

30 March 2015

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

In the fourth quarter of 2014, the net borrowing of the national economy, as compared with the rest of the world, is estimated at 7,522 million euros

In 2014, national economy presents a net borrowing of 10,938 million euros (1.0% of GDP)

The savings rate for households and non-profit institutions serving households stands at 13.8% of their disposable income, that is, 0.7 points higher than that of the same quarter of 2013

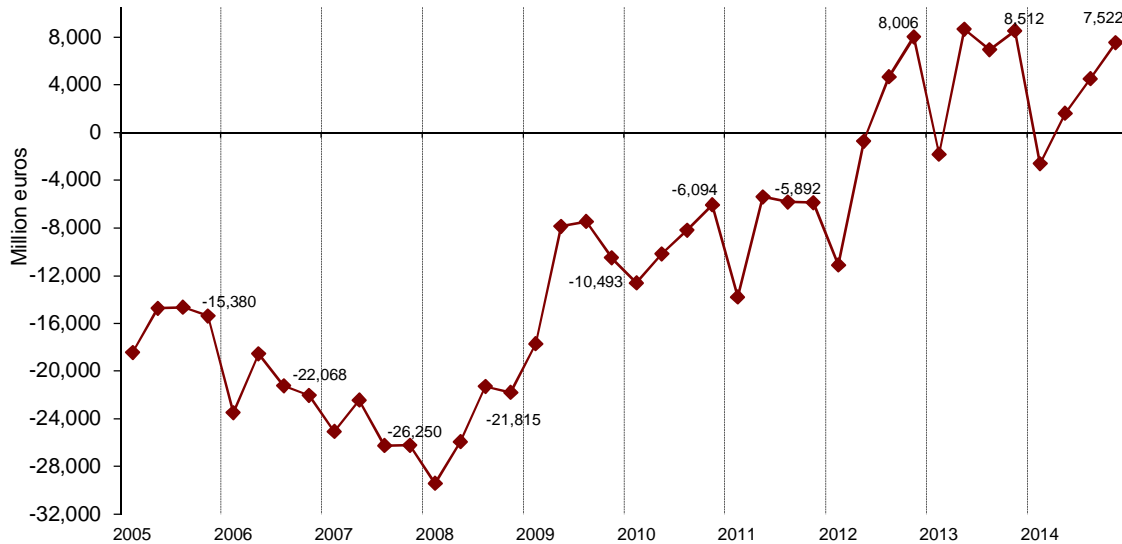
In 2014 as a whole, the savings rate for households and non-profit institutions serving households stands at 9.8%

As the result of the performance of all the institutional sectors¹, the national economy presented a net borrowing of 7,522 million euros, as compared with the rest of the world, during the fourth quarter of 2014, representing 2.7% of GDP for said period. This figure is lower by 990 million euros than that estimated for the same quarter of the previous year (8,512 million euros, that is, 3.1% of GDP).

This lower net borrowing of the Spanish economy was mainly due to a decrease in the balance of exchanges of goods and services with the rest of the world by 23.7% (imports increased by 6.3% and exports did so by 4.0%). The balance of income and current transfers also registered a decrease of 13.3% (-2,476 million euros in the fourth quarter of 2014, as compared to 681 million euros in the same period of 2013).

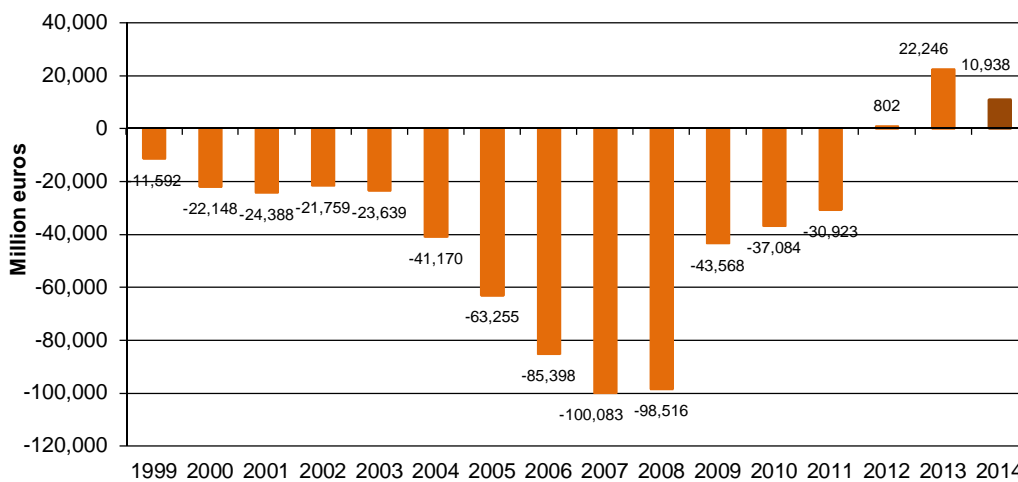
¹ Households and Non-profit Institutions Serving Households (NPISHs), Non-financial Corporations, Public Administrations and Financial Institutions.

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



In 2014 as a whole, the national economy accumulated net borrowing for the third year in a row (of 10,938 million euros, 1.0% of GDP). However, this figure was lower than that registered in 2013 (of 22,246 million euros, that is, 2.1% of GDP).

**Net lending (+) / Net borrowing (-)
Total economy (annual)**



This lower net borrowing of the Spanish economy was mainly due to a decrease in both the balance of exchanges of goods and services with the rest of the world (25,172 million euros in 2014 from 35,757 million euros in 2013) and the balance of income and capital (1,601 million euros less than in 2013).

The following table shows the breakdown by institutional sector of the net borrowing of the national economy in the years 2013 and 2014:

Net Lending (+) / Net Borrowing (-).

Institutional Sector	2013	2014	Difference
Households and NPISH	38,187	33,787	-4,400
General Government	-71,291	-61,741	9,550
Financial Corporations	21,744	27,557	5,813
Non-Financial Corporations	33,606	11,335	-22,271
Total	22,246	10,938	-11,308

Households and Non-profit Institutions Serving Households Sector

During the fourth quarter of 2014, gross disposable income for the Households and Non-profit Institutions Serving Households (NPISH) sector reached 185,284 million euros, 3.5% more than in the fourth quarter of 2013.

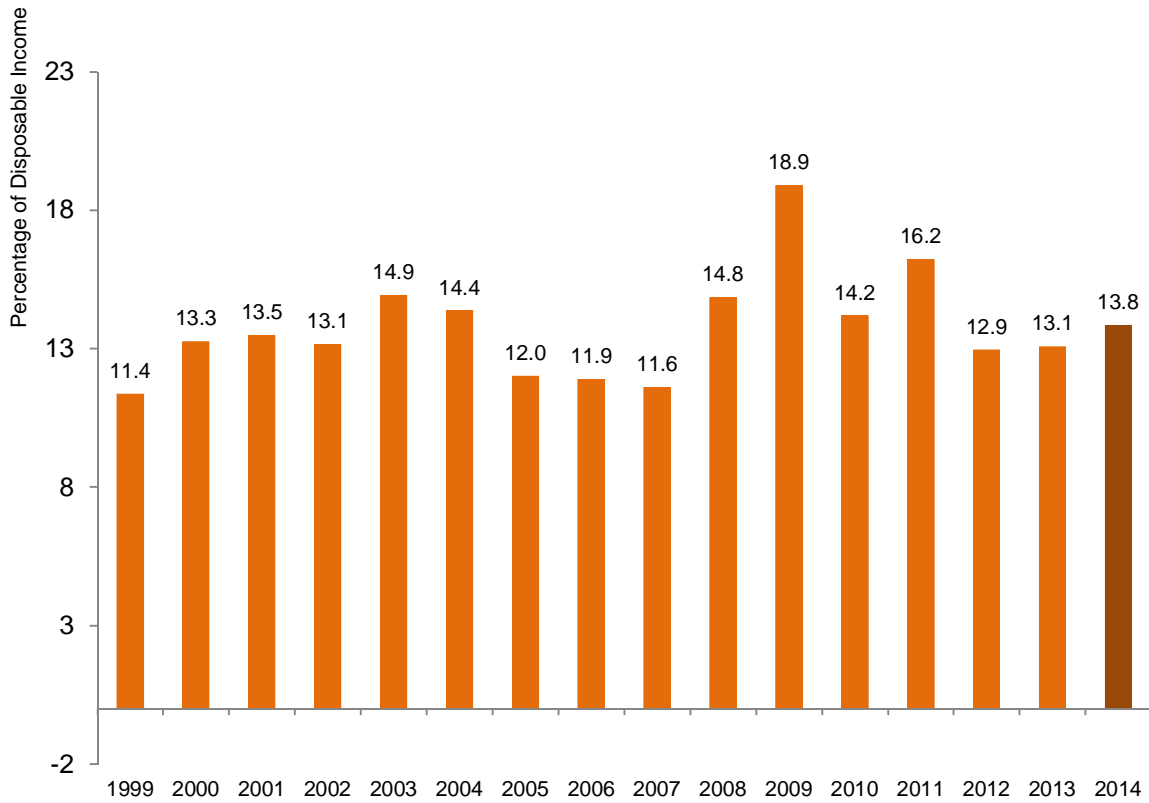
This growth was mainly due to the 3.0% increase of the balance of gross primary income of the sector, despite the decrease observed in the gross operating surplus and mixed balance, of 0.6%. This decrease was compensated by the growth of the pay received by wage earners (2.2%), and the improvement of property income net balance received (interests, dividends, etc.), of 37.6%.

Regarding the secondary distribution of income, both the net volume of benefits received by households (up 3.7%) and the paid social contributions (up 2.3%) increased in the fourth quarter of 2014, as compared with the same period of 2013. In turn, net current transfers received by households decreased by 46.1%. Finally, households and NPISH paid 1.9% less for taxes on income and property.

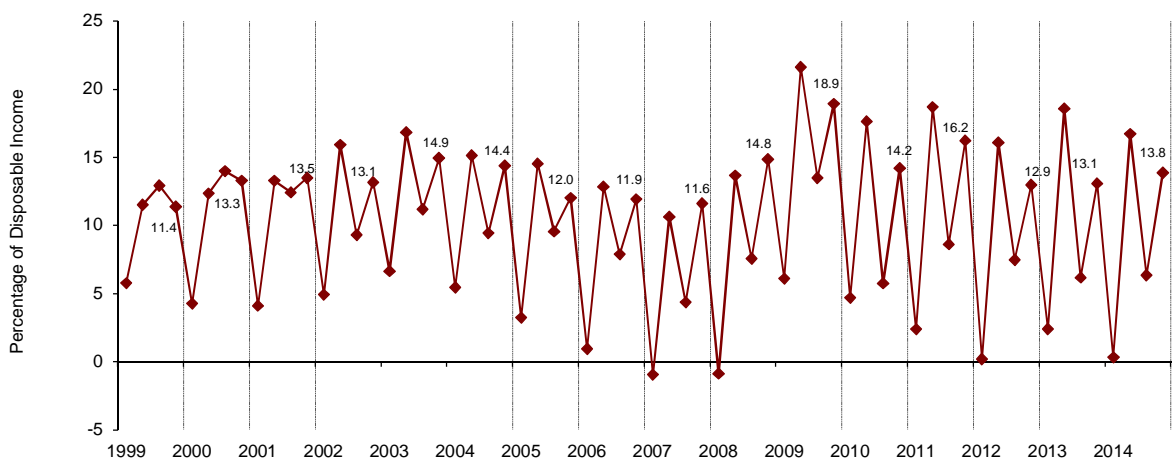
Regarding the use of disposable income, final consumption expenditure of households and NPISH was estimated at 159,512 million euros in the fourth quarter, that is, 2.7% more than the same period of 2013. However, a larger amount of disposable income allowed households and NPISH to increase their savings rate by 9.8%, as compared with the previous year (up to 25,629 million euros).

Thus, the savings rate of households and NPISH stood at 13.8% of the disposable income, that is, 0.7 points higher than that of the fourth quarter of 2013.

Evolution of the saving rate of Households and NPISH in the fourth quarter

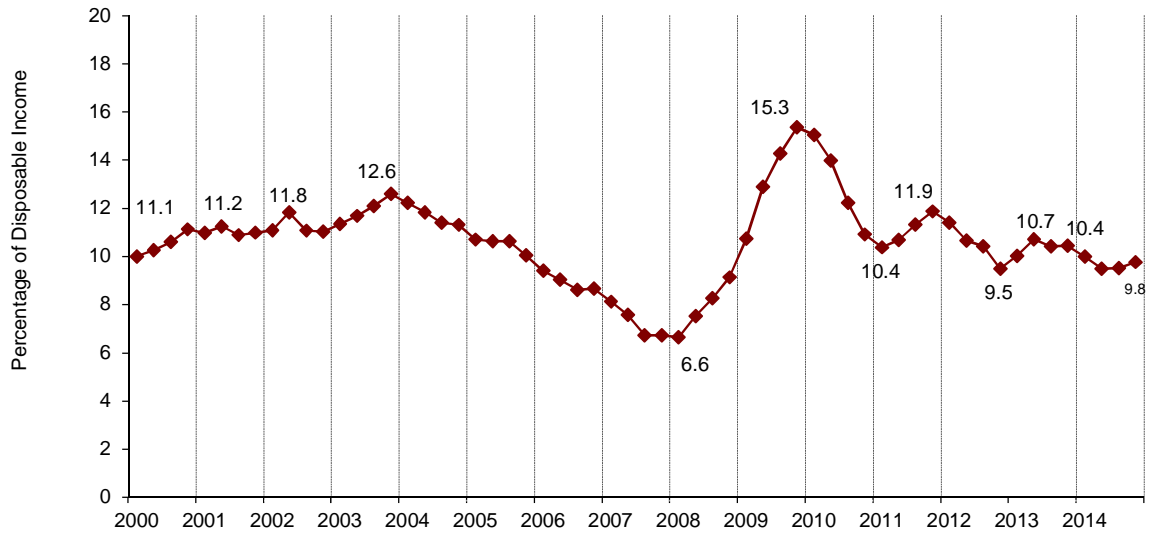


Saving rate of Households and NPISH



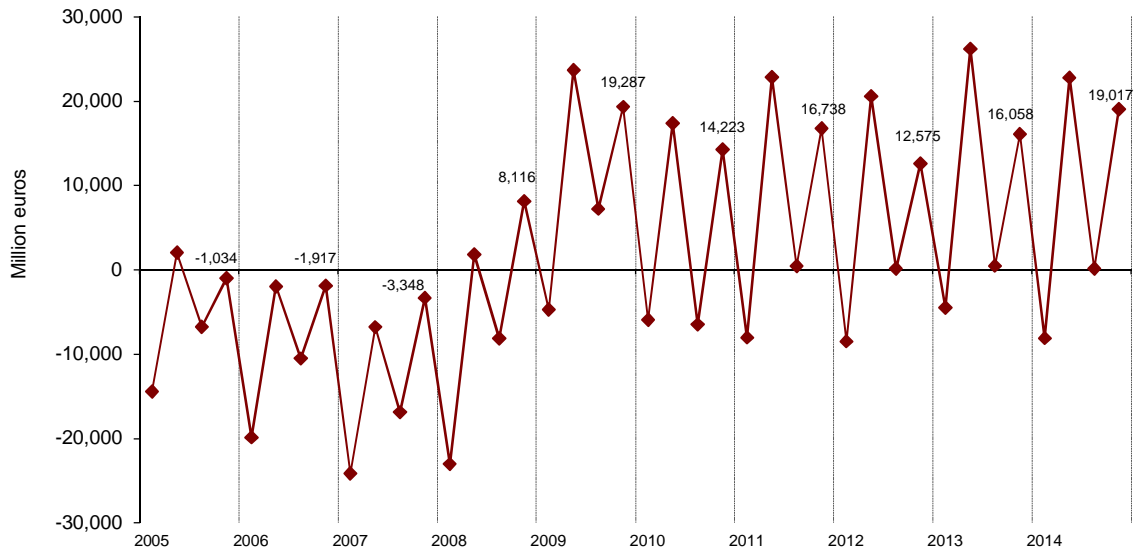
On calculating the savings rates for the households and NPISH sector referring to periods of four consecutive quarters (mobile annual rate), the savings rate of the sector stood at 9.8% of disposable income. This was an increase of 0.3 points as compared with the previous quarter.

Saving rate of Households and NPISH (mobile year)



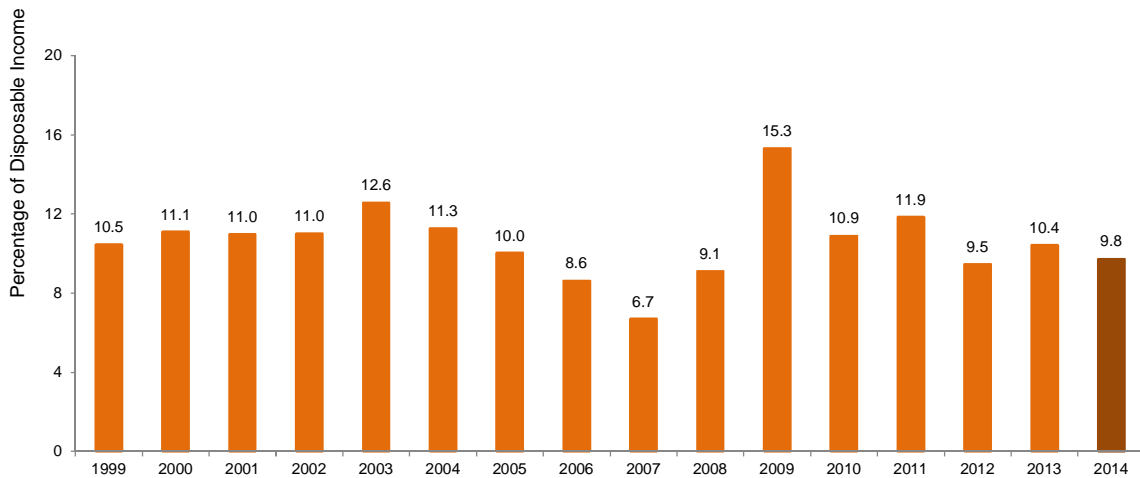
In turn, the investment volume of households and NPISH in the fourth quarter reached 6,872 million euros, 2.7% less than in the same period of 2013. With this, the gross savings generated by the sector was enough to finance the total investment and compensate the negative balance of net capital transfers received (-102 million euros). This way, during the fourth quarter of 2014, the sector generated a net lending of 19,017 million euros. This figure was higher than the 16,058 million euros of the same quarter of the previous year.

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



In 2014 as a whole, the savings rate of households and NPISH stood at 9.8% of the disposable income, that is, 0.6 points lower than that of 2013. Said evolution took place despite the increase of 1.4% of the disposable income and was due to the increase of 2.3% of the expenditure in final consumption.

Evolution of the annual saving rates of Households and NPISH

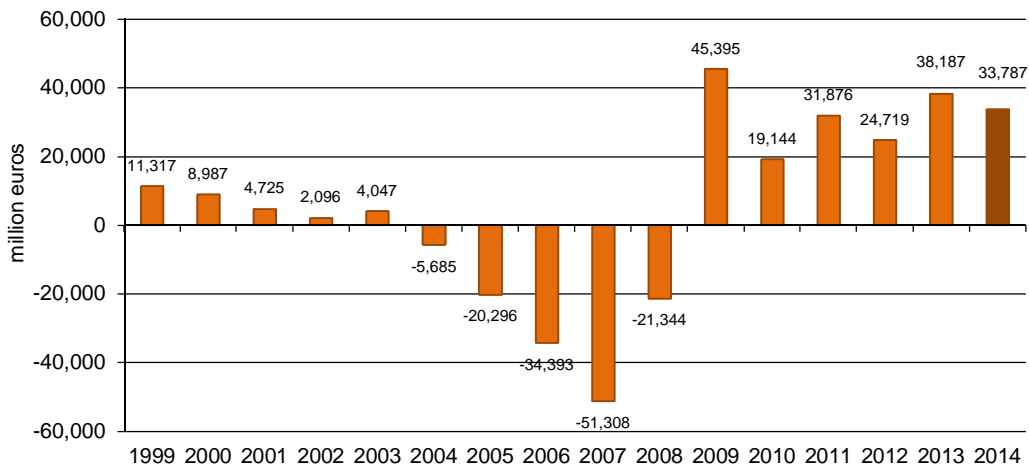


In the analysis of the annual evolution of the different resources of households income, the balance of primary income increased by 1.8%, due to a higher figure in the employees income (1.4%) and the growth in the net balance of property income received (19.3%). These increases were partially compensated by a decrease of 0.6% in the operating surplus and the mixed income of the sector.

The savings generated by households and non-profit institutions reached 67,489 million euros in 2014. This savings, together with 891 million euros that corresponded to the net income of capital transfers received (351 million euros), was enough to financing the investment volume of the sector, which was estimated in 34,787 million euros (2.1% more than in 2013).

In this way, households and non-financial institutions presented a net lending of 33,787 million euros all over 2014.

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



Non-financial Corporations Sector

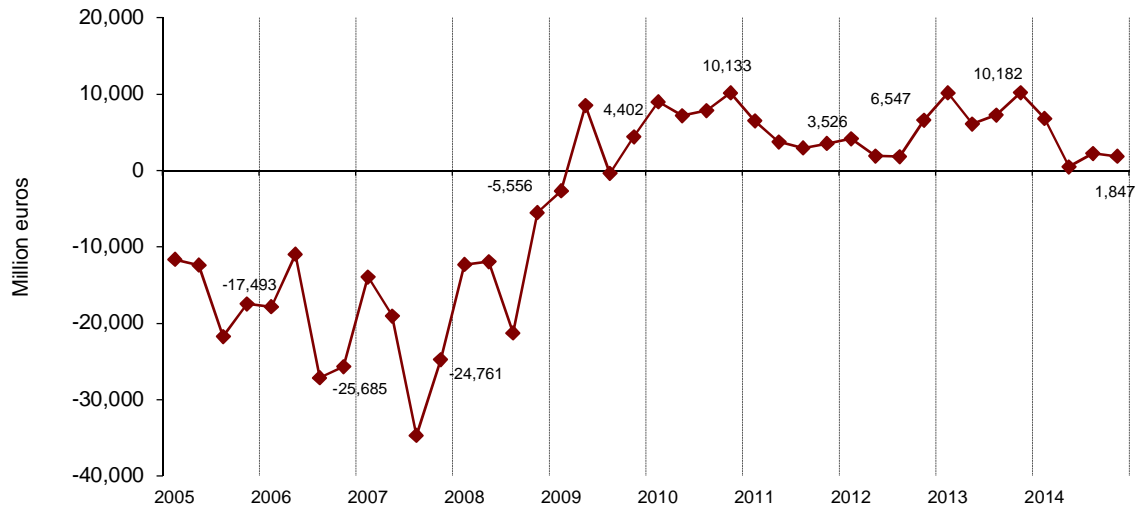
Gross disposable income of non-financial corporations experienced a decrease of 4.1% in the fourth quarter, as compared with the same period of 2013, standing at 44,451 million euros.

This behaviour was firstly explained by the 2.8% decrease in the gross balance of primary income. This was due to a decrease of 1.5% in the gross operating surplus, a 4.9% rise in the net balance of property income received and an increase of 4.9% in property income net balance received (interests, dividends, etc.) paid by the sector.

Regarding the secondary distribution of income, the amount paid in terms of company taxes increased by 3.0% (3.7% increase), that of received social contributions did so by 16.1%, while paid social benefits decreased by 4.5%.

The disposable income of the corporations, together with the positive balance of 1,896 million euros corresponding to net capital transfers received, was enough to finance the investment volume of the sector, which reached 44,500 million euros (19.6% more than in the same quarter the previous year). As a result, net lending was estimated at 1,847 million euros for the sector, as compared with the 10,182 million euros for the fourth quarter of 2013.

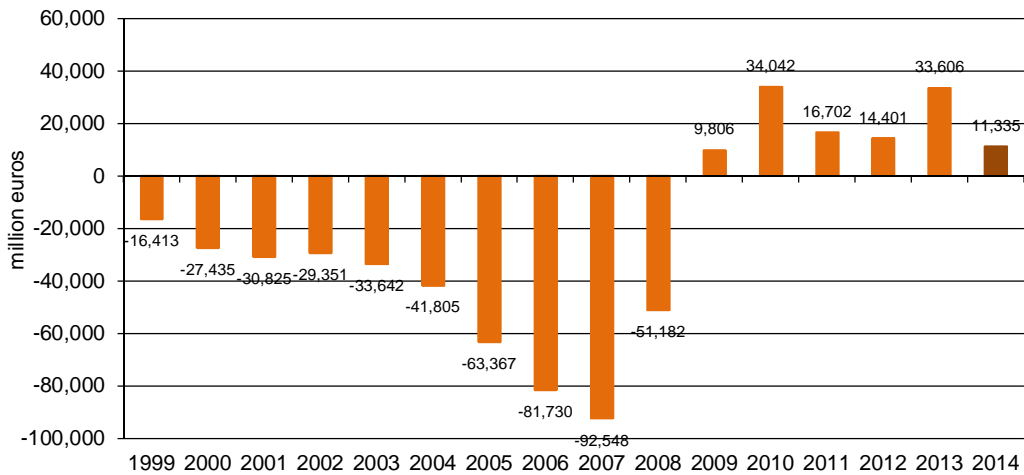
**Net lending (+) / Net borrowing (-)
Non-financial corporations**



In 2014 as a whole, gross disposable income of the sector experienced a decrease of 7.2%. The decrease of 1.7% in gross operating surplus was added to the increase of 13.6% in the net balance of property income received. Moreover, the amount paid in terms of company taxes increased by 6.7%; received social contributions increased by 2.3% and paid social benefits did so by 16.7%. They were partially compensated by a lower amount of net current transfers paid (6.0%).

This result, together with the net capital transfers of 1,896 million euros corresponding to net capital transfers received, was enough to finance the investment volume of the sector (which was 7.6% higher than that of 2013), reaching a net lending of 11,335 million euros (as compared to the 33,606 million euros in 2013).

**Net lending (+) / Net borrowing (-)
Non-financial corporations**



Public Administrations Sector

In the fourth quarter of 2014, Public Administrations' gross disposable income reached 39,190 million euros, that is, 3.2% less than in the same period of 2013.

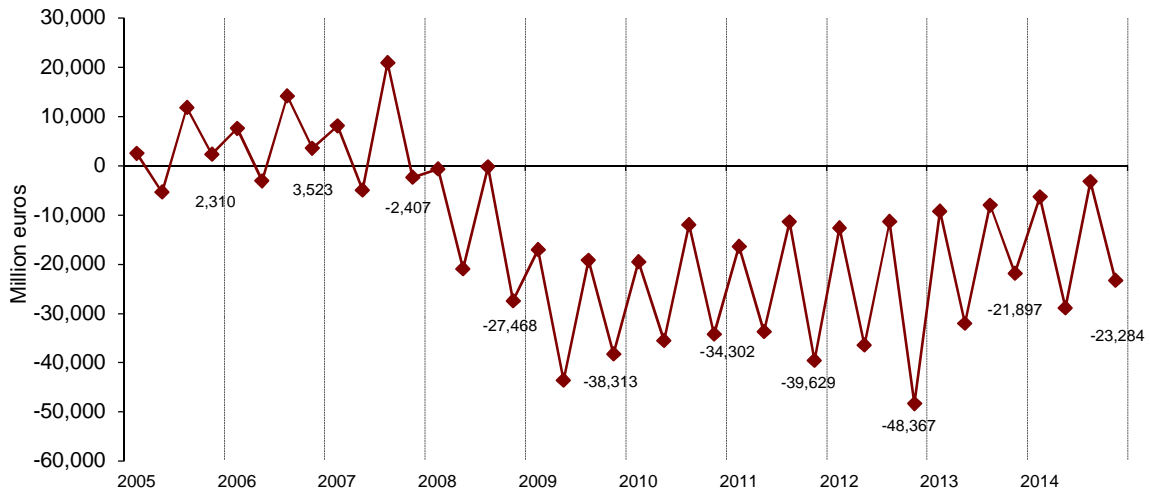
This result took place despite the 1.3% increase in the balance of primary income of the sector (taxes on production and imports increased by 4.5% and net balance of property income received decreased by 6.1%) and the increase of 2.1% in received social contributions.

On the contrary, there was a decrease in the collection of taxes on income and property of 1.8% and social contributions increased by 3.5%.

In turn, final consumption expenditure of the Public Administrations decreased by 2.1%, reaching 55,698 million euros. Thus, gross savings for the sector decreased by 85 million euros, as compared with the fourth quarter of 2013, in which the figure stood at -16,508 million euros.

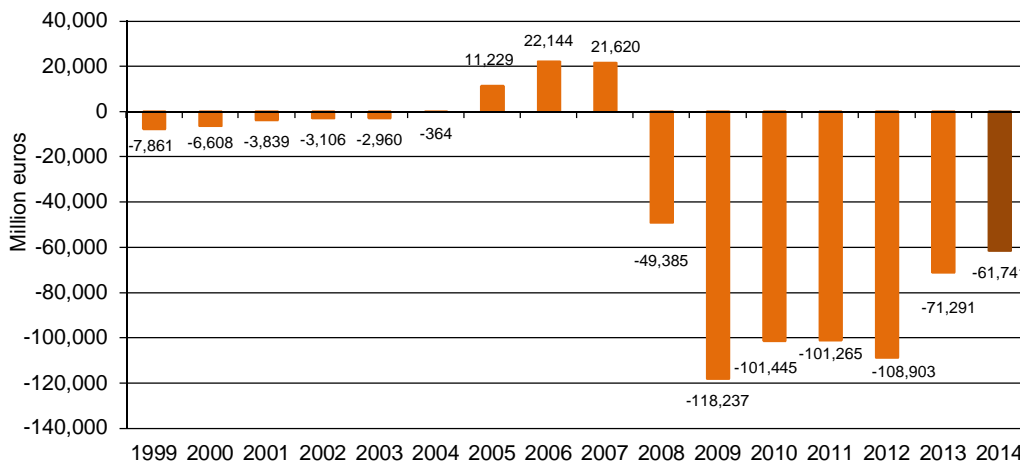
This result, together with a net balance of capital transfers paid of 1,031 million euros and an investment of the Public Administrations of 5,745 million euros, determined the net borrowing of the sector, which stood at 23,284 million euros. Contributions to Financial Institutions, as part of the restructuring of the financial sector, reached 437 million euros this quarter. Therefore, the net borrowing of Public Administrations, excluding expenses registered as contributions to Financial Institutions, reached 22,847 million euros.

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



In 2014 as a whole, Public Administrations showed a net borrowing of 61,741 million euros. Excluding contributions to financial institutions, this amount decreased by 1,204 million euros.

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



In 2014, the decrease in net borrowing of Public Administrations was due to the increase of 2.1% of disposable income and the decrease in final consumption expenditure (0.7%), in investment (3.4%) and in net capital transfers paid (61.7%).

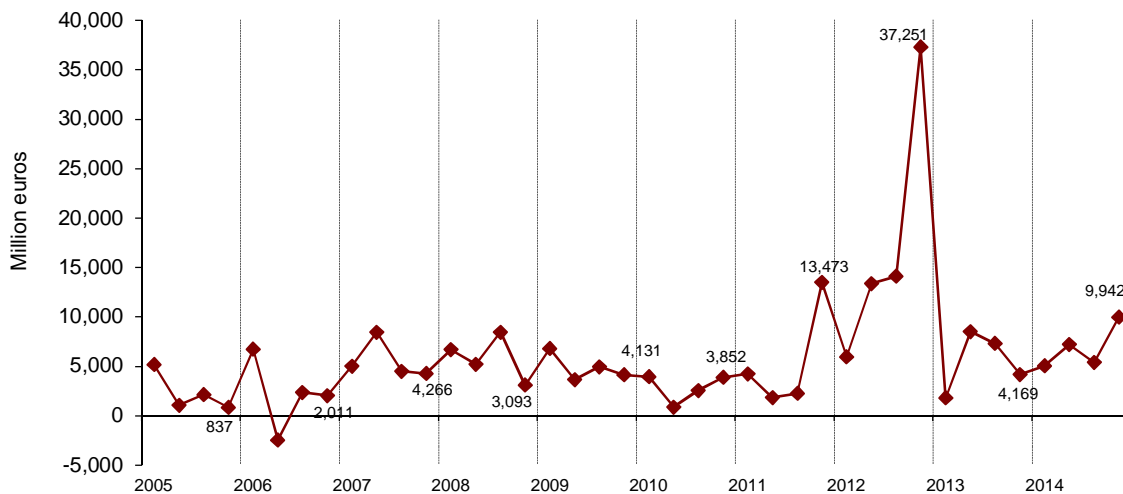
Financial Institutions Sector

The gross disposable income for the financial institutions sector increased by 46.9% in the fourth quarter of 2014, as compared with the same period of the previous year, reaching 9,137 million euros.

This result was due to the increase registered in the gross operating surplus of the sector (45.1%) and the net property income balance received (15.8%). In turn, the amount paid by the sector as corporate tax decreased by 46.4%.

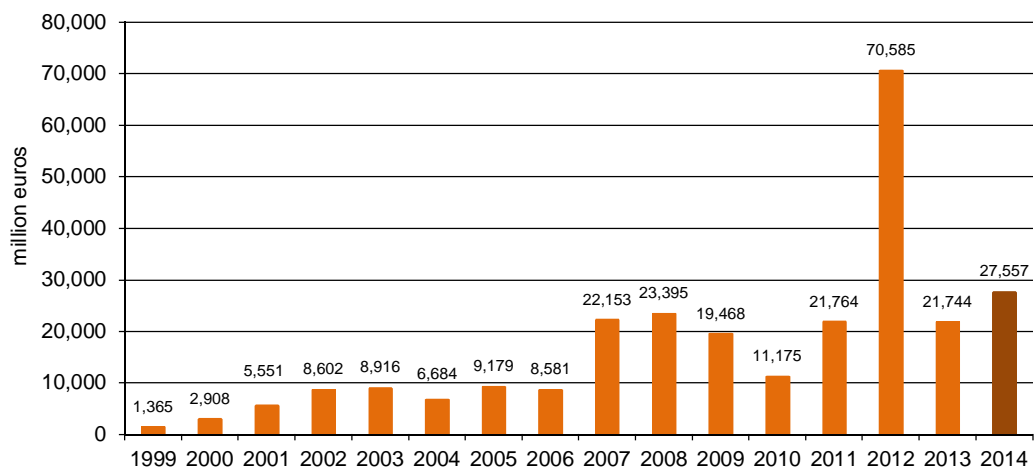
The gross disposable income generated in this quarter, together with a disinvestment of 666 million euros, caused the Financial Institutions to obtain net lending of 9,942 million euros.

**Net lending (+) / Net borrowing (-)
Financial corporations**



In 2014 as a whole, financial institutions showed a net lending of 27,577 million euros. This figure included the public contributions to financial institutions (of 1,204 million euros).

**Net lending (+) / Net borrowing (-)
Financial corporations**



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 fourth quarter of 2014 are published, as well as their updated results for the first three quarters of the year, which is consistent with the series of quarterly aggregates of the national economy, base 2010, published last 26 February 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.