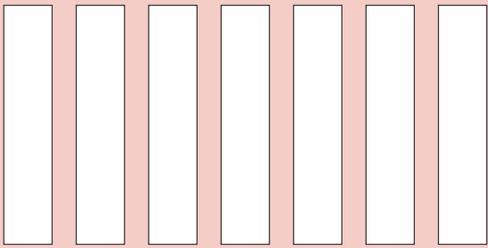
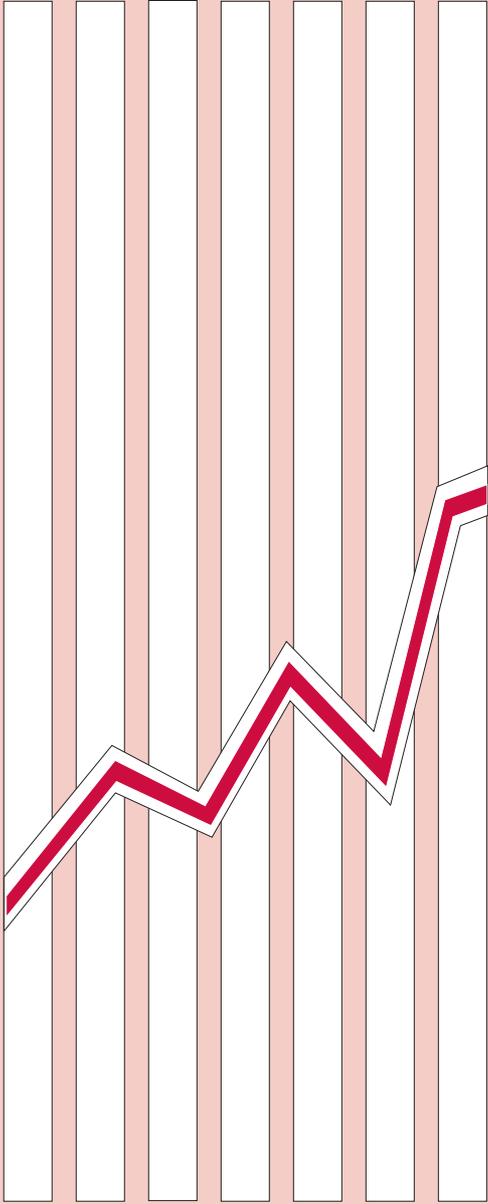


JULY 1998 ≈ VOLUME 78 NUMBER

7



# SURVEY *of* CURRENT BUSINESS



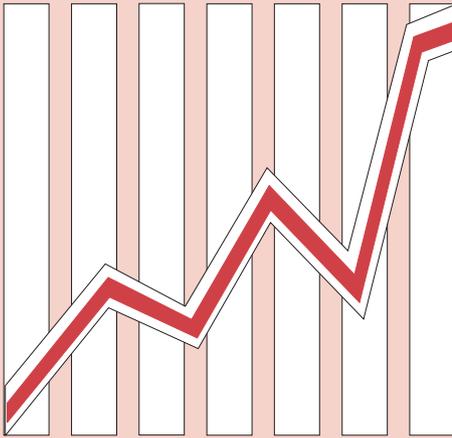
**IN THIS ISSUE . . .**

*U.S. Travel and Tourism Satellite Accounts for 1992*

*U.S. International Transactions, Revised Estimates  
for 1986-97*

U.S. DEPARTMENT OF COMMERCE ≈ ECONOMICS AND STATISTICS ADMINISTRATION

BUREAU OF ECONOMIC ANALYSIS



# SURVEY of CURRENT BUSINESS

SURVEY OF CURRENT BUSINESS (ISSN 0039-6222). Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Subscriptions to the SURVEY OF CURRENT BUSINESS are maintained, and their prices set, by the Government Printing Office, an agency of the U.S. Congress. Postmaster: Send address changes to:

Superintendent of Documents,  
U.S. Government Printing Office,  
Washington, DC 20402.

The GPO order desk number is (202) 512-1800. The subscription complaint desk number is (202) 512-1806.

**Subscription and single-copy prices:**

*Periodicals:* \$39.00 domestic,  
\$48.75 foreign.  
*First-class mail:* \$88.00.  
*Single copy:* \$14.00 domestic,  
\$17.50 foreign.

Make checks payable to the Superintendent of Documents.

Periodicals postage paid at Washington, DC and at additional mailing offices. (USPS 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

**U.S. Department of Commerce**  
William M. Daley, *Secretary*



**Economics and Statistics Administration**  
Robert J. Shapiro, *Under Secretary for Economic Affairs*



**Bureau of Economic Analysis**  
J. Steven Landefeld, *Director*  
Rosemary D. Marcuss, *Deputy Director*

Robert P. Parker, *Chief Statistician*  
Hugh W. Knox, *Associate Director for Regional Economics*  
Brent R. Moulton, *Associate Director for National Income, Expenditure, and Wealth Accounts*  
Sumiye O. Okubo, *Associate Director for Industry Accounts*  
Gerald A. Pollack, *Associate Director for International Economics*

*Editor-in-Chief* Douglas R. Fox  
*Managing Editor* Eric B. Manning  
*Manuscript Editor* M. Gretchen Gibson  
*Graphics Designer* W. Ronnie Foster  
*Production Editors* Ernestine T. Gladden, Laura A. Oppel

THIS ISSUE of the SURVEY went to the printer on July 10, 1998.  
It incorporates data from the following monthly BEA news releases:  
U.S. International Trade in Goods and Services (June 18),  
Gross Domestic Product (June 25), and  
Personal Income and Outlays (June 26).

# TABLE OF CONTENTS

## *Special in this issue*

---

### 8 U.S. Travel and Tourism Satellite Accounts for 1992

*The new satellite accounts for U.S. travel and tourism present a comprehensive picture of the importance of travel and tourism in the U.S. economy. The travel and tourism satellite accounts (TTSA's) are developed from the 1992 benchmark input-output accounts, but they integrate information from a variety of public and private sources. According to the TTSA's, travel and tourism activities accounted for 4.6–5.3 percent of total demand in the U.S. economy, for 1.9–2.2 percent of value added, and for 3.2–3.7 percent of employment.*

### 47 U.S. International Transactions, Revised Estimates for 1986–97

*This year's annual revision of the balance of payments accounts incorporates major improvements to the investment income, capital, services, and goods accounts. The investment income accounts incorporate newly available results of the U.S. Treasury Department's benchmark survey of foreign portfolio investment in the United States for 1994, final results of the U.S. Treasury Department's benchmark survey of U.S. portfolio investment abroad for 1994, revised estimates of banks' income receipts and payments on foreign-currency-denominated claims and liabilities, and the results of BEA's benchmark survey of U.S. direct investment abroad for 1994. In addition, several types of transactions are reclassified. The revised estimate of the U.S. current-account balance for 1997 is  $-\$155.2$  billion, compared with the previously published estimate of  $-\$166.4$  billion.*

## *Regular features*

---

### 1 Business Situation

*The "final" estimate of real GDP indicates a 5.4-percent increase in the first quarter of 1998, 0.6 percentage point higher than the "preliminary" estimate issued last month. The upward revision was largely due to upward revisions to the change in nonfarm business inventories, to exports, and to nonresidential structures. Corporate profits increased  $\$9.6$  billion in the first quarter after decreasing  $\$9.2$  billion in the fourth; profits of domestic nonfinancial corporations and profits from the rest of the world turned up, but profits of domestic financial corporations increased less than in the fourth quarter.*

## 24 The International Investment Position of the United States in 1997

*The net international investment position of the United States became more negative in 1997: On a current-cost basis, it changed from -\$767.1 billion to -\$1,223.6 billion, and on a market-value basis, it changed from -\$743.7 billion to -\$1,322.5 billion. The change in both positions was primarily attributable to large net capital inflows, particularly for U.S. securities and U.S. banking, and to a net negative exchange rate adjustment that resulted from the appreciation of the U.S. dollar against most foreign currencies.*

## 35 Direct Investment Positions for 1997: Country and Industry Detail

*In 1997, the U.S. direct investment position valued at historical cost increased 11 percent, reflecting record equity capital outflows and reinvested earnings that were only partly offset by negative currency translation adjustments. By country, the largest increases were with the United Kingdom, the Netherlands, and Canada. The foreign direct investment position in the United States valued at historical cost increased 15 percent, as a result of record capital inflows that reflected strength in equity capital, intercompany debt, and reinvested earnings. By country, the largest increases were with the Netherlands, Germany, and Canada.*

## 59 U.S. International Transactions, First Quarter 1998

*The U.S. current-account deficit increased \$2.2 billion, to \$47.2 billion, in the first quarter of 1998. An increase in the deficit on goods and services was partly offset by decreases in the balance on investment income and in net unilateral transfers. In the capital account, capital outflows decreased sharply, but capital inflows decreased even more sharply. U.S. assets abroad increased \$44.7 billion after increasing \$123.4 billion, and foreign assets in the United States increased \$90.9 billion after increasing \$220.5 billion.*

## *Reports and statistical presentations*

---

### 6 Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

#### D-1 BEA Current and Historical Data

#### **Inside back cover:** BEA Information

*(A listing of recent BEA publications available from GPO)*

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

---



---

## LOOKING AHEAD

- ✿ **Annual Revision of the National Income and Product Accounts.** An article presenting the revised NIPA estimates and discussing the major sources of the revisions will be published in the August SURVEY. Selected estimates will be made available on July 31 as part of the release of the “advance” GDP estimates for the second quarter of 1998. For more information on the NIPA revision, see [the box](#) on page 5.
-

# BEA INFORMATION

The economic information prepared by the Bureau of Economic Analysis (BEA) is available in news releases, in publications, on computer diskettes, on CD-ROM's, and on the Internet. For a description of these products in the free *User's Guide to BEA Information*, write to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or call (202) 606-9900. The *User's Guide* and other information are also available on BEA's home page at <http://www.bea.doc.gov>.

The free publication *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* provides information about 11 surveys. For each survey, it details the frequency of the survey, the transactions covered, and the methods used to prepare the estimates that are derived from the survey data; it includes a sample of each survey. To receive your copy, write to Sylvia Bargas, BE-50, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or call (202) 606-9804.

In addition, the following publications are available from the Superintendent of Documents of the Government Printing Office (GPO). To order, write to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954, call (202) 512-1800 or fax (202) 512-2250. Pay by check to the Superintendent of Documents or charge to a GPO deposit account, to Visa, or to MasterCard.

**National Income and Product Accounts of the United States, 1929-94.** (1998) This two-volume set presents the estimates of the national income and product accounts (NIPA's) that reflect the most recent comprehensive revision and the 1997 annual revision. The text describes the definitions and classifications that underlie the NIPA's and the statistical conventions used in the NIPA's; an appendix lists the principal source data and methods that are used in preparing the estimates. \$58.00, stock no. 003-010-00272-7.

**Benchmark Input-Output Accounts of the United States, 1987.** (1994) Presents summary and detailed make and use tables for industries and commodities; tables showing commodity- and industry-output-requirements per dollar of commodity demanded; and tables showing the input-output (I-O) commodity composition of personal consumption expenditures and producers' durable equipment expenditures in the national income and product accounts. Presents concepts and methods used in the 1987 benchmark accounts; concordance between I-O and 1987 Standard Industrial Classification codes; description of the components of the measures of output, intermediate inputs, and value added; and mathematical derivation of total requirements tables. \$29.00, stock no. 003-010-00251-4.

**Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II), Third Edition.** (1997) This handbook describes the five types of RIMS II multipliers that are available for nearly 500 industries and for any county or for any group of counties. It details the information that the users need in order to effectively use the RIMS II multipliers to analyze the economic and industrial impact of public and private projects and programs on State and local areas. The handbook also includes case studies that illustrate the uses of the RIMS II multipliers and a description of the methodology that the Bureau of Economic Analysis uses to estimate the multipliers. \$6.00, stock no. 003-010-00264-6.

**Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results.** (1995) Presents detailed data on the financial structure and operations of U.S. affiliates of foreign direct investors, on the foreign direct investment position in the United States, and on the balance-of-payments transactions between U.S. affiliates and their foreign parent companies in 1992. Includes data for items, such as employment covered by collective bargaining agreements and merchandise trade by product and country of destination and origin, that are only collected in comprehensive benchmark surveys. The data are classified by industry of affiliate and by country of ultimate beneficial owner, and selected data are classified by State. The text describes the coverage, the concepts

and definitions, and the classifications used in the survey. \$20.00, stock no. 003-010-00259-0.

**Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies.** (1997) Two publications: One presents the revised estimates for 1994, and the other, the preliminary estimates for 1995 from BEA's annual surveys of the financial structure and operations of nonbank U.S. affiliates of foreign direct investors. The estimates are presented by industry of the U.S. affiliate and by country of the ultimate beneficial owner (UBO) and for selected estimates, by industry of UBO and by State. **Preliminary 1995 Estimates.** \$8.50, stock no. 003-010-00268-9; **Revised 1994 Estimates.** \$8.50, stock no. 003-010-00267-1.

**Foreign Direct Investment in the United States: Establishment Data for 1992.** (1997) This publication, which presents the results of a project by BEA and the Bureau of the Census, provides the most recently available data on the number, employment, payroll, and shipments or sales of foreign-owned U.S. establishments in more than 800 industries at the Standard Industrial Classification four-digit level and by State and by country of owner. Presents additional information—such as data on value added, employee benefits, hourly wage rates of production workers, and expenditures for plant and equipment—for manufacturing establishments. \$28.00, stock no. 003-010-00265-4.

**U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results.** (1998) This publication presents the data on the worldwide operations of U.S. multinational companies in 1994 from the most recent comprehensive survey of U.S. direct investment abroad. It contains 243 tables that present data on the financial structure and operations of U.S. parent companies and their foreign affiliates and data on the direct investment position and balance of payments between the parents and their affiliates. The data are presented by industry of the parent and by industry and country of the affiliate. The text describes the coverage, the definitions and concepts, and the classifications used in the survey. \$37.00, stock no. 003-010-00271-9.

**U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates, Preliminary 1995 Estimates.** (1997) Provides preliminary results for 1995 from BEA's annual survey of the worldwide operations of U.S. multinational companies. Contains information on the financial structure and operations of U.S. parent companies and their foreign affiliates. Data are classified by country and industry of affiliate and by industry of U.S. parent. \$9.00, stock no. 003-010-00270-1.

New!

New!

UNITED STATES  
GOVERNMENT PRINTING OFFICE  
SUPERINTENDENT OF DOCUMENTS  
WASHINGTON, DC 20402

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE, \$300

PERIODICALS

POSTAGE AND FEES PAID  
U.S. GOVERNMENT PRINTING OFFICE

USPS PUB. No. 337-790

## Schedule of Upcoming BEA News Releases

<i>Subject</i>	<i>Release Date</i>
U.S. Travel and Tourism Satellite Accounts .....	July 13
U.S. International Trade in Goods and Services, May 1998 .....	* July 17
State Personal Income, 1st quarter 1998 .....	July 23
Gross Domestic Product, 2nd quarter 1998 (advance) .....	July 31
Personal Income and Outlays, June 1998 .....	Aug. 3
U.S. International Trade in Goods and Services, June 1998 .....	* Aug. 18
Gross Domestic Product, 2nd quarter 1998 (preliminary) and Corporate Profits, 2nd quarter 1998 (preliminary) .....	Aug. 27
Personal Income and Outlays, July 1998 .....	Aug. 28
Summary of U.S. International Transactions, 2nd quarter 1998 .....	Sept. 10
State Per Capita Personal Income, 1997 (revised) .....	Sept. 14
U.S. International Trade in Goods and Services, July 1998 .....	* Sept. 17
Gross Domestic Product, 2nd quarter 1998 (final) and Corporate Profits, 2nd quarter 1998 (revised) .....	Sept. 24
Personal Income and Outlays, August 1998 .....	Sept. 25
U.S. International Trade in Goods and Services, August 1998 .....	Oct. 20
State Personal Income, 2nd quarter 1998 .....	Oct. 27
Gross Domestic Product, 3rd quarter 1998 (advance) .....	Oct. 30

\* Joint release by the Bureau of the Census and BEA.

For information, call (202) 606-9900, Bureau of Economic Analysis, U.S. Department of Commerce.