



National Accounts at a Glance 2010



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Foreword

This publication presents information using an “indicator” approach, focusing on cross-country comparisons; the aim being to make the accounts more accessible and informative, whilst, at the same time, taking the opportunity to present the conceptual underpinning of, and comparability issues inherent in, each of the indicators presented.

The range of indicators is set deliberately wide to reflect the richness of the national accounts dataset and to encourage users of economic statistics to refocus some of the spotlight that is often placed on GDP to other important economic indicators, which may better respond to their needs. Indeed many users themselves have been instrumental in this regard. The report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz-Sen-Fitoussi Commission) is but one notable example.

That is not to undermine the importance of GDP, which arguably remains the most important measure of total economic activity but other measures may better reflect other aspects of the economy. For example, net national income, may be a more appropriate measure of income available to citizens in countries with large outflows of property income or remittances and household adjusted disposable income per capita may be a better indicator of the material well-being of citizens. But certainly from a data perspective more can and remains to be done. The Stiglitz-Sen-Fitoussi Commission for example highlights the pressing need for the provision, by official statistics institutes, of more detailed information that better describes the distributional aspects of activity, especially income, and the need to build on the national accounts framework to address issues such as non-market services produced by households or leisure. It is hoped that by producing a publication such as this, so raising awareness, the momentum from this and other initiatives will be accelerated. The publication itself will pick up new indicators in the future as they become available at the OECD.

The publication is broken down into six chapters: The first provides a general introduction focusing on indicators of GDP. The second focuses on Income and presents a number of important indicators such as savings and Net lending/net borrowing rates. The third chapter looks at indicators related to the Expenditure approach to GDP estimation, with information on the key components of demand and imports. The fourth chapter looks at indicators from a Production perspective. Fifth and sixth chapters focus on General Government and Capital respectively. Finally the annex provides important reference indicators, important in their own-right but also because they are used in the construction of many of the indicators presented elsewhere in the publication. It also provides further background on the new 2008 System of National Accounts, which will eventually be the basis of data published here. Indeed the indicators presented for Australia follow the 2008 SNA. For all other countries indicators are presented on the basis of the 1993 System of National Accounts. It's important to note however that differences between the 2008 SNA and the 1993 SNA do not have a significant impact on the comparability of indicators presented in this publication. The annex at the end of this publication describes the key changes from the 1993 SNA that impact on the indicators presented here and, for Australia, it also provides an indication of the size of the impact for the most important changes.

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This book has...



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Reader's Guide

Main features

Each indicator is preceded by a short text that opens with an explanation in general terms of what is measured and why. This is followed by a more detailed description of the underlying concept (Definition) consistent with the 1993 *System of National Accounts (SNA)*. The final paragraph (Comparability) highlights those areas where some caution may be needed when comparing performance across countries or over time. Some issues relating to comparability, or the care that should be taken when making comparisons, cut across a number of subject areas. Rather than refer to these each time they arise these generic cases are described below.

1993 SNA – Standard definitions

Data included in this publication are compiled according to the 1993 SNA “System of National Accounts, 1993”; jointly prepared by the Commission of the European Communities, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations and the World Bank.

2008 SNA – Changes from the 1993 SNA

The 2008 SNA has been finalised but it will be a number of years before most OECD countries are in a position to provide statistics on the basis of the new system. Key changes from the 1993 SNA are presented in the annex.

Questionnaires and source data

Unless otherwise specified all data have been provided by countries via standardised OECD questionnaires.

Statistical conventions

- All growth rates refer to constant prices (or real) data.
- Ratios, percentages and shares are derived from current prices data.
- Contribution of Y to the growth of X (Y being a component of X) is defined as the growth rate of Y (chained or fixed constant prices) weighted by the share of Y in X at current prices (period t-1).

Signs and abbreviations

- .. Missing values, not applicable or not available.
- e OECD estimates.

Countries and zones

Data are available for most indicators for all OECD countries. Where data are not available or have not been provided to the OECD, estimates are often produced.

OECD total

OECD total refers to all OECD countries except Chile, Israel and Slovenia, unless otherwise specified.

Euro area

Data for the zone “euro area” are taken from Eurostat databases.

Data in euros

Data for all member countries of the European Monetary Union (EMU) are expressed in euros.

Data relating to years prior to entry into the EMU have been converted from the former national currency using the appropriate irrevocable conversion rate. This presentation facilitates comparisons within a country over time and ensures that the historical evolution (i.e. growth rates) is preserved. However, pre-EMU euros are a notional unit and are not normally suitable to form area aggregates or to carry out cross-country comparisons.

OECD accession countries

In 2010, Chile (on 7 May), Slovenia (on 21 July), Israel (on 7 September) and Estonia (on 9 December), have become members of the OECD. Due to time constraints, it was not possible to include data for Estonia in this issue of the publication. The Russian Federation is still in the process of accession. The OECD is also engaging key global players in its work, such as Brazil, China, India, Indonesia and South Africa. Although data for these countries do not form part of this publication, some national accounts data for them are available on the OECD website. See below for more information on how to find the data online.

General comments on concepts and comparability

The list of comments described below relates to cross-cutting issues and is provided here to avoid repetition in the sections that follow.

Purchasing power parities for GDP

PPPs are the rates of currency conversion that equalise the purchasing power of different countries by eliminating differences in price levels between countries. When converted by means of PPPs, expenditures on GDP across countries are in effect expressed at the same set of prices, enabling comparisons between countries that reflect only differences in the volume of goods and services purchased. Simplistic comparisons of economic activity using exchange rates should generally be avoided as such comparisons will embody these price differences, and, moreover, exchange rate series tend to be more volatile than PPPs, presenting difficulties when comparing across countries and time.

However, a caveat related to international comparisons is still necessary in the context of PPPs. When countries are clustered around a very narrow range of outcomes, it may be misleading to establish a strict order of ranking. As is often the case with statistical information, there is a level of uncertainty associated with the data sources and procedures on which PPPs computations rely. Relatively minor differences between two country's PPP adjusted indicators, such as PPP adjusted GDP or NNI, may not be statistically or economically significant.

1995-98: PPPs for all European countries are annual benchmark results provided by Eurostat. PPPs for all other countries are OECD estimates.

1999, 2002, 2005 and 2008: PPPs for all OECD countries except Chile are triennial benchmark results calculated jointly by the OECD and Eurostat.

2000-01, 2003-04, 2006, 2007: PPPs for all European countries are annual benchmark results provided by Eurostat. PPPs for all non-European countries are OECD estimates.

2009: PPPs for all European countries are preliminary annual benchmark results provided by Eurostat. PPPs for non-European countries are OECD estimates. Estimates and preliminary results should be interpreted with caution as they are subject to revision.

PPPs for Chile are estimates based on the results of the 2005 International Comparison Programme (ICP) round.

More information is available on the PPP Internet site: www.oecd.org/std/ppp.

Exchange rates

The exchange rates used in this publication have been calculated by the International Monetary Fund, and are published in *International Financial Statistics*. They are market rates averaged over the year.

Per capita indicators

Many of the indicators that follow are shown on a per capita basis. It is important to note therefore that the underlying population estimates are based on the SNA notion of residency: namely they include persons who are resident in a country for one year or more, regardless of their citizenship, and also include foreign diplomatic personnel, defence personnel, together with their families, and students studying and patients seeking treatment abroad, even if they stay abroad for more than one year. The “one-year rule” means that usual residents who live abroad for less than one year are included in the population and foreign visitors (for example, holidaymakers) who are in the country for less than one year are not included.

An important point to note in this context is that individuals may feature as employees of one country (contributing to the GDP of that country via production), but residents of another (with their wages and salaries reflected in the GNI of their resident country).

Calendar/fiscal years

Unless specified below, or in the text accompanying the section, all data are on the basis of calendar years.

Data for Australia and New Zealand refer to fiscal years – 1 July of the year indicated to 30 June for Australia and 1 April of the year indicated to 31 March for New Zealand.

Volume (constant price) estimates

Most OECD countries now produce their accounts using annual chain volume series. Mexico and Chile however currently produce fixed-base volume estimates with the base year updated at present less periodically and links created to earlier base year estimates.

The SNA recommends the production of estimates on the basis of annual chain volume series. These produce better estimates of growth as the weights used for the contribution of different goods and services are more relevant to the period in question. There is one downside to (annual) chaining however: aggregates may not equal the sum of their components in volume terms.

Gross and net values

The term “gross” is a common means of referring to values before deducting consumption of fixed capital. But not all references to “net” are necessarily in the context of net of depreciation. The reference to “net lending/borrowing” is the relevant example in this publication where “net” is not in the context of “depreciation”.

Households and NPISHs

A number of countries are not able to provide a breakdown of Households and Non-Profit Institutions Serving Households (NPISHs) in their sector accounts. As a consequence, to ensure the highest level of comparability, unless otherwise specified, the accounts for the households sector include NPISHs in this publication.

Important equalities in the SNA**Gross domestic product (GDP) at market prices**

- = Final consumption expenditure
- + Gross capital formation
- + Exports of goods and services
- Imports of goods and services
- = Gross value added at basic prices
- + Taxes less subsidies on products

Net National Income (NNI) at market prices

- = GDP at market prices
- + Taxes less subsidies on production and imports (net, receivable from abroad)
- + Compensation of employees (net, receivable from abroad)
- + Property income (net, receivable from abroad)
- Consumption of fixed capital

Net National Disposable Income (NNDI)

- = NNI at market prices
- + Current taxes on income, wealth, etc. (net, receivable from abroad)
- + Social contributions and benefits and other current transfers (net, receivable from abroad)

Saving, net

- = NNDI at market prices
- Final consumption expenditure
- + Adjustment for the change in net equity of households on pension entitlements (net, receivable from abroad)

Net lending/net borrowing

- = Saving, net
- + Capital transfers (net, receivable from abroad)
- Gross capital formation
- Acquisitions less disposals of non-produced non-financial assets
- + Consumption of fixed capital

Further reading

Useful references for “further reading” are available at the bottom of most sections.

For all sections, general information on methodology and detailed definitions can be found in:

- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Extracts of the SNA publication are available in:

- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, Paris.

Finally, additional information and complementary tables can be found in:

- OECD (2010), *OECD Factbook 2010: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

Online data

National Accounts at a Glance – Database edition

The database edition of *National Accounts at a Glance* is continuously updated on line and contains longer time series than the publication: <http://dx.doi.org/10.1787/data-00369-en>. Data are available as far back as 1970 for some countries.

An inventory of the series published in *National Accounts at a Glance* is available on line. The inventory includes the titles of the individual time series along with the corresponding database codes. This inventory may be accessed via: www.oecd.org/statistics/nationalaccounts/ata glance.

Detailed National Accounts data

The *National Accounts at a Glance* dataset is published as part of the OECD National Accounts Statistics online database which can be accessed via <http://dx.doi.org/10.1787/na-data-en>. This database includes very detailed information from the annual national accounts as well as financial and general government accounts.

The following is a list of the datasets which are available:

Aggregate national accounts

- Gross domestic product.
- Disposable income and net lending/borrowing.
- Population and employment by main activity.
- PPPs and exchange rates.

Detailed national accounts

- Balance sheets for non-financial assets.
- Capital formation by activity.
- Final consumption expenditure of households.
- Fixed assets by activity and by type of product.
- Labour input by activity.
- Non-financial accounts by sectors.
- Simplified non-financial accounts.
- Value added and its components by activity.

Financial accounts

- Consolidated financial accounts (flows).
- Non-consolidated financial accounts (flows).
- Consolidated financial balance sheets (stocks).
- Non-consolidated financial balance sheets (stocks).

General government accounts

- Government expenditure by function.
- Maastricht debt.
- Main aggregates.
- Taxes and social contributions receipts.



GROSS DOMESTIC PRODUCT (GDP)

1. Size of GDP
2. GDP growth
3. GDP per capita

1. Size of GDP

Gross Domestic Product (GDP) is the standard measure of the value of final goods and services produced by a country during a period. While GDP is the single most important indicator to capture these economic activities, it is not a good measure of societies' well-being and only a limited measure of people's material living standards. The sections and indicators that follow better address this and other related issues and this is one of the primary purposes of this publication.

Countries calculate GDP in their own currencies. In order to compare across countries these estimates have to be converted into a common currency. Often the conversion is made using current exchange rates but these can give a misleading comparison of the true volumes of final goods and services in GDP. A better approach is to use purchasing power parities (PPPs). PPPs are currency converters that control for differences in the price levels of products between countries and so allow an international comparison of the volumes of GDP and of the size of economies.

Definition

What does gross domestic product mean? "Gross" signifies that no deduction has been made for the depreciation of machinery, buildings and other capital products used in production. "Domestic" means that it is production by the resident institutional units of the country. The products refer to final goods and services, that is, those that are purchased, imputed or otherwise, as: the final consumption of households, non-profit institutions serving households and government; fixed assets; and exports (minus imports).

GDP at market prices can be measured in three different ways:

- as output less intermediate consumption (i.e. value added) plus taxes on products (such as VAT) less subsidies on products;
- as the income earned from production, equal to the sum of: employee compensation; the gross operating surplus of enterprises and government; the gross mixed income of unincorporated enterprises; and net taxes on production and imports (VAT, payroll tax, import duties, etc., less subsidies);
- or as the expenditure on final goods and services minus imports: final consumption expenditures, gross capital formation, and exports less imports.

Comparability

Comparability is good but in some countries, for example in specific areas such as the own account production of software or financial intermediation services (indirectly measured) (FISIM), differences remain, which can impact on comparisons of GDP. The measurement of the non-observed economy (NOE, often referred to as the informal, grey, shadow, economy) can also have an impact on comparability, although for OECD economies, in general, this is not thought to be significant. (See also "Reader's Guide", relating to PPP based comparisons.)

For some countries, the latest year has been estimated by the Secretariat. Historical data have also been estimated for those countries that revise their methodologies but only supply revised data for some years. This estimation process mechanically links the new and old series to preserve growth rates.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), "Aggregate National Accounts: Gross domestic product", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

- Lequiller, F., N. Ahmad, S. Varjonen, W. Cave and K.H. Ahn (2003), *Report of the OECD Task Force on Software Measurement in the National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/334811030426>.
- Ahmad, N. (2003), *Measuring Investment in Software*, OECD Publishing, <http://dx.doi.org/10.1787/335303788330>.
- OECD (2002), *Measuring the Non-Observed Economy: A Handbook*, OECD Publishing, <http://dx.doi.org/10.1787/9789264175358-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 1.1. **Gross domestic product, current PPPs**

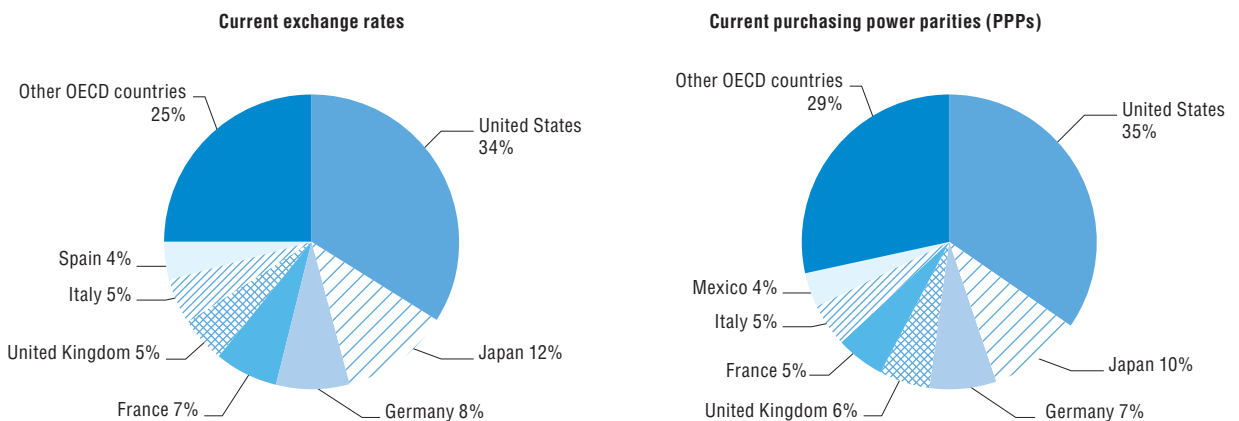
Billion US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	422	448	475	512	540	570	602	640	676	721	775	830	848	870 e
Austria	194	199	208	216	231	232	244	252	266	275	300	314	332	321
Belgium	232	243	248	259	283	293	310	314	324	337	360	377	396	391
Canada	690	732	770	825	874	910	938	989	1 049	1 132	1 202	1 264	1 297	1 280
Chile	117	127	133	134	143	151	157	167	182	198	214	230	244	243
Czech Republic	141	142	144	147	154	165	172	184	197	208	230	254	269	265
Denmark	127	133	139	143	154	158	165	164	174	180	196	203	212	204
Finland	99	108	116	122	133	138	143	144	156	161	174	191	200	185
France	1 241	1 301	1 369	1 425	1 535	1 630	1 711	1 700	1 767	1 869	2 001	2 121	2 222	2 172
Germany	1 888	1 935	1 989	2 064	2 133	2 212	2 275	2 357	2 466	2 587	2 778	2 926	3 032	2 970
Greece	163	173	179	185	201	218	237	250	266	273	300	317	335	328
Hungary	97	104	111	115	124	138	150	156	165	171	185	192	209	198
Iceland	6	7	8	8	8	9	9	9	10	10	11	12	12	12
Ireland	71	80	89	97	109	118	130	138	148	161	180	198	191	179
Israel*	100	105	110	131	148	151	155	149	161	162	176	192	202	207
Italy	1 240	1 285	1 350	1 377	1 458	1 546	1 532	1 563	1 595	1 649	1 782	1 885	1 956	1 922
Japan	2 964	3 062	3 031	3 071	3 250	3 330	3 417	3 510	3 708	3 873	4 070	4 285	4 316	4 140 e
Korea	647	691	653	727	809	861	936	966	1 039	1 097	1 174	1 269	1 306	1 324
Luxembourg	17	17	18	21	23	24	26	27	30	32	37	41	44	42
Mexico	736 e	800 e	849 e	894 e	987 e	1 009 e	1 048 e	1 109	1 187	1 294	1 435	1 527	1 623	1 535 e
Netherlands	352	376	400	426	468	494	516	514	540	573	622	667	708	675
New Zealand	67	71	72	77	81	86	90	94	100	104	113	121	124	125 e
Norway	114	123	121	133	162	167	168	175	194	219	248	259	290	266
Poland	311	340	362	383	404	419	442	458	497	526	575	636	692	728
Portugal	141	150	159	170	182	190	198	202	208	225	242	254	268	261
Slovak Republic	48	52	56	56	59	65	70	73	79	87	99	112	125	122
Slovenia	27	29	31	33	35	37	39	41	44	47	51	55	59	56
Spain	659	700	750	792	859	920	994	1 039	1 108	1 188	1 338	1 447	1 503	1 500
Sweden	200	208	216	230	248	251	261	272	292	295	324	352	364	353
Switzerland	194	203	210	215	228	234	245	246	257	266	296	326	347	349
Turkey	466 e	511 e	535	518	589	561	572	588	688	781	895	961	1 040	1 040
United Kingdom	1 218	1 308	1 363	1 423	1 535	1 630	1 714	1 777	1 902	1 971	2 119	2 191	2 287	2 252
United States	7 784	8 279	8 741	9 301	9 899	10 234	10 590	11 089	11 812	12 580	13 336	13 995	14 297	14 044
Euro area	6 385	6 663	6 979	7 260	7 727	8 136	8 448	8 637	9 023	9 489	10 292	10 937	11 405	11 159
OECD-Total	22 527 e	23 778 e	24 735 e	25 933 e	27 721 e	28 811 e	29 907 e	31 001	32 904	34 844	37 397	39 526	40 847	40 052 e

StatLink  <http://dx.doi.org/10.1787/888932351645>

Figure 1.1. **Gross domestic product, current exchange rates and current PPPs**

The seven largest economies in the OECD. Percentage of OECD total, 2009



StatLink  <http://dx.doi.org/10.1787/888932351056>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

2. GDP growth

Changes in the size of economies are usually measured by changes in the volume (often referred to as real) of GDP. Real reflects the fact that changes in GDP due to inflation are removed. This provides a measure of changes in the volume of production of an economy.

Definition

Converting nominal values of GDP to real values requires a set of detailed price indices, implicit or directly collected. When applied to the nominal value of transactions, the corresponding volume changes can be captured. The detailed volume changes for goods and services – typically several hundred – are then aggregated to yield an overall change in the volume of GDP. In the past, most countries used fixed weights for this aggregation and the base year to which weights related was only modified every five to ten years. It is important to recognise that growth rates are not invariant to the choice of this reference period and measures of growth could turn out to be biased for reporting years that were remote from the base year.

Since the 1993 *System of National Accounts* it has therefore been recommended that weights should be representative of the periods for which growth rates are calculated. This means that new weights should be introduced every year, giving rise to chain-linked (volume) indices (see Comparability, below).

Comparability

As described in Section 1, comparability of nominal values of GDP across countries is good. There is generally some variability in how countries calculate their

volume estimates of GDP, particularly in respect of government consumption, but this doesn't necessarily mean that growth rates are less comparable.

With the exception of Mexico and Chile, all OECD countries derive their annual estimates of real GDP using annually chain-linked volume indices (that is the fixed prices/weights are updated every year). Mexico and Chile, like many non-OECD countries, revise their fixed weights less frequently. Such practices however tend to lead to biased growth rates, usually upward.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), "Aggregate National Accounts: Gross domestic product", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00001-en>.

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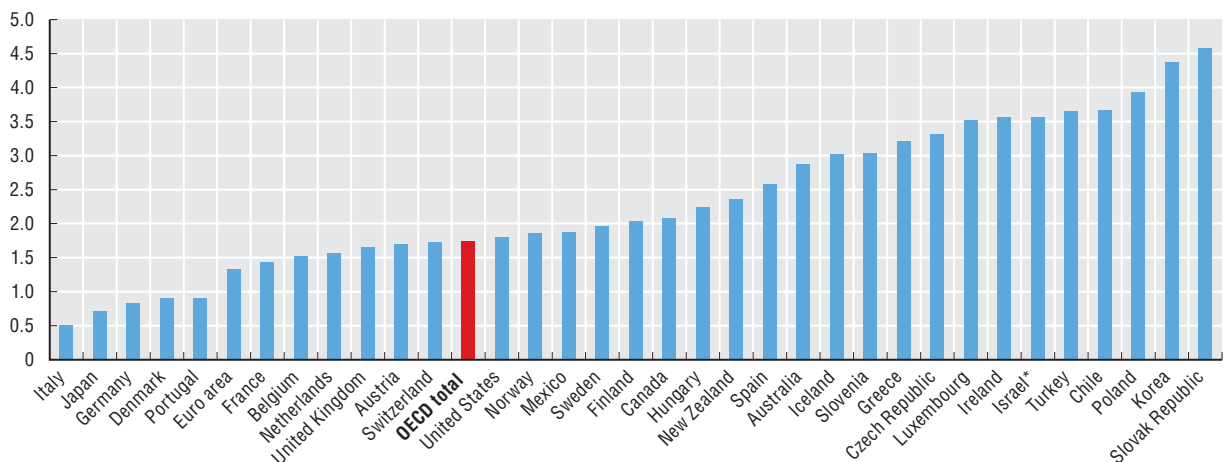
Table 2.1. **Gross domestic product, volume**

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	3.9	4.4	5.2	4.0	2.0	3.8	3.2	4.1	2.8	3.1	3.8	3.7	1.1	1.2 e
Austria	2.2	2.1	3.6	3.3	3.7	0.5	1.6	0.8	2.5	2.5	3.6	3.7	2.2	-3.9
Belgium	1.4	3.7	1.9	3.5	3.7	0.8	1.4	0.8	3.2	1.7	2.7	2.9	1.0	-2.8
Canada	1.6	4.2	4.1	5.5	5.2	1.8	2.9	1.9	3.1	3.0	2.8	2.2	0.5	-2.5
Chile	7.4	6.6	3.3	-0.7	4.5	3.3	2.2	4.0	6.0	5.6	4.6	4.6	3.7	-1.5
Czech Republic	4.0	-0.7	-0.8	1.3	3.6	2.5	1.9	3.6	4.5	6.3	6.8	6.1	2.5	-4.1
Denmark	2.8	3.2	2.2	2.6	3.5	0.7	0.5	0.4	2.3	2.4	3.4	1.7	-0.9	-4.7
Finland	3.6	6.2	5.0	3.9	5.3	2.3	1.8	2.0	4.1	2.9	4.4	5.3	0.9	-8.0
France	1.1	2.2	3.5	3.3	3.9	1.9	1.0	1.1	2.5	1.9	2.2	2.4	0.2	-2.6
Germany	1.0	1.8	2.0	2.0	3.2	1.2	0.0	-0.2	1.2	0.8	3.4	2.7	1.0	-4.7
Greece	2.4 e	3.6 e	3.4 e	3.4 e	4.5 e	4.2	3.4	5.9	4.4	2.3	4.5	4.3	1.3	-2.3
Hungary	0.7	3.9	4.8	4.1	4.9	3.8	4.1	4.0	4.5	3.2	3.6	0.8	0.8	-6.7
Iceland	4.8	4.9	6.3	4.1	4.3	3.9	0.1	2.4	7.7	7.5	4.6	6.0	1.0	-6.5
Ireland	8.1 e	11.5	8.4	10.9	9.7	5.7	6.5	4.4	4.6	6.0	5.3	5.6	-3.5	-7.6
Israel*	5.5	3.3	4.1	3.3	9.1	-0.1	-0.6	1.5	5.1	4.9	5.7	5.3	4.2	0.8
Italy	1.1	1.9	1.4	1.5	3.7	1.8	0.5	0.0	1.5	0.7	2.0	1.5	-1.3	-5.0
Japan	2.6	1.6	-2.0	-0.1	2.9	0.2	0.3	1.4	2.7	1.9	2.0	2.4	-1.2	-5.2 e
Korea	7.2	5.8	-5.7	10.7	8.8	4.0	7.2	2.8	4.6	4.0	5.2	5.1	2.3	0.2
Luxembourg	1.5	5.9	6.5	8.4	8.4	2.5	4.1	1.5	4.4	5.4	5.0	6.6	1.4	-3.7
Mexico	5.2 e	6.8 e	5.0 e	3.8 e	6.6 e	0.0 e	0.8 e	1.4 e	4.1	3.3	4.8	3.4	1.5	-6.5 e
Netherlands	3.4	4.3	3.9	4.7	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.9	1.9	-3.9
New Zealand	3.4	1.7	0.5	5.3	2.4	3.5	4.9	4.3	3.7	3.2	0.9	2.9	-1.4	-0.4 e
Norway	5.1	5.4	2.7	2.0	3.3	2.0	1.5	1.0	3.9	2.7	2.3	2.7	0.8	-1.4
Poland	6.2	7.1	5.0	4.5	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.1	1.7
Portugal	3.7	4.4	5.0	4.1	3.9	2.0	0.7	-0.9	1.6	0.8	1.4	2.4	0.0	-2.6
Slovak Republic	6.9	4.4	4.4	0.0	1.4	3.5	4.6	4.8	5.0	6.7	8.5	10.6	6.2	-4.7
Slovenia	3.6	4.9	3.6	5.4	4.4	2.8	4.0	2.8	4.3	4.5	5.9	6.9	3.7	-8.1
Spain	2.4	3.9	4.5	4.7	5.0	3.6	2.7	3.1	3.3	3.6	4.0	3.6	0.9	-3.7
Sweden	1.6	2.7	4.2	4.7	4.5	1.3	2.5	2.3	4.2	3.2	4.3	3.3	-0.4	-5.1
Switzerland	0.6	2.1	2.6	1.3	3.6	1.2	0.4	-0.2	2.5	2.6	3.6	3.6	1.9	-1.9
Turkey	7.0 e	7.5 e	3.1 e	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.7	0.7	-4.7
United Kingdom	2.9	3.3	3.6	3.5	3.9	2.5	2.1	2.8	3.0	2.2	2.8	2.7	-0.1	-5.0
United States	3.8	4.5	4.4	4.9	4.2	1.1	1.8	2.5	3.6	3.1	2.7	1.9	0.0	-2.7
Euro area	1.6	2.6	2.8	2.9	3.9	1.9	0.9	0.8	2.2	1.7	3.0	2.8	0.5	-4.1
OECD-Total	3.1 e	3.6 e	2.7 e	3.5 e	4.2 e	1.3 e	1.7 e	2.0 e	3.2	2.7	3.1	2.7	0.3	-3.5 e

StatLink  <http://dx.doi.org/10.1787/888932351664>Figure 2.1. **Gross domestic product, volume**

Average annual growth rates between 1999 and 2009

StatLink  <http://dx.doi.org/10.1787/888932351075>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

3. GDP per capita

Gross Domestic Product (GDP) per capita is a core indicator of economic performance and commonly used as a broad measure of average living standards or economic well-being; despite some recognised shortcomings.

For example average GDP per capita gives no indication of how GDP is distributed between citizens. Average GDP per capita may rise for example but more people may be worse off if income inequalities also increase.

Equally, in some countries (see Comparability), there may be a significant number of non-resident border or seasonal workers or indeed inflows and outflows of property income and both phenomena imply that the value of production differs from the income of residents, thereby over or understating their living standards.

A full discussion of these issues can be found in the Stiglitz-Sen-Fitoussi report (see “Further reading”).

Definition

The definition for GDP is described in Section 1 and population estimates are described in the Reader’s Guide.

A focus on per capita GDP is also useful in decomposing drivers of overall GDP growth. For example real GDP can grow without there being any improvement in real GDP per capita. Decomposing per capita growth into two parts, labour productivity growth (measured as GDP per hour worked) and labour utilisation growth (measured as hours worked per capita) is helpful in this context.

Comparability

The comparability of population and GDP estimates across countries is good (see Section 1). However,

some care is needed in interpretation, for example Luxembourg and, to a lesser extent, Switzerland have a relatively large number of frontier workers. Such workers contribute to GDP but are excluded from the population figures, which is one of the reasons why cross-country comparisons of income per capita based on gross or net national income (GDI and NNI) are often preferred, see second chapter on Income. (See also “Reader’s Guide”, relating to PPP based comparisons.)

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), “Aggregate National Accounts: Gross domestic product”, *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

- Report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz-Sen-Fitoussi Report), www.stiglitz-sen-fitoussi.fr.
- OECD (2002), *Measuring the Non-Observed Economy: A Handbook*, International Labour Office/International Monetary Fund/International Statistical Committee of the Commonwealth of Independent States, OECD Publishing, <http://dx.doi.org/10.1787/9789264175358-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 3.1. **Gross domestic product per capita, OECD = 100**

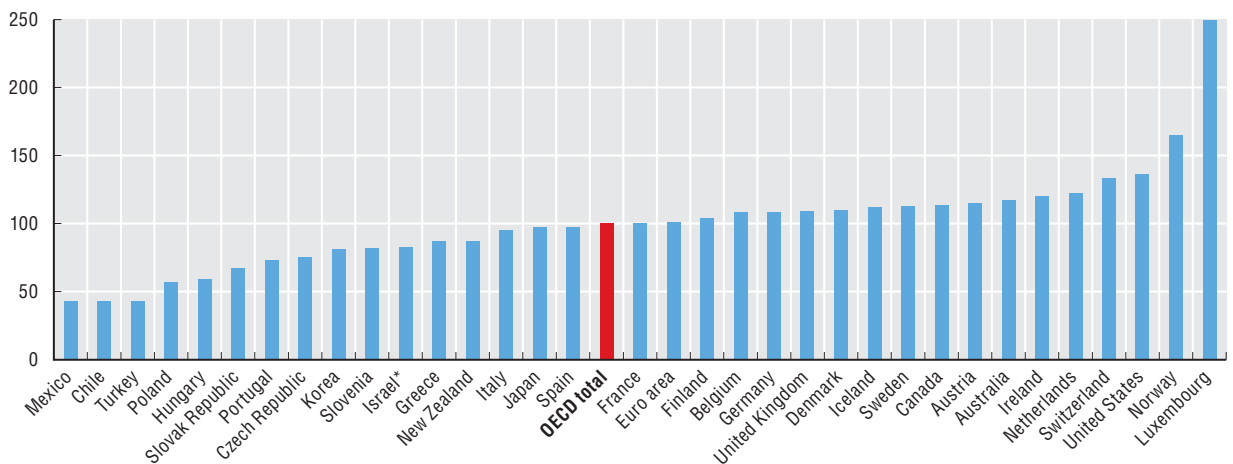
Based on current PPPs

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	111	112	113	116	114	115	116	119	118	117	117	117	114	118 e
Austria	118	116	117	116	117	113	116	115	115	112	114	113	116	115
Belgium	111	111	109	109	112	112	115	112	110	108	107	106	108	108
Canada	113	114	115	117	116	116	114	116	116	118	116	115	113	113 e
Chile	39	40	40	38	38	38	38	39	40	41	41	42	42	43
Czech Republic	66	64	63	62	61	64	64	67	68	68	70	73	75	75
Denmark	117	117	117	116	117	116	118	113	114	111	113	111	112	110
Finland	94	97	101	102	104	104	105	102	105	103	104	108	110	104
France	101	101	102	102	103	105	106	102	100	99	99	99	101	101
Germany	112	109	109	108	105	106	105	106	105	105	106	106	108	108
Greece	74	74	74	73	75	79	83	84	85	82	85	85	87	87
Hungary	46	47	49	49	49	53	56	57	57	57	58	57	61	59
Iceland	118	121	125	123	117	120	119	114	119	117	112	112	113	112
Ireland	95	101	108	112	117	120	126	128	129	129	133	135	125	120
Israel*	86	83	83	92	95	92	90	83	83	78	79	80	81	83
Italy	106	105	107	104	104	107	102	101	97	94	95	95	95	95
Japan	115	113	108	105	104	103	102	102	102	101	100	100	99	97 e
Korea	69	70	63	67	70	72	75	75	76	76	76	78	78	81
Luxembourg	196	190	194	212	218	212	220	225	229	229	247	253	261	253
Mexico	39 e	40 e	40 e	40 e	41 e	40 e	40 e	40	41	42	43	43	44	43 e
Netherlands	110	112	114	116	120	121	122	118	117	118	120	122	125	122
New Zealand	89	88	85	87	86	87	88	88	87	85	86	86	85	87 e
Norway	127	130	123	129	147	146	142	142	149	158	167	164	177	165
Poland	40	41	43	43	43	43	44	44	46	46	47	50	53	57
Portugal	68	69	70	72	72	73	73	72	70	71	72	72	73	73
Slovak Republic	44	45	46	45	45	48	50	50	52	54	58	62	68	67
Slovenia	67	68	70	72	71	72	75	76	78	79	80	81	85	82
Spain	81	82	85	85	87	89	92	92	91	92	95	96	96	98
Sweden	110	109	110	112	114	111	112	113	114	109	112	115	114	113
Switzerland	133	132	132	130	129	126	128	123	122	119	123	128	131	134
Turkey	37 e	39 e	38	35	37	34	33	33	36	38	40	41	43	43
United Kingdom	102	104	105	105	106	109	110	111	112	110	110	107	109	109
United States	140	141	142	144	142	141	140	142	142	142	140	139	137	137
Euro area	100	100	101	100	100	102	102	101	99	98	100	100	101	101
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

StatLink  <http://dx.doi.org/10.1787/888932351683>

Figure 3.1. **Gross domestic product per capita, OECD = 100**

Based on current PPPs, 2009



StatLink  <http://dx.doi.org/10.1787/888932351094>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.



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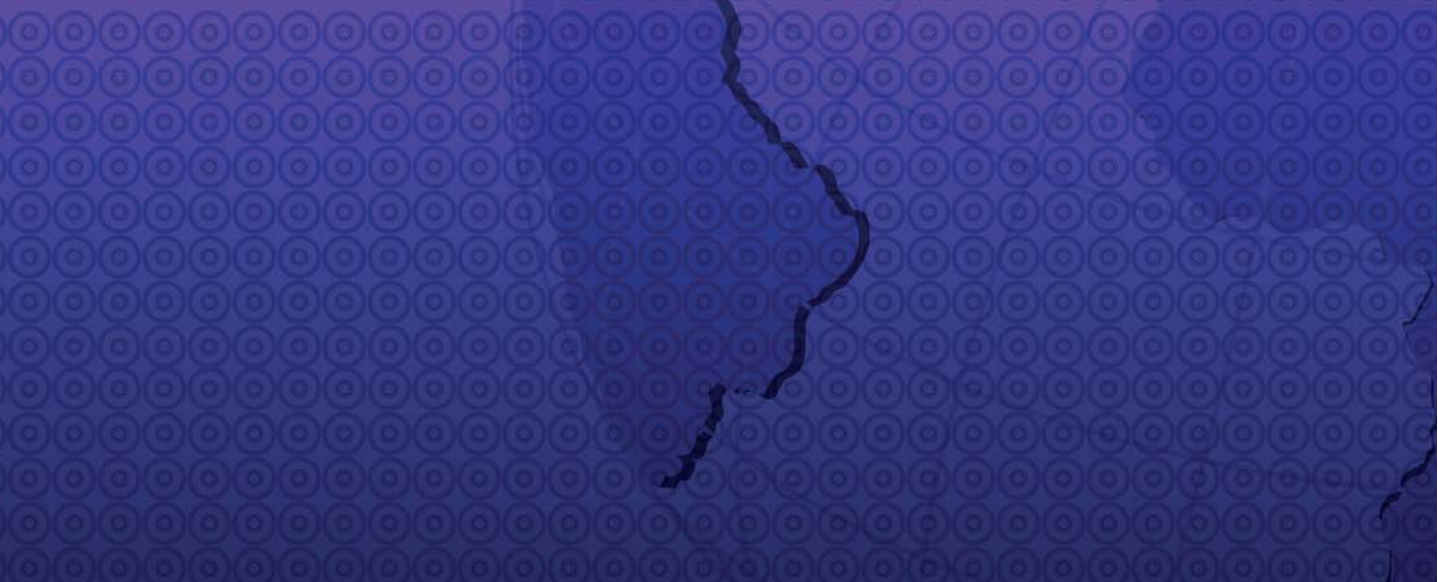
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INCOME

4. National income
5. Disposable income
6. Real measures of income
7. Saving
8. Household saving rate
9. Net lending/net borrowing

4. National income

While per capita gross domestic product is the indicator most commonly used to compare income levels, two other measures are preferred, at least in theory, by many analysts. These are per capita Gross National Income (GNI) and Net National Income (NNI).

Definition

GNI is defined as GDP plus net receipts from abroad of wages and salaries and of property income. NNI is equal to GNI net of depreciation.

Wages and salaries from abroad are those that are earned by residents who essentially live and consume inside the economic territory but work abroad (this happens in border areas on a regular basis) or for persons that live and work abroad for only short periods (seasonal workers) and whose centre of economic interest remains in their home country. Guest-workers and other migrant workers who live abroad for twelve months or more are considered to be resident in the country where they are working. Such persons may send part of their earnings to relatives at home, but these remittances are treated as transfers between resident and non-resident households and are recorded in national disposable income (Section 5) but not national income.

Property income from abroad includes interest, dividends and all or part of the retained earnings of foreign enterprises owned fully or in part by residents. In most countries, net receipts of property income account for most of the difference between GDP and GNI.

Note that retained earnings of foreign enterprises owned by residents may not actually return to the residents concerned, and, in some countries, there are restrictions on the repatriation of profits. Receipt of retained earnings is an imputation, and, since there is no actual transaction, it is necessary to impute an

outflow of the same amount. The imputed outflow is treated as a financial transaction (a reinvestment of earnings abroad) and not as an outflow of property income. Countries with large stocks of outward foreign direct investment may be shown as having large receipts of property income from abroad and therefore high GNI even though much of the property income may never actually be returned to the country but instead add to foreign direct investment.

Comparability

Comparability is good but there are practical difficulties in the measurement both of international flows of wages and salaries and property income and of depreciation. It is for that reason that GDP per capita is the most widely used indicator of income or welfare, even though it is theoretically inferior, in that context, to either GNI or NNI.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

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Further reading

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- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 4.1. Net national income per capita, OECD = 100

Based on current PPPs

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	105	105	106	109	107	108	110	112	110	109	107	109	107	111 e
Austria	116	112	113	112	112	108	112	112	111	108	109	110	113	111
Belgium	112	111	109	109	112	112	115	112	108	105	104	104	107	106
Canada	109	110	110	113	113	112	111	113	113	115	115	114	113	112 e
Chile	38 e	39 e	39 e	37 e	36 e	37 e	37 e	37	37	37	36	37	40	41 e
Czech Republic	61	58	57	55	54	56	56	59	59	60	62	64	68	67
Denmark	113	112	112	111	111	111	113	108	110	109	112	109	111	111
Finland	88	92	96	97	100	102	103	100	104	100	102	106	108	101
France	103	103	104	105	105	107	108	103	101	100	100	101	102	102
Germany	110	107	106	105	102	103	102	104	105	104	106	107	109	109
Greece	77 e	78 e	77 e	76 e	76	81	85	85	85	81	83	83	85	85
Hungary	41	41	43	42	44	48	52	53	53	52	53	52	56	54
Iceland	115	120	124	122	115	117	121	114	116	114	105	105	87	96
Ireland	89	93	98	98	102	104	107	112	112	113	119	121	113	104
Israel*	85	82	81	89	90	89	87	79	81	77	78	81	80	83
Italy	104	103	104	102	101	105	100	98	94	91	92	92	91	91
Japan	108	106	101	98	97	96	96	95	94	95	93	94	92	91 e
Korea	70	70	61	65	69	71	76	76	77	76	76	79	80	83
Luxembourg	180	181	175	187	185	185	181	173	200	197	185	204	195	174
Mexico	39 e	40 e	40 e	41 e	42 e	41 e	41 e	42	42	43	44	45	46	45 e
Netherlands	110	112	111	116	120	121	122	117	118	116	121	123	122	117
New Zealand	81	81	80	80	78	81	83	83	81	78	78	78	78	80 e
Norway	123	126	118	125	144	145	141	143	149	160	168	165	178	163
Poland	39	41	42	43	43	43	44	44	44	45	46	49	53	57
Portugal	66	67	68	69	68	68	69	69	66	67	66	66	68	68
Slovak Republic	41	41	43	41	40	44	45	44	45	48	52	58	64	64
Slovenia	65	66	67	69	68	69	73	74	75	76	77	78	82	79
Spain	81	81	84	85	85	87	90	90	88	88	90	91	91	92
Sweden	110	108	109	112	113	111	112	116	116	111	114	120	120	116
Switzerland	132	134	135	133	133	126	126	128	125	125	127	124	115	135
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	103	106	108	106	108	112	115	116	117	114	113	112	115	116
United States	145	145	147	149	148	146	145	146	146	147	145	142	140	139
Euro area	99	98	99	99	98	100	100	99	98	96	98	99	99	99
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100


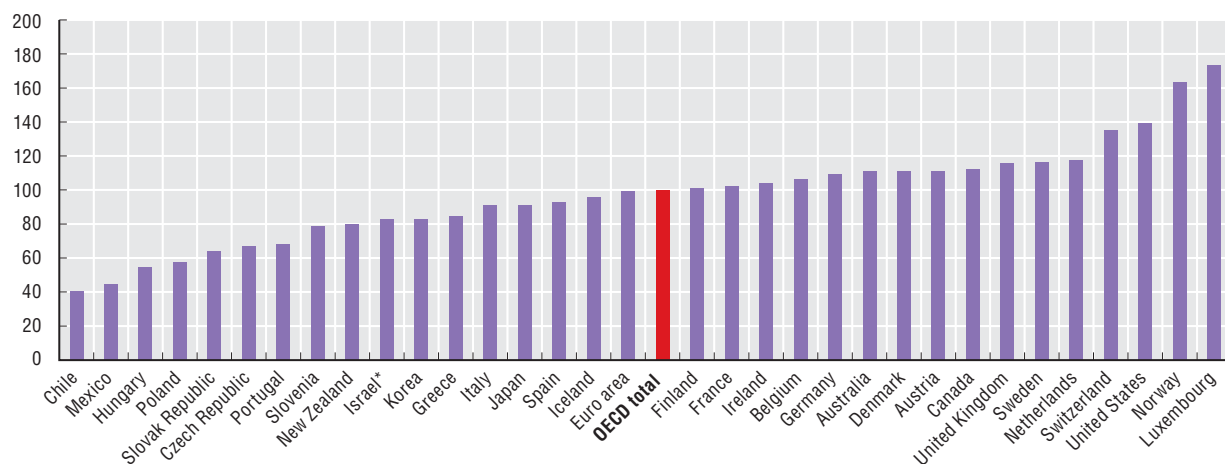
StatLink  <http://dx.doi.org/10.1787/888932351702>

Figure 4.1. Net national income per capita, OECD = 100

Current PPPs, 2009

StatLink  <http://dx.doi.org/10.1787/888932351113>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

5. Disposable income

Disposable income, as a concept, is closer to the concept of income generally understood in economics, than either national income or GDP. At the total economy level it differs from national income in that additional income items are included, mainly *other current transfers* such as *remittances*. For countries where these additional items form significant sources of income the importance of focusing on disposable income in formulating policy is clear. For OECD countries the differences between national and disposable income at the total economy level are typically insignificant. But another very important difference between national income and disposable income concerns the allocation of income across sectors. At this level significant differences arise. In the main these reflect the reallocation of national income: *from corporations and households to government*, on account of income taxes; *from households to government* to reflect social contributions; and, *from government and corporations to households* to reflect social benefits other than social transfers in kind. It is mainly this reallocation of income that brings the concept of income closer to the economic concept. Indeed, ignoring, for simplicity, changes in net worth that arise from capital transfers or holding gains say, disposable income can be seen as the maximum amount that a unit can afford to spend on consumption goods or services without having to reduce its financial or non-financial assets or by increasing its liabilities.

Definition

The description given above relates to what is known as *disposable income*, which can be shown gross or net of depreciation. However there is an important variant of this concept, described as *adjusted disposable income*, which additionally reallocates “income” from government and NPISHs to households to reflect social transfers in kind. These transfers reflect expenditures made by government or NPISHs on individual goods and services, such as health and education, on behalf of an individual household.

This variant provides an important mechanism for international comparisons of households’ “income” as it adjusts for the levels of individual goods and services indirectly “consumed” by households via taxation for example. The adjustment in effect imputes these expenditures from government/NPISHs to households (*actual consumption*) and also imputes the same values to households as if they were income (meaning that *net*

saving is unaffected by this reallocation, see Section 7). In theory some social transfers in kind may involve non-resident households or governments/NPISH but these are typically insignificant and, so, the SNA recommends, unless strong evidence to the contrary exists, that these cross border flows net out.

Comparability

Comparability is good but there are practical difficulties in the measurement of the additional income components, such as remittances, that make up the difference between GDP and disposable income (including adjusted). It is for that reason that GDP per capita is the most widely used indicator of income or welfare, even though it is theoretically inferior, in that context, to measures of disposable income.

Both measures of disposable income include the payments of pension contributions to pension schemes and to social security and the receipts of pensions from pension schemes and social security. The SNA prescribes this treatment as it aligns better with the individual’s concept of income and comes despite the fact that payments of pension contributions into the schemes and the receipts of pensions by pensioners constitute the acquisition and disposal of financial assets (see also Section 7). Not all countries however include these particular flows into and out of pension schemes as parts of disposable income and so comparability at the sectoral level is affected, albeit only marginally.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

Online database

- OECD (2010), “Detailed National Accounts: Non-financial accounts by sectors”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00034-en>.

Further reading

- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 5.1. Household gross adjusted disposable income per capita

US dollars at current PPPs

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	17 698	18 423	19 163	20 077	21 511	22 404	23 354	23 789	25 309	25 857	26 926	28 204	29 197	..
Austria	18 423	18 472	19 225	20 181	22 134	22 036	23 492	24 090	25 314	24 999	27 072	28 025	29 112	28 833
Belgium	18 051	18 450	18 649	19 350	21 828	22 722	24 256	23 578	24 373	23 807	25 024	25 747	27 236	27 409
Canada	18 063	18 463	18 998	19 718	20 887	21 715	22 169	22 752	24 036	24 977	25 890	27 373	28 095	28 418 e
Chile	..	..	..	..	..	..	..	5 885	6 442	7 078	7 730	8 440	9 077	..
Czech Republic	9 909	10 260	10 113	10 493	11 227	12 016	12 628	13 186	13 798	12 984	15 069	16 430	17 249	17 171
Denmark	16 202	16 623	17 472	17 389	18 524	19 064	20 762	20 169	21 191	21 645	22 235	23 177	24 073	24 322
Finland	12 974	13 921	14 479	15 424	16 868	17 430	18 935	19 287	20 823	21 722	22 243	24 150	25 441	26 133
France	17 177	17 841	18 522	19 267	21 413	22 841	24 871	23 941	24 940	24 341	26 153	27 571	28 652	28 703
Germany	18 914	19 178	19 447	20 315	21 594	22 426	23 451	24 150	24 940	25 344	27 033	28 007	29 414	29 389
Greece	..	..	..	..	14 988	16 288	18 049	18 189	19 197	19 274	20 334	22 288	22 724	..
Hungary	8 311	8 478	8 796	9 123	9 881	10 717	12 022	12 318	13 032	12 374	13 925	13 980	14 605	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	20 053	20 784	22 409	23 121	23 784	24 924	25 899	26 295
Israel*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	17 619	18 043	18 454	18 894	20 323	22 084	22 079	22 104	22 397	22 862	23 672	24 731	25 439	25 036
Japan	16 782	17 118	17 248	17 574	18 567	18 656	19 794	20 330	21 253	22 491	23 216	24 175	..	..
Korea	10 887	11 204	10 984	11 320	11 660	12 024	12 654	13 271	14 230	14 749	15 488	16 330	17 004	17 289
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	9 111	9 638	10 215	11 242	11 691	12 225	..
Netherlands	15 721	16 645	17 520	18 386	20 505	21 957	23 523	22 339	23 182	22 531	24 992	26 660	27 520	27 293
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	16 861	17 656	18 599	19 136	20 842	21 267	23 735	24 955	26 343	28 655	27 141	28 808	..	..
Poland	7 106	7 699	8 155	8 593	9 282	9 788	10 368	10 403	10 967	10 731	11 845	13 180	14 270	..
Portugal	11 193	11 672	12 043	13 133	14 494	15 072	15 820	16 003	16 632	17 787	18 185	18 848	20 087	20 227
Slovak Republic	7 119	7 997	8 346	8 241	8 815	9 706	10 700	10 422	10 973	11 016	12 666	14 552	16 120	16 618
Slovenia	..	..	..	11 314	12 423	13 102	14 374	14 197	15 077	15 228	16 454	17 330	18 600	..
Spain	..	..	..	..	17 021	18 025	19 819	19 798	20 691	20 707	22 605	23 356	24 559	25 096
Sweden	15 321	15 449	15 912	17 034	18 871	20 040	21 681	21 857	22 516	22 395	23 632	25 557	26 798	27 101
Switzerland	18 654	19 443	19 973	20 462	22 068	22 875	24 153	23 430	24 438	25 345	25 748	27 937	28 806	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	16 676	17 766	18 111	18 828	21 050	22 633	24 194	24 552	25 866	25 501	27 104	27 427	28 538	..
United States	23 236	24 121	25 482	26 438	28 092	29 074	30 260	31 557	33 084	34 328	36 334	37 754	39 390	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


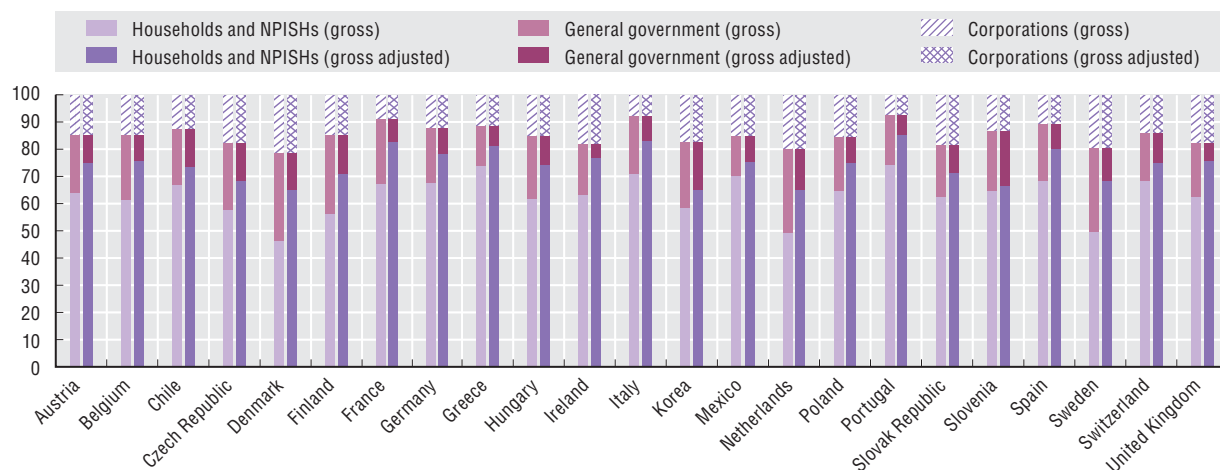
StatLink  <http://dx.doi.org/10.1787/888932351721>

Figure 5.1. Disposable income – gross and gross adjusted – by sector

Total economy = 100%, 2008

StatLink  <http://dx.doi.org/10.1787/888932351132>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

6. Real measures of income

As described in earlier sections, measures of income, such as national or disposable income are generally preferred, in theory, to GDP, in analyses of well-being both in nominal and real terms. However there are some specificities related to the calculation and associated interpretations of real income, as opposed to real GDP say, that are worth mentioning.

Definition

Whereas GDP can be measured relatively simply in volume terms because price and quantity components exist, at least in principle, for all of the flows in GDP (via the expenditure or production approach), this is not the case for the additional income components that reflect the difference between GNI say and GDP; which cannot be decomposed into price and quantity dimensions. These flows can be measured in “real” terms through the use of an appropriate price index that measures their real purchasing power in relation to a selected basket of goods and services. But moving from real GDP to real GNI is not simply a case of choosing an appropriate price index to deflate the additional income components. Another adjustment that takes account of changes in the *terms of trade* is needed; which is only relevant for real measures.

Gross Domestic Income (GDI), as opposed to Gross National Income, in current prices is exactly equal to GDP. But if the prices of a country’s exports rise faster (or fall more slowly) than the prices of its imports (that is, if its terms of trade improve) fewer exports are needed to pay for a given volume of imports. Thus, an improvement in the terms of trade makes it possible for an increased volume of goods and services to be purchased by residents out of the incomes generated by a given level of domestic production. This improvement (or otherwise, e.g. if the prices of imports rise faster than exports), known as *trading gains and losses from changes in the terms of trade*, reflects the difference between real GDI and real GDP. It follows that it also forms part of the difference between real GDP and real national income (GNI and NNI) and disposable (and adjusted disposable) income.

These trading gains or losses are equal to the current trade balance deflated by a single price index, minus real exports, plus real imports (where estimates of

real exports and real imports are consistent with those used in real GDP). And so real GDI is equal to final consumption (households, NPISH and general government final consumption) + real gross capital formation + the “real” trade balance.

Comparability

The comparability of current price measures of income is described in the previous sections. The choice of the single price index used to deflate the current trade balance varies across countries. The SNA recommends that the choice of the price index is left to statistical authorities to decide on the basis of national circumstances. Three approaches are commonly used. The first is to use either the overall import (or export) price index. The second is to use a weighted average of the overall import and export price indices. The third method, which is the approach used by many countries for simplicity, is a general price index (typically this is the implied deflator for gross domestic final expenditure). The advantage of this third approach is that the income components that reflect the difference between GNI (and other income measures) and GDP can also be (and usually are) meaningfully deflated using this same general price index.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), “Aggregate National Accounts: Disposable income and net lending/borrowing”, *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00002-en>.

Further reading

- Eurostat (2001), *Handbook on Price and Volume Measures in National Accounts*, Eurostat, Luxembourg.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 6.1. Real net national income index

Year 2000 = 100

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	85	89	93	98	100	104	108	115	119	125	131	137	140	139 e
Austria	91	92	95	97	100	100	103	104	107	109	113	116	117	112
Belgium	90	93	95	97	100	100	102	102	104	105	107	110	109	107
Canada	81	85	87	92	100	100	102	107	112	118	123	126	129	119
Chile	87 e	94 e	97 e	95 e	100	102 e	104 e	109	122	134	148	159	159	156 e
Czech Republic	98	96	99	99	100	103	106	111	117	125	132	139	145	137
Denmark	90	93	95	97	100	101	102	103	108	113	118	118	117	112
Finland	79	86	91	95	100	103	105	105	110	111	115	120	119	108
France	88	90	94	97	100	102	102	103	106	107	109	113	112	109
Germany	94	94	96	98	100	101	101	102	105	106	110	113	113	108
Greece	88 e	92 e	95 e	97 e	100	105	109	114	119	120	124	129	129	124
Hungary	84	87	93	95	100	105	112	119	124	126	129	128	129	121
Iceland	80	86	94	97	100	103	107	107	112	122	122	130	103	101
Ireland	72	79	87	92	100	103	107	114	117	124	134	139	131	116
Israel*	85	88	92	94	100	102	100	100	106	113	120	127	127	132
Italy	93	95	97	98	100	102	102	103	104	104	106	107	103	98
Japan	100	101	98	98	100	99	100	100	102	105	106	108	103	100 e
Korea	91	93	86	93	100	104	112	115	119	121	126	132	131	132
Luxembourg	84	89	89	97	100	102	101	100	119	125	120	139	132	114
Mexico	77 e	84 e	87 e	92 e	100	100 e	102 e	103	107	111	117	122	123	114 e
Netherlands	83	88	89	95	100	101	101	102	105	105	112	115	113	105
New Zealand	89	92	95	98	100	106	111	118	122	125	126	133	130	130 e
Norway	77	82	80	86	100	102	100	101	109	121	130	130	138	124
Poland	82	88	93	97	100	101	102	105	110	116	123	131	141	143
Portugal	85	89	95	99	100	101	104	104	105	104	104	107	105	104
Slovak Republic	89	95	99	97	100	104	108	106	114	124	135	151	159	152
Slovenia	85	89	92	98	100	104	109	114	118	122	129	137	139	130
Spain	85	88	92	97	100	103	107	111	113	117	121	124	123	120
Sweden	87	89	93	97	100	100	102	107	109	113	119	125	125	115
Switzerland	89	92	95	97	100	97	97	103	105	109	111	107	98	112
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	85	89	94	96	100	103	108	111	114	116	118	123	124	116
United States	82	87	92	96	100	101	102	104	108	112	115	115	113	110
Euro area	90	92	95	98	100	102	103	104	107	108	111	114	113	108
OECD-Total


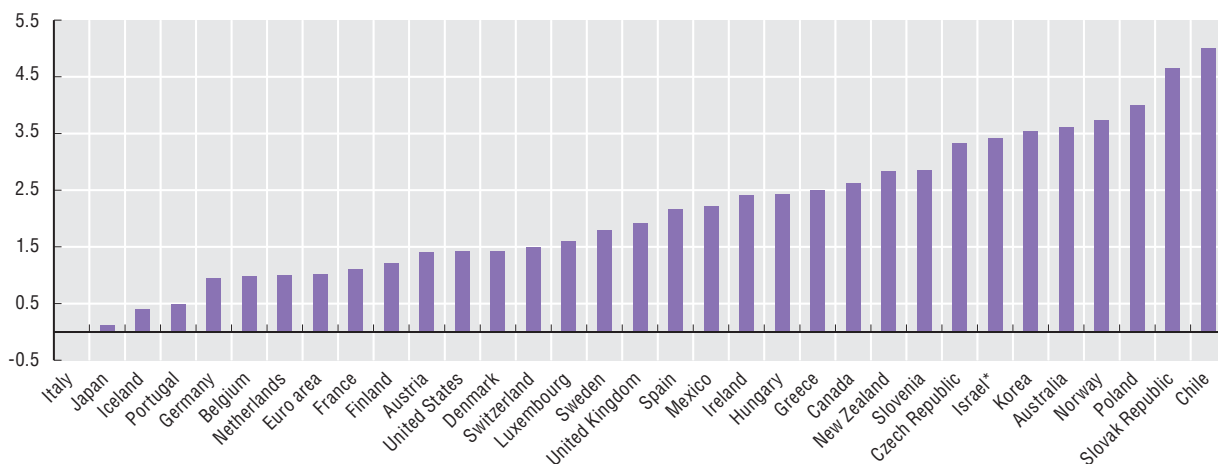

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Figure 6.1. Real net national income

Average annual growth rates between 1999 and 2009



StatLink  <http://dx.doi.org/10.1787/888932351151>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

7. Saving

The purpose of saving is to increase future resources available for consumption and to protect against unexpected changes in income. Saving in its simplest terms is very similar to the concept of saving commonly used by the man on the street. It reflects the amount of disposable income that remains after final consumption expenditures, and that is invested – be that in financial assets, such as bank deposits or shares, or non-financial assets, such as real estate. Its importance is therefore paramount in many areas such as: analyses of the sustainability of consumption patterns; or the scope of governments to stimulate demand or raise taxes. Government saving is also an important indicator in a budgetary context. The “Golden rule”, for example, that government saving should be zero over the course of an economic cycle is often set as a fiscal objective.

Definition

Saving is the difference between disposable income and final consumption expenditure plus the change in net equity of households in pension funds (since this component is also a determinant of household disposable income but with an opposite sign, see also Section 5). It can also be calculated using adjusted disposable income and actual final consumption instead of disposable income and final consumption. It therefore reflects the residual income used to acquire financial and non-financial assets. Net saving is equal to saving net of depreciation.

Because by definition they have no final consumption, saving and disposable income are exactly equal for corporations.

It's important to note that disposable income does not include any capital gains or indeed losses, and, so, neither does saving. Some have argued that disposable income and saving should include capital gains. But asset prices may rise for reasons unconnected with the productive potential of the economy, for example, a reduction of the risk premium. Moreover capital gains have to be realised before they are available to support consumption, and the very act of realising gains may actually reduce their size. Finally households respond differently to capital gains than to income. This is partly because asset prices are volatile, and partly because much household wealth is not liquid (e.g. pension funds).

An interesting point to note in this context is the treatment of capital gains taxes, which are included in disposable income. Taken to an extreme, for households this means that savings will fall, everything else being equal, during periods of strong asset prices because of the taxes payable on capital gains realised.

Comparability

Because disposable income and final consumption expenditure are large aggregates, small changes to either are capable of producing a large change in gross saving. Although in itself this does not impair international comparability it does mean that some care is needed in interpreting early estimates of saving's statistics, which may be affected by revisions.

As described in Section 5 not all countries include changes in net equity of households in pension funds and so savings estimates at the sectoral level will be affected.

Some care is also needed in terms of economic interpretability at the sectoral level. For example, because in many countries capital gains taxes are lower than marginal income taxes, instead of paying a dividend, a company may choose to buy its own equity at a premium, so rewarding its shareholders with a capital gain. This would result in lower estimates of households savings than if dividends were paid, as dividends are recorded as disposable income.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), “Aggregate National Accounts: Disposable income and net lending/borrowing”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00002-en>.

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- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 7.1. Net saving rate

Percentage of GDP

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	5.8	5.7	4.9	5.7	4.8	5.8	5.4	6.2	5.4	6.9	7.2	7.8	7.9	..
Austria	7.3	7.6	8.2	8.0	8.5	7.5	9.3	8.9	9.5	9.3	10.4	12.0	11.6	7.5
Belgium	9.5	10.7	10.6	11.1	11.5	10.1	9.9	9.4	9.7	9.4	9.8	10.7	8.6	5.0
Canada	5.6	6.4	5.7	7.5	10.8	8.9	7.7	8.0	10.0	11.0	11.7	10.9	10.4	3.4
Chile	9.2 e	9.6 e	8.5 e	7.0 e	7.2 e	7.0 e	6.8 e	7.3	10.1	12.1	14.3	14.5	11.3	..
Czech Republic	7.7	4.3	6.5	4.3	4.2	4.0	2.5	0.9	2.9	5.4	6.8	7.1	7.2	2.5
Denmark	4.9	5.7	4.8	5.7	6.8	7.4	6.6	6.6	7.0	9.3	9.9	8.5	7.7	4.4
Finland	4.2	8.0	9.3	10.8	13.0	13.4	12.4	9.1	10.9	9.7	10.5	11.7	9.3	1.8
France	6.4	7.7	8.9	9.6	9.2	8.6	7.0	6.3	6.0	5.5	6.0	6.7	5.5	1.8
Germany	5.8	5.9	6.1	5.5	5.2	4.5	4.4	4.5	7.1	7.1	9.5	11.2	10.4	6.2
Greece	-0.2 e	-0.2 e	-0.2 e	-0.1 e	-0.1	0.2	-1.8	-0.3	-0.3	-3.3	-4.1	-5.8	-8.0	-11.8
Hungary	3.1	4.5	5.2	2.1	3.8	4.2	3.0	1.0	2.7	1.3	1.5	1.8	2.0	2.7
Iceland	4.0	5.8	5.9	3.1	1.2	4.8	7.7	3.0	2.0	0.6	-1.1	-0.4	-12.4	-5.4
Ireland	11.8	13.6	15.5	14.0	13.7	11.7	10.3	13.0	13.3	13.3	15.0	12.4	7.0	2.2
Israel*	8.7	9.2	9.3	8.0	7.4	6.5	4.1	4.4	6.4	8.6	11.3	10.4	7.2	7.8
Italy	7.9	7.8	7.0	6.5	5.9	6.2	5.8	4.7	5.1	4.0	4.0	4.4	1.8	-1.2
Japan	11.0	11.0	9.4	7.8	7.8	5.6	4.9	4.6	4.7	6.0	6.0	6.5	3.6	..
Korea	22.5	21.5	21.5	19.8	19.1	17.5	17.5	18.8	21.1	18.8	17.5	17.5	17.5	16.7
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	16.3 e	19.3 e	14.2 e	14.8 e	15.5 e	11.5 e	12.3 e	12.8	15.2	14.9	17.0	16.1	16.4	..
Netherlands	11.9	13.7	10.8	12.5	13.7	12.0	10.8	10.4	12.6	11.8	14.5	14.5	11.3	6.5
New Zealand	2.9	2.6	1.9	1.7	2.9	5.3	5.1	5.2	4.4	2.0	1.2	2.3	0.3	..
Norway	12.8	14.9	10.9	13.5	21.9	21.2	17.3	16.5	19.2	24.7	27.0	24.9	26.6	18.5
Poland	5.7	6.4	7.7	6.6	6.1	4.8	2.9	3.3	2.8	5.2	5.3	7.3	..	..
Portugal	3.9	4.4	5.2	4.5	1.9	1.0	0.8	0.1	-1.1	-3.8	-4.7	-4.1	-6.7	-8.3
Slovak Republic	4.2	4.6	3.9	2.9	2.8	1.9	1.0	-2.2	0.0	1.1	1.5	5.7	4.9	-0.8
Slovenia	5.9	7.1	7.3	7.2	6.9	7.4	8.4	8.8	9.5	10.2	11.7	12.7	10.5	5.7
Spain	8.4	9.0	9.5	9.3	8.6	8.3	8.8	8.9	7.5	6.8	6.4	5.3	3.2	2.0
Sweden	9.1	9.3	10.0	10.1	10.6	10.0	9.3	11.3	11.3	12.4	14.3	16.6	16.3	9.9
Switzerland	11.5	13.8	15.0	15.5	17.1	13.2	10.8	14.8	15.0	18.0	17.9	13.7	6.2	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	4.1	5.6	6.7	4.4	3.6	4.1	4.0	4.1	3.8	3.4	3.0	4.6	4.6	0.9
United States	5.7	7.0	7.4	6.7	6.4	4.4	2.5	1.8	2.4	2.8	3.8	1.7	-0.6	-2.5
Euro area
OECD-Total


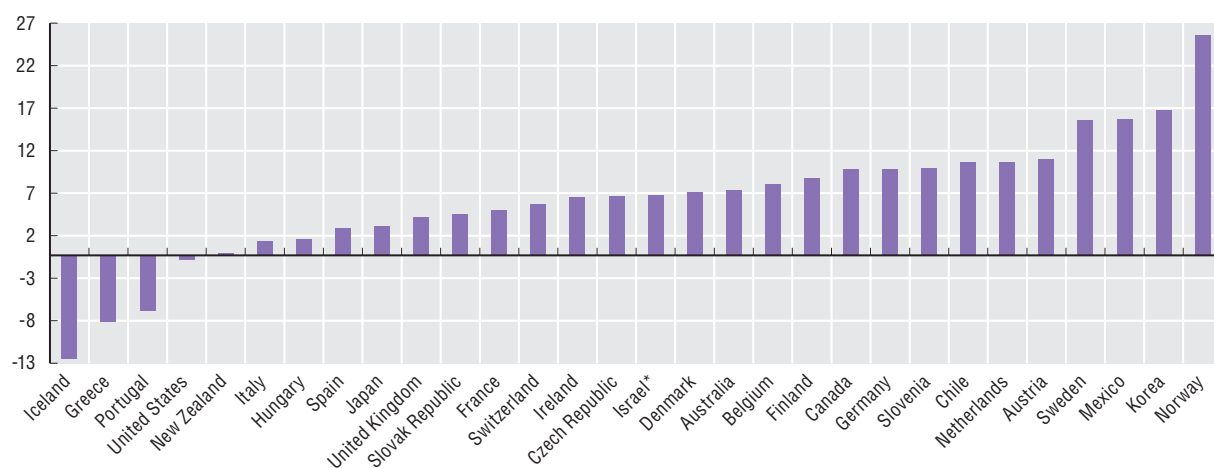

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Figure 7.1. Net saving rate

Percentage of GDP, 2008



StatLink  <http://dx.doi.org/10.1787/888932351170>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

8. Household saving rate

Household saving is the main domestic source of funds to finance capital investment, which is a major impetus for long-term economic growth. Household saving rates vary considerably between countries because of institutional, demographic and socio-economic differences. For example government provisions for old-age pensions and the demographic age structure of the population will all influence the rate at which populations save (older persons tend to run down their financial assets during their retirement to the detriment of saving). Equally the availability and price of credit, as well as attitudes towards debt, may also influence choices made by individuals regarding whether to spend or save.

Definition

In the national accounts, household saving is estimated by subtracting household consumption expenditure from household disposable income plus the change in net equity of households in pension funds (since this component is also a determinant of household disposable income but with an opposite sign).

Household disposable income consists essentially of income from employment and from the operation of unincorporated enterprises, plus receipts of interest, dividends and social benefits minus payments of current taxes, interest and social contributions. Note that enterprise income includes imputed rents paid by owner-occupiers of dwellings.

Household consumption expenditure consists mainly of cash outlays for consumer goods and services but it also includes the imputed expenditures that owner occupiers pay, as occupiers, to themselves as owners of their dwellings and the production of goods for own-final use such as agricultural products – the values of which are also included in income.

The household saving rate is calculated as the ratio of household saving to household disposable income (plus the change in net equity of households in pension funds).

Comparability

Saving rates may be measured on either a net or a gross basis. Net saving rates are measured after deducting consumption of fixed capital (in respect of assets used in unincorporated enterprises and in respect of owner-occupied dwellings), from saving and from the disposable income of households, so that both saving and disposable income are shown on a net basis.

Most countries publish ratios on a net basis. However some countries publish these ratios on a gross basis; which causes an upward bias compared to net ratios: (as saving is always less than disposable income, and depreciation is unlikely to ever be larger than disposable income).

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

Online database

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- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 8.1. Household net saving rate

Percentage of household disposable income

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	6.9	5.6	3.4	2.8	2.6	2.6	0.2	-0.9	-1.5	0.4	1.3	0.5	4.5	..
Austria	9.3	7.7	8.5	9.8	9.2	8.0	8.0	9.1	9.3	9.7	10.4	11.6	11.8	11.1
Belgium	14.3	13.2	12.7	13.1	12.3	13.7	12.9	12.2	10.8	10.2	11.0	11.4	11.9	13.5
Canada	7.2	5.0	4.9	4.1	4.8	5.3	3.5	2.7	3.2	2.2	3.6	2.9	3.7	4.7
Chile	6.8 e	5.3 e	6.1 e	6.8 e	6.1 e	6.6 e	6.4 e	6.1	6.8	6.7	7.3	7.3	7.3	..
Czech Republic	6.1	6.0	4.1	3.4	3.3	2.2	3.0	2.4	0.5	3.2	4.8	6.3	5.7	4.5
Denmark	-0.2	-2.8	-1.2	-5.6	-4.0	2.1	2.1	2.4	-1.3	-4.2	-2.3	-3.2	-2.8	0.1
Finland	0.7	2.5	0.6	2.4	0.5	0.3	0.5	1.4	2.7	0.9	-1.1	-0.9	-0.2	4.0
France	11.7	12.6	12.2	11.9	11.8	12.5	13.7	12.5	12.4	11.4	11.4	11.9	11.6	12.5
Germany	10.5	10.1	10.1	9.5	9.2	9.4	9.9	10.3	10.4	10.5	10.6	10.8	11.7	11.1
Greece	..	..	..	..	-4.5	-5.5	-7.6	-9.6	-9.8	-11.8	-14.5	-7.7	-12.1	..
Hungary	15.6	14.2	13.5	9.9	8.9	8.5	6.4	4.3	6.8	6.1	7.5	4.6	3.0	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	4.1	3.8	7.0	5.2	3.7	1.2	4.0	12.0
Israel*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	17.9	15.1	11.4	10.2	8.4	10.5	11.2	10.3	10.2	9.9	9.1	8.4	8.2	7.1
Japan	11.4	10.9	11.7	10.2	8.8	5.1	5.1	3.9	3.6	3.9	3.7	2.5	2.3	..
Korea	18.1	16.1	23.2	16.1	9.3	5.2	0.4	5.2	9.2	7.2	5.2	2.9	2.9	3.6
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	12.7	13.3	12.2	9.0	6.9	9.7	8.7	7.6	7.4	6.4	6.1	6.9	5.7	6.8
New Zealand	-2.6	-4.6	-4.2	-5.3	-3.8	..	..	..	..	..	..	..	..	..
Norway	2.6	3.0	5.7	4.7	4.3	3.1	8.2	8.9	7.2	10.1	0.1	-1.2	..	..
Poland	11.7	11.7	12.1	10.5	10.0	11.9	8.3	7.7	7.0	7.3	7.5	6.1	0.8	..
Portugal	4.8	3.8	3.3	3.9	3.8	3.7	3.3	3.7	2.8	2.7	0.4	-0.7	-0.1	3.5
Slovak Republic	8.8	9.2	7.6	6.2	6.0	3.8	3.3	1.1	0.3	1.1	0.4	2.4	1.5	..
Slovenia	6.2	8.3	7.2	4.3	7.0	9.0	9.9	7.6	9.2	11.5	11.8	9.5	10.8	..
Spain	..	..	..	..	5.9	5.6	5.6	6.0	4.9	4.7	4.2	3.6	6.6	11.9
Sweden	6.3	3.4	2.8	2.8	4.3	8.4	8.2	7.2	6.1	5.5	6.6	8.8	11.2	12.9
Switzerland	10.9	10.7	10.7	10.8	11.7	11.9	10.7	9.4	9.0	10.1	11.4	12.6	11.8	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	5.7	5.8	3.4	0.9	0.1	1.5	-0.1	0.4	-1.6	-1.2	-2.8	-4.1	-4.4	..
United States	5.1	4.7	5.4	3.2	3.0	2.8	3.7	3.8	3.4	1.5	2.5	2.1	4.2	6.2
Euro area	..	..	..	9.2	8.3	9.0	9.5	9.2	9.0	8.4	8.0	8.1	8.2	9.7
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


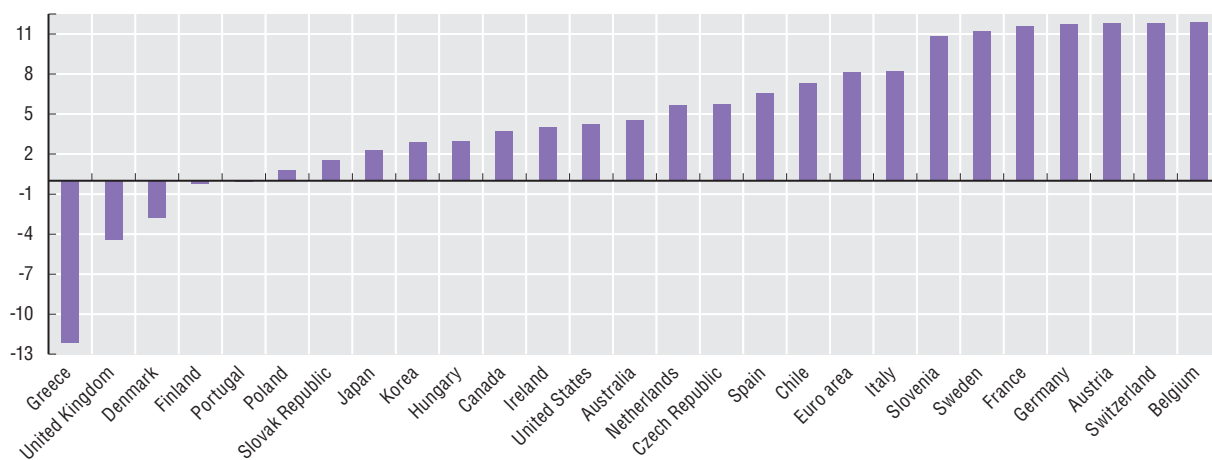

StatLink  <http://dx.doi.org/10.1787/888932351778>

Figure 8.1. Household net saving rate

Percentage of household disposable income, 2008



StatLink  <http://dx.doi.org/10.1787/888932351189>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

9. Net lending/net borrowing

Net lending/borrowing is one of only two balancing items in the SNA where the reference to “net” is not in juxtaposition to “gross”: in other words it is not in reference to lending net of depreciation. If it is positive it is described as net lending and if negative, as net borrowing. It reflects the amount of financial assets that are available for lending or needed for borrowing to finance all expenditures – current, gross capital formation, non-produced non-financial assets, and capital transfers – in excess of disposable income. Its importance as an economic concept is best illustrated by the fact that it forms one of the two Maastricht excessive deficit criteria used by the European Commission to assess the soundness and sustainability of public finances.

Definition

Net lending or borrowing can be measured identically as the balancing item in either the capital or financial accounts.

It can therefore be derived as saving less acquisitions plus disposals of non-produced non-financial assets plus capital transfers receivable minus gross capital formation minus capital transfers payable.

Or it can be derived as the difference between net acquisition of financial assets and net incurrence of liabilities. Financial assets (and liabilities) include: Monetary gold, Special Drawing Rights, Currency and Deposits, Securities, Shares and other equity, Insurance Technical Reserves (including net equity of households in pension funds, see Sections 5, 7 and 8) and Other accounts receivable and payable (such as trade credits and advances for work in progress or to be undertaken).

Although it can be derived via either approach it is important to note that, in practice, achieving this equivalence is one of the most difficult tasks in compiling national accounts.

Another important point worth making in this context concerns contingencies. Many types of contractual financial arrangements do not give rise to unconditional requirements either to make payments or to provide other objects of value. These “contingencies” are not recorded as financial assets in the SNA. If

an event occurs (and a feature of contingencies is that they may not), for example, transactions in financial assets related to the realisation of the contingency, the transactions are recorded in the accounts in the usual way. A simple example of a contingency is an overdraft facility on a bank account. The existence of the facility does not of itself create a financial asset (of the bank) and liability (of the account holder). But any borrowing that subsequently occurs in relation to the facility will.

Comparability

Generally the comparability of statistics on net lending and net borrowing is good, especially for EU countries. That said, the difficulty that many countries face in reconciling the two approaches to measurement gives some indication of the care needed. Comparability, or rather the care needed when interpreting cross-country data, is perhaps a bigger issue at the sectoral level. Again, this is not fundamentally a question of conceptual differences but real differences in the types of institutions included within institutional sectors: for example in some countries hospitals are outside of the general government sector – see also Section 16.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

Online database

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- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
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Table 9.1. Net lending/net borrowing by institutional sector

Percentage of GDP

	Total			Corporations			General government			Households		
	1998	2003	2008	1998	2003	2008	1998	2003	2008	1998	2003	2008
Australia	-5.3	-5.4	-3.0	-3.7	-0.3	-0.9	0.7	0.9	-2.3	-2.4	-6.0	-1.5
Austria	-1.7	1.7	3.7	-2.4	-1.2	-1.2	-2.5	-1.6	-0.5	3.2	4.5	5.3
Belgium	4.4	5.5	0.6	0.4	0.8	-1.5	-1.0	-0.2	-1.4	4.9	4.9	3.5
Canada	-0.7	1.7	0.6	-1.1	4.5	3.5	0.1	-0.1	-0.0	0.2	-2.7	-2.9
Chile	-4.5	-1.1	-1.9	-7.3	-3.8	-7.4	0.4	-0.2	3.3	1.5	3.0	2.2
Czech Republic	-2.1	-6.3	0.3	1.7	-0.0	2.0	-5.0	-6.6	-2.7	1.2	0.3	0.9
Denmark	-0.9	3.4	2.0	0.9	3.5	1.6	-0.1	-0.1	3.4	-1.7	-0.0	-3.0
Finland	5.1	5.2	3.6	5.0	4.5	2.1	1.5	2.3	4.2	-1.4	-1.6	-2.8
France	2.4	-0.2	-2.7	0.6	-0.5	-2.5	-2.6	-4.1	-3.3	4.4	4.4	3.1
Germany	-0.7	2.1	6.7	-2.0	0.3	1.0	-2.2	-4.0	0.1	3.5	5.8	5.6
Greece	..	-10.8	-12.6	..	5.1	3.9	..	-5.9	-5.2	..	-10.0	-11.3
Hungary	-6.2	-8.3	-5.8	-2.3	0.2	-0.8	-7.4	-7.2	-3.7	6.8	0.1	0.2
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	0.9	-5.2	..	3.6	5.9	..	0.5	-7.7	..	-5.4	-3.0
Israel*	..	1.6	..	..	..	..	..	-6.6	..	..	..	..
Italy	2.1	-0.7	-3.1	-0.4	-1.4	-4.0	-3.1	-3.5	-2.7	5.6	4.3	3.6
Japan	2.1	2.5	1.2	6.3	7.3	1.0	-11.2	-7.9	-2.1	7.0	3.1	2.4
Korea	11.4	1.7	-0.5	-6.4	-1.2	-8.8	1.3	0.5	3.0	16.4	2.4	5.4
Luxembourg	..	..	..	..	..	..	3.4	0.5	3.0	..	..	..
Mexico	..	-1.0	-1.4	..	-5.1	-1.3	..	0.1	-1.1	..	4.0	0.9
Netherlands	2.3	5.9	4.4	0.4	8.4	5.2	-0.9	-3.2	0.5	2.7	0.6	-1.3
New Zealand	-7.1	-7.1	..	..	..	..	-0.0	4.1	..	-5.4	..	..
Norway	-0.4	12.6	..	-4.8	2.6	..	3.3	7.3	..	1.1	2.6	..
Poland	-3.8	-1.7	-4.3	-5.6	1.7	2.2	-4.3	-6.2	-3.7	6.1	2.7	-2.9
Portugal	-5.3	-4.4	-11.0	-2.7	-4.0	-10.5	-3.5	-3.1	-3.0	0.8	2.6	2.5
Slovak Republic	-9.6	-6.7	-6.0	-7.7	-2.7	-2.7	-5.3	-2.8	-2.1	3.4	-1.2	-1.2
Slovenia	-1.1	-1.5	-6.1	-1.8	-3.0	-9.1	-2.4	-2.7	-1.8	3.0	4.2	4.9
Spain	..	-2.9	-9.2	..	-2.7	-6.0	..	-0.2	-4.2	..	-0.0	1.0
Sweden	4.4	6.9	8.7	2.6	5.3	2.4	0.9	-1.3	2.2	0.8	2.5	4.0
Switzerland	8.6	12.2	2.2	5.3	8.8	-7.0	-1.9	-1.7	2.3	6.1	5.4	7.3
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	-0.3	-1.5	-1.5	-1.6	3.2	6.7	-0.1	-3.6	-5.2	1.4	-1.1	-3.0
United States	-1.4	-4.8	-5.6	-1.6	1.4	-0.4	0.4	-4.9	-6.2	-0.1	-1.3	1.0
Euro area	-2.3	-3.1	-2.0	..	3.3	2.5
OECD-Total


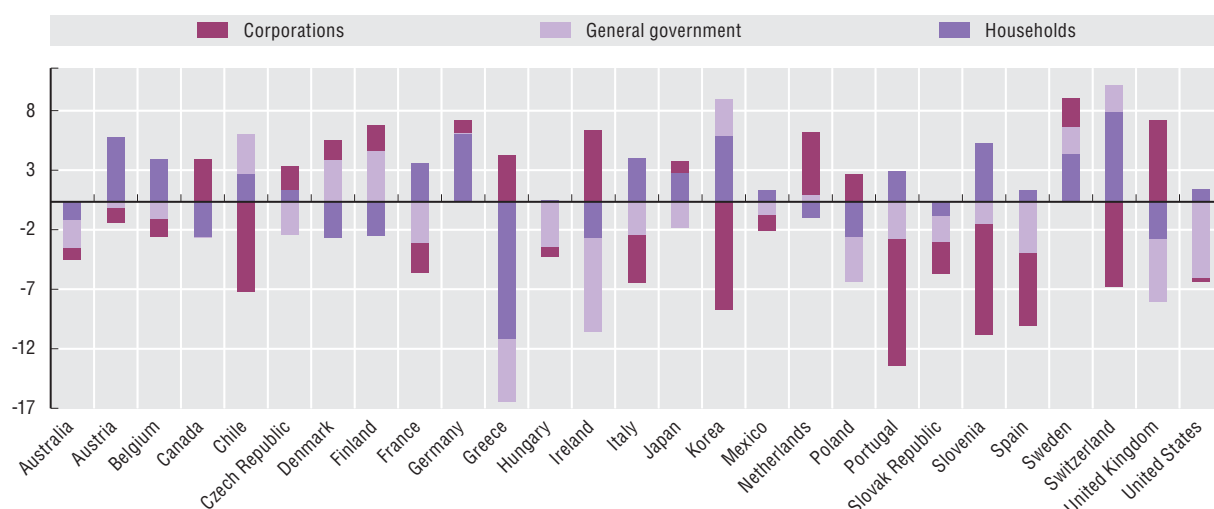

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Figure 9.1. Net lending/net borrowing by institutional sector

Percentage of GDP, 2008



StatLink  <http://dx.doi.org/10.1787/888932351208>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.





EXPENDITURE

10. Household consumption
11. General government final consumption
12. Investment
13. Exports and imports of goods and services

10. Household consumption

Household final consumption expenditure is typically the largest component of final uses of GDP, representing in general around 60% of GDP. It is therefore an essential variable for economic analysis of demand. An additional concept, (*household*) *actual individual consumption*, also exists in the SNA. This concept allocates individual consumption expenditures of general government and NPISHs (those that directly benefit households) to households (the ultimate consumers of these expenditures), providing an important measure for cross-country comparisons, in particular for comparisons of well-being.

Definition

Household final consumption expenditure covers all purchases made by resident households (home or abroad) to meet their everyday needs: food, clothing, housing services (rents), energy, transport, durable goods (notably cars), spending on health, on leisure and on miscellaneous services.

It also includes a number of imputed expenditures, for example agricultural products produced for own-consumption but the most significant imputation is typically owner-occupiers' imputed rents. The other main imputed item of expenditure relates to income in kind (employees may receive goods and services either free of charge or at very low prices as part of their wages).

By convention, apart from dwellings, all goods and services bought by households to meet their own everyday needs are recorded as final consumption. Purchases of dwellings are recorded as gross fixed capital formation. Partial payments for goods and services "provided" by general government are included in household final consumption. This covers cases in which households have to pay a part of the public services provided, for example prescription medicines and medical services partly reimbursed by government. The portion that is reimbursed forms part of expenditure by general government, and, so, also, of household actual individual consumption.

Households' actual individual consumption is equal to households' consumption expenditure plus those (individual) expenditures of general government and NPISHs that directly benefit households, such as healthcare and education. See also Section 5 on disposable income.

Comparability

Comparability of both concepts (household final consumption and household actual individual consumption) is good. However, cross-country comparisons of actual individual consumption provide a better basis to measure relative well-being across countries. This is because there are significant differences between countries regarding the proportion of expenditure on healthcare and education paid directly by households and the proportion paid on their behalf by government, which are financed for example through taxes and that do not form part of household final consumption.

Figure 10.2 shows actual individual consumption per head using PPPs specifically related to actual individual consumption and are therefore different to those used for overall GDP.

Table 10.3 and Figure 10.3 show the contribution made by household final consumption (and other components of final demand and imports) to overall GDP growth. Note that for those countries that deflate their current price estimates of GDP using superlative price indices, such as the United States, the sum of the contribution of the individual components will not necessarily sum to the overall GDP growth rate.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

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- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

10. Household consumption

Table 10.1. Household final and actual individual consumption

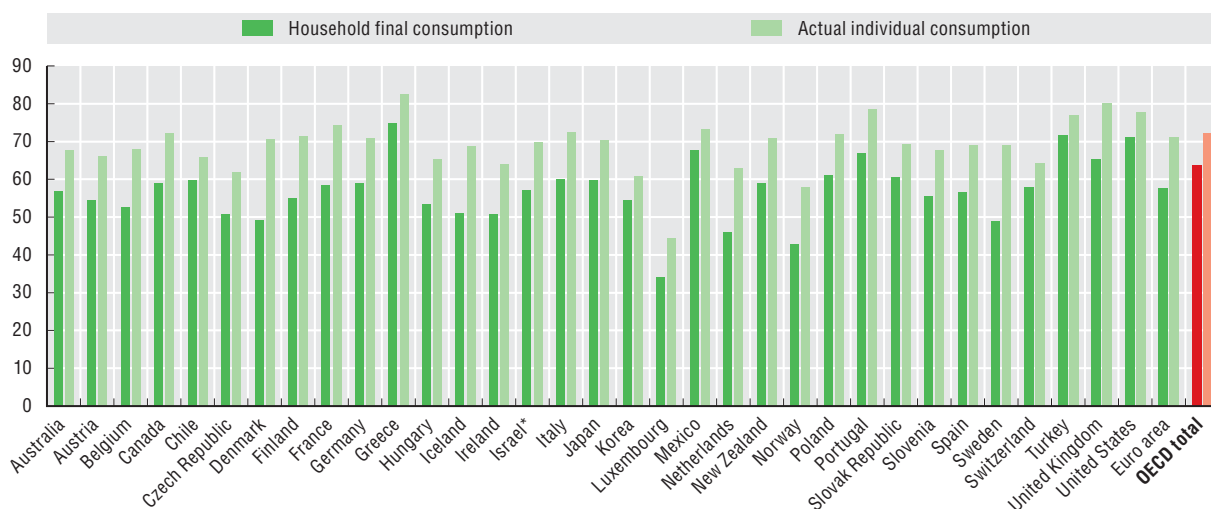

Percentage of GDP

	Household final consumption								Actual individual consumption							
	2003	2004	2005	2006	2007	2008	2009	2003	2004	2005	2006	2007	2008	2009		
Australia	58.4	58.0	56.5	56.0	55.5	55.1	56.9 e	69.0	68.9	67.0	66.3	66.0	65.6	67.6 e		
Austria	54.8	54.8	54.9	54.1	52.9	52.3	54.3	66.0	65.9	66.0	64.8	63.5	63.2	66.0		
Belgium	52.4	51.6	51.4	51.3	51.0	51.9	52.4	66.4	65.6	65.6	65.3	64.9	66.5	68.0		
Canada	56.6	55.8	55.2	55.3	55.7	55.7	58.8	68.4	67.4	66.8	67.0	67.5	67.6	72.1		
Chile	62.8	59.4	58.2	54.4	54.6	59.2	59.8	68.7	65.0	63.6	59.5	60.0	65.2	66.0 e		
Czech Republic	51.7	50.3	49.1	48.5	47.7	49.7	50.7	63.3	61.5	60.1	59.2	58.0	60.0	61.9		
Denmark	47.6	48.2	48.2	48.2	48.6	48.7	49.2	66.1	66.8	66.4	66.3	66.7	67.6	70.6		
Finland	51.7	51.3	51.6	51.8	50.5	51.7	54.9	66.0	65.8	66.3	66.4	64.7	66.5	71.4		
France	56.4	56.6	56.9	56.8	56.7	57.0	58.3	71.8	72.0	72.3	72.0	71.7	72.2	74.4		
Germany	59.4	58.9	59.1	58.4	56.7	57.0	58.9	70.6	69.8	70.1	69.2	67.4	67.9	70.7		
Greece	70.7	70.3	72.2	73.2	72.6	74.5	74.8	77.0	76.7	79.3	80.2	79.8	81.8	82.4		
Hungary	56.0	54.6	55.5	54.2	54.1	54.1	53.4	68.7	66.9	68.1	66.8	65.6	65.9	65.4		
Iceland	57.2	57.1	59.4	58.2	57.4	53.4	51.0	74.8	74.1	75.9	74.6	73.8	70.2	68.6		
Ireland	46.9	46.4	46.4	46.3	47.6	50.7	50.7	56.8	56.5	56.3	56.3	58.0	62.2	63.9		
Israel*	55.9	56.2	55.7	55.2	56.5	57.9	57.0	69.2	69.3	68.5	67.8	69.0	70.7	69.6		
Italy	59.1	58.6	59.0	59.1	58.7	59.3	59.9	70.5	70.1	70.9	71.0	70.3	71.2	72.6		
Japan	57.5	57.1	57.0	57.1	56.7	57.8	59.6 e	67.5	67.1	67.1	67.1	66.8	68.1	70.3 e		
Korea	54.8	52.6	53.8	54.5	54.4	54.7	54.3	60.2	58.2	59.6	60.7	60.7	61.2	60.8 e		
Luxembourg	37.7	37.1	35.5	33.5	32.0	32.3	34.1	47.4	47.4	45.5	42.9	41.1	41.4	44.4		
Mexico	66.7	66.3	66.6	64.9	65.5	64.8	67.7 e	72.5	71.5	72.0	70.1	70.7	70.1	73.2 e		
Netherlands	49.9	49.4	48.8	47.2	46.2	45.4	45.9	63.5	62.9	62.1	62.0	61.1	60.5	62.8		
New Zealand	59.2	58.9	59.6	59.7	58.2	58.7	59.1 e	69.5	69.3	70.4	70.7	69.2	70.5	70.9 e		
Norway	46.4	45.1	42.5	40.8	41.4	39.3	42.6	60.6	58.8	55.5	53.4	54.2	52.3	57.8		
Poland	65.8	64.7	63.4	62.5	60.5	61.6	61.1	76.2	74.6	73.5	72.7	70.5	72.0	71.7		
Portugal	63.5	64.2	64.9	65.4	65.6	67.3	66.8	75.3	76.2	77.2	77.1	76.7	78.3	78.6		
Slovak Republic	56.8	57.3	57.4	57.1	56.0	56.8	60.5	65.0	64.8	64.8	64.7	64.0	64.5	69.2		
Slovenia	56.0	55.0	54.2	52.8	52.7	53.0	55.4	67.5	66.3	65.5	63.9	63.1	63.9	67.7		
Spain	57.6	57.9	57.8	57.4	57.4	57.2	56.6	67.6	68.2	68.3	67.9	68.1	68.5	68.9		
Sweden	48.8	48.3	48.2	47.2	46.7	46.7	48.8	68.4	67.4	67.3	66.1	65.4	65.7	69.0		
Switzerland	60.7	60.3	60.0	58.4	57.0	56.7	58.0	67.5	66.9	66.5	64.7	63.1	62.7	64.2 e		
Turkey	71.2	71.3	71.7	70.5	71.3	69.8	71.6	75.6 e	75.5 e	75.9 e	74.9 e	75.9 e	74.4 e	76.9 e		
United Kingdom	65.1	64.8	65.0	64.1	63.8	64.2	65.2	77.8	77.1	77.8	77.1	76.8	77.7	80.2		
United States	70.4	70.1	70.1	69.9	70.1	70.7	71.2	76.8	76.4	76.4	76.2	76.4	77.1 e	77.7 e		
Euro area	57.4	57.2	57.3	57.0	56.3	56.6	57.7	69.6 e	69.3 e	69.6 e	69.2 e	68.4 e	69.0 e	71.0 e		
OECD-Total	63.0	62.7	62.7	62.3	62.1	62.5	63.5 e	73.5 e	73.2 e	72.0 e	71.3 e	71.1 e	71.4 e	72.3 e		

StatLink  <http://dx.doi.org/10.1787/888932351816>

Figure 10.1. Household final and actual individual consumption

Percentage of GDP, 2009

StatLink  <http://dx.doi.org/10.1787/888932351227>

10. Household consumption

Table 10.2. Household final consumption, volume

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	2.5	4.6	5.0	4.4	3.6	3.1	3.4	5.6	4.4	2.8	4.2	4.0	0.8	1.7 e
Austria	2.9	-0.1	2.1	1.9	2.8	1.1	1.2	1.0	2.2	2.1	1.8	0.7	0.5	1.3
Belgium	2.0	2.0	2.6	2.0	2.6	1.4	0.5	0.7	1.6	1.0	1.8	1.8	1.5	-0.3
Canada	2.6	4.6	2.8	3.8	4.0	2.3	3.6	3.0	3.3	3.7	4.2	4.6	2.9	0.4
Chile	9.4	6.6	4.7	-1.0	3.7	2.9	2.4	4.2	7.2	7.4	7.1	7.0	4.6	0.9
Czech Republic	8.4	2.2	-0.8	2.7	1.3	2.2	2.2	6.0	2.9	2.5	5.2	5.0	3.6	-0.2
Denmark	2.2	3.0	2.3	-0.4	0.2	0.1	1.5	1.0	4.7	3.8	3.6	2.4	-0.2	-4.6
Finland	3.8	3.3	4.6	2.8	2.2	3.0	2.5	4.8	3.4	3.1	4.3	3.5	1.7	-1.9
France	1.6	0.4	3.9	3.5	3.6	2.6	2.4	2.0	2.5	2.6	2.4	2.6	0.5	0.6
Germany	1.3	0.8	1.5	3.0	2.4	1.9	-0.8	0.1	0.1	0.3	1.4	-0.2	0.7	-0.2
Greece	2.4 e	2.7 e	3.5 e	2.5 e	2.0 e	5.0	4.7	3.3	3.8	4.5	5.6	3.1	3.2	-1.8
Hungary	-3.4	1.6	4.1	6.3	4.3	6.5	10.8	8.6	3.1	3.3	1.9	0.2	0.4	-7.9
Iceland	5.7	6.3	10.2	7.9	4.2	-2.8	-1.5	6.1	7.0	12.7	3.6	5.6	-7.9	-16.0
Ireland	7.0 e	7.8	7.5	9.0	10.2	4.7	3.9	2.9	3.5	6.8	6.5	6.3	-1.8	-7.2
Israel*	5.6	3.3	5.7	3.9	8.9	3.5	0.8	-0.2	5.5	3.2	4.3	6.3	3.0	1.7
Italy	0.9	3.2	3.5	2.6	2.4	0.7	0.2	1.0	0.8	1.2	1.3	1.1	-0.8	-1.7
Japan	2.5	0.7	-0.9	1.0	0.7	1.6	1.1	0.4	1.6	1.3	1.5	1.6	-0.7	-1.0 e
Korea	7.3	4.0	-12.5	11.9	9.2	5.7	8.9	-0.4	0.3	4.6	4.7	5.1	1.3	0.2
Luxembourg	3.0	3.8	5.7	3.6	5.0	3.4	5.8	-5.3	2.2	2.6	3.2	3.3	4.8	0.3
Mexico	2.2 e	6.5 e	5.4 e	4.3 e	8.2 e	2.5 e	1.6 e	2.2 e	5.6	4.8	5.6	4.0	1.9	-6.1 e
Netherlands	4.3	3.5	5.1	5.3	3.7	1.8	0.9	-0.2	1.0	1.0	-0.3	1.8	1.1	-2.5
New Zealand	4.3	2.3	3.0	3.2	1.4	2.7	4.8	6.4	4.6	4.5	2.3	3.2	-1.1	-0.6 e
Norway	6.3	3.1	2.8	3.7	4.2	2.1	3.1	2.8	5.6	4.0	4.8	5.4	1.6	0.2
Poland	8.8	7.2	5.0	5.7	3.1	2.2	3.4	2.1	4.7	2.1	5.0	4.9	5.7	2.0
Portugal	3.2	3.7	5.1	5.5	3.8	1.3	1.3	-0.2	2.7	1.7	1.8	2.5	1.8	-1.0
Slovak Republic	9.3	4.1	6.6	0.3	2.2	5.5	5.7	1.7	4.6	6.5	5.9	6.9	6.0	-0.7
Slovenia	3.2	2.8	2.8	6.8	1.2	2.5	2.5	3.3	2.7	2.6	2.9	6.7	2.9	-0.8
Spain	2.3	3.2	4.8	5.3	5.0	3.4	2.8	2.9	4.2	4.2	3.8	3.7	-0.6	-4.2
Sweden	1.8	2.8	3.3	4.0	5.3	0.7	2.6	2.3	2.8	2.8	2.7	3.7	-0.1	-0.8
Switzerland	1.1	1.4	2.2	2.3	2.4	2.3	0.1	0.9	1.6	1.7	1.6	2.3	1.3	1.0
Turkey	8.5 e	8.4 e	0.6 e	0.1	5.9	-6.6	4.7	10.2	11.0	7.9	4.6	5.5	-0.3	-2.3
United Kingdom	3.9	3.8	4.3	5.2	4.7	3.1	3.5	3.0	3.1	2.2	1.7	2.2	0.4	-3.3
United States	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.4	-0.3	-1.2
Euro area	1.7	1.7	3.1	3.4	3.1	2.1	0.9	1.2	1.6	1.8	2.1	1.7	0.4	-1.1
OECD-Total	3.1 e	3.1 e	3.2 e	4.2 e	4.1 e	2.3 e	2.4 e	2.3 e	3.0	2.9	2.8	2.5	0.3	-1.4 e


StatLink  <http://dx.doi.org/10.1787/888932351835>

Figure 10.2. Household final and actual individual consumption per capita, OECD = 100

Current PPPs, 2009

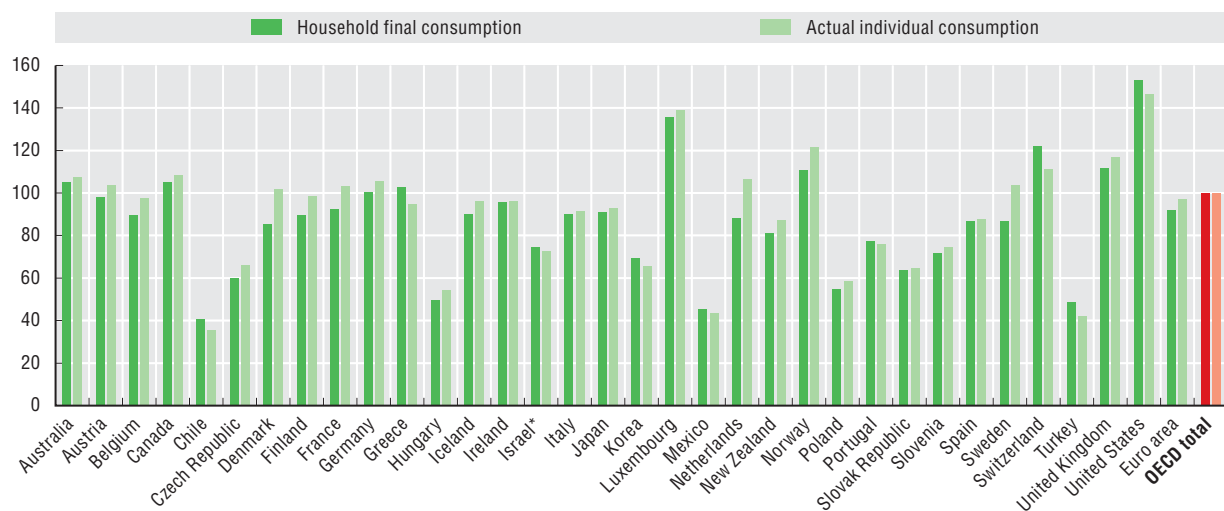

StatLink  <http://dx.doi.org/10.1787/888932351246>

Table 10.3. Contribution to GDP growth by final demand components

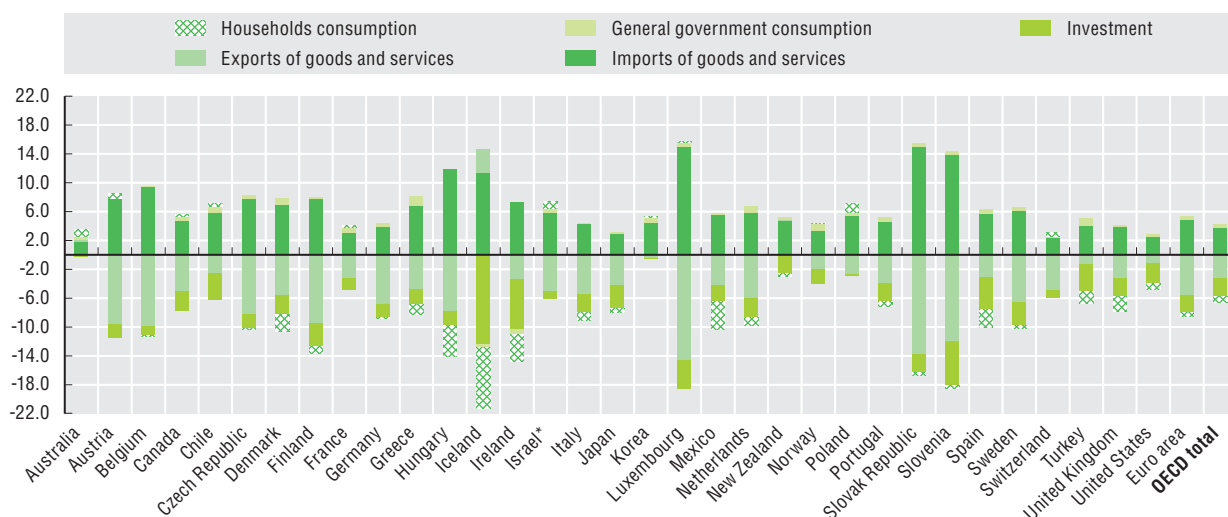

Percentage

	Household consumption			General government consumption			Gross fixed capital formation			Exports			Imports		
	1999	2004	2009	1999	2004	2009	1999	2004	2009	1999	2004	2009	1999	2004	2009
Australia	2.6	2.6	0.9	0.6	0.5	0.5	2.0	1.7	-0.3	1.7	0.5	0.2	-2.5	-2.4	1.8
Austria	1.1	1.2	0.7	0.7	0.2	0.1	0.2	0.1	-1.9	2.5	4.9	-9.5	-1.9	-4.4	7.7
Belgium	1.1	0.8	-0.1	0.6	0.4	0.1	0.5	1.5	-1.2	3.1	4.9	-9.9	-1.8	-4.6	9.4
Canada	2.2	1.9	0.2	0.4	0.4	0.7	1.4	1.5	-2.7	4.4	1.9	-5.0	-3.1	-2.8	4.7
Chile	-0.6	4.5	0.5	0.3	0.7	0.8	-4.7	2.0	-3.7	1.9	4.9	-2.5	2.8	-6.0	5.8
Czech Republic	1.4	1.5	-0.1	0.7	-0.8	0.5	-0.9	1.1	-1.9	2.9	12.8	-8.3	-2.7	-11.5	7.7
Denmark	-0.2	2.2	-2.2	0.6	0.5	0.9	-0.0	0.8	-2.7	4.4	1.3	-5.6	-1.3	-3.0	6.9
Finland	1.4	1.8	-1.0	0.3	0.4	0.3	0.6	0.9	-3.2	4.3	3.2	-9.5	-1.3	-2.4	7.8
France	1.9	1.4	0.4	0.3	0.5	0.6	1.5	0.7	-1.5	1.2	1.0	-3.3	-1.6	-1.7	3.1
Germany	1.7	0.1	-0.1	0.2	-0.1	0.5	1.0	-0.1	-1.9	1.7	3.7	-6.8	-2.3	-2.3	3.9
Greece	1.9	2.7	-1.3	0.3	0.6	1.3	2.1	0.1	-2.2	3.5	3.5	-4.7	-4.5	-1.8	6.8
Hungary	3.2	1.8	-4.3	0.3	0.4	-0.0	1.1	1.7	-2.0	6.7	9.2	-7.8	-7.6	-9.3	11.8
Iceland	4.6	4.0	-8.5	1.0	0.6	-0.4	-1.0	5.6	-12.4	1.4	2.9	3.3	-1.7	-5.4	11.4
Ireland	4.5	1.6	-3.7	0.8	0.4	-0.8	2.9	2.1	-6.9	13.5	6.3	-3.4	-9.3	-5.8	7.2
Israel*	2.1	3.1	1.0	0.7	-0.4	0.6	0.0	0.1	-1.1	4.2	6.4	-5.0	-5.1	-4.4	5.8
Italy	1.5	0.5	-1.0	0.3	0.4	0.1	0.8	0.5	-2.5	-0.1	1.2	-5.5	-1.1	-1.0	4.3
Japan	0.6	0.9	-0.6	0.7	0.3	0.3	-0.2	0.3	-3.3	0.2	1.7	-4.2	-0.3	-0.8	2.9
Korea	6.0	0.2	0.1	0.4	0.5	0.8	2.5	0.6	-0.1	6.4	7.0	-0.4	-8.5	-3.9	4.4
Luxembourg	1.6	0.8	0.1	1.3	0.7	0.7	4.8	0.6	-3.9	18.2	15.2	-14.7	-16.4	-13.3	15.0
Mexico	2.8	3.8	-4.0	0.5	-0.3	0.2	1.6	1.5	-2.2	3.5	2.9	-4.2	-4.2	-2.9	5.5
Netherlands	2.7	0.5	-1.1	0.6	-0.0	1.0	1.9	-0.3	-2.6	5.4	5.0	-6.1	-5.4	-3.2	5.8
New Zealand	2.0	2.7	-0.3	1.0	0.7	0.3	2.1	1.7	-2.6	2.1	1.4	0.1	-3.3	-3.5	4.7
Norway	1.8	2.6	0.1	0.7	0.3	0.9	-1.3	1.8	-2.0	1.1	0.4	-1.9	0.6	-2.4	3.4
Poland	3.6	3.1	1.3	0.4	0.6	0.4	1.6	1.2	-0.2	-0.7	4.7	-2.7	-0.3	-5.7	5.5
Portugal	3.5	1.7	-0.6	0.7	0.5	0.6	1.6	-0.0	-2.6	1.1	1.1	-3.8	-3.4	-2.6	4.6
Slovak Republic	0.2	2.6	-0.4	-1.6	-0.6	0.5	-5.6	1.2	-2.6	7.2	5.6	-13.7	-0.3	-6.5	15.0
Slovenia	3.9	1.5	-0.4	0.6	0.6	0.5	3.6	1.3	-6.2	0.8	6.7	-11.9	-4.1	-7.2	13.9
Spain	3.1	2.4	-2.4	0.7	1.1	0.6	2.4	1.4	-4.6	2.0	1.1	-3.1	-3.7	-2.8	5.7
Sweden	2.0	1.4	-0.4	0.5	-0.1	0.4	1.5	1.0	-3.2	3.1	4.7	-6.6	-1.9	-2.4	6.1
Switzerland	1.4	0.9	0.6	0.1	0.1	0.2	0.3	0.9	-1.0	2.6	3.5	-4.9	-1.5	-2.7	2.4
Turkey	0.1	7.8	-1.6	0.4	0.7	1.0	-3.7	4.8	-3.8	-2.3	2.6	-1.3	0.7	-5.0	4.1
United Kingdom	3.3	2.0	-2.1	0.6	0.6	0.2	0.5	0.8	-2.5	1.0	1.3	-3.2	-2.2	-1.9	3.9
United States	3.7	2.4	-0.8	0.4	0.3	0.3	1.8	1.1	-2.8	0.5	0.9	-1.2	-1.5	-1.5	2.5
Euro area	1.9	0.9	-0.6	0.4	0.3	0.5	1.2	0.5	-2.4	1.9	2.6	-5.5	-2.4	-2.3	4.9
OECD-Total	2.6	1.9	-0.8	0.5	0.3	0.4	1.1	0.9	-2.5	1.3	2.0	-3.2	-1.9	-2.1	3.8

StatLink  <http://dx.doi.org/10.1787/888932351854>

Figure 10.3. Contribution to GDP growth by final demand components

Percentage, 2009

StatLink  <http://dx.doi.org/10.1787/888932351265>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

11. General government final consumption

General government final consumption expenditure consists of expenditure incurred by government in its production of non-market final goods and services (except GFCF) and market goods and services provided as social transfers in kind. Total general government final consumption is perhaps of less political relevance, from a fiscal perspective, than general government expenditure (see Section 16) but its importance as a component of total GDP, and, so, as a reflection of its direct role as a “consumer” of final goods and services is significant.

Definition

General government final consumption is equal to total general government output minus market output minus own-account production of gross fixed capital formation minus depreciation minus payments for other non-market output plus market goods and services purchased for distribution directly to households as social transfers in kind. It can be broken down into two distinct groups.

The first reflects expenditures for collective consumption (defence, justice, etc.) which benefit society as a whole, or large parts of society, and are often known as public goods and services.

The second reflects expenditures for individual consumption (health care, housing, education, etc.), that reflect expenditures incurred by government on behalf of an individual household (see also Section 10). This category of expenditure is equal to social transfers in kind from government to households (see Section 5) and so includes expenditure by government on market goods and services provided to households.

The borderline between individual and collective consumption is in some cases not completely clear. For example, expenditures incurred by Ministries of

Health and Education at a national level are included in collective services, reflecting their role as producers of policy, standards and regulation. But expenditures on the administration or functioning of a group of hospitals say are recorded as individual. To assist in this delineation the SNA provides guidance based on the Classification of the Functions of Government (COFOG). It states that all government final consumption expenditures under the following headings (*Health, Recreational and sporting services, Cultural services, Education and social protection*) should be treated as expenditures on individual services except for expenditures on general administration, regulation, research, etc.

Comparability

The comparability of general government final consumption across countries is high. However interpretations of comparisons of general government final consumption across countries are enhanced when breakdowns between individual and collective consumption are provided (see also Section 5).

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), “Aggregate National Accounts: Gross domestic product”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
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11. General government final consumption

Table 11.1. General government final consumption expenditure

Percentage of GDP

	Individual consumption								Collective consumption							
	2003	2004	2005	2006	2007	2008	2009	2003	2004	2005	2006	2007	2008	2009		
Australia	10.6	10.9	10.5	10.4	10.5	10.4	..	6.6	6.5	6.6	6.7	6.6	6.8	..		
Austria	11.2	11.1	11.1	10.7	10.6	10.8	11.7	7.7	7.5	7.5	7.8	7.5	7.8	8.2		
Belgium	14.0	14.0	14.1	13.9	13.9	14.5	15.6	8.9	8.6	8.7	8.5	8.5	8.6	9.1		
Canada	11.8	11.7	11.5	11.7	11.8	12.0	13.3	7.8	7.5	7.4	7.4	7.4	7.7	8.6		
Chile	6.0	5.6	5.3	5.2	5.4	6.1	..	6.1	5.8	5.7	5.4	5.5	5.8	..		
Czech Republic	11.5	11.2	11.0	10.7	10.3	10.3	11.3	11.9	10.9	11.0	10.6	10.0	10.1	10.8		
Denmark	18.5	18.6	18.2	18.1	18.1	18.9	21.4	8.0	8.0	7.9	7.8	7.8	7.8	8.4		
Finland	14.4	14.5	14.8	14.7	14.2	14.9	16.5	7.7	7.7	7.7	7.5	7.3	7.7	8.6		
France	15.4	15.4	15.4	15.2	15.1	15.2	16.0	8.3	8.4	8.3	8.1	8.0	8.0	8.6		
Germany	11.2	10.8	11.0	10.9	10.7	10.9	11.9	8.1	8.0	7.7	7.4	7.1	7.2	7.8		
Greece	6.3	6.4	7.0	7.0	7.2	7.3	7.6	10.8	10.8	10.0	9.6	10.2	10.3	11.9		
Hungary	12.8	12.3	12.7	12.6	11.5	11.7	12.1	10.6	9.9	9.9	10.3	9.8	9.9	10.2		
Iceland	17.6	16.9	16.5	16.4	16.4	16.8	17.6	8.5	8.1	8.1	8.0	7.8	8.1	8.9		
Ireland	9.9	10.1	9.9	10.0	10.3	11.5	13.2	5.1	5.1	5.3	5.5	5.8	6.7	6.3		
Israel*	13.3	13.1	12.8	12.6	12.6	12.7	12.6	14.3	13.2	12.9	12.7	12.2	12.0	11.5		
Italy	11.4	11.5	11.9	11.9	11.6	11.9	12.6	8.2	8.4	8.5	8.2	8.0	8.3	8.9		
Japan	10.0	10.0	10.1	10.0	10.1	10.4	..	8.0	7.9	7.9	7.8	7.8	8.1	..		
Korea	5.4	5.6	5.8	6.2	6.3	6.5	..	7.6	7.7	8.0	8.3	8.4	8.8	..		
Luxembourg	9.7	10.3	10.0	9.4	9.1	9.1	10.3	6.7	6.7	6.5	6.0	5.7	5.8	6.4		
Mexico	5.7	5.3	5.4	5.2	5.3	5.3	..	6.1	5.5	5.4	5.2	5.3	5.3	..		
Netherlands	13.6	13.5	13.4	14.8	15.0	15.1	16.9	10.9	10.7	10.3	10.3	10.2	10.4	11.6		
New Zealand	10.3	10.4	10.8	10.9	11.0	11.8	..	6.9	7.0	7.1	7.6	7.7	8.1	..		
Norway	14.2	13.7	13.0	12.5	12.8	13.0	15.2	8.3	7.8	6.9	6.6	6.8	6.5	7.2		
Poland	10.3	9.9	10.1	10.2	10.0	10.5	10.7	7.8	7.7	8.0	8.1	7.9	8.0	7.8		
Portugal	11.8	11.9	12.3	11.7	11.1	11.0	11.8	7.9	8.1	8.6	8.5	8.5	8.7	9.3		
Slovak Republic	8.2	7.5	7.4	7.6	8.0	7.7	8.7	12.2	11.5	10.9	11.3	9.3	9.7	10.9		
Slovenia	11.5	11.4	11.3	11.1	10.4	10.9	12.3	7.5	7.5	7.7	7.7	6.9	7.2	8.0		
Spain	10.0	10.3	10.6	10.5	10.7	11.3	12.3	7.4	7.5	7.5	7.5	7.7	8.1	8.8		
Sweden	19.6	19.1	19.0	18.9	18.6	19.0	20.2	7.6	7.4	7.1	7.1	6.9	7.0	7.6		
Switzerland	6.8	6.6	6.6	6.3	6.1	6.0	..	5.2	5.2	5.1	5.0	4.7	4.8	..		
Turkey	4.3 e	4.2 e	4.2 e	4.4 e	4.5 e	4.6 e	5.2 e	7.9 e	7.7 e	7.6 e	7.9 e	8.2 e	8.2 e	9.5 e		
United Kingdom	12.6	12.4	12.8	13.0	13.0	13.5	15.0	7.8	8.5	8.6	8.5	8.1	8.3	8.6		
United States	6.4	6.3	6.3	6.3	6.3	6.6	..	9.2	9.3	9.3	9.3	9.6	10.2	..		
Euro area	12.2 e	12.1 e	12.3 e	12.2 e	12.1 e	12.4 e	13.3 e	8.3 e	8.3 e	8.2 e	8.0 e	7.9 e	8.1 e	8.8 e		
OECD-Total	9.3 e	9.1 e	9.2 e	9.2 e	9.2 e	9.5 e	..	8.4 e	8.4 e	8.4 e	8.3 e	8.3 e	8.7 e	..		


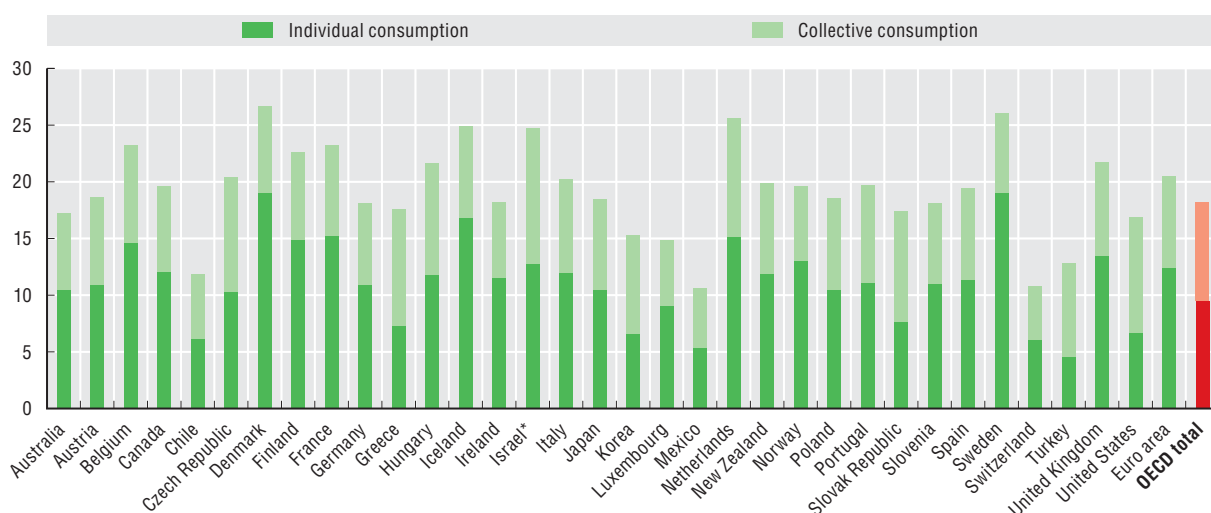

StatLink  <http://dx.doi.org/10.1787/888932351873>

Figure 11.1. General government final consumption

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/888932351284>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

12. Investment

Investment, or to be more precise, gross fixed capital formation is an essential variable in economic analyses, such as analyses of demand and productivity.

Definition

Gross fixed capital formation (GFCF) is defined in the national accounts as acquisition less disposals of produced fixed assets, i.e. assets intended for use in the production of other goods and services for a period of more than a year.

Acquisition includes both purchases of assets (new or second-hand) and the construction of assets by producers for their own use.

The term *produced assets* signifies that only those assets produced as a result of a production process recognised in the national accounts are included. The national accounts also record transactions in non-produced assets such as land, oil and mineral reserves for example; which are recorded as non-produced assets in the balance sheet accounts and not as GFCF.

Acquisition prices of capital goods include transport and installation charges, as well as all specific taxes associated with purchase.

GFCF can be broken down into particular asset groups. Table 12.2 contains 6 groups: Dwellings (excluding land); Other buildings and structures (roads, bridges, airfields, dams, etc.); Transport equipment (ships, railway, aircraft, etc.); Other machinery and equipment (office machinery and hardware, etc.); Cultivated assets (managed forests, livestock raised for milk production, etc.) and intellectual property type fixed assets (mineral exploration, software and databases, and literary and artistic originals, etc.).

An additional important grouping of Information and Communication Technology (ICT) products is shown in Figure 12.2. ICT has three components: information technology equipment (computers and related hardware), communications equipment and software. It's important to note that ICT embodied in non ICT assets is not included in this concept.

GFCF can also be broken down into institutional sectors. For government this typically means investment in transport infrastructure and public buildings such as schools and hospitals.

For households, GFCF generally equates to dwellings, although investments made by unincorporated enterprises in other products do occur.

Comparability

When the System of National Accounts was revised in 1993, the scope of GFCF was widened to include mineral exploration, computer software and entertainment, literary and artistic originals. Comparability

of these items has improved in recent years but the scope with which the various items are covered is smaller in some countries, particularly in the case of own-account production of software.

In making comparisons of GFCF by institutional sector, attention should be given to the mechanisms commonly used to “acquire” assets. For example a unit may prefer to rent an asset, which will not count as GFCF of the lessee. If however the agreement between the lessee and the lessor resembles a finance lease, the SNA treats the lessee as having acquired the asset. On a larger scale many governments are increasingly turning to private finance initiatives to create public infrastructure. Determining who the owner of these schemes is in an SNA sense is non-trivial and may cause problems for temporal and international comparability.

The scope of assets has been widened in the 2008 SNA to include Research and Experimental Development and military weapons systems (see Annex B for further information) but the figures contained here do not reflect these additions (except for Australia which follows the 2008 System of National Accounts).

Note on Table 12.2: “Dwellings” includes “Other buildings and structures” for Chile, Norway, Portugal and Turkey. Cultivated assets are not capitalised for Canada and USA. “Cultivated assets” is included in “Other machinery and equipment” for United Kingdom. “Transport equipment” is included in “Other machinery and equipment” for Chile and Turkey.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online databases

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Further reading

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- Lequiller, F., N. Ahmad, S. Varjonen, W. Cave and K.H. Ahn (2003), *Report of the OECD Task Force on Software Measurement in the National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/334811030426>.
- Ahmad, N. (2003), *Measuring Investment in Software*, OECD Publishing, <http://dx.doi.org/10.1787/335303788330>.

Table 12.1. **Gross fixed capital formation, volume**

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	7.1	9.1	4.5	7.8	-8.4	9.5	14.0	8.0	6.5	8.8	5.4	10.2	3.9	-1.1 e
Austria	4.7	-0.0	3.6	1.0	5.5	-1.7	-4.4	4.7	0.7	1.2	1.8	3.9	4.1	-8.8
Belgium	1.6	5.9	3.3	2.6	5.1	1.0	-4.5	0.1	8.0	7.0	2.0	6.5	2.9	-5.3
Canada	4.4	15.2	2.4	7.3	4.7	4.0	1.6	6.2	7.8	9.3	7.1	3.5	1.4	-11.7
Chile	8.9	10.5	1.9	-18.2	8.9	4.3	1.5	5.7	10.0	23.9	2.3	11.2	18.6	-15.3
Czech Republic	9.9	-5.7	-0.9	-3.3	5.1	6.6	5.1	0.4	3.9	1.8	6.0	10.8	-1.5	-7.9
Denmark	5.8	10.3	8.1	-0.1	7.6	-1.4	0.1	-0.2	3.9	4.7	14.3	2.8	-4.8	-13.0
Finland	9.3	10.5	11.1	3.3	6.4	2.9	-3.7	3.0	4.9	3.6	1.9	10.7	-0.4	-14.7
France	0.7	0.4	7.1	8.3	7.2	2.4	-1.7	2.2	3.6	4.4	4.1	6.0	0.5	-7.1
Germany	-0.5	1.0	4.0	4.7	3.0	-3.6	-6.1	-0.3	-0.3	0.9	8.0	4.7	2.5	-10.1
Greece	8.4 e	6.8 e	10.6 e	11.0 e	8.0 e	4.8	9.5	11.8	0.4	-6.3	10.6	5.4	-7.6	-11.4
Hungary	2.0	4.3	9.7	4.9	6.8	4.7	10.3	2.6	7.6	6.5	-3.5	3.7	3.2	-9.2
Iceland	25.0	9.3	34.4	-4.1	11.8	-4.3	-14.0	11.1	28.1	35.7	22.4	-11.1	-20.9	-50.9
Ireland	16.5 e	16.4	14.1	13.5	6.2	0.2	2.8	6.5	9.4	14.9	4.5	2.8	-14.3	-31.1
Israel*	9.2	-0.7	-4.0	0.0	3.4	-3.5	-6.7	-4.2	0.5	3.4	13.6	14.7	3.9	-5.8
Italy	2.3	1.6	4.2	3.9	6.3	2.7	3.7	-1.2	2.3	0.8	2.9	1.7	-4.0	-12.1
Japan	4.6	-0.3	-7.2	-0.8	1.2	-0.9	-4.9	-0.5	1.4	3.1	0.5	-1.2	-2.6	-14.0 e
Korea	8.2	-1.5	-22.0	8.7	12.3	0.3	7.1	4.4	2.1	1.9	3.4	4.2	-1.9	-0.2
Luxembourg	4.9	10.4	6.1	22.0	-4.7	8.8	5.5	6.3	2.7	2.5	3.8	17.9	1.4	-19.2
Mexico	16.4 e	21.0 e	10.3 e	7.7 e	11.4 e	-5.6 e	-0.6 e	0.4 e	8.0	7.5	9.9	6.9	4.4	-10.1 e
Netherlands	8.5	8.5	6.8	8.7	0.6	0.2	-4.5	-1.5	-1.6	3.7	7.5	5.5	5.1	-12.7
New Zealand	5.1	0.2	-2.4	10.6	0.4	6.8	7.8	12.9	7.6	5.2	-2.3	4.7	-5.2 e	-12.0 e
Norway	10.2	15.8	13.6	-5.4	-3.5	-1.1	-1.1	0.2	10.2	13.3	11.7	12.5	2.0	-9.1
Poland	19.7	21.8	14.0	6.6	2.7	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6	9.6	-1.1
Portugal	5.4	14.2	11.8	6.0	3.9	0.6	-3.2	-7.1	-0.0	-0.5	-1.3	2.6	-1.8	-11.9
Slovak Republic	30.1	14.0	9.4	-15.7	-9.6	13.0	0.2	-2.7	4.8	17.5	9.3	9.1	1.8	-10.5
Slovenia	8.4	13.3	8.9	14.6	2.2	0.7	0.7	8.1	5.6	3.7	10.1	12.8	8.5	-21.6
Spain	2.6	5.0	11.3	10.4	6.6	4.8	3.4	5.9	5.1	7.0	7.2	4.5	-4.8	-16.0
Sweden	4.7	0.6	8.8	8.7	5.7	0.5	-1.3	1.6	5.7	8.1	9.2	8.9	1.7	-16.0
Switzerland	-1.7	2.1	6.4	1.5	4.2	-3.5	-0.5	-1.2	4.5	3.8	4.7	5.1	0.5	-4.9
Turkey	14.1 e	14.8 e	-3.9 e	-16.2	17.5	-30.0	14.7	14.2	28.4	17.4	13.3	3.1	-6.2	-19.2
United Kingdom	5.4	6.8	13.7	3.0	2.7	2.6	3.6	1.1	5.1	2.4	6.4	7.8	-5.0	-15.1
United States	8.5	8.8	9.9	9.1	6.9	-1.1	-3.0	2.9	6.2	5.3	2.3	-1.4	-5.1	-15.5
Euro area	1.9	2.7	6.0	6.1	4.9	0.6	-1.5	1.3	2.3	3.1	5.4	4.7	-0.8	-11.3
OECD-Total	6.0 e	5.6 e	3.9 e	5.4 e	5.3 e	-0.7 e	-1.0 e	2.2 e	4.7	4.8	4.3	2.5	-2.2	-12.2 e

StatLink  <http://dx.doi.org/10.1787/888932351892>Figure 12.1. **Gross fixed capital formation, volume**

Annual growth rates in percentage, 2009

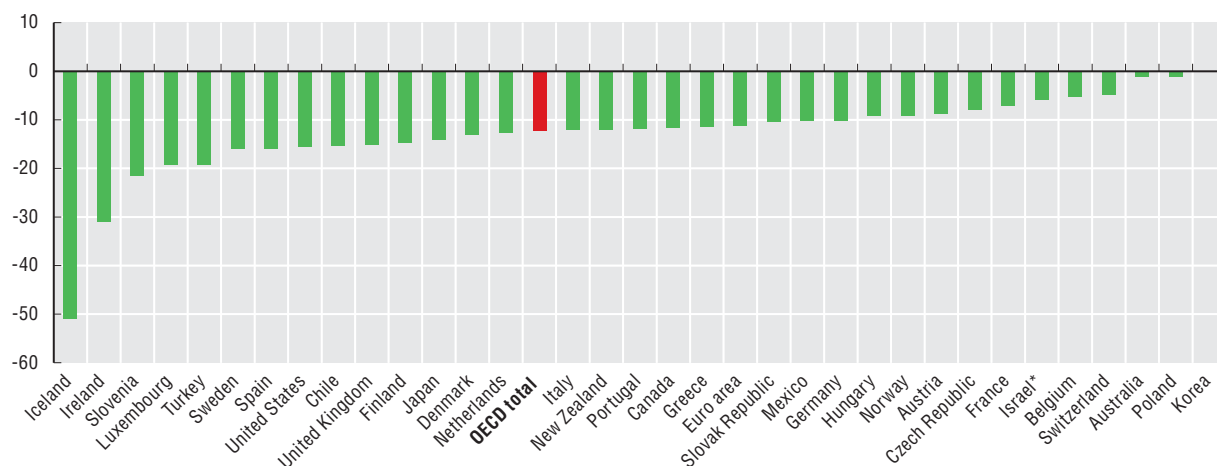


StatLink  <http://dx.doi.org/10.1787/888932351303>

Table 12.2. **Gross fixed capital formation by asset**

Percentage of total GFCF

	Dwellings		Other buildings and structures		Transport equipment		Other machinery and equipment		Cultivated assets		Intangible fixed assets	
	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008
Australia	22.3	19.5	28.8	35.4	10.3	9.2	22.4	20.3	1.2	0.9	10.3	10.7
Austria	25.7	19.9	29.6	31.3	10.2	10.9	28.8	30.1	0.3	0.3	5.4	7.5
Belgium	..	..	..	..	..	..	..	..	..	..	..	..
Canada	23.5	29.7	31.5	37.8	10.8	7.1	27.5	18.3	..	..	6.7	7.1
Chile	61.4	62.1	..	..	35.4	37.9	..	..	..	..	..	..
Czech Republic	12.1	14.9	39.9	36.6	7.9	15.3	36.2	27.8	0.9	0.5	3.1	5.1
Denmark	21.2	28.4	27.6	25.8	11.5	10.0	31.1	25.8	0.0	-0.0	8.5	10.0
Finland	28.2	29.8	30.0	37.8	7.6	6.5	28.0	19.3	0.2	0.2	6.0	6.5
France	29.9	31.6	27.4	31.1	7.7	8.0	26.2	20.2	0.5	0.3	8.3	8.7
Germany	34.3	28.7	24.6	22.5	9.0	12.8	27.3	30.0	-0.0	0.1	4.9	5.9
Greece	38.4	28.1	29.0	21.5	11.3	15.3	20.8	29.8	0.3	0.2	3.2	5.0
Hungary	15.5	19.9	35.5	35.7	0.6	9.3	43.7	30.0	2.0	0.8	2.9	4.4
Iceland	15.3	22.5	44.0	55.3	11.8	-0.1	26.5	21.0	0.8	0.6	1.6	0.8
Ireland	33.4	40.2	28.5	34.5	12.8	11.8	22.2	10.2	-0.0	-0.0	3.2	3.4
Israel*	30.7	26.1	26.7	20.9	7.0	9.5	29.9	33.5	0.1	0.2	5.7	9.9
Italy	21.8	24.2	25.0	27.3	10.7	9.9	37.9	34.3	0.2	0.1	4.4	4.1
Japan	16.7	14.4	39.4	36.3	6.1	8.2	34.6	34.3	..	..	3.3	6.8
Korea	18.9	15.8	49.0	45.7	5.2	7.3	22.3	25.1	..	..	4.5	6.1
Luxembourg	13.8	14.2	39.8	43.4	15.7	16.6	23.6	16.2	0.1	0.1	7.0	9.6
Mexico	..	26.8	..	38.7	..	9.9	..	24.6	..	0.0	..	..
Netherlands	26.3	31.0	24.5	27.3	9.7	8.1	28.8	23.3	0.4	0.3	10.3	9.9
New Zealand	25.1	23.5	25.8	31.8	10.8	6.9	29.9	29.1	..	..	8.5	8.7
Norway	63.1	65.6	..	..	11.7	9.1	22.7	21.1	..	..	2.4	4.2
Poland	11.0	14.3	43.0	43.5	8.7	9.9	34.4	28.7	0.4	0.1	2.6	3.4
Portugal	61.1	60.5	28.9	..	11.8	8.9	22.7	23.6	1.0	0.9	3.4	6.2
Slovak Republic	8.4	9.3	37.8	40.2	9.6	11.0	34.8	31.2	6.6	3.0	2.8	5.3
Slovenia	16.7	16.3	35.7	41.4	8.8	9.3	33.4	28.1	0.7	0.3	4.8	4.6
Spain	21.6	27.9	29.4	29.6	9.0	7.6	23.7	18.1	0.4	0.1	16.0	16.8
Sweden	9.4	18.0	27.2	25.3	7.8	9.7	40.5	32.0	0.5	0.3	14.6	14.8
Switzerland	20.0	20.9	17.4	14.9	6.4	6.9	50.0	49.2	0.2	0.2	6.0	8.0
Turkey	43.0	47.8	..	..	..	..	57.0	52.2	..	..	..	..
United Kingdom	16.2	20.9	29.7	37.8	10.3	6.1	37.8	28.2	..	..	6.1	7.0
United States	23.1	18.6	25.3	34.3	9.6	6.6	33.4	29.1	..	..	8.6	11.4
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932351911>Figure 12.2. **Investment in information and communication technologies (ICT)**

Percentage of total gross fixed capital formation, 2001 and 2008

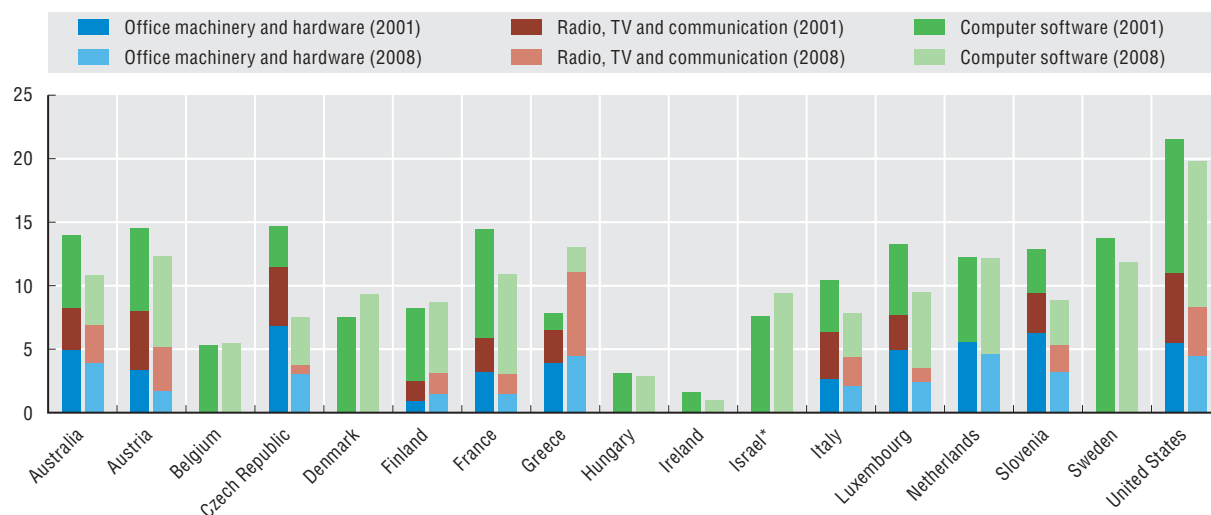

StatLink  <http://dx.doi.org/10.1787/888932351322>

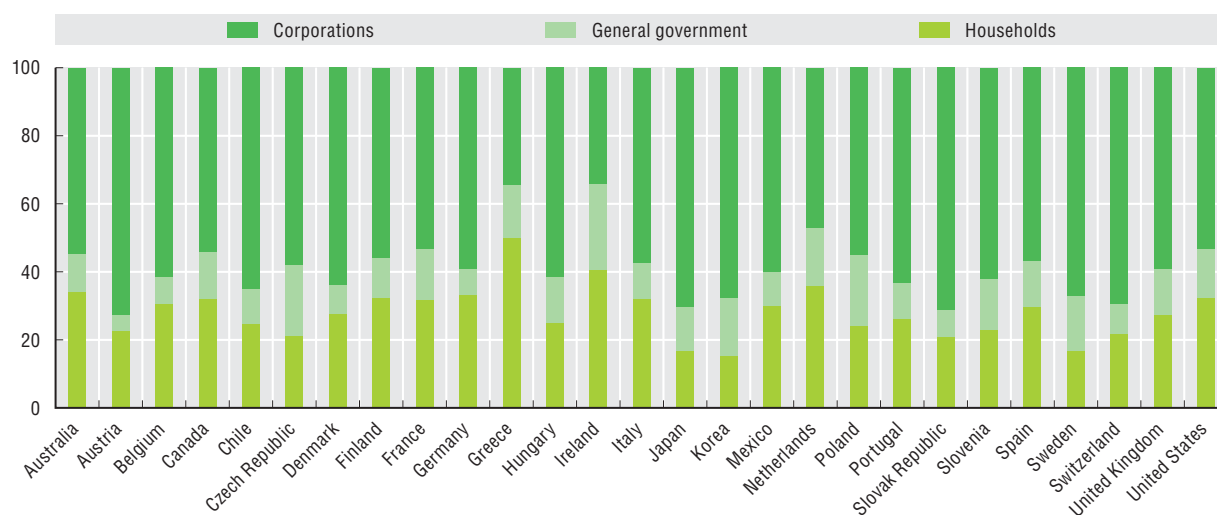

Table 12.3. **Gross fixed capital formation by institutional sector**

Percentage of total GFCF

	Corporations				General government				Households			
	1996	2000	2004	2008	1996	2000	2004	2008	1996	2000	2004	2008
Australia	50.9	47.5	48.5	54.9	12.4	13.1	10.6	11.2	36.7	39.3	40.9	33.9
Austria	64.4	71.0	72.6	72.9	11.7	6.3	5.1	4.8	23.9	22.8	22.4	22.3
Belgium	59.6	62.9	63.9	61.8	8.7	9.3	8.1	7.6	31.7	27.9	27.9	30.5
Canada	55.4	60.7	53.8	54.1	13.7	11.9	12.4	14.0	30.8	27.4	33.8	31.9
Chile	59.0	63.3	62.8	65.1	10.1	12.4	11.7	10.4	31.4	24.5	25.4	24.5
Czech Republic	68.0	68.7	63.7	58.2	14.2	12.9	18.8	20.7	17.8	18.4	17.5	21.1
Denmark	66.5	64.8	65.9	63.8	10.3	8.3	9.6	8.8	23.2	26.9	24.4	27.4
Finland	57.3	54.8	49.5	56.1	15.3	12.1	14.6	11.6	27.5	33.0	35.9	32.3
France	51.3	55.3	52.8	53.3	17.7	15.8	16.1	14.9	31.0	28.9	31.1	31.7
Germany	51.4	56.7	57.6	59.1	9.7	8.3	8.2	7.8	38.9	35.0	34.2	33.1
Greece	..	33.0	34.1	34.6	..	16.8	16.6	15.5	..	50.2	49.4	49.9
Hungary	61.3	64.0	56.0	61.6	6.9	13.9	15.7	13.5	31.9	22.1	28.3	24.9
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	36.6	34.2	..	..	14.4	25.2	..	..	49.0	40.5
Israel*	..	..	..	..	..	12.3	12.1	..	..	..	..	..
Italy	55.8	57.4	57.9	57.5	11.4	11.5	11.7	10.7	32.8	31.1	30.4	31.8
Japan	53.7	59.2	62.1	70.4	22.4	20.4	17.2	12.9	24.0	20.4	20.7	16.7
Korea	65.9	62.4	62.0	67.7	14.1	17.9	19.7	17.2	20.0	19.6	18.3	15.1
Luxembourg	..	..	..	..	24.3	18.4	19.8	15.7	..	..	..	..
Mexico	..	..	59.9	60.0	..	..	8.8	10.1	..	..	31.4	29.9
Netherlands	54.9	53.6	48.2	47.3	15.4	14.3	17.1	16.9	29.7	32.1	34.7	35.8
New Zealand	..	..	..	..	11.2	12.6	13.4	..	22.0	16.4	..	..
Norway	62.6	62.6	56.8	..	15.0	14.3	16.1	..	22.4	23.1	27.1	..
Poland	61.3	69.5	54.1	55.4	18.1	10.0	18.6	20.6	20.5	20.4	27.4	24.0
Portugal	49.1	55.6	56.7	63.5	17.5	13.2	14.0	10.4	33.4	31.3	29.3	26.1
Slovak Republic	75.9	63.5	69.4	71.2	11.8	10.9	10.0	7.9	12.3	25.6	20.6	20.9
Slovenia	58.5	64.2	63.7	62.3	13.7	12.2	13.9	14.9	27.8	23.6	22.5	22.8
Spain	..	59.4	55.5	56.8	..	12.2	12.1	13.7	..	28.4	32.4	29.5
Sweden	69.3	72.8	66.3	67.1	21.3	15.5	17.3	16.2	9.4	11.7	16.4	16.6
Switzerland	61.3	64.4	63.2	69.5	12.8	12.1	11.6	8.9	25.9	23.5	25.2	21.6
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	67.4	69.3	55.8	59.3	9.1	7.3	11.6	13.6	23.5	23.3	32.6	27.1
United States	53.2	54.6	45.6	53.5	13.0	12.3	13.0	14.3	33.8	33.1	41.5	32.2
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932351930>Figure 12.3. **Gross fixed capital formation by sector**

Percentage of total gross fixed capital formation, 2008

StatLink  <http://dx.doi.org/10.1787/888932351341>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

13. Exports and imports of goods and services

In today's increasingly globalised world, exports and imports are key aggregates in the analysis of a country's economic situation. Whenever an economy slows down or accelerates, all other economies are potentially affected.

Definition

Exports of goods and services consist of sales, barter or gifts or grants, of goods and services (included in the production boundary of GDP) from residents to non-residents. Equally, imports reflect the same transactions from non-residents to residents.

A unit is said to be resident in a country when its "centre of economic interest" is situated in that country's economic territory. A country's economic territory is the geographic area corresponding to the nation state. It includes its air space, its territorial waters, its territorial enclaves in the rest of the world (embassies in foreign countries) and free zones. Conversely, it excludes foreign embassies located in the country.

Not all goods need to physically enter a country's border to be recorded as an export or import. Transportation equipment, goods produced by residents in international waters sold directly to non-residents, and food consumed in ships or planes are but a few examples of transactions which may be recorded as exports or imports without physically crossing borders.

Equally not all goods that enter a country's borders are necessarily imports or exports. Transportation equipment, goods sent abroad for minor processing (or which enter and leave a country in their original state and ownership) are examples of goods that cross borders but are not recorded as imports or exports.

A number of indicators can be derived from exports and imports of goods and services. For example the degree of openness (export + imports)/GDP or the terms of trade which are shown here in Table 13.3. The terms of trade are defined as the ratio between the index of export prices and the index of import prices.

Comparability

Goods (merchandise trade) reflect the bulk of import and exports, and these are generally well covered and afford good comparability across countries; although discrepancies between total imports and exports of traded goods at the global level reveal that measurement in practice is not trivial. Growth in trade through the Internet has increased measurement difficulties.

The comparability of trade in services is greater affected by practical measurement issues however; even if the conceptual approach, as it is for goods, is the same for all OECD countries.

Until recently, exports and imports of services mainly consisted of transport services (sea, air) and insurance. But increases in outsourcing, merchanting, processing services (see also Annex B for changes implied by the 2008 SNA) and transactions in intellectual property, such as software and artistic originals, have increased the difficulties inherent in the measurement of trade in services. Some payments, for example in software, are incorrectly recorded as property income say and not in the goods and services accounts.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

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Further reading

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13. Exports and imports of goods and services

Table 13.1. Exports of goods and services, volume

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	10.4	4.1	2.0	9.5	7.5	-0.7	-0.5	1.2	2.9	2.3	4.0	3.9	2.5	1.0 e
Austria	4.6	11.8	8.3	6.1	13.4	6.2	3.9	1.5	10.1	7.4	7.7	8.6	1.0	-16.1
Belgium	3.7	10.0	4.8	4.5	11.8	1.1	2.7	0.8	6.6	4.6	5.1	4.4	1.7	-11.6
Canada	5.6	8.3	9.1	10.7	8.9	-3.0	1.2	-2.3	5.0	1.9	0.6	1.2	-4.6	-14.2
Chile	11.8	11.2	5.2	7.3	5.1	7.2	1.6	6.5	13.3	4.3	5.1	7.6	3.1	-5.6
Czech Republic	5.5	8.4	10.4	5.4	16.5	11.2	2.1	7.2	20.7	11.6	15.8	15.0	6.0	-10.8
Denmark	4.2	4.9	4.1	11.6	12.7	3.1	4.1	-1.0	2.8	8.0	9.0	2.2	2.4	-10.2
Finland	5.9	13.9	9.2	11.1	17.3	1.7	3.3	-1.9	8.2	7.0	12.2	8.2	6.3	-20.3
France	3.7	12.9	8.2	4.6	12.4	2.5	1.5	-1.2	4.0	3.1	4.8	2.5	-0.5	-12.4
Germany	6.0	11.7	8.0	5.9	13.5	6.4	4.3	2.5	10.3	7.7	13.1	7.6	2.5	-14.3
Greece	3.5 e	20.0 e	5.3 e	18.1 e	14.1 e	-0.0	-8.4	2.9	17.3	2.5	5.3	5.8	4.0	-20.1
Hungary	11.1	21.0	16.5	11.1	19.7	8.0	3.8	6.2	15.0	11.3	18.6	16.2	5.7	-9.6
Iceland	9.9	5.6	2.5	4.0	4.2	7.4	3.8	1.6	8.4	7.5	-4.6	17.7	7.1	7.4
Ireland	12.5 e	17.6	23.1	15.6	20.2	8.6	5.2	0.6	7.5	4.8	4.8	8.2	-0.8	-4.1
Israel*	5.9	8.9	6.6	14.1	22.7	-11.1	-2.0	8.0	17.6	4.3	5.9	9.3	5.9	-12.5
Italy	1.5	5.1	2.5	-0.4	11.9	2.6	-2.9	-2.0	4.9	1.1	6.2	4.6	-3.9	-19.1
Japan	5.9	11.1	-2.7	1.9	12.7	-6.9	7.5	9.2	13.9	7.0	9.7	8.4	1.6	-23.9 e
Korea	11.6	19.8	12.9	14.4	18.1	-3.4	12.1	14.5	19.7	7.8	11.4	12.6	6.6	-0.8
Luxembourg	2.3	11.4	11.2	14.2	12.6	4.5	2.1	6.8	11.1	4.5	13.0	9.1	6.6	-8.2
Mexico	18.2 e	10.7 e	12.1 e	12.4 e	16.3 e	-3.6 e	1.4 e	2.7 e	11.5	6.8	10.9	5.7	0.5	-14.8 e
Netherlands	4.4	10.9	6.8	8.7	13.5	1.9	0.9	1.5	7.9	6.0	7.3	6.4	2.8	-7.9
New Zealand	4.7	3.9	2.9	7.4	6.3	3.0	7.8	1.1	4.8	-0.1	2.9	3.1	-3.2	0.4 e
Norway	10.0	7.8	0.7	2.8	3.2	4.3	-0.3	-0.2	1.1	1.1	0.0	2.3	1.0	-4.0
Poland	12.0	12.2	14.4	-2.5	23.2	3.1	4.8	14.2	14.0	8.0	14.6	9.1	7.1	-6.8
Portugal	7.2	7.2	8.2	3.8	8.8	1.8	2.8	3.6	4.1	0.2	11.6	7.6	-0.3	-11.8
Slovak Republic	-1.4	5.8	21.0	12.2	8.9	6.9	5.2	15.9	7.4	10.0	21.0	14.3	3.2	-16.5
Slovenia	2.7	11.1	7.5	1.6	13.1	6.4	6.8	3.1	12.4	10.6	12.5	13.7	3.3	-17.7
Spain	10.3	15.0	8.0	7.5	10.2	4.2	2.0	3.7	4.2	2.5	6.7	6.7	-1.1	-11.6
Sweden	4.4	13.8	9.0	7.2	11.7	0.6	1.3	4.2	10.8	6.6	9.0	5.7	1.4	-12.4
Switzerland	3.7	11.2	4.3	6.5	12.5	0.5	-0.1	-0.5	7.9	7.8	10.3	9.6	3.3	-8.7
Turkey	22.0 e	19.1 e	12.0 e	-10.7	16.0	3.9	6.9	6.9	11.2	7.9	6.6	7.3	2.7	-5.4
United Kingdom	8.8	8.1	3.1	3.7	9.1	3.0	1.0	1.8	5.0	7.9	11.1	-2.6	1.0	-11.1
United States	8.3	11.9	2.3	4.4	8.6	-5.6	-2.0	1.6	9.5	6.7	9.0	9.3	6.0	-9.5
Euro area	4.9	11.1	7.4	5.8	13.0	4.0	2.0	1.1	7.4	5.0	8.6	6.3	1.0	-13.2
OECD-Total	7.3 e	11.2 e	6.2 e	5.9 e	12.1 e	0.5 e	2.1 e	2.8 e	9.0	6.0	9.0	6.7	2.3	-11.7 e


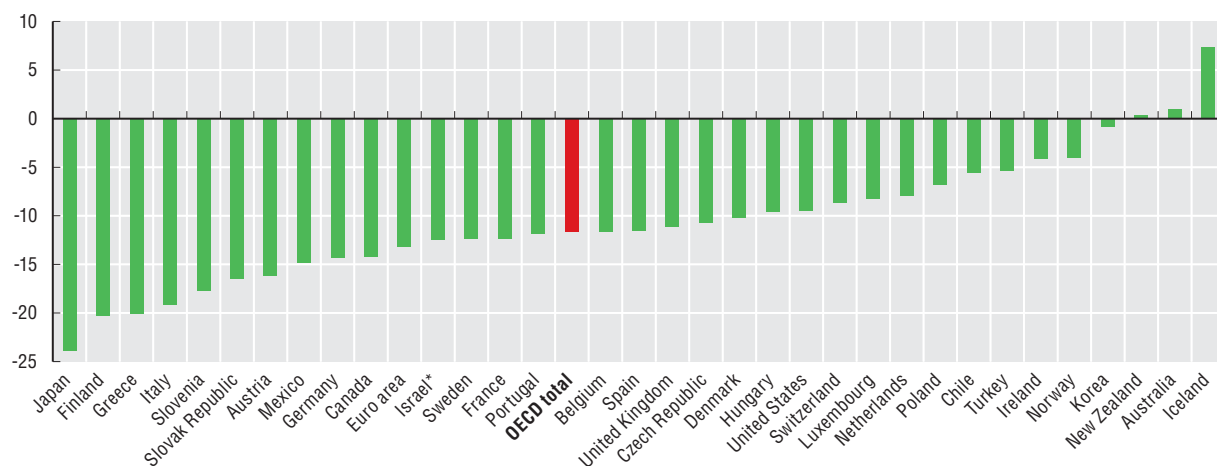

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Figure 13.1. Exports of goods and services, volume

Annual growth rates in percentage, 2009

StatLink  <http://dx.doi.org/10.1787/888932351360>

13. Exports and imports of goods and services

Table 13.2. Imports of goods and services, volume

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	9.9	10.0	4.9	12.1	-1.2	1.4	13.3	12.6	12.3	7.3	9.2	14.1	-2.7	-8.3 e
Austria	4.4	7.7	5.2	4.7	10.6	5.6	-0.4	4.5	9.8	6.4	5.4	7.0	-0.9	-14.4
Belgium	4.2	8.9	5.6	2.7	12.2	0.2	0.9	0.8	6.6	5.9	4.6	4.7	3.0	-11.1
Canada	5.1	14.2	5.1	7.8	8.1	-5.1	1.7	4.1	8.0	7.1	4.9	5.9	1.2	-13.9
Chile	11.8	13.2	6.7	-9.5	10.1	4.1	2.3	9.7	18.4	17.2	10.6	14.5	12.2	-14.3
Czech Republic	12.1	6.9	8.3	4.9	16.3	12.8	5.0	8.0	17.9	5.0	14.3	14.3	4.7	-10.6
Denmark	3.3	9.5	8.5	3.5	13.0	1.9	7.5	-1.6	7.7	11.1	13.4	2.6	3.3	-13.2
Finland	7.2	11.9	8.7	4.2	16.7	1.3	3.2	3.2	7.4	11.4	7.9	7.0	6.5	-18.1
France	2.1	7.9	11.6	6.7	14.9	2.2	1.7	1.1	7.1	5.9	5.6	5.6	0.6	-10.7
Germany	3.5	8.2	9.5	8.6	10.2	1.2	-1.4	5.4	7.3	6.7	11.9	5.0	3.3	-9.4
Greece	7.0 e	14.2 e	9.2 e	15.0 e	15.1 e	1.2	-1.3	3.0	5.7	-1.5	9.7	9.8	4.0	-18.6
Hungary	9.0	22.2	22.9	12.3	18.0	5.4	6.7	9.3	14.3	7.1	14.8	13.3	5.8	-14.6
Iceland	16.5	8.0	23.4	4.4	8.6	-9.1	-2.6	10.7	14.5	29.3	10.4	-0.7	-18.2	-24.1
Ireland	12.9 e	16.6	27.5	12.4	21.7	7.1	2.7	-1.5	8.5	8.3	6.4	7.8	-2.9	-9.7
Israel*	7.3	4.1	1.7	15.6	11.8	-5.1	-1.1	-1.3	11.8	3.5	3.2	11.9	2.4	-14.1
Italy	-0.5	9.4	9.4	4.9	9.8	1.8	0.2	1.2	4.2	2.1	5.9	3.8	-4.3	-14.5
Japan	13.4	0.5	-6.8	3.6	9.2	0.6	0.9	3.9	8.1	5.8	4.2	1.6	0.8	-16.7 e
Korea	14.7	4.2	-22.0	26.4	22.6	-4.9	14.4	11.1	11.7	7.6	11.3	11.7	4.4	-8.2
Luxembourg	5.4	12.6	11.8	14.8	10.5	6.0	0.8	6.9	11.8	4.2	12.8	9.3	8.5	-10.3
Mexico	22.9 e	22.7 e	16.6 e	14.1 e	21.5 e	-1.6 e	1.5 e	0.7 e	10.7	8.5	12.6	7.1	2.8	-18.2 e
Netherlands	5.3	11.9	9.0	9.3	12.2	2.5	0.3	1.8	5.7	5.4	8.8	5.6	3.4	-8.5
New Zealand	6.4	2.5	2.1	11.3	-0.7	4.0	7.2	12.7	12.5	4.2	-1.6	10.0	-4.7	-14.8 e
Norway	8.8	12.5	8.8	-1.6	2.0	1.7	1.0	1.4	8.8	8.7	8.4	8.6	4.3	-11.4
Poland	28.0	21.4	18.6	1.0	15.5	-5.3	2.8	9.6	15.8	4.7	17.3	13.7	8.0	-12.4
Portugal	5.8	10.6	14.6	9.0	5.6	1.0	-0.5	-0.5	7.6	2.3	7.2	5.5	2.8	-10.8
Slovak Republic	17.3	7.8	19.1	0.4	8.2	13.5	4.4	7.4	8.3	12.4	17.8	9.2	3.1	-17.6
Slovenia	2.1	11.3	9.6	7.8	7.1	3.1	4.9	6.7	13.3	6.7	12.2	16.7	3.8	-19.7
Spain	8.8	13.3	14.8	13.7	10.8	4.5	3.7	6.2	9.6	7.7	10.2	8.0	-5.3	-17.8
Sweden	3.4	12.4	11.3	5.1	11.7	-1.7	-1.3	3.7	6.6	7.0	9.0	9.0	2.9	-13.2
Switzerland	4.0	8.1	7.4	4.1	10.3	2.3	-1.1	1.3	7.3	6.6	6.5	6.1	0.3	-5.4
Turkey	20.5 e	22.4 e	2.3 e	-3.7	21.8	-24.8	20.9	23.5	20.8	12.2	6.9	10.7	-4.1	-14.4
United Kingdom	9.7	9.7	9.3	7.9	8.9	4.8	4.9	2.2	6.9	7.1	9.1	-0.8	-1.2	-12.3
United States	8.7	13.5	11.7	11.5	13.0	-2.8	3.4	4.4	11.0	6.1	6.1	2.7	-2.6	-13.8
Euro area	3.9	9.6	10.3	7.8	11.8	2.3	0.5	3.0	7.1	5.8	8.5	5.8	0.8	-11.9
OECD-Total	8.2 e	11.1 e	8.1 e	8.9 e	12.4 e	-0.1 e	3.0 e	4.5 e	9.2	6.4	8.3	5.5	0.4	-12.8 e


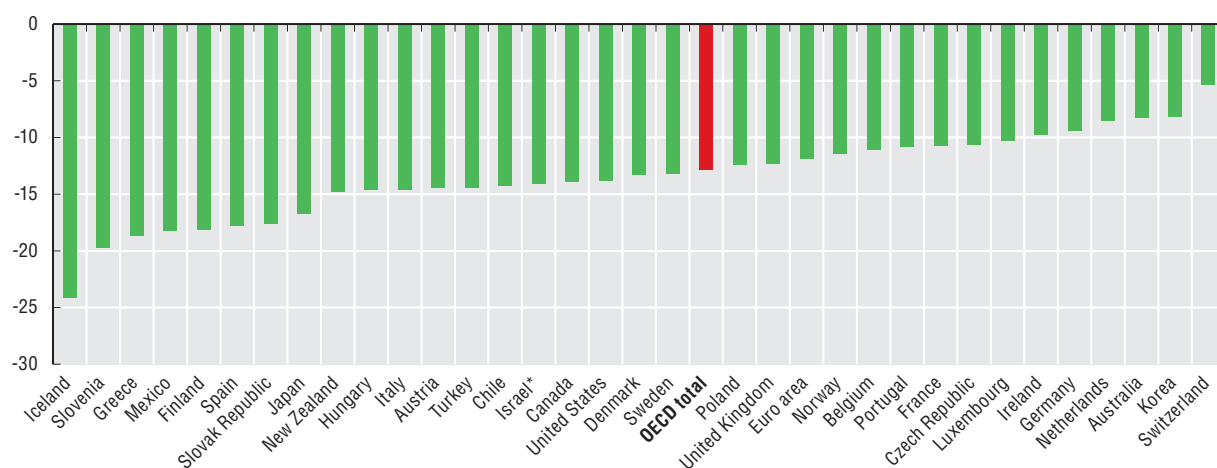
StatLink  <http://dx.doi.org/10.1787/888932351968>

Figure 13.2. Imports of goods and services, volume

Annual growth rates in percentage, 2009


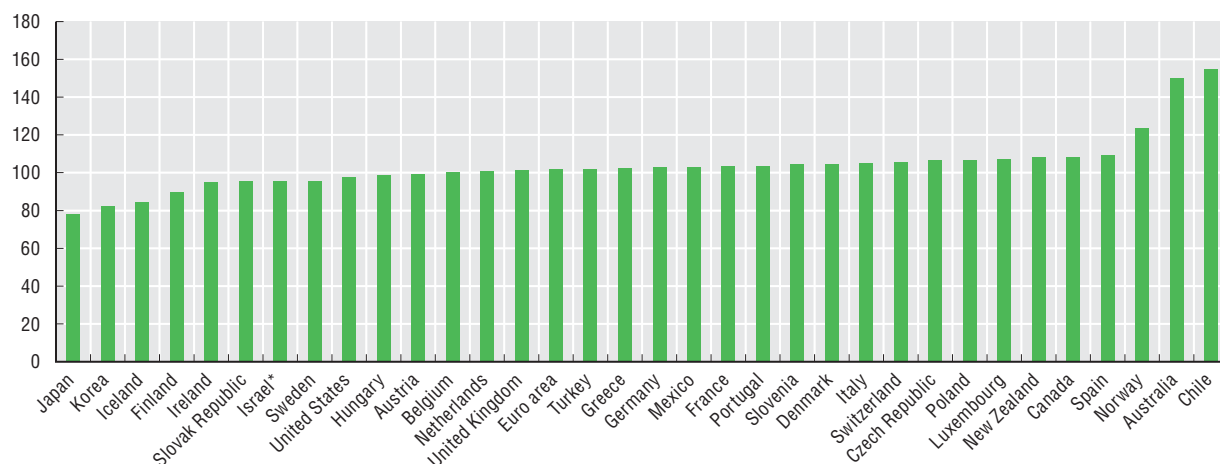

StatLink  <http://dx.doi.org/10.1787/888932351379>

13. Exports and imports of goods and services

Table 13.3. Terms of trade

Ratio of export prices to import prices

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	98.4	98.3	93.4	97.4	100.0	101.5	103.9	111.4	122.7	136.0	145.1	153.0	163.6	149.8 e
Austria	102.4	101.6	101.4	101.5	100.0	100.3	101.7	101.9	101.7	100.9	100.4	99.7	97.9	99.0
Belgium	102.8	102.4	103.3	102.0	100.0	100.1	101.3	101.1	100.2	99.8	99.1	99.3	96.9	100.3
Canada	99.4	98.8	95.0	96.2	100.0	98.4	96.0	101.5	106.0	109.8	110.9	114.4	119.8	108.4
Chile	97.3	97.5	94.8	97.3	100.0	95.7	98.9	106.8	127.8	140.2	174.6	177.2	148.6	154.7
Czech Republic	97.4	97.8	103.4	102.9	100.0	102.4	105.6	106.2	107.6	105.8	104.5	105.7	104.1	106.6
Denmark	98.8	99.1	99.1	99.1	100.0	100.0	101.3	102.2	103.5	105.5	105.3	104.1	105.3	104.6
Finland	106.7	105.2	107.0	103.8	100.0	101.7	101.9	100.5	98.2	94.8	91.8	91.7	89.1	89.7
France	100.8	101.5	102.9	103.0	100.0	100.6	103.3	103.1	102.4	101.4	100.7	101.5	101.5	103.3
Germany	105.1	102.8	104.5	105.1	100.0	99.9	101.9	102.9	102.6	101.1	99.8	100.3	99.1	103.1
Greece	99.9 e	100.7 e	101.0 e	101.2 e	100.0	100.9	102.4	104.4	104.6	103.8	103.3	103.2	101.8	102.2
Hungary	99.9	101.8	102.9	102.2	100.0	100.6	101.9	101.6	101.5	99.8	98.4	98.8	98.1	98.7
Iceland	96.1	98.0	103.1	102.5	100.0	100.3	100.9	96.8	95.5	96.5	99.8	99.8	93.7	84.5
Ireland	100.6	101.0	101.2	101.0	100.0	100.8	101.7	100.7	100.0	99.2	98.2	96.8	94.3	95.2
Israel*	94.4	97.7	100.1	102.3	100.0	100.1	99.9	97.3	94.6	93.2	92.4	90.7	87.3	95.5
Italy	103.8	103.4	106.5	106.5	100.0	100.8	102.6	104.4	104.3	102.0	99.1	100.5	98.9	104.8
Japan	107.2	102.5	106.3	105.9	100.0	99.8	99.5	96.9	93.0	87.1	81.0	77.4	70.1	77.9 e
Korea	122.0	115.1	111.3	107.9	100.0	97.4	97.4	96.5	93.8	90.4	87.1	86.5	79.9	82.1
Luxembourg	104.8	101.2	100.1	102.3	100.0	99.2	100.1	104.4	103.2	103.5	105.6	106.1	107.8	107.2
Mexico	93.1 e	96.2 e	93.9 e	96.8 e	100.0	100.5 e	101.7 e	100.6	99.1	101.9	104.3	104.4	104.6	103.1 e
Netherlands	98.6	99.6	100.1	99.8	100.0	101.3	102.3	102.4	101.6	102.4	102.0	101.7	101.9	101.0
New Zealand	102.7	100.7	99.3	99.5	100.0	103.1	101.5	107.9	111.8	110.4	108.8	118.2	115.1	108.4 e
Norway	75.9	77.2	70.2	78.6	100.0	97.9	92.6	93.5	100.7	116.4	130.3	127.1	143.8	123.7
Poland	106.7	105.2	107.3	106.0	100.0	100.0	99.3	98.9	102.2	103.3	103.2	104.9	103.1	106.7
Portugal	98.2	98.9	101.8	103.0	100.0	100.3	101.9	102.2	101.5	100.2	100.7	101.4	99.5	103.5
Slovak Republic	96.7	101.1	98.6	97.3	100.0	99.0	98.9	98.6	98.3	98.2	96.8	95.7	94.2	95.2
Slovenia	101.8	102.3	103.0	103.2	100.0	101.7	103.6	104.4	103.4	101.3	100.8	101.7	100.2	104.5
Spain	101.8	101.3	103.3	103.0	100.0	102.1	104.9	106.3	105.7	106.2	106.5	107.1	105.3	109.2
Sweden	105.2	104.8	104.2	101.6	100.0	98.6	96.9	97.1	95.8	94.2	93.9	95.2	94.9	95.5
Switzerland	105.2	102.1	103.5	102.8	100.0	99.8	103.5	105.5	104.8	102.3	101.1	100.9	100.3	105.3
Turkey	101.5 e	109.0 e	107.4	110.3	100.0	97.9	100.6	104.0	106.3	105.9	101.2	103.2	100.0	102.1
United Kingdom	95.8	98.8	99.8	101.2	100.0	99.8	102.4	103.8	104.0	101.1	101.1	102.5	102.5	101.5
United States	98.7	100.5	103.7	102.5	100.0	102.1	102.8	101.5	100.3	97.8	97.1	97.2	92.2	97.7
Euro area	102.5	102.0	103.4	103.4	100.0	100.6	102.3	102.9	102.3	101.3	100.2	100.5	99.2	101.9
OECD-Total	100.8 e	101.1 e	102.4 e	102.2 e	100.0	100.7 e	101.7 e	101.9 e	101.5 e	100.4 e	99.5 e	99.8 e	97.4 e	99.8 e

StatLink  <http://dx.doi.org/10.1787/888932351987>Figure 13.3. Terms of trade
Ratio of export prices to import prices, 2009StatLink  <http://dx.doi.org/10.1787/888932351398>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.



PRODUCTION

- 14. Value added
- 15. Compensation of employees

14. Value added

Value added reflects the contribution of labour and capital to production. It can be shown by: type of enterprise/establishment (activity, size, market/non-market, age, etc.); type of product, and institutional sector and combinations of these, and is a key variable in economic analyses such as productivity and structural analysis.

Definition

Value added at basic prices can be simply defined as the difference between gross output (at basic prices) and intermediate consumption (at purchasers prices) and can be decomposed into the following components: Compensation of employees; Gross operating surplus; Mixed income; and Other taxes on production less Subsidies on production. It can also be derived as the difference between GDP (at market prices) and taxes on products less subsidies on products.

The SNA recommends the basic price valuation for value added but it can also be measured on different price bases such as producers prices and at factor cost.

One of the major advantages of value added is that it avoids problems inherent in the measurement of output which is a gross concept – gross in the sense that it counts the output of all production units. Countries with fragmented production networks therefore will have, all other things equal, higher output than those with more consolidated networks, complicating international comparisons. Indeed this is also a temporal problem as production networks can become more or less consolidated (through outsourcing for example) within a country from one year to another. Indeed production networks have become increasingly globalised in recent years, further affecting temporal and cross-country comparability.

Value added avoids these problems by measuring the value that a resident unit adds to that of the resident units that supply its inputs.

Like its GDP counterpart, value added can also be measured on a net basis, where the “net” refers to net of depreciation.

Like its nominal counterpart, real value added can be derived as the difference between real output and real intermediate consumption, an approach known as double-deflation.

A useful additional comment worth making in the context of value added concerns non-market output. By convention, because market prices are not observable, non-market output is calculated on a sum of costs approach with value added set equal to depreciation only and no net return to capital imputed.

Comparability

Not all countries produce value added on the basis of basic prices.

The tables and figures showing breakdowns by activity are based on the ISIC Rev. 3 industrial classification system. Countries generally collect information using their own industrial classification systems. The conversion from a national classification system to ISIC may create some comparability issues. For example, for Japan, Hotels (which form approximately 2.8-3.0% of value added) are included in Other services not wholesale, retail, etc. That said, at the 6 activity level presented here, for most countries the sectors are generally comparable.

Japan uses approximately market prices. New Zealand uses producer prices, and Iceland and the USA use factor costs.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

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Further reading

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Table 14.1. **Gross value added at basic prices, volume**

Annual growth rates in percentage

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	4.0	4.1	5.2	4.0	2.4	3.8	3.0	4.2	2.9	3.2	3.9	3.9	0.7	..
Austria	1.8	2.9	3.5	3.0	3.6	0.7	1.7	1.0	2.6	2.6	3.9	3.8	2.5	-4.3
Belgium	1.0	3.5	1.9	3.3	3.5	1.3	1.2	1.0	2.7	1.7	2.6	2.9	1.3	-2.8
Canada	1.4 e	4.2 e	3.9	5.6	5.5	1.5	2.6	2.1	3.2	3.2	2.9	2.6	0.6	-3.1
Chile	..	6.4 e	3.0 e	-0.4 e	4.2 e	3.4 e	2.2 e	3.7 e	5.8	5.5	4.4	4.3	3.3	-1.4
Czech Republic	3.5	-1.6	-0.7	1.5	3.8	2.5	2.5	2.9	4.5	6.6	7.6	5.9	3.4	-4.5
Denmark	2.4	3.0	1.9	2.9	4.4	0.7	0.3	0.4	1.5	1.5	3.2	1.8	-0.5	-4.0
Finland	3.7	6.0	4.8	4.1	6.0	2.4	1.5	1.1	4.0	2.8	4.2	6.1	0.8	-8.4
France	1.1	2.4	3.5	3.2	3.7	1.8	1.0	1.0	2.6	1.8	2.2	2.5	0.5	-2.5
Germany	1.3	1.9	2.1	1.9	3.7	1.5	0.3	-0.1	1.6	0.9	3.5	3.1	1.1	-5.3
Greece	1.8 e	3.3 e	3.9 e	2.1 e	4.4 e	3.6	4.1	6.4	5.1	2.4	2.9	4.2	1.8	-1.8
Hungary	1.8	3.9	4.9	4.1	4.3	3.5	3.7	3.7	4.8	3.1	3.9	0.5	1.2	-7.0
Iceland	6.0	3.2	7.0	5.5	6.2	3.6	-0.2	3.7	7.1	7.1	6.3	7.4	-0.3	..
Ireland	8.5 e	10.8	8.5	9.7	8.8	7.1	6.6	3.3	5.1	4.8	5.1	6.0	-2.2	-4.8
Israel*	5.4	2.9	4.1	3.4	9.2	0.1	0.0	1.4	5.0	4.9	5.4	5.4	4.5	0.6
Italy	1.1	1.6	1.2	1.2	3.7	1.8	0.6	-0.3	1.7	0.7	2.0	1.6	-1.2	-5.5
Japan	2.6	1.6	-1.8	0.2	2.2	0.1	0.8	1.4	2.0	2.4	1.4	1.6	-1.6	..
Korea	6.9	5.6	-5.3	10.2	8.6	4.0	7.2	3.0	4.7	4.0	5.1	5.4	2.6	0.4
Luxembourg	1.5	5.2	6.4	8.1	7.5	3.3	3.9	1.4	3.9	5.6	5.4	6.8	1.5	-3.4
Mexico	4.9 e	6.9 e	5.0 e	3.8 e	6.6 e	0.1 e	1.0 e	1.6 e	4.2	3.8	5.2	3.8	1.9	..
Netherlands	3.0	4.2	3.8	4.6	4.0	1.9	0.2	0.5	2.3	2.1	3.3	4.0	2.0	-3.4
New Zealand	3.6	1.9	0.5	5.3	2.5	3.7	4.8	4.0	3.8	3.3	1.0	3.2	-1.1	..
Norway	4.7	5.4	2.4	2.0	3.3	1.7	1.2	1.0	3.2	2.4	1.6	1.9	1.0	-1.2
Poland	5.7	6.4	4.8	4.3	4.0	1.3	1.3	3.6	5.2	3.3	6.0	6.7	5.1	1.8
Portugal	3.4	4.2	4.2	3.5	3.8	2.4	0.8	-0.6	1.7	0.6	1.7	2.7	0.5	-2.3
Slovak Republic	7.2	5.6	2.9	0.3	0.5	5.0	4.2	3.8	4.4	5.9	10.1	10.7	6.9	-4.6
Slovenia	3.4	4.7	3.3	4.7	4.9	3.4	4.4	3.0	4.3	4.4	6.1	7.0	3.4	-8.1
Spain	2.3	3.6	4.2	4.5	5.1	3.7	2.5	2.7	3.1	3.3	4.1	3.9	1.1	-3.5
Sweden	1.8	3.1	4.2	4.6	5.0	1.1	2.4	2.4	4.5	3.0	4.4	3.3	-0.2	-5.3
Switzerland	0.6	1.6	2.6	0.7	3.3	1.1	0.6	-0.3	2.5	2.6	3.6	3.7	2.0	-1.9
Turkey	6.3 e	6.9 e	3.4 e	-3.0	6.5	-4.5	5.2	4.5	9.6	8.5	7.5	4.8	1.3	-3.5
United Kingdom	2.9	3.4	3.9	3.6	3.8	2.3	1.8	2.7	3.0	2.3	3.1	2.8	-0.2	-4.9
United States	3.9 e	5.0 e	5.1 e	5.0 e	4.3 e	1.2 e	1.3 e	2.2 e	3.3 e	2.9 e	2.6 e	2.1 e	0.3 e	..
Euro area	1.6	2.6	2.8	2.7	4.0	2.0	1.0	0.7	2.3	1.7	3.0	3.1	0.7	-4.2
OECD-Total	3.1 e	3.7 e	2.9 e	3.5 e	4.1 e	1.3 e	1.5 e	1.8 e	3.1 e	2.7 e	3.0 e	2.7 e


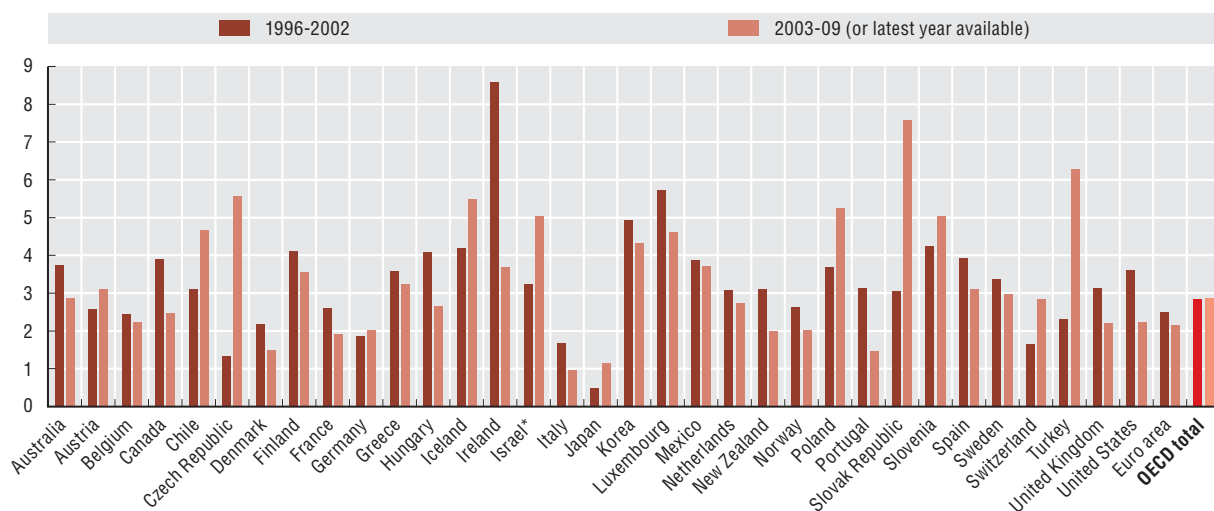
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Figure 14.1. **Gross value added at basic prices, volume**

Average annual growth rates in percentage




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Table 14.2. Gross value added by activity

Percentage of total activity

	Agriculture, hunting and forestry; fishing		Industry, including energy		Construction		Wholesale and retail trade, repairs; hotels and restaurants; transport		Financial intermediation; real estate, renting and business activities		Other service activities	
	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008
Australia	3.2	2.6	20.4	19.7	6.5	7.4	22.9	21.3	27.6	30.5	19.4	18.6
Austria	2.2	1.7	22.9	23.2	8.0	7.1	24.7	23.7	20.7	23.8	21.6	20.6
Belgium	1.5	0.7	23.0	17.7	4.8	5.5	21.7	22.7	26.8	29.5	22.3	23.9
Canada	2.6	..	24.8	..	5.2	..	21.3	..	25.8	..	20.2	..
Chile	5.3 e	3.5	24.2 e	35.6	8.8 e	8.3	22.4 e	17.1	24.4 e	20.5	15.8 e	15.1
Czech Republic	4.2	2.5	31.2	31.0	8.1	6.6	24.8	25.3	16.3	17.9	15.4	16.7
Denmark	2.7	1.2	20.4	20.2	5.3	5.5	22.2	21.8	22.0	24.7	27.5	26.7
Finland	3.5	2.9	28.6	25.0	5.8	7.2	20.6	19.7	19.7	23.1	21.7	22.1
France	3.2	2.0	18.4	13.6	5.0	6.7	19.2	18.9	29.5	33.4	24.7	25.4
Germany	1.2	0.9	25.3	25.6	5.6	4.0	18.1	17.8	27.1	29.5	22.6	22.2
Greece	7.4 e	3.2	13.9 e	13.0	6.6 e	5.2	29.0 e	34.6	21.3 e	19.1	21.6 e	25.0
Hungary	6.6	4.2	27.3	24.9	4.4	4.4	21.5	21.3	19.0	22.8	21.2	22.4
Iceland	10.3	6.4	19.8	17.9	8.5	9.4	22.3	18.5	15.9	24.9	23.3	22.9
Ireland	4.4	1.3	34.8	23.8	6.0	7.7	18.2	17.5	19.4	29.0	17.2	20.7
Israel*	2.1	1.9	19.2	16.7	6.6	4.9	18.4	17.8	28.2	35.3	25.4	23.4
Italy	3.1	2.0	24.5	20.8	4.9	6.2	24.2	22.3	23.0	27.7	20.3	21.0
Japan	1.8	1.4	24.5	21.3	7.5	6.0	20.8	20.1	23.8	26.9	21.5	24.3
Korea	4.9	2.7	29.0	29.4	8.8	7.0	18.9	19.8	21.3	20.3	17.1	20.8
Luxembourg	0.9	0.4	14.6	9.1	6.3	5.3	23.1	21.9	38.2	48.2	16.9	15.1
Mexico	5.4 e	3.3	30.9 e	29.3	5.8 e	7.1	28.2 e	27.7	21.4 e	20.0	11.9 e	12.7
Netherlands	3.0	1.8	19.9	19.8	5.3	5.8	22.9	21.2	26.6	27.8	22.3	23.6
New Zealand	6.5	..	19.8	..	4.3	..	23.0	..	28.9	..	17.5	..
Norway	2.7	1.2	27.5	40.7	5.1	4.9	22.8	15.9	18.2	17.7	23.7	19.7
Poland	6.0	3.7	24.9	24.3	7.9	7.3	26.7	26.2	16.4	19.5	18.1	19.1
Portugal	4.2	2.3	21.9	17.4	7.3	6.8	25.4	25.7	19.7	23.5	21.5	24.3
Slovak Republic	5.4	3.1	27.4	29.7	7.2	8.3	27.2	25.9	16.4	18.5	16.4	14.5
Slovenia	4.0	2.5	29.8	25.5	6.6	8.3	21.2	22.6	19.0	22.3	19.4	18.8
Spain	4.9	2.7	21.8	17.0	7.3	11.4	26.5	24.5	18.6	22.9	21.0	21.6
Sweden	2.4	1.8	25.0	22.1	4.3	5.4	19.3	19.8	23.9	24.4	25.0	26.5
Switzerland	1.7	1.3	22.5	22.3	5.4	5.4	22.2	22.2	22.7	23.6	25.5	25.3
Turkey	12.9	8.5	27.7	22.0	6.0	5.2	28.5	31.9	15.6	21.0	9.4	11.4
United Kingdom	1.2	0.8	23.4	16.2	5.1	6.4	22.7	21.0	26.3	32.7	21.3	22.9
United States	1.3	1.2	19.4	16.6	4.7	4.7	20.4	18.2	30.3	33.8	23.9	25.5
Euro area	2.7	1.8	22.8	19.9	5.6	6.4	21.2	20.9	25.4	28.4	22.3	22.7
OECD-Total	2.5 e	..	22.5 e	..	5.6 e	..	21.5 e	..	26.2 e	..	21.7 e	..


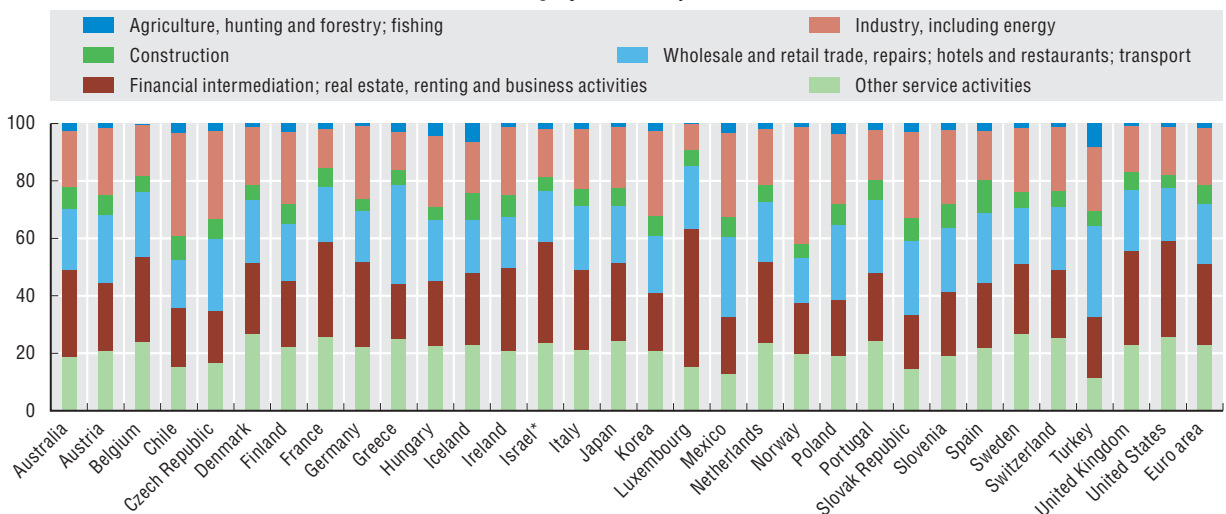
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Figure 14.2. Gross value added by activity

Percentage of total activity, 2008




StatLink  <http://dx.doi.org/10.1787/888932351436>

Table 14.3. Contribution to gross value added growth by activity

Percentage

	Agriculture, hunting and forestry; fishing		Industry, including energy		Construction		Wholesale and retail trade, repairs; hotels and restaurants; transport		Financial intermediation; real estate, renting and business activities		Other service activities	
	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008
Australia	0.3	0.4	0.3	-0.3	0.6	-0.1	1.1	0.0	2.2	0.1	1.3	0.6
Austria	0.0	0.2	0.8	0.9	0.2	0.0	0.9	0.2	1.4	0.7	0.2	0.5
Belgium	0.0	-0.0	0.5	-0.1	-0.0	-0.0	-0.2	0.2	1.0	0.9	0.5	0.4
Canada	0.2	..	0.9	..	0.2	..	1.2	..	1.3	..	0.3	..
Chile	0.1 e	0.2	0.3 e	-0.3	0.2 e	0.7	1.0 e	0.9	1.2 e	0.6	0.4 e	0.5
Czech Republic	0.3	0.1	-2.5	2.5	0.3	0.0	0.2	0.6	1.6	0.3	-0.6	-0.2
Denmark	0.1	0.0	0.1	-0.0	0.4	-0.3	0.2	-0.5	0.5	0.1	0.6	0.2
Finland	-0.4	0.2	2.3	-0.1	0.3	-0.0	1.5	0.0	0.8	0.6	0.2	0.1
France	0.1	0.1	0.9	-0.3	-0.0	0.0	1.1	0.1	1.1	0.3	0.3	0.3
Germany	-0.1	-0.1	0.3	-0.9	-0.2	-0.0	0.6	0.8	0.9	0.8	0.4	0.5
Greece	0.2 e	0.4	0.8 e	0.1	0.7 e	-1.0	1.1 e	0.4	0.9 e	0.6	0.2 e	1.3
Hungary	-0.1	2.2	1.9	-0.0	0.2	-0.5	1.1	-0.6	0.7	0.4	1.1	-0.3
Iceland	-0.5	-0.0	0.5	1.6	1.0	-1.5	2.2	-0.7	1.3	0.0	2.4	0.4
Ireland	-0.1	0.0	4.4	-0.2	0.4	-0.9	1.3	-0.5	1.5	-0.5	1.1	-0.1
Israel*	0.2	0.0	0.8	1.5	-0.5	0.2	0.9	0.7	2.1	1.3	0.5	0.8
Italy	0.1	0.0	0.2	-0.8	0.0	-0.1	0.6	-0.2	0.2	-0.0	0.1	0.0
Japan	0.0	..	-1.1	..	-0.3	..	-0.5	..	0.0	..	0.1	..
Korea	-0.4	0.2	-1.9	0.9	-1.1	-0.2	-1.2	0.5	-0.4	0.6	-0.2	0.5
Luxembourg	0.1	-0.0	0.7	-1.3	0.3	-0.3	2.6	2.2	2.0	0.6	0.6	0.3
Mexico	0.2 e	0.1	2.1 e	-0.2	0.2 e	0.0	1.7 e	0.6	1.0 e	1.1	0.3 e	0.1
Netherlands	-0.2	0.0	0.4	0.1	0.2	0.3	1.7	0.2	1.3	0.9	0.4	0.5
New Zealand	-0.3	..	-0.5	..	-0.4	..	0.7	..	0.4	..	0.6	..
Norway	0.0	0.1	-0.8	-0.4	0.2	0.1	1.5	0.4	1.1	0.3	0.4	0.6
Poland	0.2	-0.1	0.9	1.7	0.6	0.3	1.6	0.8	1.0	1.7	0.4	0.7
Portugal	-0.2	0.1	0.6	-0.5	0.3	-0.3	1.2	0.4	1.3	0.6	0.8	0.2
Slovak Republic	-0.1	-0.1	2.2	2.2	0.6	0.4	1.3	3.3	-0.3	1.9	-0.7	-0.8
Slovenia	-0.1	0.1	0.7	0.2	0.0	0.4	0.5	1.0	1.4	1.2	0.8	0.4
Spain	0.2	-0.1	1.0	-0.2	0.5	-0.2	0.8	0.2	1.1	0.4	0.7	1.0
Sweden	-0.1	0.0	1.9	-0.6	0.1	-0.1	1.1	0.1	0.8	-0.1	0.5	0.3
Switzerland	0.1	0.0	0.1	0.5	0.1	0.1	0.6	1.0	1.5	-0.4	0.1	0.8
Turkey	0.9	0.4	0.6	0.1	0.0	-0.4	0.8	-0.0	0.5	1.4	0.4	0.2
United Kingdom	0.0	-0.0	0.3	-0.5	0.1	-0.0	1.0	-0.3	2.2	0.6	0.4	0.0
United States	0.1	0.1	0.7	-0.5	0.3	-0.2	1.8	-0.4	1.9	0.6	0.3	0.7
Euro area	0.0	0.0	0.6	-0.4	0.0	-0.1	0.8	0.3	0.9	0.5	0.4	0.4
OECD-Total	0.1 e	..	0.3 e	..	0.1 e	..	1.0 e	..	1.2 e	..	0.3 e	..


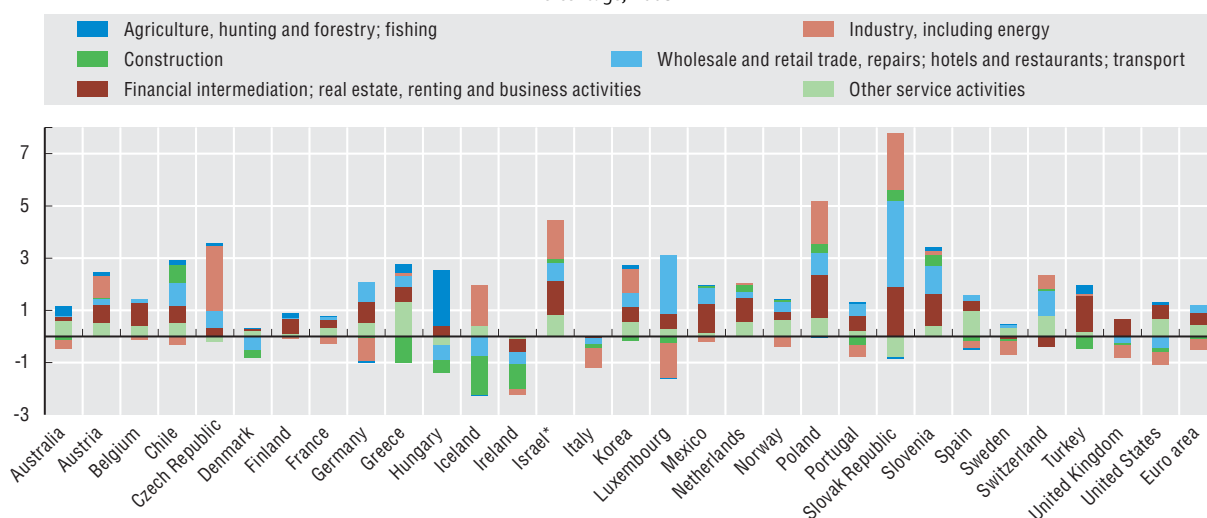
StatLink  <http://dx.doi.org/10.1787/888932352044>

Figure 14.3. Contribution to gross value added growth by activity

Percentage, 2008

StatLink  <http://dx.doi.org/10.1787/888932351455>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

15. Compensation of employees

Compensation of employees reflects the total remuneration in cash or in kind paid to employees and comprises wages and salaries and the value of social contributions paid by employers. They typically form the largest part of value added. Combined with estimates of labour input they provide the basis for a number of important statistics including unit labour costs and average earnings; which play an important role in many countries in monetary policy and cross country comparisons of labour costs.

Definition

Compensation of employees is made up of two components:

- *Wages and salaries payable in cash or in kind*: These include the values of any social contributions, income taxes, etc., payable by the employee even if they are actually withheld by the employer and paid on behalf of the employee.
- *The value of social contributions payable by employers*: These may be the actual social contributions payable by employers to Social Security schemes or to private funded social insurance schemes to secure social benefits for their employees; or imputed social contributions by employers providing social benefits through unfunded schemes.

Compensation of employees is not payable in respect of unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (e.g. payroll tax, fringe benefits tax).

It's important to note that compensation of employees does not represent the entire costs of labour within production. Mixed income, which reflects the income paid to the owner(s) or members of the same

household who contribute unpaid labour inputs in unincorporated enterprises owned by households, also contains a labour component.

Comparability

Comparability is generally very good across all countries. Some care should be taken in interpreting labour costs by activity however, especially in a cross-country context. In some countries, and notably in some sectors, the shares of self-employed in the labour force may be significant and, so, differences in the shares of compensation of employees across countries may reflect institutional differences, for example tax incentives to be self-employed or otherwise. This can also have implications in a temporal context. For example systematic declines in the contribution of compensation of employees to value added may reflect a move by individuals to become self-employed rather than a decline in the share of labour overall; this can be both through push and pull mechanisms. For example squeezes on wages and salaries and social benefits (push) or tax incentives (pull).

Source

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Further reading

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Table 15.1. Compensation of employees

Percentage of gross value added

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	55.2	54.4	55.0	54.3	54.6	53.4	53.4	52.9	53.0	52.8	53.0	52.7	52.5	..
Austria	58.8	58.4	58.2	58.2	57.3	56.7	56.0	56.0	54.9	54.5	53.8	53.4	54.0	56.3
Belgium	57.1	57.0	56.8	57.8	57.2	58.4	58.7	58.1	56.9	56.5	56.3	56.2	57.4	59.1
Canada	55.3	55.5	56.2	55.3	54.5	55.2	55.5	55.0	54.7	54.3	54.9	..	..	..
Chile	42.3 e	42.8 e	44.8 e	46.1 e	44.9 e	44.9 e	44.9 e	43.4	41.3	39.8	36.7	37.0	41.2	..
Czech Republic	48.6	48.5	46.4	46.2	46.3	46.6	47.5	48.2	47.5	48.0	47.7	47.7	49.2	49.3
Denmark	61.0	60.9	62.9	63.2	61.2	62.5	63.2	63.5	62.7	62.9	63.2	65.2	66.5	68.6
Finland	57.5	56.3	55.6	55.5	54.2	54.5	54.6	55.8	55.3	56.4	56.1	54.4	56.4	60.2
France	58.2	57.8	57.4	58.1	57.9	58.1	58.4	58.4	58.2	58.0	58.0	57.4	57.4	58.4
Germany	59.3	58.3	58.1	58.6	59.4	58.9	58.4	58.1	56.9	55.9	54.8	54.1	54.9	57.3
Greece	35.1 e	36.3 e	36.7 e	38.0 e	37.6	37.1	39.8	38.9	38.9	39.3	39.9	40.5	41.3	41.9
Hungary	52.3	51.1	50.8	49.9	51.5	51.8	52.2	53.8	53.5	54.5	53.3	54.0	54.3	53.7
Iceland	58.6 e	58.9	61.1	64.6	65.8	62.8	63.9	65.9	66.3	68.3	70.9	71.5	64.1	..
Ireland	49.6	48.0	46.2	45.6	44.8	44.5	43.1	43.7	44.9	46.5	46.7	47.4	50.0	50.5
Israel*	56.6	58.2	57.2	57.7	57.5	59.1	57.2	56.5	54.7	54.1	54.7	55.1	55.7	53.3
Italy	45.8	46.3	44.4	44.6	43.9	43.9	44.3	44.5	44.4	45.3	46.0	45.7	46.6	47.7
Japan	52.0	52.1	52.4	51.9	51.8	52.1	51.2	50.5	49.6	49.5	50.2	49.4	51.1	..
Korea	52.9	51.3	48.8	47.9	48.1	49.1	49.0	50.0	49.8	51.1	51.5	51.3	51.6	..
Luxembourg	51.8	53.3	53.2	51.1	51.8	54.9	55.1	52.6	52.8	51.5	48.6	47.7	48.2	51.8
Mexico	29.2 e	30.4 e	31.2 e	31.7 e	32.1 e	32.2 e	33.0 e	32.5	30.8	30.7	29.2	29.0	28.2	..
Netherlands	56.4	55.9	56.8	57.3	56.7	57.2	57.6	57.8	57.5	55.8	55.3	55.2	55.7	58.5
New Zealand	44.4	44.5	44.5	43.0	42.8	42.7	43.3	43.7	44.3	45.0	45.4	..	..	..
Norway	53.1	53.1	57.6	56.3	49.0	50.1	52.7	51.7	49.5	46.8	46.1	48.9	47.6	52.3
Poland	46.5	47.3	47.2	47.1	45.2	46.0	44.3	43.3	40.7	40.7	40.4	40.6	42.6	41.3
Portugal	55.5	55.5	55.8	55.9	56.3	56.2	56.7	57.0	56.7	58.2	57.8	56.9	57.4	59.1
Slovak Republic	46.0	47.5	47.5	45.4	45.7	43.9	43.9	43.4	41.3	41.9	40.7	40.2	39.5	42.0
Slovenia	63.2	60.2	59.4	58.6	59.1	59.5	58.8	58.4	58.5	58.1	57.6	56.7	57.9	60.9
Spain	53.3	54.2	54.3	54.7	54.7	54.1	53.7	53.5	53.0	52.9	53.0	53.2	53.3	52.8
Sweden	62.3	61.6	61.5	60.2	62.4	64.4	63.9	63.2	62.2	62.0	60.4	61.2	61.1	63.1
Switzerland	64.4	64.1	63.5	64.2	64.2	66.6	67.5	67.1	65.2	65.8	64.9	64.2	64.8	67.8
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	57.8	58.1	59.6	60.3	61.6	62.2	61.4	60.8	60.4	60.7	60.2	60.1	59.4	61.4
United States	61.3	61.0	61.8	61.8	62.7	62.6	62.0	61.8	60.9	60.4	60.3	60.3	60.3	..
Euro area	55.3	54.8	54.4	54.8	54.7	54.5	54.5	54.3	53.7	53.5	53.3	52.8	53.5	54.9
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


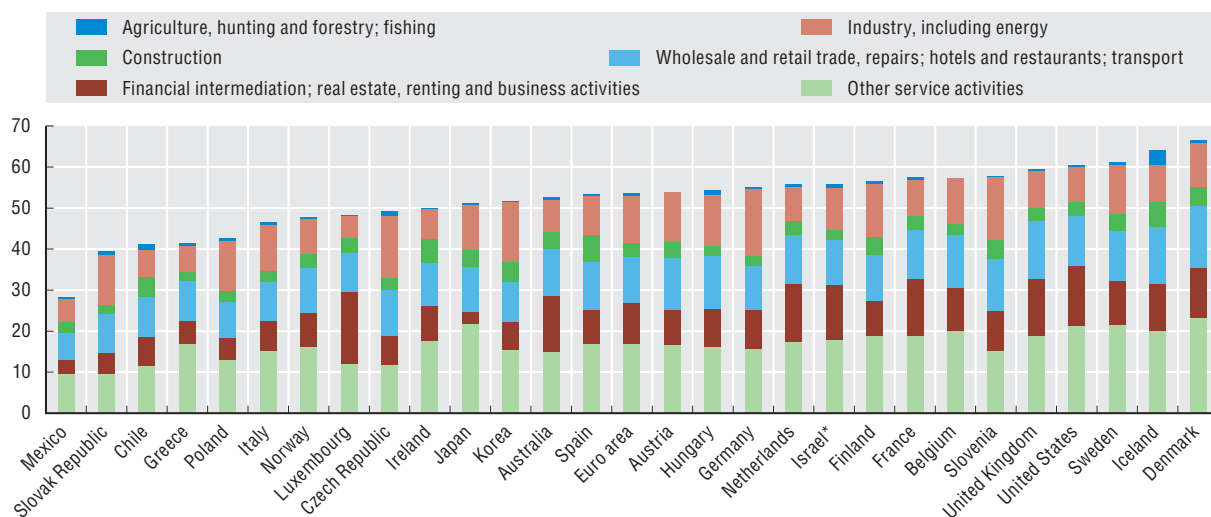

StatLink  <http://dx.doi.org/10.1787/888932352063>

Figure 15.1. Compensation of employees by activity

Percentage of gross value added, 2008

StatLink  <http://dx.doi.org/10.1787/888932351474>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.





GENERAL GOVERNMENT

16. Total expenditure
17. Taxes
18. Social contributions
19. Social benefits
20. Financial assets and liabilities

16. Total expenditure

Section 11 described the concept of general government final consumption, reflecting the contribution government makes as a consumer of final goods and services for individual and collective consumption. Whilst useful in illustrating the scope for government to stimulate demand directly, it does not tell the full story. For a start the measure does not include GFCF of government which is an area where the scope to stimulate demand is considerable. But it also excludes other components of spending by government not recorded as final consumption, for example, debt interest payments, and cash transfers, such as social benefits, which, collectively, better reflect the size of government and its ability to stimulate demand, without changing taxes say, both directly and indirectly. The concept that best reflects this overall expenditure is referred to as *general government expenditure*. It reflects the total amount of expenditure by government that needs to be financed via revenues, such as taxation, and borrowing.

Definition

Total general government expenditure (GGE) is equivalent to expenditures by general government on the following items: intermediate consumption, compensation of employees, subsidies, social benefits and social transfers in kind (via market producers), other current transfers, property income, capital transfers (payable), the adjustment for the net equity of households in pension funds reserves, gross capital formation and net acquisition of non-financial non-produced assets. It also includes taxes on income and wealth any other taxes on production that government may be required to pay.

Many of the transactions are better recorded on a consolidated basis (i.e. transactions between general government sub-sectors are netted out) to avoid exaggerating the role of general government. Items that are usually consolidated include: debt interest (part of property income), and capital transfers (except capital taxes payable) and other current transfers.

The government sector covers all units producing (all or mostly) non-market goods and services that are publicly owned. Publicly owned units producing (all or mostly) market goods and services are not in the government sector but are instead recorded as public corporations.

Comparability

The biggest issue affecting comparability across countries concerns the scope of the government sector. In

many countries, hospitals, for example, are classified outside of the government sector and are instead recorded as public corporations; on the grounds that they charge market prices for their services. How significant this is for international comparisons of GGE ultimately depends on the share of goods and services provided to the market, as general government expenditure will still record payments to the hospitals for these services. This is an important point as the guidance provided in the SNA on the delineation of units between market and non-market providers (which refers to most output being non-market) provides scope for differences in country practices. EU countries have adopted a 50% rule for “most” in this context.

Another potential area where comparability may be affected relates to the determination of public ownership. The SNA requires that “control” be the determining factor and describes a number of criteria that can be used to assess this requirement. Recognising that this is non-trivial it includes a practical recommendation that a 50% rule relating to share ownership should be adopted. However, in practice, countries may still choose to measure ownership on the basis of the determining criteria.

For most general government expenditures there is little scope for ambiguity in treatment and the quality of underlying data is very good, so the level of comparability is generally good.

Data for all countries are on a consolidated basis, except Canada (which consolidates only current transfers) and New Zealand.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

Online database

- OECD (2010), “General Government Accounts: Main aggregates”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.

Further reading

- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 16.1. Total general government expenditure

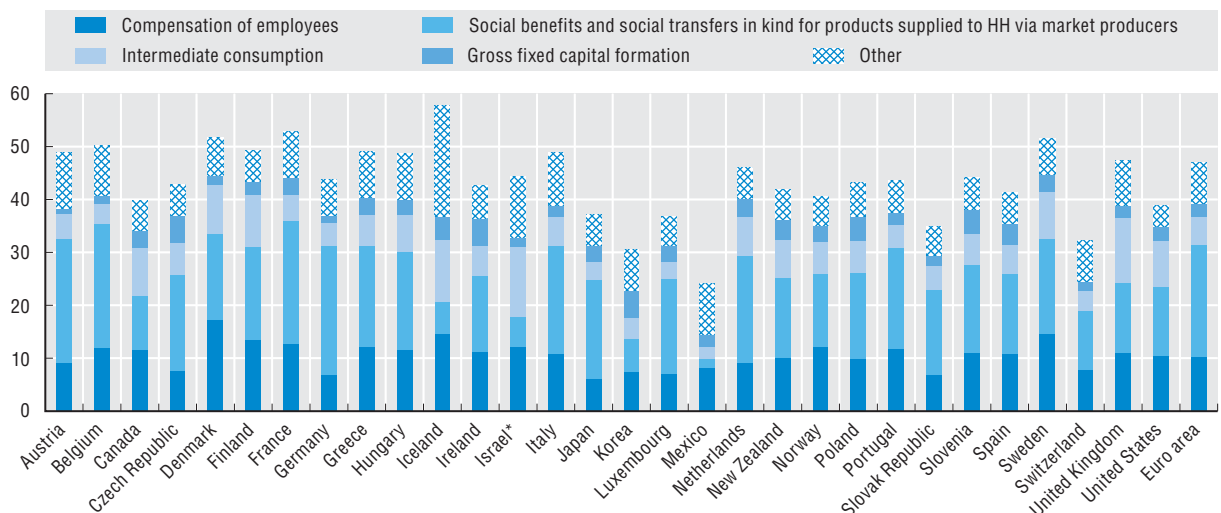

Percentage of GDP

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	35.5	34.4	34.8	34.4	35.5	35.0	34.4	34.4	34.5	33.7	33.5	33.4	35.3	..
Austria	55.9	53.7	54.0	53.7	52.1	51.6	51.0	51.5	54.0	50.2	49.4	48.5	48.8	52.3
Belgium	52.5	51.2	50.4	50.2	49.1	49.2	49.8	51.1	49.4	52.3	48.6	48.4	50.2	54.2
Canada	46.6	44.3	44.8	42.7	41.1	42.0	41.2	41.2	39.9	39.3	39.4	39.4	39.8	44.1
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	42.6	43.2	43.2	42.3	41.8	44.4	46.3	47.3	45.1	45.0	43.7	42.5	42.9	45.9
Denmark	58.9	56.7	56.3	55.5	53.7	54.2	54.6	55.1	54.6	52.8	51.6	50.9	51.8	58.5
Finland	60.0	56.5	52.9	51.7	48.3	47.8	48.9	50.1	50.0	50.2	49.0	47.2	49.3	56.0
France	54.5	54.1	52.7	52.6	51.6	51.6	52.6	53.3	53.2	53.4	52.7	52.3	52.8	56.0
Germany	49.3	48.4	48.0	48.1	45.1	47.6	48.1	48.5	47.1	46.8	45.3	43.6	43.8	47.5
Greece	44.1	44.9	44.3	44.4	46.7	45.3	45.1	44.7	45.5	44.0	45.1	46.7	49.1	53.6
Hungary	50.6	49.2	50.4	48.4	46.8	47.2	51.2	49.4	48.7	50.2	52.0	50.0	48.8	50.5
Iceland	42.2	40.7	41.3	42.0	41.9	42.6	44.3	45.6	44.1	42.2	41.6	42.3	57.8	50.9
Ireland	39.1	36.6	34.5	34.1	31.3	33.1	33.4	33.2	33.6	34.0	34.4	36.8	42.7	48.9
Israel*	53.1	52.6	51.5	50.4	48.5	51.1	52.2	51.6	48.6	46.6	45.9	44.9	44.3	44.3
Italy	52.5	50.3	49.2	48.2	46.2	48.0	47.4	48.3	47.7	48.2	48.7	47.9	48.8	51.9
Japan	36.7	35.7	42.5	38.6	39.0	38.6	38.8	38.4	37.0	38.4	36.2	35.9	37.1	..
Korea	21.2	21.8	24.1	23.2	22.4	23.9	23.6	28.9	26.1	26.6	27.7	28.7	30.4	..
Luxembourg	41.1	40.7	41.1	39.2	37.6	38.1	41.5	41.8	42.6	41.5	38.6	36.2	36.9	42.2
Mexico	..	..	..	..	..	..	..	19.1	18.3	18.5	19.1	19.3	24.2	..
Netherlands	49.4	47.5	46.7	46.0	44.2	45.4	46.2	47.1	46.1	44.8	45.5	45.3	46.0	51.4
New Zealand	40.4	40.9	40.7	40.0	38.3	37.6	36.9	37.0	37.1	38.0	39.3	39.4	41.9	..
Norway	48.5	46.8	49.1	47.7	42.3	44.1	47.1	48.2	45.4	42.1	40.5	41.1	40.6	46.3
Poland	51.0	46.4	44.3	42.7	41.1	43.8	44.3	44.7	42.6	43.4	43.9	42.2	43.2	44.4
Portugal	42.1	41.1	40.8	41.0	41.1	42.5	42.3	43.8	44.7	45.8	44.5	43.8	43.7	48.3
Slovak Republic	53.8	49.0	45.8	48.1	52.2	44.5	45.1	40.2	37.7	38.0	36.6	34.3	34.9	41.3
Slovenia	44.5	44.8	45.7	46.5	46.7	47.6	46.3	46.4	45.8	45.2	44.5	42.4	44.1	49.0
Spain	43.2	41.6	41.1	39.9	39.1	38.6	38.9	38.4	38.9	38.4	38.4	39.2	41.3	45.8
Sweden	62.9	60.7	58.8	58.1	55.1	54.5	55.6	55.7	54.2	53.9	52.7	51.0	51.5	54.9
Switzerland	35.3	35.5	35.8	34.3	35.1	34.8	36.2	36.4	35.9	35.3	33.5	32.3	32.2	33.7
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	42.3	40.5	39.5	38.9	39.1	40.2	41.1	42.1	42.9	44.1	44.2	44.0	47.4	51.6
United States	36.6	35.5	34.6	34.2	33.9	35.0	35.9	36.3	36.0	36.3	36.0	36.8	38.9	42.2
Euro area	50.6	49.4	48.5	48.1	46.3	47.3	47.7	48.1	47.6	47.4	46.7	46.0	46.9	50.8
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932352082>

Figure 16.1. Total general government expenditure by main component

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/888932351493>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

17. Taxes

In the SNA, taxes are compulsory unrequited payments, in cash or in kind, made by institutional units to the general government exercising its sovereign powers or to a supranational authority and generally constitute the major part of government revenue in most countries. Social security contributions, which although being compulsory payments to general government, are not treated as taxes in the SNA because the receipt of social security benefits depends, in most countries, upon appropriate contributions having been made, even though the size of the benefits is not necessarily related to the amount of the contributions. However, many policy makers and users prefer to define taxes to include social security contributions. Indeed this is the basis of tax measures used in the OECD *Revenue Statistics* publication. This partly reflects the fact that the contributions to general government are compulsory but also because not all countries operate social security schemes, choosing instead to finance social benefits paid by government through other taxes or revenue (see also Section 18).

From a practical policy perspective, definitions of taxes that include social security contributions are generally preferred. This section however focuses on the SNA definition.

Definition

The SNA describes three categories of taxes:

- The first category, *taxes on production and imports*, historically referred to as indirect taxes, is broken down into two components in the SNA: *taxes on products*, such as VAT, and other *taxes on production* such as taxes on the ownership or use of land, buildings or other assets used in production or on labour employed (payroll tax).
- The second category, *current taxes on income, wealth, etc.*, consists mainly of taxes levied on the incomes of households and corporations. The category is not described simply as “current taxes on income and wealth” because it includes periodic taxes on households that are assessed neither on the income nor the wealth of the household or its members, for example, poll taxes.
- The final category, *capital taxes*, consists of taxes levied at irregular and very infrequent intervals on the values of assets or net worth owned by or transferred between units, such as inheritance taxes and betterment levies, e.g. taxes on the increase in the value of land resulting from planning permission.

Definition of taxes used in OECD Revenue Statistics

The Revenue Statistics definition differs from the SNA in the following respects:

- Includes social contributions paid to government.
- Adopts different views on whether some fees and licenses at the margin are taxes.
- Excludes imputed taxes/subsidies related to the operation of official multiple exchange rates.
- Nets off some tax credits within overall taxes that the SNA records as government expenditure.

Comparability

Generally the comparability of taxes across countries is good but the rules that delineate taxes from revenues, (typically those relating to fees/licenses) may at the margin, cause some comparability issues. In general, if the issue of a licence involves little work by government the related fee should be recorded as a tax. But if government provides some service associated with, and in proportion to the size of, the fee, it is treated as a purchase of services.

Fees for licenses to use natural resources (radio spectra, land, fish) are nearly always recorded as rent or payments for an asset and not as taxes. But not all, e.g. licenses for recreational, as opposed to commercial, fishing. Indeed, payments by persons or households for licences to own or use vehicles, boats or aircraft and for licences for recreational hunting, shooting or fishing are treated as taxes. Fees for licenses to engage in a specific activity (e.g. to operate a taxi or casino) are generally treated as a tax. Payments for all other kinds of licences (e.g. driving, television, firearm) or fees to government (e.g. payments for passports) are generally but not universally treated as purchases of services.

The chart shows general government revenue (taxes plus other government receipts/revenues) = general government expenditure +/- net lending (borrowing), as a percentage of GDP.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

Online database

- OECD (2010), “General Government Accounts: Main aggregates”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.


Further reading

- OECD (2010), *Revenue Statistics*, OECD Publishing, http://dx.doi.org/10.1787/rev_stats-2010-en-fr.
- IMF (2001), *Government Finance Statistics Manual*, IMF, Washington.

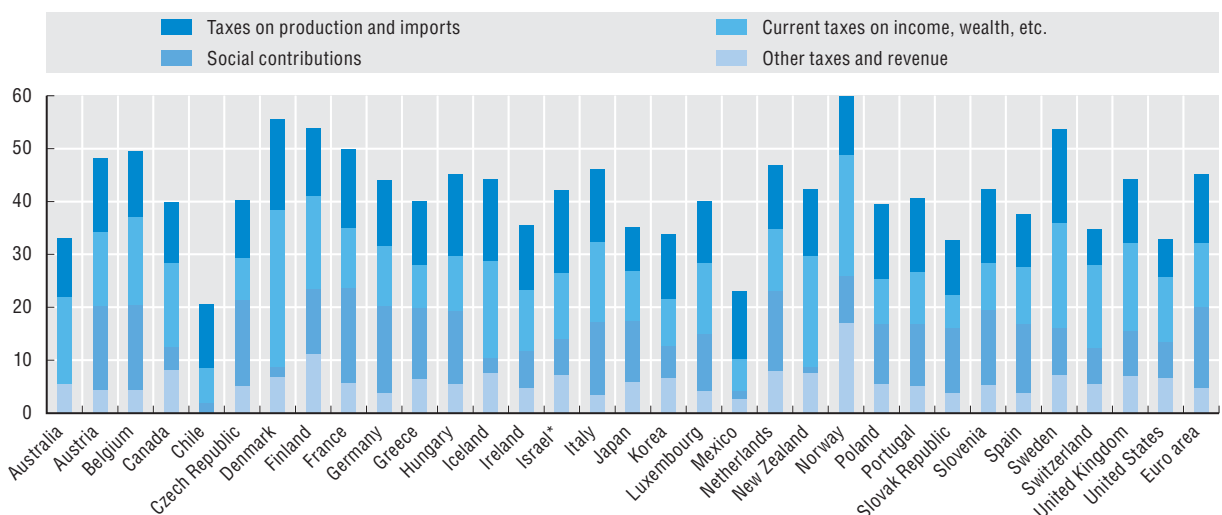

Table 17.1. **Taxes in the System of National Accounts (SNA)**

Percentage of GDP

	Total tax receipts			Taxes on production and imports			Current taxes on income, wealth, etc.			Capital taxes		
	1998	2003	2008	1998	2003	2008	1998	2003	2008	1998	2003	2008
Australia	29.3	30.0	27.5	11.9	12.8	11.0	17.4	17.2	16.5	0.0	0.0	0.0
Austria	28.7	28.7	28.1	14.9	14.9	14.1	13.7	13.7	14.0	0.1	0.1	0.1
Belgium	30.4	29.8	29.7	12.6	12.7	12.5	17.3	16.6	16.5	0.4	0.5	0.7
Canada	31.7	28.3	27.3	13.9	13.0	11.4	17.8	15.2	15.8	0.0	0.0	0.0
Chile	17.9	16.9	18.5	13.6	12.4	11.9	4.3	4.5	6.6	0.0	0.0	0.0
Czech Republic	19.3	20.7	19.0	11.0	11.1	11.0	8.3	9.6	8.0	0.0	0.0	0.0
Denmark	48.2	46.8	47.1	18.1	17.2	17.1	29.9	29.4	29.7	0.2	0.2	0.3
Finland	33.1	32.1	30.8	14.0	14.0	12.9	18.9	17.8	17.5	0.2	0.3	0.4
France	27.6	26.3	26.7	15.8	15.0	14.8	11.4	10.9	11.5	0.4	0.5	0.4
Germany	22.8	22.4	24.0	11.4	11.8	12.5	11.3	10.4	11.3	0.1	0.2	0.2
Greece	21.6	20.0	20.4	12.8	12.0	12.2	8.5	7.8	7.9	0.3	0.2	0.2
Hungary	24.0	25.3	26.1	15.3	15.7	15.5	8.7	9.5	10.5	0.1	0.1	0.1
Iceland	31.7	33.6	33.9	17.5	16.7	15.6	14.1	16.8	18.2	0.0	0.0	0.0
Ireland	26.7	24.2	24.1	12.9	12.3	12.4	13.6	11.8	11.5	0.2	0.2	0.2
Israel*	30.7	29.6	28.2	16.9	16.6	15.9	13.9	12.9	12.4	0.0	0.0	0.0
Italy	29.7	28.7	29.1	15.1	14.0	13.8	14.3	13.4	15.3	0.4	1.3	0.0
Japan	17.6	16.3	18.3	8.5	8.4	8.5	8.6	7.6	9.6	0.4	0.3	0.3
Korea	..	19.6	21.4	10.4	12.2	12.2	7.1	7.2	8.9	..	0.2	0.3
Luxembourg	28.6	27.1	25.1	12.5	12.3	11.7	16.0	14.6	13.3	0.1	0.2	0.1
Mexico	..	14.8	19.0	..	9.6	12.9	..	5.2	6.0	..	0.0	0.0
Netherlands	23.6	23.1	24.1	11.4	12.1	12.1	11.9	10.7	11.6	0.3	0.3	0.3
New Zealand	32.1	32.7	33.7	12.9	12.7	12.5	19.3	20.1	21.1	0.0	0.0	0.0
Norway	31.8	32.5	34.1	15.9	13.0	11.3	15.7	19.4	22.7	0.1	0.1	0.1
Poland	23.9	19.7	22.8	13.1	13.2	14.2	10.8	6.5	8.6	0.0	0.0	0.0
Portugal	21.9	22.8	23.8	13.2	14.3	14.1	8.6	8.4	9.7	0.1	0.1	0.0
Slovak Republic	21.9	19.1	16.8	12.8	12.0	10.5	9.0	7.1	6.4	0.0	0.0	0.0
Slovenia	23.5	24.0	22.9	16.0	16.0	14.0	7.3	8.0	8.9	0.2	0.0	0.0
Spain	21.2	21.9	21.2	10.9	11.5	9.9	10.0	10.1	10.8	0.4	0.4	0.4
Sweden	37.6	36.5	37.6	16.7	16.4	17.9	20.9	20.1	19.7	0.1	0.1	0.0
Switzerland	21.4	21.8	22.5	6.7	7.1	6.9	14.4	14.5	15.5	0.3	0.2	0.2
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	29.2	28.0	30.3	12.8	12.8	12.0	16.2	14.9	16.7	0.2	0.2	1.6
United States	22.2	18.7	19.7	7.3	7.3	7.3	14.5	11.2	12.1	0.4	0.3	0.2
Euro area	25.7	25.0	25.5	13.3	13.1	13.0	12.1	11.4	12.2	0.3	0.5	0.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932352101>Figure 17.1. **Total general government revenue**

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/888932351512>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

18. Social contributions

Social contributions are actual or imputed payments to social insurance schemes to make provision for social insurance benefits (see Section 17). They may be made by employers on behalf of their employees or by employees, self-employed or non-employed persons on their own behalf. The contributions may be compulsory or voluntary and the schemes may be funded or unfunded. Compulsory social security contributions paid to general government or to social security funds under the effective control of government form an important part of government revenue and, although they are not treated so in the SNA, many analysts (including the OECD's Tax Directorate) consider the payments as being analogous to a tax on income and so part of a country's overall tax burden. They are important not only in the sense that they form a significant share of government revenue but because they also reflect part of the costs of doing business. In many developing countries high social contributions coupled with low social benefits are often cited as a reason for a large informal economy.

Definition

Social insurance schemes may be managed by any sector and the schemes may be funded or unfunded. Moreover the contributions paid to the schemes may be compulsory or voluntary. Typically the most important types of schemes are social security schemes; i.e. those imposed, controlled and financed by government. But in many countries the role of private funded or unfunded schemes is growing.

Social security funds established for social security schemes are separate institutional units in the SNA, forming a subcomponent of the government sector. Although contributions to the scheme are obligatory, payments can be made to the funds on a voluntary basis to qualify for social security benefits. Social insurance schemes organised by government for their own employees are classified as private funded or unfunded schemes as appropriate.

Comparability

Not all countries operate social security schemes. Some may choose instead to finance social benefits paid by government through other taxes or revenue; which is one of the reasons why analysts often prefer to show the totality of taxes and social contributions in calculating the tax burden. But even these comparisons should be interpreted carefully. Governments may encourage employers and employees to opt-out of social security schemes and instead pay contributions, even if compulsory, to schemes managed by corporations, thus reducing the revenues and expenditures of government, without necessarily reducing the well-being of households. This is one of the reasons why comparisons of taxes on income are often shown as rates, with the component for social contributions reflecting the compulsory rate irrespective of whether the associated scheme is managed by government or corporations.

In Finland, Iceland and the Netherlands, some contributions are levied as a function of taxable income (i.e. gross wage earnings after most/all tax reliefs). Australia and New Zealand do not levy social security contributions.

The figures shown include both voluntary and compulsory social contributions paid to government.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

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- OECD (2010), "General Government Accounts: Main aggregates", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.


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- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
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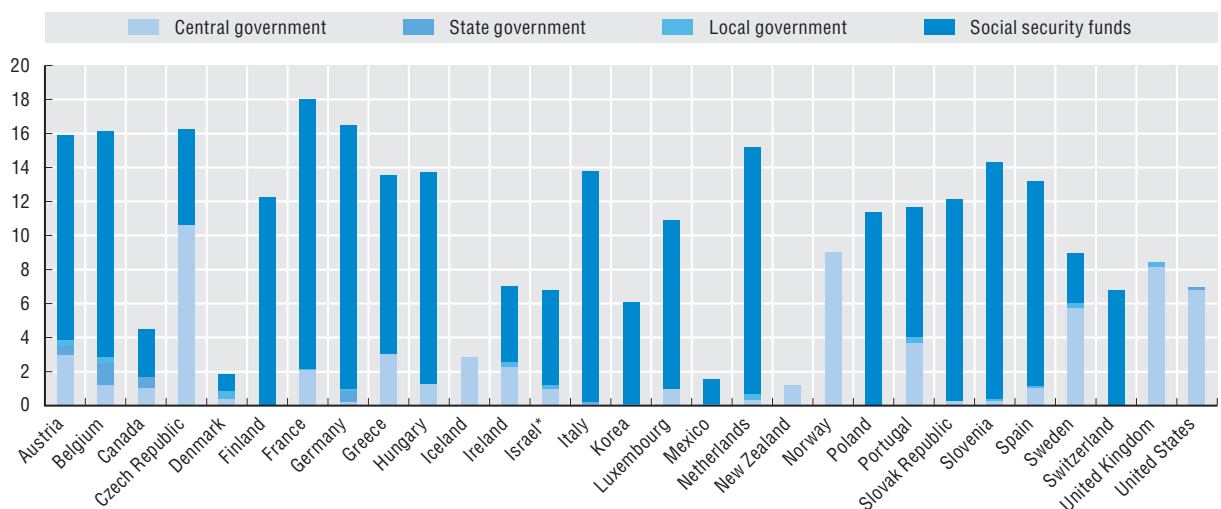

Table 18.1. **Social contributions to government**

Percentage of GDP

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
Austria	17.3	17.3	17.2	17.2	16.8	16.7	16.4	16.5	16.3	16.2	16.0	15.8	15.9	16.6
Belgium	16.4	16.3	16.3	16.3	16.0	16.3	16.5	16.4	16.1	15.8	15.6	15.7	16.1	16.8
Canada	4.8	4.8	4.8	4.7	4.6	4.8	5.0	5.0	4.8	4.8	4.7	4.6	4.5	4.9
Chile	1.8	1.8	1.9	2.1	2.1	2.2	2.3	2.2	2.0	1.9	1.8	1.9	2.0	..
Czech Republic	14.2	14.6	14.1	14.1	14.2	14.2	14.9	15.1	16.1	16.2	16.3	16.3	16.2	15.4
Denmark	2.0	2.0	2.0	2.5	2.6	2.6	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.9
Finland	14.2	13.4	13.0	13.0	12.1	12.2	12.0	11.9	11.8	12.2	12.4	12.0	12.2	13.0
France	20.5	20.0	17.9	18.1	17.9	17.9	18.0	18.2	18.0	18.1	18.2	17.9	18.0	18.4
Germany	19.0	19.2	18.9	18.7	18.3	18.2	18.2	18.3	17.9	17.7	17.2	16.5	16.4	17.1
Greece	11.5	11.9	12.1	12.2	12.5	12.6	13.6	13.8	13.3	13.4	12.8	13.4	13.5	13.2
Hungary	13.7	13.9	13.6	13.1	13.1	12.9	12.8	12.7	12.3	12.7	12.6	13.7	13.7	13.1
Iceland	2.7	2.7	2.7	2.8	2.9	2.8	2.9	3.1	3.1	3.2	3.3	3.0	2.8	3.1
Ireland	6.3	5.9	5.6	5.6	5.6	5.8	5.7	5.8	6.0	6.1	6.3	6.5	7.0	7.2
Israel*	6.7	7.0	6.9	6.8	6.8	7.2	7.3	7.4	7.2	7.0	6.8	6.7	6.8	6.5
Italy	14.7	15.0	12.6	12.5	12.4	12.3	12.5	12.6	12.6	12.8	12.8	13.3	13.8	14.1
Japan	9.5	9.7	9.9	10.0	10.0	10.4	10.5	10.9	10.4	10.6	10.8	10.9	11.3	..
Korea	2.8	3.0	3.5	3.7	4.0	4.5	4.7	5.0	5.2	5.5	5.7	5.9	6.1	..
Luxembourg	10.9	11.1	11.2	11.0	10.9	11.8	11.8	11.7	11.6	11.3	10.8	10.7	10.9	12.1
Mexico	..	..	..	..	..	..	..	2.0	1.8	1.7	1.6	1.6	1.5	..
Netherlands	16.4	16.2	16.1	16.6	16.4	14.7	14.3	14.7	14.9	13.9	14.8	14.2	15.2	14.6
New Zealand	1.6	1.7	1.9	1.4	1.1	1.1	1.2	1.1	1.0	1.0	1.2	1.2	1.2	..
Norway	9.6	9.6	10.3	10.1	8.9	9.3	9.9	9.8	9.4	8.9	8.8	9.1	9.0	9.9
Poland	11.6	11.7	11.6	13.7	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.3	11.3
Portugal	10.0	10.2	10.3	10.2	10.6	10.8	11.1	11.6	11.6	11.9	11.8	11.6	11.7	12.0
Slovak Republic	16.0	15.1	15.0	14.1	14.2	14.4	14.7	14.0	13.3	12.8	11.9	11.8	12.1	12.8
Slovenia	15.2	14.5	14.6	14.3	14.5	14.7	14.5	14.4	14.5	14.5	14.3	13.9	14.3	15.2
Spain	12.9	12.8	12.7	12.8	12.9	13.0	13.0	13.0	13.0	12.9	12.9	13.0	13.2	13.3
Sweden	13.8	13.5	13.5	12.0	13.1	12.6	11.7	11.4	11.1	10.7	9.8	9.9	9.0	8.6
Switzerland	7.4	7.4	7.3	7.2	7.2	7.5	7.6	7.5	7.0	7.0	6.9	6.8	6.8	7.2
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	7.3	7.4	7.3	7.5	7.6	7.7	7.4	7.8	8.1	8.4	8.3	8.2	8.4	8.6
United States	7.2	7.1	7.2	7.1	7.2	7.2	7.1	7.1	7.0	7.0	6.9	6.9	6.9	6.9
Euro area	17.2	17.1	16.1	16.0	15.8	15.6	15.6	15.7	15.5	15.4	15.3	15.1	15.3	15.8
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932352120>Figure 18.1. **Social contributions to government**

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/888932351531>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

19. Social benefits

Social benefits reflect current transfers to households in cash or in kind to provide for the needs that arise from certain events or circumstances, for example sickness, unemployment, retirement, housing, education or family circumstances that may adversely affect the well-being of the households concerned either by imposing additional demands on their resources or by reducing their incomes. Transfers are typically made by governments and NPISH, and they form a significant share of total general government expenditure and households disposable income; particularly for the lower income groups of society. They are an important factor in analyses of households' welfare and income inequality and the redistributive role of government.

Definition

The National Accounts have two distinct categories of Social benefits: the first is *Social benefits other than social transfers in kind*. The second is *Social transfers in kind* (see also Sections 5, 10 and 11). The distinction between the two is important. Transfers relating to the former are typically in cash and so allow households to use the cash indistinguishably from income coming from other sources, whereas transfers under the latter are always in kind, and so households have no discretion over their use.

Social benefits other than social transfers in kind is further broken down into two key components: *Social insurance benefits* and *social assistance benefits in cash*.

The latter consist of cash transfers made by government units or NPISHs to households to meet the same kinds of needs as social insurance benefits but where the households or needs are outside of any social insurance scheme or where the social insurance benefits are not considered sufficient to cover the needs. It does not include payments to government/NPISH employees in their capacity as current or former employees.

The SNA breaks down *Social insurance benefits* into three further categories: *Social Security benefits in cash*; *Unfunded employee social insurance benefits*; and *Private funded social insurance benefits*. The first two are most relevant for government and the first, in particular, reflects a significant proportion of government expenditure. It includes cash payments for: sickness and invalidity benefits; children, family, dependants' and maternity allowances; unemployment benefits; pensions; and death benefits. *Unfunded employee social insurance benefits* include cash or in kind payments to employees for similar circumstances including payments on general medical services not related to the employee's work. Government as an employer incurs expenditures here, typically reflecting employee pensions.

Social transfers in kind reflect payments for individual goods and services such as education, health and housing, provided by government and NPISHs, to households either free or at prices that are not economically significant.

Comparability

Whilst there are significant differences between *Social transfers in kind* and *Social benefits other than social transfers in kind vis-à-vis* households' choice, they are not entirely mutually exclusive in a policy context. Governments for example can provide pensions that include a free housing component (and this component would be recorded as a social transfer in kind), rather than a pension in cash that allows the recipient to pay a market rent. Similarly some governments provide food coupons, which would be recorded as a social transfer in kind, instead of cash benefits.

This suggests that international comparisons of social benefits should focus on the totality, those in kind and in cash. Indeed comparisons of the components of *social benefits other than social transfers in kind* should also be attempted with some caution as the coverage of people and consequences/needs in social insurance schemes varies across countries. A further caveat concerns social benefits paid to government employees as these can be delivered through private funded rather than unfunded schemes.

Moreover, in practice not all countries record all *social transfers in kind* in the same way. Some countries treat the reimbursements on some individual goods and services in the secondary distribution of income account; with the reimbursed component forming part of household final consumption and not general government final consumption. Total general government expenditure, households' actual final consumption, disposable income, adjusted disposable income and saving are unaffected by these differences however.

Source

- OECD (2010), *National Accounts of OECD Countries 2010, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2010-en-fr.

Online database

- OECD (2010), "General Government Accounts: Main aggregates", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.


Further reading

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- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
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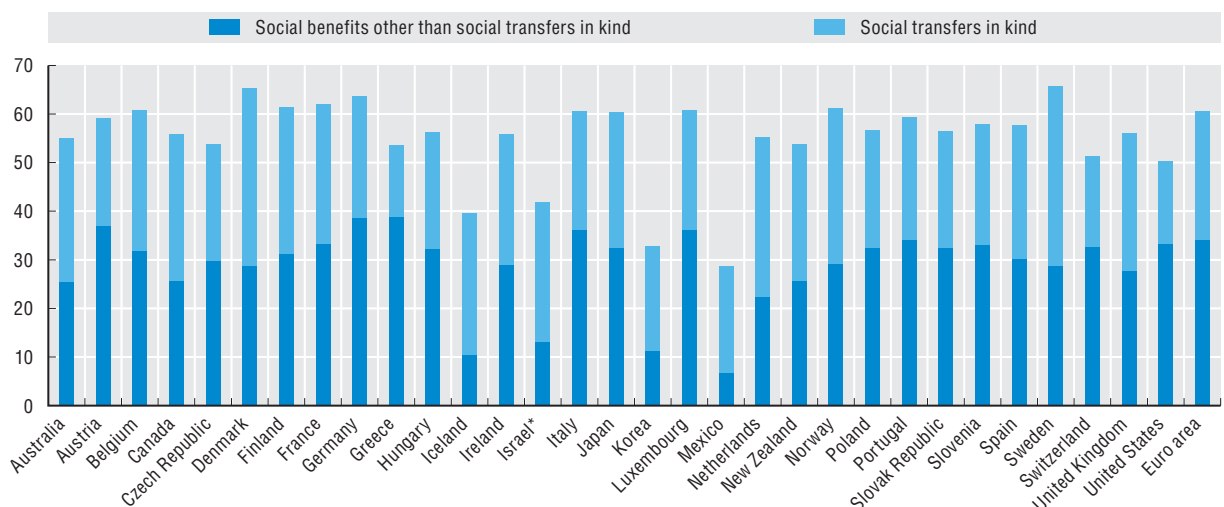

Table 19.1. **Social benefits to households**

Percentage of GDP

	Social benefits other than social transfers in kind							Social transfers in kind						
	2003	2004	2005	2006	2007	2008	2009	2003	2004	2005	2006	2007	2008	2009
Australia	8.4	8.1	7.8	7.6	7.4	9.0	..	10.6	10.9	10.5	10.4	10.5	10.4	..
Austria	19.5	19.2	18.8	18.5	17.9	18.0	19.7	11.2	11.1	11.1	10.7	10.6	10.8	11.6
Belgium	16.1	15.9	15.8	15.5	15.4	16.0	17.3	14.0	14.0	14.1	13.9	13.9	14.5	15.6
Canada	10.3	10.1	9.9	10.0	10.1	10.3	11.4	11.8	11.7	11.5	11.7	11.8	12.0	13.3
Chile	5.4	5.0	4.7	4.4	4.2	4.6	..	6.0	5.6	5.3	5.2	5.4	6.1	..
Czech Republic	12.2	12.9	12.6	12.6	12.8	12.8	13.9	11.5	11.5	11.0	10.7	10.3	10.3	11.3
Denmark	17.1	16.9	16.3	15.4	15.0	14.9	16.8	18.5	18.6	18.2	18.1	18.1	18.9	21.4
Finland	16.8	16.6	16.5	16.0	15.1	15.4	18.2	14.4	14.5	14.8	14.7	14.2	14.9	16.5
France	17.5	17.6	17.7	17.6	17.4	17.6	19.0	15.4	15.4	15.4	15.2	15.1	15.2	16.0
Germany	19.8	19.4	19.2	18.3	17.2	17.0	18.5	11.2	10.8	11.0	10.9	10.7	10.9	11.9
Greece	15.9	15.6	16.3	16.9	17.6	19.1	21.0	6.3	6.4	7.0	7.0	7.2	7.3	8.0
Hungary	13.9	13.9	14.6	15.0	15.3	15.8	16.3	12.8	12.3	12.7	12.6	11.5	11.7	12.1
Iceland	7.1	6.8	6.2	5.7	5.8	6.1	8.1	17.6	16.9	16.5	16.4	16.4	16.8	17.9
Ireland	8.8	9.1	9.5	9.7	10.4	12.4	15.3	9.8	10.1	9.9	10.0	10.4	11.5	13.2
Israel*	7.1	6.5	6.2	6.0	5.8	5.8	6.1	13.3	13.1	12.8	12.6	12.6	12.7	12.6
Italy	16.8	16.9	17.0	17.0	17.1	17.7	19.2	11.4	11.5	11.9	11.9	11.6	11.9	12.6
Japan	11.2	11.2	11.3	11.5	11.5	12.0	..	10.0	10.0	10.1	10.0	10.1	10.4	..
Korea	1.9	2.1	2.5	2.8	3.1	3.4	..	5.4	5.6	5.8	6.2	6.3	6.5	..
Luxembourg	15.0	14.7	14.4	13.5	12.7	13.4	15.4	9.7	10.2	10.0	9.4	9.1	9.1	10.4
Mexico	1.6	1.4	1.5	1.5	1.6	1.6	..	5.7	5.3	5.4	5.2	5.3	5.3	..
Netherlands	11.5	11.4	10.9	10.8	10.3	10.3	11.5	13.6	13.5	13.4	14.8	15.0	15.1	16.9
New Zealand	10.0	9.3	9.2	9.9	10.1	10.8	..	10.3	10.4	10.8	10.9	11.0	11.8	..
Norway	15.5	14.6	13.3	12.4	12.3	11.8	13.7	14.2	13.7	13.0	12.5	12.8	13.0	15.2
Poland	16.9	16.0	15.7	15.2	14.2	14.0	14.7	10.3	9.9	10.1	10.2	10.0	10.5	10.7
Portugal	13.3	13.8	14.4	14.6	14.6	14.9	16.6	11.8	11.9	12.3	11.7	11.1	11.0	11.9
Slovak Republic	11.9	12.3	12.4	11.9	11.6	11.3	13.6	8.2	7.5	7.4	7.6	8.0	8.4	9.3
Slovenia	15.9	15.9	15.7	15.3	14.4	14.7	16.6	11.5	11.4	11.3	11.1	10.4	10.9	12.3
Spain	11.7	11.7	11.6	11.5	11.6	12.4	14.5	10.0	10.3	10.6	10.5	10.7	11.4	12.5
Sweden	17.5	17.2	16.8	16.1	15.0	14.8	16.3	19.6	19.1	19.0	18.9	18.6	19.0	20.2
Switzerland	12.0	11.9	11.9	11.3	10.8	10.5	11.6	6.8	6.6	6.6	6.3	6.1	6.0	6.4
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	12.8	12.8	12.9	12.6	12.7	13.1	15.1	12.6	12.4	12.8	13.0	13.0	13.5	15.0
United States	12.0	11.9	11.9	12.0	12.2	13.0	15.0	6.4	6.3	6.3	6.3	6.3	6.6	..
Euro area	16.7	16.6	16.5	16.2	15.8	16.1	17.7	12.2	12.1	12.3	12.3	12.1	12.4	13.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932352139>Figure 19.1. **Social benefits to households**

Percentage of total general government expenditure, 2008

StatLink  <http://dx.doi.org/10.1787/888932351550>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

20. Financial assets and liabilities

The amount of financial assets and liabilities held by government has significant political and economic importance. The assets reflect a source of additional income available to government and a source of funds that it can draw on without necessarily increasing liabilities, for example as an additional lever to protect its currency when money markets exert prohibitive upward pressure on bond yields say. The liabilities reflect the debts accumulated by government and, so, provide an indication of the structural nature of debt interest payments (which add to government deficit). This matters because, in general, the higher the liabilities the higher the perceived risk of default (and therefore the higher the risk premium required by the market). Typically, this cycle can eventually force governments to either cut spending or raise taxes. General government gross debt's importance, and, in particular, the importance of sustainable levels of debt, is reflected in the European Maastricht criteria, where it is one of the two measures referred to in the Excessive Deficit Procedure.

Definition

The SNA defines the following as financial assets: Monetary gold and Special Drawing Rights; Currency and deposits; Securities other than shares; Shares and other equity; Loans; Insurance technical reserves; and Other accounts receivable/payable.

The valuations of both assets and liabilities in the balance sheets should be at the market prices at the end of the year and preferably with the accounts consolidating assets and liabilities between all general government sectors.

The measure used by the European Commission as part of the excessive debt procedure (General Government Gross Debt) is also consolidated but is based on nominal valuations, that is, the amount contractually agreed to be repaid by government on maturity. It also excludes any liabilities relating to Shares and other equity, Insurance technical reserves, and Other accounts payable and also Financial derivatives (part of Securities other than shares).

Comparability

Data are not consolidated for: Japan, Korea and United Kingdom.

Mexican data are compiled by the Central Bank (Banco de Mexico). All available information is obtained from financial corporations (sector S12) which is the only sector for which Mexico has recorded detailed counterparts data (end of year flows).

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume IIIb, Financial Balance Sheets: Stocks*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_3b-2009-en-fr.

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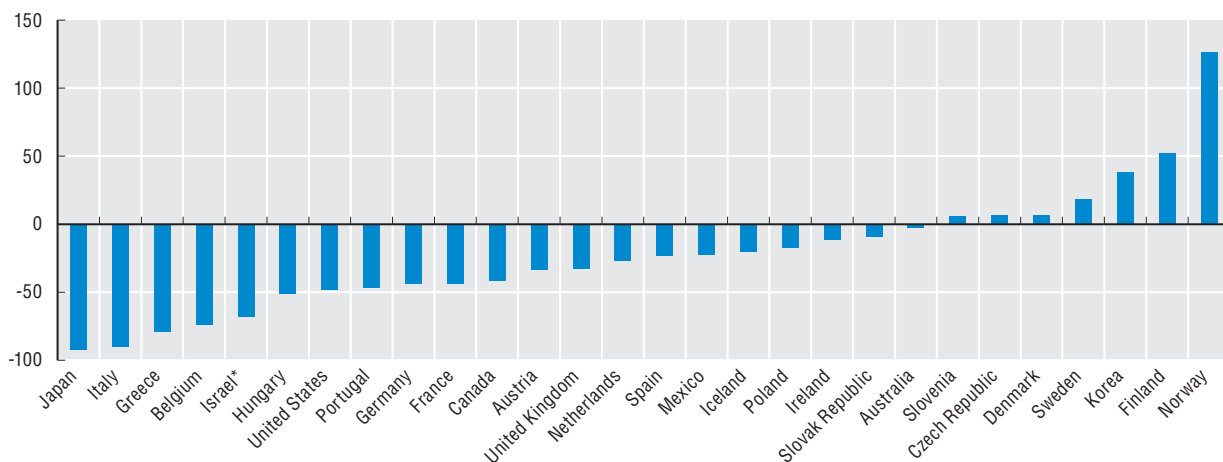

Table 20.1. **Financial assets and liabilities of general government**

Percentage of GDP

	Financial assets							Liabilities						
	2003	2004	2005	2006	2007	2008	2009	2003	2004	2005	2006	2007	2008	2009
Australia	25.8	25.5	24.4	24.4	24.8	24.9	..	30.9	29.2	28.3	26.9	25.8	27.1	..
Austria	35.2	32.8	32.9	32.7	32.2	33.6	33.9	71.3	70.7	70.8	66.5	63.0	67.0	72.4
Belgium	13.0	14.5	13.9	14.4	14.7	19.3	20.1	103.4	98.3	96.0	91.7	88.0	93.2	100.3
Canada	38.7	38.4	42.3	45.2	43.2	46.2	..	98.7	92.2	91.2	88.3	82.5	88.0	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	42.1	44.1	45.6	45.6	48.0	42.7	..	34.7	34.5	34.3	33.9	33.6	36.2	..
Denmark	38.7	39.2	35.3	39.3	37.9	48.9	56.3	56.6	54.0	45.9	41.2	34.1	42.3	51.8
Finland	89.9	98.2	107.0	115.1	114.0	93.0	115.3	51.4	51.5	48.4	45.6	41.4	40.6	52.6
France	27.3	28.6	32.5	33.7	36.1	32.4	36.4	71.5	73.8	75.6	70.9	70.0	75.8	87.1
Germany	22.2	21.5	21.7	21.8	23.1	25.4	28.0	65.5	68.6	71.1	69.3	65.4	69.3	76.5
Greece	24.8	26.6	29.2	30.2	32.2	27.3	32.6	112.0	114.6	114.3	108.6	104.7	106.2	121.2
Hungary	24.2	23.5	22.6	20.6	19.7	25.0	26.3	61.7	65.0	68.9	72.3	72.5	76.4	85.2
Iceland	39.8	36.2	38.6	49.5	54.0	75.5	81.7	70.5	63.9	52.1	57.3	53.0	95.4	122.7
Ireland	22.5	24.2	26.7	28.0	29.2	38.1	44.0	34.1	32.9	33.2	29.4	28.9	49.4	72.7
Israel*	32.8	33.5	44.4	43.7	35.1	31.5	..	106.3	104.7	102.1	90.0	87.9	99.3	..
Italy	24.1	24.8	26.2	26.7	25.7	25.4	27.7	116.9	117.2	119.9	117.3	112.6	115.1	127.7
Japan	96.7	99.9	109.0	108.2	105.2	100.4	..	174.9	182.5	191.0	189.0	188.1	192.4	..
Korea	50.1	54.0	60.2	64.6	68.3	67.5	71.6	19.3	22.6	24.6	27.7	27.9	29.6	32.6
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	2.2	3.8	4.0	5.4	7.3	7.8	8.4	32.7	31.0	31.2	28.9	28.5	30.3	38.0
Netherlands	25.6	24.6	26.1	23.3	24.1	39.2	39.5	61.9	62.2	61.1	54.9	52.0	66.0	69.4
New Zealand	..	..	..	..	45.7	..	..	..	..	..	..	40.9	..	..
Norway	145.2	157.2	171.4	196.8	201.1	183.0	204.9	50.2	52.7	49.1	60.5	58.6	56.7	49.8
Poland	32.7	33.8	31.2	32.7	34.8	37.2	36.2	55.3	54.6	54.7	55.1	51.7	54.4	58.9
Portugal	30.0	27.7	28.3	28.3	26.0	26.5	28.5	65.9	68.3	71.8	70.9	68.8	73.0	85.1
Slovak Republic	46.5	40.1	34.2	27.6	25.5	22.8	22.6	48.3	47.6	39.2	34.1	32.8	31.7	39.8
Slovenia	43.7	44.7	42.5	43.7	47.6	35.3	44.5	34.2	35.0	33.9	33.8	30.0	29.7	44.1
Spain	18.5	18.7	20.8	22.7	23.7	24.6	28.0	55.3	53.4	50.7	46.2	42.3	47.4	62.4
Sweden	59.3	62.8	68.6	72.9	72.1	65.0	75.3	59.3	59.2	59.9	52.8	47.4	46.7	51.9
Switzerland	38.8	37.5	36.5	33.7	34.7	..	..	54.7	55.2	53.1	47.1	43.6	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	24.7	24.8	26.3	25.4	25.1	30.5	35.9	48.5	50.8	53.4	53.1	53.7	63.3	79.5
United States	19.8	19.2	19.1	19.3	19.9	23.6	25.6	60.6	61.6	61.9	61.4	62.4	71.5	84.7
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932352158>Figure 20.1. **Financial net worth of general government**

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/888932351569>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.



CAPITAL

Financial and non-financial assets

21. Net capital stock
22. Consumption of fixed capital
23. Non-financial assets held by households
24. Financial assets held by households

21. Net capital stock

Net capital stock reflects the market value of the stock of fixed assets in the economy and as such provides an important indication of overall wealth. It also forms an important input into the derivation of other statistical indicators, such as depreciation and, in some cases, capital services.

Definition

The stock of assets surviving from past periods, and corrected for depreciation is the net (or wealth) capital stock. The net stock is valued as if the capital good (used or new) were acquired on the date to which a balance sheet relates. The net stock is designed to reflect the wealth of the owner of the asset at a particular point in time.

The value of the net stock of non-financial produced fixed assets is usually estimated by the *perpetual inventory method* (PIM). The PIM cumulates past flows of GFCF in volume terms and corrects them for the retirement of assets and for their loss in value due to ageing, depreciation. Each annual investment is an addition to the stock, while each retirement or deterioration enters as a deduction.

Some countries also compute a measure of the gross capital stock which corresponds to the net stock before depreciation is taken into account. Thus, the gross stock only adjusts for retirements but otherwise treats every asset as if it were new.

It is also noteworthy that neither the net nor the gross stock are the conceptually correct measure to capture capital inputs into production – these are best reflected through measures of the flow of capital services (see *Measuring Capital* in “Further reading” for more information).

Comparability

Cross country comparability is driven by three major factors: i) the coverage of fixed assets; ii) retirement

and depreciation profiles used; and iii) for those countries that use the PIM model, the length of time series available for GFCF by product.

OECD countries use various types of retirement and depreciation functions that may differ in shape and in regard to the average and maximum service lives for different types of assets. For example, some countries use linear depreciation profiles (corresponding to a constant amount of depreciation every period) and others use geometric profiles (corresponding to a constant rate of depreciation every period). However, the use of different parameters and profiles for depreciation does not in itself imply a lack of comparability. There may be very good reasons for these differences. For example, even if one could assume that the buildings in one country were exactly the same as another, one might expect a higher rate of depreciation in a country with extreme temperatures say.

An area where comparability is directly affected concerns the coverage of assets in estimates of net capital stock, and these are not always fully comparable across countries (see Section 12).

Online database

- OECD (2010), “Detailed National Accounts: Fixed assets by activity and by type of product”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00009-en>.

Further reading

- OECD (2009), *Measuring Capital – OECD Manual 2009: Second edition*, OECD Publishing, <http://dx.doi.org/10.1787/9789264068476-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 21.1. Net capital stock, volume

Year 2000 = 100

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	88.0	91.0	94.1	97.6	100.0	102.9	106.7	111.0	115.3	120.3	125.3	131.2	137.0	..
Austria	90.2	93.7	95.0	97.3	100.0	102.5	104.1	106.3	108.0	110.0	112.1	114.4	..	..
Belgium	89.6	91.4	93.3	95.3	100.0	102.1	103.7	105.0	106.8	108.9	110.9	113.3	115.9	..
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chile	80.1	86.0	91.9	95.7	100.0	104.4	108.6	113.1	118.3	125.8	133.1	141.4	152.1	..
Czech Republic	93.2	95.0	96.9	98.4	100.0	101.8	103.1	105.0	106.7	108.3	110.3	113.3	..	..
Denmark	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Finland	95.3	96.0	97.2	98.5	100.0	101.7	103.0	104.4	106.0	107.7	109.6	112.0	114.3	..
France	91.5	93.2	95.2	97.5	100.0	102.5	104.7	106.9	109.2	111.7	114.4	117.4	120.2	122.4
Germany	92.5	94.4	96.1	98.0	100.0	102.1	103.7	104.7	105.7	106.6	107.6	109.1	110.9	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	..	..	..	..	100.0	99.9	101.0	101.7	102.8	104.4	106.1	107.7	..	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Israel*	80.6	86.2	91.4	95.9	100.0	104.0	107.3	109.7	111.4	112.9	114.7	117.2	121.0	..
Italy	..	..	..	97.9	100.0	101.9	104.0	105.8	107.7	109.5	111.4	113.3	114.9	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Korea	..	87.1	90.9	95.2	100.0	104.3	109.1	114.1	119.1	124.2	129.7	135.7	141.0	..
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	90.6	92.8	95.1	97.7	100.0	102.1	103.8	105.3	106.5	108.0	109.8	111.9	114.2	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	90.3	92.8	95.6	98.0	100.0	101.7	103.0	104.4	106.3	109.0	112.6	116.9	120.9	123.9
Poland	..	..	..	..	100.0	108.2	114.6	118.5	119.4	123.0	126.4	134.8	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	..	..	..	..	100.0	101.9	103.7	105.6	107.1	108.8	110.9	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United States	88.4	90.7	93.6	96.7	100.0	102.8	105.2	107.7	110.3	113.0	115.9	118.6	120.7	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


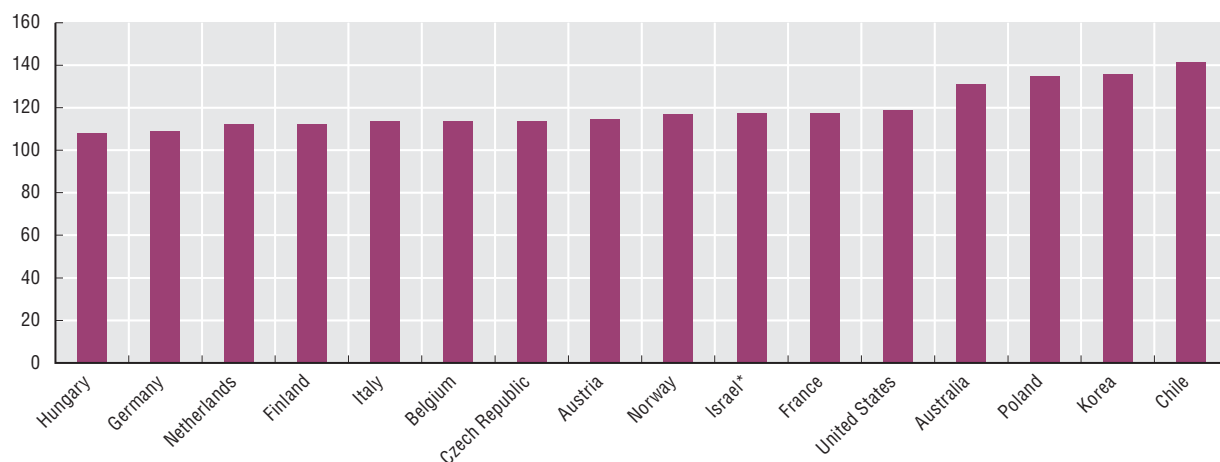

StatLink  <http://dx.doi.org/10.1787/888932352177>

Figure 21.1. Net capital stock, volume

Year 2000 = 100, 2007

StatLink  <http://dx.doi.org/10.1787/888932351588>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

22. Consumption of fixed capital

Economically, consumption of fixed capital, (depreciation), is best described as a deduction from income to account for the loss in capital value owing to the use of capital goods in production. Its primary importance in an accounting sense is in its use as the “netting” component in estimates of net domestic product, etc., as described in earlier sections, and, so, in its ability to permit analyses that are closer to a welfare perspective than gross measures. It also constitutes one part of the costs of capital services and so plays a role in productivity measurement. Moreover it has a direct impact on GDP because estimates of non-market value-added explicitly include a component for depreciation.

Definition

The 1993 System of National Accounts defines consumption of fixed capital (depreciation), in the following way:

Consumption of fixed capital is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage. [...] Losses due to war or to major natural disasters that occur very infrequently [...] are not included under consumption of fixed capital. [...]

It further states that:

The values of the assets lost in these ways are recorded in the other changes in the volume of assets accounts. [...] Consumption of fixed capital is defined in the System in a way that is intended to be theoretically appropriate and relevant for purposes of economic analysis. Its value may deviate considerably from depreciation as recorded in business accounts or as allowed for taxation purposes, especially when there is inflation.

Depreciation in business accounts is typically measured differently from depreciation in the national accounts. The latter measures depreciation by applying a “depreciation coefficient” to the current value of each capital asset whereas company accountants typically apply a depreciation coefficient to the value of the capital good at its original purchase price (“historic cost”). When the prices of capital goods rise, the difference can therefore be significant.

With the increasing importance of high-tech capital goods that undergo rapid technical change, there has been renewed discussion about the measurement of depreciation. In particular, some have argued that depreciation should incorporate expected real holding losses on the grounds that this is the appropriate way of capturing expected obsolescence. Others have come to a different conclusion, and draw a distinction between value changes of an asset due to ageing (which they identify with depreciation) and value changes due to overall price changes of the group of capital goods; which corresponds to the position of the SNA and, indeed, the practice of statistical offices.

Comparability

Like estimates of net capital stock, the international comparability of estimates of depreciation are dependent on: i) the coverage of fixed assets; ii) the assumptions used for service lives and rates of depreciation; and iii) the time series of GFCF estimates. Although the comparability of points i) and iii) are generally good across countries (see also Section 12), the assumptions on service lives and depreciation rates differ across countries, although as described in Section 21, there are often sound reasons for such differences, reflecting an economic reality.

Source

- OECD (2010), *National Accounts of OECD Countries 2010*, Volume I, Main Aggregates, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2010-en.

Online database

- OECD (2010), “Aggregate National Accounts: Gross domestic product”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

- OECD (2009), *Measuring Capital – OECD Manual 2009: Second edition*, OECD Publishing, <http://dx.doi.org/10.1787/9789264068476-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

22. Consumption of fixed capital

Table 22.1. Consumption of fixed capital

Percentage of GDP

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	15.5	15.6	15.7	15.6	15.9	15.7	15.6	15.4	15.6	15.6	15.6	15.5	15.8	16.8 e
Austria	14.8	15.1	15.1	15.1	15.1	15.4	15.5	15.6	15.5	15.4	15.2	15.1	15.3	16.3
Belgium	14.9	15.0	15.0	15.2	15.2	15.3	15.1	15.5	15.5	15.7	16.0	16.1	16.5	17.2
Canada	13.2	13.2	13.4	13.1	12.8	13.3	13.5	13.3	13.0	12.8	12.8	12.8	13.1	14.3
Chile	13.1 e	12.6 e	12.6 e	13.3 e	12.8 e	13.0 e	13.2 e	12.8	12.1	11.3	10.7	10.6	11.9	13.5 e
Czech Republic	19.3	20.1	19.9	20.3	20.6	20.3	19.9	19.7	19.1	18.6	17.9	17.3	17.3	18.1
Denmark	15.6	15.7	15.9	16.1	15.8	16.1	16.2	16.5	16.4	15.9	15.8	16.0	16.3	16.9
Finland	16.5	15.8	15.5	15.6	15.5	15.6	15.3	15.4	15.4	15.6	15.5	15.4	16.0	17.0
France	12.4	12.3	12.1	12.2	12.4	12.6	12.7	12.8	12.9	13.1	13.3	13.3	13.8	14.3
Germany	14.7	14.8	14.8	14.8	15.0	15.0	15.0	14.9	14.8	15.0	14.7	14.8	14.8	15.3
Greece	11.6 e	11.4 e	11.5 e	11.5 e	11.4	11.6	11.5	12.5	12.3	12.3	12.2	12.0	12.4	14.3
Hungary	19.2	18.5	17.9	18.4	17.9	17.0	15.8	15.2	14.6	14.6	14.8	14.7	14.8	16.1
Iceland	13.2	12.1	11.5	11.9	11.9	12.1	12.1	12.0	11.6	11.7	12.4	13.0	14.9	16.9
Ireland	9.9	9.8	9.4	9.7	10.0	10.0	10.2	9.9	10.0	10.2	9.8	9.3	9.4	9.3
Israel*	10.8	11.1	11.4	11.9	11.3	11.8	12.9	13.3	13.4	13.3	12.8	12.5	12.3	12.5
Italy	14.4	14.5	14.5	14.6	14.6	14.7	15.0	15.1	15.2	15.5	15.6	15.7	16.2	17.0
Japan	18.7	18.7	19.4	19.5	19.7	20.1	20.2	20.9	21.1	20.8	20.9	20.8	21.4	23.0 e
Korea	12.1	12.9	14.8	14.4	13.8	13.5	12.9	13.0	12.9	13.2	13.2	13.2	13.2	13.4
Luxembourg	13.6	13.7	13.7	13.0	13.2	13.6	12.1	11.3	11.7	11.1	10.7	10.5	10.8	11.9
Mexico	9.7 e	9.2 e	9.3 e	9.0 e	8.6 e	8.8 e	8.8 e	9.0	8.9	8.7	8.5	8.7	9.1	10.5 e
Netherlands	14.7	14.4	14.5	14.6	14.7	14.7	14.9	15.0	15.0	14.7	14.5	14.4	14.4	15.4
New Zealand	13.7	13.7	14.0	14.0	14.0	13.7	13.5	13.3	13.4	13.7	14.0	13.9	14.6	15.4 e
Norway	15.1	14.8	15.5	15.0	13.5	13.9	14.2	14.0	13.5	12.7	12.3	12.8	13.3	14.8
Poland	14.1	13.7	13.5	13.6	13.3	13.6	13.6	13.7	13.1	12.9	12.7	12.1	11.6	11.0
Portugal	15.9	15.7	15.4	15.4	15.9	16.1	16.5	16.8	16.8	17.1	17.0	16.8	17.4	17.7
Slovak Republic	20.5	20.6	20.3	20.9	20.7	20.6	20.7	20.5	19.7	19.3	18.2	17.0	16.4	17.8
Slovenia	17.3	17.1	17.3	16.8	17.2	17.0	16.3	15.5	15.4	15.3	14.9	14.5	14.7	16.0
Spain	13.1	13.2	12.9	13.2	13.7	13.8	14.1	14.4	14.9	15.3	15.6	15.7	16.2	16.9
Sweden	11.5	11.6	11.9	12.2	12.7	13.1	13.2	12.8	12.4	12.4	12.3	12.3	12.9	14.0
Switzerland	17.3	17.0	16.9	17.4	17.6	18.2	18.3	18.2	18.0	17.9	17.6	17.3	17.4	17.9
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	11.9	11.5	11.3	11.4	11.4	11.3	11.3	11.0	11.2	11.0	11.1	11.0	10.5	11.5
United States	11.0	11.0	11.1	11.2	11.4	11.8	11.8	11.7	11.7	11.8	12.0	12.2	12.4	12.7
Euro area	14.0	14.0	13.9	13.9	14.1	14.2	14.3	14.4	14.4	14.6	14.6	14.6	14.9	15.6
OECD-Total	13.2 e	13.1 e	13.2 e	13.3 e	13.4 e	13.6 e	13.7 e	13.7 e	13.6 e	13.6 e	13.7 e	13.7 e	13.9 e	14.6 e


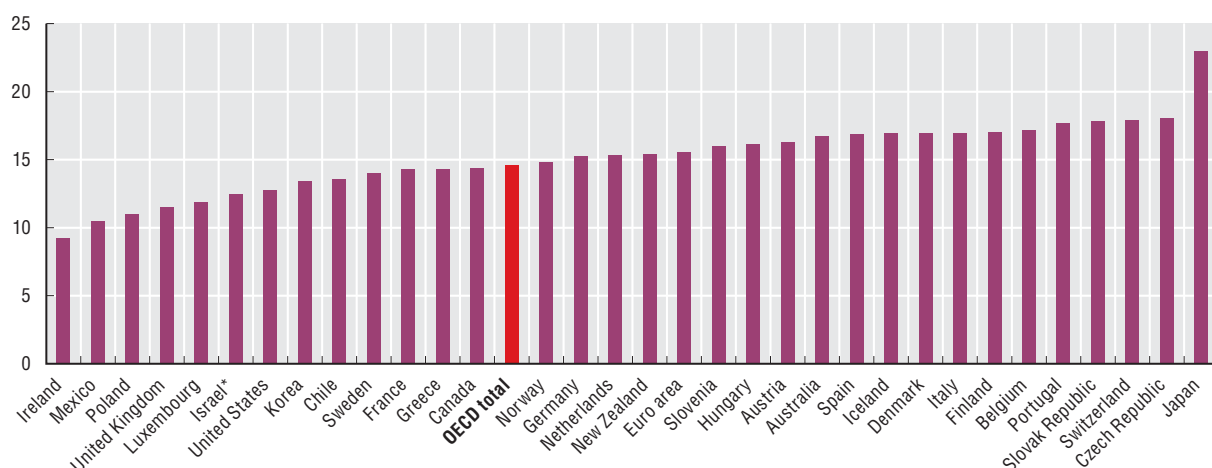

StatLink  <http://dx.doi.org/10.1787/888932352196>

Figure 22.1. Consumption of fixed capital

Percentage of GDP, 2009

StatLink  <http://dx.doi.org/10.1787/888932351607>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

23. Non-financial assets held by households

Non-financial assets held by households reflect the assets owned by unincorporated household enterprises and dwellings owned by households, with the latter component forming by far the bulk of non-financial assets held by households. They form an important part of overall wealth and can provide an important additional source of revenue; either through their sale or refinancing, or as income via rentals of residential property for example. Estimates of non-financial assets held by households also play an important role in economic analyses, such as studies of asset bubbles, and analyses of living standards.

Definition

Non-financial assets held by households include in theory both produced and non-produced non-financial assets and therefore include: Dwellings and other buildings and structures and land improvements; Machinery and equipment including livestock; and even intellectual property products, such as software and literary originals, and non-produced assets such as land and taxi-licenses. In practice dwellings form by far the most significant component.

Except for dwellings, only those assets owned by household unincorporated enterprises, and used in production, are included as non-financial assets. For example a car used by a household purely for household transport is not a non-financial asset whereas a car used by a self-employed taxi driver is.

Non-financial assets are valued in the balance sheets at the market prices of the time of the balance sheet, and are recorded net of depreciation.

Comparability

Information on non-financial assets held by households typically relies on household based surveys and so the quality of such information, except for that

pertaining to dwellings and land, is generally of lower quality than it is for similar information collected on incorporated businesses.

Moreover, in practice, countries use a variety of methods to differentiate between the value of dwellings and the land on which the dwellings sit, meaning that comparisons of these subcomponents across countries are challenging. Some countries, for example the United Kingdom, include the value of land under dwellings within the figures for dwellings. This matters not only for international comparability, and indeed temporal comparisons, but also because dwellings, as produced assets depreciate whereas (most) land, as a non-produced asset, does not. A particular challenge arises from capturing quality change and quality differences in the housing stock and valuing it accordingly.

The caveats above, pertaining to the distinction between land and dwellings, mean that users should be particularly careful in using the figures on the right in making international comparisons. The OECD Statistics Directorate will be working with national statistics institutes so that future versions of this publication reflect a greater degree of international comparability.

Data are net assets for all countries except for Slovak Republic (gross assets).

Online database

- OECD (2010), "Detailed National Accounts: Balance sheets for non-financial assets", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00368-en>.

Further reading


- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
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23. Non-financial assets held by households

Table 23.1. Non-financial assets of households per capita

US dollars at current PPPs

	Dwellings				Land				Other			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Australia	39 594	41 389	43 290	42 578	74 080	79 890	80 868	72 181	17 304	18 377	18 910	17 533
Austria	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	33 821	37 114	39 275	42 657	..	..	..	..	..	..	..	..
Canada	29 151	32 451	34 627	35 149	24 248	27 225	30 021	30 783	1 561	1 562	1 575	1 604
Chile	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	15 452	16 456	17 759	19 210	1 013	1 540	1 745	2 119	4 328	4 908	5 186	5 223
Denmark	..	..	..	..	..	..	..	..	..	..	..	..
Finland	25 295	27 623	30 390	32 993	..	..	..	..	..	..	..	..
France	43 371	46 944	51 671	54 759	51 888	61 123	64 729	61 239	6 916	7 375	7 723	8 001
Germany	41 615	44 040	47 486	51 040	..	..	..	..	..	..	..	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	17 569	19 171	20 264	..	..	..	..	..	..	..	..	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Israel*	24 132	25 639	26 870	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..
Japan	..	..	..	..	47 437	50 161	53 274	53 082	..	..	..	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	57 159	61 059	62 080	63 479	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	41 119	45 284	48 264	51 838	46 295	50 706	55 254	58 688	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	..	..	..	..	..	..	..	..	..	..	..	..
Poland	5 065	5 703	6 506	..	..	..	..	..	..	..	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	22 462	24 206	25 956	28 605	..	..	..	..	..	..	..	..
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	19 039	22 115	..	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..
United States	51 008	54 015	54 149	51 167	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888932352215>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

24. Financial assets held by households

Financial assets held by households include cash, shares, pension funds, etc., and form an important part of overall wealth and an important source of revenue; either through their sale or refinancing, via pensions, or other property income via interest and dividends say. Data on financial assets held by households play an important role in economic analyses, such as studies of asset bubbles and analyses of welfare.

Definition

Financial assets held by households include: currency and deposits; securities other than shares; loans; shares and other equity; net equity of households in life insurance reserves; net equity of households in pension funds; pre-payments of premiums and reserves against outstanding claims; and other accounts receivable.

Most of the asset classes above are self-explanatory but in the following cases a few additional elaborations are helpful.

Life insurance reserves and pension funds are typically managed by institutions outside of the household sector but the reserves and funds are considered the property of the household sector.

Non-life insurance is treated differently however and only the prepayment of premiums made by households and outstanding claims payable to households are considered as financial assets of the households themselves.

Other accounts receivable typically reflect payments due to households not included elsewhere, such as tax reimbursements, outstanding wages and salaries and often, depending on national practice, interest accruing on deposits and loans that is not capitalised in the underlying asset.

In practice the bulk of financial assets held by households reflects currency and deposits, securities, shares and equity and net equity in life insurance reserves and pension funds.

An important additional item relating to household financial assets, concerns contingencies, in particular, entitlements of households to pensions from unfunded schemes, such as pay as you go social security schemes. In these cases no actual financial reserves hypothecated to a pension fund exist and, so, no financial assets are recorded to the households sector (see Annex B for changes in the 2008 SNA).

Comparability

Comparability is good but data are not always available for all asset-types or not separately identifiable. As such considerable care is needed when making cross country comparisons, not only of totals, but especially of sub-totals.

The estimates shown in the tables and charts that follow present statistics on a non-consolidated basis (except for Australia and Israel).

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume IIIb, Financial Balance Sheets: Stocks*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_3b-2009-en-fr.

Online databases

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Further reading

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24. Financial assets held by households

Table 24.1. Financial assets of households by type of assets

Percentage of total assets

	Currency and deposits		Securities other than shares		Loans		Shares and other equity		Insurance technical reserves		Other accounts	
	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008	1998	2008
Australia	24.0	27.6	1.9	0.5	1.1	0.6	19.0	11.8	52.3	57.2	1.7	2.3
Austria	54.4	50.8	7.6	9.3	0.0	0.0	21.4	17.0	16.2	20.8	0.4	2.0
Belgium	25.6	32.8	21.7	9.0	0.0	0.0	37.9	31.1	12.0	25.9	2.8	1.3
Canada	21.3	23.1	5.3	3.3	1.1	0.3	29.6	32.8	37.4	36.5	5.3	4.1
Chile	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	59.5	60.9	0.2	0.6	0.0	0.6	26.2	20.3	7.5	15.4	6.7	2.2
Denmark	23.3	22.7	10.2	5.5	0.0	0.0	19.1	20.4	45.4	49.7	1.9	1.8
Finland	42.3	39.6	2.4	2.1	0.3	0.2	36.9	34.3	15.3	21.3	2.8	2.7
France	37.8	31.0	3.3	1.6	1.1	0.9	26.1	23.0	28.6	38.6	3.2	4.9
Germany	39.6	39.2	7.2	7.4	0.0	0.0	24.2	19.2	27.8	33.4	1.2	0.9
Greece	42.1	71.6	7.4	9.6	0.0	0.0	43.5	9.8	2.0	4.1	4.9	4.9
Hungary	46.6	38.3	8.8	5.7	1.2	0.8	31.7	34.3	6.5	17.2	5.2	3.7
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	42.8	..	0.1	..	0.0	..	18.2	..	37.9	..	1.0
Israel*	..	21.8	..	8.1	..	0.2	..	30.4	..	36.2	..	3.3
Italy	26.6	30.0	19.9	21.8	0.3	0.4	40.2	28.0	9.9	16.7	3.0	3.1
Japan	54.1	56.0	5.0	3.1	0.0	0.0	9.3	9.2	26.8	28.3	4.8	3.5
Korea	..	46.7	..	11.3	..	0.0	..	16.2	..	21.8	..	3.9
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	35.1	16.9	13.9	38.2	0.0	0.0	47.8	40.6	3.1	4.4	0.0	0.0
Netherlands	18.7	25.5	2.7	3.2	0.3	0.2	23.6	11.7	52.5	58.3	2.2	0.9
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	35.2	33.4	0.5	0.7	0.7	2.7	14.9	12.4	38.2	37.5	10.4	13.5
Poland	55.1	47.1	0.9	0.6	0.0	1.4	33.0	21.0	4.5	24.7	6.5	5.1
Portugal	35.4	38.3	2.9	5.4	11.4	7.4	35.2	27.8	10.6	18.1	4.5	3.0
Slovak Republic	82.9	61.7	5.3	1.5	0.0	0.0	3.1	7.3	5.6	21.2	3.2	8.4
Slovenia	..	53.0	..	1.3	..	2.5	..	28.2	..	9.2	..	5.8
Spain	35.8	47.7	2.5	2.7	0.0	0.0	47.6	31.2	11.2	14.8	2.9	3.6
Sweden	18.1	21.7	6.0	3.3	0.5	0.2	37.8	33.4	37.3	39.3	0.2	2.0
Switzerland	..	28.0	..	9.2	..	0.0	..	19.2	..	43.5	..	0.0
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	21.1	31.9	2.3	1.0	0.3	0.5	20.7	11.1	52.9	52.0	2.6	3.5
United States	10.5	15.3	7.8	9.3	1.2	2.1	49.5	43.6	30.9	29.7	0.0	0.0
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..


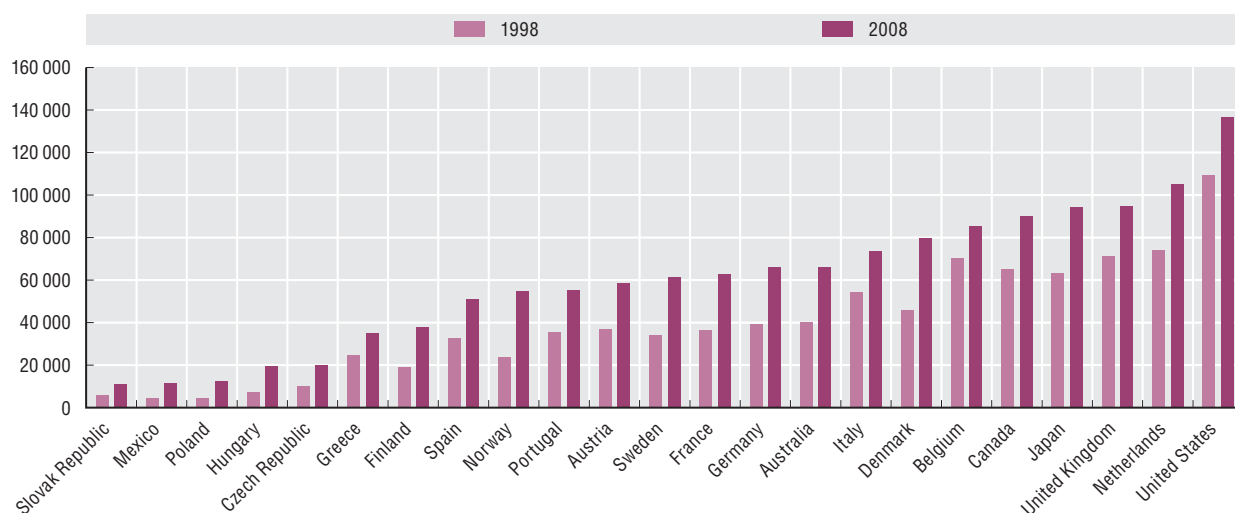
StatLink  <http://dx.doi.org/10.1787/888932352234>

Figure 24.1. Financial assets of households per capita

US dollars at current PPPs

StatLink  <http://dx.doi.org/10.1787/888932351626>

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

ANNEX A

Reference Series

Gross domestic product

Actual individual consumption

Population

Purchasing power parities

Exchanges rates

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Table A.1. **Gross domestic product, 2000 constant PPPs**

Billion US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	464	485	510	530	540	561	579	603	620	639	663	688	695	704 e
Austria	203	208	215	222	231	232	236	237	243	249	258	268	274	263
Belgium	249	259	264	273	283	285	289	291	301	306	314	323	327	318
Canada	725	756	787	831	874	890	916	933	962	991	1 019	1 041	1 047	1 021
Chile	125	133	138	137	143	148	151	157	166	175	184	192	199	196
Czech Republic	149	148	147	149	154	158	161	167	174	185	198	210	215	206
Denmark	137	142	145	149	154	155	156	156	160	164	169	172	171	163
Finland	109	116	121	126	133	136	138	141	147	151	158	166	168	154
France	1 351	1 382	1 430	1 477	1 535	1 563	1 579	1 597	1 636	1 667	1 704	1 744	1 748	1 702
Germany	1 950	1 986	2 026	2 067	2 133	2 159	2 159	2 155	2 181	2 197	2 271	2 332	2 355	2 243
Greece	174 e	180 e	186 e	192 e	201	209	217	230	240	245	256	267	270	264
Hungary	104	108	113	118	124	129	134	139	146	150	156	157	158	148
Iceland	7	7	7	8	8	8	8	9	9	10	10	11	11	10
Ireland	74	83	90	100	109	115	123	128	134	142	150	158	153	141
Israel*	122	126	131	135	148	148	147	149	157	164	174	183	191	192
Italy	1 341	1 366	1 385	1 406	1 458	1 484	1 491	1 491	1 513	1 523	1 554	1 577	1 557	1 478
Japan	3 181	3 231	3 164	3 160	3 250	3 256	3 265	3 311	3 402	3 468	3 538	3 622	3 580	3 393 e
Korea	674	713	672	744	809	842	902	927	970	1 008	1 060	1 115	1 140	1 142
Luxembourg	18	19	20	22	23	24	25	25	26	28	29	31	32	31
Mexico	796 e	850 e	893 e	926 e	987 e	987 e	994 e	1 008 e	1 049 e	1 084 e	1 136 e	1 175 e	1 193 e	1 115 e
Netherlands	397	414	430	450	468	477	478	479	490	500	517	537	547	526
New Zealand	74	75	75	79	81	84	88	92	95	98	99	102	101	100 e
Norway	142	150	154	157	162	165	168	170	176	181	185	190	192	189
Poland	330	353	371	388	404	409	415	431	454	471	500	534	561	570
Portugal	153	160	168	175	182	185	186	185	188	189	192	196	196	191
Slovak Republic	54	56	58	58	59	61	64	67	71	75	82	90	96	91
Slovenia	29	31	32	33	35	36	37	38	40	42	44	47	49	45
Spain	719	747	780	817	859	890	914	942	973	1 008	1 049	1 086	1 096	1 055
Sweden	212	218	227	237	248	251	257	263	275	283	295	305	304	288
Switzerland	207	212	217	220	228	231	232	231	237	243	252	261	266	261
Turkey	515 e	554 e	571	552	589	556	590	621	679	736	787	824	829	790
United Kingdom	1 334	1 378	1 428	1 478	1 535	1 573	1 606	1 651	1 700	1 737	1 785	1 833	1 832	1 741
United States	8 305	8 679	9 061	9 502	9 899	10 007	10 190	10 445	10 819	11 150	11 449	11 671	11 668	11 357
Euro area	6 851	7 029	7 228	7 439	7 727	7 872	7 946	8 010	8 183	8 322	8 574	8 818	8 858	8 496
OECD-Total	24 152 e	25 032 e	25 715 e	26 613 e	27 721 e	28 083 e	28 559 e	29 122 e	30 061 e	30 869 e	31 825 e	32 675 e	32 770 e	31 639 e


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Table A.2. **Gross domestic product per capita, current PPPs**

US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	22 909	24 054	25 263	26 890	28 043	29 172	30 445	31 974	33 396	35 092	37 118	39 067	39 172	39 351 e
Austria	24 317	24 913	26 076	27 011	28 773	28 804	30 231	31 077	32 592	33 409	36 279	37 881	39 848	38 368
Belgium	22 796	23 827	24 348	25 332	27 628	28 493	30 015	30 239	31 146	32 141	34 169	35 500	37 021	36 245
Canada	23 302	24 473	25 551	27 138	28 485	29 332	29 911	31 269	32 846	35 106	36 896	38 376	38 923	37 945 e
Chile	8 045	8 601	8 859	8 804	9 275	9 707	9 979	10 479	11 308	12 194	13 036	13 886	14 559	14 366
Czech Republic	13 644	13 829	13 962	14 312	14 994	16 176	16 872	17 990	19 300	20 366	22 356	24 562	25 814	25 182
Denmark	24 052	25 259	26 139	26 926	28 826	29 442	30 756	30 424	32 296	33 196	36 036	37 185	38 577	36 869
Finland	19 244	20 934	22 552	23 596	25 654	26 523	27 509	27 589	29 850	30 690	33 104	36 191	37 625	34 716
France	20 807	21 747	22 794	23 621	25 276	26 649	27 776	27 396	28 269	29 692	31 560	33 262	34 641	33 679
Germany	23 056	23 579	24 250	25 142	25 952	26 859	27 587	28 563	29 895	31 366	33 722	35 565	36 918	36 270
Greece	15 177	16 043	16 506	17 032	18 412	19 932	21 598	22 699	24 084	24 572	26 925	28 338	29 847	29 167
Hungary	9 427	10 075	10 813	11 250	12 135	13 579	14 765	15 422	16 314	16 938	18 334	19 142	20 844	19 733
Iceland	24 164	26 095	27 825	28 632	28 844	30 449	31 084	30 764	33 692	35 025	35 818	37 387	38 780	37 589
Ireland	19 573	21 766	23 956	25 887	28 699	30 529	33 052	34 521	36 505	38 623	42 280	45 254	43 051	40 136
Israel*	17 580	17 973	18 463	21 352	23 491	23 467	23 535	22 238	23 635	23 390	25 015	26 688	27 679	27 764
Italy	21 802	22 583	23 726	24 196	25 597	27 132	26 804	27 134	27 411	28 144	30 232	31 749	32 695	31 887
Japan	23 554	24 273	23 969	24 245	25 608	26 156	26 805	27 487	29 021	30 312	31 858	33 535	33 850	32 511 e
Korea	14 205	15 037	14 118	15 601	17 219	18 174	19 656	20 181	21 630	22 783	24 300	26 185	26 875	27 169
Luxembourg	40 260	40 887	43 265	49 072	53 652	53 941	57 559	60 716	65 010	68 372	78 545	84 497	89 533	84 742
Mexico	7 951 e	8 515 e	8 918 e	9 261 e	10 046 e	10 136 e	10 398 e	10 887	11 537	12 461	13 704	14 454	15 233	14 289 e
Netherlands	22 641	24 096	25 479	26 933	29 409	30 793	31 943	31 699	33 203	35 111	38 074	40 752	43 061	40 852
New Zealand	18 249	18 862	19 029	20 225	21 117	22 110	23 115	23 789	24 768	25 460	27 310	28 713	29 248	29 176 e
Norway	26 042	27 962	27 414	29 800	36 130	37 098	37 052	38 294	42 250	47 319	53 303	54 941	60 778	55 187
Poland	8 120	8 871	9 468	9 996	10 568	10 952	11 563	11 983	13 012	13 786	15 072	16 698	18 162	19 082
Portugal	14 007	14 893	15 686	16 703	17 751	18 468	19 088	19 390	19 793	21 294	22 876	23 982	25 206	24 568
Slovak Republic	9 025	9 739	10 316	10 399	10 973	12 063	12 957	13 587	14 646	16 163	18 391	20 749	23 205	22 446
Slovenia	13 737	14 741	15 581	16 593	17 471	18 346	19 702	20 446	22 197	23 494	25 439	27 184	29 336	27 405
Spain	16 704	17 696	18 891	19 824	21 323	22 595	24 067	24 745	25 953	27 377	30 356	32 238	32 956	32 650
Sweden	22 654	23 491	24 418	25 976	27 952	28 236	29 278	30 414	32 500	32 701	35 690	38 428	39 280	37 747
Switzerland	27 319	28 487	29 501	30 028	31 622	32 109	33 391	33 262	34 531	35 478	39 127	42 791	45 029	44 725
Turkey	7 676 e	8 296 e	8 571	8 171	9 171	8 615	8 667	8 789	10 164	11 391	12 890	13 678	14 630	14 469
United Kingdom	20 939	22 422	23 305	24 249	26 074	27 583	28 888	29 845	31 785	32 724	34 980	35 930	37 250	36 438
United States	28 860	30 330	31 653	33 298	35 050	35 866	36 755	38 128	40 246	42 466	44 595	46 337	46 901	45 674
Euro area	20 607	21 451	22 422	23 259	24 660	25 846	26 688	27 118	28 146	29 421	31 744	33 534	34 781	33 906
OECD-Total	20 558 e	21 548 e	22 265 e	23 187 e	24 603 e	25 386 e	26 169 e	26 938	28 398	29 874	31 854	33 434	34 324	33 456 e


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Table A.3. **Gross domestic product per capita, 2000 constant PPPs**

US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	25 203	26 052	27 098	27 837	28 043	28 727	29 279	30 124	30 612	31 104	31 766	32 386	32 121	31 842 e
Austria	25 558	26 072	26 980	27 826	28 773	28 812	29 143	29 245	29 802	30 327	31 257	32 293	32 856	31 478
Belgium	24 554	25 411	25 843	26 708	27 628	27 750	27 997	28 100	28 886	29 221	29 811	30 455	30 514	29 448
Canada	24 500	25 282	26 101	27 322	28 485	28 682	29 205	29 486	30 119	30 735	31 282	31 625	31 412	30 263 e
Chile	8 572	9 014	9 183	8 996	9 275	9 478	9 577	9 847	10 329	10 787	11 168	11 565	11 873	11 578
Czech Republic	14 430	14 341	14 244	14 452	14 994	15 435	15 764	16 330	17 054	18 083	19 253	20 322	20 609	19 609
Denmark	26 122	26 841	27 327	27 932	28 826	28 926	28 958	28 994	29 588	30 222	31 145	31 538	31 082	29 448
Finland	21 224	22 475	23 543	24 405	25 654	26 180	26 590	27 060	28 095	28 817	29 967	31 431	31 574	28 903
France	22 663	23 090	23 813	24 482	25 276	25 560	25 637	25 735	26 179	26 477	26 879	27 350	27 256	26 394
Germany	23 815	24 199	24 697	25 176	25 952	26 226	26 180	26 111	26 433	26 644	27 574	28 343	28 672	27 401
Greece	16 217 e	16 702 e	17 171 e	17 680 e	18 412	19 128	19 719	20 822	21 657	22 066	22 964	23 847	24 050	23 452
Hungary	10 108	10 522	11 049	11 538	12 135	12 622	13 183	13 746	14 400	14 886	15 450	15 594	15 751	14 719
Iceland	24 896	25 927	27 275	28 045	28 844	29 565	29 348	29 877	31 815	33 815	34 386	35 606	35 050	32 787
Ireland	20 476	22 608	24 160	26 503	28 699	29 867	31 272	32 119	33 015	34 222	35 188	36 280	34 382	31 597
Israel*	21 442	21 597	21 945	22 100	23 491	22 930	22 343	22 282	23 010	23 709	24 621	25 473	26 082	25 827
Italy	23 586	24 015	24 345	24 697	25 597	26 047	26 083	25 876	26 014	25 992	26 371	26 566	26 016	24 528
Japan	25 273	25 607	25 020	24 947	25 608	25 576	25 609	25 929	26 621	27 140	27 693	28 347	28 073	26 647 e
Korea	14 799	15 507	14 515	15 959	17 219	17 771	18 936	19 370	20 189	20 945	21 957	23 002	23 458	23 436
Luxembourg	42 639	44 601	46 891	50 142	53 652	54 380	56 003	56 189	57 854	60 078	62 071	65 127	64 942	61 398
Mexico	8 600 e	9 049 e	9 372 e	9 592 e	10 046 e	9 911 e	9 869 e	9 897 e	10 200 e	10 436 e	10 845 e	11 120 e	11 194 e	10 378 e
Netherlands	25 577	26 532	27 405	28 496	29 409	29 749	29 580	29 541	30 103	30 642	31 635	32 801	33 292	31 821
New Zealand	19 962	19 997	19 862	20 744	21 117	21 717	22 590	23 144	23 546	23 958	23 890	24 299	23 718	23 394 e
Norway	32 488	34 053	34 753	35 219	36 130	36 670	37 007	37 169	38 387	39 174	39 732	40 427	40 201	39 124
Poland	8 619	9 229	9 691	10 133	10 568	10 697	10 857	11 288	11 896	12 332	13 110	14 005	14 723	14 952
Portugal	15 216	15 831	16 567	17 171	17 751	17 982	17 978	17 686	17 858	17 912	18 110	18 500	18 469	17 975
Slovak Republic	9 985	10 403	10 841	10 834	10 973	11 400	11 925	12 493	13 114	13 976	15 154	16 739	17 742	16 878
Slovenia	14 616	15 360	15 940	16 784	17 471	17 945	18 630	19 146	19 957	20 813	21 954	23 335	24 171	21 992
Spain	18 213	18 868	19 642	20 469	21 323	21 852	22 121	22 431	22 791	23 231	23 797	24 205	24 028	22 964
Sweden	23 974	24 609	25 630	26 803	27 952	28 228	28 835	29 400	30 523	31 362	32 526	33 358	32 834	30 861
Switzerland	29 181	29 754	30 459	30 709	31 622	31 652	31 542	31 216	31 796	32 430	33 357	34 296	34 528	33 485
Turkey	8 492 e	8 996 e	9 144	8 710	9 171	8 532	8 938	9 287	10 027	10 736	11 337	11 725	11 666	10 986
United Kingdom	22 938	23 635	24 420	25 178	26 074	26 614	27 076	27 727	28 407	28 835	29 470	30 062	29 841	28 172
United States	30 791	31 796	32 811	34 018	35 050	35 071	35 365	35 912	36 863	37 641	38 283	38 642	38 278	36 936
Euro area	22 113	22 627	23 219	23 831	24 660	25 010	25 103	25 149	25 528	25 802	26 445	27 038	27 013	25 815
OECD-Total	22 041 e	22 684 e	23 148 e	23 795 e	24 603 e	24 744 e	24 989 e	25 305 e	25 945 e	26 466 e	27 108 e	27 639 e	27 537 e	26 428 e


StatLink  <http://dx.doi.org/10.1787/888932352291>

Table A.4. **Actual individual consumption, current PPPs**

Billion US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	286	304	326	347	377	398	427	443	479	488	513	550	562	573 e
Austria	130	132	137	142	157	158	169	173	183	181	196	201	209	210
Belgium	156	162	164	171	194	201	216	213	224	221	232	239	254	254
Canada	483	508	527	556	591	619	648	675	717	758	785	843	869	883
Chile	62 e	67 e	71 e	72 e	76 e	80 e	83 e	89	98	109	120	132	143	145 e
Czech Republic	93	97	97	101	108	116	121	127	135	125	144	156	166	168
Denmark	84	89	93	95	102	102	112	108	115	119	124	132	138	136
Finland	63	66	70	74	82	85	93	94	101	107	111	121	127	127
France	899	929	972	1 019	1 141	1 218	1 323	1 297	1 361	1 350	1 458	1 540	1 611	1 611
Germany	1 339	1 365	1 386	1 458	1 557	1 618	1 689	1 735	1 789	1 813	1 935	1 995	2 080	2 087
Greece	132 e	138 e	141 e	145 e	159	175	199	198	211	216	235	246	262	257
Hungary	71	74	77	83	90	98	112	117	122	116	130	132	142	132
Iceland	4	5	5	6	6	6	6	7	7	8	8	9	9	7
Ireland	43	46	50	55	63	68	75	79	84	90	97	106	109	104
Israel*	67	70	74	79	87	92	95	96	104	110	114	125	128	131
Italy	808	850	902	936	1 024	1 094	1 088	1 105	1 132	1 169	1 222	1 287	1 334	1 333
Japan	1 804	1 850	1 855	1 917	2 059	2 141	2 270	2 356	2 467	2 607	2 699	2 826	2 883	2 861 e
Korea	400	424	380	428	479	520	577	580	601	638	685	739	771	775 e
Luxembourg	9	9	10	10	12	12	14	13	14	14	15	15	16	17
Mexico	536 e	579 e	614 e	653 e	738 e	768 e	810 e	834	902	969	1 057	1 131	1 198	1 126 e
Netherlands	224	237	255	276	313	328	358	347	362	356	392	417	435	425
New Zealand	49	51	54	56	59	61	65	68	73	76	81	87	91	90 e
Norway	70	73	76	79	87	91	99	103	111	121	121	132	140	142
Poland	238	259	273	293	320	333	366	369	393	386	428	478	526	542
Portugal	102	108	112	122	136	142	150	152	160	173	181	189	200	195
Slovak Republic	34	38	40	40	43	48	53	53	56	56	66	75	83	84
Slovenia	..	..	..	23	25	26	28	29	30	30	32	35	37	37
Spain	454	482	515	548	621	666	739	747	799	811	902	956	996	975
Sweden	131	135	140	151	168	172	186	190	198	199	209	225	233	235
Switzerland	124	130	133	137	147	153	165	163	171	177	179	194	205	209 e
Turkey	333 e	367 e	375 e	383 e	455 e	441 e	469 e	479 e	543 e	593 e	646 e	684 e	738 e	734 e
United Kingdom	913	972	1 012	1 076	1 212	1 293	1 405	1 432	1 542	1 532	1 653	1 709	1 776	1 745
United States	5 745	6 058	6 433	6 891	7 419	7 770	8 099	8 513	9 030	9 608	10 164	10 691	11 020 e	10 908 e
Euro area	..	..	..	5 031 e	5 531 e	5 854 e	6 211 e	6 254 e	6 515 e	6 552 e	7 094 e	7 441 e	7 775 e	..
OECD-Total	15 759 e	16 536 e	17 225 e	18 248 e	19 919 e	20 894 e	22 103 e	22 773 e	24 082 e	25 081 e	26 669 e	28 102 e	29 184 e	28 946 e

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Table A.5. **Actual individual consumption, 2000 constant PPPs**
Billion US dollars

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	316	331	351	364	377	389	402	425	444	454	473	492	496	505 e
Austria	144	147	150	153	157	158	161	162	166	169	172	173	175	177
Belgium	178	181	186	189	194	197	199	200	204	206	210	213	217	217
Canada	519	536	550	570	591	606	626	645	665	688	715	745	768	774
Chile	67 e	71 e	74 e	74 e	76 e	78 e	80 e	83 e	89 e	96 e	103 e	110 e	115 e	116 e
Czech Republic	104	106	105	107	108	111	114	122	124	127	132	138	142	143
Denmark	95	98	100	101	102	102	104	105	110	113	117	119	120	118
Finland	73	75	78	80	82	84	86	90	92	95	99	101	103	102
France	1 034	1 038	1 072	1 105	1 141	1 169	1 197	1 223	1 253	1 283	1 311	1 342	1 354	1 366
Germany	1 445	1 460	1 484	1 523	1 557	1 585	1 579	1 583	1 582	1 593	1 614	1 618	1 637	1 640
Greece	144 e	148 e	152 e	156 e	159	166	174	181	188	198	208	215	222	219
Hungary	79	80	83	87	90	96	106	114	118	122	124	122	123	115
Iceland	5	5	5	6	6	6	6	6	7	7	8 e	8 e	8 e	8 e
Ireland	46	49	53	57	63	67	71	73	75	80	85	90	89	84
Israel*	72	75	78	81	87	90	91	91	95	98	102	108	111	113
Italy	924 e	951 e	976 e	1 000	1 024	1 038	1 044	1 056	1 067	1 081	1 095	1 107	1 102	1 087
Japan	2 001	2 016	2 002	2 030	2 059	2 097	2 124	2 136	2 173	2 205	2 237	2 274	2 264	2 242 e
Korea	431	448	396	441	479	504	548	548	553	579	608	637	647	649 e
Luxembourg	10	10	11	11	12	12	13	13	13	13	14	14	15	15
Mexico	592 e	627 e	659 e	687 e	738 e	752 e	763 e	772 e	811 e	849 e	894 e	929 e	945 e	887 e
Netherlands	267	276	289	302	313	320	325	326	329	333	342	350	355	351
New Zealand	53 e	54 e	56 e	58 e	59 e	60 e	63 e	67 e	70 e	73 e	74 e	77 e	77 e	76 e
Norway	76	79	81	84	87	90	93	95	100	104	108	113	116	118
Poland	266	283	295	311	320	328	337	345	360	369	387	406	431	441
Portugal	115	119	125	131	136	138	140	140	143	146	148	151	153	152
Slovak Republic	38	42	44	43	43	45	48	48	49	53	56	61 e	64 e	64 e
Slovenia	22	22	23	24	25	25	26	27	28	28	29	31	32	32
Spain	521 e	537 e	563 e	592 e	621	642 e	663 e	684 e	714 e	745 e	771 e	800 e	801 e	775 e
Sweden	149	152	158	162	168	171	175	178	182	186	191	196	196	196
Switzerland	135	138	140	143	147	150	151	153	155	158	160	163	165	167 e
Turkey	393 e	425 e	429 e	430 e	455 e	427 e	447 e	489 e	542 e	583 e	611 e	645 e	643 e	632 e
United Kingdom	1 033	1 068	1 109	1 162	1 212	1 248	1 292	1 331	1 373	1 402	1 426	1 457	1 465	1 430
United States	6 199 e	6 414 e	6 741 e	7 083 e	7 419 e	7 611 e	7 805 e	8 001 e	8 245 e	8 479 e	8 699 e	8 877 e	8 833 e	8 740 e
Euro area	4 981 e	5 068 e	5 215 e	5 366 e	5 531 e	5 648 e	5 714 e	5 790 e	5 882 e	5 997 e	6 130 e	6 243 e	6 290 e	6 245 e
OECD-Total	17 379 e	17 885 e	18 437 e	19 168 e	19 919 e	20 371 e	20 854 e	21 309 e	21 899 e	22 480 e	23 071 e	23 615 e	23 703 e	23 464 e

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Table A.6. Population

Thousands

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	18 417	18 606	18 812	19 036	19 270	19 531	19 768	20 009	20 250	20 542	20 871	21 236	21 642	22 101 e
Austria	7 959	7 968	7 977	7 992	8 012	8 042	8 082	8 118	8 169	8 225	8 268	8 301	8 337	8 363
Belgium	10 155	10 180	10 203	10 222	10 246	10 281	10 330	10 373	10 417	10 474	10 543	10 622	10 708	10 790
Canada	29 610	29 906	30 155	30 401	30 686	31 019	31 354	31 640	31 941	32 245	32 576	32 932	33 327	33 740 e
Chile	14 596	14 796	14 997	15 197	15 398	15 572	15 746	15 919	16 093	16 267	16 433	16 598	16 764	16 929
Czech Republic	10 315	10 304	10 295	10 283	10 273	10 224	10 201	10 202	10 207	10 234	10 267	10 323	10 430	10 507
Denmark	5 262	5 285	5 303	5 321	5 338	5 357	5 376	5 390	5 403	5 419	5 437	5 460	5 492	5 522
Finland	5 125	5 140	5 153	5 165	5 176	5 188	5 201	5 213	5 227	5 245	5 266	5 289	5 313	5 339
France	59 624	59 831	60 047	60 333	60 725	61 163	61 605	62 038	62 491	62 959	63 394	63 781	64 141	64 494
Germany	81 896	82 052	82 029	82 087	82 188	82 340	82 482	82 520	82 501	82 464	82 366	82 263	82 120	81 875
Greece	10 709	10 777	10 835	10 883	10 917	10 950	10 988	11 024	11 062	11 104	11 149	11 193	11 237	11 260
Hungary	10 311	10 290	10 267	10 238	10 211	10 188	10 159	10 130	10 107	10 087	10 071	10 056	10 038	10 023
Iceland	269	271	274	277	281	285	288	289	293	296	304	311	319	319
Ireland	3 626	3 661	3 714	3 755	3 804	3 864	3 932	3 997	4 067	4 160	4 261	4 365	4 443	4 468
Israel*	5 685	5 829	5 971	6 125	6 289	6 439	6 570	6 690	6 809	6 930	7 054	7 180	7 309	7 440
Italy	56 860	56 890	56 907	56 916	56 942	56 977	57 157	57 605	58 175	58 607	58 942	59 375	59 832	60 263
Japan	125 859	126 157	126 472	126 667	126 926	127 316	127 486	127 694	127 787	127 768	127 770	127 771	127 510	127 328 e
Korea	45 525	45 954	46 287	46 617	47 008	47 357	47 622	47 859	48 039	48 138	48 297	48 456	48 607	48 747
Luxembourg	414	419	425	431	436	441	446	452	458	465	472	480	488	497
Mexico	92 544	93 908	95 233	96 550	98 258	99 564	100 762	101 870	102 866	103 831	104 748	105 677	106 573	107 440 e
Netherlands	15 526	15 607	15 703	15 809	15 922	16 043	16 147	16 223	16 276	16 317	16 341	16 378	16 440	16 527
New Zealand	3 691	3 747	3 792	3 822	3 843	3 868	3 900	3 970	4 045	4 101	4 148	4 198	4 241	4 281
Norway	4 381	4 405	4 432	4 462	4 491	4 513	4 539	4 565	4 591	4 622	4 661	4 706	4 768	4 829
Poland	38 289	38 292	38 283	38 270	38 256	38 251	38 232	38 195	38 180	38 161	38 132	38 116	38 116	38 153
Portugal	10 058	10 091	10 129	10 172	10 226	10 293	10 368	10 441	10 502	10 549	10 584	10 608	10 622	10 632
Slovak Republic	5 374	5 383	5 391	5 396	5 401	5 380	5 379	5 379	5 382	5 387	5 391	5 397	5 406	5 418
Slovenia	1 990	1 986	1 982	1 984	1 989	1 992	1 995	1 996	1 997	2 001	2 008	2 019	2 022	2 042
Spain	39 479	39 583	39 722	39 927	40 264	40 721	41 314	42 005	42 692	43 398	44 068	44 874	45 593	45 929
Sweden	8 841	8 846	8 851	8 858	8 872	8 896	8 925	8 958	8 994	9 030	9 081	9 148	9 256	9 341
Switzerland	7 105	7 113	7 132	7 167	7 209	7 285	7 343	7 405	7 454	7 501	7 558	7 619	7 711	7 799
Turkey	60 671	61 582	62 464	63 366	64 259	65 135	66 009	66 873	67 734	68 582	69 421	70 256	71 079	71 897
United Kingdom	58 164	58 314	58 475	58 684	58 886	59 113	59 323	59 557	59 846	60 238	60 584	60 986	61 398	61 792
United States	269 714	272 958	276 154	279 328	282 418	285 335	288 133	290 845	293 502	296 229	299 052	302 025	304 831	307 483
Euro area	309 837	310 623	311 281	312 146	313 333	314 770	316 532	318 504	320 558	322 517	324 232	326 137	327 908	329 109
OECD-Total	1 095 775	1 103 522	1 110 914	1 118 434	1 126 743	1 134 922	1 142 850	1 150 837	1 158 659	1 166 379	1 174 023	1 182 201	1 190 018	1 197 158 e


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Table A.7. Purchasing power parities for GDP

National currency per US dollar

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	1.33	1.32	1.31	1.30	1.31	1.33	1.34	1.35	1.37	1.39	1.41	1.42	1.48	1.46
Austria	0.931	0.924	0.918	0.917	0.900	0.917	0.896	0.885	0.874	0.886	0.857	0.865	0.852	0.855
Belgium	0.913	0.912	0.925	0.921	0.891	0.886	0.865	0.879	0.896	0.900	0.883	0.889	0.870	0.867
Canada	1.21	1.21	1.19	1.19	1.23	1.22	1.23	1.23	1.23	1.21	1.21	1.21	1.23	1.19
Chile	266	273	275	278	285	289	296	307	320	334	363	372	366	377
Czech Republic	12.0	12.7	13.9	14.1	14.2	14.2	14.3	14.0	14.3	14.3	14.0	13.9	13.7	13.7
Denmark	8.45	8.43	8.39	8.47	8.41	8.47	8.30	8.54	8.40	8.59	8.33	8.33	8.20	8.17
Finland	1.004	0.997	1.003	1.003	0.995	1.012	1.003	1.011	0.975	0.977	0.950	0.939	0.924	0.924
France	0.989	0.974	0.967	0.960	0.939	0.919	0.905	0.938	0.940	0.923	0.903	0.893	0.877	0.878
Germany	0.994	0.990	0.988	0.975	0.967	0.955	0.942	0.918	0.896	0.867	0.838	0.831	0.818	0.807
Greece	0.605	0.630	0.662	0.681	0.678	0.671	0.660	0.689	0.695	0.714	0.699	0.711	0.703	0.710
Hungary	73.2	85.0	94.2	101.1	107.9	110.7	114.9	120.6	126.3	128.6	128.5	131.6	127.9	131.7
Iceland	75.0	74.5	77.2	79.7	84.3	88.9	91.3	94.5	94.2	99.1	107.2	112.4	119.3	125.1
Ireland	0.828	0.853	0.882	0.930	0.962	0.993	1.004	1.015	1.006	1.010	0.984	0.959	0.941	0.890
Israel*	3.361	3.574	3.786	3.505	3.441	3.422	3.463	3.635	3.533	3.717	3.692	3.602	3.588	3.719
Italy	0.810	0.816	0.808	0.818	0.817	0.808	0.845	0.854	0.873	0.867	0.834	0.820	0.801	0.791
Japan	170	168	167	162	155	149	144	140	134	130	125	120	117	115
Korea	713	733	767	755	745	757	770	794	796	789	774	768	786	803
Luxembourg	0.948	0.958	0.948	0.941	0.940	0.948	0.934	0.942	0.923	0.953	0.915	0.925	0.907	0.903
Mexico	3.76	4.35	4.96	5.63	6.10	6.31	6.55	6.81	7.21	7.13	7.21	7.32	7.45	7.68
Netherlands	0.910	0.910	0.906	0.907	0.893	0.906	0.902	0.927	0.909	0.896	0.868	0.857	0.842	0.847
New Zealand	1.47	1.46	1.45	1.43	1.44	1.47	1.47	1.50	1.51	1.54	1.49	1.50	1.49	1.50
Norway	9.05	9.09	9.39	9.33	9.13	9.18	9.11	9.12	8.99	8.90	8.69	8.79	8.68	8.93
Poland	1.36	1.52	1.66	1.74	1.84	1.86	1.83	1.84	1.86	1.87	1.84	1.85	1.84	1.85
Portugal	0.661	0.672	0.693	0.697	0.700	0.706	0.708	0.706	0.716	0.684	0.662	0.663	0.642	0.642
Slovak Republic	0.444	0.455	0.470	0.501	0.526	0.522	0.528	0.555	0.572	0.566	0.555	0.550	0.536	0.521
Slovenia	0.434	0.461	0.485	0.511	0.532	0.565	0.588	0.615	0.611	0.612	0.608	0.630	0.629	0.632
Spain	0.719	0.719	0.719	0.733	0.734	0.740	0.733	0.753	0.759	0.765	0.736	0.728	0.724	0.703
Sweden	9.26	9.30	9.37	9.29	9.14	9.35	9.35	9.34	9.10	9.38	9.09	8.89	8.84	8.81
Switzerland	1.94	1.89	1.88	1.87	1.85	1.84	1.77	1.78	1.75	1.74	1.66	1.60	1.57	1.53
Turkey	0.043	0.076	0.131	0.202	0.283	0.428	0.613	0.774	0.812	0.831	0.848	0.877	0.914	0.917
United Kingdom	0.64	0.63	0.65	0.65	0.64	0.63	0.63	0.64	0.63	0.64	0.63	0.64	0.63	0.62
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.908	0.890	0.883	0.888	0.878	0.870	0.868	0.874	0.871	0.859	0.832	0.825	0.811	0.803
OECD-Total



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Table A.8. Exchange rates

National currency per US dollar

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	1.28	1.35	1.59	1.55	1.72	1.93	1.84	1.54	1.36	1.31	1.33	1.20	1.19	1.28
Austria	0.769	0.887	0.900	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Belgium	0.768	0.887	0.900	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Canada	1.36	1.38	1.48	1.49	1.49	1.55	1.57	1.40	1.30	1.21	1.13	1.07	1.07	1.14
Chile	412	419	460	509	540	635	689	691	610	560	530	522	522	561
Czech Republic	27.1	31.7	32.3	34.6	38.6	38.0	32.7	28.2	25.7	24.0	22.6	20.3	17.1	19.1
Denmark	5.80	6.60	6.70	6.98	8.08	8.32	7.89	6.59	5.99	6.00	5.95	5.44	5.10	5.36
Finland	0.773	0.873	0.899	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
France	0.780	0.890	0.899	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Germany	0.769	0.887	0.900	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Greece	0.706	0.801	0.867	0.897	1.072	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Hungary	152.6	186.8	214.4	237.1	282.2	286.5	257.9	224.3	202.7	199.6	210.4	183.6	172.1	202.3
Iceland	66.5	70.9	71.0	72.3	78.6	97.4	91.7	76.7	70.2	63.0	70.2	64.1	87.9	123.6
Ireland	0.794	0.838	0.892	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Israel*	3.192	3.449	3.800	4.140	4.077	4.206	4.738	4.554	4.482	4.488	4.456	4.108	3.588	3.932
Italy	0.797	0.880	0.897	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Japan	109	121	131	114	108	122	125	116	108	110	116	118	103	94
Korea	804	951	1 401	1 189	1 131	1 291	1 251	1 192	1 145	1 024	955	929	1 102	1 277
Luxembourg	0.768	0.887	0.900	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Mexico	7.60	7.92	9.14	9.56	9.46	9.34	9.66	10.79	11.29	10.90	10.90	10.93	11.13	13.51
Netherlands	0.765	0.885	0.900	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
New Zealand	1.45	1.51	1.87	1.89	2.20	2.38	2.16	1.72	1.51	1.42	1.54	1.36	1.42	1.60
Norway	6.45	7.07	7.55	7.80	8.80	8.99	7.98	7.08	6.74	6.44	6.41	5.86	5.64	6.29
Poland	2.70	3.28	3.48	3.97	4.35	4.09	4.08	3.89	3.66	3.24	3.10	2.77	2.41	3.12
Portugal	0.769	0.874	0.898	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Slovak Republic	1.018	1.116	1.170	1.373	1.528	1.605	1.505	1.221	1.071	1.030	0.986	0.820	0.709	0.720
Slovenia	0.565	0.666	0.693	0.759	0.929	1.013	1.003	0.864	0.803	0.804	0.797	0.731	0.683	0.720
Spain	0.761	0.880	0.898	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
Sweden	6.71	7.63	7.95	8.26	9.16	10.33	9.74	8.09	7.35	7.47	7.38	6.76	6.59	7.65
Switzerland	1.24	1.45	1.45	1.50	1.69	1.69	1.56	1.35	1.24	1.25	1.25	1.20	1.08	1.09
Turkey	0.081	0.152	0.261	0.419	0.625	1.226	1.507	1.501	1.426	1.344	1.428	1.303	1.302	1.550
United Kingdom	0.64	0.61	0.60	0.62	0.66	0.69	0.67	0.61	0.55	0.55	0.54	0.50	0.54	0.64
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.788	0.882	0.892	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720
OECD-Total

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ANNEX B

The 2008 SNA – Changes from the 1993 SNA

For all OECD countries except Australia, the indicators presented in this publication are based on the 1993 SNA. The 2008 SNA has recently been finalised and includes a number of changes to the 1993 SNA. Although it will be a number of years (2014 for most countries) before the national accounts and this publication reflect these changes, it is all the same instructive to present the key changes (those that will eventually impact on the indicators presented in this publication) here. For Australia, an indication of the size of the changes for the two most significant items (R&D and weapons system) that impact on the indicators is also presented below. A full description of the impact of the 2008 SNA on Australia's accounts can be found at: [www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/8DD6B1990BCE6806CA25765D0004DD3F/\\$File/5310055002_September%202009.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/8DD6B1990BCE6806CA25765D0004DD3F/$File/5310055002_September%202009.pdf).

Changes affecting whole economy levels of income, etc.

Research and experimental development: R&D is recognised for the first time as a produced asset. This also means that payments for the acquisition of patents, treated as acquisition or disposal of non produced, non-financial assets in the 1993 SNA, will be treated as transactions in produced assets, R&D. This also has implications for sectoral GVA as the 2008 SNA also recommends that a separate establishment is distinguished for R&D producers when possible. See also the *OECD Handbook on Deriving Capital Measures of Intellectual Property Products*. For Australia the direct inclusion of R&D as a capital asset raises GDP by between 1 and 1¼ per cent in the most recent years. This is lower than the share of R&D investment as a share of GDP since some investment in R&D is conducted by general government (which amounts to about ¼ per cent of GDP). Under the 1993 SNA expenditure on R&D by government already adds to government output (which is estimated on a sum of costs basis) and subsequently as general government final consumption. So, for government the direct impact of the capitalisation merely involves a reclassification of expenditure from government final consumption to government gross fixed capital formation. Indirectly however government output and, so GDP, will increase as part of the costs of government include an imputation for depreciation; which now includes a component for the capital stock of R&D by government. This increases government output and general government final consumption by about ¼ per cent of GDP. The total direct and indirect increase to GDP because of the capitalisation of R&D therefore is between 1¼ and 1½ per cent.

Weapons systems: Military weapons systems such as vehicles, warships, etc. used continuously in the production of defence (and deterrence) services are recognised as fixed assets in the 2008 SNA (the 1993 SNA recorded these as fixed assets only if they had dual

civilian use and as intermediate consumption otherwise). Some single-use items such as certain types of ballistic missiles with a highly destructive capability, but which provide ongoing deterrence services, are also recognised as fixed assets in the 2008 SNA. Because most if not all of these expenditures are carried out by government (whose output is typically valued by summing costs) GDP will only increase by the related new consumption of fixed capital. In recent years for Australia this increase amounts to less than ¼ per cent of GDP.

For Australia, the total impact of the changes made for R&D and weapons systems as a per cent of total GFCF on a 1993 SNA basis increase GFCF by about 5½ per cent.

FISIM: The method recommended in the 2008 SNA for the calculation of FISIM implies several changes from that in the 1993 SNA. For example it explicitly recommends that FISIM only applies to loans and deposits provided by/deposited with financial institutions, and that for financial intermediaries all loans and deposits are included, not just those of intermediated funds. In addition, the 2008 SNA no longer allows countries to record FISIM as a notional industry.

Financial services: The 2008 SNA defines financial services more explicitly to ensure that services such as financial risk management and liquidity transformation, are captured.

Output of non-life insurance services: The methodology used to indirectly estimate this activity in the 1993 SNA (the balance of premiums, premium supplements, and claims) could lead to extremely volatile (and negative) series in cases of catastrophic losses. The 2008 SNA recommends a different indirect approach to measurement that better reflects the pricing structures used by insurance companies and the underlying provision of insurance services *per se*. The approach can be simply described as an *ex ante* expectation approach. Output is equal to premiums plus *expected* premium supplements minus *expected* claims. The 2008 SNA also recommends that exceptionally large claims, following a catastrophe, are recorded as capital, rather than current, transfers which will have an impact on (particularly sectoral) estimates of disposable income.

Output of Central Banks: The 2008 SNA has provided further clarification on the calculation of FISIM in calculating the output of Central Banks. Where Central Banks lend or borrow at rates above or below the effective market lending/borrowing rate the 2008 SNA recommends the recording of a tax or subsidy from the counterpart lender/borrower to/from government to reflect the difference between the two rates. Correspondingly a current transfer (the counterpart to the tax/subsidy) is recorded between government and the Central Bank. These flows will have an impact on the distribution of income in national income compared to the 1993 SNA treatment.

Valuation of output for own final use: The 2008 SNA recommends that estimates of output for own final use should include a component for the return to capital as part of the sum of costs approach when comparable market prices are not available. However no return to capital should be included for non-market producers.

Costs of ownership transfer: The 1993 SNA recommended that these costs (treated as GFCF in the accounts) should be written off over the life of the related asset. The 2008 SNA instead recommends that these costs be written off over the period the asset is expected to be held by the purchaser. This will impact on measures of net income and only marginally on gross measures, reflecting the calculation of output for own final use and government output (which is calculated as the sum of costs including depreciation).

Re-allocating income, etc. across categories

Goods sent abroad for reprocessing: The 2008 SNA recommends that imports and exports are recorded on a strict ownership basis. This means that the values of a flow of goods moving from one country (that retains ownership of the goods) to another providing processing services should not be recorded. Only the charge for the processing service should be recorded in the trade statistics. The 1993 SNA imputed an effective change of ownership.

(Pensions) Defined benefit schemes: The 1993 SNA stated that actual social contributions by employers and employees should reflect the amounts actually paid. The 2008 SNA differs, recognising that the amounts actually set aside may not match the liability to the employees. As such the 2008 SNA recommends that the employer's contribution should reflect the increase in the net present value of the pension entitlement plus costs charged by the pension fund minus the employee's own contributions. This change will result in a shift of income between gross operating surplus and compensation of employees and between institutional sectors (corporations/government and households).

Ancillary activities: The 2008 SNA recommends that if the activity of a unit undertaking purely ancillary activities is statistically observable (separate accounts, separate location) it should be recognised as a separate establishment.

Holding companies: The 2008 SNA recommends that holding companies should always be allocated to the financial corporations sector even if all their subsidiary corporations are non-financial corporations. The 1993 SNA recommended that they were assigned to the institutional sector in which the main group of subsidiaries was concentrated.

Exceptional payments from public corporations: The 2008 SNA recommends that these should be recorded as withdrawals from equity when made from accumulated reserves or sales of assets. The 1993 SNA treated such transactions as dividends.

Exceptional payments from governments to quasi public corporations: The 2008 SNA recommends that these should be treated as capital transfers to cover accumulated losses and as additions to equity when a valid expectation of a return in the form of property income exists. The 1993 SNA treated all such payments as additions to equity.

ANNEX C

Glossary of Main Terms

System of National Accounts, 1993

The definitions in this Glossary are based on the actual wording used in the System of National Accounts, 1993 (SNA93). Where applicable, each definition shows the paragraph of SNA93 from which the definition has been derived.

Term	Definition	Paragraph(s)
Acquisitions	Goods (including assets) and services are acquired by institutional units when they become the new owners of the goods or when the delivery of services to them is completed.	9.32
Actual final consumption of general government	<i>Actual final consumption of general government</i> is measured by the value of the collective (as opposed to individual) consumption services provided to the community, or large sections of the community, by general government; it is derived from their final consumption expenditure by subtracting the value of social transfers in kind payable.	9.97 and 9.3
Actual final consumption of households	<i>Actual final consumption of households</i> is the value of the consumption goods and services acquired by households, whether by purchase in general, or by transfer from government units or NPISHs, and used by them for the satisfaction of their needs and wants; it is derived from their final consumption expenditure by adding the value of social transfers in kind receivable.	9.11 and 9.3 [9.72, 9.96]
Actual final consumption of NPISHs	There is no <i>actual final consumption of NPISHs</i> because, in practice, most of their services are individual in nature and so, for simplicity, all services provided by NPISHs are treated by convention as individual (as social transfers in kind).	9.44 [9.94, 9.95]
Actual individual consumption	<i>Actual individual consumption</i> is measured by the total value of household final consumption expenditure, NPISH final consumption expenditure and government expenditure on individual consumption goods and services.	[9.94]
Adjustment for the change in the net equity of households in pension fund reserves	The <i>adjustment for the change in the net equity of households in pension fund reserves</i> is equal to the total value of the actual social contributions payable into private funded pension schemes plus the total value of contribution supplements payable out of the property income attributed to insurance policy holders (<i>i.e.</i> holders of pension rights) minus the value of the associated service charges minus the total value of the pensions paid out as social insurance benefits by private funded pension schemes; this adjustment is designed to ensure that the balance of pension contributions over pension receipts (<i>i.e.</i> of "transfers" payable over "transfers" receivable) does not enter into household saving.	9.16 [10.30]
Basic price	The <i>basic price</i> is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale; it excludes any transport charges invoiced separately by the producer.	6.205, 15.28 [3.82]
Capital transfers	<i>Capital transfers</i> are transactions, either in cash or in kind, in which the ownership of an asset (other than cash and inventories) is transferred from one institutional unit to another, or in which cash is transferred to enable the recipient to acquire another asset, or in which the funds realised by the disposal of another asset are transferred.	10.29 [3.22, 8.3]
Chain indices	<i>Chain indices</i> are obtained by linking price (or volume) indices for consecutive periods; the short-term movements which are linked are calculated using weighting patterns appropriate to the periods concerned.	16.41
Changes in inventories (including work-in-progress)	<i>Changes in inventories (including work-in-progress)</i> consist of changes in: <i>a)</i> stocks of outputs that are still held by the units that produced them prior to their being further processed, sold, delivered to other units or used in other ways; and <i>b)</i> stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing; they are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.	10.7 and 10.28

Term	Definition	Paragraph(s)
Collective consumption service	A <i>collective consumption service</i> is a service provided by general government simultaneously to all members of the community or to all members of a particular section of the community, such as all households living in a particular region.	9.43
Compensation of employees	<i>Compensation of employees</i> is the total remuneration, in cash or in kind, payable by enterprises to employees in return for work done by the latter during the accounting period.	7.21 [7.31]
Constant prices	<i>Constant prices</i> are obtained by directly factoring changes over time in the values of flows or stocks of goods and services into two components reflecting changes in the prices of the goods and services concerned and changes in their volumes (<i>i.e.</i> changes in “constant price terms”); the term “at constant prices” commonly refers to series which use a fixed-base Laspeyres formula.	16.2
Consumption of fixed capital	<i>Consumption of fixed capital</i> represents the reduction in the value of the fixed assets used in production during the accounting period resulting from physical deterioration, normal obsolescence or normal accidental damage.	10.27 [6.179, 10.118]
Current transfers	<i>Current transfers</i> consist of all transfers that are not transfers of capital; they directly affect the level of disposable income and should influence the consumption of goods or services.	8.32 [3.22, 8.3, 10.133]
Current transfers from/to abroad	<i>Current transfers</i> which take place between resident and non-resident institutional units are referred to as current transfers <i>from/to abroad</i> .	8.4
Disposable income	<i>Disposable income</i> is derived from the balance of primary incomes of an institutional unit or sector by adding all current transfers, except social transfers in kind, receivable by that unit or sector and subtracting all current transfers, except social transfers in kind, payable by that unit or sector; it is the balancing item in the Secondary Distribution of Income Account.	8.11
Disposals	<i>Disposals</i> of assets (inventories, fixed assets or land or other non-produced assets) by institutional units occur when one of those units sells or transfers any of the assets to another institutional unit; when the ownership of an existing fixed asset is transferred from one resident producer to another, the value of the asset sold, bartered or transferred is recorded as negative gross fixed capital formation by the former and as positive gross fixed capital formation by the latter.	10.40 [9.32]
Employee	An <i>employee</i> is a person who enters an agreement, which may be formal or informal, with an enterprise to work for the enterprise in return for remuneration in cash or in kind.	7.23
Exports of goods and services	<i>Exports of goods and services</i> consist of sales, barter, or gifts or grants, of goods and services from residents to non-residents; the treatment of exports and imports in the SNA is generally identical with that in the balance of payments accounts as described in the Balance of Payments Manual.	14.88 [14.91, 14.94]
External balance of goods and services	The <i>external balance of goods and services</i> is the value of exports of goods and services less imports of goods and services.	2.166 and Table 2.3 V.1
Factor cost	Gross value added at <i>factor cost</i> is not a concept used explicitly in the SNA but it can easily be derived by subtracting the value of any taxes, less subsidies, on production payable out of gross value added.	6.229
Final consumption	<i>Final consumption</i> consists of goods and services used up by individual households or the community to satisfy their individual or collective needs or wants.	1.49
Final consumption expenditure of government	<i>Government final consumption expenditure</i> consists of expenditure, including imputed expenditure, incurred by general government on both individual consumption goods and services and collective consumption services.	9.94
Final consumption expenditure of households	<i>Household final consumption expenditure</i> consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.	9.94 [9.45]
Final consumption expenditure of NPISHs	<i>Final consumption expenditure of NPISHs</i> consists of the expenditure, including imputed expenditure, incurred by resident NPISHs on individual consumption goods and services.	9.94
Financial intermediation services indirectly measured (FISIM)	<i>Financial intermediation services indirectly measured (FISIM)</i> is an indirect measure of the value of financial intermediation services provided but for which financial institutions do not charge explicitly.	6.124
Full-time equivalent employment	<i>Full-time equivalent employment</i> is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.	17.14 [15.102, 17.28]
General government	The <i>general government</i> sector consists of the totality of institutional units which, in addition to fulfilling their political responsibilities and their role of economic regulation, produce principally non-market services (possibly goods) for individual or collective consumption and redistribute income and wealth.	2.20
Government final consumption expenditure	<i>Government final consumption expenditure</i> consists of expenditure, including imputed expenditure, incurred by general government on both individual consumption goods and services and collective consumption services.	9.94
Gross	The term “ <i>gross</i> ” is a common means of referring to values before deducting consumption of fixed capital (generally used as in “gross capital stock” or “gross domestic product”); all the major balancing items in the accounts from value added through to saving may be recorded gross or net.	6.201
Gross capital formation	<i>Gross capital formation</i> is measured by the total value of the gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables for a unit or sector.	10.32

Term	Definition	Paragraph(s)
Gross domestic product (GDP) – expenditure based	<i>Expenditure-based gross domestic product</i> is total final expenditures at purchasers' prices (including the fob value of exports of goods and services), less the fob value of imports of goods and services.	6.235
Gross domestic product (GDP) – income based	<i>Income-based gross domestic product</i> is compensation of employees, plus taxes less subsidies on production and imports, plus gross mixed income, plus gross operating surplus.	2.222
Gross domestic product (GDP) – output based	<i>Output-based gross domestic product</i> is the sum of the gross values added of all resident producers at basic prices, plus all taxes less subsidies on products.	6.235 – 6.237
Gross domestic product at market prices	<i>Gross domestic product at market prices</i> is the sum of the gross values added of all resident producers at market prices, plus taxes less subsidies on imports.	6.235 – 6.237
Gross fixed capital formation	<i>Gross fixed capital formation</i> is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain additions to the value of non-produced assets (such as subsoil assets or major improvements in the quantity, quality or productivity of land) realised by the productive activity of institutional units.	10.33 and 10.51 [10.26]
Gross national disposable income	<i>Gross national disposable income</i> may be derived from gross national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16 [2.183]
Gross national income (GNI)	<i>Gross national income (GNI)</i> is GDP less net taxes on production and imports, less compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world (in other words, GDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units); an alternative approach to measuring GNI at market prices is as the aggregate value of the balances of gross primary incomes for all sectors; [note that gross national income is identical to gross national product (GNP) as previously used in national accounts generally].	2.81 and 7.16 and Table 7.2 [2.181]
Gross saving	<i>Gross saving</i> is gross disposable income less final consumption expenditure.	9.2
Gross value added	<i>Gross value added</i> is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account.	1.6 [2.172, 6.4, 6.222]
Gross value added at basic prices	<i>Gross value added at basic prices</i> is output valued at basic prices less intermediate consumption valued at purchasers' prices.	6.226, 15.37 [6.231]
Gross value added at producers' prices	<i>Gross value added at producers' prices</i> is output valued at producers' prices less intermediate consumption valued at purchasers' prices.	6.227, 15.37
Household final consumption expenditure	<i>Household final consumption expenditure</i> consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.	9.94 [9.45]
Import duties	<i>Import duties</i> consist of customs duties, or other import charges, which are payable on goods of a particular type when they enter the economic territory.	7.66
Import subsidies	<i>Import subsidies</i> consist of subsidies on goods and services that become payable to resident producers when the goods cross the frontier of the economic territory or when the services are delivered to resident institutional units.	7.74
Imports of goods and services	<i>Imports of goods and services</i> consist of purchases, barter, or receipts of gifts or grants, of goods and services by residents from non-residents; the treatment of exports and imports in the SNA is generally identical with that in the balance of payments accounts as described in the Balance of Payments Manual.	14.88 [14.91, 14.94]
Income from abroad – net	<i>Net income from abroad</i> is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
ISIC	<i>ISIC</i> is the United Nations International Standard Industrial Classification of All Economic Activities; the third revision of ISIC is used in the 1993 SNA.	1.47
Mixed income	<i>Mixed income</i> is the surplus or deficit accruing from production by unincorporated enterprises owned by households; it implicitly contains an element of remuneration for work done by the owner, or other members of the household, that cannot be separately identified from the return to the owner as entrepreneur but it excludes the operating surplus coming from owner-occupied dwellings.	7.8 [4.143, 7.81]
National disposable income	<i>National disposable income</i> may be derived from national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16 [2.183]
National expenditure	Capital formation and final consumption grouped together constitute <i>national expenditure</i> .	2.187
National income	<i>National income</i> is the total value of the primary incomes receivable within an economy less the total of the primary incomes payable by resident units.	7.14

Term	Definition	Paragraph(s)
Net	The term " <i>net</i> " is a common means of referring to values after deducting consumption of fixed capital (generally used as in "net capital stock" or "net domestic product"); all the major balancing items in the accounts from value added through to saving may be recorded gross or net; it should be noted, however, that the term "net" can be used in different contexts in the national accounts, such as "net income from abroad" which is the difference between two income flows.	6.201
Net borrowing	<i>Net borrowing</i> See "net lending".	
Net income from abroad	<i>Net income from abroad</i> is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
Net lending	<i>Net lending</i> is the net amount a unit or a sector has available to finance, directly or indirectly, other units or other sectors; it is the balancing item in the capital account and is defined as: (Net saving plus capital transfers receivable minus capital transfers payable) minus (the value of acquisitions less disposals of non-financial assets, less consumption of fixed capital); negative net lending may also be described as "net borrowing".	2.137 and Tables 2.1 III.1 and 10.30
Net national disposable income	<i>Net national disposable income</i> may be derived from net national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16
Net national income	The aggregate value of the balances of net primary incomes summed over all sectors is described as <i>net national income</i> .	7.16 and Table 7.2 [2.182]
Net saving	<i>Net saving</i> is net disposable income less final consumption expenditure.	9.2
Non-profit institutions serving households (NPISHs)	<i>Non-profit institutions serving households (NPISHs)</i> consist of NPIs which are not predominantly financed and controlled by government and which provide goods or services to households free or at prices that are not economically significant.	4.64 and 4.65 [2.20]
NPISH final consumption expenditure	<i>Final consumption expenditure of NPISHs</i> consists of the expenditure, including imputed expenditure, incurred by resident NPISHs on individual consumption goods and services.	9.94
Operating surplus	The <i>operating surplus</i> measures the surplus or deficit accruing from production before taking account of any interest, rent or similar charges payable on financial or tangible non-produced assets borrowed or rented by the enterprise, or any interest, rent or similar receipts receivable on financial or tangible non-produced assets owned by the enterprise; (note: for unincorporated enterprises owned by households, this component is called "mixed income").	7.8
Primary incomes	<i>Primary incomes</i> are incomes that accrue to institutional units as a consequence of their involvement in processes of production or ownership of assets that may be needed for purposes of production.	7.2
Purchasing power parity (PPP)	A <i>purchasing power parity (PPP)</i> is a price relative which measures the number of units of country B's currency that are needed in country B to purchase the same quantity of an individual good or service as 1 unit of country A's currency will purchase in country A.	16.82
Real gross domestic income (real GDI)	<i>Real gross domestic income (real GDI)</i> measures the purchasing power of the total incomes generated by domestic production (including the impact on those incomes of changes in the terms of trade); it is equal to gross domestic product at constant prices plus the trading gain (or less the trading loss) resulting from changes in the terms of trade.	16.152
Rebasing	In the course of time, the pattern of relative prices in the base period tends to become progressively less relevant to the economic situations of later periods to the point at which it becomes unacceptable to continue using them to measure volume measures from one period to the next; it may then be necessary to update the base period, a process which is commonly referred to as " <i>rebasing</i> ".	16.31
Saving	<i>Saving</i> is disposable income less final consumption expenditure (or adjusted disposable income less actual final consumption), in both cases after taking account of an adjustment for pension funds; saving is an important aggregate which can be calculated for each institutional sector or for the whole economy.	9.17 [1.10, 9.2, 9.19]
Self-employed workers	<i>Self-employed workers</i> are persons who are the sole owners, or joint owners, of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations.	7.24
SNA (System of National Accounts)	The <i>System of National Accounts (SNA)</i> consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.	1.1
Subsidies	<i>Subsidies</i> are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services which they produce, sell or import.	7.71 [15.52]
Subsidies on production – other	<i>Other subsidies on production</i> consist of subsidies, except subsidies on products, which resident enterprises may receive as a consequence of engaging in production (<i>e.g.</i> subsidies on payroll or workforce or subsidies to reduce pollution).	7.79

Term	Definition	Paragraph(s)
Subsidies on products – other	<i>Other subsidies on products</i> (other than export or import subsidies) consist of subsidies on goods or services produced as the outputs of resident enterprises that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation; there are three broad categories: <i>a</i>) subsidies on products used domestically; <i>b</i>) losses of government trading organisations; and <i>c</i>) subsidies to public corporations and quasi-corporations.	7.78
<i>System of National Accounts</i> (SNA)	The <i>System of National Accounts (SNA)</i> consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.	1.1
Taxes	<i>Taxes</i> are compulsory, unrequited payments, in cash or in kind, made by institutional units to government units; they are described as unrequited because the government provides nothing in return to the individual unit making the payment, although governments may use the funds raised in taxes to provide goods or services to other units, either individually or collectively, or to the community as a whole.	7.48 [8.43]
Taxes on production and imports	<i>Taxes on production and imports</i> consist of taxes payable on goods and services when they are produced, delivered, sold, transferred or otherwise disposed of by their producers plus taxes and duties on imports that become payable when goods enter the economic territory by crossing the frontier or when services are delivered to resident units by non-resident units; they also include other taxes on production, which consist mainly of taxes on the ownership or use of land, buildings or other assets used in production or on the labour employed, or compensation of employees paid.	7.49
Taxes on products	<i>Taxes on products</i> , excluding VAT, import and export taxes, consist of taxes on goods and services that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation.	7.69, 15.47
Total final consumption	<i>Total final consumption</i> is the total value of all expenditures on individual and collective consumption goods and services incurred by resident households, resident NPISHs and general government units; it may also be defined in terms of actual final consumption as the value of all the individual goods and services acquired by resident households plus the value of the collective services provided by general government to the community or large sections of the community.	9.98
Trading gains and losses	<i>Trading gains and losses</i> arise from changes in a country's terms of trade; for example, if the prices of a country's exports rise faster (or fall more slowly) than the prices of its imports (<i>i.e.</i> if its terms of trade improve) then an increased volume of imports of goods and services can be purchased by residents out of the receipts generated by a given level of exports.	16.152
Valuables	<i>Valuables</i> are produced assets that are not used primarily for production or consumption, that are expected to appreciate or at least not to decline in real value, that do not deteriorate over time under normal conditions and that are acquired and held primarily as stores of value.	(AN.13) – Annex to Chapter XIII [10.7, 10.116, 13.15, 13.50]
Wages and salaries	<i>Wages and salaries</i> consist of the sum of wages and salaries in cash and wages and salaries in kind.	7.33 and 7.37
Wages and salaries in cash	<i>Wages and salaries in cash</i> consist of wages or salaries payable at regular weekly, monthly or other intervals, including payments by results and piecework payments; plus allowances such as those for working overtime; plus amounts paid to employees away from work for short periods (<i>e.g.</i> on holiday); plus <i>ad hoc</i> bonuses and similar payments; plus commissions, gratuities and tips received by employees.	7.33
Wages and salaries in kind	<i>Wages and salaries in kind</i> consist of remuneration in the form of goods and/or services that are not necessary for work and can be used by employees in their own time, and at their own discretion, for the satisfaction of their own needs or wants or those of other members of their households.	7.39

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