

## **No major growth spurts for U.S. economy next year, economists say**

by Matthew Rusling

WASHINGTON, Dec. 17 (Xinhua) -- The U.S. gross domestic product (GDP) is forecast to grow by a paltry 2.1 percent next year but predicted to accelerate by year's end, reaching 3 percent by the fourth quarter, according to a survey of economists released Monday.

"The panelists expect modest growth in the economy in 2013 as a whole, which accelerates steadily as the year progresses," said Dr. Nayantara Hensel, chair of the National Association for Business Economics' Outlook Survey and professor at National Defense University.

The December Outlook, conducted November 15-November 28, surveyed a panel of 48 economists and anticipates no significant improvement but predicted a "stable, moderate growth will continue" in 2013.

Losses from Hurricane Sandy, which ravaged parts of the East Coast in late October and caused tens of billions of U.S. dollars in damage, are unlikely to bleed into next year's growth, the survey found.

The bulk of the panelists suggest that although Hurricane Sandy may reduce this year's fourth-quarter GDP growth, the natural disaster is likely to increase first-quarter 2013 GDP growth. Around 86 percent of the panelists estimate effects from the hurricane will reduce fourth-quarter 2012 GDP growth.

Around 30 percent predict Sandy's impact will reduce fourth-quarter GDP growth by less than 0.2 percentage points, while 50 percent suggest it will reduce fourth-quarter GDP growth by between 0.2 percentage points and 0.5 percentage points.

Around 86 percent of the panelists believe Sandy's impact will boost first-quarter 2013 GDP growth. About 50 percent believe the storm will increase first-quarter 2013 GDP growth by less than 0.2 percentage points, while nearly 30 percent believe it will increase first-quarter 2013 GDP growth by between 0.2 percentage points and 0.5 percentage points.

The economists surveyed expressed optimism that recent improvements to the U.S. housing market, which has struggled since the real estate bubble popped in 2007 and sent the economy into a tailspin, will continue.

Indeed, housing starts and home prices are forecast to continue to increase in 2013. Panelists forecast that housing starts will rise between this year and next year and suggest housing starts will hit 0.93 million units by 2013, a sharp increase from their forecast of 0.77 million housing starts for 2012.

Home prices are predicted to rise by 3.5 percent in 2013, a significant rebound from their 2.9 percent drop last year, the survey said.

Light vehicle sales, which saw a jump in 2011, are expected to continue - increasing from 14.3 million units this year to 14.8 million units in

2013.

Still, the bad news is that consumer spending is forecast to remain stunted, and growth in consumer spending is predicted to hit 2 percent, down from last year's 2.5, the survey found.