

## GOVERNMENT EXPENDITURES, REVENUES AND DEFICITS

Net lending reflects the fiscal position of government after accounting for capital expenditures. Positive net-lending means that government is providing financial resources to other sectors and negative net-lending means that government requires financial resources from other economic sectors.

While general government and net lending is an important concept in the *System of National Accounts (SNA)* accounting framework and provides the basis for sound international comparisons, net lending is not necessarily the key fiscal measure targeted by governments. Some countries for example manage their budgets using broader notions that incorporate the positions of public corporations and others focus on more narrow concepts such as central government.

### Definition

Total general government expenditures (GGE) include the following items: intermediate consumption, compensation of employees, subsidies, social benefits and social transfers in kind (via market producers), other current transfers, property income, capital transfers (payable), the adjustment for the net equity of households in pension funds reserves, gross capital formation and net acquisition of non-financial non-produced assets. It also includes taxes on income and wealth and other taxes on production that governments may be required to pay.

Revenues include taxes (on corporations and households, and those on income, wealth, production and imports),

social security contributions, property income and other income.

### Comparability

The biggest issue affecting comparability across countries concerns the scope of the government sector. In many countries, hospitals, for example, are classified outside of the government sector and are instead recorded as public corporations on the grounds that they charge market prices for their services. EU countries have adopted a 50% rule, i.e. sales should cover at least 50% of the operating costs to qualify the relevant units as market producers outside government.

Another potential area where comparability may be affected relates to the determination of public ownership. The SNA requires that “control” be the determining factor for recording a non-market producer inside or outside government, and describes a number of criteria that can be used to assess this requirement. Recognising that this is non-trivial it includes a practical recommendation that a 50% rule relating to ownership should be adopted.

Generally however, the comparability of the figures presented here for countries is very high. For most general government expenditures there is little scope for ambiguity in treatment and the quality of underlying data is very good, so the level of comparability is generally good. Data for all countries are on a consolidated basis, except Canada (which consolidates only current transfers) and New Zealand.

Unlike previous years, all data for this indicator is now sourced from the OECD Annual National Accounts database.

### Overview

Over the last four decades, the fiscal balance in the OECD as a whole has been typically in deficit, oscillating around 3% of GDP. This, however, masks diversified levels and trends among the OECD countries. Following the global recession of 2008-09, the OECD deficit increased to record levels in 2009 and 2010. In 2010, deficits larger than 10% of GDP were recorded for Ireland, the United States, Greece, the United Kingdom and Iceland. The large deficit in Ireland of 31.2% partly reflected one-off payments to support the financial system. In contrast, Norway had a surplus of 11.2%. In 2011, the fiscal balance in most OECD countries for which data are available, improved.

As with the fiscal balance, there is a big variation in the shares of expenditure and revenues in GDP across the OECD countries and over time. Looking at the revenues in 2010, the lowest government revenues as a percentage of GDP were reported for Mexico (21.9%) and the United States (31.8%). On the other hand, the Scandinavian countries all reported revenues over 50% of GDP.

### Sources

- OECD (2012), *OECD Economic Outlook*, OECD Publishing.

### Further information

#### Analytical publications

- OECD (2012), *OECD Economic Surveys*, OECD Publishing.

#### Statistical publications

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

#### Methodological publications

- OECD (2008), *OECD Glossary of Statistical Terms*, OECD Publishing.

#### Online databases

- *OECD National Accounts Statistics*.
- *OECD Economic Outlook: Statistics and Projections*.

#### Websites

- *OECD Economic Outlook – Sources and Methods*, [www.oecd.org/eco/sources-and-methods](http://www.oecd.org/eco/sources-and-methods).



GOVERNMENT EXPENDITURES, REVENUES AND DEFICITS

General government revenues and expenditures

As a percentage of GDP

	Net lending				Revenues				Expenditures			
	2000	2005	2010	2011	2000	2005	2010	2011	2000	2005	2010	2011
Australia	-0.7	1.6	..	..	34.9	35.5	..	..	35.6	33.9	..	..
Austria	-1.8	-1.8	-4.5	-2.6	50.1	48.2	48.1	48.0	51.9	50.0	52.6	50.6
Belgium	-0.1	-2.6	-3.9	-3.9	49.0	49.3	48.6	49.4	49.1	51.9	52.5	53.3
Canada	2.9	1.5	-5.6	..	44.1	40.8	38.5	..	41.1	39.3	44.1	..
Chile	..	..	-0.3	..	..	..	..	..	..	..	..	..
Czech Republic	-3.6	-3.2	-4.8	-3.1	38.0	39.8	39.3	40.3	41.6	43.0	44.1	43.4
Denmark	2.2	5.0	-2.7	-1.9	55.8	57.8	55.1	56.1	53.7	52.8	57.8	58.0
Estonia	-0.2	1.6	0.3	1.0	35.9	35.2	40.8	39.3	36.1	33.6	40.6	38.2
Finland	7.0	2.7	-2.8	-0.9	55.4	53.0	53.0	53.9	48.3	50.3	55.8	54.8
France	-1.5	-3.0	-7.1	-5.2	50.2	50.6	49.5	50.8	51.7	53.6	56.6	56.0
Germany	1.1	-3.3	-4.2	-1.0	46.2	43.6	43.3	44.3	45.1	46.9	47.5	45.3
Greece	-3.8	-5.6	-10.5	-9.2	43.3	39.0	39.7	40.9	47.1	44.6	50.2	50.1
Hungary	-3.1	-7.9	-4.3	4.2	44.7	42.2	45.2	53.0	47.8	50.1	49.5	48.8
Iceland	1.7	4.9	-10.1	-4.4	43.6	47.1	41.5	41.7	41.9	42.2	51.6	46.1
Ireland	4.7	1.7	-31.2	-13.0	35.9	35.4	35.6	35.7	31.2	33.8	66.8	48.7
Israel	-3.9	-4.8	-4.6	..	47.4	44.6	40.4	..	51.3	49.4	45.0	..
Italy	-0.9	-4.5	-4.5	-3.8	45.0	43.4	46.0	46.1	45.9	47.9	50.5	49.9
Japan	..	-4.8	-8.4	..	..	31.6	32.4	..	..	36.4	40.8	..
Korea	5.4	3.4	1.3	..	27.9	30.0	31.4	..	22.4	26.6	30.1	..
Luxembourg	6.0	0.0	-0.9	-0.6	43.6	41.5	41.6	41.4	37.6	41.5	42.4	42.0
Mexico	..	0.4	-1.5	..	..	19.5	21.9	..	..	19.1	23.3	..
Netherlands	2.0	-0.3	-5.0	-4.4	46.1	44.5	46.1	45.4	44.2	44.8	51.2	49.8
New Zealand	1.7	4.6	..	..	39.5	42.4	..	..	37.8	37.8	..	..
Norway	15.4	15.0	11.2	13.7	57.7	56.8	56.7	58.2	42.3	41.8	45.5	44.5
Poland	-3.0	-4.1	-7.9	-5.1	38.1	39.4	37.5	38.5	41.1	43.4	45.4	43.6
Portugal	-3.3	-6.5	-9.8	-4.2	38.3	40.1	41.4	44.7	41.6	46.6	51.3	48.9
Slovak Republic	-12.3	-2.8	-7.7	-4.8	39.9	35.2	32.4	33.4	52.1	38.0	40.0	38.2
Slovenia	-3.7	-1.5	-6.0	-6.3	42.8	43.8	44.0	43.8	46.5	45.3	50.0	50.2
Spain	-1.0	1.3	-9.4	-8.6	38.2	39.7	36.4	35.5	39.2	38.4	45.7	44.1
Sweden	3.6	1.9	-0.1	0.1	58.7	55.8	52.4	51.5	55.1	53.9	52.5	51.3
Switzerland	-0.4	-1.1	0.3	..	35.2	34.1	34.0	..	35.6	35.2	33.8	..
Turkey	..	..	-2.6	..	..	..	36.4	..	..	..	39.0	..
United Kingdom	3.6	-3.4	-10.1	-8.2	40.4	40.4	40.1	40.5	36.8	43.8	50.3	48.7
United States	1.5	-3.2	-10.6	..	35.4	33.1	31.8	..	33.9	36.3	42.5	..
EU 27	..	..	..	..	..	..	..	..	..	..	..	..
OECD	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	6.0	..	..	..	40.2	..	..	..	34.2	..	..
South Africa	-3.3	-2.0	-6.0	..	..	..	..	..	..	..	..	..

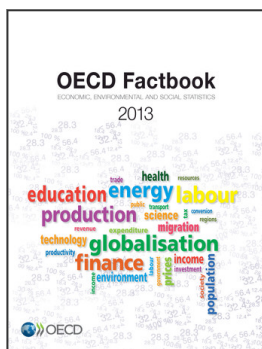
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General government net lending

As a percentage of GDP



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