Press Release

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**Spending on transport infrastructure: Latest data released**

OECD countries invest on average around 1% of GDP on road and rail infrastructure

Transport infrastructure is a vital social and economic asset. Its construction and maintenance absorb significant resources while decisions on infrastructure have impacts that last for decades.

The report *Spending on Transport Infrastructure 1995-2011: Trends, Policies, Data* and a related database have been released by the International Transport Forum at the OECD. The 2013 edition of the Forum’s annual statistics update presents aggregate trends in inland transport infrastructure investment and maintenance since 1995 and provides data on road, rail, inland waterway, sea port and airport spending for the International Transport Forum member countries for the period 1995-2011.

The latest data on investment in road, rail and inland waterway infrastructure as a percentage of GDP (Figure 1) show that:

- Investment as a percentage of GDP has remained at around 1% since 1995 in the OECD;
- The investment share of GDP has remained relatively constant in Western European countries (0.8% - 0.9%). There are only few exceptions from this trend, notably Greece, Spain, Switzerland and Portugal which show significantly higher GDP shares over the period (reaching 1.6% – 2.0%). Since 2007, however, Greece and Portugal have converged closer to the WEC average, investments declining to around 1.0% of GDP.
- Data for North America also show a constant GDP share (0.6%), below the OECD average.
- The share of investment in Central and Eastern European countries (CEECs), which until 2002 had remained at around 1.0% of GDP, has grown sharply, reaching 2.0% in 2009 – the highest figure ever reported by these countries. Investment share of GDP fell to 1.7% in 2010, likely affected by the economic crisis. Data for 2011 show again increase, with investment share reaching 1.8%.

The fact that the share of GDP dedicated to transport infrastructure has remained constant in many countries suggests that investment levels may be affected by factors other than real investment needs.

“Level of transport spending may be guided by historical budget levels, institutional budget allocation procedures or budgetary constraints taking also into account needs in other
sectors of the economy”, says Jari Kauppila from the ITF.

Rising levels of investment in transition economies, on the other hand, reflect efforts to meet rising needs especially for road network capital.

Panel data of over 600 observations gives support to the conclusion that the level of road spending generally declines with the level of GDP per capita (Figure 2). There are several potential reasons for this declining trend.

“As efficiency and productivity increase, production becomes less transport intensive, potentially weakening the link between the GDP growth and transport demand and therefore infrastructure investments”, explains Jari Kauppila.

In many countries observers have raised concerns about underfunding of road assets and the state of existing road infrastructure, and its impacts on the competitiveness of the economy. Funding for road maintenance, particularly, may be postponed on the expectation that a lack of maintenance will not result in imminent asset failure. The available data on public road spending suggest that the balance between road maintenance and investment has been relatively constant over time in many regions (Figure 3). However, data do suggest an overall declining share of maintenance on total road spending especially over the last few years.

The report also presents broad conclusions on transport policies in member countries, as well as on performance, funding and strategic plans. Countries surveyed in the report emphasize the importance of an efficient and reliable transportation system. Governments formulate their strategic transport plans generally around three main themes: economic performance, environment and safety.

Download the full report and access data at:
http://internationaltransportforum.org/statistics/investment/invindex.html

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Figure 1. Investment in inland transport infrastructure by region 1995-2010
(as a percentage of GDP, at current prices and exchange rates)

Source: International Transport Forum at the OECD. Note: WECs include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom. CEECs include Albania, Bulgaria, Croatia, Czech Republic, Estonia, FYROM, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia. North America include Canada, Mexico and the United States. Australasia include Australia and New Zealand. Data for Japan exclude private investment.

Figure 2. Relationship between road spending and level of income

Source: International Transport Forum at the OECD.
Figure 3. **Public road maintenance share of total road expenditure 2010**
(Euros, current prices, current exchange rates)

Source: International Transport Forum at the OECD. Note: OECD 18 include Austria, Canada, Czech Republic, Estonia, Finland, France, Iceland, Ireland, Luxembourg, Mexico, New Zealand, Norway, Poland, Slovakia, Slovenia, Sweden, Turkey and the United Kingdom. WECs include Austria, Finland, France, Iceland, Ireland, Luxembourg, Netherlands, Norway, Sweden, Turkey and the United Kingdom. CEECs include Albania, Croatia, Czech Republic, Estonia, FYROM, Latvia, Lithuania, Poland, Serbia, Slovakia and Slovenia.