

GDP GROWTH PICKS UP IN THIRD QUARTER

Advance Estimate of GDP

Real gross domestic product (GDP) increased 2.0 percent in the third quarter of 2012 after increasing 1.3 percent in the second quarter, according to estimates released today by the Bureau of Economic Analysis.

Third-quarter highlights

The following contributed to the acceleration in real GDP growth:

- Consumer spending on goods accelerated, mainly reflecting an upturn in durable goods; spending on motor vehicles and parts turned up.
- Federal government spending increased, as national defense spending increased in the third quarter after decreasing in the second quarter.
- Inventory investment also contributed to the acceleration in economic growth. An upturn in nonfarm inventory investment was partly offset by a decline (larger than in the second quarter) in farm inventory investment, reflecting the effects of the drought in the Midwest on crop production.
- Residential housing investment accelerated, as single-family structures picked up.

Offsetting these contributions to faster economic growth, business investment turned down, as spending on equipment and software slowed and spending on nonresidential structures turned negative. Net exports also subtracted from growth; a downturn in exports was only partly offset by a downturn in imports.

Personal income and personal saving

The personal saving rate—saving as a percentage of disposable personal income—was 3.7 percent in the third quarter, compared with 4.0 percent in the second quarter.

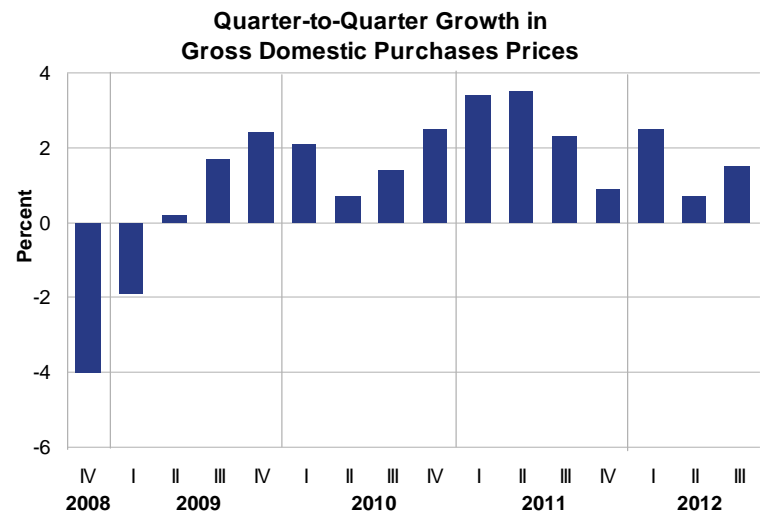
Prices

Prices of goods and services purchased by U.S. residents accelerated in the third quarter, increasing 1.5 percent, following a 0.7 percent increase in the second quarter.

Energy prices turned up, while food prices turned down. Prices less food and energy rose 1.3 percent in the third quarter after rising 1.4 percent in the second quarter.



Real GDP growth is measured at seasonally adjusted annual rates.



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 a preliminary estimate of corporate profits for the third quarter of 2012 will be released on November 29, 2012.