

Note on the December 2012 Update of Prototype, Quarterly GDP by Industry Statistics

The Bureau of Economic Analysis released new statistics on prototype, quarterly gross domestic product (GDP) by industry for the first and second quarter of 2012, and revised prototype, quarterly statistics for the period 2009-2011 on December 20, 2012. The updated statistics incorporate more accurate information on the industry composition of GDP growth than was previously available for the release of prototype, quarterly GDP by industry statistics in the June, 2012 *Survey of Current Business*.¹ These newly-available and revised statistics incorporate the results of the 2012 annual revision of the annual industry accounts and are also consistent with the third estimate of real GDP for the second quarter of 2012.^{2,3}

To provide a more detailed and precise view of the economy, BEA intends to soon produce quarterly GDP by industry statistics on a regular basis, which would provide more timely information on the accelerations, decelerations, and turning points in economic growth at the industry level. Such statistics would be available within 30 days of BEA's third estimate of quarterly GDP. These statistics would supplement other timely quarterly data—such as employment, wages and salaries, consumer spending, business investment, industrial production, and price statistics—allowing for a more complete analysis of business cycle dynamics and the sources of U.S. economic growth.

BEA intends to begin regular release of quarterly GDP by industry statistics in April, 2014. The regular publication of quarterly GDP by industry statistics will be prepared on a 2007 NAICS basis, and will reflect the results of the upcoming 2013 comprehensive revision of the industry accounts, which will include the release of the 2007 Benchmark Input-Output Accounts.⁴

Similar to the June, 2012 release, this update of prototype, quarterly GDP by industry statistics also includes quarterly measures of gross output by industry, which can be used with measures of value added to better understand changes in industry-level performance. Estimates for gross output are prepared using a variety of data sources, including surveys from the Census Bureau and from the Bureau of Labor Statistics, statistics from BEA's national income and product accounts, and other private and public sources. Overall, real gross output and real value added track closely over the business cycle. Comparing real gross output to real value added at the sector level is also telling. For example, coming out of the recession in 2009, real value added for the manufacturing industry group grew faster than real gross output, suggesting an increase in manufacturing productivity over this period.

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¹ See Erich H. Strassner and David B. Wasshausen "Prototype Quarterly Statistics on U.S. Gross Domestic Product by Industry, 2007-2011," *Survey of Current Business* 92 (June 2012): 49-55.

² See Patricia A. Washington, Jeff M. Bellone, Anna M. Jacobson, and Jennifer Lee "Annual Industry Accounts: Revised Statistics for 2009-2011," *Survey of Current Business* 92 (December 2012): 14-23.

³ See "GDP and the Economy: Third Estimate for the Second Quarter of 2012," *Survey of Current Business* 92 (October 2012): 1-6.

⁴ See "A Note on the Upcoming Comprehensive Revision of the Industry Accounts" in Washington et. al. (2012)