

Capital Stock Conference  
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Agenda Item III

# **National Wealth Survey in Korea**

## **1. History of the Survey**

In 1998, the fourth National Wealth Survey (NWS) will be conducted as of December 31, 1997, following the first Survey in 1968, the second in 1977 and the third in 1987.

In the first NWS, each of various sectors was surveyed by different agency. The Economic Planning Board, acted as the headquarters, conducted the survey on household sector. The government sector and net foreign claims portion was surveyed by the Bank of Korea, the incorporated enterprise sector by the Korea Development Bank, and the unincorporated enterprise sector by the Small and Medium Industry Bank. In the second and the third NWSs, the unincorporated enterprise sector was, because of its large population, divided by industry and surveyed by three agencies such as the Small and Medium Industry Bank, the Ministry of Agriculture, Forestry & Fisheries, the Citizens National Bank. Hence, the six agencies were responsible for the survey of their respective sector. Since the fourth NWS is in the course of presentation, the third NWS is introduced in this document.

## **2. Purpose**

The purpose of the third NWS can be summarized as follows:

- (a) to measure the results of socio-economic development,
- (b) to provide the basic information for establishing national development policies such as the 7th Five-Year National. Social and Economic Development Plan, and
- (c) to compute the capital coefficients by the relationship between national wealth and national income, and to provide basic material for formulating the national balance sheet.

## **3. Legal Basis**

The survey is a designated statistical survey as provided for by the statistics law (Designated Statistics No. 111-11-11).

## **4. Reporting Date**

: December 31, 1987

## 5. Survey Coverage

### (a) Subjects

The survey covered all sectors including the governments, government enterprises, incorporated enterprises, private non-profit agencies and households. classified by ownership as follows:

- (1) government
  - i) central government
  - ii) local governments
- (2) government enterprises
- (3) government invested enterprises
- (4) incorporated enterprises  
profit-making enterprises as provided for by commercial law and  
foundations as provided for by civil law
- (5) unincorporated enterprises
- (6) private non-profit agencies
- (7) households
- (8) net foreign claims

### (b) Coverage of Assets

#### Types of Assets

1. Tangible Fixed Assets
  10. Buildings
  11. Structures (other than buildings)
  12. Machinery and equipment
  13. Ships
  14. Vehicles and transport equipment
  15. Tools and furniture
  16. Construction work in progress
  17. Big animals and plants
  18. Household assets (excluding buildings)
2. Stocks
  20. Finished goods
  21. Semi-finished goods
  22. Raw materials
  23. In storage
  24. Others
3. Net Foreign Claims

## 6. Research Methods of the Survey

(a) As a rule, the Survey was carried out on the ownership basis, and supplemented by the user's, in the enterprise sector in order to obtain information on how the national wealth contributes to economic activity and income creation.

### (b) Research Methods by Sector

Sector	Name of Agency	Survey Method	Numbers to be covered
Government Sector	Bank of Korea	Complete Survey	24,631 Enterprises
Incorporated Enterprise Sector	Korea Development Bank	Sampling	7,955 Enterprises
Unincorporated Enterprise Sector		Sampling	
· Agriculture, Fishery	Ministry of Agriculture, Forestry & Fisheries		131,049 Enterprises
· Mining and Manufacturing, Wholesale and Retail	Small and Medium Industry Bank		13,330 Enterprises
· Transport, Services	Citizens National Bank		14,986 Enterprises
Household Sector	Economic Planning Board	Sampling	62,565 Households
Net Foreign Claims		Existing Data	

(c) Research Methods by Types of Assets

(1) tangible fixed assets

In principle, the survey was conducted to estimate the net value of assets. The units of the surveyed assets were not defined as physical assets but as types of commodities acquired at the same time, so that every capital expenditure spent at different times represented a different unit. Also, the same type of commodities acquired at the same time were considered to be the same survey unit.

(2) stocks

Stocks were estimated at acquisition cost by adding secondary expenses on to the purchase cost. However if the current price was

less than 70% of the book value, the current price was regarded as the estimated value.

The current price in stock was the reasonable price according to the price index at the same time as the survey period. If there was no current price, it was calculated by using the last purchase cost or other reasonable method.

## 7. Methods of Valuation

### (a) Tangible Fixed Assets

Tangible fixed assets were valued at the acquisition cost basis, for which the information about both time and cost of acquisition was a prerequisite.

First, the gross value was estimated by applying the price index to the acquisition cost of assets. Second, the net value was derived by applying the rate of the remaining value to the gross value.

- . Gross value = acquisition cost x price index
- . Net value = gross value x rate of remaining value

### (b) Second-hand Goods and Revalued Assets

Methods for estimating second-hand goods and revalued assets were as follows:

#### i) gross value

$$G = P \times \frac{1}{0.3161} \times R$$

0.3161 stands for the rate of the remaining value only if half the service years of the assets had passed.

#### ii) net value

$$N = P \times R \times r$$

G : gross value

N : net value (replacement cost)

P : price as of acquisition time

R : price index from acquisition time to the end of 1987

r : rate of remaining value corresponding the survey period

### (c) Stocks

Stocks were estimated at acquisition cost by adding secondary expenses on to the purchase cost. However if the current price was less than 70% of the book value, the current price was regarded as the estimated value.