



National Accounts and Transport Investments

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Classification of Investments and Capital stock

- **Cultivated assets**
- **Other machinery and equipment**
 - Office machinery and equipment
 - Radio, TV and communication
- **Transport equipment**
- **Construction**
 - Dwellings
 - **Other buildings and structures**
- **Intangible fixed assets**
 - Software
 - Other

Further details

- **Classification by industry, among which**
 - Transport, storage and communication
 - Land transport, transport via pipelines
 - Water transport
 - Air transport
 - Supporting and auxiliary transport activities etc.
 - Post and telecommunications
 - Public administration and defense; compulsory social security
- **Gross and net capital stock; (accumulated) depreciation**

Definition of capital investments

- **General definition?**

“... goods and services that are used in production for more than one year” (SNA 2008, para. 10.33)

- **Improvements to existing fixed assets?**

“... increase their productive capacity, extend their service lives, or both” (SNA 2008, para. 10.43)

“... significant changes in some of the characteristics of existing fixed assets ...” and “... deliberate investment decision ...” (SNA 2008, para. 10.46)

Definition of capital investments

- **Ordinary maintenance?**

“... activities that must be undertaken regularly in order to maintain a fixed asset in working order over its expected service life”;

“The owner or user ... has no choice ... if the asset in question is to be continued to be used in production”

“... do not change the fixed asset’s performance, productive capacity or expected service life”

(SNA 2008, para. 10.45)

Definition of capital investments

- **Time of recording: transfer of ownership**

Note: assets developed under a contract of sale with stage payments

- **Economic ownership?**

Note: Public-Private Partnerships (PPPs) and Build, Own, Operate and Transfer (BOOT) schemes => which unit is expected to bear the majority of risks, and which unit is expected to receive a majority of the rewards of the assets? (SNA 2008, para. 22.154 – 22.163; MGDD)

PPPs and BOOT-schemes (risk)

- **Risks associated with acquiring the asset:**
 - Control by government on design, quality, etc.
 - Construction risk (additional costs?)
- **Risks associated with using the asset:**
 - Supply risk (control by government on the services provided)
 - Demand risk (future income higher/lower than expected)
 - Residual value risk (value at the end of the contract period differs from the agreed price)
 - Availability risk (additional costs or penalties related to the provision of the services)

Measurement of capital stock

- **Perpetual Inventory Method (PIM):**
 - Value of assets at the beginning of the year
 - *plus:* Acquisitions of fixed assets (investments)
 - *less:* Disposals of fixed assets (desinvestments)
 - *less:* Reduction in value during the year (depreciation (-) and change in price level (+))
- **Assumptions needed on age-efficiency profiles, service lives and retirement patterns (see OECD Manual “Measuring Capital”)**
- **Starting level (especially relevant for assets with long service lives)**

Conclusions

- **Useful to have data on both capital investments and capital stocks**
- **National Accounts provide a useful framework for defining and recording the relevant transactions and stocks**
- **It also provides more possibilities to analyze interrelationship between transport investment, and government finance, economic growth and macro-economic developments more generally**
- **Data are not directly available, need for additional collection of data**



Thank you for your attention