

- National Income [GDP, GNP]

Included in National Income (GDP, GNP) or not)

- Intermediate goods :
- Nonproduction Transactions :
- Non-market (illegal) activities:

Distinction between GDP and GNP

Included in National Income (GDP, GNP) this year or not?

- Production of marijuana this year
- Construction of a house this year
- Production of an illegal drug this year
- Commission eared on the sale of a used car
- value of traded stock in SET this year
- value of traded bonds this year
- value of deposits this year

- Honda manufactures cars in the U.S., but is incorporated in Japan. The cars it produces in the U.S. are added to GDP, but not GNP, as these cars use domestic factors of production (labor and resources), but are produced by a foreign nation. Conversely, the values are added to GNP, but not GDP.
- Another example involves U.S. company Intel who manufactures silicon chips in Ireland. The production from that facility is added to GNP, but not GDP. When U.S. residents earn more abroad than foreigners earn in the U.S., exceeds and vice versa.