

Quarterly Non-Financial Accounts for the Institutional Sectors Second quarter of 2018

Main results

- *Net lending* of the national economy compared to the rest of the world is 3,013 million euros in the second quarter of 2018.
- After adjusting for seasonal and calendar effects, the *net lending* of the national economy stands at 1.2% of the GDP, four tenths less than in the previous quarter.
- The *gross national income* reaches 301,845 million euros in the second quarter and the *national disposable income* stands at 299,666 million.
- After adjusting for seasonal and calendar effects, the national income and the national disposable income increase by 0.8% and 0.9%, respectively, as compared with the previous quarter.
- The savings rate of households is estimated at 12.5% of their disposable income, compared with 14.5% in the same quarter of the previous year.
- Excluding seasonal and calendar effects, the household savings rate is 4.4% of their disposable income, one tenth higher than in the previous quarter.
- The *net borrowing* of the *General Government* amounts to 17,743 million euros, compared to 20,432 million euros in the same quarter of 2017.
- After adjusting for seasonal and calendar effects, the *net borrowing* of the *General Government* stands at 2.2% of the quarterly GDP, compared to 3.1% in the previous quarter.

New developments

As of this quarter, we have implemented the new publication calendar of the main quarterly macroeconomic aggregates of the national economy, disseminated in the *Quarterly National Accounts of Spain (QNAS)*¹.

According to it, the preliminary results of this operation—until now *Quarterly GDP Flash Estimate*—released on July 31 (t+30 days), is updated today (t+90 days), once the information available since then has been incorporated. Particularly noteworthy is the **incorporation of the results of the accounts of the rest of the world, consistent with the quarterly**

¹ As was previously announced on the INE website in the space dedicated to this operation, in the annex to the latest press release published on 29 June with the results of the Quarterly Non-Financial Accounts for the Institutional Sectors and in the press release of the Quarterly GDP Flash Estimate of 31 July. The High Council on Statistics was also informed of these new developments at the meeting of its Permanent Commission on 22 March.

information of the Balance of Payments that the Bank of Spain made public on Monday, 24 September (t+86 days), and of the *Quarterly Accounts of Public Administrations*, disseminated by the General Intervention of the State Administration yesterday, 27 September (t+89 days).

This new calendar will enable the QNAS update to be disseminated simultaneously with the *Quarterly Non-Financial Accounts for the Institutional Sectors* (QNFAIS), which will provide a complete and integrated view of the economic performance of the quarter.

All this is compatible with the requirements for availability of national accounts results established by Regulation (EU) 549/2013 on the European System of National and Regional Accounts 2010.

On the other hand, this publication also includes **the review of the series of results of the QNFAIS from the first quarter of 2015**, consistent with the review of the *Annual National Accounts of Spain*, whose main results were published on 6 September.

Net lending of the national economy

The national economy registered a *net lending* compared to the rest of the world of 3,013 million euros in the second quarter of 2018, which represented 1.0% of the GDP for that period. In the same quarter of 2017, the national economy registered a *net lending* of 6,451 million euros (2.2% of the GDP).

This lower net lending is explained by a lower *balance of foreign trade in goods and services* (7,871 million euros, compared to 11,918 million in the same period of 2017) which, combined with the evolution of current income and transfers, provide a *balance of current transactions with the rest of the world* lower by 3,668 million than that of the same quarter of the previous year. Furthermore, the balance of capital transfers² was 795 million, compared to 565 million in the same quarter last year.

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

Units: Million euros

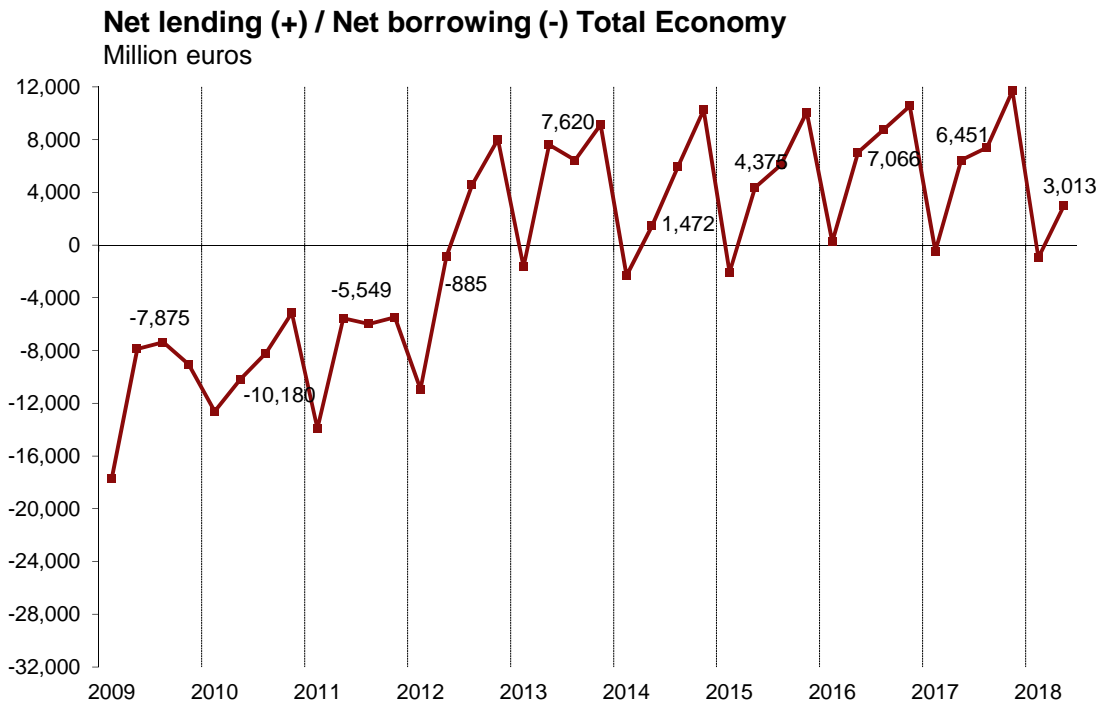
Operations and balance items with the rest of the world	2nd quarter 2018	2nd quarter 2017	Difference
Imports of goods and services	98,856	90,265	8,591
Exports of goods and services	106,727	102,183	4,544
External balance of goods and services (A)	7,871	11,918	-4,047
Balance of income and current transfers account (B)	-5,653	-6,032	379
Balance of external current account (C=A+B)	2,218	5,886	-3,668
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	795	565	230
Net lending (+) / Net borrowing (-) (C+D)	3,013	6,451	-3,438

Net Lending (+) / Net Borrowing (-) Total economy

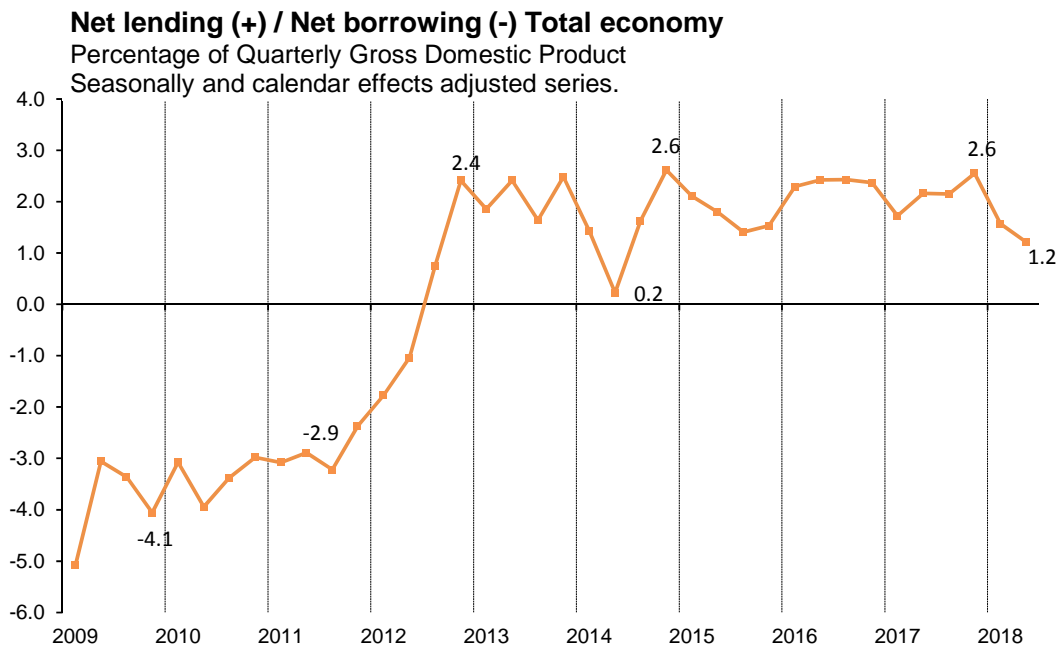
Units: Million euros

Institutional Sector	2nd quarter 2018	2nd quarter 2017	Difference
Households and NPISH	13,268	19,188	-5,920
General Government	-17,743	-20,432	2,689
Financial Corporations	8,028	9,149	-1,121
Non-Financial Corporations	-540	-1,454	914
TOTAL	3,013	6,451	-3,438

² Capital transfers and acquisitions less disposals of non-produced non-financial assets.



After adjusting for seasonal and calendar effects, the *net lending* of the national economy stood at 1.2% of the GDP, four tenths less than in the previous quarter.



National income

The *gross national income* stood at 301,845 million euros in the second quarter of 2018, with an increase of 3.4% with respect to the same quarter of 2017.

National Income

Units: million euros and rates in percentage

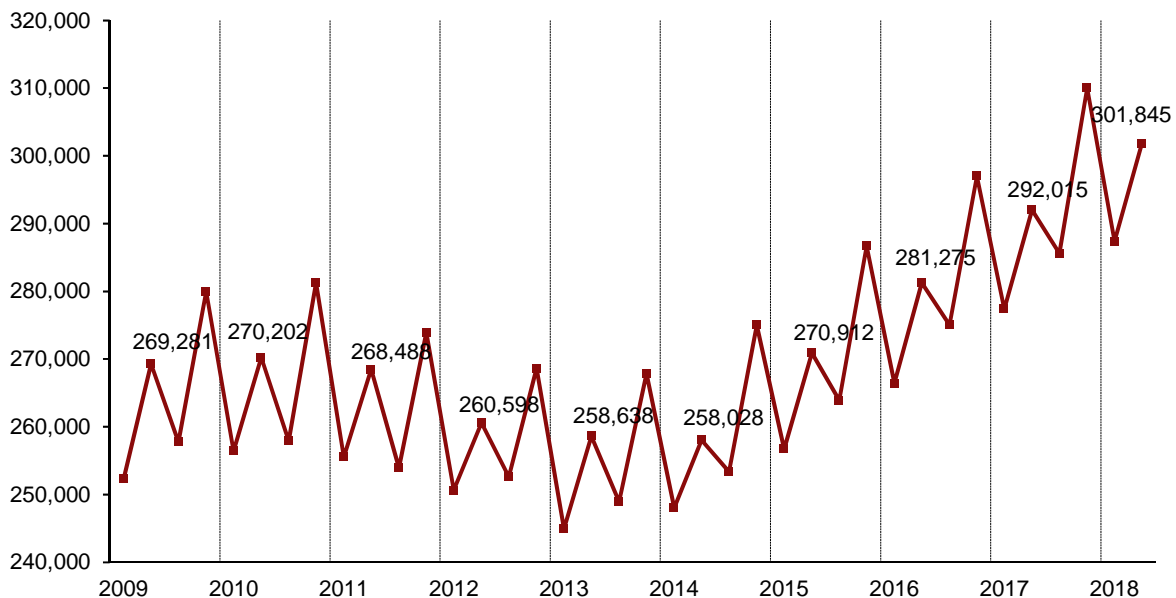
	Q2-2018	Q2-2017	Variation (%)
Gross operating surplus/mixed income	127,405	125,367	1.6
Compensation of Employees	144,897	139,526	3.8
Taxes (less subsidies) on Production and Imports	33,139	30,984	7.0
Balance of property income with the rest of the world	-3,596	-3,862	6.9
Gross National Income	301,845	292,015	3.4
Balance of current transfers with the rest of the world	-2,179	-2,452	11.1
Gross National Disposable Income	299,666	289,563	3.5

This income increase was due to a greater operating surplus of the resident producer units (which increased by 1.6% up to 127,405 million) as well as a greater compensation perceived by resident employees in the economy (which increased by 3.8% reaching 144,897 million euros). There was also a 7.0% increase in the amount accrued in taxes on production and imports, net of subsidies, up to 33,139 million.

The balance of property income (interests, dividends, etc.) with the rest of the world amounted to -3,596 million euros, compared to -3,862 in the second quarter of 2017.

Gross National Income

Million euros



If we also take into account the lower negative balance of current transfers (income and wealth taxes, social security contributions and benefits and other current transfers) with the rest of the world (-2,179 million compared to -2,452 million in the second quarter of 2017), we have a 3.5% increase in *gross national disposable income* to 299,666 million euros.

After adjusting for seasonal and calendar effects, *gross national income* and *gross national disposable income* grew by 0.8% and 0.9% respectively compared to the first quarter of 2018.

Households³

The *gross value added* generated by the *Households* sector increased by 2.4% in the second quarter compared to the same period of 2017. The *operating surplus and gross mixed income* of the sector grew by 1.9%.

Considering the increase in the compensations receivable by employees (3.8%) and the evolution of the net balance of property income to be received by the sector (interests, dividends, etc.), this results in an increase of 2.7% in the *gross balance of primary incomes*.

Considering also the joint behaviour of the flows in the secondary distribution of income (income and wealth tax, social contributions and social benefits and other current transfers), it can be seen that in the second quarter of 2018 the *gross disposable income* of households increased by 1,5% to 196,907 million euros.

Household final consumption expenditure was estimated at 172,359 million euros, with an increase of 4.0%. As a result, savings in the sector amounted to 24,514 million (in the second quarter of 2017 it was 28,186 million)⁴.

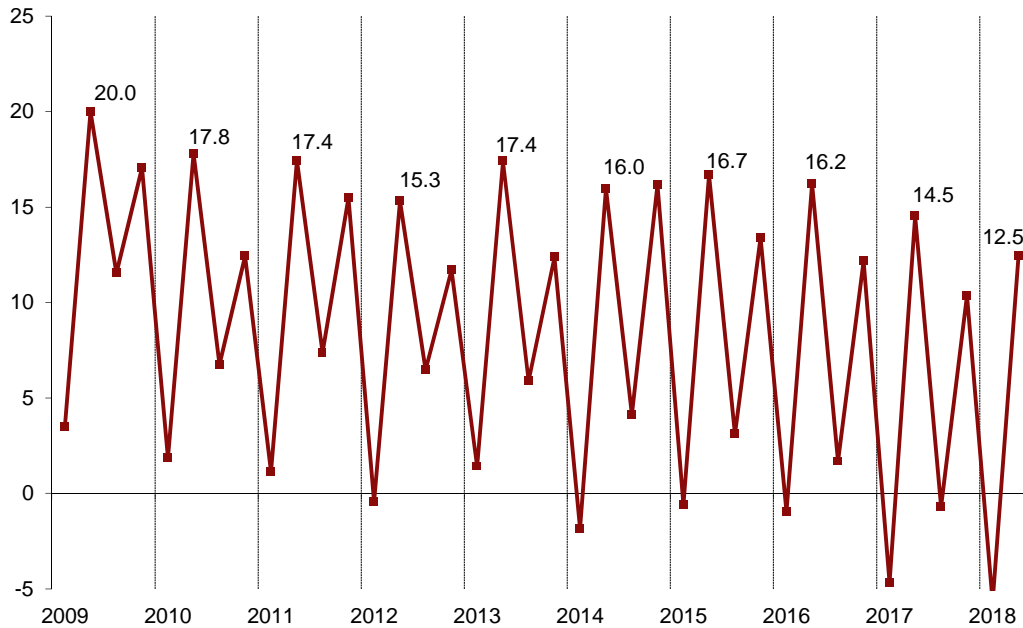
In this way, the savings rate of households stood at 12.5% of its disposable income, compared to 14.5% in the same quarter of the previous year.

³ Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

⁴ After taking into account the change in pension rights to which households have a defined right.

Savings of Households

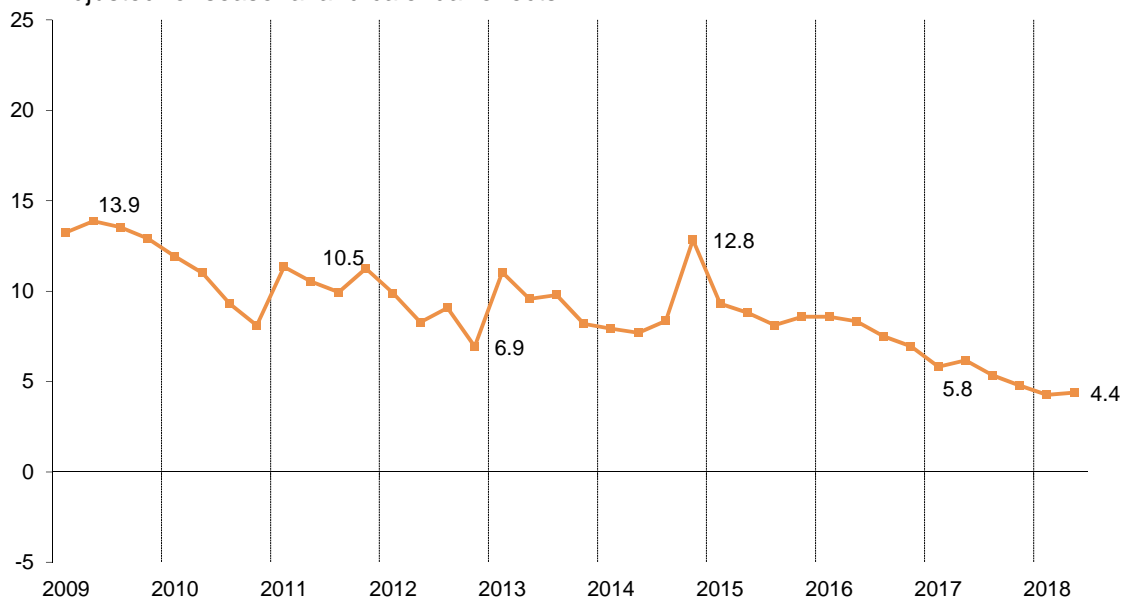
Percentage of Quarterly Gross Disposable Income



After adjusting for seasonal and calendar effects, the savings rate in the sector increased by one tenth compared to the previous quarter, to 4.4%.

Savings of Households.

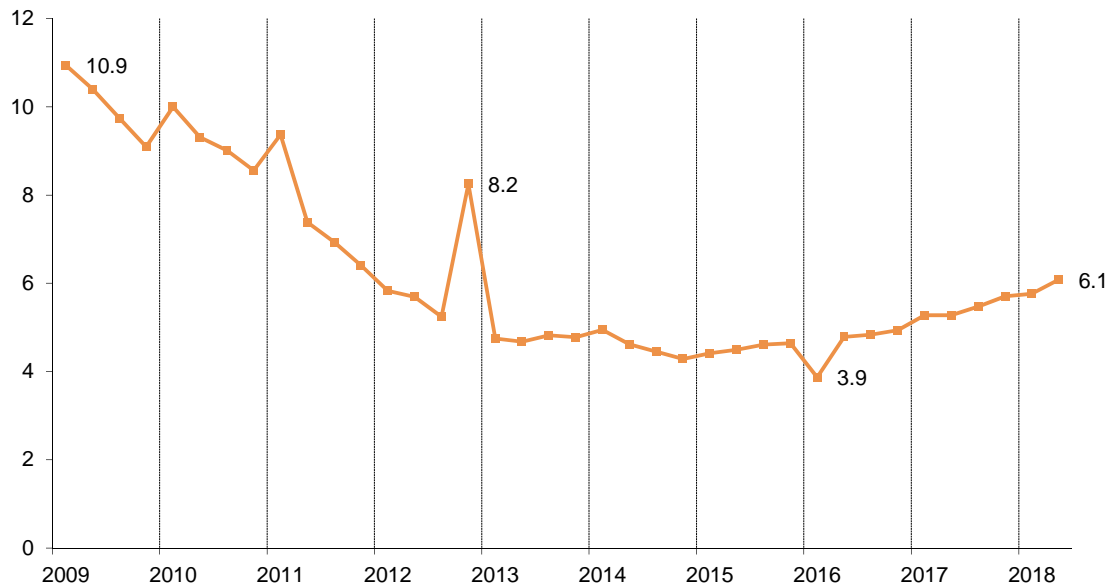
Percentage of Quarterly Gross Disposable Income
Adjusted for seasonal and calendar effects



On the other hand, the household investment⁵ reached 10,495 million euros in the second quarter (25.9% more than in the same period of 2017).

In turn, the investment rate of households⁶, after adjusting for seasonal and calendar effects, stood at 6.1% of their disposable income, three tenths higher than in the previous quarter.

Investment of Households. Percentage of Quarterly Gross Disposable Income Adjusted for seasonal and calendar effects

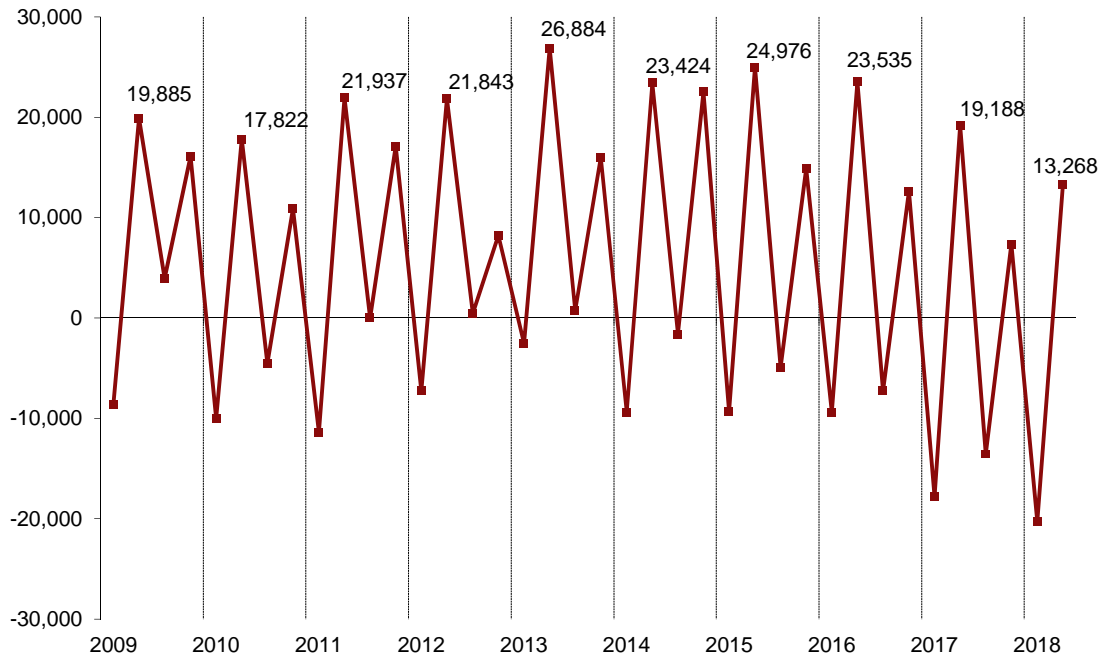


In this way, and after taking into account the balance of capital transfers of the sector, households registered a net lending capacity of 13,268 million (compared to 19,188 million estimated for the same quarter of 2017).

⁵ Gross fixed capital formation and acquisitions less disposals of non-produced non-financial assets.

⁶ The quotient between gross fixed capital formation and the disposable income of the sector (after taking into account in the latter the change in pension rights over which households have a defined right).

Net lending (+) / Net borrowing (-) Households and NPISH
Million euros



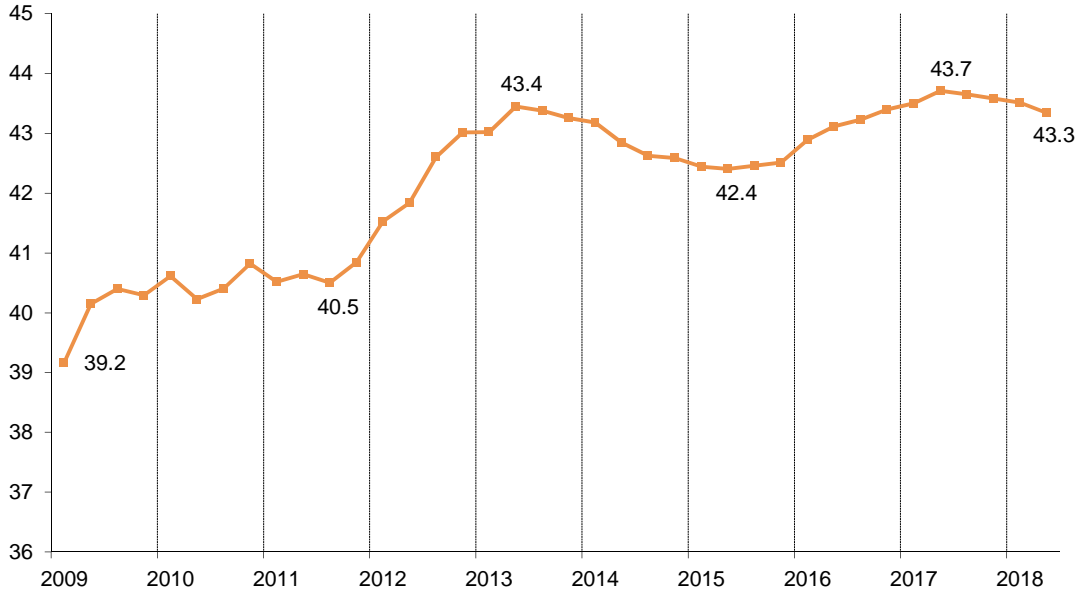
Non-financial corporations

The *gross value added* generated by the *Non-Financial Corporations* increased by 3.2% as compared with the same quarter of 2017 and the *gross operating surplus* of the sector did so by 1.0%.

Excluding seasonal and calendar effects, the share of the sector's gross surplus in its value added was 43.3%, which is two tenths less than in the previous quarter.

Gross Operating Surplus of Non-Financial Corporations

Percentage of Quarterly Gross Added Value
Adjusted for seasonal and calendar effects



If we add to the gross surplus of the sector the net balance of property income (interest, dividends, etc.) to be received by it, we obtain that its *gross primary income balance* increased by 4.3% with respect to the second quarter of 2017.

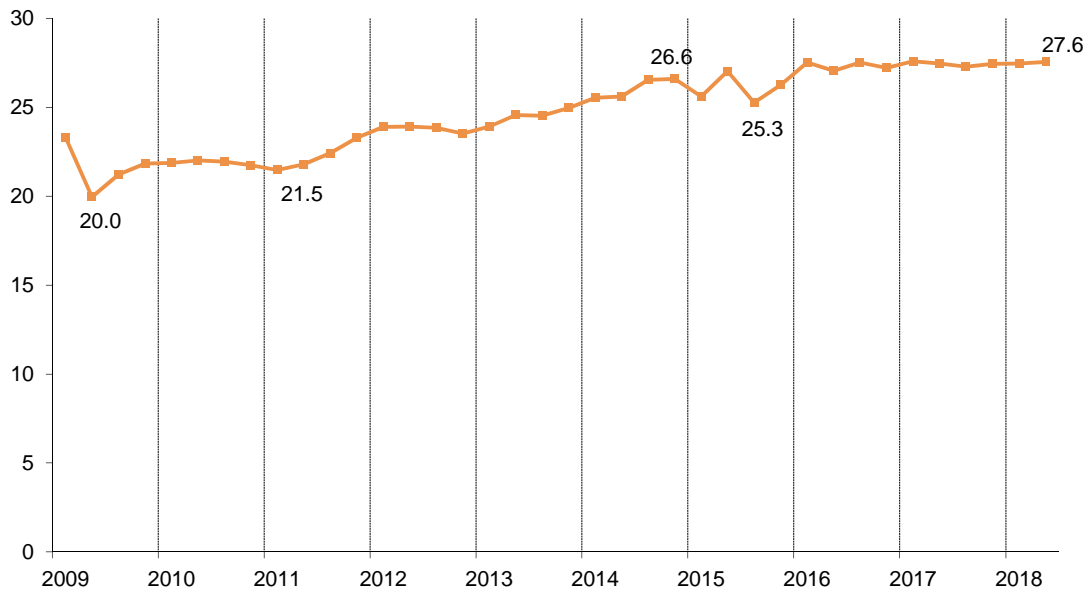
As a consequence of the above, and of the evolution of the flows in the secondary income distribution (corporate taxes, social contributions and benefits and other current transfers), the disposable income of *Non-Financial Corporations* increased by 5.5%.

This disposable income, together with its capitals transfer balance was not sufficient to finance the investment volume of the sector, which amounted to 49,116 million (2.9% more than in the same quarter of the previous year).

In turn, the investment rate of *Non-Financial Corporations*⁷, after adjusting for seasonal and calendar effects, stood at 27.6% of their gross value added, one tenth more than in the previous quarter.

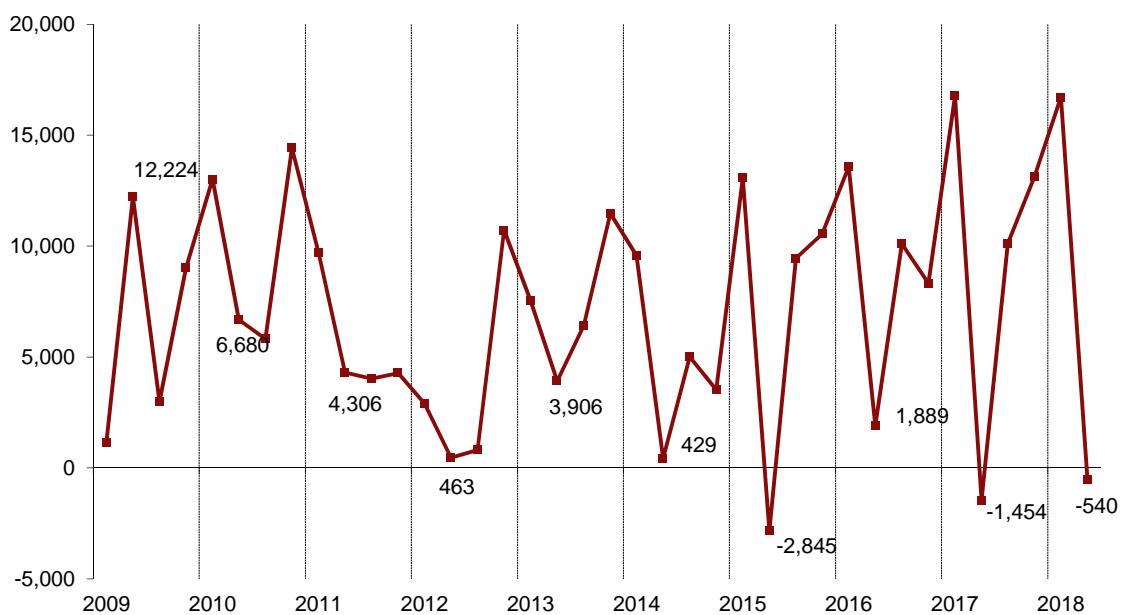
⁷ Quotient between the gross fixed capital formation and the gross value added of the sector.

Investment of Non-Financial Corporations
 Percentage of Quarterly Gross Added Value
 Adjusted for seasonal and calendar effects



Consequently, it is estimated for the sector a *net borrowing* of 540 million euros, in comparison to the 1,454 million in the second quarter of 2017.

Net lending (+) / Net borrowing (-) Non-financial corporations
 Million euros



General Government

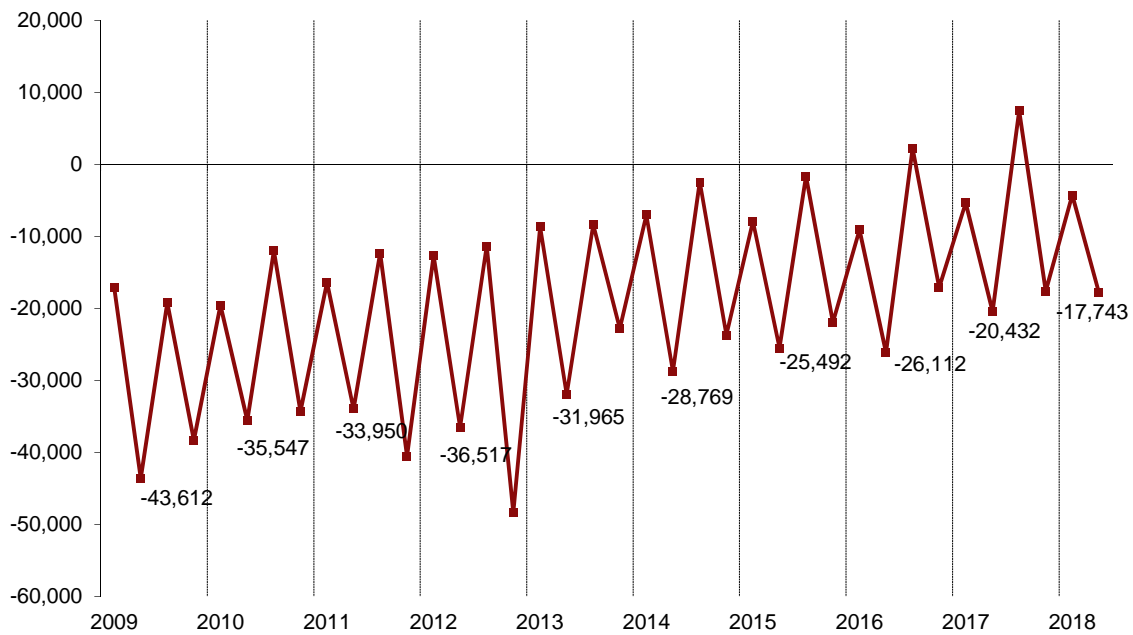
The *gross disposable income* of the General Government reached 46,242 million euros in the second quarter, 13.4% more than the same period of 2017.

The *final consumption expenditure* increased by 2.0% up to 57,189 million euros. With this, the *gross savings* of the sector amounted to -10.947 million (in the second quarter of 2017 it was -15.267 million).

General Government investment during the second quarter of 2018 was estimated at 7,299 million, with an increase of 25.4% compared to the same period of the previous year.

Savings and investment in the sector, together with the balance of capital transfers, led the sector to generate a *net borrowing* of 17,743 million, compared to 20,432 million in the second quarter of 2017.

Net lending (+) / Net borrowing (-) General Government
Million euros

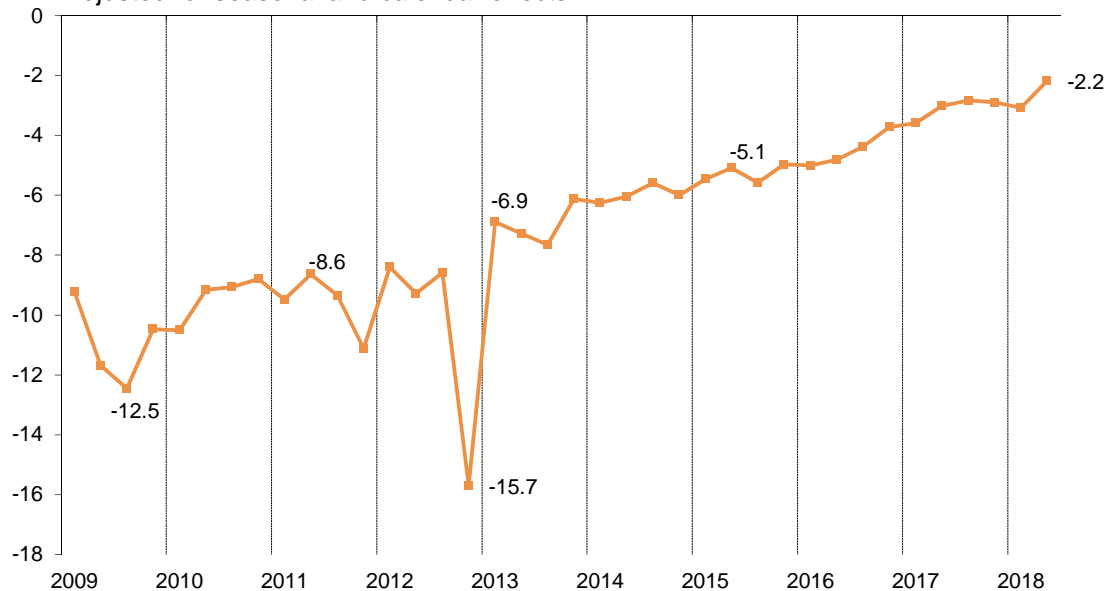


After adjusting for seasonal and calendar effects, the *General Government* recorded a *net borrowing* of 2.2% of GDP, nine tenths lower than in the previous quarter.

Net Lending (+) / Net Borrowing (-) of General Government

Percentage of Quarterly Gross Domestic Product

Adjusted for seasonal and calendar effects



Financial corporations

The *gross value added* of *Financial Corporations* increased by 3.1% in the second quarter of 2018, compared to the same period of 2017. The *gross operating surplus* of the sector increased by 7.5%.

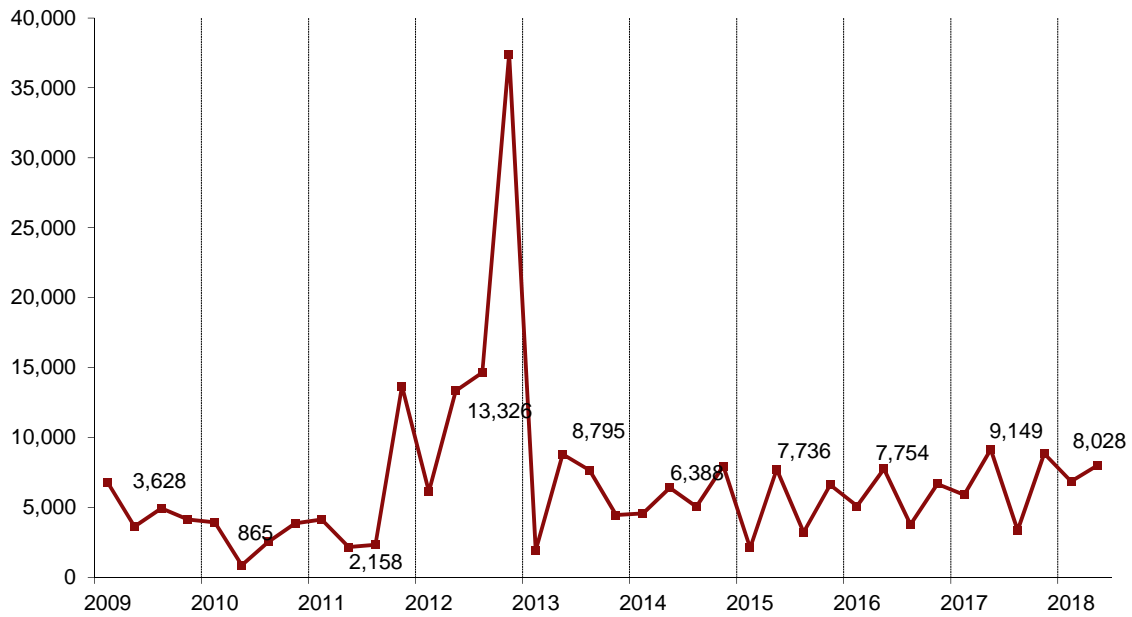
However, the lower net balance of property income (interest, dividends, etc.) to be received by the sector leads to a decrease of 6.2% in the *balance of primary income* in the sector.

If we also take into account its flows in secondary income distribution (corporate income tax, social security contributions and benefits and other current transfers), the sector's *gross disposable income* was estimated at 8,535 million euros, 7.6% lower than in the same quarter of 2017.

Investment by financial corporations amounted to 777 million euros (during the same quarter of the previous year it was -145 million).

With this, and once considered its capital transfer balance, the sector generated a *net lending* of 8,028 million euros, compared to the 9,149 million in the second quarter of 2017.

Net lending (+) / Net borrowing (-) Financial corporations
Million euros



Revision and updating of data

Coinciding with today's publication, the INE has updated the results of the QNFAIS from the first quarter of 2015, in line with the review of the results of the *Annual Spanish National Accounts*, whose main results were published on 6 September.

Methodological note

The objective of the *Quarterly Non-Financial Accounts for the Institutional Sectors* (QNFAIS) is to describe 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 general government) and among them and the rest of the world in an ordered series of accounts that describe each one of the phases of the economic process (production and income generation, distribution and redistribution, final consumption, savings and accumulation of assets).

The QNFAIS 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 for 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 of the Council, of 21 May.

The results of the QNFAIS are published around 90 days after the end of the reference quarter (t+90 days), simultaneously with the main aggregates of the national economy provided by the Quarterly National Accounts of Spain, offering a complete and integrated view of the economic evolution of the quarter.

The results of both operations are prepared with all the information available at that time. In particular, these results include quarterly information on the Balance of Payments published by the Bank of Spain in around t+85 days⁸, and the *Quarterly Accounts of Public Administrations*, disseminated by the General Intervention of the State Administration in around t+90 days⁹.

In addition, in the publications relating to the second quarters of each year, as is the case with this publication, the review of results from the first quarter of the year T-3 is also included (T being the current year), in line with the review of results from the year T-3 of the *Annual Spanish National Accounts* (whose main results have been previously disseminated)¹⁰.

This calendar is compatible with the requirements for availability of national accounts results established by Regulation (EU) 549/2013 on the European System of National and Regional Accounts 2010.

The results of this operation are presented both in the form of integrated and detailed economic accounts as well as in a series of results of the operations and account balances of the institutional sectors and of the national economy.

In addition, the series of the main balances of the national economy adjusted for seasonality and calendar effects are disseminated (gross domestic product, gross operating surplus and gross mixed income, gross national income and gross national disposable income) and aggregate flows with the rest of the world (exports and imports, total primary incomes and total secondary incomes), as well as the most relevant transactions and balances for the analysis

⁸ Last Monday, 24 September, with data up to the second quarter of 2018.

⁹ Yesterday, 27 September, with data up to the second quarter of 2018.

¹⁰ On 6 September, we published the final results for 2015, the provisional results for 2016 and the flash estimate for 2017.

of the *Non-Financial Corporations, General Government and Households*¹¹ sectors, in line with the information requirements established by the ESA 2010.

Type of operation: quarterly continuous survey.

Geographical scope: the entire national territory.

Reference period of the results: the quarter.

Collection method: summary statistics.

For more detailed information, please consult the INE website (www.ine.es), as well as access the standardised methodological report on the operation ([Standardised metadata report](#)).

For further information see **INEbase:** www.ine.es/en/ Twitter: [@es_ine](https://twitter.com/es_ine)

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¹¹ Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

Annex: summary of results by institutional sector

Non-financial accounts for Households and NPISH

Units: million euros and rates in percentage

	Q2-2018	Q2-2017	Variation (%)
Gross added value	59,166	57,756	2.4
Compensation of Employees (payable) (-)	12,148	11,721	3.6
Other taxes (less subsidies) on Production and Imports (-)	1,966	1,817	8.2
Gross operating surplus/mixed income	45,052	44,218	1.9
Compensation of Employees (receivable) (+)	144,897	139,526	3.8
Property income (receivable, net) (+)	12,537	13,417	-6.6
Gross balance of primary incomes	202,486	197,161	2.7
Current taxes on property and income (-)	18,825	16,904	11.4
Net social contributions (-)	41,417	39,175	5.7
Social benefits (+)	54,315	52,883	2.7
Other current transfers (receivable, net) (+)	348	89	291.0
Gross disposable Income	196,907	194,054	1.5
Final consumption expenditure (-)	172,359	165,788	4.0
Adjustment for the change in pension entitlements (+)	-34	-80	57.5
Gross saving	24,514	28,186	-13.0
Capital transfers (receivable, net) (+)	-751	-660	-13.8
Gross capital formation and Net acquisitions of non-produced assets (-)	10,495	8,338	25.9
Net lending (+) / Net borrowing (-)	13,268	19,188	-30.9

Non-financial accounts for Non-Financial Corporations

Units: million euros and rates in percentage

	Q2-2018	Q2-2017	Variation (%)
Gross added value	164,239	159,185	3.2
Compensation of Employees (payable) (-)	93,950	89,647	4.8
Other taxes (less subsidies) on Production and Imports (-)	1,162	1,065	9.1
Gross operating surplus	69,127	68,473	1.0
Property income (receivable, net) (+)	-13,537	-15,151	10.7
Gross balance of primary incomes	55,590	53,322	4.3
Current taxes on property and income (-)	6,189	6,013	2.9
Net social contributions (+)	1,830	1,571	16.5
Social benefits (-)	889	860	3.4
Other current transfers (receivable, net) (+)	-2,360	-2,537	7.0
Gross disposable income	47,982	45,483	5.5
Gross saving	47,982	45,483	5.5
Capital transfers (receivable, net) (+)	594	803	-26.0
Gross capital formation and Net acquisitions of non-produced assets (-)	49,116	47,740	2.9
Net lending (+) / Net borrowing (-)	-540	-1,454	62.9

Non-financial accounts for General Government

Units: million euros and rates in percentage

	Q2-2018	Q2-2017	Variation (%)
Gross added value	40,615	39,809	2.0
Compensation of Employees (payable) (-)	33,370	32,699	2.1
Other taxes (payable, less subsidies) on Production and Imports (-)	115	105	9.5
Gross operating surplus	7,130	7,005	1.8
Taxes (receivable, less subsidies) on Production and Imports (+)	33,139	30,984	7.0
Property income (receivable, net) (+)	-5,836	-6,412	9.0
Gross balance of primary incomes	34,433	31,577	9.0
Current taxes on property and income (+)	26,285	24,398	7.7
Net social contributions (+)	37,788	35,862	5.4
Social benefits (-)	50,763	49,538	2.5
Other current transfers (receivable, net) (+)	-1,501	-1,510	0.6
Gross disposable income	46,242	40,789	13.4
Final consumption expenditure (-)	57,189	56,056	2.0
Gross saving	-10,947	-15,267	28.3
Capital transfers (receivable, net) (+)	503	655	-23.2
Gross capital formation and Net acquisitions of non-produced assets (-)	7,299	5,820	25.4
Net lending (+) / Net borrowing (-)	-17,743	-20,432	13.2

Non-financial accounts for Financial Corporations

Units: million euros and rates in percentage

	Q2-2018	Q2-2017	Variation (%)
Gross added value	11,817	11,458	3.1
Compensation of Employees (payable) (-)	4,782	4,877	-1.9
Other taxes (payable, less subsidies) on Production and Imports (-)	939	910	3.2
Gross operating surplus	6,096	5,671	7.5
Property income (receivable, net) (+)	3,240	4,284	-24.4
Gross balance of primary incomes	9,336	9,955	-6.2
Current taxes on property and income (-)	873	1,197	-27.1
Net social contributions (+)	1,582	1,551	2.0
Social benefits (-)	1,616	1,631	-0.9
Other current transfers (receivable, net)	106	559	-81.0
Gross disposable income	8,535	9,237	-7.6
Adjustment for the change in pension entitlements (-)	-34	-80	57.5
Gross saving	8,569	9,317	-8.0
Capital transfers (receivable, net) (+)	236	-313	175.4
Gross capital formation and Net acquisitions of non-produced assets (-)	777	-145	635.9
Net lending (+) / Net borrowing (-)	8,028	9,149	-12.3