



**Technical Note**  
Gross Domestic Product  
Third Quarter of 2011 (Advance)  
October 27, 2011

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 third quarter is available on BEA's Web site at [www.bea.gov](http://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").

### **Real GDP**

Real GDP increased 2.5 percent (annual rate) in the third quarter of 2011, following an increase of 1.3 percent in the second quarter. The acceleration in real GDP in the third quarter reflected accelerations in consumer spending and in nonresidential fixed investment and a smaller decrease in state and local spending that were partly offset by a larger decrease in inventory investment.

### **Source Data for the Advance Estimate**

The advance GDP estimate for the third quarter of 2011 is based on source data that are incomplete and subject to revision. Three months of source data were available for consumer spending on goods; shipments of capital equipment, including aircraft; motor vehicle sales and inventories; manufacturing durables inventories; federal government outlays; and consumer, producer, and international prices. Only two months of data were available for most other key data sources; BEA's assumptions for the third month are shown in table A. Among those assumptions are the following:

- an increase in nondurable manufacturing inventories,
- an increase in non-motor-vehicle merchant retail and wholesale inventories,
- an increase in exports of goods, excluding gold, and
- an increase in imports of goods, excluding gold.

### **Prices**

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services wherever produced—increased 2.0 percent in the third quarter after increasing 3.3 percent in the second. Excluding food and energy prices, the price index for gross domestic purchases increased 1.8 percent after increasing 2.7 percent.

## **Change in Source Data for Investment in Aircraft**

Beginning with the third quarter of 2011, BEA's current quarterly estimates of private fixed investment in aircraft are based, in part, on data from the Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) on nondefense aircraft shipments. Previously, the quarterly estimates of aircraft investment were based on data on the value of complete aircraft shipments from the Census Bureau's Current Industrial Report (CIR) program. The Census Bureau terminated the CIR program, and the final aircraft data through the month of July were released on September 9, 2011. For more information, see the FAQ on BEA's Web site, "How will the discontinuation of the Census's Current Industrial Reports affect BEA's quarterly estimates of private fixed investment in aircraft?"

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**Table A. KEY ASSUMPTIONS FOR THE ADVANCE ESTIMATE OF GDP  
FOR THE THIRD QUARTER OF 2011**

For many of the key series used to prepare the advance estimate of GDP, including retail sales, unit automobile and truck sales and inventories, manufacturers' shipments of nondefense capital goods, manufacturers' inventories of durable goods, federal defense spending, and consumer, producer, and international price indexes, actual data are available for all months of the quarter.

For the key series shown in this table, actual data for the third month of the quarter usually are not available in time for inclusion in the advance GDP estimate. BEA makes assumptions for the source data that are not yet available; assumptions for September 2011 are shown in the last column of the table. For most series shown, the data for August are preliminary and subject to further revision. Occasionally, the data for earlier months are also subject to revision.

All series shown in the table are in billions of dollars, seasonally adjusted at annual rates, and are published by the Bureau of the Census.

	2011					
	Apr.	May	Jun.	Jul.	Aug.	Sep.*
<b>Private fixed investment:</b>						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	250.1	259.8	271.9	272.6	273.1	272.9
Residential structures:						
Value of new residential construction put in place:						
2 Single family.....	105.6	105.0	105.2	105.5	106.4	107.3
3 Multifamily.....	13.7	14.1	14.0	14.8	14.9	15.0
<b>Change in private inventories:</b>						
NOTE: Historical (April-July) data may reflect concurrent seasonal factors.						
4 Change in inventories for nondurable manufacturing.....	55.6	-0.2	-0.9	0.1	-14.0	6.7
4a Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment...	57.5	93.1	18.7	30.1	23.5	52.2
<b>Net exports:</b>						
Exports of goods:						
5 U.S. exports of goods, international-transactions-accounts basis.....	1519.2	1503.5	1454.3	1521.5	1520.3	1524.4
5a Excluding gold.....	1492.2	1475.4	1426.6	1489.6	1482.4	1493.0
Imports of goods:						
6 U.S. imports of goods, international-transactions-accounts basis.....	2215.9	2287.9	2258.6	2256.8	2257.3	2285.6
6a Excluding gold.....	2200.4	2272.5	2245.0	2242.6	2242.6	2269.2
7 Net exports of goods.....	-696.7	-784.3	-804.3	-735.3	-737.0	-761.2
7a Excluding gold.....	-708.2	-797.1	-818.3	-752.9	-760.2	-776.2
<b>Government:</b>						
State and local:						
Structures:						
8 Value of new construction put in place.....	250.6	248.7	254.5	251.3	260.2	255.8

\*Assumption.