



Limitations of GDP continued...

Deforestation

Contamination

Destruction of animal and plant life

Destruction of assets



**U.S.**

**21T**

If GDP **added** what is  
**produced** and  
**subtracted** what is  
**lost** in the process of  
production, GDP  
would shrink



G



**P**

d





S











S

U

**b**







2

























U















2

U

S







**b**

**Y**









u









V



2















**Y**



**U.S.**

**19T**



**U.S.**

**9T**

Germany

3T



**U.S.**

**3T**





U.S.

3T

GDP does not "subtract" for destruction caused by productive activity

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# Limitations of GDP