

## GDP GROWTH SLOWS IN FOURTH QUARTER

*Second Estimate of GDP*

Real gross domestic product (GDP) increased 0.1 percent in the fourth quarter of 2012 after increasing 3.1 percent in the third quarter, according to estimates released 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. Real GDP increased 2.2 percent in 2012 after increasing 1.8 percent in 2011.

### Fourth-quarter highlights

The following contributed to the deceleration in real GDP growth:

- Inventory investment turned down, largely resulting from downturns in inventory investment in manufacturing industries and wholesale trade.
- Federal government spending on defense declined after rising in the third quarter.
- Exports turned down, mainly reflecting downturns in nonautomotive capital goods as well as foods, feeds, and beverages.

In contrast, imports decreased more than in the third quarter. Business investment turned up, primarily reflecting an upturn in equipment and software. Consumer spending also picked up slightly, mainly on financial services and insurance as well as autos and parts.

### Fourth-quarter revisions

Net exports was revised up, reflecting an upward revision to exports and a downward revision to imports. Nonresidential fixed investment was also revised up, primarily due to an upward revision to structures. Inventory investment was revised down, as were state and local government spending and consumer spending.

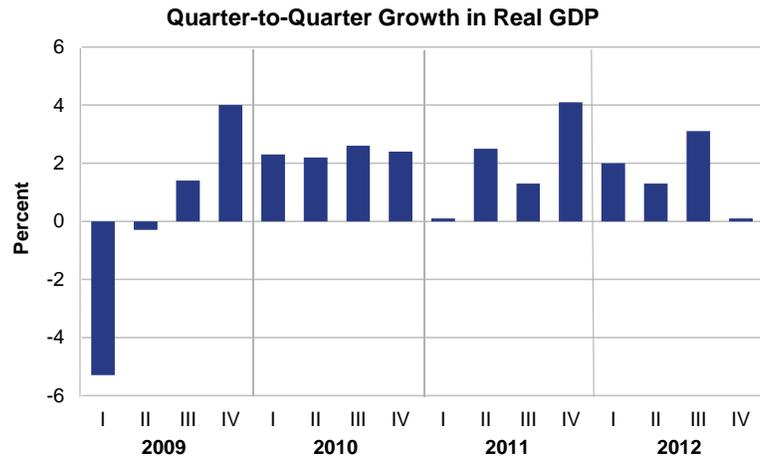
### 2012 highlights

Real GDP increased 2.2 percent in 2012 after increasing 1.8 percent in 2011.

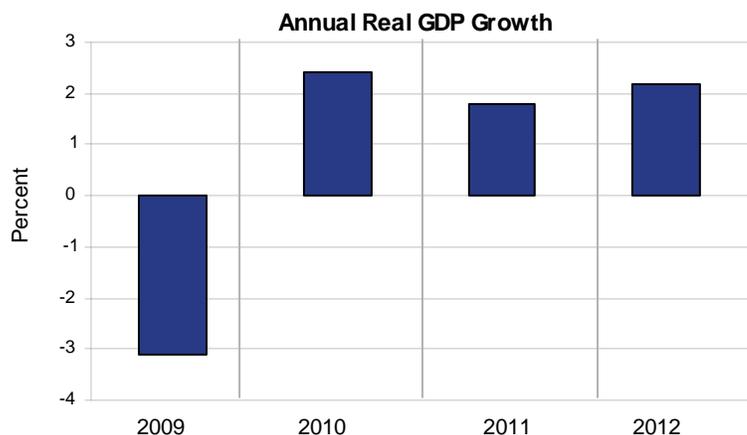
The pickup in growth in 2012 mainly reflected:

- A deceleration in imports, mainly in non-automotive capital goods and in petroleum and related products.
- An upturn in residential housing.
- An upturn in inventory investment.
- A smaller decrease in state and local government spending.

The contributions were partly offset by slowdowns in consumer spending, mainly on services, and in exports.



*Real GDP growth is measured at seasonally adjusted annual rates.*



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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The third estimate of GDP and an estimate of corporate profits for the fourth quarter of 2012 will be released on March 28, 2013.