

Director's Message

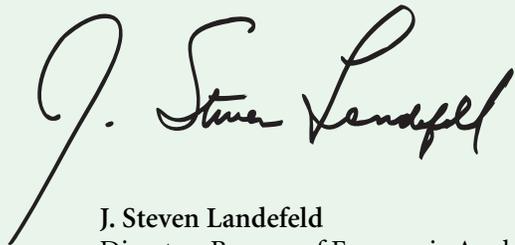
Every August, the SURVEY OF CURRENT BUSINESS features an article that discusses the annual revision of the national income and product accounts (NIPAs), which is released in July. Annual revisions allow for a wide range of more complete information, previously unavailable, to be incorporated into the accounts.

For the 2007 annual revision, several changes to the methods used to deflate some components were adopted. In particular, the price index used to deflate business purchases of new light trucks was changed. The change reflects a new treatment of special financing incentives (such as “zero-percent” financing), one that is more consistent with our method of deflating consumer purchases of light trucks. In the revised estimates, these financing incentives are treated consistently as financial transactions rather than as price reductions.

As usual, this year's annual revision did not meaningfully change the recent economic picture. In 2003–2006, the average annual growth rate of gross domestic product was revised to 3.2 percent from 3.5 percent.

Also in this issue, statistics detailing the domestic operations of U.S. affiliates of foreign companies for 2005 are presented. In keeping with recent efforts to provide more information about research and development (R&D), the article includes updated estimates of R&D activity by U.S. affiliates.

I'd also like to mention that we have made a new customer brochure available on our Web site <www.bea.gov>. The breadth of our statistical products can seem overwhelming, even for long-time customers. The brochure provides a succinct overview of our key activities. Please take a look.



J. Steven Landefeld
Director, Bureau of Economic Analysis