

GDP GROWTH ACCELERATES IN FOURTH QUARTER

Annual Growth in 2011 Slows

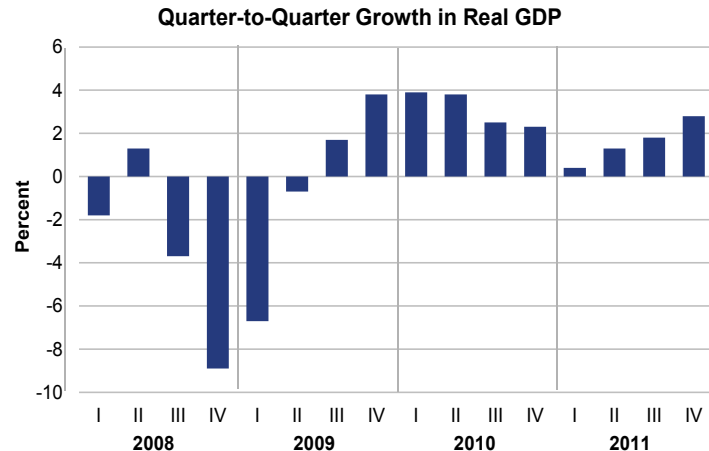
Real gross domestic product (GDP) increased 2.8 percent in the fourth quarter of 2011 after increasing 1.8 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis. Real GDP increased 1.7 percent in 2011 after increasing 3.0 percent in 2010.

Fourth-quarter highlights

The following contributed to the pickup in real GDP growth:

- Inventory investment turned up and was the largest contributor to real GDP growth.
- Consumer spending for durable goods accelerated, mainly reflecting a sharp acceleration in motor vehicles and parts. Consumer spending for nondurable goods turned up.

These contributions to growth were partly offset by slowdowns in business investment and in consumer spending for services, a downturn in federal government spending, and a pickup in imports.



Real GDP growth is measured at seasonally adjusted annual rates.

Prices

Prices of goods and services purchased by U.S. residents slowed, increasing 0.8 percent in the fourth quarter after increasing 2.0 percent in the third quarter. Energy prices turned down, and food prices slowed. Excluding food and energy, prices also slowed, increasing 1.0 percent in the fourth quarter after increasing 1.8 percent in the third quarter.

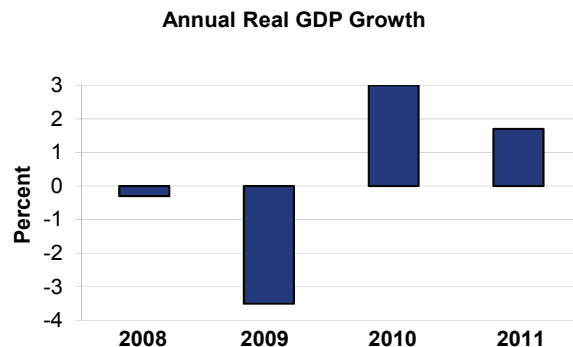
2011 highlights

Real GDP increased 1.7 percent in 2011 after increasing 3.0 percent in 2010.

The slowdown in growth in 2011 mainly reflected the following:

- A downturn in inventory investment.
- A downturn in government spending; the annual decline was the largest decline since 1971.

These contributions were partly offset by an upturn in net exports and a pickup in business investment.



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. [E-mail](#) alerts are also available.

NOTE: The second estimate of GDP for the fourth quarter of 2011 will be released on February 29, 2012.