

## GDP INCREASES IN FOURTH QUARTER

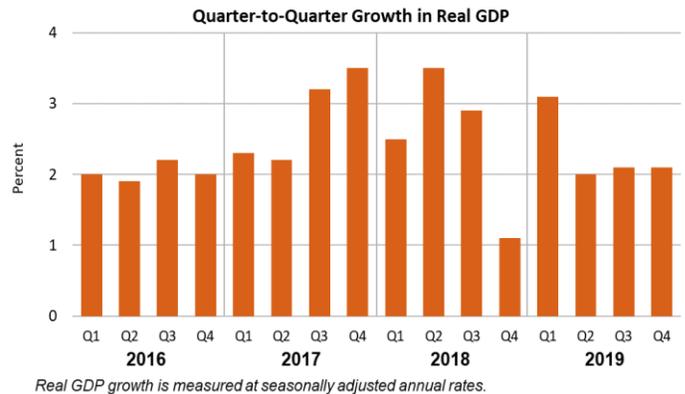
*“Advance” estimate of GDP*

Real gross domestic product (GDP) increased 2.1 percent in the fourth quarter of 2019, according to the “advance” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP also increased 2.1 percent.

### Fourth-quarter GDP highlights

The fourth-quarter increase in real GDP reflected increases in consumer spending, government spending, housing investment, and exports which were partially offset by decreases in inventory investment and business investment. Imports, a subtraction in the calculation of GDP, decreased.

The increase in consumer spending reflected increases in goods (led by clothing and footwear) and services (led by health care). The increase in government spending reflected increases in both federal and state and local government.



The decrease in inventory investment reflected a decrease in retail trade inventories (led by motor vehicle dealers). The decrease in business investment reflected a decrease in structures (led by mining exploration, shafts and wells) and equipment (led by industrial equipment).

### Prices

Prices of goods and services purchased by U.S. residents increased 1.5 percent in the fourth quarter after increasing 1.4 percent in the third quarter. Excluding food and energy, prices rose 1.3 percent after increasing 1.8 percent in the third quarter.

### Year 2019 highlights (from the 2018 annual level to the 2019 annual level)

For the year 2019, real GDP increased 2.3 percent, compared with 2.9 percent in 2018.

Increases in consumer spending, government spending, business investment, and inventory investment were partially offset by a decrease in housing investment and an increase in imports.

Prices of goods and services purchased by U.S. residents increased 1.6 percent in 2019, compared with an increase of 2.4 percent in 2018. Excluding food and energy, prices increased 1.7 percent after increasing 2.3 percent.

