

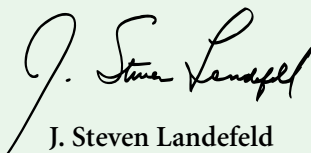
Director's Message

Providing improved data about research and development (R&D) is a high priority at BEA. And I am pleased to note an article in this month's *SURVEY OF CURRENT BUSINESS* that details R&D activity by U.S. multinational companies and their affiliates. This effort complements other initiatives at BEA, notably our R&D satellite account, the preliminary results of which were summarized in the December issue. I'd like to note also that the 2008 budget proposal, submitted by the President to Congress in February, includes a \$2.1 million request for an initiative to incorporate our measures of R&D into the national income and product accounts (NIPAs).

Speaking of the budget, another article translates the President's proposal into a government spending account that is consistent with the NIPAs. Economists and researchers often find this translation, published once a year, a useful tool for analyzing the economic consequences of the budget proposal.

This issue also includes a Research Spotlight on internal market activity at U.S. multinational companies. The article summarizes an impressive body of research by three professors—Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr.—on a wide range of topical issues. The research was based largely on BEA's firm-level international data, which was made available through a program allowing researchers to work as unpaid special sworn employees of BEA. These special employees are granted access, for research purposes, to the rich store of microdata that BEA collects under the International Investment and Trade in Services Survey Act. We started publishing Research Spotlights a few years ago and are always on the lookout for outside research based on BEA data that can be similarly presented.

As always, the first article presents the most recent estimates of gross domestic product in an easy-to-view format.



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