

Is the Concept of Valuables Valuable?

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In the SNA 1993, the third category of capital formation was introduced, that is, acquisition less disposal of valuables. As a stock category, valuables are produced goods of considerable value that are not used primarily for purposes of production or consumption but are held as stores of value over time. Government of Japan has not introduced this new concept yet not least because this is inconsistent with the concept of capital in economics. In fact, in economics, capital or capital goods are defined as the kinds of inputs that are themselves outputs of some production processes. The reduction in coverage of the concept of monetary gold (gold as a financial asset) in the SNA 1993 as compared with the SNA 1968 may be regarded as one reason behind the creation of the new category. In fact, while in the 1968 version of the SNA, monetary gold can be held by any sector, in the SNA 1993 as well as the SNA 2008, monetary gold can be held by monetary authorities only. Gold held by other institutional units come to be regarded as a typical example of valuables. However, taking into account of the fact that art objects, which are another typical example of valuables, are considered to be indispensable inputs to the production processes of museums and also the fact that they need conservation and restoration processes regularly, the description of their economic activities in national accounts may be highly distorted by the introduction of the concept. Solutions are sought.