

## GDP INCREASES IN FIRST QUARTER

*“Third” estimate of GDP*

Real gross domestic product (GDP) increased 1.4 percent in the first quarter of 2017, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was 0.2 percentage point higher than the “second” estimate released last month. In the fourth quarter of 2016, real GDP increased 2.1 percent.

### GDP highlights

The increase in real GDP was accounted for by increases in business investment, exports, consumer spending, and housing investment. These increases were partly offset by decreases in inventory investment and government spending. Imports, which are a subtraction from GDP, increased.

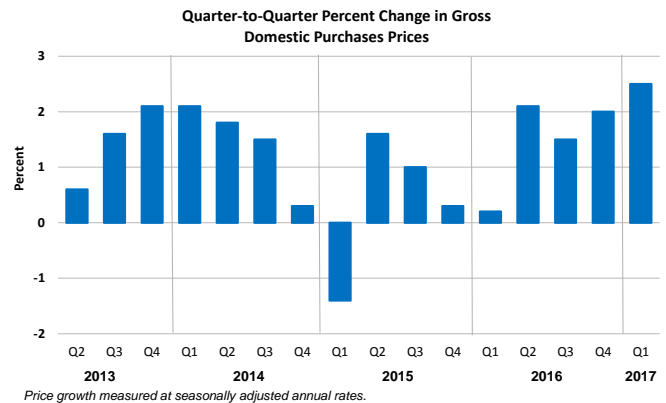


### Revisions

The upward revision to real GDP growth primarily reflected upward revisions to consumer spending on services and to exports, which were partly offset by a downward revision to business investment.

### Prices

Prices of goods and services purchased by U.S. residents increased 2.5 percent in the first quarter after increasing 2.0 percent in the fourth quarter. Excluding energy and food, prices rose 2.2 percent after increasing 1.6 percent.



### Corporate Profits

Corporate profits decreased 2.3 percent at a quarterly rate in the first quarter of 2017 after increasing 0.5 percent in the fourth quarter of 2016.

Profits of domestic nonfinancial corporations decreased 1.0 percent after decreasing 4.9 percent. Profits of domestic financial corporations decreased 5.4 percent after increasing 5.4 percent. Profits from the rest of the world decreased 2.1 percent after increasing 11.0 percent.

Over the last 4 quarters, corporate profits increased 3.3 percent.

