## Gross Domestic Product

### Methodology

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

GDP can be calculated by three methods corresponding to different stages of reproduction – production, income and source of income approaches.

Produced GDP, calculated by the production approach, is the sum of the gross value added of all industries or institutional sectors at basic prices and net taxes on products.

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

GDP by source of income, calculated using the sources of income approach, is composed of the remuneration of employees (residents and non-residents), gross profit of all industries or institutional sectors and net taxes on production and import. This method is not independent, because in accordance with the adopted methodology, not all income indicators can be estimated on the basis of statistics received from respondents, some of them are calculated using the balance method.