

GDP GROWTH ACCELERATES IN FOURTH QUARTER

Annual Growth in 2011 Slows

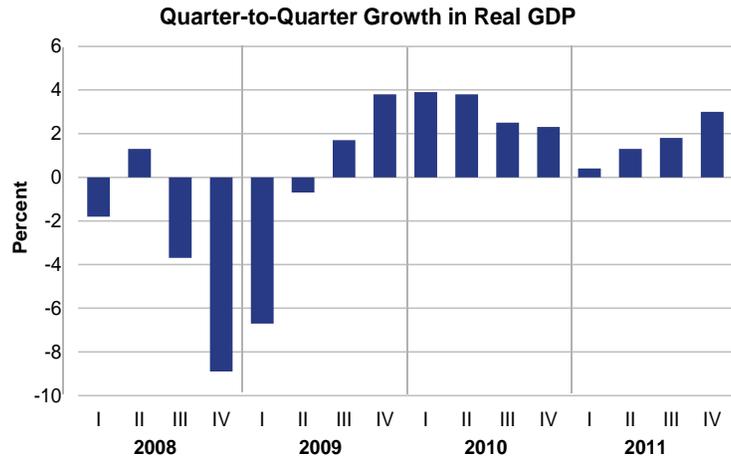
Real gross domestic product (GDP) increased 3.0 percent in the fourth quarter of 2011 after increasing 1.8 percent in the third quarter, according to estimates released by the Bureau of Economic Analysis. The fourth-quarter real GDP growth rate was revised up 0.2 percentage point from the advance estimate released in January.

Fourth-quarter highlights

The largest contributor to the pickup in real GDP growth was inventory investment, which turned up sharply, reflecting upturns in wholesale trade and manufacturing.

In addition, consumer spending for durable goods accelerated, as spending on motor vehicles and parts picked up. Residential housing accelerated.

Partly offsetting these contributions to growth were a slowdown in business investment, a downturn in federal government spending, a pickup in imports, and a larger decrease in state and local government spending.



Real GDP growth is measured at seasonally adjusted annual rates.

Fourth-quarter revisions

The upward revision to fourth-quarter GDP growth reflected an upward revision to consumer spending for services that was partly offset by a downward revision to consumer spending on goods, mainly nondurable goods. In addition, business investment was revised up, largely reflecting an upward revision to structures, and imports were revised down.

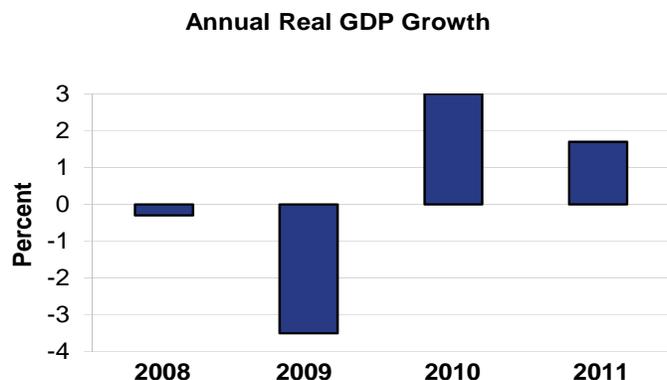
Prices

Prices of goods and services purchased by U.S. residents increased 1.1 percent in the fourth quarter after increasing 2.0 percent in the third quarter. Energy prices turned down, and food prices slowed. Excluding food and energy, prices slowed, increasing 1.2 percent in the fourth quarter after increasing 1.8 percent in the third quarter.

2011 highlights

Real GDP increased 1.7 percent in 2011 after increasing 3.0 percent in 2010. The slowdown mainly reflected downturns in inventory investment and government spending. The decrease in government spending was the largest annual decline since 1971.

These contributions were partly offset by an upturn in net exports and a pickup in business investment.



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 third estimate of GDP and an estimate of corporate profits for the fourth quarter of 2011 will be released on March 29, 2012.