

39. Growth in gross domestic product (GDP)

GDP or Gross Domestic Product is an estimate of the value of all the goods and services provided within a country. It is a popular estimate of economic development and one that is typically used for growth reports.

The last decade

Bangladesh has maintained an average growth of 6% per annum for the last decade. The presence of a large informal sector that is typically discounted in the official statistics may skew the actual estimate. The 2010 GDP was just under \$100,000,000,000 US \$ (2010). This is just under \$670 /capita.

Assumptions of model

The model assumes a smooth growth curve, when in reality local fluctuations and the business cycle are likely to add some variance. The average should approximate to the modeled curve.

Levels

Level 1

Annual growth of 5%. This results in a GDP of \$701,000,000,000 (US \$ 2010) This is 10.29x the 2010 value.

Level 2

Annual growth of 6%. This is the expected trajectory given the current situation. This results in a GDP of \$1,000,000,000,000 (US \$ 2010) This is 16.94x the 2010 value.

Level 3

Annual growth of 7%. This results in a GDP of \$1500,000,000,000 (US \$ 2010) This is 27.82x the 2010 value.

Level 4

Annual growth of 8%. This results in a GDP of \$2,000,000,000,000 (US \$ 2010) This is 45.26x the 2010 value. This is possible, but optimistic. It requires good luck regarding natural disasters and other potential problems.

Interaction with other levers

Like population, GDP impacts on almost every demand lever. It affects electricity demand in the building sectors and it is used to estimate travel demand and freight in the transport sectors.

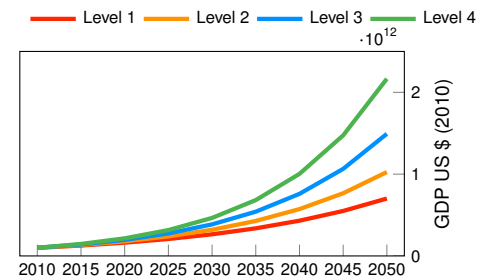


Figure 39.1: GDP Scenarios