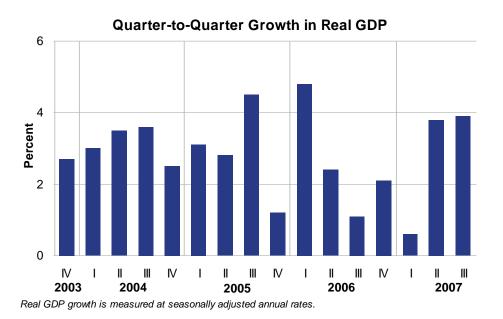
WEDNESDAY October 31, 2007



GDP GROWS 3.9 PERCENT IN THIRD QUARTER

"Advance" Estimate of GDP

Real gross domestic product (GDP) increased 3.9 percent in the third quarter of 2007 after increasing 3.8 percent in the second, according to estimates released today by the Bureau of Economic Analysis.



GDP

Sources of real GDP growth in the third quarter:

- Personal consumption growth rebounded to 3.0 percent after rising 1.4 percent in the second quarter.
- Goods export growth was the largest since the fourth quarter of 1996.

In contrast:

- Housing registered a bigger decline than in the second quarter.
- Import growth resumed after a decline in the second quarter.

Prices

Led by a decline in energy prices, prices of goods and services purchased by U.S. residents decelerated in the third quarter, rising 1.6 percent after rising 3.8 percent in the second quarter.

Personal Income

Real disposable personal income—income adjusted for inflation and taxes—increased 4.4 percent in the third quarter, compared with a 0.6 percent increase in the second quarter. The higher growth rate reflected the decline in inflation.

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: <u>www.bea.gov</u>. <u>E-mail</u> alerts are also available.

NOTE: The "preliminary" estimates of GDP and corporate profits for the third quarter of 2007 will be released on November 29, 2007.