

## GDP GROWTH PICKS UP IN SECOND QUARTER

### Corporate Profits Turn Up

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 “second” estimate released by the Bureau of Economic Analysis. The second-quarter growth rate was revised up 0.8 percentage point from the advance estimate released in July.

#### GDP growth highlights

The second-quarter acceleration reflected the following:

- An upturn in goods exports; nonautomotive consumer goods accelerated, and civilian aircraft and parts turned up.
- An upturn in business investment, mainly in power and communication structures.

These contributions to the acceleration in economic growth were offset in part by an acceleration in imports; autos, engines, and parts turned up. In addition, inventory investment and consumer spending slowed.



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

#### Revisions

The revision to second-quarter GDP growth reflected:

- An upward revision to exports of goods, mainly nonautomotive capital goods, industrial supplies and materials, and nonautomotive consumer goods.
- A downward revision to imports; nonautomotive consumer goods and petroleum products were the top contributors.
- An upward revision to inventory investment, reflecting upward revisions to inventory investment at auto dealerships and general merchandise stores.

Offsetting these upward revisions to GDP growth, state and local government spending was revised down. For more information about the second-quarter revisions, see the [technical note](#).

#### Corporate profits

BEA’s featured measure of corporate profits rebounded in the second quarter, increasing 3.9 percent after decreasing 1.3 percent in the first quarter.

- Profits of nonfinancial corporations rose 4.2 percent after falling 0.3 percent.
- Profits of financial corporations increased 3.3 percent after decreasing 0.9 percent.
- Profits from the “rest of the world” rose 3.4 percent after falling 4.7 percent.

Compared with second quarter of 2012, second-quarter corporate profits rose 5.0 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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “third” estimate of GDP for the second quarter and a revised estimate of corporate profits for the second quarter will be released on September 26, 2013.