

## GDP INCREASES IN THIRD QUARTER

*“Second” estimate of GDP*

Real gross domestic product (GDP) increased 3.5 percent in the third quarter of 2018, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was unrevised from the “advance” estimate released in October. In the second quarter, real GDP increased 4.2 percent.

### GDP highlights

The increase in real GDP reflected increases in consumer spending, inventory investment, government spending, and business investment. Notable offsets were decreases in exports and housing investment. Imports, which are a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in spending on both goods (mainly in prescription drugs and in clothing and footwear) and services. The increase in inventory investment primarily reflected increases in wholesale and in manufacturing inventories.

The decrease in exports reflected a decrease in goods that was partly offset by an increase in services.

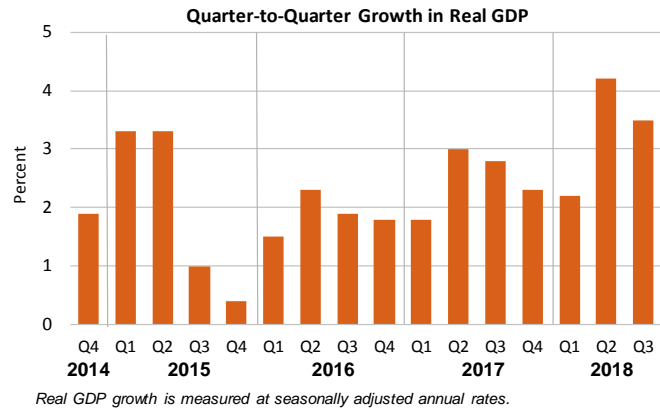
### Updates to GDP

The unrevised estimate of GDP growth mainly reflected upward revisions to business investment and inventory investment that were offset by downward revisions to consumer spending and government spending. For more information see the technical note.

### Corporate profits

Corporate profits increased 3.4 percent at a quarterly rate in the third quarter of 2018 after increasing 3.0 percent in the second.

- Profits of domestic nonfinancial corporations increased 5.1 percent after increasing 4.2 percent.
- Profits of domestic financial corporations decreased 1.7 percent after increasing 3.7 percent.
- Profits from the rest of the world increased 3.7 percent after decreasing 0.9 percent.



Corporate profits increased 10.3 percent from the third quarter of 2017.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available. The “third” estimate of GDP for the third quarter of 2018 will be released on December 21, 2018.