

# Glossary:Consumption of fixed capital (CFC)

Statistics Explained

**Consumption of fixed capital** , abbreviated as **CFC** , reflects the decline in the value of the fixed [assets](#) of [enterprises](#) , [governments](#) and owners of [dwellings](#) in the [household sector](#) .

Fixed assets decline in value due to normal wear and tear, foreseeable ageing (obsolescence) and a normal rate of accidental damage. Unforeseen obsolescence, major catastrophes and the depletion of natural resources, however, are not included.

Unlike "depreciation" in business accounting, CFC in national accounts is not a method for allocating the costs of past expenditures on fixed assets over subsequent accounting periods. Rather, it is the decline in the future benefits of the assets due to their use in the production process.

## Related concepts

- [Gross fixed capital formation](#)

## Statistical data

- [National accounts and GDP](#)