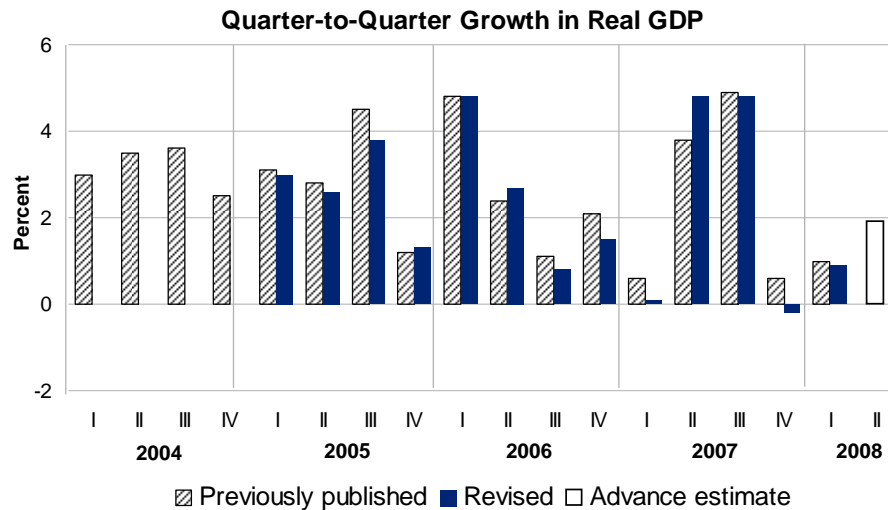


GDP GROWTH STRONGER IN SECOND QUARTER

Annual Revision: Growth Slightly Slower in 2005–2007

Real gross domestic product (GDP) increased 1.9 percent in the second quarter of 2008 after increasing 0.9 percent (revised) in the first quarter, according to estimates from the Bureau of Economic Analysis (BEA).



The acceleration in real GDP growth reflected the following:

- Net exports were stronger. Exports picked up, while imports fell more than in the first quarter.
- Housing continued to decline but by less than in the first quarter.
- Consumer spending picked up.

Inventory investment declined more than in the first quarter.

Prices of goods and services purchased by U.S. residents rose 4.2 percent in the second quarter after rising 3.5 percent in the first quarter. Excluding food and energy, prices rose 2.2 percent, the same as in the first quarter.

Annual Revision

BEA also released the regular annual revision of the GDP statistics to incorporate newly available data. Statistics were revised for 2005–2007. The general economic picture over the period was unchanged with a continued decline in housing offset by growth in exports.

- GDP growth was revised down 0.1 percentage point for the revision period.
- The relatively small revisions to the annual estimates reflect partly offsetting revisions to quarters. For 2007, annual GDP growth for the second quarter was revised up to 4.8 percent from 3.8 percent, while growth for the fourth quarter was revised down 0.8 percentage point, from a small increase to a small decrease.
- The gross domestic purchases price index was revised up 0.1 percentage point over the period. The personal consumption expenditures price index was unrevised.

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 “preliminary” estimates of GDP and corporate profits for the second quarter of 2008 will be released on August 28, 2008.