

GDP INCREASES IN THIRD QUARTER

“Second” estimate of GDP

Real gross domestic product (GDP) increased 3.3 percent in the third quarter of 2017, according to the “second” estimate released by the Bureau of Economic Analysis. In the second quarter of 2017, real GDP increased 3.1 percent.

GDP highlights

The increase in real GDP reflected increases in consumer spending, inventory investment, business investment, and exports. A notable offset to these increases was a decrease in housing investment. Imports, which are a subtraction from GDP, decreased.

The increase in consumer spending reflected increases in spending on both goods and services. The increase in goods was primarily attributable to motor vehicles. The increase in services primarily reflected increases in health care, financial services and insurance, and recreation services.

The increase in inventory investment primarily reflected increases in the manufacturing and wholesale trade industries. The increase in business investment reflected increases in equipment and intellectual property products; these increases were partly offset by a decrease in structures.

The decrease in housing investment primarily reflected a decrease in brokers’ commissions.

Corporate profits

Corporate profits increased 4.3 percent at a quarterly rate in the third quarter of 2017 after increasing 0.7 percent in the second quarter.

- Profits of domestic nonfinancial corporations increased 1.0 percent after increasing 4.9 percent.
- Profits of domestic financial corporations increased 13.7 percent after decreasing 7.1 percent.
- Profits from the rest of the world increased 4.5 percent after decreasing 2.5 percent.

Corporate profits increased 5.4 percent from the third quarter of 2016.

