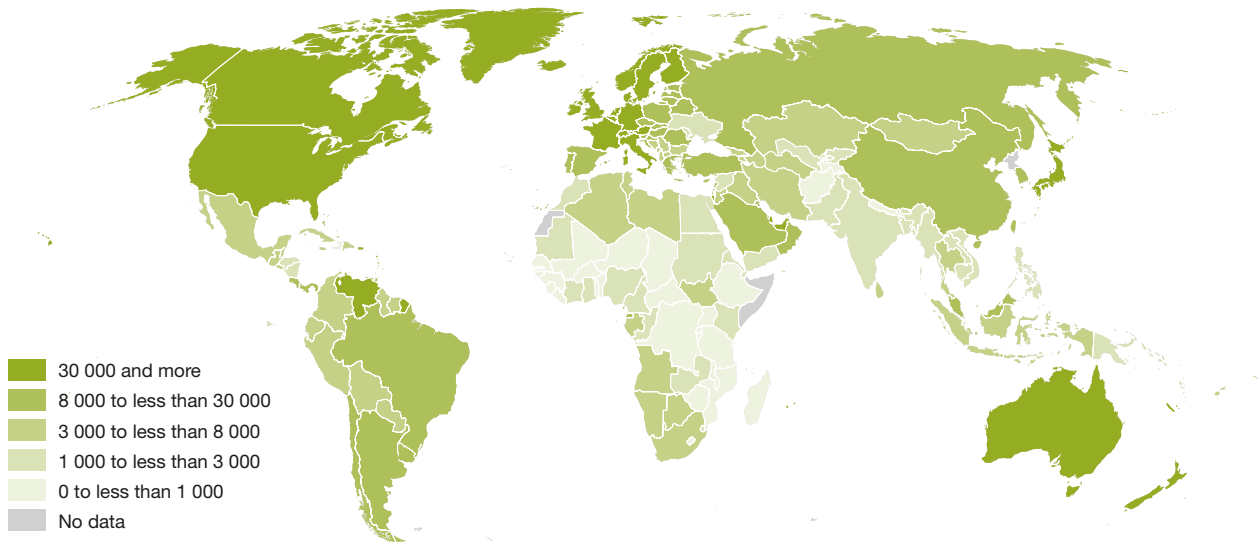




Fact sheet #7: Gross domestic product

Map 1 | Gross domestic product per capita, 2016
(United States dollars)



Concepts and definitions

GDP is an aggregate measure of production, income and expenditure of an economy. As production measure, it represents the gross value added, i.e. the output net of intermediate consumption, achieved by all resident units engaged in production, plus any taxes less subsidies on products not included in the value of output. As income measure, it represents the sum of primary incomes (gross wages and entrepreneurial income) distributed by resident producers, plus taxes and less subsidies on production and imports. As expenditure measure, it represents the sum of expenditure on final consumption, gross capital formation (i.e. investment) and exports after deduction of imports (United Nations et al., 2009).

The GDP figures presented in this section are calculated from the expenditure side.

Gross domestic product growth remaining sluggish

In 2016, world GDP growth remained slow. Since 2011, it has grown at an average annual rate of 2.4 per cent, much lower than the average of 3.3 per cent in the decade prior to the financial crisis. In 2016, the growth rate of world GDP dropped to 2.2 per cent, falling back to 2012 levels.

Large differences in GDP per capita persist throughout the world. In 2016, most developed economies produced an output per person greater than US\$30 000, with the main exceptions in Eastern Europe. By contrast, many developing economies in Western and Eastern Africa and in South-Eastern Asia, primarily least developed economies, had less than US\$1 000 per person to spend. Developing economies in America, Northern and Southern Africa and in Western and Eastern Asia mostly achieved output levels above US\$3 000 per capita.

Figure 1 | World real gross domestic product annual growth rate
(Percentage)



Note: At constant 2005 United States dollars.

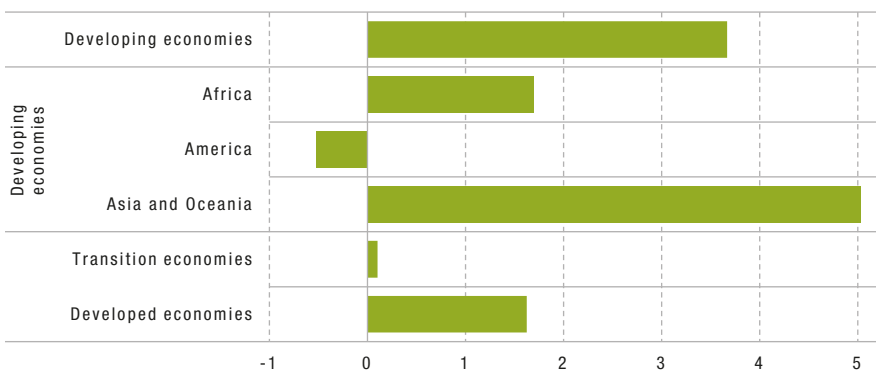


Disparities in growth across groups of economies

In 2016, developing economies grew by 3.7 per cent. However, there were considerable regional variations. In developing America economic output contracted slightly, while developing Asia and Oceania achieved GDP growth of 5 per cent. GDP growth in LDCs was 4 per cent – well below the 2030 Agenda for Sustainable Development target of 7 per cent growth.

GDP in transition economies remained almost constant. Developed economies increased their output by a moderate 1.6 per cent – the same annual rate as the last five years on average.

Figure 2 | Growth of real gross domestic product by group of economies, 2016 (Percentage)

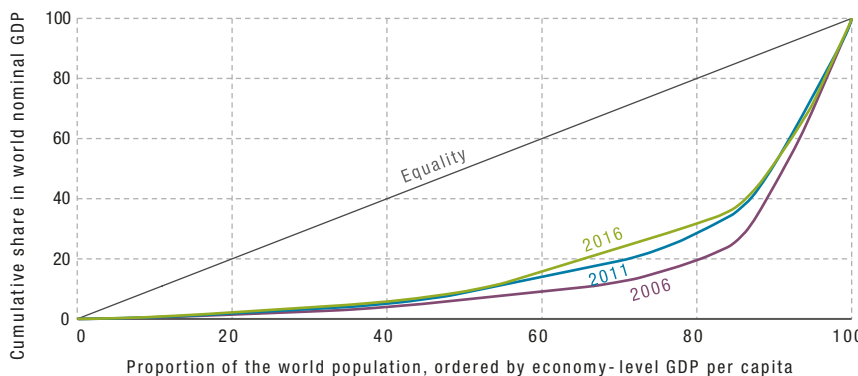


Note: At constant 2005 United States dollars.

World inequality decreasing

Over the last 10 years, the global distribution of GDP per capita has become more equal. For example, in 2006, the poorest economies accounting for 80 per cent of the world's population contributed 20 per cent to world GDP. By 2016, their share in GDP rose to 32 per cent. Between 2011 and 2016, however, inequalities in GDP per capita reduced mainly among economies with moderately high income. The relative distance between the richest and poorest economies in the world remained almost unchanged.

Figure 3 | Distribution of world gross domestic product, 2016 (Percentage)



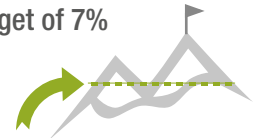
Note: Lorenz curves, as in this graph, reveal the structure of inequality. Inequality is greater the further the curve runs below the diagonal line (see UNCTAD Handbook of Statistics 2017, annex 6.3). Inequality within economies is not considered.

For references, see UNCTAD Handbook of Statistics 2017, annex 6.4.

World GDP still growing slowly: 2.2%



Growth in LDCs' GDP (4.0%) remains below the 2030 Agenda target of 7%



Output in transition economies stagnant



The richest 20 per cent account for two thirds of world GDP

