

22. Financial assets and liabilities

The amount of financial assets and liabilities held by government has significant political and economic importance. The assets reflect a source of additional income available to government and a source of funds that it can draw on without necessarily increasing liabilities, for example as an additional lever to protect its currency when money markets exert prohibitive upward pressure on bond yields say. The liabilities reflect the debts accumulated by government and, so, provide 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. General government gross debt's importance, and, in particular, the importance of sustainable levels of debt, is reflected in the European Maastricht criteria, where it is one of the two measures referred to in the Excessive Deficit Procedure.

Definition

The SNA defines the following as financial assets: Monetary gold and Special Drawing Rights; Currency and deposits; Securities other than shares; Shares and other equity; Loans; Insurance technical reserves; and Other accounts receivable/payable.

The valuations of both assets and liabilities in the balance sheets should be at the market prices at the end of the year and preferably with the accounts consolidating assets and liabilities between all general government sectors.

The measure used by the European Commission as part of the excessive debt procedure (General Government Gross Debt) is also consolidated but is based on nominal valuations, that is, the amount contractually agreed to be repaid by government on maturity. It also excludes any liabilities relating to Shares and other equity, Insurance technical reserves, and Other accounts payable and also Financial derivatives (part of Securities other than shares).

Comparability

Data are not consolidated for: Japan, Korea and United Kingdom.

Mexican data are compiled by the Central Bank (Banco de Mexico). All available information is obtained from financial corporations (sector S12) which is the only sector for which Mexico has recorded detailed counterparts data (end of year flows).

Source

- OECD (2011), National Accounts of OECD Countries, Financial Balance Sheets 2010, OECD Publishing, http://dx.doi.org/10.1787/na_fbs-2010-en.

Online databases

- OECD (2011), "Financial Balance Sheets: Consolidated stocks", OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/data-00024-en>.
- OECD (2011), "Financial Balance Sheets: Non-consolidated stocks", OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/data-00025-en>.

Further reading

- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 22.1. **Financial assets and liabilities of general government**
Percentage of GDP

	Financial assets								Liabilities					
	2004	2005	2006	2007	2008	2009	2010	2004	2005	2006	2007	2008	2009	2010
Australia	24.9	24.0	24.1	28.8	28.5	30.4	29.7	29.2	28.6	27.3	26.4	28.0	37.6	42.2
Austria	32.5	32.7	32.4	32.0	33.6	33.7	34.2	70.6	70.6	66.4	63.3	68.3	74.3	78.1
Belgium	14.6	13.9	14.5	14.8	19.4	20.3	19.9	98.2	95.9	91.7	88.0	92.8	100.0	100.2
Canada	38.4	42.3	45.9	45.1	47.4	55.1	55.1	92.2	91.2	89.2	83.9	89.1	102.9	104.2
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	42.4	43.7	43.8	46.3	40.5	42.9	..	33.1	32.8	32.6	32.5	34.7	41.2	..
Denmark	39.2	35.3	39.3	38.2	47.9	56.1	56.9	54.0	45.9	41.2	34.3	42.6	52.4	55.6
Estonia	40.6	40.2	39.5	36.5	34.3	41.8	..	8.5	8.2	8.0	7.2	8.2	12.4	..
Finland	98.1	107.0	115.0	113.9	92.5	114.0	122.1	51.4	48.4	45.6	41.4	40.4	51.5	57.6
France	28.7	32.6	33.9	36.3	32.7	36.7	..	74.0	76.0	71.3	70.3	76.4	88.0	..
Germany	21.6	21.9	21.9	23.1	25.5	28.2	..	69.0	71.7	69.7	65.5	69.5	77.2	..
Greece	27.3	29.7	29.9	33.1	27.7	31.5	33.5	115.8	113.4	116.9	115.1	118.1	133.5	124.0
Hungary	23.7	22.5	20.6	19.8	25.4	27.0	26.0	65.6	68.8	72.4	73.5	77.0	86.6	86.9
Iceland	36.8	39.0	49.6	54.3	76.1	79.9	77.3	64.4	52.6	57.4	53.3	102.1	119.8	120.4
Ireland	24.1	26.1	27.0	28.7	37.0	44.4	43.0	32.6	32.9	29.2	29.3	50.4	72.2	92.8
Israel ¹	33.7	44.5	43.6	41.0	33.6	33.2	..	104.5	101.8	89.9	87.4	97.8	98.8	..
Italy	24.8	26.2	26.7	25.7	25.4	27.7	..	117.2	119.9	117.3	112.6	115.1	127.8	..
Japan	99.9	109.0	108.2	105.2	98.7	109.5	..	182.5	191.0	189.0	188.1	192.0	217.5	..
Korea	54.9	61.4	65.3	69.0	68.1	72.5	72.0	23.3	25.5	28.5	28.7	30.4	33.5	34.6
Luxembourg	..	..	62.2	65.9	68.8	73.2	..	..	..	11.5	11.3	18.3	18.0	..
Mexico	3.8	4.0	5.4	7.2	7.8	8.3	..	31.0	31.2	28.9	28.2	30.1	37.7	..
Netherlands	24.3	25.7	22.9	23.7	37.8	37.7	36.2	61.9	60.7	54.5	51.5	64.8	67.5	70.6
New Zealand	..	..	..	45.4	..	..	..	..	..	..	40.7	..	..	..
Norway	155.3	169.4	194.5	198.6	181.4	208.1	216.1	51.0	47.9	59.4	57.4	55.0	49.1	49.7
Poland	30.5	31.3	32.8	34.8	37.3	36.2	33.4	53.3	54.1	54.2	51.0	55.7	58.5	62.8
Portugal	28.1	28.8	27.5	25.8	26.6	28.8	34.3	69.3	72.8	77.6	75.4	80.6	93.1	96.6
Slovak Republic	40.0	34.2	27.7	25.6	22.9	22.8	..	47.6	39.1	34.1	32.9	31.8	40.0	..
Slovenia	44.6	42.5	43.8	47.6	35.4	44.2	41.0	34.9	34.0	33.8	30.0	29.7	44.3	48.3
Spain	18.7	20.8	22.7	23.4	24.3	27.5	25.8	53.4	50.7	46.2	42.3	47.6	62.4	66.3
Sweden	62.7	68.6	72.7	71.9	66.2	76.3	75.1	60.0	60.8	53.9	49.3	49.6	51.9	48.8
Switzerland	45.9	44.7	41.6	43.0	37.4	..	..	55.2	53.1	47.1	44.0	40.3	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	24.8	26.3	25.6	25.2	30.6	35.4	33.2	50.8	53.4	53.1	53.7	63.5	79.4	89.3
United States	19.2	19.1	19.3	19.6	23.1	24.7	26.0	61.8	62.0	61.4	62.6	72.0	85.7	94.9
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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


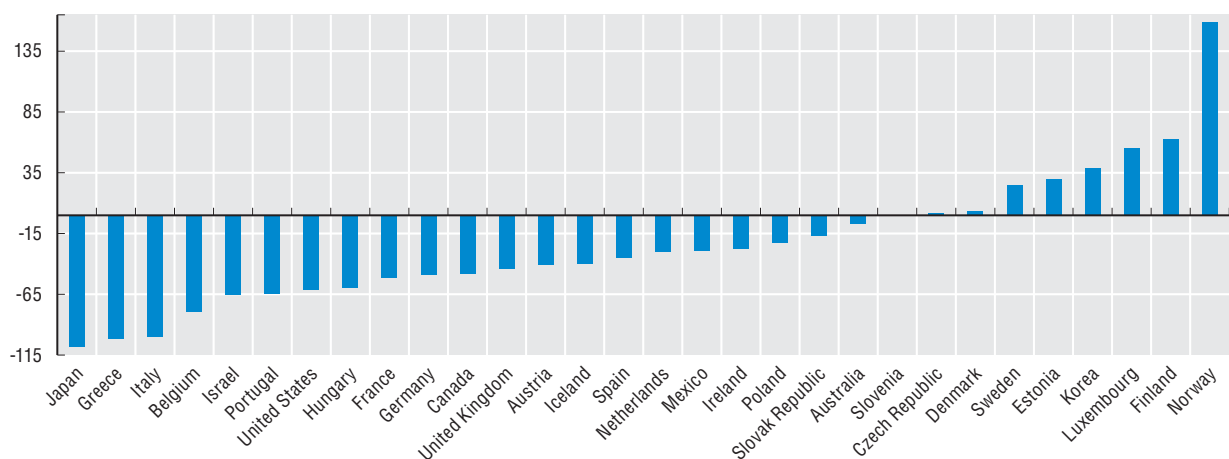

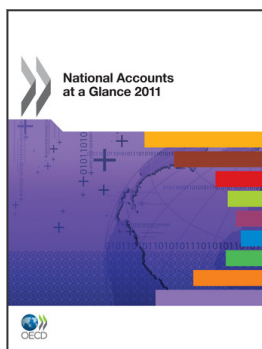
StatLink  <http://dx.doi.org/10.1787/888932550347>

Figure 22.1. **Financial net worth of general government**
Percentage of GDP, 2009



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

StatLink  <http://dx.doi.org/10.1787/888932549644>



From:
National Accounts at a Glance 2011

Access the complete publication at:
https://doi.org/10.1787/na_glance-2011-en

Please cite this chapter as:

OECD (2012), "Financial assets and liabilities", in *National Accounts at a Glance 2011*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/na_glance-2011-24-en

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