

US's Q3 GDP growth about 30%

The U.S. economy grew 2.1% in the fourth quarter of 2019. Gross domestic product increased the slowest in three years. Also, business investment was declining. For the full year, the economy grew about 2.3%. The average GDP of 2019 increased smaller than it in 2018, which was approximately 2.5%. At the beginning of 2020, the U.S faced the biggest problem which is Coronavirus. Covid-19 pandemic was founded first at Wuhan in China in December of 2019. This virus spread easily to others such as breath and saliva. This virus was dangerous to humans and difficult to cope with. The U.S needed to shut down in many cities. Because of the lockdown of the cities, the U.S was facing a harder situation to raise the GDP in 2020.

Due to the U.S. government declaring to shut down in many cities, industries and shopping malls were closed. As a result, the economy was suddenly disrupted. The GDP of the U.S. dropped dramatically in the second quarter. After reopening the economy, the government tried to stimulate the economy by policies. Many consumers came back to shop at the store, and firms can gain more sold orders. Export goods also increased. It seems to have great news. The gross domestic product in the third quarter, which is between July and September, expanded approximately 33.1%. It was the biggest expansion on record. Also, it was better than the estimation of many economists. For example, Dow Jones's survey forecasted that the U.S. GDP growth would increase by approximately 32 percent. It can dominate the GDP result in the second quarter. The most portion of an increase in the U.S. GDP growth came from consumer activity, which is 68%. Personal consumption increased by 40.7%. Investment in the private sector rose 83%. The consumer side increases by about 59.3%. Also, together with consumer consumption, firms, and exports boosted the U.S. economy in the third quarter.

By the way, it doesn't mean that there is really good news because the U.S. GDP in the second quarter decreased by 32.8%. As a result, the very low GDP in the second quarter when compared to an increase in the third quarter. It seems it has a large gap. So, many people felt that the U.S. economy recovered within a short period. In reality, there are various factors to look deeply. The real

percentage change in GDP still declined by 9% in the second quarter and 2.9% in the third quarter.

According to an economist's speech, names Ian Shepherdson, he said the “rise much less quickly” in the final three months of the year. It means that the U.S. GDP growth can rise a lot in the third quarter. But, the further quarter may grow slowly. The reason is the government support which stimulates the economy will end soon. As a result, fiscal support is diminishing. Also, personal income fell sharply because many employees were fired. Personal savings also declined. But, it remained at 15.8% when compared to the second quarter.

At present, there are 228,000 people have died from this virus. People who are infected with nearly 9 million in the country. Coronavirus cases in the U.S. increase substantially. It will be a worry in health and the economy in the future. Besides, half of the population in the U.S. lost their job during the Covid 19 period. Now, they also can not find their jobs. So, these people are unemployed. The unemployment rate remains at 7.9%. It is double from pre-pandemic.

In conclusion, it seems that the gross domestic product of the U.S. increased substantially. On the other hand, there are various topics to concern about the growth of GDP in the fourth quarter.

Reference

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