

GOVERNMENT EXPENDITURE, REVENUES AND DEFICITS

Government deficits or surpluses are sensitive to the economic cycle as well as to government taxation and spending policies. These deficits or surpluses affect economic activity, inflationary pressures and external imbalances.

Definition

The net borrowing or net lending of the general government is the balancing item of the non-financial account for this sector (according to the 1993 *System of National Accounts*). It is also equal to the difference between total revenue and total expenditure, including capital expenditure. The general government sector consists mainly of central, state and local government units together with social security funds controlled by those units. The main revenue of general government consists of taxes, social contributions, dividends and other property income. The main expenditure items consist of the compensation of civil servants, social benefits, interest on the public debt, subsidies and gross fixed capital formation. A negative figure indicates a deficit.

The data shown here are on a national accounts basis. These may differ from the numbers reported to the European Commission under the excessive deficit procedure (EDP) for some EU countries and for some years.

Overview

In the run-up to monetary union, EU countries that expected to adopt the Euro as their currency followed fiscal policies aimed at reducing government deficits. Deficit reduction policies were successfully implemented in several other countries, including New Zealand since 1994 and Australia, Denmark, Finland and Sweden since 1998. Korea is the only country which has recorded surpluses throughout the period, although Norway has had surpluses in most years since 1990.

For the OECD as a whole, deficits as a percentage of GDP reached a peak in 1993 but then fell over the next six years (with the exception of the large one-off rise which occurred in Japan in 1998) and turned into surpluses (net lending) at the peak of the economic cycle in 2000. In the period that followed, government deficits rose until 2003 in most countries, especially in France, Germany, Japan, the United Kingdom and the United States. During the period 2004-2006, the deficit to GDP ratios fell in most countries except Hungary, Italy, Portugal and the Slovak Republic. In 2007 most countries improved further their fiscal position, with the exception of Belgium, France, Greece, Japan, the United Kingdom and the United States, where deficits continued to increase.

Fiscal positions in 2008 deteriorated in all countries reported here, with the exception of Norway and Switzerland. The government deficit rose to 13.6% of GDP in Iceland, and to 7.8% in Greece, while in Ireland the small surplus of 2007 gave way to a deficit of 7.2% of GDP in 2008. The government deficit also increased to 6.5% of GDP in the United States and to 5.3% of GDP in the United Kingdom.

Comparability

Data are based on the 1993 *System of National Accounts* or on the 1995 *European System of Accounts* so that all countries are using a common set of definitions. In several OECD countries the accounts for 2000, 2001 or 2002 were affected by the sale of mobile telephone licenses, recorded in national accounts as a negative expenditure (the sale of an asset) thereby reducing the deficit. To ensure consistency with official national accounts data some very large one-offs transactions which had been excluded in the past have been reintegrated in the data (Germany and Netherlands in 1995, Japan in 1998). See the OECD Economic Outlook Sources and Methods (www.oecd.org/eco/sources-and-methods) for more details.

Data for Brazil are calculated as total claims on the general government from the monetary survey. Data for South Africa refer to fiscal years, running from 1 April to 31 March; data come from the National Treasury and differ from those reported by Statistics South Africa and the South African Reserve Bank.

Sources

- OECD (2009), *OECD Economic Outlook*, Nov. No. 86 – Vol 2009/2, OECD, Paris.

Further information

Analytical publications

- OECD (2008), *OECD Economic Surveys*, OECD, Paris.

Statistical publications

- OECD (2010), *National Accounts of OECD Countries*, OECD, Paris.

Methodological publications

- OECD (2008), *OECD Glossary of Statistical Terms*, OECD, Paris.

Online databases

- OECD National Accounts Statistics.
- OECD Economic Outlook Statistics.

Web sites

- OECD Economic Outlook – Sources and Methods, www.oecd.org/eco/sources-and-methods.



GOVERNMENT EXPENDITURE, REVENUES AND DEFICITS

General government net borrowing or net lending

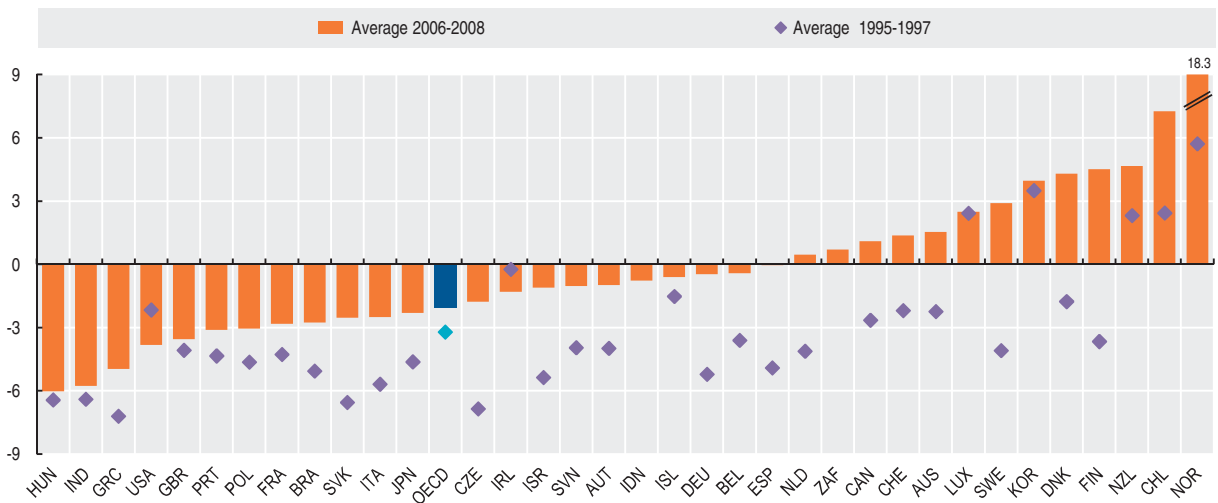
As a percentage of GDP

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	-3.7	-2.4	-0.7	1.6	2.0	0.9	-0.1	1.3	1.8	1.2	1.7	1.9	1.8	1.0
Austria	-5.9	-4.1	-2.0	-2.5	-2.4	-1.9	-0.2	-0.9	-1.6	-4.5	-1.7	-1.7	-0.7	-0.5
Belgium	-4.5	-4.0	-2.3	-1.0	-0.7	-0.1	0.4	-0.2	-0.2	-0.4	-2.8	0.2	-0.2	-1.2
Canada	-5.3	-2.8	0.2	0.1	1.6	2.9	0.7	-0.1	-0.1	0.9	1.5	1.6	1.6	0.1
Czech Republic	-13.4	-3.3	-3.8	-5.0	-3.7	-3.7	-5.6	-6.8	-6.6	-2.9	-3.6	-2.6	-0.7	-2.0
Denmark	-2.9	-1.9	-0.5	-	1.4	2.3	1.2	0.2	-0.1	1.9	5.0	5.0	4.5	3.4
Finland	-6.2	-3.5	-1.3	1.6	1.6	6.9	5.0	4.1	2.4	2.2	2.6	3.9	5.2	4.4
France	-5.5	-4.0	-3.3	-2.6	-1.8	-1.5	-1.6	-3.2	-4.1	-3.6	-3.0	-2.3	-2.7	-3.4
Germany	-9.7	-3.3	-2.6	-2.2	-1.5	1.3	-2.8	-3.6	-4.0	-3.8	-3.3	-1.6	0.2	-
Greece	-9.1	-6.6	-5.9	-3.8	-3.1	-3.7	-4.4	-4.8	-5.7	-7.4	-5.3	-3.2	-4.0	-7.8
Hungary	-8.7	-4.6	-6.1	-7.9	-5.4	-3.0	-4.1	-8.9	-7.2	-6.4	-7.9	-9.4	-5.0	-3.7
Iceland	-3.0	-1.6	-	-0.4	1.1	1.7	-0.7	-2.6	-2.8	-	4.9	6.3	5.4	-13.6
Ireland	-2.0	-0.1	1.4	2.3	2.6	4.8	0.9	-0.3	0.4	1.4	1.7	3.0	0.2	-7.2
Italy	-7.4	-7.0	-2.7	-3.1	-1.8	-0.9	-3.1	-3.0	-3.5	-3.6	-4.4	-3.3	-1.5	-2.7
Japan	-4.7	-5.1	-4.0	-11.2	-7.4	-7.6	-6.3	-8.0	-7.9	-6.2	-6.7	-1.6	-2.5	-2.7
Korea	3.8	3.4	3.3	1.6	2.7	5.4	4.3	5.1	0.5	2.7	3.4	3.9	4.7	3.3
Luxembourg	2.4	1.2	3.7	3.4	3.4	6.0	6.1	2.1	0.5	-1.1	-	1.3	3.7	2.5
Netherlands	-9.2	-1.9	-1.2	-0.9	0.4	2.0	-0.3	-2.1	-3.2	-1.8	-0.3	0.5	0.2	0.7
New Zealand	2.8	2.8	1.4	0.4	-	1.9	1.8	3.8	4.0	4.1	5.2	5.9	5.0	3.1
Norway	3.2	6.3	7.6	3.3	6.0	15.4	13.3	9.2	7.3	11.1	15.1	18.5	17.7	18.8
Poland	-4.4	-4.9	-4.6	-4.3	-2.3	-3.0	-5.1	-5.0	-6.3	-5.7	-4.1	-3.6	-1.9	-3.7
Portugal	-5.0	-4.5	-3.5	-3.4	-2.8	-3.0	-4.3	-2.9	-3.0	-3.4	-6.1	-3.9	-2.7	-2.8
Slovak Republic	-3.4	-9.9	-6.3	-5.3	-7.4	-12.3	-6.5	-8.2	-2.8	-2.4	-2.8	-3.5	-1.9	-2.3
Spain	-6.5	-4.9	-3.4	-3.2	-1.4	-1.0	-0.7	-0.5	-0.2	-0.4	1.0	2.0	1.9	-4.1
Sweden	-7.3	-3.3	-1.6	1.2	1.2	3.7	1.7	-1.4	-1.2	0.6	2.0	2.4	3.8	2.5
Switzerland	-2.0	-1.8	-2.8	-1.9	-0.5	0.1	-0.1	-1.2	-1.7	-1.8	-0.7	0.8	1.6	1.6
United Kingdom	-5.8	-4.2	-2.2	-0.1	0.9	3.7	0.6	-2.0	-3.7	-3.6	-3.3	-2.7	-2.7	-5.3
United States	-3.3	-2.3	-0.9	0.3	0.7	1.5	-0.6	-4.0	-5.0	-4.4	-3.3	-2.2	-2.8	-6.5
OECD total	-4.8	-3.1	-1.7	-1.9	-0.8	0.2	-1.3	-3.3	-4.1	-3.4	-2.7	-1.3	-1.3	-3.5
Brazil	-5.3	-4.8	-5.1	-6.5	-5.3	-3.4	-3.3	-4.4	-5.1	-2.8	-3.4	-3.5	-2.8	-2.0
Chile	3.1	2.2	2.0	0.4	-2.1	-0.7	-0.5	-1.2	-0.5	2.1	4.6	7.7	8.8	5.3
India	-6.7	-6.3	-6.3	-9.5	-9.5	-8.9	-10.3	-9.3	-9.4	-7.5	-7.1	-5.6	-4.4	-7.3
Indonesia	..	..	..	..	..	..	..	..	..	..	..	-1.0	-1.2	-0.1
Israel	-4.9	-6.4	-4.8	-4.7	-3.6	-1.5	-4.0	-5.3	-6.2	-4.1	-2.2	-0.7	-0.2	-2.4
Slovenia	-8.4	-1.1	-2.4	-2.4	-3.0	-3.7	-4.0	-2.5	-2.7	-2.2	-1.4	-1.3	-	-1.8
South Africa	0.3	1.4	1.8	-1.0

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General government net borrowing or net lending

As a percentage of GDP


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GOVERNMENT EXPENDITURE, REVENUES AND DEFICITS

General government revenues

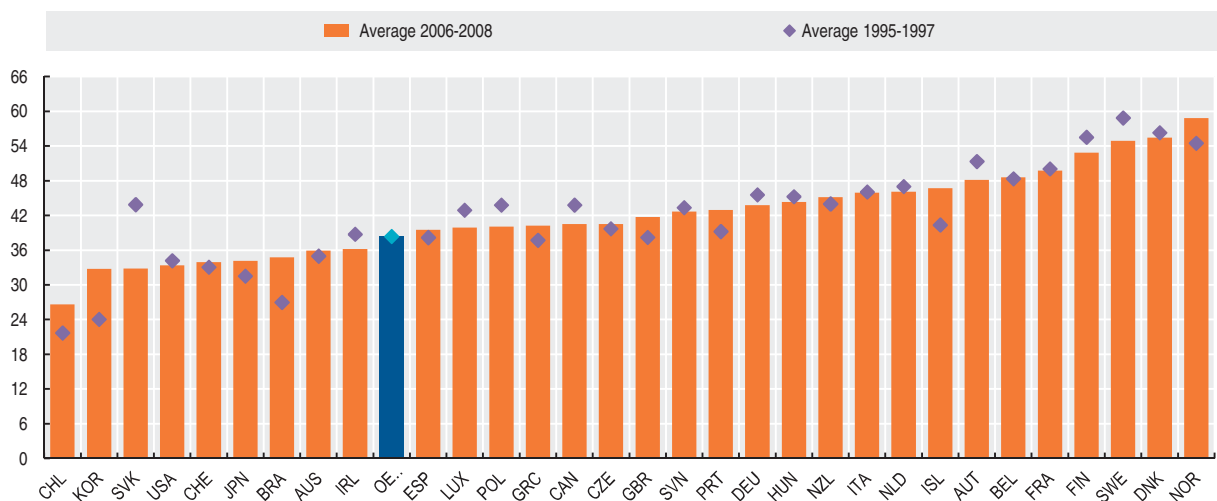
As a percentage of GDP


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	34.5	34.9	35.6	36.8	36.9	36.1	35.8	36.7	36.4	36.3	36.5	36.4	36.0	35.3
Austria	50.4	51.9	51.7	51.5	51.3	50.3	51.4	50.1	50.0	49.6	48.4	47.9	48.2	48.4
Belgium	47.6	48.5	49.0	49.4	49.5	49.1	49.5	49.7	50.9	49.1	49.3	48.7	48.2	48.9
Canada	43.2	43.8	44.5	44.9	44.3	44.1	42.6	41.1	41.1	40.7	40.8	41.0	40.7	39.8
Czech Republic	40.5	39.1	39.4	38.1	38.5	37.9	38.5	39.4	40.5	41.9	41.1	40.5	41.1	40.0
Denmark	56.2	56.7	55.9	56.0	56.5	55.5	55.0	54.5	54.6	56.1	57.5	56.3	55.1	55.0
Finland	55.2	56.3	55.0	54.2	53.2	55.2	52.9	53.1	52.6	52.4	52.9	52.5	52.6	53.4
France	48.9	50.4	50.8	50.1	50.8	50.1	50.0	49.4	49.1	49.6	50.5	50.3	49.6	49.3
Germany	45.1	46.0	45.7	45.9	46.7	46.4	44.7	44.4	44.4	43.5	43.6	43.7	43.8	43.8
Greece	36.7	37.4	39.1	40.6	41.3	43.0	40.9	40.3	39.0	38.0	38.5	39.7	40.4	40.6
Hungary	46.6	45.8	43.4	42.6	43.3	43.9	43.1	42.2	42.2	42.2	42.2	42.6	44.8	45.5
Iceland	39.8	40.6	40.7	40.9	43.2	43.6	41.9	41.7	42.8	44.1	47.1	48.0	47.9	44.3
Ireland	39.1	39.0	38.1	36.8	36.7	36.1	34.2	33.2	33.6	34.9	35.4	37.2	36.5	34.9
Italy	45.1	45.5	47.6	46.2	46.5	45.3	44.9	44.4	44.7	44.2	43.8	45.3	46.4	46.0
Japan	31.2	31.6	31.7	31.3	31.2	31.4	32.2	30.8	30.5	30.9	31.7	34.5	33.5	34.4
Korea	23.6	24.0	24.5	25.2	25.4	27.9	28.3	28.7	29.4	28.8	30.0	31.7	33.3	33.3
Luxembourg	42.1	42.3	44.3	44.4	42.6	43.6	44.2	43.6	42.2	41.5	41.5	39.7	39.9	40.2
Netherlands	47.2	47.5	46.3	45.8	46.4	46.1	45.1	44.1	43.9	44.3	44.5	46.1	45.7	46.6
New Zealand	45.0	43.9	43.2	41.9	41.2	41.1	40.4	41.4	42.5	42.1	44.2	46.1	45.2	44.2
Norway	54.2	54.8	54.5	52.5	53.7	57.7	57.5	56.3	55.5	56.7	57.3	59.1	58.7	58.8
Poland	43.3	46.1	41.8	40.1	40.4	38.1	38.6	39.2	38.4	36.9	39.4	40.2	40.3	39.6
Portugal	38.4	39.7	39.7	39.4	40.5	40.2	40.1	41.4	42.5	43.1	41.6	42.3	43.2	43.2
Slovak Republic	45.2	43.8	42.6	40.5	40.7	39.9	38.0	36.8	37.4	35.3	35.2	33.4	32.5	32.4
Spain	38.0	38.4	38.2	37.8	38.4	38.1	38.0	38.4	38.2	38.5	39.4	40.4	41.1	37.0
Sweden	58.0	59.6	59.0	59.7	61.4	60.7	62.9	54.3	54.8	55.0	56.0	55.3	55.1	54.3
Switzerland	33.0	33.5	32.7	33.8	33.8	35.2	34.7	35.0	34.6	34.2	34.6	34.3	33.9	33.6
United Kingdom	38.2	38.0	38.4	39.4	39.8	40.3	40.6	39.0	38.7	39.6	40.8	41.4	41.4	42.2
United States	33.8	34.3	34.6	34.9	34.9	35.4	34.4	31.9	31.3	31.6	33.0	33.8	34.0	32.3
OECD total	37.9	38.5	38.6	38.7	38.8	39.0	38.4	37.0	36.8	36.8	37.7	38.6	38.6	37.9
Brazil	27.3	26.7	26.9	27.8	29.1	30.4	31.3	31.9	31.4	32.2	33.4	33.5	34.8	35.9
Chile	21.7	21.8	21.6	21.1	20.4	21.6	21.7	21.1	20.7	22.0	23.8	25.9	27.5	26.5
Slovenia	44.3	43.3	42.5	43.3	43.4	43.0	43.6	43.9	43.7	43.6	43.8	43.2	42.4	42.4

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General government revenues

As a percentage of GDP



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GOVERNMENT EXPENDITURE, REVENUES AND DEFICITS

General government expenditures

As a percentage of GDP

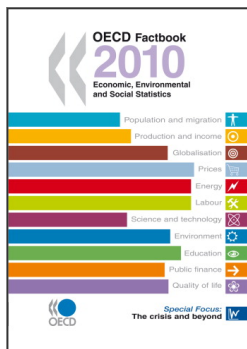
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	38.2	37.2	36.3	35.2	34.8	35.2	35.9	35.4	34.6	35.1	34.8	34.5	34.2	34.3
Austria	56.2	56.1	53.7	54.0	53.7	52.2	51.6	51.0	51.5	54.1	50.1	49.7	48.8	48.9
Belgium	52.1	52.6	51.2	50.4	50.2	49.2	49.2	49.8	51.1	49.5	52.2	48.5	48.4	50.1
Canada	48.5	46.6	44.3	44.8	42.7	41.1	42.0	41.2	41.2	39.9	39.3	39.4	39.1	39.7
Czech Republic	54.0	42.4	43.2	43.1	42.3	41.6	44.1	46.2	47.1	44.8	44.7	43.1	41.7	42.1
Denmark	59.1	58.7	56.4	56.0	55.1	53.3	53.9	54.2	54.7	54.3	52.5	51.3	50.7	51.5
Finland	61.4	59.8	56.3	52.6	51.6	48.3	47.9	49.0	50.1	50.2	50.3	48.6	47.4	49.0
France	54.4	54.5	54.1	52.7	52.6	51.6	51.6	52.6	53.2	53.3	53.4	52.7	52.3	52.7
Germany	54.8	49.3	48.3	48.1	48.2	45.1	47.5	48.0	48.4	47.3	46.9	45.3	43.6	43.8
Greece	45.7	44.1	45.0	44.4	44.4	46.7	45.3	45.1	44.7	45.4	43.8	42.9	44.4	48.3
Hungary	55.3	50.4	49.4	50.5	48.7	46.9	47.2	51.1	49.4	48.6	50.1	52.0	49.8	49.2
Iceland	42.7	42.2	40.7	41.3	42.0	41.9	42.6	44.3	45.6	44.1	42.2	41.7	42.5	57.8
Ireland	41.1	39.1	36.7	34.5	34.1	31.3	33.2	33.5	33.2	33.5	33.7	34.2	36.2	42.0
Italy	52.5	52.5	50.2	49.3	48.2	46.1	48.0	47.4	48.3	47.8	48.1	48.7	47.9	48.7
Japan	36.0	36.7	35.7	42.5	38.6	39.0	38.6	38.8	38.4	37.0	38.4	36.2	36.0	37.1
Korea	19.8	20.6	21.3	23.5	22.7	22.4	23.9	23.6	28.9	26.1	26.6	27.7	28.7	30.0
Luxembourg	39.7	41.1	40.7	41.0	39.2	37.6	38.1	41.5	41.8	42.5	41.5	38.3	36.2	37.7
Netherlands	56.4	49.4	47.5	46.7	46.0	44.2	45.4	46.2	47.1	46.1	44.8	45.5	45.5	45.9
New Zealand	42.2	41.1	41.7	41.5	41.2	39.2	38.6	37.6	38.5	38.0	39.1	40.1	40.2	41.1
Norway	50.9	48.5	46.9	49.2	47.7	42.3	44.2	47.1	48.3	45.6	42.3	40.6	41.0	40.0
Poland	47.7	51.0	46.4	44.3	42.7	41.1	43.8	44.2	44.6	42.6	43.4	43.9	42.2	43.3
Portugal	43.4	44.1	43.2	42.8	43.2	43.1	44.4	44.3	45.5	46.5	47.6	46.3	45.8	46.0
Slovak Republic	48.6	53.7	49.0	45.8	48.1	52.2	44.5	45.0	40.1	37.6	38.0	36.9	34.4	34.7
Spain	44.4	43.2	41.6	41.1	39.9	39.1	38.6	38.9	38.4	38.9	38.4	38.4	39.2	41.1
Sweden	65.3	62.9	60.7	58.5	60.2	57.0	61.2	55.8	56.0	54.4	54.0	52.9	51.3	51.8
Switzerland	35.0	35.3	35.5	35.8	34.3	35.1	34.8	36.2	36.4	35.9	35.3	33.5	32.2	32.0
United Kingdom	44.1	42.2	40.6	39.5	38.8	36.6	39.9	40.9	42.4	43.1	44.1	44.1	44.1	47.5
United States	37.1	36.6	35.4	34.6	34.2	33.9	35.0	35.9	36.3	36.0	36.2	36.0	36.8	38.8
OECD total	42.7	41.6	40.4	40.6	39.7	38.7	39.8	40.3	40.8	40.2	40.5	39.9	39.9	41.4
Brazil	32.6	31.5	32.0	34.3	34.4	34.4	35.0	35.7	36.7	35.3	37.0	37.3	37.5	37.9
Chile	18.6	19.6	19.6	20.7	22.5	22.3	22.2	22.3	21.2	19.9	19.3	18.2	18.7	21.2
Slovenia	52.6	44.5	44.8	45.7	46.5	46.7	47.6	46.3	46.4	45.8	45.2	44.5	42.4	44.2

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General government expenditures

As a percentage of GDP

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