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## Korean national balance sheet for 2016

The preliminary Korean national balance sheet (KNBS) for 2016 shows that Korean national wealth (the net worth of the total economy) amounted to 13,078.0 trillion won as of year-end 2016 – 8.0 times GDP and 715.0 trillion won (+5.8%) higher than the previous year's figure. As of end-2016 the value of non-financial assets totaled 12,741.4 trillion won, and that of net financial assets (financial assets less liabilities) 336.6 trillion won.

### Composition of net worth of the total economy

(units: trillion won, %, multiples)

	2014	2015 <sup>P</sup>	Increase	Rate of Increase	2016 <sup>P</sup>	Increase	Rate of Increase
Net worth of the total economy	11,674.8 [7.9]	12,363.0 [7.9]	688.2	5.9	13,078.0 [8.0]	715.0	5.8
Non-financial assets	11,582.2 [7.8]	12,123.4 [7.8]	541.2	4.7	12,741.4 [7.8]	618.0	5.1
Produced non-financial assets	5,330.6	5,508.9	178.4	3.3	5,712.7	203.8	3.7
Fixed assets	5,002.8	5,177.8	175.0	3.5	5,378.8	201.0	3.9
Construction assets	4,045.7	4,176.4	130.8	3.2	4,323.8	147.4	3.5
Facilities assets	664.1	689.8	25.8	3.9	727.8	38.0	5.5
Intellectual property products	293.1	311.5	18.5	6.3	327.2	15.7	5.0
Inventories	327.8	331.1	3.3	1.0	333.9	2.8	0.8
Non-produced non-financial assets	6,251.6	6,614.5	362.8	5.8	7,028.7	414.2	6.3
Land	6,209.8	6,571.4	361.6	5.8	6,981.2	409.8	6.2
Mineral and energy resources	19.1	19.9	0.8	4.0	23.5	3.7	18.4
Standing timber assets	22.7	23.2	0.5	2.3	24.0	0.8	3.3
Net financial assets	92.6 [0.1]	239.6 [0.2]	147.0		336.6 [0.2]	96.9	
Financial assets	12,450.1	13,495.2	1,045.1	8.4	14,277.7	782.4	5.8
Financial liabilities	12,357.6	13,255.6	898.0	7.3	13,941.1	685.5	5.2

Notes: 1) Figures in [ ] indicate the multiples of net worth of the total economy relative to GDP.

2) The increases and the rates of increase are computed compared with those of the previous years.

Among non-financial assets, the value of produced assets increased by 203.8 trillion won (+3.7%) in 2016 to stand at 5,712.7 trillion won at the year-end. The value of non-produced assets in the meantime grew by 414.2 trillion won (+6.3%) over the same period to total 7,028.7 trillion won. Construction assets expanded by 147.4 trillion won (+3.5%), facilities assets by 38.0 trillion won (+5.5%), intellectual property products by 15.7 trillion won (+5.0%) and land by 409.8 trillion won (+6.2%) in 2016.

Of the 715.0 trillion won increase in net worth of the economy as a whole in 2016, the changes in net worth due to transactions in assets explained 276.8 trillion won (38.7% of the total change in net worth), while those owing to factors other than transactions in assets explained 438.2 trillion won (61.3%).

#### **Explanation of changes in net worth of the total economy**

(units: trillion won, %)

	2013		2014		2015 <sup>P</sup>		2016 <sup>P</sup>	
Changes in net worth	390.4	(100)	616.7	(100)	688.2	(100)	715.0	(100)
Changes due to transactions	229.2	(58.7)	240.8	(39.1)	263.8	(38.3)	276.8	(38.7)
Net acquisition of non-financial assets	136.8	(35.0)	142.8	(23.2)	145.5	(21.1)	156.8	(21.9)
Net acquisition of financial assets	92.4	(23.7)	98.1	(15.9)	118.3	(17.2)	120.0	(16.8)
Changes due to factors other than transaction	161.2	(41.3)	375.8	(60.9)	424.5	(61.7)	438.2	(61.3)
Other changes in volume of assets	81.2	(20.8)	128.4	(20.8)	123.7	(18.0)	127.9	(17.9)
Nominal holding gains/losses	110.6	(28.3)	213.6	(34.6)	272.1	(39.5)	333.4	(46.6)
Changes in financial assets due to factors other than transactions	-30.6	(-7.8)	33.8	(5.5)	28.8	(4.2)	-23.1	(-3.2)

Note: Figures in ( ) indicate the proportions of the changes in net worth of the total economy explained by the factors concerned.

The KNBS for 2016 shows the net worth held by households and NPISHs totaling 7,539.0 trillion won (57.6% that of the entire economy) at the year-end, the net worth held by the general government 3,543.6 trillion won (27.1%), that of non-financial corporations 1,719.7 trillion won (13.1%), and that held by financial corporations 275.6 trillion won (2.1%).

### **National balance sheet**

(units: trillion won, %, multiples)

		Non-financial corporations	Financial corporations	General government	Households & NPISHs	Total economy	Rest of the world
Year-end 2015 <sup>p</sup>	Non-financial assets ( $A_0$ )	3,647.9	164.4	2,891.3	5,419.8	12,123.4	-
	Net financial assets ( $B_0=a_0-b_0$ )	-2,069.3	80.2	470.0	1,758.7	239.6	-234.0
	Financial assets ( $a_0$ )	2,359.6	6,583.0	1,370.9	3,181.8	13,495.2	1,101.1
	Financial liabilities ( $b_0$ )	4,428.9	6,502.7	900.9	1,423.1	13,255.6	1,335.1
	Net worth ( $C_0=A_0+B_0$ )	1,578.5	244.6	3,361.3	7,178.5	12,363.0	-234.0
		<12.8>	<2.0>	<27.2>	<58.1>	<100>[7.9]	
Total changes in assets during 2016 <sup>p</sup>	Non-financial assets ( $A_1-A_0$ )	180.6	9.2	132.4	295.9	618.0	-
	Net financial assets ( $B_1-B_0$ )	-39.4	21.8	49.9	64.6	96.9	-96.8
	Financial assets ( $a_1-a_0$ )	73.4	416.0	85.7	207.4	782.4	60.5
	Financial liabilities ( $b_1-b_0$ )	112.8	394.1	35.8	142.7	685.5	157.3
	Net worth ( $C_1-C_0$ )	141.2	31.0	182.3	360.5	715.0	-96.8
Year-end 2016 <sup>p</sup>	Non-financial assets ( $A_1$ )	3,828.5	173.6	3,023.7	5,715.7	12,741.4	-
	Net financial assets ( $B_1=a_1-b_1$ )	-2,108.8	102.1	519.9	1,823.3	336.6	-330.8
	Financial assets ( $a_1$ )	2,433.0	6,998.9	1,456.6	3,389.2	14,277.7	1,161.7
	Financial liabilities ( $b_1$ )	4,541.7	6,896.9	936.7	1,565.8	13,941.1	1,492.4
	Net worth ( $C_1=A_1+B_1$ )	1,719.7	275.6	3,543.6	7,539.0	13,078.0	-330.8
		<13.1>	<2.1>	<27.1>	<57.6>	<100>[8.0]	

Notes: 1) Figures in < > indicate the shares in the net worth of the total economy explained by the relevant items.

2) Figures in [ ] indicate the multiples of the net worth of the total economy relative to GDP.

With the compilation of the KNBS for 2016, several noteworthy features stand out.

First, Korean net worth (national wealth) rose to 8.0 times GDP in 2016, from 7.9 times GDP the year before, a rise that seems attributable chiefly to the fact that the value of land showed a large increase of 409.8 trillion won (+6.2%), and that the amount of increase in the value of net financial assets (financial assets less liabilities) held by the Korean economy continued to expand as it has each year since 2014.

Second, the price of non-produced non-financial assets showed its highest pace of increase since the global financial crisis of 2008, at 4.6%. The resulting nominal

holding gains accordingly explained most of the increase in non-produced non-financial assets in 2016.

Third, the ratio of the net capital stock of fixed assets to GDP remained at 3.3 times GDP, just as in 2015, and has moved at around 3.3 or 3.4 times GDP each year since 2008.

Fourth, the value of land continued its large extent of growth seen since 2014. It made up 54.8% of non-financial assets in 2016, and amounted to 4.3 times GDP.

Fifth, the share in net worth held by households and non-profit institutions serving households declined for the first time in three years in 2016, from 57.9% in 2014 and 58.1% in 2015 to 57.6% in 2016. The non-financial assets held by this group expanded by 295.9 trillion won, from 262.1 trillion won in 2015, whereas the increase in their net financial assets lessened to 64.6 trillion, from 154.6 trillion won the year before.

Sixth, it is estimated that Korean households and NPISHs held 367.79 million won of net worth per household (2.50 persons per household basis) in 2016. In addition, 62.8% of the total assets of Korean households and NPISHs were non-financial assets, and 37.2% financial assets. Korean total housing wealth is estimated to have been 3,732.0 trillion won (2.28 times GDP) at the end of 2016.

Seventh, the rate of growth in the volume of capital services in the total economy (based on fixed assets), which is usually interpreted as capital input growth in the production function of the economy (assuming the full utilization of accumulated capital), continued to slow in 2016 to stand at 3.5% – compared to 3.7% in 2014 and 3.6% in 2015.

Notice: Further statistics may be found at the Bank of Korea's Economic Statistics System website (<http://ecos.bok.or.kr/>), or at Statistics Korea's Korean Statistical Information Service site (<http://kosis.kr/eng/>).