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Central government expenses

	Goods and services		Compensation of employees		Interest payments		Subsidies and other transfers		Other expense	
	% of expense		% of expense		% of expense		% of expense		% of expense	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Afghanistan ^a	..	67	..	28	..	0	..	5	..	0
Albania ^a	18	12	14	30	9	17	59	42	0	0
Algeria ^a	6	5	39	28	13	5	34	32	8	29
Angola	..	..	..	..	..	..	..	..	..	..
Argentina	..	5	..	12	..	26	..	50	..	7
Armenia ^a	..	37	..	22	..	2	..	34	..	5
Australia	..	11	..	10	..	4	..	70	..	6
Austria	5	6	8	13	9	7	77	70	3	5
Azerbaijan ^a	49	..	10	..	0	..	41	..	0	..
Bangladesh ^a	..	13	..	25	..	22	..	29	..	11
Belarus ^a	39	14	5	11	1	1	55	68	0	5
Belgium	3	2	7	7	18	9	71	79	3	3
Benin ^a	..	31	..	40	..	2	..	8	..	20
Bolivia	..	14	..	22	..	10	..	47	..	7
Bosnia and Herzegovina	..	24	..	28	..	1	..	43	..	4
Botswana ^a	32	..	30	..	2	..	36	..	2	..
Brazil ^a	5	..	8	..	45	..	45	..	1	..
Bulgaria ^a	18	14	7	18	37	3	38	58	2	6
Burkina Faso	..	21	..	39	..	4	..	35	..	0
Burundi ^a	20	..	30	..	6	..	14	..	10	..
Cambodia	..	41	..	33	..	2	..	19	..	5
Cameroon ^a	17	..	40	..	26	..	14	..	..	..
Canada ^a	8	8	10	12	18	7	64	67	..	6
Central African Republic ^a	..	27	..	53	..	9	..	..	..	11
Chad	..	..	..	..	..	..	..	..	..	..
Chile	..	11	..	21	..	4	..	57	..	11
China ^a	..	27	..	5	..	4	..	60	..	4
Hong Kong, China	..	..	..	..	..	..	..	..	..	..
Colombia	..	5	..	19	..	25	..	45	..	7
Congo, Dem. Rep. ^a	37	..	58	..	1	..	2	..	..	..
Congo, Rep.	..	18	..	18	..	11	..	53	..	0
Costa Rica ^a	12	12	38	42	20	14	26	18	4	15
Côte d'Ivoire ^a	..	34	..	33	..	9	..	18	..	7
Croatia ^a	35	10	27	26	3	5	32	53	3	6
Cuba	..	..	..	..	..	..	..	..	..	..
Czech Republic ^a	7	6	9	9	3	3	75	71	5	12
Denmark	8	9	13	13	13	5	64	70	4	4
Dominican Republic ^a	..	17	..	31	..	9	..	30	..	13
Ecuador ^a	6	..	49	..	26	..	..	..	..	..
Egypt, Arab Rep. ^a	18	8	22	24	26	18	6	39	..	11
El Salvador	..	16	..	40	..	12	..	22	..	11
Eritrea	..	..	..	..	..	..	..	..	..	..
Estonia	..	14	..	22	..	0	..	43	..	4
Ethiopia ^a	..	..	..	..	..	..	..	..	..	..
Finland	8	10	9	10	7	4	68	71	11	7
France	8	6	23	22	6	6	59	62	6	6
Gabon	..	..	..	..	..	..	..	..	..	..
Gambia, The ^a	..	..	..	..	..	..	..	..	..	..
Georgia ^a	52	38	11	16	10	3	26	35	..	9
Germany	4	5	5	5	6	6	67	82	20	3
Ghana ^a	..	15	..	38	..	11	..	37	..	0
Greece	10	11	22	24	27	10	36	45	5	4
Guatemala ^a	15	13	50	24	12	10	18	25	6	27
Guinea ^a	17	..	34	..	28	..	9	..	1	..
Guinea-Bissau
Haiti

Central government expenses

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ECONOMY

	Goods and services		Compensation of employees		Interest payments		Subsidies and other transfers		Other expense	
	% of expense		% of expense		% of expense		% of expense		% of expense	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Honduras	..	17	..	49	..	3	..	16	..	16
Hungary	8	9	10	13	20	9	57	61	13	10
India ^a	14	12	10	7	27	21	33	36	0	1
Indonesia ^a	21	8	20	13	16	16	41	63	2	0
Iran, Islamic Rep. ^a	21	10	56	37	0	1	..	32	..	18
Iraq	..	..	..	..	..	..	..	..	..	..
Ireland	5	12	15	24	14	3	33	37	1	1
Israel	..	27	..	25	..	11	..	30	..	9
Italy	4	4	14	16	24	12	54	64	6	6
Jamaica ^a	22	47	24	20	32	21	1	1	21	11
Japan	..	..	..	..	..	..	..	..	..	..
Jordan ^a	7	5	67	26	11	8	12	26	4	35
Kazakhstan ^a	..	23	..	8	3	2	58	64	..	3
Kenya ^a	15	15	28	44	46	11	..	9	2	2
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..
Korea, Rep. ^a	16	7	15	12	3	7	63	58	3	15
Kuwait	33	15	31	24	5	0	24	40	7	20
Kyrgyz Republic ^a	32	25	36	27	5	3	27	34	..	11
Lao PDR	..	37	..	38	..	5	..	18	..	3
Latvia ^a	20	12	20	20	3	1	56	66	0	0
Lebanon	..	3	..	27	..	40	..	22	..	8
Lesotho ^a	32	37	45	33	5	5	8	11	3	6
Liberia	..	..	..	..	..	..	..	..	..	..
Libya	..	..	..	..	..	..	..	..	..	..
Lithuania	..	13	..	18	..	2	..	62	..	9
Macedonia, FYR	..	..	..	..	..	..	..	..	..	..
Madagascar	..	14	..	46	..	10	..	14	..	16
Malawi	..	..	..	..	..	..	..	..	..	..
Malaysia ^a	23	..	34	..	17	..	27	..	1	..
Mali	..	38	..	33	..	2	..	16	..	11
Mauritania	..	..	..	..	..	..	..	..	..	..
Mauritius ^a	12	12	45	35	12	15	28	33	2	5
Mexico ^a	9	..	19	..	19	..	..	..	..	..
Moldova ^a	10	18	8	15	11	4	71	56	1	7
Mongolia	..	37	..	24	..	2	..	36	..	1
Morocco ^a	..	9	..	46	..	7	..	29	..	10
Mozambique	..	..	..	..	..	..	..	..	..	..
Myanmar	..	..	..	..	..	..	..	..	..	..
Namibia ^a	28	..	53	..	1	..	..	..	4	..
Nepal ^a	..	..	..	..	..	7	..	..	..	..
Netherlands	5	8	8	8	9	4	77	79	3	3
New Zealand	..	30	..	25	..	4	..	38	..	7
Nicaragua ^a	14	13	25	36	17	8	29	38	14	6
Niger	..	30	..	30	..	3	..	9	..	28
Nigeria	..	..	..	..	..	..	..	..	..	..
Norway	..	11	..	17	..	2	..	67	..	6
Oman ^a	55	..	30	..	7	..	8	..	0	..
Pakistan ^a	..	31	..	4	28	26	2	31	..	8
Panama ^a	16	..	45	..	8	..	30	..	1	..
Papua New Guinea ^a	19	..	36	..	20	..	26	..	1	..
Paraguay ^a	..	11	..	52	..	5	..	25	..	8
Peru ^a	20	19	19	18	19	10	33	50	8	3
Philippines ^a	15	18	34	31	33	24	15	19	..	8
Poland	..	8	..	12	..	6	..	69	..	7
Portugal	7	7	30	27	10	7	43	49	11	2
Puerto Rico



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Central government expenses

	Goods and services		Compensation of employees		Interest payments		Subsidies and other transfers		Other expense	
	% of expense		% of expense		% of expense		% of expense		% of expense	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Romania	..	15	..	23	..	3	..	50	..	13
Russian Federation	..	14	..	17	..	2	..	61	..	15
Rwanda ^a	52	..	36	..	12	..	5	..	..	..
Saudi Arabia	..	..	..	..	..	..	..	..	..	..
Senegal ^a	..	..	..	..	..	..	..	..	..	..
Serbia	..	..	..	..	..	..	..	..	..	..
Sierra Leone ^a	..	28	..	26	..	19	..	9	..	18
Singapore ^a	38	44	39	32	8	0	15	24	..	..
Slovak Republic	..	9	..	13	..	5	..	68	..	5
Slovenia ^a	19	12	21	19	3	4	55	62	3	3
Somalia	..	..	..	..	..	..	..	..	..	..
South Africa	..	10	..	14	..	9	..	59	..	8
Spain	5	4	14	9	11	5	42	78	2	5
Sri Lanka ^a	23	11	20	30	22	25	24	23	10	10
Sudan ^a	44	..	38	..	8	..	10	..	..	..
Swaziland ^a	..	..	..	..	..	..	..	..	..	..
Sweden	10	..	5	..	13	..	71	..	1	..
Switzerland ^a	24	8	6	7	4	5	66	75	0	5
Syrian Arab Republic ^a	..	..	..	..	..	..	..	..	..	..
Tajikistan ^a	47	29	8	9	12	5	33	27	..	30
Tanzania	..	..	..	..	..	..	..	..	..	..
Thailand	..	27	..	37	..	6	..	30	..	3
Timor-Leste	..	..	..	..	..	..	..	..	..	..
Togo ^a	..	25	..	31	..	6	..	27	..	12
Trinidad and Tobago ^a	20	16	36	22	20	7	24	36	1	19
Tunisia ^a	7	6	37	38	13	9	36	37	7	10
Turkey ^a	..	7	..	24	..	24	..	37	..	1
Turkmenistan	..	..	..	..	..	..	..	..	..	..
Uganda ^a	..	30	..	12	..	8	..	49	..	0
Ukraine ^a	..	12	..	14	..	1	..	67	..	6
United Arab Emirates ^a	50	..	37	..	..	..	..	..	..	..
United Kingdom	22	19	7	15	9	5	54	53	9	10
United States	..	15	..	13	..	10	..	60	..	2
Uruguay ^a	13	16	17	23	6	14	64	48	0	..
Uzbekistan	..	..	..	..	..	..	..	..	..	..
Venezuela, RB ^a	6	6	22	16	27	12	61	64	2	3
Vietnam	..	..	..	..	..	..	..	..	..	..
West Bank and Gaza	..	..	..	..	..	..	..	..	..	..
Yemen, Rep. ^a	8	..	67	..	16	..	8	..	0	..
Zambia ^a	32	32	35	30	16	7	19	24	0	7
Zimbabwe ^a	16	..	34	..	31	..	19	..	..	..
World	.. m	13 m	.. m	24 m	.. m	6 m	.. m	40 m	.. m	6 m
Low income	..	..	..	..	..	..	..	..	..	..
Middle income	..	13	..	24	..	6	..	37	..	7
Lower middle income	..	13	..	28	..	6	..	34	..	7
Upper middle income	17	12	25	20	14	5	..	57	..	8
Low & middle income	..	16	..	28	..	7	..	35	..	6
East Asia & Pacific	..	..	..	..	..	..	..	..	..	..
Europe & Central Asia	..	14	..	18	..	2	..	57	..	6
Latin America & Carib.	13	14	26	23	20	10	..	38	..	9
Middle East & N. Africa	8	6	47	28	13	8	..	32	..	10
South Asia	..	13	..	25	27	22	24	29	..	8
Sub-Saharan Africa	..	..	..	..	..	..	..	..	..	..
High income	8	9	14	13	9	5	63	62	3	6
Euro area	5	7	11	13	10	6	61	68	3	5

Note: Components may not sum to 100 percent because of rounding or missing data.
a. Data were reported on a cash basis and have been adjusted to the accrual framework.

About the data

The term *expense* has replaced *expenditure* in the table since the 2005 edition of *World Development Indicators* in accordance with use in the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2001*. Government expenses include all nonrepayable payments, whether current or capital, required or unrequired. The concept of total central government expense as presented in the IMF's *Government Finance Statistics Yearbook* is comparable to the concept used in the 1993 System of National Accounts.

Expenses can be measured either by function (health, defense, education) or by economic type (interest payments, wages and salaries, 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 expenses, usually the central government's responsibility, are shown in table 5.7. For more information on education expenses, see table 2.10; for more on health expenses, see table 2.15.

The classification of expenses by economic type in the table shows whether the government produces goods and services and distributes them, purchases the goods and services from a third party and distributes them, or transfers cash to households to make the purchases directly. When the government produces and provides goods and services, the cost is reflected in compensation of employees, use of goods and services, and consumption of fixed capital. Purchases from a third party and cash transfers

to households are shown as subsidies and other transfers, and other expenses. The economic classification can be problematic. For example, the distinction between current and capital expense may be arbitrary, and subsidies to public corporations or banks may be disguised as capital financing. Subsidies may also be hidden in special contractual pricing for goods and services. For further discussion of government finance statistics, see *About the data* for tables 4.10 and 4.12.

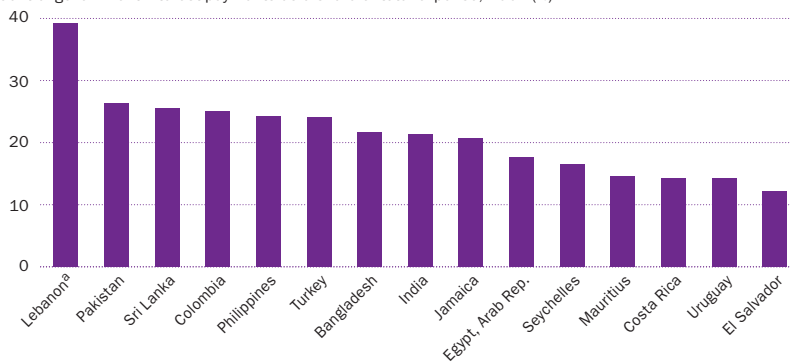
Definitions

- **Goods and services** are all government payments in exchange for goods and services used for the production of market and nonmarket goods and services. Own-account capital formation is excluded.
- **Compensation of employees** is all payments in cash, as well as in kind (such as food and housing), to employees in return for services rendered, and government contributions to social insurance schemes such as social security and pensions that provide benefits to employees.
- **Interest payments** are payments made to nonresidents, to residents, and to other general government units for the use of borrowed money. (Repayment of principal is shown as a financing item, and commission charges are shown as purchases of services.)
- **Subsidies and other transfers** include all unrequited, nonrepayable transfers on current account to private and public enterprises; grants to foreign governments, international organizations, and other government units; and social security, social assistance benefits, and employer social benefits in cash and in kind.
- **Other expense** is spending on dividends, rent, and other miscellaneous expenses, including provision for consumption of fixed capital.

Interest payments are a large part of government expenses for some developing economies

4.11a

Central government interest payments as a share of total expense, 2007 (%)



Interest payments accounted for more than 12 percent of total expenses in 2007 for 15 countries.

a. Data are for 2005.

Source: International Monetary Fund, *Government Finance Statistics* data files, and *World Development Indicators* data files.

Data sources

Data on central government expenses are from the IMF's *Government Finance Statistics Yearbook 2008* and data files. Each country's accounts are reported using the system of common definitions and classifications in the IMF's *Government Finance Statistics Manual 2001*. See these sources for complete and authoritative explanations of concepts, definitions, and data sources.