

GDP GROWTH ACCELERATES IN THIRD QUARTER

Growth Revised Up in Third Estimate

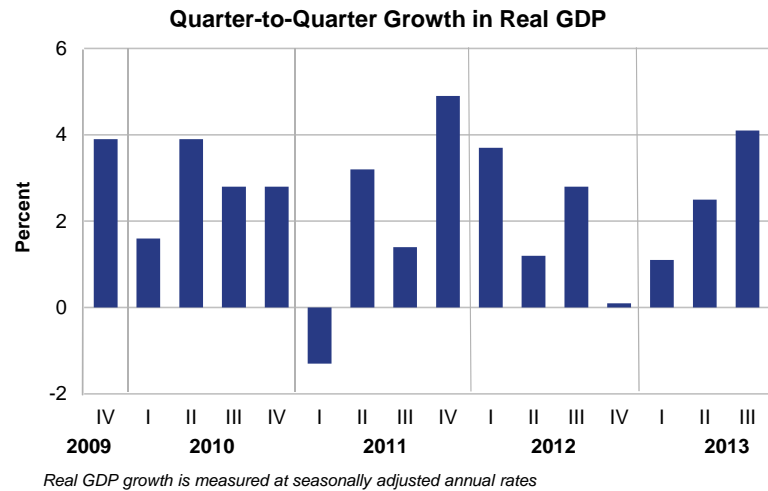
Real gross domestic product (GDP) increased 4.1 percent in the third quarter of 2013, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was 0.5 percentage point more than the “second” estimate released earlier this month. In the second quarter, the growth rate was 2.5 percent.

GDP highlights

Inventory investment accelerated in the third quarter, accounting for about 40 percent of real GDP growth, compared with about 15 percent in the second quarter.

GDP less inventory investment (real final sales of domestic product) rose 2.5 percent in the third quarter, compared with 2.1 percent in the second quarter.

Also contributing to the acceleration in growth, imports rose less in the third quarter than in the second quarter. Spending by state and local governments and by consumers accelerated.



Revisions

The upward revision to third-quarter GDP growth was largely accounted for by a revision to consumer spending—to 2.0 percent growth (third estimate), up from 1.4 percent (second estimate). That revision mainly reflected an upward revision to services, especially to health care and to recreation services. Consumer spending on nondurable goods was also revised up, mainly gasoline and other energy goods.

In addition, business investment was revised up, mainly in intellectual property products, specifically software.

Partially offsetting the upward revisions, residential investment was revised down.

Corporate profits

The revised estimate of third-quarter corporate profits was little changed from the previous estimate. Profits increased 1.9 percent after increasing 3.3 percent in the second quarter.

- Profits of nonfinancial corporations rose 1.0 percent after rising 3.2 percent.
- Profits of financial corporations rose 2.1 percent after rising 5.7 percent.
- Profits from the “rest of the world” rose 4.1 percent after rising 1.2 percent.

Over the last 4 quarters, profits rose 5.7 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 “advance” estimate of GDP for the fourth quarter of 2013 and an estimate for the year 2013 will be released on January 30, 2014.