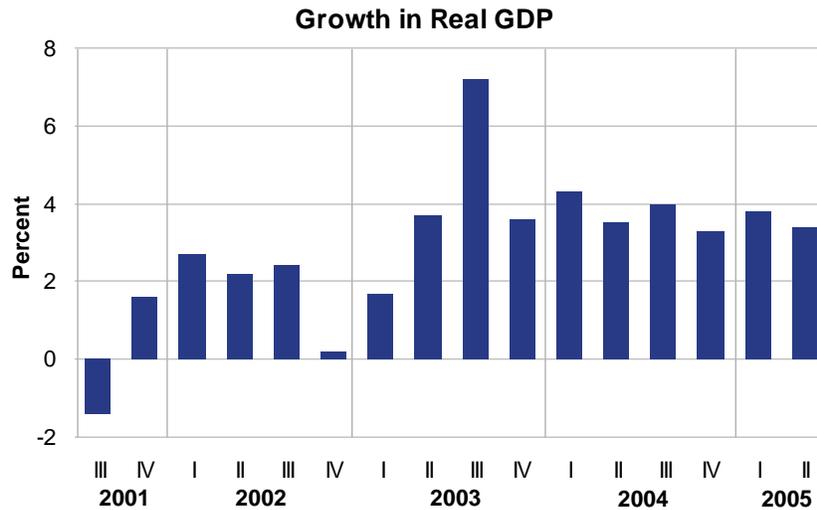


## ECONOMY GREW IN THE SECOND QUARTER

*“Advance” Estimates of GDP*

Inflation-adjusted gross domestic product (GDP), the most comprehensive measure of economic activity, increased 3.4 percent in the second quarter after increasing 3.8 percent in the first quarter.



*Real GDP growth is measured at seasonally adjusted annual rates.*

Consumer spending, exports, and business investment contributed to the 3.4-percent second-quarter increase.

- Consumer spending on goods and services increased 3.3 percent.
- Exports, mainly of goods, increased 12.6 percent.
- Business fixed investment increased 9.0 percent.

The slightly slower GDP growth rate in the second quarter resulted primarily from a downturn in business inventory investment that was partly offset by an increase in net exports.

Prices increased 3.2 percent in the second-quarter after increasing 2.9 percent. Excluding food and energy, prices increased 2.0 percent following a 3.0-percent increase.

Inflation-adjusted, after-tax disposable personal income increased 1.4 percent after decreasing 2.9 percent.

### Annual Revision

BEA today released revised GDP estimates for the first quarter of 2002 through the first quarter of 2005. This annual revision had little effect on year-to-year growth rates. For 2001-2004, real GDP is now estimated to have grown at an average annual rate of 2.8 percent, 0.3 percentage point less than previously estimated.

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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](http://www.bea.gov).

NOTE: Additional information that becomes available in the coming weeks will be incorporated in a revised estimate of second-quarter GDP—and a preliminary estimate of corporate profits—on August 31, 2005.