

Quarterly Spanish National Accounts. Base 2000
Quarterly Non-Financial Accounts for the Institutional Sectors
Third quarter of 2009

Main results

- In the third quarter of 2009, the savings rate for households and non-profit institutions serving households (NPISH) reaches 14.1% of their disposable income, 4.6 points more than the same period in 2008. Taking mobile periods of the last four quarters as a reference, this rate recovers to 18.7% of disposable income, 1.1 points more than the previous mobile period.
- The net lending of households and NPISH during the third quarter of 2009 stands at 9,464 million euros, 3.8% of GDP. This sum contrasts with the net borrowing of the third quarter of 2008 (4,559 million euros).
- Non-financial corporations have net borrowing of 5,219 million euros, 2.1% of quarterly GDP. This rate is 6.2 points lower than that estimated for the same quarter the previous year.
- The General Government presents net borrowing of 17,894 million euros, 7.1% of quarterly GDP, 6 points more than the same period the previous year.
- Financial institutions have net lending of 4,482 million euros this quarter, 1.8% of GDP, one point less than one year ago.
- The net borrowing of the economy as compared with the rest of the world is estimated at 9,167 million euros, accounting for 3.6% of quarterly GDP, 4.8 points less than one year ago.

Households and Non-Profit Institutions Serving Households Sector

During the third quarter of 2009, disposable income for the Households and Non-Profit Institutions Serving Households Sector (NPISH) decreased 1.6% interannually, which amounted to 174,345 million euros, for a decrease of 2,767 million euros as compared with the income estimated in the third quarter of the previous year.

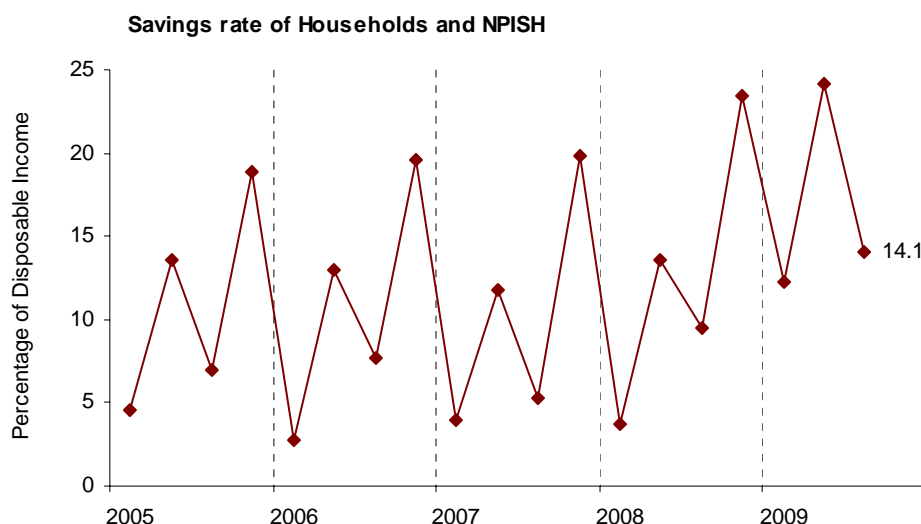
This result was contributed to by the decrease in the balance of primary income (3.4%), due to both the decrease in operating surplus and mixed income (8.0%) and the decrease in employee remuneration (3.6%).

This reduction was not compensated by the 32.8% increase in the net balance of received property income (interest, dividends, etc.). The income received decreased 12.6%, whilst that paid decreased 59.8%.

Regarding secondary income distribution, households benefited this quarter, from a volume of benefits received that grew at an interannual rate of 11.7%, while the sum of social contributions paid decreased 0.2%. Likewise, the balance of current transfers paid increased 2.7% (as a result of the decreases of 15.1% in those received and of 18.6% in those paid). However, taxes on income and wealth paid by households increased 5.2%.¹

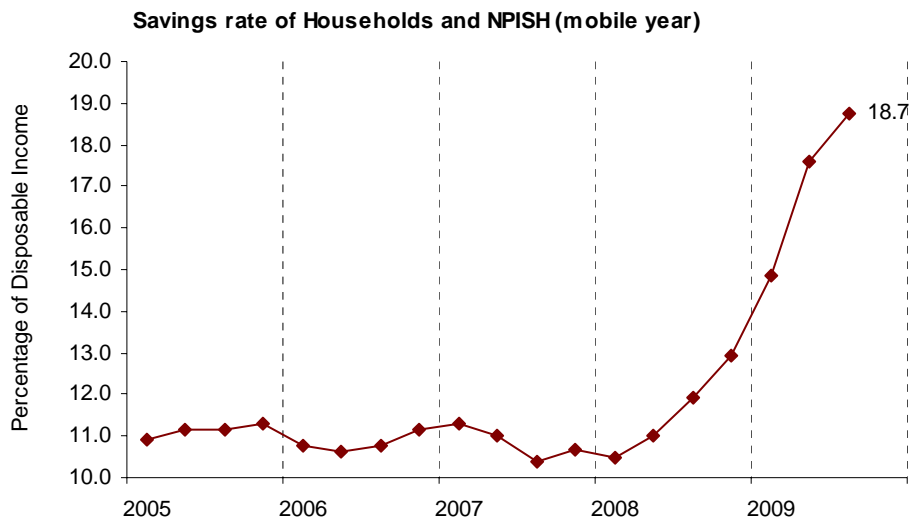
The joint consideration of all of the elements mentioned determined that the interannual decrease of the disposable income of households stood at 1.6%, as previously stated.

As regards the use of this disposable income, final consumption expenditure by households and NPISH during this period decreased 6.3%, with the result that savings increased 46.3%, reaching 24,652 million euros (7,798 million euros more than the same quarter the previous year). Thus, **the savings rate stood at 14.1% of disposable income, 4.6 points more than one year ago.**

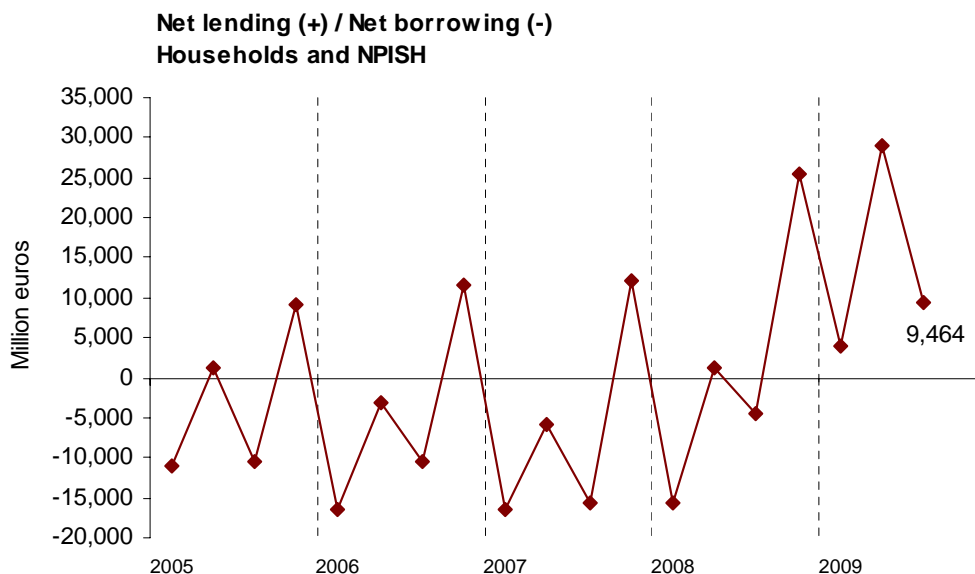


¹ The increase in income tax refunds made in June 2009, with regard to the same month of 2008, yielded an increase of 5.2% in the taxes on income and wealth paid by households. The accumulated rate for the first three quarters of the year implied a decrease of 12.2%.

Taking mobile periods of four quarters, the period from the fourth quarter of 2008 to the third quarter of 2009 showed a savings rate for the sector that recovered to reach 18.7% 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 622 million euros due to net capital transfers received, was sufficient to finance the considerable investment volume of the sector, which reached 15,810 million euros this quarter, 27.8% less than in the same period of 2008. Thus, the sector generated net lending of 9,464 million euros (3.8% of quarterly GDP).



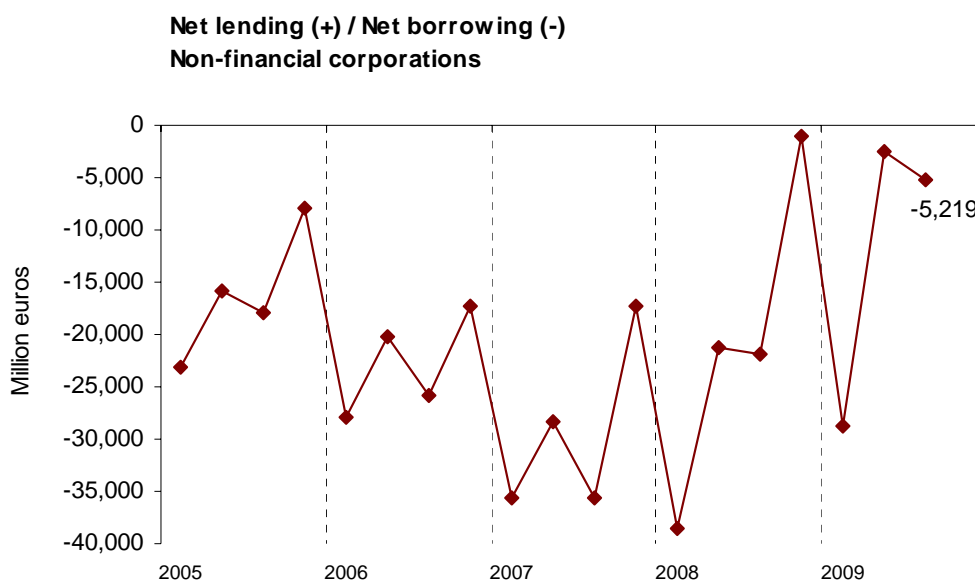
Non-Financial Corporations Sector

During the third quarter of 2009, non-financial corporations experienced an interannual increase of 137.2% in disposable income.

This performance was explained, firstly, by the increase of 27.3% in the balance of primary income (due to the 6.0% reduction in operating surplus, broadly compensated by the 49.0% reduction in the balance of net property income paid). In addition, a decrease of 34.6% took place, in interannual terms, in the sum of the corporate taxes paid by the sector.

In absolute terms, disposable income for the sector reached 21,554 million euros during the referenced quarter.

This amount, linked to the positive balance of 3,066 million euros in net capital transfers received, was not sufficient to finance the total investment volume of the sector (29,839 million euros). Consequently, net borrowing of 5,219 million euros was estimated, this figure accounting for 2.1% of quarterly GDP, 6.2 points less than that recorded one year ago.



General Government Sector

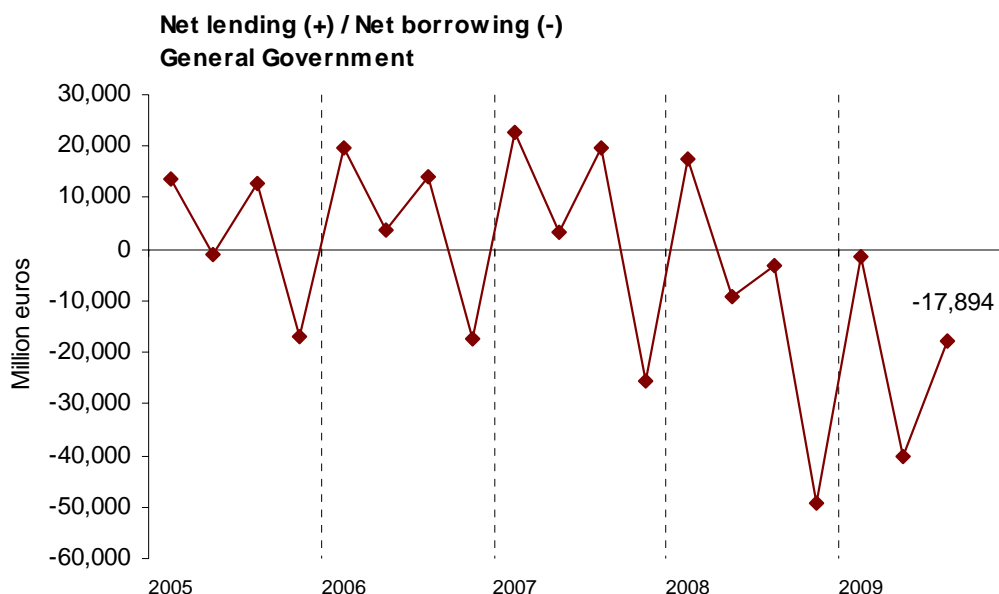
In the third quarter of 2009, the General Government decreased its disposable income by 22.9% in interannual terms, reaching 42,828 million euros (12,715 million euros less than one year ago).

The essential factor explaining this result was the interannual decrease, of 11.1%, in the total value of net taxes received by the sector. The behaviour of net taxes linked to production and taxes from income and wealth was similar. Thus, whereas the former experienced a drop in level of 11.0% (decreasing 2,078 million euros), the latter decreased at a rate of 11.3% (3,981 million euros).

In addition, other elements contributing to the decrease in disposable income were, on the one hand, the decrease in social contributions received (1.3%), and on the other hand, the increases in social benefits paid (13.0%) and in net property income paid (59.0%).

In turn, the final consumption expenditure of the general government increased 4.8%, and therefore, the savings of the sector presented a negative sum of 6,447 million euros.

The joint consideration of this result, of the net balance of capital transfers paid (2,679 million euros) and the investment by the General Government this quarter, led the sector to a net borrowing of 17,894 million euros, 7.1% of GDP for the quarter (6 points less than one year ago).

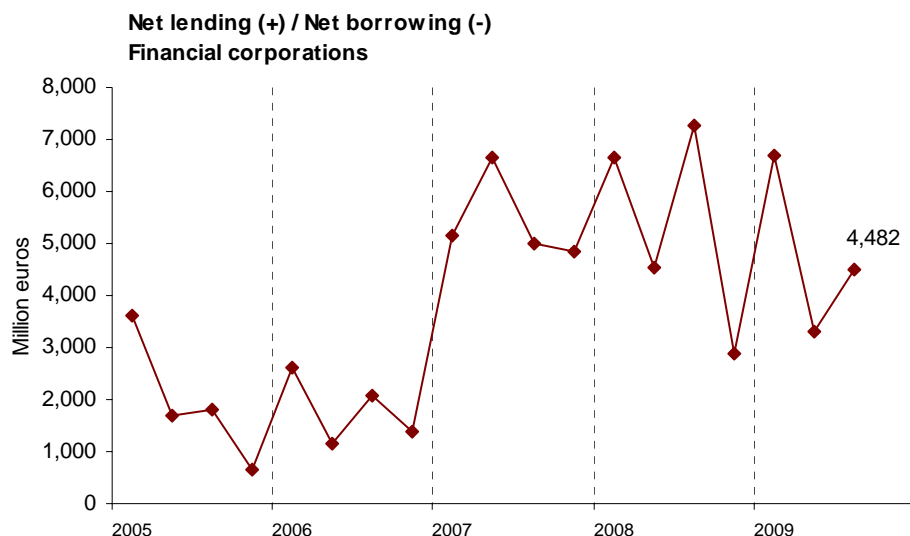


Financial Institution Sector

In the third quarter of 2009, disposable income for the financial institution sector decreased 32.6% as compared with the same period the previous year, standing at 6,335 million euros.

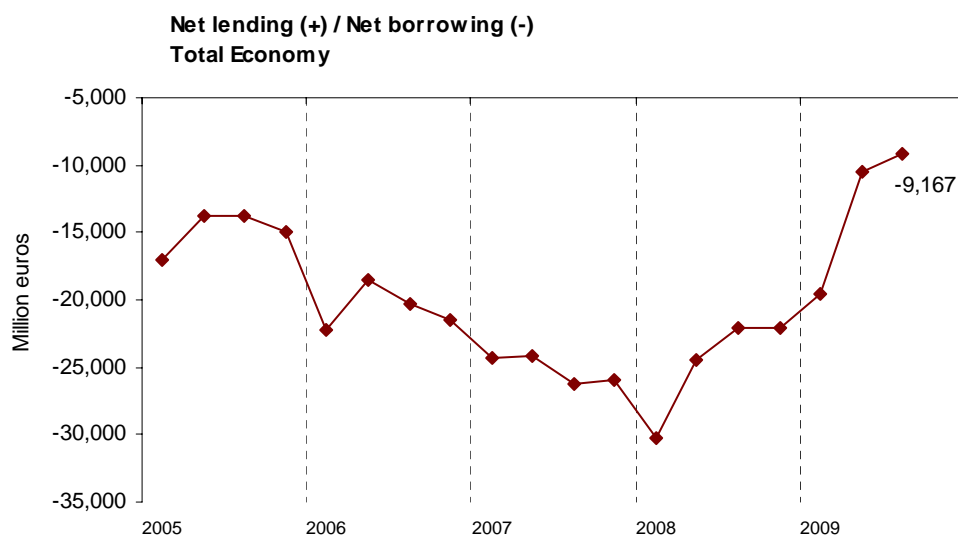
This result was mainly due to the decrease of 7,156 million euros in the net balance of perceived property income (that received decreased 45.9%, whilst that paid decreased 35.3%). This decrease was partially compensated by the lesser amount of corporate taxes paid by the sector (5.7%), and above all, by the increase of 3,442 million euros (53.0%) in operating surplus.

Disposable income generated this quarter, reduced by 253 million euros, due to the adjustment in the participation of households in pension funds, and 158 million euros in capital transfers paid, was enough to finance the investment made by the sector (1,442 million euros). In this way, financial institutions had a net lending of 4,482 million euros during this period, 1.8% of GDP, one point less than one year ago.



National Economy

As a result of the actions of all institutional sectors, the national economy presented net borrowing of 9,167 million euros, against the rest of the world, during the third quarter of 2009 (12,901 million euros less than that estimated for the same period of 2008). This figure represented 3.6% of GDP, 4.8 points less than one year ago.



The decrease in the net borrowing of the Spanish economy was explained by the improved behaviour of the balance of goods and services transactions abroad, which decreased 8,315 million euros, as a result of a greater decrease interannual in imports (23.0%) than in exports (15.6%), as well as due to the improvement (43.6%) in the balance of income and current and capital transfers with the rest of the world, and a sum reaching 4,586 million euros.

Further information

The results for the period from the first quarter of 2000 to the third quarter of 2009 are available on the INE website (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 used traditionally with the Annual National Accounts of the Institutional Sectors.