

## GDP TURNS UP IN SECOND QUARTER

*2014 Annual Revision Released*

Real gross domestic product (GDP) increased 4.0 percent in the second quarter of 2014, according to the “advance” estimate released today by the Bureau of Economic Analysis. In the first quarter, real GDP decreased 2.1 percent (revised).

### Second-quarter highlights

The upturn in real GDP growth was mainly driven by upturns in exports and in private nonfarm inventory investment as well as an acceleration in consumer spending, notably for durable goods.

In addition, state and local government spending and residential investment turned up, and business investment accelerated.

In contrast to these contributions, imports (a subtraction in the calculation of GDP) were higher in the second quarter than in the first quarter.

### Annual revision

BEA also released its 2014 annual revision of the national income and products accounts, which updated most components from the first quarter of 2011 to the first quarter of 2014 based on newly available revised source data. In addition, GDP and selected components were revised back to the first quarter of 1999 to incorporate revisions from the international transactions accounts. See the [Technical Note](#).

For 2011–2013, real GDP increased at average annual rate of 2.0 percent, compared with 2.2 percent in the previously published estimates. For the first quarter of 2011 through the first quarter of 2014, the revisions did not change the direction of GDP growth for any quarter.

### Prices

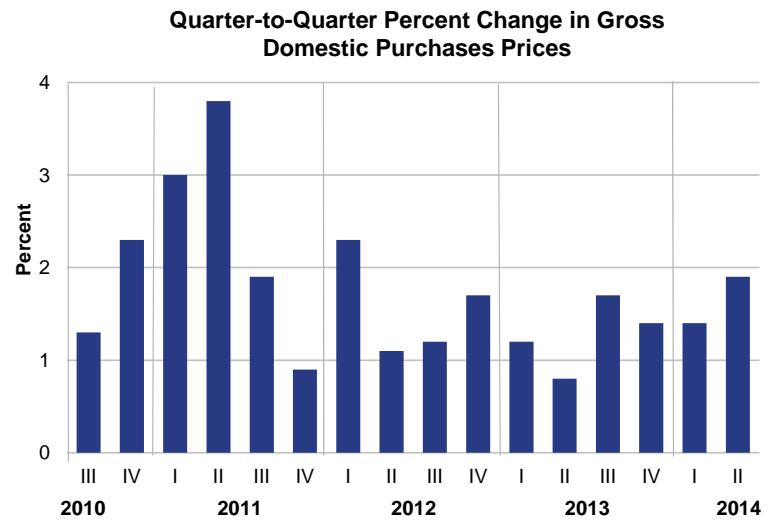
Prices of goods and services purchased by U.S. residents—that is, prices of gross domestic purchases—increased 1.9 percent in the second quarter after increasing 1.4 percent in the first quarter.

Food prices increased 4.2 percent after increasing 1.3 percent, and energy prices increased 5.1 percent after increasing 2.8 percent.

Excluding food and energy, gross domestic purchases prices increased 1.7 percent in the second quarter, compared with 1.3 percent in the first quarter.



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



*Price growth measured at seasonally adjusted annual rates*

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 for the second quarter of 2014 and a preliminary estimate of corporate profits will be released on August 28, 2014.