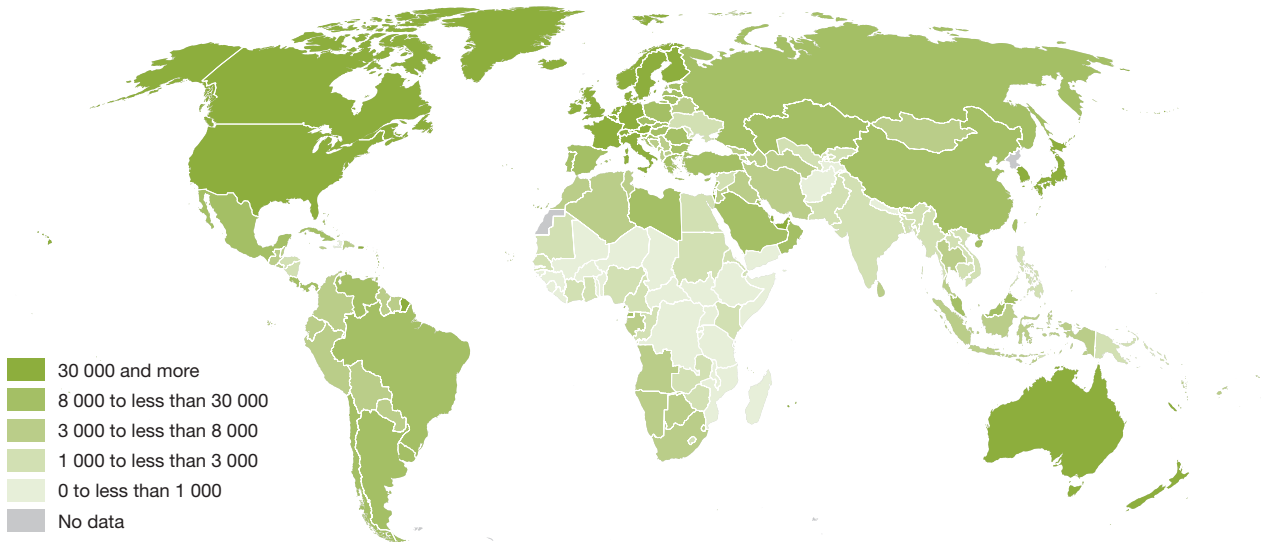




Fact sheet #7: Gross domestic product

Map 1 | Gross domestic product per capita, 2017
(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).

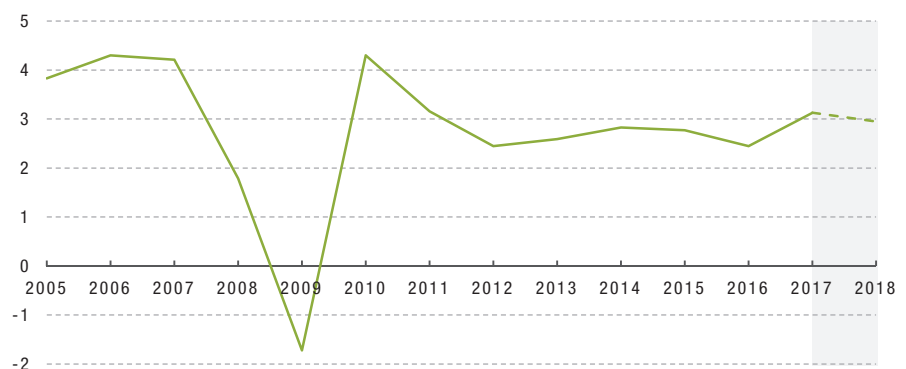
The GDP figures presented in this section are calculated from the expenditure side.

Upswing in the global economy

In 2017, world GDP grew at a rate of 3.1 per cent, 0.7 percentage points more than in 2016. This was the first time since 2011 that the growth rate exceeded 3 per cent. In 2018, the GDP growth rate is nowcast to moderate slightly to 3.0 per cent.

Large differences in GDP per capita persist throughout the world. In 2017, most developed economies produced an output per person greater than US\$30 000, with Eastern Europe as the main exception. By contrast, many developing economies in Western and Eastern Africa, in Western and Southern Asia, all primarily LDCs, recorded a per capita output of less than US\$1 000. Developing economies in America, Northern and Southern Africa, in Western and Eastern Asia and Oceania mostly achieved output above US\$3 000 per person.

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



Note: At constant 2010 United States dollars. The shaded area indicates UNCTAD nowcasts. For the methodology, see UNCTAD Handbook of Statistics 2018, annex 6.3.

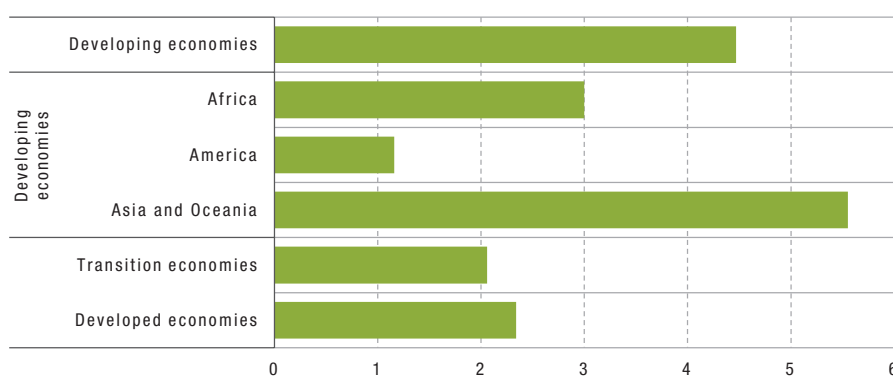


Disparities in growth across groups of economies

Not all regions of the world recorded equally high economic growth in 2017. Developing economies of Asia and Oceania recorded a rate of 5.6 per cent, whereas the developing economies of America reached only 1.2 per cent. In developed and transition economies, GDP increased at modest rates, 2.3 and 2.1 per cent, respectively.

GDP growth in LDCs was 4.4 per cent, remaining well below the 7 per cent target set by the 2030 Agenda for Sustainable Development. Output per capita increased by only 2.0 per cent, due in part to high population growth.

Figure 2 | Growth of real gross domestic product by group of economies, 2017 (Percentage)

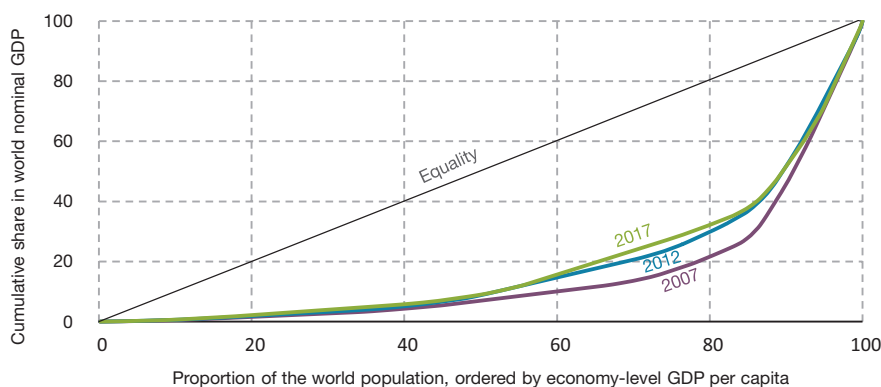


Note: At constant 2010 United States dollars.

World inequality decreasing

Over the last 10 years, the global distribution of GDP per capita has become more equal. For example, in 2007, the poorest economies accounting for 80 per cent of the world's population contributed 22 per cent to world GDP. By 2017, their share of GDP rose to 32 per cent. Between 2012 and 2017, 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, 2017 (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 2018, annex 6.3). Inequality within economies is not considered.

For references, see UNCTAD Handbook of Statistics 2018, annex 6.4.

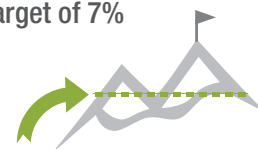
World GDP growth accelerated from 2.4% in 2016 to 3.1% in 2017



Growth in developing economies of Asia and Oceania



GDP growth rate in LDCs well below the 2030 Agenda target of 7%



20% of people account for two thirds of world GDP

