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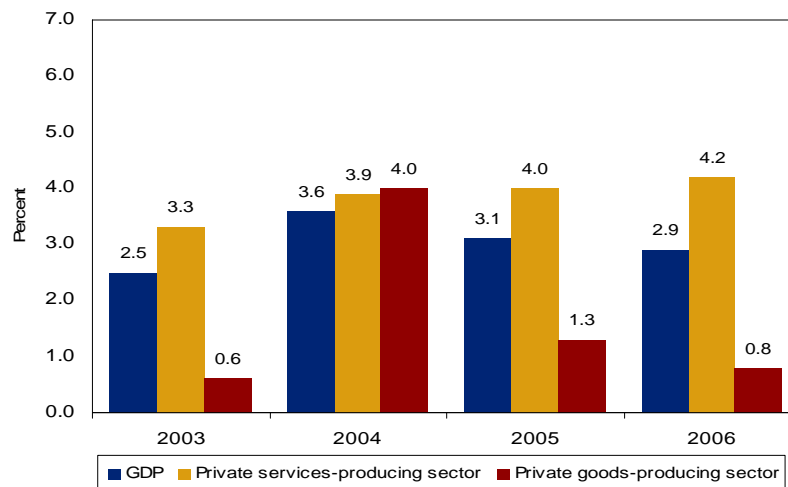
BEA 08-02

Private Services-Producing Sector Continued to Lead Growth in 2006
Revised Statistics of Gross Domestic Product by Industry, 2004-2006

Revised statistics on the industry distribution of real gross domestic product (GDP), released today by the U.S. Bureau of Economic Analysis, show that the private services-producing sector continued to lead overall GDP growth in 2006, increasing 4.2 percent, while growth in the private goods-producing sector slowed to 0.8 percent. Overall growth of the U.S. economy decelerated slightly in 2006 to 2.9 percent from 3.1 percent in 2005. These statistics for 2006 incorporate more accurate and more detailed information on the industry composition of GDP growth than was available for preparing the advance GDP-by-industry estimates released on April 24, 2007.

In 2006, growth in the private services-producing sector reflected strong increases in finance and insurance industries of 9.8 percent and in professional, scientific, and technical services industries of 6.0 percent. These two industry groups accounted for over one-third of real GDP growth in 2006, up from one-quarter of overall growth in 2005.

Chart 1. Annual Growth in Real GDP



Source: U.S. Bureau of Economic Analysis

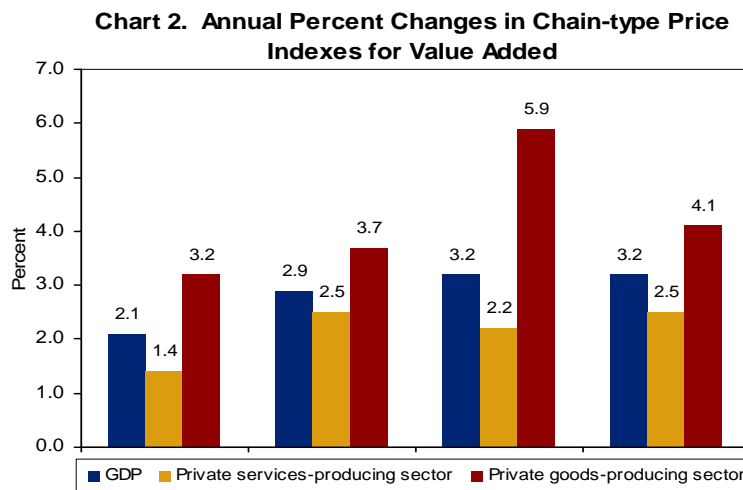
NOTE: These statistics incorporate new (2006) and revised (2005) data from the 2006 Annual Survey of Manufactures (ASM) released by the U.S. Census Bureau on an accelerated schedule in November 2007. These data were not available at the time of the annual revision of the National Income and Product Accounts (NIPAs), which was released in July 2007. These ASM data and the other key source data for GDP will be incorporated in the July 31, 2008 release of the NIPAs.

Growth in the private goods-producing sector was mixed in 2006, reflecting continued strength in durable goods manufacturing industries and an upturn in mining industries, but a downturn in construction industries. Durable goods manufacturing industries grew 6.0 percent, led by strong growth in the computer and electronic products industry, which showed double digit growth for the fourth consecutive year. Mining industries' overall growth of 6.1 percent was widespread. Growth in these industry groups was largely offset by declines in construction industries of 6.0 percent and in nondurable goods manufacturing industries of 1.0 percent. The decline in construction reflected a downturn in 2006 of residential construction. The decline in nondurable goods manufacturing was widespread.

Information-communication-technology-producing industries' (ICT) growth continued to exceed 11.0 percent for the third consecutive year in 2006. These industries account for less than 4 percent of current-dollar GDP, but they accounted for almost 15 percent of real GDP growth.

Prices

In 2006, overall GDP price growth was unchanged from 2005 at 3.2 percent. Price growth in the private services-producing sector accelerated to 2.5 percent in 2006 from 2.2 percent in 2005. Price growth in the private goods-producing sector decelerated to 4.1 percent in 2006 from 5.9 percent in 2005.



The slowdown in private goods-producing sector price growth in 2006 was led by a sharp slowdown in the value added price indexes of industries that were affected by the 2006 slowdown in petroleum and natural gas prices. The value added price index for mining industries, including the oil and gas extraction industry, slowed to 9.6 percent in 2006 from 34.9 percent in 2005. The value added price index for nondurable goods manufacturing industries, including the petroleum and coal products industry, decelerated to 4.8 percent in 2006 from 7.9 percent in 2005.

Revisions

The revised 2006 statistics were prepared using BEA's integrated industry accounts methodology; the previously-published 2006 estimates were based on an abbreviated methodology. The revised statistics for 2004-2006 incorporate revised and newly-available source data, including BEA estimates of final demand and industry returns to labor and capital from the 2007 annual revision of the National Income and Product Accounts (NIPAs), producer price data from the U.S. Bureau of Labor Statistics, and annual survey data on industry production from the U.S. Census Bureau.

Revisions to growth in real value added (Table A):

Table A. Revisions to Percent Change in Real Value Added by Industry Group

	2004			2005			2006		
	Previously Published	Revised	Revision	Previously Published	Revised	Revision	Previously Published	Revised	Revision
Gross domestic product.....	3.9	3.6	-0.3	3.2	3.1	-0.1	3.3	2.9	-0.4
Private goods-producing industries	4.8	4.0	-0.8	2.1	1.3	-0.8	2.5	0.8	-1.7
Private services-producing industries	4.1	3.9	-0.2	3.7	4.0	0.3	4.1	4.2	0.1
Government.....	0.5	0.5	0.0	0.7	0.7	0.0	0.6	0.4	-0.2
Information-communications-technology-producing industries ¹	13.7	11.4	-2.3	13.3	11.3	-2.0	12.5	11.7	-0.8

¹ Includes one private goods-producing industry and three private services-producing industries.

Source: U.S. Bureau of Economic Analysis

BEA's national, international, regional, and industry statistics; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

NOTE: For more information on Annual Industry Accounts statistics for 2004-2006, see "Annual Industry Accounts: Revised Statistics for 2004-2006" in the February 2008 issue of the *Survey of Current Business*, forthcoming and at <http://www.bea.gov/industry/index.htm>.

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Advance statistics of gross domestic product (GDP) by industry for 2007 will be released on April 29, 2008 at 8:30 A.M. EDT.

Table 1. Percent Changes in Real Value Added by Industry Group

	2003	2004	2005	2006
Gross domestic product	2.5	3.6	3.1	2.9
Private industries	2.7	3.9	3.4	3.5
Agriculture, forestry, fishing, and hunting.....	7.5	6.7	4.9	0.9
Mining.....	-0.9	1.0	-2.4	6.1
Utilities.....	6.9	5.7	-2.2	-2.3
Construction.....	-2.0	0.3	2.7	-6.0
Manufacturing.....	1.1	5.6	1.0	2.9
Durable goods.....	2.6	5.8	4.9	6.0
Nondurable goods.....	-0.8	5.3	-3.9	-1.0
Wholesale trade.....	2.1	2.0	1.8	1.7
Retail trade.....	3.9	2.6	6.1	5.0
Transportation and warehousing.....	2.0	9.1	4.1	5.2
Information.....	3.0	11.7	11.5	7.2
Finance, insurance, real estate, rental, and leasing.....	2.4	2.9	4.8	5.8
Finance and insurance.....	3.5	1.1	6.2	9.8
Real estate and rental and leasing.....	1.7	4.1	4.0	3.4
Professional and business services.....	4.4	4.1	4.0	3.8
Professional, scientific, and technical services.....	4.0	7.9	4.4	6.0
Management of companies and enterprises.....	2.8	-4.8	0.3	-2.4
Administrative and waste management services.....	6.4	1.1	5.6	2.7
Educational services, health care, and social assistance.....	4.4	3.3	1.8	3.5
Educational services.....	3.5	2.0	-0.3	1.1
Health care and social assistance.....	4.5	3.5	2.1	3.9
Arts, entertainment, recreation, accommodation, and food services.....	3.1	3.8	1.3	3.1
Arts, entertainment, and recreation.....	1.9	3.0	0.0	3.8
Accommodation and food services.....	3.5	4.1	1.8	2.8
Other services, except government.....	2.0	0.2	-0.6	-0.3
Government	1.3	0.5	0.7	0.4
Federal.....	2.4	0.9	0.2	-0.1
State and local.....	0.8	0.2	0.9	0.7
Addenda:				
Private goods-producing industries ¹	0.6	4.0	1.3	0.8
Private services-producing industries ²	3.3	3.9	4.0	4.2
Information-communications-technology-producing industries ³	7.2	11.4	11.3	11.7

¹ Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

² Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

³ Consists of computer and electronic products (within durable-goods manufacturing); publishing industries (includes software) and information and data processing services (within information); and computer systems design and related services (within professional, scientific, and technical services).

Source: U.S. Bureau of Economic Analysis

Table 2. Contributions to Annual Percent Changes in Real Gross Domestic Product by Industry Group

	2003	2004	2005	2006
Gross domestic product.....	2.5	3.6	3.1	2.9
Private industries.....	2.31	3.42	2.96	3.02
Agriculture, forestry, fishing, and hunting.....	0.07	0.07	0.05	0.01
Mining.....	-0.01	0.01	-0.04	0.11
Utilities.....	0.13	0.12	-0.05	-0.05
Construction.....	-0.10	0.01	0.13	-0.30
Manufacturing.....	0.15	0.68	0.12	0.35
Durable goods.....	0.19	0.40	0.33	0.40
Nondurable goods.....	-0.04	0.28	-0.21	-0.05
Wholesale trade.....	0.13	0.12	0.11	0.10
Retail trade.....	0.27	0.18	0.40	0.32
Transportation and warehousing.....	0.06	0.26	0.12	0.15
Information.....	0.13	0.51	0.50	0.32
Finance, insurance, real estate, rental, and leasing.....	0.49	0.60	0.98	1.19
Finance and insurance.....	0.28	0.08	0.48	0.77
Real estate and rental and leasing.....	0.21	0.52	0.50	0.42
Professional and business services.....	0.50	0.46	0.46	0.44
Professional, scientific, and technical services.....	0.26	0.52	0.30	0.41
Management of companies and enterprises.....	0.05	-0.09	0.01	-0.05
Administrative and waste management services.....	0.18	0.03	0.16	0.08
Educational services, health care, and social assistance.....	0.34	0.26	0.14	0.27
Educational services.....	0.03	0.02	0.00	0.01
Health care and social assistance.....	0.31	0.24	0.14	0.26
Arts, entertainment, recreation, accommodation, and food services.....	0.11	0.14	0.05	0.11
Arts, entertainment, and recreation.....	0.02	0.03	0.00	0.04
Accommodation and food services.....	0.09	0.11	0.05	0.08
Other services, except government.....	0.05	0.00	-0.01	-0.01
Government.....	0.17	0.06	0.09	0.06
Federal.....	0.10	0.04	0.01	-0.01
State and local.....	0.07	0.02	0.08	0.06
Addenda:				
Private goods-producing industries ¹	0.11	0.78	0.26	0.17
Private services-producing industries ²	2.20	2.64	2.70	2.86
Information-communications-technology-producing industries ³	0.28	0.42	0.41	0.43

¹ Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

² Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

³ Consists of computer and electronic products (within durable-goods manufacturing); publishing industries (includes software) and information and data processing services (within information); and computer systems design and related services (within professional, scientific, and technical services).

NOTE. Percentage-point contributions do not sum to the percent change in gross domestic product because the contribution of "not allocated by industry" is excluded.

Source: U.S. Bureau of Economic Analysis

Table 3. Percent Changes in Chain-Type Price Indexes for Value Added by Industry Group

	2003	2004	2005	2006
Gross domestic product	2.1	2.9	3.2	3.2
Private industries	1.8	2.8	3.0	2.8
Agriculture, forestry, fishing, and hunting.....	11.5	16.5	-13.7	-3.5
Mining.....	35.8	18.4	34.9	9.6
Utilities.....	-0.8	3.3	6.2	12.1
Construction.....	5.0	8.4	9.8	10.3
Manufacturing.....	-0.6	-0.5	2.9	1.5
Durable goods.....	-2.9	-1.1	-0.7	-1.0
Nondurable goods.....	2.5	0.3	7.9	4.8
Wholesale trade.....	1.3	5.7	3.5	3.5
Retail trade.....	0.5	0.7	-1.4	-0.6
Transportation and warehousing.....	1.9	-0.2	-0.1	2.2
Information.....	-1.7	-2.9	-3.5	-2.1
Finance, insurance, real estate, rental, and leasing.....	2.4	3.0	2.2	2.2
Finance and insurance.....	1.5	3.9	1.9	1.4
Real estate and rental and leasing.....	2.9	2.4	2.4	2.7
Professional and business services.....	0.6	3.0	4.4	3.5
Professional, scientific, and technical services.....	0.0	0.2	3.0	2.5
Management of companies and enterprises.....	3.5	12.9	11.4	5.7
Administrative and waste management services.....	0.4	3.6	3.5	4.6
Educational services, health care, and social assistance.....	2.7	3.5	3.1	2.7
Educational services.....	3.7	6.1	5.5	5.0
Health care and social assistance.....	2.6	3.1	2.7	2.4
Arts, entertainment, recreation, accommodation, and food services.....	1.4	3.2	3.5	3.8
Arts, entertainment, and recreation.....	2.7	3.0	3.3	3.5
Accommodation and food services.....	0.9	3.3	3.6	3.9
Other services, except government.....	3.0	3.1	5.8	4.9
Government	4.6	4.7	4.4	4.7
Federal.....	4.9	5.9	4.6	4.9
State and local.....	4.5	4.1	4.4	4.6
Addenda:				
Private goods-producing industries ¹	3.2	3.7	5.9	4.1
Private services-producing industries ²	1.4	2.5	2.2	2.5
Information-communications-technology-producing industries ³	-5.7	-6.1	-4.1	-3.8

¹ Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

² Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

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Source: U.S. Bureau of Economic Analysis