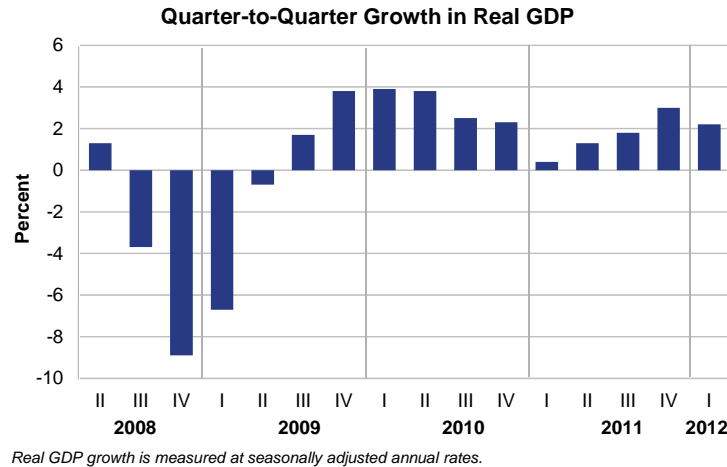


GDP GROWTH SLOWS IN FIRST QUARTER

"Advance" Estimate of GDP

Real gross domestic product (GDP) increased 2.2 percent in the first quarter of 2012 after increasing 3.0 percent in the fourth quarter of 2011, according to estimates released today by the Bureau of Economic Analysis.



First-quarter highlights

The slower economic growth reflected slower growth in inventory and fixed investment by businesses:

- The deceleration in inventory investment was primarily due to reduced inventory investment in manufacturing and in wholesale industries. In contrast, inventory investment in retail industries increased, especially in motor vehicles and parts.
- The slower growth in fixed investment was mainly due to slowdowns in industrial equipment, in computer and related equipment, and in power and communication structures.

These contributions to slower growth in GDP were partly offset by faster growth in consumer spending, mainly for services, and in services exports.

Prices

Prices of goods and services purchased by U.S. residents rose 2.4 percent after rising 1.1 percent. Energy prices turned up, while food prices slowed. Prices, excluding food and energy, rose 2.2 percent after rising 1.2 percent.

Personal income

Real disposable personal income—which adjusts personal income for changes in consumer prices and taxes—rose 0.4 percent in the first quarter vs. 1.7 percent in the fourth quarter. The slower growth mainly reflected a 2.4 percent rise in consumer prices in the first quarter vs. a 1.2 percent rise in the fourth quarter.

Personal saving

The personal saving rate—saving as a percentage of disposable personal income—was 3.9 percent in the first quarter, compared with 4.5 percent in the fourth quarter. The first-quarter saving rate was the lowest since the fourth quarter of 2007.

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 second estimate of GDP for the first quarter of 2012 and an estimate of corporate profits will be released on May 31, 2012.