

GDP INCREASES IN FOURTH QUARTER

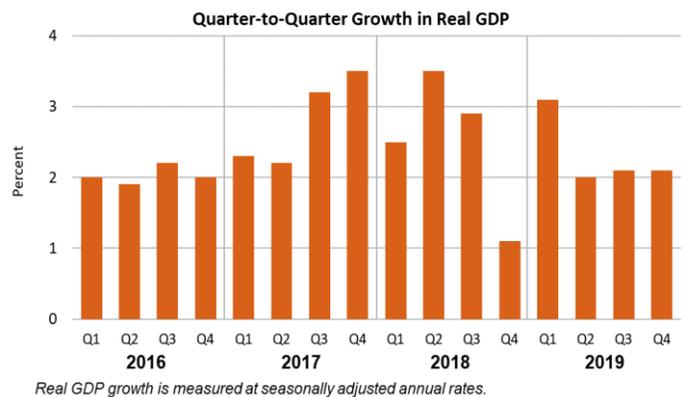
“Second” estimate of GDP

Real gross domestic product (GDP) increased 2.1 percent in the fourth quarter of 2019, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate is the same as in the “advance” estimate released in January. 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, exports, and housing investment, 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 motor vehicles and parts) and services (led by health care). The increase in government spending reflected increases in both federal as well as 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 equipment (led by industrial equipment) and structures (led by mining exploration, shafts, and wells).

Updates to GDP

The unrevised GDP growth rate primarily reflected an upward revision to inventory investment that was offset by a downward revision to business investment.

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 1.5 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.

