

Compendium

National balance sheet

A measure of the national wealth, or total net worth, of the UK, showing the estimated market value of financial assets.



Contact:
Ian Macrory
capstocks@ons.gov.uk
+44 (0)1633 45 5341

Release date:
31 October 2019

Next release:
To be announced

Table of contents

1. [National balance sheet](#)

1 . National balance sheet

The national balance sheet is a measure of the national wealth, or total net worth, of the UK. It shows the estimated market value of financial assets, for example, shares and deposits at banks and non-financial assets like dwellings and machinery. Market value is an estimate of how much these assets would sell for, if sold on the market.

The estimates are used for international comparisons, to monitor economic performance and inform monetary and fiscal policy decisions.

Financial assets and liabilities include:

- means of payment, such as currency
- financial claims, such as loans
- economic assets, which are close to financial claims in nature, such as shares

Non-financial assets include:

- Produced non-financial assets:
 - buildings and other structures
 - machinery and equipment
 - certain farming stocks, mainly dairy cattle and orchards
 - intellectual property products, such as computer software and databases, and research and development inventories
 - valuables, such as works of art and precious stones
- Non-produced assets:
 - contracts, leases and licences
 - natural resources

Data sources include:

- the Office for National Statistics's (ONS) National Balance Sheet Survey
- annual reports of public corporations and major businesses
- industry publications
- other government departments and agencies

Where non-financial asset market valuations are not readily available, we use a proxy based on the UK net capital stocks data, modelled in the perpetual inventory method (PIM).

For central government, data are taken from returns made by government departments to HM Treasury.

Local authority housing is shown in the public non-financial corporations sector. This is because government-owned market activities are always treated as being carried out by public corporations, either in their own right or via quasi-corporations.

As part of Blue Book 2019, there have been methodological changes to the estimates of net capital stocks, which are the source of fixed asset data in the national balance sheet. The main changes in the net capital stock data are:

- revisions to the length life of assets
- changes in the treatment of transfer costs with capital stocks
- use of hyperbolic depreciation instead of linear depreciation
- improved sectorisation and asset splits

As a result of these changes, there have been revisions to balance sheet estimates for the entire time series.

More information on these changes can be found in the [National Accounts articles: Changes to the capital stock estimation methods for Blue Book 2019](#).