

GDP DECLINES SLIGHTLY IN FOURTH QUARTER

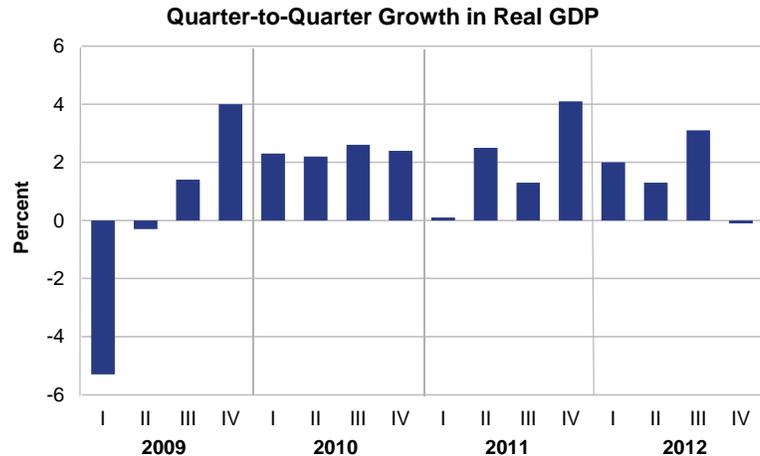
Advance Estimate of GDP

Real gross domestic product (GDP) decreased 0.1 percent in the fourth quarter of 2012 after increasing 3.1 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis. For the full year 2012, real GDP increased 2.2 percent after increasing 1.8 percent in 2011.

Fourth-quarter highlights

The decline in real GDP growth in the fourth quarter reflected the following:

- Inventory investment turned down, mainly because of a decline in inventory investment in manufacturing industries.
- Federal government spending fell significantly, reflecting a downturn in defense spending (for more information, see the [technical note](#)).
- Net exports turned down, mainly reflecting a decrease in exports of goods; food, feeds, and beverage items as well as civilian aircraft, engines, and parts fell significantly.



Real GDP growth is measured at seasonally adjusted annual rates.

In contrast, business investment turned up, as spending on equipment and software rebounded (mainly computers and related parts as well as transportation equipment). Consumer spending also picked up (mainly financial services as well as autos and parts).

Gross domestic purchases prices

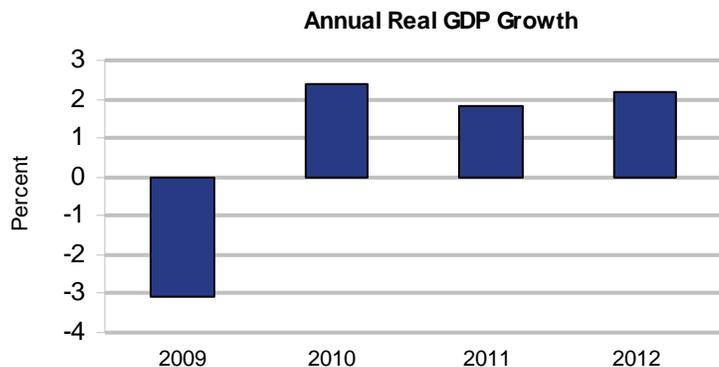
Prices of goods and services purchased by U.S. residents rose 1.3 percent in the fourth quarter, following a 1.4 percent rise in the third quarter. Energy prices slowed, and food prices turned up. Excluding food and energy, prices rose 1.1 percent in the fourth quarter, compared with 1.2 percent in the third quarter.

Annual highlights

The pickup in economic growth for the full year 2012 mainly reflected:

- A slowdown in imports, notably in capital goods (except autos) and consumer goods.
- A rebound in residential housing.
- An upturn in inventory investment.
- A smaller decrease in state and local government spending.

The contributions were partly offset by slowdowns in consumer spending (mainly on services and nondurable goods) and in exports (mainly industrial supplies and materials).



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 second estimate of GDP for the fourth quarter of 2012 will be released on February 28, 2013.