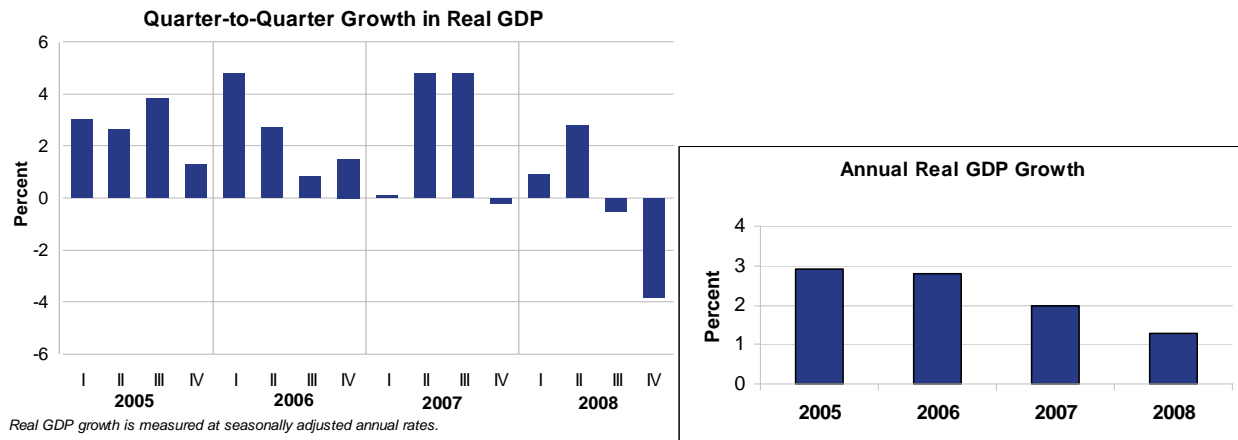


REAL GDP DECLINES 3.8 PERCENT IN FOURTH QUARTER

“Advance” Estimate of GDP

Real gross domestic product (GDP) declined 3.8 percent in the fourth quarter of 2008 after declining 0.5 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis.



The fourth-quarter decline in real GDP reflected the following:

- A sharp downturn in exports, the first decline since the second quarter of 2003
- A decline in consumer spending, similar to the third-quarter decline
- A much larger decline in business investment in structures, equipment and software
- A continuing decline in housing

Offsetting these components:

- A larger decline in imports, which are a subtraction in the calculation of GDP
- An increase in inventory investment

Consumer prices

Consumer prices fell 5.5 percent in the fourth quarter, after rising 5.0 percent in the third quarter. Excluding food and energy, prices rose 0.6 percent after rising 2.4 percent.

2008 growth

Real economic growth was 1.3 percent in 2008, compared with 2.0 percent in 2007, reflecting the following:

- A sharp deceleration in consumer spending
- A downturn in business equipment and software investment

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 will be released on February 27, 2009.