

EVOLUTION OF VALUE ADDED BY ACTIVITY

GDP growth has not been evenly spread across economic activities. Some economic activities have grown faster than others and some have declined in importance. A convenient way to show how the patterns of economic growth have changed is to distinguish between agriculture, industry and services.

Definition

Gross value added is defined as output minus intermediate consumption. It also equals the sum of employee compensation, net operating surplus, net mixed income, depreciation of capital assets and other taxes less other subsidies on production. The growth rates shown here refer to volume estimates of gross value added.

Agriculture consists of agriculture; hunting and forestry; and fishing. Industry consists of mining and quarrying; manufacturing; production and distribution of electricity, gas and water; and construction. Services consists of retail and wholesale trade; transport and communications; real estate, finance, insurance and business services; education, health and other personal services; public administration; and defence.

The graphs show annual growth rates in years 2006 to 2008 (end of period); and in 1995 to 1997 (beginning of period).

Comparability

All OECD countries follow the 1993 *System of National Accounts*. This assures good comparability between countries as regards the definitions and coverage. It is important to recognise, however, that part of the decline of industry and the rise of service activities reflects the outsourcing of service activities that were previously carried out internally within industrial enterprises; because of this, the trends shown here overstate real changes in these activities. For example, if cleaning and security services were earlier provided by employees of a manufacturing enterprise, their salaries would have formed part of value added by industry; if these services are now purchased from specialised producers, the salaries of these employees will form part of the value added of the service sector.

Data for Australia and New Zealand refer to fiscal years.

Overview

In the three years to 2008, the volume of agricultural value added in OECD countries increased at an annual rate of around 3%, almost identical to the growth rate recorded in the three years to 1997. Agricultural production declined in eight countries, especially in Luxembourg, the Czech Republic and Ireland, while it increased by 5% or more in the Slovak Republic, Sweden and Switzerland.

Real value added in industry for the OECD as a whole expanded at a rate of 2% per year in the three years to 2008. Industry grew in all countries except Norway, the United Kingdom and Greece, with the pace of growth exceeding 8% per year in India, the Czech Republic, Poland and the Slovak Republic.

Real value added in the service sector for the OECD as a whole increased at a rate of 2.6% per year in the three years to 2008, a pace significantly lower than the one recorded in the 1995-97 period. All countries included in the figure recorded expansions in service activity, with such growth exceeding 6% per year in Ireland, Iceland and the Slovak Republic. In the Russian Federation, Indonesia and India, growth in service activity was close to 10% or more.

Annual growth in agriculture is generally very uneven, with changes from year to year of 10% or more being quite common, while growth rates in industry and services have tended to be more stable.

Sources

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Further information

Analytical publications

- OECD (2008), *OECD Economic Outlook, June No. 83* – Vol. 2008/1, OECD, Paris.

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Methodological publications

- OECD (2000), *OECD Glossaries, System of National Accounts, 1993 – Glossary*, OECD, Paris.
- UN, OECD, IMF, Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva.

Online databases

- STAN: *OECD Structural Analysis Statistics* – online database.

Web sites

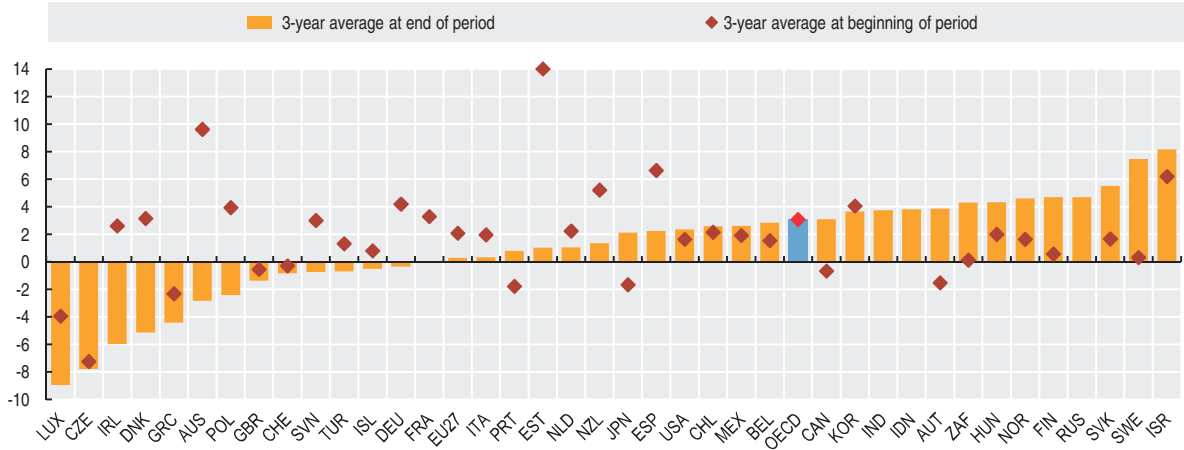
- OECD National Accounts, www.oecd.org/std/national-accounts.



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Real value added in agriculture

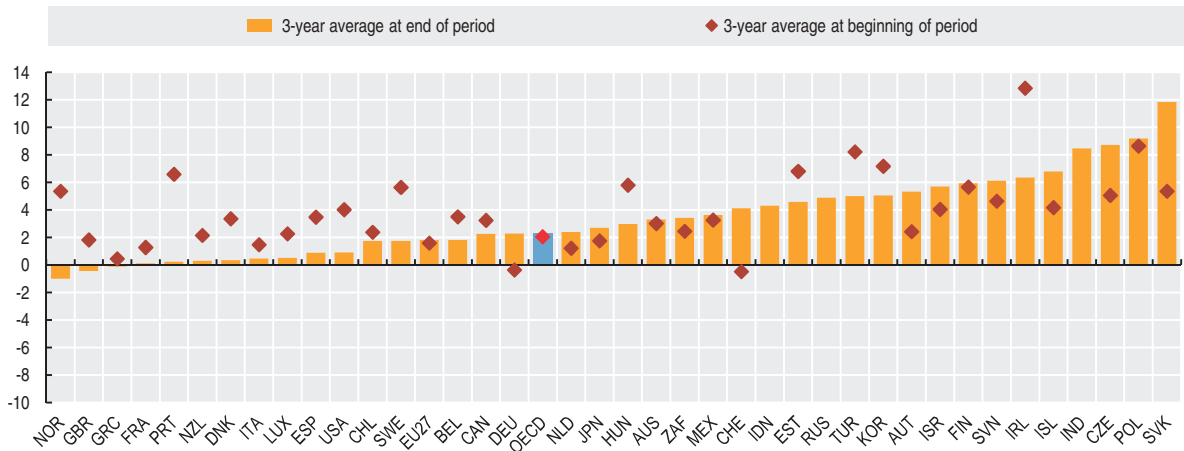
Annual growth in percentage



StatLink <http://dx.doi.org/10.1787/818312622321>

Real value added in industry

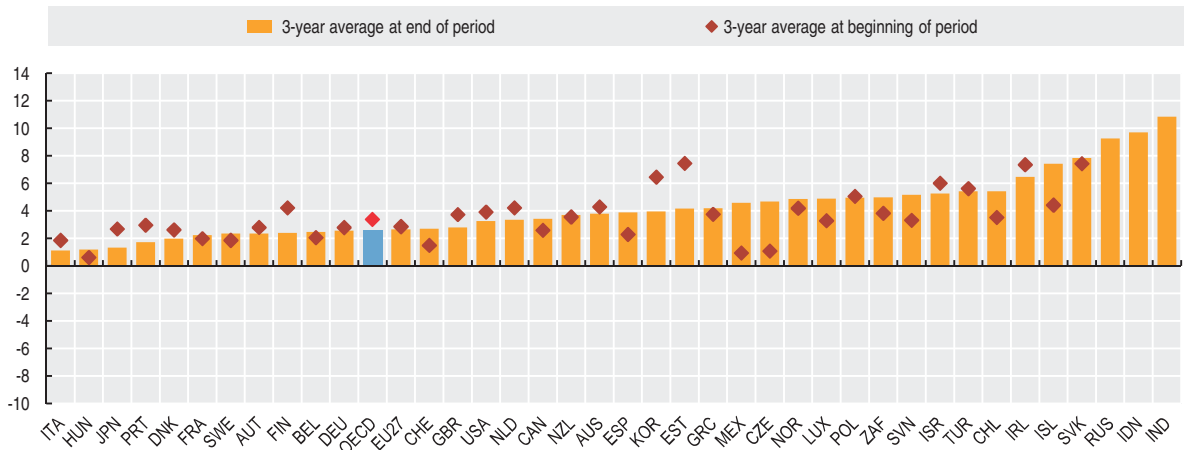
Annual growth in percentage



StatLink <http://dx.doi.org/10.1787/818346743466>

Real value added in services

Annual growth in percentage



StatLink <http://dx.doi.org/10.1787/818382306804>



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