

Quarterly Spanish National Accounts. Base 2008
Quarterly Non-financial Accounts for the Institutional Sectors
First quarter of 2014

In the first quarter of 2014, the net borrowing of the national economy, as compared with the rest of the world, is estimated at 7,057 million euros

In the first quarter of 2014, the savings rate for households and non-profit institutions serving households is negative, and stands at -1.9% of their disposable income

National Economy

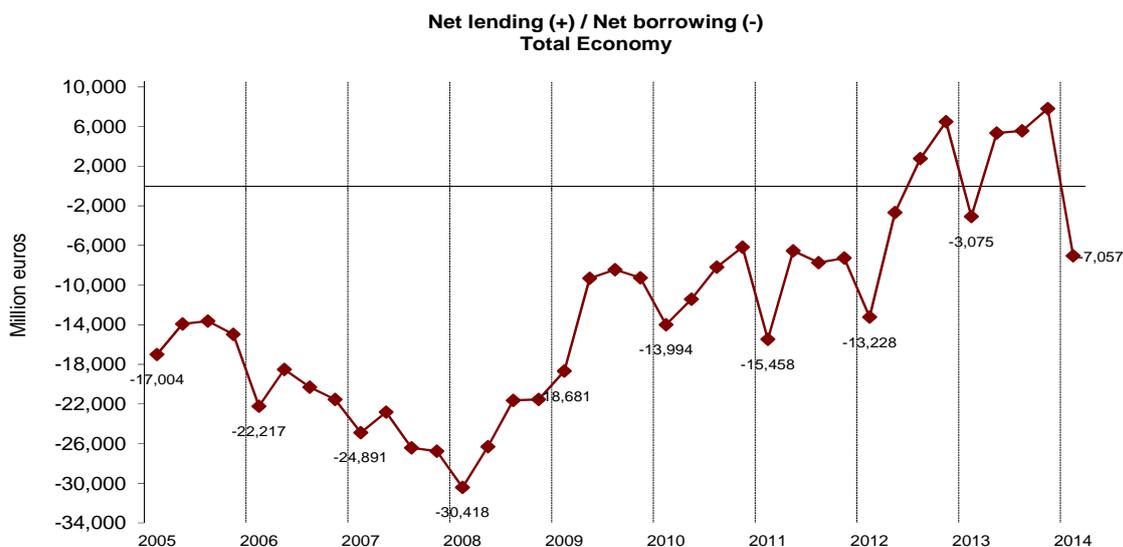
As a result of the actions of all institutional sectors¹, the national economy presented a net borrowing of 7,057 million euros, as compared with the rest of the world, during the first quarter of 2014, representing 2.8% of GDP for said period. This figure exceeded by 3,982 million euros that estimated for the same quarter of the previous year (3,075 millions, that is, 1.2% of the GDP).

This greater financing need (net borrowing) of the Spanish economy was mainly due to a weaker performance of both the balance of exchanges of goods and services and the balance of income and current transfers and of capital with the rest of the world.

Imports and exports of goods and services increased by 5,097 and 3,743 million euros, respectively. Therefore, the balance of exchanges of goods and services with the rest of the world decreased by 1,354 million as compared to the first quarter of 2013 (1,623 as compared to 2,967 millions).

The balance of income and current transfers also registered a decrease of 3,077 millions (-10,415 millions this quarter, as compared to -7,338 in the same period of 2013). Finally, the balance of capital transfers decreased by 397 million as compared to the first quarter of 2013.

¹ Households and non-profit institutions serving households (NPISH), non-financial corporations, General Government and financial institutions.



The following table shows the breakdown by institutional sector of the net borrowing of the national economy in the first quarter of 2014, in comparison with the same period of 2013.

Net Lending (+) / Net Borrowing (-)

Institutional Sector	2013	2014	Difference
Households and NPISH	-6.851	-12.324	-5.473
General Government	-6.116	-4.954	1.162
Financial Corporations	-120	3.078	3.198
Non-Financial Corporations	10.012	7.143	-2.869
Total	-3.075	-7.057	-3.982

Households and Non-profit Institutions Serving Households Sector

During the first quarter 2014, gross disposable income for the Households and Non-profit Institutions Serving Households (NPISH) sector increased up to 157,661 million euros, 2.7% less than in the first quarter of 2013.

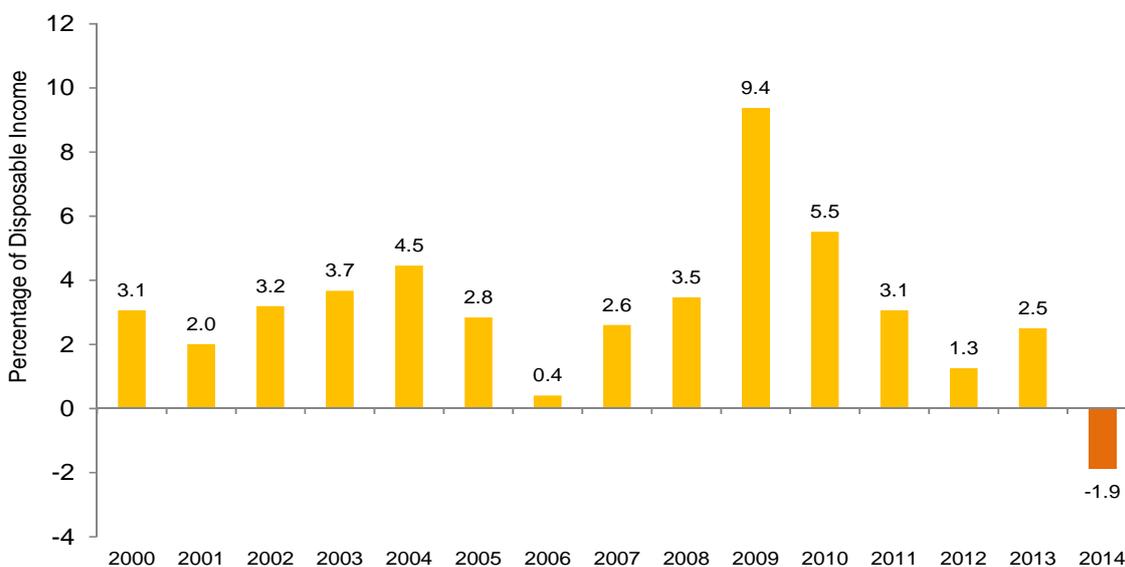
This drop was mainly due to the 1.6% decrease of the balance of gross primary income of the sector. In that sense, the gross operating surplus and the gross mixed income registered a 1.0% decrease, whereas the employees remuneration decreased by 0.4%. Moreover, the net balance of property income received by households and NPISH (interests, dividends, etc.) recorded a 22.7% reduction, as compared with the same quarter of 2013.

Secondly, the decrease in the gross disposable income was due to the 3.3% decrease in the net volume of benefits received by households, as well as to the 27.8% decrease in the net balance of other current transfers received. Both compensated the smaller amount paid in terms of income and property taxes (-0.4%) and social contributions (-1.0%).

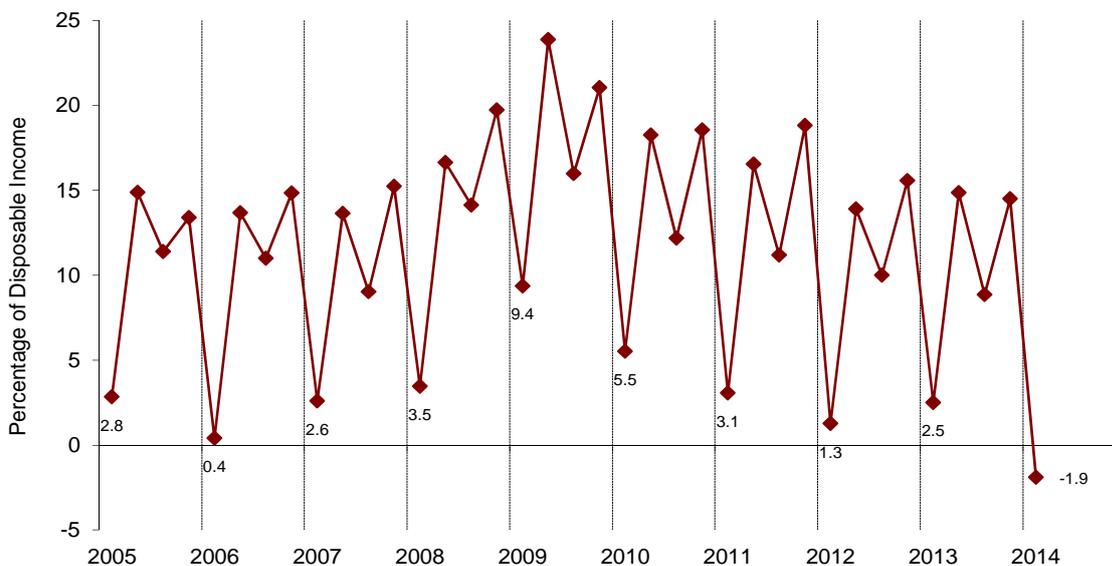
Regarding the use of disposable income, final consumption expenditure of households and NPISH was estimated at 160,556 million euros in the first quarter, that is, 1.9% more than the same period of 2013. Therefore, households (along with NPISH) spent 2,987 million euros more than they received. In other words, gross savings stood at -2,987 million euros, as compared with 4,036 during the first quarter of 2013.

Thus, the savings rate of household and NPISH dropped to -1.9% of their disposable income, its minimum level in the available series (since the year 2000).

Evolution of the saving rates of Households and NPISH in the first quarter

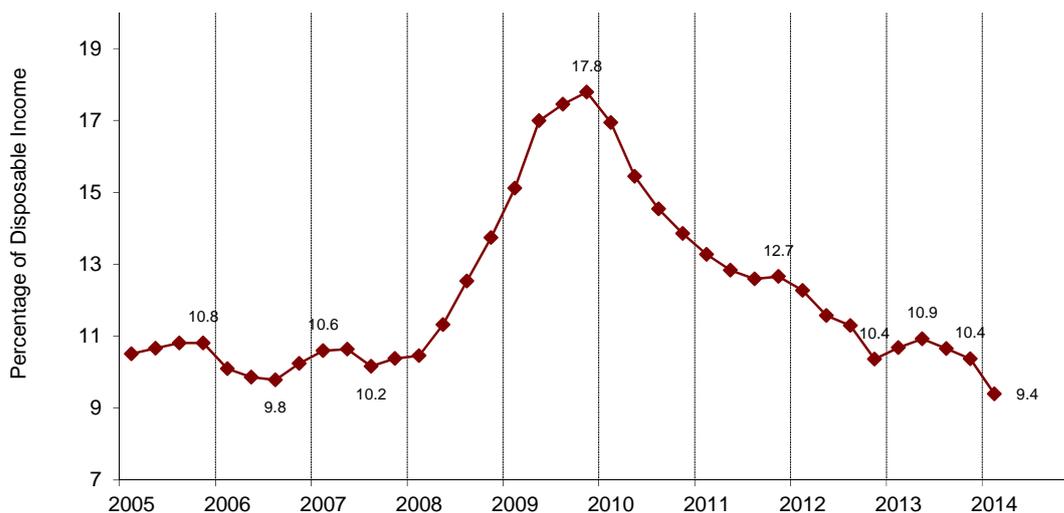


Savings rate of Households and NPISH

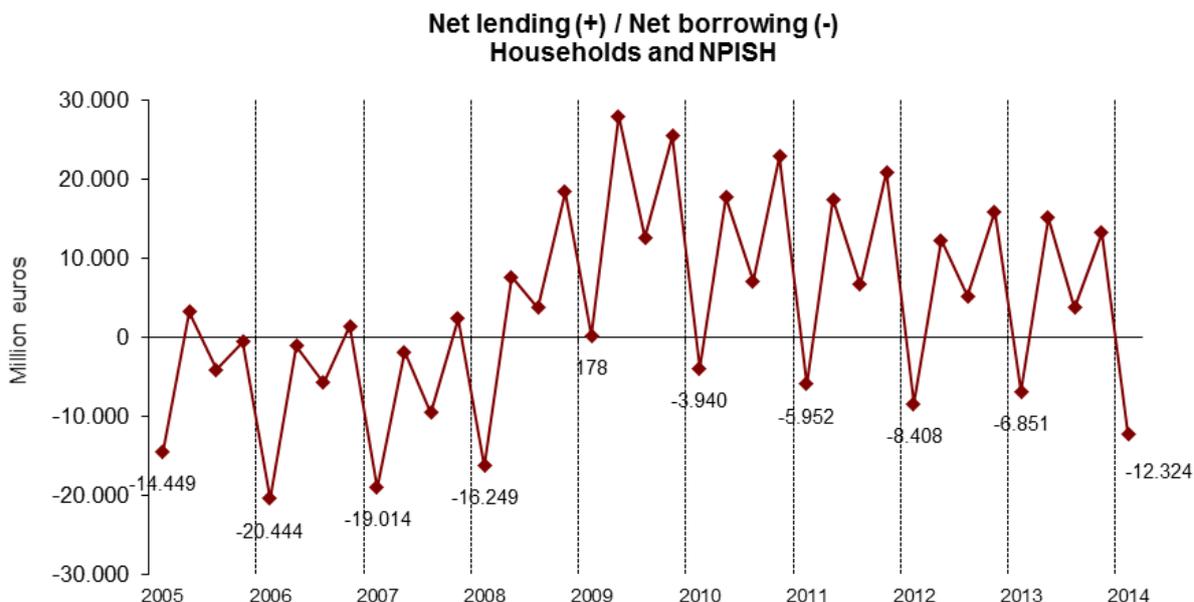


On calculating the savings rates for the households and NPISH sector, referring to mobile periods of fourth quarters, the savings rate for the sector registered a decrease of one point during the quarter, up to 9.4%.

Savings rate of Households and NPISH (mobile year)



In turn, the positive balance of 691 million euros of capital transfers received was not enough to finance the negative total comprised by savings and investment of households and NPISH, despite the fact that the latter registered a 14.4% decrease, standing at 10,028 millions. Thus, net borrowing of the sector stood at 12,324 millions in the first quarter, as compared to 6,851 in the same quarter of 2013.

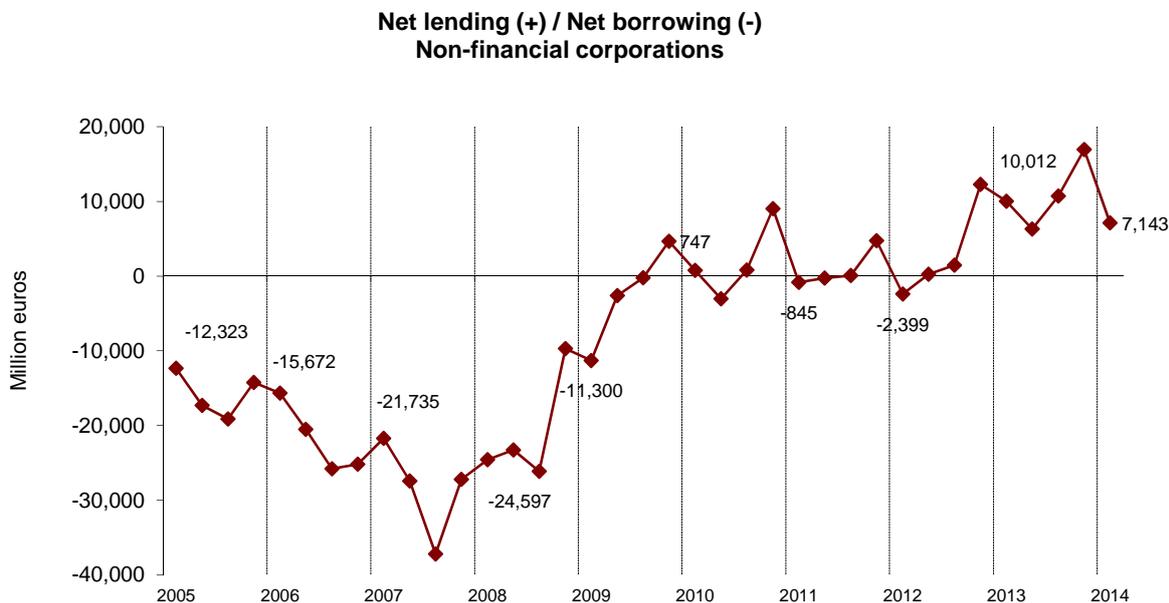


Non-financial Corporations Sector

Gross disposable income of non-financial corporations experienced a decrease of 0.9% in the first quarter, with regard to the same period in 2013, reaching 33,308 million euros.

This behaviour was firstly explained by the 1.2% decrease in the gross balance of primary income (with a decrease of 1.3% in the gross operating surplus, and a 1.8% drop in the net balance of property income received). In addition, a greater amount paid in terms of company taxes was registered (a 3.7% increase) as well as a decrease in the net balance of other current transfers received (7.7%).

Nevertheless, the disposable income of the corporations, together with the positive balance of 2,702 million euros corresponding to net capital transfers received, was enough to finance the investment volume of the sector, which reached 28,867 million (10.1% more than in the same quarter the previous year). As a result, net lending was estimated at 7,143 million euros for the sector, 2,869 millions less than for the same period the previous year.



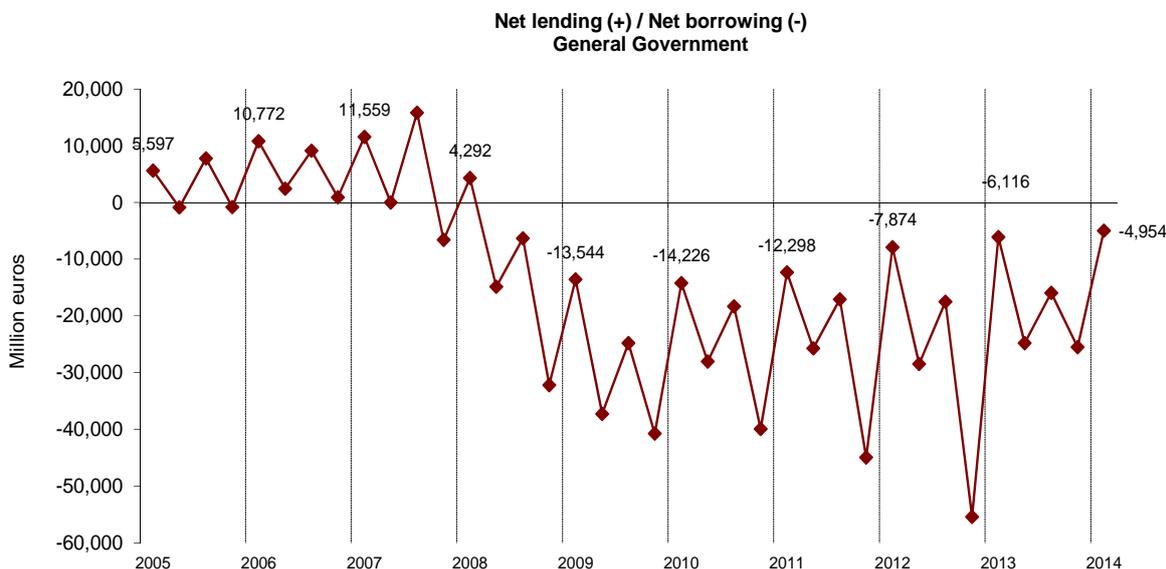
Public Administration Sector

In the first quarter of 2014, Public Administrations increased their gross disposable income by 2.1% as compared with the same period of 2013, reaching the figure of 45,257 million euros.

This result was due to the 2.2% increase of net taxes on production and imports, as well as the 1.4% increase registered in income and property taxes and of 1% in social contributions received by the sector. Moreover, social benefits paid by the Public Administrations registered a 1.0% decrease. In addition, an increase of 12.2% was registered in the balance of net property income received, as well as a 4.6% increase in other current transfers.

Income generated by the Public Administrations during the first quarter of the year was enough to finance their final consumption expenditure, which decreased by 0.3%. Thus, gross savings for the sector stood at 696 million euros, as compared to the negative figure of -371 in the same quarter of 2013.

This result, together with a net balance of capital transfers paid of 1,478 million euros and an investment of Public Administrations of 4,172 millions, determined the net borrowing of the sector, which stood at 4,954 million euros, as compared to the 6,116 of the same quarter of 2013.



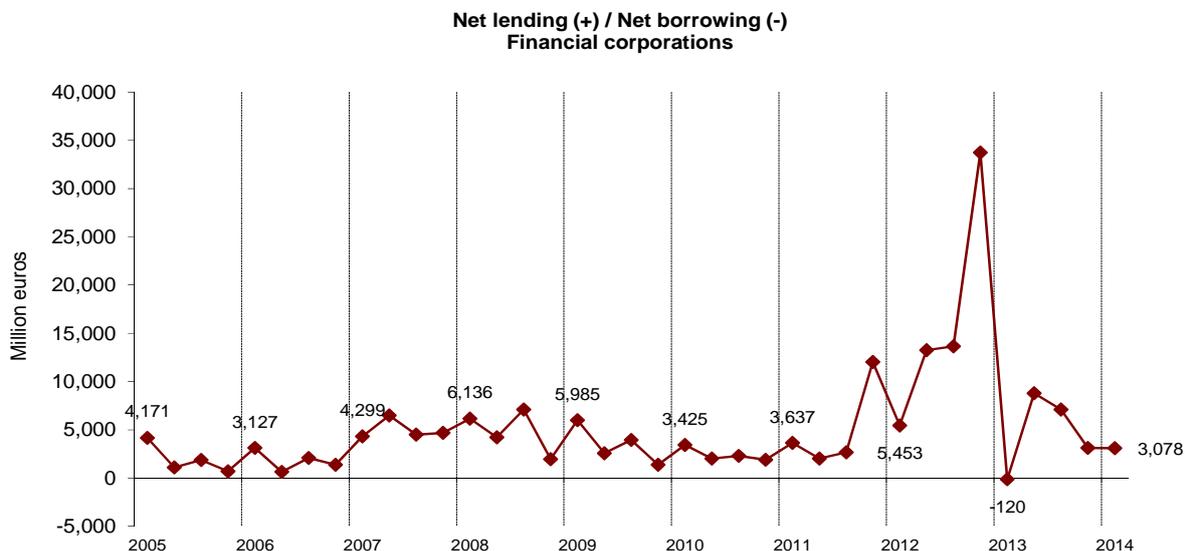
Financial Institutions Sector

In the first quarter of 2014, gross disposable income for the financial institutions sector increased 22.6%, as compared with the same period of the previous year, standing at 4,298 million euros.

This result was mainly due to the increase registered in the gross operating surplus of the sector (106.9%). In turn, the net balance of property income received by the sector remained practically unchanged (it increased by 0.2%).

Moreover, the increase in the gross disposable income of the sector took place despite the negative evolution in the balance resulting from the secondary distribution of income (company taxes, social contributions and benefits and other current transfers received), which decreased by 28.2%.

The gross disposable income generated this quarter, together with a negative balance of net capital transfers received (-468 million euros) and an investment of 844 million euros, caused the Financial Institutions to obtain net lending of 3,078 million euros this quarter.



Further information

The *Quarterly non-financial accounts for the Institutional Sectors* are shown under two perspectives: integrated economic accounts and detailed accounts of the institutional sectors. This presentation is similar to that used traditionally with the Annual National Accounts of the Institutional Sectors, which are part of the *Spanish National Accounts*.

For more detailed information the INE website (www.ine.es) may be consulted. This website includes updated results for the period from the first quarter of 2000 to the first quarter of 2014.

Finally, it is worth mentioning that data disseminated today are the last ones corresponding to the *Quarterly Non-financial Accounts for the Institutional Sectors* with base 2008. Spanish National Accounts will begin, as of September 2014, to publish their results according to the new methodological standard approved by the European Union, the *European System of National and Regional Accounts of 2010* (ESA 2010), which substitutes the current ESA 1995, under *Regulation (EU) 549/2013 of the European Parliament and of the Council of 21 May 2013*.

Thus, the next publication of *Quarterly Non-financial Accounts for the Institutional Sectors*, which is scheduled to be published on 16 October 2014, will be the first one to be conducted in ESA 2010, and will include the complete series of results since the first quarter of 1999 to the second quarter of 2014 in the new base (base 2010).