

GDP INCREASES IN FIRST QUARTER

“Advance” estimate of GDP

Real gross domestic product (GDP) increased 0.7 percent in the first quarter of 2017, according to the “advance” estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2016, real GDP increased 2.1 percent.

GDP highlights

The increase in real GDP reflected increases in business investment, exports, housing investment, and consumer spending.

The increase in business investment reflected increases in both structures and equipment, notably a significant increase in mining exploration, shafts, and wells.

The increase in exports reflected an increase in nondurable industrial supplies and materials, notably petroleum.

The increase in consumer spending reflected an increase in services that was offset by a decrease in motor vehicles and parts.

These positive contributions were partly offset by decreases in private inventory investment, state and local government spending, and federal government spending.

Imports, which are a subtraction in the calculation of GDP, increased in the first quarter of 2017.

First-quarter prices

Prices of goods and services purchased by U.S. residents increased 2.6 percent in the first quarter of 2017, after increasing 2.0 percent in the fourth quarter of 2016.

Food prices increased in the first quarter following a decrease in the fourth quarter of 2016.

Energy prices increased in the first quarter of 2017 following a larger increase in the fourth quarter of 2016.

Excluding food and energy, prices increased 2.3 percent in the first quarter of 2017, compared with an increase of 1.6 percent in the fourth quarter of 2016.

