

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, TUESDAY, MAY 25, 2010

Technical: Nicole Mayerhauser (202) 606-5307

BEA 10-21

Erich Strassner

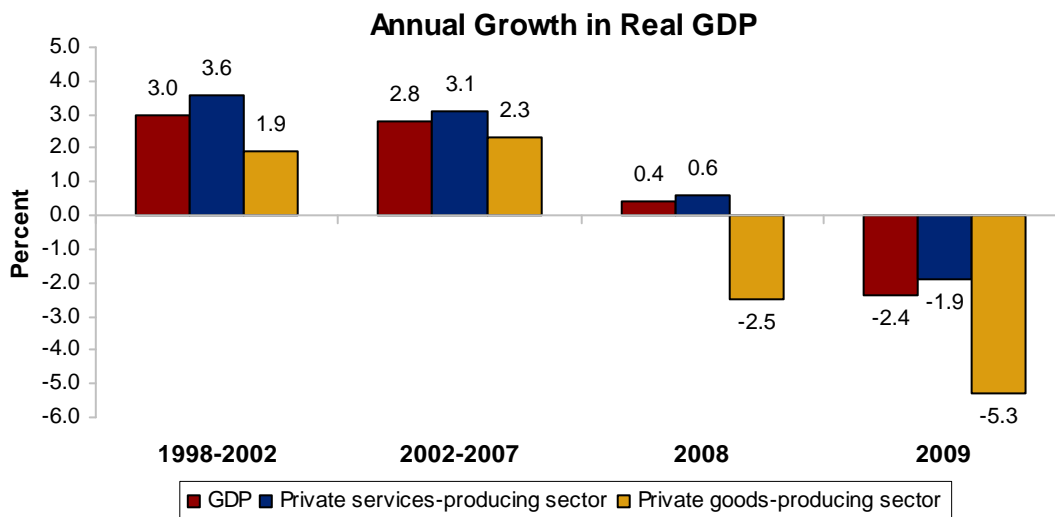
Media: Ralph Stewart (202) 606-9690

2009 Decline Widespread Across Industries

Advance GDP by Industry Statistics for 2009 and Revised Statistics for 1998-2008

Downturns in durable-goods manufacturing and finance and insurance and a continued contraction in construction were the leading contributors to the downturn in U.S. economic growth in 2009, according to preliminary statistics on the breakout of real gross domestic product (GDP) by industry from the Bureau of Economic Analysis. The economic downturn was widespread: 15 of 22 industry groups contributed to the decline in real GDP growth.

- Manufacturing value added—a measure of an industry’s contribution to GDP—fell 5.9 percent in 2009, a sharper decline than the 3.6 percent drop in 2008. Durable-goods manufacturing turned down for the first time since 2001, decreasing 7.5 percent after growing 0.3 percent in 2008. Nondurable-goods manufacturing fell 3.8 percent, a slower decline than the 8.2 percent drop in 2008.
- Construction value added fell 9.9 percent in 2009, reflecting declines in residential and nonresidential activity. Construction contracted for the fifth consecutive year.
- Finance and insurance value added dropped 2.7 percent in 2009, after increasing 3.2 percent in 2008.

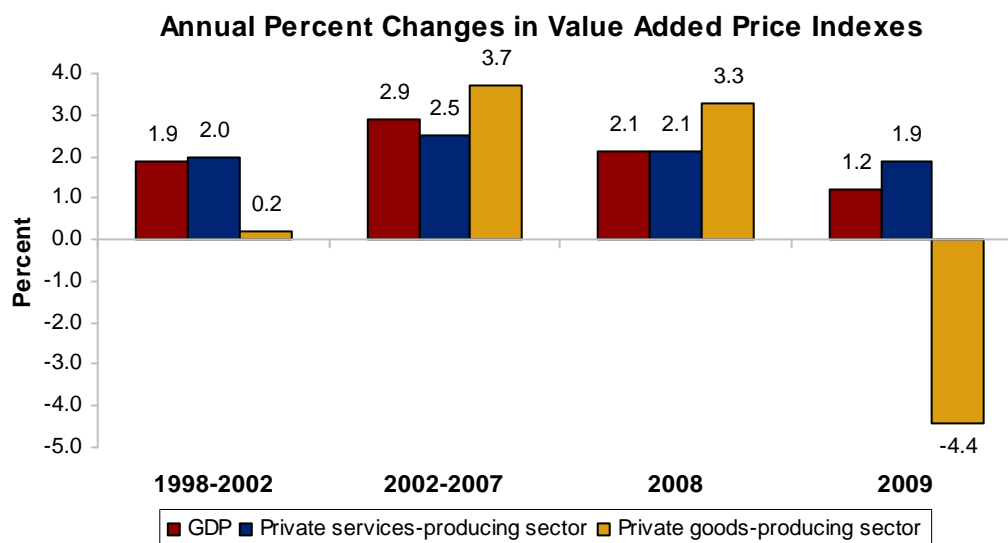


Source: U.S. Bureau of Economic Analysis

Prices:

Declines in value added prices for mining and agriculture and a sharp deceleration in prices for nondurable-goods manufacturing were the largest contributors to the slowdown in the GDP price index for 2009. Value added prices measure changes in an industry's labor and capital input prices, including profit margins.

- Value added prices for mining fell sharply in 2009, decreasing 27.4 percent after increasing 26.4 percent in 2008, primarily reflecting decreases in prices for petroleum.
- Value added prices for agriculture industries fell 20.1 percent in 2009, after increasing 1.4 percent in 2008, primarily reflecting decreases in prices for crops and livestock.
- Growth in value added prices for finance and insurance and real estate partially offset the sharp declines in prices for mining and agriculture.



Source: U.S. Bureau of Economic Analysis

Other highlights:

- The private goods-producing sector contracted for the second consecutive year, falling 5.3 percent in 2009 after decreasing 2.5 percent in 2008.
- The private services-producing sector turned down, decreasing 1.9 percent. Real estate and rental and leasing was the largest contributor to the decline in this sector.
- Value added growth for the Federal government and health care industries helped to partially offset the widespread economic downturn in 2009.
- Information-communications-technology industries' value added turned down in 2009, decreasing 0.1 percent after averaging double-digit growth from 1998 through 2007.

Comprehensive Revision of the Annual Industry Accounts

The estimates released today reflect the results of the comprehensive revision of the annual industry accounts for 1998-2008. This revision incorporates major changes in definitions, classifications, and statistical methods that update the accounts to more accurately portray the evolving U.S. economy. Major changes introduced with this revision include:

- Updated industry and commodity definitions consistent with the 2002 North American Industry Classification System (NAICS).
- The results of the 2002 benchmark input-output (I-O) accounts, including U.S. Census Bureau data on shipments, receipts, and business expenses from the 2002 Economic Census, Business Expense Survey, and Services Annual Survey (SAS).
- The results of the 2009 comprehensive revision of the national income and product accounts, including the new classification system for personal consumption expenditures and new estimates of underreporting and nonreporting of income.
- New producer price indexes from the Bureau of Labor Statistics (BLS) used to deflate gross margin output for the retail trade sector.
- Expanded annual business expense data from the SAS.
- A new interpolation method to prepare time-series annual industry accounts between the 1997 and the newly available 2002 benchmark I-O tables.
- An improved method to “reconcile” value added by industry within a balanced I-O framework.

More information on this revision is available on BEA’s website at www.bea.gov/industry, including a link to an article in the March 2010 issue of the *Survey of Current Business* that describes in more detail the major changes listed above. An article in the June *Survey* will highlight the results of the improved annual industry accounts, including the advance GDP by industry statistics for 2009.

BEA’s national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA’s Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

* * *

Table 1. Real Value Added by Industry Group
[Percent change]

	Average annual rate of change, 1998-2002	Average annual rate of change, 2002-2007	2008	2009
Gross domestic product.....	3.0	2.8	0.4	-2.4
Private industries.....	3.2	2.9	-0.1	-2.6
Agriculture, forestry, fishing, and hunting.....	4.1	3.0	9.5	4.6
Mining.....	-1.8	-5.7	0.3	3.7
Utilities.....	0.6	1.3	3.2	3.1
Construction.....	0.7	-1.6	-3.3	-9.9
Manufacturing.....	2.3	4.6	-3.6	-5.9
Durable goods.....	3.9	6.0	0.3	-7.5
Nondurable goods.....	0.1	2.8	-8.2	-3.8
Wholesale trade.....	4.5	3.6	-0.6	-1.0
Retail trade.....	3.3	1.6	-5.2	-4.5
Transportation and warehousing.....	1.2	5.6	-2.5	-2.8
Information.....	6.9	6.0	1.4	1.6
Finance, insurance, real estate, rental, and leasing.....	4.7	3.0	1.6	-2.4
Finance and insurance.....	7.6	3.0	3.2	-2.7
Real estate and rental and leasing.....	3.0	3.0	0.7	-2.3
Professional and business services.....	3.1	3.4	1.5	-3.0
Professional, scientific, and technical services.....	3.4	3.9	1.8	-1.8
Management of companies and enterprises.....	2.6	-0.8	2.4	-2.6
Administrative and waste management services.....	2.7	5.0	0.2	-6.5
Educational services, health care, and social assistance.....	2.9	2.7	3.2	1.4
Educational services.....	1.9	0.6	2.2	-1.1
Health care and social assistance.....	3.1	3.0	3.3	1.7
Arts, entertainment, recreation, accommodation, and food services.....	2.6	2.5	-1.3	-3.1
Arts, entertainment, and recreation.....	1.7	2.0	2.5	-2.2
Accommodation and food services.....	2.9	2.7	-2.6	-3.4
Other services, except government.....	-1.4	0.4	-0.3	-4.5
Government.....	1.5	0.8	2.0	1.9
Federal.....	0.3	0.7	2.7	5.7
State and local.....	2.0	0.9	1.8	0.1
Addenda:				
Private goods-producing industries ¹	1.9	2.3	-2.5	-5.3
Private services-producing industries ²	3.6	3.1	0.6	-1.9
Information-communications-technology-producing industries ³	12.7	11.3	5.4	-0.1

1. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

3. Consists of computer and electronic products within durable-goods manufacturing; publishing industries (includes software) and information and data processing services within information; and computer systems design and related services within professional, scientific, and technical services.

Source: U.S. Bureau of Economic Analysis

Table 2. Chain-Type Price Indexes for Value Added by Industry Group
 [Percent change]

	Average annual rate of change, 1998-2002	Average annual rate of change, 2002-2007	2008	2009
Gross domestic product.....	1.9	2.9	2.1	1.2
Private industries.....	1.6	2.8	2.3	0.5
Agriculture, forestry, fishing, and hunting.....	-5.4	6.1	1.4	-20.1
Mining.....	9.8	24.3	26.4	-27.4
Utilities.....	1.7	5.0	0.1	2.3
Construction.....	5.8	7.7	0.0	0.4
Manufacturing.....	-1.7	0.1	1.4	-0.2
Durable goods.....	-4.2	-1.6	-2.8	-0.8
Nondurable goods.....	1.8	2.4	6.8	0.6
Wholesale trade.....	-2.0	2.2	1.2	-2.4
Retail trade.....	0.6	2.4	2.3	1.8
Transportation and warehousing.....	1.1	0.5	1.9	0.0
Information.....	-0.2	-1.4	-1.4	0.2
Finance, insurance, real estate, rental, and leasing.....	2.2	2.4	3.0	3.0
Finance and insurance.....	0.4	2.4	3.6	2.7
Real estate and rental and leasing.....	3.3	2.5	2.6	3.3
Professional and business services.....	3.4	3.6	1.5	1.7
Professional, scientific, and technical services.....	3.2	3.3	2.7	2.5
Management of companies and enterprises.....	3.9	8.2	-0.2	-0.7
Administrative and waste management services.....	3.7	1.7	-0.5	1.2
Educational services, health care, and social assistance.....	4.0	3.6	2.4	3.1
Educational services.....	5.9	6.2	4.1	5.8
Health care and social assistance.....	3.8	3.2	2.1	2.7
Arts, entertainment, recreation, accommodation, and food services.....	3.7	2.9	2.8	3.2
Arts, entertainment, and recreation.....	4.1	3.2	2.1	2.1
Accommodation and food services.....	3.5	2.8	3.1	3.6
Other services, except government.....	5.2	4.0	3.9	3.3
Government.....	3.8	4.6	3.1	2.4
Federal.....	4.0	5.1	2.0	2.3
State and local.....	3.8	4.3	3.5	2.4
Addenda:				
Private goods-producing industries ¹	0.2	3.7	3.3	-4.4
Private services-producing industries ²	2.0	2.5	2.1	1.9
Information-communications-technology-producing industries ³	-8.4	-4.6	-3.6	-3.2

1. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

3. Consists of computer and electronic products within durable-goods manufacturing; publishing industries (includes software) and information and data processing services within information; and computer systems design and related services within professional, scientific, and technical services.

Source: U.S. Bureau of Economic Analysis