Accounting for almost 40% of total subnational investment, transport and economic affairs are the largest investment sectors in the OECD.

Economic affairs and transport were the priority sectors for subnational government investment in 2015, accounting for 39% of SNG investment on average in the OECD. Under this heading are transport, communications, economic development, energy, construction, etc. Transport systems, facilities and public transportation make up the bulk of investment in this category (around three-quarters), which comprises construction of roads (highways, local roads, bicycle paths, etc.), railways, water transport, air transport and airports, pipelines and other transport systems such as funiculars, cable cars, etc. In Australia, Ireland, Estonia and Greece, investment in economic affairs/transport represented more than 50% of subnational investment in 2015. By contrast, this sector is under-represented in Denmark, Slovenia, Sweden, Latvia and Hungary (less than 20% of subnational investment and even 12% in Hungary) (Figure 5.14).

The second priority sector for SNG investment in 2015 was education: 21% of SNG investment was made for new construction and major renovations of pre-elementary, primary, secondary and high schools, universities, adult vocational training centres, lodging and transport for pupils and students, etc. Subnational educational infrastructure investment was above 25% in Latvia, Norway, Israel, the United States and close to 44% in the United Kingdom. In Australia, Hungary, Portugal, Greece and Ireland, subnational governments seem to invest very little in education infrastructure.

Infrastructure in general public services (administration) represented nearly 10% of SNG investment in 2015 but more than 29% in Belgium and Switzerland. This category comprises mainly construction and improvement of public buildings (e.g. town and regional councils).

The fourth priority area of SNG investment in 2015 was housing and community amenities, which represented 8.5% of SNG investment. This sector comprises construction and remodelling of housing, including acquisition of land, potable water supply, street lighting, infrastructure for community development, etc. Subnational investment in that area exceeded 19% in Slovenia, Latvia, Korea and 24% in the Slovak Republic.

Subnational investment in environmental infrastructure (waste, sewerage, air pollution, climate protection, soil protection, noise, protection of biodiversity and landscape, parks and green spaces, etc.) amounted to 6.4% of SNG investment on average in the OECD in 2015. The share exceeded 15% in 10 countries and surpassed 22% in the Czech Republic, the Netherlands and reached 35% in Hungary and Slovenia.

Source

See Annex B for data sources and country-related metadata.

Reference years and territorial level
2015: National Economic Accounts; levels of government. COFOG Investment Data

Further information
OECD (2018), Subnational Governments in OECD Countries: Key data (brochure).

Figure notes
No data for Canada, Mexico, Chile, New Zealand, Turkey.
Other: defence; public order and safety; health; recreation, culture and religion; social protection.

For the United States, data showed in the function “Housing and community amenities” include the “environment protection” function data.

Due to negative values (disinvestment), some areas are not taken into account for the breakdown of investment by function: General public services in Luxembourg and Estonia; Housing and community in Denmark, Finland, Netherlands and Poland.
5.14. Breakdown of SNG investment by economic function as a % of total SNG investment, 2016

OECD Regions and Cities at a Glance 2018 © OECD 2018

StatLink: http://dx.doi.org/10.1787/888933818549