

EVOLUTION OF GDP

Measuring GDP growth is important but GDP can grow simply via inflation. Abstracting from price changes to measure real GDP growth provides a sounder basis for assessing growth in economic production.

Definition

In order to calculate the growth rate of GDP free of the direct effects of inflation, data at fixed, or constant, prices should be used. Price relativities change over time, and the 1993 *System of National Accounts* (SNA) recommends that the fixed prices used should be representative of the periods for which the growth rates are calculated. This means that new fixed prices should be introduced frequently, typically every year. The growth rates of GDP between successive periods are linked together to form chain volume indices. All OECD countries derive their “volume” estimates in this way, except for Mexico who only revises its fixed weights every ten years. Such practices tend to lead to biased growth rates, usually upward. For the definition of GDP, please refer to the definition under “Size of GDP” in this chapter.

The GDP growth rates for OECD total are averages of the growth rates of individual countries, weighted by the relative size of each country’s GDP in US dollars. Conversion to US dollars is done using purchasing power parities.

Comparability

The GDP statistics used to compute volume GDP growth rates have been compiled according to the 1993 *System of National Accounts* for all countries except Australia which uses the 2008 SNA. GDP estimates at current prices are generally regarded as highly comparable across countries. However, there is more variability in how countries calculate their volume estimates of GDP, particularly in respect of services, government consumption and some types of capital expenditures, although this doesn’t necessarily imply lower comparability in estimated GDP growth rates.

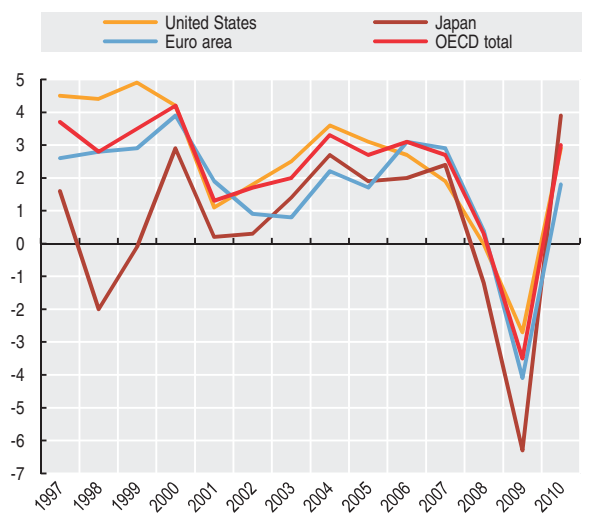
Three-year averages refer to the years 2008 to 2010 (end of period); and 1997 to 1999 (beginning of period).

Overview

The average annual rate of volume GDP growth for the OECD total in the three years to 2010 was minus 0.1%. This mainly reflects the strong fall of 3.5% in 2009 at the height of the recent economic crisis. This compares to significantly higher GDP growth rates in India, Indonesia, and China, which all had average annual growth of 5% or more over the period. Estonia, Ireland and Iceland, which contracted between 3 and 6%, recorded the lowest average annual GDP growth rates between 2007 and 2010.

Real GDP growth

Annual growth in percentage



StatLink <http://dx.doi.org/10.1787/888932503208>

Sources

- OECD (2011), *National Accounts of OECD Countries*, OECD Publishing.
- For non-member countries: national sources.

Further information

Analytical publications

- Goldstein, A., et al. (2006), *The Rise of China and India: What's in it for Africa?*, Development Centre Studies, OECD Publishing.
- OECD (2011), *Economic Policy Reforms*, OECD Publishing.
- OECD (2011), *OECD Economic Outlook*, OECD Publishing.

Statistical publications

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

Real GDP growth

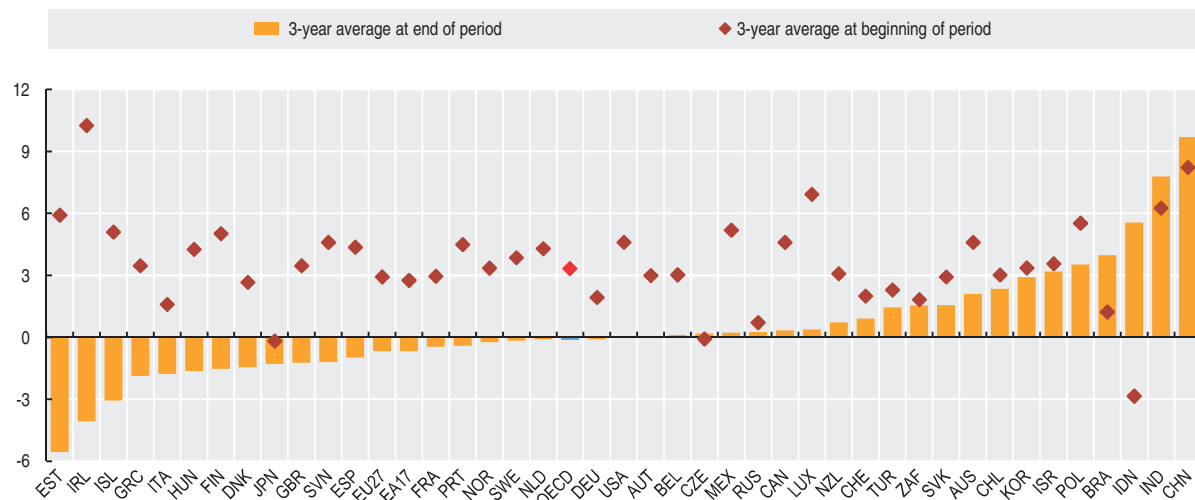

Annual growth in percentage

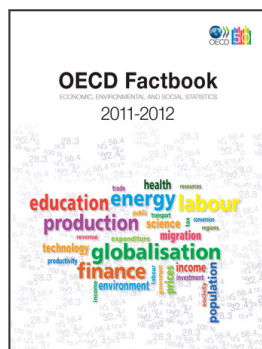
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	4.6	5.2	4.0	2.1	3.9	3.3	4.2	3.0	3.1	3.6	3.8	1.4	2.3	2.6
Austria	2.1	3.6	3.3	3.7	0.5	1.6	0.8	2.5	2.5	3.6	3.7	2.2	-3.9	2.0
Belgium	3.7	1.9	3.5	3.7	0.8	1.4	0.8	3.2	1.7	2.7	2.9	1.0	-2.8	2.2
Canada	4.2	4.1	5.5	5.2	1.8	2.9	1.9	3.1	3.0	2.8	2.2	0.5	-2.5	3.1
Chile	6.6	3.3	-0.7	4.5	3.3	2.2	4.0	6.0	5.6	4.6	4.6	3.7	-1.7	5.2
Czech Republic	-0.7	-0.8	1.3	3.6	2.5	1.9	3.6	4.5	6.3	6.8	6.1	2.5	-4.1	2.3
Denmark	3.2	2.2	2.6	3.5	0.7	0.5	0.4	2.3	2.4	3.4	1.6	-1.1	-5.2	2.1
Estonia	11.7	6.7	-0.3	10.0	7.5	7.9	7.6	7.2	9.4	10.6	6.9	-5.1	-13.9	3.1
Finland	6.2	5.0	3.9	5.3	2.3	1.8	2.0	4.1	2.9	4.4	5.3	0.9	-8.2	3.1
France	2.2	3.4	3.3	3.7	1.8	0.9	0.9	2.5	1.8	2.5	2.3	-0.1	-2.7	1.5
Germany	1.8	2.0	2.0	3.2	1.2	0.0	-0.2	1.2	0.8	3.4	2.7	1.0	-4.7	3.6
Greece	3.6	3.4	3.4	4.5	4.2	3.4	5.9	4.4	2.3	5.2	4.3	1.0	-2.0	-4.5
Hungary	3.9	4.8	4.1	4.9	3.8	4.1	4.0	4.5	3.2	3.6	0.8	0.8	-6.7	1.2
Iceland	4.9	6.3	4.1	4.3	3.9	0.1	2.4	7.7	7.5	4.6	6.0	1.4	-6.9	-3.5
Ireland	11.5	8.4	10.9	9.7	5.7	6.5	4.4	4.6	6.0	5.3	5.6	-3.5	-7.6	-1.0
Israel	3.3	4.1	3.3	9.1	-0.1	-0.6	1.5	5.1	4.9	5.7	5.3	4.2	0.8	4.6
Italy	1.9	1.4	1.5	3.7	1.8	0.5	-	1.5	0.7	2.0	1.5	-1.3	-5.2	1.3
Japan	1.6	-2.0	-0.1	2.9	0.2	0.3	1.4	2.7	1.9	2.0	2.4	-1.2	-6.3	3.9
Korea	5.8	-5.7	10.7	8.8	4.0	7.2	2.8	4.6	4.0	5.2	5.1	2.3	0.3	6.2
Luxembourg	5.9	6.5	8.4	8.4	2.5	4.1	1.5	4.4	5.4	5.0	6.6	1.4	-3.6	3.5
Mexico	6.8	5.0	3.8	6.6	0.0	0.8	1.4	4.1	3.3	5.1	3.4	1.5	-6.0	5.5
Netherlands	4.3	3.9	4.7	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.9	1.9	-3.9	1.8
New Zealand	2.9	1.2	5.2	2.5	3.5	4.9	3.9	3.6	3.2	2.2	2.9	-1.1	0.8	2.5
Norway	5.4	2.7	2.0	3.3	2.0	1.5	1.0	3.9	2.7	2.3	2.7	0.7	-1.7	0.3
Poland	7.1	5.0	4.5	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.1	1.7	3.8
Portugal	4.4	5.0	4.1	3.9	2.0	0.7	-0.9	1.6	0.8	1.4	2.4	0.0	-2.5	1.3
Slovak Republic	4.4	4.4	0.0	1.4	3.5	4.6	4.8	5.1	6.7	8.5	10.5	5.8	-4.8	4.0
Slovenia	5.0	3.5	5.3	4.3	2.9	3.8	2.9	4.4	4.0	5.8	6.8	3.7	-8.1	1.2
Spain	3.9	4.5	4.7	5.0	3.6	2.7	3.1	3.3	3.6	4.0	3.6	0.9	-3.7	-0.1
Sweden	2.7	4.2	4.7	4.5	1.3	2.5	2.3	4.2	3.2	4.3	3.3	-0.6	-5.3	5.7
Switzerland	2.1	2.6	1.3	3.6	1.2	0.4	-0.2	2.5	2.6	3.6	3.6	2.1	-1.9	2.6
Turkey	7.5	3.1	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.7	0.7	-4.8	8.9
United Kingdom	3.3	3.6	3.5	3.9	2.5	2.1	2.8	3.0	2.2	2.8	2.7	-0.1	-4.9	1.4
United States	4.5	4.4	4.9	4.2	1.1	1.8	2.5	3.6	3.1	2.7	1.9	0.0	-2.7	2.9
Euro area	2.6	2.8	2.9	3.9	1.9	0.9	0.8	2.2	1.7	3.1	2.9	0.4	-4.1	1.8
EU27 total	2.7	3.0	3.1	3.9	2.0	1.2	1.3	2.5	2.0	3.2	3.0	0.5	-4.2	1.8
OECD total	3.7	2.8	3.5	4.2	1.3	1.7	2.0	3.3	2.7	3.1	2.7	0.3	-3.5	3.0
Brazil	3.4	0.0	0.3	4.3	1.3	2.7	1.1	5.7	3.2	4.0	6.1	5.2	-0.6	7.5
China	9.3	7.8	7.6	8.4	8.3	9.1	10.0	10.1	11.3	12.7	14.2	9.6	9.2	10.3
India	10.3	5.3	3.3	4.4	3.9	4.6	6.9	8.1	9.2	9.7	9.9	6.2	6.8	10.4
Indonesia	4.7	-13.1	0.8	5.4	3.6	4.5	4.8	5.0	5.7	5.5	6.3	6.0	4.6	6.1
Russian Federation	1.4	-5.3	6.4	10.0	5.1	4.7	7.3	7.2	6.4	8.2	8.5	5.2	-7.9	4.0
South Africa	2.6	0.5	2.4	4.2	2.7	3.7	2.9	4.6	5.3	5.6	5.6	3.6	-1.7	2.8

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Real GDP growth

Average annual growth in percentage

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

OECD (2011), "Evolution of GDP", in *OECD Factbook 2011-2012: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

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