

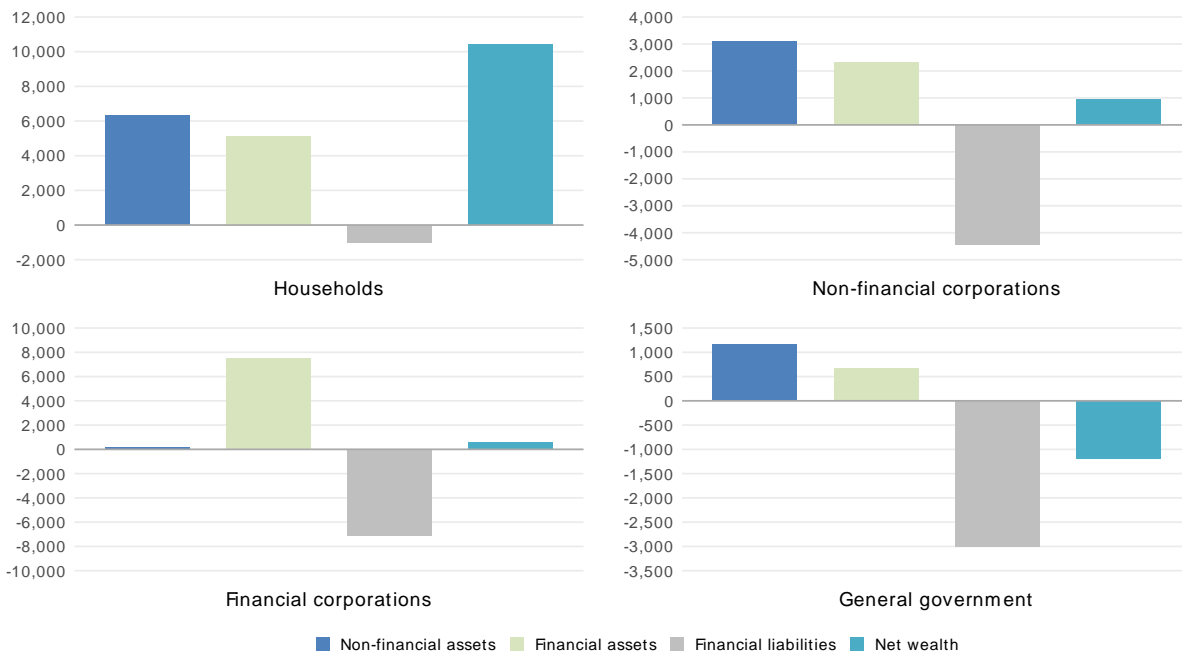
# The wealth of Italy's institutional sectors

## 2005 | 2022

### MAIN FINDINGS

The wealth estimates compiled by Istat and the Bank of Italy, released today, provide a comprehensive overview of the assets held by Italy's institutional sectors and of how they have changed over time, also compared with other advanced economies.<sup>1</sup>

**Figure 1. Wealth of Italy's institutional sectors (a) (billions of euros; 2022)**



(a) Financial liabilities are shown with a negative sign.

Sources: Istat and Bank of Italy.

<sup>1</sup> The countries analysed for international comparison purposes are Canada, France, Germany, Spain, the United Kingdom and the United States. See the 'Methodological Notes' for more details.

At the end of 2022, the net wealth of Italian households stood at €10,421 billion. Compared with 2021, it decreased by 1.7 per cent at nominal values, after three years of growth; the decline in real terms, computed by using the index of consumer prices as a deflator, was more marked (-12.5 per cent). The ratio of net wealth to gross disposable income dropped from 8.7 to 8.1, returning to 2005 levels. The increase in non-financial assets in 2022 (+2.1 per cent) was primarily reflected by the rise in the value of dwellings, which recorded its highest growth rate since 2009; the share of this component in total gross wealth reached 46.3 per cent. Financial assets shrank by 5.2 per cent, largely due to the reduction in the value of shares and of asset management products. Breaking a downward trend underway since nearly a decade, debt securities owned by households returned to positive growth, mostly those issued by general government. On the contrary, the increase in deposits was moderate, after the strong accumulation of the previous three years. The rise in financial liabilities (+2.8 per cent) was mainly driven by loans.

Among real assets of non-financial corporations, accounting for 57.2 per cent of their gross wealth, the value of machinery and equipment continued to grow in 2022. On the financial side, the stock of debt securities and shares increased markedly, whereas the growth of deposits, which had been strong during the pandemic crisis, became weaker. Overall, firms' gross wealth grew by 2.4 per cent. Liabilities decreased by 2.6 per cent thanks to a reduction in the market value of shares and debt securities. The level of indebtedness declined slightly, in line with the other countries.

Financial corporations' gross wealth declined by 7.0 per cent. The contraction of the balance sheets was mainly driven by deposits and debt securities on the asset side. Liabilities dropped as well, by 5.7 per cent, due to a fall in deposits, insurance reserves, and shares.

General government net wealth was negative by €1,188 billion at the end of 2022, an improvement compared with the previous year thanks to the rise in assets (+4.7 per cent) and the reduction in liabilities (-6.9 per cent). Among real assets, the value of the other structures and of non-residential buildings increased; on the financial side, the value of debt securities grew. The strong decline in liabilities was driven by the fall in the market prices of government debt securities. At international level, the ratio of general government net wealth to GDP rose over the last two years, after the drop recorded in 2020 during the pandemic crisis. In Italy, this ratio returned to the level preceding the pandemic, which has been greatly exceeded in the other countries.

*Wealth, net of financial liabilities, is the value of all the assets, real and financial, which provide an economic benefit to the owner of the asset, either in the form of the income flow they generate or the proceeds from their sale or liquidation.*

*The purpose of this note is to provide a complete picture of the stock of the net and gross wealth of Italy's institutional sectors: households, in their dual function as consumers and producers of goods and services, non-financial corporations, financial corporations and general government.*

*The assessment of the stock of financial assets and liabilities carried out by the Bank of Italy is exhaustive. As in other EU countries, the assessment of the stock of non-financial assets carried out by Istat is not yet complete, due to the unavailability of data on certain assets that are more difficult to measure, such as monuments, valuables and some non-financial non-produced assets (e.g. natural resources other than land). This incompleteness does not affect the value of the information contained in the estimates.*

## WEALTH TRENDS

### Households' net wealth declined sharply in real terms

At the end of 2022, the net wealth of Italian households,<sup>2</sup> measured as the sum of real assets (dwellings, land, etc.) and financial assets (deposits, debt securities, shares, etc.),<sup>3</sup> net of financial liabilities (short-, medium- and long-term loans, etc.), stood at €10,421 billion (€177,000 per capita; Figure 2a and Table 1). Compared with 2021, net wealth at current values decreased by 1.7 per cent, after three years of growth; the decline in real terms<sup>4</sup> was steeper (-12.5 per cent) due to strong inflationary pressures, which started in 2021 and continued in 2022. The ratio of households' net wealth to gross disposable income fell as well, from 8.7 to 8.1 per cent, reaching its lowest level in the period analysed in this report.

Non-financial assets (€6,317 billion) increased by 2.1 per cent at nominal values (+€131 billion), primarily driven by the rise in the value of dwellings, which has peaked since 2009 (+2.4 per cent; +€125 billion). The increase was mostly due to the growth in the average price for the housing stock in 2022 as a result of the increasing number of sales recorded in the residential market<sup>5</sup> and the renovation of buildings supported by construction incentives. The value of non-residential real estate remained stable, breaking the downward trend underway since 2012. On the contrary, financial assets (5,135 billion) shrank by 5.2 per cent, driven by a reduction in the value of insurance reserves (-€146 billion), shares (-€101 billion) and mutual fund shares (-€94 billion). The growth in deposits slowed down substantially (+€15 billion; it was almost +€80 billion on average over the previous three years), whereas the stock of debt securities, mainly those issued by general government, turned upwards for the first time since 2012 (+€22 billion). Financial liabilities grew by 2.8 per cent, owing above all to the increase in loans (+€23 billion), which, however, grew less than in 2021 (+€28 billion).

The negative trend of financial markets caused a reduction in the value of financial assets, only partly offset by net purchase of new financial instruments. The devaluation of insurance reserves, mutual fund shares and shares has been the main driver of households' capital losses.

### The growth in the deposits of non-financial corporations recorded during the pandemic crisis came to a halt

The net wealth of non-financial corporations stood at €956 billion at the end of 2022 (Figure 2b and Table 2), increasing by €245 billion compared with 2021. This reflects positive growth in gross wealth (+€125 billion) and a reduction in liabilities (-€120 billion). Among real assets, which stood at €3,090 billion, both industrial machinery and equipment and other structures grew by nearly 7 per cent.<sup>6</sup> Among financial assets, which reached €2,310 billion, the value of shares rose (+5.2 per cent), although more weakly than in 2021. Deposits, which had grown by almost €140 billion in the previous two years (from €388 billion to €526 billion between 2019 and 2021), increased by only €6 billion in 2022, largely due to the rebound in investments and the fading of the precautionary motives which had characterized the pandemic period. Concerning the liabilities of the non-financial corporations, which stood at €4,445 billion, the decrease of the stocks of shares (-€94 billion) and debt securities (-€20 billion) was driven almost entirely by the reduction of financial instrument prices.

<sup>2</sup> In this publication, data on households also include non-profit institutions serving households (as defined in the 'Glossary').

<sup>3</sup> In this publication, deposits generally refer to the total amount of 'Currency and deposits'; shares refer to 'Shares and other equity'; insurance reserves refer to 'Insurance, pension and standardised guarantee schemes'. See the 'Glossary' for more details.

<sup>4</sup> The harmonized index of consumer prices (Hicp, 2005 = 100 - monthly index number in December) is used to compute the net wealth in real terms.

<sup>5</sup> According to the Italian Revenue Agency's Osservatorio del mercato immobiliare (OMI), sales were up by 4.7 per cent in 2022 (following the 34 per cent increase recorded in 2021).

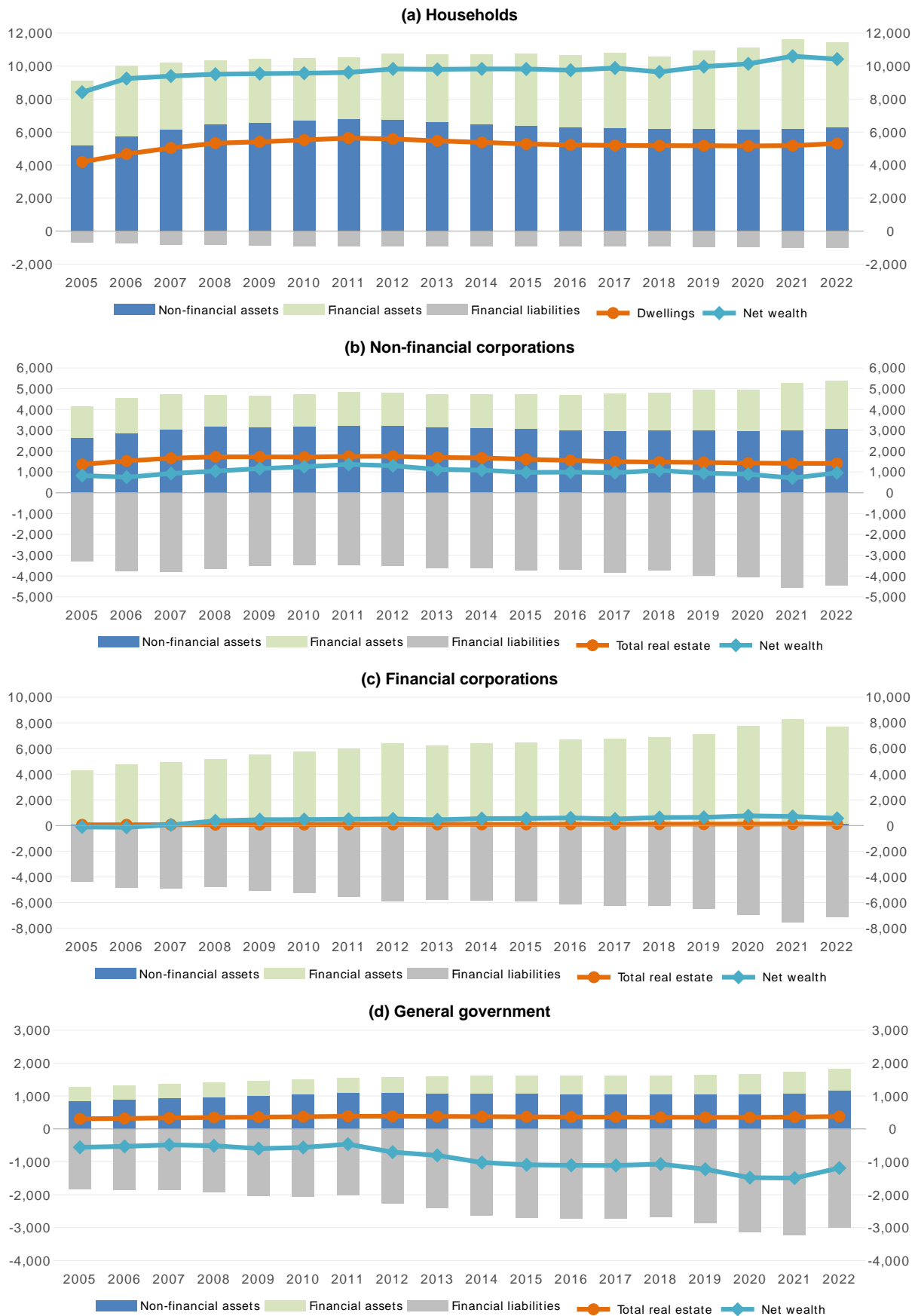
<sup>6</sup> "Other structures" are constructions other than dwellings and non-residential buildings, e.g. highways, streets, roads and railways. See the 'Glossary' for more details.

The net wealth of financial corporations declined from €711 billion in 2021 to €564 billion in 2022 (Figure 2c and Table 3). After the strong expansion observed in the previous two years, the gross wealth decreased by €576 billion (-7.0 per cent), due to the contraction of deposits (-€271 billion), mostly interbank ones, and to the fall in the market value of debt securities (-€261 billion). On the liability side, the reduction of €429 billion (-5.7 per cent) was mainly driven by deposits (-€164 billion), insurance technical reserves (-€148 billion), and shares (-€115 billion). Specifically, the exceptional growth in deposits that started during the pandemic crisis (over €400 billion on average in 2021-2022) came to a halt.

### **General government net wealth increased**

General government net wealth was negative by €1,188 billion at the end of 2022 (Figure 2d and Table 4), compared with -€1,494 billion in 2021. The increase reflected the growth of gross wealth (+4.7 per cent) and the reduction of liabilities (-6.9 per cent). Specifically, among real assets, the value of other structures and non-residential buildings increased, while on the financial side the market value of debt securities grew. The strong decline in liabilities was driven by the fall in the market prices of government debt securities (-€386 billion), while net issues were positive (+€73 billion). Conversely, both loans and other accounts increased (+€34 billion and +€79 billion respectively). About half of the amount of the former was attributable to the National Recovery and Resilience Plan, while the latter included liabilities stemming from building renovation incentives.

Figure 2. Wealth of Italy's institutional sectors and its components (billions of euros; 2005-2022)



Sources: Istat and Bank of Italy.

## THE COMPOSITION OF GROSS WEALTH

### **The ratio of non-financial assets to the gross wealth of households returned to positive growth**

At the end of 2022, non-financial assets accounted for over half of the gross wealth of Italian households (55.2 per cent, Figure 3a and Table 1), most of which consisted of dwellings (46.3 per cent) and non-residential buildings (5.6 per cent). Among the main financial instruments, 15.2 per cent was held in asset management products,<sup>7</sup> followed by deposits (14.3 per cent) and shares (11.5 per cent). Compared with 2021, the share of real assets grew by almost 2 percentage points, the sharpest rise since 2009. This was due, on the one hand, to an increase in the value of dwellings, and, on the other hand, to the strong contraction in financial assets induced by the prices of financial instruments. Specifically, a marked reduction in asset management products (by more than 2 percentage points) and in shares (by around 1 percentage point) was observed. The ratio of deposits and debt securities to gross wealth, instead, increased slightly.

### **The composition of gross wealth of non-financial corporations remained stable**

At the end of 2022, real assets accounted for 57.2 per cent of Italian non-financial corporations' gross wealth (Figure 3b and Table 2), broadly in line with that of 2021. The share of non-residential buildings (19.7 per cent) was the most significant, and its modest decrease was offset by the rise in the share of machinery and equipment (from 11.8 to 12.4 per cent). On the financial side, shares accounted for 15.8 per cent of gross wealth, followed by other accounts receivable (12.8 per cent) and deposits (9.9 per cent).

### **The ratio of loans to the gross wealth of financial corporations increased**

At the end of 2022, Italian financial corporations held 98.1 per cent of their gross wealth in financial assets (Figure 3c and Table 3). Compared with 2021, the decrease in the share of deposits of nearly 2 percentage points (from 22.2 to 20.4 per cent) was offset by the rise in the share of loans (from 26.5 to 28.7 per cent).

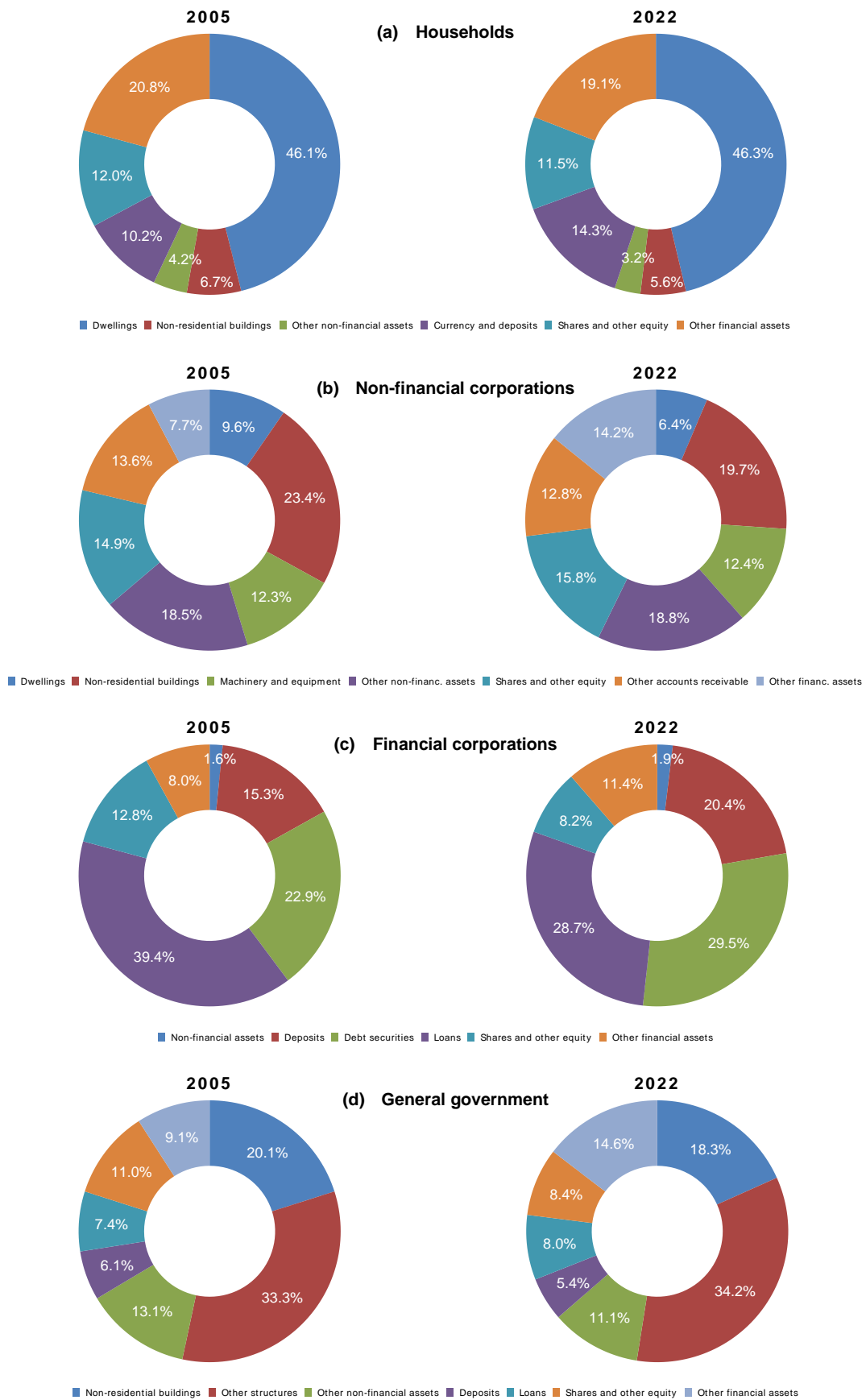
### **The ratio of debt securities to the gross wealth of general government rose**

In 2022, almost two thirds of the gross wealth of the Italian general government sector consisted of non-financial assets: 20.8 per cent was held in real estate, both residential and non-residential, and 34.2 per cent in other structures (Figure 3d and Table 4). Compared with the previous year, the ratio of financial assets to gross wealth decreased moderately, and the share of the debt securities portfolio increased, reaching 5 per cent. These securities are largely held as a guarantee instrument for repurchase agreement operations.

---

<sup>7</sup> Asset management products include mutual fund shares and insurance reserves (the latter including pension funds as well).

Figure 3. Assets of Italy's institutional sectors (percentages; 2005 and 2022)



Sources: Istat and Bank of Italy.

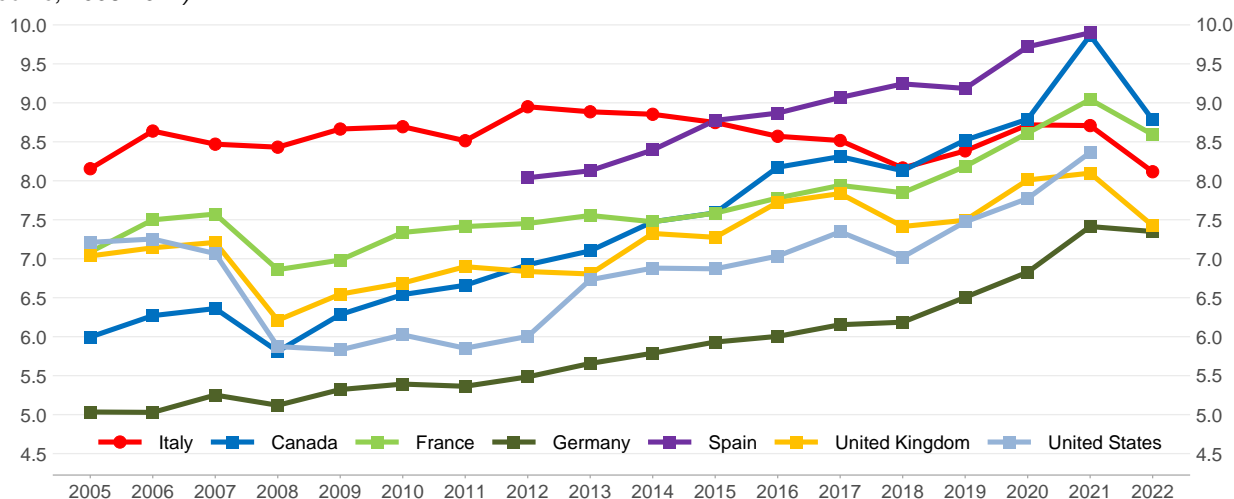
## INTERNATIONAL COMPARISON

Balance sheet data are still not perfectly comparable between countries, however, with some qualifications, it is possible to compare Italian data with those of other advanced economies: Canada, France, Germany, Spain, the United Kingdom and the United States.<sup>8</sup>

### The ratio of households' net wealth to gross disposable income decreased in all countries, but Italy is the only country for which it returned to the level of 2005

Between 2021 and 2022, the ratio of households' net wealth to gross disposable income decreased in all the countries analysed in this publication (Figure 4; the latest data available for Spain and the United States refer to 2021), but Italy was the only country for which it returned to the level of 2005 (8.1 times the size of the disposable income). Financial assets largely accounted for the reduction in the ratio, mainly in the United Kingdom. In Germany, the growth in real assets offset the negative impact of the financial instruments. In Canada, instead, the decline was sharper, due to a reduction in non-financial assets.

**Figure 4. Net household wealth: international comparison (b)** (as a percentage of households' gross disposable income; 2005-2022)



(b) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication, for instance the ratio of net household wealth to gross disposable income.

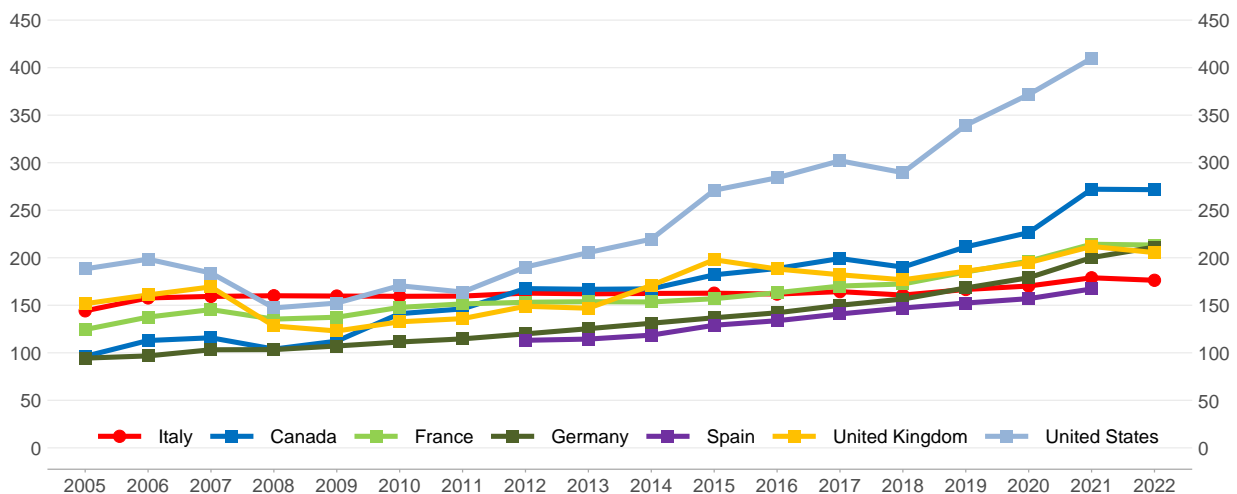
Sources: Istat and Bank of Italy; Eurostat for France, Germany and Spain; OECD for Canada and the United States; ONS for the United Kingdom. Data on non-financial assets for Spain are available from 2012 up to 2021, for the United States data is missing in 2022.

When measured in proportion to the population, the net wealth of Italian households stood at €176,000 (inventories excluded), the lowest level in this international comparison exercise, apart from Spain, where the latest available data are from 2021 (Figure 5). Compared with 2021, the indicator grew only for German households (+5.5 per cent), further widening the gap with Italy.

<sup>8</sup> See the 'Methodological Notes' for more details.



**Figure 5. Households' net per capita wealth: international comparison (c)** (thousands of euros; 2005-2022)

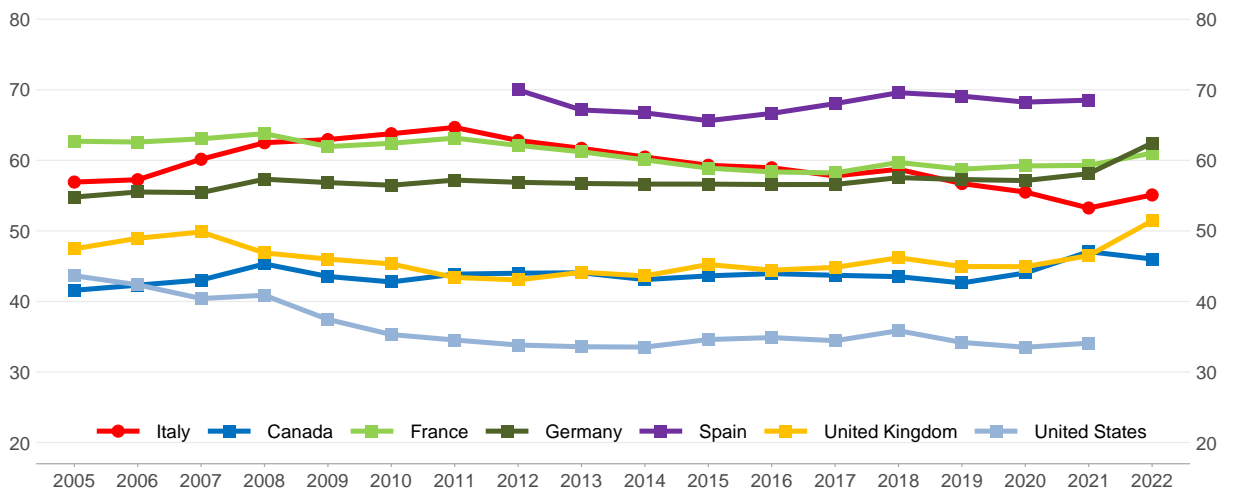


(c) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Values at current prices and exchange rates. Some indicators might differ from those used in other sections of this publication.

Sources: Istat and Bank of Italy; Eurostat for France, Germany and Spain; OECD for Canada and the United States; ONS for the United Kingdom. Data on non-financial assets for Spain are available from 2012 up to 2021, for the United States data is missing in 2022.

At the end of 2022, the ratio of households' real assets to gross wealth in Italy was 55 per cent, lower than in Spain (last available data on 2021), France and Germany but higher than in the other countries (Figure 6). Compared with 2021, the share of non-financial assets rose in Italy as well as in France, Germany and the United Kingdom.

**Figure 6. Households' non-financial assets: international comparison (d)** (in relation to gross wealth; per cent; 2005-2022)



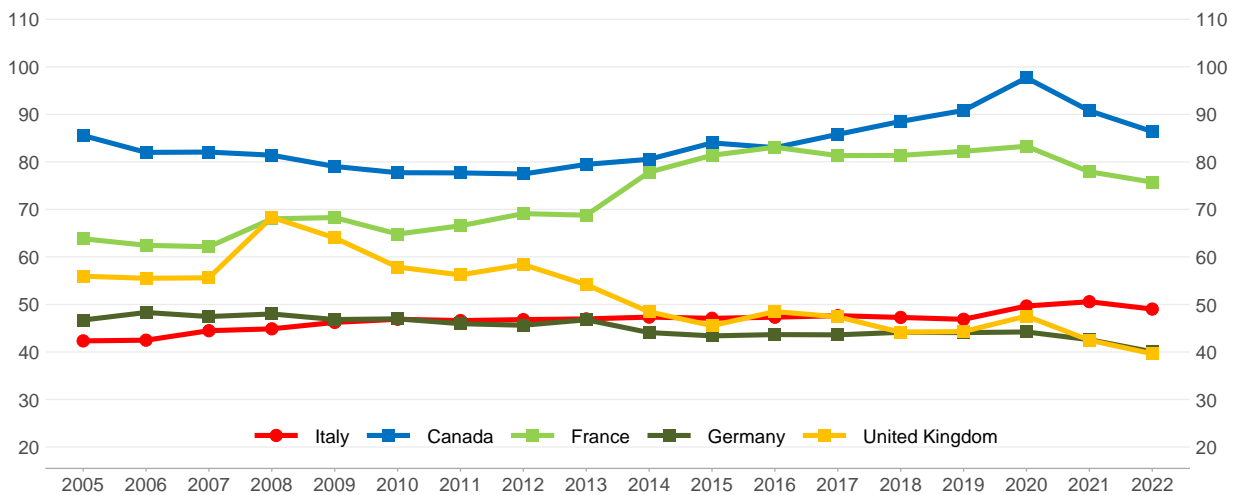
(d) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication.

Sources: Istat and Bank of Italy; Eurostat for France, Germany and Spain; OECD for Canada and the United States; ONS for the United Kingdom. Data on non-financial assets for Spain are available from 2012 up to 2021, for the United States data is missing in 2022.

## Italian non-financial corporations maintained a low level of indebtedness when compared with other countries

At the end of 2022, the financial debt of Italian non-financial corporations amounted to 49 per cent of real assets (Figure 7). In Italy, as well as in Germany and the United Kingdom, non-financial corporations have a low level of indebtedness, far below that observed in France and Canada. A reduction of indebtedness, which in some countries started as early as 2021, was recorded in Italy in 2022, but was weaker than in other economies.

**Figure 7. Debt of non-financial corporations: international comparison (e)** (ratio of financial debt to total non-financial assets; per cent; 2005-2022)



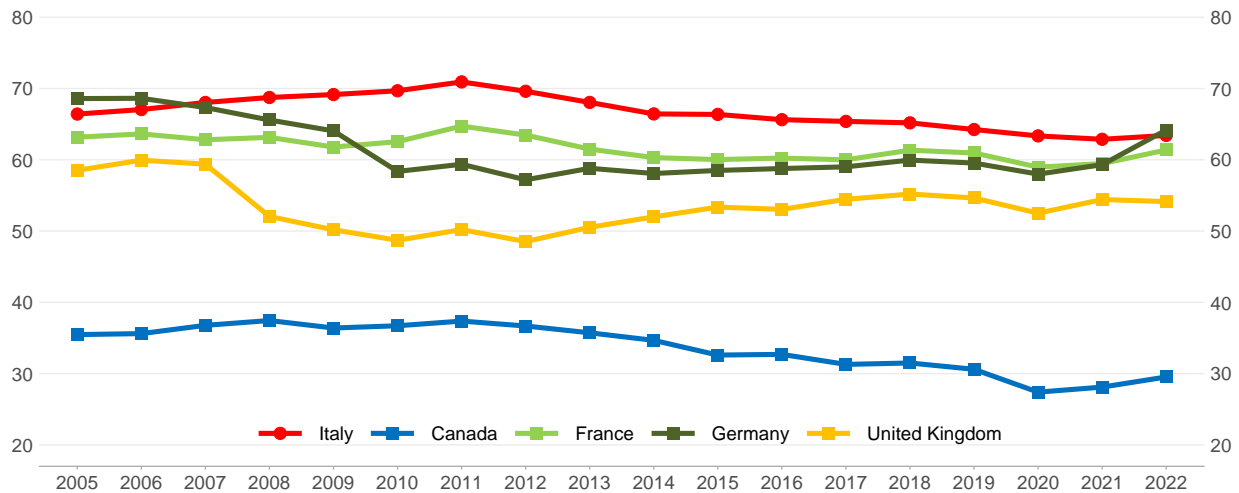
(e) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Financial debt is calculated as the sum of loans and debt securities on the liability side of non-financial corporations. Therefore, some indicators might differ from those used in other sections of this publication.

Sources: Istat and Bank of Italy; Eurostat for France and Germany; OECD for Canada; ONS for the United Kingdom.

## The net wealth of Italian general government continued to grow

At the end of 2022, 63.4 per cent of the gross wealth held by the Italian general government consisted of non-financial assets, slightly more than in the previous year (Figure 8). Conversely, in the other countries, the ratio of real assets to gross wealth started increasing substantially as early as 2021.

**Figure 8. General government non-financial assets: international comparison (f) (as a percentage of gross wealth; per cent; 2005-2022)**

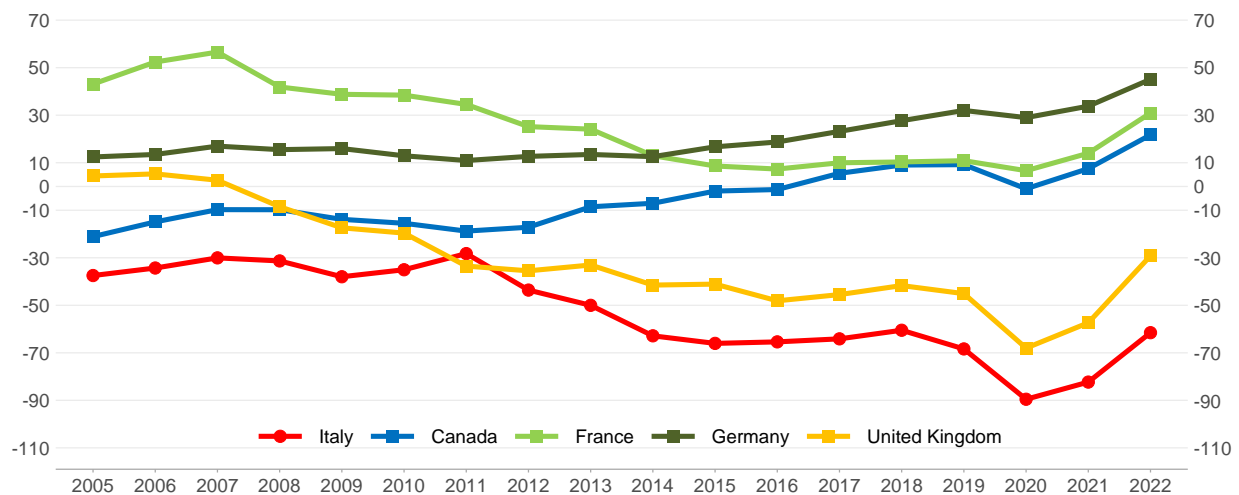


(f) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication.

Sources: Istat and Bank of Italy; Eurostat for France and Germany; OECD for Canada; ONS for the United Kingdom.

Between 2005 and 2022, the net wealth of Italy's general government was negative (Figure 9).<sup>9</sup> After the decline recorded in 2020 due to the pandemic crisis, the ratio of net wealth to GDP rose in all countries. In Italy, the ratio was only slightly above pre-pandemic levels in 2022, despite its substantial increase over the last two years.

**Figure 9. General government net wealth: international comparison (g) (as a percentage of GDP; per cent; 2005-2022)**



(g) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication, for instance the ratio of general government net wealth to GDP.

Sources: Istat and Bank of Italy; Eurostat for France and Germany; OECD for Canada; ONS for the United Kingdom.

<sup>9</sup> International comparison may be affected by a systematic underestimation of historical and artistic heritage, penalizing countries such as Italy more than others. Most countries use the Perpetual Inventory Method (PIM) to estimate the value of buildings, including the value of monuments, in accordance with international statistical standards (SNA 2008 and ESA 2010). This may result in a systematic underestimation of buildings and structures with greater historical and artistic value.

**Table 1. Household wealth** (*millions of euros*)

Assets/Liabilities	2005	2010	2015	2020	2021	2022
Dwellings	4,190,071	5,523,447	5,280,625	5,161,315	5,182,504	5,307,429
Non-residential buildings	611,647	760,705	712,920	651,648	642,766	642,568
Other structures	-	-	-	-	-	-
Land improvements	36,157	39,589	35,573	31,347	32,053	33,275
Machinery and equipment and weapons systems (1)	79,495	86,816	75,894	69,711	70,405	73,861
Transport equipment	18,235	19,635	15,206	15,709	16,028	17,296
ICT equipment	5,231	4,415	4,004	3,800	3,625	3,605
Other machinery and equipment and weapons systems (1)	56,029	62,766	56,684	50,202	50,753	52,960
Cultivated biological resources	4,012	4,768	4,401	4,143	4,183	4,161
Intellectual property products	6,841	7,386	7,696	7,333	7,405	7,484
of which: Research and development	688	872	1,020	1,227	1,307	1,369
of which: Computer software and databases	3,159	3,511	3,200	2,896	2,935	3,043
Inventories	31,601	31,417	25,006	17,735	18,049	17,881
Land under cultivation	228,191	238,164	229,419	227,666	228,597	230,646
<b>Non-financial assets (a)</b>	<b>5,188,013</b>	<b>6,692,292</b>	<b>6,371,535</b>	<b>6,170,899</b>	<b>6,185,959</b>	<b>6,317,305</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	924,133	1,142,204	1,284,356	1,548,095	1,618,444	1,633,407
Debt securities	735,715	732,051	414,292	260,656	231,562	253,315
Loans	12,572	13,954	12,568	9,555	9,472	9,347
Shares and other equity	1,087,575	754,709	1,039,731	1,117,810	1,419,872	1,318,893
Derivatives	523	804	1,396	1,321	1,545	6,850
Mutual fund shares	426,012	326,842	576,919	677,010	764,635	670,381
Insurance, pension and standardised guarantee schemes	612,782	707,281	898,769	1,182,355	1,210,866	1,064,999
Other accounts receivable	103,486	106,771	128,460	136,389	159,868	177,923
<b>Financial assets (b)</b>	<b>3,902,798</b>	<b>3,784,616</b>	<b>4,356,490</b>	<b>4,933,192</b>	<b>5,416,264</b>	<b>5,135,114</b>
<b>Gross wealth (a+b)</b>	<b>9,090,811</b>	<b>10,476,908</b>	<b>10,728,026</b>	<b>11,104,091</b>	<b>11,602,223</b>	<b>11,452,419</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Loans	491,650	700,255	692,487	745,698	773,604	796,551
Shares and other equity	-	-	-	-	-	-
Derivatives	-	89	68	27	30	271
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	32,414	34,406	36,148	38,601	39,049	39,515
Other accounts payable	150,656	173,940	174,257	182,713	190,680	194,749
<b>Financial liabilities (c)</b>	<b>674,720</b>	<b>908,690</b>	<b>902,960</b>	<b>967,039</b>	<b>1,003,363</b>	<b>1,031,085</b>
<b>Net wealth (a+b-c)</b>	<b>8,416,091</b>	<b>9,568,217</b>	<b>9,825,065</b>	<b>10,137,053</b>	<b>10,598,860</b>	<b>10,421,334</b>
<i>Memorandum items</i>						
Consumer durables (2)	488,452	559,390	534,170	557,722	572,508	594,573
Households' gross disposable income	1,028,192	1,096,998	1,120,376	1,160,803	1,215,087	1,281,874
Population	58,166,700	59,819,400	60,229,600	59,438,900	59,133,200	59,013,700
Harmonized consumer price index	84.7	93.9	100.6	103.5	107.8	121.1

(1) The "weapon system" item only refers to general government.

(2) Consumer durables are not included in total non-financial assets.

**Table 2. Non-financial corporation wealth** (millions of euros)

Assets/Liabilities	2005	2010	2015	2020	2021	2022
Dwellings	396,388	494,501	409,306	345,432	339,017	343,451
Non-residential buildings	967,596	1,225,260	1,198,724	1,085,010	1,070,443	1,066,323
Other structures	339,599	375,941	373,458	372,809	388,458	414,979
Land improvements	15,496	16,967	15,246	13,435	13,737	14,261
Machinery and equipment and weapons systems (1)	507,363	586,690	567,430	602,306	623,990	667,521
Transport equipment	114,466	128,542	105,715	114,770	119,610	129,992
ICT equipment	24,115	23,597	25,677	30,129	30,690	32,091
Other machinery and equipment and weapons systems (1)	368,782	434,552	436,038	457,407	473,690	505,438
Cultivated biological resources	1,160	1,428	1,333	1,193	1,205	1,203
Intellectual property products	89,737	102,606	124,866	145,942	150,839	156,469
of which: Research and development	40,492	51,154	62,553	77,636	81,318	84,767
of which: Computer software and databases	41,903	43,272	50,803	60,208	61,700	64,335
Inventories	300,830	346,091	351,992	377,791	401,499	405,868
Land under cultivation	17,411	20,205	19,370	19,732	19,835	20,037
<b>Non-financial assets (a)</b>	<b>2,635,581</b>	<b>3,169,689</b>	<b>3,061,725</b>	<b>2,963,650</b>	<b>3,009,022</b>	<b>3,090,112</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	191,242	240,052	299,742	478,511	525,903	532,392
Debt securities	36,745	73,048	66,175	66,043	55,616	58,390
Loans	46,879	70,183	66,506	90,375	89,729	89,993
Shares and other equity	616,847	496,705	578,237	708,528	810,731	853,262
Derivatives	9,361	12,375	15,425	15,143	41,254	33,654
Mutual fund shares	13,969	10,354	19,252	29,364	38,093	35,194
Insurance, pension and standardised guarantee schemes	19,170	18,011	16,896	15,945	17,792	17,887
Other accounts receivable	563,643	630,337	585,402	568,885	687,045	689,531
<b>Financial assets (b)</b>	<b>1,497,857</b>	<b>1,551,065</b>	<b>1,647,635</b>	<b>1,972,793</b>	<b>2,266,161</b>	<b>2,310,303</b>
<b>Gross wealth (a+b)</b>	<b>4,133,437</b>	<b>4,720,754</b>	<b>4,709,360</b>	<b>4,936,443</b>	<b>5,275,183</b>	<b>5,400,416</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	-	28,264	34,979	61,035	67,630	73,608
Debt securities	64,963	98,852	149,743	152,153	172,002	152,467
Loans	923,336	1,225,003	1,126,084	1,132,167	1,146,766	1,163,427
Shares and other equity	1,688,574	1,423,050	1,751,837	2,032,327	2,379,312	2,284,901
Derivatives	10,541	9,531	14,407	15,559	44,807	24,456
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	103,687	105,680	99,697	110,946	112,986	115,032
Other accounts payable	514,163	578,412	555,536	539,341	640,987	631,015
<b>Financial liabilities (c)</b>	<b>3,305,264</b>	<b>3,468,792</b>	<b>3,732,283</b>	<b>4,043,527</b>	<b>4,564,489</b>	<b>4,444,905</b>
<b>Net wealth (a+b-c)</b>	<b>828,173</b>	<b>1,251,962</b>	<b>977,078</b>	<b>892,916</b>	<b>710,694</b>	<b>955,511</b>

(1) The "weapon system" item only refers to general government.

**Table 3. Financial corporation wealth** (millions of euros)

Assets/Liabilities	2005	2010	2015	2020	2021	2022
Dwellings	7,989	7,497	9,826	10,023	10,258	10,740
Non-residential buildings	49,992	77,987	87,719	109,551	114,618	120,936
Other structures	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Machinery and equipment and weapons systems (1)	3,643	3,963	3,831	4,431	4,757	5,179
Transport equipment	441	479	456	578	594	654
ICT equipment	1,629	1,562	1,482	1,913	2,052	2,239
Other machinery and equipment and weapons systems (1)	1,573	1,921	1,893	1,939	2,112	2,287
Cultivated biological resources	-	-	-	-	-	-
Intellectual property products	5,337	5,899	5,297	6,505	6,708	6,974
of which: Research and development	2,281	2,694	1,943	1,889	1,925	1,989
of which: Computer software and databases	3,056	3,206	3,354	4,617	4,783	4,984
Inventories	11	11	24	25	27	27
Land under cultivation	59	57	38	36	36	36
<b>Non-financial assets (a)</b>	<b>67,030</b>	<b>95,413</b>	<b>106,735</b>	<b>130,570</b>	<b>136,403</b>	<b>143,892</b>
Monetary gold and SDRs	34,473	90,388	84,543	128,560	152,210	161,074
Currency and deposits	656,188	1,041,968	1,234,363	1,611,171	1,834,388	1,563,285
Debt securities	981,028	1,450,788	1,955,771	2,411,827	2,523,262	2,262,564
Loans	1,683,034	2,219,879	2,103,800	2,154,956	2,185,687	2,203,005
Shares and other equity	545,287	474,255	516,847	642,549	731,110	631,555
Derivatives	121,368	171,319	187,638	157,213	124,616	160,192
Mutual fund shares	178,832	179,575	263,109	441,029	488,077	436,205
Insurance, pension and standardised guarantee schemes	1,302	4,378	7,485	26,917	36,497	37,534
Other accounts receivable	7,480	4,625	21,180	22,906	41,371	78,701
<b>Financial assets (b)</b>	<b>4,208,992</b>	<b>5,637,175</b>	<b>6,374,737</b>	<b>7,597,128</b>	<b>8,117,218</b>	<b>7,534,114</b>
<b>Gross wealth (a+b)</b>	<b>4,276,022</b>	<b>5,732,588</b>	<b>6,481,472</b>	<b>7,727,698</b>	<b>8,253,622</b>	<b>7,678,006</b>
Monetary gold and SDRs	-	-	8,370	7,751	25,979	26,311
Currency and deposits	1,731,839	2,419,214	2,937,606	4,000,766	4,400,849	4,236,896
Debt securities	645,066	1,060,078	837,895	528,728	534,061	516,708
Loans	282,166	493,642	394,895	359,659	371,295	386,057
Shares and other equity	738,241	313,604	499,564	511,969	633,217	518,522
Derivatives	113,740	187,099	203,198	186,336	140,939	156,811
Mutual fund shares	394,020	224,639	286,249	345,608	377,630	358,451
Insurance, pension and standardised guarantee schemes	476,639	564,410	752,369	1,018,073	1,048,220	900,110
Other accounts payable	2,314	1,961	5,847	11,499	10,831	13,948
<b>Financial liabilities (c)</b>	<b>4,384,025</b>	<b>5,264,648</b>	<b>5,925,993</b>	<b>6,970,387</b>	<b>7,543,021</b>	<b>7,113,813</b>
<b>Net wealth (a+b-c)</b>	<b>-108,003</b>	<b>467,940</b>	<b>555,479</b>	<b>757,311</b>	<b>710,601</b>	<b>564,193</b>

(1) The "weapon system" item only refers to general government.

**Table 4. General government wealth** (millions of euros)

Assets/Liabilities	2005	2010	2015	2020	2021	2022
Dwellings	53,869	55,055	48,951	46,293	46,225	45,100
Non-residential buildings	253,743	314,496	318,577	303,690	314,182	332,900
Other structures	421,204	541,982	569,083	557,504	585,472	622,392
Land improvements	-	-	-	-	-	-
Machinery and equipment and weapons systems (1)	61,242	74,324	71,511	77,186	80,146	81,635
Transport equipment	6,164	8,399	8,046	7,283	7,786	8,550
ICT equipment	3,379	4,371	3,265	3,570	3,737	4,234
Other machinery and equipment and weapons systems (1)	51,698	61,554	60,201	66,332	68,624	68,851
Cultivated biological resources	-	-	-	-	-	-
Intellectual property products	40,787	47,937	46,404	48,955	50,725	53,916
of which: Research and development	33,993	40,306	39,496	40,079	41,080	43,779
of which: Computer software and databases	6,794	7,631	6,908	7,744	8,510	9,027
Inventories	1,397	1,814	2,291	5,576	5,853	9,237
Land under cultivation	8,337	9,833	10,377	10,898	10,969	11,097
<b>Non-financial assets (a)</b>	<b>840,578</b>	<b>1,045,441</b>	<b>1,067,194</b>	<b>1,050,102</b>	<b>1,093,572</b>	<b>1,156,276</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	76,629	103,059	75,761	97,704	109,515	99,050
Debt securities	14,146	27,966	36,646	35,937	56,982	91,029
Loans	92,981	84,824	155,408	154,783	148,574	145,455
Shares and other equity	139,134	122,078	134,832	151,172	151,171	152,084
Derivatives	-	-	-	-	-	5,246
Mutual fund shares	4,229	4,229	14,751	36,568	43,887	42,771
Insurance, pension and standardised guarantee schemes	1,543	1,450	1,278	1,106	1,159	1,022
Other accounts receivable	95,689	110,520	121,117	127,066	131,035	125,139
<b>Financial assets (b)</b>	<b>424,353</b>	<b>454,127</b>	<b>539,793</b>	<b>604,336</b>	<b>642,322</b>	<b>661,796</b>
<b>Gross wealth (a+b)</b>	<b>1,264,930</b>	<b>1,499,568</b>	<b>1,606,987</b>	<b>1,654,438</b>	<b>1,735,893</b>	<b>1,818,072</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	239,301	232,918	248,594	237,859	238,256	232,282
Debt securities	1,331,459	1,549,715	2,109,152	2,509,283	2,522,613	2,209,229
Loans	154,953	177,741	228,770	234,688	257,732	292,146
Shares and other equity	-	-	-	301	4,556	4,560
Derivatives	22,864	18,679	31,899	29,730	19,717	1,028
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	210	1,201	3,803	19,821	26,967	27,850
Other accounts payable	74,513	82,071	75,574	104,761	160,316	239,414
<b>Financial liabilities (c)</b>	<b>1,823,300</b>	<b>2,062,325</b>	<b>2,697,792</b>	<b>3,136,443</b>	<b>3,230,157</b>	<b>3,006,508</b>
<b>Net wealth (a+b-c)</b>	<b>-558,369</b>	<b>-562,758</b>	<b>-1,090,805</b>	<b>-1,482,004</b>	<b>-1,494,264</b>	<b>-1,188,436</b>
<i>Memorandum items</i>						
Gross Domestic Product (GDP)	1,493,635	1,611,279	1,655,355	1,661,240	1,822,345	1,946,479

1) The "weapon system" item only refers to general government.

## METHODOLOGICAL NOTES

### Balance sheets in the national accounts framework

The national accounts framework, as defined by ESA 2010, is built around a sequence of interconnected accounts. The full sequence of accounts for the institutional sectors consists of current accounts, accumulation accounts and balance sheets.

This way it is possible to describe, in a coherent and complete framework, not only all the flows generated by current economic activities but also the accumulation process that stems from them. Institutional units use their savings, accumulating financial and non-financial assets whose value at the end of the accounting period is shown in their balance sheet. Therefore balance sheets present the value of the wealth in non-financial and financial assets and liabilities owned by institutional units; the balancing item in a balance sheet is called net worth.

**Chart. 1 Sequence of accounts**

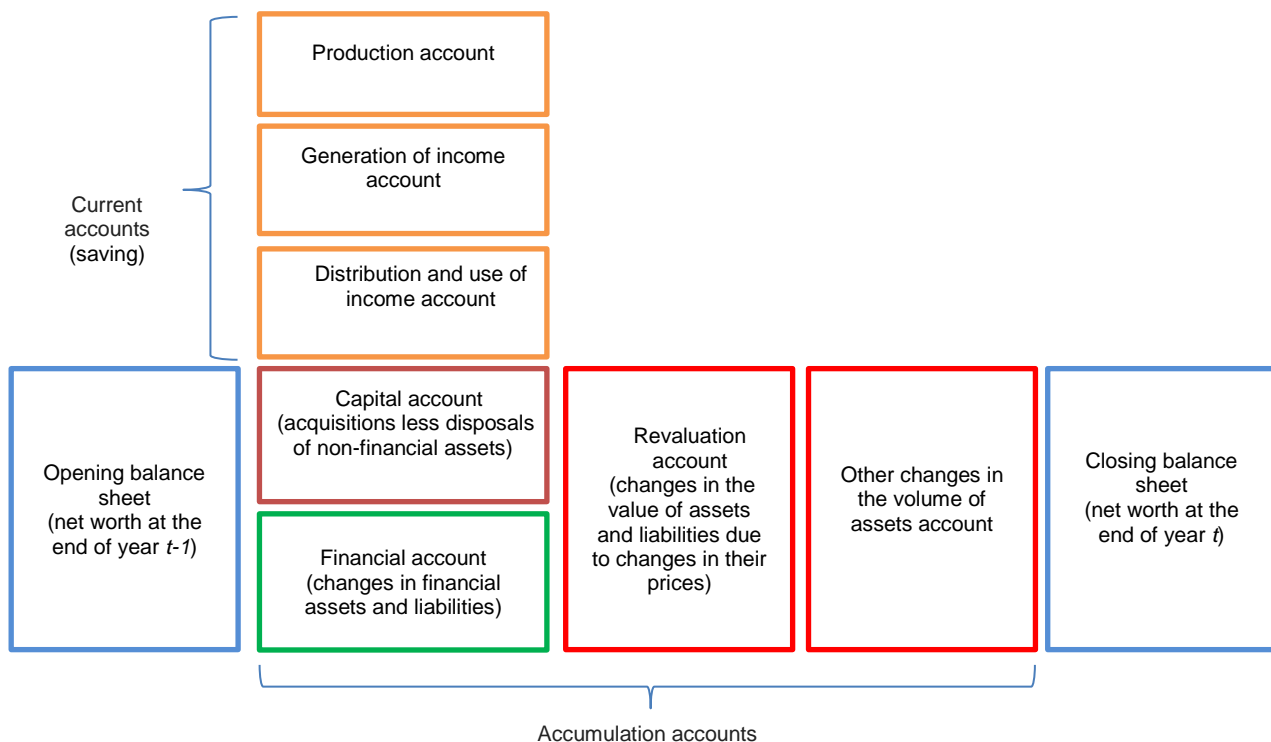


Chart 1 presents the sequence of accounts. From left to right, starting from the opening balance sheet, all changes in the values of assets and liabilities occurring in the accounting period (one year, in the statement) are recorded. Current accounts cover production and the associated generation, distribution and redistribution of income and its use in the form of final consumption. The income not directly used for final consumption is revealed in the balance sheet item 'savings', which is used for acquisitions of real and financial assets. Transactions in non-financial assets and in financial assets and liabilities are shown in the capital account and in the financial account respectively. If no other events occur, it would be possible to calculate the net worth at the end of the period by just adding all these transactions to the initial net worth figure. However, changes other than economic transactions may occur that affect the final value of assets and liabilities. Two types of other changes are distinguished. The first one is through nominal holding gains and losses, that is, increases or decreases in the asset's value accruing to its economic owner as a result of increases or decreases in its price; these flows are recorded in the revaluation account. The second change concerns other changes in the volume of assets, including flows other than transactions, such as external events that are not economic in nature (for example catastrophic losses); they are recorded in the other



changes in the volume of assets account. The ultimate effect of all these flows which occurred in the relevant period on the value of the initial stock is recorded in the closing balance sheet. Balance sheets record the values of financial and non-financial assets owned by each institutional sector and the value of liabilities held to finance its activity. Total assets, financial and non-financial, are also defined as gross wealth; net wealth is obtained by subtracting the value of liabilities from it.

Chart 2 shows all assets and liabilities for which estimates are published in this note.

**Chart 2. Net wealth composition**

ASSETS		LIABILITIES	
A. NON-FINANCIAL ASSETS	Dwellings		
	Non residential buildings		
	Other structures		
	Land improvements		
	Machinery and equipment and weapons systems		
	Transport equipment		
	ICT equipment		
	Other machinery and equipment and weapons systems		
	Cultivated biological resources		
	Intellectual property products		
	of which: Research and development		
	of which: Computer software and databases		
	Inventories		
Land under cultivation			
B. FINANCIAL ASSETS	Monetary gold and SDRs		Monetary gold and SDRs
	Currency and deposits		Currency and deposits
	Debt securities		Debt securities
	Loans		Loans
	Shares and other equity		Shares and other equity
	Derivatives		Derivatives
	Mutual fund shares/ units		Mutual fund shares/ units
	Insurance, pension and standardised guarantee schemes		Insurance, pension and standardised guarantee schemes
	Other accounts receivable/payable		Other accounts receivable/payable
		<b>NET WEALTH (A+B-C)</b>	

In addition to the value of non-financial assets by institutional sector, the estimate of consumer durables is also published. These are durable goods that are comparable to fixed assets from an economic point of view, as they are used by households repeatedly over periods of time longer than one year (such as automobiles), but they are classified as final consumption in the national accounts.

## Non-financial assets

Information on the value of real assets is taken from statistics on the stock of non-financial assets by institutional sector published by Istat annually, in January.<sup>10</sup> Estimates are revised in accordance with the policy of revisions of annual accounts by institutional sector.<sup>11</sup>

Istat periodically publishes a statistical report on non-financial wealth and a report jointly with the Bank of Italy on the total wealth (financial and non-financial) of the institutional sectors.

In Italy, information on some types of non-financial assets defined by ESA 2010 is not available: to date, the measurement of real wealth does not cover assets such as monuments, valuables, natural resources other than land, and other non-produced non-financial assets. Furthermore, the value of residential and non-residential buildings includes the value of the underlying land, in contrast to the classification of assets defined by ESA 2010 (see also the section *International comparisons*). Non-financial assets are valued at current prices, based on prices observed on the market (such as dwellings, some types of non-residential buildings and land under cultivation) or through indirect estimation methods (for example, some types of non-residential buildings and other fixed assets; the latter are estimated applying the perpetual inventory method). Further details on estimation methods and data sources are available in the notes to the *Statistics Report 'Non-financial wealth in Italy'*, years 2005-2019, published by Istat.

## Financial assets and liabilities

Information on financial assets and liabilities used for compiling balance sheets statistics is obtained from the financial accounts. For each institutional sector, the financial accounts report the overall amount of financial wealth, the financial instruments in which it is invested (assets) and those through which it is financed (liabilities). Stocks of negotiable instruments are evaluated at end-of-period market prices.

Financial instruments defined in ESA 2010 and reported in the present publication are: monetary gold and special drawing rights (SDRs); currency and deposits; debt securities; loans; shares and other equity; derivatives; mutual fund shares; insurance, pension and standardised guarantee schemes; and other accounts payable or receivable. Financial accounts provide more detailed information for some instruments (for example, the distinction of debt securities according to original maturity and the sector of the issuer). Tables 1-5 of this publication report the same asset and liability items, even when the phenomenon does not occur for the specific sector. For example, mutual fund shares can be held by households but cannot be issued by them: therefore they are equal to zero among households' liabilities.

Financial account statistics published by the Bank of Italy are non-consolidated within sectors: for each sector and instrument there can be stocks and flows both on the asset and liability side. For example, debt securities issued by a non-financial corporation and held by another non-financial corporation appear both on the asset and the liability side of the non-financial corporations sector. Clearly, this does not impact net wealth.

More information on financial instruments and institutional sectors are available in the *Glossary* section. Further details on the methodology and the main sources used for compiling the financial accounts are available in the manual '[Italy's financial accounts](#)', Bank of Italy, *Statistics Series, Methods and Sources: Manuals*, 12 June 2018.

<sup>10</sup> The complete set of estimates is available in the [data warehouse I.Stat](#), within the section "National Accounts/Annual sector accounts/Stock of non-financial assets", and in the new database [IstatData](#), where all the data from I.Stat are currently being transferred. Until the complete transfer, both databases will coexist.

<sup>11</sup> The annual economic accounts by institutional sector are published twice a year, in April and October. Estimates included in this report are consistent with the national accounts published on 22 September 2023.

## International comparison

The rules for preparing the national accounts are described at European level in ESA 2010 and at global level in the System of National Accounts 2008 (SNA).<sup>12</sup> The availability of concepts and definitions that are uniform across countries is necessary but insufficient in guaranteeing data comparability. The compilation of financial assets and liabilities is well-developed across the world and statistics are considered sufficiently harmonized and comparable. Instead, the compilation of non-financial assets is more recent and the harmonization process is currently underway because of the lack of sources.

The international comparison available in this publication are mainly based on non-financial asset statistics published by Eurostat<sup>13</sup> and by the OECD.<sup>14</sup> In order to have values updated to 2021, for the United Kingdom, data from the publication "The UK national balance sheet estimates" produced by Office for National Statistics were used<sup>15</sup>. Information is incomplete for some countries in terms of items, reference period, and details on the institutional sector. Moreover, produced non-financial assets<sup>16</sup> are separated from non-produced non-financial assets,<sup>17</sup> in line with international accounting rules (ESA 2010 and SNA 2008); therefore buildings<sup>18</sup> do not include the value of underlying land, which is entered under non-produced non-financial assets.<sup>19</sup> The statistics published by the national statistical offices of some countries, e.g. Italy, do not distinguish between buildings and the value of the underlying land, arguing that the concept is clearer for users. In Italian statistics, land under cultivation is entered in a separate category.

The lack of perfect homogeneity affects international comparison, restricting the analysis to some major economies for which non-financial asset statistics are comparable with Italian ones. Non-financial assets are computed as the sum of fixed capital and land; it excludes inventories, which are not available for several advanced countries, like Germany. The United States and Spain are excluded from the international comparison on non-financial corporations and general government because of the lack of data on land held by these sectors (Figures 7-9). Per capita net wealth of households (Figure 6) is computed as the ratio between net wealth and population.

<sup>12</sup> System of National Accounts 2008 (United Nations Statistical Commission-UNSC).

<sup>13</sup> Source: Eurostat, <https://ec.europa.eu/eurostat/data/database> (accessed on 5 January 2024).

<sup>14</sup> Source: OECD.Stat, <https://stats.oecd.org/> (accessed on 5 January 2024).

<sup>15</sup> Source: Office for National Statistics, "The UK national balance sheet estimates", Publication date: 14 December 2023.

<sup>16</sup> 'AN1 – Produced non-financial assets'.

<sup>17</sup> 'AN2 – Non produced non-financial assets'.

<sup>18</sup> 'AN111 – Dwellings', 'AN1121 – Non-residential buildings', 'AN1122 – Other structures', 'AN1123 – Land improvements'.

<sup>19</sup> The value of land under buildings should be included in 'AN211 – Land', together with land under cultivation.

## GLOSSARY

### Balance sheet

A balance sheet is a statement, drawn up for a particular point in time, of the values of assets owned and liabilities owed by an institutional unit or group of units. The positive balance is called net worth. The stocks of assets and liabilities recorded in the balance sheet are valued at the relevant prices, which are usually the market prices prevailing on the date to which the balance sheet relates, but for some categories at their nominal values. A balance sheet is drawn up for resident institutional sectors and subsectors, the total national economy and the rest of the world. The balance sheet completes the sequence of accounts, showing the ultimate effect of the entries in the production, distribution and use of income, and accumulation accounts on the stock of wealth of an economy.

### Computer software e databases

Computer programs, program descriptions and supporting materials for both systems and applications software. Files of data organized to permit resource-effective access and use of the data.

### Consumer durables

Consumer durables are durable goods used by households repeatedly over periods of time of more than one year for final consumption. They are included in the balance sheets as memorandum items. They are excluded from the main balance sheet because they are recorded as a use in the household sector's use of income account that is consumed in the period of account, and not gradually used up. The stocks of consumer durables held by households as final consumers — transport equipment and other machinery and equipment — are valued at market prices in the memorandum item, net of the equivalent accumulated charges for consumption of fixed capital. Durable goods, such as vehicles, are classified as either fixed assets or as consumer durables depending on the sector classification of the owner and the purpose for which they are used.

### Cultivated biological resources

Livestock for breeding, dairy, draught, etc. and vineyards, orchards and other plantations of trees yielding repeat products that are under the direct control, responsibility and management of institutional units.

### Currency and deposits

Includes: notes and coins; transferable deposits; other deposits. Notes and coins have to be issued by monetary authorities; in Italy coins are issued by the *Zecca dello Stato* but conventionally they are attributed to the central bank, which in turn records a loan towards the Central Government. Transferable deposits can be exchanged immediately for currency at par and can be used as means of payment; current accounts are a typical example. Other deposits cannot be converted immediately into currency without penalty or restriction; for example, they include fixed-term deposits, savings accounts and repos.

### Debt securities

Financial instruments serving as evidence that the issuer has a debt towards the holder. They are characterized by an issuing date and a maturity date, by an interest rate accepted by the investor and by a currency (domestic or foreign). The financial accounts distinguish securities according to their original maturity (less or more than one year) and according to the issuing sector.

### Derivatives

Derivatives are financial instruments whose value depends on an underlying financial instrument, indicator or commodity. Examples include options, futures, swaps and forward rate agreements. Stocks of derivatives are recorded in the financial accounts at fair value, i.e. at the net present value of future payments received less commissions. The item also includes employee stock options.

### Dwellings

Buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences. The purchasers' costs of transferring ownership of dwellings are included in the balance sheet value. In this note, the value of dwellings includes the value of the land underneath the dwellings.

**ESA - European System of Accounts**

ESA 2010 is an internationally compatible accounting framework for a systematic and detailed description of a total economy, its components and its relations with other total economies. ESA 2010 is consistent with the System of National Accounts (SNA) 2008, but adapted to the circumstances and needs of the European Union. It has legal status in the European Union.

**Fair value**

See: market prices

**Financial assets and liabilities**

Financial assets are stores of value representing benefits accruing to the owner by holding them over a period of time. They are a means of carrying forward values from one accounting period to another. Liabilities are established when debtors are obliged to provide payments or a series of payments to creditors. Financial assets and liabilities can be classified into different financial instruments: monetary gold, special drawing rights, currency and deposits, debt securities, loans, shares and other equity, derivatives, mutual fund shares, insurance and pension reserves and standardized guarantee schemes, other accounts payable or receivable.

**Financial accounts and balance sheets**

The financial accounts are national accounting statistics that report the financial assets and liabilities of the institutional sectors of a country in terms of both stocks and flows. A financial transaction is a negotiation between two institutional units by mutual agreement. It implies either the simultaneous creation of both a financial asset and a liability or the property change of a financial asset. For each instrument, financial transactions within an institutional sector are recorded on a net basis, both on the asset and the liability sides.

**Financial corporations**

Financial corporations consist of all resident corporations or quasi-corporations principally engaged in financial intermediation or in auxiliary financial activities which are closely related to financial intermediation: the central bank, deposit-taking corporations except the central bank and other financial intermediaries (Testo Unico delle leggi in materia bancaria e creditizia, 1° January 1994), financial auxiliaries with at least one employee, insurance corporations, pension funds and non-profit institutions serving financial corporations (for example, IVASS, Consob).

**Fixed assets**

Produced non-financial assets that are used repeatedly or continuously in production processes for more than one year.

**General government**

Institutional units that produce services and goods for individual or collective consumption mainly on a non-market basis and redistribute income and wealth. They raise funds mainly through compulsory transfers from other institutional units. The general government sector is divided into three subsectors: central government, local government, social security funds.

**Gross capital stock**

The stock of assets surviving from past investment and revalued at purchasers' prices of new capital goods in the current period.

**Gross fixed capital formation**

Gross fixed capital formation consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units.

**Gross wealth**

Financial and non-financial assets at the disposal of an institutional unit or sector as shown in the balance sheet. The assets involved in this category generate or have the potential to generate future income.

**Households**

The household sector consists of individuals or groups of individuals as consumers and as entrepreneurs producing market goods and non-financial and financial services (market producers): own account workers and sole proprietorships (*imprese individuali*) and simple partnerships (*società semplici and società di fatto*) with up to 5 employees; and financial auxiliaries with no employees. Producer households are market-oriented units; actual rents are a market production included in the output of producer households also with reference to dwellings and non-residential buildings owned by natural persons and acquired in order to rent them (a market output of households is identified). In this note, households also include non-profit institutions serving households.

**Household disposable income**

Household disposable income is the total amount of money households have available for spending and saving after subtracting income taxes and pension contributions.

**ICT equipment**

Information and communication technologies (ICT) equipment: devices using electronic controls and the electronic components used in the devices. Examples include products in Classification of Products by Activity 2008 (CPA 2008) groups 261: electronic equipment and boards, and 262: computers and peripheral equipment.

**Intellectual property products**

Fixed assets that consist of the results of research and development, mineral exploration and evaluation, computer software and databases, entertainment, literary or artistic original works and other intellectual property products intended to be used for more than one year.

**Institutional sector**

A grouping of institutional units. Institutional units are economic entities that are capable, in their own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.

The institutional units are grouped into sectors on the basis of the type of producer they are and depending on their principal activity and function, which are considered to be indicative of their economic behaviour:

- 1) Non-financial corporations;
- 2) Financial corporations;
- 3) General government;
- 4) Households and non-profit institutions serving households (NPISHs);
- 5) Rest of the world.

**Insurance, pension and standardized guarantee schemes**

The item is represented by the amounts accumulated by the issuers in order to face future payments to the holders. They include life insurance, pension entitlements and non-life insurance technical reserves. Examples of standardized guarantee schemes are export credit guarantees and student loans.

**Inventories**

Produced assets that consist of goods and services that came into existence in the current period or in an earlier period held for sale, use in production or other use at a later date. They consist of materials and supplies, work-in-progress, finished goods and goods for resale.

**Land improvements**

The value of actions that lead to major improvements in the quantity, quality or productivity of land, or prevent its deterioration. Examples include the increase in asset value arising from land clearance, land contouring, creation of wells and watering holes.

**Land under cultivation**

Land on which agricultural or horticultural production is carried out for commercial or subsistence purposes, including, in principle, plantations, orchards and vineyards.

**Loans**

Loans are financial instruments created when creditors lend funds directly to debtors. Loans have the following characteristics: the debtor asks for a loan, not vice versa; debt has to be repaid by an agreed date; loan conditions are set by the creditor or jointly determined by both the creditor and the debtor; a loan cannot be negotiated.

**Machinery and equipment and Weapons systems**

Transport equipment, information and communication technologies (ICT) equipment, and other machinery and equipment, other than that acquired by households for final consumption. Machinery and equipment such as vehicles, furniture, kitchen equipment, computers, communications equipment, etc., that are acquired by households for final consumption are not treated as an asset. They are instead included in the memorandum item "consumer durables" in the balance sheet for households. Weapons systems are vehicles and other equipment such as warships, submarines, military aircraft, tanks, missile carriers and launchers etc. Most single-use weapons they deliver are recorded as military inventories but others, such as ballistic missiles with highly destructive capability, that are judged to provide ongoing deterrence against aggressors are classified as fixed assets.

**Market price**

The amount of money willing buyers pay to acquire something from willing sellers.

**Monetary gold and special drawing rights**

Monetary gold is held as a reserve asset by central banks. Special drawing rights (SDRs) are international reserve assets created by the International Monetary Fund and held by its members to supplement existing reserve assets. Only central banks and the rest of the world hold monetary gold and special drawing rights.

**Mutual fund shares**

Shares issued by a specific subsector of financial corporations, i.e. by investment funds, which pool funds and invest them in financial and non-financial assets. Stocks are recorded at current redemption value or, if they are listed, at the current stock exchange price.

**Net capital stock**

The stock of assets surviving from past investment adjusted for price changes and depreciation and other volume changes.

**Net wealth**

The difference between gross wealth (financial and non-financial assets) and financial liabilities.

**Non-financial assets**

Non-financial items over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding, using or allowing others to use them over a period of time. Consists of produced non-financial assets and of non-produced non-financial assets.

**Non-financial corporations**

In Italy the institutional sector S.11 includes all incorporated enterprises (*Società per azioni, Società in accomandita per azioni, Società a responsabilità limitata, consorzi*) and cooperatives, together with all partnerships (*società in nome collettivo, società in accomandita semplice*) and sole proprietorships with more than 5 employees, whose economic behaviour is consistent with the definition of a quasi-corporation. The sector also includes Non Profit Institutions serving non-financial corporations (for instance, trade associations like Confindustria and Confcommercio), and market NPIs.

**Non-produced non-financial assets**

Non-financial assets that come into existence other than through processes of production. Non-produced assets consist of natural resources, contracts, leases and licenses, and goodwill and marketing assets.

**Non-profit institutions serving households**

Non-profit institutions serving households (NPISHs) are private non-market producers such as cultural associations, sports associations, foundations, political parties, trade unions and religious bodies that serve households. In this note, data for NPISHs are included in the household sector estimates.

**Non-residential buildings**

Buildings other than dwellings. Examples of non-residential buildings include warehouses and industrial buildings, commercial buildings, buildings for public entertainment, hotels, restaurants, educational buildings, healthcare buildings. The purchaser's costs of transferring ownership of non-residential buildings are included. In this note, the value of the land underlying non-residential buildings is included.

**Other accounts receivable or payable**

Other accounts receivable or payable are financial assets and liabilities originated by timing differences between the transaction and the actual payment. They include, for example, trade credits and debts as well as taxes which still have to be paid.

**Other machinery and equipment and Weapons systems**

Machinery and equipment not elsewhere classified. Examples include products other than parts, installation, repair and maintenance services included in Classification of Products by Activity 2008 (CPA 2008) division 26: computer, electronic and optical products (except groups 261 and 262), division 27: electrical equipment, division 28: machinery and equipment n.e.c., division 31: furniture, and division 32: other manufactured goods. Weapons systems are vehicles and other equipment such as warships, submarines, military aircraft, tanks, missile carriers and launchers etc. Most single-use weapons they deliver are recorded as military inventories but others, such as ballistic missiles with highly destructive capability, that are judged to provide ongoing deterrence against aggressors are classified as fixed assets.

**Other structures**

Structures other than residential and non-residential structures. Examples include highways, streets, roads, railways and airfield runways; bridges, elevated highways, tunnels and subways; waterways, harbours, dams and other waterworks; long-distance pipelines, communication and power lines; local pipelines and cables, ancillary works; construction for mining and manufacture; and construction for sport and recreation. The value of the underlying land is not included.

**Produced non-financial assets**

Non-financial assets that are outputs of production processes. Produced non-financial assets consist of fixed assets, inventories and valuables.

**Research and development**

Consists of the value of expenditure on creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of humanity, culture and society, and use of this stock of knowledge to devise new applications.

**Rest of the world**

A grouping of units without any characteristic functions and resources; it consists of non-resident units insofar as they are engaged in transactions with resident institutional units.

**Shares and other equity**

The item includes: shares and other equity issued by limited liability companies and equity issued by quasi-corporations (microenterprises), i.e. unlimited liability companies with at least 5 employees (see: non-financial corporations). For listed companies, the market value of shares is obtained through market capitalization; for unlisted companies and quasi-corporations, the estimation method is described in the manual '[Italy's Financial Accounts](#)', Bank of Italy, *Statistics Series*, Methods and Sources: Manuals, 12 June 2018.

**Transport equipment**

Equipment for moving people and objects. Examples include products other than the parts included in the Classification of Products by Activity 2008 (CPA 2008) division 29: motor vehicles, trailers and semi-trailers, and division 30: other transport equipment.



For technical and methodological information

---

**Michela Eugenia Pasetto**  
[statistiche@bancaditalia.it](mailto:statistiche@bancaditalia.it)

**Paola Santoro**  
[pasantor@istat.it](mailto:pasantor@istat.it)