



## 4.9 Structure of demand

	Private consumption		General government consumption		Gross domestic investment		Exports of goods and services		Imports of goods and services		Gross domestic savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1980	1998	1980	1998	1980	1998	1980	1998	1980	1998	1980	1998
Albania	56	96	9	10	35	16	23	9	23	32	35	-7
Algeria	43	55	14	18	39	27	34	23	30	23	43	27
Angola	..	35	..	35	..	20	..	52	..	42	..	30
Argentina	76	71	.. <sup>a</sup>	12	25	20	5	10	6	13	24	17
Armenia	..	103	..	11	..	19	..	19	..	52	..	-14
Australia	59	62	18	17	25	22	16	21	18	21	24	21
Austria	55	56	18	19	29	25	36	42	38	43	27	25
Azerbaijan	..	84	..	11	..	39	..	25	..	59	..	5
Bangladesh	88	78	2	4	22	22	4	14	16	19	10	17
Belarus	..	60	..	19	..	26	..	62	..	68	..	20
Belgium	64	63	18	14	22	18	57	73	60	68	19	22
Benin	96	82	9	10	15	17	23	23	43	32	-5	8
Bolivia	67	75	14	14	17	20	25	20	23	29	19	11
Bosnia and Herzegovina	..	..	..	..	..	..	..	..	..	..	..	..
Botswana	46	52	20	26	37	21	50	35	52	34	34	22
Brazil	70	64	9	18	23	21	9	7	11	10	21	19
Bulgaria	55	71	6	15	34	15	36	45	31	46	39	14
Burkina Faso	95	73	10	15	17	29	10	14	33	30	-6	12
Burundi	91	89	9	13	14	9	9	8	23	20	-1	-3
Cambodia	..	86	..	9	..	15	..	34	..	44	..	5
Cameroon	69	71	10	9	21	18	28	26	27	25	22	20
Canada	53	59	22	20	23	20	28	41	26	39	25	21
Central African Republic	94	84	15	12	7	14	25	16	41	25	-9	4
Chad	98	88	5	9	3	15	17	19	29	32	-4	3
Chile	71	65	12	10	21	27	23	28	27	29	17	25
China	51	45	15	12	35	38	8	22	8	17	35	43
Hong Kong, China	60	60	6	9	35	30	90	125	91	125	34	30
Colombia	69	70	11	16	21	20	16	14	17	20	20	14
Congo, Dem. Rep.	82	83	8	8	10	8	16	24	16	22	10	9
Congo, Rep.	47	59	18	14	36	35	60	63	60	72	36	26
Costa Rica	66	57	18	17	27	29	26	49	37	51	16	27
Côte d'Ivoire	63	65	17	11	27	18	35	44	41	38	20	25
Croatia	..	60	..	26	..	23	..	40	..	49	..	14
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	..	52	..	19	31	30	..	60	..	61	..	29
Denmark	53	51	27	25	21	21	33	36	35	33	20	24
Dominican Republic	77	75	8	8	25	26	19	31	29	40	15	17
Ecuador	60	68	15	13	26	26	25	27	25	34	26	19
Egypt, Arab Rep.	69	74	16	10	28	22	31	17	43	23	15	16
El Salvador	72	87	14	9	13	17	34	23	33	36	14	4
Eritrea	..	81	..	48	..	41	..	20	..	90	..	-29
Estonia	..	58	..	23	..	29	..	80	..	89	..	20
Ethiopia	79	79	14	14	13	18	11	16	17	28	7	6
Finland	54	53	18	21	29	17	33	40	34	31	28	26
France	59	60	18	19	24	17	22	27	23	23	23	21
Gabon	26	42	13	15	28	32	65	51	32	40	61	43
Gambia, The	63	80	31	13	27	18	43	51	64	62	6	7
Georgia	56	97	13	9	29	8	..	14	..	28	31	-6
Germany	..	58	..	19	..	21	..	27	..	25	..	23
Ghana	84	77	11	10	6	23	8	27	9	36	5	13
Greece	62	73	12	15	33	20	16	16	22	24	27	12
Guatemala	79	87	8	6	16	16	22	19	25	27	13	8
Guinea	..	74	..	7	..	21	..	22	..	23	..	19
Guinea-Bissau	73	100	28	9	28	11	13	15	42	35	-1	-9
Haiti	82	100	10	7	17	11	22	11	31	29	8	-7
Honduras	70	66	13	10	25	30	36	46	44	52	17	23



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	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1980	1998	1980	1998	1980	1998	1980	1998	1980	1998	1980	1998
Hungary	61	61	10	10	31	31	39	50	41	52	29	28
India	73	69	10	11	20	24	6	11	9	14	17	21
Indonesia	51	70	11	6	24	14	34	54	20	44	38	24
Iran, Islamic Rep.	53	65	21	20	30	16	13	13	16	15	26	15
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	67	49	19	13	27	20	48	80	61	62	14	37
Israel	53	61	40	30	22	20	44	32	59	43	7	9
Italy	61	62	15	16	27	18	22	27	25	23	24	22
Jamaica	64	60	20	22	16	31	51	49	51	62	16	18
Japan	59	60	10	10	32	29	14	11	15	10	31	30
Jordan	79	70	29	27	37	25	40	49	84	70	-8	4
Kazakhstan	..	76	..	11	..	17	..	31	..	35	..	13
Kenya	67	77	20	16	25	14	28	25	39	32	13	7
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	64	55	12	11	32	21	33	49	41	36	24	34
Kuwait	31	56	11	31	14	14	78	45	34	47	58	13
Kyrgyz Republic	..	82	..	16	..	18	..	35	..	51	..	2
Lao PDR	..	71	..	5	..	25	..	4	..	5	..	24
Latvia	59	64	8	26	26	23	..	48	..	61	33	10
Lebanon	..	98	..	15	..	28	..	11	..	51	..	-13
Lesotho	133	121	26	22	43	49	20	33	122	125	-59	-43
Libya	21	..	22	..	22	..	66	..	31	..	57	..
Lithuania	..	63	..	25	..	24	..	47	..	59	..	12
Macedonia, FYR	..	75	..	18	..	23	..	41	..	57	..	7
Madagascar	89	89	12	6	15	13	13	21	30	29	-1	5
Malawi	70	85	19	14	25	14	25	31	39	44	11	0
Malaysia	51	42	17	10	30	27	58	114	55	93	33	48
Mali	87	77	12	13	15	21	15	24	29	34	1	10
Mauritania	63	78	40	14	23	21	32	41	58	54	-3	8
Mauritius	75	65	14	11	21	24	51	65	61	65	10	24
Mexico	65	68	10	9	27	24	11	31	13	33	25	22
Moldova	..	84	..	18	..	26	..	47	..	75	..	-3
Mongolia	44	63	29	18	63	26	21	50	57	55	27	20
Morocco	69	67	18	18	24	23	15	18	26	26	13	15
Mozambique	98	89	12	9	6	20	11	12	27	30	-11	2
Myanmar	82	89	.. <sup>a</sup>	.. <sup>a</sup>	21	12	9	1	13	1	18	11
Namibia	47	56	17	26	29	19	76	63	68	63	37	19
Nepal	82	80	7	9	18	22	12	23	19	34	11	10
Netherlands	61	59	17	14	22	20	51	56	52	49	22	27
New Zealand	63	63	18	15	21	21	30	29	32	28	19	21
Nicaragua	83	85	20	14	17	33	24	39	43	71	-2	1
Niger	75	84	10	13	28	10	25	16	38	23	15	3
Nigeria	56	77	12	11	21	20	29	23	19	32	31	12
Norway	47	48	19	20	28	25	43	41	37	34	34	32
Oman	28	..	25	..	22	..	63	..	38	..	47	..
Pakistan	83	76	10	11	18	17	12	16	24	20	7	13
Panama	52	60	18	16	28	33	51	34	48	43	31	23
Papua New Guinea	61	51	24	21	25	30	43	68	53	70	15	28
Paraguay	76	73	6	11	32	21	15	45	29	49	18	17
Peru	57	72	11	9	29	24	22	12	19	17	32	20
Philippines	67	70	9	13	29	21	24	56	28	60	24	16
Poland	67	62	9	16	26	26	28	26	31	30	23	21
Portugal	65	64	13	19	34	26	25	31	38	40	21	17
Puerto Rico	75	..	16	..	17	..	65	..	73	..	10	..
Romania	60	76	5	15	40	18	35	26	40	34	35	9
Russian Federation	..	65	..	14	..	16	..	32	..	27	..	21



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	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1980	1998	1980	1998	1980	1998	1980	1998	1980	1998	1980	1998
Rwanda	83	90	12	12	16	16	14	5	26	23	4	-2
Saudi Arabia	22	41	16	32	22	21	71	36	30	31	62	26
Senegal	85	75	20	10	12	20	27	33	44	38	-5	15
Sierra Leone	..	93	21	8	..	8	18	22	28	31	..	-1
Singapore	52	39	10	10	46	34	215	153	224	135	38	51
Slovak Republic	..	50	..	22	..	39	..	64	..	75	..	28
Slovenia	..	56	..	21	..	25	..	57	..	58	..	24
South Africa	54	63	14	20	23	16	35	26	27	25	31	17
Spain	66	62	13	16	23	21	16	28	18	27	21	22
Sri Lanka	80	71	9	10	34	25	32	36	55	42	11	19
Sudan	82	..	16	..	15	..	11	..	23	..	2	..
Sweden	51	53	29	26	21	14	29	44	31	37	19	21
Switzerland	62	61	12	14	29	20	35	40	38	35	25	25
Syrian Arab Republic	67	70	23	11	28	29	18	29	35	40	10	18
Tajikistan	..	..	..	..	..	..	..	..	..	..	..	..
Tanzania <sup>b</sup>	..	83	..	8	..	15	..	18	..	25	..	8
Thailand	65	48	12	11	29	25	24	59	30	42	23	42
Togo	54	81	22	11	28	14	51	34	56	40	23	7
Trinidad and Tobago	46	82	12	11	31	22	50	41	39	56	42	7
Tunisia	62	63	14	13	29	28	40	42	46	46	24	24
Turkey	77	66	12	13	18	25	5	25	12	28	11	21
Turkmenistan	..	..	..	..	..	..	..	..	..	..	..	..
Uganda	89	85	11	10	6	15	19	10	26	20	0	6
Ukraine	..	56	..	26	..	21	..	40	..	43	..	18
United Arab Emirates	17	..	11	..	28	..	78	..	34	..	72	..
United Kingdom	59	64	22	20	17	16	27	29	25	29	19	15
United States	64	68	17	15	20	19	10	12	11	13	19	17
Uruguay	76	71	12	14	17	16	15	22	21	22	12	15
Uzbekistan	..	59	..	22	..	19	..	22	..	22	..	19
Venezuela, RB	55	73	12	8	26	20	29	20	22	20	33	20
Vietnam	..	71	..	8	..	29	..	44	..	52	..	21
West Bank and Gaza	..	94	..	21	..	36	..	19	..	71	..	-15
Yemen, Rep.	..	76	..	22	..	22	..	34	..	54	..	2
Yugoslavia, FR (Serb./Mont.)	..	..	..	..	..	..	..	..	..	..	..	..
Zambia	55	84	26	11	23	14	41	29	45	38	19	5
Zimbabwe	68	69	19	16	17	17	23	46	27	48	14	15
<b>World</b>	<b>61 w</b>	<b>62 w</b>	<b>15 w</b>	<b>15 w</b>	<b>25 w</b>	<b>22 w</b>	<b>20 w</b>	<b>23 w</b>	<b>20 w</b>	<b>22 w</b>	<b>24 w</b>	<b>23 w</b>
<b>Low income</b>	60	59	12	11	28	29	12	24	13	22	28	30
Excl. China & India	65	74	11	9	22	17	25	37	24	37	23	17
<b>Middle income</b>	64	63	12	15	26	22	22	28	23	28	25	22
Lower middle income	..	64	..	15	..	20	..	33	..	32	..	20
Upper middle income	64	62	11	15	25	23	20	26	21	25	25	23
<b>Low &amp; middle income</b>	62	62	12	14	27	24	19	27	20	26	26	24
East Asia & Pacific	56	52	13	11	32	28	22	42	23	33	30	37
Europe & Central Asia	..	64	..	16	..	22	..	35	..	36	..	20
Latin America & Carib.	68	67	10	14	24	22	12	15	14	18	22	19
Middle East & N. Africa	45	59	18	22	27	22	42	25	32	28	38	19
South Asia	76	71	9	10	21	23	8	13	13	16	15	19
Sub-Saharan Africa	61	68	15	17	22	17	32	28	31	31	23	15
<b>High income</b>	60	62	16	15	25	21	20	22	21	21	24	22
Europe EMU	..	59	..	18	..	19	..	32	..	29	..	23

a. General government consumption figures are not available separately; they are included in private consumption. b. Data cover mainland Tanzania only.



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### About the data

GDP from the expenditure side is made up of private (or household) consumption expenditure, general government consumption expenditure, gross fixed capital formation (private and public investment), changes in inventories, and net exports (exports minus imports) of goods and services. Such expenditures are generally recorded in purchaser prices and so include net indirect taxes.

Because policymakers have tended to focus on fostering the growth of output, and because data on production are easier to collect than data on spending, many countries generate their primary estimate of GDP using the production approach. Moreover, many countries do not estimate all the separate components of national expenditures or, if they do, derive some of the main aggregates indirectly using GDP (output) as the control total.

Private consumption is often estimated as a residual, by subtracting from GDP all other known expenditures. The resulting aggregate may incorporate fairly large discrepancies. When household consumption is calculated separately, the household surveys on which many of the estimates are based tend to be one-year studies with limited coverage. Thus the estimates quickly become outdated and must be supplemented by price- and quantity-based statistical estimating procedures. Complicating the issue, in many developing countries the distinction between cash outlays for personal business and those for household use may be blurred. The expenditures of nonprofit institutions serving households are considered to be part of consumption. General government consumption includes expenditures on goods and services for individual consumption, as well as those on collective consumption of services. Defense expenditures, including those on capital outlays—with certain exceptions—are treated as current spending.

Gross domestic investment consists of outlays on additions to the economy's fixed assets plus net changes in the level of inventories. The new United Nations System of National Accounts (SNA) introduced in 1993 recognizes a third category of capital formation: net acquisition of valuables. Also included in gross domestic investment under the 1993 SNA guidelines are capital outlays on defense establishments that may be used by the general public, such as airfields, schools, and hospitals. These expenses were treated as consumption in the earlier version of SNA. Investment data may be estimated from direct surveys of enterprises and administrative records or based on the commodity flow method using data from trade and construction activities. While the quality of data on public fixed investment depends on the quality of government accounting sys-

tems (which tend to be weak in developing countries), measures of private fixed investment—particularly capital outlays by small, unincorporated enterprises—are usually very unreliable.

Estimates of changes in inventories are rarely complete but usually include the most important activities or commodities. In some countries these estimates are derived as a composite residual along with aggregate private consumption. According to national accounts conventions, adjustments should be made for appreciation of the value of inventory holdings due to price changes, but this is not always done. In highly inflationary economies this element can be substantial.

Data on exports and imports are compiled from customs returns and from balance of payments data obtained from central banks. Although the data on exports and imports from the payments side provide reasonably reliable records of cross-border transactions, they may not adhere strictly to the appropriate definitions of valuation and timing used in the balance of payments or, more important, correspond with the change-of-ownership criterion. This issue has assumed greater significance with the increasing globalization of international business. Neither customs nor balance of payments data capture the illegal transactions that occur in many countries. Goods carried by travelers across borders in legal but unreported shuttle trade may further distort trade statistics.

Savings are generally estimated as a residual. They represent the difference between GDP and total consumption. They also satisfy this fundamental identity: exports minus imports equal savings minus investments.

For further discussion of the problems of building and maintaining national accounts see Srinivasan (1994), Heston (1994), and Ruggles (1994). For a classic analysis of the reliability of foreign trade and national income statistics see Morgenstern (1963).

### 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 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.
- **Exports and imports of goods and services** represent the value of all goods and other market services provided to or received from the rest of the world. Included is the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. Labor and property income (formerly called factor services) is excluded. Transfer payments are excluded from the calculation of GDP.
- **Gross domestic savings** are calculated as the difference between GDP and total consumption.

### 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. The data for high-income countries come from the 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*.