

U.S. Growth Slows Sharply in Third Quarter of Year



Washington, December 16 (RHC)-- The latest official figures show the U.S. economy's growth rate plunged sharply in the third quarter of 2015 as exports and private inventory investment fell. The U.S. Department of Commerce says the gross domestic product grew at an annual rate of 1.5 percent in the July-September period. That's far below the 3.9 percent rate of the previous quarter.

The drop in the growth of world's largest economy comes as most businesses opted to store raw materials instead of increasing manufacturing output due to the weak factory gate inflation and sluggish demand. Figures show the pace of hiring has also weakened over the past two months.

However, consumer spending has remained solid over the summer, rising at 3.2 percent. The solid consumer spending, which accounts for two-thirds of U.S. output, came as consumers found themselves with a lot more disposable income than in the second quarter.

The report is one of three estimates the government makes and the numbers could be revised upward or downward as more data comes in. Experts say the solid domestic demand could encourage the Federal Reserve to raise interest rates before the end of December.

The Federal Reserve has described the economy as growing at a "moderate" pace and hinted at a December rate increase by making a direct reference to its next policy meeting. The US central bank has kept benchmark overnight interest rates near zero since December 2008.



Radio Habana Cuba