Federal Statistical Office of Germany Wiesbaden, 06. April 2005

Updating of the SNA-93,
issue 20: LAND IMPROVEMENT

Advisory Expert Group's (AEG) recommendations of 12/2004:

The AEG agreed unanimously that:

i. GFCF of land improvements should be treated like other GFCF and result in a produced asset appearing separately in the balance sheet;

ii. The non-produced component of land should be valued at its present unimproved value;

iii. Where the value of land cannot be partitioned into an improved and unimproved part, adopt recommendations for land and associated structures as in Para 13.57 for balance sheets and Para 7.131 for rent and rentals;

iv. Costs of ownership transfer on land should be recorded as fixed assets and included with land improvements.

The boundary between land improvements and structures should be re-examined with a view to moving some items such as major dykes, seawalls, etc. to structures.

The terms "Land Improvements" and "Unimproved Land" are to be reconsidered by the Canberra Group II.

German opinion:

a) We welcome the recommendation that all GFCF including land improvements and costs of ownership transfer (COT) on land should result in produced fixed assets.

b) As in the current asset classification, land improvement should be no separate asset category, but should be included in "other structures" (AN11122). To move the boundary between land improvement and structures and include major dykes, seawalls etc. into structures does seem helpful in this respect. Given that in addition the creation of parks and outside facilities of buildings are integral part of GFCF in buildings and structures and therefore included in structures in the balance sheet, the remaining residual for most countries does not require a separate asset category.

c) Not only COT on land, but all COT on non-produced, non-financial assets should result in produced fixed assets because they are produced (part of GFCF).