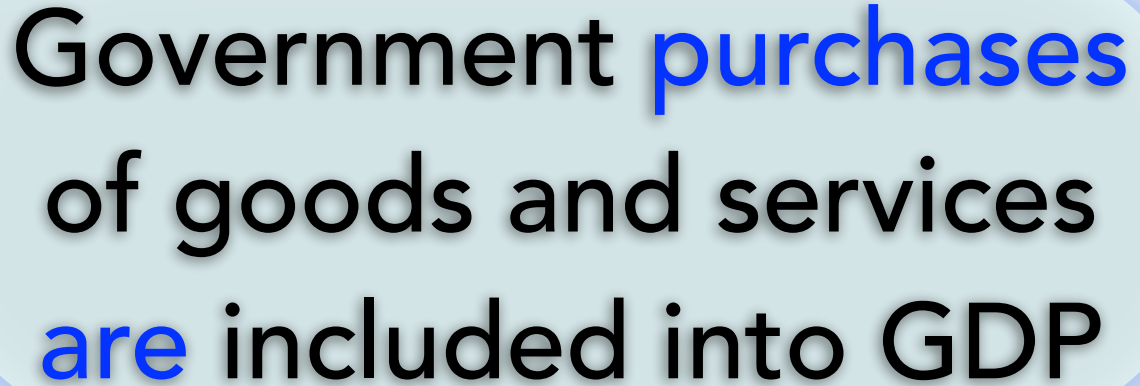


Government





Government **purchases**
of goods and services
are included into GDP



Government transfers
are not included into
GDP

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GDP = Consumption + **Government Spending** + Exports + Investment
in Capital Goods + Investment in Inventory

GDP = Consumption + **Government Spending** + Exports + Investment
in Capital Goods + Investment in Inventory

Government



Government **transfers**
are not included into
GDP

Government **purchases**
of goods and services
are included into GDP

Government Purchases vs. Transfers