

## VALUE ADDED BY ACTIVITY

Value added reflects the contribution of labour and capital to production. The sum of value added in the economy equals GDP, so value added is also a measure of output and frequently used in productivity and structural analysis.

One of the major advantages of value added is that it avoids problems inherent in the measurement of gross output - gross in the sense that it counts the output of all production units including those that produce intermediate inputs for other units. Countries with fragmented production networks therefore will have, all other things equal, higher output than those with more consolidated networks, complicating international comparisons. This is also a temporal problem as production networks can become more or less consolidated (through outsourcing for example) within a country from one year to another.

### Definition

Value added at basic prices can be simply defined as the difference between gross output (at basic prices) and intermediate consumption (at purchasers prices) and can be decomposed into the following components: Compensation of employees; Gross operating surplus; Mixed income; and Other taxes on production less Subsidies on production.

### Overview

The share of agriculture in total value added within the OECD fell by approximately 0.5% between 2000 and 2011 continuing its long term decline. In only four countries (Turkey, Hungary, Iceland and New Zealand) agriculture accounts for more than 5% of total value added. The share of industry in total value added has also continued its decline in recent decades. However, among the countries for which data are available, especially the Czech Republic, Estonia, Hungary, Iceland, Korea and Poland and the Slovak Republic experienced rises over the period. The share of industry also fell in non-member countries but remains at considerably higher levels than in most OECD countries, with the share for China and Indonesia remaining close to 40%. Norway, where mining and quarrying are large contributors to activity, come closest to these rates in the OECD.

Conversely the share of financial intermediation, real estate, renting and business activities increased over the period 2000-11. The share of these activities nowadays ranges from a low of just over 15% in the Slovak Republic to close to 50% in Luxembourg. Also the share of other service activities, among which health and education, show an upward trend in most countries.

The 1993 *System of National Accounts* recommends the basic price valuation for value added but it can also be measured on different price bases such as producers prices and at factor cost.

### Comparability

All countries compile data according to the 1993 SNA with the exception of Australia 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.

However, not all countries produce value added on the basis of basic prices. Japan uses approximately market prices. New Zealand uses producer prices, and Iceland and the United States use factor costs.

The tables and figures showing breakdowns by activity are based on the ISIC Rev. 4 industrial classification system except for Canada, Israel, Japan, Luxembourg, Mexico, New Zealand, Turkey, the United States, India, Indonesia, the Russian Federation and South Africa which are based on ISIC Rev.3. Countries generally collect information using their own industrial classification systems. The conversion from a national classification system to ISIC may create some comparability issues. For example, for Japan, Hotels (which form approximately 2.8-3.0% of value added) are included in Other services not wholesale, retail, etc. That said, for most countries the activities presented here are generally comparable.

### Sources

- OECD (2012), *National Accounts of OECD Countries*, OECD Publishing.

### Further information

#### Analytical publications

- OECD (2002), *Measuring the Non-Observed Economy: A Handbook*, OECD Publishing.

#### Statistical publications

- OECD (2012), *Quarterly National Accounts*, OECD Publishing.
- OECD (2011), *National Accounts at a Glance*, OECD Publishing.

#### Online databases

- STAN: OECD Structural Analysis Statistics.


#### Websites

- OECD National Accounts, [www.oecd.org/std/nationalaccounts](http://www.oecd.org/std/nationalaccounts).

### Value added by activity

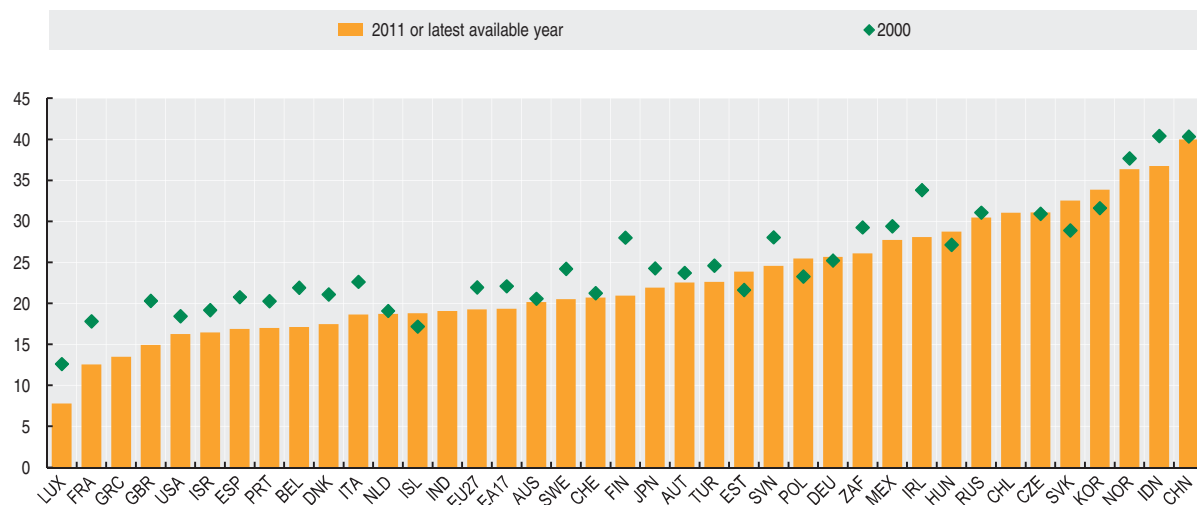
As a percentage of total value added

	Agriculture, hunting, forestry, fishing		Industry, including energy		Construction		Trade, transport; accommodation, restaurants; communication		Financial and insurance; real estate; business services		Other service activities	
	2000	2011 or latest available year	2000	2011 or latest available year	2000	2011 or latest available year	2000	2011 or latest available year	2000	2011 or latest available year	2000	2011 or latest available year
Australia	3.8	2.8	20.6	20.1	5.6	7.7	22.5	20.2	28.1	30.4	19.4	18.8
Austria	1.9	1.6	23.7	22.5	7.7	6.8	26.2	25.4	20.7	23.5	19.8	20.1
Belgium	1.3	0.6	21.9	17.1	5.2	5.8	23.1	24.4	26.6	27.8	21.8	24.3
Canada	2.3	..	28.2	..	5.0	..	20.3	..	25.0	..	19.2	..
Chile	..	3.4	..	31.0	..	8.1	..	16.9	..	18.8	..	21.8
Czech Republic	3.6	2.1	30.9	31.1	6.6	6.7	27.1	23.8	15.0	18.5	16.8	17.9
Denmark	2.5	1.4	21.1	17.5	5.5	4.8	24.4	23.6	21.1	25.0	25.4	27.8
Estonia	4.8	3.6	21.6	23.9	5.9	6.3	29.4	26.5	21.6	22.1	16.7	17.6
Finland	3.5	2.9	28.0	20.9	6.3	6.8	21.9	22.3	19.6	22.7	20.6	24.4
France	2.5	1.8	17.8	12.6	5.0	6.2	23.1	23.4	27.5	30.1	24.1	26.0
Germany	1.1	1.0	25.2	25.7	5.3	4.4	20.3	19.1	26.2	27.4	21.9	22.5
Greece	..	3.1	..	13.5	..	4.5	..	31.4	..	23.5	..	24.0
Hungary	5.9	5.4	27.1	28.7	5.3	3.8	21.5	22.0	19.2	20.5	21.0	19.5
Iceland	8.5	7.8	17.2	18.8	9.3	4.5	24.8	20.0	18.5	24.5	21.8	24.6
Ireland	3.4	1.7	33.8	28.1	7.0	2.8	19.0	18.6	20.4	26.1	16.4	22.7
Israel	1.7	2.1	19.2	16.5	5.8	4.9	18.2	16.8	30.5	36.5	24.6	23.3
Italy	2.8	2.0	22.6	18.6	5.1	6.0	26.1	25.0	24.4	27.8	18.9	20.6
Japan	1.5	1.2	24.3	21.9	7.0	5.6	20.7	23.9	15.9	16.9	30.7	30.6
Korea	4.6	2.7	31.6	33.8	6.9	5.9	21.6	18.8	19.3	19.3	15.9	19.5
Luxembourg	0.7	0.3	12.6	7.8	5.7	5.6	21.8	19.8	43.8	49.7	15.4	16.9
Mexico	4.2	3.5	29.4	27.7	6.4	6.6	29.8	28.6	19.0	19.7	12.7	13.8
Netherlands	2.5	1.7	19.1	18.7	5.7	5.5	26.1	23.8	25.6	25.7	21.0	24.6
New Zealand	8.5	..	19.9	..	4.4	..	21.8	..	27.8	..	17.6	..
Norway	2.1	1.5	37.7	36.4	4.0	5.9	21.0	16.0	15.3	18.6	20.0	21.6
Poland	4.9	3.6	23.3	25.5	7.8	7.9	29.2	29.8	18.0	16.4	16.8	16.8
Portugal	3.6	2.1	20.3	17.0	8.2	6.3	26.7	28.5	19.2	22.2	22.0	23.8
Slovak Republic	4.5	3.2	28.9	32.5	7.2	9.4	26.3	22.7	16.6	15.4	16.6	16.8
Slovenia	3.4	2.5	28.1	24.5	6.7	5.2	22.6	25.0	19.8	21.9	19.4	20.9
Spain	4.2	2.6	20.8	16.9	10.3	11.5	28.1	28.4	16.9	19.2	19.6	21.4
Sweden	2.0	1.7	24.2	20.5	4.3	5.8	22.2	23.6	22.5	22.2	24.7	26.2
Switzerland	1.3	0.8	21.2	20.7	5.2	5.4	25.7	27.3	21.3	20.1	25.1	25.7
Turkey	10.8	9.2	24.6	22.6	5.4	5.0	29.1	30.9	19.5	20.2	10.6	12.1
United Kingdom	1.0	0.6	20.3	14.9	6.5	6.9	27.0	24.4	24.7	29.8	20.5	23.4
United States	1.2	1.2	18.4	16.2	5.0	3.7	20.0	18.2	31.7	33.5	23.7	27.1
Euro area	2.4	1.7	22.1	19.3	5.9	6.2	23.7	23.4	24.6	26.5	21.3	22.9
EU 27	2.3	1.7	22.0	19.3	6.0	6.3	24.4	23.8	24.2	26.1	21.2	22.8
OECD	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..
China	15.1	10.1	40.4	40.0	5.6	6.8	16.6	15.8	8.3	10.7	14.1	16.6
India	..	17.6	..	19.1	..	8.1	..	16.2	..	16.8	..	22.2
Indonesia	15.6	15.3	40.4	36.8	5.5	10.3	20.8	20.2	8.3	7.2	9.3	10.2
Russian Federation	6.4	4.3	31.1	30.5	6.6	6.5	33.1	28.9	4.6	15.9	18.3	14.0
South Africa	3.3	2.4	29.3	26.1	2.5	4.5	24.3	22.7	18.6	21.2	22.0	23.1

StatLink  <http://dx.doi.org/10.1787/888932706774>

### Value added in industry, including energy

As a percentage of total value added



StatLink  <http://dx.doi.org/10.1787/888932706793>



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