

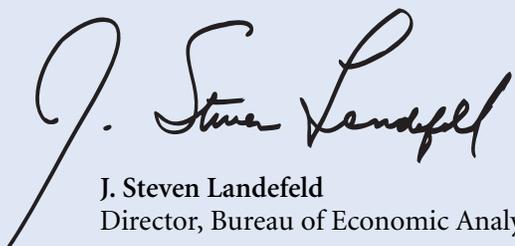
Director's Message

In this issue, a *Research Spotlight* discusses regional price parities, experimental measures that capture price level differences across regions. While the Bureau of Economic Analysis (BEA) currently has no plans to produce such statistics officially, we are continuing research in a joint data-sharing project with the Bureau of Labor Statistics. The article demonstrates how regional price parities might be constructed for metropolitan and nonmetropolitan areas. It also applies these measures to adjust 2005 and 2006 personal income and gross domestic product (GDP) statistics for regional price level differences.

Also included in this issue is our annual tabular presentation of the methodologies and source data used to construct the national GDP accounts. Separately, the advance estimates of third-quarter GDP are presented in an easy-to-read format.

Regarding international statistics, an article discusses operations of U.S. multinational companies in 2006, looking at three measures in depth: value added, employment, and capital expenditures. A separate article presents our annual reconciliation of U.S. and Canadian current-account statistics.

I'd like to mention that BEA held an advisory committee meeting in early November, in which we received advice and comments on several issues, such as how the recent financial markets upheaval affected the economy, how our GDP accounts might be helpful for business cycle analysis, and how the terms of trade affect various economic measures. We welcome more comments.



J. Steven Landefeld
Director, Bureau of Economic Analysis