

INVESTMENT RATES

Investment, or to be more precise, gross fixed capital formation, is an important determinant of future economic growth and an essential variable in economic analyses, such as analyses of demand and productivity.

Definition

Gross fixed capital formation (GFCF) is defined in the national accounts as acquisition less disposals of produced fixed assets. The relevant assets relate to products that are intended for use in the production of other goods and services for a period of more than a year.

Acquisition includes both purchases of assets (new or second-hand) and the construction of assets by producers for their own use.

The term produced assets signifies that only those assets that come into existence as a result of a production process recognised in the national accounts are included. The national accounts also record transactions in non-produced assets such as land, oil and mineral reserves for example; which are recorded as (acquisitions less disposals of) non-produced assets in the capital account and the balance sheet.

Acquisition prices of capital goods include transport and installation charges, as well as all specific taxes associated with purchase.

Overview

Investment over the period 2008-10 fell on average by 4.2% per year for the OECD as a whole, largely reflecting the retrenchment in investment that occurred at the height of the recent crisis, with investment volumes falling by more than 12% in 2009. Australia was the only country in the OECD to record investment growth (3%) in 2009. Ireland, Iceland and Greece all recorded annual average falls in investment of around 20% in the period 2008-10. As a consequence, the levels of investments in 2010 were less than half of the 2007 levels in these countries.

In 2011, investment growth rates were highest in Estonia (26.8%), Turkey (18.3%), Chile (17.6%) and Iceland (13.4%), as a consequence of which Estonia and Iceland managed to regain some of the dramatic drop in investment in the previous three year period. On the other hand, investment contracted by more than 10% in Portugal and Slovenia in 2011, and by more than 20% in Greece. In the latter country, the investment level in 2011 is little more than half of the 2007 level.

Comparability

When the System of National Accounts (SNA) was revised in 1993, the scope of GFCF was widened to include mineral exploration and computer software, as well as literary and artistic originals. Comparability of these items has improved in recent years but the coverage of the various items differs across countries. This applies particularly in the case of own-account production of software.

The scope of assets has been widened in the 2008 SNA to include Research and Development and military weapons systems but the figures contained here do not reflect these additions (except for Australia which follows the 2008 System of National Accounts).

Sources

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- For Brazil: National sources and OECD (2011), *Main Economic Indicators*, OECD Publishing.

Further information

Analytical publications

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Statistical publications

- OECD (2011), *National Accounts at a Glance*, OECD Publishing.

Methodological publications

- Ahmad, N. (2004), "Towards More Harmonised Estimates of Investment in Software", *OECD Economic Studies*, No. 37, 2003/2.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing.
- United Nations, OECD, International Monetary Fund and Eurostat (eds.) (2010), *System of National Accounts 2008*, United Nations, Geneva.

Websites

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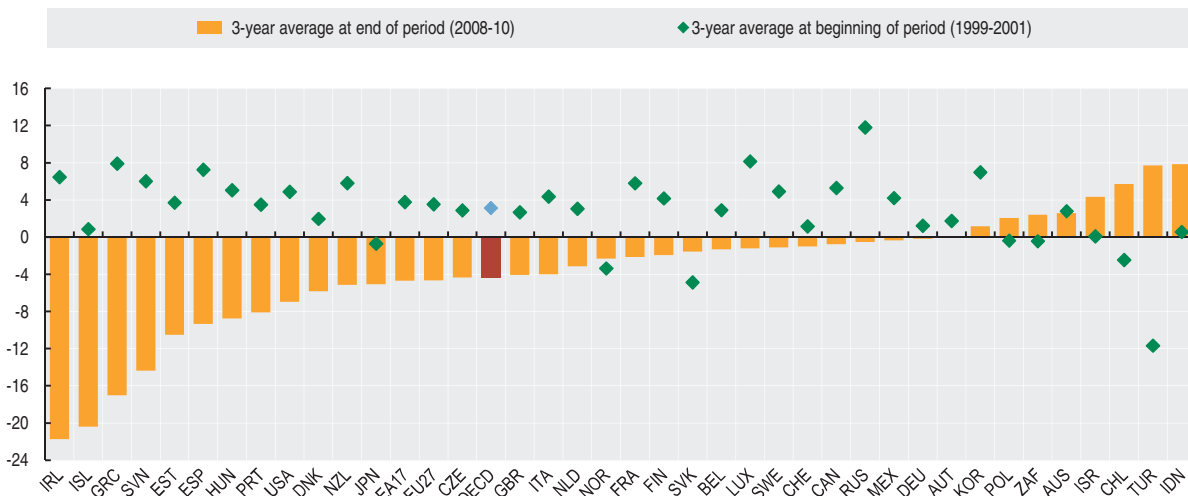


Gross fixed capital formation
Annual growth in percentage

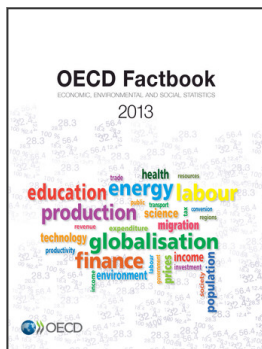
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Australia	8.2	-7.9	9.0	12.7	9.0	6.9	9.3	5.1	9.6	1.4	2.3	4.1	..
Austria	1.2	5.2	-1.0	-4.0	4.8	0.6	0.6	0.5	3.6	0.7	-7.8	0.8	7.3
Belgium	2.6	5.1	1.0	-4.5	0.1	7.8	6.4	2.5	6.3	1.9	-7.9	-0.8	5.2
Canada	7.3	4.7	4.0	1.6	6.2	7.8	9.3	7.1	3.5	2.0	-13.0	10.0	..
Chile	-18.2	8.9	4.3	1.5	5.7	11.4	23.5	4.3	10.8	17.9	-12.1	14.3	17.6
Czech Republic	-2.1	6.5	4.5	3.8	0.6	3.0	6.0	5.8	13.2	4.1	-11.5	0.1	-1.2
Denmark	-0.1	7.6	-1.4	0.1	-0.2	3.9	4.7	14.3	0.4	-4.2	-13.4	-3.8	0.2
Estonia	-15.5	16.7	13.1	24.2	16.7	6.0	15.2	23.0	9.3	-15.1	-37.9	-9.1	26.8
Finland	3.3	6.4	2.9	-3.7	3.0	4.9	3.6	1.9	10.7	-0.6	-13.2	1.9	6.8
France	8.5	6.8	2.2	-1.9	2.2	3.4	4.4	4.0	6.3	0.3	-10.6	1.2	3.5
Germany	4.5	2.6	-3.3	-6.1	-1.2	-0.2	0.8	8.2	4.7	1.7	-11.4	5.5	6.4
Greece	11.0	8.0	4.8	9.5	11.8	0.4	-6.3	20.4	5.4	-6.7	-15.2	-15.0	-20.7
Hungary	7.4	6.0	1.9	7.4	1.5	7.2	4.5	-2.7	3.8	2.9	-11.0	-9.7	-5.5
Iceland	-4.1	11.8	-4.3	-14.0	11.1	28.7	34.4	24.4	-12.2	-20.0	-51.6	-8.1	13.4
Ireland	13.4	6.2	0.2	2.5	6.5	9.5	14.7	4.4	2.3	-10.1	-28.8	-25.1	..
Israel	0.4	3.4	-3.4	-6.7	-4.1	0.0	3.5	13.1	14.6	4.2	-4.1	13.6	..
Italy	4.0	6.4	2.7	3.4	-1.3	2.0	1.3	3.4	1.8	-3.7	-11.7	2.1	-1.9
Japan	-0.6	0.7	-2.1	-4.9	0.2	0.4	0.8	1.5	0.3	-4.1	-10.6	-0.2	..
Korea	8.7	12.3	0.3	7.1	4.4	2.1	1.9	3.4	4.2	-1.9	-1.0	5.8	-1.1
Luxembourg	22.0	-4.7	8.8	5.5	6.3	2.7	2.5	3.8	17.9	3.2	-13.0	3.0	7.7
Mexico	7.7	11.4	-5.6	-0.6	0.4	8.0	7.5	9.9	6.9	5.5	-11.8	6.4	..
Netherlands	8.7	0.6	0.2	-4.5	-1.5	-1.6	3.7	7.5	5.5	4.5	-10.2	-4.4	5.8
New Zealand	10.6	0.4	6.8	7.8	12.9	7.6	5.2	-2.3	4.7	-5.2	-12.0	2.2	..
Norway	-5.4	-3.5	-1.1	-1.1	0.8	11.1	13.5	9.8	11.4	0.2	-7.5	-5.2	6.4
Poland	6.6	2.7	-9.7	-6.3	-0.1	6.4	6.5	14.9	17.6	9.6	-1.2	-0.4	8.1
Portugal	6.0	3.9	0.6	-3.2	-7.1	0.0	-0.5	-1.3	2.6	-0.3	-8.6	-4.1	-11.4
Slovak Republic	-15.7	-9.6	12.9	0.2	-2.7	4.8	17.5	9.3	9.1	1.0	-19.7	12.4	5.7
Slovenia	14.7	2.6	1.3	0.3	7.6	5.0	3.0	10.4	13.3	7.8	-23.3	-8.3	-10.7
Spain	10.4	6.6	4.8	3.4	5.9	5.1	7.1	7.1	4.5	-4.7	-16.6	-6.3	..
Sweden	8.7	5.7	0.5	-1.3	1.6	5.7	8.1	9.2	8.9	1.4	-15.5	7.7	6.2
Switzerland	2.3	4.7	-3.3	-1.0	-2.0	4.2	4.1	5.3	5.4	0.7	-8.0	4.8	..
Turkey	-16.2	17.5	-30.0	14.7	14.2	28.4	17.4	13.3	3.1	-6.2	-19.0	30.5	18.3
United Kingdom	2.8	2.6	2.7	3.6	1.1	5.1	2.4	6.4	8.1	-4.8	-13.4	3.1	-1.2
United States	9.1	6.9	-1.1	-3.0	3.2	6.2	5.3	2.3	-1.6	-5.8	-16.0	1.8	..
Euro area	6.0	4.7	0.7	-1.5	1.1	2.2	3.2	5.7	4.7	-1.1	-12.4	0.0	1.4
EU 27	5.4	4.5	0.8	-0.7	1.1	3.0	3.5	6.4	5.9	-0.9	-12.7	0.2	1.4
OECD	5.2	5.2	-0.9	-1.0	2.4	4.6	4.6	4.6	2.8	-2.5	-12.3	2.5	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	-18.2	16.7	6.5	4.7	0.6	14.7	10.9	2.6	9.3	11.9	3.3	8.5	..
Russian Federation	8.1	16.6	10.9	3.1	13.9	12.0	10.2	17.9	21.1	9.7	-14.7	6.4	8.4
South Africa	-7.6	3.9	2.8	3.5	10.2	12.9	11.0	12.1	14.0	14.1	-2.2	-3.7	..

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Gross fixed capital formation
Average annual growth in percentage



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