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SURVEY *of* CURRENT BUSINESS



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*Preview of the NIPA Comprehensive Revision:
Statistical Changes
U.S. International Services, 1997–1998*

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THIS ISSUE of the SURVEY went to the printer on October 13, 1999.

It incorporates data from the following monthly BEA news releases:

U.S. International Trade in Goods and Services (September 21),

Gross Domestic Product (September 30), and

Personal Income and Outlays (October 1).

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Special in this issue

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

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

Regular features

1 Business Situation

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

20 U.S. International Transactions, Second Quarter 1999

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

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

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

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LOOKING AHEAD

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



Getting BEA's Estimates

Estimates and related information are available in news releases and publications and on diskettes, CD-ROM's, and the BEA Web site. The news releases are now posted on the Web site within minutes of the official time of release. Our online *Catalog of Products* provides product descriptions and includes links to compressed files of our diskette products that can be downloaded for free.

Our most recent Web site postings and statistical products are listed below.

www.bea.doc.gov

October 1999 Survey of Current Business

Click on "Survey of Current Business and other BEA Publications," and look under "Table of contents."

Selected NIPA Tables, Second Quarter 1999 (Final)

Click on "GDP and related data," and look under "More comprehensive estimates."

Comprehensive NIPA Revision

Click on "Upcoming Comprehensive Revision of the National Income and Product Accounts."

U.S. International Transactions, Second Quarter 1999

Under "International," click on "Data," and look under "Balance of payments."

Diskettes and CD-ROM's

FDIUS: Preliminary Results From the 1997 Benchmark Survey (Diskette, IDN-0244, \$20.00)

Contains information on the financial structure and operations of the U.S. affiliates of foreign direct investors.

FDIUS: Balance of Payments and Direct Investment Position Estimates, 1987-98 (Diskette, IDN-0242, \$20.00)

Contains annual estimates of the foreign direct investment position in the United States and of balance-of-payments transactions between U.S. affiliates and their foreign parents.

USDIA: Balance of Payments and Direct Investment Position Estimates, 1982-98 (Diskette, IDN-0241, \$20.00)

Contains annual estimates of the U.S. direct investment position abroad and of balance-of-payments transactions between U.S. parents and their foreign affiliates.

USDIA: Operations of U.S. Parent Companies and Their Foreign Affiliates, Preliminary 1997 Estimates (Diskette, IDN-0239, \$20.00) and Revised 1996 Estimates (Diskette, IDN-0238, \$20.00)

Each diskette presents estimates covering the financial structure and operations of U.S. multinational companies and their foreign affiliates.

U.S. International Transactions, Second Quarter 1999 (Diskette, IDN-0243, \$20.00)

Contains annual estimates for 1998 and quarterly estimates for 1997:1-1999:11 on a balance-of-payments basis.

Quarterly State Personal Income, 1969:1-1999:1 (Diskette, RDN-0240, \$20.00)

Contains quarterly estimates of State personal income. Includes software with context-sensitive help menus.

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

Publications

Fixed Reproducible Tangible Wealth in the United States, 1925-94

Contains summary estimates of net stocks, depreciation, investment, and average age and detailed estimates by industry and type of equipment and structure.

Stock no. 003-010-00283-2, \$18.00.

State Personal Income, 1929-97

Presents detailed annual estimates of personal income and per capita personal income for all States and the methodology and sources of the data used to prepare the estimates. Stock no. 003-010-00280-8, \$38.00.

International Direct Investment: Studies by the Bureau of Economic Analysis

Presents a collection of studies on multinational companies, the guides to BEA's statistics, and the methodologies used to prepare the estimates. Stock no. 003-010-00278-6, \$24.00.

U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates

Two publications: ***Revised 1996 Estimates***, stock no. 003-010-00281-6, \$10.00; ***Preliminary 1997 Estimates***, stock no. 003-010-00282-4, \$10.00.

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Schedule of Upcoming BEA News Releases

| <i>Subject</i> | <i>Release Date</i> |
|--|---------------------|
| U.S. International Trade in Goods and Services, August 1999 | * Oct. 20 |
| State Personal Income, 2nd quarter 1999 | Oct. 26 |
| Gross Domestic Product, 3rd quarter 1999 (advance) | Oct. 28 |
| Personal Income and Outlays, September 1999 | Nov. 2 |
| U.S. International Trade in Goods and Services, September 1999 | * Nov. 18 |
| Gross Domestic Product, 3rd quarter 1999 (preliminary) and Corporate Profits, 3rd quarter 1999 (preliminary) | Nov. 24 |
| Personal Income and Outlays, October 1999 | Nov. 26 |
| U.S. International Transactions, 3rd quarter 1999 | Dec. 14 |
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| Gross Domestic Product, 3rd quarter 1999 (final) and Corporate Profits, 3rd quarter 1999 (revised) | Dec. 22 |
| Personal Income and Outlays, November 1999 | Dec. 23 |

** Joint release by the Bureau of the Census and BEA.*

For information, call 202-606-9900, Bureau of Economic Analysis, U.S. Department of Commerce.