

9 January 2013

**Quarterly Spanish National Accounts. Base 2008
Quarterly non-financial accounts for the Institutional Sectors
Third quarter of 2012**

In the third quarter of 2012, the net lending of the national economy as compared with the rest of the world is estimated at 3,243 million euros, as a result of the behaviour of every institutional sector that compose it. The accumulated net borrowing for the national economy stands at 1.7% of GDP.

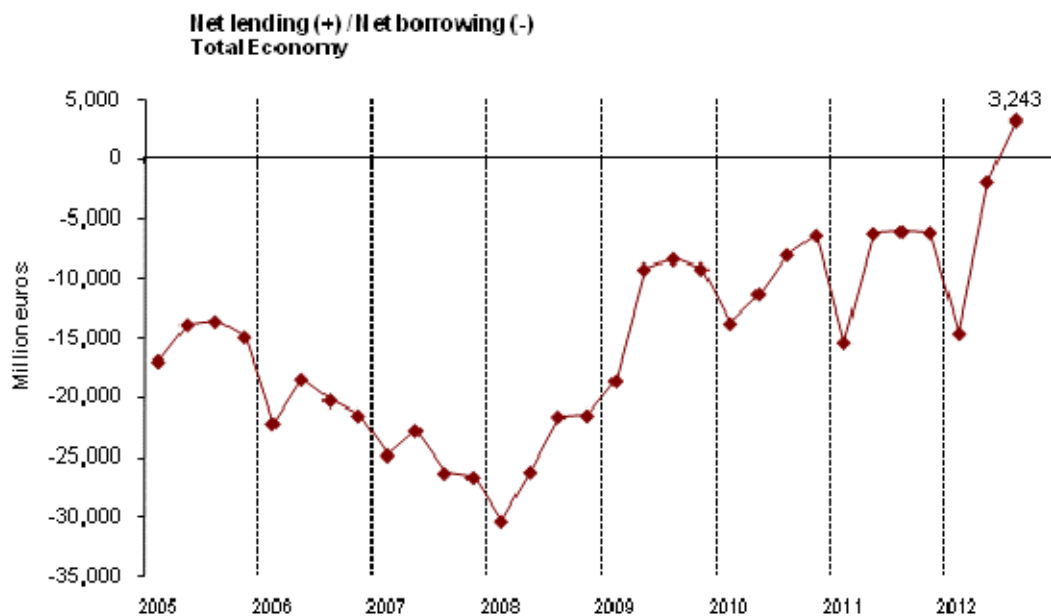
The savings rate for households and non-profit institutions serving households (NPISH) reaches 7.6% of their disposable income in the third quarter of 2012, 2.6 points less than the same period in 2011.

National Economy

As a result of the actions of all institutional sectors¹, the national economy presented net lending of 3,243 million euros as compared to the rest of the world during the third quarter of 2012 (9,318 million higher than estimated for the third quarter of 2011). The total of the national economy accumulated net borrowing of 13,308 million euros during the first nine months 2012. This figure represented 1.7% of GDP of the period.

From the point of view of the accounts from the rest of the world, the increase in net lending of the Spanish economy was explained, mainly, by the behaviour of the balance of foreign exchanges of goods and services, which decreased 5,174 million euros, as a result of a greater annual increase in exports (6.5%) than in imports (0.4%) of goods and services. The second component contributing was the improvement in the balance of income and current transfers and of capital with the rest of the world, standing at 4,144 million euros.

¹ Households and non-profit institutions serving households (NPISH), non-financing corporations, Public Administrations and financing-institutions



Households and Non-profit Institutions Serving Households Sector

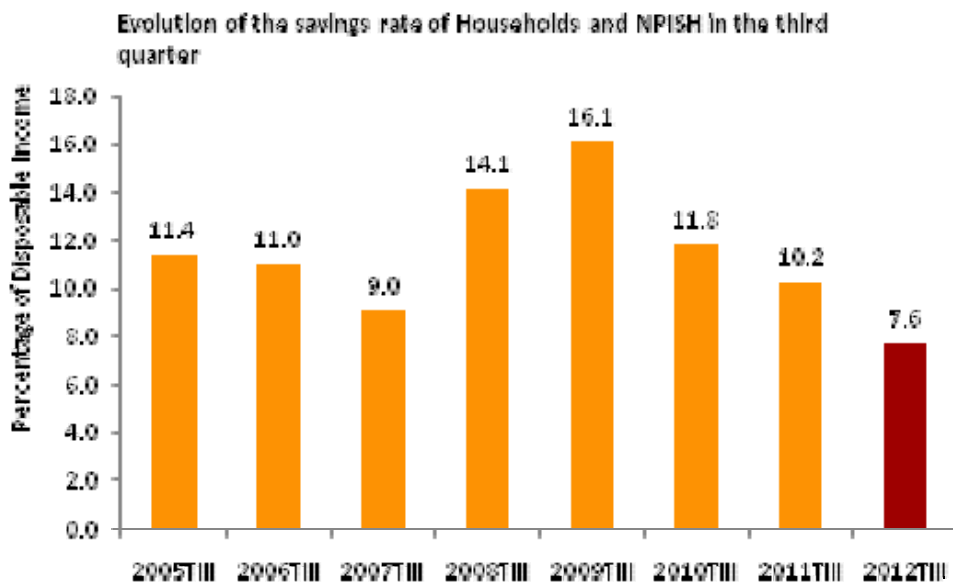
During the third quarter of 2012, disposable income for the Households and Non-Profit Institutions Serving Households (NPISH) Sector decreased 1.6% interannually, reaching the figure of 164,675 million euros, 2,709 million lower than the income estimated in the third quarter of the previous year.

This result was brought about as a result of a decrease in the balance of primary income (-3.6%) due to the decrease in remuneration of wage earners (5.4%), the increase in operating surplus and mixed income of households (1.3%) and to the decrease of balance of income from property received (interest, dividends, etc.) resulting in 4.4% (those received increased 2.3%, and those paid, 13.6%).

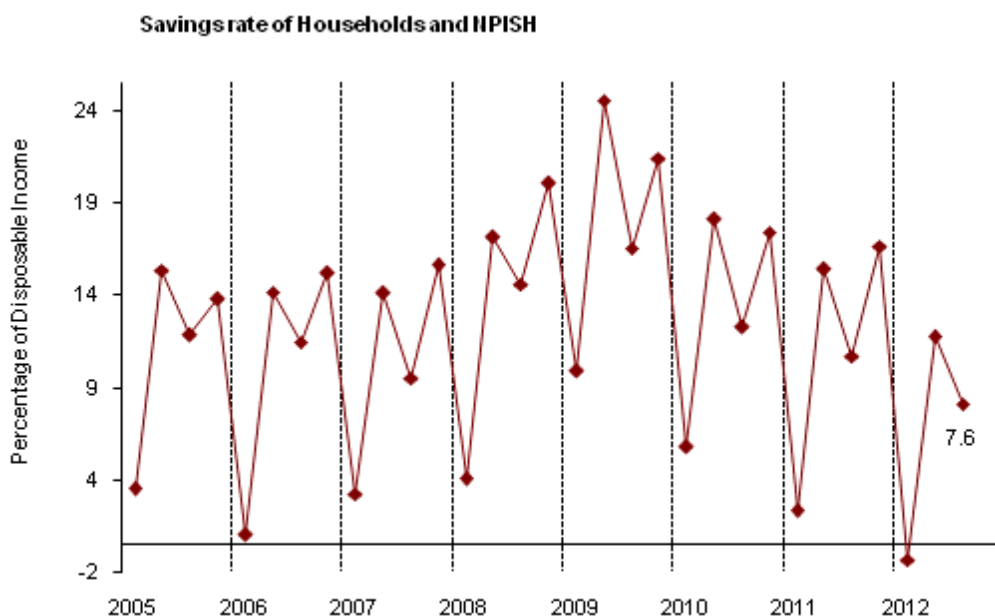
On the other hand, as far as secondary distribution of income was concerned, the volume of benefits received increased (5.2%) and the social contributions paid by households decreased (3.4%). In addition, current transfers received increased 11.0% (due to the increase of 4.6% in received as compared to the increase of 3.5% in paid). The increase of taxes on income and wealth was 1.8%.

The joint consideration of all of the elements mentioned has determined that the interannual decrease of the disposable income of households stood at 1.6%, as previously stated.

As regards the use of this disposable income, it was worth mentioning that final consumption expenditure by households and NPISH during this period increased 0.6%, with the result that savings decreased 26.8% and reached 12,487 million euros (4,583 million less than the same quarter the previous year). The savings rate stood at 12.1% of disposable income, 2.8 points less than one year ago².

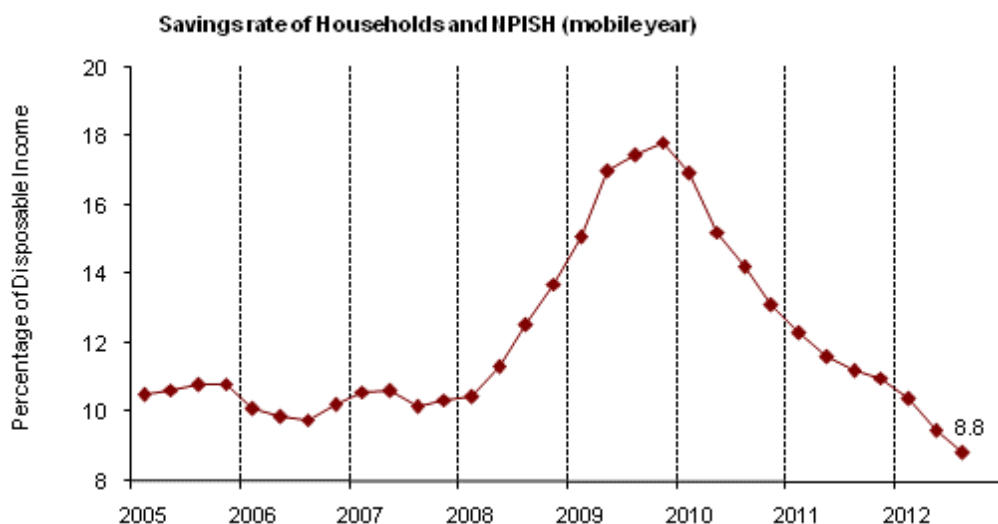


It can be observed in the following graphic the behaviour of the quarterly saving rates series of the household and NPISH sector.

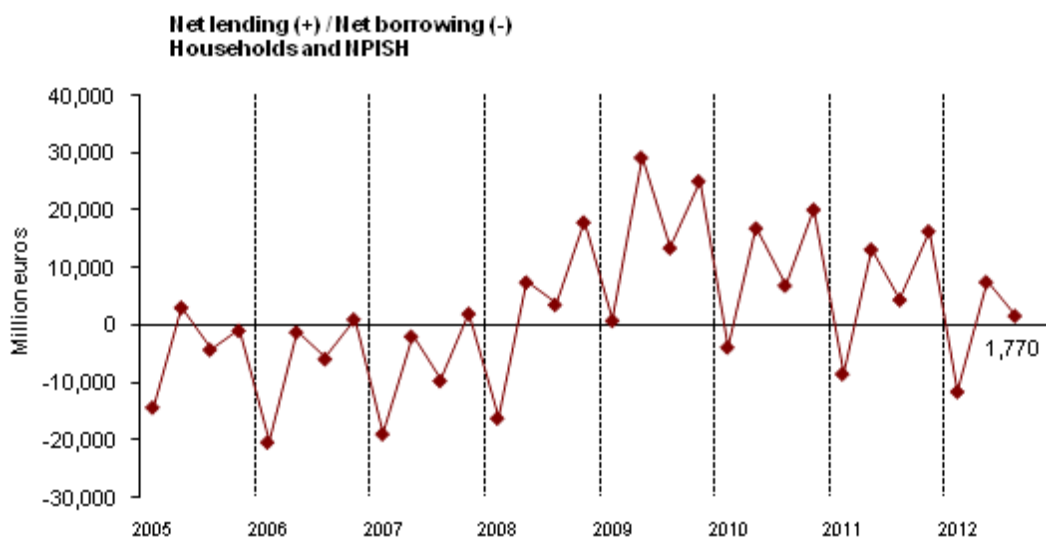


² Due to the seasonal behaviour that these data series show and in order to contribute to the analysis, comparisons are realised according to the same period of the previous year. Taking this into account, it has been included a graphic with the household and NPISH savings rate during the 3Q2012 in relation with the data of the same quarter of previous.

Taking mobile periods of four quarters, the period from the fourth quarter of 2011 to the third quarter of 2012 showed a decrease in the savings rate for the sector that stood at 8.8% of disposable income, six tenths less than the previous period.



On inspection of the capital account, it was clear that this saving, generated by households and NPISH, together with a positive balance of 605 million euros due to net capital transfers received, has been sufficient to finance the considerable volume of investment for the sector, which reached 11,322 million euros in this quarter, 17.3% less than in the same period of 2011. Thus the sector generated in the third quarter a net lending of 1,770 million euros, 2,804 million euros lower than that in the third quarter 2011. Accumulating the first three quarters of 2012, the sector shows a net borrowing of 1,991 million euros.



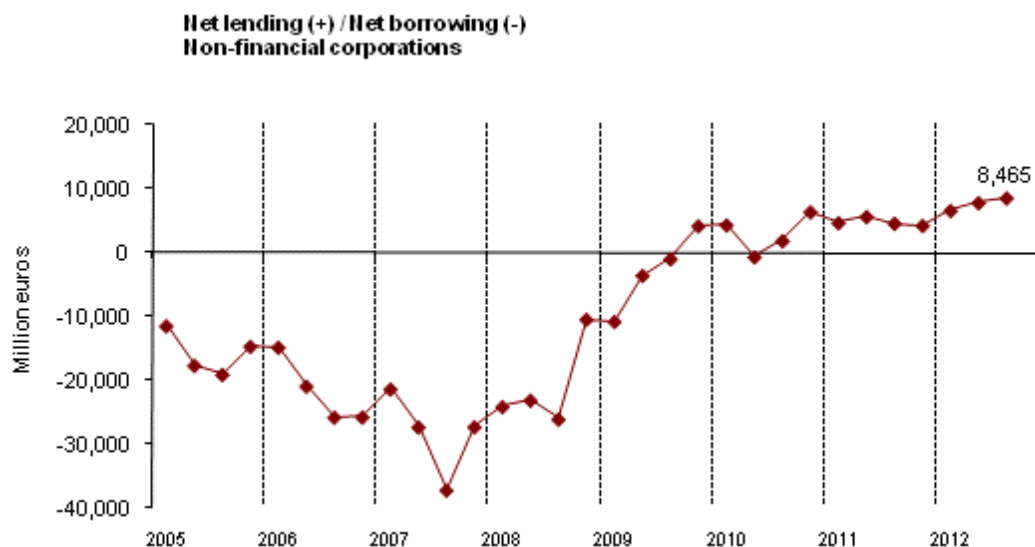
Non-financial Corporations Sector

During the third quarter of 2012, non-financial corporations experienced an interannual increase of 11.8% in disposable income.

This performance was firstly explained by the 7.4% increase in the balance of primary income (due to the increase of operating surplus that compensated the decrease of 0.9% in the balance of income from property received). Besides this, there was a 9.3% decrease in the amount of corporate tax paid by non-financial corporations, as compared to the third quarter 2011.

In absolute terms, disposable income for the sector reached 35,632 million euros during the referenced quarter.

This amount, linked to the positive balance of 2,148 million in transfers of net capital received, was sufficient to finance the total investment volume of the sector (29,315 million euros). Consequently, net lending of 8,465 million was estimated, a figure 3,965 million higher than that registered in the same period of the previous year. Accumulating the results from the first three quarters, this sector showed a net lending of 22,725 million euros.



Public Administration Sector

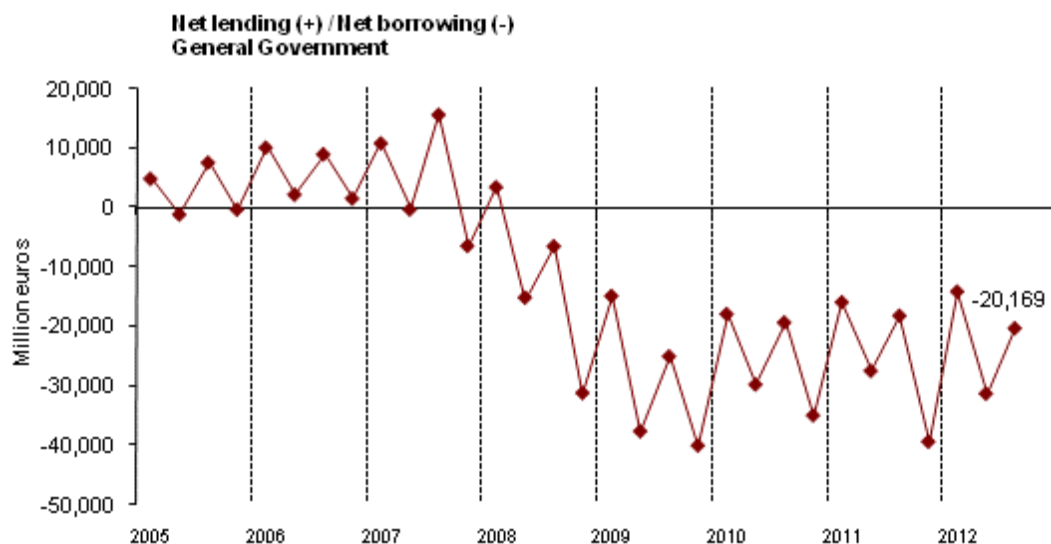
In the third quarter of 2012, Public Administrations decreased their disposable income 9.1% in interannual terms, reaching the figure of 37,588 million euros (3,780 million euros less than one year ago).

The essential factor that explains this result for the quarter were the decrease in social contributions received (3.6%), the increase in benefits received (3.8%) and in the balance of income from property paid (39.0%), not compensated for the interannual increase (1.0%) in the total value of net taxes received by the sector. Taxes from production and those associated with income and wealth has been completely different. Whilst the first ones increased at a rate of 3.9% (896 million more), those associated with income and wealth decreased by 1.3% (371 million less).

In addition, final consumption expenditure by Public Administrations decreased 5.1%. As a consequence, saving in this sector showed a negative figure of 9,258 million euros.

The joint consideration of all of this result, of the net balance of capital transfers paid (5,727 million euros) and of the investment of Public Administrations in this quarter, determined the net borrowing of this sector of 20,169 million euros. Helps to Financial Corporations in this quarter increased to 4,500 million euros. As a result, net borrowing of Public Administrations without taking into account helps to Financial Corporations reached 15,669 million euros.

Accumulating the results from the three first quarters, Public Administrations presented a net borrowing of 65,336 million euros. This figures is 55,373 million euros if helps to Financial Corporations (9,963 million euros) are not included.

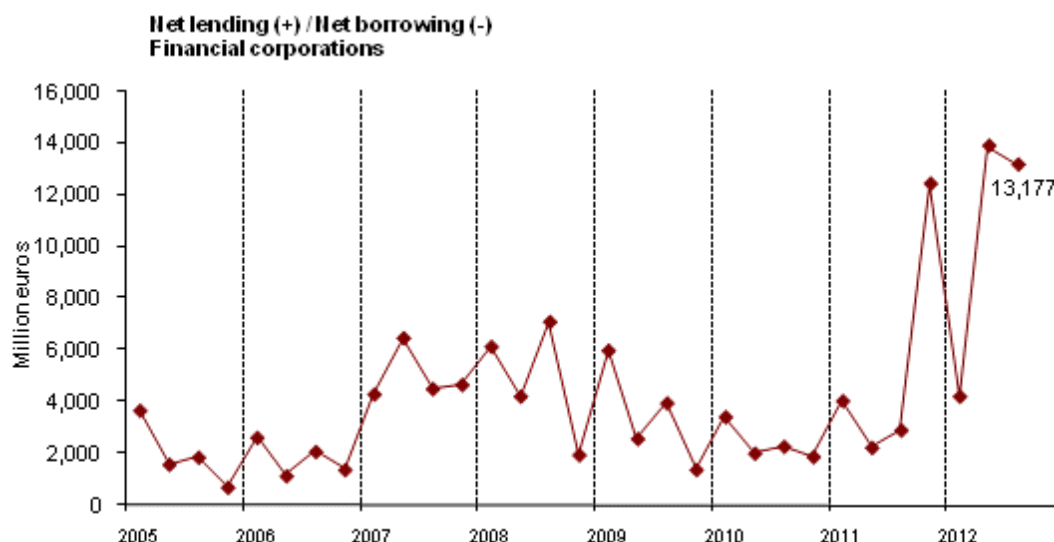


Financial Corporations Sector

In the third quarter of 2012, disposable income for the financial corporations sector increased 81.4% as compared with the same period of the previous year, standing at 8,865 million euros.

This result is due to an increase in the property income received (17.1%), a decrease of the paid (2.5%) and a reduction of the amount of the corporate tax paid (19.1%), although the excess gross operation of the sector decreased by 871 million euros (18.1%).

The available income generated this quarter, was mainly decreased by 1,136 million euros due to the tightening in households' participation in pension fund and increased by 4,446 million euros by the net capital transfers received. This fact was enough to finance the investment carried out by this sector (1,270 million euros). Thus, the financial corporations obtained a net lending of 13,177 million over this period, and 31,294 million euros if the three first quarters are accumulated.



Further information

The accounts 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.

The updated results for the period from the first quarter of 2000 to the second quarter of 2012 are available on the INE website (<http://www.ine.es/en/>). Estimations referred to the quarters of this year might show some variations as compared to those published previously as a consequence of the availability of new information and/or updating and reviewing of that existing.