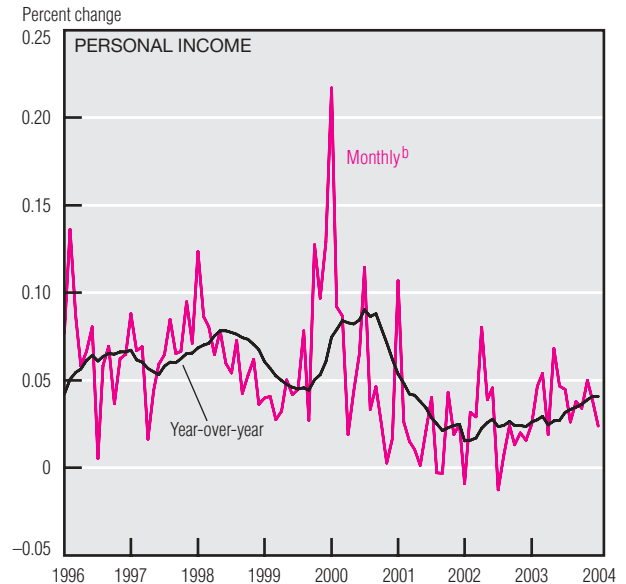
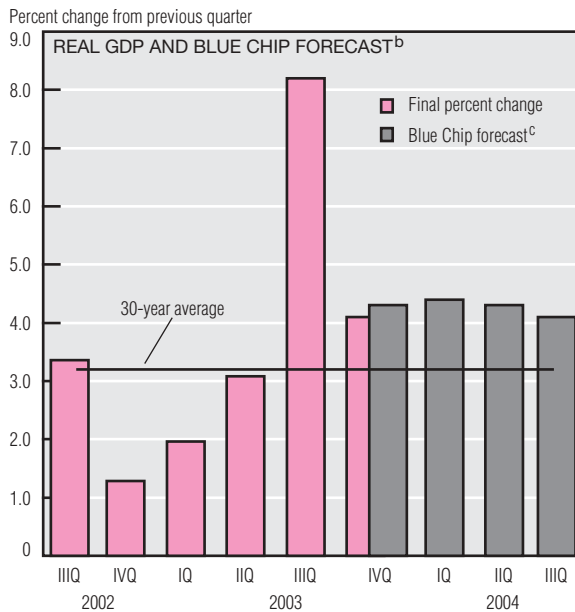
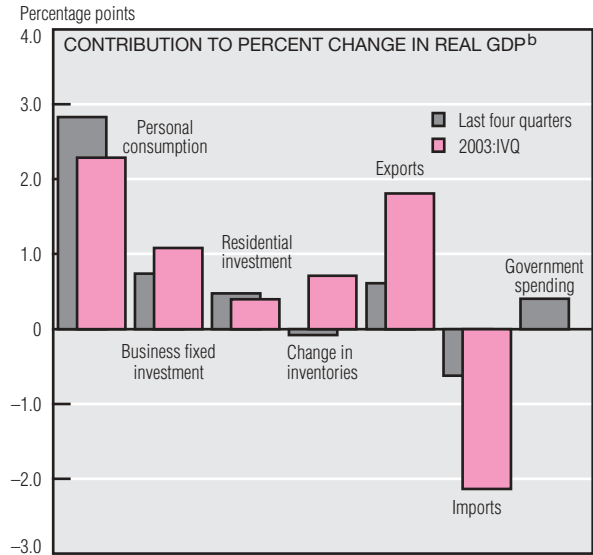


Economic Activity

	Change, billions of 2000 \$	Annualized percent change, last:	
		Quarter	Four quarters
Real GDP	107.0	4.1	4.3
Personal consumption	59.6	3.2	4.0
Durables	1.7	0.6	11.1
Nondurables	28.1	5.4	4.9
Services	29.2	2.8	2.2
Business fixed investment	29.9	10.9	7.4
Equipment	32.0	14.9	10.0
Structures	-0.8	-1.3	-0.9
Residential investment	9.9	7.9	9.5
Government spending	-0.4	-0.1	2.1
National defense	3.5	3.0	8.0
Net exports	-10.0	—	—
Exports	49.4	20.5	6.4
Imports	59.4	16.4	4.5
Change in business inventories	18.1	—	—



a. Chain-weighted data in billions of 1996 dollars. Components of real GDP need not add to the total because the total and all components are deflated using independent chain-weighted price indexes.

b. Data are seasonally adjusted and annualized.

c. Blue Chip panel of economists.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis; and *Blue Chip Economic Indicators*, March 10, 2004.

Real gross domestic product—the output of goods and services produced by labor and property located in the U.S.—increased at an annualized rate of 4.1% in the fourth quarter of 2003, according to final estimates recently released by the Bureau of Economic Analysis. The estimate of fourth-quarter growth in GDP itself matches last month's preliminary estimate. Blue Chip forecasts of output growth in the first quarter of 2004 were revised slightly downward in March, from 4.5% to 4.4%.

Output growth for personal consumption was the largest factor in GDP growth. In the final estimate, it was revised upward to 2.29 percentage points (pp) for the fourth quarter of 2003 and to about 2.83 pp for the entire year. Growth of exports made the second-largest contribution to percent change in GDP, adding 1.81 pp.

Growth of imports, meanwhile, continued to have the largest negative impact, subtracting 2.14 pp from output growth in the fourth quarter.

Although personal consumption was responsible for the largest growth in the GDP aggregate, personal income grew at a more tepid rate in January, reaching a level only 0.2% above the previous month. January's growth of \$18 billion was the weakest since August. The 12-month percent change of 4.1% is equal to the growth rate for December. Personal income growth, as measured by the 12-month percent change, has not slowed since last April.