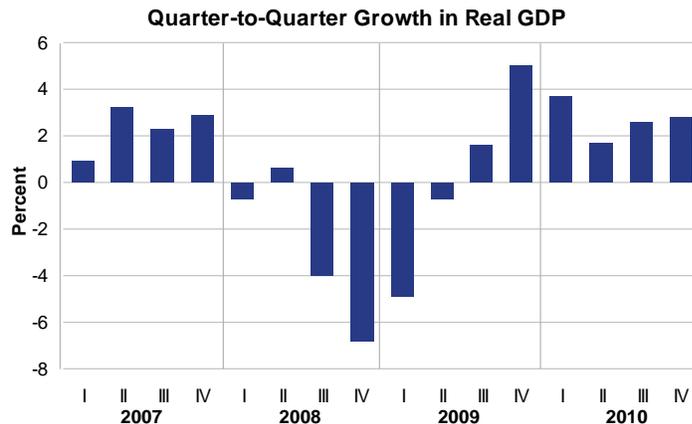


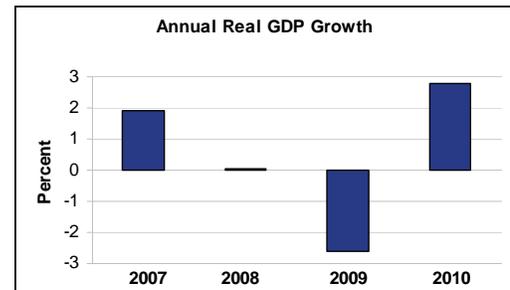
ECONOMY PICKS UP IN FOURTH QUARTER

Second Estimate of GDP

Real gross domestic product (GDP) increased 2.8 percent in the fourth quarter of 2010 after increasing 2.6 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis. The fourth-quarter growth rate was revised down 0.4 percentage point from the advance estimate released in January.



Real GDP growth is measured at seasonally adjusted annual rates.



Fourth-quarter highlights

The following contributed to the small acceleration in real GDP:

- Net exports turned up, reflecting a downturn in imports and a pickup in exports.
- Consumer spending picked up. The 4.1 percent increase in the fourth quarter was the largest increase since the first quarter of 2006.
- Residential housing turned up.

These contributions to growth were partly offset by a large downturn in inventory investment.

Real final sales of domestic product—GDP less inventory investment—rose 6.7 percent in the fourth quarter, compared with a 0.9 percent rise in the third quarter. The fourth-quarter increase was the largest since the fourth quarter of 1998.

Revisions

An upward revision to goods imports and downward revisions to state and local government spending and to consumer spending led to a 0.4 percentage point downward revision to fourth-quarter GDP growth.

Prices

Prices of goods and services purchased by U.S. residents picked up, increasing 2.1 percent, following a 0.7 percent increase in the third quarter. Energy prices accelerated sharply, and food prices picked up. Less food and energy, prices rose 1.2 percent in the fourth quarter after rising 0.4 percent in the third quarter.

2010 Highlights

Real GDP rose 2.8 percent in 2010. In 2009, real GDP declined 2.6 percent. The upturn in growth in 2010 mainly reflected upturns in exports, nonresidential fixed investment (notably equipment and software), consumer spending, and inventory 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 for the fourth quarter of 2010 will be released on March 25, 2011. An estimate of corporate profits will also be released.