

## 9. General government final consumption

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

General government final consumption expenditure consists of expenditure incurred by government in its production of non-market final goods and services (except Gross Fixed Capital Formation) and market goods and services provided as social transfers in kind. Total general government final consumption is perhaps of less political relevance, from a fiscal perspective, than general government expenditure (see Section 23) but its importance as a component of total GDP, and, so, as a reflection of its direct role as a “consumer” of final goods and services is significant.

### Definition

General government final consumption can be broken down into two distinct groups. The first reflects expenditures for collective consumption (defence, justice, etc.) which benefit society as a whole, or large parts of society, and are often known as public goods and services. The second relates to expenditures for individual consumption (health care, housing, education, etc.), that reflect expenditures incurred by government on behalf of an individual household (see also Section 8). This category of expenditure is equal to social transfers in kind from government to households (see Section 14) and so includes expenditure by government on market goods and services provided to households. As goods and services produced by government usually do not have a market price, the relevant products are valued at the sum of costs needed to produce these goods and services. These costs mainly consist of compensation of employees, intermediate consumption and depreciation. Final consumption of government can then be estimated as the difference between on the one hand government output, and on the other hand payments made for goods and services produced by government and the relevant output that is used for fixed capital formation.

The borderline between individual and collective consumption is in some cases not completely clear. For example, expenditures incurred by Ministries of Health and Education institutions at a national level are included in collective services, reflecting their role as producers of policy, standards and regulation. But expenditures on the administration or functioning of a group of hospitals say are recorded as individual. To assist in this delineation the SNA provides guidance based on the Classification of the Functions of Government (COFOG) see also Section 24. It states that all government final consumption expenditures under the following headings (Health, Recreational and sporting services, Cultural services, Education and social protection) should be treated as expenditures on individual services except for expenditures on general administration, regulation, research, etc.

### Comparability

The comparability of general government final consumption across countries is high. However interpretations of comparisons of general government final consumption across countries are enhanced when breakdowns between individual and collective consumption are provided (see also Section 14).

### Source

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

### Online database

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

### Further reading

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

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

## 9. General government final consumption

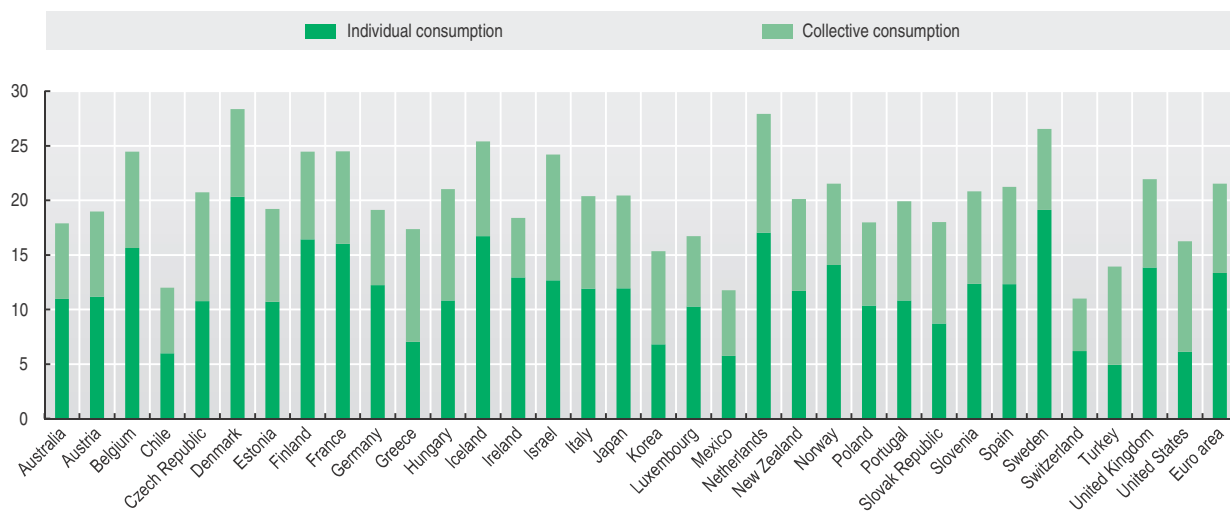
Table 9.1. **General government final consumption expenditure**  
Percentage of GDP

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

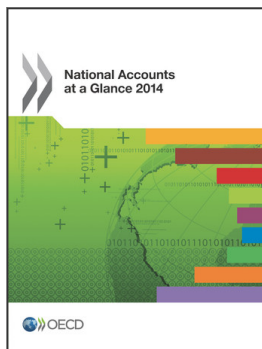
StatLink  <http://dx.doi.org/10.1787/888933002091>

Figure 9.1. **General government final consumption**

Percentage of GDP, 2011



StatLink  <http://dx.doi.org/10.1787/888933001141>



**From:**  
**National Accounts at a Glance 2014**

**Access the complete publication at:**  
[https://doi.org/10.1787/na\\_glance-2014-en](https://doi.org/10.1787/na_glance-2014-en)

**Please cite this chapter as:**

OECD (2014), "General government final consumption", in *National Accounts at a Glance 2014*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/na\\_glance-2014-12-en](https://doi.org/10.1787/na_glance-2014-12-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](mailto: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](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).