

GDP GROWTH PICKS UP IN THIRD QUARTER

Growth Revised Up in Second Estimate

Real gross domestic product (GDP) increased 3.6 percent in the third quarter of 2013, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.8 percentage point more than the “advance” estimate released the previous month. In the second quarter, the growth rate was 2.5 percent.

GDP highlights

In the third quarter, inventory investment picked up notably, accounting for nearly half of real GDP growth. In the second quarter, inventory investment accounted for less than one-fifth of growth. GDP less inventory investment (real final sales of domestic product) rose only 1.9 percent in the third quarter, compared with 2.1 percent in the second quarter.

Also contributing to the stepup in real GDP growth, imports rose less in the third quarter than in the second quarter. State and local government spending picked up.

Offsetting these movements, exports, consumer spending, and business investment each grew at a slower rate in the third quarter than in the second quarter.

Revisions

The upward revision to third quarter GDP growth was more than accounted for by an upward revision to inventory investment, which reflected newly available Census Bureau data. Strong upward revisions to wholesale trade, retail trade, and mining inventory investment accounted for most of the revision.

Business investment was also revised up, mainly reflecting an upward revision to equipment investment.

Corporate profits

Growth in BEA’s featured measure of corporate profits slowed in the third quarter, increasing 1.8 percent after increasing 3.3 percent in the second quarter.

- Profits of nonfinancial corporations rose 1.1 percent after rising 3.2 percent.
- Profits of financial corporations rose 1.9 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, corporate profits rose 5.6 percent.



Real GDP growth is measured at seasonally adjusted annual rates



Corporate profits growth is measured as the percent change from the previous quarter.

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 “third” estimate of GDP and a revised estimate of corporate profits for the third quarter will be released on December 20, 2013.