

## GDP INCREASES IN THIRD QUARTER

### “Third” estimate of GDP

Real gross domestic product (GDP) increased 3.4 percent in the third quarter of 2018, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was revised down 0.1 percentage point from the “second” estimate released in November. In the second quarter, real GDP increased 4.2 percent.

### GDP highlights

The increase in real GDP reflected increases in consumer spending, inventory investment, government spending, and business investment. A notable offset was a decrease in exports. Imports, which are a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in spending on both goods (mainly in clothing and footwear and in prescription drugs) and services (mainly in health care). The increase in inventory investment primarily reflected increases in wholesale and in manufacturing inventories.

The decrease in exports reflected a decrease in goods that was partly offset by an increase in services.

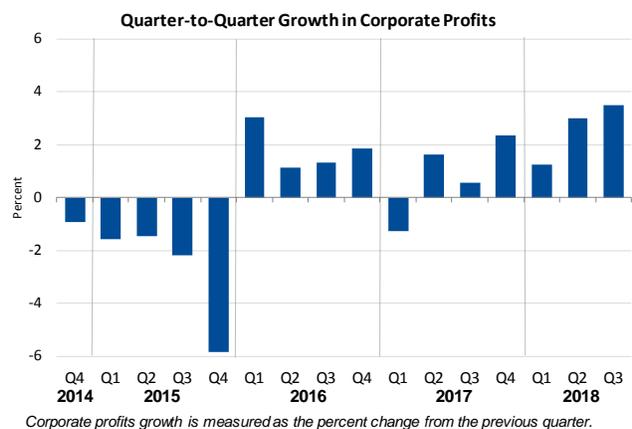
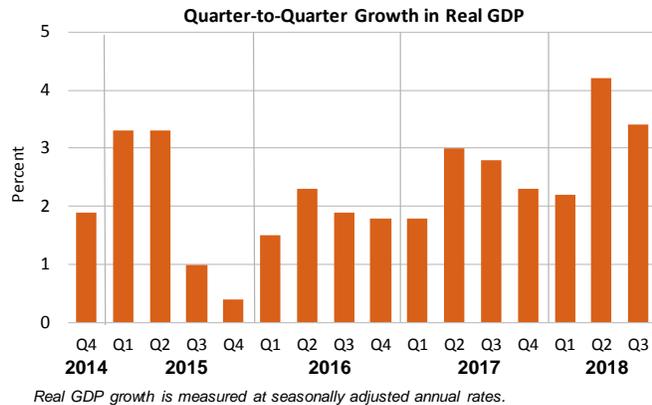
### Updates to GDP

The downward revision to GDP growth mainly reflected downward revisions to consumer spending and exports that was partially offset by an upward revision to inventory investment. For more information see the technical note.

### Corporate profits

Corporate profits increased 3.5 percent at a quarterly rate in the third quarter of 2018 after increasing 3.0 percent in the second.

- Profits of domestic nonfinancial corporations increased 6.4 percent after increasing 4.2 percent.
- Profits of domestic financial corporations decreased 1.3 percent after increasing 3.7 percent.
- Profits from the rest of the world increased 0.3 percent after decreasing 0.9 percent.



Corporate profits increased 10.4 percent from the third quarter of 2017.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available. The “advance” estimate of GDP for the fourth quarter of 2018 will be released on January 30, 2019.