

GDP GROWTH DECELERATES IN FOURTH QUARTER

Growth Revised Down

Real gross domestic product (GDP) increased 2.4 percent in the fourth quarter of 2013, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.8 percentage point less than the “advance” estimate released in January. In the third quarter, the growth rate was 4.1 percent.

Fourth-quarter GDP highlights

The slowdown in real GDP growth reflected a slowdown in inventory investment. GDP less inventory investment (final sales of domestic product) rose 2.3 percent, almost as much as the 2.5 percent growth in the third quarter.

Also contributing to the slowdown: a larger decrease in federal government spending and downturns in housing investment and in state and local government spending.

In contrast, exports, consumer spending, and business investment each accelerated.

Fourth-quarter revisions

The revision to real GDP growth reflected the incorporation of newly available, higher quality source data. The following were revised down:

- Consumer spending on both goods and services; the revisions were widespread.
- Inventory investment, led by wholesale trade industries.
- Exports, mainly nonautomotive capital goods and consumer goods.
- State and local government spending, mainly investment in structures.

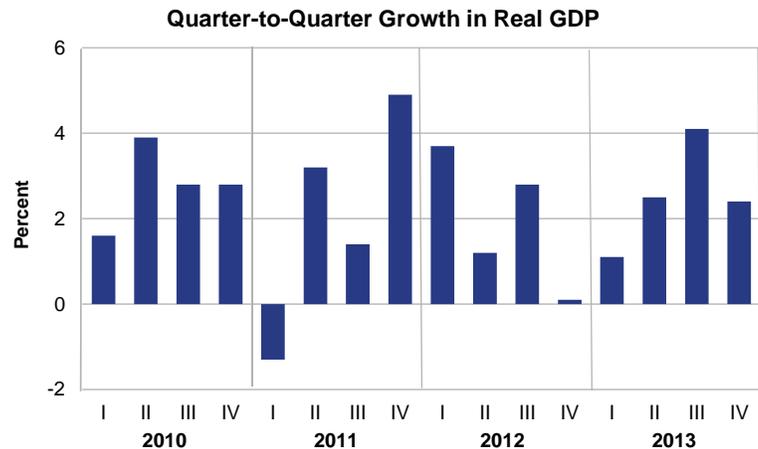
In contrast, business investment was revised up, mainly in equipment and in software.

Annual GDP highlights

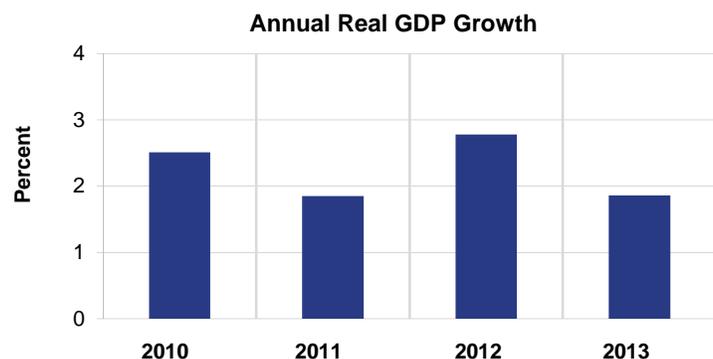
For the full year 2013, real GDP increased 1.9 percent, the same as the previous estimate. In 2012, the growth rate was 2.8 percent.

- Business investment slowed, reflecting slower growth in structures (mainly power and communication) and in equipment (mainly transportation).
- Federal government spending declined more in 2013 than in 2012.
- Consumer spending on services slowed.

In contrast, imports slowed, state and local government spending declined less, and consumer spending on goods accelerated.



Real GDP growth is 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. [E-mail](#) alerts are also available.

NOTE: The “third” estimate of GDP for the fourth quarter of 2013 and an estimate of corporate profits will be released on March 27, 2014.