

5 April 2010

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

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- In the fourth quarter of 2008, the savings rate for households and non-profit institutions serving households (NPISH) reaches 24.7% of their disposable income, 1.3 points more than one year ago. **Considering mobile periods of the last four quarters as a reference, the savings rate recovers 0.4 points to 18.8%.**
- Net lending reaches 12.6% of GDP in households and NPISH, 4.7% non-financial companies and 0.9% in financial institutions.
- Net borrowing by general government during the fourth quarter stands at 60,101 million euros, 21.9% of GDP.
- Net borrowing of the whole of the economy against the rest of the world is estimated at 10,192 million euros, 3.7% of GDP for the quarter.

Year 2009

- **The savings rate for households and NPISH increases 5.9 points over the year 2009, and stands at 18.8% of their disposable income.** Their net borrowing increases to 74,604 million euros, 7.1% of GDP.
- Non-financial corporations decrease their net borrowing to 23,344 million euros, 2.2% of GDP in 2009.
- The general government presents net borrowing in 2009, estimated at 117,604 million euros, 11.2% of GDP.
- Financial institutions have net lending of 17,047 million euros in the year 2009, accounting for 1.6% of GDP.
- Net borrowing of the economy against the rest of the world in 2009 is estimated at 49,297 million euros, 4.7% of GDP and 4.4 points less than in 2008.

Quarterly estimates

Households and Non-profit Institutions Serving Households Sector

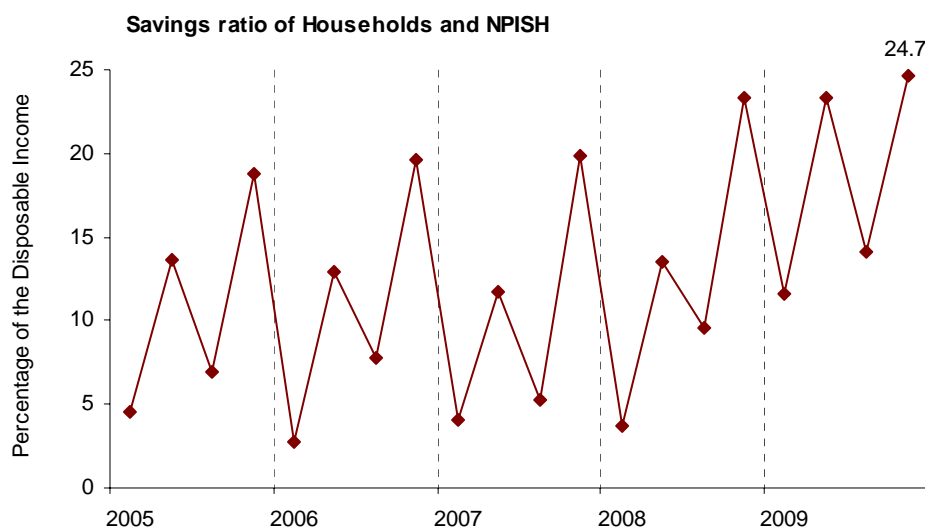
During the fourth quarter of 2009, disposable income for the Households and Non-profit Institutions Serving Households Sector (NPISH) increased 1.2%, that is, 2,222 million euros more than in the same quarter the previous year.

This result was influenced by the 41,8% increase in the balance of income from property (interest, dividends, etc.) received -as a result of the higher level of growth in paid income (54.3%) than in received income (5.3%)- compensating for the decrease in the balance for primary income (0.9%), due both to the decrease in the operating surplus and mixed income and to the remuneration of employees (2.1% and 2.6%, respectively).

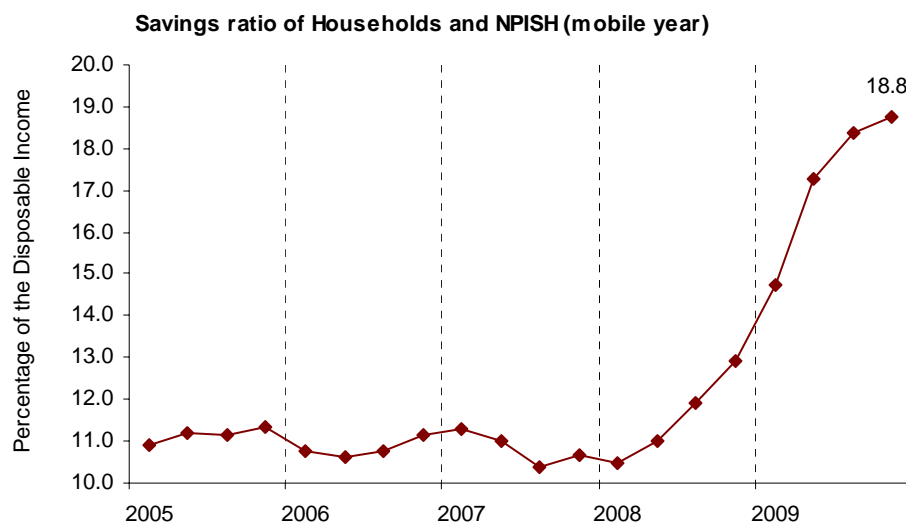
In turn, disposable income for households was affected by a significantly greater volume of social benefits received by households than that of social contributions paid (the former grew 6.9%, and the latter grew 0.1%). Lastly, income taxes, capital gains taxes, etc., paid by households decreased 8.4% during this quarter.

In absolute terms, the disposable income of the sector was estimated at 192,701 million euros for this fourth quarter.

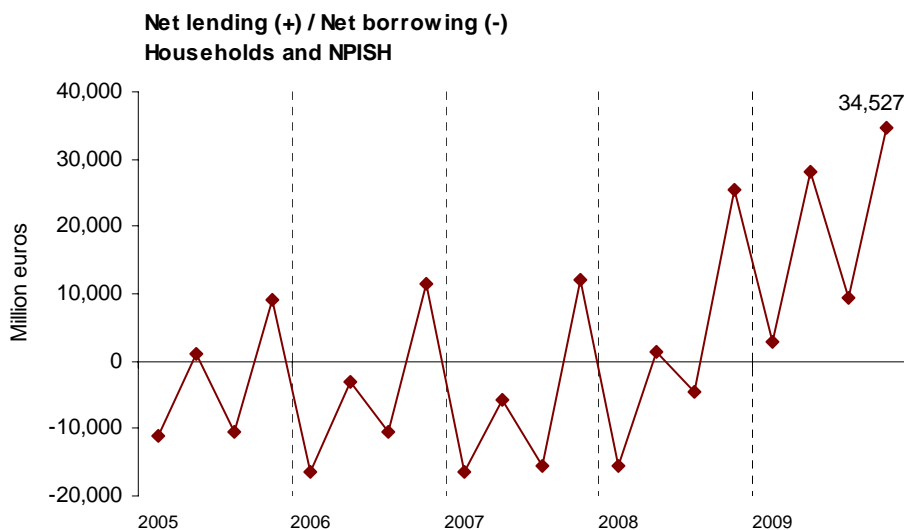
Regarding the use of said disposable income, the drop in household and NPISH final consumption expenditure this quarter (0.4%) favoured an interannual increase of 7.1% in savings, whose total value reached 47,741 million euros. The savings rate was therefore 24.7% of disposable income, 1.3 points more than in the fourth quarter of 2008.



Considering mobile periods of four quarters, the last period (from the first to the fourth quarter of 2009) showed a savings rate for the sector recovering 0.4 points, to stand at 18.8% of their disposable income.



Considering capital accounts, the savings generated by households and NPISH, together with a positive balance of 2,230 million euros due to net capital transfers received, was sufficient to finance the volume of investment made by the sector, which reached 15,444 million euros this quarter, 25.7% less than during the same period of 2008. Thus, the sector had net lending of 34,527 million euros (12.6% of quarterly GDP).



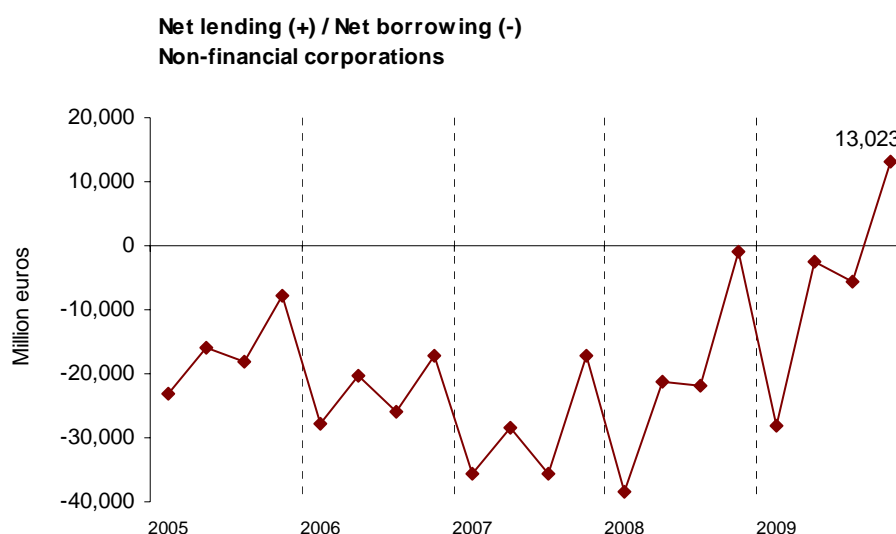
Non-Financial Corporations Sector

During the fourth quarter of 2009, non-financial corporations experienced an increase of 22.4% in disposable income.

This performance was firstly explained by the 16.6% increase in the balance for primary income, as a result of the 0.9% increase in the operating surplus of the sector and of the 29.2% decrease in the balance of net property income paid.

Furthermore there was a decrease in the payment of corporate tax (4.0%), which compensated for the increase in net current transfers paid to the rest of the sectors (2.2%). As a result, in absolute terms, the disposable income of the sector reached 31,303 million euros during this fourth quarter.

This amount of disposable income, linked to the positive balance of 7,052 million euros corresponding to transfers of net capital received, was sufficient to finance the total investment volume of the sector (25,332 million euros). In short, non-financial corporations generated an estimated net borrowing of 13,023 million euros. This figure accounted for 4.7% of quarterly GDP.

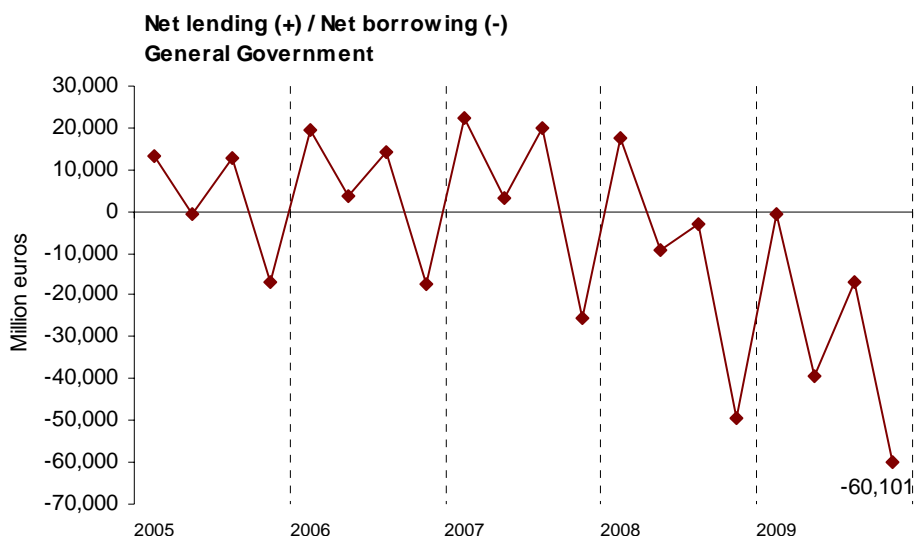


General Government Sector

The general government decreased its disposable income by 16.3% during the fourth quarter of 2009, reaching a figure of 40,107 million euros. This performance was due to the interannual decrease (8.4%) experienced by net taxes, in which those linked to production and imports recorded a negative evolution (-9.5%), while those related to income and wealth decreased (7.5%). This decrease was accentuated by the decrease in social contributions received (0.8%) and the increase in the benefits paid (7.7%).

In turn, final consumption expenditure of the general government grew 3.1 points, which together with the decrease in disposable income, led to the savings generated reaching 50.6% less than that of the fourth quarter of the previous year, standing at an absolute value of -29,603 million euros.

Said savings, reduced by 7,187 million euros by the net balance of capital transfers, and by the investment flow of the general government, which during this quarter stood at 23,311 million euros, drove the net borrowing of the sector to 60,101 million euros, 21.9% of GDP for the quarter.

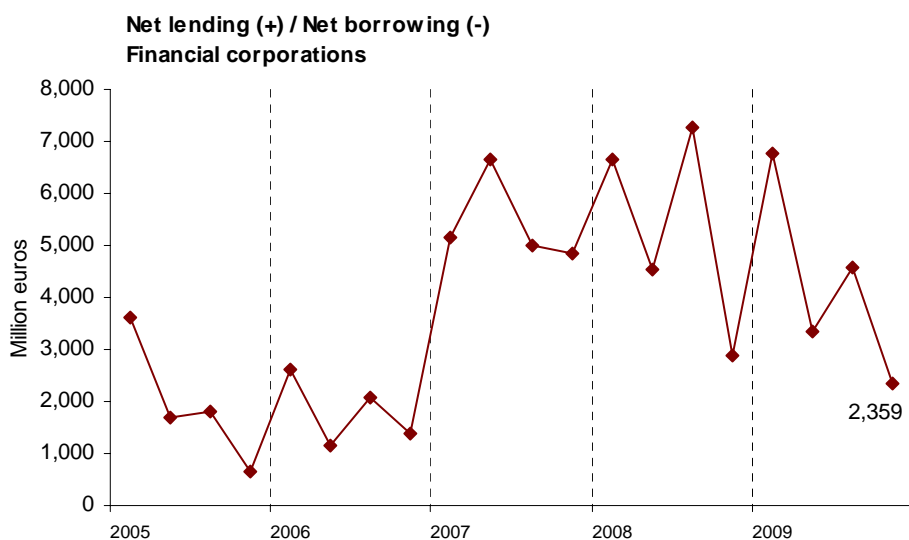


Financial Institutions Sector

The disposable income of the financial institutions sector increased 18.7% to stand at 6,280 million euros in the fourth quarter of 2009.

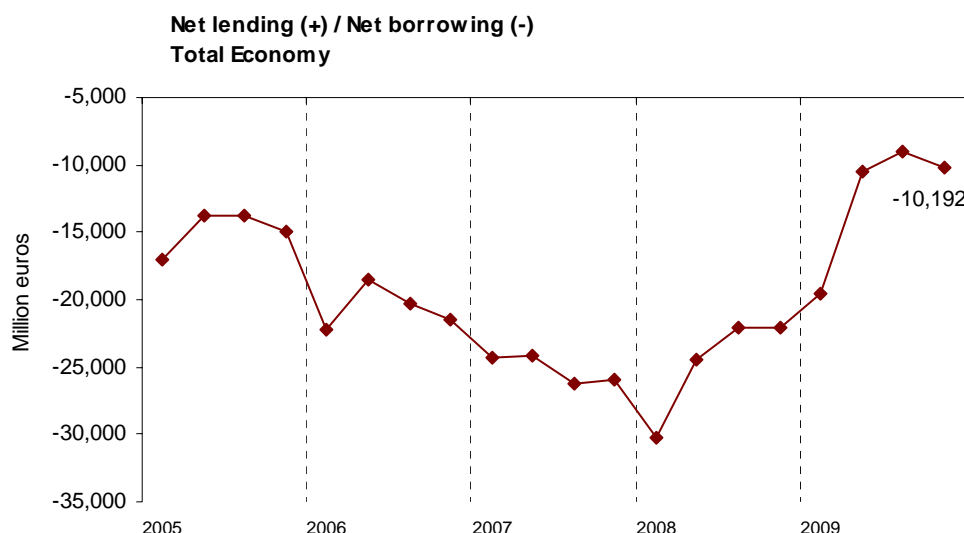
Although operating surplus grew (21.9%), the net positive balance of property income received, which went from -2,461 million euros in the fourth quarter of 2008 to 1,375 million euros during the reference year, was the main cause of the increase in the disposable income of the sector.

This decrease, moderated both by a lower amount of capital transfers received, and a decrease in the investment of the sector, allowed it to generate net lending estimated at 2,359 million euros. This figure accounted for 0.9% of quarterly GDP, one tenth less than one year ago.



National Economy

As a result of the behaviour of all institutional sectors, the national economy showed net borrowing against the rest of the world of 10,192 million euros in the fourth quarter of 2009 (11,913 million euros less than for 2008). This figure represented 3.7% of GDP, 4.2 points less than that estimated for the same period the previous year.



The lesser net borrowing of the Spanish economy was explained by the less favourable performance of the balance of foreign exchanges of goods and services (which decreased 6,872 million euros, as a result of a greater interannual decrease in imports (13.0%) than in exports (5.5%)) as well as the balance of income and current transfers and of capital with the rest of the world, which reduced the result for the previous year by 5,041 million euros (60.4%), coming to stand at 11,913 million euros.

Rest of the world

Unit: million euros

	2008	2009	difference
External balance of goods and services	13,757	6,885	-6,872
Balance of income and current and capital transfers	8,348	3,307	-5,041
Net lending (+) /net borrowing (-)	22,105	10,192	-11,913

Total Economy

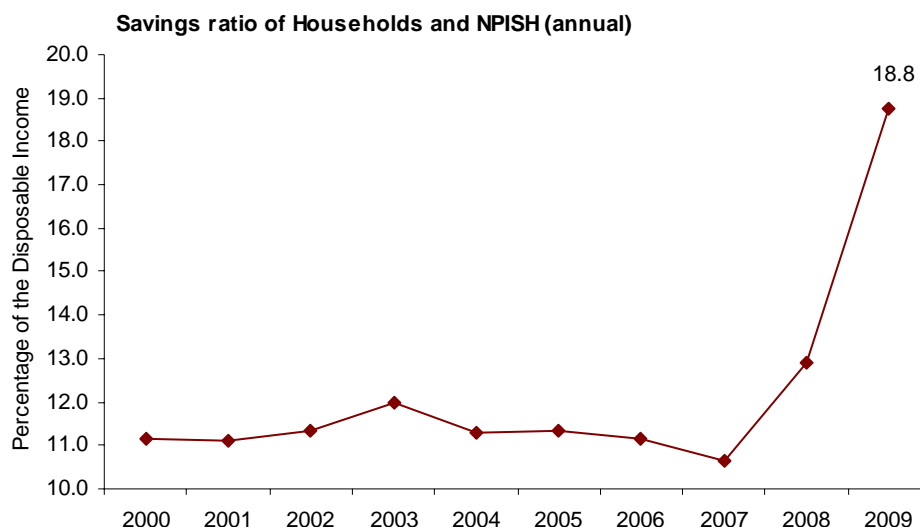
Unit: million euros

	2008	2009	difference
Net lending (+) /net borrowing (-)	-22,105	-10,192	11,913

Annual estimates

The data showing the performance of the different institutional sectors over the entire year were obtained by grouping the estimates corresponding to the four quarters of 2009.

Households and NPISH increased their savings rate 5.9 points for the whole of the year 2009, to stand at 18.8% of their disposable income, as a result of the greater increase in gross disposable income (1.1%) and of the decrease in final consumption expenditure (5.5%).



In the analysis of the different household income resources, the balance of primary income decreased 2.5%, as a consequence of the decreases in operating surplus and mixed income (5.4%), and in employee remuneration (3.1%), as well as in a increase in the net balance of property income (those received fell 9.3% and those paid grew 49.7%).

The savings generated by households and NPISH reached 135,925 million euros. These savings, linked to the 5,675 million euros corresponding to the balance of capital transfers received, allowed for financing the investment flow of households and NPISH, estimated at 66,996 million euros, 26.4% lower than in the year 2008.

The sector thus presented net lending of 74.604 million euros, 7.1% of GDP.

With reference to the remaining institutional sectors, general government presented net borrowing of 117,604 million euros, 11.2% of GDP for 2009¹.

In fact, the disposable income of general government decreased at a rate of 24.6% in 2009, mainly due to the decrease in net taxes received (15.1%). The greatest decrease corresponded to those linked to production and imports (16.4%), whereas those linked to income and capital gains decreased 14.0%.

¹ This fact was strictly coherent with that transmitted to the European Authorities on 31 March, within the framework of the Protocol on Excessive Deficits.

The final consumption expenditure of this government increased 5.3%. As a result, the savings of the sector presented a negative amount of 54.269 million euros. The joint analysis of this result with the net balance of capital transfers paid and of investment of general government determined the aforementioned net borrowing.

As per non-financial corporations, their disposable income increased 25.8% in 2009. The 2.2% decrease in the operating surplus was compensated by the improvement in income received from property (17,685 million euros less negative than in 2008), in net current transfers received (120 million euros more) and in the decrease in payment of corporate tax (25.0%).

The investment of non-financial companies was 21.2% less than in 2008, which favoured the decrease in the net borrowing of this sector, which stood at 23,344 million euros, 2.2% of annual GDP.

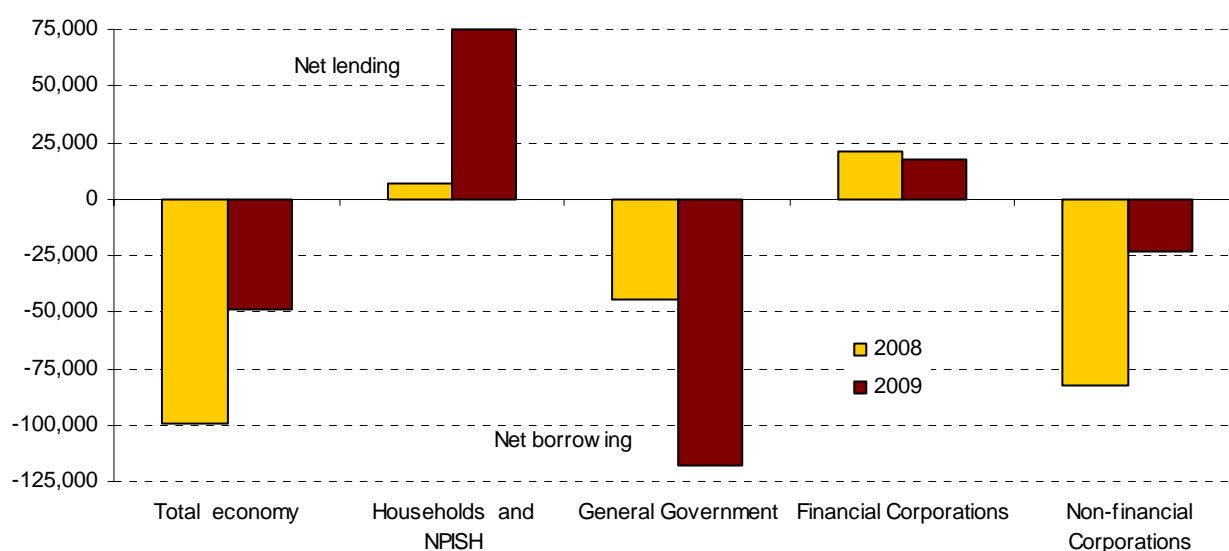
Lastly, financial institutions showed net lending of 17,047 million euros, 1.6% of GDP for 2009.

As an additional result, in 2009 the national economy recorded a foreign net borrowing of 49,297 million euros, 4.7% of GDP and 4.4 points less than that from the year 2008.

Net lending (+) / Net borrowing (-)

Unit: million euros

Institutional sector	2008	2009	difference
Households and NPISH	6,533	74,604	68,071
General Government	-44,233	-117,604	-73,371
Financial Corporations	21,357	17,047	-4,310
Non-financial Corporations	-82,607	-23,344	59,263
Total Economy	-98,950	- 49,297	49,653



From the perspective of the accounts in the rest of the world, the decrease (49,653 million euros) in the net borrowing of the economy between 2008 and 2009 was explained, on the one hand, by the performance of the balance of goods and services transactions abroad,

which decreased by 42,483 million euros, as a result of the decrease in imports (23.4%) than in exports (13.9%). It was also explained, on the other hand, by the improvement in the balance of income and current and capital transfers, which increased to 7,170 million euros.

More information

The results for the period from the first quarter of 2000 to the fourth quarter of 2009 are available on the INE web page (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.

For further information see **INEbase**-www.ine.es/en/welcome_en.htm All press releases at: www.ine.es/en/prensa/prensa_en.htm

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