



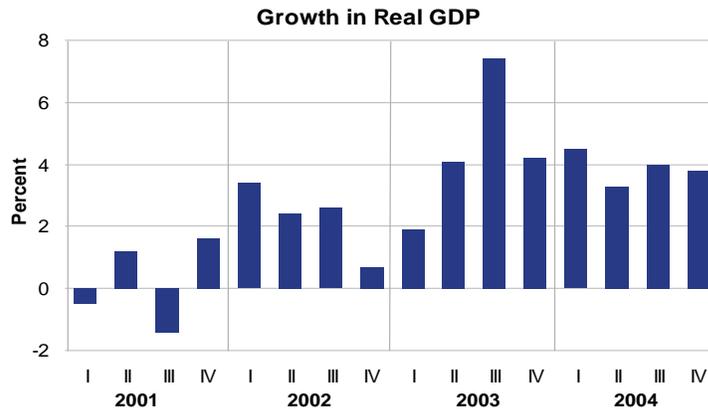
## GDP GROWS 3.8% IN FOURTH QUARTER; PROFITS REBOUND

Revised estimates from the U.S. Bureau of Economic Analysis show gross domestic product grew at an annual rate of 3.8 percent in the fourth quarter of 2004, the same rate as in the “preliminary” estimates released a month ago. BEA also released its first estimate of fourth-quarter corporate profits, which showed an increase of 13.5 percent at a quarterly rate.

### Gross Domestic Product (GDP)

Today’s “final” estimate of inflation-adjusted GDP growth reflected upward revisions to U.S. exports and consumer spending on durable goods, which were offset by a downward revision to inventory investment.

As in the preliminary estimates, the moderation in GDP growth from the third quarter to the fourth was mainly accounted for by the trade balance and consumer spending.

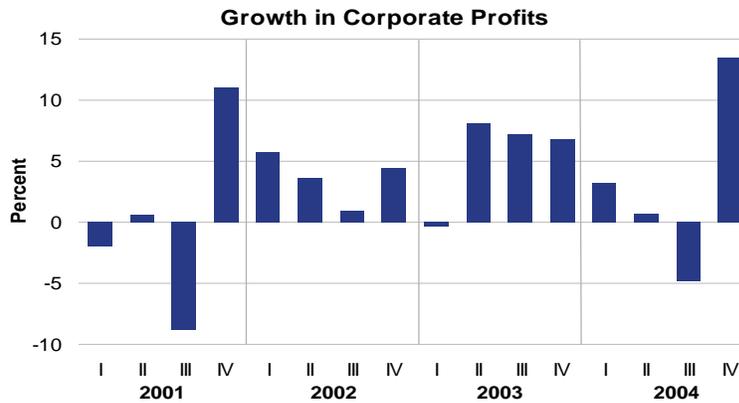


Note: Quarterly real GDP is measured at seasonally adjusted annual rates.

### Corporate Profits

The 13.5-percent increase in fourth-quarter profits, measured at a quarterly rate, followed a 4.8-percent decrease in the third. The third-quarter decline was due to the hurricanes that hit the southern and eastern United States. Excluding the effect of the hurricanes, fourth-quarter profits increased 5.9 percent, following a 2.0-percent increase in the third.

Fourth-quarter profits were 12.4 percent higher than in the fourth quarter of 2003.



Note: The change in corporate profits is measured at seasonally adjusted quarterly rates.

BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states and industries—are available on its Web site: [www.bea.gov](http://www.bea.gov).

NOTE: The “advance” estimate of GDP for the first quarter of 2005 will be released on April 28, 2005.

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