

National Accounts at a Glance 2009



National Accounts at a Glance 2009



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Foreword

National Accounts at a Glance is a new publication in the suite of national accounts publications produced by the OECD. Readers will immediately notice that the presentation of statistics is significantly different from the presentation of the other national accounts publications which focuses primarily on tabular presentations. Instead, this publication presents information using an “indicator” approach, focusing on cross-country comparisons; the aim being to make the accounts more accessible and informative, whilst, at the same time, taking the opportunity to present the conceptual underpinning of, and comparability issues inherent in, each of the indicators presented.

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

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

The publication is broken down into six chapters: The first provides a general introduction focusing on indicators of GDP. The second focuses on income and presents a number of important indicators such as savings and net lending/net borrowing rates. Chapter 3 looks at indicators related to the expenditure approach to GDP estimation, with information on the key components of demand and imports. Chapter 4 looks at indicators from a production perspective. Chapters 5 and 6 focus on General Government and Capital respectively. Finally the annex provides important reference indicators, important in their own-right but also because they are used in the construction of many of the indicators presented elsewhere in the publication. It also provides further background on the new 2008 System of National Accounts, which will eventually be the basis of data published here. In the meantime, and the short-term, national statistics institutes will continue to compile their national accounts on the basis of the 1993 System of National accounts, which forms the conceptual basis of this publication.

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This book has...



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READER'S GUIDE

Main features

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

1993 SNA – Standard definitions

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

2008 SNA – Changes from the 1993 SNA

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

Questionnaires and source data

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

Statistical conventions

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

Signs and abbreviations

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

Countries and zones

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

OECD total

OECD total refers to all OECD countries unless otherwise specified.

Euro area

Data for the zone "Euro area" are taken from Eurostat databases.

Data in euros

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

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

OECD accession countries

The OECD is working towards its enlargement. In 2007 five countries were selected with a view to becoming new members: Chile, Estonia, Israel, the Russian Federation and Slovenia. The OECD is also engaging key global players in its work, such as Brazil, China, India, Indonesia and South Africa. Although data for these countries do not form part of this publication, some national accounts data for them are available on the OECD website. See below for more information on how to find the data online.

General comments on concepts and comparability

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

Purchasing power parities for GDP

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

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

1995-1998: PPPs for all European countries are annual benchmark results provided by Eurostat. PPPs for all other countries are OECD estimates.

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

2000-2001, 2003-2004, 2006, 2007: PPPs for all European countries are annual benchmark results provided by Eurostat. PPPs for all non-European countries are OECD estimates.

2008: PPPs for all European countries are preliminary annual benchmark results provided by Eurostat. PPPs for non-European countries are OECD estimates. Estimates and preliminary results should be interpreted with caution as they are subject to revision.

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

Exchange rates

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

Per capita indicators

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

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

Calendar/fiscal years

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

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

Volume (constant price) estimates

Most OECD countries now produce their accounts using annual chain volume series. Mexico however currently produces fixed-base volume estimates with the base year updated at present less periodically (ten years at time of the last re-basing) and links created to earlier base year estimates.

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

Gross and net values

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

Households and NPISHs

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

Important equalities in the SNA

Gross domestic product (GDP) at market prices

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

Net national income (NNI) at market prices

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

Net national disposable income (NNDI)

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

Saving, net

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

Net lending/net borrowing

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

Further reading

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

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

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

Extracts of the SNA publication are available in:

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

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

- OECD (2009), *Factbook*, OECD, Paris.

Online data

National Accounts at a Glance - Database edition

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

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

Detailed National Accounts data

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

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

Aggregate national accounts

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

Detailed national accounts

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

Financial accounts

- Consolidated flows
- Non-consolidated flows
- Financial balance sheets
- Consolidated stocks
- Non-consolidated stocks

General government accounts

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



Gross Domestic Product (GDP)

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

1. Size of GDP

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

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

Definition

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

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

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

Comparability

All OECD countries now follow the 1993 System of National Accounts, although in some countries, for example in specific areas such as the own account production of software or financial intermediation services (indirectly measured) (FISIM), differences remain, which can impact on comparisons of GDP. The measurement of the non-observed economy (NOE, often referred to as the informal, grey, shadow, economy) can also have an impact on comparability, although for OECD economies, in general, this is not thought to be significant. (See also "Reader's Guide", relating to PPP based comparisons.)

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), "Aggregate national accounts: gross domestic product", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

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

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

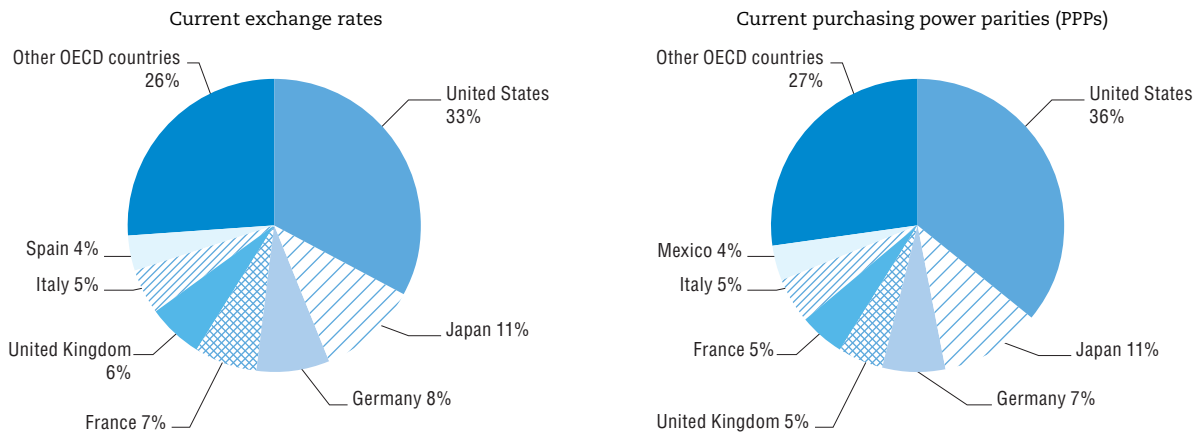
Billion US dollars

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	392	412	437	464	497	525	552	585	622	656	697	743	795	830 e
Austria	187	194	199	208	216	230	232	244	252	266	275	291	309	316
Belgium	228	232	243	248	259	282	292	309	313	323	336	354	376	374
Canada	667	691	732	771	825	873	910	938	990	1 050	1 131	1 204	1 270	1 303 e
Czech Republic	133	141	143	144	147	154	165	172	184	197	208	226	248	257
Denmark	120	127	134	139	143	154	158	165	164	175	180	190	196	200
Finland	96	99	108	117	122	133	138	143	144	156	161	172	184	188
France	1 204	1 243	1 302	1 369	1 425	1 533	1 630	1 711	1 701	1 768	1 869	1 961	2 081	2 115
Germany	1 840	1 892	1 936	1 990	2 064	2 130	2 212	2 275	2 358	2 468	2 587	2 709	2 835	2 928
Greece	156	163	173	179	185	201	218	237	250	267	274	294	316	324
Hungary	93	97	104	111	115	124	138	150	156	165	171	181	189	193
Iceland	6	7	7	8	8	8	9	9	9	10	10	11	11	12
Ireland	65	71	80	89	97	109	118	130	138	148	160	177	195	186
Italy	1 202	1 242	1 285	1 351	1 377	1 456	1 546	1 532	1 564	1 596	1 649	1 737	1 813	1 849
Japan	2 831	2 964	3 061	3 032	3 071	3 246	3 331	3 417	3 510	3 710	3 873	4 081	4 293	4 356 e
Korea	603 e	657 e	699 e	658 e	731 e	806	860	936	964	1 041	1 097	1 195	1 300	1 358
Luxembourg	16	17	17	18	21	23	24	26	27	30	32	36	40	41
Mexico	688 e	737 e	800 e	849 e	894 e	986 e	1 009 e	1 048 e	1 108	1 186	1 294	1 402	1 485	1 537 e
Netherlands	334	352	376	400	426	468	494	516	515	541	573	607	644	681
New Zealand	64	67	70	71	76	80	85	89	93	99	103	109	115	115 e
Norway	103	114	123	122	133	162	167	168	175	194	219	243	252	278
Poland	287	311	340	363	383	404	419	442	458	497	526	566	614	674
Portugal	131	137	146	154	164	175	183	191	196	201	218	229	242	246
Slovak Republic	45	49	52	56	56	59	65	70	73	79	87	97	108	119
Spain	631	661	701	751	792	857	920	994	1 040	1 109	1 188	1 304	1 420	1 447
Sweden	193	200	207	215	229	246	249	259	269	289	292	313	335	344
Switzerland	189	194	203	210	215	228	234	245	246	258	266	290	314	332
Turkey	427 e	467 e	511 e	536	518	589	561	572	588	689	781	881	945	998
United Kingdom	1 146	1 220	1 308	1 363	1 423	1 533	1 631	1 714	1 778	1 900	1 969	2 068	2 167	2 200
United States	7 359	7 784	8 279	8 741	9 301	9 899	10 234	10 590	11 089	11 812	12 580	13 336	14 011	14 369
Euro area	6 178	6 394	6 664	6 978	7 256	7 711	8 131	8 442	8 636	9 021	9 483	10 044	10 644	10 910
OECD-Total	21 438 e	22 541 e	23 775 e	24 724 e	25 914 e	27 671 e	28 784 e	29 879 e	30 977	32 878	34 805	37 004	39 103	40 170 e

StatLink  <http://dx.doi.org/10.1787/740520054135>

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

The seven largest economies in the OECD. Percentage of OECD total, 2008



StatLink  <http://dx.doi.org/10.1787/738543187137>

2. GDP growth

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

Definition

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

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

Comparability

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

government consumption, but this doesn't necessarily mean that growth rates are less comparable.

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), "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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- UN, OECD, IMF, Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

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

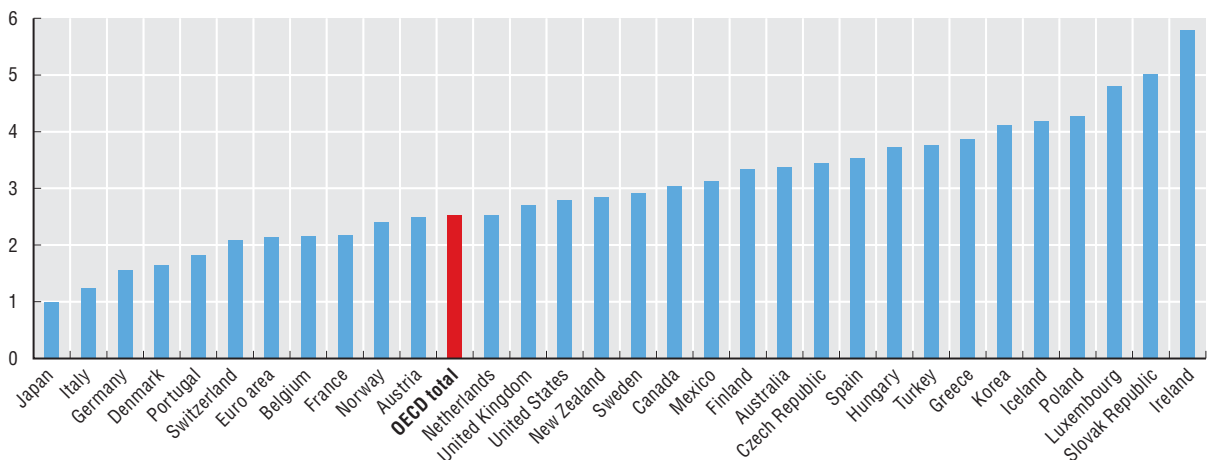
Annual growth rates in percentage

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	4.1	3.9	4.5	5.2	4.0	1.9	3.8	3.2	4.0	2.8	3.0	3.3	3.7	2.3 e
Austria	2.5	2.2	2.1	3.6	3.3	3.7	0.5	1.6	0.8	2.5	2.5	3.5	3.5	2.0
Belgium	2.4	1.2	3.5	1.7	3.4	3.7	0.8	1.5	1.0	3.0	1.8	3.0	2.8	1.1
Canada	2.8	1.6	4.2	4.1	5.5	5.2	1.8	2.9	1.9	3.1	2.9	3.1	2.7	0.4 e
Czech Republic	5.9	4.0	-0.7	-0.8	1.3	3.6	2.5	1.9	3.6	4.5	6.3	6.8	6.1	2.5
Denmark	3.1	2.8	3.2	2.2	2.6	3.5	0.7	0.5	0.4	2.3	2.4	3.3	1.6	-1.2
Finland	3.9	3.7	6.2	5.2	3.9	5.1	2.7	1.6	1.8	3.7	2.8	4.9	4.2	1.0
France	2.1	1.1	2.2	3.5	3.3	3.9	1.9	1.0	1.1	2.5	1.9	2.2	2.3	0.4
Germany	1.9	1.0	1.8	2.0	2.0	3.2	1.2	0.0	-0.2	1.2	0.8	3.2	2.5	1.3
Greece	2.1 e	2.4 e	3.6 e	3.4 e	3.4 e	4.5 e	4.2	3.4	5.9	4.6	2.2	4.5	4.5	2.0
Hungary	1.5	1.0	4.3	5.2	4.2	4.9	4.1	4.4	4.3	4.9	3.5	4.0	1.0	0.6
Iceland	0.1	4.8	4.9	6.3	4.1	4.3	3.9	0.1	2.4	7.7	7.4	4.5	5.5	0.3
Ireland	9.6	8.1	11.5	8.4	10.7	9.4	5.7	6.5	4.4	4.6	6.2	5.4	6.0	-3.0
Italy	2.8	1.1	1.9	1.4	1.5	3.7	1.8	0.5	-0.0	1.5	0.7	2.0	1.6	-1.0
Japan	2.0	2.7	1.6	-2.0	-0.1	2.9	0.2	0.3	1.4	2.7	1.9	2.0	2.4	-0.7 e
Korea	9.2 e	7.0 e	4.7 e	-6.9 e	9.5 e	8.5 e	4.0	7.2	2.8	4.6	4.0	5.2	5.1	2.2
Luxembourg	1.4	1.5	5.9	6.5	8.4	8.4	2.5	4.1	1.5	4.4	5.4	5.6	6.5	0.0
Mexico	-6.2 e	5.2 e	6.8 e	5.0 e	3.8 e	6.6 e	-0.0 e	0.8 e	1.4 e	4.0	3.3	5.0	3.4	1.3 e
Netherlands	3.1	3.4	4.3	3.9	4.7	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.6	2.0
New Zealand	4.2	3.5	1.7	0.5	5.3	2.4	3.6	4.9	4.3	3.8	3.0	1.8	3.1	-1.1 e
Norway	4.2	5.1	5.4	2.7	2.0	3.3	2.0	1.5	1.0	3.9	2.7	2.3	3.1	2.1
Poland	7.0	6.2	7.1	5.0	4.5	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.0
Portugal	4.3	3.6	4.2	4.9	3.8	3.9	2.0	0.8	-0.8	1.5	0.9	1.4	1.9	-0.0
Slovak Republic	5.8	6.9	4.4	4.4	0.0	1.4	3.4	4.8	4.7	5.2	6.5	8.5	10.4	6.4
Spain	2.8	2.4	3.9	4.5	4.7	5.0	3.6	2.7	3.1	3.3	3.6	4.0	3.6	0.9
Sweden	4.0	1.5	2.5	3.8	4.6	4.4	1.1	2.4	1.9	4.1	3.3	4.2	2.6	-0.2
Switzerland	0.4	0.6	2.1	2.6	1.3	3.6	1.2	0.4	-0.2	2.5	2.6	3.6	3.6	1.8
Turkey	7.2 e	7.0 e	7.5 e	3.1	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.7	0.9
United Kingdom	3.0	2.9	3.3	3.6	3.5	3.9	2.5	2.1	2.8	2.8	2.1	2.8	3.0	0.7
United States	2.5	3.8	4.5	4.4	4.9	4.2	1.1	1.8	2.5	3.6	3.1	2.7	2.1	0.4
Euro area	..	1.6	2.6	2.8	2.9	3.9	1.9	0.9	0.8	2.2	1.7	3.0	2.8	0.7
OECD-Total	2.5 e	3.1 e	3.6 e	2.7 e	3.5 e	4.2 e	1.3 e	1.7 e	2.0 e	3.2	2.7	3.1	2.8	0.6 e

StatLink  <http://dx.doi.org/10.1787/740522845022>

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

Average annual growth rates between 1998 and 2008



StatLink  <http://dx.doi.org/10.1787/738560831304>

3. GDP per capita

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

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

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

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

Definition

The definition for GDP is described in section 1 and population estimates are described in the Reader Notes section.

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

Comparability

Generally, particularly because all countries follow the 1993 *System of National Accounts*, the comparability of population and GDP estimates across countries is good (see Section 1). However, some care is needed in

interpretation, for example Luxembourg and, to a lesser extent, Switzerland have a relatively large number of frontier workers. Such workers contribute to GDP but are excluded from the population figures, which is one of the reasons why cross-country comparisons of income per capita based on gross or net national income (GDI and NNI) are often preferred, see Chapter 2 on Income. (See also “Reader’s Guide”, relating to PPP based comparisons.)

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), “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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- OECD (2002), *Measuring the Non-Observed Economy: A Handbook*, International Labour Office/International Monetary Fund/International Statistical Committee of the Commonwealth of Independent States, OECD Publishing, <http://dx.doi.org/10.1787/9789264175358-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF, Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

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

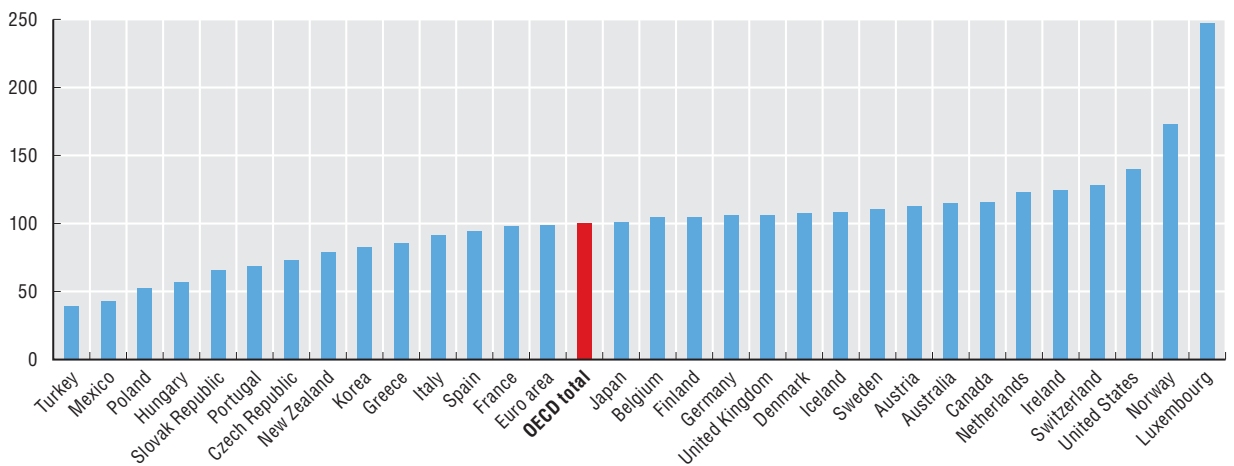
Based on current PPPs

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	110	109	109	111	113	111	112	114	116	115	114	113	114	115 e
Austria	120	119	116	117	117	117	114	116	116	115	112	112	113	113
Belgium	114	111	111	109	109	112	112	115	112	110	108	107	107	105
Canada	116	114	114	115	117	116	116	115	116	116	118	117	117	116 e
Czech Republic	65	67	64	63	62	61	64	65	67	68	68	70	73	73
Denmark	117	117	117	118	116	118	116	118	113	114	112	111	109	108
Finland	96	94	98	102	102	105	105	106	103	106	103	104	105	105
France	103	102	101	103	102	103	105	107	102	100	100	98	99	98
Germany	115	113	110	109	109	106	106	106	107	106	105	105	104	106
Greece	75	74	75	74	74	75	79	83	85	85	83	84	86	86
Hungary	46	46	47	49	49	49	54	57	57	58	57	57	57	57
Iceland	118	118	121	125	124	118	120	119	115	119	118	112	110	108
Ireland	91	95	101	108	112	117	121	127	129	129	130	133	136	125
Italy	108	106	105	107	105	104	107	103	101	97	95	94	93	92
Japan	115	115	113	108	105	104	103	103	102	103	102	102	102	101 e
Korea	68 e	70 e	71 e	64 e	68 e	70	72	75	75	77	77	79	81	83
Luxembourg	198	196	189	194	211	218	213	221	226	230	230	243	250	248
Mexico	38 e	39 e	40 e	40 e	40 e	41 e	40 e	40 e	41	41	42	43	43	43 e
Netherlands	110	110	112	115	116	120	122	123	118	117	118	118	119	123
New Zealand	87	86	85	84	86	84	85	85	85	85	83	82	82	79 e
Norway	120	127	130	123	129	147	147	142	143	149	159	166	162	173
Poland	38	40	41	43	43	43	43	44	45	46	46	47	49	53
Portugal	67	66	67	68	70	70	70	71	70	68	69	69	69	69
Slovak Republic	42	44	45	46	45	45	48	50	51	52	54	57	61	66
Spain	81	82	82	85	86	87	89	92	92	92	92	94	96	94
Sweden	111	110	109	109	111	113	111	111	112	113	109	110	111	111
Switzerland	136	133	132	133	130	129	127	128	124	122	119	122	125	128
Turkey	35 e	36 e	38 e	38	35	36	32	32	31	34	36	38	39	40
United Kingdom	100	102	104	105	105	106	109	111	111	112	110	109	108	107
United States	140	141	141	142	144	143	142	141	142	142	143	142	141	140
Euro area	102	101	100	101	100	100	102	102	101	100	99	99	99	99
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

StatLink  <http://dx.doi.org/10.1787/740577530321>

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

Based on current PPPs, 2008



StatLink  <http://dx.doi.org/10.1787/738633261342>



Income

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

4. National income

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

Definition

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

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

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

Note that retained earnings of foreign enterprises owned by residents may not actually return to the residents concerned, and, in some countries, there are restrictions on the repatriation of profits. Receipt of retained earnings is an imputation, and, since there is no actual transaction, it is necessary to impute an outflow of the same amount. The imputed outflow is treated as a financial transaction (a reinvestment of earnings abroad) and not as an outflow of property

income. Countries with large stocks of outward foreign direct investment may be shown as having large receipts of property income from abroad and therefore high GNI even though much of the property income may never actually be returned to the country but instead add to foreign direct investment.

Comparability

Both measures, GNI and NNI, are compiled according to the definitions of the 1993 *System of National Accounts*. There are, however, 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 (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), "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

- OECD (2010), *Handbook on Deriving Capital Measures of Intellectual Property Products*, OECD, Paris.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF, Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

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

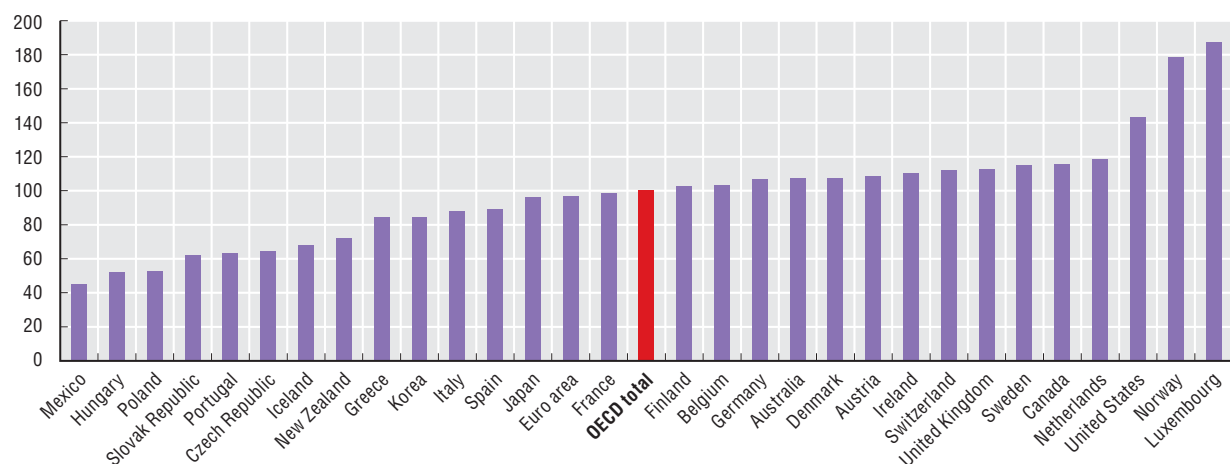
Based on current PPPs

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	103	102	102	104	106	104	106	108	110	108	106	105	106	107 e
Austria	116	116	112	113	112	112	108	112	112	111	108	107	108	109
Belgium	116	112	112	110	109	113	112	114	112	108	106	105	106	103
Canada	112	110	110	110	113	113	112	112	114	114	116	116	116	115 e
Czech Republic	60	61	58	57	55	54	56	57	59	59	61	62	64	64
Denmark	114	113	112	112	111	111	111	113	109	111	110	110	107	107
Finland	88	87	92	96	98	101	103	105	101	105	101	102	103	103
France	105	104	103	105	105	105	108	108	104	101	100	99	100	99
Germany	113	110	107	106	105	102	103	103	104	105	104	105	105	107
Greece	79 e	78 e	78 e	77 e	76 e	77	81	85	85	86	82	82	84	84
Hungary	42	41	41	43	43	44	48	52	53	53	52	52	51	52
Iceland	114	115	120	124	123	115	118	121	115	116	115	103	104	68
Ireland	85	89	93	99	98	102	104	107	113	113	113	117	120	110
Italy	105	104	103	104	102	102	105	100	99	94	92	90	89	88
Japan	108 e	109	106	101	98	97	96	96	95	95	95	94	95	96 e
Korea	70 e	71 e	71 e	62 e	66 e	69	72	76	76	77	76	78	82	84
Luxembourg	182	180	180	175	187	185	185	181	174	201	197	182	198	187
Mexico	38 e	39 e	40 e	40 e	41 e	42 e	41 e	41 e	42	42	43	44	44	45 e
Netherlands	111	110	112	111	116	121	121	122	118	119	116	119	120	119
New Zealand	81	78	78	78	79	77	79	80	80	79	75	74	74	72 e
Norway	116	123	126	118	125	144	146	142	143	150	161	167	165	179
Poland	37	39	41	42	43	43	43	44	44	45	45	46	48	53
Portugal	65	64	65	66	67	66	66	67	67	64	65	63	64	63
Slovak Republic	39	41	42	43	41	40	44	46	44	46	49	52	56	62
Spain	82	81	81	84	85	85	87	90	90	89	88	89	91	89
Sweden	112	110	108	109	112	113	110	112	115	115	109	112	116	115
Switzerland	135	132	134	135	133	133	127	126	128	126	125	126	121	112
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	102	103	106	108	106	108	112	116	117	117	114	111	112	112
United States	145	145	145	148	149	149	147	145	146	147	147	147	144	143
Euro area	101	100	99	99	99	99	101	101	99	98	97	97	97	97
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

StatLink  <http://dx.doi.org/10.1787/740604488442>

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

Current PPPs, 2008

StatLink  <http://dx.doi.org/10.1787/738651650486>

5. Disposable income

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

Definition

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

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

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

Comparability

Both measures are compiled according to the definitions of the 1993 *System of National Accounts*. There are, however, practical difficulties in the measurement of the additional income components, such as remittances, that make up the difference between GDP and disposable income (including adjusted). It is for that reason that GDP per capita is the most widely used indicator of income or welfare, even though it is theoretically inferior, in that context, to measures of disposable income.

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

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

Table 5.1. Household gross adjusted disposable income per capita

US dollars at current PPPs

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Austria	18 099	18 506	18 519	19 258	20 181	22 121	22 037	23 492	24 102	25 296	24 999	26 926	28 314	29 733
Belgium	17 931	18 133	18 498	18 681	19 351	21 814	22 724	24 255	23 588	24 356	23 765	25 381	26 649	27 833
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	9 420	9 953	10 286	10 130	10 493	11 221	12 017	12 628	13 193	13 789	12 984	15 126	16 457	17 323
Denmark	15 722	16 284	16 700	17 550	17 530	18 662	19 066	20 630	20 121	21 165	21 711	22 440	23 190	24 027
Finland	12 756	13 000	13 867	14 432	15 340	16 733	17 343	18 834	19 171	20 655	21 570	22 060	23 375	24 603
France	16 807	17 254	17 887	18 554	19 272	21 401	22 843	24 872	23 954	24 923	24 341	26 281	27 719	28 819
Germany	18 411	18 999	19 227	19 480	20 315	21 581	22 427	23 451	24 162	24 923	25 344	26 997	27 730	28 985
Greece	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	8 238	8 256	8 473	8 838	9 123	9 875	10 717	12 022	12 324	13 023	12 374	14 002	13 959	14 133
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	17 411	17 975	19 353	19 944	20 794	21 904	26 253
Italy	17 151	17 698	18 089	18 486	18 894	20 312	22 085	22 079	22 115	22 381	22 862	23 646	24 369	25 007
Japan	..	16 856	17 161	17 278	17 574	18 556	18 656	19 794	20 339	21 238	22 491	23 434	24 343	..
Korea	..	..	..	..	..	11 675	11 960	12 654	13 323	14 207	14 749	15 528	16 288	17 008
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	15 078	15 740	16 645	17 503	18 357	20 461	21 913	23 475	22 322	23 153	22 511	25 085	26 596	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	15 954	16 937	17 702	18 631	19 136	20 830	21 269	23 735	24 968	26 325	28 655	27 249	28 377	..
Poland	6 677	7 138	7 719	8 169	8 593	9 277	9 762	10 353	10 399	10 969	10 786	11 959	12 856	..
Portugal	10 619	10 994	11 401	11 768	12 659	14 004	14 657	15 422	15 554	16 139	17 283	17 876	18 317	19 356
Slovak Republic	5 768	7 145	8 011	8 353	8 232	8 799	9 695	10 689	10 415	10 953	11 021	12 793	14 315	..
Spain	..	..	..	..	..	17 011	18 027	19 819	19 808	20 677	20 707	22 578	23 492	..
Sweden	15 284	15 574	15 694	16 177	17 235	19 026	20 153	21 865	22 113	22 749	22 538	23 748	24 957	26 441
Switzerland	18 442	18 737	19 493	20 007	20 462	22 055	22 877	24 153	23 441	24 421	25 345	25 887	27 524	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	15 690	16 751	17 811	18 142	18 828	21 038	22 635	24 194	24 564	25 848	25 501	27 259	28 052	29 520
United States	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


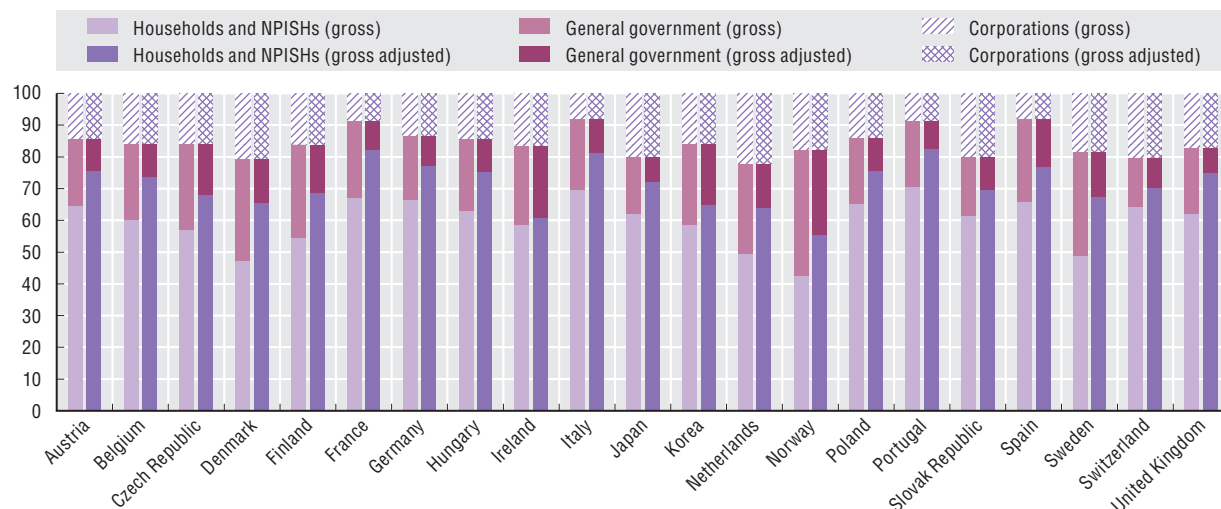

StatLink  <http://dx.doi.org/10.1787/740622777710>

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

Total economy = 100%, 2007

StatLink  <http://dx.doi.org/10.1787/738656053608>

6. Real measures of income

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

Definition

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

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

These trading gains or losses are equal to the current trade balance deflated by a single price index, minus real exports, plus real imports (where estimates of real exports and real imports are consistent with those used in real GDP). And so real GDI is equal to

final consumption (households, NPISH and general government final consumption) + real gross capital formation + the “real” trade balance.

Comparability

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), “*Aggregate national accounts: disposable income and net lending/borrowing*”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00002-en>.


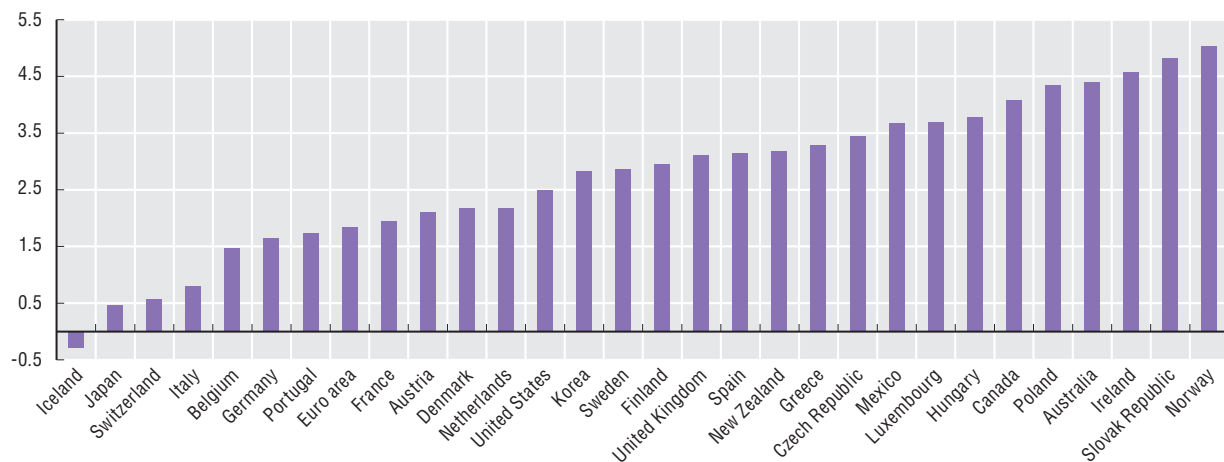

Further reading

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- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
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Table 6.1. Real net national income index

Year 2000 = 100

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	80	85	89	93	97	100	104	108	115	119	124	129	135	142 e
Austria	89	91	92	95	97	100	100	103	104	107	109	112	114	116
Belgium	90	90	93	95	97	100	99	101	102	104	105	108	112	109
Canada	80	81	85	87	92	100	100	102	106	112	118	123	127	..
Czech Republic	93	98	96	99	99	100	103	106	111	117	125	132	139	140
Denmark	87	90	93	95	97	100	101	102	103	108	113	118	117	117
Finland	76	79	86	92	96	100	104	106	106	111	112	117	120	118
France	86	88	90	94	97	100	102	102	103	106	107	109	112	111
Germany	93	94	94	96	98	100	101	101	102	105	106	110	112	113
Greece	86 e	88 e	92 e	95 e	97 e	100	105	109	114	119	120	125	130	131
Hungary	84	83	87	93	95	100	106	113	119	126	128	131	130	131
Iceland	76	80	86	94	97	100	103	107	107	112	122	120	130	83
Ireland	67	72	79	87	92	100	103	107	114	117	124	133	137	130
Italy	91	93	95	97	98	100	102	102	103	104	104	106	107	104
Japan	97 e	100	101	98	98	100	99	100	100	102	105	106	107	106 e
Korea	90 e	94 e	96 e	88 e	95 e	100	104	112	115	119	121	126	132	131
Luxembourg	81	84	89	89	97	100	102	101	100	119	125	122	137	133
Mexico	72 e	77 e	84 e	87 e	92 e	100	100 e	102 e	103	107	111	118	122	124 e
Netherlands	81	83	88	89	95	100	101	101	102	105	105	112	114	111
New Zealand	87	89	92	95	98	100	106	111	118	123	125	127	132	130 e
Norway	71	77	82	80	86	100	102	100	101	109	121	130	133	140
Poland	77	82	88	93	97	100	101	102	105	110	116	123	131	140
Portugal	84	86	90	95	99	100	102	104	104	105	105	105	..	..
Slovak Republic	86	89	95	99	97	100	103	108	107	115	125	136	150	160
Spain	83	85	88	92	97	100	103	107	111	113	117	121	124	124
Sweden	87	88	90	93	97	100	100	102	106	108	111	119	124	123
Switzerland	88	89	92	95	97	100	97	97	103	105	109	111	107	98
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	82	85	89	94	96	100	103	108	111	114	116	118	123	125
United States	79	82	87	92	96	100	101	102	104	108	112	115	116	114
Euro area	88	90	92	95	98	100	102	103	104	107	108	111	114	112
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/740633340728>Figure 6.1. Real net national income
Average annual growth rates between 1998 and 2008StatLink  <http://dx.doi.org/10.1787/738668232633>

7. Saving

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

Definition

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

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

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

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

Comparability

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

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), "Aggregate national accounts: disposable income and net lending/borrowing", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00002-en>.

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

Table 7.1. Net saving rate

Percentage of GDP

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	3.0	4.6	4.6	3.9	4.7	4.1	4.8	4.6	5.4	5.1	6.4	6.6	7.3	..
Austria	7.4	7.3	7.6	8.2	8.0	8.5	7.5	9.3	8.9	9.5	9.3	10.1	10.9	11.1
Belgium	11.2	9.9	11.3	10.8	11.3	11.1	9.1	8.8	7.9	8.5	8.4	9.6	9.9	6.9
Canada	5.4	5.6	6.4	5.7	7.5	10.8	8.9	7.7	8.0	10.0	11.0	11.7	11.0	..
Czech Republic	8.8	7.7	4.2	6.5	4.3	4.2	4.0	2.5	0.9	2.9	5.4	6.8	7.1	4.6
Denmark	4.9	4.9	5.7	4.8	5.7	6.8	7.4	6.6	6.6	7.0	9.3	9.6	7.7	7.8
Finland	4.5	3.9	7.9	9.9	11.3	13.4	14.0	13.4	10.3	11.8	10.4	11.7	12.0	9.2
France	6.8	6.4	7.7	8.9	9.6	9.2	8.6	7.0	6.3	6.0	5.5	6.0	6.5	5.0
Germany	6.4	5.8	5.9	6.1	5.5	5.2	4.5	4.4	4.5	7.1	7.1	9.5	11.4	11.1
Greece	-0.2 e	-0.2 e	-0.2 e	-0.2 e	-0.2 e	-0.1	0.2	-1.8	-0.2	0.2	-3.0	-3.2	-4.4	-5.1
Hungary	0.3	3.2	4.5	5.2	2.1	3.8	4.2	3.0	1.0	2.7	1.2	1.7	2.5	1.7
Iceland	2.9	4.0	5.8	5.9	3.1	1.2	4.8	7.7	3.0	2.0	0.5	-2.7	-0.7	-25.4
Ireland	10.5	11.8	13.7	15.6	14.2	13.9	11.8	10.5	13.2	13.6	13.3	14.8	12.2	7.2
Italy	7.5	7.8	7.8	7.0	6.5	5.9	6.2	5.8	4.7	5.1	4.0	4.0	4.3	2.0
Japan	10.9 e	11.0	11.0	9.4	7.8	7.8	5.6	4.9	4.6	4.7	6.0	6.0	6.3	..
Korea	24.0 e	22.5 e	21.8 e	21.8 e	20.0 e	19.1	17.5	17.5	18.8	21.1	18.8	17.5	17.6	17.6
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	10.8 e	16.0 e	19.0 e	14.0 e	14.6 e	15.2 e	11.3 e	12.1 e	12.6	15.0	14.8	17.1	16.4	..
Netherlands	12.4	11.9	13.7	10.8	12.5	13.7	12.0	10.8	10.4	12.6	11.8	14.5	13.8	10.3
New Zealand	3.9	3.0	2.6	1.9	1.8	2.9	5.4	5.2	5.2	4.4	2.1	1.0	1.6	..
Norway	10.1	12.8	14.9	10.9	13.5	21.9	21.2	17.2	16.5	19.2	24.7	27.0	26.4	29.7
Poland	6.0	5.7	6.4	7.7	6.6	6.2	4.8	2.9	3.3	2.8	5.2	5.3	7.3	..
Portugal	4.5	3.9	3.9	4.7	3.7	1.3	0.8	0.6	0.1	-1.1	-3.8	-4.8	-4.1	-6.8
Slovak Republic	6.5	4.2	4.6	3.9	3.2	2.8	1.8	1.0	-2.2	-0.0	1.0	2.2	5.8	5.8
Spain	8.7	8.4	9.0	9.5	9.2	8.6	8.3	8.8	9.0	7.5	6.8	6.4	5.3	3.5
Sweden	9.6	9.0	9.2	9.7	9.7	10.3	9.5	9.2	10.8	10.8	11.1	14.6	16.5	15.2
Switzerland	12.2	11.5	13.8	15.0	15.5	17.1	13.2	10.8	14.8	15.0	18.0	17.9	14.0	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	3.8	4.1	5.6	6.8	4.4	3.6	4.1	4.0	4.1	3.7	3.6	3.0	4.2	3.7
United States	4.9	5.7	7.0	7.4	6.8	6.4	4.4	2.5	1.8	2.4	2.8	3.8	1.9	-0.3
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


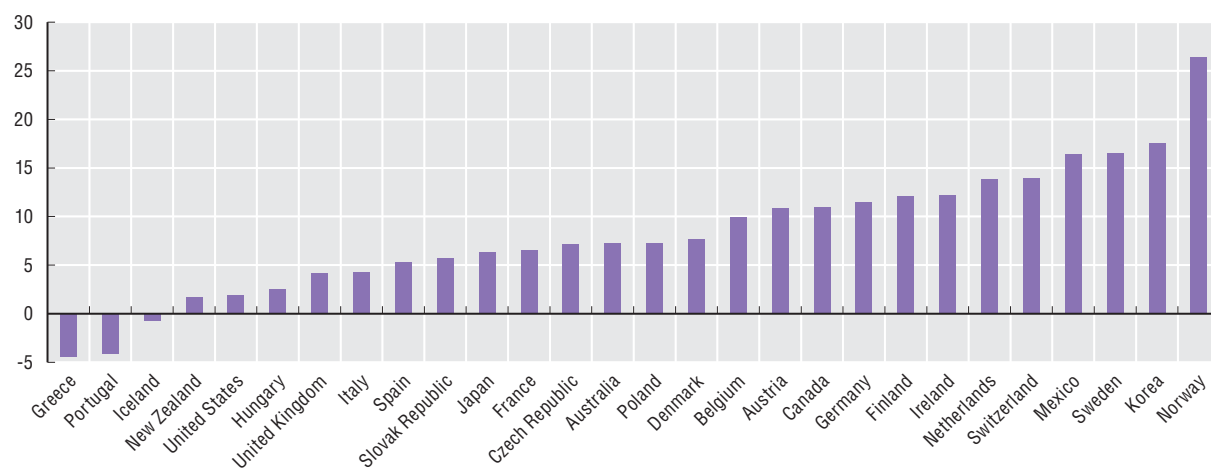
StatLink  <http://dx.doi.org/10.1787/740646343341>

Figure 7.1. Net saving rate

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/738677100054>

8. Household saving rate

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

Definition

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

Household disposable income consists essentially of income from employment and from the operation of unincorporated enterprises, plus receipts of interest, dividends and social benefits minus payments of current taxes, interest and social contributions. Note that enterprise income includes imputed rents paid by owner-occupiers of dwellings, see also Section 5.

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

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

Comparability

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

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

In the data and charts that follow, households include households plus non-profit institutions serving households.

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

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Table 8.1. Household net saving rate

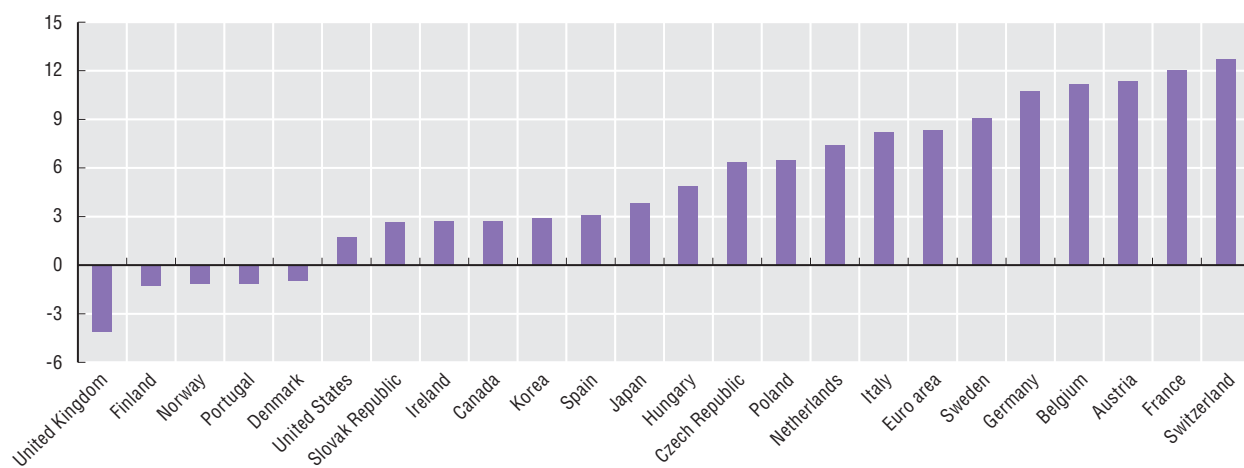

Percentage of household disposable income

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	6.4	6.2	2.9	1.9	1.8	2.2	0.6	-2.7	-3.2	-2.1	-0.2	0.8	..	..
Austria	11.8	9.3	7.7	8.5	9.8	9.2	8.0	8.0	9.1	9.3	9.7	10.8	11.3	12.0
Belgium	16.4	14.3	13.2	12.7	13.1	12.3	13.7	12.9	12.2	10.8	10.0	10.9	11.2	11.5
Canada	9.4	7.2	5.0	4.9	4.1	4.8	5.3	3.5	2.7	3.2	2.1	3.2	2.7	..
Czech Republic	10.0	6.1	6.0	4.1	3.4	3.3	2.2	3.0	2.4	0.5	3.2	4.8	6.3	5.8
Denmark	1.3	0.9	-1.6	0.0	-3.3	-1.9	3.7	4.1	4.1	0.7	-1.5	0.4	-1.0	-0.3
Finland	3.9	0.4	2.0	0.6	2.1	-0.1	0.2	0.6	1.4	2.5	0.7	-1.4	-1.2	..
France	12.6	11.7	12.6	12.2	11.9	11.8	12.5	13.7	12.5	12.4	11.4	11.4	12.0	11.6
Germany	11.0	10.6	10.1	10.1	9.5	9.2	9.4	9.9	10.3	10.4	10.5	10.6	10.8	11.2
Greece	..	..	..	..	..	-6.0	-7.5	-8.0	-7.3	-7.2	-8.0	-7.3	..	..
Hungary	14.4	15.6	14.2	13.5	9.9	8.9	8.5	6.4	4.3	6.8	6.1	7.5	4.6	3.0
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	5.4	5.4	8.3	5.6	3.8	2.7	4.1
Italy	17.0	17.9	15.1	11.4	10.2	8.4	10.5	11.2	10.3	10.2	9.8	9.1	8.2	8.6
Japan	..	11.4	10.9	11.7	10.2	8.8	5.1	5.1	3.9	3.6	3.8	3.6	3.8	..
Korea	..	..	..	..	..	9.3	5.2	0.4	5.2	9.2	7.2	5.2	2.9	2.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	14.0	12.4	13.0	12.0	8.9	6.7	9.5	8.4	7.5	7.3	6.3	5.2	7.4	..
New Zealand	-3.5	-2.5	-4.6	-4.2	-5.2	-3.7	..	..	..	..	..	..	..	..
Norway	4.8	2.6	3.0	5.7	4.7	4.3	3.1	8.2	8.9	7.2	10.1	0.1	-1.2	..
Poland	14.6	11.7	11.7	12.1	11.0	10.2	12.0	8.2	7.6	7.7	7.4	6.2	6.5	..
Portugal	6.9	5.5	4.3	4.0	3.3	3.8	4.6	4.1	4.0	3.1	2.5	1.1	-1.2	-0.9
Slovak Republic	5.2	8.9	9.4	7.7	6.3	6.1	3.9	3.6	1.4	0.7	1.4	0.7	2.6	..
Spain	..	..	..	..	..	5.9	5.6	5.6	6.0	4.9	4.7	4.2	3.0	..
Sweden	9.5	7.3	4.9	4.0	3.6	4.8	9.3	9.1	9.0	7.7	6.8	7.8	9.1	12.1
Switzerland	12.7	10.9	10.7	10.7	10.8	11.6	11.9	10.7	9.4	9.0	10.1	11.4	12.7	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	6.7	5.7	5.8	3.4	0.9	0.1	1.5	-0.0	0.4	-1.6	-1.2	-2.8	-4.1	-4.4
United States	5.7	5.1	4.8	5.4	3.2	3.0	2.8	3.6	3.8	3.4	1.5	2.5	1.7	2.7
Euro area	..	..	..	..	9.3	8.4	9.2	9.7	9.4	9.3	8.6	8.2	8.3	8.8
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/740663305300>

Figure 8.1. Household net saving rate

Percentage of household disposable income, 2007

StatLink  <http://dx.doi.org/10.1787/738705237025>

9. Net lending/net borrowing

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

Definition

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

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

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

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

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

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

Comparability

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

Online database

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

Table 9.1. Net lending/net borrowing by institutional sector

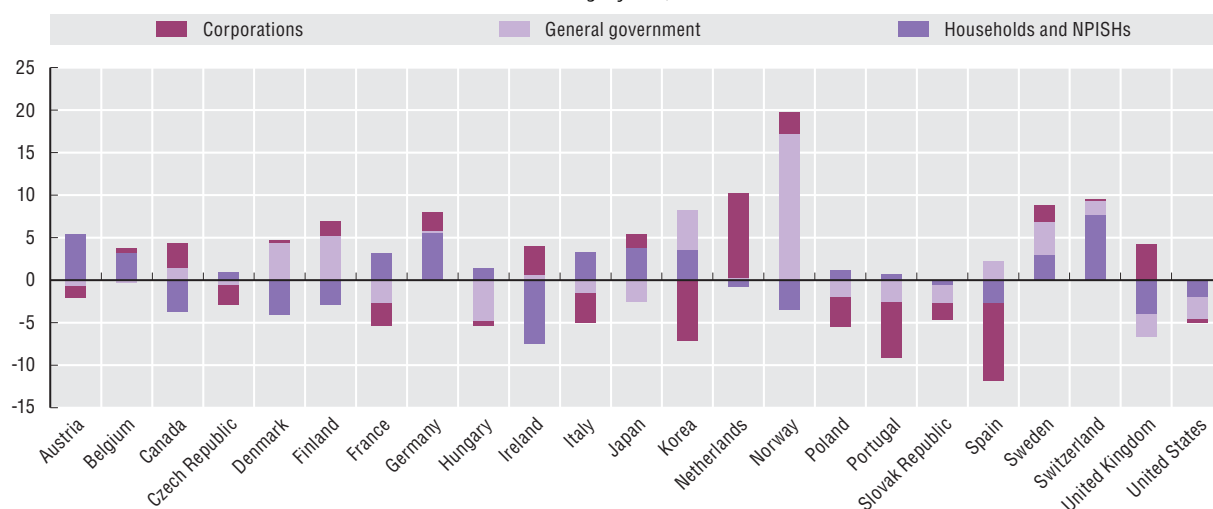

Percentage of GDP

	Total			Corporations			General government			Households and non profit institutions serving households		
	1997	2002	2007	1997	2002	2007	1997	2002	2007	1997	2002	2007
Australia	-3.6	-4.8	..	-2.4	-0.1	..	0.4	1.4	..	-1.7	-6.1	..
Austria	-2.4	2.5	3.3	-3.4	-0.3	-1.3	-2.0	-0.9	-0.7	2.9	3.7	5.4
Belgium	4.9	5.8	3.5	2.1	0.2	0.5	-2.3	-0.2	-0.2	5.0	5.8	3.2
Canada	-0.2	2.3	0.7	-0.7	4.0	3.0	0.2	-0.1	1.4	0.2	-1.7	-3.7
Czech Republic	-5.8	-4.7	-1.9	-4.5	1.2	-2.3	-3.8	-6.8	-0.6	2.6	0.8	0.9
Denmark	0.7	2.6	0.7	3.4	2.9	0.3	-0.5	0.2	4.4	-2.2	-0.5	-4.0
Finland	5.6	8.9	4.1	6.5	5.7	1.7	-1.3	4.1	5.2	0.4	-0.9	-2.8
France	2.6	0.8	-2.2	1.2	-1.4	-2.6	-3.3	-3.2	-2.7	4.8	5.4	3.1
Germany	-0.4	2.1	7.9	-1.1	1.1	2.1	-2.6	-3.7	0.2	3.3	4.7	5.6
Greece	..	-10.7	..	..	3.2	..	..	-4.8	..	..	-9.1	..
Hungary	..	-6.5	-5.3	..	1.9	-0.5	..	-8.9	-4.9	..	1.8	1.4
Iceland	..	..	..	..	..	..	0.0	-2.6	5.4	..	..	..
Ireland	..	0.1	-5.4	..	2.2	3.4	..	-0.1	0.6	..	-3.4	-7.5
Italy	3.1	-0.3	-1.7	-2.2	-2.7	-3.5	-2.7	-3.0	-1.5	8.0	5.3	3.3
Japan	1.3	2.0	2.8	-0.1	8.0	1.6	-4.0	-8.0	-2.5	5.4	2.0	3.8
Korea	..	1.1	1.1	..	-2.4	-7.1	..	5.1	4.7	..	-1.7	3.6
Luxembourg	..	..	..	..	..	..	3.7	2.1	3.7	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	5.3	5.6	9.5	3.6	6.7	9.9	-1.2	-2.1	0.3	2.9	1.1	-0.7
New Zealand	..	..	..	..	..	..	1.4	3.7	4.9	-6.1	..	..
Norway	6.1	12.5	16.3	-1.1	1.2	2.6	7.6	9.2	17.2	-0.4	2.1	-3.5
Poland	-3.3	-2.2	-4.3	-4.5	-0.6	-3.4	-4.6	-5.0	-2.0	5.8	3.4	1.1
Portugal	-3.3	-6.7	-8.5	-1.7	-6.8	-6.5	-3.5	-2.9	-2.6	1.9	3.0	0.7
Slovak Republic	-9.5	-9.4	-4.6	-8.6	-0.4	-1.9	-6.3	-8.2	-2.2	5.4	-0.9	-0.6
Spain	..	-2.7	-9.6	..	-2.8	-9.1	..	-0.5	2.2	..	0.6	-2.7
Sweden	4.4	5.4	8.9	3.6	2.3	2.0	-1.6	-1.4	3.8	2.2	4.1	3.0
Switzerland	8.6	7.4	8.9	6.1	1.5	0.2	-2.8	-1.2	1.6	5.7	7.6	7.7
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	0.0	-1.6	-2.5	-0.8	1.4	4.2	-2.2	-1.9	-2.6	3.0	-1.2	-4.1
United States	-1.4	-4.1	-5.1	-0.2	1.1	-0.4	-0.8	-3.9	-2.7	-0.4	-1.2	-2.0
Euro area	..	..	..	..	..	..	..	-2.6	-0.7	..	3.7	2.2
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/740664313845>

Figure 9.1. Net lending/net borrowing by institutional sector

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/738721307688>





Expenditure

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

10. Household consumption

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

Definition

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

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

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

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

Comparability

All countries follow the 1993 SNA and so comparability of both concepts (household final consumption and household actual individual consumption) is good. However, cross-country comparisons of actual individual consumption provide a better basis to measure relative well-being across countries. This is because there are significant differences between countries regarding the proportion of expenditure on healthcare and education paid directly by households and the proportion paid on their behalf by government, which are financed for example through taxes and that do not form part of household final consumption.

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

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Further reading

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

10. Household consumption

Table 10.1. Household final and actual individual consumption

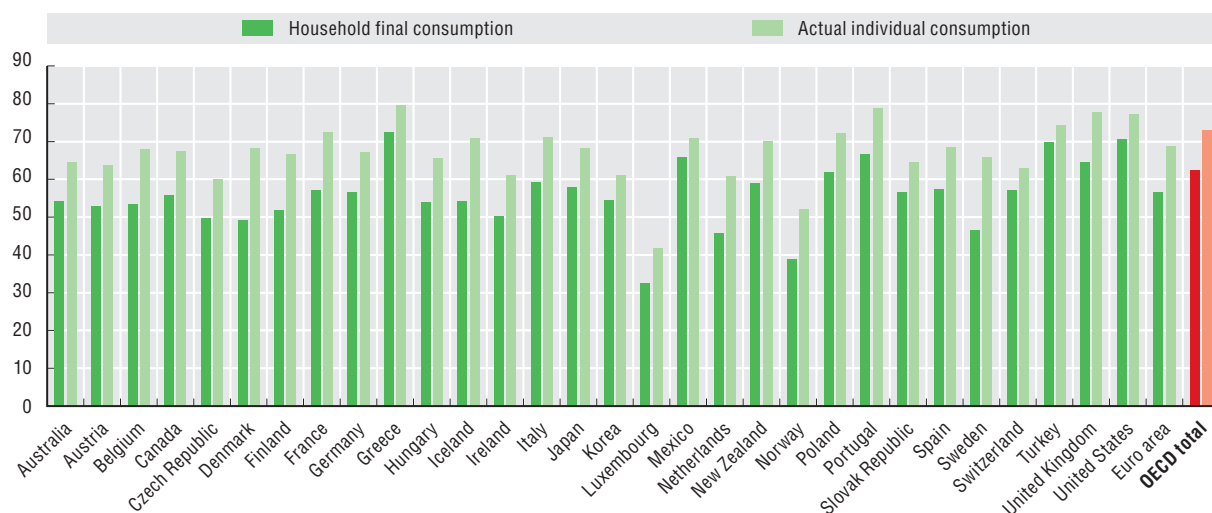
Percentage of GDP

	Household final consumption								Actual individual consumption							
	2002	2003	2004	2005	2006	2007	2008	2002	2003	2004	2005	2006	2007	2008		
Australia	59.0	58.6	58.0	56.6	55.9	55.4	54.2 e	69.6	69.2	69.0	67.3	66.4	65.9	64.5 e		
Austria	54.5	54.8	54.8	54.9	54.3	53.1	52.8	65.6	66.0	65.9	66.0	65.0	63.8	63.6		
Belgium	53.5	53.4	52.7	52.6	52.4	52.3	53.5	67.0	67.3	66.7	66.6	66.2	65.9	67.8		
Canada	56.9	56.6	55.8	55.3	55.4	55.5	55.7 e	68.7	68.4	67.4	66.8	67.1	67.3	67.5 e		
Czech Republic	51.2	51.7	50.3	49.1	48.5	47.7	49.7	62.5	63.2	61.5	60.1	59.2	58.0	60.0		
Denmark	47.5	47.6	48.2	48.2	48.7	49.0	49.1	65.7	66.2	66.8	66.5	67.0	67.3	68.2		
Finland	50.1	51.6	51.4	51.7	51.4	50.5	51.7	63.7	65.7	65.7	66.3	65.8	64.7	66.5		
France	55.9	56.4	56.6	56.9	56.8	56.6	57.1	70.9	71.8	72.0	72.3	72.0	71.7	72.3		
Germany	59.0	59.4	58.9	59.1	58.3	56.6	56.5	70.1	70.6	69.8	70.1	69.2	67.3	67.2		
Greece	72.9	70.7	70.0	71.9	72.6	71.9	72.5	79.0	77.1	76.3	78.9	79.6	79.0	79.6		
Hungary	54.3	56.0	54.6	55.4	53.9	53.7	54.0	65.9	68.8	66.9	68.0	66.5	65.2	65.7		
Iceland	54.9	57.2	57.1	59.5	58.4	58.0	54.2	71.7	74.8	74.1	76.0	74.8	74.5	70.8		
Ireland	46.8	46.7	46.1	46.0	46.0	46.8	50.1	56.4	56.5	56.2	55.8	55.9	57.1	61.2		
Italy	58.7	59.1	58.6	59.0	59.1	58.8	59.1	70.0	70.5	70.1	70.9	71.0	70.4	71.1		
Japan	57.6	57.5	57.1	57.0	57.1	56.3	57.8 e	67.7	67.5	67.1	67.1	67.1	66.4	68.1 e		
Korea	56.7	54.8	52.6	53.8	54.5	54.4	54.5	61.9	60.2	58.2	59.6	60.7	60.6	61.0		
Luxembourg	41.9	37.7	37.1	35.5	33.0	31.6	32.4	51.6	47.4	47.4	45.5	42.4	40.7	41.6		
Mexico	67.1 e	66.7	66.3	66.6	64.9	65.4	65.7 e	73.2 e	72.5	71.6	72.0	70.1	70.6	71.0 e		
Netherlands	50.1	49.9	49.4	48.8	47.2	46.3	45.7	63.2	63.5	62.9	62.1	62.0	61.4	60.8		
New Zealand	58.7	58.8	58.4	59.1	59.4	58.3	58.8 e	69.0	69.1	68.9	70.0	70.5	69.6	70.2 e		
Norway	45.6	46.4	45.1	42.5	40.8	41.4	38.9	59.3	60.6	58.8	55.5	53.4	54.4	51.9		
Poland	67.0	65.8	64.7	63.4	62.5	60.5	61.7	77.2	76.2	74.6	73.5	72.7	70.5	72.2		
Portugal	63.0	63.4	64.1	64.8	65.4	65.0	66.6	75.2	75.7	76.6	77.7	77.9	76.8	78.7		
Slovak Republic	57.6	56.6	57.1	57.2	56.8	55.9	56.5	66.4	64.8	64.6	64.7	64.4	63.6	64.4		
Spain	58.3	57.6	57.9	57.8	57.4	57.4	57.2	68.2	67.6	68.2	68.3	67.9	68.1	68.6		
Sweden	49.2	49.1	48.7	48.6	47.3	46.7	46.5	68.7	68.9	68.0	67.8	66.4	65.6	65.8		
Switzerland	60.4	60.7	60.3	60.0	58.4	57.0	57.0	66.8	67.5	66.9	66.6	64.7	63.1	63.0 e		
Turkey	68.0	71.2	71.3	71.7	70.5	71.3	69.8	72.6 e	75.6 e	75.5 e	75.9 e	74.9 e	75.8 e	74.3 e		
United Kingdom	65.8	65.1	64.7	64.7	64.1	63.9	64.4	77.9	77.8	77.1	77.5	77.2	76.9	77.8		
United States	70.2	70.4	70.1	70.1	69.9	70.1	70.5	76.5 e	76.8 e	76.4 e	76.4 e	76.2 e	76.5 e	77.2 e		
Euro area	57.2	57.4	57.2	57.4	57.0	56.3	56.5	69.3 e	69.7 e	69.4 e	69.6 e	69.1 e	68.2 e	68.8 e		
OECD-Total	62.9 e	63.0	62.7	62.7	62.4	62.1	62.5 e	73.9 e	73.5 e	73.1 e	72.0 e	72.2 e	72.0 e	73.1 e		

StatLink  <http://dx.doi.org/10.1787/740683805048>

Figure 10.1. Household final and actual individual consumption

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/738734130673>

10. Household consumption

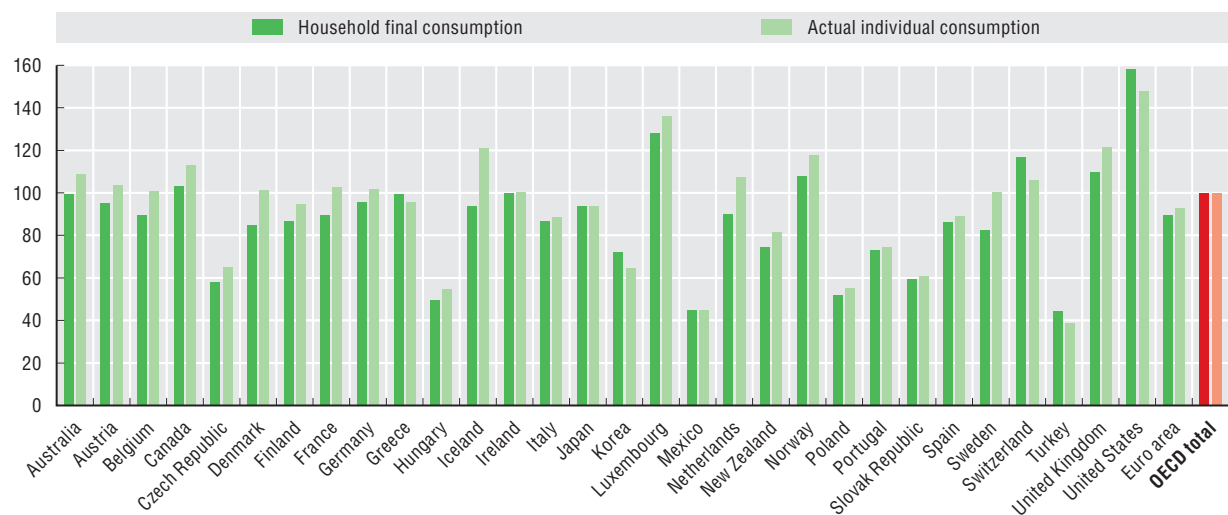
Table 10.2. Household final consumption, volume

	Annual growth rates in percentage													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	3.6	2.5	4.6	5.0	4.4	3.6	3.0	3.4	5.4	4.4	2.6	4.1	3.7	2.6 e
Austria	0.7	2.9	-0.1	2.1	1.9	2.8	1.1	1.2	1.0	2.2	2.1	1.8	0.8	0.8
Belgium	1.6	1.3	1.8	2.7	2.1	3.8	1.1	0.8	0.9	1.4	1.2	2.1	2.1	0.9
Canada	2.1	2.6	4.6	2.8	3.8	4.0	2.3	3.6	3.0	3.3	3.7	4.3	4.5	3.0 e
Czech Republic	5.9	8.4	2.2	-0.8	2.7	1.3	2.2	2.2	6.0	3.0	2.5	5.2	5.0	3.6
Denmark	1.6	2.2	3.0	2.3	-0.4	0.2	0.1	1.6	1.0	4.7	3.8	4.4	2.4	-0.2
Finland	4.3	3.9	3.4	4.3	3.0	2.3	2.8	2.2	4.8	3.0	3.3	4.1	3.3	1.9
France	1.7	1.6	0.4	3.9	3.5	3.6	2.6	2.4	2.0	2.5	2.6	2.4	2.5	1.0
Germany	2.2	1.3	0.8	1.5	3.0	2.4	1.9	-0.8	0.1	0.1	0.3	1.3	-0.4	0.4
Greece	2.5 e	2.4 e	2.7 e	3.5 e	2.5 e	2.0 e	5.0	4.7	3.3	3.6	4.6	5.3	3.3	2.3
Hungary	-7.3	-3.4	1.6	4.7	6.3	4.2	6.5	10.7	8.4	3.1	3.2	1.7	0.4	-0.5
Iceland	2.2	5.7	6.3	10.2	7.9	4.2	-2.9	-1.5	6.1	7.0	12.9	3.9	5.6	-7.7
Ireland	3.5	7.0	7.7	7.5	8.9	10.0	4.8	3.8	2.9	3.5	6.6	6.5	5.6	-0.7
Italy	1.5	1.0	3.2	3.5	2.6	2.4	0.7	0.2	1.0	0.8	1.2	1.3	1.2	-0.9
Japan	1.9	2.5	0.8	-0.9	1.0	0.7	1.6	1.1	0.4	1.6	1.3	1.5	0.7	0.6 e
Korea	9.9 e	6.7 e	3.3 e	-13.4 e	11.5 e	8.4 e	5.7	8.9	-0.4	0.3	4.6	4.7	5.1	0.9
Luxembourg	1.9	3.0	3.9	5.7	3.6	5.0	3.4	5.8	-5.3	2.2	2.6	2.7	2.8	3.9
Mexico	-9.5 e	2.2 e	6.5 e	5.4 e	4.3 e	8.2 e	2.5 e	1.6 e	2.2 e	5.6	4.8	5.7	3.9	1.5 e
Netherlands	2.7	4.3	3.5	5.1	5.3	3.7	1.8	0.9	-0.2	1.0	1.0	-0.3	1.8	1.3
New Zealand	4.0	4.4	2.4	3.1	3.3	1.4	2.8	4.9	6.6	5.1	4.6	2.8	3.2	-0.1 e
Norway	3.6	6.3	3.1	2.8	3.7	4.2	2.1	3.1	2.8	5.6	4.0	4.8	6.0	1.4
Poland	3.2	8.8	7.2	5.0	5.7	3.1	2.2	3.4	2.1	4.7	2.1	5.0	4.9	5.9
Portugal	0.6	3.2	3.7	5.0	5.3	3.7	1.3	1.3	-0.1	2.5	2.0	1.9	1.7	1.7
Slovak Republic	5.4	9.3	4.1	6.6	0.3	2.2	5.5	5.5	1.7	4.6	6.5	5.8	7.0	6.1
Spain	1.7	2.3	3.2	4.8	5.3	5.0	3.4	2.8	2.9	4.2	4.2	3.8	3.6	-0.6
Sweden	1.0	1.7	2.6	3.0	4.1	5.1	0.4	2.6	2.0	2.6	2.7	2.3	3.0	-0.3
Switzerland	0.6	1.1	1.4	2.2	2.3	2.4	2.3	0.1	0.9	1.6	1.7	1.6	2.4	1.7
Turkey	4.8 e	8.5 e	8.4 e	0.6	0.1	5.9	-6.6	4.7	10.2	11.0	7.9	4.6	5.5	-0.1
United Kingdom	1.9	3.9	3.8	4.3	5.2	4.7	3.1	3.6	3.0	2.9	1.9	2.1	3.1	1.4
United States	2.7	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.7	-0.3
Euro area	..	1.7	1.7	3.1	3.4	3.1	2.0	0.9	1.2	1.6	1.9	2.1	1.6	0.4
OECD-Total	..	3.1 e	3.1 e	3.2 e	4.2 e	4.1 e	2.3 e	2.4 e	2.3 e	3.0	2.9	2.8	2.5	0.5 e

StatLink  <http://dx.doi.org/10.1787/740687328850>

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

Current PPPs, 2008

StatLink  <http://dx.doi.org/10.1787/738758540684>

10. Household consumption

Table 10.3. Contribution to GDP growth by final demand components

	Household consumption			General government consumption			Gross fixed capital formation			Exports			Imports		
	1998	2003	2008	1998	2003	2008	1998	2003	2008	1998	2003	2008	1998	2003	2008
Australia	2.9	3.2	1.4	0.8	0.7	0.7	1.1	2.1	2.7	0.4	0.4	0.8	-1.0	-2.8	-2.5
Austria	1.2	0.5	0.4	0.5	0.2	0.6	0.9	1.0	0.2	3.3	0.7	0.5	-2.1	-2.0	0.4
Belgium	1.5	0.5	0.5	0.2	0.5	0.5	0.7	-0.1	1.1	4.4	2.4	1.9	-4.8	-2.3	-2.8
Canada	1.6	1.7	1.7	0.6	0.6	0.7	0.5	1.2	0.2	3.6	-0.9	-1.6	-1.9	-1.5	-0.3
Czech Republic	-0.4	3.1	1.7	-0.3	1.6	0.2	-0.3	0.1	-0.4	5.4	4.3	4.8	-4.8	-5.0	-3.5
Denmark	1.2	0.5	-0.1	0.9	0.2	0.4	1.6	-0.0	-1.1	1.6	-0.5	1.2	-3.0	0.7	-1.7
Finland	2.2	2.4	1.0	0.4	0.3	0.4	2.0	0.7	0.1	3.6	-0.7	3.4	-2.5	-0.9	-2.8
France	2.2	1.1	0.6	-0.2	0.5	0.3	1.3	0.4	0.1	2.1	-0.3	-0.1	-2.7	-0.3	-0.2
Germany	0.9	0.1	0.2	0.4	0.1	0.4	0.8	-0.1	0.6	2.2	0.9	1.4	-2.5	-1.7	-1.7
Greece	2.7	2.4	1.7	0.3	-0.2	0.1	1.9	2.7	-1.6	1.0	0.6	0.9	-2.7	-1.0	-0.1
Hungary	2.4	4.6	-0.3	-0.0	1.1	-0.2	2.5	0.5	0.1	9.0	3.9	4.5	-12.2	-6.0	-4.5
Iceland	5.9	3.4	-4.5	0.9	0.5	0.7	6.8	2.0	-6.1	0.9	0.6	2.5	-8.4	-3.9	8.2
Ireland	3.9	1.4	-0.3	0.8	0.3	0.2	2.8	1.4	-4.0	18.3	0.5	-0.9	-18.3	1.1	1.5
Italy	2.0	0.6	-0.5	0.1	0.4	0.1	0.8	-0.3	-0.6	0.6	-0.5	-1.1	-2.0	-0.3	1.3
Japan	-0.5	0.2	0.3	0.3	0.4	0.2	-2.0	-0.1	-1.2	-0.3	1.1	0.3	0.7	-0.4	-0.2
Korea	-7.2	-0.2	0.5	0.3	0.6	0.6	-7.9	1.3	-0.5	3.9	4.8	2.4	6.8	-3.5	-1.5
Luxembourg	2.5	-2.2	1.2	0.3	0.7	0.4	1.3	1.4	-0.0	13.5	9.5	2.7	-12.2	-8.4	-4.8
Mexico	3.4	1.5	1.0	0.2	0.1	0.1	2.0	0.1	1.1	3.3	0.7	0.4	-4.6	-0.2	-1.3
Netherlands	2.6	-0.1	0.6	0.6	0.7	0.5	1.5	-0.3	1.0	4.3	1.0	2.0	-5.2	-1.1	-2.5
New Zealand	1.8	3.9	-0.1	-0.1	0.8	0.7	-0.5	2.8	-1.2	0.8	0.3	-0.4	-0.6	-3.9	-0.6
Norway	1.4	1.3	0.6	0.7	0.4	0.8	3.0	0.0	0.8	0.3	-0.1	0.6	-2.9	-0.4	-1.3
Poland	3.2	1.4	3.6	0.3	0.9	1.4	3.1	-0.0	1.8	3.4	4.1	2.9	-5.1	-3.1	-3.5
Portugal	3.2	-0.1	1.1	1.1	0.0	0.1	3.0	-1.9	-0.2	2.4	1.1	-0.2	-5.2	0.3	-1.1
Slovak Republic	3.5	1.0	3.4	1.3	0.8	0.8	3.2	-0.7	1.8	11.8	11.3	2.7	-12.6	-5.8	-2.9
Spain	2.9	1.7	-0.3	0.6	0.8	1.0	2.5	1.5	-1.4	2.1	1.0	-0.3	-3.8	-1.8	1.7
Sweden	1.5	1.0	-0.1	0.9	0.1	0.4	1.3	0.2	0.5	3.7	1.8	1.0	-3.9	-1.4	-1.3
Switzerland	1.3	0.6	0.9	-0.1	0.2	-0.0	1.4	-0.3	0.1	1.7	-0.2	1.6	-2.6	-0.5	-0.2
Turkey	0.4	6.9	-0.0	0.8	-0.3	0.3	-1.0	2.4	-1.1	2.6	1.7	0.5	-0.5	-5.6	1.0
United Kingdom	2.7	2.0	0.9	0.2	0.7	0.7	2.3	0.2	-0.5	0.9	0.5	0.0	-2.6	-0.6	0.2
United States	3.5	2.0	-0.2	0.3	0.4	0.6	1.8	0.5	-0.8	0.3	0.2	0.6	-1.5	-0.6	0.5
Euro area	1.8	0.7	0.2	0.3	0.4	0.4	1.2	0.3	-0.1	2.4	0.5	0.5	-3.1	-1.1	-0.5
OECD-Total	2.0	1.4	0.3	0.3	0.4	0.5	0.8	0.4	-0.4	1.4	0.7	0.6	-1.7	-1.1	-0.2


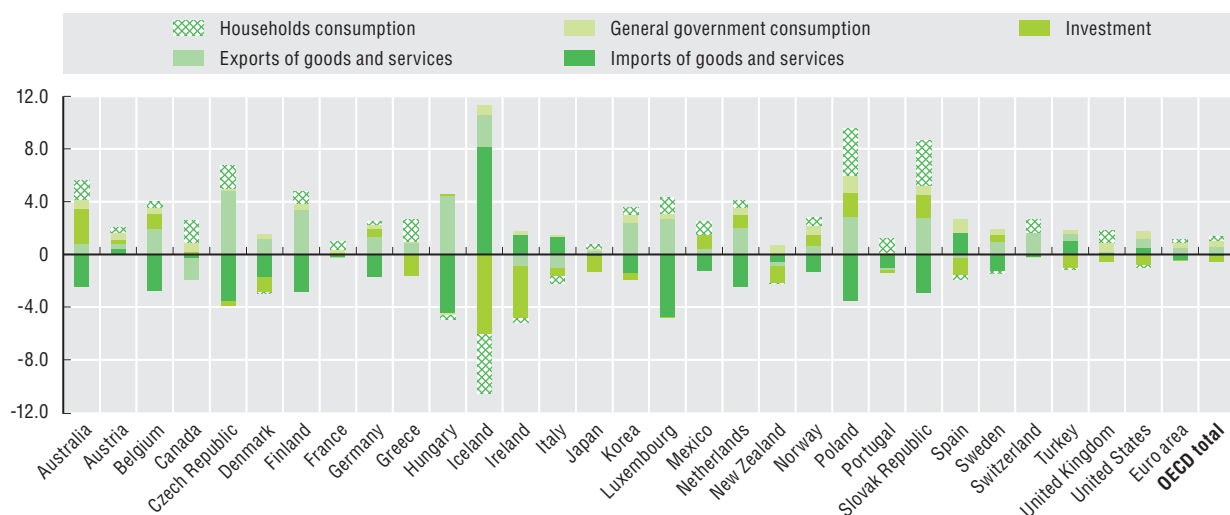
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Figure 10.3. Contribution to GDP growth by final demand components

Percentage, 2008

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11. General government final consumption

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

Definition

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

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

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

The borderline between individual and collective consumption is in some cases not completely clear. For example, expenditures incurred by Ministries of Health and Education at a national level are included in collective services, reflecting their role as producers of policy, standards and regulation. But expenditures on the administration or functioning of a group of

hospitals say are recorded as individual. To assist in this delineation the SNA provides guidance based on the Classification of the Functions of Government (COFOG). It states that all government final consumption expenditures under the following headings (*Health, Recreational and sporting services, Cultural services, Education and social protection*) should be treated as expenditures on individual services except for expenditures on general administration, regulation, research, etc.

Comparability

The comparability of general government final consumption across countries is high, as all countries follow the 1993 SNA. However interpretations of comparisons of general government final consumption across countries are enhanced when breakdowns between individual and collective consumption are provided (see also Section 5).

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

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11. General government final consumption

Table 11.1. General government final consumption expenditure

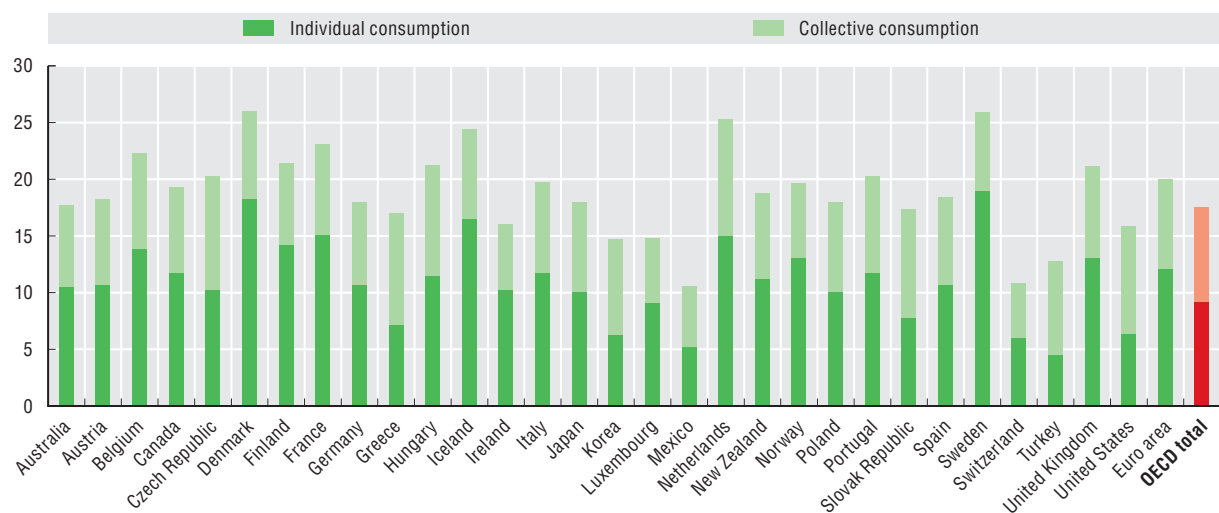

Percentage of GDP

	Individual consumption								Collective consumption							
	2002	2003	2004	2005	2006	2007	2008	2002	2003	2004	2005	2006	2007	2008		
Australia	10.7	10.6	10.9	10.7	10.5	10.5	..	7.4	7.3	7.2	7.2	7.3	7.2	..		
Austria	11.0	11.2	11.1	11.1	10.7	10.7	10.8	7.6	7.7	7.5	7.5	7.8	7.6	7.8		
Belgium	13.6	14.0	14.1	14.2	13.9	13.8	14.5	8.9	9.0	8.7	8.7	8.6	8.5	8.7		
Canada	11.8	11.8	11.7	11.5	11.8	11.8	..	7.7	7.8	7.5	7.5	7.5	7.6	..		
Czech Republic	11.3	11.6	11.2	11.0	10.7	10.3	10.3	11.0	11.9	10.9	11.0	10.6	10.0	10.1		
Denmark	18.2	18.5	18.6	18.3	18.3	18.3	19.1	8.0	8.0	8.0	7.8	7.6	7.7	7.6		
Finland	13.6	14.1	14.3	14.6	14.4	14.2	14.8	7.5	7.7	7.6	7.7	7.5	7.2	7.6		
France	15.0	15.4	15.4	15.4	15.2	15.1	15.2	8.4	8.3	8.4	8.3	8.1	8.0	8.0		
Germany	11.1	11.2	10.8	11.0	10.9	10.7	10.7	8.1	8.1	8.0	7.7	7.4	7.2	7.4		
Greece	6.0	6.4	6.4	7.0	7.0	7.2	7.1	12.3	10.7	10.8	10.0	9.4	9.8	9.8		
Hungary	11.6	12.8	12.4	12.7	12.6	11.5	11.7	10.4	10.6	9.9	9.9	10.2	9.7	9.9		
Iceland	16.8	17.6	16.9	16.5	16.4	16.5	16.6	8.6	8.5	8.2	8.1	8.0	7.9	7.9		
Ireland	9.6	9.8	10.1	9.8	9.9	10.2	11.1	5.3	5.1	5.1	5.4	5.5	5.8	6.4		
Italy	11.3	11.4	11.5	11.9	11.9	11.7	12.0	7.9	8.2	8.4	8.5	8.2	8.0	8.2		
Japan	10.0	10.0	10.0	10.1	10.0	10.1	..	7.9	8.0	8.0	7.9	7.8	7.9	..		
Korea	5.2	5.4	5.6	5.8	6.2	6.3	6.5	7.4	7.6	7.7	8.0	8.3	8.4	8.8		
Luxembourg	9.7	9.7	10.3	10.0	9.3	9.1	9.2	6.8	6.7	6.7	6.5	6.0	5.7	5.9		
Mexico	..	5.8	5.3	5.4	5.2	5.2	..	..	6.1	5.5	5.4	5.3	5.3	..
Netherlands	13.1	13.6	13.5	13.4	14.8	15.0	15.0	10.6	10.9	10.7	10.3	10.3	10.3	10.4		
New Zealand	10.3	10.4	10.5	10.9	11.1	11.2	..	6.9	7.0	7.0	7.2	7.5	7.5	..		
Norway	13.7	14.2	13.7	13.0	12.5	13.0	13.0	8.4	8.3	7.8	6.9	6.6	6.6	6.2		
Poland	10.2	10.4	9.9	10.1	10.2	10.0	10.5	7.7	7.8	7.7	8.0	8.1	7.9	8.1		
Portugal	12.2	12.3	12.5	12.8	12.5	11.8	12.1	7.9	8.0	8.1	8.6	8.2	8.5	8.6		
Slovak Republic	8.8	8.2	7.5	7.5	7.6	7.8	8.0	11.7	12.4	11.8	11.0	11.6	9.5	9.2		
Spain	9.9	10.0	10.3	10.6	10.5	10.7	11.3	7.3	7.4	7.5	7.5	7.5	7.7	8.1		
Sweden	19.5	19.8	19.3	19.2	19.1	18.9	19.4	7.7	7.7	7.5	7.2	7.2	7.0	7.1		
Switzerland	6.4	6.8	6.6	6.6	6.3	6.0	..	5.3	5.2	5.2	5.1	5.0	4.8	..		
Turkey	4.5 e	4.3 e	4.2 e	4.2 e	4.4 e	4.6 e	4.6 e	8.2 e	7.9 e	7.7 e	7.6 e	8.0 e	8.2 e	8.3 e		
United Kingdom	12.2	12.6	12.4	12.8	13.1	13.0	13.4	7.6	7.8	8.6	8.6	8.5	8.1	8.5		
United States	6.2	6.4	6.3	6.3	6.3	6.3	..	9.0	9.2	9.3	9.3	9.4	9.5	..		
Euro area	12.0	12.2	12.1	12.3	12.2	12.1	12.3	8.3	8.3	8.3	8.2	8.0	7.9	8.1		
OECD-Total	..	9.3 e	9.1 e	9.2 e	9.2 e	9.2 e	8.4 e	8.4 e	8.4 e	8.4 e	8.4 e	..		

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Figure 11.1. General government final consumption

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/738811605857>

12. Investment

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

Definition

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

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

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

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

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

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

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

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

Comparability

When the System of National Accounts was revised in 1993, the scope of GFCF was widened to include mineral exploration, computer software and enter-

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

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

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

Note on Table 12.2: "Dwellings" includes "Other buildings and structure" for Norway. Cultivated assets are not capitalised for Canada and USA. "Cultivated assets" is included in "Other machinery and equipment" for United Kingdom.

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

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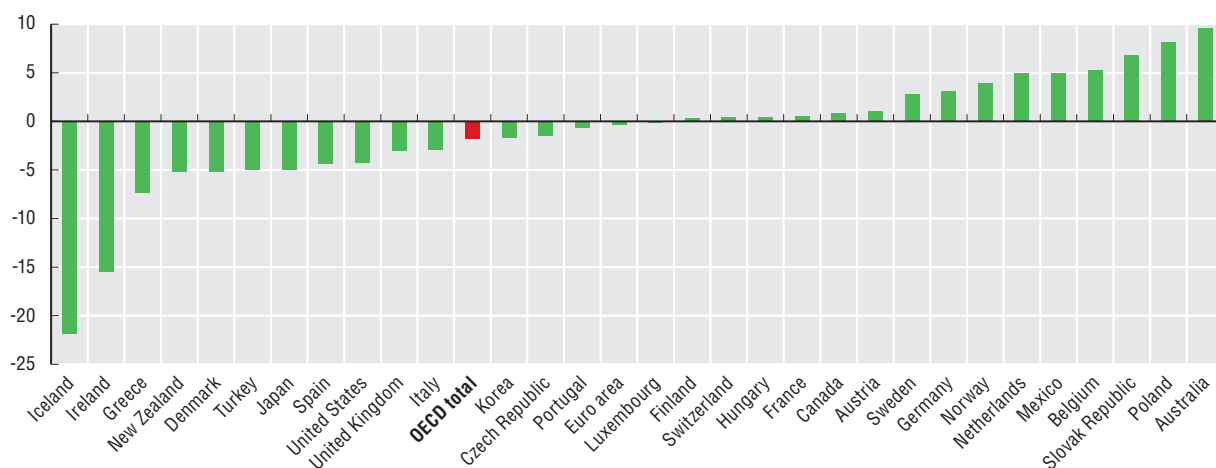

Table 12.1. **Gross fixed capital formation, volume**

Annual growth rates in percentage

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	2.3	7.7	9.7	4.5	8.3	-9.5	9.7	14.4	8.3	6.2	8.9	5.5	9.7	9.6 e
Austria	0.1	4.7	-0.0	3.6	1.0	5.5	-1.7	-4.4	4.7	0.7	1.2	2.4	3.8	1.0
Belgium	3.4	1.5	7.1	3.6	4.2	4.5	0.2	-2.2	-0.7	7.1	6.9	4.7	6.2	5.2
Canada	-2.1	4.4	15.2	2.4	7.3	4.7	4.0	1.6	6.2	7.8	9.2	7.1	3.9	0.9 e
Czech Republic	19.8	9.9	-5.7	-0.9	-3.3	5.1	6.6	5.1	0.4	3.9	1.8	6.0	10.8	-1.5
Denmark	11.9	5.8	10.3	8.2	-0.1	7.6	-1.4	0.1	-0.2	3.9	4.7	13.6	3.1	-5.1
Finland	13.3	6.4	13.7	11.1	2.7	6.0	4.3	-3.0	4.0	3.5	3.4	4.8	8.7	0.3
France	1.8	0.7	0.4	7.1	8.3	7.2	2.4	-1.7	2.2	3.6	4.4	4.2	6.6	0.6
Germany	-0.2	-0.5	1.0	4.0	4.8	3.0	-3.7	-6.1	-0.3	-0.3	0.9	7.8	5.0	3.1
Greece	4.1 e	8.4 e	6.8 e	10.6 e	11.0 e	8.0 e	4.8	9.5	11.8	1.4	-4.5	9.8	4.6	-7.4
Hungary	-4.3	3.8	6.5	11.5	6.0	7.2	4.7	10.5	2.1	7.9	5.7	-3.6	1.6	0.4
Iceland	-1.7	25.0	9.3	34.4	-4.1	11.8	-4.3	-14.0	11.1	28.1	35.7	21.7	-12.8	-21.8
Ireland	15.8	16.4	16.5	14.1	13.4	6.3	0.2	3.0	6.4	9.6	14.6	3.9	2.4	-15.5
Italy	6.9	2.3	1.6	4.2	3.9	6.3	2.7	3.7	-1.2	2.3	0.8	2.9	2.0	-3.0
Japan	0.9	4.6	-0.3	-7.2	-0.8	1.2	-0.9	-4.9	-0.5	1.5	3.1	0.5	1.1	-5.0 e
Korea	13.1 e	8.4 e	-2.3 e	-22.9 e	8.3 e	12.2 e	0.3	7.1	4.4	2.1	1.9	3.4	4.2	-1.7
Luxembourg	-1.5	4.9	10.4	6.1	22.0	-4.7	8.8	5.5	6.3	2.7	2.5	4.7	12.6	-0.1
Mexico	-29.0 e	16.4 e	21.0 e	10.3 e	7.7 e	11.4 e	-5.6 e	-0.6 e	0.4 e	8.0	7.5	9.8	7.2	4.9 e
Netherlands	5.9	8.5	8.5	6.8	8.7	0.6	0.2	-4.6	-1.6	-1.6	3.7	7.5	4.8	4.9
New Zealand	11.1	5.1	0.2	-2.4	10.6	0.4	6.8	7.8	12.9	7.6	5.2	-2.3	4.7 e	-5.2 e
Norway	3.9	10.2	15.8	13.7	-5.4	-3.5	-1.1	-1.1	0.2	10.2	13.3	11.7	8.4	3.9
Poland	16.6	19.7	21.8	14.0	6.6	2.8	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6	8.2
Portugal	6.6	5.6	14.3	11.7	6.2	3.5	1.0	-3.5	-7.4	0.2	-0.9	-0.7	3.1	-0.7
Slovak Republic	0.6	30.1	14.0	9.4	-15.7	-9.6	12.9	0.2	-2.7	4.8	17.6	9.3	8.7	6.8
Spain	7.8	2.6	5.0	11.3	10.4	6.6	4.8	3.4	5.9	5.1	7.0	7.2	4.6	-4.4
Sweden	10.0	4.7	-0.1	8.1	8.5	6.3	-0.5	-1.8	1.4	5.7	8.9	9.1	7.5	2.7
Switzerland	4.8	-1.7	2.1	6.4	1.5	4.2	-3.5	-0.5	-1.2	4.5	3.8	4.7	5.2	0.4
Turkey	9.1 e	14.1 e	14.8 e	-3.9	-16.2	17.5	-30.0	14.7	14.2	28.4	17.4	13.3	3.1	-5.0
United Kingdom	2.9	5.4	6.8	13.7	3.0	2.7	2.6	3.7	1.1	4.9	2.3	6.0	6.8	-3.1
United States	6.3	8.5	8.8	9.9	9.1	6.9	-1.1	-3.0	2.9	6.2	5.3	2.3	-1.4	-4.2
Euro area	..	1.8	2.8	6.0	6.1	4.8	0.6	-1.4	1.3	2.3	3.2	5.5	4.9	-0.3
OECD-Total	..	6.0 e	5.6 e	3.8 e	5.4 e	5.2 e	-0.7 e	-1.0 e	2.2 e	4.7	4.8	4.3	2.7	-1.8 e

StatLink  <http://dx.doi.org/10.1787/740772513757>Figure 12.1. **Gross fixed capital formation, volume**

Annual growth rates in percentage, 2008


StatLink  <http://dx.doi.org/10.1787/738857646153>

12. Investment

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

Percentage of total GFCF

	Dwellings		Other buildings and structures		Transport equipment		Other machinery and equipment		Cultivated assets		Intangible fixed assets	
	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007
Australia	23.2	21.7	29.2	35.7	11.2	9.7	23.7	20.2	0.9	0.8	6.6	6.0
Austria	27.2	21.9	29.5	31.6	9.7	12.0	29.3	26.3	0.2	0.3	4.2	7.9
Belgium	..	..	..	..	..	..	..	..	..	..	..	..
Canada	25.0	31.4	32.0	33.6	10.4	7.8	26.2	19.9	..	..	6.5	7.2
Czech Republic	11.0	15.2	42.1	35.1	7.4	15.4	36.3	29.2	0.8	0.5	2.4	4.6
Denmark	21.9	31.3	28.0	22.6	11.2	9.6	31.0	27.1	-0.0	0.0	8.0	9.3
Finland	24.3	28.3	30.2	36.5	7.9	6.4	30.9	20.0	0.3	0.2	6.5	8.7
France	30.7	32.1	28.3	30.9	7.1	7.9	25.6	20.4	0.5	0.3	7.7	8.5
Germany	35.3	29.1	26.0	21.7	8.5	13.5	25.6	29.6	-0.0	-0.0	4.6	6.1
Greece	38.4	35.6	29.7	18.3	10.1	15.0	20.5	26.5	0.2	0.2	3.5	4.5
Hungary	20.9	19.0	34.6	35.6	0.7	9.5	40.0	31.3	1.8	0.7	2.0	3.9
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	33.3	47.1	29.0	30.4	13.8	11.4	20.2	9.6	0.5	-0.1	3.3	1.6
Italy	22.9	24.0	25.7	27.3	9.5	9.8	37.4	34.7	0.1	0.1	4.3	4.1
Japan	18.1	14.8	39.1	37.4	6.8	8.4	31.8	33.2	0.1	0.1	6.2	8.8
Korea	17.3	16.9	44.7	44.6	8.1	7.1	26.1	25.2	..	..	3.6	6.2
Luxembourg	13.6	9.5	35.8	47.7	19.9	16.7	23.1	15.9	0.1	0.1	7.6	10.2
Mexico	..	27.0	..	38.4	..	10.1	..	24.5	..	0.0	..	..
Netherlands	26.5	32.1	24.3	25.9	9.0	8.4	30.6	23.9	1.1	0.4	8.5	9.3
New Zealand	27.8	28.6	26.1	29.4	10.4	10.3	29.5	24.7	..	..	6.3	7.1
Norway	62.2	68.7	..	..	12.4	8.9	19.3	15.6	..	..	3.1	3.4
Poland	10.8	14.1	42.6	42.4	9.3	10.6	33.9	29.0	0.5	0.2	2.8	3.8
Portugal	54.0	..	..	..	10.8	..	23.2	..	1.1	..	11.1	..
Slovak Republic	5.3	9.0	40.5	42.4	7.8	10.3	36.3	28.4	7.2	3.2	2.8	6.8
Spain	21.6	30.1	31.1	27.8	8.5	7.9	22.7	16.9	0.4	0.1	15.7	17.1
Sweden	9.1	17.6	28.9	24.7	7.5	9.2	41.4	32.4	0.6	0.3	12.5	15.7
Switzerland	20.5	21.1	18.3	14.6	7.2	6.5	49.1	49.9	0.2	0.2	4.7	7.8
Turkey	..	45.8	..	..	..	..	..	54.2	..	..	..	..
United Kingdom	17.3	22.5	29.9	37.1	9.1	6.2	37.2	27.8	..	..	6.5	6.5
United States	22.8	23.7	25.7	30.7	9.7	7.5	33.8	27.8	..	..	8.1	10.3
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/740803805630>Figure 12.2. **Investment in information and communication technologies (ICT)**

Percentage of total gross fixed capital formation

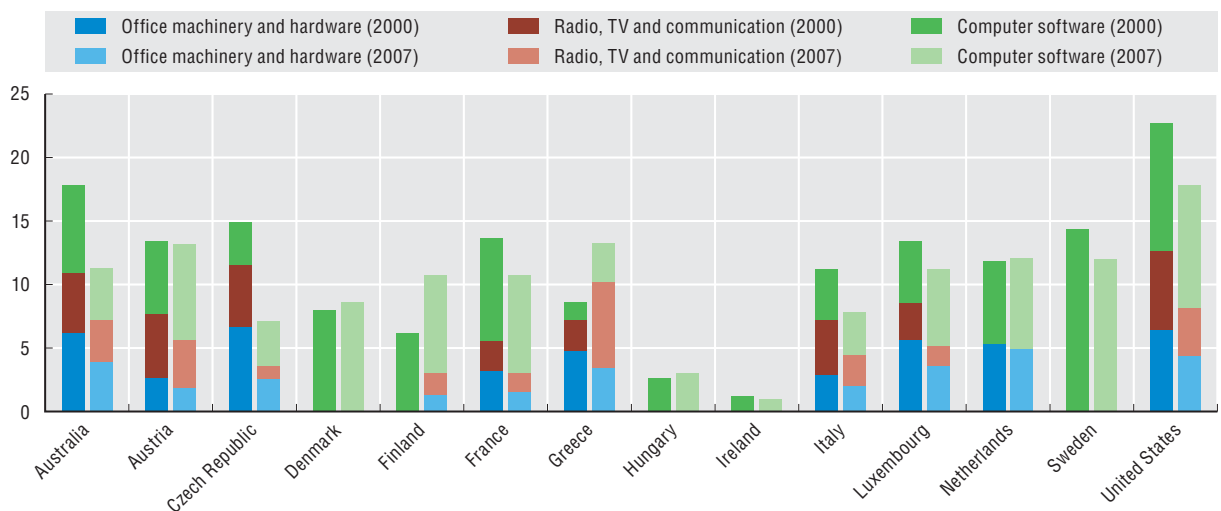
StatLink  <http://dx.doi.org/10.1787/738861251562>

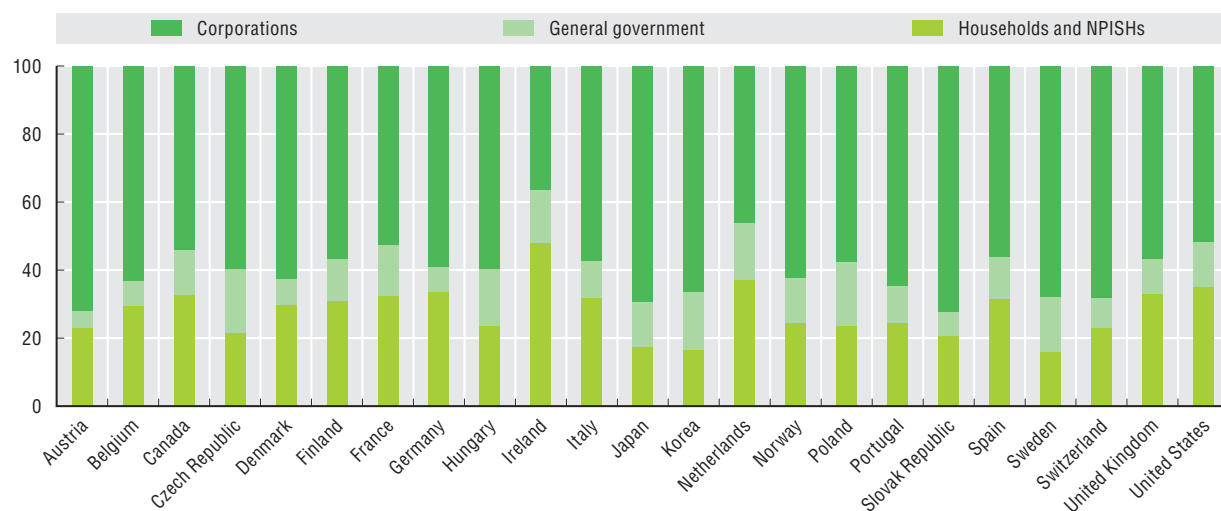

Table 12.3. **Gross fixed capital formation by institutional sector**

Percentage of total GFCF

	Corporations				General government				Households and non-profit institutions serving households			
	1995	1999	2003	2007	1995	1999	2003	2007	1995	1999	2003	2007
Australia	53.3	49.4	47.4	..	10.3	9.8	8.8	..	36.4	40.8	43.9	..
Austria	63.3	69.3	72.5	72.3	12.8	7.4	5.3	4.7	23.9	23.4	22.2	23.0
Belgium	56.4	61.2	63.0	63.3	9.6	9.4	8.8	7.4	34.0	29.4	28.2	29.3
Canada	55.0	60.8	54.1	54.3	15.0	11.8	12.6	13.2	30.1	27.4	33.3	32.6
Czech Republic	69.2	69.6	65.2	59.8	16.7	12.0	17.0	18.7	14.1	18.3	17.8	21.5
Denmark	68.1	64.4	66.9	62.5	9.6	8.4	8.2	7.9	22.3	27.2	24.8	29.6
Finland	59.3	55.8	54.2	57.0	16.2	14.5	16.0	12.4	24.6	29.6	29.8	30.7
France	50.7	53.7	53.0	52.5	17.6	15.6	16.3	15.2	31.7	30.7	30.7	32.2
Germany	50.6	54.3	56.5	59.1	10.0	8.8	8.7	7.5	39.4	37.0	34.7	33.3
Greece	..	..	34.1	..	..	..	14.9	..	..	..	51.0	..
Hungary	61.7	67.9	56.4	59.8	0.9	12.5	15.7	16.8	37.4	19.6	27.9	23.4
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	36.6	36.6	..	..	16.6	15.5	..	..	46.9	47.9
Italy	55.8	56.9	57.5	57.3	10.8	12.1	12.1	11.0	33.4	31.0	30.4	31.7
Japan	..	56.2	61.1	69.4	..	23.1	18.8	13.3	..	20.7	20.2	17.2
Korea	..	..	61.6	66.6	..	..	19.5	17.0	..	..	18.9	16.4
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	54.7	55.1	47.4	46.3	15.2	13.2	18.2	16.7	30.1	31.7	34.4	37.0
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	62.0	63.8	57.3	62.5	16.0	15.5	17.2	13.2	22.0	20.7	25.5	24.3
Poland	58.4	68.0	54.4	57.6	18.5	14.3	18.3	19.0	23.1	17.7	27.4	23.4
Portugal	52.2	56.5	59.7	65.0	16.8	15.1	13.6	10.6	31.0	28.4	26.7	24.5
Slovak Republic	76.9	71.3	67.3	72.4	9.5	9.9	10.4	7.2	13.6	18.8	22.3	20.4
Spain	..	..	55.4	56.2	..	..	13.2	12.4	..	..	31.4	31.5
Sweden	66.4	71.6	68.6	67.9	24.5	18.1	18.1	16.3	9.1	10.3	13.4	15.8
Switzerland	59.6	63.9	63.7	68.4	13.2	11.7	12.0	8.8	27.2	24.4	24.4	22.8
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	64.6	68.6	59.4	56.8	12.0	7.8	11.0	10.3	23.4	23.6	29.6	33.0
United States	53.2	53.9	46.8	51.9	13.2	12.4	13.7	13.0	33.6	33.8	39.5	35.1
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/740841702817>Figure 12.3. **Gross fixed capital formation by sector**

Percentage of total gross fixed capital formation, 2007

StatLink  <http://dx.doi.org/10.1787/740037250208>

13. Exports and imports of goods and services

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

Definition

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

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

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

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

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

Comparability

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

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

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Further reading

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13. Exports and imports of goods and services

Table 13.1. Exports of goods and services, volume

Annual growth rates in percentage

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	10.0	11.0	4.2	2.2	8.5	7.6	-1.0	-0.4	2.1	3.1	2.2	3.8	4.5	3.8 e
Austria	7.2	4.6	11.8	8.4	6.1	13.4	6.2	3.9	1.5	10.1	7.4	7.5	9.4	0.8
Belgium	5.0	3.1	6.2	5.9	5.0	8.4	0.9	1.2	2.9	6.6	3.6	2.6	4.0	2.2
Canada	8.5	5.6	8.3	9.1	10.7	8.9	-3.0	1.2	-2.3	5.0	1.8	0.6	1.0	-4.7 e
Czech Republic	16.7	5.5	8.4	10.4	5.4	16.6	11.2	2.1	7.2	20.7	11.6	15.8	15.0	6.0
Denmark	3.1	4.2	4.9	4.1	11.6	12.7	3.1	4.1	-1.0	2.8	8.0	9.1	2.2	2.2
Finland	8.5	5.9	14.0	9.2	11.3	17.2	2.1	2.8	-1.7	8.6	7.0	11.8	8.1	7.3
France	8.4	3.7	12.9	8.2	4.6	12.4	2.5	1.5	-1.2	4.0	3.2	4.8	2.6	-0.2
Germany	6.4	6.1	11.7	8.0	5.9	13.5	6.4	4.3	2.5	10.3	7.7	13.0	7.5	2.9
Greece	3.0 e	3.5 e	20.0 e	5.3 e	18.1 e	14.1 e	-0.0	-8.4	2.9	17.4	2.4	5.3	5.8	4.0
Hungary	36.4	11.2	20.9	16.5	11.1	19.7	8.1	3.9	6.2	15.0	11.3	18.6	16.2	5.6
Iceland	-2.3	9.9	5.6	2.5	4.0	4.2	7.4	3.8	1.6	8.4	7.1	-4.9	17.7	7.1
Ireland	20.0	12.5	17.6	23.1	15.6	20.3	8.6	5.0	0.6	7.5	5.2	5.1	8.6	-1.1
Italy	12.4	1.5	5.1	2.5	-0.4	11.9	2.6	-2.9	-2.0	4.9	1.1	6.2	4.6	-3.7
Japan	4.4	5.9	11.1	-2.7	1.9	12.7	-6.9	7.5	9.2	13.9	7.0	9.7	8.4	1.8 e
Korea	24.4 e	12.2 e	21.6 e	12.7 e	14.6 e	19.1 e	-3.4	12.1	14.5	19.7	7.8	11.4	12.6	5.7
Luxembourg	4.6	2.3	11.4	11.2	14.3	12.6	4.5	2.1	6.8	11.1	4.5	13.3	8.8	1.5
Mexico	30.2 e	18.2 e	10.7 e	12.1 e	12.4 e	16.3 e	-3.6 e	1.4 e	2.7 e	11.5	6.8	10.9	5.7	1.4 e
Netherlands	9.2	4.4	10.9	6.8	8.7	13.5	1.9	0.9	1.5	7.9	6.0	7.3	6.7	2.7
New Zealand	2.3	4.7	3.9	2.9	7.4	6.3	3.0	7.9	0.9	4.6	-0.1	3.1	2.9	-1.3 e
Norway	5.0	10.0	7.8	0.7	2.9	3.2	4.3	-0.3	-0.2	1.1	1.1	0.0	2.5	1.4
Poland	22.9	12.0	12.3	14.4	-2.5	23.2	3.1	4.8	14.2	14.0	8.0	14.6	9.1	7.1
Portugal	8.8	5.7	6.1	8.5	3.0	8.4	1.8	1.5	3.9	4.0	2.0	8.7	7.8	-0.5
Slovak Republic	4.6	-1.4	5.8	21.0	12.2	8.9	6.9	5.4	15.9	7.4	10.0	21.0	13.8	3.2
Spain	9.4	10.3	15.0	8.0	7.5	10.2	4.2	2.0	3.7	4.2	2.5	6.7	6.7	-1.0
Sweden	11.3	4.1	13.6	8.7	7.1	11.5	0.8	1.3	4.0	11.0	6.6	8.9	5.8	1.9
Switzerland	0.6	3.7	11.2	4.3	6.5	12.5	0.5	-0.1	-0.5	7.9	7.8	10.3	9.6	2.9
Turkey	8.0 e	22.0 e	19.1 e	12.0	-10.7	16.0	3.9	6.9	6.9	11.2	7.9	6.6	7.3	2.3
United Kingdom	9.5	8.8	8.2	3.1	3.7	9.1	3.0	1.0	1.8	4.8	8.1	11.0	-4.1	0.1
United States	10.1	8.3	11.9	2.3	4.4	8.6	-5.6	-2.0	1.6	9.5	6.7	9.0	8.7	5.4
Euro area	..	4.8	10.8	7.5	5.9	12.7	3.9	1.9	1.3	7.4	5.0	8.3	6.1	1.2
OECD-Total	..	7.3 e	11.1 e	6.2 e	5.9 e	12.1 e	0.5 e	2.0 e	2.9 e	9.0	6.0	8.8	6.5	2.2 e


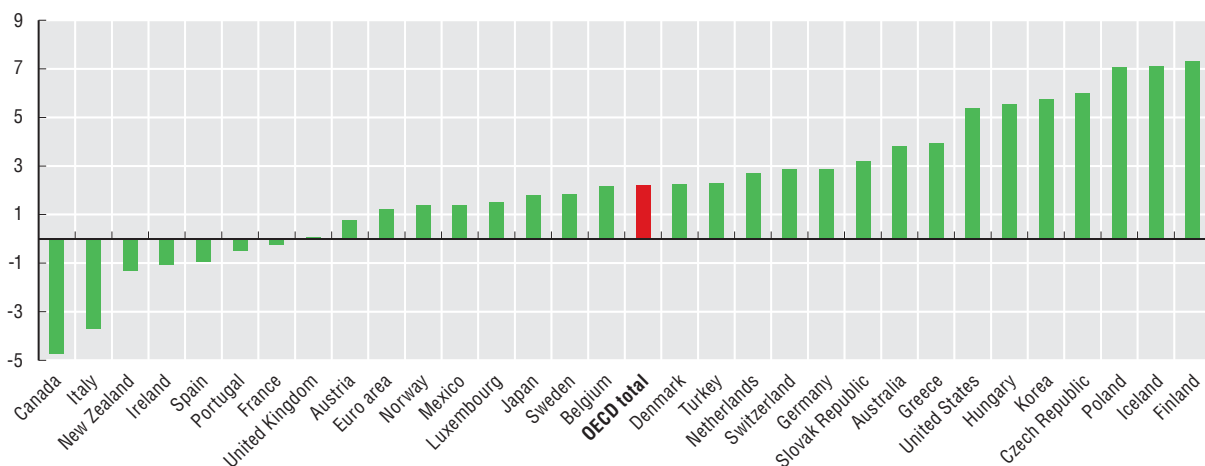
StatLink  <http://dx.doi.org/10.1787/740843348825>

Figure 13.1. Exports of goods and services, volume

Annual growth rates in percentage, 2008

StatLink  <http://dx.doi.org/10.1787/740055502432>

13. Exports and imports of goods and services

Table 13.2. Imports of goods and services, volume

Annual growth rates in percentage

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	4.0	9.9	10.0	5.0	12.4	-1.0	1.5	13.1	13.0	12.1	7.2	9.2	12.7	11.1 e
Austria	5.9	4.4	7.7	5.2	4.7	10.6	5.6	-0.4	4.5	9.8	6.4	5.3	7.3	-0.7
Belgium	4.7	2.7	5.2	6.9	4.4	8.8	0.2	0.2	3.0	6.6	4.2	2.7	4.6	3.3
Canada	5.7	5.1	14.2	5.1	7.8	8.1	-5.1	1.7	4.1	8.0	7.1	4.6	5.5	0.8 e
Czech Republic	21.2	12.1	6.9	8.3	5.0	16.3	12.8	5.0	8.0	17.9	5.0	14.3	14.3	4.7
Denmark	7.2	3.3	9.5	8.5	3.5	13.0	1.9	7.5	-1.6	7.7	11.1	13.9	2.8	3.4
Finland	7.8	6.5	11.4	8.2	3.6	18.7	2.2	3.3	3.0	7.2	11.8	7.8	6.5	7.0
France	7.2	2.1	7.9	11.6	6.7	14.9	2.2	1.7	1.2	7.1	6.0	5.6	5.4	0.8
Germany	6.5	3.5	8.2	9.5	8.6	10.2	1.2	-1.4	5.4	7.3	6.7	11.9	4.8	4.3
Greece	9.0 e	7.0 e	14.2 e	9.2 e	15.0 e	15.1 e	1.2	-1.3	3.0	5.2	-0.3	9.1	7.1	0.2
Hungary	15.1	9.1	22.3	22.9	12.3	18.0	5.3	6.8	9.3	13.7	7.0	14.8	13.3	5.7
Iceland	3.6	16.5	8.0	23.4	4.4	8.6	-9.1	-2.6	10.7	14.5	29.3	10.4	-1.0	-18.0
Ireland	16.4	12.9	16.6	27.5	12.4	21.7	7.1	2.3	-1.5	8.6	8.4	6.5	5.7	-2.1
Italy	9.3	-0.5	9.4	9.4	4.9	9.8	1.8	0.2	1.2	4.2	2.1	5.9	3.8	-4.5
Japan	13.4	13.4	0.5	-6.8	3.6	9.2	0.6	0.9	3.9	8.1	5.8	4.2	1.5	0.9 e
Korea	23.0 e	14.3 e	3.5 e	-21.8 e	27.8 e	20.1 e	-4.9	14.4	11.1	11.7	7.6	11.3	11.7	3.7
Luxembourg	4.2	5.4	12.6	11.8	14.8	10.5	6.0	0.8	6.9	11.8	4.2	12.9	8.3	3.3
Mexico	-15.0 e	22.9 e	22.8 e	16.6 e	14.1 e	21.5 e	-1.6 e	1.5 e	0.7 e	10.7	8.5	12.6	7.0	4.3 e
Netherlands	10.2	5.3	11.9	9.0	9.3	12.2	2.5	0.3	1.8	5.7	5.4	8.8	5.1	3.7
New Zealand	6.8	6.4	2.5	2.1	11.3	-0.7	4.0	7.2	12.7	12.5	4.2	-1.6	9.6	2.0 e
Norway	5.8	8.8	12.5	8.8	-1.6	2.0	1.7	1.0	1.4	8.8	8.7	8.4	7.5	4.4
Poland	24.2	28.0	21.4	18.6	1.0	15.5	-5.3	2.8	9.6	15.8	4.7	17.4	13.7	8.0
Portugal	7.4	5.2	9.8	14.2	8.6	5.3	0.9	-0.7	-0.8	6.7	3.5	5.1	6.2	2.7
Slovak Republic	11.6	17.3	7.8	19.1	0.4	8.2	13.5	4.4	7.4	8.3	12.4	17.7	8.9	3.3
Spain	11.1	8.8	13.3	14.9	13.7	10.8	4.5	3.7	6.2	9.6	7.7	10.2	8.0	-4.9
Sweden	7.1	3.3	12.4	11.2	5.1	11.6	-1.8	-1.3	3.8	6.8	7.0	8.7	9.4	3.0
Switzerland	4.0	4.0	8.1	7.4	4.2	10.3	2.3	-1.1	1.3	7.3	6.6	6.5	6.0	0.4
Turkey	29.6 e	20.5 e	22.4 e	2.3	-3.7	21.8	-24.8	20.9	23.5	20.8	12.2	6.9	10.7	-3.8
United Kingdom	5.5	9.7	9.7	9.3	7.9	9.0	4.8	4.9	2.2	6.9	7.1	9.6	-1.5	-0.6
United States	8.0	8.7	13.5	11.7	11.5	13.0	-2.8	3.4	4.4	11.1	6.1	6.1	2.0	-3.2
Euro area	..	3.7	9.2	10.4	7.9	11.6	2.3	0.4	3.2	7.0	5.7	8.3	5.3	1.1
OECD-Total	..	8.1 e	10.9 e	8.1 e	9.0 e	12.2 e	-0.1 e	2.9 e	4.5 e	9.2	6.4	8.2	5.1	0.6 e


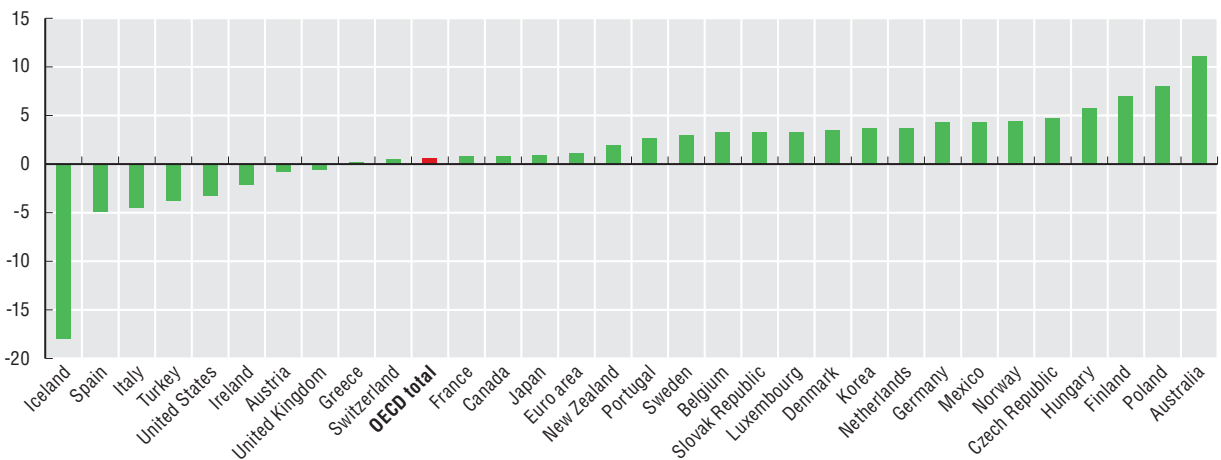

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Figure 13.2. Imports of goods and services, volume

Annual growth rates in percentage, 2008

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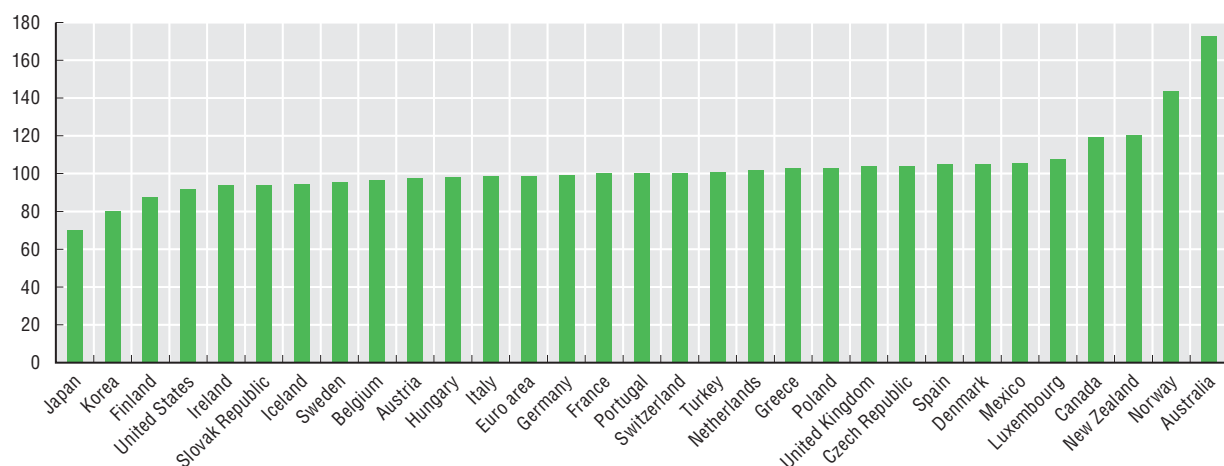
13. Exports and imports of goods and services

Table 13.3. **Terms of trade**
Ratio of export prices to import prices

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	94.8	97.6	97.5	92.8	97.5	100.0	101.9	104.0	111.0	122.0	135.3	144.4	152.0	173.0 e
Austria	104.2	102.4	101.6	101.4	101.5	100.0	100.3	101.7	101.9	101.7	100.9	100.0	99.6	98.0
Belgium	103.6	102.6	101.9	102.7	102.0	100.0	100.1	100.8	100.6	100.2	99.9	99.2	99.6	96.8
Canada	97.8	99.4	98.8	95.0	96.2	100.0	98.4	96.0	101.5	106.0	109.9	110.5	114.0	119.2 e
Czech Republic	94.6	97.4	97.8	103.4	102.8	100.0	102.4	105.6	106.2	107.6	105.8	104.5	105.8	104.1
Denmark	97.3	98.8	99.1	99.1	99.1	100.0	100.0	101.3	102.2	103.5	105.5	105.3	104.0	105.3
Finland	107.2	106.8	105.3	107.3	104.1	100.0	101.6	102.0	100.5	98.1	94.7	91.7	90.4	87.4
France	100.7	100.8	101.5	102.9	103.0	100.0	100.6	103.3	103.1	102.4	101.4	100.7	101.4	100.2
Germany	105.9	105.1	102.8	104.5	105.1	100.0	99.9	101.9	102.9	102.6	101.2	99.8	100.2	99.4
Greece	99.3 e	99.9 e	100.7 e	101.0 e	101.2 e	100.0	100.9	102.4	104.4	104.7	104.0	103.5	103.4	103.0
Hungary	101.3	100.1	102.0	103.0	102.3	100.0	100.6	102.0	101.8	101.7	100.1	98.7	99.0	98.4
Iceland	99.2	96.1	98.0	103.1	102.5	100.0	100.3	100.9	96.8	95.5	96.5	99.8	99.9	94.4
Ireland	100.4	100.6	101.0	101.2	101.0	100.0	100.8	101.5	100.5	99.8	98.8	97.7	95.3	94.0
Italy	100.8	103.8	103.4	106.5	106.5	100.0	100.8	102.6	104.4	104.3	102.0	99.1	100.4	98.7
Japan	112.2	107.2	102.5	106.3	105.9	100.0	99.8	99.5	96.9	93.0	87.1	81.0	77.3	70.0 e
Korea	131.5 e	123.7 e	116.2 e	113.9 e	110.5 e	100.0	97.4	97.4	96.5	93.8	90.4	87.2	86.5	79.9
Luxembourg	103.9	104.8	101.2	100.1	102.3	100.0	99.2	100.1	104.4	103.2	103.5	106.0	105.8	107.6
Mexico	91.8 e	93.1 e	96.2 e	93.9 e	96.8 e	100.0 e	100.5 e	101.8 e	100.6 e	99.1 e	101.9 e	104.3 e	104.5 e	105.3 e
Netherlands	98.5	98.6	99.6	100.1	99.8	100.0	101.3	102.3	102.4	101.6	102.4	102.0	101.6	101.8
New Zealand	101.7	102.7	100.7	99.3	99.5	100.0	103.1	101.5	107.9	111.8	110.4	108.7	118.1	120.2 e
Norway	71.6	75.9	77.2	70.2	78.6	100.0	97.9	92.6	93.5	100.7	116.4	130.3	128.2	143.8
Poland	109.5	106.7	105.2	107.3	106.0	100.0	100.0	99.3	98.9	102.2	103.3	103.2	105.0	103.1
Portugal	100.6	98.2	98.9	101.9	103.0	100.0	100.5	102.1	102.5	101.8	100.4	100.7	102.0	100.3
Slovak Republic	101.4	96.7	101.1	98.6	97.3	100.0	98.9	98.9	98.5	98.3	98.1	96.8	95.7	94.2
Spain	100.9	101.8	101.3	103.4	103.0	100.0	102.1	104.9	106.3	105.6	106.2	106.5	107.0	105.2
Sweden	106.1	105.2	104.8	104.1	101.6	100.0	98.7	97.0	97.1	95.8	94.2	93.9	95.9	95.8
Switzerland	106.0	105.2	102.1	103.5	102.8	100.0	99.8	103.5	105.5	104.8	102.3	101.2	100.9	100.4
Turkey	108.3 e	101.5 e	109.0 e	107.4	110.3	100.0	97.9	100.6	104.0	106.3	106.0	101.2	103.2	100.8
United Kingdom	94.3	95.8	98.8	99.8	101.2	100.0	99.8	102.4	103.8	104.0	101.0	101.0	102.6	104.0
United States	98.2	98.7	100.5	103.8	102.5	100.0	102.1	102.8	101.5	100.2	97.8	97.1	97.0	91.9
Euro area	102.3	102.5	101.9	103.4	103.4	100.0	100.6	102.3	102.8	102.3	101.3	100.1	100.3	99.0
OECD-Total	100.9 e	100.8 e	101.1 e	102.5 e	102.3 e	100.0 e	100.7 e	101.7 e	101.9 e	101.5 e	100.4 e	99.4 e	99.5 e	97.3 e

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Figure 13.3. **Terms of trade**
Ratio of export prices to import prices, 2008



StatLink  <http://dx.doi.org/10.1787/740073114683>



Production

- 14. Value added
- 15. Compensation of employees

14. Value added

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

Definition

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

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

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

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

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

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

A useful additional comment worth making in the context of value added concerns non-market output.

By convention, because market prices are not observable, non-market output is calculated on a sum of costs approach with value added set equal to depreciation only and no net return to capital imputed.

Comparability

All countries produce statistics on value added on the basis of the 1993 SNA, however, not all produce value added on the basis of basic prices.

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

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- OECD (2009), “Aggregate national accounts: gross domestic product”, *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.
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Further reading

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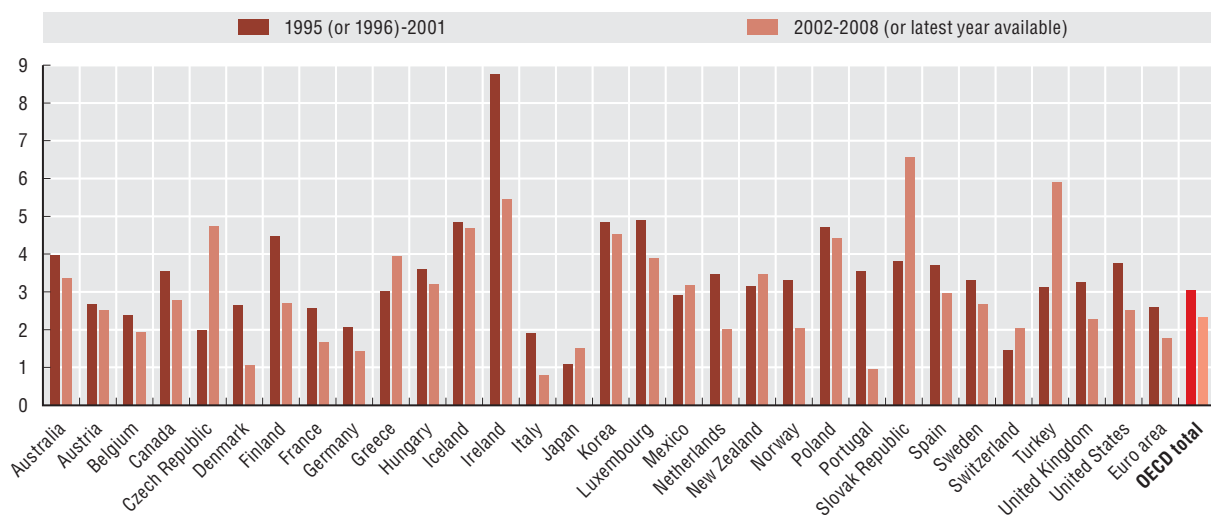
Table 14.1. **Gross value added at basic prices, volume**

Annual growth rates in percentage

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	4.3	4.1	4.2	5.3	4.1	2.3	3.7	2.9	4.1	2.9	3.0	3.4	3.9	..
Austria	3.1	1.8	2.9	3.5	3.0	3.6	0.7	1.7	1.0	2.7	2.6	3.8	3.6	2.3
Belgium	3.1	0.8	3.3	1.6	3.1	3.6	1.3	1.4	1.2	2.4	1.9	2.9	2.7	1.3
Canada	2.6 e	1.4 e	4.2	3.9	5.6	5.5	1.6	2.6	2.1	3.3	3.0	2.9	..	..
Czech Republic	5.1	3.5	-1.6	-0.7	1.5	3.8	2.5	2.5	2.9	4.5	6.6	7.6	5.9	3.4
Denmark	3.2	2.4	3.0	1.9	2.9	4.4	0.7	0.3	0.4	1.5	1.5	3.0	1.7	-0.9
Finland	3.9	3.8	6.0	5.0	4.1	5.7	2.9	1.2	0.9	3.6	2.7	5.1	4.5	0.9
France	2.3	1.2	2.4	3.5	3.2	3.7	1.8	1.0	1.0	2.6	1.8	2.2	2.4	0.7
Germany	2.2	1.3	1.9	2.1	1.9	3.7	1.5	0.3	-0.2	1.6	0.9	3.1	2.9	1.4
Greece	2.0 e	1.8 e	3.3 e	3.9 e	2.1 e	4.4 e	3.6	4.1	6.4	5.4	2.3	3.2	4.3	2.0
Hungary	0.6	2.5	4.5	5.4	4.2	4.3	3.9	4.0	4.0	5.2	3.4	4.2	0.8	0.9
Iceland	1.5	6.0	4.8	6.1	5.2	6.1	4.4	-0.8	3.7	7.3	8.8	..	..	..
Ireland	..	8.4	10.9	8.5	9.2	8.6	7.2	6.3	3.7	5.2	5.3	5.3	7.1	..
Italy	2.8	1.1	1.6	1.2	1.2	3.7	1.8	0.6	-0.3	1.7	0.8	2.0	1.7	-0.9
Japan	2.3 e	3.1	1.7	-1.7	0.2	2.2	0.1	0.8	1.4	2.0	2.4	1.4	1.1	..
Korea	8.6 e	6.4 e	4.8 e	-5.7 e	8.7 e	8.1 e	4.0	7.2	3.0	4.7	4.0	5.1	5.4	2.4
Luxembourg	2.6	1.5	5.2	6.4	8.1	7.5	3.3	4.0	1.4	3.9	5.6	6.1	6.6	-0.1
Mexico	-6.3 e	4.9 e	6.9 e	5.0 e	3.8 e	6.6 e	0.2 e	1.0 e	1.6 e	4.2	3.6	5.4	3.5	..
Netherlands	3.0	3.0	4.2	3.8	4.6	4.0	1.9	0.2	0.5	2.3	2.1	3.3	3.7	2.2
New Zealand	4.3	3.7	2.0	0.5	5.4	2.5	3.8	4.8	4.0	3.9	3.0	1.9	3.3	..
Norway	3.9	4.7	5.4	2.4	2.0	3.3	1.7	1.2	1.0	3.2	2.4	1.6	2.6	2.5
Poland	6.7	5.7	6.5	4.8	4.3	4.0	1.3	1.3	3.6	5.2	3.3	6.0	6.7	5.0
Portugal	3.7	3.5	4.1	4.1	3.2	3.9	2.4	0.8	-0.4	1.7	0.8	1.6	2.0	0.4
Slovak Republic	5.4	7.2	5.6	3.0	0.3	0.5	4.9	4.4	3.7	4.6	5.7	10.1	10.4	7.2
Spain	2.6	2.3	3.7	4.2	4.5	5.1	3.7	2.6	2.7	3.2	3.3	4.1	3.9	1.1
Sweden	4.8	1.6	2.8	3.8	4.6	4.9	0.9	2.3	1.9	4.4	3.2	4.4	2.6	-0.1
Switzerland	0.3	0.6	1.6	2.6	0.7	3.3	1.1	0.6	-0.3	2.5	2.6	3.6	3.7	1.8
Turkey	6.9 e	6.3 e	6.9 e	3.4	-3.0	6.6	-4.5	5.2	4.5	9.6	8.5	7.5	4.8	1.5
United Kingdom	2.9	3.0	3.4	3.9	3.6	3.8	2.3	1.8	2.8	2.8	2.2	3.0	2.8	0.7
United States	3.3 e	3.9 e	5.0 e	5.1 e	4.6 e	3.8 e	0.9 e	1.3 e	2.5 e	3.5 e	3.2 e	2.7 e	2.0 e	..
Euro area	..	1.6	2.6	2.8	2.7	4.0	2.0	1.0	0.7	2.3	1.7	3.0	3.0	0.9
OECD-Total	..	3.1 e	3.7 e	2.9 e	3.3 e	3.9 e	1.2 e	1.5 e	1.9 e	3.1 e	2.8 e	..	..	..

StatLink  <http://dx.doi.org/10.1787/741125727645>Figure 14.1. **Gross value added at basic prices, volume**

Average annual growth rates in percentage

StatLink  <http://dx.doi.org/10.1787/740106111243>

14. Value added

Table 14.2. **Gross value added by activity**

Percentage of total activity

	Agriculture, hunting and forestry; fishing		Industry, including energy		Construction		Wholesale and retail trade, repairs; hotels and restaurants; transport		Financial intermediation; real estate, renting and business activities		Other service activities	
	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007
Australia	3.4	2.6	21.7	21.2	6.0	7.9	23.2	20.2	27.3	29.8	18.4	18.4
Austria	2.3	1.8	23.0	23.1	7.9	7.3	24.7	23.2	20.3	24.3	21.8	20.4
Belgium	1.6	0.8	23.4	18.7	4.9	5.3	21.3	22.9	26.2	29.0	22.5	23.3
Canada	2.5	..	25.6	..	5.3	..	21.0	..	25.2	..	20.4	..
Czech Republic	4.2	2.5	33.0	32.0	7.5	6.4	24.7	24.9	14.8	17.5	15.8	16.7
Denmark	3.2	1.2	20.9	20.3	4.8	6.1	22.5	21.3	21.8	24.6	26.8	26.4
Finland	4.0	3.2	27.4	26.2	4.9	6.4	21.8	21.6	19.3	21.1	22.7	21.4
France	3.2	2.2	18.4	14.1	5.1	6.3	19.1	18.8	29.4	33.4	24.8	25.2
Germany	1.3	1.0	25.1	26.1	6.0	4.1	17.8	17.4	27.3	29.4	22.6	22.1
Greece	7.7 e	3.8	13.8 e	13.6	6.2 e	6.0	29.7 e	33.5	21.0 e	18.8	21.5 e	24.3
Hungary	7.0	4.0	27.2	25.2	4.5	4.6	21.5	21.4	18.4	22.5	21.5	22.3
Iceland	9.8	..	20.6	..	8.3	..	21.7	..	17.7	..	21.9	..
Ireland	5.2	1.7	33.1	23.7	5.6	9.9	18.6	18.0	18.7	28.1	18.9	18.7
Italy	3.2	2.0	24.4	21.4	5.1	6.1	23.9	22.5	22.8	27.3	20.6	20.6
Japan	1.7	1.4	25.0	22.6	7.8	5.9	21.2	19.4	23.4	27.0	20.9	23.6
Korea	5.2 e	2.9	28.0 e	30.0	10.2 e	7.4	18.2 e	17.8	21.0 e	21.6	16.7 e	20.4
Luxembourg	0.8	0.4	14.7	10.5	6.2	5.5	23.2	19.8	37.8	48.6	17.3	15.2
Mexico	5.7 e	3.4	31.0 e	28.5	5.5 e	7.0	29.2 e	28.0	20.8 e	20.2	11.4 e	12.9
Netherlands	3.5	2.1	20.6	19.0	5.3	5.5	22.3	21.9	26.0	28.0	22.4	23.6
New Zealand	6.8	..	21.0	..	4.5	..	23.1	..	27.4	..	17.1	..
Norway	2.4	1.4	32.5	37.7	4.6	5.0	21.4	17.5	16.8	17.9	22.2	20.4
Poland	6.6	4.3	26.2	24.5	7.2	7.1	26.4	26.5	15.3	19.0	18.2	18.5
Portugal	4.6	2.5	22.0	18.0	7.0	6.5	24.2	24.3	19.7	22.3	22.5	26.4
Slovak Republic	5.3	3.6	28.0	31.3	7.3	7.9	26.3	24.5	17.0	16.9	16.2	15.8
Spain	5.0	2.7	22.2	17.4	7.1	11.8	26.4	24.5	18.4	22.6	21.0	21.0
Sweden	2.5	1.4	25.0	23.4	4.0	4.9	19.0	19.1	24.2	24.8	25.1	26.3
Switzerland	1.8	1.2	23.0	22.2	5.4	5.4	22.0	21.6	21.8	24.3	26.0	25.3
Turkey	10.8 e	8.5	31.0 e	22.3	6.2 e	5.4	29.9 e	31.8	13.2 e	20.3	9.2 e	11.6
United Kingdom	1.4	0.6	24.9	16.7	5.0	6.4	21.9	21.1	25.4	32.1	21.4	23.1
United States	1.7	1.3	21.1	17.1	4.3	4.7	22.4	19.0	27.8	33.0	22.6	24.9
Euro area	2.8	1.9	22.8	20.4	5.7	6.4	21.0	20.8	25.2	28.2	22.5	22.4
OECD-Total	2.7 e	..	23.5 e	..	5.6 e	..	22.2 e	..	25.0 e	..	21.2 e	..


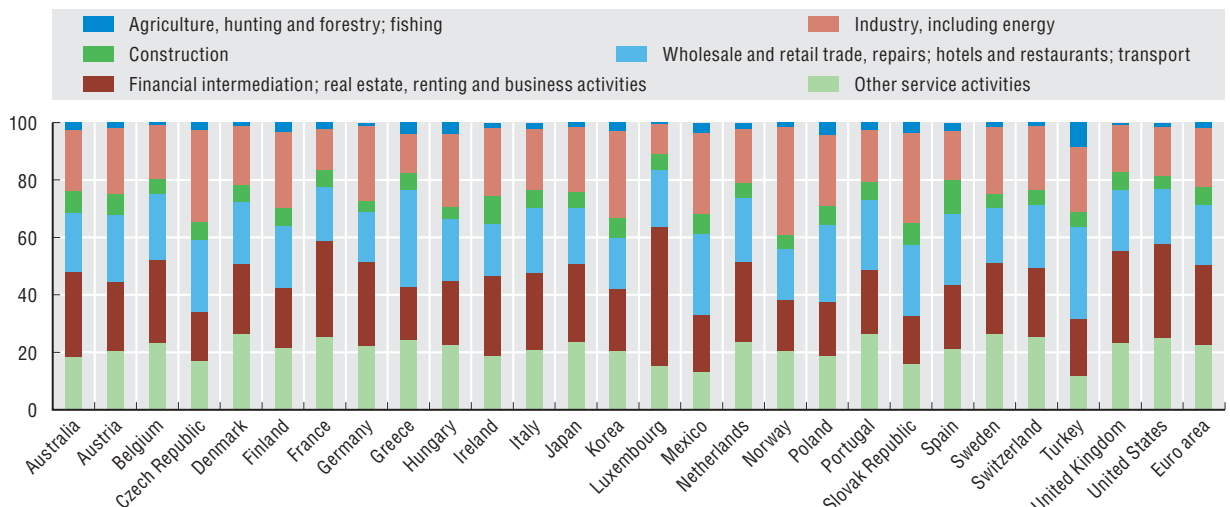
StatLink  <http://dx.doi.org/10.1787/741132223264>

Figure 14.2. **Gross value added by activity**

Percentage of total activity, 2007



StatLink  <http://dx.doi.org/10.1787/740125325457>

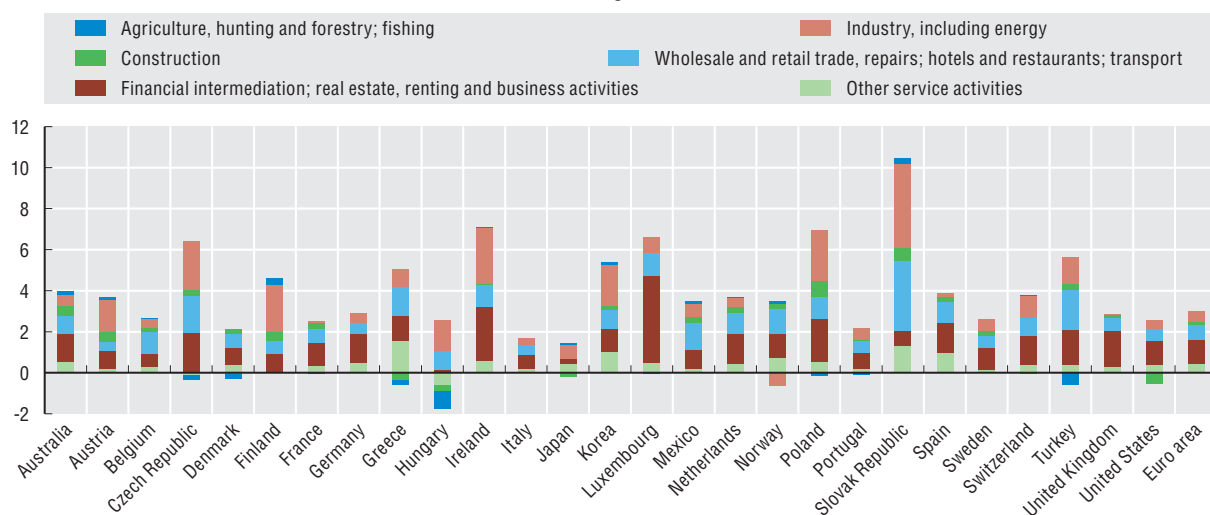
Table 14.3. Contribution to gross value added growth by activity

	Percentage											
	Agriculture, hunting and forestry; fishing		Industry, including energy		Construction		Wholesale and retail trade, repairs; hotels and restaurants; transport		Financial intermediation; real estate, renting and business activities		Other service activities	
	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007
Australia	-0.0	0.2	0.7	0.5	0.6	0.5	1.1	0.9	1.4	1.3	0.4	0.5
Austria	-0.0	0.1	0.7	1.6	-0.1	0.5	0.6	0.4	0.8	0.9	1.0	0.2
Belgium	0.0	0.0	1.5	0.5	0.2	0.2	0.3	1.1	1.2	0.6	0.0	0.3
Canada	-0.1	..	1.3	..	0.3	..	1.0	..	1.4	..	0.3	..
Czech Republic	-0.6	-0.3	-0.3	2.3	-1.5	0.3	1.8	1.8	-0.5	1.8	-0.5	-0.1
Denmark	0.1	-0.3	1.5	-0.1	-0.1	0.2	0.2	0.7	1.0	0.8	0.4	0.4
Finland	0.4	0.3	2.3	2.3	0.5	0.4	1.4	0.6	0.9	0.8	0.6	0.0
France	0.0	-0.0	0.6	0.1	-0.2	0.2	1.0	0.7	0.6	1.1	0.3	0.3
Germany	0.0	-0.0	0.9	0.5	-0.2	0.0	0.4	0.5	0.5	1.4	0.2	0.5
Greece	0.0 e	-0.3	-0.4 e	0.8	0.2 e	-0.4	2.3 e	1.4	0.7 e	1.2	0.6 e	1.5
Hungary	-0.1	-0.9	2.7	1.5	0.3	-0.3	1.7	0.9	-0.8	0.1	0.7	-0.6
Iceland	-0.1	..	0.9	..	0.8	..	1.4	..	1.0	..	0.8	..
Ireland	0.1	0.0	5.3	2.8	0.8	0.0	1.6	1.1	2.6	2.6	0.5	0.6
Italy	0.1	-0.0	0.2	0.4	-0.1	0.0	0.4	0.5	0.6	0.7	0.3	0.2
Japan	-0.0	0.1	0.6	0.7	-0.1	-0.2	0.5	0.0	0.5	0.2	0.2	0.4
Korea	0.3 e	0.1	1.5 e	2.0	0.3 e	0.2	1.0 e	0.9	1.2 e	1.2	0.6 e	1.0
Luxembourg	-0.2	-0.0	0.8	0.8	0.3	-0.0	1.4	1.1	2.6	4.2	0.3	0.5
Mexico	0.0 e	0.2	2.8 e	0.6	0.5 e	0.3	3.0 e	1.3	0.9 e	0.9	0.4 e	0.2
Netherlands	0.2	0.1	-0.1	0.4	0.1	0.3	1.8	1.0	1.7	1.4	0.4	0.4
New Zealand	0.0	..	-0.1	..	0.2	..	0.7	..	0.6	..	0.6	..
Norway	-0.0	0.1	1.7	-0.7	0.3	0.2	1.7	1.2	1.0	1.1	0.7	0.7
Poland	0.0	-0.2	2.6	2.5	0.8	0.7	1.7	1.1	1.0	2.0	0.3	0.5
Portugal	-0.5	-0.1	1.4	0.6	0.6	0.0	1.2	0.6	1.0	0.7	0.3	0.2
Slovak Republic	0.8	0.3	-2.0	4.0	-0.0	0.6	2.8	3.4	3.5	0.8	1.0	1.3
Spain	0.4	0.0	1.2	0.2	0.2	0.3	0.7	1.0	0.7	1.4	0.5	0.9
Sweden	0.0	-0.0	1.8	0.6	-0.2	0.2	0.8	0.6	0.5	1.1	-0.1	0.1
Switzerland	-0.1	0.0	0.6	1.1	-0.4	-0.1	0.2	0.9	1.4	1.4	-0.0	0.4
Turkey	-0.3 e	-0.6	3.2 e	1.3	0.3 e	0.3	2.9 e	2.0	0.4 e	1.6	0.2 e	0.4
United Kingdom	0.1	-0.0	0.4	0.0	0.1	0.2	1.1	0.6	1.6	1.7	0.1	0.3
United States	0.1	0.0	0.8	0.4	0.1	-0.5	1.2	0.6	2.4	1.1	0.3	0.4
Euro area	0.1	0.0	0.8	0.5	-0.1	0.2	0.8	0.7	0.7	1.2	0.3	0.4
OECD-Total	0.1 e	..	1.0 e	..	0.1 e	..	1.2 e	..	1.2 e	..	0.3 e	..

StatLink  <http://dx.doi.org/10.1787/741142375056>

Figure 14.3. Contribution to gross value added growth by activity

Percentage, 2007

StatLink  <http://dx.doi.org/10.1787/740150285857>

15. Compensation of employees

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

Definition

Compensation of employees is made up of two components:

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

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

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

unincorporated enterprises owned by households, also contains a labour component.

Comparability

All countries follow the 1993 SNA and so comparability is generally very good across all countries. Some care should be taken in interpreting labour costs by activity however, especially in a cross-country context. In some countries, and notably in some sectors, the shares of self-employed in the labour force may be significant and, so, differences in the shares of compensation of employees across countries may reflect institutional differences, for example tax incentives to be self-employed or otherwise. This can also have implications in a temporal context. For example systematic declines in the contribution of compensation of employees to value added may reflect a move by individuals to become self-employed rather than a decline in the share of labour overall; this can be both through push and pull mechanisms. For example squeezes on wages and salaries and social benefits (push) or tax incentives (pull).

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), "Aggregate national accounts: gross domestic product", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

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

Table 15.1. Compensation of employees

	Percentage of gross value added														
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Australia	53.9	54.6	53.7	54.2	53.8	54.0	53.0	52.8	52.2	52.5	52.3	52.0	51.8	..	
Austria	59.6	58.8	58.4	58.2	58.2	57.3	56.7	56.0	56.0	54.9	54.5	54.0	53.7	54.2	
Belgium	56.7	57.0	56.8	56.6	57.7	57.1	58.3	58.6	58.1	56.9	56.4	56.1	56.4	57.5	
Canada	55.8	55.3	55.5	56.2	55.3	54.5	55.2	55.5	55.0	54.7	..	..	..	..
Czech Republic	47.5	48.6	48.5	46.4	46.2	46.3	46.6	47.5	48.2	47.5	48.0	47.7	47.7	49.2	
Denmark	60.3	61.0	60.9	62.9	63.2	61.2	62.5	63.2	63.5	62.7	62.9	63.3	64.6	66.0	
Finland	56.8	57.3	56.1	55.3	55.3	54.2	54.3	54.5	55.7	55.3	56.6	55.6	54.4	56.5	
France	58.0	58.2	57.8	57.4	58.1	57.9	58.1	58.4	58.4	58.2	58.0	58.0	57.5	57.5	
Germany	59.7	59.3	58.3	58.1	58.6	59.4	58.9	58.4	58.1	56.9	55.9	54.8	54.2	54.7	
Greece	35.3 e	35.1 e	36.3 e	36.7 e	38.0 e	37.6	37.1	39.8	38.9	38.7	38.7	38.7	39.1	39.3	
Hungary	54.4	52.3	51.1	50.8	49.9	51.6	51.8	52.3	53.9	53.6	54.5	53.4	53.8	54.6	
Iceland	56.7 e	58.6 e	58.9	61.0	64.5	65.6	62.8	64.0	65.8	66.2	68.2	..	..	..
Ireland	50.4	49.6	48.0	46.2	45.6	44.6	44.3	43.0	43.5	44.5	46.0	46.3	46.4	..	
Italy	45.8	45.8	46.3	44.4	44.6	43.9	43.9	44.3	44.6	44.4	45.3	46.0	45.7	46.4	
Japan	52.5 e	52.1	52.1	52.4	51.9	51.8	52.1	51.2	50.5	49.6	49.5	50.2	50.1	..	
Korea	51.8 e	53.1 e	51.5 e	49.3 e	48.0 e	48.1	49.1	49.0	50.0	49.8	51.1	51.5	51.3	51.2	
Luxembourg	52.0	51.8	53.3	53.2	51.1	51.8	54.9	55.1	52.6	52.8	51.5	48.6	48.1	48.9	
Mexico	30.4 e	29.2 e	30.4 e	31.2 e	31.7 e	32.1 e	33.2 e	33.0 e	32.6	30.8	30.4	29.2	29.0	..	
Netherlands	56.5	56.4	55.9	56.8	57.3	56.7	57.2	57.6	57.8	57.5	55.8	55.3	55.6	55.8	
New Zealand	44.1	44.9	45.1	45.0	43.5	43.3	43.2	43.8	44.2	44.6	..	..	..	..
Norway	54.2	53.1	53.1	57.6	56.3	49.0	50.1	52.7	51.7	49.5	46.8	46.1	48.6	46.7	
Poland	45.1	46.5	47.2	47.2	47.1	45.2	46.0	44.3	43.3	40.7	40.6	40.4	40.6	42.4	
Portugal	55.0	55.7	56.1	56.5	56.8	57.3	57.1	57.5	57.6	57.3	58.7	58.4	..	..
Slovak Republic	44.6	46.0	47.5	47.4	45.4	45.7	44.0	43.8	43.3	41.2	41.9	40.7	40.5	40.8	
Spain	53.0	53.3	54.2	54.3	54.7	54.7	54.1	53.7	53.6	53.0	52.9	53.0	53.1	52.9	
Sweden	60.3	62.4	61.9	61.9	60.7	62.9	65.1	64.6	64.0	63.1	62.8	61.4	62.4	62.2	
Switzerland	64.6	64.4	64.1	63.6	64.2	64.2	66.6	67.6	67.1	65.2	65.8	64.9	64.2	..	
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	59.0	57.8	58.1	59.6	60.3	61.6	62.2	61.4	60.8	60.6	61.2	60.8	59.8	59.5	
United States	61.9	61.3	61.0	62.2	62.4	63.7	63.6	63.1	63.0	62.0	61.5	61.4	61.5	..	
Euro area	55.6	55.3	54.8	54.4	54.8	54.7	54.6	54.5	54.3	53.7	53.5	53.2	52.9	53.2	
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


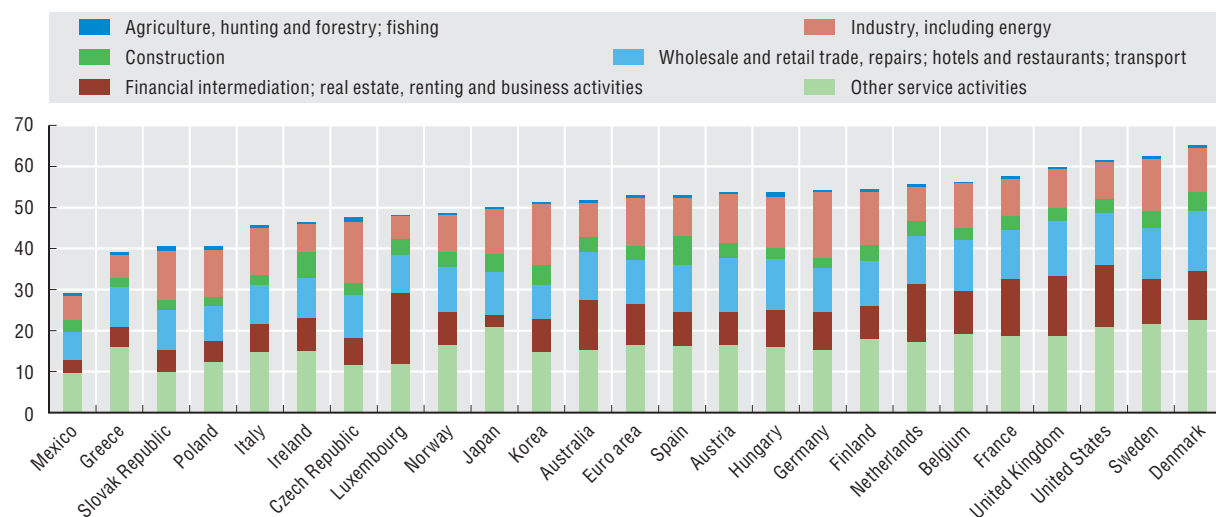

StatLink  <http://dx.doi.org/10.1787/741143171301>

Figure 15.1. Compensation of employees by activity

Percentage of gross value added, 2007

StatLink  <http://dx.doi.org/10.1787/740213656342>



General Government

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

16. Total expenditure

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

Definition

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

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

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

Comparability

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

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

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

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

Data for all countries are on a consolidated basis, except Canada (which consolidates only current transfers) and New Zealand. Consolidation usually occurs between government sub-sectors (central, local, state and social security funds) but for Austria it is also done within sub-sectors and in Sweden intermediate consumption is also consolidated.

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

Online database

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Table 16.1. Total general government expenditure

	Percentage of GDP														
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Australia	37.4	36.7	35.5	35.3	34.8	36.0	35.6	34.9	34.8	35.1	34.6	34.4	34.1	..	
Austria	56.3	56.0	53.7	54.0	53.7	52.1	51.6	51.0	51.5	54.0	50.1	49.6	48.8	48.9	
Belgium	52.1	52.5	51.2	50.4	50.2	49.2	49.3	50.0	51.3	49.6	52.3	48.6	48.4	50.1	
Canada	48.5	46.6	44.3	44.8	42.7	41.1	42.0	41.2	41.2	39.9	39.3	39.4	39.1	..	
Czech Republic	54.5	42.6	43.2	43.2	42.3	41.8	44.4	46.3	47.3	45.1	45.0	43.8	42.6	42.9	
Denmark	59.2	58.8	56.6	56.2	55.4	53.6	54.2	54.6	55.1	54.6	52.8	51.6	51.0	51.9	
Finland	61.5	59.9	56.2	52.6	51.5	48.3	47.8	48.8	50.1	50.1	50.3	48.7	47.3	49.0	
France	54.4	54.5	54.1	52.7	52.6	51.6	51.6	52.6	53.3	53.2	53.4	52.7	52.3	52.7	
Germany	54.8	49.3	48.4	48.0	48.1	45.1	47.6	48.1	48.5	47.1	46.8	45.4	43.7	43.7	
Greece	45.7	44.1	44.9	44.3	44.4	46.7	45.3	45.1	44.7	45.4	43.8	42.8	44.4	46.3	
Hungary	55.6	50.6	49.2	50.4	48.4	46.9	47.3	51.2	49.4	48.7	50.1	52.0	49.8	49.2	
Iceland	42.7	42.2	40.7	41.3	42.0	41.9	42.6	44.2	45.6	44.0	42.2	41.6	42.5	58.3	
Ireland	41.1	39.1	36.7	34.5	34.1	31.3	33.2	33.5	33.2	33.5	33.7	34.2	36.2	42.0	
Italy	52.5	52.4	50.2	49.2	48.2	46.2	48.0	47.4	48.3	47.7	48.2	48.7	47.9	48.7	
Japan	..	36.8	35.7	42.5	38.6	39.0	38.6	38.8	38.4	37.0	38.4	36.2	36.0	..	
Korea	..	..	..	..	..	22.4	23.9	23.6	28.9	26.1	26.6	27.7	28.6	..
Luxembourg	39.7	41.1	40.6	41.1	39.2	37.6	38.1	41.5	41.8	42.6	41.5	38.3	36.2	37.7	
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	56.4	49.4	47.5	46.7	46.0	44.2	45.4	46.2	47.1	46.1	44.8	45.5	45.5	45.9	
New Zealand	41.6	40.9	41.4	41.1	40.4	38.7	37.9	37.2	37.7	37.6	38.5	39.5	39.7	..	
Norway	50.9	48.5	46.8	49.1	47.7	42.3	44.1	47.1	48.2	45.4	42.1	40.5	40.9	40.0	
Poland	47.7	51.0	46.4	44.3	42.7	41.1	43.8	44.2	44.6	42.6	43.4	43.9	42.2	43.3	
Portugal	43.4	44.1	43.2	42.8	43.2	43.1	44.4	44.3	45.5	46.5	47.6	46.3	45.8	46.0	
Slovak Republic	48.6	53.7	49.0	45.8	48.1	52.2	44.5	45.0	40.1	37.6	38.0	36.9	34.4	34.7	
Spain	44.4	43.2	41.6	41.1	39.9	39.1	38.6	38.9	38.4	38.9	38.4	38.4	39.2	41.1	
Sweden	65.1	63.0	60.9	58.8	58.6	55.6	55.5	56.7	57.0	55.6	55.2	54.1	52.6	53.1	
Switzerland	35.0	35.3	35.5	35.8	34.3	35.1	34.8	36.2	36.4	36.0	35.3	33.5	32.2	..	
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	43.9	42.3	40.5	39.5	38.9	39.0	40.1	41.0	42.0	43.0	44.1	44.2	44.0	47.5	
United States	37.1	36.6	35.5	34.6	34.2	33.9	35.0	35.9	36.3	36.0	36.3	36.0	36.7	38.8	
Euro area	..	..	..	48.5	48.1	46.3	47.3	47.6	48.1	47.5	47.4	46.6	46.0	46.7
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


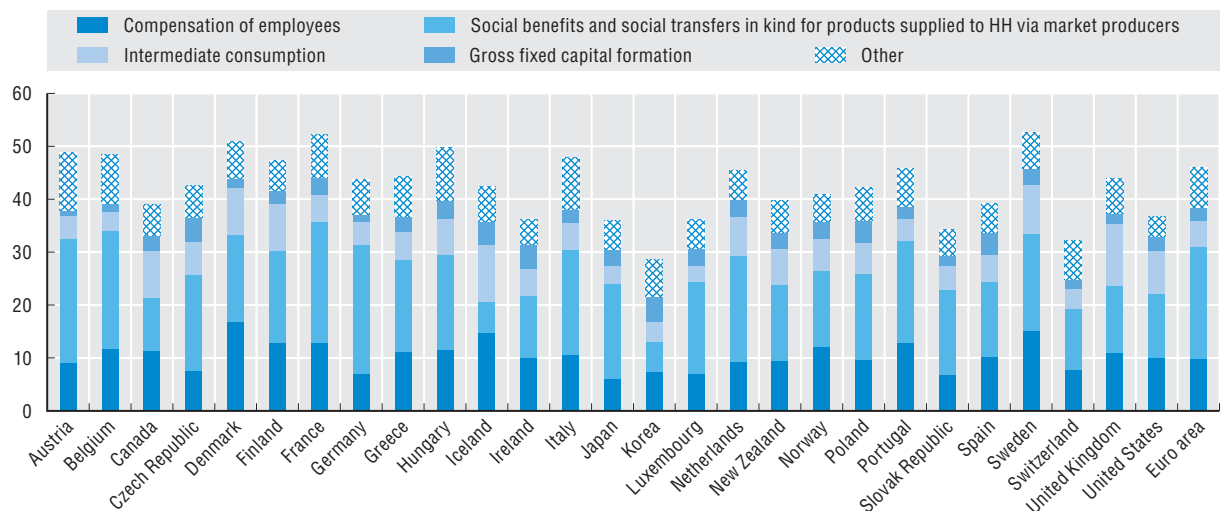
StatLink  <http://dx.doi.org/10.1787/741237124338>

Figure 16.1. Total general government expenditure by main component

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/740255035375>

17. Taxes

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

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

Definition

The SNA describes three categories of taxes:

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

Definition of taxes used in OECD Revenue Statistics

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

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

Comparability

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

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

Online database

- OECD (2009), “General government accounts: main aggregates”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.

Further reading

- OECD (2009), *Revenue Statistics*, OECD Publishing, http://dx.doi.org/10.1787/rev_stats-2009-en-fr.
- IMF (2001), *Government Finance Statistics Manual*, IMF, Washington.

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

Percentage of GDP

	Total tax receipts			Taxes on production and imports			Current taxes on income, wealth, etc.			Capital taxes		
	1997	2002	2007	1997	2002	2007	1997	2002	2007	1997	2002	2007
Australia	29.8	30.2	29.7	12.1	13.2	12.2	17.7	17.6	18.4	0.0	0.0	0.0
Austria	28.5	28.9	27.6	14.9	15.0	14.1	13.5	13.9	13.5	0.0	0.1	0.1
Belgium	29.8	30.2	29.7	12.7	12.7	12.7	16.8	17.1	16.3	0.4	0.5	0.7
Canada	..	..	..	14.0	13.1	11.9	17.7	15.5	16.7	..	..	..
Czech Republic	20.4	19.9	20.6	11.5	10.8	11.2	8.8	9.1	9.4	0.0	0.0	0.0
Denmark	47.9	46.6	47.6	17.4	17.4	17.8	30.3	29.1	29.6	0.2	0.2	0.2
Finland	32.9	32.5	30.8	14.3	13.4	13.0	18.4	18.8	17.6	0.2	0.3	0.3
France	25.6	26.7	27.0	15.9	14.9	15.1	9.2	11.3	11.4	0.5	0.5	0.5
Germany	22.3	22.4	23.9	11.2	11.7	12.6	11.0	10.6	11.2	0.1	0.1	0.2
Greece	20.0	21.7	20.4	12.7	12.9	12.3	7.0	8.6	7.9	0.4	0.2	0.2
Hungary	23.9	25.0	25.9	15.2	14.9	15.6	8.7	10.0	10.2	0.0	0.1	0.1
Iceland	31.9	32.4	37.7	17.8	15.9	18.7	14.1	16.5	19.0	0.0	0.0	0.0
Ireland	27.3	23.8	26.2	13.3	12.2	13.4	13.8	11.5	12.6	0.2	0.1	0.2
Italy	28.7	28.4	29.8	12.2	14.3	14.7	15.8	13.9	15.1	0.7	0.2	0.0
Japan	18.2	16.8	18.2	7.9	8.4	8.4	9.8	8.0	9.5	0.5	0.3	0.3
Korea	..	19.1	21.4	..	12.5	12.0	..	6.5	9.0	..	0.1	0.3
Luxembourg	28.6	28.1	25.6	12.1	12.7	12.5	16.4	15.2	13.0	0.1	0.1	0.1
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	23.6	23.9	24.8	11.2	12.1	12.5	12.1	11.4	12.0	0.3	0.4	0.3
New Zealand	34.2	32.8	35.3	13.3	12.9	12.8	20.9	19.9	22.5	0.0	0.0	0.0
Norway	32.6	33.2	34.6	15.8	13.4	12.6	16.8	19.7	21.8	0.1	0.1	0.1
Poland	24.9	20.1	22.7	13.9	13.2	14.1	11.0	6.9	8.6	0.0	0.0	0.0
Portugal	22.3	23.6	24.8	13.1	14.2	15.0	9.1	9.3	9.8	0.1	0.1	0.0
Slovak Republic	22.3	18.4	17.2	13.1	11.4	11.0	9.2	7.0	6.2	0.0	0.0	0.0
Spain	20.9	22.0	25.1	10.3	11.2	11.7	10.3	10.4	12.9	0.4	0.4	0.5
Sweden	37.2	34.1	35.9	16.0	16.4	16.8	21.1	17.5	19.1	0.1	0.1	0.0
Switzerland	20.3	22.2	22.1	6.3	7.1	6.9	13.8	14.8	15.0	0.3	0.3	0.2
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	28.1	28.6	29.4	12.9	12.9	12.5	15.0	15.5	16.6	0.2	0.2	0.3
United States	21.8	19.2	21.4	7.4	7.2	7.3	14.1	11.7	13.8	0.3	0.3	0.2
Euro area	..	25.2	26.2	..	13.1	13.5	..	11.8	12.4	..	0.3	0.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..


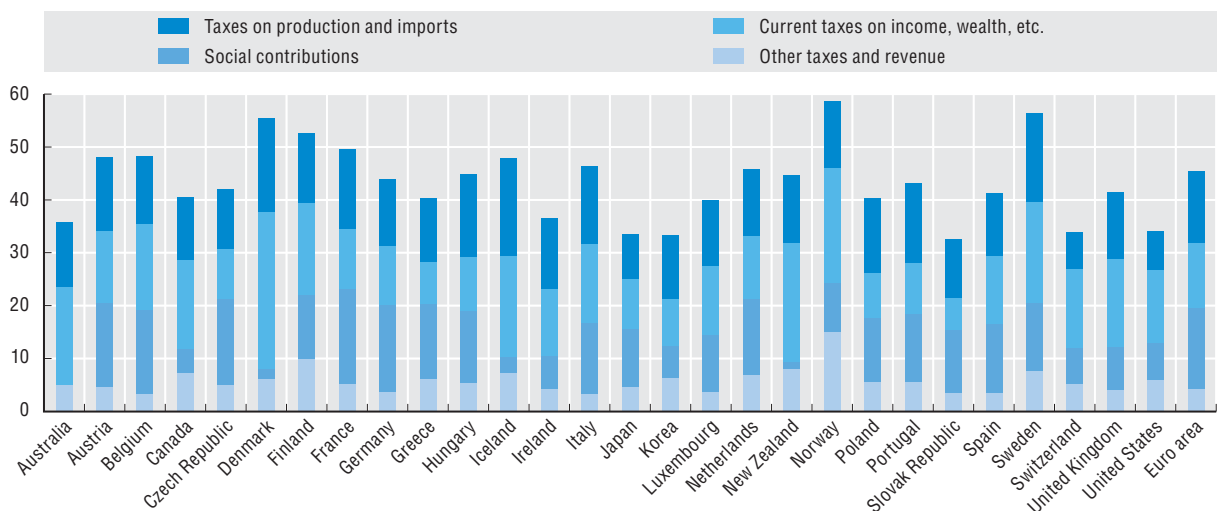
StatLink  <http://dx.doi.org/10.1787/741243416728>

Figure 17.1. Total general government revenue

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/740278061823>

18. Social contributions

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

Definition

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

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

Comparability

Not all countries operate social security schemes. Some may choose instead to finance social benefits

paid by government through other taxes or revenue; which is one of the reasons why analysts often prefer to show the totality of taxes and social contributions in calculating the tax burden. But even these comparisons should be interpreted carefully. Governments may encourage employers and employees to opt-out of social security schemes and instead pay contributions, even if compulsory, to schemes managed by corporations, thus reducing the revenues and expenditures of government, without necessarily reducing the well-being of households. This is one of the reasons why comparisons of taxes on income are often shown as rates, with the component for social contributions reflecting the compulsory rate irrespective of whether the associated scheme is managed by government or corporations.

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

Online database

- OECD (2009), "General government accounts: main aggregates", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.

Further reading

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

Table 18.1. Social contributions to government

	Percentage of GDP													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
Austria	17.2	17.3	17.4	17.2	17.2	16.8	16.7	16.4	16.5	16.3	16.2	16.1	15.9	15.9
Belgium	16.4	16.4	16.3	16.3	16.4	16.0	16.3	16.6	16.5	16.1	15.8	15.6	15.7	16.2
Canada	5.0	4.8	4.8	4.8	4.6	4.6	4.8	5.0	5.0	4.8	4.8	4.7	4.5	..
Czech Republic	14.4	14.2	14.6	14.1	14.1	14.2	14.2	14.9	15.1	16.1	16.2	16.3	16.3	16.2
Denmark	2.1	2.0	2.0	2.0	2.5	2.6	2.6	2.1	2.1	2.1	2.0	1.9	1.9	1.8
Finland	14.7	14.2	13.3	13.0	12.9	12.1	12.2	12.0	11.9	11.8	12.2	12.3	12.0	12.2
France	20.3	20.5	20.0	17.9	18.1	17.9	17.9	18.0	18.2	18.0	18.1	18.2	18.0	17.9
Germany	18.3	19.0	19.2	18.9	18.7	18.4	18.2	18.2	18.3	17.9	17.7	17.2	16.5	16.4
Greece	11.2	11.5	11.9	12.1	12.2	12.5	12.6	13.6	13.8	13.3	13.4	13.3	14.0	14.7
Hungary	14.8	13.7	13.9	13.6	13.0	13.1	12.9	12.8	12.7	12.3	12.6	12.6	13.6	13.9
Iceland	2.5	2.7	2.7	2.7	2.8	2.9	2.8	2.9	3.1	3.0	3.2	3.3	3.0	2.8
Ireland	6.7	6.3	5.9	5.6	5.6	5.7	5.8	5.7	5.8	6.0	6.0	6.2	6.3	6.9
Italy	14.4	14.7	15.0	12.6	12.5	12.4	12.3	12.4	12.6	12.6	12.8	12.8	13.3	13.7
Japan	..	9.5	9.7	9.9	10.0	10.0	10.4	10.5	10.9	10.4	10.6	10.8	10.9	..
Korea	..	..	..	..	..	4.0	4.5	4.7	5.0	5.2	5.5	5.7	5.9	..
Luxembourg	11.0	10.9	11.1	11.2	11.0	10.9	11.8	11.8	11.7	11.6	11.3	10.7	10.7	10.9
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	17.1	16.4	16.2	16.1	16.6	16.4	14.7	14.3	14.8	14.9	13.9	14.8	14.3	15.2
New Zealand	1.5	1.6	1.7	1.9	1.4	1.1	1.1	1.2	1.1	1.0	1.1	1.2	1.2	..
Norway	9.8	9.6	9.6	10.3	10.1	9.0	9.3	9.9	9.8	9.4	8.9	8.8	9.1	8.9
Poland	11.3	11.6	11.7	11.6	13.7	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.4
Portugal	10.6	10.5	10.7	10.9	10.8	11.2	11.4	11.7	12.2	12.2	12.5	12.4	12.7	13.0
Slovak Republic	15.1	16.0	15.1	15.0	14.1	14.2	14.4	14.7	14.0	13.3	12.8	11.9	11.8	12.1
Spain	12.7	12.9	12.8	12.8	12.8	12.9	13.0	13.0	13.0	13.0	12.9	12.9	13.0	13.1
Sweden	12.8	13.8	13.6	13.6	12.0	13.8	14.3	14.1	13.8	13.5	13.4	12.8	12.8	11.9
Switzerland	7.4	7.4	7.4	7.2	7.2	7.2	7.5	7.6	7.5	7.0	7.0	6.8	6.8	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	7.4	7.3	7.4	7.3	7.5	7.6	7.7	7.4	7.8	8.1	8.4	8.4	8.3	8.4
United States	7.3	7.2	7.1	7.2	7.2	7.2	7.2	7.1	7.1	7.0	7.0	7.0	6.9	6.9
Euro area	..	..	..	16.1	16.0	15.8	15.6	15.6	15.7	15.5	15.4	15.3	15.1	15.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


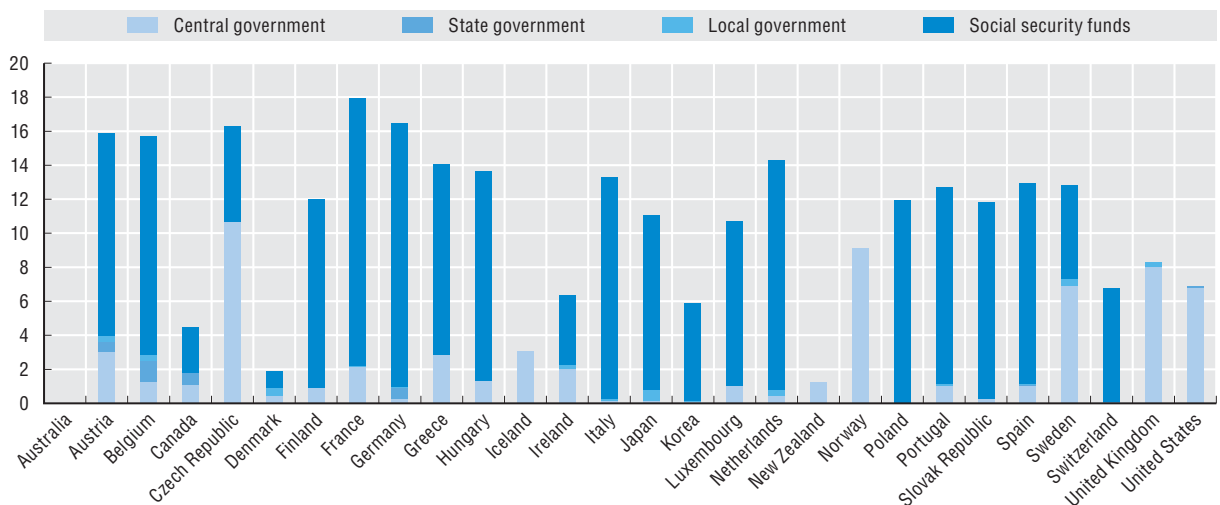
StatLink  <http://dx.doi.org/10.1787/741261450667>

Figure 18.1. Social contributions to government

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/740348361858>

19. Social benefits

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

Definition

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

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

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

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

Social transfers in kind reflect payments for individual goods and services such as education, health and housing, provided by government and NPISHs, to

households either free or at prices that are not economically significant.

Comparability

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

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

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume II, Detailed Tables*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_2-2009-en-fr.

Online database

- OECD (2009), "General government accounts: main aggregates", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.

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

Table 19.1. Social benefits to households

Percentage of GDP

	Social benefits other than social transfers in kind							Social transfers in kind						
	2002	2003	2004	2005	2006	2007	2008	2002	2003	2004	2005	2006	2007	2008
Australia	8.2	8.6	8.4	8.1	7.9	7.7	..	10.7	10.6	10.9	10.7	10.5	10.5	..
Austria	19.2	19.5	19.2	18.8	18.5	18.0	18.1	11.0	11.2	11.1	11.1	10.7	10.7	10.9
Belgium	15.8	16.1	16.0	15.8	15.4	15.4	15.9	13.6	14.0	14.1	14.2	13.9	13.8	14.5
Canada	10.5	10.3	10.1	9.9	10.0	9.9	..	11.8	11.8	11.7	11.5	11.8	11.8	..
Czech Republic	12.4	12.2	12.9	12.6	12.6	12.8	12.8	11.3	11.6	11.6	11.0	10.7	10.3	10.3
Denmark	16.4	17.1	16.9	16.2	15.4	15.0	14.9	18.2	18.5	18.6	18.3	18.3	18.3	19.1
Finland	16.4	16.8	16.6	16.6	15.9	15.1	15.4	13.6	14.1	14.3	14.6	14.4	14.2	14.8
France	17.4	17.5	17.6	17.7	17.6	17.4	17.5	15.0	15.4	15.4	15.4	15.2	15.1	15.2
Germany	19.5	19.8	19.4	19.2	18.4	17.2	16.9	11.1	11.2	10.8	11.0	10.9	10.7	10.7
Greece	15.4	15.8	15.5	16.3	16.7	17.4	19.1	6.0	6.3	6.4	7.0	7.0	7.2	7.2
Hungary	13.2	13.9	13.9	14.6	15.0	15.2	15.9	11.6	12.8	12.4	12.7	12.6	11.5	11.7
Iceland	6.3	7.1	6.8	6.2	5.7	5.8	6.1	16.8	17.6	16.9	16.5	16.4	16.4	16.8
Ireland	8.8	8.8	9.1	9.5	9.7	10.2	12.3	9.6	9.8	10.1	9.8	9.9	10.3	11.3
Italy	16.5	16.8	16.9	17.0	17.0	17.1	17.7	11.3	11.4	11.5	11.9	11.9	11.7	12.0
Japan	11.1	11.2	11.2	11.3	11.5	11.6	..	10.0	10.0	10.0	10.1	10.0	10.1	..
Korea	1.7	1.9	2.1	2.5	2.8	3.1	..	5.2	5.4	5.6	5.8	6.2	6.3	..
Luxembourg	14.5	15.0	14.7	14.4	13.4	12.7	13.4	9.7	9.7	10.2	10.0	9.3	9.1	9.2
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	11.2	11.5	11.4	11.0	10.8	10.4	10.4	13.1	13.6	13.5	13.4	14.8	15.0	15.0
New Zealand	10.4	10.1	9.4	9.4	9.8	10.2	..	10.3	10.4	10.5	10.9	11.1	11.2	..
Norway	14.7	15.5	14.6	13.3	12.4	12.2	11.7	13.7	14.2	13.7	13.0	12.5	13.0	13.0
Poland	17.0	16.9	16.0	15.7	15.2	14.2	14.1	10.2	10.4	9.9	10.1	10.2	10.0	10.5
Portugal	12.6	13.8	14.3	14.9	15.1	15.2	15.6	12.1	12.3	12.5	12.8	12.5	11.8	12.2
Slovak Republic	13.7	11.9	12.2	12.4	11.9	11.6	11.3	8.8	8.2	7.5	7.4	7.6	8.0	7.6
Spain	11.8	11.7	11.7	11.6	11.4	11.6	12.4	9.9	10.0	10.3	10.6	10.5	10.7	11.3
Sweden	17.0	17.7	17.5	17.0	16.3	15.3	15.1	19.5	19.8	19.3	19.2	19.1	18.9	19.4
Switzerland	11.3	12.0	12.0	11.9	11.3	10.8	..	6.4	6.8	6.6	6.6	6.3	6.0	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	12.8	12.8	12.9	12.9	12.6	12.7	13.2	12.2	12.6	12.4	12.8	13.1	13.0	13.5
United States	11.9	12.0	11.9	11.9	12.0	12.1	12.9	6.3	6.4	6.3	6.3	6.3	6.3	..
Euro area	16.5	16.7	16.6	16.5	16.2	15.8	16.0	12.0	12.2	12.1	12.3	12.2	12.1	12.3
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..


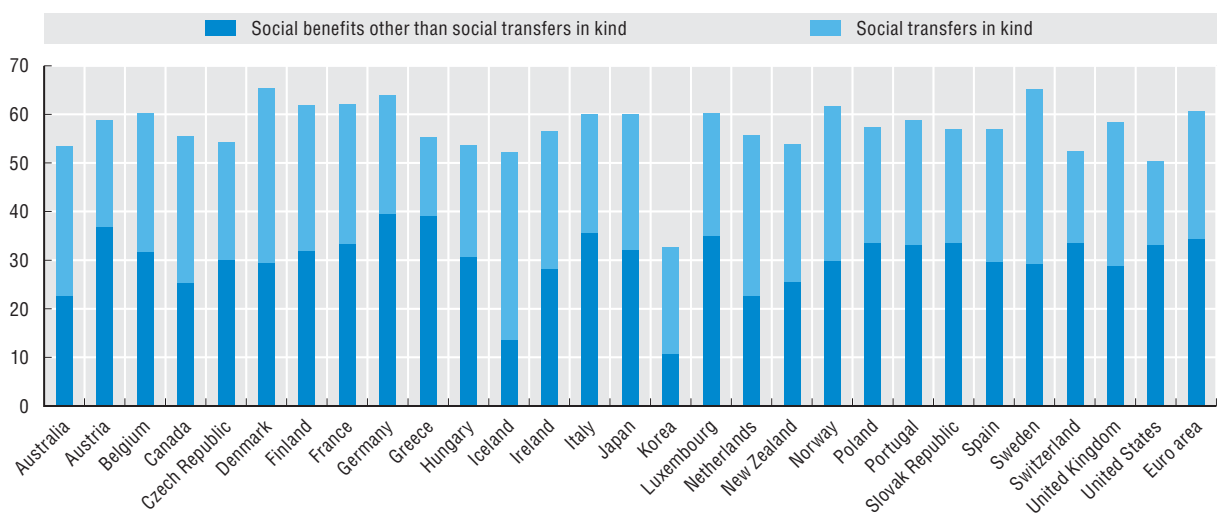
StatLink  <http://dx.doi.org/10.1787/741278604018>

Figure 19.1. Social benefits to households

Percentage of total general government expenditure, 2007

StatLink  <http://dx.doi.org/10.1787/740432433007>

20. Financial assets and liabilities

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

Definition

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

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

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

Comparability

All countries follow the 1993 SNA.

Data are not consolidated for: Canada, Czech Republic, Iceland, Japan, Korea, Switzerland and United Kingdom.

Source

- OECD (2008), *National Accounts of OECD Countries 2008, Volume IIIb, Financial Balance Sheets: Stocks*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_3b-2008-en-fr.

Online databases

- OECD (2009), "Financial balance sheets: consolidated stocks", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00024-en>.
- OECD, "Financial balance sheets: non consolidated stocks", *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00025-en>.

Further reading

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

Table 20.1. Financial assets and liabilities of general government

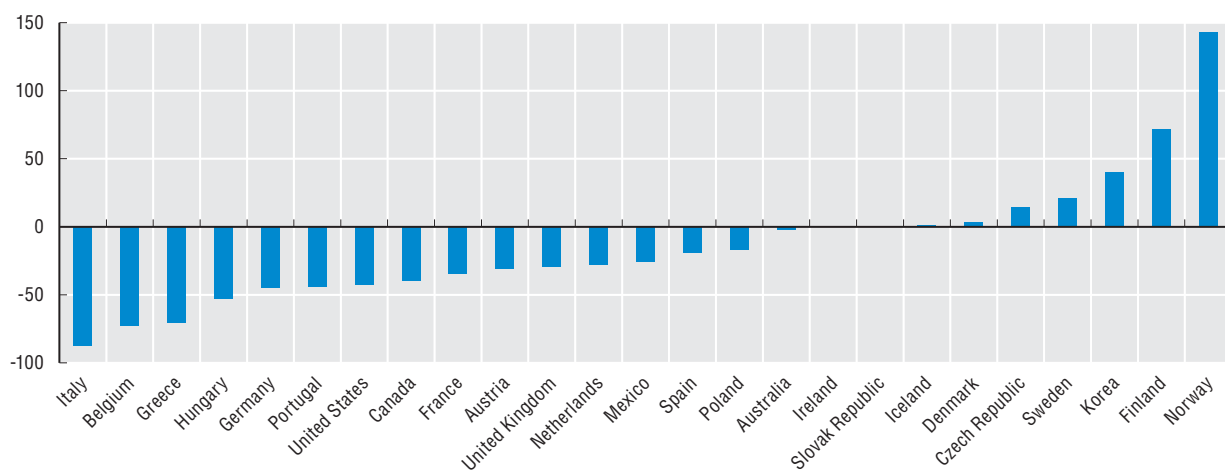
Percentage of GDP

	Financial assets								Liabilities							
	2002	2003	2004	2005	2006	2007	2008	2002	2003	2004	2005	2006	2007	2008		
Australia	29.8	26.5	26.3	25.5	25.4	25.7	..	34.4	31.8	30.2	29.3	28.6	27.4	..		
Austria	36.0	35.2	32.8	32.8	32.8	31.2	..	73.1	71.3	70.7	70.5	66.2	61.9	..		
Belgium	15.2	13.2	14.6	14.0	14.4	14.8	19.6	108.3	103.5	98.3	96.0	91.4	87.6	93.1		
Canada	47.2	47.8	47.2	50.9	51.7	50.3	..	113.4	107.7	101.0	99.5	95.3	89.7	..		
Czech Republic	55.1	47.8	48.4	47.7	46.0	48.0	..	39.2	40.6	39.0	36.5	35.1	34.1	..		
Denmark	34.9	36.0	38.0	33.4	35.1	34.3	..	55.4	53.6	50.1	42.4	37.7	31.2	..		
Finland	80.8	90.9	97.4	106.3	112.9	112.6	..	49.4	51.3	51.5	48.5	45.2	41.4	..		
France	25.6	27.4	28.8	32.7	34.1	35.6	..	67.5	71.6	74.0	75.9	71.6	70.0	..		
Germany	21.3	21.8	21.1	21.2	21.2	20.9	..	62.2	65.4	68.4	71.0	69.3	65.4	..		
Greece	22.6	24.8	26.5	29.2	30.2	33.6	28.8	117.2	112.0	114.2	114.5	107.9	103.9	102.8		
Hungary	24.1	24.2	23.5	22.6	20.2	19.3	..	60.7	61.8	65.0	68.8	71.9	72.0	..		
Iceland	45.5	42.1	38.3	40.4	51.2	56.0	..	74.0	72.8	65.9	54.0	59.1	55.2	..		
Ireland	21.2	22.5	23.7	26.2	27.6	28.7	37.1	35.2	34.1	32.7	32.7	28.8	28.3	48.5		
Italy	23.6	24.1	24.8	26.3	26.5	25.4	..	119.4	116.9	117.2	119.8	116.8	112.5	..		
Japan	91.1	96.7	99.9	109.0	108.0	..	..	165.0	174.9	182.5	191.0	191.2	..	..
Korea	51.3	50.2	53.9	60.1	64.5	67.2	..	19.0	19.2	22.5	24.5	27.6	27.2	..		
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	2.0	2.8	2.8	2.9	2.6	3.4	..	31.9	33.1	31.0	30.3	29.2	28.8	..		
Netherlands	25.4	25.6	24.6	26.1	23.3	24.1	..	60.3	61.9	62.2	61.1	54.7	51.8	..		
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	121.5	145.4	157.5	171.8	197.2	201.0	181.1	40.6	50.2	52.7	49.1	60.5	58.4	55.7		
Poland	33.0	32.7	33.8	34.6	35.5	34.7	..	55.0	55.3	54.6	56.4	55.9	51.6	..		
Portugal	31.9	30.8	28.4	29.0	29.1	27.0	27.4	66.5	68.0	70.6	74.0	73.1	71.1	75.2		
Slovak Republic	48.5	46.5	40.3	33.6	27.4	33.0	..	50.2	48.2	47.0	38.5	34.0	32.4	..		
Spain	20.0	18.5	18.7	20.4	22.2	23.2	24.0	60.3	55.4	53.4	50.6	46.2	42.1	47.0		
Sweden	53.9	56.5	58.8	63.8	68.6	68.0	..	60.5	59.8	59.5	59.7	52.5	47.1	..		
Switzerland	41.5	41.1	40.2	39.7	36.8	..	..	57.2	57.0	57.9	56.4	50.2	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	25.2	24.7	25.0	26.3	25.6	24.8	..	48.8	48.5	50.7	53.5	53.3	53.8	..		
United States	19.5	19.5	19.0	18.8	19.2	19.6	22.9	57.2	60.5	61.5	61.7	61.2	62.2	70.6		
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/741300703822>

Figure 20.1. Financial net worth of general government

Percentage of GDP, 2007

StatLink  <http://dx.doi.org/10.1787/740437381684>



Capital

Financial and non-financial assets

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

21. Net capital stock

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

Definition

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

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

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

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

Comparability

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

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

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

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

Online database

- OECD (2009), “Detailed national accounts: Fixed assets by activity and by type of product”, OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/data-00009-en>.

Further reading

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

Table 21.1. Net capital stock, volume

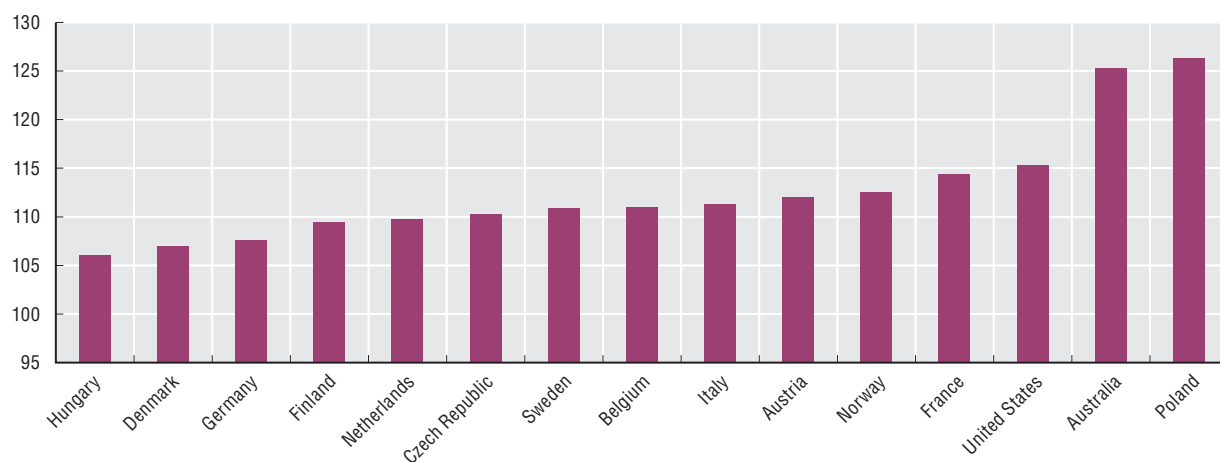
Year 2000=100

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	86.0	88.5	91.3	94.4	97.7	100.0	102.7	106.4	110.6	115.1	120.1	125.3	131.3	..
Austria	87.9	90.2	93.7	95.0	97.3	100.0	102.5	104.1	106.3	108.0	110.0	112.1	114.4	..
Belgium	90.4	92.0	93.8	95.7	97.8	100.0	102.0	103.7	105.1	106.9	108.9	111.0	..	..
Canada	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	90.6	93.2	95.0	96.9	98.4	100.0	101.8	103.1	105.0	106.7	108.3	110.3	113.3	..
Denmark	94.3	95.3	96.2	97.5	98.9	100.0	101.5	102.7	103.8	104.7	105.8	107.0	109.2	111.7
Finland	95.3	95.3	96.0	97.2	98.5	100.0	101.7	103.0	104.4	106.1	107.7	109.5	..	..
France	89.8	91.5	93.2	95.2	97.5	100.0	102.5	104.7	106.9	109.2	111.7	114.4	117.4	120.4
Germany	90.6	92.5	94.4	96.1	98.0	100.0	102.1	103.7	104.7	105.7	106.7	107.6	109.1	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	..	..	..	..	..	100.0	99.9	101.0	101.7	102.8	104.4	106.1	107.7	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	98.0	100.0	101.9	104.0	105.8	107.7	109.5	111.3	113.2	..
Japan	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	88.8	90.6	92.8	95.1	97.7	100.0	102.1	103.8	105.3	106.5	108.0	109.8	111.9	114.2
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	88.6	90.3	92.8	95.6	98.0	100.0	101.7	103.0	104.4	106.3	109.0	112.6	116.7	121.0
Poland	..	..	..	..	..	100.0	108.2	114.6	118.5	119.4	123.0	126.4	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	..	..	..	..	..	100.0	101.9	103.7	105.6	107.1	108.8	110.9	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United States	85.7	88.2	90.8	93.7	96.8	100.0	102.7	105.0	107.4	109.9	112.5	115.3	117.7	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/741347667881>

Figure 21.1. Net capital stock, volume

Year 2000 = 100, 2006

StatLink  <http://dx.doi.org/10.1787/740458130303>

22. Consumption of fixed capital

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

Definition

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

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

It further states that:

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

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

With the increasing importance of high-tech capital goods that undergo rapid technical change, there has

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

Comparability

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

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volumes I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), “Aggregate national accounts: gross domestic product”, *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

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

22. Consumption of fixed capital

Table 22.1. Consumption of fixed capital

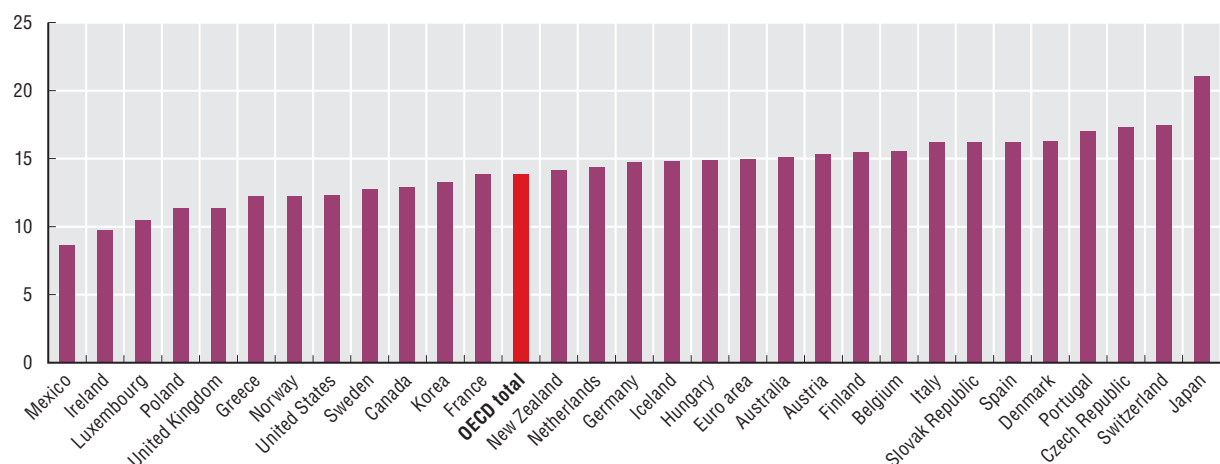
Percentage of GDP

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	15.7	15.3	15.5	15.5	15.6	15.5	15.7	15.6	15.3	15.0	15.1	15.2	15.2	15.2 e
Austria	14.8	14.8	15.1	15.1	15.1	15.1	15.4	15.5	15.6	15.5	15.4	15.3	15.2	15.3
Belgium	14.1	14.6	14.6	14.8	15.0	14.9	15.4	15.4	15.7	15.5	15.3	15.0	15.1	15.6
Canada	13.0	13.2	13.2	13.4	13.1	12.8	13.3	13.5	13.3	13.0	12.8	12.8	12.7	12.9 e
Czech Republic	20.2	19.3	20.1	19.9	20.3	20.6	20.3	20.0	19.7	19.1	18.6	17.9	17.3	17.3
Denmark	15.5	15.6	15.7	15.9	16.1	15.8	16.1	16.2	16.5	16.4	15.9	15.7	15.9	16.3
Finland	17.4	17.1	16.3	15.6	15.5	15.4	15.2	14.8	14.7	14.7	15.1	14.9	15.1	15.5
France	12.3	12.4	12.3	12.1	12.2	12.4	12.6	12.7	12.8	12.9	13.1	13.3	13.3	13.8
Germany	14.6	14.7	14.8	14.8	14.8	15.0	15.0	15.0	14.9	14.9	15.0	14.8	14.8	14.7
Greece	11.5 e	11.6 e	11.4 e	11.5 e	11.5 e	11.4	11.6	11.5	12.5	12.3	12.3	12.1	12.0	12.2
Hungary	18.9	19.2	18.5	17.9	18.4	17.9	17.1	15.8	15.3	14.6	14.6	14.8	14.6	14.9
Iceland	14.2	13.2	12.1	11.5	11.9	11.9	12.1	12.1	12.0	11.6	11.7	12.5	13.1	14.9
Ireland	9.9	9.9	9.8	9.4	9.7	10.1	10.1	10.2	9.9	10.0	10.3	9.8	9.4	9.7
Italy	14.5	14.4	14.5	14.5	14.6	14.6	14.7	15.0	15.1	15.2	15.5	15.6	15.7	16.2
Japan	18.5 e	18.7	18.7	19.4	19.5	19.7	20.2	20.2	20.9	21.1	20.8	20.9	20.8	21.0 e
Korea	11.5 e	12.1 e	12.9 e	14.7 e	14.3 e	13.8	13.5	12.9	13.0	12.9	13.2	13.3	13.2	13.3
Luxembourg	13.5	13.7	13.7	13.7	13.0	13.2	13.6	12.1	11.3	11.7	11.1	10.9	10.6	10.5
Mexico	10.3 e	9.7 e	9.2 e	9.3 e	9.1 e	8.6 e	8.8 e	8.8 e	9.0	8.9	8.7	8.5	8.7	8.7 e
Netherlands	14.8	14.8	14.4	14.5	14.6	14.7	14.7	14.9	15.0	15.0	14.8	14.6	14.4	14.4
New Zealand	14.0	13.9	13.9	14.2	14.1	14.2	13.8	13.7	13.5	13.6	13.9	14.2	14.1	14.1 e
Norway	15.8	15.1	14.8	15.5	15.0	13.5	13.9	14.2	14.0	13.5	12.7	12.3	12.6	12.3
Poland	14.1	14.1	13.7	13.5	13.6	13.3	13.6	13.6	13.7	13.1	12.9	12.7	12.1	11.4
Portugal	15.7	15.6	15.4	15.2	15.2	15.7	15.8	16.1	16.4	16.4	16.6	16.5	16.5	17.0
Slovak Republic	20.4	20.5	20.6	20.3	20.9	20.7	20.7	20.7	20.5	19.7	19.3	18.2	17.0	16.2
Spain	13.0	13.1	13.2	12.9	13.2	13.7	13.8	14.1	14.4	14.9	15.3	15.6	15.7	16.2
Sweden	11.2	11.4	11.5	11.7	12.1	12.5	13.1	13.0	12.6	12.3	12.3	12.2	12.2	12.8
Switzerland	17.4	17.3	17.0	16.9	17.4	17.6	18.2	18.3	18.3	18.0	17.9	17.6	17.3	17.4
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	12.2	11.9	11.5	11.3	11.4	11.4	11.3	11.3	11.0	11.3	11.1	11.2	11.3	11.4
United States	11.1	11.0	11.0	11.1	11.2	11.4	11.8	11.8	11.7	11.7	11.8	12.0	12.1	12.4
Euro area	14.0	14.0	14.0	13.9	14.0	14.1	14.2	14.3	14.4	14.4	14.6	14.6	14.6	14.9
OECD-Total	13.2 e	13.2 e	13.1 e	13.2 e	13.3 e	13.3 e	13.6 e	13.7 e	13.7 e	13.6 e	13.6 e	13.6 e	13.7 e	13.9 e

StatLink  <http://dx.doi.org/10.1787/741515872687>

Figure 22.1. Consumption of fixed capital

Percentage of GDP, 2008

StatLink  <http://dx.doi.org/10.1787/740481157101>

23. Non-financial assets held by households

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

Definition

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

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

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

Comparability

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

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

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

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

Online database

- OECD (2009), "Detailed national accounts: balance sheets for non-financial assets", OECD *National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00368-en>.

Further reading

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

23. Non-financial assets held by households

Table 23.1. Non-financial assets of households per capita

US dollars at current PPPs

	Dwellings				Land				Other			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
Australia	37 521	39 353	41 292	43 817	69 956	75 469	81 307	80 974	8 186	8 615	9 008	9 579
Austria	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	30 055	31 612	34 135	36 519	..	..	..	..	..	..	..	..
Canada	26 702	29 033	32 385	34 598	21 304	24 022	26 962	29 675	1 524	1 565	1 576	1 587
Czech Republic	14 840	15 452	16 203	17 398	975	1 013	1 516	1 709	3 667	4 328	4 833	5 080
Denmark	25 551	25 458	26 418	27 874	..	..	..	..	..	..	..	..
Finland	23 542	25 295	26 878	29 020	..	..	..	..	..	..	..	..
France	39 404	43 371	46 030	50 727	41 283	51 889	59 907	63 350	6 430	6 915	7 197	7 495
Germany	38 918	41 615	42 988	46 110	..	..	..	..	..	..	..	..
Greece	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	16 850	17 569	18 809	19 778	..	..	..	..	..	..	..	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..
Japan	..	..	..	..	46 659	47 437	50 288	52 488	..	..	..	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	57 306	57 110	58 888	60 585	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	38 500	41 119	44 185	46 684	..	..	..	..	..	..	..	..
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	35 706	38 623	41 506	..	..	..	..	..	..	..	..	..
Poland	4 598	5 065	5 617	..	..	..	..	..	..	..	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Republic	20 809	22 462	23 702	25 136	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	..	..	..	..	..	..
Sweden	18 271	19 039	21 671	..	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	85 163	87 058	95 379	103 476	..	..	..	..	17 999	18 551	20 138	21 420
United States	45 106	49 915	52 878	53 054	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/741566188118>

24. Financial assets held by households

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

Definition

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

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

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

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

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

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

An important additional item relating to household financial assets, concerns contingencies, in particular, entitlements of households to pensions from

unfunded schemes, such as pay as you go social security schemes. In these cases no actual financial reserves hypothecated to a pension fund exist and, so, no financial assets are recorded to the households sector (see Annex B for changes in the 2008 SNA).

Comparability

All countries follow the 1993 SNA. But data is not always available for all asset-types or not separately identifiable. As such considerable care is needed when making cross country comparisons, not only of totals, but especially of sub-totals.

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

Source

- OECD (2008), *National Accounts of OECD Countries 2008, Volume IIIb, Financial Balance Sheets: Stocks*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_3b-2008-en-fr.

Online databases

- OECD (2009), "Financial balance sheets: non-consolidated stocks", OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/data-00025-en>.
- OECD, "Financial balance sheets : consolidated stocks", OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/data-00024-en>.

Further reading

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

24. Financial assets held by households

Table 24.1. Financial assets of households by type of assets

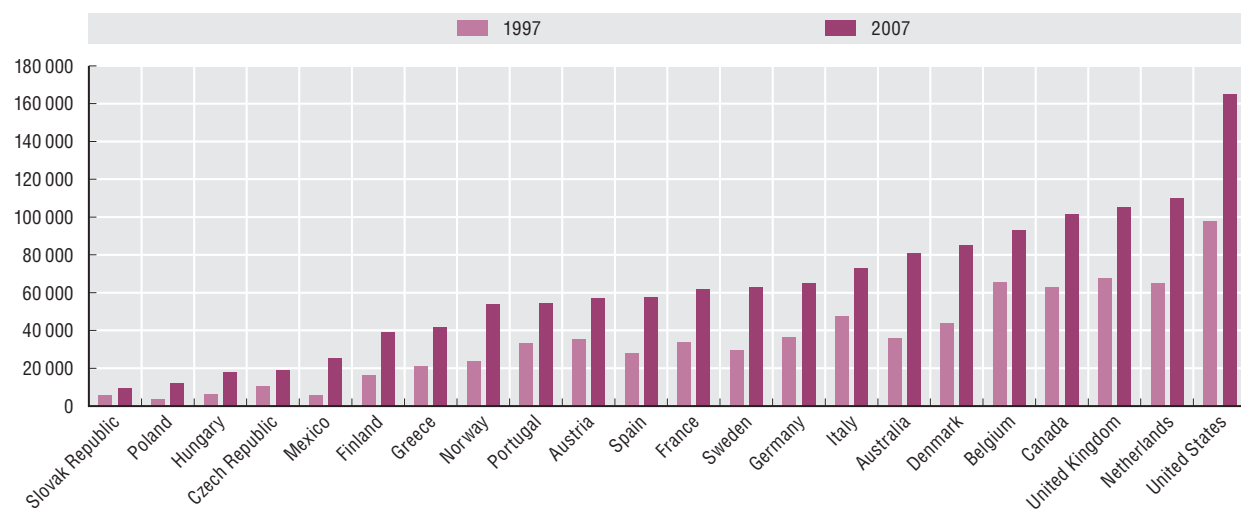

Percentage of total assets

	Currency and deposits		Securities other than shares		Loans		Shares and other equity		Insurance technical reserves		Other accounts	
	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007	1997	2007
Australia	25.1	20.0	2.4	0.5	1.1	0.9	15.2	17.8	55.2	59.2	1.1	1.7
Austria	55.6	47.7	9.0	8.1	0.0	0.1	20.2	22.5	15.2	20.6	0.0	1.0
Belgium	28.0	29.3	26.2	7.6	0.0	0.0	31.0	38.6	10.9	23.3	4.0	1.2
Canada	22.0	19.3	6.4	2.2	1.2	0.3	28.0	38.4	35.8	36.3	6.6	3.5
Czech Republic	58.4	56.0	0.2	0.3	0.0	0.0	27.5	21.8	7.3	14.6	6.6	7.4
Denmark	23.4	21.2	11.5	5.1	0.0	0.0	18.3	29.5	44.8	43.1	1.9	1.1
Finland	48.4	32.4	3.6	1.8	0.3	0.1	31.7	42.8	15.3	20.6	0.7	2.4
France	39.3	29.4	3.9	1.6	1.9	0.7	24.4	26.7	27.8	37.9	2.8	3.8
Germany	40.9	35.5	8.0	7.3	0.0	0.0	22.4	25.1	27.6	31.3	1.2	0.9
Greece	51.4	50.9	10.4	9.1	0.0	0.0	28.8	33.1	2.0	3.0	7.4	3.9
Hungary	48.5	34.5	8.7	4.8	1.3	0.8	31.6	37.4	5.2	18.7	4.8	3.9
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	32.1	..	0.0	..	0.0	..	25.9	..	41.1	..	0.9
Italy	31.1	26.7	25.4	20.0	0.3	0.4	29.8	33.7	9.8	16.5	3.6	2.8
Japan	53.4	..	5.8	..	0.0	..	9.0	..	26.8	..	5.0	..
Korea	..	42.9	..	12.4	..	0.0	..	21.2	..	20.0	..	3.6
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	28.0	7.0	10.3	66.9	0.0	0.0	59.8	24.5	2.0	1.7	0.0	0.0
Netherlands	19.6	21.8	2.8	3.6	0.2	0.2	24.3	15.1	53.1	59.4	0.0	0.0
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..
Norway	34.5	30.4	0.6	1.0	0.8	2.7	16.7	16.5	37.8	37.6	9.6	12.0
Poland	65.4	38.6	1.6	0.5	0.0	1.1	17.7	30.2	8.2	24.7	7.2	4.8
Portugal	37.5	34.0	0.9	5.2	13.0	6.6	33.4	34.2	10.2	17.6	5.0	2.4
Slovak Republic	82.5	58.2	6.2	1.6	0.0	0.0	3.4	12.3	5.5	18.9	2.4	9.0
Spain	41.0	38.2	2.8	2.8	0.0	0.0	41.9	42.3	11.4	13.5	3.0	3.2
Sweden	21.6	18.9	6.8	2.7	0.8	0.2	39.2	40.1	31.4	37.9	0.2	0.2
Switzerland	..	23.9	..	9.0	..	..	..	24.9	..	42.3	..	0.0
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	21.5	26.6	2.3	0.5	0.3	0.1	21.2	15.7	52.0	53.7	2.8	3.4
United States	11.5	12.1	8.6	7.6	1.2	2.0	47.3	47.7	31.4	30.7	0.0	0.0
Euro area	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/741574365658>

Figure 24.1. Financial assets of households per capita

US dollars at current PPPs

StatLink  <http://dx.doi.org/10.1787/740503002734>

Annex A: *Reference Series*

Gross domestic product

Actual individual consumption

Population

Purchasing power parities

Exchanges rates

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

	Billion US dollars													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	434	450	471	495	515	525	545	562	585	601	619	639	663	678 e
Austria	199	203	207	215	222	230	231	235	237	243	249	258	267	272
Belgium	247	250	259	263	272	282	284	289	292	300	306	315	324	327
Canada	713	725	755	786	830	873	889	915	932	961	988	1 019	1 047	1 051 e
Czech Republic	143	149	148	146	148	154	158	161	166	174	185	197	210	215
Denmark	133	137	142	145	148	154	155	155	156	160	164	169	172	170
Finland	105	109	116	122	126	133	136	138	141	146	150	158	164	166
France	1 335	1 350	1 380	1 428	1 475	1 533	1 561	1 577	1 594	1 634	1 665	1 702	1 741	1 749
Germany	1 929	1 948	1 983	2 023	2 064	2 130	2 157	2 157	2 152	2 178	2 194	2 264	2 320	2 349
Greece	169 e	173 e	180 e	186 e	192 e	201	209	216	229	240	245	256	268	273
Hungary	102	103	107	113	118	124	129	134	140	147	152	158	160	161
Iceland	6	7	7	7	8	8	8	8	9	9	10	10	11	11
Ireland	69	74	83	90	99	109	115	123	128	134	142	150	159	154
Italy	1 325	1 339	1 364	1 384	1 404	1 456	1 482	1 489	1 489	1 511	1 521	1 552	1 577	1 560
Japan	3 092	3 177	3 227	3 160	3 156	3 246	3 252	3 261	3 307	3 398	3 463	3 534	3 619	3 593 e
Korea	650 e	696 e	728 e	678 e	743 e	806	838	897	923	965	1 003	1 055	1 109	1 134
Luxembourg	17	18	19	20	22	23	24	25	25	26	28	29	31	31
Mexico	756 e	795 e	849 e	891 e	925 e	986 e	986 e	993 e	1 007	1 047	1 082	1 136	1 175	1 191 e
Netherlands	384	397	414	430	450	468	477	477	479	489	499	516	535	546
New Zealand	70	73	74	74	78	80	83	87	91	94	97	99	102	101 e
Norway	135	142	150	154	157	162	165	168	169	176	181	185	191	195
Poland	310	330	353	371	387	404	409	415	431	454	470	499	533	560
Portugal	143	148	154	162	168	175	178	179	178	181	182	185	188	188
Slovak Republic	50	54	56	58	58	59	61	64	67	71	75	82	90	96
Spain	701	718	746	779	816	857	889	913	941	972	1 007	1 047	1 085	1 094
Sweden	209	212	217	225	236	246	249	255	259	270	279	291	298	298
Switzerland	206	207	211	217	220	228	230	231	231	237	243	252	261	265
Turkey	481 e	515 e	553 e	570	551	589	555	589	620	678	735	786	823	830
United Kingdom	1 295	1 332	1 377	1 426	1 476	1 533	1 571	1 604	1 649	1 695	1 730	1 779	1 833	1 846
United States	8 002	8 305	8 679	9 061	9 502	9 899	10 007	10 190	10 445	10 819	11 150	11 449	11 693	11 742
Euro area	6 735	6 840	7 016	7 214	7 424	7 711	7 857	7 930	7 995	8 167	8 305	8 554	8 789	8 848
OECD-Total	23 413 e	24 135 e	25 006 e	25 679 e	26 567 e	27 671 e	28 032 e	28 508 e	29 070	30 003	30 807	31 762	32 636	32 836 e

StatLink  <http://dx.doi.org/10.1787/741578381031>

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

	US dollars													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	21 573	22 385	23 488	24 662	26 128	27 233	28 281	29 610	31 139	32 429	33 963	35 666	37 565	38 591 e
Austria	23 549	24 361	24 927	26 083	27 011	28 736	28 806	30 231	31 094	32 610	33 409	35 163	37 176	37 867
Belgium	22 509	22 839	23 839	24 342	25 299	27 540	28 435	29 946	30 146	31 035	32 063	33 608	35 382	35 222
Canada	22 771	23 334	24 481	25 554	27 135	28 447	29 334	29 893	31 242	32 811	35 002	36 867	38 500	39 045 e
Czech Republic	12 839	13 668	13 837	13 966	14 312	14 975	16 178	16 872	18 000	19 311	20 366	22 012	24 063	24 595
Denmark	23 038	24 096	25 274	26 146	26 926	28 789	29 445	30 756	30 441	32 314	33 196	34 871	35 961	36 362
Finland	18 810	19 317	20 998	22 656	23 686	25 638	26 637	27 560	27 676	29 867	30 644	32 580	34 700	35 337
France	20 262	20 845	21 760	22 800	23 628	25 243	26 651	27 777	27 412	28 284	29 692	30 946	32 633	32 985
Germany	22 537	23 098	23 593	24 256	25 142	25 919	26 862	27 587	28 579	29 912	31 366	32 886	34 466	35 652
Greece	14 708	15 205	16 052	16 510	17 032	18 389	19 934	21 598	22 712	24 168	24 641	26 356	28 206	28 829
Hungary	9 049	9 442	10 079	10 813	11 260	12 099	13 563	14 755	15 412	16 308	16 952	18 008	18 746	19 272
Iceland	23 266	24 208	26 110	27 832	28 632	28 807	30 451	31 084	30 781	33 710	35 027	35 113	36 311	36 498
Ireland	17 943	19 589	21 759	24 002	25 909	28 643	30 518	33 047	34 531	36 538	38 675	41 678	44 826	41 933
Italy	21 154	21 842	22 596	23 732	24 196	25 565	27 134	26 804	27 149	27 426	28 144	29 463	30 538	30 873
Japan	22 546	23 552	24 264	23 971	24 245	25 576	26 160	26 805	27 488	29 033	30 312	31 938	33 603	34 112 e
Korea	13 362 e	14 431 e	15 211 e	14 223 e	15 685 e	17 137	18 169	19 656	20 145	21 671	22 783	24 736	26 833	27 939
Luxembourg	38 919	40 169	40 736	43 094	48 857	53 315	53 921	57 546	60 737	65 004	68 313	76 266	82 407	83 353
Mexico	7 547 e	7 962 e	8 518 e	8 920 e	9 261 e	10 034 e	10 137 e	10 398 e	10 879	11 527	12 462	13 381	14 049	14 427 e
Netherlands	21 595	22 683	24 110	25 486	26 933	29 371	30 796	31 943	31 716	33 221	35 111	37 150	39 333	41 453
New Zealand	17 166	17 647	18 328	18 604	19 819	20 679	21 517	22 224	22 860	24 002	24 626	25 791	26 911	26 651 e
Norway	23 644	26 089	27 978	27 421	29 800	36 084	37 101	37 052	38 316	42 274	47 319	52 118	53 477	58 390
Poland	7 498	8 135	8 876	9 470	9 996	10 555	10 953	11 563	11 990	13 020	13 786	14 842	16 111	17 675
Portugal	13 097	13 644	14 446	15 176	16 113	17 067	17 804	18 447	18 799	19 178	20 656	21 656	22 806	23 162
Slovak Republic	8 325	9 041	9 745	10 323	10 403	10 962	12 058	12 970	13 603	14 681	16 175	18 020	20 079	22 081
Spain	16 021	16 735	17 706	18 896	19 824	21 295	22 597	24 067	24 759	25 968	27 377	29 580	31 650	31 744
Sweden	21 911	22 673	23 432	24 269	25 801	27 726	27 971	29 004	30 076	32 078	32 298	34 456	36 632	37 309
Switzerland	26 675	27 369	28 503	29 509	30 028	31 581	32 111	33 391	33 281	34 550	35 478	38 340	41 215	43 114
Turkey	6 922 e	7 441 e	8 181 e	8 439	8 046	8 724	8 178	8 217	8 316	9 595	10 841	12 074	12 798 e	13 342 e
United Kingdom	19 755	20 977	22 435	23 311	24 249	26 041	27 585	28 888	29 862	31 741	32 684	34 137	35 543	35 855
United States	27 606	28 860	30 330	31 653	33 298	35 051	35 871	36 765	38 143	40 267	42 494	44 630	46 434	47 186
Euro area	19 991	20 636	21 453	22 416	23 246	24 610	25 830	26 669	27 114	28 143	29 403	30 977	32 638	33 274
OECD-Total	19 669 e	20 532 e	21 526 e	22 235 e	23 149 e	24 488 e	25 284 e	26 061 e	26 827	28 278	29 753	31 428	32 984 e	33 659 e

StatLink  <http://dx.doi.org/10.1787/741627002062>

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

	US dollars													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	23 829	24 457	25 298	26 323	27 054	27 233	27 896	28 460	29 252	29 714	30 171	30 711	31 343	31 522 e
Austria	25 002	25 525	26 038	26 945	27 791	28 736	28 775	29 105	29 208	29 763	30 288	31 175	32 152	32 671
Belgium	24 359	24 607	25 408	25 777	26 609	27 540	27 664	27 949	28 109	28 820	29 193	29 868	30 463	30 790
Canada	24 333	24 469	25 250	26 067	27 286	28 447	28 644	29 152	29 416	30 031	30 591	31 217	31 746	31 510 e
Czech Republic	13 833	14 412	14 323	14 226	14 433	14 975	15 415	15 744	16 310	17 032	18 060	19 228	20 296	20 583
Denmark	25 525	26 089	26 806	27 292	27 896	28 789	28 889	28 921	28 957	29 550	30 183	31 090	31 468	30 909
Finland	20 534	21 224	22 474	23 588	24 456	25 638	26 271	26 618	27 037	27 960	28 636	29 925	31 051	31 230
France	22 463	22 634	23 061	23 783	24 458	25 243	25 527	25 604	25 702	26 146	26 444	26 849	27 312	27 274
Germany	23 618	23 785	24 168	24 666	25 144	25 919	26 192	26 147	26 078	26 399	26 610	27 485	28 197	28 602
Greece	15 934 e	16 196 e	16 680 e	17 149 e	17 657 e	18 389	19 104	19 693	20 796	21 682	22 084	22 990	23 923	24 309
Hungary	9 870	9 988	10 439	11 004	11 502	12 099	12 627	13 222	13 826	14 530	15 072	15 695	15 871	16 002
Iceland	23 866	24 864	25 895	27 241	28 009	28 807	29 527	29 311	29 839	31 774	33 758	34 285	35 355	34 593
Ireland	19 098	20 501	22 642	24 219	26 510	28 643	29 826	31 212	32 052	32 962	34 243	35 189	36 421	34 632
Italy	23 307	23 556	23 984	24 313	24 665	25 565	26 013	26 049	25 843	25 981	25 959	26 337	26 553	26 052
Japan	24 622	25 240	25 576	24 990	24 916	25 576	25 545	25 578	25 897	26 588	27 107	27 659	28 321	28 140 e
Korea	14 421 e	15 283 e	15 845 e	14 653 e	15 929 e	17 137	17 687	18 846	19 278	20 093	20 845	21 852	22 893	23 329
Luxembourg	42 378	42 411	44 353	46 633	49 857	53 315	54 285	55 919	56 105	57 742	59 949	62 298	65 309	64 180
Mexico	8 296 e	8 590 e	9 038 e	9 361 e	9 580 e	10 034 e	9 899 e	9 857 e	9 885	10 182	10 419	10 847	11 121	11 177 e
Netherlands	24 808	25 544	26 498	27 370	28 460	29 371	29 711	29 542	29 503	30 064	30 603	31 595	32 662	33 189
New Zealand	18 881	19 267	19 415	19 403	20 313	20 679	21 106	21 718	22 286	22 857	23 258	23 421	23 912	23 427 e
Norway	31 034	32 446	34 009	34 709	35 174	36 084	36 623	36 960	37 122	38 338	39 124	39 681	40 534	40 859
Poland	8 105	8 608	9 217	9 678	10 120	10 555	10 683	10 843	11 273	11 880	12 316	13 093	13 987	14 687
Portugal	14 244	14 719	15 284	15 966	16 509	17 067	17 297	17 302	17 043	17 201	17 280	17 458	17 745	17 715
Slovak Republic	9 343	9 972	10 390	10 831	10 825	10 962	11 379	11 922	12 485	13 121	13 968	15 144	16 705	17 742
Spain	17 802	18 190	18 844	19 617	20 443	21 295	21 824	22 093	22 403	22 762	23 201	23 766	24 171	23 994
Sweden	23 647	23 954	24 530	25 451	26 599	27 726	27 943	28 524	28 962	30 037	30 904	32 036	32 615	32 314
Switzerland	29 062	29 144	29 715	30 420	30 669	31 581	31 611	31 502	31 176	31 755	32 389	33 314	34 239	34 435
Turkey	7 801 e	8 207 e	8 856 e	8 989	8 567	8 724	8 089	8 463	8 772	9 449	10 204	10 771	11 136 e	11 102 e
United Kingdom	22 321	22 908	23 605	24 389	25 146	26 041	26 580	27 041	27 694	28 320	28 715	29 359	30 054	30 082
United States	30 016	30 791	31 796	32 811	34 018	35 051	35 076	35 375	35 927	36 882	37 666	38 313	38 753	38 559
Euro area	21 796	22 076	22 587	23 176	23 785	24 610	24 961	25 054	25 102	25 477	25 752	26 381	26 950	26 988
OECD-Total	21 480 e	21 983 e	22 641 e	23 094 e	23 733 e	24 488 e	24 624 e	24 865 e	25 176	25 806	26 336	26 976	27 529	27 514 e

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

	Billion US dollars													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	269	282	300	321	340	368	387	416	432	465	474	505	543	577 e
Austria	124	130	132	137	142	157	158	169	173	183	181	194	203	213
Belgium	152	157	162	165	170	195	202	218	215	227	224	239	252	264
Canada	466	485	509	528	556	591	619	648	676	716	758	812	871	929 e
Czech Republic	85	94	97	97	101	108	116	121	127	135	125	145	156	167
Denmark	81	85	89	93	95	101	102	112	108	115	120	125	131	137
Finland	60	63	66	70	74	82	85	92	94	100	107	111	117	124
France	869	903	932	974	1 019	1 141	1 218	1 323	1 298	1 360	1 350	1 465	1 546	1 619
Germany	1 298	1 345	1 368	1 389	1 458	1 557	1 618	1 689	1 736	1 788	1 813	1 933	1 974	2 057
Greece	126 e	132 e	139 e	141 e	145 e	159	175	199	198	210	216	235	250	264
Hungary	72	71	74	78	83	90	98	112	117	122	116	130	132	136
Iceland	4	4	5	5	6	6	6	6	7	7	8	8	9	10
Ireland	40	43	46	50	54	63	67	74	78	83	90	97	106	110
Italy	791	811	852	904	936	1 024	1 094	1 088	1 106	1 131	1 169	1 221	1 271	1 309
Japan	1 725	1 808	1 853	1 857	1 917	2 058	2 141	2 270	2 357	2 465	2 607	2 724	2 829	2 946 e
Korea	375 e	408 e	429 e	382 e	430 e	480	517	577	582	600	638	687	737	773
Luxembourg	8	9	9	10	10	12	12	14	13	14	14	14	15	16
Mexico	517 e	538 e	580 e	615 e	653 e	738 e	768 e	810 e	834	901	969	1 047	1 120	1 178 e
Netherlands	212	225	238	255	276	313	328	358	348	362	356	393	413	434
New Zealand	45	48	51	53	55	58	61	64	67	72	74	79	84	86 e
Norway	64	70	73	76	79	87	91	99	103	111	121	122	131	138
Poland	218	240	259	273	293	320	333	366	369	393	386	434	469	516
Portugal	96	101	106	110	119	132	137	146	148	156	169	177	185	194
Slovak Republic	28	34	38	40	40	43	48	53	53	56	56	67	74	81
Spain	437	456	483	516	548	620	666	739	747	798	811	901	966	1 001
Sweden	127	132	135	141	152	168	171	185	189	197	198	208	219	228
Switzerland	120	125	131	134	137	146	153	165	164	171	177	180	191	201 e
Turkey	302 e	334 e	368 e	375 e	383 e	455 e	441 e	469 e	479 e	543 e	593 e	650 e	688 e	713 e
United Kingdom	851	917	974	1 013	1 076	1 211	1 294	1 405	1 433	1 537	1 526	1 655	1 745	1 835
United States	5 440 e	5 745 e	6 058 e	6 433 e	6 891 e	7 419 e	7 770 e	8 099 e	8 513 e	9 030 e	9 608 e	10 164 e	10 715 e	11 091 e
Euro area	4 295 e	4 465 e	4 619 e	4 810 e	5 015 e	5 335 e	5 634 e	5 850 e	6 018 e	6 262 e	6 599 e	6 938 e	7 264 e	7 505 e
OECD-Total	15 003 e	15 797 e	16 555 e	17 234 e	18 238 e	19 900 e	20 876 e	22 087 e	22 766 e	24 046 e	25 055 e	26 721 e	28 141 e	29 348 e


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

	Billion US dollars													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	301	309	323	343	357	368	378	393	414	433	444	459	477	489 e
Austria	141	144	146	150	153	157	158	161	162	166	169	171	173	175
Belgium	175	178	180	185	189	195	198	200	202	206	208	211	216	218 e
Canada	509	519	536	550	569	591	606	626	644	665	687	716	747	770 e
Czech Republic	97	104	106	104	107	108	111	114	121	124	127	132	138	142
Denmark	93	95	98	100	101	101	102	104	105	109	113	117	120	121
Finland	70	73	75	78	80	82	84	86	89	92	95	98	100	102
France	1 018	1 033	1 038	1 072	1 104	1 141	1 168	1 197	1 223	1 253	1 283	1 310	1 340	1 356
Germany	1 421	1 444	1 459	1 483	1 522	1 557	1 584	1 578	1 583	1 581	1 592	1 613	1 614	1 624
Greece	141 e	144 e	148 e	152 e	156 e	159	166	174	181	187	197	207	215	220
Hungary	81	79	80	83	87	90	96	105	114	117	121	124	122	121
Iceland	4	5	5	5	6	6	6	6	6	7	7	8 e	8 e	8 e
Ireland	43	46	49	52	57	63	67	70	72	75	79	84	89	88
Italy	912 e	924 e	950 e	976 e	1 000	1 024	1 037	1 043	1 055	1 067	1 081	1 094	1 106	1 100
Japan	1 949	2 000	2 015	2 000	2 029	2 058	2 096	2 123	2 135	2 171	2 204	2 236	2 256	2 268 e
Korea	415 e	441 e	456 e	402 e	445 e	480	510	553	554	558	584	614	645	653
Luxembourg	9	10	10	11	11	12	12	13	12	13	13	14	14	15
Mexico	581 e	591 e	627 e	658 e	687 e	738 e	752 e	762 e	771 e	810 e	848 e	894 e	927 e	941 e
Netherlands	258	266	276	289	302	313	320	324	326	329	332	342	350	355
New Zealand	50 e	52 e	53 e	55 e	57 e	58 e	59 e	62 e	66 e	69 e	72 e	74 e	76 e	76 e
Norway	72	76	79	81	84	87	90	93	95	100	104	108	114	117
Poland	247	266	283	295	311	320	328	337	345	360	368	387	406	431
Portugal	108 e	113 e	116 e	121 e	128 e	132 e	134 e	136 e	136 e	139 e	142 e	144 e	145 e	148 e
Slovak Republic	32	38	42	44	43	43	45	48	48	49	53	56	61 e	64 e
Spain	509 e	521 e	537 e	562 e	591 e	620	642 e	662 e	683 e	714 e	744 e	771 e	799 e	800 e
Sweden	148	150	152	158	163	168	170	175	177	180	185	189	193	194
Switzerland	134	135	138	140	143	146	150	151	153	155	157	160	163	166 e
Turkey	362 e	392 e	424 e	429 e	430 e	455 e	426 e	447 e	489 e	541 e	582 e	611 e	644 e	645 e
United Kingdom	996	1 032	1 067	1 108	1 161	1 211	1 248	1 292	1 331	1 370	1 396	1 423	1 465	1 488
United States	6 003 e	6 199 e	6 414 e	6 741 e	7 083 e	7 419 e	7 611 e	7 805 e	8 001 e	8 245 e	8 479 e	8 699 e	8 905 e	8 899 e
Euro area	4 747 e	4 827 e	4 904 e	5 034 e	5 184 e	5 335 e	5 444 e	5 516 e	5 590 e	5 679 e	5 779 e	5 898 e	6 001 e	6 051 e
OECD-Total	16 875 e	17 373 e	17 874 e	18 423 e	19 153 e	19 900 e	20 355 e	20 838 e	21 293 e	21 879 e	22 456 e	23 052 e	23 611 e	23 772 e


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Table A.6. Population

Thousands

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	18 417	18 606	18 812	19 036	19 270	19 527	19 752	19 986	20 226	20 518	20 822	21 153	21 514 e
Austria	7 959	7 968	7 977	7 992	8 012	8 042	8 082	8 118	8 169	8 225	8 268	8 301	8 337
Belgium	10 155	10 180	10 203	10 222	10 246	10 281	10 330	10 373	10 417	10 474	10 543	10 622	10 622
Canada	29 611	29 907	30 157	30 404	30 689	31 021	31 373	31 676	31 995	32 312	32 649	32 976	33 361 e
Czech Republic	10 315	10 304	10 295	10 283	10 273	10 224	10 201	10 202	10 207	10 234	10 267	10 323	10 430
Denmark	5 262	5 285	5 303	5 321	5 338	5 357	5 376	5 390	5 403	5 419	5 437	5 460	5 492
Finland	5 125	5 140	5 153	5 165	5 176	5 188	5 201	5 213	5 227	5 245	5 266	5 289	5 313
France	59 624	59 831	60 047	60 315	60 725	61 163	61 605	62 038	62 491	62 958	63 382	63 758	64 120
Germany	81 896	82 052	82 029	82 087	82 188	82 340	82 482	82 520	82 501	82 464	82 366	82 263	82 120
Greece	10 709	10 777	10 835	10 883	10 917	10 950	10 988	11 024	11 062	11 104	11 149	11 193	11 237
Hungary	10 311	10 290	10 267	10 238	10 211	10 188	10 159	10 130	10 107	10 087	10 071	10 056	10 038
Iceland	269	271	274	277	281	285	288	289	293	296	304	311	319
Ireland	3 626	3 661	3 711	3 751	3 800	3 859	3 926	3 991	4 059	4 149	4 253	4 357	4 443
Italy	56 860	56 890	56 907	56 916	56 942	56 977	57 157	57 605	58 175	58 607	58 942	59 375	59 889
Japan	125 859	126 157	126 472	126 667	126 926	127 316	127 486	127 694	127 787	127 768	127 770	127 771	127 692
Korea	45 525	45 954	46 287	46 617	47 008	47 357	47 622	47 859	48 039	48 138	48 297	48 456	48 607
Luxembourg	416	421	426	432	439	442	446	452	458	465	473	480	489
Mexico	92 544	93 908	95 233	96 550	98 258	99 564	100 762	101 870	102 866	103 831	104 748	105 677	106 568 e
Netherlands	15 526	15 607	15 703	15 809	15 922	16 043	16 147	16 223	16 276	16 317	16 341	16 378	16 440
New Zealand	3 775	3 811	3 833	3 856	3 877	3 936	4 013	4 079	4 127	4 176	4 223	4 264	4 305 e
Norway	4 381	4 405	4 432	4 462	4 491	4 513	4 539	4 565	4 591	4 622	4 661	4 706	4 768
Poland	38 289	38 292	38 283	38 270	38 256	38 251	38 232	38 195	38 180	38 161	38 132	38 116	38 116
Portugal	10 058	10 091	10 129	10 172	10 226	10 293	10 368	10 441	10 502	10 549	10 584	10 608	10 622
Slovak Republic	5 374	5 383	5 391	5 396	5 401	5 380	5 379	5 379	5 382	5 387	5 391	5 397	5 406
Spain	39 479	39 583	39 722	39 927	40 264	40 721	41 314	42 005	42 692	43 398	44 068	44 874	45 593
Sweden	8 841	8 846	8 851	8 858	8 872	8 896	8 925	8 958	8 994	9 030	9 081	9 148	9 219
Switzerland	7 105	7 113	7 132	7 167	7 209	7 285	7 343	7 405	7 454	7 501	7 558	7 619	7 710
Turkey	62 697	62 480	63 459	64 345	67 461	68 618	69 626	70 712	71 789	72 065	72 974	73 876 e	74 768 e
United Kingdom	58 164	58 314	58 475	58 684	58 886	59 113	59 323	59 557	59 846	60 238	60 587	60 975	61 350
United States	269 714	272 958	276 154	279 328	282 413	285 294	288 055	290 729	293 348	296 036	298 820	301 737	304 529
Euro area	309 838	310 624	311 279	312 126	313 330	314 766	316 528	318 498	320 556	322 513	324 228	326 122	327 864
OECD-Total	1 097 887	1 104 487	1 111 950	1 119 430	1 129 975	1 138 425	1 146 499	1 154 677	1 162 665	1 169 775	1 177 427	1 185 518 e	1 193 417 e


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Table A.7. Purchasing power parities for GDP

	National currency per US dollar													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	1.32	1.32	1.32	1.31	1.30	1.31	1.33	1.34	1.35	1.37	1.39	1.41	1.42	1.48
Austria	0.933	0.929	0.924	0.917	0.917	0.901	0.917	0.896	0.885	0.874	0.886	0.881	0.877	0.893
Belgium	0.911	0.911	0.911	0.924	0.921	0.892	0.886	0.865	0.879	0.896	0.900	0.898	0.891	0.920
Canada	1.21	1.21	1.21	1.19	1.19	1.23	1.22	1.23	1.23	1.23	1.21	1.21	1.21	1.23
Czech Republic	11.1	11.9	12.7	13.9	14.1	14.2	14.2	14.3	14.0	14.3	14.3	14.3	14.2	14.4
Denmark	8.46	8.44	8.43	8.39	8.47	8.42	8.47	8.30	8.54	8.40	8.59	8.59	8.60	8.68
Finland	0.998	1.000	0.997	1.000	1.000	0.996	1.010	1.000	1.010	0.975	0.977	0.973	0.979	0.984
France	0.992	0.987	0.974	0.967	0.960	0.940	0.918	0.905	0.938	0.939	0.923	0.921	0.911	0.922
Germany	1.000	0.992	0.990	0.988	0.975	0.968	0.955	0.942	0.917	0.896	0.867	0.858	0.856	0.852
Greece	0.573	0.604	0.629	0.662	0.681	0.679	0.671	0.660	0.689	0.695	0.714	0.716	0.717	0.738
Hungary	61.6	73.1	85.0	94.1	101.0	108.0	111.0	115.0	121.0	126.0	129.0	131.0	135.0	137.0
Iceland	73.0	74.9	74.4	77.2	79.7	84.4	88.9	91.3	94.5	94.2	99.1	109.0	115.0	126.0
Ireland	0.822	0.827	0.853	0.882	0.930	0.963	0.993	1.000	1.010	1.010	1.010	0.997	0.972	0.976
Italy	0.788	0.808	0.816	0.808	0.818	0.818	0.808	0.845	0.854	0.872	0.867	0.855	0.852	0.850
Japan	174	170	168	167	162	155	149	144	140	134	130	124	120	117
Korea	690	712	732	767	755	749	757	770	796	794	789	761	750	754
Luxembourg	0.948	0.946	0.957	0.948	0.941	0.941	0.948	0.934	0.942	0.922	0.953	0.947	0.947	0.966
Mexico	2.93	3.76	4.35	4.96	5.63	6.11	6.31	6.55	6.82	7.22	7.13	7.38	7.53	7.86
Netherlands	0.914	0.908	0.910	0.906	0.907	0.894	0.906	0.902	0.927	0.908	0.896	0.890	0.883	0.874
New Zealand	1.46	1.47	1.45	1.45	1.43	1.45	1.47	1.47	1.50	1.51	1.54	1.52	1.55	1.59
Norway	9.16	9.04	9.08	9.38	9.33	9.14	9.18	9.11	9.11	8.98	8.90	8.89	9.05	9.15
Poland	1.18	1.36	1.52	1.66	1.74	1.84	1.86	1.83	1.84	1.86	1.87	1.87	1.92	1.89
Portugal	0.648	0.660	0.672	0.693	0.697	0.701	0.706	0.708	0.706	0.716	0.684	0.678	0.674	0.676
Slovak Republic	0.432	0.443	0.455	0.470	0.501	0.526	0.522	0.528	0.555	0.572	0.566	0.567	0.568	0.564
Spain	0.709	0.717	0.719	0.719	0.733	0.735	0.740	0.733	0.753	0.759	0.765	0.755	0.741	0.752
Sweden	9.36	9.24	9.30	9.37	9.29	9.15	9.35	9.35	9.34	9.10	9.38	9.27	9.14	9.18
Switzerland	1.98	1.94	1.89	1.88	1.87	1.85	1.84	1.77	1.78	1.75	1.74	1.69	1.66	1.63
Turkey	0.024	0.043	0.076	0.131	0.202	0.283	0.428	0.613	0.773	0.812	0.831	0.861	0.892	0.952
United Kingdom	0.64	0.64	0.63	0.64	0.65	0.64	0.63	0.63	0.64	0.63	0.64	0.64	0.65	0.66
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.901	0.907	0.890	0.883	0.888	0.879	0.870	0.868	0.874	0.871	0.859	0.852	0.845	0.850
OECD-Total



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Table A.8. Exchange rates

National currency per US dollar

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	1.35	1.28	1.35	1.59	1.55	1.72	1.93	1.84	1.54	1.36	1.31	1.33	1.20	1.19
Austria	0.733	0.769	0.887	0.900	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Belgium	0.731	0.768	0.887	0.900	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Canada	1.37	1.36	1.38	1.48	1.49	1.49	1.55	1.57	1.40	1.30	1.21	1.13	1.07	1.07
Czech Republic	26.5	27.1	31.7	32.3	34.6	38.6	38.0	32.7	28.2	25.7	24.0	22.6	20.3	17.1
Denmark	5.60	5.80	6.60	6.70	6.98	8.08	8.32	7.89	6.59	5.99	6.00	5.95	5.44	5.10
Finland	0.734	0.773	0.873	0.899	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
France	0.761	0.780	0.890	0.899	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Germany	0.733	0.769	0.887	0.900	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Greece	0.680	0.706	0.801	0.867	0.897	1.070	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Hungary	126.0	153.0	187.0	214.0	237.0	282.0	286.0	258.0	224.0	203.0	200.0	210.0	184.0	172.0
Iceland	64.7	66.5	70.9	71.0	72.3	78.6	97.4	91.7	76.7	70.2	63.0	70.2	64.1	87.9
Ireland	0.792	0.794	0.838	0.892	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Italy	0.841	0.797	0.880	0.897	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Japan	94	109	121	131	114	108	122	125	116	108	110	116	118	103
Korea	771	804	951	1 401	1 189	1 131	1 291	1 251	1 192	1 145	1 024	955	929	1 102
Luxembourg	0.731	0.768	0.887	0.900	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Mexico	6.42	7.60	7.92	9.14	9.56	9.46	9.34	9.66	10.80	11.30	10.90	10.90	10.90	11.10
Netherlands	0.729	0.765	0.885	0.900	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
New Zealand	1.52	1.45	1.51	1.87	1.89	2.20	2.38	2.16	1.72	1.51	1.42	1.54	1.36	1.42
Norway	6.34	6.45	7.07	7.55	7.80	8.80	8.99	7.98	7.08	6.74	6.44	6.41	5.86	5.64
Poland	2.42	2.70	3.28	3.48	3.97	4.35	4.09	4.08	3.89	3.66	3.24	3.10	2.77	2.41
Portugal	0.754	0.769	0.874	0.898	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Slovak Republic	0.986	1.020	1.120	1.170	1.370	1.530	1.610	1.500	1.220	1.070	1.030	0.986	0.820	0.709
Spain	0.749	0.761	0.880	0.898	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
Sweden	7.13	6.71	7.63	7.95	8.26	9.16	10.30	9.74	8.09	7.35	7.47	7.38	6.76	6.59
Switzerland	1.18	1.24	1.45	1.45	1.50	1.69	1.69	1.56	1.35	1.24	1.25	1.25	1.20	1.08
Turkey	0.046	0.081	0.152	0.261	0.419	0.625	1.230	1.510	1.500	1.430	1.340	1.430	1.300	1.300
United Kingdom	0.63	0.64	0.61	0.60	0.62	0.66	0.70	0.67	0.61	0.55	0.55	0.54	0.50	0.54
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Euro area	0.765	0.788	0.882	0.892	0.939	1.090	1.120	1.060	0.886	0.805	0.804	0.797	0.731	0.683
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/741687552807>

Annex B: *The 2008 SNA – Changes from the 1993 SNA*

Although the indicators presented in this publication are based on the 1993 SNA, the 2008 SNA has recently been finalised and includes a number of changes to the 1993 SNA. Although it will be a number of years (2014 for most countries) before the national accounts and this publication reflect these changes, it is all the same instructive to present the key changes (those that will eventually impact on the indicators presented in this publication) here.

Changes affecting whole economy levels of income, etc.

Research and experimental development: R&D is recognised for the first time as a produced asset. This also means that payments for the acquisition of patents, treated as acquisition or disposal of non produced, nonfinancial assets in the 1993 SNA, will be treated as transactions in produced assets, R&D. This also has implications for sectoral GVA as the 2008 SNA also recommends that a separate establishment is distinguished for R&D producers when possible. See also the *OECD Handbook on Deriving Capital Measures of Intellectual Property Products*.

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 on-going 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.

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

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

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

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

an impact on the distribution of income in national income compared to the 1993 SNA treatment.

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

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

Re-allocating income etc across categories

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

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

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

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

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

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

Annex C: Glossary of Main Terms

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)
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: <i>a</i>) stocks of outputs that are still held by the units that produced them prior to their being further processed, sold, delivered to other units or used in other ways; and <i>b</i>) stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing; they are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.	10.7 and 10.28
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>i.e.</i> changes in "constant price terms"); the term "at constant prices" commonly refers to series which use a fixed-base Laspeyres formula.	16.2
Consumption of fixed capital	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.I

Term	Definition	Paragraph(s)
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 f.o.b. value of exports of goods and services), less the f.o.b. value of imports of goods and services.	6.235
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
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]

Term	Definition	Paragraph(s)
Import duties	<i>Import duties</i> consist of customs duties, or other import charges, which are payable on goods of a particular type when they enter the economic territory.	7.66
Import subsidies	<i>Import subsidies</i> consist of subsidies on goods and services that become payable to resident producers when the goods cross the frontier of the economic territory or when the services are delivered to resident institutional units.	7.74
Imports of goods and services	<i>Imports of goods and services</i> consist of purchases, barter, or receipts of gifts or grants, of goods and services by residents from non-residents; the treatment of exports and imports in the SNA is generally identical with that in the balance of payments accounts as described in the Balance of Payments Manual.	14.88 [14.91, 14.94]
Income from abroad – net	<i>Net income from abroad</i> is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
ISIC	<i>ISIC</i> is the United Nations International Standard Industrial Classification of All Economic Activities; the third revision of ISIC is used in the 1993 SNA.	1.47
Mixed income	<i>Mixed income</i> is the surplus or deficit accruing from production by unincorporated enterprises owned by households; it implicitly contains an element of remuneration for work done by the owner, or other members of the household, that cannot be separately identified from the return to the owner as entrepreneur but it excludes the operating surplus coming from owner-occupied dwellings.	7.8 [4.143, 7.81]
National disposable income	<i>National disposable income</i> may be derived from national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16 [2.183]
National expenditure	Capital formation and final consumption grouped together constitute <i>national expenditure</i> .	2.187
National income	<i>National income</i> is the total value of the primary incomes receivable within an economy less the total of the primary incomes payable by resident units.	7.14
Net	The term “ <i>net</i> ” is a common means of referring to values after deducting consumption of fixed capital (generally used as in “net capital stock” or “net domestic product”); all the major balancing items in the accounts from value added through to saving may be recorded gross or net; it should be noted, however, that the term “net” can be used in different contexts in the national accounts, such as “net income from abroad” which is the difference between two income flows.	6.201
Net borrowing	<i>Net borrowing</i> See “net lending”.	
Net income from abroad	<i>Net income from abroad</i> is the difference between the total values of the primary incomes receivable from, and payable to, non-residents.	7.15
Net lending	<i>Net lending</i> is the net amount a unit or a sector has available to finance, directly or indirectly, other units or other sectors; it is the balancing item in the capital account and is defined as: (Net saving plus capital transfers receivable minus capital transfers payable) minus (the value of acquisitions less disposals of non-financial assets, less consumption of fixed capital); negative net lending may also be described as “net borrowing”.	2.137 and Table 2.1 III.1 and 10.30
Net national disposable income	<i>Net national disposable income</i> may be derived from net national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.	8.16
Net national income	The aggregate value of the balances of net primary incomes summed over all sectors is described as <i>net national income</i> .	7.16 and Table 7.2 [2.182]
Net saving	<i>Net saving</i> is net disposable income less final consumption expenditure.	9.2
Non-profit institutions serving households (NPISHs)	<i>Non-profit institutions serving households (NPISHs)</i> consist of NPIs which are not predominantly financed and controlled by government and which provide goods or services to households free or at prices that are not economically significant.	4.64 and 4.65 [2.20]
NPISH final consumption expenditure	<i>Final consumption expenditure of NPISHs</i> consists of the expenditure, including imputed expenditure, incurred by resident NPISHs on individual consumption goods and services.	9.94
Operating surplus	The <i>operating surplus</i> measures the surplus or deficit accruing from production before taking account of any interest, rent or similar charges payable on financial or tangible non-produced assets borrowed or rented by the enterprise, or any interest, rent or similar receipts receivable on financial or tangible non-produced assets owned by the enterprise; (note: for unincorporated enterprises owned by households, this component is called “mixed income”).	7.8
Primary incomes	<i>Primary incomes</i> are incomes that accrue to institutional units as a consequence of their involvement in processes of production or ownership of assets that may be needed for purposes of production.	7.2
Purchasing power parity (PPP)	A <i>purchasing power parity (PPP)</i> is a price relative which measures the number of units of country B's currency that are needed in country B to purchase the same quantity of an individual good or service as 1 unit of country A's currency will purchase in country A.	16.82
Real gross domestic income (real GDI)	<i>Real gross domestic income (real GDI)</i> measures the purchasing power of the total incomes generated by domestic production (including the impact on those incomes of changes in the terms of trade); it is equal to gross domestic product at constant prices plus the trading gain (or less the trading loss) resulting from changes in the terms of trade.	16.152

Term	Definition	Paragraph(s)
Rebasing	In the course of time, the pattern of relative prices in the base period tends to become progressively less relevant to the economic situations of later periods to the point at which it becomes unacceptable to continue using them to measure volume measures from one period to the next; it may then be necessary to update the base period, a process which is commonly referred to as “ <i>rebasing</i> ”.	16.31
Saving	<i>Saving</i> is disposable income less final consumption expenditure (or adjusted disposable income less actual final consumption), in both cases after taking account of an adjustment for pension funds; saving is an important aggregate which can be calculated for each institutional sector or for the whole economy.	9.17 [1.10, 9.2, 9.19]
Self-employed workers	<i>Self-employed workers</i> are persons who are the sole owners, or joint owners, of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations.	7.24
SNA (System of National Accounts)	The <i>System of National Accounts (SNA)</i> consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.	1.1
Subsidies	<i>Subsidies</i> are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services which they produce, sell or import.	7.71 [15.52]
Subsidies on production – other	<i>Other subsidies on production</i> consist of subsidies, except subsidies on products, which resident enterprises may receive as a consequence of engaging in production (e.g. subsidies on payroll or workforce or subsidies to reduce pollution).	7.79
Subsidies on products – other	<i>Other subsidies on products</i> (other than export or import subsidies) consist of subsidies on goods or services produced as the outputs of resident enterprises that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation; there are three broad categories: 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 <i>System of National Accounts (SNA)</i> consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.	1.1
Taxes	<i>Taxes</i> are compulsory, unrequited payments, in cash or in kind, made by institutional units to government units; they are described as unrequited because the government provides nothing in return to the individual unit making the payment, although governments may use the funds raised in taxes to provide goods or services to other units, either individually or collectively, or to the community as a whole.	7.48 [8.43]
Taxes on production and imports	<i>Taxes on production and imports</i> consist of taxes payable on goods and services when they are produced, delivered, sold, transferred or otherwise disposed of by their producers plus taxes and duties on imports that become payable when goods enter the economic territory by crossing the frontier or when services are delivered to resident units by non-resident units; they also include other taxes on production, which consist mainly of taxes on the ownership or use of land, buildings or other assets used in production or on the labour employed, or compensation of employees paid.	7.49
Taxes on products	<i>Taxes on products</i> , excluding VAT, import and export taxes, consist of taxes on goods and services that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation.	7.69, 15.47
Total final consumption	<i>Total final consumption</i> is the total value of all expenditures on individual and collective consumption goods and services incurred by resident households, resident NPISHs and general government units; it may also be defined in terms of actual final consumption as the value of all the individual goods and services acquired by resident households plus the value of the collective services provided by general government to the community or large sections of the community.	9.98
Trading gains and losses	<i>Trading gains and losses</i> arise from changes in a country's terms of trade; for example, if the prices of a country's exports rise faster (or fall more slowly) than the prices of its imports (i.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	<i>Valuables</i> are produced assets that are not used primarily for production or consumption, that are expected to appreciate or at least not to decline in real value, that do not deteriorate over time under normal conditions and that are acquired and held primarily as stores of value.	(AN.13) – Annex to Chapter XIII [10.7, 10.116, 13.15, 13.50]
Wages and salaries	<i>Wages and salaries</i> consist of the sum of wages and salaries in cash and wages and salaries in kind.	7.33 and 7.37
Wages and salaries in cash	<i>Wages and salaries in cash</i> consist of wages or salaries payable at regular weekly, monthly or other intervals, including payments by results and piecework payments; plus allowances such as those for working overtime; plus amounts paid to employees away from work for short periods (e.g. on holiday); plus <i>ad hoc</i> bonuses and similar payments; plus commissions, gratuities and tips received by employees.	7.33
Wages and salaries in kind	<i>Wages and salaries in kind</i> consist of remuneration in the form of goods and/or services that are not necessary for work and can be used by employees in their own time, and at their own discretion, for the satisfaction of their own needs or wants or those of other members of their households.	7.39

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National Accounts at a Glance 2009

National Accounts at a Glance is a new publication of the OECD, which presents information using an “indicator” approach, focusing on cross-country comparisons; the aim being to make the national 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.

A dynamic link (StatLink) is provided for each table directing the user to a webpage where the corresponding data are available in Excel[®] format.

The range of indicators reflects the richness inherent in the national accounts dataset and encourages users to refocus some of the spotlight that is often placed on GDP to other economic important indicators, which may better respond to their needs. The publication is broken down into seven key chapters, and provides indicators related to income, expenditure, production, government and capital respectively.

The full text of this book is available on line via these links:

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