

INVESTMENT RATES

The share of total GDP that is devoted to investment in fixed assets is an important determinant of future economic growth. However, not all types of investment contribute to future GDP growth in the same way, and future GDP growth may also depend on expenditures that are conventionally considered as consumption (e.g. education, health).

Definition

Gross fixed capital formation (i.e. investment or GFCF) reflects the acquisition, less disposal, of fixed assets, i.e. products that are expected to be used in production for several years. Acquisitions include both purchases of assets (new or second-hand) and the construction of assets by producers for their own use. Disposals include sales of assets for scrap as well as sales of used assets in a working condition to other producers. New Zealand, Mexico and some central European countries import substantial quantities of used assets, which are included in GFCF.

Fixed assets consist of machinery and equipment; dwellings and other buildings; roads, bridges, airfields and dams; orchards and tree plantations; improvements to land such as fencing, levelling and draining; draught animals and other animals that are kept for the milk and wool that they produce; computer software and databases; entertainment, literary or artistic originals; and expenditures on mineral exploration. What all these things have in common is that they contribute to future production. This may not be obvious in the case of dwellings but, in the national accounts, flats and houses are considered to produce services that are consumed by owners or tenants over the life of the building.

Investment figures shown here relate to annual growth in the volume of total investment.

Overview

Investment over the period 2007-2009 fell on average by 4% per year for the OECD as a whole, largely reflecting the retrenchment in investment that occurred at the height of the recent crisis, with investment volumes falling by 12% in 2009. Australia was the only country in the OECD to record investment growth (3%) in 2009. Iceland, Estonia, Ireland, and Slovenia all recorded falls in investment of over 20% in 2009.

Comparability

When the *System of National Accounts (SNA)* was revised in 1993, the scope of GFCF was widened to include mineral exploration, computer software and entertainment, as well as literary and artistic originals. Comparability of these items has improved in recent years but the coverage of the various items differs across countries. This applies particularly in the case of own-account production of software. Data for Australia (based on the 2008 SNA) and New Zealand refer to fiscal years. The 2008 SNA recognises that expenditures on research and development and expenditures on weapons systems can be included as investment. This implies that, all other things equal, 2008 SNA levels of investment will be higher than 1993 SNA levels.

Sources

- OECD (2011), *National Accounts of OECD Countries*, OECD Publishing.
- For Brazil: National sources and OECD (2011), *Main Economic Indicators*, OECD Publishing.

Further information

Analytical publications

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Statistical publications

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

Methodological publications

- Ahmad, N. (2004), "Towards More Harmonised Estimates of Investment in Software", *OECD Economic Studies*, No. 37, 2003/2.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing.
- United Nations, OECD, International Monetary Fund and Eurostat (eds.) (2010), *System of National Accounts 2008*, United Nations, Geneva.

Websites

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

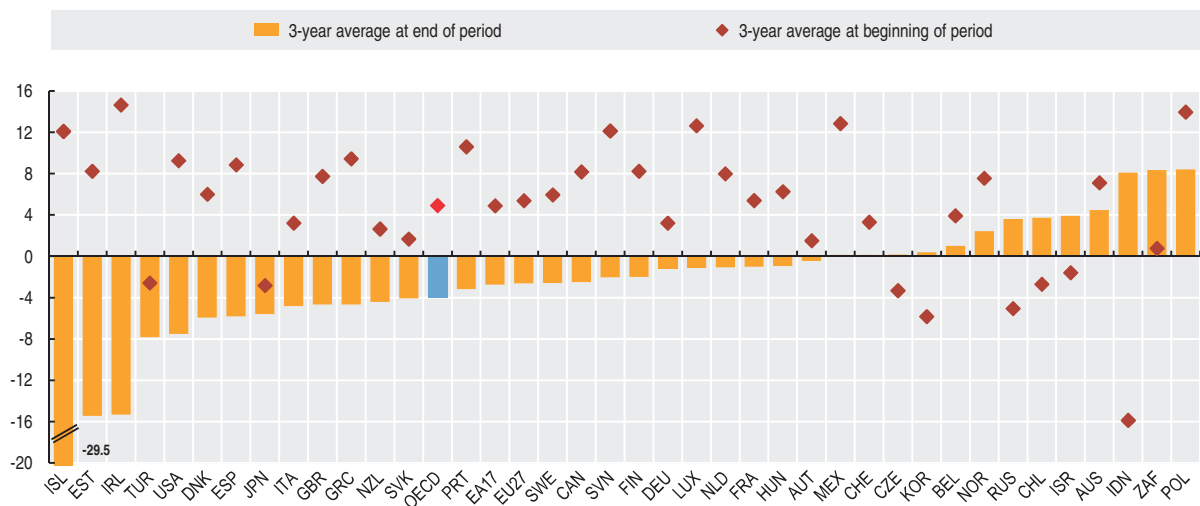

Gross fixed capital formation

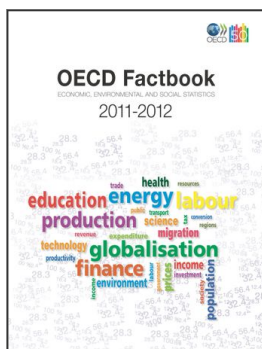
Annual growth in percentage

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	9.1	4.5	7.8	-8.4	9.5	14.0	8.0	6.5	8.8	5.4	10.4	0.8	2.5	..
Austria	-	3.6	1.0	5.5	-1.7	-4.4	4.7	0.7	1.2	1.8	3.9	4.1	-8.8	-1.3
Belgium	5.9	3.3	2.6	5.1	1.0	-4.5	0.1	7.9	6.5	2.7	6.2	2.6	-5.4	-1.3
Canada	15.2	2.4	7.3	4.7	4.0	1.6	6.2	7.8	9.3	7.1	3.5	1.4	-11.7	..
Chile	10.5	1.9	-18.2	8.9	4.3	1.5	5.7	10.0	23.9	2.3	11.2	19.4	-15.9	18.8
Czech Republic	-5.7	-0.9	-3.3	5.1	6.6	5.1	0.4	3.9	1.8	6.0	10.8	-1.5	-7.9	-3.1
Denmark	10.3	8.1	-0.1	7.6	-1.4	0.1	-0.2	3.9	4.7	14.3	0.4	-3.3	-14.3	-4.0
Estonia	23.6	21.4	-15.5	16.7	9.9	24.0	18.6	5.2	15.3	23.2	6.0	-15.0	-32.9	-9.2
Finland	10.5	11.1	3.3	6.4	2.9	-3.7	3.0	4.9	3.6	1.9	10.7	-0.4	-14.6	0.8
France	0.5	7.4	8.5	6.8	2.2	-1.9	2.2	3.4	4.4	4.0	6.3	0.3	-9.0	-1.2
Germany	1.0	4.0	4.7	3.0	-3.7	-6.1	-0.3	-0.3	0.9	8.0	4.7	2.5	-10.1	6.0
Greece	6.8	10.6	11.0	8.0	4.8	9.5	11.8	0.4	-6.3	10.6	5.5	-7.5	-11.2	-16.5
Hungary	4.3	9.7	4.9	6.8	4.7	10.3	2.6	7.6	6.5	-3.5	3.7	3.2	-9.2	-6.9
Iceland	9.3	34.4	-4.1	11.8	-4.3	-14.0	11.1	28.1	35.7	22.4	-11.1	-19.7	-50.9	-8.1
Ireland	16.4	14.1	13.5	6.2	0.2	2.8	6.5	9.4	14.9	4.5	2.8	-14.3	-31.1	..
Israel	-0.7	-4.0	-	3.4	-3.5	-6.7	-4.2	0.5	3.4	13.6	14.7	3.9	-5.8	..
Italy	1.6	4.2	3.9	6.3	2.7	3.7	-1.2	2.3	0.8	2.9	1.7	-3.8	-11.9	2.5
Japan	-0.3	-7.2	-0.8	1.2	-0.9	-4.9	-0.5	1.4	3.1	0.5	-1.2	-3.6	-11.7	..
Korea	-1.5	-22.0	8.7	12.3	0.3	7.1	4.4	2.1	1.9	3.4	4.2	-1.9	-1.0	7.0
Luxembourg	10.4	6.1	22.0	-4.7	8.8	5.5	6.3	2.7	2.5	3.8	17.9	1.4	-19.2	2.6
Mexico	21.0	10.3	7.7	11.4	-5.6	-0.6	0.4	8.0	7.5	9.9	6.9	5.9	-11.3	..
Netherlands	8.5	6.8	8.7	0.6	0.2	-4.5	-1.5	-1.6	3.7	7.5	5.5	5.1	-12.7	-4.8
New Zealand	0.2	-2.4	10.6	0.4	6.8	7.8	12.9	7.6	5.2	-2.3	4.7	-5.2	-12.0	..
Norway	15.8	13.6	-5.4	-3.5	-1.1	-1.1	0.2	10.2	13.3	11.7	12.5	2.5	-6.8	-7.4
Poland	21.8	14.0	6.6	2.7	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6	9.6	-1.1	-2.0
Portugal	14.2	11.8	6.0	3.9	0.6	-3.2	-7.1	-	-0.5	-1.3	2.6	-0.3	-11.3	-4.9
Slovak Republic	14.0	9.4	-15.7	-9.6	12.9	0.2	-2.7	4.8	17.6	9.3	9.1	1.0	-19.9	3.6
Slovenia	13.2	8.6	14.7	2.6	1.3	0.3	7.6	5.0	3.0	10.4	13.2	7.9	-23.0	-7.1
Spain	5.0	11.3	10.4	6.6	4.8	3.4	5.9	5.1	7.0	7.2	4.5	-4.8	-16.0	-7.6
Sweden	0.6	8.8	8.7	5.7	0.5	-1.3	1.6	5.7	8.1	9.2	8.9	1.4	-16.3	7.1
Switzerland	2.1	6.4	1.5	4.2	-3.5	-0.5	-1.2	4.5	3.8	4.7	5.1	0.5	-4.9	4.6
Turkey	14.8	-3.9	-16.2	17.5	-30.0	14.7	14.2	28.4	17.4	13.3	3.1	-6.2	-19.0	29.9
United Kingdom	6.8	13.7	3.0	2.7	2.6	3.6	1.1	5.1	2.4	6.4	7.8	-5.0	-15.4	3.7
United States	8.8	9.9	9.1	6.9	-1.1	-3.0	2.9	6.2	5.3	2.3	-1.4	-5.1	-15.5	..
Euro area	2.7	6.0	6.0	4.9	0.6	-1.6	1.3	2.3	3.2	5.4	4.7	-0.8	-11.4	-0.8
EU27 total	3.5	7.3	5.4	4.6	0.8	-0.7	1.3	3.1	3.5	6.1	5.8	-0.8	-12.0	-0.7
OECD total	5.6	3.9	5.2	5.3	-0.7	-1.0	2.2	4.7	4.9	4.3	2.6	-2.1	-12.0	..
Indonesia	8.6	-33.0	-18.2	16.7	6.5	4.7	0.6	14.7	10.9	2.6	9.3	11.9	3.3	8.5
Russian Federation	-9.6	-12.4	8.1	16.6	10.9	3.1	13.9	12.0	10.2	17.9	21.1	9.5	-16.1	..
South Africa	5.7	4.8	-7.6	3.9	2.8	3.5	10.2	12.9	11.0	12.1	14.0	14.1	-2.2	-3.7

 StatLink  <http://dx.doi.org/10.1787/888932503398>
Gross fixed capital formation

Average annual growth in percentage


 StatLink  <http://dx.doi.org/10.1787/888932503417>



From:
OECD Factbook 2011-2012
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2011-en>

Please cite this chapter as:

OECD (2011), “Investment rates”, in *OECD Factbook 2011-2012: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2011-23-en>

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