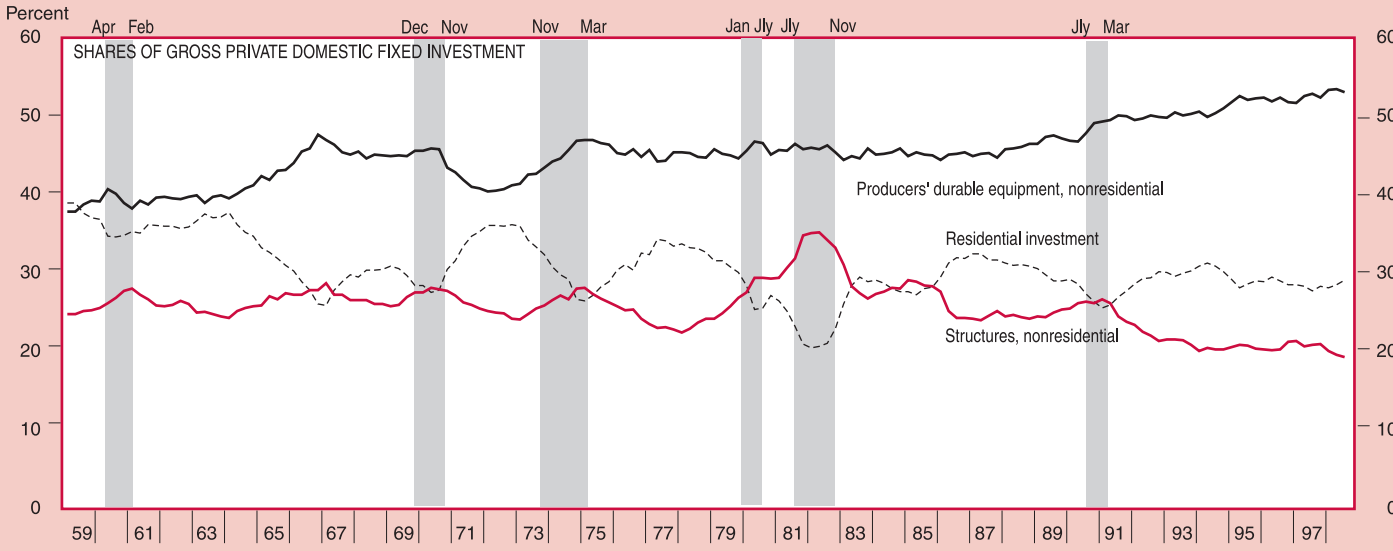
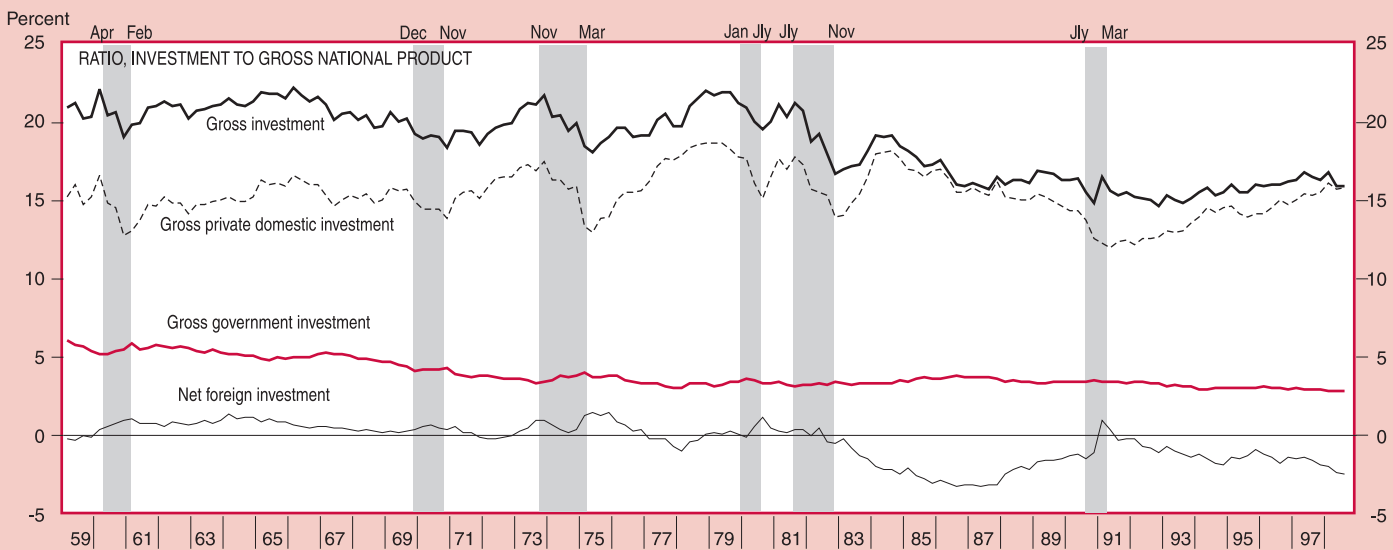
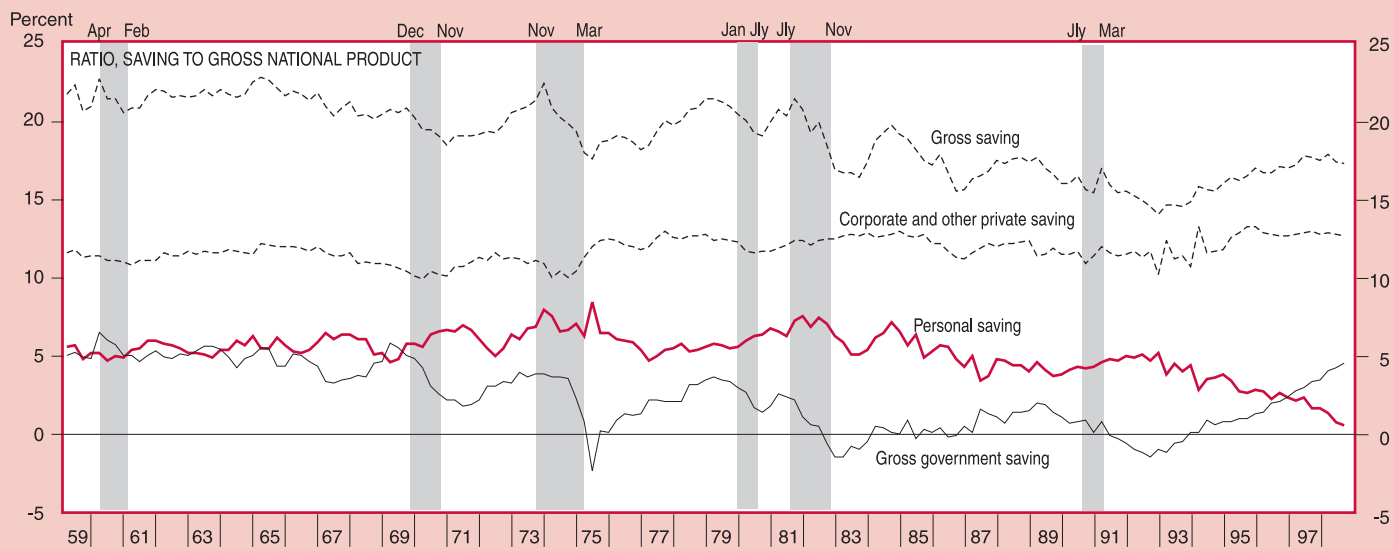


# SELECTED NIPA SERIES



U.S. Department of Commerce, Bureau of Economic Analysis

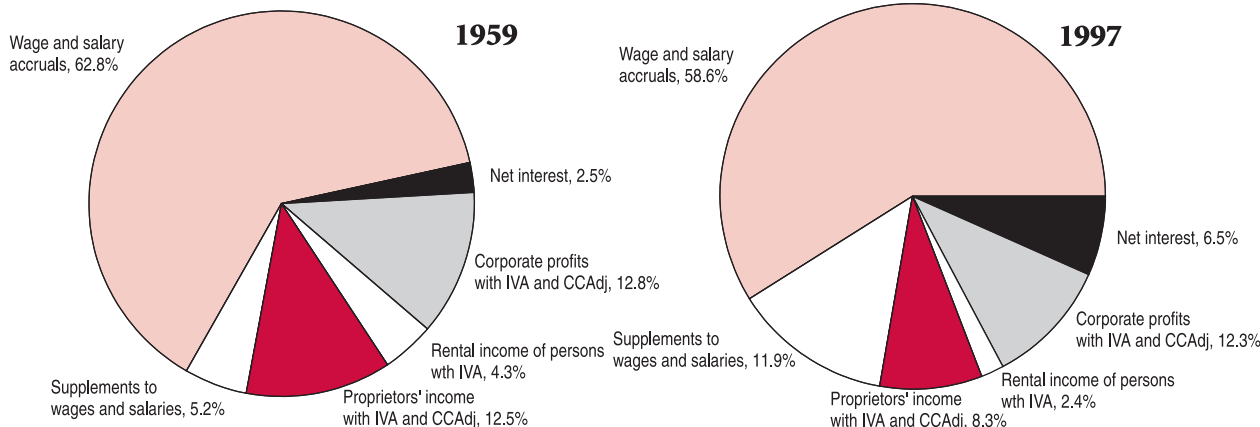
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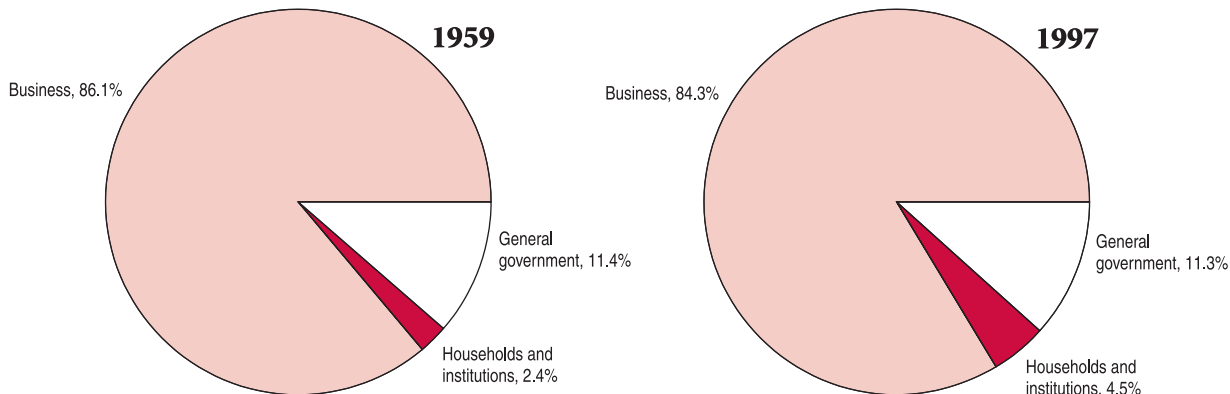


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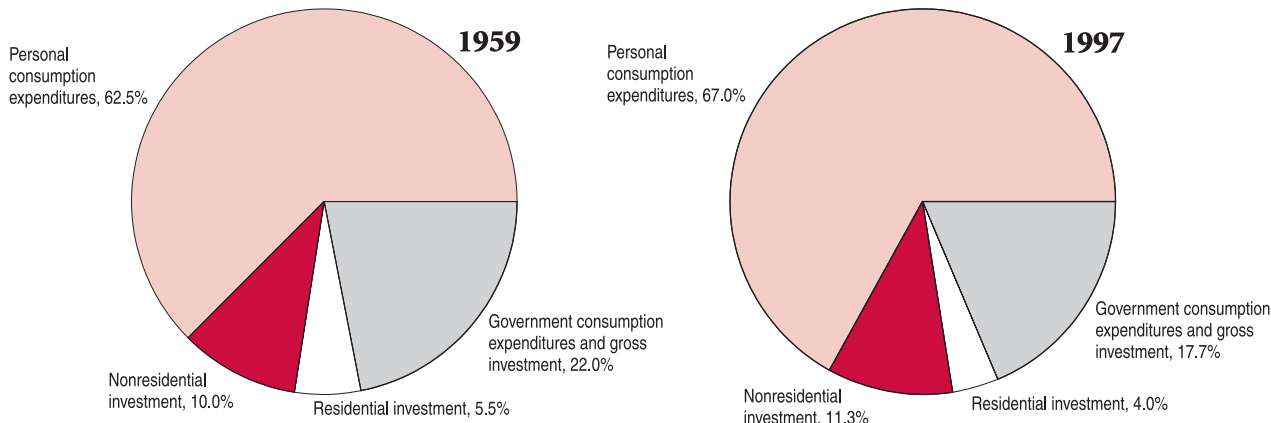
SHARES OF NATIONAL INCOME



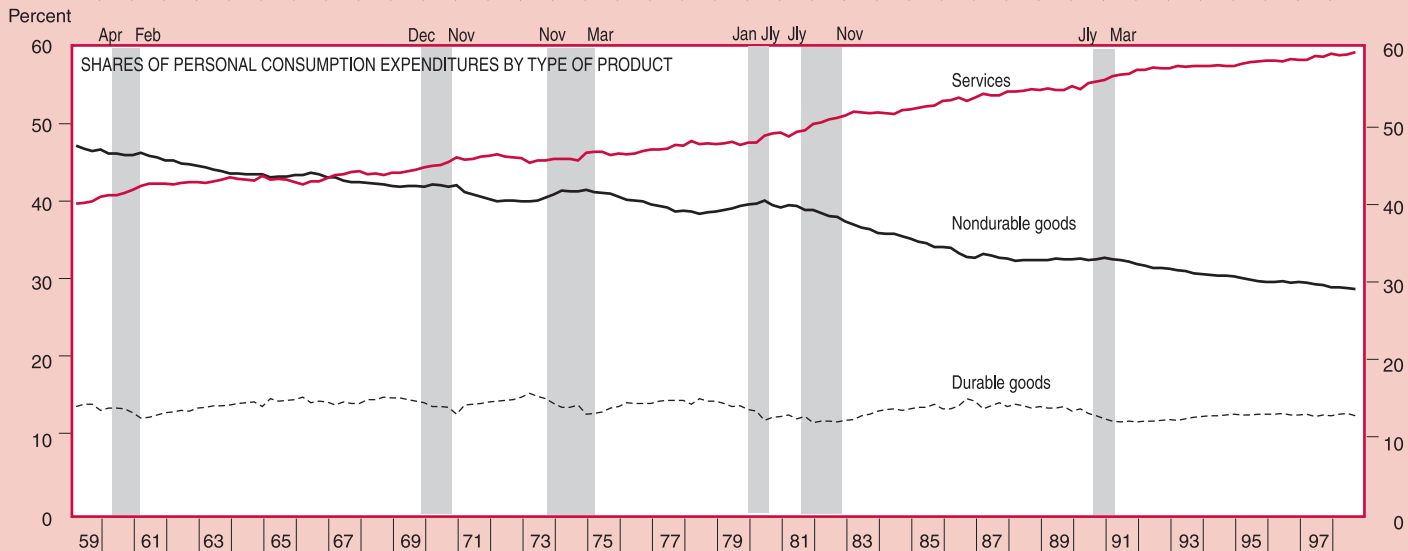
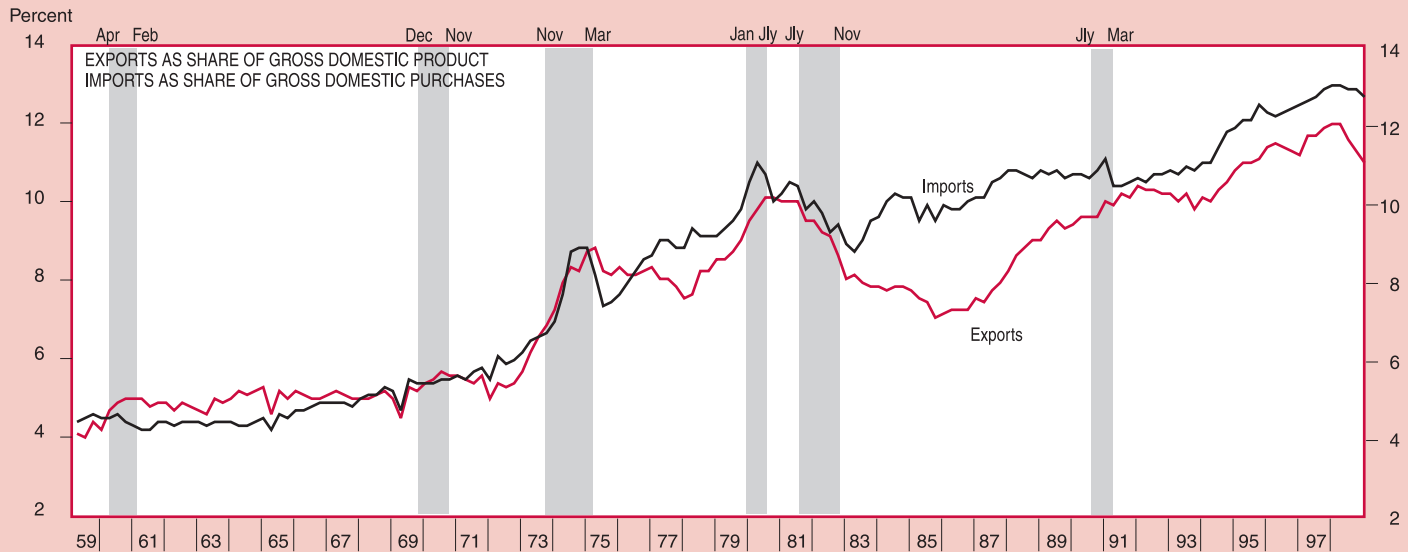
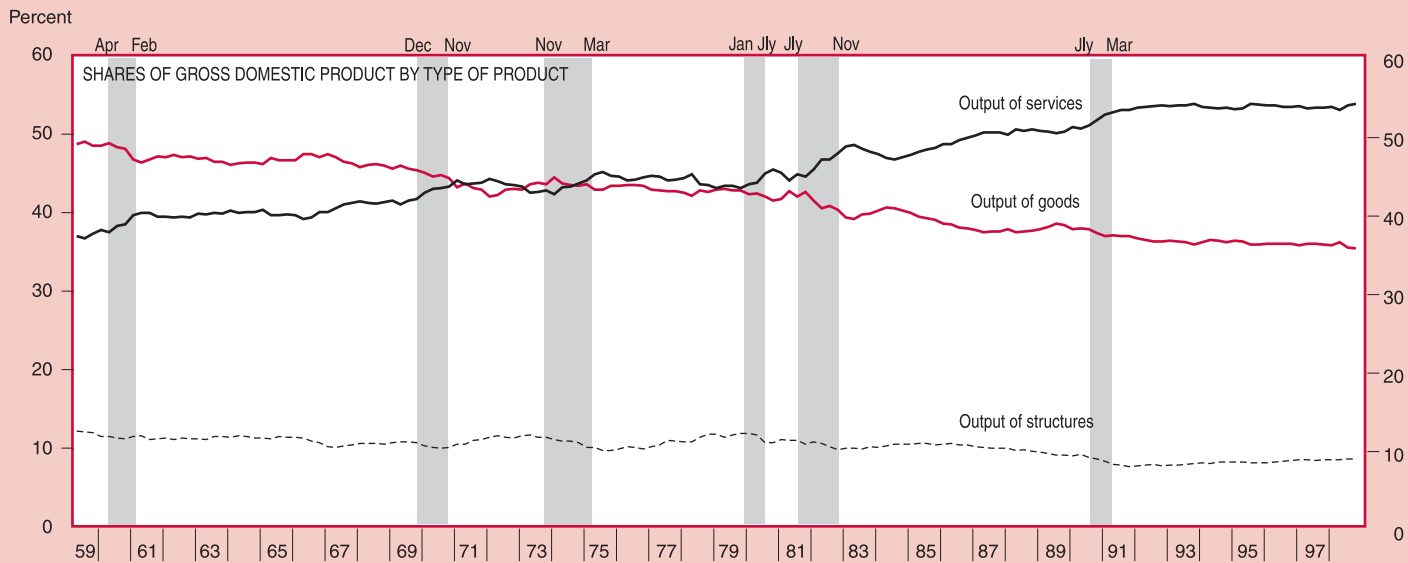
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



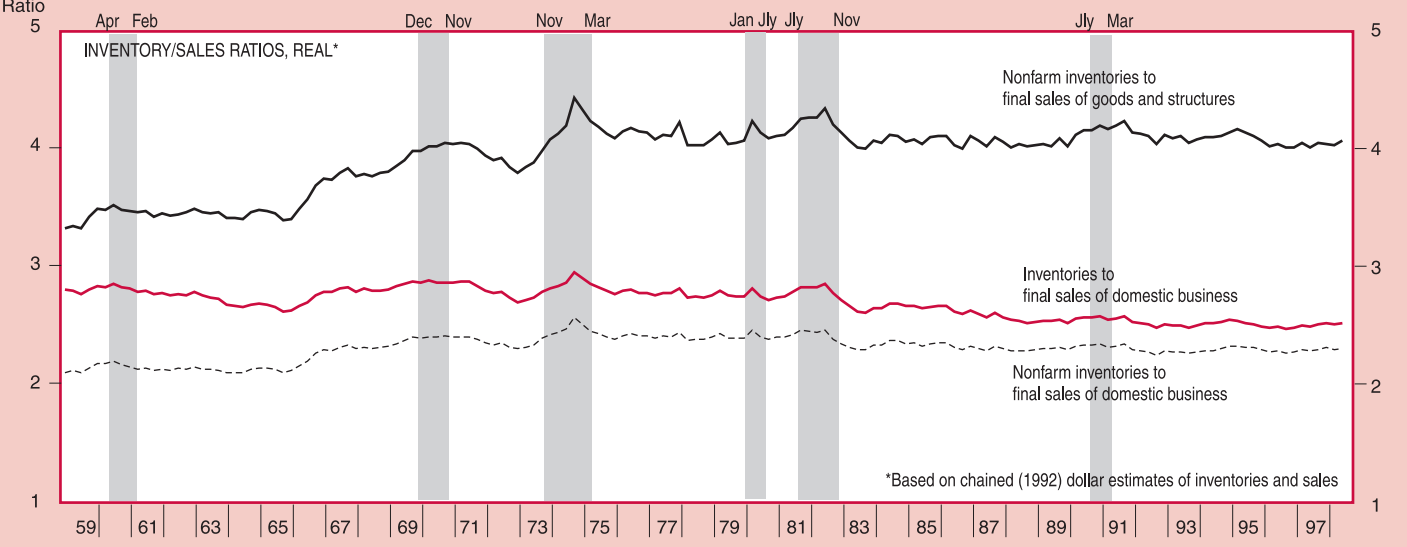
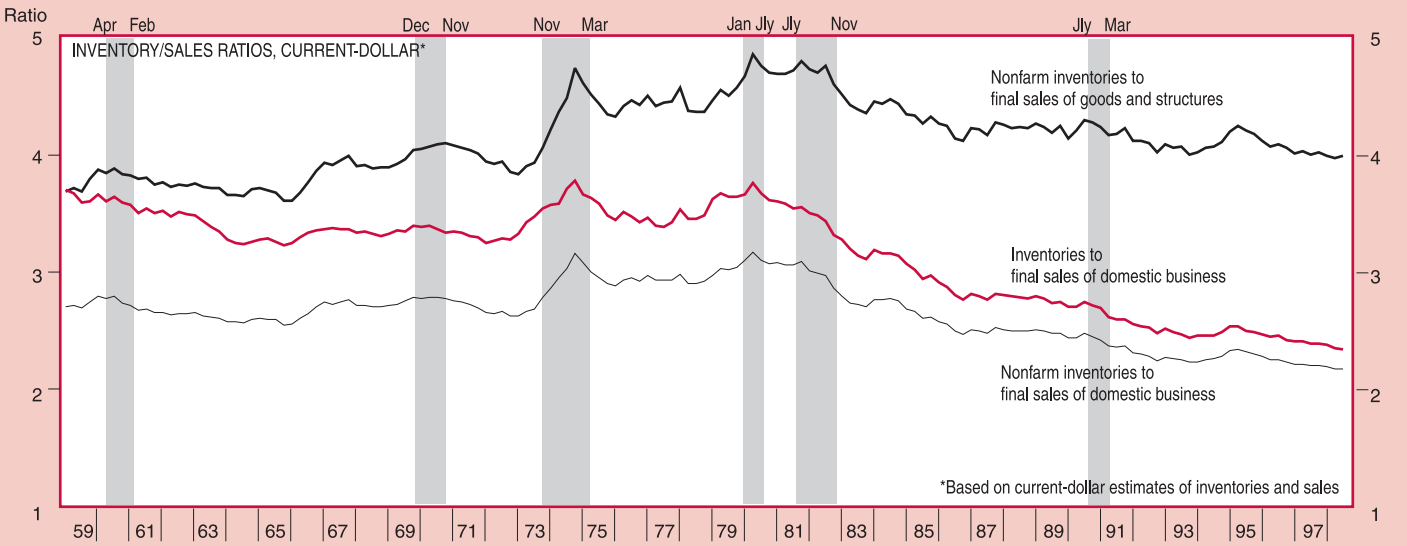
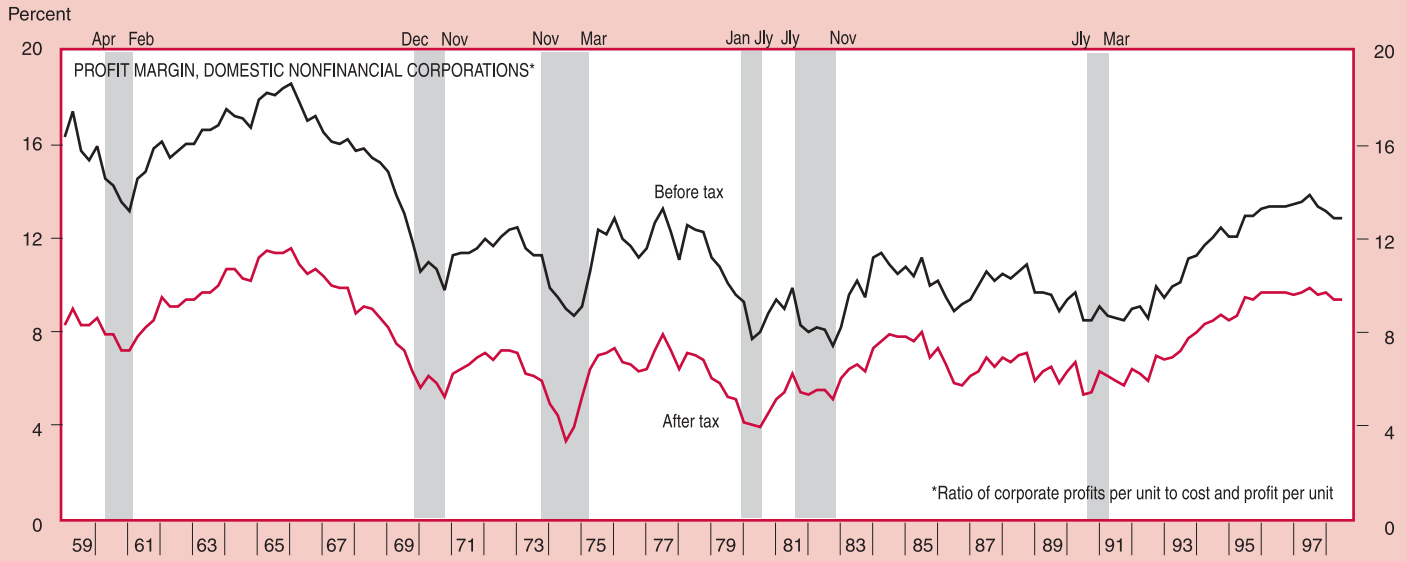
SHARES OF GROSS DOMESTIC PURCHASES



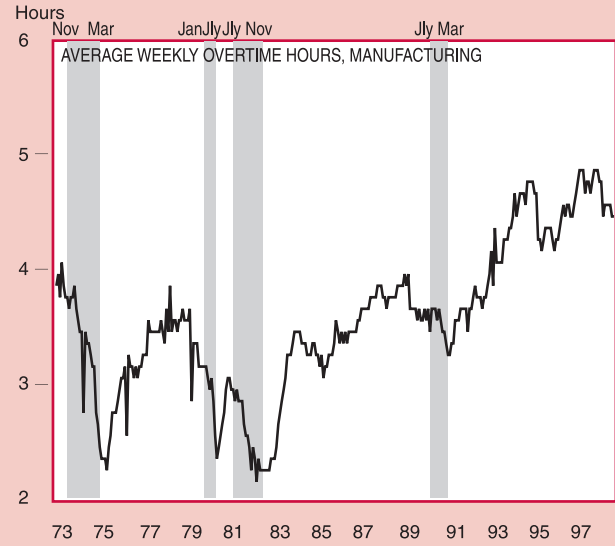
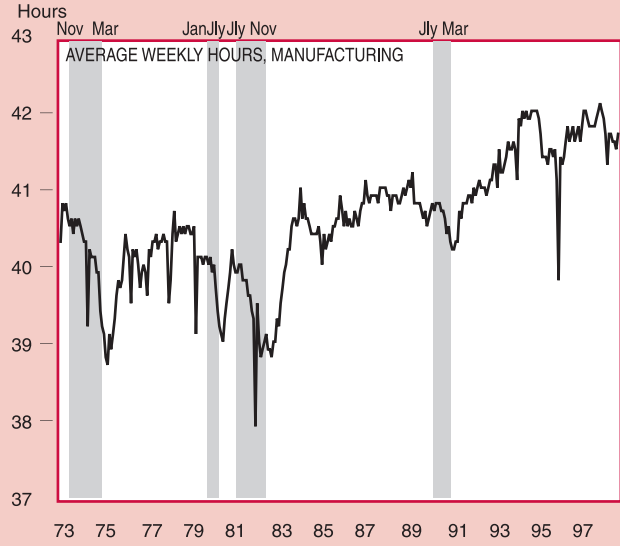
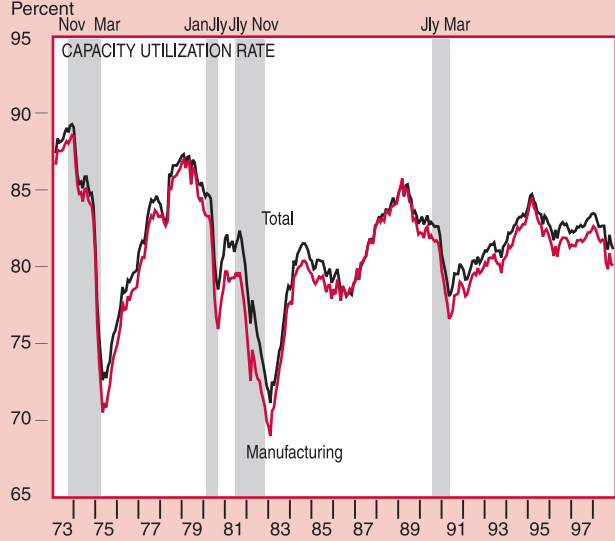
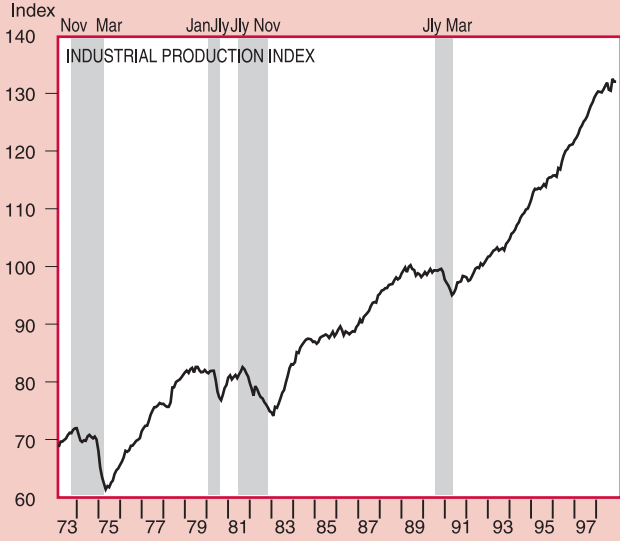
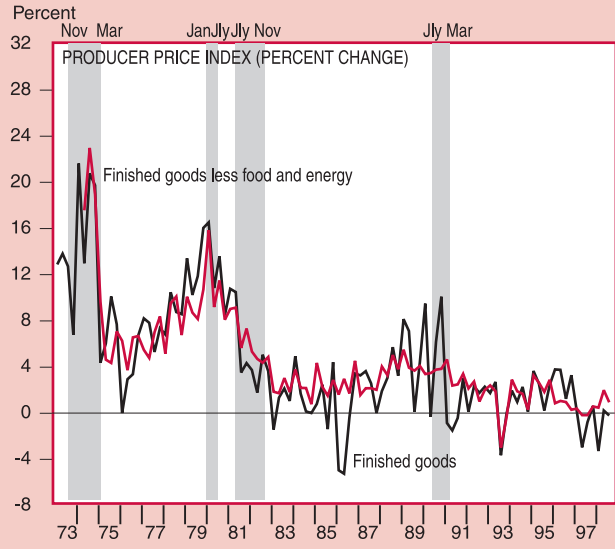
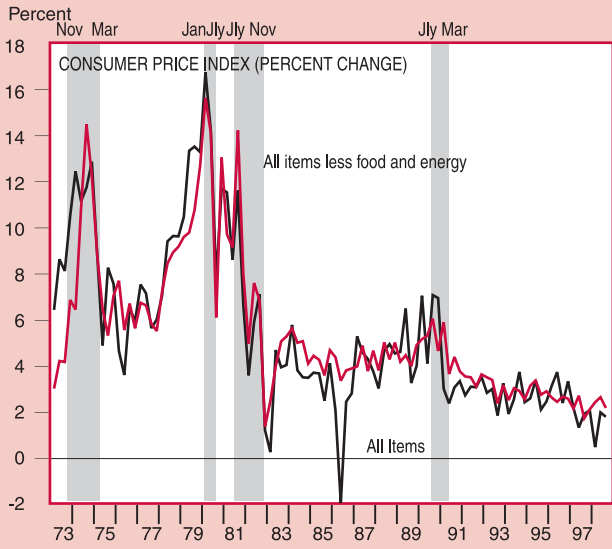
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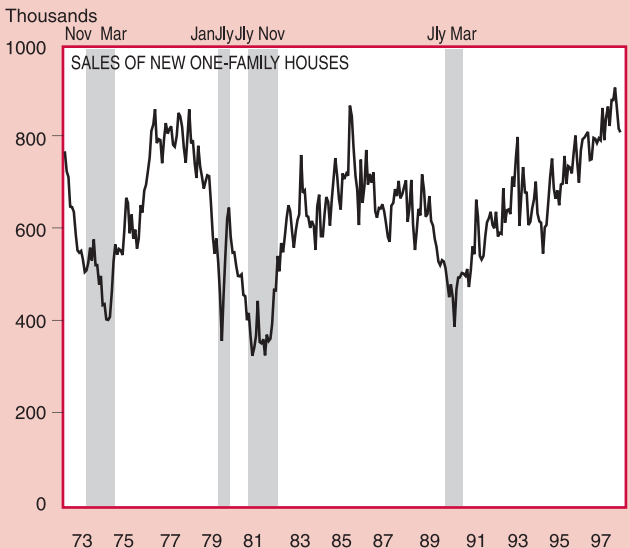
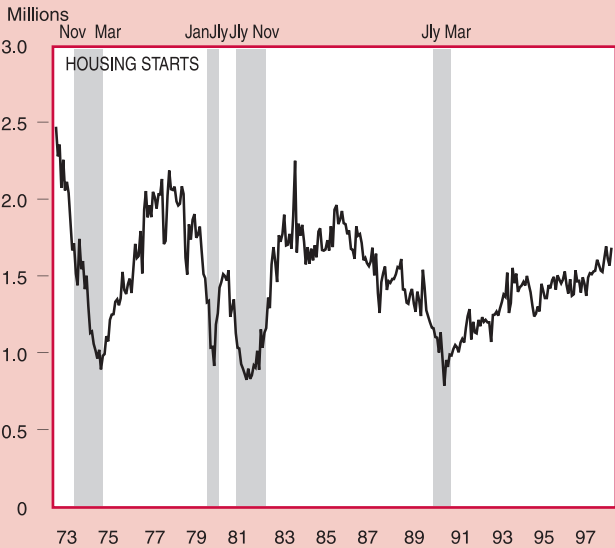
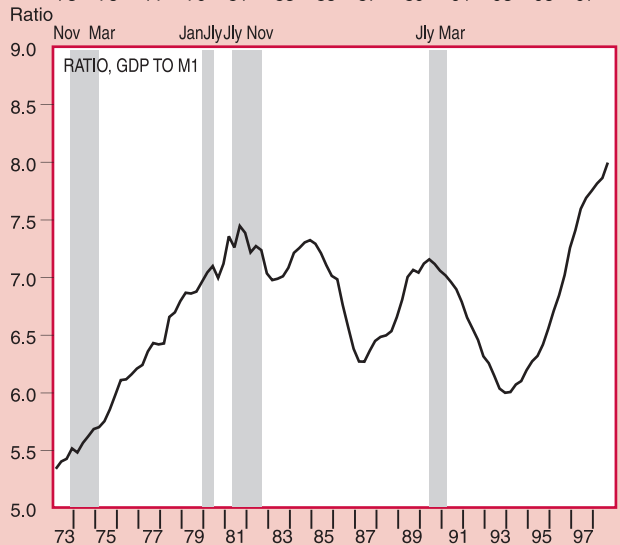
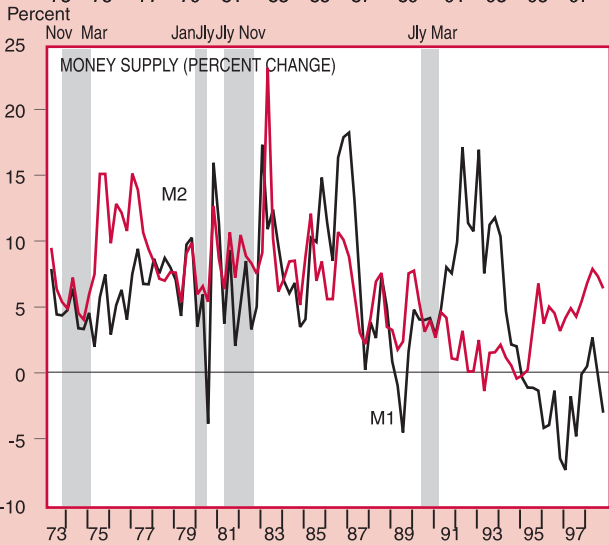
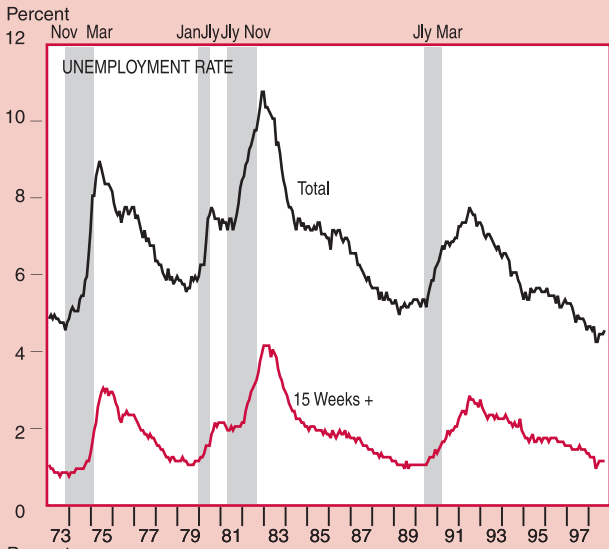
# SELECTED NIPA SERIES



# OTHER INDICATORS OF THE DOMESTIC ECONOMY



# OTHER INDICATORS OF THE DOMESTIC ECONOMY



# International Data

## F. Transactions Tables

Table F.1 includes the most recent estimates of U.S. international trade in goods and services; the estimates were released on November 18, 1998 and include "preliminary" estimates for September 1998 and "revised" estimates for August. The sources for the other tables in this section are as noted.

**Table F.1.—U.S. International Transactions in Goods and Services**

[Millions of dollars; monthly estimates seasonally adjusted]

	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept. <sup>p</sup>
<b>Exports of goods and services</b> .....	<b>850,775</b>	<b>937,593</b>	<b>79,126</b>	<b>79,705</b>	<b>80,589</b>	<b>79,088</b>	<b>79,784</b>	<b>79,668</b>	<b>77,813</b>	<b>79,058</b>	<b>77,515</b>	<b>76,399</b>	<b>76,375</b>	<b>75,101</b>	<b>75,426</b>	<b>77,125</b>
<b>Goods</b> .....	<b>611,983</b>	<b>679,325</b>	<b>57,100</b>	<b>57,747</b>	<b>58,467</b>	<b>57,482</b>	<b>58,336</b>	<b>57,902</b>	<b>56,350</b>	<b>57,217</b>	<b>55,335</b>	<b>54,719</b>	<b>54,767</b>	<b>53,825</b>	<b>53,862</b>	<b>55,873</b>
Foods, feeds, and beverages .....	55,534	51,507	4,164	4,275	4,503	4,533	4,476	4,238	4,220	3,995	3,758	3,664	3,794	3,716	3,601	3,290
Industrial supplies and materials .....	147,652	158,226	13,391	13,136	13,304	13,064	13,087	13,040	12,553	12,861	12,471	12,562	12,052	11,864	12,037	11,908
Capital goods, except automotive .....	252,895	294,470	24,898	25,409	25,614	24,883	25,755	25,459	24,807	24,881	23,790	23,799	24,369	24,843	23,863	26,115
Automotive vehicles, engines, and parts .....	65,021	74,029	6,216	6,180	6,448	6,576	6,138	6,497	6,350	6,578	6,468	5,983	5,601	4,732	5,601	6,024
Consumer goods (nonfood), except automotive .....	70,138	77,446	6,504	6,437	6,752	6,521	6,416	6,609	6,425	6,550	6,590	6,562	6,864	6,658	6,692	6,695
Other goods .....	33,836	33,505	2,973	3,049	2,896	2,575	2,978	2,695	2,802	3,233	2,913	2,905	2,985	2,977	3,382	2,783
Adjustments <sup>1</sup> .....	-13,092	-9,858	-1,047	-739	-1,050	-670	-513	-636	-807	-882	-655	-756	-898	-965	-1,314	-943
<b>Services</b> .....	<b>238,792</b>	<b>258,268</b>	<b>22,026</b>	<b>21,958</b>	<b>22,122</b>	<b>21,606</b>	<b>21,448</b>	<b>21,766</b>	<b>21,463</b>	<b>21,841</b>	<b>22,180</b>	<b>21,680</b>	<b>21,608</b>	<b>21,276</b>	<b>21,564</b>	<b>21,252</b>
Travel .....	69,751	73,268	6,078	6,320	6,162	6,083	5,959	6,253	5,994	5,720	6,404	5,965	5,866	5,550	5,856	5,507
Passenger fares .....	20,413	20,895	1,717	1,797	1,812	1,799	1,753	1,803	1,737	1,658	1,823	1,745	1,719	1,559	1,648	1,563
Other transportation .....	26,074	26,911	2,246	2,216	2,337	2,226	2,246	2,237	2,120	2,103	2,129	2,117	2,126	2,194	2,197	2,192
Royalties and license fees .....	32,823	33,676	2,865	2,855	2,812	2,793	2,776	2,863	2,893	2,919	2,943	2,960	2,969	2,975	2,984	2,991
Other private services .....	73,073	84,465	7,294	7,246	7,420	7,348	7,302	7,217	7,253	7,423	7,458	7,413	7,528	7,519	7,505	7,544
Transfers under U.S. military agency sales contracts <sup>2</sup> .....	15,765	18,269	1,759	1,458	1,513	1,294	1,351	1,328	1,391	1,953	1,338	1,414	1,334	1,414	1,308	1,389
U.S. Government miscellaneous services .....	893	784	67	66	66	63	61	65	65	65	65	66	66	65	66	66
<b>Imports of goods and services</b> .....	<b>959,349</b>	<b>1,047,799</b>	<b>88,401</b>	<b>88,940</b>	<b>89,240</b>	<b>88,688</b>	<b>89,989</b>	<b>89,565</b>	<b>89,427</b>	<b>92,555</b>	<b>91,663</b>	<b>92,176</b>	<b>90,014</b>	<b>89,648</b>	<b>91,325</b>	<b>91,156</b>
<b>Goods</b> .....	<b>803,320</b>	<b>877,279</b>	<b>74,009</b>	<b>74,271</b>	<b>74,738</b>	<b>74,087</b>	<b>75,298</b>	<b>74,977</b>	<b>74,470</b>	<b>77,720</b>	<b>76,670</b>	<b>77,297</b>	<b>75,297</b>	<b>74,854</b>	<b>76,597</b>	<b>76,469</b>
Foods, feeds, and beverages .....	35,710	39,694	3,370	3,357	3,306	3,263	3,493	3,375	3,511	3,546	3,398	3,455	3,590	3,436	3,353	3,357
Industrial supplies and materials .....	204,482	213,767	18,137	17,990	18,191	18,088	17,198	17,277	16,829	16,733	17,294	17,448	16,610	16,629	16,807	16,323
Capital goods, except automotive .....	229,050	254,175	21,779	21,812	22,207	21,543	22,438	21,898	22,236	23,090	22,307	23,132	22,179	22,284	22,223	22,172
Automotive vehicles, engines, and parts .....	128,938	140,779	11,735	11,769	11,594	11,738	11,929	11,834	12,188	12,974	12,183	12,542	11,774	10,677	12,236	12,911
Consumer goods (nonfood), except automotive .....	171,007	192,918	16,222	16,566	16,472	16,778	17,269	17,200	16,871	18,213	18,274	17,893	18,174	18,267	17,981	17,941
Other goods .....	26,102	29,338	2,522	2,511	2,713	2,435	2,548	2,815	2,609	2,657	2,892	2,539	2,615	3,204	3,302	3,226
Adjustments <sup>1</sup> .....	8,031	6,609	245	266	255	242	423	578	226	508	322	288	355	358	695	539
<b>Services</b> .....	<b>156,029</b>	<b>170,520</b>	<b>14,392</b>	<b>14,669</b>	<b>14,502</b>	<b>14,601</b>	<b>14,691</b>	<b>14,588</b>	<b>14,957</b>	<b>14,835</b>	<b>14,993</b>	<b>14,879</b>	<b>14,717</b>	<b>14,794</b>	<b>14,728</b>	<b>14,687</b>
Travel .....	48,048	51,220	4,287	4,339	4,173	4,337	4,313	4,452	4,449	4,408	4,605	4,460	4,357	4,399	4,394	4,413
Passenger fares .....	15,818	18,235	1,556	1,587	1,482	1,541	1,534	1,545	1,563	1,542	1,613	1,564	1,532	1,550	1,520	1,508
Other transportation .....	27,403	28,949	2,354	2,480	2,499	2,369	2,530	2,355	2,346	2,550	2,417	2,492	2,480	2,471	2,496	2,448
Royalties and license fees .....	7,854	9,411	848	863	861	860	857	832	1,199	819	820	818	829	857	807	799
Other private services .....	43,138	48,421	4,121	4,160	4,230	4,250	4,202	4,123	4,114	4,234	4,279	4,295	4,272	4,269	4,261	4,261
Direct defense expenditures <sup>2</sup> .....	11,081	11,488	981	997	1,020	1,011	1,024	1,047	1,051	1,047	1,023	1,015	1,012	1,012	1,015	1,023
U.S. Government miscellaneous services .....	2,687	2,796	245	243	237	233	231	234	235	235	236	235	235	236	235	235
<b>Memoranda:</b>																
Balance on goods .....	-191,337	-197,955	-16,909	-16,524	-16,270	-16,605	-16,962	-17,076	-18,120	-20,504	-21,335	-22,578	-20,530	-21,029	-22,735	-20,596
Balance on services .....	82,763	87,748	7,634	7,289	7,620	7,005	6,757	7,178	6,506	7,006	7,187	6,801	6,891	6,482	6,836	6,565
Balance on goods and services .....	-108,574	-110,207	-9,275	-9,235	-8,650	-9,600	-10,205	-9,898	-11,614	-13,498	-14,148	-15,777	-13,639	-14,547	-15,899	-14,031

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and

definitions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

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

Table F.2.—U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	1997	Not seasonally adjusted						Seasonally adjusted					
			1997				1998		1997				1998	
			I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>	I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>
<b>1</b>	<b>Exports of goods, services, and income</b> .....	<b>1,179,380</b>	<b>281,972</b>	<b>296,689</b>	<b>298,106</b>	<b>302,613</b>	<b>296,986</b>	<b>294,171</b>	<b>283,765</b>	<b>295,287</b>	<b>300,481</b>	<b>299,843</b>	<b>299,061</b>	<b>292,591</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	679,325	162,695	172,420	166,214	177,996	170,589	168,175	163,499	169,240	172,302	174,284	171,469	164,666
3	Services <sup>3</sup> .....	258,268	61,009	62,807	69,984	64,468	63,344	63,359	62,685	64,776	65,628	65,175	65,070	65,467
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	18,269	4,338	4,890	4,883	4,158	4,672	4,086	4,338	4,890	4,883	4,158	4,672	4,086
5	Travel .....	73,268	16,072	18,157	21,890	17,149	15,817	17,825	18,197	18,542	18,325	18,204	17,967	18,235
6	Passenger fares .....	20,895	4,808	5,027	5,988	5,072	4,877	5,114	5,130	5,189	5,212	5,364	5,198	5,287
7	Other transportation .....	26,911	6,574	6,719	6,721	6,897	6,290	6,379	6,698	6,724	6,678	6,809	6,460	6,392
8	Royalties and license fees <sup>5</sup> .....	33,676	8,086	8,158	8,483	8,949	8,443	8,572	8,306	8,407	8,580	8,381	8,675	8,872
9	Other private services <sup>5</sup> .....	84,465	20,928	19,665	21,819	22,053	23,050	21,186	19,813	20,833	21,750	22,069	21,903	22,398
10	U.S. Government miscellaneous services .....	784	203	191	200	190	195	197	203	191	200	190	195	197
11	Income receipts on U.S. assets abroad .....	241,787	58,268	61,462	61,908	60,149	63,053	62,637	57,581	61,271	62,551	60,384	62,522	62,458
12	Direct investment receipts .....	109,407	27,293	28,671	28,157	25,286	26,828	26,881	26,716	28,286	28,935	25,470	26,391	26,525
13	Other private receipts .....	128,845	30,018	32,041	32,717	34,069	35,302	35,001	30,018	32,041	32,717	34,069	35,302	35,001
14	U.S. Government receipts .....	3,535	957	750	1,034	794	923	755	847	944	899	845	829	932
<b>15</b>	<b>Imports of goods, services, and income</b> .....	<b>-1,294,904</b>	<b>-300,949</b>	<b>-321,456</b>	<b>-336,982</b>	<b>-335,517</b>	<b>-324,587</b>	<b>-339,535</b>	<b>-311,881</b>	<b>-321,342</b>	<b>-329,130</b>	<b>-332,549</b>	<b>-336,316</b>	<b>-339,782</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-877,279	-205,351	-217,227	-225,472	-229,229	-218,744	-228,038	-213,222	-218,336	-221,598	-224,123	-227,167	-229,497
17	Services <sup>3</sup> .....	-170,520	-38,372	-43,026	-46,952	-42,170	-41,417	-45,410	-41,092	-42,195	-43,437	-43,795	-44,379	-44,589
18	Direct defense expenditures .....	-11,488	-2,796	-2,699	-2,938	-3,055	-3,145	-3,050	-2,796	-2,699	-2,938	-3,055	-3,145	-3,050
19	Travel .....	-51,220	-10,868	-13,601	-15,667	-11,084	-11,290	-14,271	-12,736	-12,764	-12,897	-12,823	-13,309	-13,422
20	Passenger fares .....	-18,235	-3,953	-4,975	-5,304	-4,003	-4,260	-5,027	-4,311	-4,663	-4,704	-4,557	-4,650	-4,709
21	Other transportation .....	-28,949	-6,894	-7,288	-7,330	-7,437	-7,066	-7,351	-7,034	-7,317	-7,200	-7,397	-7,250	-7,389
22	Royalties and license fees <sup>5</sup> .....	-9,411	-2,086	-2,045	-2,573	-2,707	-2,835	-2,330	-2,106	-2,168	-2,559	-2,578	-2,850	-2,467
23	Other private services <sup>5</sup> .....	-48,421	-11,089	-11,739	-12,410	-13,183	-12,117	-12,675	-11,423	-11,905	-12,409	-12,684	-12,471	-12,846
24	U.S. Government miscellaneous services .....	-2,796	-686	-679	-730	-701	-704	-706	-686	-679	-730	-701	-704	-706
25	Income payments on foreign assets in the United States .....	-247,105	-57,226	-61,203	-64,558	-64,118	-64,426	-66,087	-57,567	-60,811	-64,095	-64,631	-64,770	-65,696
26	Direct investment payments .....	-45,674	-10,323	-11,279	-13,011	-11,061	-10,458	-11,661	-10,664	-10,887	-12,548	-11,574	-10,802	-11,270
27	Other private payments .....	-113,959	-26,705	-28,023	-28,849	-30,382	-31,285	-31,466	-26,705	-28,023	-28,849	-30,382	-31,285	-31,466
28	U.S. Government payments .....	-87,472	-20,198	-21,901	-22,698	-22,675	-22,683	-22,960	-20,198	-21,901	-22,698	-22,675	-22,683	-22,960
<b>29</b>	<b>Unilateral transfers, net</b> .....	<b>-39,691</b>	<b>-9,151</b>	<b>-8,626</b>	<b>-9,346</b>	<b>-12,568</b>	<b>-9,617</b>	<b>-8,911</b>	<b>-8,874</b>	<b>-9,035</b>	<b>-9,445</b>	<b>-12,337</b>	<b>-9,480</b>	<b>-9,334</b>
30	U.S. Government grants <sup>4</sup> .....	-12,090	-2,241	-2,274	-2,362	-5,213	-2,266	-2,060	-2,241	-2,274	-2,362	-5,213	-2,266	-2,060
31	U.S. Government pensions and other transfers .....	-4,193	-1,067	-836	-931	-1,359	-1,019	-902	-1,013	-1,055	-1,056	-1,069	-1,126	-1,130
32	Private remittances and other transfers <sup>6</sup> .....	-23,408	-5,843	-5,516	-6,053	-5,996	-6,332	-5,949	-5,620	-5,706	-6,027	-6,055	-6,088	-6,144
<b>33</b>	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-478,502</b>	<b>-147,756</b>	<b>-88,005</b>	<b>-124,276</b>	<b>-118,465</b>	<b>-48,591</b>	<b>-98,696</b>	<b>-145,139</b>	<b>-86,606</b>	<b>-123,317</b>	<b>-123,441</b>	<b>-45,648</b>	<b>-97,490</b>
34	U.S. official reserve assets, net <sup>7</sup> .....	-1,010	4,480	-236	-730	-4,524	-444	-1,945	4,480	-236	-730	-4,524	-444	-1,945
35	Gold .....	-350	72	-133	-139	-150	-182	72	72	-133	-139	-150	-182	72
36	Special drawing rights .....	-3,575	1,055	54	-463	-4,221	-85	-1,031	1,055	54	-463	-4,221	-85	-1,031
37	Reserve position in the International Monetary Fund .....	2,915	3,353	-157	-128	-153	-177	-986	3,353	-157	-128	-153	-177	-986
38	Foreign currencies .....	174	-22	-269	436	29	-388	-496	-22	-269	436	29	-388	-496
39	U.S. Government assets, other than official reserve assets, net .....	-5,302	-1,168	-1,616	-1,421	-1,097	-1,189	-1,159	-1,168	-1,616	-1,421	-1,097	-1,189	-1,159
40	U.S. credits and other long-term assets .....	5,504	1,171	1,358	1,878	1,097	1,177	721	1,171	1,358	1,878	1,097	1,177	721
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	-28	-25	-11	-21	29	-376	-58	-25	-11	-21	29	-376	-58
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	-477,666	-152,214	-87,500	-123,982	-113,970	-47,759	-96,255	-149,597	-86,101	-123,023	-118,946	-44,816	-95,049
43	Direct investment .....	-121,843	-35,115	-27,787	-28,447	-30,494	-37,264	-41,467	-32,498	-26,388	-27,488	-35,470	-34,321	-40,261
44	Foreign securities .....	-87,981	-15,521	-23,263	-41,167	-8,030	-6,973	-23,446	-15,521	-23,263	-41,167	-8,030	-6,973	-23,446
45	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-120,403	-37,880	-9,825	-24,791	-47,907	-6,596	-6,363	-37,880	-9,825	-24,791	-47,907	-6,596	-6,363
46	U.S. claims reported by U.S. banks, not included elsewhere .....	-147,439	-63,698	-26,625	-29,577	-27,539	3,074	-24,979	-63,698	-26,625	-29,577	-27,539	3,074	-24,979
<b>48</b>	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>733,441</b>	<b>181,302</b>	<b>150,160</b>	<b>182,507</b>	<b>219,472</b>	<b>95,172</b>	<b>163,943</b>	<b>181,735</b>	<b>149,773</b>	<b>181,438</b>	<b>220,491</b>	<b>95,529</b>	<b>163,425</b>
49	Foreign official assets in the United States, net .....	15,817	26,949	-5,411	21,258	-26,979	11,324	-10,483	26,949	-5,411	21,258	-26,979	11,324	-10,483
50	U.S. Government securities .....	-2,936	23,065	-10,862	9,353	-24,492	13,946	-20,063	23,065	-10,862	9,353	-24,492	13,946	-20,063
51	U.S. Treasury securities <sup>9</sup> .....	-7,270	22,311	-11,689	6,686	-24,578	11,336	-20,317	22,311	-11,689	6,686	-24,578	11,336	-20,317
52	Other <sup>10</sup> .....	4,334	754	827	2,667	86	2,510	254	754	827	2,667	86	2,510	254
53	Other U.S. Government liabilities <sup>11</sup> .....	-2,521	-587	-523	-1,167	-244	-1,059	-422	-587	-523	-1,167	-244	-1,059	-422
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	21,928	7,696	5,043	12,439	-3,250	9,170	7,696	5,043	12,439	-3,250	9,170	7,696	5,043
55	Other foreign official assets <sup>12</sup> .....	-654	-3,225	931	633	1,007	-956	832	-3,225	931	633	1,007	-956	832
56	Other foreign assets in the United States, net .....	717,624	154,353	155,571	161,249	246,451	83,848	174,426	154,786	155,184	160,180	247,470	84,205	173,908
57	Direct investment .....	93,449	25,446	20,536	20,033	27,434	25,574	22,554	25,879	20,149	18,964	28,453	25,931	22,036
58	U.S. Treasury securities .....	146,710	33,363	42,614	35,432	35,301	-1,701	25,715	33,363	42,614	35,432	35,301	-1,701	25,715
59	U.S. currency .....	24,782	3,484	4,822	6,576	9,900	746	2,349	3,484	4,822	6,576	9,900	746	2,349
60	U.S. securities other than U.S. Treasury securities .....	196,845	45,477	54,258	60,327	36,783	77,019	69,531	45,477	54,258	60,327	36,783	77,019	69,531
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	107,779	28,840	5,274	26,275	47,390	32,707	13,389	28,840	5,274	26,275	47,390	32,707	13,389
62	U.S. liabilities reported by U.S. banks, not included elsewhere .....	148,059	17,743	28,067	12,606	89,643	-50,497	40,888	17,743	28,067	12,606	89,643	-50,497	40,888
<b>63</b>	<b>Allocations of special drawing rights</b> .....	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
<b>64</b>	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-99,724</b>	<b>-5,418</b>	<b>-28,762</b>	<b>-10,009</b>	<b>-55,535</b>	<b>-9,363</b>	<b>-10,972</b>	<b>394</b>	<b>-28,077</b>	<b>-20,027</b>	<b>-52,007</b>	<b>-3,146</b>	<b>-9,410</b>
<b>64a</b>	<i>Of which seasonal adjustment discrepancy</i> .....	<i>.....</i>	<i>5,812</i>	<i>685</i>	<i>-10,018</i>	<i>3,528</i>	<i>6,217</i>	<i>1,562</i>	<i>.....</i>	<i>.....</i>	<i>.....</i>	<i>.....</i>	<i>.....</i>	<i>.....</i>
<b>Memoranda:</b>														
65	Balance on goods (lines 2 and 16) .....	-197,954	-42,656	-44,807	-59,258	-5								

Table F.3.—U.S. International Transactions, by Area

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Western Europe			European Union <sup>14</sup>			United Kingdom			European Union (6) <sup>15</sup>		
		1997		1998	1997		1998	1997		1998	1997		1998
		IV	I <sup>r</sup>	II <sup>p</sup>	IV	I <sup>r</sup>	II <sup>p</sup>	IV	I <sup>r</sup>	II <sup>p</sup>	IV	I <sup>r</sup>	II <sup>p</sup>
1	<b>Exports of goods, services, and income</b>	<b>88,202</b>	<b>91,028</b>	<b>90,255</b>	<b>79,996</b>	<b>83,138</b>	<b>81,787</b>	<b>25,152</b>	<b>26,341</b>	<b>26,509</b>	<b>42,105</b>	<b>43,343</b>	<b>42,428</b>
2	Goods, adjusted, excluding military <sup>2</sup>	39,160	41,590	39,606	36,283	38,711	36,491	8,888	10,070	9,848	21,714	22,473	21,125
3	Services <sup>3</sup>	22,695	21,582	22,763	20,251	19,257	20,386	6,508	6,129	6,756	9,940	9,325	9,629
4	Transfers under U.S. military agency sales contracts <sup>4</sup>	1,108	1,066	1,099	699	695	696	88	89	91	165	165	165
5	Travel	5,491	4,883	5,655	5,051	4,502	5,159	1,858	1,655	2,091	2,298	1,999	2,157
6	Passenger fares	1,616	1,541	1,796	1,555	1,489	1,742	532	585	682	814	713	830
7	Other transportation	1,966	1,873	1,914	1,652	1,619	1,637	431	405	418	785	784	790
8	Royalties and license fees <sup>5</sup>	4,388	4,252	4,345	4,134	4,002	4,108	933	809	855	2,455	2,315	2,345
9	Other private services <sup>5</sup>	8,086	7,927	7,914	7,125	6,935	7,009	2,653	2,573	2,606	3,406	3,337	3,325
10	U.S. Government miscellaneous services	40	40	40	35	35	35	13	13	13	17	17	17
11	Income receipts on U.S. assets abroad	26,347	27,856	27,886	23,462	25,170	24,910	9,756	10,142	9,905	10,451	11,545	11,674
12	Direct investment receipts	11,945	12,970	13,685	10,141	11,385	11,851	3,033	3,234	3,144	5,677	6,669	7,171
13	Other private receipts	14,209	14,606	14,022	13,151	13,549	12,900	6,697	6,908	6,761	4,645	4,731	4,360
14	U.S. Government receipts	193	280	179	170	236	159	26	.....	.....	129	145	143
15	<b>Imports of goods, services, and income</b>	<b>-94,544</b>	<b>-93,117</b>	<b>-99,807</b>	<b>-85,848</b>	<b>-84,530</b>	<b>-90,573</b>	<b>-31,562</b>	<b>-30,897</b>	<b>-32,098</b>	<b>-42,798</b>	<b>-42,504</b>	<b>-45,571</b>
16	Goods, adjusted, excluding military <sup>2</sup>	-46,610	-44,938	-48,201	-42,304	-40,618	-43,997	-8,838	-8,111	-8,667	-26,430	-25,671	-27,714
17	Services <sup>3</sup>	-16,047	-15,721	-18,894	-14,113	-14,067	-16,579	-5,412	-5,348	-6,002	-6,760	-6,850	-8,190
18	Direct defense expenditures	-1,731	-1,734	-1,670	-1,355	-1,436	-1,320	-135	-131	-130	-1,106	-1,218	-1,100
19	Travel	-3,199	-3,267	-5,282	-2,912	-3,002	-4,584	-1,055	-1,006	-1,391	-1,444	-1,496	-2,368
20	Passenger fares	-1,721	-1,904	-2,645	-1,568	-1,728	-2,402	-602	-736	-960	-673	-689	-1,026
21	Other transportation	-2,620	-2,517	-2,680	-2,121	-2,090	-2,187	-575	-564	-573	-1,089	-1,063	-1,103
22	Royalties and license fees <sup>5</sup>	-1,661	-1,572	-1,561	-1,397	-1,364	-1,329	-514	-541	-481	-660	-690	-686
23	Other private services <sup>5</sup>	-4,821	-4,433	-4,760	-4,508	-4,195	-4,503	-2,507	-2,346	-2,441	-1,601	-1,507	-1,720
24	U.S. Government miscellaneous services	-294	-294	-296	-252	-252	-254	-24	-24	-26	-187	-187	-187
25	Income payments on foreign assets in the United States	-31,887	-32,458	-32,712	-29,431	-29,845	-29,997	-17,312	-17,438	-17,429	-9,608	-9,983	-9,667
26	Direct investment payments	-7,394	-7,606	-7,369	-6,836	-6,868	-6,617	-2,786	-2,322	-2,239	-3,489	-3,979	-3,402
27	Other private payments	-14,990	-15,120	-15,451	-13,813	-13,938	-14,261	-9,585	-9,882	-10,036	-3,501	-3,405	-3,537
28	U.S. Government payments	-9,503	-9,732	-9,892	-8,782	-9,039	-9,119	-4,941	-5,234	-5,154	-2,618	-2,599	-2,728
29	<b>Unilateral transfers, net</b>	<b>-83</b>	<b>-41</b>	<b>-84</b>	<b>133</b>	<b>171</b>	<b>226</b>	<b>279</b>	<b>346</b>	<b>373</b>	<b>59</b>	<b>30</b>	<b>60</b>
30	U.S. Government grants <sup>4</sup>	-58	-70	-196	-1	.....	-4	.....	.....	.....	.....	.....	.....
31	U.S. Government pensions and other transfers	-387	-333	-328	-299	-289	-293	-49	-50	-48	-172	-159	-166
32	Private remittances and other transfers <sup>6</sup>	362	362	440	433	460	523	328	396	421	231	189	226
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-43,492</b>	<b>-42,410</b>	<b>-56,773</b>	<b>-42,199</b>	<b>-38,517</b>	<b>-52,270</b>	<b>-40,838</b>	<b>-7,058</b>	<b>-42,288</b>	<b>-597</b>	<b>-14,637</b>	<b>-4,574</b>
34	U.S. official reserve assets, net <sup>7</sup>	-134	-151	-148	-1,351	-420	-135	.....	.....	.....	-1,351	-420	-135
35	Gold	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37	Reserve position in the International Monetary Fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38	Foreign currencies	-134	-151	-148	-1,351	-420	-135	.....	.....	.....	-1,351	-420	-135
39	U.S. Government assets, other than official reserve assets, net	205	187	-12	119	136	-18	134	.....	.....	-2	9	-16
40	U.S. credits and other long-term assets	-63	-93	-59	-45	-77	-38	.....	.....	.....	.....	.....	.....
41	Repayments on U.S. credits and other long-term assets <sup>8</sup>	259	273	130	160	204	37	127	.....	.....	.....	.....	.....
42	U.S. foreign currency holdings and U.S. short-term assets, net	9	7	-83	4	9	-17	7	.....	.....	-2	9	-16
43	U.S. private assets, net	-43,563	-42,446	-56,613	-40,967	-38,233	-52,117	-40,972	-7,058	-42,288	756	-14,226	-4,423
44	Direct investment	-17,346	-22,106	-26,632	-16,742	-20,009	-24,383	-9,667	-9,247	-14,352	-5,593	-7,151	-8,532
45	Foreign securities	-7,475	-1,060	-9,975	-7,656	-948	-12,096	-7,597	-569	-6,935	1,171	296	-658
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-22,553	-5,201	.....	-21,132	-4,128	.....	-16,246	-3,670	.....	-3,828	4,272	.....
47	U.S. claims reported by U.S. banks, not included elsewhere	3,811	-14,079	-20,006	4,563	-13,148	-15,638	-7,462	6,428	-21,001	9,006	-11,643	4,767
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>146,863</b>	<b>78,157</b>	<b>94,169</b>	<b>128,072</b>	<b>75,869</b>	<b>84,710</b>	<b>71,247</b>	<b>61,970</b>	<b>43,593</b>	<b>47,541</b>	<b>10,785</b>	<b>35,779</b>
49	Foreign official assets in the United States, net	-5,517	-3,511	5,378	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup>	106	-97	25	155	10	168	45	13	46	94	37	139
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	152,380	81,668	88,791	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	18,819	20,441	14,818	14,513	16,661	13,341	734	8,302	6,160	10,015	6,404	5,938
58	U.S. Treasury securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	U.S. securities other than U.S. Treasury securities	26,768	51,675	55,397	21,649	47,178	48,767	11,599	30,946	30,198	7,930	13,261	16,103
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	34,465	23,367	.....	28,359	28,307	18,243	9,167	25,486	.....	18,303	1,718	.....
62	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	18,639	18,168	18,243	18,497	18,277	18,719	18,119	18,103	18,599
63	<b>Allocations of special drawing rights</b>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
64	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b>	<b>-96,946</b>	<b>-33,617</b>	<b>-27,760</b>	<b>-80,154</b>	<b>-36,131</b>	<b>-23,880</b>	<b>-24,278</b>	<b>-50,702</b>	<b>3,911</b>	<b>-46,310</b>	<b>2,983</b>	<b>-28,122</b>
65	<b>Memoranda:</b>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
66	Balance on goods (lines 2 and 16)	-7,450	-3,348	-8,595	-6,021	-1,907	-7,506	50	1,959	1,181	-4,716	-3,198	-6,589
67	Balance on services (lines 3 and 17)	6,648	5,861	3,869	6,138	5,190	3,807	1,096	781	754	3,180	2,475	1,439
68	Balance on goods and services (lines 65 and 66)	-802	2,513	-4,726	117	3,283	-3,699	1,146	2,740	1,935	-1,536	-723	-6,150
69	Balance on investment income (lines 11 and 25)	-5,540	-4,602	-4,826	-5,969	-4,675	-5,087	-7,556	-7,296	-7,524	843	1,562	2,007
70	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup>	-6,342	-2,089	-9,552	-5,852	-1,392	-8,786	-6,410	-4,556	-5,589	-693	839	-3,143
71	Unilateral transfers, net (line 29)	-83	-41	-84	133	171	226	279	346	373	59	30	60
72	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup>	-6,425	-2,130	-9,636	-5,719	-1,221	-8,560	-6,131	-4,210	-5,216	-634	869	-3,083

<sup>1</sup> Preliminary.<sup>2</sup> Revised.

1. Credits, +; Exports of goods, services, and income; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets; increase in foreign official assets in the United States.

Debits, -: Imports of goods, services, and income; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets; decrease in foreign official assets in the United States.

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 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 SURVEY.

3. Includes some goods: Mainly military equipment in line 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.

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. For all areas, amounts outstanding June 30, 1998, are as follows in millions of dollars: Line 34, 71,162; line 35, 11,047; line 36, 10,001; line 37, 18,946; line 38, 31,169



Table F.3.—U.S. International Transactions, by Area—Continued

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe			Canada			Latin America and Other Western Hemisphere			Japan		
		1997		1998	1997		1998	1997		1998	1997		1998
		IV	I <sup>r</sup>	II <sup>p</sup>	IV	I <sup>r</sup>	II <sup>p</sup>	IV	I <sup>r</sup>	II <sup>p</sup>	IV	I <sup>r</sup>	II <sup>p</sup>
<b>1 Exports of goods, services, and income</b> .....		<b>3,344</b>	<b>3,448</b>	<b>3,609</b>	<b>49,326</b>	<b>49,825</b>	<b>50,583</b>	<b>63,967</b>	<b>61,402</b>	<b>62,209</b>	<b>26,059</b>	<b>25,947</b>	<b>24,294</b>
2 Goods, adjusted, excluding military <sup>2</sup> .....		2,090	2,008	2,308	39,643	39,575	40,679	37,500	35,281	35,691	15,859	14,782	14,084
3 Services <sup>3</sup> .....		969	950	971	4,840	5,258	5,070	11,415	10,583	10,564	8,266	8,456	8,019
4 Transfers under U.S. military agency sales contracts <sup>4</sup> .....		112	89	67	24	23	24	156	158	174	112	638	109
5 Travel .....		282	254	379	1,282	1,823	1,780	4,779	4,309	4,223	2,467	2,085	2,580
6 Passenger fares .....		36	39	45	345	444	354	1,262	1,200	1,312	1,233	1,159	1,083
7 Other transportation .....		112	79	73	605	580	588	1,022	836	829	790	717	760
8 Royalties and license fees <sup>5</sup> .....		61	61	65	390	343	365	584	535	570	1,766	1,614	1,540
9 Other private services <sup>5</sup> .....		356	418	332	2,190	2,041	1,955	3,574	3,507	3,418	1,887	2,232	1,936
10 U.S. Government miscellaneous services .....		10	10	10	4	4	4	38	38	38	11	11	11
11 Income receipts on U.S. assets abroad .....		285	490	330	4,843	4,992	4,834	15,052	15,538	15,954	1,934	2,709	2,191
12 Direct investment receipts .....		53	231	107	2,417	2,493	2,329	4,628	4,651	4,532	344	740	581
13 Other private receipts .....		199	173	180	2,426	2,499	2,505	10,317	10,818	11,326	1,566	1,940	1,600
14 U.S. Government receipts .....		33	86	43	.....	.....	.....	107	69	96	24	29	10
<b>15 Imports of goods, services, and income</b> .....		<b>-3,138</b>	<b>-3,273</b>	<b>-3,933</b>	<b>-49,298</b>	<b>-48,896</b>	<b>-51,227</b>	<b>-57,019</b>	<b>-55,814</b>	<b>-58,185</b>	<b>-45,014</b>	<b>-42,280</b>	<b>-42,290</b>
16 Goods, adjusted, excluding military <sup>2</sup> .....		-2,247	-2,418	-2,848	-44,210	-43,891	-44,922	-36,480	-34,847	-36,767	-31,428	-30,353	-30,000
17 Services <sup>3</sup> .....		-487	-493	-669	-3,375	-3,127	-4,135	-8,525	-8,357	-8,440	-4,252	-3,764	-3,699
18 Direct defense expenditures .....		-84	-41	-50	-12	-12	-15	-93	-93	-82	-295	-362	-350
19 Travel .....		-106	-137	-262	-833	-772	-1,593	-3,777	-3,802	-3,815	-707	-625	-713
20 Passenger fares .....		-63	-51	-99	-109	-99	-143	-648	-772	-631	-198	-181	-207
21 Other transportation .....		-44	-67	-60	-800	-726	-750	-599	-571	-603	-1,097	-990	-1,012
22 Royalties and license fees <sup>5</sup> .....		-4	-5	-4	-91	-105	-94	-50	-51	-49	-666	-502	-397
23 Other private services <sup>5</sup> .....		-171	-177	-179	-1,494	-1,377	-1,504	-3,247	-2,957	-3,149	-1,255	-1,070	-986
24 U.S. Government miscellaneous services .....		-15	-15	-15	-36	-36	-36	-111	-111	-111	-34	-34	-34
25 Income payments on foreign assets in the United States .....		-404	-362	-416	-1,713	-1,878	-2,170	-12,014	-12,610	-12,978	-9,334	-8,163	-8,591
26 Direct investment payments .....		-3	-1	-2	-467	-618	-954	-474	-684	-694	-1,702	-639	-1,633
27 Other private payments .....		-142	-120	-129	-1,006	-997	-993	-8,720	-9,080	-9,349	-2,158	-2,354	-1,985
28 U.S. Government payments .....		-259	-241	-285	-240	-263	-223	-2,820	-2,846	-2,935	-5,474	-5,170	-4,973
<b>29 Unilateral transfers, net</b> .....		<b>-641</b>	<b>-671</b>	<b>-810</b>	<b>-84</b>	<b>-132</b>	<b>-111</b>	<b>-2,932</b>	<b>-2,953</b>	<b>-2,903</b>	<b>-19</b>	<b>-75</b>	<b>-21</b>
30 U.S. Government grants <sup>4</sup> .....		-292	-296	-454	.....	.....	.....	-357	-315	-243	.....	.....	.....
31 U.S. Government pensions and other transfers .....		-10	-10	-9	-102	-120	-125	-174	-160	-149	-23	-24	-22
32 Private remittances and other transfers <sup>6</sup> .....		-339	-365	-347	18	-12	14	-2,401	-2,478	-2,511	4	-51	1
<b>33 U.S. assets abroad, net (increase/capital outflow (-))</b> .....		<b>2,202</b>	<b>-165</b>	<b>-1,450</b>	<b>-6,103</b>	<b>-4,664</b>	<b>-5,593</b>	<b>-65,653</b>	<b>-16,386</b>	<b>-48,422</b>	<b>3,375</b>	<b>14,884</b>	<b>21,344</b>
34 U.S. official reserve assets, net <sup>7</sup> .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	-19	-26	-838
35 Gold .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36 Special drawing rights .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37 Reserve position in the International Monetary Fund .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38 Foreign currencies .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	-19	-26	-838
39 U.S. Government assets, other than official reserve assets, net .....		-7	-27	35	12	1	.....	94	102	178	2	10	.....
40 U.S. credits and other long-term assets .....		-56	-174	-10	.....	.....	.....	-250	-245	-132	.....	.....	.....
41 Repayments on U.S. credits and other long-term assets <sup>8</sup> .....		47	147	10	.....	.....	.....	354	347	311	.....	.....	.....
42 U.S. foreign currency holdings and U.S. short-term assets, net .....		2	.....	35	12	1	.....	-10	(*)	-1	2	10	.....
43 U.S. private assets, net .....		2,209	-138	-1,485	-6,115	-4,665	-5,593	-65,747	-16,488	-48,600	3,392	14,900	22,182
44 Direct investment .....		382	-703	-511	-1,910	-3,440	-2,268	-6,770	-5,300	-2,670	458	-494	-1,822
45 Foreign securities .....		-107	4	-428	857	46	.....	-3,200	1,927	-10,446	5,964	-3,972	4,059
46 U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....		-114	136	.....	-2,237	-662	.....	-21,400	1,247	-9,700	-746	-1,572	.....
47 U.S. claims reported by U.S. banks, not included elsewhere .....		2,048	425	-546	-2,825	-609	-2,509	-34,377	-14,362	-25,784	-2,284	20,938	19,945
<b>48 Foreign assets in the United States, net (increase/capital inflow (+))</b> .....		<b>-7,451</b>	<b>-1,303</b>	<b>-1,398</b>	<b>-114</b>	<b>458</b>	<b>4,535</b>	<b>49,519</b>	<b>10,925</b>	<b>76,296</b>	<b>16,769</b>	<b>-20,119</b>	<b>-17,877</b>
49 Foreign official assets in the United States, net .....		(18)	(18)	(18)	-2,476	1,531	-879	(18)	(18)	(18)	(18)	(18)	(18)
50 U.S. Government securities .....		(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
51 U.S. Treasury securities <sup>9</sup> .....		(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
52 Other <sup>10</sup> .....		(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
53 Other U.S. Government liabilities <sup>11</sup> .....		-25	72	-44	8	.....	5	-54	-64	-69	-136	-625	489
54 U.S. liabilities reported by U.S. banks, not included elsewhere .....		(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
55 Other foreign official assets <sup>12</sup> .....		(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
56 Other foreign assets in the United States, net .....		(18)	(18)	(18)	2,362	-1,073	5,414	(18)	(18)	(18)	(18)	(18)	(18)
57 Direct investment .....		35	32	7	2,029	791	2,278	1,951	571	1,911	2,537	3,569	2,000
58 U.S. Treasury securities .....		(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
59 U.S. currency .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60 U.S. securities other than U.S. Treasury securities .....		41	64	199	913	1,703	-537	8,805	22,842	10,299	18	-2,583	3,637
61 U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....		-63	38	.....	583	-33	.....	11,665	9,729	5,200	1,912	-1,855	.....
62 U.S. liabilities reported by U.S. banks, not included elsewhere .....		18-7,439	18-1,509	18-1,560	(17)	(17)	(17)	18-27,152	18-22,153	18-58,955	18-12,438	18-18,625	18-24,003
<b>63 Allocations of special drawing rights</b> .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>64 Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....		<b>5,684</b>	<b>1,964</b>	<b>3,982</b>	<b>6,273</b>	<b>3,409</b>	<b>1,813</b>	<b>12,118</b>	<b>2,826</b>	<b>-28,995</b>	<b>-1,170</b>	<b>21,643</b>	<b>14,550</b>
<b>Memoranda:</b>													
65 Balance on goods (lines 2 and 16) .....		-157	-410	-540	-4,567	-4,316	-4,243	1,020	434	-1,076	-15,569	-15,571	-15,916
66 Balance on services (lines 3 and 17) .....		482	457	302	1,465	2,131	935	2,890	2,226	2,124	4,014	4,692	4,320
67 Balance on goods and services (lines 65 and 66) .....		325	47	-238	-3,102	-2,185	-3,308	3,910	2,660	1,048	-11,555	-10,879	-11,596
68 Balance on investment income (lines 11 and 25) .....		-119	128	-86	3,130	3,114	2,664	3,038	2,928	2,976	-7,400	-5,454	-6,400
69 Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup> .....		206	175	-324	28	929	-644	6,948	5,588	4,024	-18,955	-16,333	-17,996
70 Unilateral transfers, net (line 29) .....		-641	-671	-810	-84	-132	-111	-2,932	-2,953	-2,903	-19	-75	-21
71 Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup> .....		-435	-496	-1,134	-56	797	-755	4,016	2,635	1,121	-18,974	-16,408	-18,017

8. Includes sales of foreign obligations to foreigners.

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

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

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 SURVEY.

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

13. Conceptually, the sum of lines 71 and 63 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (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 on page D-74 of this issue. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the August issue of the SURVEY).

Table F.3.—U.S. International Transactions, by Area—Continued

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Australia			Other countries in Asia and Africa			International organizations and unallocated <sup>15</sup>		
		1997	1998		1997	1998		1997	1998	
			I <sup>r</sup>	II <sup>r</sup>		I <sup>r</sup>	II <sup>r</sup>		I <sup>r</sup>	II <sup>r</sup>
			IV	I <sup>r</sup>		II <sup>r</sup>	IV		I <sup>r</sup>	II <sup>r</sup>
1	<b>Exports of goods, services, and income</b>	<b>5,734</b>	<b>5,698</b>	<b>5,550</b>	<b>60,062</b>	<b>53,789</b>	<b>51,664</b>	<b>5,919</b>	<b>5,849</b>	<b>6,007</b>
2	Goods, adjusted, excluding military <sup>2</sup>	2,899	3,109	2,863	40,845	34,244	32,944			
3	Services <sup>3</sup>	1,523	1,306	1,367	13,304	13,706	13,119	1,456	1,503	1,486
4	Transfers under U.S. military agency sales contracts <sup>4</sup>	221	212	219	2,425	2,486	2,394			
5	Travel	443	337	361	2,405	2,126	2,847			
6	Passenger fares	161	117	123	419	377	401			
7	Other transportation	87	76	78	2,191	1,999	1,990	124	130	147
8	Royalties and license fees <sup>5</sup>	182	158	174	1,119	1,046	1,071	459	434	442
9	Other private services <sup>5</sup>	425	402	406	4,662	5,584	4,328	873	939	897
10	U.S. Government miscellaneous services	4	4	6	83	88	88			
11	Income receipts on U.S. assets abroad	1,312	1,283	1,320	5,913	5,839	5,601	4,463	4,346	4,521
12	Direct investment receipts	604	508	556	2,840	2,916	2,627	2,455	2,319	2,464
13	Other private receipts	708	775	764	2,786	2,646	2,742	1,858	1,845	1,862
14	U.S. Government receipts			287	277	232	232	150	182	195
15	<b>Imports of goods, services, and income</b>	<b>-2,455</b>	<b>-2,441</b>	<b>-2,434</b>	<b>-81,694</b>	<b>-76,018</b>	<b>-79,195</b>	<b>-2,355</b>	<b>-2,748</b>	<b>-2,464</b>
16	Goods, adjusted, excluding military <sup>2</sup>	-1,261	-1,262	-1,430	-66,993	-61,035	-63,870			
17	Services <sup>3</sup>	-719	-722	-573	-8,096	-8,179	-8,347	-669	-1,054	-653
18	Direct defense expenditures	-12	-11	-12	-828	-892	-871			
19	Travel	-251	-260	-158	-2,211	-2,427	-2,448			
20	Passenger fares	-148	-150	-112	-1,116	-1,103	-1,190			
21	Other transportation	-63	-67	-42	-1,942	-1,796	-1,842	-272	-332	-362
22	Royalties and license fees <sup>5</sup>	-9	-17	-11	-42	-38	-41	-184	-545	-173
23	Other private services <sup>5</sup>	-224	-205	-226	-1,758	-1,721	-1,753	-213	-177	-118
24	U.S. Government miscellaneous services	-12	-12	-12	-199	-202	-202			
25	Income payments on foreign assets in the United States	-475	-457	-431	-6,605	-6,804	-6,978	-1,686	-1,694	-1,811
26	Direct investment payments	-215	-190	-194	121	182	148	-927	-902	-963
27	Other private payments	-148	-172	-161	-2,460	-2,653	-2,565	-758	-789	-835
28	U.S. Government payments	-112	-95	-76	-4,266	-4,333	-4,563	-1	-3	-13
29	<b>Unilateral transfers, net</b>	<b>-24</b>	<b>-40</b>	<b>-32</b>	<b>-6,173</b>	<b>-3,433</b>	<b>-2,772</b>	<b>-2,612</b>	<b>-2,272</b>	<b>-2,178</b>
30	U.S. Government grants <sup>4</sup>				-4,369	-1,338	-928	-137	-247	-239
31	U.S. Government pensions and other transfers	-9	-9	-9	-122	-122	-122	-532	-241	-138
32	Private remittances and other transfers <sup>6</sup>	-15	-31	-23	-1,682	-1,973	-1,722	-1,943	-1,784	-1,801
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-1,966</b>	<b>-1,431</b>	<b>-6,206</b>	<b>-375</b>	<b>4,618</b>	<b>-1,463</b>	<b>-6,453</b>	<b>-3,037</b>	<b>-133</b>
34	U.S. official reserve assets, net <sup>7</sup>							-4,371	-267	-959
35	Gold									
36	Special drawing rights							-150	-182	72
37	Reserve position in the International Monetary Fund							-4,221	-85	-1,031
38	Foreign currencies									
39	U.S. Government assets, other than official reserve assets, net	1	-1	3	-24	-374	-383	-254	-286	-317
40	U.S. credits and other long-term assets				-474	-391	-641	-254	-286	-317
41	Repayments on U.S. credits and other long-term assets <sup>8</sup>				437	410	270			
42	U.S. foreign currency holdings and U.S. short-term assets, net	1	-1	3	13	-393	-12			
43	U.S. private assets, net	-1,967	-1,430	-6,209	-351	4,992	-1,080	-1,828	-2,484	1,143
44	Direct investment	-542	-1,316	-3,630	-2,375	-2,178	-1,608	-2,391	-1,727	-3,326
45	Foreign securities	-566	-15	-1,251	-4,439	-3,778	-4,747	936	-125	158
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-687	128		-155	-690		-15	18	3,337
47	U.S. claims reported by U.S. banks, not included elsewhere	-172	-227	-1,328	6,618	11,638	5,275	-358	-650	-26
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>1,275</b>	<b>-674</b>	<b>1,121</b>	<b>2,565</b>	<b>19,974</b>	<b>-1,570</b>	<b>10,046</b>	<b>7,754</b>	<b>8,667</b>
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)			
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)			
51	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
52	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
53	Other U.S. Government liabilities <sup>11</sup>	-160	-178	-179	17	-167	-649			
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)			
55	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	10,046	7,754	8,667
57	Direct investment	304	1,475	497	988	-2,116	205	771	811	838
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency							9,900	746	2,349
60	U.S. securities other than U.S. Treasury securities	-173	175	-326	373	3,217	647	38	-74	215
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-88	-159		-1,103	1,563		19	57	8,189
62	U.S. liabilities reported by U.S. banks, not included elsewhere	18 1,392	18 -1,987	18 1,129	18 2,290	18 17,477	18 -1,773	18 -682	18 6,214	18 -2,924
63	<b>Allocations of special drawing rights</b>									
64	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b>	<b>-2,564</b>	<b>-1,112</b>	<b>2,001</b>	<b>25,615</b>	<b>1,070</b>	<b>33,336</b>	<b>-4,545</b>	<b>-5,546</b>	<b>-9,899</b>
65	<b>Memoranda:</b>									
66	Balance on goods (lines 2 and 16)	1,638	1,847	1,433	-26,148	-26,791	-30,926			
67	Balance on services (lines 3 and 17)	804	584	794	5,208	5,527	4,772	787	449	833
68	Balance on goods and services (lines 65 and 66)	2,442	2,431	2,227	-20,940	-21,264	-26,154	787	449	833
69	Balance on investment income (lines 11 and 25)	837	826	889	-692	-965	-1,377	2,777	2,652	2,710
70	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup>	3,279	3,257	3,116	-21,632	-22,229	-27,531	3,564	3,101	3,543
71	Unilateral transfers, net (line 29)	-24	-40	-32	-6,173	-3,433	-2,772	-2,612	-2,272	-2,178
70	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup>	3,255	3,217	3,084	-27,805	-25,662	-30,303	952	829	1,365

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

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

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also

includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; small 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 not shown separately; see totals in lines 49 and 56.

18. Details not shown separately are included in line 62.

NOTE.—The data in tables F.2 and F.3 are from tables 1 and 10 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

Table F.4.—Private Service Transactions

[Millions of dollars]

Line		1996	1997	Seasonally adjusted					
				1997				1998	
				I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>
1	<b>Exports of private services</b> .....	<b>222,134</b>	<b>239,215</b>	<b>58,144</b>	<b>59,695</b>	<b>60,545</b>	<b>60,827</b>	<b>60,203</b>	<b>61,184</b>
2	Travel (table F.2, line 5) .....	69,751	73,268	18,197	18,542	18,325	18,204	17,967	18,235
3	Passenger fares (table F.2, line 6) .....	20,413	20,895	5,130	5,189	5,212	5,364	5,198	5,287
4	Other transportation (table F.2, line 7) .....	26,074	26,911	6,698	6,724	6,678	6,809	6,460	6,392
5	Freight .....	11,146	11,773	2,913	2,910	2,919	3,031	2,901	2,754
6	Port services .....	14,929	15,137	3,785	3,814	3,759	3,778	3,559	3,638
7	Royalties and license fees (table F.2, line 8) .....	32,823	33,676	8,306	8,407	8,580	8,381	8,675	8,872
8	Affiliated .....	24,710	25,515	6,267	6,373	6,543	6,330	6,600	6,767
9	U.S. parents' receipts .....	22,781	23,457	5,905	5,897	5,929	5,724	5,905	6,103
10	U.S. affiliates' receipts .....	1,929	2,058	362	476	614	606	695	664
11	Unaffiliated .....	8,113	8,161	2,039	2,034	2,037	2,051	2,075	2,105
12	Industrial processes <sup>1</sup> .....	3,488	3,272	832	819	812	809	811	815
13	Other <sup>2</sup> .....	4,625	4,889	1,207	1,215	1,225	1,242	1,264	1,290
14	Other private services (table F.2, line 9) .....	73,073	84,465	19,813	20,833	21,750	22,069	21,903	22,398
15	Affiliated services .....	23,779	26,336	6,250	6,579	6,791	6,717	6,644	6,867
16	U.S. parents' receipts .....	14,772	16,164	3,794	4,045	4,128	4,198	4,101	4,097
17	U.S. affiliates' receipts .....	9,007	10,172	2,456	2,534	2,663	2,519	2,543	2,770
18	Unaffiliated services .....	49,295	58,128	13,563	14,254	14,959	15,352	15,259	15,531
19	Education .....	7,888	8,278	2,013	2,052	2,108	2,105	2,100	2,096
20	Financial services .....	8,382	11,064	2,395	2,598	2,914	3,157	2,891	3,170
21	Insurance, net .....	1,971	2,391	578	592	605	616	629	642
22	Premiums received .....	5,978	5,952	1,494	1,485	1,483	1,491	1,508	1,531
23	Losses paid .....	4,007	3,561	916	892	879	875	880	890
24	Telecommunications .....	3,270	3,771	889	938	956	987	969	895
25	Business, professional, and technical services .....	17,599	21,304	4,946	5,293	5,500	5,564	5,669	5,756
26	Other unaffiliated services <sup>3</sup> .....	10,185	11,321	2,742	2,780	2,876	2,923	3,001	2,973
27	<b>Imports of private services</b> .....	<b>142,261</b>	<b>156,236</b>	<b>37,610</b>	<b>38,817</b>	<b>39,769</b>	<b>40,039</b>	<b>40,530</b>	<b>40,833</b>
28	Travel (table F.2, line 19) .....	48,048	51,220	12,736	12,764	12,897	12,823	13,309	13,422
29	Passenger fares (table F.2, line 20) .....	15,818	18,235	4,311	4,663	4,704	4,557	4,650	4,709
30	Other transportation (table F.2, line 21) .....	27,403	28,949	7,034	7,317	7,200	7,397	7,250	7,389
31	Freight .....	16,539	17,644	4,201	4,581	4,408	4,454	4,461	4,674
32	Port services .....	10,864	11,305	2,833	2,736	2,792	2,943	2,789	2,715
33	Royalties and license fees (table F.2, line 22) .....	7,854	9,411	2,106	2,168	2,559	2,578	2,850	2,467
34	Affiliated .....	5,506	7,087	1,566	1,600	1,941	1,980	1,877	1,862
35	U.S. parents' payments .....	766	955	217	220	235	284	247	260
36	U.S. affiliates' payments .....	4,740	6,132	1,349	1,380	1,706	1,696	1,630	1,602
37	Unaffiliated .....	2,347	2,324	540	568	618	598	973	605
38	Industrial processes <sup>1</sup> .....	1,233	1,265	320	315	313	317	324	335
39	Other <sup>2</sup> .....	1,115	1,060	221	253	305	282	649	270
40	Other private services (table F.2, line 23) .....	43,138	48,421	11,423	11,905	12,409	12,684	12,471	12,846
41	Affiliated services .....	16,668	18,324	4,414	4,473	4,635	4,801	4,419	4,788
42	U.S. parents' payments .....	8,089	9,407	2,179	2,355	2,427	2,445	2,324	2,472
43	U.S. affiliates' payments .....	8,579	8,917	2,235	2,118	2,208	2,356	2,095	2,316
44	Unaffiliated services .....	26,469	30,098	7,009	7,432	7,774	7,883	8,052	8,058
45	Education .....	1,247	1,347	318	333	346	349	348	364
46	Financial services .....	2,995	3,906	846	1,002	1,093	965	999	989
47	Insurance, net .....	3,773	5,208	1,115	1,261	1,381	1,452	1,477	1,471
48	Premiums paid .....	14,652	15,036	3,683	3,735	3,787	3,832	3,869	3,900
49	Losses recovered .....	10,879	9,828	2,568	2,474	2,406	2,380	2,392	2,429
50	Telecommunications .....	8,304	8,113	2,006	1,999	2,028	2,080	2,121	2,049
51	Business, professional, and technical services .....	5,550	6,571	1,543	1,615	1,676	1,737	1,832	1,905
52	Other unaffiliated services <sup>3</sup> .....	4,600	4,952	1,181	1,221	1,251	1,299	1,275	1,280
	<b>Memoranda:</b>								
53	Balance on goods (table F.2, line 65) .....	-191,337	-197,954	-49,723	-49,096	-49,296	-49,839	-55,698	-64,831
54	Balance on private services (line 1 minus line 27) .....	79,873	82,979	20,534	20,878	20,776	20,788	19,673	20,351
55	Balance on goods and private services (lines 53 and 54) .....	-111,464	-114,975	-29,189	-28,218	-28,520	-29,051	-36,025	-44,480

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

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.

2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign govern-

ments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

NOTE.—The data in table F.4 are from table 3 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

## G. Investment Tables

Table G.1.—International Investment Position of the United States at Yearend, 1996 and 1997

[Millions of dollars]

Line	Type of investment	Position 1996 <sup>r</sup>	Changes in position in 1997 (decrease (-))				Position 1997 <sup>r</sup>	
			Attributable to:					
			Capital flows	Valuation adjustments				Total (a+b+c+d)
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
(a)	(b)	(c)	(d)	(a+b+c+d)				
<b>Net international investment position of the United States:</b>								
1	With direct investment positions at current cost (line 3 less line 24)	-767,076	-254,939	-51,669	-127,725	-22,159	-456,492	-1,223,568
2	With direct investment positions at market value (line 4 less line 25)	-743,656	-254,939	-116,094	-197,805	-9,961	-578,799	-1,322,455
<b>U.S. assets abroad:</b>								
3	With direct investment positions at current cost (lines 5+10+15) ...	3,767,018	478,502	175,135	-155,352	-27,992	470,293	4,237,311
4	With direct investment positions at market value (lines 5+10+16) ...	4,347,148	478,502	416,045	-224,102	-10,474	659,971	5,007,119
5	U.S. official reserve assets .....	160,739	1,010	-20,762	-6,144	-7	-25,903	134,836
6	Gold .....	96,698	.....	<sup>3</sup> -20,762	.....	<sup>4</sup> -7	-20,769	75,929
7	Special drawing rights .....	10,312	350	.....	-635	.....	-285	10,027
8	Reserve position in the International Monetary Fund .....	15,435	3,575	.....	-939	.....	2,636	18,071
9	Foreign currencies .....	38,294	-2,915	.....	-4,570	.....	-7,485	30,809
10	U.S. Government assets, other than official reserve assets .....	81,677	-174	.....	-17	-3	-194	81,483
11	U.S. credits and other long-term assets <sup>5</sup> .....	79,786	-202	.....	-8	-3	-213	79,573
12	Repayable in dollars .....	79,114	-168	.....	.....	-4	-172	78,942
13	Other <sup>6</sup> .....	672	-34	.....	-8	1	-41	631
14	U.S. foreign currency holdings and U.S. short-term assets .....	1,891	28	.....	-9	.....	19	1,910
<b>U.S. private assets:</b>								
15	With direct investment at current cost (lines 17+19+22+23) .....	3,524,602	477,666	195,897	-149,191	-27,982	496,390	4,020,992
16	With direct investment at market value (lines 18+19+22+23) .....	4,104,732	477,666	436,807	-217,941	-10,464	686,068	4,790,800
<b>Direct investment abroad:</b>								
17	At current cost .....	936,954	121,843	9,325	-28,998	-15,252	86,918	1,023,872
18	At market value .....	1,517,084	121,843	250,235	-97,748	2,266	276,596	1,793,680
19	Foreign securities .....	1,280,159	87,981	186,572	-108,411	.....	166,142	1,446,301
20	Bonds .....	403,373	46,723	8,671	-13,718	.....	41,676	445,049
21	Corporate stocks .....	876,786	41,258	177,901	-94,693	.....	124,466	1,001,252
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	449,978	120,403	.....	-7,724	-261	112,418	562,396
23	U.S. claims reported by U.S. banks, not included elsewhere .....	857,511	147,439	.....	-4,058	-12,469	130,912	988,423
<b>Foreign assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33) .....	4,534,094	733,441	226,804	-27,627	-5,833	926,785	5,460,879
25	With direct investment at market value (lines 26+34) .....	5,090,804	733,441	532,139	-26,297	-513	1,238,770	6,329,574
26	Foreign official assets in the United States .....	801,062	15,817	16,968	.....	54	32,839	833,901
27	U.S. Government securities .....	612,656	-2,936	4,615	.....	55	1,734	614,390
28	U.S. Treasury securities .....	592,891	-7,270	4,174	.....	55	-3,041	589,850
29	Other .....	19,765	4,334	441	.....	.....	4,775	24,540
30	Other U.S. Government liabilities <sup>7</sup> .....	23,099	-2,521	.....	.....	-1	-2,522	20,577
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	113,098	21,928	.....	.....	.....	21,928	135,026
32	Other foreign official assets .....	52,209	-654	12,353	.....	.....	11,699	63,908
<b>Other foreign assets:</b>								
33	With direct investment at current cost (lines 35+37+38+39+42+43) ...	3,733,032	717,624	209,836	-27,627	-5,887	893,946	4,626,978
34	With direct investment at market value (lines 36+37+38+39+42+43) ...	4,289,742	717,624	515,171	-26,297	-567	1,205,931	5,495,673
<b>Direct investment in the United States:</b>								
35	At current cost .....	666,962	93,449	-2,680	-1,330	-4,556	84,883	751,845
36	At market value .....	1,223,672	93,449	302,655	.....	764	396,868	1,620,540
37	U.S. Treasury securities .....	504,792	146,710	10,459	.....	.....	157,169	661,961
38	U.S. currency .....	186,843	24,782	.....	.....	.....	24,782	211,625
39	U.S. securities other than U.S. Treasury securities .....	1,199,460	196,845	202,057	-20,378	.....	378,524	1,577,984
40	Corporate and other bonds .....	588,043	130,879	19,532	-20,378	.....	130,033	718,076
41	Corporate stocks .....	611,417	65,966	182,525	.....	.....	248,491	859,908
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	346,727	107,779	.....	380	-1,331	106,828	453,555
43	U.S. liabilities reported by U.S. banks, not included elsewhere .....	828,248	148,059	.....	-6,299	.....	141,760	970,008

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

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

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

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

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These monetizations/monetizations are not included in international transactions capital flows.

5. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

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

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

NOTE.—The data in this table are from table 1 in "International Investment Position of the United States in 1997" in the July 1998 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2.—U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1995–97

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
<b>All countries, all industries</b> .....	<b>699,015</b>	<b>777,203</b>	<b>860,723</b>	<b>92,074</b>	<b>74,833</b>	<b>114,537</b>	<b>87,346</b>	<b>92,105</b>	<b>100,703</b>
<b>By country</b>									
Canada .....	83,498	91,301	99,859	8,602	7,260	10,734	8,799	9,024	10,692
Europe .....	344,596	382,366	420,934	52,275	35,992	60,558	40,853	43,179	47,869
<i>Of which:</i>									
France .....	33,358	33,746	34,615	5,196	4,750	3,166	2,707	3,389	2,637
Germany .....	44,242	44,651	43,931	3,349	1,467	3,002	4,215	3,842	4,117
Netherlands .....	42,113	54,437	64,648	9,386	6,914	14,329	7,456	8,667	10,240
United Kingdom .....	106,332	122,692	138,765	13,830	12,080	22,435	10,921	12,016	12,898
Latin America and Other Western Hemisphere .....	131,377	147,535	172,481	16,040	16,081	23,784	16,210	17,810	19,992
<i>Of which:</i>									
Brazil .....	25,002	28,699	35,727	6,954	3,812	6,545	3,759	4,104	4,551
Mexico .....	16,873	19,900	25,395	2,983	2,713	5,933	1,585	2,862	3,969
Africa .....	6,017	6,832	10,253	352	739	3,790	1,797	1,797	1,887
Middle East .....	7,198	7,793	8,959	879	538	1,111	1,373	1,411	1,562
Asia and Pacific .....	122,711	136,481	142,704	14,342	12,190	13,815	18,146	18,562	18,325
<i>Of which:</i>									
Australia .....	24,328	28,409	26,125	5,537	3,071	1,101	2,769	2,846	3,288
Japan .....	37,309	35,684	35,569	2,336	-326	781	4,091	3,414	3,198
International .....	3,618	4,896	5,533	-416	2,034	746	167	322	376
<b>By industry</b>									
Petroleum .....	68,639	74,499	85,726	675	5,058	11,455	9,036	11,692	12,114
Manufacturing .....	243,954	272,244	288,290	44,472	25,149	32,280	34,325	34,365	37,532
Food and kindred products .....	28,896	32,998	38,380	3,718	2,700	6,325	4,480	4,826	5,116
Chemicals and allied products .....	61,374	72,209	73,487	16,924	5,657	8,026	8,614	9,525	9,415
Primary and fabricated metals .....	11,555	14,178	14,732	1,570	5,283	1,054	1,380	1,353	1,535
Industrial machinery and equipment .....	29,626	31,597	33,563	4,408	2,565	4,529	4,251	4,555	5,083
Electronic and other electric equipment .....	27,514	31,623	33,833	7,060	3,883	3,930	4,466	4,217	4,861
Transportation equipment .....	34,076	33,839	36,439	5,888	561	3,846	3,709	3,182	4,842
Other manufacturing .....	50,913	55,801	57,855	4,903	4,500	4,570	7,425	6,707	6,679
Wholesale trade .....	68,102	69,638	69,080	8,880	5,701	3,403	9,118	8,488	9,041
Depository institutions .....	29,181	33,673	34,359	1,032	1,488	2,935	3,242	3,083	2,953
Finance (except depository institutions), insurance, and real estate .....	218,313	240,972	280,920	22,001	23,035	45,410	24,589	27,817	29,815
Services .....	29,721	35,793	40,874	4,014	3,343	5,464	4,136	3,588	5,258
Other industries .....	41,105	50,384	61,475	11,000	11,061	13,591	2,902	3,072	3,991

NOTE.—In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 17 and 18 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997" in the October 1998 issue of the SURVEY OF CURRENT BUSINESS.

**Table G.3.—Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies, by Country and by Industry of Affiliate, 1996**

	Number of affiliates	Millions of dollars			Thousands of employees
		Total assets	Sales	Net income	
<b>All countries, all industries</b> .....	<b>21,901</b>	<b>3,075,516</b>	<b>2,227,014</b>	<b>135,108</b>	<b>7,616.5</b>
<b>By country</b>					
Canada .....	2,027	276,622	253,783	10,866	921.8
Europe .....	10,745	1,751,550	1,178,077	68,478	3,194.2
<i>Of which:</i>					
France .....	1,257	141,315	134,816	4,549	451.5
Germany .....	1,374	222,802	244,658	7,766	607.9
Italy .....	761	60,524	72,170	2,049	186.1
Netherlands .....	1,051	161,889	122,760	13,823	160.8
Switzerland .....	520	81,964	61,964	7,336	52.4
United Kingdom .....	2,447	813,742	310,685	14,998	976.4
Latin America and Other Western Hemisphere .....	3,366	370,529	223,869	24,112	1,529.2
<i>Of which:</i>					
Brazil .....	417	60,037	56,026	4,101	318.2
Mexico .....	847	67,437	71,739	7,021	733.9
Africa .....	522	28,979	23,170	2,475	122.0
Middle East .....	346	34,991	23,667	3,309	79.1
Asia and Pacific .....	4,791	592,420	517,020	24,869	1,756.9
<i>Of which:</i>					
Australia .....	878	94,457	70,036	3,322	275.1
Japan .....	1,005	248,312	204,364	5,684	405.4
International .....	104	20,424	7,427	999	13.2
<b>By industry</b>					
Petroleum .....	1,575	295,592	380,364	18,166	236.0
Manufacturing .....	8,162	846,555	1,041,357	54,026	4,477.9
Food and kindred products .....	778	111,189	121,167	6,973	557.1
Chemicals and allied products .....	1,990	204,573	199,326	16,417	611.1
Primary and fabricated metals .....	733	42,238	43,005	1,594	244.7
Industrial machinery and equipment .....	1,012	110,215	167,313	6,782	527.2
Electronic and other electric equipment .....	859	77,154	99,884	5,841	838.5
Transportation equipment .....	526	133,225	233,763	4,970	707.5
Other manufacturing .....	2,264	167,960	176,900	11,449	991.9
Wholesale trade .....	4,976	210,485	393,052	14,229	563.3
Finance (except depository institutions), insurance, and real estate .....	2,940	1,333,484	117,435	35,223	196.2
Services .....	2,676	131,702	115,569	4,950	829.1
Other industries .....	1,572	257,698	179,235	8,514	1,314.0

NOTE.—The data in this table are from "U.S. Multinational Companies: Operations in 1996" in the September 1998 issue of the SURVEY OF CURRENT BUSINESS.

**Table G.4.—Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of Affiliate, 1995–97**

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
<b>All countries, all industries</b> .....	<b>535,553</b>	<b>594,088</b>	<b>681,651</b>	<b>58,772</b>	<b>76,453</b>	<b>90,748</b>	<b>30,931</b>	<b>31,970</b>	<b>42,502</b>
<b>By country</b>									
Canada .....	45,618	54,799	64,022	4,824	8,235	9,411	3,658	3,295	3,215
Europe .....	332,374	368,322	425,220	39,686	51,672	60,021	21,745	24,759	31,245
<i>Of which:</i>									
France .....	36,167	41,132	47,088	2,725	5,983	8,728	1,729	2,570	3,037
Germany .....	46,017	59,863	69,701	7,908	18,995	10,712	1,642	2,283	3,003
Netherlands .....	65,116	74,320	84,862	-1,526	11,487	10,274	5,003	6,592	7,175
United Kingdom .....	116,272	121,288	129,551	16,255	11,000	8,582	10,630	9,593	11,700
Latin America and Other Western Hemisphere .....	27,873	29,180	35,701	2,886	3,266	5,921	1,206	1,566	2,003
<i>Of which:</i>									
Brazil .....	750	689	698	116	-60	48	91	48	44
Mexico .....	1,850	1,436	1,723	-263	38	145	23	28	180
Africa .....	1,113	645	1,608	-117	-460	942	31	-118	-105
Middle East .....	5,801	5,977	6,882	-360	538	866	140	166	607
Asia and Pacific .....	122,774	135,166	148,218	11,854	13,202	13,587	4,152	2,303	5,537
<i>Of which:</i>									
Australia .....	10,356	13,877	16,229	2,003	3,739	2,557	435	362	61
Japan .....	104,997	114,534	123,514	8,118	10,214	9,430	3,611	3,159	6,363
<b>By industry</b>									
Petroleum .....	34,907	43,770	47,679	3,863	8,842	4,462	3,274	4,369	4,721
Manufacturing .....	214,504	242,320	267,070	28,739	34,500	36,228	15,431	16,220	19,172
Food and kindred products .....	27,032	27,897	27,473	5,652	1,829	-133	1,736	1,983	1,838
Chemicals and allied products .....	72,125	76,708	88,767	11,771	6,692	14,494	5,806	5,159	6,125
Primary and fabricated metals .....	14,193	17,364	20,454	403	4,968	2,235	1,245	1,046	1,487
Machinery .....	37,098	39,114	46,027	3,516	2,429	7,400	2,209	1,207	2,836
Other manufacturing .....	64,056	81,238	84,349	7,398	18,583	12,233	4,435	6,824	6,886
Wholesale trade .....	66,871	75,115	87,564	6,556	8,247	11,275	3,847	2,448	3,617
Retail trade .....	12,533	13,733	16,093	1,336	2,506	1,320	538	513	669
Depository institutions .....	33,883	32,161	37,099	6,879	555	5,840	4,578	2,883	3,489
Finance, except depository institutions .....	34,803	37,658	42,526	4,009	4,443	5,078	472	1,182	2,108
Insurance .....	50,647	54,715	69,092	3,807	7,409	11,090	1,837	2,794	5,050
Real estate .....	30,170	33,179	34,118	-639	541	658	-609	-69	511
Services .....	32,058	32,358	45,604	1,551	3,838	7,164	-132	404	974
Other industries .....	25,176	29,080	34,806	2,672	5,572	7,632	1,695	1,225	2,191

NOTE.—In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997" in the September 1998 issue of the SURVEY OF CURRENT BUSINESS.

**Table G.5.—Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies, by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 1996**

	Number of affiliates	Millions of dollars				Thousands of employees	Millions of dollars	
		Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
<b>All countries, all industries</b> .....	<b>12,626</b>	<b>2,613,985</b>	<b>1,596,022</b>	<b>21,110</b>	<b>339,485</b>	<b>4,977.5</b>	<b>136,588</b>	<b>252,990</b>
<b>By country</b>								
Canada .....	1,289	263,862	121,650	5,035	30,026	618.6	5,658	14,123
Europe .....	5,411	1,507,678	881,931	15,885	218,174	3,103.9	63,104	86,533
<i>Of which:</i>								
France .....	667	274,775	127,434	3,120	32,584	411.8	18,386	12,888
Germany .....	1,328	249,891	168,151	3,096	40,467	610.2	13,493	28,304
Netherlands .....	397	180,292	111,395	2,785	29,299	378.8	4,468	8,969
Switzerland .....	623	275,890	96,026	310	19,461	306.2	6,457	7,550
United Kingdom .....	1,203	413,966	277,026	5,890	73,960	972.6	12,354	13,267
Latin America and Other Western Hemisphere .....	1,088	57,482	53,767	147	12,699	155.4	5,725	10,621
<i>Of which:</i>								
Brazil .....	78	10,652	4,462	160	283	4.5	1,192	1,241
Mexico .....	275	8,454	7,982	-643	1,439	35.8	688	2,248
Africa .....	74	11,708	10,605	733	2,555	22.7	522	560
Middle East .....	430	26,501	21,024	-258	5,292	61.8	607	5,481
Asia and Pacific .....	4,249	635,683	487,580	-3,370	65,469	972.9	60,077	134,416
<i>Of which:</i>								
Australia .....	171	44,617	23,013	243	5,539	77.4	1,268	1,375
Japan .....	3,240	549,408	418,320	-2,271	54,560	776.4	52,555	117,433
United States .....	85	111,071	19,466	2,938	5,270	42.2	894	1,255
<b>By industry</b>								
Petroleum .....	236	114,735	152,832	5,586	32,733	111.8	9,984	21,080
Manufacturing .....	2,950	578,886	552,023	7,153	156,354	2,213.6	58,821	78,531
Food and kindred products .....	257	58,624	49,562	3,591	11,783	205.4	2,848	3,379
Chemicals and allied products .....	338	180,996	134,451	549	42,095	409.8	15,656	14,254
Primary and fabricated metals .....	407	60,804	62,902	1,010	16,079	233.3	4,066	7,390
Machinery .....	736	95,234	124,066	-737	31,863	536.8	20,575	28,733
Other manufacturing .....	1,212	183,228	181,042	2,738	54,534	828.4	15,677	24,776
Wholesale trade .....	2,230	233,829	466,700	2,839	41,973	488.6	62,792	147,958
Retail trade .....	352	50,063	94,028	377	24,544	821.0	1,507	3,408
Finance, except depository institutions .....	907	705,181	58,230	64	6,001	49.3	15	21
Insurance .....	161	575,947	89,625	5,306	10,658	152.0	0	0
Real estate .....	3,507	100,549	13,903	-1,718	4,984	27.1	7	1
Services .....	1,283	105,297	56,247	-3,402	21,840	633.8	738	1,173
Other industries .....	1,000	149,497	112,434	4,907	40,398	480.3	2,725	818

<sup>D</sup> Suppressed to avoid disclosure of data of individual companies.

NOTE.—The data in this table are from "Foreign Direct Investment in the United States: New Investment in 1997 and Affiliate Operations in 1996" in the June 1998 issue of the SURVEY OF CURRENT BUSINESS.



## H. International Perspectives

Quarterly data in this table are shown in the middle month of the quarter.

Table H.1.—International Perspectives

	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Exchange rates per U.S. dollar (not seasonally adjusted)																
Canada (Can./US\$) .....	1.3638	1.3849	1.3872	1.3872	1.3869	1.4128	1.4271	1.4409	1.4334	1.4166	1.4298	1.4452	1.4655	1.4869	1.5346	1.5218
France (FFr/US\$) .....	5.1158	5.8393	6.2010	6.0031	5.8954	5.8001	5.9542	6.0832	6.0744	6.1257	6.0782	5.9528	6.0118	6.0280	5.9912	5.6969
Germany (DM/US\$) .....	1.5049	1.7348	1.8400	1.7862	1.7575	1.7323	1.7788	1.8165	1.8123	1.8272	1.8132	1.7753	1.7928	1.7976	1.7869	1.6990
Italy (L/US\$) .....	15.4276	17.0381	17.9712	17.4322	17.2109	16.9708	17.4386	17.8787	17.8828	17.9907	17.9124	17.5079	17.6632	17.7242	17.6301	16.7892
Japan (¥/US\$) .....	1.0878	1.2106	1.1793	1.2089	1.2106	1.2538	1.2973	1.2955	1.2585	1.2908	1.3175	1.3490	1.4033	1.4079	1.4468	1.3448
Mexico (Peso/US\$) .....	7.6004	7.9177	7.7818	7.7809	7.8708	8.2716	8.1271	8.2272	8.5021	8.5681	8.5017	8.5848	8.9200	8.8990	9.3712	10.2192
United Kingdom (US\$/£) .....	1.5607	1.6376	1.6035	1.6013	1.6330	1.6889	1.6597	1.6350	1.6408	1.6619	1.6723	1.6382	1.6504	1.6437	1.6342	1.6823
Addendum: Exchange value of the U.S. dollar <sup>1</sup> .....	87.34	96.38	99.96	98.29	97.07	96.37	98.82	100.52	99.93	100.47	100.30	99.61	100.90	101.38	101.80	97.17
Unemployment rates (percent, seasonally adjusted)																
Canada .....	9.7	9.2	9.0	9.0	9.1	9.0	8.6	8.9	8.6	8.5	8.4	8.4	8.4	8.4	8.3	8.3
France .....	12.3	12.5	12.5	12.5	12.5	12.4	12.3	12.2	12.1	12.0	11.9	11.9	11.8	11.8	11.8	11.7
Germany .....	10.4	11.5	11.7	11.7	11.8	11.8	11.8	11.5	11.5	11.5	11.3	11.2	11.0	10.9	10.9	10.7
Italy .....	12.1	12.3	12.1	.....	.....	12.2	.....	.....	12.0	.....	.....	12.4	.....	.....	12.4	.....
Japan .....	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.6	3.9	4.1	4.1	4.3	4.1	4.3	4.3
Mexico .....	5.5	3.7	3.5	3.3	3.2	3.5	3.4	3.5	3.4	3.3	3.3	3.2	3.4	3.0	3.0	3.1
United Kingdom .....	7.3	5.5	5.3	5.2	5.1	5.0	4.9	4.9	4.8	4.8	4.8	4.8	4.8	4.7	4.6	4.6
Addendum: United States .....	5.4	4.9	4.9	4.9	4.8	4.6	4.7	4.7	4.6	4.7	4.3	4.3	4.5	4.5	4.5	4.6
Consumer prices (seasonally adjusted, 1990=100)																
Canada .....	113.5	115.3	115.7	115.6	115.7	115.5	115.4	116.0	116.1	116.2	116.1	116.5	116.7	116.7	116.7	116.4
France .....	113.8	115.2	115.3	115.5	115.5	115.7	115.7	115.3	115.7	115.9	116.2	116.3	116.4	115.9	116.1	116.1
Germany (1991=100) .....	116.5	118.6	119.3	119.0	118.9	118.9	119.1	119.1	119.4	119.2	119.5	119.9	120.0	120.3	120.2	119.9
Italy .....	133.2	136.0	136.1	136.2	136.6	137.1	137.1	137.5	137.9	138.3	138.4	138.6	138.8	138.8	138.9	.....
Japan .....	107.1	109.0	109.5	109.7	109.9	109.7	109.6	109.6	109.7	109.9	109.6	109.6	109.5	109.2	109.1	109.5
Mexico .....	301.7	364.0	368.6	373.2	376.2	380.4	385.7	394.1	401.0	405.7	409.5	412.7	417.6	421.7	425.6	432.6
United Kingdom .....	121.1	124.9	125.7	126.3	126.5	126.5	126.9	126.5	127.1	127.5	128.9	129.6	129.6	129.2	129.8	130.3
Addendum: United States .....	120.0	122.9	123.1	123.5	123.7	123.8	123.9	123.9	124.0	124.0	124.3	124.7	124.8	125.0	125.2	125.2
Real gross domestic product (percent change from preceding quarter, seasonally adjusted at annual rates)																
Canada .....	1.2	3.7	4.3	.....	.....	2.8	.....	.....	3.4	.....	.....	1.8	.....	.....	.....	.....
France .....	1.5	2.3	3.8	.....	.....	3.1	.....	.....	2.9	.....	.....	2.6	.....	.....	.....	.....
Germany .....	1.3	2.3	2.3	.....	.....	1.2	.....	.....	5.9	.....	.....	4	.....	.....	.....	.....
Italy .....	.7	1.5	2.3	.....	.....	1.1	.....	.....	-6	.....	.....	2.0	.....	.....	.....	.....
Japan .....	3.9	.9	3.2	.....	.....	-1.5	.....	.....	-5.2	.....	.....	-3.3	.....	.....	.....	.....
Mexico .....	5.2	7.0	4.9	.....	.....	-1.7	.....	.....	6.2	.....	.....	7.8	.....	.....	.....	.....
United Kingdom .....	2.6	3.5	4.0	.....	.....	2.9	.....	.....	3.1	.....	.....	1.9	.....	.....	.....	.....
Addendum: United States .....	3.4	3.9	4.2	.....	.....	3.0	.....	.....	5.5	.....	.....	1.8	.....	.....	3.9	.....

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

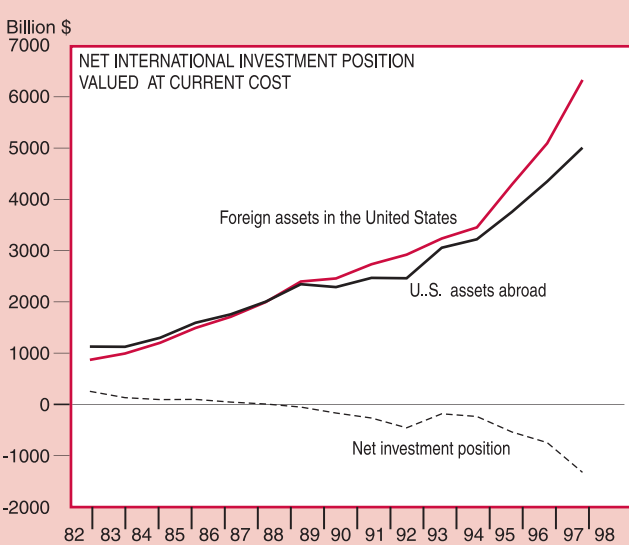
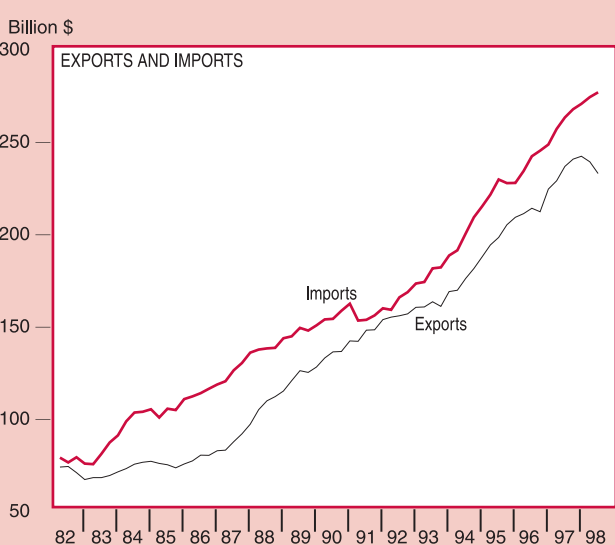
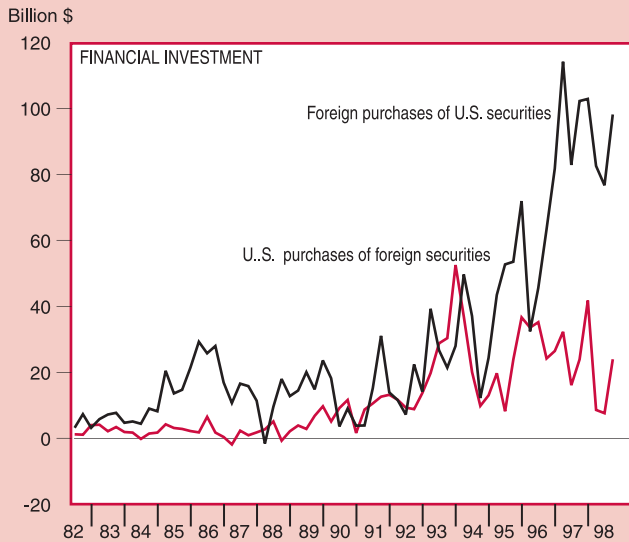
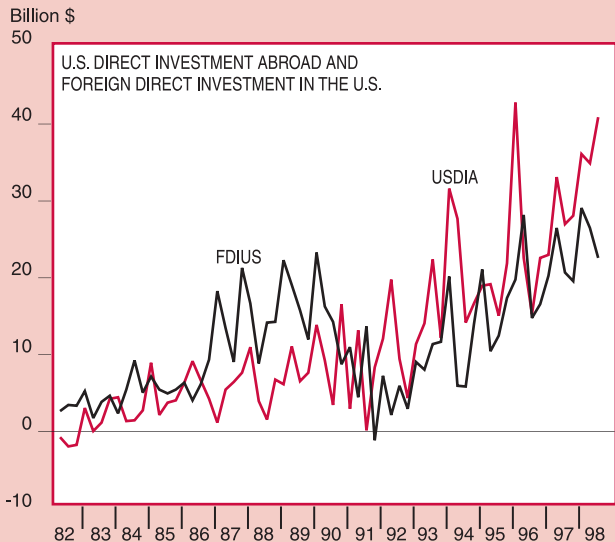
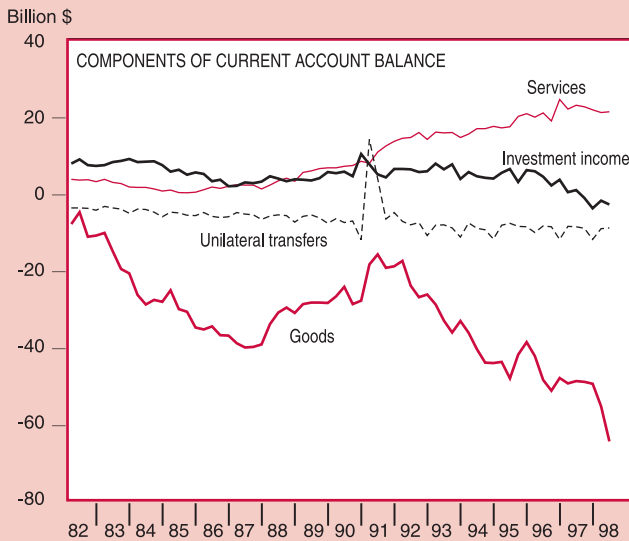
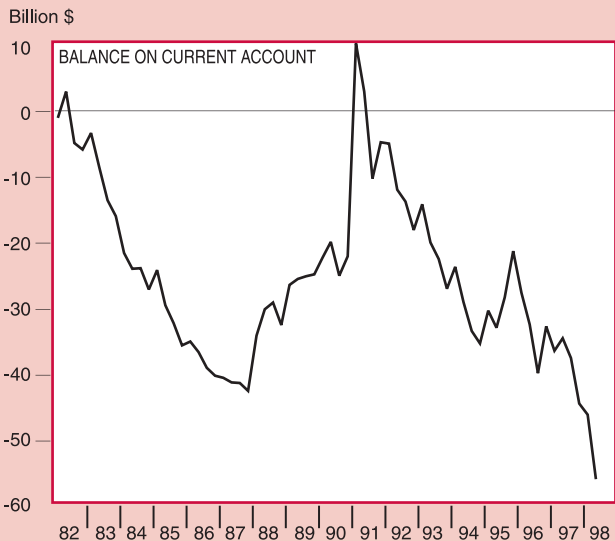
	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada .....	4.43	3.53	3.63	3.60	3.76	3.99	4.58	4.62	4.96	4.85	4.88	5.00	5.00	5.02	5.15	5.59
France .....	3.94	3.46	3.43	3.41	3.59	3.69	3.69	3.62	3.57	3.57	3.63	3.61	3.57	3.56	3.56	3.54
Germany .....	3.31	3.33	3.26	3.31	3.58	3.74	3.74	3.57	3.51	3.52	3.63	3.63	3.56	3.54	3.50	3.49
Italy .....	8.82	6.88	6.87	6.67	6.65	6.49	6.08	6.09	6.13	5.62	5.23	5.11	5.12	4.88	4.89	4.97
Japan .....	.59	.60	.59	.56	.53	.55	.89	.95	1.10	.81	.70	.59	.58	.74	.73	.....
Mexico .....	32.91	21.26	20.15	20.51	19.91	22.01	19.88	19.37	19.63	20.76	19.47	18.85	20.99	21.82	25.22	.....
United Kingdom .....	6.02	6.83	7.15	7.20	7.25	7.54	7.62	7.48	7.45	7.48	7.44	7.41	7.62	7.70	7.66	7.37
Addendum:																
United States .....	5.02	5.07	5.13	4.97	4.95	5.15	5.16	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94	4.74
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada .....	7.54	6.47	6.30	6.19	5.94	5.76	5.85	5.58	5.60	5.64	5.50	5.52	5.45	5.46	5.65	5.39
France .....	6.51	5.67	5.65	5.55	5.80	5.66	5.45	5.26	5.11	5.04	5.12	5.05	4.95	4.91	4.61	4.39
Germany .....	6.20	5.70	5.70	5.60	5.60	5.60	5.30	5.10	5.00	4.90	4.90	5.00	4.80	4.70	4.40	4.10
Italy .....	9.40	6.86	6.66	6.36	6.20	6.13	5.74	5.43	5.38	5.20	5.15	5.21	5.08	4.97	4.79	4.53
Japan .....	3.10	2.37	2.35	2.21	1.99	1.94	1.94	1.95	2.00	1.86	1.87	1.66	1.54	1.68	1.50	1.10
United Kingdom .....	7.82	7.04	7.08	6.80	6.50	6.61	6.36	6.08	6.03	5.95	5.79	5.83	5.73	5.75	5.54	5.12
Addendum:																
United States .....	6.44	6.35	6.30	6.21	6.03	5.88	5.81	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34	4.81
Share price indices (not seasonally adjusted, 1990=100)																
Canada .....	154	189	193	206	200	190	196	196	207	221	224	222	215	203	162	164
France .....	118	152	161	160	159	151	157	163	175	195	208	216	223	228	211	189
Germany .....	116	158	176	170	171	161	171	177	188	201	214	219	227	237	215	191
Italy .....	96	131	139	145	149	145	154	175	189	214	238	232	225	239	224	191
Japan .....	74	64	68	65	62	57	55	56	58	58	56	56	55	58	54	50
Mexico .....	555	779	815	933	815	873	917	801	839	880	894	795	751	745	525	.....
United Kingdom .....	167	189	194	198	203	194	200	205	216	226	232	237	236	238	222	207
Addendum:																
United States .....	195	249	262	267	272	268	275	275	290	306	315	313	311	320	294	276

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries. March 1973=100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see: "Index of the weighted-average exchange value of the U.S. dollar: Revision" on page 700 of the August 1978 *Federal Reserve Bulletin*.

NOTE.—All exchange rates are from the Board of Governors of the Federal Reserve System. U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. All other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1990 to facilitate comparison) are © OECD, November 1998, *OECD Main Economic Indicators* and are reproduced with permission of the OECD.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



# Regional Data

## J. State and Regional Tables

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

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

**Table J.1.—Quarterly Personal Income for States and Regions**  
(Millions of dollars, seasonally adjusted at annual rates)

Area name	1995				1996				1997				1998		Percent change			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	1997:II- 1997:III	1997:III- 1997:IV	1997:IV- 1998:I	1998:I- 1998:II
<b>United States ...</b>	<b>5,967,461</b>	<b>6,018,892</b>	<b>6,082,265</b>	<b>6,171,934</b>	<b>6,269,149</b>	<b>6,373,076</b>	<b>6,459,289</b>	<b>6,534,446</b>	<b>6,652,349</b>	<b>6,729,607</b>	<b>6,807,743</b>	<b>6,893,137</b>	<b>6,992,622</b>	<b>7,070,608</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.1</b>
<b>New England</b> .....	<b>357,442</b>	<b>361,896</b>	<b>366,184</b>	<b>371,417</b>	<b>375,401</b>	<b>381,684</b>	<b>386,940</b>	<b>392,636</b>	<b>400,057</b>	<b>404,197</b>	<b>408,687</b>	<b>416,018</b>	<b>418,025</b>	<b>422,811</b>	<b>1.1</b>	<b>1.8</b>	<b>.5</b>	<b>1.1</b>
Connecticut .....	103,187	103,982	105,285	106,653	108,076	109,850	111,408	112,865	115,568	116,716	117,801	120,173	121,364	122,398	.9	2.0	1.0	.9
Maine .....	24,297	24,588	24,670	25,027	25,357	25,742	26,130	26,516	26,860	27,117	27,250	27,718	27,662	27,944	.5	1.7	-2	1.0
Massachusetts .....	166,446	168,846	171,309	173,963	175,544	178,711	181,154	184,185	187,604	189,401	191,843	194,783	195,514	198,083	1.3	1.5	.4	1.3
New Hampshire .....	28,365	29,039	29,136	29,665	30,109	30,502	30,954	31,373	31,770	32,264	32,863	33,536	33,508	33,904	1.9	2.1	-1	1.2
Rhode Island .....	22,905	23,166	23,380	23,517	23,602	23,935	24,168	24,530	24,886	25,235	25,404	25,939	26,047	26,334	.7	2.1	.4	1.1
Vermont .....	12,243	12,275	12,404	12,591	12,801	12,945	13,126	13,167	13,368	13,465	13,527	13,869	13,931	14,148	.5	2.5	.4	1.6
<b>Mideast</b> .....	<b>1,168,773</b>	<b>1,177,598</b>	<b>1,186,970</b>	<b>1,200,728</b>	<b>1,221,822</b>	<b>1,240,073</b>	<b>1,252,618</b>	<b>1,268,123</b>	<b>1,286,623</b>	<b>1,294,001</b>	<b>1,307,359</b>	<b>1,325,111</b>	<b>1,338,687</b>	<b>1,349,940</b>	<b>1.0</b>	<b>1.4</b>	<b>1.0</b>	<b>.8</b>
Delaware .....	18,040	18,228	18,399	18,809	19,188	19,557	19,894	20,338	20,461	20,535	20,984	21,253	21,571	21,849	2.2	1.3	1.5	1.3
District of Columbia .....	17,685	17,769	17,776	17,900	18,114	18,041	18,304	18,516	18,518	18,556	18,785	18,810	19,109	19,174	1.2	.1	1.6	.3
Maryland .....	129,789	130,755	131,621	132,996	135,367	137,271	139,168	140,885	143,530	145,008	146,626	149,076	150,167	151,267	1.1	1.7	.7	.7
New Jersey .....	232,328	234,314	236,066	238,649	242,577	246,138	248,770	251,583	256,574	257,195	260,425	264,072	269,107	270,398	1.3	1.4	1.9	.5
New York .....	494,307	497,847	502,044	507,533	517,969	525,046	528,586	535,929	543,202	545,785	551,121	558,018	562,848	569,104	1.0	1.3	.9	1.1
Pennsylvania .....	276,624	278,684	281,073	284,840	288,670	294,019	297,896	300,872	304,338	306,921	309,418	313,883	315,885	318,147	.8	1.4	.6	.7
<b>Great Lakes</b> .....	<b>998,966</b>	<b>1,002,627</b>	<b>1,010,742</b>	<b>1,024,339</b>	<b>1,033,924</b>	<b>1,050,139</b>	<b>1,063,992</b>	<b>1,072,260</b>	<b>1,089,826</b>	<b>1,102,775</b>	<b>1,112,544</b>	<b>1,128,280</b>	<b>1,144,562</b>	<b>1,155,371</b>	<b>.9</b>	<b>1.4</b>	<b>1.4</b>	<b>.9</b>
Illinois .....	294,780	296,221	298,855	303,621	308,925	313,159	317,533	320,850	325,755	330,778	333,773	338,659	342,221	346,643	.9	1.5	1.1	1.3
Indiana .....	123,304	123,464	124,202	125,446	126,961	129,059	130,819	131,890	133,922	135,332	136,081	138,446	140,370	141,699	.6	1.7	1.4	.9
Michigan .....	225,155	224,581	226,291	229,018	229,192	233,247	235,191	236,881	240,721	242,939	245,346	248,308	255,184	256,771	1.0	1.2	2.8	.6
Ohio .....	244,240	246,168	248,230	251,428	252,533	256,422	260,150	261,335	266,513	269,357	271,661	275,434	278,952	281,005	.9	1.4	1.3	.7
Wisconsin .....	111,487	112,191	113,164	114,825	116,312	118,252	120,299	121,304	122,915	124,369	125,683	127,433	127,836	129,254	1.1	1.4	.3	1.1
<b>Plains</b> .....	<b>392,184</b>	<b>395,297</b>	<b>399,104</b>	<b>405,533</b>	<b>416,904</b>	<b>424,059</b>	<b>430,228</b>	<b>434,037</b>	<b>439,487</b>	<b>445,613</b>	<b>450,253</b>	<b>454,888</b>	<b>460,552</b>	<b>465,711</b>	<b>1.0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.1</b>
Iowa .....	57,353	57,628	58,241	59,271	61,593	62,644	63,596	63,687	65,011	65,973	66,344	67,110	67,337	68,045	.6	1.2	.3	1.1
Kansas .....	54,620	54,976	55,579	56,296	57,616	58,354	59,244	59,959	60,909	62,031	62,753	63,555	64,241	64,881	1.2	1.3	1.1	1.0
Minnesota .....	107,683	108,739	109,627	111,755	114,644	116,850	118,705	119,487	120,635	122,568	124,079	125,545	128,182	129,837	1.2	1.2	2.1	1.3
Missouri .....	113,349	114,487	115,559	116,874	118,805	120,589	122,100	123,703	126,407	127,403	128,724	130,068	131,630	133,230	1.0	1.0	1.2	1.2
Nebraska .....	33,965	34,086	34,599	35,307	36,779	37,550	37,990	38,644	38,546	39,103	39,473	39,656	39,887	40,284	.9	.5	.6	1.0
North Dakota .....	11,574	11,702	11,681	11,955	12,728	12,985	13,286	13,204	12,720	12,901	13,050	13,146	13,256	13,355	1.2	.7	.8	.7
South Dakota .....	13,639	13,680	13,818	14,077	14,740	15,087	15,308	15,354	15,260	15,634	15,828	15,808	16,020	16,080	1.2	-1	1.3	.4
<b>Southeast</b> .....	<b>1,300,230</b>	<b>1,311,781</b>	<b>1,326,883</b>	<b>1,350,262</b>	<b>1,367,913</b>	<b>1,394,180</b>	<b>1,415,301</b>	<b>1,429,538</b>	<b>1,458,543</b>	<b>1,473,455</b>	<b>1,489,403</b>	<b>1,507,310</b>	<b>1,524,915</b>	<b>1,542,120</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>
Alabama .....	80,324	80,839	81,668	82,531	83,276	84,773	85,991	86,601	88,320	88,980	89,630	90,682	91,485	92,357	.7	1.2	.9	1.0
Arkansas .....	43,776	44,114	44,547	45,539	45,853	47,100	47,670	47,867	48,605	49,280	49,646	50,281	50,780	51,185	.7	1.3	1.0	.8
Florida .....	315,990	318,709	322,644	328,319	335,661	341,387	346,580	350,981	357,042	361,288	365,944	369,115	372,556	377,843	1.3	.9	.9	1.4
Georgia .....	152,731	154,021	156,577	160,632	162,790	167,154	170,174	171,867	176,047	177,802	179,814	181,816	185,692	188,259	1.1	1.1	2.1	1.4
Kentucky .....	70,812	71,358	71,860	73,014	73,702	75,097	76,466	77,071	79,137	80,111	80,926	81,836	82,772	83,591	1.0	1.1	1.1	1.0
Louisiana .....	80,091	80,884	82,317	82,701	83,507	84,830	85,778	86,350	87,634	88,603	89,315	90,825	91,797	92,557	.8	1.7	1.1	.8
Mississippi .....	43,939	44,227	44,788	45,538	46,178	47,045	47,678	47,790	48,574	49,183	49,548	50,240	50,902	51,405	.7	1.4	1.3	1.0
North Carolina .....	148,051	149,658	150,975	154,837	156,392	160,437	162,905	165,042	169,423	171,247	172,550	175,072	177,401	179,056	.8	1.5	1.3	.9
South Carolina .....	68,399	69,021	69,709	70,904	71,575	72,985	74,191	74,876	76,399	77,101	78,017	79,083	79,116	80,442	1.2	1.4	0	1.7
Tennessee .....	108,673	109,794	110,972	112,809	113,205	115,098	116,739	117,933	120,220	121,295	122,656	124,373	125,169	126,106	1.1	1.4	.6	.7
Virginia .....	155,952	157,517	158,004	161,233	163,260	165,494	167,897	169,745	173,447	174,637	177,257	179,640	182,660	184,459	1.5	1.3	1.7	1.0
West Virginia .....	31,492	31,639	31,803	32,206	32,515	32,781	33,233	33,414	33,696	33,926	34,099	34,346	34,585	34,861	.5	.7	.7	.8
<b>Southwest</b> .....	<b>563,435</b>	<b>571,717</b>	<b>579,757</b>	<b>590,088</b>	<b>600,186</b>	<b>610,071</b>	<b>619,471</b>	<b>628,078</b>	<b>644,274</b>	<b>655,280</b>	<b>666,804</b>	<b>674,515</b>	<b>690,059</b>	<b>699,771</b>	<b>1.8</b>	<b>1.2</b>	<b>2.3</b>	<b>1.4</b>
Arizona .....	84,131	85,251	87,244	89,193	91,126	92,654	94,329	95,380	97,701	99,266	100,940	102,821	104,457	106,370	1.7	1.9	1.6	1.8
New Mexico .....	29,882	30,109	30,525	30,916	31,338	31,706	32,014	32,251	32,771	33,242	33,449	33,724	34,018	34,353	.6	.8	.9	1.0
Oklahoma .....	59,845	60,369	60,839	61,820	62,584	63,506	64,167	64,978	66,605	67,061	67,492	67,052	68,288	68,978	.6	-1	1.8	1.0
Texas .....	389,576	395,988	401,149	408,160	415,138	422,205	428,961	435,469	447,197	455,712	464,924	470,919	483,296	490,669	2.0	1.3	2.6	1.4
<b>Rocky Mountain</b> .....	<b>171,069</b>	<b>172,633</b>	<b>175,474</b>	<b>179,473</b>	<b>182,156</b>	<b>185,753</b>	<b>188,626</b>	<b>191,109</b>	<b>195,137</b>	<b>198,256</b>	<b>201,525</b>	<b>203,850</b>	<b>207,</b>					

Table J.2.—Annual Personal Income and Disposable Personal Income for States and Regions

Area name	Personal income					Disposable personal income				
	Millions of dollars			Percent change <sup>1</sup>		Millions of dollars			Percent change <sup>1</sup>	
	1995	1996	1997	1995-96	1996-97	1995	1996	1997	1995-96	1996-97
<b>United States</b> .....	<b>6,060,138</b>	<b>6,408,990</b>	<b>6,770,709</b>	<b>5.8</b>	<b>5.6</b>	<b>5,266,018</b>	<b>5,519,456</b>	<b>5,782,771</b>	<b>4.8</b>	<b>4.8</b>
<b>New England</b> .....	<b>364,235</b>	<b>384,165</b>	<b>407,240</b>	<b>5.5</b>	<b>6.0</b>	<b>310,142</b>	<b>322,864</b>	<b>338,807</b>	<b>4.1</b>	<b>4.9</b>
Connecticut .....	104,777	110,550	117,564	5.5	6.3	87,710	91,150	95,844	3.9	5.2
Maine .....	24,646	25,936	27,236	5.2	5.0	21,767	22,775	23,664	4.6	3.9
Massachusetts .....	170,141	179,876	190,908	5.7	6.1	143,513	149,655	157,289	4.3	5.1
New Hampshire .....	29,051	30,734	32,608	5.8	6.1	25,780	26,933	28,316	4.5	5.1
Rhode Island .....	23,242	24,059	25,366	3.5	5.4	20,444	21,014	21,968	2.8	4.5
Vermont .....	12,378	13,010	13,557	5.1	4.2	10,928	11,338	11,725	3.7	3.4
<b>Mideast</b> .....	<b>1,183,517</b>	<b>1,245,659</b>	<b>1,303,273</b>	<b>5.3</b>	<b>4.6</b>	<b>1,014,319</b>	<b>1,058,161</b>	<b>1,096,276</b>	<b>4.3</b>	<b>3.6</b>
Delaware .....	18,369	19,744	20,808	7.5	5.4	15,762	16,818	17,561	6.7	4.4
District of Columbia .....	17,783	18,244	18,667	2.6	2.3	15,274	15,403	15,599	.8	1.3
Maryland .....	131,290	138,173	146,060	5.2	5.7	112,283	117,199	122,404	4.4	4.4
New Jersey .....	235,337	247,267	259,567	5.1	5.0	201,584	210,077	218,716	4.2	4.1
New York .....	500,433	526,883	549,531	5.3	4.3	425,229	442,766	457,170	4.1	3.3
Pennsylvania .....	280,305	295,349	308,640	5.4	4.5	244,187	255,898	264,826	4.8	5.4
<b>Great Lakes</b> .....	<b>1,009,168</b>	<b>1,055,079</b>	<b>1,108,356</b>	<b>4.5</b>	<b>5.0</b>	<b>870,278</b>	<b>902,634</b>	<b>940,038</b>	<b>3.7</b>	<b>4.1</b>
Illinois .....	298,369	315,117	332,241	5.6	5.4	256,666	268,591	280,555	4.6	4.5
Indiana .....	124,104	129,682	135,945	4.5	4.8	107,496	111,768	116,286	4.0	4.0
Michigan .....	226,261	233,628	244,329	3.3	4.6	195,048	199,665	206,863	2.4	3.6
Ohio .....	247,517	257,610	270,741	4.1	5.1	214,290	221,498	231,071	3.4	4.3
Wisconsin .....	112,917	119,042	125,100	5.4	5.1	96,779	101,113	105,263	4.5	4.1
<b>Plains</b> .....	<b>398,029</b>	<b>426,307</b>	<b>447,560</b>	<b>7.1</b>	<b>5.0</b>	<b>345,678</b>	<b>367,590</b>	<b>382,544</b>	<b>6.3</b>	<b>4.1</b>
Iowa .....	58,123	62,880	66,110	8.2	5.1	50,916	54,944	57,369	7.9	4.4
Kansas .....	55,368	58,793	62,312	6.2	6.0	48,213	50,806	53,437	5.4	5.2
Minnesota .....	109,451	117,421	123,207	7.3	4.9	92,684	97,903	101,664	5.6	3.8
Missouri .....	115,067	121,299	128,151	5.4	5.6	100,814	105,563	110,663	4.7	4.8
Nebraska .....	34,489	37,741	39,195	9.4	3.9	30,136	32,991	33,887	9.5	2.7
North Dakota .....	11,728	13,051	12,954	11.3	-7	10,454	11,687	11,458	11.8	-2.0
South Dakota .....	13,803	15,122	15,632	9.6	3.4	12,462	13,695	14,065	9.9	2.7
<b>Southeast</b> .....	<b>1,322,289</b>	<b>1,401,733</b>	<b>1,482,178</b>	<b>6.0</b>	<b>5.7</b>	<b>1,163,967</b>	<b>1,225,611</b>	<b>1,286,299</b>	<b>5.3</b>	<b>5.0</b>
Alabama .....	81,346	85,160	89,403	4.7	5.0	72,328	75,505	78,864	4.4	4.4
Arkansas .....	44,494	47,122	49,453	5.9	4.9	39,567	41,797	43,698	5.6	4.5
Florida .....	321,415	343,652	363,347	6.9	5.7	282,893	298,779	313,157	5.6	4.8
Georgia .....	155,990	167,996	178,870	7.7	6.5	135,874	145,240	153,501	6.9	5.7
Kentucky .....	71,761	75,584	80,503	5.3	6.5	62,812	65,909	69,816	4.9	5.9
Louisiana .....	81,498	85,117	89,094	4.4	4.7	73,270	76,078	78,930	3.8	3.7
Mississippi .....	44,623	47,173	49,386	5.7	4.7	40,617	42,850	44,646	5.5	4.2
North Carolina .....	150,880	161,194	172,073	6.8	6.7	131,204	139,857	148,185	6.6	6.0
South Carolina .....	69,508	73,407	77,650	5.6	5.8	61,397	64,517	67,823	5.1	5.1
Tennessee .....	110,562	115,744	122,136	4.7	5.5	99,137	103,038	107,991	3.9	4.8
Virginia .....	158,426	166,599	176,245	5.2	5.8	136,427	142,556	149,438	4.5	4.8
West Virginia .....	31,785	32,986	34,017	3.8	3.1	28,441	29,486	30,250	3.7	2.6
<b>Southwest</b> .....	<b>576,249</b>	<b>614,451</b>	<b>660,218</b>	<b>6.6</b>	<b>7.4</b>	<b>513,740</b>	<b>543,549</b>	<b>580,867</b>	<b>5.8</b>	<b>6.9</b>
Arizona .....	86,455	93,372	100,182	8.0	7.3	75,760	81,022	86,140	6.9	6.3
New Mexico .....	30,358	31,827	33,297	4.8	4.6	27,095	28,250	29,335	4.3	3.8
Oklahoma .....	60,718	63,809	67,052	5.1	5.1	53,722	56,117	58,582	4.5	4.4
Texas .....	398,718	425,443	459,688	6.7	8.0	357,162	378,160	406,809	5.9	7.6
<b>Rocky Mountain</b> .....	<b>174,662</b>	<b>186,911</b>	<b>199,692</b>	<b>7.0</b>	<b>6.8</b>	<b>151,139</b>	<b>160,589</b>	<b>170,127</b>	<b>6.3</b>	<b>5.9</b>
Colorado .....	90,884	97,764	105,158	7.6	7.6	78,112	83,279	88,701	6.6	6.5
Idaho .....	22,071	23,430	24,681	6.2	5.3	19,280	20,432	21,377	6.0	4.6
Montana .....	15,906	16,557	17,316	4.1	4.6	14,052	14,557	15,103	3.6	3.8
Utah .....	35,897	38,825	41,689	8.2	7.4	30,947	33,403	35,665	7.9	6.8
Wyoming .....	9,903	10,336	10,848	4.4	5.0	8,748	8,917	9,281	1.9	4.1
<b>Far West</b> .....	<b>1,031,987</b>	<b>1,094,684</b>	<b>1,162,192</b>	<b>6.1</b>	<b>6.2</b>	<b>896,754</b>	<b>938,457</b>	<b>987,813</b>	<b>4.7</b>	<b>5.3</b>
Alaska .....	14,419	14,711	15,199	2.0	3.3	12,346	12,566	12,903	1.8	2.7
California .....	754,269	798,020	846,017	5.8	6.0	654,979	682,407	717,166	4.2	5.1
Hawaii .....	29,333	29,698	30,479	1.2	2.6	25,652	25,826	26,363	.7	2.1
Nevada .....	37,512	41,423	44,524	10.4	7.5	32,371	35,352	37,669	9.2	6.6
Oregon .....	67,822	73,044	77,791	7.7	6.5	57,945	62,094	65,389	7.2	5.3
Washington .....	128,633	137,788	148,182	7.1	7.5	113,460	120,213	128,322	6.0	6.7

1. Percent changes are calculated from unrounded data.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the national income and product accounts (NIPA) estimate of personal income 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. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 1 and 3 in "State Personal Income, Revised Estimates for 1982-97" in the October 1998 issue of the SURVEY.

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

Area name	Per capita personal income <sup>1</sup>				Per capita disposable personal income <sup>1</sup>			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1995	1996	1997	1997	1995	1996	1997	1997
<b>United States</b> .....	<b>23,063</b>	<b>24,169</b>	<b>25,298</b>		<b>20,041</b>	<b>20,814</b>	<b>21,607</b>	
<b>New England</b> .....	<b>27,426</b>	<b>28,828</b>	<b>30,440</b>		<b>23,353</b>	<b>24,228</b>	<b>25,325</b>	
Connecticut .....	32,073	33,835	35,954	1	26,849	27,898	29,311	1
Maine .....	19,970	20,941	21,928	36	17,638	18,388	19,053	36
Massachusetts .....	28,073	29,559	31,207	3	23,680	24,593	25,711	3
New Hampshire .....	25,341	26,490	27,806	8	22,487	23,214	24,146	5
Rhode Island .....	23,480	24,344	25,689	15	20,653	21,263	22,248	12
Vermont .....	21,237	22,184	23,018	32	18,750	19,333	19,908	32
<b>Mideast</b> .....	<b>26,630</b>	<b>27,993</b>	<b>29,245</b>		<b>22,823</b>	<b>23,779</b>	<b>24,600</b>	
Delaware .....	25,666	27,291	28,443	6	22,024	23,246	24,005	7
District of Columbia .....	32,197	33,830	35,290		27,655	28,563	29,490	
Maryland .....	26,115	27,305	28,671	5	22,334	23,161	24,028	6
New Jersey .....	29,581	30,901	32,233	2	25,338	26,254	27,160	2
New York .....	27,578	29,055	30,299	4	23,434	24,416	25,206	4
Pennsylvania .....	23,270	24,530	25,678	17	20,271	21,254	22,033	16
<b>Great Lakes</b> .....	<b>23,208</b>	<b>24,136</b>	<b>25,253</b>		<b>20,014</b>	<b>20,649</b>	<b>21,418</b>	
Illinois .....	25,297	26,603	27,929	7	21,761	22,675	23,584	8
Indiana .....	21,442	22,251	23,183	29	18,573	19,178	19,830	33
Michigan .....	23,434	24,009	24,998	18	20,201	20,519	21,165	20
Ohio .....	22,233	23,078	24,203	21	19,249	20,657	21,657	22
Wisconsin .....	22,084	23,132	24,199	22	18,927	19,648	20,362	27
<b>Plains</b> .....	<b>21,686</b>	<b>23,083</b>	<b>24,100</b>		<b>18,834</b>	<b>19,904</b>	<b>20,599</b>	
Iowa .....	20,462	22,078	23,177	30	17,925	19,292	20,113	30
Kansas .....	21,547	22,796	24,014	23	18,763	19,699	20,594	23
Minnesota .....	23,759	25,260	26,295	12	20,119	21,061	21,697	17
Missouri .....	21,610	22,615	23,723	26	18,933	19,681	20,485	25
Nebraska .....	21,078	22,891	23,656	27	18,417	20,011	20,452	26
North Dakota .....	18,287	20,308	20,213	45	16,300	18,187	17,878	41
South Dakota .....	18,782	20,503	21,183	37	16,956	18,567	19,063	35
<b>Southeast</b> .....	<b>20,817</b>	<b>21,800</b>	<b>22,776</b>		<b>18,324</b>	<b>19,061</b>	<b>19,766</b>	
Alabama .....	19,086	19,864	20,699	38	16,971	17,612	18,259	38
Arkansas .....	17,935	18,802	19,602	47	15,949	16,677	17,321	45
Florida .....	22,665	23,833	24,795	20	19,949	20,721	21,370	18
Georgia .....	21,689	22,906	23,893	25	18,892	19,803	20,504	24
Kentucky .....	18,609	19,470	20,599	40	16,288	16,978	17,864	42
Louisiana .....	18,828	19,608	20,473	41	16,927	17,526	18,138	39
Mississippi .....	16,585	17,402	18,087	50	15,096	15,807	16,351	50
North Carolina .....	20,994	22,054	23,174	31	18,256	19,135	19,957	31
South Carolina .....	18,871	19,751	20,651	39	16,669	17,359	18,037	40
Tennessee .....	21,118	21,808	22,752	33	18,936	19,414	20,117	29
Virginia .....	24,000	24,992	26,172	14	20,667	21,385	22,192	15
West Virginia .....	17,446	18,120	18,734	49	15,610	16,198	16,660	49
<b>Southwest</b> .....	<b>20,578</b>	<b>21,535</b>	<b>22,734</b>		<b>18,346</b>	<b>19,050</b>	<b>20,002</b>	
Arizona .....	20,068	21,057	21,994	35	17,585	18,271	18,911	37
New Mexico .....	18,003	18,599	19,249	48	16,068	16,508	16,959	48
Oklahoma .....	18,560	19,363	20,214	44	16,422	17,029	17,661	44
Texas .....	21,279	22,285	23,647	28	19,061	19,808	20,927	21
<b>Rocky Mountain</b> .....	<b>21,227</b>	<b>22,310</b>	<b>23,436</b>		<b>18,369</b>	<b>19,168</b>	<b>19,967</b>	
Colorado .....	24,290	25,618	27,015	9	20,877	21,823	22,787	10
Idaho .....	18,947	19,729	20,393	42	16,551	17,205	17,663	43
Montana .....	18,310	18,886	19,704	46	16,175	16,605	17,186	47
Utah .....	18,182	19,244	20,246	43	15,675	16,556	17,320	46
Wyoming .....	20,695	21,532	22,611	34	18,281	18,577	19,347	34
<b>Far West</b> .....	<b>23,753</b>	<b>24,901</b>	<b>26,061</b>		<b>20,640</b>	<b>21,347</b>	<b>22,151</b>	
Alaska .....	23,965	24,318	24,945	19	20,520	20,771	21,177	19
California .....	23,901	25,050	26,218	13	20,755	21,421	22,225	13
Hawaii .....	24,883	25,105	25,686	16	21,761	21,832	22,217	14
Nevada .....	24,525	25,876	26,553	10	21,164	22,084	22,465	11
Oregon .....	21,579	22,852	23,984	24	18,436	19,427	20,160	28
Washington .....	23,664	24,964	26,412	11	20,872	21,780	22,872	9

1. Per capita personal income and per capita disposable personal income were computed using midyear population estimates from the Bureau of the Census.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the national income and product accounts (NIPA) estimate of personal income 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. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 2 and 4 in "State Personal Income, Revised Estimates for 1982-97" in the October 1998 issue of the SURVEY.

Table J.4.—Gross State Product for States and Regions by Industry, 1996

[Millions of dollars]

State and region	Rank of total gross state product	Total gross state product	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
<b>United States<sup>1</sup></b>		<b>7,631,022</b>	<b>129,842</b>	<b>113,631</b>	<b>306,052</b>	<b>1,332,093</b>	<b>648,280</b>	<b>516,777</b>	<b>667,903</b>	<b>1,445,535</b>	<b>1,539,525</b>	<b>931,384</b>
<b>New England</b>		<b>435,880</b>	<b>3,409</b>	<b>292</b>	<b>14,686</b>	<b>72,794</b>	<b>28,636</b>	<b>29,226</b>	<b>35,538</b>	<b>107,237</b>	<b>101,792</b>	<b>42,271</b>
Connecticut	21	124,046	893	52	4,055	20,712	7,698	8,229	9,211	35,041	27,029	11,126
Maine	41	28,894	513	15	1,297	5,333	2,151	1,723	3,197	5,340	5,410	3,915
Massachusetts	11	208,591	1,212	130	6,606	32,265	13,128	14,845	16,373	50,880	53,879	19,273
New Hampshire	40	34,108	252	31	1,198	7,557	2,590	2,113	3,098	7,566	6,617	3,088
Rhode Island	44	25,629	208	19	895	4,282	1,835	1,426	2,242	5,802	5,814	3,106
Vermont	50	14,611	332	46	635	2,645	1,234	890	1,416	2,607	3,043	1,762
<b>Mideast</b>		<b>1,440,922</b>	<b>9,244</b>	<b>2,464</b>	<b>48,440</b>	<b>197,808</b>	<b>121,614</b>	<b>92,909</b>	<b>106,168</b>	<b>358,390</b>	<b>324,047</b>	<b>179,839</b>
Delaware	42	28,331	290	6	970	5,993	1,509	1,124	1,698	10,026	4,042	2,673
District of Columbia		51,197	14	12	442	1,285	2,769	580	1,369	8,863	16,684	19,180
Maryland	17	143,190	1,338	100	7,216	12,317	11,307	9,046	12,514	30,573	33,229	25,552
New Jersey	8	276,377	1,524	128	9,675	37,985	27,540	25,132	20,221	64,187	60,211	29,773
New York	2	613,287	2,780	471	17,629	72,154	49,518	37,741	42,056	182,389	140,228	68,323
Pennsylvania	6	328,540	3,298	1,748	12,509	68,074	28,971	19,286	28,310	62,352	69,654	34,338
<b>Great Lakes</b>		<b>1,233,424</b>	<b>16,660</b>	<b>4,670</b>	<b>50,574</b>	<b>313,739</b>	<b>97,437</b>	<b>87,053</b>	<b>107,524</b>	<b>201,866</b>	<b>226,610</b>	<b>127,292</b>
Illinois	4	370,778	5,052	1,282	15,476	71,444	34,029	28,507	29,877	71,023	76,832	37,257
Indiana	15	155,797	2,735	715	7,228	49,338	12,578	9,382	14,212	20,426	23,893	15,289
Michigan	9	263,336	2,526	1,173	10,131	71,683	17,509	18,874	23,420	41,538	48,791	27,691
Ohio	7	304,353	3,331	1,134	11,753	82,669	23,506	21,535	27,984	46,511	53,989	31,941
Wisconsin	20	139,160	3,016	365	5,986	38,605	9,816	8,756	12,030	22,367	23,105	15,114
<b>Plains</b>		<b>514,201</b>	<b>23,553</b>	<b>3,406</b>	<b>22,473</b>	<b>99,777</b>	<b>47,400</b>	<b>39,066</b>	<b>45,461</b>	<b>79,404</b>	<b>92,293</b>	<b>61,367</b>
Iowa	29	76,315	5,771	177	3,138	18,292	6,123	5,213	6,296	10,915	11,655	8,735
Kansas	31	68,014	2,986	983	2,838	12,451	7,340	5,311	6,540	8,608	11,360	9,597
Minnesota	18	141,573	4,174	877	6,195	27,115	10,876	11,776	12,275	25,352	27,558	15,374
Missouri	16	145,123	2,621	522	6,697	31,122	14,920	10,659	13,223	21,345	27,768	16,246
Nebraska	36	47,187	4,330	114	2,097	6,662	4,853	3,495	3,906	7,007	8,055	6,669
North Dakota	49	15,701	1,668	482	764	1,184	1,695	1,377	1,427	1,989	2,741	2,374
South Dakota	46	20,289	2,003	251	745	2,951	1,591	1,236	1,795	4,188	3,156	2,373
<b>Southeast</b>		<b>1,674,519</b>	<b>30,754</b>	<b>29,524</b>	<b>71,440</b>	<b>315,211</b>	<b>152,763</b>	<b>111,941</b>	<b>161,015</b>	<b>265,718</b>	<b>308,111</b>	<b>228,041</b>
Alabama	25	99,190	2,016	1,474	4,144	22,131	9,301	6,259	9,781	12,694	15,996	15,395
Arkansas	32	56,417	2,866	570	2,240	13,898	6,163	3,469	5,729	6,453	8,344	6,664
Florida	5	360,496	6,520	787	17,031	29,286	32,296	26,417	40,362	78,695	84,406	44,696
Georgia	10	216,033	3,801	906	8,356	39,079	24,166	18,940	19,333	35,515	38,919	27,019
Kentucky	26	95,410	2,438	2,448	3,752	26,833	7,933	5,565	8,472	10,733	14,293	12,944
Louisiana	22	121,143	1,488	17,973	5,086	22,989	10,690	6,451	9,502	14,709	19,054	13,201
Mississippi	33	56,406	1,798	507	2,192	13,208	6,003	3,150	5,630	6,474	9,032	8,410
North Carolina	12	204,229	4,757	259	8,563	55,075	16,135	13,094	18,242	29,719	31,418	26,968
South Carolina	27	89,476	1,208	223	4,195	23,768	7,107	5,172	9,180	11,861	13,505	13,258
Tennessee	19	140,750	1,651	399	5,527	32,244	11,076	10,396	15,368	19,450	27,633	17,005
Virginia	13	197,809	1,952	997	8,635	29,986	17,021	11,068	16,168	35,268	39,364	37,351
West Virginia	38	37,160	240	2,980	1,720	6,716	4,873	1,960	3,248	4,147	6,147	5,129
<b>Southwest</b>		<b>778,815</b>	<b>11,565</b>	<b>49,688</b>	<b>34,892</b>	<b>125,482</b>	<b>77,631</b>	<b>53,480</b>	<b>70,763</b>	<b>115,141</b>	<b>141,929</b>	<b>98,243</b>
Arizona	24	111,520	1,899	1,480	6,442	16,143	8,644	6,997	11,743	21,120	22,546	14,505
New Mexico	37	42,698	808	3,050	1,979	7,027	3,262	1,823	3,800	5,937	7,468	7,545
Oklahoma	30	72,767	1,531	3,879	2,332	12,587	7,289	4,421	7,267	9,064	12,634	11,762
Texas	3	551,830	7,327	41,278	24,138	89,725	58,436	40,239	47,953	79,020	99,282	64,431
<b>Rocky Mountain</b>		<b>229,833</b>	<b>5,684</b>	<b>9,956</b>	<b>12,246</b>	<b>29,427</b>	<b>24,530</b>	<b>13,873</b>	<b>22,154</b>	<b>35,767</b>	<b>44,767</b>	<b>31,430</b>
Colorado	23	116,227	2,053	1,936	6,219	14,226	12,957	7,355	11,274	19,815	25,161	15,231
Idaho	43	27,898	1,744	174	1,653	5,754	2,442	1,689	2,774	3,431	4,548	3,691
Montana	47	18,509	943	903	893	1,430	2,331	1,192	1,839	2,473	3,557	2,948
Utah	35	50,352	583	1,620	2,858	7,051	4,400	3,094	5,167	8,304	9,892	7,383
Wyoming	48	16,847	361	5,323	622	967	2,400	543	1,101	1,744	1,610	2,177
<b>Far West</b>		<b>1,323,429</b>	<b>28,973</b>	<b>13,631</b>	<b>51,301</b>	<b>177,855</b>	<b>98,269</b>	<b>89,229</b>	<b>119,281</b>	<b>282,013</b>	<b>299,977</b>	<b>162,901</b>
Alaska	45	24,161	355	5,424	983	1,161	3,770	710	1,576	2,584	2,871	4,728
California	1	962,696	20,564	5,776	31,656	134,179	67,135	65,857	85,443	218,439	222,748	110,900
Hawaii	39	36,317	445	28	1,753	1,123	3,732	1,446	4,192	7,768	8,077	7,752
Nevada	34	53,687	406	1,969	4,495	2,589	4,146	2,478	5,053	9,877	17,336	5,339
Oregon	28	86,967	2,590	104	4,731	17,868	6,711	6,937	7,586	14,140	15,939	10,361
Washington	14	159,602	4,612	332	7,683	20,934	12,775	11,802	15,432	29,205	33,006	23,823

1. The GSP estimates for transportation and public utilities and for finance, insurance, and real estate differ from BEA's November 1997 estimates of gross product originating (GPO) for the Nation for these industries because of the incorporation of source data that were not available when the GPO estimates were published.

NOTE.—Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military

personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. Also, GSP and GDP have different revision schedules.

Source: Tables 6 and 7 in "Gross State Product by Industry, 1977-96" in the June 1998 issue of the SURVEY OF CURRENT BUSINESS.

K. Local Area Table

Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1994–96

Table with 4 main columns: Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.), and Area name (repeated). Rows list various metropolitan areas and their corresponding data for 1994, 1995, and 1996.

See footnotes at the end of the table.



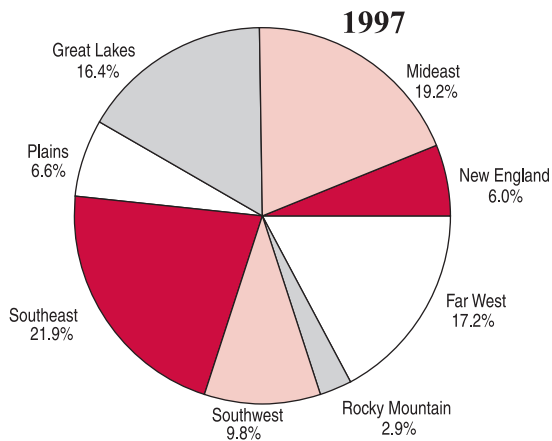
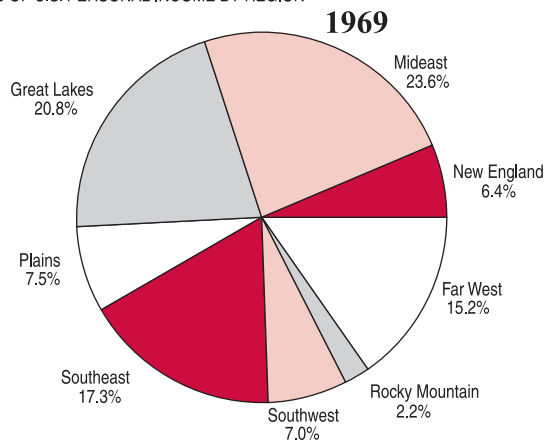
Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1994-96—Continued

Area name	Personal income				Per capita personal income <sup>3</sup>				Area name	Personal income				Per capita personal income <sup>3</sup>			
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.		Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.
	1994	1995	1996		1994	1995	1996			1994	1995	1996		1994	1995	1996	
Jonesboro, AR	1,219	1,337	1,415	5.8	16,638	17,891	18,590	286	Raleigh-Durham-Chapel Hill, NC	22,796	24,901	26,843	7.8	23,643	25,061	26,255	52
Joplin, MO	2,554	2,754	2,942	6.8	18,024	19,182	20,195	229	Rapid City, SD	1,630	1,734	1,805	4.1	18,848	19,917	20,770	207
Kalamazoo-Battle Creek, MI	9,241	9,771	10,204	4.4	20,967	22,078	22,962	128	Reading, PA	8,085	8,481	8,890	4.8	23,198	24,209	25,248	69
Kankakee, IL*	1,898	2,040	2,159	5.8	18,783	20,142	21,261	183	Redding, CA	3,053	3,137	3,262	4.0	19,111	19,499	20,144	231
Kansas City, MO-KS	38,562	41,353	43,810	5.9	23,281	24,738	25,949	54	Reno, NV	7,495	8,178	8,819	7.8	26,468	28,126	29,528	21
Kenosha, WI*	2,761	2,964	3,098	4.5	20,102	21,268	21,913	162	Richland-Kennewick-Pasco, WA	3,581	3,709	3,808	2.7	20,597	20,690	21,120	192
Killeen-Temple, TX	4,555	4,875	5,114	4.9	15,816	16,744	17,117	301	Richmond-Petersburg, VA	22,776	23,991	25,213	5.1	24,860	25,908	26,974	43
Knoxville, TN	12,954	13,906	14,420	3.7	20,588	21,740	22,247	152	Riverside-San Bernardino, CA*	52,445	54,986	57,446	5.0	17,979	18,453	19,090	275
Kokomo, IN	2,223	2,418	2,512	3.9	22,372	24,258	25,053	72	Roanoke, VA	5,192	5,566	5,804	4.3	22,730	24,382	25,387	64
La Crosse, WI-MN	2,448	2,554	2,705	5.9	20,395	21,175	22,320	148	Rochester, MN	2,652	2,792	2,996	7.3	23,486	24,834	26,478	48
Lafayette, IN	6,143	6,481	6,916	6.7	17,042	17,779	18,785	283	Rochester, NY	25,426	26,996	27,751	4.0	23,399	24,588	25,443	60
Lafayette, LA	3,201	3,343	3,531	5.6	19,040	19,690	20,640	214	Rockford, IL	7,421	7,931	8,293	4.6	21,479	22,738	23,523	117
Lake Charles, LA	3,184	3,390	3,577	5.5	18,336	19,287	20,084	234	Rocky Mount, NC	2,472	2,635	2,801	6.3	17,606	18,510	19,474	265
Lakeland-Winter Haven, FL	7,756	8,278	8,797	6.3	18,040	18,977	19,905	241	Sacramento, CA*	32,231	34,506	36,201	4.9	22,397	23,661	24,444	89
Lancaster, PA	9,804	10,287	10,870	5.7	22,147	22,997	24,138	96	Saginaw-Bay City-Midland, MI	8,497	9,014	9,426	4.6	21,101	22,394	23,990	120
Lansing-East Lansing, MI	9,213	9,697	10,092	4.1	20,747	21,784	22,587	136	St. Cloud, MN	2,765	2,921	3,132	7.2	17,662	18,425	19,594	253
Laredo, TX	1,930	2,007	2,160	7.6	11,732	11,675	12,199	314	St. Joseph, MO	1,800	1,881	1,971	4.8	18,399	19,120	20,298	224
Las Cruces, NM	2,136	2,295	2,383	3.9	13,627	14,378	14,529	311	St. Louis, MO-IL	60,119	64,142	67,118	4.6	23,733	25,238	26,337	50
Las Vegas, NV-AZ	23,990	26,739	29,588	10.7	22,244	23,481	24,706	81	Salem, OR*	5,663	6,132	6,534	6.6	18,441	19,578	20,480	217
Lawrence, KS	1,511	1,627	1,717	5.6	17,350	18,431	19,147	272	Salinas, CA	8,021	8,477	8,761	3.4	23,304	24,580	25,032	73
Lawton, OK	1,814	1,904	1,965	3.2	15,436	16,525	17,090	302	Salt Lake City-Ogden, UT	22,195	24,130	26,085	8.1	18,731	20,015	21,271	181
Lewiston-Auburn, ME (NECMA)	1,931	1,992	2,071	4.0	18,718	19,416	20,385	222	San Angelo, TX	1,843	1,947	2,040	4.8	18,276	19,193	19,996	237
Lexington, KY	9,063	9,805	10,522	7.3	21,061	22,579	23,929	101	San Antonio, TX	27,806	29,887	31,553	5.6	19,457	20,499	21,237	184
Lima, OH	2,993	3,122	3,222	3.2	19,200	20,069	20,727	209	San Diego, CA	58,191	61,380	65,008	5.9	22,111	23,201	24,282	91
Lynchburg, VA	4,817	5,136	5,451	6.1	21,305	22,413	23,951	113	San Francisco, CA*	57,102	61,301	65,512	6.9	29,932	32,391	39,746	1
Little Rock-North Little Rock, AR	11,025	11,850	12,531	5.7	20,541	21,878	22,882	129	San Jose, CA*	46,175	51,238	56,218	9.7	29,577	37,307	35,995	4
Longview-Marshall, TX	3,668	3,886	4,114	5.9	18,234	19,086	19,950	238	San Luis Obispo-Atascadero-Paso Robles, CA	4,397	4,652	4,941	6.2	19,645	20,515	21,483	173
Los Angeles-Long Beach, CA*	204,873	216,269	226,592	4.8	22,584	23,885	24,945	75	Santa Barbara-Santa Maria-Lompoc, CA	9,415	9,874	10,395	5.3	24,589	25,764	27,003	42
Louisville, KY-IN	21,942	23,298	24,487	5.1	22,418	23,666	24,764	79	Santa Cruz-Watsonville, CA*	5,835	6,207	6,631	6.8	24,846	26,288	27,896	33
Lubbock, TX	4,373	4,586	4,874	6.3	19,000	19,824	21,065	193	Santa Fe, NM	3,113	3,421	3,635	3.3	23,714	25,255	25,774	58
Lynchburg, VA	3,942	4,133	4,309	4.3	19,435	20,256	20,962	201	Santa Rosa, CA*	10,196	10,761	11,524	7.1	24,813	25,860	27,353	35
Macon, GA	5,755	6,127	6,487	5.9	18,771	19,853	20,791	206	Sarasota-Bradenton, FL	14,472	15,575	16,443	5.6	27,937	29,674	30,931	14
Madison, WI	9,797	10,510	11,080	5.4	25,161	26,798	28,087	112	Savannah, GA	5,596	5,952	6,320	6.2	20,299	21,343	22,477	141
Manfield, OH	3,214	3,379	3,517	4.1	18,340	19,275	20,067	236	Scranton-Wilkes-Barre-Hazleton, PA	12,364	12,924	13,398	3.7	19,470	20,462	21,363	177
McAllen-Edinburg-Mission, TX	4,954	5,303	5,680	7.1	10,680	11,032	11,478	315	Seattle-Bellevue-Everett, WA*	60,298	64,801	69,844	7.8	27,736	29,494	31,372	13
Medford-Ashton, OR	3,150	3,392	3,605	6.3	19,447	20,502	21,410	175	Sharon, PA	2,156	2,267	2,370	4.5	17,695	18,579	19,386	267
Melbourne-Titusville-Palm Bay, FL	8,961	9,412	9,836	4.5	20,245	20,922	21,640	168	Sheboygan, WI	2,331	2,478	2,581	4.2	21,729	22,811	23,863	115
Memphis, TN-AR-MS	23,677	25,603	26,826	4.8	22,492	24,048	24,945	75	Sherman-Deleon, TX	1,751	1,880	2,014	7.1	17,998	19,159	20,080	235
Merced, CA	3,068	2,999	3,294	9.8	15,641	15,505	17,064	303	Silver-Devonport-Bossier City, LA	7,310	7,630	7,885	3.1	19,395	20,156	20,786	208
Miami, FL*	40,783	43,190	45,579	5.5	20,268	21,292	22,370	145	Sioux City, IA-NE	2,325	2,492	2,659	6.7	19,475	20,693	21,974	159
Middlesex-Somerset-Hunterdon, NJ*	33,091	35,459	37,473	5.7	31,051	32,928	34,366	7	Sioux Falls, SD	3,500	3,719	4,018	8.0	22,632	23,724	25,246	70
Milwaukee-Waukesha, WI*	35,578	37,815	39,526	4.5	24,510	26,040	27,202	38	South Bend, IN	5,472	5,782	5,943	2.8	21,468	22,543	23,095	126
Minneapolis-St. Paul, MN-WI	70,644	75,469	80,878	7.2	26,246	27,682	29,299	23	Spokane, WA	7,803	8,303	8,701	4.8	19,712	20,691	21,555	170
Mobile, AL	9,038	9,608	10,156	5.7	17,664	18,627	19,508	259	Springfield, IL	4,403	4,579	4,819	5.3	21,779	22,556	23,633	110
Modesto, CA	7,149	7,404	7,884	6.5	17,602	18,037	18,953	279	Springfield, MO	5,704	6,139	6,444	5.0	19,766	20,884	21,702	167
Monmouth-Ocean, NJ*	28,071	29,758	31,199	4.8	27,162	28,359	29,343	22	Springfield, MA (NECMA)	12,639	13,451	13,949	3.7	21,240	22,687	23,601	112
Monroe, LA	2,537	2,728	2,881	5.6	17,398	18,619	19,621	252	State College, PA	2,389	2,538	2,662	4.9	18,435	19,460	20,135	232
Montgomery, AL	6,217	6,620	6,956	5.1	19,989	21,088	21,973	161	Steubenville-Weirton, OH-WV	2,481	2,531	2,615	3.3	17,445	18,165	19,189	280
Muncie, IN	2,311	2,411	2,491	3.3	19,435	20,304	21,063	194	Sturgeon-Lodi, CA	9,456	9,885	10,410	5.3	18,274	18,845	19,531	258
Myrtle Beach, SC	2,800	3,092	3,318	7.3	18,407	19,626	20,271	226	Sumter, SC	1,552	1,638	1,743	6.4	14,616	15,357	16,298	307
Naples, FL	5,820	6,073	6,473	8.3	32,737	33,204	34,830	6	Syracuse, NY	15,479	16,133	16,581	2.8	20,622	21,552	22,253	151
Nashville, TN	25,676	27,852	29,266	5.1	24,040	25,507	26,262	51	Tacoma, WA*	12,680	13,544	14,353	6.0	19,895	20,928	21,913	162
Nassau-Suffolk, NY*	82,459	85,472	89,919	5.2	31,187	32,237	33,837	10	Tallahassee, FL	4,813	5,169	5,450	5.4	18,891	20,069	20,985	199
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT*	55,291	59,964	63,249	5.5	34,063	36,964	38,962	2	Tampa-St. Petersburg-Clearwater, FL	46,279	49,670	52,738	6.2	21,503	22,817	23,984	99
New London-Norwich, CT (NECMA)	6,289	6,643	6,927	4.3	24,956	26,228	27,385	34	Terre Haute, IN	2,686	2,805	2,872	2.4	18,002	18,772	19,226	271
New Orleans, LA	26,769	28,209	29,021	2.9	20,474	21,527	22,179	154	Texarkana, TX-Texarkana, AR	2,082	2,198	2,306	4.9	16,981	17,916	18,666	285
New York, NY*	253,351	270,487	285,207	5.4	29,498	31,474	33,177	11	Toledo, OH	13,336	14,094	14,628	3.8	21,804	23,066	23,955	100
Newark, NJ*	59,212	62,635	65,787	5.0	30,675	32,401	33,952	9	Topeka, KS	3,561	3,770	3,936	4.4	21,620	22,883	23,888	102
Newburgh, NY-PA*	7,383	7,739	8,069	4.3	20,814	21,583	22,279	150	Trenton, NJ*	10,220	10,891	11,296	3.7	31,114	33,078	34,292	8
Norfolk-Virginia Beach-Newsport News, VA-NC	29,902	31,397	32,726	4.2	19,616	20,507	21,311	179	Tucson, AZ	13,838	14,828	15,766	6.3	18,840	19,647	20,535	216
Oakland, CA*	59,219	62,872	66,728	6.1	26,910	28,405	29,842	20	Tulsa, OK	15,668	16,825	17,456	5.6	21,182	22,170	23,141	125
Ocala, FL	3,830	4,114	4,392	6.8	17,460	18,217	18,975	278	Tuscaloosa, AL	2,850	3,011	3,159	4.9	18,277	19,003	19,887	244
Odessa-Midland, TX	4,840	5,121	5,392	5.3	20,520	21,607	22,493	140	Tyler, TX	3,242	3,469	3,706	6.8	20,316	21,457	22,506	139
Oklahoma City, OK	19,537	20,515	21,620	5.4	19,429	20,244	21,148	190	Utica-Rome, NY	5,849	6,068						

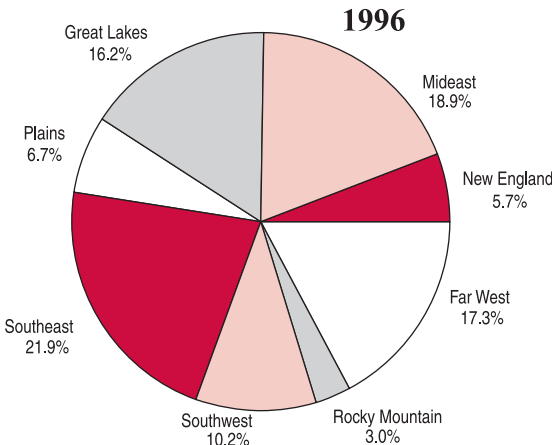
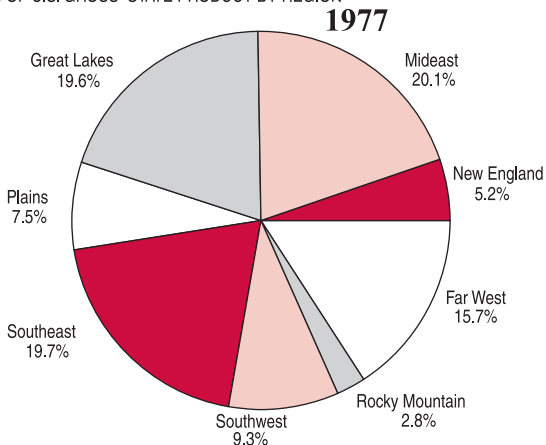
L. Charts

SELECTED REGIONAL ESTIMATES

SHARES OF U.S. PERSONAL INCOME BY REGION



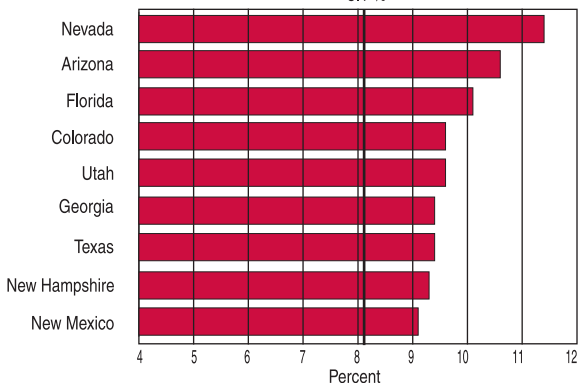
SHARES OF U.S. GROSS STATE PRODUCT BY REGION



AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1969-97

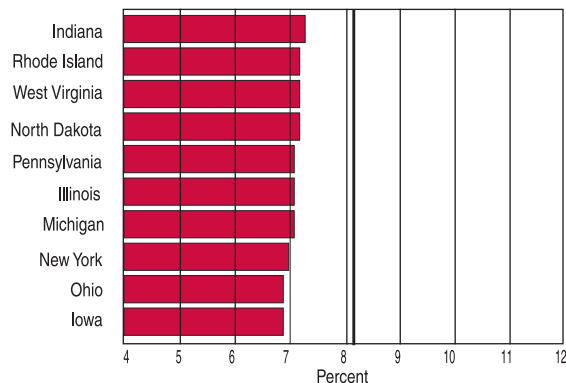
STATES WITH FASTEST GROWTH

U.S. average  
8.1%



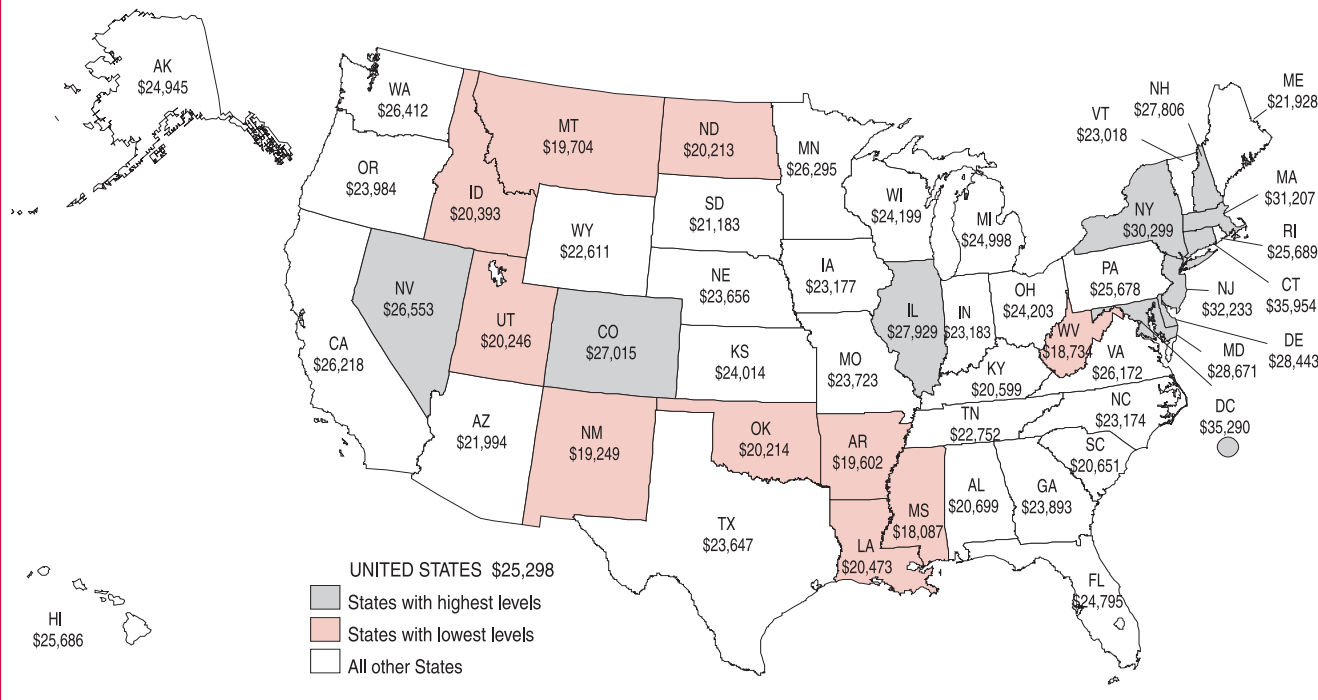
STATES WITH SLOWEST GROWTH

U.S. average  
8.1%

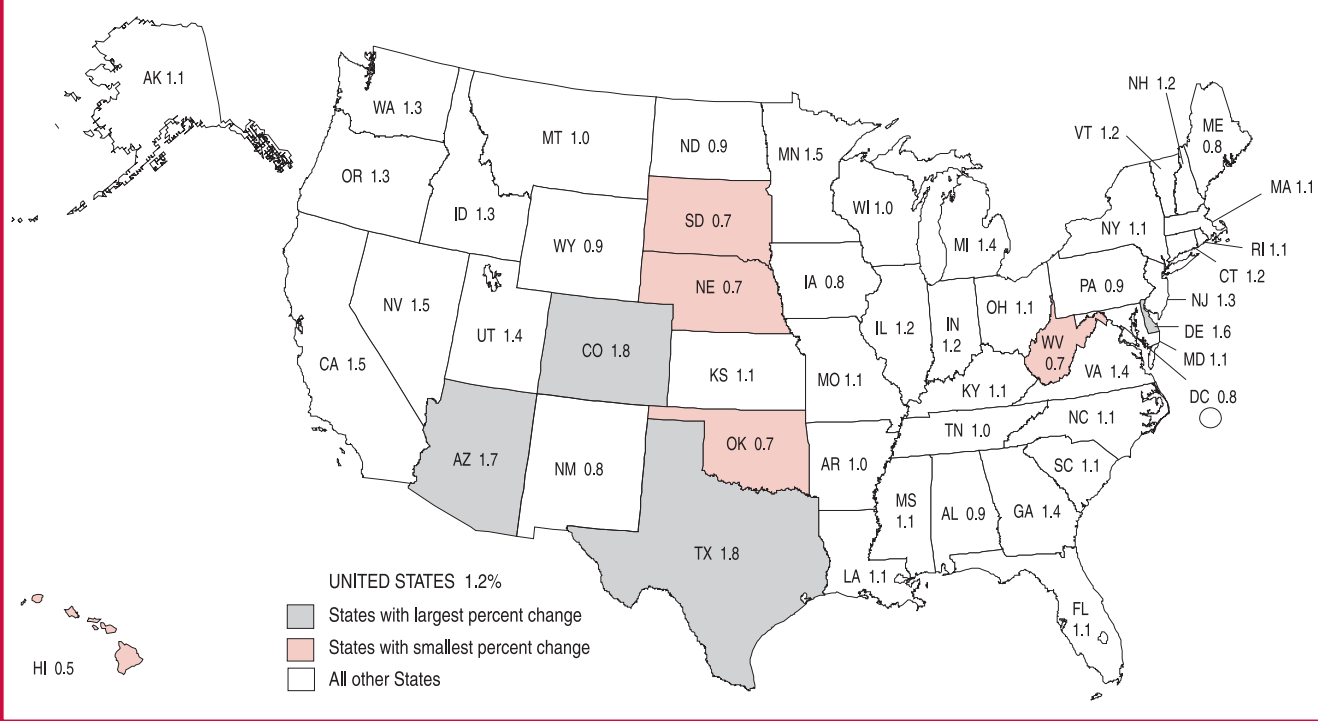


# SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1997



PERSONAL INCOME GROWTH: AVERAGE QUARTERLY PERCENT CHANGE, 1997:II-1998:II



## Appendix A

### Additional Information About BEA's NIPA Estimates

#### Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in "real GDP.") For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. (Similar formulas are used to calculate the quarterly indexes for the most recent quarters, called the "tail" period, and for the indexes for the other quarters, called the "historical period.") For example, the 1996–97 annual percent change in real GDP uses prices for 1996 and 1997 as weights, and the 1996–97 annual percent change in price uses quantities for 1996 and 1997 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula. The Fisher formula also produces changes in quantities and prices that are not affected by the choice of base periods. In addition, because the changes in quantities and prices calculated in this way are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated "*chained (1992) dollar estimates*." These estimates are computed by multiplying the 1992 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1992 and if real output for this component increased by 10 percent in 1993, then the "chained (1992) dollar" value of this component in 1993 would be \$110 (\$100 × 1.10). Note that percentage changes in the chained

(1992) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1992) dollar estimates for detailed GDP components *do not add* to the chained-dollar value of GDP or to any intermediate aggregates. A "*residual*" line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. NIPA table 8.2 provides accurate measures of the contributions of the major components to the percentage change in real GDP for all periods.

BEA also publishes the "implicit price deflator (IPD)," which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100; the values of the IPD and of the corresponding "chain-type" price index are very close.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or 12 (for monthly data).

*Percent changes* in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[ \left( \frac{X_t}{X_o} \right)^{m/n} - 1 \right] \times 100,$$

where  $r$  is the percent change at an annual rate;  
 $X_t$  is the level of activity in the later period;  
 $X_o$  is the level of activity in the earlier period;  
 $m$  is the yearly periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and  
 $n$  is the number of periods between the earlier and later periods (that is,  $t - o$ ).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

## Reconciliation Tables

Table 1.—Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings

[Percent change from preceding period]

	1995	1996	1997	Seasonally adjusted at annual rates				
				1997		1998		
				III	IV	I	II	III <sup>p</sup>
<b>BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing)</b> .....	<b>2.3</b>	<b>3.5</b>	<b>3.7</b>	<b>3.9</b>	<b>5.0</b>	<b>4.6</b>	<b>4.0</b>	<b>4.2</b>
Less: Contribution of supplements to wages and salaries per hour .....	-7	-1.1	-6	-5	-8	-1	-4	-2
Plus: Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions .....	-1	-1	-2	-6	-6	-2	.1	-2
Less: Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed .....	0	.1	.2	.3	.1	.1	.1	-2
<b>Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector</b> .....	<b>2.9</b>	<b>4.4</b>	<b>3.9</b>	<b>3.5</b>	<b>5.2</b>	<b>4.5</b>	<b>4.4</b>	<b>4.4</b>
Less: Contribution of wages and salaries per hour of nonproduction workers in manufacturing .....	.1	-2	.2	.6	.5	.1	-1	-1
Less: Other differences <sup>1</sup> .....	0	1.2	-1	-1.1	0	.5	-1	1.1
<b>Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls</b> .....	<b>2.8</b>	<b>3.4</b>	<b>3.9</b>	<b>4.0</b>	<b>4.6</b>	<b>3.9</b>	<b>4.6</b>	<b>3.4</b>
<b>Addendum:</b> BLS estimates of compensation per hour in the nonfarm business sector <sup>2</sup> .....	2.4	3.5	3.7	3.9	4.9	4.6	4.0	4.0

<sup>p</sup> Preliminary.

1. 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.

2. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing.

Table 2.—Relation of Net Exports of Goods and Services and Net Receipts of Factor Income in the NIPA's to Balance on Goods, Services, and Income in the BPA's

[Billions of dollars]

	Line	1996	1997	Seasonally adjusted at annual rates					
				1997				1998	
				I	II	III	IV	I	II
<b>Exports of goods, services, and income, BPA's</b> .....	<b>1</b>	<b>1,064.0</b>	<b>1,179.4</b>	<b>1,135.1</b>	<b>1,181.1</b>	<b>1,201.9</b>	<b>1,199.4</b>	<b>1,196.2</b>	<b>1,170.4</b>
Less: Gold, BPA's .....	2	6.9	5.7	6.7	9.3	3.4	3.4	5.3	4.2
Statistical differences <sup>1</sup> .....	3	0	0	0	0	0	0	4.8	4.1
Other items .....	4	1.1	.8	1.1	.6	.6	.9	.8	.7
Plus: Adjustment for grossing of parent/affiliate interest payments .....	5	3.4	3.9	3.3	3.6	4.2	4.6	3.9	4.2
Adjustment for U.S. territories and Puerto Rico .....	6	34.4	37.0	36.0	37.4	36.8	37.9	37.0	37.2
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans .....	7	15.5	17.1	16.8	17.2	17.1	17.3	17.3	17.6
<b>Equals: Exports of goods and services and receipts of factor income, NIPA's</b> .....	<b>8</b>	<b>1,109.3</b>	<b>1,230.9</b>	<b>1,183.3</b>	<b>1,229.4</b>	<b>1,256.0</b>	<b>1,254.9</b>	<b>1,243.6</b>	<b>1,220.2</b>
<b>Imports of goods, services, and income, BPA's</b> .....	<b>9</b>	<b>1,158.3</b>	<b>1,294.9</b>	<b>1,247.5</b>	<b>1,285.4</b>	<b>1,316.5</b>	<b>1,330.2</b>	<b>1,345.3</b>	<b>1,359.1</b>
Less: Gold, BPA's .....	10	7.7	6.6	8.7	11.0	3.0	3.8	6.7	5.5
Statistical differences <sup>1</sup> .....	11	0	0	0	0	0	0	1.8	2.7
Other items .....	12	0	0	0	0	0	0	0	0
Plus: Gold, NIPA's .....	13	-3.8	-3.5	-3.5	-3.8	-3.4	-3.3	-3.2	-3.0
Adjustment for grossing of parent/affiliate interest payments .....	14	3.4	3.9	3.3	3.6	4.2	4.6	3.9	4.2
Adjustment for U.S. territories and Puerto Rico .....	15	22.4	26.5	23.7	25.8	28.0	28.3	27.4	28.5
Imputed interest paid to rest of world .....	16	15.5	17.1	16.8	17.2	17.1	17.3	17.3	17.6
<b>Equals: Imports of goods and services and payments of factor income, NIPA's</b> .....	<b>17</b>	<b>1,188.1</b>	<b>1,332.3</b>	<b>1,279.1</b>	<b>1,317.3</b>	<b>1,359.4</b>	<b>1,373.3</b>	<b>1,382.2</b>	<b>1,398.2</b>
<b>Balance on goods, services, and income, BPA's (1-9)</b> .....	<b>18</b>	<b>-94.3</b>	<b>-115.5</b>	<b>-112.4</b>	<b>-104.3</b>	<b>-114.6</b>	<b>-130.8</b>	<b>-149.1</b>	<b>-188.7</b>
Less: Gold (2-10+13) .....	19	-4.6	-4.4	-5.5	-5.5	-3.0	-3.7	-4.6	-4.3
Statistical differences (3-11) <sup>1</sup> .....	20	0	0	0	0	0	0	3.0	1.4
Other items (4-12) .....	21	1.1	.8	1.1	.6	.6	.9	.8	.7
Plus: Adjustment for U.S. territories and Puerto Rico (6-15) .....	22	12.0	10.5	12.3	11.6	8.8	9.6	9.6	8.7
<b>Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)</b> .....	<b>23</b>	<b>-78.8</b>	<b>-101.4</b>	<b>-95.8</b>	<b>-87.9</b>	<b>-103.4</b>	<b>-118.4</b>	<b>-138.6</b>	<b>-178.0</b>

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the BPA's (1998:II) and statistical revisions in the BPA's that have not yet been incorporated into the NIPA's (1998:I-1998:II).

BPA's Balance of payments accounts

NIPA's National income and product accounts

## Appendix B

### Suggested Reading

#### Mid-Decade Strategic Plan

BEA has published the following articles in the SURVEY OF CURRENT BUSINESS on the development and implementation of its strategic plan for improving the accuracy, reliability, and relevance of the national, regional, and international accounts.

“Mid-Decade Strategic Review of BEA’s Economic Accounts: Maintaining and Improving Their Performance” (February 1995)

“Mid-Decade Strategic Review of BEA’s Economic Accounts: An Update” (April 1995)

“BEA’s Mid-Decade Strategic Plan: A Progress Report” (June 1996)

*Mid-Decade Strategic Review of BEA’s Economic Accounts: Background Papers* (1995) presents seven background papers that evaluate the state of the U.S. economic accounts and that identify the problems and the prospects for improving the accounts.

#### Methodology

BEA has published a wealth of information about the methodology used to prepare its national, regional, and international estimates.

##### National

*National income and product accounts (NIPA’s)*

*NIPA Methodology Papers*: This series documents the conceptual framework of the NIPA’s and the methodology used to prepare the estimates.

*An Introduction to National Economic Accounting* (NIPA Methodology Paper No. 1, 1985) [Also appeared in the March 1985 issue of the SURVEY]

*Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (NIPA Methodology Paper No. 2, 1985)

*Foreign Transactions* (NIPA Methodology Paper No. 3, 1987) [Revised version forthcoming]

*GNP: An Overview of Source Data and Estimating Methods* (NIPA Methodology Paper No. 4, 1987) [Largely superseded by “A Guide to the NIPA’s” (March 1998 SURVEY)]

*Government Transactions* (NIPA Methodology Paper No. 5, 1988)

*Personal Consumption Expenditures* (NIPA Methodology Paper No. 6, 1990)

The methodologies described in these papers are subject to periodic improvements that are typically introduced as part of the annual and comprehensive revisions of the NIPA’s; these improvements are

described in the SURVEY articles that cover these revisions.

“Annual Revision of the U.S. National Income and Product Accounts”: This series of SURVEY articles, the latest of which was published in the August 1998 issue, describes the annual NIPA revisions and the improvements in methodology.

“Completion of the Comprehensive Revision of the National Income and Product Accounts, 1929–96” (May 1997) is the last in a series of SURVEY articles that describe the most recent comprehensive revision of the NIPA’s.

“A Guide to the NIPA’s” (March 1998 SURVEY) provides the definitions of the major NIPA aggregates and components; discusses the measures of real output and prices; explains how production is classified and how the NIPA’s are presented; describes the statistical conventions that are used; and lists the principal source data and methods used to prepare the estimates of gross domestic product (GDP).

Information on the sources and methods used to prepare the national estimates of personal income, which provide the basis for the State estimates of personal income, can be found in *State Personal Income, 1929–93* (1995).

“Gross Domestic Product as a Measure of U.S. Production” (August 1991 SURVEY) briefly explains the difference between GDP and gross national product.

“BEA’s Chain Indexes, Time Series, and Measures of Long-Term Economic Growth” (May 1997) is the most recent in a series of SURVEY articles that describe the conceptual basis for the chain-type measures of real output and prices used in the NIPA’s.

“Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income” (December 1998 SURVEY) evaluates the reliability of these estimates by examining the record of revisions to them.

#### Availability

Most of the items listed here are available on BEA’s Web site at <[www.bea.doc.gov](http://www.bea.doc.gov)>. In addition, see the inside back cover of this issue for the availability of some of the publications.

The *Catalog of BEA Products* is available on BEA’s Web site; a printed copy can be obtained by writing to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or by calling 202-606-9900.

### *Wealth and related estimates*

“Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95” (May 1997 SURVEY) describes the most recent comprehensive revision of the estimates of fixed reproducible tangible wealth.

### *Gross product by industry*

“Improved Estimates of Gross Product by Industry, 1959–94” (August 1996 SURVEY) describes the most recent comprehensive revision of the estimates of gross product by industry.

“Gross Product by Industry, 1947–96” (November 1997 SURVEY) and “Gross Product by Industry, 1995–97” (November 1998 SURVEY) present the most recent revisions to the estimates of gross product by industry and briefly describe changes in methodology.

### *Input-output accounts*

“Benchmark Input-Output Accounts for the U.S. Economy, 1992” (November 1997 SURVEY) describes the preparation of the 1992 input-output accounts and the concepts and methods underlying the U.S. input-output accounts.

### *Satellite accounts*

Satellite accounts that extend the analytical capacity of the national accounts by focusing on a particular aspect of activity are presented in the following SURVEY articles.

“Integrated Economic and Environmental Satellite Accounts” and “Accounting for Mineral Resources: Issues and BEA’s Initial Estimates” (April 1994)

“A Satellite Account for Research and Development” (November 1994)

“U.S. Transportation Satellite Accounts for 1992” (April 1998)

“U.S. Travel and Tourism Satellite Accounts for 1992” (July 1998)

## **International**

### *Balance of payments accounts (BPA’s)*

*The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990) describes the methodologies used in preparing the estimates in the BPA’s and of the international investment position of the United States. These methodologies are subject to periodic improvements that are typically introduced as part of the annual revisions of the BPA’s.

“U.S. International Transactions, Revised Estimates”: This series of SURVEY articles, the latest of which was published in the July 1998 issue, describes

the annual BPA revisions and the improvements in methodology.

### *Direct investment*

The coverage, concepts, definitions, and classifications used in the benchmark surveys of U.S. direct investment abroad and of foreign direct investment in the United States are presented in the publications of the final results of the following benchmark surveys.

*U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (1998)

*Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (1995)

The types of data on direct investment that are collected and published by BEA and the clarifications of the differences between the data sets are presented in the following SURVEY articles.

“A Guide to BEA Statistics on U.S. Multinational Companies” (March 1995)

“A Guide to BEA Statistics on Foreign Direct Investment in the United States” (February 1990)

### *Surveys of international services*

*U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* (1998) provides information on the 11 surveys that BEA conducts on these transactions—including classifications, definitions, release schedules, and methods used to prepare the estimates—and samples of the survey forms.

## **Regional**

### *Personal income*

*State Personal Income, 1929–93* (1995) includes a description of the methodology used to prepare the estimates of State personal income. [Also available on the CD-ROM *State Personal Income, 1929–97*]

*Local Area Personal Income, 1969–92* (1994) includes a description of the methodology used to prepare the estimates of local area personal income. [Also available on the CD-ROM *Regional Economic Information System, 1969–96*]

### *Gross state product*

“Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997 SURVEY) summarizes the sources and methods for BEA’s estimates of gross state product.

“Gross State Product by Industry, 1977–96” (June 1998 SURVEY) presents the most recent revision to the estimates of gross state product by industry and briefly describes changes in methodology. 