

GDP GROWTH PICKS UP IN FIRST QUARTER

Third Estimate of GDP

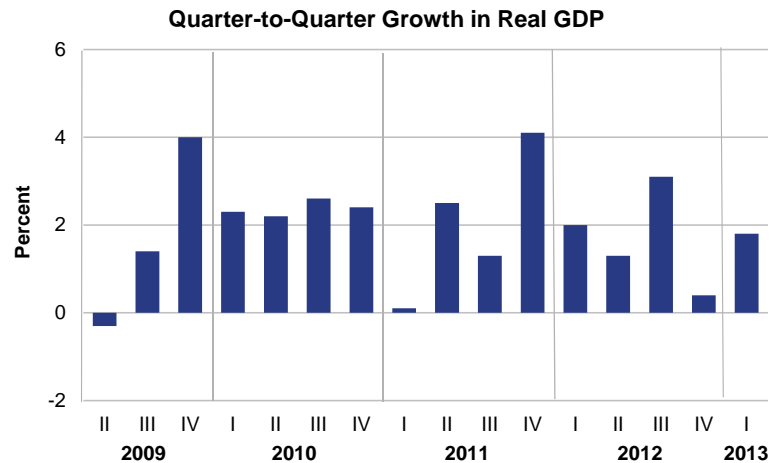
Real gross domestic product (GDP) increased 1.8 percent in the first quarter of 2013 after increasing 0.4 percent in the fourth quarter of 2012, according to the third estimate released by the Bureau of Economic Analysis. The first-quarter growth rate was revised down 0.6 percentage point from the second estimate released in May.

GDP highlights

Inventory investment turned up notably, more than accounting for the acceleration in first-quarter GDP; the manufacturing and farm industries were the leading contributors to the upturn.

Also, federal defense spending declined less in the first quarter than in the fourth quarter, and consumer spending on services, mainly for household utilities, picked up.

In contrast, business investment slowed, as investment in structures turned down and investment in equipment and software slowed. Imports declined less than in the fourth quarter.



Real GDP growth is measured at seasonally adjusted annual rates.

Revisions to GDP

The 0.6 percentage point downward revision to GDP growth for the first quarter primarily reflected a downward revision to consumer spending on services. Exports and business investment were also revised down. These revisions were partly offset by a downward revision to imports. For more information, see the [technical note](#).

Disposable income and personal saving rate

Real disposable personal income—personal income adjusted for taxes and inflation—fell 8.6 percent in the first quarter, in contrast to an 8.9 percent rise in the fourth quarter; dividend income and wages and salaries turned down significantly in the first quarter (reflecting accelerated payments in the fourth quarter). Personal saving as a percent of disposable personal income was 2.5 percent, compared with 5.3 percent in the fourth quarter.

Corporate profits

Corporate profits fell 1.4 percent at a quarterly rate in the first quarter after rising 2.3 percent in the fourth quarter of 2012. (In the preliminary first-quarter estimate, profits fell 2.2 percent.)

Profits of nonfinancial corporations fell 0.5 percent at a quarterly rate in the first quarter, and profits of financial corporations fell 0.8 percent. Profits from the rest of the world fell 4.3 percent.



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 advance estimate of GDP for the second quarter and the 2013 comprehensive revision of the national income and product accounts will be released on July 31, 2013.