

## Director's Message

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In July, the Bureau of Economic Analysis (BEA) released its 2012 annual revision of the national income and product accounts. Annual revisions, as many of our data users know, incorporate newly available and more reliable source data as well as various improvements in methodology and presentation. In this issue, we offer an indepth look at the details of the annual revision.

This issue also presents updated experimental estimates of regional price parities for 2006–2010. Regional price parities measure price level differences across regions for a specific time period. An important application of these measures is the adjustment of regional data, such as personal income, to account for such price level differences.

Another article studies the historical revisions of BEA's widely followed state personal income estimates by analyzing the magnitudes of the revisions as they move through the revision cycle.

This issue also includes our annual article on the operations of U.S. affiliates of foreign companies. The current-dollar value added of these firms (their contribution to gross domestic product) rose 9.6 percent in 2010, following 2 years of declines.

I'd also like to note that BEA co-hosted the 32<sup>nd</sup> general conference of the International Association for Research in Income and Wealth on August 5–11. The goal of the event, which was held in the United States for the first time, was to discuss ideas and research that might spur innovation in measuring economic activity. Many good ideas were discussed and will help inform our long-term efforts to produce economic statistics of the highest quality. More information about the event is included in this issue's *Taking Account*.



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