



JOINT ECONOMIC COMMITTEE

ROBERT F. BENNETT, CHAIRMAN

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ECONOMIC RECOVERY REMAINS STRONG

Washington, DC—Senator Robert F. Bennett, Chairman of the Joint Economic Committee (JEC), responded to today's report by the Bureau of Economic Analysis (BEA) that the gross domestic product (GDP) grew by 4.0% in the 4th quarter of 2003.

“The economy continues down the road of solid recovery with robust growth and very low inflation,” said Bennett. “As expected, economic growth moderated in the 4th quarter from the remarkable 8.2% we saw in the 3rd quarter, but today's report shows that the 2nd half of 2003 experienced the fastest growth we've seen since the early 1980s. That kind of growth will translate into greater business investment and job creation as we move through the next year.”

The Joint Economic Committee released additional analysis of the GDP report today, which can be viewed online at <http://jec.senate.gov/files/GDPQ42003.pdf>. Among the highlights:

- **Very strong growth in the second half of 2003.** Today's report remains above the average annualized quarterly growth rates of the 1990s. GDP in the 4th quarter was up 4.3% over the corresponding level in 2002. 2003 ended with very rapid average annual growth of 6.1% in the second half.
- **Three consecutive quarters of growth in business investment and profits.** Business investment increased at a 6.9% annual rate in the 4th quarter. Profits continued to rise as well.
- **Inventory investment boosted GDP growth.** After inventory depletion in the 3rd quarter, businesses boosted production to restock shelves.
- **The housing market also helped boost growth.** Residential investment grew at a 10% annual rate.
- **Inflation was slower than in any quarter since 1964.**

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