

# The wealth of Italy's institutional sectors

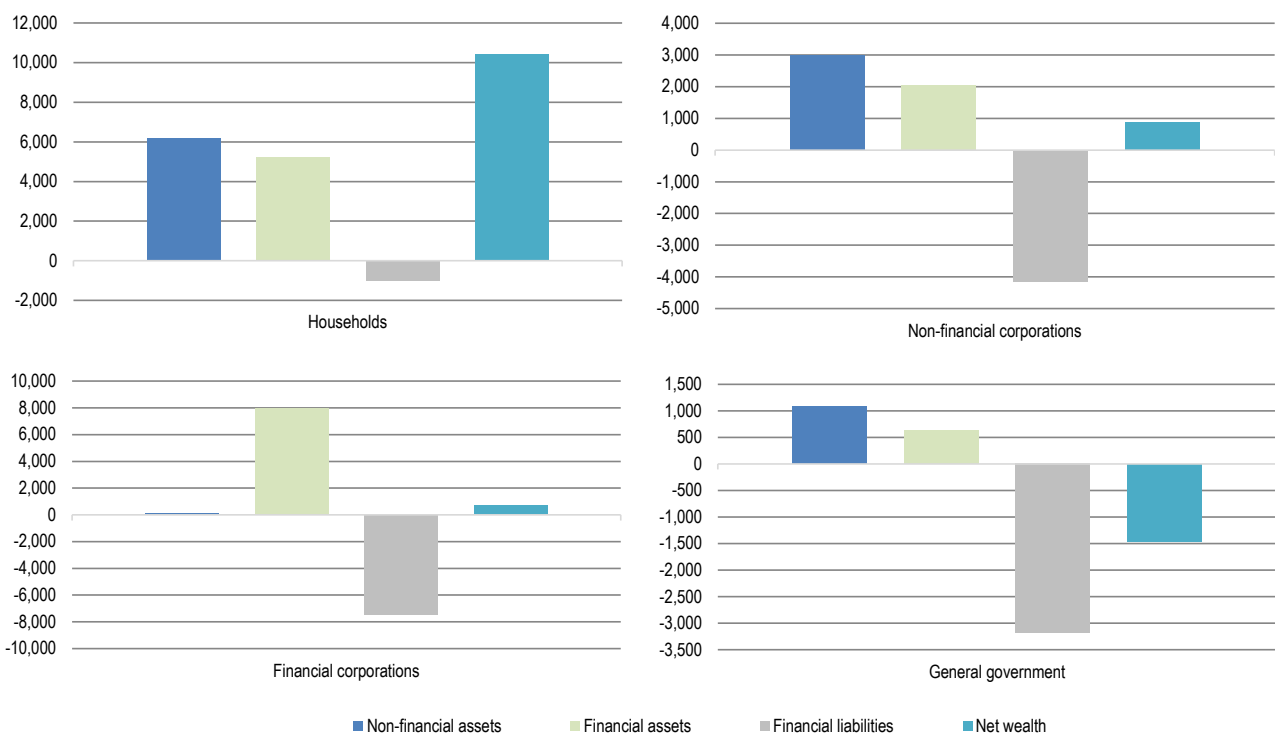
## 2005 | 2021

### 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. The report also provides a comparison with other advanced economies, although the data are not perfectly comparable between countries.

At the end of 2021, the net wealth of Italian households stood at €10,422 billion, increasing by 3 per cent at nominal values compared with the previous year. The ratio of net wealth to gross disposable income decreased slightly from 8.71 to 8.66. Although the value of dwellings saw a moderate increase, breaking a downward trend underway since 2012, its share of gross wealth decreased by more than 1 percentage point in 2021, from 46.6 to 45.4 per cent.

**Figure 1. Wealth of Italy's institutional sectors (a)** (billions of euros, 2021)



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

Sources: Istat and Bank of Italy.

Growth in financial assets (+6.6 per cent) exceeded that in real assets, mainly owing to shares and mutual fund shares. Deposits consistently increased as well, although weaker than in 2020. Financial liabilities grew by 3.7 per cent, mainly driven by loans. Compared with other advanced economies,<sup>1</sup> in 2021 the net wealth of Italian households recorded a lower growth rate, and one of the lowest in per capita terms.

At the end of 2021, the net wealth of Italian non-financial corporations amounted to €880 billion. Real assets accounted for 60 per cent of gross wealth: among these, the increase in machinery and equipment and in other structures offset the decrease in residential and non-residential buildings. On the financial side, deposits increased substantially, followed by other accounts receivable, shares and other equity, and derivatives, bringing the ratio of financial assets to gross wealth at its highest level since 2005. The rise in liabilities was sharper than that in assets, largely due to the higher values of shares and other equity. The level of indebtedness of Italian firms remained low by international standards, although it increased in 2021, unlike in the other major countries.

In 2021, financial corporations' net wealth was €686 billion. Gross wealth grew by 5.4 per cent, mostly benefiting the trend in deposits, which reached their highest share since 2005 (22 per cent). On the contrary, loans shrank from 28 to 27 per cent.

General government net wealth was negative by €1,467 billion at the end of 2021 (more than 82 per cent of GDP). Total assets, both real and financial, grew by 3.6 per cent driven by other structures (+24 billion), which account for more than a third of gross wealth. At the international level, the ratio of net wealth to GDP in Italy grew broadly in line with 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.*

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<sup>1</sup> The countries analysed for international comparison purposes are Canada, France, Germany, the United Kingdom, Spain and the United States. For these countries, comparable data on non-financial assets are available. See the 'Methodological Notes' for more details.

## WEALTH TRENDS

### Net household wealth to gross disposable income decreased slightly

At the end of 2021, the net wealth of Italian households,<sup>2</sup> measured as the sum of real assets (dwellings, land, etc.) and financial assets (deposits, securities, shares, etc.)<sup>3</sup> net of financial liabilities (short-, medium- and long-term loans, etc.), stood at €10,422 billion, nearly €176,000 per capita (Figure 2a and Table 1). Net wealth at current values increased by more than €300 billion compared with the previous year (+3 per cent), maintaining an upward trend since 2019, including through the pandemic crisis. In real terms<sup>4</sup>, net wealth declined by 1.1 per cent, in contrast with the growth observed in 2020 (+1.7 per cent). The ratio of households' net wealth to gross disposable income decreased slightly (from 8.71 to 8.66).

Real assets (€6,186 billion) rose by 0.3 per cent at current values (+€16 billion), due to the value of dwellings growing for the first time since 2012 (+0.4 per cent; +€23 billion). Instead, the value of non-residential buildings decreased (-1.5 per cent), continuing the contraction underway since 2012. Growth in financial assets (€5,237 billion) exceeded that in real assets (+6.6 per cent, +€325 billion), mainly owing to shares (+€150 billion) and mutual fund shares (+€89 billion). Deposits saw a significant increase as well (+€ 70 billion), although weaker than in 2020 (+€104 billion). The stock of debt securities had been declining since 2012. Financial liabilities grew by 3.7 per cent, exceeding the threshold of €1,000 billion. The increase in loans was particularly strong (+3.8 per cent).

In contrast to 2020, growth in net household wealth largely benefited from capital gains (+4.3 per cent, with an overall increase of €210 billion), especially on shares and mutual fund shares, while transactions stood close to 2.3 per cent.

### Corporations' liabilities increased

The net wealth of non-financial corporations stood at €880 billion at the end of 2021 (Figure 2b and Table 2), with a reduction of 8 per cent compared with 2020. Although their gross wealth increased by nearly €150 billion, primarily driven by deposits (+€49 billion), liabilities grew by €225 billion, mainly due to a rise in the value of shares and other equity. On the real assets side, machinery and equipment increased (+4.1 per cent) after shrinking in 2020 and, along with other structures (+5.7 per cent), they more than offset the decrease in buildings. In terms of financial assets, in addition to deposits, there was an increase in other accounts receivable (mostly trade credits), shares and derivatives.

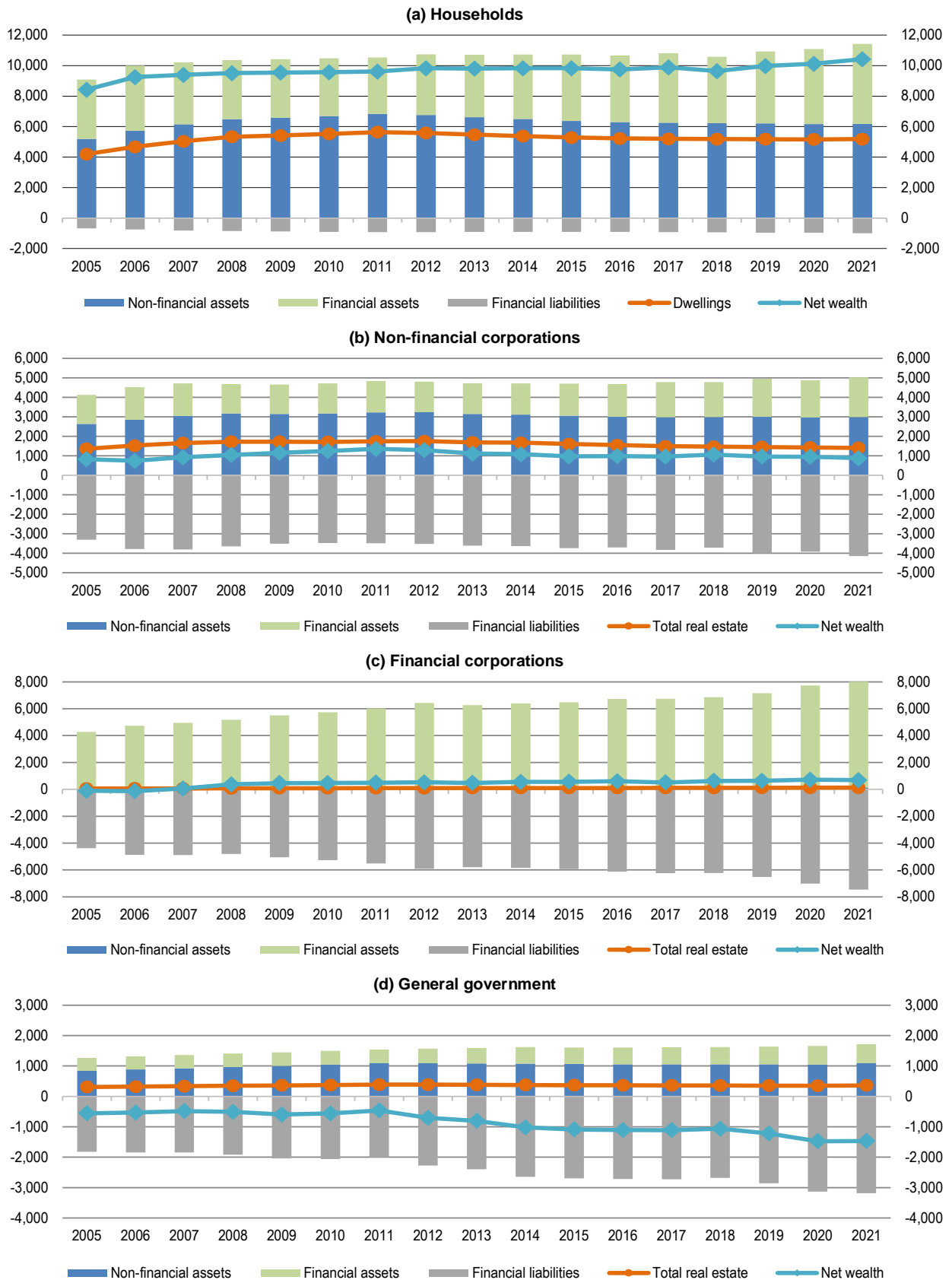
Between 2020 and 2021, financial corporations' net wealth declined from €717 billion to €686 billion (Figure 2c and Table 3). The rise in gross wealth (+€416 billion), which mainly consisted of financial assets, was lower than that in liabilities (+€447 billion). Among financial assets, deposits increased the most (+€223 billion), rising by 14 per cent as in 2020; debt securities increased as well, but to a lesser extent than in 2020. The rise in liabilities was driven by the increase in deposits (+9.9 per cent).

<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'.

<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.

Figure 2. Wealth of Italy's institutional sectors and its components (billions of euros; 2005-2021)



Sources: Istat and Bank of Italy.

## The decline in general government net wealth came to a halt

General government net wealth was negative by €1,467 billion at the end of 2021, although increasing on 2020 (Figure 2d and Table 4). Total assets, both real and financial, grew by 3.6 per cent. Growth in real assets was driven by the value of the other structures (+€24 billion) and non-residential buildings (+€9 billion). Financial liabilities increased to a lesser extent (+1.6 per cent) than assets, mainly owing to loans and other accounts payable.

## THE COMPOSITION OF GROSS WEALTH

### The ratio of financial assets to gross wealth continued to grow, both for Italian households...

At the end of 2021, non-financial assets accounted for over half of the gross wealth of Italian households (54 per cent, Figure 3a and Table 1), most of which consisted of dwellings (45 per cent) and non-residential buildings (6 per cent). Compared with 2020, the ratio of dwellings to total assets dropped by more than 1 percentage point (from 46.6 to 45.4 per cent). Since 2012, the share of financial assets has risen, except in 2018, reaching 46 per cent of gross wealth in 2021 (from 44 per cent in 2020). The share of debt securities in financial portfolios decreased steadily (from 8 per cent in 2005 to 2 per cent in 2021). These were replaced by other financial assets, mostly asset management products<sup>5</sup> (from 11 per cent in 2005 to 17 per cent in 2021). Shares and other equity stood at 11 per cent of gross wealth and increased by 1 percentage point compared with 2020, moving closer to 2005 levels (12 per cent).

### ... and for non-financial corporations

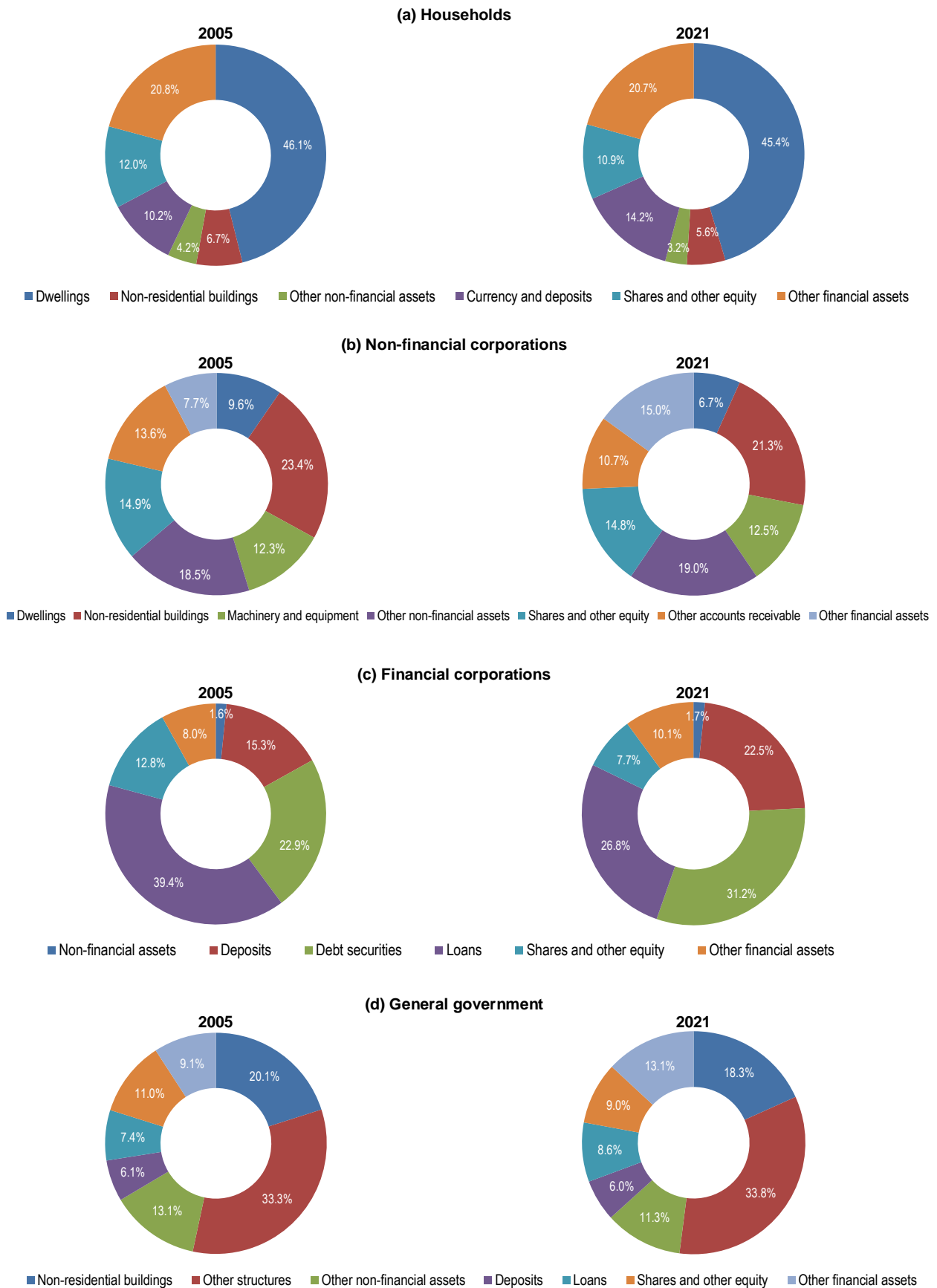
At the end of 2021, real assets accounted for 60 per cent of Italian non-financial corporations' gross wealth (Figure 3b and Table 2); the shares of non-residential buildings and machinery and equipment were particularly significant (21 and 12 per cent, respectively). On the financial side, shares and other equity accounted for 15 per cent of gross wealth, followed by other accounts receivable and deposits (both around 11 per cent). The ratio of non-financial assets to gross wealth declined by more than 1 percentage point compared with 2020, reaching its lowest level since 2005.

### The ratio of deposits to the gross wealth of financial corporations increased

At the end of 2021, Italian financial corporations held 98 per cent of their gross wealth in financial assets (Figure 3c and Table 3). Compared with 2020, deposits increased by nearly 2 percentage points, to almost 23 per cent of total gross wealth, the highest level since 2005. The share of loans declined from 28 to 27 per cent.

<sup>5</sup> Asset management products include mutual fund shares and insurance, pension and standardized guarantee schemes.

Figure 3. Assets of Italy's institutional sectors (percentages; 2005 and 2021)



Sources: Istat and Bank of Italy.

## The ratio of financial assets to the gross wealth of the general government sector was stable

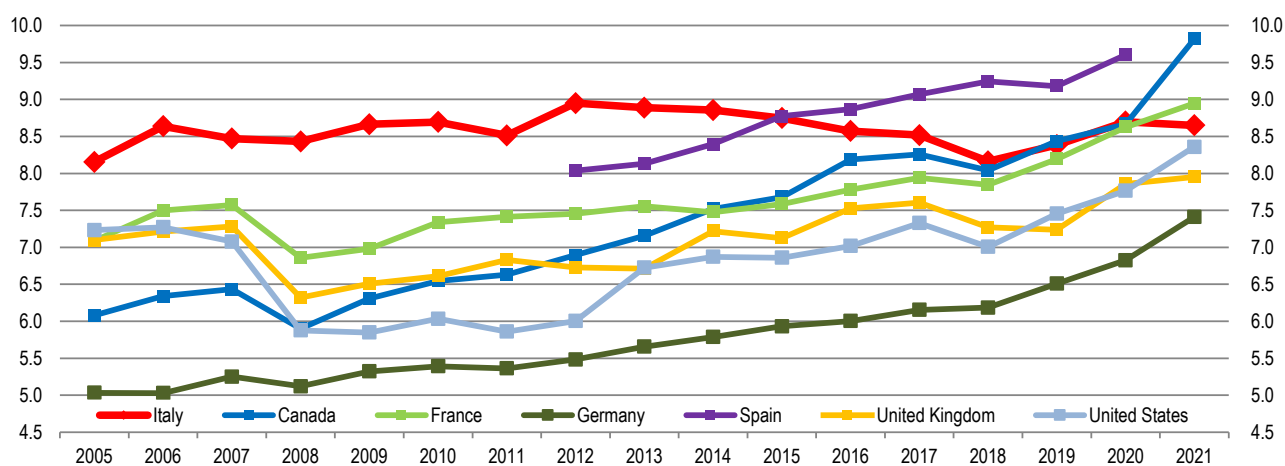
In 2021, the gross wealth of the Italian general government sector consisted mainly of non-financial assets: 21 per cent was held in real estate, both residential and non-residential, and 34 per cent in other structures (Figure 3d and Table 4). Compared with the previous year, the ratio of financial assets to gross wealth remained stable around 37 per cent. Compared with 2005, this ratio increased, mainly driven by debt securities and mutual fund shares.

## INTERNATIONAL COMPARISON

### Net household wealth grew more in other countries than in Italy

At the end of 2021, the net wealth of Italian households was 8.6 times the size of their disposable income, gross of depreciation (Figure 4). This ratio was higher than in Germany, the United Kingdom and the United States, but lower than that for Canadian, French and Spanish households (the latest available data for Spain refer to 2020). In Italy, after the growth recorded in 2019-2020, the indicator decreased slightly, unlike the trend observed in the other countries. Specifically, in 2021 the ratio of net wealth to gross disposable income for French and Canadian households exceeded the same ratio calculated for Italian households.

**Figure 4. Net household wealth compared at international level (b)** (in relation to households' gross disposable income; 2005-2021)

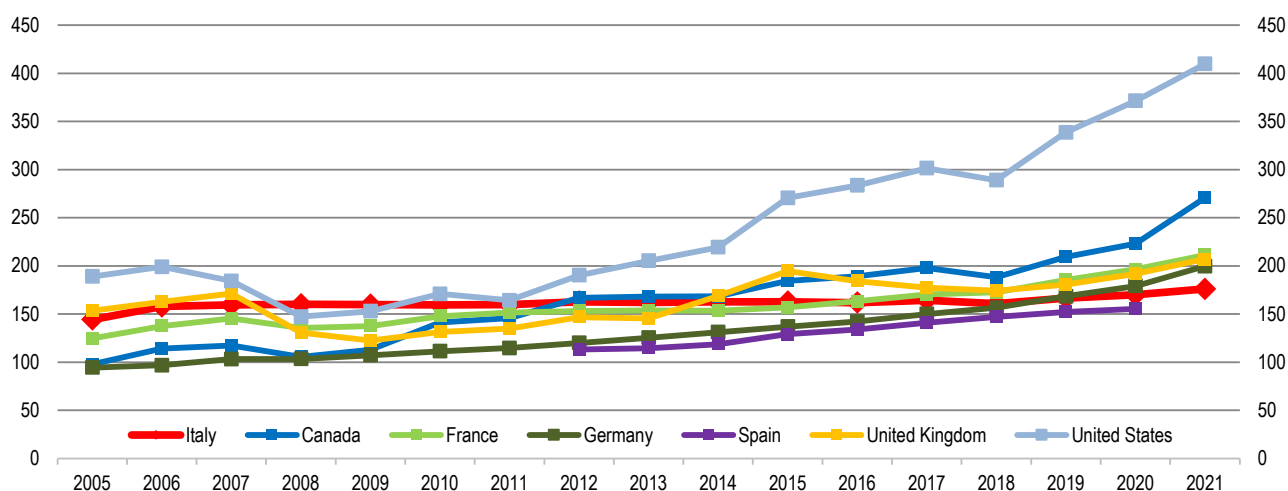


(b) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication, for 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 2020.

If measured in proportion to the population, the net wealth of Italian households was lower than in the other countries, apart from Spain (where the latest available data are from 2020, Figure 5). Since 2018, the growth of per capita wealth was moderate for households in France, the United Kingdom, Germany and Italy, whereas it rose substantially for Canadian and mainly American households thanks to an increase in financial asset prices. In recent years, above all in 2021, the growth rate for Italy has been lower than in the other countries.

**Figure 5. Households' net wealth per capita compared at international level (c)** (thousands of euros; 2005-2021)

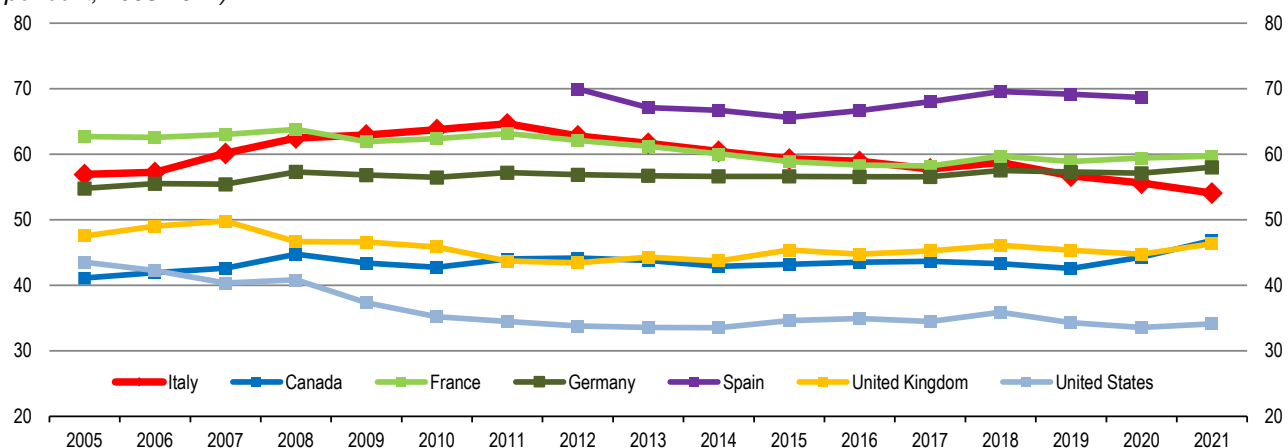


(c) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Values at current prices and exchange rates. Some indicators might differ from those used in other 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 2020.

At the end of 2021, the ratio of households' real assets to gross wealth in Italy was 54 per cent, lower than in Spain (69 per cent in 2020), France (60 per cent) and Germany (58 per cent) but higher than in the other countries (Figure 6). The gradual reduction in the ratio of non-financial assets underway since 2019 in Italy contrasts with international trends.

**Figure 6. Households' non-financial assets compared at international level (d)** (in relation to gross wealth; per cent; 2005-2021)



(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 2020.

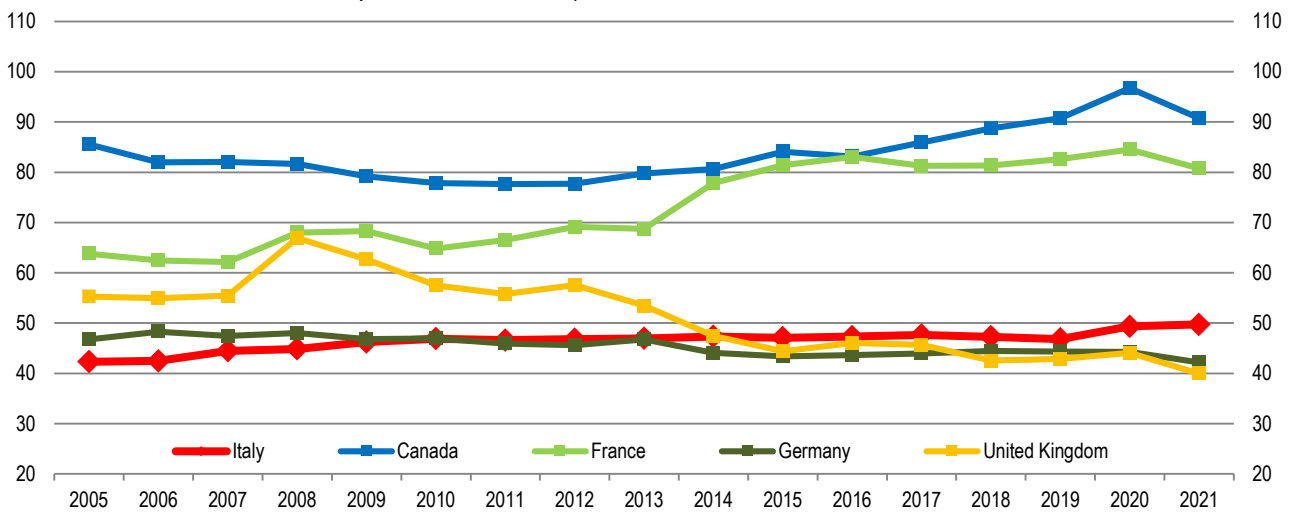
**Italian corporations maintained a low level of indebtedness**

At the end of 2021, the financial debt of Italian non-financial corporations accounted for 50 per cent of non-financial assets, broadly stable compared with the previous year (Figure 7). Italian firms, as well as British and German corporations, have a low level of indebtedness (ratio of financial liabilities



to non-financial assets), far below that of French and Canadian companies. In 2021, firms' indebtedness decreased in all countries but Italy.

**Figure 7. Indebtedness of non-financial corporations compared at international level (e)** (ratio of financial debt to total non-financial assets; per cent; 2005-2021)



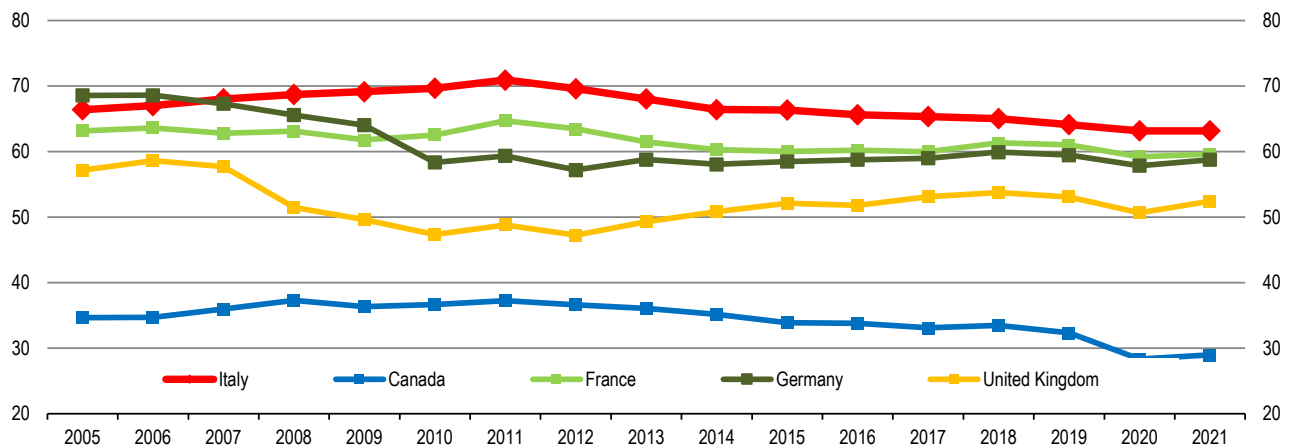
(e) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Financial debt is calculated as the sum of loans and securities on the liability side of non-financial 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.

### Italy's general government net wealth returned to growth

At the end of 2021, 63 per cent of gross wealth held by Italy's general government consisted of non-financial assets, about the same level as in the previous year. Instead, in the other countries, the ratio of non-financial assets to gross wealth increased slightly in 2021.

**Figure 8. General government non-financial assets compared at international level (f)** (in relation to gross wealth; per cent; 2005-2021)

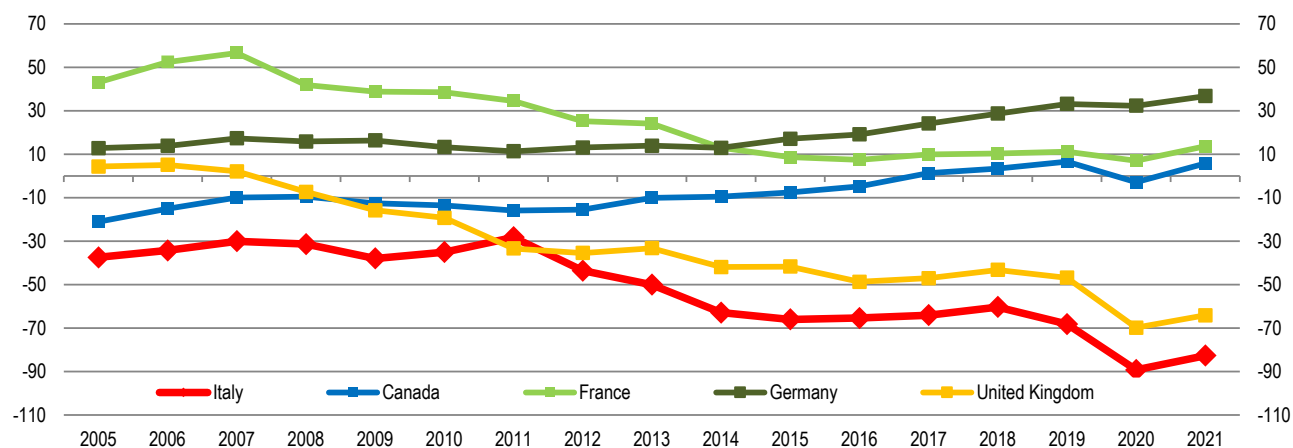


(f) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication.

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

Between 2005 and 2021, the net wealth of Italy's general government sector was negative. The ratio of wealth to GDP reached its lowest level in 2020 (-89 per cent), before improving in 2021 (-83 per cent). In Italy, growth in this ratio was broadly in line with that of the other countries. International comparison may be affected by a systematic underestimation of historical and artistic heritage,<sup>6</sup> penalizing countries such as Italy more than others.

**Figure 9. General government net wealth compared at international level (g) (in relation to GDP; 2005-2021)**



(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>6</sup> 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*)

<b>Assets/Liabilities</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Dwellings	4,190,071	5,523,447	5,280,625	5,176,709	5,161,331	5,184,435
Non-residential buildings	611,647	760,705	712,920	666,420	651,533	641,746
Other structures	-	-	-	-	-	-
Land improvements	36,157	39,589	35,573	32,060	31,331	31,956
Machinery and equipment and weapons systems (1)	79,495	86,816	75,894	72,723	69,766	70,070
Transport equipment	18,235	19,635	15,206	16,355	15,703	15,870
ICT equipment	5,231	4,415	4,004	4,052	3,793	3,715
Other machinery and equipment and weapons systems (1)	56,029	62,766	56,684	52,316	50,270	50,485
Cultivated biological resources	4,012	4,768	4,401	4,332	4,138	4,088
Intellectual property products	6,841	7,386	7,696	7,314	7,133	7,119
of which: Research and development	688	872	1,020	1,152	1,170	1,255
of which: Computer software and databases	3,159	3,511	3,200	2,907	2,898	2,950
Inventories	31,601	31,417	25,006	18,323	17,722	17,647
Land under cultivation	228,191	238,164	229,419	229,478	227,667	229,099
<b>Non-financial assets (a)</b>	<b>5,188,013</b>	<b>6,692,292</b>	<b>6,371,535</b>	<b>6,207,359</b>	<b>6,170,622</b>	<b>6,186,160</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	924,133	1,142,204	1,284,356	1,452,669	1,556,240	1,626,532
Debt securities	735,715	732,051	414,292	281,115	255,828	227,179
Loans	12,572	13,954	12,568	9,609	9,405	10,323
Shares and other equity	1,087,575	754,709	1,039,731	1,071,771	1,097,640	1,247,679
Derivatives	523	804	1,396	744	723	664
Mutual fund shares	426,012	326,842	576,962	656,268	679,062	767,757
Insurance, pension and standardised guarantee schemes	612,782	707,281	898,769	1,116,469	1,181,724	1,210,783
Other accounts receivable	103,486	106,771	128,460	138,537	131,190	146,314
<b>Financial assets (b)</b>	<b>3,902,798</b>	<b>3,784,616</b>	<b>4,356,533</b>	<b>4,727,183</b>	<b>4,911,813</b>	<b>5,237,231</b>
<b>Gross wealth (a+b)</b>	<b>9,090,811</b>	<b>10,476,908</b>	<b>10,728,068</b>	<b>10,934,542</b>	<b>11,082,435</b>	<b>11,423,392</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Loans	491,650	700,255	692,487	737,854	745,698	773,813
Shares and other equity	-	-	-	-	-	-
Derivatives	-	89	68	41	27	30
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	32,414	34,406	36,148	38,190	38,635	39,127
Other accounts payable	150,656	173,940	174,257	187,213	181,970	188,658
<b>Financial liabilities (c)</b>	<b>674,720</b>	<b>908,690</b>	<b>902,960</b>	<b>963,297</b>	<b>966,330</b>	<b>1,001,628</b>
<b>Net wealth (a+b-c)</b>	<b>8,416,091</b>	<b>9,568,218</b>	<b>9,825,108</b>	<b>9,971,244</b>	<b>10,116,105</b>	<b>10,421,764</b>
<i>Memorandum items</i>						
Consumer durables (2)	488,452	559,390	534,170	552,838	556,889	572,437
Households' gross disposable income	1,028,192	1,096,998	1,120,376	1,187,233	1,160,892	1,202,964
Population	58,166,700	59,819,400	60,229,600	59,729,100	59,438,900	59,133,200
Harmonized consumer price index	84.7	93.9	100.6	103.8	103.5	107.8

(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*)

<b>Assets/Liabilities</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Dwellings	396,388	494,501	409,306	353,073	345,433	339,234
Non-residential buildings	967,596	1,225,260	1,198,724	1,103,848	1,084,810	1,069,555
Other structures	339,599	375,941	373,458	372,024	374,067	395,401
Land improvements	15,496	16,967	15,246	13,740	13,428	13,696
Machinery and equipment and weapons systems (1)	507,363	586,690	567,430	610,269	602,283	626,720
Transport equipment	114,466	128,542	105,715	117,011	114,678	117,707
ICT equipment	24,115	23,597	25,677	29,971	30,110	31,483
Other machinery and equipment and weapons systems (1)	368,782	434,552	436,038	463,286	457,495	477,530
Cultivated biological resources	1,160	1,428	1,333	1,251	1,192	1,166
Intellectual property products	89,737	102,606	124,866	143,634	146,093	149,676
<i>of which: Research and development</i>	40,492	51,154	62,553	75,679	77,787	80,517
<i>of which: Computer software and databases</i>	41,903	43,272	50,803	59,452	60,250	61,808
Inventories	300,830	346,091	351,992	385,735	377,848	377,357
Land under cultivation	17,411	20,205	19,370	19,711	19,732	19,869
<b>Non-financial assets (a)</b>	<b>2,635,581</b>	<b>3,169,689</b>	<b>3,061,725</b>	<b>3,003,284</b>	<b>2,964,885</b>	<b>2,992,671</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	191,242	240,052	299,742	388,388	478,511	527,898
Debt securities	36,745	73,048	66,175	54,382	66,043	55,621
Loans	46,879	70,183	66,506	84,096	83,008	73,124
Shares and other equity	616,847	496,705	578,237	777,503	715,714	742,651
Derivatives	9,361	12,375	15,425	14,989	15,143	41,254
Mutual fund shares	13,969	10,354	19,252	26,804	29,364	38,093
Insurance, pension and standardised guarantee schemes	19,170	18,011	16,896	15,615	15,945	18,331
Other accounts receivable	563,643	630,337	585,402	596,744	508,548	536,691
<b>Financial assets (b)</b>	<b>1,497,857</b>	<b>1,551,065</b>	<b>1,647,635</b>	<b>1,958,521</b>	<b>1,912,275</b>	<b>2,033,663</b>
<b>Gross wealth (a+b)</b>	<b>4,133,437</b>	<b>4,720,754</b>	<b>4,709,360</b>	<b>4,961,805</b>	<b>4,877,160</b>	<b>5,026,334</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	-	28,264	34,979	48,419	61,035	67,630
Debt securities	64,963	98,852	149,743	146,121	152,150	172,672
Loans	923,336	1,225,003	1,126,084	1,079,702	1,124,039	1,127,584
Shares and other equity	1,688,574	1,423,050	1,751,837	2,033,000	1,979,171	2,134,098
Derivatives	10,541	9,531	14,407	12,038	15,558	44,529
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	103,687	105,680	99,697	109,124	110,995	112,993
Other accounts payable	514,163	578,412	555,536	568,144	478,226	487,012
<b>Financial liabilities (c)</b>	<b>3,305,264</b>	<b>3,468,792</b>	<b>3,732,283</b>	<b>3,996,548</b>	<b>3,921,172</b>	<b>4,146,518</b>
<b>Net wealth (a+b-c)</b>	<b>828,173</b>	<b>1,251,962</b>	<b>977,078</b>	<b>965,257</b>	<b>955,988</b>	<b>879,816</b>

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

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

Assets/Liabilities	2005	2010	2015	2019	2020	2021
Dwellings	7,989	7,497	9,826	9,749	10,023	10,175
Non-residential buildings	49,992	77,987	87,719	108,112	109,531	113,657
Other structures	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Machinery and equipment and weapons systems (1)	3,643	3,963	3,831	4,361	4,432	4,696
Transport equipment	441	479	456	584	578	612
ICT equipment	1,629	1,562	1,482	1,814	1,915	2,076
Other machinery and equipment and weapons systems (1)	1,573	1,921	1,893	1,963	1,939	2,008
Cultivated biological resources	-	-	-	-	-	-
Intellectual property products	5,337	5,899	5,297	6,070	6,509	6,929
of which: Research and development	2,281	2,694	1,943	1,786	1,890	2,006
of which: Computer software and databases	3,056	3,206	3,354	4,285	4,619	4,923
Inventories	11	11	24	26	25	25
Land under cultivation	59	57	38	37	36	36
<b>Non-financial assets (a)</b>	<b>67,030</b>	<b>95,413</b>	<b>106,735</b>	<b>128,355</b>	<b>130,556</b>	<b>135,518</b>
Monetary gold and SDRs	34,473	90,388	84,543	113,805	128,560	152,210
Currency and deposits	656,188	1,041,968	1,234,363	1,409,629	1,611,171	1,834,391
Debt securities	981,028	1,450,788	1,956,877	2,165,767	2,422,007	2,535,769
Loans	1,683,034	2,219,874	2,103,773	2,097,253	2,154,163	2,184,115
Shares and other equity	545,287	474,255	516,847	635,553	630,167	628,541
Derivatives	121,368	171,319	187,638	152,478	157,213	124,616
Mutual fund shares	178,832	179,575	263,066	403,221	441,977	488,794
Insurance, pension and standardised guarantee schemes	1,302	4,378	7,485	17,340	26,913	35,414
Other accounts receivable	7,480	4,625	21,180	24,071	21,506	20,636
<b>Financial assets (b)</b>	<b>4,208,992</b>	<b>5,637,170</b>	<b>6,375,773</b>	<b>7,019,117</b>	<b>7,593,678</b>	<b>8,004,486</b>
<b>Gross wealth (a+b)</b>	<b>4,276,022</b>	<b>5,732,583</b>	<b>6,482,507</b>	<b>7,147,473</b>	<b>7,724,233</b>	<b>8,140,003</b>
Monetary gold and SDRs	-	-	8,370	8,127	7,751	25,979
Currency and deposits	1,731,839	2,419,214	2,937,606	3,547,277	4,000,704	4,394,955
Debt securities	645,066	1,060,078	837,895	562,621	528,692	533,727
Loans	282,166	493,642	394,895	366,427	359,659	371,295
Shares and other equity	738,241	313,604	499,564	553,980	548,694	550,377
Derivatives	113,740	187,099	203,198	177,349	186,338	140,939
Mutual fund shares	394,020	224,639	286,249	339,361	345,608	377,630
Insurance, pension and standardised guarantee schemes	476,639	564,410	752,369	954,296	1,018,073	1,048,247
Other accounts payable	2,314	1,961	5,847	7,208	11,486	10,708
<b>Financial liabilities (c)</b>	<b>4,384,025</b>	<b>5,264,648</b>	<b>5,925,993</b>	<b>6,516,646</b>	<b>7,007,003</b>	<b>7,453,856</b>
<b>Net wealth (a+b-c)</b>	<b>-108,003</b>	<b>467,935</b>	<b>556,515</b>	<b>630,827</b>	<b>717,230</b>	<b>686,147</b>

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

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

<b>Assets/Liabilities</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Dwellings	53,869	55,055	48,951	46,689	46,301	46,240
Non-residential buildings	253,743	314,496	318,577	305,989	304,033	313,401
Other structures	421,204	541,982	569,083	560,032	555,749	579,361
Land improvements	-	-	-	-	-	-
Machinery and equipment and weapons systems (1)	61,242	74,324	71,511	75,375	77,316	80,428
Transport equipment	6,164	8,399	8,046	7,161	7,379	7,846
ICT equipment	3,379	4,371	3,265	3,206	3,567	3,807
Other machinery and equipment and weapons systems (1)	51,698	61,554	60,201	65,008	66,370	68,775
Cultivated biological resources	-	-	-	-	-	-
Intellectual property products	40,787	47,937	46,404	48,609	48,657	49,706
of which: Research and development	33,993	40,306	39,496	40,095	39,798	40,313
of which: Computer software and databases	6,794	7,631	6,908	7,320	7,728	8,264
Inventories	1,397	1,814	2,291	3,383	5,576	5,827
Land under cultivation	8,337	9,833	10,377	10,776	10,898	10,982
<b>Non-financial assets (a)</b>	<b>840,578</b>	<b>1,045,441</b>	<b>1,067,194</b>	<b>1,050,852</b>	<b>1,048,530</b>	<b>1,085,944</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	76,629	103,059	75,761	80,730	97,642	103,618
Debt securities	14,146	27,966	36,646	38,351	37,317	57,522
Loans	92,981	84,824	155,411	153,355	154,135	147,255
Shares and other equity	139,134	122,078	134,832	154,783	155,120	154,507
Derivatives	-	-	-	-	-	-
Mutual fund shares	4,229	4,229	14,751	33,111	36,568	42,781
Insurance, pension and standardised guarantee schemes	1,543	1,450	1,278	1,119	1,106	1,159
Other accounts receivable	95,689	110,520	121,117	124,384	126,110	122,870
<b>Financial assets (b)</b>	<b>424,353</b>	<b>454,127</b>	<b>539,797</b>	<b>585,832</b>	<b>607,998</b>	<b>629,711</b>
<b>Gross wealth (a+b)</b>	<b>1,264,930</b>	<b>1,499,568</b>	<b>1,606,991</b>	<b>1,636,685</b>	<b>1,656,528</b>	<b>1,715,656</b>
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	239,301	232,918	248,594	234,636	237,859	238,259
Debt securities	1,331,459	1,549,715	2,109,153	2,272,255	2,509,553	2,522,834
Loans	154,953	177,736	228,746	217,093	233,863	254,471
Shares and other equity	-	-	-	-	-	-
Derivatives	22,864	18,679	31,899	26,995	29,726	19,715
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	210	1,201	3,803	9,925	19,817	26,963
Other accounts payable	74,513	82,071	75,574	97,327	102,324	120,512
<b>Financial liabilities (c)</b>	<b>1,823,300</b>	<b>2,062,320</b>	<b>2,697,769</b>	<b>2,858,231</b>	<b>3,133,141</b>	<b>3,182,754</b>
<b>Net wealth (a+b-c)</b>	<b>-558,369</b>	<b>-562,753</b>	<b>-1,090,778</b>	<b>-1,221,546</b>	<b>-1,476,614</b>	<b>-1,467,099</b>
<i>Memorandum items</i>						
Gross Domestic Product (GDP)	1,493,635	1,611,279	1,655,355	1,796,648	1,660,621	1,782,050

(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**

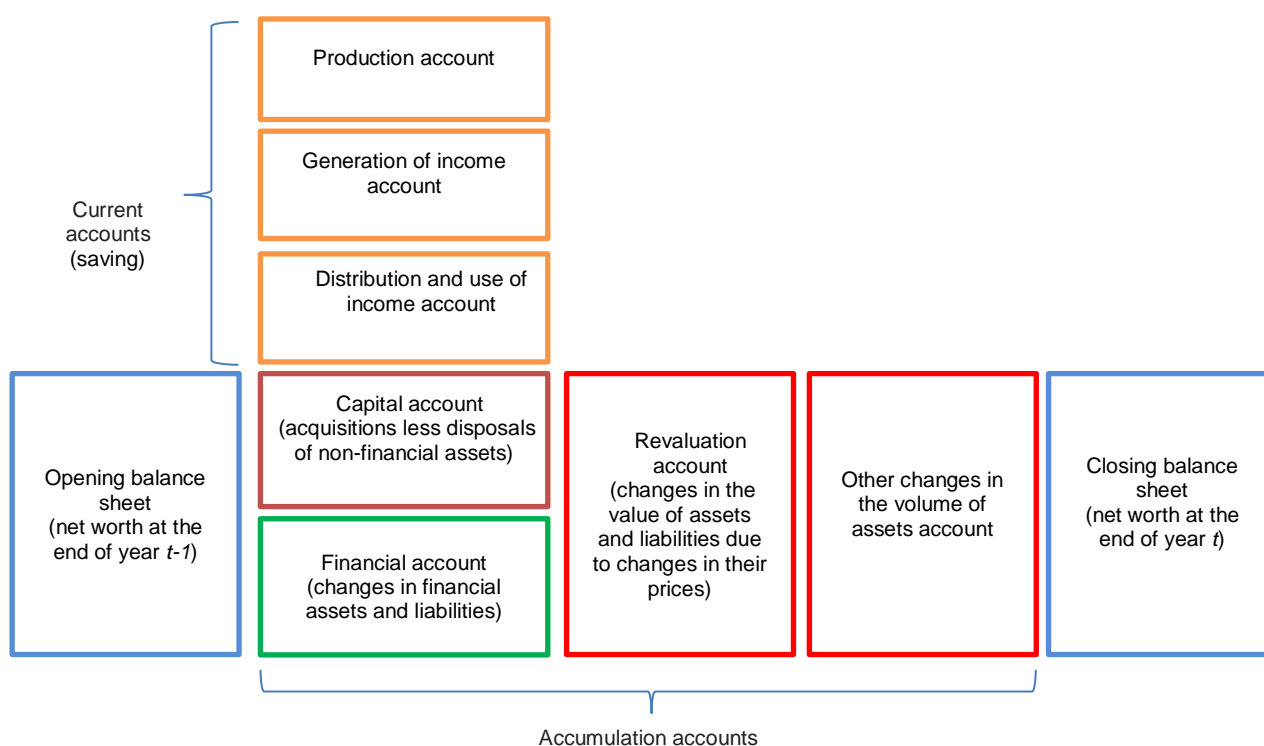


Chart 1 presents the sequence of accounts. From left to right, starting from the opening balance sheet, all changes in the values of assets and liabilities occurring in the accounting period (one year, in the statement) are recorded. Current accounts cover production and the associated generation, distribution 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>7</sup> Estimates are revised in accordance with the policy of revisions of annual accounts by institutional sector.<sup>8</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.

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<sup>7</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>8</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 23 September 2022.

## 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>9</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>10</sup> and by the OECD.<sup>11</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>12</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>13</sup> are separated from non-produced non-financial assets,<sup>14</sup> in line with international accounting rules (ESA 2010 and SNA 2008); therefore buildings<sup>15</sup> do not include the value of underlying land, which is entered under non-produced non-financial assets.<sup>16</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>9</sup> System of National Accounts 2008 (United Nations Statistical Commission-UNSC).

<sup>10</sup> Source: Eurostat, <https://ec.europa.eu/eurostat/data/database> (accessed on 5 January 2023).

<sup>11</sup> Source: OECD.Stat, <https://stats.oecd.org/> (accessed on 5 January 2023).

<sup>12</sup> Source: Office for National Statistics, "The UK national balance sheet estimates", Publication date: 5 May 2022.

<sup>13</sup> 'AN1 – Produced non-financial assets'.

<sup>14</sup> 'AN2 – Non produced non-financial assets'.

<sup>15</sup> 'AN111 – Dwellings', 'AN1121 – Non-residential buildings', 'AN1122 – Other structures', 'AN1123 – Land improvements'.

<sup>16</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

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