

8 January 2009

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

**Main results**

–In the third quarter of 2008, the savings rate for households and non-profit institutions serving households (NPISH) reaches 9.6% of their disposable income, 5.1 points more than the same period in 2007. Taking mobile periods of the last four quarters as a reference, this rate recovers, for the second consecutive quarter, up to 11.9% of disposable income, 1.1 points more than the previous period.

–In the third quarter, households and NPISH present a financing need of 4,195 million euros, 1.6% of GDP. This figure is 5.1 points lower than that estimated one year ago.

– Non-financial corporations have a financing need of 21,002 million euros, 8.0% of quarterly GDP. This rate is 5.2 points lower than that estimated for the same quarter of the previous year.

–The Public Administrations present a financing need of 3,071 million euros, 1.2% of quarterly GDP. Since the year 2000, the Public Administrations had not shown a financing need for a third quarter.

–Financial corporations have a financing capacity of 6,055 million euros this quarter, 2.3% of GDP.

–The financing need of the economy as compared with the rest of the world is estimated at 22,213 million euros, accounting for 8.5% of quarterly GDP, 1.7 point less than one year ago.

## Households and Non-Profit Institutions Serving Households Sector

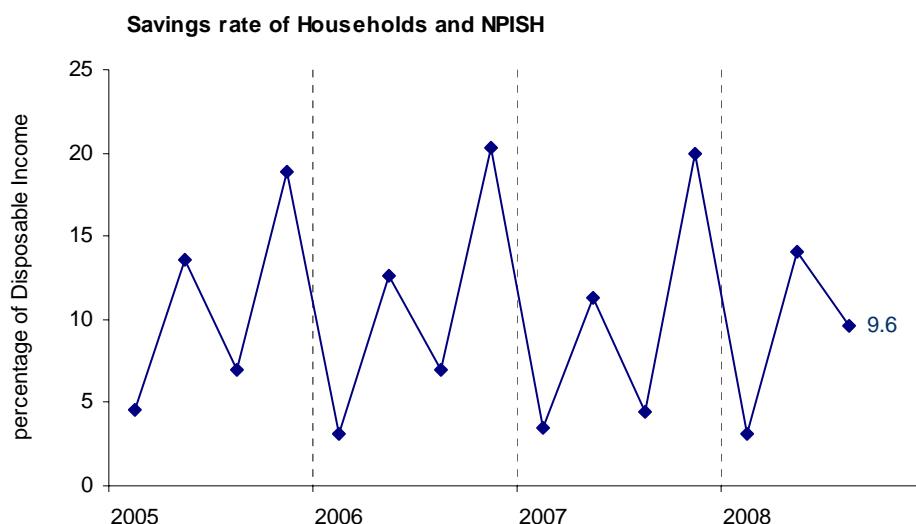
During the third quarter of 2008, disposable income for the Households and Non-Profit Institutions Serving Households (NPISH) Sector increased 10.4% interannually, reaching the figure of 176,359 million euros, 16,684 million higher than the income estimated in the third quarter of the previous year.

This result was originated, on the one hand, from the increase in the balance of primary income (5.2%), with interannual growth estimated at 8.2% for aggregate operating surplus and mixed household income, and at 4.4% for employee remuneration. Likewise, the net balance of perceived property income (interest, dividends, ...) decreased 3.3% (those received increased 5.7% and those paid increased 17.3%).

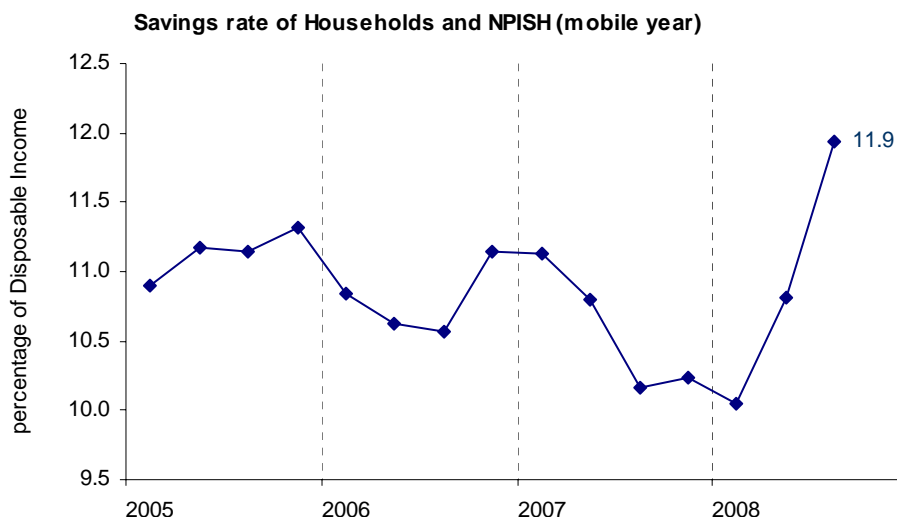
On the other hand, and regarding secondary income distribution, the interannual growth (13%) of social benefits received by households was significantly higher than the rate reached by the increase in social contributions paid (4.4%). Similarly, the balance of current transfers received grew at a rate of 8.0%. Lastly, taxes on income and wealth paid by households decreased 16.9%.

The joint consideration of all of the elements mentioned determined that the interannual growth of the disposable income of households stood at 10.4%, as previously stated.

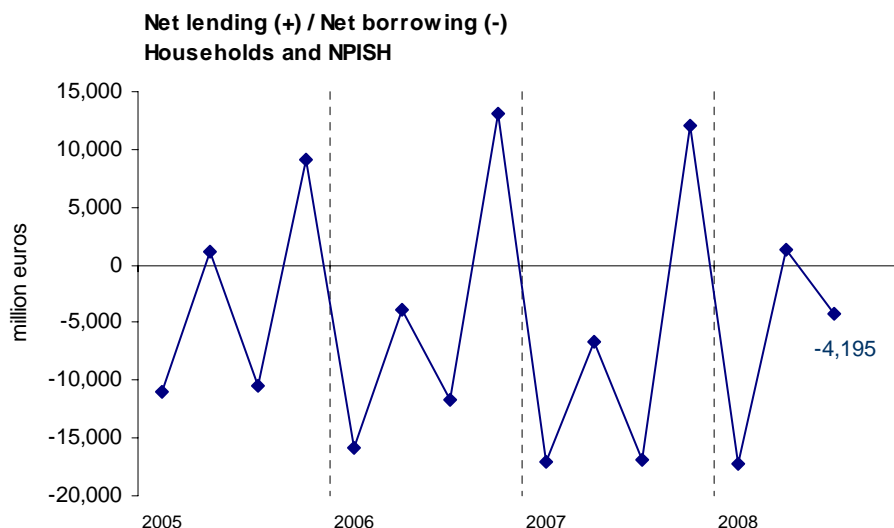
As regards the use of this disposable income, final consumption expenditure by households and NPISH during this period grew at a lower rate (4.7%) than that of the disposable income itself, with the result that savings increased 139.1% to reach 16,889 million euros (9,824 million more than the same quarter the previous year). The savings rate thus stood at 9.6% of disposable income, 5.1 points more than one year ago.



Considering four-quarterly mobile periods, the period from the fourth quarter of 2007 to the third quarter of 2008 showed a savings rate for the sector that recovered, for the second consecutive quarter, reaching 11.9% of disposable income, 1.1 points more 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 500 million euros, due to net capital transfers received, was not sufficient to finance the investment volume of the sector, which reached 21,584 million euros this quarter, 12.8% less than in the same period of 2007. Thus, the sector presented a financing need of 4,195 million euros, accounting for 1.6% of quarterly GDP. This result is 5.1 points less unfavourable for the sector than that registered one year ago.



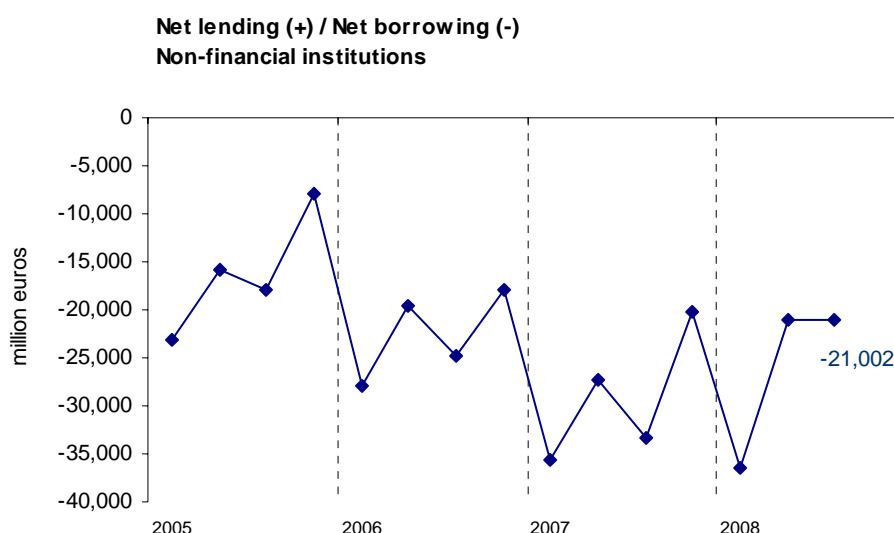
## Non-Financial Corporations Sector

During the third quarter of 2008, the disposable income of non-financial corporations was registered at 9,902 million euros. In relative terms, this figure was almost nine times greater than that estimated for the same quarter of the previous year (1,167 million euros).

Most of this increase was explained by the decrease (–32.7%) in the amount of corporate tax paid by the sector, resulting in 6,922 million euros less than the amount paid one year ago.

In turn, the balance of primary income increased 7.7%, as a result of the growth of operating surplus (12.3%), partially compensated by the greater net property income paid (19.1% more than the same period of the previous year).

The disposable income generated by the sector, together with the positive balance of 2,963 million euros corresponding to transfers of net capital received, was not sufficient to finance the total investment volume of the non-financial corporations (33,867 million euros). Consequently, a financing need of 21,002 million euros was estimated, accounting for 8.0% of quarterly GDP, 5.2 points less than the figure registered in the third quarter of 2007.



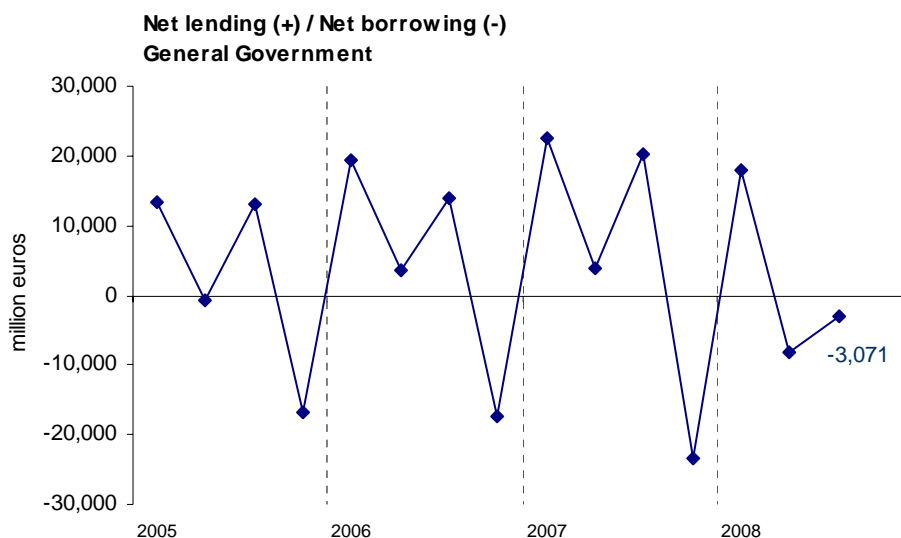
## Public Administrations Sector

In the third quarter of 2008, the Public Administrations decreased their disposable income by 22.9% in interannual terms, reaching a figure of 55,813 million euros (16,620 million euros less than one year ago).

Two factors explained this result. Firstly, the interannual decrease in the total value of net taxes received by the sector (–21.7%). The taxes linked to production decreased 16.9% (3,727 million) and those linked to income and wealth decreased 23.9% (11,377 million). Secondly, the lower volume of contributions received than that of social benefits paid (3.7% interannual growth for the former, as compared with 13.6% for the latter). Finally, the lower net balance of current transfers paid by the sector partially compensated for the two previously mentioned effects.

In turn, final consumption expenditure of the public administrations increased 10.2%. Consequently, the savings of the sector were reduced to 8,436 million euros.

These savings, reduced by 2,780 million by the net balance of capital transfers paid, were not sufficient to finance the investment of the Public Administrations this quarter, and therefore, the sector recorded a financing need of 3,071 million euros, 1.2% of quarterly GDP.

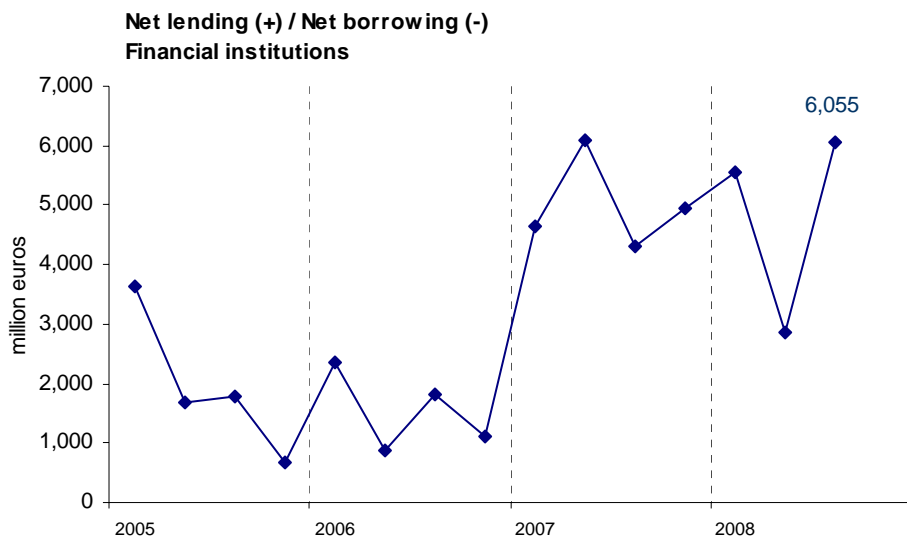


## Financial Institutions Sector

In the third quarter of 2008, disposable income for the financial institutions sector increased 60.1% as compared with the same period of the previous year, standing at 8,866 million euros.

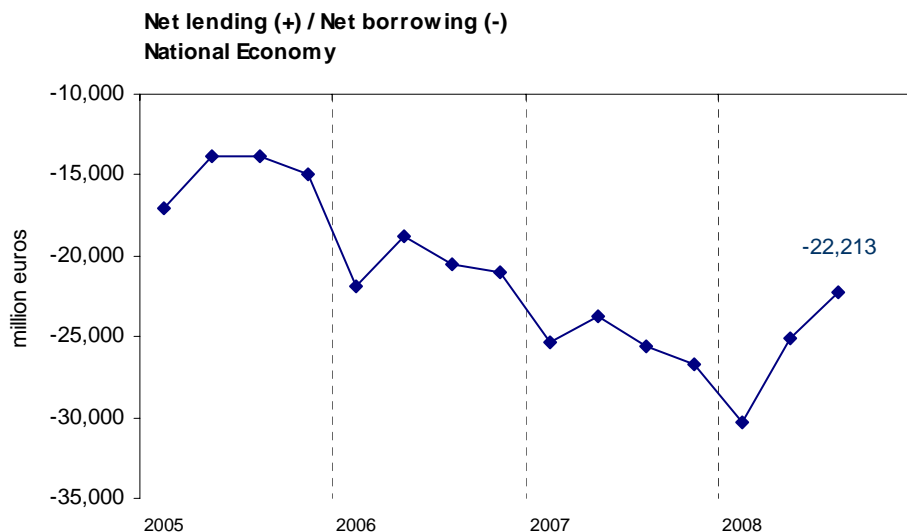
This increase was mainly due to the 3,794 million euro increase in the net balance of property income received by the sector (that received increased 25.7%, while that paid increased 15.9%). Another element that also contributed was the amount of corporate tax paid by the sector, which was reduced by 216 million euros (-9.6%). Finally, the 906 million euro decrease (-11.8%) in operating surplus partially compensated for the two previously mentioned effects on disposable income.

This income, decreased by 306 million euros, due to the adjustment in the participation of households in pension funds, and by 97 million euros in capital transfers paid, was sufficient to finance the investment made by the sector. In this way, the financial institutions recorded a financing capacity of 6,055 million euros this period, 2.3% of GDP, and six 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, against the rest of the world, of 22,213 million euros, during the third quarter of 2008 (3,428 million euros less than that estimated for the third quarter of 2007). This figure represented 8.5% of GDP, 1.7 points less than one year ago.



From the perspective of the rest of the world, the reduced financing need of the Spanish economy was the result of the improved performance of our balance of goods and services, as well as that corresponding to the balance of income and current and capital transfers with the rest of the world.

In fact, the greater interannual increase in exports (6.5%) than in imports (3.4%) determined that the balance of foreign exchanges of goods and services improved 13.4% (1,785 million euros).

Likewise, the balance of income and current and capital transfers with the rest of the world increased 13.3% (1,643 million euros).

### **Further information**

**The results for the period from the first quarter of 2000 to the third quarter of 2008 are available** on the INE website ([www.ine.es](http://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.

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For further information see: **INEbase-[www.ine.es](http://www.ine.es)** All press releases at: **[www.ine.es/prensa/prensa\\_en.htm](http://www.ine.es/prensa/prensa_en.htm)**

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