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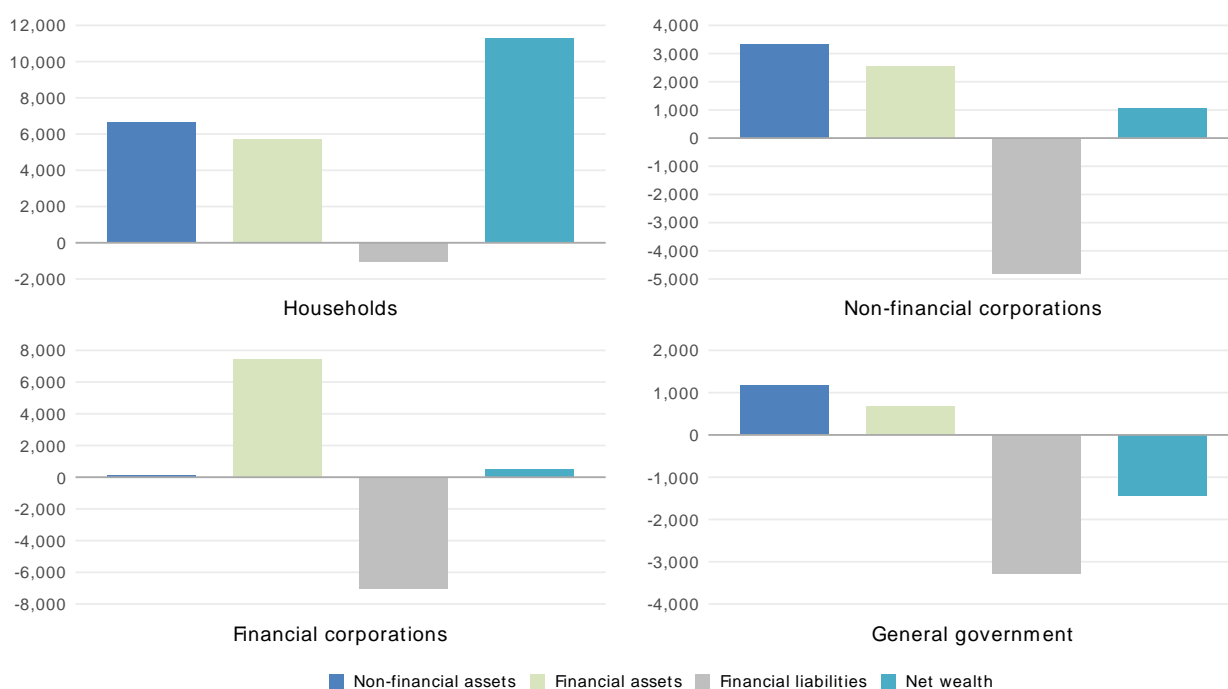
The wealth of Italy's institutional sectors

2005 | 2023

MAIN FINDINGS

The wealth estimates compiled by Istat and Banca d'Italia, 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.¹

Figure 1. Wealth of Italy's institutional sectors (a) (billions of euros; 2023)



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

Sources: Istat and Banca d'Italia.

¹ 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 2023, the net wealth of Italian households stood at €11,286 billion. Compared with 2022, it increased by 4.5 per cent at nominal values and reached its highest level since 2005, the first year for which data are available. However, net wealth in real terms is still lower by more than 7 percentage points compared with 2021, due to the high inflation observed in 2022. In 2023, the increase in non-financial assets (+1.6 per cent at nominal values) was driven primarily by the rise in the value of dwellings, which recorded a marked growth over the last two years. Financial assets grew by 7.1 per cent, largely due to the upward trend in the market prices of shares, of mutual funds shares and of insurance reserves, more than recouping the capital losses measured in 2022. Households also invested greatly in debt securities, mainly those issued by general government, whereas deposits recorded their strongest reduction since 2005 (-3.2 per cent). Financial liabilities were broadly in line with those of the previous year, with a modest decline in loans offset by the increase in other accounts. At international level, in 2023, the ratio of households' net wealth to gross disposable income remained stable in Italy, Canada and Germany, while it dropped in France and the United Kingdom for the second consecutive year.

Among real assets of non-financial corporations, accounting for 56.8 per cent of their gross wealth, the value of machinery and equipment continued to grow in 2023. As regards financial instruments, the market value of the shares portfolio rose markedly, whereas deposits decreased for the first time since 2012. Overall, firms' net wealth was approximately that of 2022, reflected by the increase in both gross wealth and liabilities by a similar amount. On the liability side, the growth in the value of shares offset the fall in loans. The level of indebtedness declined slightly in Italy as well as in Germany, while it grew in France.

The contraction of financial corporations' balance sheets started in 2022 and continued in 2023, with a reduction of around 3 per cent in both assets and liabilities. On the asset side, the decline was mainly driven by deposits and loans; for liabilities, the significant drop in deposit funding was partly balanced by the rise in the value of shares, which were pushed upwards by market prices.

At the end of 2023, general government net wealth was negative by €1,432 billion, worsening when compared with the previous year. This was due, on the one hand, to the substantial growth in liabilities (+8.8 per cent), and, on the other hand, to the modest increase in gross wealth (+0.9 per cent). At international level, the Italian trend regarding the ratio of general government net wealth to GDP has been similar to that of the United Kingdom, albeit with a steeper fall in 2023. In the same year, France also recorded a strong reduction in the ratio.

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, in the form of either 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 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 Banca d'Italia 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 increased

At the end of 2023, the net wealth of Italian households,² measured as the sum of real assets (dwellings, land, etc.) and financial assets (deposits, debt securities, shares, etc.),³ net of financial liabilities (short-, medium- and long-term loans, etc.), stood at €11,286 billion (€191,000 per capita; Figure 2a and Table 1). Compared with 2022, net wealth at nominal values increased by 4.5 per cent, reaching its highest level since 2005. However, net wealth in real terms⁴ is still lower by more than 7 percentage points than that of 2021, due to the high inflation observed in 2022. When measured in proportion to gross disposable income, the households' net wealth held stable (at 8.2 per cent), though it was below the average ratio for the period analysed in this report (8.6 per cent).

Non-financial assets (€6,629 billion) increased by 1.6 per cent at current prices (+€106 billion), driven by the rise in the value⁵ of dwellings, which grew to €5,547 billion. The growth in residential buildings (+2.4 per cent in 2022 and +1.9 per cent in 2023) was largely supported by the positive trend observed for housing market prices. Despite increasing over the last two years, the value of dwellings was still lower by nearly 3 percentage points when compared to the peak reached at the end of 2011 (€5,701 billion). In 2023, the value of non-residential real estate remained broadly in line with that of the previous year. Financial assets (€5,692 billion) grew by €377 billion (+7.1 per cent), driven by the strong increase in the stock of debt securities (+€168 billion, primarily net purchases of government debt securities), of shares (+€152 billion), and of other accounts receivable (largely tax credits, +€23 billion). Conversely, deposits, and especially overnight deposits, recorded their sharpest drop since 2005 (-3.2 per cent, -€53 billion), as a result of the increase in the opportunity cost of owning liquid assets. The modest decrease in loans (-€7 billion) was offset by the growth in other accounts payable (mainly tax debts), and therefore financial liabilities remained largely stable.

In 2023, the growth in the value of financial wealth largely reflected the positive trend in the financial markets and accounted for more than €300 billion of households' capital gains, resulting above all from shares, to mutual funds shares, and to technical reserves. This more than offset the capital losses recorded in 2022. Financial savings (€61 billion) contributed to the increase in the value of financial wealth, although less so than during the pandemic period.

Non-financial and financial corporations' net wealth held stable

At the end of 2023, the net wealth of non-financial corporations was broadly in line with that of 2022 (€1,058 billion, Figure 2b and Table 2), due to similar increases in gross wealth (+€162 billion) and in liabilities (+€168 billion). Among real assets, which stood at €3,334 billion, machinery and equipment was the most significant component. Financial instruments overall reached the value of €2,531 billion, recording a rise in the stock of shares (+€105 billion), of debt securities (+€23 billion) and other accounts receivable (+€15 billion, largely tax credits). Deposits decreased (-1.6 per cent, -€8 billion), for the first time since 2012. As regards liabilities of non-financial corporations, which amounted to €4,807 billion, the increase was driven by shares (+8.3 per cent, +€199 billion), while loans decreased (-3.7 per cent, -€43 billion). The growth in shares, both on the asset and the liability side, was primarily due by the rise in market prices recorded in 2023.

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

³ 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 standardized guarantee schemes'. See the 'Glossary' for more details.

⁴ The harmonized index of consumer prices (HICP, 2015=100, monthly index number recorded in December) is used to compute the net wealth in real terms.

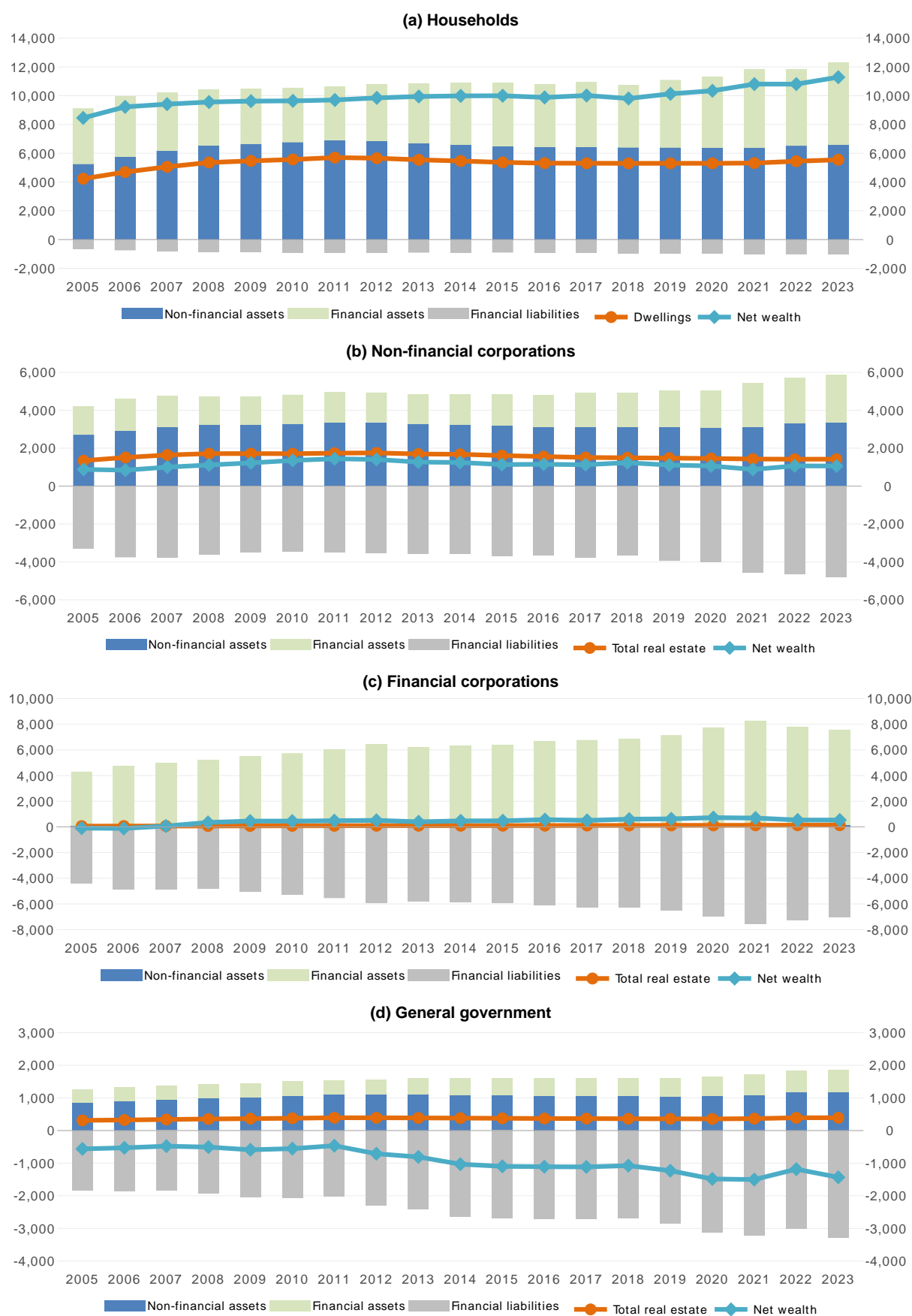
⁵ In this report, 'value' indicates the amount at market prices.

The net wealth of financial corporations also remained broadly stable between 2022 and 2023 (€530 billion; Figure 2c and Table 3), although there was a significant reduction in gross wealth and liabilities, mainly related to monetary policy operations.⁶ In particular, the decline in gross wealth (-€234 billion, -3 per cent) was driven by the contraction in deposits and loans on the asset side. A similar decrease in liabilities (-3.2 per cent) was mainly due to deposits, which recorded the sharpest contraction since 2005 (-10.2 per cent). Conversely, market prices pushed the value of shares upwards (+19.9 per cent).

General government net wealth decreased

General government net wealth was negative by €1,432 billion at the end of 2023 (Figure 2d and Table 4), from -€1,184 billion in 2022; the worsening was a result of the strong growth in liabilities (+8.8 per cent), which more than offset weaker growth in gross wealth (+0.9 per cent). Among real assets, the value of machinery and equipment increased, whereas that of the other structures declined. On the financial side, the market value of the debt securities portfolio grew by 11.7 per cent. As regards liabilities, the growth was driven by government debt securities, which rose by €209 billion (+9.5 per cent). About half of this amount was attributable to the upward trend in market prices, and the rest to positive net issuance. Loans also increased (+€26 billion), and so did other accounts payable (+€52 billion), the latter including liabilities stemming from building renovation incentives.

⁶ For more details, see Chapter 3, *Annual Report for 2023, 2024*, Banca d'Italia.

Figure 2. Wealth of Italy's institutional sectors and its components (billions of euros; 2005-2023)

Sources: Istat and Banca d'Italia.

THE COMPOSITION OF GROSS WEALTH

The ratio of non-financial assets to gross wealth declined for households...

At the end of 2023, non-financial assets accounted for over half of the gross wealth of Italian households (53.8 per cent, Figure 3a and Table 1), most of which consisted of dwellings (45 per cent) and non-residential buildings (5.5 per cent). Among the main financial instruments, 14.7 per cent was held in asset management products,⁷ followed by shares (13.4 per cent) and deposits (12.8 per cent). Compared with 2022, the share of real assets in gross wealth decreased by slightly more than 1 percentage point; on the financial side, the rise in the debt securities component (from 2.2 to 3.5 per cent) and shares (from 12.7 to 13.4 per cent) was only partly offset by the reduction in that of deposits (from 13.8 to 12.8 per cent). From a longer-term perspective, after the peak recorded in 2011 (65 per cent), the ratio of real assets to gross wealth fell by around 11 percentage points, favouring above all asset management products.

... as well as for non-financial corporations

In 2023, real assets accounted for 56.8 per cent of Italian non-financial corporations' gross wealth (Figure 3b and Table 2), down by 1 percentage point compared with 2022. Non-residential buildings (18.2 per cent) and machinery and equipment (12.6 per cent) accounted for the most significant shares, followed by inventories (7.8 per cent). On the financial side, shares accounted for 15.4 per cent of gross wealth (from 14 per cent in 2022), while other accounts receivable and deposits stood at 14.2 and 8.8 per cent, respectively. As observed for households, the ratio of real assets to gross wealth fell for non-financial corporations as well, by almost 8 percentage points when compared with 2005. The drop was largely due to a reduction in the share of dwellings, both residential and non-residential, which was matched above all by an increase in deposits and shares.

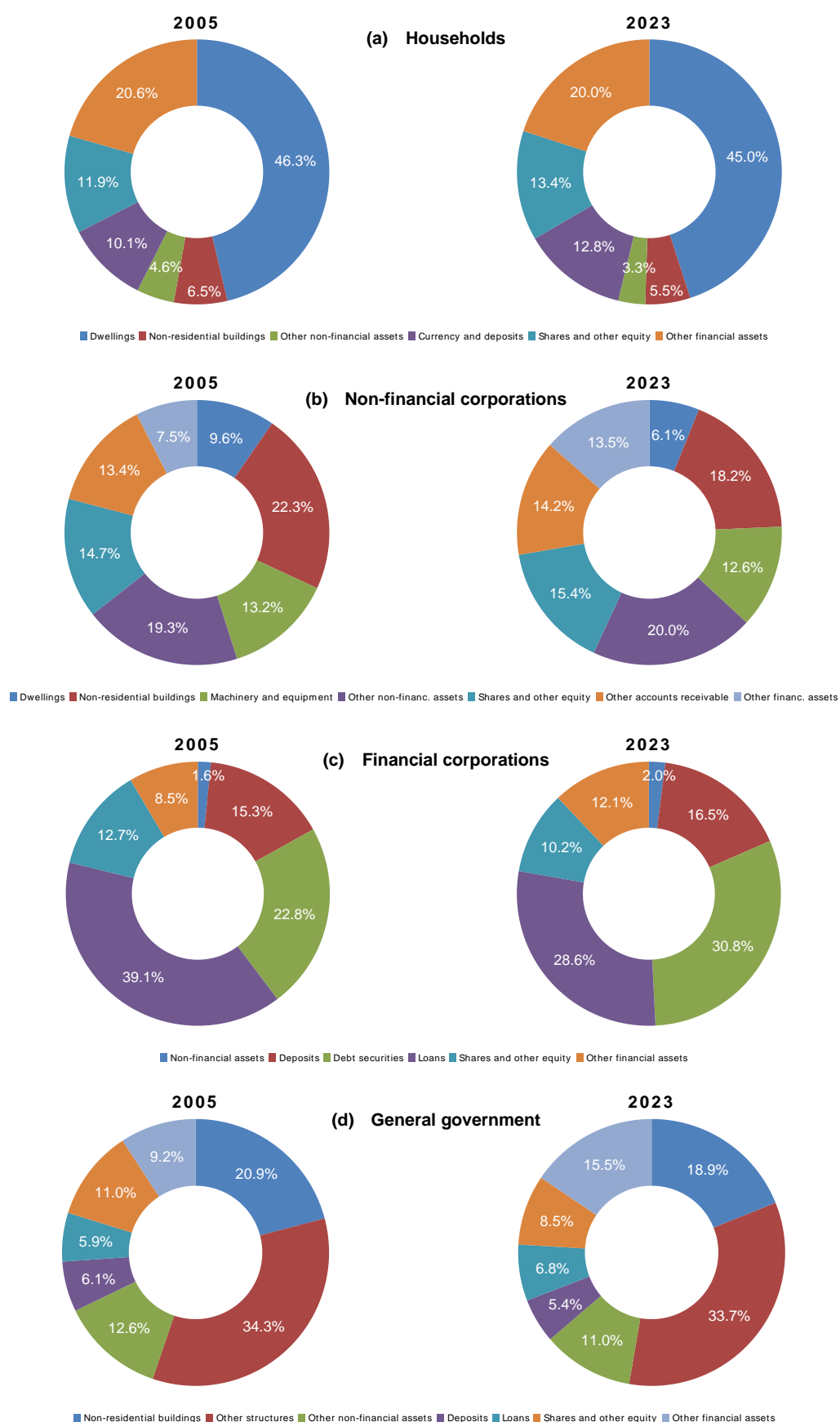
The ratio of deposits to gross wealth of financial corporations fell

At the end of 2023, Italian financial corporations held 98 per cent of their gross wealth in financial assets (Figure 3c and Table 3). Compared with 2022, the decline in the share of deposits (from 20 to 16.5 per cent) was mainly offset by the rise in that of debt securities (from 28.9 to 30.8 per cent). The ratio of loans to gross wealth remained broadly stable.

The composition of general government gross wealth remained stable

In 2023, almost two thirds of the gross wealth of the Italian general government sector consisted of non-financial assets, held primarily in real estate, both residential and non-residential (21.3 per cent), and in other structures (33.7 per cent, Figure 3d and Table 4). Compared with the previous year, the ratio of financial assets to gross wealth increased somewhat (from 35.6 to 36.3 per cent), driven by the moderate growth in the share of debt securities and shares.

⁷ 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 (b) (percentages; 2005 and 2023)

(b) Any mismatches are due to the rounding of decimals.

Sources: Istat and Banca d'Italia.

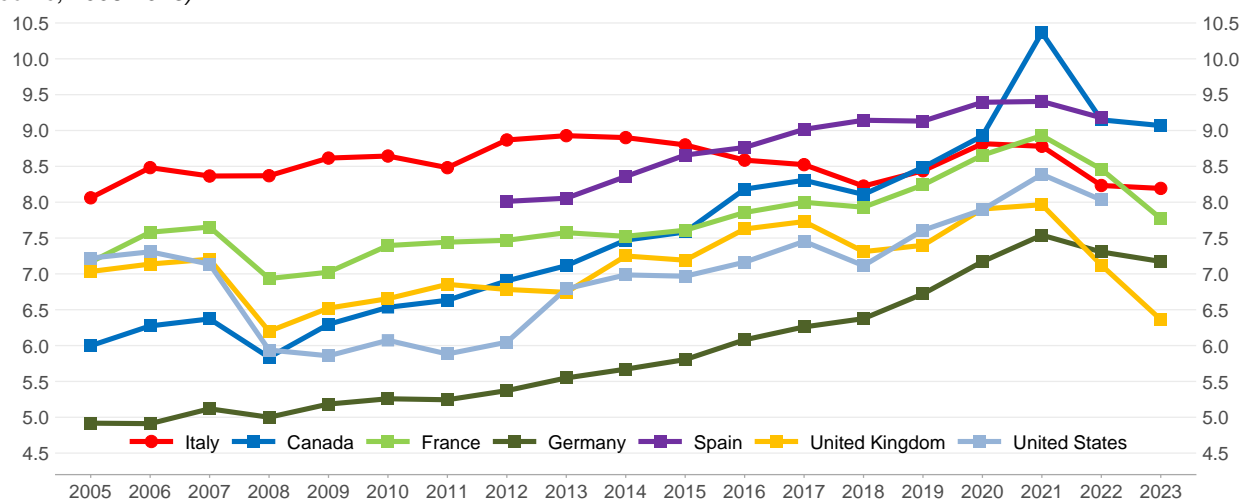
INTERNATIONAL COMPARISON

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

The ratio of households' net wealth to gross disposable income remained stable in Italy

Between 2022 and 2023, the ratio of households' net wealth to gross disposable income remained broadly stable in Italy, Canada and Germany, while it decreased sharply in France and the United Kingdom for the second consecutive year (Figure 4; the latest data available for Spain and the United States refer to 2022). In France, the fall reflected a marked reduction in non-financial assets. In the United Kingdom, where the ratio of net wealth to gross disposable income recorded its lowest level since 2009, the downward trend was driven by the simultaneous strong decline in assets, both real and financial, and the rise in liabilities.

Figure 4. Net household wealth: international comparison (c) (as a percentage of households' gross disposable income; 2005-2023)

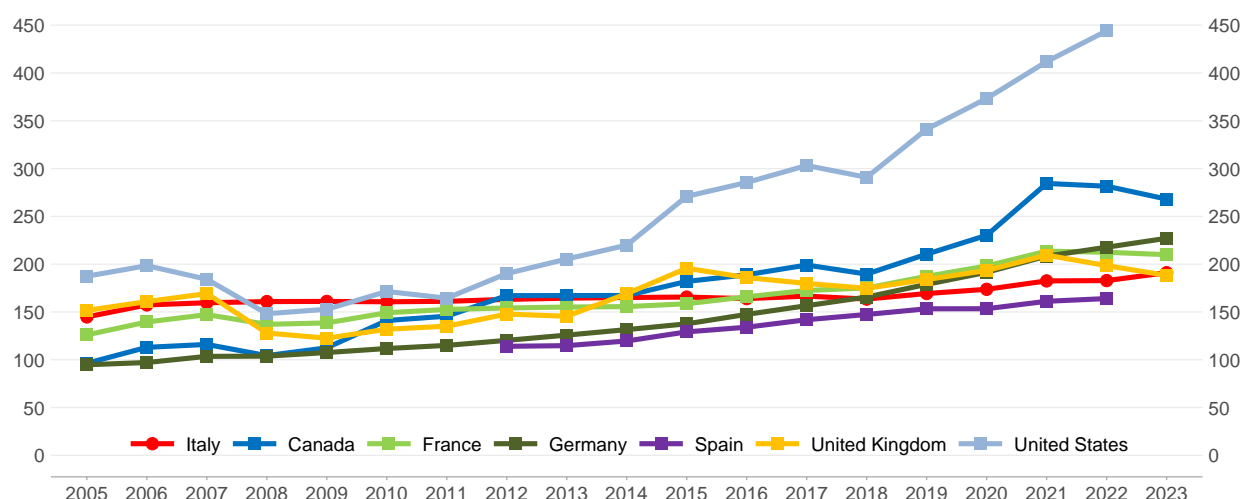


(c) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication, for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

Sources: Istat and Banca d'Italia; 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 2022; for the United States, the data for 2023 are missing.

When measured in proportion to the population, the net wealth of Italian households in 2023 stood at €191,000 (inventories excluded), among the lowest levels in this international comparison exercise, together with the United Kingdom and Spain, though the latest available data for the latter refer to 2022 (Figure 5). However, in Italy, the indicator grew by 4.5 per cent compared with 2022, in line with Germany. Conversely, it decreased in all other countries.

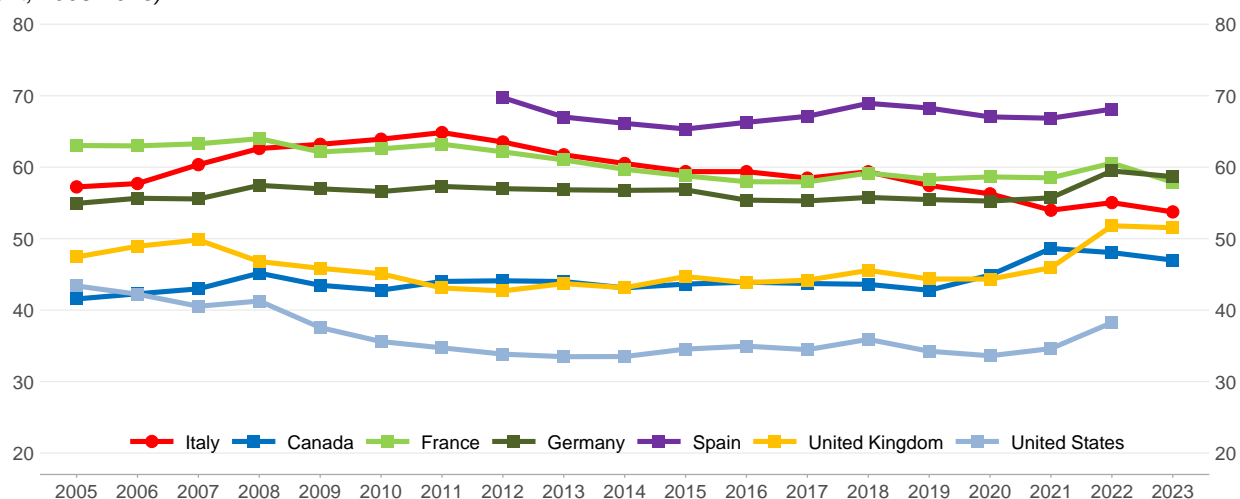
⁸ See the 'Methodological Notes' for more details.

Figure 5. Households' net wealth per capita: international comparison (d) (thousands of euros; 2005-2023)

(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. Some indicators might differ from those used in other sections of this publication. Values at current prices and exchange rates.

Sources: Istat and Banca d'Italia; 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 2022; for the United States, the data for 2023 are missing.

At the end of 2023, the ratio of Italian households' real assets to gross wealth (around 54 per cent) was lower than that of Spain (for which the latest available data refer to 2022), France and Germany but higher than that of the other countries (Figure 6). This ratio was similar for Italian and French households between 2009 and 2018, but subsequently decreased more markedly in Italy.

Figure 6. Households' non-financial assets: international comparison (e) (in relation to gross wealth; per cent; 2005-2023)

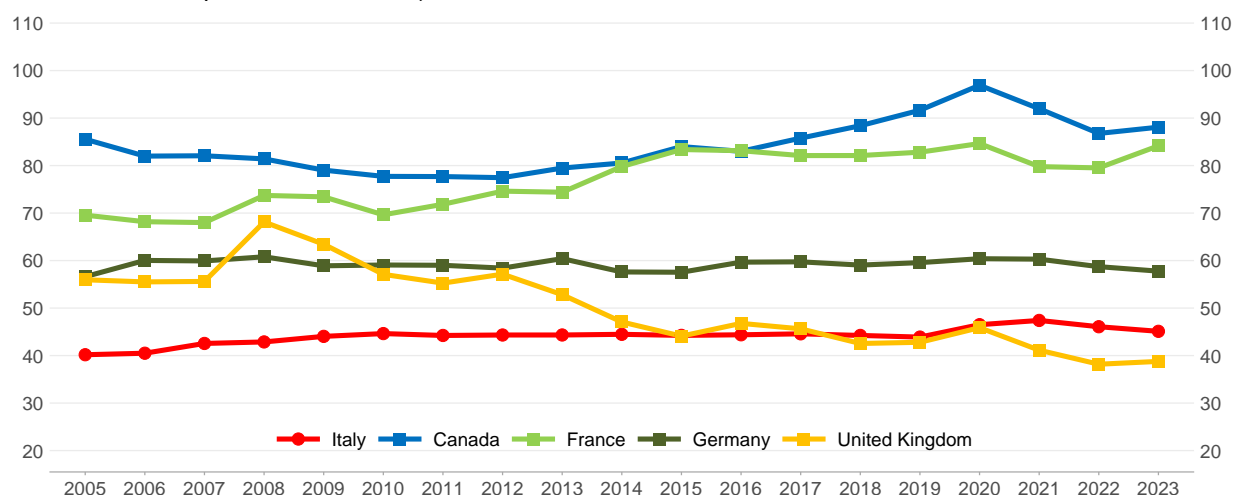
(e) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication.

Sources: Istat and Banca d'Italia; 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 2022; for the United States, the data for 2023 are missing.

The level of indebtedness of non-financial corporations decreased slightly in Italy and Germany while it rose in France

At the end of 2023, the financial debt of Italian non-financial corporations amounted to 45 per cent of real assets (Figure 7). In Italy, as well as in the United Kingdom, non-financial corporations have a low level of indebtedness, far below that observed in Germany, France and Canada. Compared with 2022, a reduction of indebtedness was recorded only in Italy and Germany; on the contrary, indebtedness rose by almost 5 percentage points in France.

Figure 7. Debt of non-financial corporations: international comparison (f) (ratio of financial debt to total non-financial assets; per cent; 2005-2023)



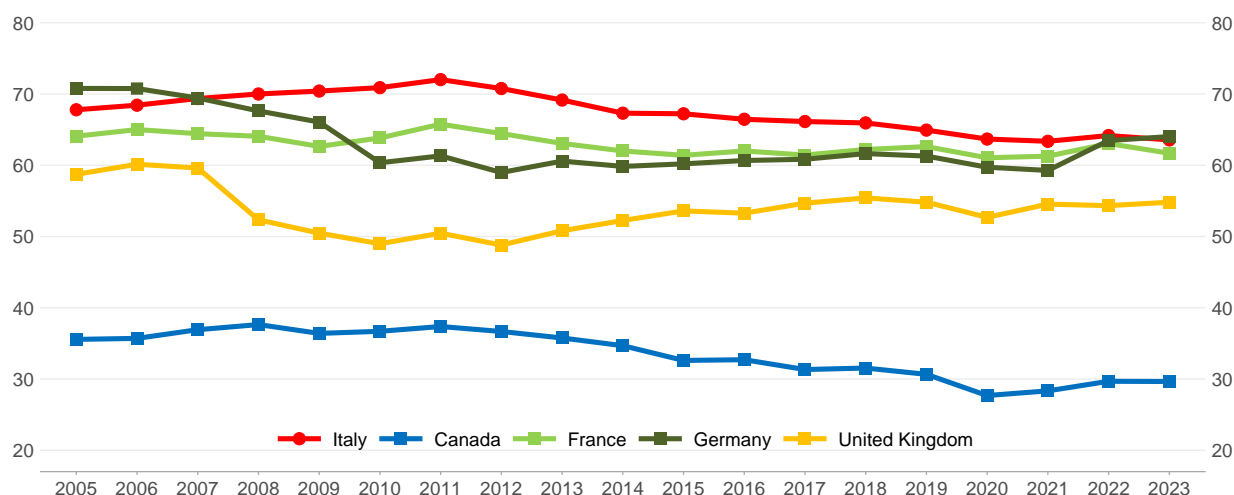
(f) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication. Financial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

Sources: Istat and Banca d'Italia; Eurostat for France and Germany; OECD for Canada; ONS for the United Kingdom.

The ratio of general government net wealth to GDP declined above all in Italy and France

At the end of 2023, 64 per cent of the gross wealth held by the Italian general government consisted of non-financial assets, broadly in line with the share recorded for France and Germany (Figure 8). Compared with 2022, the ratio of real assets to gross wealth changed significantly only in France, decreasing more than 1 percentage point.

Figure 8. General government non-financial assets: international comparison (g) (as a percentage of gross wealth; per cent; 2005-2023)



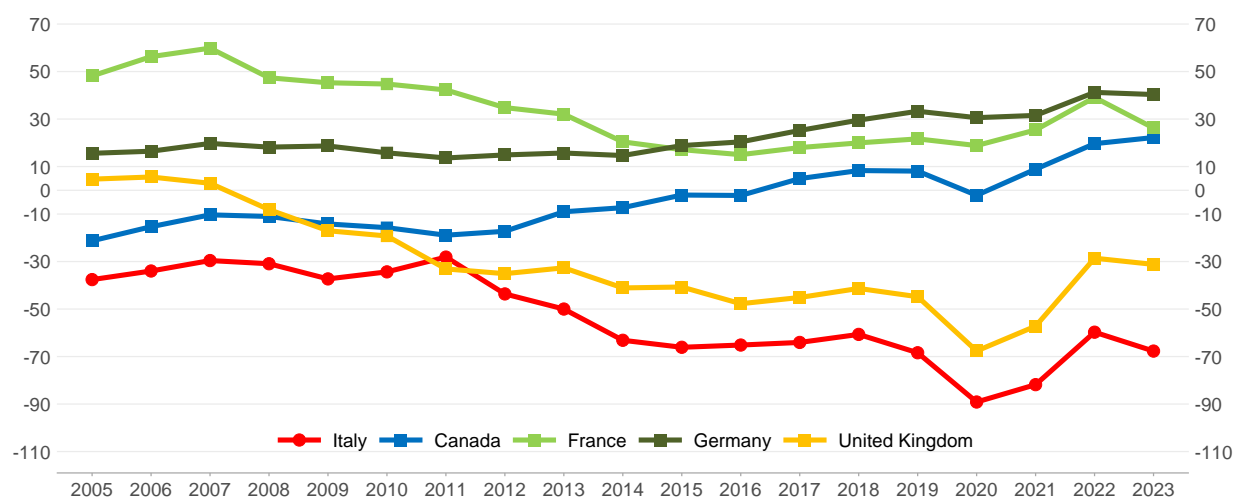
(g) For greater international comparability, total non-financial assets are calculated as the sum of fixed capital and land; inventories are excluded, as these data are not available for some countries. Therefore, some indicators might differ from those used in other sections of this publication.

Sources: Istat and Banca d'Italia; Eurostat for France and Germany; OECD for Canada; ONS for the United Kingdom.

Between 2005 and 2023, the net wealth of Italy's general government was negative (Figure 9).⁹ After the decline recorded in 2020 due to the pandemic crisis and the subsequent recovery in the two following years, the ratio of general government net wealth to GDP in Italy worsened again. The Italian trend was similar to that of the United Kingdom, albeit with a steeper fall in 2023. On the contrary, in France and Germany, the contraction observed in 2020 was significantly more modest because of a strong growth in gross wealth, which offset the sharp increase in liabilities. In 2023, in France, the ratio of net wealth to GDP shrank (-13 percentage points) due to the reduction in real assets as well as the rise in liabilities.

⁹ 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 constructions, including the value of monuments, in accordance with international statistical standards (SNA 2008 and ESA 2010). This approach estimates capital stocks by cumulating flows of past investments and this may result in a systematic underestimation of buildings and structures with greater historical and artistic value, partially capturing their value through the major improvements to existing historic monuments. For more details on the perpetual inventory method see *Measuring Capital, OECD Manual, Second edition*, Paris, 2009.

Figure 9. General government net wealth: international comparison (h) (as a percentage of GDP; per cent; 2005-2023)



(h) 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 Banca d'Italia; Eurostat for France and Germany; OECD for Canada; ONS for the United Kingdom.

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

Assets/Liabilities	2005	2010	2015	2020	2022	2023
Dwellings	4,226,854	5,566,799	5,364,760	5,300,509	5,444,986	5,547,241
Non-residential buildings	597,341	753,733	714,690	684,805	677,165	678,301
Other structures	-	-	-	-	-	-
Land improvements	35,402	38,982	34,861	29,642	31,889	30,172
Machinery and equipment and weapons systems (1)	85,039	91,248	81,399	75,388	81,988	84,323
Transport equipment	16,559	17,436	14,004	15,831	17,487	19,156
ICT equipment	6,744	5,437	4,958	4,688	4,380	4,273
Other machinery and equipment and weapons systems (1)	61,737	68,375	62,438	54,870	60,121	60,895
Cultivated biological resources	4,119	4,997	4,665	4,285	4,701	4,747
Intellectual property products	6,673	7,190	6,982	7,001	7,103	7,144
of which: Research and development	786	975	1,276	1,554	1,669	1,713
of which: Computer software and databases	2,965	3,248	2,885	2,565	2,695	2,851
Inventories	33,527	33,332	26,531	18,816	16,451	16,166
Land under cultivation	251,276	259,550	249,517	253,283	258,908	261,324
Non-financial assets (a)	5,240,230	6,755,831	6,483,406	6,373,728	6,523,189	6,629,417
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	924,133	1,142,204	1,284,356	1,548,095	1,630,038	1,577,352
Debt securities	736,403	733,285	484,257	263,465	262,585	430,186
Loans	12,572	13,954	12,568	9,555	9,347	9,176
Shares and other equity	1,087,543	768,398	1,041,730	1,134,631	1,503,947	1,656,075
Derivatives	523	804	1,396	1,323	7,537	8,728
Mutual fund shares	411,840	327,860	578,609	684,286	681,742	721,330
Insurance, pension and standardised guarantee schemes	612,782	701,371	885,086	1,160,294	1,042,717	1,089,805
Other accounts receivable	103,486	106,771	128,460	136,364	176,767	199,432
Financial assets (b)	3,889,282	3,794,648	4,416,462	4,938,012	5,314,680	5,692,084
Gross wealth (a+b)	9,129,512	10,550,479	10,899,867	11,311,740	11,837,870	12,321,502
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Loans	491,650	700,255	692,487	748,900	798,704	791,268
Shares and other equity	-	-	-	-	-	-
Derivatives	-	89	68	27	271	328
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	32,414	34,160	35,561	37,705	38,798	39,396
Other accounts payable	150,656	173,940	174,257	182,801	195,238	204,485
Financial liabilities (c)	674,720	908,444	902,373	969,433	1,033,012	1,035,477
Net wealth (a+b-c)	8,454,792	9,642,034	9,997,494	10,342,307	10,804,858	11,286,025
<i>Memorandum items</i>						
Consumer durables (2)	493,750	564,295	536,935	561,042	604,550	641,027
Households' gross disposable income	1,044,697	1,111,621	1,133,189	1,170,934	1,310,398	1,375,635
Population	58,166,700	59,819,400	60,229,600	59,438,900	59,013,700	58,984,200
Harmonized consumer price index (3)	84.7	93.9	100.6	103.5	121.1	121.7

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

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

(3) HICP, 2015 = 100, monthly index number recorded in December.

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

Assets/Liabilities	2005	2010	2015	2020	2022	2023
Dwellings	405,805	503,836	421,814	362,624	358,810	355,774
Non-residential buildings	937,732	1,205,790	1,188,685	1,092,865	1,059,028	1,065,770
Other structures	387,644	436,558	456,616	455,906	526,293	515,455
Land improvements	15,172	16,707	14,940	12,704	13,667	12,931
Machinery and equipment and weapons systems (1)	554,154	638,037	615,150	626,863	708,424	740,752
Transport equipment	114,165	127,924	110,445	125,425	140,739	154,615
ICT equipment	30,115	30,032	31,771	36,190	39,072	40,426
Other machinery and equipment and weapons systems (1)	409,873	480,081	472,934	465,248	528,614	545,711
Cultivated biological resources	1,132	1,357	1,298	1,155	1,249	1,270
Intellectual property products	92,181	102,537	119,152	143,774	152,808	159,508
of which: Research and development	44,260	52,914	63,363	81,144	87,392	91,324
of which: Computer software and databases	40,744	41,517	47,444	55,753	58,275	61,234
Inventories	295,755	340,251	346,053	371,417	456,524	459,678
Land under cultivation	19,264	22,058	21,043	21,820	22,334	22,561
Non-financial assets (a)	2,708,840	3,267,131	3,184,750	3,089,128	3,299,136	3,333,699
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	191,242	240,052	297,422	476,972	527,079	518,777
Debt securities	36,745	73,048	69,496	66,466	61,315	83,895
Loans	46,879	70,585	67,429	92,988	104,925	107,966
Shares and other equity	616,847	496,705	578,237	708,528	800,627	905,941
Derivatives	9,361	12,375	15,425	15,143	33,654	16,927
Mutual fund shares	13,969	10,354	19,252	29,364	40,024	41,908
Insurance, pension and standardised guarantee schemes	19,170	18,011	16,896	15,945	17,376	21,590
Other accounts receivable	563,643	630,337	585,402	571,717	819,132	834,480
Financial assets (b)	1,497,856	1,551,467	1,649,558	1,977,123	2,404,131	2,531,483
Gross wealth (a+b)	4,206,696	4,818,598	4,834,309	5,066,251	5,703,267	5,865,182
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	-	28,264	34,979	61,035	73,608	70,056
Debt securities	64,963	98,852	149,752	152,064	155,717	184,999
Loans	904,569	1,207,425	1,106,397	1,111,773	1,153,993	1,111,348
Shares and other equity	1,728,574	1,443,050	1,751,837	2,032,327	2,392,711	2,592,164
Derivatives	10,541	9,531	14,407	15,559	24,945	13,164
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	103,687	100,003	86,691	89,781	92,999	95,673
Other accounts payable	514,163	578,412	555,536	541,082	744,706	739,332
Financial liabilities (c)	3,326,497	3,465,537	3,699,599	4,003,620	4,638,679	4,806,736
Net wealth (a+b-c)	880,199	1,353,060	1,134,710	1,062,631	1,064,588	1,058,445

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

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

Assets/Liabilities	2005	2010	2015	2020	2022	2023
Dwellings	7,499	7,510	9,851	10,031	10,718	11,232
Non-residential buildings	50,046	77,922	87,686	108,871	120,594	123,407
Other structures	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Machinery and equipment and weapons systems (1)	3,696	4,010	4,202	4,516	5,246	5,474
Transport equipment	366	386	378	524	586	676
ICT equipment	1,747	1,688	1,911	2,238	2,503	2,552
Other machinery and equipment and weapons systems (1)	1,583	1,936	1,913	1,753	2,158	2,246
Cultivated biological resources	-	-	-	-	-	-
Intellectual property products	5,353	5,777	5,113	6,251	7,032	7,674
of which: Research and development	2,297	2,638	1,884	1,886	2,082	2,226
of which: Computer software and databases	3,056	3,139	3,229	4,365	4,950	5,448
Inventories	12	12	27	28	32	32
Land under cultivation	64	62	42	41	41	42
Non-financial assets (a)	66,670	95,293	106,920	129,737	143,663	147,861
Monetary gold and SDRs	34,473	90,388	84,543	128,560	161,074	173,576
Currency and deposits	656,188	1,041,968	1,234,363	1,611,171	1,562,827	1,247,172
Debt securities	981,028	1,448,288	1,877,439	2,395,063	2,255,978	2,330,543
Loans	1,683,103	2,219,953	2,106,741	2,163,550	2,209,015	2,161,634
Shares and other equity	545,287	472,579	508,070	642,561	745,887	768,492
Derivatives	121,368	171,319	187,638	157,213	160,192	117,869
Mutual fund shares	193,004	178,558	261,419	433,753	420,301	444,402
Insurance, pension and standardised guarantee schemes	10,670	19,261	28,553	48,975	61,202	64,025
Other accounts receivable	7,480	4,625	21,180	22,419	81,875	112,538
Financial assets (b)	4,232,602	5,646,938	6,309,946	7,603,265	7,658,351	7,420,250
Gross wealth (a+b)	4,299,271	5,742,230	6,416,865	7,733,002	7,802,014	7,568,111
Monetary gold and SDRs	-	-	8,370	7,751	26,311	25,593
Currency and deposits	1,731,965	2,420,133	2,938,705	4,005,033	4,236,918	3,805,185
Debt securities	645,066	1,060,078	838,552	530,108	514,937	554,386
Loans	282,166	493,642	394,895	363,797	387,789	369,917
Shares and other equity	738,241	325,791	492,734	516,035	641,200	768,839
Derivatives	113,740	187,072	203,198	186,338	156,802	123,747
Mutual fund shares	394,020	224,639	286,249	345,608	358,451	392,452
Insurance, pension and standardised guarantee schemes	486,124	579,983	775,551	1,048,237	931,195	982,788
Other accounts payable	2,314	1,961	5,847	11,532	14,036	15,093
Financial liabilities (c)	4,393,636	5,293,299	5,944,100	7,014,438	7,267,640	7,038,000
Net wealth (a+b-c)	-94,364	448,931	472,765	718,564	534,374	530,111

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

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

Assets/Liabilities	2005	2010	2015	2020	2022	2023
Dwellings	49,073	50,170	44,618	42,143	42,791	43,444
Non-residential buildings	263,457	326,530	330,775	314,880	348,872	349,432
Other structures	433,399	559,383	568,745	550,116	631,124	623,148
Land improvements	-	-	-	-	-	-
Machinery and equipment and weapons systems (1)	61,737	76,537	72,656	78,369	83,759	88,180
Transport equipment	6,741	9,126	8,927	8,318	9,544	10,833
ICT equipment	2,999	3,884	2,870	3,232	4,141	4,494
Other machinery and equipment and weapons systems (1)	51,996	63,527	60,859	66,819	70,075	72,853
Cultivated biological resources	-	-	-	-	-	-
Intellectual property products	37,643	44,161	42,789	45,654	48,981	51,721
of which: Research and development	30,635	36,530	35,254	35,941	38,199	39,810
of which: Computer software and databases	7,008	7,631	7,535	8,582	9,657	10,821
Inventories	1,397	1,814	2,292	5,595	9,402	8,189
Land under cultivation	9,351	10,756	11,251	11,963	12,264	12,400
Non-financial assets (a)	856,057	1,069,351	1,073,125	1,048,718	1,177,193	1,176,513
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	76,755	103,978	76,860	101,971	99,551	100,517
Debt securities	14,151	28,285	36,777	39,714	90,968	101,627
Loans	74,559	67,591	138,301	138,806	129,547	125,847
Shares and other equity	139,166	122,252	132,959	148,939	148,975	156,858
Derivatives	-	-	-	-	5,246	1,877
Mutual fund shares	4,229	4,229	14,751	36,568	42,563	47,147
Insurance, pension and standardised guarantee schemes	1,543	1,450	1,278	1,106	1,022	1,199
Other accounts receivable	95,689	110,520	121,117	127,840	134,125	134,785
Financial assets (b)	406,092	438,305	522,044	594,945	651,997	669,858
Gross wealth (a+b)	1,262,150	1,507,656	1,595,169	1,643,663	1,829,190	1,846,371
Monetary gold and SDRs	-	-	-	-	-	-
Currency and deposits	239,301	232,918	248,594	237,859	232,278	209,727
Debt securities	1,332,152	1,548,768	2,103,556	2,497,172	2,204,450	2,413,599
Loans	155,367	178,561	231,011	240,748	297,916	323,621
Shares and other equity	-	-	-	4,552	4,560	4,560
Derivatives	22,864	18,660	31,899	29,730	1,028	1,052
Mutual fund shares	-	-	-	-	-	-
Insurance, pension and standardised guarantee schemes	93	524	1,599	11,714	19,917	21,597
Other accounts payable	74,513	82,071	75,574	104,882	252,627	304,488
Financial liabilities (c)	1,824,290	2,061,503	2,692,234	3,126,657	3,012,775	3,278,644
Net wealth (a+b-c)	-562,140	-553,846	-1,097,064	-1,482,994	-1,183,585	-1,432,274
<i>Memorandum items</i>						
Gross Domestic Product (GDP)	1,499,073	1,617,945	1,663,278	1,670,012	1,997,055	2,128,001

(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 as defined by ESA 2010

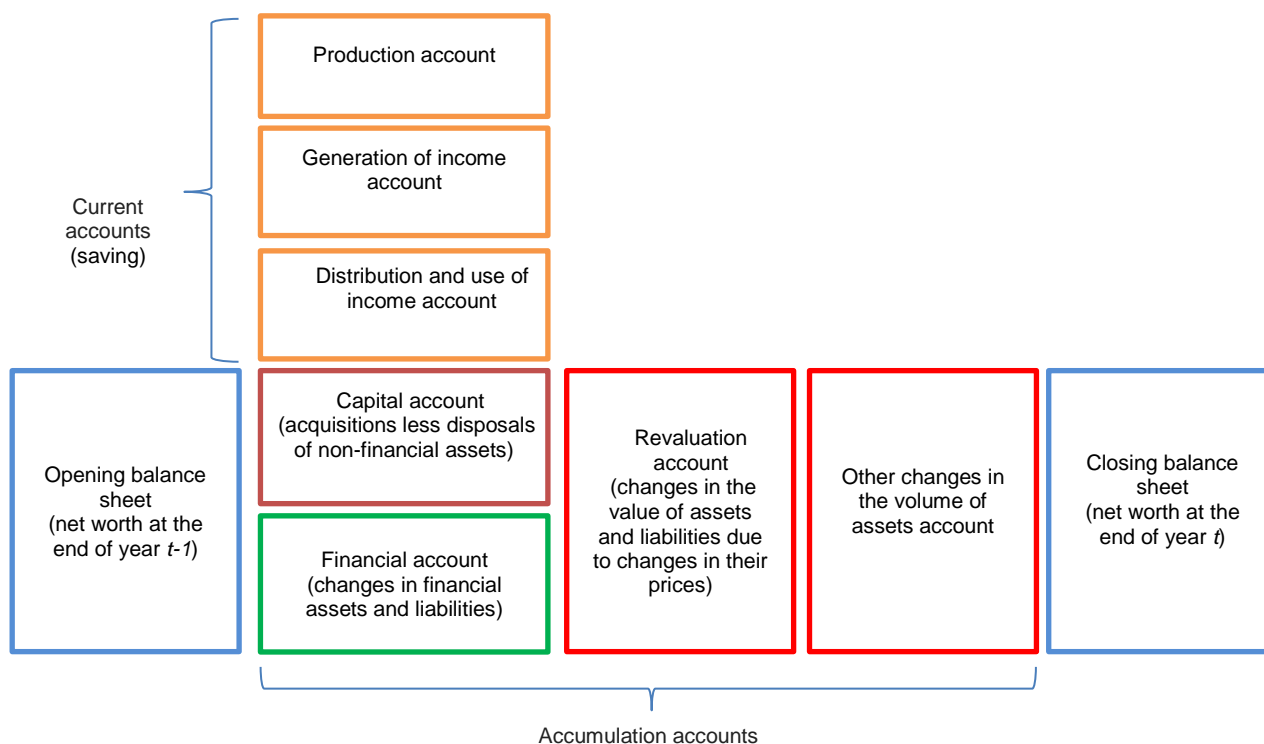


Chart 1 presents the sequence of accounts. From left to right, starting from the opening balance sheet, all changes in the values of assets and liabilities occurring in the accounting period (one year, in the statement) are recorded. Current accounts cover production and the associated generation, distribution 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	C. FINANCIAL LIABILITIES	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
		NET WEALTH (A+B-C)	

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.¹⁰ Estimates are revised in accordance with the policy of revisions of annual accounts by institutional sector.¹¹

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*).

The production of the estimates benefits from the collaboration of the Real Estate Market Observatory (OMI) of the Revenue Agency and the Treasury Department of the Ministry of Economy and Finance.

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.

The series of the value of non-financial stocks owned by the institutional sectors included in this report have been revised, with the aim of introducing innovations and improvements in methods and data sources; they are consistent with the new estimates of national accounts published on 23 September 2024, in occasion of the EU harmonised benchmark revisions of national accounts, scheduled every five years.

The main revisions on non-financial stocks (total and/or by sector) derived from:

- the number of dwellings disseminated by Istat, year 2021, provided by the Permanent Census of Population and Housing, and the utilized agricultural area for the year 2020, collected by Istat in the 7th General Census of Agriculture;
- the new estimates of gross fixed capital formation and household consumption, main inputs of the perpetual inventory method, used for the calculation of fixed capital stocks and durables, respectively;
- the new service lives used in the perpetual inventory method for many assets, according to international recommendations (*Eurostat Task Force on fixed assets and estimation of consumption of fixed capital under European System of Accounts 2010 - TF FIXCAP 2020-2022*) and updated data sources, i.e. technical documentation and the Survey of Industrial and Service Enterprises carried out in 2024 by Banca d'Italia. In this context, a specific section was prepared in cooperation with Istat to collect information on the service life of machinery and equipment, furniture, hardware, telecommunication equipment. The main innovations are the introduction of time-varying service lives for some assets as well as the change in the length of service lives for assets with fixed service lives for the entire time series;
- the new value of buildings owned by general government, year 2019, estimated on the basis of the results of the "General government buildings census" carried out by the Treasury Department of the Ministry of Economy and Finance (law 191/2009), according to the methodology developed by the Department of the Treasury (DT) in collaboration with Sogei.

¹⁰The 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 database [IstatData](#).

¹¹ 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 2024.

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.

Financial accounts data used in this publication incorporates the revisions carried out as part of the general five-year revision (benchmark revision) of European macroeconomic statistics held in October 2024. The changes reflect several innovations and refinements in both the sources and the compilation methodologies. The revisions, albeit significant for some sectors and instruments, have not altered the main trends observed in the data. More details on the revisions are available in the methodological note [Benchmark Revision of Financial Accounts Statistics \(October 2024\)](#).

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](#), Banca d'Italia, *Statistics Series*, Methods and Sources: Manuals, 12 June 2018.

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).¹² 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 Eurostat¹³ and by the OECD.¹⁴ 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 used¹⁵. Information is incomplete for some countries in terms of items, reference period, and details on the institutional sector. Moreover, produced non-financial

¹² System of National Accounts 2008 (United Nations Statistical Commission-UNSC).

¹³ Source: Eurostat, <https://ec.europa.eu/eurostat/data/database> (accessed on 3 January 2025).

¹⁴ Source: OECD.Stat, <https://stats.oecd.org/> (accessed on 3 January 2025).

¹⁵ Source: Office for National Statistics, "The UK national balance sheet estimates", Publication date: 11 December 2024.

assets¹⁶ are separated from non-produced non-financial assets,¹⁷ in line with international accounting rules (ESA 2010 and SNA 2008); therefore buildings¹⁸ do not include the value of underlying land, which is entered under non-produced non-financial assets.¹⁹ 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 5) is computed as the ratio between net wealth and population.

¹⁶ 'AN1 – Produced non-financial assets'.

¹⁷ 'AN2 – Non produced non-financial assets'.

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

¹⁹ 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](#)', Banca d'Italia, *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.

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