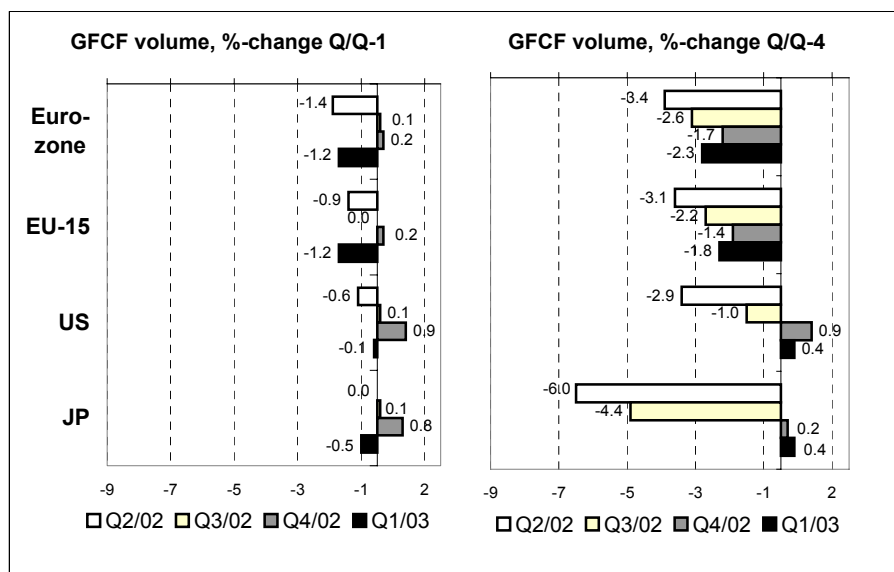


QUARTERLY ACCOUNTS

First quarter 2003

Breakdown of gross fixed capital formation

Luca PROTTI



According to Eurostat estimates ⁽¹⁾ for the first quarter of 2003, Gross Fixed Capital Formation (GFCF) fell by 1.2%, both in the euro-zone ⁽²⁾ and in the EU15. In the previous quarter a growth rate of +0.2% had been recorded in both zones.

In comparison with the first quarter of 2002, GFCF further shrunk by 2.3% in the euro-zone and by 1.8% in the EU as a whole. The corresponding figures for the previous quarter had shown a decline by 1.7% in the euro-zone and by 1.4% in the EU15.

Among the components of GFCF, investments in *Metal products and machinery* fell both in the euro-zone (-1.1%) and in the EU15 (-1.0%), after a result close to stagnation recorded in the fourth quarter of 2002 (+0.1% in the euro-zone and 0.0% in the EU15). With regard to *Transport equipment*, a decline was observed both in the euro-zone (-2.1%) and in the EU15 (-2.2%), thus reversing the positive results of the previous quarter (+1.9% in the euro-zone and +1.6% in the EU15). *Construction of housing* also showed a decrease in the euro-zone (-0.6%) and in the EU15 (-1.1%), in contrast with the expansion seen in the fourth quarter of 2002 (+1.1% in the euro-zone and +1.2% in the EU15). The *Other construction* component of GFCF went down both in the euro-zone (-1.9%) and in the EU15 (-1.6%), confirming the decline already recorded in the fourth quarter 2002 (-0.6% and -0.5% respectively). Investments in *Other products* decreased by 0.2% in the euro-zone, while they grew by 0.1% in the EU15, in both cases showing an improvement with respect to the result of the previous quarter (-0.8% in the euro-zone and -1.0% in the EU15).

In the first quarter of 2003 GCF, which is equal to GFCF plus changes in inventories plus acquisitions less disposals of valuables, rose by 1.0% in the euro-zone and by 0.1% in the EU15, compared to +0.8% and +1.5% in the last quarter of 2002.

⁽¹⁾ Methodological note: data for the euro-zone and EU15 are calculated in a coherent statistical framework, using as indicators the data of all the Member States compiling quarterly accounts. Aggregations for the euro-zone and EU15 were carried out using the seasonally adjusted data of the Member States. These data are also corrected for working days for Belgium, Germany, Spain, France, Italy, the Netherlands, Austria, Sweden and the United Kingdom.

⁽²⁾ The euro-zone consists of Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland.



Statistics in focus

ECONOMY AND FINANCE

THEME 2 – 44/2003

NATIONAL ACCOUNTS

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DEVELOPMENT OF GFCF AND ITS COMPONENTS

The growth of investments in the euro-zone, EU15, US and Japan

Eurostat estimates for the first quarter of 2003 showed that GFCF fell by 1.2%, both in the euro-zone and in the EU15. In the previous quarter a growth rate of +0.2% had been recorded in both zones.

With regard to the main partners of the European Union, GFCF, in the first quarter of 2003, showed a negative result both in the United States (-0.1%) and in Japan (-0.5%), in contrast with the increases recorded in these two countries during the fourth quarter of 2002 (+0.9% and +0.8% respectively).

Concerning GCF, an increase was observed both in the euro-zone and in the EU15, after the growth already shown in the previous quarter (+1.0% and +0.1%, respectively, compared to +0.8% and +1.5% in the fourth quarter of 2002).

GCF, in the first quarter of 2003, fell in the United States (-1.2%) after the positive result of the preceding quarter (+1.5%). In Japan, GCF stagnated (0.0%), after the slight expansion seen in the in the last quarter of 2002 (+0.1%).

Member States of the European Union

GFCF development was not homogeneous among the EU Member States. A recovery was seen in Spain (+1.1%), in France (+0.2%), in Austria (+3.1%) and in Sweden (+0.6%), while Belgium (+2.7%) confirmed the increase shown in the previous quarter. Conversely, a fall was recorded in Denmark (-2.8%), in Germany (-1.7%), in Italy (-4.9%), in the Netherlands (-0.7%), in Portugal (-4.6%), in Finland (-2.0%) and in the United Kingdom (-1.1%).

Among the GFCF components, *Metal products and machinery* recorded the highest growth in Austria (+7.3%), followed by Spain (+1.9%), France (+1.8%) and Sweden (+0.1%), the four countries reversing the decrease shown in the previous quarter. All the other Member States for

which these data are available showed a fall: Denmark (-3.4%), Italy (-8.6%), the Netherlands (-0.1%), Portugal (-1.3%), Finland (-1.2%) and the United Kingdom (-0.5%).

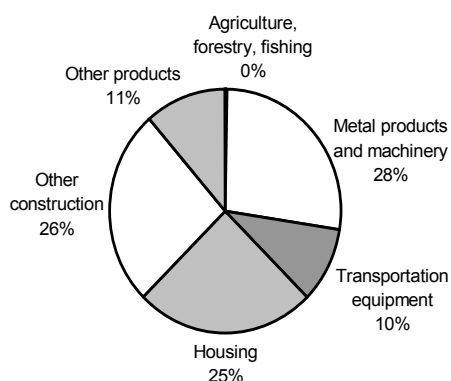
The volume of investments in *Transportation equipment* saw a recovery in the Netherlands (+9.0%), in Austria (+11.8%) and in Sweden (+41.7%), whilst a confirmation of the positive result of the previous quarter was observed in Spain (+1.5%) and in Finland (+1.1%). Finally, a decrease was experienced in Denmark (-1.9%), in France (-1.8%), in Italy (-9.9%), in Portugal (-18.5%) and in the United Kingdom (-2.7%).

Construction of housing showed mixed results in the EU Member States: it recovered in Denmark (+3.2%) and in France (+0.1%), while it continued to rise in Spain (+1.3%), in Italy (+0.1%), in Austria (+0.3%) and in Finland (+1.5%). Conversely, it showed a decline in Germany (-3.5%), in the Netherlands (-0.2%), in Sweden (-4.2%) and in the United Kingdom (-8.2%).

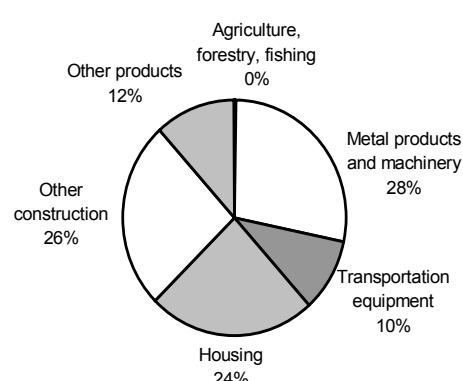
Investments in *Other constructions* increased in Austria (+0.2%) and in the United Kingdom (+3.2%), while it fell in all other Member States for which these data are available. In particular, Denmark (-17.1%) and Italy (-1.2%) reversed the increase of the previous quarter, while Germany (-3.0%), Spain (-0.2%), France (-1.1%), the Netherlands (-3.0%), Finland (-5.4%) and Sweden (-0.7%) remained in negative territory.

Finally, the volume of investments in *Other products* turned positive in Denmark (+0.8%), in Spain (+2.6%), in France (+0.7%), in Sweden (+0.3%) and in the United Kingdom (+1.9%). On the other hand, in Germany (-0.6%), Austria (-5.3%), and Finland (-3.2%) growth rates turned negative after the increase shown in the fourth quarter of 2002, while Italy (-1.8%), the Netherlands (-3.2%) and Portugal (-2.6%) confirmed the fall already shown in the previous quarter.

Euro-zone, gross fixed capital formation by product as a % of total, first quarter 2003



EU-15, gross fixed capital formation by product as a % of total, first quarter 2003



T1
**GROSS CAPITAL FORMATION BY COMPONENTS
EURO-ZONE, EU15 AND MAIN ECONOMIC PARTNERS**

t/t-1 Percentage change over previous quarter - seasonally adjusted - at constant prices (1995)

	Total gross capital formation				Agriculture, forestry, fishing				Metal products and machinery				Transportation equipment				Housing				Other construction				Other products				Total gross fixed capital formation				Changes in inventories ⁽¹⁾			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003					
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1				
euro-zone	-0.9	-0.5	0.8	1.0	-10.7	5.9	-4.3	-11.6	-1.0	0.3	0.1	-1.1	-0.1	-0.2	1.9	-2.1	-3.3	-0.2	1.1	-0.6	-1.3	0.2	-0.6	-1.9	0.8	0.3	-0.8	-0.2	-1.4	0.1	0.2	-1.2	-0.2	-0.3	-0.2	0.2
EU-15	-1.0	-0.1	1.5	0.1	-7.6	4.0	-0.4	-6.0	-0.4	-0.9	0.0	-1.0	0.1	0.4	1.6	-2.2	-2.4	0.6	1.2	-1.1	-1.3	0.4	-0.5	-1.6	1.2	0.6	-1.0	0.1	-0.9	0.0	0.2	-1.2	-0.3	-0.3	0.0	0.2
EU MEMBER STATES																																				
B	-8.7	16.3	1.1	1.2	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-3.5	-0.2	1.1	2.7	-1.6	1.4	1.4	1.1
DK	1.4	-1.1	-3.0	0.8	114.6	:	:	9.4	-0.4	-2.5	1.9	-3.4	1.7	4.2	-7.6	-1.9	2.0	2.4	-2.5	3.2	-0.8	-1.2	5.0	-17.1	-0.6	4.7	-1.6	0.8	-0.3	-0.1	0.3	-2.8	0.7	0.2	-0.6	0.1
D	0.6	-1.6	2.7	-1.3	:	:	:	:	:	:	:	:	:	:	:	:	-5.6	0.0	1.2	-3.5	-5.0	0.1	-0.8	-3.0	0.4	1.0	1.0	-0.6	-3.5	-0.2	0.8	-1.7	-0.5	-0.7	-0.4	-0.3
EL	-2.1	1.7	-1.2	8.8	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
E	-0.9	0.2	2.1	2.7	-0.3	2.2	4.9	-1.6	0.7	2.2	-5.8	1.9	-3.7	3.9	5.0	1.5	0.8	0.5	3.2	1.3	2.2	1.7	-0.7	-0.2	0.7	-0.2	-0.4	2.6	0.9	1.4	-0.5	1.1	0.3	0.0	0.7	1.1
F	-0.9	-0.6	-2.4	2.1	0.4	0.3	0.1	0.0	-1.3	-0.1	-1.8	1.8	-1.8	-1.5	1.2	-1.8	1.2	-0.2	-0.3	0.1	0.7	-1.9	-1.3	-1.1	0.3	-0.2	-1.6	0.7	-0.2	-0.7	-1.1	0.2	-0.1	-0.1	-0.3	0.0
IRL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
I	-3.8	-1.6	3.9	2.3	8.1	1.8	-3.8	-10.1	-0.4	2.2	4.6	-8.6	1.5	5.3	7.3	-9.9	-0.6	0.7	0.3	0.1	-3.3	4.6	3.5	-1.2	0.1	1.3	-0.6	-1.8	-0.7	2.6	3.3	-4.9	0.6	-0.2	-0.1	1.4
L	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	0.2	-1.5	-0.3	0.5	0.0	2.9	10.0	-7.8	-3.3	-2.0	-2.8	-0.1	14.8	-14.0	-1.3	9.0	-1.9	-0.6	-0.2	-0.2	-4.9	-2.3	-2.3	-3.0	2.7	-1.8	-1.9	-3.2	-0.7	-2.1	-1.8	-0.7	-0.9	-0.6	-0.4	-0.1
A	-2.3	-1.5	-1.7	3.4	-0.6	-2.0	-2.5	-0.8	-4.4	-1.0	-0.3	7.3	-10.5	4.0	-12.6	11.8	0.0	0.7	0.5	0.3	2.7	-2.5	0.0	0.2	5.1	-5.9	2.0	-5.3	-1.3	-1.0	-1.0	3.1	1.3	0.2	0.1	0.3
P	-0.8	-2.8	-6.2	-4.5	-4.1	-2.7	-1.4	-5.6	-2.7	-3.1	-0.2	-1.3	-0.4	-3.2	-3.4	-18.5	:	:	:	:	:	:	:	:	-0.3	-1.8	-6.2	-2.6	-0.5	-3.5	-4.5	-4.6	0.9	1.0	0.5	0.6
FIN	5.1	-5.0	8.3	3.1	7.1	6.7	0.0	-12.5	1.8	-2.5	-6.8	-1.2	-1.4	3.9	1.6	1.1	0.6	0.4	2.9	1.5	-2.4	0.0	-1.1	-5.4	1.9	2.0	1.4	-3.2	-0.1	-0.1	-1.1	-2.0	-1.6	-0.6	-2.0	-1.7
S	-10.2	0.3	3.8	0.0	0.0	0.7	-0.2	0.2	-0.9	-1.7	-1.2	0.1	17.9	-25.9	-10.9	41.7	2.5	0.1	-2.8	-4.2	-1.5	1.4	-2.6	-0.7	-1.0	-1.5	-1.2	0.3	0.6	-1.3	-1.1	0.6	-0.5	-0.3	0.5	0.5
UK	-2.9	3.2	6.2	-5.1	13.9	7.9	0.7	-7.9	2.8	-5.7	-0.6	-0.5	1.3	2.6	1.1	-2.7	4.7	9.1	4.7	-8.2	-1.3	2.3	-0.9	3.2	7.6	2.0	-2.3	1.9	2.3	-0.2	0.3	-1.1	-0.7	-0.1	0.9	0.1
MAIN PARTNERS																																				
US	1.5	0.9	1.5	-1.2	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-0.6	0.1	0.9	-0.1	0.8	1.0	1.1	0.9
JP	2.7	1.6	0.1	0.0	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0	0.1	0.8	-0.5	-0.4	0.0	-0.2	-0.1
CAN	10.0	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	2.3	:	:	:	0.4	:	:	:

⁽¹⁾ Percentage of GDP.

: Data not available or not computable.

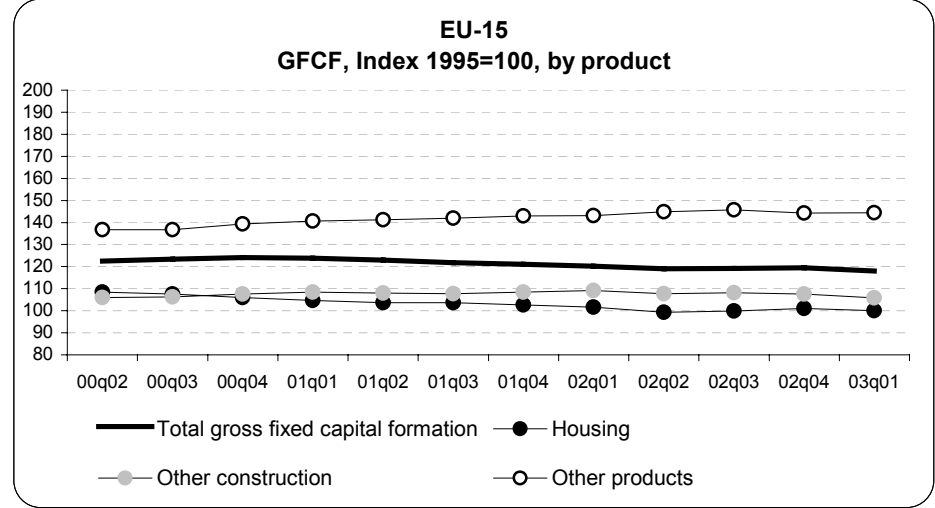
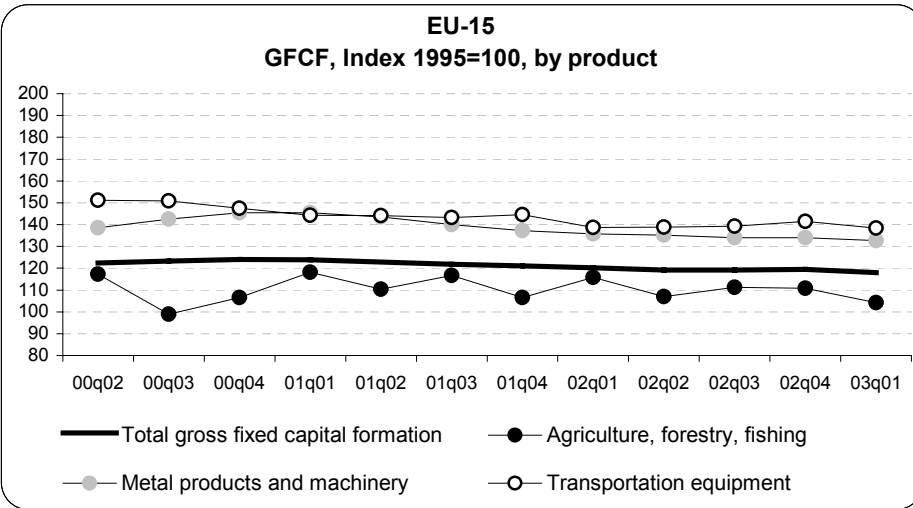
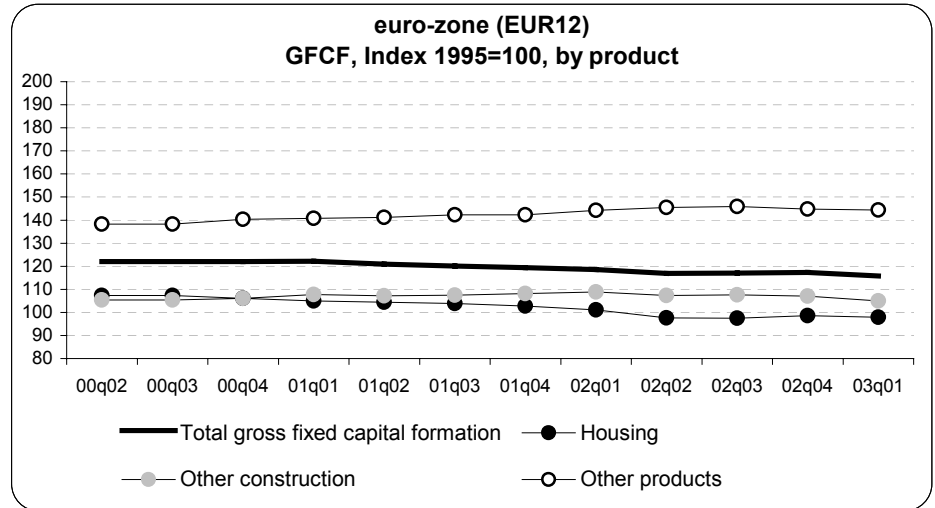
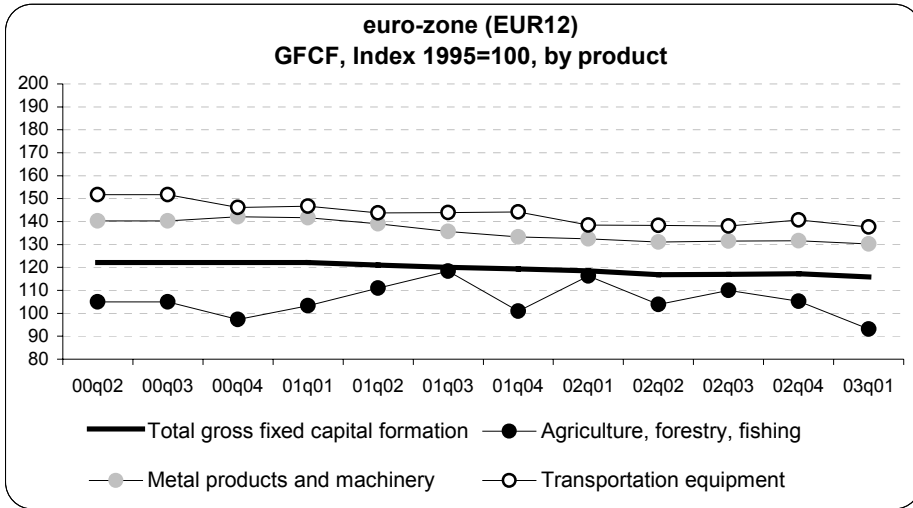
T2 GROSS CAPITAL FORMATION BY COMPONENTS EURO-ZONE, EU15 AND MAIN ECONOMIC PARTNERS

t/t-4 Percentage change over the same quarter of the previous year – seasonally adjusted – at constant prices (1995)

	Total gross capital formation				Agriculture, forestry, fishing				Metal products and machinery				Transportation equipment				Housing				Other construction				Other products				Total gross fixed capital formation			
	2002			2003	2002			2003	2002			2003	2002			2003	2002			2003	2002			2003	2002			2003	2002			2003
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
euro-zone	-4.1	-2.0	-1.1	0.4	-6.4	-7.0	4.4	-20.0	-5.7	-3.1	-1.3	-1.7	-3.8	-4.1	-2.5	-0.6	-6.4	-6.1	-4.0	-3.1	0.2	0.2	-1.0	-3.5	3.0	2.5	1.7	0.1	-3.4	-2.6	-1.7	-2.3
EU-15	-4.4	-1.8	0.0	0.5	-3.1	-4.6	4.0	-10.0	-5.8	-4.4	-2.3	-2.2	-3.7	-2.7	-2.1	-0.3	-4.3	-3.6	-1.5	-1.7	-0.3	0.3	-0.8	-3.0	2.5	2.7	1.0	1.0	-3.1	-2.2	-1.4	-1.8
EU MEMBER STATES																																
B	-10.3	12.5	7.7	8.6	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-4.6	-4.0	1.6	0.0
DK	-0.1	-1.7	-4.3	-1.9	:	:	57.4	118.8	-0.2	1.9	1.9	-4.5	-6.8	5.6	-15.1	-3.9	5.9	8.9	4.2	5.0	0.1	-0.6	5.3	-14.7	-10.1	-3.2	-9.9	3.2	-1.3	2.0	-1.6	-3.0
D	-8.1	-4.7	-2.8	0.4	:	:	:	:	:	:	:	:	:	:	:	:	-7.5	-7.2	-5.3	-7.8	-7.3	-6.2	-5.9	-8.4	2.4	2.6	2.2	1.9	-8.2	-6.7	-4.7	-4.5
EL	6.6	5.5	6.2	7.0	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
E	1.2	1.3	3.7	4.0	2.7	3.8	7.6	5.1	-6.3	-4.9	-1.4	-1.1	-2.2	-2.7	-0.1	6.7	2.7	1.6	5.6	5.9	5.6	7.0	3.9	3.0	1.6	1.3	1.1	2.7	1.0	1.5	2.4	2.9
F	-4.3	-2.1	-2.8	-1.9	0.3	1.2	1.3	0.8	-2.8	-2.2	-2.2	-1.5	-3.3	-5.0	-4.9	-3.9	1.5	0.6	0.5	0.8	0.3	-2.1	-3.0	-3.5	1.6	0.7	-1.8	-0.8	-0.7	-1.5	-2.1	-1.8
IRL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
I	2.0	0.0	2.6	0.6	21.7	38.6	28.4	-4.9	-3.6	1.3	7.8	-2.6	-3.5	4.4	6.3	3.2	0.8	1.1	0.7	0.4	-3.2	0.7	2.5	3.6	3.3	3.3	3.4	-1.0	-1.9	1.8	4.6	0.1
L	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	-7.0	-7.8	-2.9	-1.2	-17.1	1.4	14.9	4.4	-0.2	-2.8	-7.2	-8.0	2.9	-12.7	-16.6	6.2	-4.9	-1.7	-3.4	-2.9	-1.9	-2.4	-6.1	-12.0	-8.2	-6.9	-2.7	-4.2	-2.7	-3.9	-6.0	-5.2
A	-5.9	-4.1	-7.6	-2.3	-0.3	-3.4	-6.0	-5.8	-13.3	-3.6	-11.2	1.2	-17.1	-9.9	-13.0	-9.1	-0.3	0.7	-0.3	1.4	4.5	-0.4	-1.8	0.4	-1.9	-9.0	1.1	-4.5	-4.8	-2.4	-5.4	-0.2
P	-2.5	-8.1	-10.6	-13.6	-6.2	-12.0	-12.0	-13.2	-2.5	-6.0	-7.7	-7.1	-19.2	-21.2	-19.8	-24.1	:	:	:	:	:	:	:	:	-1.2	-5.3	-9.3	-10.6	-2.6	-7.6	-11.6	-12.6
FIN	1.4	-3.9	6.2	11.4	7.1	6.7	6.7	0.0	-5.0	-10.3	-9.8	-8.6	-20.9	-21.1	-15.9	5.3	3.0	5.3	6.1	5.4	-7.8	-5.6	-5.7	-8.7	14.6	14.7	14.3	2.0	-3.2	-3.4	-2.5	-3.2
S	-8.9	-6.7	-0.9	-6.5	-1.0	-0.7	-4.3	0.7	-3.6	-4.6	-5.7	-3.7	16.1	-13.1	-19.8	10.3	12.6	12.6	7.6	-4.5	-3.3	-0.2	-6.0	-3.4	-6.8	-7.0	-6.2	-3.3	-0.7	-2.1	-3.9	-1.3
UK	-7.0	-0.2	7.1	0.9	-14.2	-5.7	-5.0	13.9	-7.3	-10.8	-7.2	-4.2	-1.5	4.5	3.6	2.3	19.1	22.0	27.7	9.9	-3.6	2.9	1.3	3.2	8.0	10.3	2.0	9.3	-1.5	-0.3	1.4	1.3
MAIN PARTNERS																																
US	0.8	3.7	8.0	2.7	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-2.9	-1.0	0.9	0.4
JP	-7.6	-3.2	1.2	4.3	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-6.0	-4.4	0.2	0.4
CAN	5.5	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	3.7	:	:	:

: Data not available or not computable.

GROSS FIXED CAPITAL FORMATION BY PRODUCT
EURO-ZONE AND EU15
 Volume index 1995=100



T3 GROSS CAPITAL FORMATION BY COMPONENTS EURO-ZONE, EU15 AND MAIN ECONOMIC PARTNERS

levels First quarter 2003, in millions euro - seasonally adjusted - at current prices

	Total gross capital formation	Agriculture, forestry, fishing	Metal products and machinery	Transportation equipment	Housing	Other construction	Other products	Total gross fixed capital formation	Changes in inventories
euro-zone	361 841.1	682.7	97 078.0	35 411.3	89 707.4	92 398.0	40 698.6	355 975.8	5 865.2
EU-15	445 618.1	1 065.6	123 351.1	43 546.0	105 293.3	114 070.5	50 610.5	437 936.9	7 681.2
EU MEMBER STATES									
B	13 387.0	:	:	:	:	:	:	13 103.0	284.0
DK	8 717.2	- 9.0	2 466.1	934.0	1 705.3	2 039.6	1 301.3	8 580.3	95.7
D	95 080.0	- 10.0	:	:	29 890.0	21 310.0	6 010.0	95 200.0	- 120.0
EL	8 892.0	:	:	:	:	:	:	:	:
E	48 325.0	80.0	8 188.1	2 986.9	12 225.9	15 849.1	7 506.0	46 836.0	1 489.0
F	73 964.2	297.4	18 294.8	6 993.1	13 941.7	20 423.0	14 147.2	74 097.2	- 133.0
IRL	:	:	:	:	:	:	:	:	:
I	64 046.8	50.8	20 830.4	7 779.1	14 446.9	12 541.0	6 128.1	61 776.3	2 270.5
L	:	:	:	:	:	:	:	:	:
NL	22 984.0	79.0	4 736.0	2 453.0	6 575.0	6 505.0	2 509.0	22 960.0	377.0
A	11 619.9	15.0	3 552.9	1 006.1	2 697.3	4 265.5	456.1	11 993.0	571.5
P	7 526.0	70.1	1 722.2	500.3	:	:	1 148.2	7 359.5	166.5
FIN	7 189.0	16.0	1 410.0	394.0	1 650.0	2 070.0	806.0	6 346.0	457.0
S	:	:	:	:	:	:	:	:	:
UK	63 998.5	185.2	20 065.4	6 103.6	12 785.1	16 899.4	6 660.6	62 699.3	1 272.4
MAIN PARTNERS									
US	457 704.4	:	:	:	:	:	:	457 611.2	83.9
JP	231 392.7	:	:	:	:	:	:	230 361.4	1 031.1
CAN	:	:	:	:	:	:	:	:	:

: Data not available or not computable.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Gross capital formation (ESA 95, 3.100) is made up of three sub-components:

Gross fixed capital formation (ESA 95, 3.102) is often simply referred to as "investment". While all capital production could technically be called investment, only GFCF is considered to maintain or enhance the productive potential of the economy for future periods, thus warranting a special interest. GFCF consists of resident producers' acquisitions, less disposals, of fixed assets plus certain additions to the value of non-produced assets realised by the productive activity units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, for more than one year.

Gross fixed capital formation consists of:

- a) Acquisitions, less disposals, of tangible fixed assets such as buildings and structures, machinery and equipment, cultivated assets, e.g. trees and livestock;
- b) Acquisitions, less disposals, of intangible fixed assets such as mineral exploration, computer software and entertainment or artistic originals;
- c) major improvements to tangible non-produced assets, in particular to land such as the reclamation of land from sea or the draining of marshes;
- d) costs associated with the transfers of ownership of non-produced assets, like land and patented assets.

For presenting data on GFCF, the PI6 classification from ESA 95 is used. This classification combines elements from the list given above with some information on the branches whose output has been used for investment:

1. Products of agriculture, forestry, fisheries and aquaculture
2. Metal products and machinery
3. Transport equipment
4. Housing
5. Constructions other than housing
6. Other products

The sum of these six categories is equal to total gross fixed capital formation.

Both consumption of fixed capital (which includes normal accidental damage) and exceptional losses, such as those due to drought or other natural disasters are not deducted when calculating GFCF. Taking into account the consumption of fixed capital will result in Net (instead of Gross) fixed capital formation.

GFCF includes some bordering cases like acquisitions

of mobile homes used as residences of households; structures and equipment used by the military similar to those utilised by civilian producers such as airfields, Docks, roads and hospitals; changes in livestock used in production year after year, such as dairy cattle. On the other hand, GFCF excludes transactions included in intermediate consumption like the purchase of small tools for production purposes; ordinary maintenance and repairs; purchase of military weapons or purchase of fixed assets to be used under an operational leasing contract. GFCF also excludes transactions recorded as changes in inventories, as for instance animals raised for slaughter. Other items not included are machinery acquired by households for final consumption and catastrophic losses on fixed assets.

GFCF in general is recorded when the ownership of the fixed assets is transferred to the institutional unit that intends to use them in production. It is valued at purchasers' prices including installation charges and other costs of ownership transfer.

Changes in inventories (ESA 95, 3.117) are measured by the value of the entries into inventories less the value of withdrawals and the value of any current losses (due to physical deterioration, accidental damage or pilfering). Even though it is observable in principle, the data sources generally available are much less reliable than that for, say, gross fixed capital formation. It is therefore sometimes treated as a balancing item in the goods and services account and used to, at least partially, balance the output and expenditure approaches to the calculation of GDP.

Inventories include also work-in-progress and goods for resale that are goods acquired for the purpose of reselling them in their present state.

Acquisitions less disposals of valuables (ESA 95, 3.125)

Valuables are non-financial goods that are not used primarily for production or consumption, do not deteriorate (physically) over time under normal conditions and that are acquired and held primarily as stores of value. Acquiring them will use up resources that otherwise could have been spent on consumption, but will not qualify as gross fixed capital formation or adding to inventories because of the lacking connection to production processes. Valuables include precious stones and metals, antiques and other art objects, and collectors' items.

In this publication, "Acquisitions less disposals of valuables" are included in the item "Changes in inventories".

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