

## GDP GROWTH ACCELERATES IN FIRST QUARTER

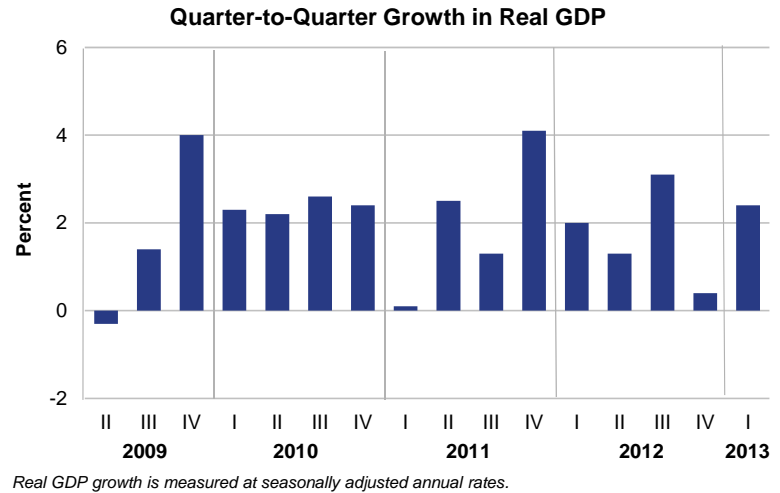
*Second Estimate of GDP*

Real gross domestic product (GDP) increased 2.4 percent in the first quarter of 2013 after increasing 0.4 percent in the fourth quarter of 2012, according to estimates released by the Bureau of Economic Analysis. The first-quarter growth rate was revised down 0.1 percentage point from the advance estimate released in April.

### GDP highlights

The following contributed to the acceleration in growth:

- Inventory investment turned up notably, more than accounting for the acceleration in first-quarter GDP growth. Manufacturing turned up, farming accelerated, and wholesale trade declined less than in the previous quarter.
- Consumer spending picked up, reflecting an acceleration in spending for services, mainly for household utilities.
- Federal defense spending fell less than in the previous quarter, more than offsetting a downturn in nondefense spending.
- Exports turned up; the main contributors were “foods, feeds and beverages” and nonautomotive capital goods.



In contrast, imports turned up, reflecting in part a rebound in nonpetroleum industrial supplies and materials. Also, business investment slowed, reflecting a downturn in structures and a slowdown in equipment and software.

### First-quarter revisions

The 0.1 percentage point downward revision to GDP growth for the first quarter reflected downward revisions to inventory investment and to exports. In contrast, imports were revised down, and consumer spending for nondurable goods was revised up.

### Corporate profits

BEA released its estimate of first-quarter corporate profits. Profits fell 2.2 percent at a quarterly rate in the first quarter after rising 2.3 percent in the fourth quarter of 2012.

Profits of nonfinancial corporations fell 0.8 percent at a quarterly rate in the first quarter, while profits of financial corporations fell 0.4 percent. Profits from the rest of the world fell 7.3 percent.



BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The third estimate of GDP and a revised estimate of corporate profits for the first quarter of 2013 will be released on June 26, 2013.