

GDP INCREASES IN FIRST QUARTER

“Advance” estimate of GDP

Real gross domestic product (GDP) increased 2.3 percent in the first quarter of 2018, according to the “advance” estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2017, real GDP increased 2.9 percent.

GDP highlights

The increase in real GDP reflected increases in business investment, consumer spending, exports, and inventory investment. Imports, which are a subtraction in the calculation of GDP, increased in the first quarter of 2018.

The increase in business investment reflected increases in structures (notably mining exploration, shafts, and wells), equipment, and intellectual property products.

The increase in consumer spending reflected an increase in services that was partly offset by a decrease in goods, mainly motor vehicles and parts.

The increase in exports reflected increases in exports of both goods and services.

The increase in inventory investment reflected an increase in nonfarm inventories, notably merchant wholesale industries.

First-quarter prices

Prices of goods and services purchased by U.S. residents increased 2.8 percent in the first quarter of 2018, after increasing 2.5 percent in the fourth quarter of 2017.

Food prices increased 0.4 percent in the first quarter following an increase of 0.1 percent in the fourth quarter of 2017.

Energy prices increased 12.4 percent in the first quarter of 2018 following an increase of 28.2 percent in the fourth quarter of 2017.

Excluding food and energy, prices increased 2.7 percent in the first quarter of 2018, compared with an increase of 2.0 percent in the fourth quarter of 2017.

