

GDP GROWTH PICKS UP IN THE FIRST QUARTER

Advance Estimate of GDP

Real gross domestic product (GDP) accelerated in the first quarter of 2013, increasing 2.5 percent after increasing 0.4 percent in the fourth quarter of 2012, according to estimates released by the Bureau of Economic Analysis.

First-quarter highlights

The pick up in real GDP growth was largely accounted for by a rebound in inventory investment, mainly reflecting an upturn in manufacturing and a smaller decrease in wholesale trade. Farm inventory investment also picked up.

In addition, consumer spending accelerated, primarily reflecting a pick up in spending for services (mainly household utilities), and exports rebounded, mainly due to upturns in foods, feeds, and beverages and in nonautomotive capital goods.

In contrast, imports turned up, reflecting in part an upturn in nonpetroleum industrial supplies and materials. Also, business investment slowed, reflecting a slowdown in equipment and software (mainly in information processing) and a downturn in structures.

Personal income and personal saving

Real disposable personal income, which adjusts for inflation and taxes, fell 5.3 percent in the first quarter after rising 6.2 percent in the fourth quarter. The change reflected the following:

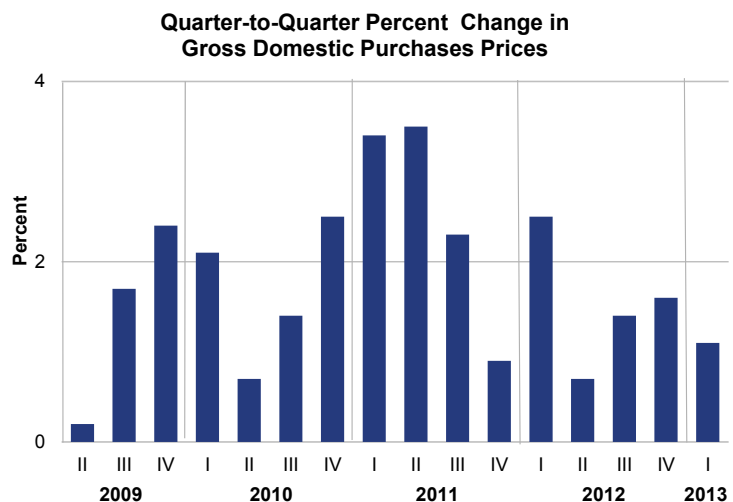
- A downturn in dividend payments, after companies accelerated payments to the fourth quarter.
- An acceleration in contributions for social insurance, which are subtracted when calculating personal income, due to the expiration of the “payroll tax holiday.”

The personal saving rate—saving as a percent of disposable personal income—was 2.6 percent in the first quarter, compared with 4.7 percent in the fourth quarter.

Prices

Prices of goods and services purchased by U.S. residents slowed in the first quarter, increasing 1.1 percent after increasing 1.6 percent in the fourth quarter of 2012.

Energy prices turned down, and food prices slowed slightly. Prices less food and energy increased 1.3 percent after increasing 1.2 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. [E-mail](#) alerts are also available.

NOTE: The second estimate of GDP and an estimate of corporate profits for the first quarter of 2013 will be released on May 30, 2013.