



## Real GDP Overview

Table 1. Real Gross Domestic Product (GDP) and Components

[Seasonally adjusted at annual rates]

	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)				Share of current-dollar GDP (percent)
	2005			2006	2005			2006	2006
	II	III	IV	I	II	III	IV	I	I
<b>Gross domestic product</b> .....	<b>3.3</b>	<b>4.1</b>	<b>1.7</b>	<b>5.3</b>	<b>3.3</b>	<b>4.1</b>	<b>1.7</b>	<b>5.3</b>	<b>100.0</b>
<b>Personal consumption expenditures</b> .....	<b>3.4</b>	<b>4.1</b>	<b>0.9</b>	<b>5.2</b>	<b>2.35</b>	<b>2.85</b>	<b>0.62</b>	<b>3.63</b>	<b>69.7</b>
Durable goods.....	7.9	9.3	-16.6	20.5	0.64	0.76	-1.47	1.51	8.0
Nondurable goods.....	3.6	3.5	5.0	5.7	0.74	0.73	1.02	1.18	20.6
Services.....	2.3	3.3	2.6	2.2	0.97	1.36	1.08	0.94	41.0
<b>Gross private domestic investment</b> .....	<b>-3.7</b>	<b>5.3</b>	<b>16.1</b>	<b>8.3</b>	<b>-0.63</b>	<b>0.87</b>	<b>2.54</b>	<b>1.41</b>	<b>17.4</b>
Fixed investment.....	9.5	8.0	3.9	9.3	1.51	1.31	0.65	1.56	17.2
Nonresidential.....	8.8	8.5	4.5	13.1	0.90	0.88	0.48	1.37	11.0
Structures.....	2.7	2.2	3.1	11.3	0.07	0.06	0.09	0.31	2.9
Equipment and software.....	10.9	10.6	5.0	13.8	0.83	0.82	0.39	1.05	8.1
Residential.....	10.8	7.3	2.8	3.1	0.62	0.43	0.17	0.19	6.2
Change in private inventories.....					-2.14	-0.43	1.89	-0.14	0.3
<b>Net exports of goods and services</b> .....					<b>1.11</b>	<b>-0.12</b>	<b>-1.36</b>	<b>-0.55</b>	<b>-6.1</b>
Exports.....	10.7	2.5	5.1	14.7	1.07	0.26	0.52	1.47	10.7
Goods.....	16.0	3.2	8.0	20.8	1.08	0.23	0.56	1.42	7.6
Services.....	-0.4	1.0	-1.4	1.5	-0.01	0.03	-0.05	0.05	3.1
Imports.....	-0.3	2.4	12.1	12.8	0.04	-0.38	-1.88	-2.02	16.8
Goods.....	-1.1	3.5	13.5	13.9	0.15	-0.46	-1.76	-1.85	14.2
Services.....	4.4	-3.2	4.8	6.9	-0.11	0.09	-0.12	-0.17	2.6
<b>Government consumption expenditures and gross investment</b> .....	<b>2.5</b>	<b>2.9</b>	<b>-0.8</b>	<b>4.3</b>	<b>0.47</b>	<b>0.54</b>	<b>-0.15</b>	<b>0.82</b>	<b>19.0</b>
Federal.....	2.4	7.4	-2.6	10.5	0.17	0.52	-0.18	0.71	7.1
National defense.....	3.7	10.0	-8.9	9.6	0.17	0.46	-0.44	0.43	4.7
Nondefense.....	-0.2	2.4	11.7	12.2	-0.01	0.06	0.26	0.28	2.4
State and local.....	2.6	0.2	0.2	0.8	0.31	0.03	0.03	0.10	11.9

NOTE. Percent changes are from NIPA table 1.1.1, and contributions to percent change are from NIPA table 1.1.2. Shares are from NIPA table 1.1.10.

Table 2. Real Gross Domestic Product (GDP) by Type of Product

[Seasonally adjusted at annual rates]

	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)				Share of current-dollar GDP (percent)
	2005			2006	2005			2006	2006
	II	III	IV	I	II	III	IV	I	I
<b>Gross domestic product</b> .....	<b>3.3</b>	<b>4.1</b>	<b>1.7</b>	<b>5.3</b>	<b>3.3</b>	<b>4.1</b>	<b>1.7</b>	<b>5.3</b>	<b>100.0</b>
Final sales of domestic product....	5.6	4.6	-0.2	5.5	5.45	4.58	-0.24	5.45	99.7
Change in private inventories.....					-2.14	-0.43	1.89	-0.14	0.3
Goods.....	5.0	5.3	2.3	11.0	1.58	1.70	0.73	3.39	31.7
Services.....	1.5	3.6	1.1	2.7	0.88	2.09	0.65	1.56	57.3
Structures.....	8.4	3.3	2.6	3.3	0.85	0.35	0.28	0.36	11.1
<b>Addenda:</b>									
Motor vehicle output.....	-0.3	17.6	-17.2	-3.5	-0.01	0.56	-0.64	-0.11	3.2
GDP excluding motor vehicle output	3.4	3.7	2.4	5.6	3.32	3.58	2.29	5.42	96.8
Final sales of computers.....	45.4	20.3	45.9	5.6	0.32	0.16	0.33	0.05	0.8
GDP excluding final sales of computers.....	3.0	4.0	1.3	5.3	2.98	3.98	1.32	5.26	99.2

NOTE. Percent changes are from NIPA table 1.2.1, and contributions to percent change are from NIPA table 1.2.2. Shares are calculated from NIPA table 1.2.5.

Consumer spending growth accelerated to 5.2 percent from 0.9 percent. It contributed 3.63 percentage points to real GDP growth, compared with 0.62 percentage point. The surge reflected an upturn in motor vehicles and parts, particularly in spending for trucks and recreational vehicles and for new cars.

Nonresidential fixed investment increased 13.1 percent and contributed 1.37 percentage points to real growth, following a 4.5-percent increase and 0.48-percentage-point contribution. The acceleration was driven by an acceleration in equipment and software, as transportation equipment and information processing equipment and software accelerated.

Inventory investment turned down, subtracting 0.14 percentage point from real GDP growth, as inventory investment by retail automobile dealers decreased.

Exports increased 14.7 percent and contributed 1.47 percentage points to real GDP growth after increasing 5.1 percent and contributing 0.52 percentage point. Nondurable industrial supplies and materials and "other" exports turned up. Foods, feeds, and beverages and nonautomotive consumer goods accelerated. But "other" capital goods and "automotive vehicles, engines, and parts" decelerated. Services exports turned up.

Real import growth accelerated somewhat, to 12.8 percent from 12.1 percent.

Federal Government spending turned up, increasing 10.5 percent after decreasing 2.6 percent, as national defense spending turned up.

Real final sales of domestic product—real GDP less inventory investment—increased 5.5 percent, after decreasing 0.2 percent.

A 3.5-percent decrease in motor vehicle output subtracted 0.11 percentage point from real GDP growth; in the fourth quarter, a 17.2-percent decrease subtracted 0.64 percentage point from growth.

Final sales of computers decelerated, increasing 5.6 percent after increasing 45.9 percent. The contribution to GDP growth was 0.05 percentage point, compared with 0.3 percentage point.











## Prices

**Table 8. Prices for Gross Domestic Purchases**  
 [Percent change at annual rates; based on seasonally adjusted index numbers (2000=100)]

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2005			2006	2005			2006
	II	III	IV	I	II	III	IV	I
<b>Gross domestic purchases</b> .....	<b>3.3</b>	<b>4.2</b>	<b>3.7</b>	<b>2.8</b>	<b>3.3</b>	<b>4.2</b>	<b>3.7</b>	<b>2.8</b>
<b>Personal consumption expenditures</b> .....	<b>3.3</b>	<b>4.7</b>	<b>2.9</b>	<b>2.0</b>	<b>2.19</b>	<b>2.47</b>	<b>1.90</b>	<b>1.30</b>
Durable goods.....	-0.5	-3.0	-0.8	-0.8	-0.04	-0.24	-0.06	-0.06
Nondurable goods.....	5.7	7.9	0.8	1.1	1.09	1.51	0.16	0.21
Services.....	2.9	3.1	4.6	2.9	1.14	1.20	1.79	1.14
<b>Gross private domestic investment</b> .....	<b>2.7</b>	<b>3.7</b>	<b>5.2</b>	<b>3.9</b>	<b>0.44</b>	<b>0.59</b>	<b>0.83</b>	<b>0.64</b>
Fixed investment.....	2.7	4.0	5.4	4.2	0.43	0.63	0.86	0.67
Nonresidential.....	1.9	2.5	3.8	3.7	0.19	0.26	0.38	0.38
Structures.....	9.9	16.5	20.3	14.2	0.24	0.39	0.49	0.36
Equipment and software.....	-0.7	-1.8	-1.3	0.3	-0.05	-0.13	-0.10	0.02
Residential.....	4.3	6.5	8.3	4.9	0.24	0.37	0.47	0.28
Change in private inventories.....	.....	.....	.....	.....	0.01	-0.04	-0.02	-0.03
<b>Government consumption expenditures and gross investment</b> .....	<b>3.7</b>	<b>6.7</b>	<b>5.4</b>	<b>4.8</b>	<b>0.66</b>	<b>1.19</b>	<b>0.96</b>	<b>0.84</b>
Federal.....	2.1	3.0	0.9	6.2	0.14	0.20	0.06	0.40
National defense.....	1.4	3.5	0.9	5.6	0.06	0.16	0.04	0.24
Nondefense.....	3.6	2.1	0.9	7.3	0.08	0.05	0.02	0.16
State and local.....	4.7	9.0	8.2	3.9	0.52	0.99	0.90	0.44
<b>Addenda:</b>								
Gross domestic purchases:								
Food.....	3.5	1.2	2.6	2.5	0.32	0.11	0.25	0.24
Energy goods and services.....	28.1	50.6	14.8	-3.0	1.15	2.00	0.72	-0.15
Excluding food and energy.....	2.1	2.5	3.2	3.2	1.81	2.14	2.73	2.69
Personal consumption expenditures:								
Food.....	3.5	1.3	2.4	2.7	.....	.....	.....	.....
Energy goods and services.....	28.6	50.0	10.3	-0.2	.....	.....	.....	.....
Excluding food and energy.....	1.7	1.4	2.4	2.0	.....	.....	.....	.....
"Market-based" PCE.....	3.4	3.9	2.6	1.7	.....	.....	.....	.....
Excluding food and energy.....	1.5	1.1	1.9	1.6	.....	.....	.....	.....
Gross domestic product.....	2.6	3.3	3.5	3.3	.....	.....	.....	.....

NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for personal consumption expenditures (PCE) for food and energy goods and services and for PCE excluding food and energy are calculated from index numbers in NIPA table 2.3.4. Contributions to percent change are from NIPA table 1.6.8.

Inflation, as measured by the price index for gross domestic purchases, decelerated, increasing 2.8 percent, following an increase of 3.7 percent.

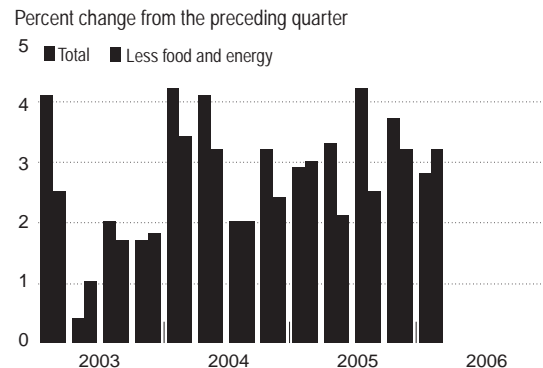
Consumer prices decelerated, increasing 2.0 percent after increasing 2.9 percent. The smaller increase primarily reflected decelerations in prices paid for household electricity and natural gas services and for medical care services.

Prices of private fixed investment increased 4.2 percent after increasing 5.4 percent. The deceleration was due to decelerations in prices paid for residential fixed investment and for nonresidential structures.

Prices paid by government decelerated somewhat, increasing 4.8 percent after increasing 5.4 percent. A deceleration in prices paid by state and local governments was muted by accelerations in prices paid by the Federal Government for defense and non-defense goods and services that mainly resulted from the pay raise.

The prices paid by consumers for energy goods and services turned down, decreasing 0.2 percent after increasing 10.3 percent. The price index for consumer purchases excluding food and energy increased 2.0 percent after increasing 2.4 percent. The market-based PCE price index decelerated also, increasing 1.7 percent after increasing 2.6 percent. Excluding food and energy, the market-based PCE price index decelerated from 1.9 percent to 1.6 percent.

**Chart 7. Gross Domestic Purchases Prices**



NOTE: Percent change at annual rate from preceding quarter; based on seasonally adjusted index numbers (2000=100).

U.S. Bureau of Economic Analysis



