



# SURVEY *of* CURRENT BUSINESS



IN THIS ISSUE . . .

*Preview of the NIPA Comprehensive Revision:  
Definitional and Classificational Changes*

*Foreign Direct Investment in the United States:  
1997 Benchmark Survey, Preliminary Results*



# SURVEY of CURRENT BUSINESS

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THIS ISSUE of the SURVEY went to the printer on August 12, 1999.  
It incorporates data from the following monthly BEA news releases:  
U.S. International Trade in Goods and Services (July 20),  
Gross Domestic Product (July 29), and  
Personal Income and Outlays (July 30).

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### 7 A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes

*The upcoming comprehensive revision of the NIPA's will feature a number of definitional and classificational changes that will significantly improve the NIPA measures of output, investment, and saving. In particular, business and government expenditures for software will be recognized as fixed investment, government employee retirement plans will be reclassified from the government sector to the personal sector, and certain transactions will be reclassified as capital transfers. The recognition of software as investment will raise GDP (for 1996, by roughly 1½ percent); the other definitional and classificational changes will have little effect on GDP, but several of them will raise private saving and reduce government saving.*

### 21 Foreign Direct Investment in the United States: Preliminary Results From the 1997 Benchmark Survey

*In 1997, U.S. affiliates of foreign companies accounted for 6.3 percent of U.S. gross product originating in private nonbank industries and for 4.9 percent of U.S. employment. Trade by U.S. affiliates accounted for 20 percent of U.S. exports of goods and for 30 percent of U.S. imports of goods. Affiliates accounted for more than half of U.S. exports of goods to Japan and for more than half of U.S. imports from Japan, Switzerland, Germany, and Sweden. These findings are based on the preliminary results of BEA's 1997 Benchmark Survey of Foreign Investment in the United States. This survey marks the first use by BEA of a new industry classification system that is based on the North American Industry Classification System.*

## *Regular features*

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### 1 Business Situation

*Real GDP increased 2.3 percent in the second quarter of 1999 after increasing 4.3 percent in the first quarter; the slowdown was mainly accounted for by a deceleration in consumer spending and a downturn in government spending. The price index for gross domestic purchases increased 2.1 percent after increasing 1.2 percent; the step-up reflected a sharp upturn in energy prices.*

## 57 State Personal Income, First Quarter 1999

*Personal income in the Nation increased 1.2 percent in the first quarter of 1999. The States with the fastest growth were Idaho, Maine, South Carolina, Wyoming, New York, Florida, and California. Personal income declined in North Dakota, Nebraska, South Dakota, and Iowa, and it was unchanged in Delaware.*

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***Back cover:*** Schedule of Upcoming BEA News Releases

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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. This revision will include the annual revision of the NIPA's that would normally have been published in this issue of the SURVEY. (See this issue for a preview of the definitional and classificational changes that will be introduced in the comprehensive revision.) The September SURVEY will include an article about the new and redesigned NIPA tables that will be introduced in the comprehensive revision. Subsequent issues will include articles that describe the statistical changes, including a shift in the reference year for the chain-type measures, and other aspects of the revision.

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## 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. 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](http://www.bea.doc.gov)

#### **August 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 (Advance)**

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

#### **State Personal Income, First Quarter 1999**

Under "Regional," click on "Data," and look for "State personal income."

#### **U.S. International Transactions, First Quarter 1999**

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

### **Diskettes and CD-ROM's**

#### **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.

#### **Quarterly State Personal Income, 1969:I-1999:I**

(Diskette, RDN-0240, \$20.00) Contains quarterly estimates of State personal income. Includes software with context-sensitive help menus that allow the user to display, print, or export standard tables.

#### **U.S. International Transactions, Historical Series (Diskette, IDN-0237, \$20.00)**

Contains annual and quarterly estimates of the historical U.S. international accounts on a balance of payments basis for 1960-98.

#### **U.S. International Transactions, First Quarter 1999 (Diskette, IDN-0236, \$20.00)**

Contains annual estimates for 1998 and quarterly estimates for 1997:I-1999:I of the U.S. international accounts on a balance of payments basis.

#### **U.S. Business Enterprises Acquired or Established by Foreign Direct Investors, 1992-98**

(Diskette, IDN-0235, \$20.00)

Presents the results of BEA's annual survey of new foreign direct investment in the United States.

#### **Gross Product by Industry for the United States and States (CD-ROM, MCN-0231, \$35.00)**

Contains nominal and real estimates of gross product originating for 1947-97 for the United States and of gross state product for each State for 1977-97.

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

### **Publications**

#### **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; **Preliminary 1997 Estimates**, stock no. 003-010-00282-4 (call for prices).

#### **Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies**

Two publications: **Revised 1995 Estimates**, stock no. 003-010-00274-3, \$9.50; **Revised 1996 Estimates**, stock no. 003-010-00279-4, \$8.50.

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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, June 1999 .....	* Aug. 19
Gross Domestic Product, 2nd quarter 1999 (preliminary) and Corporate Profits, 2nd quarter 1999 (preliminary) .....	Aug. 26
Personal Income and Outlays, July 1999 .....	Aug. 27
U.S. International Transactions, 2nd quarter 1999 .....	Sept. 14
U.S. International Trade in Goods and Services, July 1999 .....	* Sept. 21
Gross Domestic Product, 2nd quarter 1999 (final) and Corporate Profits, 2nd quarter 1999 (revised) .....	Sept. 30
Personal Income and Outlays, August 1999 .....	Oct. 1
U.S. International Trade in Goods and Services, August 1999 .....	* Oct. 20
State Personal Income, 2nd quarter 1999 .....	Oct. 26
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Personal Income and Outlays, October 1999 .....	Nov. 26

*\* 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.*