

NATIONAL INCOME PER CAPITA

While per capita gross domestic product is the indicator most commonly used to compare income levels, 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 of property income.

Wages and salaries from abroad are those that are earned by residents, that is, by persons who essentially live and consume inside the economic territory but work abroad (this happens in border areas on a regular basis) or for persons that live and work abroad for only short periods (seasonal workers) and whose centre of economic interest thus remains in their home country. Guest-workers and other migrant workers who live abroad for twelve months 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, but these remittances are treated as transfers between resident and non-resident households and do not enter into 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, and, in some countries, there are restrictions on the repatriation of profits. Receipt of retained earnings is an imputation, and, since there is no actual transaction, it is necessary to impute an outflow of the same amount. The imputed outflow is treated as a financial transaction (a reinvestment of earnings abroad) and not as an outflow of property income.

Long-term trends

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

Over the period shown, the growth of per capita GNI mirrors that of per capita GDP, with Ireland, the Slovak Republic, Norway and Poland at the top end and Italy, Iceland, Japan and Austria with the lowest rates of growth.

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 actually be returned to the country, but instead add to the foreign direct investment.

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 measures are compiled according to the definitions of the 1993 *System of National Accounts*. There are, however, practical difficulties in the measurement both of international flows of wages and salaries and property income and of depreciation. It is for that reason that GDP per capita is the most widely used indicator of income or welfare, even though it is theoretically inferior to either GNI or NNI.

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

Source

- OECD (2008), *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, Angus (2003), *The World Economy: Historical Perspectives*, OECD, Paris, also available on CD-ROM, www.theworlddeconomy.org.

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

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


Websites

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

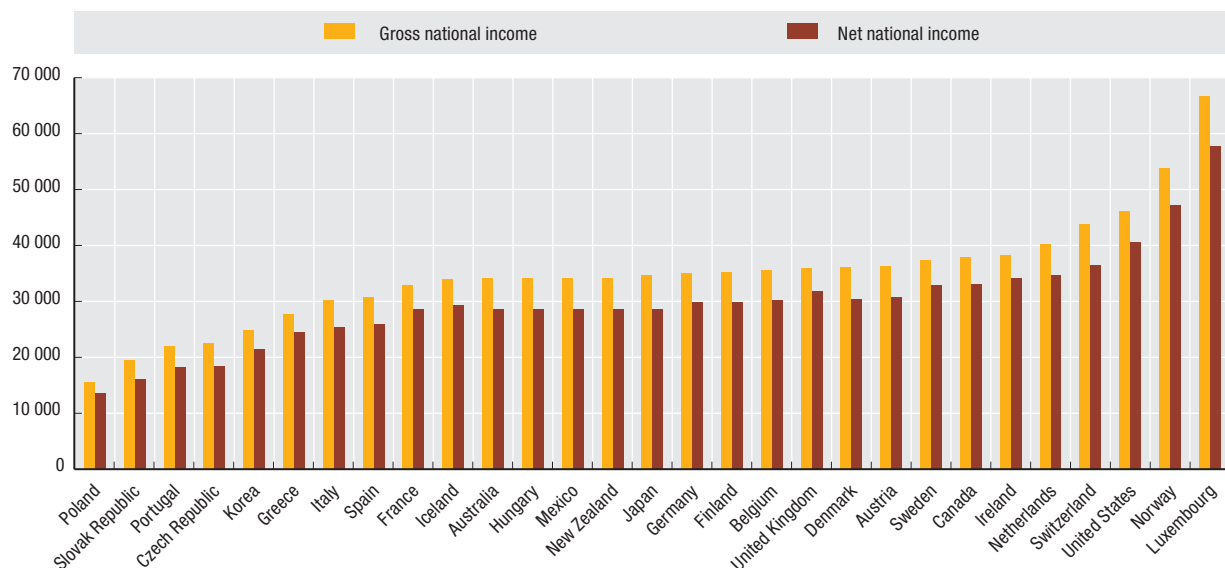

Gross national income per capita

US dollars, current prices and PPPs

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Australia	19 704	20 760	21 600	22 753	23 914	25 388	26 492	27 524	28 770	30 239	31 249	32 586	34 090	..
Austria	22 546	23 181	24 205	24 637	25 729	26 529	28 249	28 187	29 848	30 794	32 344	33 170	34 650	36 353
Belgium	22 019	22 899	23 288	24 333	24 784	25 795	28 163	28 866	30 325	30 564	31 315	32 214	33 829	35 575
Canada	21 137	21 969	22 544	23 713	24 705	26 217	27 706	28 504	29 145	30 506	32 143	34 377	36 548	37 970
Czech Republic	11 899	12 812	13 480	13 621	13 706	13 975	14 637	15 634	16 103	17 224	18 250	19 452	20 778	22 575
Denmark	21 683	22 792	23 788	24 916	25 851	26 699	28 180	29 029	30 393	30 255	32 462	33 659	35 519	36 139
Finland	17 065	18 210	18 809	20 629	22 143	23 385	25 474	26 601	27 672	27 345	30 117	30 865	32 916	35 139
France	19 593	20 300	20 953	21 902	22 972	23 977	25 579	26 959	27 848	27 582	28 530	29 951	31 270	32 857
Germany	21 624	22 370	22 977	23 422	24 005	24 873	25 676	26 595	27 246	28 380	30 198	31 766	33 414	34 977
Greece	14 504	15 074	15 532	16 403	16 863	17 160	18 438	20 059	21 655	22 447	24 002	24 539	26 146	27 612
Hungary	8 341	8 445	8 725	9 192	9 798	10 440	11 612	12 830	13 913	14 738	15 289	15 949	16 839	..
Iceland	22 188	22 615	23 652	25 515	27 232	28 071	28 010	29 494	31 037	30 305	32 332	33 760	32 574	34 027
Ireland	14 778	16 186	17 782	19 446	21 296	22 339	24 689	25 813	27 404	29 439	31 260	33 182	36 256	38 299
Italy	19 784	20 828	21 565	22 450	23 569	24 091	25 373	26 955	26 594	26 927	27 268	28 034	29 309	30 220
Japan	21 818	22 637	23 827	24 602	24 314	24 564	25 920	26 632	27 261	27 961	29 599	31 026	32 948	34 749
Korea	11 593	12 774	13 790	14 512	13 422	14 872	16 368	17 321	18 688	19 050	20 473	21 310	23 114	24 838
Luxembourg	34 263	36 041	37 393	39 205	39 643	43 897	46 456	47 897	47 726	47 086	56 942	58 561	57 625	66 590
Mexico	7 804	7 206	7 639	8 259	8 646	9 028	9 799	9 928	10 215	10 687	11 371	12 238	13 149	..
Netherlands	20 769	21 916	22 885	24 431	25 221	27 226	30 005	31 028	32 236	32 077	34 111	35 280	38 305	40 278
New Zealand	15 503	16 269	16 518	17 298	17 785	18 715	19 415	20 553	21 405	22 005	22 717	23 128	24 332	..
Norway	21 973	23 357	25 793	27 685	27 112	29 550	35 597	37 134	37 166	38 554	42 355	47 646	52 156	53 861
Poland	6 815	7 390	8 080	8 810	9 406	9 940	10 517	10 926	11 524	11 874	12 658	13 523	14 474	15 493
Portugal	12 264	13 071	13 570	14 272	14 958	15 843	16 647	17 279	18 065	18 547	18 876	20 255	20 881	21 904
Slovak Republic	7 671	8 362	9 106	9 759	10 331	10 344	10 901	12 056	12 922	12 927	14 093	15 722	17 591	19 523
Spain	15 015	15 926	16 577	17 546	18 710	19 638	21 116	22 232	23 703	24 472	25 622	26 991	29 030	30 819
Sweden	20 252	21 398	22 168	22 921	23 925	25 546	27 487	27 698	28 905	30 347	32 008	32 249	35 032	37 323
Switzerland	26 987	27 673	28 414	30 069	31 274	32 155	34 113	33 969	34 884	36 240	37 467	39 222	42 081	43 825
United Kingdom	18 795	19 600	20 837	22 371	23 533	24 141	25 993	27 749	29 316	30 270	32 201	33 243	34 364	35 842
United States	26 195	27 296	28 562	30 090	31 615	33 243	35 162	35 775	36 324	37 517	39 803	42 272	44 645	46 098
EU27 total	..	17 346	18 059	18 897	19 732	20 495	21 791	22 925	23 829	24 434	25 731	26 858	28 377	29 851

 StatLink  <http://dx.doi.org/10.1787/540732622743>
Gross and net national income per capita

US dollars, current prices and PPPs, 2007 or latest available year


 StatLink  <http://dx.doi.org/10.1787/534651883815>

 A corrigendum has been issued for this page. See <http://www.oecd.org/dataoecd/18/63/42445136.pdf>



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