

Question #61053, Economics, Macroeconomics

The comparison of Gross Domestic Product (GDP) between two countries and its reasons. Which is Japan and Indonesia, 2004-2014.

Answer:



Figure 1 – GDP dynamics in Japan in 2004-2014

GDP of Japan in 2008-2012 grew intensively after the world economic crisis. Signing several free trade agreements and an increase of service and agricultural export also served to this. Earthquake in 2011 slowed the growth. GDP renewed its fall since 2012. This was due to a decrease of consumer demand following an increase of trade taxes.



Figure 2 – GDP dynamics in Indonesia in 2004-2014

Indonesia is one of developing countries with fast growing economic. Even despite the consequences of world economic crisis, Indonesia continued its growth from 2004 until 2012. Since 2012 GDP contracts constantly due to the country's dependence on import, decrease of prices for commodities on the world markets.