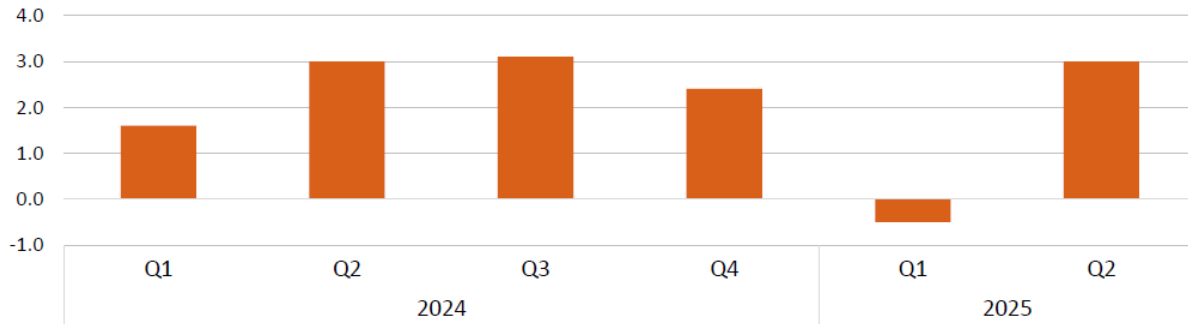


The Bureau of Economic Analysis (BEA) has released its advance estimate for second-quarter 2025 Gross Domestic Product (GDP), reporting a robust 3.0% annualized growth rate. This marks a notable rebound from the 0.5% contraction recorded in Q1 2025.

Real GDP, Percent Change from Preceding Quarter



Source: U.S. Bureau of Economic Analysis

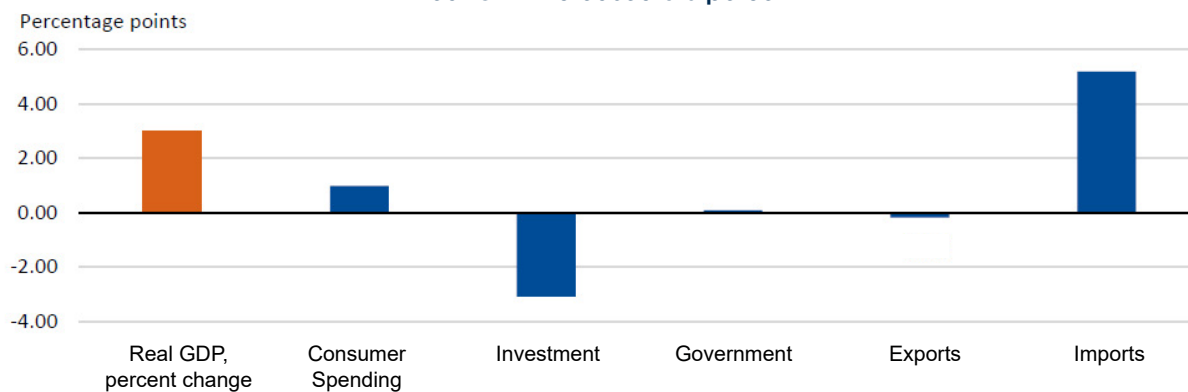
Key Drivers of Growth

The Q2 acceleration in real GDP was primarily driven by a sharp decline in imports, which fell by 30.3%, reversing the previous quarter’s 37.9% surge. A solid consumer spending, with personal consumption expenditures (PCE) increasing 2.1%, down from 3.7% in Q1 but still indicative of healthy demand. Also, a moderation in inflationary pressures, as the price index for gross domestic purchases rose by 1.9%, down from 3.4% last quarter.

Additional Highlights

Real final sales to private domestic purchasers, a key measure of underlying demand, rose 1.2%, compared to a 1.9% increase in Q1. While exports declined during the quarter, the outsized drop in imports helped boost net trade’s contribution to GDP.

Contributions to Percent Change in Real GDP, 2nd Quarter 2025  
Real GDP increased 3.0 percent



Note. Imports are a subtraction in the calculation of GDP; thus, an increase in imports results in a negative contribution to GDP. U.S. Bureau Economic Analysis

Source: U.S. Bureau of Economic Analysis

This initial estimate signals a resilient U.S. economy, with consumer activity and import normalization supporting a stronger growth trajectory heading into the second half of the year.

This initial estimate is subject to revision as additional data becomes available, with the next update to be released on August 28, 2025.

## GROSS DOMENSTIC PRODUCT UPDATE

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