

## 30. Financial net worth

- In 2011, 24 out of 31 OECD countries for which data are available recorded a negative financial net worth, i.e. debt being higher than financial assets. This reflects the effects of the global financial crisis on government deficit and debt.
- Between 2006 and 2011, the largest declines occurred in Ireland (-63.5 percentage points) and in Iceland (-45.7 percentage points) due to significant government interventions – through large capital transfers – into the banking sector in 2011. Nevertheless, Japan, Italy and the United States recorded the highest negative financial net worth, reaching respectively a level of -124% of GDP and -98% for both Italy and the United States in 2011. In contrast, in both Norway and Finland, the general government sector showed net financial assets of respectively 158% and 54% of GDP.

The amount of financial assets and liabilities held by government has significant political and economic importance. The assets reflect a source of additional funding and income available to government it can use without necessarily increasing liabilities; for example, as an additional way to protect its currency when money markets exert prohibitive upward pressure on bond yields.

The liabilities reflect the debts accumulated by government, providing an indication of the structural nature of debt interest payments (which add to government deficit). This matters because, in general, the higher the liabilities, the higher the perceived risk of default (and therefore the higher the risk premium required by the market). Typically, this cycle can eventually force governments to either cut spending or raise taxes.

### Definition

The financial net worth of the “General government” sector is the total value of its financial assets minus the total value of its outstanding liabilities.

The SNA defines financial assets of the government sector as the following: currency and deposits; securities other than shares; loans; shares and other equity; insurance technical reserves; and other accounts receivable. Monetary gold and SDRs are part of the government financial assets in a very few countries, such as the United Kingdom and the United States. Outstanding liabilities refer to the total liabilities as recorded in the financial balance sheet of the general government.

General government consists of central, state and local governments as well as social security funds.

The valuation of financial assets and liabilities should be at market prices, and financial assets and liabilities between all government sub-sectors should be consolidated.

### Comparability

Data are consolidated for all OECD countries, except Chile, Japan, Korea, and the United Kingdom. It means that all stocks that represent relationships among its sub-sectors of general government are eliminated, avoiding double counting of stocks among its sub-sectors. As a consequence, only stocks of the general government sector vis-à-vis sectors outside the boundary of the general government are measured.

Because of the symmetry of the consolidation process, balancing items are not affected.

The institutional set-up of pensions schemes can have an impact on the comparability of net worth across countries, reference is made to the “Comparability” part of the Section 29.

### Sources

OECD (2013), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/22214461> (except for Chile, Japan, Korea and the United Kingdom).

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/2221433x>.

### Online database

OECD (2013), “Financial Balance Sheets”, *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/na-fbs-data-en>.

### Further reading

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264027657-en>.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Table 30.1. **Financial net worth of general government**  
Percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	-3.0	-1.5	-2.9	0.6	-0.2	1.6	2.2	3.7	2.0	-0.6	-6.3	-10.7	-16.5	-26.8
Austria	-35.6	-34.7	-35.6	-37.1	-36.1	-38.1	-37.9	-33.9	-31.3	-34.9	-40.5	-43.3	-44.7	-49.5
Belgium	-102.9	-97.4	-94.9	-93.1	-90.1	-83.6	-82.0	-77.0	-73.1	-73.3	-79.5	-79.8	-81.3	-82.0
Canada	-79.5	-69.2	-66.3	-66.5	-60.6	-55.7	-50.2	-45.2	-41.9	-43.7	-50.5	-52.9	-57.6	-58.6
Chile	..	..	..	..	..	..	-8.9	-0.9	6.1	18.1	7.2	1.9	4.6	1.7
Czech Republic	29.3	26.6	24.4	15.6	7.1	10.5	12.2	12.5	15.5	6.7	2.7	-5.1	-5.8	-11.6
Denmark	-28.4	-22.5	-20.1	-19.1	-18.0	-14.8	-10.5	-1.9	3.8	6.1	4.6	1.7	-3.1	-7.3
Estonia	39.8	30.2	29.1	28.6	29.2	31.2	32.0	31.5	28.9	26.4	28.3	35.2	34.5	32.9
Finland	50.3	31.1	31.7	31.3	38.4	46.7	58.6	69.4	72.5	52.3	62.8	65.6	54.3	55.4
France	-36.0	-37.5	-39.7	-44.4	-46.6	-47.4	-45.4	-39.3	-35.7	-45.8	-52.2	-57.5	-62.3	-70.3
Germany	-34.5	-33.9	-36.3	-40.4	-43.4	-47.3	-49.6	-47.9	-42.6	-44.5	-49.0	-49.4	-50.4	-50.5
Greece	-70.0	-88.7	-93.1	-95.0	-87.5	-87.7	-84.8	-90.7	-85.6	-94.0	-104.0	-94.1	-72.6	-102.0
Hungary	-34.6	-33.3	-32.6	-37.0	-38.0	-42.0	-46.4	-52.1	-53.8	-51.7	-59.8	-61.8	-53.3	-61.2
Iceland	-35.9	-37.5	-29.2	-28.5	-30.8	-27.8	-13.7	-8.0	0.9	-26.1	-40.0	-48.3	-53.7	-55.9
Ireland	-27.6	-15.9	-12.3	-13.7	-11.5	-8.3	-6.5	-1.9	-0.3	-13.3	-26.3	-47.1	-65.3	-83.4
Israel	..	..	-67.1	-71.8	-74.1	-70.9	-57.8	-46.9	-49.2	-52.8	-56.2	-53.5	-55.5	..
Italy	-100.8	-95.5	-96.3	-95.9	-93.0	-92.7	-94.3	-94.3	-90.8	-93.6	-104.8	-103.4	-97.8	-113.2
Japan	-52.0	-60.0	-64.2	-72.6	-77.2	-81.3	-78.6	-77.7	-82.4	-92.0	-103.4	-110.1	-124.1	..
Korea	..	..	..	32.3	31.1	31.6	35.8	36.8	40.2	37.7	39.0	38.1	38.1	38.9
Luxembourg	..	..	..	..	..	..	..	50.8	54.8	53.5	58.6	52.9	46.7	49.9
Mexico	-32.3	-25.3	-27.1	-29.9	-30.6	-27.2	-27.1	-23.5	-20.9	-22.3	-29.4	..	..	..
Netherlands	-36.7	-34.9	-33.0	-34.9	-36.2	-37.6	-35.0	-31.6	-27.9	-27.0	-29.7	-34.6	-38.8	-42.2
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	57.4	67.1	84.6	80.4	94.1	102.2	119.2	132.6	137.9	122.8	153.6	162.6	157.9	167.5
Poland	-13.4	-15.5	-18.5	-22.1	-26.1	-22.7	-22.8	-21.4	-15.6	-18.2	-21.4	-26.8	-30.2	-33.4
Portugal	-32.7	-32.7	-34.8	-39.3	-41.9	-47.2	-50.6	-50.0	-49.7	-54.2	-65.1	-64.3	-54.6	-78.4
Slovak Republic	-1.2	-13.6	-11.0	-1.4	-1.8	-5.2	-3.2	-7.7	-7.3	-9.2	-16.1	-22.2	-26.5	-25.5
Slovenia	..	..	15.6	14.2	9.5	9.7	8.5	9.9	18.6	6.5	1.3	0.4	-2.4	-8.2
Spain	-47.8	-44.3	-41.5	-40.0	-36.7	-34.3	-29.1	-22.4	-17.8	-22.7	-34.1	-40.0	-48.3	-59.8
Sweden	-12.4	-5.5	2.5	-4.6	-0.4	2.1	7.3	18.3	22.5	14.9	22.4	24.0	20.7	23.7
Switzerland	-12.0	-8.5	-7.5	-12.4	-12.2	-13.7	-13.3	-10.0	-8.8	-9.8	-5.5	-9.0	-8.1	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	-28.3	-23.9	-20.5	-21.4	-21.6	-23.6	-24.6	-25.1	-26.2	-31.0	-43.0	-52.5	-66.5	-69.1
United States	-45.8	-42.9	-44.7	-51.5	-52.6	-60.5	-59.5	-56.7	-56.3	-69.5	-81.0	-90.3	-97.9	-100.3
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..


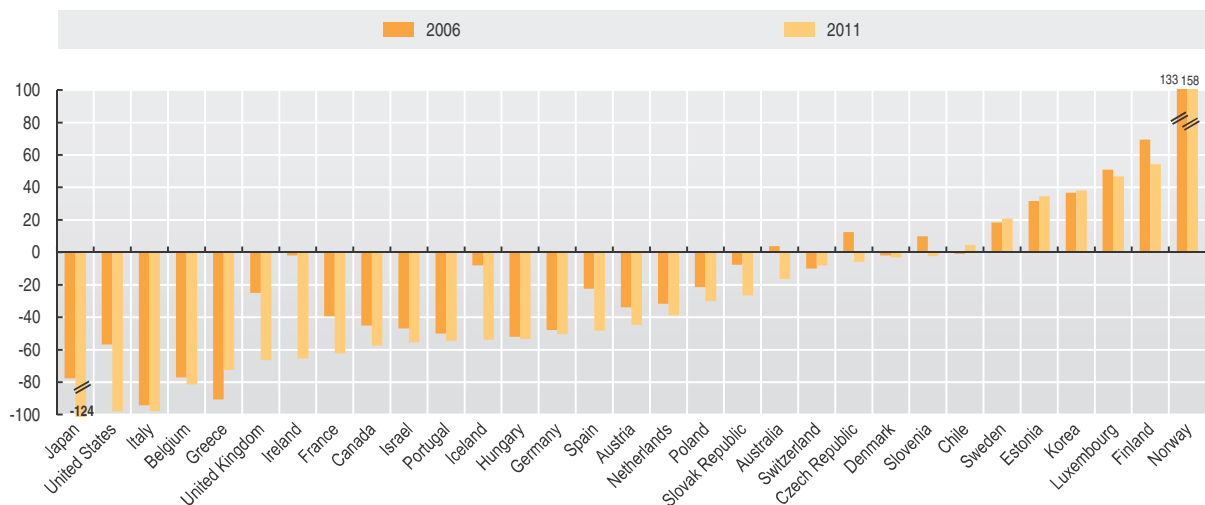
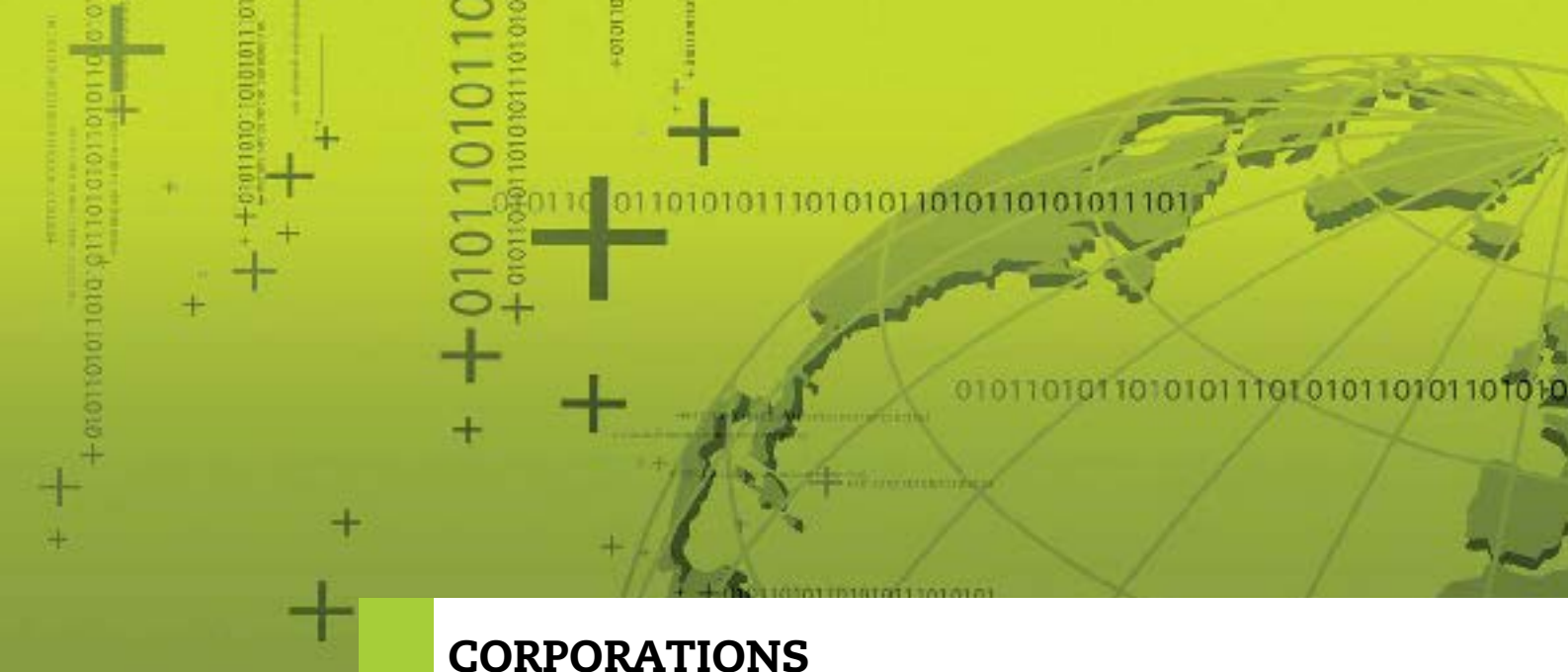
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Figure 30.1. **Financial net worth of general government**  
Percentage of GDP, 2006 and 2011



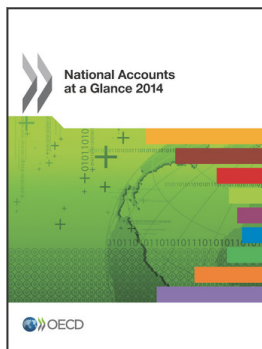
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## CORPORATIONS

31. Non-financial corporations' debt to gross operating surplus
32. Debt to equity ratio in financial corporations
33. Leverage of the banking sector
34. Share of profit and labour in value added



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