

### NATIONAL PRODUCTION

### Macroeconomic goals:

Economic growth, Price stability, & Full employment.

### Gross Domestic Product (GDP): اجمالي الناتج المحلي

- market value of final goods & services produced within a country/year → primary indicator for economic growth.
- Measure of total flow of goods & services produced in a country/year. (Gross: including value of capital assets)

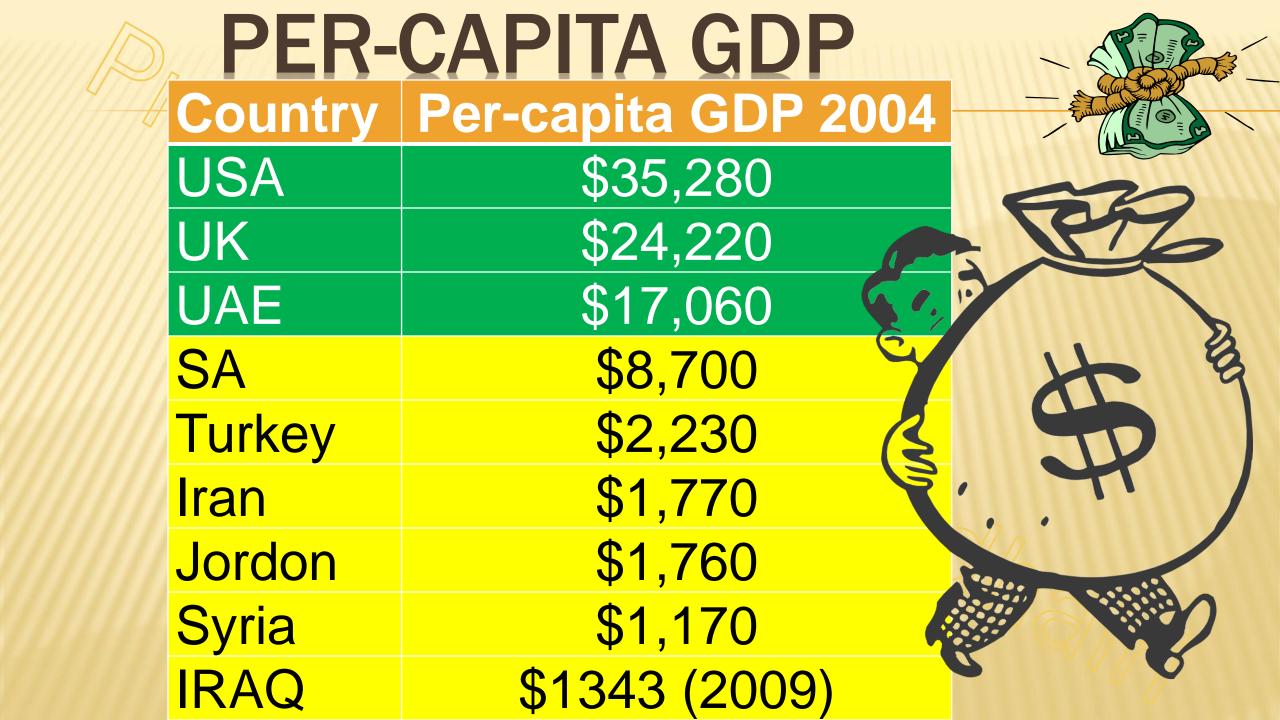
Per-capita GDP: best indicator of welfare & development.

اجمالي الناتج القومي Gross National Product

**GNP=GDP+** investment abroad - production by foreigners

## COUNTRY DEVELOPMENT

GDP/capita	Development		
> \$ 14000	Developed		
\$4000-14000	High income developing		
\$ 400-4000	Middle income developing		
\$ 100-400	Low income developing		
< \$ 100	Underdeveloped		



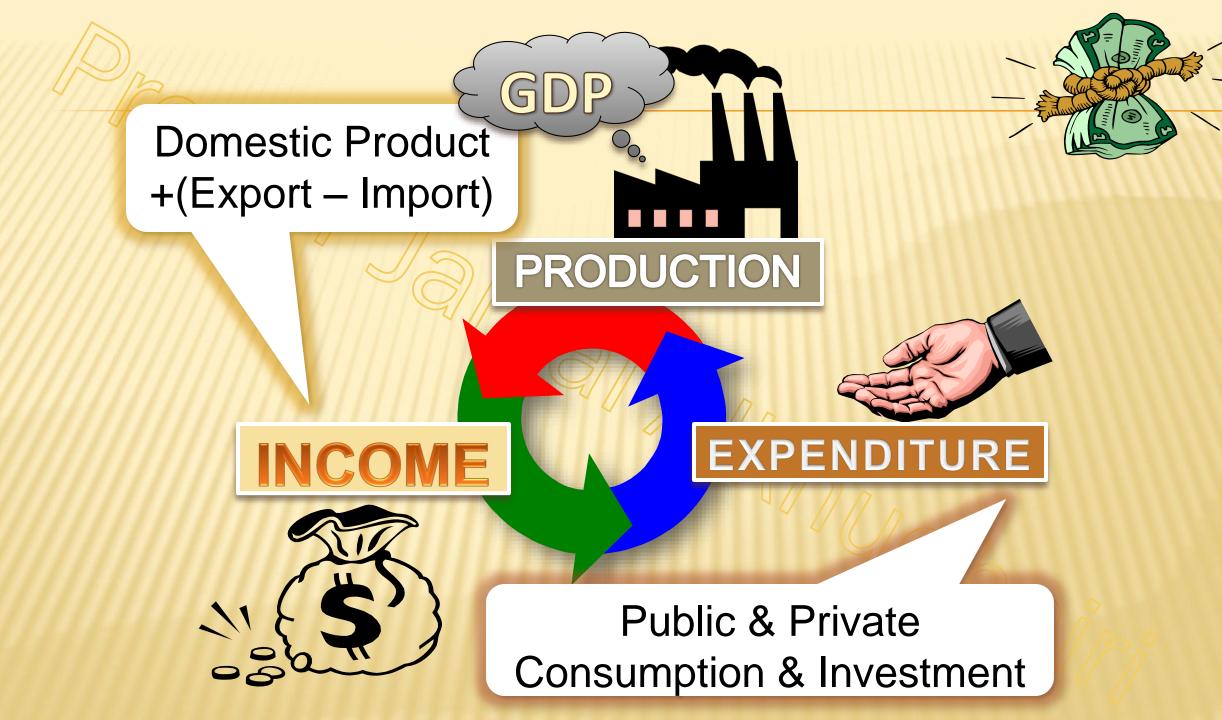
#### **HUMAN DEVELOPMENT INDEX (2025)**

\* HDI: index of life expectancy, education, income/capita

 $\times$  Very high  $\geq$  0.8, High < 0.8-0.7, Medium < 0.7-0.55, low < 0.55

Country	HDI	<b>1</b>	Country	HDI
Norway 2	0.97		Russia 56	0.82
UK 15	0.94		China 75	0.79
UAE 17	0.94	4	Iran 78	0.78
USA 20	0.93	HHHHH	Jordan 99	0.74
SA 40	0.88		Egypt 105	0.73
Turkey 45	0.86		Iraq 128	0.67
Kuwait 49	0,85		Sudan 170	0.52

Source: Human Development Report UNDP



## NATIONAL REVENUE (INCOME)



Value of all goods & services produced in an economy in a year, plus export import surplus. الدخل القومي Iraq 95% revenue from oil.

Nat revenue = GDP + surplus (export-import)

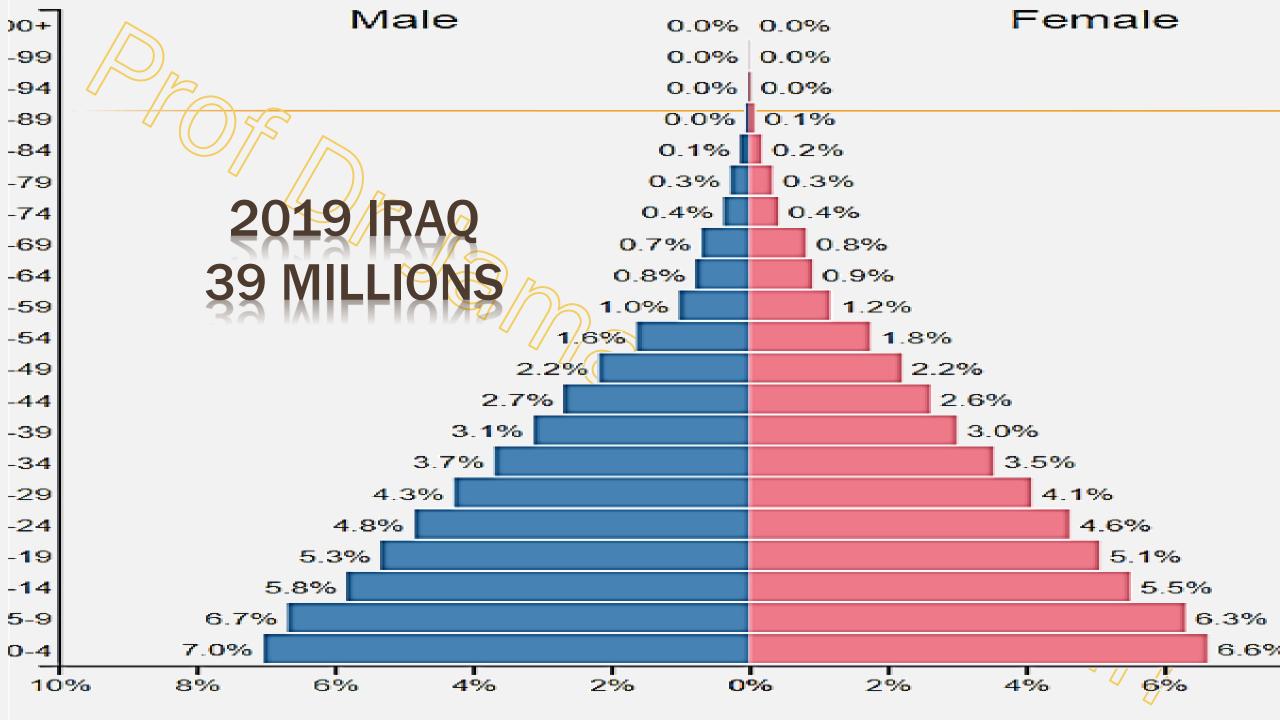
It tells the flow of goods & services to the community but not the distribution.

Per capita income = Nat revenue /tot pop

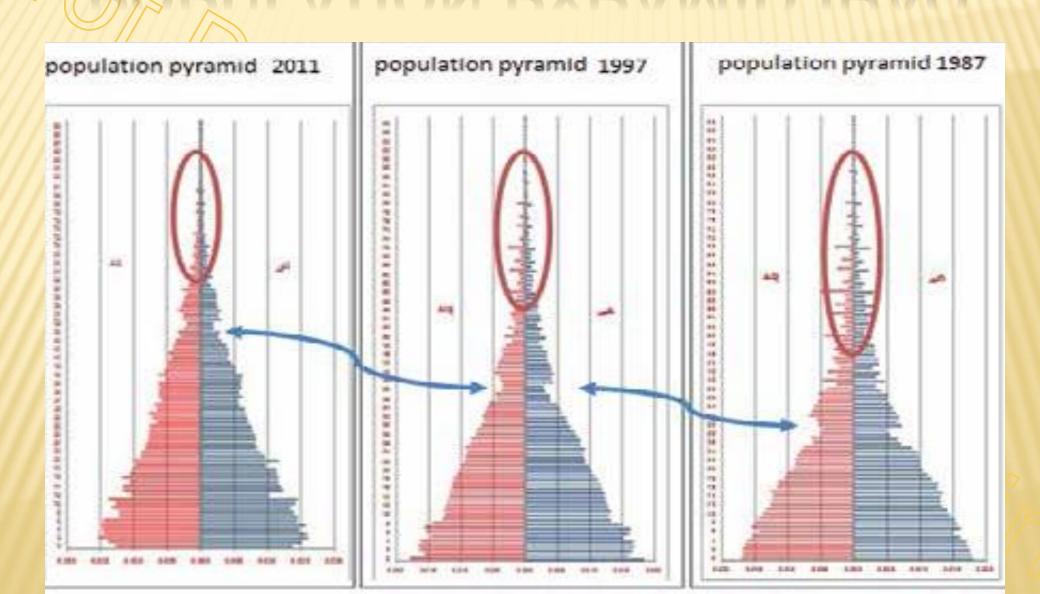
# INFLATION

Steadily rising prices resulting in diminishing purchasing power of money (devaluation). We can cut inflation by <u>forced saving</u> which is mobilizing some purchasing power by taxes, to increase income.

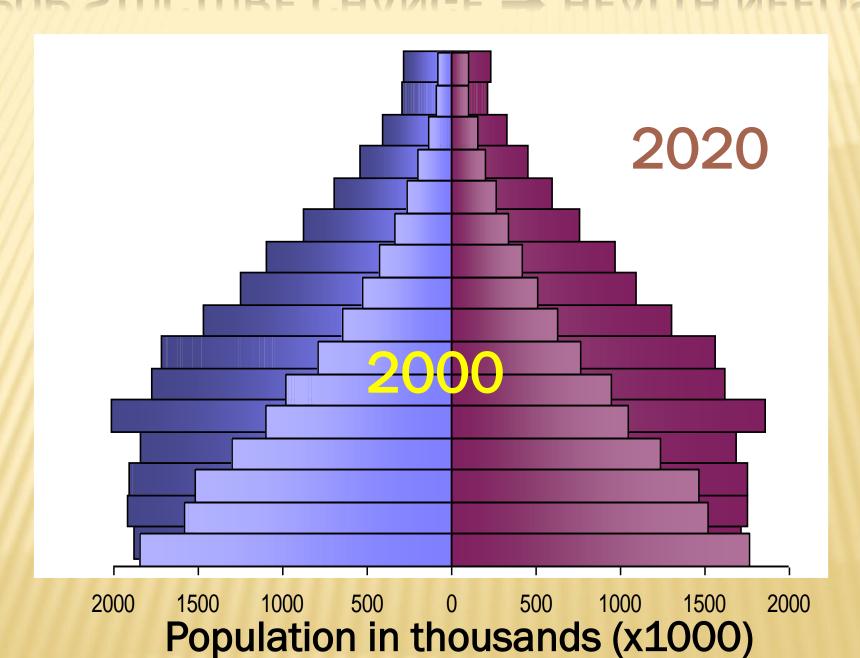
- Iraq 2000 → 2020 (world Bank 20 years projections):
- → U5yr declines (6.7 to 6.4 M), aged double (4.6 to 7.3%).
- → Working age population will increase challenging huge jobs



## POPULATION PYRAMID IRAQ



### POP STUCTURE CHANGE -> HEALTH NEEDS



## NATIONAL REVENUE INCREASE



Forced saving by taxes (1% Iraq 2004)

Reduce population growth (slow: pop momentum).

### **External dept**

Labor intensives: Increase laborer's productivity.

Capital intensives: increase productivity by technology.

