

GDP INCREASES IN FIRST QUARTER

“Third” estimate of GDP

Real gross domestic product (GDP) increased 2.0 percent in the first quarter of 2018, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was 0.2 percentage point lower than the “second” estimate released last month. In the fourth quarter of 2017, real GDP increased 2.9 percent.

First quarter GDP highlights

The increase in real GDP reflected increases in business investment, consumer spending, exports, and government spending. Imports, which are a subtraction in the calculation of GDP, increased in the first quarter of 2018.

Revisions

The downward revision to the third estimate of GDP growth reflected downward revisions to inventory investment and consumer spending. These were partly offset by an upward revision to business investment.

Prices

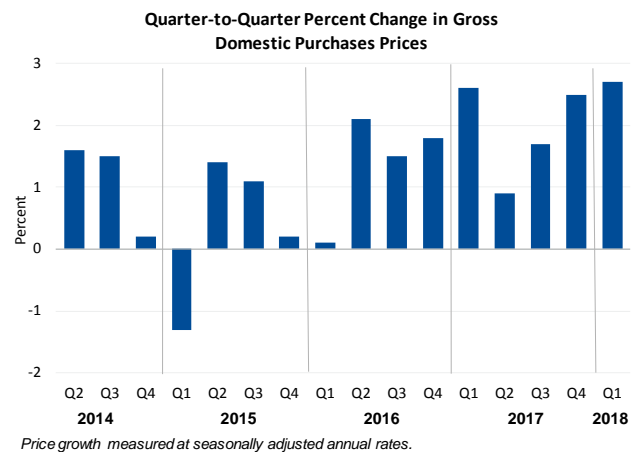
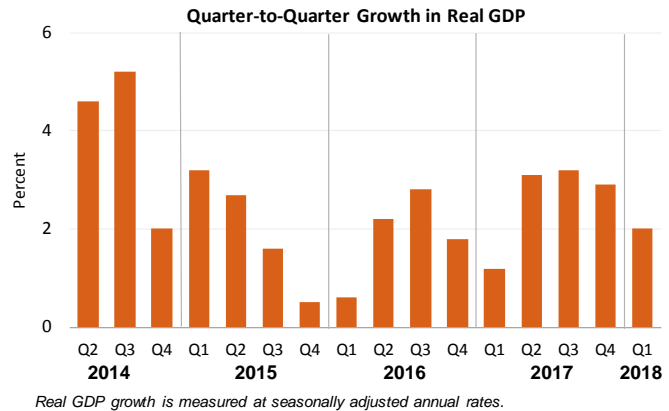
Prices of goods and services purchased by U.S. residents increased 2.7 percent in the first quarter after increasing 2.5 percent in the fourth quarter. Excluding energy and food, prices rose 2.6 percent after increasing 2.0 percent.

Corporate Profits

Corporate profits increased 1.8 percent at a quarterly rate in the first quarter of 2018 after decreasing 0.1 percent in the fourth quarter of 2017.

Profits of domestic nonfinancial corporations increased 2.2 percent after increasing 1.5 percent. Profits of domestic financial corporations increased 1.5 percent after decreasing 3.0 percent. Profits from the rest of the world increased 0.8 percent after decreasing 1.3 percent.

Over the last 4 quarters, corporate profits increased 6.8 percent.



BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at www.bea.gov. E-mail alerts are also available. The “advance” estimate of GDP for the second quarter of 2018 will be released on July 27, 2018.