

## Section I

# The 2003-2006 revisions of the Income and Expenditure Accounts

### Introduction

Revised estimates of the Income and Expenditure Accounts (IEA) covering the period 2003 to 2006 have been released along with those for the first quarter of 2007. These revised estimates incorporate the most current source data and seasonal patterns. In addition to the standard four year revision, the expenditure-based gross domestic product (GDP) and associated components have been converted from a 1997 reference year to a 2002 reference year for its volume and price estimates.

### Revision schedule

The annual revision process is integrated within the Canadian System of National Accounts, with revised estimates of the *National Income and Expenditure Accounts* (catalogue no. 13-001), *Financial Flow Accounts* (catalogue no. 13-014), and the *Canadian Balance of International Payments* (catalogue no. 67-001), compiled and released together. For example, updated estimates of detailed financial transactions underlying GDP are harmonized with revised estimates of sector incomes and outlays. In addition, revised estimates of the National Balance Sheet Accounts (catalogue no. 13-214), are released about two weeks later, based largely on the updated sources of financial and capital transactions as well as on estimates of capital gains/losses implicit in the stock estimates.

The integration of GDP estimates by component occurs through compiling Input-Output Tables in current prices for the first two years of the four year revision period. These data are released in the fall of each year when the full provincial Input-Output Accounts are completed. Corresponding revisions to the monthly estimates of real gross domestic product by industry are released in September. Industry-based estimates are integrated annually, at the time of the first quarter with the income and expenditure based measures of GDP. Revisions to the more recent two years of the four year revision cycle arise due to updated sub-annual and annual sources of information.

Statistical revisions are carried out regularly in the Canadian System of National Accounts in order to incorporate the most current information from censuses, annual surveys, taxation statistics, public accounts, etc. In principle, the revision schedule for the IEA is as follows: the first estimate for a given quarter is released approximately 60 days after the end of the reference quarter; this estimate is revised when estimates for subsequent quarters of the same calendar year are released; thereafter, the estimates are open for revision only once a year for the next four years, at the time of the release of the first quarter estimates. For example, the estimates for the

first quarter of 2003 were first released in May 2003. The first revision to these estimates occurred when the second quarter estimates were released in August 2003, further revisions occurred when the third and fourth quarter 2003 estimates were released. These estimates were revised again in each of the next four years, with the last of these revisions occurring with this release.

Limited revisions are sometimes carried out for periods further back than four years and historical revisions are conducted periodically, roughly once every 10 years. Historical revisions provide an occasion to improve estimation methods, eliminate statistical breaks resulting from more limited revisions and introduce conceptual changes into the system. The most recent historical revision was completed in December 1997. Documentation related to this revision can be found at [www.statcan.ca/english/freepub/13-605-XIE/2003001/data/1997nefa/index.htm](http://www.statcan.ca/english/freepub/13-605-XIE/2003001/data/1997nefa/index.htm).

The policy of revising the estimates of previous years only once a year is adhered to throughout the System of National Accounts. The period open for revision, however, varies from one set of accounts to the other. Thus, the standard revision is four years in the Income and Expenditure Accounts and the Balance of Payments. The standard revision in the Input-Output Accounts covers one year—the first year of the four years of revision in the Income and Expenditure Accounts and the balance of payments statistics. The revision of the Financial Flow Accounts usually parallels that of the National Balance Sheet Accounts and may occasionally cover more than four years in order to harmonize the flows with the revised stocks.

### Income and Expenditure Accounts revisions

With the May 2002 release, additional conceptual changes were implemented within the National Income and Expenditure Accounts and carried back to 1981. These included classification changes to licences and registrations, land transfer taxes, and spectrum charges and the incorporation of 1996 census results in farm inventories. Documentation related to these conceptual changes can be found at [www.statcan.ca/english/freepub/13-605-XIE/2003001/chronology/chronoindex.htm](http://www.statcan.ca/english/freepub/13-605-XIE/2003001/chronology/chronoindex.htm). No conceptual changes have been made to the Income and Expenditure Accounts this year.

### Canadian Economic Accounts re-referencing

Effective with the first quarter 2007 Income and Expenditure Accounts release on May 31, 2007, the expenditure-based gross domestic product (GDP) and associated components have been converted from a 1997 reference year to a 2002 reference year for its volume and price estimates. This change affects data from 1961 to

date. Adopting a new reference year does not affect chained GDP growth rates over the period, as it represents a scaling of the 1997-based data. However, levels and growth rates for the period of 2003 to 2006 are affected by the regular GDP annual revision process. More information on chain Fisher methodology is available at [Chain Fisher volume index - Methodology](#) (catalogue 13-605-XIE).

The existing CANSIM vector identifiers for the re-referenced chained dollar have been retained. For the Laspeyres volume data (constant dollars), however, new CANSIM identifiers have been created reflecting the new 2002 base year. All chained and constant dollar values as well as associated price indexes are now expressed in terms of 2002 prices. These replace the 1997 base which was put into place at the time of the release of the first quarter 2001 estimates.

The provincial and territorial counterpart to the Income and Expenditure Accounts, the Provincial Economic Accounts, will be re-referenced to 2002 with its fall 2007 release.

The monthly industry-based GDP estimates will continue using a 1997 reference period until the regular annual revision of these data in September 2007.

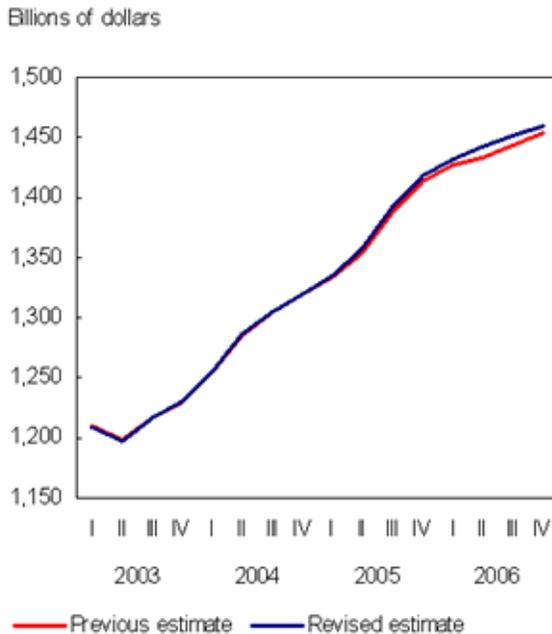
### Impact of the revisions on gross domestic product (GDP)

The current revisions to gross domestic product (GDP) result from the inclusion of the most current estimates from data sources, including survey results, administrative data and public accounts. Revised 2003 and preliminary 2004 Input-Output data are incorporated for the first two years of the four-year revision period. New benchmark information is incorporated for the more recent periods. Other series are revised due to applying existing or updated projectors to the new levels received from the Input-Output Accounts. As can be seen in Table I.3, the revision results in minimal adjustment to the level of GDP at current prices on an annual basis for 2003 and has left the level for 2004 practically unchanged. The levels for 2005 and 2006 are revised up by \$3.7 and \$7.0 billion, respectively. The downward revision of \$233 million to GDP in 2003 is a result of revisions to the 2003 Input-Output Tables. This is the last time 2003 will be revised in a normal revision schedule as it is now fully reconciled with the revised and final Input-Output Accounts. Chart 1 compares the value of the previous estimate to the revised estimate of nominal GDP on a quarterly basis.

**Table I.1 Selected components – Current revisions**

	2003	2004	2005	2006
	millions of dollars			
<b>Gross domestic product</b>	<b>-233</b>	<b>40</b>	<b>3,655</b>	<b>7,016</b>
<b>Income components</b>				
Wages, salaries and supplementary labour income	0	3,069	5,891	7,307
Surplus	-60	-3,489	-925	-218
Corporation profits before taxes	-320	-2,172	-98	-1,479
Interest and miscellaneous investment income	310	25	667	1,892
Capital consumption allowances	-448	-1,584	-984	-755
Government business enterprise profits before taxes	314	415	97	90
Inventory valuation adjustment	84	-173	-607	34
Taxes less subsidies, on factors of production	-11	-101	445	1,070
Taxes less subsidies, on products	-21	373	439	-68
<b>Expenditure components</b>				
Personal expenditure on consumer goods and services	64	532	321	1,692
Government current expenditure on goods and services	-976	-911	-1,592	-2,861
Business investment in residential structures	-44	-54	690	1,445
Business investment in non-residential structures	120	481	3,068	5,017
Business investment in machinery and equipment	360	-780	-495	-308
Business investment in inventories	-630	-627	-1,516	601
Exports of goods and services	817	769	699	-905
Imports of goods and services	340	-231	524	281

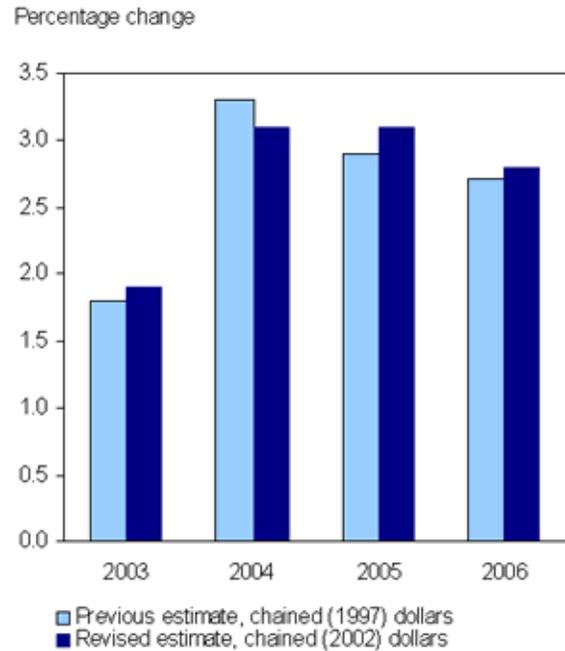
**Chart I.1**  
Gross domestic product



As can be seen in Table I.1, the upward revisions in 2005 and 2006 stem mainly from large upward revisions to wages and salaries and supplementary labour income as well as to non-residential business investment in 2005, which were carried forward into 2006 based largely on the preliminary survey estimates. On a quarterly basis, current dollar GDP was revised down for all quarters in 2003 and 2004 except for the third and fourth quarters of 2003 and the second quarter of 2004. In contrast, in 2005 and 2006 GDP was revised up in all quarters.

Estimates of annual real GDP growth remained practically unchanged for 2003 and 2006. It was revised up 0.1% in 2003, down 0.2% in 2004, up by 0.2% in 2005 and up 0.1% in 2006.

**Chart I.2**  
Growth rates of real GDP, annual



Viewed from a historical perspective over two decades the revisions to the annual growth rate of current dollar GDP for 2003 falls in the low range of revisions. The cumulative revision to the growth rate (as shown in Table I.4) is measured by taking the difference between the current growth rate and the initial growth rate. For 2003, there is no cumulative revision, while the cumulative revisions for 2004, 2005 and 2006 are higher at 0.3%, 0.4% and 0.3%, respectively. The cumulative revision to the 2004, 2005 and 2006 growth rate is large by historical standards.

Revisions to the estimates of quarterly real GDP growth are minor in 2003 and 2004. The largest portion of the 2003 annual revisions occurs in the second quarter which is revised up by 0.2%. In 2004, the first quarter is revised down 0.3%. In 2005, upward revisions are applied to all quarters except for the first quarter which is revised down by 0.2%. For 2006, downward revisions were recorded for the first (-0.1%), second (-0.1%) and third (-0.2%) quarter.

**Chart I.3**  
**Growth rates of real GDP, quarterly**

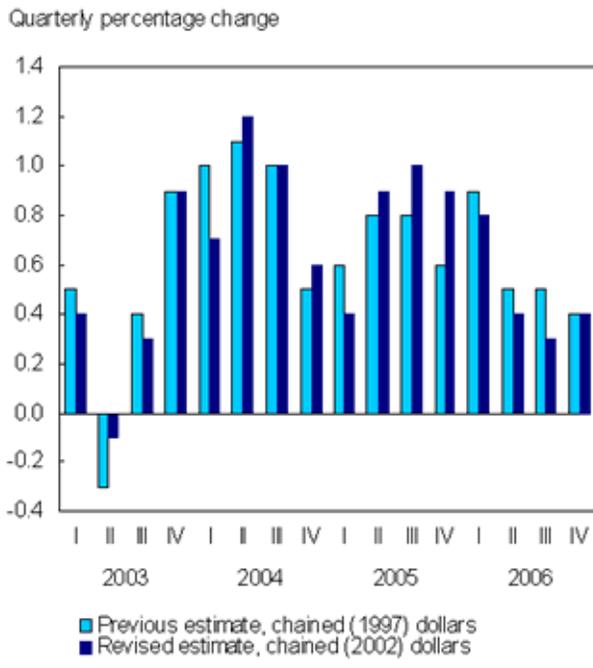


Table I.2 provides a history of the revisions to GDP for the period 1993-2006. As noted earlier, each annual estimate is subjected to four different annual revision cycles as well as periodic historical revision processes. Table I.2 provides the published level and growth rate of GDP for a given year for each of these revision cycles. The largest revisions to GDP occur with the third revision cycle, in which the Income and Expenditure Accounts are benchmarked to the Input-Output Tables. The average upward revision to GDP is +0.2 percentage points and the average downward revision is -0.4 percentage points following the first revision cycle. This changes to +0.5 and a -0.3 with the second, and +0.7 and -0.4 with the Input-Output benchmarking process (the third and fourth revision cycle combined).

Except for 2006, the implicit chained price index for GDP had marginal revisions. In 2003, growth is revised down 0.1, in 2004 and 2005 it is revised up 0.2. In 2006 it is revised up by 0.3. These price indexes are now re-referenced to 2002=100 and for the period 2003 to 2006 incorporate both revisions due to re-weighting within the GDP component elemental indexes and the incorporation of new price deflators, particularly for investment and trade.

#### Revisions to income aggregates (Table I.5)

Estimates of wages, salaries and supplementary labour income are revised upward in 2004, 2005 and 2006. The revision in 2004 is due to an updated 2004 T4 supplementary tax file received from the Canada Revenue Agency (CRA). The largest upward revisions to wages and salaries occur in Nova Scotia, New Brunswick, and

Ontario. Supplementary labour income is also revised upward with actual data on employers' contributions to pensions available for 2004. Local government pension plans and private business pension plans have higher contributions than expected.

Revisions in 2005 are the result of the incorporation of data from tax files as well as other benchmark sources. Upward revisions are carried forward into 2006 for both wages and salaries and supplementary labour income.

#### Surplus

Within the System of National Accounts, surplus is defined as the income corporations obtain from their own production facilities — value added at basic prices less compensation of employees less taxes on production payable plus subsidies received. It represents the last balancing item in the Input-Output Tables and is calculated for each industry. As part of the annual benchmarking to the Input-Output Tables, estimates of surplus are produced by incorporating the latest annual business and institutional surveys as well as various administrative data into the Input-Output framework. Once these benchmark estimates of surplus are derived, the revisions are incorporated into the Income and Expenditure Accounts. In the Income and Expenditure Accounts, surplus includes the following income components: corporation profits before taxes, government business enterprise profits before taxes, interest and miscellaneous investment income, inventory valuation adjustment, and capital consumption allowances. Surplus is only significantly revised in 2004 (-\$3,489 million), mostly offsetting the upward revision to wages, salaries and supplementary labour income. Table I.1 shows the revisions to surplus for 2003 to 2006 as well as how the revision is distributed among its various income components.

Estimates of corporation profits before taxes are revised down in 2003, 2004 and 2006 by \$320 million, \$2,172 million and \$1,479 respectively, while 2005 is virtually unchanged. The revisions in 2003 and 2004 reflect the benchmarking to the Input-Output Accounts which take into account the latest annual business survey data as well as updated annual corporate income tax returns for 2004. In 2004, the addition of a special pension payment to supplementary labour income in order to reduce corporate pension liabilities and the upward revision to wages and salaries create a significant offsetting downward revision to corporate profits. New estimates from the preliminary Financial and Taxation Statistics for Enterprises including the General Index of Financial Information (GIFI) schedules are incorporated for 2005. These new estimates result in significant upward revision to the 2005 growth rate for corporation profits before taxes, from 10.6% to the revised 11.9%. The 2006 estimates are projected using revised estimates from the Quarterly Financial Statistics for Enterprises.

Interest and miscellaneous investment income is revised upward in all four years. In 2003 the upward revision is \$310 million, in 2004 it is \$25 million, in 2005 it is \$667 million, and in 2006 it is \$1,892 million. Revisions to this series reflect new and revised interest payment and receipt information from businesses.

Capital consumption allowances (CCA) is revised downward in all four years: \$448 million, \$1,584 million, \$984 million and \$755 million in 2003, 2004, 2005 and 2006 respectively. Updated annual corporate income tax returns, together with additional depreciation estimates from the Investment and Capital Stock Division's perpetual inventory model have led to these downward revisions.

Accrued net income of farm operators from farm production is revised upward in 2003 mainly due to small revisions in program payments and farm operating expenses. Revisions to 2004 cash receipts for special crops and 2005 cash receipts for cattle have a negative effect on net farm income. In addition, a downward revision in program payments and an upward revision in farm operating expenses magnify the revision of 2005 net farm income. Despite a slight upward revision in 2006, accrued net farm income remained at a low level during the year.

Net income of non-farm unincorporated business, including rent is revised slightly upwards in 2003 and 2004 reflecting the annual benchmarking to the Input-Output Accounts by industry. Incorporating the most recent tax data from CRA (Canada Revenue Agency) results in a downward revision of \$864 million in 2005. A large portion of this revision can be attributed to an increasing number of professionals (doctors, dentists, lawyers and accountants) who are incorporating their businesses. Revisions to 2005 are carried through to 2006.

The estimate of taxes on factors of production, less subsidies is revised downward in 2003 by \$11 million and by \$101 in 2004. It is revised upward in 2005 by \$445 million and in 2006 by \$1,070 million. Local property taxes account for most of the revision. Taxes on products, less subsidies are slightly revised downward in 2003 and 2006 by \$21 million and \$68 million respectively. They are revised upward in 2004 by \$373 million and in 2005 by \$439 million. Revisions to both series incorporate new public accounts and other financial information for the different government sub-sectors.

#### **Revisions to expenditure aggregates at current prices (Table I.6)**

Personal expenditure on consumer goods and services is revised upward by \$64 million in 2003, \$532 million in 2004, \$321 million in 2005 and \$1,692 million in 2006. In 2003 and 2004, revisions reflect benchmarking to Input-Output Accounts, with durable goods accounting for the majority of the upward revision, specifically spending on used motor vehicles. Nevertheless, important downward revisions are recorded in all four years for non-durable

goods, specifically tobacco products and food and non-alcoholic beverages. For 2005 and 2006, the overall revision to personal expenditure on consumer goods and services is amplified by upward revision to services, specifically telecommunications, accommodation and meals outside the home.

Personal expenditure on services is revised upward using results from the Survey of Household Spending for 2005, as well as surveys of service industries. Both the quarterly retail commodity data, up to 2006, and the annual Retail Trade for 2005, released in March 2007, are incorporated into the personal expenditure estimates on consumer goods.

Real personal expenditure on consumer goods and services is calculated using the Consumer Price Index (CPI) of goods and services updated to the 2005 basket.

Government current expenditure on goods and services is revised downward by \$976 million in 2003, \$911 million in 2004, \$1,592 million in 2005 and \$2,861 million in 2006. These revisions reflect new data from the federal government's accounting system and provincial public accounts as well as the latest local government information. Survey results for 2004 from the Canadian Institute for Health Information (CIHI) and the Culture, Tourism and the Centre for Education Statistics are also incorporated and carried forward to 2006.

Current dollar investment in residential structures is revised downward slightly for the years 2003 and 2004, while the years 2005 and 2006 are revised upward. Revisions are based on administrative data and results from the 2005 Survey of Household Spending and the Survey of Real Estate Agents and Brokers.

Business plant and equipment is revised up all years with the exception of 2004. Business investment in non-residential construction posts upward revisions for all years while machinery and equipment records downward revisions in all years except 2003, in current dollars. Revisions to both series reflect benchmarking to the Input-Output Accounts as well as the incorporation of the latest estimates from the Private and Public Investment Survey. The greater increase in investment in non-residential structures in 2005 and 2006 was largely due to revised estimates of investment by the mining and oil and gas extraction industries.

Revisions to investment in inventories reflect the incorporation of new information on natural gas storage movements as well as information coming from the latest annual surveys. Revisions to 2003 and 2004 also reflect the results of the commodity balancing process that is integral to the development of the Input-Output Accounts, to which the Income and Expenditure Accounts are benchmarked.

Merchandise exports are revised up slightly for 2003 but down over the period 2004 to 2006. This was caused by revisions to the value of exports (+\$169 million in 2003, \$-58 million in 2004, \$-.3 billion in 2005 and \$-2.9 billion in 2006) as well as an upward revision to the growth in the price of exports in 2004 and 2006. The downward revision in value is largely due to a revaluation of the adjustment included for under reporting of exports to non-U.S. destinations (see note below). The upward price revision is primarily due to the rebasing to 2002=100 and the selection of new price deflators, which is included with the first quarter 2007 release. Merchandise imports recorded limited current dollar revisions. However with the rebasing process, revised prices were incorporated over the entire period. Growth in volumes was revised down in 2003 and up in 2004 with only marginal changes to growth in 2005 and 2006.

The value of service exports and imports are revised up for 2003 to 2006. These revisions are primarily driven by the incorporation of newly received survey data for Canada's trade in commercial services. On the price side, the rebasing to 2002=100 resulted in higher price growth for exports for 2003 to 2006 while import prices remained fairly stable.

The rebasing exercise for services and merchandise trade involved a reselection of commodity baskets and prices to better represent the current content of Canada's international imports and exports.

### **Under reporting of non-U.S. exports**

The existence of under reporting in the customs data for exports to non-U.S. destinations has been known for many years. A series of studies undertaken from the late 1990s into this century by the International Trade Division (ITD) of Statistics Canada in cooperation with the Canada Border Services Agency (CBSA - formerly Canada Customs) demonstrated that the under reporting had grown substantially. As a result, the Balance of Payment (BOP) adjustment for under reporting was significantly increased reaching a maximum of 24% of total non-U.S. exports in 2000.

Over the last few years CBSA and Statistics Canada (STC) have undertaken projects to improve the reporting of these transactions. STC and CBSA have jointly implemented a system of on line reporting that is available for non-U.S. exports and the utilization of this system has expanded rapidly since its introduction. In addition, CBSA has strengthened regulations that require goods to be declared prior to export and has increased its efforts to enforce the regulations, in part through the use of its administrative monetary penalty system (AMPS). In addition, CBSA has entered into agreements with most large marine and air carriers whereby the carriers will not load the cargo unless the proper documentation has been filed by the exporter.

A study conducted in the fall of 2006 indicated that these compliance efforts have been successful and that under reporting has decreased. Therefore, with this annual revision, the BOP adjustment for under reporting of exports to non-US destinations has been reduced to reflect this improved reporting. Specifically, the BOP adjustment has been reduced by \$500 million in 2004, \$1.5 billion in 2005 and by \$2.5 billion in 2006. The estimate for under reporting is now 15% of total exports to non-U.S. countries, down from 24% in 2000.

**Table 2 Revisions to gross domestic product, historical perspective**

Reference period	Initial estimate	Revised estimate, first annual revision cycle	Revised estimate, second annual revision cycle	Revised estimate, third annual revision cycle	Revised estimate, fourth annual revision cycle	Revised estimate, historical revision processes	Cumulative revisions
millions of current dollars							
1993	710,723	711,658	712,855	712,855	724,920	727,184	16,461
1994	748,606	750,053	747,260	762,251	762,251	770,873	22,267
1995	780,027	776,299	799,129	799,129	806,778	810,426	30,399
1996	797,789	828,997	833,921	833,070	839,064	836,864	39,075
1997	856,134	855,103	866,252	873,947	877,921	882,733	26,599
1998	888,390	895,704	901,805	915,865	914,973	914,973	26,583
1999	949,400	957,911	975,263	980,524	982,441		33,041
2000	1,038,794	1,056,010	1,064,995	1,075,566	1,076,577		37,783
2001	1,084,119	1,092,246	1,107,459	1,108,200	1,108,048		23,929
2002	1,142,123	1,154,949	1,157,968	1,154,204	1,152,905		10,782
2003	1,214,601	1,218,772	1,216,191	1,213,408	1,213,175		-1,426
2004	1,293,289	1,290,185	1,290,788	1,290,828			-2,461
2005	1,368,726	1,371,425	1,375,080				6,354
2006	1,439,291	1,446,307					7,016
growth rate							
1994	5.2	5.2	4.8	5.1	5.1	6.0	0.8
1995	4.0	3.9	4.8	4.8	5.8	5.1	1.1
1996	2.8	3.7	4.4	3.3	4.0	3.3	0.5
1997	3.3	2.5	4.0	4.2	4.6	5.5	2.2
1998	3.9	3.4	3.2	4.3	4.2	3.7	-0.2
1999	6.0	6.2	6.5	7.2	7.4		1.4
2000	8.4	8.3	8.6	9.5	9.6		1.1
2001	2.7	2.6	3.0	2.9	2.9		0.3
2002	4.6	4.3	4.5	4.2	4.0		-0.5
2003	5.2	5.3	5.4	5.2	5.2		0.1
2004	6.1	6.1	6.4	6.4			0.3
2005	6.1	6.2	6.5				0.4
2006	4.9	5.2					0.2

**Table 3 Revisions to gross domestic product**

Reference period	Initial estimate <sup>1</sup>	Previous estimate <sup>2</sup>	Revised estimate <sup>3</sup>	Current revision <sup>4</sup>	Cumulative revision <sup>5</sup>
seasonally adjusted data at annual rates, millions of current dollars					
2003	1,214,601	1,213,408	1,213,175	-233	-1,426
2004	1,293,289	1,290,788	1,290,828	40	-2,461
2005	1,368,726	1,371,425	1,375,080	3,655	6,354
2006	1,439,291	1,439,291	1,446,307	7,016	7,016
2003Q1	1,211,120	1,209,756	1,208,584	-1,172	-2,536
2003Q2	1,206,560	1,197,968	1,197,408	-560	-9,152
2003Q3	1,216,256	1,217,004	1,217,136	132	880
2003Q4	1,228,876	1,228,904	1,229,572	668	696
2004Q1	1,255,676	1,253,940	1,253,040	-900	-2,636
2004Q2	1,287,476	1,284,372	1,286,048	1,676	-1,428
2004Q3	1,308,012	1,305,208	1,304,768	-440	-3,244
2004Q4	1,323,868	1,319,632	1,319,456	-176	-4,412
2005Q1	1,331,300	1,332,712	1,334,424	1,712	3,124
2005Q2	1,347,608	1,352,560	1,356,388	3,828	8,780
2005Q3	1,385,940	1,386,308	1,390,844	4,536	4,904
2005Q4	1,411,652	1,414,120	1,418,664	4,544	7,012
2006Q1	1,417,276	1,427,416	1,431,364	3,948	14,088
2006Q2	1,429,800	1,432,564	1,442,220	9,656	12,420
2006Q3	1,440,808	1,443,440	1,452,396	8,956	11,588
2006Q4	1,453,744	1,453,744	1,459,248	5,504	5,504

1. For annual data, the initial estimate is from the fourth quarter of the corresponding year, for quarterly data, it is the estimate first published for the corresponding quarter. The initial annual estimate is not the average of the initial quarterly estimates as the latter have already been revised by the time the initial annual estimate is released.

2. For 2003, 2004 and 2005, the previous estimate is the one released with the first quarter of 2006, while for 2006 it is from the fourth quarter issue of 2006.

3. The revised estimates are the result of the revisions at the time of the 1st quarter 2007.

4. The current revision is the revised estimate less the previous estimate.

5. The cumulative revision is the revised estimate less the initial estimate.

**Table 4 Revisions to gross domestic product (growth rates)**

Reference period	Initial estimate <sup>1</sup>	Previous estimate <sup>2</sup>	Revised estimate <sup>3</sup>	Current revision <sup>4</sup>	Cumulative revision <sup>5</sup>
seasonally adjusted data at annual rates					
	current dollars, %			percentage points	
2003	5.2	5.2	5.2	0.0	0.0
2004	6.1	6.4	6.4	0.0	0.3
2005	6.1	6.2	6.5	0.3	0.4
2006	4.9	4.9	5.2	0.3	0.3
2003Q1	2.5	2.2	2.1	-0.1	-0.4
2003Q2	-0.4	-1.0	-0.9	0.1	-0.5
2003Q3	1.1	1.6	1.6	0.0	0.5
2003Q4	1.0	1.0	1.0	0.0	0.0
2004Q1	1.8	2.0	1.9	-0.1	0.1
2004Q2	2.5	2.4	2.6	0.2	0.1
2004Q3	1.7	1.6	1.5	-0.1	-0.2
2004Q4	1.2	1.1	1.1	0.0	-0.1
2005Q1	1.0	1.0	1.1	0.1	0.1
2005Q2	1.3	1.5	1.6	0.1	0.3
2005Q3	2.8	2.5	2.5	0.0	-0.3
2005Q4	2.0	2.0	2.0	0.0	0.0
2006Q1	0.2	0.9	0.9	0.0	0.7
2006Q2	0.2	0.4	0.8	0.4	0.6
2006Q3	0.6	0.8	0.7	-0.1	0.1
2006Q4	0.7	0.7	0.5	-0.2	-0.2
	chained (1997) dollars			chained (2002) dollars, %	
	%			percentage points	
2003	1.7	1.8	1.9	0.1	0.2
2004	2.8	3.3	3.1	-0.2	0.3
2005	2.9	2.9	3.1	0.2	0.2
2006	2.7	2.7	2.8	0.1	0.1
2003Q1	0.6	0.5	0.4	-0.1	-0.2
2003Q2	-0.1	-0.3	-0.1	0.2	0.0
2003Q3	0.3	0.4	0.3	-0.1	0.0
2003Q4	0.9	0.9	0.9	0.0	0.0
2004Q1	0.6	1.0	0.7	-0.3	0.1
2004Q2	1.1	1.1	1.2	0.1	0.1
2004Q3	0.8	1.0	1.0	0.0	0.2
2004Q4	0.4	0.5	0.6	0.1	0.2
2005Q1	0.6	0.6	0.4	-0.2	-0.2
2005Q2	0.8	0.8	0.9	0.1	0.1
2005Q3	0.9	0.8	1.0	0.2	0.1
2005Q4	0.6	0.6	0.9	0.3	0.3
2006Q1	0.9	0.9	0.8	-0.1	-0.1
2006Q2	0.5	0.5	0.4	-0.1	-0.1
2006Q3	0.4	0.5	0.3	-0.2	-0.1
2006Q4	0.4	0.4	0.4	0.0	0.0

1. For annual data, the initial estimate is from the fourth quarter of the corresponding year, for quarterly data, it is the estimate first published for the corresponding quarter. The initial annual estimate is not the average of the initial quarterly estimates as the latter have already been revised by the time the initial annual estimate is released.

2. For 2003, 2004 and 2005, the previous estimate is the one released with the first quarter of 2006, while for 2006 it is from the fourth quarter issue of 2006.

3. The revised estimates are the result of the revisions at the time of the 1st quarter 2007.

4. The current revision is the revised estimate less the previous estimate.

5. The cumulative revision is the revised estimate less the initial estimate.

**Table 5 Revisions to income aggregates at current prices**

Reference period	Initial estimate <sup>1</sup>	Previous estimate <sup>2</sup>	Revised estimate <sup>3</sup>	Current revision <sup>4</sup>	Cumulative revision <sup>5</sup>
Wages, salaries and supplementary labour income					
millions of dollars					
2003	617,506	621,003	621,003	0	3,497
2004	638,868	651,888	654,957	3,069	16,089
2005	678,925	688,150	694,041	5,891	15,116
2006	730,075	730,075	737,382	7,307	7,307
Corporation profits before taxes					
2003	146,417	144,821	144,501	-320	-1,916
2004	178,014	171,323	169,151	-2,172	-8,863
2005	193,936	189,455	189,357	-98	-4,579
2006	200,338	200,338	198,859	-1,479	-1,479
Government business enterprise profits before taxes					
2003	10,102	12,290	12,604	314	2,502
2004	11,857	12,508	12,923	415	1,066
2005	13,370	14,481	14,578	97	1,208
2006	13,733	13,733	13,823	90	90
Interest and miscellaneous investment income					
2003	50,625	49,679	49,989	310	-636
2004	56,845	54,084	54,109	25	-2,736
2005	61,240	60,403	61,070	667	-170
2006	63,418	63,418	65,310	1,892	1,892
Accrued net income of farm operators from farm production					
2003	1,079	1,373	1,439	66	360
2004	1,700	3,256	3,106	-150	1,406
2005	1,551	1,706	1,321	-385	-230
2006	326	326	344	18	18
Net income of non-farm unincorporated business, including rent					
2003	77,366	77,014	77,181	167	-185
2004	81,013	80,828	81,037	209	24
2005	84,666	84,500	83,636	-864	-1,030
2006	87,412	87,412	85,980	-1,432	-1,432
Inventory valuation adjustment					
2003	4,941	4,178	4,262	84	-679
2004	-657	-1,574	-1,747	-173	-1,090
2005	-442	-326	-933	-607	-491
2006	-1,809	-1,809	-1,775	34	34
Taxes less subsidies, on factors of production					
2003	55,717	56,083	56,072	-11	355
2004	57,661	59,099	58,998	-101	1,337
2005	59,961	61,402	61,847	445	1,886
2006	63,351	63,351	64,421	1,070	1,070
Taxes less subsidies, on products					
2003	86,660	84,401	84,380	-21	-2,280
2004	93,248	89,465	89,838	373	-3,410
2005	94,750	93,895	94,334	439	-416
2006	97,229	97,229	97,161	-68	-68
Capital consumption allowances					
2003	164,030	162,265	161,817	-448	-2,213
2004	174,216	169,858	168,274	-1,584	-5,942
2005	181,427	177,322	176,338	-984	-5,089
2006	185,505	185,505	184,750	-755	-755

<sup>1</sup> For annual data, the initial estimate is from the fourth quarter of the corresponding year.

<sup>2</sup> For 2001, 2002 and 2003, the previous estimate is the one released with the first quarter of 2004, while for 2004 it is from the fourth quarter issue of 2004.

<sup>3</sup> The revised estimates are the result of the 2005 revisions.

<sup>4</sup> The current revision is the revised estimate less the previous estimate.

<sup>5</sup> The cumulative revision is the revised estimate less the initial estimate.

**Table 6 Revisions to expenditure aggregates at current prices**

Reference period	Initial estimate <sup>1</sup>	Previous estimate <sup>2</sup>	Revised estimate <sup>3</sup>	Current revision <sup>4</sup>	Cumulative revision <sup>5</sup>
millions of dollars					
<b>Personal expenditure on consumer goods and services</b>					
2003	689,419	686,488	686,552	64	-2,867
2004	722,631	719,869	720,401	532	-2,230
2005	761,962	760,380	760,701	321	-1,261
2006	801,810	801,810	803,502	1,692	1,692
<b>Government current expenditure on goods and services</b>					
2003	231,003	239,392	238,416	-976	7,413
2004	249,771	249,779	248,868	-911	-903
2005	262,369	264,242	262,650	-1,592	281
2006	282,667	282,667	279,806	-2,861	-2,861
<b>Government gross fixed capital formation</b>					
2003	32,144	30,085	30,107	22	-2,037
2004	32,702	31,553	32,082	529	-620
2005	35,129	34,237	36,296	2,059	1,167
2006	37,382	37,382	40,336	2,954	2,954
<b>Government investment in inventories</b>					
2003	15	15	15	0	0
2004	21	21	21	0	0
2005	27	27	27	0	0
2006	-41	-41	-41	0	0
<b>Business investment in residential structures</b>					
2003	73016	72758	72714	-44	-302
2004	84470	82972	82918	-54	-1552
2005	89595	89101	89791	690	196
2006	96941	96941	98386	1445	1445
<b>Business investment in non-residential structures</b>					
2003	49,844	54,425	54,545	120	4,701
2004	54,243	61,600	62,081	481	7,838
2005	63,938	69,606	72,674	3,068	8,736
2006	80,681	80,681	85,698	5,017	5,017
<b>Business investment in machinery and equipment</b>					
2003	82,187	80,471	80,831	360	-1,356
2004	85,641	85,215	84,435	-780	-1,206
2005	91,354	91,104	90,609	-495	-745
2006	94,109	94,109	93,801	-308	-308
<b>Business investment in inventories</b>					
2003	7,563	4,935	4,305	-630	-3,258
2004	7,219	6,216	5,589	-627	-1,630
2005	9,469	11,158	9,642	-1,516	173
2006	7,223	7,223	7,824	601	601
<b>Exports of goods and services</b>					
2003	459,561	461,656	462,473	817	2,912
2004	494,519	494,578	495,347	769	828
2005	518,256	519,680	520,379	699	2,123
2006	525,611	525,611	524,706	-905	-905
<b>Imports of goods and services</b>					
2003	409,993	416,516	416,856	340	6,863
2004	437,404	440,963	440,732	-231	3,328
2005	464,030	467,673	468,197	524	4,167
2006	487,379	487,379	487,660	281	281

<sup>1</sup> For annual data, the initial estimate is from the fourth quarter of the corresponding year.

<sup>2</sup> For 2002, 2003 and 2004, the previous estimate is the one released with the first quarter of 2005, while for 2005 it is from the fourth quarter issue of 2005.

<sup>3</sup> The revised estimates are the result of the 2006 revisions.

<sup>4</sup> The current revision is the revised estimate less the previous estimate.

<sup>5</sup> The cumulative revision is the revised estimate less the initial estimate.