

NATIONAL INCOME PER CAPITA

While per capita gross domestic product is the indicator most commonly used to compare living standards across countries, two other measures are preferred by many analysts. These are per capita gross national income (GNI) and net national income (NNI).

Definition

GNI is defined as GDP plus net receipts from abroad of wages and salaries and property income.

Wages and salaries from abroad are those that are earned by residents, i.e. by persons who essentially live and consume inside the economic territory of a country but work abroad (this happens in border areas on a regular basis) or by persons that live and work abroad for only short periods (seasonal workers). Guest-workers and other migrant workers who live abroad for one year or more are considered to be resident in the country where they are working. Such persons may send part of their earnings to relatives at home; these remittances, however, are treated as transfers between resident and non-resident households rather than net receipts from abroad of wages and salaries.

Property income from abroad includes interest, dividends and all or part of the retained earnings of foreign enterprises owned fully or in part by residents. In most countries, net receipts of property income account for most of the difference between GDP and GNI. Note that retained earnings of foreign enterprises owned by residents may not actually return to the residents concerned as, in some countries, there are restrictions on the repatriation of profits. Receipt of retained earnings is an imputation; since there is no actual transaction, an outflow of the same amount is recorded as a financial transaction (a reinvestment of earnings abroad). Countries with large stocks of outward foreign direct investment may be shown as having large receipts of property income from abroad and therefore high GNI even though much of the property income may never return to the country, but instead add to the foreign direct investment.

Overview

In the chart, countries are ranked according to GNI, which is usually around 15-19% higher than NNI. The country rankings are not greatly affected by the choice of income measure. The only countries that would be more than one place lower in the ranking if NNI were used instead of GNI are Australia, Denmark, Iceland and Switzerland; the only countries that would be more than one place higher in the ranking if NNI were used are Ireland and the United Kingdom.

Depreciation, which is deducted from GNI to obtain NNI, is the decline in the market value of fixed capital assets – dwellings, buildings, machinery, transport equipment such as physical infrastructure, software, etc. – through wear and tear and obsolescence.

Comparability

Both income measures are compiled according to the definitions of the 1993 *System of National Accounts*. There are, however, practical difficulties in measuring international flows of wages and salaries and property income and depreciation. Because of these difficulties, GDP per capita is the most widely used indicator of income despite being theoretically inferior to either GNI or NNI.

Note that data for Australian and New Zealand refer to fiscal years.

Sources

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

Further information

Analytical publications

- OECD (2003), *The Sources of Economic Growth in OECD Countries*, OECD, Paris.
- OECD (2008), *OECD Economic Outlook, June No. 83 – Vol. 2008/1*, OECD, Paris.

Statistical publications

- Maddison (2003), *The World Economy: Historical Perspectives*, OECD, Paris, also available on CD-ROM, www.theworlddeconomy.org.
- OECD (2009), *National Accounts at a Glance 2009*, OECD, Paris, also available on CD-ROM, www.sourceoecd.org/9789264067219.

Methodological publications

- OECD (2000), *OECD Glossaries, System of National Accounts, 1993 – Glossary*, OECD, Paris.
- UN, OECD, IMF, Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

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.

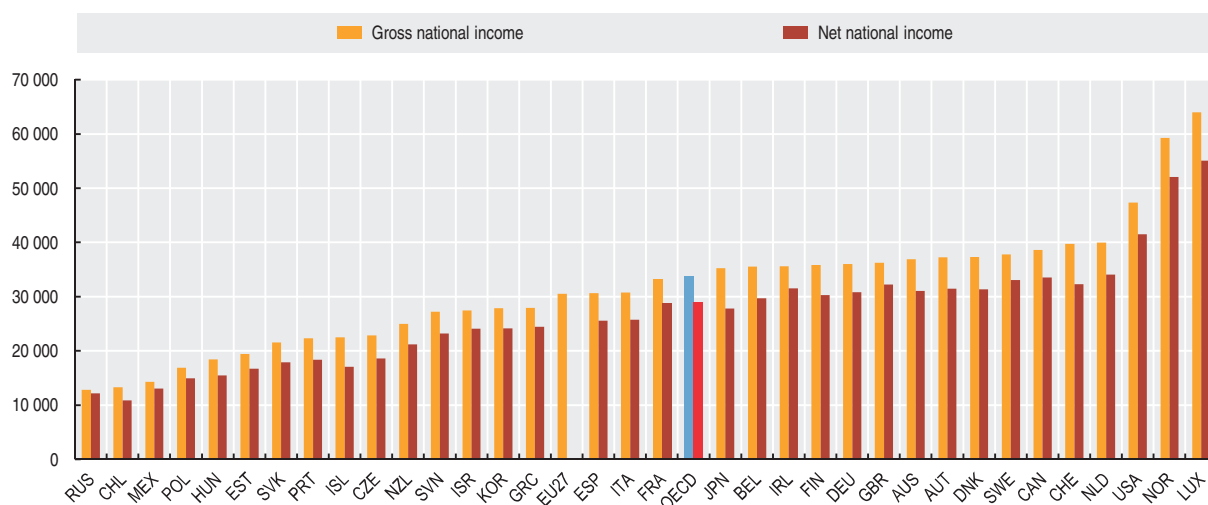
Gross national income per capita

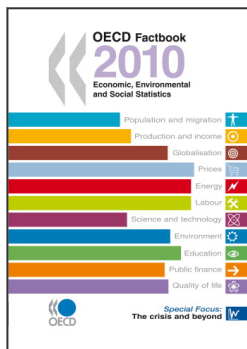
US dollars, current prices and PPPs

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	20 729	21 569	22 743	23 909	25 389	26 525	27 521	28 770	30 255	31 212	32 640	34 113	35 938	36 897
Austria	23 135	24 161	24 623	25 723	26 529	28 285	28 187	29 854	30 775	32 347	33 083	34 920	36 100	37 256
Belgium	22 808	23 220	24 295	24 777	25 826	28 260	28 951	30 417	30 704	31 484	32 350	33 656	34 997	35 523
Canada	21 936	22 512	23 704	24 700	26 217	27 740	28 500	29 145	30 497	32 121	34 377	36 451	37 963	38 593
Czech Republic	12 787	13 455	13 613	13 702	13 975	14 655	15 633	16 103	17 215	18 240	19 452	20 743	22 316	22 875
Denmark	22 747	23 744	24 902	25 844	26 699	28 216	29 027	30 393	30 238	32 444	33 659	35 839	36 699	37 323
Finland	18 173	18 775	20 607	22 127	23 373	25 493	26 584	27 643	27 478	30 063	30 813	32 907	35 329	35 837
France	20 260	20 915	21 890	22 966	23 990	25 623	26 965	27 853	27 568	28 493	29 884	31 120	32 840	33 309
Germany	22 326	22 935	23 408	23 999	24 873	25 709	26 592	27 246	28 364	30 182	31 738	33 602	35 390	36 017
Greece	15 044	15 504	16 393	16 859	17 160	18 462	20 058	21 655	22 570	23 977	24 224	25 787	26 981	27 947
Hungary	8 738	9 073	9 551	10 241	10 651	11 560	12 917	14 009	14 705	15 462	16 027	16 882	17 429	18 407
Iceland	22 570	23 609	25 501	27 225	28 071	28 046	29 492	31 033	30 282	32 323	33 674	32 309	33 035	22 515
Ireland	16 161	17 749	19 423	21 279	22 304	24 717	25 795	27 422	29 501	31 273	33 164	35 873	37 997	35 581
Italy	20 787	21 526	22 437	23 563	24 091	25 406	26 953	26 594	26 912	27 253	28 056	29 467	30 795	30 774
Japan	22 586	23 774	24 572	24 296	24 557	25 935	26 593	27 252	27 965	29 581	31 027	32 843	34 759	35 258
Korea	13 286	14 344	15 111	13 978	15 491	17 131	18 132	19 668	20 198	21 694	22 762	24 699	26 623	27 839
Luxembourg	35 969	37 325	39 182	39 633	43 897	46 516	47 893	47 726	47 060	56 760	58 668	58 806	65 342	63 978
Mexico	7 196	7 628	8 256	8 645	9 028	9 811	9 926	10 216	10 696	11 376	12 260	13 193	13 936	14 305
Netherlands	21 872	22 844	24 417	25 215	27 226	30 044	31 026	32 236	32 059	34 092	35 280	38 173	40 165	39 983
New Zealand	16 042	16 318	17 168	17 705	18 625	19 355	20 291	21 028	21 668	22 494	22 897	23 968	24 982	24 997
Norway	23 310	25 746	27 669	27 105	29 550	35 643	37 131	37 166	38 532	42 331	47 646	52 079	54 189	59 253
Poland	7 375	8 065	8 805	9 403	9 940	10 530	10 925	11 524	11 867	12 653	13 523	14 342	15 727	16 900
Portugal	13 045	13 545	14 264	14 954	15 843	16 668	17 278	18 065	18 537	18 865	20 255	20 886	21 801	22 346
Slovak Republic	8 345	9 091	9 753	10 324	10 340	10 912	12 061	12 909	12 911	14 056	15 706	17 402	19 734	21 545
Spain	15 895	16 546	17 535	18 705	19 638	21 143	22 230	23 703	24 458	25 608	26 991	29 145	30 743	30 648
Sweden	21 355	22 127	22 907	23 919	25 546	27 523	27 696	28 905	30 330	31 990	32 249	34 903	37 674	37 780
Switzerland	27 376	28 190	29 916	31 110	31 961	33 946	33 588	34 469	35 774	36 994	38 822	41 107	42 338	39 735
United Kingdom	19 561	20 799	22 358	23 527	24 141	26 026	27 747	29 315	30 251	32 240	33 272	34 298	35 432	36 259
United States	27 520	28 881	30 467	32 024	33 652	35 659	36 415	37 012	38 322	40 605	43 091	45 610	46 867	47 320
EU27 total	17 329	18 044	18 895	19 737	20 501	21 810	22 923	23 825	24 424	25 717	26 845	28 375	29 920	30 511
OECD total	19 554	20 479	21 522	22 290	23 197	24 683	25 440	26 144	26 924	28 469	30 024	31 815	33 216	33 748
Chile	..	7 822	8 370	8 686	8 566	8 950	9 382	9 583	9 847	10 381	11 115	11 396	12 311	13 299
Estonia	6 283	6 923	7 753	8 319	8 632	9 541	10 259	11 475	12 676	14 046	15 902	17 487	19 174	19 402
Israel	16 301	17 035	17 290	17 787	20 461	21 935	22 433	22 579	21 360	22 850	23 149	24 974	26 726	27 448
Russian Federation	5 550	5 443	5 577	5 225	5 680	6 634	7 259	7 884	8 984	10 043	11 569	12 811
Slovenia	13 081	13 834	14 792	15 621	16 647	17 482	18 385	19 593	20 288	21 940	23 295	24 543	26 007	27 222

 StatLink  <http://dx.doi.org/10.1787/823762510007>
Gross and net national income per capita

US dollars, current prices and PPPs, 2008 or latest available year


 StatLink  <http://dx.doi.org/10.1787/818176348655>



From:
OECD Factbook 2010
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2010-en>

Please cite this chapter as:

OECD (2010), "National Income per Capita", in *OECD Factbook 2010: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2010-12-en>

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