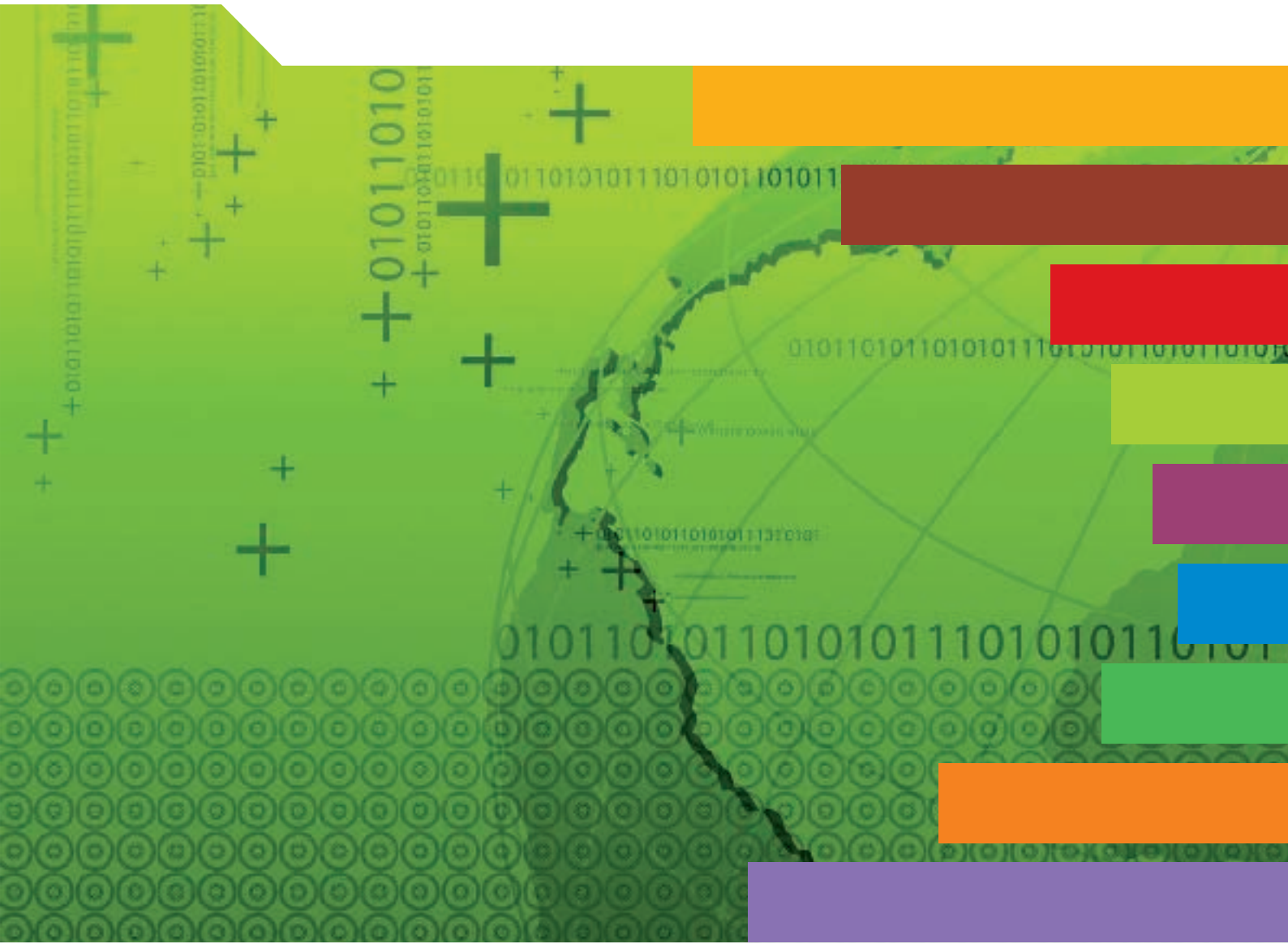
National Accounts at a Glance 2014



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National Accounts at a Glance 2014

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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, 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 eight 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 net national income, 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. The fifth chapter on households is published for the first time and provides a more detailed approach on "Household" sector indicators. The sixth chapter focuses on "General government", presenting several indicators such as total expenditure or gross debt of general government. The seventh chapter, which is also new in this publication, looks at the health of "Corporations". The eighth and final chapter focuses on "Capital". 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 and the United States 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 most indicators presented in this publication. The annex at the end of this publication describes the key changes from the 1993 SNA that may impact on the indicators presented and, for Australia, it also provides an indication of the size of the impact for the most important changes. It also indicates where to find a comprehensive guide to the changes to 2008 SNA for the United States.*

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Executive summary

What was the value of the goods and services produced within OECD countries? How much income was earned by residents of a country? How much income was received by households? Answers to these questions and more can be found in this edition of *National Accounts at a Glance*. This publication presents the wealth of information that is available within the integrated accounting framework of the *System of National Accounts* (SNA). National accounts have a key role in understanding the workings of the economy by providing information on the economic interactions taking place between different sectors of the economy (households, corporations, government, non-profit institutions, and the rest of the world) allowing for macroeconomic analysis and decision taking.

What was the value of the goods and services produced within OECD countries?

Gross domestic product (GDP) is the most frequently used indicator in the national accounts. GDP combines in a single figure, all the production carried out by all the firms, non-profit institutions, government bodies, and households in a given country during a given period. It is the value of final goods and services produced by a country minus the value of imports. In 2012, the five largest OECD economies were the United States, Japan, Germany, France, and the United Kingdom. GDP per capita for the OECD as a whole was USD 37 010 in 2012. Four countries recorded GDP per capita in excess of USD 50 000 in 2012 – Luxembourg, Norway, Switzerland, and the United States.

The change in the value of GDP between periods can be attributed to both changes in prices (inflation, deflation) and changes in volume (quantities produced), thus "real" GDP removes the effects of price changes. In 2012, the annual rate of growth in real GDP for the OECD as a whole was 1.5% a slowdown from 2.0% growth in 2011. The overall increase in GDP growth for the OECD total masks the fact that 12 out of the 34 OECD countries experienced negative growth in 2012, showing that many countries are still struggling to recover from the recent economic crisis. Growth in the euro area contracted in 2012 to -0.7%. The largest drop in GDP was recorded in Greece at -6.4%, its fifth consecutive yearly decline. In contrast, the highest growth rate amongst OECD countries was recorded in Chile, 5.6%.

Looking at growth over the last decade, 2002-12, the average annual growth rate for the OECD was 1.72%: 21 out of 34 OECD countries were above the average growth rate. Five OECD countries recorded average annual growth rates above 4% over the last decade: Turkey (5.36%), the Slovak Republic (4.74%), Chile (4.41%), Poland (4.23%), and Korea (4.13%). In contrast, five OECD countries recorded average annual growth rates below 1%: Italy (0.23%), Portugal (0.36%), Denmark (0.63%), Japan (0.67%), and Greece (0.87%).

How much income was earned by residents?

While GDP per capita is the indicator most commonly used to compare income levels, net national income (NNI) is preferred by many analysts. Where GDP refers to the income generated by production activities on the economic territory of a country, NNI refers to the income earned by the residents of a country, whether generated on the domestic territory or abroad, after deducting depreciation (an amount representing the cost of capital used up in the production process).

In 2012, the top four countries ranked by NNI per capita are the same four countries ranked by GDP per capita, however the order slightly changes with Norway over taking Luxembourg for the top spot. Norway's NNI per capita was 84% above the OECD average in 2012. In OECD countries 13 out of the 33 experienced negative growth in real NNI in 2012. Three countries showed diverging patterns between GDP growth and real national income growth. France's GDP was flat in 2012 yet real income fell -0.9%; in Austria GDP grew 0.9% real income fell by -0.2%; and in Denmark GDP contracted by -0.4% while real income increased slightly (0.1%).

Looking at average annual growth in real NNI over the last decade, 2002-12, four OECD countries experienced a contraction in real income: Greece (-1.43%), Italy (-0.66%), Portugal (-0.46%), and Iceland (-0.28%), showing the severe impact the economic crisis had on these countries' real income. Three OECD countries showed growth above 4% over the last decade: Chile (6.75%), Poland (4.25%) and Australia (4.15%).

How much of income was received by households?

Disposable income is closer to the concept of income generally understood than either national income or GDP. At the total economy level it differs from national income in that additional income items are included, mainly remittances which, for example, relate to money sent home from a family member working in a foreign country for a period of a year or longer. Another important difference between national income and disposable income concerns the allocation of income across sectors.

Household adjusted disposable income may provide a better reflection of developments in material well-being of the population at large. It represents the maximum amount a household can consume without having to reduce its assets or to increase its liabilities. It is obtained by adding to people's gross incomes (earnings, self-employment and capital income, as well as current monetary transfers received from other sectors, such as unemployment benefits) the social transfers in-kind that households receive from governments (such as education and health care services), and then subtracting taxes on income and wealth, social contributions paid by households as well as the depreciation of capital goods consumed by households.

In 2012, many households (11 out of 20 countries), particularly in the euro area, saw declines in real net adjusted disposable income. Income fell -1.4% in the euro area (double the drop in GDP). The largest decline occurred in Greece (-10.2%). In contrast, three countries recorded an increase in real household net adjusted disposable income above 2%: Norway (3.0%), Luxembourg (2.7%), Sweden (2.4%), and the United States (2.1%).

When comparing average annual growth rates over the period 2001-11, 17 out of 29 countries recorded average annual growth rates in adjusted disposable income above GDP suggesting that household income was sustained somewhat during the economic crisis because of government intervention.

In addition to the above, this edition contains key indicators on economic activity such as the structure and growth of OECD economies; incomes received; how income was spent; as well as indicators on the financial health of governments, corporations, and households.

Reader's guide

Main feature

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" for most countries; 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 and the majority of OECD countries will start in 2014 providing data on the basis of the new system. Australia and the United States are presenting data based on 2008 SNA. The United States is still in the process of providing OECD with more detailed data on a 2008 SNA basis. However, the main aggregates are taken into account in this publication. This explains why some of the data for the United States are missing. However, the online database will be updated as soon as OECD receives detailed data.

The Canadian statistical office, Statistics Canada, has adopted the 2008 SNA. However, the non-financial indicators for Canada are not yet available in the OECD database on a 2008 SNA basis. Therefore, the non-financial indicators are presented on a 1993 SNA basis whereas the data for the financial indicators are presented on a 2008 SNA basis. It should be noted that the conceptual changes between the 1993 and 2008 SNA for the financial area is not large. The main changes relate to a more refined break down of the financial sectors, the classification of holding companies, and the recording of pension entitlements. 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 or previous year 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.

|: Break.

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 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 Economic and 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), became members of the OECD. 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. Data for these countries (except Brazil) are part of this publication whenever available.

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 and for actual individual consumption

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 PPP computations rely. Relatively minor differences between two countries' PPP adjusted indicators, such as PPP adjusted GDP or NNI, may not be statistically or economically significant.

PPPs for GDP are used in all tables and graphs using PPPs as conversion rates except in the following tables and graph where PPPs for actual individual consumption are used: Table 14.1 (Household gross adjusted disposable income per capita), Figure 8.2 for household actual individual consumption, Table A.5 (Actual individual consumption, current prices and PPPs) and Table A.6 (Actual individual consumption, 2005 prices and PPPs).

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, 2008 and **2011**: PPPs for all OECD countries except Chile are triennial benchmark results calculated jointly by the OECD and Eurostat.

2000-01, 2003-04, 2006-07, 2009-10, 2012: PPPs for all European countries are annual benchmark results provided by Eurostat. PPPs for all non-European countries are OECD estimates.

PPPs for Chile are estimates based on the results of the 2005 International Comparison Programme (ICP) round before 2005 and from 2006, are OECD estimates.

More information is available on the PPP Internet site: *www.oecd.org/std/prices-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. Diplomatic personnel, defence personnel, together with their families located abroad, and students studying and patients seeking treatment abroad, are considered as residents of their home country, 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 their "home country's" 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.

For non-financial indicators, 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. Financial data refer to fiscal year for Japan, 1 April of the year indicated to 31 March.

Volume (constant price) estimates

Most OECD countries now produce their accounts using annual chain volume series. Mexico however currently produces fixed-base volume estimates with the base year updated, at present, less periodically with 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". The same holds for indicators such as "gross debt" and "net worth".

Industrial classification (ISIC Rev. 4 and ISIC Rev. 3, International Standard Industrial Classification of All Economic Activities)

Previously the industrial classification was based on ISIC Rev. 3. Currently, the reference classification is ISIC Rev. 4.

It is important to note that many countries have improved their sources in switching to the new classification (and therefore changed their totals). ISIC Rev. 3 won't be updated anymore for countries which have switched to ISIC Rev. 4. Most of non-EU countries are

still providing their data according to ISIC Rev. 3. But the concerned countries are expected to change in the coming years to ISIC Rev. 4. Details of countries concerned are available in the comparability section.

The new ISIC Rev. 4 classification is broken down into 10 activities. The ISIC Rev. 3 is broken down in 6 activities. Therefore, categories have been gathered by the OECD for sake of presentation, as shown below, and one should keep in mind that they are not "equivalent", though comparability has been kept as much as possible:

Rev. 3	Rev. 4
A	A - B
B - E	C - E
F	F
G - I + J	G – I
K + L + M – N	J - K
O - Q + R - U	L - P

These two ISIC classifications and their correspondence are available on UNSD website:

- *http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=2.*
- *http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27.*

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.

Stocks and flows

Most of the data presented in this publication refer to flows, which are production, generation and distribution of income, and the net acquisition of assets and the net incurrence of liabilities. Stock data refer to balance sheet accounts, which present values of assets and liabilities and the net worth of the sector at the end of the accounting period.

Tables mentioned below refer to stocks data:

- 18.1. Non-financial assets of households per capita
- 19.1. Composition of households assets portfolio
- 20.1. Household debt
- 21.1. Financial net worth of households per capita
- 22.1. Total net worth of households
- 29.1. Gross debt of general government
- 30.1. Financial net worth of general government
- 31.1. Non-financial corporations debt
- 32.1. Financial corporations debt
- 33.1. Leverage of the banking sector
- 35.1. Net capital stock, volume

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:

- Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, World Bank (1993), *System of National Accounts 1993*, Brussels/Luxembourg, New York, Paris, Washington, DC, *http://unstats.un.org/unsd/nationalaccount/docs/1993sna.pdf*.
- European Commission, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, World Bank (2009), *System of National Accounts 2008*, New York, *http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf*.

Extracts of the SNA publication are available in:

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

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

- OECD (2013), *OECD Factbook 2013: Economic, Environmental and Social Statistics*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/factbook-2013-en*.

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/std/na/nationalaccountsataglance.htm*.

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, non-financial as well as financial, many of which are also available on a quarterly basis.

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.

Website

OECD, *National Accounts*, *www.oecd.org/std/na/*.

GROSS DOMESTIC PRODUCT (GDP)

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

1. Size of GDP

- *In 2012, GDP for the OECD as a whole was USD 46 168 billion. The largest six economies in the OECD (as measured using purchasing power parities) were the United States, Japan, Germany, France, the United Kingdom, and Italy.*
- *The six smallest economies in the OECD in 2012 were Iceland, Estonia, Luxembourg, Slovenia, the Slovak Republic, and New Zealand.*

Gross Domestic Product (GDP) is the standard measure of the value of final goods and services produced by a country during a period minus the value of imports. 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: 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.

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.

In China, GDP refers to producers' prices.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "Aggregate National Accounts: Gross domestic product", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00001-en*.

Further reading

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

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

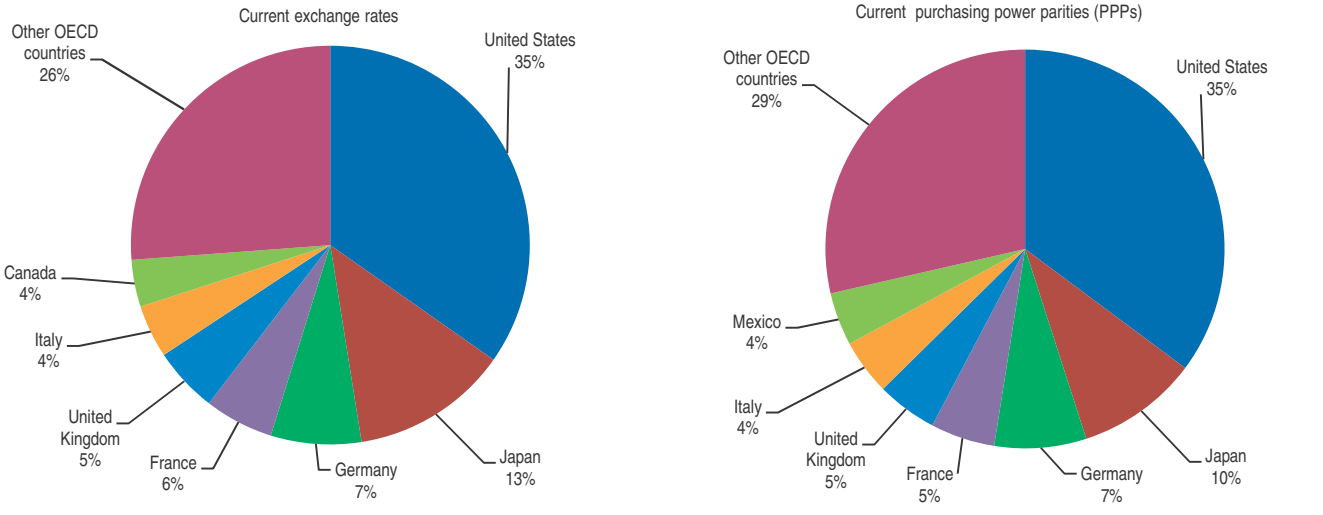
Billion US dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	510	538	569	600	638	675	719	773	826	851	899	934	983	1 027
Austria	217	232	234	246	254	268	277	303	316	332	328	339	361	372
Belgium	259	284	294	310	314	325	337	361	378	397	398	417	440	451
Canada	825	875	911	938	990	1 048	1 132	1 203	1 262	1 299	1 271	1 328	1 387 e	1 435 e
Chile	137	147	155	162	171	188	206	251	274	271	270	313	349	375
Czech Republic	152	160	172	179	192	205	218	239	262	270	271	272	284	289
Denmark	143	154	158	165	164	174	180	196	206	219	213	227	233	239
Estonia	12	14	15	16	18	20	22	26	29	30	27	27	31	33
Finland	122	133	138	143	144	156	161	175	191	202	192	196	208	212
France	1 424	1 535	1 630	1 705	1 694	1 760	1 861	1 994	2 111	2 191	2 199	2 260	2 370	2 417
Germany	2 052	2 120	2 202	2 264	2 341	2 448	2 566	2 766	2 921	3 048	2 945	3 133	3 352	3 434
Greece	184 e	199 e	216 e	235 e	248 e	264 e	270	299	310	333	333	317	301	289
Hungary	113	121	137	149	156	164	171	184	190	205	205	211	223	225
Iceland	8	8	9	9	9	10	10	11	12	13	12	12	12	13
Ireland	97	110	118	130	139	149	161	181	198	189	183	188	197	201
Israel	131	147	150	154	149	160	161	169	184	187	193	205	221	232
Italy	1 386	1 468	1 556	1 540	1 572	1 601	1 657	1 793	1 901	1 997	1 957	1 989	2 057	2 079
Japan	3 116	3 290	3 377	3 472	3 569	3 753	3 890	4 065	4 264	4 289	4 081	4 323	4 380	4 544 e
Korea	727	809	861	936	966	1 038	1 097	1 175	1 268	1 306	1 295	1 394	1 445	1 501
Luxembourg	21	23	24	26	27	30	32	37	41	41	39	43	46	48
Mexico	894 e	988 e	1 010 e	1 048 e	1 109	1 186	1 294	1 443	1 531	1 627	1 598	1 703	1 870	1 975 e
Netherlands	426	469	494	516	515	540	573	623	666	706	684	691	720	726
New Zealand	78	82	87	91	95	101	105	114	122	124	130	133	139	146 e
Norway	133	162	168	168	175	195	220	251	263	292	267	282	307	332
Poland	383	405	419	442	458	496	526	575	638	687	724	778	838	878
Portugal	170	182	191	199	203	208	225	243	256	265	267	274	273	273
Slovak Republic	56	59	65	70	73	79	87	99	113	125	123	129	136	140
Slovenia	33	35	37	39	41	44	47	51	55	59	55	55	58	59
Spain	791	859	921	994	1 040	1 108	1 189	1 341	1 444	1 511	1 481	1 458	1 483	1 503
Sweden	230	248	251	261	273	292	295	325	352	365	350	371	395	408
Switzerland	219	234	241	252	254	265	275	307	338	367	366	379	406	425
Turkey	518	590	562	572	588	688	781	896	975	1 068	1 048	1 168	1 315	1 372
United Kingdom	1 438	1 554	1 648	1 723	1 793	1 917	2 007	2 156	2 211	2 246	2 169	2 150	2 201	2 272
United States	9 666	10 290	10 625	10 980	11 512	12 277	13 095	13 858	14 480	14 720	14 418	14 958	15 534	16 245
Euro area	7 268	7 745	8 158	8 459	8 650	9 028	9 493	10 322	10 962	11 460	11 248	11 556	12 069	12 275
OECD-Total	26 671 e	28 525 e	29 643 e	30 736 e	31 884 e	33 835 e	35 849	38 483	40 586	41 833	40 992	42 656	44 554 e	46 168 e
China	2 698	2 988	3 309	3 669	4 121	4 665	5 364	6 241	7 333	8 215	9 050	10 092	11 313	12 266
India	..	..	..	..	..	2 230	2 517	2 839	3 208	3 378	3 770	..	..	..
Indonesia	509 e	497	526	559	598	646	705	768	840	911	961	1 031	..	..
Russian Federation	870 e	999 e	1 074 e	1 167	1 339	1 474	1 697	2 134	2 378	2 878	2 765	2 925	3 217	3 386
South Africa	280	298	313	330	347	373	406	442	480	509	505	528	558	586

StatLink http://dx.doi.org/10.1787/888933001901

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

The seven largest economies in the OECD, percentage of OECD total, 2012



StatLink http://dx.doi.org/10.1787/888933000951

2. GDP growth

- *In 2012, GDP growth in the OECD area was 1.5%, a slowdown from 2.0% growth in 2011. The overall increase in GDP growth for the OECD as a whole masks the fact that 12 out of the 34 OECD countries experienced negative growth in 2012. GDP contracted most significantly in Greece (6.4%), its fifth consecutive yearly decline. On the other hand, Chile (5.6%) and Estonia (3.9%) showed the highest growth rates.*
- *Between 2002 and 2012 the average annual growth rate of GDP for the OECD area was 1.72%: 21 out of 34 OECD countries were above the average growth rate. Five OECD countries recorded average annual growth rates above 4% over the last decade: Turkey (5.36%), the Slovak Republic (4.74%), Chile (4.41%), Poland (4.23%), and Korea (4.13%). In contrast, five OECD countries recorded average annual growth rates below 1%: Italy (0.23%), Portugal (0.36%), Denmark (0.63%), Japan (0.67%), and Greece (0.87%).*

Changes in the size of economies are usually measured by changes in the volume (often referred to as real) levels 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").

Comparability

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 services produced by government such as health and education. However, this doesn't necessarily mean that growth rates are less comparable.

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

In China, GDP refers to producers' prices.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

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

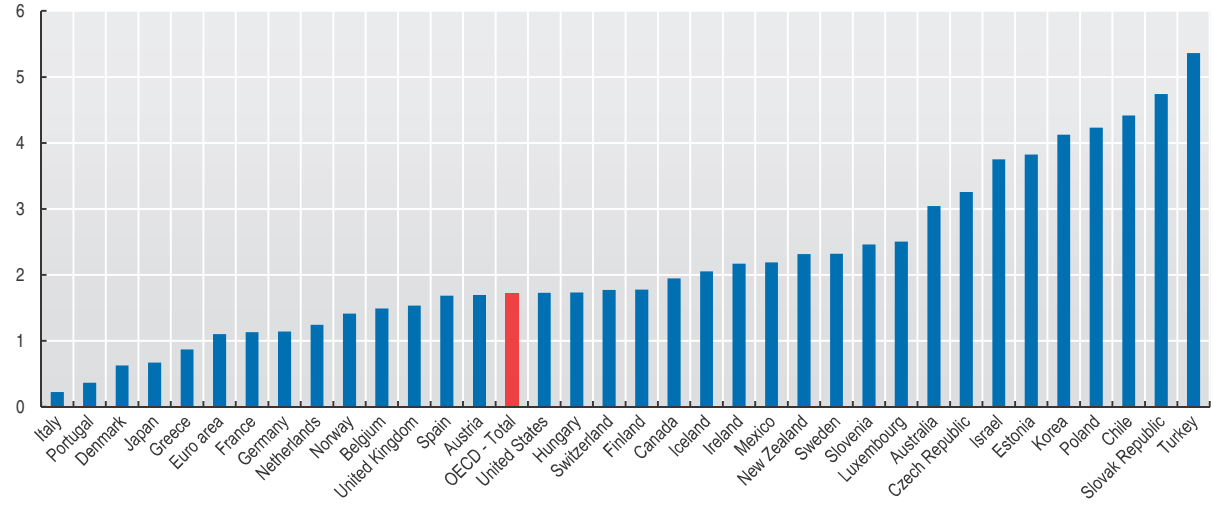
Annual growth rates in percentage

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	3.9	1.9	3.9	3.1	4.2	3.2	3.0	3.8	3.7	1.7	2.0	2.2	3.6	2.6
Austria	3.5	3.7	0.9	1.7	0.9	2.6	2.4	3.7	3.7	1.4	-3.8	1.8	2.8	0.9
Belgium	3.5	3.7	0.8	1.4	0.8	3.3	1.8	2.7	2.9	1.0	-2.8	2.3	1.8	-0.1
Canada	5.5	5.2	1.8	2.9	1.9	3.1	3.0	2.8	2.2	0.7	-2.8	3.2	2.5 e	1.7 e
Chile	-0.5	5.1	3.3	2.7	3.8	7.0	6.2	5.7	5.2	3.3	-1.0	5.8	5.9	5.6
Czech Republic	1.7	4.2	3.1	2.1	3.8	4.7	6.8	7.0	5.7	3.1	-4.5	2.5	1.8	-1.0
Denmark	2.6	3.5	0.7	0.5	0.4	2.3	2.4	3.4	1.6	-0.8	-5.7	1.4	1.1	-0.4
Estonia	-0.3	9.7	6.3	6.6	7.8	6.3	8.9	10.1	7.5	-4.2	-14.1	2.6	9.6	3.9
Finland	3.9	5.3	2.3	1.8	2.0	4.1	2.9	4.4	5.3	0.3	-8.5	3.4	2.7	-0.8
France	3.3	3.7	1.8	0.9	0.9	2.5	1.8	2.5	2.3	-0.1	-3.1	1.7	2.0	0.0
Germany	1.9	3.1	1.5	0.0	-0.4	1.2	0.7	3.7	3.3	1.1	-5.1	4.0	3.3	0.7
Greece	3.4 e	4.5 e	4.2 e	3.4 e	5.9 e	4.4 e	2.3 e	5.5	3.5	-0.2	-3.1	-4.9	-7.1	-6.4
Hungary	3.2	4.2	3.7	4.5	3.9	4.8	4.0	3.9	0.1	0.9	-6.8	1.1	1.6	-1.7
Iceland	4.1	4.3	3.9	0.1	2.4	7.8	7.2	4.7	6.0	1.2	-6.6	-4.1	2.7	1.4
Ireland	11.0	10.6	5.0	5.4	3.7	4.2	6.1	5.5	5.0	-2.2	-6.4	-1.1	2.2	0.2
Israel	3.3	8.7	-0.2	-0.1	1.5	4.9	4.9	5.8	5.9	4.1	1.1	5.0	4.6	3.2
Italy	1.5	3.7	1.9	0.5	0.0	1.7	0.9	2.2	1.7	-1.2	-5.5	1.7	0.5	-2.5
Japan	-0.2	2.3	0.4	0.3	1.7	2.4	1.3	1.7	2.2	-1.0	-5.5	4.7	-0.6	2.0 e
Korea	10.7	8.8	4.0	7.2	2.8	4.6	4.0	5.2	5.1	2.3	0.3	6.3	3.7	2.0
Luxembourg	8.4	8.4	2.5	4.1	1.7	4.4	5.3	4.9	6.6	-0.7	-5.6	3.1	1.9	-0.2
Mexico	3.8 e	6.6 e	0.0 e	0.8 e	1.4 e	4.1	3.3	5.1	3.4	1.2	-6.0	5.3	3.9	3.8 e
Netherlands	4.7	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.9	1.8	-3.7	1.5	0.9	-1.2
New Zealand	5.2	2.4	3.7	5.0	4.1	3.7	3.4	1.7	3.5	-1.8	1.5	0.2	2.2	3.2 e
Norway	2.0	3.3	2.0	1.5	1.0	4.0	2.6	2.3	2.7	0.1	-1.6	0.5	1.3	2.9
Poland	4.5	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.1	1.6	3.9	4.5	1.9
Portugal	4.1	3.9	2.0	0.8	-0.9	1.6	0.8	1.4	2.4	0.0	-2.9	1.9	-1.3	-3.2
Slovak Republic	0.0	1.4	3.5	4.6	4.8	5.1	6.7	8.3	10.5	5.8	-4.9	4.4	3.0	1.8
Slovenia	5.3	4.3	2.9	3.8	2.9	4.4	4.0	5.8	7.0	3.4	-7.9	1.3	0.7	-2.5
Spain	4.7	5.0	3.7	2.7	3.1	3.3	3.6	4.1	3.5	0.9	-3.8	-0.2	0.1	-1.6
Sweden	4.7	4.5	1.3	2.5	2.3	4.2	3.2	4.3	3.3	-0.6	-5.0	6.6	2.9	0.9
Switzerland	1.4	3.7	1.2	0.2	0.0	2.4	2.7	3.8	3.8	2.2	-1.9	3.0	1.8	1.0
Turkey	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.7	0.7	-4.8	9.2	8.8	2.2
United Kingdom	2.9	4.4	2.2	2.3	3.9	3.2	3.2	2.8	3.4	-0.8	-5.2	1.7	1.1	0.3
United States	4.8	4.1	0.9	1.8	2.8	3.8	3.4	2.7	1.8	-0.3	-2.8	2.5	1.8	2.8
Euro area	2.9	3.8	2.0	0.9	0.7	2.2	1.7	3.3	3.0	0.4	-4.4	2.0	1.6	-0.7
OECD-Total	3.4 e	4.1 e	1.3 e	1.7 e	2.2 e	3.3 e	2.8	3.2	2.7	0.2	-3.6	3.0	2.0 e	1.5 e
China	7.6 e	8.4 e	8.3 e	9.1 e	10.0 e	10.1 e	11.3 e	12.7 e	14.2 e	9.6 e	9.2 e	10.4 e	9.3	..
India	..	..	..	..	..	..	9.3	9.3	9.8	4.9	9.1	..	..	..
Indonesia	0.8 e	4.9 e	3.6	4.5	4.8	5.0	5.7	5.5	6.3	6.0	4.6	6.1	..	..
Russian Federation	6.4 e	10.0 e	5.1 e	4.7 e	7.3	7.2	6.4	8.2	8.5	5.2	-7.8	4.5	4.3	3.4
South Africa	2.4	4.2	2.7	3.7	2.9	4.6	5.3	5.6	5.5	3.6	-1.5	3.1	3.5	2.5

StatLink http://dx.doi.org/10.1787/888933001920

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

Average annual growth rates in percentage, between 2002 and 2012



StatLink http://dx.doi.org/10.1787/888933000970

3. GDP per capita

- *GDP per capita for the OECD as a whole was USD 37 010 in 2012. Four countries recorded GDP per capita in excess of USD 50 000 in 2012 – Luxembourg, Norway, Switzerland, and the United States.*
- *In 2012, 19 countries had a GDP per capita below OECD total. GDP per capita for Turkey and Mexico was about half the level of the OECD total.*

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 inflows and outflows of property income and both phenomena imply that the value of production differs from the income of residents, thereby over or under-stating 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 also 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 (GNI and NNI) are often preferred, see second chapter on Income. (See also "Reader's guide", relating to PPP based comparisons.)

In China, GDP refers to producers' prices.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 3.1. **Gross domestic product per capita, current prices and current PPPs**

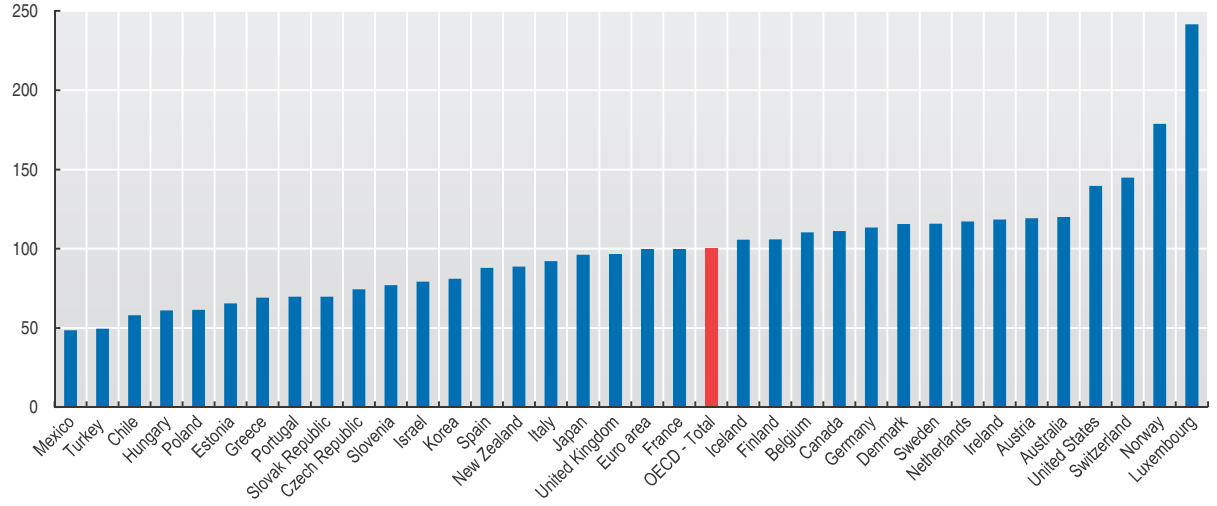
US dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	26 779	27 939	29 146	30 327	31 870	33 332	35 005	37 039	38 862	39 165	40 613	41 645	43 208	44 407 e
Austria	27 186	28 939	29 061	30 463	31 337	32 841	33 637	36 618	38 048	39 856	39 375	40 535	42 978	44 141
Belgium	25 364	27 697	28 560	30 054	30 311	31 176	32 204	34 284	35 619	37 035	36 927	38 273	40 093	40 838
Canada	27 138	28 509	29 364	29 911	31 278	32 826	35 106	36 926	38 324	38 985	37 692	38 917	40 220 e	41 150 e
Chile	8 995	9 544	9 969	10 280	10 762	11 705	12 690	15 273	16 504	16 171	15 925	18 295	20 216	21 486
Czech Republic	14 782	15 564	16 854	17 578	18 780	20 072	21 268	23 288	25 423	25 872	25 875	25 835	27 046	27 522
Denmark	26 926	28 860	29 469	30 756	30 448	32 275	33 196	36 080	37 672	39 841	38 635	40 927	41 843	42 787
Estonia	8 752	9 875	10 704	11 967	13 379	14 746	16 531	19 163	21 554	22 061	19 948	20 470	23 088	24 260
Finland	23 613	25 700	26 564	27 531	27 633	29 849	30 708	33 169	36 119	38 080	35 874	36 586	38 611	39 207
France	23 612	25 275	26 644	27 676	27 299	28 172	29 554	31 454	33 100	34 167	34 111	34 894	36 391	36 933
Germany	24 994	25 794	26 740	27 446	28 371	29 671	31 117	33 581	35 511	37 115	35 973	38 320	40 990	41 923
Greece	16 877 e	18 267 e	19 769 e	21 401 e	22 511 e	23 850 e	24 348	26 792	27 720	29 604	29 475	27 999	26 623	25 586
Hungary	11 059	11 896	13 410	14 669	15 353	16 180	16 975	18 314	18 907	20 430	20 441	21 135	22 413	22 635
Iceland	28 632	28 879	30 476	31 084	30 795	33 716	34 992	35 863	37 122	39 477	37 680	36 637	38 224	39 097
Ireland	25 965	28 904	30 658	33 117	34 703	36 648	38 761	42 300	44 932	42 133	40 230	41 131	42 943	43 803
Israel	21 312	23 354	23 282	23 441	22 161	23 457	23 210	23 849	25 460	25 463	25 755	26 869	28 468	29 349
Italy	24 345	25 784	27 310	26 942	27 288	27 516	28 280	30 426	32 013	33 372	32 519	32 887	33 870	34 143
Japan	24 600	25 919	26 564	27 251	27 962	29 384	30 446	31 797	33 320	33 500	31 875	33 760	34 262	35 622 e
Korea	15 601	17 212	18 171	19 656	20 187	21 617	22 783	24 288	26 084	26 689	26 338	28 210	29 035	30 011
Luxembourg	48 976	53 625	53 911	57 469	60 629	64 843	68 211	78 512	84 301	84 298	79 027	83 974	88 668	89 417
Mexico	9 259 e	10 051 e	10 145 e	10 396 e	10 886	11 526	12 461	13 775	14 487	15 267	14 869	15 726	17 125 e	17 952 e
Netherlands	26 933	29 444	30 821	31 943	31 724	33 182	35 111	38 122	40 681	42 929	41 382	41 587	43 150	43 348
New Zealand	20 321	21 262	22 217	22 962	23 607	24 725	25 387	27 252	28 772	29 075	30 010	30 246	31 487	32 847 e
Norway	29 800	36 173	37 131	37 052	38 286	42 460	47 640	53 893	55 799	61 332	55 317	57 742	61 897	66 135
Poland	9 996	10 581	10 962	11 563	11 993	13 004	13 786	15 090	16 736	18 025	18 972	20 208	21 753	22 783
Portugal	16 744	17 815	18 530	19 146	19 467	19 845	21 369	22 988	24 169	24 939	25 125	25 713	25 672	25 802
Slovak Republic	10 407	10 995	12 084	12 966	13 607	14 647	16 175	18 399	20 848	23 214	22 761	23 790	25 130	25 848
Slovenia	16 707	17 572	18 461	19 759	20 528	22 257	23 472	25 466	27 206	29 037	27 023	27 004	28 156	28 482
Spain	19 815	21 336	22 606	24 068	24 770	25 945	27 392	30 433	32 190	33 131	32 251	31 640	32 156	32 551
Sweden	25 976	27 985	28 261	29 278	30 439	32 479	32 701	35 734	38 427	39 613	37 605	39 567	41 761	42 874
Switzerland	30 626	32 436	33 103	34 354	34 265	35 577	36 648	40 572	44 303	47 552	46 970	48 733	51 582	53 641
Turkey	8 171	9 183	8 623	8 667	8 796	10 159	11 394	12 911	13 884	15 021	14 550	16 003	17 781	18 315 e
United Kingdom	24 501	26 389	27 875	29 048	30 101	32 032	33 318	35 580	36 249	36 588	35 103	34 524	35 091	35 671
United States	34 603	36 437	37 252	38 132	39 612	41 864	44 242	46 376	47 996	48 336	46 927	48 287	49 782	51 689
Euro area	23 183	24 610	25 804	26 608	27 045	28 045	29 314	31 704	33 473	34 805	34 041	34 872	36 325	36 847
OECD-Total	23 331 e	24 765 e	25 553 e	26 307 e	27 098 e	28 560 e	30 057	32 047	33 557	34 339	33 436	34 580	35 919 e	37 010 e
China	2 145	2 357	2 593	2 856	3 189	3 589	4 102	4 748	5 550	6 186	6 781	7 526	8 397	9 059
India	..	..	..	..	..	2 048	2 276	2 530	2 819	2 928	3 222	..	..	..
Indonesia	2 454 e	2 421	2 531	2 650	2 796	2 978	3 207	3 448	3 724	3 985	4 152	4 336	..	..
Russian Federation	5 908 e	6 818 e	7 360 e	8 029	9 255	10 232	11 822	14 917	16 649	20 164	19 367	20 475	22 502	..
South Africa	6 462	6 762	6 995	7 272	7 545	8 007	8 601	9 261	9 938	10 403	10 216	10 553	11 028	..

StatLink http://dx.doi.org/10.1787/888933001939

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

Based on current PPPs, 2012



StatLink http://dx.doi.org/10.1787/888933000989

INCOME

4. National income
5. Real measures of income
6. Saving rate
7. Net lending/net borrowing

4. National income

- *In 2012, ranking countries by net national income per capita the five highest countries were Norway, Luxembourg, Switzerland, the United States, and Sweden.*
- *In 2012, 14 countries are above the OECD average, 19 are below. In 2002, 18 countries were above and 15 were below. In 2002, the United States was the second ranked country at 46% above the OECD total and in 2012 they fell to fourth, losing over 5 percentage points.*

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). Whereas GDP refers to the income generated by production activities on the economic territory of the country, GNI measures the income earned by the residents of a country, whether generated on the domestic territory or abroad.

Definition

GNI is defined as GDP plus net receipts from abroad of wages and salaries and of property income plus net taxes and subsidies receivable from abroad. 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 14) but not national income.

Property income from/to abroad includes interest, dividends and all or part of the retained earnings of foreign enterprises owned fully or in part by residents (and vice versa).

In most countries, net receipts of property income account for most of the difference between GDP and GNI. However, it is important to note that retained earnings of foreign enterprises owned by residents do not actually return to the residents concerned. Nevertheless, the retained earnings are recorded as a receipt of property income. A counter entry of the same amount is treated as a financial transaction (a reinvestment of earnings abroad, in shares and other equities). 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 added to foreign direct investment. For most OECD countries, GNI per capita does not differ significantly from GDP per capita.

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 (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

OECD (2009), *Handbook on Deriving Capital Measures of Intellectual Property Products*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264079205-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

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

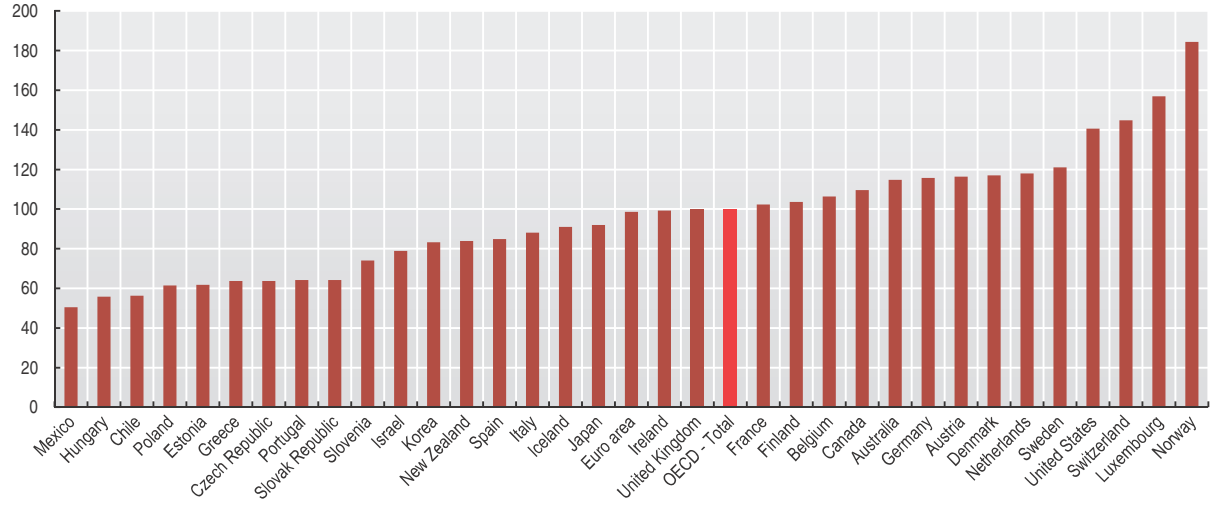
Based on current PPPs

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	109	106	108	110	112	109	109	107	108	108	115	114	115	115 e
Austria	113	113	110	113	113	112	109	111	111	115	116	116	117	116
Belgium	110	114	113	116	113	109	106	105	105	108	107	110	109	106
Canada	114	114	113	112	114	114	116	115	115	114	112	111	110 e	110 e
Chile	38 e	38 e	38 e	38 e	38 e	38 e	39 e	42 e	45 e	45 e	46 e	50 e	54 e	56 e
Czech Republic	58	57	59	60	62	63	64	65	67	69	68	65	65	64
Denmark	112	112	111	113	109	111	110	113	112	115	115	119	117	117
Estonia	38	40	41	45	48	50	54	57	61	62	57	55	60	62
Finland	99	101	103	104	100	104	101	103	107	110	108	106	106	104
France	106	107	109	109	105	102	102	101	103	103	106	105 e	104 e	102 e
Germany	106	102	103	103	103	105	104	106	108	110	111	113	116	116
Greece	76 e	77 e	81 e	85 e	85 e	85 e	81	83	82	85	87	77	68	64
Hungary	42	43	48	52	53	53	53	53	52	55	57	57	57	56
Iceland	124	116	118	122	115	116	115	106	106	86	85	82	88	91
Ireland	99	104	104	108	114	113	114	118	120	111	104	103	99	99
Israel	89	90	89	87	79	80	77	75	77	75	78	78	80	79
Italy	104	103	106	101	99	95	93	93	94	95	95	92	90	88
Japan	101 e	99 e	98	98	98	98	97	95	96	93	90	93	91	92 e
Korea	66	69	72	76	76	77	77	76	79	80	81	84	82	83
Luxembourg	189	187	186	181	174	200	198	185	205	193	144	158	163	157
Mexico	41 e	42 e	41 e	41 e	42	42	43	45	45	47	46	47	50 e	50 e
Netherlands	117	121	121	122	118	119	117	122	124	123	121	118	120	118
New Zealand	82	80	83	83	84	82	79	78	79	78	86	83	83	84 e
Norway	126	145	147	142	144	151	164	172	169	183	168	171	175	184
Poland	43	43	43	44	44	45	46	46	49	53	57	59	61	61
Portugal	70	69	69	70	69	67	68	67	67	68	70	69	65	64
Slovak Republic	41	41	44	46	44	46	49	52	58	64	65	64	64	64
Slovenia	70	69	70	73	74	76	76	77	79	82	78	76	76	74
Spain	85	87	89	92	92	90	90	93	93	94	94	89	86	85
Sweden	113	114	111	113	116	116	112	115	121	123	117	120	121	121
Switzerland	135	136	129	128	130	128	129	133	128	123	139	147	139	145
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	108	110	114	117	118	118	118	116	114	115	112	105	103	100
United States	149	149	147	146	147	147	147	146	142	140	140	140	140	141
Euro area	100	99	101	101	100	99	98	99	100	101	102	100	100	99
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	7	8	8	9	9	10	..	..	..
Indonesia	..	10	11	11	11	11	11	11	12	12	13	14	..	..
Russian Federation	25 e	29 e	31 e	32	36	38	42	50	54	64	62	64	67	..
South Africa	27	27	27	27	28	28	29	29	29	30	30	30	31	..

StatLink http://dx.doi.org/10.1787/888933001958

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

Current PPPs, 2012



StatLink http://dx.doi.org/10.1787/888933001008

5. Real measures of income

- *In OECD countries 14 out of the 33 experienced a contraction in real net national income in 2012. Real net national income contracted most significantly in Greece (6.7%). On the other hand, Chile (5.0%) and Norway (4.9%) showed the highest growth rates.*
- *Between 2002 and 2012, most OECD countries recorded a positive average annual growth rate. Three countries showed average annual growth rates above 4%: Australia (4.2%) Poland (4.3%) and Chile at 6.8%. In contrast, four countries showed an average decline in real income: Greece (-1.4%), Italy (-0.7%) and Portugal (-0.5%) and Iceland (-0.3%).*

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 say GNI 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 (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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

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Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 5.1. **Real net national income index**

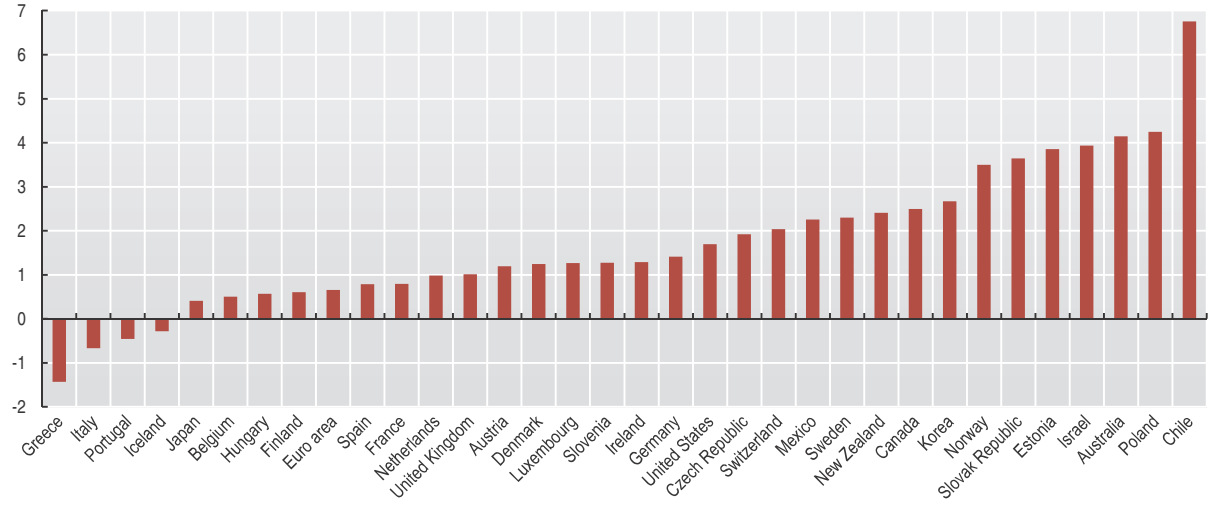
Year 2005 = 100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	79	80	84	87	92	95	100	105	110	115	115	123	130	130
Austria	89	92	92	95	96	98	100	104	107	108	103	106	107	107
Belgium	93	95	95	97	97	99	100	102	105	104	100	104	104	102
Canada	78	85	85	87	91	96	100	104	107	110	101	106	109 e	111 e
Chile	70 e	74 e	76 e	78 e	81 e	91 e	100	111 e	119 e	119 e	120 e	134 e	143 e	150 e
Czech Republic	80	81	84	87	90	94	100	105	109	114	106	106	108	105
Denmark	86	88	89	90	91	95	100	104	104	104	96	101	102	102
Estonia	61	66	70	76	83	90	100	110	120	115	98	97	108	112
Finland	86	90	93	95	94	99	100	104	108	107	98	102	103	100
France	91	93	95	95	96	98	100	102	105	104	101	102 e	104 e	103 e
Germany	93	94	96	96	97	100	100	105	108	107	104	107	110	111
Greece	81 e	83 e	87 e	91 e	95 e	99 e	100	104	107	106	102	94	84	78
Hungary	75	78	82	88	93	97	100	102	101	102	96	96	96	93
Iceland	80	83	84	88	87	92	100	101	108	82	73	75	83	85
Ireland	73	81	83	86	91	94	100	106	111	107	97	99	97	97
Israel	83	88	90	89	89	93	100	107	113	114	117	123	128	131
Italy	94	95	97	98	98	100	100	102	103	99	95	95	95	91
Japan	94 e	95 e	95	95	97	99	100	101	103	99	93	98	97	99 e
Korea	77	83	86	93	95	98	100	104	109	108	109	116	117	121
Luxembourg	78	80	81	80	80	95	100	96	111	104	75	87	92	91
Mexico	83 e	90 e	90 e	92 e	92	96	100	106	110	111	101	108	112	115 e
Netherlands	90	95	96	96	96	100	100	106	109	106	100	103	107	106
New Zealand	78	80	85	89	95	98	100	100	106	102	106	108	111	113 e
Norway	71	82	84	82	84	90	100	107	107	113	101	105	110	116
Poland	83	86	87	88	90	95	100	106	113	121	123	127	132	133
Portugal	95	96	97	99	99	100	100	100	102	100	98	101	98	95
Slovak Republic	78	80	83	87	86	92	100	108	120	127	119	121	124	124
Slovenia	81	82	86	90	94	97	100	106	113	115	107	106	106	102
Spain	81	85	88	91	94	97	100	104	106	106	103	102	100	99
Sweden	85	88	89	90	94	97	100	105	110	110	102	109	112	113
Switzerland	88	91	88	88	93	95	100	103	98	91	101	109	104	108
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	80	83	86	89	94	97	100	101	105	106	98	99	101	99
United States	85	89	90	91	94	97	100	103	103	101	99	103	105	108
Euro area	90	93	94	95	96	99	100	103	106	105	100	102	103	102
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	91	100	110	122	127	139	..	..	..
Indonesia	..	83	88	87	86	93	100	105	109	118	121	131	..	..
Russian Federation	56 e	71 e	72 e	74	79	90	100	111	124	131	109	121	133	..
South Africa	75	79	81	86	88	94	100	106	110	113	113	120	128	129

StatLink http://dx.doi.org/10.1787/888933001977

Figure 5.1. **Real net national income**

Average annual growth rates between 2002 and 2012



StatLink http://dx.doi.org/10.1787/888933001027

6. Saving rate

- *In 2012, five countries showed a negative savings rate: Greece, Iceland, Portugal, the United Kingdom, and Italy. On the other hand, five countries recorded a savings rate of more than 10%: Norway, Korea, Sweden, Estonia, and the Netherlands.*
- *When comparing between 2011 and 2001, the net savings rate declined in 17 countries. The largest differences, of more than 10 percentage points, were recorded in Greece, Iceland, and Finland.*

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 (see also Section 16). 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 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 16 not all countries include changes in net equity of households in pension funds and so comparisons of savings estimates at the sectorial, but not national, level will be affected.

Some care is also needed in terms of economic interpretability at the sectorial 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 (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 6.1. **Net saving rate**

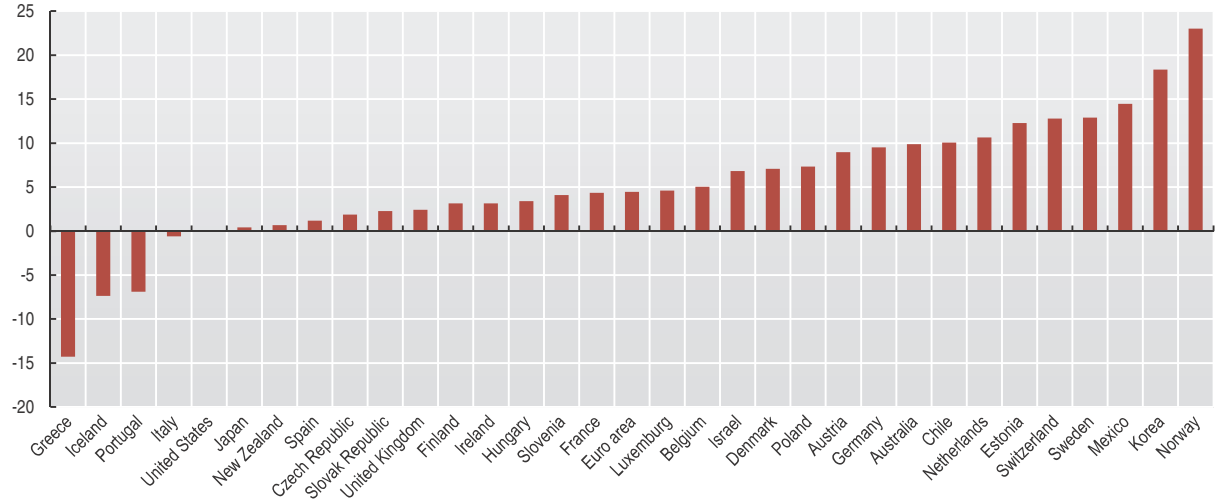
Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	5.5	4.7	5.7	5.1	5.8	5.1	6.0	5.8	6.6	8.6	6.4	8.5	9.9	8.5
Austria	8.3	8.6	7.9	9.6	8.9	9.6	9.2	10.4	12.2	12.3	7.6	8.7	9.0	8.4
Belgium	11.2	11.6	10.2	10.0	9.5	9.9	9.5	9.8	10.8	8.5	3.2	6.1	5.0	2.8
Canada	7.5	10.8	8.9	7.7	8.0	10.0	11.0	11.7	10.9	10.4	3.1	4.3	..	..
Chile	8.4 e	8.4 e	8.6 e	8.8 e	8.6 e	10.9 e	11.6 e	13.9 e	13.2 e	10.3 e	10.2 e	11.9 e	10.0 e	9.1 e
Czech Republic	5.0	5.3	5.0	3.4	2.2	4.0	6.0	7.1	7.1	8.3	1.7	0.8	1.9	1.3
Denmark	5.7	6.8	7.4	6.6	6.6	7.0	9.3	9.9	8.7	8.2	2.4	5.8	7.1	6.8
Estonia	8.7	11.4	10.8	9.8	9.7	9.4	11.3	10.8	10.9	8.4	7.0	7.7	12.3	11.9
Finland	10.9	13.0	13.4	12.4	9.2	11.0	9.7	10.4	11.7	9.5	3.6	4.0	3.1	1.2
France	9.7	9.3	8.8	7.4	6.7	7.1	6.8	7.3	7.7	6.6	3.2	3.6 e	4.3 e	3.5 e
Germany	6.0	5.8	5.4	5.3	4.9	7.6	7.6	10.1	12.3	10.6	6.7	8.5	9.5	9.2
Greece	-0.1 e	-0.1 e	0.1 e	-0.9 e	-0.1 e	-0.1 e	-1.7	-1.3	-3.1	-6.8	-9.9	-11.3	-14.3	-13.5
Hungary	-0.2	1.0	2.4	2.0	0.0	1.7	1.8	1.8	0.2	1.8	1.4	3.1	3.4	1.8
Iceland	3.1	1.4	4.8	7.7	3.0	2.1	0.5	-1.0	0.1	-14.8	-14.7	-11.9	-7.4	-6.1
Ireland	13.2	13.6	11.3	10.4	13.0	13.2	13.3	14.0	11.3	6.1	1.8	3.6	3.2	4.5
Israel	7.4	6.8	5.9	3.7	4.2	5.3	8.2	10.3	8.9	6.8	6.8	6.7	6.8	6.5
Italy	6.7	6.0	6.4	6.0	5.0	5.5	4.5	4.7	5.2	2.6	-0.2	-0.6	-0.6	-0.4
Japan	7.3 e	7.3 e	5.3	4.3	4.8	5.6	5.7	5.9	6.8	4.2	-0.1	1.7	0.4	..
Korea	19.8	19.1	17.5	17.5	18.8	21.1	18.8	17.5	17.5	17.5	17.0	19.2	18.4	18.1
Luxembourg	..	..	..	..	..	..	..	..	..	..	-3.8	3.8	4.6	3.0
Mexico	14.8 e	15.5 e	11.5 e	12.3 e	12.8	15.2	14.7	16.9	16.8	16.3	12.3	13.4	14.5	..
Netherlands	12.5	13.7	12.0	10.8	10.4	12.6	11.8	14.5	14.5	10.9	6.2	7.5	10.7	10.3
New Zealand	1.7	3.5	5.7	5.3	5.6	4.8	2.3	0.9	2.1	-1.1	1.7	1.4	0.7	..
Norway	13.5	21.9	21.2	17.3	16.4	19.7	25.4	27.2	25.5	27.7	19.3	20.9	23.0	25.3
Poland	6.6	6.1	4.8	2.9	3.3	1.7	4.1	4.3	6.3	6.8	6.2	6.0	7.3	6.8
Portugal	4.4	1.9	1.0	0.8	0.1	-1.1	-3.8	-4.6	-4.1	-6.7	-8.3	-7.8	-6.9	-4.2
Slovak Republic	2.8	2.7	1.8	0.9	-2.3	-0.1	1.0	1.5	5.2	4.4	-1.8	0.1	2.3	2.0
Slovenia	7.4	7.1	7.8	8.6	9.1	9.6	10.1	11.7	12.8	10.9	5.2	4.0	4.1	3.9
Spain	9.3	9.6	9.2	9.8	10.0	8.7	8.0	7.6	6.6	4.7	3.5	2.5	1.2	2.1
Sweden	10.1	10.6	10.0	9.3	11.3	11.3	12.4	14.3	16.6	16.0	9.3	12.3	12.9	12.0
Switzerland	13.2	15.3	12.2	9.5	13.4	13.7	17.4	18.7	13.7	6.8	12.1	17.5	12.8	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	4.4	3.8	4.2	4.1	4.5	4.2	4.5	3.8	5.2	5.8	1.4	1.3	2.4	-0.5
United States	6.1	5.8	4.3	3.0	2.3	2.6	2.7	3.7	1.7	-0.6	-2.1	-0.8	0.1	0.8
Euro area	8.0	7.8	7.4	7.0	6.5	7.5	7.0	8.0	8.7	6.8	3.3	4.0	4.5	4.4
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	22.5	23.6	24.9	27.1	22.1	23.7	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	17.8 e	27.4 e	23.9 e	21.0	21.0	23.9	24.6	25.6	26.4	25.3	15.4	21.2	24.9	..
South Africa	2.3	2.5	2.3	3.8	2.9	2.9	2.5	2.1	1.7	2.2	1.7	3.4	3.8	0.3

StatLink http://dx.doi.org/10.1787/888933001996

Figure 6.1. **Net saving rate**

Percentage of GDP, 2011



StatLink http://dx.doi.org/10.1787/888933001046

7. Net lending/net borrowing

- *In 2011, the balance of the general government sector was negative (net borrowing) in 24 out of 32 countries. Ireland and the United States recorded net borrowing above 10% of GDP. In contrast, Norway was a net lender (positive) at 13.6% of GDP.*
- *Net lending of the combined household and NPISHs sector was positive in 24 out of 28 countries in 2011.*

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 – consumption expenditure, gross capital formation and capital transfers – in excess of disposable income. Its importance as an economic concept is best illustrated by the fact that net lending/net borrowing of general government forms one of the two Maastricht excessive deficit criteria (with an additional adjustment to reflect net streams of interest payments resulting from swaps arrangements and forward rate agreements) 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-financial assets plus capital transfers receivable 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 14 and 16) 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 sectorial 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 28.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "Detailed National Accounts: Simplified non-financial accounts", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00010-en*.

Further reading

Eurostat (2002), *ESA95 Manual on Government Deficit and Debt*, European Communities, Luxembourg, *http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/Annexes/ei_naga_a_esms_an1.pdf*

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 7.1. **Net lending/net borrowing by institutional sector**

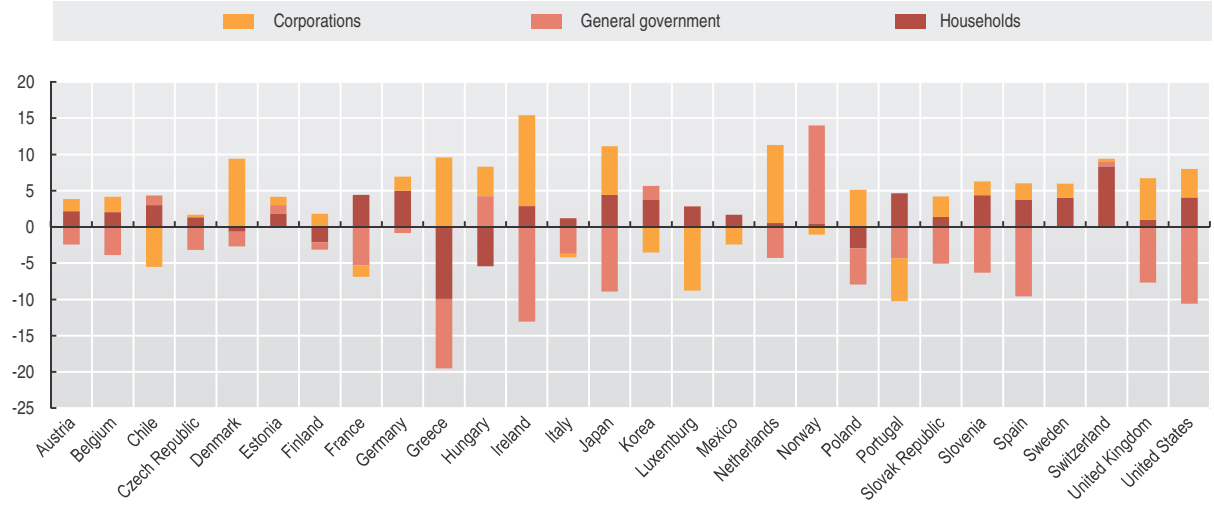
Percentage of GDP

	Total			Corporations			General government			Households		
	2001	2006	2011	2001	2006	2011	2001	2006	2011	2001	2006	2011
Australia	-2.6	-5.5	..	0.3	-4.8	..	-0.6	1.3	-4.2	-2.3	-2.2	..
Austria	-1.0	3.0	1.4	-3.9	-0.4	1.7	-0.2	-1.7	-2.4	3.0	5.1	2.1
Belgium	4.1	3.4	0.3	-2.1	0.6	2.1	0.4	0.3	-3.9	5.9	2.5	2.0
Canada	3.5	1.8	..	2.8	2.9	..	0.7	1.6	..	0.0	-2.7	..
Chile	..	..	-1.2	..	..	-5.5	..	..	1.3	..	..	3.0
Czech Republic	-4.3	-2.1	-1.6	-0.6	-1.1	0.3	-5.6	-2.4	-3.2	1.8	1.4	1.3
Denmark	3.1	3.0	6.8	2.4	1.7	9.4	1.2	5.0	-2.0	-0.4	-3.8	-0.6
Estonia	-4.8	-13.6	4.4	-4.1	-4.9	1.1	-0.1	2.5	1.1	-0.7	-11.2	1.9
Finland	8.5	4.7	-1.3	5.1	4.6	1.8	5.1	4.1	-1.0	-1.7	-3.9	-2.1
France	1.3	-0.8	-2.5	-1.1	-1.6	-1.6	-1.7	-2.4	-5.3	4.1	3.1	4.4
Germany	-0.2	6.5	6.1	-1.7	2.2	1.9	-3.1	-1.7	-0.8	4.6	5.9	5.0
Greece	..	-11.5	-9.8	..	3.9	9.6	-4.5 e	-6.0	-9.6	..	-9.4	-9.9
Hungary	-5.2	-6.9	2.9	-3.2	-0.6	4.1	-4.1	-9.5	4.2	2.2	3.1	-5.4
Iceland	..	..	..	..	..	..	-0.7	6.3	-5.6	..	..	..
Ireland	..	-3.6	1.1	..	3.9	12.6	1.0	2.9	-13.1	..	-10.1	2.9
Israel	-1.0	5.4	4.2	..	..	..	-6.4	-2.7	-4.4	..	..	..
Italy	0.4	-1.4	-3.0	-0.5	-1.4	-0.5	-3.2	-3.4	-3.7	4.1	3.5	1.2
Japan	1.2	3.6	2.2	3.7	4.0	6.7	..	-1.3	-8.9	3.5	0.9	4.4
Korea	1.7	0.8	2.1	-2.8	-8.3	-3.5	4.3	3.9	2.0	0.2	5.2	3.7
Luxembourg	..	1.9	-5.9	..	-0.5	-8.8	6.1	1.4	0.1	..	1.0	2.8
Mexico	..	-0.5	-0.7	..	-2.9	-2.3	..	0.2	-0.1	..	2.2	1.7
Netherlands	5.0	8.7	7.0	3.7	9.5	10.8	-0.3	0.5	-4.3	1.6	-1.3	0.5
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	16.1	16.4	12.7	3.5	1.0	-1.1	13.3	18.3	13.6	-0.7	-3.0	0.4
Poland	-2.4	-3.1	-2.8	-3.4	-1.2	5.1	-5.3	-3.6	-5.0	6.3	1.8	-2.9
Portugal	-9.0	-9.5	-5.6	-6.5	-6.4	-5.9	-4.8	-4.6	-4.3	2.3	1.5	4.6
Slovak Republic	-7.2	-7.9	-0.9	-0.8	-2.6	2.8	-6.5	-3.2	-5.1	0.1	-2.1	1.4
Slovenia	-0.3	-2.8	0.0	-2.0	-7.0	1.9	-4.0	-1.4	-6.3	5.6	5.6	4.4
Spain	-3.5	-8.4	-3.5	-3.6	-8.1	2.3	-0.6	2.4	-9.6	0.6	-2.6	3.7
Sweden	4.9	7.3	6.1	0.0	4.0	1.9	1.6	2.2	0.0	2.9	0.6	4.0
Switzerland	8.2	13.1	9.2	2.2	8.1	0.4	-0.4	0.5	0.7	7.2	6.2	8.3
Turkey	..	..	..	..	..	..	..	0.8 |	-0.8	..	..	..
United Kingdom	-2.2	-2.8	-1.2	-2.2	3.9	5.8	0.4	-2.8	-7.7	-0.4	-3.8	1.0
United States	-2.5	-4.2	-2.6	-1.6	0.5	3.9	-1.4	-3.0	-10.6	0.5	-1.7	4.1
Euro area	..	..	..	..	..	..	-2.0	-1.4	-4.1	3.0	2.0	2.8
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	1.9	5.7	2.1	-4.4	-9.1	-15.4	-6.7	0.9	1.8	13.0	14.0	15.7
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	9.6	4.1	..	-1.9	-5.4	..	8.3	4.2	..	3.1	5.3
South Africa	0.3	-5.3	-3.4	1.7	-2.2	1.6	-2.0	-1.4	-5.6	0.6	-1.7	0.6

StatLink http://dx.doi.org/10.1787/888933002015

Figure 7.1. **Net lending/net borrowing by institutional sector**

Percentage of GDP, 2011



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EXPENDITURE

8. Household consumption
9. General government final consumption
10. Investment
11. Exports and imports of goods and services

8. Household consumption

- *In 2012, the largest differences between actual individual consumption and final consumption of households were seen in Denmark, Sweden, the Netherlands, Finland, Iceland and France (over 16 percentage points). In contrast, Turkey, Mexico and the United States had the lowest differences (less than 6 points) between the two measures.*
- *In 2012, Chile, Estonia, Mexico, Norway and Israel recorded the highest annual growth rates in household final consumption. Greece, Portugal, Slovenia, Italy and Spain recorded the lowest.*

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, health care and education. See also Section 14 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 of households across countries. This is because there are significant differences between countries regarding the proportion of expenditure on health care 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 8.2 shows actual individual consumption per head using PPPs specifically related to actual individual consumption and are therefore different to PPPs used for overall GDP.

Table 8.3 and Figure 8.3 show the contribution made by household final consumption, investment, general government consumption, change in inventories and net exports to overall GDP growth. Note that for those countries that deflate their current price estimates of GDP using so-called superlative price indices, such as the United States, the sum of the contribution of the individual components will not necessarily sum up to the overall GDP growth rate.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 8.1. **Household final and actual individual consumption**

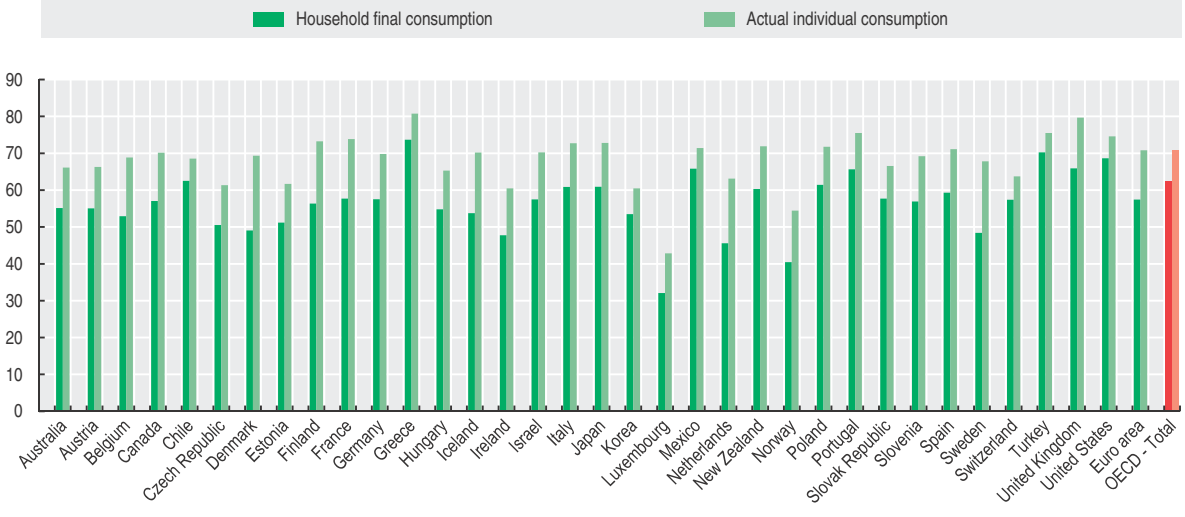
Percentage of GDP

	Household final consumption							Actual individual consumption						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	56.5	56.3	54.3	55.4	54.0	53.8	55.1	67.0	66.8	65.2	66.5	64.9	64.8	66.1
Austria	54.2	52.9	52.8	54.7	55.0	54.8	55.1	64.8	63.5	63.7	66.2	66.4	65.9	66.3
Belgium	51.3	50.9	52.0	52.8	53.0	52.7	52.9	65.3	64.9	66.6	68.4	68.4	68.3	68.9
Canada	55.3	55.7	55.5	58.7	57.9	57.1 e	57.0 e	67.0	67.5	67.6	72.2	71.2	70.2 e	70.1 e
Chile	55.0	55.8	60.8	59.5	59.0	61.2	62.5	60.5 e	61.0 e	66.5	65.9	65.2	67.2	68.5
Czech Republic	48.6	47.7	48.9	50.6	50.6	50.6	50.6	58.9	57.6	58.8	61.5	61.4	61.4	61.4
Denmark	48.2	48.4	47.9	49.4	48.6	48.7	49.1	66.3	66.6	66.7	70.6	69.3	69.0	69.3
Estonia	55.4	54.1	54.8	54.0	52.4	50.5	51.2	64.3	63.1	65.4	66.2	63.9	61.3	61.7
Finland	51.7	50.4	51.5	54.6	55.4	55.7	56.4	66.4	64.6	66.3	71.3	72.0	72.2	73.3
France	56.7	56.5	56.9	58.1	58.1	57.7	57.7	71.9	71.5	72.0	74.2	74.2	73.7	73.8
Germany	57.9	55.9	56.2	58.7	57.5	57.4	57.5	69.5	67.2	67.8	71.4	70.1	69.7	69.8
Greece	69.7	69.6	72.3	72.4	73.4	74.6	73.7	76.5	76.7	79.6	80.0	80.9	81.7	80.8
Hungary	53.8	55.0	54.2	54.5	53.1	53.3	54.8	66.3	66.6	65.9	66.6	64.4	64.1	65.3
Iceland	58.2	57.4	53.4	51.0	51.5	51.9	53.7	74.6	73.8	70.1	68.6	68.6	68.6	70.2
Ireland	45.6	46.9	50.0	48.9	49.3	48.1	47.8	56.2	58.0	62.1	62.7	62.8	61.0	60.5
Israel	56.0	57.8	58.3	57.4	58.6	58.6	57.5	68.6	70.3	71.0	70.0	71.3	71.3	70.3
Italy	59.0	58.6	59.2	60.3	60.8	61.2	60.9	70.9	70.2	71.0	72.8	73.2	73.2	72.7
Japan	57.9	57.3	58.3	60.1	59.3	60.5	60.9 e	67.9	67.4	68.7	71.4	70.6	72.4	72.8 e
Korea	54.5	54.4	54.7	54.1	52.6	53.1	53.5	60.7	60.7	61.2	61.0	59.3	59.9	60.5
Luxembourg	33.5	32.0	32.9	34.5	32.5	31.8	32.1	42.9	41.1	42.4	45.4	42.9	42.0	42.8
Mexico	64.9	64.8	64.8	66.0	65.7	64.6	65.8 e	70.1	70.0	70.1	71.9	71.5	70.4	71.4 e
Netherlands	47.2	46.2	45.5	46.0	45.7	45.4	45.6	62.0	61.1	60.7	63.0	62.8	62.4	63.1
New Zealand	59.9	58.3	59.1	59.5	59.0	59.8	60.3 e	70.9	69.3	71.3	71.9	71.2	71.5	71.9 e
Norway	40.9	41.3	39.2	43.1	42.8	41.1	40.4	53.5	54.0	51.7	57.7	57.2	55.2	54.5
Poland	62.5	60.5	61.6	61.1	61.3	61.1	61.5	72.7	70.5	72.0	71.7	72.1	71.5	71.8
Portugal	65.1	65.3	66.8	65.1	65.9	66.0	65.7	76.8	76.4	78.0	77.2	77.8	76.9	75.5
Slovak Republic	57.2	56.1	57.2	61.0	58.4	57.6	57.7	64.9	64.1	65.6	70.5	67.7	66.3	66.5
Slovenia	52.8	52.5	52.6	55.6	57.1	57.5	56.9	63.9	62.8	63.3	67.6	69.5	69.8	69.2
Spain	57.4	57.4	57.2	56.6	57.9	58.6	59.3	67.9	68.1	68.6	69.3	70.4	70.9	71.1
Sweden	47.2	46.7	47.0	49.3	48.5	48.0	48.4	66.1	65.4	65.9	69.5	67.7	67.2	67.8
Switzerland	58.2	56.8	56.5	58.5	57.9	57.3	57.4	64.5	62.9	62.1	64.8	64.1	63.5	63.7 e
Turkey	70.5	71.3	69.8	71.5	71.7	71.2	70.2	74.9 e	75.9 e	74.4 e	76.7 e	76.8 e	76.1 e	75.5 e
United Kingdom	63.9	63.6	63.5	64.4	64.5	64.6	65.9	76.7	76.4	76.8	79.0	78.8	78.4	79.7
United States	67.1	67.3	68.0	68.3	68.2	69.0	68.6	73.1 e	73.4 e	74.3 e	74.8 e	74.6 e	75.1 e	74.6 e
Euro area	56.7	55.9	56.3	57.6	57.5	57.5	57.5	69.1 e	68.2 e	69.0 e	71.3 e	71.1 e	70.8 e	70.8 e
OECD-Total	61.3	61.1	61.4	62.4	62.1	62.4 e	62.6 e	70.3 e	70.1 e	70.4 e	71.2 e	71.3 e	71.2 e	71.0 e
China	38.2	36.2	35.6	36.3	35.1	35.7	36.7	..	..	..	..	..	..	..
India	57.7	57.0	58.4	57.7	..	..	..	60.6	59.9	61.5	61.5	..	..	..
Indonesia	62.7	63.5	60.6	58.7	56.7	..	..	..	..	..	..	..	..	..
Russian Federation	48.8	48.8	48.9	54.6	51.5	49.1	49.2	56.8	56.9	57.4	64.5	60.4	57.7	58.0
South Africa	63.2	62.7	61.7	60.7	59.6	59.8	60.4	71.1	70.2	68.9	69.3	68.5	68.7	69.0

StatLink http://dx.doi.org/10.1787/888933002034

Figure 8.1. **Household final and actual individual consumption**

Percentage of GDP, 2012



StatLink http://dx.doi.org/10.1787/888933001084

Table 8.2. **Household final consumption, volume**

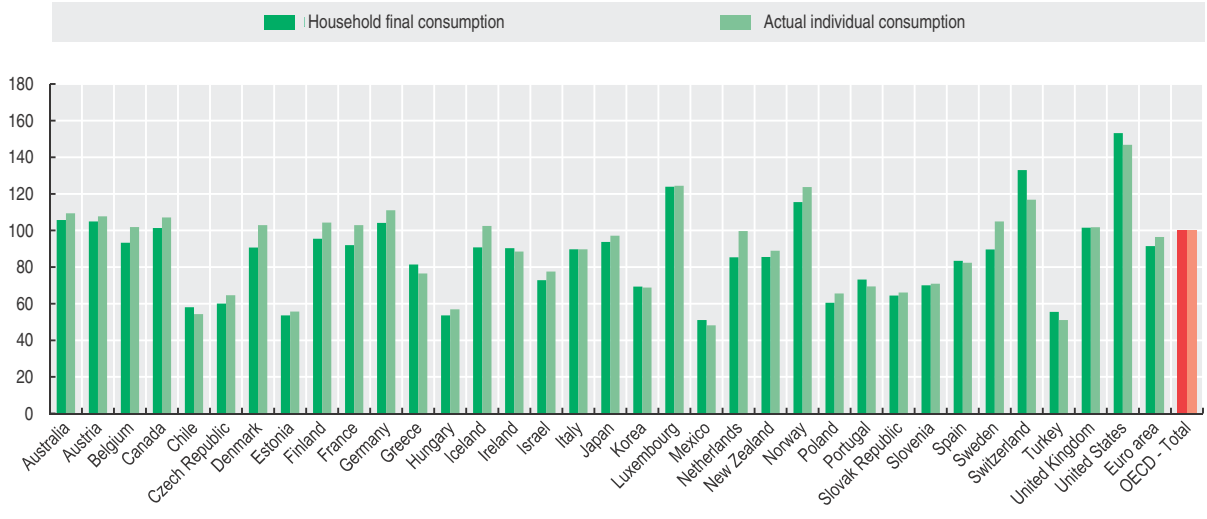
Annual growth rates in percentage

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	4.1	3.3	3.1	4.3	5.1	4.5	3.2	4.8	4.7	0.1	2.3	3.7	2.5	2.1
Austria	2.0	2.7	1.4	1.0	1.3	2.1	2.2	1.8	0.9	0.7	0.9	2.0	0.8	0.5
Belgium	2.0	2.6	1.5	0.6	0.8	1.7	1.1	1.7	1.7	2.0	0.6	2.8	0.2	-0.3
Canada	3.8	4.0	2.3	3.6	3.0	3.3	3.7	4.2	4.6	3.0	0.4	3.3	2.3 e	1.9 e
Chile	-0.5	4.0	2.7	2.8	4.5	8.4	8.5	7.8	7.6	5.2	-0.8	10.8	8.9	6.1
Czech Republic	2.2	0.9	3.1	3.1	5.3	3.2	3.1	4.4	4.2	2.8	0.2	0.9	0.5	-2.1
Denmark	-0.4	0.2	0.1	1.5	1.0	4.7	3.8	3.6	3.0	-0.3	-3.6	1.3	-0.7	-0.1
Estonia	0.9	7.8	7.0	9.5	9.2	8.1	9.5	13.5	8.8	-5.2	-14.8	-2.6	3.8	4.9
Finland	2.8	2.2	3.0	2.5	4.8	3.4	3.1	4.3	3.5	1.9	-2.9	3.3	2.6	0.2
France	3.4	3.4	2.4	2.0	1.7	1.7	2.5	2.2	2.4	0.2	0.3	1.6	0.6	-0.3
Germany	2.4	2.0	1.3	-0.6	0.3	0.4	0.2	1.5	-0.2	0.8	0.2	1.0	2.3	0.8
Greece	2.5 e	2.0 e	5.0 e	4.7 e	3.3 e	3.8 e	4.5 e	4.4	3.6	4.3	-1.6	-6.2	-7.7	-9.1
Hungary	6.8	3.1	4.6	8.2	8.4	1.7	2.3	1.7	1.1	-0.7	-6.6	-3.0	0.4	-1.6
Iceland	7.9	4.2	-2.8	-1.5	6.2	7.0	12.7	3.6	5.7	-7.8	-15.0	0.1	2.6	2.4
Ireland	9.4	10.5	4.5	3.9	2.8	3.7	7.1	6.7	6.7	-0.2	-5.4	0.4	-1.4	-0.3
Israel	3.9	8.2	3.4	1.6	-0.3	5.5	3.3	5.1	8.4	1.6	1.9	5.3	3.8	2.7
Italy	2.6	2.4	0.7	0.2	0.9	0.8	1.2	1.4	1.1	-0.8	-1.6	1.5	-0.3	-4.1
Japan	1.2	0.4	1.6	1.2	0.5	1.2	1.5	1.1	0.9	-0.9	-0.7	2.8	0.5	2.3 e
Korea	11.9	9.2	5.7	8.9	-0.4	0.3	4.6	4.7	5.1	1.3	0.0	4.4	2.4	1.7
Luxembourg	3.6	5.0	3.4	5.8	-5.3	2.2	2.3	3.2	3.3	-0.8	-1.4	2.6	1.3	2.2
Mexico	4.3 e	8.2 e	2.5 e	1.6 e	2.2 e	5.6	4.8	5.7	4.0	1.7	-7.2	4.9	4.4	4.6 e
Netherlands	5.3	3.7	1.8	0.9	-0.2	1.0	1.0	-0.3	1.8	1.3	-2.1	0.3	-1.1	-1.6
New Zealand	3.5	1.6	3.1	4.9	6.5	4.7	4.7	2.8	3.5	-1.6	0.6	2.0	2.5	2.4 e
Norway	3.7	4.2	2.1	3.1	3.2	5.4	4.4	5.0	5.4	1.8	0.0	3.8	2.6	3.0
Poland	5.7	3.1	2.2	3.4	2.1	4.7	2.1	5.0	4.9	5.7	2.0	3.1	2.6	1.2
Portugal	5.5	3.8	1.3	1.3	-0.2	2.7	1.7	1.8	2.5	1.3	-2.3	2.5	-3.3	-5.4
Slovak Republic	0.4	2.2	5.5	5.7	1.7	4.6	6.5	5.9	6.8	6.1	0.2	-0.7	-0.5	-0.2
Slovenia	6.6	0.8	2.5	2.6	3.4	3.0	2.1	2.8	6.3	2.3	-0.1	1.5	0.8	-4.8
Spain	5.3	5.0	3.5	2.8	2.9	4.2	4.1	4.0	3.5	-0.6	-3.7	0.2	-1.2	-2.8
Sweden	4.0	5.3	0.7	2.6	2.3	2.8	2.8	2.7	3.7	0.0	-0.3	4.0	1.7	1.6
Switzerland	2.4	2.4	2.0	0.1	1.0	1.6	1.7	1.6	2.2	1.2	1.8	1.7	1.1	2.4
Turkey	0.1	5.9	-6.6	4.7	10.2	11.0	7.9	4.6	5.5	-0.3	-2.3	6.7	7.7	-0.6
United Kingdom	5.1	5.3	3.7	3.8	3.6	3.1	2.7	1.8	2.7	-1.0	-3.6	1.0	-0.4	1.5
United States	5.5	5.1	2.5	2.5	3.1	3.8	3.5	3.0	2.2	-0.4	-1.6	2.0	2.5	2.2
Euro area	3.2	2.9	1.9	0.9	1.2	1.5	1.8	2.1	1.7	0.4	-1.0	1.0	0.3	-1.4
OECD-Total	4.2 e	4.1 e	2.2 e	2.3 e	2.4 e	3.1 e	3.0	2.9	2.5	0.2	-1.4	2.2	1.8 e	1.2 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	8.5	8.3	9.3	7.7	7.3	..	..	..
Indonesia	4.6 e	1.6 e	3.5	3.8	3.9	5.0	4.0	3.2	5.0	5.3	4.9	4.6	..	..
Russian Federation	-2.9 e	7.1 e	9.3 e	8.3 e	7.5	11.9	11.7	12.0	14.2	10.4	-5.1	5.5	6.3	6.7
South Africa	1.7	4.1	3.5	3.2	2.8	6.2	6.1	8.3	5.5	2.2	-1.6	4.4	4.8	3.5

StatLink http://dx.doi.org/10.1787/888933002053

Figure 8.2. **Household final and actual individual consumption per capita, OECD = 100**

Current PPPs, 2012



StatLink http://dx.doi.org/10.1787/888933001103

Table 8.3. **Contribution to GDP growth by final demand components**

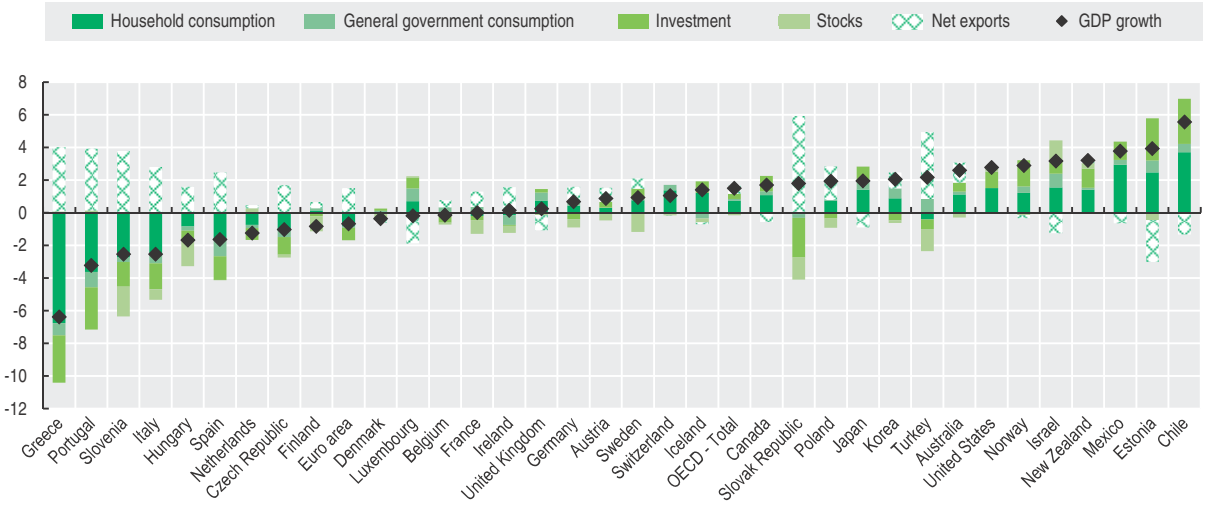
Percentage

	Household consumption			General government consumption			Gross fixed capital formation			Change in inventories			Net exports of goods and services		
	2002	2007	2012	2002	2007	2012	2002	2007	2012	2002	2007	2012	2002	2007	2012
Australia	2.5	2.7	1.1	0.5	0.5	0.2	3.1	2.6	0.6	-0.3 e	0.1 e	-0.3 e	-2.7	-2.4	1.2
Austria	0.6	0.5	0.3	0.1	0.4	0.0	-0.9	0.8	0.3	-0.2	0.4	-0.5	2.1	1.4	0.9
Belgium	0.3	0.9	-0.1	0.7	0.4	0.3	-0.9	1.3	-0.5	-0.1	0.3	-0.1	1.5	0.0	0.4
Canada	2.0	2.5	1.1 e	0.5	0.5	0.2 e	0.3	0.8	1.0 e	0.2 e	0.0 e	0.0 e	-0.1	-1.5	-0.5 e
Chile	1.8	4.2	3.7	0.3	0.7	0.5	0.5	2.1	2.8	..	..	..	0.0	-1.1	-1.3
Czech Republic	1.6	2.1	-1.1	1.6	0.1	-0.4	1.1	3.4	-1.1	-0.7	0.9	-0.2	-1.5	-0.7	1.7
Denmark	0.7	1.5	-0.1	0.5	0.3	0.1	0.0	0.1	0.1	0.3	0.3	-0.3	-1.1	-0.7	-0.2
Estonia	5.3	4.9	2.5	0.6	1.1	0.7	6.4	3.4	2.6	2.2	0.8	-0.4	-8.0	-2.6	-2.6
Finland	1.2	1.8	0.1	0.6	0.2	0.1	-0.8	2.1	-0.2	0.2	0.3	-0.9	0.4	0.9	0.4
France	1.1	1.4	-0.2	0.4	0.4	0.4	-0.4	1.3	-0.2	-0.2	0.2	-0.8	0.0	-0.9	1.0
Germany	-0.3	-0.1	0.4	0.2	0.3	0.2	-1.2	0.9	-0.4	-0.5	0.8	-0.5	1.9	1.5	1.0
Greece	..	2.5	-6.8	..	1.2	-0.7	..	5.2	-2.9	..	-2.0	0.1	..	-3.4	4.0
Hungary	4.5	0.6	-0.8	1.2	-1.7	-0.3	1.8	0.8	-0.7	-0.8	-1.2	-1.5	-2.1	1.6	1.6
Iceland	-0.8	3.3	1.2	1.2	1.0	-0.4	-3.0	-4.2	0.7	0.7 e	-0.6 e	-0.2 e	2.5	6.5	-0.1
Ireland	1.8	3.0	-0.1	1.0	1.2	-0.6	0.6	0.7	-0.1	0.2	-0.4	-0.4	3.0	1.1	1.6
Israel	0.9	4.7	1.6	1.4	0.9	0.8	-1.2	2.1	0.7	-0.9 e	-0.7 e	1.3 e	-0.2	-1.0	-1.2
Italy	0.1	0.7	-2.5	0.5	0.2	-0.5	0.7	0.4	-1.6	0.0	0.2	-0.7	-0.9	0.2	2.8
Japan	0.7	0.5	1.4 e	0.5	0.2	0.5 e	-1.2	0.1	0.9 e	-0.1 e	0.2 e	0.0 e	0.8	1.1	-0.9 e
Korea	5.0	2.8	0.9	0.6	0.8	0.6	2.0	1.2	-0.5	0.2 e	-0.1 e	-0.2 e	-0.5	0.5	1.0
Luxembourg	2.4	1.1	0.7	0.7	0.4	0.8	1.2	3.5	0.6	-0.8	-0.5	0.1	2.0	2.4	-1.9
Mexico	1.1 e	2.6	2.9 e	0.0 e	0.3	0.3 e	-0.1 e	1.5	1.1 e	-0.1 e	-0.5 e	0.1 e	0.0 e	-0.5	-0.6 e
Netherlands	0.5	0.8	-0.7	0.7	0.9	-0.2	-1.0	1.1	-0.7	-0.6	0.1	0.3	0.5	1.0	0.2
New Zealand	2.9	2.1	1.4 e	0.1	0.9	0.1 e	1.6	1.6	1.2 e	-0.1	0.7	0.3 e	0.5	-2.2	0.2 e
Norway	1.4	2.2	1.2	0.6	0.5	0.4	-0.2	2.3	1.6	0.1	-0.1	-0.1	-0.4	-2.2	-0.2
Poland	2.2	3.1	0.8	0.2	0.7	0.0	-1.3	3.4	-0.3	-0.2	1.7	-0.6	0.5	-2.1	2.1
Portugal	0.8	1.6	-3.6	0.4	0.1	-1.0	-0.9	0.6	-2.6	-0.6	-0.1	0.1	1.0	0.1	3.8
Slovak Republic	3.3	3.9	-0.1	0.6	0.0	-0.2	0.1	2.4	-2.4	0.3	0.3	-1.4	0.3	3.9	5.9
Slovenia	1.5	3.3	-2.7	0.6	0.1	-0.3	0.1	3.5	-1.5	0.6	2.0	-1.8	1.0	-2.0	3.8
Spain	1.6	2.0	-1.6	0.8	1.0	-1.0	0.9	1.4	-1.5	0.0	-0.1	0.0	-0.6	-0.8	2.5
Sweden	1.3	1.7	0.8	0.6	0.2	0.1	-0.2	1.7	0.6	-0.2	0.7	-1.2	1.1	-1.0	0.6
Switzerland	0.1	1.3	1.4	0.1	0.1	0.4	-0.2	1.2	-0.1	0.2	-0.5	-0.1	0.4	2.4	0.0
Turkey	3.2	3.9	-0.4	0.7	0.8	0.9	2.3	0.7	-0.6	2.0 e	0.6 e	-1.4 e	-3.0	-1.3	4.1
United Kingdom	2.5	1.7	0.8	0.8	0.2	0.5	0.3	1.3	0.2	-0.5	0.3	-0.1	-1.0	-0.1	-1.0
United States	1.7	1.5	1.5	0.6	0.2	0.0	-0.4	-0.3	1.0	0.6	-0.2	0.2	-0.6	0.6	0.1
Euro area	0.5	0.9	-0.8	0.5	0.4	-0.1	-0.3	1.1	-0.8	..	..	..	0.5	0.2	1.5
OECD-Total	1.4 e	1.5	0.8 e	0.5 e	0.3	0.1 e	-0.2 e	0.6	0.3 e	0.1 e	0.1	-0.1 e	-0.2 e	0.2	0.5 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	5.3	..	..	1.0	..	..	5.1	..	..	1.1	..	..	-1.2	..
Indonesia	2.4	3.1	..	0.9	0.3	..	0.9	2.2	..	-2.0	-1.3	..	0.8	0.3	..
Russian Federation	4.1	6.9	3.3	0.4	0.5	0.0	0.6	3.8	1.3	..	1.2 e	1.2 e	0.3	-3.4	-1.7
South Africa	2.0	3.5	2.1	0.8	0.8	0.9	0.5	2.6	1.1	1.4	-0.2	-0.2	-1.1	-1.0	-1.8

StatLink http://dx.doi.org/10.1787/888933002072

Figure 8.3. **Contribution to GDP growth by final demand components**

Percentage, 2012



StatLink http://dx.doi.org/10.1787/888933001122

9. General government final consumption

- *Between 2005 and 2012, 25 out of 29 governments increased their individual consumption share relative to GDP. The Netherlands showed the largest increase in their share: from 13.4% of GDP in 2005 to 17.5% of GDP in 2012. In contrast, Portugal and Hungary showed the largest decrease in government's individual consumption share relative to GDP.*

General government final consumption expenditure consists of expenditure incurred by government in its production of non-market final goods and services (except Gross Fixed Capital Formation) 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 23) 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 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 relates to expenditures for individual consumption (health care, housing, education, etc.), that reflect expenditures incurred by government on behalf of an individual household (see also Section 8). This category of expenditure is equal to social transfers in kind from government to households (see Section 14) and so includes expenditure by government on market goods and services provided to households. As goods and services produced by government usually do not have a market price, the relevant products are valued at the sum of costs needed to produce these goods and services. These costs mainly consist of compensation of employees, intermediate consumption and depreciation. Final consumption of government can then be estimated as the difference between on the one hand government output, and on the other hand payments made for goods and services produced by government and the relevant output that is used for fixed capital formation.

The borderline between individual and collective consumption is in some cases not completely clear. For example, expenditures incurred by Ministries of Health and Education institutions 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) see also Section 24. 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 14).

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 9.1. **General government final consumption expenditure**

Percentage of GDP

	Individual consumption							Collective consumption						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	10.5	10.5	10.8	11.1	10.9	11.0	11.0	6.7	6.6	6.7	6.9	6.9	6.9	6.9
Austria	10.6	10.6	10.9	11.5	11.4	11.2	11.3	7.7	7.4	7.8	8.3	8.1	7.8	7.8
Belgium	14.0	13.9	14.6	15.6	15.4	15.6	16.0	8.5	8.3	8.5	9.1	8.8	8.8	9.0
Canada	11.7	11.8	12.0	13.4	13.3	..	..	7.4	7.4	7.7	8.7	8.4	..	..
Chile	4.9 e	5.1 e	5.7	6.4	6.2	6.0	6.0	5.1 e	5.3 e	5.5	6.2	6.1	6.0	6.1
Czech Republic	10.3	9.9	9.9	10.9	10.8	10.8	10.8	10.4	9.9	9.9	10.6	10.5	9.9	9.7
Denmark	18.1	18.2	18.8	21.2	20.7	20.3	20.3	7.8	7.7	7.7	8.6	8.2	8.0	8.2
Estonia	8.9	9.0	10.6	12.2	11.5	10.7	10.5	7.3	7.5	8.7	9.6	9.3	8.5	8.7
Finland	14.7	14.2	14.8	16.6	16.5	16.4	16.9	7.6	7.4	7.7	8.6	8.2	8.0	8.2
France	15.1	15.0	15.1	16.1	16.1	16.0	16.2	8.3	8.1	8.1	8.7	8.7	8.5	8.6
Germany	11.6	11.4	11.6	12.8	12.5	12.2	12.3	6.8	6.5	6.7	7.2	7.0	6.9	7.0
Greece	6.8	7.2	7.2	7.7	7.5	7.1	7.1	10.3	10.7	10.9	12.8	10.8	10.3	10.7
Hungary	12.5	11.6	11.7	12.1	11.3	10.8	10.5	10.5	10.1	10.1	10.5	10.7	10.2	9.9
Iceland	16.4	16.4	16.8	17.6	17.1	16.7	16.4	8.0	7.8	8.1	8.9	8.8	8.7	8.9
Ireland	10.7	11.1	12.1	13.8	13.5	12.9	12.7	5.8	6.1	7.0	6.7	5.7	5.5	5.2
Israel	12.6	12.5	12.7	12.6	12.7	12.7	12.8	12.9	12.5	12.2	11.9	11.7	11.5	11.5
Italy	11.8	11.6	11.8	12.5	12.4	11.9	11.9	8.1	7.9	8.2	8.9	8.7	8.5	8.2
Japan	10.0	10.1	10.5	11.4	11.3	11.9	..	8.1	8.0	8.1	8.6	8.4	8.5	..
Korea	6.2	6.3	6.5	6.9	6.8	6.8	7.0	8.3	8.4	8.8	9.1	8.4	8.5	8.8
Luxembourg	9.4	9.1	9.5	10.9	10.5	10.3	10.7	6.0	5.7	6.0	6.8	6.4	6.5	6.7
Mexico	5.2	5.2	5.3	5.9	5.8	5.8	..	5.2	5.3	5.4	6.1	6.1	6.0	..
Netherlands	14.8	15.0	15.2	17.0	17.1	17.1	17.5	10.3	10.2	10.5	11.7	11.4	10.9	11.0
New Zealand	11.0	11.1	12.2	12.4	12.2	11.7	..	7.6	7.6	8.0	7.8	7.8	8.4	..
Norway	12.6	12.7	12.5	14.5	14.4	14.1	14.0	6.3	6.6	6.5	7.7	7.6	7.4	7.3
Poland	10.2	10.0	10.5	10.7	10.8	10.4	10.3	8.1	7.9	8.1	7.9	8.1	7.6	7.5
Portugal	11.7	11.1	11.1	12.1	11.8	10.8	9.9	8.8	8.8	9.0	10.0	9.8	9.1	8.4
Slovak Republic	7.6	8.0	8.4	9.4	9.3	8.7	8.8	11.1	9.1	9.1	10.5	10.0	9.3	8.8
Slovenia	11.1	10.4	10.7	12.0	12.4	12.4	12.3	7.7	6.9	7.5	8.2	8.4	8.5	8.5
Spain	10.5	10.7	11.4	12.7	12.5	12.3	11.8	7.5	7.6	8.1	8.7	8.9	8.9	8.4
Sweden	18.9	18.6	19.0	20.1	19.2	19.1	19.4	7.1	6.9	7.1	7.6	7.4	7.4	7.5
Switzerland	6.3	6.1	5.7	6.3	6.2	6.2	..	4.8	4.7	4.7	4.9	4.8	4.8	..
Turkey	4.4 e	4.5 e	4.6 e	5.2 e	5.1 e	5.0 e	5.3 e	7.9 e	8.2 e	8.2 e	9.5 e	9.2 e	9.0 e	9.6 e
United Kingdom	12.8	12.7	13.3	14.6	14.2	13.8	13.8	8.3	8.0	8.3	8.6	8.4	8.1	8.0
United States	6.0 e	6.1 e	6.3 e	6.6 e	6.4 e	6.1 e	6.0 e	9.0 e	9.2 e	9.8 e	10.4 e	10.5 e	10.1 e	9.7 e
Euro area	12.4 e	12.3 e	12.6 e	13.7 e	13.6 e	13.3 e	13.4 e	7.8 e	7.7 e	7.9 e	8.6 e	8.4 e	8.2 e	8.1 e
OECD-Total	9.1 e	9.1 e	9.4 e	10.1 e	9.9 e	..	..	8.2 e	8.2 e	8.5 e	9.1 e	9.0 e	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	2.9	2.9	3.2	3.8	..	..	..	7.4	7.4	7.9	8.2	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	8.0	8.2	8.5	9.9	8.9	8.6	8.8	9.4	9.1	9.4	10.9	9.8	9.4	9.9
South Africa	7.9	7.5	7.2	8.6	9.0	8.9	8.6	11.8	11.3	11.5	12.5	12.9	12.8	13.8

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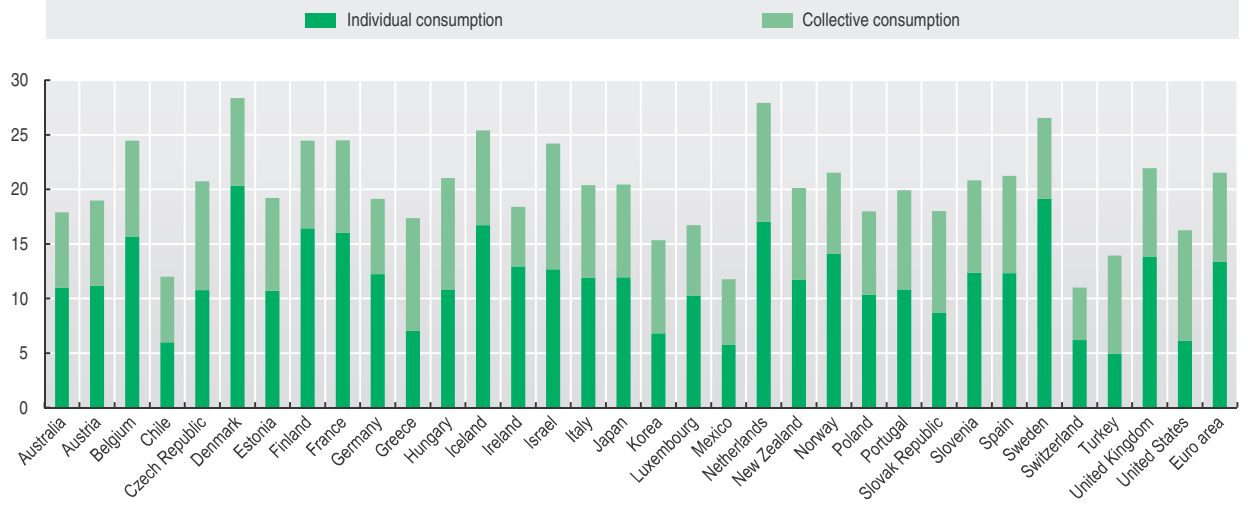
Figure 9.1. **General government final consumption**

Percentage of GDP, 2011



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10. Investment

- *In 2012, gross fixed capital formation (GFCF) in the OECD area was 1.6%, a slowdown from 3.3% growth in 2011. Chile (12.3%) and Estonia (10.9%) showed the highest growth rates. In contrast, Greece (-19.2%) and Portugal (-14.3%) experienced the highest negative growth.*
- *In 2012, Australia (28.2%) had the highest share of GFCF relative to GDP, followed by Korea (26.7%), Estonia (25.2%), Chile (24.1%), and the Czech Republic (23.1%).*
- *The United States' intangible assets share of total GFCF doubled compared to last year's publication due to the US capitalising research and development and artistic originals during its 2013 comprehensive revision.*

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 separately as purchases of non-produced assets 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 10.2 contains 6 groups: dwellings (excluding land); other buildings and structures (roads, bridges, airfields, dams, etc.); transport equipment (ships, trains, aircraft, etc.); other machinery and equipment (office machinery and hardware, etc.); cultivated assets (managed forests, livestock raised for milk production, etc.) and intangible fixed assets (intellectual property type fixed assets such as 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 10.2. ICT has three components: office machinery and hardware (computers and related hardware); radio, TV and communication (mainly communications equipment); and computer software. It is 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 also occur.

Comparability

When the *System of National Accounts* (SNA) 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.

Text continues on p. 46.

Table 10.1. **Gross fixed capital formation, volume**

Annual growth rates in percentage

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	8.0	-7.9	9.0	12.5	8.5	6.3	9.3	5.1	9.5	2.1	2.1	3.7	11.2	2.0
Austria	1.2	5.2	-1.0	-4.0	4.8	0.6	0.6	0.5	3.6	0.7	-7.8	-1.4	8.5	1.6
Belgium	2.6	5.1	1.0	-4.5	0.1	7.8	6.4	2.6	6.3	2.0	-8.4	-1.1	4.1	-2.0
Canada	7.3	4.7	4.0	1.6	6.2	7.8	9.3	7.1	3.5	2.0	-13.0	10.0	4.2 e	4.3 e
Chile	-16.1	9.1	3.5	2.2	6.5	11.3	23.5	4.3	10.8	17.9	-12.1	12.2	14.7	12.3
Czech Republic	-2.1	6.5	4.5	3.8	0.6	3.0	6.0	5.8	13.2	4.1	-11.0	1.0	0.4	-4.5
Denmark	-0.1	7.6	-1.4	0.1	-0.2	3.9	4.7	14.3	0.4	-4.2	-15.9	-2.1	3.3	0.8
Estonia	-15.5	16.7	13.1	24.2	16.7	6.0	15.2	23.0	9.3	-13.3	-39.0	-7.3	37.6	10.9
Finland	3.3	6.4	2.9	-3.7	3.0	4.9	3.6	1.9	10.7	-0.6	-13.2	1.7	5.7	-1.0
France	8.5	6.8	2.2	-1.9	2.2	3.4	4.4	4.0	6.3	0.3	-10.6	1.4	2.9	-1.2
Germany	4.5	2.6	-3.3	-6.1	-1.2	-0.2	0.8	8.2	4.7	1.3	-11.7	5.7	6.9	-2.1
Greece	11.0 e	8.0 e	4.8 e	9.5 e	11.8 e	0.4 e	-6.3 e	14.9	22.8	-14.3	-13.7	-15.0	-19.6	-19.2
Hungary	7.4	6.0	1.9	7.4	1.5	7.2	4.5	-2.7	3.8	2.9	-11.1	-8.5	-5.9	-3.7
Iceland	-4.1	11.8	-4.3	-14.0	11.1	28.7	34.4	24.4	-12.2	-20.4	-51.4	-9.4	14.3	5.0
Ireland	13.4	6.2	0.2	2.5	6.5	9.7	14.8	4.8	2.5	-9.5	-27.0	-22.7	-9.1	-0.6
Israel	0.0	2.3	-3.3	-6.7	-4.5	-0.1	3.2	11.7	12.6	4.6	-3.1	12.2	16.0	4.0
Italy	4.0	6.4	2.7	3.4	-1.3	2.0	1.3	3.4	1.8	-3.7	-11.7	0.6	-2.2	-8.3
Japan	-0.6	0.7	-2.1	-4.9	0.2	0.4	0.8	1.5	0.3	-4.1	-10.6	-0.2	1.1	4.4 e
Korea	8.7	12.3	0.3	7.1	4.4	2.1	1.9	3.4	4.2	-1.9	-1.0	5.8	-1.0	-1.7
Luxembourg	22.0	-4.7	8.8	5.2	6.2	2.7	2.5	4.1	18.4	2.0	-16.2	-0.7	12.1	3.5
Mexico	7.7 e	11.4 e	-5.6 e	-0.6 e	0.4 e	8.0	7.5	9.9	6.9	5.5	-11.8	0.3	8.1	5.5 e
Netherlands	8.7	0.6	0.2	-4.5	-1.5	-1.6	3.7	7.5	5.5	4.5	-12.0	-7.4	6.1	-4.0
New Zealand	10.3	-0.1	6.9	8.0	13.1	8.5	6.5	-2.8	7.1	-8.0	-11.7	3.0	2.3	6.5 e
Norway	-5.4	-3.5	-1.1	-1.1	0.8	11.1	13.5	9.8	11.4	0.2	-7.5	-8.0	7.7	8.3
Poland	6.6	2.7	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6	9.6	-1.2	-0.4	8.5	-1.7
Portugal	6.0	3.9	0.6	-3.2	-7.1	0.0	-0.5	-1.3	2.6	-0.3	-8.6	-3.1	-10.5	-14.3
Slovak Republic	-15.7	-9.6	12.9	0.2	-2.7	4.8	17.5	9.3	9.1	1.0	-19.7	6.5	14.2	-10.5
Slovenia	14.7	2.6	1.3	0.3	7.6	5.0	3.0	10.4	13.3	7.1	-23.8	-15.3	-5.5	-8.2
Spain	10.4	6.6	4.8	3.4	5.9	5.1	7.1	7.1	4.5	-4.7	-18.0	-5.5	-5.4	-7.0
Sweden	8.7	5.7	0.5	-1.3	1.6	5.7	8.1	9.2	8.9	1.4	-15.5	7.2	8.2	3.3
Switzerland	2.3	4.7	-3.3	-1.0	-2.0	4.2	4.1	5.3	5.4	0.7	-8.0	4.8	4.5	-0.4
Turkey	-16.2	17.5	-30.0	14.7	14.2	28.4	17.4	13.3	3.1	-6.2	-19.0	30.5	18.0	-2.7
United Kingdom	1.9	2.6	-1.9	2.7	2.3	6.2	3.7	5.6	7.5	-6.9	-16.7	2.8	-2.4	0.7
United States	8.3	6.3	-0.5	-1.8	3.9	5.8	5.6	2.2	-1.2	-4.8	-13.1	1.1	3.4	5.5
Euro area	6.0	4.7	0.7	-1.5	1.1	2.2	3.2	5.6	5.2	-1.4	-12.8	-0.4	1.6	-4.0
OECD-Total	5.1 e	5.0 e	-0.9 e	-0.7 e	2.7 e	4.6 e	4.8 e	4.3	2.7	-2.5	-11.8	1.8	3.3 e	1.6 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	16.2	13.8	16.2	1.5	7.3	..	..	..
Indonesia	-18.2 e	16.7 e	6.5	4.7	0.6	14.7	10.9	2.6	9.3	11.9	3.3	8.5	..	..
Russian Federation	8.1 e	16.6 e	10.9 e	3.1 e	13.9	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	10.4	6.3
South Africa	-7.6	3.9	2.8	3.5	10.2	12.9	11.0	12.1	14.0	13.0	-4.3	-2.0	4.5	5.7

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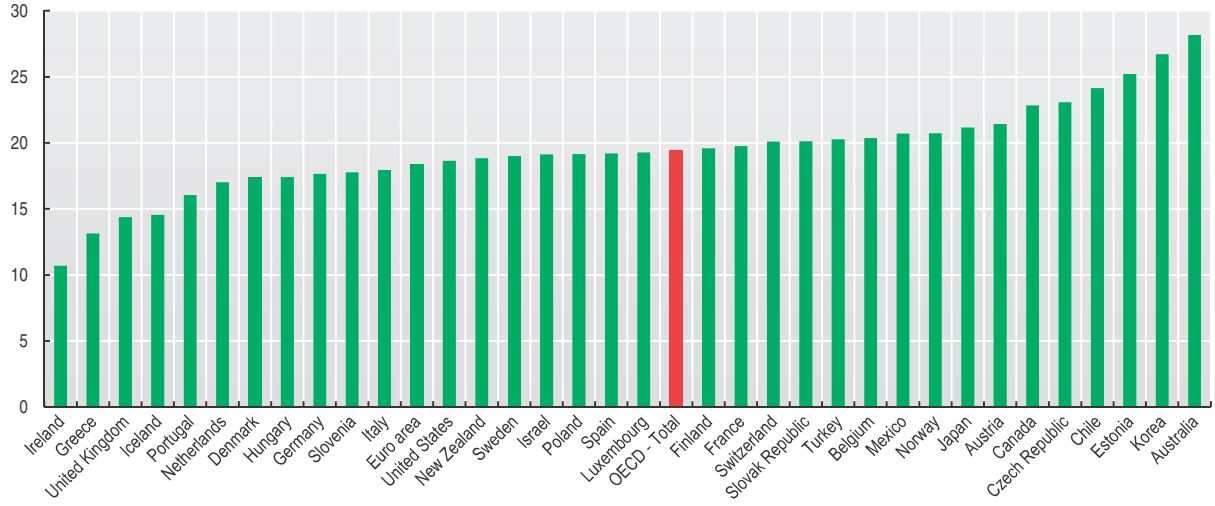
Figure 10.1. **Gross fixed capital formation**

Percentage of GDP, 2012



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

Table 10.2: "Dwellings" includes "Other buildings and structures" for Chile, Norway, Portugal and Turkey. It also includes "Cultivated assets" for Chile. "Cultivated assets" are not capitalised for Canada and the United States. "Transport equipment" is included in "Other machinery and equipment" for Australia, Chile and Turkey. "Ownership transfer costs" are included in the total assets but not in the breakdown for Australia and South Africa. The United Kingdom, has improved its valuation of artistic originals, based on the sum of costs approach. For the record, Australia includes weapons systems in "Other machinery and equipment", the United States includes them in "Transport equipment" (missiles, tanks, etc.) and "Other machinery equipment" (electronic and other equipment).

Table 10.3: For China, data for General Government include NPISHs.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online databases

OECD (2013), "Aggregate National Accounts: Gross domestic product", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00001-en*.

OECD (2013), "Detailed National Accounts: Simplified non-financial accounts", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00010-en*.

Further reading

Lequiller, F. et al. (2003), "Report of the OECD Task Force on Software Measurement in the National Accounts", *OECD Statistics Working Papers*, No. 2003/01, OECD Publishing, Paris, *http://dx.doi.org/10.1787/334811030426*.

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 10.2. **Gross fixed capital formation by asset**

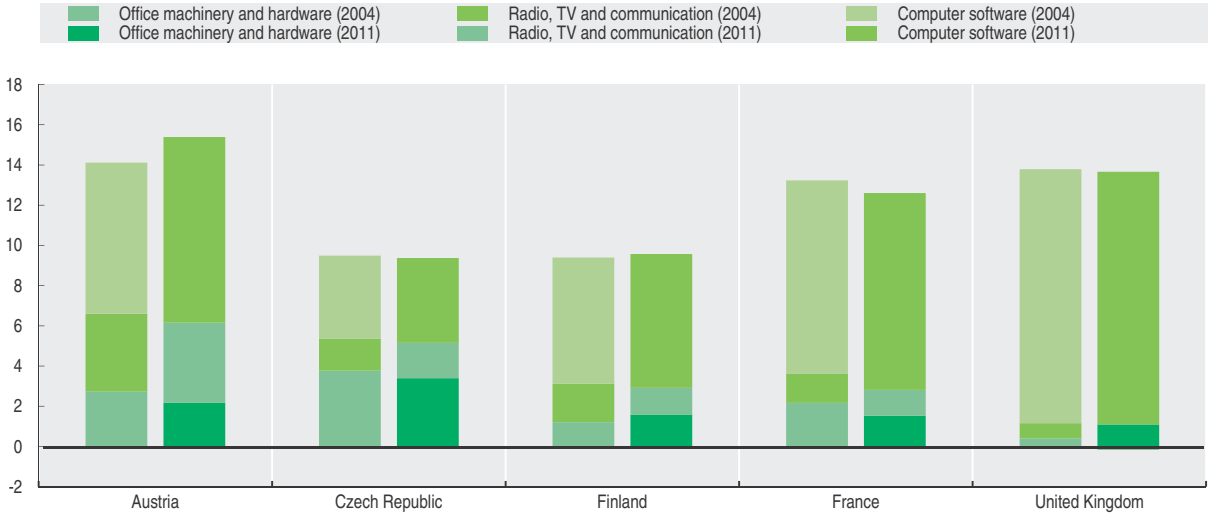
Percentage of total GFCF

	Dwellings		Other buildings and structures		Transport equipment		Other machinery and equipment		Cultivated assets		Intangible fixed assets	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Australia	22.9	17.6	24.5	40.9	..	..	31.7	25.1	2.0	1.2	11.5	10.8
Austria	21.1	21.4	32.6	30.6	10.3	11.4	28.2	26.8	0.2	0.2	7.5	9.6
Belgium	24.7	28.8	22.2	26.1	10.5	10.2	36.8	27.3	0.2	0.3	5.7	7.1
Canada	25.5	..	29.7	..	10.2	..	25.5	..	..	..	9.1	..
Chile	64.8	60.8	..	..	35.2	39.2	..	..	..	..	..	..
Czech Republic	11.7	16.0	33.9	34.1	13.0	11.8	35.7	32.6	0.8	0.4	5.0	5.2
Denmark	21.9	26.3	27.7	24.6	12.5	8.7	29.4	26.2	0.0	0.0	8.6	14.3
Estonia	7.8	13.4	42.5	37.1	15.4	12.3	32.4	34.0	0.6	0.6	1.3	2.7
Finland	27.6	35.1	33.6	33.1	7.1	5.9	24.6	18.1	0.2	0.1	6.9	7.7
France	27.8	30.5	29.3	31.8	8.6	7.7	22.8	19.1	0.5	0.3	11.0	10.9
Germany	31.1	31.5	23.2	24.1	9.1	11.4	31.0	26.9	0.0	0.0	5.6	6.1
Greece	40.2 e	31.2	25.0 e	21.4	11.6 e	19.2	17.3 e	21.2	0.2 e	0.3	3.2 e	6.7
Hungary	18.5	9.9	31.7	42.2	8.1	8.0	34.8	33.9	1.9	1.1	4.9	4.8
Iceland	19.1	17.4	42.1	36.9	9.5	10.5	26.1	33.1	0.7	1.0	2.5	1.1
Ireland	38.6	23.4	30.4	30.3	11.4	18.5	15.9	19.2	0.0	0.1	3.7	8.5
Israel	26.0	31.3	23.8	20.8	11.9	9.2	29.8	27.9	0.1	0.3	8.5	10.5
Italy	23.4	27.7	24.5	24.5	10.9	8.5	35.2	33.8	0.3	0.2	5.8	5.4
Japan	16.3	14.4	34.6	32.7	7.4	8.9	34.4	34.5	..	..	7.3	9.5
Korea	15.3	11.3	42.1	46.7	8.9	7.5	28.0	28.4	..	..	5.6	6.1
Luxembourg	12.2	18.8	39.7	38.0	17.6	19.9	21.9	17.1	0.0	0.0	8.7	6.2
Mexico	..	23.7	..	42.4	..	9.2	..	24.6	..	0.0	..	..
Netherlands	28.7	26.5	27.8	29.7	8.9	8.3	25.4	24.5	0.4	0.3	8.7	10.6
New Zealand	22.2	21.7	25.3	33.8	13.4	9.3	31.0	26.8	..	..	8.0	8.3
Norway	19.4	22.4	43.7	46.6	10.1	8.4	24.4	17.8	..	..	2.3	4.8
Poland	13.3	12.7	42.9	49.4	9.6	8.9	30.2	26.3	0.2	0.0	3.8	2.8
Portugal	28.9	17.5	33.4	43.9	10.1	6.3	22.9	23.4	0.9	1.0	3.9	7.8
Slovak Republic	12.2	10.1	34.6	35.1	15.1	10.5	31.0	38.3	3.7	2.0	3.4	4.0
Slovenia	13.5	15.3	38.7	34.4	8.9	9.5	32.8	33.5	0.5	0.4	5.6	6.9
Spain	36.1	29.0	30.3	33.4	9.3	8.4	19.7	21.1	0.4	0.5	4.2	7.6
Sweden	12.7	19.3	25.3	24.3	9.3	8.7	35.6	31.0	0.4	0.4	16.6	16.4
Switzerland	17.5	23.8	23.6	21.6	8.4	9.5	41.5	34.5	0.2	0.2	8.9	10.5
Turkey	50.7	41.7	..	..	..	..	49.3	58.3	..	..	..	..
United Kingdom	20.1	24.0	35.1	40.1	6.1	2.1	21.8	17.0	0.8	1.2	16.1	15.6
United States	21.6	13.7	22.1	23.5	7.8	7.8	26.1	27.1	..	..	22.4	27.8
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	9.7	7.2	24.1	41.3	13.0	9.4	50.1	40.4	0.4	0.2	..	..

StatLink http://dx.doi.org/10.1787/888933002129

Figure 10.2. **Investment in information and communication technologies (ICT)**

Percentage of total gross fixed capital formation, 2004 and 2011



StatLink http://dx.doi.org/10.1787/888933001179

Figure 10.3. **Gross fixed capital formation by institutional sector**

Percentage of total GFCF, 2011

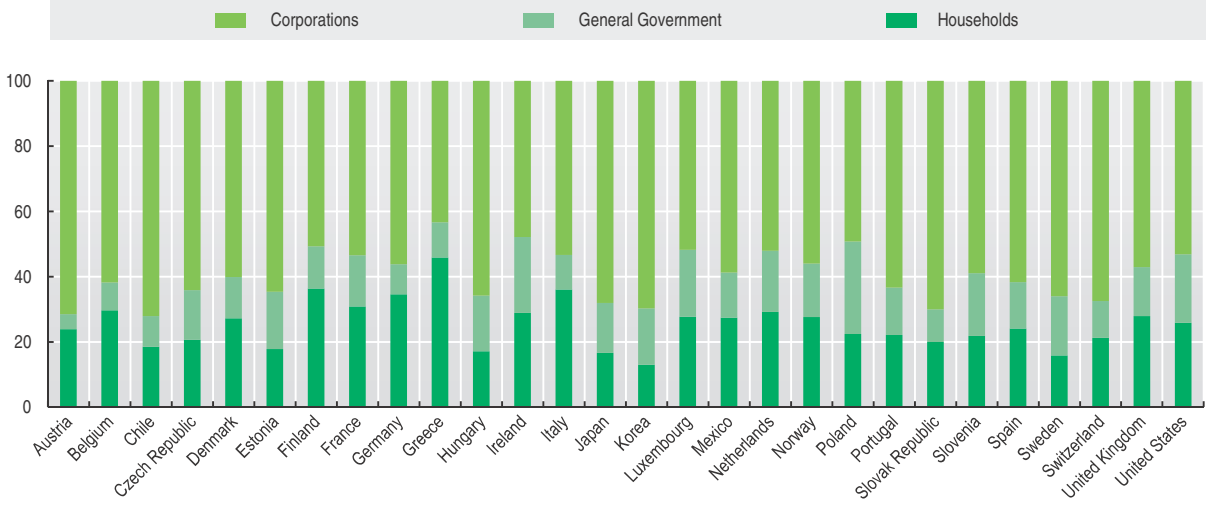


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Table 10.3. **Gross fixed capital formation by institutional sector**

Percentage of total GFCF

	Corporations				General government				Households			
	1999	2003	2007	2011	1999	2003	2007	2011	1999	2003	2007	2011
Australia	48.3	49.1	54.9	..	11.8	10.4	11.2	..	39.9	40.5	34.0	..
Austria	69.2	72.3	72.4	71.6	7.4	5.5	5.0	4.6	23.3	22.2	22.6	23.8
Belgium	60.9	62.7	61.3	61.8	9.4	8.7	7.2	8.5	29.8	28.6	31.6	29.7
Canada	60.7	54.1	54.3	..	11.8	12.6	13.1	..	27.4	33.3	32.6	..
Chile	..	..	..	72.1	..	..	..	9.4	..	..	..	18.5
Czech Republic	69.9	56.1	64.0	64.1	11.4	25.2	15.4	15.2	18.6	18.6	20.5	20.7
Denmark	64.4	66.9	61.6	60.1	8.4	8.2	8.6	12.7	27.2	24.8	29.8	27.2
Estonia	70.3	71.2	62.6	64.7	17.2	13.8	14.2	17.5	12.4	14.9	23.2	17.8
Finland	52.8	51.3	53.4	50.7	13.7	14.8	11.4	13.0	33.5	34.0	35.2	36.3
France	53.0	52.4	51.9	53.5	16.0	16.5	15.6	15.7	31.0	31.1	32.5	30.8
Germany	54.3	56.2	59.2	56.2	9.2	9.2	8.0	9.2	36.5	34.6	32.8	34.6
Greece	..	..	29.3	43.4	..	..	12.7	10.8	..	..	58.0	45.8
Hungary	68.5	56.6	60.1	65.8	12.3	15.6	16.8	17.1	19.3	27.8	23.1	17.1
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	36.5	34.4	47.8	..	16.2	18.3	23.3	..	47.3	47.3	28.8
Israel	..	..	..	..	..	15.2	9.5	11.2	..	..	..	..
Italy	53.6	53.2	53.3	53.3	12.1	12.0	10.8	10.7	34.3	34.8	35.8	36.0
Japan	..	61.2	69.0	68.1	..	18.9	13.8	15.3	..	20.0	17.2	16.6
Korea	59.4	61.6	66.6	69.7	18.7	19.5	17.0	17.3	21.9	18.9	16.4	12.9
Luxembourg	..	..	62.4	51.8	18.3	20.6	15.9	20.4	..	..	21.7	27.7
Mexico	..	61.4	60.1	58.8	..	7.2	9.7	13.9	..	31.4	30.2	27.4
Netherlands	55.1	47.4	46.2	52.1	13.2	18.2	16.6	18.7	31.7	34.4	37.2	29.2
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	63.8	57.1	61.4	56.0	15.5	17.4	13.9	16.4	20.7	25.4	24.7	27.6
Poland	68.0	54.4	56.7	49.3	14.3	18.3	19.3	28.3	17.7	27.3	24.0	22.4
Portugal	52.2	54.2	62.2	63.3	16.3	16.4	12.2	14.5	31.4	29.4	25.6	22.1
Slovak Republic	71.3	67.3	72.2	70.1	9.9	10.3	7.1	9.9	18.8	22.3	20.7	20.0
Slovenia	61.7	64.6	62.0	58.9	13.0	13.4	15.2	19.3	25.3	22.0	22.8	21.8
Spain	..	55.2	55.3	61.7	..	13.2	13.2	14.3	..	31.6	31.5	24.1
Sweden	71.3	67.6	67.0	66.0	17.6	17.5	15.7	18.2	11.0	14.9	17.3	15.8
Switzerland	64.7	64.2	68.5	67.5	11.5	12.0	9.2	11.3	23.8	23.8	22.3	21.3
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	66.0	59.4	53.4	57.1	7.5	9.7	10.7	15.0	26.5	30.9	35.9	27.9
United States	52.9	45.8	49.5	53.1	15.8	17.7	17.3	21.1	31.3	36.5	33.2	25.8
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	..	63.6	67.4	64.2	..	11.7	11.1	10.9	..	24.7	21.4	25.0
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	67.6	53.6	67.8	..	14.9	21.4	10.5	..	17.5	25.1	21.7
South Africa	72.3	70.8	69.2	73.9	16.0	16.2	16.4	15.7	11.7	12.9	14.5	10.4

StatLink http://dx.doi.org/10.1787/888933002148

11. Exports and imports of goods and services

- *In 2012, Turkey recorded the largest annual increase in exports of goods and services (16.7%), followed by the Slovak Republic, Australia, and Estonia (between 10 and 5%). In contrast, a fall in exports was observed in Greece, Luxembourg, Finland, and Japan.*
- *Estonia presented the largest annual increase in imports of goods and services, 8.9%, in 2012. On the other hand, Greece had the largest drop, 13.8%.*
- *In 2012, export prices were slightly lower than import prices, so terms of trade were below 100 for the OECD area as a whole. 24 out of 34 countries recorded terms of trade below 100: the lowest ratios were recorded in Japan (78%), Turkey (86%), and Korea (87%). The terms of trade were over 100 in 10 countries in 2012, with the highest ratios in natural resource rich countries such as Australia (128%), Chile (123%), and Norway (122%), indicating export prices increased more than import prices.*

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

Definition

Exports of goods and services consist of sales of goods and services (included in the production boundary of GDP) from residents to non-residents. These also include transactions in barter or goods exported as part of gifts or grants. 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 (Tables 11.3 and 11.4) or the terms of trade (Table 11.5). The terms of trade are defined as the ratio between the index of export prices and the index of import prices (see also Section 5).

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.

It should also be noted that so far, no consolidation of flows between member states is done in aggregating to EU levels. This means in particular that the level of exports and imports for the euro area includes flows within the euro area. The external balance however is not affected, because the non-consolidated flows in exports and imports cancel each other out in the balance.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 11.1. **Exports of goods and services, volume**

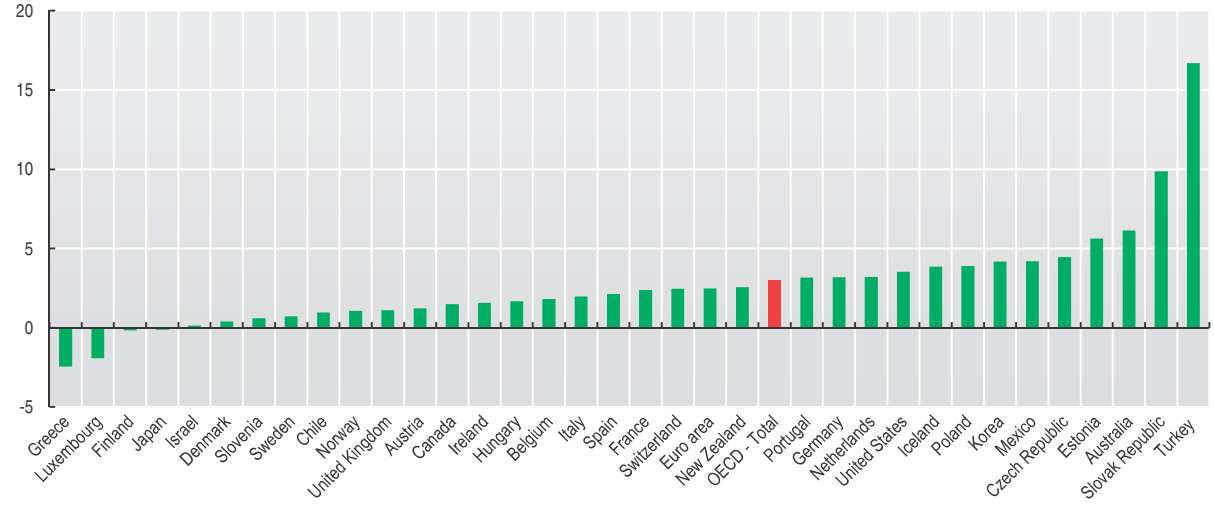
Annual growth rates in percentage

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	9.7	8.3	-0.8	0.2	1.2	3.3	2.6	3.9	3.6	1.8	5.1	0.6	4.7	6.1
Austria	6.1	13.5	6.2	3.9	1.5	10.1	7.4	7.7	8.9	1.4	-15.6	9.4	6.6	1.2
Belgium	4.5	11.8	1.1	2.5	0.5	6.1	3.8	5.4	5.2	1.4	-9.4	8.1	6.4	1.8
Canada	10.7	8.9	-3.0	1.2	-2.3	5.0	1.9	0.6	1.2	-4.7	-13.8	6.4	4.7 e	1.5 e
Chile	6.4	5.1	6.9	2.0	6.7	14.0	2.8	5.1	7.2	-0.7	-4.5	2.3	5.2	1.0
Czech Republic	5.7	17.3	11.6	2.4	7.6	13.6	11.6	13.8	11.2	4.0	-10.9	15.4	9.5	4.5
Denmark	11.6	12.8	3.1	4.1	-1.0	2.8	8.1	9.0	2.8	3.3	-9.5	3.0	7.0	0.4
Estonia	0.4	27.4	4.0	-2.7	7.7	14.5	18.6	6.1	3.7	1.0	-21.3	23.7	23.4	5.6
Finland	11.1	17.3	1.7	3.3	-1.9	8.2	7.0	12.2	8.2	5.8	-21.3	7.9	2.7	-0.2
France	4.6	12.4	2.6	1.6	-1.3	4.8	2.9	5.2	2.3	-0.3	-12.1	9.5	5.4	2.4
Germany	5.8	13.2	6.4	4.2	2.5	10.7	7.7	13.1	8.0	2.8	-13.0	15.2	8.0	3.2
Greece	18.1 e	14.1 e	0.0 e	-8.4 e	2.9 e	17.3 e	2.5 e	4.3	7.1	1.7	-19.4	5.2	0.3	-2.4
Hungary	11.1	19.7	8.0	3.8	6.2	15.0	11.3	19.1	15.0	5.7	-10.2	11.3	8.4	1.7
Iceland	4.0	4.2	7.4	3.8	1.6	8.4	7.5	-4.6	17.7	7.0	7.0	0.5	3.8	3.8
Ireland	15.6	20.9	8.5	4.9	0.7	7.6	4.4	5.0	8.4	-1.1	-3.8	6.4	5.4	1.6
Israel	14.1	23.5	-11.8	-2.2	8.0	17.5	4.5	5.5	9.2	7.1	-12.3	13.5	5.5	0.1
Italy	-1.1	11.6	2.8	-3.0	-1.2	6.3	3.4	8.4	6.2	-2.8	-17.5	11.4	6.2	2.0
Japan	1.8	12.6	-7.0	7.9	9.5	14.0	6.2	9.9	8.7	1.4	-24.2	24.4	-0.4	-0.1 e
Korea	14.4	18.1	-3.4	12.1	14.5	19.7	7.8	11.4	12.6	6.6	-1.2	14.7	9.1	4.2
Luxembourg	14.3	12.6	4.5	2.1	6.8	11.1	4.4	12.9	9.0	4.4	-12.9	7.2	5.4	-1.9
Mexico	12.4 e	16.3 e	-3.6 e	1.4 e	2.7 e	11.5	6.8	10.9	5.8	0.5	-13.5	21.6	7.5	4.2 e
Netherlands	8.7	13.5	1.9	0.9	1.5	7.9	6.0	7.3	6.4	2.0	-7.7	11.6	4.1	3.2
New Zealand	7.5	6.4	3.1	8.0	0.9	4.7	-0.1	3.2	3.6	-2.7	5.0	2.7	2.6	2.6 e
Norway	2.8	3.2	4.3	-0.3	-0.1	1.0	0.5	-0.8	1.4	0.1	-4.2	0.4	-0.7	1.1
Poland	-2.5	23.2	3.1	4.8	14.2	14.0	8.0	14.6	9.1	7.1	-6.8	12.1	7.7	3.9
Portugal	3.8	8.8	1.8	2.8	3.6	4.1	0.2	11.6	7.5	-0.1	-10.9	10.2	6.9	3.2
Slovak Republic	12.2	8.9	6.9	5.2	15.9	7.4	10.0	21.0	14.3	3.1	-16.3	16.0	12.2	9.9
Slovenia	1.6	13.1	6.4	6.8	3.1	12.4	10.6	12.5	13.7	4.0	-16.1	10.2	7.0	0.6
Spain	7.5	10.2	4.2	2.0	3.7	4.2	2.5	6.7	6.7	-1.0	-10.0	11.7	7.6	2.1
Sweden	7.2	11.7	0.6	1.3	4.2	10.8	6.6	9.0	5.7	1.7	-13.8	11.4	6.1	0.7
Switzerland	6.4	12.8	0.7	0.2	-0.9	7.9	7.7	10.1	9.9	2.9	-7.7	7.7	3.8	2.5
Turkey	-10.7	16.0	3.9	6.9	6.9	11.2	7.9	6.6	7.3	2.7	-5.0	3.4	7.9	16.7
United Kingdom	3.1	9.4	2.4	1.9	2.8	4.8	9.1	12.0	-2.1	1.1	-8.7	6.7	4.5	1.1
United States	4.6	8.4	-5.7	-1.9	1.6	9.4	6.0	8.9	8.9	5.7	-9.1	11.5	7.1	3.5
Euro area	5.7	12.9	4.0	2.0	1.2	7.8	5.2	8.9	6.6	1.1	-12.4	11.6	6.5	2.5
OECD-Total	5.9 e	12.2 e	0.5 e	2.1 e	3.0 e	9.2 e	5.9 e	9.1	6.8	2.2	-10.9	11.7	6.2 e	3.0 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	25.8	20.0	5.9	14.4	-5.5	..	..	..
Indonesia	-31.8 e	26.5 e	0.6	-1.2	5.9	13.5	16.6	9.4	8.5	9.5	-9.7	14.9	..	..
Russian Federation	11.2 e	9.5 e	4.2 e	10.3 e	12.6	11.8	6.5	7.3	6.3	0.6	-4.7	7.0	0.3	1.4
South Africa	1.3	8.3	2.4	1.0	0.1	2.8	8.6	7.5	6.6	1.8	-19.5	4.5	5.9	0.1

StatLink http://dx.doi.org/10.1787/888933002167

Figure 11.1. **Exports of goods and services, volume**

Annual growth rates in percentage, 2012



StatLink http://dx.doi.org/10.1787/888933001217

Table 11.2. **Imports of goods and services, volume**

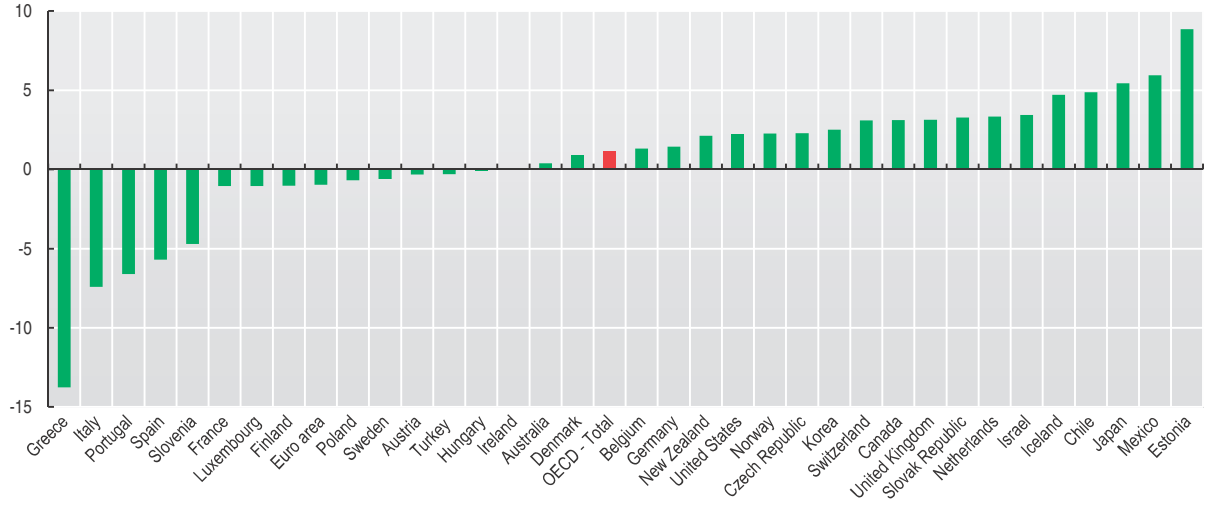
Annual growth rates in percentage

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	12.1	-1.1	1.4	13.2	13.3	12.4	7.9	10.2	14.5	-3.7	6.4	10.2	11.4	0.4
Austria	4.7	10.7	5.6	-0.5	4.5	9.8	6.4	5.2	7.1	0.0	-13.6	9.1	7.6	-0.3
Belgium	2.7	12.2	0.2	0.7	0.5	6.1	5.0	5.0	5.5	2.7	-8.8	7.5	6.8	1.3
Canada	7.8	8.1	-5.1	1.7	4.1	8.0	7.1	4.9	5.9	1.5	-13.4	13.1	5.7 e	3.1 e
Chile	-9.9	9.9	4.5	2.0	9.6	18.3	17.3	11.4	14.3	11.2	-16.2	25.9	14.5	4.9
Czech Republic	4.9	16.0	12.5	4.7	7.4	10.0	5.9	10.8	12.8	2.7	-12.1	15.4	7.0	2.3
Denmark	3.5	13.1	1.9	7.5	-1.6	7.7	11.2	13.4	4.3	3.3	-12.3	3.5	5.9	0.9
Estonia	-5.9	27.1	4.8	7.2	11.2	14.7	18.9	13.9	6.3	-7.0	-31.1	21.1	28.4	8.8
Finland	4.2	16.7	1.3	3.2	3.2	7.4	11.4	7.9	7.0	7.5	-17.2	6.8	6.2	-1.0
France	6.6	14.8	2.2	1.7	0.8	5.9	5.6	5.1	5.5	0.9	-9.6	8.9	5.1	-1.1
Germany	8.6	10.5	1.2	-1.2	5.5	8.2	6.2	11.8	5.4	3.4	-7.8	12.5	7.4	1.4
Greece	15.0 e	15.1 e	1.2 e	-1.3 e	3.0 e	5.7 e	-1.5 e	11.1	14.5	0.9	-20.2	-6.2	-7.3	-13.8
Hungary	12.3	18.0	5.4	6.7	9.3	14.3	6.9	15.1	12.8	5.5	-14.8	10.9	6.4	-0.1
Iceland	4.4	8.6	-9.1	-2.6	10.7	14.5	29.3	11.3	-1.5	-18.4	-24.0	4.5	6.7	4.7
Ireland	12.6	21.5	7.3	2.4	-1.3	8.7	8.4	6.9	7.9	-3.0	-9.8	3.6	-0.4	0.0
Israel	15.6	12.2	-5.3	-1.4	-1.1	12.0	3.6	3.2	11.6	2.3	-13.9	12.5	11.1	3.4
Italy	4.5	9.7	1.9	0.2	2.1	4.8	3.5	7.9	5.2	-3.0	-13.4	12.6	0.8	-7.4
Japan	3.3	10.7	0.9	0.3	3.9	7.9	4.2	4.5	2.3	0.3	-15.7	11.1	5.9	5.4 e
Korea	26.4	22.6	-4.9	14.4	11.1	11.7	7.6	11.3	11.7	4.4	-8.0	17.3	6.1	2.5
Luxembourg	14.8	10.5	6.0	0.8	6.9	11.8	4.2	12.8	9.3	6.1	-15.4	11.4	7.4	-1.0
Mexico	14.1 e	21.5 e	-1.6 e	1.5 e	0.7 e	10.7	8.5	12.6	7.1	2.6	-18.4	19.6	7.1	6.0 e
Netherlands	9.3	12.2	2.5	0.3	1.8	5.7	5.4	8.8	5.6	2.3	-7.1	10.3	4.2	3.3
New Zealand	11.1	-0.5	4.0	7.1	12.6	12.3	4.4	-1.4	10.6	-3.9	-9.0	11.4	6.1	2.1 e
Norway	-1.6	2.0	1.7	1.0	1.2	9.0	7.9	9.1	10.0	3.9	-12.5	9.0	3.8	2.3
Poland	1.0	15.5	-5.3	2.8	9.6	15.8	4.7	17.3	13.7	8.0	-12.4	13.9	5.5	-0.7
Portugal	9.0	5.6	1.0	-0.5	-0.5	7.6	2.3	7.2	5.5	2.3	-10.0	8.0	-5.3	-6.6
Slovak Republic	0.4	8.1	13.4	4.4	7.4	8.3	12.3	17.8	9.2	3.1	-18.9	14.9	9.7	3.3
Slovenia	7.8	7.1	3.1	4.9	6.7	13.3	6.7	12.2	16.7	3.7	-19.2	7.4	5.6	-4.7
Spain	13.7	10.8	4.5	3.7	6.2	9.6	7.7	10.2	8.0	-5.2	-17.2	9.3	-0.1	-5.7
Sweden	5.1	11.7	-1.7	-1.3	3.7	6.6	7.0	9.0	9.0	3.5	-14.3	12.0	7.1	-0.6
Switzerland	4.5	10.5	1.5	-0.8	0.7	7.2	6.6	6.8	6.2	-0.3	-5.2	8.4	4.2	3.1
Turkey	-3.7	21.8	-24.8	20.9	23.5	20.8	12.2	6.9	10.7	-4.1	-14.3	20.7	10.7	-0.3
United Kingdom	7.5	9.5	4.8	5.2	2.7	7.0	6.9	10.0	-1.5	-1.7	-10.7	7.9	0.3	3.1
United States	11.4	12.8	-2.9	3.4	4.3	11.0	6.1	6.1	2.3	-2.6	-13.7	12.8	4.9	2.2
Euro area	7.7	11.9	2.3	0.6	3.1	7.2	5.7	8.7	6.2	0.9	-10.9	10.0	4.5	-1.0
OECD-Total	8.7 e	12.5 e	-0.1 e	3.0 e	4.5 e	9.3 e	6.4 e	8.4	5.7	0.4	-12.1	12.0	5.1 e	1.2 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	32.5	21.3	10.2	22.7	-1.8	..	..	..
Indonesia	-40.7 e	25.9 e	4.2	-4.2	1.6	26.7	17.8	8.6	9.1	10.0	-15.0	17.3	..	..
Russian Federation	-17.0 e	32.4 e	18.7 e	14.6 e	17.3	23.3	16.6	21.3	26.2	14.8	-30.4	25.8	20.3	9.5
South Africa	-8.4	5.3	0.2	5.3	8.1	15.5	10.9	18.3	9.0	1.5	-17.4	9.6	9.7	6.3

StatLink http://dx.doi.org/10.1787/888933002186

Figure 11.2. **Imports of goods and services, volume**

Annual growth rates in percentage, 2012



StatLink http://dx.doi.org/10.1787/888933001236

Table 11.3. **Exports of goods and services**

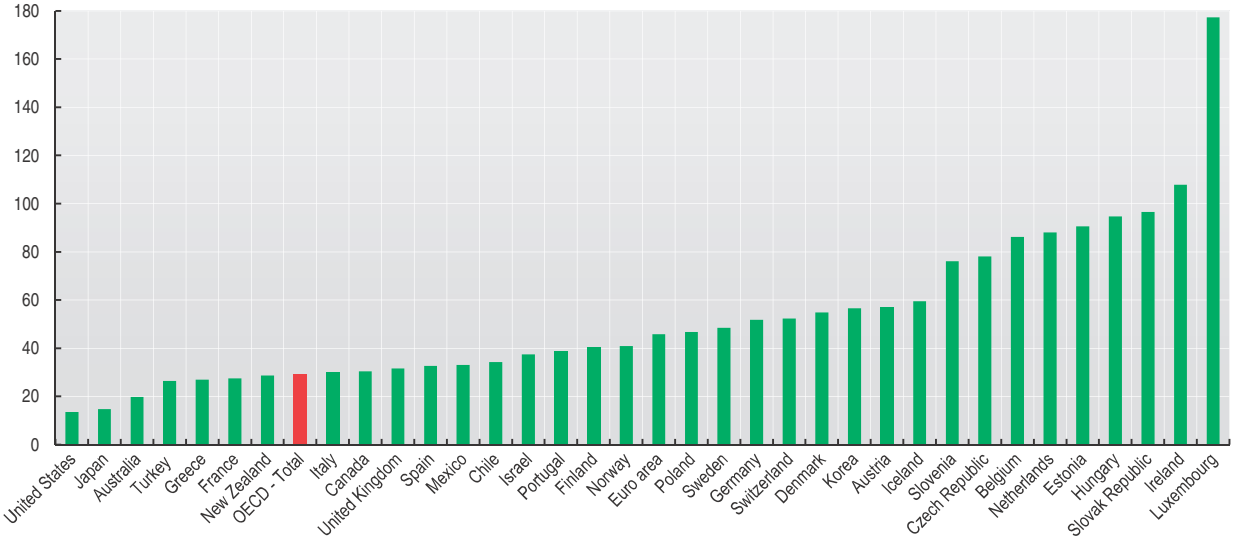
Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	19.4	22.1	20.7	18.9	17.0	18.1	19.6	19.9	19.7	22.5	19.5	21.1	21.2	19.8
Austria	42.1	46.2	48.1	48.7	48.2	51.5	53.8	56.4	58.9	59.3	50.1	54.4	57.3	57.2
Belgium	70.0	78.1	77.8	76.7	73.9	75.9	78.7	80.8	82.5	84.4	73.7	79.8	85.0	86.1
Canada	43.2	45.6	43.5	41.6	38.1	38.4	37.8	36.1	35.0	35.1	28.7	29.4	31.1 e	30.4 e
Chile	28.7	30.5	32.2	32.6	35.5	39.8	40.3	43.9	45.2	41.5	37.2	38.1	38.0	34.2
Czech Republic	53.3	60.9	62.6	57.6	59.1	63.0	64.4	67.0	68.2	64.4	59.0	66.6	72.9	78.0
Denmark	40.7	46.5	47.2	47.2	45.3	45.3	49.0	52.1	52.2	54.7	47.6	50.4	53.7	54.8
Estonia	70.4	84.6	79.8	70.9	69.2	73.1	77.7	72.7	67.1	71.0	63.9	79.2	90.5	90.6
Finland	38.8	43.6	41.5	40.5	38.7	39.9	41.8	45.5	45.8	46.8	37.3	40.4	41.0	40.6
France	26.4	28.8	28.4	27.5	25.9	26.1	26.4	27.0	26.9	26.9	23.4	25.5	26.9	27.4
Germany	29.4	33.4	34.8	35.7	35.7	38.5	41.3	45.5	47.2	48.2	42.5	47.6	50.6	51.8
Greece	22.5 e	25.7 e	24.9 e	21.8 e	20.7 e	23.1 e	23.2	23.2	23.8	24.1	19.3	22.2	25.1	27.0
Hungary	64.6	74.6	72.0	63.3	61.4	63.3	65.9	77.7	81.3	81.7	77.6	85.1	91.6	94.7
Iceland	33.6	33.6	38.8	37.4	34.3	34.1	31.7	32.2	34.6	44.4	52.9	56.4	59.1	59.4
Ireland	89.1	97.5	99.6	93.8	83.3	83.5	81.4	79.2	80.4	83.3	90.2	99.8	102.7	107.8
Israel	34.2	37.5	33.1	34.9	36.6	41.4	42.8	42.8	42.6	40.5	35.0	37.2	37.3	37.4
Italy	24.3	26.8	26.9	25.5	24.4	25.2	25.9	27.6	28.9	28.5	23.7	26.6	28.8	30.2
Japan	10.2	10.9	10.4	11.3	11.9	13.2	14.3	16.2	17.7	17.7	12.7	15.2	15.1	14.7 e
Korea	37.2	38.6	35.7	33.1	35.4	40.9	39.3	39.7	41.9	53.0	49.7	52.3	56.0	56.5
Luxembourg	134.3	150.0	146.6	140.7	137.0	152.4	155.8	169.9	175.9	181.8	162.0	170.8	178.3	177.3
Mexico	28.1 e	28.2 e	25.1 e	24.5 e	25.4	26.6	27.2	28.1	28.0	28.1	27.7	30.4	31.7	33.0 e
Netherlands	63.0	70.1	67.3	64.2	63.0	66.4	69.6	72.8	74.2	76.3	68.6	78.7	83.9	88.0
New Zealand	30.1	35.0	34.5	32.0	28.7	28.6	27.4	28.6	28.4	31.4	28.3	29.8	30.3	28.6 e
Norway	39.4	46.5	45.8	41.1	40.3	41.8	44.1	45.4	44.1	46.8	40.0	40.5	41.9	40.9
Poland	24.2	27.1	27.1	28.6	33.3	37.5	37.1	40.4	40.8	39.9	39.4	42.2	45.1	46.7
Portugal	27.1	28.9	28.1	27.6	27.6	28.0	27.7	30.9	32.2	32.4	28.0	31.3	35.7	38.7
Slovak Republic	61.2	70.4	72.7	71.1	75.8	74.5	76.3	84.5	86.9	83.5	70.6	80.4	89.5	96.6
Slovenia	47.2	53.7	55.2	55.1	53.8	57.8	62.2	66.5	69.5	67.9	59.4	66.8	73.0	76.1
Spain	26.7	29.1	28.5	27.3	26.3	25.9	25.7	26.3	26.9	26.5	23.9	27.4	30.8	32.7
Sweden	43.1	46.5	46.3	44.4	43.5	46.0	48.4	51.1	51.9	53.5	48.0	49.5	49.9	48.5
Switzerland	41.2	45.4	44.7	43.3	42.9	45.0	47.6	50.8	54.4	54.3	50.4	51.7	51.3	52.3
Turkey	19.4	20.1	27.4	25.2	23.0	23.6	21.9	22.7	22.3	23.9	23.3	21.2	24.0	26.4
United Kingdom	25.8	27.3	26.9	25.9	25.5	25.2	26.6	28.7	26.6	29.4	28.4	30.1	32.1	31.5
United States	10.2	10.6	9.7	9.2	9.1	9.6	10.0	10.7	11.5	12.5	11.0	12.3	13.5	13.5
Euro area	32.9	36.8	37.0	36.3	35.2	36.7	38.1	40.4	41.5	42.0	36.9	41.3	44.3	45.8
OECD-Total	21.7 e	23.6 e	23.1 e	22.5 e	22.2 e	23.3 e	24.0	25.6	26.4	27.7	24.5	26.9	28.8 e	29.2 e
China	20.4	23.3	22.6	25.1	29.6	34.1	37.1	39.1	38.4	35.0	26.7	29.4	28.5	27.3
India	..	..	..	..	..	17.6	19.3	21.1	20.4	23.8	19.8	..	..	..
Indonesia	33.9 e	41.0	39.0	32.7	30.5	32.2	34.1	31.0	29.4	29.8	24.2	24.6	..	..
Russian Federation	43.3 e	44.1 e	36.9 e	35.2	35.2	34.4	35.2	33.7	30.2	31.3	27.9	29.2	30.4	29.4
South Africa	25.3	27.9	30.1	32.9	27.9	26.4	27.4	30.0	31.5	35.9	27.3	27.4	29.3	28.3

StatLink http://dx.doi.org/10.1787/888933002205

Figure 11.3. **Exports of goods and services**

Percentage of GDP, 2012



StatLink http://dx.doi.org/10.1787/888933001255

Table 11.4. **Imports of goods and services**

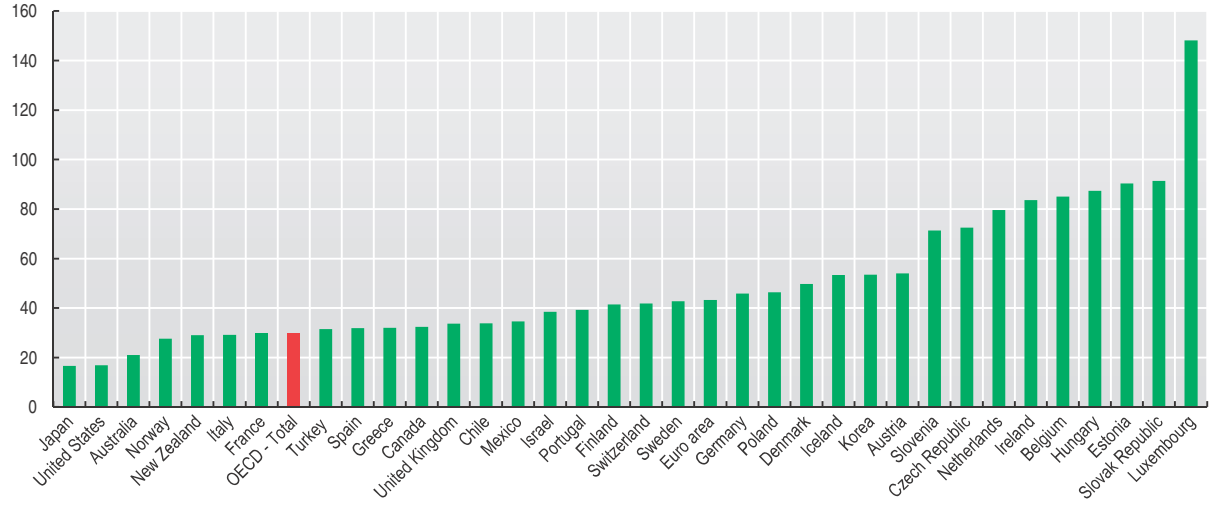
Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	21.5	22.0	20.6	21.0	19.7	20.8	21.4	21.5	22.3	22.4	20.4	20.1	21.4	21.0
Austria	40.9	44.5	45.9	43.9	44.7	47.7	49.9	51.3	53.2	53.5	45.6	50.0	54.3	54.0
Belgium	65.8	75.2	74.2	71.0	68.5	71.0	74.7	77.0	78.7	83.6	71.0	77.7	84.2	85.0
Canada	39.5	39.8	37.8	37.1	34.4	34.1	34.1	33.6	33.0	33.6	30.4	31.3	32.3 e	32.4 e
Chile	26.5	28.7	30.5	30.3	31.5	30.5	31.8	29.6	31.9	39.5	29.6	31.8	34.7	33.9
Czech Republic	53.9	63.1	64.1	58.8	60.3	62.1	61.7	64.0	65.6	62.1	54.9	63.2	68.7	72.4
Denmark	35.6	40.5	40.6	41.4	39.1	40.4	44.1	48.9	49.9	51.6	43.7	44.9	48.4	49.7
Estonia	75.3	88.2	82.3	78.3	76.7	80.1	84.2	82.9	76.3	75.1	58.3	72.3	86.8	90.3
Finland	29.7	34.4	32.1	31.3	31.9	33.3	37.7	40.8	40.7	43.1	35.7	39.0	41.7	41.4
France	24.2	27.8	27.2	26.0	25.0	25.7	27.0	28.1	28.4	29.1	25.2	27.8	29.9	29.7
Germany	28.5	33.1	32.8	31.2	31.8	33.5	36.1	39.9	40.2	41.9	37.5	42.0	45.4	45.9
Greece	34.0 e	39.6 e	38.4 e	35.7 e	33.3 e	33.5 e	32.5	34.6	37.9	38.6	30.7	31.5	33.1	32.0
Hungary	67.1	78.1	73.0	65.1	65.2	66.9	68.1	78.7	80.4	81.2	72.7	79.4	85.2	87.3
Iceland	38.3	40.9	39.9	35.9	37.4	39.7	44.0	50.5	45.3	47.2	44.2	46.3	50.7	53.3
Ireland	75.2	84.2	84.2	76.6	67.3	68.6	69.6	69.6	71.4	74.3	74.2	81.2	81.1	83.6
Israel	36.9	37.7	35.7	38.0	37.5	41.5	43.2	42.6	44.1	41.6	32.3	34.9	37.8	38.5
Italy	22.4	25.8	25.5	24.5	23.9	24.5	25.9	28.4	29.1	29.3	24.3	28.5	30.2	29.1
Japan	8.6	9.4	9.8	9.9	10.2	11.3	12.9	14.9	16.1	17.5	12.3	14.0	16.1	16.6 e
Korea	30.8	35.7	33.5	31.7	33.1	36.7	36.6	38.3	40.4	54.2	46.0	49.7	54.0	53.4
Luxembourg	115.0	129.0	129.0	121.1	113.2	128.2	130.3	139.1	143.6	151.8	131.0	140.0	148.0	148.2
Mexico	29.5 e	30.0 e	27.1 e	26.1 e	26.8	28.4	28.6	29.3	29.6	30.4	29.2	31.6	32.9	34.6 e
Netherlands	58.8	64.5	61.5	57.6	56.7	59.0	61.1	65.1	66.0	68.0	61.6	70.6	75.3	79.6
New Zealand	30.8	33.2	32.1	30.0	28.2	29.1	29.5	30.0	29.2	32.6	26.7	28.3	29.4	29.0 e
Norway	32.0	29.4	28.8	27.7	27.4	28.4	27.8	28.2	30.5	29.5	27.7	28.5	28.3	27.6
Poland	30.1	33.5	30.7	32.1	36.0	39.8	37.8	42.2	43.6	43.9	39.4	43.4	46.2	46.4
Portugal	37.4	39.9	38.3	35.9	34.4	36.4	37.1	39.6	40.2	42.5	35.4	39.0	40.1	39.3
Slovak Republic	65.7	73.0	80.8	78.4	77.8	77.3	80.9	88.5	88.0	85.9	71.1	80.6	89.0	91.4
Slovenia	51.4	57.2	56.0	53.9	54.0	59.1	62.6	67.1	71.2	70.4	57.2	65.3	71.5	71.3
Spain	28.5	32.2	31.1	29.4	28.7	29.9	30.9	32.7	33.6	32.3	25.8	29.5	31.9	31.9
Sweden	36.6	40.2	39.6	37.6	36.7	37.8	40.6	43.0	44.4	46.8	41.5	43.3	44.3	42.7
Switzerland	36.5	40.4	40.0	37.1	36.5	38.3	40.9	42.8	44.4	43.2	39.3	41.0	40.9	41.9
Turkey	19.3	23.1	23.3	23.6	24.0	26.2	25.4	27.6	27.5	28.3	24.4	26.8	32.6	31.5
United Kingdom	27.3	29.2	29.2	28.6	27.8	27.9	29.4	31.3	29.2	31.6	30.0	32.3	33.6	33.7
United States	12.9	14.3	13.2	13.0	13.4	14.6	15.5	16.2	16.4	17.4	13.7	15.8	17.2	16.9
Euro area	31.6	36.2	35.6	33.9	33.3	34.7	36.6	39.3	40.1	41.1	35.5	40.0	42.9	43.2
OECD-Total	22.0 e	24.5 e	23.7 e	23.1 e	23.0 e	24.3 e	25.4	27.1	27.6	29.2	24.9	27.6	29.9 e	29.8 e
China	17.6	20.9	20.5	22.6	27.4	31.4	31.5	31.4	29.6	27.3	22.3	25.6	25.9	24.5
India	..	..	..	..	..	19.3	22.0	24.2	24.4	28.9	25.0	..	..	..
Indonesia	25.0 e	30.5	30.8	26.4	23.1	27.5	29.9	25.6	25.4	28.8	21.4	23.0	..	..
Russian Federation	26.2 e	24.1 e	24.2 e	24.5	23.9	22.2	21.5	21.0	21.5	22.1	20.5	21.1	21.8	22.1
South Africa	22.7	24.9	26.1	29.1	25.5	26.7	27.9	32.5	34.2	38.9	28.2	27.6	29.9	31.3

StatLink http://dx.doi.org/10.1787/888933002224

Figure 11.4. **Imports of goods and services**

Percentage of GDP, 2012



StatLink http://dx.doi.org/10.1787/888933001274

Table 11.5. **Terms of trade**

Ratio of export prices to import prices

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	73.2	74.5	75.6	76.7	82.3	90.2	100.0	107.2	113.2	121.9	117.0	141.1	141.7	127.9
Austria	100.8	99.2	99.5	100.8	101.0	100.8	100.0	99.4	98.5	97.1	98.6	97.4	95.4	94.3
Belgium	102.2	100.2	100.3	101.5	101.3	100.4	100.0	99.3	99.5	97.1	100.5	98.9	97.6	97.4
Canada	87.6	91.1	89.6	87.5	92.4	96.6	100.0	101.1	104.2	109.5	99.4	105.2	108.7 e	107.8 e
Chile	69.1	70.8	68.7	70.0	75.1	90.5	100.0	124.1	126.4	105.0	110.3	129.5	128.7	123.5
Czech Republic	101.4	97.9	99.7	102.3	102.2	102.4	100.0	97.6	98.4	97.0	98.9	97.0	95.4	94.9
Denmark	93.9	94.8	94.8	96.0	96.9	98.1	100.0	99.8	99.4	100.9	100.4	104.0	101.6	101.5
Estonia	88.4	90.4	92.1	94.8	97.4	98.6	100.0	102.0	105.0	104.1	105.4	103.3	102.3	101.4
Finland	109.5	105.4	107.2	107.4	105.9	103.6	100.0	96.8	96.6	94.7	95.9	93.8	92.2	91.0
France	103.0	100.3	100.5	102.3	102.2	101.3	100.0	98.5	99.7	99.0	101.8	100.3	98.1	97.4
Germany	103.2	98.5	98.5	100.8	101.8	101.9	100.0	98.6	99.1	97.6	101.6	99.5	97.3	96.9
Greece	97.4 e	96.3 e	97.1 e	98.6 e	100.5 e	100.7 e	100.0	99.8	100.0	98.9	98.2	98.6	97.6	96.2
Hungary	102.4	100.2	100.8	102.1	101.8	101.7	100.0	98.6	99.0	98.3	99.0	99.0	97.6	96.6
Iceland	106.2	103.6	103.9	104.6	100.3	99.0	100.0	103.4	103.4	97.1	87.6	92.8	91.3	88.1
Ireland	101.6	99.8	100.9	101.9	101.0	100.4	100.0	99.2	97.7	95.5	97.2	95.7	93.2	93.5
Israel	109.7	107.2	107.2	107.0	104.4	101.5	100.0	99.2	97.4	93.8	102.4	100.0	97.6	99.2
Italy	105.8	99.4	100.2	101.9	103.8	103.1	100.0	96.9	97.9	95.9	101.3	97.6	94.8	93.7
Japan	122.2	116.9	117.1	116.0	112.8	107.9	100.0	93.0	89.2	80.7	91.4	86.1	79.5	78.4 e
Korea	119.4	110.6	107.7	107.8	106.8	103.8	100.0	96.4	95.7	88.4	91.0	90.5	86.8	87.1
Luxembourg	98.8	96.6	95.8	96.7	100.8	99.7	100.0	102.0	102.5	102.0	102.4	104.9	105.5	105.7
Mexico	95.0 e	98.1 e	98.7 e	99.9 e	98.7	97.2	100.0	102.3	102.5	102.3	99.0	98.6	98.1	99.0 e
Netherlands	97.5	97.7	98.9	100.0	100.1	99.3	100.0	99.6	99.4	99.5	99.4	98.3	98.4	97.8
New Zealand	90.1	90.6	93.4	91.9	97.8	101.1	100.0	98.4	106.8	104.7	99.8	107.6	108.9	103.7 e
Norway	67.7	86.1	84.3	79.7	80.2	86.5	100.0	111.9	109.2	123.9	103.2	110.0	120.2	121.8
Poland	102.6	96.8	96.8	96.1	95.7	98.9	100.0	99.9	101.6	99.8	103.3	101.9	100.0	98.7
Portugal	102.8	99.8	100.1	101.7	102.0	101.3	100.0	100.5	101.2	98.7	103.4	102.8	101.0	101.1
Slovak Republic	99.1	101.9	100.8	100.8	100.4	100.1	100.0	98.6	97.5	96.0	95.0	94.5	93.2	92.1
Slovenia	101.9	98.7	100.4	102.3	103.1	102.1	100.0	99.5	100.4	98.9	102.6	98.5	97.1	96.2
Spain	97.0	94.1	96.1	98.7	100.0	99.4	100.0	100.3	100.8	98.9	103.0	100.7	97.6	95.4
Sweden	107.9	106.1	104.7	102.9	103.0	101.7	100.0	99.7	101.0	100.6	101.2	100.6	100.1	99.6
Switzerland	99.7	97.0	96.9	100.4	103.0	102.3	100.0	99.1	98.7	98.3	102.8	102.0	101.7	101.9
Turkey	104.1	94.4	92.4	94.9	98.2	100.3	100.0	95.6	97.4	94.4	96.4	93.4	88.8	86.5
United Kingdom	98.9	98.0	98.8	100.2	101.5	101.7	100.0	99.5	99.5	98.6	98.0	97.6	96.1	96.1
United States	103.9	101.5	103.6	104.2	102.9	101.7	100.0	99.4	99.2	93.9	99.1	97.6	96.4	96.8
Euro area	102.2	99.0	99.5	101.2	101.8	101.2	100.0	98.8	99.1	97.6	100.6	98.8	96.8	96.2
OECD-Total	101.6 e	99.5 e	100.2 e	101.1 e	101.3 e	101.0 e	100.0	99.3	99.4	96.7	99.4	98.6	96.6 e	96.1 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	98.7	100.0	100.4	100.4	106.1	106.0	..	..	..
Indonesia	110.5 e	109.0	106.4	100.6	102.7	101.7	100.0	105.6	101.5	91.2	93.7	90.5	..	..
Russian Federation	56.1 e	75.3 e	71.2 e	70.0	74.7	86.6	100.0	110.9	114.8	132.7	93.1	111.0	134.1	138.3
South Africa	92.1	90.0	91.0	93.0	96.8	98.5	100.0	103.5	105.3	105.2	113.6	122.0	124.7	122.0

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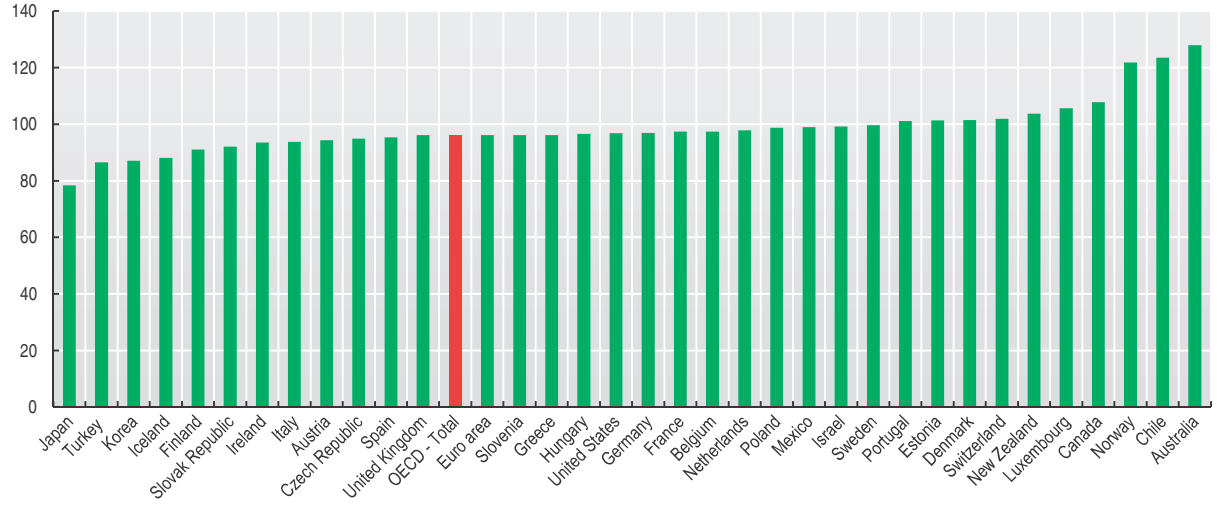
Figure 11.5. **Terms of trade**

Ratio of export prices to import prices, 2012



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PRODUCTION

12. Value added

13. Compensation of employees

12. Value added

- *The average annual growth rate of value added between 2006 and 2012 was highest in Poland, Israel and Chile. Between 1999 and 2005, average annual growth rate was highest in Estonia, Korea, and Turkey.*
- *Looking at gross value added by activity, by far the largest activity amongst OECD countries was in the service producing industries. This was especially true in Luxembourg, Greece and France where nearly 80% of gross value added is recorded in the service industries. Norway, Korea, and Chile had the largest share of industry (manufacturing and energy) activity in OECD countries in 2011. Turkey, Iceland and Hungary, reported the largest share in agriculture, forestry and fishing activity.*

Value added reflects the contribution of labour and capital to production. It can be shown by type of activity, by type of product, by institutional sector, etc. Value added 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 whether or not the output is used in the domestic production of other goods and services. Countries with fragmented production networks therefore will have, all other things equal, higher output than those with more consolidated networks, complicating international comparisons. This can also be 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 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 gross operating surplus 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. Japan uses approximately market prices. New Zealand and China use producers' prices, and Iceland and the USA use factor costs.

The tables and figures showing breakdowns by activity are based on the recently revised classification system (ISIC Rev. 4). 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 3.0% of value added) are included in Other services not wholesale, retail, etc. That said, at the 6 "recomposed" activity level presented here, for most countries the sectors are generally comparable. The following countries report their data using the ISIC Rev. 3 classification: Canada, Israel, Japan, Mexico, and Turkey, as well as India, Indonesia, the Russian Federation and South Africa. For more information see "Reader's guide – Industrial classification".

Figures 12.2 and 12.3: the 6 activity level have been grouped into 3 activities, agriculture, industries (including construction) and services.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "Aggregate National Accounts: Gross domestic product", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00001-en*.

OECD (2013), "Detailed National Accounts: Value added and its components by activity", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00006-en*.

Further reading

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 12.1. **Gross value added at basic prices, volume**

Annual growth rates in percentage

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	4.0	2.3	3.8	2.9	4.2	3.3	3.1	3.8	3.8	2.0	2.1	2.2	3.7	2.5
Austria	3.2	3.6	1.1	1.7	1.0	2.7	2.6	4.0	3.8	1.6	-4.2	1.8	3.2	0.8
Belgium	3.3	3.5	1.3	1.2	1.0	2.7	1.8	2.7	2.9	1.6	-2.9	2.1	2.1	-0.2
Canada	5.6	5.5	1.5	2.6	2.1	3.2	3.2	2.7	2.3	0.8	-3.1	3.6	..	..
Chile	-0.2	5.0	3.3	2.7	3.6	6.7	5.9	5.6	4.7	3.0	-0.8	5.1	5.6	5.5
Czech Republic	1.9	4.5	3.2	2.8	3.1	4.7	7.0	7.7	5.5	4.1	-5.2	3.1	1.8	-1.0
Denmark	2.9	4.4	0.7	0.3	0.4	1.5	1.5	3.2	1.6	-0.4	-5.1	1.2	1.1	-0.2
Estonia	0.2	10.1	6.1	6.0	7.9	5.7	8.9	9.6	7.0	-3.4	-14.6	3.0	9.3	4.0
Finland	4.1	6.0	2.4	1.5	1.1	4.0	2.7	4.2	6.1	0.4	-9.1	3.5	2.1	-1.0
France	3.2	3.4	1.7	0.9	0.7	2.7	1.7	2.5	2.4	0.1	-3.0	1.5	2.2	0.1
Germany	1.7	3.5	1.8	0.3	-0.2	1.6	0.8	3.8	3.9	1.2	-5.6	4.4	3.3	0.8
Greece	2.1 e	4.4 e	3.6 e	4.1 e	6.4 e	5.1 e	2.4 e	4.1	3.0	0.0	-2.2	-5.2	-6.6	-6.2
Hungary	3.1	4.1	3.8	4.6	4.0	4.7	3.9	3.9	0.0	0.7	-6.8	1.3	1.7	-1.8
Iceland	5.6	6.1	3.9	-0.1	3.9	7.2	7.4	6.3	6.4	1.0	-7.5	-3.7	2.7	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Israel	3.2	8.4	-0.3	0.5	1.1	4.6	5.3	5.1	5.5	4.3	0.9	4.5	4.2	..
Italy	1.2	4.0	1.9	0.5	-0.2	1.8	1.0	2.2	1.8	-1.1	-5.6	1.7	0.6	-2.3
Japan	0.2 e	2.2 e	0.1 e	0.3	1.4	2.1	1.7	1.9	2.2	-1.1	-6.4	4.5	-0.4	..
Korea	10.2	8.6	4.0	7.2	3.0	4.7	4.0	5.1	5.4	2.6	0.5	6.2	3.5	2.1
Luxembourg	8.1	7.5	3.3	3.9	1.6	3.9	5.4	5.4	6.8	-1.3	-6.1	3.3	1.4	-0.7
Mexico	3.8 e	6.6 e	0.1 e	1.0 e	1.6 e	4.2	3.6	5.4	3.7	1.6	-5.7	5.4	4.3	..
Netherlands	4.6	4.0	1.9	0.2	0.5	2.3	2.1	3.3	4.0	2.1	-3.3	1.7	1.2	-1.1
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	2.0	3.3	1.7	1.2	0.9	3.8	2.4	1.8	2.1	0.2	-1.6	0.2	1.1	2.9
Poland	4.3	4.0	1.3	1.3	3.6	5.2	3.3	6.0	6.7	5.1	1.8	3.7	4.5	1.9
Portugal	3.5	3.8	2.4	0.9	-0.6	1.7	0.7	1.7	2.7	0.4	-2.2	1.9	-0.6	-2.3
Slovak Republic	0.3	0.5	4.9	4.2	3.8	4.4	5.9	10.0	10.6	6.4	-4.7	4.5	2.4	2.8
Slovenia	4.7	4.8	3.5	4.3	3.1	4.4	3.9	6.1	7.1	3.0	-7.5	1.4	0.4	-2.2
Spain	4.5	5.1	3.7	2.6	2.7	3.1	3.3	4.2	3.8	1.0	-3.7	-0.2	0.6	-1.3
Sweden	4.6	5.0	1.1	2.4	2.4	4.5	3.0	4.4	3.3	-0.4	-5.5	6.7	3.2	1.0
Switzerland	0.9	3.4	1.3	0.3	-0.1	2.3	2.7	3.7	3.9	2.3	-1.9	3.0	1.9	1.0
Turkey	-3.0	6.5	-4.5	5.2	4.5	9.6	8.5	7.5	4.8	1.3	-3.6	9.1	8.9	2.3
United Kingdom	3.1	4.5	1.8	2.0	4.1	3.0	3.6	2.7	3.5	-0.6	-5.4	1.6	1.2	0.3
United States	5.0 e	4.2 e	1.1 e	1.5 e	2.8 e	3.7 e	3.3 e	2.5 e	1.8 e	-0.2 e	-2.8 e	2.5 e	1.9 e	2.9 e
Euro area	2.6	3.8	2.1	1.0	0.7	2.4	1.7	3.3	3.3	0.6	-4.5	2.0	1.8	-0.5
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	7.6 e	8.4 e	8.3 e	9.1 e	10.0 e	10.1 e	11.3 e	12.7 e	14.2 e	9.6 e	9.2 e	10.4 e	9.3 e	..
India	..	..	..	..	..	..	9.7	9.6	9.4	6.8	7.9	..	..	..
Indonesia	0.8 e	4.9 e	3.6	4.5	4.8	5.0	5.7	5.5	6.3	6.0	4.6	6.1	..	..
Russian Federation	5.7 e	9.3 e	4.9 e	4.7 e	7.5 e	6.6	6.0	7.9	8.4	5.2	-6.7	4.1	3.9	3.4
South Africa	2.7	4.4	2.9	3.8	3.0	4.5	5.3	5.5	5.6	3.8	-1.3	3.0	3.3	2.4

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Figure 12.1. **Gross value added at basic prices, volume**

Average annual growth rates in percentage, 1999-2005 and 2006-2012

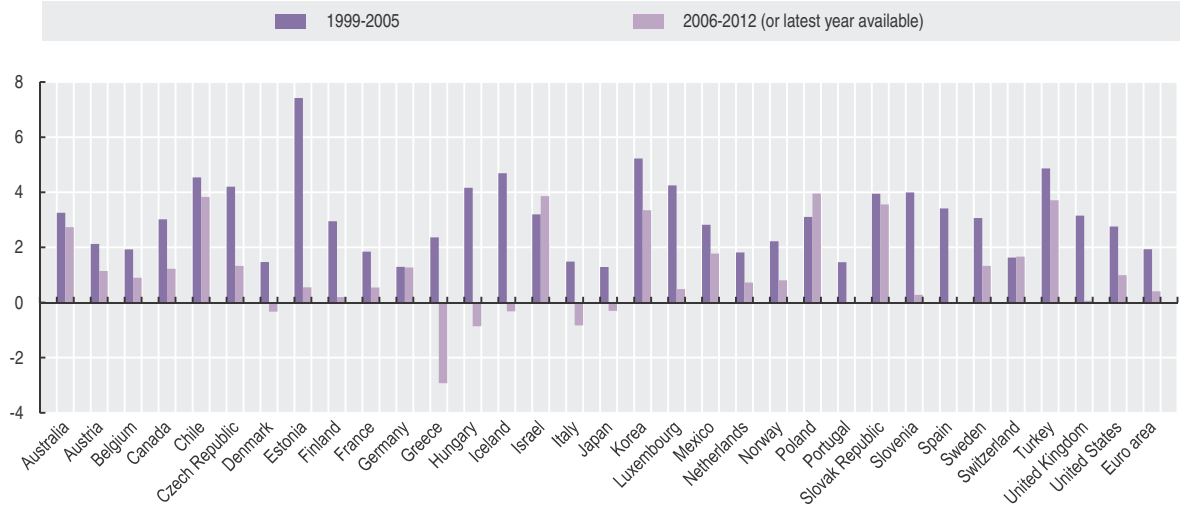

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Table 12.2. **Gross value added by activity**

Percentage of total activity

	Agriculture, forestry and fishing		Industry, including energy		Construction		Trade, transports; accommodation, restaurants; communication		Financial and insurance; real estate; business activities		Other service activities	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Australia	4.3	2.4	19.6	19.9	6.2	8.2	22.2	19.9	27.7	29.8	20.1	19.7
Austria	1.9	1.7	23.7	22.1	7.3	6.6	26.5	25.7	20.8	23.7	19.8	20.2
Belgium	1.2	0.6	21.1	16.4	5.2	5.9	23.8	24.1	26.7	28.6	22.0	24.3
Canada	2.2	..	26.6	..	5.3	..	20.7	..	25.6	..	19.5	..
Chile	4.4	3.7	28.2	30.9	6.6	7.6	19.8	17.3	16.7	19.1	24.2	21.5
Czech Republic	3.5	2.3	31.3	30.5	6.3	6.8	26.8	24.3	15.2	18.5	16.8	17.7
Denmark	2.7	1.4	20.5	17.4	5.2	4.9	24.2	23.6	21.5	25.2	25.8	27.5
Estonia	4.6	4.0	22.2	22.2	5.9	6.9	29.3	26.7	21.9	23.3	16.1	16.8
Finland	3.3	2.9	27.7	20.3	6.1	6.8	23.1	22.4	19.1	23.1	20.7	24.5
France	2.5	1.9	17.3	12.7	5.1	6.2	23.6	23.1	27.3	30.3	24.1	25.9
Germany	1.2	0.8	24.9	26.0	4.9	4.7	20.8	18.6	26.5	27.3	21.8	22.6
Greece	..	3.4	..	13.3	..	2.5	..	29.8	..	25.5	..	25.5
Hungary	5.7	4.6	26.0	26.2	5.6	4.0	22.6	23.3	19.2	21.9	20.9	19.9
Iceland	8.8	8.3	19.2	21.0	8.4	4.4	22.9	20.8	18.9	22.6	21.8	22.9
Ireland	3.2	1.9	29.7	26.3	7.6	1.7	22.6	24.6	21.5	25.7	15.4	19.9
Israel	2.0	1.9	17.2	15.2	5.1	5.7	17.5	16.9	31.7	36.3	26.6	24.1
Italy	2.7	2.0	22.1	18.9	5.4	6.0	26.5	24.8	24.4	27.8	19.0	20.5
Japan	1.5	1.2	23.2	20.5	6.8	5.6	20.8	24.6	16.4	17.0	31.4	31.1
Korea	4.4	2.7	30.0	33.9	7.1	5.9	21.9	19.0	19.6	19.2	17.0	19.2
Luxembourg	0.7	0.3	12.6	7.0	6.8	5.9	24.8	25.0	39.2	44.8	15.9	17.0
Mexico	4.2 e	3.4	28.3 e	29.6	6.3 e	6.6	29.1 e	28.1	18.9 e	18.9	13.6 e	13.5
Netherlands	2.4	1.6	18.7	19.1	5.8	5.4	25.8	23.5	25.7	25.6	21.5	24.8
New Zealand	8.7	..	20.2	..	4.6	..	22.5	..	27.0	..	17.0	..
Norway	1.8	1.4	35.9	36.1	4.2	5.5	21.5	17.7	15.9	17.8	20.7	21.5
Poland	5.1	4.0	22.1	24.8	7.4	8.2	29.9	29.3	17.6	17.0	17.8	16.7
Portugal	3.4	2.2	19.8	18.2	8.3	5.8	26.8	27.9	19.3	22.2	22.3	23.7
Slovak Republic	5.0	3.4	28.1	27.2	6.3	8.9	27.4	25.8	16.5	17.9	16.7	16.7
Slovenia	3.0	2.8	28.3	24.4	6.3	6.0	23.0	24.6	19.6	21.9	19.8	20.3
Spain	4.1	2.5	20.2	17.1	10.9	9.5	28.2	28.8	17.3	19.9	19.3	22.2
Sweden	2.0	1.7	23.3	20.9	4.6	5.2	22.7	23.2	22.2	22.7	25.2	26.3
Switzerland	1.1	0.8	22.1	21.3	5.3	5.6	26.0	26.4	19.8	19.8	25.6	26.0
Turkey	9.4	9.0	23.8	22.5	4.7	5.0	29.6	31.4	21.5	20.1	11.0	12.0
United Kingdom	0.8	0.7	19.7	15.1	6.2	6.4	26.9	24.7	25.9	30.8	20.5	22.4
United States	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	2.4	1.7	21.6	19.4	5.9	5.9	24.2	23.2	24.6	26.8	21.3	23.0
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	14.4	10.0	39.7	39.8	5.4	6.8	16.8	15.9	8.3	10.9	15.4	16.6
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	15.3	..	40.8	..	5.7	..	20.8	..	8.2	..	9.2	..
Russian Federation	6.5 e	4.4	28.0 e	30.2	7.4 e	6.5	31.7 e	29.0	6.5 e	16.0	19.9 e	13.9
South Africa	3.5	2.5	29.9	25.4	2.4	3.8	23.7	24.7	19.1	21.3	21.4	22.4

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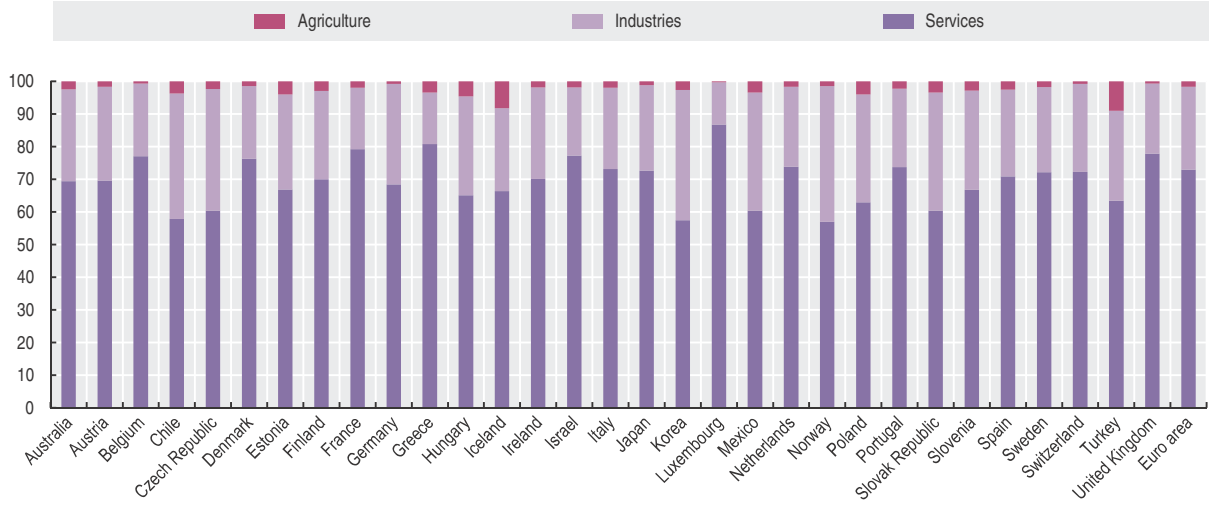
Figure 12.2. **Gross value added *by main activity***

Percentage of total activity, 2011



StatLink http://dx.doi.org/10.1787/888933001331

Table 12.3. **Contribution to gross value added growth by activity**

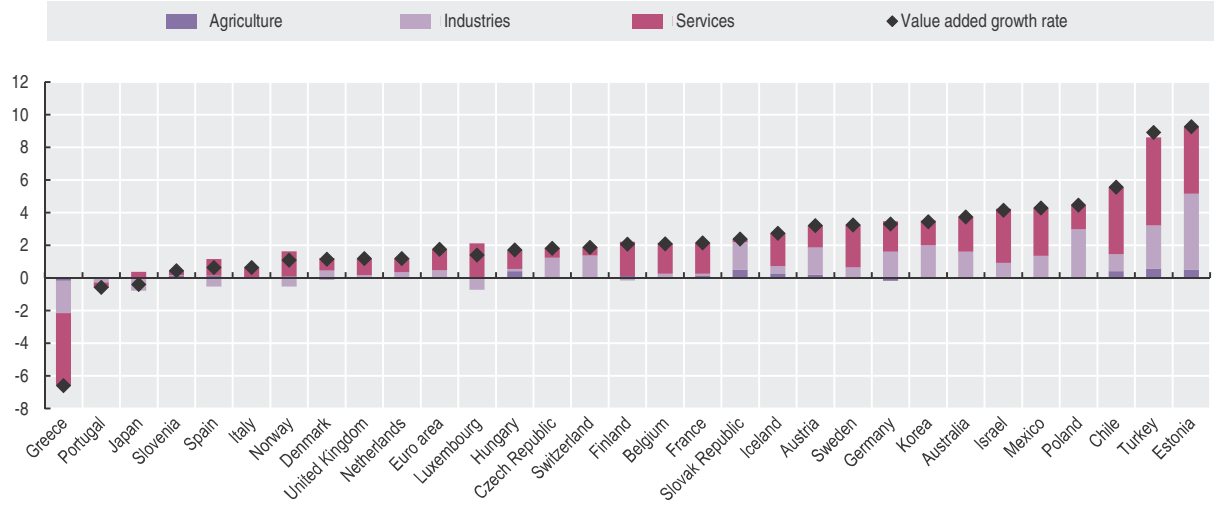
Percentage

	Agriculture, forestry and fishing		Industry, including energy		Construction		Trade, transports; accommodation, restaurants; communication		Financial and insurance; real estate; business activities		Other service activities	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Australia	0.1	0.0	0.3	0.7	0.7	0.8	0.8	0.7	1.2	0.9	0.7	0.5
Austria	0.0	0.2	0.9	1.6	-0.3	0.0	0.5	0.5	0.2	0.8	-0.1	0.1
Belgium	-0.1	0.0	0.0	-0.2	0.0	0.5	0.9	0.6	0.3	0.9	0.1	0.4
Canada	-0.2	..	-1.1	..	0.4	..	0.9	..	1.0	..	0.4	..
Chile	0.3	0.4	0.3	0.5	0.2	0.6	0.8	1.6	1.1	1.6	0.5	0.8
Czech Republic	-0.1	0.0	1.0	1.6	-0.3	-0.4	1.8	0.6	0.6	0.2	0.2	-0.3
Denmark	0.1	-0.1	0.0	0.1	-0.4	0.3	0.5	0.5	0.3	0.6	0.2	-0.3
Estonia	-0.5	0.5	2.4	2.8	0.0	1.9	2.1	3.2	1.7	0.8	0.4	0.2
Finland	-0.1	0.1	1.3	-0.4	-0.5	0.2	1.6	1.1	0.0	0.9	0.0	0.1
France	-0.1	0.1	0.3	0.2	0.2	0.0	0.8	0.7	0.2	0.9	0.4	0.3
Germany	0.0	-0.2	0.3	1.4	-0.3	0.2	1.1	0.7	0.8	0.9	0.0	0.3
Greece	..	-0.2	..	-1.0	..	-1.0	..	-3.2	..	-1.1	..	-0.2
Hungary	0.8	0.4	0.4	0.0	0.3	0.1	1.6	0.5	0.2	0.3	0.6	0.4
Iceland	0.1	0.3	0.7	0.5	0.1	0.0	0.0	1.9	1.3	0.2	1.4	-0.1
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Israel	0.2	0.1	-1.6	0.4	-0.3	0.5	0.2	0.7	0.5	1.8	0.7	0.8
Italy	-0.1	0.0	-0.2	0.3	0.3	-0.3	0.9	0.3	0.6	0.3	0.4	0.1
Japan	0.0	0.0	-1.1	-0.8	-0.2	0.1	0.3 e	0.0	0.5	0.0	0.4 e	0.3
Korea	0.1	-0.1	0.9	2.3	0.4	-0.3	1.5	0.9	0.7	0.3	0.5	0.3
Luxembourg	-0.1	0.0	-0.2	-0.8	0.2	0.1	1.8	1.7	1.0	-0.1	0.7	0.5
Mexico	0.2 e	-0.1	-0.9 e	1.1	-0.4 e	0.3	0.2 e	1.9	0.9 e	1.0	0.0 e	0.1
Netherlands	-0.1	0.0	0.2	0.1	0.1	0.3	0.5	0.5	0.6	0.0	0.6	0.4
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	-0.1	0.1	0.6	-0.7	-0.1	0.1	0.4	0.7	0.7	0.3	0.1	0.5
Poland	0.3	0.1	0.0	2.0	-0.2	1.0	0.7	0.6	0.2	0.8	0.4	0.1
Portugal	-0.1	0.0	0.4	0.2	0.2	-0.5	0.6	0.2	1.0	-0.3	0.4	-0.3
Slovak Republic	1.0	0.5	1.9	1.4	-0.8	0.3	2.0	-0.4	-0.3	1.0	1.1	-0.4
Slovenia	0.0	0.2	1.0	0.7	0.0	-0.7	1.6	0.4	0.5	-0.2	0.4	0.0
Spain	-0.1	0.1	0.7	0.4	0.8	-1.0	1.0	0.3	0.7	0.5	0.6	0.2
Sweden	0.1	0.0	-0.2	0.7	0.2	-0.1	0.6	1.1	0.2	1.3	0.2	0.1
Switzerland	-0.1	0.1	1.2	1.2	0.1	0.2	0.7	-0.1	-0.9	0.0	0.4	0.6
Turkey	-0.8	0.6	-1.8	2.1	-0.9	0.5	-2.6	3.2	1.9	1.7	0.5	0.5
United Kingdom	-0.1	0.1	-0.4	-0.2	0.1	0.1	1.0	0.3	1.0	0.8	0.2	0.1
United States	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	-0.1	0.0	0.3	0.6	0.1	-0.1	0.9	0.5	0.5	0.6	0.3	0.2
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	0.4 e	0.4 e	3.5 e	4.2 e	0.4 e	0.6 e	1.5 e	1.7 e	0.7 e	0.8 e	1.8 e	1.6 e
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	0.5	..	1.0	..	0.3	..	1.0	..	0.6	..	0.3	..
Russian Federation	..	0.5	..	1.1	..	0.3	..	1.3	..	0.8	..	-0.2
South Africa	-0.1	0.0	0.5	0.7	0.1	0.0	0.8	0.9	1.5	0.8	0.0	0.8

StatLink http://dx.doi.org/10.1787/888933002300

Figure 12.3. **Contribution to gross value added growth *by main activity***

Percentage, 2011



StatLink http://dx.doi.org/10.1787/888933001350

13. Compensation of employees

- *In 2011, five countries recorded shares of compensation of employees relative to value added above 60%: Denmark (64.7%), Switzerland (63.8%), Sweden and the United Kingdom (60.3%) and Iceland (60.2%).*
- *In contrast, Mexico and Greece recorded relatively low compensation shares of 28% and 40%, respectively, in 2011, partly due to the share of unincorporated enterprises.*

Compensation of employees reflects the total remuneration in cash or in kind paid to employees and comprises gross 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. The presented tables and figures showing breakdowns by activities are re-based on the recently revised classification system (ISIC Rev. 4). However, the following countries report their data according to ISIC Rev. 3: Canada, Israel, Japan, Mexico and Turkey, as well as India, Indonesia, the Russian Federation and South Africa for non-OECD member economies. For more information see "Reader's guide – Industrial classification". 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).

Figure 13.1: the 6 activity level have been grouped into 3 activities, agriculture, industries (including construction) and services.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 13.1. **Compensation of employees**

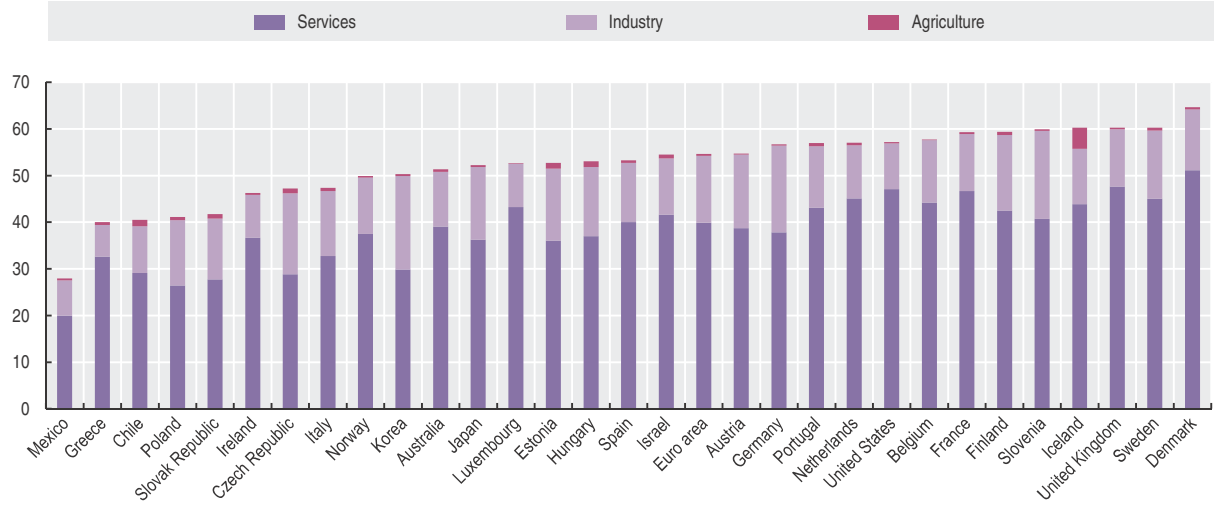
Percentage of gross value added

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	53.3	53.8	52.9	53.0	52.5	52.5	51.9	52.0	52.2	50.2	50.9	50.7	51.3	52.1
Austria	57.8	57.0	56.2	55.5	55.5	54.5	54.1	53.3	53.0	54.0	55.9	55.4	54.7	55.6
Belgium	57.7	57.1	58.3	58.6	58.0	56.7	56.3	56.2	56.1	57.2	58.6	57.4	57.7	59.0
Canada	55.3	54.5	55.2	55.5	55.0	54.7	54.3	54.9	54.9	54.2	..	..	..	..
Chile	45.2 e	43.8 e	43.8 e	43.6 e	42.5 e	39.9 e	38.3 e	34.8 e	35.2 e	39.7	41.1	39.3	40.5	..
Czech Republic	44.2	44.3	44.3	45.2	45.6	45.8	46.2	45.9	45.8	46.5	46.2	46.5	47.2	48.0
Denmark	63.2	61.2	62.5	63.2	63.5	62.7	62.9	63.2	64.7	65.3	68.2	65.0	64.7	64.1
Estonia	51.5	50.6	49.8	49.7	49.6	50.1	49.9	50.5	52.5	57.1	59.1	55.5	52.8	53.2
Finland	55.5	54.2	54.5	54.6	55.8	55.3	56.4	56.1	54.4	56.3	60.4	59.2	59.4	60.3
France	58.3	58.1	58.3	58.8	58.8	58.5	58.5	58.5	57.8	58.1	59.4	59.3	59.3	59.6
Germany	59.7	60.5	60.0	59.4	59.2	57.9	56.8	55.5	54.5	55.5	58.2	56.8	56.7	57.6
Greece	38.9 e	38.5 e	37.9 e	40.7 e	39.7 e	39.8 e	40.2	39.7	40.1	40.4	41.2	41.2	40.0	37.5
Hungary	50.9	52.7	52.5	52.6	54.0	53.9	54.2	53.3	54.7	54.5	54.9	53.6	53.0	53.5
Iceland	64.5	65.7	62.8	63.8	65.9	66.1	68.3	70.9	72.8	65.0	56.9	58.8	60.2	..
Ireland	45.4	44.0	44.3	43.1	43.6	44.8	46.2	46.7	47.1	51.2	51.4	48.3	46.3	46.8
Israel	57.7	57.7	59.4	57.3	56.7	54.9	54.2	55.0	55.6	55.8	53.8	54.1	54.5	..
Italy	44.5	43.9	43.8	44.1	44.4	44.3	45.1	45.8	45.5	46.4	47.5	47.4	47.3	47.7
Japan	53.2 e	53.1 e	53.3	52.4	51.5	50.6	50.7	50.8	50.0	51.5	52.0	50.9	52.3	..
Korea	47.9	48.1	49.1	49.0	50.0	49.8	51.1	51.5	51.3	51.6	51.5	49.9	50.3	50.9
Luxembourg	51.1	51.8	54.9	55.1	52.7	52.8	51.5	48.6	47.7	52.1	56.3	52.9	52.7	53.8
Mexico	31.7 e	32.1 e	33.2 e	33.0 e	32.5	30.8	30.4	29.2	28.7	28.3	29.9	28.9	28.0	..
Netherlands	57.3	56.7	57.2	57.6	57.8	57.5	55.8	55.3	55.2	55.8	58.4	57.3	57.1	57.5
New Zealand	44.0	43.7	43.6	44.4	44.7	45.3	46.5	47.5	47.5	49.5	48.7	..	..	..
Norway	56.3	49.0	50.1	52.7	51.9	49.3	46.6	45.8	48.3	47.2	52.7	50.8	49.9	50.2
Poland	47.1	45.2	46.0	44.3	43.3	40.7	40.7	40.4	40.6	42.6	41.5	41.8	41.1	40.7
Portugal	55.8	56.1	56.1	56.5	56.9	56.5	58.0	57.6	56.7	57.4	57.8	57.3	57.0	55.0
Slovak Republic	45.4	45.7	43.9	43.9	43.3	41.3	41.9	40.6	40.2	40.1	42.2	41.6	41.7	41.4
Slovenia	58.1	59.0	59.2	58.5	58.0	58.1	58.1	57.5	56.7	58.0	60.6	61.3	60.0	60.3
Spain	54.8	54.8	54.2	53.8	53.6	53.1	53.2	53.2	53.3	53.9	54.0	53.9	53.2	51.1
Sweden	60.2	62.4	64.4	63.9	63.2	62.2	62.0	60.4	61.2	61.4	63.0	60.9	60.3	61.3
Switzerland	62.5	62.3	64.2	65.2	64.7	63.1	63.2	62.1	61.4	61.4	64.4	62.7	63.8	64.7
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	59.9	61.1	61.8	60.9	60.2	60.0	59.6	59.7	59.5	59.2	60.9	60.4	60.3	60.7
United States	59.9	60.9	60.8	59.9	59.3	58.9	58.1	58.2	58.6	58.9	58.0	57.1	57.2	56.8
Euro area	55.1	55.0	54.8	54.8	54.7	54.0	53.8	53.5	53.0	53.8	55.4	54.8	54.7	54.9
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	52.7	52.5	53.6	52.8	50.6	50.3	49.1	48.0	47.8	48.8	47.3	46.8	..
India	..	..	..	..	..	30.3	29.1	27.8	27.7	29.6	30.0	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	45.4 e	45.9 e	49.2 e	52.9	53.6	52.8	51.2	52.2	54.5	55.6	60.3	57.4	58.2	59.3
South Africa	54.7	52.8	51.2	49.6	50.1	50.1	49.9	49.5	49.2	48.9	49.7	50.3	50.7	51.1

StatLink http://dx.doi.org/10.1787/888933002319

Figure 13.1. **Compensation of employees *by main activity***

Percentage of gross value added, 2011



StatLink http://dx.doi.org/10.1787/888933001369

HOUSEHOLD

14. Disposable income
15. Household final expenditure on housing
16. Household saving rate
17. Household financial transactions
18. Non-financial assets of households
19. Composition of household portfolio
20. Household debt
21. Financial net worth of households
22. Total net worth of households

14. Disposable income

- *In 2012, many households (in 12 out of 22 countries), particularly in the euro area, saw declines in their real net adjusted disposable income. Income fell by -1.4% in the euro area (double the drop in GDP). The largest decline occurred in Greece (-10.2%). In contrast, four countries recorded an increase in real household net adjusted disposable income above 2%: Norway (3.0%), Luxembourg (2.7%), Sweden (2.4%), and the United States (2.1%).*
- *Figure 14.3 presents real GDP and household net adjusted disposable income for the euro area, the United States, Japan and Canada. As the figures show, the trends in the two statistics differ most significantly in the years around the 2008 financial crisis where active intervention by governments served to moderate the impact of the crisis on household disposable income.*

Disposable income, as a concept, is closer to the concept of income generally understood, 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. Another important difference between national income and disposable income concerns the allocation of income across sectors. At this level significant differences arise, reflecting the reallocation of national income. 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.

A better mechanism for international comparisons when focusing on households' "income" is adjusted disposable income because it takes into account transfers in-kind such as government provided education and health.

Definition

Household disposable income is the sum of wages and salaries, mixed income, net property income, net current transfers and social benefits other than social transfers in kind, less taxes on income and wealth and social security contributions paid by employees (including social contributions payable by employers), the self-employed, and the unemployed. Household adjusted disposable income 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.

Table 14.1 shows household gross adjusted disposable income per capita. Table 14.2 shows annual growth in household net (adjusted) disposable income in real terms (with nominal values deflated by the total household final consumption deflator). Figure 14.3 shows indexed to 2001 growth for GDP and growth in adjusted disposable income, both in real terms (with nominal values deflated by the GDP deflator and actual individual consumption deflator respectively) for euro area, the United States, Japan, and Canada.

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 16). Not all countries however include these particular flows into and out of pension schemes as parts of disposable income and so comparability at the sectorial level is affected, albeit only marginally.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "Detailed National Accounts: Non-financial accounts by sectors, annual", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00034-en*.

Further reading

Fesseau, M. and M.L. Mattonetti (2013), "Distributional Measures Across Household Groups in a National Accounts Framework: Results from an Experimental Cross-country Exercise on Household Income, Consumption and Saving", *OECD Statistics Working Papers*, No. 2013/04, OECD Publishing, Paris, *http://dx.doi.org/10.1787/5k3wdjqr775f-en*.

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 14.1. **Household gross adjusted disposable income per capita**

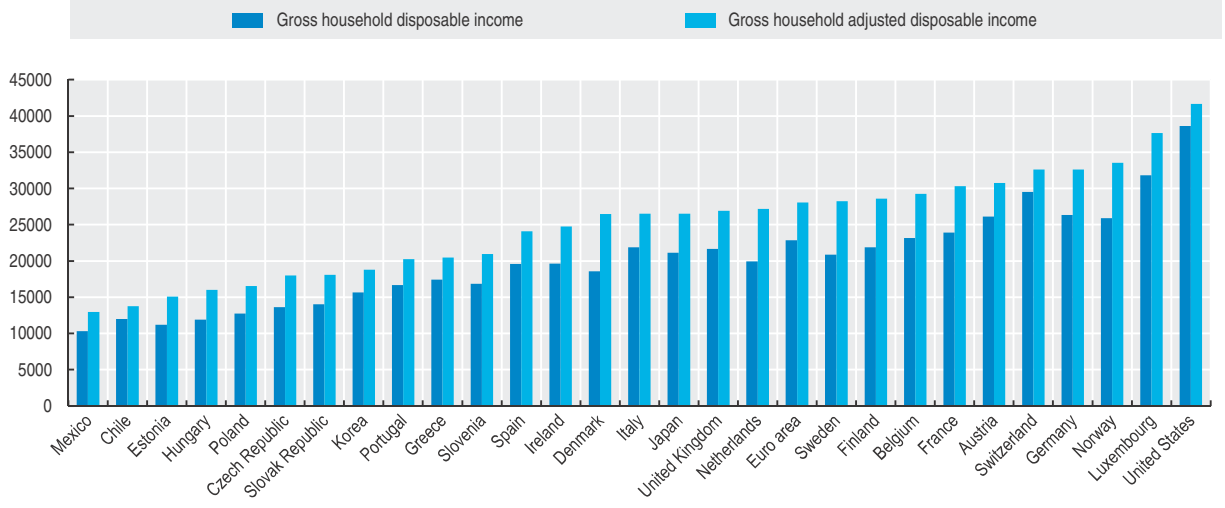
US dollars at current PPPs

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	19 773	21 400	22 243	23 285	23 937	25 538	25 912	27 079	28 677	30 079	29 923	31 222	..	..
Austria	20 270	22 184	22 019	23 505	24 138	25 308	25 704	27 430	28 300	29 317	29 261	30 155	30 743	31 588
Belgium	19 375	21 847	22 778	24 295	23 647	24 407	24 160	25 137	26 020	27 469	27 833	28 219	29 260	30 161
Canada	19 718	20 890	21 735	22 169	22 770	24 042	24 977	25 929	27 370	28 226	28 057	29 183	..	..
Chile	..	..	..	..	..	..	..	..	..	10 597	11 126	11 883	13 762	..
Czech Republic	10 871	11 742	12 695	13 361	13 851	14 601	14 999	15 872	16 921	16 645	17 487	17 762	18 017	18 516
Denmark	17 389	18 514	19 088	20 762	20 199	21 194	20 988	22 349	23 392	24 466	25 057	26 334	26 490	..
Estonia	6 600	7 574	7 968	9 058	9 534	10 035	10 712	11 772	13 247	14 169	13 795	14 047	15 076	14 911
Finland	15 421	16 854	17 447	18 933	19 314	20 820	21 114	22 355	24 284	26 087	26 551	27 610	28 598	29 479
France	19 230	21 319	22 796	24 768	23 852	24 807	25 116	26 057	27 437	28 348	28 598	29 476	30 323	30 811
Germany	20 381	21 433	22 252	23 307	24 092	24 882	26 084	27 101	28 044	29 269	29 072	30 972	32 617	33 406
Greece	..	..	..	..	..	..	19 553	21 047	22 845	23 682	23 471	21 920	20 464	19 224
Hungary	9 039	9 759	10 650	11 966	12 273	12 924	13 306	13 885	13 876	14 309	14 439	14 979	16 002	15 898
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	19 450	20 310	21 591	22 916	23 779	25 039	25 556	25 146	25 278	24 760	24 709
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	18 988	20 382	22 171	22 145	22 273	22 599	22 909	24 039	25 093	26 329	25 489	26 454	26 529	26 105
Japan	..	..	18 757	19 826	20 487	21 295	22 382	23 028	23 891	24 275	24 564	25 612	26 536	..
Korea	11 321	11 737	11 992	12 654	13 269	14 237	14 749	15 473	16 269	16 860	17 135	18 100	18 817	19 483
Luxembourg	..	..	..	..	..	..	..	34 255	35 190	37 275	37 012	37 151	37 637	38 490
Mexico	..	..	..	..	9 118	9 636	10 239	11 110	11 718	12 256	11 437	12 027	12 983 e	..
Netherlands	18 386	20 495	21 985	23 523	22 374	23 187	23 468	25 121	26 734	27 445	27 065	26 729	27 193	27 238
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	19 139	20 833	21 297	23 737	25 072	26 495	27 665	27 143	29 408	30 741	31 540	32 563	33 562	35 358
Poland	8 593	9 277	9 800	10 368	10 419	10 816	11 024	11 791	13 108	13 989	14 740	15 866	16 559	17 306
Portugal	13 136	14 487	15 093	15 816	16 024	16 633	17 685	18 282	18 925	19 772	20 007	20 673	20 256	20 369
Slovak Republic	8 241	8 810	9 718	10 700	10 438	10 975	11 856	12 704	14 590	16 120	16 461	17 729	18 072	18 348
Slovenia	12 949	14 220	15 029	16 403	16 243	17 126	17 723	18 630	19 526	20 537	19 862	20 239	20 967	20 785
Spain	..	17 005	18 034	19 788	19 865	20 648	21 345	22 577	23 373	24 745	24 798	24 092	24 078	23 770
Sweden	16 886	18 683	19 877	21 476	21 663	22 275	22 182	23 438	25 316	26 791	26 827	27 050	28 221	29 402
Switzerland	21 176	22 664	23 535	24 758	24 011	25 061	25 272	26 668	29 051	30 495	30 635	31 484	32 594	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	18 771	21 084	22 581	23 993	24 313	26 065	26 391	27 728	27 688	27 620	27 872	26 932	26 899	27 517
United States	26 995 e	28 704 e	29 862 e	30 989 e	32 261 e	33 923 e	35 172 e	37 170 e	38 489 e	39 941 e	39 461 e	40 204 e	41 674 e	42 920 e
Euro area	18 212 e	19 765 e	20 955 e	22 170 e	22 192 e	22 948 e	23 576 e	24 666 e	25 776 e	26 884 e	26 719 e	27 460 e	28 068 e	28 286 e
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	6 615	7 079	7 917	8 818	10 679	12 352	14 365	14 522	15 829	17 328	..
South Africa	4 428	4 566	4 685	4 823	5 068	5 420	5 746	6 124	6 492	6 526	6 704	6 836	7 327	..

StatLink http://dx.doi.org/10.1787/888933002338

Figure 14.1. **Gross (adjusted) disposable income of households per capita**

US dollars at current PPPs, 2011



StatLink http://dx.doi.org/10.1787/888933001388

Table 14.2. **Real household net (adjusted) disposable income**

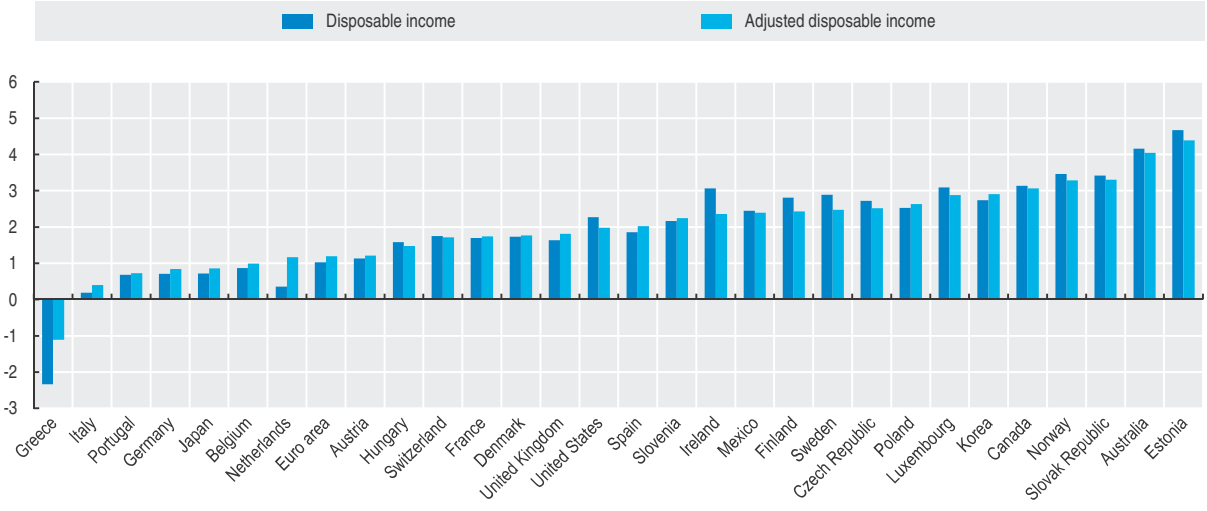
Annual growth rates in percentage

	Net							Net adjusted						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	6.1	5.6	7.1	1.3	4.3	..	..	5.6	5.3	6.8	1.4	4.0	..	..
Austria	2.7	2.6	0.7	0.1	-0.5	-1.3	1.1	2.8	2.7	1.1	0.2	-0.3	-0.9	1.0
Belgium	2.7	2.2	2.1	2.6	-1.3	-1.1	1.1	2.5	2.1	2.1	2.4	-0.8	-0.7	1.3
Canada	5.7	3.8	4.2	1.1	3.5	..	..	5.1	3.7	4.1	1.4	3.3	..	..
Chile	..	..	..	6.4	6.4	9.2	..	..	..	..	..	..	..	..
Czech Republic	5.6	3.8	2.1	2.7	0.4	-0.6	-1.3	4.4	3.3	1.8	2.9	0.4	-0.9	-1.2
Denmark	1.8	0.1	-0.2	0.0	3.6	0.9	..	2.1	0.7	0.8	0.8	2.8	0.1	..
Estonia	10.8	11.8	-0.1	-5.5	-1.9	4.8	-3.8	10.3	10.9	0.6	-4.7	-1.9	4.3	-2.8
Finland	2.7	3.6	2.4	1.9	2.8	0.4	0.0	2.2	3.1	2.2	1.4	2.0	0.2	0.1
France	2.4	3.0	0.2	1.2	1.0	0.5	-0.7	2.2	2.8	0.5	1.4	1.1	0.7	-0.3
Germany	1.2	0.0	0.9	-0.5	1.0	1.7	0.7	1.2	0.4	1.3	0.1	1.1	1.7	0.8
Greece	5.1	7.3	-2.3	-0.4	-11.4	-10.7	-10.8	5.5	7.4	-2.4	-0.5	-10.3	-10.4	-10.2
Hungary	1.7	-3.0	-1.8	-4.4	-2.1	2.8	-4.6	1.9	-4.2	-1.1	-3.7	-2.8	2.4	-4.3
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	4.3	6.2	7.0	1.0	-2.7	-3.7	-1.7	4.3	6.4	5.5	1.5	-2.4	-3.5	-1.8
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	0.9	1.0	-1.4	-3.0	-0.8	-0.8	-4.9	0.9	1.0	-1.0	-2.4	-0.7	-0.8	-4.4
Japan	0.8	0.8	-1.2	1.3	2.6	0.6	..	0.8	1.0	-0.8	1.4	2.5	0.9	..
Korea	2.6	2.7	1.3	1.6	4.1	1.7	2.0	3.0	2.7	1.6	2.1	4.2	1.8	..
Luxembourg	..	4.0	4.6	1.0	4.2	1.8	2.4	..	4.3	3.3	1.8	3.7	1.2	2.7
Mexico	5.5	3.6	1.2	-7.7	4.2	5.0	..	5.3	3.5	1.1	-7.1	4.0	4.8	..
Netherlands	0.5	2.6	-0.3	-1.1	-0.2	-0.4	-2.3	3.5	3.0	0.5	0.5	0.4	0.4	-1.4
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	-6.4	6.3	4.0	4.1	2.7	4.4	3.4	-4.5	5.2	3.5	3.9	2.4	3.4	3.0
Poland	4.8	4.2	4.0	4.8	2.2	0.4	-0.1	5.0	4.2	4.6	4.7	2.4	0.2	0.0
Portugal	-0.4	1.9	1.6	1.8	1.7	-4.2	-3.2	-0.6	1.6	1.4	2.2	1.5	-3.9	-3.4
Slovak Republic	3.4	9.1	5.0	1.2	3.2	-1.5	-1.7	3.9	9.9	5.5	1.3	3.0	-2.0	-1.4
Slovenia	2.9	4.3	1.8	-0.7	-0.6	0.6	-4.6	3.0	4.0	2.2	-0.1	-0.3	0.6	-4.0
Spain	3.0	3.2	3.3	1.8	-4.5	-2.3	-5.1	2.9	3.3	3.4	1.7	-4.0	-2.2	-5.2
Sweden	3.6	5.5	2.3	2.0	1.6	3.3	3.5	3.0	4.1	1.9	2.0	1.5	2.5	2.4
Switzerland	3.7	4.1	0.1	1.5	1.9	2.8	..	3.3	3.8	-0.5	1.9	1.8	2.6	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	2.2	0.3	1.3	1.5	1.1	-1.3	1.7	2.2	0.5	1.5	1.7	1.1	-0.8	1.8
United States	3.9	1.9	1.8	-0.3	1.4	2.6	2.1	3.5 e	1.7 e	1.6 e	-0.1 e	0.9 e	2.1 e	2.1 e
Euro area	1.8	2.0	0.5	-0.1	-0.6	-0.3	-1.8	1.9 e	2.1 e	0.8 e	0.2 e	-0.2 e	0.0 e	-1.4 e
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	13.6	14.1	8.0	-2.0	8.6	4.4	..	11.8	12.3	7.2	-1.9	7.0	3.6	..
South Africa	6.9	5.2	0.6	1.4	5.7	5.6	4.6	6.3	5.9	1.1	0.8	5.6	5.8	3.4

StatLink http://dx.doi.org/10.1787/888933002357

Figure 14.2. **Real household net (adjusted) disposable income**

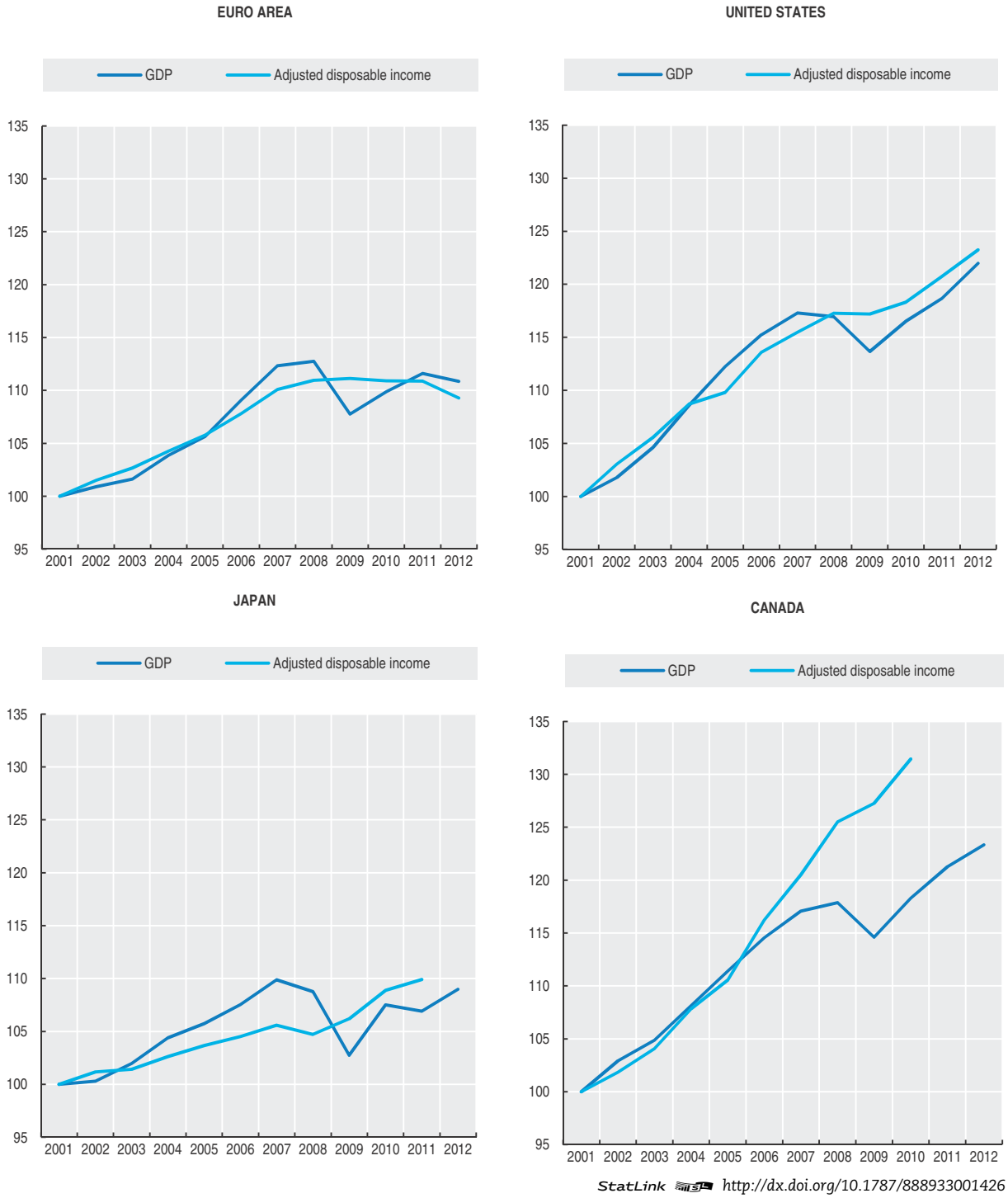
Average annual growth rates, between 2001 and 2011



StatLink http://dx.doi.org/10.1787/888933001407

Figure 14.3. **Real household net adjusted disposable income and GDP growth**

Year 2001 = 100



StatLink http://dx.doi.org/10.1787/888933001426

15. Household final expenditure on housing

- *Between 2001 and 2011, housing consumption as a share of adjusted disposable income decreased in Estonia, Korea, Sweden and Norway. All the other countries showed an increase. The largest increases in the shares in the period 2001-11 occurred in the United Kingdom, Poland, the Czech Republic, Spain and Italy.*
- *In 2012, three countries recorded housing consumption ratios above 20% of adjusted disposable income: the Slovak Republic, the Czech Republic and the United Kingdom.*

Housing costs are critical determinants of the living conditions of individuals and households. Concerns about housing affordability are important especially when there are sharp rises in home prices and rents and energy prices. Housing is one of the largest components of both expenditures and assets of households. As a consequence, higher housing prices can both strain the budget of those households that do not own their main residence and increase households' wealth and financial well-being for those that do.

Presenting housing expenditure as a share of adjusted disposable income shows how much income goes to housing services and provides a means to compare such expenditures over time and between countries.

Definition

Individual consumption expenditures are classified by purpose using the UN Classification of Individual Consumption by Purpose (COICOP). The housing expenditures category, called "Housing, water, electricity, gas, and other fuels", is one out of the twelve categories included as part of individual consumption expenditures. Housing and energy expenditures consist of actual rentals for housing, imputed rentals for owner-occupied housing, housing maintenance and repairs, as well as costs for water, electricity, gas and other fuels.

The order of the categories in COICOP are designed to broadly reflect differences in the responsiveness of expenditures to changes in household income, known as "income elasticity of demand". The types of expenditures with low responsiveness where percent changes in expenditures are generally less than percent changes in income are at the top of the categories; the expenditures that generally increase at a higher rate than changes in income are ranked lower. Thus, food and non-alcoholic beverages, which reflect purchases for home use and which have a low income elasticity, are at the top of the hierarchy, and restaurant meals, which have a relatively high income elasticity, are much lower in the hierarchy.

Housing expenditures of households, as defined in national accounts, include actual and imputed rentals (the rental-equivalence that home owners would pay for a house with similar characteristics to the one they own). This imputation is necessary in order for GDP to be invariant when housing units shift between tenant occupancy and owner occupancy. It is also a means to improve comparability across countries because owner-occupancy rates vary.

Adjusted disposable income also includes the imputed income of home owner-occupiers that provide housing services to themselves.

Rentals normally include payment for the use of the land on which the property stands, the dwelling occupied, the fixtures and fittings for heating, plumbing, lighting, etc., and, in the case of a dwelling let furnished, the furniture.

Comparability

Comparability is good, though imputed rents are subject to discussion. The adjusted disposable income is highly comparable among countries.

Housing consumption data correspond to national concept, rather than domestic, in Australia, Chile, New Zealand, Switzerland and South Africa. The data are also including NPISH's sector (non-profit institutions serving household) for Australia, Chile, Mexico and South Africa.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "Detailed National Accounts: Final consumption expenditure of households", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data- 00005-en*.

Further reading

Fesseau, M. and M.L. Mattonetti (2013), "Distributional Measures Across Household Groups in a National Accounts Framework: Results from an Experimental Cross-country Exercise on Household Income, Consumption and Saving", *OECD Statistics Working Papers*, No. 2013/04, OECD Publishing, Paris, *http://dx.doi.org/10.1787/5k3wdjqr775f-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 15.1. **Household housing consumption**

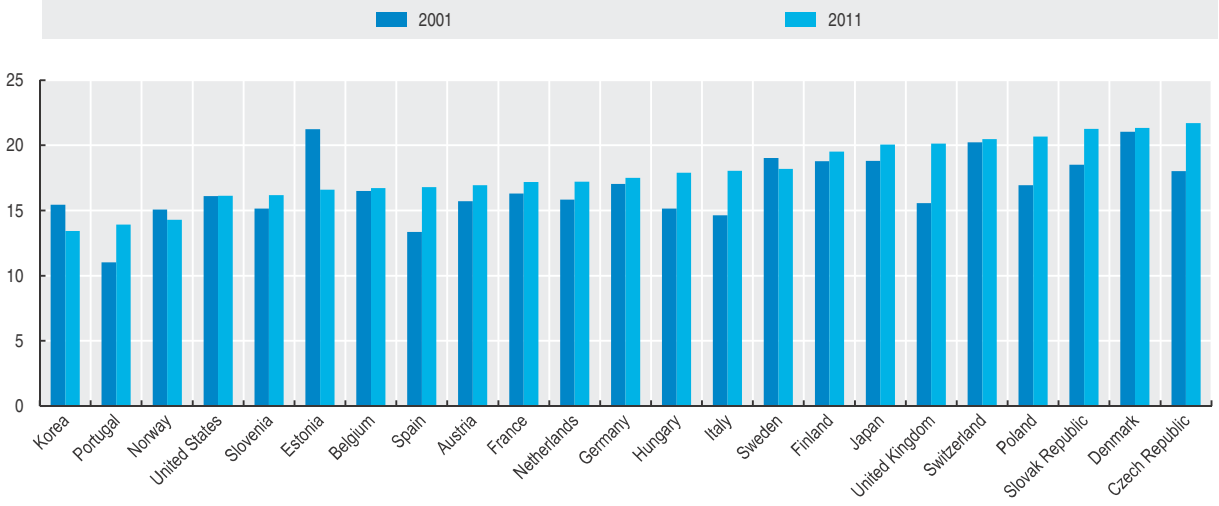
Percentage of net adjusted disposable income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	16.4	16.1	16.2	16.5	16.7	16.7	16.9	16.7	16.9	16.8	17.4	17.5	..	..
Austria	15.1	15.2	15.7	15.7	15.7	16.0	16.6	16.5	16.0	16.3	16.3	16.8	16.9	17.1
Belgium	16.4	16.6	16.5	16.4	16.6	16.6	16.7	16.6	16.0	16.5	16.0	16.6	16.7	16.8
Canada	18.4	18.1	18.0	18.0	18.2	18.1	18.2	17.8	17.9	18.0	18.1	17.9	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	17.2	17.4	18.0	18.7	19.3	19.3	19.8	19.8	20.0	20.6	22.0	22.3	21.7	21.4
Denmark	21.0	21.1	21.1	20.8	20.5	20.5	20.9	21.2	21.5	21.8	21.5	21.7	21.3	..
Estonia	22.5	21.3	21.2	20.4	19.7	19.8	18.6	18.5	18.4	16.8	16.9	17.1	16.6	17.2
Finland	19.0	18.8	18.8	18.9	18.9	18.6	18.8	18.9	18.6	18.6	19.0	19.3	19.5	19.7
France	16.8	16.5	16.3	16.0	16.3	16.4	16.9	17.1	17.0	17.2	17.2	17.4	17.2	17.7
Germany	16.6	16.8	17.0	17.0	17.3	17.3	17.5	17.6	17.4	17.8	17.9	17.9	17.5	17.5
Greece	..	..	..	..	..	..	18.2	18.1	17.6	19.5	19.7	22.3	24.9	..
Hungary	15.4	15.5	15.1	14.8	14.9	14.8	14.7	15.0	15.8	16.6	17.8	18.4	17.9	18.2
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	15.9	16.4	16.0	15.7	15.9	16.5	16.9	15.3	15.7	16.5	17.2
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	14.7	14.9	14.6	14.8	15.1	15.5	15.8	15.9	16.0	16.6	17.5	17.8	18.1	19.1
Japan	..	..	18.8	19.0	19.4	19.5	19.8	20.1	20.1	20.4	20.3	20.2	20.1	..
Korea	14.4	15.5	15.4	15.4	15.1	14.6	14.6	14.4	14.2	14.0	13.7	13.5	13.4	..
Luxembourg	..	..	..	..	..	..	..	19.6	19.3	19.4	19.1	19.2	19.5	19.5
Mexico	..	..	..	..	15.0	15.2	15.3	15.2	14.9	15.3	14.5	14.0	13.7	..
Netherlands	16.2	16.2	15.8	15.8	16.4	16.8	17.3	17.1	16.6	17.0	17.3	17.4	17.2	17.7
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	14.3	14.3	15.1	14.7	14.8	14.5	14.0	15.4	14.5	14.5	14.2	14.9	14.3	13.8
Poland	16.3	16.0	16.9	18.6	18.8	19.0	19.8	19.6	19.3	19.8	20.1	19.9	20.7	19.8
Portugal	11.0	10.9	11.0	11.3	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.1	13.9	14.2
Slovak Republic	16.6	18.2	18.5	18.7	20.6	22.4	22.5	23.3	21.9	21.2	21.5	20.8	21.3	21.7
Slovenia	15.2	15.3	15.2	14.8	14.6	14.9	15.1	15.1	14.7	15.0	16.1	16.4	16.2	16.4
Spain	..	13.2	13.3	13.6	13.7	13.8	14.0	14.4	14.7	14.7	15.1	16.1	16.8	17.6
Sweden	20.7	20.0	19.0	18.8	19.1	19.1	19.0	18.6	18.2	18.0	18.2	18.6	18.2	18.1
Switzerland	20.2	20.1	20.2	20.6	20.8	20.8	20.8	20.5	20.1	20.5	20.6	20.7	20.5	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	15.6	15.7	15.6	15.7	15.6	16.2	16.7	17.0	17.8	18.1	18.7	19.6	20.1	20.8
United States	15.8 e	15.7 e	16.1 e	15.9 e	15.9 e	15.8 e	16.3 e	16.3 e	16.3 e	16.3 e	16.6 e	16.4 e	16.1 e	15.9 e
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	6.6	7.8	7.5	7.2	7.1	7.3	7.6	7.5	..
South Africa	12.3	12.3	12.2	12.3	12.8	13.0	13.6	14.0	14.6	14.7	14.5	14.4	14.3	14.2

StatLink http://dx.doi.org/10.1787/888933002376

Figure 15.1. **Household housing consumption**

Percentage of net adjusted disposable income, 2001 and 2011



StatLink http://dx.doi.org/10.1787/888933001445

16. Household saving rate

- *Household saving rates differ significantly across countries. In 2011, largest saving rates of above 10% were recorded in Luxembourg, Switzerland, France, Germany and Sweden. Saving rates were slightly negative for Denmark and Poland (-0.2%), whereas Greece reported a negative saving rate of -12.5% in 2011.*
- *Of the 22 countries where data are available for 2012, 13 saw decreases in their saving rate compared to 2011.*

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 interest, current taxes and social contributions. It also includes income from imputed rents "received" by owner-occupiers of dwellings. It can be measured on a gross basis, i.e. before deduction of consumption of fixed capital (CFC) or on a net basis, i.e. after the deduction of CFC.

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 (plus the change in net equity of households in pension funds) to household disposable income.

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). Data for Chile are presented gross, not net.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "Detailed National Accounts: Simplified non-financial accounts", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00010-en*.

Further reading

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Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 16.1. **Household net saving rate**

Percentage of household disposable income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	1.5	2.5	2.6	0.5	0.5	1.0	1.6	3.2	3.6	10.2	8.9	9.2	..	..
Austria	9.9	9.3	7.6	7.9	8.7	9.1	9.6	10.4	11.6	11.5	11.2	8.9	6.7	7.4
Belgium	13.2	12.5	13.8	13.1	12.3	10.7	9.9	10.7	11.3	11.5	13.2	9.9	8.4	9.6
Canada	4.1	4.8	5.3	3.5	2.7	3.2	2.2	3.6	2.9	4.0	4.7	4.9	..	..
Chile	..	..	..	..	..	..	..	..	..	7.0	12.3	8.9	8.7	..
Czech Republic	4.7	5.8	5.2	5.2	4.1	2.9	4.8	6.1	5.7	4.8	6.8	6.2	5.1	5.9
Denmark	-5.6	-4.0	2.1	2.1	2.4	-1.3	-4.2	-2.3	-4.0	-3.7	-0.4	-0.2	-0.2	..
Estonia	-6.6	-3.0	-4.0	-6.4	-7.1	-12.8	-10.8	-13.1	-8.2	-4.1	4.7	4.4	6.0	-1.1
Finland	2.4	0.5	0.3	0.4	1.4	2.7	0.9	-1.1	-0.9	-0.3	4.2	3.6	1.3	1.1
France	11.3	11.0	11.7	13.0	11.9	12.2	11.1	11.2	11.7	11.7	12.6	12.1	12.0	11.7
Germany	9.6	9.4	9.5	10.1	10.4	10.6	10.7	10.8	11.0	11.5	10.9	10.9	10.4	10.3
Greece	..	..	..	..	..	..	-1.7	-1.0	2.5	-4.1	-2.9	-8.8	-12.5	-14.6
Hungary	7.8	6.2	6.7	5.3	2.9	5.4	6.7	7.2	3.3	2.7	4.8	5.4	5.4	1.9
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	-0.7	0.4	1.2	2.2	-0.4	-0.5	6.0	11.5	8.5	6.4	5.2
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	9.9	7.9	9.9	10.8	10.3	10.5	10.2	9.5	8.9	8.5	7.1	4.9	4.3	3.6
Japan	..	..	3.8	3.3	2.7	2.3	1.6	1.3	1.1	0.6	2.3	2.1	2.3	..
Korea	16.1	9.3	5.2	0.4	5.2	9.2	7.2	5.2	2.9	2.9	4.6	4.3	3.5	3.8
Luxembourg	..	..	..	..	..	..	..	3.8	4.3	9.5	12.1	13.0	13.6	13.7
Mexico	..	..	..	..	11.4	10.1	10.1	10.1	9.7	9.2	9.0	9.0	8.2	..
Netherlands	9.0	6.9	9.7	8.7	7.6	7.4	6.4	6.1	6.9	5.9	5.6	3.3	4.9	4.1
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	4.7	4.3	3.1	8.2	8.8	6.9	9.6	-0.5	0.8	3.7	6.9	5.6	7.1	8.2
Poland	10.5	10.0	11.9	8.3	7.7	5.5	5.9	6.5	4.6	-0.3	6.9	6.1	-0.2	2.6
Portugal	3.9	3.8	3.8	3.3	3.6	2.8	2.7	0.4	-0.7	-0.8	3.2	2.4	1.7	3.9
Slovak Republic	6.2	6.0	3.8	3.3	1.1	0.3	1.1	0.1	2.2	1.1	..	..	..	..
Slovenia	4.5	7.8	9.7	10.3	7.8	8.6	10.6	10.8	9.0	8.6	8.0	6.1	5.2	4.7
Spain	..	6.1	5.9	5.8	6.7	5.2	4.7	3.9	4.0	7.8	12.2	7.9	6.8	4.4
Sweden	1.6	3.1	7.3	7.1	5.9	4.7	4.0	4.9	7.2	9.0	11.0	8.3	10.4	12.2
Switzerland	10.6	10.6	11.2	9.9	8.6	8.0	8.8	10.7	12.5	11.7	11.4	11.4	12.8	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	0.3	0.1	1.4	-0.2	-0.5	-1.5	-2.3	-2.2	-3.7	-2.7	2.3	2.9	2.2	2.4
United States	4.4	4.2	4.5	5.2	5.0	4.8	2.7	3.5	3.2	5.2	6.4	5.9	5.9	5.8
Euro area	9.2	8.2	8.9	9.4	9.2	9.2	8.6	8.2	8.5	8.7	9.5	8.0	7.4	7.0
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	11.0	12.4	12.1	10.1	13.1	15.5	13.9	..
South Africa	1.2	1.0	0.4	0.7	0.6	0.4	0.1	-0.8	-1.2	-1.2	-0.8	-0.5	-0.2	0.0

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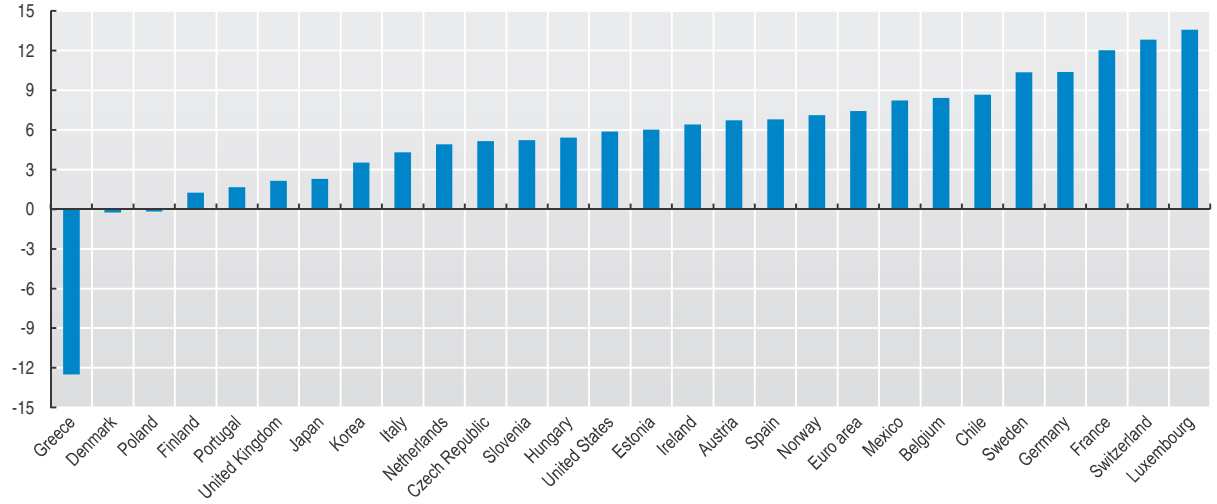
Figure 16.1. **Household net saving rate**

Percentage of household disposable income, 2011



StatLink http://dx.doi.org/10.1787/888933001464

17. Household financial transactions

- *In 2011, five OECD countries recorded financial saving ratios above 8%: the United States (11.7%), Ireland (11.0%), Belgium (9.5%), Germany (8.3%) and Korea (8.1%). In contrast, there was financial dissaving in four countries: Hungary (-7.7%), Denmark (-2.4%), Norway (-1.5%) and Finland (-1.1%).*
- *Comparisons between 2006-11 show that household financial saving ratios improved markedly (around 28 percentage points) for Estonia and Ireland. In 2006, Estonia and Ireland showed the worst household dissaving ratios of -23.3% and -17.3%, respectively. During this period, the most significant decrease was observed in Hungary (-13.9 percentage points), followed by Switzerland (-9.2 percentage points).*

Net financial transactions of households, as a percentage of net household disposable income, measures the financial saving (+) or dissaving (-) in terms of their disposable income, and represents the part of disposable income that can be used to acquire financial assets (bank accounts, savings accounts, stock market shares, etc.) or reduce debt (mortgages, consumer loans, etc.) during the year. The financial saving ratio gives an indication about household financial health: high financial savings constitutes a precautionary cushion for households and makes them less vulnerable to adverse changes in personal circumstances. The way in which a particular culture considers debt and how it values individual property has an impact on the behaviour of households; therefore, the household financial saving ratio may vary considerably across countries. A number of other factors can also affect the household financial saving ratio such as consumer confidence, broader economic and financial conditions and access to credit. For example, if households expect a slower growth of their income, or lower returns on assets, or if they face job loss, they will modify their financial behaviour by either reducing their liabilities or increasing their financial assets.

A positive value indicates that the household sector is a net lender; a negative value indicates that it is a net borrower.

Definition

The item "net financial transactions" is the balancing item of the financial accounts of the households. It is calculated as the difference, in a given period, between net acquisition of financial assets and net incurrence of liabilities, which correspond to the financial transactions taking place between households and the other institutional sectors, including the rest of the world.

The financial saving ratio is a complement to the household saving rate, which measures the amount of saving out of current income that can be used to spend on fixed assets (such as housing) or for financial investment. In theory, net financial transactions are equal to the balancing item of the capital account "net lending/net borrowing". In practice, there is a difference between the two balancing items, the so-called "statistical discrepancy", due to problems of valuing some transactions, possible data coverage gaps and differences in data sources more generally.

Comparability

Institutional differences in the set-up of pension systems and the recording of the corresponding transactions in pension entitlements may affect a straightforward interpretation of the total amount of net financial transactions acquired by households.

Sources

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 17.1. **Net financial transactions of households**

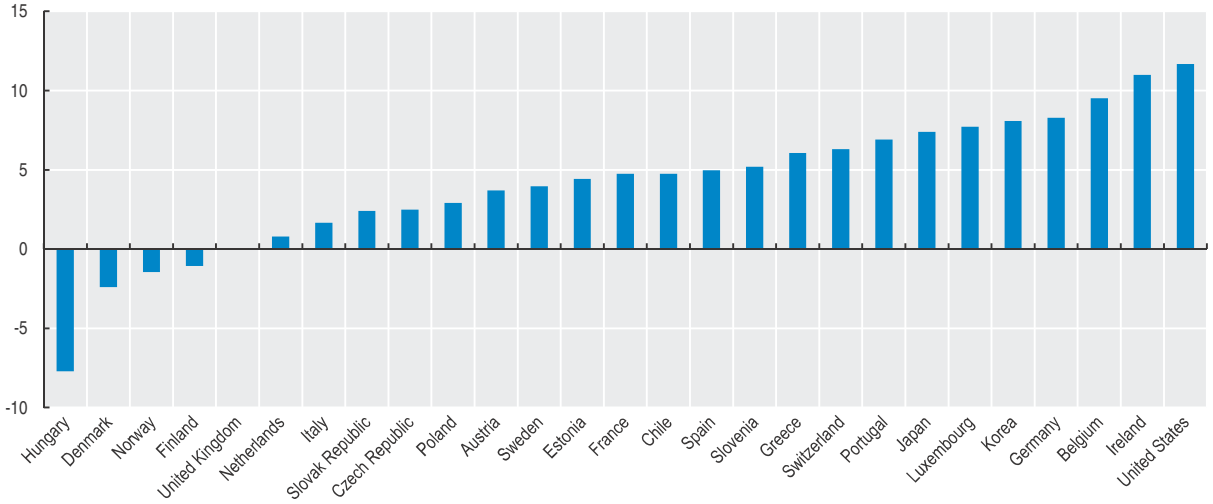
Percentage of household net disposable income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	0.6	0.9	-0.2	-4.2	-6.3	-4.6	-4.2	-0.4	2.8	6.2	4.1	7.4	..	..
Austria	7.0	6.7	5.1	6.4	7.1	7.2	7.7	8.4	9.4	9.0	8.8	6.5	3.7	5.0
Belgium	13.5	11.8	14.6	9.6	10.3	5.5	7.2	2.9	7.1	5.6	13.6	7.4	9.5	6.5
Canada	-2.7	-2.1	-3.1	-5.1	-6.3	-6.5	-7.7	-5.9	-6.7	-6.1	-2.7	-4.4	..	..
Chile	..	..	..	..	..	..	..	..	..	-0.6	7.1	8.5	4.8	..
Czech Republic	1.6	2.8	3.4	3.9	2.3	0.8	2.2	2.7	1.7	0.7	3.3	2.2	2.5	6.6
Denmark	-8.2	-8.3	-1.0	0.1	0.0	-4.0	-9.4	-8.9	-11.5	-8.4	-0.5	-0.7	-2.4	..
Estonia	-2.2	-1.7	-1.4	-6.2	-9.9	-16.7	-17.5	-23.3	-15.6	-6.9	5.0	4.0	4.4	-4.1
Finland	1.9	-3.1	-0.3	-2.0	-0.3	-2.3	-0.2	-4.2	-4.0	-3.3	4.1	-0.8	-1.1	-5.9
France	6.0	5.6	6.8	6.8	6.3	6.6	5.6	4.7	4.7	4.5	5.6	5.4	4.8	4.4
Germany	5.4	5.8	7.2	7.4	9.0	9.4	10.0	9.2	9.1	8.9	9.9	9.5	8.3	8.4
Greece	..	..	..	..	..	..	7.6	6.9	1.9	10.2	5.5	1.5	6.1	0.0
Hungary	12.0	10.1	9.0	4.5	0.3	4.3	7.8	6.2	3.0	2.8	7.0	8.4	-7.7	9.2
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	-5.1	-12.4	-11.5	-18.4	-17.3	-19.2	-1.5	10.7	12.6	11.0	9.1
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	7.5	8.9	12.5	11.1	6.6	7.8	8.2	3.3	0.3	5.8	2.2	1.6	1.7	1.9
Japan	..	..	5.6	3.2	1.3	3.7	6.4	7.1	6.5	7.1	4.5	4.2	7.4	..
Korea	..	..	..	..	4.7	7.3	5.9	8.5	8.0	9.9	13.9	9.4	8.1	12.2
Luxembourg	..	..	..	..	..	..	..	3.2	3.2	2.1	5.4	10.4	7.7	9.1
Mexico	..	..	..	..	11.7	10.8	16.1	19.6	9.0	-3.9	30.1	..	..	..
Netherlands	2.7	-0.5	2.7	3.2	1.9	2.2	-0.9	-2.8	-1.4	-2.0	0.8	0.1	0.8	1.2
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	0.5	3.1	-0.6	2.8	4.8	1.9	6.1	-6.6	-5.8	-2.7	1.2	-0.9	-1.5	-1.1
Poland	7.2	4.1	6.5	2.3	1.4	3.0	7.0	3.7	4.2	-11.0	4.0	6.1	2.9	3.2
Portugal	1.3	1.6	3.6	3.7	4.0	3.9	4.4	2.3	1.6	3.1	7.2	6.6	6.9	9.7
Slovak Republic	3.8	1.3	0.3	-1.2	-1.8	-2.0	-2.3	-3.5	-1.7	-2.6	-0.4	3.8	2.4	1.5
Slovenia	..	..	..	12.1	9.0	10.6	7.8	4.2	4.3	5.7	5.9	6.6	5.2	4.6
Spain	..	2.5	1.9	1.3	0.2	-1.0	-2.2	-2.8	-3.2	0.4	9.2	5.3	5.0	2.1
Sweden	8.5	4.8	8.4	8.9	8.1	2.8	2.3	1.6	6.0	6.5	2.5	0.1	4.0	8.2
Switzerland	..	6.6	11.6	9.1	8.5	11.2	10.0	15.5	19.5	6.3	16.3	10.8	6.3	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	-2.6	-0.5	-2.6	-0.9	-3.7	-4.3	-4.9	-4.8	-7.9	-6.1	2.6	2.0	0.0	1.4
United States	0.2	-3.7	0.6	-0.8	1.3	2.7	-2.1	-3.1	2.7	8.0	7.8	10.5	11.7	7.8
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002414

Figure 17.1. **Net financial transactions of households**

Percentage of household net disposable income, 2011



StatLink http://dx.doi.org/10.1787/888933001483

18. Non-financial assets of households

- *In 2010, among the countries for which data are available, Denmark recorded the highest value of dwellings owned by households per capita at USD 60 645 (the United Kingdom includes lands with dwellings); followed by France (USD 58 801) and Germany (USD 55 046). The lowest values of dwellings per capita were in Poland, at USD 5 627.*
- *Of the 21 countries where data are available for 2011, 19 saw increases in the per capita value of their dwellings compared to 2010.*

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. 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 imputed 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 market prices at the time to which the balance sheet relates, 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 relevant figures in making international comparisons. The OECD Statistics Directorate is working with national statistical institutes, so that future versions of this publication reflect a greater coverage and a larger degree of international comparability.

Data are assets net of depreciation for all countries except for Denmark, and the Slovak Republic (gross assets).

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

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Further reading

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 18.1. **Non-financial assets of households per capita**

US dollars, current PPPs

	Dwellings				Land				Other			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Australia	42 256	44 645	44 112	44 514	76 608	95 586	89 379	82 051	16 149	17 012	16 638	16 718
Austria	46 309	48 528	50 255	52 963	..	..	..	..	..	..	..	..
Belgium	44 279	46 251	47 724	51 078	..	..	..	..	..	..	..	..
Canada	35 239	36 349	37 470	..	30 908	32 673	33 388	..	1 693	1 668	1 593	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	22 773	24 052	24 341	25 624	2 926	2 927	3 035	3 045	4 594	4 693	4 949	5 593
Denmark	58 300	61 519	60 645	61 262	..	..	..	..	..	..	..	..
Estonia	24 083	24 067	23 583	24 090	..	..	..	..	..	..	..	..
Finland	38 965	38 889	37 656	39 911	..	..	..	..	..	..	..	..
France	54 232	56 489	58 801	63 872	60 455	57 427	65 214	68 871	6 807	6 935	7 211	7 637
Germany	51 313	52 943	55 046	58 720	..	..	..	..	..	..	..	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	22 169	23 873	24 324	25 229	..	..	..	..	..	..	..	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Israel	24 985	24 445	25 610	27 070	..	..	..	..	..	..	..	..
Italy	45 921	47 390	48 543	51 134	..	..	..	..	..	..	..	..
Japan	21 083	20 449	21 077	21 630	54 113	52 509	52 901	53 374	4 828	4 613	4 534	4 575
Korea	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	40 485	41 194	40 680	42 434	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	51 652	53 961	54 041	53 409	58 541	54 288	51 089	51 005	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	..	..	..	..	..	..	..	..	..	..	..	..
Poland	4 955	7 746	5 627	5 818	..	..	..	..	..	..	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	28 778	31 292	31 717	32 808	..	..	..	..	..	..	..	..
Slovenia	34 331	34 109	35 101	37 006	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	26 147	26 996	26 625	27 298	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	92 311	94 770	93 810	92 831	..	..	..	..	..	..	..	..
United States	47 790	46 235	46 028	46 093	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..

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19. Composition of household portfolio

- *In 2011, the three OECD countries with the largest household holdings of financial assets per capita were the United States, Switzerland and the Netherlands. In all three countries, net equity in pension fund assets accounted for a substantial part of the portfolio.*
- *From 2001 to 2011, the composition of household financial assets portfolio became more liquid and less risky in most OECD countries, due to recent economic developments. The proportion of both currency and deposits, and assets related to life insurance and pension funds held by households increased significantly in a large number of OECD countries, whereas, due to the increase of their risk aversion and also possibly due to holding losses, households divested themselves of shares and other equity.*

Financial assets held by households form an important part of overall wealth and are an important source of revenue, either through the sale of those assets or refinancing, or as a source of property income (such as interest and dividends). The structure of financial assets held by households, which carry different risk levels and, as a consequence, may affect household wealth, constitutes a major input in economic analyses, such as studies of asset bubbles and analyses of welfare.

The percentages shown in Table 19.1 reflect the composition of the household portfolio as a share of total financial assets and indicate households' preferences in terms of financial investments as well as the financial risks borne by them. The types of financial assets held by households may vary considerably across countries, depending on cultural habits, economic situation and national rules.

Shifts in the composition of financial assets show changing household preferences. For example, an increase in currency and deposits may reflect greater risk aversion and a preference for less risky assets.

Definition

Financial assets held by households refer to the following categories: currency and deposits; securities other than shares, except financial derivatives; shares and other equity, except mutual fund shares; mutual fund shares; net equity in life insurance reserves; and, net equity in pension funds. It excludes financial derivatives, loans, prepayments of premiums and reserves against outstanding insurance claims, and other accounts receivable which are generally less significant.

Net equity in life insurance reserves; and in pension funds are typically managed by financial institutions as a counterpart to these funds, the financial institutions have liability towards households, which may, or in the case of defined benefit schemes, may not be equal to the available funds.

Changes in the stocks of financial assets over a period not only reflect net acquisitions of financial assets but also changes in valuations (holding gains and losses depending on the performance of financial markets), the financial assets most impacted by valuation changes being quoted shares.

Comparability

Comparability is generally good, but data are not always available or separately identifiable for all asset-types.

International comparability may also be hampered by institutional differences in the way pension systems are organised and operated in the various countries. In countries with highly funded pension systems, more pension reserves will be recognised and recorded as part of the assets of households.

The estimates shown in the table and figure that follow present statistics on a non-consolidated basis, except for Australia and Israel.

Source

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22214461*.

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 19.1. **Composition of households assets portfolio**

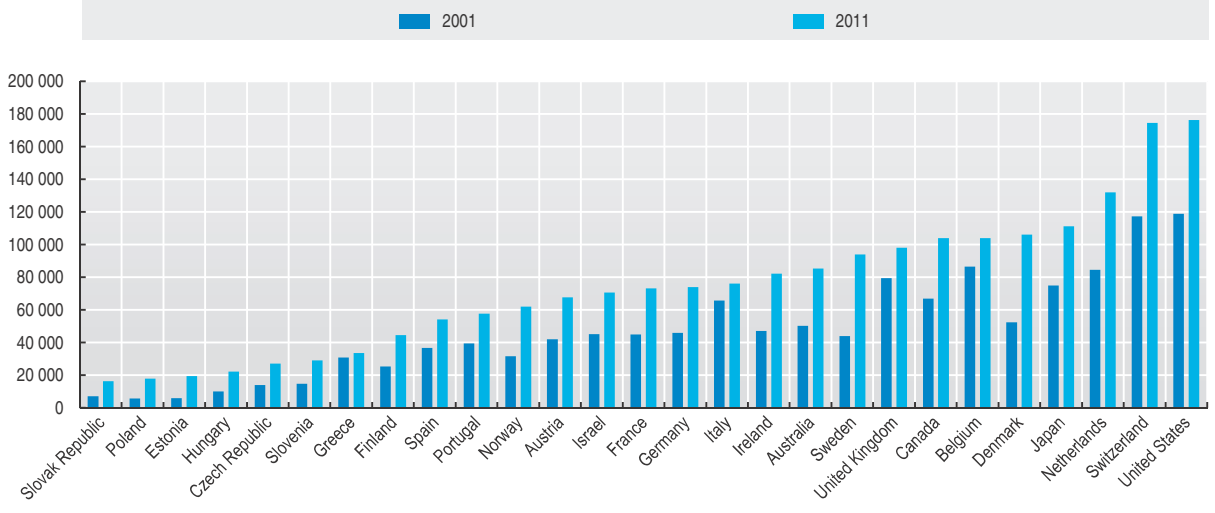
Percentage of financial assets total

	Currency and deposits		Securities		Shares		Mutual funds shares		Net equity in life insurance reserves		Net equity in pension funds	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Australia	20.7	23.9	1.3	0.3	16.0	15.6	4.6	1.5	4.8	1.9	46.1	52.9
Austria	51.4	45.7	6.7	9.6	13.3	15.7	9.9	8.4	12.6	13.4	3.2	3.3
Belgium	21.8	31.9	19.4	10.9	26.7	19.8	15.0	10.8	10.6	22.0	1.8	1.4
Canada	22.7	25.6	5.4	2.0	13.1	19.6	14.9	15.4	..	..	..	..
Chile	..	13.1	..	0.0	..	22.1	..	4.8	..	12.3	..	46.8
Czech Republic	52.7	55.7	0.4	1.9	35.1	20.1	1.5	4.1	4.5	6.8	2.3	6.0
Denmark	21.7	19.2	..	3.6	..	17.0	..	6.8	..	27.2	..	23.1
Estonia	33.1	34.2	0.1	0.2	55.2	43.4	0.7	0.8	1.0	2.9	0.0	8.3
Finland	32.4	38.1	1.6	3.2	37.3	31.5	5.1	6.7	7.0	6.0	9.3	8.7
France	33.0	30.2	3.3	1.5	17.2	15.8	11.2	6.9	..	31.5	..	4.0
Germany	35.0	40.9	6.8	5.2	15.1	8.6	12.1	8.4	..	..	..	..
Greece	51.0	76.2	13.0	6.0	20.3	5.6	10.5	0.7	1.8	2.2	0.1	0.9
Hungary	41.3	39.4	8.5	6.4	28.5	30.4	5.1	8.2	4.5	5.8	5.1	4.0
Iceland	..	18.7	..	..	..	..	..	..	..	..	..	..
Ireland	34.4	40.0	0.3	0.1	29.1	15.2	0.0	0.0	12.1	19.3	22.6	22.7
Israel	35.7	22.1	7.6	12.3	13.6	16.6	0.0	5.5	7.6	9.8	29.3	27.6
Italy	24.6	31.5	18.8	20.0	26.3	19.4	14.9	6.6	6.4	11.7	4.9	6.3
Japan	53.9	54.4	3.7	3.6	6.4	6.7	2.2	3.9	16.4	14.2	12.2	12.7
Korea	..	46.5	..	8.9	..	17.8	..	0.3	..	19.6	..	2.0
Luxembourg	..	53.3	..	10.9	..	12.4	..	8.7	..	10.9	..	1.8
Mexico	18.9	..	45.5	..	27.3	..	5.1	..	1.5	..	1.1	..
Netherlands	19.5	23.2	2.7	2.1	17.8	9.7	4.3	2.4	9.1	11.1	43.0	49.3
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	34.2	32.0	1.6	0.6	12.3	10.0	5.4	4.2	7.9	4.0	25.9	31.0
Poland	62.1	46.4	0.4	0.6	15.0	19.5	0.0	5.4	5.3	5.3	0.0	18.5
Portugal	38.8	40.8	4.7	5.6	23.0	23.0	7.5	3.2	6.4	10.9	6.3	4.3
Slovak Republic	77.0	64.8	0.2	2.1	0.4	0.3	5.3	5.5	..	7.6	..	12.5
Slovenia	52.1	52.6	2.0	1.3	25.6	20.7	3.6	6.2	2.8	6.2	0.5	3.3
Spain	40.4	48.5	2.3	4.0	27.0	22.0	12.8	6.6	7.3	7.5	5.9	6.1
Sweden	16.1	16.6	2.6	1.6	22.8	32.6	12.8	7.4	17.5	11.4	19.7	26.0
Switzerland	24.8	31.8	9.4	6.7	15.2	10.8	8.8	8.4	6.4	5.0	32.5	34.0
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	23.2	29.0	1.8	0.8	14.8	10.9	4.7	2.4	51.3	52.4	0.0	0.0
United States	11.4	13.7	7.0	9.6	35.6	30.1	11.0	10.0	2.6	2.2	29.6	31.1
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002452

Figure 19.1. **Financial assets of households per capita**

US dollars at current PPPs, 2001 and 2011



StatLink http://dx.doi.org/10.1787/888933001502

20. Household debt

- *In 2011, households remained highly indebted in a large number of OECD countries four years after the start of the global financial crisis, with an OECD average established at 135% of their net disposable income. The ratio was far higher than this average in Denmark (331%), the Netherlands (302%), Ireland (234%), Norway (209%) and Switzerland (201%). In contrast, the Slovak Republic had the lowest debt ratio at 49.4% in 2011.*
- *The Netherlands and Greece recorded the largest increases over the period 2006-11, with respectively 46 and 39 percentage points. A net fall was observed in the United States (-20 percentage points), the United Kingdom (-16 percentage points) and Germany (-11 percentage points).*

The household debt ratio presents the total outstanding debt of households as a percentage of their disposable income. It is the most frequently reported measure on the indebtedness of households and intends to assess debt sustainability of the household sector.

High indebtedness levels generally increase the financing costs of the borrower and deteriorate balance sheet positions. On the other hand however, one should also take into account the availability of assets, e.g. dwellings, for which the borrowing has been made.

A high leverage ratio, as well as a growing debt ratio, is often interpreted as a sign of financial vulnerability. If it is accompanied by a higher-than-expected interest rate growth, a decline in disposable income, unemployment, it could reduce households' ability to repay loans from current disposable income and hence reduce consumption in the period ahead.

Definition

Debt is a commonly used concept, defined as a specific subset of liabilities. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not considered as debt. Debt is thus predominantly obtained by adding the following liability categories: currency and deposits, securities other than shares except financial derivatives, loans, insurance technical reserves and other accounts payable. The debt of households mainly consists of home mortgage loans, but also other types of liabilities such as credit lines and credit cards, and other consumer credit (such as automobile loans or student loans).

For a given country, changes in the ratio can be due to changes in outstanding debt and/or changes in disposable income. Thus, a reduction in the debt ratio during the deleveraging phase can be attributed to improvements to income or to a reduction in debt, in particular consumer credit and mortgage loans.

Comparability

International comparability of household debt is generally good. However, debt ratios across countries can be significantly affected by different institutional arrangements, among which tax regulations regarding tax deductibility of interest payments.

Sources

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Further reading

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 20.1. **Household debt**

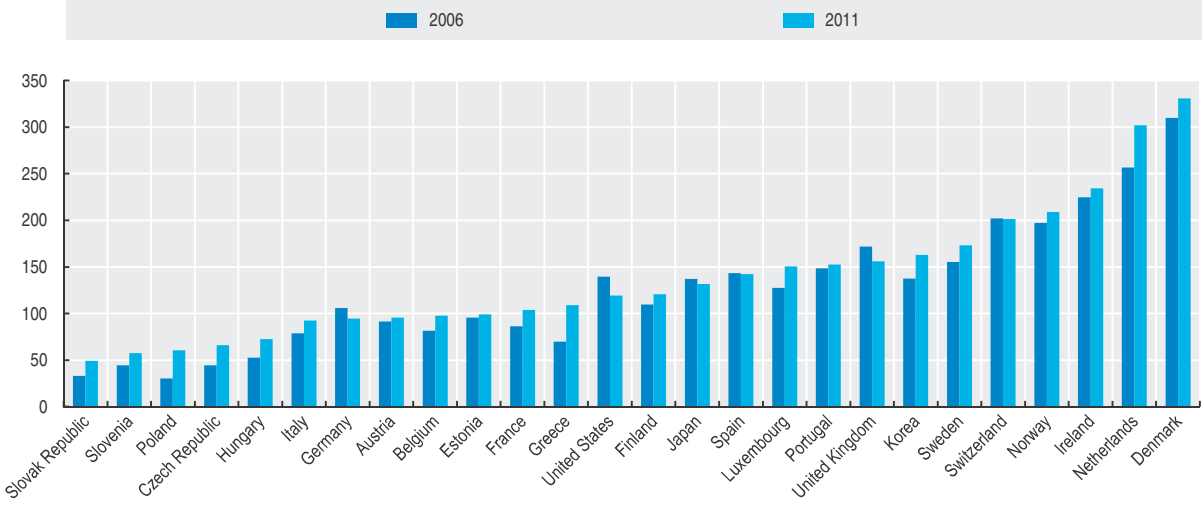
Percentage of net disposable income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	114.4	118.5	125.5	140.9	152.8	164.4	172.5	176.2	180.7	176.3	182.8	183.5	..	..
Austria	75.9	77.9	79.9	82.0	81.5	84.9	90.1	91.4	90.9	92.5	92.3	95.7	95.6	92.8
Belgium	70.9	68.6	64.4	66.2	69.4	72.8	78.0	81.4	84.9	87.1	87.8	92.9	97.7	98.2
Canada	110.2	109.4	109.5	113.7	119.0	124.2	132.0	135.5	143.5	148.3	157.7	158.9	..	..
Chile	..	..	..	..	..	..	..	..	..	58.9	57.2	57.5	56.8	..
Czech Republic	20.5	21.1	21.8	27.0	29.0	34.4	39.8	44.3	54.0	59.4	61.3	63.1	66.2	66.7
Denmark	..	..	..	..	260.0	274.3	290.5	310.0	338.0	347.8	355.6	339.2	330.8	..
Estonia	17.5	20.7	24.6	31.6	40.7	55.1	72.0	95.5	105.7	107.8	111.6	107.4	99.1	97.0
Finland	66.8	70.0	70.3	75.4	79.9	88.5	99.5	109.7	114.9	117.5	117.5	118.7	120.6	122.9
France	70.6	68.4	68.5	70.0	73.1	75.4	81.6	86.2	90.3	90.1	97.6	102.9	103.7	104.5
Germany	114.8	116.4	114.0	113.9	112.5	111.0	108.3	105.9	103.0	99.4	99.7	97.1	94.5	93.2
Greece	..	..	..	..	..	..	63.0	70.0	75.3	82.1	84.0	101.1	108.8	109.7
Hungary	13.4	16.1	19.3	25.6	34.9	40.5	46.4	52.8	60.9	74.4	74.9	78.8	72.7	62.6
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	127.3	148.6	171.4	200.9	224.7	235.0	230.0	238.3	234.6	234.3	230.4
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	52.5	56.6	58.4	61.2	64.5	68.5	73.5	78.7	83.2	84.1	89.5	92.6	92.7	94.4
Japan	..	..	140.7	139.5	138.1	137.4	137.9	137.3	133.6	132.2	132.4	131.9	131.5	..
Korea	..	..	..	131.2	126.5	122.0	129.1	137.5	145.7	149.7	154.1	158.0	162.9	163.8
Luxembourg	..	..	..	..	..	..	..	127.5	136.1	135.8	142.9	145.0	150.6	153.4
Mexico	..	..	..	..	7.5	7.6	8.5	10.6	11.6	9.5	9.5	..	..	..
Netherlands	163.2	174.3	176.5	190.0	211.0	223.8	243.1	256.6	260.8	273.3	293.1	299.2	302.1	311.5
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	130.5	135.2	147.1	147.2	150.4	160.7	166.5	197.4	205.1	203.1	200.8	204.6	208.8	213.7
Poland	10.7	11.8	17.6	22.2	19.6	21.1	24.4	30.4	38.5	50.5	52.6	57.1	60.6	58.9
Portugal	105.1	114.6	119.2	121.7	127.9	133.6	139.3	148.4	155.2	153.9	157.9	155.2	152.5	147.6
Slovak Republic	16.9	21.2	22.9	25.7	29.2	27.0	30.5	33.3	39.3	44.0	43.9	45.7	49.4	54.8
Slovenia	..	..	32.8	33.1	35.0	35.6	39.9	44.5	51.9	53.8	56.3	59.1	57.5	57.8
Spain	..	86.1	89.4	96.4	105.1	116.3	129.1	143.4	149.3	144.0	141.2	146.3	142.3	141.1
Sweden	105.0	108.7	119.2	121.6	128.0	137.3	147.5	155.3	159.4	161.0	166.4	174.0	173.2	172.0
Switzerland	184.5	182.8	181.3	189.2	201.1	199.6	204.0	201.9	192.5	190.2	194.5	198.5	201.2	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	113.0	115.7	121.6	133.9	145.1	157.4	160.4	171.7	179.8	174.9	167.9	160.1	155.9	151.5
United States	102.2	103.6	107.2	112.5	120.2	126.8	134.6	139.7	142.8	134.8	133.3	127.1	119.2	114.9
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002471

Figure 20.1. **Household debt**

Percentage of net disposable income, 2006 and 2011



StatLink http://dx.doi.org/10.1787/888933001521

21. Financial net worth of households

- *In 2011, the financial net worth per capita of 15 countries were above the OECD average of USD 44 600 (for 31 OECD countries for which data are available). The United States and Switzerland recorded the highest financial net worth per capita, with figures above USD 110 000, more than double the OECD average. Estonia had the lowest financial net worth per capita at USD 8 042.*
- *The OECD average of household financial net worth per capita grew by 4.7% from 2006 to 2011, reaching USD 44 600. The largest growth was recorded in the Slovak Republic (56.4%), followed by Korea (28.7%). The largest decline occurred in Greece (-48.4%).*

The financial net worth, or net wealth, of households corresponds to the excess of financial assets over liabilities and can provide an important source of revenue on its own. When net wealth increases due to, for example, a rise in share prices, households feel richer and are more inclined to save less and spend more. It is wealth in the form of securities and shares that are most sensitive to these capital gains, or "holding gains". As such, the financial net wealth of households plays an important role in economic analyses, such as studies of asset bubbles and analyses of welfare.

Financial wealth makes up an important part of a household's economic resources, and can protect from economic hardship and vulnerability. For example, a low-income household having above-average wealth will be better off than a low-income household with no wealth at all.

Definition

The household financial net worth is the balancing item of their financial balance sheet, i.e. total financial assets minus total liabilities, recorded at current market values. The change in financial net worth between two consecutive years is not only due to financial transactions over the period, but also to price changes (i.e. holding gains or losses) in financial assets and liabilities.

The following financial assets and liabilities are included, whenever available/applicable for households: 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; prepayments of premiums; and other accounts receivable.

The indicator is calculated as the ratio of financial net worth of households divided by the number of individuals in the country, in US dollars at current PPPs. See "Reader's guide", Purchasing Power Parities for GDP and for actual individual consumption.

Comparability

Whereas comparability is quite good, it can be hampered by differences in the organisation of pension systems and in the relative importance of the schemes that are included in (or excluded from) the core financial accounts. The 2008 SNA recognised that the exclusion of social security pensions from the core accounts distorts international comparisons, and recommends that all countries complete a supplementary table including entitlements from social security pensions (see also Section 29).

The holding of personal life insurance (which is part of the third pension pillar, voluntary retirement savings) can be influenced by the availability of public and employment-related pensions (first and second pillars), which differs considerably across countries.

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 21.1. **Financial net worth of households per capita**

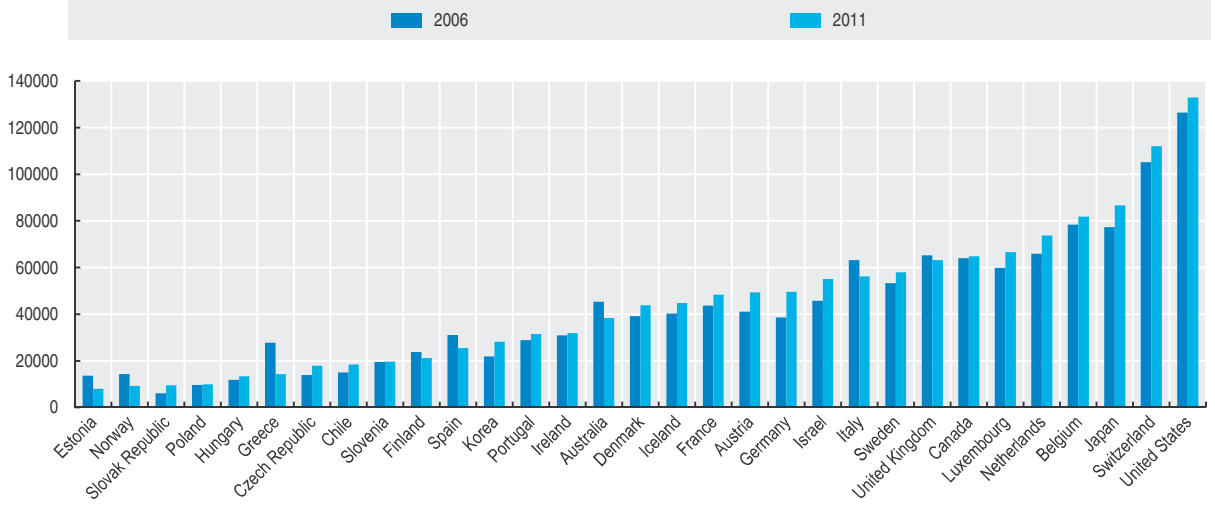
US dollars at current PPPs

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	26 501.6	26 747.9	28 289.8	28 447.4	30 925.0	35 110.4	39 344.3	45 333.4	51 280.1	35 863.9	43 334.5	41 594.4	38 329.8	49 185.6
Austria	26 876.6	28 560.3	28 374.2	29 289.6	31 644.8	33 715.0	35 432.1	41 069.3	42 710.1	41 357.5	46 731.3	48 498.7	49 283.5	51 893.3
Belgium	71 778.6	76 680.2	75 175.1	66 246.5	67 498.8	70 322.8	74 576.2	78 384.6	77 009.3	69 763.4	77 772.2	79 006.7	81 808.8	88 347.8
Canada	47 791.9	48 629.8	47 906.4	43 618.3	47 369.5	49 717.5	57 803.4	64 048.1	65 998.0	52 527.6	60 289.0	65 130.5	64 871.6	70 432.8
Chile	..	..	..	..	..	..	13 092.7	15 065.2	16 448.4	13 710.0	15 474.8	17 863.2	18 414.7	19 908.9
Czech Republic	10 845.6	11 326.5	12 102.0	12 368.7	13 521.8	12 848.3	13 254.7	13 881.3	14 809.9	14 574.9	15 491.7	16 408.1	17 846.2	18 939.2
Denmark	22 778.6	23 045.6	20 768.4	19 485.3	21 398.0	26 406.6	34 910.2	39 211.0	37 482.0	27 490.8	34 364.3	39 981.8	43 885.6	52 245.7
Estonia	4 206.4	4 837.4	4 662.1	5 768.7	6 722.3	7 411.1	9 272.2	13 665.3	13 169.9	11 772.0	13 755.2	9 901.6	8 041.9	8 806.1
Finland	18 139.3	19 343.3	18 094.8	16 766.9	18 212.8	19 384.7	21 792.8	23 751.0	22 918.4	17 525.4	22 111.6	24 568.2	21 169.4	20 398.3
France	32 536.2	34 382.6	33 141.9	33 139.6	34 068.7	35 994.9	39 042.7	43 675.4	45 485.5	41 673.2	46 012.4	48 107.6	48 291.7	51 479.9
Germany	24 641.5	25 215.3	26 371.9	26 045.3	29 579.5	32 383.0	36 818.6	38 653.7	42 834.1	41 565.8	44 587.9	47 911.9	49 613.2	53 029.6
Greece	33 964.6	27 267.7	25 828.3	22 729.3	22 033.1	23 705.0	26 033.8	27 767.7	26 982.9	18 475.8	20 468.4	16 012.5	14 323.5	16 125.7
Hungary	7 256.9	7 900.7	8 742.7	9 138.1	9 088.2	9 478.3	10 562.0	11 819.7	12 325.3	11 472.8	13 650.8	14 353.7	13 377.1	15 270.4
Iceland	..	..	..	..	29 151.9	33 068.5	36 027.9	40 227.8	44 309.7	41 212.9	40 196.2	39 952.4	44 763.1	48 761.3
Ireland	..	..	31 308.2	28 228.3	29 671.9	30 525.5	30 145.5	30 968.9	24 147.3	15 723.0	23 856.6	30 671.8	31 950.0	37 383.6
Israel	..	..	34 741.2	33 732.3	41 384.2	40 791.7	48 275.7	45 741.4	53 111.2	44 658.3	49 695.2	52 175.9	55 084.6	..
Italy	52 015.1	56 048.6	55 347.6	53 997.7	54 149.2	55 953.5	59 586.9	63 134.7	60 601.2	62 406.3	60 658.4	59 478.8	56 192.6	60 718.0
Japan	49 625.5	51 440.4	54 889.9	57 036.1	62 083.2	65 343.1	73 157.4	77 249.3	75 652.4	75 050.5	78 002.7	81 804.0	86 616.1	..
Korea	..	..	..	14 962.6	16 071.1	17 326.8	20 242.1	21 854.8	24 856.6	21 640.4	25 605.5	28 162.1	28 129.5	31 288.1
Luxembourg	..	..	..	..	..	..	..	59 848.2	65 251.7	64 713.0	71 768.2	73 913.3	66 592.8	66 049.7
Mexico	5 142.6	5 907.3	6 296.4	6 491.4	7 117.1	7 545.6	9 023.4	10 784.4	11 306.0	10 655.5	13 746.7	..	..	..
Netherlands	61 867.3	63 605.8	56 537.9	49 725.6	50 367.5	54 561.6	61 348.0	65 869.3	68 719.0	53 734.6	63 126.5	69 996.4	73 680.8	83 220.4
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	9 160.4	9 761.3	8 858.5	8 333.4	9 731.6	11 290.9	13 432.7	14 302.6	13 161.6	8 976.1	11 400.5	11 230.5	9 223.6	9 652.7
Poland	4 374.2	4 496.6	4 394.5	4 692.9	6 829.4	7 536.2	8 585.7	9 698.8	10 721.2	7 610.9	8 921.1	10 103.7	9 920.2	11 581.8
Portugal	27 043.9	26 599.5	25 077.4	23 950.5	24 372.9	24 566.1	26 695.6	28 861.6	30 182.4	29 769.2	31 498.0	31 881.1	31 467.6	34 885.2
Slovak Republic	5 668.2	5 591.6	5 730.3	5 183.0	4 696.9	4 619.0	4 983.8	6 091.6	6 720.1	7 048.5	7 906.9	8 942.3	9 529.0	9 737.6
Slovenia	..	..	11 227.8	13 176.1	14 276.5	16 580.0	17 479.7	19 593.5	21 595.0	19 020.7	19 773.7	20 121.4	19 695.5	20 440.3
Spain	25 054.6	23 886.2	24 075.5	22 505.3	24 242.9	24 897.2	26 511.2	31 089.9	30 091.4	22 593.9	25 463.4	24 152.7	25 381.2	27 769.1
Sweden	29 438.3	29 093.0	27 366.2	29 483.3	34 024.7	36 490.9	44 423.5	53 327.8	54 298.0	47 893.9	53 969.1	60 797.7	57 911.9	63 145.2
Switzerland	83 077.1	86 680.4	80 180.6	74 537.7	79 124.4	82 648.1	92 133.5	105 163.8	112 339.1	94 382.8	106 927.0	108 929.6	112 090.7	122 513.7
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	63 543.4	63 527.1	57 515.8	47 695.1	49 834.9	52 231.6	60 822.2	65 253.0	63 682.9	51 935.3	62 494.3	63 925.2	63 209.7	68 375.7
United States	101 204.0	95 658.2	90 843.2	83 439.7	94 804.1	107 614.7	115 553.9	126 392.1	131 413.8	106 330.3	114 772.3	129 088.2	132 822.3	145 433.5
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002490

Figure 21.1. **Financial net worth of households per capita**

US dollars at current PPPs, 2006 and 2011



StatLink http://dx.doi.org/10.1787/888933001540

22. Total net worth of households

- *Comparisons between 2006 and 2011 show that household net worth as a percentage of disposable income fell in 13 out of 17 OECD countries for which data are available. The United States showed a considerable decrease of -123 percentage points, the largest decrease of the 17 countries. Among the countries recording increases in household net worth (the Czech Republic, France, Germany and the Netherlands), the largest increase was in Germany (34 percentage points).*
- *Comparing 2012 to 2011, household net worth ratios increased on average by 12.4 percentage points in the 10 OECD countries for which data are available for 2012. The largest rise in household net worth relative to disposable income occurred in the Netherlands, with an increase of 40.3 percentage points up to 699.5%, followed by the United States, with an increase of 28.5 percentage points up to 532.1%.*

The net worth of households is not only made up of financial assets and liabilities but also of non-financial assets. Because dwellings are the most important non-financial asset for households (and due to the lack of data for other non-financial assets), the measure presented here is composed of the total amount of financial assets and the value of dwellings, excluding the value of land underlying the dwelling.

Household net worth (or net wealth) is the excess of household assets over liabilities. The higher (lower) the net worth as a percentage of disposable income, the higher (lower) is the capacity of households in terms of consumption and savings and the stronger (weaker) the financial position of households.

An increasing ratio indicates that net worth is growing faster than household disposable income. In these circumstances, some households may take financial decisions (such as the purchase of goods) based on their increasing wealth rather than on the availability of current disposable income which can remain stable or decrease.

Definition

The indicator shows net worth of the household sector as a percentage of their net disposable income.

In principle, net worth is the value of total assets (financial and non-financial) minus the total value of outstanding liabilities. Therefore, households' non-financial assets not only include dwellings but also include the plant, equipment and other non-financial assets by individual entrepreneurs (who are classified in the household sector). However, since data for total non-financial assets are not reported by a majority of OECD countries, net worth (as presented here) only relates to the total amount of financial assets and the value of dwellings. The purchase of "consumer durables" are treated as final consumption expenditure, and therefore are not included in the net worth of households. Also, other non-financial assets such as valuables are not included. However, because consumer durables are of analytical interest it is suggested to record these items in future as a memorandum item.

Non-financial assets are valued at market prices and are generally recorded net of depreciation.

Comparability

The international comparability of data on financial assets and liabilities is generally good.

However, as countries use a variety of methods to differentiate between the value of dwellings and land on which the dwelling is located, comparisons of these subcomponents of total net worth of households across countries can be challenging. Switzerland, the United Kingdom and the United States include the value of land under dwellings within the figures for dwellings. Another difference between countries is the net or gross recording of non-financial assets: in particular, data for Chile, Poland and the Slovak Republic are reported gross.

In addition, whereas this indicator in principle covers both households and NPISH, some countries provide dwelling data referring to the household sector only: the Czech Republic, Estonia, France, Israel, Italy, Japan, Norway, the Slovak Republic and Slovenia.

Sources

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Further reading

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Table 22.1. **Total net worth of households**

Percentage of net disposable income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	315.8	306.3	323.6	322.9	335.8	357.8	378.2	390.4	403.8	324.3	350.6	340.0	..	..
Austria	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	627.6	619.9	588.8	533.3	548.6	574.8	599.1	596.0	578.7	531.2	559.5	572.5	578.9	597.6
Canada	423.2	417.3	401.5	377.7	397.5	404.0	438.6	455.9	458.1	388.9	415.9	433.1	..	..
Chile	..	..	..	..	..	..	..	..	..	268.4	279.1	278.7	252.3	..
Czech Republic	314.8	312.9	310.9	308.5	311.8	300.8	296.3	288.2	289.2	283.8	283.6	294.5	303.2	307.4
Denmark	382.8	378.1	347.4	327.8	339.4	363.6	421.1	443.1	438.0	369.1	397.0	405.4	418.4	..
Estonia	425.7	374.6	357.9	345.8	338.8	344.0	345.1	383.5	355.9	317.9	339.7	300.7	..	..
Finland	317.7	327.8	316.2	292.6	293.5	291.6	316.3	324.3	318.6	283.9	293.0	290.7	274.6	276.4
France	417.9	418.5	396.6	387.8	404.3	414.0	435.0	450.4	457.7	435.7	452.3	463.7	473.6	..
Germany	354.3	356.4	353.5	349.6	360.8	371.4	384.8	386.0	413.2	401.7	419.5	424.1	420.2	432.2
Greece	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	319.1	322.4	314.8	301.0	291.2	286.2	289.6	302.3	313.3	307.5	332.8	341.5	..	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	662.0	682.5	660.4	676.2	695.4	720.0	753.8	772.6	765.2	767.7	788.2	785.2	758.1	..
Japan	..	..	..	..	..	..	510.0	516.8	495.2	487.2	499.1	499.8	506.8	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	..	..	..	..	..	..	..	349.3	362.8	341.4	366.6	368.4	339.0	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	645.4	633.3	557.2	520.8	551.3	576.7	616.6	631.4	629.7	554.9	626.5	667.3	659.2	699.5
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	235.1	234.6	237.6	222.5	221.9	237.6	246.0	279.8	281.0	256.4	261.9	262.8	261.6	265.5
Poland	117.3	113.8	107.0	108.7	134.3	140.0	152.5	159.7	167.6	136.2	140.2	144.5	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	340.8	339.0	332.7	319.4	317.7	302.2	296.2	295.8	282.1	273.8	283.4	283.2	285.7	286.0
Slovenia	..	..	314.8	315.6	324.2	339.6	338.0	343.5	346.1	319.7	331.8	339.1	332.9	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	350.0	338.4	315.6	320.8	349.1	363.5	417.7	451.7	434.5	388.4	416.5	445.6	408.6	413.6
Switzerland	..	795.4	736.7	711.1	744.6	751.0	797.0	817.7	819.3	741.5	788.9	790.3	803.2	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	693.4	685.1	632.6	630.6	661.9	696.0	729.4	757.5	785.5	657.6	700.2	712.1	699.0	708.6
United States	588.7	552.3	530.7	499.2	538.4	582.6	622.3	626.7	599.6	471.5	495.9	519.4	503.6	532.1
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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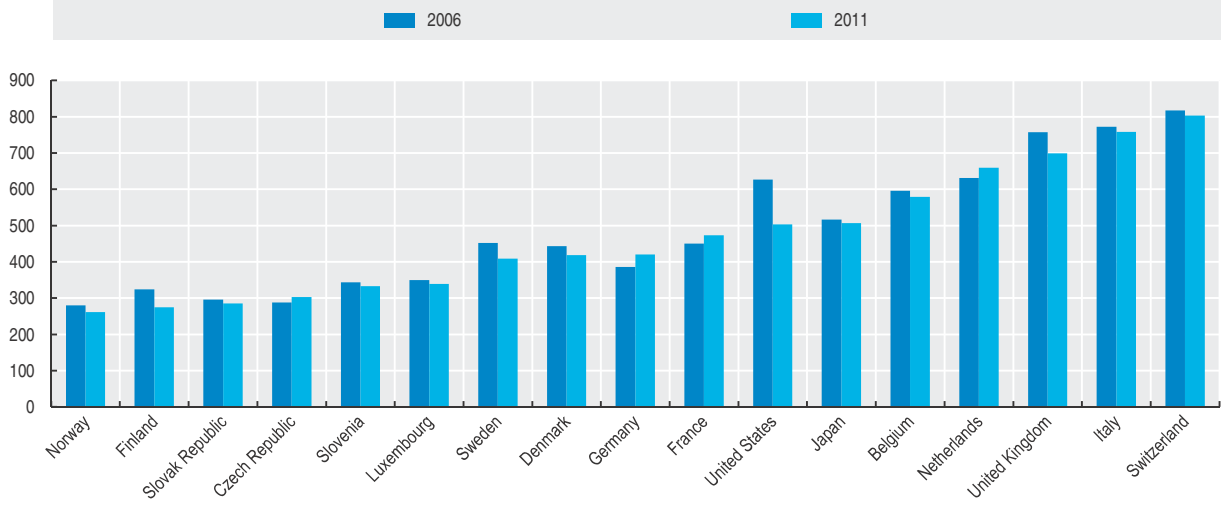
Figure 22.1. **Total net worth of households**

Percentage of net disposable income, 2006 and 2011



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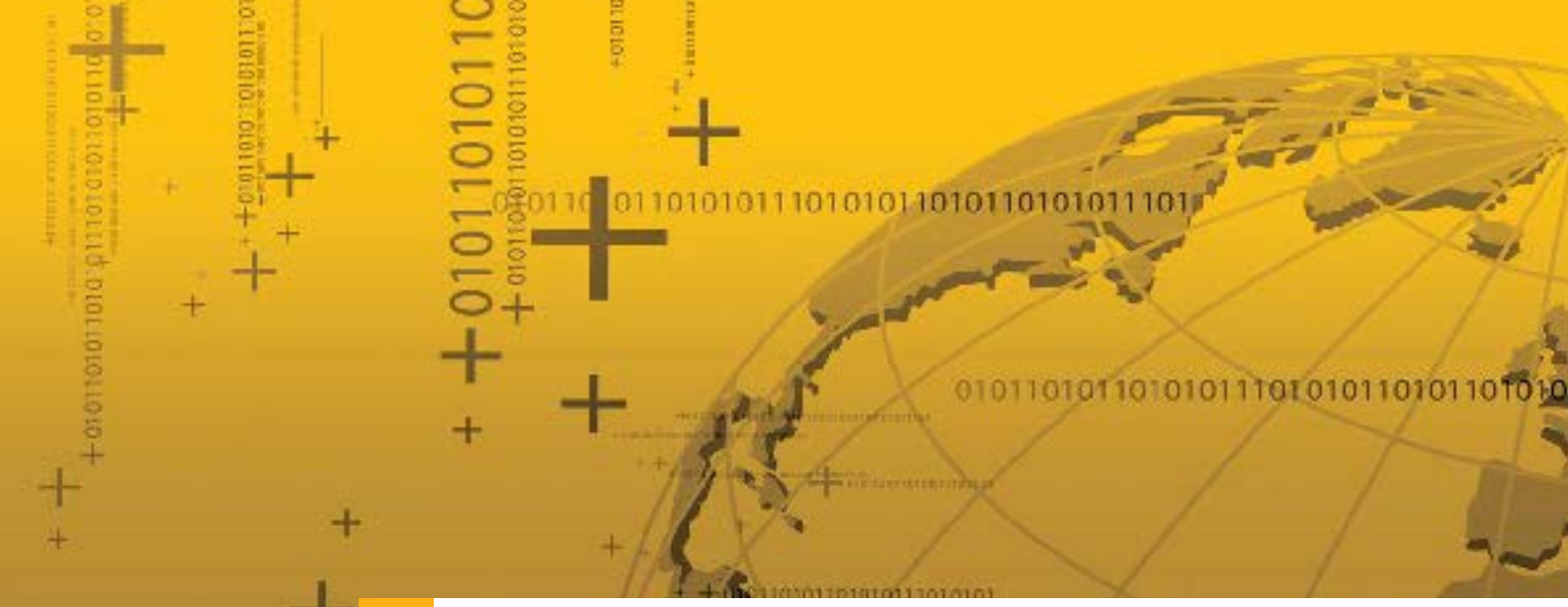

GENERAL GOVERNMENT

23. Total expenditure
24. General government expenditure by function
25. Taxes
26. Social contributions
27. Social benefits
28. Net saving and net lending/net borrowing
29. Gross debt of general government
30. Financial net worth

23. Total expenditure

- *In 2012, the largest expenditure component of general government was social benefits and social transfers in kind in all of the OECD countries where data were available, with the exception of Iceland.*
- *In 2011, Denmark recorded the highest government expenditure share relative to GDP, at 57.7%. In contrast, Korea recorded the lowest share, at 30.2%. In 2001, Sweden recorded the highest expenditure share at 54.5% and Korea recorded the lowest share at 23.9%.*

Section 9 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 gross fixed capital formation of government which is an area through which demand can be stimulated. 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 captures the size of government and its ability to stimulate demand, without changing taxes say, both directly and indirectly. The concept that best captures 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 payable items: intermediate consumption, compensation of employees, subsidies, social benefits and social transfers in kind (via market producers), other current transfers, property income, capital transfers, 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 and 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 other 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.

Data are on a fiscal basis for Japan.

Source

OECD (2013), OECD (2013), *National Accounts of OECD Countries, General Government Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22215352*.

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 23.1. **Total general government expenditure by main component**

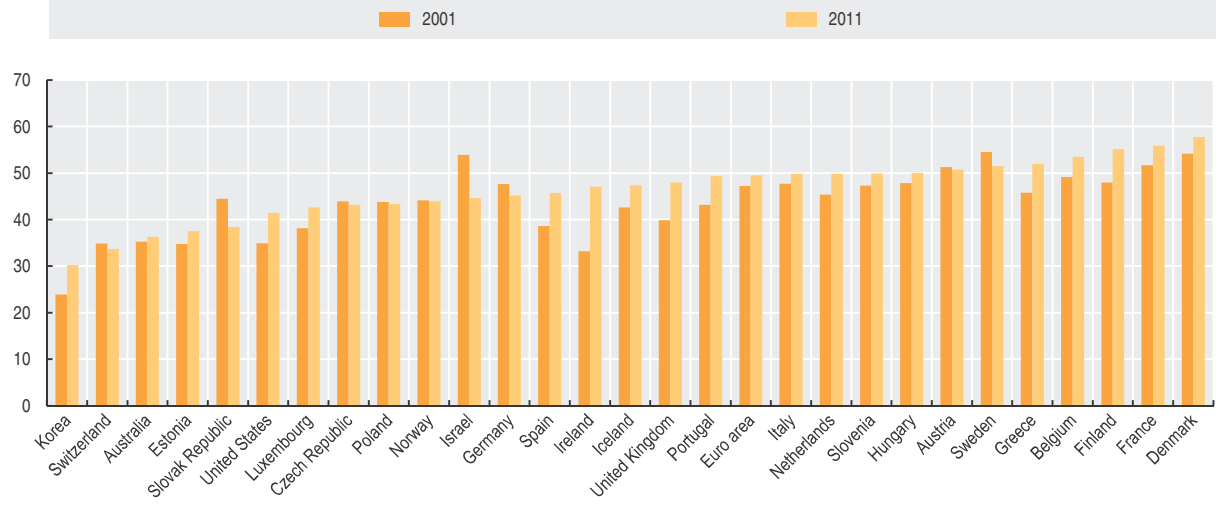
Percentage of GDP

	Compensation of employees			Social benefits and social transfers in kind			Intermediate consumption			Gross fixed capital formation			Other		
	2002	2007	2012	2002	2007	2012	2002	2007	2012	2002	2007	2012	2002	2007	2012
Australia	..	..	..	10.5	10.0	10.8	..	..	..	2.9	3.2	3.1	..	..	..
Austria	9.5	9.0	9.5	24.3	23.2	25.0	4.3	4.2	4.3	1.4	1.1	1.0	11.2	11.1	11.9
Belgium	12.1	11.8	12.9	22.3	22.2	26.0	3.8	3.5	3.7	1.7	1.6	1.8	10.0	9.2	10.7
Canada	11.7	11.5	..	10.5	10.1	..	8.8	8.8	..	2.5	3.0	..	7.8	6.0	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	7.5	7.3	7.4	18.6	17.6	19.9	6.8	6.0	5.5	3.1	4.2	3.2	9.7	6.0	8.5
Denmark	17.8	16.8	18.3	17.8	16.4	18.7	8.4	8.8	10.0	1.8	1.9	2.6	8.9	7.0	9.8
Estonia	10.3	9.5	10.5	10.3	9.9	12.8	7.7	6.2	7.1	5.3	5.1	5.4	2.2	3.4	3.6
Finland	13.3	12.9	14.5	18.2	17.2	21.5	8.6	9.3	11.7	2.6	2.4	2.6	6.3	5.5	6.2
France	13.4	12.8	13.2	22.8	23.2	26.0	5.2	5.0	5.6	2.9	3.3	3.1	8.6	8.3	8.7
Germany	8.2	7.3	7.6	26.3	23.9	24.1	4.1	4.1	4.9	1.8	1.5	1.5	7.6	6.7	6.5
Greece	11.2	11.4	12.4	15.6	17.9	22.9	6.6	6.7	5.0	3.4	3.4	1.8	8.8	8.1	11.6
Hungary	12.3	11.7	10.0	16.0	18.4	17.8	6.5	6.8	7.5	4.9	3.7	3.4	11.8	10.2	9.9
Iceland	15.7	14.8	14.8	6.3	5.8	8.0	11.2	10.8	11.8	3.9	4.2	2.0	7.2	6.7	10.9
Ireland	9.2	10.5	11.5	10.4	12.2	17.7	5.6	5.3	5.1	4.2	4.7	1.9	4.2	4.0	6.5
Israel	13.8	11.9	..	7.6	5.8	..	15.0	13.3	..	2.4	1.7	..	16.6	13.8	..
Italy	10.6	10.6	10.6	19.0	19.7	22.6	5.1	5.1	5.7	1.7	2.3	1.9	10.7	9.9	9.9
Japan	..	6.2	..	..	18.1	..	..	3.7	..	..	3.1	..	..	4.7	..
Korea	6.6	7.3	..	3.7	5.7	..	3.3	3.8	..	5.1	4.9	..	4.8	7.0	..
Luxembourg	8.1	7.1	8.4	19.3	17.3	21.0	3.4	2.9	3.9	4.9	3.3	3.8	5.9	5.6	7.2
Mexico	..	8.2	..	..	1.6	..	..	2.3	..	..	2.0	..	..	6.4	..
Netherlands	9.8	9.1	9.8	18.9	20.1	24.0	7.1	7.2	7.6	3.5	3.3	3.3	6.8	5.6	5.7
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	13.8	12.2	13.5	16.8	14.0	15.4	7.5	5.8	6.3	2.8	3.1	3.1	6.3	5.2	5.1
Poland	10.8	9.6	9.4	18.9	16.2	16.4	6.1	6.0	5.7	3.4	4.2	4.6	5.1	6.2	6.1
Portugal	14.2	12.1	10.0	14.0	18.5	22.5	4.4	4.4	4.5	4.1	2.7	1.7	6.3	6.7	8.8
Slovak Republic	9.1	6.6	7.1	16.6	16.1	18.7	6.2	4.6	4.4	3.3	1.9	1.9	9.9	5.0	5.7
Slovenia	11.6	10.5	12.7	18.0	16.3	19.8	6.8	5.6	6.9	3.0	4.2	3.2	7.0	5.7	5.4
Spain	10.0	10.2	11.2	14.3	14.1	19.0	4.4	5.3	5.7	3.5	4.0	1.7	6.6	5.5	10.1
Sweden	15.7	14.9	14.3	18.9	17.3	18.2	9.4	8.7	9.0	3.1	3.1	3.5	8.4	7.1	6.9
Switzerland	8.1	7.4	7.8	11.8	11.3	11.8	4.8	4.3	4.8	2.5	2.0	2.2	9.8	7.1	7.5
Turkey	..	6.9	..	..	10.0	..	..	5.6	..	..	3.1	..	..	9.0	..
United Kingdom	10.2	10.8	10.8	12.8	12.5	15.4	10.3	11.4	12.0	1.6	1.9	2.2	6.0	6.7	7.4
United States	10.2	10.1	10.2	11.4	11.8	14.4	6.4	6.8	7.1	3.8	3.8	3.6	4.1	4.5	4.7
Euro area	10.5	10.1	10.5	21.3	20.8	23.5	4.9	5.0	5.5	2.4	2.6	2.1	8.3	7.5	8.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	8.1	7.8	..	..	..	..	..	..	..	3.3	4.4	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	8.7	8.7	..	10.1	8.5	..	8.5	7.5	..	2.5	4.4	..	12.5	6.1	..
South Africa	11.9	11.7	13.8	..	..	..	8.5	10.0	13.8	2.4	3.3	3.2	..	..	..

StatLink http://dx.doi.org/10.1787/888933002528

Figure 23.1. **Total general government expenditure**

Percentage of GDP, 2001 and 2011



StatLink http://dx.doi.org/10.1787/888933001578

24. General government expenditure by function

- *In 2011, general government's spending on social protection received the largest share as a percentage of GDP.*
- *In 2011, social protection expenditure was followed by health, general services and education. In contrast, in 2001, general services were the second largest expenditure function, followed by health and education.*

Section 23 presented information on total general government expenditure. But breakdowns of these expenditures on the basis of the activities they support is also of considerable interest to policy makers and analysts. The classification system used to provide this breakdown on an internationally comparable basis is known as the Classification of Functions of Government (COFOG). It provides a means to compare expenditures on specific functions, such as public order and safety, for example, in a comparable way across countries and over time.

Definition

Total general government expenditure (GGE) is defined in Section 23.

COFOG is available at two levels: A first level which splits expenditures into ten functional classes, and a second level which further splits the first level classes into up to nine further classes, as shown below:

General public services, which includes: Executive and legislative organs, financial and fiscal affairs, external affairs, Foreign economic aid; General services; Basic research; R&D general public services; General public services not elsewhere classified (n.e.c), Public debt transactions and Transfers of a general character between different levels of government.

Defence includes: Military defence, Civil defence, Foreign military aid, R&D defence and Defence n.e.c.

Public order and safety covers: Police services, Fire-protection services, Law courts, Prisons, R&D public order and safety and Public order and Safety n.e.c.

Economic affairs which includes: General economic, commercial and labour affairs, Agriculture, forestry, fishing and hunting, Fuel and energy, Mining, manufacturing and construction, Transport, Communication, Other industries, R&D economic affairs and Economic affairs n.e.c.

Environmental protection includes: Waste management, Waste water management, Pollution abatement, Protection of biodiversity and landscape, R&D environmental protection and Environmental protection n.e.c.

Housing and community amenities cover: Housing development, Community development, Water supply, Street lighting, R&D housing and community amenities, Housing and community amenities n.e.c.

Health, which includes: Medical products, appliances and equipment, Outpatient services, Hospital services, Public health services, R&D health, and Health n.e.c.

Recreation, culture and religion, includes: Recreational and sporting services, Cultural services, Broadcasting and publishing services, Religious and other community services, R&D recreation, culture and religion, Recreation, and culture and religion n.e.c.

Education, which covers: Pre-primary and primary education, Secondary education, Post-secondary non-tertiary education, Tertiary education, Education not definable by level, Subsidiary services to education, R&D education, and Education n.e.c.

Social protection includes: Sickness and disability, Old age, Survivors, Family and children, Unemployment, Housing, Social exclusion n.e.c., R&D social protection, and Social protection n.e.c.

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. This may impact on comparisons of expenditures of total government and breakdowns by function, see also Section 23.

For the United States expenditures on environment protection are included in expenditures for housing and community amenities.

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

Data are on a fiscal basis for Japan.

Figure 24.1: OECD total expenditure: include all OECD countries except Australia, Chile, Mexico, New Zealand and the United States. It also excludes Japan, Switzerland, Poland and Turkey in 2001 and Canada in 2011.

Source

OECD (2013), *National Accounts of OECD Countries, General Government Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22215352*.

Online database

OECD (2013), "General Government Accounts: Main aggregates", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/data-00020-en*.

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OECD (2013), *Government at a Glance 2013*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/gov_glance-2013-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 24.1. **General government expenditure by function**

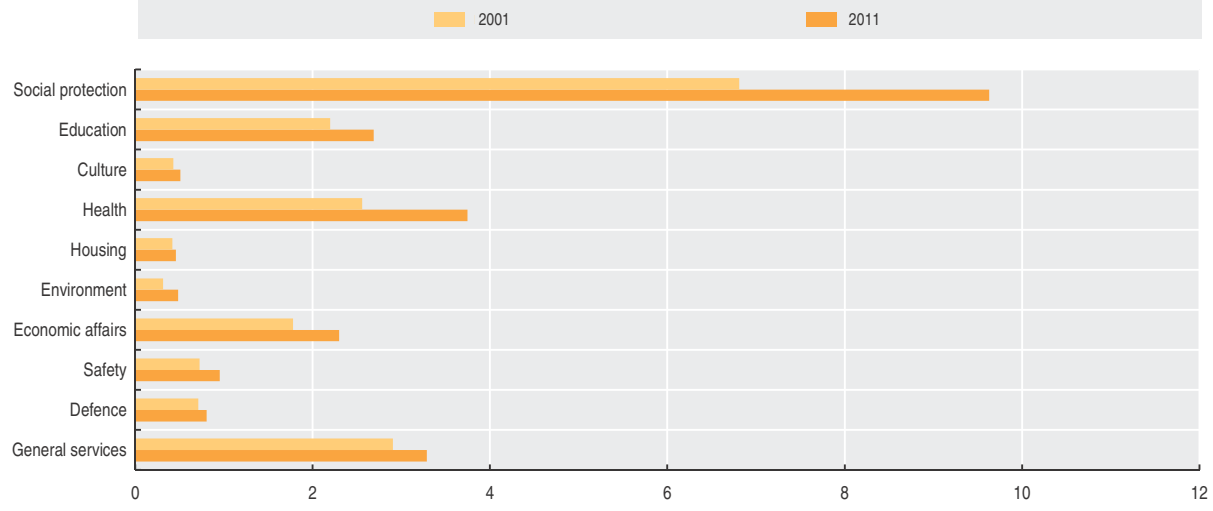
Percentage of GDP, 2011

	Total expenditure	General public services	Defence	Public order and safety	Economic affairs	Environment protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Australia	..	..	..	..	..	..	..	..	..	..	..
Austria	50.8	6.6	0.7	1.5	5.3	0.5	0.6	7.8	1.0	5.6	21.1
Belgium	53.5	8.0	1.0	1.9	6.5	0.8	0.4	7.9	1.3	6.3	19.5
Canada	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	43.2	4.6	0.9	1.8	6.0	1.4	0.8	7.8	1.3	4.9	13.7
Denmark	57.7	8.0	1.4	1.1	3.5	0.4	0.3	8.3	1.6	7.8	25.2
Estonia	37.7	3.1	1.5	2.1	4.5	-0.3	0.6	5.0	1.9	6.4	12.9
Finland	55.3	7.4	1.5	1.5	4.8	0.2	0.6	7.9	1.2	6.4	23.8
France	55.9	6.4	1.8	1.7	3.5	1.1	1.9	8.2	1.4	6.0	23.8
Germany	45.0	6.1	1.1	1.6	3.5	0.7	0.6	7.0	0.8	4.2	19.5
Greece	51.8	12.8	2.4	1.7	3.2	0.5	0.2	6.0	0.6	4.1	20.4
Hungary	50.1	8.8	1.1	1.9	7.2	0.7	0.8	5.2	1.8	5.2	17.2
Iceland	47.4	8.4	0.0	1.4	5.9	0.6	0.3	7.6	3.3	8.1	11.6
Ireland	47.1	5.3	0.4	1.7	7.7	1.0	0.6	7.3	0.9	5.1	16.9
Israel	44.6	6.6	6.6	1.7	2.6	0.6	0.5	5.5	1.7	7.4	11.5
Italy	49.9	8.6	1.5	2.0	3.6	0.9	0.7	7.4	0.6	4.2	20.5
Japan	42.3	4.6	0.9	1.3	4.1	1.2	0.8	7.3	0.4	3.6	18.1
Korea	30.2	4.6	2.6	1.3	6.1	0.7	1.0	4.6	0.7	4.8	3.9
Luxembourg	42.9	4.9	0.4	1.1	4.3	1.2	0.8	4.9	1.7	5.2	18.5
Mexico	..	..	..	..	..	..	..	..	..	..	..
Netherlands	50.1	5.6	1.4	2.1	5.5	1.7	0.6	8.5	1.8	5.8	17.3
New Zealand	..	..	..	..	..	..	..	..	..	..	..
Norway	43.9	4.3	1.6	1.0	4.2	0.7	0.7	7.3	1.3	5.6	17.5
Poland	43.4	5.8	1.2	1.8	5.6	0.7	0.9	4.7	1.3	5.5	15.9
Portugal	49.3	8.4	1.3	2.0	4.0	0.5	0.6	6.8	1.1	6.3	18.1
Slovak Republic	38.2	5.9	1.0	2.4	3.7	1.0	1.0	5.9	1.1	4.0	12.0
Slovenia	50.8	6.3	1.2	1.7	5.8	0.8	0.7	6.9	1.9	6.7	19.0
Spain	45.9	5.7	1.1	2.2	5.3	0.9	0.6	6.5	1.5	4.8	17.1
Sweden	51.5	7.4	1.5	1.4	4.3	0.3	0.8	7.1	1.1	6.8	20.9
Switzerland	33.9	3.4	1.0	1.7	4.6	0.8	0.2	2.1	0.9	6.1	13.2
Turkey	37.4	6.1	1.5	1.9	4.5	0.4	1.3	4.5	0.9	4.3	11.9
United Kingdom	47.9	5.6	2.5	2.5	2.5	1.0	0.9	7.9	1.0	6.4	17.6
United States	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002547

Figure 24.1. **Total general government expenditure by main function for OECD total**

Percentage of GDP, 2001 and 2011



StatLink http://dx.doi.org/10.1787/888933001597

25. Taxes

- *In 2011, total tax receipts as a share of GDP were highest in Denmark (46.7%) followed by Sweden (37.1%). On the other hand, both countries had relatively low shares of social contributions, at 1.9% and 7.7%, respectively. The lowest share of total tax receipts to GDP were in the Slovak Republic (16.0%) and Japan (16.9%).*
- *Comparisons between 2001 and 2011 show that total tax receipts as a share of GDP went down in 19 out of 29 countries.*

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. They 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 26).

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 also 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, fishing) 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, or boats and for licences for recreational hunting, 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, firearm) or fees to government (e.g. passports) are generally but not universally treated as payments for services.

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

Data are on a fiscal year basis for Japan.

Source

OECD (2013), *National Accounts of OECD Countries, General Government Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22215352*.

Online database

OECD (2013), "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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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 25.1. **Taxes in the *System of National Accounts* (SNA)**

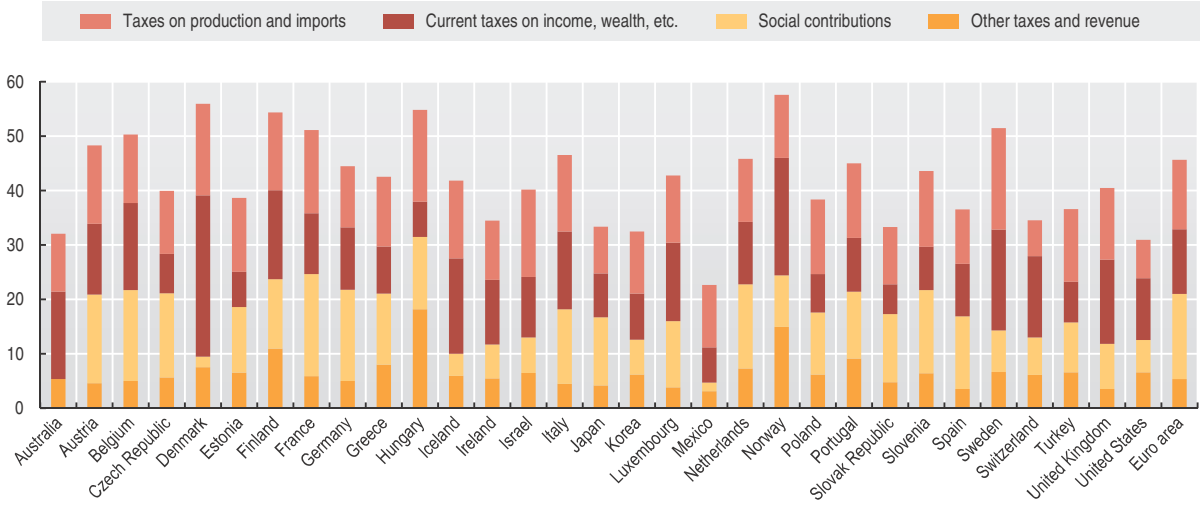
Percentage of GDP

	Total tax receipts			Taxes on production and imports			Current taxes on income, wealth, etc.			Capital taxes		
	2001	2006	2011	2001	2006	2011	2001	2006	2011	2001	2006	2011
Australia	29.2	30.0	26.7	12.4	11.9	10.6	16.8	18.1	16.1	0.0	0.0	0.0
Austria	29.7	26.9	27.5	14.7	14.0	14.4	14.9	12.8	13.0	0.1	0.1	0.0
Belgium	30.2	30.2	29.3	12.5	13.1	12.6	17.2	16.5	16.0	0.5	0.7	0.7
Canada	29.8	28.6	..	13.0	12.2	..	16.9	16.4	..	0.0	0.0	..
Chile	..	..	..	..	..	10.5	..	..	7.4	..	..	..
Czech Republic	18.8	19.4	18.8	10.5	10.5	11.6	8.3	8.8	7.2	0.0	0.0	0.0
Denmark	46.7	48.5	46.7	17.2	17.9	16.8	29.3	30.5	29.7	0.2	0.2	0.3
Estonia	19.6	20.2	20.0	12.3	13.2	13.6	7.2	7.1	6.5	0.0	0.0	0.0
Finland	32.3	31.3	30.8	13.0	13.7	14.2	19.0	17.3	16.4	0.3	0.3	0.2
France	27.4	27.5	27.0	14.8	15.3	15.3	12.2	11.8	11.2	0.5	0.5	0.5
Germany	22.0	22.3	22.9	10.6	10.5	11.2	11.3	11.7	11.5	0.1	0.2	0.2
Greece	22.4	20.7	21.6	13.5	12.4	12.8	8.6	8.1	8.6	0.3	0.1	0.1
Hungary	25.7	24.5	23.8	15.5	15.0	16.9	10.1	9.4	6.4	0.1	0.1	0.5
Iceland	32.5	38.1	31.8	15.9	19.4	14.3	16.5	18.7	17.5	0.0	0.0	0.0
Ireland	24.6	27.0	23.1	11.9	13.9	10.8	12.6	13.0	11.9	0.1	0.2	0.4
Israel	31.3	30.5	27.2	15.8	16.0	16.0	15.5	14.6	11.1	0.0	0.0	0.0
Italy	28.8	29.1	28.8	14.1	14.8	14.0	14.7	14.3	14.3	0.1	0.0	0.4
Japan	..	18.0	16.9	..	8.6	8.5	..	9.1	8.1	..	0.4	0.3
Korea	19.1	20.1	20.2	12.2	11.9	11.4	6.7	7.9	8.5	0.2	0.3	0.3
Luxembourg	28.4	25.7	26.9	13.1	12.6	12.4	15.2	13.0	14.4	0.1	0.1	0.1
Mexico	..	16.0	..	..	10.3	11.5	..	5.7	6.4	..	0.0	..
Netherlands	24.0	24.5	23.3	12.2	12.6	11.6	11.4	11.5	11.5	0.3	0.3	0.3
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	33.6	34.9	33.2	13.4	12.2	11.6	20.1	22.6	21.6	0.1	0.1	0.1
Poland	18.8	21.8	20.8	12.5	14.2	13.8	6.3	7.5	7.0	0.0	0.0	0.0
Portugal	22.1	23.5	23.6	13.0	14.9	13.7	9.1	8.6	9.9	0.1	0.0	0.0
Slovak Republic	18.8	17.2	16.0	11.3	11.2	10.5	7.5	6.1	5.5	0.0	0.0	0.0
Slovenia	23.1	24.1	21.9	15.5	14.9	13.9	7.5	9.1	8.0	0.1	0.0	0.0
Spain	21.6	24.8	20.0	11.1	12.5	10.0	10.1	11.8	9.7	0.4	0.5	0.4
Sweden	36.8	38.7	37.1	15.9	16.5	18.6	20.7	22.2	18.5	0.1	0.0	0.0
Switzerland	21.4	21.6	21.7	7.1	6.9	6.6	14.0	14.6	14.9	0.3	0.2	0.1
Turkey	..	18.6	20.8	..	12.3	13.4	..	6.3	7.5	..	0.0	0.0
United Kingdom	29.5	29.2	28.8	12.8	12.4	13.2	16.4	16.5	15.5	0.2	0.3	0.2
United States	20.7	20.5	18.5	6.8	7.2	7.1	13.5	13.1	11.4	0.4	0.2	0.1
Euro area	25.2	25.7	25.0	12.6	13.1	12.7	12.3	12.3	11.9	0.3	0.3	0.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	11.8	12.8	13.2	3.1	4.1	4.8	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	20.6	20.1	..	10.2	8.3	..	..	..
South Africa	..	..	..	11.4	13.4	12.4	14.5	15.4	14.4	..	..	..

StatLink http://dx.doi.org/10.1787/888933002566

Figure 25.1. **Total general government revenue**

Percentage of GDP, 2011



StatLink http://dx.doi.org/10.1787/888933001616

26. Social contributions

- *In looking at the decade between 2001 and 2011, large decreases in the share of social contributions to government as a share of GDP occurred in Sweden (5 percentage points) followed by Poland (2 percentage points) and the Slovak Republic and Germany (1.8 and 1.6 percentage points respectively). The latest years 2011-12 showed a relative stability in social contributions.*
- *Between 2001 and 2011, social contributions to general government as a percentage of GDP decreased in 9 countries; increased less than 1% in 13 countries; and rose more than 1% in 5 countries.*

Social contributions are actual or imputed payments to social insurance schemes to make provision for social insurance benefits (see Section 27). 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 government units 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 also because they 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. As such, they may be part or not of government, depending on certain criteria.

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

Source

OECD (2013), *National Accounts of OECD Countries, General Government Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22215352*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 26.1. **Social contributions to government**

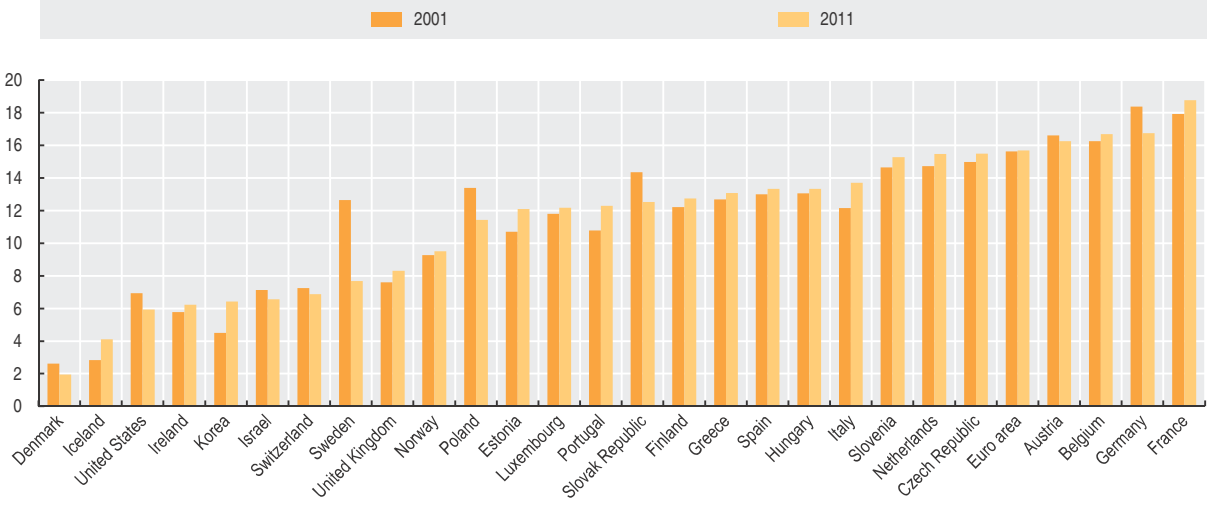
Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	0.0
Austria	17.1	16.8	16.6	16.3	16.4	16.2	16.1	15.9	15.7	15.9	16.5	16.3	16.3	16.6
Belgium	16.3	16.0	16.2	16.5	16.4	16.0	15.8	15.7	15.7	16.1	16.8	16.5	16.7	17.1
Canada	4.7	4.6	4.8	5.0	5.0	4.8	4.8	4.7	4.6	4.5	4.9	4.6	..	..
Chile	..	..	..	..	..	..	..	..	..	1.7	1.8	1.7	1.7	..
Czech Republic	15.0	15.1	15.0	15.5	15.7	15.5	15.5	15.7	15.7	15.6	14.9	15.2	15.5	15.6
Denmark	2.5	2.6	2.6	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.9	1.9	2.0	1.9
Estonia	11.1	11.0	10.7	11.0	10.7	10.4	10.4	10.2	10.6	11.8	13.2	13.2	12.1	11.6
Finland	13.0	12.1	12.2	12.0	11.9	11.8	12.1	12.4	12.0	12.2	12.9	12.8	12.7	13.3
France	18.1	17.9	17.9	18.0	18.3	18.1	18.2	18.2	18.0	18.1	18.8	18.6	18.8	19.0
Germany	19.0	18.6	18.4	18.4	18.5	18.1	17.9	17.3	16.5	16.5	17.3	16.9	16.7	16.8
Greece	12.3	12.6	12.7	13.7	13.9	13.4	13.5	12.4	13.0	13.2	12.7	13.4	13.1	13.7
Hungary	13.3	13.4	13.1	12.9	12.7	12.4	12.6	12.7	13.9	13.8	13.3	12.2	13.3	13.3
Iceland	2.8	2.9	2.8	2.9	3.1	3.0	3.2	3.3	3.0	2.8	3.1	4.1	4.1	3.8
Ireland	5.6	5.5	5.8	5.7	5.8	6.0	6.0	6.1	6.3	6.8	7.4	7.3	6.2	5.9
Israel	6.7	6.7	7.1	7.2	7.3	7.1	7.0	6.7	6.6	6.7	6.4	6.6	6.6	..
Italy	12.2	12.3	12.1	12.2	12.5	12.6	12.6	12.6	13.1	13.7	14.0	13.8	13.7	13.8
Japan	..	..	..	..	..	..	10.6	10.9	11.0	11.5	11.8	11.8	12.5	..
Korea	3.7	4.0	4.5	4.7	5.0	5.2	5.5	5.7	5.9	6.1	6.4	6.2	6.4	..
Luxembourg	11.0	10.9	11.8	11.8	11.7	11.6	11.3	10.8	10.7	11.5	12.9	12.0	12.2	12.5
Mexico	..	..	..	..	2.0	1.8	1.7	1.7	1.6	1.5	1.6	1.6	1.6	..
Netherlands	16.6	16.4	14.7	14.3	14.7	14.9	13.9	14.8	14.2	15.2	14.6	14.9	15.5	16.6
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	10.1	8.9	9.3	9.9	9.8	9.4	8.9	8.7	9.0	8.9	9.9	9.6	9.5	9.6
Poland	13.7	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.3	11.3	11.1	11.4	12.3
Portugal	10.2	10.6	10.8	11.1	11.6	11.5	11.9	11.8	11.6	11.9	12.5	12.3	12.3	11.6
Slovak Republic	14.1	14.2	14.4	14.7	14.0	13.3	12.8	11.9	11.9	12.0	12.7	12.5	12.5	12.7
Slovenia	14.2	14.4	14.6	14.5	14.4	14.4	14.5	14.3	13.9	14.3	15.2	15.5	15.3	15.5
Spain	12.8	12.9	13.0	13.0	13.0	13.0	12.9	12.9	13.0	13.2	13.4	13.4	13.3	13.0
Sweden	12.0	13.1	12.6	11.7	11.4	11.1	10.7	9.8	9.9	9.0	8.7	8.7	7.7	7.7
Switzerland	7.1	7.1	7.2	7.4	7.3	6.8	6.8	6.6	6.5	6.5	6.9	6.7	6.9	6.9
Turkey	..	..	..	..	..	..	..	6.7	6.8	8.6	9.6	9.4	9.2	..
United Kingdom	7.4	7.5	7.6	7.4	7.8	8.0	8.2	8.2	8.1	8.3	8.4	8.3	8.3	8.4
United States	6.9	6.9	6.9	6.9	6.8	6.8	6.7	6.7	6.7	6.7	6.7	6.6	5.9	5.9
Euro area	16.1	15.8	15.6	15.6	15.7	15.5	15.4	15.3	15.1	15.3	15.8	15.7	15.7	15.9
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	2.7	2.8	3.4	3.6	3.6	3.8	4.0	4.1	4.4	4.7	5.1	5.8	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	8.5	8.6	7.9	6.2	5.9	6.0	6.1	6.7	6.0	7.4	..
South Africa	0.5	0.5	0.5	0.5	0.7	0.5	0.6	0.6	0.7	0.6	0.6	0.5	0.6	0.6

StatLink http://dx.doi.org/10.1787/888933002585

Figure 26.1. **Total social contributions to general government**

Percentage of GDP, 2001 and 2011



StatLink http://dx.doi.org/10.1787/888933001635

27. Social benefits

- *In 2011, four countries showed shares of social benefits other than transfers in kind as a percentage of GDP above 19%: France, Italy, Greece, and Austria. On the other hand, Mexico and Korea recorded the lowest shares at 2.1% and 3.9%, respectively.*
- *Looking at social transfers in kind, two countries recorded shares above 19% in 2011: Sweden and Denmark. The lowest shares were recorded in Mexico (5.8%) and Switzerland (6.2%).*

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 Non-profit institutions serving households (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 8, 9 and 14). 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 related to the provision of a certain good or service, 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 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 as transfers in cash; with the reimbursed component forming part of household final consumption and not general government final consumption. Total general government expenditure, households' actual final consumption, adjusted disposable income and saving are unaffected by these differences however.

Source

OECD (2013), *National Accounts of OECD Countries, General Government Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22215352*.

Online database

OECD (2013), "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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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 27.1. **Social benefits to households**

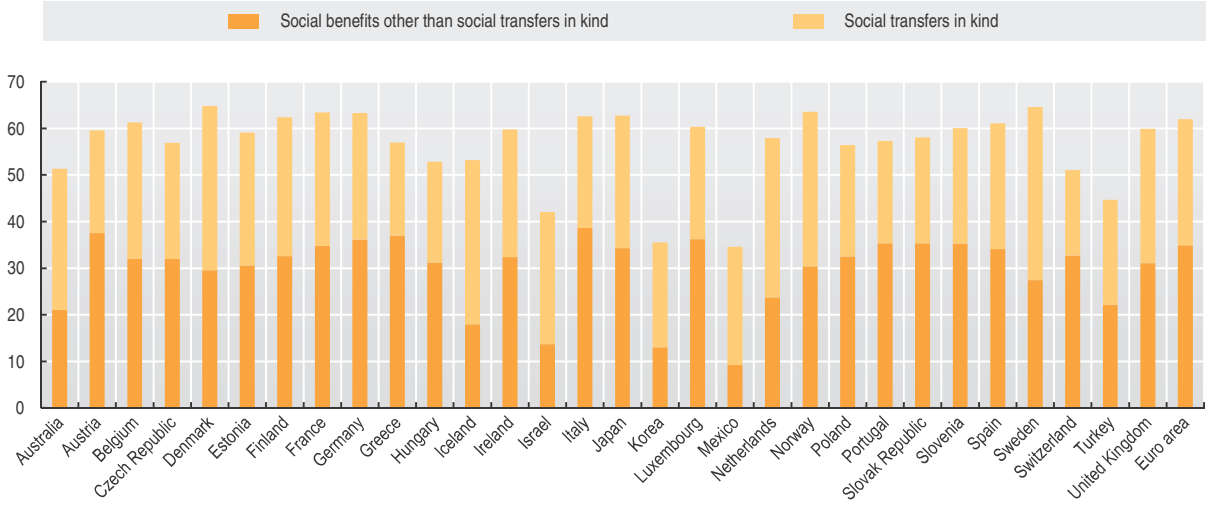
Percentage of GDP

	Social benefits other than social transfers in kind							Social transfers in kind						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	7.5	7.4	8.9	7.7	7.6	7.6	7.8	10.5	10.5	10.8	11.1	10.9	11.0	11.0
Austria	18.4	17.8	18.1	19.7	19.8	19.1	19.3	10.6	10.6	10.9	11.5	11.4	11.2	11.2
Belgium	15.5	15.4	15.8	17.3	17.0	17.1	17.7	14.0	13.9	14.6	15.6	15.4	15.6	16.0
Canada	10.0	10.1	10.3	11.6	11.4	..	..	11.7	11.8	12.0	13.4	13.3	..	..
Chile	..	..	4.2	4.6	4.4	4.1	..	..	..	..	..	..	..	..
Czech Republic	12.2	12.5	12.4	13.5	13.7	13.8	13.9	10.3	9.9	9.9	10.9	10.8	10.8	10.8
Denmark	15.4	14.9	14.7	16.7	16.9	17.1	17.2	18.1	18.2	18.8	21.2	20.7	20.3	20.3
Estonia	8.7	8.5	10.5	13.9	13.0	11.5	11.0	8.9	9.0	10.6	12.2	11.5	10.7	10.5
Finland	16.0	15.1	15.3	18.2	18.3	18.0	18.7	14.7	14.2	14.8	16.6	16.5	16.4	16.9
France	17.8	17.7	17.8	19.4	19.5	19.4	19.9	15.1	15.0	15.1	16.1	16.1	16.0	16.2
Germany	17.7	16.5	16.3	18.0	17.2	16.3	16.1	11.6	11.4	11.6	12.8	12.5	12.2	12.3
Greece	14.6	15.3	16.7	18.1	18.1	19.2	19.9	9.9	10.2	10.6	11.3	11.0	10.4	10.1
Hungary	15.0	15.5	15.9	16.5	16.0	15.6	15.5	12.5	11.6	11.7	12.1	11.3	10.8	10.5
Iceland	5.7	5.8	6.1	8.1	7.9	8.5	8.0	16.4	16.4	16.8	17.9	17.6	16.7	16.6
Ireland	9.7	10.3	12.3	15.1	15.3	15.2	15.0	10.7	11.1	12.1	13.8	13.5	12.9	12.7
Israel	6.1	5.8	5.9	6.1	6.2	6.1	..	12.6	12.5	12.7	12.6	12.7	12.7	..
Italy	16.9	17.0	17.6	19.2	19.2	19.3	19.9	11.8	11.6	11.8	12.5	12.4	11.9	11.9
Japan	11.5	11.6	12.1	13.7	13.8	14.4	..	10.0	10.1	10.5	11.4	11.3	11.9	..
Korea	2.8	3.1	3.4	3.8	3.7	3.9	..	6.2	6.3	6.5	6.9	6.8	6.8	..
Luxembourg	13.5	12.9	14.4	16.8	15.9	15.4	16.0	9.4	9.0	9.5	10.9	10.5	10.3	10.7
Mexico	1.5	1.6	1.7	1.9	2.0	2.1	..	5.2	5.2	5.3	5.9	5.8	5.8	..
Netherlands	10.8	10.3	10.3	11.4	11.7	11.8	12.2	14.8	15.0	15.2	17.0	17.1	17.1	17.5
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	12.2	12.1	11.6	13.7	13.6	13.3	13.3	12.8	13.1	13.0	15.0	14.9	14.6	14.5
Poland	15.2	14.2	14.0	14.7	14.8	14.1	14.2	10.2	10.0	10.5	10.7	10.8	10.4	10.3
Portugal	14.5	14.6	15.1	17.0	17.1	17.4	18.0	11.7	11.1	11.1	12.1	11.8	10.8	9.9
Slovak Republic	11.9	11.6	11.4	13.8	14.1	13.6	13.8	7.6	8.0	8.4	9.4	9.3	8.7	8.8
Slovenia	15.3	14.3	14.7	16.5	17.2	17.6	17.6	11.1	10.4	10.7	12.0	12.4	12.4	12.3
Spain	11.4	11.6	12.5	14.7	15.5	15.6	16.3	10.5	10.7	11.4	12.7	12.5	12.3	11.8
Sweden	15.2	14.4	14.4	15.7	14.7	14.1	14.5	18.9	18.6	19.0	20.1	19.2	19.1	19.4
Switzerland	10.9	10.5	10.1	11.2	11.2	11.0	11.1	6.3	6.1	5.7	6.3	6.2	6.2	6.3
Turkey	6.6	7.0	7.2	8.4	7.8	8.3	..	5.5	6.8	7.0	9.1	8.7	8.4	..
United Kingdom	12.4	12.5	13.0	14.9	14.9	14.9	15.4	12.8	12.7	13.3	14.6	14.3	13.8	13.8
United States	11.6	11.8	12.7	14.7	15.0	14.7	14.4	..	..	..	..	..	..	..
Euro area	15.9	15.6	15.9	17.6	17.5	17.3	17.6	12.5	12.3	12.7	13.8	13.6	13.4	13.4
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	4.3	4.2	4.8	5.4	5.5	5.9	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	7.3	7.3	7.4	9.6	11.0	9.4	..	8.0	8.2	8.5	9.9	8.9	8.6	..
South Africa	4.1	3.7	3.9	4.2	4.1	4.0	4.4	7.9	7.5	7.2	8.6	9.0	8.9	8.6

StatLink http://dx.doi.org/10.1787/888933002604

Figure 27.1. **Social benefits to households**

Percentage of total general government expenditure, 2011



StatLink http://dx.doi.org/10.1787/888933001654

28. Net saving and net lending/net borrowing

- *In 2011, 23 out of 32 countries recorded dissaving as well as a net borrowing position.*
- *Mexico recorded a positive saving, but a net borrowing (negative) position, which implies that capital expenditures were larger than savings in 2011.*
- *Hungary recorded dissaving but a net lending (positive) position. The latter turned positive thanks to a huge capital transfer (due to changes in pension law) that occurred in 2011.*

The concepts of saving and net lending are introduced in Sections 6 and 7 respectively. However they are reintroduced in this section on General Government to reflect the particular importance these concepts have in the area of government finances. Saving is typically associated with the "Golden Rule" concept, namely that government current expenditures minus current receipts (such as taxes) should net out over the course of an economic cycle. Net lending/ borrowing reflects the fiscal position after accounting for capital expenditures. Net lending means that government is providing financial resources to other sectors and net borrowing means that government requires financial resources from other sector.

It's important to note in this context that whilst general government saving and net lending/borrowing are important concepts in the SNA accounting framework and provide the basis for sound international comparisons, they are not necessarily the key fiscal measures targeted by governments. Some countries for example manage their budgets using broader notions that incorporate the positions of public corporations and others focus on more narrow concepts such as central government. The European Commission uses the net lending concept to monitor government fiscal surpluses/ deficits with an additional adjustment to reflect net streams of interest payments resulting from swaps arrangements and forward rate agreements.

Definition

Net saving = Net Disposable income *minus* general government final consumption

= Current receipts *minus* current expenditure (including depreciation)

Net-lending = Gross saving *plus* net capital transfers (receivable *minus* payable) *minus* gross capital formation *minus* acquisitions less disposals of non-produced non-financial assets

= Total general government revenue *minus* total general government expenditure

= Net acquisition of financial assets *minus* net incurrence of liabilities.

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. 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 other determining criteria.

Generally however the comparability of net-lending/ borrowing and saving figures for countries is very high.

Saving data for Chile correspond to gross saving.

In Ireland, in 2010, the government made massive capital transfers to Anglo Irish Bank, Irish Nationwide Building Society and EBS Building Society, which had a big impact on the government net lending figures. This kind of large one-off transactions may also affect the results for other countries, albeit usually to a lesser extent.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

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Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 28.1. **Net saving and net lending/net borrowing of general government**

Percentage of GDP

	Net saving							Net lending/net borrowing						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	2.8	2.1	-2.2	-2.6	-2.5	-2.0	-1.0	1.3	0.4	-4.3	-5.9	-5.0	-4.2	-2.3
Austria	0.1	1.2	1.1	-1.8	-1.7	-0.3	0.2	-1.7	-1.0	-1.0	-4.1	-4.5	-2.4	-2.5
Belgium	0.4	0.2	-0.8	-4.7	-3.6	-3.2	-3.1	0.3	-0.1	-1.1	-5.6	-3.9	-3.9	-4.1
Canada	2.8	2.6	0.9	-3.1	-3.4	..	..	1.6	1.4	-0.4	-4.9	-5.6	..	..
Chile	..	..	..	..	..	..	..	..	..	4.8	-4.0	0.0	1.3	..
Czech Republic	-0.6	0.5	-0.8	-5.1	-4.8	-3.7	-3.3	-2.4	-0.7	-2.2	-5.8	-4.7	-3.2	-4.4
Denmark	4.8	4.6	3.6	-2.6	-2.2	-1.4	-1.6	5.0	4.8	3.3	-2.8	-2.7	-2.0	-3.9
Estonia	5.3	6.1	1.6	0.0	0.1	1.3	2.1	2.5	2.4	-2.9	-2.0	0.2	1.1	-0.2
Finland	4.1	5.6	4.6	-2.0	-2.5	-0.6	-1.8	4.1	5.3	4.3	-2.7	-2.8	-1.0	-2.2
France	-1.1	-1.3	-1.9	-6.1	-6.0	-4.3	-3.9	-2.4	-2.8	-3.3	-7.6	-7.1	-5.3	-4.8
Germany	-1.0	0.8	0.7	-2.2	-2.4	-0.1	0.5	-1.7	0.2	-0.1	-3.1	-4.2	-0.8	0.1
Greece	-5.7	-6.2	-8.5	-14.0	-11.4	-11.6	-8.2	-6.0	-6.8	-9.9	-15.6	-10.8	-9.6	-9.0
Hungary	-7.2	-3.5	-3.3	-5.0	-5.8	-5.7	-3.4	-9.5	-5.1	-3.7	-4.6	-4.4	4.2	-2.1
Iceland	9.1	8.4	2.8	-7.4	-4.8	-4.1	-2.6	6.3	5.4	-13.5	-9.9	-10.1	-5.6	-3.8
Ireland	4.6	2.7	-3.0	-9.2	-9.1	-8.3	-7.5	2.9	0.2	-7.4	-13.7	-30.6	-13.1	-8.1
Israel	-1.8	-0.5	-2.7	-5.3	-3.9	-3.6	..	-2.7	-1.6	-4.0	-6.7	-4.8	-4.4	..
Italy	-0.5	0.3	-1.0	-4.0	-3.5	-3.3	-2.2	-3.4	-1.6	-2.7	-5.4	-4.3	-3.7	-2.9
Japan	-2.4	-2.1	-3.0	-8.8	-8.3	-8.5	..	-1.3	-2.1	-1.9	-8.8	-8.3	-8.9	..
Korea	8.0	8.6	7.2	4.5	5.2	5.4	..	3.9	4.7	3.0	-1.1	1.3	2.0	..
Luxembourg	4.8	6.4	5.8	2.7	2.7	3.1	2.4	1.4	3.7	3.2	-0.7	-0.8	0.1	-0.6
Mexico	2.6	2.1	3.1	0.5	1.2	2.4	..	0.2	-0.5	-2.4	-0.9	-1.4	-0.1	..
Netherlands	1.0	0.9	1.6	-3.5	-3.3	-3.3	-3.1	0.5	0.2	0.5	-5.6	-5.0	-4.3	-4.0
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	19.4	18.5	20.1	12.0	12.2	14.7	14.9	18.3	17.3	18.8	10.5	11.1	13.6	13.9
Poland	-1.3	0.6	-0.4	-3.6	-4.6	-2.3	-2.0	-3.6	-1.9	-3.7	-7.5	-7.9	-5.0	-3.9
Portugal	-4.1	-2.8	-3.4	-9.1	-9.1	-7.2	-7.4	-4.6	-3.2	-3.7	-10.2	-9.9	-4.3	-6.5
Slovak Republic	-2.9	-1.8	-1.7	-6.7	-7.3	-5.0	-5.0	-3.2	-1.8	-2.1	-8.0	-7.7	-5.1	-4.5
Slovenia	1.2	3.2	1.9	-2.8	-3.0	-3.3	-2.6	-1.4	0.0	-1.9	-6.3	-5.9	-6.3	-3.8
Spain	5.1	5.2	-1.0	-7.1	-6.5	-7.3	-6.5	2.4	2.0	-4.5	-11.1	-9.6	-9.6	-10.6
Sweden	3.2	4.5	3.2	0.2	1.2	1.2	0.4	2.2	3.6	2.2	-1.0	0.0	0.0	-0.5
Switzerland	1.6	2.2	3.7	2.2	1.9	2.3	1.4	0.5	1.0	2.0	0.8	0.3	0.7	-0.2
Turkey	4.3 |	1.7	0.9	-3.6	0.1	1.8	..	0.8 |	-1.5	-2.3	-6.5	-2.9	-0.8	..
United Kingdom	-1.2	-1.3	-2.5	-7.7	-7.7	-5.9	-6.3	-2.8	-2.8	-5.0	-11.3	-10.1	-7.7	-6.1
United States	-1.9	-2.3	-5.4	-10.6	-10.5	-9.4	-8.3	-3.0	-3.6	-7.0	-12.7	-12.0	-10.6	-9.2
Euro area	0.1	0.7	-0.6	-4.6	-4.4	-3.2	-2.6	-1.4	-0.7	-2.1	-6.4	-6.2	-4.1	-3.7
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	0.9	3.2	1.8	0.6	1.5	1.8	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	13.4	12.3	12.8	2.6	3.8	8.8	..	8.3	5.6	7.3	-4.0	-1.2	4.2	..
South Africa	0.8	2.2	1.8	-2.8	-4.1	-3.3	-4.3	-1.4	-0.6	-1.4	-5.2	-6.0	-5.6	-6.2

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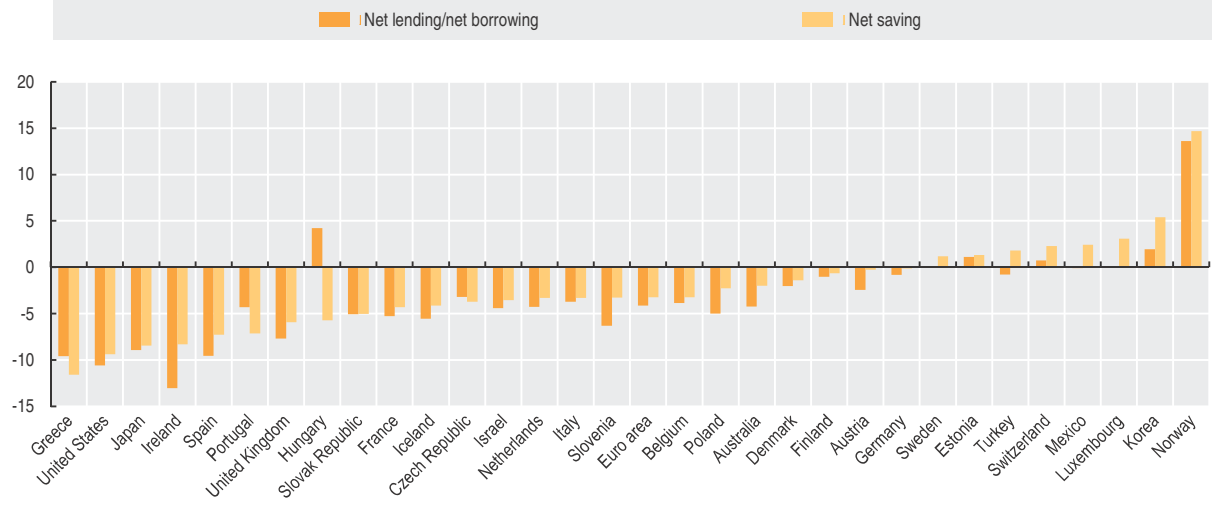
Figure 28.1. **Net saving and net lending/net borrowing of general government**

Percentage of GDP, 2011



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29. Gross debt of general government

- *In 2011, 23 out of 30 OECD countries recorded debt-to-GDP ratios below 100% compared to 28 out of 31 countries in 2006. In 2011, Japan recorded the highest debt-to-GDP ratio (228%), followed by Italy (124%) and the United States (121%).*
- *Between 2006 and 2011, the highest increase in debt-to-GDP ratio was observed in Ireland (73.5 percentage points), reaching a level of 102%. The United Kingdom, Japan, and the United States also registered significant increases of at least 45 percentage points over the same period. The rapid rise in debt from 2006 to 2011 reflects the impact of the crisis on government deficits due to government interventions to support the financial system.*
- *In contrast, Norway reduced its general government debt-to-GDP ratio by around 25 percentage points between 2006 and 2011, ranking fourth (behind Estonia, Chile and Luxembourg) of the least indebted OECD countries. In Greece, government debt declined by around 12 percentage points between 2006 and 2011, reflecting the fall in market prices of Greek government bonds.*

The government debt-to-GDP ratio is a key indicator that can be used to monitor the sustainability of government finance, and to assess the government sector's overall health and its ability to incur additional debt or to manage the levels of its current debt.

Changes in government debt over time reflect the behaviour of past fiscal balances; recurring large deficits will result in higher debt levels whereas a succession of surpluses will reduce debt levels.

The higher a government's liabilities, the higher the probability of a government defaulting on loans, as perceived by markets, the higher risk premium demanded by the market, resulting in an increase in the cost of debt.

The General Government Gross Debt is one of the two headline indicators scrutinised by the European Commission to assess the soundness of EU countries' public finance, in the context of the EU Excessive Deficit Procedure (EDP), annexed to the Maastricht Treaty. This measure is also consolidated but it is based on nominal valuations, and excludes liabilities relating to financial derivatives, shares and other equity, insurance technical reserves, and other accounts payable.

Definition

The government debt-to-GDP ratio is calculated as the amount of total government debt of a country as a percentage of its GDP.

Debt is a commonly used concept, defined as a specific subset of liabilities. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are usually not considered as debt. Debt is thus obtained by adding the following liability categories, whenever available/applicable in the financial balance sheet of the general government: currency and deposits, securities other than shares except financial derivatives, loans, insurance technical reserves and other accounts payable. Importantly, tradable debt such as securities issued are valued at market prices.

According to standard methodology, government debt relates to general government that "consists mainly of central, state and local government units together with social security funds imposed and controlled by those units".

Comparability

Across OECD countries, the comparability of data on general government debt can be affected through national differences in implementing the SNA definitions, especially in relation to the delineation of the government sector, to national consolidation practices and to the definitions and treatment of debt components.

Data are consolidated for all OECD countries, i.e. general government debt does not include the debt issued by one sub-sector and held by another sub-sector of the government, except for Chile, Japan, and Korea.

Text continues on p. 102.

Table 29.1. **Gross debt of general government**

Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	40.7	36.2	34.7	33.6	30.9	29.0	27.7	26.8	25.8	27.8	35.5	39.5	43.9	56.5
Austria	70.8	70.8	71.7	72.8	71.1	70.6	70.6	66.0	62.4	67.2	73.1	78.0	79.8	85.3
Belgium	119.4	113.6	111.9	108.2	103.3	98.2	95.9	91.6	87.9	92.7	99.8	99.6	102.1	104.2
Canada	114.2	104.7	105.1	103.7	98.7	94.2	93.0	91.4	86.3	90.8	104.6	106.2	109.9	112.3
Chile	..	..	..	..	..	..	17.4	14.1	12.2	12.4	13.4	15.6	18.3	18.6
Czech Republic	24.4	25.1	29.3	31.5	33.2	33.0	32.7	32.5	30.9	34.3	40.8	44.7	47.8	55.7
Denmark	..	..	..	..	56.6	53.6	45.4	41.0	34.3	41.4	49.3	53.1	59.9	59.3
Estonia	10.9	6.8	6.7	7.6	8.4	8.6	8.2	8.0	7.3	8.5	12.6	12.4	9.6	13.3
Finland	54.9	52.5	50.1	49.7	51.1	51.3	48.5	44.7	40.4	39.7	51.5	57.0	58.6	64.4
France	69.0	67.9	67.2	70.7	75.2	77.1	78.9	73.9	73.0	79.2	91.4	95.5	99.2	109.3
Germany	61.7	60.9	60.2	62.6	66.0	69.1	71.7	69.8	65.7	69.8	77.4	86.0	85.6	88.5
Greece	102.8	116.3	118.4	116.9	110.7	113.1	114.9	120.4	117.8	121.3	137.9	130.2	108.8	164.2
Hungary	67.8	62.0	59.9	60.9	61.9	65.2	68.5	72.1	73.0	76.5	86.0	87.4	86.5	89.7
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	52.8	40.2	37.1	35.4	34.1	32.7	32.7	28.7	28.4	49.2	70.1	87.3	102.3	125.8
Israel	..	..	97.4	101.6	107.0	104.9	102.3	90.4	88.1	87.6	89.9	86.7	84.2	..
Italy	128.7	123.9	123.1	121.8	119.3	119.7	122.5	121.3	116.4	118.8	132.1	130.8	123.8	141.7
Japan	131.1	141.5	151.4	161.8	172.3	178.8	180.2	180.0	180.0	184.2	207.3	210.6	228.0	..
Korea	..	..	..	19.2	19.7	23.3	25.5	28.6	28.7	29.9	33.3	34.2	35.8	37.6
Luxembourg	..	..	..	..	..	..	..	11.5	11.3	19.3	19.2	26.1	26.3	30.2
Mexico	33.6	31.1	31.2	33.2	32.7	31.0	31.2	28.9	28.2	30.1	37.7	..	..	..
Netherlands	71.6	63.9	59.4	60.3	61.4	61.9	60.7	54.5	51.5	64.8	67.6	71.9	76.2	82.7
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	29.1	32.6	31.9	39.4	48.8	50.7	47.6	58.7	56.6	55.2	49.0	49.3	33.9	34.4
Poland	46.6	45.4	43.8	55.0	55.6	53.3	54.1	54.2	50.4	55.5	57.6	61.4	61.6	63.0
Portugal	62.3	62.4	64.2	68.0	70.2	73.5	77.7	77.5	75.5	80.8	94.0	98.1	97.2	127.9
Slovak Republic	53.4	58.6	57.2	49.9	48.3	45.9	37.4	35.0	33.5	32.2	40.4	45.9	48.3	56.9
Slovenia	..	..	33.6	34.7	34.1	34.9	34.0	33.8	29.5	28.8	43.3	47.5	51.0	61.1
Spain	69.5	66.6	62.0	60.4	55.4	53.5	50.8	46.3	42.4	47.8	62.8	67.8	78.2	92.4
Sweden	73.0	64.0	62.0	61.8	60.4	59.9	60.6	54.0	49.2	47.8	51.5	48.8	49.2	48.7
Switzerland	55.9	56.0	55.3	61.5	60.5	61.0	59.1	52.8	52.8	48.3	47.4	46.1	46.2	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	47.9	45.8	41.0	41.7	42.0	44.2	46.4	46.0	46.9	57.3	72.1	81.6	97.0	101.0
United States	65.5	61.5	63.9	70.5	71.4	79.1	78.1	75.6	75.8	91.9	105.0	115.3	120.6	122.5
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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The treatment of government liabilities in respect of their employee pension plans is diverse across countries, making international comparability difficult. In particular, according to the 1993 SNA, only the funded component of the government employee pension plans should be reflected in its liabilities. However, the new 2008 SNA recognises the importance of the liabilities of employers' pension schemes, regardless of whether they are funded or unfunded. For pensions provided by government to their employees, countries have some flexibility in the recording of the unfunded liabilities in the set of core tables.

A few OECD countries, such as Australia, Canada, Iceland, Sweden, and the United States record pension liabilities, be it funded or unfunded, in the general government debt data. For 2012, if these unfunded pension liabilities were excluded the debt to GDP ratio would be, 30.7% for Australia, 98.4% for Canada, 46.3% for Sweden and 102.4% for the United States. For more details on this adjusted general government debt to GDP ratio, please see the chapter on general government in the *OECD Factbook*, 2014 edition.

More generally, gross debt figures have to be treated with care, as they only provide a partial view of fiscal sustainability. Net (financial) debt or net worth figures, taking into account financial and/or non-financial assets, generally provide a better picture (see also Section 30). Also guarantees and contingent liabilities in general are not included in the data on government debt.

Sources

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22214461* (except for Chile, Japan, and Korea).

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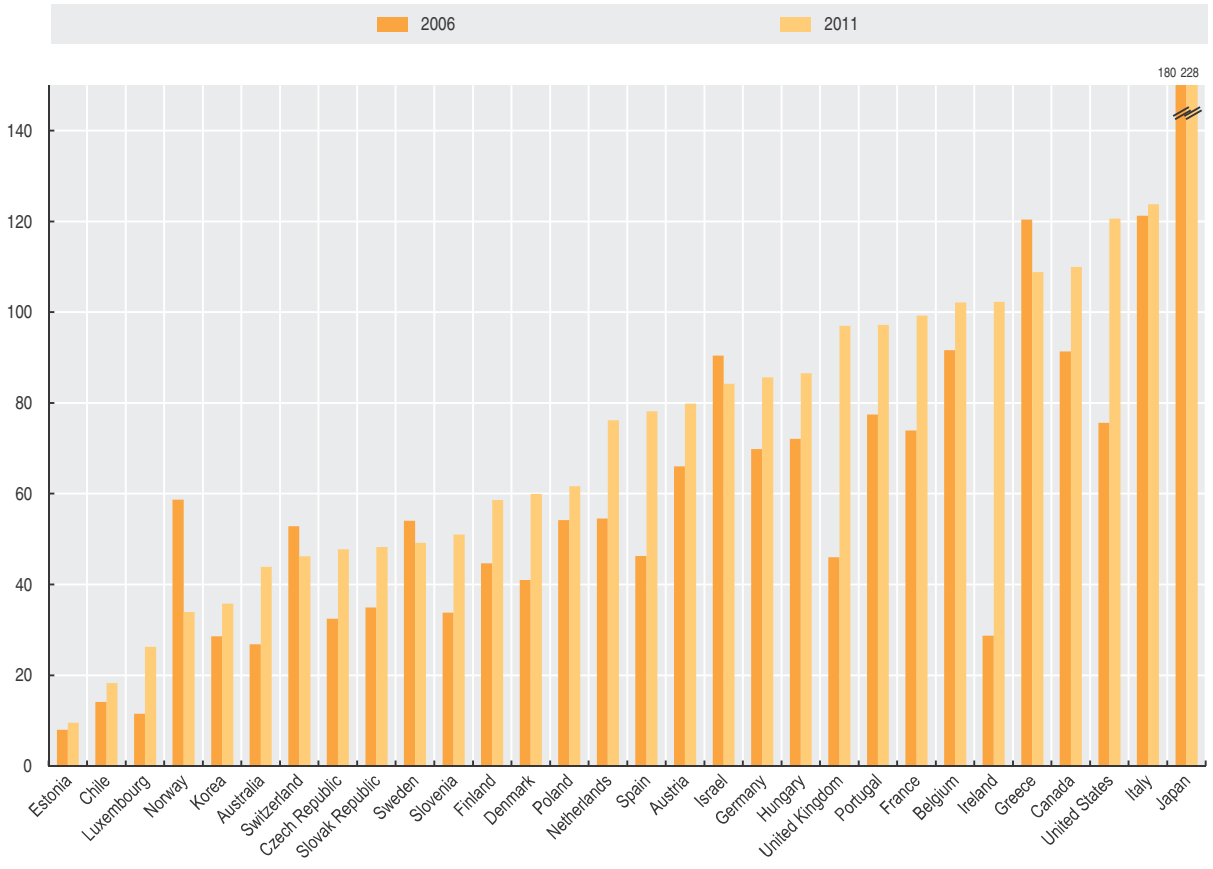
Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Figure 29.1. **Gross debt of general government**

Percentage of GDP, 2006 and 2011



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30. Financial net worth

- *In 2011, 24 out of 31 OECD countries for which data are available recorded a negative financial net worth, i.e. debt being higher than financial assets. This reflects the effects of the global financial crisis on government deficit and debt.*
- *Between 2006 and 2011, the largest declines occurred in Ireland (-63.5 percentage points) and in Iceland (-45.7 percentage points) due to significant government interventions – through large capital transfers – into the banking sector in 2011. Nevertheless, Japan, Italy and the United States recorded the highest negative financial net worth, reaching respectively a level of -124% of GDP and -98% for both Italy and the United States in 2011. In contrast, in both Norway and Finland, the general government sector showed net financial assets of respectively 158% and 54% of GDP.*

The amount of financial assets and liabilities held by government has significant political and economic importance. The assets reflect a source of additional funding and income available to government it can use without necessarily increasing liabilities; for example, as an additional way to protect its currency when money markets exert prohibitive upward pressure on bond yields.

The liabilities reflect the debts accumulated by government, providing 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.

Definition

The financial net worth of the "General government" sector is the total value of its financial assets minus the total value of its outstanding liabilities.

The SNA defines financial assets of the government sector as the following: currency and deposits; securities other than shares; loans; shares and other equity; insurance technical reserves; and other accounts receivable. Monetary gold and SDRs are part of the government financial assets in a very few countries, such as the United Kingdom and the United States. Outstanding liabilities refer to the total liabilities as recorded in the financial balance sheet of the general government.

General government consists of central, state and local governments as well as social security funds.

The valuation of financial assets and liabilities should be at market prices, and financial assets and liabilities between all government sub-sectors should be consolidated.

Comparability

Data are consolidated for all OECD countries, except Chile, Japan, Korea, and the United Kingdom. It means that all stocks that represent relationships among its sub-sectors of general government are eliminated, avoiding double counting of stocks among its sub-sectors. As a consequence, only stocks of the general government sector *vis-à-vis* sectors outside the boundary of the general government are measured.

Because of the symmetry of the consolidation process, balancing items are not affected.

The institutional set-up of pensions schemes can have an impact on the comparability of net worth across countries, reference is made to the "Comparability" part of the Section 29.

Sources

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22214461* (except for Chile, Japan, Korea and the United Kingdom).

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

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Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 30.1. **Financial net worth of general government**

Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	-3.0	-1.5	-2.9	0.6	-0.2	1.6	2.2	3.7	2.0	-0.6	-6.3	-10.7	-16.5	-26.8
Austria	-35.6	-34.7	-35.6	-37.1	-36.1	-38.1	-37.9	-33.9	-31.3	-34.9	-40.5	-43.3	-44.7	-49.5
Belgium	-102.9	-97.4	-94.9	-93.1	-90.1	-83.6	-82.0	-77.0	-73.1	-73.3	-79.5	-79.8	-81.3	-82.0
Canada	-79.5	-69.2	-66.3	-66.5	-60.6	-55.7	-50.2	-45.2	-41.9	-43.7	-50.5	-52.9	-57.6	-58.6
Chile	..	..	..	..	..	..	-8.9	-0.9	6.1	18.1	7.2	1.9	4.6	1.7
Czech Republic	29.3	26.6	24.4	15.6	7.1	10.5	12.2	12.5	15.5	6.7	2.7	-5.1	-5.8	-11.6
Denmark	-28.4	-22.5	-20.1	-19.1	-18.0	-14.8	-10.5	-1.9	3.8	6.1	4.6	1.7	-3.1	-7.3
Estonia	39.8	30.2	29.1	28.6	29.2	31.2	32.0	31.5	28.9	26.4	28.3	35.2	34.5	32.9
Finland	50.3	31.1	31.7	31.3	38.4	46.7	58.6	69.4	72.5	52.3	62.8	65.6	54.3	55.4
France	-36.0	-37.5	-39.7	-44.4	-46.6	-47.4	-45.4	-39.3	-35.7	-45.8	-52.2	-57.5	-62.3	-70.3
Germany	-34.5	-33.9	-36.3	-40.4	-43.4	-47.3	-49.6	-47.9	-42.6	-44.5	-49.0	-49.4	-50.4	-50.5
Greece	-70.0	-88.7	-93.1	-95.0	-87.5	-87.7	-84.8	-90.7	-85.6	-94.0	-104.0	-94.1	-72.6	-102.0
Hungary	-34.6	-33.3	-32.6	-37.0	-38.0	-42.0	-46.4	-52.1	-53.8	-51.7	-59.8	-61.8	-53.3	-61.2
Iceland	-35.9	-37.5	-29.2	-28.5	-30.8	-27.8	-13.7	-8.0	0.9	-26.1	-40.0	-48.3	-53.7	-55.9
Ireland	-27.6	-15.9	-12.3	-13.7	-11.5	-8.3	-6.5	-1.9	-0.3	-13.3	-26.3	-47.1	-65.3	-83.4
Israel	..	..	-67.1	-71.8	-74.1	-70.9	-57.8	-46.9	-49.2	-52.8	-56.2	-53.5	-55.5	..
Italy	-100.8	-95.5	-96.3	-95.9	-93.0	-92.7	-94.3	-94.3	-90.8	-93.6	-104.8	-103.4	-97.8	-113.2
Japan	-52.0	-60.0	-64.2	-72.6	-77.2	-81.3	-78.6	-77.7	-82.4	-92.0	-103.4	-110.1	-124.1	..
Korea	..	..	..	32.3	31.1	31.6	35.8	36.8	40.2	37.7	39.0	38.1	38.1	38.9
Luxembourg	..	..	..	..	..	..	..	50.8	54.8	53.5	58.6	52.9	46.7	49.9
Mexico	-32.3	-25.3	-27.1	-29.9	-30.6	-27.2	-27.1	-23.5	-20.9	-22.3	-29.4	..	..	..
Netherlands	-36.7	-34.9	-33.0	-34.9	-36.2	-37.6	-35.0	-31.6	-27.9	-27.0	-29.7	-34.6	-38.8	-42.2
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	57.4	67.1	84.6	80.4	94.1	102.2	119.2	132.6	137.9	122.8	153.6	162.6	157.9	167.5
Poland	-13.4	-15.5	-18.5	-22.1	-26.1	-22.7	-22.8	-21.4	-15.6	-18.2	-21.4	-26.8	-30.2	-33.4
Portugal	-32.7	-32.7	-34.8	-39.3	-41.9	-47.2	-50.6	-50.0	-49.7	-54.2	-65.1	-64.3	-54.6	-78.4
Slovak Republic	-1.2	-13.6	-11.0	-1.4	-1.8	-5.2	-3.2	-7.7	-7.3	-9.2	-16.1	-22.2	-26.5	-25.5
Slovenia	..	..	15.6	14.2	9.5	9.7	8.5	9.9	18.6	6.5	1.3	0.4	-2.4	-8.2
Spain	-47.8	-44.3	-41.5	-40.0	-36.7	-34.3	-29.1	-22.4	-17.8	-22.7	-34.1	-40.0	-48.3	-59.8
Sweden	-12.4	-5.5	2.5	-4.6	-0.4	2.1	7.3	18.3	22.5	14.9	22.4	24.0	20.7	23.7
Switzerland	-12.0	-8.5	-7.5	-12.4	-12.2	-13.7	-13.3	-10.0	-8.8	-9.8	-5.5	-9.0	-8.1	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	-28.3	-23.9	-20.5	-21.4	-21.6	-23.6	-24.6	-25.1	-26.2	-31.0	-43.0	-52.5	-66.5	-69.1
United States	-45.8	-42.9	-44.7	-51.5	-52.6	-60.5	-59.5	-56.7	-56.3	-69.5	-81.0	-90.3	-97.9	-100.3
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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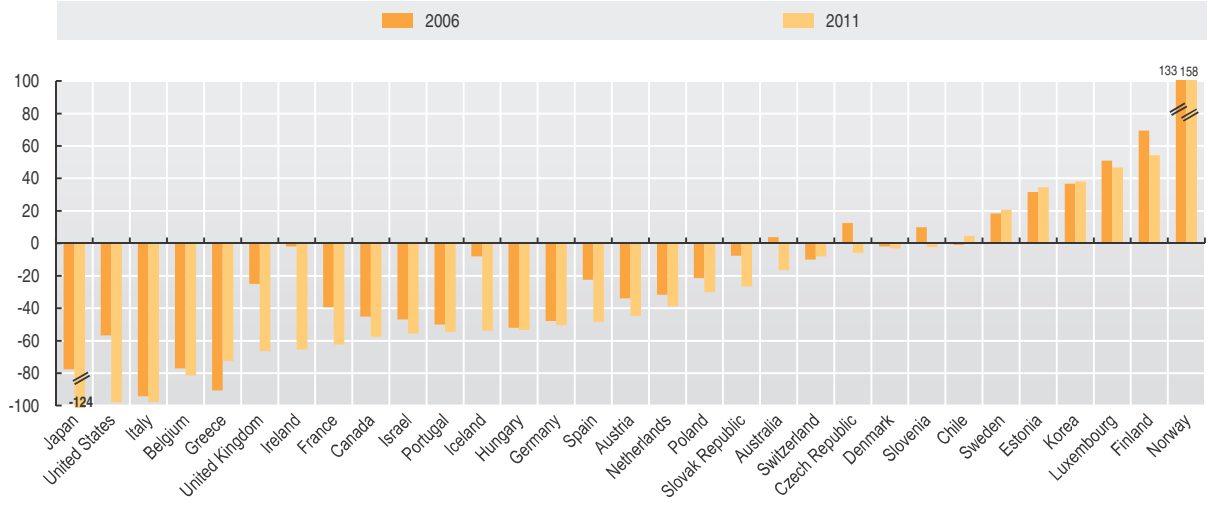
Figure 30.1. **Financial net worth of general government**

Percentage of GDP, 2006 and 2011



StatLink http://dx.doi.org/10.1787/888933001711

CORPORATIONS

31. Non-financial corporations' debt to gross operating surplus
32. Debt to equity ratio in financial corporations
33. Leverage of the banking sector
34. Share of profit and labour in value added

31. Non-financial corporations' debt to gross operating surplus

- *In 2011, the non-financial corporations sector of Luxembourg recorded the highest debt-to-gross operating surplus ratio where the level of debt outstanding reached 18.4 times gross operating surplus. Other countries with high ratios were Portugal (8.6), Ireland (7.8) and Sweden (7.6).*
- *Between 2006 and 2011, this ratio increased for the majority of OECD countries, with the largest increase of 10.3 points in Luxembourg, indicating an increase in the risk exposure for the creditors of the non-financial corporations. Only Israeli non-financial corporations reduced their indebtedness by 0.3 points.*

While debt can have positive implications for a firm's growth as it can help smooth capital investment and production even if sales would otherwise not allow it, it becomes harmful if it is too high. One particularly informative indicator for the assessment of debt sustainability – as the debt repayments will have to be serviced from income generated– is the ratio of debt to operating surplus.

It captures developments in the leverage – that is the amount of debt a firm acquires to finance operations – of the non-financial corporations sector and shows a negative correlation with investment, which is consistent with the idea that a worsening in balance sheet conditions may act as a constraint on investment expenditure.

The higher (lower) the ratio, the greater (smaller) is the risk for non-financial corporations. The ratio is the number of times debt is to gross operating surplus. Therefore, if a non-financial corporation's ratio is 2.5 it means that the debt outstanding is 2.5 times larger than the annual flow of gross operating surplus.

Definition

Debt is a commonly used concept, defined as a specific subset of liabilities. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are usually not considered as debt. Debt is thus obtained by adding predominantly the following liability categories: securities other than shares except financial derivatives, loans, and other accounts payable. Consolidated data are used for this indicator.

Gross operating surplus 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 enterprise, or any interest, rent or similar receipts receivable on financial or tangible non-produced assets owned by the enterprise; it differs from profits in company accounts.

The non-financial corporation sector (S11) includes all private and public enterprises that produce goods and/or provide non-financial services to the markets.

Comparability

Consolidated data are preferred because non-consolidated data depend on the statistical unit applied in the estimation of the non-financial corporations' sector. This statistical unit can differ substantially across countries, ranging from the legal unit to enterprise group. Consequently, countries which have compiled their statistics using smaller statistical units, such as legal units, will have substantially higher levels of non-consolidated debt (including debt relations within enterprise groups). However, non-consolidated debt data provide important information about the total indebtedness of the non-financial corporation sector: by including intra-sector debt, it acknowledges that, apart from bank loans, an increasingly important source of financing, especially during the crisis, may be between companies.

Data are consolidated for all OECD countries, except for Japan and Switzerland. According to SNA standards, a consolidated set of balance sheets for a sector is, first, an aggregation of all stocks followed by the elimination of all stocks that represent relationships among units belonging to the same sector.

Sources

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22214461* (except for Australia and Israel).

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Further reading

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 31.1. **Non-financial corporations debt**

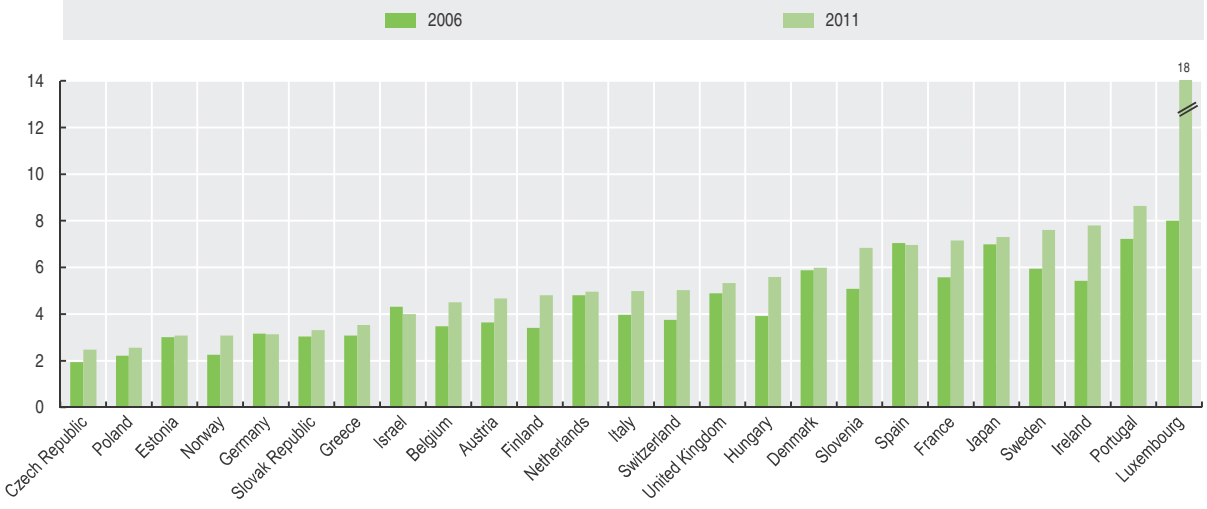
Ratio of debt to gross operating surplus, number of times

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Austria	3.8	4.0	4.0	3.9	4.0	3.8	3.7	3.6	3.8	4.1	4.7	4.8	4.7	4.9
Belgium	4.2	4.4	4.6	4.3	4.4	4.0	3.7	3.5	3.5	4.3	4.5	4.1	4.5	4.9
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	3.1	3.0	2.5	2.5	2.3	2.2	2.0	1.9	1.9	2.1	2.2	2.4	2.5	2.5
Denmark	..	..	..	..	4.8	4.8	5.2	5.9	6.0	6.6	7.5	6.3	6.0	..
Estonia	2.5	2.5	2.5	2.5	2.4	2.6	2.6	3.0	3.4	4.1	4.9	4.0	3.1	3.5
Finland	2.7	2.9	2.8	3.1	3.3	3.2	3.5	3.4	3.3	4.0	5.2	5.0	4.8	5.3
France	5.0	5.3	5.6	5.6	5.3	5.2	5.5	5.6	5.5	5.9	6.9	6.9	7.2	7.5
Germany	3.7	3.9	3.8	3.7	3.7	3.5	3.3	3.2	3.1	3.3	3.7	3.3	3.1	3.3
Greece	..	..	..	..	..	..	2.9	3.1	3.3	3.6	3.7	3.6	3.5	3.5
Hungary	3.2	4.3	3.8	3.3	3.8	3.5	4.0	3.9	4.5	5.4	6.2	5.0	5.6	5.2
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	3.7	3.6	3.8	4.6	5.4	5.2	7.6	8.1	7.4	7.8	8.3
Israel	..	..	4.5	4.9	4.6	4.5	4.5	4.3	4.4	4.3	4.1	4.4	4.0	..
Italy	2.8	3.0	3.0	3.1	3.3	3.4	3.7	4.0	4.3	4.5	5.0	5.0	5.0	5.2
Japan	..	..	8.5	8.3	7.7	7.0	6.8	7.0	6.6	6.6	7.3	6.6	7.3	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	..	..	..	..	..	..	..	8.0	8.0	20.9	25.5	20.2	18.4	17.6
Mexico	..	..	..	..	0.3	0.3	0.3	0.3	0.3	0.3	0.4	..	..	..
Netherlands	5.9	6.1	6.1	5.8	5.9	5.7	5.5	4.8	5.0	5.0	5.6	5.2	5.0	4.9
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	3.6	2.6	2.7	2.9	2.9	2.5	2.3	2.2	2.8	2.8	3.5	3.4	3.1	3.1
Poland	3.4	3.5	4.1	4.0	2.9	2.1	2.1	2.2	2.4	2.8	2.3	2.4	2.6	2.4
Portugal	5.9	6.3	6.6	6.6	7.3	6.7	7.1	7.2	7.4	8.4	8.6	8.6	8.6	8.4
Slovak Republic	4.4	3.8	3.7	4.1	3.8	3.2	3.2	3.0	3.1	2.9	3.5	3.2	3.3	3.1
Slovenia	..	..	4.4	4.3	4.2	4.4	5.1	5.1	5.3	5.8	6.9	7.3	6.8	6.6
Spain	..	4.1	4.4	4.6	4.9	5.1	5.9	7.0	7.8	7.8	7.8	7.4	7.0	6.2
Sweden	5.7	6.1	7.1	7.1	6.6	6.2	6.4	6.0	6.9	8.3	9.6	7.5	7.6	8.1
Switzerland	4.7	4.6	4.4	4.4	4.7	4.0	3.9	3.8	4.1	4.0	5.1	4.5	5.0	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	3.9	4.3	4.7	4.7	4.4	4.2	4.8	4.9	4.9	5.3	6.0	5.5	5.3	5.3
United States	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002680

Figure 31.1. **Non-financial corporations debt**

Ratio of debt to gross operating surplus, number of times, 2006 and 2011



StatLink http://dx.doi.org/10.1787/888933001730

32. Debt to equity ratio in financial corporations

- *After a sharp peak in the debt-to-equity ratio of financial corporations in 2008 in most OECD countries, a significant fall of -1.6 point on average was recorded in 2009, followed by another decline in 2010 although to a much lesser extent, indicating a decrease in the risk exposure for the creditors of the financial corporations.*
- *Between 2006 and 2011, debt-to-equity ratios increased in 22 out of 30 OECD countries. The strongest increases were recorded in Greece (28.0 points), Italy (10.2 points) and Belgium (5.5 points). Since 2006, Luxembourg's ratio has remained below 1, the lowest ratio of OECD countries.*

Firms can finance their operations through debt or equity. The debt to equity ratio is a measure of the financial leverage, or the degree to which financial companies finance their activities out of their equity. The more debt financing a firm uses, the higher its financial leverage which in turn means higher interest payments and the greater the risk for corporations creditors and investors; therefore, high corporate leverage increases the vulnerability of financial corporations to shocks and may impair their repayment capacity.

A higher total debt-to-equity ratio indicates that the sector has been increasing the relative share of debt in external financing, whereas a lower debt-to-equity ratio indicates that the sector is financing a decreasing proportion of its activities through debt as compared to financing through their equity (retained earnings and net new share issuance).

Fluctuations in the market value of equity can also cause changes in the ratio. The ratio is the number of times debt is to equity. Therefore, if a financial corporation's ratio is 2.5 it means that the debt outstanding is 2.5 times larger than their equity.

Higher debt can result in volatile earnings due to additional interest expense as well as increased vulnerability to business downturns. However, contrary to what many believe, debt is not necessarily a bad thing: it can be positive, provided it is used for productive purposes such as purchasing assets and improving processes to increase net profits. Moreover, the debt-to-equity ratio is more meaningful when compared over a period of time.

Non-consolidated debt data provide important information about the total indebtedness of the financial corporations sector.

Definition

The debt to equity ratio indicator is calculated by dividing the debt of financial corporations by the total amount of shares and other equity liabilities of the same sector.

Debt is a commonly used concept, defined as a specific subset of liabilities. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt. Debt is predominantly obtained as the sum of the following liability categories: currency and deposits, securities other than shares (except financial derivatives), loans, insurance technical reserves and other accounts payable.

On the denominator side, shares and other equity correspond to a part of the own resources of financial corporations which are, by convention, reported on the liability side of the companies. Own funds, which are calculated as total net worth plus shares and other equity, would have been preferable as a denominator to avoid stock market fluctuations. However due to the non-availability of data on non-financial assets for many OECD countries, the total net worth could not be calculated. In this respect, shares and other equity, which form a part of own funds, are selected as a denominator.

The financial corporation sector (S12) includes all private and public entities engaged in financial activities, such as monetary institutions (including the central bank), financial intermediaries, insurance companies and pension funds.

Comparability

Data are non-consolidated for all OECD countries, except for Australia and Israel. According to SNA standards, a consolidated set of balance sheets for a sector is, first, an aggregation of all stocks, followed by the elimination of all stocks that represent relationships among units belonging to the same sector.

Source

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22214461* (except for Australia and Israel).

Online database

OECD (2013), "Financial Balance Sheets", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/na-fbs-data-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 32.1. **Financial corporations debt**

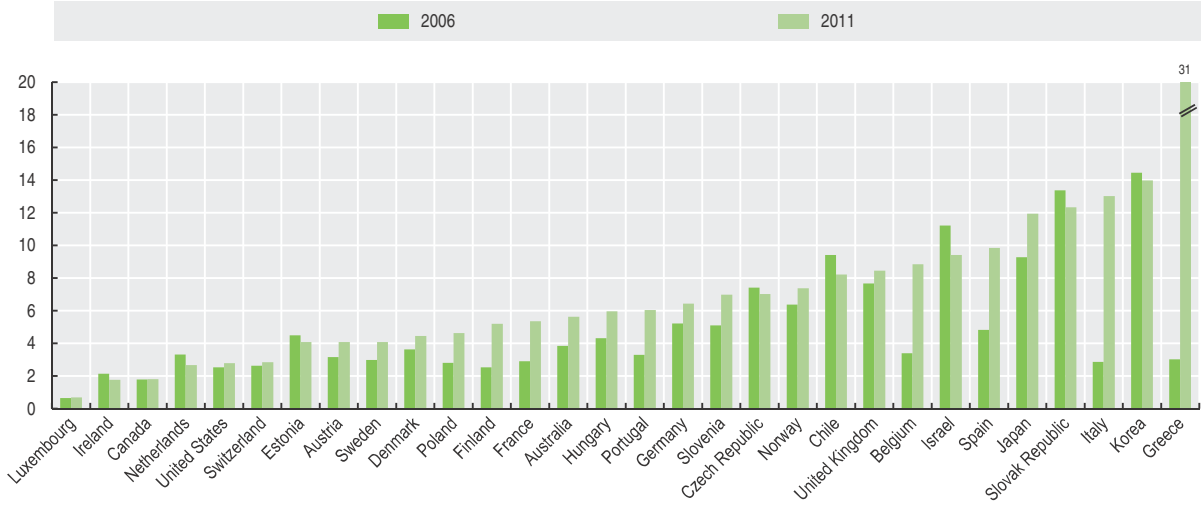
Ratio of debt to equity, number of times

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	5.0	4.4	4.1	4.5	4.2	4.0	3.9	3.9	4.1	6.1	5.0	5.1	5.6	5.4
Austria	4.4	4.3	4.6	4.5	4.2	4.0	3.4	3.2	3.2	4.7	3.9	3.5	4.1	3.7
Belgium	2.9	2.8	3.4	4.4	4.4	3.8	3.8	3.4	3.9	8.3	6.5	6.7	8.9	6.7
Canada	2.1	1.6	2.1	2.2	2.0	1.9	1.9	1.8	1.7	2.3	1.9	1.7	1.8	1.7
Chile	..	..	..	..	..	..	10.9	9.4	8.1	7.6	7.2	7.9	8.2	8.9
Czech Republic	10.9	11.3	13.4	15.2	7.5	7.0	7.3	7.4	7.2	8.3	7.3	6.5	7.0	6.2
Denmark	..	..	..	..	4.8	4.5	3.8	3.6	4.3	7.0	5.8	4.5	4.5	4.1
Estonia	4.2	2.6	2.6	2.4	3.0	2.4	2.9	4.5	4.3	4.8	5.2	4.4	4.1	4.0
Finland	4.2	4.3	4.4	4.6	3.7	3.5	2.9	2.5	2.7	4.1	3.6	3.8	5.2	4.9
France	3.3	3.0	3.2	3.5	3.2	3.2	3.0	2.9	3.6	4.8	4.2	4.4	5.4	4.9
Germany	4.5	4.8	5.4	7.0	6.1	6.2	5.5	5.2	5.3	7.6	6.5	6.1	6.4	5.7
Greece	1.5	2.2	3.0	4.1	3.4	3.2	3.1	3.0	3.2	13.0	9.8	19.3	31.0	11.6
Hungary	8.1	7.7	7.1	6.0	5.8	5.2	4.7	4.3	4.5	7.1	6.1	5.7	6.0	5.6
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	1.6	1.6	1.8	2.0	2.2	2.2	2.2	3.2	2.6	2.1	1.8	1.4
Israel	..	..	19.2	27.8	16.1	13.1	11.3	11.2	11.6	21.3	8.7	7.1	9.4	..
Italy	1.8	1.8	2.3	3.1	2.9	3.0	2.8	2.9	3.9	8.2	7.6	9.6	13.0	13.0
Japan	17.5	19.9	21.3	24.9	15.0	13.9	8.8	9.3	11.1	14.6	11.9	11.6	11.9	..
Korea	..	..	..	19.9	19.1	17.9	13.0	14.5	13.8	19.5	13.4	12.2	14.0	12.9
Luxembourg	..	..	..	..	..	..	..	0.7	0.7	0.7	0.5	0.4	0.7	0.7
Mexico	8.5	8.5	7.6	6.6	5.7	4.3	4.1	3.5	3.2	3.2	3.0	..	..	..
Netherlands	2.7	2.6	2.9	3.5	3.5	3.7	3.7	3.3	3.4	3.6	2.9	2.8	2.7	2.6
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	7.9	8.2	9.2	10.0	9.3	7.9	7.2	6.4	6.4	11.4	8.0	6.7	7.4	6.8
Poland	6.0	7.0	6.1	5.0	5.1	3.9	3.4	2.8	2.7	5.0	4.4	3.9	4.6	4.0
Portugal	3.7	4.1	4.2	4.6	3.9	3.6	3.5	3.3	3.6	4.5	4.4	5.3	6.1	5.5
Slovak Republic	21.3	21.0	22.6	20.1	15.7	13.6	16.4	13.4	11.1	13.0	13.1	11.9	12.3	11.8
Slovenia	..	..	5.5	5.7	5.4	5.2	5.8	5.1	4.6	6.8	6.6	6.3	7.0	6.9
Spain	2.9	3.2	3.6	4.5	4.3	4.3	4.6	4.8	5.9	9.4	8.3	9.6	9.9	10.2
Sweden	3.1	3.0	3.3	4.2	3.4	3.4	3.2	3.0	3.4	5.7	4.1	3.6	4.1	3.7
Switzerland	3.3	2.9	3.2	3.9	3.5	3.2	3.1	2.6	2.8	3.0	2.6	2.6	2.8	..
Turkey	..	..	..	..	..	..	..	..	..	..	3.7	3.4	5.3	4.4
United Kingdom	6.0	6.0	6.6	8.1	7.8	7.9	8.0	7.7	8.6	11.3	8.3	7.7	8.5	8.0
United States	2.6	2.6	2.7	3.1	2.9	2.8	2.7	2.5	2.6	3.4	2.8	2.7	2.8	2.5
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002699

Figure 32.1. **Financial corporations debt**

Ratio of debt to equity, number of times, 2006 and 2011



StatLink http://dx.doi.org/10.1787/888933001749

33. Leverage of the banking sector

- *In 2011, in 11 out of 30 OECD countries for which data are available, the leverage of the banking sector was above the OECD average of 13.9. Greece had the highest ratio, exceeding three times the OECD average, followed by Italy and Germany recording a ratio around twice the OECD average. Canada had the lowest ratio with 2.3 in 2011.*
- *From 2006 to 2011, a large deleveraging of the banking sector occurred in the Slovak Republic with a decrease of 56 points. Despite this decline, the Slovak Republic, with a ratio of 24.4 in 2011, remained one of the OECD countries with the highest banking leverage. In the other OECD countries, the ratio increased by 6.8 on average over the period making banks more susceptible to shocks.*
- *Between 2011 and 2012, the leverage of the banking sector slowed down in 23 OECD countries out of 28 for which 2012 data are available. The main reason for this deleveraging is the tightening interbank and debt-issuance conditions compounded by deposit outflows.*

The ratio between the financial assets of the banking sector and their equity, also known as the equity multiplier ratio, can be used alongside other measurements of the financial leverage of this sector to ascertain its overall financial stability and to analyse its financial health.

Banks engage in this kind of leverage, with the aim of increasing their return on equity. But a higher equity multiplier indicates a higher financial leverage, which is a potential source of financial fragility as it may increase a financial institution's exposure to risk and cyclical downturns and may mean that the sector is relying more on debt to finance its assets.

However, a high ratio does not necessarily mean that the company is intended to fail; it only indicates that this scenario is more likely to occur for a company that has high financial leverage. Some companies may wisely use financial leverage to fund assets, which, in the long run, can allow the company to get out of its debt.

The ratio is the number of times selected assets held by the banking sector is to their equity. Therefore, if the ratio is 2.5 it means that the assets that the banking sector holds are 2.5 times larger than their equity.

Definition

The banking leverage indicator refers to the banking sector (Central bank – S121 – and other depository corporations – S122), extended to other financial intermediaries, except insurance corporations and pension funds (S123).

Leverage is computed as the ratio of selected financial assets to total equity:

- The selected financial assets correspond to currency and deposits, securities other than shares except financial derivatives and loans, as recorded on the asset side of the financial balance sheets of these financial sub-sectors.
- Total equity relates to shares and other equity, except mutual fund shares, as reported on the liability side of their financial balance sheet. Own funds, which are calculated as total net worth plus shares and other equity, would have been preferable as a denominator to avoid stock market fluctuations. However due to the non-availability of data on non-financial assets for many OECD countries, the total net worth could not be calculated. In this respect, shares and other equity, which form a part of own funds, are selected as a denominator.

Comparability

Data are non-consolidated for all OECD countries, except for Australia and Israel.

The financial sector on which this ratio is calculated can differ according to countries. In particular, the other financial intermediary sub-sector (S123) can include financial auxiliaries (S124) in some countries, such as Australia, Canada, Iceland, Switzerland, the Slovak Republic and the United Kingdom. Also in Greece, S124 data are not available separately, but here the portfolio of financial auxiliaries is rather insignificant.

Source

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/22214461* (except for Australia and Israel).

Online database

OECD (2013), "Financial Balance Sheets", *OECD National Accounts Statistics* (database), *http://dx.doi.org/10.1787/na-fbs-data-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 33.1. **Leverage of the banking sector**

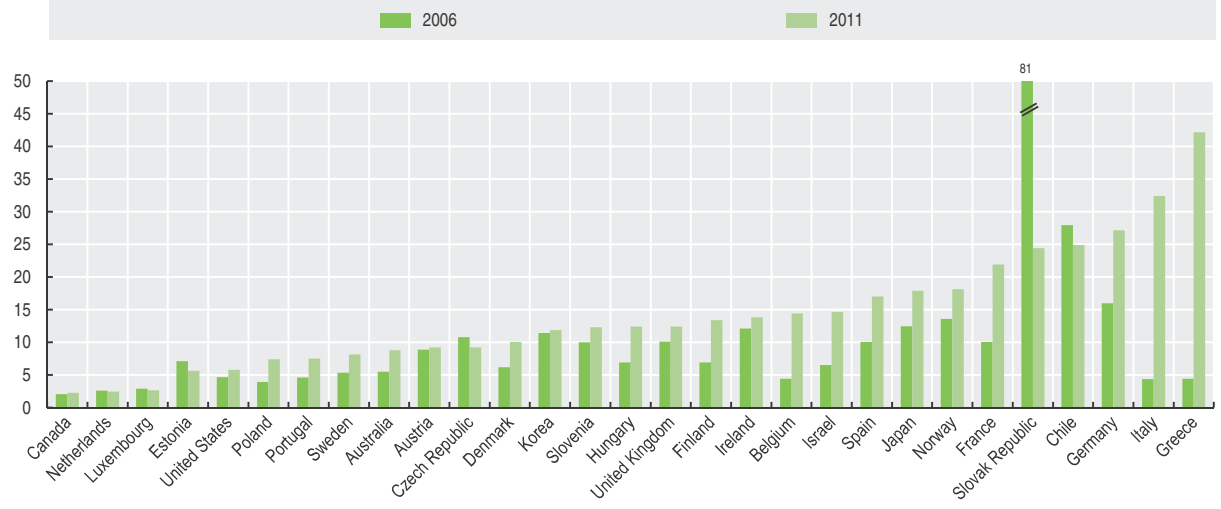
Ratio of selected assets to equity, number of times

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	6.4	6.0	5.6	5.6	5.9	6.2	5.9	5.5	5.7	10.8	7.1	7.8	8.8	7.5
Austria	13.8	14.0	18.8	19.3	16.3	13.7	10.8	8.9	7.6	10.4	8.1	7.6	9.2	8.2
Belgium	3.7	3.6	4.6	6.4	6.4	5.2	5.2	4.4	4.9	13.8	9.9	10.7	14.4	9.5
Canada	2.3	1.7	2.3	2.6	2.3	2.2	2.2	2.1	2.0	2.8	2.4	2.1	2.3	2.2
Chile	..	..	..	..	..	..	32.2	28.0	22.4	15.9	23.6	30.1	24.9	31.4
Czech Republic	22.2	27.8	22.7	34.8	11.5	10.3	10.7	10.8	10.3	11.6	10.0	8.7	9.2	8.2
Denmark	..	..	..	..	7.1	8.0	6.3	6.2	8.5	16.0	11.3	9.5	10.1	9.3
Estonia	4.6	2.9	3.2	2.9	3.9	3.0	3.8	7.1	6.6	6.2	6.7	6.0	5.7	5.3
Finland	7.0	8.0	6.9	7.8	7.3	7.8	6.9	6.9	8.2	10.1	9.2	10.1	13.4	12.1
France	11.8	11.4	11.7	12.8	12.2	11.2	10.9	10.0	13.9	23.5	16.4	16.4	21.9	18.5
Germany	15.2	16.1	17.7	24.2	21.2	21.3	18.7	16.0	15.9	29.2	23.8	25.1	27.2	24.6
Greece	3.3	5.0	6.6	9.5	7.6	6.3	5.2	4.4	4.3	17.3	11.9	25.7	42.2	13.4
Hungary	12.3	12.0	11.6	10.0	8.7	7.3	7.4	7.0	7.9	13.5	11.2	12.0	12.4	12.3
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	6.8	7.4	8.8	9.7	11.8	12.1	14.9	20.3	17.0	17.3	13.8	11.6
Israel	..	..	11.7	18.1	10.2	8.2	7.0	6.5	6.8	13.9	10.3	9.4	14.7	..
Italy	4.9	4.2	6.4	7.9	6.6	6.3	5.2	4.4	6.6	20.0	15.1	21.4	32.4	29.7
Japan	23.5	30.3	28.4	35.2	18.3	17.4	10.5	12.5	16.1	21.2	17.1	17.6	17.9	..
Korea	..	..	..	17.8	16.3	14.5	10.4	11.4	11.4	16.8	10.6	10.4	11.9	10.6
Luxembourg	..	..	..	..	..	..	..	2.9	2.9	2.7	2.3	1.9	2.7	2.9
Mexico	42.7	50.9	733.6	65.5	67.5	16.9	19.6	15.9	14.9	10.6	11.9	..	..	..
Netherlands	2.1	2.1	2.3	2.8	2.9	3.0	2.9	2.6	2.7	2.9	2.7	2.6	2.5	2.4
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	12.6	14.5	16.0	15.3	15.2	12.6	13.4	13.6	14.8	27.7	18.2	15.2	18.2	16.4
Poland	6.6	7.9	6.9	7.9	8.0	5.3	4.9	3.9	4.0	7.8	6.1	5.7	7.4	6.4
Portugal	6.1	6.2	6.1	6.8	5.7	5.3	5.1	4.6	4.7	5.6	5.5	6.5	7.5	7.1
Slovak Republic	58.8	52.7	56.4	41.7	36.6	35.7	153.5	80.6	33.2	28.2	29.4	26.3	24.4	24.8
Slovenia	..	..	8.2	9.5	9.0	9.4	10.4	10.0	9.2	10.6	11.0	10.9	12.3	13.3
Spain	6.6	6.3	7.2	10.0	9.5	10.5	10.7	10.1	12.0	20.6	15.2	18.0	17.0	17.0
Sweden	6.1	5.7	5.1	6.7	5.8	5.7	5.6	5.4	6.4	12.6	8.2	7.0	8.1	7.2
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	4.1	6.4	5.3
United Kingdom	7.2	7.0	7.5	9.2	9.1	9.5	10.3	10.1	12.2	15.9	11.1	10.9	12.4	12.0
United States	5.2	5.1	5.7	6.4	5.5	4.9	4.9	4.7	5.5	7.9	6.4	5.5	5.8	5.2
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002718

Figure 33.1. **Leverage of the banking sector**

Ratio of selected assets to equity, number of times, 2006 and 2011



StatLink http://dx.doi.org/10.1787/888933001768

34. Share of profit and labour in value added

- *For non-financial corporations, profit shares – that is the share of net operating surplus to net value added – above 50% were recorded in Mexico (58.9%) and Ireland (50.4%) in 2011. The largest labour share of value added was recorded in Switzerland (85.7%) and Slovenia (83.8%).*
- *For financial corporations, the highest profit shares in 2011 were recorded in Mexico (70.7%), and the Czech Republic (61.3%). The largest labour share was in Germany (73.1%) and Austria (68.8%).*
- *Between 2001 and 2011, for non-financial corporations the largest percentage point changes were in Poland (25.8%) and Italy (-11.6%), and Finland (-8.8%). For financial corporations, largest percentage point changes were in the Slovak Republic (60.7%) and Finland (-20.4%).*

Because the corporate sector, particularly non-financial corporations, is the largest contributor to value added, corporations are viewed as the backbone of economic growth in most developed countries. The share of net operating surplus to net value added is a principal measure of a firm's performance in terms of operating profits. In addition, the share of value added that accrues to labour – through compensation of employees– for their participation in the production process can also be calculated. Changes in the share of labour or profits over time is of interest because, for example, if there are gains in productivity but a falling labour share it implies that productivity gains do not translate into increases in pay.

Definition

This indicator presents the share between labour and capital of value added for both financial and non-financial corporations and the change in the shares between selected time periods. The indicator is presented net of depreciation because depreciation is a cost of production– that is, it reflects the amount that needs to be set aside to replace fixed assets as they are used up in the production process. As such, this indicator provides a better picture of the returns to capital to maintain the same level of production in the future.

Comparability

In line recommendations of the Stiglitz-Sen-Fitoussi Report (see "Further reading") and what is typically done in this publication, it is preferable to use net measures, but international inconsistencies could arise. The consumption of fixed capital is often subject to discussion, mainly because methods for calculating consumption of fixed capital are complex and tend to differ between countries.

Figure 34.1 presents net operating profit also called margin rates and labour shares of non-financial corporations as a percentage of net value added in 2011. Figure 34.2 shows the same indicators but for financial corporations. Note that taxes less subsidies were not available in 2011 in Mexico. Figures 34.3 and 34.4 present the change in margin shares between 2001 and 2011.

The Russian Federation includes financial corporations until 2007 in non-financial corporations.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

Report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz-Sen-Fitoussi Report), *www.stiglitz-sen-fitoussi.fr/en/index.htm*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 34.1. **Margin rates and labour share of non-financial corporations**

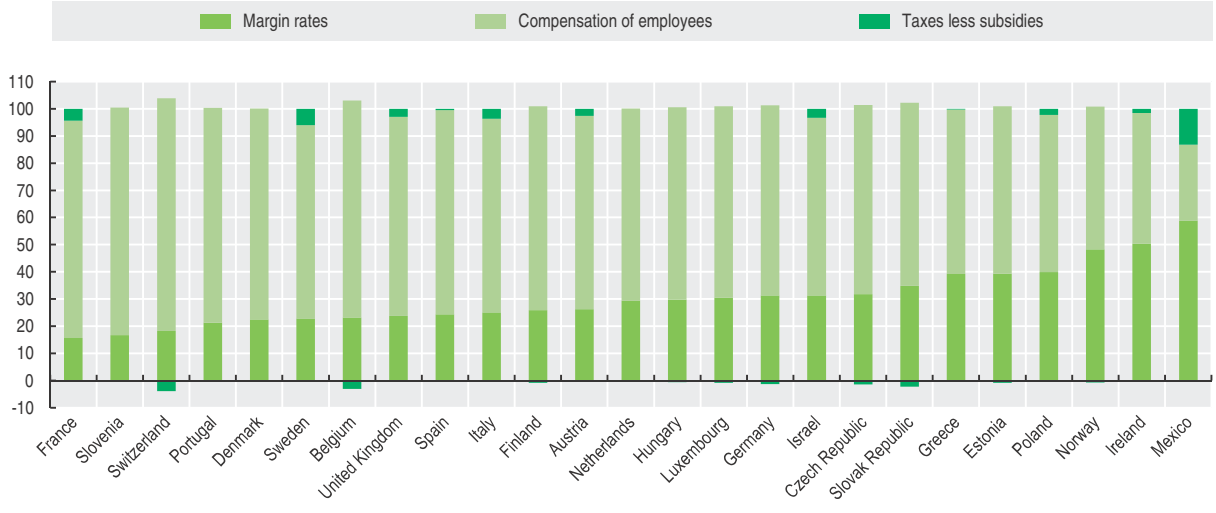
Percentage of net value added

	Compensation of employees							Net operating surplus						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Austria	67.5	67.1	68.8	72.5	71.8	71.2	73.0	30.1	30.6	28.9	24.9	25.7	26.3	24.3
Belgium	75.8	75.4	77.2	81.9	79.9	79.8	82.7	24.4	25.9	24.2	20.0	22.8	23.2	20.1
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	63.9	63.6	65.3	68.2	68.7	69.6	70.9	37.6	37.9	36.3	34.0	33.0	31.8	30.6
Denmark	76.3	79.1	81.1	87.5	77.9	77.7	..	23.9	21.0	18.9	12.8	22.1	22.5	..
Estonia	58.5	61.0	67.2	72.9	66.9	61.6	62.6	41.5	39.1	33.0	27.3	34.1	39.3	38.2
Finland	67.7	65.3	68.5	77.6	74.3	74.9	77.1	32.8	35.2	32.0	23.3	26.6	25.9	23.9
France	76.6	75.5	76.2	79.3	79.3	80.0	80.9	19.2	20.2	19.5	15.9	16.9	15.6	14.5
Germany	67.9	65.9	68.1	73.2	70.4	70.0	71.5	33.6	35.4	33.2	28.4	31.1	31.3	29.6
Greece	53.9	53.5	52.3	54.5	58.3	60.6	61.7	46.1	46.7	47.8	45.6	42.4	39.2	38.0
Hungary	69.0	70.8	70.4	74.2	71.2	70.7	72.2	31.4	29.2	30.2	26.6	29.1	29.8	28.1
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	50.8	51.9	59.1	57.5	51.7	48.1	48.2	48.4	47.3	39.8	41.2	46.8	50.4	50.3
Israel	66.4	68.1	67.3	66.6	67.8	65.3	..	30.7	28.5	29.5	30.3	28.9	31.4	..
Italy	64.2	64.2	66.7	70.3	70.1	71.2	73.4	31.5	31.3	29.4	26.2	26.3	25.1	22.7
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	67.0	61.6	68.2	79.4	74.1	70.4	71.9	33.8	39.2	32.5	21.5	26.8	30.5	29.3
Mexico	30.9	30.2	29.7	32.6	29.7	27.9	..	58.0	59.0	54.4	56.9	58.6	58.9	..
Netherlands	68.2	67.4	68.2	72.9	71.7	70.9	71.7	31.5	32.3	31.7	27.9	28.4	29.2	28.5
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	45.8	50.3	48.1	58.2	54.9	52.5	53.1	54.3	50.2	52.2	42.5	46.0	48.2	47.7
Poland	63.0	63.3	64.6	58.6	59.1	57.8	58.2	33.3	34.3	32.8	39.2	38.4	39.9	39.7
Portugal	79.8	78.0	80.9	80.2	79.3	79.0	77.6	20.6	22.4	19.2	20.0	21.1	21.3	22.7
Slovak Republic	61.4	59.8	60.3	69.5	66.2	67.4	66.4	39.6	41.7	42.3	32.8	36.2	34.9	35.5
Slovenia	79.3	77.1	79.0	86.7	87.7	83.8	83.5	19.1	21.9	20.9	15.4	14.6	16.7	16.7
Spain	77.2	78.3	78.3	78.0	75.7	75.1	73.1	22.4	21.5	21.4	21.5	23.9	24.4	25.9
Sweden	69.2	70.9	72.0	76.9	71.4	71.1	73.4	27.3	25.4	22.5	17.3	24.0	22.8	20.3
Switzerland	85.0	84.3	83.9	88.6	83.6	85.7	..	19.7	20.2	19.8	15.1	20.2	18.2	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	70.2	70.5	71.1	74.5	73.5	73.3	74.3	27.3	27.0	26.4	22.6	23.2	23.8	22.8
United States	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	60.9	63.6 |	61.1	70.1	62.4	63.0	..	36.2	34.8 |	30.6	23.8	31.1	29.7	..
South Africa	58.3	58.8	58.7	58.8	58.2	58.8	59.8	40.3	39.8	40.2	40.1	40.5	39.9	39.0

StatLink http://dx.doi.org/10.1787/888933002737

Figure 34.1. **Shares of net operating surplus and labour of non-financial corporations**

Percentage of net value added, 2011



StatLink http://dx.doi.org/10.1787/888933001787

Table 34.2. **Margin rates and labour share of financial corporations**

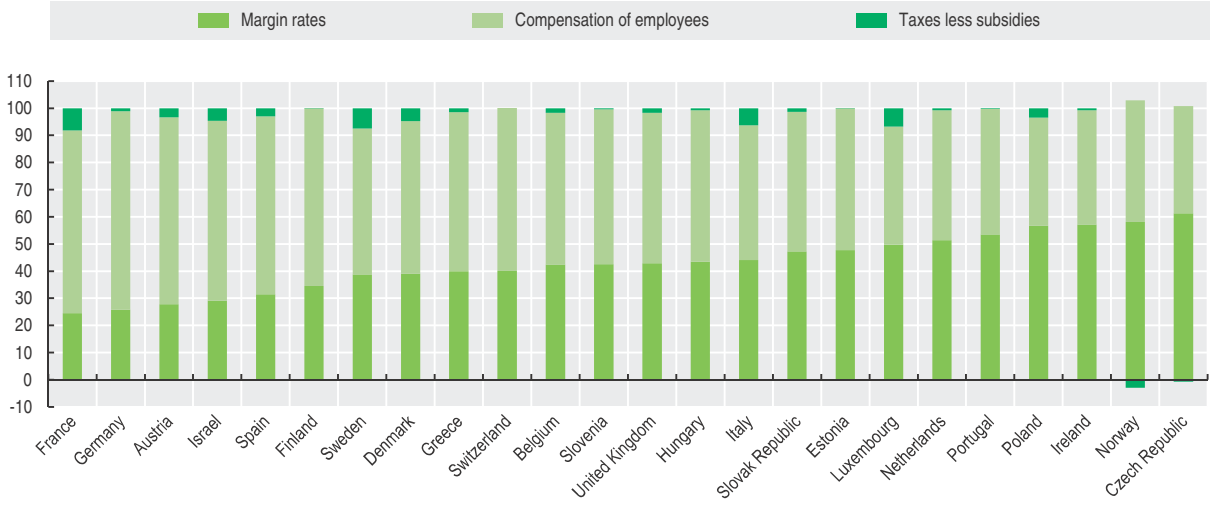
Percentage of net value added

	Compensation of employees							Net operating surplus						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
Australia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Austria	66.1	63.5	65.1	76.1	73.4	68.8	73.4	30.4	33.3	31.7	20.1	23.0	27.8	23.4
Belgium	68.4	71.3	76.0	63.8	54.8	55.9	58.0	29.3	26.2	21.2	34.5	43.3	42.5	39.4
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	65.6	56.3	47.9	42.9	40.5	39.4	46.6	34.3	43.5	51.8	57.7	60.5	61.3	52.7
Denmark	61.3	65.6	62.7	57.4	55.1	56.3	..	34.1	30.0	32.9	38.2	40.3	38.9	..
Estonia	45.5	48.7	50.0	59.3	54.8	52.2	59.8	54.3	51.2	49.9	40.6	45.2	47.7	39.5
Finland	54.1	47.3	56.1	64.9	64.9	65.3	65.7	45.9	52.8	43.9	35.1	35.1	34.6	34.2
France	74.5	75.8	84.6	73.0	67.6	67.3	67.2	17.2	15.5	5.5	18.5	24.9	24.6	24.6
Germany	73.5	81.8	86.8	75.3	70.2	73.1	81.8	26.1	17.7	12.7	24.2	29.4	25.8	16.8
Greece	55.4	61.3	64.2	64.0	62.0	58.6	57.7	43.6	37.6	34.5	34.6	37.5	39.9	40.6
Hungary	50.6	62.1	67.6	60.3	60.6	55.7	60.3	49.4	37.9	31.6	39.2	38.6	43.5	38.6
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	35.5	36.1	41.8	39.9	40.7	42.1	45.1	63.9	63.3	57.6	59.5	58.6	57.2	54.1
Israel	53.7	50.5	53.1	43.9	40.2	66.2	..	41.9	44.5	42.1	51.5	55.4	29.1	..
Italy	59.3	54.1	53.5	54.0	51.5	49.6	50.8	32.7	38.8	40.0	40.0	42.3	44.1	42.6
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	35.9	38.2	45.5	48.8	42.5	43.5	45.7	56.4	53.9	47.6	44.4	50.6	49.7	47.3
Mexico	25.4	24.7	25.3	24.6	26.0	26.5	..	72.1	72.9	72.4	73.0	71.0	70.7	..
Netherlands	62.8	73.7	72.2	53.9	46.5	47.9	43.8	36.4	25.2	26.8	45.3	52.9	51.4	54.3
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	48.1	46.0	49.1	43.9	42.3	44.9	41.6	55.4	56.4	53.4	58.6	60.3	58.1	61.4
Poland	42.0	34.5	36.0	47.5	41.1	39.8	39.9	55.1	63.5	61.7	49.3	56.2	56.7	56.8
Portugal	42.8	40.1	38.8	43.7	44.4	46.1	47.6	57.0	59.6	60.9	56.0	55.3	53.5	52.1
Slovak Republic	49.4	58.3	65.0	53.5	55.4	51.4	50.4	50.1	39.5	32.8	44.3	42.6	47.3	39.6
Slovenia	54.8	57.5	59.8	59.8	54.2	57.0	69.6	42.3	40.4	39.2	40.3	45.8	42.6	30.0
Spain	57.1	50.6	48.5	45.1	60.8	65.5	60.8	42.1	48.7	50.7	53.6	36.8	31.5	27.4
Sweden	59.2	60.4	59.3	52.5	57.4	53.8	48.5	36.7	35.6	35.2	42.3	36.2	38.8	44.9
Switzerland	57.0	53.0	49.9	58.8	62.1	60.0	..	43.1	47.1	50.2	41.3	38.0	40.1	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	60.4	57.0	48.5	46.8	52.8	55.3	59.1	38.0	41.5	50.0	51.9	45.5	43.0	37.9
United States	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	46.6	38.7	44.5	47.1	..	..	..	48.6	57.0	50.8	47.7	..
South Africa	49.8	46.4	46.7	49.5	51.8	51.3	49.6	47.9	51.9	51.6	48.7	46.7	47.1	49.1

StatLink http://dx.doi.org/10.1787/888933002756

Figure 34.2. **Shares of net operating surplus and labour of financial corporations**

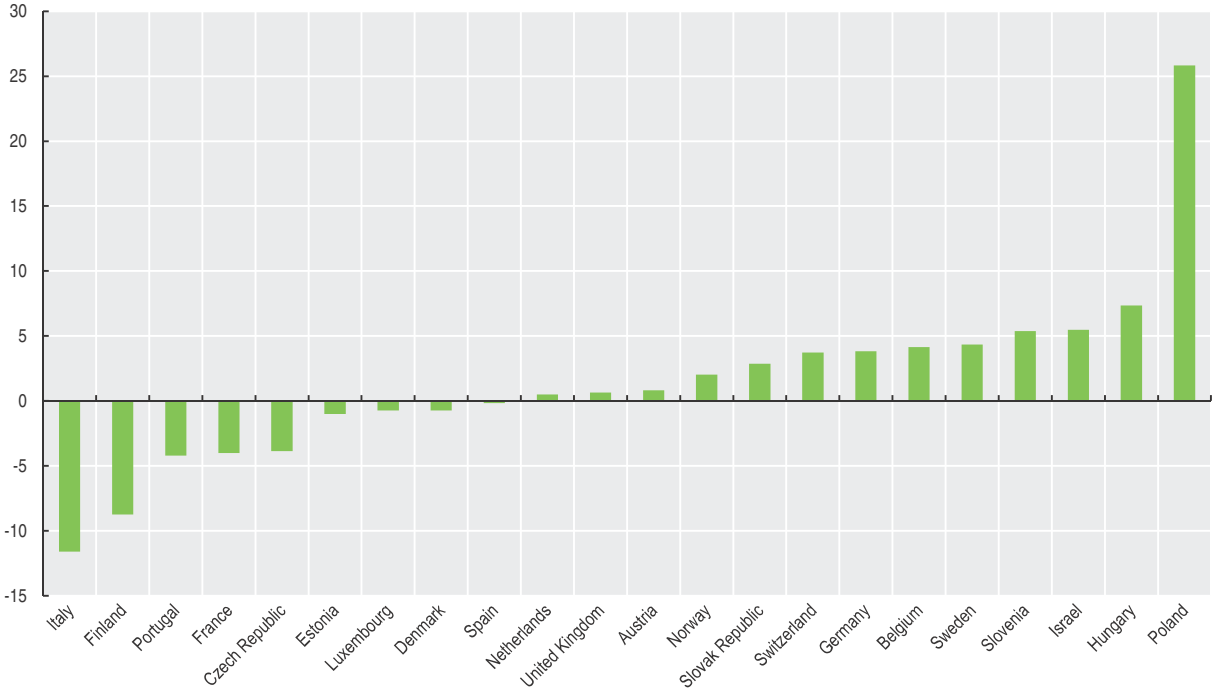
Percentage of net value added, 2011



StatLink http://dx.doi.org/10.1787/888933001806

Figure 34.3. **Change in margin rates, between 2001 and 2011 in non-financial corporations**

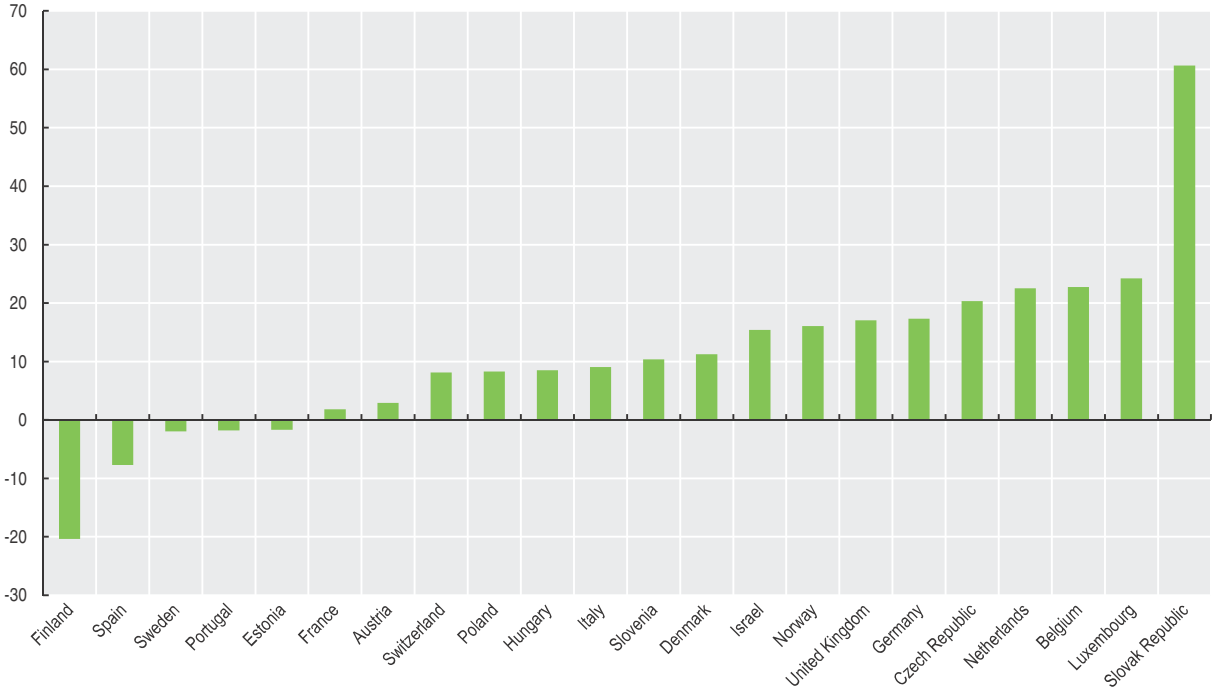
Percentage points



StatLink http://dx.doi.org/10.1787/888933001825

Figure 34.4. **Change in margin rates, between 2001 and 2011 in financial corporations**

Percentage points



StatLink http://dx.doi.org/10.1787/888933001844

CAPITAL

35. Net capital stock

36. Consumption of fixed capital

35. Net capital stock

- *In 2010, largest capital stock growth was in Australia (3.8%) and Korea (3.6%).*
- *In 2011, net capital stock grew the fastest in Chile at 6.4% and Australia at 4.3%. The Czech Republic and Korea recorded growth above 3%. The net capital stock declined in Denmark (-0.1%) in 2011.*

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 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 stocks relate to produced fixed assets, tangible as well as intangible, and do not include non-produced assets, such as land and other natural resources; contracts, leases, and licences; and goodwill and marketing assets.

The value of the net stock of produced fixed assets is usually estimated by the perpetual inventory method (PIM). The PIM cumulates past flows of gross fixed capital formation (GFCF) in volume terms and corrects them for the retirement of assets and for their loss in value due to ageing and 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) the 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 10).

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

OECD (2009), *Measuring Capital – OECD Manual 2009: Second edition*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264068476-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 35.1. **Net capital stock, volume**

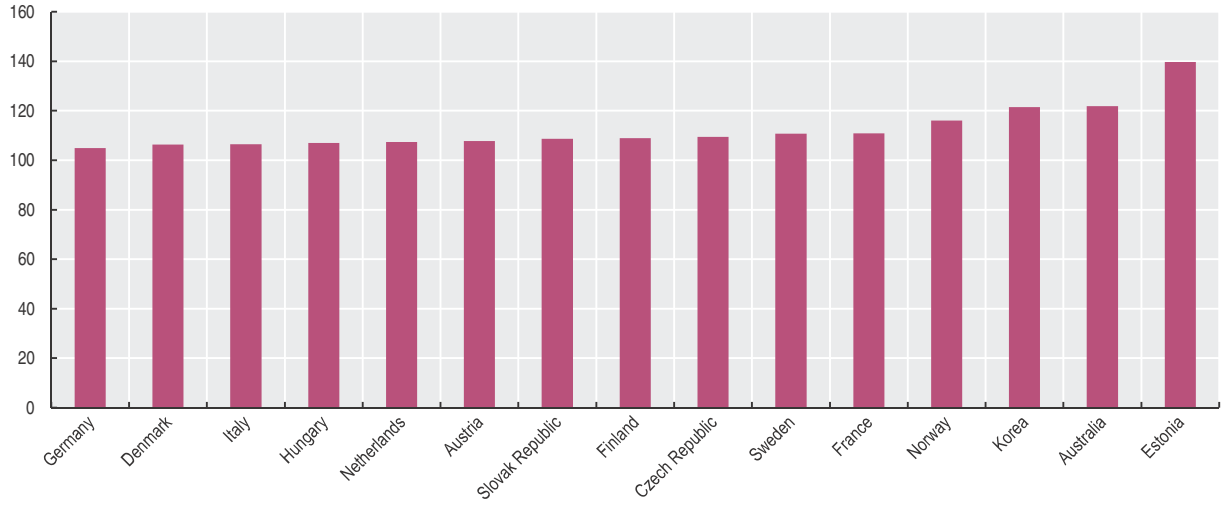
Year 2005 = 100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	81.5	83.5	85.9	89.0	92.5	96.0	100.0	104.0	108.6	113.0	117.4	121.9	127.2	132.4
Austria	88.6	90.9	92.9	94.5	96.4	98.2	100.0	101.7	103.6	105.4	106.6	107.8	109.3	110.9
Belgium	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	90.9	92.4	94.0	95.2	96.8	98.3	100.0	101.9	104.3	106.4	108.1	109.4	112.8	113.8
Denmark	93.6	94.6	96.0	97.1	98.1	99.0	100.0	101.1	103.1	104.9	106.3	106.3	106.2	..
Estonia	..	72.2	75.3	81.2	88.6	92.3	100.0	106.3	117.2	126.2	139.2	139.7	..	..
Finland	90.9	92.4	94.1	95.3	96.7	98.3	100.0	101.8	104.4	106.7	107.8	108.9	110.5	112.0
France	87.4	89.6	91.8	93.8	95.8	97.8	100.0	102.3	105.0	107.5	109.2	110.9	112.7	114.5
Germany	..	94.6	96.3	97.3	98.3	99.2	100.0	101.2	102.5	103.8	104.2	104.9	..	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	95.0	95.9	95.8	96.9	97.5	98.6	100.0	101.6	103.2	105.3	106.2	107.0	..	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	89.5	91.3	93.1	94.9	96.6	98.3	100.0	101.8	103.6	105.1	105.8	106.5	107.1	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Korea	76.6	80.5	84.0	87.8	91.8	95.8	100.0	104.4	109.2	113.4	117.3	121.5	125.2	..
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	..	92.9	94.8	96.2	97.6	98.7	100.0	101.6	103.5	105.5	106.7	107.3	108.3	109.1
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	89.4	91.2	92.8	94.0	95.3	97.2	100.0	103.4	107.5	111.4	114.2	116.1	118.5	114.3
Poland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	..	..	..	..	..	99.2	100.0	103.1	104.2	107.0	107.6	108.7	111.8	..
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	..	91.7	93.4	95.1	96.8	98.3	100.0	102.1	104.4	107.1	110.0	110.8	112.6	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink http://dx.doi.org/10.1787/888933002775

Figure 35.1. **Net capital stock, volume**

Year 2005 = 100, 2010



StatLink http://dx.doi.org/10.1787/888933001863

36. Consumption of fixed capital

- *In 2012, Greece and Japan recorded consumption of fixed capital rates of over 20% of GDP.*
- *The lowest consumption of fixed capital shares as a percentage of GDP were found in Mexico (9.5%) and Ireland (10.0%).*

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, net national income, 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 retirement and depreciation profiles used; and iii) For those countries that use the PIM model, the length of time series available for gross fixed capital formation (GFCF) by product. Although the comparability of points i) and iii) are generally good across countries (see also Section 10), the assumptions on service lives and depreciation rates differ across countries, although as described in Section 35, there are often sound reasons for such differences, reflecting an economic reality.

Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/2221433x*.

Online database

OECD (2013), "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, Paris, *http://dx.doi.org/10.1787/9789264027657-en*.

OECD (2009), *Measuring Capital – OECD Manual 2009: Second edition*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264068476-en*.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

Table 36.1. **Consumption of fixed capital**

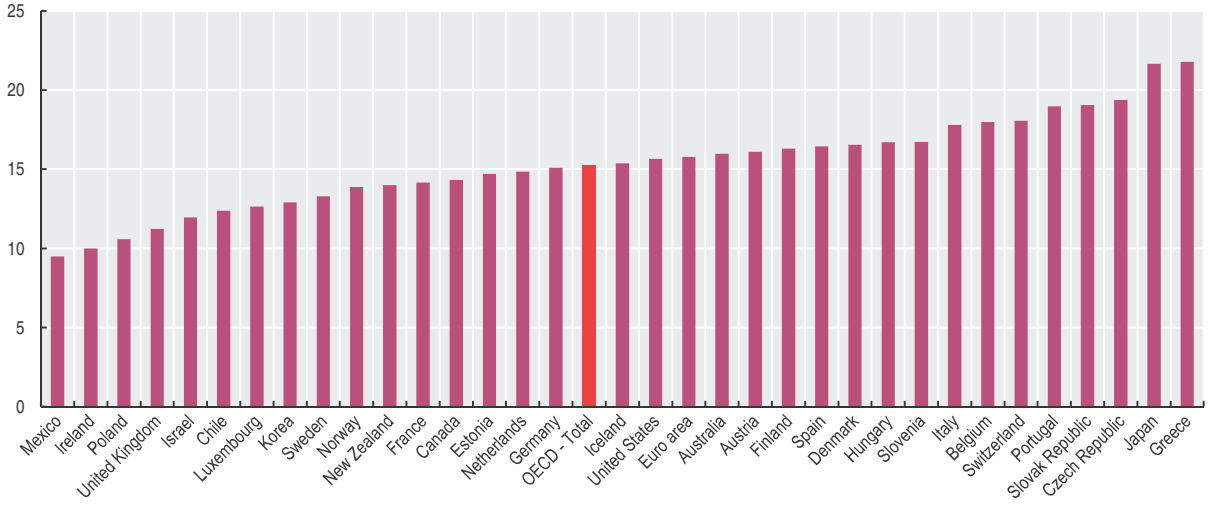
Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	16.0	16.3	16.1	16.0	15.8	15.9	16.0	16.0	15.9	16.0	16.2	15.7	15.5	16.0
Austria	15.0	15.1	15.4	15.5	15.7	15.6	15.6	15.3	15.1	15.4	16.1	16.0	15.8	16.1
Belgium	15.2	15.1	15.3	15.1	15.5	15.5	15.7	16.0	16.1	16.5	17.3	17.2	17.4	18.0
Canada	13.1	12.8	13.3	13.5	13.3	13.0	12.8	12.8	12.8	13.1	14.4	14.1	13.9 e	14.3 e
Chile	12.6 e	12.5 e	12.6 e	12.5 e	12.2 e	12.0 e	11.9 e	11.5 e	11.6 e	12.1 e	12.2 e	12.1 e	12.3 e	12.4 e
Czech Republic	20.3	20.6	20.2	19.8	19.7	19.0	18.5	18.0	17.6	17.7	18.9	19.0	19.1	19.4
Denmark	16.1	15.8	16.1	16.2	16.5	16.4	15.9	15.8	16.1	17.0	17.9	17.0	16.6	16.6
Estonia	11.9	11.8	12.1	12.1	12.1	12.4	12.3	12.2	12.0	13.1	15.7	15.7	14.5	14.7
Finland	15.5	15.4	15.5	15.3	15.3	15.3	15.6	15.5	15.4	15.9	17.0	16.2	15.9	16.3
France	11.7	11.8	12.0	12.2	12.2	12.3	12.5	12.8	12.9	13.4	13.9	13.9	14.0 e	14.2 e
Germany	14.5	14.7	14.8	14.8	14.8	14.7	14.7	14.5	14.5	14.8	15.8	15.2	15.0	15.1
Greece	11.4 e	11.3 e	11.5 e	11.4 e	12.4 e	12.2 e	12.2	12.2	12.2	12.8	14.1	16.0	18.6	21.8
Hungary	18.7	18.3	17.3	15.9	15.3	14.7	14.5	14.8	14.9	14.9	16.5	16.5	16.4	16.7
Iceland	11.9	11.7	12.2	12.1	12.0	11.5	11.6	12.4	13.0	14.8	17.1	16.3	15.4	15.4
Ireland	10.0	10.1	10.2	9.9	9.9	10.1	10.2	10.6	10.1	10.1	10.4	10.3	10.0	10.0
Israel	12.2	11.5	12.0	12.9	13.2	13.3	13.3	12.7	12.6	12.2	12.4	11.8	11.6	12.0
Italy	14.5	14.6	14.6	15.0	15.1	15.2	15.5	15.6	15.7	16.2	17.0	17.1	17.3	17.8
Japan	19.6 e	19.9 e	20.3	20.4	20.1	20.0	20.1	20.5	20.7	21.7	22.7	21.5	21.7	21.7 e
Korea	14.4	13.8	13.5	12.9	13.0	12.9	13.2	13.2	13.2	13.2	13.3	12.9	13.2	12.9
Luxembourg	13.0	13.2	13.6	12.1	11.3	11.7	11.1	10.9	10.7	12.1	14.5	13.8	12.5	12.6
Mexico	9.0 e	8.6 e	8.8 e	8.8 e	9.0	8.9	8.7	8.5	8.6	9.0	10.6	10.0	9.6	9.5 e
Netherlands	14.6	14.7	14.7	14.9	15.0	15.0	14.7	14.5	14.4	14.4	15.3	15.3	14.8	14.9
New Zealand	13.8	13.9	13.5	13.3	13.1	13.2	13.5	14.0	13.9	15.0	15.1	14.4	14.1	14.0 e
Norway	15.0	13.5	13.9	14.2	13.9	13.2	12.5	12.2	12.7	12.7	14.7	14.3	13.9	13.9
Poland	13.6	13.3	13.6	13.6	13.7	13.1	12.9	12.7	12.1	11.4	11.0	10.7	10.3	10.6
Portugal	15.4	15.8	16.1	16.4	16.7	16.8	17.0	17.0	16.7	17.3	17.7	17.6	18.2	19.0
Slovak Republic	20.9	20.7	20.6	20.7	20.5	19.7	19.3	18.2	17.0	17.0	18.9	18.7	19.0	19.1
Slovenia	16.7	17.1	16.9	16.2	15.4	15.3	15.3	14.9	14.6	14.8	16.5	16.4	16.3	16.7
Spain	13.2	12.7	12.8	13.1	13.4	13.8	14.1	14.3	14.4	14.8	15.6	16.0	16.1	16.4
Sweden	12.2	12.7	13.1	13.2	12.8	12.4	12.4	12.3	12.3	13.0	14.1	13.4	13.2	13.3
Switzerland	18.4	18.5	19.0	19.2	19.3	18.8	18.6	18.0	17.7	17.7	18.6	18.1	17.9	18.1
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	11.2	11.3	11.2	11.3	10.9	11.1	10.8	10.9	10.8	10.4	11.3	11.0	11.1	11.2
United States	14.5	14.7	15.1	15.1	15.0	14.9	15.1	15.4	15.6	16.1	16.4	15.9	15.8	15.7
Euro area	13.7	13.8	13.9	14.0	14.1	14.2	14.3	14.3	14.3	14.7	15.6	15.5	15.5	15.8
OECD-Total	14.4 e	14.5 e	14.7 e	14.8 e	14.7 e	14.6 e	14.6 e	14.7 e	14.8 e	15.1 e	15.8 e	15.3 e	15.2 e	15.3 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	9.9	9.9	9.7	9.7	10.1	10.0	..	..	..
Indonesia	..	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	..	..
Russian Federation	10.0 e	8.2 e	8.1 e	7.8	7.3	6.5	6.0	5.1	4.9	4.8	5.7	5.1	4.7	..
South Africa	13.4	13.0	13.0	12.9	12.7	12.1	12.0	12.2	12.5	13.4	13.8	13.2	12.9	12.8

StatLink http://dx.doi.org/10.1787/888933002794

Figure 36.1. **Consumption of fixed capital**

Percentage of GDP, 2012



StatLink http://dx.doi.org/10.1787/888933001882

ANNEX A

Reference series

Table A.1. **Gross domestic product, 2005 constant prices and PPPs**

Billion US dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	595	607	630	649	676	698	719	746	774	787	803	821	850	872
Austria	246	255	257	261	263	270	277	287	297	302	290	295	304	306
Belgium	301	312	314	318	321	331	337	346	356	360	350	358	364	364
Canada	949	998	1 016	1 046	1 066	1 099	1 132	1 164	1 190	1 198	1 165	1 202	1 232 e	1 253 e
Chile	157	165	170	175	182	194	206	218	229	237	235	248	263	277
Czech Republic	171	178	184	188	195	204	218	233	246	254	242	248	253	250
Denmark	163	169	170	171	172	176	180	186	189	187	177	179	181	181
Estonia	14	16	17	18	19	20	22	25	26	25	22	22	24	25
Finland	134	141	145	147	150	157	161	168	177	178	163	168	173	171
France	1 657	1 718	1 750	1 766	1 782	1 827	1 861	1 907	1 950	1 949	1 887	1 920	1 959	1 959
Germany	2 417	2 491	2 529	2 529	2 519	2 549	2 566	2 661	2 748	2 778	2 635	2 740	2 832	2 851
Greece	212 e	222 e	231 e	239 e	253 e	264 e	270	285	295	295	285	271	252	236
Hungary	134	140	145	151	157	165	171	178	178	180	168	169	172	169
Iceland	8	8	9	9	9	10	10	11	11	12	11	10	11	11
Ireland	115	127	133	141	146	152	161	170	179	175	164	162	165	166
Israel	133	145	145	145	147	154	161	171	181	188	190	200	209	216
Italy	1 523	1 578	1 608	1 615	1 614	1 642	1 657	1 694	1 722	1 702	1 609	1 637	1 644	1 603
Japan	3 584	3 665	3 678	3 689	3 751	3 840	3 890	3 955	4 042	4 000	3 779	3 955	3 932	4 009 e
Korea	809	880	915	981	1 008	1 055	1 097	1 154	1 212	1 240	1 244	1 323	1 372	1 400
Luxembourg	25	27	27	28	29	30	32	33	36	35	33	34	35	35
Mexico	1 106 e	1 179 e	1 178 e	1 187 e	1 204	1 253	1 294	1 359	1 405	1 422	1 337	1 408	1 463	1 518 e
Netherlands	516	537	547	547	549	561	573	592	616	627	604	613	619	611
New Zealand	85	87	90	94	98	102	105	107	111	109	110	111	113	117 e
Norway	191	197	201	204	206	215	220	225	231	231	228	229	232	238
Poland	433	452	457	464	482	508	526	559	597	627	638	662	692	706
Portugal	208	216	221	222	220	224	225	229	234	234	227	232	229	221
Slovak Republic	68	69	71	74	78	82	87	94	104	110	105	110	113	115
Slovenia	38	39	40	42	43	45	47	50	53	55	51	51	52	50
Spain	964	1 013	1 050	1 078	1 111	1 148	1 189	1 237	1 280	1 292	1 242	1 240	1 240	1 220
Sweden	248	259	262	268	275	286	295	308	318	316	300	320	329	332
Switzerland	248	258	261	261	261	268	275	285	296	303	297	305	311	314
Turkey	586	625	590	626	659	721	781	835	874	880	837	914	994	1 016
United Kingdom	1 662	1 734	1 772	1 813	1 884	1 944	2 007	2 062	2 133	2 116	2 007	2 040	2 063	2 068
United States	11 105	11 559	11 668	11 876	12 207	12 671	13 095	13 445	13 685	13 646	13 263	13 596	13 847	14 232
Euro area	8 490	8 812	8 986	9 068	9 132	9 333	9 493	9 802	10 095	10 133	9 684	9 873	10 030	9 962
OECD-Total	30 803 e	32 064 e	32 478 e	33 024 e	33 740 e	34 863 e	35 849	36 980	37 980	38 053	36 693	37 789	38 531 e	39 111 e
China	3 106 e	3 368 e	3 648 e	3 979 e	4 378 e	4 819 e	5 364 e	6 044 e	6 900 e	7 565 e	8 262 e	9 125 e	9 974 e	..
India	..	..	..	..	..	2 303	2 517	2 751	3 021	3 170	3 458	..	..	..
Indonesia	533 e	560	580	606	635	667	705	744	791	839	877	931	..	..
Russian Federation	1 145 e	1 260 e	1 324 e	1 387	1 488	1 595	1 697	1 835	1 992	2 096	1 932	2 019	2 106	2 178
South Africa	323	336	345	358	369	385	406	428	452	469	461	476	492	505

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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.2. **Gross domestic product per capita, OECD = 100**

Based on current PPPs

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	115	113	114	115	118	117	116	116	116	114	121	120	120	120 e
Austria	117	117	114	116	116	115	112	114	113	116	118	117	120	119
Belgium	109	112	112	114	112	109	107	107	106	108	110	111	112	110
Canada	116	115	115	114	115	115	117	115	114	114	113	113	112 e	111 e
Chile	39	39	39	39	40	41	42	48	49	47	48	53	56	58
Czech Republic	63	63	66	67	69	70	71	73	76	75	77	75	75	74
Denmark	115	117	115	117	112	113	110	113	112	116	116	118	116	116
Estonia	38	40	42	45	49	52	55	60	64	64	60	59	64	66
Finland	101	104	104	105	102	105	102	104	108	111	107	106	107	106
France	101	102	104	105	101	99	98	98	99	99	102	101	101	100
Germany	107	104	105	104	105	104	104	105	106	108	108	111	114	113
Greece	72 e	74 e	77 e	81 e	83 e	84 e	81	84	83	86	88	81	74	69
Hungary	47	48	52	56	57	57	56	57	56	59	61	61	62	61
Iceland	123	117	119	118	114	118	116	112	111	115	113	106	106	106
Ireland	111	117	120	126	128	128	129	132	134	123	120	119	120	118
Israel	91	94	91	89	82	82	77	74	76	74	77	78	79	79
Italy	104	104	107	102	101	96	94	95	95	97	97	95	94	92
Japan	105	105	104	104	103	103	101	99	99	98	95	98	95	96 e
Korea	67	69	71	75	74	76	76	76	78	78	79	82	81	81
Luxembourg	210	217	211	218	224	227	227	245	251	245	236	243	247	242
Mexico	40 e	41 e	40 e	40 e	40	40	41	43	43	44	44	45	48 e	49 e
Netherlands	115	119	121	121	117	116	117	119	121	125	124	120	120	117
New Zealand	87	86	87	87	87	87	84	85	86	85	90	87	88	89 e
Norway	128	146	145	141	141	149	158	168	166	179	165	167	172	179
Poland	43	43	43	44	44	46	46	47	50	52	57	58	61	62
Portugal	72	72	73	73	72	69	71	72	72	73	75	74	71	70
Slovak Republic	45	44	47	49	50	51	54	57	62	68	68	69	70	70
Slovenia	72	71	72	75	76	78	78	79	81	85	81	78	78	77
Spain	85	86	88	91	91	91	91	95	96	96	96	91	90	88
Sweden	111	113	111	111	112	114	109	112	115	115	112	114	116	116
Switzerland	131	131	130	131	126	125	122	127	132	138	140	141	144	145
Turkey	35	37	34	33	32	36	38	40	41	44	44	46	50	49 e
United Kingdom	105	107	109	110	111	112	111	111	108	107	105	100	98	96
United States	148	147	146	145	146	147	147	145	143	141	140	140	139	140
Euro area	99	99	101	101	100	98	98	99	100	101	102	101	101	100
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
China	9	10	10	11	12	13	14	15	17	18	20	22	23	24
India	..	..	..	..	..	7	8	8	8	9	10	..	..	..
Indonesia	11 e	10	10	10	10	10	11	11	11	12	12	13	..	..
Russian Federation	25 e	28 e	29 e	31	34	36	39	47	50	59	58	59	63	..
South Africa	28	27	27	28	28	28	29	29	30	30	31	31	31	..

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Table A.3. **Gross domestic product per capita, 2005 constant prices and PPPs**

US dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	31 264	31 478	32 259	32 853	33 807	34 481	35 005	35 751	36 393	36 231	36 274	36 593	37 359	37 721 e
Austria	30 725	31 776	31 926	32 306	32 441	33 073	33 637	34 691	35 859	36 259	34 789	35 322	36 204	36 356
Belgium	29 404	30 415	30 556	30 824	30 944	31 823	32 204	32 846	33 542	33 603	32 411	32 880	33 172	32 900
Canada	31 207	32 536	32 760	33 358	33 679	34 402	35 106	35 730	36 124	35 948	34 527	35 223	35 740 e	35 938 e
Chile	10 334	10 721	10 948	11 119	11 412	12 081	12 690	13 277	13 823	14 138	13 854	14 511	15 205	15 883
Czech Republic	16 627	17 340	17 962	18 390	19 081	19 976	21 268	22 689	23 860	24 347	23 113	23 625	24 102	23 823
Denmark	30 681	31 662	31 772	31 807	31 847	32 500	33 196	34 209	34 604	34 133	32 024	32 328	32 539	32 301
Estonia	10 421	11 491	12 258	13 118	14 191	15 146	16 531	18 238	19 638	18 844	16 193	16 612	18 198	18 922
Finland	26 005	27 333	27 893	28 336	28 838	29 940	30 708	31 939	33 501	33 443	30 441	31 321	32 032	31 618
France	27 477	28 296	28 609	28 668	28 724	29 241	29 554	30 076	30 576	30 384	29 279	29 636	30 081	29 939
Germany	29 443	30 306	30 708	30 659	30 530	30 891	31 117	32 306	33 404	33 825	32 180	33 520	34 628	34 808
Greece	19 508 e	20 317 e	21 107 e	21 758 e	22 976 e	23 896 e	24 348	25 587	26 387	26 226	25 301	23 997	22 307	20 904
Hungary	13 085	13 674	14 214	14 897	15 515	16 295	16 975	17 663	17 710	17 899	16 714	16 928	17 243	17 044
Iceland	29 045	29 873	30 620	30 395	30 951	32 998	34 992	35 620	36 896	36 403	34 026	32 759	33 530	33 819
Ireland	30 586	33 402	34 527	35 768	36 497	37 372	38 761	39 843	40 584	38 861	36 035	35 490	36 122	36 076
Israel	21 738	22 997	22 413	21 944	21 862	22 523	23 210	24 117	25 081	25 643	25 439	26 222	26 929	27 286
Italy	26 752	27 717	28 216	28 254	28 022	28 227	28 280	28 738	29 008	28 454	26 729	27 059	27 081	26 316
Japan	28 297	28 876	28 932	28 955	29 389	30 059	30 446	30 941	31 584	31 239	29 515	30 886	30 761	31 433 e
Korea	17 360	18 730	19 331	20 598	21 070	21 961	22 783	23 847	24 948	25 339	25 299	26 774	27 554	27 991
Luxembourg	56 989	60 993	61 836	63 688	63 932	65 824	68 211	70 488	73 913	72 095	66 859	67 669	67 379	65 729
Mexico	11 450 e	11 990 e	11 831 e	11 780 e	11 815	12 176	12 461	12 976	13 295	13 344	12 442	13 001	13 396 e	13 801 e
Netherlands	32 652	33 698	34 089	33 894	33 849	34 494	35 111	36 250	37 585	38 119	36 530	36 896	37 065	36 473
New Zealand	22 035	22 432	23 065	23 789	24 296	24 839	25 387	25 497	26 129	25 428	25 507	25 260	25 615	26 263 e
Norway	42 867	43 976	44 632	45 043	45 226	46 751	47 640	48 327	49 135	48 518	47 152	46 776	46 791	47 513
Poland	11 327	11 814	11 958	12 137	12 618	13 298	13 786	14 655	15 656	16 459	16 711	17 194	17 968	18 312
Portugal	20 466	21 155	21 432	21 439	21 095	21 300	21 369	21 607	22 068	22 037	21 376	21 780	21 539	20 929
Slovak Republic	12 539	12 698	13 192	13 799	14 456	15 179	16 175	17 512	19 329	20 406	19 356	20 167	20 891	21 236
Slovenia	19 007	19 762	20 316	21 061	21 665	22 607	23 472	24 758	26 336	27 185	24 785	25 009	25 137	24 451
Spain	24 140	25 147	25 777	26 095	26 459	26 882	27 392	28 075	28 530	28 330	27 045	26 907	26 890	26 427
Sweden	27 948	29 146	29 434	30 067	30 656	31 826	32 701	33 915	34 783	34 299	32 298	34 124	34 861	34 933
Switzerland	34 674	35 736	35 802	35 586	35 295	35 912	36 648	37 739	38 876	39 242	38 038	39 236	39 516	39 626
Turkey	9 242	9 732	9 054	9 484	9 854	10 642	11 394	12 034	12 449	12 376	11 622	12 521	13 445	13 563 e
United Kingdom	28 315	29 448	29 976	30 558	31 640	32 486	33 318	34 039	34 973	34 471	32 481	32 770	32 887	32 467
United States	39 754	40 931	40 910	41 242	42 003	43 206	44 242	44 993	45 361	44 806	43 169	43 889	44 376	45 283
Euro area	27 081	28 000	28 424	28 524	28 552	28 995	29 314	30 107	30 825	30 773	29 307	29 794	30 186	29 903
OECD-Total	26 946 e	27 838 e	27 997 e	28 265 e	28 675 e	29 427 e	30 057	30 795	31 403	31 237	29 930	30 635	31 063 e	31 353 e
China	2 469 e	2 657 e	2 858 e	3 097 e	3 388 e	3 707 e	4 102 e	4 598 e	5 222 e	5 697 e	6 191 e	6 805 e	7 403 e	..
India	..	..	..	..	..	2 115	2 276	2 452	2 654	2 747	2 956	..	..	..
Indonesia	2 572 e	2 729	2 789	2 875	2 971	3 077	3 207	3 340	3 506	3 670	3 791	3 916	..	..
Russian Federation	7 778 e	8 595 e	9 071 e	9 546	10 289	11 071	11 822	12 828	13 947	14 685	13 533	14 136	14 731	..
South Africa	7 441	7 622	7 710	7 887	8 014	8 273	8 601	8 972	9 356	9 582	9 328	9 508	9 730	..

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Table A.4. **Gross domestic product per capita, OECD = 100 in 2005**

Based on 2005 constant prices and PPPs

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	104	105	107	109	112	115	116	119	121	121	121	122	124	125 e
Austria	102	106	106	107	108	110	112	115	119	121	116	118	120	121
Belgium	98	101	102	103	103	106	107	109	112	112	108	109	110	109
Canada	104	108	109	111	112	114	117	119	120	120	115	117	119 e	120 e
Chile	34	36	36	37	38	40	42	44	46	47	46	48	51	53
Czech Republic	55	58	60	61	63	66	71	75	79	81	77	79	80	79
Denmark	102	105	106	106	106	108	110	114	115	114	107	108	108	107
Estonia	35	38	41	44	47	50	55	61	65	63	54	55	61	63
Finland	87	91	93	94	96	100	102	106	111	111	101	104	107	105
France	91	94	95	95	96	97	98	100	102	101	97	99	100	100
Germany	98	101	102	102	102	103	104	107	111	113	107	112	115	116
Greece	65 e	68 e	70 e	72 e	76 e	80 e	81	85	88	87	84	80	74	70
Hungary	44	45	47	50	52	54	56	59	59	60	56	56	57	57
Iceland	97	99	102	101	103	110	116	119	123	121	113	109	112	113
Ireland	102	111	115	119	121	124	129	133	135	129	120	118	120	120
Israel	72	77	75	73	73	75	77	80	83	85	85	87	90	91
Italy	89	92	94	94	93	94	94	96	97	95	89	90	90	88
Japan	94	96	96	96	98	100	101	103	105	104	98	103	102	105 e
Korea	58	62	64	69	70	73	76	79	83	84	84	89	92	93
Luxembourg	190	203	206	212	213	219	227	235	246	240	222	225	224	219
Mexico	38 e	40 e	39 e	39 e	39	41	41	43	44	44	41	43	45 e	46 e
Netherlands	109	112	113	113	113	115	117	121	125	127	122	123	123	121
New Zealand	73	75	77	79	81	83	84	85	87	85	85	84	85	87 e
Norway	143	146	148	150	150	156	158	161	163	161	157	156	156	158
Poland	38	39	40	40	42	44	46	49	52	55	56	57	60	61
Portugal	68	70	71	71	70	71	71	72	73	73	71	72	72	70
Slovak Republic	42	42	44	46	48	50	54	58	64	68	64	67	70	71
Slovenia	63	66	68	70	72	75	78	82	88	90	82	83	84	81
Spain	80	84	86	87	88	89	91	93	95	94	90	90	89	88
Sweden	93	97	98	100	102	106	109	113	116	114	107	114	116	116
Switzerland	115	119	119	118	117	119	122	126	129	131	127	131	131	132
Turkey	31	32	30	32	33	35	38	40	41	41	39	42	45	45 e
United Kingdom	94	98	100	102	105	108	111	113	116	115	108	109	109	108
United States	132	136	136	137	140	144	147	150	151	149	144	146	148	151
Euro area	90	93	95	95	95	96	98	100	103	102	98	99	100	99
OECD-Total	90 e	93 e	93 e	94 e	95 e	98 e	100	102	104	104	100	102	103 e	104 e
China	8 e	9 e	10 e	10 e	11 e	12 e	14	15 e	17 e	19 e	21 e	23 e	25 e	..
India	..	..	..	..	..	7	8	8	9	9	10	..	..	..
Indonesia	9 e	9	9	10	10	10	11	11	12	12	13	13	..	..
Russian Federation	26 e	29 e	30 e	32	34	37	39	43	46	49	45	47	49	..
South Africa	25	25	26	26	27	28	29	30	31	32	31	32	32	..

StatLink http://dx.doi.org/10.1787/888933002870

Table A.5. **Actual individual consumption, current prices and PPPs**

Billion US dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	344	373	393	424	443	477	490	515	552	561	573	603	639	664
Austria	142	157	159	169	174	183	186	198	203	210	212	223	232	238
Belgium	171	194	201	216	213	224	225	233	242	257	259	273	288	296
Canada	556	591	619	648	676	717	758	786	843	871	871	916	950 e	982 e
Chile	87 e	92 e	97 e	101 e	108 e	118 e	130 e	150 e	165 e	178	177	198	231	249
Czech Republic	103	110	119	126	132	141	143	150	161	161	167	171	175	178
Denmark	95	102	102	112	108	115	116	125	134	140	140	146	146	151
Estonia	9	10	11	12	13	14	15	17	19	19	17	17	18	20
Finland	74	82	85	93	94	101	104	111	121	130	129	135	143	148
France	1 023	1 145	1 225	1 326	1 299	1 355	1 396	1 455	1 534	1 592	1 603	1 669	1 725	1 768
Germany	1 461	1 551	1 609	1 681	1 734	1 786	1 867	1 941	1 998	2 077	2 068	2 202	2 329	2 388
Greece	139 e	152 e	167 e	190 e	190 e	202 e	208	223	237	261	257	251	240	227
Hungary	84	91	99	113	118	122	124	129	133	138	136	140	146	148
Iceland	6	6	6	6	7	7	8	8	9	9	8	8	8	9
Ireland	55	64	68	75	79	84	90	97	107	107	102	105	105	107
Israel	79	90	95	102	100	108	111	114	127	128	133	142	154	161
Italy	940	1 029	1 101	1 092	1 110	1 136	1 164	1 233	1 296	1 375	1 352	1 436	1 450	1 436
Japan	1 947	2 091	2 176	2 312	2 403	2 503	2 648	2 732	2 839	2 892	2 885	3 020	3 125	3 253 e
Korea	428	482	518	577	580	602	638	685	739	770	777	827	870	904
Luxembourg	10	12	12	14	13	14	14	15	15	16	16	16	17	17
Mexico	653 e	738 e	769 e	810 e	834	902	969	1 062	1 135	1 202	1 136	1 212	1 314	1 393 e
Netherlands	276	313	329	358	348	362	371	394	418	435	427	425	434	438
New Zealand	57	60	63	66	69	74	77	83	88	92	93	96	100	104 e
Norway	79	87	91	99	104	112	115	124	134	140	141	149	153	163
Poland	293	320	333	366	370	393	402	431	481	521	539	590	628	664
Portugal	122	136	142	150	152	160	172	182	189	197	193	201	197	193
Slovak Republic	40	43	48	53	53	56	61	67	75	84	85	89	91	94
Slovenia	23	25	26	28	29	30	31	32	35	37	36	37	39	38
Spain	549	620	667	739	749	799	841	909	960	1 001	968	980	991	999
Sweden	151	168	172	186	190	198	199	210	226	237	235	243	253	262
Switzerland	141	152	158	170	168	176	178	186	201	215	220	225	232	243 e
Turkey	383 e	455 e	442 e	469 e	480 e	543 e	602 e	650 e	699 e	767 e	773 e	871 e	981 e	1 004 e
United Kingdom	1 077	1 214	1 292	1 398	1 429	1 551	1 598	1 677	1 717	1 707	1 660	1 620	1 640	1 702
United States	6 886 e	7 416 e	7 763 e	8 072 e	8 484 e	9 009 e	9 584 e	10 134 e	10 627 e	10 935 e	10 788 e	11 159 e	11 667 e	12 118 e
Euro area	5 048 e	5 553 e	5 874 e	6 225 e	6 279 e	6 527 e	6 770 e	7 133 e	7 476 e	7 830 e	7 754 e	8 095 e	8 331 e	8 439 e
OECD-Total	18 483 e	20 170 e	21 157 e	22 353 e	23 053 e	24 376 e	25 635 e	27 059 e	28 459 e	29 464 e	29 176 e	30 397 e	31 713 e	32 760 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	534 e	636 e	704 e	843	897	1 020	1 137	1 358	1 571	1 864	1 833	1 948	2 169	2 335
South Africa	195	205	215	224	236	257	279	304	327	337	340	347	374	394

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Table A.6. **Actual individual consumption, 2005 constant prices and PPPs**

Billion US dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	390	403	415	433	455	476	490	511	535	540	552	570	587	598
Austria	168	172	174	177	179	182	186	190	192	195	196	200	201	203
Belgium	206	211	214	216	218	222	225	228	232	237	239	245	246	246
Canada	628	652	668	690	711	733	758	787	822	847	855	881	898 e	912 e
Chile	100 e	104 e	107 e	109 e	114 e	122 e	130 e	140 e	150 e	156 e	156 e	172 e	186 e	198 e
Czech Republic	120	120	125	130	136	140	143	147	153	156	158	159	159	156
Denmark	103	104	105	107	108	112	116	120	123	124	121	123	122	122
Estonia	10	11	11	12	13	14	15	17	19	18	16	15	16	16
Finland	87	89	92	94	98	101	104	107	110	113	110	113	115 e	115 e
France	1 221	1 259	1 288	1 316	1 341	1 365	1 396	1 425	1 458	1 465	1 475	1 498	1 510	1 511
Germany	1 799	1 832	1 854	1 850	1 858	1 860	1 867	1 893	1 898	1 921	1 934	1 957	1 998	2 015
Greece	164 e	167 e	175 e	183 e	190 e	198 e	208	218	227	235	231	218	202	184
Hungary	95	98	102	110	119	121	124	127	126	125	118	114	114	112
Iceland	6 e	6 e	6 e	6 e	7 e	7 e	8 e	8 e	8 e	8 e	7 e	7 e	7 e	7 e
Ireland	65	72	76	79	82	85	90	96	102	102	98	98	97	96
Israel	91	98	101	103	103	107	111	116	124	127	130	136	141	145
Italy	1 077	1 103	1 118	1 124	1 136	1 149	1 164	1 180	1 193	1 187	1 173	1 187	1 183	1 139
Japan	2 450	2 478	2 524	2 557	2 573	2 606	2 648	2 675	2 704	2 689	2 683	2 755	2 778	2 843 e
Korea	486	528	555	604	604	610	638	670	702	713	718	749	767	783 e
Luxembourg	12	12	13	14	13	13	14	14	15	15	15	15	15	16
Mexico	785 e	843 e	859 e	871 e	881	926	969	1 022	1 062	1 078	1 007	1 055	1 100	1 147 e
Netherlands	337	349	356	362	363	366	371	381	390	396	395	398	397	393
New Zealand	60	61	63	66	70	73	77	79	81	81	82	83	84	86 e
Norway	92	96	98	102	105	110	115	120	125	127	129	133	135	139
Poland	339	350	358	368	377	393	402	423	443	470	481	497	507	513
Portugal	155	161	163	165	165	169	172	175	178	180	178	182	176	167
Slovak Republic	49	50	52	55	56	57	61	65	70	74	74	74	73	73
Slovenia	27	27	27	28	29	30	31	32	33	34	34	35	35	34
Spain	668 e	701 e	726 e	749 e	772 e	807 e	841 e	872 e	904 e	905 e	880 e	879 e	867 e	839 e
Sweden	174	180	183	187	191	194	199	204	209	210	211	218	221	223
Switzerland	162	166	169	170	173	175	178	180	184	185	189	192	194	199 e
Turkey	444 e	470 e	441 e	462 e	506 e	560 e	602 e	631 e	666 e	665 e	653 e	695 e	747 e	746 e
United Kingdom	1 287	1 352	1 402	1 454	1 507	1 555	1 598	1 628	1 668	1 662	1 620	1 637	1 636	1 663
United States	8 004 e	8 378 e	8 584 e	8 783 e	9 013 e	9 302 e	9 584 e	9 840 e	10 035 e	9 993 e	9 876 e	10 019 e	10 221 e	10 438 e
Euro area	6 083 e	6 259 e	6 385 e	6 459 e	6 545 e	6 645 e	6 770 e	6 919 e	7 049 e	7 101 e	7 065 e	7 143 e	7 170 e	7 093 e
OECD-Total	21 846 e	22 691 e	23 194 e	23 729 e	24 264 e	24 941 e	25 635 e	26 320 e	26 941 e	27 034 e	26 792 e	27 309 e	27 743 e	28 076 e
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	705 e	746 e	807 e	870	928	1 025	1 137	1 256	1 413	1 546	1 476	1 539	1 621	1 715
South Africa	217	225	233	242	249	264	279	300	318	326	320	334	351	360

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Table A.7. **Population**

Thousands

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	19 036	19 270	19 531	19 768	20 009	20 250	20 542	20 871	21 261	21 728	22 129	22 427	22 761	23 128 e
Austria	7 992	8 012	8 042	8 082	8 118	8 169	8 225	8 268	8 295	8 322	8 341	8 361	8 389	8 426
Belgium	10 223	10 246	10 281	10 330	10 373	10 417	10 474	10 543	10 622	10 707	10 790	10 883	10 978	11 054
Canada	30 401	30 686	31 019	31 354	31 640	31 941	32 245	32 576	32 930	33 319	33 730	34 126	34 483	34 879 e
Chile	15 197	15 398	15 572	15 746	15 919	16 093	16 267	16 433	16 598	16 763	16 929	17 094	17 268	17 450
Czech Republic	10 283	10 273	10 224	10 201	10 202	10 207	10 234	10 267	10 323	10 430	10 491	10 517	10 497	10 511
Denmark	5 321	5 338	5 357	5 376	5 390	5 403	5 419	5 437	5 460	5 492	5 522	5 546	5 569	5 590
Estonia	1 379	1 372	1 367	1 361	1 356	1 351	1 348	1 345	1 342	1 341	1 340	1 340	1 340	1 340
Finland	5 166	5 176	5 188	5 201	5 213	5 228	5 246	5 266	5 289	5 313	5 339	5 363	5 387	5 413
France	60 315	60 725	61 163	61 605	62 038	62 491	62 958	63 393	63 781	64 133	64 459	64 781	65 115	65 433
Germany	82 087	82 188	82 340	82 482	82 520	82 501	82 464	82 366	82 263	82 120	81 875	81 757	81 779	81 917
Greece	10 883	10 917	10 950	10 988	11 024	11 062	11 104	11 149	11 193	11 237	11 283	11 308	11 300	11 290
Hungary	10 238	10 211	10 188	10 159	10 130	10 107	10 087	10 071	10 056	10 038	10 023	10 000	9 972	9 920
Iceland	277	281	285	288	289	293	296	304	311	319	319	318	319	321
Ireland	3 755	3 804	3 864	3 932	3 997	4 067	4 160	4 270	4 400	4 496	4 539	4 560	4 577	4 590
Israel	6 135	6 301	6 453	6 587	6 709	6 831	6 955	7 082	7 211	7 343	7 484	7 622	7 764	7 906
Italy	56 916	56 942	56 977	57 157	57 605	58 175	58 607	58 942	59 375	59 832	60 193	60 483	60 724	60 905
Japan	126 667	126 926	127 133	127 401	127 635	127 734	127 755	127 839	127 980	128 046	128 034	128 043	127 831	127 547 e
Korea	46 617	47 008	47 357	47 622	47 859	48 039	48 138	48 372	48 598	48 949	49 182	49 410	49 779	50 004
Luxembourg	431	437	442	447	452	459	466	473	481	489	498	508	519	532
Mexico	96 569	98 295	99 580	100 783	101 884	102 888	103 831	104 748	105 677	106 573	107 443	108 292	109 220 e	110 023 e
Netherlands	15 809	15 922	16 043	16 147	16 223	16 276	16 317	16 341	16 378	16 440	16 526	16 612	16 693	16 752
New Zealand	3 843	3 866	3 900	3 970	4 045	4 101	4 148	4 198	4 241	4 281	4 332	4 381	4 415	4 444
Norway	4 462	4 491	4 513	4 539	4 565	4 591	4 622	4 661	4 706	4 769	4 827	4 889	4 953	5 019
Poland	38 270	38 256	38 251	38 232	38 195	38 180	38 161	38 132	38 116	38 116	38 153	38 517	38 526	38 534
Portugal	10 172	10 226	10 293	10 368	10 441	10 502	10 549	10 584	10 608	10 622	10 632	10 637	10 622	10 579
Slovak Republic	5 396	5 401	5 380	5 379	5 379	5 382	5 387	5 391	5 397	5 406	5 418	5 430	5 398	5 406
Slovenia	1 984	1 989	1 992	1 995	1 996	1 997	2 001	2 008	2 019	2 022	2 042	2 049	2 053	2 057
Spain	39 927	40 264	40 721	41 314	42 005	42 692	43 398	44 068	44 874	45 593	45 929	46 073	46 125	46 163
Sweden	8 858	8 872	8 896	8 925	8 958	8 994	9 030	9 081	9 148	9 220	9 299	9 379	9 450	9 518
Switzerland	7 167	7 209	7 285	7 343	7 405	7 454	7 501	7 558	7 619	7 711	7 801	7 786	7 869	7 930
Turkey	63 364	64 252	65 133	66 008	66 873	67 723	68 566	69 395	70 215	71 095	72 050	73 003	73 950	74 899 e
United Kingdom	58 684	58 886	59 113	59 319	59 552	59 842	60 235	60 584	60 986	61 398	61 792	62 262	62 735	63 705
United States	279 328	282 398	285 225	287 955	290 626	293 262	295 993	298 818	301 696	304 543	307 240	309 776	312 036	314 278
Euro area	313 508	314 706	316 138	317 893	319 856	321 899	323 846	325 563	327 492	329 272	330 427	331 388	332 264	333 139
OECD-Total	1 143 151	1 151 837	1 160 058	1 168 362	1 176 625	1 184 703	1 192 730	1 200 834	1 209 448	1 218 208	1 225 985	1 233 533	1 240 394 e	1 247 462 e
China	1 257 860	1 267 430	1 276 270	1 284 530	1 292 270	1 299 880	1 307 560	1 314 480	1 321 290	1 328 020	1 334 500	1 340 910	1 347 350	1 354 040
India	..	..	..	..	..	1 089 000	1 106 000	1 122 000	1 138 000	1 154 000	1 170 000	..	..	..
Indonesia	207 437	205 132	207 995	210 898	213 841	216 826	219 852	222 747	225 642	228 523	231 370	237 641	..	..
Russian Federation	147 215	146 597	145 977	145 307	144 649	144 067	143 519	143 050	142 805	142 742	142 785	142 850	142 961	..
South Africa	43 379	44 108	44 801	45 401	45 997	46 589	47 177	47 760	48 337	48 909	49 475	50 034	50 587	..

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Table A.8. **Purchasing power parities for GDP**

National currency per US dollar

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	1.30	1.31	1.32	1.34	1.35	1.37	1.39	1.41	1.43	1.48	1.44	1.51	1.51	1.48
Austria	0.917	0.899	0.917	0.896	0.884	0.875	0.886	0.856	0.868	0.852	0.841	0.841	0.830	0.825
Belgium	0.921	0.890	0.885	0.865	0.878	0.897	0.900	0.882	0.888	0.874	0.855	0.854	0.839	0.833
Canada	1.19	1.23	1.22	1.23	1.23	1.23	1.21	1.21	1.21	1.23	1.20	1.22	1.24	1.24
Chile	280	286	292	299	307	321	334	327	330	346	358	355	348	348
Czech Republic	14.1	14.2	14.2	14.3	14.0	14.3	14.3	14.0	14.0	14.3	13.8	14.0	13.5	13.3
Denmark	8.47	8.40	8.46	8.30	8.53	8.41	8.59	8.32	8.24	8.01	7.80	7.75	7.69	7.63
Estonia	0.444	0.455	0.476	0.477	0.481	0.486	0.502	0.520	0.555	0.549	0.522	0.524	0.524	0.536
Finland	1.003	0.994	1.011	1.003	1.010	0.976	0.977	0.949	0.941	0.918	0.900	0.911	0.907	0.907
France	0.960	0.938	0.918	0.905	0.938	0.940	0.923	0.902	0.894	0.882	0.858	0.857	0.845	0.841
Germany	0.975	0.966	0.955	0.942	0.917	0.897	0.867	0.837	0.831	0.812	0.806	0.796	0.779	0.776
Greece	0.681	0.677	0.670	0.660	0.689	0.696	0.714	0.698	0.719	0.701	0.695	0.702	0.693	0.671
Hungary	101.1	107.8	110.6	114.9	120.5	126.4	128.6	128.4	131.4	129.4	125.1	125.4	123.7	124.9
Iceland	79.7	84.2	88.9	91.3	94.5	94.3	99.1	107.1	113.2	117.4	124.5	131.8	133.6	135.5
Ireland	0.930	0.961	0.992	1.004	1.014	1.006	1.010	0.983	0.959	0.952	0.889	0.843	0.827	0.815
Israel	3.505	3.440	3.423	3.463	3.628	3.536	3.717	3.829	3.722	3.867	3.974	3.974	3.945	4.006
Italy	0.818	0.816	0.807	0.845	0.854	0.873	0.867	0.833	0.818	0.789	0.776	0.780	0.768	0.754
Japan	162	155	150	144	140	134	130	125	120	117	115	112	107	105
Korea	755	746	757	770	794	796	789	773	769	786	822	842	855	848
Luxembourg	0.941	0.939	0.947	0.934	0.942	0.923	0.953	0.913	0.925	0.906	0.904	0.922	0.906	0.903
Mexico	5.63	6.09	6.30	6.55	6.81	7.22	7.13	7.17	7.37	7.47	7.44	7.65	7.67	7.81
Netherlands	0.907	0.892	0.905	0.902	0.927	0.909	0.896	0.867	0.858	0.842	0.838	0.849	0.832	0.825
New Zealand	1.43	1.44	1.47	1.47	1.50	1.51	1.54	1.48	1.51	1.49	1.46	1.50	1.49	1.45
Norway	9.33	9.12	9.17	9.11	9.11	8.99	8.90	8.68	8.78	8.75	8.92	9.01	8.97	8.76
Poland	1.74	1.84	1.86	1.83	1.84	1.86	1.87	1.84	1.84	1.86	1.86	1.82	1.82	1.82
Portugal	0.697	0.699	0.705	0.708	0.706	0.716	0.684	0.661	0.660	0.649	0.631	0.632	0.628	0.605
Slovak Republic	0.501	0.525	0.521	0.528	0.555	0.573	0.566	0.555	0.546	0.533	0.509	0.510	0.508	0.509
Slovenia	0.511	0.531	0.565	0.588	0.615	0.611	0.612	0.607	0.630	0.634	0.642	0.641	0.625	0.603
Spain	0.733	0.733	0.739	0.733	0.753	0.760	0.765	0.735	0.729	0.720	0.707	0.717	0.705	0.685
Sweden	9.29	9.12	9.34	9.35	9.33	9.11	9.38	9.07	8.89	8.77	8.88	8.99	8.82	8.70
Switzerland	1.87	1.85	1.84	1.77	1.78	1.75	1.74	1.66	1.60	1.55	1.51	1.51	1.44	1.39
Turkey	0.202	0.282	0.428	0.613	0.773	0.813	0.831	0.846	0.865	0.890	0.909	0.941	0.987	1.032
United Kingdom	0.65	0.64	0.63	0.63	0.64	0.63	0.64	0.63	0.65	0.65	0.65	0.69	0.70	0.69
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.887	0.876	0.868	0.867	0.872	0.871	0.858	0.830	0.824	0.807	0.793	0.793	0.781	0.773
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	3.32	3.32	3.31	3.28	3.30	3.43	3.45	3.47	3.62	3.82	3.77	3.98	4.18	4.23
India	13.28	13.47	13.59	13.87	14.11	14.54	14.67	15.12	15.54	16.52	17.37	18.66	19.79	20.90
Indonesia	2 373.89	2 798.73	3 127.92	3 259.41	3 367.34	3 555.31	3 934.26	4 348.23	4 701.47	5 434.60	5 833.04	6 232.73	6 598.55	6 737.75
Russian Federation	5.54	7.30	8.32	9.27	9.87	11.55	12.74	12.61	13.98	14.34	14.03	15.83	17.35	18.49
South Africa	2.90	3.09	3.26	3.55	3.67	3.79	3.87	4.00	4.20	4.43	4.76	5.04	5.23	5.39

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Table A.9. **Purchasing power parities for actual individual consumption**

National currency per US dollar

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	1.32	1.31	1.32	1.31	1.34	1.33	1.37	1.42	1.43	1.46	1.50	1.51	1.51	1.51
Austria	0.921	0.873	0.887	0.847	0.850	0.839	0.864	0.846	0.859	0.856	0.864	0.849	0.850	0.854
Belgium	0.924	0.860	0.863	0.822	0.858	0.852	0.886	0.892	0.900	0.897	0.900	0.891	0.876	0.875
Canada	1.21	1.21	1.21	1.22	1.23	1.21	1.21	1.24	1.22	1.24	1.27	1.26	1.27	1.27
Chile	329	335	342	348	350	343	346	330	335	351	359	365	353	360
Czech Republic	13.2	12.8	12.7	12.7	12.8	12.9	13.1	13.2	13.1	14.0	13.8	13.6	13.4	13.2
Denmark	8.54	8.27	8.46	8.08	8.59	8.51	8.86	8.65	8.45	8.38	8.40	8.35	8.45	8.37
Estonia	0.412	0.405	0.432	0.421	0.437	0.443	0.477	0.506	0.543	0.555	0.542	0.531	0.537	0.548
Finland	1.050	1.009	1.031	0.993	1.021	0.995	1.006	0.987	0.959	0.945	0.954	0.950	0.951	0.951
France	0.937	0.885	0.864	0.830	0.882	0.878	0.888	0.888	0.879	0.875	0.872	0.862	0.856	0.849
Germany	0.957	0.924	0.920	0.889	0.879	0.862	0.840	0.828	0.817	0.807	0.820	0.794	0.781	0.780
Greece	0.697	0.672	0.656	0.622	0.669	0.674	0.711	0.714	0.723	0.710	0.721	0.715	0.709	0.690
Hungary	90.3	94.5	99.7	101.0	110.1	114.4	119.7	121.3	125.0	126.6	125.2	122.0	121.2	123.5
Iceland	81.4	84.4	90.8	91.9	96.0	96.1	100.3	106.3	109.1	120.0	132.3	133.8	135.5	138.1
Ireland	0.950	0.949	0.986	0.990	1.006	1.004	1.015	1.028	1.030	1.048	1.002	0.943	0.941	0.930
Israel	3.924	3.767	3.743	3.691	3.745	3.666	3.744	3.880	3.791	4.007	4.030	4.076	4.038	4.057
Italy	0.848	0.823	0.801	0.834	0.851	0.862	0.874	0.858	0.842	0.813	0.818	0.791	0.797	0.794
Japan	172	161	156	147	140	135	129	126	122	119	117	113	109	106
Korea	737	743	769	774	796	800	809	805	801	816	836	842	850	852
Luxembourg	0.959	0.925	0.939	0.891	0.912	0.921	1.001	0.976	1.001	0.997	1.023	1.053	1.056	1.058
Mexico	5.43	5.75	6.08	6.20	6.56	6.79	6.84	6.82	6.97	7.09	7.53	7.68	7.69	7.91
Netherlands	0.878	0.834	0.850	0.821	0.871	0.854	0.861	0.849	0.837	0.829	0.844	0.867	0.862	0.863
New Zealand	1.40	1.39	1.39	1.41	1.45	1.44	1.49	1.46	1.45	1.43	1.47	1.47	1.48	1.46
Norway	9.53	9.31	9.47	9.20	9.32	9.20	9.50	9.44	9.28	9.46	9.73	9.78	9.89	9.71
Poland	1.67	1.73	1.77	1.71	1.74	1.75	1.80	1.79	1.72	1.76	1.79	1.73	1.74	1.72
Portugal	0.721	0.700	0.706	0.697	0.707	0.707	0.689	0.680	0.683	0.679	0.674	0.669	0.666	0.646
Slovak Republic	0.461	0.473	0.468	0.460	0.499	0.522	0.526	0.536	0.523	0.521	0.518	0.500	0.502	0.504
Slovenia	0.504	0.514	0.546	0.553	0.591	0.597	0.613	0.613	0.628	0.642	0.668	0.662	0.651	0.638
Spain	0.734	0.706	0.702	0.673	0.707	0.718	0.739	0.737	0.747	0.745	0.750	0.751	0.749	0.732
Sweden	9.53	9.02	9.21	8.97	9.17	9.06	9.36	9.26	9.05	8.92	9.16	9.29	9.24	9.18
Switzerland	1.97	1.89	1.87	1.76	1.81	1.77	1.79	1.76	1.69	1.64	1.64	1.63	1.60	1.55
Turkey	0.199	0.274	0.396	0.542	0.716	0.778	0.818	0.874	0.914	0.922	0.945	0.969	1.007	1.065
United Kingdom	0.66	0.62	0.61	0.60	0.62	0.60	0.62	0.62	0.63	0.66	0.67	0.72	0.73	0.73
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.883	0.846	0.836	0.816	0.838	0.835	0.838	0.830	0.824	0.814	0.820	0.805	0.801	0.796
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	5.40	6.00	7.14	7.59	8.59	9.66	10.96	11.25	12.05	12.71	13.66	14.35	14.84	15.54
South Africa	3.00	3.20	3.37	3.67	3.79	3.92	4.00	4.13	4.33	4.62	4.90	5.25	5.36	5.53

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Table A.10. **Exchange rates**

National currency per US dollar

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	1.55	1.72	1.93	1.84	1.54	1.36	1.31	1.33	1.20	1.19	1.28	1.09	0.97	0.97
Austria	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Belgium	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Canada	1.49	1.49	1.55	1.57	1.40	1.30	1.21	1.13	1.07	1.07	1.14	1.03	0.99	1.00
Chile	509	540	635	689	691	610	560	530	522	522	561	510	484	486
Czech Republic	34.6	38.6	38.0	32.7	28.2	25.7	24.0	22.6	20.3	17.1	19.1	19.1	17.7	19.6
Denmark	6.98	8.08	8.32	7.89	6.59	5.99	6.00	5.95	5.44	5.10	5.36	5.62	5.37	5.79
Estonia	0.938	1.084	1.117	1.062	0.886	0.805	0.804	0.797	0.731	0.683	0.719	0.755	0.719	0.778
Finland	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
France	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Germany	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Greece	0.897	1.072	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Hungary	237.1	282.2	286.5	257.9	224.3	202.7	199.6	210.4	183.6	172.1	202.3	207.9	201.1	225.1
Iceland	72.3	78.6	97.4	91.7	76.7	70.2	63.0	70.2	64.1	87.9	123.6	122.2	116.0	125.1
Ireland	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Israel	4.140	4.077	4.206	4.738	4.554	4.482	4.488	4.456	4.108	3.588	3.932	3.739	3.578	3.856
Italy	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Japan	114	108	122	125	116	108	110	116	118	103	94	88	80	80
Korea	1 189	1 131	1 291	1 251	1 192	1 145	1 024	955	929	1 102	1 277	1 156	1 108	1 126
Luxembourg	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Mexico	9.56	9.46	9.34	9.66	10.79	11.29	10.90	10.90	10.93	11.13	13.51	12.64	12.42	13.17
Netherlands	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
New Zealand	1.89	2.20	2.38	2.16	1.72	1.51	1.42	1.54	1.36	1.42	1.60	1.39	1.27	1.23
Norway	7.80	8.80	8.99	7.98	7.08	6.74	6.44	6.41	5.86	5.64	6.29	6.04	5.60	5.82
Poland	3.97	4.35	4.09	4.08	3.89	3.66	3.24	3.10	2.77	2.41	3.12	3.02	2.96	3.26
Portugal	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Slovak Republic	1.373	1.528	1.605	1.505	1.221	1.071	1.030	0.986	0.820	0.709	0.720	0.755	0.719	0.778
Slovenia	0.759	0.929	1.013	1.003	0.864	0.803	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Spain	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
Sweden	8.26	9.16	10.33	9.74	8.09	7.35	7.47	7.38	6.76	6.59	7.65	7.21	6.49	6.78
Switzerland	1.50	1.69	1.69	1.56	1.35	1.24	1.25	1.25	1.20	1.08	1.09	1.04	0.89	0.94
Turkey	0.419	0.625	1.226	1.507	1.501	1.426	1.344	1.428	1.303	1.302	1.550	1.503	1.675	1.796
United Kingdom	0.62	0.66	0.69	0.67	0.61	0.55	0.55	0.54	0.50	0.54	0.64	0.65	0.62	0.63
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.939	1.085	1.118	1.063	0.886	0.805	0.804	0.797	0.731	0.683	0.720	0.755	0.719	0.778
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	8.28	8.28	8.28	8.28	8.28	8.28	8.19	7.97	7.61	6.95	6.83	6.77	6.46	6.31
India	43.06	44.94	47.19	48.61	46.58	45.32	44.10	45.31	41.35	43.51	48.41	45.73	46.67	53.44
Indonesia	7 855.15	8 421.78	10 260.90	9 311.19	8 577.13	8 938.85	9 704.74	9 159.32	9 141.00	9 698.96	10 389.90	9 090.43	8 770.43	9 386.63
Russian Federation	24.62	28.13	29.17	31.35	30.69	28.81	28.28	27.19	25.58	24.85	31.74	30.37	29.38	30.84
South Africa	6.11	6.94	8.61	10.54	7.56	6.46	6.36	6.77	7.05	8.26	8.47	7.32	7.26	8.21

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ANNEX B

The 2008 SNA – changes from the 1993 SNA

For all OECD countries except Australia and the United States, the indicators presented in this publication are based on the 1993 SNA. For Canada, the non-financial indicators are presented on a 1993 SNA basis whereas the data for the financial indicators are presented on a 2008 SNA basis. The 2008 SNA has been finalised in 2009 and includes a number of changes to the 1993 SNA. It will be adopted by most OECD countries at the end of 2014 and this publication will reflect these changes in the next year's publication. Therefore, the key changes (those that will eventually impact on the indicators presented in this publication) are discussed below. 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.abs.gov.au/ausstats/abs@.nsf/mf/5310.0.55.002*.

For a better understanding, of the 2013 comprehensive revision in the United States go to: *http://bea.gov/national/an1.htm#2013comprehensive*.

Changes affecting whole economy levels of income, etc.

For the United States, the 2013 comprehensive revision raised the level of GDP by 3.6%, mainly due to the recognition of new forms of gross fixed capital formation: R&D as an investment as well as entertainment originals as fixed assets and expanding ownership transfer costs that are recognised as residual fixed investment. Consumption spending of government in the latest years have been revised downward, mostly explained by the adoption of accrual-based measures for defined benefit pensions plans and the effects of removing R&D expenditures from consumption.

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 sectorial gross value added 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 1.25% 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 0.25% 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 mainly 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 0.25% of GDP. The total direct and indirect increase to GDP because of the capitalisation of R&D therefore is between 1.25 and 1.5%.

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% of GDP. For Australia, the total impact of the changes made for R&D and weapons systems as a per cent of total gross fixed capital formation on a 1993 SNA basis increase gross fixed capital formation (GFCF) by about 5.5%.

Financial Intermediation Services Indirectly Measured (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 Central Banks: The 2008 SNA has provided further clarification on the calculation of FISIM in calculating the output of Centrals 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.

Output of non-life insurance services: The methodology used to indirectly estimate this activity in the 1993 SNA (premiums plus premium supplements minus 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 sectorial) estimates of disposable income.

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 processing: 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.

Merchanting: Under the SNA93 and BPM5 merchanting–the purchase and subsequent resale of goods abroad without substantial transformation and without the goods entering or exiting the territory of the merchant–is classified as a services transaction. This treatment causes global imbalances in goods and services because while the merchant records an export of a service the country acquiring the good records an import of a good. Therefore, the 2008 SNA and BPM6 recommend classifying merchanting as a component of trade in goods. The acquisition of goods by the merchant are recorded as negative exports of the merchant's economy and the subsequent resale of goods by the merchant are recorded as a positive exports. The difference between sales and purchases of merchanted goods is recorded under a new category "Net exports of goods under merchanting" of the merchant's economy.

(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).

In some cases, a defined benefit pension plan may be underfunded implying the pension plan has insufficient financial assets to earn the returns that are necessary to meet promised future benefits. The promised future benefits are assets of the household sector and liabilities of the pension schemes, or the employer if there is no autonomous scheme. According to the 1993 SNA, only the funded component of pension plans should be reflected in liabilities. However, the new 2008 SNA recognises the importance of the liabilities of employers' pension schemes, regardless of whether they are funded or unfunded. For pensions provided by government to their employees, countries have some flexibility in the recording of the unfunded liabilities in the set of core tables. However, the full range of information is required in a new standard table (SNA Table 17.10) that shows the liabilities and associated flows of all private and public pension schemes, whether funded or unfunded, including social security.

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	*Actual final consumption of general government* 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	*Actual final consumption of households* 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 *actual final consumption of NPISHs* 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	*Actual individual consumption* 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 *adjustment for the change in the net equity of households in pension fund reserves* 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.e. 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.e. of "transfers" payable over "transfers" receivable) does not enter into household saving.	9.16 [10.30]
Basic price	The *basic price* 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	*Capital transfers* 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	*Chain indices* 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)	*Changes in inventories (including work-in-progress)* consist of changes in: a) 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 b) 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 *collective consumption service* 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	*Compensation of employees* 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	*Constant prices* 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.e. 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	*Consumption of fixed capital* 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	*Current transfers* 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	*Current transfers* which take place between resident and non-resident institutional units are referred to as current transfers *from/to abroad*.	8.4
Disposable income	*Disposable income* 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	*Disposals* 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 *employee* 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	*Exports of goods and services* 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 *external balance of goods and services* 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 *factor cost* 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	*Final consumption* 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	*Government final consumption expenditure* 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	*Household final consumption expenditure* 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	*Final consumption expenditure of NPISHs* 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)	*Financial intermediation services indirectly measured (FISIM)* 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	*Full-time equivalent employment* 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 *general government* 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	*Government final consumption expenditure* 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 "*gross*" 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	*Gross capital formation* 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
Gross domestic product (GDP) – expenditure based	*Expenditure-based gross domestic product* 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

Term	Definition	Paragraph(s)
Gross domestic product (GDP) – income based	*Income-based gross domestic product* 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	*Output-based gross domestic product* 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	*Gross domestic product at market prices* 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	*Gross fixed capital formation* 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	*Gross national disposable income* 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)	*Gross national income (GNI)* 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	*Gross saving* is gross disposable income less final consumption expenditure.	9.2
Gross value added	*Gross value added* 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	*Gross value added at basic prices* 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	*Gross value added at producers' prices* is output valued at producers' prices less intermediate consumption valued at purchasers' prices.	6.227, 15.37
Household final consumption expenditure	*Household final consumption expenditure* 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	*Import duties* 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	*Import subsidies* 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	*Imports of goods and services* 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	*Net income from abroad* is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
ISIC	*ISIC* 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	*Mixed income* 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	*National disposable income* 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 *national expenditure*.	2.187
National income	*National income* 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
Net	The term "*net*" 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	*Net borrowing* See "net lending".	

Term	Definition	Paragraph(s)
Net income from abroad	*Net income from abroad* is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
Net lending	*Net lending* 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	*Net national disposable income* 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 *net national income*.	7.16 and Table 7.2 [2.182]
Net saving	*Net saving* is net disposable income less final consumption expenditure.	9.2
Non-profit institutions serving households (NPISHs)	*Non-profit institutions serving households (NPISHs)* 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	*Final consumption expenditure of NPISHs* consists of the expenditure, including imputed expenditure, incurred by resident NPISHs on individual consumption goods and services.	9.94
Operating surplus	The *operating surplus* 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	*Primary incomes* 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 *purchasing power parity (PPP)* 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)	*Real gross domestic income (real GDI)* 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 "*rebasing*".	16.31
Saving	*Saving* 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	*Self-employed workers* 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 *System of National Accounts (SNA)* 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	*Subsidies* 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	*Other subsidies on production* consist of subsidies, except subsidies on products, which resident enterprises may receive as a consequence of engaging in production (e.g. subsidies on payroll or workforce or subsidies to reduce pollution).	7.79
Subsidies on products – other	*Other subsidies on products* (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: a) subsidies on products used domestically; b) losses of government trading organisations; and c) subsidies to public corporations and quasi-corporations.	7.78
System of National Accounts (SNA)	The *System of National Accounts (SNA)* 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	*Taxes* 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]

Term	Definition	Paragraph(s)
Taxes on production and imports	*Taxes on production and imports* 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	*Taxes on products,* 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	*Total final consumption* 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	*Trading gains and losses* 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.e. 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	*Valuables* 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	*Wages and salaries* 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	*Wages and salaries in cash* 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 (e.g. on holiday); plus ad hoc bonuses and similar payments; plus commissions, gratuities and tips received by employees.	7.33
Wages and salaries in kind	*Wages and salaries in kind* 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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