Question to Eurostat

I am trying to reconcile data on Fixed Assets with data on Fixed Capital Formation and Capital Consumption. It seems to me from the published definitions that for any given sector (such as the total economy) and at current prices (whether Euro or local currency), the difference between total Fixed Assets in any given year and in the previous year should be equal to Gross Fixed Capital Formation (GFCF) in the previous year, less capital consumption in the previous year.

This does not seem to be so, for the countries and sectors I have looked at.

To take the example of France. In the year 2000, GFCF was 318,108 million Euros and Capital Consumption was 226,110 million Euros, which is the same whether Paid or Received and is also the same in ‘local currency’ since that was by that time the Euro. Thus, net addition to fixed capital was 318,108 - 226,110 = 91,998 million Euros.

These data are taken from table nasa\_10\_nf\_tr (Non-Financial transactions) which I found in the Annual Sector Accounts (ESA 2010) under National Accounts (ESA 2010) (na10) under ‘Economy and Finance’ in ‘Database by Theme’

In 2000, France’s total fixed assets were 4,029,358 million Euros. In 2001 they were 4,221,602 million Euros, so these have grown by 4,221,602 - 4,029,358 million Euros = 192,244 million Euros. These data are taken from table nama\_10\_nfa\_bs (Balance Sheets for Non-Financial Assets) which I found under ‘Breakdowns of non-financial assets by type, industry and sector name’ (nama\_10\_nfa) under ‘Annual National Accounts’, also in ‘Database by Theme’.

Looking at the ESA 2010 manual it states (7.42, p175):

“Fixed assets are recorded at market prices if possible (or basic prices in the case of own-account production of new assets) or, if not possible, then at purchasers’ prices at acquisition reduced by the accumulated consumption of fixed capital.”

Section 1.87 states that “Within its boundaries, the ESA 2010 system is exhaustive in respect of both flows and stocks. This implies that all changes in stocks can be fully explained by recorded flows.”

It seems to me that fixed assets should therefore be equal to the fixed assets of the previous year, plus GFCF, less capital consumption. It could be that the difference is due to holding gains or losses, but I would expect these to be accounted for by capital consumption since this is recorded at replacement cost. And in any case, I would hope to find a set of flow variables that can fully account for the change in capital stocks so, if there is a further flow variable that helps explain the difference, I would appreciate it if you can point me to it.

So I can’t understand why these two figures are not the same. I hope you can help.