

GDP GROWTH PICKS UP IN FOURTH QUARTER

Third Estimate of GDP

Real gross domestic product (GDP) increased 3.0 percent in the fourth quarter of 2011 after increasing 1.8 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis. The fourth-quarter growth rate was the same as the second estimate released in February.

Fourth-quarter highlights

The pickup in real GDP growth was mainly accounted for by an upturn in inventory investment, reflecting increases in wholesale trade and in manufacturing.

In addition, consumer spending for durable goods accelerated, reflecting a pickup in spending for motor vehicles and parts. Residential housing also accelerated.

In contrast, business investment slowed, federal government spending turned down, imports picked up, exports slowed, and state and local government spending decreased more in the fourth quarter than in the third quarter.



Real GDP growth is measured at seasonally adjusted annual rates.

Revisions to GDP

The third estimate of real GDP growth was the same as the second estimate. For the third estimate, a downward revision to exports was partly offset by an upward revision to business investment, which mainly reflected an upward revision to equipment and software.

Corporate profits

Fourth-quarter corporate profits rose 0.9 percent at a quarterly rate following a 1.7 percent rise in the third quarter. Fourth-quarter nonfinancial profits rose 2.6 percent, and financial profits rose 7.0 percent from the third quarter. Profits from the rest of the world fell 9.2 percent in the fourth quarter.

Corporate profits for all of 2011 rose 7.9 percent, following growth of 32.2 percent in 2010.



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. [E-mail](#) alerts are also available.

NOTE: The advance estimate of GDP for the first quarter of 2012 will be released on April 27, 2012.