

- ❖ Drawing a real (small) example of the relationship between GDP, GNP, NNP and NI below: -

Example:

If, Bangladesh produces 120 billion goods and 250 billion services in 2020 and the assets used to produce those goods and services are depreciated by 40 billion with subsidies of 20 billion and indirect taxes of 30 billion. Bangladesh exports 80 billion goods and services. Also Imports 50 billion goods and services. Using formula's, Bangladesh's GDP, GNP, NNP and NI are -

$$\begin{aligned}\text{GDP} &= 120 \text{ billion} + 250 \text{ billion} + 50 \text{ billion} \\ &= 420 \text{ billion}\end{aligned}$$

$$\begin{aligned}\text{GNP} &= 120 \text{ billion} + 250 \text{ billion} + 80 \text{ billion} \\ &= 450 \text{ billion}\end{aligned}$$

$$\begin{aligned}\text{NNP} &= 450 \text{ billion} - 40 \text{ billion} \\ &= 410 \text{ billion}\end{aligned}$$

$$\begin{aligned}\text{NI} &= 410 \text{ billion} + 20 \text{ billion} - 30 \text{ billion} \\ &= 400 \text{ billion}\end{aligned}$$