

Summary of the Revisions to the National Income and Product Accounts (NIPA's) for 1999:I - 2002:I

The revised estimates reveal a longer downturn in 2001 in real GDP.

- GDP declined for three consecutive quarters, rather than the single-quarter decline in 2001:III shown in previously published estimates. Real GDP reached a peak in 2000:IV; over the first three quarters of 2001, real GDP decreased at an average annual rate of 0.8 percent. Real GDP increased 2.7 percent in the fourth quarter of 2001 and 5.0 percent in the first quarter of 2002.

Growth in real GDP over the entire revision period was revised down.

- From 1998 to 2001, the average annual growth of real GDP was revised down from 3.1 percent to 2.7 percent. The largest contributors to the downward revisions were downward revisions to the growth of personal consumption expenditures and of nonresidential fixed investment.
- From 2000:IV to 2001:IV, growth of real GDP was revised down from 0.5 percent to 0.1 percent. In the revised estimates, personal consumption expenditures (PCE) for services, state and local consumption expenditures and gross investment, exports of services, residential investment, PCE for durable goods, and imports of goods were weaker. Imports of services, federal consumption expenditures and gross investment, nonresidential fixed investment, PCE for nondurable goods, and change in private inventories were stronger.

The average increase from 1998:IV to 2002:I in the price index for gross domestic purchases was unrevised at 1.8 percent.

Real disposable personal income (real DPI) was revised up for 1999, was revised up for 2000, and was revised down for 2001. From 1998:IV to 2002:I, the growth of real DPI was revised down from 3.6 percent to 3.4 percent.

The personal saving rate (personal saving as a percentage of DPI) was revised up from 2.4 percent to 2.6 percent for 1999, was revised up from 1.0 percent to 2.8 percent for 2000, and was revised up from 1.6 percent to 2.3 percent for 2001.

Corporate profits from current production -- profits before tax with inventory valuation and capital consumption adjustments -- was revised down for all 3 years: \$19.4 billion for 1999, \$88.3 billion for 2000, and \$35.5 billion for 2001. For 1999, profits before tax (PBT) accounted for most of the revision. For 2000 and 2001, large downward revisions to PBT and a smaller downward revisions to the capital consumption adjustment accounted for the revision.

The statistical discrepancy, current-dollar GDP less current-dollar gross domestic income, as a percentage of GDP was revised from -0.8 percent to -0.4 percent for 1999, was revised less than 0.1 percentage point at -1.3 percent for 2000, and was revised from -1.5 percent to -1.2 percent for 2001.