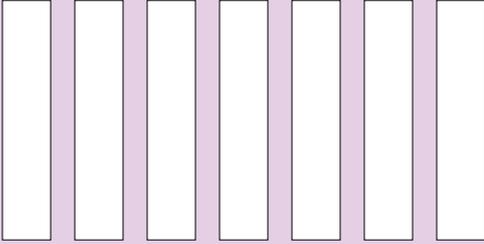
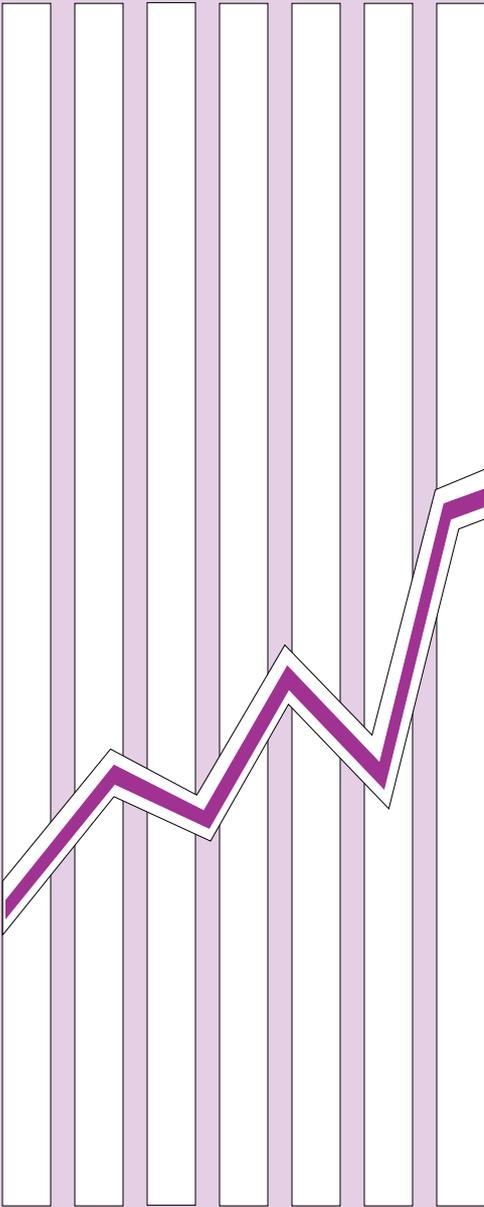
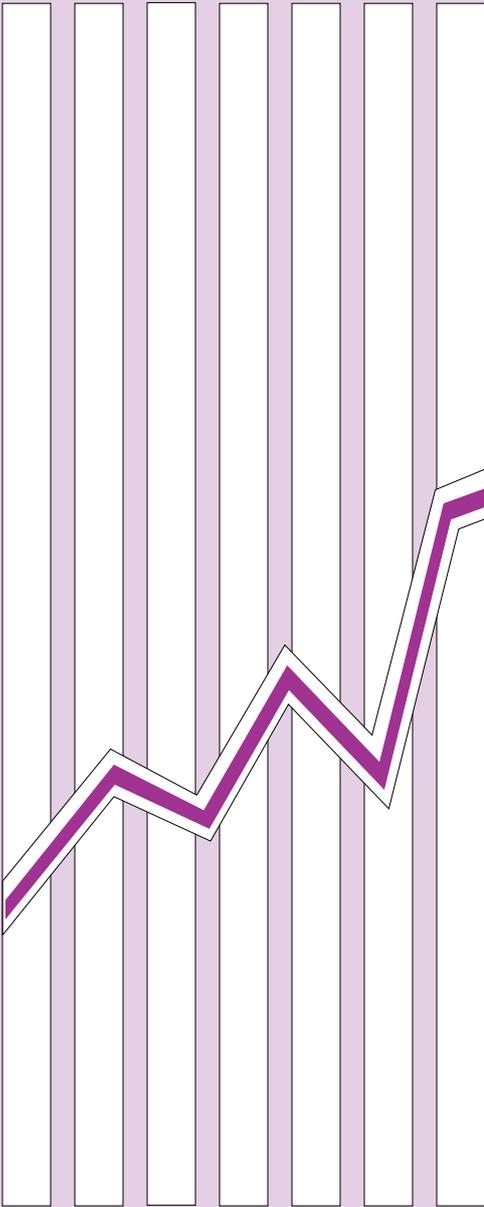


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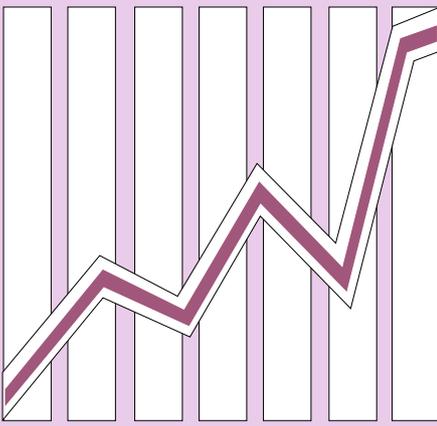


SURVEY *of* CURRENT BUSINESS



U.S. DEPARTMENT OF COMMERCE ≈ ECONOMICS AND STATISTICS ADMINISTRATION

BUREAU OF ECONOMIC ANALYSIS



SURVEY *of* CURRENT BUSINESS

U.S. Department of Commerce

Ronald H. Brown, *Secretary*



Economics and Statistics Administration

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It incorporates data from the following monthly BEA news releases:
Gross Domestic Product (May 31),
Personal Income and Outlays (June 1), and
Composite Indexes of Leading, Coincident, and Lagging
Indicators (June 2).

T A B L E O F C O N T E N T S

Regular features

1 Business Situation

Real GDP increased 2.7 percent in the first quarter of 1995, down from a 5.1-percent increase in the fourth quarter of 1994. Corporate profits increased \$8.5 billion after increasing \$4.3 billion. The Federal Government deficit dropped to \$150.3 billion, and the State and local government surplus edged up to \$29.7 billion.

36 Pollution Abatement and Control Expenditures, 1993

Real spending for pollution abatement and control (PAC) increased 4.2 percent in 1993, compared with a 4.7-percent increase in 1992. Spending continued to increase across all sectors of the economy; the largest increases were in business capital spending (5.8 percent) and State and local government purchases (12.0 percent). Spending for air PAC and for solid waste disposal each increased about 7 percent, but spending for water PAC decreased.

47 Gross State Product, 1991–92

In 1992, 10 States had increases in real gross state product (GSP) that were at least 2 percentage points above the U.S. average of 2.5 percent; North Dakota and Idaho had increases of over 6 percent. Three States—California, Louisiana, and Alaska—had declines in real GSP.

57 Foreign Direct Investment in the United States:

New Investment in 1994 and Affiliate Operations in 1993

In 1994, outlays by foreign investors for acquiring and establishing U.S. businesses increased sharply, as they had in 1993. In 1993, the sharp increase in new investments contributed to rises in most measures of the operations of U.S. affiliates of foreign companies. For example, the gross product of nonbank U.S. affiliates increased 9.0 percent in 1993, and their share of U.S. private-industry gross product increased to 6.1 percent from 5.9 percent in 1992.

— Continued on next page —

Reports and statistical presentations

- 12 National Income and Product Accounts
 - 12 Selected NIPA Tables
 - 31 NIPA Charts
 - 33 Reconciliation and Other Special Tables
- 34 Selected Monthly Estimates
- C-1 Business Cycle Indicators
 - C-1 Data tables
 - C-6 Footnotes for pages C-1 through C-5
 - C-7 Charts
 - C-28 Index to historical data for selected series

LOOKING AHEAD

- ✿ ***Annual Revision of the U.S. International Transactions Accounts.*** An article presenting revised estimates of U.S. international transactions and discussing major sources of the revisions will appear in the June SURVEY. The revisions will extend as far back as 1983 for some series. Selected data will be available as of June 21.
- ✿ ***Regional Projections of Economic Activity.*** An article summarizing projected trends in State personal income, employment, population, and gross state product to the year 2005 is scheduled to appear in the July SURVEY. The article will also briefly discuss the methodology for these State-level projections.

CONTRACT FOR CYCLICAL INDICATORS

The U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis (BEA) will be soliciting proposals for a nonexclusive contract to prepare and disseminate BEA's cyclical indicators—which consist of the composite indexes of leading, coincident, and lagging indicators and their components. The contractor must have the capacity to produce the cyclical indicators on a monthly schedule using the current components and methods of calculation and to release the indicators freely and openly to the public. The contractor must have an established reputation for quality and integrity in the production of economic statistics and must be able to provide a secure environment to prevent pre-release of the indicators.

The anticipated award date for the contract is September 1, 1995. To request a copy of the solicitation, write to Michael S. Sade, Director of Acquisition Services, HCHB Room 6516, U.S. Department of Commerce, Washington, DC 20230; or send a facsimile to (202) 482-0546.

THE BUSINESS SITUATION

This article was prepared by Daniel Larkins, Larry R. Moran, Ralph W. Morris, Joyce M. Northwood, and Deborah Y. Sieff.

REAL GROSS domestic product (GDP) increased 2.7 percent in the first quarter of 1995, according to the "preliminary" estimates of the national income and product accounts (NIPAs).¹ The "advance" estimates of the NIPAs, reported in the April "Business Situation," showed a 2.8-percent increase.

Although the revision to GDP growth was small, the revisions to some components of GDP were noteworthy. For example, the preliminary estimate of final sales of domestic product shows a 2.5-percent increase, considerably more than the advance estimate of a 1.8-percent increase. The preliminary estimate of inventory investment shows a substantially smaller increase than the advance estimate.

Real gross domestic purchases was revised little; according to the preliminary estimate, it increased 3.6 percent, only 0.1 percentage point less than reported a month ago. The fixed-weighted price index for gross domestic purchases increased 3.0 percent, 0.2 percentage point more than reported a month ago. (The sources of the revisions are discussed in the section "Revisions.")

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates, and quarterly changes are differences between these rates. Quarter-to-quarter percent changes are annualized.

Real, or constant-dollar, estimates are expressed in 1987 dollars and are based on 1987 weights. Estimates based on weights of more recent periods are shown in the section "Alternative measures."

Table 1.—Real Gross Domestic Product, by Major Type of Product

[Seasonally adjusted at annual rates]

	Billions of 1987 dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1994			1995
						II	III	IV	I
	1995:I	II	III	IV	I				
Gross domestic product	5,470.0	53.0	52.9	66.8	36.2	4.1	4.0	5.1	2.7
Goods	2,316.2	32.5	34.2	51.4	29.3	6.1	6.4	9.5	5.2
Motor vehicles	231.9	-12.2	4.8	7.1	-3.4	-19.2	8.9	13.0	-5.7
Other	2,084.3	44.7	29.4	44.3	32.7	9.6	6.1	9.1	6.5
Services	2,666.4	10.0	18.1	8.5	4.0	1.5	2.8	1.3	.6
Structures	487.4	10.4	.7	6.9	2.9	9.2	.6	5.9	2.4

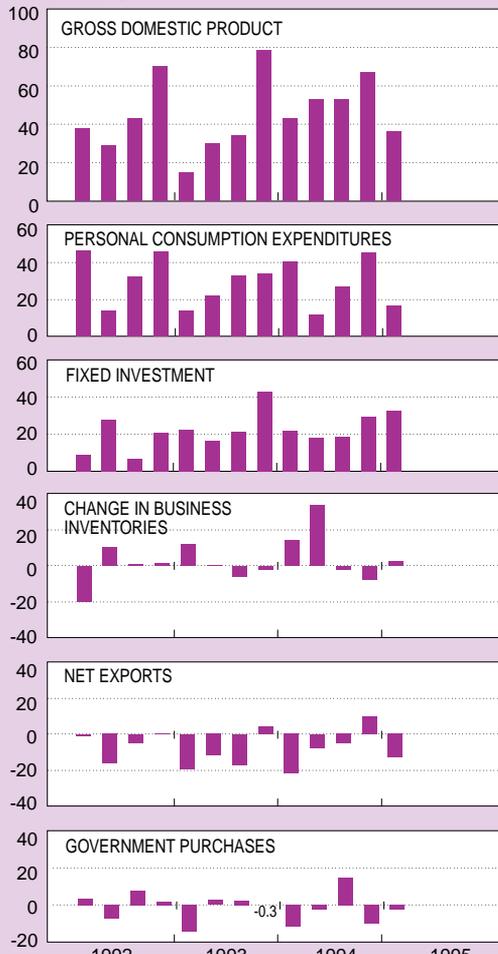
NOTE.—Most series are found in NIPA table 1.4. Output of motor vehicles is the sum of auto output and truck output (from tables 8.4 and 8.6, respectively).

The 2.7-percent increase in real GDP in the first quarter was markedly lower than the increases in the past few quarters (chart 1). The slowdown from the fourth quarter to the first was mostly accounted for by goods; motor vehicle output turned down, and the output of other goods increased less than in the fourth quarter (table 1). Output of services and of structures also slowed.

CHART 1

Real Product: Change from Preceding Quarter

Billion 1987 \$



Based on Seasonally Adjusted Annual Rates

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

The 3.6-percent increase in real gross domestic purchases followed an increase of 4.2 percent (table 2). The first-quarter increase reflected increases in nonresidential fixed investment and personal consumption expenditures. Inventory investment was up only a little, while residential investment and government purchases decreased.

Imports and exports account for the difference between GDP (the goods and services produced in the United States) and gross domestic purchases (the goods and services purchased by U.S. residents). In the first quarter, gross domestic

purchases increased more than GDP, as imports increased more than exports.

Personal consumption expenditures

Real personal consumption expenditures (PCE) increased 1.8 percent in the first quarter after increasing 5.1 percent in the fourth (table 3). Expenditures on durable goods, which turned down, contributed the most to the slowdown. Expenditures on nondurable goods increased somewhat less than in the fourth quarter, and expenditures on services somewhat more.

Table 2.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Seasonally adjusted at annual rates]

	Billions of 1987 dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1994			1995
		1994			1995	II	III	IV	I
	1995:I	II	III	IV	I				
Gross domestic product	5,470.0	53.0	52.9	66.8	36.2	4.1	4.0	5.1	2.7
Less: Exports of goods and services	702.2	24.3	22.6	31.4	4.3	16.6	14.8	20.2	2.5
Plus: Imports of goods and services	822.2	32.0	27.9	21.5	17.2	18.9	15.6	11.4	8.8
Equals: Gross domestic purchases	5,590.0	60.7	58.2	56.9	49.1	4.6	4.4	4.2	3.6
Less: Change in business inventories	52.3	33.8	-2.1	-7.7	2.9				
Equals: Final sales to domestic purchasers	5,537.7	26.9	60.3	64.6	46.2	2.0	4.6	4.8	3.4
Personal consumption expenditures	3,646.1	11.5	26.9	44.9	16.5	1.3	3.1	5.1	1.8
Nonresidential fixed investment	742.3	14.3	22.1	28.2	34.1	9.2	14.1	17.6	20.7
Residential investment	230.0	3.9	-3.6	1.3	-1.5	7.0	-6.0	2.3	-2.6
Government purchases	919.4	-2.8	14.9	-9.8	-2.8	-1.2	6.7	-4.1	-1.2

NOTE.—Dollar levels are found in NIPA tables 1.2 and 1.6. Percent changes are found in table 8.1.

Table 3.—Real Personal Consumption Expenditures

[Seasonally adjusted at annual rates]

	Billions of 1987 dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1994			1995
		1994			1995	II	III	IV	I
	1995:I	II	III	IV	I				
Personal consumption expenditures	3,646.1	11.5	26.9	44.9	16.5	1.3	3.1	5.1	1.8
Durable goods	549.1	.5	7.4	25.2	-5.7	.4	5.8	20.4	-4.0
Motor vehicles and parts	202.7	-8.4	-3.3	9.9	-9.2	-14.8	-6.3	21.1	-16.3
New autos	75.7	-1.8	-4.9	5.4	-8.6	-8.1	-21.4	30.3	-35.0
New trucks	45.9	-2.4	-2.7	5.9	-2.6	-18.7	-21.8	68.0	-19.8
Other	81.1	-4.2	4.3	-1.4	2.0	-19.3	24.6	-6.8	10.5
Furniture and household equipment	256.2	6.6	9.2	12.8	1.7	12.2	16.8	22.9	2.7
Other	90.1	2.4	1.6	2.4	1.7	12.2	7.8	11.6	7.9
Nondurable goods	1,129.0	6.0	9.1	8.5	7.1	2.2	3.3	3.1	2.6
Food	541.2	4.2	-4	2.8	2.7	3.2	-3	2.1	2.0
Clothing and shoes	216.9	1.1	5.3	6.2	.5	2.2	10.8	12.3	.9
Energy ¹	101.9	-1.4	1.6	-4	2.6	-5.5	6.7	-1.6	10.9
Other	269.1	2.0	2.7	-2	1.5	3.1	4.1	-3	2.3
Services	1,968.0	5.1	10.4	11.1	15.1	1.1	2.2	2.3	3.1
Housing	507.4	2.3	2.6	2.4	2.4	1.9	2.1	1.9	1.9
Household operation	230.1	.4	-1.0	-1.0	3.0	.7	-1.7	-1.7	5.4
Energy ²	96.6	-9	-3.0	-2.7	2.1	-3.5	-11.4	-10.7	9.2
Other household operation	133.5	1.2	2.0	1.7	.9	3.8	6.4	5.3	2.7
Transportation	137.1	.9	.6	3.3	1.4	2.8	1.8	10.3	4.2
Medical care	486.8	4.2	3.6	3.4	2.4	3.6	3.1	2.9	2.0
Other	606.6	-2.8	4.6	3.0	5.9	-1.9	3.1	2.0	4.0

1. Gasoline and oil, and fuel oil and coal.
2. Electricity and gas.

NOTE.—Dollar levels are found in NIPA table 2.3. New auto and truck purchases are found in tables 8.4 and 8.6, respectively. Percent changes in major aggregates are found in table 8.1.

The below-average growth in consumer spending is not easily explained by the factors usually associated with *PCE* (chart 2). Real disposable personal income posted a strong increase, 4.5 percent, though not as strong as the 7.5-percent increase in the fourth quarter. The unemployment rate edged down to 5.5 percent from 5.6 percent. The Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) increased for the second consecutive quarter after declining in the two preceding quarters.

Expenditures for durable goods decreased 4.0 percent—the first decrease in more than 3 years—after jumping 20.4 percent. The downturn was mainly accounted for by motor vehicles and parts and by furniture and household equipment. Motor vehicles and parts fell 16.3 percent after jumping 21.1 percent, reflecting a sharp drop in expenditures for new autos and trucks; net purchases of used autos and expenditures for tires, accessories, and parts increased in the first quar-

ter. Furniture and household equipment slowed to a 2.7-percent increase from a 22.9-percent increase.

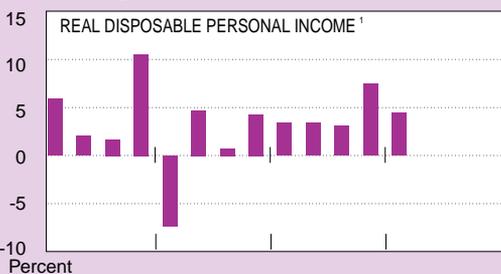
Expenditures for nondurable goods increased 2.6 percent after increasing 3.1 percent. Clothing and shoes, which increased 0.9 percent after increasing 12.3 percent, accounted for the slowdown. Food increased 2.0 percent, about the same as in the fourth quarter. Energy and "other" nondurable goods increased after decreasing.

Expenditures for services increased 3.1 percent after increasing 2.3 percent. The step-up was accounted for by energy and "other" services. Energy increased 9.2 percent after decreasing 10.7 percent, primarily reflecting a sharp pickup in expenditures for electricity and gas that resulted from the return to more normal temperatures after warmer-than-normal temperatures in the fourth quarter. "Other" services increased 4.0 percent after increasing 2.0 percent, mainly reflecting an upturn in net foreign travel expenditures and a step-up in expenditures for brokerage and investment counseling. Housing increased 1.9 percent, the same as in the fourth quarter. Transportation, medical care, and "other" household operations increased less than in the fourth quarter; in transportation, the slowdown reflected a smaller increase in air travel.

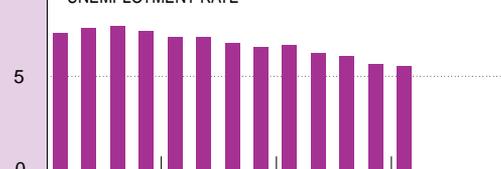
CHART 2

Selected Factors Affecting Consumer Spending

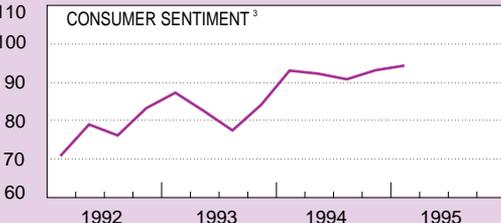
Percent change



UNEMPLOYMENT RATE²



CONSUMER SENTIMENT³



1. Disposable personal income in 1987 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

Nonresidential fixed investment

Real nonresidential fixed investment increased 20.7 percent in the first quarter after increasing 17.6 percent in the fourth (table 4). Both structures and producers' durable equipment stepped up.

Factors that affect investment spending were generally favorable in the first quarter, except for real final sales of domestic product, which increased less than half as much as in the fourth quarter. Profits posted a fourth consecutive quarterly increase, and cash flow increased for the fourth time in five quarters. The capacity utilization rate in manufacturing continued its uptrend, increasing 0.4 percentage point to 84.9 percent. Borrowing costs—as measured by the yield on new high-grade corporate bonds—were unchanged after four consecutive quarterly increases.

Structures increased 14.3 percent after increasing 11.0 percent. Nonresidential buildings increased; both industrial and commercial buildings were up about as much as in the fourth quarter. Mining exploration, shafts, and wells—mainly oilwell drilling—increased after a de-

crease. Construction by utilities changed little after increasing.

Producers' durable equipment increased 22.5 percent after increasing 19.6 percent. The first-quarter increase was spread across all major categories of equipment. In information processing equipment, computers increased sharply, though not so sharply as in the fourth quarter. Most of the increase in transportation equipment was accounted for by aircraft; an increase in trucks and a decrease in autos were largely offsetting. In industrial equipment, the biggest increase was registered by special industry machinery.

Residential investment

Real residential investment decreased 2.6 percent in the first quarter after increasing 2.3 percent in the fourth. The downturn was accounted for by "other" residential investment, which decreased after increasing. Multifamily structures increased strongly again, and single-family structures decreased slightly less in the first quarter than in the fourth.

Single-family construction decreased 8.3 percent after decreasing 8.7 percent. Single-family construction in a quarter is largely determined by single-family housing starts in that quarter and in the preceding quarter. Therefore, construction in the first quarter of 1995 reflected starts in that quarter and in the fourth quarter of 1994.

In these two quarters, single-family starts averaged 1.11 million units (seasonally adjusted annual rate), down from an average of 1.21 million units in the third and fourth quarters of 1994 (chart 3).

Multifamily construction increased 44.4 percent after increasing 55.0 percent. The first-quarter increase was the fifth in succession; since the fourth quarter of 1993, multifamily construction has increased at a compound annual rate of

CHART 3

Housing Starts

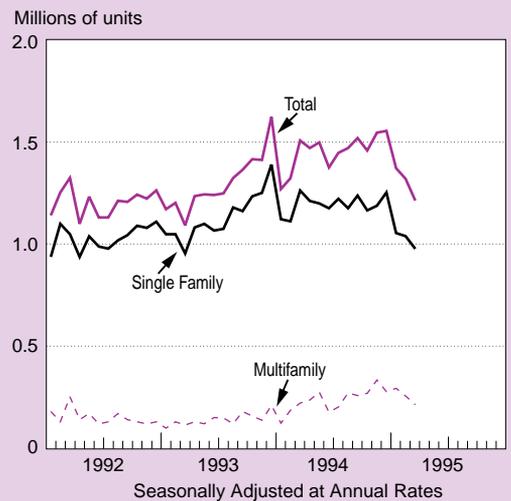


Table 4.—Real Gross Private Domestic Fixed Investment

[Seasonally adjusted at annual rates]

	Billions of 1987 dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1994		1995	
		1994			1995	II	III	IV	I
	1995:I	II	III	IV	I				
Gross private domestic fixed investment	972.3	18.3	18.5	29.5	32.6	8.6	8.6	13.6	14.6
Nonresidential	742.3	14.3	22.1	28.2	34.1	9.2	14.1	17.6	20.7
Structures	160.9	6.9	.6	4.0	5.3	20.6	1.6	11.0	14.3
Nonresidential buildings, including farm	113.8	6.2	-.3	4.4	4.3	27.4	-1.1	17.8	16.7
Utilities	30.8	.6	.7	1.0	.1	8.7	10.0	14.2	1.3
Mining exploration, shafts, and wells	9.4	.2	-.5	-.8	.9	8.6	-18.9	-30.2	49.6
Other	7.0	-.1	.5	-.5	.2	-5.7	32.8	-24.7	12.3
Producers' durable equipment	581.4	7.5	21.5	24.2	28.8	6.1	18.1	19.6	22.5
Information processing and related equipment	283.6	9.0	9.0	18.7	13.7	16.4	15.7	33.3	21.9
Computers and peripheral equipment	155.5	3.1	4.8	11.4	9.0	10.1	15.6	38.3	26.9
Other	128.1	5.8	4.3	7.3	4.7	23.7	16.3	27.6	16.1
Industrial equipment	98.5	2.5	3.2	1.5	4.9	12.1	15.2	6.7	22.6
Transportation and related equipment	109.4	-6.2	6.8	4.3	6.0	-22.9	32.9	18.5	25.3
Motor vehicles	93.5	-3.9	5.8	3.1	.3	-16.5	30.5	14.5	1.3
Other	15.9	-2.3	1.0	1.2	5.7	-63.6	60.2	65.0	490.5
Other	89.8	2.3	2.5	-4	4.1	11.8	12.5	-1.8	20.6
Residential	230.0	3.9	-3.6	1.3	-1.5	7.0	-6.0	2.3	-2.6
Single-family structures	118.4	2.5	-3.8	-2.8	-2.6	8.2	-11.4	-8.7	-8.3
Multifamily structures	14.8	1.3	.8	1.4	1.3	63.0	31.5	55.0	44.4
Other	96.7	.2	-.6	2.6	-3	.8	-2.5	11.5	-1.2

NOTE.—Dollar levels are found in NIPA table 5.5. Motor vehicles include new and used autos (from table 8.4) and new trucks (from table 8.6). Percent changes in major aggregates are found in table 8.1.

46.2 percent. This growth over the past five quarters occurred despite a rental vacancy rate that hovered in the relatively high (and narrow) range of 7.2 percent to 7.5 percent.

“Other” residential investment decreased 1.2 percent after increasing 11.5 percent. The decrease was more than accounted for by brokers’ commissions, which dropped as a result of a reduction in house sales. Sales of new and existing residences decreased 210,000 units (seasonally adjusted annual rate). The sales decrease occurred despite a decrease—the first in five quarters—in the mortgage commitment rate; the rate on 30-year fixed-rate loans decreased 29 basis points to 8.81 percent (chart 4).

Inventory investment

Real inventory investment—that is, the change in business inventories—increased \$2.9 billion in the first quarter, as inventory accumulation increased to \$52.3 billion from \$49.4 billion (table 5). In contrast, inventory investment decreased \$7.7 billion in the fourth quarter.

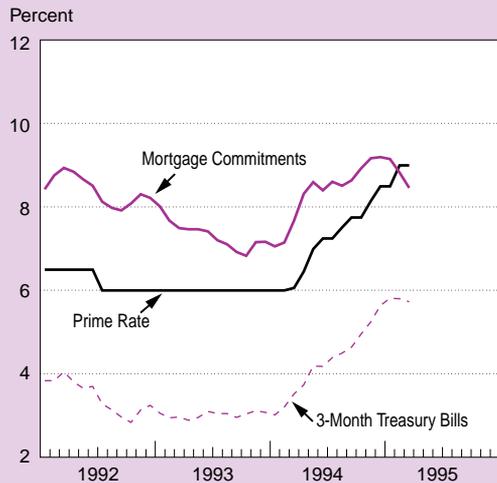
Nonfarm inventories increased \$49.8 billion in the first quarter, the fourth consecutive quarter of substantial accumulation. Most of the accumulation in the first quarter was by establishments that primarily sell durable goods. In manufacturing, the accumulation was accounted for by the electronic and industrial equipment industry. In retail trade, most of the accumulation was by auto dealers. In wholesale trade, the accumulation was more widespread; the largest accumulations were by wholesalers dealing in motor vehicles and parts, in electrical goods, and in machinery, equipment, and supplies.

Farm inventories increased \$2.5 billion after increasing \$7.7 billion. Inventories of crops increased less than in the fourth quarter, and inventories of livestock decreased slightly after an increase.

The constant-dollar ratio of nonfarm inventories to all final sales of domestic businesses moved up to 2.49 in the first quarter from 2.47 in the fourth. A ratio in which final sales are limited to goods and structures shows much the same picture; it moved up to 4.24 from 4.23. Despite these increases, both ratios remained low by historical standards.

CHART 4

Selected Interest Rates



Data: Federal Reserve Board

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

Table 5.—Change in Real Business Inventories

[Billions of 1987 dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	1994				1995	1994			1995
	I	II	III	IV	I	II	III	IV	I
Change in business inventories	25.4	59.2	57.1	49.4	52.3	33.8	-2.1	-7.7	2.9
Farm	3.3	7.5	9.7	7.7	2.5	4.2	2.2	-2.0	-5.2
Nonfarm	22.1	51.7	47.4	41.7	49.8	29.6	-4.3	-5.7	8.1
Manufacturing	9.9	.7	4.5	4.1	14.1	-9.2	3.8	-4	10.0
Wholesale trade	-1.0	17.7	16.9	15.8	21.0	18.7	-8	-1.1	5.2
Retail trade	2.0	22.3	19.9	15.6	9.6	20.3	-2.4	-4.3	-6.0
Automotive	2.5	-1.9	7.9	11.8	8.5	-4.4	9.8	3.9	-3.3
Other retail trade	-5	24.2	12.0	3.8	1.1	24.7	-12.2	-8.2	-2.7
Other	11.3	11.0	6.1	6.2	5.1	-3	-4.9	.1	-1.1
Addenda:									
Motor vehicles	-1.9	3.5	7.9	11.0	13.6	5.4	4.4	3.1	2.6
Nonfarm less motor vehicles	24.0	48.2	39.5	30.7	36.2	24.2	-8.7	-8.8	5.5

NOTE.—Dollar levels for change in real business inventories are found in NIPA table 5.11. Motor vehicles are found in tables 8.4 (autos) and 8.6 (trucks).

Exports and imports of goods and services

Real exports increased 2.5 percent in the first quarter after increasing 20.2 percent in the fourth. Real imports increased 8.8 percent after increasing 11.4 percent (table 6).

Exports of goods increased 4.3 percent after increasing 24.6 percent. After very strong fourth-quarter increases, exports of agricultural products turned down, and exports of nonagricultural products slowed sharply. Two-thirds of the slowdown in nonagricultural exports was accounted for by exports of nonautomotive capital goods; exports of civilian aircraft turned down, and exports of computers increased much less than in the fourth quarter. Most of the rest of the slowdown in nonagricultural exports was accounted for by nonautomotive consumer goods, which decreased after an increase. Exports of services turned down.

Imports of goods increased 8.0 percent after increasing 13.2 percent. The slowdown was more than accounted for by imports of nonautomotive capital goods, mainly computers. In contrast,

auto imports increased more than in the fourth quarter, and imports of petroleum and petroleum products decreased only a little after a very large decrease. Imports of services increased sharply after little change.

Government purchases

Real government purchases decreased 1.2 percent in the first quarter after decreasing 4.1 percent in the fourth (table 7). Federal Government purchases decreased much less than in the fourth quarter, and State and local government purchases slowed.

Federal defense purchases decreased 7.3 percent after decreasing 21.8 percent. The smaller first-quarter decrease mainly reflected an upturn in purchases of military equipment. First-quarter decreases in the purchases of nondurable goods and of services were comparable to the decreases in the fourth quarter. Within services, compensation of employees decreased for the 16th consecutive quarter. (Compensation primar-

Table 6.—Real Exports and Imports of Goods and Services

[Seasonally adjusted at annual rates]

	Billions of 1987 dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1994			1995
		1994			1995	II	III	IV	I
	1995:I	II	III	IV	I				
Exports of goods and services	702.2	24.3	22.6	31.4	4.3	16.6	14.8	20.2	2.5
Goods	539.3	20.2	20.5	28.5	5.7	18.6	18.0	24.6	4.3
Agricultural products	45.7	.9	3.2	5.2	-2	10.2	38.8	61.8	-1.7
Nonagricultural products	493.6	19.3	17.3	23.2	6.0	19.3	16.4	21.5	5.0
Services	162.9	4.0	2.1	3.0	-1.4	10.7	5.4	7.6	-3.4
Imports of goods and services	822.2	32.0	27.9	21.5	17.2	18.9	15.6	11.4	8.8
Goods	709.5	33.1	26.3	21.3	13.6	23.3	17.2	13.2	8.0
Petroleum and products	56.4	3.8	4.0	-7.2	-7	29.7	29.3	-37.8	-4.8
Nonpetroleum products	653.1	29.3	22.4	28.6	14.2	22.7	16.1	20.1	9.2
Services	112.7	-1.1	1.5	.2	3.6	-4.0	5.7	.7	13.9
Addendum: Net exports of goods and services	-120.0	-7.8	-5.2	9.9	-12.9				

NOTE.—Dollar levels are found in NIPA tables 4.2 and 4.4, and percent changes in major aggregates are found in table 8.1.

Table 7.—Real Government Purchases

[Seasonally adjusted at annual rates]

	Billions of 1987 dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1994			1995
		1994			1995	II	III	IV	I
	1995:I	II	III	IV	I				
Government purchases	919.4	-2.8	14.9	-9.8	-2.8	-1.2	6.7	-4.1	-1.2
Federal	326.9	-7.0	8.8	-13.1	-3.5	-7.9	10.9	-14.4	-4.2
National defense	215.0	-2.4	6.9	-13.9	-4.1	-4.1	12.8	-21.8	-7.3
Nondefense	111.8	-4.5	1.8	.8	.5	-15.0	6.8	2.9	1.8
State and local	592.5	4.1	6.1	3.3	.7	2.9	4.3	2.3	.5
Structures	90.2	1.7	2.5	1.1	-1.5	8.1	11.8	4.9	-6.4
Other	502.3	2.4	3.6	2.2	2.2	2.0	2.9	1.8	1.8

NOTE.—Dollar levels are found in NIPA table 3.8B, and percent changes are found in table 8.1.

ily reflects the number of military and civilian personnel in the Department of Defense.)

Federal nondefense purchases increased 1.8 percent after increasing 2.9 percent. The slowdown was more than accounted for by purchases of structures, which decreased after a sharp increase.

State and local government purchases increased 0.5 percent after increasing 2.3 percent. The slowdown was more than accounted for by structures, which decreased after three consecutive increases; most types of structures contributed to the decrease, but a decrease in highway construction was especially large.

Revisions

The preliminary estimate of a 2.7-percent increase in real GDP in the first quarter is 0.1 percentage point lower than the advance estimate (table 8). Preliminary estimates of the increases in the fixed-weighted price indexes for gross domestic purchases (3.0 percent) and for GDP (3.3 percent) are 0.2 percentage point higher than the advance estimates.

The small downward revision to real GDP was mainly the result of a downward revision to inventory investment that was largely offset by upward revisions to PCE and to residential and nonresidential fixed investment. The revision to inventory investment reflected the incorporation of the following revised or newly available source data:

- Newly available data on end-of-quarter inventory prices (producer price indexes for April) from the Bureau of Labor Statistics;
- Revised data for February and newly available data for March on the book value of inventories in manufacturing and trade from the Census Bureau;
- Revised seasonal factors for December 1994 from the Census Bureau; and
- Newly available data on livestock inventories from the Department of Agriculture.

The upward revision to personal consumption expenditures reflected the incorporation of revised data on retail sales for February and March. The upward revision to residential fixed investment reflected the incorporation of revised (February) and newly available (March) data on the value of new construction put in place from the Census Bureau. The upward revision to nonresidential fixed investment was concentrated in producers' durable equipment and reflected the incorporation of Census Bureau data for March

on manufacturers' shipments of capital goods (revised) and on imports and exports of capital goods (newly available).

Net exports—a component of GDP that sometimes undergoes substantial revision—was revised little this month, as exports and imports were revised up by nearly equal amounts. For both exports and imports, the revisions mainly reflected the incorporation of newly available Census Bureau data for March on trade in goods.

Alternative measures

The chain-type annual-weighted alternative measure of real GDP increased 1.7 percent in the first quarter, 1.0 percentage point less than the featured fixed-1987-weighted measure; the

Table 8.—Revisions to Real Gross Domestic Product and Prices, First Quarter 1995

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Preliminary estimate minus advance estimate	
	Advance estimate	Preliminary estimate	Percentage points	Billions of 1987 dollars
Gross domestic product	2.8	2.7	-0.1	-1.7
<i>Less:</i> Exports of goods and services	-6	2.5	3.1	5.3
Goods .....	.6	4.3	3.7	4.9
Services	-4.3	-3.4	.9	.4
<i>Plus:</i> Imports of goods and services	5.9	8.8	2.9	5.6
Goods	5.0	8.0	3.0	5.0
Services	11.5	13.9	2.4	.6
Equals: Gross domestic purchases	3.7	3.6	-1	-1.4
Personal consumption expenditures	1.4	1.8	.4	4.1
Durable goods	-4.7	-4.0	.7	.9
Nondurable goods	1.5	2.6	1.1	3.0
Services	3.1	3.1	0	.1
Fixed investment	12.5	14.6	2.1	4.5
Nonresidential	19.3	20.7	1.4	2.2
Structures	14.1	14.3	.2	.1
Producers' durable equipment	20.8	22.5	1.7	2.1
Residential	-6.6	-2.6	4.0	2.4
Change in business inventories .....	.....	.....	.....	-10.7
Nonfarm .....	.....	.....	.....	-8.5
Farm .....	.....	.....	.....	-2.2
Government purchases	-1.6	-1.2	.4	.8
Federal	-4.6	-4.2	.4	.4
National defense	-7.1	-7.3	-.2	-.1
Nondefense .....	.4	1.8	1.4	.4
State and local .....	.2	.5	.3	.4
Addenda:				
Final sales of domestic product	1.8	2.5	.7	9.0
Gross domestic purchases price index (fixed weights) ¹	2.8	3.0	.2	.....
GDP price index (fixed weights) ¹	3.1	3.3	.2	.....

1. Based on 1987 weights.

NOTE.—Preliminary estimates for the first quarter of 1995 incorporate the following revised or additional major source data that were not available when the advance estimates were prepared a month ago.

Personal consumption expenditures: Revised retail sales for February and March, and consumers' share of new car purchases for March.

Nonresidential fixed investment: Construction put in place for January and February (revised) and March, revised manufacturers' shipments of machinery and equipment for February and March, and business' share of new car purchases for March.

Residential investment: Construction put in place for January and February (revised) and March.

Change in business inventories: Manufacturing and trade inventories for February (revised) and March, and revised unit inventories of motor vehicles for March.

Net exports of goods and services: Exports and imports of goods for March.

Government purchases: Federal outlays for March, State and local construction put in place for February (revised) and March, and State and local government employment for February and March (revised).

Wages and salaries: Revised employment, average hourly earnings, and average weekly hours for February and March.

GDP prices: Detailed merchandise export and import price indexes for January through March, values and quantities of petroleum imports for March, and housing prices for the quarter.

Table 9.—Fixed-Weighted and Alternative Quantity and Price Indexes

[Percent change at annual rates; based on seasonally adjusted index numbers (1987=100)]

	1994			1995
	II	III	IV	I
Gross domestic product:				
Quantity indexes:				
Fixed 1987 weights	4.1	4.0	5.1	2.7
Chain-type annual weights	4.2	3.6	4.0	1.7
Benchmark-years weights	4.1	3.6	4.1	1.9
Price indexes:				
Fixed 1987 weights	2.9	3.0	2.6	3.3
Chain-type annual weights	2.7	2.8	2.5	3.3
Benchmark-years weights	2.7	2.7	2.6	3.3
Gross domestic purchases:				
Price indexes:				
Fixed 1987 weights	3.2	3.5	2.6	3.0
Chain-type annual weights	3.1	3.2	2.4	2.9
Benchmark-years weights	3.1	3.2	2.5	2.9

NOTE.—Percent changes are found in NIPA table 8.1. Index number levels are found in tables 7.1 and 7.2.

benchmark-years-weighted alternative measure increased 1.9 percent (table 9). About 75 percent of the difference between the increases in the alternative measures and the increase in the fixed-weighted measure was accounted for by a strong increase in purchases of computers, a product whose prices have decreased steadily since 1987. The alternative measures had also increased about 1 percentage point less than the fixed-weighted measure in the fourth quarter; about 60 percent of the difference was due to an increase in purchases of computers.

Both of the alternative price indexes for gross domestic purchases increased 2.9 percent in the first quarter, slightly less than the increase in the featured fixed-weighted measure. In the fourth quarter, the alternative measures had also increased slightly less than the fixed-weighted measure.

The preliminary estimate of the increase in the chain-type measure of real GDP is 0.4 percentage point less than the advance estimate published last month; the preliminary estimate of the increase in the benchmark-years measure is 0.3 percentage point less. For prices of gross domestic purchases, the chain-type measure was revised up 0.2 percentage point, and the benchmark-years measure was revised up 0.1 percentage point.

Corporate Profits

Profits from current production increased \$8.5 billion in the first quarter of 1995 after increasing \$4.3 billion in the fourth quarter of 1994 (table 10).²

2. Profits from current production is estimated as the sum of profits before tax, the inventory valuation adjustment (IVA), and the capital con-

The first-quarter increase was accounted for by domestic operations of financial corporations and by profits from the rest of the world. Profits from domestic operations of nonfinancial corporations, in contrast, decreased; real product of these corporations increased, but profits per unit dipped as unit costs rose more than unit prices.

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$8.1 billion after decreasing \$3.3 billion. The ratio of cash flow to nonresidential fixed investment is an indicator of the share of current level of investment that could be financed by internally generated funds. In the first quarter, this ratio decreased to 75.2 percent; the decrease was the sixth in succession and reflected the continued strong growth of investment.

sumption adjustment (CCAdj); it is shown in NIPA tables 1.14, 1.16, and 6.16C as "corporate profits with IVA and CCAdj."

Table 10.—Corporate Profits

[Seasonally adjusted at annual rates]

	Level	Change from preceding quarter	
	1995:I	1994:IV	1995:I
Billions of dollars			
Profits from current production	568.8	4.3	8.5
Domestic industries	501.6	4.9	1.0
Financial	96.9	-5.8	6.1
Nonfinancial	404.7	10.7	-5.1
Rest of the world	67.2	-6	7.5
IVA	-38.7	-12.5	-6.6
CCAdj	38.0	1.3	-8
Profits before tax	569.5	15.4	16.0
Profits tax liability	220.2	7.0	4.6
Profits after tax	349.4	8.4	11.5
Cash flow from current production	576.9	-3.3	8.1
Profits by industry:			
Corporate profits with IVA	530.8	2.9	9.4
Domestic industries	463.6	3.6	1.9
Financial	114.2	-5.4	7.0
Nonfinancial	349.4	9.0	-5.1
Manufacturing .....	.....	7.6	.....
Trade .....	.....	-9	.....
Transportation and public utilities .....	.....	3.8	.....
Other .....	.....	-1.5	.....
Rest of the world	67.2	-6	7.5
Receipts (inflows)	99.6	.1	9.6
Payments (outflows)	32.4	.7	2.1
Dollars			
Unit price, costs, and profits of domestic nonfinancial corporations:			
Unit price	1.176	0	.001
Unit labor cost .....	.771	0	.003
Unit nonlabor cost .....	.280	-.001	.001
Unit profits from current production .....	.125	.001	-.003

NOTE.—Levels of these and other profits series are found in NIPA tables 1.14, 1.16, 6.16C, and 7.15.

IVA Inventory valuation adjustment
CCAdj Capital consumption adjustment

Related measures.—Industry profits increased \$9.4 billion after increasing \$2.9 billion.³ Profits of financial industries increased \$7.0 billion after decreasing \$5.4 billion; the increase appears to have been spread across commercial banks, Federal Reserve banks, and property/casualty insurance carriers.⁴ Profits of nonfinancial industries decreased \$5.1 billion after increasing \$9.0 billion; decreases appear to have been widespread in manufacturing and were evident also in trade and in the transportation and public utilities group. In contrast, profits of “other” nonfinancial corporations, such as construction and services, increased. Profits from the rest of the world increased \$7.5 billion after decreasing \$0.6 billion. This component of profits measures receipts of profits from foreign affiliates of U.S. corporations less payments of profits by U.S. affiliates of foreign corporations. Receipts increased much more than payments in the first quarter.

Profits before tax increased \$16.0 billion, almost twice as much as profits from current production. The difference between the two measures mainly reflects an increase in inventory profits, which are included in profits before tax and which are recorded (with the sign reversed) in the NIPA’s as the inventory valuation adjustment.

Government Sector

The fiscal position of the government sector improved in the first quarter of 1995, as the combined deficit of the Federal Government and of State and local governments decreased \$11.7 billion, to \$120.6 billion (table 11). This turnaround was largely the result of an improvement in the Federal Government deficit.

Federal

The Federal Government deficit fell \$10.8 billion, to \$150.3 billion, in the first quarter after increasing \$7.1 billion in the fourth quarter and \$8.9 billion in the third. The improvement reflected both an acceleration in receipts and a deceleration in expenditures.

Receipts.—Receipts increased \$28.3 billion in the first quarter after increasing \$20.0 billion in the fourth. The acceleration was more than accounted for by personal tax and nontax receipts and by contributions for social insurance.

Personal tax and nontax receipts increased \$16.4 billion after increasing \$7.3 billion. Net non-withheld personal income taxes increased \$10.3 billion after decreasing \$0.5 billion. This upturn was largely a result of provisions of the Omnibus Budget Reconciliation Act of 1993 that deferred some 1994 liabilities until 1995. These changes included the addition of a fourth tax bracket and a 10-percent surtax on high incomes. Withheld personal income taxes increased \$6.3

Table 11.—Government Sector Receipts and Expenditures

[Billions of dollars, seasonally adjusted]

	Level 1995:1	Change from preceding quarter				
		1994				1995
		I	II	III	IV	I
Government sector						
Receipts	2,207.8	31.1	55.4	17.0	32.1	36.8
Expenditures	2,328.4	-3.4	22.4	29.0	34.3	25.1
Surplus or deficit (-)	-120.6	34.5	33.0	-12.0	-2.2	11.7
Social insurance funds	138.0	9.6	4.3	0	1.2	17.4
Other	-258.6	24.9	28.6	-11.9	-3.4	-5.7
Federal Government						
Receipts	1,437.1	23.9	43.2	8.1	20.0	28.3
Personal tax and nontax receipts	590.6	13.4	20.9	-4.2	7.3	16.4
Corporate profits tax accruals	182.1	-6.0	14.5	6.1	5.7	4.0
Indirect business tax and nontax accruals	89.1	-0.3	0	1.5	0	-2.8
Contributions for social insurance	575.3	16.8	7.9	4.6	7.0	10.7
Expenditures	1,587.4	-20.0	12.2	16.9	27.1	17.5
Purchases	433.6	-2.0	-2.7	9.2	-12.4	1.7
National defense	283.8	-7.4	0	8.8	-15.2	-1.5
Nondefense	149.8	5.4	-2.6	.3	2.8	3.2
Transfer payments (net)	705.7	-2.6	4.7	6.8	16.2	6.5
To persons	695.2	10.1	3.6	5.0	6.0	20.7
To rest of the world	10.5	-12.7	1.1	1.7	10.3	-14.2
Grants-in-aid to State and local governments	211.0	-7.0	4.4	5.9	5.2	5.5
Net interest paid	210.0	-4.2	9.5	5.6	9.1	6.5
Subsidies less current surplus of government enterprises	27.1	-4.2	-3.8	-10.4	8.9	-2.7
Subsidies	36.2	-3.9	-3.1	-8.7	8.3	2.0
Of which: Agricultural subsidies	8.5	-4.9	-3.4	-8.4	8.3	-3
Less: Current surplus of government enterprises	9.1	.3	.7	1.7	-6	4.7
Less: Wage accruals less disbursements	0	0	0	0	0	0
Surplus or deficit (-)	-150.3	43.9	31.1	-8.9	-7.1	10.8
Social insurance funds	72.9	10.0	4.2	.6	1.4	17.4
Other	-223.2	33.9	26.8	-9.4	-8.5	-6.6
State and local governments						
Receipts	981.7	.3	16.5	14.7	17.4	14.0
Personal tax and nontax receipts	182.8	2.7	2.4	2.0	3.3	2.2
Corporate profits tax accruals	38.0	-1.4	3.1	.8	1.3	.5
Indirect business tax and nontax accruals	476.8	5.2	5.8	5.3	6.7	4.8
Contributions for social insurance	73.0	.8	.8	.8	.8	.9
Federal grants-in-aid	211.0	-7.0	4.4	5.9	5.2	5.5
Expenditures	952.0	9.6	14.7	17.8	12.5	13.1
Purchases	763.3	4.6	9.5	13.0	9.3	9.5
Of which: Structures	107.7	-5.8	2.3	4.4	2.6	-8
Transfer payments to persons	285.5	5.7	6.4	6.1	4.5	4.2
Net interest paid	-55.6	-5	-5	-5	-5	0
Less: Dividends received by government	11.6	.2	.1	.1	.4	.3
Subsidies less current surplus of government enterprises	-29.6	-1	-6	-6	-4	-3
Subsidies .....	.4	0	0	0	0	0
Less: Current surplus of government enterprises	30.0	.2	.6	.5	.5	.3
Less: Wage accruals less disbursements	0	0	0	0	0	0
Surplus or deficit (-)	29.7	-9.3	1.8	-3.1	4.9	.9
Social insurance funds	65.1	-3	0	-6	-2	0
Other	-35.4	-9.0	1.8	-2.5	5.1	.9

NOTE.—Dollar levels are found in NIPA tables 3.2 and 3.3.

3. Industry profits are estimated as the sum of profits before tax and the inventory valuation adjustment (IVA); it is shown in NIPA table 6.16C as “corporate profits with IVA.” Estimates of the capital consumption adjustment by industry do not exist.

4. The income of Federal Reserve banks is treated as corporate profits in the NIPA’s.

billion after increasing \$8.3 billion, as a result of a slowdown in wages and salaries and the effects of annual indexation for inflation on the 1995 withholding tables.

Contributions for social insurance increased \$10.7 billion after increasing \$7.0 billion. The step-up reflected an increase in the social security taxable wage base and an increase in monthly premiums for supplemental medical insurance, both of which were effective in January 1995.

Indirect business tax and nontax accruals decreased \$2.8 billion after no change. The downturn reflected a decline in collections of customs duties as a result of reduced tariffs under the General Agreement on Trade and Tariffs and the North American Free Trade Agreement.

Corporate profits tax accruals increased \$4.0 billion after increasing \$5.7 billion. The slowdown reflected a deceleration in domestic corporate profits.

Expenditures.—Expenditures increased \$17.5 billion in the first quarter after increasing \$27.1 in the fourth. Slowdowns in transfer payments and in net interest paid and a downturn in subsidies less current surplus of government enterprises were partly offset by a turnaround in purchases.

Transfer payments increased \$6.5 billion after increasing \$16.2 billion. A downturn in transfer payments to the rest of the world was partly offset by an acceleration in transfer payments to persons. Transfer payments to the rest of the world decreased \$14.2 billion after increasing \$10.3 billion; the increase in the fourth quarter was accounted for primarily by a \$12.0 billion (annual rate) payment to Israel to finance military purchases. Transfer payments to persons increased \$20.7 billion after increasing \$6.0 billion. Most of this step-up was accounted for by social security benefits (old-age, survivors, and disability insurance). These benefits increased \$9.8 billion after increasing \$2.1 billion, reflecting a 2.8-percent cost-of-living adjustment that went into effect in January. In addition, transfer payments to persons were boosted \$5.1 billion in the first quarter by an expansion of eligibility and higher benefits for the earned income tax credit, which became effective in January.

Subsidies less current surplus of government enterprises decreased \$2.7 billion after increasing \$8.9 billion. The downturn was attributable to both a slowdown in subsidies, which reflected a downturn in agricultural subsidies, and an upturn in the current surplus of government enterprises, which mainly reflected an increase in postal rates in January.

Net interest paid increased \$6.5 billion after increasing \$9.1 billion. The deceleration was mainly attributable to gross interest paid, which increased \$5.8 billion after increasing \$9.8 billion.

Purchases increased \$1.7 billion after decreasing \$12.4 billion. This turnaround was largely attributable to defense spending, which decreased much less in the first quarter than in the fourth. Defense purchases decreased \$1.5 billion after decreasing \$15.2 billion, as purchases of durable goods and structures turned up and as services declined less than in the fourth quarter. Most of the upswing in purchases of durable goods was attributable to military equipment, which rose \$2.6 billion after decreasing \$8.1 billion; purchases of "other" military equipment, aircraft, and ships all increased after decreasing in the fourth quarter. Purchases of defense services decreased \$5.0 billion after decreasing \$6.8 billion; compensation of employees turned up as a result of a pay raise for Federal military and civilian employees, which went into effect in January.

Nondefense purchases increased \$3.2 billion after increasing \$2.8 billion. Step-ups in purchases of services, durable goods, and nondurable goods were largely offset by a downturn in the purchases of structures. Purchases of nondefense services increased \$1.9 billion after an increase of \$0.7 billion. This acceleration was due to an increase in compensation that resulted from the pay raise for Federal employees. Purchases of durable goods increased \$0.6 billion after increasing \$0.1 billion, largely because of a slowdown in timber sales (sales except those by government enterprises for goods and services similar to those provided by the private sector are treated as deductions from government purchases). Purchases of nondurable goods increased \$0.9 billion after increasing \$0.6 billion; reduced sales by the Commodity Credit Corporation accounted for the step-up. Purchases of structures decreased \$0.2 billion after increasing \$1.4 billion.

Grants-in-aid to State and local governments increased \$5.5 billion after increasing \$5.2 billion.

State and local

The State and local government surplus increased \$0.9 billion, to \$29.7 billion, in the first quarter after increasing \$4.9 billion in the fourth. In both quarters, receipts increased more than expenditures.

Receipts increased \$14.0 billion in the first quarter after increasing \$17.4 billion in the fourth. This slowdown was accounted for by indirect business tax and nontax accruals,

personal tax and nontax receipts, and corporate profits tax accruals. Indirect business tax and nontax accruals increased \$4.8 billion after a \$6.7 billion increase, as sales taxes increased \$1.7 billion after an increase of \$4.1 billion. Personal tax and nontax receipts increased \$2.2 billion after an increase of \$3.3 billion; the deceleration was in income tax receipts. Corporate profits tax accruals increased \$0.5 billion after an increase of \$1.3 billion; the

slowdown reflected a deceleration in domestic corporate profits.

Expenditures increased \$13.1 billion in the first quarter after increasing \$12.5 billion in the fourth. Net interest paid was unchanged after a \$0.5 billion decrease. Purchases increased \$9.5 billion after increasing \$9.3 billion. Within purchases, structures decreased \$0.8 billion after a \$2.6 billion increase; all the other components of purchases accelerated. 

NATIONAL INCOME AND PRODUCT ACCOUNTS

Selected NIPA Tables

New estimates in this issue: "Preliminary" estimates for the first quarter of 1995.

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.) These tables are available on the day of the gross domestic product (GDP) news release on printouts and diskettes on a subscription basis or from the Commerce Department's Economic Bulletin Board. For order information, write to the National Income and Wealth Division (BE-54), Bureau of Economic Analysis, Washington, DC 20230 or call (202) 606-9700.

Tables containing the estimates for 1929-87 are available in the two-volume set *National Income and Product Accounts of the United States*; see [inside back cover](#) for order information. For 1988-93, the complete official time series of NIPA estimates can be found as follows:

	1988	1989	1990	1991-93
Most tables.....	NIPA 's, vol. 2	July 1992 SURVEY	Aug. 1993 SURVEY	July 1994 SURVEY
Tables 1.15, 1.16, and 7.15.....	"	"	Sept. 1993 SURVEY	"
Tables 3.15-3.20 and 9.1-9.6....	"	Sept. 1992 SURVEY	"	Sept. 1994 SURVEY
Tables 7.1, 7.2, 7.3, and 8.1....	Aug. 1994 SURVEY	Aug. 1994 SURVEY	Aug. 1994 SURVEY	Aug. 1994 SURVEY
Tables 7.4-7.12.....	Apr. 1993 SURVEY	Apr. 1993 SURVEY	Aug. 1993 SURVEY	July 1994 SURVEY

Summary NIPA series back to 1929 are in the September 1994 issue of the SURVEY. Errata to published NIPA tables appear in the September 1992, April 1993, October 1993, March 1994, November 1994, and April 1995 issues. NIPA tables are also available, most beginning with 1929, on diskettes. For more information on the presentation of the estimates, see ["A Look at How BEA Presents the NIPA's"](#) in the February 1995 SURVEY.

NOTE.—This section of the SURVEY is prepared by the National Income and Wealth Division and the Government Division.

1. National Product and Income

Table 1.1.—Gross Domestic Product

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1994					1995
			IV	I	II	III	IV	
Gross domestic product	6,343.3	6,738.4	6,478.1	6,574.7	6,689.9	6,791.7	6,897.2	6,979.7
Personal consumption expenditures	4,378.2	4,628.4	4,469.6	4,535.0	4,586.4	4,657.5	4,734.8	4,785.8
Durable goods	538.0	591.5	562.8	576.2	580.3	591.5	617.7	614.7
Nondurable goods	1,339.2	1,394.3	1,355.2	1,368.9	1,381.4	1,406.1	1,420.7	1,433.1
Services	2,501.0	2,642.7	2,551.6	2,589.9	2,624.7	2,659.9	2,696.4	2,737.9
Gross private domestic investment	882.0	1,032.9	922.5	966.6	1,034.4	1,055.1	1,075.6	1,110.1
Fixed investment	866.7	980.7	913.5	942.5	967.0	992.5	1,020.8	1,054.8
Nonresidential	616.1	697.6	646.3	665.4	683.3	709.1	732.8	766.9
Structures	173.4	182.8	176.7	172.7	181.8	184.6	192.0	200.0
Producers' durable equipment	442.7	514.8	469.6	492.7	501.5	524.5	540.7	566.9
Residential	250.6	283.0	267.2	277.1	283.6	283.4	288.0	287.9
Change in business inventories	15.4	52.2	9.0	24.1	67.4	62.6	54.8	55.3
Nonfarm	20.1	45.9	10.7	22.3	60.4	53.4	47.4	54.4
Farm	-4.7	6.4	-1.7	1.8	7.0	9.2	7.4	.9
Net exports of goods and services	-65.3	-98.2	-71.2	-86.7	-97.6	-109.6	-98.9	-113.1
Exports	659.1	718.7	680.3	674.2	704.5	730.5	765.5	775.8
Imports	724.3	816.9	751.4	760.9	802.1	840.1	864.4	888.9
Government purchases	1,148.4	1,175.3	1,157.2	1,159.8	1,166.7	1,188.8	1,185.8	1,196.9
Federal	443.6	437.3	439.8	437.8	435.1	444.3	431.9	433.6
National defense	302.7	292.3	299.1	291.7	291.7	300.5	285.3	283.8
Nondefense	140.9	145.0	140.7	146.1	143.5	143.8	146.6	149.8
State and local	704.7	738.0	717.4	722.0	731.5	744.5	753.8	763.3

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

Table 1.2.—Gross Domestic Product in Constant Dollars

[Billions of 1987 dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1994					1995
			IV	I	II	III	IV	
Gross domestic product	5,134.5	5,344.0	5,218.0	5,261.1	5,314.1	5,367.0	5,433.8	5,470.0
Personal consumption expenditures	3,458.7	3,579.6	3,506.2	3,546.3	3,557.8	3,584.7	3,629.6	3,646.1
Durable goods	489.9	532.1	510.8	521.7	522.2	529.6	554.8	549.1
Nondurable goods	1,078.5	1,109.5	1,088.0	1,098.3	1,104.3	1,113.4	1,121.9	1,129.0
Services	1,890.3	1,938.1	1,907.4	1,926.3	1,931.4	1,941.8	1,952.9	1,968.0
Gross private domestic investment	819.9	951.5	862.5	898.9	950.9	967.3	989.1	1,024.6
Fixed investment	804.6	903.8	851.7	873.4	891.7	910.2	939.7	972.3
Nonresidential	591.6	672.4	627.2	643.6	657.9	680.0	708.2	742.3
Structures	147.7	150.6	148.7	144.1	151.0	151.6	155.6	160.9
Producers' durable equipment	443.9	521.9	478.5	499.4	506.9	528.4	552.6	581.4
Residential	213.0	231.3	224.5	229.9	233.8	230.2	231.5	230.0
Change in business inventories	15.3	47.8	10.8	25.4	59.2	57.1	49.4	52.3
Nonfarm	18.5	40.7	10.7	22.1	51.7	47.4	41.7	49.8
Farm	-3.2	7.1	.1	3.3	7.5	9.7	7.7	2.5
Net exports of goods and services	-73.9	-110.0	-82.2	-104.0	-111.8	-117.0	-107.1	-120.0
Exports	602.5	657.0	625.2	619.6	643.9	666.5	697.9	702.2
Imports	676.3	766.9	707.4	723.6	755.6	783.5	805.0	822.2
Government purchases	929.8	922.8	931.5	919.9	917.1	932.0	922.2	919.4
Federal	356.6	337.6	351.1	341.7	334.7	343.5	330.4	326.9
National defense	243.7	226.7	238.7	228.5	226.1	233.0	219.1	215.0
Nondefense	113.0	110.9	112.4	113.2	108.7	110.5	111.3	111.8
State and local	573.1	585.2	580.4	578.3	582.4	588.5	591.8	592.5

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

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

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Gross domestic product	6,343.3	6,738.4	6,478.1	6,574.7	6,689.9	6,791.7	6,897.2	6,979.7
Plus: Receipts of factor income from the rest of the world ¹	136.6	167.1	141.3	145.4	162.1	176.7	184.2	199.6
Less: Payments of factor income to the rest of the world ²	132.1	178.6	143.3	146.1	169.5	188.8	210.1	221.4
Equals: Gross national product	6,347.8	6,726.9	6,476.2	6,574.0	6,682.5	6,779.6	6,871.3	6,957.9
Less: Consumption of fixed capital	669.1	715.3	674.0	734.1	698.1	709.9	719.3	730.6
Capital consumption allowances	635.1	680.3	650.3	683.2	669.8	679.4	688.9	697.9
Less: Capital consumption adjustment	-33.9	-35.0	-23.8	-50.9	-28.3	-30.5	-30.5	-32.6
Equals: Net national product	5,678.7	6,011.5	5,802.2	5,840.0	5,984.5	6,069.8	6,152.0	6,227.4
Less: Indirect business tax and nontax liability	525.3	554.0	539.7	544.7	550.3	557.2	564.0	565.9
Business transfer payments	28.7	30.7	28.6	30.1	30.3	30.8	31.4	31.5
Statistical discrepancy	2.3	-30.9	-16.5	-36.1	-24.0	-21.1	-42.4	-60.4
Plus: Subsidies less current surplus of government enterprises	9.0	.7	11.7	7.4	3.0	-8.0	.4	-2.5
Equals: National income	5,131.4	5,458.4	5,262.0	5,308.7	5,430.7	5,494.9	5,599.4	5,687.8
Less: Corporate profits with inventory valuation and capital consumption adjustments	485.8	542.7	533.9	508.2	546.4	556.0	560.3	568.8
Net interest	399.5	409.7	389.1	394.2	399.7	415.7	429.2	443.1
Contributions for social insurance	585.6	626.0	597.2	614.7	623.5	628.9	636.7	648.3
Wage accruals less disbursements	20.0	0	0	0	0	0	0	0
Plus: Personal interest income	637.9	664.0	627.7	631.1	649.4	674.2	701.1	725.3
Personal dividend income	181.3	194.3	184.1	185.7	191.7	196.9	202.7	205.5
Government transfer payments to persons	892.6	939.9	908.3	924.2	934.3	945.4	955.8	980.7
Business transfer payments to persons	22.8	23.5	22.7	23.2	23.4	23.6	23.8	24.0
Equals: Personal income	5,375.1	5,701.7	5,484.6	5,555.8	5,659.9	5,734.5	5,856.6	5,963.2
Addenda:								
Net domestic product	5,674.2	6,023.0	5,804.1	5,840.7	5,991.8	6,081.8	6,177.8	6,249.2
Domestic income	5,126.9	5,469.9	5,264.0	5,309.4	5,438.1	5,506.9	5,625.3	5,709.6
Gross national income	6,345.5	6,757.8	6,492.7	6,610.1	6,706.5	6,800.8	6,913.7	7,018.3

1. Consists largely of receipts by U.S. residents of interest and dividends and reinvested earnings of foreign affiliates of U.S. corporations.

2. Consists largely of payments to foreign residents of interest and dividends and reinvested earnings of U.S. affiliates of foreign corporations.

Table 1.10.—Relation of Gross Domestic Product, Gross National Product, Net National Product, and National Income in Constant Dollars

[Billions of 1987 dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Gross domestic product	5,134.5	5,344.0	5,218.0	5,261.1	5,314.1	5,367.0	5,433.8	5,470.0
Plus: Receipts of factor income from the rest of the world ¹	109.1	130.8	112.4	114.8	127.1	137.8	143.2	154.4
Less: Payments of factor income to the rest of the world ²	103.4	137.5	111.7	113.2	130.7	144.9	161.0	169.1
Equals: Gross national product	5,140.3	5,337.3	5,218.7	5,262.7	5,310.5	5,359.9	5,416.0	5,455.3
Less: Consumption of fixed capital	599.5	628.5	602.0	648.1	614.8	621.9	629.4	637.5
Equals: Net national product	4,540.8	4,708.8	4,616.7	4,614.6	4,695.7	4,738.0	4,786.6	4,817.8
Less: Indirect business tax and nontax liability plus business transfer payments less subsidies plus current surplus of government enterprises	421.2	438.0	428.3	432.7	434.9	439.2	445.2	450.4
Statistical discrepancy	1.9	-24.9	-13.5	-29.3	-19.3	-17.0	-34.0	-48.2
Equals: National income	4,117.7	4,295.7	4,201.8	4,211.3	4,280.2	4,315.8	4,375.4	4,415.7
Addenda:								
Net domestic product	4,535.1	4,715.5	4,616.0	4,613.0	4,699.3	4,745.2	4,804.4	4,832.6
Domestic income	4,112.0	4,302.4	4,201.1	4,209.7	4,283.8	4,322.9	4,393.2	4,430.4
Gross national income	5,138.4	5,362.2	5,232.2	5,292.1	5,329.8	5,376.9	5,450.0	5,503.5

1. Consists largely of receipts by U.S. residents of interest and dividends and reinvested earnings of foreign affiliates of U.S. corporations.

2. Consists largely of payments to foreign residents of interest and dividends and reinvested earnings of U.S. affiliates of foreign corporations.

Table 1.11.—Command-Basis Gross National Product in Constant Dollars

[Billions of 1987 dollars]

	1993	1994	1995	1996	1997	1998	1999	2000
Gross national product	5,140.3	5,337.3	5,218.7	5,262.7	5,310.5	5,359.9	5,416.0	5,455.3
Less: Exports of goods and services and receipts of factor income from the rest of the world	711.6	787.7	737.6	734.5	771.0	804.3	841.1	856.6
Plus: Command-basis exports of goods and services and receipts of factor income ¹	724.4	804.7	752.2	756.2	790.6	818.6	853.8	870.9
Equals: Command-basis gross national product	5,153.1	5,354.3	5,233.3	5,284.5	5,330.1	5,374.2	5,428.7	5,469.6
Addendum:								
Terms of trade ²	101.8	102.2	102.0	103.0	102.5	101.8	101.5	101.7

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

Table 1.14.—National Income by Type of Income

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					1995
			1993		1994			
			IV	I	II	III	IV		I
National income	5,131.4	5,458.4	5,262.0	5,308.7	5,430.7	5,494.9	5,599.4	5,687.8
Compensation of employees	3,780.4	4,004.6	3,845.8	3,920.0	3,979.3	4,023.7	4,095.3	4,158.2
Wages and salaries	3,100.8	3,279.0	3,148.4	3,208.3	3,257.2	3,293.9	3,356.4	3,404.2
Government	583.8	602.8	587.8	595.7	601.9	604.4	609.0	616.4
Other	2,517.0	2,676.2	2,560.7	2,612.6	2,655.4	2,689.6	2,747.4	2,787.8
Supplements to wages and salaries	679.6	725.6	697.4	711.7	722.0	729.7	738.9	754.0
Employer contributions for social insurance ..	324.3	344.6	330.6	338.5	343.6	346.0	350.2	354.4
Other labor income	355.3	381.0	366.8	373.2	378.4	383.7	388.7	399.6
Proprietors' income with IVA and CCAAdj	441.6	473.7	462.9	471.0	471.3	467.0	485.7	492.6
Farm	37.3	39.5	44.4	47.2	39.3	29.8	41.7	43.5
Proprietors' income with IVA	44.5	46.8	51.5	54.5	46.6	37.2	49.0	50.8
CCAAdj	-7.2	-7.3	-7.0	-7.3	-7.4	-7.4	-7.3	-7.3
Nonfarm	404.3	434.2	418.5	423.8	431.9	437.1	444.0	449.2
Proprietors' income	390.2	420.1	403.7	409.3	417.5	423.1	430.5	436.4
IVA	-8	-1.2	-9	-6	-1.1	-1.1	-1.7	-1.8
CCAAdj	14.9	15.3	15.7	15.2	15.5	15.2	15.1	14.6
Rental income of persons with CCAAdj	24.1	27.7	30.3	15.3	34.1	32.6	29.0	25.1
Rental income of persons ..	86.3	98.9	92.4	101.7	98.6	98.8	96.3	93.0
CCAAdj	-62.2	-71.1	-62.1	-86.4	-64.5	-66.2	-67.3	-67.9
Corporate profits with IVA and CCAAdj	485.8	542.7	533.9	508.2	546.4	556.0	560.3	568.8
Corporate profits with IVA ..	456.2	505.0	495.1	471.2	509.0	518.5	521.4	530.8
Profits before tax	462.4	524.5	501.7	483.5	523.1	538.1	553.5	569.5
Profits tax liability	173.2	202.5	191.5	184.1	201.7	208.6	215.6	220.2
Profits after tax	289.2	322.0	310.2	299.4	321.4	329.5	337.9	349.4
Dividends	191.7	205.2	194.6	196.3	202.5	207.9	213.9	217.1
Undistributed profits	97.5	116.9	115.6	103.0	118.9	121.6	124.0	132.2
IVA	-6.2	-19.5	-6.5	-12.3	-14.1	-19.6	-32.1	-38.7
CCAAdj	29.5	37.7	38.8	37.0	37.4	37.5	38.8	38.0
Net interest	399.5	409.7	389.1	394.2	399.7	415.7	429.2	443.1
Addenda:								
Corporate profits after tax with IVA and CCAAdj	312.5	340.2	342.4	324.1	344.8	347.4	344.7	348.6
Net cash flow with IVA and CCAAdj	528.7	567.3	558.9	559.9	568.2	572.1	568.8	576.9
Undistributed profits with IVA and CCAAdj	120.9	135.1	147.9	127.7	142.3	139.5	130.7	131.5
Consumption of fixed capital	407.8	432.2	411.1	432.2	425.9	432.6	438.0	445.5
Less: IVA	-6.2	-19.5	-6.5	-12.3	-14.1	-19.6	-32.1	-38.7
Equals: Net cash flow	534.9	586.8	565.5	572.2	582.3	591.7	600.9	615.6

CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment

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

	1993	1994	Seasonally adjusted at annual rates					1995
			1993		1994			
			IV	I	II	III	IV		I
Gross domestic product of corporate business	3,796.2	4,064.7	3,904.8	3,957.0	4,036.0	4,096.0	4,169.9	4,226.7
Consumption of fixed capital ..	407.8	432.2	411.1	432.2	425.9	432.6	438.0	445.5
Net domestic product	3,388.4	3,632.5	3,493.7	3,524.8	3,610.0	3,663.4	3,731.8	3,781.2
Indirect business tax and nontax liability plus business transfer payments less subsidies	377.5	400.8	388.3	393.5	397.8	403.9	408.2	409.5
Domestic income	3,010.9	3,231.7	3,105.4	3,131.3	3,212.2	3,259.6	3,323.6	3,371.7
Compensation of employees	2,471.6	2,622.6	2,513.8	2,564.0	2,603.3	2,635.4	2,687.7	2,730.2
Wages and salaries ..	2,045.6	2,170.7	2,079.6	2,121.1	2,154.2	2,180.8	2,226.8	2,258.2
Supplements to wages and salaries	426.1	451.9	434.2	442.9	449.0	454.6	460.9	472.0
Corporate profits with IVA and CCAAdj	420.5	482.3	472.2	447.1	485.7	495.7	500.6	501.6
Profits before tax	397.2	464.1	440.0	422.4	462.3	477.8	493.8	502.4
Profits tax liability ..	173.2	202.5	191.5	184.1	201.7	208.6	215.6	220.2
Profits after tax	223.9	261.6	248.5	238.3	260.7	269.1	278.2	282.2
Dividends	177.2	182.6	180.2	177.0	183.6	177.1	192.6	204.2
Undistributed profits	46.7	79.0	68.3	61.3	77.1	92.0	85.6	78.0
IVA	-6.2	-19.5	-6.5	-12.3	-14.1	-19.6	-32.1	-38.7
CCAAdj	29.5	37.7	38.8	37.0	37.4	37.5	38.8	38.0
Net interest	118.8	126.8	119.4	120.2	123.3	128.5	135.4	140.0
Gross domestic product of financial corporate business ..	386.5	407.9	405.5	388.4	409.3	416.6	417.1	427.7
Gross domestic product of nonfinancial corporate business ..	3,409.7	3,656.9	3,499.3	3,568.6	3,626.7	3,679.4	3,752.8	3,798.9
Consumption of fixed capital ..	361.5	382.2	363.7	383.7	376.3	382.0	386.6	392.7
Net domestic product	3,048.2	3,274.7	3,135.6	3,184.8	3,250.3	3,297.5	3,366.2	3,406.2
Indirect business tax and nontax liability plus business transfer payments less subsidies	344.0	365.6	354.3	358.9	362.9	368.4	372.4	373.5
Domestic income	2,704.2	2,909.1	2,781.3	2,825.9	2,887.5	2,929.0	2,993.9	3,032.7
Compensation of employees	2,259.2	2,392.0	2,293.9	2,337.1	2,373.1	2,405.1	2,452.4	2,491.9
Wages and salaries ..	1,866.2	1,975.8	1,893.8	1,929.4	1,959.8	1,986.2	2,027.8	2,056.6
Supplements to wages and salaries	393.0	416.1	400.1	407.7	413.4	418.9	424.6	435.3
Corporate profits with IVA and CCAAdj	330.9	394.0	371.6	372.2	394.7	399.1	409.8	404.7
Profits before tax	293.5	360.1	325.4	332.8	355.9	365.2	386.6	388.2
Profits tax liability ..	116.8	144.7	130.8	132.5	143.4	147.1	155.9	156.9
Profits after tax	176.7	215.4	194.6	200.3	212.5	218.1	230.7	231.3
Dividends	159.8	163.3	162.3	159.5	164.3	157.3	172.1	180.8
Undistributed profits	16.9	52.1	32.2	40.8	48.1	60.8	58.6	50.5
IVA	-6.2	-19.5	-6.5	-12.3	-14.1	-19.6	-32.1	-38.7
CCAAdj	43.6	53.4	52.7	51.7	52.9	53.6	55.3	55.3
Net interest	114.0	123.2	115.8	116.6	119.6	124.8	131.6	136.1
Billions of 1987 dollars								
Gross domestic product of nonfinancial corporate business ..	2,942.9	3,121.9	3,019.5	3,062.6	3,098.9	3,131.2	3,195.0	3,230.7
Consumption of fixed capital ..	325.3	339.1	327.0	342.4	333.9	337.8	342.1	346.6
Net domestic product	2,617.6	2,782.9	2,692.5	2,720.2	2,765.0	2,793.3	2,852.9	2,884.0
Indirect business tax and nontax liability plus business transfer payments less subsidies	272.4	284.8	277.3	280.6	282.1	285.8	290.6	294.3
Domestic income	2,345.2	2,498.1	2,415.2	2,439.6	2,482.9	2,507.6	2,562.3	2,589.7

CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment

2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Personal income	5,375.1	5,701.7	5,484.6	5,555.8	5,659.9	5,734.5	5,856.6	5,963.2
Wage and salary disbursements	3,080.8	3,279.0	3,148.4	3,208.3	3,257.2	3,293.9	3,356.4	3,404.2
Commodity-producing industries	773.8	818.2	791.0	801.9	811.6	821.8	837.3	848.3
Manufacturing	588.4	617.5	601.7	609.4	612.8	618.3	629.5	638.2
Distributive industries	701.9	748.5	712.6	728.6	742.5	753.5	769.6	778.8
Service industries	1,021.4	1,109.5	1,057.0	1,082.0	1,101.2	1,114.3	1,140.5	1,160.7
Government	583.8	602.8	587.8	595.7	601.9	604.4	609.0	616.4
Other labor income	355.3	381.0	366.8	373.2	378.4	383.7	388.7	399.6
Proprietors' income with inventory valuation and capital consumption adjustments	441.6	473.7	462.9	471.0	471.3	467.0	485.7	492.6
Farm	37.3	39.5	44.4	47.2	39.3	29.8	41.7	43.5
Nonfarm	404.3	434.2	418.5	423.8	431.9	437.1	444.0	449.2
Rental income of persons with capital consumption adjustment	24.1	27.7	30.3	15.3	34.1	32.6	29.0	25.1
Personal dividend income	181.3	194.3	184.1	185.7	191.7	196.9	202.7	205.5
Personal interest income	637.9	664.0	627.7	631.1	649.4	674.2	701.1	725.3
Transfer payments to persons	915.4	963.4	931.0	947.4	957.6	969.0	979.7	1,004.7
Old-age, survivors, disability, and health insurance benefits	444.4	473.5	452.1	463.8	470.7	476.5	483.1	496.7
Government unemployment insurance benefits	33.9	23.3	32.7	27.9	23.5	21.4	20.5	20.3
Veterans benefits	20.1	20.1	20.0	20.0	19.8	20.3	20.1	20.6
Government employees retirement benefits	118.7	126.9	121.1	122.8	126.2	128.5	130.2	132.6
Other transfer payments	298.3	319.6	305.1	312.9	317.4	322.3	325.8	334.5
Aid to families with dependent children	23.9	24.2	24.1	24.2	24.3	24.2	24.2	23.7
Other	274.4	295.3	281.0	288.7	293.1	298.0	301.6	310.8
Less: Personal contributions for social insurance	261.3	281.4	266.6	276.3	279.9	282.9	286.6	293.8
Less: Personal tax and nontax payments	686.4	742.1	707.0	723.0	746.4	744.1	754.7	773.4
Equals: Disposable personal income	4,688.7	4,959.6	4,777.6	4,832.8	4,913.5	4,990.3	5,101.9	5,189.8
Less: Personal outlays	4,496.2	4,756.5	4,588.2	4,657.3	4,712.4	4,787.0	4,869.3	4,924.3
Personal consumption expenditures	4,378.2	4,628.4	4,469.6	4,535.0	4,586.4	4,657.5	4,734.8	4,785.8
Interest paid by persons	108.2	117.6	108.7	111.7	115.5	119.3	124.0	127.8
Personal transfer payments to rest of the world (net)	9.9	10.5	9.8	10.5	10.5	10.3	10.5	10.7
Equals: Personal saving	192.6	203.1	189.4	175.5	201.1	203.3	232.6	265.5
Addenda:								
Disposable personal income:								
Total, billions of 1987 dollars	3,704.1	3,835.7	3,747.8	3,779.2	3,811.5	3,840.9	3,911.0	3,953.9
Per capita:								
Current dollars	18,153	19,003	18,421	18,588	18,853	19,095	19,473	19,769
1987 dollars	14,341	14,696	14,451	14,535	14,625	14,697	14,927	15,061
Population (mid-period, millions)	258.3	261.0	259.4	260.0	260.6	261.3	262.0	262.5
Personal saving as percentage of disposable personal income	4.1	4.1	4.0	3.6	4.1	4.1	4.6	5.1

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

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Personal consumption expenditures	4,378.2	4,628.4	4,469.6	4,535.0	4,586.4	4,657.5	4,734.8	4,785.8
Durable goods	538.0	591.5	562.8	576.2	580.3	591.5	617.7	614.7
Motor vehicles and parts	228.0	251.2	241.4	253.0	245.8	245.5	260.4	254.4
Furniture and household equipment	208.9	229.7	217.7	218.1	225.3	233.7	241.7	241.8
Other	101.1	110.6	103.7	105.1	109.3	112.3	115.6	118.6
Nondurable goods	1,339.2	1,394.3	1,355.2	1,368.9	1,381.4	1,406.1	1,420.7	1,433.1
Food	649.7	679.6	660.8	667.9	675.5	683.7	691.2	697.6
Clothing and shoes	235.4	246.5	240.7	241.9	243.9	247.8	252.6	252.8
Gasoline and oil	105.6	107.2	104.4	103.2	103.7	110.6	111.3	114.4
Fuel oil and coal	14.0	13.7	13.9	15.5	13.1	13.4	12.6	13.1
Other	334.4	347.3	335.4	340.4	345.2	350.5	353.0	355.3
Services	2,501.0	2,642.7	2,551.6	2,589.9	2,624.7	2,659.9	2,696.4	2,737.9
Housing	629.0	660.0	638.8	648.2	655.2	663.9	672.8	680.7
Household operation	256.3	264.2	261.3	261.1	265.9	265.3	264.5	269.3
Electricity and gas	112.8	113.0	115.1	116.3	115.2	111.9	108.8	111.3
Other household operation	143.5	151.1	146.2	144.8	150.7	153.5	155.6	158.0
Transportation	170.6	179.6	173.6	175.4	178.5	180.5	184.0	187.1
Medical care	680.5	727.1	697.3	707.4	720.9	733.2	746.8	758.5
Other	764.7	811.8	780.7	797.8	804.3	817.0	828.3	842.3

Table 2.3.—Personal Consumption Expenditures by Major Type of Product in Constant Dollars

[Billions of 1987 dollars]

	1993	1994	1995	1996	1997	1998	1999	2000
Personal consumption expenditures	3,458.7	3,579.6	3,506.2	3,546.3	3,557.8	3,584.7	3,629.6	3,646.1
Durable goods	489.9	532.1	510.8	521.7	522.2	529.6	554.8	549.1
Motor vehicles and parts	196.1	208.2	204.7	213.7	205.3	202.0	211.9	202.7
Furniture and household equipment	214.1	238.7	224.6	225.9	232.5	241.7	254.5	256.2
Other	79.7	85.2	81.5	82.0	84.4	86.0	88.4	90.1
Nondurable goods	1,078.5	1,109.5	1,088.0	1,098.3	1,104.3	1,113.4	1,121.9	1,129.0
Food	524.0	535.6	528.1	531.9	536.1	535.7	538.5	541.2
Clothing and shoes	197.8	208.8	202.4	203.8	204.9	210.2	216.4	216.9
Gasoline and oil	86.5	87.2	86.6	86.1	86.7	88.0	88.2	90.3
Fuel oil and coal	12.1	11.9	12.2	13.4	11.4	11.7	11.1	11.6
Other	258.2	265.9	258.8	263.1	265.1	267.8	267.6	269.1
Services	1,890.3	1,938.1	1,907.4	1,926.3	1,931.4	1,941.8	1,952.9	1,968.0
Housing	492.6	501.3	495.4	497.7	500.0	502.6	505.0	507.4
Household operation	225.3	228.3	226.9	228.7	229.1	228.1	227.1	230.1
Electricity and gas	98.6	98.2	99.6	101.1	100.2	97.2	94.5	96.6
Other household operation	126.7	130.0	127.2	127.7	128.9	130.9	132.6	133.5
Transportation	127.9	132.7	129.8	130.9	131.8	132.4	135.7	137.1
Medical care	466.4	479.0	470.4	473.2	477.4	481.0	484.4	486.8
Other	578.2	596.9	584.9	595.9	593.1	597.7	600.7	606.6

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

3. Government Receipts and Expenditures

Table 3.2.—Federal Government Receipts and Expenditures

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Receipts	1,265.7	1,379.0	1,313.6	1,337.4	1,380.7	1,388.8	1,408.8	1,437.1
Personal tax and nontax receipts	520.3	565.6	536.8	550.2	571.1	566.9	574.2	590.6
Income taxes	505.9	548.9	521.4	533.6	552.5	550.8	558.5	575.1
Estate and gift taxes	12.9	15.0	13.8	14.8	16.9	14.3	13.8	13.6
Nontaxes	1.6	1.8	1.7	1.7	1.8	1.8	1.8	1.9
Corporate profits tax accruals	143.0	167.1	157.8	151.8	166.3	172.4	178.1	182.1
Federal Reserve banks	16.0	17.3	15.8	16.0	16.9	18.0	18.2	19.8
Other	127.0	149.9	142.0	135.8	149.4	154.4	159.9	162.3
Indirect business tax and nontax accruals	84.6	91.2	90.7	90.4	90.4	91.9	91.9	89.1
Excise taxes	48.5	53.4	53.9	53.1	52.9	54.0	53.6	54.5
Customs duties	19.9	21.3	20.2	20.2	21.5	21.1	22.2	18.4
Nontaxes	16.3	16.5	16.6	17.1	15.9	16.8	16.2	16.2
Contributions for social insurance	517.8	555.1	528.3	545.1	553.0	557.6	564.6	575.3
Expenditures	1,507.0	1,538.1	1,533.7	1,513.7	1,525.9	1,542.8	1,569.9	1,587.4
Purchases	443.6	437.3	439.8	437.8	435.1	444.3	431.9	433.6
National defense	302.7	292.3	299.1	291.7	291.7	300.5	285.3	283.8
Nondefense	140.9	145.0	140.7	146.1	143.5	143.8	146.6	149.8
Transfer payments (net)	658.0	682.5	674.1	671.5	676.2	683.0	699.2	705.7
To persons	642.2	666.6	649.8	659.9	663.5	668.5	674.5	695.2
To rest of the world (net) ...	15.7	15.9	24.3	11.6	12.7	14.4	24.7	10.5
Grants-in-aid to State and local governments	186.1	197.6	197.0	190.0	194.4	200.3	205.5	211.0
Net interest paid	183.6	191.5	183.5	179.3	188.8	194.4	203.5	210.0
Interest paid	214.3	220.5	213.9	208.3	217.7	223.2	232.9	238.8
To persons and business	172.7	173.5	171.4	165.1	172.8	175.8	180.3	181.8
To rest of the world (net)	41.6	47.0	42.4	43.2	44.9	47.3	52.6	56.9
Less: Interest received by government	30.7	29.0	30.4	29.1	28.9	28.8	29.4	28.8
Subsidies less current surplus of government enterprises ..	35.7	29.2	39.3	35.1	31.3	20.9	29.8	27.1
Subsidies	37.4	33.1	41.6	37.7	34.6	25.9	34.2	36.2
Less: Current surplus of government enterprises ..	1.7	3.9	2.3	2.6	3.3	5.0	4.4	9.1
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Surplus or deficit (-), national income and product accounts	-241.4	-159.1	-220.1	-176.2	-145.1	-154.0	-161.1	-150.3
Social insurance funds	34.0	53.1	39.3	49.3	53.5	54.1	55.5	72.9
Other	-275.4	-212.2	-259.4	-225.5	-198.7	-208.1	-216.6	-223.2

Table 3.3.—State and Local Government Receipts and Expenditures

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Receipts	891.0	943.2	918.8	919.1	935.6	950.3	967.8	981.7
Personal tax and nontax receipts	166.1	176.5	170.2	172.9	175.3	177.3	180.6	182.8
Income taxes	123.3	131.5	126.6	128.7	130.6	132.0	134.8	136.5
Nontaxes	22.7	23.8	23.2	23.5	23.7	23.9	24.1	24.3
Other	20.1	21.2	20.4	20.7	21.1	21.4	21.7	22.0
Corporate profits tax accruals	30.3	35.4	33.7	32.3	35.4	36.2	37.5	38.0
Indirect business tax and nontax accruals	440.7	462.9	449.0	454.2	460.0	465.3	472.1	476.8
Sales taxes	212.4	226.2	217.8	220.7	224.2	227.8	231.9	233.6
Property taxes	184.0	190.8	186.4	188.0	189.8	191.6	193.6	196.4
Other	44.3	46.0	44.9	45.6	46.0	45.8	46.5	46.9
Contributions for social insurance	67.8	70.9	68.9	69.7	70.5	71.3	72.1	73.0
Federal grants-in-aid	186.1	197.6	197.0	190.0	194.4	200.3	205.5	211.0
Expenditures	864.7	917.0	884.3	893.9	908.6	926.4	939.0	952.0
Purchases	704.7	738.0	717.4	722.0	731.5	744.5	753.8	763.3
Compensation of employees	483.0	506.4	490.2	497.1	503.4	509.8	515.2	521.9
Other	221.7	231.6	227.2	224.9	228.1	234.7	238.6	241.4
Transfer payments to persons	250.4	273.3	258.6	264.3	270.7	276.8	281.3	285.5
Net interest paid	-53.4	-54.8	-53.6	-54.1	-54.6	-55.1	-55.6	-55.6
Interest paid	65.1	65.5	65.2	65.3	65.5	65.6	65.7	65.9
Less: Interest received by government	118.4	120.4	118.8	119.4	120.1	120.7	121.3	121.5
Less: Dividends received by government	10.4	10.9	10.5	10.7	10.8	10.9	11.3	11.6
Subsidies less current surplus of government enterprises ..	-26.7	-28.6	-27.6	-27.7	-28.3	-28.9	-29.3	-29.6
Subsidies .....	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises ..	27.1	28.9	27.9	28.1	28.7	29.2	29.7	30.0
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Surplus or deficit (-), national income and product accounts	26.3	26.2	34.5	25.2	27.0	23.9	28.8	29.7
Social insurance funds	66.3	65.6	66.2	65.9	65.9	65.3	65.1	65.1
Other	-40.0	-39.3	-31.7	-40.7	-38.9	-41.4	-36.4	-35.4

5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates						
			1993		1994				1995
			IV	I	II	III	IV	I	
Gross saving	787.5	920.6	825.8	886.2	923.3	922.6	950.3	1,006.9	
Gross private saving	1,002.5	1,053.5	1,011.4	1,037.3	1,041.4	1,052.7	1,082.7	1,127.5	
Personal saving	192.6	203.1	189.4	175.5	201.1	203.3	232.6	265.5	
Undistributed corporate profits with inventory valuation and capital consumption adjustments	120.9	135.1	147.9	127.7	142.3	139.5	130.7	131.5	
Undistributed profits	97.5	116.9	115.6	103.0	118.9	121.6	124.0	132.2	
Inventory valuation adjustment	-6.2	-19.5	-6.5	-12.3	-14.1	-19.6	-32.1	-38.7	
Capital consumption adjustment	29.5	37.7	38.8	37.0	37.4	37.5	38.8	38.0	
Corporate consumption of fixed capital	407.8	432.2	411.1	432.2	425.9	432.6	438.0	445.5	
Noncorporate consumption of fixed capital	261.2	283.1	263.0	301.8	272.1	277.3	281.3	285.1	
Wage accruals less disbursements	20.0	0	0	0	0	0	0	0	
Government surplus or deficit (-), national income and product accounts	-215.0	-132.9	-185.6	-151.1	-118.1	-130.1	-132.3	-120.6	
Federal	-241.4	-159.1	-220.1	-176.2	-145.1	-154.0	-161.1	-150.3	
State and local	26.3	26.2	34.5	25.2	27.0	23.9	28.8	29.7	
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0	
Gross investment	789.8	889.7	809.3	850.2	899.3	901.5	907.9	946.5	
Gross private domestic investment	882.0	1,032.9	922.5	966.6	1,034.4	1,055.1	1,075.6	1,110.1	
Net foreign investment	-92.3	-143.2	-113.2	-116.4	-135.1	-153.6	-167.7	-163.6	
Statistical discrepancy	2.3	-30.9	-16.5	-36.1	-24.0	-21.1	-42.4	-60.4	

Table 5.4.—Fixed Investment by Type

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates						
			1993		1994				1995
			IV	I	II	III	IV	I	
Fixed investment	866.7	980.7	913.5	942.5	967.0	992.5	1,020.8	1,054.8	
Nonresidential	616.1	697.6	646.3	665.4	683.3	709.1	732.8	766.9	
Structures	173.4	182.8	176.7	172.7	181.8	184.6	192.0	200.0	
Nonresidential buildings, including farm	117.6	127.6	122.3	119.0	127.2	128.6	135.7	142.0	
Utilities	34.4	36.3	34.4	34.7	35.6	36.7	38.3	38.6	
Mining exploration, shafts, and wells	12.2	10.7	11.4	11.1	11.2	10.7	10.0	11.1	
Other structures	9.2	8.1	8.6	7.9	7.9	8.6	8.0	8.3	
Producers' durable equipment	442.7	514.8	469.6	492.7	501.5	524.5	540.7	566.9	
Information processing and related equipment	151.5	180.3	164.4	169.3	177.0	182.5	192.6	199.3	
Computers and peripheral equipment ¹	47.0	54.1	51.5	52.6	53.4	54.2	56.2	57.7	
Other	104.5	126.2	112.9	116.7	123.5	128.3	136.4	141.6	
Industrial equipment	96.7	113.1	102.9	107.0	111.0	115.8	118.5	125.6	
Transportation and related equipment	104.2	119.3	107.9	118.6	112.1	121.3	125.2	132.2	
Other	90.4	102.1	94.4	97.8	101.5	104.9	104.4	109.9	
Residential	250.6	283.0	267.2	277.1	283.6	283.4	288.0	287.9	
Structures	242.8	274.7	259.2	269.1	275.3	274.9	279.2	279.1	
Single family	133.3	154.0	143.2	152.5	156.2	154.4	153.1	150.3	
Multifamily	10.8	13.7	11.1	11.4	13.0	14.2	16.1	17.7	
Other structures	98.8	107.0	105.0	105.2	106.2	106.4	110.1	111.1	
Producers' durable equipment	7.7	8.4	8.0	8.0	8.3	8.5	8.8	8.7	

1. Includes new computers and peripheral equipment only.

Table 5.5.—Fixed Investment by Type in Constant Dollars

[Billions of 1987 dollars]

	1993	1994	Seasonally adjusted at annual rates						
			1993		1994				1995
			IV	I	II	III	IV	I	
Fixed investment	804.6	903.8	851.7	873.4	891.7	910.2	939.7	972.3	
Nonresidential	591.6	672.4	627.2	643.6	657.9	680.0	708.2	742.3	
Structures	147.7	150.6	148.7	144.1	151.0	151.6	155.6	160.9	
Nonresidential buildings, including farm	100.0	104.8	102.7	99.2	105.4	105.1	109.5	113.8	
Utilities	28.8	29.5	28.5	28.4	29.0	29.7	30.7	30.8	
Mining exploration, shafts, and wells	10.7	9.3	9.9	9.6	9.8	9.3	8.5	9.4	
Other structures	8.2	7.0	7.6	6.9	6.8	7.3	6.8	7.0	
Producers' durable equipment	443.9	521.9	478.5	499.4	506.9	528.4	552.6	581.4	
Information processing and related equipment	200.9	249.1	225.2	233.2	242.2	251.2	269.9	283.6	
Computers and peripheral equipment ¹	105.4	134.8	122.5	127.2	130.3	135.1	146.5	155.5	
Other	95.5	114.3	102.7	106.0	111.8	116.1	123.4	128.1	
Industrial equipment	79.2	90.3	83.6	86.4	88.9	92.1	93.6	98.5	
Transportation and related equipment	87.8	98.3	90.9	98.5	92.3	99.1	103.4	109.4	
Other	76.1	84.2	78.9	81.3	83.6	86.1	85.7	89.8	
Residential	213.0	231.3	224.5	229.9	233.8	230.2	231.5	230.0	
Structures	205.7	223.5	216.9	222.4	226.0	222.3	223.3	221.9	
Single family	112.1	124.4	118.3	125.1	127.6	123.8	121.0	118.4	
Multifamily	9.6	11.7	9.7	10.0	11.3	12.1	13.5	14.8	
Other structures	84.1	87.4	88.9	87.3	87.2	86.5	88.8	88.6	
Producers' durable equipment	7.4	8.8	7.6	7.5	7.8	7.9	8.2	8.1	

1. Includes new computers and peripheral equipment only.

6. Income, Employment, and Product by Industry

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

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
National income without capital consumption adjustment	5,156.4	5,483.9	5,276.7	5,350.3	5,449.6	5,515.8	5,620.1	5,710.6
Domestic industries	5,151.9	5,495.5	5,278.7	5,351.0	5,457.0	5,527.8	5,646.0	5,732.3
Private industries	4,386.7	4,702.0	4,507.0	4,567.5	4,664.6	4,732.0	4,843.9	4,920.0
Agriculture, forestry, and fisheries	95.1	101.9	103.8	107.9	101.0	92.8	105.7	.....
Mining	40.4	40.2	40.9	39.7	38.7	41.5	40.8	.....
Construction	215.4	238.3	222.7	227.9	238.9	241.5	244.8	.....
Manufacturing	911.9	979.7	945.5	967.1	970.3	979.6	1,001.9	.....
Durable goods	514.3	562.4	539.1	554.9	554.9	560.8	578.8	.....
Nondurable goods	397.6	417.4	406.4	412.2	415.4	418.8	423.1	.....
Transportation and public utilities	384.8	407.5	392.2	391.0	404.8	412.1	422.0	.....
Transportation	166.1	177.5	170.2	169.3	175.9	180.3	184.6	.....
Communications	107.6	113.4	107.7	110.1	112.6	113.0	118.0	.....
Electric, gas, and sanitary services	111.1	116.5	114.3	111.6	116.3	118.8	119.4	.....
Wholesale trade	288.6	310.2	294.3	300.2	312.6	311.7	316.4	.....
Retail trade	444.9	475.6	451.4	455.8	472.2	482.3	492.2	.....
Finance, insurance, and real estate	846.0	894.2	865.2	860.7	885.0	903.0	928.3	.....
Services	1,159.6	1,254.4	1,190.9	1,217.2	1,241.1	1,267.5	1,291.7	.....
Government	765.2	793.4	771.7	783.5	792.4	795.8	802.1	812.3
Rest of the world	4.5	-11.5	-1.9	-7	-7.4	-12.0	-25.9	-21.8

Table 6.16C.—Corporate Profits by Industry

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Corporate profits with inventory valuation and capital consumption adjustments	485.8	542.7	533.9	508.2	546.4	556.0	560.3	568.8
Domestic industries	420.5	482.3	472.2	447.1	485.7	495.7	500.6	501.6
Financial	89.5	88.3	100.6	74.9	90.9	96.6	90.8	96.9
Nonfinancial	330.9	394.0	371.6	372.2	394.7	399.1	409.8	404.7
Rest of the world	65.3	60.5	61.7	61.1	60.7	60.3	59.7	67.2
Receipts from the rest of the world	74.2	84.2	74.7	77.6	79.1	89.9	90.0	99.6
Less: Payments to the rest of the world	8.9	23.7	13.0	16.6	18.4	29.6	30.3	32.4
Corporate profits with inventory valuation adjustment	456.2	505.0	495.1	471.2	509.0	518.5	521.4	530.8
Domestic industries	391.0	444.6	433.4	410.1	448.2	458.1	461.7	463.6
Financial	103.7	104.0	114.6	89.6	106.4	112.6	107.2	114.2
Federal Reserve banks	16.0	17.3	15.8	16.0	16.9	18.0	18.2	19.8
Other	87.7	86.7	98.8	73.6	89.6	94.6	89.0	94.5
Nonfinancial	287.3	340.6	318.8	320.5	341.8	345.5	354.5	349.4
Manufacturing	114.2	145.6	134.2	145.1	143.0	143.3	150.9	.....
Durable goods	49.4	72.1	64.0	71.4	69.4	70.3	77.3	.....
Primary metal industries .....	.2	.5	1.8	.2	.9	.6	.2	.....
Fabricated metal products	6.8	9.3	7.8	9.0	9.0	9.0	10.0	.....
Industrial machinery and equipment	7.4	9.1	7.6	9.3	9.0	7.9	10.2	.....
Electronic and other electric equipment	11.9	19.8	14.9	16.6	17.9	21.4	23.1	.....
Motor vehicles and equipment	4.1	10.5	10.3	14.4	9.7	8.8	9.2	.....
Other	19.0	23.0	21.5	21.8	22.9	22.6	24.6	.....
Nondurable goods	64.9	73.5	70.2	73.8	73.5	73.0	73.6	.....
Food and kindred products	16.9	20.2	15.9	20.9	20.3	20.3	19.1	.....
Chemicals and allied products	17.5	19.2	18.8	18.4	19.1	18.4	21.0	.....
Petroleum and coal products	4.7	6.1	9.1	5.5	4.6	6.6	7.5	.....
Other	25.8	28.1	26.4	29.0	29.5	27.8	26.0	.....
Transportation and public utilities	65.0	72.3	69.7	63.4	73.2	74.4	78.2	.....
Wholesale and retail trade	61.2	67.6	63.7	59.0	72.0	70.1	69.2	.....
Other	46.9	55.1	51.3	53.0	53.6	57.7	56.2	.....
Rest of the world	65.3	60.5	61.7	61.1	60.7	60.3	59.7	67.2

Table 7.10.—Price Indexes for Exports and Imports of Merchandise by End-Use Category, Fixed 1987 Weights

[Index numbers, 1987=100]

	1993	1994	Seasonally adjusted					
			1993	1994				1995
				IV	I	II	III	
Exports of merchandise	110.3	113.2	110.6	111.8	112.4	113.2	115.1	117.7
Foods, feeds, and beverages	116.2	120.4	120.2	125.8	122.4	115.8	117.8	119.5
Industrial supplies and materials	109.2	116.7	108.4	110.6	113.6	118.5	124.2	131.7
Durable goods	125.3	130.5	125.1	127.8	128.7	130.5	134.7	140.2
Nondurable goods	102.0	110.5	100.9	102.8	106.7	113.1	119.5	127.9
Capital goods, except automotive	105.7	106.0	105.8	105.8	105.9	106.0	106.1	106.4
Civilian aircraft, engines, and parts ...	126.0	129.7	127.6	127.9	128.6	130.4	131.8	132.2
Computers, peripherals, and parts	50.6	45.7	47.7	46.9	46.5	45.1	44.0	43.1
Other	117.9	118.9	118.6	118.8	118.8	119.0	119.0	119.8
Automotive vehicles, engines, and parts	113.2	114.3	113.3	113.8	114.0	114.3	115.0	115.2
Consumer goods, except automotive	119.7	120.0	119.8	120.0	120.0	119.8	120.2	120.8
Durable goods	114.9	115.4	114.7	115.2	115.4	115.2	115.6	115.9
Nondurable goods	123.8	124.1	124.2	124.2	124.1	123.9	124.2	125.1
Other	113.8	116.1	114.1	114.8	115.4	116.3	117.8	119.9
Durable goods	113.8	116.0	114.1	114.8	115.3	116.3	117.8	119.9
Nondurable goods	113.8	116.0	114.1	114.8	115.3	116.3	117.8	119.9
Imports of merchandise	111.8	114.0	111.7	110.9	113.0	115.5	116.4	117.5
Foods, feeds, and beverages	108.0	119.7	110.8	110.8	115.0	125.6	127.5	127.0
Industrial supplies and materials, except petroleum and products	113.1	116.6	112.7	113.5	114.9	117.0	121.0	125.0
Durable goods	114.6	118.7	114.7	115.9	117.4	118.8	122.5	125.8
Nondurable goods	111.5	114.4	110.5	110.9	112.2	115.2	119.5	124.1
Petroleum and products	91.1	85.7	81.9	73.6	85.2	94.3	89.7	93.2
Capital goods, except automotive	107.8	109.5	108.6	108.3	109.0	110.0	110.6	110.7
Civilian aircraft, engines, and parts ...	126.1	129.7	127.6	127.9	128.6	130.4	131.8	132.2
Computers, peripherals, and parts	54.3	49.0	51.1	50.0	49.6	48.8	47.6	46.9
Other	118.4	121.5	120.1	119.9	120.8	122.1	123.1	123.4
Automotive vehicles, engines, and parts	116.9	120.9	119.0	119.5	120.3	121.0	122.8	122.9
Consumer goods, except automotive	119.7	120.7	120.3	120.1	120.4	120.9	121.3	121.7
Durable goods	118.8	119.8	119.5	119.6	119.7	119.9	120.1	120.7
Nondurable goods	120.7	121.7	121.3	120.7	121.3	122.1	122.7	122.9
Other	115.9	119.0	117.3	117.2	118.2	119.4	121.2	121.9
Durable goods	115.9	118.9	117.2	117.1	118.1	119.4	121.1	121.8
Nondurable goods	115.9	118.9	117.2	117.1	118.1	119.4	121.1	121.8
Addenda:								
Exports of agricultural products ¹	113.3	119.0	116.7	122.6	120.0	115.2	118.2	121.4
Exports of nonagricultural products ...	109.9	112.4	109.8	110.5	111.4	112.9	114.7	117.2
Imports of nonpetroleum products	114.2	117.3	115.2	115.3	116.3	118.0	119.5	120.4

1. Includes parts of exports of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable consumer goods.

Table 7.11.—Price Indexes for Government Purchases by Type, Fixed 1987 Weights

[Index numbers, 1987=100]

	1993	1994	Seasonally adjusted					
			1993	1994				1995
				IV	I	II	III		IV	I
Government purchases	124.5	128.6	125.4	126.7	128.3	129.2	130.2	131.9
Federal	126.1	131.1	127.0	128.5	130.9	131.9	133.2	135.1
National defense	126.6	131.5	127.9	129.0	131.1	132.5	133.4	135.0
Durable goods	116.7	121.3	116.7	117.6	121.0	122.6	124.2	125.4
Nondurable goods	113.8	112.8	111.9	107.3	111.7	115.5	116.9	110.5
Services	131.9	137.1	133.7	135.3	136.7	137.9	138.5	140.8
Compensation of employees	140.8	148.2	143.3	146.0	147.9	149.1	150.0	153.0
Military	140.3	145.7	141.2	143.8	145.7	146.4	146.9	149.5
Civilian	141.8	153.4	147.6	150.4	152.4	154.6	156.4	160.3
Other services	119.1	121.3	120.2	120.9	122.0	122.0	122.2	123.4
Structures	132.4	139.3	137.2	138.0	138.7	139.6	140.9	141.5
Nondefense	124.3	130.1	124.4	127.2	130.5	130.1	132.4	135.2
Durable goods	93.0	93.1	90.2	92.4	92.4	93.1	94.7	95.5
Nondurable goods								
Commodity Credit Corporation inventory change								
Other nondurables	106.3	106.5	105.5	105.9	105.6	106.7	107.9	109.5
Services	129.9	137.2	130.7	134.4	138.2	136.8	139.3	142.7
Compensation of employees	136.9	148.5	137.7	143.7	150.3	147.9	152.1	157.2
Other services	120.1	121.4	120.9	121.5	121.3	121.3	121.5	122.5
Structures	116.3	119.8	117.4	118.2	119.1	120.3	121.4	122.5
State and local	123.4	126.6	124.1	125.3	126.2	127.1	128.0	129.4
Durable goods	115.1	117.2	115.3	116.4	117.2	117.9	117.4	118.3
Nondurable goods	116.2	117.1	114.5	116.2	116.4	117.9	117.8	121.0
Services	126.9	130.5	128.0	129.1	130.1	130.8	131.8	133.2
Compensation of employees	133.0	137.4	134.4	135.8	136.9	137.9	139.1	140.6
Other services	60.4	54.3	57.3	56.4	55.6	53.0	52.0	51.9
Structures	112.8	116.5	113.9	115.0	115.6	117.1	118.4	119.4
Addenda:								
Price indexes for government purchases:								
Chain-type annual weights	123.7	127.7	124.6	126.1	127.3	128.1	129.2	130.9
Benchmark-years weights	124.0	127.9	124.9	126.3	127.6	128.3	129.4	131.1
Price indexes for Federal national defense purchases:								
Chain-type annual weights	125.3	129.9	126.6	127.8	129.5	130.7	131.7	133.4
Benchmark-years weights	125.3	129.9	126.7	127.9	129.5	130.6	131.6	133.3
Price indexes for Federal nondefense purchases:								
Chain-type annual weights	122.9	128.8	123.5	126.5	129.4	128.5	130.8	133.5
Benchmark-years weights	124.4	130.3	125.0	127.9	130.9	130.0	132.3	135.0
Price indexes for State and local purchases:								
Chain-type annual weights	123.3	126.5	124.0	125.2	126.0	126.9	127.8	129.3
Benchmark-years weights	123.2	126.4	124.0	125.2	126.0	126.9	127.8	129.2

Table 7.12.—Price Indexes for National Defense Purchases, Fixed 1987 Weights

[Index numbers, 1987=100]

	1993	1994	Seasonally adjusted					
			1993	1994				1995
				IV	I	II	III	
National defense purchases	126.6	131.5	127.9	129.0	131.1	132.5	133.4	135.0
Durable goods	116.7	121.3	116.7	117.6	121.0	122.6	124.2	125.4
Military equipment	117.9	122.9	117.9	118.8	122.5	124.3	126.0	127.4
Aircraft	124.6	133.6	124.3	125.7	133.3	137.2	138.2	139.1
Missiles	95.7	95.4	95.8	95.3	94.6	92.6	99.1	101.4
Ships	121.7	125.4	122.1	123.3	124.5	125.8	128.0	131.7
Vehicles	128.2	132.8	128.5	129.9	131.5	135.5	134.4	134.8
Electronic equipment	109.5	110.3	109.7	110.1	111.1	110.2	109.9	110.5
Other	118.4	119.7	118.7	118.9	120.0	119.9	120.1	121.4
Other durable goods	105.1	105.4	105.1	105.4	105.5	105.3	105.3	105.1
Nondurable goods	113.8	112.8	111.9	107.3	111.7	115.5	116.9	110.5
Petroleum products	113.1	109.2	109.5	95.1	107.1	116.5	117.9	101.4
Ammunition	112.6	114.9	112.1	113.0	113.7	115.3	117.4	115.1
Other nondurable goods	115.6	114.9	114.2	115.0	114.7	114.6	115.2	115.9
Services	131.9	137.1	133.7	135.3	136.7	137.9	138.5	140.8
Compensation of employees	140.8	148.2	143.3	146.0	147.9	149.1	150.0	153.0
Military	140.3	145.7	141.2	143.8	145.7	146.4	146.9	149.5
Civilian	141.8	153.4	147.6	150.4	152.4	154.6	156.4	160.3
Other services	119.1	121.3	120.2	120.2	120.9	122.0	122.2	123.4
Contractual research and development	113.5	114.1	114.2	113.3	113.9	114.3	114.7	115.9
Installation support ¹	117.3	120.2	118.1	118.6	119.6	121.3	121.3	122.9
Weapons support ²	124.4	127.2	126.1	127.7	126.8	127.1	127.3	127.7
Personnel support ³	136.6	141.5	138.0	137.4	140.6	143.3	144.7	145.5
Transportation of material	105.3	105.3	105.4	105.3	105.5	105.1	105.4	104.6
Travel of persons	116.5	117.4	118.5	119.5	117.8	118.1	114.4	119.9
Other								
Structures	132.4	139.3	137.2	138.0	138.7	139.6	140.9	141.5
Military facilities	131.0	139.3	137.8	138.3	139.3	139.5	140.2	140.8
Other	135.1	139.3	136.2	137.3	137.7	139.9	142.1	142.7
Addenda:								
Price indexes for national defense purchases:								
Chain-type annual weights	125.3	129.9	126.6	127.8	129.5	130.7	131.7	133.4
Benchmark-years weights	125.3	129.9	126.7	127.9	129.5	130.6	131.6	133.3

1. Includes utilities, communications, rental payments, maintenance and repair, and payments to contractors to operate installations.
 2. Includes depot maintenance and contractual services for weapons systems, other than research and development.
 3. Includes compensation of foreign personnel, consulting, training, and education.

Table 7.13.—Implicit Price Deflators for the Relation of Gross Domestic Product, Gross National Product, Net National Product, and National Income

[Index numbers, 1987=100]

Gross domestic product	123.5	126.1	124.1	125.0	125.9	126.5	126.9	127.6
Plus: Receipts of factor income from the rest of the world ¹	125.1	127.8	125.7	126.6	127.5	128.2	128.6	129.3
Less: Payments of factor income to the rest of the world ²	127.8	129.9	128.3	129.1	129.7	130.2	130.4	130.9
Equals: Gross national product	123.5	126.0	124.1	124.9	125.8	126.5	126.9	127.5
Less: Consumption of fixed capital	111.6	113.8	112.0	113.3	113.6	114.2	114.3	114.6
Equals: Net national product	125.1	127.7	125.7	126.6	127.4	128.1	128.5	129.3
Less: Indirect business tax and nontax liability plus business transfer payments less subsidies plus current surplus of government enterprises	129.4	133.3	130.0	131.1	132.8	135.7	133.6	133.2
Statistical discrepancy	121.8	124.1	122.3	123.0	123.9	124.5	124.8	125.3
Equals: National income	124.6	127.1	125.2	126.1	126.9	127.3	128.0	128.8
Addenda:								
Net domestic product	125.1	127.7	125.7	126.6	127.5	128.2	128.6	129.3
Domestic income	124.7	127.1	125.3	126.1	126.9	127.4	128.0	128.9

1. Consists largely of receipts by U.S. residents of interest and dividends and reinvested earnings of foreign affiliates of U.S. corporations.
 2. Consists largely of payments to foreign residents of interest and dividends and reinvested earnings of U.S. affiliates of foreign corporations.

Table 7.14.—Implicit Price Deflators for Gross Domestic Product by Sector

[Index numbers, 1987=100]

	1993	1994	Seasonally adjusted					
			1993	1994				1995
				IV	I	II	III		IV	I
Gross domestic product	123.5	126.1	124.1	125.0	125.9	126.5	126.9	127.6
Business	121.8	124.1	122.3	123.0	123.9	124.5	124.8	125.3
Nonfarm	122.1	124.4	122.5	123.2	124.3	125.0	125.2	125.7
Nonfarm less housing	121.5	123.7	121.9	122.2	123.7	124.4	124.5	125.0
Housing	127.2	131.5	128.2	132.3	130.2	131.2	132.4	133.3
Farm	106.1	103.3	110.1	114.9	101.9	97.4	100.1	102.3
Statistical discrepancy	121.8	124.1	122.3	123.0	123.9	124.5	124.8	125.3
Households and institutions	132.3	135.7	133.4	134.3	134.9	136.1	137.5	138.3
Private households	119.4	123.1	121.1	121.8	122.5	123.5	124.4	125.6
Nonprofit institutions	132.9	136.3	133.9	134.9	135.4	136.7	138.0	138.8
General government	134.7	140.4	136.3	138.4	140.1	140.8	142.2	144.3
Federal	139.4	148.5	141.4	145.4	148.9	148.9	151.1	154.8
State and local	132.9	137.3	134.3	135.6	136.8	137.8	139.0	140.5
Addendum:								
Gross domestic business product less housing	121.3							

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

[Dollars]

Current-dollar cost and profit per unit of constant-dollar gross domestic product¹	1.159	1.171	1.159	1.165	1.170	1.175	1.175	1.176
Consumption of fixed capital .....	.123	.122	.120	.125	.121	.122	.121	.122
Net domestic product	1.036	1.049	1.038	1.040	1.049	1.053	1.054	1.054
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	.117	.117	.117	.117	.117	.118	.117	.116
Domestic income .....	.919	.932	.921	.923	.932	.935	.937	.939
Compensation of employees .....	.768	.766	.760	.763	.766	.768	.768	.771
Corporate profits with inventory valuation and capital consumption adjustments .....	.112	.126	.123	.122	.127	.127	.128	.125
Profits tax liability .....	.040	.046	.043	.043	.046	.047	.049	.049
Profits after tax with inventory valuation and capital consumption adjustments .....	.073	.080	.080	.078	.081	.080	.079	.077
Net interest .....	.039	.039	.038	.038	.039	.040	.041	.042

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

Table 8.1.—Percent Change From Preceding Period in Selected Series—Continued

[Percent]

	1993	1994	Seasonally adjusted at annual rates						
			1993		1994				1995
			IV	I	II	III	IV	I	
Nondefense:									
Current dollars	4.5	2.9	-7.8	16.3	-6.9	.8	8.0	9.0	
Quantity indexes:									
Fixed 1987 weights .....	.7	-1.9	-7.8	2.9	-15.0	6.8	2.9	1.8
Chain-type annual weights .....	.8	-1.6	-7.9	6.0	-14.8	4.5	.9	1.1
Benchmark-years weights .....	.8	-1.6	-7.7	5.8	-14.8	4.7	1.1	1.2
Price indexes:									
Fixed 1987 weights	3.7	4.6	-2.0	9.1	10.9	-1.1	7.2	8.6	
Chain-type annual weights	3.7	4.7	-2	9.8	9.4	-2.7	7.4	8.6	
Benchmark-years weights	3.7	4.7	-4	9.9	9.5	-2.7	7.3	8.6	
State and local:									
Current dollars	4.2	4.7	4.1	2.6	5.4	7.3	5.1	5.1	
Quantity indexes:									
Fixed 1987 weights	1.7	2.1	2.9	-1.4	2.9	4.3	2.3	.5	
Chain-type annual weights	1.6	2.1	2.7	-1.1	2.7	4.1	2.2	.5	
Benchmark-years weights	1.6	2.0	2.7	-1.2	2.7	4.1	2.2	.5	
Price indexes:									
Fixed 1987 weights	2.5	2.7	1.5	3.9	2.7	2.9	2.8	4.5	
Chain-type annual weights	2.5	2.6	1.4	3.8	2.6	3.0	2.8	4.6	
Benchmark-years weights	2.5	2.6	1.4	3.8	2.6	3.0	2.8	4.6	
Addenda:									
Final sales of domestic product:									
Current dollars	5.2	5.7	8.0	5.1	4.5	6.6	6.9	4.9	
Quantity indexes:									
Fixed 1987 weights	2.9	3.5	6.4	2.2	1.5	4.3	5.7	2.5	
Chain-type annual weights	2.3	3.0	5.5	2.2	1.5	3.9	4.6	1.7	
Benchmark-years weights	2.3	3.0	5.4	2.2	1.5	3.9	4.7	1.8	
Price indexes:									
Fixed 1987 weights	3.0	2.7	2.5	3.2	2.9	3.0	2.7	3.3	
Chain-type annual weights	2.8	2.7	2.5	3.2	2.7	2.7	2.5	3.3	
Benchmark-years weights	2.8	2.7	2.4	3.2	2.7	2.7	2.6	3.3	
Gross domestic purchases:									
Current dollars	5.9	6.7	7.2	7.0	7.8	6.9	5.6	5.6	
Quantity indexes:									
Fixed 1987 weights	3.9	4.7	5.8	5.0	4.6	4.4	4.2	3.6	
Chain-type annual weights	3.2	4.1	4.7	4.7	4.4	3.8	3.2	2.8	
Benchmark-years weights	3.2	4.1	4.7	4.7	4.4	3.8	3.3	3.0	
Price indexes:									
Fixed 1987 weights	2.8	2.7	2.4	2.5	3.2	3.5	2.6	3.0	
Chain-type annual weights	2.6	2.6	2.4	2.5	3.1	3.2	2.4	2.9	
Benchmark-years weights	2.6	2.6	2.4	2.6	3.1	3.2	2.5	2.9	
Final sales to domestic purchasers:									
Current dollars	5.7	6.1	7.5	6.1	5.1	7.2	6.1	5.7	
Quantity indexes:									
Fixed 1987 weights	3.7	4.1	6.0	3.9	2.0	4.6	4.8	3.4	
Chain-type annual weights	3.0	3.5	5.1	3.7	1.8	4.1	3.8	2.8	
Benchmark-years weights	3.0	3.5	5.0	3.7	1.8	4.1	3.9	2.9	
Price indexes:									
Fixed 1987 weights	2.8	2.7	2.4	2.5	3.2	3.5	2.6	3.0	
Chain-type annual weights	2.6	2.6	2.4	2.5	3.1	3.2	2.4	2.9	
Benchmark-years weights	2.6	2.6	2.4	2.6	3.1	3.2	2.5	2.9	
Gross national product:									
Current dollars	5.3	6.0	7.0	6.2	6.8	5.9	5.5	5.1	
Quantity indexes:									
Fixed 1987 weights	3.1	3.8	5.6	3.4	3.7	3.8	4.3	2.9	
Chain-type annual weights	2.5	3.3	4.4	3.2	3.7	3.3	3.1	2.0	
Benchmark-years weights	2.5	3.3	4.4	3.2	3.7	3.4	3.3	2.1	
Price indexes:									
Fixed 1987 weights	3.0	2.7	2.4	3.1	2.9	3.0	2.6	3.4	
Chain-type annual weights	2.8	2.7	2.5	3.2	2.7	2.8	2.5	3.3	
Benchmark-years weights	2.8	2.7	2.4	3.2	2.7	2.7	2.6	3.3	
Command-basis gross national product:									
Quantity index, fixed 1987 weights ...	3.3	3.9	5.6	4.0	3.5	3.4	4.1	3.0	
Disposable personal income:									
Current dollars	4.1	5.8	6.7	4.7	6.8	6.4	9.2	7.1	
1987 dollars	1.5	3.6	4.3	3.4	3.5	3.1	7.5	4.5	

Table 8.2.—Selected Per Capita Product and Income Series in Current and Constant Dollars and Population of the United States

[Dollars]

	1993	1994	Seasonally adjusted at annual rates						
			1993		1994				1995
			IV	I	II	III	IV	I	
Current dollars:									
Gross domestic product	24,559	25,818	24,978	25,288	25,669	25,988	26,325	26,587	
Gross national product	24,576	25,774	24,970	25,285	25,640	25,942	26,226	26,504	
Personal income	20,810	21,846	21,147	21,369	21,717	21,943	22,354	22,714	
Disposable personal income	18,153	19,003	18,421	18,588	18,853	19,095	19,473	19,769	
Personal consumption expenditures ...	16,951	17,734	17,233	17,443	17,598	17,821	18,072	18,230	
Durable goods	2,083	2,266	2,170	2,216	2,227	2,263	2,358	2,342	
Nondurable goods	5,185	5,342	5,225	5,265	5,300	5,380	5,423	5,459	
Services	9,683	10,126	9,838	9,961	10,071	10,178	10,292	10,429	
Constant (1987) dollars:									
Gross domestic product	19,879	20,476	20,119	20,235	20,390	20,537	20,740	20,836	
Gross national product	19,901	20,450	20,122	20,242	20,376	20,509	20,672	20,780	
Disposable personal income	14,341	14,696	14,451	14,535	14,625	14,697	14,927	15,061	
Personal consumption expenditures ...	13,391	13,716	13,519	13,640	13,651	13,717	13,853	13,888	
Durable goods	1,897	2,039	1,970	2,007	2,004	2,026	2,118	2,091	
Nondurable goods	4,176	4,251	4,195	4,224	4,237	4,260	4,282	4,300	
Services	7,318	7,426	7,354	7,409	7,410	7,430	7,454	7,497	
Population (mid-period, thousands)	258,290	260,991	259,356	259,997	260,627	261,340	261,999	262,527	

NOTE.—Except for disposable personal income, the quantity and price indexes in this table are calculated from weighted averages of the detailed output and prices used to prepare each aggregate and component. The fixed-weighted measures use as weights the composition of output in 1987. For the alternative indexes, the chain-type indexes with annual weights use weights for the preceding and current years, and the indexes with benchmark-years weights use weights of 1959, 1963, 1967, 1972, 1977, 1982, 1987, 1992, and the most recent year.

Table 8.3.—Auto Output

[Billions of dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Auto output	144.5	158.5	151.0	162.7	153.4	158.2	159.9	160.2
Final sales	142.2	154.3	148.3	164.2	150.1	153.1	149.9	143.9
Personal consumption expenditures ..	139.3	153.1	146.5	154.7	149.6	151.4	156.7	154.4
New autos	93.4	98.7	101.3	100.1	99.1	94.4	101.3	91.3
Net purchases of used autos	45.9	54.4	45.2	54.6	50.5	57.1	55.4	63.2
Producers' durable equipment	38.8	44.0	38.8	43.4	43.9	46.4	42.4	36.7
New autos	68.3	81.3	68.2	78.8	79.1	86.0	81.2	78.6
Net purchases of used autos	-29.6	-37.3	-29.5	-35.4	-35.2	-39.6	-38.8	-41.9
Net exports	-37.7	-44.8	-38.6	-35.8	-45.4	-46.8	-51.0	-49.2
Exports	14.5	16.7	15.2	16.7	16.3	18.4	15.4	18.5
Imports	52.2	61.5	53.8	52.5	61.7	65.2	66.4	67.7
Government purchases	1.9	2.0	1.7	2.0	2.1	2.1	1.8	1.9
Change in business inventories of new and used autos	2.2	4.2	2.7	-1.5	3.3	5.1	10.0	16.3
New	1.9	3.2	1.6	.3	1.3	4.5	6.5	15.3
Used .....	.3	1.0	1.1	-1.8	2.0	.5	3.5	1.0
Addenda:								
Domestic output of new autos ¹	112.6	131.6	119.9	133.7	126.6	133.6	132.5	137.6
Sales of imported new autos ²	65.1	68.5	65.3	66.2	69.3	68.0	70.4	65.5

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 government purchases.

Table 8.4.—Auto Output in Constant Dollars

[Billions of 1987 dollars]

	1993	1994	Seasonally adjusted at annual rates					
			1993		1994			1995
			IV	I	II	III	IV	I
Auto output	121.6	130.1	127.2	135.1	125.9	128.3	130.8	127.2
Final sales	121.1	127.1	125.2	138.3	124.5	125.0	120.7	114.1
Personal consumption expenditures ..	119.3	125.5	123.2	129.8	123.8	122.9	125.3	119.5
New autos	81.3	83.1	87.2	85.6	83.8	78.9	84.3	75.7
Net purchases of used autos	38.0	42.3	36.0	44.2	40.0	44.0	41.0	43.7
Producers' durable equipment	34.4	38.5	34.6	38.0	38.1	40.4	37.7	35.1
New autos	59.5	68.4	58.7	67.4	66.9	71.9	67.6	65.3
Net purchases of used autos	-25.1	-29.9	-24.2	-29.4	-28.8	-31.5	-29.8	-30.2
Net exports	-34.2	-38.5	-34.0	-31.0	-39.1	-40.0	-43.8	-42.1
Exports	12.8	14.4	13.3	14.6	14.0	15.8	13.2	15.6
Imports	47.0	52.9	47.3	45.6	53.1	55.8	57.0	57.7
Government purchases	1.6	1.6	1.4	1.6	1.7	1.7	1.5	1.6
Change in business inventories of new and used autos .....	.5	2.9	2.0	-3.2	1.4	3.3	10.1	13.1
New .....	.6	2.1	1.5	-1.7	-.3	2.9	7.4	12.4
Used	-1.1	.8	.5	-1.5	1.6	.4	2.7	.7
Addenda:								
Domestic output of new autos ¹	97.6	110.9	104.3	112.9	106.4	111.6	112.7	114.4
Sales of imported new autos ²	56.7	57.7	56.2	56.6	58.7	56.8	58.6	54.3

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 government purchases.

Table 8.5.—Truck Output

[Billions of dollars]

	1993	1994	1995	1996	1997	1998	1999
Truck output ¹	101.9	126.9	110.8	124.3	123.0	127.9	132.3
Final sales	102.1	124.0	112.5	122.7	120.2	121.8	131.2
Personal consumption expenditures ..	52.3	58.1	57.3	58.9	56.9	54.5	62.1
Producers' durable equipment	48.7	63.5	54.7	62.2	58.4	63.6	69.7
Net exports	-5.5	-5.1	-3.8	-4.1	-4.6	-5.6	-6.0
Exports	5.8	6.7	6.8	6.7	6.7	6.4	7.2
Imports	11.2	11.8	10.6	10.7	11.3	12.0	13.2
Government purchases	6.5	7.5	4.4	5.6	9.6	9.4	5.3
Change in business inventories	-2.1	2.9	-1.7	1.6	2.8	6.1	1.1

1. Includes new trucks only.

Table 8.6.—Truck Output in Constant Dollars

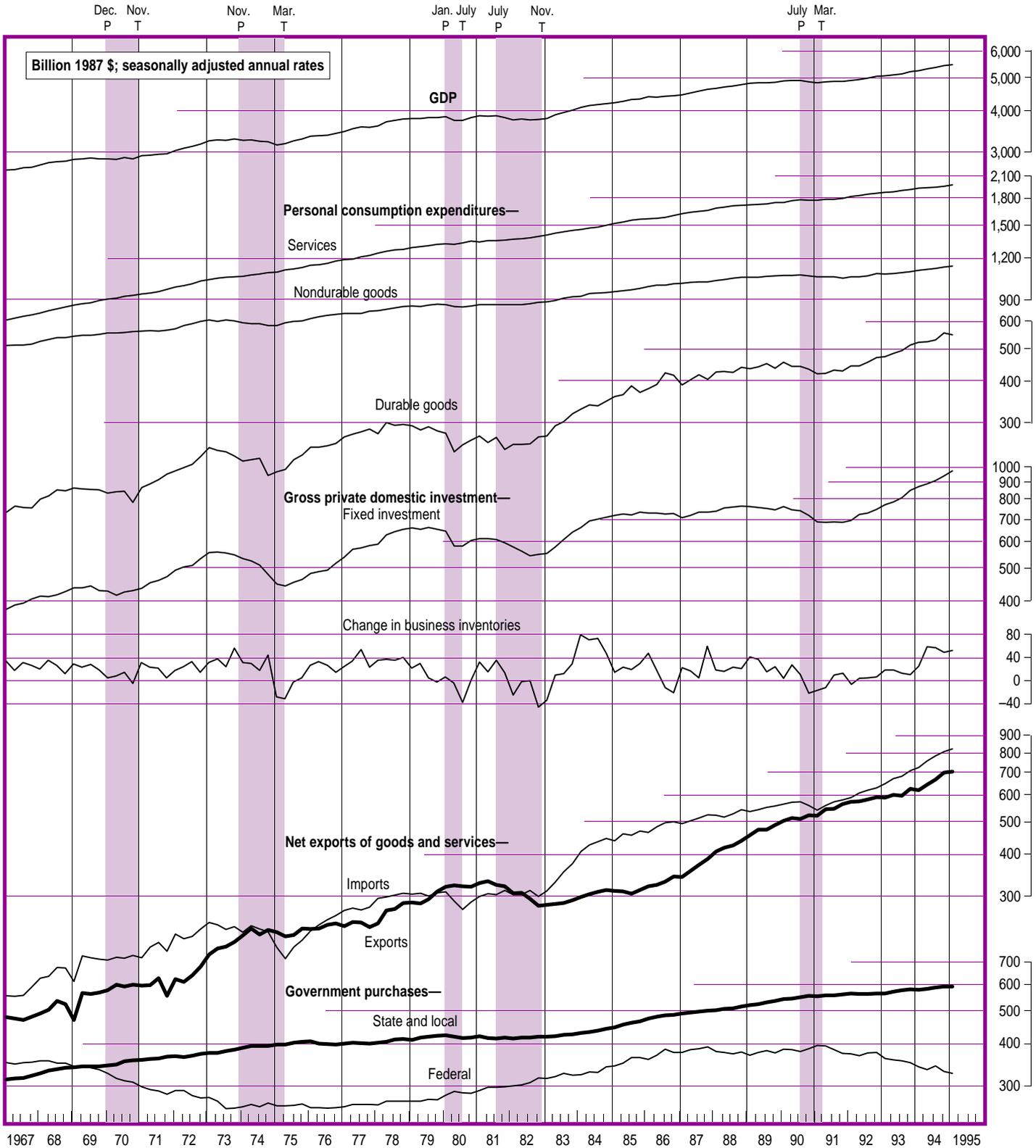
[Billions of 1987 dollars]

	1993	1994	1995	1996	1997	1998	1999
Truck output ¹	83.9	100.6	90.4	100.5	97.5	99.9	104.5
Final sales	84.1	98.4	91.8	99.2	95.4	95.3	103.6
Personal consumption expenditures ..	43.3	46.0	46.7	47.7	45.3	42.6	48.5
Producers' durable equipment	39.9	50.4	44.6	50.2	46.2	49.7	55.5
Net exports	-4.5	-4.0	-3.1	-3.3	-3.6	-4.4	-4.7
Exports	4.7	5.4	5.5	5.4	5.3	5.0	5.8
Imports	9.2	9.4	8.6	8.7	8.9	9.4	10.4
Government purchases	5.4	5.9	3.6	4.5	7.6	7.3	4.3
Change in business inventories	-1.1	2.2	-1.4	1.3	2.1	4.6	.9

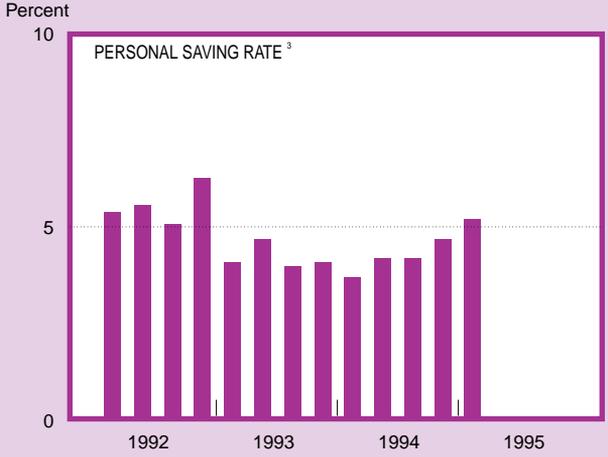
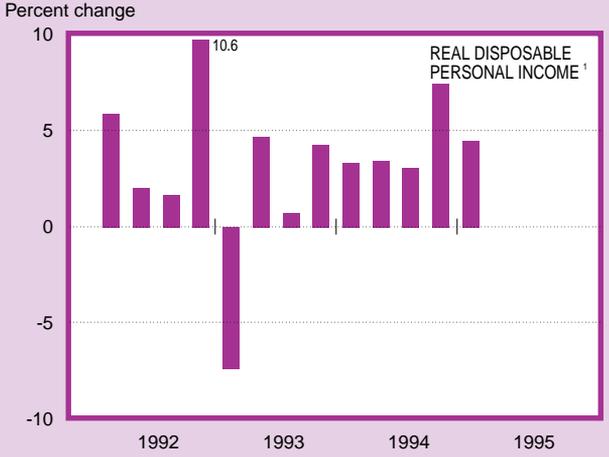
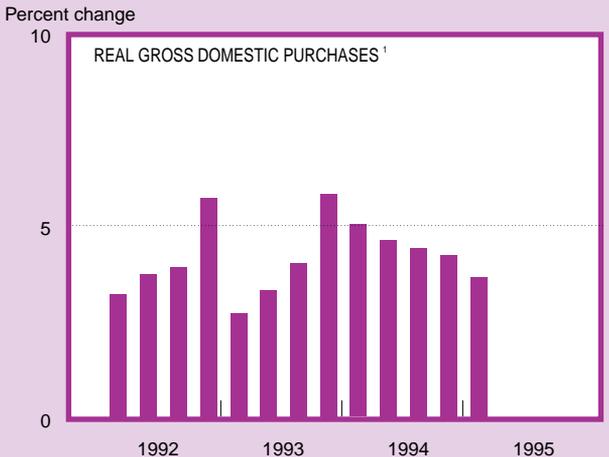
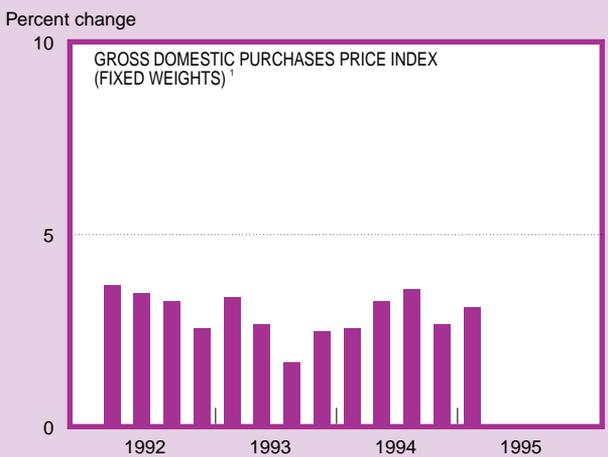
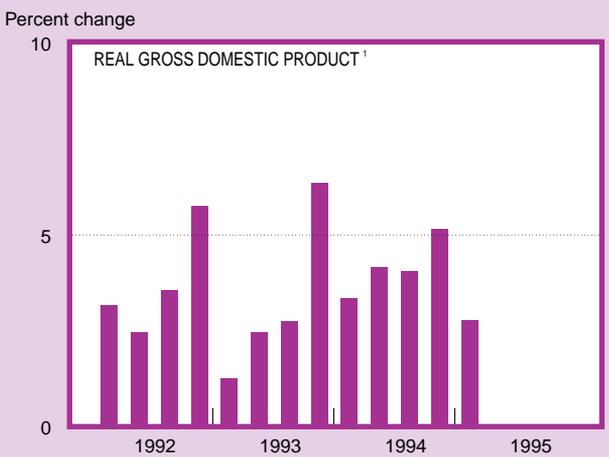
1. Includes new trucks only.

NIPA Charts

REAL GDP AND ITS COMPONENTS: TRENDS AND CYCLES



SELECTED SERIES: RECENT QUARTERS



1. Percent change at annual rate from preceding quarter; based on seasonally adjusted estimates.
 2. Seasonally adjusted annual rate; IVA is inventory valuation adjustment, and CCAadj is capital consumption adjustment.
 3. Personal saving as percentage of disposable personal income; based on seasonally adjusted estimates.

Reconciliation and Other Special Tables

Table 1.—Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings

[Percent change from preceding period]

	Seasonally adjusted at annual rates						
	1992	1993	1994	1994			1995
				II	III	IV ^r		I^{p}
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing)	5.1	3.3	3.2	0.7	3.1	3.5	4.1
<i>Less:</i> Contribution of supplements to wages and salaries per hour .....	.5	.2	.2	-.1	.1	-.3	.5
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions .....	.1	-.1	0	.1	.1	0	.9
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed	0	0	0	0	-.2	-.2	-.1
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	4.7	3.0	2.9	.9	3.3	4.0	4.7
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing	0	0	-.3	-.4	-.2	-.4	-.6
<i>Less:</i> Other differences ¹	2.3	.4	.5	-.5	1.1	.6	2.8
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	2.4	2.5	2.7	1.8	2.4	3.8	2.5
Addendum:							
BLS estimates of compensation per hour in the nonfarm business sector ²	5.1	3.3	3.1	.7	3.1	4.0	2.5

^r Revised.

^p Preliminary.

1. Includes BEA use of non-BLS data and differences in detailed weighing. Annual estimates also include differences in BEA and BLS benchmarking 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. BEA estimates for the third quarter of 1994 also include statistical revisions not yet incorporated in the BLS estimates.

NOTE.—The table incorporates BLS March 1993 benchmarks and updated seasonal adjustment factors.

BLS Bureau of Labor Statistics

Table 3.—U.S. International Transactions in Goods and Services
 [Millions of dollars; monthly estimates seasonally adjusted]

	1993	1994	1994										1995			
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^r	Mar. ^p	Apr.
Exports of goods and services	641,677	697,877	58,349	55,920	56,206	58,301	56,510	60,291	60,510	59,880	61,909	63,611	60,964	62,251	65,344	.....
Goods	456,866	502,590	42,007	40,320	40,218	41,970	40,101	44,054	43,485	43,289	44,814	46,490	44,299	45,421	48,202	.....
Foods, feeds, and beverages	40,628	41,942	3,403	3,085	3,266	3,086	3,050	3,674	3,696	3,923	4,058	4,196	3,849	3,931	4,100	.....
Industrial supplies and materials	111,814	121,309	10,588	9,609	9,898	9,804	10,238	10,723	10,304	10,588	10,666	11,230	11,468	11,766	12,656	.....
Capital goods, except automotive	181,696	205,280	17,305	16,742	16,551	17,723	16,280	17,652	17,826	16,889	18,063	18,916	16,915	17,818	19,315	.....
Automotive vehicles, engines, and parts	52,404	57,243	4,725	4,686	4,508	4,688	4,240	5,169	5,001	4,995	4,887	5,579	5,356	5,174	5,031	.....
Consumer goods (nonfood), except automotive	54,656	59,972	4,881	4,659	4,803	5,113	4,858	5,309	5,185	5,408	5,481	5,309	4,989	5,242	5,390	.....
Other goods	23,893	26,775	1,849	2,250	2,018	2,340	2,261	2,517	2,346	2,474	2,467	2,247	2,421	2,179	2,494	.....
Adjustments ¹	-8,224	-9,931	-743	-711	-828	-783	-826	-989	-873	-989	-807	-988	-699	-688	-783	.....
Services	184,811	195,287	16,343	15,600	15,988	16,331	16,409	16,237	17,025	16,592	17,095	17,121	16,665	16,830	17,142	.....
Travel	57,621	60,001	5,171	4,729	4,842	5,043	5,072	4,811	5,321	5,031	5,342	5,384	5,028	5,040	5,116	.....
Passenger fares	16,550	17,651	1,507	1,384	1,409	1,491	1,492	1,419	1,588	1,477	1,600	1,597	1,554	1,578	1,610	.....
Other transportation	23,151	24,733	2,106	2,001	2,017	2,029	1,992	2,115	2,145	2,196	2,235	2,134	2,152	2,153	2,236	.....
Royalties and license fees	20,398	22,823	1,796	1,790	1,816	1,857	1,960	1,999	2,021	2,001	2,010	2,025	2,059	2,086	2,114	.....
Other private services	54,870	58,453	4,854	4,738	4,916	4,896	4,892	4,889	4,945	4,888	4,912	4,985	4,880	4,969	5,050	.....
Transfers under U.S. military agency sales contracts ²	11,413	10,845	841	908	940	964	939	938	934	924	920	919	927	938	950	.....
U.S. Government miscellaneous services	808	782	67	50	48	49	62	67	71	74	76	77	65	67	66	.....
Imports of goods and services	717,402	804,448	65,236	64,507	65,427	67,132	67,242	69,415	69,388	69,876	71,537	70,872	72,917	71,402	74,459	.....
Goods	589,441	669,155	53,483	53,689	54,520	56,021	56,056	58,195	58,002	58,406	59,984	59,386	61,152	59,724	62,451	.....
Foods, feeds, and beverages	27,867	30,958	2,542	2,490	2,530	2,592	2,623	2,698	2,713	2,674	2,638	2,657	2,854	2,803	2,885	.....
Industrial supplies and materials	145,606	161,995	12,642	12,755	13,139	13,990	14,358	14,670	14,288	13,933	14,519	14,148	14,545	14,364	15,485	.....
Capital goods, except automotive	152,365	184,550	14,456	14,716	14,872	15,118	15,184	15,293	16,459	16,571	16,964	16,791	17,220	16,856	17,445	.....
Automotive vehicles, engines, and parts	102,420	118,684	9,549	9,491	9,481	10,153	9,911	11,057	9,870	10,230	10,743	10,729	11,070	10,708	10,781	.....
Consumer goods (nonfood), except automotive	134,015	146,293	11,336	11,846	12,137	12,139	12,024	12,480	12,631	12,788	12,913	12,892	13,441	13,073	13,157	.....
Other goods	18,386	21,349	1,837	1,808	1,801	1,820	1,701	1,633	1,815	1,926	1,937	1,905	1,778	1,689	1,827	.....
Adjustments ¹	8,783	5,326	1,120	582	560	209	254	364	226	283	271	263	244	231	871	.....
Services	127,961	135,293	11,753	10,818	10,907	11,112	11,186	11,220	11,387	11,471	11,553	11,486	11,765	11,678	12,008	.....
Travel	40,564	43,059	3,909	3,324	3,402	3,356	3,469	3,438	3,590	3,718	3,775	3,809	3,886	3,838	3,964	.....
Passenger fares	11,416	12,558	1,067	1,007	1,037	1,027	1,024	1,035	1,070	1,098	1,122	1,116	1,155	1,155	1,205	.....
Other transportation	24,502	25,718	2,160	2,081	2,096	2,176	2,190	2,273	2,219	2,231	2,204	2,156	2,341	2,310	2,420	.....
Royalties and license fees	4,840	5,926	445	438	437	476	490	463	477	507	515	514	491	482	473	.....
Other private services	32,119	34,791	3,025	2,860	2,838	2,988	2,915	2,915	2,940	2,839	2,864	2,821	2,823	2,828	2,887	.....
Direct defense expenditures ²	12,176	10,577	926	890	877	868	864	860	857	856	855	854	846	838	831	.....
U.S. Government miscellaneous services	2,344	2,663	221	219	220	221	234	236	234	222	218	216	223	226	227	.....
Memoranda:																
Balance on goods	-132,575	-166,565	-11,477	-13,369	-14,303	-14,050	-15,955	-14,140	-14,517	-15,117	-15,170	-12,895	-16,853	-14,303	-14,249	.....
Balance on services	56,850	59,994	4,590	4,782	5,082	5,219	5,223	5,017	5,638	5,121	5,543	5,635	4,900	5,152	5,134	.....
Balance on goods and services	-75,725	-106,571	-6,887	-8,587	-9,221	-8,831	-10,732	-9,123	-8,878	-9,996	-9,628	-7,261	-11,953	-9,151	-9,115	.....

^p Preliminary.

^r Revised.

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

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

2. Contains goods that cannot be separately identified.

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

Pollution Abatement and Control Expenditures, 1993

By Gary L. Rutledge and Christine R. Vogan

REAL SPENDING for pollution abatement and control (PAC) increased 4.2 percent in 1993, compared with a 4.7-percent increase in 1992. Prices of PAC goods and services, as measured by the PAC fixed-weighted price index, increased 2.3 percent after a 1.6-percent increase. PAC expenditures consist of spending for goods and services that U.S. residents use to produce cleaner air and water and to manage solid waste.

In addition to the estimates for 1993, this article presents revised estimates of PAC expenditures for 1988–92. The revisions, which incorporate updated source data, are small and do not substantially alter the general picture of PAC spending throughout the economy.

The following are highlights of the PAC estimates for 1993:

- Real pollution abatement (PA) spending, which makes up over nine-tenths of PAC, continued to increase at a moderate rate: It increased 4.6 percent after increasing 5.0 percent in 1992.
- The other two PAC components continued to decrease as a share of total PAC. Real spending for regulation and monitoring increased 2.3 percent, in contrast to a 2.2-percent decrease in 1992. Real spending for research and development fell 12.7 percent after decreasing 2.6 percent.
- Real PA spending continued to increase across all sectors of the economy; substantial increases were in business capital spending (5.8 percent) and State and local government purchases (12.0 percent).
- Real spending for air PAC and for solid waste disposal increased 7.2 percent and 7.0 percent, respectively, while water PAC decreased 1.1 percent. Each of these types had increased in 1992.
- Real PAC spending as a percent of gross domestic product (GDP) inched up to 1.8 percent from 1.7 percent in 1987. Business PAC capital spending as a percent of the fixed in-

vestment component of GDP was 2.5 percent, compared with 2.0 percent in 1987.

The first section of this article examines real PAC spending and PAC prices in 1993. The second section discusses patterns in PAC spending during 1987–93. The last section briefly describes the sources of the estimates.

Recent estimates

Real PAC spending in 1993.—Real PAC spending increased \$3.7 billion, or 4.2 percent, to \$91.8 billion in 1993 (table 1). It had increased 4.7 percent in 1992.

Within PA, spending increased for all sectors in 1993 (chart 1). The business sector—which accounts for about two-thirds of PA spending—increased \$2.3 billion, or 4.0 percent. Business spending on capital account increased \$1.1 billion, or 5.8 percent, compared with an 11.3-percent increase for total fixed investment in GDP. The 1993 increase primarily reflected growth in purchases of motor vehicle emission abatement devices, all for air PA, and in purchases of new plant and

Key Terms

In this article, PAC expenditures are presented by *sector* (personal consumption, business, and government), by *type* (air, water, solid waste, and other), and by *function* (pollution abatement, regulation and monitoring, and research and development). Over nine-tenths of all PAC spending is for pollution abatement (PA); the rest is for regulation and monitoring and for research and development. PA, which is the principal function, directly reduces pollutant emissions by preventing the generation of pollutants, by recycling the pollutants, by treating the pollutants prior to discharge, or by restoration (for example, site clean-up). *Regulation and monitoring* is a government activity that stimulates and guides action to reduce pollutant emissions. *Research and development* by business and government not only supports abatement, but also helps to increase the efficiency of regulation and monitoring.

equipment by electric utilities, primarily for air PA. Business spending on current account—that is, for the operation of PA capital—increased \$1.2 billion, or 3.1 percent.¹ The increase was mainly in spending to operate water PA plant and equipment by nonmanufacturing establishments excluding electric utilities and in spending by residential customers for solid waste disposal. A decrease in costs recovered, which is a negative component of current-account spending, also contributed to the current-account spending increase; costs recovered is the value of reclaimed materials and energy from pollution abatement.

1. Operation of PA capital refers to operation, maintenance, and minor repairs of PA capital.

Table 1.—Constant-Dollar Spending for Pollution Abatement and Control in 1993: Summary by Type, by Function, and by Sector

	Millions of 1987 dollars			Percent change from preceding year ^P
	1992 ^r	1993 ^P	Change from preceding year ^P	
Pollution abatement and control	88,083	91,826	3,743	4.2
Air	26,078	27,964	1,887	7.2
Water	33,880	33,503	-378	-1.1
Solid waste	29,001	31,025	2,024	7.0
Other and unallocated ¹	-876	-667	209	.....
Pollution abatement and control	88,083	91,826	3,743	4.2
Pollution abatement	84,817	88,731	3,915	4.6
Personal consumption	7,037	7,356	318	4.5
Motor vehicle emission abatement device purchases	7,037	7,356	318	4.5
Business	57,028	59,299	2,270	4.0
On capital account	19,175	20,281	1,106	5.8
Motor vehicle emission abatement devices	5,250	5,778	528	10.1
Plant and equipment	12,478	12,909	432	3.5
Air	5,837	6,798	961	16.5
Water	4,041	3,426	-615	-15.2
Solid waste	2,600	2,685	85	3.3
Other	1,447	1,593	146	10.1
Of which: Residential systems	1,444	1,590	147	10.1
On current account	37,854	39,018	1,165	3.1
Motor vehicle emission abatement devices	0	0	0	.....
Plant and equipment	23,757	24,141	384	1.6
Air	6,121	6,052	-68	-1.1
Water	5,814	6,133	319	5.5
Solid waste	11,822	11,955	133	1.1
Public sewer systems ²	11,076	11,088	12	.1
Costs recovered	-1,578	-1,256	322	.....
Other	4,599	5,045	446	9.7
Of which: Residential systems	4,392	4,887	496	11.3
Government	20,751	22,077	1,326	6.4
State and local purchases	10,437	11,691	1,254	12.0
Public sewer system fixed capital ³	9,123	9,111	-12	-1
Other	1,192	1,275	84	7.0
Regulation and monitoring	1,619	1,656	38	2.3
Research and development	1,648	1,438	-210	-12.7

^P Preliminary.
^r Revised.
 1. See footnote 2 to table 7.
 2. Spending to operate public sewer systems is classified in the national income and product accounts as business spending.
 3. Consists of government enterprise purchases of fixed capital (primarily for the construction of public sewer systems), which is classified in the national income and product accounts as government spending.
 NOTE.—The entries in this table are key components from tables 7 and 8; the "other" entries are consolidations of detail from those tables.

Government PA expenditures increased \$1.3 billion, or 6.4 percent. The increase mainly reflects an increase in State and local government spending for solid waste disposal.

Personal consumption expenditures, which consists of the purchase and operation of motor vehicle emission abatement devices, increased \$0.3 billion, or 4.5 percent, in 1993. The entire increase was for purchases of devices (for example, catalytic converters), which increased along with unit sales of vehicles.²

By type, real spending increased in 1993 for air PAC and solid waste disposal, but decreased for water PAC (chart 1 and table 2, with detail in tables 7 and 8). Air PAC increased 7.2 percent

2. Operating costs of these devices—which consist mainly of the additional cost of using unleaded, rather than leaded, gasoline in vehicles with catalytic converters—have not been discernable since 1990, reflecting a market for leaded gasoline that has so diminished that any price difference between unleaded and leaded gasoline is not measurable. For more information, see the box discussing the operating costs of emission abatement devices on motor vehicles in "Pollution Abatement and Control Expenditures, 1972–90," SURVEY OF CURRENT BUSINESS 72 (June 1992): 33.

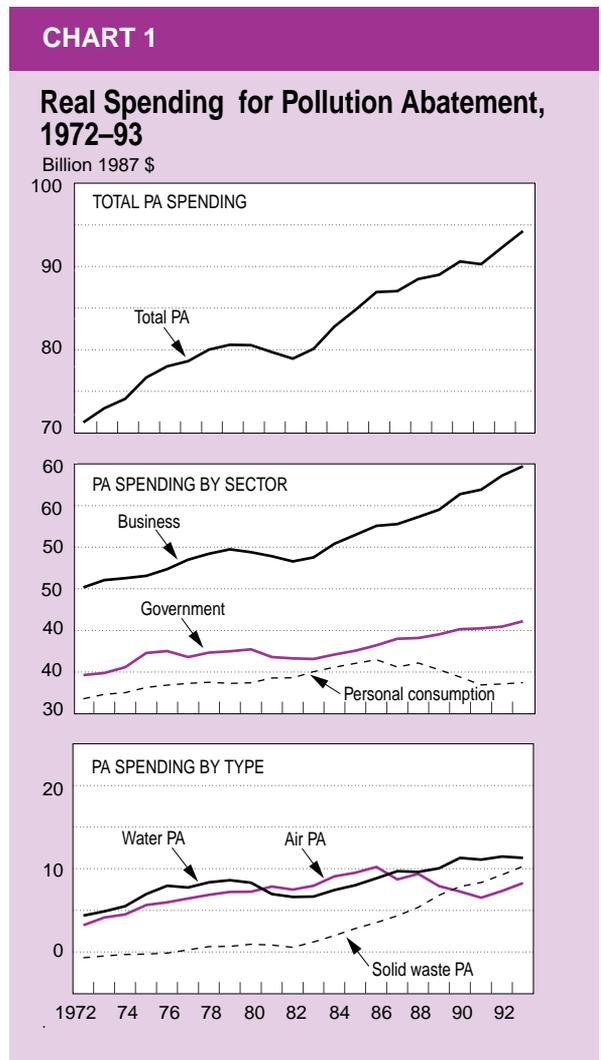


Table 2.—Percent Change in Spending and Prices for Pollution Abatement and Control by Type, 1987–93

	Change from preceding year						
	1987	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p
Total:							
Current dollars	3.0	6.9	5.5	7.1	2.1	6.2	7.1
1987 dollars .....	.2	3.9	1.4	3.5	-6	4.7	4.2
Fixed-weighted price index	2.8	2.9	4.1	3.8	2.6	1.6	2.3
Air:							
Current dollars	-6.9	7.0	-6.5	-3.5	-2.6	7.6	9.0
1987 dollars	-9.6	4.7	-9.5	-5.8	-5.0	6.4	7.2
Fixed-weighted price index	2.9	2.4	3.7	3.7	2.3	1.2	1.5
Water:							
Current dollars	8.1	2.1	7.0	10.9	.7	3.0	2.6
1987 dollars	5.9	-6	3.1	8.0	-1.2	2.4	-1.1
Fixed-weighted price index	2.0	2.7	3.8	2.6	2.2	1.1	3.4
Solid waste:							
Current dollars	13.0	15.6	19.6	14.6	7.0	9.6	9.2
1987 dollars	9.2	11.0	13.8	8.7	3.6	6.7	7.0
Fixed-weighted price index	3.5	4.2	5.1	5.5	3.4	2.8	2.1

^p Preliminary.
^r Revised.

after increasing 6.4 percent in 1992; the 1993 increase was attributable to business and consumer spending for motor vehicle emission abatement devices and to business spending for PA plant and equipment. Real spending for solid waste disposal increased 7.0 percent after increasing 6.7 percent; the 1993 increase was mainly attributable to growth in State and local government spending.³ Real spending for water PAC decreased 1.1 percent after increasing 2.4 percent; the decrease was due mainly to a decline in purchases of plant and equipment by business, both in manufacturing establishments and in nonmanufacturing establishments except for electric utilities.

PAC prices in 1993.—The fixed-weighted price index for total PAC spending increased 2.3 percent in 1993, following a 1.6-percent increase in 1992 (table 2). Price increases accelerated for air and water PAC goods and services, but decelerated for solid waste disposal.

PAC spending in 1987–93

This section discusses selected patterns in PAC spending during 1987–93, with emphasis on real PAC spending and on changes in its composition. The estimates of real spending are presented by sector in tables 3 and 4 and by type in tables 5 and 6. The sectors are defined in accordance with national economic accounting conventions.

3. Throughout this article, solid waste management—which includes the collection and disposal of solid waste and the alteration of production processes to generate less solid waste—is referred to in the tables as solid waste PAC and in the text as solid waste disposal.

The types are defined in accordance with Federal environmental legislation.⁴

During 1987–93, PAC spending grew along with general economic activity, as reflected in GDP. Before adjustment for price change, PAC spending and GDP grew at comparable average annual rates, 5.8 percent and 5.7 percent, respectively; however, after adjustment for price change, PAC spending grew faster than GDP—2.8 percent, compared with 2.1 percent. As a result of this faster PAC growth, real PAC spending as a percent of GDP inched up from 1.7 percent in 1987 to 1.8 percent in 1993.

Spending by sector.—Business spending as a share of total PAC spending increased from 60.0 percent in 1987 to 65.7 percent in 1993 (table 4). Within business spending, the share spent on capital account has generally increased, while that on current account has generally decreased, reflecting the higher average annual rate of growth of capital spending during 1987–93—5.9 percent, compared with 3.7 percent for spending to operate this capital (table 3). This 5.9-percent average annual increase in business capital spending for PAC is about three times the rate for the fixed-investment component of GDP; as a result, the PAC share of business fixed investment rose from 2.0 percent in 1987 to 2.5 percent in 1993.

Government spending as a share of total PAC spending increased from 25.8 percent in 1987 to 26.3 percent in 1993. The government share was boosted by State and local government spending, which grew at an average annual rate of 11.0 percent during 1987–93, mostly for solid waste disposal. The share of government spending accounted for by public sewer system fixed capital decreased (from 50.1 percent to 37.7 percent), reflecting a decline in public sewer construction spending. Government PAC spending increased at a 3.2-percent average annual rate during 1987–93, three times faster than the government-purchases component of GDP; as a result, the PAC share of government purchases rose from 2.3 percent in 1987 to 2.6 percent in 1993.

While the government and business shares of PAC spending have generally risen since 1987, the share accounted for by personal consumption has declined. The decline mainly reflects a dropoff in the cost of operating motor vehicle emission abatement devices, which started falling in 1987

4. For air PA, the Clean Air Act classifies the sources of pollutants as mobile (for example, automobiles) or stationary (for example, factories). For water PA, the Federal Water Pollution Control Act classifies the sources of pollutants as point (for example, factories) or nonpoint (for example, highway construction projects).

and reached zero by 1991; this cost mainly reflects the price difference between unleaded and leaded gasoline. Since 1991, all spending by persons for PAC has been for the purchase of motor vehicle emission abatement devices. Such purchases have been relatively volatile, with increases in 1988 and 1992-93 and decreases in the intervening years, primarily reflecting changes in vehicle sales. However, the overall average annual change for emission abatement device purchases was negative (-2.9 percent) during 1987-93. Spending by persons for PAC declined at a 6.6-percent average annual rate, in contrast to a 2.1-percent average annual increase in personal consumption spending within GDP; such PAC spending continued to account for less than one-half percent of total personal consumption expenditures.

Spending by type.—The share of total PAC spending accounted for by air PAC declined from 37.2 percent in 1987 to 30.5 percent in 1993 (table 6). The share of total PAC spending accounted for by water PAC fluctuated from 1987 through 1993: From 39.0 percent in 1987, it peaked at 39.6 percent in 1990 and settled at a relatively low 36.5 percent in 1993. The share accounted for by spending for solid waste disposal increased steadily from 24.6 percent in 1987 to 33.8 percent in 1993.

Within air PA, the share of spending accounted for by stationary sources generally rose in relation to that for mobile sources. Stationary source spending was boosted by industrial purchases of new plant and equipment, which increased at

an average annual rate of 11.8 percent (table 5). Despite increases in 1992 and 1993, spending for mobile sources—both in the purchase and operation of emission abatement devices—was lower in 1993 than it had been in 1987.

Within water PA, point sources continued to dominate spending, accounting for about 95 percent of the total. Spending by both point and nonpoint sources has tended to fluctuate during 1987-93; however, spending for point sources has risen, on average, outweighing the decline in nonpoint spending and resulting in a 1.7-percent average annual increase for total water PA spending.

Table 4.—Composition of Constant-Dollar Pollution Abatement and Control Spending by Sector, 1987-93

	1987	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p
	Percent of total PAC spending						
Personal consumption	14.3	15.0	12.8	10.2	8.1	8.0	8.0
Business	60.0	59.8	61.2	63.2	65.0	65.8	65.7
Government	25.8	25.2	26.1	26.6	27.0	26.2	26.3
	Percent of spending within each PAC sector						
Personal consumption:							
Motor vehicle emission abatement devices	79.4	83.2	90.7	97.7	100.0	100.0	100.0
Operation of these devices	20.6	16.8	9.3	2.3	0	0	0
Business:							
On capital account	30.8	30.2	29.1	31.1	32.5	33.1	33.6
On current account	69.2	69.8	70.9	68.9	67.5	66.9	66.4
Government:							
State and local purchases	31.3	34.1	37.4	39.4	42.6	45.3	48.3
Public sewer system fixed capital	50.1	47.3	44.1	43.6	40.8	39.6	37.7
Other	18.6	18.6	18.4	17.0	16.7	15.2	14.0

^p Preliminary.
^r Revised.
PAC Pollution abatement and control

Table 3.—Constant-Dollar Spending for Pollution Abatement and Control by Sector, 1987-93

	Millions of 1987 dollars							Percent change from preceding year						1987-93 average annual growth rate
	1987	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p	
Pollution abatement and control	77,649	80,698	81,802	84,648	84,152	88,083	91,826	3.9	1.4	3.5	-0.6	4.7	4.2	2.8
Personal consumption	11,075	12,069	10,445	8,659	6,783	7,037	7,356	9.0	-13.5	-17.1	-21.7	3.7	4.5	-6.6
Motor vehicle emission abatement devices	8,799	10,041	9,474	8,462	6,783	7,037	7,356	14.1	-5.6	-10.7	-19.8	3.7	4.5	-2.9
Operation of these devices	2,276	2,028	971	197	0	0	0	-10.9	-52.1	-79.8	-100.0			
Business	46,552	48,254	50,036	53,465	54,666	57,982	60,286	3.7	3.7	6.9	2.2	6.1	4.0	4.4
On capital account	14,354	14,585	14,584	16,631	17,769	19,175	20,281	1.6	0	14.0	6.8	7.9	5.8	5.9
Motor vehicle emission abatement devices	4,926	5,792	5,230	5,278	5,292	5,250	5,778	17.6	-9.7	.9	-3	-8	10.1	2.7
Plant and equipment	7,312	7,028	7,636	9,718	11,151	12,478	12,909	-3.9	8.6	27.3	14.8	11.9	3.5	9.9
Other	2,116	1,765	1,718	1,636	1,325	1,447	1,593	-16.6	-2.7	-4.8	-19.0	9.2	10.1	-4.6
On current account	32,198	33,669	35,452	36,834	36,898	38,807	40,005	4.6	5.3	3.9	.2	5.2	3.1	3.7
Motor vehicle emission abatement devices	1,613	1,437	737	218	0	0	0	-10.9	-48.7	-70.5	-100.0			
Plant and equipment	19,861	21,185	22,519	23,779	22,830	23,757	24,141	6.7	6.3	5.6	-4.0	4.1	1.6	3.3
Public sewer systems ¹	7,792	8,269	8,803	9,430	10,171	11,076	11,088	6.1	6.5	7.1	7.9	8.9	.1	6.1
Other ²	2,932	2,778	3,393	3,407	3,897	3,974	4,776	-5.2	22.1	.4	14.4	2.0	20.2	8.5
Government	20,022	20,375	21,321	22,524	22,703	23,063	24,184	1.8	4.6	5.6	.8	1.6	4.9	3.2
State and local purchases	6,266	6,953	7,982	8,864	9,661	10,437	11,691	11.0	14.8	11.0	9.0	8.0	12.0	11.0
Public sewer system fixed capital ³	10,035	9,629	9,412	9,822	9,253	9,123	9,111	-4.0	-2.3	4.4	-5.8	-1.4	-1	-1.6
Other ⁴	3,720	3,793	3,927	3,839	3,788	3,504	3,383	2.0	3.5	-2.2	-1.3	-7.5	-3.5	-1.6

^p Preliminary.
^r Revised.
1. Spending to operate public sewer systems is classified in the national income and product accounts as business spending.
2. For this table, private purchases for research and development are included with business pollution abatement

spending on current account.
3. Consists of government enterprise purchases of fixed capital (primarily for the construction of public sewer systems), which are classified in the national income and product accounts as government spending.
4. For this table, government regulation and monitoring and government research and development are included with "other" government pollution abatement spending.

turing establishments), the Pollution Abatement Plant and Equipment Expenditures Survey (for electric utilities capital spending and, to a lesser extent, mining and petroleum enterprises), surveys of government finances (for government spending to operate public sewer systems and for solid waste disposal), and a survey of new construction put in place (for government spending to construct sewer systems). Other relevant surveys are conducted by the Bureau of Economic Analysis (for PAC by Federal agencies) and by the Energy Information Administration of the U.S. Department of Energy (for a key component of electric utility operating costs for PA).

The estimates of the remaining one-third of PAC spending are based on sources that provide more general information used in indirect methods of estimation. The most significant of these estimates are for nonmanufacturing and residential customers' spending for solid waste disposal, spending for motor vehicle emission abatement devices and their operation, and nonmanufacturing operation and maintenance spending for PA (excluding electric utilities). For more information about these indirect methods, see the

Preparation of the estimates was a divisionwide effort, supervised by Gary L. Rutledge, Chief of the Environmental Economics Division. Christine R. Vogan coordinated preparation of the article and analysis of the estimates. Christian Thieme provided computer programming support and, along with Mary L. Roy, coordinated the compilation of the estimates. Shirley D. Tisdale provided statistical services.

discussion of "other sources" at the end of [the PAC expenditures article](#) in the May 1994 SURVEY OF CURRENT BUSINESS.

To convert current-dollar estimates to constant (1987) dollars, selected Bureau of Labor Statistics (BLS) price data, together with cost and price indexes mainly derived from BLS price data, are used. The basic approach is deflation with fixed-weighted indexes, which are constructed to correspond as closely as possible to a particular element of PAC. After each element is converted to constant dollars, estimates are summed to obtain the PAC published totals.

Tables 7 and 8 follow. 

Table 7.—Expenditures for Pollution Abatement and Control by Sector and by Type, in Current and Constant Dollars, and Selected Fixed-Weighted Price Indexes, 1987–93—Continued

Line	1990					1991 ^r					
	Total ¹	Air	Water	Solid waste	Other and unallocated ²	Total ¹	Air	Water	Solid waste	Other and unallocated ²	
Millions of dollars											
1	93,877	27,918	36,642	30,303	-987	95,893	27,199	36,906	32,431	-643	
2	Pollution abatement	90,321	26,460	35,709	29,724	-1,573	92,012	25,492	35,914	31,842	-1,235
3	Personal consumption	9,241	9,241				7,425	7,425			
4	Durable goods ³	8,946	8,946				7,425	7,425			
5	Nondurable goods ⁴	295	295				0	0			
6	Business	58,498	16,936	23,630	19,855	-1,922	60,954	17,795	24,008	20,720	-1,569
7	On capital account	17,986	9,681	5,838	2,466		19,733	11,278	5,750	2,705	
8	On current account	40,512	7,254	17,791	17,388	-1,922	41,220	6,517	18,257	18,015	-1,569
9	Private	32,008	7,100	7,520	17,388		31,623	6,362	7,246	18,015	
10	Government enterprise	10,428	154	10,272	(*)	2	11,169	155	11,012	(*)	2
11	Costs recovered ⁵	-1,924				-1,924	-1,571				-1,571
12	Government	22,582	284	12,080	9,870	349	23,634	272	11,907	11,122	334
13	Federal	1,391	71	734	304	281	1,417	73	753	341	250
14	State and local	10,161	13	514	9,565	68	11,417	16	537	10,781	83
15	Government enterprise purchases of fixed capital	11,031	200	10,831			10,800	183	10,617		
16	Regulation and monitoring	1,784	476	649	408	250	1,868	533	677	427	231
17	Federal	877	133	307	191	245	900	175	301	201	223
18	State and local	907	343	342	217	5	968	358	376	226	8
19	Research and development	1,772	982	284	171	336	2,013	1,174	315	162	362
20	Private	945	749	95	16	85	1,176	932	118	20	106
21	Federal	777	231	151	151	244	790	240	160	139	250
22	State and local	51	2	38	4	7	47	2	36	3	6
Millions of constant (1987) dollars											
23	Pollution abatement and control	84,648	25,806	33,487	26,236	-880	84,152	24,511	33,096	27,172	-627
24	Pollution abatement	81,453	24,493	32,641	25,713	-1,395	80,806	23,031	32,225	26,674	-1,123
25	Personal consumption	8,659	8,659				6,783	6,783			
26	Durable goods ³	8,462	8,462				6,783	6,783			
27	Nondurable goods ⁴	197	197				0	0			
28	Business	52,630	15,581	21,568	17,175	-1,695	53,667	16,009	21,698	17,362	-1,402
29	On capital account	16,631	8,995	5,399	2,237		17,769	10,177	5,201	2,391	
30	On current account	35,998	6,586	16,169	14,938	-1,695	35,898	5,832	16,498	14,971	-1,402
31	Private	28,111	6,443	6,730	14,938		26,972	5,689	6,312	14,971	
32	Government enterprise	9,584	143	9,439	(*)	2	10,330	143	10,185	(*)	2
33	Costs recovered ⁵	-1,697				-1,697	-1,404				-1,404
34	Government	20,165	254	11,073	8,538	300	20,356	239	10,527	9,312	279
35	Federal	1,228	62	656	269	241	1,220	63	652	296	209
36	State and local	8,864	11	524	8,269	59	9,661	14	562	9,016	70
37	Government enterprise purchases of fixed capital	10,073	180	9,893			9,475	162	9,313		
38	Regulation and monitoring	1,636	446	597	372	220	1,654	488	608	363	195
39	Federal	771	117	270	168	216	761	148	255	170	188
40	State and local	865	330	327	204	4	893	340	354	193	6
41	Research and development	1,559	866	249	150	295	1,692	992	263	135	302
42	Private	835	662	84	14	75	999	792	101	17	90
43	Federal	681	203	132	133	214	654	199	133	115	207
44	State and local	43	1	33	3	6	39	2	29	3	5
Selected fixed-weighted price indexes											
45	Pollution abatement and control	111.1	110.1	109.3	115.6	111.7	114.0	112.6	111.7	119.5	102.1
46	Pollution abatement	111.1	110.1	109.3	115.7	112.7	113.9	112.5	111.6	119.5	110.1
47	Personal consumption	109.9	109.9				112.4	112.4			
48	Business	111.3	110.1	109.4	115.7	113.4	113.7	112.5	110.6	119.5	111.9
49	On capital account	107.9	107.7	107.4	110.3		110.5	110.7	109.3	113.1	
50	On current account	112.9	112.9	110.1	116.4	113.4	115.2	114.5	111.0	120.3	111.9
51	Government	111.5	112.1	109.1	115.6	116.2	115.5	113.8	113.3	119.4	119.6
52	Regulation and monitoring	109.0	106.7	108.5	109.5	114.0	113.4	108.8	111.7	119.1	118.5
53	Research and development	113.5	113.3	113.9	114.0	113.8	118.9	118.3	119.5	120.3	119.9
Millions of dollars											
54	Addendum: Business capital consumption allowances: ⁶										
55	Valued at replacement cost in current dollars	16,890					11,316				
55	Valued at replacement cost in constant (1987) dollars	15,272					10,040				

See footnotes at end of table.

Table 7.—Expenditures for Pollution Abatement and Control by Sector and by Type, in Current and Constant Dollars, and Selected Fixed-Weighted Price Indexes, 1987–93—Continued

Line	1992					1993 ^r					
	Total ¹	Air	Water	Solid waste	Other and unallocated ²	Total ¹	Air	Water	Solid waste	Other and unallocated ²	
Millions of dollars											
1	101,846	29,257	38,021	35,556	-989	109,044	31,902	39,015	38,844	-717	
2	Pollution abatement	98,134	27,586	37,005	35,006	-1,464	105,386	30,238	37,984	38,326	-1,161
3	Personal consumption	7,896	7,896				8,458	8,458			
4	Durable goods ³	7,896	7,896				8,458	8,458			
5	Nondurable goods ⁴	0	0				0	0			
6	Business	65,592	19,437	25,149	22,771	-1,764	69,983	21,274	25,932	24,202	-1,425
7	On capital account	21,557	12,416	5,739	3,402		23,272	14,324	5,281	3,667	
8	On current account	44,035	7,021	19,410	19,369	-1,764	46,711	6,950	20,650	20,536	-1,425
9	Private	33,677	6,832	7,477	19,369		35,431	6,813	8,083	20,536	
10	Government enterprise	12,124	189	11,933	(*)	2	12,707	137	12,568	(*)	2
11	Costs recovered ⁵	-1,766				-1,766	-1,427				-1,427
12	Government	24,646	253	11,857	12,236	300	26,945	506	12,052	14,124	264
13	Federal	1,215	75	656	281	203	1,068	80	567	250	171
14	State and local	12,630	22	556	11,955	97	14,583	21	595	13,873	93
15	Government enterprise purchases of fixed capital	10,801	156	10,645			11,295	404	10,890		
16	Regulation and monitoring	1,848	526	741	401	180	1,924	561	789	416	158
17	Federal	842	185	290	191	176	883	229	296	290	153
18	State and local	1,006	341	451	210	5	1,041	332	493	211	5
19	Research and development	1,864	1,144	275	149	295	1,734	1,104	243	102	286
20	Private	1,131	896	114	19	102	1,185	939	119	20	107
21	Federal	696	247	133	127	189	512	163	95	78	175
22	State and local	37	1	28	3	4	37	1	29	3	4
Millions of constant (1987) dollars											
23	Pollution abatement and control	88,083	26,078	33,880	29,001	-876	91,826	27,964	33,503	31,025	-667
24	Pollution abatement	84,817	24,649	32,954	28,538	-1,325	88,731	26,560	32,612	30,594	-1,035
25	Personal consumption	7,037	7,037				7,356	7,356			
26	Durable goods ³	7,037	7,037				7,356	7,356			
27	Nondurable goods ⁴	0	0				0	0			
28	Business	57,028	17,392	22,642	18,571	-1,576	59,299	18,764	22,463	19,326	-1,254
29	On capital account	19,175	11,087	5,146	2,941		20,281	12,576	4,638	3,066	
30	On current account	37,854	6,304	17,495	15,630	-1,576	39,018	6,188	17,824	16,260	-1,254
31	Private	28,157	6,121	6,407	15,630		29,035	6,052	6,723	16,260	
32	Government enterprise	11,274	184	11,089	(*)	2	11,239	136	11,101	(*)	2
33	Costs recovered ⁵	-1,578				-1,578	-1,256				-1,256
34	Government	20,751	221	10,313	9,967	251	22,077	440	10,150	11,268	219
35	Federal	1,040	64	565	242	170	902	68	480	213	142
36	State and local	10,437	18	613	9,725	81	11,691	18	541	11,055	77
37	Government enterprise purchases of fixed capital	9,274	138	9,136			9,484	354	9,129		
38	Regulation and monitoring	1,619	467	660	339	152	1,656	487	690	348	132
39	Federal	709	156	245	161	148	740	192	248	172	128
40	State and local	909	311	416	179	4	917	296	442	175	4
41	Research and development	1,648	961	266	124	298	1,438	918	201	84	236
42	Private	954	756	96	16	86	987	782	99	17	89
43	Federal	664	204	147	105	208	422	135	78	65	145
44	State and local	30	1	23	2	3	30	1	23	3	3
Selected fixed-weighted price indexes											
45	Pollution abatement and control	115.8	114.0	112.9	122.8	101.8	118.6	115.6	116.8	125.3	104.7
46	Pollution abatement	115.8	113.8	112.9	122.8	110.1	118.5	115.5	116.8	125.4	112.0
47	Personal consumption	114.5	114.5				116.4	116.4			
48	Business	115.3	113.3	111.3	123.0	112.0	118.2	114.9	115.5	125.5	113.6
49	On capital account	112.0	112.1	110.6	115.6		114.5	114.2	113.4	119.6	
50	On current account	116.8	114.6	111.6	123.9	112.0	119.8	115.6	116.2	126.3	113.6
51	Government	117.9	114.5	115.4	122.6	119.9	120.9	115.3	118.8	125.2	120.5
52	Regulation and monitoring	115.1	111.9	113.2	120.1	119.0	116.9	114.3	115.2	121.8	119.6
53	Research and development	119.5	119.0	120.0	120.6	120.2	120.6	120.3	121.1	121.3	121.1
Millions of dollars											
54	Addendum: Business capital consumption allowances: ⁶										
55	Valued at replacement cost in current dollars	11,595					12,075				
	Valued at replacement cost in constant (1987) dollars	10,212					10,387				

^r Preliminary.^r Revised.^{*} Less than \$500,000.

1. Includes spending for air and water pollution abatement and control and expenditures for solid waste collection and disposal by means acceptable to Federal, State, and local governments. Excludes agricultural production except feedlot operations.

2. "Other" includes spending for abatement and control of noise, radiation, and pesticide pollution; "unallocated"

includes business spending not assigned to media.

3. Durables consists of purchases of motor vehicle emission abatement devices.

4. Nondurables consists of spending to operate motor vehicle emission abatement devices.

5. "Costs recovered" is the value of reclaimed materials and energy from pollution abatement.

6. Capital consumption allowances facilitate the conversion of expenditures to a cost basis.

NOTE.—Expenditures are attributed to the sector that performs, rather than pays for, the air or water pollution abatement or the solid waste collection and disposal.

Table 8.—Business and Government Expenditures for Air and Water Pollution Abatement In Current and Constant Dollars, 1987–93

	Air PA							Water PA						
	1987	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p	1987	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p
Millions of dollars														
Business (line 6)	16,005	16,868	15,978	16,936	17,795	19,437	21,274	18,168	18,854	20,789	23,630	24,008	25,149	25,932
On capital account (line 7)	8,408	9,031	8,717	9,681	11,278	12,416	14,324	4,493	4,156	4,711	5,838	5,750	5,739	5,281
Motor vehicle emission abatement	4,926	5,911	5,450	5,580	5,793	5,892	6,645	2,566	2,581	3,196	4,430	4,686	4,532	3,917
Plant and equipment ¹	3,482	3,120	3,266	4,102	5,486	6,525	7,679	1,924	1,572	1,512	1,405	1,081	1,203	1,361
Residential systems ²								3	3	4	3	3	3	3
Agricultural business ³								3	3	3	3	3	3	3
On current account (line 8)	7,597	7,837	7,261	7,254	6,517	7,021	6,950	13,675	14,698	16,078	17,791	18,257	19,410	20,650
Private (line 9)	7,456	7,676	7,109	7,100	6,362	6,832	6,813	5,867	6,321	6,740	7,520	7,246	7,477	8,083
Motor vehicle emission abatement	1,613	1,446	817	301	0	0	0	5,257	5,671	6,049	6,796	6,488	6,679	7,246
Plant and equipment ¹	5,843	6,230	6,292	6,799	6,362	6,832	6,813	601	642	682	714	749	788	828
Residential systems ²								8	8	10	9	9	9	8
Agricultural business ³								8	8	10	9	9	9	8
Government enterprise (line 10)	141	161	152	154	155	189	137	7,808	8,377	9,338	10,272	11,012	11,933	12,568
Publicly owned electric utilities	141	161	152	154	155	189	137	13	12	11	8	14	10	11
Public sewer systems ⁴								7,792	8,363	9,325	10,262	10,995	11,918	12,552
Other								3	2	3	2	3	5	5
Government (line 12)	341	196	311	284	272	253	506	11,252	11,138	11,301	12,080	11,907	11,857	12,052
Federal (line 13)	80	65	70	71	73	75	80	707	707	729	734	753	656	567
Federal except highways	80	65	70	71	73	75	80	700	700	725	730	749	652	563
Highway erosion abatement								7	7	4	4	4	4	5
State and local (line 14)	15	10	12	13	16	22	21	452	484	489	514	537	556	595
State and local except highways	15	10	12	13	16	22	21							
Highway erosion abatement								452	484	489	514	537	556	595
Government enterprise fixed capital (line 15)	246	121	229	200	183	156	404	10,094	9,947	10,083	10,831	10,617	10,645	10,890
Publicly owned electric utilities	246	121	229	200	183	156	404	58	28	49	77	64	14	21
Public sewer systems ⁴								10,035	9,918	10,034	10,755	10,553	10,631	10,869
Millions of constant (1987) dollars														
Business (line 6)	16,005	16,476	15,086	15,581	16,009	17,392	18,764	18,168	18,459	19,505	21,568	21,698	22,642	22,463
On capital account (line 7)	8,408	8,781	8,238	8,995	10,177	11,087	12,576	4,493	4,033	4,440	5,399	5,201	5,146	4,638
Motor vehicle emission abatement	4,926	5,792	5,230	5,278	5,292	5,250	5,778	2,566	2,483	2,976	4,060	4,191	4,041	3,426
Plant and equipment ¹	3,482	2,989	3,008	3,717	4,885	5,837	6,798	1,924	1,548	1,461	1,337	1,007	1,103	1,210
Residential systems ²								3	3	3	3	3	3	3
Agricultural business ³								3	3	3	3	3	3	3
On current account (line 8)	7,597	7,694	6,848	6,586	5,832	6,304	6,188	13,675	14,426	15,065	16,169	16,498	17,495	17,824
Private (line 9)	7,456	7,533	6,700	6,443	5,689	6,121	6,052	5,867	6,143	6,251	6,730	6,312	6,407	6,723
Motor vehicle emission abatement	1,613	1,437	737	218	0	0	0	452	484	489	514	537	556	595
Plant and equipment ¹	5,843	6,096	5,963	6,225	5,689	6,121	6,052	601	598	594	588	586	584	583
Residential systems ²								8	7	8	7	7	8	7
Agricultural business ³								8	7	8	7	7	8	7
Government enterprise (line 10)	141	161	148	143	143	184	136	7,808	8,283	8,815	9,439	10,185	11,089	11,101
Publicly owned electric utilities	141	161	148	143	143	184	136	13	12	10	7	12	8	9
Public sewer systems ⁴								7,792	8,269	8,803	9,430	10,171	11,076	11,088
Other								3	2	2	2	3	4	4
Government (line 12)	341	188	286	254	239	221	440	11,252	10,762	10,621	11,073	10,527	10,313	10,150
Federal (line 13)	80	64	66	62	63	64	68	707	675	670	656	652	565	480
Federal except highways	80	64	66	62	63	64	68	700	669	666	653	648	560	476
Highway erosion abatement								7	6	4	4	4	4	4
State and local (line 14)	15	10	11	11	14	18	18	452	431	495	524	562	613	541
State and local except highways	15	10	11	11	14	18	18							
Highway erosion abatement								452	431	495	524	562	613	541
Government enterprise fixed capital (line 15)	246	115	210	180	162	138	354	10,094	9,656	9,457	9,893	9,313	9,136	9,129
Publicly owned electric utilities	246	115	210	180	162	138	354	58	27	45	70	59	13	19
Public sewer systems ⁴								10,035	9,629	9,412	9,822	9,253	9,123	9,111

^p Preliminary.
^r Revised.
 1. Consists of manufacturing companies and of privately and cooperatively owned electric utilities and other non-manufacturing companies.
 2. Consists of private septic systems and sewer connections linking household plumbing to street sewers.
 3. Feedlot operations only; see footnote 1 to table 7.

4. Public sewer systems consist of treatment plants, collection sewers, interceptor sewers, pumping stations, and dry-waste disposal plants. Spending to operate public sewer systems is classified in the national income and product accounts as business spending. Government enterprise purchases of fixed capital (primarily for construction of public sewer systems) is classified in the national income and product accounts as government spending.

NOTE.—Line numbers refer to those in table 7.
 PA Pollution abatement

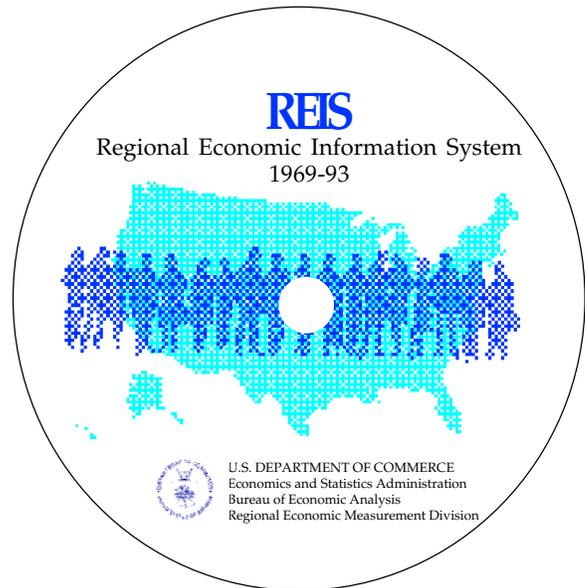
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Gross State Product, 1991-92

By Richard M. Beemiller

THIS ARTICLE presents new current- and constant-dollar estimates of gross state product (GSP) for 1992 and revised estimates for 1991 (see tables 1 and 2, which follow the text).¹ These estimates update and extend those published in the August 1994 SURVEY OF CURRENT BUSINESS.²

The new and revised GSP estimates are consistent with the estimates of gross product by industry for the Nation for 1991-92 that were published in the October 1994 SURVEY.³ The revisions to the 1991 GSP estimates largely resulted from the incorporation of the national estimates; they also reflect the incorporation of improved estimates of proprietors' income (see appendix A).⁴

1. The constant-dollar estimates are derived by deflating new and revised current-dollar estimates for 61 industries with implicit price deflators computed from the estimates of national gross product originating. For a discussion of issues related to the measurement of constant-dollar gross product by industry for the Nation, see Robert P. Parker, "Gross Product by Industry, 1977-90," SURVEY 73 (May 1993): 36-37. Detailed estimates of GSP in current and constant dollars for 1977-92 for 61 industries are available electronically and on diskette (see the box "Data Availability" on page 50).

2. Richard M. Beemiller and Ann E. Dunbar, "Gross State Product, 1977-91," SURVEY 74 (August 1994): 80-97.

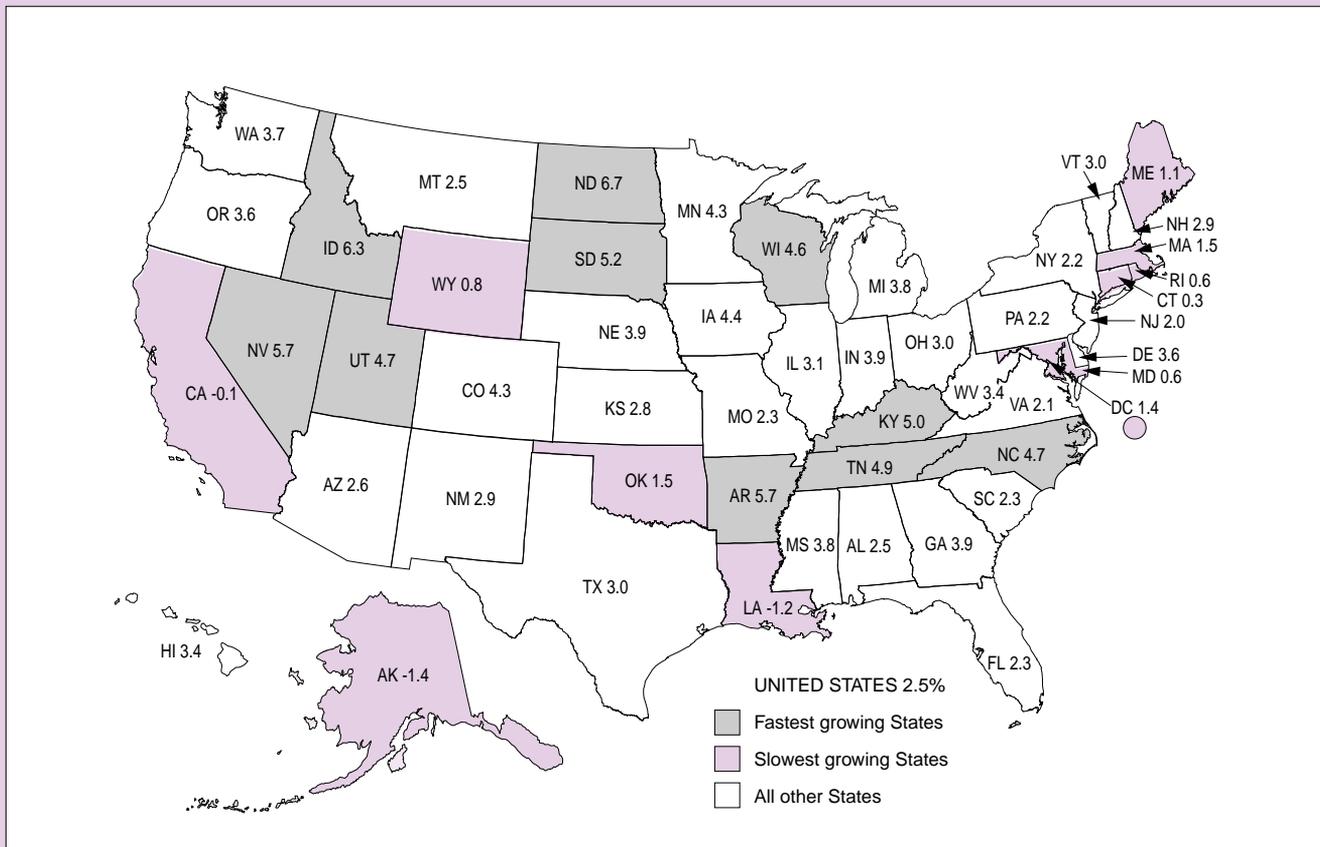
3. See Robert E. Yuskavage, "Gross Product by Industry, 1991-92," SURVEY 74 (October 1994): 30-34.

4. Improved estimates of proprietors' income have also been incorporated into the GSP estimates for 1982-90; for those years, the average revision to GSP amounted to only -0.01 percent.

CHART 1

Gross State Product: Percent Change, 1991-92

Based on estimates in 1987 dollars



GSP is the market value of the goods and services produced by the labor and property located in a State. GSP for a State is measured as the sum of gross state product originating (GSPO) in all industries in the State. As such, it is the State counterpart of the Nation's gross domestic product (GDP) measured as the sum of gross product originating (GPO) in all industries.⁵ An industry's GSPO, referred to as its "value added," is equivalent to its gross output (sales or receipts and other operating income, plus inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries or imported).

BEA prepares GSPO estimates for 61 industries. For each industry, GSPO is composed of four components: Compensation of employees, proprietors' income, capital charges, and indirect business taxes. Appendix B shows how these components correspond to the components of State earnings and of GDP.⁶

The remainder of this article summarizes the growth rates in real GSP for selected States in 1991-92 and the share of total GSP accounted for by selected States in 1992.

5. For differences between GDP and total GSP, see appendix B.

6. For earnings by industry and earnings by component for States, regions, and the United States, see "State Personal Income, Revised Estimates for 1991-93," SURVEY 74 (August 1994): 64-79.

GSP growth rates

The growth rate of real GSP for the United States can be compared with the growth rate of real GSP for a State to gauge the relative economic performance of the State. In 1992, real GSP for the United States increased 2.5 percent (table A). GSPO in goods-producing industries (agriculture, mining, construction, and manufacturing) increased 2.2 percent, GSPO in private service-type industries (trade, the finance, insurance, and real estate group, the transportation and public utilities group, and services) increased 2.9 percent, and GSPO in government increased 0.4 percent.

In the following discussion, an increase in an industry's GSPO in a State is "above average" ("below average") if it is more than (less than) the increase in total GSP in the State.

Fastest growing States.—In 10 States, increases in real GSP were more than 2.0 percentage points above the U.S. average of 2.5 percent (chart 1). In most of these States, GSPO had above-average increases in agriculture, in construction, in durable goods manufacturing, and in both wholesale and retail trade. Within durable goods manufacturing, increases were above average in industrial machinery in most of the 10 States; in fabricated metal products in Kentucky, Tennessee, and North Carolina; in motor vehicles and equipment in the preceding three States and in Wisconsin;

Table A.—Percent Change in Gross State Product for Selected States and the United States, 1991-92

[Based on estimates in 1987 dollars]

Rank		Total gross state product	Goods-producing industries					Private service-type industries					Government		
			Total	Agriculture	Durable goods manufacturing	Non-durable goods manufacturing	Construction	Mining	Total	Transportation and public utilities	Wholesale trade	Retail trade		Finance, insurance, and real estate	Services
	Fastest growing States:														
1	North Dakota	6.7	17.9	48.4	12.2	1.8	11.0	-9.4	3.1	2.9	6.4	3.7	2.1	2.1	0.1
2	Idaho	6.3	6.8	7.1	8.3	1.1	15.7	-10.0	6.6	4.3	7.8	8.1	8.2	4.6	4.0
3	Nevada	5.7	5.6	-8.1	10.7	4.6	6.7	5.0	5.8	6.1	9.0	5.5	6.6	5.1	4.6
4	Arkansas	5.7	7.2	27.5	4.6	2.5	10.9	-9.3	5.4	2.6	6.8	8.6	4.8	5.3	2.2
5	South Dakota	5.2	9.4	7.2	15.7	.8	13.1	11.9	4.2	4.1	8.0	7.5	1.5	4.1	.3
6	Kentucky	5.0	7.5	16.6	8.3	2.5	14.0	6.2	3.7	1.3	6.8	5.2	2.9	4.0	3.3
7	Tennessee	4.9	7.9	18.9	9.5	4.7	9.6	-4.2	5.5	6.7	6.5	6.5	4.4	4.8	-5.5
8	North Carolina	4.7	5.1	6.0	7.4	3.8	6.4	-33.4	4.3	3.0	5.3	5.0	3.3	5.0	5.7
9	Utah	4.7	5.2	18.9	2.6	2.0	11.0	5.3	5.5	4.9	2.5	8.6	4.4	6.3	.3
10	Wisconsin	4.6	5.5	6.9	6.5	1.7	10.8	11.8	4.0	4.2	7.4	3.6	3.5	3.3	4.1
	United States	2.5	2.2	12.1	1.6	1.5	3.4	-3.6	2.9	3.2	5.1	2.9	2.8	2.1	.4
	Slowest growing States:														
41	Oklahoma	1.5	1.4	20.7	.1	2.4	7.6	-8.9	1.5	-1.2	4.4	3.0	.3	2.4	1.7
42	Massachusetts	1.5	.9	2.8	.6	1.0	1.0	1.6	2.2	3.4	4.9	1.5	1.8	1.5	-2.1
43	Maine	1.1	.3	7.2	-6.4	2.6	4.6	-16.7	2.1	1.3	4.5	5.0	.8	1.2	-1.9
44	Wyoming .....	.8	1.5	4.8	10.5	-10.4	3.6	1.6	.3	-2.4	5.8	4.6	-1.7	3.5	.5
45	Rhode Island .....	.6	-9	3.6	-1.9	2.2	-3.2	66.7	.8	1.3	6.5	2.9	-1.6	.6	2.9
46	Maryland .....	.6	-1.8	8.0	-4.0	-9	-1.8	-13.9	1.8	2.0	3.5	2.0	1.6	1.3	-1.9
47	Connecticut .....	.3	-2.1	9.5	-3.2	-1.9	-1	11.1	1.3	-1.2	2.7	-3.5	3.6	1.5	-7
48	California	-1	-2.2	13.9	-5.2	-1.7	-3.4	-4.7	.8	4.1	3.8	.3	-7	.2	-1.0
49	Louisiana	-1.2	-3.7	9.6	-2.9	3.8	7.6	-14.1	.1	-3.4	4.0	3.0	-2.0	2.0	2.1
50	Alaska	-1.4	-6.4	-13.0	-11.5	2.8	3.0	-7.4	3.1	8.8	4.5	4.8	-3.7	3.2	1.8

Appendix A.—Revisions to Gross State Product, 1991

[Millions of dollars]

	Previously published	Revised	Revision	Revision as a percent of previously published		Previously published	Revised	Revision	Revision as a percent of previously published
United States	5,690,865	5,700,803	9,938	0.17	Southeast	1,208,921	1,211,709	2,787	.23
New England	331,974	331,014	-959	-.29	Alabama	73,956	74,347	392	.53
Connecticut	96,384	96,123	-260	-.27	Arkansas	40,561	40,748	187	.46
Maine	23,241	23,197	-44	-.19	Florida	255,129	255,162	33	.01
Massachusetts	156,090	155,426	-664	-.43	Georgia	143,643	143,741	98	.07
New Hampshire	24,404	24,276	-129	-.53	Kentucky	69,839	70,115	276	.40
Rhode Island	20,657	20,772	116	.56	Louisiana	95,377	95,606	229	.24
Vermont	11,198	11,219	22	.19	Mississippi	41,481	41,704	223	.54
Mideast	1,114,620	1,113,023	-1,596	-.14	North Carolina	147,520	147,847	328	.22
Delaware	21,274	21,837	562	2.64	South Carolina	66,408	66,658	250	.38
District of Columbia	38,160	38,232	72	.19	Tennessee	100,804	101,335	531	.53
Maryland	111,874	112,058	184	.16	Virginia	145,189	145,320	130	.09
New Jersey	212,822	212,872	50	.02	West Virginia	29,014	29,124	110	.38
New York	475,961	473,089	-2,872	-.60	Southwest	553,604	554,857	1,252	.23
Pennsylvania	254,528	254,936	408	.16	Arizona	69,767	70,201	434	.62
Great Lakes	913,777	916,191	2,413	.26	New Mexico	30,250	30,346	96	.32
Illinois	279,283	278,870	-413	-.15	Oklahoma	57,914	57,983	68	.12
Indiana	114,211	114,713	502	.44	Texas	395,673	396,327	654	.17
Michigan	189,445	191,113	1,668	.88	Rocky Mountain	156,395	156,886	491	.31
Ohio	228,109	228,826	717	.31	Colorado	76,921	77,007	86	.11
Wisconsin	102,729	102,669	-61	-.06	Idaho	19,047	19,191	144	.76
Plains	379,866	380,455	590	.16	Montana	14,419	14,500	81	.56
Iowa	56,032	56,024	-8	-.01	Utah	33,078	33,171	93	.28
Kansas	53,281	53,338	58	.11	Wyoming	12,931	13,017	86	.67
Minnesota	103,301	103,448	146	.14	Far West	1,031,709	1,036,668	4,959	.48
Missouri	106,214	106,327	113	.11	Alaska	26,212	25,959	-253	-.97
Nebraska	35,281	35,161	-119	-.34	California	763,577	767,189	3,613	.47
North Dakota	12,045	12,063	18	.15	Hawaii	30,802	31,115	313	1.02
South Dakota	13,712	14,094	382	2.78	Nevada	33,322	33,997	675	2.03
					Oregon	58,799	58,902	104	.18
					Washington	118,997	119,505	508	.43

NOTE.—The revisions largely resulted from the incorporation of estimates of gross product by industry for the Nation that were published in the October 1994 SURVEY OF CURRENT BUSINESS. The revisions also reflect the incorporation of nonfarm proprietors' income estimates partly based on newly available data for 1991 on the number

of small establishments by industry from the Census Bureau's *County Business Patterns* (see the August 1994 SURVEY).

Data Availability

Detailed estimates of GSP in current and constant dollars for 1977-92 for 61 industries for States, BEA regions, and the United States are available electronically on the Economic Bulletin Board (EBB) and on the Internet from the Commerce Department's STAT-USA. To access the EBB, use a personal computer and modem, dial (202) 482-3870, and follow the instructions. To access Internet, go to <http://www.stat-usa.gov/BEN/Services/beahome.html>. For prices and other information about these services, call (202) 482-1986.

The detailed estimates of GSP are also available on 3½-inch, high-density diskettes for \$20 each. (Other types of diskettes are available on request.) The diskettes include either a DOS or a Windows program so that selected records from the data files can be imported into computer spreadsheets.

- GSP with DOS program: One diskette, \$20, BEA Accession No. 61-95-40-421.

- GSP with Windows program: Two diskettes, \$40, BEA Accession No. 61-95-40-423.

Send your order, along with a check or money order payable to "Bureau of Economic Analysis," to Public Information Office, Order Desk, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230. For further information or to order using MasterCard or VISA, call (202) 606-3700.

Appendix B.—The Relation of Gross Domestic Product to Total State Earnings by Place of Work and to Gross State Product, 1992

[Billions of dollars]

	Gross domestic product ¹	State earnings by place of work ²	Gross state product				Total
			Compensation of employees	Proprietors' income with IVA and CCA	IBT and nontax liability	Other, mainly capital-related, charges	
Compensation of employees:							
Wages and salaries	2,954.9	³ 2,964.4	⁴ 2,943.1				2,943.1
Supplements to wages and salaries:							
Employer contributions for social insurance	307.7		⁵ 302.4				302.4
Other labor income	328.7	⁶ 328.4	⁶ 328.4				328.4
Proprietors' income with IVA and CCAj:							
Farm:							
Proprietors' income with IVA	51.9	⁷ 45.5		51.9			51.9
CCAj	-7.5	-7.5		⁽⁸⁾			
Nonfarm:							
Proprietors' income	362.0	362.0		362.0			362.0
IVA	-5	-5		-5			-5
CCAj	12.9	12.9		⁽⁸⁾			
Rental income of persons with CCAj:							
Rental income of persons	61.2					61.2	61.2
CCAj	-66.7					⁽⁸⁾	
Corporate profits with IVA and CCAj:							
Profits before tax	335.3					335.3	335.3
IVA	-6.4					-6.4	-6.4
CCAj	15.7					⁽⁸⁾	
Net interest	475.0					475.0	475.0
Business transfer payments	28.1					28.1	28.1
Indirect business tax and nontax liability	504.4				504.4		504.4
Less: Subsidies less current surplus of government enterprises	3.5					3.5	3.5
Consumption of fixed capital:							
CCA:							
Corporate	412.4					412.4	412.4
Noncorporate	191.7			191.7			191.7
Less: CCAj:							
Corporate	15.7					⁽⁸⁾	
Noncorporate	-70.0			⁸ -8.6			-8.6
Statistical discrepancy	8.8						
Total	6,020.3	3,705.2	3,573.9	613.7	504.4	1,302.1	5,994.1

1. For definitions of the line items shown in this table, see U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States, Volume 2: 1959-88* (Washington, DC: U.S. Government Printing Office, 1992).

2. Earnings is the sum of wage and salary disbursements, other labor income, and proprietors' income.

3. Differs from the gross domestic product (GDP) entry because it excludes the wages and salaries of Federal civilian and military personnel stationed abroad (\$11.8 billion), includes other statistical revisions not yet incorporated into GDP (\$0.8 billion), includes wages and salaries paid to U.S. residents employed by international organizations and by foreign embassies and consulates in the United States (\$0.5 billion), and includes bonus payments earned in 1992 that normally would have been paid in early 1993 but instead were paid in late 1992 (\$20.0 billion). For GDP and gross state product, bonus payments are recorded when the payments are earned; for state earnings, bonus payments are recorded when they are paid.

4. Differs from the GDP entry because it excludes the wages and salaries of Federal civilian and military personnel stationed abroad (\$11.8 billion).

5. Differs from the GDP entry because it excludes employer contributions for social insurance

of Federal civilian and military personnel stationed abroad (\$5.3 billion).

6. Differs from the GDP entry because it excludes other labor income of Federal civilian personnel stationed abroad (\$0.3 billion).

7. Differs from the GDP entry because different data sources are used.

8. When incomes from current production and consumption of fixed capital are parts of the same aggregate, the two associated entries for the capital consumption adjustment cancel. In the case of the consumption of fixed capital for buildings and equipment owned and used by nonprofit institutions serving individuals, no income is recorded in GDP and the capital consumption adjustment is included in gross state product.

NOTE.—Not all line items of gross domestic product or gross state product are available by industry.

CCA Capital consumption allowances
 CCAj Capital consumption adjustment
 IBT Indirect business tax
 IVA Inventory valuation adjustment

Table 1.—Gross State Product for States and Regions by Component, 1991–92

[Millions of dollars]

State and region	1991	1992	State and region	1991	1992
United States:			Illinois:		
Gross state product	5,700,803	5,994,063	Gross state product	278,870	294,449
Compensation	3,382,448	3,573,908	Compensation	171,326	180,659
Proprietors' income	561,377	613,751	Proprietors' income	24,166	27,272
Capital charges	1,278,716	1,302,035	Capital charges	60,186	62,354
Indirect business taxes	478,262	504,369	Indirect business taxes	23,192	24,164
New England:			Indiana:		
Gross state product	331,014	343,875	Gross state product	114,713	121,647
Compensation	203,788	212,109	Compensation	70,002	74,685
Proprietors' income	30,894	33,684	Proprietors' income	8,829	10,313
Capital charges	70,621	71,258	Capital charges	27,001	27,435
Indirect business taxes	25,711	26,824	Indirect business taxes	8,882	9,214
Connecticut:			Michigan:		
Gross state product	96,123	98,873	Gross state product	191,113	204,421
Compensation	59,297	61,185	Compensation	126,007	134,583
Proprietors' income	8,702	9,571	Proprietors' income	13,522	14,646
Capital charges	19,430	19,323	Capital charges	36,002	38,023
Indirect business taxes	8,694	8,795	Indirect business taxes	15,582	17,169
Maine:			Ohio:		
Gross state product	23,197	24,085	Gross state product	228,826	241,604
Compensation	13,862	14,374	Compensation	139,642	148,090
Proprietors' income	2,652	2,880	Proprietors' income	19,094	20,937
Capital charges	4,616	4,611	Capital charges	53,135	54,967
Indirect business taxes	2,067	2,220	Indirect business taxes	16,955	17,610
Massachusetts:			Wisconsin:		
Gross state product	155,426	161,966	Gross state product	102,669	109,517
Compensation	97,479	101,625	Compensation	61,973	66,709
Proprietors' income	13,840	15,013	Proprietors' income	8,831	9,639
Capital charges	34,082	34,682	Capital charges	23,566	24,358
Indirect business taxes	10,025	10,646	Indirect business taxes	8,299	8,813
New Hampshire:			Plains:		
Gross state product	24,276	25,524	Gross state product	380,455	402,903
Compensation	14,017	14,803	Compensation	220,576	234,935
Proprietors' income	2,537	2,734	Proprietors' income	45,521	50,524
Capital charges	5,614	5,778	Capital charges	84,530	86,011
Indirect business taxes	2,107	2,209	Indirect business taxes	29,829	31,433
Rhode Island:			Iowa:		
Gross state product	20,772	21,582	Gross state product	56,024	59,457
Compensation	12,523	13,128	Compensation	30,671	32,667
Proprietors' income	1,797	1,943	Proprietors' income	7,566	8,524
Capital charges	4,658	4,644	Capital charges	13,465	13,758
Indirect business taxes	1,795	1,868	Indirect business taxes	4,322	4,508
Vermont:			Kansas:		
Gross state product	11,219	11,844	Gross state product	53,338	56,164
Compensation	6,610	6,993	Compensation	29,858	31,901
Proprietors' income	1,366	1,542	Proprietors' income	6,208	7,009
Capital charges	2,221	2,221	Capital charges	12,632	12,478
Indirect business taxes	1,022	1,087	Indirect business taxes	4,641	4,777
Mideast:			Minnesota:		
Gross state product	1,113,023	1,167,946	Gross state product	103,448	110,276
Compensation	684,964	718,593	Compensation	62,994	67,703
Proprietors' income	100,319	110,909	Proprietors' income	10,082	11,052
Capital charges	232,192	239,021	Capital charges	21,957	22,547
Indirect business taxes	95,549	99,423	Indirect business taxes	8,416	8,974
Delaware:			Missouri:		
Gross state product	21,837	23,666	Gross state product	106,327	111,604
Compensation	11,143	11,530	Compensation	65,203	68,739
Proprietors' income	1,411	1,540	Proprietors' income	10,518	11,686
Capital charges	8,067	9,309	Capital charges	23,289	23,396
Indirect business taxes	1,215	1,286	Indirect business taxes	7,317	7,783
District of Columbia:			Nebraska:		
Gross state product	38,232	40,441	Gross state product	35,161	37,213
Compensation	31,033	32,894	Compensation	18,992	20,100
Proprietors' income	2,294	2,466	Proprietors' income	5,703	6,095
Capital charges	3,038	3,063	Capital charges	7,657	8,121
Indirect business taxes	1,868	2,018	Indirect business taxes	2,810	2,897
Maryland:			North Dakota:		
Gross state product	112,058	116,169	Gross state product	12,063	13,057
Compensation	69,985	72,491	Compensation	6,320	6,747
Proprietors' income	10,457	11,308	Proprietors' income	2,229	2,795
Capital charges	24,026	24,250	Capital charges	2,308	2,262
Indirect business taxes	7,591	8,120	Indirect business taxes	1,206	1,252
New Jersey:			South Dakota:		
Gross state product	212,872	223,146	Gross state product	14,094	15,131
Compensation	127,604	134,411	Compensation	6,539	7,078
Proprietors' income	17,756	19,386	Proprietors' income	3,215	3,362
Capital charges	47,340	48,240	Capital charges	3,221	3,450
Indirect business taxes	20,172	21,109	Indirect business taxes	1,118	1,242
New York:			Southeast:		
Gross state product	473,089	497,555	Gross state product	1,211,709	1,283,225
Compensation	290,771	304,796	Compensation	701,383	749,325
Proprietors' income	43,097	48,482	Proprietors' income	110,296	119,978
Capital charges	93,932	97,892	Capital charges	298,330	306,562
Indirect business taxes	45,289	46,385	Indirect business taxes	101,700	107,360
Pennsylvania:			Alabama:		
Gross state product	254,936	266,969	Gross state product	74,347	78,137
Compensation	154,429	162,471	Compensation	44,703	47,819
Proprietors' income	25,304	27,726	Proprietors' income	7,235	7,616
Capital charges	55,787	56,267	Capital charges	17,514	17,534
Indirect business taxes	19,415	20,505	Indirect business taxes	4,896	5,169
Great Lakes:					
Gross state product	916,191	971,639			
Compensation	568,949	604,725			
Proprietors' income	74,443	82,807			
Capital charges	199,889	207,137			
Indirect business taxes	72,910	76,969			

Table 1.—Gross State Product for States and Regions by Component, 1991–92—Continued

[Millions of dollars]

State and region	1991	1992	State and region	1991	1992
Arkansas:			Texas:		
Gross state product	40,748	43,994	Gross state product	396,327	416,867
Compensation	22,756	24,594	Compensation	217,808	232,136
Proprietors' income	4,848	5,736	Proprietors' income	45,911	49,666
Capital charges	10,438	10,709	Capital charges	91,280	89,933
Indirect business taxes	2,706	2,954	Indirect business taxes	41,329	45,132
Florida:			Rocky Mountain:		
Gross state product	255,162	268,609	Gross state product	156,886	167,325
Compensation	150,886	159,886	Compensation	90,755	98,027
Proprietors' income	23,968	25,328	Proprietors' income	18,215	19,259
Capital charges	54,329	55,632	Capital charges	34,241	35,692
Indirect business taxes	25,978	27,764	Indirect business taxes	13,675	14,347
Georgia:			Colorado:		
Gross state product	143,741	153,534	Gross state product	77,007	82,463
Compensation	86,965	93,405	Compensation	47,839	51,673
Proprietors' income	12,406	13,634	Proprietors' income	7,986	8,455
Capital charges	33,559	35,301	Capital charges	14,869	15,727
Indirect business taxes	10,811	11,194	Indirect business taxes	6,312	6,608
Kentucky:			Idaho:		
Gross state product	70,115	75,561	Gross state product	19,191	20,860
Compensation	39,002	42,287	Compensation	10,290	11,259
Proprietors' income	6,905	7,721	Proprietors' income	3,502	3,732
Capital charges	18,072	19,005	Capital charges	4,054	4,398
Indirect business taxes	6,137	6,548	Indirect business taxes	1,345	1,471
Louisiana:			Montana:		
Gross state product	95,606	96,245	Gross state product	14,500	15,227
Compensation	44,264	46,440	Compensation	7,428	8,008
Proprietors' income	8,749	9,382	Proprietors' income	2,481	2,450
Capital charges	32,567	30,047	Capital charges	3,176	3,308
Indirect business taxes	10,027	10,376	Indirect business taxes	1,415	1,461
Mississippi:			Utah:		
Gross state product	41,704	44,298	Gross state product	33,171	35,590
Compensation	22,349	23,888	Compensation	19,775	21,418
Proprietors' income	4,197	4,832	Proprietors' income	2,889	3,213
Capital charges	11,583	11,858	Capital charges	7,800	8,069
Indirect business taxes	3,576	3,720	Indirect business taxes	2,707	2,889
North Carolina:			Wyoming:		
Gross state product	147,847	159,637	Gross state product	13,017	13,186
Compensation	83,401	90,502	Compensation	5,423	5,670
Proprietors' income	13,151	14,172	Proprietors' income	1,357	1,410
Capital charges	40,134	43,191	Capital charges	4,341	4,190
Indirect business taxes	11,161	11,772	Indirect business taxes	1,895	1,916
South Carolina:			Far West:		
Gross state product	66,658	69,810	Gross state product	1,036,668	1,074,173
Compensation	40,425	42,579	Compensation	603,056	627,386
Proprietors' income	5,240	5,647	Proprietors' income	119,835	129,727
Capital charges	16,357	16,697	Capital charges	231,470	230,056
Indirect business taxes	4,637	4,888	Indirect business taxes	82,307	87,004
Tennessee:			Alaska:		
Gross state product	101,335	108,894	Gross state product	25,959	25,957
Compensation	58,898	63,701	Compensation	10,196	10,767
Proprietors' income	10,002	11,185	Proprietors' income	2,884	3,017
Capital charges	24,463	25,494	Capital charges	9,492	8,879
Indirect business taxes	7,972	8,514	Indirect business taxes	3,387	3,293
Virginia:			California:		
Gross state product	145,320	153,808	Gross state product	767,189	787,896
Compensation	91,165	96,711	Compensation	450,514	463,145
Proprietors' income	10,892	11,787	Proprietors' income	89,122	96,235
Capital charges	31,990	33,514	Capital charges	170,715	168,475
Indirect business taxes	11,273	11,795	Indirect business taxes	56,838	60,041
West Virginia:			Hawaii:		
Gross state product	29,124	30,699	Gross state product	31,115	33,203
Compensation	16,569	17,514	Compensation	18,932	20,230
Proprietors' income	2,704	2,940	Proprietors' income	3,453	3,696
Capital charges	7,325	7,579	Capital charges	5,922	6,316
Indirect business taxes	2,527	2,667	Indirect business taxes	2,808	2,961
Southwest:			Nevada:		
Gross state product	554,857	582,977	Gross state product	33,997	36,816
Compensation	308,977	328,808	Compensation	18,955	20,553
Proprietors' income	61,855	66,863	Proprietors' income	3,904	4,186
Capital charges	127,444	126,298	Capital charges	8,498	9,156
Indirect business taxes	56,581	61,009	Indirect business taxes	2,641	2,920
Arizona:			Oregon:		
Gross state product	70,201	74,060	Gross state product	58,902	62,724
Compensation	42,595	45,231	Compensation	34,976	37,340
Proprietors' income	6,421	6,776	Proprietors' income	7,108	7,693
Capital charges	14,239	14,717	Capital charges	12,534	13,259
Indirect business taxes	6,947	7,335	Indirect business taxes	4,284	4,432
New Mexico:			Washington:		
Gross state product	30,346	31,863	Gross state product	119,505	127,578
Compensation	15,927	17,010	Compensation	69,483	75,351
Proprietors' income	2,832	3,057	Proprietors' income	13,364	14,900
Capital charges	8,277	8,297	Capital charges	24,308	23,971
Indirect business taxes	3,309	3,499	Indirect business taxes	12,350	13,357
Oklahoma:					
Gross state product	57,983	60,188			
Compensation	32,647	34,431			
Proprietors' income	6,691	7,364			
Capital charges	13,649	13,350			
Indirect business taxes	4,996	5,043			

NOTE.—The estimates for 1991–92 are consistent with the estimates of gross product by industry for the Nation that were published in the October 1994 SURVEY OF CURRENT BUSINESS.

Foreign Direct Investment in the United States

- New Investment in 1994
- Affiliate Operations in 1993

By Mahnaz Fahim-Nader and William J. Zeile

IN 1994, new foreign direct investment in the United States (FDIUS) increased sharply for the second consecutive year from a 10-year low in 1992 (chart 1). Most measures of the overall operations of U.S. affiliates of foreign companies in 1993, the latest year for which such measures are available, were boosted by the rise in new investments that year.¹

1. This article combines two annual articles that used to appear separately—one on the acquisition and establishment of U.S. businesses by foreign direct investors in the past year and another on the overall operations of U.S. affiliates of foreign companies in the year before that.

Estimates of new investment are derived from BEA's survey of new foreign direct investment in the United States; preliminary estimates from the most recent survey cover 1994. Estimates of the overall operations of U.S.

Outlays by foreign direct investors to acquire and establish U.S. business enterprises, either directly or through existing U.S. affiliates, increased 80 percent in 1994, to \$47.2 billion, following a 71-percent increase in 1993 (table 1). Although quite large, these increases followed four consecutive years of decline, and they raised outlays to only about two-thirds the peak level of \$72.7 billion recorded in 1988. Much of the reduction in outlays that has occurred since 1988 is attributable to sharply reduced new investments from Japan.

The increase in outlays in 1994 reflected stepped-up economic activity in the United States and abroad and coincided with a sharp increase in overall merger and acquisition activity in the

Table 1.—Selected Data on Newly Acquired or Established U.S. Businesses and on Nonbank U.S. Affiliates, 1977–94

	Newly acquired or established U.S. businesses		All nonbank U.S. affiliates			Addendum: Employment by newly acquired or established U.S. businesses as a percent of employment by all nonbank U.S. affiliates ³
	Outlays (millions of dollars)	Employment ¹ (thousands of employees)	Employment (thousands of employees)	Gross product (millions of dollars)	U.S. affiliate share of gross product originating in private industries ² (percent)	
1977	n.a.	n.a.	1,218.7	35,222	2.3	n.a.
1978	n.a.	n.a.	1,429.9	42,920	2.5	n.a.
1979	n.a.	n.a.	1,753.2	55,424	2.9	n.a.
1980	12,172	292.5	2,033.9	70,906	3.4	14.4
1981	23,219	442.8	2,416.6	98,828	4.2	18.3
1982	10,817	233.8	2,448.1	103,489	4.3	9.6
1983	8,091	108.1	2,546.5	111,490	4.3	4.2
1984	15,197	172.5	2,714.3	128,761	4.4	6.4
1985	23,106	275.5	2,862.2	134,852	4.3	9.6
1986	39,177	438.0	2,937.9	142,120	4.3	14.9
1987	40,310	394.1	3,224.3	157,869	4.5	12.2
1988	72,692	736.3	3,844.2	190,384	5.0	19.2
1989	71,163	722.0	4,511.5	223,420	5.6	16.0
1990	65,932	474.3	4,734.5	239,279	5.7	10.0
1991	25,538	249.0	4,871.9	257,634	6.0	5.1
1992	15,333	141.5	4,715.4	266,333	5.9	3.0
1993	*26,229	*289.1	*4,722.3	*290,427	6.1	6.1
1994	*47,244	*309.8	n.a.	n.a.	n.a.	n.a.

¹ Preliminary.
² Revised.
 n.a. Not available.
 1. See footnote 6 in text for more information.
 2. For improved comparability with U.S. affiliate gross product, gross product originating in private industries was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments and subsidies.
 3. Because the data on new affiliates include bank affiliates, the percentages shown in this column are biased upward. In all years, the bias is less than 1 percentage point; in most years, it is in the range of less than 0.3 percentage point.

affiliates are derived from BEA's annual and benchmark surveys of foreign direct investment in the United States; preliminary estimates from the most recent survey cover 1993. The operations data, unlike the new investment data, cover only nonbank affiliates. (See the appendix "Sources of Data.")

CHART 1

Outlays for New Investment in the United States by Foreign Direct Investors, 1980–94



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

United States. As in the past, most of the new investments were for acquiring existing companies rather than for establishing new companies.

Reflecting both the increase in new investment and the expansion of existing operations, gross product originating in nonbank U.S. affiliates of foreign companies increased 9.0 percent in 1993, to \$290.4 billion.² The share of total gross product originating in U.S. businesses that was accounted for by affiliates increased to 6.1 percent from 5.9 percent in 1992 (chart 2). The affiliate share had dropped slightly in 1992, following substantial increases in 1986–91 that were largely propelled by the high level of new investment activity in the late 1980's.

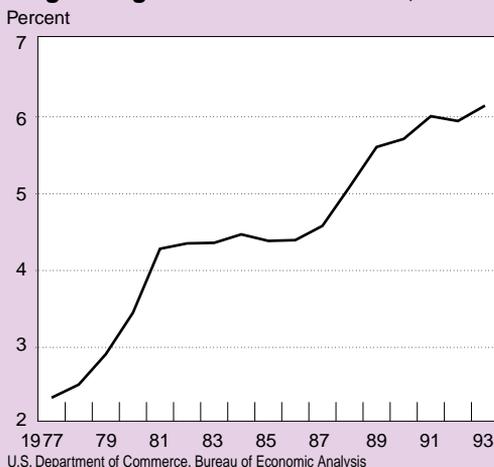
Additional highlights of the operations of U.S. affiliates in 1993 are as follows:

- Employment by affiliates edged up in 1993 after declining in 1992. Increases in employment resulting from new investments slightly exceeded decreases in employment from sales and liquidations of foreign ownership interests.

2. A U.S. affiliate is a U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. An affiliate is called a "U.S. affiliate" to denote that it is located in the United States; in this article, "affiliate" and "U.S. affiliate" are used interchangeably. "Person" is broadly defined to include any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A "foreign" person is any person resident outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, all U.S. territories and possessions, and U.S. offshore oil and gas sites.

CHART 2

U.S. Affiliate Share of Gross Product Originating in Private Industries, 1977–93



- Most of the other measures of affiliate operations—such as total assets, sales, and expenditures for new plant and equipment—also rose in 1993.
- Merchandise imports of affiliates increased more than merchandise exports; these increases were roughly in line with those in total U.S. merchandise exports and imports. Thus, the affiliate shares of the U.S. totals—23 percent of exports and 34 percent of imports—were about the same in 1993 as in 1992.
- For the fourth consecutive year, the net income of affiliates was negative; however, the losses in 1993 were substantially less than in 1992, when one-time charges against income were taken to conform to new accounting standards. Profit-type return—operating profits on an economic accounting basis—was positive in both years and was not affected by accounting changes; it increased fivefold in 1993.
- Affiliates with ultimate beneficial owners (UBO's) in the United Kingdom, Japan, Canada, and Germany accounted for the largest shares of total affiliate gross product in 1993.³ Largely as a result of acquisitions, the share of gross product accounted for by affiliates with Canadian UBO's increased substantially, after falling in 1992.
- By industry, affiliate shares of all-U.S.-business employment continued to be largest in mining and manufacturing. Reflecting new acquisitions, affiliate shares of employment increased substantially in the mining and transportation industries.
- By State, affiliate shares of business employment were largest in Hawaii, Delaware, South Carolina, and North Carolina. The affiliate share in Hawaii declined slightly to just under 12 percent; the affiliate share in Delaware decreased sharply, to less than 11 percent, following an even larger decrease in 1992.

New Investment in 1994

Outlays for the acquisition and establishment of U.S. businesses, including both those made

3. The UBO is that person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. The foreign parent is the first foreign person in the affiliate's ownership chain. Unlike the foreign parent, the UBO of an affiliate may be located in the United States. The UBO of each U.S. affiliate is identified to ascertain the person that ultimately owns or controls and that, therefore, ultimately derives the benefits from owning or controlling the U.S. affiliate.

directly by foreign investors and those made through their existing U.S. affiliates, increased 80 percent in 1994, to \$47.2 billion, following a 71-percent increase in 1993 (table 2). The increase in outlays in 1994 coincided with a sharp increase in overall merger activity in the United States.⁴ More than 90 percent of outlays in 1994 were for the acquisition of existing U.S. companies rather than for the establishment of new U.S. companies.

The increase in outlays in 1994 reflected a number of factors that were conducive to increased foreign direct investment. Continued strong expansion in the U.S. economy increased the profitability of potential acquisition targets and made them more attractive to foreigners. Economic expansion in Western Europe, particularly in the United Kingdom, raised foreign companies' profitability and provided them with additional funds for investment. In addition, the cumulative effect of dollar depreciation against several major currencies—most notably the British pound and the Swiss franc—probably encouraged some foreign investors to invest, or to invest more, in the United States. The dollar also depreciated significantly against the Japanese yen; however, outlays by Japanese investors remained virtually constant, as new investments were constrained by slow economic recovery, reduced corporate profits, and continued liquidity problems in the banking system.

The step-up in outlays in 1994 partly reflected a sharp increase in the average size of investments. The number of investments of \$1 billion or more quadrupled to eight; four of these investments were \$2 billion or more, compared with only one in 1993 (table 3). Investments of \$1 billion or more accounted for 38 percent of total outlays in 1994, compared with 19 percent in 1993; they accounted for four-fifths of the increase in outlays in 1994.

4. In a news release dated December 30, 1994, the Securities Data Company reported a 43-percent increase in overall merger and acquisition activity in the United States in 1994.

The four countries with the largest outlays in 1994—the United Kingdom, Switzerland, Canada, and Germany—accounted for two-thirds of the total. Investments from the United Kingdom alone accounted for \$19.0 billion, or two-fifths of total outlays (table 4). Most of the increase in outlays was accounted for by investments from the United Kingdom and Switzerland. Outlays by Japanese investors decreased for the fourth consecutive year and were only about one-tenth as large as in the peak year of 1990 (chart 3).

By industry, outlays in 1994 were largely in the manufacturing and services industries. Manufacturing alone accounted for \$23.9 billion, or 51 percent of total outlays. Outlays increased in all industries except petroleum, "finance, except banking," and insurance. Increases were particularly large in manufacturing, services, and "other industries." In manufacturing, most of the increase was accounted for by "other manufacturing" (particularly paper, tobacco, and printing and publishing), food and kindred products, and chemicals and allied products (particularly drugs and toiletries). In services, most of the increase was accounted for by business services (particularly computer and information retrieval services). In "other industries," most of the increase was accounted for by communication

Table 3.—Number of Investments by Size of Outlays, 1988–94

	1988	1989	1990	1991	1992	1993 ^r	1994 ^p
Total	1,424	1,580	1,617	1,091	941	980	1,025
\$2 billion or more	5	4	5	1	0	1	4
\$1 billion–\$1.9 billion	7	6	6	1	0	1	4
\$100 million–\$99 million	98	110	74	45	28	47	72
\$10 million–\$9 million	429	483	499	273	252	252	283
Less than \$10 million	885	977	1,033	771	661	679	662
Addenda:							
Percent of total outlays accounted for by:							
Investments of \$1 billion or more	40	36	40	12	0	19	38
Investments of \$100 million or more	78	74	73	59	42	64	78

^p Preliminary.

^r Revised.

Table 2.—Investment Outlays, Investments, and Investors, 1988–94

	Outlays (millions of dollars)							Number						
	1988	1989	1990	1991	1992	1993 ^r	1994 ^p	1988	1989	1990	1991	1992	1993 ^r	1994 ^p
Investments, total	72,692	71,163	65,932	25,538	15,333	26,229	47,244	1,424	1,580	1,617	1,091	941	980	1,025
Acquisitions	64,855	59,708	55,315	17,806	10,616	21,761	43,095	869	837	839	561	463	554	753
Establishments	7,837	11,455	10,617	7,732	4,718	4,468	4,149	555	743	778	530	478	426	272
Investors, total	72,692	71,163	65,932	25,538	15,333	26,229	47,244	1,542	1,742	1,768	1,220	1,019	1,094	1,194
Foreign direct investors	18,569	22,538	14,026	8,885	4,058	6,720	14,640	566	727	670	438	350	368	360
U.S. affiliates	54,123	48,625	51,906	16,653	11,275	19,509	32,604	976	1,015	1,098	782	669	726	834

^p Preliminary.

^r Revised.

and public utilities (particularly telephone and telegraph communications).

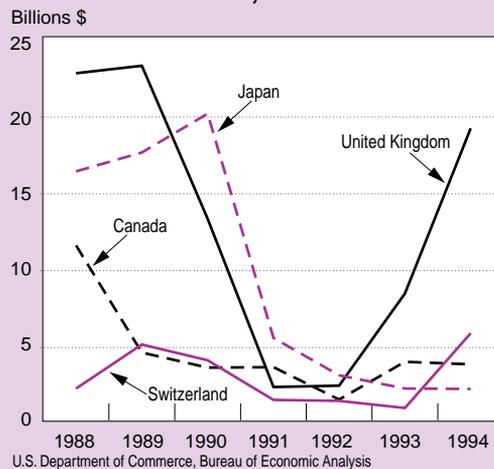
The portion of outlays financed with funds from foreign parents, rather than from U.S. or other foreign sources, increased \$16.8 billion, to \$28.7 billion. This increase contributed to the sharp overall increase in net capital inflows for FDIUS recorded in the U.S. balance of payments accounts for 1994.⁵

In contrast to the sharp increase in outlays, the total assets of newly acquired or established affiliates were smaller in 1994 than in 1993—\$75.9 billion in 1994 compared with \$104.4 billion in 1993 (table 5). The smaller assets mainly re-

5. In addition to outlays from foreign parents to acquire or establish new U.S. affiliates, net capital inflows for FDIUS in the U.S. balance of payments accounts include foreign parents' financing of their existing U.S. affiliates. In 1994, net capital inflows for FDIUS increased \$38.7 billion, to \$60.1 billion. Preliminary estimates of these inflows were published in tables 1 and 5 of "U.S. International Transactions, Fourth Quarter and Year 1994," SURVEY OF CURRENT BUSINESS 75 (March 1995): 80 and 87. Revised estimates will appear in the June 1995 SURVEY.

CHART 3

Outlays for New Investment in the United States by Foreign Direct Investors from Selected Countries, 1988–94



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

Table 4.—Investment Outlays by Industry of U.S. Business Enterprise and by Country of Ultimate Beneficial Owner, 1988–94

[Millions of dollars]

	1988	1989	1990	1991	1992	1993 ^r	1994 ^p
Total	72,692	71,163	65,932	25,538	15,333	26,229	47,244
By industry:							
Petroleum	4,740	1,189	1,141	702	463	882	452
Manufacturing	36,136	35,958	23,898	11,461	6,014	11,090	23,889
Food and kindred products	3,287	6,515	997	1,247	404	1,294	5,218
Chemicals and allied products	2,918	11,584	7,518	2,897	1,644	5,035	7,850
Primary and fabricated metals	3,394	3,545	2,447	797	1,187	1,297	1,516
Machinery	7,737	4,346	3,795	4,929	1,002	1,778	2,308
Other manufacturing	18,800	9,969	9,141	1,591	1,778	1,686	6,996
Wholesale trade	2,454	2,634	1,676	623	698	837	2,109
Retail trade	8,022	1,861	1,250	1,605	256	1,495	1,732
Banking ¹	1,800	349	897	482	529	958	2,313
Finance, except banking ¹	972	4,186	2,121	2,199	797	1,599	635
Insurance	5,855	1,901	2,093	2,102	291	1,105	277
Real estate	3,518	6,438	7,771	3,823	2,161	1,883	1,963
Services	5,597	10,058	19,369	2,256	2,023	4,162	7,995
Other industries	3,597	6,587	5,716	284	2,101	2,218	5,879
By country²:							
Canada	11,360	4,403	3,430	3,454	1,351	3,797	3,640
Europe	37,173	40,724	36,011	13,994	8,344	16,845	34,475
France	4,199	3,469	10,217	4,976	406	1,249	1,335
Germany ³	2,090	2,435	2,363	1,922	1,964	2,841	3,578
Netherlands	2,214	3,629	2,247	1,661	1,331	2,074	1,346
Switzerland	2,063	4,923	3,905	1,327	1,259	804	5,669
United Kingdom	22,559	23,047	13,096	2,169	2,255	8,238	18,987
Other Europe	4,048	3,221	4,183	1,939	1,129	1,639	3,560
Latin America and Other Western Hemisphere	(^D)	1,084	796	375	1,438	874	1,507
South and Central America	(^D)	650	399	108	1,152	527	1,142
Other Western Hemisphere	187	434	397	267	286	347	365
Africa	296	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)
Middle East	1,613	243	472	1,006	238	1,308	(^D)
Asia and Pacific	21,819	24,530	23,170	6,560	3,716	3,004	4,448
Australia	4,556	4,574	1,412	251	164	129	1,308
Japan	16,188	17,410	19,933	5,357	2,921	2,065	2,044
Other Asia and Pacific	1,075	2,546	1,825	952	631	810	1,096
United States ⁴	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	76
Addenda:							
European Union ⁵	33,737	33,869	30,741	12,007	6,862	15,747	26,886
OPEC ⁶	1,919	430	387	1,119	458	600	307

^p Preliminary.

^r Revised.

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

1. Prior to 1992, "banking" excludes, and "finance, except banking" includes, savings institutions and credit unions. Beginning with 1992, savings institutions and credit unions have been reclassified from "finance, except banking" to "banking."

2. For investments in which more than one investor participated, each investor and each investor's outlays are classified by country of each ultimate beneficial owner.

3. Prior to 1990, this line includes data only for the Federal Republic of Germany. Beginning in 1990, this line also includes the former German Democratic Republic (GDR). This change has

no effect on the data because, prior to 1991, there were no U.S. affiliates of the former GDR.

4. See footnote 3 in text for explanation.

5. Prior to 1993, the European Union was known as European Communities (12), consisting of Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom. At the beginning of 1995, the Union was enlarged to include Austria, Finland, and Sweden, but data for these countries are not included in this line.

6. OPEC, the Organization of Petroleum Exporting Countries, comprises Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. Before January 1, 1993, Ecuador was also a member of OPEC; its data are included in this line through 1992.

flected large acquisitions in 1993, but not in 1994, in industries—particularly “finance, except banking” and insurance—in which assets tend to be large in relation to owners’ equity. U.S. affiliates that were newly acquired or established in 1994, nearly all of which were nonbank affiliates, employed 310,000 persons, up from 289,000 in 1993. Manufacturing accounted for the largest share of employment (37 percent); “other industries”—particularly communication and public utilities—also accounted for a large share (22 percent).

Affiliate Operations in 1993

Reflecting the increase in new investment activity, the rate of growth in most measures of the operations of nonbank U.S. affiliates picked up substantially in 1993. Total assets of affiliates increased 12 percent to more than \$2 trillion (table 6). The gross product of affiliates increased 9 percent—the largest rate of increase since 1989—and sales increased 6 percent. Partly in response to improved business conditions, expenditures on new plant and equipment increased 4 percent after dropping 12 percent in 1992.

Employment by affiliates edged up in 1993, following a 3-percent decline in 1992 (chart 4), as increases due to new investments slightly exceeded decreases due to sales and liquidations of affiliates. New investments added 248,000 employees⁶—compared with only 102,000 employees

in 1992—whereas sales and liquidations reduced employment by 242,000 (table 7). Other sources of change had little net effect on employment by affiliates: Increases due to expansions in existing operations were roughly balanced by decreases due to cutbacks.

In 1993, U.S. merchandise exports shipped by affiliates increased 1 percent, and U.S. merchandise imports shipped to affiliates increased 8 percent. For both exports and imports, the rate of increase was slightly below that for the corresponding all-U.S. total. In 1993, affiliates accounted for 23 percent of total U.S. merchandise exports and 34 percent of total U.S. merchandise imports, about the same shares as in 1992. Most of the merchandise trade by affiliates—53 percent of the exports and 59 percent of the imports—was by wholesale trade affiliates, which typically function as distribution agents, buying and reselling the goods they export or import with little or no further processing or assembly.

Gross product

In 1993, gross product originating in affiliates increased 9 percent to \$290.4 billion, following an increase of only 3 percent in 1992. Constant-dollar estimates of affiliate gross product are not available, but a rough adjustment for the effects of inflation suggests that the increases in real terms were about 1–2 percent lower than the current-dollar increases in each year.⁷ With or

7. The data used to estimate affiliate gross product are reported to BEA in current dollars. Price indexes specifically designed for deflating affiliates’ gross product are unavailable; however, rough estimates of real changes in affiliate gross product can be constructed by applying industry-level implicit price deflators for all U.S. businesses derived from BEA’s estimates of current- and constant-dollar gross product by industry, weighted to account for the industry mix of affiliate production.

Table 5.—Selected Operating Data of U.S. Business Enterprises Acquired or Established, by Industry of U.S. Business Enterprise, 1993

	1993 ^r					1994 ^p				
	Millions of dollars			Number of employees	Number of hectares of land owned ¹	Millions of dollars			Number of employees	Number of hectares of land owned ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	104,367	52,882	-1,934	289,057	121,573	75,937	59,889	1,241	309,763	497,443
Petroleum	1,896	(P)	(P)	(P)	(P)	1,253	(P)	4	(P)	278
Manufacturing	15,194	14,066	(P)	80,617	10,904	25,605	23,885	391	113,417	(P)
Wholesale trade	1,050	(P)	31	5,835	377	2,520	3,867	(P)	6,894	(P)
Retail trade	(P)	(P)	29	(P)	(P)	3,188	8,207	(P)	(P)	344
Banking	10,295	811	-43	(P)	(P)	14,286	(P)	(P)	(P)	(P)
Finance, except banking	19,674	1,073	(P)	2,879	(P)	1,926	234	2	(P)	0
Insurance	11,220	(P)	(P)	(P)	(P)	1,303	(P)	5	(P)	(P)
Real estate	(P)	225	14	189	4,760	3,420	(P)	20	(P)	5,543
Services	(P)	13,292	17	70,645	1,580	5,907	3,351	-49	31,342	2,228
Other industries	10,171	9,123	(P)	62,466	(P)	16,527	(P)	608	68,831	49,349

^p Preliminary.
^r Revised.
^d Suppressed to avoid disclosure of data of individual companies.
 1. One hectare equals 2.471 acres. Thus, for all industries, the number of acres of land owned

in 1993 and 1994 were 300,407 and 1,229,181, respectively.
 NOTE.—For newly acquired businesses, data cover the most recently completed financial reporting year. For newly established businesses, data are projections for the first full year of operations.

without an adjustment, the rate of increase in 1993 was the largest since 1989.

Much of the increase in affiliate gross product represented new foreign acquisitions of existing U.S. companies rather than increased production within the borders of the United States.⁸ Some of the largest acquisitions (as well as some of the largest selloffs) in 1993 were of minority ownership shares. Although their share was down slightly from 1992, majority-owned affiliates continued to account for more than three-fourths of the gross product of all U.S. affiliates.

By industry.—Affiliates in manufacturing accounted for almost one-half of the gross product of affiliates in 1993 (table 8), a share much larger than manufacturing's share of total U.S. private-industry gross product.⁹ However, the concentration of U.S. affiliate production in man-

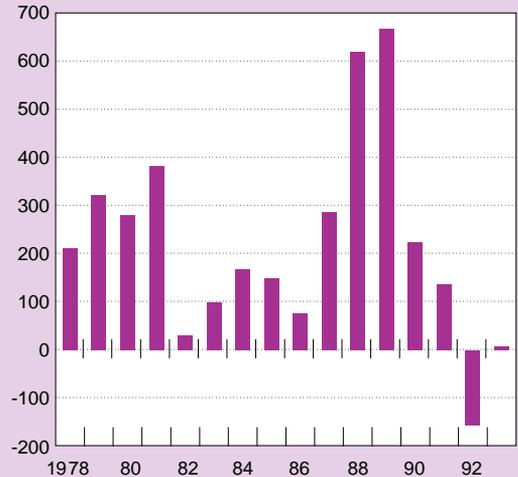
8. Changes in affiliate gross product may reflect either changes in the production of existing affiliates or changes in foreign ownership due to new investments or selloffs.

9. BEA's most recent data on gross product by industry indicate that manufacturing accounted for about one-fifth of the gross product originating in U.S. private industries in 1993. See "Gross Product by Industry, 1993," SURVEY 75 (April 1995): 47.

CHART 4

Net Changes in Employment of Nonbank U.S. Affiliates, 1978–93

Thousands of Employees



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

Table 6.—Selected Data of Nonbank U.S. Affiliates of Foreign Direct Investors, 1977–93

	Millions of dollars					Thousands of employees	Millions of dollars						
	Gross product	Sales	Net income	Employee compensation	Total assets		Gross property, plant, and equipment	Expenditures for new plant and equipment	Research and development expenditures	U.S. merchandise exports shipped by affiliates		U.S. merchandise imports shipped to affiliates	
										Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group
1977	35,222	193,991	3,966	18,781	1,218.7	143,488	66,785	7,558	933	24,858	11,691	43,896	30,878
1978	42,920	241,543	4,843	24,225	1,429.9	181,187	80,683	9,318	1,230	32,169	16,570	56,567	39,466
1979	55,424	327,870	7,301	31,686	1,753.2	228,556	101,209	11,150	1,584	44,341	22,073	63,039	45,295
1980	70,906	412,390	8,759	40,047	2,033.9	291,339	127,838	16,891	1,946	52,199	20,983	75,803	47,010
1981	98,828	510,218	11,234	54,798	2,416.6	406,985	187,956	26,716	3,110	64,066	26,911	82,259	52,196
1982	103,489	518,087	3,830	61,487	2,448.1	476,439	225,235	28,068	3,744	60,236	25,024	84,290	51,915
1983	111,490	536,640	5,584	66,807	2,546.5	531,738	244,012	23,179	4,164	53,854	22,577	81,464	54,802
1984	128,761	593,571	9,605	73,155	2,714.3	602,522	269,462	25,225	4,738	58,186	27,072	100,489	70,451
1985	134,852	632,983	5,398	79,933	2,862.2	741,077	295,181	28,919	5,240	56,401	25,900	113,331	81,740
1986	142,120	672,004	2,458	86,492	2,937.9	838,039	320,215	28,516	5,804	49,560	21,873	125,732	93,418
1987	157,869	744,617	7,820	96,009	3,224.3	943,654	353,278	33,035	6,521	48,091	19,109	143,537	108,201
1988	190,384	886,407	12,049	119,588	3,844.2	1,200,823	418,069	44,322	7,834	69,541	26,425	155,533	118,362
1989	223,420	1,056,645	9,286	144,158	4,511.5	1,431,315	489,461	55,164	9,465	86,316	34,276	171,847	129,926
1990	239,279	1,175,857	-4,535	163,592	4,734.5	1,550,238	578,355	69,580	11,522	92,308	37,764	182,936	137,458
1991	257,634	1,185,858	-11,018	175,969	4,871.9	1,752,628	640,140	69,816	11,872	96,933	42,222	178,702	132,166
1992 ^r	266,333	1,231,972	-21,331	182,079	4,715.4	1,825,219	660,826	61,366	13,695	103,925	48,767	184,464	137,799
1993 ^p	290,427	1,302,131	-9,862	190,304	4,722.3	2,049,263	703,972	63,721	14,618	105,088	47,166	198,469	148,540
Percent change from preceding year:													
1984	15.5	10.6	72.0	9.5	6.6	13.3	10.4	8.8	13.8	8.0	19.9	23.4	28.6
1985	4.7	6.6	-43.8	9.3	5.4	23.0	9.5	14.6	10.6	-3.1	-4.3	12.8	16.0
1986	5.4	6.2	-54.5	8.2	2.6	13.1	8.5	-1.4	10.8	-12.1	-15.5	10.9	14.3
1987	11.1	10.8	218.1	11.0	9.7	12.6	10.3	15.8	12.4	-3.0	-12.6	14.2	15.8
1988	20.6	19.0	54.1	24.6	19.2	27.3	18.3	34.2	20.1	44.6	38.3	8.4	9.4
1989	17.4	19.2	-22.9	20.5	17.4	19.2	17.1	24.5	20.8	24.1	29.7	10.5	9.8
1990	7.1	11.3	n.m.	13.5	4.9	8.3	18.2	26.1	21.7	6.9	10.2	6.5	5.8
1991	7.7	.9	n.m.	7.6	2.9	13.1	10.7	.3	3.0	5.0	11.8	-2.3	-3.8
1992	3.4	3.9	n.m.	3.5	-3.2	4.1	3.2	-12.1	15.4	7.2	15.5	3.2	4.3
1993	9.0	5.7	n.m.	4.5	.1	12.3	6.5	3.8	6.7	1.1	-3.3	7.6	7.8

^p Preliminary.^r Revised.

n.m. Not meaningful.

of affiliate gross product increased sharply to 4.3 percent after declining in 1992. The increase was mainly due to acquisitions in the airline industry. In accordance with the legal restrictions on foreign ownership in the domestic air transport industry, the acquisitions were of ownership shares of no more than 25 percent.

The share of affiliate gross product in services increased to 8.1 percent, continuing an uptrend. The increase mainly reflected new investment in the motion picture industry.

By country.—In 1993, affiliates with UBO's in the largest four investing countries—the United Kingdom, Japan, Canada, and Germany—continued to account for more than 60 percent of the gross product of all affiliates (table 9).

The share of Canadian-owned affiliates increased substantially, to 14.2 percent, after declining in 1992. Much of the increase was accounted for by acquisitions of minority-ownership interests in companies in the airline, motion picture, and publishing industries. The share of German-

owned affiliates also increased, to 11.3 percent, continuing an uptrend.

In contrast, the share of British-owned affiliates dropped slightly, to 20.9 percent. By country of UBO, British-owned affiliates have accounted for the largest share of affiliate gross product since at least 1977, the first year for which annual data on U.S. affiliate operations were collected.

The gross product share of Japanese-owned affiliates also dipped slightly, to 15.8 percent. Despite the falloff since 1990 in new direct investment from Japan, the share accounted for by Japanese-owned affiliates was larger in 1993 than in any year before 1992, reflecting expanded production by existing affiliates.

Share of the economy

In 1993, affiliates accounted for 6.1 percent of the total U.S. gross product originating in private industries, up from 5.9 percent in 1992 (table 1). Except for a slight dip in 1992, the affiliate share has increased every year since 1985. In contrast,

Table 9.—Gross Product of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1988–93

	Millions of dollars						Percent of all-countries total						Addendum: Percent change in affiliate gross product, 1992–93
	1988	1989	1990	1991	1992	1993	1988	1989	1990	1991	1992	1993	
All countries	190,384	223,420	239,279	257,634	266,333	290,427	100.0	100.0	100.0	100.0	100.0	100.0	9.0
Canada	35,384	35,984	38,304	39,289	33,479	41,307	18.6	16.1	16.0	15.3	12.6	14.2	23.4
Europe	111,522	129,952	139,824	149,305	161,226	170,635	58.6	58.2	58.4	58.0	60.5	58.8	5.8
Belgium	3,542	3,502	3,108	2,879	3,725	3,737	1.9	1.6	1.3	1.1	1.4	1.3	.3
Denmark	685	892	1,014	1,155	1,143	1,606	.4	.4	.4	.4	.4	.6	40.5
Finland	370	431	940	1,071	1,262	1,632	.2	.2	.4	.4	.5	.6	29.4
France	10,828	13,226	14,934	17,132	18,899	20,090	5.7	5.9	6.2	6.6	7.1	6.9	6.3
Germany ¹	17,905	20,844	24,133	25,733	28,716	32,885	9.4	9.3	10.1	10.0	10.8	11.3	14.5
Ireland	1,552	1,792	1,702	1,695	1,852	1,664	.8	.8	.7	.7	.7	.6	-10.2
Italy	1,574	1,172	1,404	2,081	2,318	2,665	.8	.5	.6	.8	.9	.9	15.0
Netherlands	17,517	19,120	18,255	18,607	19,657	20,506	9.2	8.6	7.6	7.2	7.4	7.1	4.3
Sweden	4,561	4,823	4,861	6,787	7,053	5,976	2.4	2.2	2.0	2.6	2.6	2.1	-15.3
Switzerland	10,589	14,441	14,604	15,290	17,117	16,201	5.6	6.5	6.1	5.9	6.4	5.6	-5.3
United Kingdom	40,048	47,249	53,259	55,017	57,412	60,708	21.0	21.1	22.3	21.4	21.6	20.9	5.7
Other	2,351	2,460	1,610	1,857	2,072	2,963	1.2	1.1	.7	.7	.8	1.0	43.0
Latin America and Other Western Hemisphere	7,119	8,584	8,639	9,137	8,739	10,122	3.7	3.8	3.6	3.5	3.3	3.5	15.8
Mexico	122	501	723	776	1,109	1,308	.1	.2	.3	.3	.4	.5	18.0
Panama	1,476	3,036	1,356	1,489	1,638	1,576	.8	1.4	.6	.6	.6	.5	-3.8
Venezuela	1,609	1,725	2,283	2,669	3,124	3,712	.8	.8	1.0	1.0	1.2	1.3	18.8
Bermuda	1,072	1,042	1,385	1,398	1,153	1,218	.6	.5	.6	.5	.4	.4	5.6
Netherlands Antilles	1,025	1,033	1,285	1,368	1,071	1,320	.5	.5	.5	.5	.4	.5	23.3
Other	1,815	1,247	1,606	1,437	645	987	1.0	.6	.7	.6	.2	.3	53.0
Africa	1,289	1,195	1,260	1,241	1,267	1,349	.7	.5	.5	.5	.5	.5	6.4
Middle East	2,608	4,225	3,142	3,919	3,460	4,588	1.4	1.9	1.3	1.5	1.3	1.6	32.6
Saudi Arabia	1,274	2,881	2,009	2,493	2,117	2,988	.7	1.3	.8	1.0	.8	1.0	41.1
Other	1,334	1,344	1,133	1,426	1,343	1,600	.7	.6	.5	.6	.5	.6	19.2
Asia and Pacific	30,423	41,655	46,269	52,551	54,318	58,090	16.0	18.6	19.3	20.4	20.4	20.0	6.9
Australia	4,127	7,399	8,096	8,809	8,101	8,145	2.2	3.3	3.4	3.4	3.0	2.8	.5
Hong Kong	787	739	799	974	1,056	1,205	.4	.3	.3	.4	.4	.4	14.1
Japan	24,014	31,098	34,484	40,056	42,659	45,859	12.6	13.9	14.4	15.5	16.0	15.8	7.5
Other	1,494	2,419	2,890	2,712	2,501	2,880	.8	1.1	1.2	1.1	.9	1.0	15.2
United States	2,041	1,825	1,842	2,191	3,843	4,336	1.1	.8	.8	.9	1.4	1.5	12.8

1. For the years prior to 1990, includes data only for the Federal Republic of Germany. Beginning with 1990, also includes the former German Democratic Republic (GDR). This change has no effect on the data because there were no U.S. affiliates of the former GDR prior to 1990.

the share of U.S. private-industry employment accounted for by affiliates decreased from 5.3 percent in 1991 to 5.1 percent in 1992 and to 5.0 percent in 1993. The continued dip in the affiliate share of employment partly reflects the concentration of affiliate activity in manufacturing, where employment growth at the all-U.S. level has been much lower than in service and other industries.

The employment data for affiliates and U.S. private industries can be used to examine affiliate shares of the U.S. economy by industry and State. Unlike the data on gross product, the data on U.S. affiliate employment are available by industry of sales as well as by industry of affiliate (see the box “Data by Industry of Affiliate and by Industry of Sales”). Because the data on affiliate employment classified by industry of sales are roughly comparable with the data on U.S. private-industry employment classified by industry of establishment (or plant), they can be used to calculate affiliate shares of the U.S. economy at a greater level of industry detail than is appropriate for the gross product data, which are available only by primary industry of the enterprise as a whole.¹¹ Data on affiliate employment, unlike

the data on gross product, are also available by State; thus, affiliates’ share of private-industry employment in each State can be computed.

By industry.—In 1993, as in most previous years, the shares of total U.S. employment accounted for by affiliates were largest in mining and manufacturing (table 10). Excluding petroleum refining, the affiliate shares within manufacturing were largest in chemicals, in stone, clay, and glass products, and in electrical machinery.¹²

The affiliate shares of U.S. employment rose the most rapidly in mining and transportation. In mining, the affiliate share increased to 14.6 percent from 12.4 percent, mainly reflecting foreign acquisitions of chemical companies with secondary operations in mining. In transportation, the affiliate share increased to 6.7 percent from 5.6 percent, largely reflecting acquisitions in the airline industry.

In “finance, except banking,” the affiliate share decreased substantially to 5.2 percent. The decrease was more than accounted for by the liquidation of foreign minority-ownership interests in security brokerage firms.

The affiliate share in manufacturing dipped slightly to 11.6 percent. Excluding petroleum refining, the largest decrease in the affiliate share of employment within manufacturing was in food products; the decrease reflected both selloffs and

12. The precise share for petroleum refining cannot be calculated from the affiliate data. See footnote 4 to table 10.

11. Establishment-level data from a joint project of BEA and the Bureau of the Census can be used to calculate affiliate shares of U.S. economic activity at an even greater level of detail. These data show each four-digit manufacturing industry in the Standard Industrial Classification; they are currently available for 1987–91. The data for 1990 are discussed in “Characteristics of Foreign-Owned U.S. Manufacturing Establishments,” SURVEY 74 (January 1994): 34–59.

Data by Industry of Affiliate and by Industry of Sales

Most data from BEA’s annual and benchmark surveys of FDIUS are classified by industry of affiliate. For this classification, an affiliate’s primary industry is based on a breakdown of the affiliate’s sales by three-digit International Surveys Industry Classification code.¹ All of the data for the affiliate are assigned to a single industry—the industry in which it has the largest sales—even if the affiliate has activities in secondary industries.

Sales and employment are also classified by industry of sales. For this classification, an affiliate’s sales and employment are distributed among all the industries in which it reported sales. Employment classified by industry of sales should generally approximate that classified by industry of establishment (plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.² Data classified by industry of

sales are preferable for analyses of the various activities in which diversified enterprises are engaged. The pattern of change in employment by industry of sales may differ from the pattern by industry of affiliate because the changes in employment in affiliates’ secondary industries may not parallel those in their primary industries. A change in an affiliate’s industry of classification may also cause these patterns to differ; when employment is classified by industry of affiliate, all employees are shifted from the old industry to the new one, but when it is classified by industry of sales, changes in employment for an industry reflect only actual changes in employment in that industry.

sales in the industry of the first establishment. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate’s sales will be in metal manufacturing, and none in metal mining. When the mining employees are distributed by industry of sales, they are classified in manufacturing even though the industry of the establishment is mining.

1. These codes are adapted from the *Standard Industrial Classification Manual, 1987*, the comprehensive industry classification system used for Federal economic statistics.

2. However, if one establishment of an affiliate provides all of its output to another establishment of the affiliate, the affiliate will not have

reductions in the operations of food-processing affiliates. The largest increases were in apparel and other textile products, printing and publishing, and motor vehicles and equipment. The increases in the apparel and printing industries were mainly accounted for by new foreign acquisitions, whereas the increase in motor vehicles was mainly due to expansions by existing affiliates.

By State.—In 1993, the share of private-industry employment accounted for by affiliates was highest in Hawaii, followed by Delaware, South Carolina, and North Carolina (table 11). Before 1992, Delaware had the highest share among States.

In Hawaii, the affiliate share was 11.8 percent in 1993, down slightly from that in 1992; more than two-thirds of the affiliate employment was by Japanese-owned affiliates, mainly those in the hotel industry. In Delaware, the affiliate share declined for the third consecutive year, to 10.7 percent. The affiliate share also declined in South Carolina, to 8.1 percent. In North Carolina, the

affiliate share increased to 7.5 percent; the share has increased every year since 1978, when it was 2.5 percent.

Profitability

Affiliates reported losses on net income in both 1992 and 1993: In 1993, affiliate net income was -\$9.9 billion, less than one-half the losses in 1992.¹³ In contrast, affiliates' "profit-type return" was positive in both years: In 1993, affiliate profit-type return was \$15.7 billion, more than five times larger than in 1992 (table 12).¹⁴

The large losses reported for 1992 on a net-income basis partly reflected one-time adjustments to earnings made by many affiliates to conform with new accounting standards for post-

13. Net income of affiliates is after-tax profits on a financial accounting basis, as shown in affiliates' income statements; it includes capital gains and losses, income from investments, and other nonoperating income.

14. Affiliates' profit-type return is an economic-accounting measure of the profits generated from production; it is before deduction of income taxes or depletion charges, excludes nonoperating income, and includes an inventory valuation adjustment. For a more complete description of this measure and for a comparison between it and the corresponding measure used in the U.S. national income and product accounts, see "Gross Product of U.S. Affiliates of Foreign Companies," SURVEY 70 (June 1990): 53.

Table 10.—Employment by Nonbank U.S. Affiliates, by Industry of Sales, 1988–93¹

	Thousands of employees						As a percentage of total U.S. employment in nonbank private industries ²					
	1988	1989	1990	1991	1992	1993	1988	1989	1990	1991	1992	1993
All industries³	3,844	4,511	4,734	4,872	4,715	4,722	4.3	4.9	5.1	5.3	5.1	5.0
Manufacturing	1,732	1,993	2,114	2,159	2,129	2,118	8.9	10.2	11.0	11.6	11.7	11.6
Chemicals and allied products	289	318	332	341	348	350	27.2	29.4	30.4	31.4	32.2	32.5
Petroleum and coal products	82	86	90	91	78	61	(4)	(4)	(4)	(4)	(4)	(4)
Stone, clay, and glass products	90	107	110	102	107	107	15.6	18.7	19.7	19.5	20.8	20.5
Electric and electronic equipment	243	275	271	276	263	261	13.7	15.7	16.2	17.3	17.2	17.0
Primary metal industries	81	97	112	111	110	110	10.6	12.6	14.8	15.4	15.9	16.2
Rubber and plastics products	93	101	129	126	130	130	10.7	11.3	14.5	14.5	14.8	14.3
Instruments and related products	85	101	112	118	111	109	8.2	9.9	11.2	12.2	11.9	12.2
Motor vehicles and equipment	63	76	90	96	90	96	7.4	8.9	11.2	12.2	11.0	11.5
Machinery, except electrical	160	213	218	220	217	216	7.5	9.9	10.3	10.9	11.2	11.1
Food and kindred products	177	203	207	211	198	182	10.8	12.3	12.4	12.6	12.0	10.9
Fabricated metal products	85	100	101	109	110	116	5.9	6.9	7.1	8.0	8.3	8.6
Paper and allied products	47	48	50	52	52	53	6.8	6.8	7.1	7.6	7.5	7.6
Printing and publishing	95	108	109	103	101	112	6.0	6.8	6.8	6.6	6.6	7.2
Textile mill products	34	33	37	40	45	44	4.6	4.6	5.4	5.9	6.7	6.5
Apparel and other textile products	16	26	28	29	32	44	1.5	2.4	2.7	2.9	3.2	4.4
Other transportation equipment	27	33	41	50	50	40	2.3	2.8	3.5	4.5	4.9	4.4
Lumber, wood, furniture, and fixtures	29	24	28	32	31	33	2.2	1.9	2.2	2.7	2.6	2.7
Other	38	45	49	52	56	54	6.2	7.5	8.3	9.2	10.0	9.5
Mining	73	81	93	88	79	89	10.2	11.7	13.0	12.7	12.4	14.6
Transportation	124	174	221	218	198	247	3.7	5.0	6.1	6.1	5.6	6.7
Insurance	111	122	127	144	143	138	5.0	5.6	5.8	6.5	6.5	6.2
Wholesale trade	294	322	355	344	346	350	4.8	5.1	5.7	5.6	5.6	5.8
Finance, except banking ⁵	96	92	54	65	70	62	9.2	9.0	5.3	6.2	6.4	5.2
Retail trade	772	948	848	890	798	858	3.9	4.7	4.2	4.5	4.0	4.2
Real estate	31	31	34	33	32	31	2.3	2.1	2.3	2.3	2.2	2.1
Services ⁶	426	529	660	719	702	619	1.6	1.9	2.3	2.5	2.4	2.0
Communication and public utilities	14	23	29	29	33	37	.6	1.0	1.3	1.3	1.5	1.7
Agriculture, forestry, and fishing	20	33	33	44	32	31	1.1	1.8	1.8	2.4	1.8	1.6
Construction	63	72	80	73	68	63	1.2	1.3	1.5	1.5	1.5	1.3
Unspecified ⁷	81	85	78	61	87	80	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not applicable.

1. In this table, petroleum is not shown as a separate major industry. Instead, in order to be consistent with the all-U.S. data on employment by industry, affiliate employment in the various petroleum subindustries is distributed among the other major industries. Thus, manufacturing includes petroleum and coal products, wholesale trade includes petroleum wholesale trade, retail trade includes gasoline service stations, and so on.

2. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. They are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables" in the January 1992, August 1993, and July 1994 issues of the SURVEY OF CURRENT BUSINESS. The total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in table 11; the data used for table 11 are from BEA's Regional Economic Information System and are derived as the sum of the State estimates. The estimates used for table 11, unlike those used for this table, do not exclude employment in depository institutions but do exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from the NIPA estimates used for this table because of different definitions and revision schedules.

ules.

3. For consistency with the coverage of the data on U.S. employment in private industries, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in the "foreign" category was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

4. The affiliate and all-U.S. employment data in petroleum and coal products are not comparable and hence are not shown here, because affiliate employment in this industry includes a substantial number of nonmanufacturing employees. Separate data on the manufacturing establishments of U.S. affiliates, from a joint project of BEA and the Bureau of the Census, indicate that the affiliate share of employment in petroleum and coal products was 18.8 percent in 1988, 20.7 percent in 1989, 22.9 percent in 1990, and 22.5 percent in 1991.

5. Excludes savings institutions and credit unions, as well as commercial banks.

6. Excludes private households.

7. In the breakdown of employment by industry of sales, U.S. affiliates that filed long forms in the annual surveys had to specify their eight largest sales categories, and U.S. affiliates that filed short forms had to specify their three largest sales categories. Employment in all unspecified industries combined is shown on this line.

around sharply, partly reflecting the addition of new affiliates in the airline industry.

In some industries, affiliates have continued to incur negative profit-type return (that is, losses from current operations). In recent years, operating losses have been particularly large for affiliates in real estate. Within manufacturing, operating losses have been large in machinery; within services, they have been large in hotels.

Appendix: Sources of Data

Foreign direct investment in U.S. business enterprises, including all ownership of real estate other than for personal use, is reported to BEA under the International Investment and Trade in Services Survey Act. The data are collected in a number of surveys.

This article presents two types of data from BEA's surveys of FDIUS: (1) Data on new investments from the survey of new FDIUS, and (2) data on the overall operations of both new and existing U.S. affiliates of foreign companies from the annual and benchmark surveys of FDIUS.

New investment survey

The new investment survey covers (a) existing U.S. business enterprises in which foreign direct investors acquired, directly or through their U.S. affiliates, at least a 10-percent ownership interest and (b) new U.S. business enterprises established by foreign direct investors during the

year. The new investment survey provides data on investment outlays, the number and type of investments and investors, the portion of outlays financed with foreign-source funds, and selected operating items—total assets, sales, net income, employment, and U.S. land owned—for the new U.S. affiliate. The data on outlays and on the number and types of investments and investors are on a calendar year basis. (See the next section of this appendix for a discussion of the basis used for the operating data items from the new investment survey.)

The new investment data are limited to all U.S. business enterprises (including banks) that have total assets of over \$1 million or that own at least 200 acres of U.S. land in the year they are acquired or established. U.S. enterprises that do not meet these criteria are required to file partial reports, primarily for identification purposes, but the data from these reports are not included in the accompanying tables. For 1994, total assets of the U.S. enterprises that filed partial reports were only \$182.0 million, or about 0.2 percent of the total assets of \$75.9 billion of the U.S. enterprises that filed complete reports.

Each year, preliminary estimates for the previous year are revised to incorporate data received after the publication of the preliminary results and any corrections to reported data or to the country or industry classification of affiliates. The preliminary estimates include bias adjustments for late reports.

Table 12.—Net Income and Profit-Type Return of Nonbank U.S. Affiliates, by Industry of Affiliate, 1988–93
[Millions of dollars]

	Net income						Profit-type return ¹					
	1988	1989	1990	1991	1992	1993	1988	1989	1990	1991	1992	1993
All industries	12,049	9,286	-4,535	-11,018	-21,331	-9,862	14,167	10,949	770	-1,669	2,914	15,760
Petroleum	1,947	2,722	2,811	508	-485	284	4,243	5,042	6,041	2,962	3,044	3,249
Manufacturing	7,542	5,698	-31	-3,265	-9,171	-9,497	7,681	6,769	852	169	1,680	5,900
Food and kindred products	831	444	89	210	238	-1,995	-90	-534	-366	236	384	361
Chemicals and allied products	4,368	4,894	4,923	3,896	-1,281	3,080	5,468	6,229	5,031	4,386	4,602	6,267
Primary and fabricated metals	1,088	791	363	-1,072	-2,029	-2,182	1,013	1,162	369	-572	-483	82
Machinery	-181	-394	-3,659	-3,105	-2,749	-5,151	-195	-517	-2,834	-1,992	-2,049	-1,195
Other manufacturing	1,436	-36	-1,746	-3,186	-3,350	-3,249	1,484	430	-1,348	-1,890	-774	385
Wholesale trade	1,456	728	-1,189	-1,284	-335	-2,725	991	1,029	-193	6	770	1,573
Retail trade	257	-1,371	-964	-614	-2,086	-1,071	36	-1,280	-751	125	14	725
Finance, except banking²	419	1,289	-1,425	-839	551	1,133	651	1,058	-670	75	547	1,093
Insurance	1,851	2,203	2,284	2,602	2,318	4,764	1,532	1,049	2,297	1,498	1,966	2,751
Real estate	-829	-353	-2,055	-3,370	-4,672	-3,381	-837	-857	-1,922	-2,291	-2,706	-2,057
Services	-744	-1,193	-2,042	-3,737	-3,125	-2,237	-673	-1,375	-2,138	-3,295	-2,310	-242
Of which:												
Hotels and other lodging places	-155	-347	-977	-1,458	-1,603	-1,447	-279	-620	-1,018	-1,504	-1,541	-1,096
Motion pictures, including television tape and film	-237	-346	-501	-1,365	-1,200	-251	-324	-578	-962	-1,220	-682	-247
Other industries	149	-436	-1,924	-1,019	-4,326	2,869	544	-487	-2,746	-919	-91	2,768
Of which:												
Transportation	-17	-17	-2,948	-1,046	-1,355	2,956	424	-329	-3,221	-1,252	-1,178	846
Communication and public utilities	-164	-371	596	-274	-2,346	-170	-210	-411	-297	-492	-20	414

1. This measure of operating profits is a component of gross product originating in U.S. affiliates. It is before income taxes; excludes capital gains, income from investments, and other nonoperating income; is before deduction of depletion charges; and includes an inventory valuation adjustment.

2. Data for 1988–91 include, but data for 1992–93 exclude, savings institutions and credit unions.

Annual and benchmark surveys

The annual survey of FDIUS collects information on the overall operations of nonbank U.S. affiliates, such as their balance sheets and income statements, and data on their employment and employee compensation, property, plant, and equipment, merchandise trade, sources of external financing, and selected data by State.¹⁵ The survey covers nonbank affiliates that have assets, sales, or net income greater than \$10 million. Estimates covering the universe of nonbank U.S. affiliates of foreign companies are derived by combining data reported by a sample of affiliates in the annual survey with BEA estimates of data for affiliates not in the sample. Estimates for nonsample affiliates that existed before 1993 are derived by extrapolating forward the data they reported in BEA'S 1992 benchmark survey. Estimates for new nonsample affiliates are derived from data they reported in BEA'S survey of new investment.

The annual survey data are on a fiscal year basis. Thus, for example, for 1993, an individual affiliate's fiscal year is its financial reporting year that ended in calendar year 1993.

The benchmark survey (or census), which is now normally conducted every 5 years, is BEA'S most comprehensive survey of FDIUS in terms of both subject matter and numbers of companies covered. The 1980, 1987, and 1992 estimates of the overall operations of foreign-owned U.S. companies are based on universe data from BEA'S benchmark survey of FDIUS. The benchmark survey collects both financial and operating data (which are presented in this article) and data on the foreign direct investment position and on balance of payments transactions between U.S. affiliates and their foreign parent groups. For financial and operating data, it obtains all of the items collected in the annual survey as well as a number of items that are collected only in benchmark years. (The annual survey is not conducted in years in which a benchmark survey is conducted.) Very small companies—those with less than \$1 million of assets, sales, or net income—are exempt from the benchmark survey. These companies are required to file partial reports, primarily for identification purposes, but the data from these reports are not included in the accompanying tables. For 1992, total assets of nonbank companies that filed partial reports were only \$1.5

billion, or about 0.1 percent of the total assets of \$1.8 trillion of the nonbank companies that filed complete reports. Like the annual survey data, the benchmark survey data are on a fiscal year basis.

Unlike the new investment data, the operations data from the annual and benchmark surveys cover existing, as well as newly acquired or established, U.S. affiliates, and they reflect changes due to liquidations and sales of affiliates. In addition, the data for newly acquired or established affiliates differ in the two data sets.

One difference is in timing. For example, in the annual survey for 1993, the data for new affiliates are for (or as of the end of) fiscal year 1993. In the new investment survey, the operations data for U.S. businesses acquired in 1993 are for (or as of the end of) the most recent fiscal year preceding the acquisition (generally 1992), and the

Data Availability

New investment data

Only summary data are published in this article. A set of supplementary tables containing detail on the number of investments and investors for 1992-93 and on investment outlays and selected operating data for the newly acquired or established businesses for 1992-94 will be available in June for \$10.00 from the Public Information Office, Order Desk, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230. Visa or MasterCard orders may be placed by telephone at (202) 606-9827. When ordering, refer to the "BE-13 Supplementary Tables for the May 1995 SURVEY Article." Comparable table sets for 1987-91 and 1980-86 are also available for \$18.00 each. For order information on the tables, call (202) 606-9828. The data are also available on computer diskettes; the price is \$20.00 each for the 1992-94, 1987-91, and 1980-86 series. For order information on the diskettes, call (202) 606-9841.

Annual and benchmark survey data

Publications and computer diskettes presenting revised estimates of U.S. affiliate operations for 1992 from the benchmark survey and preliminary estimates for 1993 from the annual survey will be available later this year; their availability will be announced on the inside back cover of the SURVEY. These estimates will be comparable with those in this article, but they will be presented in greater detail.

More detailed estimates of U.S. affiliate operations in 1977-91 are available on computer diskettes; for order information, call (202) 606-9841. The estimates for 1977-91 are also available in a series of annual publications; for order information, call (202) 606-9893.

15. Data on affiliate gross product are not collected directly, but are estimated by BEA. Gross product is calculated as the sum of employee compensation, profit-type return, net interest paid, indirect business taxes, and capital consumption allowances.

The International Investment Division's Direct Investment in the U.S. Branch, under the direction of James L. Bomkamp, conducted the surveys from which the data in this article were drawn. Joseph F. Cherry, III, coordinated the editing and processing of the reports from the survey of new investment. David Galler, with the assistance of Juris E. Abolins, coordinated the editing and processing of the reports from the annual and benchmark surveys from which the estimates of the overall operations of U.S. affiliates were obtained. Arnold Gilbert and Angela Roberts, with assistance from Robert Price, designed the computer programs to generate the tables.

operations data for newly established businesses are projected for (or as of the end of) the first full year of operation. These timing differences reflect differences in the due dates for the two surveys. For example, the due date for the 1993 annual survey was May 31, 1994. The due date for the new investment survey is 45 days after the transaction takes place. Thus, for many acqui-

sitions or establishments that occurred in 1993, reports were required before yearend, so that it was impossible for reporters to supply data for 1993.

In addition, data for a newly acquired or established business may be classified in different industries in the two surveys. In the annual survey, data for a business newly acquired or established by an existing U.S. affiliate are included in the consolidated report of the existing affiliate if that affiliate owned more than 50 percent of the business. Therefore, data for that business appear in the industry in which the consolidated entity is classified. In the new investment survey, data for a newly acquired or established business are reported separately and are classified in the industry of the business.

Finally, data for banks are collected in the new investment survey but are excluded from the data on the operations of U.S. affiliates in this article.

Tables 13 through 18.2 follow. 

Comprehensive Information on the U.S. Economy . . .

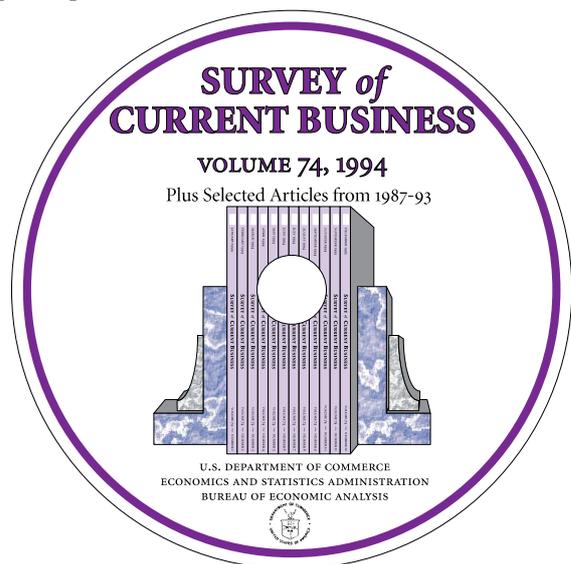
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SURVEY OF CURRENT BUSINESS

Table with 3 main columns: Series no., Series title and timing classification, and Year. The Year column is split into 1994 and 1995. 1994 includes months Mar through Dec. 1995 includes months Jan through Apr.

8. PROFITS AND CASH FLOW

Table 8: Profits and Cash Flow. Rows include 16 Corporate profits after tax, 18 Corporate profits after tax, 22 Ratio of corporate domestic profits, 81 Ratio of corporate domestic profits after tax with IVA and CCA, 26 Ratio of implicit price deflator, and 35 Corporate net cash flow.

9. WAGES, LABOR COSTS, AND PRODUCTIVITY

Table 9: Wages, Labor Costs, and Productivity. Rows include 345 Wages and compensation, 346 Index of real average hourly compensation, 53 Wages and salaries in mining, 63 Unit labor costs, 62 Index of labor cost per unit of output, 370 Productivity, and 358 Index of output per hour.

10. PERSONAL INCOME AND CONSUMER ATTITUDES

Table 10: Personal Income and Consumer Attitudes. Rows include 52 Personal income, 51 Personal income less transfer payments, 58 Indexes of consumer attitudes, 83 Consumer expectations, 122 Consumer confidence, and 123 Consumer expectations.

11. SAVING

Table 11: Saving. Rows include 290 Gross saving, 295 Business saving, 292 Personal saving, 298 Government surplus or deficit, and 293 Personal saving rate.

12. MONEY, CREDIT, INTEREST RATES, AND STOCK PRICES

Table 12: Money, Credit, Interest Rates, and Stock Prices. Rows include 85 Money, 102 Percent change in money supply M1, 105 Money supply M1, 106 Money supply M2, 107 Velocity of money, 93 Bank reserves, 112 Credit flows, and 14 Credit difficulties.

NOTE.—The following current high values were reached before March 1994: June 1991—BCI-106 (2,868.4); July 1991—BCI-93 (345); August 1991—BCI-94 (764); December 1991—BCI-62 index (112.1); December 1992—BCI-53 (664.2), BCI-83 (89.5), and BCI-123 (103.9); May 1993—BCI-85 (1.86) and BCI-102 (0.65); 3d Q 1993—BCI-110 (523,004); and 4th Q 1993—BCI-81 (9.0). See page C-6 for other footnotes.

FOOTNOTES FOR PAGES C-1 THROUGH C-5

a	Anticipated.	NSA	Not seasonally adjusted.
AR	Annual rate.	p	Preliminary.
c	Corrected.	r	Revised.
©	Copyrighted.	♦	Graph included for this series.
e	Estimated.	§	Major revision—see notes.
*	Later data listed in notes.	◇	End of period.

L,C,Lg,U Cyclical indicator series are classified as L (leading), C (coincident), Lg (lagging), or U (unclassified) at reference cycle peaks, troughs, and overall. Series classifications are shown in parentheses following the series titles.

‡ Cyclical indicator series denoted by ‡ are inverted (i.e., the sign is reversed) for cyclical analysis calculations, including classifications, contributions to composite indexes, and current high values.

† Cyclical indicator series denoted by † are smoothed by an autoregressive-moving-average filter developed by Statistics Canada.

For information on composite indexes and other concepts used in this section, see "Business Cycle Indicators: Upcoming Revision of the Composite Indexes" in the October 1993 SURVEY OF CURRENT BUSINESS and "The Composite Index of Coincident Indicators and Alternative Coincident Indexes" in the June 1992 SURVEY.

References to series in this section use the prefix "BCI-" followed by the series number. Unless otherwise noted, series are seasonally adjusted.

Percent change data are centered within the spans: 1-month changes are placed in the ending month, 3-month changes are placed in the 3d month, 6-month changes are placed in the 4th month, 1-quarter changes are placed in the ending quarter, and 4-quarter changes are placed in the 3d quarter.

Diffusion indexes are defined as the percent of components rising plus one-half of the percent of components unchanged. Diffusion index data are centered within the spans: 1-month indexes are placed in the ending month and 6-month indexes are placed in the 4th month.

High values reached by cyclical indicators in the expansion following the last reference cycle trough (March 1991) are shown in boldface type; high values reached prior to the period shown in the table are listed at the bottom of each page. For inverted series, low values are indicated as highs.

Sources for series in this section are shown on pages C-30 through C-32 in the April 1995 SURVEY

Page C-1

NOTE.—Major data revisions:

The series on new private housing units authorized by local building permits (BCI-29) has been revised from 1993 forward to reflect revised source data. In addition, data from 1954 forward have been recomputed to incorporate a new conversion factor based on the revised data. For further information, contact the U.S. Department of Commerce, Bureau of the Census, Manufacturing and Construction Division, Washington, DC 20233 and Bureau of Economic Analysis, Business Outlook Division, Washington, DC 20230.

Commercial and industrial loans outstanding in 1987 dollars (BCI-101)—see note for page C-4.

* Preliminary May 1995 values: BCI-32 = 52.9, BCI-19 = 523.81, and BCI-109 = 9.00.

1. Data exclude Puerto Rico, which is included in figures published by the source agency. From August 1992 through April 1994, data include initial claims made under the July 1992 Emergency Unemployment Compensation amendments.

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3. Excludes BCI-57, for which data are not available.

4. Excludes BCI-77 and BCI-95, for which data are not available.

Page C-2

* Preliminary May 1995 value: BCI-32 = 52.9.

1. Data exclude Puerto Rico, which is included in figures published by the source agency. From August 1992 through April 1994, data include initial claims made under the July 1992 Emergency Unemployment Compensation amendments.

2. Data exclude Puerto Rico, which is included in figures published by the source agency.

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Page C-3

NOTE.—Major data revision: Index of new private housing units authorized by local building permits (BCI-29)—see note for page C-1.

* Preliminary May 1995 value: BCI-23 = 352.1.

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Page C-4

NOTE.—Major data revisions: Series that include data on commercial and industrial loans outstanding (BCI-72, -101, and -112) have been revised from 1993 forward to reflect the incorporation of updated data. For further information, contact the Board of Governors of the Federal Reserve System, Division of Research and Statistics, Banking Section, Washington, DC 20551.

* Preliminary May 1995 values: BCI-122 = 101.6, BCI-123 = 93.2, and BCI-85 = -0.24.

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Page C-5

NOTE.—Major data revisions: Commercial and industrial loans outstanding in current and 1987 dollars (BCI-72 and BCI-101)—see note for page C-4.

* Preliminary May 1995 values: BCI-119 = 6.02, BCI-114 = 5.70, BCI-116 = 7.70, BCI-115 = 7.02, BCI-117 = 5.95, BCI-109 = 9.00, BCI-19 (1941-43=10) = 523.81, BCI-19 (1967=100) = 569.8, BCI-748 = 1,178.1, BCI-745 = 354.0, BCI-746 = 988.9, BCI-742 = 1,506.3, BCI-747 = 682.3, BCI-743 = 502.7, BCI-750 = 82.73, BCI-758 = 85.11, BCI-755 = 1.4096, BCI-756 = 4.9869, BCI-752 = 0.6300, BCI-757 = 1,652.78, and BCI-753 = 1.3609.

1. Balance of payments basis: Excludes transfers under military grants and Department of Defense sales contracts (exports) and Department of Defense purchases (imports).

2. Organisation for Economic Co-operation and Development.

3. This index is the weighted-average exchange value of the U.S. dollar against the currencies of the other G-10 countries plus Switzerland. Each country is weighted by its 1972-76 global trade. For a description of this index, see the August 1978 *Federal Reserve Bulletin* (p. 700).

4. This index is compiled by the Center for International Business Cycle Research (CIBCR), Graduate School of Business, Columbia University, New York, NY 10027.

Notes for Pages C-7 Through C-27

The following notes explain general features of the charts that appear in this section:

• Business cycle peaks (P) and troughs (T), as designated by the National Bureau of Economic Research, Inc., are indicated at the top of each chart. The shaded areas represent recessions.

• For each series classified as a cyclical indicator, the timing classifications at peaks, at troughs, and overall are shown in a box adjacent to the title. (L = leading, C = coincident, Lg = lagging, U = unclassified.) A complete list of series titles and sources is shown on pages C-30 through C-32 in the April 1995 SURVEY OF CURRENT BUSINESS.

• *Arithmetic scales* are designated "Scale A." On the same arithmetic scale, equal vertical distances represent equal differences in data. (For example, the vertical distance from 10 to 15 is the same as the distance from 100 to 105.)

• *Logarithmic (log) scales* are designated L-1, L-2, or L-3 to indicate their relative size. On log scales of the same size, equal vertical distances represent equal percentage changes. (For

example, the vertical distance from 10 to 15 is the same as the distance from 100 to 150.) Compared with an L-1 scale, the same percentage change covers half the distance on an L-2 scale and one-third the distance on an L-3 scale.

• Data are monthly unless otherwise indicated. Quarterly data are indicated by a "Q" following the series title.

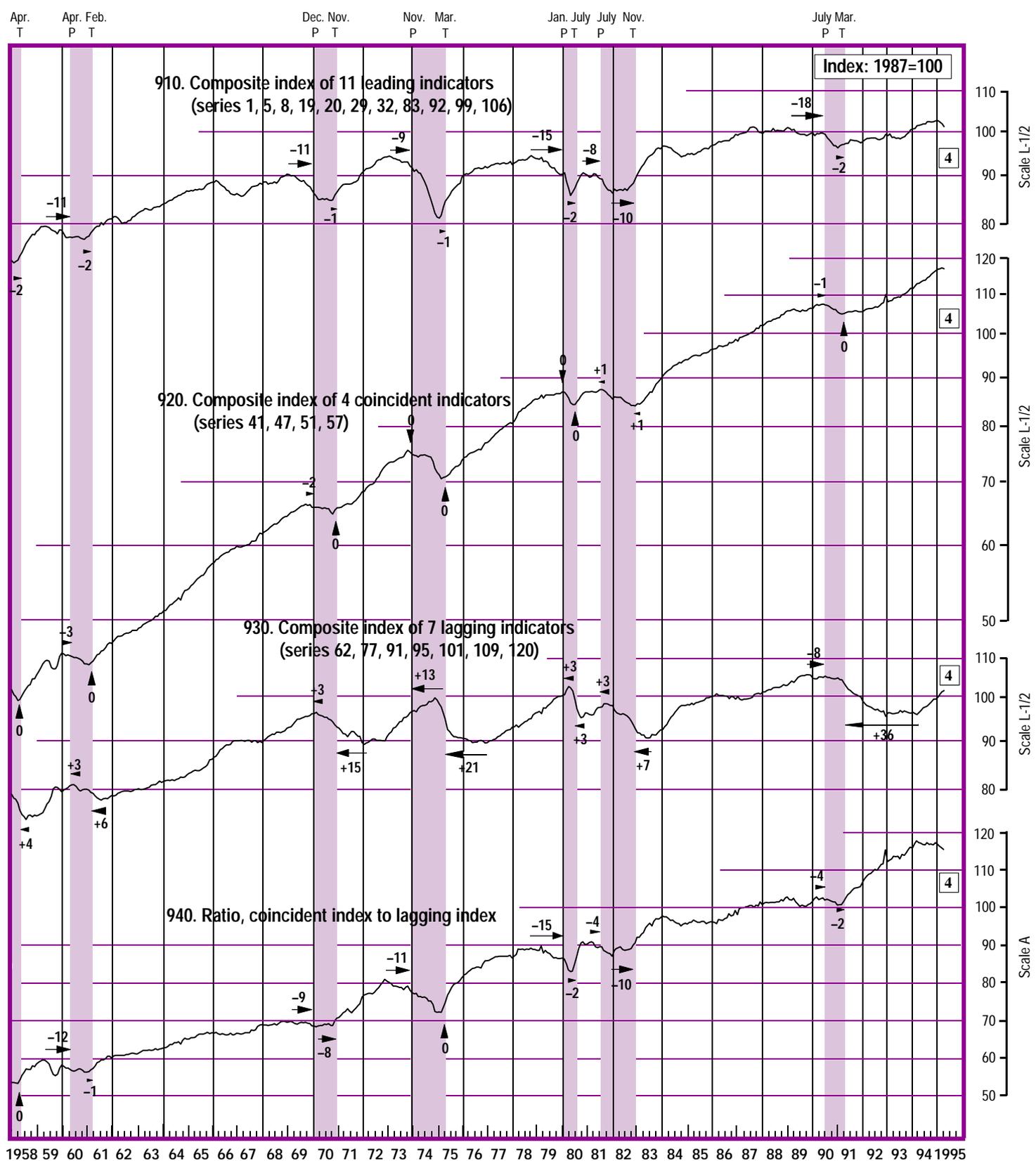
• Some series include a centered moving average, which is shown as a heavy line superimposed on the actual monthly data.

• Parallel lines across a plotted series indicate a missing data value, change in definition, or other significant break in continuity.

• The box near the end of each plotted series indicates the latest data month (Arabic numeral) or quarter (Roman numeral) shown or, for series computed over a span of time (diffusion indexes and rates of change), the latest data period used in computing the series.

CYCLICAL INDICATORS

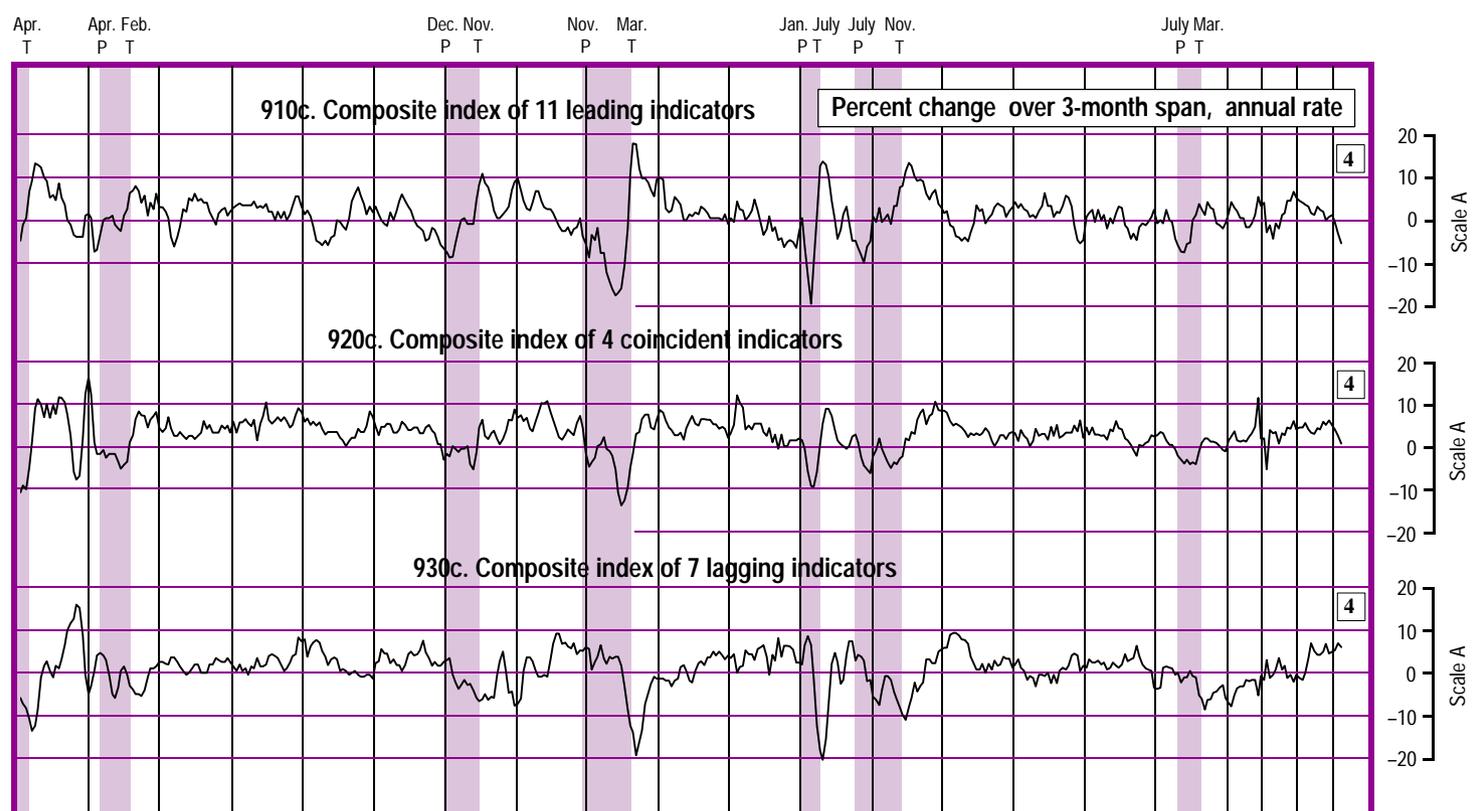
Composite Indexes



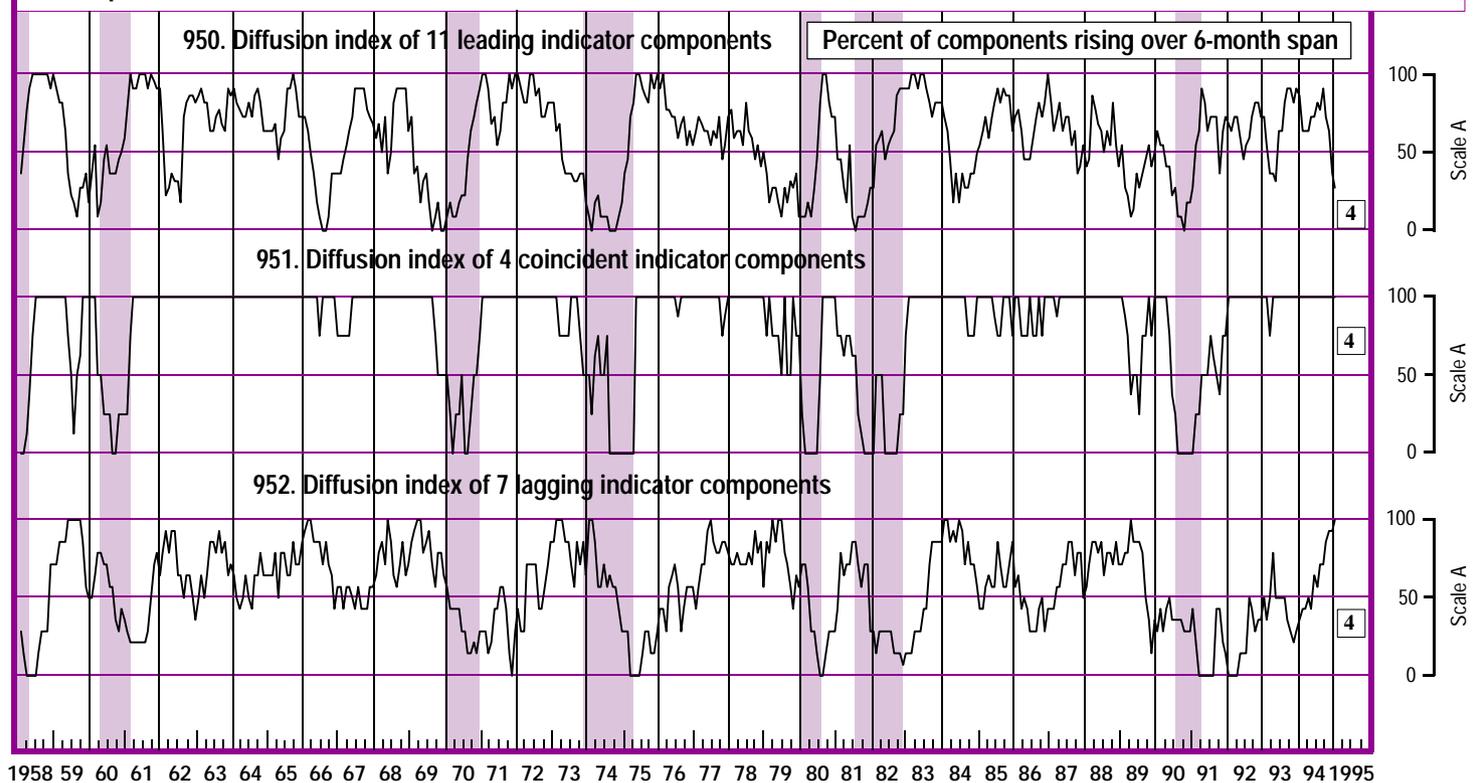
NOTE.—The numbers and arrows indicate length of leads (-) and lags (+) in months from business cycle turning dates. Current data for these series are shown on page C-1.

CYCLICAL INDICATORS

Composite Indexes: Rates of Change



Composite Indexes: Diffusion

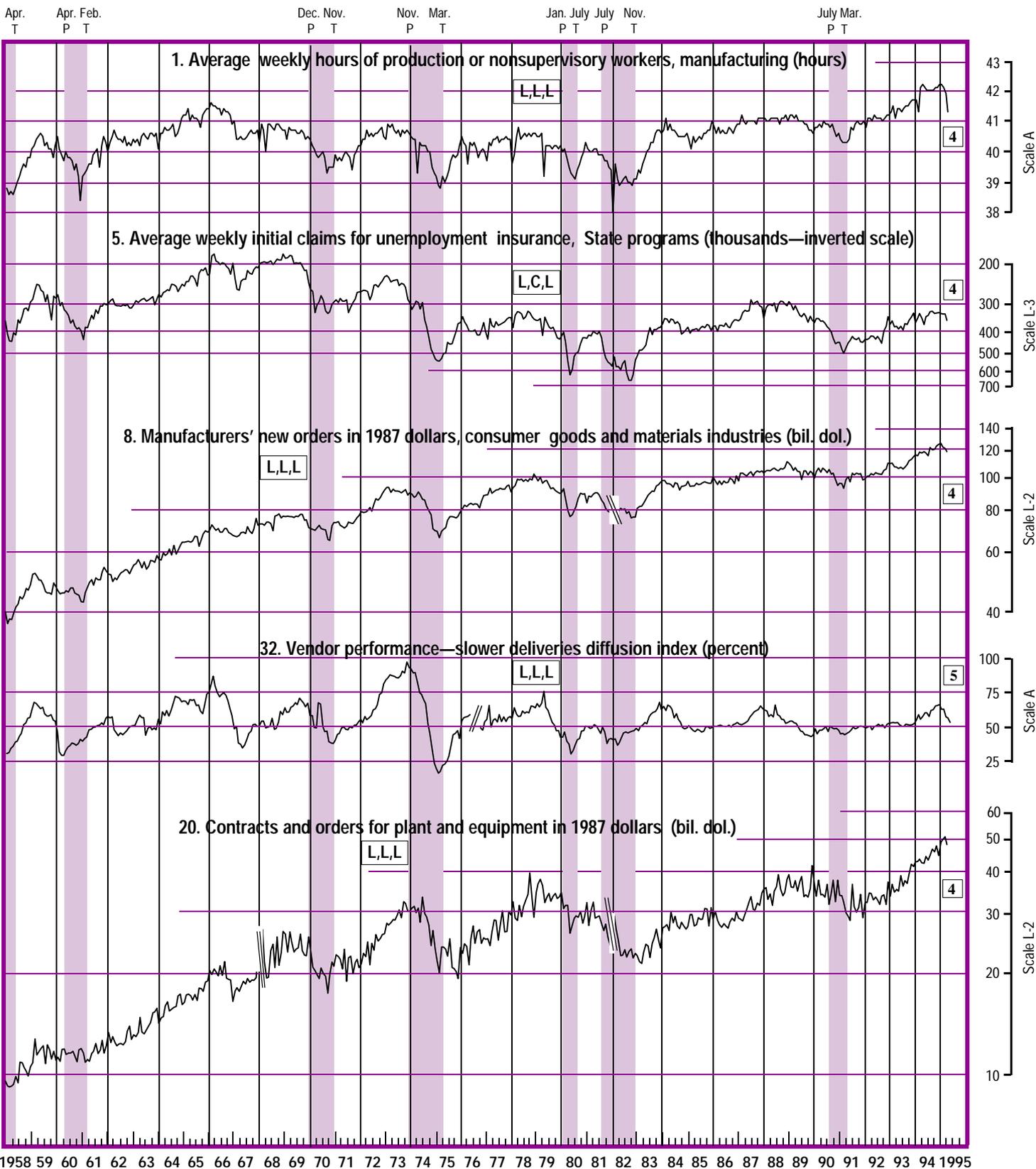


1958 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 1995

NOTE.—Current data for these series are shown on page C-1.

CYCLICAL INDICATORS

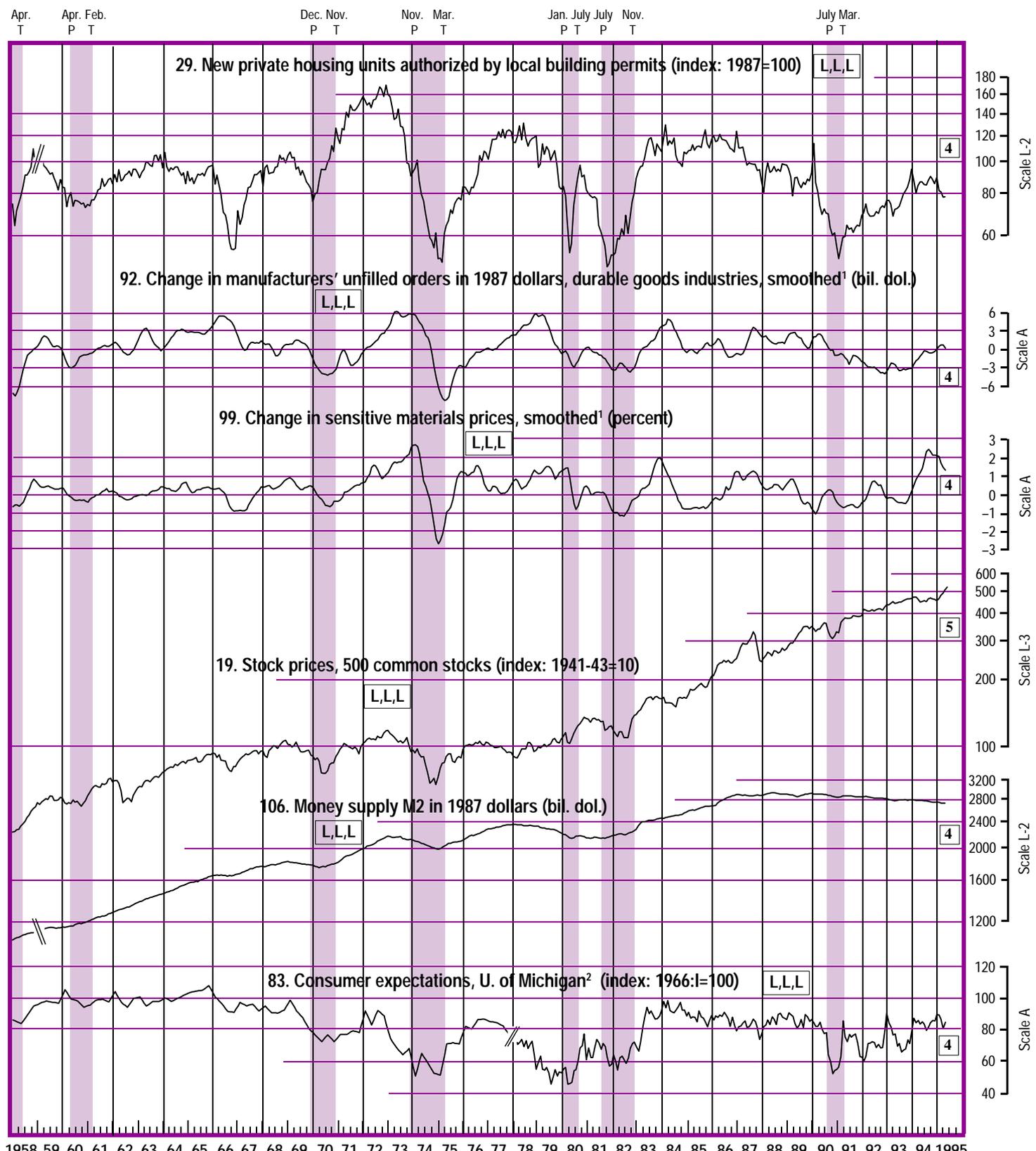
Composite Indexes: Leading Index Components



NOTE.—Current data for these series are shown on page C-1.

CYCLICAL INDICATORS

Composite Indexes: Leading Index Components—Continued



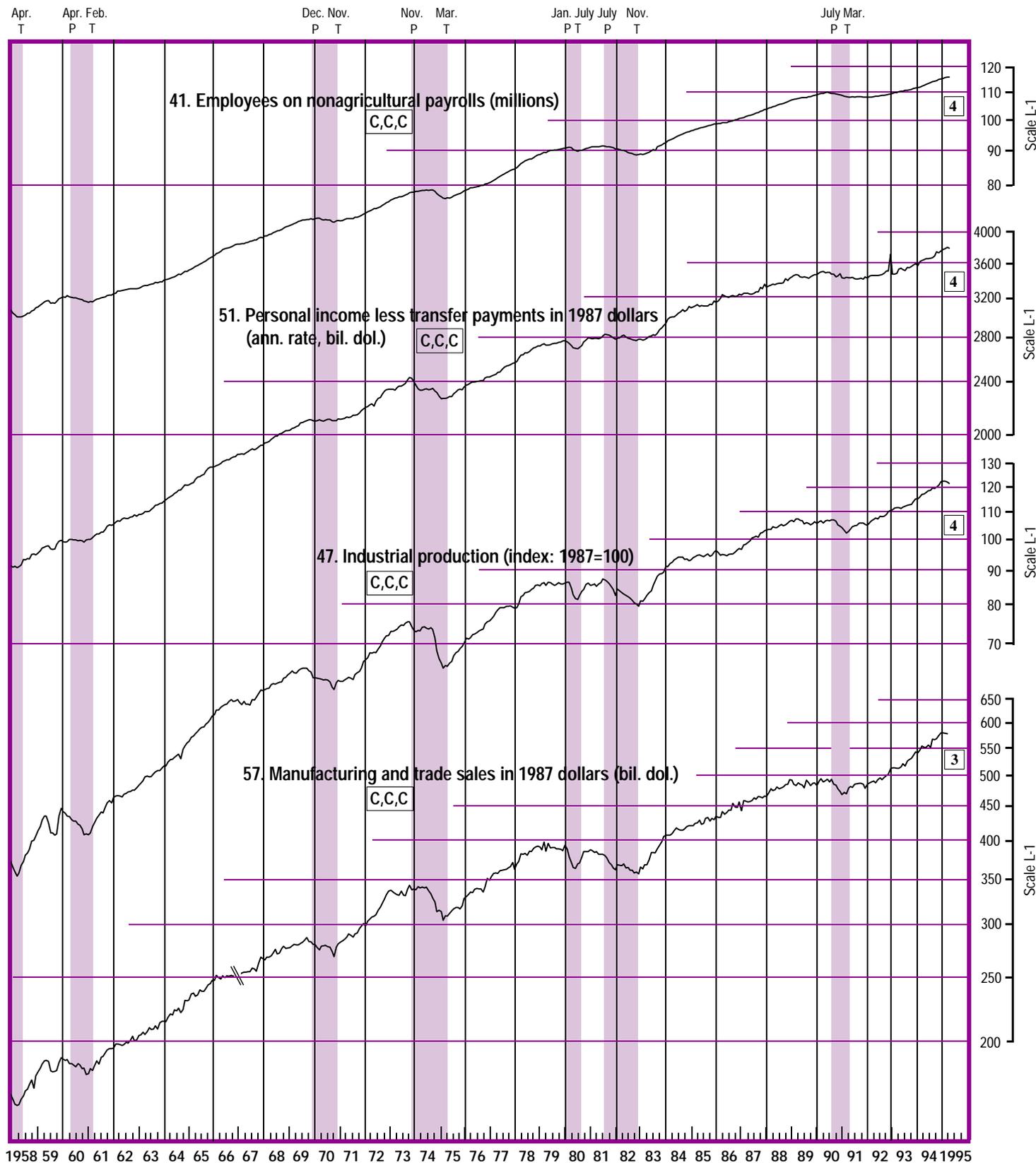
1. This series is smoothed by an autoregressive-moving-average filter developed by Statistics Canada.

NOTE.—Current data for these series are shown on page C-1.

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CYCLICAL INDICATORS

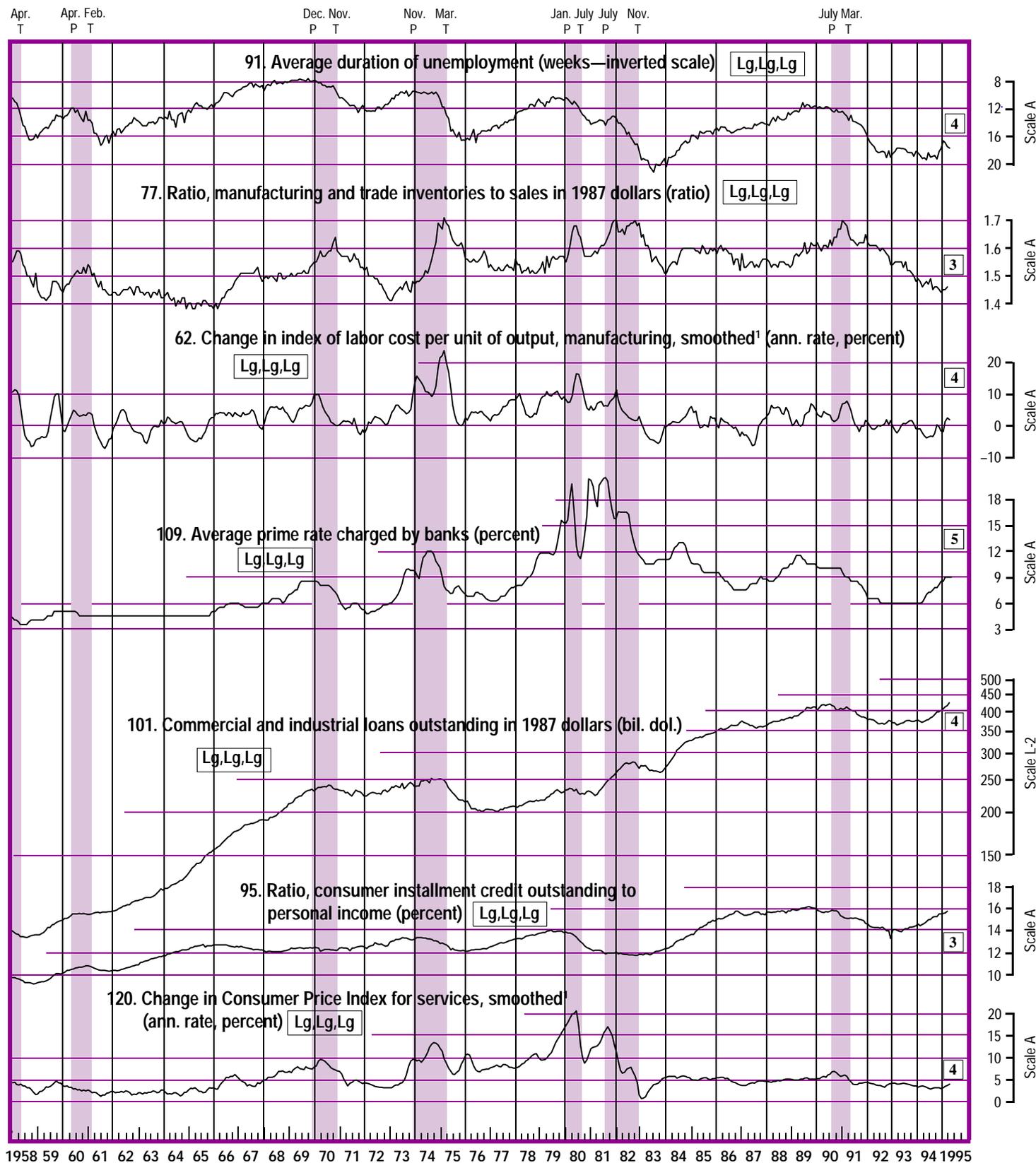
Composite Indexes: Coincident Index Components



NOTE.—Current data for these series are shown on page C-1.

CYCLICAL INDICATORS

Composite Indexes: Lagging Index Components



1. This series is smoothed by an autoregressive-moving-average filter developed by Statistics Canada.

NOTE.—Current data for these series are shown on page C-1.

CYCLICAL INDICATORS

Employment and Unemployment

Dec. P T Nov. P T Nov. P T Mar. T Jan. P T July P T July P Nov. T JulyMar. P T

21. Average weekly overtime hours of production or nonsupervisory workers, manufacturing (hours)

L,C,L

Scale A
5
4
3
2

46. Help-wanted advertising in newspapers (index: 1967=100)

L,Lg,U

Scale L-2
180
160
140
120
100
80

48. Employee hours in nonagricultural establishments (ann. rate, bil. hours)

U,C,C

Scale L-1
240
220
200
180
160
140

40. Employees on nonagricultural payrolls, goods-producing industries (millions)

L,C,U

Scale L-1
28
26
24
22

90. Ratio, civilian employment to population of working age (percent)

U,Lg,U

Scale A
64
62
60
58
56

43. Civilian unemployment rate (percent—inverted scale)

L,Lg,U

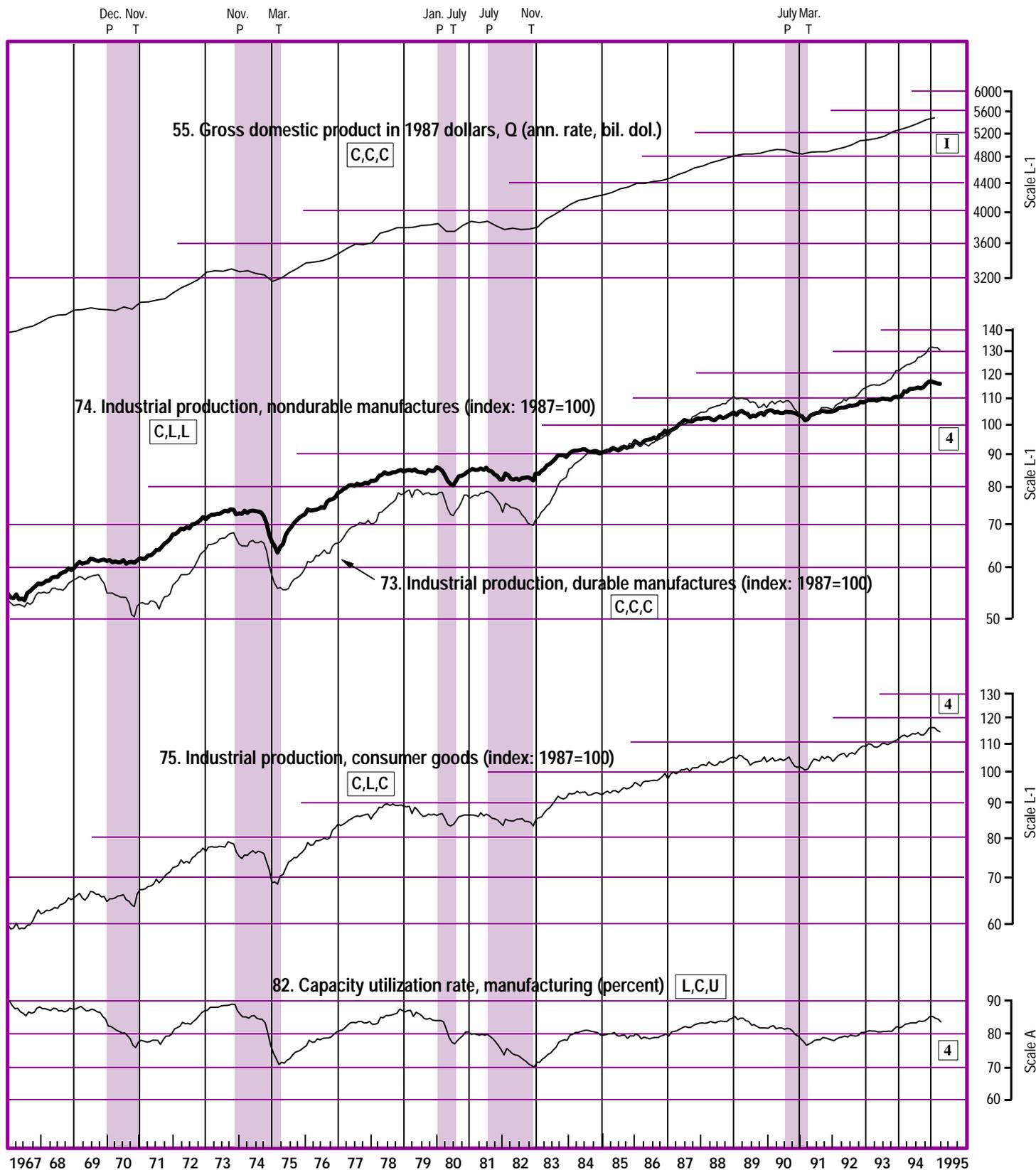
Scale A
3
5
7
9
11

1967 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 1995

NOTE.—Current data for these series are shown on page C-2.

CYCLICAL INDICATORS

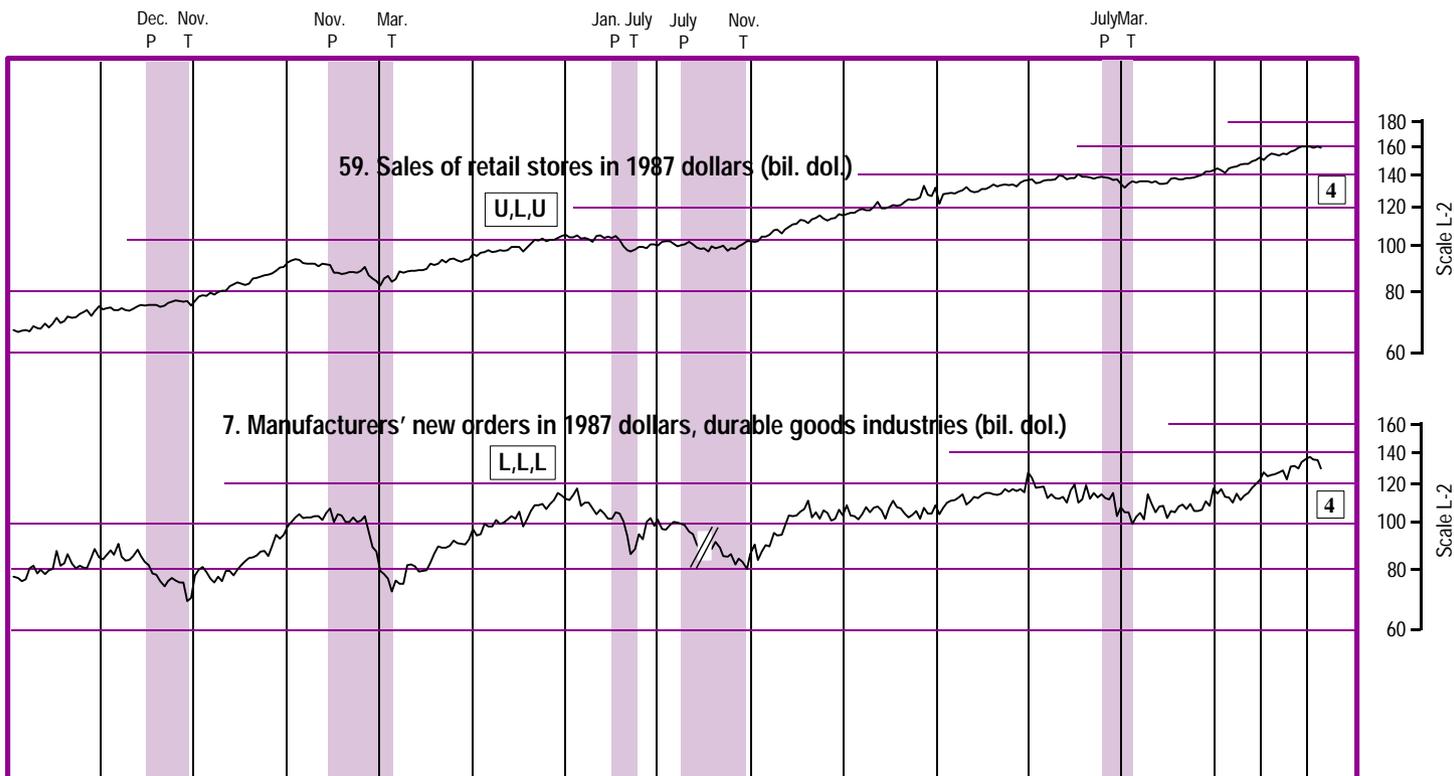
Output, Production, and Capacity Utilization



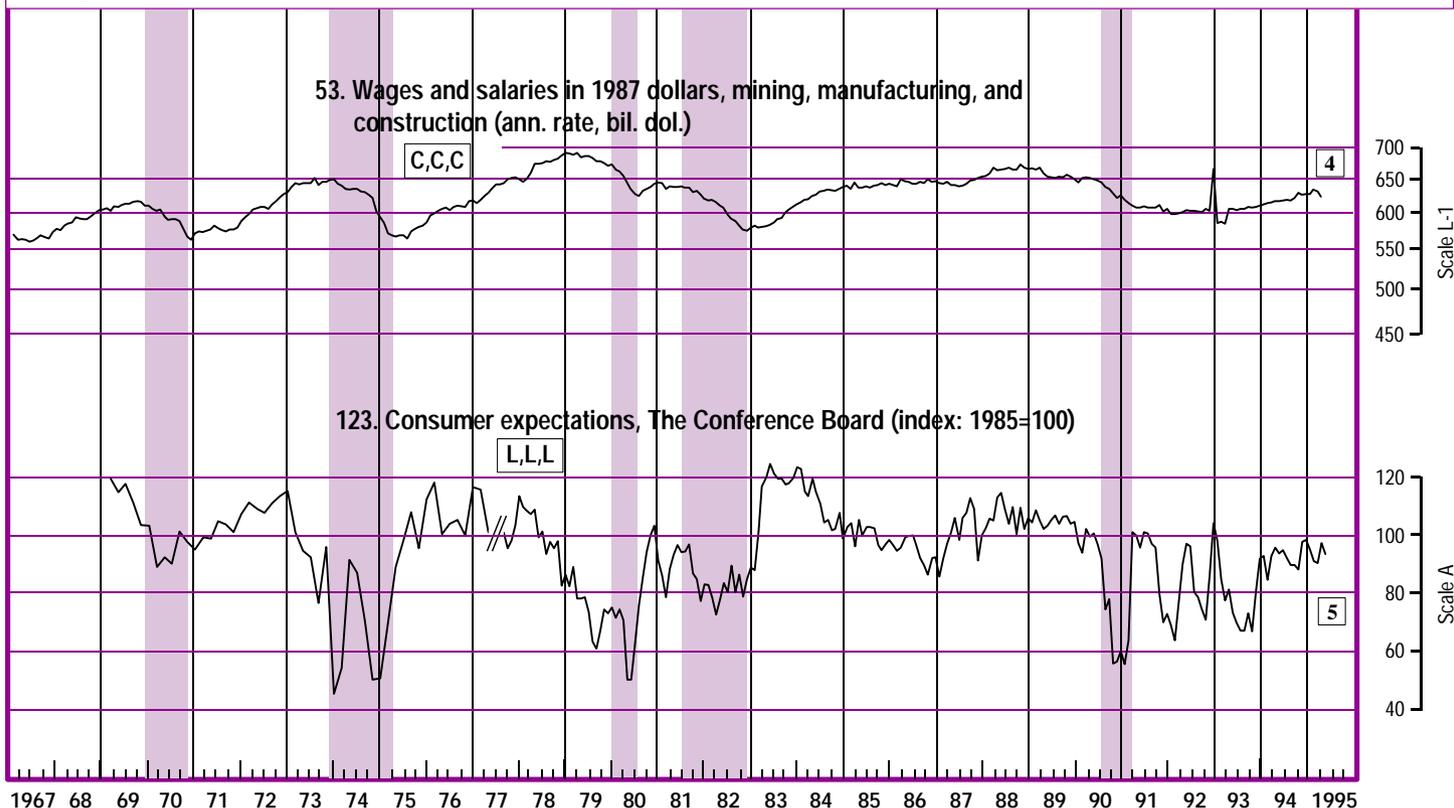
NOTE.—Current data for these series are shown on page C-2.

CYCLICAL INDICATORS

Sales and Orders

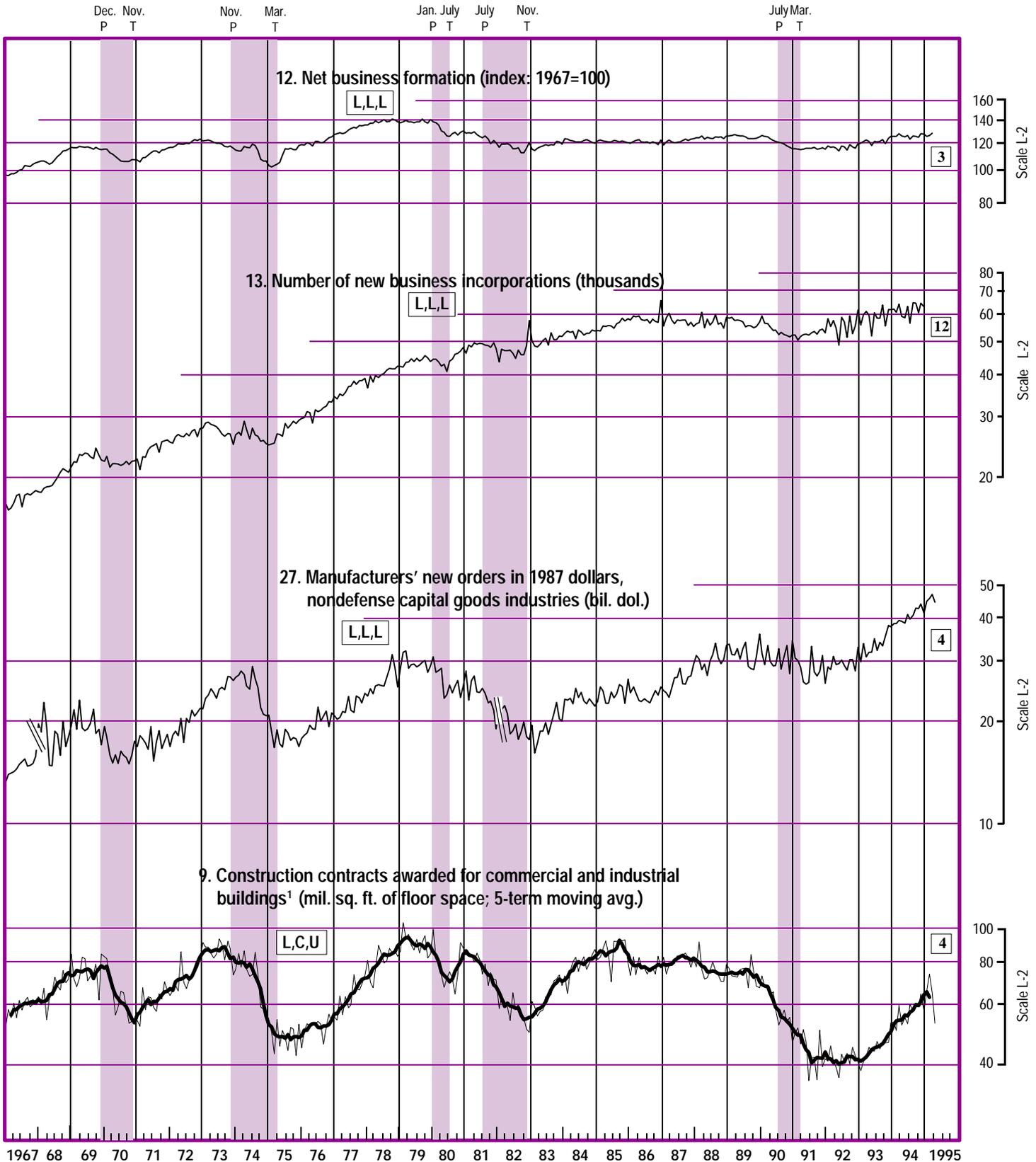


Wages and Consumer Attitudes



NOTE.—Current data for these series are shown on pages C-2 and C-4.

CYCLICAL INDICATORS

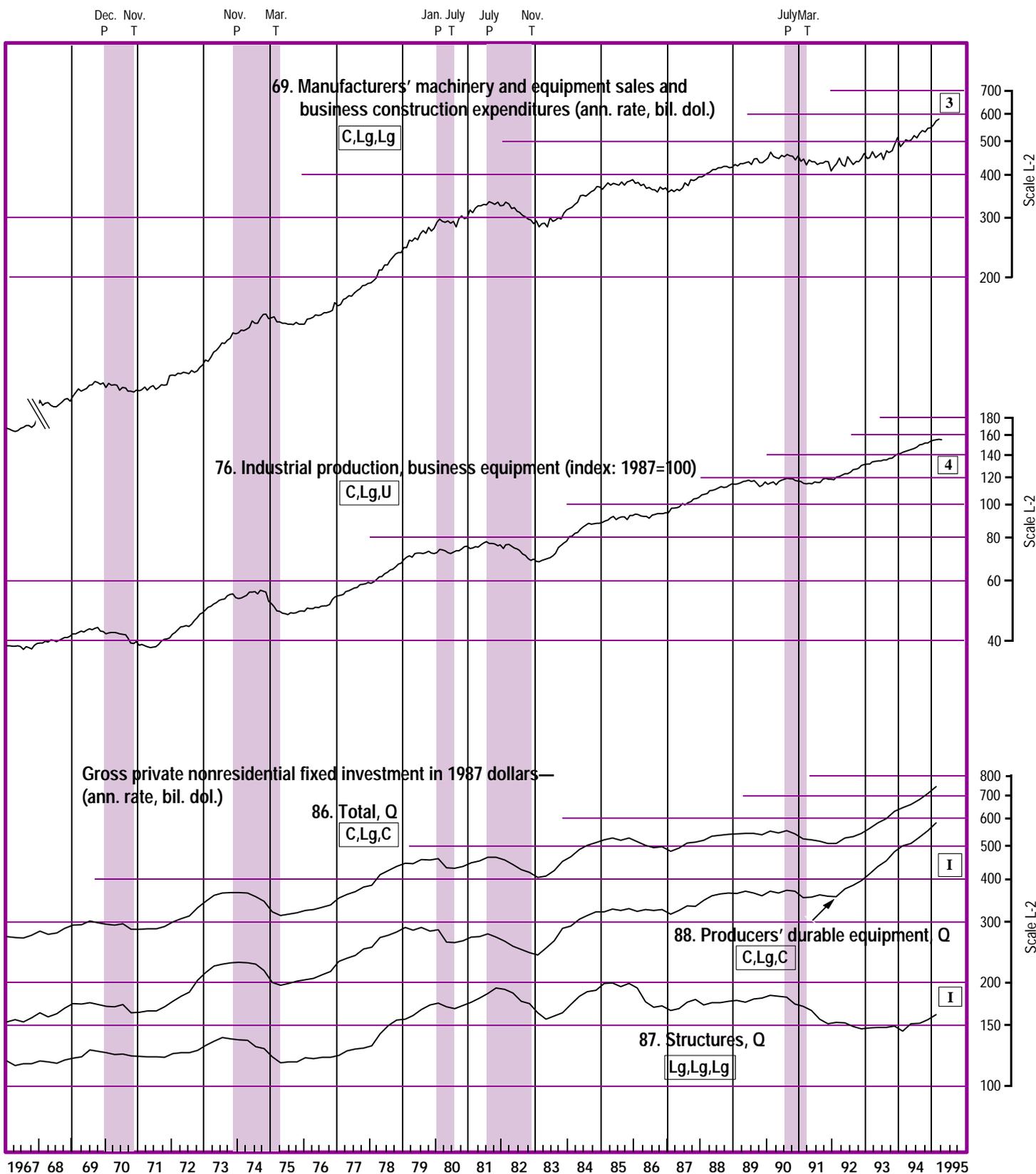


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NOTE.—Current data for these series are shown on page C-2.

CYCLICAL INDICATORS

Fixed Capital Investment—Continued



NOTE.—Current data for these series are shown on pages C-2 and C-3.

CYCLICAL INDICATORS

Fixed Capital Investment—Continued

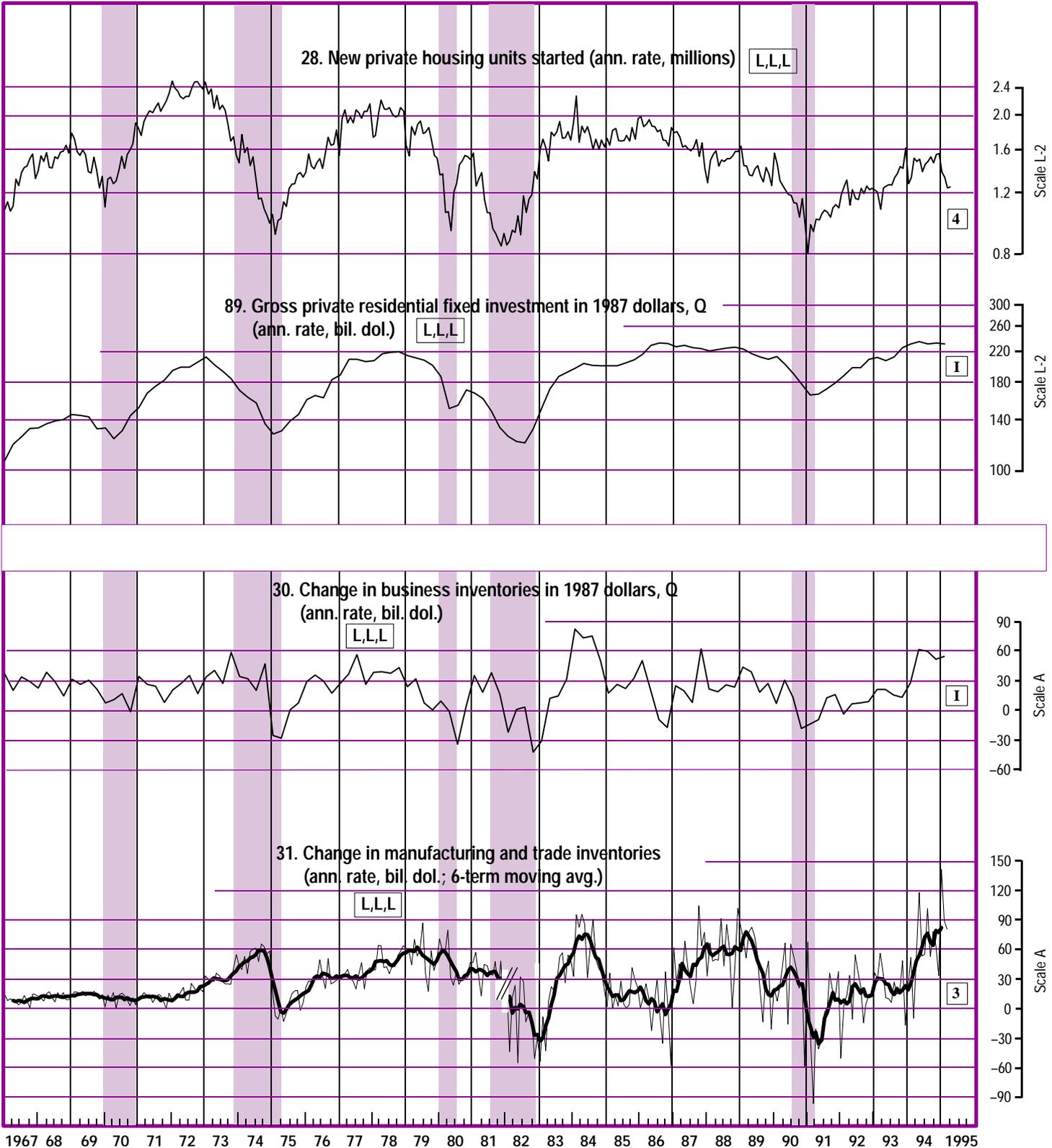
Dec. P Nov. T Nov. P Mar. T Jan. P July T July P Nov. T July P Mar. T

28. New private housing units started (ann. rate, millions) L,L,L

89. Gross private residential fixed investment in 1987 dollars, Q (ann. rate, bil. dol.) L,L,L

30. Change in business inventories in 1987 dollars, Q (ann. rate, bil. dol.) L,L,L

31. Change in manufacturing and trade inventories (ann. rate, bil. dol.; 6-term moving avg.) L,L,L

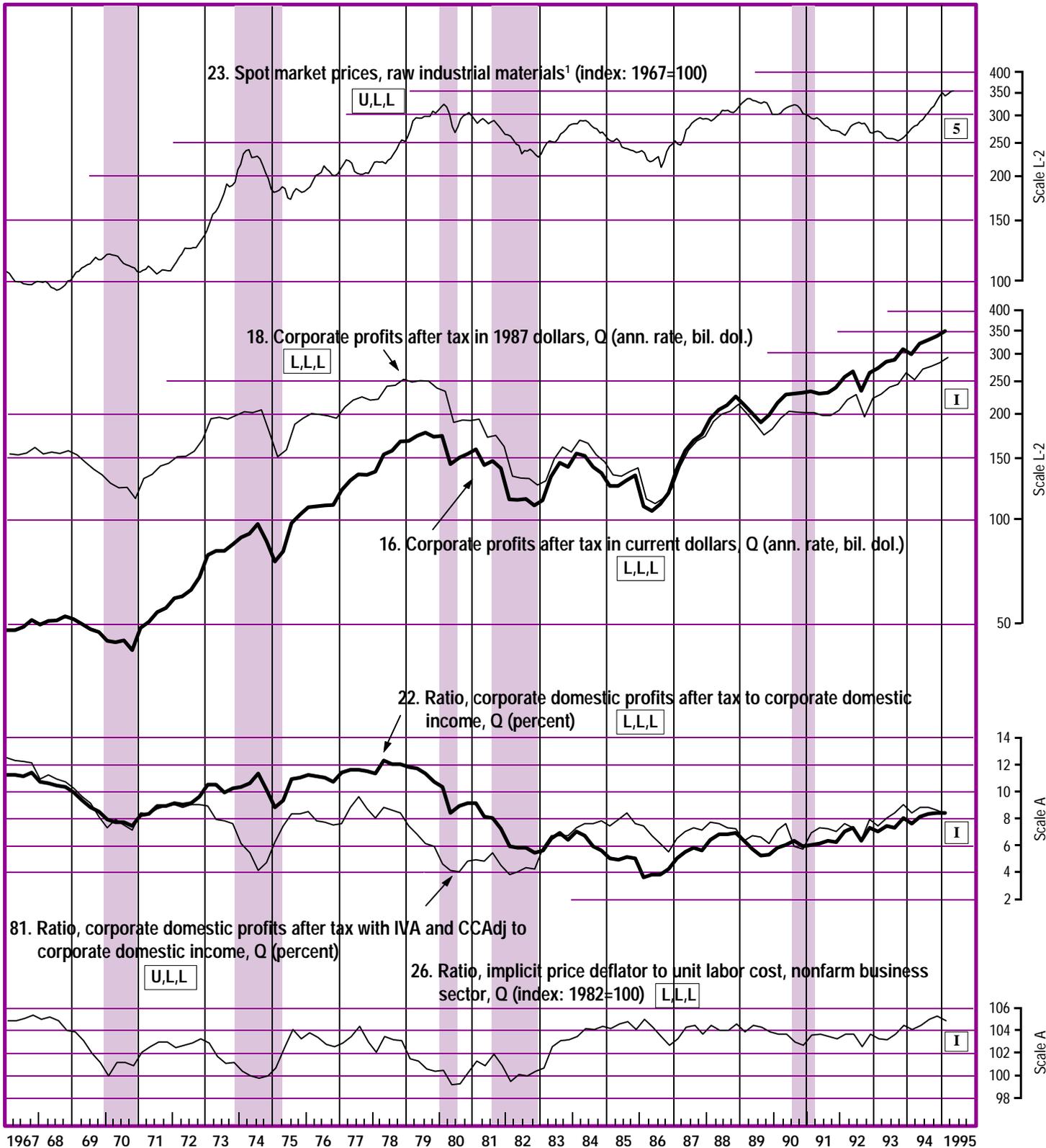


NOTE.—Current data for these series are shown on page C-3.

CYCLICAL INDICATORS

Prices and Profits

Dec. P Nov. T Nov. P Mar. T Jan. P July T July P Nov. T July P Mar. T



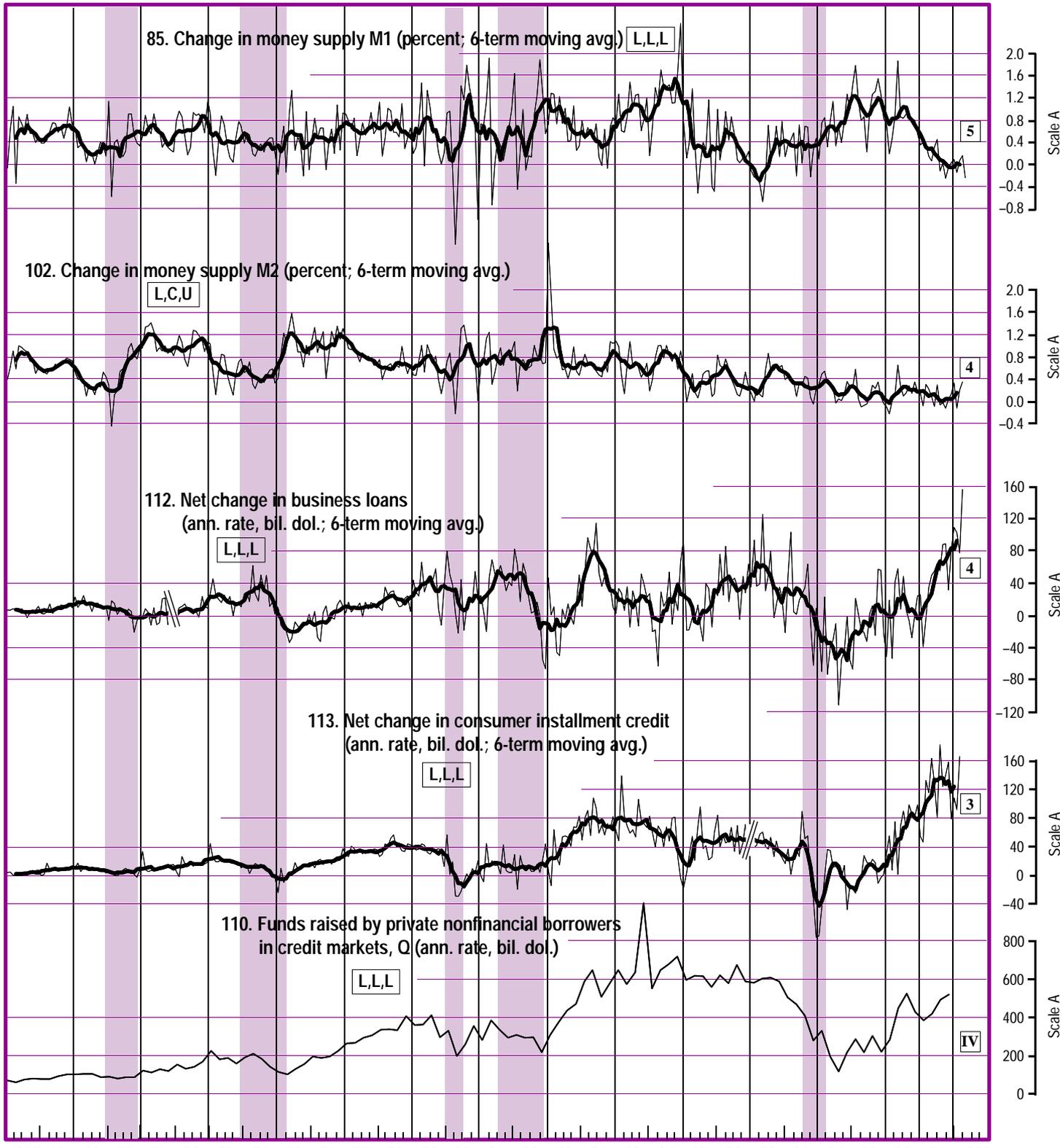
IVA Inventory valuation adjustment. CCAdj Capital consumption adjustment.
NOTE.—Current data for these series are shown on pages C-3 and C-4.

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CYCLICAL INDICATORS

Money, Credit, and Interest Rates

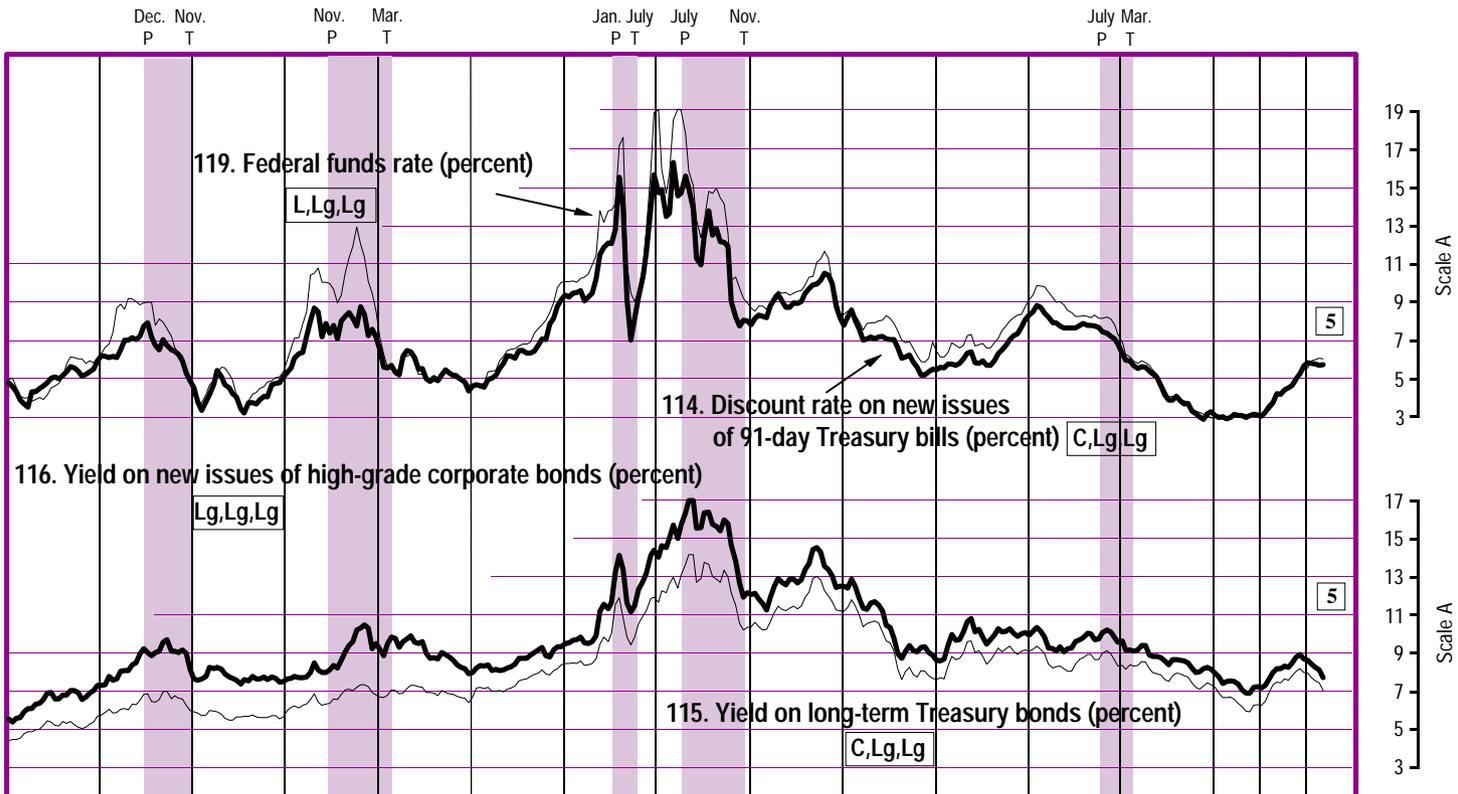
Dec. P Nov. T Nov. P Mar. T Jan. P July T July P Nov. T July P Mar. T



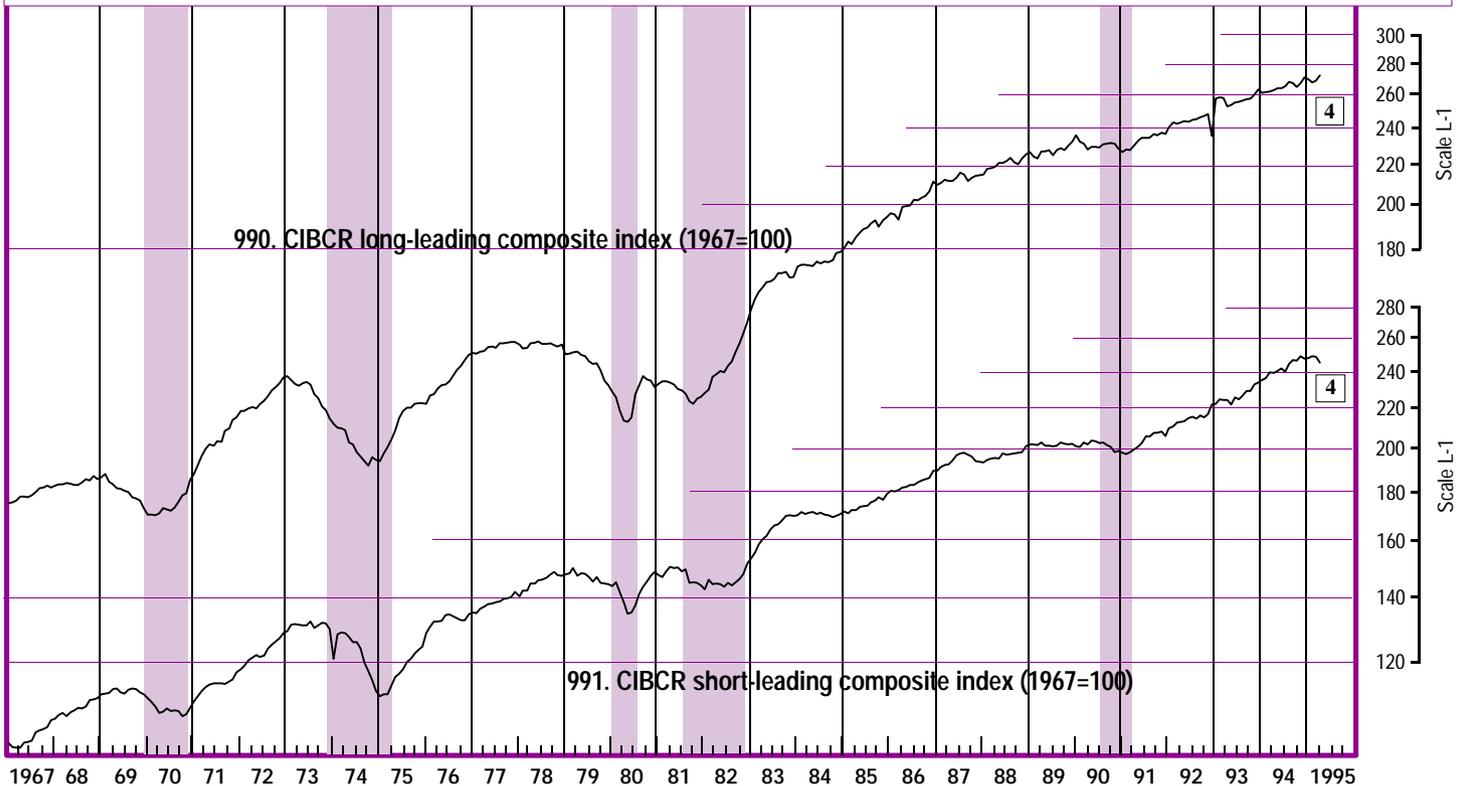
NOTE.—Current data for these series are shown on page C-4.

CYCLICAL INDICATORS

Money, Credit, and Interest Rates—Continued



Alternative Composite Indexes

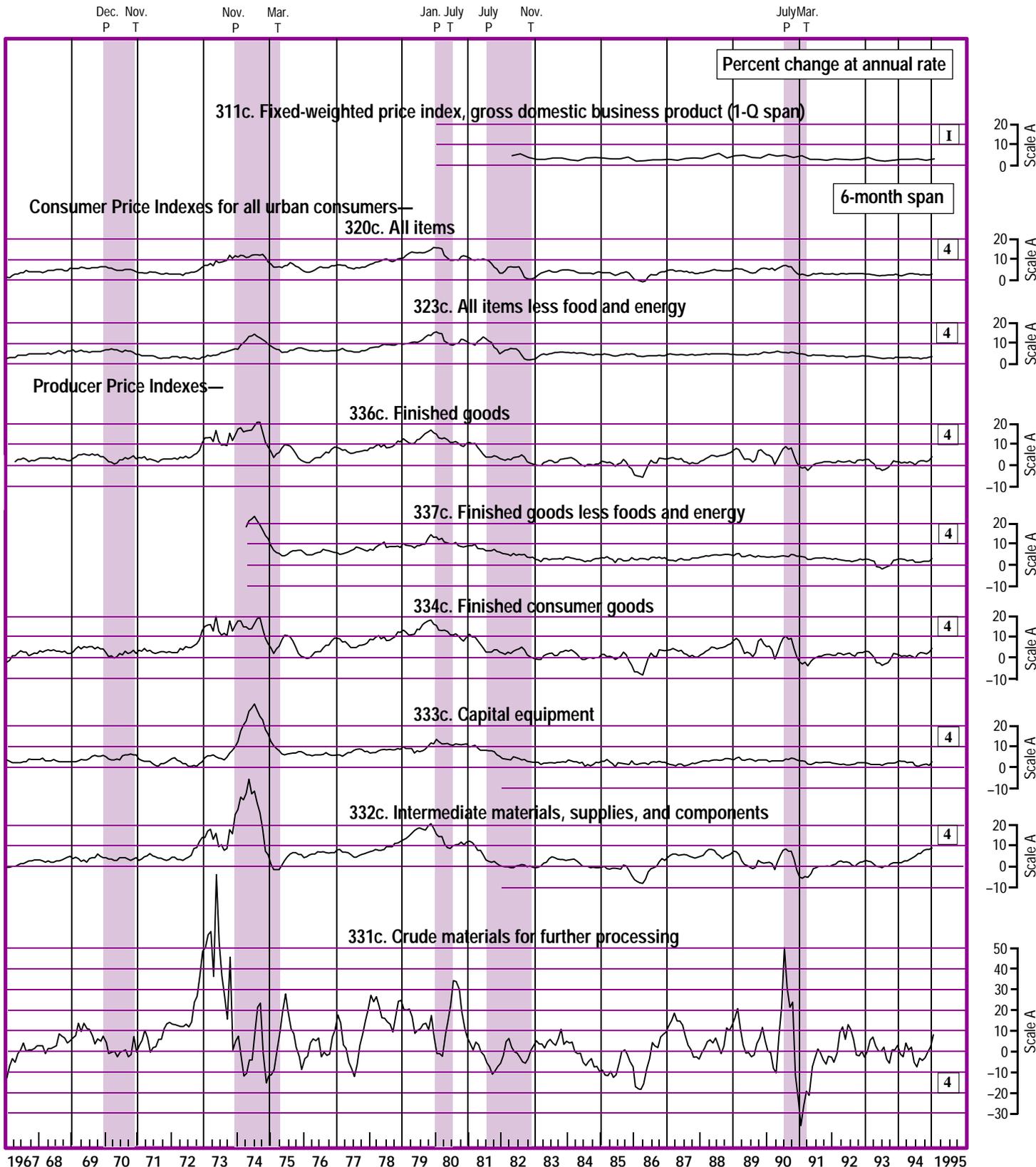


CIBCR Center for International Business Cycle Research (Columbia University).

NOTE.—Current data for these series are shown on page C-5.

OTHER IMPORTANT ECONOMIC MEASURES

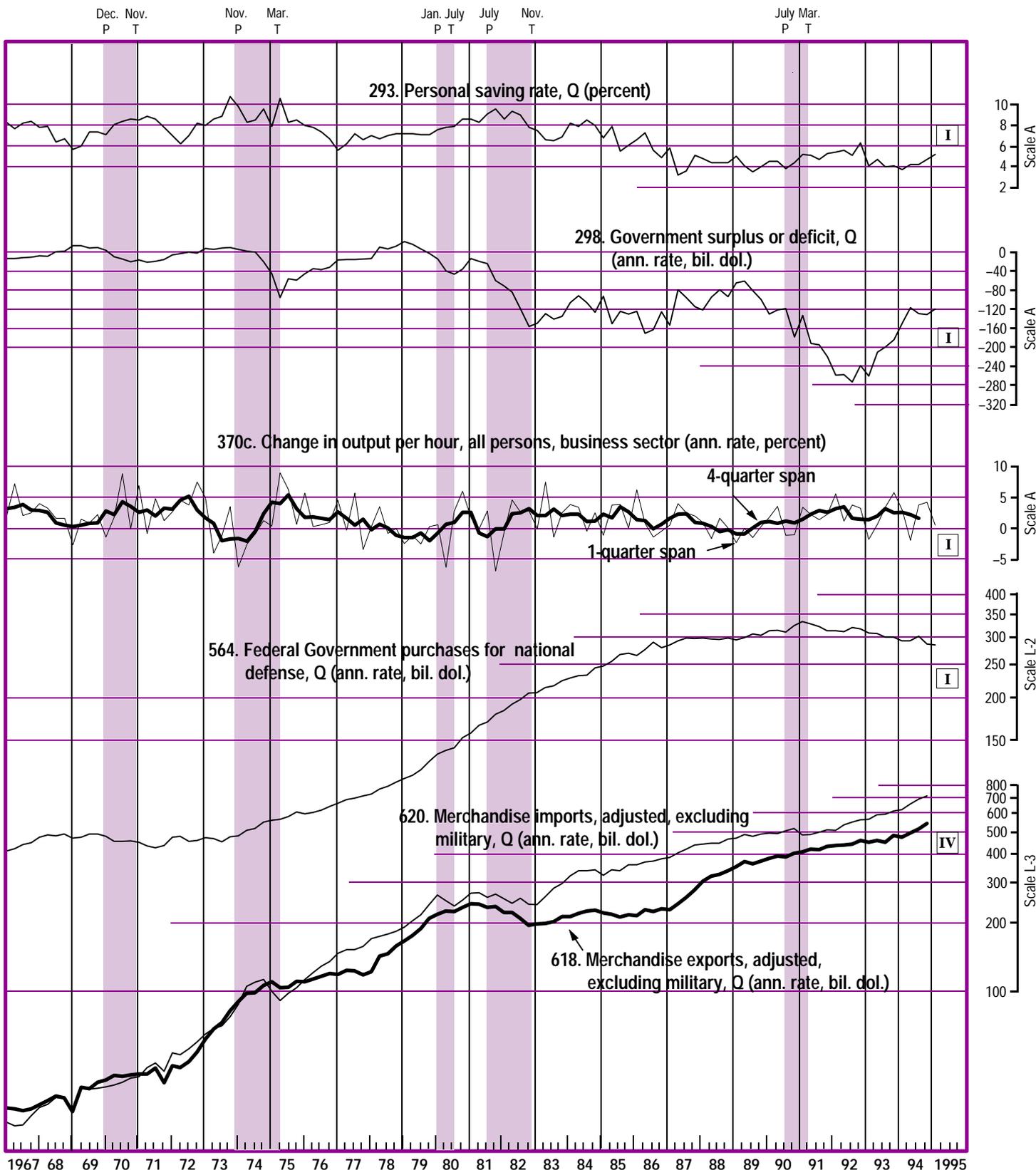
Prices



NOTE.—Current data for these series are shown on page C-3.

OTHER IMPORTANT ECONOMIC MEASURES

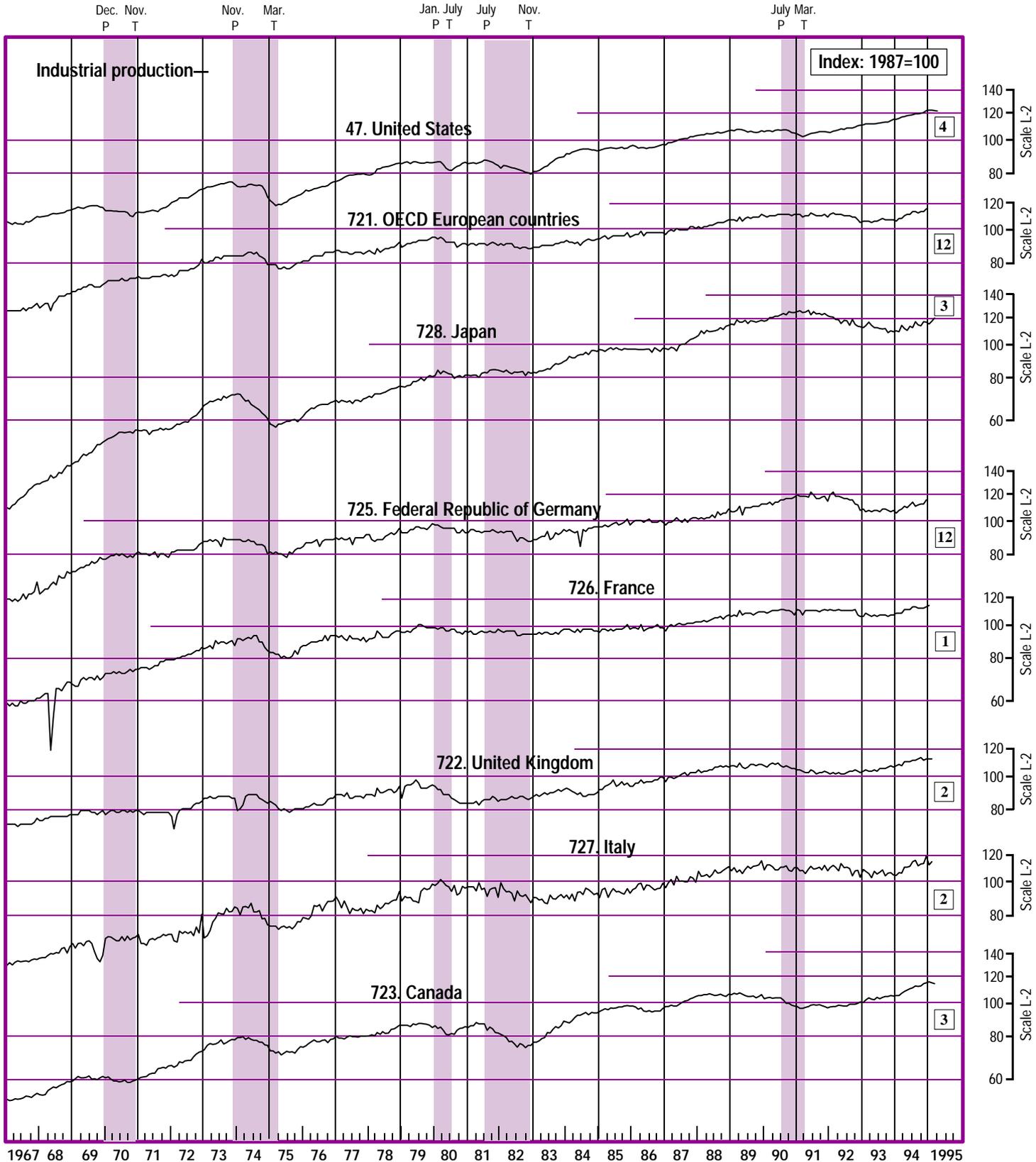
Other Measures



NOTE.—Current data for these series are shown on pages C-4 and C-5.

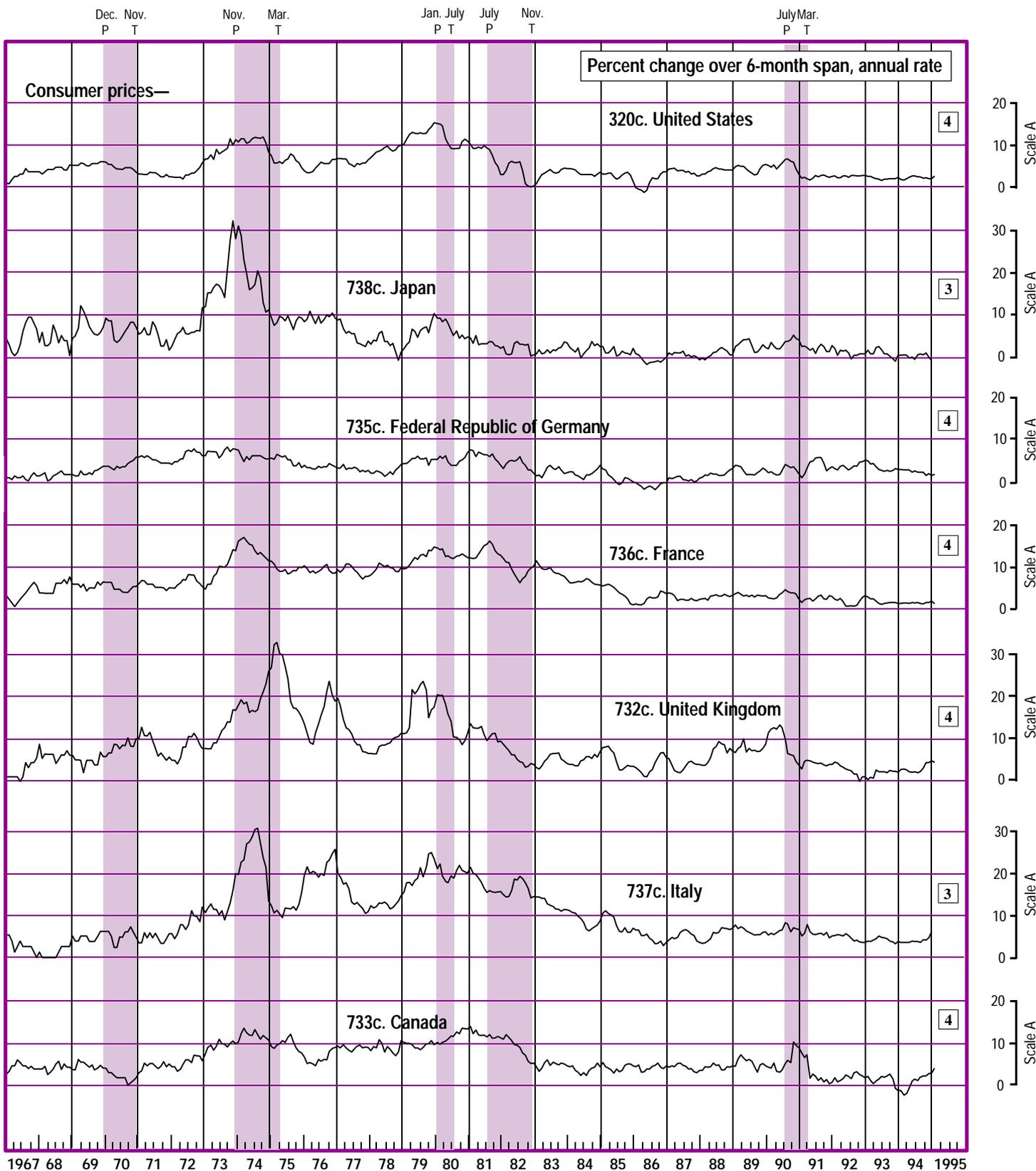
OTHER IMPORTANT ECONOMIC MEASURES

International Industrial Production



OTHER IMPORTANT ECONOMIC MEASURES

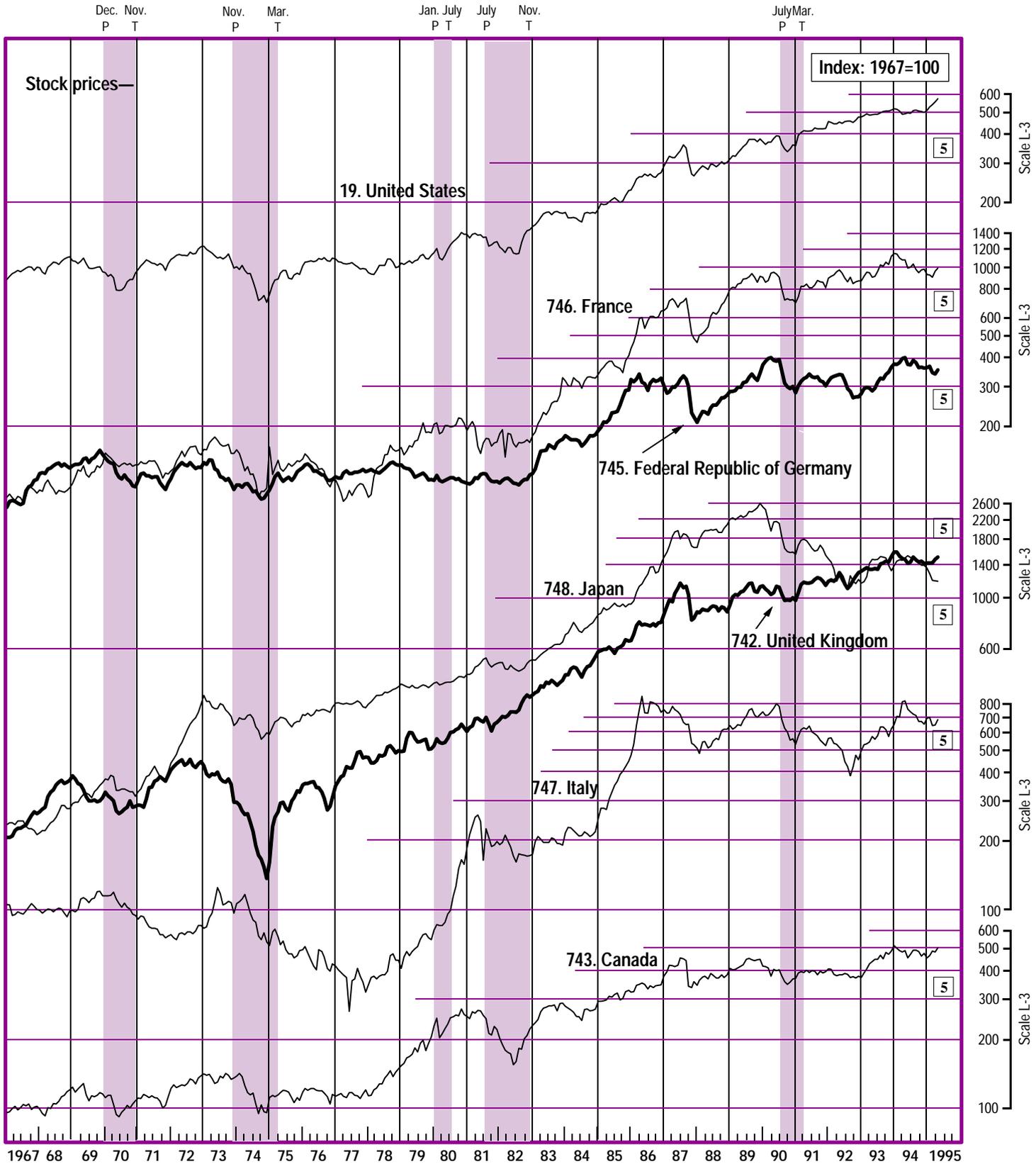
International Consumer Prices



NOTE.—Current data for these series are shown on page C-5.

OTHER IMPORTANT ECONOMIC MEASURES

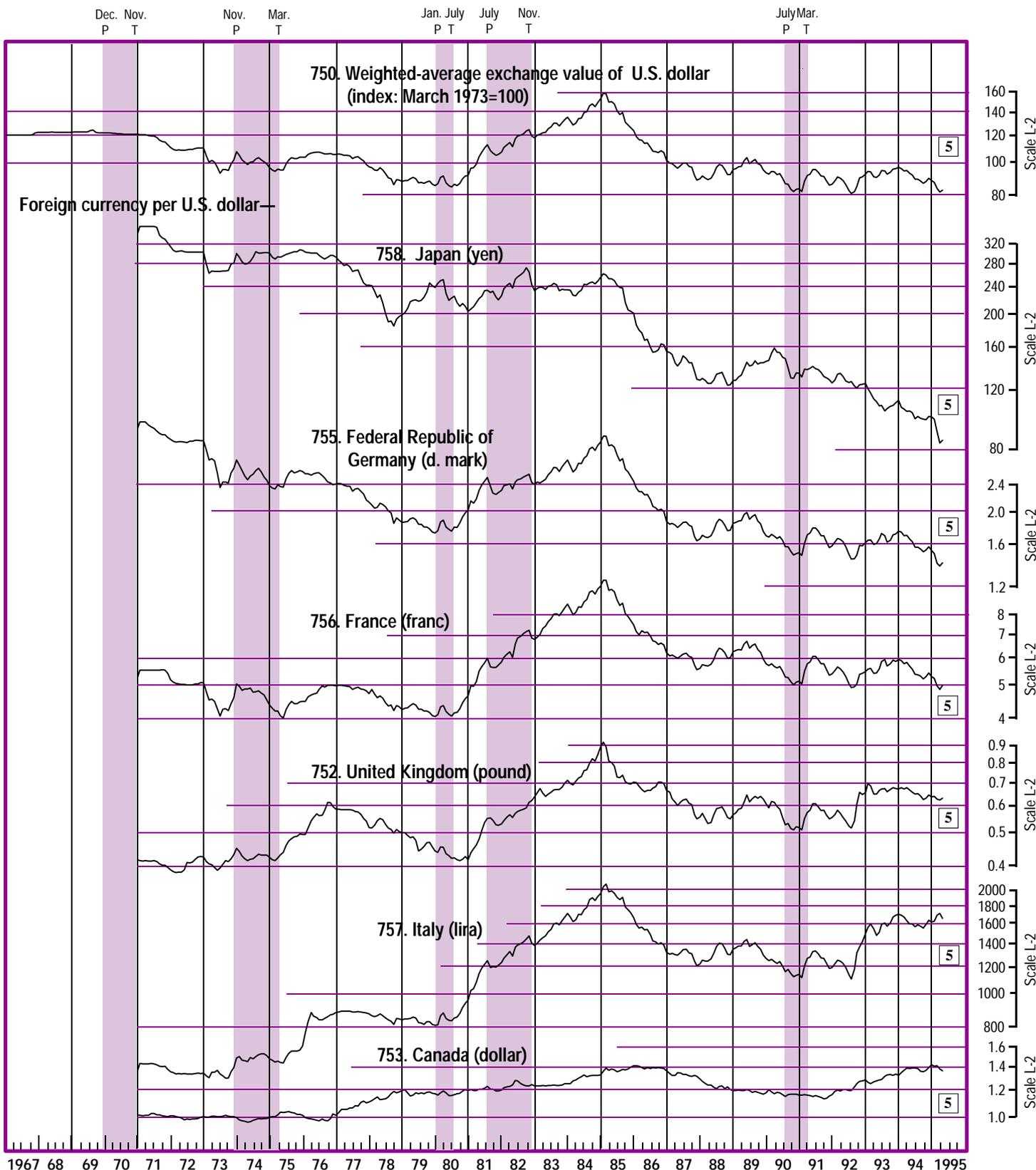
International Stock Prices



NOTE.—Current data for these series are shown on page C-5.

OTHER IMPORTANT ECONOMIC MEASURES

International Exchange Rates



NOTE.—Current data for these series are shown on page C-5.

Index to Historical Data for Selected Series

Some issues of the SURVEY provide historical data for selected Business Cycle Indicators series. The series for which historical data have been shown are listed below by subject, by series number, and by issue. Historical data for additional series will be shown, as space allows, in future issues.

Subject	Series number	Issue	Page	Subject	Series number	Issue	Page
Bank reserves:				Interest rates—Continued:			
Free reserves	93	1/95	C-34	Federal funds rate	119	11/94	C-42
Member bank borrowings from the Federal Reserve	94	1/95	C-34	Mortgage yield, secondary market	118	11/94	C-41
Business formation:				Municipal bond yield	117	11/94	C-41
Current liabilities of business failures	14	11/94	C-30	Treasury bill rate	114	11/94	C-39
Index of net business formation	12	11/94	C-29	Treasury bond yield	115	11/94	C-40
New business incorporations	13	11/94	C-29	International comparisons:			
Business loans:				Consumer price indexes:			
Commercial and industrial loans, current dollars	72	11/94	C-36	Canada (and changes)	733	1/95	C-39
Commercial and industrial loans, 1987 dollars	101	10/94	C-48	Federal Republic of Germany (and changes)	735	1/95	C-40
Net change in business loans	112	11/94	C-38	France (and changes)	736	1/95	C-41
Capacity utilization rates:				Italy (and changes)	737	1/95	C-42
Manufacturing	82	12/94	C-33	Japan (and changes)	738	1/95	C-43
Total industry	124	12/94	C-33	United Kingdom (and changes)	732	1/95	C-38
Capital investment:				Exchange rates:			
Contracts and orders for plant and equipment, 1987 dollars ...	20	10/94	C-38	Canada	753	12/94	C-42
Machinery and equipment sales and business construction expenditures.	69	1/95	C-33	Federal Republic of Germany	755	12/94	C-43
Composite indexes:				France	756	12/94	C-43
Coincident indicators (and changes)	920	10/94	C-30-31	Italy	757	12/94	C-44
Lagging indicators (and changes)	930	10/94	C-33-34	Japan	758	12/94	C-44
Leading indicators (and changes)	910	10/94	C-28-29	United Kingdom	752	12/94	C-42
Ratio, coincident index to lagging index	940	10/94	C-35	Weighted-average exchange value of U.S. dollar	750	12/94	C-41
Consumer attitudes:				Industrial production indexes:			
Index of consumer confidence	122	11/94	C-42	Canada	723	12/94	C-35
Index of consumer expectations ¹	123	11/94	C-43	Federal Republic of Germany	725	12/94	C-36
Index of consumer expectations ²	83	10/94	C-43	France	726	12/94	C-36
Index of consumer sentiment	58	11/94	C-34	Italy	727	12/94	C-37
Consumer installment credit:				Japan	728	12/94	C-37
Delinquency rate	39	11/94	C-31	OECD, European countries	721	12/94	C-34
Net change	113	11/94	C-39	United Kingdom	722	12/94	C-35
Ratio, credit to personal income	95	10/94	C-46	Stock price indexes:			
Total outstanding	66	11/94	C-35	Canada	743	12/94	C-39
Diffusion indexes:				Federal Republic of Germany	745	12/94	C-39
Coincident indicator components	951	10/94	C-32	France	746	12/94	C-40
Lagging indicator components	952	10/94	C-34-35	Italy	747	12/94	C-40
Leading indicator components	950	10/94	C-29-30	Japan	748	12/94	C-41
Employment:				United Kingdom	742	12/94	C-38
Average weekly hours, manufacturing	1	10/94	C-36	United States (1967=100)	19	12/94	C-38
Average weekly overtime hours, manufacturing	21	1/95	C-29	Inventories:			
Civilian employment	442	1/95	C-36	Manufacturing and trade, change	31	1/95	C-29
Civilian labor force	441	1/95	C-35	Manufacturing and trade, 1987 dollars	70	11/94	C-35
Diffusion index of employees on private nonagricultural payrolls.	963	1/95	C-44	Ratio, manufacturing and trade inventories to sales, 1987 dollars.	77	10/94	C-43
Employee hours in nonagricultural establishments	48	1/95	C-32	Labor cost per unit of output, manufacturing, index (and changes).	62	12/94	C-29-30
Employees in goods-producing industries	40	1/95	C-30	Money supply:			
Employees on nonagricultural payrolls	41	10/94	C-39	Change in money supply M1	85	11/94	C-36
Index of help-wanted advertising	46	11/94	C-32	Change in money supply M2	102	11/94	C-37
Participation rate, both sexes 16-19 years of age	453	1/95	C-37	Money supply M1, 1987 dollars	105	11/94	C-38
Participation rate, females 20 years and over	452	1/95	C-37	Money supply M2, 1987 dollars	106	10/94	C-48
Participation rate, males 20 years and over	451	1/95	C-36	New orders, consumer goods and materials, 1987 dollars	8	10/94	C-37
Persons engaged in nonagricultural activities	42	1/95	C-31	Prices:			
Ratio, civilian employment to population	90	1/95	C-33	Consumer Price Index, all items (and changes)	320	11/94	C-43-44
Housing:				Consumer Price Index for services (and changes)	120	10/94	C-49-50
Index of new private housing units authorized by local building permits.	29	10/94	C-38	Index of producer prices for sensitive crude and intermediate materials.	98	11/94	C-37
New private housing units started	28	11/94	C-31	Index of sensitive materials prices (and changes)	99	10/94	C-46-47
Income:				Index of spot market prices, raw industrial materials	23	11/94	C-30
Personal income less transfer payments, 1987 dollars	51	10/94	C-40	Sales:			
Personal income, 1987 dollars	52	11/94	C-33	Manufacturing and trade, 1987 dollars	57	10/94	C-41
Ratio, personal income to money supply	108	1/95	C-35	Retail stores, 1987 dollars	59	11/94	C-34
Wages and salaries in mining, manufacturing, and construction, 1987 dollars.	53	11/94	C-33	Stock price index, 500 common stocks	19	10/94	C-37
Industrial production indexes:				Unemployment:			
Business equipment	76	12/94	C-32	Average duration in weeks	91	10/94	C-44
Consumer goods	75	12/94	C-32	Average weekly initial claims for unemployment insurance	5	10/94	C-36
Defense and space equipment	557	12/94	C-34	Civilian unemployment rate	43	11/94	C-32
Durable manufactures	73	12/94	C-31	Number of persons unemployed	37	1/95	C-30
Nondurable manufactures	74	12/94	C-31	Ratio, help-wanted advertising to number unemployed	60	1/95	C-32
Total	47	12/94	C-29	Unemployment rate, 15 weeks and over	44	1/95	C-31
Interest rates:				Unfilled orders, durable goods, 1987 dollars (and changes)	92	10/94	C-44-45
Average prime rate charged by banks	109	10/94	C-49	Vendor performance, slower deliveries diffusion index	32	10/94	C-39
Corporate bond yield	116	11/94	C-40				

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Gross Domestic Product, 1st quarter 1995 (final).....	June 30
Corporate Profits, 1st quarter 1995 (revised).....	June 30
Personal Income and Outlays, May 1995.....	July 3
Composite Indexes of Leading, Coincident, and Lagging Indicators, May 1995.....	July 6
U.S. International Trade in Goods and Services, May 1995.....	* July 18
State Personal Income, 1st quarter 1995.....	July 26
Gross Domestic Product, 2nd quarter 1995 (advance).....	July 28
Personal Income and Outlays, June 1995.....	July 31
Composite Indexes of Leading, Coincident, and Lagging Indicators, June 1995.....	Aug. 2
U.S. International Trade in Goods and Services, June 1995.....	* Aug. 17
State Per Capita Personal Income, 1994 (revised).....	Aug. 23
Gross Domestic Product, 2nd quarter 1995 (preliminary).....	Aug. 30
Corporate Profits, 2nd quarter 1995 (preliminary).....	Aug. 30
Personal Income and Outlays, July 1995.....	Aug. 31
Composite Indexes of Leading, Coincident, and Lagging Indicators, July 1995.....	Sept. 1
U.S. International Transactions, 2nd quarter 1995.....	Sept. 12
U.S. International Trade in Goods and Services, July 1995.....	* Sept. 20
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