

## GDP INCREASES IN FOURTH QUARTER

*“Second” estimate of GDP*

Real gross domestic product (GDP) increased 2.5 percent in the fourth quarter of 2017, according to the “second” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2 percent.

### Fourth-quarter GDP highlights

The increase in real GDP reflected an increase in consumer spending, exports, business investment, housing investment, as well as state and local and federal government spending. These contributions were partly offset by a decline in inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

### Revisions

The downward revision to real GDP growth reflected a downward revision to consumer spending on goods, and a small downward revision to inventory investment. These downward revisions were partly offset by upward revisions to consumer spending on services and to housing investment.

### Prices

Prices of goods and services purchased by U.S. residents increased 2.5 percent in the fourth quarter after increasing 1.7 percent in the third quarter. Excluding energy and food, prices rose 1.9 percent after increasing 1.6 percent.

### Annual GDP growth

For the year 2017, real GDP increased 2.3 percent, compared with 1.5 percent in 2016.

The increase in real GDP in 2017 reflected increases in consumer spending, business investment, exports, housing investment, and government spending.

These contributions were partly offset by a decline in inventory investment. Imports increased.

