

Quarterly Spanish National Accounts. Base 2000
Quarterly non-financial accounts for the Institutional Sectors
First quarter of 2008

Main results

- In the first quarter of 2008, the savings rate for households and non-profit institutions serving households (NPISH) reach 2.6% of their disposable income, four tenths less than the same period in 2007. Taking mobile periods of the last four quarters as a reference, this rate stands at 10.2% of disposable income, one tenth less than the previous period.
- The financing need of households and NPISH during the first quarter stands at 18,263 million euros, 6.8% of GDP.
- Non-financial corporations have a financing need of 35,925 million euros, 13.4% of quarterly GDP. This rate coincides with that estimated for the same quarter of the previous year.
- The Public Administrations present a financing capacity of 18,588 million euros, 6.9% of quarterly GDP.
- Financial corporations have a financing capacity of 5,393 million euros this quarter, 2.0% of GDP.
- The financing need of the economy as compared with the rest of the world is estimated at 30,207 million euros, accounting for 11.3% of quarterly GDP, 1.8 points more than one year ago.

Households and Non-Profit Institutions Serving Households Sector

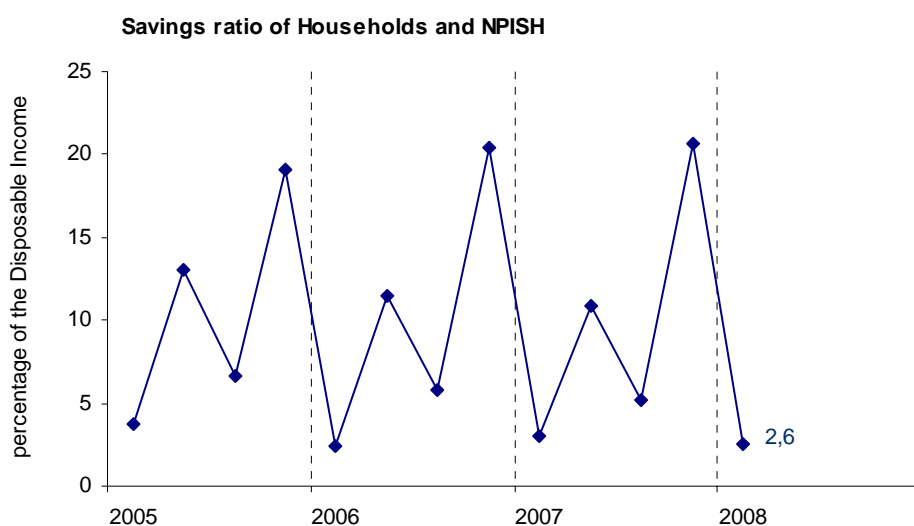
During the first quarter of 2008, disposable income for the Households and Non-profit Institutions Serving Households Sector (NPISH) increased 5.6% interannually, which in absolute terms amounted to 164,156 million euros, an increase of 8,769 million euros as compared with the income estimated in the first quarter of the previous year.

This result was particularly contributed to by the increase in the balance for primary income (6.1%), in which it was worth noting, firstly, the growth in aggregate operating surplus and household, which grew 7.5%; in turn, the net balance of perceived property income (interest, dividends, ...) barely grew 0.1% (received income grew 5.1% and paid income, 14.5%) and, lastly, the growth estimated in employee compensation during the quarter was 5.9%.

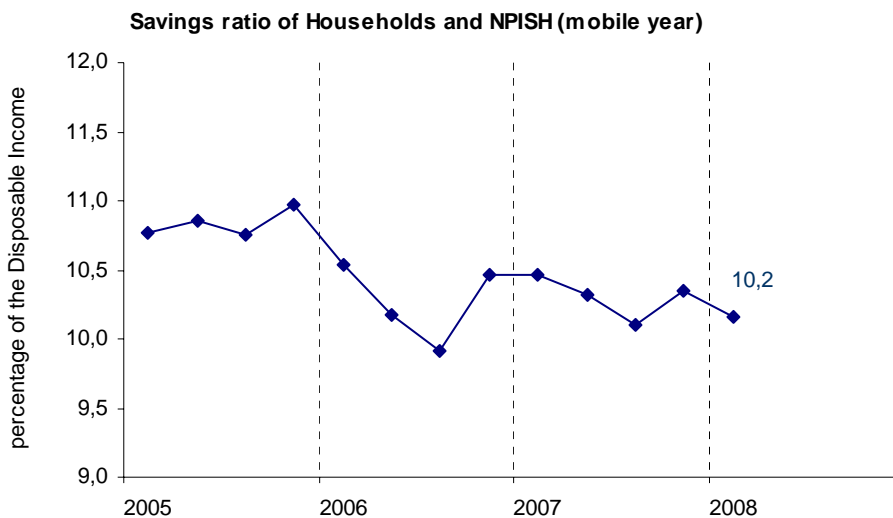
Likewise and regarding secondary income distribution, households benefited this quarter, from a volume of social benefits received which grew at an interannual rate of 8.1%, this rate being higher than that reached by the amount of social contributions paid (7.2%), and from a balance of current transfers received that increased 31.9%. On the other hand, taxes on income and wealth paid by households increased 12.1%.

The joint consideration of all of the elements mentioned has determined that the interannual growth of the disposable income of households stood at 5.6%, as previously stated.

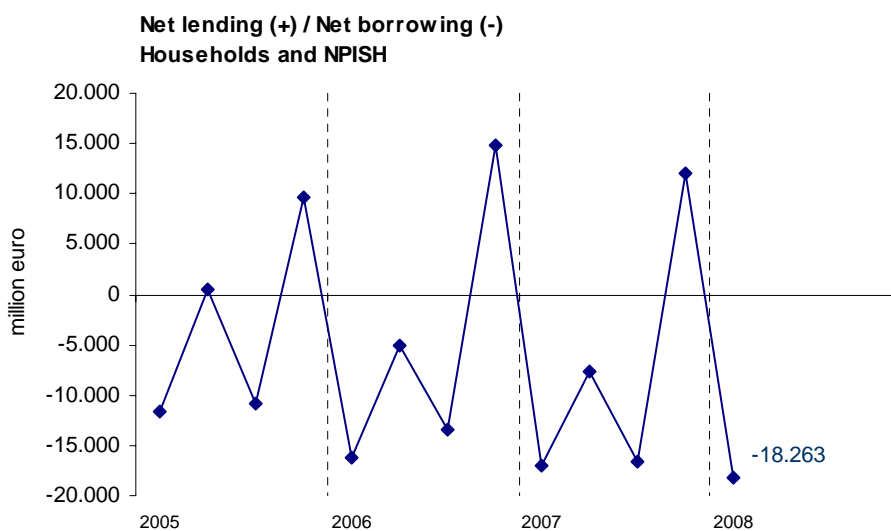
As regards the use of this disposable income, it is important to note that the expenditure on final consumption by households and NPISH in the period grew at a higher rate (6.1%) than that of the disposable income itself, with the result that the savings, although remaining positive (it reached 4,240 million euros), decreased 372 million euros as compared with the same quarter the previous year. The savings rate stood at 2.6% of disposable income, four tenths less than one year ago.



Taking mobile periods of four quarters, the period from the second quarter of 2007 to the first quarter of 2008 showed a savings rate for the sector that reached 10.2% of disposable income, one tenth less than the previous mobile period.



On inspection of the capital account, it is clear the this savings generated by households and NPISH, together with a positive balance of 1,430 million due to net capital transfers received, was not sufficient to finance the considerable volume of the investment of the sector, which reached 23,933 million euros in this quarter, 2.9% more than in the same period of 2007. Thus the sector generated a financing need of 18,263 million euros (6.8% of quarterly GDP).



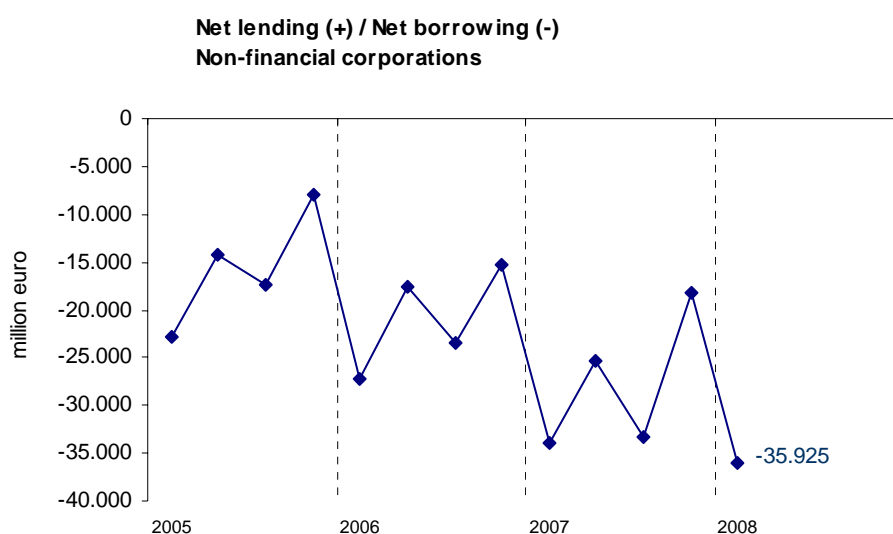
Non-Financial Corporations Sector

During the first quarter of 2008, non-financial corporations experienced an interannual increase of 1.7% in disposable income.

The aggregates explaining this behaviour were, on the one hand, the increase in the balance of primary income (which was 1.9%), obtained from the growth of 7.4% in operating surplus, compensated almost entirely by the noteworthy increase in net property income paid (15.9%), and on the other hand, the evolution of the company tax paid by the sector, which grew 4.1% this quarter.

In absolute terms, disposable income for the sector reached 19,354 million euros during the referenced quarter.

This amount, linked to the positive balance of 3,409 million in transfers of net capital received, was not sufficient to finance the total investment volume of the sector (58,688 million euros). Consequently, financing needs of 35,925 millions are estimated, a figure accounting for 13.4% of quarterly GDP, a percentage similar to that recorded one year ago.



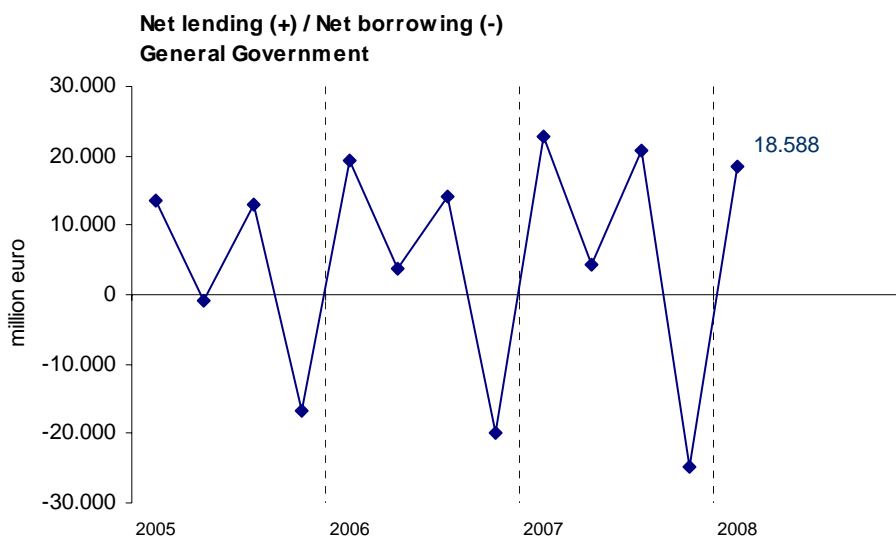
Public Administrations Sector

In the first quarter of 2008, Public Administrations decreased their disposable income by 0.5% in the interannual rate, reaching 66,073 million. The factors explaining this result were, firstly, the interannual decrease in the total value of net taxes received by the sector (-0.4%), in which differentiated behaviours were observed between taxes linked to production and taxes from income and wealth. Indeed, whereas the former decreased their level 8.0% (a decrease of 2,833 million), the latter grew at a rate of 11.3% (an increase of 2,604 million).

The second element is the decrease in volume of contributions received as compared with social benefits received (7.2% of interannual growth of the former as compared with 8.5% of the latter), as well as the greater net balance of current transfers paid. Finally, there was the net property income paid by the public administrations, which decreased 16.2%.

In turn, the final consumption expense of public administrations increased 7.6%, therefore the savings decreased 12.2%, their absolute value standing at 24,062 million euros.

These savings, reduced by 2,368 million due to the net balance of capital transfers, allowed for complete financing of the investment of the Public Administrations during this first quarter; a period in which the sector obtained a financing capacity of 18,588 million euros, 6.9% of quarterly GDP (2.1 points less than one year ago).

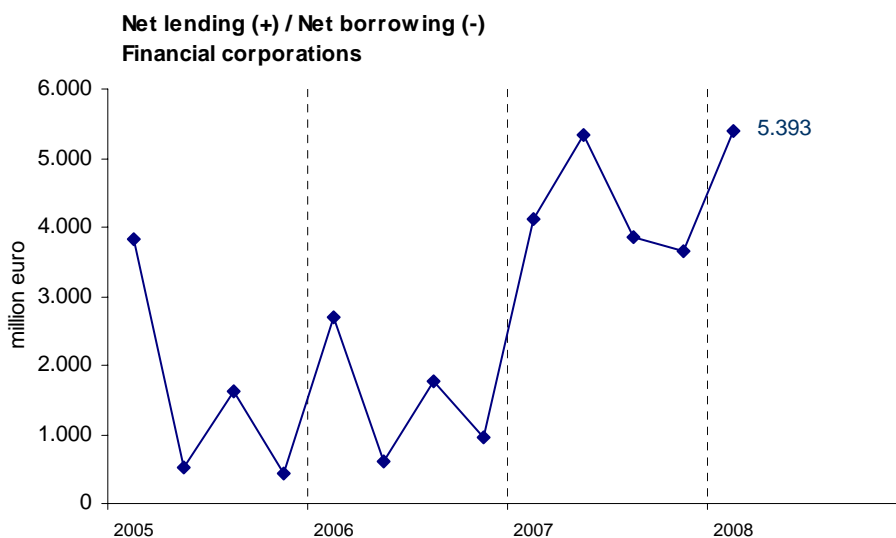


Financial Institutions Sector

In the first quarter of 2008, disposable income for the financial institutions sector increased 47.1% as compared with the same period of the previous year, standing at 7,743 million euros.

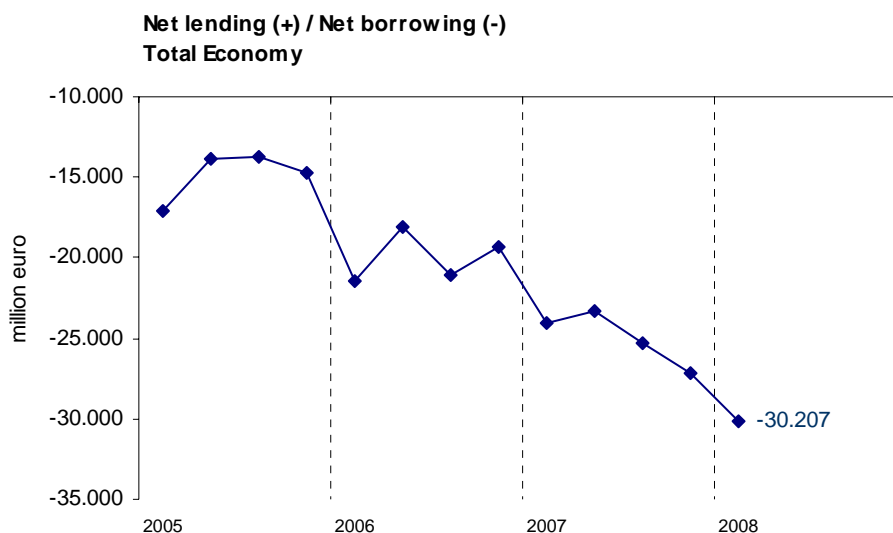
This result was mainly due to the increase in the gross operating surplus of the sector (45.0%), as well as the increase in the net balance of perceived property income (49.3%). Nonetheless, the growth of 36.8% in the amount of company tax paid by financial institutions partially compensated for the effect of the mentioned aggregates on disposable income.

Lastly, this aggregate, reduced by a negative balance of 186 million in capital transfers, was enough to finance the noteworthy volume of investment made by the sector (it grew 120.5% in interannual terms to stand at 2,229 million euros), so that financial institutions obtained a financing capacity of 5,393 million during this period, 2.0% of GDP, four tenths more than one year ago.



National Economy

As a result of the actions of all institutional sectors, the national economy presented a financing need of 30,207 million euros against the rest of the world during the first quarter of 2008 (6,167 million euros more than the first quarter of 2007). This figure represented 11.3% of GDP, 1.8 points more than that estimated for the same period of the previous year.



From the perspective of the rest of the world, the greater financing need of the Spanish economy is the result of worse performance, both in our foreign balance of goods and services with the rest of the world (a 22.7% drop to 21,231 million euros) and in net foreign balance of income and current and capital transfers (33.3% less, decreasing to 8,976 million).

In the case of foreign exchange balance of goods and services, imports (10.8%) grew in the first quarter of 2008, more than three points over exports (7.7%). This fact, together with the greater relative weight of the former as compared with the latter, determined the aforementioned result on this balance.

Further information

The results for the period from the first quarter of 2000 to the first quarter of 2008 are available on the INE website (www.ine.es).

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.

For further information see INEbase-www.ine.es/en/welcome_en.htm All press releases at: www.ine.es/en/prensa/prensa_en.htm

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