

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 minus the value of imports. While GDP is the single most important indicator to capture economic activity, it should not be looked upon as an all-encompassing measure for societies' well-being, as it does not include several aspects of people's material living standards let alone other aspects of people's quality of life.

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.

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 relates to the output produced on the economic territory 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 capital formation; and exports (minus imports).

Overview

Per capita GDP for the OECD as a whole was USD 37 010 in 2012. Four OECD countries had per capita GDP considerably in excess of USD 50 000 in 2012 – Luxembourg, Norway, Switzerland and the United States. Nine OECD countries had a per capita GDP between 50 000 and 40 000 USD in 2012: Australia, Austria, Ireland, the Netherlands, Sweden, Denmark, Germany, Canada, and Belgium while 12 countries had per capita GDP below USD 30 000, with Mexico, Turkey and Chile being at the bottom of the distribution.

While in 2002 per capita GDP for the United States was 45% higher than the OECD average, this has decreased to 40% in 2012. Japanese GDP per capita dropped just below the OECD average in 2012, whereas it was just above the OECD average in 2002.

The largest decreases in per capita GDP relative to the OECD average between 2002 and 2012 were observed for United Kingdom, Greece, Iceland, Italy and Israel. On the other hand, the largest increases of relative GDP per capita for this ten year time period are shown for Norway, Luxembourg, the Slovak Republic, Estonia and Chile. Also, the countries at the bottom of the distribution (Mexico, Turkey and Chile) showed increases in their relative position of GDP per capita to the OECD average.

Comparability

All countries compile data according to the 1993 SNA "System of National Accounts, 1993" with the exception of Australia the United States where data are compiled according to the new 2008 SNA. It's important to note however that differences between the 2008 SNA and the 1993 SNA do not have a significant impact of the comparability of the indicators presented here and this implies that data are highly comparable across countries.

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.

For GDP per capita 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.

EU28 does not include Croatia.

Sources

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Further information

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Methodological publications

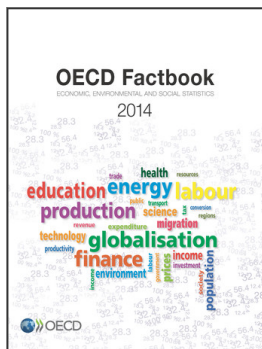
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- Sources & Methods of the OECD Economic Outlook, www.oecd.org/eco/sources-and-methods.



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