

GOVERNMENT EXPENDITURES, REVENUES AND DEFICITS

Net lending reflects the fiscal position of government after accounting for capital expenditures. Positive net lending means that government is providing financial resources to other sectors and negative net lending means that government requires financial resources from other economic sectors.

While general government net lending is an important concept in the *System of National Accounts (SNA)* accounting framework and provides the basis for sound international comparisons, net lending is not necessarily the key fiscal measure targeted by governments. Some countries for example manage their budgets using broader notions that incorporate the positions of public corporations and others focus on more narrow concepts such as central government.

Definition

Total general government expenditures include 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 and other taxes on production that governments may be required to pay.

Revenues include taxes (on corporations and households, and those on income, wealth, production and imports),

social security contributions, property income and other income.

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. EU countries have adopted a 50% rule, i.e. sales should cover at least 50% of the operating costs to qualify the relevant units as market producers outside government.

Another potential area where comparability may be affected relates to the determination of public ownership. The SNA requires that “control” be the determining factor for recording a non-market producer inside or outside government, 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 ownership should be adopted.

Generally however, the comparability of figures for countries is very high. 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 good. Data for all countries are on a consolidated basis, except Canada (which consolidates only current transfers) and New Zealand.

Overview

Since the onset of the financial crisis, most OECD countries have recorded fiscal deficits. In 2010, deficits larger than 10% of GDP were recorded for Ireland, the United States, Greece and Portugal. The large deficit in Ireland of 32.3% partly reflected one-off payments to support the financial system. In contrast, four countries recorded surpluses, most notably in Norway (at 11%). In 2014, fiscal balances improved in most OECD countries for which data are available. Two countries had deficits greater than 7.0%: Japan (minus 8.5%) and Portugal (minus 7.2%)

There is a big variation in the shares of government expenditure and revenue as a percentage of GDP across OECD countries. Looking at revenues in 2014, seven countries reported revenues as a percentage of GDP of less than 35.0%: the lowest were reported for Mexico (24.5%) and the United States (33.1%). On the other hand, six countries reported revenues as a percentage of GDP greater than 50.0%: the highest were recorded for Denmark (58.4%), Finland (54.9%), and Norway (54.7%).

Sources

- OECD (2015), *National Accounts of OECD countries*, OECD Publishing.

Further information

Analytical publications

- OECD (2015), *OECD Economic Outlook*, OECD Publishing.
- OECD (2015), *OECD Economic Surveys*, OECD Publishing.

Methodological publications

- OECD (2008), *OECD Glossary of Statistical Terms*, OECD Publishing.

Online databases

- *OECD National Accounts Statistics*.
- *OECD Economic Outlook: Statistics and Projections*.

Websites

- Financial statistics, www.oecd.org/std/fin-stats.
- Sources & Methods of the OECD Economic Outlook, www.oecd.org/eco/sources-and-methods.



GOVERNMENT EXPENDITURES, REVENUES AND DEFICITS

General government revenues and expenditures

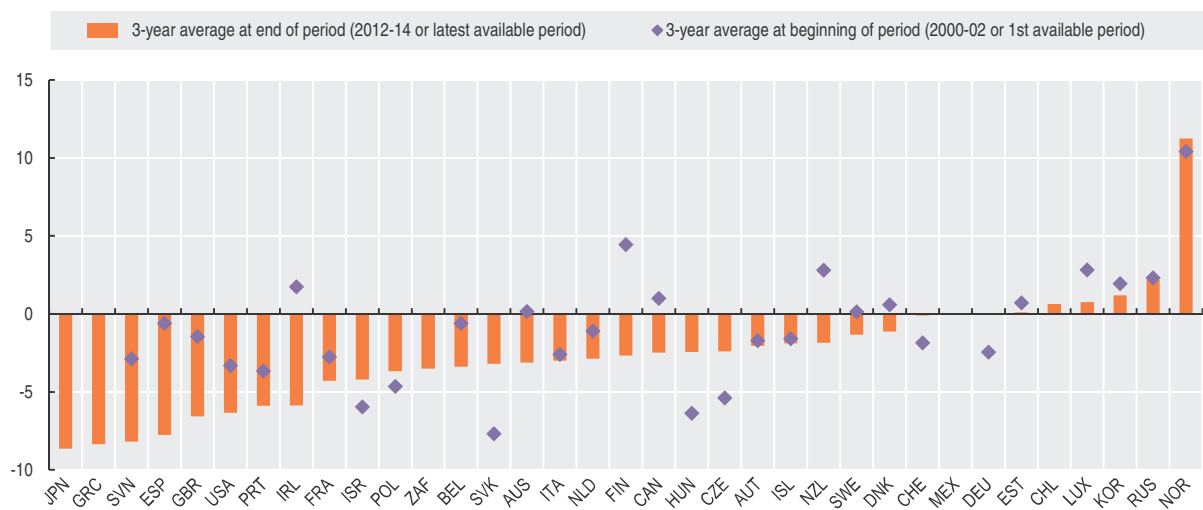
As a percentage of GDP

	Net lending				Revenues				Expenditures			
	2000	2005	2010	2014 or latest available year	2000	2005	2010	2014 or latest available year	2000	2005	2010	2014 or latest available year
Australia	-1.1	1.6	-4.6	-2.6	35.1	36.3	32.2	34.0	..	..	..	..
Austria	-2.0	-2.5	-4.4	-2.7	48.3	48.5	48.3	50.0	50.3	51.0	52.7	50.9
Belgium	-0.1	-2.6	-4.0	-3.1	49.0	48.9	49.3	52.0	48.6	50.8	52.4	54.8
Canada	2.9	1.7	-4.9	-1.6	43.4	40.1	38.3	37.7	..	..	..	..
Chile	..	..	0.0	-0.4	..	..	..	..	..	..	..	..
Czech Republic	-3.5	-3.1	-4.4	-1.9	36.9	38.7	38.6	40.6	40.4	41.8	43.0	42.1
Denmark	1.9	5.0	-2.7	1.5	54.6	56.2	54.3	58.4	52.7	51.2	57.1	56.9
Estonia	-0.1	1.1	0.2	0.7	36.3	35.1	40.7	38.7	36.4	33.9	40.4	38.3
Finland	6.9	2.6	-2.6	-3.3	54.9	51.9	52.1	54.9	48.0	49.3	54.8	57.6
France	-1.3	-3.2	-6.8	-3.9	49.8	49.7	49.6	53.6	51.1	52.9	56.4	57.0
Germany	0.9	-3.4	-4.2	0.3	45.6	42.8	43.0	44.6	44.6	46.0	47.1	44.1
Greece	..	..	-11.2	-3.6	..	..	41.3	46.4	..	..	..	..
Hungary	-3.0	-7.8	-4.5	-2.5	44.2	41.7	45.0	47.4	47.2	49.6	49.6	49.4
Iceland	1.2	4.5	-9.8	-0.1	42.6	45.9	39.6	45.6	..	..	..	44.1
Ireland	4.9	1.3	-32.3	-3.9	35.8	34.7	33.3	34.4	30.9	33.3	65.6	39.5
Israel	-3.4	-4.2	-4.1	-3.5	44.7	41.8	37.6	37.7	48.2	45.9	41.6	41.2
Italy	-1.3	-4.2	-4.2	-3.0	44.2	43.0	45.6	48.2	45.5	47.1	49.9	50.9
Japan	-7.5	-4.8	-8.3	-8.5	31.3	31.6	32.4	33.9	..	36.4	40.6	42.4
Korea	4.4	1.6	1.0	1.2	29.1	31.0	32.0	33.2	24.7	29.5	31.0	31.8
Luxembourg	5.7	0.2	-0.5	1.4	42.0	42.7	43.3	43.8	36.9	43.0	44.2	43.1
Mexico	..	1.6	-0.6	0.1	..	21.1	23.0	24.5	..	..	..	..
Netherlands	1.9	-0.3	-5.0	-2.4	43.6	42.1	43.2	43.9	41.8	42.3	48.2	46.2
New Zealand	1.7	4.6	-6.7	-0.4	39.3	42.1	40.7	39.7	..	..	..	..
Norway	15.1	14.8	11.0	9.1	57.1	56.9	56.0	54.7	..	42.1	45.0	44.0
Poland	-3.0	-4.0	-7.5	-3.3	39.0	40.5	38.1	38.8	..	..	..	..
Portugal	-3.2	-6.2	-11.2	-7.2	39.4	40.5	40.6	44.5	42.6	46.7	51.8	50.4
Slovak Republic	-12.0	-2.9	-7.5	-2.8	40.0	36.7	34.5	38.9	51.8	39.4	41.9	40.9
Slovenia	-3.6	-1.3	-5.6	-5.0	42.5	43.6	43.6	44.8	46.1	44.9	49.2	60.1
Spain	-1.0	1.2	-9.4	-5.9	38.1	39.5	36.2	38.6	39.1	38.3	45.6	45.1
Sweden	3.2	1.8	0.0	-1.7	56.8	54.5	51.1	50.1	53.6	52.7	52.0	53.4
Switzerland	-0.4	-1.2	0.3	-0.2	33.7	32.8	33.3	33.5	..	34.0	32.9	33.5
Turkey	..	..	-2.9	-0.8	..	..	37.3	36.6	..	..	40.2	37.4
United Kingdom	1.2	-3.5	-9.7	-5.7	39.0	39.2	39.1	38.2	37.8	42.7	48.7	45.0
United States	0.8	-4.1	-12.0	-4.9	34.5	32.3	30.9	33.1	33.7	36.4	42.6	39.0
EU 28	..	..	..	..	..	..	..	..	..	..	..	..
OECD	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	-2.8	-2.2	..	..	..	..	..	..	..	..
China	-7.0	-0.2	1.5	1.2	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	6.0	-1.2	0.3	..	40.2	38.5	40.2	..	34.2	39.3	38.7
South Africa	..	..	-3.1	-4.1	..	..	..	..	..	..	..	..

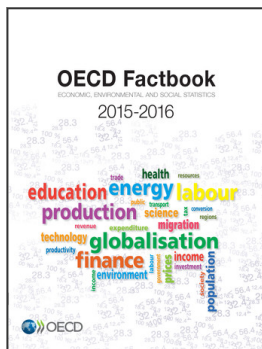
1 2 <http://dx.doi.org/10.1787/888933336228>

General government net lending

As a percentage of GDP



1 2 <http://dx.doi.org/10.1787/888933335038>



From:
OECD Factbook 2015-2016
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2015-en>

Please cite this chapter as:

OECD (2016), "Government expenditures, revenues and deficits", in *OECD Factbook 2015-2016: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2015-76-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.