

## GDP GREW 2.0 PERCENT IN THE THIRD QUARTER

*“Final” Estimates Released*

The economy grew at an annual rate of 2.0 percent in the third quarter, 0.2 percentage point less than in the “preliminary” estimates, according to the Bureau of Economic Analysis. In the second quarter, real gross domestic product (GDP) increased 2.6 percent.

Third-quarter corporate profits increased 31 percent from the same quarter a year ago.

### Gross Domestic Product

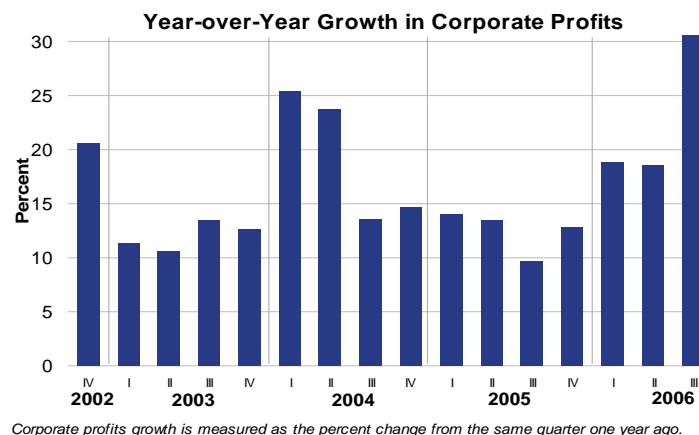
The deceleration in third-quarter GDP growth reflected an acceleration in imports (a subtraction in the calculation of GDP), a larger decrease in residential investment, and decelerations in consumer spending for services, in inventory investment, and in state and local government spending.

The downward revision to GDP growth primarily reflected a downward revision to consumer spending for services.



### Corporate Profits

The 31-percent increase over the last 4 quarters reflected sharply reduced profits in the third quarter of 2005. In that quarter, Hurricanes Katrina and Rita depressed profits.



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 “advance” estimate of GDP for the fourth quarter of 2006 will be released on January 31, 2007.