

GDP BY EXPENDITURE APPROACH

The most important indicator of the system of national accounts is gross domestic product (GDP), which characterizes the final result of production activities of resident economic units, which is measured by the value of goods and services produced by these units for final use.

Gross domestic product can be calculated using three approaches that correspond to different stages of reproduction: production, expenditure and use.

GDP, calculated using the expenditures approach, is the sum of expenditures by all institutional sectors on final consumption, gross capital formation and net exports.