

GDP GROWTH REVISED UP IN THIRD QUARTER

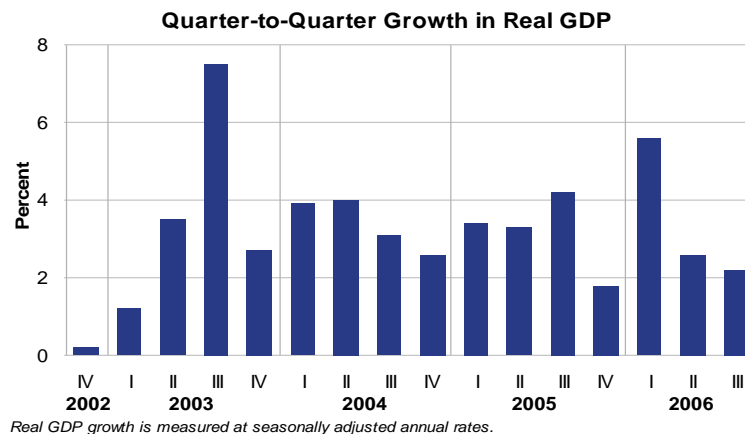
Corporate Profits Increase

The economy grew at an annual rate of 2.2 percent in the third quarter, compared with 2.6 percent in the second quarter, according to the “preliminary” estimates released by the Bureau of Economic Analysis. The third-quarter growth rate was revised up 0.6 percentage point from the “advance” estimates released in October. BEA also released its first estimate of third-quarter corporate profits, which increased 30.9 percent from the same quarter a year ago.

Gross Domestic Product (GDP)

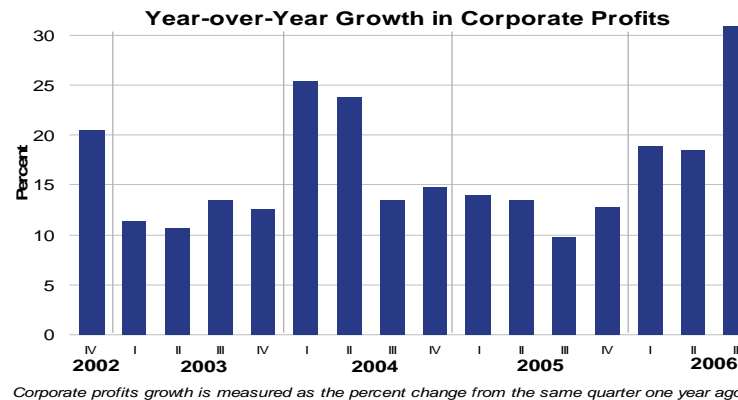
As reported last month, the deceleration in third-quarter GDP growth reflected an acceleration in imports. (Because GDP is a measure of domestic production, imports are subtracted in its calculation.) The deceleration in GDP also reflected a larger decrease in residential investment, and decelerations in inventory investment, in consumer spending for services, and in state and local government spending.

Data made available since last month’s release indicate that the acceleration in imports and the decelerations in inventory investment and consumer spending for services were less than originally indicated.



Corporate Profits

Corporate profits growth was strong in the third quarter of 2006, compared with the third quarter of 2005, when profits were reduced by Hurricanes Katrina and Rita.



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 “final” estimate of GDP and corporate profits for the third quarter of 2006 will be released on December 21, 2006.