

GDP GROWTH ACCELERATES IN THIRD QUARTER

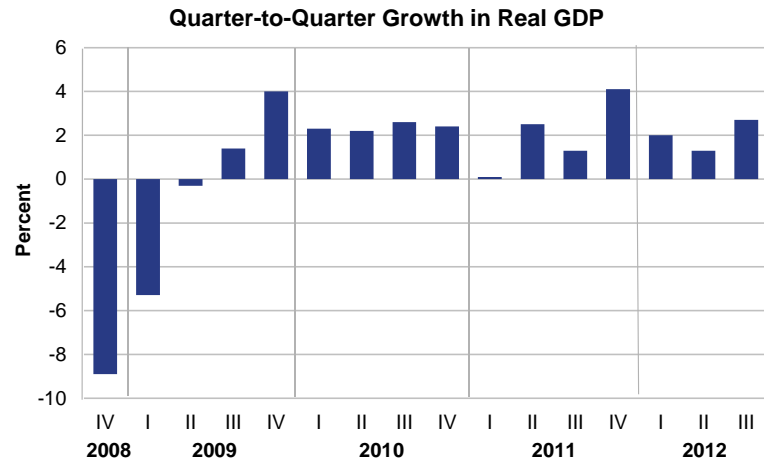
Corporate Profits Pick Up

Real gross domestic product (GDP) increased 2.7 percent in the third quarter of 2012 after increasing 1.3 percent in the second quarter, according to estimates released today by the Bureau of Economic Analysis. The third-quarter growth rate was revised up 0.7 percentage point from the advance estimate released in October.

Real GDP third-quarter highlights

The acceleration in third-quarter growth was mainly driven by a rebound in inventory investment. Nonfarm inventory investment turned up. In contrast, farm inventory investment declined more than in the second quarter, reflecting the drought in the Midwest.

In addition, consumer spending on durable goods turned up, notably on motor vehicles and parts. Federal government spending on national defense turned up. And residential housing accelerated, as investment in single-family structures picked up.



Real GDP growth is measured at seasonally adjusted annual rates.

Offsetting these contributions to real economic growth, consumer spending on services slowed, and business investment turned down, as spending on equipment and software and on nonresidential structures declined.

Revisions to GDP

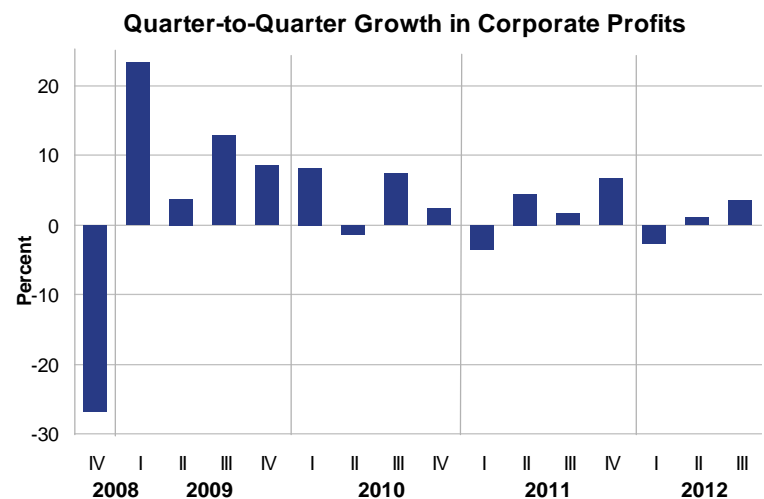
The upward revision to real GDP growth in the third quarter of 2012 mainly reflected a large upward revision to private inventory investment, mostly in manufacturing and wholesale trade. In addition, goods exports was revised up, partly reflecting a revision to industrial supplies and materials. In contrast, consumer spending on both goods and services was revised down. Business investment was also revised down, reflecting a revision to equipment and software.

For more information, see the [technical note](#).

Corporate profits

BEA released its preliminary estimate of third-quarter corporate profits. Profits accelerated in the third quarter, rising 3.5 percent at a quarterly rate, after rising 1.1 percent in the second quarter.

Profits of financial corporations rose 18.3 percent, while profits of nonfinancial corporations fell 0.1 percent. Profits from the rest of the world decreased 0.6 percent.



Corporate profits growth is measured as the percent change from the previous quarter.

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. [E-mail](#) alerts are also available.

NOTE: The third estimate of GDP and a revised estimate of corporate profits for the third quarter of 2012 will be released on December 20, 2012.