

Taking Account

Estimating Cross-Border R&D Spillover Effects

The Bureau of Economic Analysis (BEA) has initiated a project, funded by the National Science Foundation, to produce a satellite account that estimates the economic contribution of research and development (R&D).

Satellite accounts are designed as supplements to BEA's national income and product accounts and input-output accounts.

A necessary step toward developing an R&D satellite account is to develop a framework for measuring cross-border spillover effects. R&D spillovers are defined as R&D-based economic contributions from entities that did not originate the R&D. To account for such spillovers, BEA economist Lawrence R. McNeil and BEA Chief Economist Barbara Fraumeni surveyed the literature on country-level spillover effects.

Their BEA working paper concluded that an approach suggested by Bin Xu and Jianmao Wang in "Capital Goods Trade and R&D Spillovers in the OECD," published in the *Canadian Journal of Economics*, might be the most appropriate trade-based methodology through which spillovers can be captured.

McNeil and Fraumeni sug-

gest an approach, relying on Xu and Wang's empirical research, to formulating accounts that would include outward and inward spillovers in gross domestic product (GDP), similar to the way exports and imports of goods and services are included in GDP estimates. BEA plans additional research in this area.

The working paper can be found on the BEA Web site, <www.bea.gov>, by clicking on "Papers and Working Papers."

Previously Published Estimates Now Available

BEA has recently made available an archive of previously published estimates of the national income and product accounts (NIPAs) and international transactions accounts.

Previously published estimates are estimates as they were originally released. For example, the original release of the preliminary NIPA estimates for the fourth quarter of 2004 is now available in the new archive. The estimates, released in February 2005, include revisions made to the advance estimates released the month before. The estimates do not include subsequent revisions to the preliminary estimates. While previously published estimates do not reflect the most up-to-date esti-

mates, which are also available, they may be useful for research purposes.

The archive can be accessed on the BEA Web site at <www.bea.gov/histdata/>.

Updated RIMS II Multipliers Now Available

The BEA Regional Economic Analysis Division has recently made available two updated RIMS II multipliers.

Detailed and aggregate-level multipliers based on the 1997 national benchmark input-output accounts and 2002 regional economic accounts data are available on BEA's Web site, as are aggregate-level multipliers based on the 2002 national annual input-output accounts and 2002 regional accounts data. Tentative plans call for BEA to incorporate 2003 data into RIMS II by September 2005. RIMS II multipliers are widely used by public and private sector economists to estimate the regional impact—on output, earnings, and employment—of economic events, such as a new airport or the construction of a sports facility.

The price is \$275 per set of multipliers. Purchase information is available on the BEA Web site at <www.bea.gov/bea/regional/rims/>.