

8 January 2015

Quarterly Spanish National Accounts. Base 2010
Quarterly Non-financial Accounts for the Institutional Sectors
Third quarter of 2014

In the third quarter of 2014, the net borrowing of the national economy, as compared with the rest of the world, is estimated at 2,896 million euros

In the third quarter of 2014, the savings rate for households and non-profit institutions serving households stands at 4.4% of their disposable income

The national economy presented a net borrowing of 2,896 million euros, as compared with the rest of the world, during the third quarter of 2014, representing 1.1% of GDP for said period. This figure is lower by 4,036 million euros than that estimated for the same quarter of the previous year (6,932 million euros, that is, 2.7% of GDP).

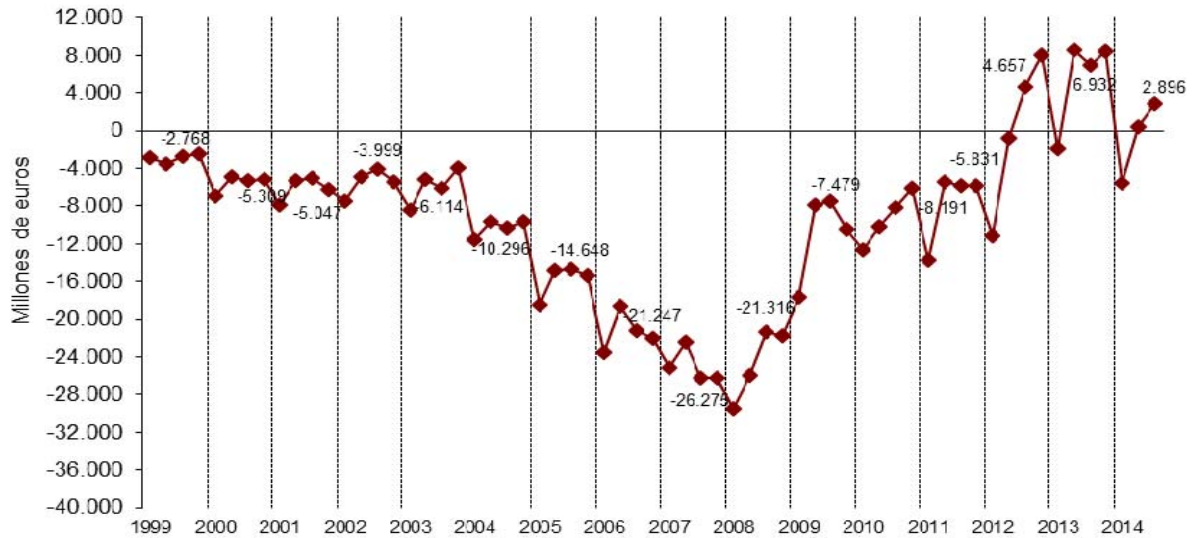
This lower net borrowing of the Spanish economy regarding the third quarter of 2013 was mainly due to a weaker performance of both the balance of exchanges of goods and services and the balance of income and current transfers and of capital with the rest of the world.

Imports of goods and services increased by 79,344 million euros, 7.8% more than in the same quarter of 2013; exports of goods and services were calculated at 89,317 million euros, 3.7% more than in the third quarter of 2013. Therefore, the balance of exchanges of goods and services with the rest of the world decreased by 20.6% (9,973 million euros as compared to 12,557 million euros).

The balance of income and current transfers also registered a decrease of 13.3% (-7,510 million euros, as compared to -6,629 in the same period of 2013).

Finally, as in the third quarter of 2014, capital transfers have resulted in negative balance, but in a lower quantity (-389 million euros as compared to -664).

**Capacidad (+) / Necesidad (-) de financiación
Economía nacional**



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

Capacidad (+) o Necesidad (-) de Financiación en el tercer trimestre

Sector institucional	3er trimestre de 2013	3er trimestre de 2014	Diferencia
Hogares e ISFLSH	442	-3.999	-4.441
Administraciones Públicas	-8.029	-3.017	5.012
Instituciones Financieras	7.295	5.660	-1.635
Sociedades no financieras	7.224	4.252	-2.972
Total	6.932	2.896	-4.036

Households and Non-profit Institutions Serving Households Sector

During the third quarter of 2014, gross disposable income for the Households and Non-profit Institutions Serving Households (NPISH) sector reached 162,069 million euros, 0.7% more than in the third quarter of 2013.

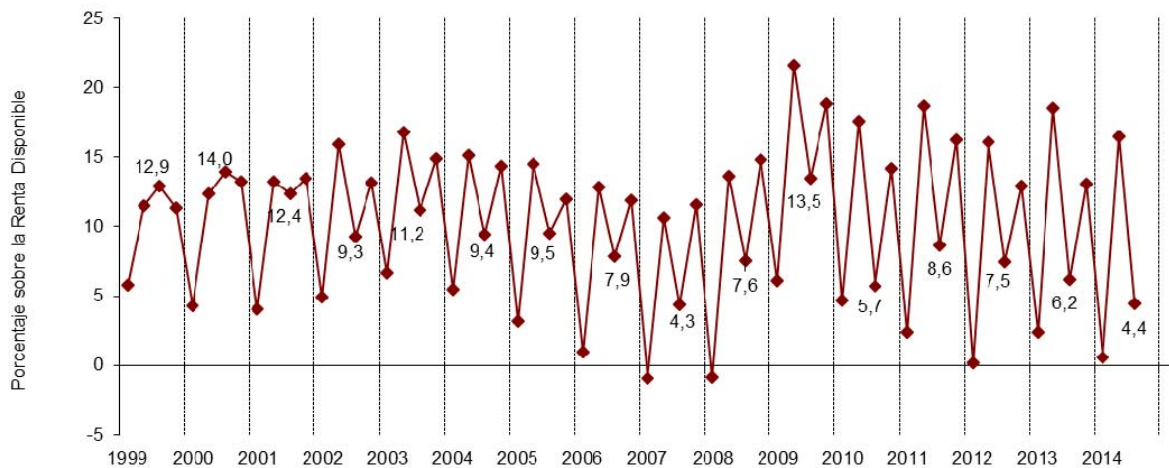
This growth was mainly due to the 1.7% increase of the balance of gross primary income of the sector: to the 1.7% growth of the pay received by wage earners there was also a 24.1% increase of property income net balance received (interests, dividends, etc.); both circumstances compensated the decrease observed in the gross operating surplus and mixed balance of households, which were an overall 2.5% lower than those of the same quarter of 2013.

This increase in the gross primary balance income was higher than the increase in the balance between the total current taxes (on income and property) and paid social contributions and total social benefits and other net current transfers received by households and NPISH. The amounts paid as income and property taxes increased 2.1% and the social contributions increased 1.7%; moreover the net volume of benefits received by households decreased 1.6% and the volume of other received current transfers decreased 19.4%.

Regarding the use of disposable income, final consumption expenditure of households and NPISH was estimated at 154,375 million euros in the third quarter, that is, 2.6% more than the same period of 2013. Therefore, households (along with NPISH) had a gross income that was higher than their consumption expenditure, although this amount was lower than that of the third quarter of 2013. In other words, gross savings stood at 7,131 million euros, as compared with 9,879 during the same period of 2013.

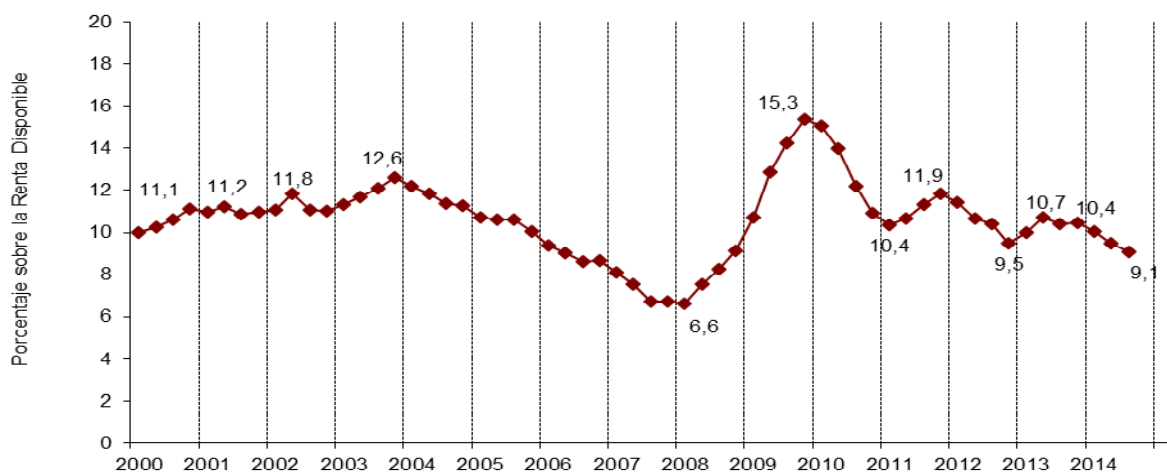
Thus, the savings rate of households and NPISH dropped to 4.4%, as compared to the 6.2% registered in the same quarter of the previous year.

Tasa de ahorro de los hogares e ISFLSH



On calculating the savings rates for the households and NPISH sector referring to periods of four consecutive quarters (mobile annual rate), said rate decreased up to 9.1% in the third quarter.

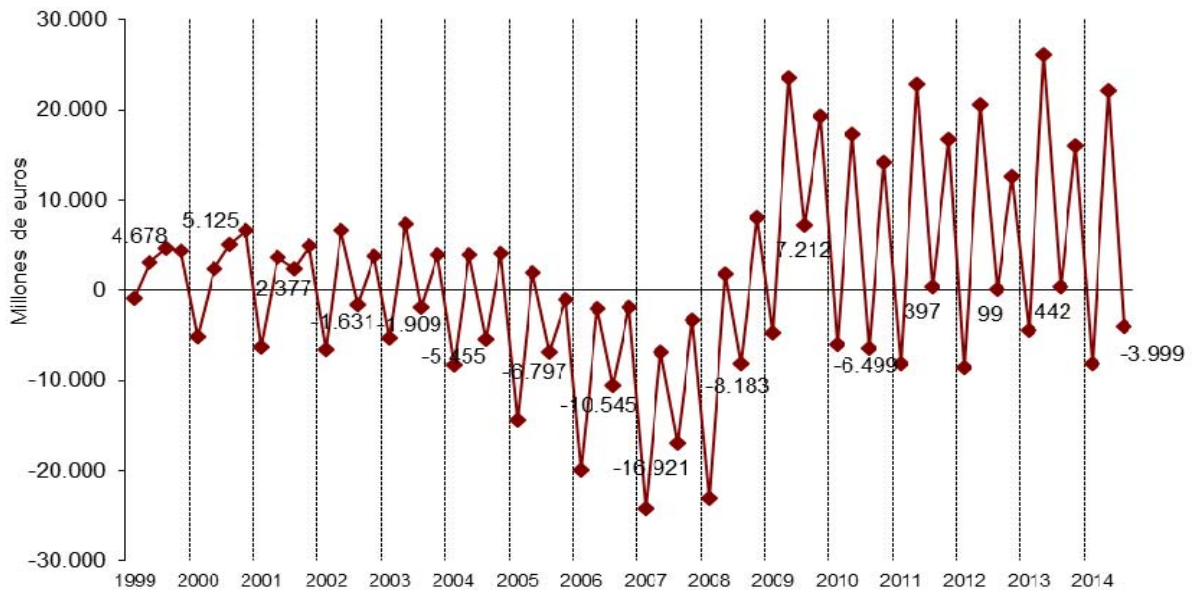
Tasa de ahorro de los hogares e ISFLSH (anual móvil)



In turn, the net balance of capital transfers received by households and NPISH decreased by 33.9%, reaching -608 million euros. With this, the gross savings generated by the sector, reduced in said negative balance, was not enough to finance the total investment sum of

10,522 million euros registered for the same period. This way, during the third quarter of 2014, the sector generated net lending of 3,999 million euros, as compared with net borrowing of 422 million euros in the third quarter of the previous year.

Capacidad (+) / Necesidad (-) de financiación Hogares e ISFLSH



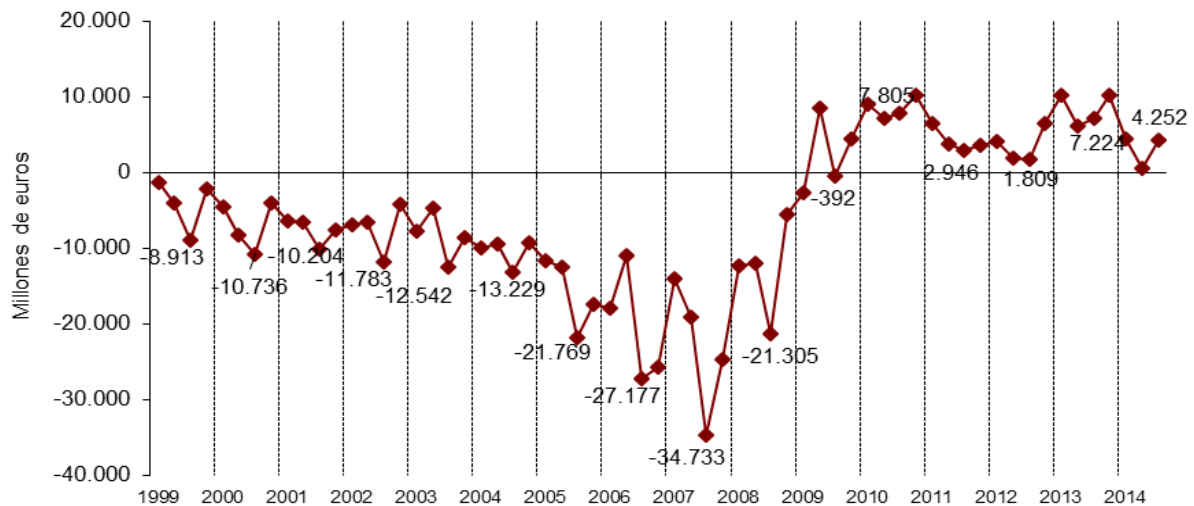
Non-financial Corporations Sector

Gross disposable income of non-financial corporations experienced a decrease of 6.0% in the third quarter, with regard to the same period in 2013, reaching 36,976 million euros.

This behaviour was firstly explained by the 4.3% decrease in the gross balance of primary income (with a decrease of 0.3% in the gross operating surplus, and a 18.8% drop in the net balance of property income received). In addition, a greater amount paid in terms of company taxes was registered (3.7% increase), a decrease in the total sum of received social contributions (1.0%), and an increase in the paid social benefits (15.7%), which compensated for a lower net balance of other paid current transfers (7.4%).

Nevertheless, the disposable income of the corporations, together with the positive balance of 826 million euros corresponding to net capital transfers received, were enough to finance the investment volume of the sector, which reached 33,550 million euros (1.0% more than in the same quarter the previous year). As a result, net lending was estimated at 4,252 million euros for the sector, 2,972 million euros less than for the same period the previous year.

**Capacidad (+) / Necesidad (-) de financiación
Sociedades no financieras**



Public Administrations Sector

In the third quarter of 2014, Public Administrations increased their gross disposable income by 7.7% as compared with the same period of 2013, reaching the figure of 49,151 million euros.

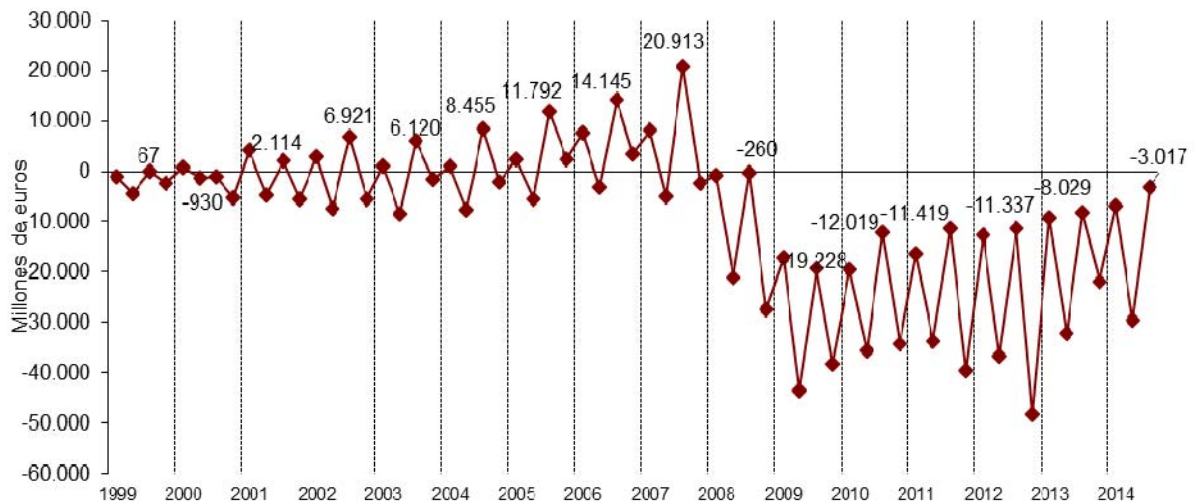
This result was due to the 3.2% increase in the balance of primary income of the sector, mainly due to the 4.0% increase in taxes on production and imports.

Moreover, there was an increase in the collection of current taxes of 1.4% (on income and tax) and of social contributions of 2.3% , as well as a reduction in the total amount of social benefits paid of 1.7% and a decrease in the net balance of other current transfers paid of 39.3%.

Disposable Income of the Public Administrations during the third quarter of the year was enough to finance their final consumption expenditure, which increased by 0.4% regarding the third quarter of 2014, reaching 46,674 million euros. Thus, gross savings for the sector stood at 2,477 million euros, as compared to the negative figure of -836 in the same quarter of 2013.

This result, together with a net balance of capital transfers paid of 219 million euros and an investment of the Public Administrations of 5,275 million euros (0.9% lower than the same quarter of 2013) , determined the net borrowing of the sector, which stood at 3,017 million euros (of which 767 million euros correspond to contributions of capital to financial institutions), as compared to 8,029 million euros of the third quarter of 2013 (in this quarter the contributions of capital to financial institutions increased to 2,048 million euros).

**Capacidad (+) / Necesidad (-) de financiación
Administraciones Públicas**



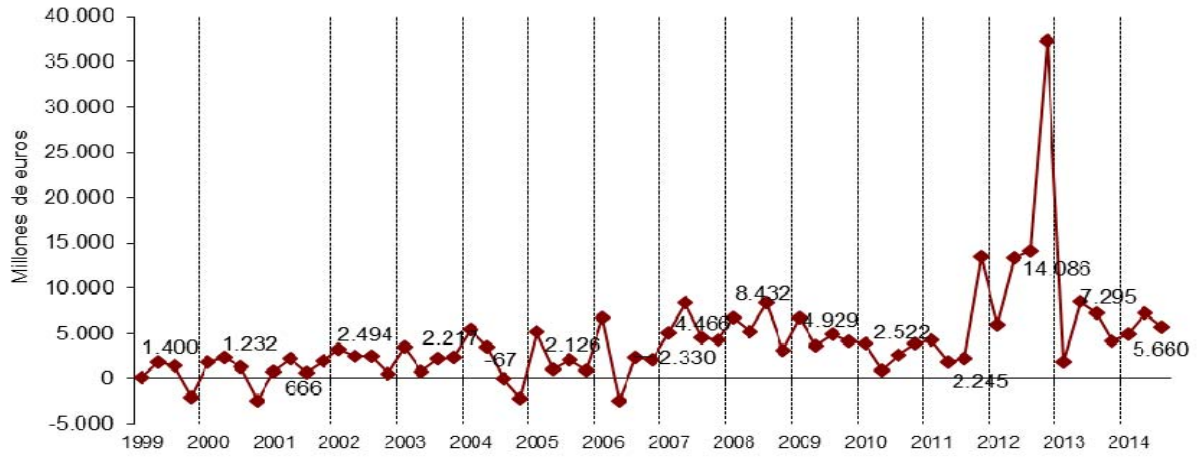
Financial Institutions Sector

The gross disposable income for the financial institutions sector increased up to 5,308 million euros in the third quarter of 2014, being 1.9% higher than the same quarter of 2013.

This result was mainly due to the increase registered in the gross operating surplus of the sector (from 2,936 million euros in the third quarter of 2013 to 4,411 million euros in the third quarter of 2014) and the lesser amount paid as corporate tax (27.2% less), which compensated the decrease registered in the net property income balance received by it (47.0%)

The gross disposable income generated in this quarter, together with a positive balance of net capital transfers received (412 million euros) and an investment of 623 million euros, caused the Financial Institutions to obtain net lending of 5,660 million euros in the third quarter of 2014, as compared with 7,295 million euros in the same period of 2013.

**Capacidad (+) / Necesidad (-) de financiación
Instituciones Financieras**



Further information

The objective of the **Quarterly Non-Financial Accounts for the Institutional Sectors (QNFAIS)** is to describe the behavioural relations between the institutional units that are part of the national economy (households and Non-Profit Institutions Serving Households, non-financial corporations, financial institutions and Public Administrations) and among the units that are part of the rest of the world.

QNFAIS are part of the overall objective of compiling an annual and quarterly accounts system for the European Union and the Eurozone. This system includes the main macro-economic aggregates as well as the financial and non-financial accounts of the institutional sectors, all of which are compiled following the conceptual and regulation framework established by the European system of National and Regional Accounts (ESA-10), passed by the *European Parliament and Commission Regulation (EU) 549/2013, of 21 May*.

As of today, the QNFAIS results corresponding to the third quarter of 2014 are published, as well as their retrospective revision from the first quarter of 1999 which is consistent with the series of quarterly aggregates of the national economy, base 2010 published last 27 November in the scope of the *Quarterly National Accounts of Spain*.

These results are shown under two perspectives: integrated economic accounts and detailed accounts of the institutional sectors. This presentation is similar to that traditionally used with the Annual National Accounts of the Institutional Sector which are part of the *Spanish National Accounts*.

For more detailed information the INE website (<http://www.ine.es/en/>) may be consulted.