

REAL GDP DECLINES 6.2 PERCENT IN FOURTH QUARTER

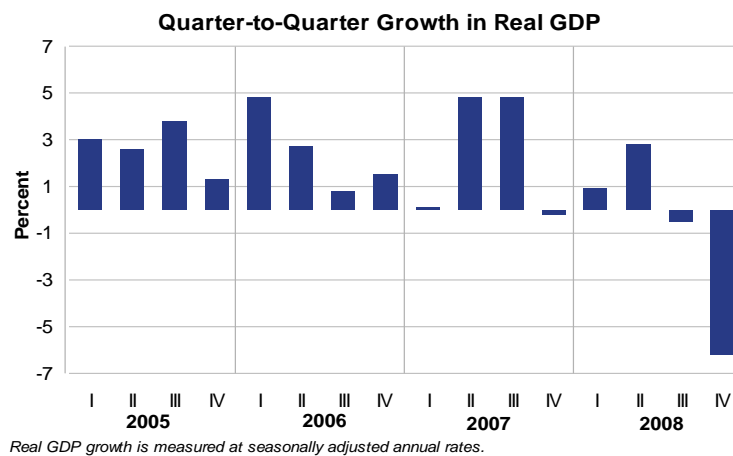
“Preliminary” Estimate of GDP

Real gross domestic product (GDP) declined 6.2 percent in the fourth quarter of 2008 after declining 0.5 percent in the third quarter, according to the Bureau of Economic Analysis. The fourth-quarter growth rate was revised down 2.4 percentage points from the “advance” estimate of a 3.8 percent decline released in January.

The sources of weakness were the same as those reported in the advance estimate.

- A sharp downturn in exports
- A continuing decline in consumer spending
- A larger reduction in business investment
- A continuing decline in housing

Imports, which are a subtraction in the calculation of GDP, continued to decline.



Revision

The GDP revision was large. The revision reflected new source data that showed substantially weaker inventory investment and exports than BEA had assumed for the advance estimate. The average revision (without regard to sign) between the advance and preliminary estimate is 0.5 percentage point.

Prices

Prices paid by U.S. residents fell 4.1 percent in the fourth quarter, after rising 4.5 percent in the third quarter. The decline reflected a large downturn in energy prices. Excluding energy, prices rose 1.5 percent after rising 3.3 percent.

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: Additional information that becomes available in the coming weeks will be incorporated in a “final” estimate of fourth-quarter GDP on March 26, 2009. An estimate of corporate profits will also be released.