

GDP ACCELERATES IN THE SECOND QUARTER

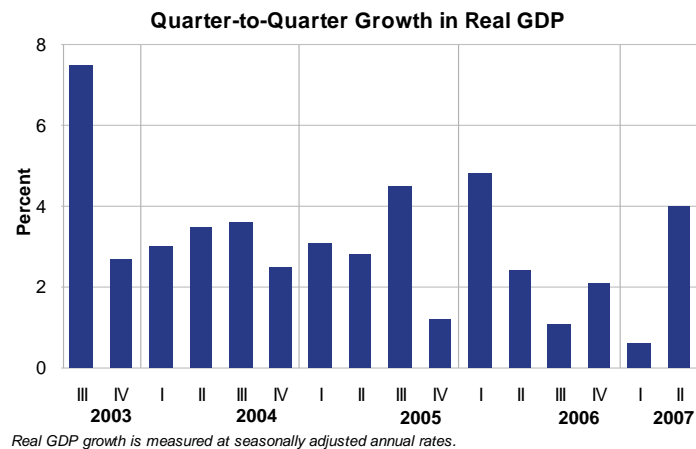
Corporate Profits Increase

The economy grew at an annual rate of 4.0 percent in the second quarter, compared with 0.6 percent in the first quarter, according to the “preliminary” estimates released by the Bureau of Economic Analysis. The second-quarter growth rate was revised up from the “advance” estimate of 3.4 percent.

Gross Domestic Product (GDP)

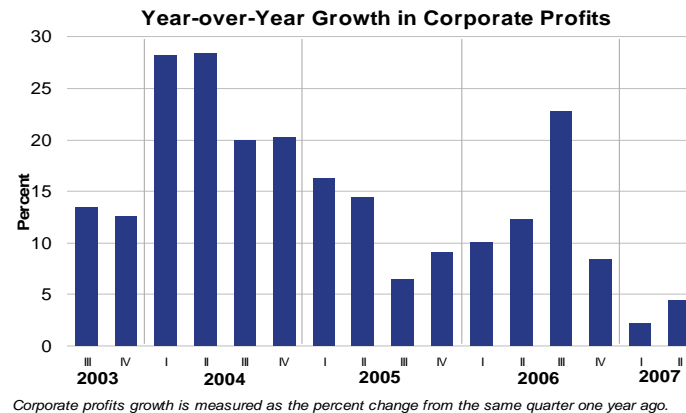
The acceleration in GDP growth reflected upturns in net exports, Federal government spending, and inventory investment, an acceleration in business investment, and a smaller decrease in residential home investment. In contrast, consumer spending decelerated sharply.

The upward revision to GDP growth resulted mainly from the inclusion of newly available source data that showed greater increases in business investment and net exports.



Corporate Profits

Second-quarter corporate profits increased 4.5 percent from the same quarter a year ago. Net corporate profits earned abroad increased 21.1 percent.



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: Additional information that becomes available in the coming weeks will be incorporated in a “final” estimate of second-quarter GDP on September 27, 2007. A revised estimate of corporate profits will also be released.