



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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ECONOMIC GROWTH REVISED UPWARD

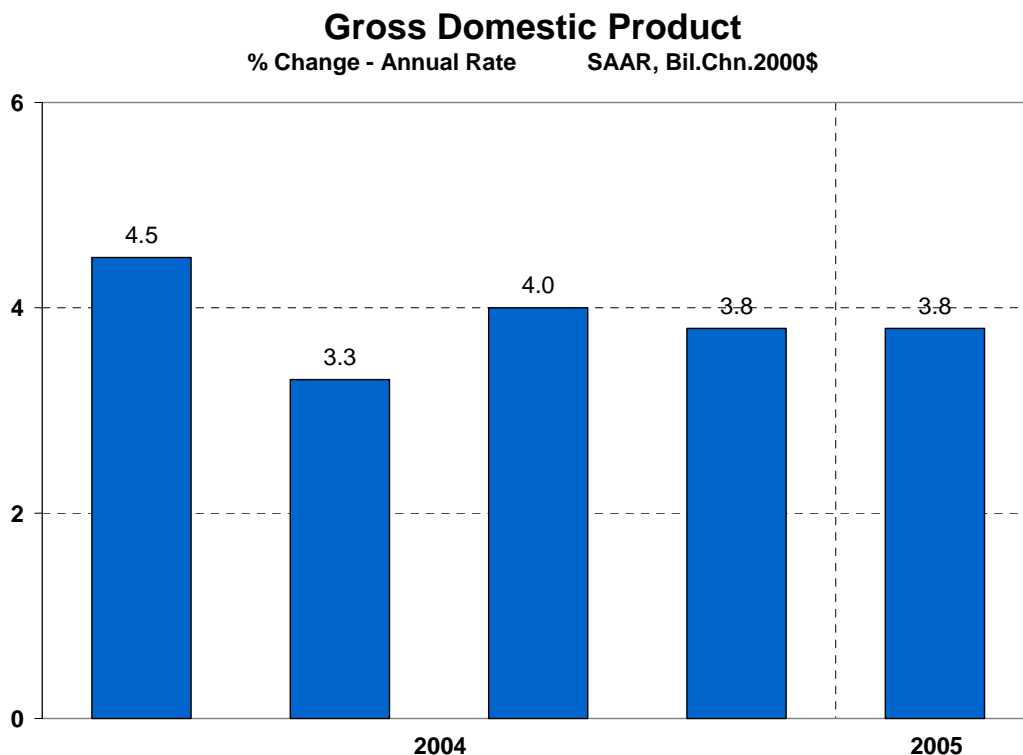
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WASHINGTON, D.C. – The latest figures on economic growth released today show a strong rate of expansion in the first quarter of 2005, Chairman Jim Saxton said today. The final figure for GDP growth in the first quarter was 3.8 percent, significantly higher than earlier estimates. The most recent revision was mostly due to upward adjustments to exports and residential construction.

“The latest GDP figures confirm the health of the U.S. economy,” Saxton said. “The economy continues to expand above its long-term trend growth rate. U.S. economic performance is also outpacing most other advanced industrial countries, particularly those in Europe and Japan. The Blue Chip consensus forecast as well as Federal Reserve projections indicate that the U.S. economy will continue to grow at a healthy pace through the end of 2006.

“Meanwhile, the figures released today also indicate that inflation is well contained. The core personal consumption expenditure (PCE) deflator increased at a 1.6 percent rate since the first quarter of 2004.

“In summary, the economic expansion remains strong, and inflationary pressures appear to be stable. The accommodative monetary policy and pro-growth tax legislation adopted in 2003 have worked as intended,” Saxton concluded.



Source: Bureau of Economic Analysis/Haver Analytics/

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