

GDP INCREASES IN FOURTH QUARTER

“Initial” estimate of GDP

Real gross domestic product (GDP) increased 2.6 percent in the fourth quarter of 2018, according to the “initial” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.4 percent.

Fourth-quarter GDP highlights

The increase in real GDP reflected increases in consumer spending, business investment, exports, and inventory investment. These contributions were partly offset by a decline in housing investment. Imports, a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in both goods and services. The main contributors to the increase in goods were motor vehicles and “other” nondurable goods, mainly prescription drugs. An increase in health care was the leading contributor to services.

The increase in business investment reflected increases in intellectual property products and equipment.

Prices

Prices of goods and services purchased by U.S. residents increased 1.6 percent in the fourth quarter after increasing 1.8 percent in the third quarter. Excluding food and energy, prices rose 1.8 percent – the same rate as in the third quarter.

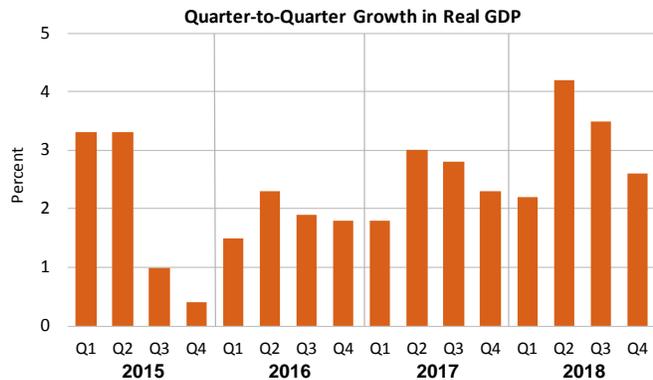
Annual GDP growth

For the year 2018, real GDP increased 2.9 percent, compared with 2.2 percent in 2017.

The increase in real GDP in 2018 reflected increases in consumer spending, business investment, exports, government spending, and inventory investment. These contributions were partly offset by a small decrease in housing investment. Imports increased.

Prices of goods and services purchased by U.S. residents increased 2.2 percent in 2018, compared with an increase of 1.9 percent in 2017. Excluding food and energy, prices increased 2.1 percent after increasing 1.8 percent.

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. [E-mail](#) alerts are also available. The next estimate of GDP for the fourth quarter of 2018 will be released on March 28, 2019.



Real GDP growth is measured at seasonally adjusted annual rates.

