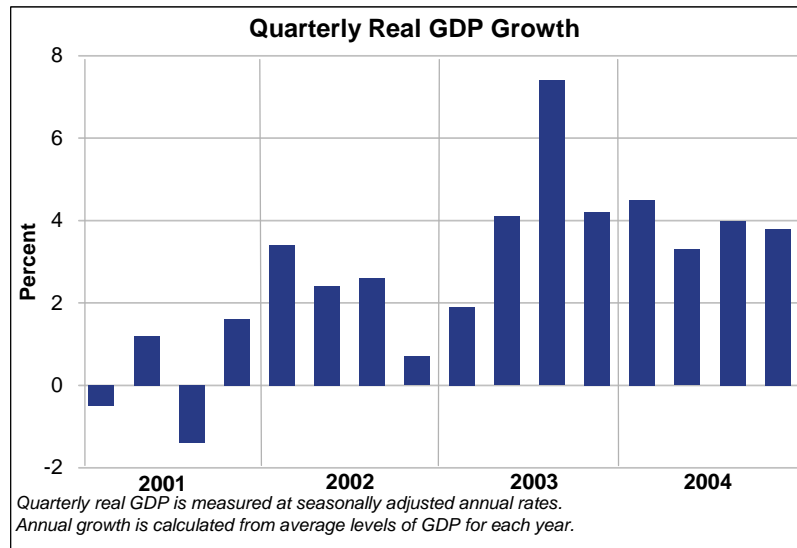




## ECONOMIC GROWTH REVISED UP IN FOURTH QUARTER

The economy grew faster in the fourth quarter of 2004 than previously estimated, according to new estimates of GDP released today by the U.S. Bureau of Economic Analysis.

Gross domestic product (GDP), the most comprehensive measure of U.S. economic activity, is now estimated to have increased at an inflation-adjusted annual rate of 3.8 percent in the fourth quarter. This growth rate is 0.7 percentage point higher than last month's "advance" estimate for the fourth quarter; upward revisions to exports, business fixed investment, and inventory investment were partly offset by a downward revision to consumer spending.



The 3.8-percent growth rate in fourth-quarter GDP was slightly less than the 4.0-percent growth rate in the third quarter. The slowdown reflected the following:

- The trade deficit increased; imports of goods accelerated, and exports of goods decelerated.
- Consumer spending slowed; consumer purchases of big-ticket items decreased after a strong increase in the third quarter.

In contrast, GDP growth was boosted by inventory investment, which reduced growth in the third quarter. Business investment stepped up slightly; investment in equipment and software continued to grow at a double-digit rate.

Real disposable personal income increased 8.1 percent after increasing 2.9 percent, boosted by a special dividend payment made by the Microsoft Corporation.

Prices paid by U.S. residents increased 2.8 percent after increasing 1.9 percent. The acceleration reflected a step-up in energy prices; excluding energy and food items, prices increased 1.9 percent after increasing 1.7 percent.

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BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states and industries—are available on its Web site: [www.bea.gov](http://www.bea.gov).

NOTE: Additional information that becomes available in the coming weeks will be incorporated in a revised estimate of fourth-quarter GDP on March 30, 2005.

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