

July 1, 1987

RECENT DEVELOPMENTS

**Prepared for the Federal Open Market Committee
By the staff of the Board of Governors of the Federal Reserve System**

July 1, 1987

CONFIDENTIAL - FR
CLASS II FOMC

STAFF GNP PROJECTIONS

Percent changes, annual rate

	Nominal GNP		Real GNP		GNP fixed-weighted price index		GNP deflator		Unemployment rate (percent)			
	5/13/87	7/1/87	5/13/87	7/1/87	5/13/87	7/1/87	5/13/87	7/1/87	5/13/87	7/1/87		
Annual changes:												
1985	<1>	6.2	6.2	2.7	2.7	3.7	3.7	3.3	3.3	7.2	7.2	
1986	<1>	5.2	5.2	2.5	2.5	2.8	2.8	2.7	2.7	7.0	7.0	
1987		5.4	5.7	2.6	2.7	3.0	3.2	2.7	3.0	6.5	6.4	
1988		6.1	6.0	2.6	2.4	3.8	3.9	3.4	3.5	6.3	6.3	
Quarterly changes:												
1986	Q1	<1>	6.2	6.2	3.8	3.8	2.5	2.5	2.5	7.1	7.1	
	Q2	<1>	2.6	2.6	.6	.6	1.7	1.7	1.8	7.1	7.1	
	Q3	<1>	6.4	6.4	2.8	2.8	2.6	2.6	3.6	6.9	6.9	
	Q4	<1>	1.7	1.7	1.1	1.1	2.7	2.7	.7	6.9	6.9	
1987	Q1	<1>	7.8	9.1	4.3	4.8	3.6	3.9	3.5	6.7	6.7	
	Q2		6.3	6.1	2.5	2.2	3.5	3.7	3.6	6.4	6.3	
	Q3		5.5	5.9	2.2	2.6	3.3	3.6	3.2	6.4	6.3	
	Q4		5.5	5.3	2.8	2.5	3.2	3.3	2.6	6.4	6.3	
1988	Q1		6.5	6.3	2.6	2.4	4.1	4.2	3.7	6.3	6.3	
	Q2		6.3	6.0	2.6	2.3	4.0	4.0	3.6	6.3	6.3	
	Q3		6.4	6.3	2.7	2.3	4.1	4.2	3.7	6.2	6.3	
	Q4		6.6	6.5	2.7	2.4	4.3	4.3	3.8	6.2	6.3	
Two-quarter changes: <2>												
1986	Q2	<1>	4.3	4.3	2.2	2.2	2.1	2.1	2.1	.0	.0	
	Q4	<1>	4.0	4.0	1.9	1.9	2.6	2.6	2.1	-.2	-.2	
1987	Q2		7.0	7.6	3.4	3.5	3.5	3.8	3.6	-.5	-.6	
	Q4		5.5	5.6	2.5	2.6	3.3	3.5	2.9	3.0	.0	
1988	Q2		6.4	6.1	2.6	2.3	4.0	4.1	3.7	3.7	-.1	
	Q4		6.5	6.4	2.7	2.4	4.2	4.3	3.8	3.9	-.1	
Four-quarter changes: <3>												
1985	Q4	<1>	6.3	6.3	2.9	2.9	3.6	3.6	3.3	3.3	-.2	-.2
1986	Q4	<1>	4.2	4.2	2.0	2.0	2.4	2.4	2.1	2.1	-.2	-.2
1987	Q4		6.2	6.6	2.9	3.0	3.4	3.6	3.2	3.5	-.5	-.6
1988	Q4		6.5	6.3	2.6	2.3	4.1	4.2	3.7	3.8	-.2	.0

<1> Actual.

<2> Percent change from two quarters earlier.

<3> Percent change from four quarters earlier.

July 1, 1987

CONFIDENTIAL - FR
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Seasonally adjusted; annual rate)

	Units	Projection									
		1986		1987				1988			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EXPENDITURES											
Nominal GNP	Billions of \$	4240.7	4258.7	4352.1	4417.4	4481.4	4540.1	4609.5	4677.4	4749.3	4824.7
Real GNP	Billions of 82\$	3686.4	3696.1	3739.4	3760.0	3784.4	3807.8	3830.3	3852.1	3874.0	3897.2
Nominal GNP	Percent change	6.4	1.7	9.1	6.1	5.9	5.3	6.3	6.0	6.3	6.5
Real GNP		2.8	1.1	4.8	2.2	2.6	2.5	2.4	2.3	2.3	2.4
Gross domestic product		2.6	1.5	4.6	2.3	2.7	2.6	2.5	2.4	2.4	2.5
Gross domestic purchases		3.7	-6	3.1	1.3	1.7	1.3	1.0	.9	.9	1.0
Final sales		4.5	4.2	-2.7	4.6	3.9	1.5	2.0	2.3	2.4	2.4
Private dom. final purchases		5.6	.5	-2.7	2.6	3.1	.7	.8	1.0	1.1	1.1
Personal consumption expend.		6.7	--.4	-1.1	2.5	3.6	.6	.8	1.0	1.0	1.0
Durables		44.6	-11.0	-19.8	11.0	12.2	-1.8	-1.4	.4	.6	.3
Nondurables		-.9	-.1	.0	-2.0	1.9	.7	.7	.7	.8	.6
Services		2.4	3.2	4.6	3.3	2.3	1.3	1.6	1.4	1.4	1.5
Business fixed investment		-2.1	3.0	-9.7	7.8	4.7	2.4	2.1	1.8	2.1	1.9
Producers' durable equipment		1.2	6.6	-9.2	10.2	6.6	3.9	3.7	3.3	3.7	3.3
Nonresidential structures		-9.8	-5.4	-10.5	1.4	-.1	-1.4	-2.3	-2.4	-2.2	-2.2
Residential structures		9.7	5.2	-4.7	-7.2	-6.1	-2.5	-2.8	-1.4	-.5	1.0
Exports		13.3	16.7	11.8	9.1	13.0	15.9	15.1	14.1	13.0	12.8
Imports		17.3	-.5	-2.6	.7	3.4	3.8	2.3	1.3	1.3	1.1
Government purchases		4.5	10.5	-9.6	7.9	1.8	-1.2	.0	.6	.6	.5
Federal		2.5	23.2	-24.2	16.0	1.3	-5.4	-3.3	-1.6	-1.7	-2.1
Defense		17.2	-10.2	5.3	6.1	-1.1	-2.8	-5.3	-3.3	-3.0	-2.9
State and local		6.1	1.1	4.0	2.0	2.3	2.3	2.6	2.3	2.3	2.4
Change in business inventories		-.3	-28.5	40.7	19.1	7.9	17.7	21.7	21.4	20.9	21.4
Nonfarm		-8.6	-9.8	32.8	19.9	11.7	19.2	23.2	22.9	22.4	22.9
Net exports		-163.3	-148.0	-133.7	-125.8	-117.7	-107.0	-94.6	-81.4	-68.8	-55.6
EMPLOYMENT AND PRODUCTION											
Nonfarm payroll employment	Millions	99.8	100.4	101.1	101.7	102.1	102.5	102.9	103.3	103.8	104.2
Unemployment rate	Percent*	6.9	6.9	6.7	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Industrial production index	Percent change	1.9	3.2	3.3	2.1	3.9	3.8	3.4	3.3	3.5	3.5
Capacity utilization rate-mfg.	Percent*	79.7	79.8	80.2	80.1	80.4	80.6	80.8	80.9	80.9	81.0
Housing Starts	Millions	1.76	1.70	1.80	1.64	1.61	1.60	1.58	1.57	1.56	1.56
Auto sales	Million	12.91	11.32	9.66	10.08	11.00	10.70	10.40	10.50	10.70	10.70
Domestic	Millions	9.43	7.66	6.86	7.09	7.76	7.50	7.30	7.40	7.55	7.55
Foreign	Millions	3.47	3.66	2.80	2.99	3.24	3.20	3.10	3.10	3.15	3.15
INCOME AND SAVING											
Nominal personal income	Percent change	1.8	3.4	7.0	5.6	5.4	6.9	7.0	4.7	5.9	6.8
Real disposable income	Percent change	-3.1	-1.5	2.9	-4.0	7.2	2.3	2.5	-.8	1.7	1.2
Personal saving rate	Percent*	2.8	2.5	3.5	2.0	2.8	3.2	3.5	3.1	3.2	3.3
Corp. profits with IVA & CCAdj	Percent change	12.7	12.8	34.9	3.5	3.8	3.0	-9.7	6.2	6.5	7.6
Profits share of GNP	Percent*	7.1	7.3	7.7	7.7	7.6	7.6	7.3	7.3	7.3	7.3
Federal govt. surplus/deficit	Billions of \$	-197.4	-188.8	-170.4	-153.6	-186.9	-185.2	-186.0	-164.7	-163.3	-158.1
State and local govt. surplus		64.0	59.4	50.2	60.5	56.5	58.1	59.6	60.6	62.2	64.2
PRICES AND COSTS											
GNP implicit deflator	Percent change	3.6	.7	4.2	3.8	3.2	2.8	3.8	3.6	3.9	4.0
GNP fixed-weight price index		2.6	2.7	3.9	3.7	3.6	3.3	4.2	4.0	4.2	4.3
Cons. & fixed invest. prices		3.0	3.3	4.7	4.7	4.0	3.7	4.4	4.4	4.7	4.8
CPI		2.5	2.6	5.3	5.1	4.4	4.0	4.3	4.6	4.8	5.0
Exc. food and energy		3.7	3.8	4.4	5.0	4.6	4.6	4.8	5.2	5.3	5.5
Nonfarm business sector		-.3	-1.5	-.5	.5	1.4	1.5	1.2	.9	.9	1.0
Output per hour		2.3	2.7	-.0	5.1	3.4	3.6	5.0	4.1	4.5	4.7
Compensation per hour		2.6	4.2	-.5	4.6	2.0	2.1	3.8	3.2	3.6	3.7
Unit labor costs											

* Not at an annual rate.

July 1, 1987

CONFIDENTIAL - FR
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Seasonally adjusted; annual rate)

	Units	Projection									
		1980	1981	1982	1983	1984	1985	1986	1987	1988	
EXPENDITURES											
Nominal GNP	Billions of \$	2732.0	3052.6	3166.0	3405.7	3765.0	3998.1	4206.1	4447.8	4715.2	
Real GNP	Billions of 82\$	3187.1	3248.8	3166.0	3279.1	3489.9	3585.2	3674.9	3772.9	3863.4	
Real GNP	Percent change*	-.1	.6	-1.9	6.5	4.6	2.9	2.0	3.0	2.3	
Gross domestic product		.3	.3	-1.6	6.6	4.9	3.1	2.3	3.1	2.4	
Gross domestic purchases		-1.1	.8	-.8	8.4	5.9	3.9	2.4	1.8	1.0	
Final sales		-.2	.1	.3	3.7	4.4	4.0	2.7	1.8	2.3	
Private dom. final purchases		-1.7	-.3	.8	7.7	5.3	4.2	3.1	.9	1.0	
Personal consumption expend.		-.1	.2	2.9	5.4	3.6	3.5	4.0	1.4	1.0	
Durables		-5.6	-3.3	9.0	14.7	8.8	6.2	9.6	-.5	.0	
Nondurables		-1.4	.5	1.8	4.4	2.2	2.0	3.3	.2	.7	
Services		2.4	.9	2.3	3.9	3.3	3.9	2.8	2.8	1.5	
Business fixed investment		-4.8	5.6	-11.3	10.8	14.7	6.5	-4.0	1.1	2.0	
Producers' durable equipment		-6.5	2.2	-12.5	20.9	16.0	8.1	1.7	2.6	3.5	
Nonresidential structures		-1.8	11.7	-9.1	-4.8	12.1	3.3	-16.2	-2.8	-2.3	
Residential structures		-14.2	-22.4	4.9	38.1	5.3	7.8	10.0	-5.1	-.9	
Exports		.5	2.4	-13.8	5.8	5.5	-3.2	6.3	12.4	13.7	
Imports		-8.8	4.9	-5.9	23.8	16.5	5.8	7.9	1.3	1.5	
Government purchases		1.0	2.9	3.8	-2.7	7.7	8.4	2.7	-.5	.4	
Federal		3.1	9.5	8.2	-8.1	14.2	14.3	.4	-4.2	-2.2	
Defense		3.1	7.6	8.8	5.1	6.8	5.9	5.5	1.8	-3.6	
State and local		-.3	-1.3	.6	1.5	3.1	3.7	4.6	2.6	2.4	
Change in business inventories	Billions of 82\$	-6.9	23.9	-24.5	-6.4	59.2	9.0	6.6	21.3	21.4	
Nonfarm	Billions of 82\$	-2.3	19.0	-23.1	-.1	54.3	10.9	7.4	20.9	22.9	
Net exports	Billions of 82\$	57.0	49.4	26.3	-19.9	-83.6	-108.2	-147.8	-121.0	-75.1	
Nominal GNP	Percent change*	9.9	9.3	3.1	10.4	8.5	6.3	4.2	6.6	6.3	
EMPLOYMENT AND PRODUCTION											
Nonfarm payroll employment	Millions	90.4	91.2	89.6	90.2	94.5	97.5	99.6	101.9	103.5	
Unemployment rate	Percent	7.1	7.6	9.7	9.6	7.5	7.2	7.0	6.4	6.3	
Industrial production index	Percent change*	-.8	-1.0	-7.7	14.3	6.6	1.7	1.1	3.3	3.4	
Capacity utilization rate-mfg.	Percent	79.3	78.3	70.3	74.0	80.5	80.1	79.7	80.3	80.9	
Housing Starts	Millions	1.30	1.10	1.06	1.71	1.77	1.74	1.82	1.66	1.57	
Auto sales	Millions	9.04	8.56	8.00	9.18	10.43	11.09	11.52	10.36	10.58	
Domestic	Millions	6.62	6.24	5.77	6.77	7.97	8.24	8.28	7.30	7.45	
Foreign	Millions	2.42	2.32	2.23	2.41	2.46	2.84	3.25	3.06	3.13	
INCOME AND SAVING											
Nominal personal income	Percent change*	12.0	9.2	5.3	7.8	8.4	6.1	4.3	6.2	6.1	
Real disposable income	Percent change*	1.1	.7	1.0	5.1	4.2	1.9	2.2	2.0	1.1	
Personal saving rate	Percent	7.1	7.5	6.8	5.4	6.3	5.1	3.8	2.9	3.3	
Corp. profits with IVA & CCAdj	Percent change*	-6.8	2.3	-19.1	70.1	6.6	7.8	9.0	10.5	2.4	
Profit share of GNP	Percent	6.5	6.2	4.7	6.3	7.0	7.0	7.1	7.6	7.3	
Federal govt. surplus/deficit	Billions of \$	-61.3	-63.8	-145.9	-176.0	-170.0	-198.0	-203.3	-174.0	-168.0	
State and local govt. surplus		26.8	34.1	35.1	47.5	68.5	61.7	63.1	56.3	61.7	
PRICES AND COSTS											
GNP implicit deflator	Percent change*	9.9	8.7	5.2	3.6	3.6	3.3	2.1	3.5	3.8	
GNP fixed-weight price index		9.8	8.5	5.0	3.9	3.9	3.6	2.4	3.6	4.2	
Cons. & fixed invest. prices		10.1	8.2	4.4	3.3	3.6	3.4	2.0	4.3	4.6	
CPI		12.5	9.6	4.5	3.2	4.1	3.5	1.3	4.7	4.7	
Exc. food and energy		12.2	10.2	5.2	4.2	4.7	4.3	3.9	4.7	5.2	
Onfarm business sector		1.0	-.6	1.0	3.6	1.0	.2	.7	1.0	1.0	
Output per hour		10.9	8.3	7.3	3.3	4.3	3.9	2.6	3.0	4.6	
Compensation per hour		9.8	9.0	6.2	-.3	3.2	3.7	1.8	2.0	3.5	
Unit labor costs											

* Percent changes are from fourth quarter to fourth quarter.

CONFIDENTIAL - FR
CLASS II FOMC

GROSS NATIONAL PRODUCT AND RELATED ITEMS
(Net changes, billions of 1982 dollars)

July 1, 1987

	Projection										Projection			
	1986		1987				1988				1985	1986	1987	1988
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Real GNP	25.0	9.7	43.3	20.6	24.4	23.5	22.4	21.9	21.8	23.2	101.9	73.8	111.7	89.4
Gross domestic product	23.2	13.4	41.2	21.4	24.9	24.5	23.4	22.4	22.8	23.6	107.6	82.0	112.1	92.2
Gross domestic purchases	34.4	-5.6	29.0	12.7	16.2	12.8	10.0	8.6	9.3	10.1	141.2	89.8	70.7	38.0
Final sales	40.4	37.8	-25.7	42.1	35.6	13.7	18.4	22.2	22.3	22.7	141.1	97.0	65.6	85.7
Private dom. final purchases	41.6	3.6	-20.8	19.8	24.0	5.3	6.1	7.8	8.6	8.7	122.5	93.1	28.2	31.2
Personal consumption expend.	39.6	-2.2	-7.0	15.0	21.7	3.7	5.0	6.4	6.4	6.1	80.0	94.1	33.4	23.9
Durables	34.5	-11.2	-20.4	9.5	10.8	-1.7	-1.3	.4	.6	.3	20.2	33.4	-1.8	-.1
Nondurables	-1.9	-.3	.1	-4.3	4.1	1.5	1.5	1.6	1.7	1.3	16.7	27.9	1.4	6.0
Services	7.0	9.2	13.4	9.8	6.8	3.9	4.9	4.4	4.2	4.5	43.1	32.7	33.9	18.0
Business fixed investment	-2.4	3.4	-11.5	8.4	5.3	2.8	2.4	2.0	2.5	2.2	29.3	-19.1	5.0	9.1
Producers' durable equipment	1.0	5.2	-7.9	7.9	5.3	3.2	3.1	2.8	3.1	2.8	24.4	5.6	8.5	11.9
Nonresidential structures	-3.4	-1.8	-3.5	.4	.0	-.4	-.7	-.7	-.7	-.7	4.9	-24.7	-3.5	-2.8
Residential structures	4.5	2.5	-2.4	-3.7	-3.0	-1.2	-1.4	-.7	-.2	.5	13.2	18.2	-10.2	-1.8
Change in business inventories	-15.4	-28.2	69.2	-21.6	-11.2	9.8	4.0	-.3	-.5	.5	-39.1	-23.3	46.2	3.7
Nonfarm	-19.6	-1.2	42.6	-12.9	-8.2	7.5	4.0	-.3	-.5	.5	-17.8	-25.9	29.0	3.7
Farm	4.2	-27.0	26.6	-8.7	-3.0	2.3	.0	.0	.0	.0	-21.3	2.6	17.2	.0
Net exports	-9.4	15.3	14.3	7.9	8.1	10.7	12.4	13.3	12.6	13.1	-39.3	-16.0	41.0	51.4
Exports	11.4	14.6	10.9	8.7	12.6	15.7	15.5	15.1	14.4	14.6	-12.1	22.9	47.9	59.5
Imports	20.9	-.7	-3.5	.9	4.4	5.0	3.1	1.8	1.8	1.4	27.1	39.0	6.9	8.2
Government purchases	8.2	18.9	-19.2	14.4	3.5	-2.3	.0	1.2	1.1	.9	57.9	19.9	-3.6	3.1
Federal	2.0	17.7	-23.3	12.3	1.1	-4.7	-2.8	-1.3	-1.4	-1.7	43.4	1.4	-14.6	-7.3
Defense	10.1	-6.9	3.3	3.8	-.7	-1.8	-3.5	-2.1	-1.9	-1.8	13.4	13.2	4.6	-9.3
Nondefense	-8.0	24.6	-26.6	8.5	1.8	-2.9	.7	.8	.5	.1	30.0	-11.8	-19.2	2.0
State and local	6.2	1.2	4.1	2.1	2.4	2.4	2.8	2.5	2.5	2.6	14.5	18.5	11.0	10.4

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CONFIDENTIAL FR CLASS II

July 1, 1987

FEDERAL SECTOR ACCOUNTS
(Billions of dollars)

	Fiscal Year 1986*	FY1987e		FY1988e		CY1987e		1986 IV*	I*	FRB Staff Estimates					
		Admin ¹	FRB Staff	Admin ¹	FRB Staff	CY 1986*	FRB Staff			II	1987 III	IV	I	1988 II	III
Not seasonally adjusted															
Budget receipts ²	769	842	845	917	886	782	859	190	194	254	208	204	199	259	224
Budget outlays ²	990	1016	1014	1024	1054	991	1034	253	252	250	258	273	249	262	270
Surplus/deficit(-) to be financed ²	-221	-173	-169	-108	-168	-209	-175	-63	-59	3	-51	-69	-50	-3	-47
Means of financing:															
Borrowing from public	236	162	166	107	159	215	146	69	28	29	40	49	49	12	48
Cash balance decrease	-14	11	0	0	7	0	16	0	22	-31	9	17	0	-5	-5
Other	-1	0	3	1	3	-6	13	-6	9	-2	2	4	1	-5	3
Cash operating balance, end of period	31	20	32	20	25	31	15	31	9	40	32	15	15	20	25
Memo: Sponsored agency borrowing ⁴	14	n.a.	13	n.a.	18	13	13	4	-2	7	4	4	4	5	5
Seasonally adjusted annual rates															
Receipts	815	875	880	968	926	827	891	855	873	911	884	897	921	940	947
Expenditures	1025	1061	1055	1089	1101	1030	1065	1043	1043	1065	1071	1082	1107	1105	1110
Purchases	368	385	378	395	388	366	381	372	365	385	390	384	388	389	390
Defense	275	291	288	301	295	278	291	279	287	292	294	294	295	295	295
Nondefense	94	94	90	94	93	89	89	93	78	93	96	90	93	94	95
All other expend.	657	676	678	694	714	664	684	671	679	680	681	699	720	716	721
Surplus/deficit(-)	-211	-186	-175	-121	-175	-203	-174	-189	-170	-154	-187	-185	-186	-165	-163
High-employment surplus/ deficit(-) evaluated at 6 percent unemp.	-173	n.a.	-138	n.a.	-141	-165	-140	-146	-135	-118	-154	-152	-153	-131	-129

*--actual

e--estimated

n.a.--not available

Note: Details may not add to totals due to rounding

1. Budget of the United States Government, Fiscal Year 1988 (January 1987). The Congressional Budget Office baseline estimates published in February indicated receipts of \$834 and \$901 billion, outlays of \$1010 and \$1071 billion, and deficits of \$176 and \$171 billion in FY1987 and FY1988, respectively.
2. Includes outlays formerly classified as off-budget (e.g. Federal Financing Bank and Strategic Petroleum Reserve) and social security receipts and outlays classified as off-budget under current law.
3. Checks issued less checks paid, accrued items, and other transactions.
4. Sponsored agency borrowing includes net debt issuance by Federal Home Loan Banks, Federal Home Loan Mortgage Corporation (excluding participation certificates), Federal National Mortgage Association (excluding mortgage-backed securities), Farm Credit Banks, and Student Loan Marketing Association marketable debt. The Administration's definition of borrowing by these agencies is somewhat broader.

**Outlook for U.S. Net Exports and Related Items
(Billions of Dollars, Seasonally Adjusted Annual Rates)**

	ANNUAL			1986		1987				1988			
	1986	1987-P	1988-P	Q3-	Q4-	Q1-	Q2-P	Q3-P	Q4-P	Q1-P	Q2-P	Q3-P	Q4-P
1. GNP Exports and Imports 1/													
Current \$, Net	-104.3	-106.6	-85.3	-108.9	-110.2	-107.9	-109.1	-106.3	-102.9	-97.7	-89.9	-81.3	-72.3
Exports of G+S	373.0	420.7	499.3	370.8	383.5	399.0	409.7	426.8	447.3	468.2	489.0	509.5	530.5
Imports of G+S	477.3	527.2	584.6	479.7	495.7	506.9	518.8	533.1	550.2	565.8	578.9	590.9	602.8
Constant 82 \$, Net	-147.8	-121.0	-74.9	-163.3	-148.0	-133.7	-125.8	-117.6	-106.9	-96.5	-81.2	-68.6	-55.5
Exports of G+S	371.5	413.4	471.2	371.2	385.8	396.7	405.4	417.9	433.6	449.1	464.2	478.5	493.1
Imports of G+S	519.2	534.3	546.1	534.5	533.8	530.3	531.0	535.4	540.4	543.5	545.3	547.1	548.5
2. U.S. Merchandise Trade Balance 2/	-144.3	-152.6	-133.3	-148.5	-154.4	-153.3	-154.5	-152.7	-149.7	-144.8	-137.7	-129.4	-121.3
Exports	224.4	248.9	303.6	226.1	228.1	232.8	241.8	253.6	267.5	282.2	296.7	310.6	324.9
Agricultural	27.0	26.1	28.3	26.6	28.1	26.3	26.1	25.5	26.5	27.2	28.1	28.7	29.3
Non-Agricultural	197.3	222.9	275.3	199.6	200.0	206.6	215.8	228.1	241.0	255.0	268.7	281.8	295.6
Imports	368.7	401.5	436.9	374.6	382.5	386.2	396.3	406.3	417.2	427.0	434.5	439.9	446.2
Petroleum and Products	33.8	39.6	43.5	31.6	32.0	34.8	39.3	41.5	43.0	43.0	43.3	43.8	44.1
Non-Petroleum	334.9	361.9	393.3	343.0	350.4	351.4	357.0	364.8	374.3	384.0	391.2	396.2	402.1
3. U.S. Current Account Balance	-141.4	-154.0	-138.3	-146.3	-151.9	-148.5	-156.4	-156.5	-154.6	-148.7	-142.0	-134.6	-127.8
Of Which: Net Investment Income	20.8	10.0	3.1	21.4	18.0	15.3	9.6	8.4	6.8	5.5	4.2	2.1	0.6
4. Foreign Outlook 3/													
Real GNP--Ten Industrial 4/	2.4	2.0	1.8	2.1	1.7	1.5	2.2	1.8	1.9	1.7	1.7	1.8	1.8
Real GNP--NonOPEC LDC 5/	4.4	3.8	4.1	4.1	3.9	3.6	3.7	3.8	3.9	4.0	4.3	4.6	5.0
Consumer Prices--Ten Ind. 4/	2.0	2.2	2.8	0.1	2.1	2.4	3.5	2.1	2.4	2.8	3.3	2.7	3.5

1/ Economic activity and product account data.

2/ International accounts basis.

3/ Percent change, annual rates.

4/ Weighted by multilateral trade-weights of G-10 countries plus Switzerland; prices are not seasonally adjusted.

5/ Weighted by share in NonOPEC LDC GNP.

P/ Projected