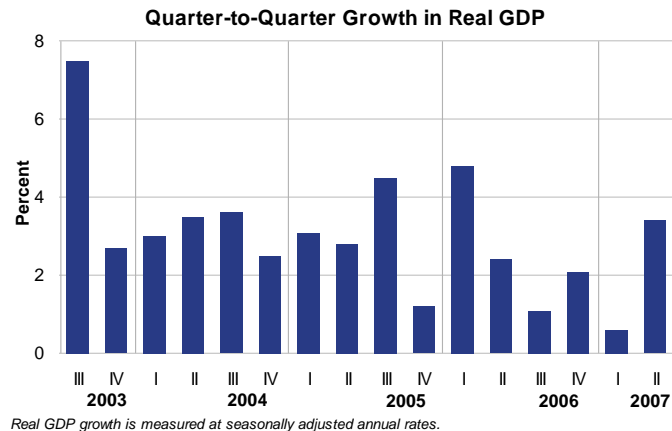


## GROWTH ACCELERATES IN THE SECOND QUARTER

*“Advance” Estimate of GDP*

Real gross domestic product (GDP) increased 3.4 percent in the second quarter of 2007 after increasing 0.6 percent (revised) in the first, according to estimates released today by the Bureau of Economic Analysis.



The acceleration in real GDP growth reflected the following:

- Net exports turned up: exports accelerated, and imports turned down.
- Federal government defense spending and inventory investment turned up.
- Nonresidential fixed investment, mostly structures, accelerated.

In contrast, there was a widespread deceleration in consumer spending.

### Prices

Prices of goods and services purchased by U.S. residents increased 3.9 percent after increasing 3.8 percent. Excluding food and energy, prices increased 1.7 percent, following a 3.1-percent increase.

### Personal Income

Real disposable personal income (DPI) decreased 0.8 percent in the second quarter, following an increase of 5.9 percent in the first quarter. The downturn reflected a deceleration in current-dollar personal income, which was boosted in the first quarter by large bonus payments, and an acceleration in consumer prices.

### Annual Revision

Today, BEA released revised GDP estimates for the first quarter of 2004 through the first quarter of 2007. The general economic picture remains unchanged. For 2003 through 2006, average annual growth was revised to 3.2 percent from 3.5 percent.

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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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “preliminary” estimates of GDP and corporate profits for the second quarter of 2007 will be released on August 30, 2007.