# GDP INCREASES IN SECOND QUARTER

"Second" estimate of GDP

Real gross domestic product (GDP) increased 4.2 percent in the second quarter of 2018, according to the "second" estimate released by the Bureau of Economic Analysis. The growth rate was 0.1 percentage point more than the "advance" estimate released in July. In the first quarter, real GDP increased 2.2 percent.

GDP highlights

The second-quarter increase in real GDP reflected increases in consumer spending on services and goods, business investment, exports, and government spending, while inventory investment and housing investment decreased. Imports, which are a subtraction in the calculation of GDP, decreased.

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

Quarter-to-Quarter Growth in Real GDP

Real GDP growth is measured at seasonally adjusted annual rates.

The increase in business investment reflected increases in intellectual property products, structures, and equipment.
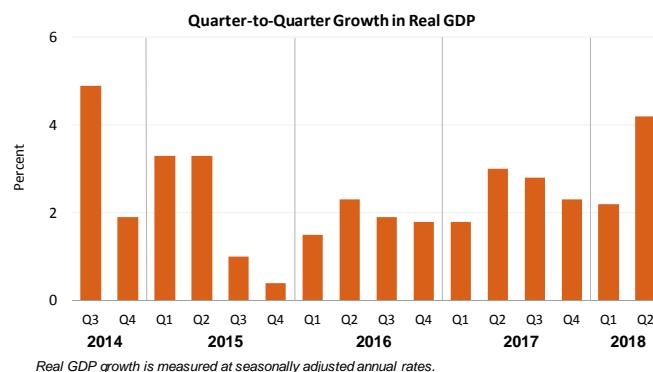
Updates to GDP

The upward revision to the second estimate of GDP growth mainly reflected upward revisions to business investment in intellectual property products and downward revisions to imports.

Corporate profits

Corporate profits increased 3.3 percent at a quarterly rate in the second quarter of 2018 after increasing 1.2 percent in the first quarter.

• Profits of domestic nonfinancial corporations increased 5.1 percent after increasing 2.7 percent.
• Profits of domestic financial corporations increased 3.8 percent after decreasing 2.1 percent.

Quarter-to-Quarter Growth in Corporate Profits

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

• Profits from the rest of the world decreased 1.7 percent after increasing 0.8 percent.
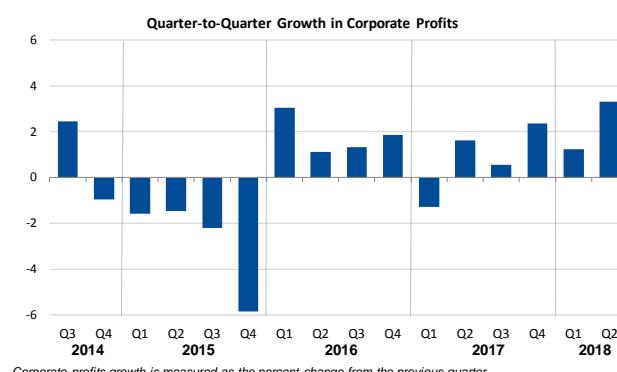
Corporate profits increased 7.7 percent from the second quarter of 2017.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at www.bea.gov. E-mail alerts are also available. The "third" estimate of GDP for the second quarter of 2018 will be released on September 27, 2018.