

30 September 2019

Quarterly Non-Financial Accounts for the Institutional Sectors Second quarter of 2019

Main results

- Net lending of the national economy compared to the rest of the world is 11,602 million euros in the second quarter of 2019.
- After adjusting for seasonal and calendar effects, the net lending of the national economy stands at 2.5% of GDP, seven tenths more than in the previous quarter.
- The gross national income reaches 314,895 million euros in the second quarter and the national disposable income stands at 312,776 million.
- After adjusting for seasonal and calendar effects, the national income and the national disposable income increase by 1.4% and 1.6%, respectively, as compared with the previous quarter.
- The savings rate of households is estimated to be 19.3% of their disposable income in the second quarter, compared to 16.3% in the same quarter of the previous year.
- After adjusting for seasonal and calendar effects, the household saving rate is 8.7% of their disposable income, 2.0 points higher than in the previous quarter.
- The net borrowing of the General Government amounts to 22,522 million euros, compared to 19,048 million euros in the same quarter of 2018.
- After adjusting for seasonal and calendar effects, the net borrowing of the Public Administrations stands at 3.2% of the quarterly GDP, six tenths more than in the previous quarter.

Net lending of the national economy

The national economy registered a *net lending* compared to the rest of the world of 11,602 million euros in the second quarter of 2019, which represented 3.7% of the GDP for that period. In the same quarter of 2018, the *net lending* was 9,760 million euros (3.2% of GDP).

This increase is explained by a greater *balance of foreign trade in goods and services* (13,507 million euros, compared to 12,106 million in the same period of 2018) that, combined with the evolution of current income and transfers, provide a *balance of current transactions with the rest of the world* greater than that of the same quarter of the previous year by 1,838 million. Furthermore, the balance of capital transfers¹ was 676 million, compared to 672 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	2ndquarter 2019	2ndquarter 2018	Difference
Imports of goods and services	98,935	98,294	641
Exports of goods and services	112,442	110,400	2,042
External balance of goods and services (A)	13,507	12,106	1,401
Balance of income and current transfers account (B)	-2,581	-3,018	437
Balance of external current account (C=A+B)	10,926	9,088	1,838
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	676	672	4
Net lending (+) / Net borrowing (-) (C+D)	11,602	9,760	1,842

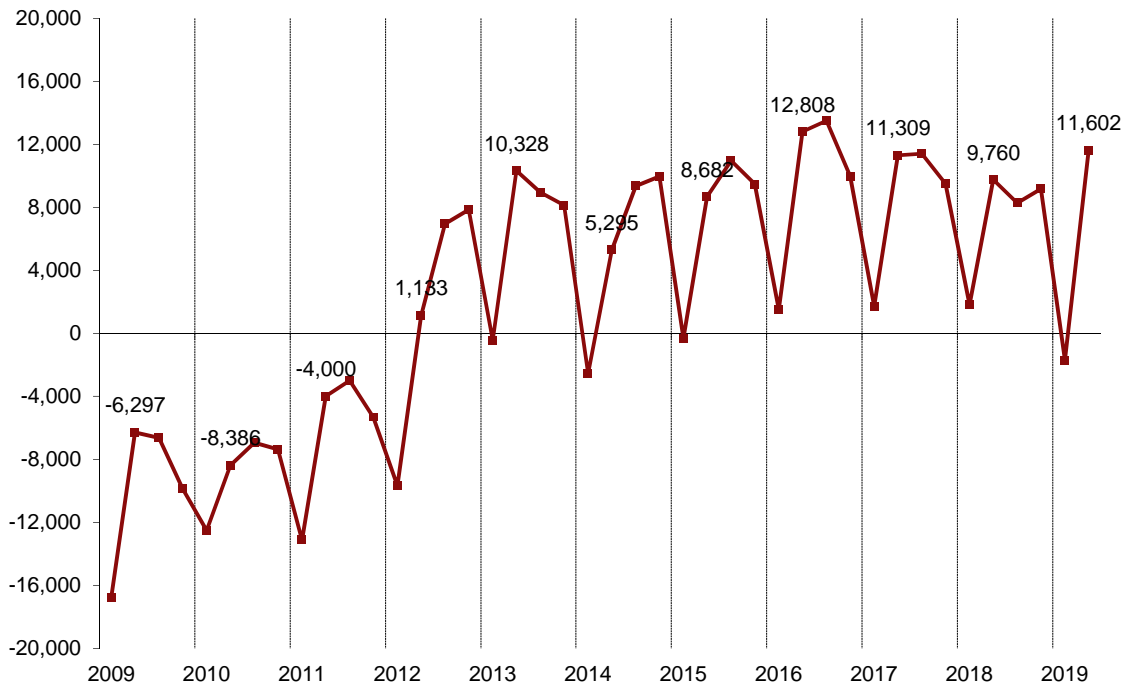
Net Lending (+) / Net Borrowing (-) Total economy

Units: Million euros

Institutional Sector	2ndquarter 2019	2ndquarter 2018	Difference
Households and NPISH	33,004	24,003	9,001
General Government	-22,522	-19,048	-3,474
Financial Corporations	7,827	5,583	2,244
Non-Financial Corporations	-6,707	-778	-5,929
TOTAL	11,602	9,760	1,842

¹ Capital transfers and acquisitions less disposals of non-produced non-financial assets.

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

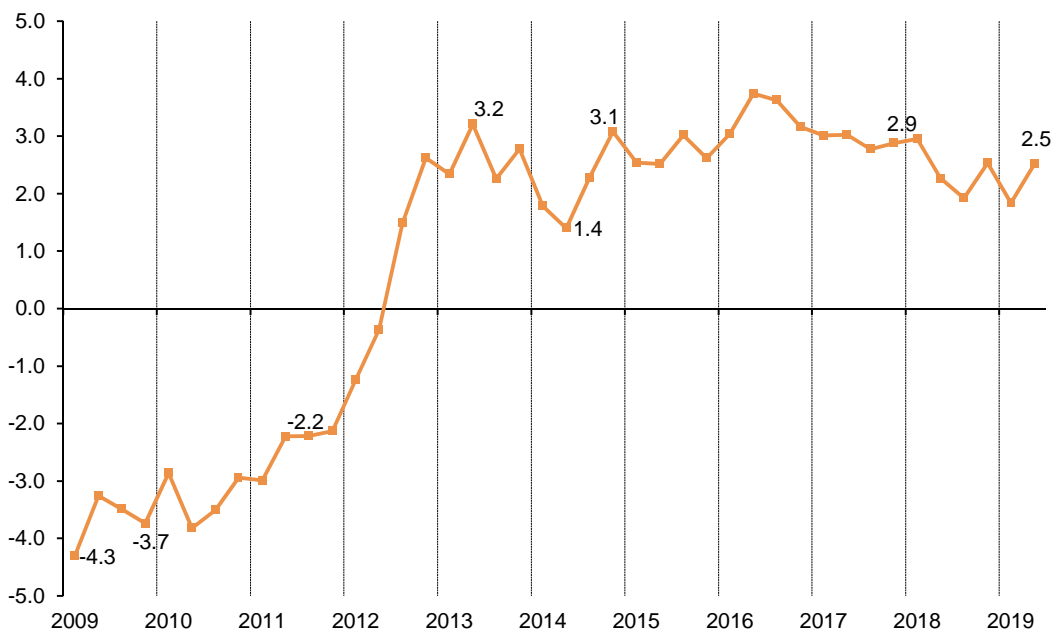


After adjusting for seasonal and calendar effects, the *net lending* of the national economy stood at 2.5% of the GDP, seven tenths more than in the previous quarter.

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

Percentage of Quarterly Gross Domestic Product

Seasonally and calendar effects adjusted series.



National income

The *gross national income* stood at 314,895 million euros in the second quarter of 2019, with an increase of 3.8% with respect to the same period of 2018.

National Income

Units: million euros and rates in percentage

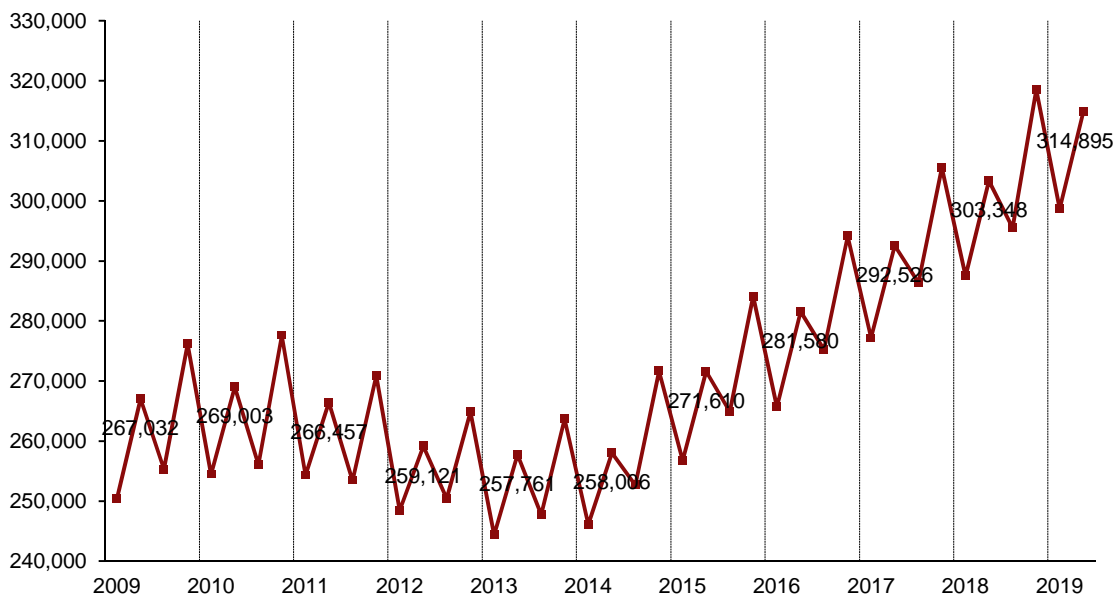
	Q2-2019	Q2-2018	Variation (%)
Gross operating surplus/mixed income	136,928	132,707	3.2
Compensation of Employees	145,871	138,639	5.2
Taxes (less subsidies) on Production and Imports	32,545	33,132	-1.8
Balance of property income with the rest of the world	-449	-1,130	60.3
Gross National Income	314,895	303,348	3.8
Balance of current transfers with the rest of the world	-2,119	-2,016	-5.1
Gross National Disposable Income	312,776	301,332	3.8

This income increase was due to a greater operating surplus of the resident productive units (which increased by 3.2% up to 136,928 million) as well as a greater compensation perceived by resident employees in the economy (which increased by 5.2% reaching 145,871 million euros). In contrast, the accrued increase in the in taxes on production and imports, net of subsidies, decreased by 1.8% to 32,545 million.

The balance of property income (interests, dividends, etc.) with the rest of the world amounts to -449 million euros, compared to -1,130 in the second quarter of 2018.

Gross National Income

Million euros



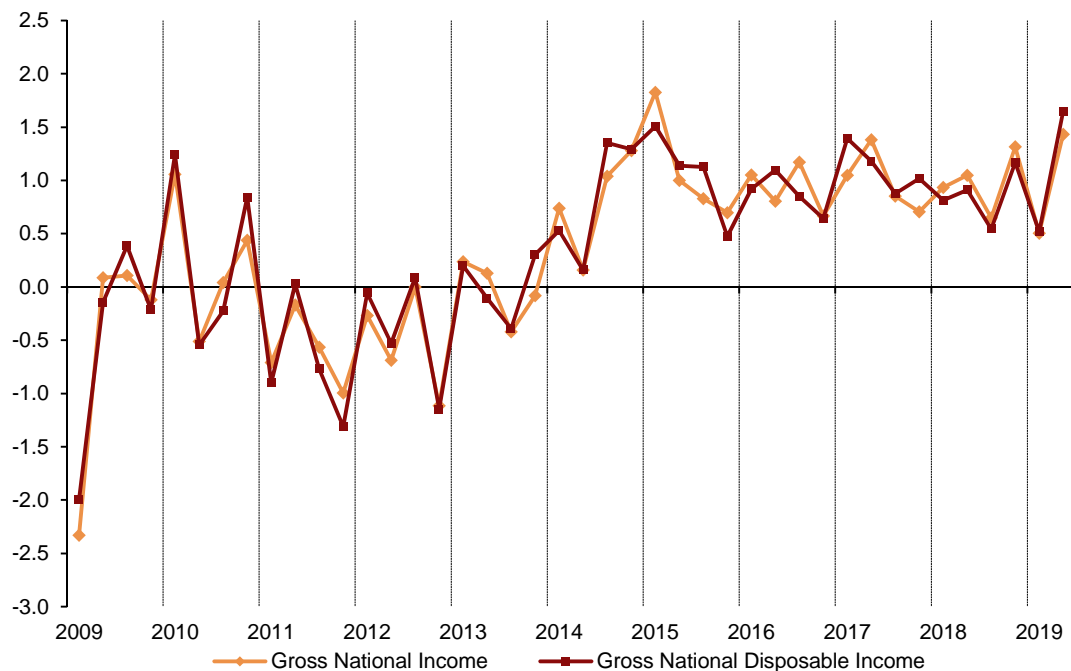
If we also take into account the higher negative balance of current transfers (income and wealth taxes, social security contributions and benefits and other current transfers) with the rest of the world (-2,119 million compared to -2,016 million in the second quarter of 2018), we can see that the *gross national disposable income* grew by 3.8%, to 312,776 million euros.

After adjusting for seasonal and calendar effects, the *gross national income* and *gross national disposable income* grew by 1.4% and 1.6% respectively compared to the first quarter of 2019.

Gross National Income and Gross National Disposable Income

Seasonally and calendar effects adjusted series

Quarter-to-quarter rates of growth



Households²

The *gross value added* generated by the *Households* sector increased by 3.6% in the second quarter compared to the same period of 2018. The *operating surplus* and *gross mixed income* of the sector grew by 4.1%.

Considering the increase in compensations receivable by employees (5.2%) 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 5.3% in the *gross balance of primary income*.

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 2019 the *gross disposable income* of households increased by 5,8% to 218,205 million euros.

Household final consumption expenditure was estimated at 175,935 million euros, with an increase of 2.1%. As a result, savings in the sector amounted to 41,984 million (in the second quarter of 2018 it was 33,513 million)³.

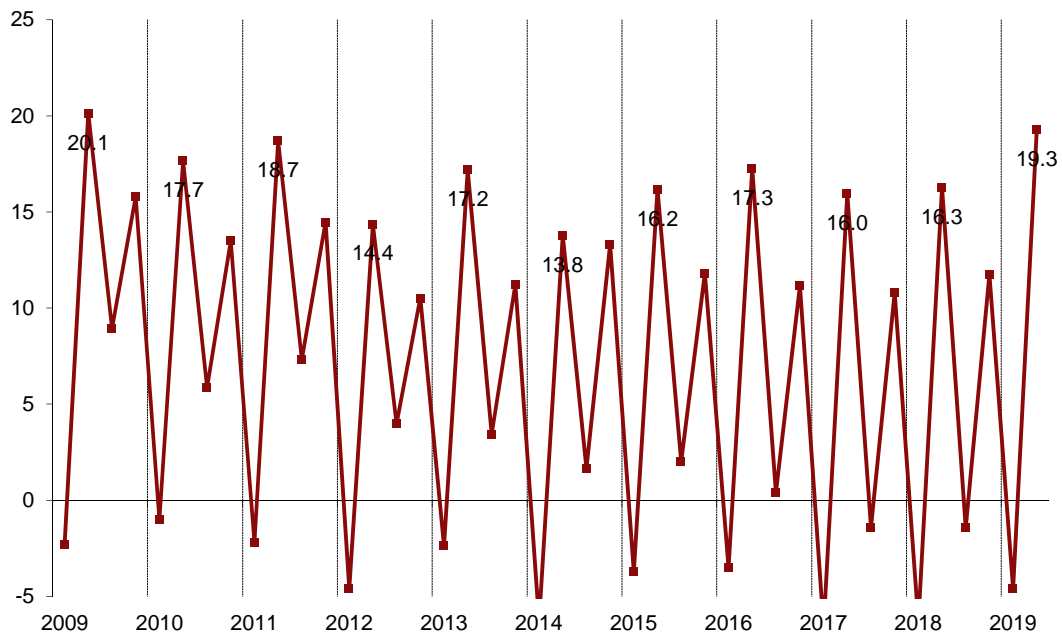
In this way, the household saving rate stood at 19.3% of its disposable income, compared to 16.3% in the same quarter of the previous year.

² Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

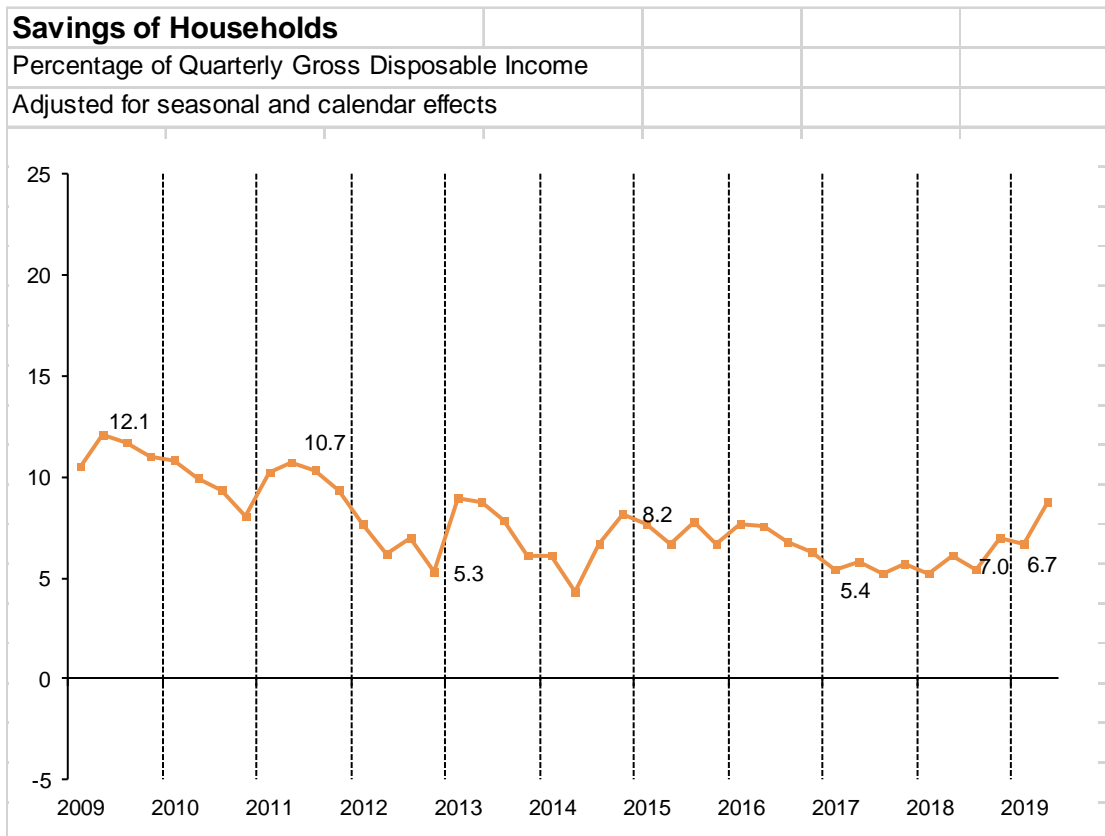
³ After taking into account the change in pension rights to which households have a defined right.

Savings of Households

Percentage of Quarterly Gross Disposable Income



Excluding seasonal and calendar effects, the saving rate in the sector increased by two points compared to the previous quarter standing at 8.7%.

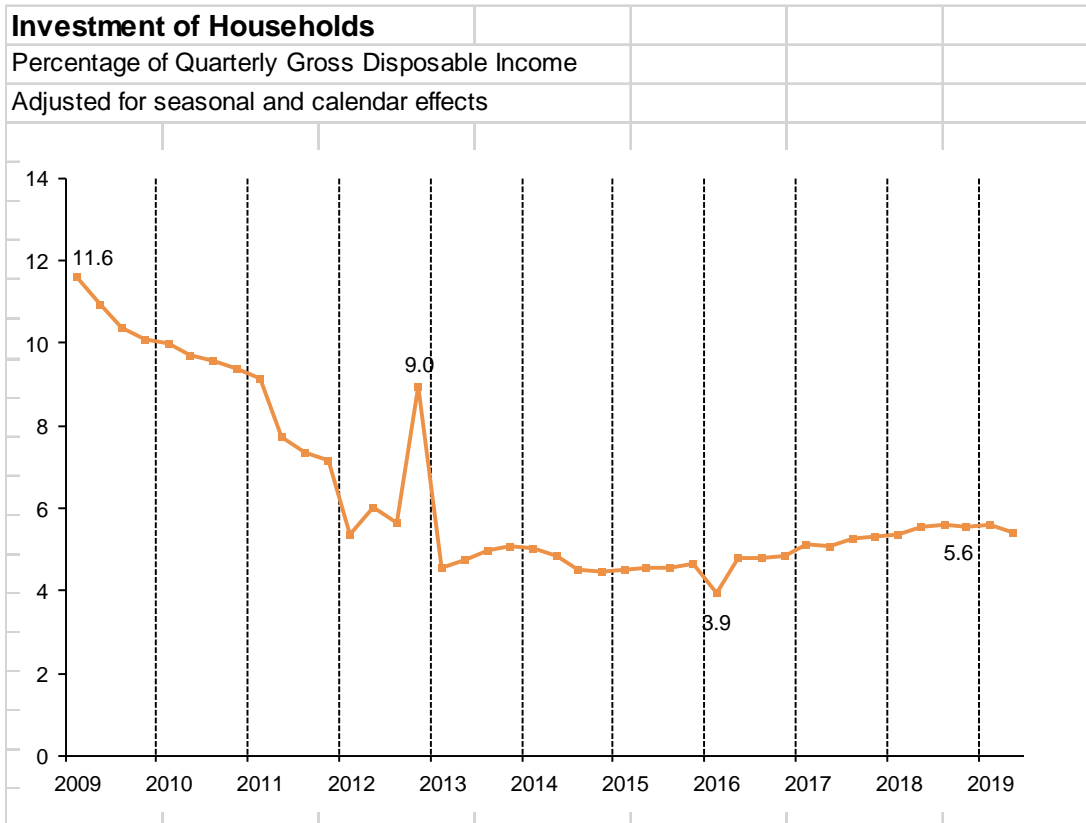


On the other hand, the household investment⁴ reached 8,270 million euros in the second quarter (4.2% less than in the same period of 2018).

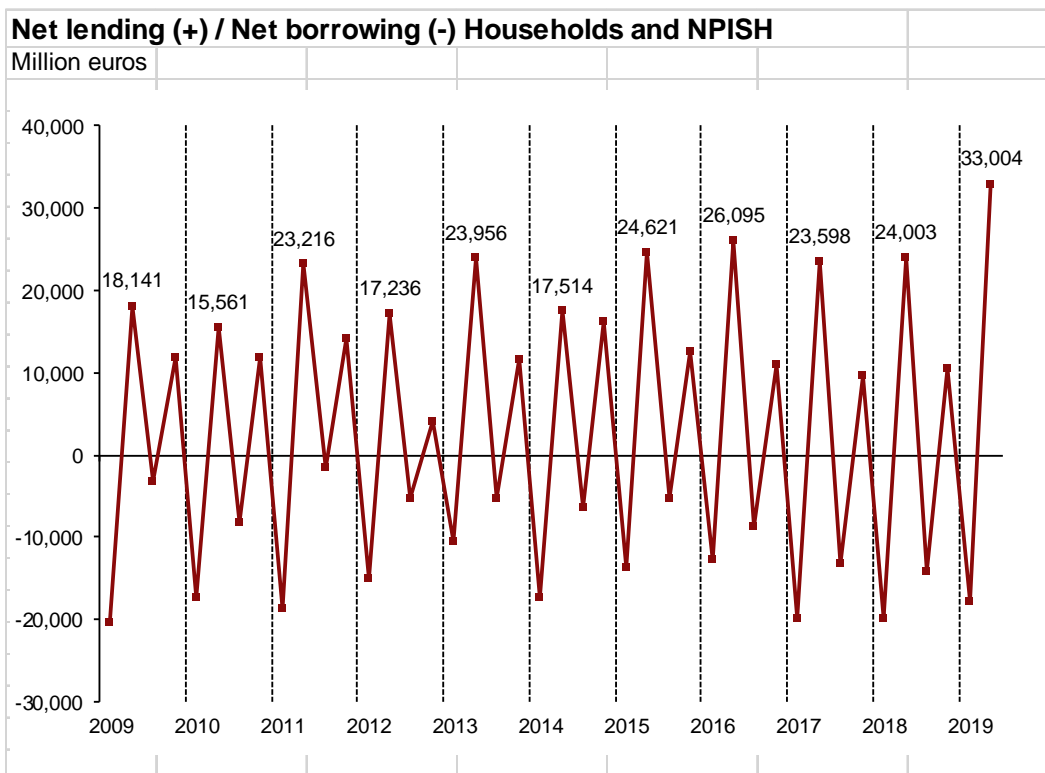
In turn, the investment rate of households⁵, after adjusting for seasonal and calendar effects, stood at 5.4% of their disposable income, two tenths lower than in the previous quarter.

⁴ Gross fixed capital formation and acquisitions less disposals of non-produced non-financial assets.

⁵ 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).



In this way, and after taking into account the balance of capital transfers of the sector, households registered a net lending capacity of 33,004 million (compared to 24,003 million estimated for the same quarter of 2018).



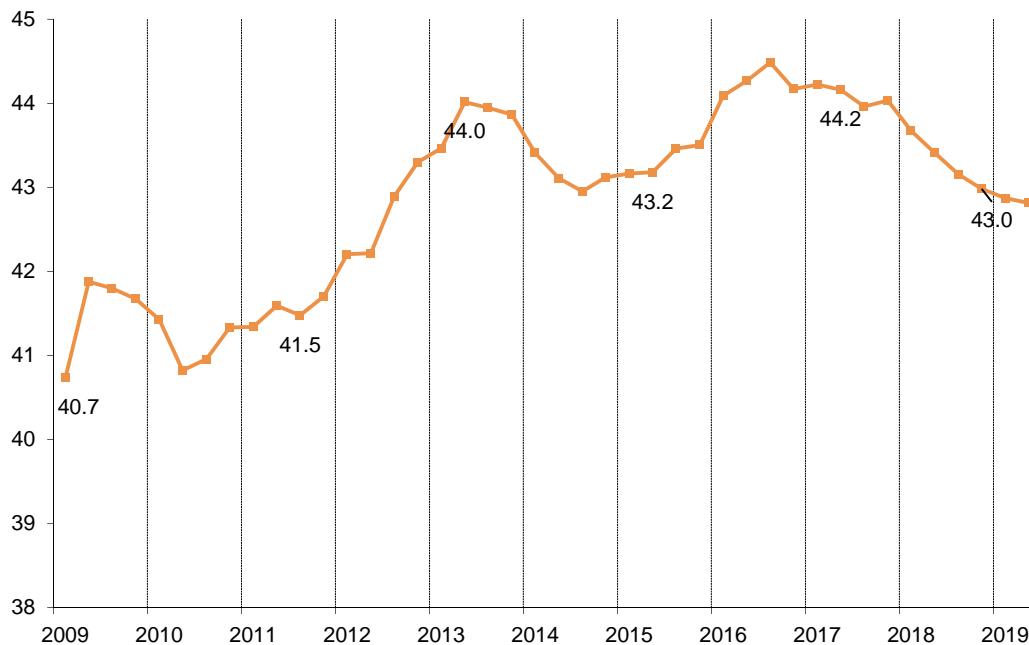
Non-financial corporations

Gross value added generated by Non-Financial Corporations increased by 4.0% in the second quarter as compared with the same period of 2018 and gross operating surplus of the sector did so by 2.6%.

Excluding seasonal and calendar effects, the share of the sector's gross surplus in its value added stood at 42.8%, which is one tenth 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



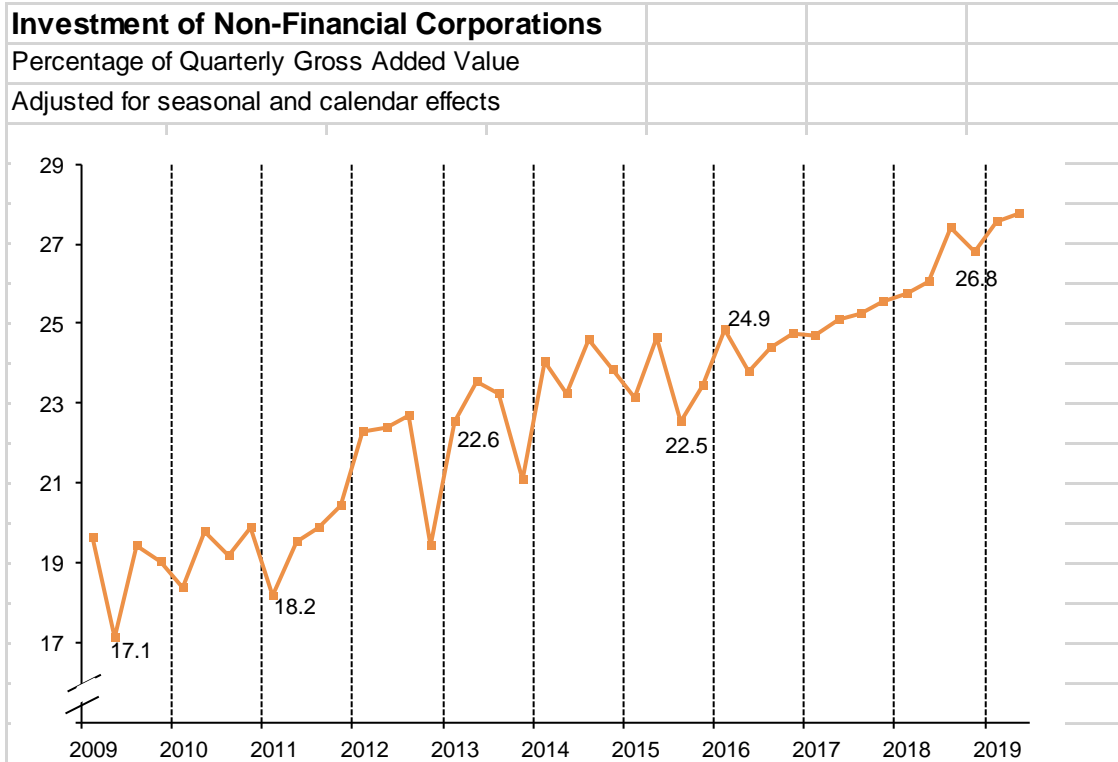
If we add the net balance of property income (interest, dividends, etc.) to be received by the sector to its gross surplus, we can see that its *balance of gross primary income* decreases by 1.1% compared to the second quarter of 2018.

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* decreases by 2.8%.

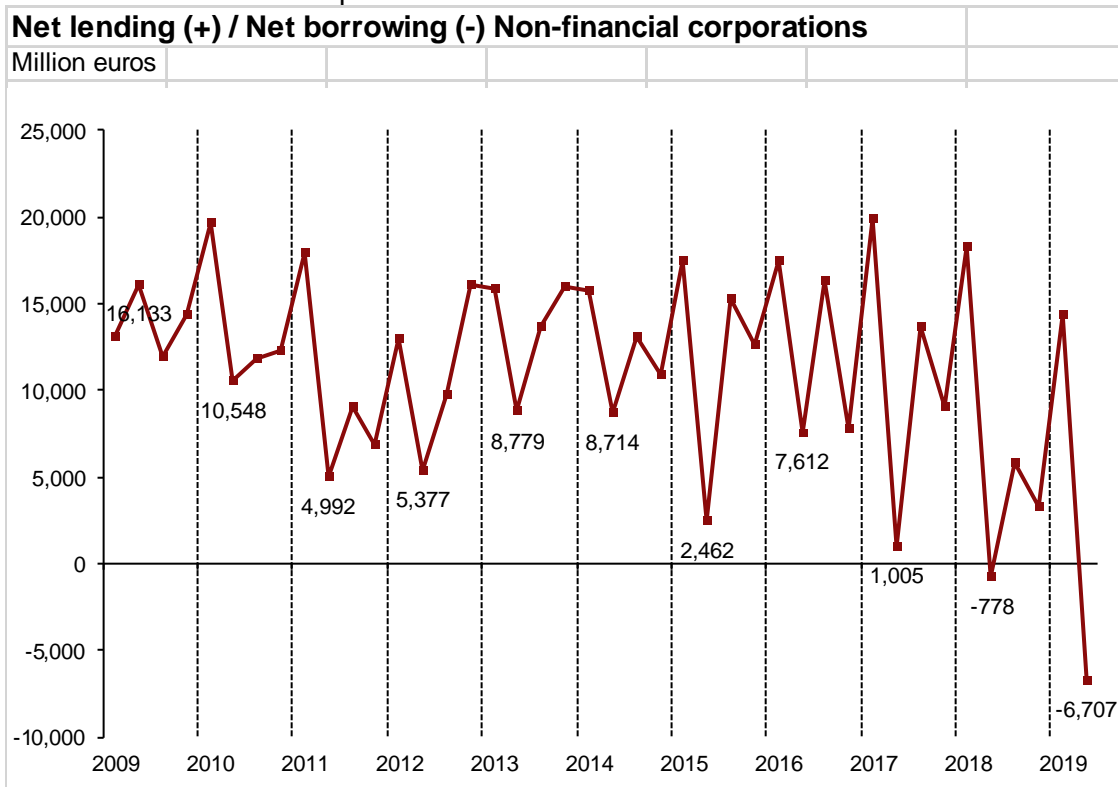
This disposable income, together with its capitals transfer balance is sufficient to finance the investment volume of the sector, which amounted to 50,094 million (10.3% more than that of the same quarter of the previous year).

In turn, the investment rate of *Non-Financial Corporations*⁶, after adjusting for seasonal and calendar effects, stood at 27.8% of their gross value added, two tenths more than in the previous quarter.

⁶ Quotient between the gross fixed capital formation and the gross value added of the sector.



As a result, a *net lending* of -6.707 million euros is estimated for the sector, compared with -778 million in the second quarter of 2018.



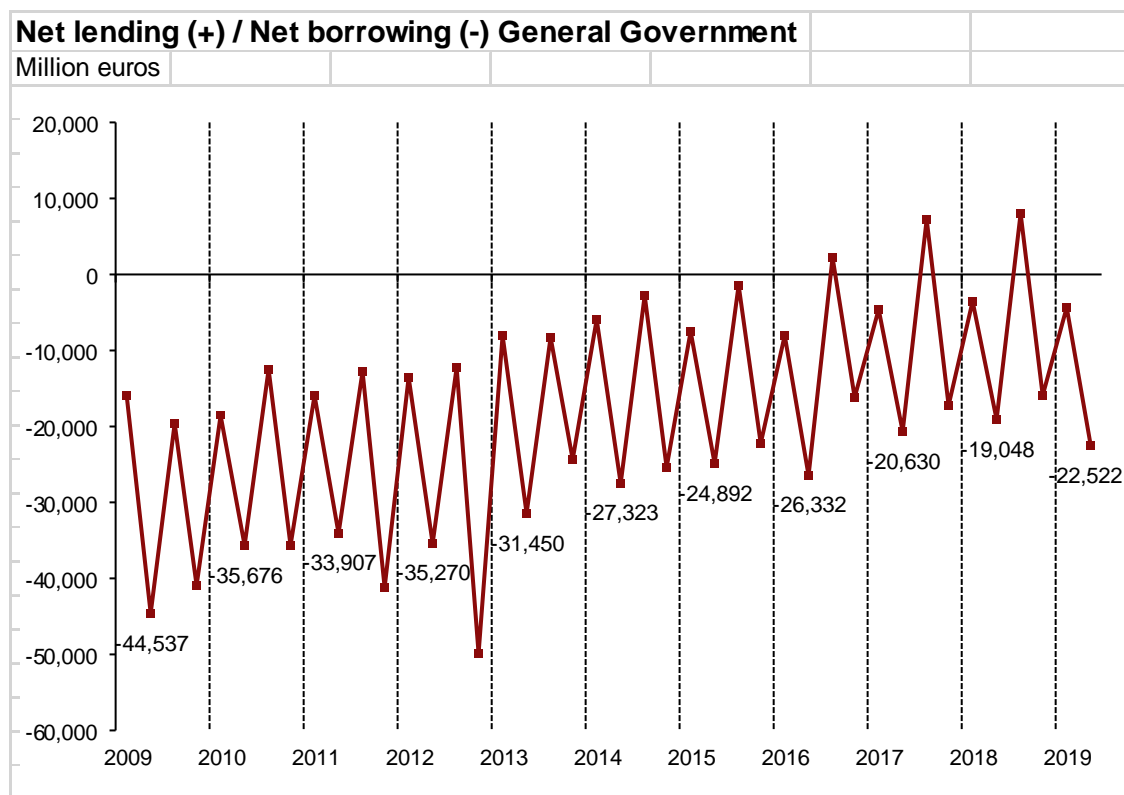
Public Administrations

The *gross disposable income* of the *Public Administrations* reached 44,396 million euros in the second quarter, 1.3% less than in the same period of 2018.

Final consumption expenditure increased by 5.2% up to 60,679 million euros. With this, the *gross savings* of the sector amounted to -16.283 million (in the second quarter of 2018 it was -12.670 million).

Investment by *Public Administrations* was estimated to be 6,355 million, with a decrease of 4.2%.

Savings and investment in the sector, together with the balance of capital transfers, led the sector to generate a *net borrowing* of 22,522 million, compared to 19,048 million in the second quarter of 2018.

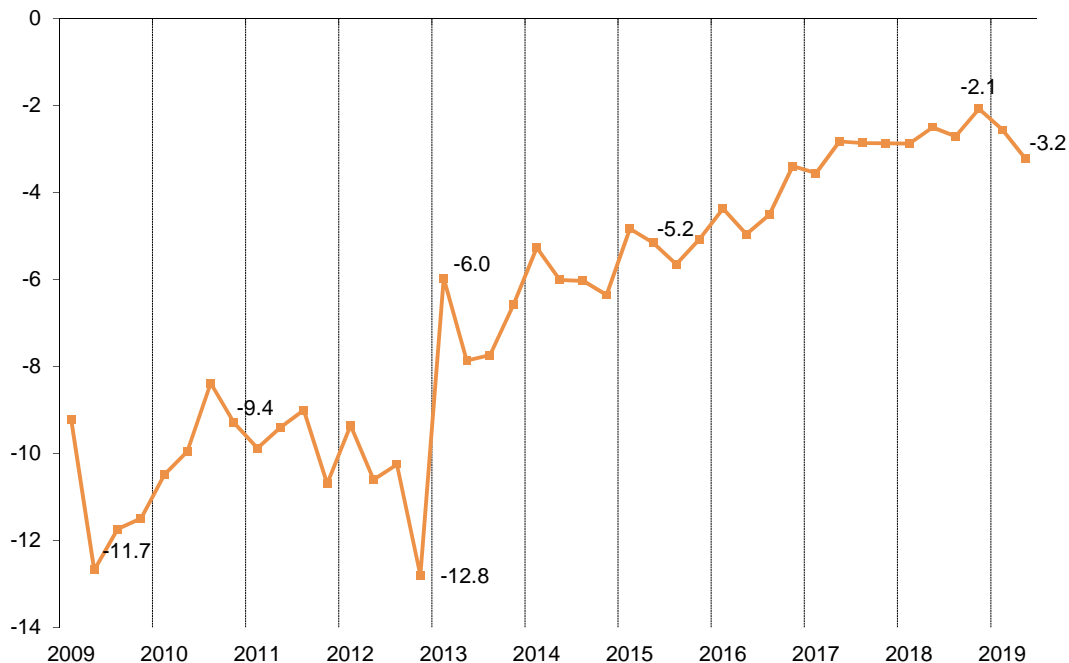


If seasonal and calendar effects are excluded, the *General Government* recorded a *net borrowing* of 3.2% of GDP, six tenths more than the previous quarter.

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

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

Percentage of Quarterly Gross Domestic Product
Adjusted for seasonal and calendar effects



Financial corporations

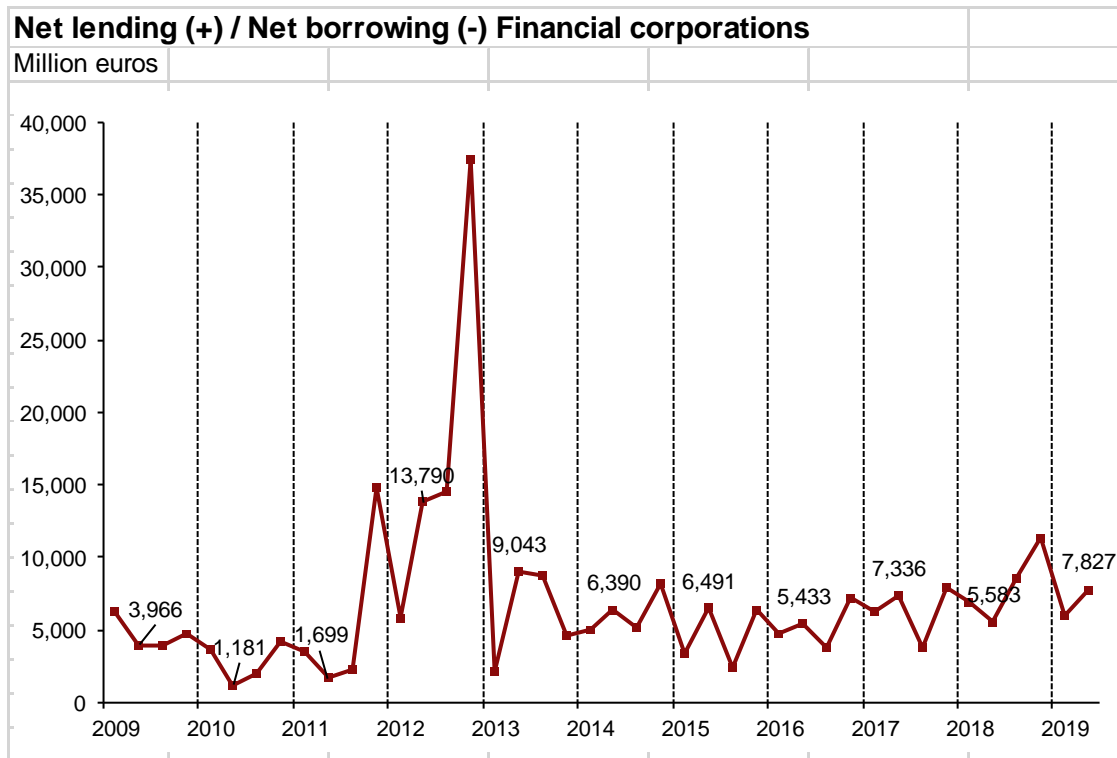
The *gross value added of Financial Corporations* increased by 3.7% in the second quarter of 2019, compared to the same period of 2018. *Gross operating surplus* of the sector increased by 5.6%.

This, together with a greater net balance of property income (interests, dividends, etc.) to be perceived by the sector, makes the *balance of primary income* to grow by 27.0%.

If we also take into consideration their secondary income distribution flows (corporate taxes, social contributions and benefits and other current transfers), *gross disposable income* of the sector is estimated at 7,419 million euros, 23.1% more than in the same quarter of 2018.

Investment by financial corporations amounted to 215 million euros (during the same quarter of the previous year it was 1,372 million).

With this, and once considered its capital transfer balance, the sector generated a *net lending* of 7,827 million euros, compared to the 5,583 million in the second quarter of 2018.



Revision and updating of data

The results released today from the first quarter of 1995 correspond to the results from the statistical review of the series of the National Accounts (2019 Statistical Review)⁷.

These results also include all economic information available on economic developments on a quarterly basis. In particular, these results include quarterly information on the Balance of Payments published by the Bank of Spain on 26 September, and on the Public Administration Quarterly Accounts, disseminated today by the General Intervention of the State Administration. They are also consistent with the updated results of the *Quarterly Spanish National Accounts: Main Aggregates*, also published today.

⁷ A regular extraordinary review of national accounts, which answers the need to regularly update the sources and estimation methods used for its compilation (at least every five years, according to European-level international recommendations). This type of review affects their complete series of results from the reference year 1995.

More information at: http://www.ine.es/normativa/leyes/cse/cambio_meto_Revisi%C3%B3nContabilidad2019.pdf

Methodological note

The objective of the Non-financial Quarterly 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 generation of income, distribution and redistribution, final consumption, savings and accumulation of assets). This results are prepared 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 are published around 90 days after the end of the reference quarter (t+90 days, being t the reference quarter), 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.

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 days, and on the *Quarterly Accounts of General Government*, disseminated by the General Intervention of the State Administration in around t+90 days.

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 QNFAIS 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 seasonal 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 of the Non-Financial Corporations, General Government and Households⁸ 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, you can consult the INE website (www.ine.es), as well as access the standardised methodological report on the operation (<https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30026>).

⁸ Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

Annex tables: summary of results by institutional sector

Non-financial accounts for Households and NPISH

Units: million euros and rates in percentage

	Q2-2019	Q2-2018	Variation (%)
Gross added value	69,315	66,930	3.6
Compensation of Employees (payable) (-)	11,681	11,479	1.8
Other taxes (less subsidies) on Production and Imports (-)	1,854	1,843	0.6
Gross operating surplus/mixed income	55,780	53,608	4.1
Compensation of Employees (receivable) (+)	145,871	138,639	5.2
Property income (receivable, net) (+)	19,402	17,720	9.5
Gross balance of primary incomes	221,053	209,967	5.3
Current taxes on property and income (-)	20,064	18,766	6.9
Net social contributions (-)	43,075	40,298	6.9
Social benefits (+)	60,016	54,934	9.3
Other current transfers (receivable, net) (+)	275	479	-42.6
Gross disposable income	218,205	206,316	5.8
Final consumption expenditure (-)	175,935	172,311	2.1
Adjustment for the change in pension entitlements (+)	-286	-492	41.9
Gross saving	41,984	33,513	25.3
Capital transfers (receivable, net) (+)	-710	-878	19.1
Gross capital formation and Net acquisitions of non-produced	8,270	8,632	-4.2
Net lending (+) / Net borrowing (-)	33,004	24,003	37.5

Non-financial accounts for Non-Financial Corporations

Units: million euros and rates in percentage

	Q2-2019	Q2-2018	Variation (%)
Gross added value	162,538	156,361	4.0
Compensation of Employees (payable) (-)	92,701	88,028	5.3
Other taxes (less subsidies) on Production and Imports (-)	964	1,224	-21.2
Gross operating surplus	68,873	67,109	2.6
Property income (receivable, net) (+)	-18,279	-15,967	-14.5
Gross balance of primary incomes	50,594	51,142	-1.1
Current taxes on property and income (-)	5,468	4,948	10.5
Net social contributions (+)	1,341	1,426	-6.0
Social benefits (-)	1,328	1,275	4.2
Other current transfers (receivable, net) (+)	-2,383	-2,358	-1.1
Gross disposable income	42,756	43,987	-2.8
Gross saving	42,756	43,987	-2.8
Capital transfers (receivable, net) (+)	631	641	-1.6
Gross capital formation and Net acquisitions of non-produced	50,094	45,406	10.3
Net lending (+) / Net borrowing (-)	-6,707	-778	-762.1

Non-financial accounts for General Government

Units: million euros and rates in percentage

	Q2-2019	Q2-2018	Variation (%)
Gross added value	43,217	40,854	5.8
Compensation of Employees (payable) (-)	35,908	33,586	6.9
Other taxes (payable, less subsidies) on Production and Imports (-)	138	110	25.5
Gross operating surplus	7,171	7,158	0.2
Taxes (receivable, less subsidies) on Production and Imports (+)	32,545	33,132	-1.8
Property income (receivable, net) (+)	-6,076	-5,619	-8.1
Gross balance of primary incomes	33,640	34,671	-3.0
Current taxes on property and income (+)	27,143	25,258	7.5
Net social contributions (+)	40,274	37,401	7.7
Social benefits (-)	55,226	50,970	8.4
Other current transfers (receivable, net) (+)	-1,435	-1,357	-5.7
Gross disposable income	44,396	45,003	-1.3
Final consumption expenditure (-)	60,679	57,673	5.2
Gross saving	-16,283	-12,670	-28.5
Capital transfers (receivable, net) (+)	116	259	-55.2
Gross capital formation and Net acquisitions of non-produced assets (-)	6,355	6,637	-4.2
Net lending (+) / Net borrowing (-)	-22,522	-19,048	-18.2

Non-financial accounts for Financial Corporations

Units: million euros and rates in percentage

	Q2-2019	Q2-2018	Variation (%)
Gross added value	11,093	10,696	3.7
Compensation of Employees (payable) (-)	5,029	4,893	2.8
Other taxes (payable, less subsidies) on Production and Imports (-)	960	971	-1.1
Gross operating surplus	5,104	4,832	5.6
Property income (receivable, net) (+)	4,504	2,736	64.6
Gross balance of primary incomes	9,608	7,568	27.0
Current taxes on property and income (-)	1,237	1,363	-9.2
Net social contributions (+)	1,273	1,253	1.6
Social benefits (-)	2,409	1,599	50.7
Other current transfers (receivable, net)	184	167	10.2
Gross disposable income	7,419	6,026	23.1
Adjustment for the change in pension entitlements (-)	-286	-492	41.9
Gross saving	7,705	6,518	18.2
Capital transfers (receivable, net) (+)	337	437	-22.9
Gross capital formation and Net acquisitions of non-produced assets (-)	215	1,372	-84.3
Net lending (+) / Net borrowing (-)	7,827	5,583	40.2