



OPPORTUNITY #46

What if future potential was reported alongside GDP?

GROSS DOMESTIC FUTURE (GDF)

The stock of various national assets complement GDP as a measure of a country's future potential growth, or gross domestic future (GDF). These assets include natural resources, human capital, intellectual capital, physical capital and capacities for innovation and technological development.

MEGATREND

Future Humanity

TRENDS

Artificial Intelligence
ESG & Beyond GDP
Real-time Analytics

SECTORS AFFECTED

Agriculture & Food
Materials & Biotechnology
Automotive, Aerospace & Aviation
Chemicals & Petrochemicals
Communication Technologies & Systems
Consumer Goods, Services & Retail
Cyber & Information Security
Data Science, AI & Machine Learning
Education
Energy, Oil & Gas & Renewables
Financial Services & Investment
Health & Healthcare
Immersive Technologies
Infrastructure & Construction
Insurance & Reinsurance
Logistics, Shipping & Freight
Manufacturing
Media & Entertainment
Metals & Mining
Real Estate
Travel & Tourism
Utilities
Government Services
Professional Services



WHY IT MATTERS TODAY

The Human Development Index, maintained by the United Nations Development Programme, incorporates the conventional approach to measuring economic progress, education and health, which are important variables in determining the development of a society.⁷⁶⁶ However, new measures intended to capture broader aspects – both qualitative and quantitative – are becoming increasingly prominent. Examples include the Global Competitiveness Index (141 countries in 2020),⁷⁶⁷ the Legatum Prosperity Index (167 countries in 2021)⁷⁶⁸ and the Global Innovation Index (132 countries in 2021).⁷⁶⁹ Businesses are also looking to better assess and incorporate social and environmental aspects in their reporting, as evidenced by the rise in environmental, social and governance (ESG) benchmarking.⁷⁷⁰

Countries such as New Zealand have introduced a ‘well-being budget’. Such metrics go beyond GDP to encompass broad outcomes including health and safety, in order to assess the success of related policies.⁷⁷¹ The New Zealand government also conducts assessments of its citizens asking them to evaluate their current life satisfaction and expected level of life satisfaction in five years’ time, and to provide objective information such as their employment status.⁷⁷²

The United Arab Emirates (UAE) undertakes a host of initiatives and research efforts to assess the well-being and happiness of its citizens.⁷⁷³ The UAE University has set up the Emirates Center for Happiness Research to offer evidence-based methods to implement initiatives that will help to enhance happiness and future well-being.⁷⁷⁴

Global GDP has increased tremendously over the past 50 years, growing from around \$3 trillion in 1970 to \$96 trillion in 2021.⁷⁷⁵ Estimates suggest that if countries and businesses prioritised nature, they could generate \$10 trillion in annual business value, creating 395 million jobs by 2030.⁷⁷⁶



THE OPPORTUNITY

Gross domestic product (GDP) captures the monetary value of the final goods and services (bought by end consumers) produced in a country in a year. It includes most outputs generated within the borders of a country and determines the size of its economy accordingly.⁷⁷⁷ However, although it is often seen as a measure of welfare and future economic success,⁷⁷⁸ it fails to capture both of these elements comprehensively. This is because current economic flows do not reflect the future potential of an economy, which can be further developed.

Measuring assets critical to future growth and development differentiates a country's potential from its past performance and offers new perspectives for investment and long-term planning. New measures can inspire greater action to develop, protect or restore assets recognised as economically valuable. The new system will be supported by advances in ways to monitor, measure and collate non-financial and non-conventional data in real time, such as data on biodiversity, skills and talent, cultural and Indigenous sites and heritage.

Forested and less agriculturally intensive countries can benefit from the global demand for natural carbon sinks. Youthful countries that are focusing on the use of technology in education and employment can see their demographic and economic capital boom as ageing accelerates in many regions. Indigenous cultures and traditions can become more valuable over time as sources of skills, information and know-how that can be leveraged for education and scientific research, and to draw tourism. Countries that are preserving or successfully restoring biodiversity can leverage their environmental and genetic capital to achieve improved well-being but also to encourage innovation in the areas of medicine and materials.

BENEFITS

Better measurement of assets, allowing nations to sustainably develop and use what they have for future growth, prosperity and well-being.

RISKS

Lower rankings for smaller countries (in terms of land mass and/or population size) and more trade-led economies, leading to reduced access to benefits that depend on assessment of monetary value of final goods and services.



Estimates suggest that if countries and businesses **prioritised nature**, they could generate

**\$10
TRILLION**

in annual business value, creating

**395
MILLION
JOBS**

by 2030