



4.10 Growth of consumption and investment

	Private consumption				Private consumption per capita		General government consumption		Gross domestic investment	
	\$ millions		average annual % growth		average annual % growth		average annual % growth		average annual % growth	
	1980	1998	1980-90	1990-98	1980-90	1990-98	1980-90	1990-98	1980-90	1990-98
Albania	..	2,940	..	6.1	..	5.9	..	-3.9	-0.3	22.4
Algeria	18,293	27,727	1.9	-1.4	-1.1	-3.5	4.7	3.6	-2.3	-0.7
Angola	..	2,611	0.1	-3.2	-2.7	-6.3	6.7	-0.4	-5.1	13.6
Argentina	..	210,857	..	4.0	..	2.7	..	1.4	-5.2	10.9
Armenia	..	1,903	..	-7.5	..	-8.2	..	-3.1	..	-29.5
Australia	94,360	250,011	3.0	3.7	1.5	2.5	3.5	2.5	2.7	6.1
Austria	43,264	115,814	2.4	2.0	2.2	1.4	1.4	1.2	2.2	2.9
Azerbaijan	..	3,304	..	5.8	..	4.7	..	3.8	..	16.7
Bangladesh	14,966	37,287	4.7	3.7	2.2	2.1	5.2	5.5	1.4	7.3
Belarus	..	12,668	..	-3.5	..	-3.4	..	-4.2	..	-10.0
Belgium	76,640	153,409	1.7	1.2	1.6	0.9	0.4	1.2	3.2	0.3
Benin	1,356	1,892	1.8	3.5	-1.3	0.6	0.5	3.1	-4.2	4.3
Bolivia	1,871	6,492	1.2	3.4	-0.9	0.9	-3.8	3.7	1.0	10.0
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..
Botswana	519	2,524	5.9	3.4	2.4	0.8	13.6	5.2	13.8	-1.0
Brazil	163,832	495,035	1.6	4.8	-0.4	3.3	7.3	-1.4	0.2	3.9
Bulgaria	11,089	8,938	2.5	-2.1	2.6	-1.5	9.1	-12.4	2.4	-3.3
Burkina Faso	1,631	1,883	2.6	3.0	0.1	0.6	6.2	2.7	8.6	4.1
Burundi	840	791	3.4	-1.8	0.5	-4.0	3.2	-3.9	6.9	-16.1
Cambodia	..	2,463	..	..	..	..	..	..	..	..
Cameroon	4,621	6,135	3.8	2.8	0.9	0.0	6.8	-1.6	-2.6	-1.3
Canada	141,521	356,288	3.3	2.0	2.1	0.9	2.5	-0.3	5.2	2.6
Central African Republic	747	886	1.5	0.0	-0.9	-2.1	-1.7	-16.1	10.0	-4.4
Chad	837	1,491	5.3	1.4	..	..	14.5	-3.2	..	3.8
Chile	19,489	50,846	2.0	8.7	0.3	7.0	0.4	3.5	6.4	13.5
China	103,442	445,974	8.8	9.2	7.2	8.0	9.8	9.6	10.8	13.4
Hong Kong, China	17,013	100,073	6.7	5.0	5.3	2.9	5.0	4.5	4.0	8.9
Colombia	25,477	69,921	2.6	3.9	0.5	1.9	4.2	7.8	1.4	11.1
Congo, Dem. Rep.	12,167	5,038	3.4	-6.2	0.0	-9.2	0.0	-18.5	-5.1	-3.5
Congo, Rep.	798	1,162	3.3	1.3	0.4	-1.6	2.5	-5.6	-12.6	4.1
Costa Rica	3,167	5,935	2.9	3.1	0.1	1.0	1.1	2.5	5.3	3.0
Côte d'Ivoire	6,388	7,133	1.5	1.0	-2.0	-1.8	-0.1	1.7	-9.8	17.7
Croatia	..	12,973	..	..	..	..	..	..	..	..
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	29,411	..	2.7	..	2.8	..	-1.6	16.6	6.3
Denmark	35,814	86,142	1.8	3.4	1.8	3.0	1.1	2.4	3.9	4.8
Dominican Republic	5,109	11,878	1.6	4.3	-0.6	2.4	1.9	19.9	3.5	6.7
Ecuador	6,995	13,882	1.9	2.4	-0.7	0.2	-1.4	-0.6	-3.8	4.3
Egypt, Arab Rep.	15,848	63,575	4.1	4.1	1.5	2.1	2.7	2.3	0.0	5.1
El Salvador	2,567	10,277	0.8	5.9	-0.2	3.7	0.1	3.2	2.2	8.1
Eritrea	..	526	..	..	..	..	..	..	..	..
Estonia	..	3,102	..	-1.1	..	0.0	..	4.8	..	-2.7
Ethiopia	4,092	5,194	0.2	3.1	-2.8	1.0	4.5	3.0	2.1	14.4
Finland	27,761	63,402	3.8	0.4	3.4	-0.1	3.4	-0.3	3.0	-3.2
France	391,263	835,735	2.6	1.2	2.1	0.8	2.2	2.0	2.8	-1.6
Gabon	1,119	2,312	1.5	-1.6	-1.8	-4.1	-0.6	7.3	-5.7	4.3
Gambia, The	152	332	-2.6	3.3	-6.0	-0.2	1.7	-6.1	0.0	3.2
Georgia	..	4,986	..	6.2	..	6.1	..	23.7	..	81.7
Germany	..	1,208,283	..	1.3	..	0.9	..	1.6	..	0.5
Ghana	3,730	5,740	2.8	3.9	-0.6	1.2	2.4	3.8	3.3	2.8
Greece	32,706	88,059	2.4	1.8	1.9	1.3	2.7	0.8	-0.8	1.3
Guatemala	6,217	16,438	1.2	4.4	-1.3	1.7	2.6	4.6	-1.8	4.7
Guinea	..	2,665	..	4.2	..	1.6	..	4.0	..	-1.8
Guinea-Bissau	109	205	0.8	4.7	-1.3	2.3	7.2	-0.1	12.9	-10.2
Haiti	1,197	2,751	0.9	..	..	..	-4.4	..	-0.6	1.7
Honduras	1,806	3,558	2.7	3.3	-0.5	0.3	3.3	-0.8	2.9	8.0



Growth of consumption and investment 4.10

	Private consumption				Private consumption per capita		General government consumption		Gross domestic investment	
	\$ millions		average annual % growth		average annual % growth		average annual % growth		average annual % growth	
	1980	1998	1980-90	1990-98	1980-90	1990-98	1980-90	1990-98	1980-90	1990-98
Hungary	13,561	29,306	1.3	-1.3	1.7	-1.0	1.9	1.0	-0.9	7.6
India	143,021	295,060	4.6	5.8	2.5	4.0	7.7	9.2	6.5	7.3
Indonesia	40,821	66,056	5.6	7.6	3.7	5.9	4.6	0.9	6.7	4.9
Iran, Islamic Rep.	48,854	75,427	2.8	2.9	-0.6	1.2	-5.0	6.7	-2.5	1.1
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	13,585	38,189	2.2	4.6	1.9	3.9	-0.3	2.7	-0.4	4.8
Israel	11,493	61,627	5.3	6.5	3.5	3.4	0.5	3.1	2.2	6.8
Italy	273,819	707,975	3.0	0.6	2.9	0.4	2.5	0.0	1.9	-1.0
Jamaica	1,693	3,851	4.5	-0.3	3.3	-1.1	6.3	2.4	-0.1	5.3
Japan	623,284	2,532,736	3.7	1.9	3.2	1.6	2.4	2.3	5.3	1.1
Jordan	3,123	5,139	2.3	4.4	-1.5	0.2	2.3	6.7	-1.5	4.3
Kazakhstan	..	..	..	..	..	..	..	-3.6	..	-14.6
Kenya	4,506	7,454	4.6	2.5	1.0	-0.2	2.6	12.6	0.4	4.9
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	39,263	178,637	8.0	5.7	6.8	4.6	5.2	3.7	11.9	2.4
Kuwait	8,837	14,139	-1.4	..	..	..	2.2	..	-4.5	..
Kyrgyz Republic	..	1,399	..	-4.2	..	-5.2	..	-6.6	..	8.6
Lao PDR	..	897	..	..	..	..	..	..	..	..
Latvia	..	4,088	..	..	..	..	16.2	9.6	7.9	-6.4
Lebanon	..	16,930	..	7.2	..	5.3	..	7.4	..	18.4
Lesotho	492	958	2.0	-1.7	-0.5	-3.9	2.9	4.6	6.3	11.1
Libya	7,171	..	..	..	..	..	..	..	..	..
Lithuania	..	6,783	..	-2.2	..	-2.0	..	5.2	..	8.8
Macedonia, FYR	..	1,879	..	5.5	..	4.7	..	1.3	..	6.7
Madagascar	3,611	3,232	-0.6	1.8	-3.3	-1.1	0.5	-1.5	4.9	0.4
Malawi	866	1,438	1.5	7.4	-1.7	4.5	6.3	-4.6	-2.8	-8.5
Malaysia	12,378	30,094	3.7	5.0	0.9	2.4	2.7	6.2	2.6	9.5
Mali	1,555	2,077	1.8	1.7	-0.7	-1.1	4.5	9.6	3.6	-1.3
Mauritania	514	774	-0.8	4.8	-3.4	1.9	-4.6	-2.5	6.9	6.8
Mauritius	854	2,729	6.7	4.7	5.8	3.4	3.3	4.2	9.0	1.8
Mexico	145,438	268,331	1.1	1.6	-1.0	-0.2	2.4	1.3	-3.3	3.1
Moldova	..	1,363	..	9.0	..	9.2	..	-7.0	..	-19.2
Mongolia	..	578	..	..	..	..	..	..	..	..
Morocco	12,937	23,882	4.8	3.1	2.5	1.3	2.1	2.9	1.2	0.2
Mozambique	3,470	3,466	-1.7	3.1	-3.2	0.7	-2.1	-8.0	3.8	9.1
Myanmar	..	..	0.6	3.9	..	..	..	..	-4.1	14.7
Namibia	1,053	1,722	1.3	-0.1	-1.4	-2.6	3.7	2.5	-3.5	4.1
Nepal	1,600	3,839	4.5	4.4	1.8	1.9	7.2	5.9	6.0	7.4
Netherlands	104,571	214,747	1.7	2.2	1.2	1.6	2.1	1.2	3.1	1.5
New Zealand	13,801	41,217	2.1	3.1	1.1	1.8	1.5	1.5	2.8	8.1
Nicaragua	1,770	1,701	-3.6	3.4	-6.2	0.6	3.4	-5.2	-4.8	11.4
Niger	1,883	1,719	0.0	3.1	-3.2	-0.3	4.4	-0.7	-7.1	4.5
Nigeria	36,258	29,735	-2.6	1.0	-5.5	-1.9	-3.5	-2.4	-8.5	7.9
Norway	29,694	72,914	2.2	3.1	1.9	2.6	2.3	2.5	0.8	5.1
Oman	1,657	..	..	..	..	..	..	..	25.5	..
Pakistan	19,688	46,196	4.5	5.2	1.8	2.6	10.3	1.0	6.0	3.0
Panama	1,709	5,280	4.2	5.3	2.1	3.4	1.2	2.3	-8.9	12.9
Papua New Guinea	1,568	1,911	0.4	3.5	-1.7	1.1	-0.1	0.6	-0.9	5.8
Paraguay	3,467	6,277	3.5	2.5	0.5	-0.1	1.2	8.4	-1.1	3.6
Peru	12,006	44,924	1.0	4.7	-1.2	2.9	-1.8	5.1	-4.2	10.9
Philippines	20,910	48,449	2.6	3.7	0.0	1.4	0.6	3.4	-2.1	4.5
Poland	37,995	98,805	..	5.0	..	4.8	1.3	2.3	2.0	11.5
Portugal	19,166	65,324	2.5	2.5	2.4	2.4	5.0	2.4	3.0	3.5
Puerto Rico	10,756	..	3.5	..	..	..	5.1	..	6.9	..
Romania	..	29,040	..	1.3	..	1.7	..	1.6	..	-10.2
Russian Federation	..	179,608	..	4.3	..	4.5	..	-9.4	..	-13.7



4.10 Growth of consumption and investment

	Private consumption				Private consumption per capita		General government consumption		Gross domestic investment	
	\$ millions		average annual % growth		average annual % growth		average annual % growth		average annual % growth	
	1980	1998	1980-90	1990-98	1980-90	1990-98	1980-90	1990-98	1980-90	1990-98
Rwanda	969	1,827	1.4	0.5	-1.6	-0.4	5.2	-6.6	4.3	-0.9
Saudi Arabia	34,538	53,244	..	..	..	..	..	..	..	..
Senegal	2,528	3,574	2.1	3.2	-0.8	0.5	3.3	-2.2	5.2	2.2
Sierra Leone	..	601	0.2	-0.9	-1.9	-3.3	0.0	-2.2	-6.7	-10.6
Singapore	6,030	33,841	5.8	6.6	4.1	4.5	6.6	8.8	3.1	9.6
Slovak Republic	..	10,221	3.8	-0.7	..	..	4.8	1.7	1.1	4.6
Slovenia	..	10,874	..	3.7	..	3.8	..	2.8	..	10.2
South Africa	43,739	84,069	2.4	2.7	-0.2	0.6	3.5	1.0	-5.3	3.4
Spain	141,274	329,729	2.5	1.1	2.2	1.0	5.4	2.0	5.7	-0.5
Sri Lanka	3,230	11,202	3.8	5.6	2.4	4.3	7.3	7.7	0.6	6.2
Sudan	6,241	..	0.0	..	..	..	-0.5	..	-1.8	..
Sweden	64,624	120,882	1.9	0.1	1.6	-0.4	1.5	-0.2	4.2	-2.2
Switzerland	66,985	156,106	1.6	0.5	1.1	-0.3	3.1	0.8	4.0	-0.4
Syrian Arab Republic	8,690	8,856	3.6	2.3	0.2	-0.6	-3.6	5.1	-5.3	8.3
Tajikistan	..	..	..	..	..	..	..	..	..	..
Tanzania ^a	..	6,693	..	3.0	..	0.0	..	-7.2	..	-2.3
Thailand	21,175	59,220	5.9	4.7	4.1	3.5	4.2	5.7	9.5	2.0
Togo	619	1,225	4.7	2.9	1.6	-0.2	-1.2	-1.9	2.7	12.6
Trinidad and Tobago	2,860	5,219	-1.3	-2.4	-2.5	-3.0	-1.7	1.1	-10.1	18.9
Tunisia	5,380	12,511	2.9	3.9	0.3	2.2	3.8	0.9	-1.8	2.9
Turkey	42,067	136,027	..	4.1	..	2.5	..	3.5	..	4.6
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	1,935	5,588	2.6	6.8	0.0	3.6	2.0	7.5	8.0	10.0
Ukraine	..	24,526	..	-9.2	..	-8.8	..	-4.4	..	-24.8
United Arab Emirates	5,116	..	4.6	..	..	..	-3.9	..	-8.7	..
United Kingdom	320,290	823,052	4.1	2.0	3.8	1.6	1.1	1.2	6.4	1.8
United States	1,720,600	5,308,500	3.4	3.0	2.5	1.9	2.8	0.0	2.9	7.0
Uruguay	7,680	14,618	0.5	5.9	-0.1	5.2	1.8	2.5	-7.8	9.9
Uzbekistan	..	12,098	..	9.5	..	7.3	..	9.4	..	-17.2
Venezuela, RB	38,066	69,263	1.3	0.8	-1.2	-1.4	2.0	-1.0	-5.3	4.0
Vietnam	..	19,373	..	10.2	..	8.2	..	12.0	..	25.5
West Bank and Gaza	..	3,544	..	4.2	..	..	..	8.8	..	7.2
Yemen, Rep.	..	3,271	..	1.9	..	-1.8	..	3.0	..	8.8
Yugoslavia, FR (Serb./Mont.)	..	..	..	..	..	..	..	..	..	..
Zambia	2,145	2,810	1.8	0.7	-1.3	-2.0	-3.4	-16.1	-8.7	12.1
Zimbabwe	4,622	4,373	3.7	0.4	0.3	-1.9	4.7	-5.5	3.5	-2.1
World	6,426,910 t	18,060,432 t	3.3 w	2.6 w	1.6 w	1.1 w	2.8 w	1.1 w	3.6 w	2.8 w
Low income	469,483	1,097,111	5.2	6.5	3.1	4.7	6.8	6.5	7.2	10.1
Excl. China & India	224,760	341,322	3.2	4.5	0.6	2.2	3.7	0.0	2.2	4.6
Middle income	1,285,152	2,745,295	..	3.4	..	2.1	4.4	0.3	0.4	0.7
Lower middle income	..	977,346	..	2.5	..	1.3	..	0.0	..	-5.6
Upper middle income	684,466	1,770,896	..	4.0	..	2.6	5.4	0.5	0.9	5.2
Low & middle income	1,745,953	3,842,385	3.4	4.3	1.4	2.6	4.9	1.7	2.1	3.4
East Asia & Pacific	250,388	871,646	6.9	7.1	5.2	5.7	6.0	6.3	9.2	8.3
Europe & Central Asia	..	643,719	..	2.8	..	2.6	..	-3.3	..	-8.0
Latin America & Carib.	555,305	1,353,027	1.5	3.7	-0.5	2.0	5.6	-0.2	-1.6	5.6
Middle East & N. Africa	160,509	357,059	..	..	..	..	..	..	..	..
South Asia	185,246	399,452	4.6	5.5	2.4	3.5	8.1	7.7	5.5	6.9
Sub-Saharan Africa	158,427	225,625	1.5	2.1	-1.4	-0.6	2.7	0.3	-3.8	3.7
High income	4,752,819	14,054,334	3.3	2.2	2.7	1.5	2.5	1.1	4.0	2.5
Europe EMU	..	3,740,482	..	1.2	..	0.9	..	1.3	..	0.4

a. Data cover mainland Tanzania only.



Growth of consumption and investment 4.10

About the data

Measures of consumption and investment growth are subject to two kinds of inaccuracy. The first stems from the difficulty of measuring expenditures at current price levels, as described in *About the data* for table 4.9. The second arises in deflating current price data to measure growth in real terms, where results depend on the relevance and reliability of the price indexes used. Measuring price changes is more difficult for investment goods than for consumption goods because of the one-time nature of many investments and because the rate of technological progress in capital goods makes capturing change in quality difficult. (An example is computers—prices have fallen as quality has improved.) Many countries estimate investment from the supply side, identifying capital goods entering an economy directly from detailed production and international trade statistics. This means that the price indexes used in deflating production and international trade, reflecting delivered or offered prices, will determine the deflator for investment expenditures on the demand side.

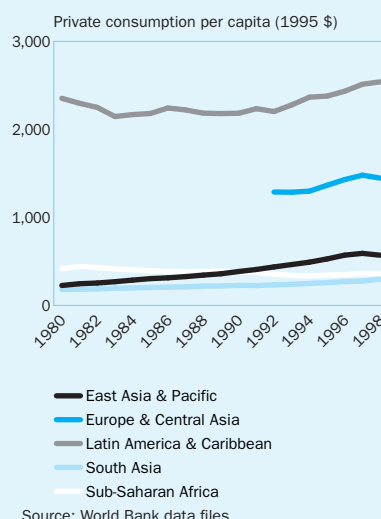
The data in the table on private consumption in current U.S. dollars are converted from national currencies using official exchange rates or an alternative conversion factor as noted in *Primary data documentation*. (For a discussion of alternative conversion factors see *Statistical methods*.) These exchange rates and conversion factors differ from the purchasing power parity conversion factors used to calculate private consumption per capita in table 4.11, which provide better estimates of comparative domestic purchasing power. Growth rates of private consumption per capita, general government consumption, and gross domestic investment are estimated using constant price data. (Consumption and investment as shares of GDP are shown in table 4.9.)

To obtain government consumption in constant prices, countries may deflate current values by applying a wage (price) index or extrapolate from the change in government employment. Neither technique captures improvements in productivity or changes in the quality of government services. Deflators for private consumption are usually calculated on the basis of the consumer price index. Many countries estimate private consumption as a residual that includes statistical discrepancies accumulated from other domestic sources; thus these estimates lack detailed breakdowns of expenditures.

Because the methods used to deflate consumption and investment can vary widely among countries, comparisons between countries in a given year, perhaps even more than those over time, should be treated with caution.

Figure 4.10

Private consumption has decelerated in East Asia and the Pacific



In 1998 per capita private consumption (measured in constant 1995 dollars) dropped in East Asia and the Pacific, where it had grown fastest between 1980 and 1997, and in Europe and Central Asia. Sub-Saharan Africa continued its long-term decline, while all other regions posted small gains.

Definitions

- **Private consumption** is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased or received as income in kind by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes payments and fees to governments to obtain permits and licenses. The expenditures of nonprofit institutions serving households are also recorded as the consumption of households. In practice, private consumption may include any statistical discrepancy in the use of resources relative to the supply of resources.
- **General government consumption** includes all current expenditures for purchases of goods and services (including wages and salaries). It also includes most expenditures on national defense and security, but excludes government military expenditures that are part of government capital formation.
- **Gross domestic investment** consists of outlays on additions to the fixed assets of the economy plus net changes in the level of inventories. Fixed assets include land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including commercial and industrial buildings, offices, schools, hospitals, and private residential dwellings. Inventories are stocks of goods held by firms to meet temporary or unexpected fluctuations in production or sales. Net acquisitions of valuables are also considered capital formation.

Data sources

The national accounts indicators for most developing countries are collected from national statistical organizations and central banks by visiting and resident World Bank missions. Data for high-income countries come from Organisation for Economic Co-operation and Development (OECD) data files (see OECD, *National Accounts, 1960–1996*, volumes 1 and 2). The United Nations Statistics Division publishes detailed national accounts for United Nations member countries in *National Accounts Statistics: Main Aggregates and Detailed Tables*; updates are published in the *Monthly Bulletin of Statistics*.