

Glossary: Subsidies on products

Statistics Explained

In the [national accounts subsidies](#) are current unrequited payments which [government](#) units make to [resident producer units](#), with the objective of influencing their levels of production, their prices or the remuneration of the factors of production.

Subsidies on products is a sub-item within subsidies. Subsidies on products are subsidies payable per unit of a good or service produced or imported. The subsidy may be a specific amount of money per unit of quantity of a good or service, or it may be calculated ad valorem as a specified percentage of the price per unit. A subsidy may also be calculated as the difference between a specified target price and the market price actually paid by a buyer. A subsidy on a product usually becomes payable when the good is produced, sold or imported. Subsidies on products can only pertain to [market output](#) or to output for own final use.

Subsidies on products comprise import and export subsidies and other subsidies on products (e.g. subsidies on products used domestically and subsidies to public corporations to compensate for persistent losses which they incur as a result of charging prices below average costs of production).

Related concepts

- [Production account](#)