

## GDP TURNS UP IN SECOND QUARTER

*Growth rate revised up in the “third” estimate*

Real gross domestic product (GDP) increased 4.6 percent in the second quarter of 2014, according to the “third” estimate released by the Bureau of Economic Analysis. The second-quarter growth rate was revised up 0.4 percentage point from the “second” estimate released in August. In the first quarter, real GDP decreased 2.1 percent.

### Second-quarter highlights

Exports of notably nondurable industrial supplies and materials and nonfarm inventory investment by motor vehicle dealers accounted for much of the upturn in real GDP.

In addition, business investment accelerated, mainly in information processing equipment, as did consumer spending, mainly on motor vehicles and parts.

In contrast to these contributions, imports (a subtraction in the calculation of GDP) were higher in the second quarter than in the first quarter.



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

### Revisions

The 0.4 percentage point revision to second-quarter GDP growth primarily reflected the following:

- Business investment was revised up, notably manufacturing structures.
- Exports were revised up, notably travel services.

See the [Technical Note](#) for more information.

### Corporate profits

Corporate profits increased 8.4 percent at a quarterly rate in the second quarter after decreasing 9.4 percent in the first quarter. The second-quarter increase was the largest since the third quarter of 2010.

- Profits of nonfinancial corporations rose 11.9 percent after falling 7.4 percent.
- Profits of financial corporations rose 8.0 percent after falling 17.1 percent.
- Profits from the rest of the world fell 0.9 percent after falling 6.1 percent.

Over the last 12 months, corporate profits rose 0.1 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 “advance” estimate of GDP for the third quarter of 2014 will be released on October 30, 2014.