**"3-minute Concept" Animated Video Clips Series:**

**Economic Performance Indicators**

**Subtitles**

3-minute Concept **Economic Performance Indicators**

Life and Society (Secondary 1-3)

Personal, Social and Humanities Education Section

Curriculum Development Institute

Education Bureau

HKSAR Government

How can we take the pulse of the economy of a place?

Different indicators can be used to measure the economic situation of a place. These indicators are usually some statistics. Let's take a look at some of the most common indicators.

The unemployment rate refers to the proportion of unemployed population in the labour force, which can reflect the labour market situation and economic development of a place. The labour force is the sum of unemployed population and employed population. For example, between 2012 and 2017, the unemployment rate in Hong Kong was quite steady, remaining at about 3.1% to 3.4%. Compared to other countries or regions, unemployment rate in Hong Kong is relatively low.

If the unemployment rate rises, it means that it is harder for workers to find jobs and the economic situation is unsatisfactory. In 2003, the Hong Kong economy was adversely affected by the SARS epidemic and the unemployment rate once rose to 7.9%.

Another indicator is “Gross Domestic Product”, or GDP for short, which is the total value of goods and services produced in a country or region in a specified period.

GDP data can help us understand the economic situation of a place. If the GDP or GDP growth rate is high, it means that the economy of that country or region is doing well.

The GDP of Hong Kong between 2012 and 2017 shows a stable rise, indicating that the Hong Kong economy was growing steadily during that period.

In 2018, in terms of the world GDP ranking, the Mainland of China was the second largest economy in the world, following the United States. However, it does not mean that the living standards of Mainland residents would be ranked second in the world.

To understand the living standards of people in a country, we can refer to the "gross domestic product per capita", that is, “GDP per capita" for short, which is calculated by dividing the GDP by the total population. GDP per capita can reflect the average income level of the people in a country or region. Generally, the higher the average income of people, the higher their living standard.

In 2018, the GDP per capita of the Mainland of China was US$9,633. Even though the Mainland of China's GDP ranks second in the world, it is shared by approximately 1.4 billion people. It’s GDP per capita is still lower than many other developed countries or regions.

In summary, unemployment rate, GDP, and GDP per capita are commonly used economic performance indicators that can help us understand the economic situation of a country or region.

Reflection Questions

1. What are the limitations of using GDP as a measure of living standard of people in a country or region?
2. Are there other indicators that can help us understand the economic situation of a country or region?