



Technical Note
Gross Domestic Product
Second Quarter of 2007 (Final)
September 27, 2007

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release. The complete set of estimates for the second quarter is available on BEA's Web site at www.bea.gov; a brief summary of "highlights" is also posted on the Web site. In a few weeks, the estimates will be published in BEA's monthly journal, the *Survey of Current Business*, along with a more detailed analysis of the estimates ("GDP and the Economy").

Sources of Revision to Components of Real GDP

Real GDP growth in the second quarter was 3.8 percent (annual rate), which was 0.2 percentage point less than that in the preliminary estimate. The downward revision to real GDP primarily reflected an upward revision to imports, which are a subtraction in the calculation of GDP:

- Imports of both goods and services were revised up, reflecting the incorporation of revised Census goods data for June and revised services data from BEA's international transactions accounts for the first and second quarters.

The price index for gross domestic purchases increased 3.8 percent in the second quarter, the same as in the preliminary estimate.

Corporate Profits

Profits from current production increased \$94.7 billion, or 6.1 percent (quarterly rate), in the second quarter, which was \$3.6 billion less than in the preliminary estimate. The revision reflected revised source data, which include preliminary tabulations of Census quarterly financial reports, regulatory agency reports, and compilations of publicly available corporate financial statements.

In the second quarter, real gross value added of nonfinancial corporate business increased, unit labor costs increased, unit nonlabor costs decreased, and profits per unit of real value added increased.

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