



# APO

Asian Productivity Organization

## P-Glossary



### Recession

Before the Great Depression of the 1930s, any downturn in economic activity was referred to as a depression. The word "recession" was subsequently used to differentiate periods like the 1930s from smaller economic declines that occurred in 1910 and 1913. This leads to the simple definition of a depression as a recession that lasts longer and has a greater decline in business activity. For many economists and others there is no single clear definition of a recession. A good rule of thumb for determining the difference between a recession and a depression is to look at the changes in GNP. A depression is any economic downturn when real GDP declines by more than 10%. A recession is an economic downturn that is less severe. Many agree that a recession is widely understood as a decrease in GDP for two consecutive quarters. Some interpret recession as a decline in real GDP that is well below 10%.

*See also: See also Depression*

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