

FOR WIRE TRANSMISSION: 8:30 A.M. EST, WEDNESDAY, DECEMBER 22, 1999

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

BEA 99-37

**GROSS DOMESTIC PRODUCT: THIRD QUARTER 1999 (FINAL)
CORPORATE PROFITS: THIRD QUARTER 1999 (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 5.7 percent in the third quarter of 1999, according to revised estimates released by the Commerce Department's Bureau of Economic Analysis. In the second quarter, real GDP increased 1.9 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 5.5 percent (see "Revisions" on page 3).

The major contributors to the increase in real GDP in the third quarter were: Personal consumption expenditures (PCE), nonresidential fixed investment, and exports. The contributions of these components were partly offset by the effects of an increase in imports.

The acceleration in real GDP growth in the third quarter primarily reflected an upturn in inventory investment.

The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 1.7 percent in the third quarter, the same increase as in the preliminary estimate; this index increased 1.9 percent in the second quarter. Excluding food and energy prices, which are normally more volatile than many other prices, the price index increased 1.2 percent in the third quarter, the same increase as in the second.

Real personal consumption expenditures increased 4.9 percent in the third quarter, compared with an increase of 5.1 percent in the second. Real nonresidential fixed investment increased 10.9 percent, compared with an increase of 7.0 percent. Nonresidential structures decreased 3.8 percent, compared with a decrease of 5.3 percent. Equipment and software increased 15.7 percent, compared with an increase of 11.2 percent. Real residential fixed investment decreased 3.8 percent, in contrast to an increase of 5.5 percent.

Real exports of goods and services increased 11.5 percent in the third quarter, compared with an increase of 4.0 percent in the second. Real imports of goods and services increased 14.9 percent, compared with an increase of 14.4 percent.

Real federal government consumption expenditures and gross investment increased 4.1 percent in the third quarter, compared with an increase of 2.1 percent in the second. National defense increased 11.2 percent, in contrast to a decrease of 2.6 percent. Nondefense decreased 7.1 percent, in contrast to an increase of 10.9 percent. Real state and local government consumption expenditures and gross investment increased 4.8 percent, compared with an increase of 0.9 percent.

The real change in private inventories added 1.09 percentage points to the third-quarter change in real GDP, after subtracting 1.46 percentage points from the second-quarter change. Businesses increased inventories \$38.0 billion in the third quarter, following increases of \$14.0 billion in the second quarter and \$50.1 billion in the first.

Real final sales of domestic product -- GDP less change in private inventories -- increased 4.5 percent in the third quarter, compared with an increase of 3.4 percent in the second.

Gross domestic purchases

Real gross domestic purchases -- purchases by U.S. residents of goods and services wherever produced -- increased 6.3 percent in the third quarter, compared with an increase of 3.2 percent in the second.

Gross national product

Real gross national product -- the goods and services produced by the labor and property supplied by U.S. residents -- increased 5.6 percent in the third quarter, compared with an increase of 1.9 percent in the second. GNP includes, and GDP excludes, net receipts of income from the rest of the world.

Current-dollar GDP

Current-dollar GDP -- the market value of the nation's output of goods and services -- increased 6.8 percent, or \$151.6 billion, in the third quarter to a level of \$9,297.8 billion. In the second quarter, current-dollar GDP increased 3.3 percent, or \$73.5 billion.

Revisions

The final estimate of the third-quarter increase in real GDP is 0.2 percentage point, or \$2.9 billion, higher than the preliminary estimate issued last month. The upward revision to the percentage change in real GDP primarily reflected upward revisions to change in private nonfarm inventories (\$4.1 billion) and to personal consumption expenditures for services (\$3.9 billion) that more than offset a downward revision to private fixed investment in equipment and software (\$5.3 billion).

	<u>Advance</u>	<u>Preliminary</u>	<u>Final</u>
	(Percent change from preceding quarter)		
Real GDP.....	4.8	5.5	5.7
Current-dollar GDP.....	5.8	6.7	6.8
Gross domestic purchases price index.....	1.6	1.7	1.7

Corporate Profits

Profits from current production (profits before tax with inventory valuation and capital consumption adjustments) increased \$3.7 billion in the third quarter, according to revised estimates. In the second quarter, profits decreased \$6.5 billion. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) -- the internal funds available to corporations for investment -- increased \$12.3 billion in the third quarter, in contrast to a decrease of \$6.7 billion in the second.

Profits in the third quarter were reduced by about \$10 billion due to the effects of Hurricane Floyd. Benefits paid by insurance companies reduced profits by about \$8 billion, and uninsured losses reduced profits by about \$2 billion.

The revised estimate of third-quarter corporate profits from current production is \$4.5 billion lower than the preliminary estimate issued last month. The foreign component of profits (rest-of-the-world profits) was revised down \$5.0 billion. Domestic profits of financial and nonfinancial corporations were revised up \$3.8 billion and down \$3.4 billion, respectively.

Domestic profits of financial corporations increased \$4.4 billion in the third quarter, in contrast to a decrease of \$7.8 billion in the second.

Domestic profits of nonfinancial corporations decreased \$5.5 billion in the third quarter, in contrast to an increase of \$2.2 billion in the second. In the third quarter, real gross corporate product increased, and profits per unit of real product decreased. The decrease in unit profits reflected increases in both the unit labor and nonlabor costs corporations incurred.

The rest-of-the-world component of profits increased \$4.8 billion in the third quarter, in contrast to a decrease of \$1.0 billion in the second. 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 third-quarter increase was accounted for by a larger increase in receipts than in payments.

Industry profits are measured as profits before tax with inventory valuation adjustment because detailed information on the capital consumption adjustment by industry is not available. According to this measure, the decrease in the profits of nonfinancial corporations reflected decreases in retail trade, in durable goods manufacturing, and in wholesale trade that more than offset an increase in the transportation and public utilities group.

Profits before tax increased \$18.0 billion in the third quarter, compared with an increase of \$17.7 billion in the second. 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 and inventory withdrawals reported on an historical-cost basis to the replacement-cost measures used in the national income and product accounts. The capital consumption adjustment decreased \$1.1 billion in the third quarter (from \$53.2 billion to \$52.1 billion), in contrast to an increase of \$2.6 billion in the second. The inventory valuation adjustment decreased \$13.1 billion (from -\$13.6 billion to -\$26.7 billion), compared with a decrease of \$26.9 billion.

Profits tax liability increased \$5.0 billion in the third quarter, compared with an increase of \$6.4 billion in the second. Profits after tax increased \$12.9 billion, compared with an increase of \$11.3 billion. Dividends increased \$5.8 billion, compared with an increase of \$5.1 billion; undistributed profits increased \$7.1 billion, compared with an increase of \$6.2 billion.

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.doc.gov>

STAT-USA maintains an Internet site that contains BEA estimates, the Survey of Current Business, and BEA news releases. The information available through STAT-USA is often more detailed and more timely than that available from other sources. For information about STAT-USA, go to <www.stat-usa.gov>, or call (202) 482-1986. Subscriptions for single-user unlimited access to STAT-USA's Internet information are \$50.00 for 3 months or \$150.00 for 1 year.

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 appear in the Survey of Current Business, BEA's monthly journal. The printed Survey of Current Business is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. First class mail: Annual subscription \$120.00 domestic. Second class mail: Annual subscription \$48.00 domestic, \$60.00 foreign; single issue \$17.25 domestic, \$21.56 foreign.

* * *

Next release -- January 28, 2000, at 8:30 A.M. EST for:
Gross Domestic Product: Fourth Quarter 1999 (Advance)

Release dates in 2000

Gross domestic product

	<u>1999: IV and 1999 annual</u>	<u>2000:I</u>	<u>2000:II</u>	<u>2000:III</u>
Advance.....	January 28	April 27	July 28	October 27
Preliminary..	February 25	May 25	August 25	November 29
Final.....	March 30	June 29	September 28	December 21

Corporate Profits

Preliminary..	....	May 25	August 25	November 29
Final.....	March 30	June 29	September 28	December 21

Table 1.--Real Gross Domestic Product and Related Measures: Percent Change From Preceding Period
[Percent; quarters seasonally adjusted at annual rates]

	1996	1997	1998	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99	III 99r	99r
Gross domestic product (GDP).....	3.7	4.5	4.3	3.3	2.9	6.9	2.2	4.9	4.9	5.1	4.0	3.1	6.7	2.1	3.8	5.9	3.7	1.9	5.7	5.7
Personal consumption expenditures...	3.3	3.7	4.9	2.7	3.3	4.5	2.2	3.2	4.9	1.8	6.6	3.4	5.6	6.1	3.9	4.6	6.5	5.1	4.9	4.9
Durable goods.....	5.6	6.6	11.3	3.4	4.1	13.0	-1.5	5.0	10.9	-1.5	20.2	5.0	16.9	11.2	4.1	20.4	12.4	9.1	7.7	7.7
Nondurable goods.....	2.9	2.9	4.0	3.4	2.4	4.2	2.2	4.0	3.8	-2	5.7	.3	5.8	6.7	2.4	5.0	8.9	3.3	3.6	3.6
Services.....	3.0	3.6	4.0	2.2	3.7	3.0	2.9	2.4	4.3	3.5	4.5	4.6	3.3	4.8	4.7	1.5	4.2	5.2	5.0	5.0
Gross private domestic investment...	9.0	11.5	11.7	12.5	7.1	22.5	16.5	7	14.0	22.0	1.0	8.0	33.4	-4.7	10.4	11.5	3.6	-2.1	13.6	13.6
Fixed investment.....	9.3	8.5	11.8	9.6	12.0	13.9	9.6	6.2	7.9	8.6	12.0	4.1	23.4	12.5	2.0	13.8	9.1	6.6	6.8	6.8
Nonresidential.....	10.0	10.7	12.7	9.5	13.1	11.6	13.6	10.0	9.6	9.9	16.0	3.2	26.7	12.1	0	15.3	7.8	7.0	10.9	10.9
Structures.....	7.1	8.5	1.0	-8	14.8	15.8	7.1	23.0	16.0	11.6	11.2	-7	5.4	13.2	-6	5.8	-5.8	-5.3	-3.8	-3.8
Equipment and software.....	11.0	11.5	15.8	13.1	14.0	12.0	15.7	5.9	10.1	15.2	17.7	2.8	34.7	13.8	2.4	18.6	12.5	11.2	15.7	15.7
Residential.....	7.4	2.3	9.2	9.7	8.8	20.6	-1.0	-4.1	3.0	4.7	.6	6.6	14.0	13.6	8.0	9.8	12.9	5.5	-3.8	-3.8
Change in private inventories.....																				
Net exports of goods and services.....																				
Exports.....	8.3	12.7	2.2	9.9	2.3	6.9	3.5	29.0	8.8	16.2	11.5	1.8	-1.5	-4.0	-1.7	16.1	-5.5	4.0	11.5	11.5
Goods.....	8.7	14.5	2.1	11.0	4.9	4.3	7.9	24.3	14.4	18.3	13.0	3.5	-2.8	-8.8	1.6	19.4	-9.3	4.3	16.9	16.9
Imports.....	7.1	8.5	2.5	7.2	-4.0	13.5	-6.7	41.0	-3.5	11.1	7.6	-2.5	1.7	8.8	-9.8	8.6	4.1	3.2	.0	.0
Imports.....	8.6	13.7	11.6	3.9	10.8	13.3	14.4	6.3	15.5	19.1	17.6	5.2	14.4	13.0	5.2	10.8	12.5	14.4	14.9	14.9
Goods.....	9.4	14.2	11.7	3.5	11.9	15.2	14.9	7.5	14.6	21.2	17.0	5.2	14.0	13.6	4.9	12.8	12.6	15.5	17.3	17.3
Services.....	4.8	11.2	10.8	6.4	5.6	4.1	11.8	0	20.6	8.6	20.7	5.3	16.7	9.7	6.4	1.6	11.9	8.9	3.6	3.6
Government consumption expenditures and gross investment.....	1.1	2.3	1.7	-4.8	3.3	7.5	-2.3	2.5	1.7	5.7	1.7	-1	-1.0	6.0	1.3	2.9	5.1	1.3	4.5	4.5
Federal.....	-9	-1	-9	-16.1	9.6	8.7	-7.7	-1.3	-2.8	9.9	-1.3	-4.2	-9.8	11.9	-2.3	3.9	-5	2.1	4.1	4.1
National defense.....	-1.3	-2.5	-1.9	-13.5	7.0	7.7	-8.1	-2.4	-11.3	9.6	-2	-2	-17.0	11.1	7.0	-2.9	-4.0	-2.6	11.2	11.2
Nondefense.....	-0	1.8	4.1	-21.2	14.9	10.8	-6.8	16.0	10.3	-3.6	-7.7	5.4	13.2	-17.1	17.8	6.1	10.9	9.9	-7.1	-7.1
State and local.....	2.4	3.8	3.2	2.8	-3	6.9	1.1	4.9	4.4	3.4	3.5	2.4	4.1	3.0	3.3	2.3	8.2	.9	4.8	4.8
Addenda:																				
Final sales of domestic product.....	3.7	4.0	4.3	2.9	3.6	5.7	1.2	5.8	4.0	3.1	5.8	2.4	5.1	5.1	2.4	6.2	4.6	3.4	4.5	4.5
Gross domestic purchases.....	3.8	4.7	5.4	2.7	3.9	7.7	3.5	2.7	5.7	5.6	4.8	3.5	8.6	4.1	4.6	5.5	5.8	3.2	6.3	6.3
Final sales to domestic purchasers.....	3.8	4.2	5.4	2.3	4.6	6.4	2.5	3.5	4.8	3.5	6.5	2.9	7.0	7.1	3.2	5.8	6.7	4.7	5.2	5.2
Gross national product (GNP).....	3.6	4.3	4.1	4.0	3.1	6.4	1.9	5.1	4.3	5.4	3.6	3.0	6.8	2.0	2.6	6.3	3.8	1.9	5.6	5.6
Disposable personal income.....	2.6	3.6	4.1	2.9	2.7	2.1	4.6	1.7	4.4	4.2	3.6	4.3	4.0	3.8	4.5	4.8	4.1	3.2	2.9	2.9
Current-dollar measures:																				
GDP.....	5.6	6.2	5.5	5.3	5.4	8.3	4.0	6.4	7.4	6.7	5.2	4.3	7.7	3.4	5.4	7.0	5.7	3.3	6.8	6.8
Final sales of domestic product.....	5.6	5.8	5.5	4.9	6.2	7.0	2.9	7.3	6.4	4.7	7.0	3.7	6.3	6.3	3.8	7.2	6.7	4.8	5.7	5.7
Gross domestic purchases.....	5.6	6.2	6.2	4.4	6.3	9.0	5.0	4.7	7.8	6.1	5.8	4.6	8.6	5.1	5.8	6.6	7.5	5.2	8.1	8.1
Final sales to domestic purchasers.....	5.6	5.7	6.2	4.1	7.1	7.7	4.0	5.6	6.8	4.2	7.6	4.0	7.2	8.0	4.3	6.8	8.5	6.7	7.0	7.0
GNP.....	5.5	6.0	5.4	6.0	5.6	7.7	3.6	6.6	6.8	7.0	4.8	4.2	7.8	3.3	4.1	7.4	5.8	3.3	6.8	6.8
Disposable personal income.....	4.7	5.4	5.1	4.5	5.1	4.6	6.0	4.3	6.6	5.1	4.7	5.6	4.5	4.9	5.7	6.0	5.6	5.5	4.8	4.8

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

Table 2.--Contributions to Percent Change in Real Gross Domestic Product
[Quarters seasonally adjusted at annual rates]

	1996	1997	1998	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99	III 99r	99r
Percent change at annual rate:																				
Gross domestic product.....	3.7	4.5	4.3	3.3	2.9	6.9	2.2	4.9	4.9	5.1	4.0	3.1	6.7	2.1	3.8	5.9	3.7	1.9	5.7	5.7
Percentage points at annual rates:																				
Personal consumption expenditures.....	2.22	2.51	3.24	1.81	2.17	3.06	1.41	2.14	3.28	1.24	4.29	2.22	3.75	3.96	2.64	3.13	4.27	3.36	3.33	3.33
Durable goods.....	.44	.51	.86	.27	.32	.99	-.12	.39	.8	1.11	1.42	.3	.84	.84	.33	1.51	.96	.71	.62	.62
Nondurable goods.....	.60	.59	.79	.69	.47	.86	-.44	.79	.78	-.02	1.11	.06	1.15	1.28	.49	.98	1.68	.64	.73	.73
Services.....	1.18	1.41	1.59	.85	1.39	1.22	1.09	.96	1.69	1.38	1.76	1.78	1.37	1.85	1.83	1.64	1.63	2.01	1.97	1.97
Gross private domestic investment.....	1.37	1.82	1.93	1.81	1.16	3.26	2.50	1.15	2.13	3.33	.17	1.30	5.04	-.85	1.74	1.94	.67	-.36	2.25	2.25
Fixed investment.....	1.39	1.31	1.86	1.38	1.74	2.04	1.43	.95	1.19	1.30	1.80	.63	3.45	1.95	.34	2.20	1.48	1.10	1.16	1.16
Nonresidential.....	1.10	1.22	1.49	1.02	1.41	1.28	1.47	1.12	1.07	1.12	1.78	.38	2.91	1.42	.01	1.79	.94	.86	1.33	1.33
Structures.....	.20	.25	.13	-.02	.28	.29	.21	.61	-.24	-.12	.32	.13	.18	.22	-.21	.18	-.18	-.16	-.11	-.11
Equipment and software.....	.91	.97	1.37	1.04	1.13	.99	1.27	.51	.83	1.24	1.45	.24	2.73	1.21	.22	1.61	1.12	1.02	1.44	1.44
Residential.....	.29	.09	.37	.36	.33	.76	-.04	-.17	-.12	-.19	.03	.27	.84	.53	.33	.41	.53	.24	-.17	-.17
Change in private inventories.....	-.02	.50	.07	.42	-.58	1.22	1.07	-.80	.94	2.02	-1.63	.66	1.59	-2.80	1.40	-.26	-.80	-1.46	1.09	1.09
Net exports of goods and services.....	-.14	-.25	-1.18	.59	-1.03	-.79	-1.29	2.13	-.79	-.44	-.77	-.44	-1.90	-2.01	-.82	.33	-2.13	-1.35	-.72	-.72
Exports.....	.90	1.10	.25	1.07	.77	.38	2.89	.98	1.75	1.29	.21	.21	.16	.45	-.18	1.65	.61	.42	1.19	1.19
Goods.....	.68	1.12	.17	.84	.40	.35	.61	1.75	1.09	1.39	1.04	.29	-.22	-.73	.12	1.38	-.74	.32	1.19	1.19
Services.....	.23	.28	.08	.23	-.14	.42	-.23	1.14	-.12	.36	-.25	-.08	.06	.28	-.30	.27	.13	.10	.00	.00
Imports.....	-1.04	-1.65	-1.43	-.48	-1.29	-1.55	-1.67	-.76	-1.77	-2.19	-2.06	-.68	-1.74	-1.56	-.65	-.32	-1.52	-1.77	-1.91	-1.91
Goods.....	-.94	-1.43	-1.21	-.36	-1.18	-1.47	-1.45	-.76	-1.39	-2.02	-1.67	-.54	-1.42	-1.36	-.51	-1.29	-1.28	-1.59	-1.83	-1.83
Services.....	-.09	-.22	-.22	-.12	-.11	-.08	-.22	.00	-.38	-.17	-.39	-.11	-.32	-.20	-.13	-.03	-.24	-.19	-.08	-.08
Government consumption expenditures and gross investment.....	-.21	-.42	.31	-.90	.59	1.37	-.41	.47	-.32	1.02	.31	-.01	-.16	1.03	.23	.51	.87	.23	.81	.81
Federal.....	-.06	-.11	-.06	-1.22	.63	.60	-.54	-.08	-.18	.63	-.08	-.28	-.64	.69	-.14	.24	-.03	.13	-.26	-.26
National defense.....	-.06	-.11	-.08	-.67	.32	.36</														

Fixed investment.....	1,460.0	1,461.7	1,508.9	1,543.3	1,567.8	1,594.2	1,471.8	1,474.0	1,522.5	1,555.9	1,581.0	1,607.3	155.8	25.1	26.3
Nonresidential.....	1,091.3	1,087.2	1,121.4	1,139.9	1,155.4	1,181.6	1,122.5	1,120.3	1,160.8	1,182.7	1,202.9	1,234.3	126.8	20.2	31.4
Structures.....	272.8	271.7	278.0	274.7	272.5	272.1	254.1	252.1	255.7	251.9	248.5	246.1	10.1	-3.4	-2.4
Nonresidential buildings, including farm.....	197.0	197.5	203.3	204.0	199.8	197.5	184.6	184.2	187.4	186.6	181.2	177.2	9.3	-5.4	-4.0
Utilities.....	39.2	39.2	40.1	39.2	39.1	39.9	38.0	37.9	38.7	38.1	38.0	38.5	2.3	-1.1	.5
Mining exploration, shafts, and wells.....	30.0	28.8	28.0	25.2	26.0	28.0	25.4	24.2	23.6	21.6	22.6	24.3	-1.0	1.0	1.7
Other structures.....	6.5	6.3	6.6	6.4	7.6	6.8	5.2	5.9	6.2	6.0	7.1	6.3	-3	1.1	.8
Equipment and software.....	818.5	815.4	843.4	865.2	882.9	909.5	870.6	870.6	908.5	935.7	960.9	996.6	118.7	25.2	35.7
Information processing equipment and software...	356.9	361.0	369.7	382.3	401.7	416.8	418.5	427.4	448.5	470.4	501.0	526.0	79.1	30.6	25.0
Computers and peripheral equipment...	88.5	89.1	90.5	92.3	96.4	100.8	154.2	160.4	178.3	193.4	212.9	233.5	55.2	19.5	20.6
Software.....	123.4	126.2	131.2	135.5	140.7	145.8	129.2	131.9	137.8	141.6	147.0	152.0	19.8	5.4	5.0
Other.....	144.9	145.8	148.0	154.5	164.6	170.2	147.1	148.3	150.9	157.8	168.4	174.7	14.4	10.6	6.3
Industrial equipment.....	150.2	150.9	151.4	147.9	149.3	153.0	148.1	148.7	148.9	145.0	146.6	150.0	6.8	1.6	3.4
Transportation equipment...	176.0	164.9	187.0	193.1	193.6	204.9	175.3	164.2	185.8	190.8	191.6	204.0	25.7	.8	12.4
Other.....	135.5	138.6	135.3	142.0	138.3	134.7	132.3	135.1	131.0	137.0	133.3	130.1	10.1	-3.7	-3.2

See note at the end of the table.

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

	Billions of current dollars						Billions of chained (1996) dollars						Change from preceding period		
	Seasonally adjusted at annual rates						Seasonally adjusted at annual rates						Change from preceding period		
	1998	III 98	IV 98	I 99	II 99	III 99r	1998	III 98	IV 98	I 99	II 99	III 99r	1998	II 99	III 99r
Residential.....	368.7	374.5	387.5	403.4	412.4	412.7	350.2	354.2	362.6	373.7	378.8	375.1	29.6	5.1	-3.7
Structures.....	360.4	366.1	379.1	394.6	403.6	403.6	341.8	345.8	354.0	364.8	369.7	365.9	29.1	4.9	-3.8
Single family.....	189.5	194.0	202.2	211.8	213.7	211.7	180.3	184.0	189.3	195.8	195.8	191.7	20.5	0	-4.1
Multifamily.....	24.5	24.1	24.8	27.7	27.5	27.8	21.8	21.2	21.1	23.3	22.9	22.9	-1	-4	0
Other.....	146.5	148.0	152.1	155.1	162.4	164.1	139.8	140.7	143.7	145.7	151.1	151.5	8.8	5.4	.4
Equipment.....	8.3	8.4	8.5	8.7	8.9	9.0	8.4	8.4	8.5	8.9	9.1	9.2	.5	.2	.1
Change in private inventories...	71.2	73.7	71.4	51.0	17.6	40.8	74.3	76.1	70.7	50.1	14.0	38.0	5.2	-36.1	24.0
Farm.....	1.3	-1.1	15.2	10.1	4.8	.7	.9	-2.1	12.8	7.4	.9	-3.8	-2.1	-6.5	-4.7
Nonfarm.....	70.9	74.7	56.2	40.9	12.8	40.1	73.2	77.5	58.2	43.1	13.1	41.2	7.0	-30.0	28.1
Manufacturing.....	24.1	21.2	11.5	.0	-7.8	1.6	25.1	22.2	12.0	.0	-8.3	1.7	3.0	-8.3	10.0
Wholesale trade.....	22.4	32.3	16.3	8.8	10.7	24.2	23.4	33.8	17.2	9.5	11.1	25.1	-1.0	1.6	14.0
Retail trade.....	11.1	10.9	15.6	17.5	5.9	14.3	11.1	11.0	15.5	17.5	5.9	14.1	1.3	-11.6	8.2
Other.....	13.2	10.3	12.8	14.7	4.0	.0	13.9	10.8	13.6	15.7	4.1	.1	5.0	-11.6	-4.0
Net exports of goods and services.....	-149.6	-165.7	-161.2	-201.6	-245.8	-278.2	-215.1	-237.9	-232.3	-284.5	-319.0	-338.2	-105.3	-34.5	-19.2
Exports.....	966.3	949.1	981.8	966.9	978.2	1,008.5	1,007.1	993.0	1,030.8	1,016.4	1,026.4	1,054.8	21.7	10.0	28.4
Goods.....	681.3	667.2	693.3	674.3	680.5	708.8	722.8	712.0	744.2	726.4	734.1	763.3	14.7	7.7	29.2
Foods, feeds, and beverages.....	46.4	42.8	47.5	43.2	45.3	47.1	55.1	51.4	57.8	52.9	56.1	59.1	-5	3.2	3.0
Industrial supplies and materials, except petroleum and products.....	142.8	138.8	139.7	133.6	137.0	142.6	151.5	149.0	152.3	147.1	150.1	152.7	-1.7	3.0	2.6
Capital goods, except automotive.....	300.1	299.0	309.2	301.7	299.5	319.3	324.5	325.1	337.2	329.6	328.4	352.1	13.4	-1.2	23.7
Automotive vehicles, engines, and parts.....	73.2	68.2	74.7	71.4	75.0	76.0	72.5	67.6	73.9	70.5	74.0	74.8	-9	3.5	.8
Consumer goods, except automotive.....	79.3	80.3	79.7	79.6	79.1	80.6	78.7	79.8	78.8	79.3	78.9	80.3	1.9	-4	1.4
Other.....	39.5	37.9	43.0	44.8	44.5	43.2	40.9	39.4	44.9	46.9	46.8	45.3	2.7	-1	-1.5
Services.....	285.1	281.9	288.6	292.6	297.7	299.7	284.4	281.1	287.0	289.9	292.2	292.2	6.9	2.3	.0
Imports.....	1,115.9	1,114.8	1,143.1	1,168.5	1,224.0	1,286.6	1,222.2	1,231.0	1,263.1	1,300.9	1,345.4	1,393.0	127.0	44.5	47.6
Goods.....	930.4	927.2	952.6	974.3	1,022.3	1,079.3	1,031.6	1,037.9	1,069.7	1,102.0	1,142.5	1,188.9	108.4	40.5	46.4
Foods, feeds, and beverages.....	41.2	41.3	41.6	41.7	43.8	44.2	42.2	42.6	42.8	43.7	46.0	47.2	2.9	2.3	1.2
Industrial supplies and materials, except petroleum and products.....	142.6	144.3	140.3	140.0	143.8	151.6	150.2	153.3	151.1	151.1	154.5	159.0	14.6	3.4	4.5
Petroleum and products.....	50.9	49.8	45.8	42.4	63.7	78.3	81.4	84.9	79.2	80.6	85.3	82.7	5.3	4.7	-2.6
Capital goods, except automotive.....	269.6	268.2	274.2	279.1	291.7	302.2	328.3	330.3	339.6	347.5	370.5	390.0	42.3	23.0	19.5
Automotive vehicles, engines, and parts.....	149.1	144.3	161.2	171.6	175.1	186.2	148.6	144.3	160.7	170.4	173.4	184.1	9.1	3.0	10.7
Consumer goods, except automotive.....	216.7	219.0	221.1	229.2	232.8	243.0	222.3	225.5	228.3	235.7	240.8	251.6	26.0	5.1	10.8
Other.....	60.4	60.3	68.5	70.3	71.4	73.7	60.4	60.1	62.1	70.7	72.2	74.3	8.9	1.5	2.1
Services.....	185.5	187.7	190.4	194.2	201.7	207.4	190.7	193.1	193.8	199.4	203.7	205.5	18.6	4.3	1.8

See note at the end of the table.

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

	Billions of current dollars						Billions of chained (1996) dollars						Change from preceding period		
	Seasonally adjusted at annual rates						Seasonally adjusted at annual rates						Change from preceding period		
	1998	III 98	IV 98	I 99	II 99	III 99r	1998	III 98	IV 98	I 99	II 99	III 99r	1998	II 99	III 99r
Government consumption expenditures and gross investment.....	1,529.7	1,538.7	1,554.8	1,589.1	1,605.9	1,637.2	1,480.3	1,485.3	1,495.9	1,514.6	1,519.5	1,536.5	25.2	4.9	17.0
Federal.....	538.7	539.7	546.7	557.4	561.6	569.8	526.1	527.0	532.0	531.4	534.2	539.7	-4.8	2.8	5.5
National defense.....	348.6	354.7	352.9	355.8	354.3	365.4	341.7	347.5	344.9	341.4	339.2	348.3	-6.6	-2.2	9.1
Consumption expenditures.....	299.9	302.5	303.4	304.6	300.8	312.1	293.4	293.6	293.6	289.5	284.9	294.0	-8.0	-4.6	9.1
Gross investment.....	48.7	52.2	49.5	51.2	53.5	53.4	50.3	50.4	51.4	52.1	54.6	54.5	1.6	2.5	-1
Nondefense.....	190.1	185.0	193.8	201.6	207.3	204.4	184.4	179.6	187.1	189.9	194.9	191.3	1.7	5.0	-3.6
Consumption expenditures.....	153.6	149.0	156.5	162.4	164.4	162.9	147.3	142.9	149.1	150.8	152.1	149.8	-2.3	1.3	-2.3
Gross investment.....	36.5	36.1	37.2	39.2	42.9	41.5	37.2	36.9	38.1	39.4	43.2	41.9	4.1	3.8	-1.3
State and local.....	991.0	999.0	1,008.1	1,031.8	1,044.3	1,067.4	953.9	958.1	963.6	982.9	985.1	996.6	29.8	2.2	11.5
Consumption expenditures.....	807.5	813.8	822.2	832.4	848.4	866.5	775.1	777.8	783.7	790.4	797.3	804.9	25.3	6.9	7.6
Gross investment.....	183.5	185.2	185.9	199.4	195.8	200.8	178.8	180.3	179.9	192.7	187.8	191.7	4.5	-4.9	3.9
Residual.....							-14.6	-14.2	-29.0	-32.2	-33.4	-45.3	-13.4	-1.2	-11.9
Addenda:															
Final sales of domestic product.....	8,688.7	8,724.2	8,876.2	9,021.6	9,128.6	9,257.0	8,441.3	8,459.6	8,588.3	8,685.2	8,757.9	8,855.8	345.6	72.7	97.9
Gross domestic purchases.....	8,909.5	8,963.6	9,108.8	9,274.2	9,392.0	9,575.9	8,723.2	8,764.2	8,881.5	9,007.4	9,078.2	9,216.9	449.3	70.8	138.7
Final sales to domestic purchasers.....	8,838.3	8,889.9	9,037.4	9,223.2	9,374.4	9,535.1	8,648.1	8,687.6	8,810.6	8,954.8	9,057.8	9,172.2	443.6	103.0	114.4
Gross domestic product.....	8,759.9	8,797.9	8,947.6	9,072.7	9,146.2	9,297.8	8,516.3	8,536.0	8,659.2	8,737.9	8,778.6	8,900.6	351.2	40.7	122.0
Plus: Income receipts from the rest of the world.....	285.3	276.4	280.8	283.8	296.1	307.7	279.2	270.3	274.0	276.0</					

Durable goods.....	-1.0	-2.2	-2.4	-.9	.2	-2.5	-1.4	-1.8	-1.1	-3.7	-3.3	-2.5	-1.5	-2.0	-2.3	-3.9	-2.8	-1.9	-2.0
Nondurable goods.....	2.1	1.3	.0	.9	3.2	3.6	.2	3.6	1.7	-6	.6	.9	-1.4	-2	1.2	1.3	1.6	5.1	2.8
Services.....	2.6	2.6	2.1	2.5	2.4	2.8	2.6	2.8	3.0	2.5	2.2	2.0	1.8	2.5	1.8	2.2	2.2	1.7	2.1
Gross private domestic investment.....	-.3	-.2	-.9	-.4	-1.1	-.8	1.1	-.3	-.3	-.6	.4	-.6	-2.2	-1.0	-.2	-.2	.1	-.4	-.3
Fixed investment.....	-.1	-.1	-.8	-.1	-.8	-.8	1.0	-.1	-.2	-.3	.5	-.7	-1.9	-.9	-.1	-.2	.3	-.1	.1
Nonresidential.....	-.9	-1.0	-1.8	-.9	-1.6	-1.7	-.2	-.8	-1.0	-1.1	-.7	-1.7	-2.6	-2.2	-1.4	-1.8	-.9	-1.4	-1.3
Structures.....	2.7	4.1	3.1	2.4	2.0	2.2	4.2	3.4	4.3	4.6	5.3	3.9	1.0	2.8	3.6	3.5	1.3	2.2	3.4
Equipment and software.....	-2.1	2.6	-3.4	-2.0	-2.8	-3.0	-1.7	-2.2	-2.8	-3.0	-2.7	-3.6	-3.8	3.8	-2.9	-3.5	-1.6	-2.5	-2.7
Residential.....	2.1	2.7	2.6	2.2	1.5	1.8	4.4	2.0	2.3	2.1	4.2	2.4	.3	3.0	4.4	4.5	4.0	3.6	4.1
Change in private inventories.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports.....	-1.4	-1.8	-2.3	-1.9	-.7	-1.4	-3.0	-4.0	-1.2	-.1	-1.3	-1.7	-4.2	-1.8	-2.9	-1.3	-.5	-.7	1.3
Goods.....	-2.6	-2.7	-3.1	-2.8	-2.6	-1.9	-4.9	-6.5	-.8	-1.1	-1.3	-2.7	-4.6	-3.0	-4.2	-2.3	-1.4	-.6	2.7
Services.....	1.7	.6	-.3	.4	4.1	-.2	1.9	2.2	-2.1	3.1	-1.4	.8	-3.1	1.0	.3	1.1	1.5	3.8	2.7
Imports.....	-1.8	-3.6	-5.3	-3.4	-1.6	-1.8	-4.4	.6	-4.6	-7.3	-2.4	-2.5	-10.7	-4.0	-4.6	-.3	-3.0	5.2	6.2
Goods.....	-2.5	-4.1	-5.9	-3.6	-2.3	-2.4	-5.5	-.2	-4.9	-8.7	-2.1	-2.6	-11.1	-5.6	-5.4	-1.2	-2.9	4.9	5.9
Services.....	1.7	-.5	-2.2	-2.2	1.9	1.4	1.5	2.5	-2.8	.6	-4.2	-2.0	-8.9	4.4	-.6	4.4	-3.3	6.7	8.0
Government consumption expenditures and gross investment.....	2.5	1.8	1.5	3.9	5.0	-1.5	2.4	1.8	3.1	.7	1.4	2.6	.9	1.4	2.0	1.3	3.8	2.9	3.3
Federal.....	2.9	1.3	1.1	8.1	5.1	-3.3	1.9	1.6	3.5	-.2	-2	1.5	2.0	.9	.4	1.4	8.6	.9	1.8
National defense.....	3.2	1.2	.8	4.2	7.8	-1.6	2.2	1.7	2.9	-.1	-.4	1.5	1.6	-.1	.9	1.0	7.6	1.0	1.8
Nondefense.....	2.1	1.4	1.6	16.8	-.4	-6.5	1.4	1.5	4.7	.7	.1	1.6	2.7	2.6	-.4	2.1	10.4	7.7	1.8
State and local.....	2.2	2.1	1.8	1.4	4.9	-.4	2.7	2.0	2.8	.9	2.4	3.2	.3	1.7	2.8	1.3	1.4	4.0	4.2
Addenda:																			
Final sales of domestic product.....	1.9	1.7	1.2	2.0	2.5	1.3	1.7	1.4	2.4	1.6	1.2	1.3	1.1	1.2	1.4	.9	2.0	1.4	1.1
Gross domestic purchases.....	1.7	1.4	.7	1.7	2.3	1.2	1.5	1.9	1.9	.6	1.0	1.1	.1	.8	1.1	1.0	1.6	1.9	1.7
Final sales to domestic purchasers.....	1.8	1.4	.8	1.7	2.4	1.2	1.5	2.0	1.9	.6	1.0	1.1	.2	.8	1.1	1.0	1.7	2.0	1.8
Gross national product (GNP).....	1.8	1.7	1.2	1.9	2.5	1.3	1.8	1.4	2.4	1.5	1.2	1.2	1.1	1.1	1.4	.9	2.0	1.3	1.1
Implicit price deflators:																			
GDP.....	1.8	1.7	1.2	1.9	2.5	1.3	1.7	1.4	2.4	1.5	1.1	1.2	.9	1.3	1.5	1.0	2.0	1.4	1.1
Gross domestic purchases.....	1.8	1.4	.7	1.7	2.3	1.2	1.5	1.9	1.9	.5	1.0	1.0	-.1	.9	1.2	1.1	1.6	1.9	1.7
GNP.....	1.8	1.7	1.2	1.9	2.5	1.3	1.7	1.4	2.4	1.5	1.2	1.2	.9	1.3	1.5	1.0	2.0	1.4	1.0

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)

	Seasonally adjusted at annual rates								
	1996	1997	1998	III 98	IV 98	I 99	II 99	III 99r	
Gross domestic product:									
Chain-type quantity index.....	100.00	104.50	109.00	109.25	110.83	111.84	112.36	113.92	
Chain-type price index.....	100.00	101.66	102.86	103.06	103.28	103.79	104.13	104.41	
Implicit price deflator.....	100.00	101.66	102.86	103.07	103.33	103.83	104.19	104.46	
Personal consumption expenditures:									
Chain-type quantity index.....	100.00	103.75	108.80	109.42	110.66	112.43	113.83	115.19	
Chain-type price index.....	100.00	101.67	102.63	102.78	103.08	103.44	104.01	104.49	
Durable goods:									
Chain-type quantity index.....	100.00	106.63	118.66	118.62	124.26	127.95	130.76	133.21	
Chain-type price index.....	100.00	97.79	95.45	95.29	94.34	93.67	93.22	92.75	
Nondurable goods:									
Chain-type quantity index.....	100.00	102.92	107.07	107.49	108.80	111.15	112.05	113.04	
Chain-type price index.....	100.00	101.35	101.40	101.46	101.78	102.19	103.47	104.20	
Services:									
Chain-type quantity index.....	100.00	103.60	107.80	108.62	109.03	110.16	111.56	112.92	
Chain-type price index.....	100.00	102.63	104.78	105.04	105.60	106.19	106.63	107.19	
Private fixed investment:									
Chain-type quantity index.....	100.00	108.52	121.37	121.55	125.55	128.30	130.37	132.54	
Chain-type price index.....	100.00	99.95	99.20	99.16	99.11	99.19	99.17	99.19	
Nonresidential:									
Chain-type quantity index.....	100.00	110.71	124.80	124.56	129.06	131.49	133.74	137.23	
Chain-type price index.....	100.00	99.04	97.22	97.03	96.60	96.38	96.04	95.72	
Residential:									
Chain-type quantity index.....	100.00	102.35	111.78	113.07	115.74	119.30	120.91	119.75	
Chain-type price index.....	100.00	102.68	105.30	105.76	106.93	107.97	108.93	110.04	
Exports of goods and services:									
Chain-type quantity index.....	100.00	112.73	115.21	113.60	117.92	116.27	117.41	120.66	
Chain-type price index.....	100.00	98.23	95.95	95.57	95.25	95.13	95.30	95.61	
Imports of goods and services:									
Chain-type quantity index.....	100.00	113.72	126.89	127.81	131.14	135.07	139.69	144.63	
Chain-type price index.....	100.00	96.45	91.31	90.55	90.48	89.81	90.96	92.35	
Government consumption expenditures and gross investment:									
Chain-type quantity index.....	100.00	102.33	104.10	104.46	105.20	106.52	106.86	108.06	
Chain-type price index.....	100.00	101.78	103.34	103.60	103.94	104.93	105.69	106.56	
Federal:									
Chain-type quantity index.....	100.00	99.88	98.97	99.14	100.08	99.97	100.49	101.52	
Chain-type price index.....	100.00	101.30	102.38	102.41	102.76	104.89	105.13	105.60	
State and local:									
Chain-type quantity index.....	100.00	103.79	107.14	107.61	108.23	110.39	110.64	111.93	
Chain-type price index.....	100.00	102.06	103.89	104.27	104.62	104.98	106.02	107.11	
Addenda:									
Final sales of domestic product:									
Chain-type quantity index.....	100.00	104.02	108.46	108.69	110.34	111.59	112.52	113.78	
Chain-type price index.....	100.00	101.69	102.93	103.13	103.36	103.88	104.24	104.54	
Implicit price deflator.....	100.00	101.69	102.93	103.13	103.35	103.87	104.23	104.53	
Gross domestic purchases:									
Chain-type quantity index.....	100.00	104.71	110.39	110.91	112.39	113.99	114.88	116.64	
Chain-type price index.....	100.00	101.39	102.14	102.26	102.51	102.92	103.40	103.85	
Implicit price deflator.....	100.00	101.39	102.14	102.28	102.56	102.96	103.46	103.90	
Final sales to domestic purchasers:									
Chain-type quantity index.....	100.00	104.22	109.86	110.36	111.92	113.75	115.06	116.52	
Chain-type price index.....	100.00	101.42	102.20	102.33	102.58	103.00	103.50	103.96	
Implicit price deflator.....	100.00	101.42	102.20	102.33	102.57	103.00	103.50	103.96	
Gross national product:									
Chain-type quantity index.....	100.00	104.31	108.62	108.68	110.35	111.39	111.91	113.46	
Chain-type price index.....	100.00	101.67	102.87	103.06	103.29	103.79	104.14	104.41	
Implicit price deflator.....	100.00	101.67	102.87	103.07	103.34	103.84	104.19	104.47	

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

Table 6.--Real Gross Domestic Product: Historical Perspective
(Percent change from preceding year)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Gross domestic product (GDP).....	4.2	7.3	3.9	3.4	3.5	4.2	3.5	1.7	-.2	3.3	2.4	4.0	2.7	3.7	4.5	4.3
Personal consumption expenditures.....	5.3	5.4	5.0	4.2	3.5	4.1	2.6	1.8	.1	3.2	3.0	3.8	3.0	3.3	3.7	4.9
Durable goods.....	14.9	14.6	9.9	9.1	1.7	5.8	2.1	-.9	-6.6	5.3	8.2	7.6	4.6	5.6	6.6	11.3
Nondurable goods.....	3.3	4.0	2.7	3.6												

Personal interest income.....	810.6	854.9	897.8	909.3	906.4	907.4	920.5	938.8
Transfer payments to persons.....	928.8	962.4	983.6	986.5	991.0	1,007.8	1,013.6	1,021.3
Less: Personal contributions for social insurance.....	280.4	298.1	315.9	318.0	322.0	328.9	332.3	336.7
Less: Personal tax and nontax payments.....	869.7	968.3	1,072.6	1,088.3	1,113.0	1,124.8	1,139.4	1,160.4
Equals: Disposable personal income.....	5,677.7	5,982.8	6,286.2	6,325.3	6,417.8	6,505.4	6,593.2	6,671.0
Less: Personal outlays.....	5,405.6	5,711.7	6,056.6	6,100.5	6,190.3	6,310.3	6,425.2	6,531.5
Equals: Personal saving.....	272.1	271.1	229.7	224.8	227.5	195.1	168.0	139.5
Addenda:								
Disposable personal income, billions of chained (1996) dollars\2\...	5,677.7	5,884.7	6,125.1	6,154.6	6,226.6	6,289.3	6,339.1	6,384.8
Personal saving as a percentage of disposable personal income.....	4.8	4.5	3.7	3.6	3.5	3.0	2.5	2.1

r revised
 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					
	Seasonally adjusted at annual rates									Quarterly rates		Quarter one year ago			
	1996	1997	1998	III 98	IV 98	I 99	II 99	III 99r	1997	1998	IV 98	I 99	II 99	III 99r	III 99r
Corporate profits with inventory valuation and capital consumption adjustments.....	753.9	837.9	846.1	843.8	834.3	882.0	875.5	879.2	11.1	1.0	-1.1	5.7	-7	.4	4.2
Profits before tax.....	726.3	795.9	781.9	780.1	766.7	818.1	835.8	853.8	9.6	-1.8	-1.7	6.7	2.2	2.1	9.4
Profits tax liability.....	223.6	238.3	240.2	244.3	235.6	248.0	254.4	259.4	6.5	.8	-3.5	5.3	2.6	2.0	6.2
Profits after tax.....	502.7	557.6	541.7	535.8	531.0	570.1	581.4	594.3	10.9	-2.9	-9	7.4	2.0	2.2	10.9
Dividends.....	297.7	333.7	348.6	348.4	352.2	356.4	361.5	367.3	12.1	4.5	1.1	1.2	1.4	1.6	5.4
Undistributed profits.....	205.0	223.9	193.1	187.4	178.8	213.7	219.9	227.0	9.2	-13.8	-4.6	19.5	2.9	3.2	21.1
Inventory valuation adjustment.....	3.1	7.4	20.9	19.8	20.8	13.3	-13.6	-26.7	.....	.....	.....	.....	.....	.....	.....
Capital consumption adjustment.....	24.4	34.6	43.3	43.9	46.9	50.6	53.2	52.1	41.7	24.9	6.7	7.9	5.2	-2.1	18.6
Addenda:															
Corporate profits after tax with inventory valuation and capital consumption adjustments.....	530.2	599.6	605.8	599.5	598.7	634.0	621.0	619.8	13.1	1.0	-1	5.9	-2.0	-2	3.4
Net cash flow with inventory valuation and capital consumption adjustments.....	776.1	845.3	876.5	876.1	883.6	923.4	916.7	929.0	8.9	3.7	.9	4.5	-7	1.3	6.0
Undistributed profits with inventory valuation and capital consumption adjustments.....	232.5	265.9	257.2	251.1	246.5	277.6	259.5	252.4	14.4	-3.3	-1.9	12.6	-6.5	-2.7	.5
Consumption of fixed capital.....	543.6	579.4	619.2	625.0	637.1	645.8	657.2	676.5	6.6	6.9	1.9	1.4	1.8	2.9	8.2
Less: Inventory valuation adjustment.....	3.1	7.4	20.9	19.8	20.8	13.3	-13.6	-26.7	.....	.....	.....	.....	.....	.....	.....
Equals: Net cash flow.....	773.1	838.0	855.5	856.3	862.8	910.1	930.3	955.6	8.4	2.1	.8	5.5	2.2	2.7	11.6

r revised

Table 11.--Corporate Profits by Industry: Level and Change From Preceding Period
 (Billions of dollars)

	Level									Change from preceding period				
	Seasonally adjusted at annual rates													
	1996	1997	1998	III 98	IV 98	I 99	II 99	III 99r	1997	1998	IV 98	I 99	II 99	III 99r
Corporate profits with IVA and CCAdj.....	753.9	837.9	846.1	843.8	834.3	882.0	875.5	879.2	84.0	8.2	-9.5	47.7	-6.5	3.7
Domestic industries.....	653.0	729.8	746.0	757.2	736.0	777.7	772.1	771.1	76.8	16.2	-21.2	41.7	-5.6	-1.0
Financial.....	143.9	167.0	171.0	168.7	168.0	185.2	177.4	181.8	23.1	4.0	-7	17.2	-7.8	4.4
Nonfinancial.....	509.1	562.8	575.0	588.5	568.0	592.5	594.7	589.2	53.7	12.2	-20.5	24.5	2.2	-5.5
Rest of the world.....	100.9	108.1	100.0	86.6	98.3	104.3	103.3	108.1	7.2	-8.1	11.7	6.0	-1.0	4.8
Receipts from the rest of the world.....	140.6	159.7	148.4	137.1	146.8	157.0	164.1	169.5	19.1	-11.3	9.7	10.2	7.1	5.4
Less: Payments to the rest of the world.....	39.8	51.6	48.4	50.5	48.5	52.7	60.8	61.4	11.8	-3.2	-2.0	4.2	8.1	.6
Corporate profits with IVA.....	729.4	803.2	802.8	799.9	787.4	831.4	822.2	827.1	73.8	-4	-12.5	44.0	-9.2	4.9
Domestic industries.....	628.6	695.1	702.8	713.2	689.1	727.1	718.9	719.0	66.5	7.7	-24.1	38.0	-8.2	.1
Financial.....	165.3	184.2	191.3	189.5	188.6	205.3	198.3	203.9	18.9	7.1	-9	16.7	-7.0	5.6
Federal Reserve banks.....	21.8	23.3	24.6	24.7	24.7	24.3	24.5	25.5	1.5	1.3	.0	-4	.2	1.0
Other.....	143.5	160.9	166.7	164.8	163.9	180.9	173.7	178.4	17.4	5.8	-9	17.0	-7.2	4.7
Nonfinancial.....	463.3	510.9	511.5	523.7	500.6	521.9	520.6	515.1	47.6	.6	-23.1	21.3	-1.3	-5.5
Manufacturing.....	181.2	185.6	168.4	171.9	161.7	171.0	167.8	163.1	4.4	-17.2	-10.2	9.3	-3.2	-4.7
Durable goods.....	87.0	93.3	95.1	97.2	106.3	100.5	100.7	94.4	6.3	1.8	9.1	-5.8	.2	-6.3
Primary metal industries.....	5.4	5.1	5.4	5.0	5.0	1.7	1.2	.4	-3	.3	.0	-3.3	-5	-8
Fabricated metal products.....	14.4	16.7	17.3	19.9	17.0	19.4	19.0	19.4	2.3	.6	-2.9	2.4	-4	.4
Industrial machinery and equipment.....	15.0	13.5	14.6	15.7	19.4	16.6	18.6	17.1	-1.5	1.1	3.7	-2.8	2.0	-1.5
Electronic and other electric equipment.....	20.2	22.1	18.2	16.9	21.4	20.5	19.6	20.8	1.9	-3.9	4.5	-9	-9	1.2
Motor vehicles and equipment.....	3.7	4.9	7.5	6.6	9.8	10.7	10.4	9.5	1.2	2.6	3.2	.9	-3	-9
Other.....	28.4	30.9	32.2	33.1	33.7	31.6	32.0	27.2	2.5	1.3	.6	-2.1	-4	-4.8
Nondurable goods.....	94.2	92.3	73.3	74.7	55.5	70.5	67.0	68.7	-1.9	-19.0	-19.2	15.0	-3.5	1.7
Food and kindred products.....	21.6	22.1	17.0	21.3	7.1	17.2	18.6	18.7	.5	-5.1	-14.2	10.1	1.4	.1
Chemicals and allied products.....	25.5	26.0	20.6	19.0	20.0	25.1	20.8	17.4	.5	-5.4	1.0	5.1	-4.3	-3.4
Petroleum and coal products.....	13.3	16.0	8.3	6.8	4.1	-9	-3	3.6	2.7	-7.7	-2.7	-5.0	.6	3.9
Other.....	33.7	28.2	27.3	27.5	24.2	29.0	28.0	29.0	-5.5	-9	-3.3	4.8	-1.0	1.0
Transportation and public utilities.....	91.4	104.7	109.0	113.0	106.9	111.9	107.9	117.3	13.3	4.3	-6.1	5.0	-4.0	9.4
Transportation.....	15.6	18.5	19.4	20.1	19.7	18.3	17.2	17.7	2.9	.9	-4	-1.4	-1.1	.5
Communications.....	35.2	47.4	49.3	51.2	46.8	52.2	52.5	56.4	12.2	1.9	-4.4	5.4	.3	3.9
Electric, gas, and sanitary services.....	40.6	38.8	40.2	41.7	40.5	41.5	38.2	43.2	-1.8	1.4	-1.2	1.0	-3.3	5.0
Wholesale trade.....	42.6	46.8	47.2	49.7	41.2	43.4	44.3	39.1	4.2	.4	-8.5	2.2	.9	-5.2
Retail trade.....	52.9	63.7	69.8	69.3	69.0	75.7	75.4	67.7	10.8	6.1	-3	6.7	-3	-7.7
Other.....	95.2	110.1	117.1	119.9	121.7	119.8	125.2	127.9	14.9	7.0	1.8	-1.9	5.4	2.7
Rest of the world.....	100.9	108.1	100.0	86.6	98.3	104.3	103.3	108.1	7.2	-8.1	11.7	6.0	-1.0	4.8

r revised
 IVA Inventory valuation adjustment
 CCAdj. Capital consumption adjustment

Table 12.--Gross Product of Nonfinancial Corporate Business

	Seasonally adjusted at annual rates							
	1996	1997	1998	III 98	IV 98	I 99	II 99	III 99r

Billions of dollars									
Gross product of nonfinancial corporate business\1\.....	4,221.5	4,529.8	4,834.6	4,882.4	4,948.4	5,028.6	5,094.9	5,176.6	
Consumption of fixed capital\2\.....	462.7	491.3	522.2	526.7	537.2	543.8	552.3	568.5	
Net product\3\.....	3,758.9	4,038.5	4,312.4	4,355.7	4,411.1	4,484.8	4,542.7	4,608.1	
Indirect business tax and nontax liability plus business transfer payments less subsidies.....	473.9	496.1	523.5	523.0	544.5	542.4	549.8	558.5	
Domestic income.....	3,285.0	3,542.5	3,788.9	3,832.6	3,866.7	3,942.4	3,992.9	4,049.5	
Compensation of employees.....	2,667.1	2,860.1	3,090.4	3,118.6	3,174.6	3,223.8	3,270.0	3,326.3	
Wage and salary accruals.....	2,234.1	2,408.4	2,618.7	2,645.1	2,695.5	2,737.9	2,779.4	2,830.1	
Supplements to wages and salaries.....	433.0	451.7	471.7	473.5	479.0	486.0	490.7	496.2	
Corporate profits with IVA and CCAdj.....	509.1	562.8	575.0	588.5	568.0	592.5	594.7	589.2	
Profits before tax.....	460.2	503.6	490.6	503.9	479.8	508.6	534.2	541.8	
Profits tax liability.....	150.1	158.8	152.5	157.1	148.8	157.9	166.9	169.3	
Profits after tax.....	310.1	344.7	338.1	346.9	331.0	350.6	367.3	372.5	
Dividends.....	201.9	219.8	245.4	242.9	256.9	241.5	267.9	264.6	
Undistributed profits.....	108.2	124.9	92.7	104.0	74.0	109.1	99.4	108.0	
Inventory valuation adjustment.....	3.1	7.4	20.9	19.8	20.8	13.3	-13.6	-26.7	
Capital consumption adjustment.....	45.8	51.8	63.5	64.8	67.4	70.6	74.1	74.1	
Net interest.....	108.7	119.6	123.5	125.5	124.1	126.1	128.1	134.0	

Billions of chained (1996) dollars									
Gross product of nonfinancial corporate business\1\.....	4,221.5	4,501.0	4,803.4	4,844.8	4,911.2	4,981.7	5,035.0	5,116.7	
Consumption of fixed capital\2\.....	462.7	494.9	537.7	543.2	554.3	564.0	576.9	599.7	
Net product\3\.....	3,758.9	4,006.1	4,265.7	4,301.7	4,356.9	4,417.7	4,458.1	4,517.0	

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\.....	1.000	1.006	1.007	1.008	1.008	1.009	1.012	1.012	
Compensation of employees (unit labor cost).....	.632	.635	.643	.644	.646	.647	.649	.650	
Unit nonlabor cost.....	.248	.246	.244	.243	.245	.243	.244	.246	
Consumption of fixed capital.....	.110	.109	.109	.109	.109	.109	.110	.111	
Indirect business tax and nontax liability plus business transfer payments less subsidies.....	.112	.110	.109	.108	.111	.109	.109	.109	
Net interest.....	.026	.027	.026	.026	.025	.025	.025	.026	
Corporate profits with IVA and CCAdj. (unit profits from current production).....	.121	.125	.120	.121	.116	.119	.118	.115	
Profits tax liability.....	.036	.035	.032	.032	.030	.032	.033	.033	
Profits after tax with IVA and CCAdj.....	.085	.090	.088	.089	.085	.087	.085	.082	

r revised

1. Chained-dollar gross product of nonfinancial corporate business equals the current-dollar product deflated by the implicit price deflator for goods and structures in gross domestic product. Effective with the estimates scheduled for release on March 30, 2000, the current-dollar product will be deflated by a chain-type price index calculated using gross product price indexes for each nonfinancial industry.

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.

IVA Inventory valuation adjustment
CCAdj. Capital consumption adjustment

Appendix Table A.--Real Gross Domestic Product and Related Aggregates and Price Indexes: Percent Change From Preceding Period
[Percent; quarters seasonally adjusted at annual rates]

	1996	1997	1998	IV 95	I 96	II 96	III 96	IV 96	I 97	II 97	III 97	IV 97	I 98	II 98	III 98	IV 98	I 99	II 99	III 99r
GDP and related aggregates:																			
GDP.....	3.7	4.5	4.3	3.3	2.9	6.9	2.2	4.9	4.9	5.1	4.0	3.1	6.7	2.1	3.8	5.9	3.7	1.9	5.7
Goods.....	4.9	6.4	6.0	7.3	2.7	9.0	4.7	4.2	8.8	7.9	4.9	3.7	14.0	-3.0	5.7	11.7	2.9	.5	9.5
Services.....	2.5	3.2	2.9	.5	2.2	4.2	.7	5.1	2.2	4.1	3.3	2.8	1.3	5.0	2.6	2.1	3.1	3.7	4.4
Structures.....	6.0	4.4	5.5	4.0	8.1	15.1	.6	6.7	5.6	1.1	4.8	2.5	9.7	7.6	2.7	5.0	10.2	-2.8	-2.0
Motor vehicle output.....	.1	6.6	7.5	19.8	-33.7	69.6	-2.4	-19.2	11.4	4.0	28.7	13.7	-4.4	-8.2	6.3	69.2	-20.7	8.4	26.2
GDP less motor vehicle output.....	3.8	4.4	4.2	2.7	4.5	5.1	2.4	5.9	4.7	5.2	3.2	2.7	7.1	2.5	3.7	4.0	4.8	1.6	5.0
Final sales of computers\1\.....	55.3	45.4	53.9	75.4	73.4	36.6	45.4	33.0	56.1	51.2	53.6	19.9	66.8	62.2	77.5	44.4	31.6	44.2	53.2
GDP less final sales of computers.....	3.2	4.1	3.9	2.8	2.4	6.6	1.8	4.6	4.5	4.7	3.6	2.9	6.2	1.6	3.2	5.5	3.4	1.5	5.2
Farm product\2\.....	7.9	11.8	-2.5	24.4	21.7	14.4	-.2	4.1	27.6	10.8	18.5	-8.6	-9.1	-11.4	7.3	3.6	-4.4	5.9	-21.1
Nonfarm business less housing product\3\.....	4.6	5.4	5.3	3.9	4.0	7.9	2.6	6.1	5.7	6.2	4.8	4.2	8.5	2.4	4.4	7.3	4.1	1.9	6.9
Price indexes:																			
GDP.....	1.8	1.7	1.2	1.9	2.5	1.3	1.8	1.4	2.4	1.5	1.2	1.3	1.0	1.1	1.4	.9	2.0	1.3	1.1
GDP less food and energy.....	1.7	1.7	1.3	1.9	2.2	.6	1.9	1.7	2.2	1.7	1.1	1.3	1.2	1.3	1.5	1.0	1.9	1.4	1.2
GDP less final sales of computers.....	2.2	2.0	1.6	2.2	2.9	1.7	2.1	1.8	2.7	1.9	1.5	1.5	1.4	1.5	2.0	1.3	2.4	1.5	1.3
Gross domestic purchases.....	1.7	1.4	.7	1.7	2.3	1.2	1.5	1.9	1.9	.6	1.0	1.1	.1	.8	1.1	1.0	1.6	1.9	1.7
Gross domestic purchases less food and energy.....	1.5	1.3	1.0	1.9	1.9	.3	1.5	1.4	1.8	1.4	.9	1.0	.8	1.2	1.3	1.1	1.7	1.2	1.2
Gross domestic purchases less final sales of computers.....	2.1	1.8	1.2	2.1	2.8	1.7	1.8	2.3	2.3	.9	1.4	1.5	.5	1.3	1.6	1.5	2.0	2.2	2.1
Personal consumption expenditures.....	2.0	1.7	.9	1.6	2.4	2.4	1.4	2.5	2.1	.8	1.1	1.2	.5	1.1	1.2	1.2	1.4	2.2	1.8
Personal consumption expenditures less food and energy.....	1.7	1.6	1.3	1.8	1.8	1.5	1.3	1.9	1.9	.8	1.0	1.3	1.7	1.4	1.4	1.4	1.4	1.3	1.2

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 1997-98 annual percent change in real GDP uses prices for 1997 and 1998 as weights, and the 1997-98 annual percent change in GDP prices uses quantities for 1997 and 1998 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price indexes. The Fisher formula also 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, 6A, and 6B. 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.