

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

Bureau of
Economic Analysis

FOR WIRE TRANSMISSION: 8:30 A.M. EDT, FRIDAY, SEPTEMBER 27, 2002

Virginia H. Mannering: (202) 606-5304 (GDP)
Kenneth A. Petrick: 606-9738 (Profits)
Recorded message: 606-5306

BEA 02-29

GROSS DOMESTIC PRODUCT: SECOND QUARTER 2002 (FINAL)
CORPORATE PROFITS: SECOND QUARTER 2002 (REVISED)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.3 percent in the second quarter of 2002, according to revised estimates released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 5.0 percent.

The GDP estimates released today are based on more complete source data than were available for the preliminary estimates issued last month. In the preliminary estimates, the increase in real GDP was 1.1 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the second quarter were private inventory investment, exports, personal consumption expenditures (PCE), and federal government spending. The contributions of these components were partly offset by a decrease in nonresidential structures. Imports, which are a subtraction in the calculation of GDP, increased sharply.

The deceleration in real GDP growth in the second quarter primarily reflected decelerations in private inventory investment and in PCE, a downturn in state and local government spending, and a deceleration in residential fixed investment that were partly offset by an acceleration in exports and an upturn in equipment and software. There was a sharp acceleration in imports in the second quarter.

NOTE.--Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and annualized. "Real" estimates are in chained (1996) dollars. Price indexes are chain-type measures.

This news release is available on BEA's Web site at <www.bea.gov/bea/rels.htm>.

- more -

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 2.3 percent in the second quarter, 0.1 percentage point more than in the preliminary estimate; this index increased 1.2 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.5 percent in the second quarter, compared with an increase of 1.4 percent in the first.

Real personal consumption expenditures increased 1.8 percent in the second quarter, compared with an increase of 3.1 percent in the first. Real nonresidential fixed investment decreased 2.4 percent, compared with a decrease of 5.8 percent. Nonresidential structures decreased 17.6 percent, compared with a decrease of 14.2 percent. Equipment and software increased 3.3 percent, in contrast to a decrease of 2.7 percent. Real residential fixed investment increased 2.7 percent, compared with an increase of 14.2 percent.

Real exports of goods and services increased 14.3 percent in the second quarter, compared with an increase of 3.5 percent in the first. Real imports of goods and services increased 22.2 percent, compared with an increase of 8.5 percent.

Real federal government consumption expenditures and gross investment increased 7.5 percent in the second quarter, compared with an increase of 7.4 percent in the first. National defense increased 7.8 percent, compared with an increase of 11.6 percent. Nondefense increased 6.9 percent, compared with an increase of 0.4 percent. Real state and local government consumption expenditures and gross investment decreased 1.7 percent, in contrast to an increase of 4.6 percent.

The real change in private inventories added 1.31 percentage points to the second-quarter change in real GDP, after adding 2.60 percentage points to the first-quarter change. Private businesses increased inventories \$4.9 billion in the second quarter, following decreases of \$28.9 billion in the first quarter and \$98.4 billion in the fourth.

Real final sales of domestic product -- GDP less change in private inventories -- decreased 0.1 percent in the second quarter, in contrast to an increase of 2.4 percent in the first.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 2.6 percent in the second quarter, compared with an increase of 5.6 percent in the first.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 0.4 percent in the second quarter, compared with an increase of 3.7 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$20.0 billion in the second quarter after decreasing \$30.7 billion in the first; in the second quarter, receipts increased \$9.0 billion, and payments increased \$29.0 billion.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 2.5 percent, or \$63.8 billion, in the second quarter to a level of \$10,376.9 billion. In the first quarter, current-dollar GDP increased 6.5 percent, or \$160.2 billion.

Revisions

The final estimate of the second-quarter increase in real GDP is 0.2 percentage point, or \$2.8 billion, higher than the preliminary estimate issued last month. The upward revision to the percentage change in real GDP reflected an upward revision to exports of goods and services and a downward revision to imports of goods and services that were partly offset by a downward revision to change in private inventories.

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	1.1	1.1	1.3
Current-dollar GDP.....	2.2	2.3	2.5
Gross domestic purchases price index.....	2.1	2.2	2.3

Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased \$12.6 billion in the second quarter, according to revised estimates. In the first quarter, profits decreased \$13.8 billion. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- decreased \$12.6 billion in the second quarter, compared with a decrease of \$36.3 billion in the first.

Domestic profits of financial corporations decreased \$2.5 billion in the second quarter, in contrast to an increase of \$15.4 billion in the first.

Domestic profits of nonfinancial corporations increased \$6.9 billion in the second quarter, compared with an increase of \$3.4 billion in the first. In the second quarter, real gross corporate product increased. Profits per unit of real product were unchanged as a decrease in the unit labor costs incurred by corporations was offset by a decrease in the prices corporations received and an increase in unit nonlabor costs.

The rest-of-the-world component of profits decreased \$16.9 billion in the second quarter, compared with a decrease of \$32.7 billion in the first. This measure is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. The second-quarter decrease was accounted for by a larger increase in payments than in receipts.

The revised estimate of second-quarter corporate profits from current production is \$0.8 billion higher than the preliminary estimate issued last month. The foreign component of profits (rest-of-the-world profits) was revised down \$2.7 billion. Domestic profits of nonfinancial and financial corporations were revised up \$6.3 billion and down \$2.7 billion, respectively.

Profits before tax with inventory valuation adjustment is the best available measure of industry profits because estimates of the capital consumption adjustment by industry do not exist. This measure reflects the inventory-accounting and depreciation-accounting practices used for federal income tax returns. According to this measure, domestic profits of both financial and nonfinancial corporations increased. Profit increases of nonfinancial corporations were widespread among major industry groups with the largest increases occurring in durable goods and nondurable goods manufacturing; profits decreased in "other" nonmanufacturing.

Profits before tax increased \$18.5 billion in the second quarter, compared with an increase of \$40.3 billion in the first. The before-tax measure of profits does not reflect, as does profits from current production, the capital consumption and inventory valuation adjustments. These adjustments convert depreciation of fixed assets and inventory withdrawals reported on a tax-return, historical-cost basis to the current-cost measures used in the national income and product accounts. The capital consumption adjustment decreased \$23.5 billion in the second quarter (from \$156.3 billion to \$132.8 billion), compared with a decrease of \$28.8 billion in the first. The inventory valuation adjustment decreased \$7.6 billion (from \$1.9 billion to -\$5.7 billion), compared with a decrease of \$25.3 billion.

Profits tax liability increased \$11.3 billion in the second quarter, compared with an increase of \$31.8 billion in the first. Profits after tax increased \$7.3 billion, compared with an increase of \$8.5 billion. Dividends increased \$6.6 billion, compared with an increase of \$6.5 billion; undistributed profits increased \$0.7 billion, compared with an increase of \$2.0 billion.

Revised Estimates for Wages and Salaries

As announced previously, this release includes revised estimates of wage and salary disbursements and related income-side series for the first quarter of 2002. These revisions reflect the incorporation of newly available tabulations from the Bureau of Labor Statistics of wages and salaries of employees covered by state unemployment insurance for the first quarter. (The incorporation of these new source data affect the estimates for both the first and second quarters.) The series in this release that are revised include: national income, gross domestic income, personal income, statistical discrepancy, compensation of employees, wage and salary accruals, wage and salary disbursements, personal contributions for social insurance, personal tax and nontax payments, disposable personal income (DPI), personal saving, real DPI, personal saving as a percentage of DPI, and gross product of nonfinancial corporate business.

BEA's major national, international, regional, and industry estimates; the Survey of Current Business; and BEA news releases are available without charge on BEA's Web site:

<www.bea.gov>

Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

(202) 606-5306	Gross domestic product
606-5303	Personal income and outlays
606-5362	U.S. international transactions

Most of BEA's estimates and analyses are published in the Survey of Current Business, BEA's monthly journal. Subscriptions and single copies of the printed Survey are for sale by the Superintendent of Documents, U.S. Government Printing Office. Internet: <bookstore.gpo.gov>; phone: 202-512-1800; fax: 202-512-2250; mail: Stop SSOP, Washington, DC 20402-0001.

* * *

Next release -- October 31, 2002, at 8:30 A.M. EST for:
Gross Domestic Product: Third Quarter 2002 (Advance)

Table 3.—Gross Domestic Product and Related Measures: Level and Change From Preceding Period—Continued

	Billions of current dollars						Billions of chained (1996) dollars									
	2001	Seasonally adjusted at annual rates					2001	Seasonally adjusted at annual rates					Change from preceding period			
		2001			2002			2001			2002		2001	2002		
		II	III	IV	I	II ^r		II	III	IV	I	II ^r		I	II ^r	
Government consumption expenditures and gross investment	1,858.0	1,858.5	1,851.7	1,896.8	1,939.5	1,959.8	1,640.4	1,638.0	1,633.3	1,674.5	1,697.3	1,703.3	57.9	22.8	6.0	
Federal	628.1	624.8	627.4	646.9	672.0	688.2	570.6	567.2	568.9	587.2	597.8	608.7	26.2	10.6	10.9	
National defense	399.9	395.2	400.3	412.8	431.7	442.1	366.0	361.4	365.5	378.0	388.5	395.8	17.3	10.5	7.3	
Consumption expenditures	344.5	340.0	343.4	356.0	372.1	382.5	308.9	304.9	307.2	319.1	326.7	333.9	14.8	7.6	7.2	
Gross investment	55.5	55.2	56.9	56.8	59.7	59.6	57.3	56.8	58.7	59.0	62.2	62.2	2.5	3.2	0	
Nondefense	228.2	229.6	227.2	234.1	240.3	246.1	204.4	205.6	203.2	209.1	209.3	212.9	8.8	2	3.6	
Consumption expenditures	184.0	184.9	184.5	187.5	194.2	198.6	161.1	162.0	161.3	163.7	164.3	166.5	7.4	.6	2.2	
Gross investment	44.2	44.6	42.6	46.6	46.1	47.5	43.6	44.0	42.1	45.9	45.4	47.0	1.3	-.5	1.6	
State and local	1,229.9	1,233.7	1,224.3	1,249.8	1,267.5	1,271.6	1,069.4	1,070.2	1,064.1	1,087.1	1,099.3	1,094.7	32.0	12.2	-4.6	
Consumption expenditures	993.7	990.6	1,000.1	1,008.2	1,017.7	1,030.6	856.8	851.4	861.8	870.7	875.9	879.4	25.7	5.2	3.5	
Gross investment	236.2	243.2	224.2	241.7	249.7	241.1	212.8	219.3	202.0	216.5	223.7	215.3	6.3	7.2	-8.4	
Residual							-42.9	-39.6	-31.9	-53.5	-71.2	-75.8	9.3	-17.7	-4.6	
Addenda:																
Final sales of domestic product	10,142.5	10,107.0	10,158.3	10,249.4	10,343.0	10,373.5	9,258.4	9,234.3	9,230.5	9,324.9	9,379.4	9,377.9	137.3	54.5	-1.5	
Gross domestic purchases	10,431.0	10,415.5	10,410.4	10,497.4	10,673.1	10,802.4	9,600.7	9,577.1	9,575.8	9,645.3	9,778.2	9,840.8	39.5	132.9	62.6	
Final sales to domestic purchasers	10,491.4	10,472.6	10,470.9	10,593.9	10,703.1	10,799.0	9,644.9	9,618.7	9,620.3	9,722.3	9,794.4	9,826.0	154.2	72.1	31.6	
Gross domestic product	10,082.2	10,049.9	10,097.7	10,152.9	10,313.1	10,376.9	9,214.5	9,193.1	9,186.4	9,248.8	9,363.2	9,392.4	23.1	114.4	29.2	
Plus: Income receipts from the rest of the world	316.9	332.5	302.0	269.0	264.7	276.0	292.0	306.0	278.1	247.4	242.8	251.8	-67.0	-4.6	9.0	
Less: Income payments to the rest of the world	295.0	301.4	290.5	233.7	262.8	296.1	269.2	274.8	264.9	213.1	239.2	268.2	-64.4	26.1	29.0	
Equals: Gross national product	10,104.1	10,081.0	10,109.3	10,188.1	10,314.9	10,356.8	9,237.3	9,224.3	9,199.8	9,283.5	9,367.5	9,376.7	21.1	84.0	9.2	
Net domestic product	8,752.9	8,734.8	8,716.0	8,814.3	8,949.6	8,987.0	7,905.4	7,902.6	7,825.3	7,926.7	8,017.7	8,017.0	-64.3	91.0	-7	

r revised
 NOTE.—Users are cautioned that particularly for components for which relative prices are changing rapidly, the use of chained-dollar estimates to calculate component shares or component contributions to real growth may be misleading even just a few years from the base year. For accurate estimates of the contributions to percent changes in real GDP, use table 2.
 See "Explanatory Note" at the end of the tables.

Table 4.—Chain-Type Price Indexes for Gross Domestic Product and Related Measures: Percent Change From Preceding Period

[Percent]

	1999	2000	2001	Seasonally adjusted at annual rates															
				1998		1999				2000				2001				2002	
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r
Gross domestic product (GDP)	1.4	2.1	2.4	1.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-0.5	1.3	1.2
Personal consumption expenditures	1.6	2.5	2.0	1.4	1.4	1.2	2.3	2.2	2.4	3.4	2.3	2.1	2.2	3.3	1.8	-1	.8	1.1	2.7
Durable goods	-2.5	-1.7	-1.9	-2.7	-2.6	-3.3	-1.9	-1.7	-2.0	-2.0	-8	-2.2	-1.2	-1.2	-3.4	-2.7	-1.5	-4.2	-2.9
Nondurable goods	2.3	3.8	1.5	1.5	1.3	1.8	4.6	3.4	3.7	5.3	3.0	2.8	1.8	1.8	2.9	-1.4	-3.5	.2	4.6
Services	2.2	2.8	3.1	2.1	2.3	1.9	2.0	2.3	2.7	3.6	2.5	2.6	3.2	5.1	2.3	1.1	3.5	2.7	3.0
Gross private domestic investment	-2	1.0	1.2	-6	-3	.2	-1	-5	.5	2.1	1.2	1.7	1.2	2.0	1.1	-4	-2	-1.5	-4
Fixed investment	-2	1.1	1.2	-6	-3	.3	0	-4	.5	2.3	1.3	1.8	1.3	1.7	1.2	-2	-1	-1.5	-2
Nonresidential	-1.5	.1	.2	-2.0	-1.6	-1.0	-1.5	-1.6	-5	.7	.4	1.3	.5	.4	.1	-1.1	-1.6	-2.0	-1.4
Structures	1.8	4.0	5.0	1.3	1.8	1.3	1.8	2.2	3.2	5.3	4.0	4.6	5.3	10.5	4.2	-3	-1.6	-3.6	.7
Equipment and software	-2.5	-1.2	-1.5	-3.1	-2.7	-1.7	-2.5	-2.8	-1.6	-7	-8	-2	-1.1	-2.9	-1.4	-1.5	-1.6	-1.5	-2.1
Residential	3.8	4.4	4.1	3.7	3.5	4.1	4.5	3.3	3.2	7.0	3.9	3.1	3.7	5.6	4.5	2.5	3.7	0	2.6
Change in private inventories																			
Net exports of goods and services																			
Exports	-8	1.4	-8	-3.0	-1.4	-1.3	.4	.7	1.7	2.0	2.0	.8	.1	-8	-1.7	-1.9	-3.8	-8	3.0
Goods	-1.3	1.2	-7	-4.2	-2.3	-1.4	-3	.7	2.2	1.3	1.6	.4	.4	-2	-1.5	-2.4	-3.7	-1.1	2.3
Services	.4	2.1	-1.0	.8	-1.0	2.1	.8	.5	3.9	3.0	2.0	-.4	-2.3	-2.1	-6	-4.2	0	4.6	
Imports	.1	4.5	-2.9	-4.7	-2	-3.8	4.9	5.8	5.5	6.6	1.1	4.6	.9	-2.5	-5.9	-17.0	4.7	-1.6	11.1
Goods	.2	4.8	-2.9	-5.7	-1.1	-2.5	5.2	6.3	6.3	6.8	1.2	4.5	.8	-3.7	-6.4	-6.6	-11.1	-2.1	10.9
Services	-4	3.3	-2.9	.1	4.5	-10.0	3.7	3.7	1.7	5.9	.7	4.8	1.1	3.8	-3.2	-57.7	167.5	1.1	12.2
Government consumption expenditures and gross investment	2.7	3.9	2.4	1.8	1.7	3.3	3.6	3.2	3.1	6.4	3.0	2.9	2.7	4.2	1.8	-3	-3	3.6	2.8
Federal	2.4	3.0	1.7	1.4	1.4	4.7	1.8	2.1	1.6	8.1	.7	1.6	.1	4.6	1.5	.5	-4	8.4	2.3
National defense	2.2	3.0	1.6	1.5	.9	4.7	1.5	2.0	1.9	7.5	.7	2.0	.6	4.0	1.1	.6	-1.1	7.3	2.0
Nondefense	2.8	3.1	1.9	1.1	2.5	4.7	2.5	2.3	.9	9.3	.6	.9	-.7	5.6	2.2	.4	.7	10.4	2.9
State and local	2.9	4.3	2.7	2.0	1.9	2.5	4.5	3.7	3.9	5.5	4.2	3.6	4.0	4.1	1.9	-8	-3	1.1	3.1
Addenda:																			
Final sales of domestic product	1.5	2.1	2.4	1.4	1.1	1.8	1.6	1.3	1.7	3.1	2.4	1.7	2.1	3.6	2.5	2.2	-5	1.3	1.2
Gross domestic purchases	1.5	2.5	1.9	1.1	1.2	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.1	3.3	1.7	-2	.4	1.2	2.3
Final sales to domestic purchasers	1.5	2.5	1.9	1.1	1.2	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.1	3.2	1.7	-1	.5	1.1	2.3
Gross national product (GNP)	1.4	2.1	2.4	1.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-5	1.3	1.2
Implicit price deflators:																			
GDP	1.4	2.1	2.4	1.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-5	1.3	1.2
Gross domestic purchases	1.5	2.5	1.9	1.1	1.2	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.2	3.2	1.7	-1	.4	1.2	2.3
GNP	1.4	2.1	2.4	1.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.7	2.1	3.7	2.5	2.2	-5	1.4	1.2

r revised
 See "Explanatory Note" at the end of the tables.

Table 5.—Quantity and Price Indexes for Gross Domestic Product

[Index numbers, 1996=100]

	1999	2000	2001	Seasonally adjusted				
				2001			2002	
				II	III	IV	I	II ^r
Gross domestic product:								
Chain-type quantity index	113.39	117.64	117.94	117.66	117.58	118.37	119.84	120.21
Chain-type price index	104.69	106.89	109.42	109.32	109.92	109.78	110.14	110.48
Implicit price deflator	104.69	106.89	109.42	109.32	109.92	109.78	110.14	110.48
Personal consumption expenditures:								
Chain-type quantity index	113.88	118.83	121.76	121.20	121.64	123.42	124.37	124.92
Chain-type price index	104.73	107.39	109.56	109.64	109.62	109.84	110.14	110.89
Durable goods:								
Chain-type quantity index	131.80	142.58	151.16	148.00	149.66	160.91	158.30	159.08
Chain-type price index	93.03	91.46	89.70	89.89	89.29	88.95	88.00	87.36
Nondurable goods:								
Chain-type quantity index	112.14	116.50	118.79	118.31	118.69	119.76	122.07	122.03
Chain-type price index	103.69	107.59	109.17	109.80	109.42	108.45	108.52	109.75
Services:								
Chain-type quantity index	111.43	115.67	117.98	117.80	118.07	118.69	119.54	120.32
Chain-type price index	107.81	110.85	114.32	114.08	114.40	115.39	116.15	117.00
Private fixed investment:								
Chain-type quantity index	131.54	139.52	134.20	134.70	133.23	130.16	129.99	129.68
Chain-type price index	98.87	100.00	101.16	101.27	101.22	101.19	100.82	100.76
Nonresidential:								
Chain-type quantity index	136.57	147.23	139.55	140.20	138.06	134.13	132.13	131.32
Chain-type price index	95.53	95.59	95.73	95.97	95.69	95.31	94.82	94.48
Residential:								
Chain-type quantity index	117.58	118.88	119.22	119.39	119.50	118.44	122.44	123.25
Chain-type price index	109.59	114.40	119.09	118.78	119.50	120.60	120.61	121.40
Exports of goods and services:								
Chain-type quantity index	118.55	130.09	123.10	125.70	119.89	116.89	117.89	121.89
Chain-type price index	95.47	96.83	96.10	96.46	96.00	95.06	94.88	95.58
Imports of goods and services:								
Chain-type quantity index	140.88	159.48	154.91	157.15	152.32	150.26	153.37	161.24
Chain-type price index	91.34	95.49	92.70	94.22	89.93	90.97	90.61	93.03
Government consumption expenditures and gross investment:								
Chain-type quantity index	108.34	111.29	115.36	115.19	114.87	117.76	119.37	119.79
Chain-type price index	106.52	110.65	113.27	113.47	113.37	113.27	114.27	115.06
Federal:								
Chain-type quantity index	101.16	102.42	107.33	106.70	107.01	110.46	112.46	114.50
Chain-type price index	105.08	108.23	110.09	110.15	110.30	110.18	112.42	113.07
State and local:								
Chain-type quantity index	112.59	116.52	120.11	120.20	119.51	122.09	123.47	122.95
Chain-type price index	107.33	111.98	115.01	115.28	115.06	114.97	115.29	116.17
Addenda:								
Final sales of domestic product:								
Chain-type quantity index	112.99	117.19	118.95	118.65	118.60	119.81	120.51	120.49
Chain-type price index	104.79	107.02	109.55	109.45	110.05	109.91	110.28	110.62
Implicit price deflator	104.79	107.02	109.55	109.45	110.05	109.91	110.27	110.62
Gross domestic purchases:								
Chain-type quantity index	115.92	121.00	121.50	121.20	121.18	122.06	123.74	124.53
Chain-type price index	103.97	106.58	108.65	108.76	108.72	108.84	109.15	109.77
Implicit price deflator	103.97	106.58	108.65	108.75	108.72	108.83	109.15	109.77
Final sales to domestic purchasers:								
Chain-type quantity index	115.54	120.56	122.52	122.19	122.21	123.50	124.42	124.82
Chain-type price index	104.06	106.70	108.78	108.88	108.84	108.97	109.28	109.90
Implicit price deflator	104.06	106.70	108.78	108.88	108.84	108.97	109.28	109.90
Gross national product:								
Chain-type quantity index	113.44	117.69	117.96	117.79	117.48	118.54	119.62	119.73
Chain-type price index	104.65	106.86	109.39	109.29	109.89	109.75	110.11	110.45
Implicit price deflator	104.65	106.86	109.38	109.29	109.89	109.74	110.11	110.45

^r revised
See "Explanatory Note" at the end of the tables.

Table 6.—Real Gross Domestic Product: Historical Perspective

[Percent change from preceding year]

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Gross domestic product (GDP)	3.4	3.4	4.2	3.5	1.8	-0.5	3.0	2.7	4.0	2.7	3.6	4.4	4.3	4.1	3.8	0.3
Personal consumption expenditures	4.2	3.3	4.0	2.7	1.8	-2	2.9	3.4	3.8	3.0	3.2	3.6	4.8	4.9	4.4	2.5
Durable goods	9.1	1.7	5.8	2.1	-9	-6.6	5.3	8.2	7.6	4.6	5.6	6.6	10.5	11.8	8.2	6.0
Nondurable goods	3.6	2.4	3.2	2.7	1.4	-4	1.9	2.9	3.8	3.0	2.9	2.9	4.1	4.7	3.9	2.0
Services	3.3	4.3	4.1	2.8	2.8	1.4	2.9	2.7	3.0	2.7	2.8	3.3	4.0	3.7	3.8	2.0
Gross private domestic investment	-7	2.5	2.7	3.7	-3.1	-8.6	8.5	8.7	13.2	3.0	9.0	12.1	11.8	6.6	6.2	-10.7
Fixed investment	1.2	0	3.6	2.7	-1.8	-6.9	6.5	8.1	9.1	6.0	9.3	9.6	11.4	7.8	6.1	-3.8
Nonresidential	-2.7	-1	5.4	5.5	.7	-4.9	3.4	8.4	8.9	9.8	10.0	12.2	12.5	8.1	7.8	-5.2
Structures	-10.8	-3.6	1.3	2.5	1.5	-11.0	-6.1	.8	.8	4.8	7.1	9.1	6.8	-1.3	6.5	-1.7
Equipment and software	2.0	1.7	7.5	7.0	.4	-2.0	7.4	11.3	11.9	11.5	11.0	13.3	14.6	11.5	8.2	-6.4
Residential	12.0	.2	-5	-4.1	-8.6	-12.8	16.3	7.3	9.7	-3.6	7.4	2.0	8.0	6.7	1.1	.3
Change in private inventories																
Net exports of goods and services																
Exports	7.4	11.2	16.1	11.8	8.7	6.5	6.2	3.3	8.9	10.3	8.2	12.3	2.1	3.4	9.7	-5.4
Goods	5.1	11.1	18.8	12.6	8.2	7.1	6.8	3.0	9.7	11.9	8.7	14.5	2.1	3.8	11.3	-5.9
Services	13.3	11.6	9.3	9.6	10.0	5.1	4.6	4.1	7.2	6.4	6.8	7.0	2.3	2.5	6.0	-4.0
Imports	8.4	6.1	3.8	3.9	3.8	-5	6.6	9.1	12.0	8.2	8.6	13.7	11.8	10.9	13.2	-2.9
Goods	10.3	4.6	4.1	4.2	3.0	-1	9.3	10.1	13.3	9.0	9.4	14.2	11.7	12.2	13.5	-3.3
Services .....	.3	12.6	2.7	2.8	7.6	-2.3	-4.0	4.7	5.8	4.1	4.8	10.9	11.9	4.2	11.6	-5
Government consumption expenditures and gross investment	5.4	3.0	1.2	2.8	3.3	1.2	5	-8	.1	.5	1.1	2.4	1.9	3.9	2.7	3.7
Federal	5.5	3.7	-1.8	1.3	2.0	-3	-1.6	-3.9	-3.6	-2.7	-9	-4	-8	2.3	1.3	4.8
National defense	6.3	4.7	-8	-8	0	-1.1	-4.9	-5.4	-4.8	-3.7	-1.3	-2.6	-1.8	2.1	-1	5.0
Nondefense	3.1	5	-5.2	8.4	8.3	1.8	7.1	-3	-1.0	-5	0	4.2	1.1	2.7	3.6	4.5
State and local	5.4	2.3	3.7	3.9	4.2	2.3	2.0	1.4	2.6	2.5	2.3	4.0	3.4	4.7	3.5	3.1
Addenda:																
Final sales of domestic product	3.8	3.0	4.3	3.3	2.0	-2	2.8	2.6	3.4	3.1	3.6	4.0	4.2	4.3	3.7	1.5
Gross domestic purchases	3.6	3.1	3.2	2.9	1.4	-1.1	3.1	3.3	4.4	2.5	3.7	4.7	5.4	5.0	4.4	.4
Final sales to domestic purchasers	3.9	2.7	3.4	2.7	1.6	-9	2.8	3.2	3.8	3.0	3.7	4.3	5.3	5.2	4.3	1.6
Gross national product	3.2	3.3	4.2	3.5	1.9	-5	3.0	2.6	3.9	2.7	3.5	4.3	4.2	4.4	3.7	.2
Real disposable personal income	3.2	2.1	4.4	2.6	2.2	.4	3.1	1.4	2.6	2.6	2.5	3.1	5.4	2.6	4.8	1.8
Gross domestic purchases price index	2.3	3.3	3.4	3.8	4.1	3.4	2.5	2.3	2.0	2.2	1.8	1.6	.8	1.5	2.5	1.9
GDP price index	2.2	3.0	3.4	3.8	3.9	3.6	2.4	2.4	2.1	2.2	1.9	1.9	1.2	1.4	2.1	2.4
Personal consumption expenditures price index	2.4	3.8	3.9	4.4	4.6	3.8	3.1	2.4	2.0	2.3	2.1	1.9	1.1	1.6	2.5	2.0

Table 7.—Real Gross Domestic Product: Percent Change From Quarter One Year Ago

	1998		1999				2000				2001				2002	
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I ^r	II ^r
Gross domestic product (GDP)	3.8	4.8	4.0	3.9	4.2	4.3	4.2	4.9	3.7	2.3	1.5	-0.1	-0.4	0.1	1.4	2.2
Personal consumption expenditures	4.6	5.0	4.9	4.8	5.0	5.0	5.1	4.5	4.3	3.5	2.8	2.4	1.8	2.8	3.0	3.1
Durable goods	8.4	12.7	12.3	11.7	13.3	10.0	13.1	8.4	7.8	3.8	2.4	4.7	3.8	13.2	8.4	7.5
Nondurable goods	3.8	5.0	4.8	4.5	4.4	4.9	4.2	4.3	4.1	3.0	3.0	1.7	1.5	1.7	3.1	3.1
Services	4.3	3.6	3.6	3.6	3.7	4.0	4.0	3.8	3.6	3.8	2.8	2.3	1.6	1.3	1.8	2.1
Gross private domestic investment	10.7	12.1	6.3	6.8	6.6	6.6	5.3	11.0	6.4	2.2	-3.8	-11.9	-11.7	-15.1	-6.5	0
Fixed investment	9.5	11.7	9.0	7.9	8.4	5.9	7.3	7.1	5.7	4.3	.5	-4.0	-5.1	-6.7	-6.3	-3.7
Nonresidential	9.6	12.3	8.9	7.8	9.4	6.6	8.3	8.9	7.8	6.2	1.1	-5.1	-7.4	-9.3	-9.4	-6.3
Structures	5.8	4.9	2.6	-2.2	-3.1	-2.5	1.8	5.2	10.0	9.3	5.0	.8	-1.4	-10.6	-13.3	-15.6
Equipment and software	10.9	14.9	11.1	11.3	13.8	9.7	10.5	10.1	7.2	5.2	-2	-7.1	-9.5	-8.8	-8.0	-2.9
Residential	9.1	10.0	9.3	8.2	5.6	4.0	4.1	2.1	-6	-1.2	-1.2	-6	2.0	1.0	2.4	3.2
Change in private inventories																
Net exports of goods and services																
Exports	-1.7	2.3	.4	2.5	5.7	4.9	8.8	11.4	11.6	7.3	3.7	-3.1	-10.1	-11.4	-9.3	-3.0
Goods	-2.1	2.2	-2	3.2	6.4	5.6	9.9	12.8	14.3	8.3	4.9	-3.3	-12.1	-12.3	-11.7	-4.3
Services	-5	2.9	1.9	.8	4.2	3.2	6.1	8.1	5.3	4.8	.7	-2.6	-4.7	-9.2	-3.1	0
Imports	9.4	10.8	9.0	10.0	12.6	11.9	13.5	14.3	14.1	11.1	5.2	-1.0	-7.1	-8.0	-4.1	2.6
Goods	9.1	11.3	10.1	11.3	14.3	13.0	13.9	14.7	14.3	11.1	5.1	-2.1	-7.5	-7.9	-4.8	3.8
Services	10.6	8.5	3.4	3.5	4.1	5.9	10.9	11.6	13.0	10.9	5.9	5.7	-4.5	-8.6	-1.4	-3.9
Government consumption expenditures and gross investment	1.7	2.7	4.1	3.0	3.8	4.5	3.5	3.9	2.3	1.3	3.0	3.3	3.2	5.1	5.0	4.0
Federal	-1.6	.6	2.4	.1	2.9	4.0	1.2	4.4	.7	-1.2	4.7	2.4	4.6	7.5	6.9	7.3
National defense	-1.1	-8	2.8	-3	1.7	4.4	0	3.7	-1.3	-2.5	5.2	2.2	5.1	7.4	8.2	9.5
Nondefense	-2.5	3.3	1.6	.8	5.2	3.4	3.4	5.7	4.2	1.1	3.9	2.6	3.9	7.6	4.7	3.5
State and local	3.6	3.8	5.0	4.5	4.3	4.8	4.6	3.6	3.2	2.6	2.2	3.7	2.5	3.9	4.1	2.3
Addenda:																
Final sales of domestic product	3.6	4.7	4.4	4.1	4.5	4.2	4.5	4.2	3.6	2.6	2.2	1.4	.9	1.6	1.5	1.6
Gross domestic purchases	5.1	5.8	5.0	4.8	5.1	5.2	4.9	5.5	4.3	2.9	1.7	.1	-3	.1	1.8	2.8
Final sales to domestic purchasers	4.9	5.7	5.5	5.0	5.4	5.1	5.2	4.8	4.2	3.3	2.5	1.5	.9	1.6	1.8	2.2
Gross national product	3.6	4.7	4.2	4.2	4.6	4.7	4.2	4.9	3.7	2.2	1.3	-1	-4	.1	1.4	1.7
Real disposable personal income	5.7	5.0	3.7	2.4	1.9	2.4	3.8	4.9	5.6	4.8	2.7	1.3	2.8	.3	3.8	4.9
Gross domestic purchases price index .....	.8	.8	1.1	1.4	1.6	1.9	2.5	2.5	2.6	2.5	2.4	2.3	1.7	1.3	.8	.9
GDP price index	1.2	1.1	1.3	1.5	1.4	1.6	1.9	2.1	2.2	2.3	2.4	2.5	2.6	2.0	1.4	1.1
Personal consumption expenditures price index	1.1	1.1	1.2	1.6	1.8	2.0	2.6	2.5	2.5	2.5	2.5	2.4	1.8	1.5	.9	1.1

^r revised. Revisions include changes to income-side aggregates affected by the introduction of revised wage and salary estimates for the first quarter of 2002.

Table 8.—Relation of Gross Domestic Product, Gross National Product, and National Income

[Billions of dollars]

	1999	2000	2001	Seasonally adjusted at annual rates				
				2001			2002	
				II	III	IV	I ^r	II ^r
Gross domestic product	9,274.3	9,824.6	10,082.2	10,049.9	10,097.7	10,152.9	10,313.1	10,376.9
Plus: Income receipts from the rest of the world	316.9	383.4	316.9	332.5	302.0	269.0	264.7	276.0
Less: Income payments to the rest of the world	294.1	360.0	295.0	301.4	290.5	233.7	262.8	296.1
Equals: Gross national product	9,297.1	9,848.0	10,104.1	10,081.0	10,109.3	10,188.1	10,314.9	10,356.8
Less: Consumption of fixed capital	1,145.2	1,228.9	1,329.3	1,315.0	1,381.8	1,338.6	1,363.5	1,389.8
Less: Indirect business tax and nontax liability	712.9	753.6	774.8	775.9	772.7	779.9	786.2	795.1
Less: Business transfer payments	41.5	43.7	42.5	42.5	42.6	42.8	43.8	43.9
Less: Statistical discrepancy	-38.8	-128.5	-117.3	-112.9	-117.8	-132.6	-110.0	-164.6
Plus: Subsidies less current surplus of government enterprises	32.5	34.1	47.3	49.7	59.1	37.5	37.0	35.1
Equals: National income	7,468.7	7,984.4	8,122.0	8,110.1	8,089.1	8,196.8	8,268.5	8,327.7
Compensation of employees	5,308.8	5,723.4	5,874.9	5,879.3	5,880.4	5,860.9	5,908.4	5,963.5
Wage and salary accruals	4,475.6	4,836.3	4,950.6	4,956.9	4,953.7	4,931.4	4,957.8	4,997.0
Supplements to wages and salaries	833.2	887.1	924.3	922.4	926.7	929.4	950.7	966.6
Proprietors' income with inventory valuation and capital consumption adjustments	678.4	714.8	727.9	726.6	732.4	731.3	748.4	747.5
Rental income of persons with capital consumption adjustment	149.1	146.6	137.9	134.3	140.8	139.3	141.3	153.5
Corporate profits with inventory valuation and capital consumption adjustments	805.8	788.1	731.6	721.4	687.2	811.4	797.6	785.0
Net interest	526.6	611.5	649.8	648.6	648.3	653.9	672.8	678.1
Addendum:								
Gross domestic income	9,313.1	9,953.1	10,199.4	10,162.7	10,215.6	10,285.5	10,423.1	10,541.5

^r revised. Revisions include changes to income-side aggregates affected by the introduction of revised wage and salary estimates for the first quarter of 2002.

Table 9.—Personal Income and Its Disposition

[Billions of dollars]

	1999	2000	2001	Seasonally adjusted at annual rates				
				2001			2002	
				II	III	IV	I ^r	II ^r
Personal income ¹	7,786.5	8,406.6	8,685.3	8,676.2	8,706.2	8,700.9	8,803.4	8,913.7
Wage and salary disbursements	4,470.4	4,836.3	4,950.6	4,956.8	4,953.7	4,931.4	4,957.8	4,997.0
Other labor income	510.2	544.2	570.4	568.2	572.4	576.3	590.8	604.1
Proprietors' income with inventory valuation and capital consumption adjustments	678.4	714.8	727.9	726.6	732.4	731.3	748.4	747.5
Farm	27.7	22.6	19.0	18.4	19.3	19.2	21.7	7.5
Nonfarm	650.7	692.2	708.8	708.2	713.1	712.1	726.7	740.0
Rental income of persons with capital consumption adjustment	149.1	146.6	137.9	134.3	140.8	139.3	141.3	153.5
Personal dividend income	328.0	375.7	409.2	406.0	411.0	417.3	423.7	430.3
Personal interest income	969.2	1,077.0	1,091.3	1,097.2	1,086.4	1,072.9	1,069.9	1,082.3
Transfer payments to persons	1,018.5	1,070.3	1,170.4	1,159.1	1,182.5	1,205.0	1,252.0	1,282.6
Less: Personal contributions for social insurance	337.4	358.4	372.3	372.2	373.1	372.7	380.5	383.5
Less: Personal tax and nontax payments	1,159.1	1,286.4	1,292.1	1,336.1	1,181.9	1,309.7	1,136.8	1,127.2
Equals: Disposable personal income	6,627.4	7,120.2	7,393.2	7,340.0	7,524.2	7,391.2	7,666.7	7,786.6
Less: Personal outlays	6,453.3	6,918.6	7,223.5	7,198.5	7,222.0	7,329.6	7,396.3	7,477.9
Equals: Personal saving	174.0	201.5	169.7	141.6	302.2	61.5	270.4	308.7
Addenda:								
Disposable personal income, billions of chained (1996) dollars ²	6,328.4	6,630.3	6,748.0	6,694.8	6,864.0	6,729.1	6,961.0	7,022.1
Personal saving as a percentage of disposable personal income	2.6	2.8	2.3	1.9	4.0	.8	3.5	4.0

^r revised. Revisions include changes to income-side aggregates affected by the introduction of revised wage and salary estimates for the first quarter of 2002.

¹ Personal income is also equal to national income less corporate profits with inventory valuation and capital consumption adjustments, net interest, contributions for social insurance, and wage accruals less disbursements, plus personal interest income, personal dividend income, government transfer payments to persons, and business transfer payments to persons.

² Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

Table 10.—Corporate Profits: Level and Percent Change

	Billions of dollars								Percent change from preceding period						
	1999	2000	2001	Seasonally adjusted at annual rates					2000	2001	Quarterly rates				Quarter one year ago 2002
				2001			2002				2001		2002		
				II	III	IV	I	II ^r			III	IV	I	II ^r	
Corporate profits with inventory valuation and capital consumption adjustments	805.8	788.1	731.6	721.4	687.2	811.4	797.6	785.0	-2.2	-7.2	-4.7	18.1	-1.7	-1.6	8.8
Profits before tax	762.1	782.3	670.2	720.2	654.3	599.1	639.4	657.9	2.6	-14.3	-9.1	-8.4	6.7	2.9	-8.6
Profits tax liability	247.8	259.4	199.3	213.1	196.2	170.6	202.4	213.7	4.7	-23.2	-7.9	-13.1	18.6	5.6	.3
Profits after tax	514.3	522.9	470.9	507.1	458.1	428.5	437.0	444.3	1.7	-10.0	-9.7	-6.5	2.0	1.7	-12.4
Dividends	328.4	376.1	409.6	406.5	411.4	417.7	424.2	430.8	14.5	8.9	1.2	1.5	1.5	1.6	6.0
Undistributed profits	185.9	146.8	61.2	100.7	46.7	10.8	12.8	13.5	-21.0	-58.3	-53.6	-77.0	19.2	4.9	-86.6
Inventory valuation adjustment	-4.2	-15.0	5.0	-6.2	8.9	27.2	1.9	-5.7							
Capital consumption adjustment	47.9	20.8	56.5	7.3	23.9	185.1	156.3	132.8	-56.6	172.1	225.6	673.6	-15.6	-15.0	1,707.0
Addenda:															
Corporate profits after tax with inventory valuation and capital consumption adjustments	558.0	528.7	532.3	508.3	490.9	640.8	595.2	571.3	-5.2	.7	-3.4	30.5	-7.1	-4.0	12.4
Net cash flow with inventory valuation and capital consumption adjustments	895.0	873.7	911.8	874.2	915.1	1,015.6	979.3	966.7	-2.4	4.4	4.7	11.0	-3.6	-1.3	10.6
Undistributed profits with inventory valuation and capital consumption adjustments	229.6	152.6	122.7	101.9	79.5	223.0	171.0	140.5	-33.5	-19.6	-21.9	180.4	-23.3	-17.8	38.0
Consumption of fixed capital	665.5	721.1	789.1	772.3	835.6	792.6	808.3	826.1	8.4	9.4	8.2	-5.1	2.0	2.2	7.0
Less: Inventory valuation adjustment	-4.2	-15.0	5.0	-6.2	8.9	27.2	1.9	-5.7							
Equals: Net cash flow	899.3	888.7	906.8	880.3	906.2	988.4	977.4	972.4	-1.2	2.0	2.9	9.1	-1.1	-5	10.5

r revised

Table 11.—Corporate Profits by Industry: Level and Change From Preceding Period

(Billions of dollars)

	Level								Change from preceding period						
	1999	2000	2001	Seasonally adjusted at annual rates					2000	2001	2001		2002		
				2001			2002				III	IV	I	II ^r	
				II	III	IV	I	II ^r			III	IV	I	II ^r	
Corporate profits with inventory valuation and capital consumption adjustments	805.8	788.1	731.6	721.4	687.2	811.4	797.6	785.0	-17.7	-56.5	-34.2	124.2	-13.8	-12.6	
Domestic industries	685.5	644.8	580.9	560.9	545.3	646.7	665.6	669.9	-40.7	-63.9	-15.6	101.4	18.9	4.3	
Financial	167.1	183.0	173.5	167.8	142.3	197.8	213.2	210.7	15.9	-9.5	-25.5	55.5	15.4	-2.5	
Nonfinancial	518.5	461.8	407.4	393.1	403.0	449.0	452.4	459.3	-56.7	-54.4	9.9	46.0	3.4	6.9	
Rest of the world	120.2	143.3	150.8	160.4	141.8	164.7	132.0	115.1	23.1	7.5	-18.6	22.9	-32.7	-16.9	
Receipts from the rest of the world	175.5	203.8	172.4	178.4	167.2	156.1	161.4	173.4	28.3	-31.4	-11.2	-11.1	5.3	12.0	
Less: Payments to the rest of the world	55.3	60.5	21.6	18.0	25.3	-8.5	29.4	58.3	5.2	-38.9	7.3	-33.8	37.9	28.9	
Corporate profits with inventory valuation adjustment	757.9	767.3	675.1	714.0	663.2	626.3	641.3	652.2	9.4	-92.2	-50.8	-36.9	15.0	10.9	
Domestic industries	637.6	624.0	524.4	553.6	521.4	461.6	509.3	537.1	-13.6	-99.6	-32.2	-59.8	47.7	27.8	
Financial	181.7	201.0	190.6	191.6	162.7	200.1	218.2	218.5	19.3	-10.4	-28.9	37.4	18.1	.3	
Federal Reserve banks	25.8	30.0	27.9	28.8	27.3	25.0	23.4	23.9	4.2	-2.1	-1.5	-2.3	-1.6	.5	
Other	155.9	171.0	162.8	162.8	135.4	175.2	194.8	194.6	15.1	-8.2	-27.4	39.8	19.6	-2	
Nonfinancial	455.9	423.0	333.7	362.0	358.7	261.5	291.1	318.6	-32.9	-89.3	-3.3	-97.2	29.6	27.5	
Manufacturing	157.5	159.8	83.4	99.2	91.1	50.9	68.9	91.9	2.3	-76.4	-8.1	-40.2	18.0	23.0	
Durable goods	68.2	61.5	9.9	17.0	11.6	-14.9	2.5	17.8	-6.7	-51.6	-5.4	-26.5	17.4	15.3	
Primary metal industries	2.1	1.0	-1.6	-6	-1	-2.2	.5	.3	-1.1	-2.6	.5	-2.1	2.7	-2	
Fabricated metal products	15.9	15.4	9.0	10.5	8.5	6.8	5.2	5.8	-5	-6.4	-2.0	-1.7	-1.6	.6	
Industrial machinery and equipment	7.2	14.2	-.6	.9	-5.2	-7.5	-4.9	-2.9	7.0	-14.8	-6.1	-2.3	2.6	2.0	
Electronic and other electric equipment	3.4	5.5	-3.2	-1.3	-4.6	-8.4	-6.2	-9	2.1	-8.7	-3.3	-3.8	2.2	5.3	
Motor vehicles and equipment	6.3	-2.2	-9.4	-10.1	-6.4	-13.3	-11.8	-4.4	-8.5	-7.2	3.7	-6.9	1.5	7.4	
Other	33.3	27.6	15.7	17.6	19.4	9.7	19.7	20.0	-5.7	-11.9	1.8	-9.7	10.0	.3	
Nondurable goods	89.3	98.3	73.5	82.2	79.5	65.8	66.4	74.1	9.0	-24.8	-2.7	-13.7	.6	7.7	
Food and kindred products	27.9	25.8	16.6	18.0	17.8	18.3	18.9	19.2	-2.1	-9.2	-2	.5	.6	.3	
Chemicals and allied products	23.9	17.2	15.2	16.1	18.0	18.5	15.1	16.7	-6.7	-2.0	1.9	.5	-3.4	1.6	
Petroleum and coal products	1.7	26.1	25.7	28.9	25.0	19.4	14.1	15.4	24.4	-4	-3.9	-5.6	-5.3	1.3	
Other	35.8	29.1	16.0	19.3	18.8	9.5	18.3	22.8	-6.7	-13.1	-5	-9.3	8.8	4.5	
Transportation and public utilities	57.2	36.6	27.7	34.3	33.3	6.5	15.0	17.1	-20.6	-8.9	-1.0	-26.8	8.5	2.1	
Transportation	15.1	12.8	1.2	3.5	1.8	-5.1	-5	-1.7	-2.3	-11.6	-1.7	-6.9	4.6	-1.2	
Communications	6.1	-5.5	-5.8	-5.2	-3.9	-11.2	-9.3	-12.7	-11.6	-3	1.3	-7.3	1.9	-3.4	
Electric, gas, and sanitary services	36.0	29.4	32.2	36.1	35.3	22.7	24.8	31.4	-6.6	2.8	-8	-12.6	2.1	6.6	
Wholesale trade	54.4	62.1	44.8	41.0	45.9	46.9	41.2	44.8	7.7	-17.3	4.9	1.0	-5.7	3.6	
Retail trade	75.6	73.4	79.1	77.8	82.6	80.5	81.4	86.0	-2.2	5.7	4.8	-2.1	.9	4.6	
Other	111.2	91.0	98.8	109.8	105.7	76.7	84.6	78.9	-20.2	7.8	-4.1	-29.0	7.9	-5.7	
Rest of the world	120.2	143.3	150.8	160.4	141.8	164.7	132.0	115.1	23.1	7.5	-18.6	22.9	-32.7	-16.9	

r revised

Table 12.—Gross Domestic Product of Nonfinancial Corporate Business

	1999	2000	2001	Seasonally adjusted at annual rates				
				2001			2002	
				II	III	IV	I ^r	II ^r
Billions of dollars								
Gross product of nonfinancial corporate business	4,981.0	5,295.0	5,354.2	5,340.9	5,365.7	5,391.6	5,423.8	5,488.7
Consumption of fixed capital	556.2	599.4	652.8	641.6	684.9	657.0	670.7	685.1
Net product	4,424.9	4,695.6	4,701.4	4,699.3	4,680.8	4,734.6	4,753.1	4,803.6
Indirect business tax and nontax liability plus business transfer payments less subsidies	478.4	508.9	523.7	529.3	508.0	534.3	539.3	545.6
Domestic income	3,946.5	4,186.6	4,177.7	4,170.0	4,172.8	4,200.3	4,213.9	4,258.0
Compensation of employees	3,272.0	3,542.1	3,573.5	3,580.7	3,572.5	3,551.8	3,570.1	3,604.1
Wage and salary accruals	2,804.7	3,040.1	3,056.4	3,064.7	3,054.1	3,031.8	3,040.2	3,063.3
Supplements to wages and salaries	467.2	502.0	517.1	516.0	518.4	520.0	529.9	540.8
Corporate profits with inventory valuation and capital consumption adjustments	518.5	461.8	407.4	393.1	403.0	449.0	452.4	459.3
Profits before tax	460.1	437.9	328.8	368.2	349.8	234.3	289.2	324.4
Profits tax liability	166.9	172.4	123.5	136.2	129.4	94.0	119.8	130.8
Profits after tax	293.2	265.5	205.3	232.0	220.4	140.3	169.5	193.6
Dividends	239.2	259.6	278.5	268.3	283.8	285.2	293.1	280.2
Undistributed profits	54.0	5.9	-73.2	-36.3	-63.4	-144.9	-123.6	-86.6
Inventory valuation adjustment	-4.2	-15.0	5.0	-6.2	8.9	27.2	1.9	-5.7
Capital consumption adjustment	62.6	38.8	73.6	31.1	44.3	187.4	161.3	140.6
Net interest	156.1	182.7	196.8	196.1	197.3	199.5	191.4	194.6
Billions of chained (1996) dollars								
Gross product of nonfinancial corporate business ¹	4,896.3	5,075.7	5,048.7	5,032.2	5,029.0	5,096.1	5,137.1	5,203.5
Consumption of fixed capital ²	574.5	616.7	671.9	659.3	702.9	681.0	695.2	715.4
Net product ³	4,321.8	4,459.0	4,376.8	4,372.9	4,326.1	4,415.1	4,441.9	4,488.1
Dollars								
Price, costs, and profits per unit of real gross product of nonfinancial corporate business:								
Price per unit of real gross product of nonfinancial corporate business ⁴	1.017	1.043	1.061	1.061	1.067	1.058	1.056	1.055
Compensation of employees (unit labor cost) .....	.668	.698	.708	.712	.710	.697	.695	.693
Unit nonlabor cost .....	.244	.254	.272	.271	.276	.273	.273	.274
Consumption of fixed capital .....	.114	.118	.129	.127	.136	.129	.131	.132
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	.098	.100	.104	.105	.101	.105	.105	.105
Net interest .....	.032	.036	.039	.039	.039	.039	.037	.037
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production) .....	.106	.091	.081	.078	.080	.088	.088	.088
Profits tax liability .....	.034	.034	.024	.027	.026	.018	.023	.025
Profits after tax with inventory valuation and capital consumption adjustments .....	.072	.057	.056	.051	.054	.070	.065	.063

^r revised. Revisions include changes to income-side aggregates affected by the introduction of revised wage and salary estimates for the first quarter of 2002.

1. Effective with the estimates scheduled for release on November 26, 2002, chained-dollar gross product of nonfinancial corporate business for 1999 to 2002 will be revised to reflect revisions to the gross product price indexes for nonfinancial industries.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100.

3. Chained-dollar net product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

4. The deflator for gross product of nonfinancial corporate business divided by 100.

Appendix Table A.—Real Gross Domestic Product and Related Aggregates and Price Indexes: Percent Change From Preceding Period
[Percent]

	1999	2000	2001	Seasonally adjusted at annual rates																
				1998		1999				2000				2001				2002		
				III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II ^r	
GDP and related aggregates:																				
GDP	4.1	3.8	0.3	4.1	6.7	3.0	2.0	5.2	7.1	2.6	4.8	0.6	1.1	-0.6	-1.6	-0.3	2.7	5.0	1.3	
Goods	5.3	4.7	-2.3	6.1	13.2	1.4	1.5	8.2	12.0	1.4	6.9	-5	-2.7	-4.4	-5.7	-1.5	4.3	8.3	4	
Services	3.3	3.3	2.1	2.2	2.5	3.7	2.9	4.3	3.9	2.0	5.0	1.6	3.7	.9	1.2	1.8	3.2	2.8	3.5	
Structures	3.8	2.7	-1	7.0	5.7	5.7	-1.5	-1.9	6.2	10.7	-3.6	-1.2	1.7	6.1	-1.3	-7.1	-5.6	6.1	-8.4	
Motor vehicle output	8.7	-2.7	-6.1	-5.9	77.2	-11.1	-2.0	21.0	2.0	-1.6	-7.9	-16.4	-18.1	-19.1	19.4	10.7	16.3	9.9	8.1	
GDP less motor vehicle output	3.9	4.0	.5	4.5	4.7	3.6	2.1	4.6	7.3	2.7	5.4	1.2	1.8	0	-2.2	-6	2.3	4.9	1.0	
Final sales of computers ¹	41.4	29.5	9.1	42.9	54.9	36.4	61.8	35.1	-3.9	56.9	45.2	9.6	10.2	30.0	-19.1	-5.3	28.9	-7.8	13.1	
GDP less final sales of computers	3.8	3.5	.2	3.8	6.3	2.8	1.5	4.9	7.2	2.2	4.5	.5	1.0	-8	-1.4	-2	2.6	5.1	1.2	
Farm product ²	7.8	11.5	-5.1	11.2	5.5	7.3	25.7	-7.3	8.7	35.1	4.7	15.3	-19.1	-10.6	-17.5	-4.3	74.0	-14.2	-26.7	
Nonfarm business less housing product ³	4.7	4.1	-1	4.3	8.4	3.2	1.8	6.0	8.5	2.1	5.6	.3	1.2	-9	-2.8	-8	3.0	6.3	.9	
Price indexes:																				
GDP	1.4	2.1	2.4	1.4	1.1	1.8	1.5	1.2	1.7	3.1	2.3	1.6	2.1	3.7	2.5	2.2	-5	1.3	1.2	
GDP less food and energy	1.5	2.0	2.0	1.5	1.1	1.7	1.6	1.3	1.8	2.7	2.1	1.6	1.9	2.8	1.6	2.8	0	1.6	1.5	
GDP less final sales of computers	1.8	2.3	2.6	1.9	1.4	2.2	1.8	1.5	1.9	3.3	2.5	1.8	2.2	4.1	2.7	2.4	-4	1.5	1.4	
Gross domestic purchases	1.5	2.5	1.9	1.1	1.2	1.4	2.1	1.9	2.2	3.7	2.2	2.2	2.1	3.3	1.7	-2	4	1.2	2.3	
Gross domestic purchases less food and energy	1.3	1.9	1.8	1.3	1.2	1.5	1.4	1.2	1.7	2.7	1.9	1.5	1.7	2.9	1.3	.6	2.0	1.4	1.5	
Gross domestic purchases less final sales of computers	1.9	2.8	2.2	1.6	1.6	1.8	2.4	2.2	2.4	3.9	2.4	2.4	2.3	3.8	2.0	.1	.7	1.4	2.4	
Personal consumption expenditures	1.6	2.5	2.0	1.4	1.4	1.2	2.3	2.2	2.4	3.4	2.3	2.1	2.2	3.3	1.8	-1	.8	1.1	2.7	
Personal consumption expenditures less food and energy	1.5	1.8	1.8	1.6	1.5	1.3	1.4	1.5	1.7	2.2	1.8	1.3	1.8	2.8	1.2	.7	2.7	1.4	1.9	

^r revised

1. For some components of final sales of computers, includes computer parts.

2. Farm output less intermediate goods and services purchased.

3. Consists of GDP less gross product of farm, of housing, of households and institutions, and of general government.

See "Explanatory Note" at the end of the tables.

Explanatory Note: Measures of Output and Prices

This note describes the calculation of chain-type quantity and price indexes used in the NIPA's.

Changes in current-dollar GDP measure changes in the market value of goods, services, and structures produced in the economy in a particular period. These changes can be decomposed into quantity and price components. Quantities, or "real" measures, and prices are expressed as index numbers with the reference year--at present, the year 1996--equal to 100.

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent years. (Quarterly changes in quantities and prices are calculated using a Fisher formula that incorporates weights from two adjacent quarters; quarterly indexes are adjusted for consistency to the annual indexes before percent changes are calculated.) For example, the 2000-01 annual percent change in real GDP uses prices for 2000 and 2001 as weights, and the 2000-01 annual percent change in GDP prices uses quantities for 2000 and 2001 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price indexes. The Fisher formula produces percent changes in quantities and prices that are not affected by the choice of reference years. In addition, because the changes in quantities and prices calculated in this way are symmetric, in general, the product of a quantity index and the corresponding price index equals the current-dollar index. (BEA also publishes a measure of the price level known as the "implicit price deflator (IPD)," which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100. The values of the IPD are very close to the values of the corresponding "chain-type" price index for all periods.)

Chain-type quantity and price indexes for GDP and its major components are presented in this release as index numbers in table 5 and in the form of percentage changes from the preceding period in tables 1, 4, 6 and from the quarter one year ago in table 7. Contributions by major components to changes in real GDP are presented in table 2. BEA also prepares measures of real GDP and its components in a dollar-denominated form, designated "chained (1996) dollar estimates." For GDP and most other series, these estimates, which are presented in table 3, are computed by multiplying the 1996 current-dollar value by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased 10 percent in 1997, then the chained (1996) dollar value of this component in 1997 would be \$110 ($\100×1.10).

For analyses of changes over time in an aggregate or in a component, the percentage changes calculated from the chained-dollar estimates and from the chain-type quantity indexes are the same; any differences will be small and due to rounding. However, because the relative prices used as weights for any period other than the reference year differ from those used for the reference year, the chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP or to any intermediate aggregate. A measure of the extent of such differences is provided by a "residual" line, which indicates the difference between GDP (or another major aggregate) and the sum of the most detailed components in the table. For periods close to the reference year, when there usually has not been much change in the relative prices that are used as weights for the chain-type index, the residuals tend to be small, and the chained (1996) dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. As one moves further from the reference year, the residual tends to become larger, and the chained-dollar estimates become less useful for analyses of contributions to growth. Thus, the contributions to percent change shown in table 2 provide a better measure of the composition of GDP growth. In particular, for components for which relative prices are changing rapidly, calculation of contributions using chained-dollar estimates may be misleading even just a few years from the reference year.

References: "A Preview of the 1999 Comprehensive Revision of the NIPA's: Statistical Changes," October 1999 Survey, pp. 6-17; "A Guide to the NIPA's," March 1998 Survey, pp. 36-40; "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," May 1997 Survey, pp. 58-68.