

## GDP GROWTH MODERATES IN SECOND QUARTER

*Advance Estimate of GDP and Annual Revision*

Real gross domestic product (GDP) rose 1.5 percent in the second quarter after rising 2.0 percent in the first quarter, according to the Bureau of Economic Analysis. According to the 2012 annual revision, the first-quarter growth rate was revised up 0.1 percentage point.

### Real GDP second-quarter highlights

- Consumer spending for durable goods slowed, especially for autos, while spending on services picked up modestly, mainly in household utilities.
- Imports picked up, mainly reflecting an upturn in petroleum and products. The rise in imports outweighed a modest pick-up in exports.
- Business investment slowed; a slow-down in investment in structures was partly offset by an acceleration in equipment and software (mainly in industrial equipment).



*Real GDP growth is measured at seasonally adjusted annual rates.*

Positive contributions to economic growth also stemmed from an upturn in inventory investment and a smaller decline in national defense spending.

### Annual revision to GDP

BEA also released its 2012 annual revision, which revised GDP estimates for the first quarter of 2009 through the first quarter of 2012, based on newly available source date and methodology improvements. The general economic picture remains intact. The revisions did not alter the direction of change (increase or decrease) in any quarter. For 2008–2011, real GDP increased at an average annual rate of 0.3 percent—a downward revision of 0.1 percentage point from the previous estimates.

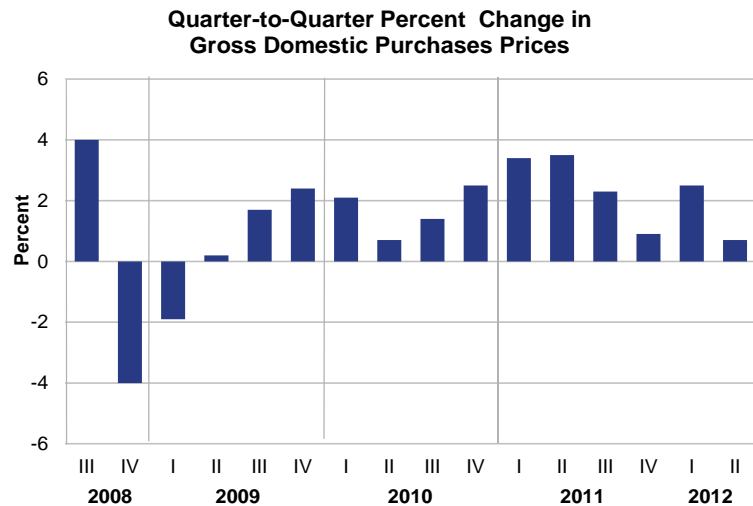
The historical average revision to real GDP growth for years covered by BEA annual revisions is 0.3 percentage point.

### Prices

Prices of goods and services purchased by U.S. residents in the second quarter rose 0.7 percent, after rising 2.5 percent in the first quarter.

Excluding energy and food, prices rose 1.4 percent in the second quarter, compared with 2.4 percent in the first quarter.

Energy prices declined 13.4 percent after rising 7.6 percent. Food prices rose 0.7 percent, after rising 2.5 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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The second estimate of GDP and an estimate of corporate profits for the second quarter of 2012 will be released August 29, 2012.