

11. General government final consumption

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

Definition

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

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

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

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

functioning of a group of hospitals say are recorded as individual. To assist in this delineation the SNA provides guidance based on the Classification of the Functions of Government (COFOG) see also section 17. It states that all government final consumption expenditures under the following headings (*Health, Recreational and sporting services, Cultural services, Education and social protection*) should be treated as expenditures on individual services except for expenditures on general administration, regulation, research, etc.

Comparability

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

Source

- OECD (2011), *National Accounts of OECD Countries*, Vol. 2011/1, OECD Publishing
<http://dx.doi.org/10.1787/na-v2011-1-en>.

Online database

- OECD (2011), “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>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing,
<http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva,
<http://unstats.un.org/unsd/sna1993>.

11. General government final consumption

Table 11.1. General government final consumption expenditure
Percentage of GDP

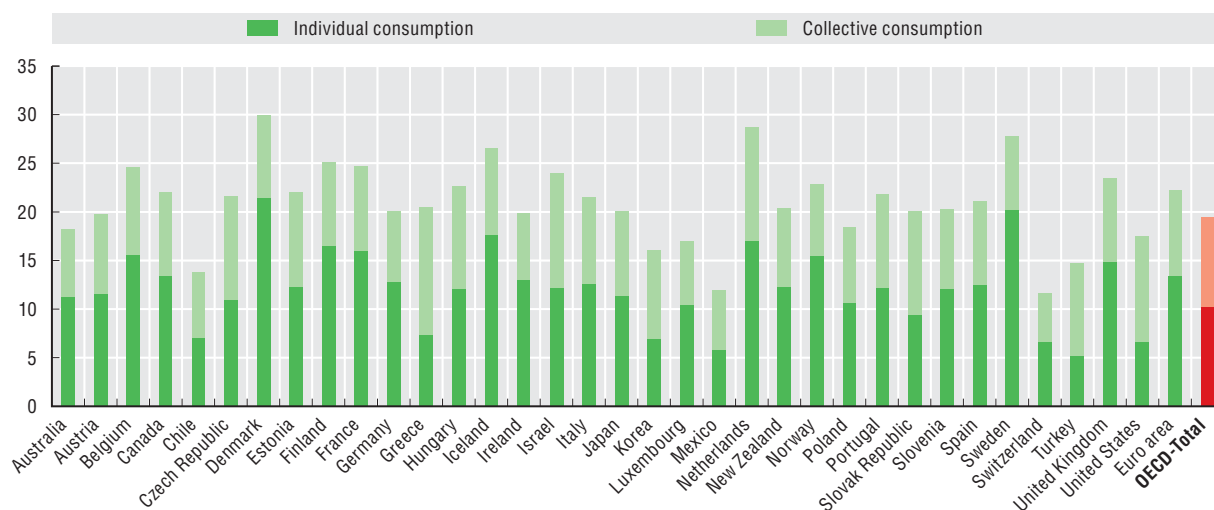
	Individual consumption							Collective consumption						
	2004	2005	2006	2007	2008	2009	2010	2004	2005	2006	2007	2008	2009	2010
Australia	10.9	10.5	10.6	10.4	10.9	11.3	..	6.5	6.6	6.6	6.6	6.7	6.9	..
Austria	10.6	10.6	10.6	10.6	10.9	11.6	11.4	7.9	7.8	7.7	7.4	7.8	8.2	8.0
Belgium	14.0	14.1	13.9	13.9	14.5	15.6	15.5	8.6	8.6	8.5	8.4	8.6	9.0	8.7
Canada	11.7	11.5	11.7	11.8	12.0	13.4	13.3	7.5	7.4	7.4	7.4	7.7	8.7	8.4
Chile	5.6	5.3	5.2	5.4	6.1	7.0	..	5.8	5.7	5.4	5.5	5.8	6.7	..
Czech Republic	11.2	10.6	10.3	9.9	9.9	11.0	10.8	10.3	10.8	10.4	9.9	9.9	10.7	10.6
Denmark	18.6	18.2	18.1	18.2	19.1	21.5	21.2	8.0	7.9	7.8	7.7	7.6	8.5	8.1
Estonia	9.7	9.4	8.9	9.0	10.5	12.3	11.7	7.9	7.8	7.3	7.5	8.7	9.7	9.2
Finland	14.5	14.7	14.7	14.2	14.8	16.5	16.3	7.7	7.8	7.6	7.4	7.7	8.5	8.2
France	15.2	15.3	15.1	15.0	15.1	16.0	16.1	8.5	8.5	8.3	8.1	8.1	8.7	8.7
Germany	11.7	11.8	11.6	11.4	11.6	12.8	12.6	7.2	7.0	6.8	6.5	6.7	7.3	7.1
Greece	6.2 e	6.8	6.5	6.6	6.9	7.3	6.7	12.2 e	11.3	10.5	11.3	11.3	13.1	11.5
Hungary	12.4	12.7	12.5	11.6	11.8	12.1	11.2	10.0	10.0	10.5	10.1	10.1	10.5	10.7
Iceland	16.9	16.5	16.4	16.4	16.7	17.6	17.1	8.1	8.1	8.0	7.8	8.0	8.9	8.8
Ireland	10.1	9.9	10.0	10.4	11.5	13.0	12.8	5.8	5.9	6.1	6.3	7.2	6.8	6.1
Israel ¹	13.0	12.6	12.4	12.2	12.3	12.2	12.2	13.3	13.1	12.9	12.5	12.2	11.8	11.7
Italy	11.5	11.9	11.9	11.6	11.9	12.6	12.5	8.4	8.5	8.2	8.0	8.3	8.9	8.7
Japan	10.0	10.1	10.0	10.1	10.4	11.4	..	7.9	7.9	7.8	7.8	8.1	8.7	..
Korea	5.6	5.8	6.2	6.3	6.5	6.9	..	7.7	8.0	8.3	8.4	8.8	9.1	..
Luxembourg	10.3	10.0	9.4	9.1	9.0	10.4	10.3	6.7	6.5	6.0	5.7	5.7	6.5	6.3
Mexico	5.3	5.4	5.2	5.2	5.3	5.8	..	5.5	5.4	5.2	5.3	5.4	6.1	..
Netherlands	13.5	13.4	14.8	15.0	15.2	17.0	17.1	10.7	10.3	10.3	10.2	10.5	11.7	11.4
New Zealand	10.6	10.9	11.1	11.1	11.8	12.2	..	7.0	7.1	7.5	7.6	8.3	8.1	..
Norway	13.7	13.0	12.5	12.8	13.0	15.5	15.1	7.8	6.9	6.6	6.8	6.6	7.4	7.3
Poland	9.9	10.1	10.2	10.0	10.5	10.7	10.8	7.7	8.0	8.1	7.9	8.0	7.8	8.0
Portugal	11.9	12.3	11.7	11.1	11.1	12.3	12.2	8.1	8.6	8.5	8.8	9.0	9.6	9.3
Slovak Republic	7.5	7.4	7.6	8.0	8.4	9.4	9.3	11.5	10.9	11.1	9.1	9.2	10.6	10.2
Slovenia	11.3	11.3	11.1	10.4	10.7	12.1	12.4	7.5	7.7	7.7	6.9	7.4	8.2	8.4
Spain	10.3	10.6	10.5	10.7	11.4	12.5	12.3 e	7.5	7.5	7.5	7.7	8.1	8.6	8.5 e
Sweden	19.1	19.0	18.9	18.6	19.0	20.2	19.5	7.4	7.1	7.1	6.9	7.1	7.5	7.5
Switzerland	6.6	6.6	6.3	6.1	6.2	6.6	6.6	5.2	5.1	5.0	4.7	4.6	5.0	4.9
Turkey	4.2 e	4.2 e	4.4 e	4.5 e	4.6 e	5.2 e	5.1 e	7.7 e	7.6 e	7.9 e	8.2 e	8.2 e	9.5 e	9.2 e
United Kingdom	12.4	12.8	13.0	13.0	13.5	14.9	14.7	8.5	8.6	8.5	8.1	8.3	8.6	8.4
United States	6.3	6.3	6.3	6.4	6.6	6.7	6.5	9.4	9.4	9.5	9.6	10.3	10.9	11.0
Euro area	12.1 e	12.2 e	12.2 e	12.1 e	12.4 e	13.4 e	13.3 e	8.3 e	8.2 e	8.1 e	7.9 e	8.1 e	8.8 e	8.6 e
OECD-Total	9.2 e	9.2 e	9.2 e	9.2 e	9.5 e	10.2 e	..	8.4 e	8.4 e	8.4 e	8.3 e	8.7 e	9.3 e	..

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


StatLink  <http://dx.doi.org/10.1787/888932549986>

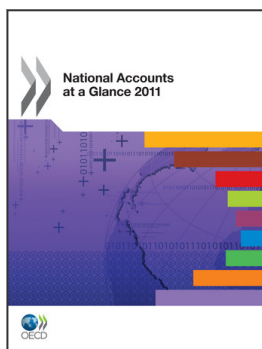
Figure 11.1. General government final consumption

Percentage of GDP, 2009



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

StatLink  <http://dx.doi.org/10.1787/888932549283>



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