



4.14 Central government expenditures

	Goods and services		Wages and salaries ^a		Interest payments		Subsidies and other current transfers		Capital expenditure	
	% of total expenditure		% of total expenditure		% of total expenditure		% of total expenditure		% of total expenditure	
	1980	1997	1980	1997	1980	1997	1980	1997	1980	1997
Albania	..	23	..	11	..	19	..	45	..	13
Algeria	..	35	..	24	..	10	..	26	..	26
Angola	..	..	..	..	..	..	..	..	..	..
Argentina	57	21	..	16	..	13	43	58	..	8
Armenia	..	..	..	..	..	..	..	..	..	..
Australia	22	26	..	3	7	7	65	61	7	6
Austria	26	23	11	9	5	9	60	62	9	6
Azerbaijan	..	36	..	10	..	2	..	44	..	17
Bangladesh	..	..	..	..	..	..	..	..	..	..
Belarus	..	26	..	7	..	2	..	54	..	18
Belgium	23	19	16	14	10	17	59	60	8	5
Benin	..	..	..	..	..	..	..	..	..	..
Bolivia	..	36	..	23	..	8	..	40	..	16
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..
Botswana	47	48	29	25	2	2	19	31	32	19
Brazil	20	..	16	..	8	..	64	..	8	..
Bulgaria	..	30	..	6	..	25	..	37	..	8
Burkina Faso	67	..	..	..	3	..	13	..	19	..
Burundi	39	53	25	30	2	8	7	11	46	15
Cambodia	..	..	..	..	..	..	..	..	..	..
Cameroon	55	53	32	37	1	23	11	13	33	8
Canada	22	17	10	10	12	18	65	62	1	2
Central African Republic	67	..	54	..	1	..	16	..	6	..
Chad	..	..	..	..	..	..	..	..	..	..
Chile	41	29	29	20	3	2	46	52	10	17
China	..	..	..	..	..	..	..	..	..	..
Hong Kong, China	..	..	..	..	..	..	..	..	..	..
Colombia	36	21	23	15	4	13	38	40	31	26
Congo, Dem. Rep.	65	94	42	54	8	0	8	1	20	5
Congo, Rep.	..	50	..	20	..	34	..	5	45	11
Costa Rica	53	47	44	35	9	20	24	23	21	10
Côte d'Ivoire	39	46	28	26	8	20	13	9	28	25
Croatia	..	48	..	23	..	3	..	38	..	10
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	14	..	8	..	3	..	74	..	9
Denmark	22	19	13	11	7	13	65	64	7	4
Dominican Republic	50	43	39	35	6	3	12	23	31	26
Ecuador	28	..	26	..	9	..	34	..	16	..
Egypt, Arab Rep.	39	41	19	20	8	20	32	15	21	24
El Salvador	..	..	..	..	..	..	..	..	..	..
Eritrea	..	..	..	..	..	..	..	..	..	..
Estonia	..	43	..	13	..	1	..	47	..	9
Ethiopia	86	..	36	..	3	..	4	..	15	..
Finland	22	19	11	7	2	11	66	67	11	3
France	30	24	20	16	2	7	62	65	5	4
Gabon	..	..	..	..	..	..	..	..	..	..
Gambia, The	46	..	23	..	1	..	4	..	48	..
Georgia	..	52	..	10	..	11	..	28	..	9
Germany ^b	34	32	9	8	3	7	55	58	7	4
Ghana	48	..	27	..	16	..	26	..	10	..
Greece	45	29	29	24	8	36	35	22	16	13
Guatemala	53	..	37	..	4	..	8	..	38	..
Guinea
Guinea-Bissau
Haiti	82	2	..	5	..	20	..
Honduras



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	Goods and services		Wages and salaries ^a		Interest payments		Subsidies and other current transfers		Capital expenditure	
	% of total expenditure		% of total expenditure		% of total expenditure		% of total expenditure		% of total expenditure	
	1980	1997	1980	1997	1980	1997	1980	1997	1980	1997
Hungary	20	17	7	8	3	23	64	48	13	10
India	29	24	14	11	13	26	47	40	12	10
Indonesia	25	23	15	10	4	10	24	36	47	31
Iran, Islamic Rep.	57	57	45	44	1	0	19	14	22	29
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	19	18	13	13	14	13	57	60	10	9
Israel	50	33	12	14	11	12	35	48	4	7
Italy	18	17	13	15	11	19	63	58	5	5
Jamaica	..	..	..	..	..	..	..	..	..	..
Japan	13	..	..	..	13	..	54	..	19	..
Jordan	43	63	..	46	3	12	17	9	29	17
Kazakhstan	..	..	..	..	..	..	..	..	..	..
Kenya	57	45	27	28	7	26	13	18	23	12
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	45	27	16	13	7	3	34	49	14	22
Kuwait	45	62	22	31	..	4	23	20	32	14
Kyrgyz Republic	..	..	..	..	..	..	..	..	..	..
Lao PDR	..	..	..	..	..	..	..	..	..	..
Latvia	..	32	..	13	..	3	..	61	..	5
Lebanon	..	32	..	20	..	36	..	12	..	20
Lesotho	50	51	34	31	10	4	13	9	27	37
Libya	..	..	..	..	..	..	..	..	..	..
Lithuania	..	47	..	20	..	3	..	41	..	9
Macedonia, FYR	..	..	..	..	..	..	..	..	..	..
Madagascar	..	25	..	18	..	27	..	8	..	39
Malawi	37	..	15	..	9	..	6	..	48	..
Malaysia	38	42	28	26	10	12	19	24	35	23
Mali	46	..	33	..	1	..	11	..	9	..
Mauritania	..	..	..	..	..	..	..	..	..	..
Mauritius	42	45	32	34	14	11	28	28	17	16
Mexico	32	23	25	14	11	14	32	51	32	12
Moldova	..	..	..	..	..	..	..	..	..	..
Mongolia	..	32	..	9	..	10	..	44	..	14
Morocco	47	49	33	34	7	18	15	12	31	22
Mozambique	..	..	..	..	..	..	..	..	..	..
Myanmar	..	..	..	..	..	..	..	..	24	51
Namibia	..	..	..	..	..	..	..	..	..	..
Nepal	..	..	..	..	..	9	..	..	..	..
Netherlands	16	15	11	9	4	9	72	72	9	3
New Zealand	29	49	21	..	10	10	55	38	6	3
Nicaragua	60	30	..	19	8	12	13	25	19	33
Niger	30	..	17	..	6	..	14	..	49	..
Nigeria	..	..	..	..	..	..	..	..	..	..
Norway	20	21	9	8	7	5	67	70	6	5
Oman	71	77	13	26	3	6	5	5	21	12
Pakistan	47	52	..	..	12	27	23	8	17	12
Panama	50	53	33	37	18	13	14	27	18	7
Papua New Guinea	58	..	37	..	5	..	23	..	15	..
Paraguay	61	..	34	..	3	..	12	..	24	..
Peru	45	38	..	18	18	10	14	36	23	16
Philippines	61	52	27	31	7	17	7	18	26	12
Poland	..	25	..	13	..	9	..	62	..	5
Portugal	34	40	24	31	8	9	45	38	13	13
Puerto Rico	..	..	..	..	..	..	..	..	..	..
Romania	11	29	2	13	..	12	55	50	33	9
Russian Federation	..	..	..	..	..	13	..	..	..	..



4.14 Central government expenditures

	Goods and services		Wages and salaries ^a		Interest payments		Subsidies and other current transfers		Capital expenditure	
	% of total expenditure		% of total expenditure		% of total expenditure		% of total expenditure		% of total expenditure	
	1980	1997	1980	1997	1980	1997	1980	1997	1980	1997
Rwanda	58	..	30	..	2	..	5	..	35	..
Saudi Arabia	..	..	..	..	..	..	..	..	..	..
Senegal	72	..	45	..	6	..	18	..	8	..
Sierra Leone	..	39	..	20	..	13	..	24	20	24
Singapore	58	58	29	29	15	4	6	8	22	30
Slovak Republic	..	..	..	..	..	..	..	..	..	..
Slovenia	..	..	..	..	..	..	..	..	..	..
South Africa	47	28	20	18	8	20	31	49	14	3
Spain	40	16	32	11	1	12	48	66	11	5
Sri Lanka	31	37	13	20	8	24	20	20	40	19
Sudan	46	..	12	..	6	..	28	..	23	..
Sweden	17	14	8	6	7	13	71	71	5	2
Switzerland	27	29	6	5	3	3	63	64	7	4
Syrian Arab Republic	42	..	18	..	..	..	21	..	37	37
Tajikistan	..	..	..	..	..	..	..	..	..	..
Tanzania	52	..	19	..	7	..	4	..	40	..
Thailand	55	51	21	29	8	2	14	7	23	41
Togo	52	..	28	..	9	..	12	..	27	..
Trinidad and Tobago	34	51	28	33	3	18	24	21	39	10
Tunisia	42	38	29	32	5	12	24	29	30	21
Turkey	47	33	32	25	3	26	23	29	28	11
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda	..	..	..	..	..	..	..	..	13	..
Ukraine	..	..	..	..	..	..	..	..	..	..
United Arab Emirates	80	84	..	36	0	0	12	13	8	3
United Kingdom	32	28	14	7	11	9	53	58	5	4
United States	29	22	11	8	10	15	54	60	6	3
Uruguay	47	28	30	15	2	5	43	62	8	5
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	50	24	41	20	8	12	22	48	22	17
Vietnam	..	..	..	..	..	3	..	..	..	26
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep.	..	41	..	29	..	7	..	35	..	16
Yugoslavia, FR (Serb./Mont.)	..	..	..	..	..	..	..	..	..	..
Zambia	55	..	27	..	9	..	25	..	11	..
Zimbabwe	56	48	31	36	7	20	32	26	5	6
World	45 m	34 m	.. m	18 m	7 m	11 m	24 m	37 m	18 m	12 m
Low income	..	..	..	..	..	..	..	..	..	..
Excl. China & India	..	..	..	..	..	..	..	..	..	..
Middle income	47	33	..	20	6	11	23	40	23	13
Lower middle income	..	38	..	20	..	10	..	26	..	18
Upper middle income	46	29	28	20	5	11	28	48	20	11
Low & middle income	..	..	..	..	..	..	..	..	..	..
East Asia & Pacific	..	..	..	..	..	10	..	..	24	26
Europe & Central Asia	..	31	..	..	..	6	..	46	..	9
Latin America & Carib.	49	30	30	19	7	11	24	31	21	16
Middle East & N. Africa	43	46	..	32	..	9	19	14	29	20
South Asia	31	37	..	..	12	25	23	20	17	12
Sub-Saharan Africa	53	..	..	..	..	..	13	..	20	..
High income	27	26	13	9	7	9	57	60	7	4
Europe EMU	24	21	13	11	4	9	59	61	9	4

Note: Components include expenditures financed by grants in kind and other cash adjustments to total expenditure.

a. Part of goods and services. b. Data prior to 1990 refer to the Federal Republic of Germany before unification.

Central government expenditures 4.14



About the data

Government expenditures include all nonrepayable payments, whether current or capital, required or unrequired. Total central government expenditure as presented in the International Monetary Fund's (IMF) *Government Finance Statistics Yearbook* is a more limited measure of general government consumption than that shown in the national accounts (see table 4.10) because it excludes consumption expenditures by state and local governments. At the same time, the IMF's concept of central government expenditure is broader than the national accounts definition because it includes government gross domestic investment and transfer payments.

Expenditures can be measured either by function (education, health, defense) or by economic type (wages and salaries, interest payments, purchases of goods and services). Functional data are often incomplete, and coverage varies by country because functional responsibilities stretch across levels of government for which no data are available. Defense expenditures, which are usually the central government's responsibility, are shown in table 5.7. For more information on education expenditures see table 2.9; for more on health expenditures see table 2.14.

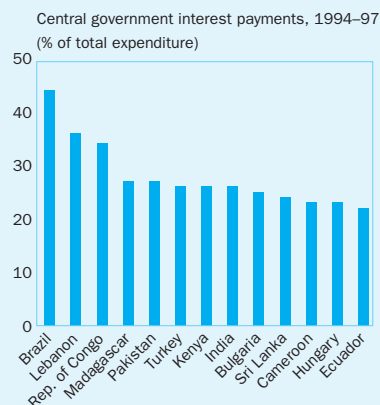
The classification of expenditures by economic type can also be problematic. For example, the distinction between current and capital expenditure may be arbitrary, and subsidies to state-owned enterprises or banks may be disguised as capital financing. Subsidies may also be hidden in special contractual pricing for goods and services.

Expenditure shares may not sum to 100 percent because expenditures financed by grants in kind and other cash adjustments (which may be positive or negative) are not shown.

For further discussion of government finance statistics see *About the data* for tables 4.13 and 4.15.

Figure 4.14

High public interest payments strain national budgets in many developing and transition economies



Note: The data refer to various years in 1994–97.
Source: International Monetary Fund, Government Finance Statistics data files.

Thirteen developing or transition economies had interest payments exceeding 20 percent of their national budgets in 1994–97.

Definitions

- **Total expenditure of the central government** includes both current and capital (development) expenditures and excludes lending minus repayments.
- **Goods and services** include all government payments in exchange for goods and services, whether in the form of wages and salaries to employees or other purchases of goods and services.
- **Wages and salaries** consist of all payments in cash, but not in kind, to employees in return for services rendered, before deduction of withholding taxes and employee contributions to social security and pension funds.
- **Interest payments** are payments made to domestic sectors and to nonresidents for the use of borrowed money. (Repayment of principal is shown as a financing item, and commission charges are shown as purchases of services.) Interest payments do not include payments by government as guarantor or surety of interest on the defaulted debts of others, which are classified as government lending.
- **Subsidies and other current transfers** include all unrequired, nonrepayable transfers on current account to private and public enterprises, and the cost to the public of covering the cash operating deficits on sales to the public by departmental enterprises.
- **Capital expenditure** is spending to acquire fixed capital assets, land, intangible assets, government stocks, and nonmilitary, nonfinancial assets. Also included are capital grants.

Data sources

The data on central government expenditures are from the IMF's *Government Finance Statistics Yearbook, 1999* and IMF data files. Each country's accounts are reported using the system of common definitions and classifications in the IMF's *Manual on Government Finance Statistics* (1986). See these sources for complete and authoritative explanations of concepts, definitions, and data sources.