

## GDP INCREASES IN FIRST QUARTER

*“Third” estimate of GDP*

Real gross domestic product (GDP) increased 3.1 percent in the first quarter of 2019, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was unrevised from the “second” estimate released in May. In the fourth quarter of 2018, real GDP rose 2.2 percent.

### GDP highlights

The increase in real GDP reflected increases in exports, consumer spending, business investment, inventory investment, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, decreased.

The increase in exports reflected increases in both goods (led by automotive vehicles, engines, and parts) and services. The increase in consumer spending reflected increases in both goods (largely prescription drugs) and services (notably health care). Intellectual property products led the increase in business investment. Nondurable goods manufacturing industries led the increase in inventory investment.



### Updates to GDP

The unrevised GDP growth rate reflected upward revisions to business investment, exports, and state and local government spending. These were offset by downward revisions to consumer spending and inventory investment and an upward revision to imports.

### Corporate Profits (current production)

Corporate profits decreased 2.6 percent at a quarterly rate in the first quarter of 2019 after decreasing 0.4 percent in the fourth quarter of 2018.

- Profits of **domestic nonfinancial corporations** decreased 4.9 percent after increasing 1.0 percent.
- Profits of **domestic financial corporations** increased 0.3 percent after decreasing 5.6 percent.
- Profits from the **rest of the world** increased 1.5 percent after increasing 0.4 percent.



Corporate profits increased 3.4 percent in the first quarter from one year ago.