

Holding gains and the loss of theoretical unity

Michael Wolf*

Abstract: The attempt of including real holding gains in the income concept of the System of National Accounts (SNA) has so far been without success. This is primarily due to the demand of consistency in the SNA. Real holding gains are the outcome of relative price changes. If holding gains are included in GDP this also means that other volume concepts of the SNA has to be transformed to allow for changes in relative prices. Until a consistent national accounting framework founded on relative prices has been established the SNA only can be changed in a restricted way to show holding gains accounted in the system as redistributing income between institutional sectors.

***Wolf: National Accounts Department, Statistics Sweden; michael.wolf@scb.se The views expressed in this paper are solely those of the author and do not necessarily reflect official positions of Statistics Sweden**