

30 December 2019

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

Main results

- The net lending of the national economy compared to the rest of the world is 8,061 million euros in the third quarter of 2019.
- After adjusting for seasonal and calendar effects, the net lending of the national economy stands at 1.7% of GDP, six tenths less than in the previous quarter.
- The gross national income reached 305,519 million euros in the third quarter and the gross national disposable income came to 301,960 million.
- After adjusting for seasonal and calendar effects, both the national income and the national disposable income increase by 0.6% as compared with the previous quarter.
- The savings rate of households is estimated at $-1,3\%$ of their disposable income in the third quarter, compared to $-1,4\%$ in the same quarter of the previous year.
- After adjusting for seasonal and calendar effects, the household saving rate is 6.4% of their disposable income, 1.4 points lower than in the previous quarter.
- The net lending of the General Government amounts to 8,790 million euros, versus 8,023 million euros in the same quarter of 2018.
- After adjusting for seasonal and calendar effects, the net borrowing of the General Government stands at $-3,1\%$ of the quarterly GDP, one tenth more than the previous quarter.

Net lending of the national economy

The national economy registered *net lending* with the rest of the world of 8,061 million euros in the third quarter of 2019, representing 2.6% of GDP for that period. In the same quarter of 2018, the *net lending* was 8,289 million euros (2.8% of GDP).

This decrease is explained, from the outset, by a lower *foreign trade balance in goods and services* (11,384 million euros, compared to 11,481 million for the same period of 2018). However, this balance, together with the evolution of current income and transfers, provides a *balance of current foreign exchange operations* that is 381 million higher than in the same quarter of the previous year. Furthermore, the balance of capital transfers¹ was 283 million, compared to 892 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	3rdquarter 2019	3rdquarter 2018	Difference
Imports of goods and services	100,760	97,076	3,684
Exports of goods and services	112,144	108,557	3,587
External balance of goods and services (A)	11,384	11,481	-97
Balance of income and current transfers account (B)	-3,606	-4,084	478
Balance of external current account (C=A+B)	7,778	7,397	381
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	283	892	-609
Net lending (+) / Net borrowing (-) (C+D)	8,061	8,289	-228

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

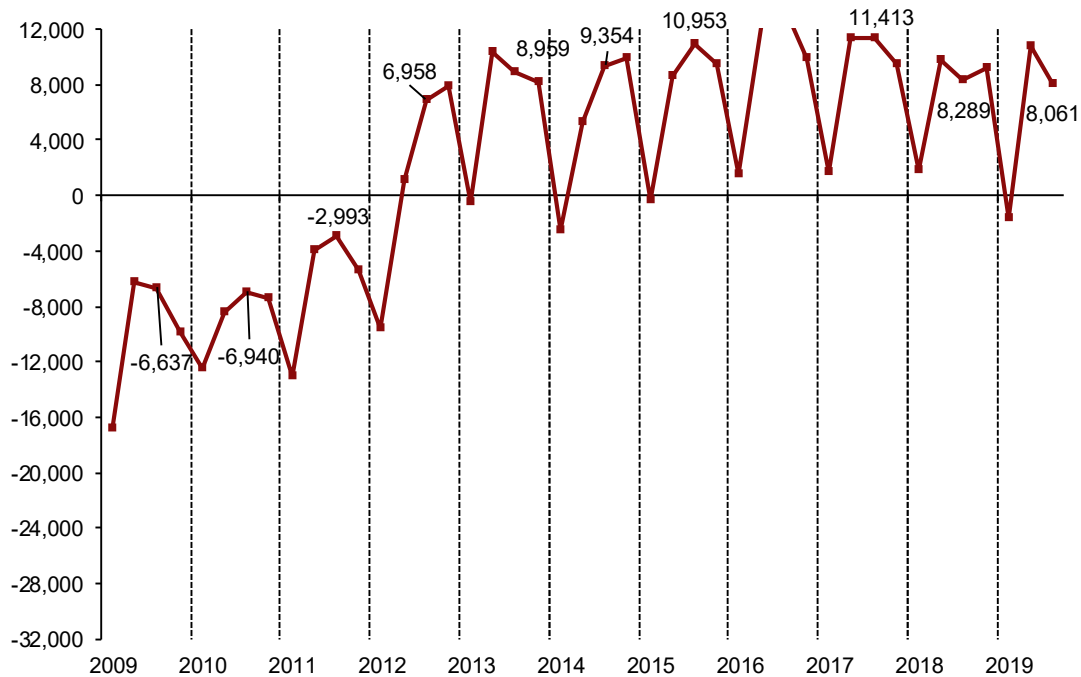
Units: Million euros

Institutional Sector	3rdquarter 2019	3rdquarter 2018	Difference
Households and NPISH	-13,846	-14,206	360
General Government	8,790	8,023	767
Financial Corporations	8,891	8,622	269
Non-Financial Corporations	4,226	5,850	-1,624
TOTAL	8,061	8,289	-228

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

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

Million euros

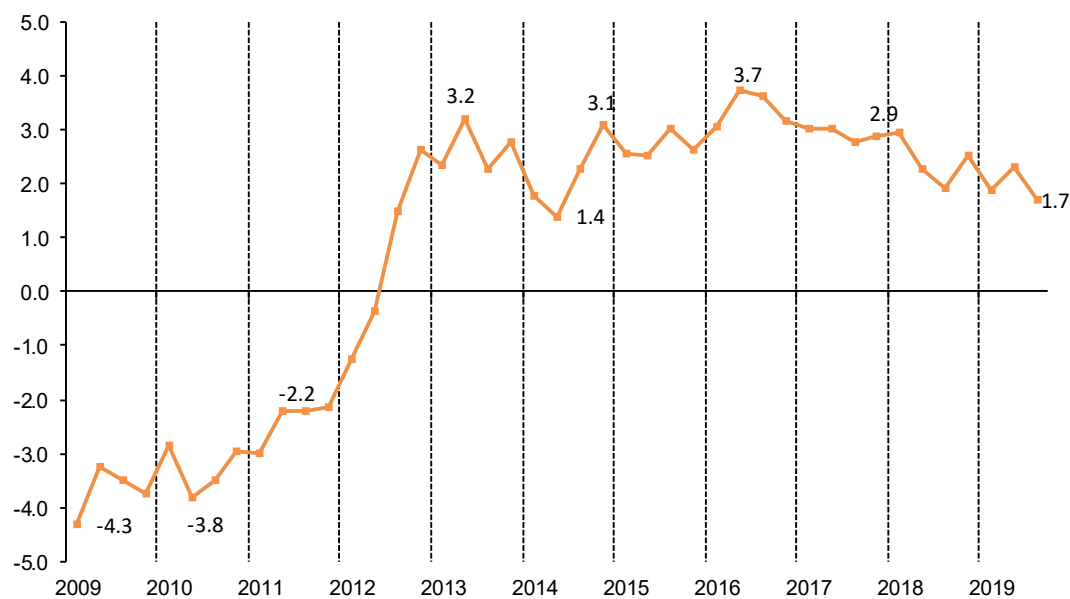


After adjusting for seasonal and calendar effects, the net lending of the national economy stands at 1.7% of GDP, six tenths less than in the previous quarter.

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 305,519 million euros in the third quarter of 2019, with an increase of 3.4% with respect to the same period of 2018.

National Income

Units: million euros and rates in percentage

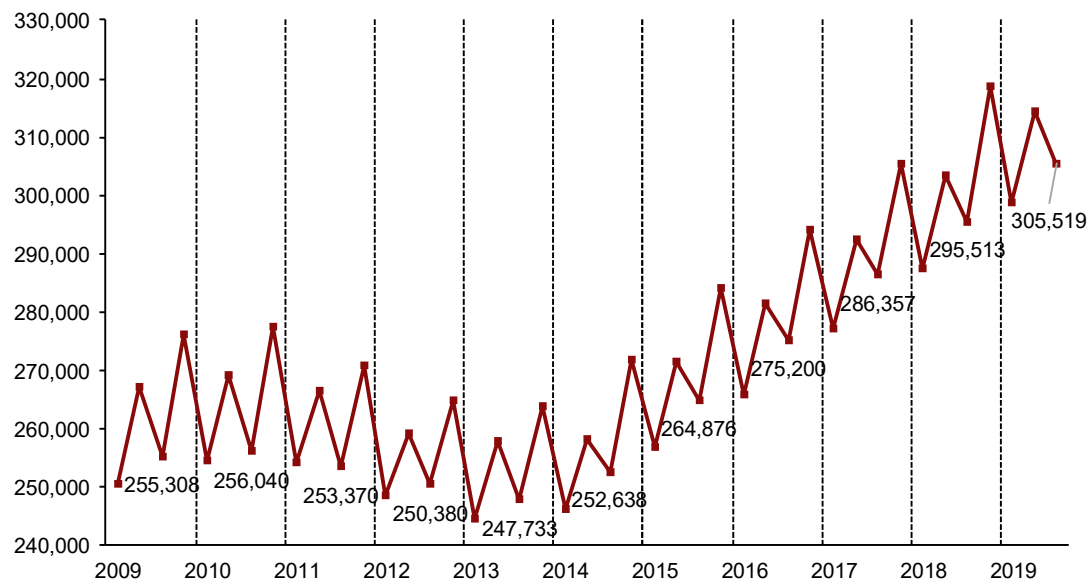
	Q3-2019	Q3-2018	Variation (%)
Gross operating surplus/mixed income	132,240	129,019	2.5
Compensation of Employees	140,944	135,302	4.2
Taxes (less subsidies) on Production and Imports	32,620	32,053	1.8
Balance of property income with the rest of the world	-285	-861	66.9
Gross National Income	305,519	295,513	3.4
Balance of current transfers with the rest of the world	-3,559	-3,454	-3.0
Gross National Disposable Income	301,960	292,059	3.4

This income increase was due to a greater operating surplus of the resident productive units (which increased by 2.5% up to 132,240 million) as well as a greater compensation perceived by resident employees in the economy (which increased by 4.2% reaching 140,944 million euros). There was also a 1.8% increase in the amount accrued in taxes on production and imports, net of subsidies, up to 32,620 million.

The balance of property income (interests, dividends, etc.) with the rest of the world amounted to -285 million euros, compared to -861 in the third 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 (-3,559 million compared to -3,454 million in the third quarter of 2018), we see that *gross national disposable income* grows by 3.4%, to 301,960 million euros.

After adjusting for seasonal and calendar effects, *gross national income* and *gross national disposable income* grew by 0.6% compared to the second quarter of 2019.

Households²

The *gross value added* generated by the *Household* sector increased by 3.1% in the third quarter compared to the same period of 2018. The *operating surplus* and *gross mixed income* of the sector grew by 3.4%.

Considering the increase in compensations receivable by employees (4.2%) 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 3.2% in the *gross balance of primary income*.

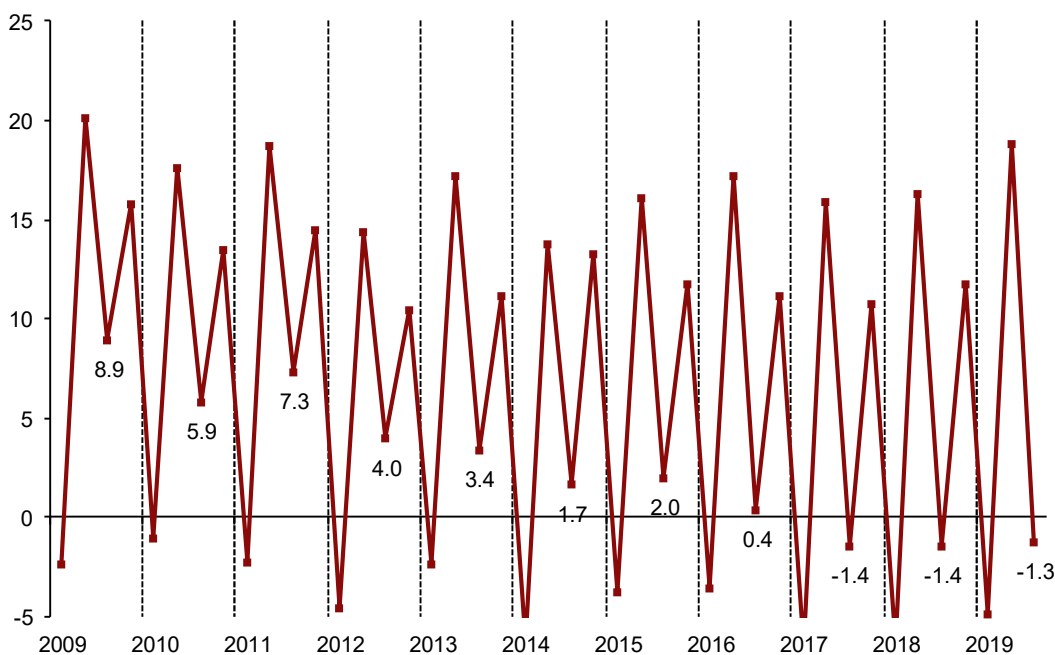
Considering also the joint behaviour of the flows in the secondary distribution of income (income and wealth tax, social contributions and social benefits and other current transfers), it can be seen that in the third quarter of 2019 the *gross disposable income* of households increased by 3,1% to 176,055 million euros.

Household final consumption expenditure was estimated at 177,132 million euros, with an increase of 2.5%. As a result, savings in the sector amounted to -2,023 million (in the third quarter of 2018 it was -2,452 million)³.

The household savings rate thus stood at -1.3% of its disposable income, compared to -1.4% in the same quarter of the previous year.

Savings of Households

Percentage of Quarterly Gross Disposable Income



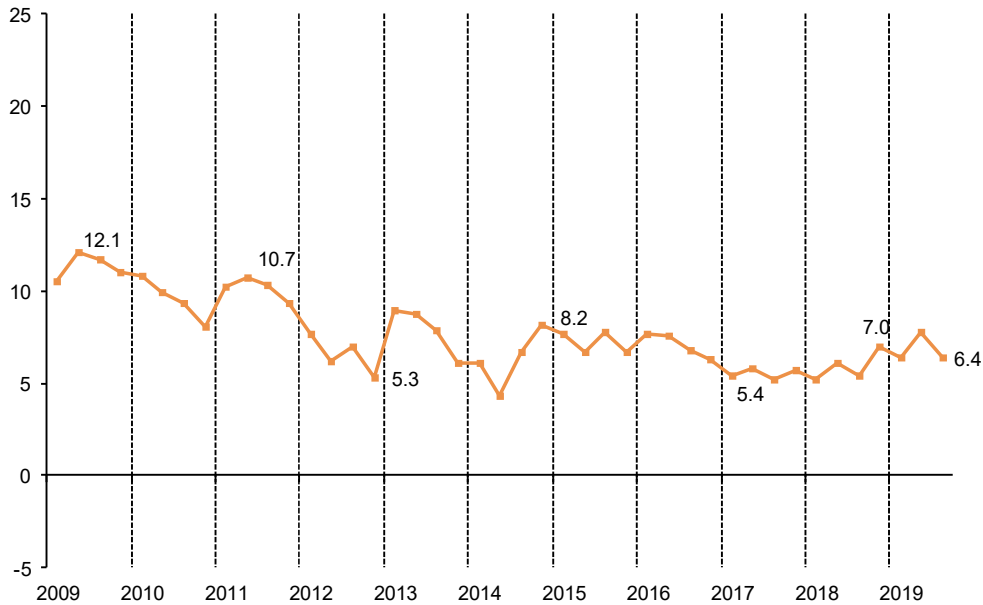
Excluding seasonal and calendar effects, the savings rate in the sector decreased by 1.4 points compared to the previous quarter, standing at 6.4%.

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
Adjusted for seasonal and calendar effects

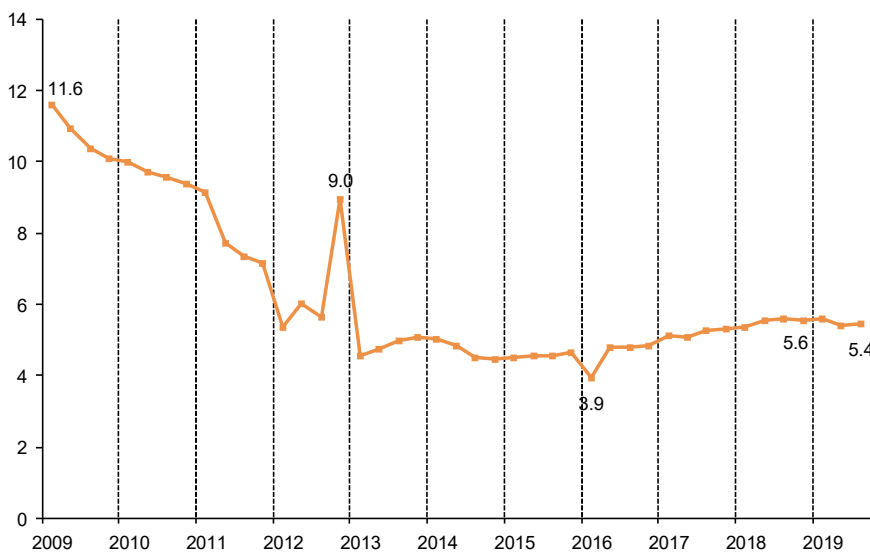


On the other hand, household investment⁴ reached 10,935 million euros in the third quarter (1.4% more than in the same period of 2018).

In turn, the investment rate of households⁵, after adjusting for seasonal and calendar effects, stood at 5.4% of their disposable income, a rate similar to that of the previous quarter.

Investment of Households

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



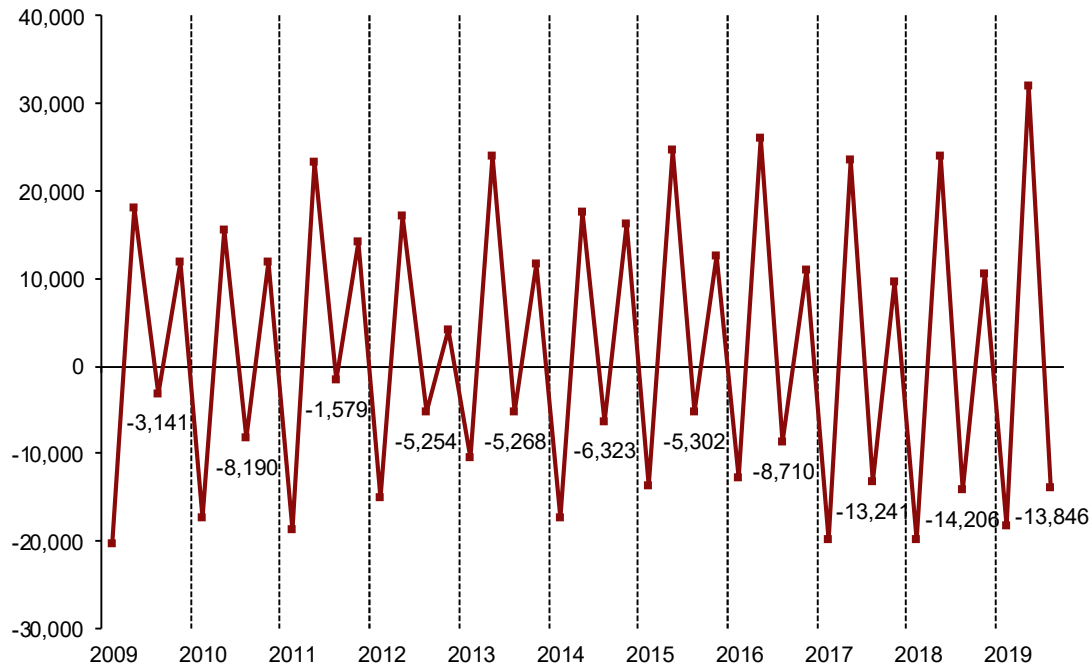
⁴ Gross fixed capital formation and acquisitions less disposals of non-produced non-financial assets.

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 for the sector, households registered a *net lending capacity* of $-13,268$ million (compared to the $-14,206$ million estimated for the same quarter of 2018).

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

Million euros



Non-financial corporations

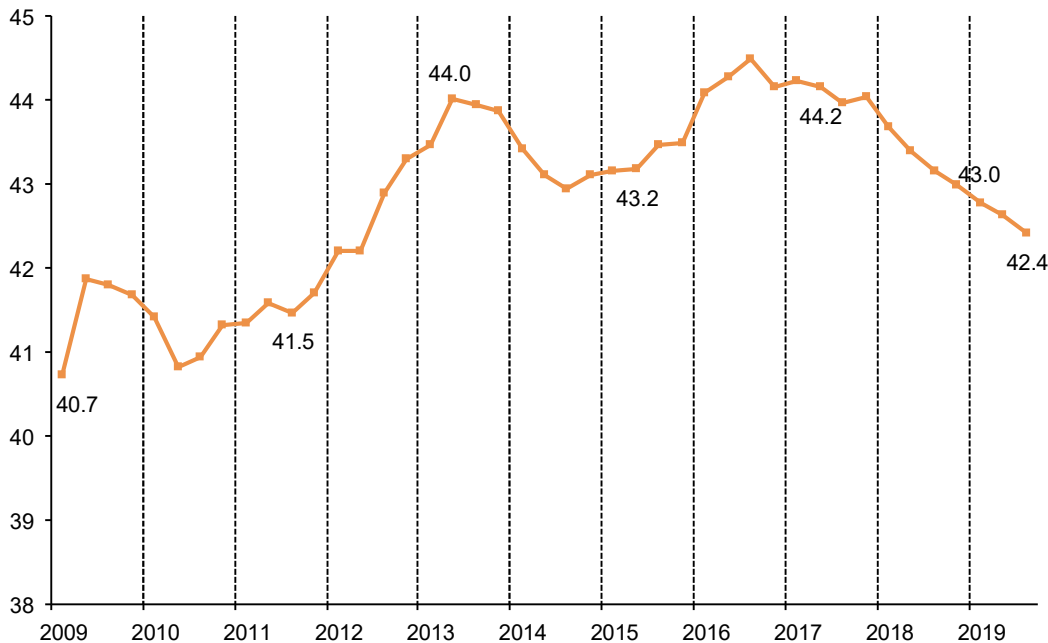
Gross value added generated by *Non-Financial Corporations* increased by 3.1% in the third quarter as compared with the same quarter of 2018 and the *gross operating surplus* of the sector increased by 0.8%.

Excluding seasonal and calendar effects, the share of the sector's gross surplus in its value added stood at 42.4%, 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 *balance of gross primary income* increased by 1.7% with respect to the third 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* increased by 1.4%.

This disposable income, together with its capitals transfer balance is sufficient to finance the investment volume of the sector, which amounted to 45,742 million (7.1% more than that of the same quarter of the previous year).

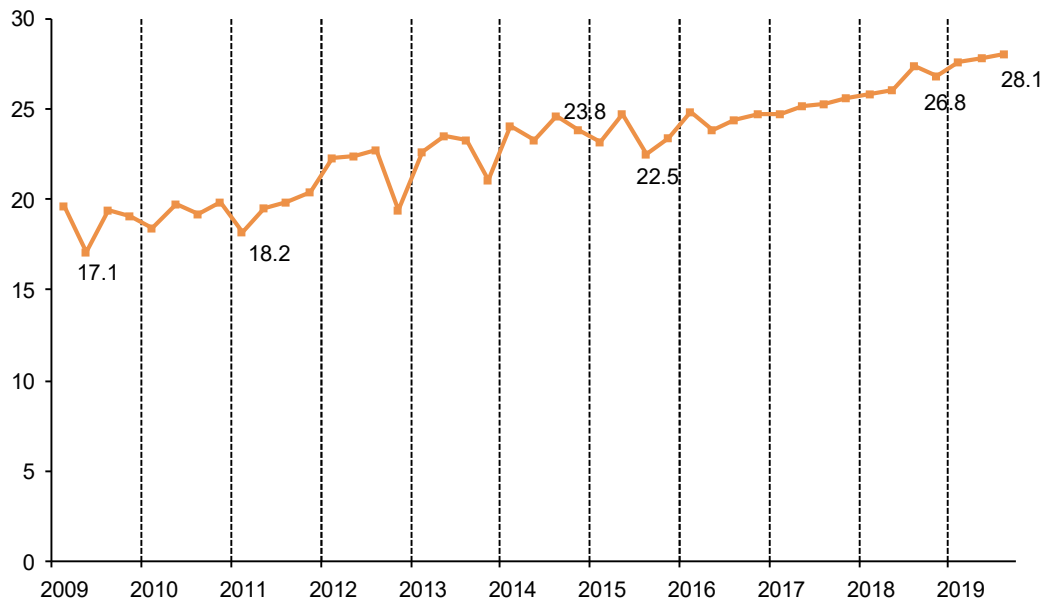
In turn, the investment rate of *Non-Financial Corporations*⁶, after adjusting for seasonal and calendar effects, stood at 28.1% of their gross value added, one tenth more than in the previous quarter.

⁶ 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, the sector had an estimated *net lending* of 4,226 million euros, compared to 5,850 million euros in the third quarter of 2018.

General Government

Gross disposable income of General Government reached 68,009 million euros in the third quarter, 4.6% more than the same period of 2018.

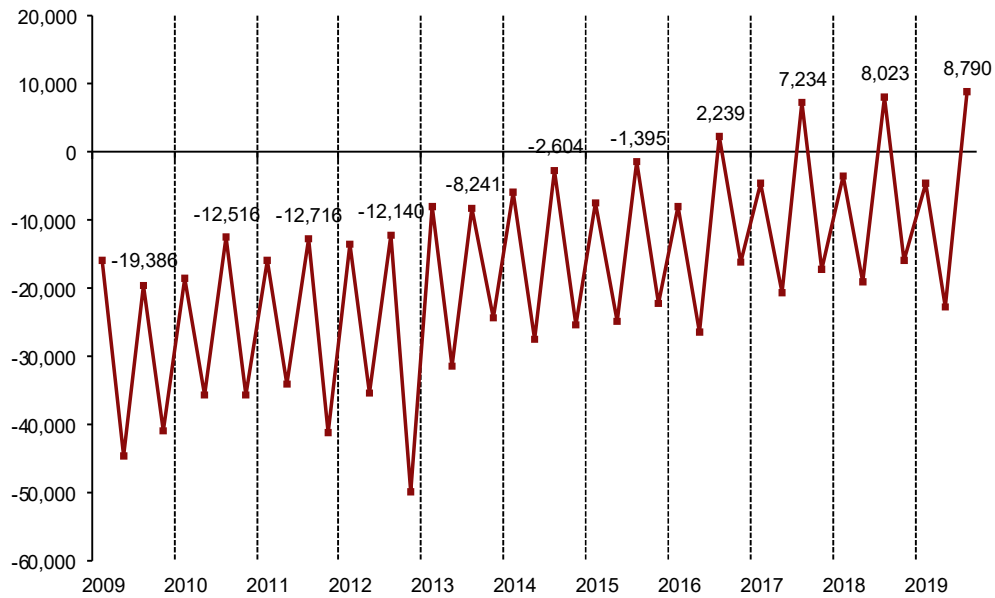
Final consumption expenditure increased by 2.7% up to 53,623 million euros. With this, *gross savings* of the sector amounted to 14.386 million (in the third quarter of 2018 it was 12.811 million).

Investment by *General Government* was estimated at 6,349 million, with an increase of 6.4%.

Savings and investment in the sector, together with the balance of capital transfers, make the sector generate a *net lending* of 8,790 million, compared to 8,023 million in the third quarter of 2018.

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

Million euros

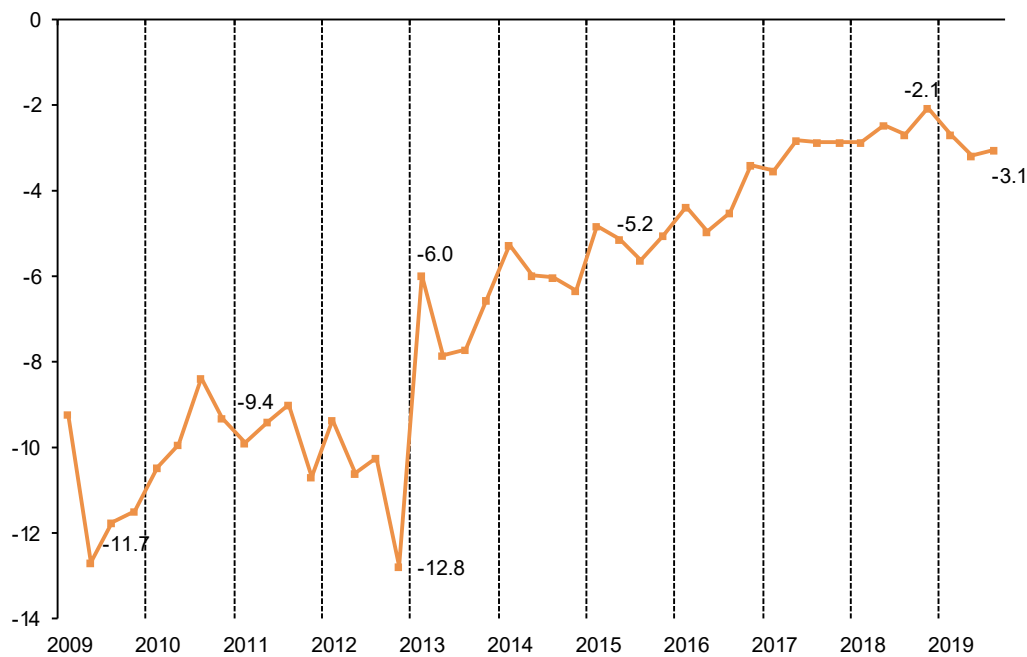


If seasonal and calendar effects are excluded, the *General Government* recorded a *net borrowing* of 3.1% of GDP, one tenth lower than in the previous quarter.

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

Percentage of Quarterly Gross Domestic Product

Adjusted for seasonal and calendar effects



Financial corporations

Gross value added of *Financial Corporations* increased by 9.4% in the third quarter of 2019, compared to the same period of 2018. *Gross operating surplus* of the sector increased by 16.4%.

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 18.2%.

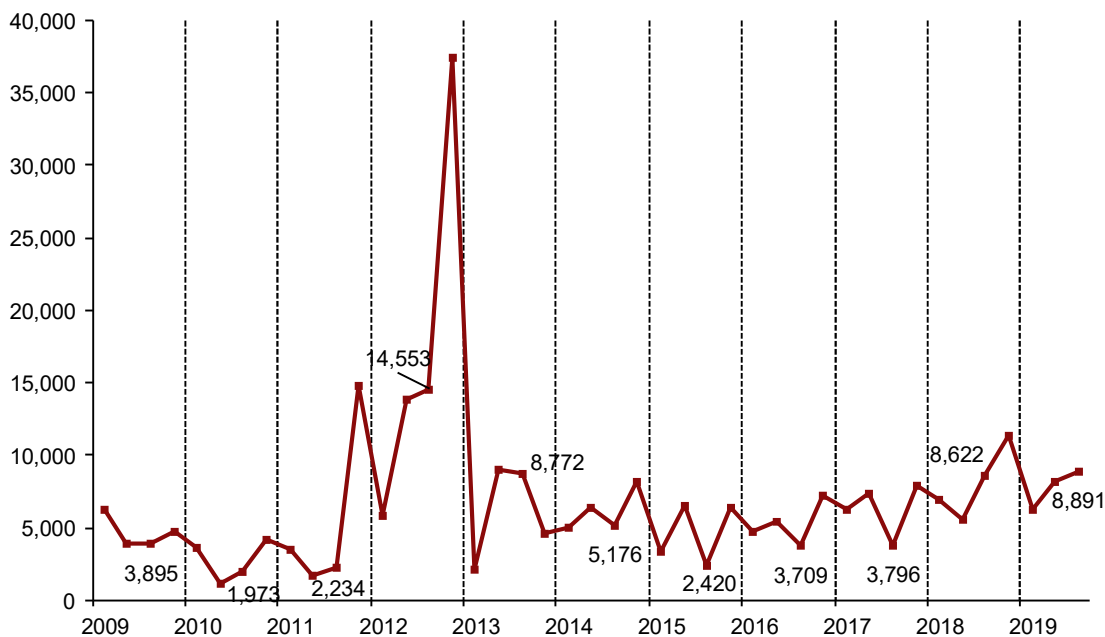
If we also take into consideration their secondary income distribution flows (corporate taxes, social contributions and benefits and other current transfers), *gross disposable income* of the sector is estimated at 8,622 million euros, 13.5% more than in the same quarter of 2018.

Investment by financial corporations amounted to 338 million euros (during the same quarter of the previous year it was -478 million).

With this, and once considered the balance of capital transfers, the sector generated a *net lending* of 8,891 million euros, compared to 8,622 million in the third quarter of 2018.

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

Million euros



Data Review and Updates

Coinciding with today's publication, the INE has updated the results relating to the first three quarters of 2019, in line with the updated results of the *Quarterly National Accounts of Spain* also released today and in accordance with the latest information available on those quarters.

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 Households⁷ 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>).

More information at INEbase - www.ine.es Twitter: @es_ine All press releases in: www.ine.es/prensa/prensa.htm

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⁷ 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

	Q3-2019	Q3-2018	Variation (%)
Gross added value	68,185	66,142	3.1
Compensation of Employees (payable) (-)	11,635	11,436	1.7
Other taxes (less subsidies) on Production and Imports (-)	2,085	2,030	2.7
Gross operating surplus/mixed income	54,465	52,676	3.4
Compensation of Employees (receivable) (+)	140,944	135,302	4.2
Property income (receivable, net) (+)	6,581	7,789	-15.5
Gross balance of primary incomes	201,990	195,767	3.2
Current taxes on property and income (-)	31,241	29,800	4.8
Net social contributions (-)	42,479	40,269	5.5
Social benefits (+)	47,513	45,201	5.1
Other current transfers (receivable, net) (+)	272	-67	506.0
Gross disposable income	176,055	170,832	3.1
Final consumption expenditure (-)	177,132	172,871	2.5
Adjustment for the change in pension entitlements (+)	-1,120	-413	-171.2
Gross saving	-2,197	-2,452	10.4
Capital transfers (receivable, net) (+)	-714	-663	-7.7
Gross capital formation and Net acquisitions of non-produced	10,935	11,091	-1.4
Net lending (+) / Net borrowing (-)	-13,846	-14,206	2.5

Non-financial accounts for Non-Financial Corporations

Units: million euros and rates in percentage

	Q3-2019	Q3-2018	Variation (%)
Gross added value	158,687	153,863	3.1
Compensation of Employees (payable) (-)	93,096	88,706	4.9
Other taxes (less subsidies) on Production and Imports (-)	1,476	1,540	-4.2
Gross operating surplus	64,115	63,617	0.8
Property income (receivable, net) (+)	-5,631	-6,091	7.6
Gross balance of primary incomes	58,484	57,526	1.7
Current taxes on property and income (-)	7,114	6,667	6.7
Net social contributions (+)	1,338	1,441	-7.1
Social benefits (-)	1,104	1,289	-14.4
Other current transfers (receivable, net) (+)	-2,330	-2,404	3.1
Gross disposable income	49,274	48,607	1.4
Gross saving	49,274	48,607	1.4
Capital transfers (receivable, net) (+)	694	-45	1,642.2
Gross capital formation and Net acquisitions of non-produced	45,742	42,712	7.1
Net lending (+) / Net borrowing (-)	4,226	5,850	-27.8

Non-financial accounts for General Government

Units: million euros and rates in percentage

	Q3-2019	Q3-2018	Variation (%)
Gross added value	38,032	37,035	2.7
Compensation of Employees (payable) (-)	30,710	29,736	3.3
Other taxes (payable, less subsidies) on Production and Imports (-)	113	114	-0.9
Gross operating surplus	7,209	7,185	0.3
Taxes (receivable, less subsidies) on Production and Imports (+)	32,620	32,053	1.8
Property income (receivable, net) (+)	-5,392	-5,994	10.0
Gross balance of primary incomes	34,437	33,244	3.6
Current taxes on property and income (+)	39,756	38,080	4.4
Net social contributions (+)	39,674	37,399	6.1
Social benefits (-)	43,513	41,849	4.0
Other current transfers (receivable, net) (+)	-2,345	-1,849	-26.8
Gross disposable income	68,009	65,025	4.6
Final consumption expenditure (-)	53,623	52,214	2.7
Gross saving	14,386	12,811	12.3
Capital transfers (receivable, net) (+)	753	1,177	-36.0
Gross capital formation and Net acquisitions of non-produced assets (-)	6,349	5,965	6.4
Net lending (+) / Net borrowing (-)	8,790	8,023	9.6

Non-financial accounts for Financial Corporations

Units: million euros and rates in percentage

	Q3-2019	Q3-2018	Variation (%)
Gross added value	11,611	10,610	9.4
Compensation of Employees (payable) (-)	4,904	4,835	1.4
Other taxes (payable, less subsidies) on Production and Imports (-)	256	234	9.4
Gross operating surplus	6,451	5,541	16.4
Property income (receivable, net) (+)	4,157	3,435	21.0
Gross balance of primary incomes	10,608	8,976	18.2
Current taxes on property and income (-)	1,156	1,339	-13.7
Net social contributions (+)	1,267	1,233	2.8
Social benefits (-)	2,268	1,423	59.4
Other current transfers (receivable, net)	171	148	15.5
Gross disposable income	8,622	7,595	13.5
Adjustment for the change in pension entitlements (-)	-1,120	-413	-171.2
Gross saving	9,742	8,008	21.7
Capital transfers (receivable, net) (+)	-513	136	-477.2
Gross capital formation and Net acquisitions of non-produced assets (-)	338	-478	170.7
Net lending (+) / Net borrowing (-)	8,891	8,622	3.1