

GDP RISES IN THE FOURTH QUARTER

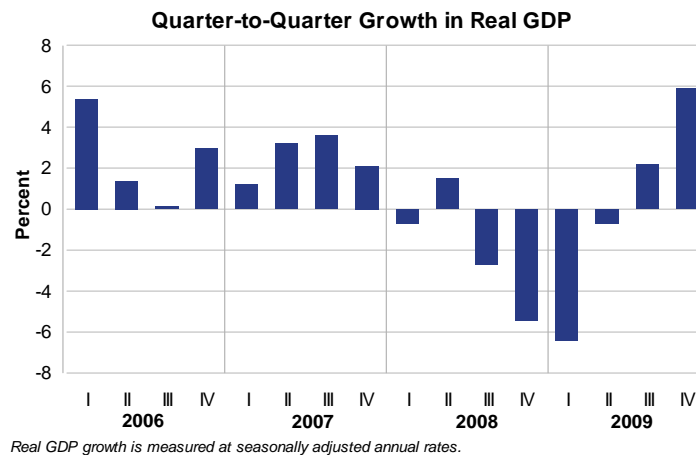
“Second” Estimate of GDP

Real gross domestic product (GDP) increased 5.9 percent in the fourth quarter of 2009, after increasing 2.2 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis. The fourth-quarter growth rate was revised up 0.2 percentage point from the advance estimate released in January.

Fourth-quarter GDP

The acceleration in real GDP reflected a slowdown in the rate at which business drew down inventories. While inventories were drawn down for the seventh straight quarter, the drawdown was much less than in the third quarter. In addition, business investment rebounded, primarily due to a sharp pickup in equipment and software. Imports, which are subtracted in calculating GDP, slowed.

These contributions to the pickup in economic growth were partially offset by slowdowns in consumer spending, federal government spending, and residential housing.



Revisions

Upward revisions to inventory investment, exports, and business investment in equipment and software were partially offset by an upward revision to imports and downward revisions to consumer spending and to state and local government spending.

Prices

Prices of goods and services purchased by U.S. residents rose 1.9 percent in the fourth quarter, after rising 1.3 percent in the third quarter. Energy prices slowed, while food prices were unchanged. Excluding food and energy, prices rose 1.3 percent after rising 0.3 percent.

2009 GDP highlights

Real GDP declined 2.4 percent in 2009, unrevised from the advance estimate. In 2008, growth was 0.4 percent. The 2009 downturn reflected downturns in business investment and exports and larger declines in inventory investment and consumer spending in 2009 than in 2008.

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 for the fourth quarter of 2009 will be released on March 26, 2010. An estimate of corporate profits will also be released.