

## GDP GROWTH SLOWS IN SECOND QUARTER

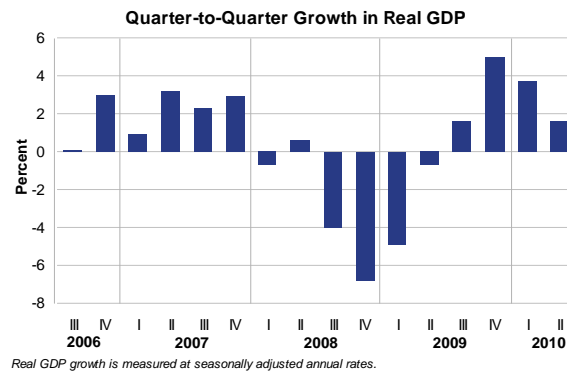
*“Second” Estimate of GDP*

Real gross domestic product (GDP) increased 1.6 percent in the second quarter of 2010 after increasing 3.7 percent in the first quarter, according to the Bureau of Economic Analysis. The second-quarter growth rate was revised down 0.8 percentage point from the “advance” estimate, in part reflecting new data on imports for June. Real gross domestic purchases—purchases of goods and services produced domestically and abroad—rose 4.9 percent in the second quarter after rising 3.9 percent in the first quarter.

### GDP highlights

The slower GDP growth primarily reflected a surge in imports compared with the previous quarter and a slowdown in inventory investment.

These contributions to the slowdown in GDP growth were partly offset by an upturn in residential investment, an acceleration in business investment, an upturn in state and local government spending, and a pick up in federal government spending.

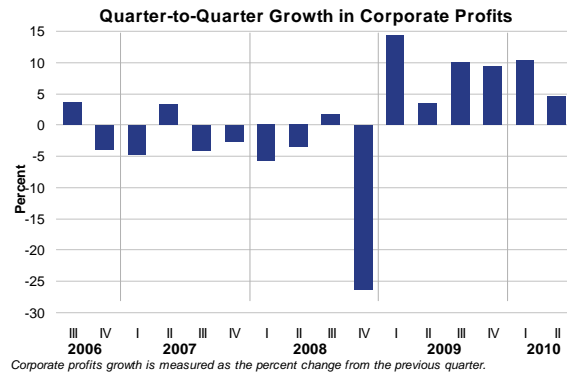


### Revisions

Downward revisions to net exports and to inventory investment were partly offset by an upward revision to consumer spending for services.

### Corporate Profits

Second-quarter corporate profits rose 4.6 percent at a quarterly rate. Nonfinancial corporate profits increased 8.1 percent, and financial corporate profits decreased marginally. Profits from the rest of the world increased 1.4 percent.



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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “third” estimate of GDP for the second quarter of 2010 will be released on September 30, 2010. A revised estimate of corporate profits will also be released.