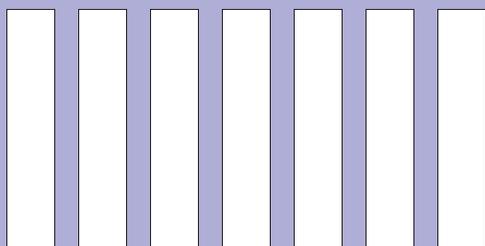




MARCH 2000

MARCH 2000 ~ VOLUME 80 NUMBER

3



# SURVEY of CURRENT BUSINESS



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*Federal Budget Estimates, Fiscal Year 2001*

*An Examination of the Low Rates of Return  
of Foreign-Owned U.S. Companies*

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

BUREAU OF ECONOMIC ANALYSIS

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**THIS ISSUE of the SURVEY went to the printer on March 13, 2000.**

**It incorporates data from the following monthly BEA news releases:**

U.S. International Trade in Goods and Services (February 18),

Gross Domestic Product (February 25), and

Personal Income and Outlays (February 28).

# TABLE OF CONTENTS

## *Special in this issue*

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### Accounting for Renewable and Environmental Resources

[Reprint of chapter 4 of *Nature's Numbers: Expanding the National Economic Accounts to Include the Environment*]

Last summer, a blue-ribbon panel of the National Academy of Sciences' National Research Council completed a congressionally mandated review of BEA's prototype integrated economic and environmental accounts. As part of its promise to inform users of the results of this evaluation, BEA is reprinting chapters from the panel's final report.

### An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies

In 1988–97, the average rate of return on assets (ROA) of foreign-owned nonfinancial companies, at 5.1 percent, was 2.2 percentage points below that of U.S.-owned companies; over the period, the ROA gap narrowed to about 1 percentage point in 1997. Among several factors that may help explain the lower ROA of foreign-owned companies, age and market share were found to be significant, and industry mix and shifting of profits outside the United States using transfer prices were found to be relatively insignificant. These findings are based on newly developed estimates of the rate of return for foreign-owned U.S. nonfinancial companies that are disaggregated by industry and valued in current-period prices.

## *Regular features*

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### Business Situation

Real GDP increased 6.9 percent in the fourth quarter of 1999, according to the "preliminary" estimate; the "advance" estimate issued last month had shown a 5.8-percent increase. The upward revision reflected upward revisions to consumer spending, to State and local government spending, to exports of goods, and to private nonfarm inventory investment. The price index for gross domestic purchases increased 2.3 percent in the fourth quarter, the same as the previously published increase.

— Continued on next page —

### Federal Personal Income Tax Liabilities and Payments, 1959–97

*BEA's estimates of Federal personal income tax liabilities and payments have been revised, beginning with 1959, to incorporate the results of the recent comprehensive revision of the NIPAs and newly available tax return data from the Internal Revenue Service. Since 1992, the differences between liabilities and payments have generally been small; in 1997, payments exceeded liabilities by \$2.3 billion.*

### Federal Budget Estimates, Fiscal Year 2001

*Each year, BEA prepares a "translation" of the administration's budget that puts the budget's receipts and outlays on a basis that is consistent with the framework of the NIPAs. For fiscal year 2001, the Federal current surplus on the NIPA basis would be \$171.1 billion, compared with the surplus of \$184.0 billion in the administration's budget. The budget estimate of receipts would exceed the NIPA estimate of current receipts by \$2.4 billion, and the NIPA estimate of current expenditures would exceed the budget estimate of outlays by \$10.5 billion.*

## *Reports and statistical presentations*

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[Errata: Industrial Composition of State Earnings in 1958–98](#)

[BEA Current and Historical Data](#)

[Getting BEA's Estimates](#)

[Schedule of Upcoming BEA News Releases](#)

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### LOOKING AHEAD

- ✿ **Revised NIPA and Related Estimates.** Revised NIPA estimates for 1929–58 and revised estimates of fixed assets and consumer durable goods for 1925–98 that reflect the recent comprehensive NIPA revision will be presented in the April SURVEY.
-

# BEA CURRENT AND HISTORICAL DATA

## National, International, and Regional Estimates

This section presents an extensive selection of economic statistics prepared by the Bureau of Economic Analysis and a much briefer selection of collateral statistics prepared by other Government agencies and private organizations. Series originating in Government agencies are not copyrighted and may be reprinted freely. Series from private sources are provided through the courtesy of the compilers and are subject to their copyrights.

BEA makes its economic information available on three World Wide Web sites. The BEA Web site <www.bea.doc.gov> contains data, articles, and news releases from BEA's national, international, and regional programs. The Federal Statistical Briefing Room (FSBR) on the White House Web site <www.whitehouse.gov/fsbr> provides summary statistics for GDP and a handful of other NIPA aggregates. The Commerce Department's STAT-USA Web site <www.stat-usa.gov> provides detailed databases and news releases from BEA and from other Federal Government agencies by subscription; for information, go to the Web site or call 202-482-1986.

The tables listed below present annual, quarterly, and monthly estimates, indicated as follows: [A] Annual estimates only; [Q] quarterly estimates only; [QA] quarterly and annual estimates; [MA] monthly and annual estimates.

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## Getting BEA's Estimates

Estimates and related information are available in news releases and publications and on diskettes, CD-ROM's, and the BEA Web site. The news releases are now posted on the Web site within minutes of the official time of release. Our online *Catalog of Products* provides product descriptions and includes links to compressed files of our diskette products that can be downloaded for free.

Our most recent Web site postings and statistical products are listed below.

### [www.bea.doc.gov](http://www.bea.doc.gov)

#### **March 2000 *Survey of Current Business***

Click on "*Survey of Current Business* and other BEA Publications," and look under "Table of contents."

#### **Selected NIPA Tables, Fourth Quarter 1999**

(Preliminary) Click on "GDP and related data," and look under "Current period estimates."

#### **State Personal Income, Third Quarter 1999**

Under "Regional," click on "Data," then click on "State personal income" and look under "Quarterly tables."

#### **1996 Annual I-O Accounts**

Click on "Industry and Wealth Data," and look under "Input-Output data."

### **Diskettes and CD-ROM's**

#### ***1996 Annual I-O Accounts***

Contains annual input-output estimates for two-digit industries. Also contains alternative use and make tables with industries defined on a 1987 SIC basis. Diskette IDN-0247, \$20.00.

#### ***U.S. International Transactions, Third Quarter 1999***

Contains annual estimates for 1998 and quarterly estimates for 1997:I-1999:III on a balance-of-payments basis. Diskette IDN-0246, \$20.00.

#### ***Foreign Direct Investment in the United States***

##### ***(FDIUS): Preliminary Results From the 1997***

##### ***Benchmark Survey***

Contains information on the financial structure and operations of the U.S. affiliates of foreign direct investors. Diskette IDN-0244, \$20.00.

#### ***FDIUS: Balance of Payments and Direct Investment Position Estimates, 1987-98***

Contains annual estimates of the foreign direct investment position in the United States and of balance-of-payments transactions between U.S. affiliates and their foreign parents. Diskette IDN-0242, \$20.00.

#### ***U.S. Direct Investment Abroad (USDIA): Balance of Payments and Direct Investment Position Estimates, 1982-98***

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To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

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Presents data on the financial structure and operations of the U.S. affiliates of foreign investors, including data collected only in benchmark surveys. Stock no. 003-010-00284-1, \$13.00.

#### ***State Personal Income, 1929-97***

Presents detailed annual estimates of personal income and per capita personal income for all

States and the methodology and sources of the data used to prepare the estimates. Stock no. 003-010-00280-8, \$38.00.

#### ***International Direct Investment: Studies by the Bureau of Economic Analysis***

Presents a collection of studies on multinational companies, the guides to BEA's statistics, and the methodologies used to prepare the estimates. Stock no. 003-010-00278-6, \$24.00.

To order, visit the U.S. Government Printing Office's Web site at <[www.gpo.gov](http://www.gpo.gov)> or call 202-512-1800.

## Schedule of Upcoming BEA News Releases

U.S. International Transactions, 4th quarter 1999 .....	Mar. 15	10:00 a.m.
U.S. International Trade in Goods and Services, January 2000* .....	Mar. 21	8:30 a.m.
Gross Domestic Product, 4th quarter 1999 (final) and Corporate Profits, 4th quarter 1999 .....	Mar. 30	8:30 a.m.
Personal Income and Outlays, February 2000 .....	Mar. 31	8:30 a.m.
U.S. International Trade in Goods and Services, February 2000* .....	April 19	8:30 a.m.
Gross Domestic Product, 1st quarter 2000 (advance) .....	April 27	8:30 a.m.
Personal Income and Outlays, March 2000 .....	April 28	8:30 a.m.
State Personal Income, 4th quarter 1999 and Per Capita Personal Income, 1999 (preliminary) .....	May 17	9:00 a.m.
U.S. International Trade in Goods and Services, March 2000* .....	May 19	8:30 a.m.
Gross Domestic Product, 1st quarter 2000 (preliminary) and Corporate Profits, 1st quarter 2000 (preliminary) .....	May 25	8:30 a.m.
Personal Income and Outlays, April 2000 .....	May 26	8:30 a.m.
Foreign Investors' Spending to Acquire or Establish U.S. Businesses, 1999 .....	June 7	10:00 a.m.
Local Area Personal Income, 1998 .....	June 15	9:00 a.m.
U.S. International Trade in Goods and Services, April 2000* .....	June 20	8:30 a.m.
U.S. International Transactions, 1st quarter 2000 .....	June 20	10:00 a.m.
Gross Domestic Product, 1st quarter 2000 (final) and Corporate Profits, 1st quarter 2000 (revised) .....	June 29	8:30 a.m.
International Investment Position of the United States, 1999 .....	June 29	10:00 a.m.
Personal Income and Outlays, May 2000 .....	June 30	8:30 a.m.

\* Joint release by the Bureau of the Census and the Bureau of Economic Analysis (BEA)

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