

2 October 2012

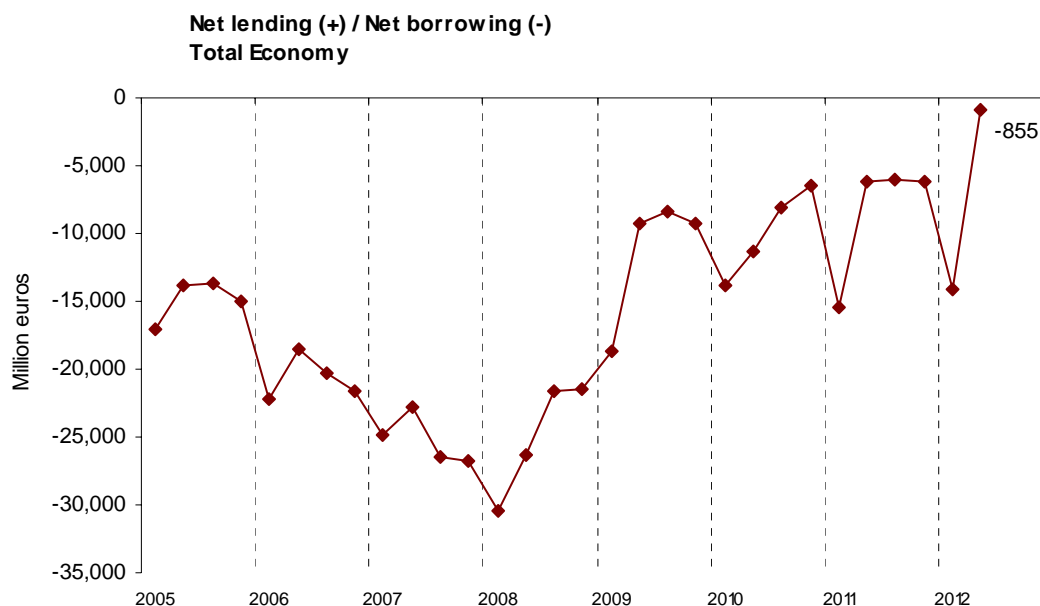
**Quarterly Spanish National Accounts. Base 2008**  
**Quarterly non-financial accounts for the Institutional Sectors**  
**Second quarter of 2012**

**Main results**

- In the second quarter of 2012, the net borrowing of the economy as compared with the rest of the world is estimated at 855 million euros. The total for the national economy accumulates net borrowing of 14,926 million euros in the first half of 2012, 2.8% of GDP.
- The savings rate for households and non-profit institutions serving households (NPISH) reaches 12.1% of their disposable income in the second quarter of 2012, 2.8 points less than the same period in 2011. Taking mobile periods of the last four quarters as a reference, this rate stands at 9.6% of disposable income, eight tenths less than the previous period.
- Households and NPISH present, in the second quarter, net lending of 9,832 million euros. This amount is 3,463 million euros less than the second quarter of 2011. Accumulating the two quarters in 2012, net lending of households and NPISH reaches 1,799 million, 0.3% of GDP.
- Non-financial corporations have net lending of 7,466 million euros in this period. During the two quarters of 2012, this sector accumulates a net lending of 14,337 million euros, 2.7% of GDP.
- Public Administrations present net borrowing of 29,670 million euros in the second quarter. Accumulating the first two quarters of 2012, the sector has net borrowing of 45,250 millions, 8.6% of GDP. Where aid to Financial Institutions was not taken into account, net borrowing accumulated during the six-month period was 39,832 million euros, accounting for 7.5% of GDP.
- The financial corporations obtain a net borrowing of 11,517 million euros this quarter, and accumulate net lending of 17,786 million euros in the two quarters of 2012, 3.4% of GDP.

## National Economy

As a result of the actions of all institutional sectors, the national economy presented net borrowing of 855 million euros against the rest of the world during the second quarter of 2012 (5,387 million less than estimated for the second quarter of 2011). This figure represented 0.3% of GDP, two points less than that estimated for the same period of the previous year.



The decrease in net borrowing of the Spanish economy was explained, mainly, by the behaviour of the balance of foreign exchanges of goods and services, which decreased 4,276 million euros, as a result of an increase in exports (4.9%) and a decrease in imports (-0.4%) of goods and services. The second component contributing was the improvement in the balance of income and current transfers and of capital, standing at 1,111 million euros.

On an aggregate basis, net borrowing for the Spanish economy stood at 14,926 million euros during the first semester of 2012.

## Households and Non-profit Institutions Serving Households Sector

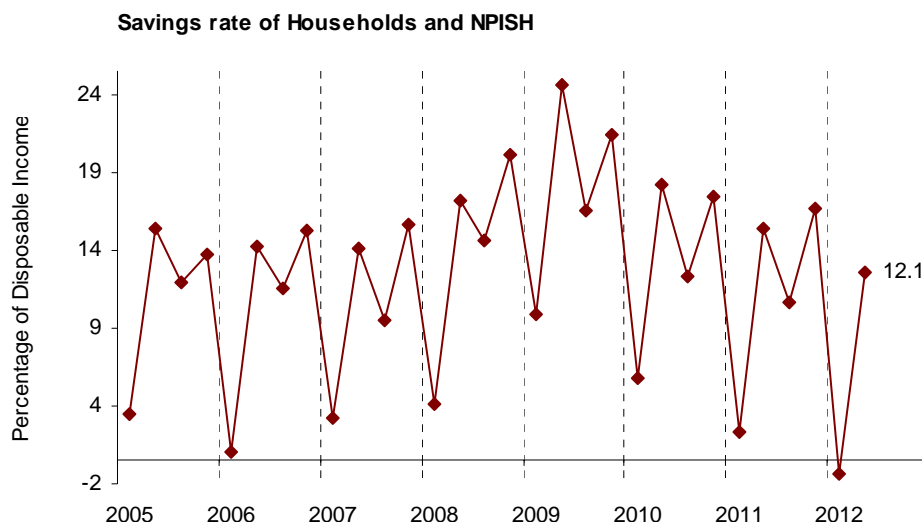
During the second quarter of 2012, disposable income for the Households and Non-Profit Institutions Serving Households (NPISH) Sector decreased 3.2% interannually, reaching the figure of 172,961 million euros, 5,661 million lower than the income estimated in the second quarter of the previous year.

This result was brought about as a result of a decrease in the balance of primary income (-3.5%) due to both the decrease in operating surplus and mixed income of households (-0.7%), to the decrease in remuneration of wage earners (-3.9%) and the balance of income from property received (interest, dividends, etc.) resulting in 14.4% (those received decreased 10.0%, and those paid, 2.5%).

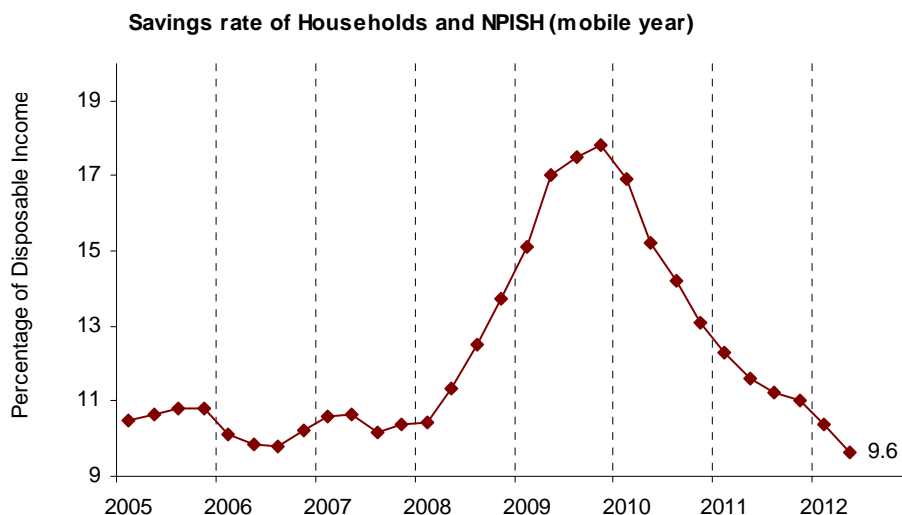
On the other hand, as far as secondary distribution of income was concerned, the increase in volume of benefits received (3.3%) and the decrease in social contributions paid by households (-1.0%), were not compensated for the increase of taxes on income and wealth (2.1%), and by the decrease in current transfers received (-16.1%).

The joint consideration of all of the elements mentioned has determined that the interannual decrease of the disposable income of households stood at 3.2%, as previously stated.

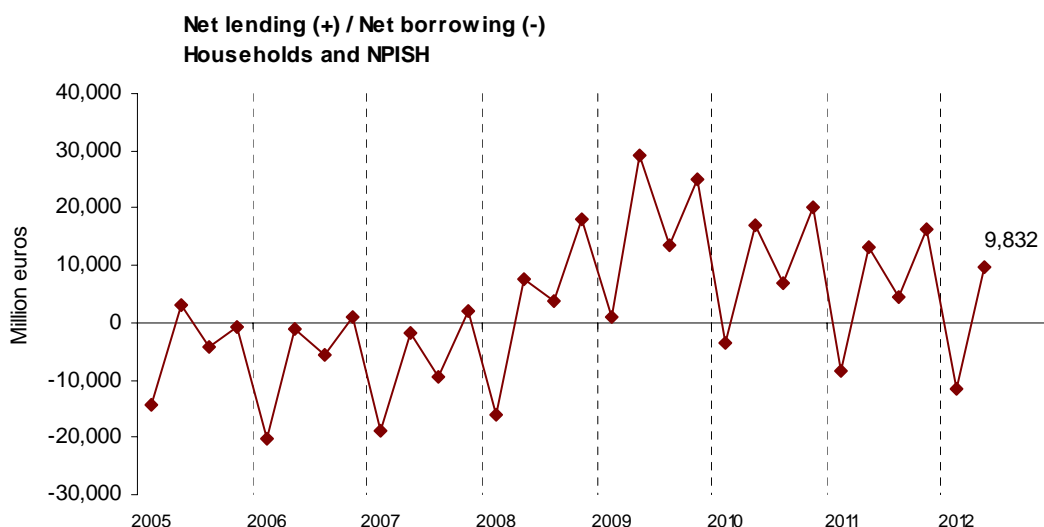
As regards the use of this disposable income, it was worth mentioning that final consumption expenditure by households and NPISH during this period increased 0.1%, with the result that savings reached 20,879 million euros (5,802 million less than the same quarter the previous year). The savings rate stood at 12.1% of disposable income, 2.8 points less than one year ago.



Taking mobile periods of four quarters, the period from the third quarter of 2011 to the second quarter of 2012 showed a savings rate for the sector that stood at 9.6% of disposable income, eight tenths less than the previous period.



On inspection of the capital account, it was clear that this saving, generated by households and NPISH, together with a positive balance of 1,204 million euros due to net capital transfers received, has been sufficient to finance the considerable volume of investment for the sector, which reached 12,251 million euros in this quarter, 15.9% less than in the same period of 2011. Thus the sector generated net lending of 9,832 million euros (3.6% of quarterly GDP).



Accumulating the first two quarters of 2012, the sector had net lending of 1,799 million euros, 0.3% of GDP.

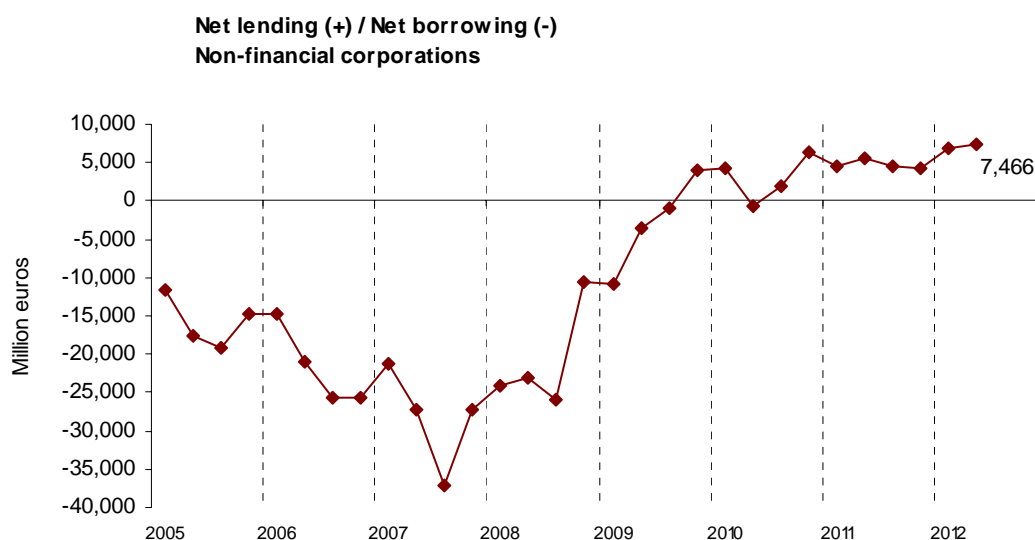
## Non-financial Corporations Sector

During the second quarter of 2012, non-financial corporations experienced an interannual increase of 6.4% in disposable income.

This performance was firstly explained by the 3.2% increase in the balance of primary income and the 12.0% decrease in the balance of net property income paid. Besides this, there was a 31.3% increase in interannual terms in the amount of corporate tax paid by non-financial corporations.

In absolute terms, disposable income for the sector reached 44,098 million euros during the referenced quarter.

This amount, linked to the positive balance of 2,631 million in transfers of net capital received, was sufficient to finance the total investment volume of the sector (39,263 million euros). Consequently, net lending of 7,466 million was estimated, a figure involving 2.8% of quarterly GDP, eight tenths higher than that recorded one year ago.



If the results of the first half of 2012 are aggregated, non-financial corporations presented net lending of 14,337 million, 2.7% of GDP.

## Public Administration Sector

In the second quarter of 2012, Public Administrations decreased their disposable income 10.2% in interannual terms, reaching the figure of 36,786 million euros.

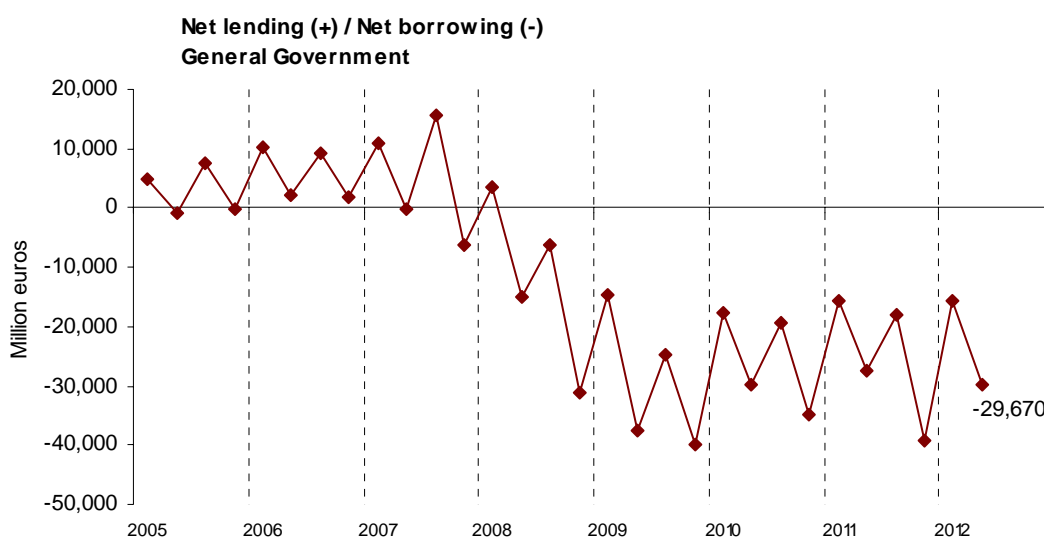
The essential factor that explains this result for the quarter, was the interannual decrease, at 2.8%, in the total value of net taxes received by the sector. Taxes from income and wealth

increased at a rate of 4.5% (916 million more), whereas and those associated with production decreased a rate of 9.4% (2,129 million less).

This decrease in income due to taxes, linked to a slight decrease in social contributions received (-1.1%) and the increase of social benefits paid (3.9%) was not compensated for by the reduction in net current transfers paid (-51.4%), resulting in the aforementioned 10.2% decrease in disposable income for the sector.

The final consumption expense of Public Administrations (56,493 million euros) decreased 3.1%. As a result, the savings of the sector presented a negative amount of 19,707 million euros.

Taking this saving into account, together with the net balance of capital transfers paid (4,662 million euros) and of investment of Public Administrations this quarter, meant that the sector had net borrowing of 29,670 million euros.



Aid to Financial Institutions in this second quarter rose to 5,418 million euros. Therefore, net borrowing by Public Administrations, not taking into account aid to Financial institutions, reached 24,252 million euros.

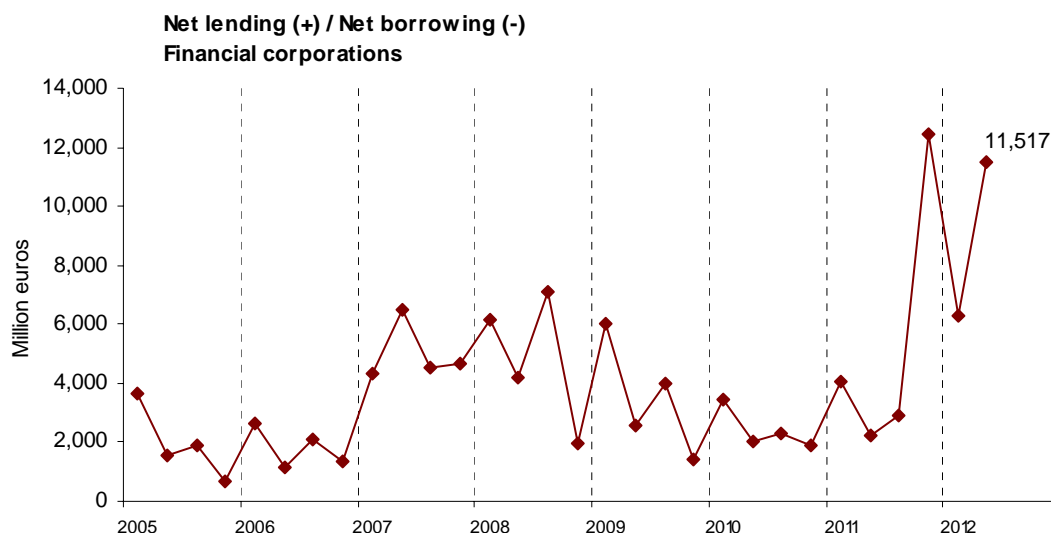
Accumulating the results for the first two quarters, Public Administrations had net borrowing of 45,250 million, 8.6% of GDP. Where aid to Financial Institutions was not taken into account, net borrowing accumulated during the six-month period was 39,832 million euros, accounting for 7.5% of GDP.

## Financial Corporations Sector

In the second quarter of 2012, disposable income for the financial corporations sector increased 89.0% as compared with the same period of the previous year, standing at 10,022 million euros.

This result is due to an increase in the excess gross operation of the sector (48.5%) and the property income (1.3%) as well as the decrease (-6.4%) of the paid.

The available income generated this quarter, was mainly increased by the capital transfers received from the Public Administrations (5,418 million euro), which was sufficient to finance the investment of the capital transfers and the volume made by the sector (1,006 million euros). Thus, the financial corporations obtained a net lending of 11,517 million over this period –4.3% of GDP, three-and-a-half points more than one year ago.



Aggregating the results from the two quarters of 2012, the sector presented net lending of 17,786 million euros, 3.4% of GDP.

## Further information

The results for the period from the first quarter of 2000 to the second quarter of 2012 are available on the INE website (<http://www.ine.es/en/>).

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.