

Indicator 17.13.1

Indicator Name, Target and Goal

Indicator 17.13.1 Macroeconomic Dashboard

Target 17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence

Goal 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development

Gross Capital Formation (annual % change)

Definition and Rationale

○ Definition

The “gross capital formation (annual % change)” is calculated from the rate of change in the sum total between two consecutive fiscal terms.

○ Concepts

In the system of national accounts, “gross capital formation” refers to the value of fixed assets acquired by producers during the accounting period, less disposals, plus expenditures that increase the value of non-produced assets. Here, fixed assets are the assets acquired by producers from among the “production assets,” which are non-financial assets that have emerged in production processes in the system of national accounts, and, in principle, are used repeatedly in production processes for more than a year. Therefore, gross capital formation is recorded in all institutional sectors, but in the case of household finances, data is only recorded for individual proprietorships, including owner-occupied home services (even if a household purchases an automobile as a consumer, this is considered the final consumption expenditure of a consumer durable, and is not recorded in the figures for gross capital formation).

○ Rationale and Interpretation:

To provide a standardized instrument to monitor the macroeconomic stability of countries, the World Bank has designed a Macroeconomic dashboard including important macroeconomic indicators covering the external, financial, fiscal, and real sectors. The indicator selection builds on existing

macroeconomic monitoring frameworks developed and used by international and regional agencies, such as IMF, WB, ECB, and OECD.

Data Sources and Collection Method

Based on the Cabinet Office's National Accounts of Japan

Method of Computation and Other Methodological Considerations

- Computation Method

(Gross capital formation in a given year / gross capital formation in the preceding year) × 100

- Comments and limitations

None

Data Disaggregation

None

References

Cabinet Office's National Accounts of Japan Annual Estimate

https://www.esri.cao.go.jp/en/sna/kakuhou/kakuhou_top.html

Custodian Ministries of Data

The Cabinet Office Economic and Social Research Institute

Custodian Ministries of Related Policies

Cabinet Office

Ministry of Finance

International Organizations

World Bank