

1 July 2010

**Quarterly Spanish National Accounts. Base 2000
Quarterly Non-Financial Accounts for the institutional Sectors
First quarter of 2010**

Main Results

- In the first quarter, the savings ratio for households and non-profit institutions serving households (NPISH) reaches 10.7% of their disposable income, nine points less than the same period in 2009. Taking mobile periods of the last four quarters as a reference, this rate stands at 18.5% of disposable income, three tenths less than the previous period.
- The net lending of households and NPISH during the first quarter of 2010 stands at 5.721 million euros, 2.2% of GDP.
- Non-financial corporations have net borrowing of 17,346 million euros, 6.8% of quarterly GDP.
- The General Government presents net borrowing of 7,901 million euros, 3.1% of quarterly GDP.
- Financial corporations have net lending of 3,934 million euros this quarter, 1.5% of GDP.
- Net borrowing of the economy as compared with the rest of the world is estimated at 15,592 million euros, accounting for 6.1% of quarterly GDP, 1.5 points less than one year ago.

Households and Non-Profit Institutions Serving Households Sector

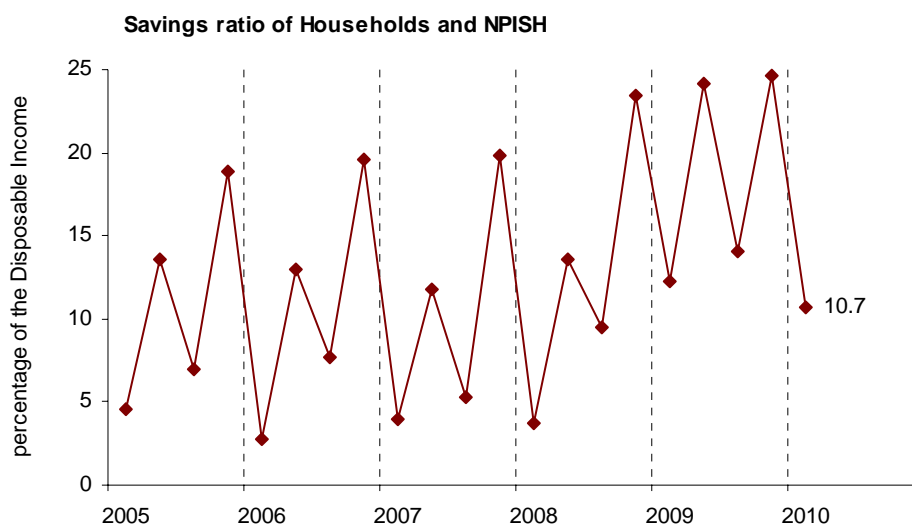
During the first quarter of 2010, disposable income for the Households and Non-Profit Institutions Serving Households Sector (NPISH) increased 0.4% as compared with the same quarter of the previous year, which in absolute terms amounted to 169,211 million euros, an amount 640 million euros greater than the income estimated in the first quarter of the previous year.

This performance was explained by the 1.0% decrease in the balance for primary income, as a result both of the 1.2% decrease in remuneration of employees, and of the net balance of perceived property income (interest, dividends, etc.) resulting in 4.4% (that received decreased 12.5%, and that paid, 31.2%) partly compensated by the increase in the operating surplus and mixed income of households (0.2%).

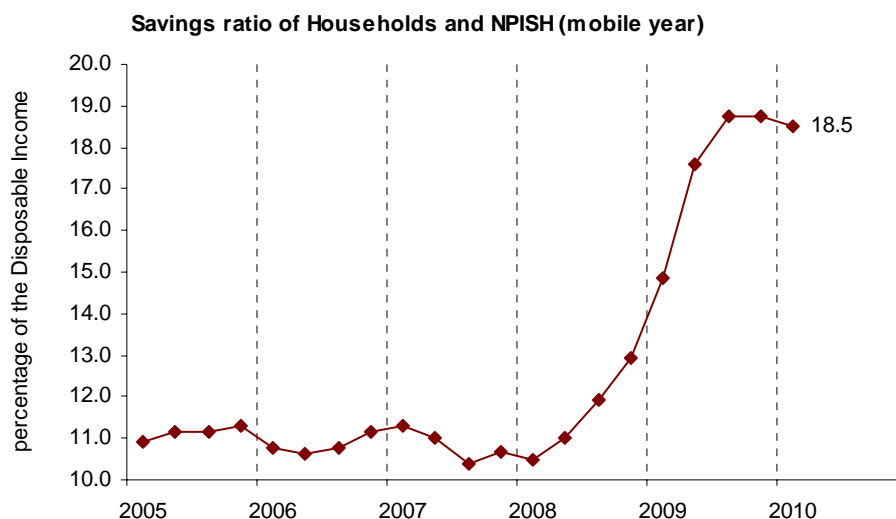
Conversely, regarding secondary income distribution, households benefited this quarter, from a volume of social benefits received that grew at an interannual rate of 7.3%, and a decrease in the amount of social contributions paid (1.0%), as well as in income tax and tax on wealth paid by households (0.4%). Nevertheless, the balance of current transfers received decreased 30.9%.

The joint consideration of all of the elements mentioned has determined that the interannual growth of the disposable income of households stood at 0.4%, as previously stated.

As regards the use of this disposable income, it was worth mentioning that final consumption expenditure by households and NPISH during this period decreased 1.4%, with the result that savings increased 18,101million euros to reach 1,519 million euros as compared with the same quarter the previous year. The savings rate stood at 10.7% of disposable income, nine tenths less than one year ago.

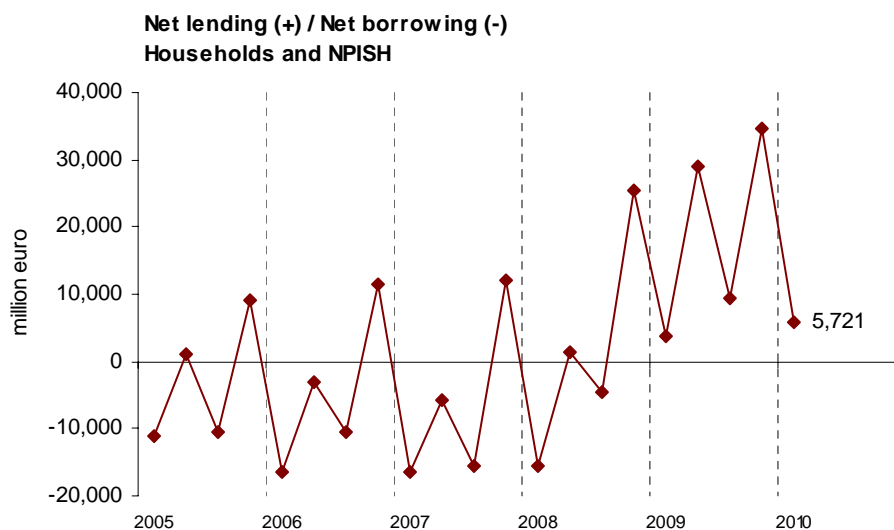


Taking **mobile periods of four quarters**, the period from the second quarter of 2009 to the first quarter of 2010 showed a savings ratio for the sector that reached 18.5% of disposable income, three tenths less than the previous mobile period.



On inspection of the capital account, it is clear that the savings generated by households and NPISH, together with a positive balance of 2,082 million euros, due to net capital transfers received, was sufficient to finance the investment volume of the sector, which reached 21.8 million euros as compared with the same period of 2009.

Thus, the sector generated net lending of 5,721 million euros (2.2% of quarterly GDP).



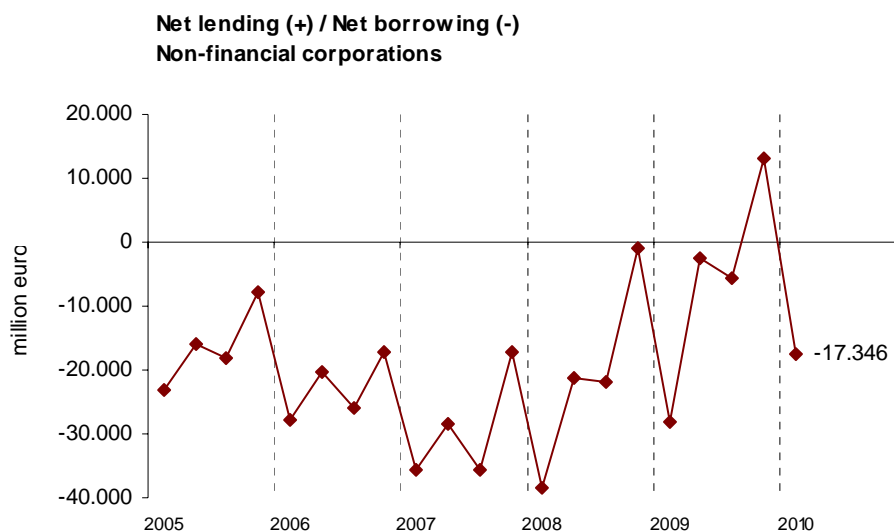
Non-Financial Corporations Sector

During the first quarter of 2010, non-financial corporations experienced an interannual increase of 48.2% in disposable income.

This performance was explained by the 39.8% interannual increase in the balance for primary income, as a result of the 5.7% growth in the operating surplus of the sector and of the 31.6% decrease in net property income paid. Conversely, corporate tax paid by the sector increased 14.8%.

In absolute terms, disposable income for the sector reached 22,516 million euros during the referenced quarter.

This amount, linked to the positive balance of 4,445 million in transfers of net capital received, was not sufficient to finance the total investment volume of the sector (44,307 million euros). Consequently, financing needs of 17,346 millions are estimated, a figure involving 6.8% of quarterly GDP, a percentage notably lower than that recorded one year ago (10.9%).



General Government Sector

In the first quarter of 2010, General Government increased disposable income by 7.7% interannually, reaching 49,495 million euros.

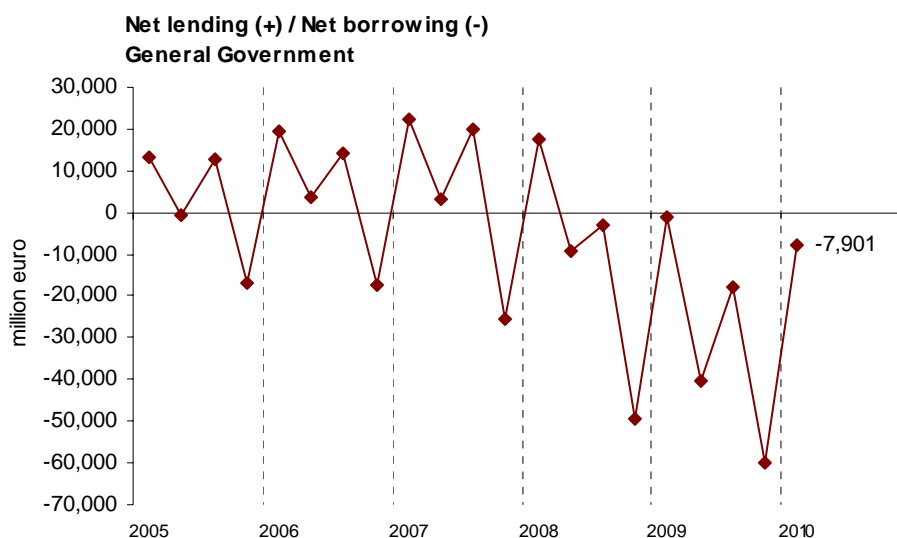
This result was mainly due to the increase in social benefits (8.8%) and in net property income (27.2%) paid by the General Government.

Another factor contributing to this result was the interannual decrease in the total value of net taxes received by the sector (0.9%). In fact, net taxes linked to production decreased their level 0.7% (registering a decrease of 184 million) and taxes from income and wealth decreased at a rate of 1.2% (279 million).

Nevertheless, contributions received by the sector maintained the level of one year ago.

In turn, the final consumption expense General Government increased 3.3%; therefore the savings decreased 77.7%, their absolute value standing at 1,630 million euros.

These savings, reduced by 4,603 million by the net balance of capital transfers, and together with an investment from the General Government of 4,928 million euros in this first quarter gives rise to net borrowing of 7,901 million euros, 3.1% of quarterly GDP (2.7 points more than one year ago).

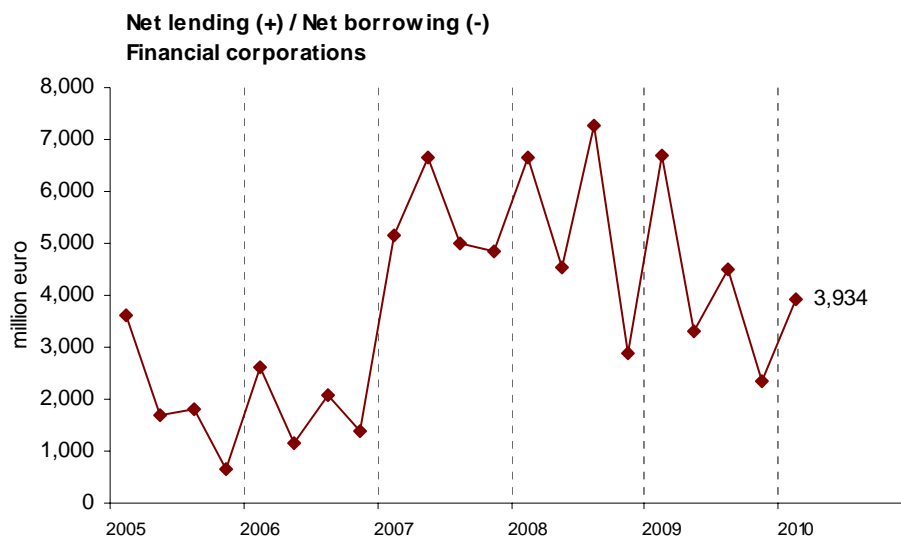


Financial Institutions Sector

In the first quarter of 2010, disposable income for the financial institutions sector decreased 46.2%, as compared with the same period the previous year, standing at 5,275 million euros.

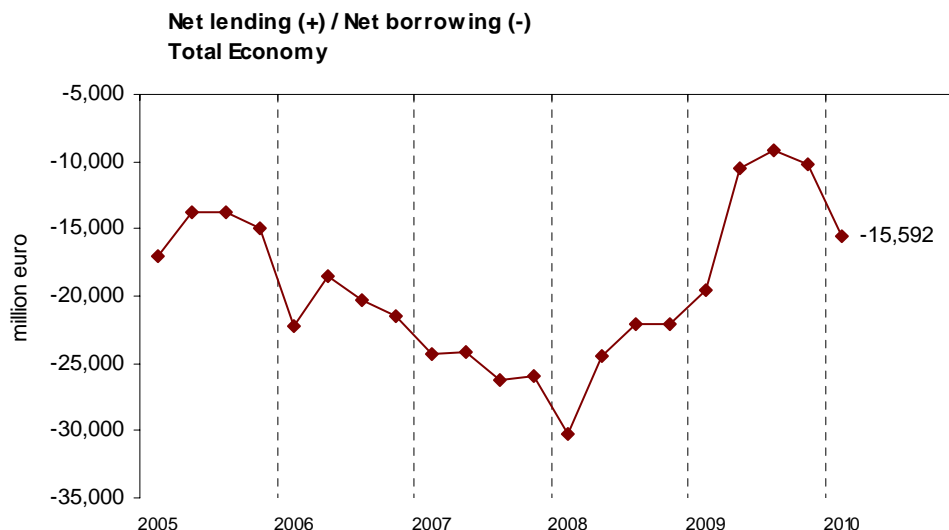
This result was due to the decrease in the gross operating surplus of the sector (25.3%) and to a greater decrease in income from property received (30.9%) than that paid (26.1%), as well as to the 15.7% increase in the amount of corporate tax paid by the financial institutions.

This disposable income, reduced by a negative balance of 125 million in capital transfers, was enough to finance the investment made by the sector (1,167 million euros, 58.4 million euros lower than for the same quarter the previous year), and so that financial institutions obtained net lending of 3,934 million during this period, 1.5% of GDP, 1.1 points more than one year ago.



National Economy

As a result of the actions of all institutional sectors, the national economy presented net borrowing of 15,592 million euros against the rest of the world during the first quarter of the year (3,977million more than estimated for the same period of 2009). This figure represented 6.1% of GDP, 1.5 points less than that estimated for the same period of the previous year.



The decrease in net borrowing of the Spanish economy was explained, firstly, by the behaviour of the balance of foreign exchanges of goods and services, which decreased 1,697 million euros, as a result of a greater increase in exports (8.4%) than in imports (4.8%). The second component contributing to this decrease is the improvement in the balance of income and current transfers and of capital, standing at 2,280 million euros.

Further information

The results for the period since the first quarter of 2000 to the first quarter of 2010 are available on the INE web page (http://www.ine.es/en/welcome_en.htm).

The accounts 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 Sectors.