

GDP GROWTH ACCELERATES IN SECOND QUARTER

Growth rate unrevised from previous estimate

Real gross domestic product (GDP) increased 2.5 percent in the second quarter of 2013 after increasing 1.1 percent in the first quarter, according to the “third” estimate released by the Bureau of Economic Analysis. The second-quarter growth rate was the same as the “second” estimate released in August.

GDP growth highlights

The second-quarter acceleration reflected upturns in business investment, mainly in power and communications structures, and in goods exports, mainly in nonautomotive capital goods and in nonautomotive consumer goods.

In contrast, imports picked up, farm inventory investment slowed, and consumer spending decelerated, mainly nondurable goods and services.

Revisions

The second-quarter GDP growth rate reflected offsetting revisions. Inventory investment was revised down, notably retail trade outlets (mainly food and beverage stores) and “other” industries (mainly information industries). Exports of goods and services were also revised down. In contrast, state and local government spending was revised up, notably gross investment in structures.

Disposable personal income and personal saving

Real disposable personal income—personal income adjusted for taxes and inflation—rose 3.5 percent after falling 7.9 percent in the first quarter. (The steep first-quarter decline reflected one-time accelerated dividend and wage payments made in the fourth quarter of 2012).

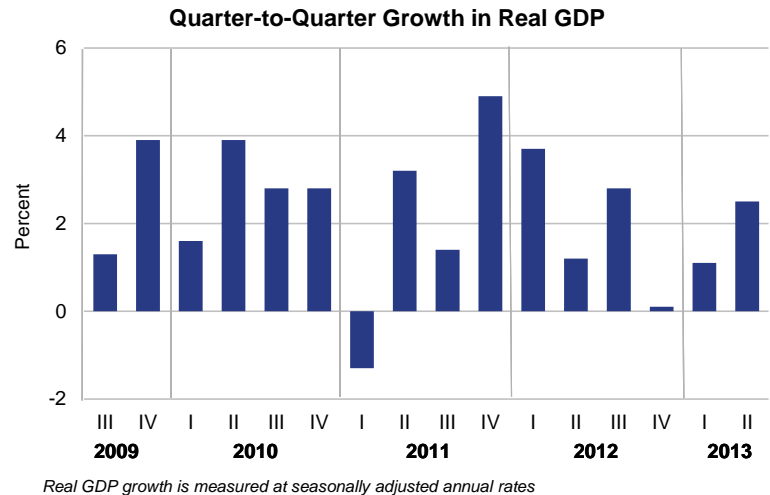
Personal saving as a percentage of disposable income was 4.5 percent in the second quarter, compared with 4.1 percent in the first quarter.

Corporate profits

BEA’s featured measure of corporate profits rebounded in the second quarter, increasing 3.3 percent after decreasing 1.3 percent in the first quarter.

- Profits of nonfinancial corporations rose 3.2 percent after falling 0.3 percent.
- Profits of financial corporations increased 5.7 percent after decreasing 0.9 percent.
- Profits from the “rest of the world” rose 1.2 percent after falling 4.7 percent.

Compared with the second quarter a year ago, corporate profits rose 4.5 percent.



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 third quarter will be released on October 30, 2013.