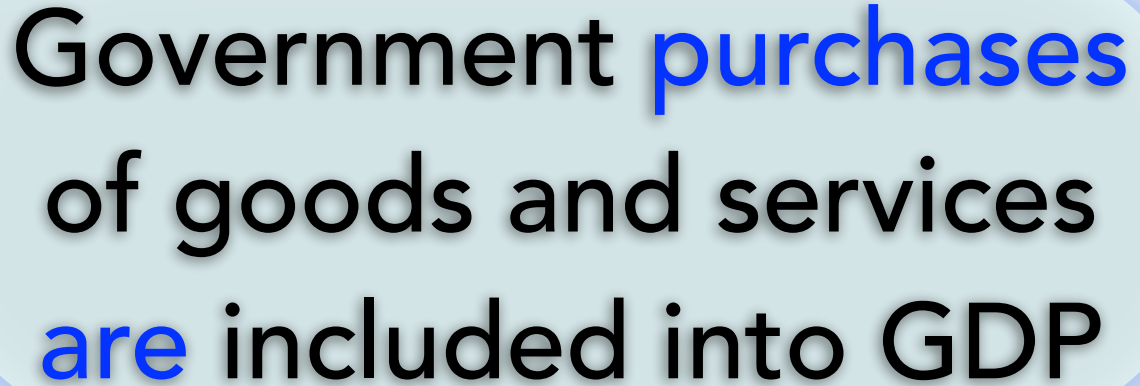


Government





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



Government transfers
are not included into
GDP

G



P

[REDACTED]

[REDACTED]







S

u

m

p







n



G





e



n

m

e

n



S

p

e

n

d



9



E



p







S





n

V



S



m

e



n



a





a



G



d

S





V

e

S



m

e







n

V

e

n







Y

$$\text{GDP} = \text{Consumption} + \text{Government Spending} + \text{Exports} + \text{Investment in Capital Goods} + \text{Investment in Inventory}$$

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