

# NEWS RELEASE



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## Korean National Balance Sheet for 2017

A look at the preliminary Korean national balance sheet (KNBS) for 2017 finds that Korean national wealth (the net worth of the total economy) amounted to 13,817.5 trillion won as of year-end 2017, 741.5 trillion won (+5.7%) higher than the previous year's figure. As of end-2017 the value of non-financial assets totaled 13,551.5 trillion won, and that of net financial assets (financial assets less liabilities) 266.0 trillion won.

### Composition of net worth of the total economy

(units: trillion won, %, multiples)

	2015	2016 <sup>p</sup>	Increase	Rate of Increase	2017 <sup>p</sup>	Increase	Rate of Increase
Net worth of the total economy	12,361.2 [7.9]	13,076.0 [8.0]	714.8	5.8	13,817.5 [8.0]	741.5	5.7
Non-financial assets	12,121.6	12,740.2	618.6	5.1	13,551.5	811.3	6.4
Produced non-financial assets	5,507.1	5,715.3	208.2	3.8	6,062.4	347.1	6.1
Fixed assets	5,176.0	5,369.6	193.6	3.7	5,702.2	332.7	6.2
Construction assets	4,167.3	4,318.2	151.0	3.6	4,597.8	279.6	6.5
Facilities assets	698.5	724.1	25.7	3.7	758.2	34.0	4.7
Intellectual property products	310.2	327.2	16.9	5.5	346.2	19.0	5.8
Inventories	331.1	345.8	14.6	4.4	360.2	14.4	4.2
Non-produced non-financial assets	6,614.5	7,024.9	410.4	6.2	7,489.1	464.2	6.6
Land	6,571.4	6,976.9	405.5	6.2	7,438.8	461.9	6.6
Mineral and energy resources	19.9	23.7	3.9	19.4	25.3	1.5	6.5
Standing timber assets	23.2	24.3	1.0	4.4	25.0	0.8	3.1
Net financial assets	239.6	335.8	96.2		266.0	-69.8	
Financial assets	13,489.1	14,314.3	825.2	6.1	15,224.0	909.7	6.4
Financial liabilities	13,249.5	13,978.5	729.0	5.5	14,958.0	979.5	7.0

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 rose by 347.1 trillion won (+6.1%) during 2017 to stand at 6,062.4 trillion won at the year-end. The value of non-produced assets meanwhile grew by 464.2 trillion won (+6.6%) over the same period to total 7,489.1 trillion won. Construction assets expanded by 279.6 trillion won (+6.5%), facilities assets by 34.0 trillion won (+4.7%), intellectual property products by 19.0 trillion won (+5.8%) and land by 461.9 trillion won (+6.6%) in 2017.

The KNBS for 2017 shows the net worth held by households and NPISHs totaling 8,062.7 trillion won (58.4% that of the entire economy) at the end of the year, the net worth held by the general government 3,821.3 trillion won (27.7%), that of non-financial corporations 1,652.1 trillion won (12.0%), and that held by financial corporations 281.4 trillion won (2.0%).

### **National balance sheet**

(units: trillion won, %, multiples)

		Non-financial corporations	Financial corporations	General government	Households & NPISHs	Total economy	Rest of the world
Year-end 2016 <sup>P</sup>	Non-financial assets ( $A_0$ )	3,838.2	173.6	3,019.1	5,709.3	12,740.2	-
	Net financial assets ( $B_0=A_0-b_0$ )	-2,115.8	101.8	526.1	1,823.8	335.8	-330.0
	Financial assets ( $a_0$ )	2,474.6	6,990.2	1,459.1	3,390.4	14,314.3	1,168.1
	Financial liabilities ( $b_0$ )	4,590.4	6,888.5	932.9	1,566.7	13,978.5	1,498.1
	Net worth ( $C_0=A_0+B_0$ )	1,722.3	275.4	3,545.2	7,533.1	13,076.0	-330.0
		<13.2>	<2.1>	<27.1>	<57.6>	<100.0>[8.0]	
Total changes in assets during 2016 <sup>P</sup>	Non-financial assets ( $A_1-A_0$ )	246.9	14.0	177.4	373.0	811.3	-
	Net financial assets ( $B_1-B_0$ )	-317.0	-8.0	98.7	156.5	-69.8	69.2
	Financial assets ( $a_1-a_0$ )	119.3	402.7	110.5	277.2	909.7	123.4
	Financial liabilities ( $b_1-b_0$ )	436.4	410.7	11.8	120.7	979.5	54.2
	Net worth ( $C_1-C_0$ )	-70.2	6.0	276.1	529.6	741.5	69.2
Year-end 2017 <sup>P</sup>	Non-financial assets ( $A_1$ )	4,085.0	187.6	3,196.5	6,082.4	13,551.5	-
	Net financial assets ( $B_1=A_1-b_1$ )	-2,432.9	93.8	624.8	1,980.3	266.0	-260.9
	Financial assets ( $a_1$ )	2,593.9	7,392.9	1,569.6	3,667.6	15,224.0	1,291.5
	Financial liabilities ( $b_1$ )	5,026.8	7,299.1	944.7	1,687.3	14,958.0	1,552.3
	Net worth ( $C_1=A_1+B_1$ )	1,652.1	281.4	3,821.3	8,062.7	13,817.5	-260.9
		<12.0>	<2.0>	<27.7>	<58.4>	<100.0>[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 2017, several noteworthy features stand out.

First, during 2017 the price of non-financial assets showed its highest pace of increase since the global financial crisis of 2008, at 3.9%. The resulting nominal holding gains thus explained most of the increase in non-financial assets over the course of the year.

Second, the ratio of the net capital stock of fixed assets to GDP remained at 3.3, just as in 2016, and has moved at around 3.3 or 3.4 times GDP each year since 2008.

Third, the value of land sustained its large extent of increase seen since 2014. It made up 54.9% of non-financial assets in 2017, and amounted to 4.3 times GDP.

Fourth, the extent of growth in the assets of households and NPISHs widened, on the effects of a rise in stock prices and an increase in housing assets. The pace of increase in households and NPISHs' financial liabilities however slowed.

Fifth, 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), rose to 4.1% in 2017 from 3.5% in 2016.

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/>).