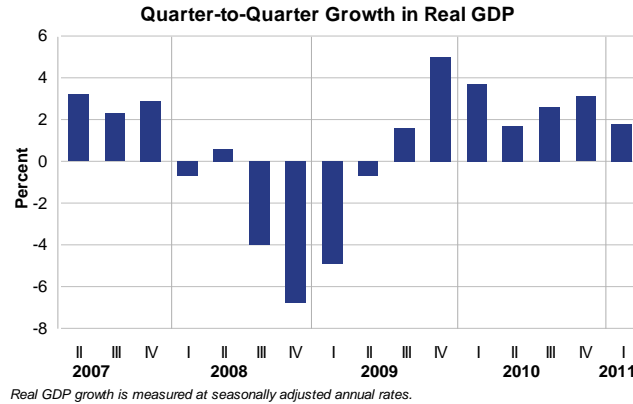


GDP GROWTH SLOWS IN THE FIRST QUARTER

Second Estimate of GDP

Real gross domestic product (GDP) increased 1.8 percent in the first quarter of 2011 after increasing 3.1 percent in the fourth quarter, according to estimates released today by the Bureau of Economic Analysis. The first-quarter growth rate was the same as the advance estimate released in April.



First-quarter GDP highlights

The following components contributed to the slowdown in real GDP:

- Imports turned up sharply; the largest contributor was a large upturn in petroleum and products.
- Consumer spending slowed, partly reflecting a slowdown in autos and parts.
- Government spending, mainly federal defense spending, fell much more in the first quarter than in the fourth quarter.
- Business investment slowed, mainly due to a downturn in structures. The first-quarter decrease in structures was the largest since the first quarter of 2010.

These contributions to the slowdown in growth were partly offset by a large upturn in inventory investment.

Revisions

Upward revisions to exports and inventory investment were offset by revisions to imports and consumer spending.

Corporate Profits

First-quarter corporate profits rose 1.3 percent at a quarterly rate, following a 2.3 percent rise in the fourth quarter. (Year over year, first-quarter profits rose 8.5 percent). First-quarter nonfinancial corporate profits rose 5.2 percent, while financial profits fell 16.6 percent from the fourth quarter. Profits from the rest of the world increased 12.5 percent in the first quarter.



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 third estimate of GDP and a revised estimate of corporate profits for the first quarter of 2011 will be released on June 24, 2011.