

INVESTMENT RATES

Investment, or to be more precise, gross fixed capital formation, is an important determinant of future economic growth and 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. The relevant assets relate to products that are 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 that come into existence 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 (acquisitions less disposals of) non-produced assets in the capital account and the balance sheet.

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

Comparability

When the *System of National Accounts (SNA)* was revised in 1993, the scope of GFCF was widened to include mineral exploration and computer software, as well as literary and artistic originals. Comparability of these items has improved in recent years but the coverage of the various items differs across countries. This applies particularly in the case of own-account production of software.

Overview

Investment over the period 2009-11 fell on average by 2.5% per year for the OECD as a whole, largely reflecting the retrenchment in investment that occurred at the height of the recent crisis, with investment volumes falling by 11.8% in 2009. Australia was the only country in the OECD to record investment growth (1.9%) in 2009. Ireland, Iceland and Greece recorded annual average falls in investment between 16.1% and 19.9% in the period 2009-11. As a consequence, the levels of investments in 2012 were less than half of the 2007 levels in these countries.

In 2012, investment growth rates were highest in Chile (12.3%) and Estonia (10.9%). On the other hand, investment contracted by more than 10% in Greece, Portugal, and the Slovak Republic.

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

EU28 does not include Croatia.

Sources

- OECD (2013), *National Accounts of OECD Countries*, OECD Publishing.
- For Brazil: National sources.

Further information

Analytical publications

- OECD (2013), *Green Finance and Investment: The Case of Climate Change*, OECD Publishing.
- OECD (2013), *OECD Economic Outlook*, OECD Publishing.
- OECD (2013), *OECD Investment Policy Reviews*, OECD Publishing.

Statistical publications

- OECD (2013), *National Accounts at a Glance*, OECD Publishing.

Methodological publications

- Ahmad, N. (2004), "Towards More Harmonised Estimates of Investment in Software", *OECD Economic Studies*, No. 37, 2003/2.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing.
- OECD, et al. (eds.) (2010), *System of National Accounts 2008*, United Nations, Geneva.

Websites

- Sources & Methods of the OECD Economic Outlook, www.oecd.org/eco/sources-and-methods.

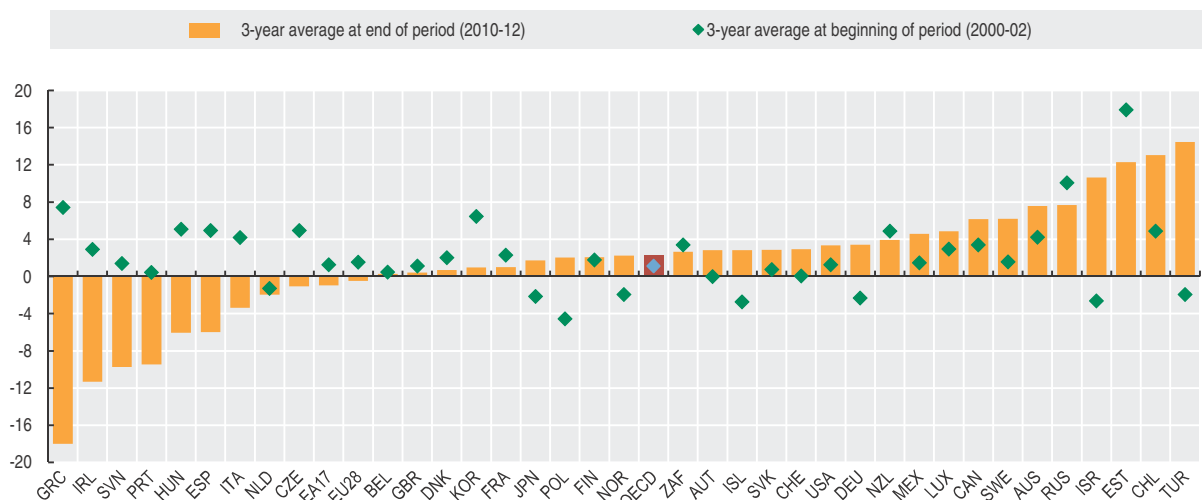

Gross fixed capital formation

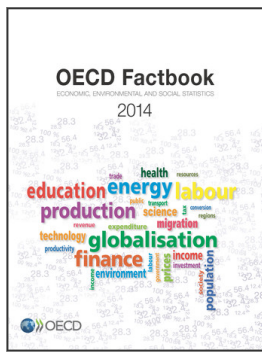
Annual growth in percentage

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	-7.9	9.0	12.7	9.0	6.9	9.3	5.1	9.6	2.1	1.9	3.8	10.1	8.9
Austria	5.2	-1.0	-4.0	4.8	0.6	0.6	0.5	3.6	0.7	-7.8	-1.4	8.5	1.6
Belgium	5.1	1.0	-4.5	0.1	7.8	6.4	2.6	6.3	2.0	-8.4	-1.1	4.1	-2.0
Canada	4.7	4.0	1.6	6.2	7.8	9.3	7.1	3.5	2.0	-13.0	10.0	4.2	4.3
Chile	9.1	3.5	2.2	6.5	11.3	23.5	4.3	10.8	17.9	-12.1	12.2	14.7	12.3
Czech Republic	6.5	4.5	3.8	0.6	3.0	6.0	5.8	13.2	4.1	-11.0	1.0	0.4	-4.5
Denmark	7.6	-1.4	0.1	-0.2	3.9	4.7	14.3	0.4	-4.2	-15.9	-2.1	3.3	0.8
Estonia	16.7	13.1	24.2	16.7	6.0	15.2	23.0	9.3	-13.3	-39.0	-7.3	37.6	10.9
Finland	6.4	2.9	-3.7	3.0	4.9	3.6	1.9	10.7	-0.6	-13.2	1.7	5.7	-1.0
France	6.8	2.2	-1.9	2.2	3.4	4.4	4.0	6.3	0.3	-10.6	1.4	2.9	-1.2
Germany	2.6	-3.3	-6.1	-1.2	-0.2	0.8	8.2	4.7	1.3	-11.7	5.7	6.9	-2.1
Greece	8.0	4.8	9.5	11.8	0.4	-6.3	14.9	22.8	-14.3	-13.7	-15.0	-19.6	-19.2
Hungary	6.0	1.9	7.4	1.5	7.2	4.5	-2.7	3.8	2.9	-11.1	-8.5	-5.9	-3.7
Iceland	11.8	-4.3	-14.0	11.1	28.7	34.4	24.4	-12.2	-20.4	-51.4	-9.4	14.3	5.0
Ireland	6.2	0.2	2.5	6.5	9.7	14.8	4.8	2.5	-9.5	-27.0	-22.7	-9.1	-0.6
Israel	2.3	-3.3	-6.7	-4.5	-0.1	3.2	11.7	12.6	4.6	-3.1	12.2	16.0	4.0
Italy	6.4	2.7	3.4	-1.3	2.0	1.3	3.4	1.8	-3.7	-11.7	0.6	-2.2	-8.3
Japan	0.7	-2.1	-4.9	0.2	0.4	0.8	1.5	0.3	-4.1	-10.6	-0.2	1.1	4.4
Korea	12.3	0.3	7.1	4.4	2.1	1.9	3.4	4.2	-1.9	-1.0	5.8	-1.0	-1.7
Luxembourg	-4.7	8.8	5.2	6.2	2.7	2.5	4.1	18.4	2.0	-16.2	-0.7	12.1	3.5
Mexico	11.4	-5.6	-0.6	0.4	8.0	7.5	9.9	6.9	5.5	-11.8	0.3	8.1	5.5
Netherlands	0.6	0.2	-4.5	-1.5	-1.6	3.7	7.5	5.5	4.5	-12.0	-7.4	6.1	-4.0
New Zealand	-0.1	6.9	8.0	13.1	8.5	6.5	-2.8	7.1	-8.0	-11.7	3.0	2.3	6.5
Norway	-3.5	-1.1	-1.1	0.8	11.1	13.5	9.8	11.4	0.2	-7.5	-8.0	7.6	8.0
Poland	2.7	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6	9.6	-1.2	-0.4	8.5	-1.7
Portugal	3.9	0.6	-3.2	-7.1	0.0	-0.5	-1.3	2.6	-0.3	-8.6	-3.1	-10.5	-14.3
Slovak Republic	-9.6	12.9	0.2	-2.7	4.8	17.5	9.3	9.1	1.0	-19.7	6.5	14.2	-10.5
Slovenia	2.6	1.3	0.3	7.6	5.0	3.0	10.4	13.3	7.1	-23.8	-15.3	-5.5	-8.2
Spain	6.6	4.8	3.4	5.9	5.1	7.1	7.1	4.5	-4.7	-18.0	-5.5	-5.4	-7.0
Sweden	5.7	0.5	-1.3	1.6	5.7	8.1	9.2	8.9	1.4	-15.5	7.2	8.2	3.3
Switzerland	4.7	-3.3	-1.0	-2.0	4.2	4.1	5.3	5.4	0.7	-8.0	4.8	4.5	-0.4
Turkey	17.5	-30.0	14.7	14.2	28.4	17.4	13.3	3.1	-6.2	-19.0	30.5	18.0	-2.7
United Kingdom	2.6	-1.9	2.7	2.3	6.2	3.7	5.6	7.5	-6.9	-16.7	2.8	-2.4	0.9
United States	6.3	-0.5	-1.8	3.9	5.8	5.6	2.2	-1.2	-4.8	-13.1	1.1	3.4	5.5
Euro area	4.7	0.7	-1.5	1.1	2.2	3.2	5.6	5.2	-1.4	-12.8	-0.4	1.6	-4.0
EU 28	4.5	0.8	-0.7	1.1	3.0	3.5	6.3	6.3	-1.1	-13.0	0.0	1.4	-2.9
OECD	5.1	-0.9	-0.7	2.7	4.6	4.8	4.3	2.7	-2.5	-11.8	1.9	3.3	1.8
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	16.2	13.8	16.2	1.5	7.3	..	..	..
Indonesia	16.7	6.5	4.7	0.6	14.7	10.9	2.6	9.3	11.9	3.3	8.5	..	..
Russian Federation	16.6	10.9	3.1	13.9	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	10.4	6.3
South Africa	3.9	2.8	3.5	10.2	12.9	11.0	12.1	14.0	13.0	-4.3	-2.0	4.5	5.7

 StatLink  <http://dx.doi.org/10.1787/888933027399>
Gross fixed capital formation

Average annual growth in percentage


 StatLink  <http://dx.doi.org/10.1787/888933024796>



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