

Nonminimal GDP



Nominal GDP use
current prices



Real GDP use base
year prices

Real GDP

N



m



n

a



G



P



S



a



9

e





h

a



R



a



G



P







u







n



р







e

S

a

e

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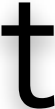


9

h

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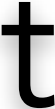


C

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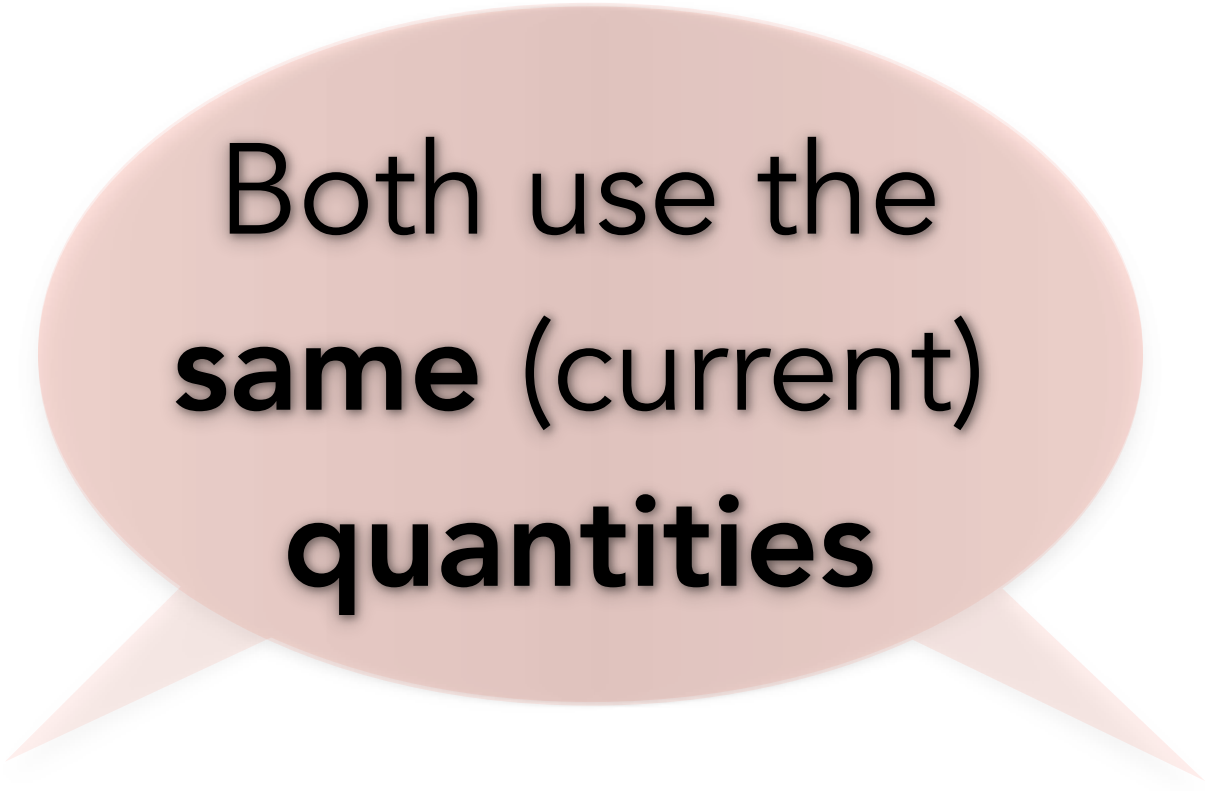


V



d

e



Both use the
same (current)
quantities

Nominal GDP is larger than Real GDP if current prices
are higher than base year prices

Nominal GDP use
current prices

Both use the
same (current)
quantities

Real GDP use **base**
year prices

Nominal GDP

Real GDP

Nominal GDP is **larger** than Real GDP **if current prices**
are higher than **base** year prices

To calculate how much are prices
“**Inflating**” Nominal GDP, we divide

$$\frac{\text{Nominal GDP}_{2019}}{\text{Real GDP}_{2019}}$$