

3 April 2017

Quarterly National Accounts of Spain. Base 2010
Non-financial Quarterly Accounts for the Institutional Sectors
Fourth Quarter of 2016

The national economy presents a financing capacity compared with the rest of the world of 8,943 million Euros in the fourth quarter of 2016 (3.1% of the GDP)

Throughout 2016 the national economy accumulated a financing capacity of 22,752 million (2.0% of the GDP)

The savings ratio of households and non-profit institutions serving households amounts to 11.8% of its disposable income, 1.3 points lower than that in the fourth quarter of 2015

In 2016 the savings ratio of households and non-profit institutions stood at 7.7%, which represented 0.5 points less than the ratio in 2015

National Economy

The national economy registered a financing capacity compared with the rest of the world of 8,943 million euros in the fourth quarter of 2016, which represented 3.1% of the GDP of the said period. This figure is 1,248 million euros lower than that estimated for the same quarter of the previous year (10,191 millions, that is 3.6% of the GDP).

This lower financing capacity results from a lower balance in the capital account (894 million, compared with 3,346 million in the same period of 2015).

On the contrary, the balance of the foreign exchange of goods and services increased to 5,775 million euros, 1,031 million over the figure registered in the fourth quarter of 2015. Exports of good and services increased 4.7% and imports did so by 3.7%.

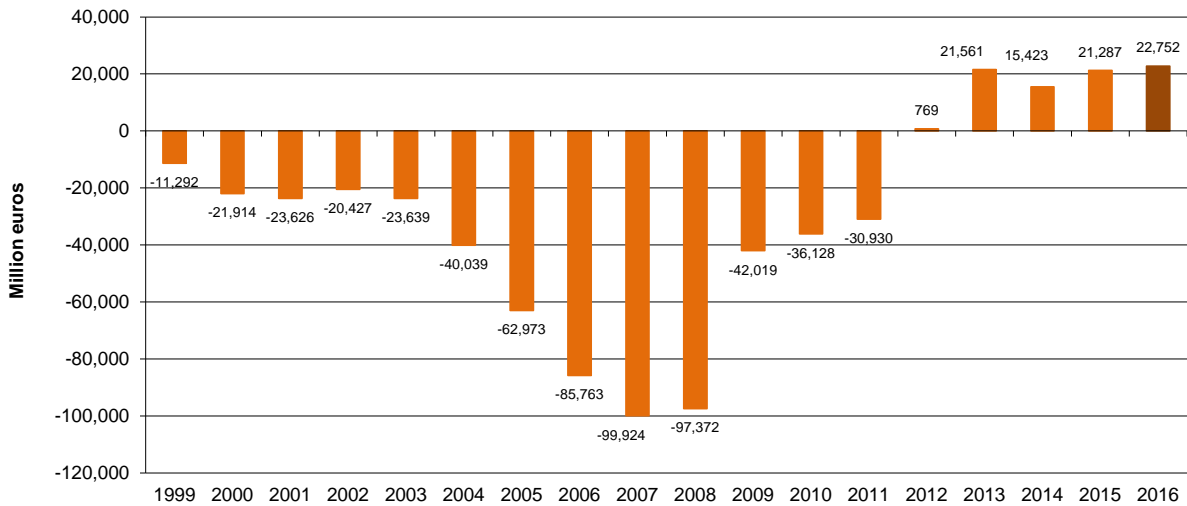
The income balance and current transfers with the rest of the world also increased (2,274 million in the fourth quarter of 2016, as compared with 2,101 million in the same period of 2015).

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



Throughout the year 2016 the Spanish economy accumulated a financing capacity of 22,752 million euros, 2.0% of the GDP. This figure exceeded in 1,465 million the figure that was reached in 2015 (21.287 million, also 2.0% of the GDP).

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



The higher financing capacity of the economy throughout the year 2016 was caused, in the first place, by an increase in the balance of the foreign exchange of good and services accounting for 32,414 million euros, 23% higher than in 2015. Exports of good and services increased 3.2% and imports did so by 1.6%.

Besides, there was a reduction of the negative balance of income and current transfers compared with the rest of the world to -11,516 million euro, compared with -12,066 million in 2015.

On the contrary, the capital account balance of the Spanish economy decreased to 1,854 million euros, compared with 4,847 million of the previous year.

Net Lending (+) / Net Borrowing (-)

Institutional Sector	2015	2016	Difference
Households and NPISH	27,182	21,024	-6,158
General Government	-55,128	-50,576	4,552
Financial Corporations	18,627	21,380	2,753
Non-Financial Corporations	30,606	30,924	318
Total	21,287	22,752	1,465

Households and Non-profit Institution Serving Households Sector

Throughout the fourth quarter of 2016 the gross disposable income of the households and non-profit institution serving households (NPISH) increased to 186,529 million euros, 2.3% more than in the same period of 2015.

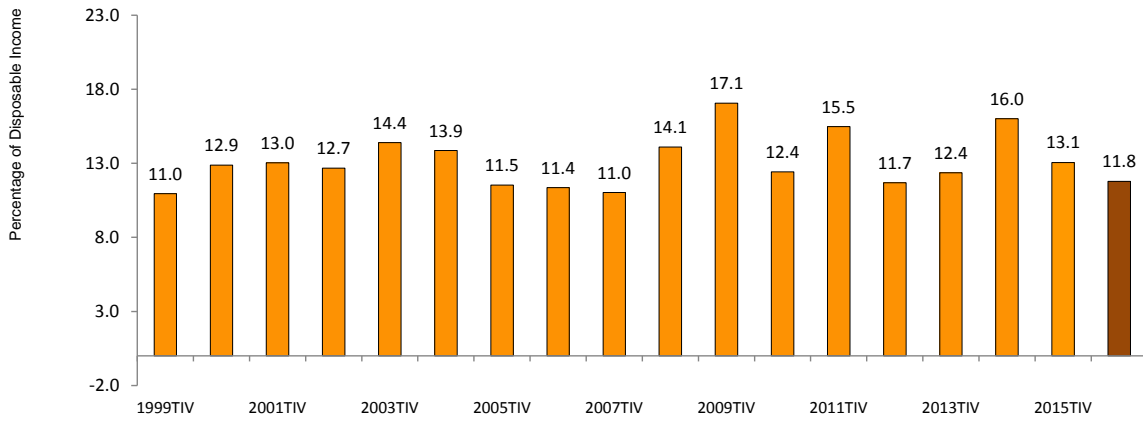
This increase is the result of an increase of 3.7% in the gross operating surplus and gross mixed income of the sector and 2.8% in the remuneration received by workers. Moreover, the net balance of property income receivable (interests, dividends, etc.) increased by 0.1%.

As far as the secondary distribution of income is concerned, in the fourth quarter of 2016 the total amount of social benefits receivables by the sector increased by 2.1%, at the same time the net balance of other current transfers increased in 28.7%. On the other hand, there was an increase of the amount received by the sector in taxes on income and wealth and social contributions (5.0% and 4.1% respectively).

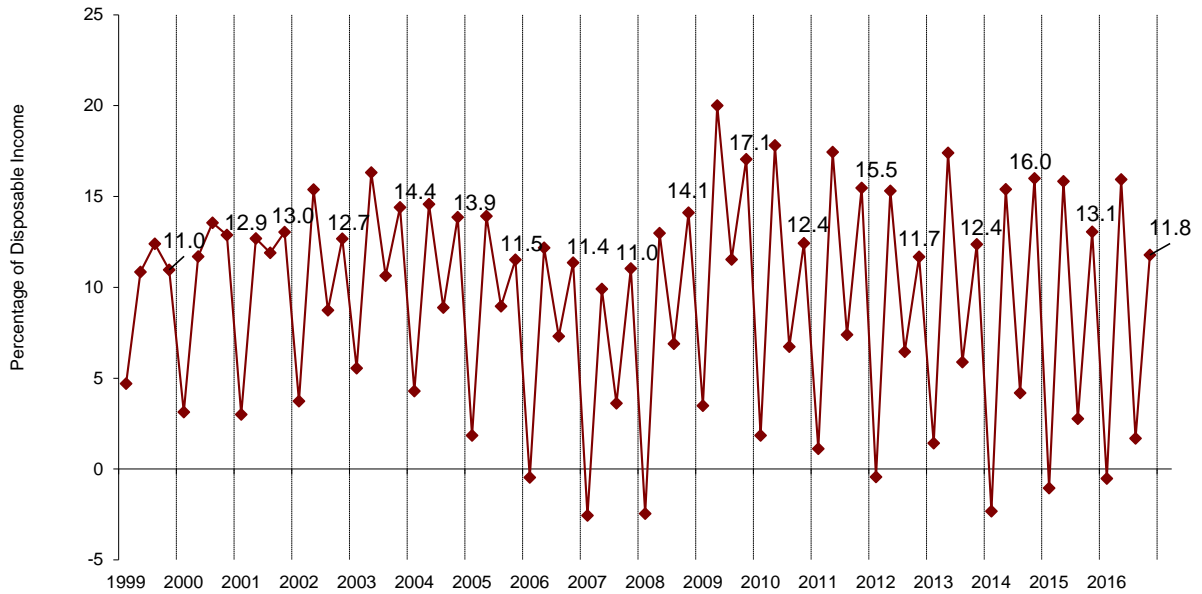
In terms of the use of the disposable income, the final consumption expenditure of the households and NPISH throughout the fourth quarter of 2016 is estimated at 164,155 million euros, 3.7% higher than in the same period of 2015. Thus, and despite of the higher disposable income, household and NPISH savings decreased by 7.8% (21,911 million, compared with 23,770 million in the fourth quarter of 2015).

In this way, the savings ratio for the households and NPISH amounts to 11.8% of its disposable income, 1.3 points lower than that registered in the fourth quarter of 2015.

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

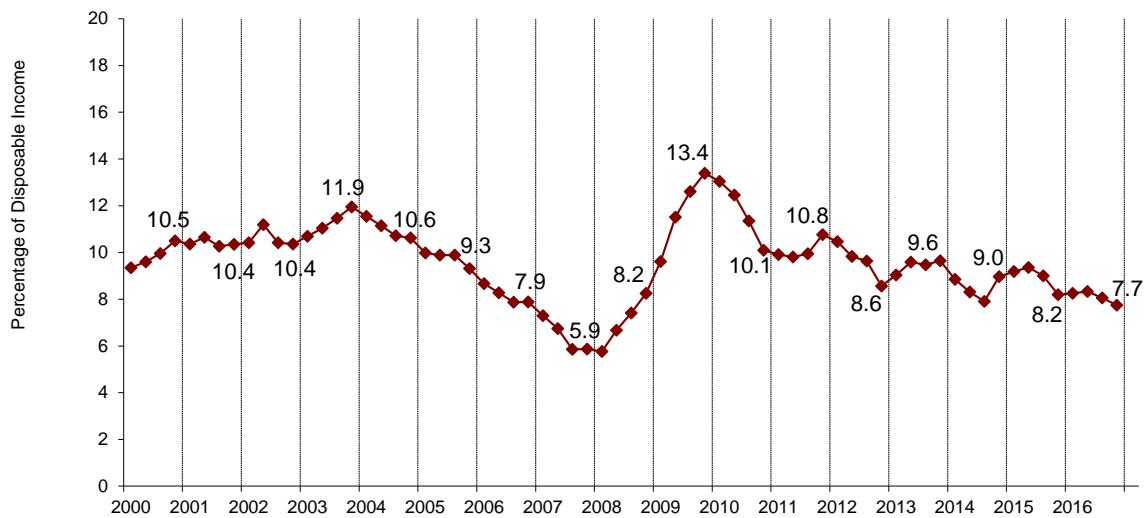


Saving rate of Households and NPISH



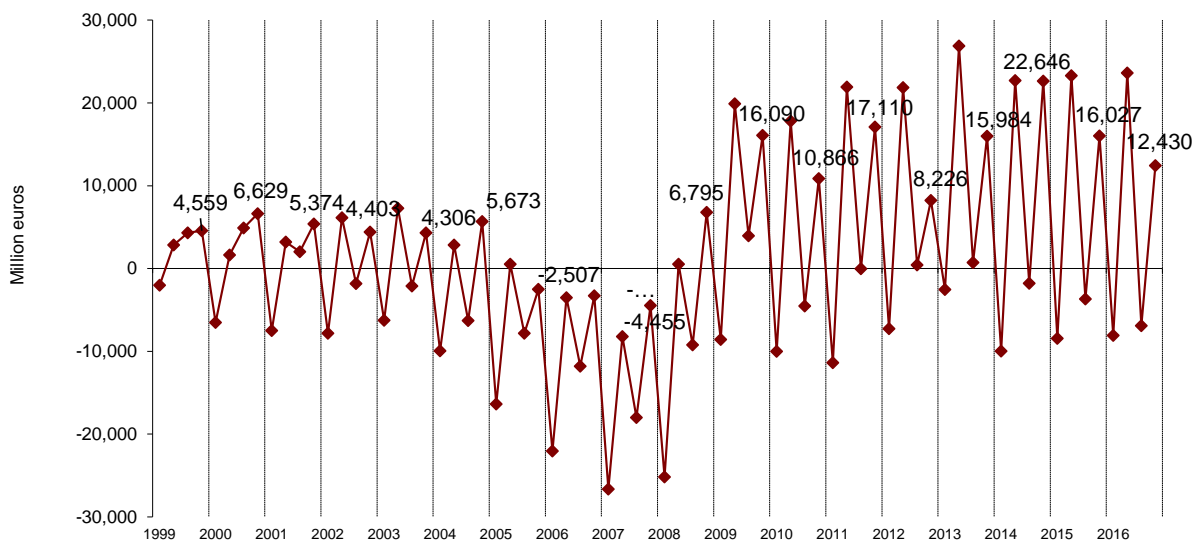
If savings ratios are calculated for the aforementioned households and NPISH for moving reference periods for four quarters, the savings ratio of the sector decreases by 0.4 points compared with the previous quarter, up to 7.7%.

Saving rate of Households and NPISH (mobile year)



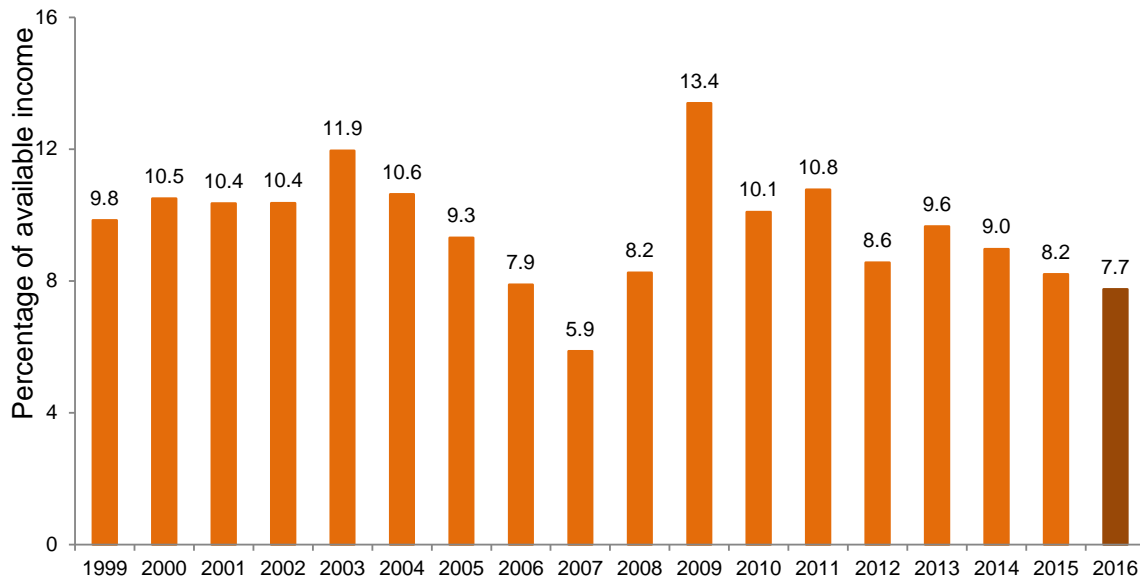
On the other hand, the investment volume for households and NPISH increased to 9,280 million euros in the fourth quarter, compared with 8,141 million for the same period of 2015. The savings generated by the sector was enough to finance this investment, as well as the negative balance of net capital transfers receivables (-218 million), generating a net lending of 12,430 million (lower than the 16,027 million estimated for the same quarter of 2015).

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



Throughout the course of 2016 the households and ISFLSH recorded as savings ratio of 7.7% of its disposable income, 0.5 points less than in 2015. This progress came about with an increase of 2.5% of its disposable income and a growth of 3.0% of its final consumption expenditure.

Evolution of the annual rate of households and NPISH

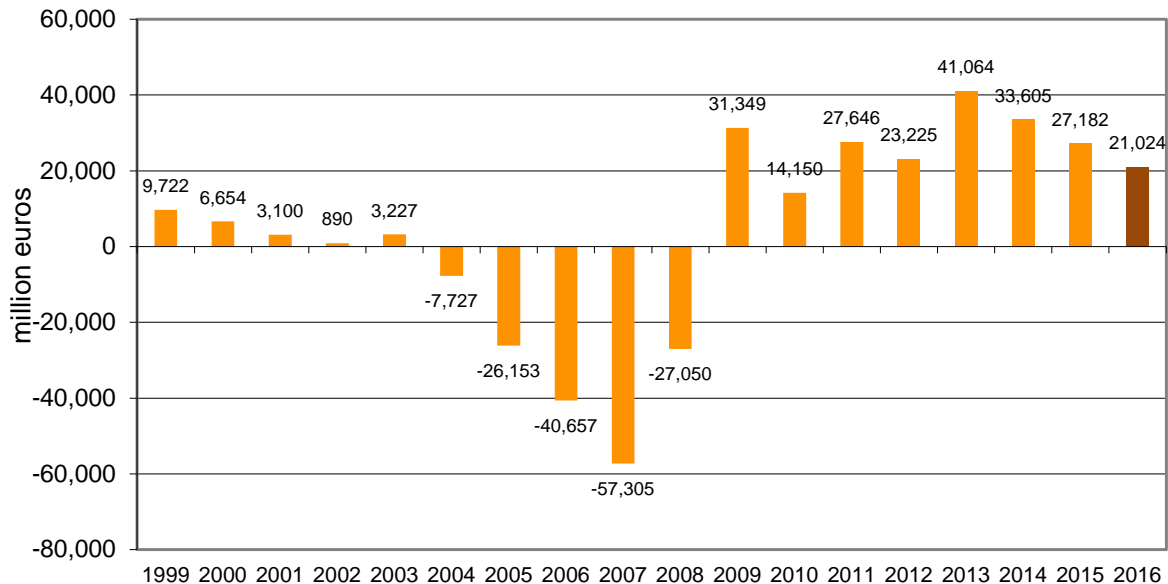


In the analysis of the annual evolution of this sector, the balance of primary income increased by 3.0%, as a consequence of a higher gross operating surplus and gross mixed income (3.7%) and a higher remuneration received by workers (3.1%). These increases were seen to be compensated, in part, by a reduction of 0.2% in the net balance of property income (interest, dividends, etc.) receivable.

The savings generated by households and non-profit institutions reached 54,072 million euros in 2016. This saving allowed the investment volume of the sector to be financed, estimated at 32,443 million (6.5% higher than in 2015), and a negative net balance of the capital transfers (of -605 million euros).

In this sense, the households and non-profit institutions presented a financing capacity of 21.024 million euros in 2016 (compared with 27.182 million in 2015).

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



Non-financial Corporations Sector

The gross disposable income of non-financial corporations increased by 3.3% in the fourth quarter of 2016 compared with the same period of 2015, amounting to 52,336 million euros.

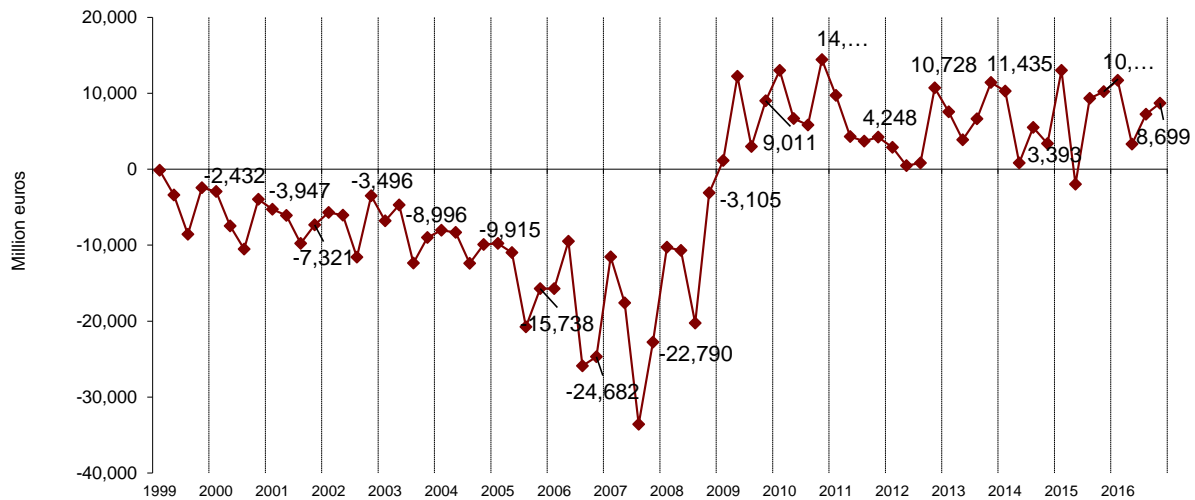
This growth can be explained first, by the increase of 7.0% in the gross balance of primary income, as a result of an increase in the gross operating surplus of the sector of 6.0% and of the net balance of property income (interests, dividends, etc.) of 0.3%.

In terms of the secondary distribution of income, corporate tax accrued increased by 35.7%, social benefits payable decreased by 9.9% and the social contributions imputed as sector resources increased by 12.3%. Likewise, the net balance of current transfers receivables increased by 4.8%.

The disposable income for corporations, together with the positive balance of 2,530 million euros corresponding with net capital transfers, has been sufficient to finance the investment volume of the sector, which amounts to 46,167 million this quarter (7.9% more than in the same period of the previous year).

As a result, a financing capacity of 8,699 million euros is estimated for the sector, compared with 10,206 million for the fourth quarter of 2015.

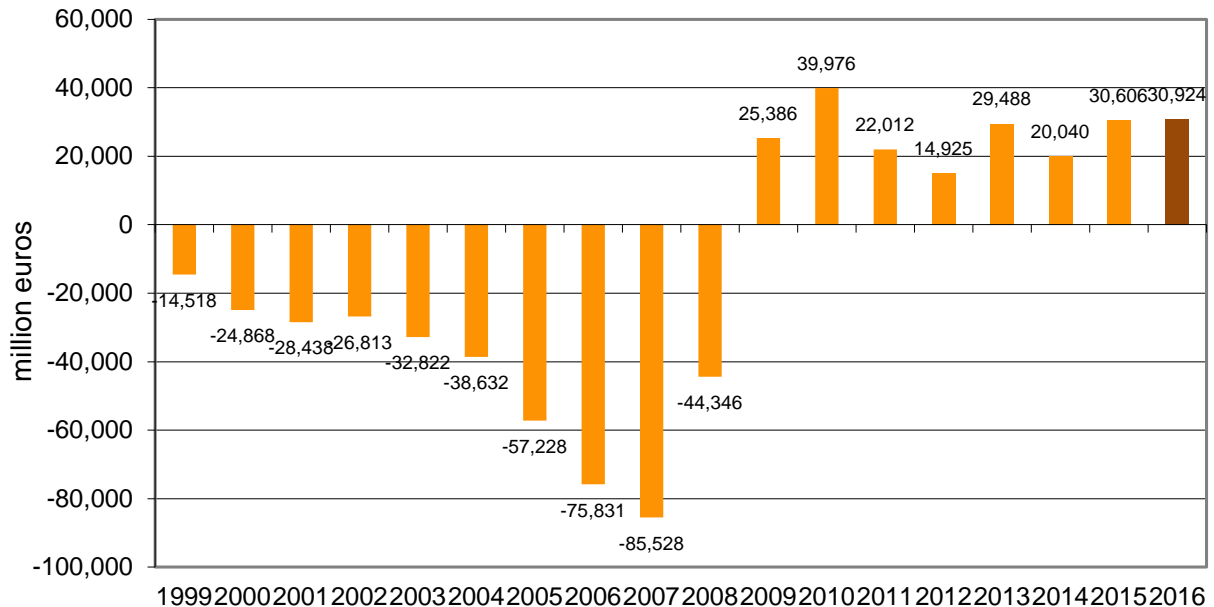
**Net lending (+) / Net borrowing (-)
Non-financial corporations**



Throughout 2016 the disposable income of the sector increased by 7.8%, as a result of an increase of 6.5% in the balance of primary income in the sector. This increase came about due to the gross operating surplus of the non-financial corporations that grew by 5.2% with regards to 2015 and despite that the net balance of property income receivable decreased by 0.9%. On the other hand, corporate tax accrued increased by 1.8%, at the same time social benefits payable decreased by 8.3%, social contributions imputed as resources increased 14.2% and the net balance of other current transfers increased 2.7%.

This result, together with the net balance of capital transfers received (6,176 million euros) was sufficient to finance the investment volume of the sector estimated in 167,086 million (which was 9.0% higher than it was in 2015) and to obtain a financing capacity of 30,924 million euros for the whole year 2016 (compared with 30,606 million in 2015).

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



General Government Sector

The gross disposable income of the General Government Sector amounts to 46,630 million euros in the fourth quarter, 9.1% more than in the same period of 2015.

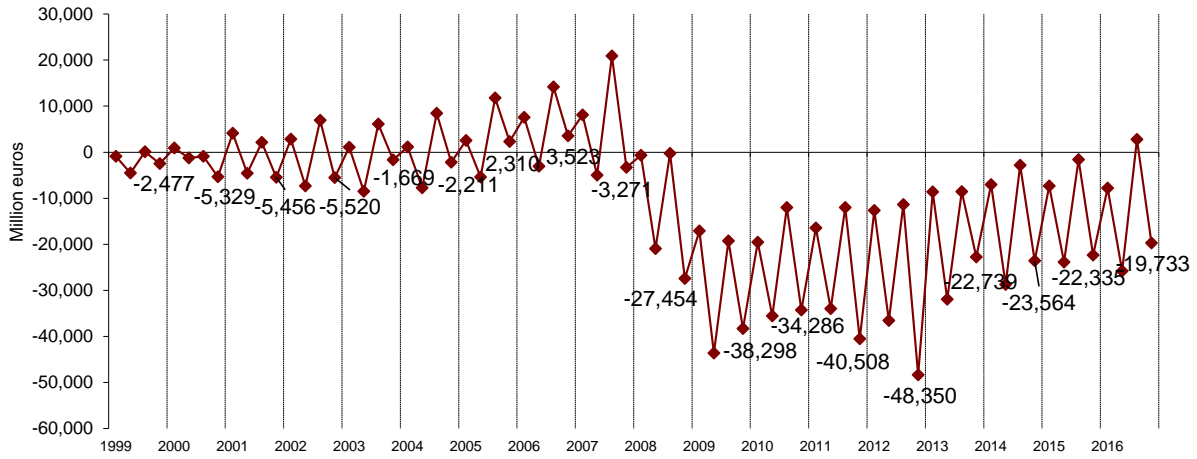
This result took place, in the first place, due to the increase of 0.4% of the balance of primary income of the sector (the gross operating surplus of the sector increased 0.5%, although the net balance of the property income payable increased 1.8% and the amount accrued in taxes net of subsidies on the production and import remained practically unchanged).

Furthermore, the amounts accrued as taxes on income and wealth, and social contributions increased by 13.7% and by 3.1%, respectively, whilst the social benefits payable increased by 1.6%. The net balance of current transfers receivables increased by 49.6%.

On the other hand, the final consumption expenditure of the General Government Sector increased by 0.1%, to 57,820 million euros. All of this means that the sector experienced a decrease in its negative level of savings of 25.7%, amounting to -11,190 million euros.

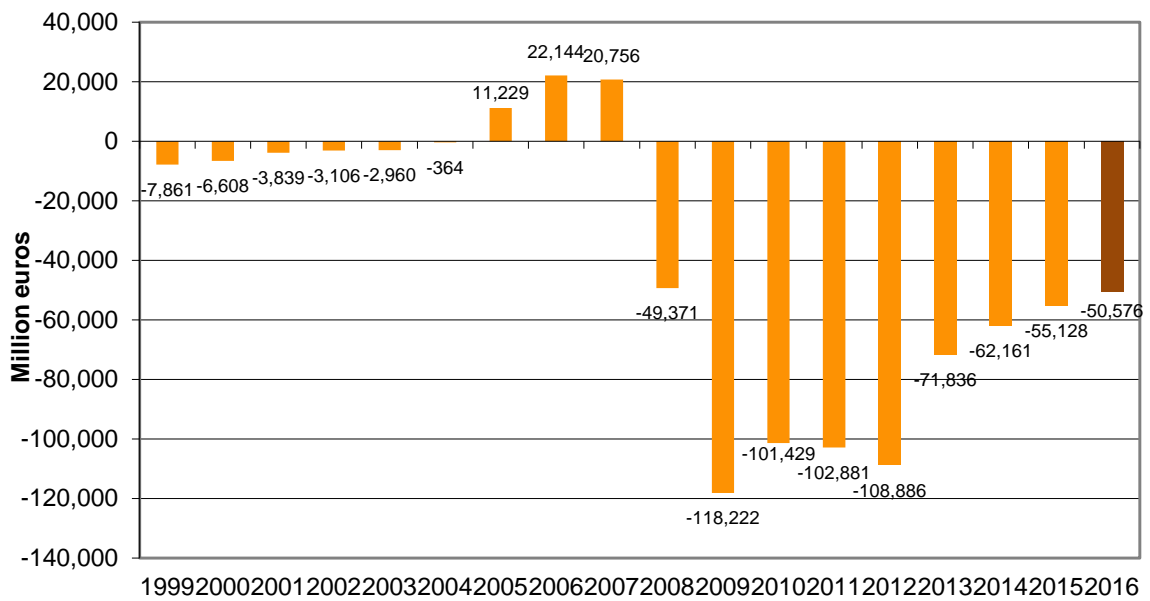
This result, together with a net balance of capital transfers received of -2,166 million euros and an investment of the General Government Sector of 6,377 million, determines that the sector creates a financing need of 19,733 million euros.

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



Throughout 2016, the General Government Sector presented a financing need of 50,576 million euros (compared with 55,128 million in 2015).

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



The drop in the financing need of the General Government Sector in 2016 was brought about an increase of 3.6% in its disposable income and the reduction of its investment (of 14%, standing at 22,519 million euros), and despite the increase observed in its final consumption expenditure (0.9%) and in the net balance of the capital transfers payable (4,070 million euros, compared with 364 in 2015).

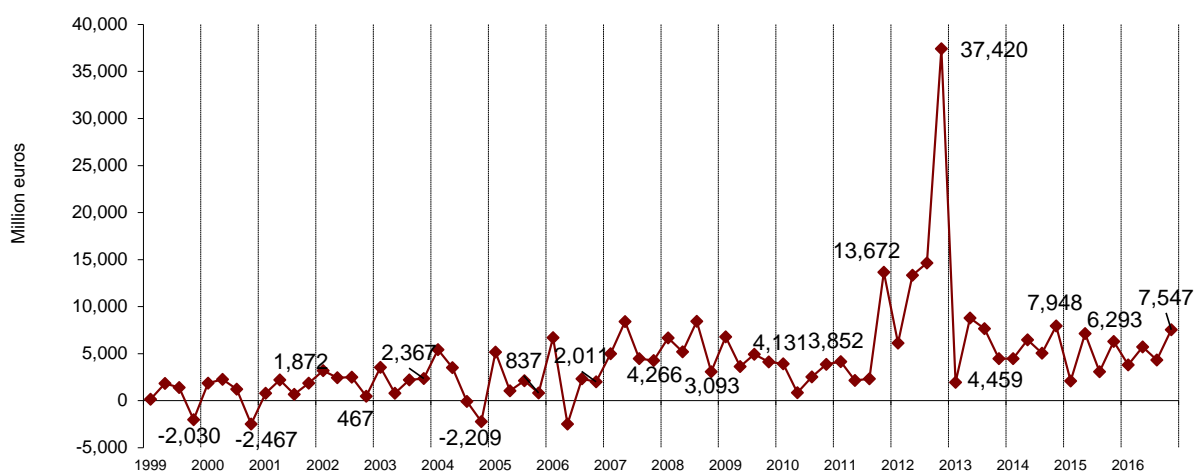
Financial Corporations Sector

The gross disposable income of the sector of financial corporations decreased by 0.2% in the fourth quarter with regards to the same period of 2015, amounting to 7,765 million euros.

This result took place despite the increase of 4.7% in gross operating surplus of the sector, that the net balance of property income payable (interests, dividends, etc.) increased 14.2%, and that the social contributions accrued in the period increased 12.8%. In turn, it is the result of the increase in the corporate tax accrued (1,122 million, compared with 539 in the same quarter of 2015), the increase of 19.0% in social benefits payable and the decrease of 33.7% in the net balance of other current transfers received.

The gross disposable income created in the quarter together with the net balance of capital transfers receivable (717 million) and an investment of 1.381 million euros gives way to financial corporations presenting a financing capacity of 7,547 million euros.

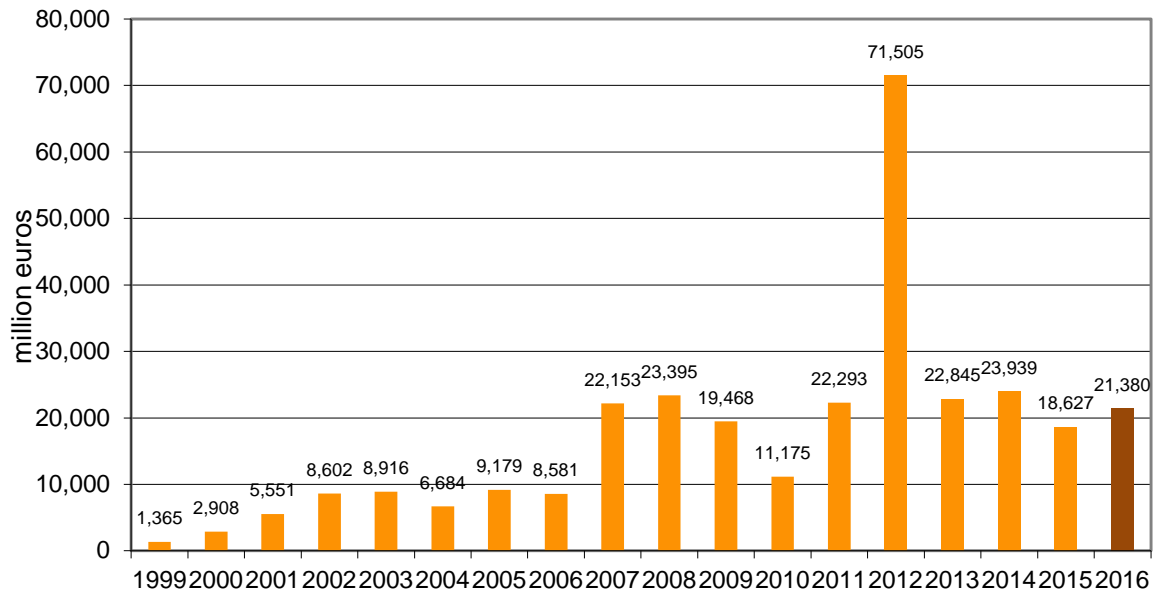
**Net lending (+) / Net borrowing (-)
Financial corporations**



Throughout 2016, financial corporations presented a net lending of 21,380 million euros, compared with 18,627 million in 2015.

This increase in net lending of financial corporations in 2016 was due to a higher disposable income (it increased by 5.5%) and to the decrease of 13.0% in its investment and in the net balance of the capital transfers (76 million euros, compared with 760 million in 2015).

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



Further information

The objective of the **Non-financial Quarterly Accounts for the Institutional Sectors** (CTNFSI) 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 CTNFSI 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 corresponding with the fourth quarter of 2016 are published today. Also, the results of the complete series of the QNFAIS has been updated with respect to those published last December 29th, consistently with the review carried out by the General Intervention of the State Administration in the Public Administration accounts in the scope of data notification to Eurostat, in compliance with the regulating rules of the Excessive Deficit Procedure.

All published results are consistent with the series of quarterly aggregates of the national economy published last March 2nd on the scope of the Quarterly National Accounts of Spain.

The QNFAIS are presented both as integrated economic accounts and as detailed accounts.

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