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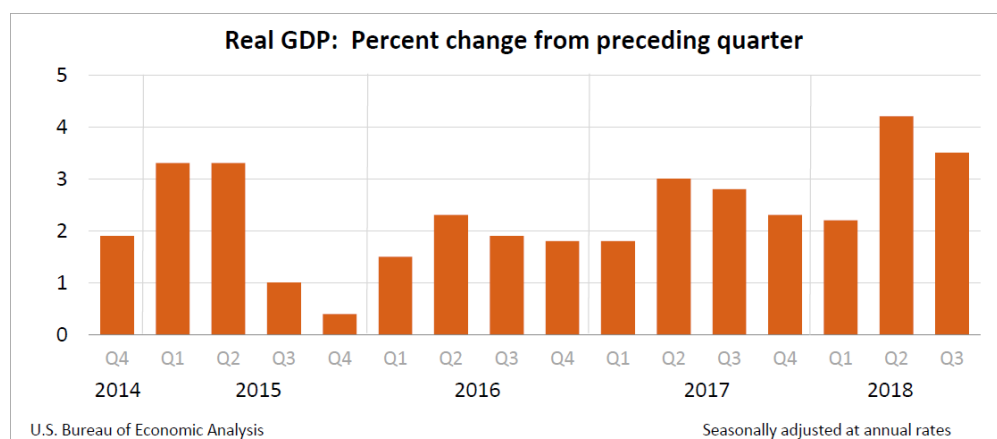
EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, Wednesday, November 28, 2018

BEA 18-64

Gross Domestic Product, Third Quarter 2018 (Second Estimate); Corporate Profits, Third Quarter 2018 (Preliminary Estimate)

Real gross domestic product (GDP) increased at an annual rate of 3.5 percent in the third quarter of 2018 (table 1), according to the "second" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 4.2 percent.

The GDP estimate released today is based on more complete source data than were available for the "advance" estimate issued last month. In the advance estimate, the increase in real GDP was also 3.5 percent. With this second estimate for the third quarter, the general picture of economic growth remains the same; upward revisions to nonresidential fixed investment and private inventory investment were offset by downward revisions to personal consumption expenditures (PCE) and state and local government spending (see "Updates to GDP" on page 2).



(/system/files/inline-images/gdp3q18_2nd.png)

Real gross domestic income (GDI) increased 4.0 percent in the third quarter, compared with an increase of 0.9 percent (revised) in the second quarter. The **average of real GDP and real GDI**, a supplemental measure of U.S. economic activity that equally weights GDP and GDI, increased 3.8 percent in the third quarter, compared with an increase of 2.5 percent (revised) in the second quarter (table 1).

The increase in real GDP in the third quarter reflected positive contributions from PCE, private inventory investment, nonresidential fixed investment, federal government spending, and state and local government spending that were partly offset by negative contributions from exports and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased (table 2).

The deceleration in real GDP growth in the third quarter primarily reflected a downturn in exports and decelerations in nonresidential fixed investment and in PCE. Imports increased in the third quarter after decreasing in the second. These movements were partly offset by an upturn in private inventory investment.

Current dollar GDP increased 5.0 percent, or \$248.4 billion, in the third quarter to a level of \$20.66 trillion. In the second quarter, current-dollar GDP increased 7.6 percent, or \$370.9 billion (table 1 and table 3).

The **price index for gross domestic purchases** increased 1.7 percent in the third quarter, compared with an increase of 2.4 percent in the second quarter (table 4). The PCE price index increased 1.5 percent, compared with an increase of 2.0 percent. Excluding food and energy prices, the PCE price index increased 1.5 percent, compared with an increase of 2.1 percent.

Updates to GDP

The third-quarter percent change in real GDP was unrevised from the advance estimate, reflecting upward revisions to nonresidential fixed investment and private inventory investment that were offset by downward revisions to PCE and state and local government spending. For more information, see the Technical Note

(/system/files/2018-11/tech3q18_2nd.pdf). A detailed "Key Source Data and Assumptions (/system/files/2018-11/gdpkeysource_3q18_11-28-18.xlsx)" file is also posted for each release. For information on updates to GDP, see the "Additional Information" section that follows.

	Advance Estimate	Second Estimate
	(Percent change from preceding quarter)	
Real GDP	3.5	3.5
Current-dollar GDP	4.9	5.0
Real GDI	...	4.0
Average of Real GDP and Real GDI	...	3.8
Gross domestic purchases price index	1.7	1.7
PCE price index	1.6	1.5

For the second quarter of 2018, the percent change in real GDI was revised from 1.6 percent to 0.9 percent based on newly-available tabulations from the BLS Quarterly Census of Employment and Wages program.

Corporate Profits (table 10)

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$76.0 billion in the third quarter, compared with an increase of \$65.0 billion in the second quarter.

Profits of domestic financial corporations decreased \$7.8 billion in the third quarter, in contrast to an increase of \$16.5 billion in the second quarter. **Profits of domestic nonfinancial corporations** increased \$66.2 billion, compared with an increase of \$53.0 billion. **Rest-of-the-world profits** increased \$17.6 billion, in contrast to a decrease of \$4.5 billion. In the third quarter, receipts decreased \$7.7 billion, and payments decreased \$25.3 billion.

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Next release: December 21, 2018 at 8:30 A.M. EST
Gross Domestic Product, Third Quarter 2018 (Third Estimate)
Corporate Profits, Third Quarter 2018 (Revised Estimate)

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Release Dates in 2019

Estimate	2018 Q4 and 2018 annual	2019 Q1	2019 Q2	2019 Q3
Gross Domestic Product				
Advance Estimate	January 30, 2019	April 26, 2019	July 26, 2019	October 30, 2019
Second Estimate	February 28, 2019	May 30, 2019	August 29, 2019	November 27, 2019
Third Estimate	March 28, 2019	June 27, 2019	September 26, 2019	December 20, 2019
Corporate Profits				
Preliminary Estimate	---	May 30, 2019	August 29, 2019	November 27, 2019
Revised Estimate	March 28, 2019	June 27, 2019	September 26, 2019	December 20, 2019

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