

1. 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. While GDP is the single most important indicator to capture these economic activities, it is not a good measure of societies' well-being and only a limited measure of people's material living standards. The sections and indicators that follow better address this and other related issues and this is one of the primary purposes of this publication.

Countries calculate GDP in their own currencies. In order to compare across countries these estimates have to be converted into a common currency. Often the conversion is made using current exchange rates but these can give a misleading comparison of the true volumes of final goods and services in GDP. A better approach is to use purchasing power parities (PPPs). PPPs are currency converters that control for differences in the price levels of products between countries and so allow an international comparison of the volumes of GDP and of the size of economies.

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 is production by the resident institutional units 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 assets; and exports (minus imports).

GDP at market prices can be measured in three different ways:

- as output less intermediate consumption (i.e. value added) plus taxes on products (such as VAT) less subsidies on products;
- as the income earned from production, equal to the sum of: employee compensation; the gross operating surplus of enterprises and government; the gross mixed income of unincorporated enterprises; and net taxes on production and imports (VAT, payroll tax, import duties, etc., less subsidies);
- or as the expenditure on final goods and services minus imports: final consumption expenditures, gross capital formation, and exports less imports.

Comparability

Comparability is good but in some countries, for example in specific areas such as the own account production of software or financial intermediation services (indirectly measured) (FISIM), differences remain, which can impact on comparisons of GDP. The measurement of the non-observed economy (NOE, often referred to as the informal, grey, shadow, economy) can also have an impact on comparability, although for OECD economies, in general, this is not thought to be significant. (See also "Reader's Guide", relating to PPP based comparisons.)

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. This estimation process mechanically links the new and old series to preserve growth rates.

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

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- Ahmad, N. (2003), *Measuring Investment in Software*, OECD Publishing, <http://dx.doi.org/10.1787/335303788330>.
- OECD (2002), *Measuring the Non-Observed Economy: A Handbook*, OECD Publishing, <http://dx.doi.org/10.1787/9789264175358-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
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Table 1.1. **Gross domestic product, current PPPs**

Billion US dollars

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	450	479	512	540	571	602	642	679	721	775	831	849	885	917 e
Austria	199	209	217	232	233	246	254	269	277	302	316	332	325	335
Belgium	243	249	259	283	293	310	314	325	337	361	379	396	393	409
Canada	732	770	825	874	910	938	989	1 049	1 132	1 201	1 263	1 299	1 277	1 330
Chile	127	133	134	143	151	157	167	182	198	214	231	244	242	257
Czech Republic	148	148	152	160	172	179	191	205	218	239	263	281	277	274
Denmark	133	139	143	154	158	165	164	175	180	196	206	217	208	219
Estonia	11	12	12	14	15	16	18	20	22	26	29	30	27	27
Finland	108	116	122	133	138	143	144	156	161	174	191	202	190	197
France	1 298	1 366	1 424	1 533	1 628	1 705	1 692	1 762	1 861	1 991	2 114	2 178	2 152	2 194
Germany	1 931	1 983	2 052	2 117	2 199	2 264	2 340	2 450	2 566	2 762	2 926	3 043	2 947	3 044
Greece	171 e	177 e	184 e	199 e	216 e	235 e	248 e	264 e	270	299	310	332	326	315
Hungary	102	109	113	121	136	149	155	164	171	184	190	206	200	200
Iceland	7	8	8	8	9	9	9	10	10	11	12	12	12	11
Ireland	80	90	98	110	119	131	139	150	162	181	198	189	178	180
Israel ¹	118	125	131	148	151	155	149	161	162	175	190	202	205	218
Italy	1 285	1 350	1 377	1 457	1 546	1 532	1 563	1 595	1 649	1 781	1 894	1 991	1 951	1 909
Japan	3 060	3 031	3 071	3 250	3 330	3 417	3 510	3 708	3 873	4 071	4 290	4 317	4 083	4 302 e
Korea	679	647	727	808	860	936	966	1 039	1 097	1 173	1 269	1 306	1 323	1 418
Luxembourg	17	18	21	23	24	26	27	30	32	37	41	44	41	44
Mexico	800 e	849 e	894 e	987 e	1 009 e	1 048 e	1 109	1 187	1 294	1 432	1 541	1 630	1 546	1 644 e
Netherlands	376	400	426	468	494	516	514	541	573	622	667	703	673	702
New Zealand	71	72	77	81	86	90	95	100	105	113	121	124	126	131 e
Norway	123	121	133	162	167	168	175	194	219	248	259	288	263	277
Poland	340	362	383	404	419	442	458	497	526	575	639	688	722	755
Portugal	150	159	170	181	190	198	202	208	225	242	257	265	266	273
Slovak Republic	52	56	56	59	65	70	73	79	87	99	113	125	124	127
Slovenia	29	31	33	35	37	39	41	44	47	51	55	59	56	56
Spain	700	750	792	858	920	994	1 040	1 108	1 188	1 337	1 447	1 512	1 481	1 478
Sweden	208	216	230	248	251	261	272	292	295	324	352	364	346	366
Switzerland	203	210	215	228	234	245	246	257	266	296	326	352	350	365
Turkey	511 e	535	518	589	561	572	588	689	781	895	976	1 064	1 022	1 115
United Kingdom	1 307	1 363	1 423	1 535	1 630	1 714	1 778	1 903	1 971	2 119	2 178	2 261	2 172	2 234
United States	8 279	8 741	9 301	9 899	10 234	10 590	11 089	11 798	12 564	13 315	13 962	14 219	13 864	14 447
Euro area	6 672	6 986	7 262	7 714	8 147	8 457	8 643	9 033	9 507	10 309	10 983	11 452	11 180	11 338
OECD-Total	24 051 e	25 027 e	26 234 e	28 045 e	29 156 e	30 264 e	31 363 e	33 288 e	35 241	37 820	40 036	41 325	40 253	41 769 e

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


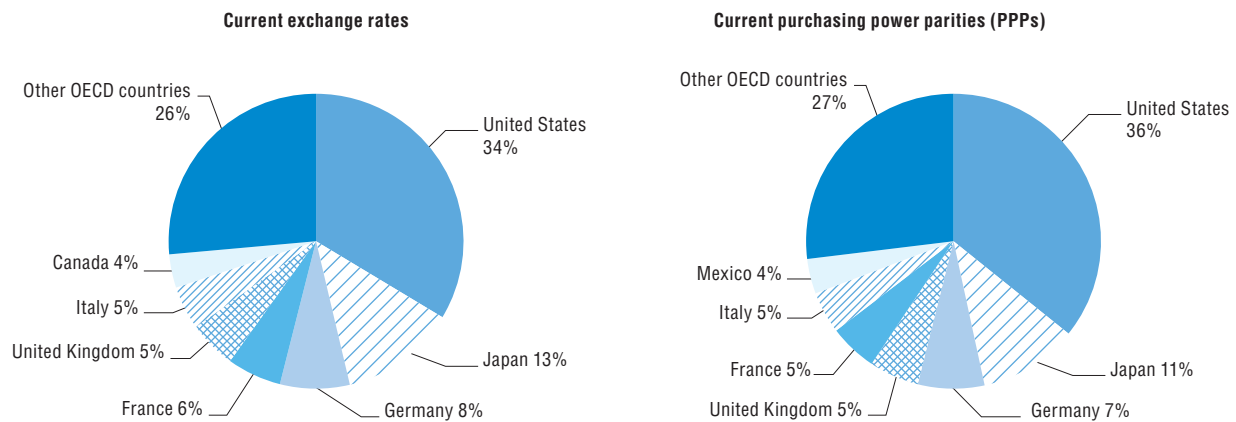

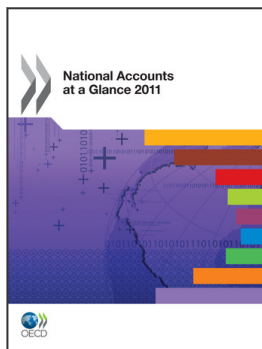
StatLink  <http://dx.doi.org/10.1787/888932549720>

Figure 1.1. **Gross domestic product, current exchange rates and current PPPs**

The seven largest economies in the OECD. Percentage of OECD total, 2010



StatLink  <http://dx.doi.org/10.1787/888932549017>



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