

GDP INCREASES IN THIRD QUARTER

“Advance” estimate of GDP

Real gross domestic product (GDP) increased 3.0 percent in the third quarter of 2017, according to the “advance” estimate released by the Bureau of Economic Analysis. In the second quarter of 2017, real GDP increased 3.1 percent.

GDP highlights

The increase in real GDP reflected increases in consumer spending, inventory investment, business investment, and exports. A notable offset to these increases was a decrease in housing investment. Imports, which are a subtraction from GDP, decreased.

The increase in consumer spending reflected increases in spending on both goods and services.

The increase in goods was mostly attributable to motor vehicles, and the increase in services primarily reflected increases in health care, in financial services and insurance, and in food services and accommodations.

The increase in inventory investment primarily reflected increases in wholesale and in manufacturing inventories. The increase in business investment reflected increases in equipment and in intellectual property products; these increases were partly offset by a decrease in structures investment.

The decrease in housing investment primarily reflected a decrease in brokers’ commissions.

Impact of Hurricanes on Third Quarter 2017 Estimates

During the third quarter, major hurricanes caused severe damage and flooding in several U.S. states. For further information, please see the [technical note](#).

Third-quarter prices

Prices of goods and services purchased by U.S. residents increased 1.8 percent in the third quarter of 2017 after increasing 0.9 percent in the second quarter of 2017.

Food prices increased in the third quarter following a larger increase in the second quarter of 2017. Energy prices increased in the third quarter of 2017 following a decrease in the second quarter of 2017.

Excluding food and energy, prices increased 1.7 percent in the third quarter of 2017, compared with an increase of 1.3 percent in the second quarter of 2017.

