

29 December 2017

Non-financial Quarterly Accounts for the Institutional Sectors Third quarter 2017

Main results

- The financing capacity of the national economy compared to the rest of the world is 8,623 million euros in the third quarter of 2017.
- After adjusting for seasonal and calendar effects, the financing capacity of the national economy stands at 2.5% of the GDP, versus 1.7% in the previous quarter.
- The national income reaches 286,401 million euros in the third quarter and the national disposable income 280,412 million.
- After adjusting for seasonal and calendar effects, both the national income and the national disposable income increase by 1.7% in the third quarter as compared with the previous quarter.
- The savings rate of households is estimated at -0.7% of their disposable income, versus 1.5% in the same quarter of the previous year.
- The financing capacity of the Public Administrations amounts to 8,097 million euros, versus 2,348 million euros in the same quarter of 2016.

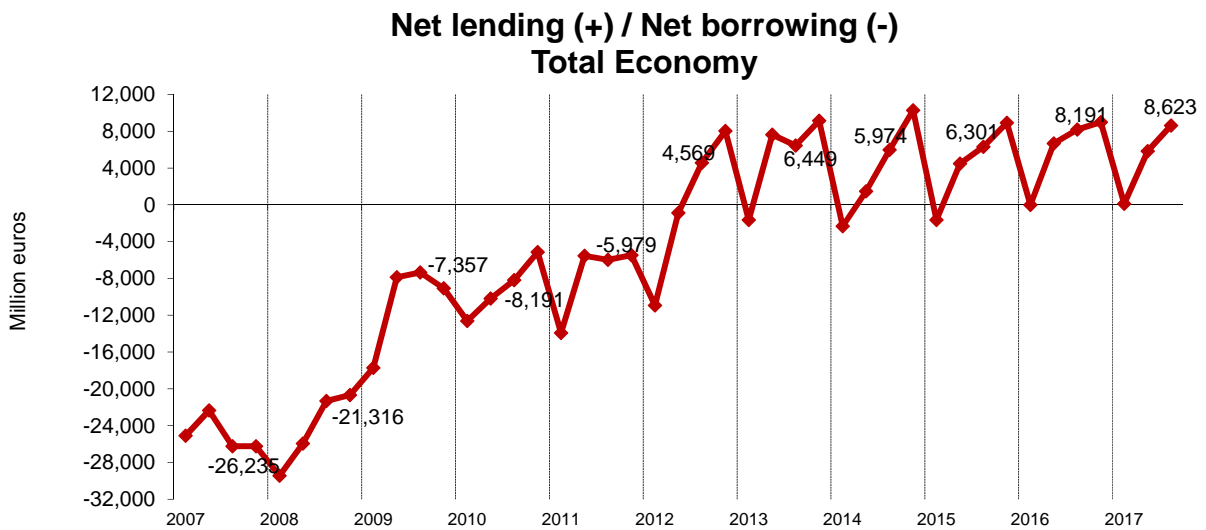
Financing capacity of the national economy

The national economy registered a financing capacity compared with the rest of the world of 8.623 million euros in the third quarter of 2017. In the same quarter of 2016, the national economy registered a financial capacity of 8,191 million euros. In both cases it represented 3.0% of the quarterly GDP.

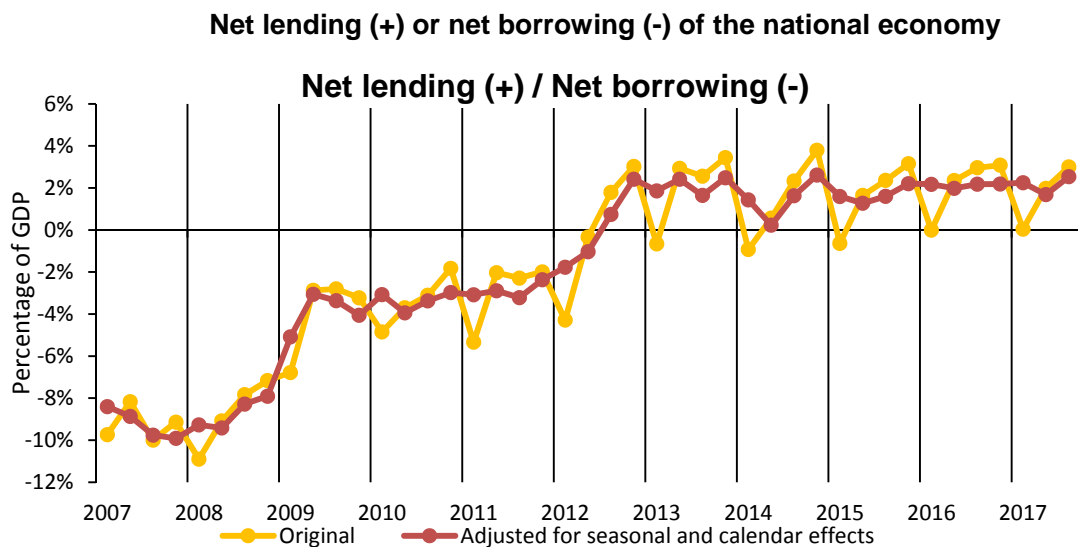
This higher financing capacity was the result of the increase observed both in the external balance of trade in goods and services (12,720 million euros, compared to 12,580 million euros in the same period of 2016), as in the balance of income and current transfers with the rest of the world (-4,332 million euros, compared to -4,766 million euros in the third quarter of 2016).

In turn, the balance of capital transfers decreased¹ (235 million in the third quarter of 2017 compared to 377 million in the same period of the previous year).

¹ Capital transfers and acquisitions less disposals of non-produced non-financial assets.



If seasonal and calendar effects are eliminated the financing capacity of the national economy stood at 2.5% of the GDP, against 1.7% of the previous quarter.



The inter-annual evolution of the national economy's net lending or net borrowing and its components, as well as their breakdown by institutional sector is found in the following tables:

Net lending (+) / Net borrowing (-) Total Economy

Operations and balance items with the rest of the world	3rd quarter 2017	3rd quarter 2016	Difference
Imports of goods and services	88,373	82,219	6,154
Exports of goods and services	101,093	94,799	6,294
External balance of goods and services (A)	12,720	12,580	140
Balance of income and current transfers account (B)	-4,332	-4,766	434
Balance of external current account (C=A+B)	8,388	7,814	574
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	235	377	-142
Net lending (+) / Net borrowing (-) (C+D)	8,623	8,191	432

Note: million euros.

Net lending (+) / Net borrowing (-) of Institutional Sectors

Institutional Sectors	3rd quarter 2017	3rd quarter 2016	Difference
Households and NPISH	-12,887	-7,988	-4,899
General Government	8,097	2,348	5,749
Financial Corporations	4,403	4,030	373
Non-Financial Corporations	9,010	9,801	-791
Total	8,623	8,191	432

Note: million euros.

National income

The gross national income stood at 286,401 million euros in the third quarter of 2017, with an increase of 4.1% with respect to the same quarter of 2016.

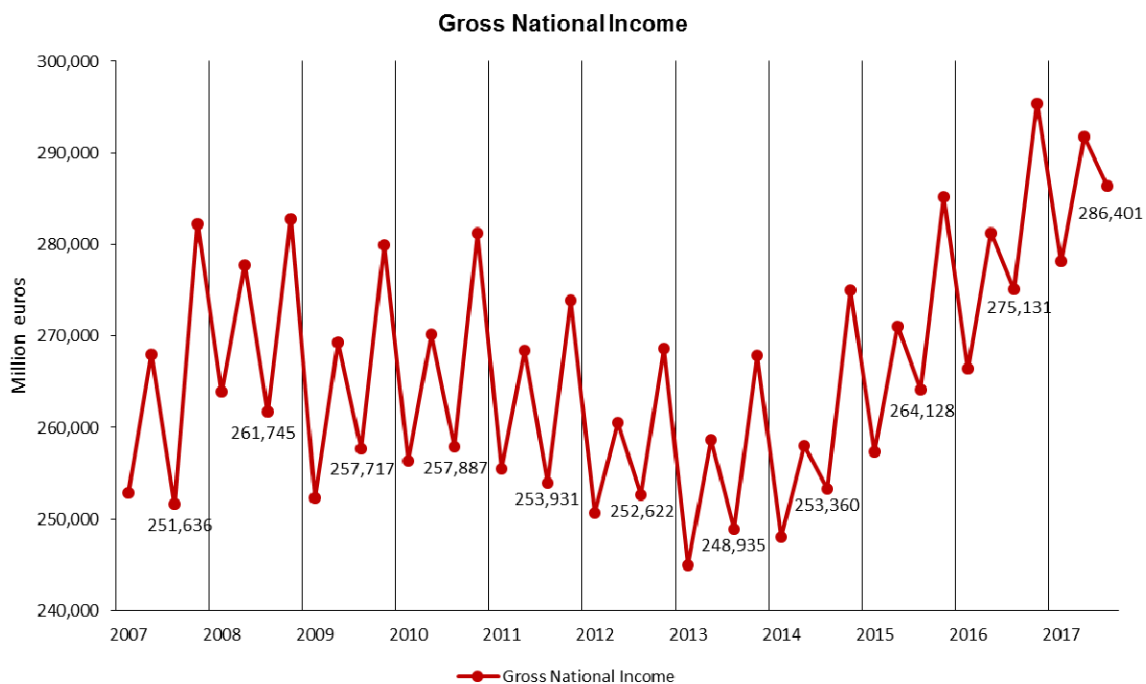
National Income

	Q3-2017	Q3-2016	Variation (%)
Gross operating surplus/mixed income	120,583	115,384	4.5%
Compensation of Employees	136,182	131,682	3.4%
Taxes (less subsidies) on Production and Imports	30,885	29,840	3.5%
Balance of property income with the rest of the world	-1,249	-1,775	29.6%
Gross National Income	286,401	275,131	4.1%
Balance of current transfers with the rest of the world	-5,989	-5,177	-15.7%
Gross National Disposable Income	280,412	269,954	3.9%

Note: million euros.

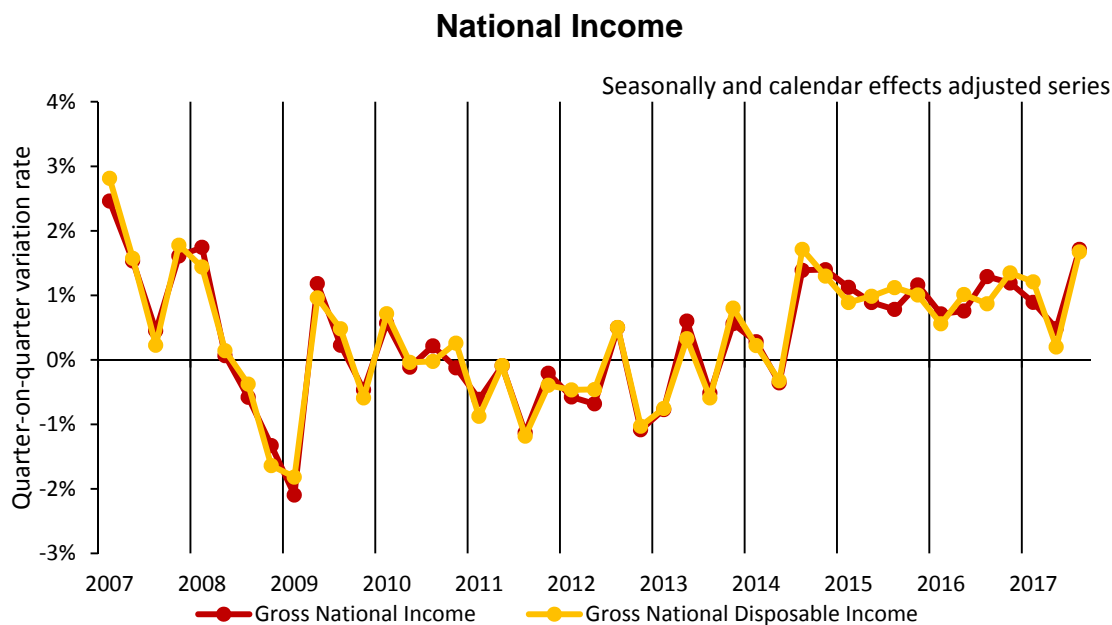
This income increase was due to a greater operating surplus of the resident producer units, which increased 4.5% standing at 120,583 million, as well as a greater compensation perceived by resident employees in the economy, which increased 3.4% reaching 136,182 million euros. There was also a 3.5% increase in the amount accrued in taxes on production and imports, net of subsidies, up to 30,885 million.

In addition to this, there was also the fact that the balance of property incomes (interests, dividends, etc.) with the rest of the world amounted to -1,249 million euros while in the third quarter of 2016 it was -1,775 million euros.



On the other hand, the current transfers balance (income and wealth tax, contributions and social benefits and other current transfers) with the rest of the world decreased to -5.989 million, compared to -5.177 million in the third quarter of 2016. As a result, the gross national disposable income increased 3.9% standing at 280,412 million euros

After adjusting for seasonal and calendar effects, both the gross national income and the gross national disposable income increased by 1.7% in the third quarter as compared with the second.



Households²

The gross value added generated by households increased by 2.8% in the third quarter as compared with the same period of 2016. The operating surplus and gross mixed income of the sector grew 3.0%.

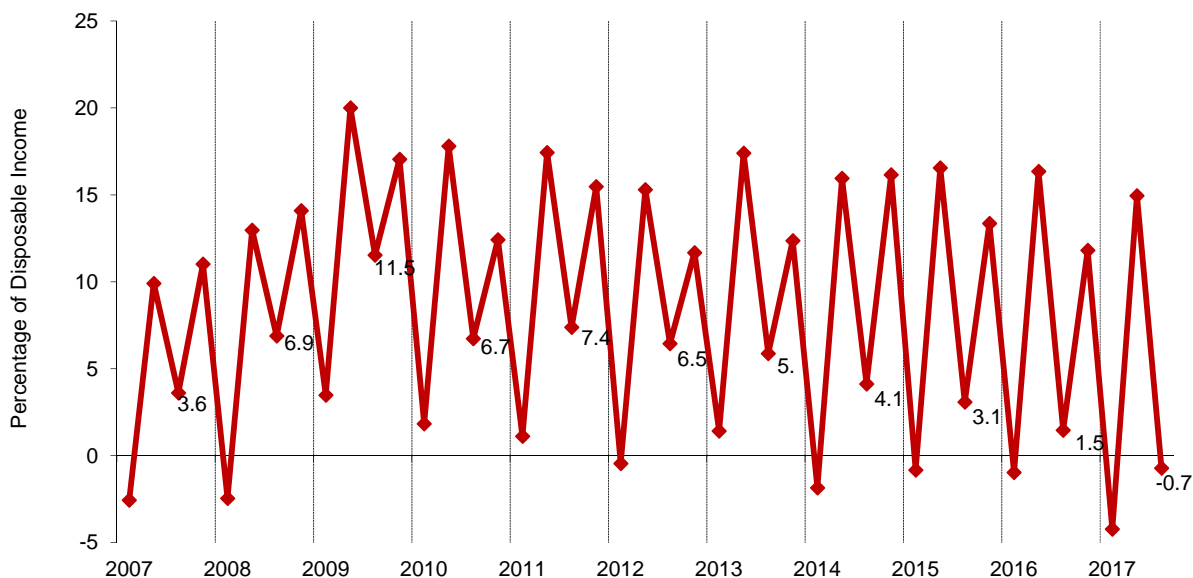
Taking into account the increase in the compensations to be paid to employees (3.4%) and the evolution of the net balance of the property income to be received (interests, dividends, etc.) by the sector there was an increase of 3.2% in the balance of the primary incomes perceived by the households.

However, considering the combined behaviour of the secondary distribution flows of income (income and wealth tax, social contributions and social benefits and other current transfers), this indicates that the gross disposable income of households increased 1,3% in the third quarter of 2017 (reaching 165,387 million euros).

Final consumption expenditure of households was estimated in 166,138 million euros, with an increase of 3.5%. With this, household savings³ stood at -1,166 million euros (in the third quarter of 2016 it was 2,389 millions).

In this way, the savings rate of households stood at -0.7% of its disposable income, 2.2 points lower than in the third quarter of the previous year.

Saving rate of Households and NPISH

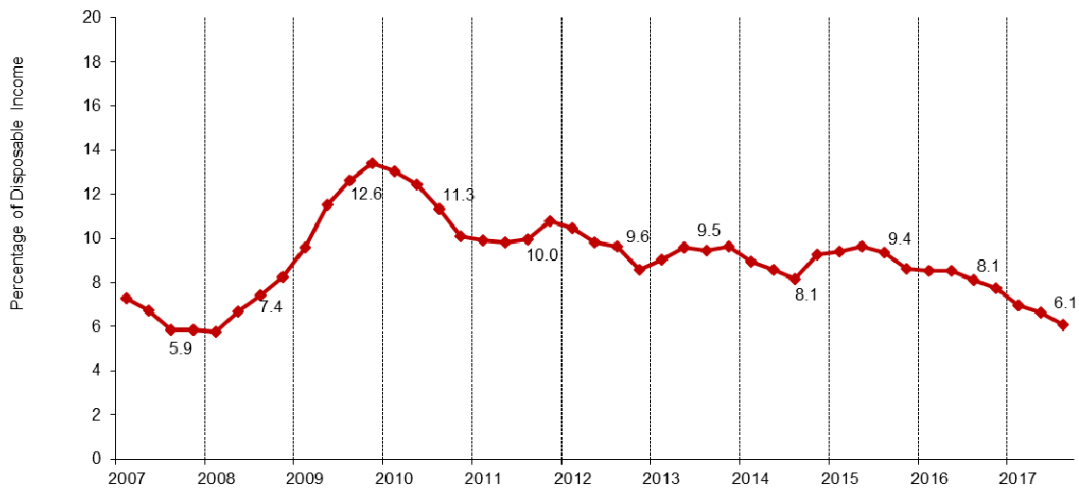


² Households and non-profit institutions serving households (NPISH) sectors.

³ Once the variation in the pension rights is taken into account over which households have a definite right.

If the savings rates of the household sector are calculated referring to mobile periods of four quarters, the savings rate of the sector decreases 0.5 points as compared with the previous quarter, to 6.1%.

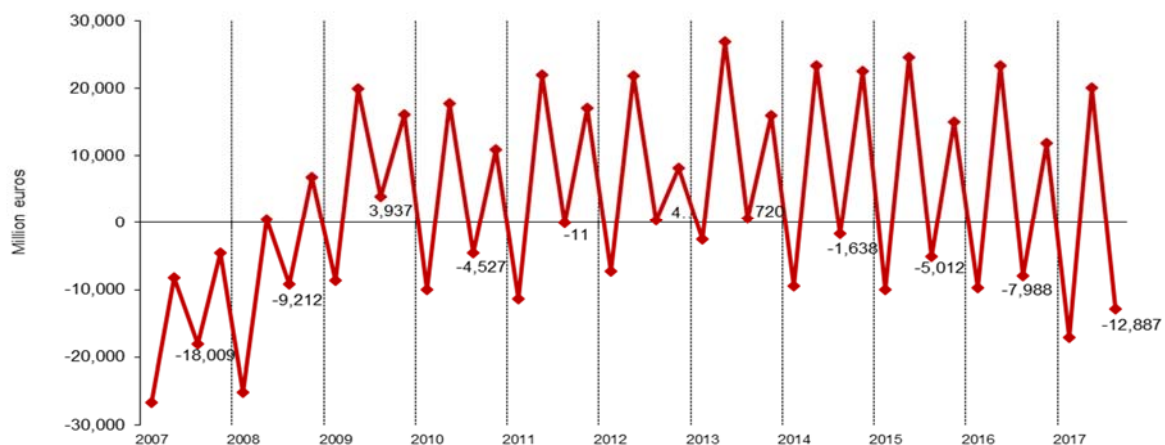
Saving rate of Households and NPISH (mobile year)



On the other hand, household investment⁴ reached 11,107 million euros in the third quarter (11.2% more than in the same period of 2016).

In this form, and after taking into account the balance of capital transfers in the sector, households register financing needs of -12,887 million (compared to an estimated of -7,988 million for the same quarter of 2016).

**Net lending (+) / Net borrowing (-)
Households and NPISH**



⁴ Gross fixed capital formation and acquisitions less disposals of non-produced non-financial assets.

Non-Financial Corporations

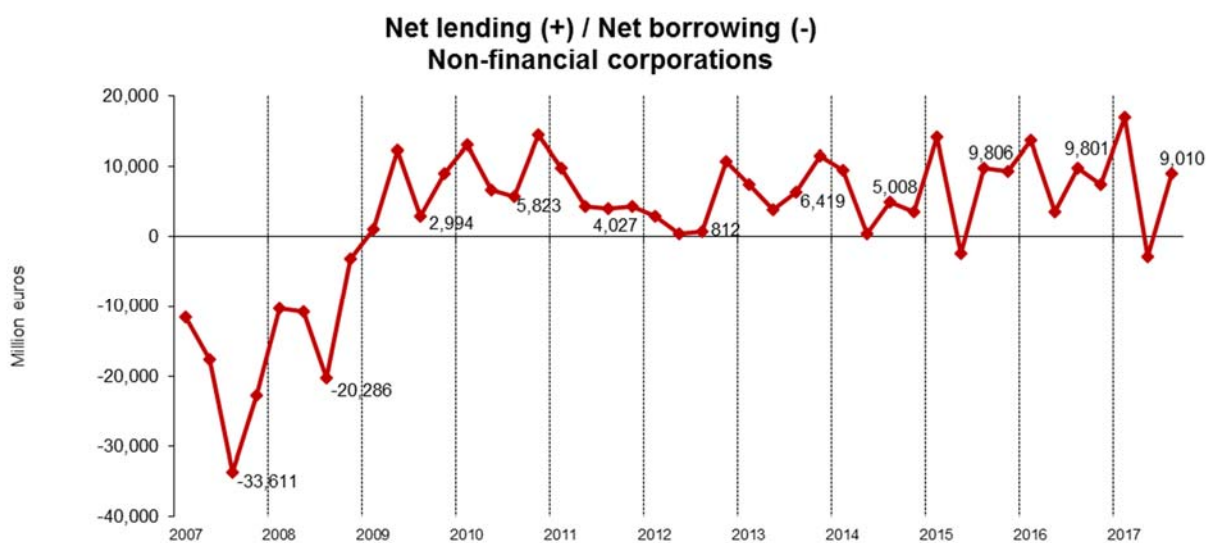
The gross value added generated by the non-financial corporations increased by 4.3% as compared with the same quarter of 2016 and the gross operating surplus of the sector did so by 4.5%.

If we add to the above the net balance of the property incomes (interests, dividends, etc.) to be received by the sector, this results in a 4.4% increase in the balance of gross primary income with respect to the third quarter of 2016.

In addition, taking into account the evolution in the secondary distribution flows of income (corporate taxes, social contributions and benefits and other current transfers), this results in a 3.2% increase in the disposable income of non-financial corporations.

This disposable income, together with its capitals transfer balance is sufficient to finance the investment volume of the sector, which amounted to 40,964 million (5.3% more than that of the same quarter of the previous year).

Consequently, it is estimated for the sector a financing capacity of 9,010 million euros, compared to 9,801 million in the third quarter of 2016.



General Government

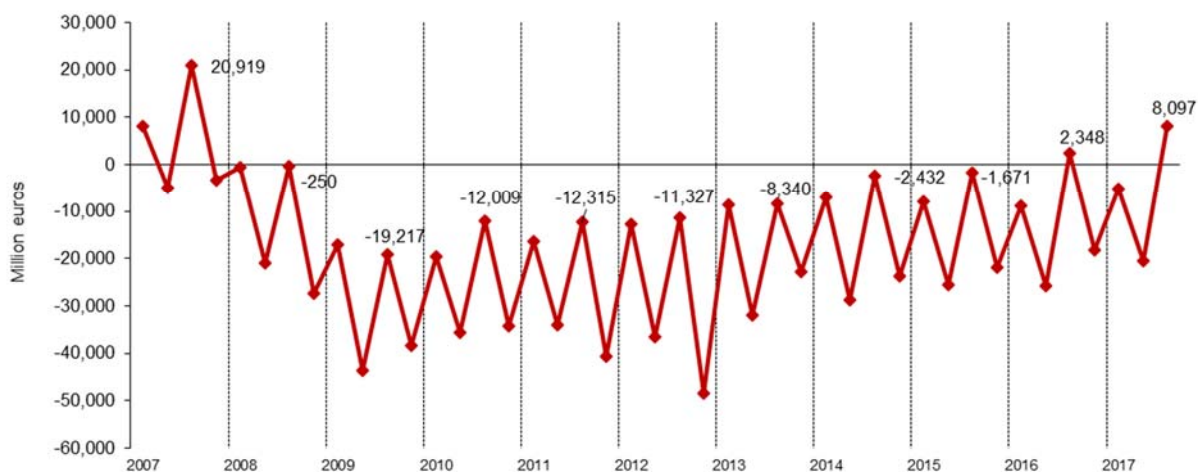
The gross disposable income of Public Administrations reached 62,314 million euros in the third quarter, 10.8% more than the same period of 2016.

Given that its final consumption expenditure increased by 1.7% up to 49,330 million euros, the gross savings of the sector amounted to 12,984 million euros (in the third quarter of 2016 it was 7,699 million euros).

Investment by public administrations was estimated at 5.265 million, 2.5% lower than in the third quarter of the previous year.

All of this, together with its balance of capital transfers made the sector generate a financing capacity of 8.097 million euros, compared to 2.348 million in the third quarter of 2016.

**Net lending (+) / Net borrowing (-)
General Government**



Financial Institutions

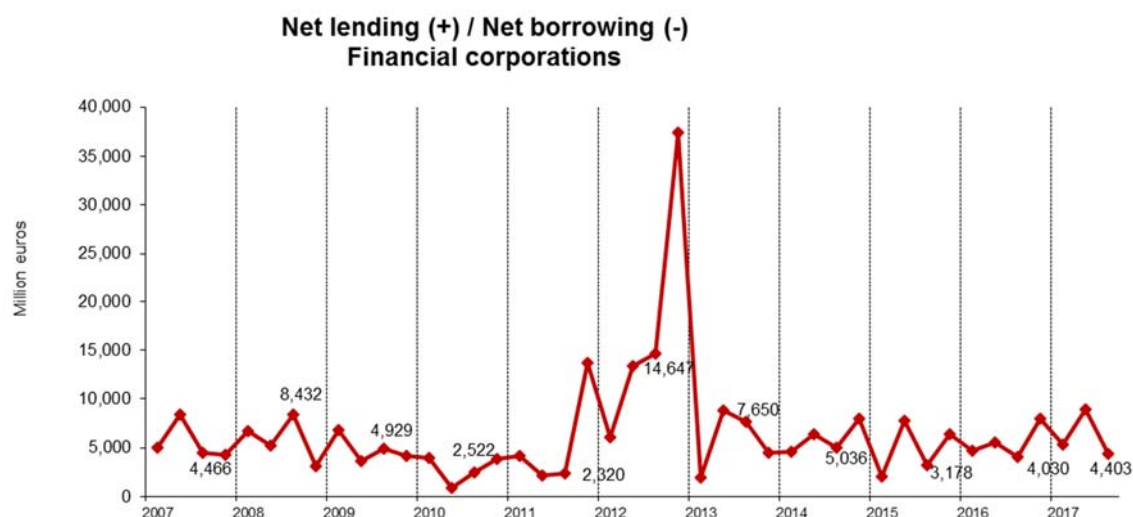
The gross value added of the financial institutions grew by 8.7% in the third quarter of 2017 as compared with the same period of 2016. The gross operating surplus of the sector increased by 26.1%.

This increase, together with a greater net balance of the property income (interests, dividends, etc.) to be perceived by the sector, makes its primary income balance grow by 27.9%.

If we also take into account their secondary distribution flows of income (corporate taxes, social contributions and benefits and other current transfers), it concludes that the gross disposable income of the sector reaches 5,838 million euros, 35.4% higher than in the same quarter of 2016.

On the other hand, investment in financial institutions is estimated at 1,794 million euros (compared to 703 million in the same quarter of 2016).

With this, and once considered its balance of capital transfers, the sector generates a financing capacity of 4,403 million euros, compared to 4,030 million in the third quarter of 2016.



Annex: summary of results by institutional sector

Non-financial accounts for Households and NPISH

	Q3-2017	Q3-2016	Variation (%)
Gross Added Value	57,036	55,472	2.8%
Compensation of Employees (payable) (-)	11,760	11,476	2.5%
Other taxes (less subsidies) on Production and Imports (-)	1,959	1,933	1.3%
Operating surplus/mixed income (gross)	43,317	42,063	3.0%
Compensation of Employees (receivable) (+)	136,182	131,682	3.4%
Property income (receivable, net) (+)	9,904	9,793	1.1%
Balance of primary incomes (gross)	189,403	183,538	3.2%
Current taxes on property and income (-)	27,239	24,928	9.3%
Net social contributions (-)	38,925	37,208	4.6%
Social benefits (+)	42,307	41,755	1.3%
Other current transfers (receivable, net) (+)	-159	186	-185.5%
Gross Disposable Income	165,387	163,343	1.3%
Final consumption expenditure (-)	166,138	160,443	3.5%
Adjustment for the change in pension entitlements (+)	-415	-511	18.8%
Gross Savings	-1,166	2,389	-148.8%
Capital transfers (receivable, net) (+)	-614	-385	-59.5%
Gross capital formation and Net acquisitions of non-produced assets (-)	11,107	9,992	11.2%
Net lending (+) / Net borrowing (-)	-12,887	-7,988	-61.3%

Note: million euros.

Non-financial accounts for Non-Financial Corporations

	Q3-2017	Q3-2016	Variation (%)
Gross Added Value	157,040	150,547	4.3%
Compensation of Employees (payable) (-)	90,870	87,080	4.4%
Other taxes (less subsidies) on Production and Imports (-)	1,161	1,240	-6.4%
Operating surplus (gross)	65,009	62,227	4.5%
Property income (receivable, net) (+)	-6,875	-6,538	-5.2%
Balance of primary incomes (gross)	58,134	55,689	4.4%
Current taxes on property and income (-)	7,390	6,205	19.1%
Net social contributions (+)	1,864	1,625	14.7%
Social benefits (-)	975	946	3.1%
Other current transfers (receivable, net) (+)	-2,155	-2,197	1.9%
Gross Disposable Income	49,478	47,966	3.2%
Gross Savings	49,478	47,966	3.2%
Capital transfers (receivable, net) (+)	496	748	-33.7%
Gross capital formation and Net acquisitions of non-produced assets (-)	40,964	38,913	5.3%
Net lending (+) / Net borrowing (-)	9,010	9,801	-8.1%

Note: million euros.

Non-financial accounts for General Government

	Q3-2017	Q3-2016	Variation (%)
Gross Added Value	35,341	34,705	1.8%
Compensation of Employees (payable) (-)	28,249	27,678	2.1%
Other taxes (payable, less subsidies) on Production and Imports (-)	88	100	-12.0%
Operating surplus (gross)	7,004	6,927	1.1%
Taxes (receivable, less subsidies) on Production and Imports (+)	30,885	29,840	3.5%
Property income (receivable, net) (+)	-6,111	-6,404	4.6%
Balance of primary incomes (gross)	31,778	30,363	4.7%
Current taxes on property and income (+)	35,809	32,242	11.1%
Net social contributions (+)	35,735	33,991	5.1%
Social benefits (-)	39,221	38,345	2.3%
Other current transfers (receivable, net) (+)	-1,787	-2,029	11.9%
Gross Disposable Income	62,314	56,222	10.8%
Final consumption expenditure (-)	49,330	48,523	1.7%
Gross Savings	12,984	7,699	68.6%
Capital transfers (receivable, net) (+)	378	51	641.2%
Gross capital formation and Net acquisitions of non-produced assets (-)	5,265	5,402	-2.5%
Net lending (+) / Net borrowing (-)	8,097	2,348	244.8%

Note: million euros.

Non-financial accounts for Financial Corporations

	Q3-2017	Q3-2016	Variation (%)
Gross Added Value	10,538	9,696	8.7%
Compensation of Employees (payable) (-)	4,694	4,865	-3.5%
Other taxes (payable, less subsidies) on Production and Imports (-)	591	664	-11.0%
Operating surplus and mixed income (gross)	5,253	4,167	26.1%
Property income (receivable, net) (+)	1,833	1,374	33.4%
Balance of primary incomes (gross)	7,086	5,541	27.9%
Current taxes on property and income (-)	1,019	960	6.1%
Net social contributions (+)	1,126	1,402	-19.7%
Social benefits (-)	1,541	1,913	-19.4%
Other current transfers (receivable, net)	186	243	-23.5%
Gross Disposable Income	5,838	4,313	35.4%
Adjustment for the change in pension entitlements (-)	-415	-511	18.8%
Gross Savings	6,253	4,824	29.6%
Capital transfers (receivable, net) (+)	-56	-91	38.5%
Gross capital formation and Net acquisitions of non-produced assets (-)	1,794	703	155.2%
Net lending (+) / Net borrowing (-)	4,403	4,030	9.3%

Note: million euros.

Further information

The objective of the **Non-financial Quarterly Accounts for the Institutional Sectors** (QNFAIS) is to discover the economic relationships between the institutional units that form the national economy (households and non-profit institutions serving households, non-financial corporations, financial corporations and public administrations) and among them and the rest of the world in an ordered series of accounts that describe each one of the phases of economic processes (production and creation of income, distribution and redistribution, final consumerism, savings and accumulation of assets).

The QNFAIS form part of the global objective to create an annual and quarterly accounts system for the European Union and the euro zone. This system includes the main macroeconomic aggregates and the financial and non-financial accounts of the institutional sectors, all of which is created in compliance with the conceptual and regulatory framework established by the European System of National and Regional Accounts (ESA 2010), approved by the Regulation (EU) 549/2013, of the European Parliament and Council, of 21 May.

The results of the QNFAIS from the third quarter of 2017 were published today, in addition to the updated results of the first two quarters of the year. The non-financial quarterly accounts of the institutional sectors, have been published both in the form of integrated and detailed economic accounts.

The QNFAIS also provides series of results of the operations and accounting balances of institutional sectors and the national economy. In the case of main balances of the national economy (gross domestic product, gross operating surplus and mixed income, gross national income and gross national disposable income) and the aggregate flows with the rest of the world (exports and imports, total primary incomes and total secondary incomes), such series are also published adjusted for seasonal and calendar effects, in line with the requirements established by the ESA 2010.

For more detailed information please visit the INE website (<http://www.ine.es/en/>).

5. Press release dated 24 August of the QSNA (second quarter of 2017) and press release dated 12 September of the QNA (2014-2016 accounting series update).

For further information see [INEbase-www.ine.es/en/](http://www.ine.es/en/)

All press releases at: www.ine.es/en/prensa/prensa_en.htm

Press office: Telephone numbers: 91 583 93 63 / 94 08 – Fax: 91 583 90 87 - gprensa@ine.es

Information Area: Telephone number: 91 583 91 00 – Fax: 91 583 91 58 – www.ine.es/infoine/?L=1
