



# ECFH Financially Speaking

East Caribbean Financial Holding Company Limited

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April marks the presentation of the national budget and so throughout the month, we will highlight some relevant terms that you will find useful as you follow the budget debate. This week's term is **GDP** or **Gross Domestic Product**:

The **GDP** or **Gross Domestic Product** of a country is a basic measure of that country's output. It is the market value of all final goods and services produced in that country. One way of calculating the **GDP** is to add up consumption, investment, government spending and the difference between imports and exports.

### **What does this mean for you?**

Economists suggest that there is a positive correlation between a country's **GDP** and its standard of living. Usually, the higher a country's **Gross Domestic Product**, the better the standard of living which means greater access to health care, educational opportunities and reduced levels of poverty for citizens. One of the ways of increasing our **GDP** is to reduce our import bill by placing greater emphasis on local food production, for example. Additionally, when we buy and consume local products and services, we stimulate local enterprise and economic activity.