

Director's Message

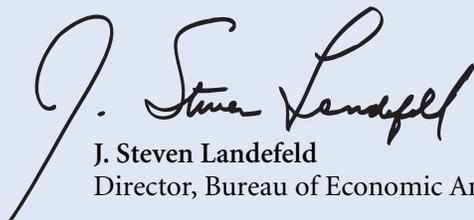
Every August, the SURVEY OF CURRENT BUSINESS provides an article discussing the annual revision of the gross domestic product (GDP) accounts, which is released in July. We're pleased to publish this year's article in a new, easier-to-read format.

Annual revisions allow for a wide range of more complete, previously unavailable information to be incorporated into the accounts. Several methodological improvements were also adopted this year, including new methods to value sales and inventory change of new autos, the use of new price indexes to deflate airline services and manufacturing structures, the use of scanner data to help estimate spending on goods at grocery stores, and a new method of estimating quarterly depreciation.

This year's annual revision resulted in a number of significant revisions but didn't meaningfully change the overall picture of the economy. From 2004 to 2007, real GDP growth was revised to 2.6 percent from 2.7 percent.

A reminder: in 2009, we'll be publishing a comprehensive revision of the GDP accounts, which will incorporate source data from the every-5-year Economic Census. In 2010, we'll begin "flexible annual revisions," a new approach that will expand the current 3-year period of annual revisions, making it easier to roll out major improvements. Previously, major improvements were reserved for comprehensive revisions, which occurred every 5 years. More information about the benefits of this approach is available in a *BEA Briefing* accessible at <www.bea.gov/scb/pdf/2008/06%20June/0608_flexible.pdf>.

Also in this issue, recent statistics detailing the domestic operations of U.S. affiliates of foreign companies are presented. The value added of majority-owned nonbank U.S. affiliates of foreign companies grew 12 percent in 2006—the fastest rate of increase since 2000.



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