



# 4.8

## Structure of demand

	Household final consumption expenditure		General government final consumption expenditure		Gross capital formation		Exports of goods and services		Imports of goods and services		Gross savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Afghanistan	..	110	..	9	..	25	..	12	..	56	..	24
Albania	87	88	14	9	21	30	12	28	35	54	21	20
Algeria	55	31	17	12	31	33	26	47	29	23	26	57
Angola	51	54	40	.. <sup>a</sup>	35	14	82	71	68	39	30	25
Argentina	69	59	13	13	18	24	10	25	10	20	16	27
Armenia	109	72	11	11	18	37	24	19	62	39	-7	31
Australia	59	56	18	18	24	27	18	21	20	22	18	22
Austria	57	54	20	18	23	21	35	59	35	52	21	26
Azerbaijan	77	26	13	11	24	21	28	72	42	30	14	50
Bangladesh	83	77	5	6	19	24	11	20	17	27	21	35
Belarus	59	54	21	19	25	33	50	62	54	68	21	27
Belgium	54	52	22	22	20	22	68	89	63	87	25	25
Benin	82	78	11	15	20	20	20	13	33	26	8	11
Bolivia	76	63	14	14	15	15	23	42	27	34	11	30
Bosnia and Herzegovina	..	90	..	22	20	23	20	39	71	74	10	9
Botswana	34	29	29	20	25	41	51	47	38	37	36	55
Brazil	62	61	21	20	18	18	7	14	9	12	16	17
Bulgaria	71	69	15	16	16	37	45	63	46	85	12	18
Burkina Faso	63	75	25	22	24	18	14	12	27	27	18	6
Burundi	89	91	19	29	6	17	13	11	27	48	4	1
Cambodia	95	83	6	3	15	21	31	65	47	73	5	15
Cameroon	72	73	9	9	13	17	24	22	18	21	14	20
Canada	57	56	21	19	19	23	37	36	34	34	18	24
Central African Republic	79	96	15	3	14	9	20	15	28	22	6	4
Chad	91	60	7	6	13	19	22	49	34	34	5	23
Chile	61	55	10	10	26	21	29	47	27	33	25	25
China	42	33	14	14	42	43	23	42	21	32	43	55
Hong Kong, China	62	60	8	8	34	21	143	207	148	196	30	35
Colombia	65	63	15	17	26	24	15	17	21	21	18	19
Congo, Dem. Rep.	81	80	5	11	9	20	28	28	24	39	1	12
Congo, Rep.	49	29	13	14	37	27	65	73	64	43	-3	36
Costa Rica	71	67	14	13	18	25	38	49	40	54	15	19
Côte d'Ivoire	66	77	11	8	16	9	42	47	34	41	12	9
Croatia	64	56	29	20	18	33	39	48	49	56	11	24
Cuba	71	..	24	..	7	..	13	..	16	..	..	..
Czech Republic	51	48	21	20	33	27	51	80	55	75	29	25
Denmark	51	50	25	26	20	23	38	52	34	51	22	24
Dominican Republic	79	79	5	7	19	22	31	35	34	41	18	20
Ecuador	68	66	13	11	22	24	26	34	28	34	17	26
Egypt, Arab Rep.	74	72	11	11	20	21	23	30	28	35	22	23
El Salvador	87	96	9	7	20	20	22	26	38	50	15	12
Eritrea	94	86	44	31	23	11	22	6	83	34	4	10
Estonia	54	56	26	17	28	38	68	74	76	85	24	20
Ethiopia	80	84	8	11	18	25	10	13	16	32	21	21
Finland	52	52	23	21	18	22	36	45	29	40	22	27
France	57	57	24	23	19	22	23	27	22	28	19	19
Gabon	41	36	12	9	23	26	59	65	36	36	33	41
Gambia, The	90	77	14	16	20	23	49	33	73	50	6	12
Georgia	102	70	11	22	4	35	26	32	42	58	-7	17
Germany	58	57	20	18	22	18	24	47	23	40	20	25
Ghana	76	79	12	14	20	34	24	33	33	60	18	23
Greece	75	71	15	17	19	26	17	22	27	35	18	9
Guatemala	86	88	6	8	15	21	19	26	25	42	11	17
Guinea	74	84	8	6	21	13	21	37	25	39	14	9
Guinea-Bissau	95	70	6	16	22	17	12	43	35	46	5	23
Haiti	87	91	7	9	24	29	9	14	27	43	10	..

	Household final consumption expenditure		General government final consumption expenditure		Gross capital formation		Exports of goods and services		Imports of goods and services		Gross savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Honduras	64	77	9	16	32	33	44	51	48	78	27	23
Hungary	66	66	11	10	23	22	45	80	45	79	19	16
India	64	54	11	10	27	39	11	21	12	24	27	39
Indonesia	62	63	8	8	32	25	26	29	28	25	28	26
Iran, Islamic Rep.	46	45	16	11	29	33	22	32	13	22	37	43
Iraq	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	54	46	16	16	18	27	76	80	64	69	23	23
Israel	56	56	28	25	25	20	29	43	37	45	13	..
Italy	58	59	18	20	20	21	26	29	22	30	22	20
Jamaica	70	72	11	16	29	30	51	45	61	63	24	15
Japan	55	57	15	18	28	24	9	16	8	15	30	28
Jordan	65	91	24	23	33	27	52	58	73	99	29	9
Kazakhstan	68	47	14	10	23	36	39	49	44	43	18	29
Kenya	70	74	15	17	22	20	33	26	39	37	16	17
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	52	55	11	15	38	29	29	46	30	45	36	30
Kuwait	43	30	32	15	15	20	52	65	42	30	..	..
Kyrgyz Republic	75	101	20	18	18	26	29	45	42	90	9	7
Lao PDR	..	68	..	8	..	40	23	37	37	53	15	23
Latvia	63	65	24	18	14	37	43	44	45	65	14	15
Lebanon	101	92	15	15	36	18	11	25	62	50	-3	0
Lesotho	104	98	24	26	56	28	19	55	103	107	27	41
Liberia	..	116	..	15	..	20	9	33	72	84	..	40
Libya	59	..	22	..	12	..	29	..	22	..	..	..
Lithuania	67	66	22	17	22	30	50	55	61	67	13	16
Macedonia, FYR	70	78	19	18	21	23	33	55	43	75	14	21
Madagascar	90	84	7	5	11	27	24	30	32	47	1	13
Malawi	79	84	21	12	17	26	30	24	48	45	-4	10
Malaysia	48	46	12	12	44	22	94	110	98	90	34	38
Mali	83	76	10	11	23	23	21	27	36	37	14	13
Mauritania	77	61	11	20	20	26	37	58	45	65	17	29
Mauritius	63	69	13	14	29	27	58	62	64	71	26	20
Mexico	67	65	10	10	20	26	30	28	28	30	19	25
Moldova	57	95	27	19	25	38	49	46	58	98	19	22
Mongolia	56	48	13	13	32	40	48	64	49	66	35	42
Morocco	68	58	17	18	21	33	27	36	34	45	17	32
Mozambique	90	76	8	12	27	19	16	39	41	46	-6	3
Myanmar	87	..	.. <sup>a</sup>	..	14	..	1	..	2	..	14	..
Namibia	54	50	30	25	22	30	49	50	56	54	32	40
Nepal	75	81	9	9	25	28	25	13	35	31	23	29
Netherlands	49	47	24	25	21	20	59	75	54	67	27	28
New Zealand	58	60	17	19	23	23	29	29	28	31	18	15
Nicaragua	83	90	11	12	22	32	19	33	35	67	-1	14
Niger	86	75	14	12	7	23	17	15	24	25	-4	..
Nigeria	..	..	..	..	..	..	44	40	42	30	..	..
Norway	50	42	22	20	22	23	38	46	32	30	26	38
Oman	51	39	25	18	15	19	44	63	36	38	..	..
Pakistan	72	75	12	9	19	23	17	14	19	21	21	25
Panama	52	60	15	11	30	23	101	80	98	75	30	23
Papua New Guinea	44	47	17	11	22	20	61	90	44	68	36	35
Paraguay	76	74	10	11	26	18	59	51	71	54	18	20
Peru	71	61	10	9	25	23	13	29	18	22	25	24
Philippines	74	75	11	10	22	15	36	43	44	42	19	34
Poland	60	60	20	19	19	24	23	41	21	44	20	21
Portugal	65	65	18	20	23	22	29	33	35	40	23	12
Puerto Rico	..	..	..	..	..	..	72	..	97	..	..	..



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	Household final consumption expenditure		General government final consumption expenditure		Gross capital formation		Exports of goods and services		Imports of goods and services		Gross savings	
	% of GDP		% of GDP		% of GDP		% of GDP		% of GDP		% of GDP	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Romania	68	69	14	13	24	30	28	31	33	44	19	21
Russian Federation	52	49	19	18	25	25	29	30	26	22	28	31
Rwanda	97	86	10	11	13	21	5	10	26	28	12	16
Saudi Arabia	47	28	24	23	20	22	38	65	28	38	20	..
Senegal	80	78	13	10	14	33	31	24	37	44	8	22
Serbia	73	81	23	18	12	23	17	29	24	51	6	8
Sierra Leone	88	83	14	10	6	13	19	21	26	28	-3	10
Singapore	41	38	8	10	34	23	..	231	..	202	52	..
Slovak Republic	52	56	22	17	24	28	58	86	56	87	27	23
Slovenia	60	52	19	18	24	31	50	70	52	71	23	27
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	63	62	18	20	18	21	23	32	22	35	17	14
Spain	60	57	18	18	22	31	22	26	22	33	22	21
Sri Lanka	73	68	11	15	26	27	36	29	46	40	20	23
Sudan	85	65	5	15	14	24	5	20	10	24	4	12
Swaziland	82	73	15	15	16	13	60	80	74	81	7	20
Sweden	50	47	27	26	17	20	40	52	33	45	20	28
Switzerland	60	59	12	11	23	22	36	52	31	45	30	35
Syrian Arab Republic	66	68	13	12	27	20	31	41	38	41	23	19
Tajikistan	62	114	16	9	29	22	66	21	72	66	23	14
Tanzania <sup>b</sup>	86	73	12	16	20	17	24	22	42	28	0	11
Thailand	55	53	10	13	42	27	42	73	49	66	34	33
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..
Togo	77	81	12	19	16	18	32	40	37	57	11	7
Trinidad and Tobago	53	55	12	12	21	13	54	58	39	37	26	30
Tunisia	63	63	16	14	25	25	45	54	49	57	20	23
Turkey	78	71	7	13	18	22	14	22	17	27	15	16
Turkmenistan	44	46	8	13	49	23	75	65	75	48	50	34
Uganda	85	79	11	13	12	22	12	17	21	31	8	14
Ukraine	55	60	21	19	27	27	47	45	50	51	23	23
United Arab Emirates	48	45	16	10	30	21	69	91	63	68	..	..
United Kingdom	63	63	20	22	17	19	28	26	29	29	16	15
United States	68	70	15	16	18	20	11	11	12	17	16	14
Uruguay	73	74	12	11	15	15	19	29	19	30	14	13
Uzbekistan	51	54	22	17	27	19	28	40	28	30	27	39
Venezuela, RB	69	54	7	12	18	28	27	31	22	25	21	35
Vietnam	74	66	8	6	27	42	33	77	42	90	19	35
West Bank and Gaza	98	96	18	33	35	26	16	14	68	68	11	13
Yemen, Rep.	71	..	14	..	22	..	51	..	58	..	20	..
Zambia	72	59	15	10	16	24	36	42	40	36	5	23
Zimbabwe	65	72	18	27	20	17	38	57	41	73	17	0
<b>World</b>	<b>61 w</b>	<b>61 w</b>	<b>17 w</b>	<b>17 w</b>	<b>22 w</b>	<b>22 w</b>	<b>21 w</b>	<b>28 w</b>	<b>21 w</b>	<b>29 w</b>	<b>21 w</b>	<b>22 w</b>
<b>Low income</b>	75	74	11	9	20	25	24	32	29	38	17	26
<b>Middle income</b>	60	55	14	14	27	29	23	33	24	31	26	32
Lower middle income	55	48	13	12	33	35	23	37	24	33	32	42
Upper middle income	64	61	15	15	20	23	23	30	23	28	19	23
<b>Low &amp; middle income</b>	61	55	14	14	26	29	23	33	24	31	25	32
East Asia & Pacific	47	41	13	13	40	38	29	48	29	39	38	48
Europe & Central Asia	63	60	16	16	21	25	26	34	27	36	21	23
Latin America & Carib.	66	62	15	14	20	22	18	24	19	23	18	22
Middle East & N. Africa	63	58	15	13	25	28	26	36	29	34	25	33
South Asia	67	59	10	10	25	35	12	21	15	25	25	36
Sub-Saharan Africa	69	66	15	16	18	22	28	34	30	37	14	17
<b>High income</b>	61	62	17	18	21	21	21	27	20	28	21	20
Euro area	57	57	20	20	21	22	29	41	28	39	21	22

a. Data for general government final consumption expenditure are not available separately; they are included in household final consumption expenditure. b. Covers mainland Tanzania only.

### About the data

Gross domestic product (GDP) from the expenditure side is made up of household final consumption expenditure, general government final consumption expenditure, gross capital formation (private and public investment in fixed assets, changes in inventories, and net acquisitions of valuables), and net exports (exports minus imports) of goods and services. Such expenditures are recorded in purchaser prices and include net taxes on products.

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 components of national expenditures but instead derive some of the main aggregates indirectly using GDP (based on the production approach) as the control total. Household final consumption expenditure (private consumption in the 1968 System of National Accounts, or SNA) is often estimated as a residual, by subtracting all other known expenditures from GDP. The resulting aggregate may incorporate fairly large discrepancies. When household consumption is calculated separately, many of the estimates are based on household surveys, which tend to be one-year studies with limited coverage. Thus the estimates quickly become outdated and must be supplemented by estimates using price- and quantity-based statistical procedures. Complicating the issue, in many developing countries the distinction between cash outlays for personal business and those for household use may be blurred. *World Development Indicators* includes in household consumption the expenditures of nonprofit institutions serving households.

General government final consumption expenditure (general government consumption in the 1968 SNA) includes expenditures on goods and services for individual consumption as well as those on services for collective consumption. Defense expenditures, including those on capital outlays (with certain exceptions), are treated as current spending.

Gross capital formation (gross domestic investment in the 1968 SNA) consists of outlays on additions to the economy's fixed assets plus net changes in the level of inventories. It is generally obtained from industry reports of acquisitions and distinguishes only the broad categories of capital formation. The 1993 SNA recognizes a third category of capital formation: net acquisitions of valuables. Included in gross capital formation under the 1993 SNA guidelines are

capital outlays on defense establishments that may be used by the general public, such as schools, airfields, and hospitals, and intangibles such as computer software and mineral exploration outlays. Data on capital formation may be estimated from direct surveys of enterprises and administrative records or based on the commodity flow method using data from production, trade, and construction activities. The quality of data on government fixed capital formation depends on the quality of government accounting systems (which tend to be weak in developing countries). Measures of fixed capital formation by households and corporations—particularly capital outlays by small, unincorporated enterprises—are usually 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 household final consumption expenditure. 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 reports and balance of payments data. Although the data 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 correspond to 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 usually 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.

Gross savings represent the difference between disposable income and consumption and replace gross domestic savings, a concept used by the World Bank and included in *World Development Indicators* editions before 2006. The change was made to conform to SNA concepts and definitions. For further discussion of the problems in compiling national accounts, see Srinivasan (1994), Heston (1994), and Ruggles (1994). For an analysis of the reliability of foreign trade and national income statistics, see Morgenstern (1963).

### Definitions

- **Household final consumption expenditure** is the market value of all goods and services, including durable products (such as cars and computers), purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes government fees for permits and licenses. Expenditures of nonprofit institutions serving households are included, even when reported separately. Household consumption expenditure may include any statistical discrepancy in the use of resources relative to the supply of resources.
- **General government final consumption expenditure** is all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditures on national defense and security but excludes military expenditures with potentially wider public use that are part of government capital formation.
- **Gross capital formation** is outlays on additions to fixed assets of the economy, net changes in inventories, and net acquisitions of valuables. Fixed assets include land improvements (fences, ditches, drains); plant, machinery, and equipment purchases; and construction (roads, railways, schools, buildings, and so on). Inventories are goods held to meet temporary or unexpected fluctuations in production or sales, and "work in progress."
- **Exports and imports of goods and services** are the value of all goods and other market services provided to or received from the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services (communication, construction, financial, information, business, personal, government services, and so on). They exclude compensation of employees and investment income (factor services in the 1968 SNA) and transfer payments.
- **Gross savings** are gross national income less total consumption, plus net transfers.

### Data sources

Data on 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 economies are from Organisation for Economic Co-operation and Development (OECD) data files.