

**3 April 2012**

**Quarterly Spanish National Accounts. Base 2008**  
**Quarterly non-financial accounts for the Institutional Sectors**  
Fourth quarter of 2011

**Fourth quarter of 2011**

- In the fourth quarter of 2011, the savings rate for households and non-profit institutions serving households (NPISH) stands at 16.3% of their disposable income, 2.1 points less than one year ago.
- Net lending reaches 5.8% of GDP in households and NPISH, 1.8% in non-financial corporations and 2.5% in financial institutions.
- Net borrowing of General Government during the fourth quarter stands at 34,054 million euros, 12.3% of GDP.
- Net borrowing of the whole of the economy versus the rest of the world is estimated at 6,052 million euros, 2.2% of GDP for the quarter.

**Year 2011**

- The savings rate for households and NPISH decreases 2.3 points over the year 2011, and stands at 11.6% of their disposable income. Their net lending reaches 24,946 million euros, 2.2% of GDP.
- Non-financial corporations record net lending of 16,769 million euros, 1.6% of GDP for 2011.
- General Government presents net borrowing estimated at 91,420 million euros, 8.5% of GDP.
- Financial institutions have net lending of 13,479 million euros, 1.3% of GDP.
- The net borrowing of the whole of the economy versus the rest of the world is estimated at 36,226 million euros, 3.4% of GDP. This percentage is six tenths lower than for 2010.

## Quarterly estimates

### Households and Non-Profit Institutions Serving Households

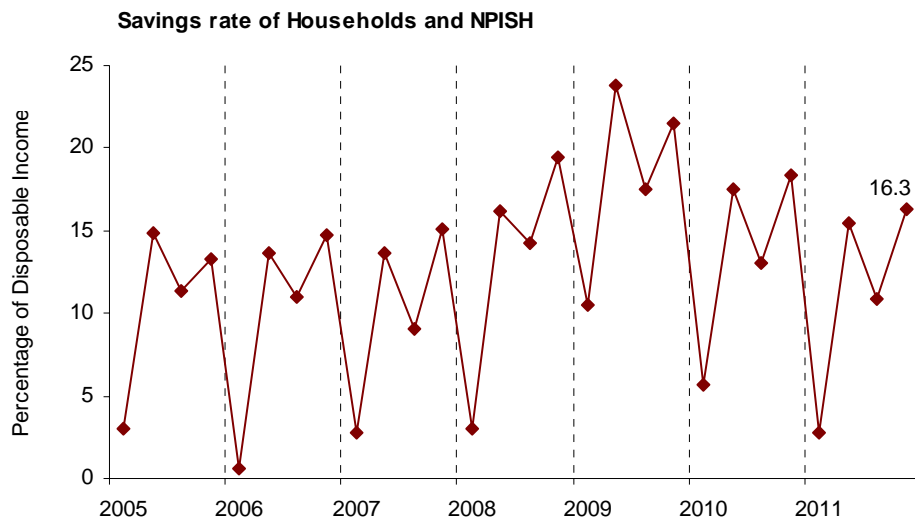
During the fourth quarter of 2011, disposable income for the Households and Non-profit Institutions Serving Households Sector (NPISH) decreased 1.5%, that is, 2,759 million euros less than the same quarter the previous year.

This result was caused by the decrease in the balance of primary income (1.5%) due to both the decrease in employee remuneration (2.1%) and the balance of property income (interest, dividends, etc) received (4.2%) which was not counterbalanced by the increase in (0.2%) operating surplus and mixed income.

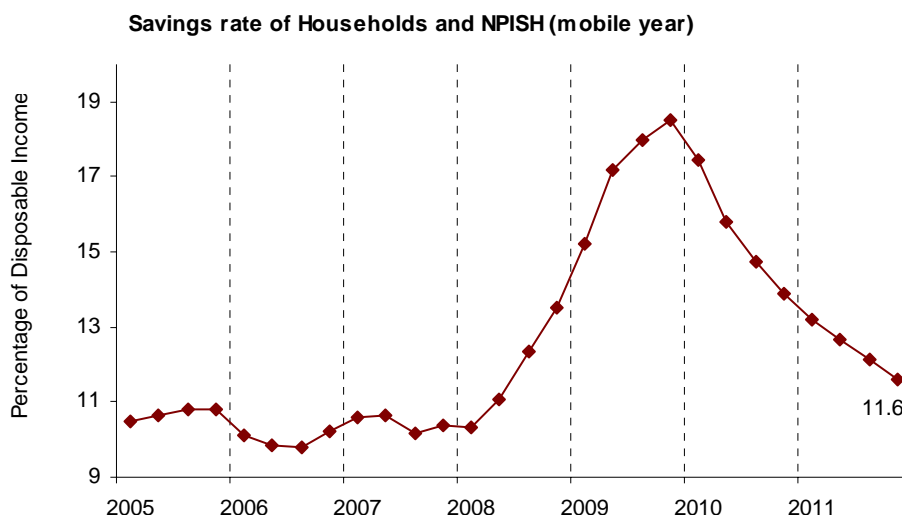
On the other hand, the decrease in the balance of primary income was partially counteracted by the greater growth of social benefits received by households (2.3%) than the volume of social contributions paid (1.2%). The taxes on income, capital gains, etc., paid by households remained the level of the fourth quarter of 2010.

In absolute terms, disposable income for the sector was estimated at 187,202 million euros for the fourth quarter of 2011.

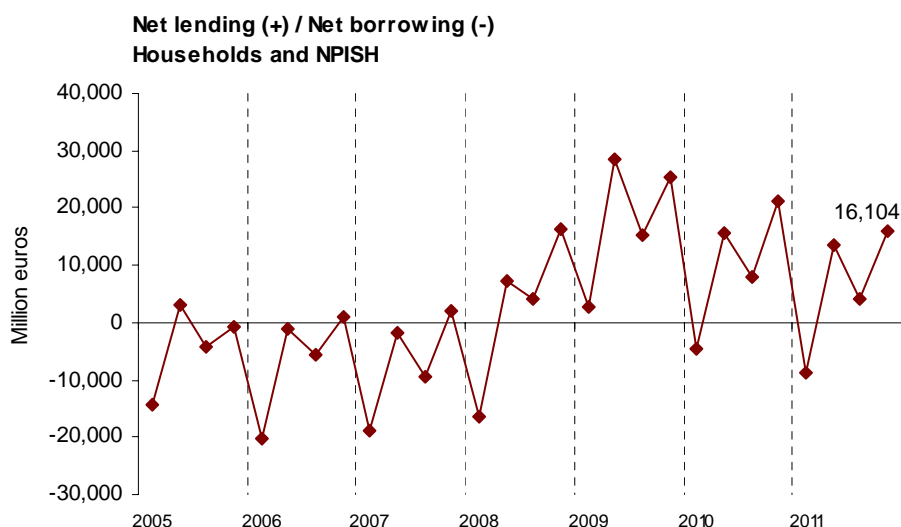
Regarding the use of said disposable income, the increase in household and NPISH final consumption expenditure (1.4%) gave rise to an interannual decrease of 12.3% in savings, whose total value reached 30,650 million euros. The savings rate was therefore 16.3% of disposable income, 2.1 points less than in the fourth quarter of 2010.



Considering mobile periods of four quarters, the last period (from the first to the fourth quarter of 2011) showed a savings rate for the sector decreasing six tenths, standing at 11.6% of disposable income.



Considering capital accounts, these savings generated by households and NPISH, together with a positive balance of 1,145 million euros due to net capital transfers received, was sufficient to finance the volume of investment made by the sector, which reached 15,691 million euros this quarter. Thus, the sector had net lending of 16,104 million euros (5.8% of quarterly GDP).



### Non-financial corporations

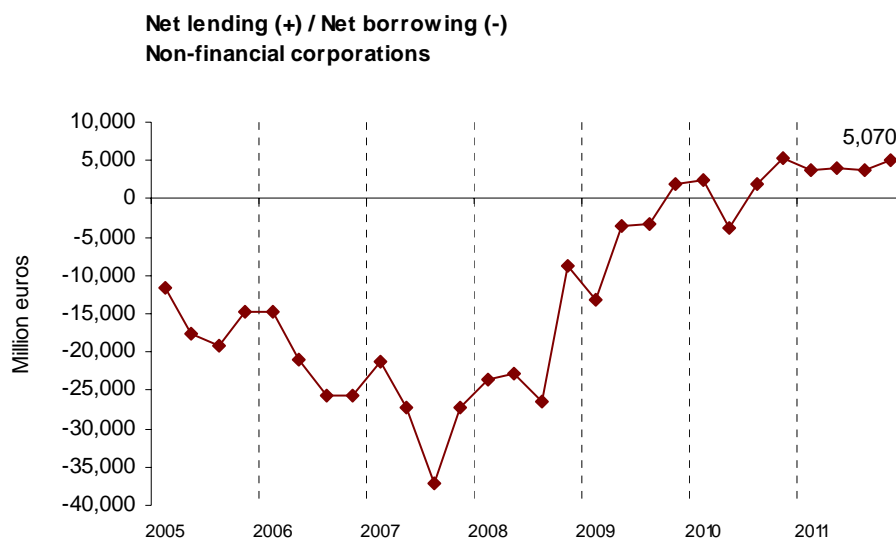
During the fourth quarter of 2011, non-financial corporations experienced an increase of 1.9% in disposable income.

This performance was firstly explained by the 6.6% increase in the balance of primary income, as a result of the 10.5% increase in the operating surplus of the sector which compensates the 20.8% increase in the net property income paid.

Furthermore there was a decrease in the payment of corporate tax (10.0%), not counterbalancing for the increase in net current transfers paid to the rest of the sectors

(13.7%). As a result, in absolute terms, the disposable income of the sector increased 1.9%, reaching 33,326 million euros during the fourth quarter.

This quantity of disposable income, linked to the positive balance of 3,834 million euros corresponding to transfers of net capital received, was sufficient to finance the total investment volume of the sector (32,090 million euros). In short, non-financial corporations generated net lending of 5,070 million euros. This figure accounted for 1.8% of quarterly GDP.



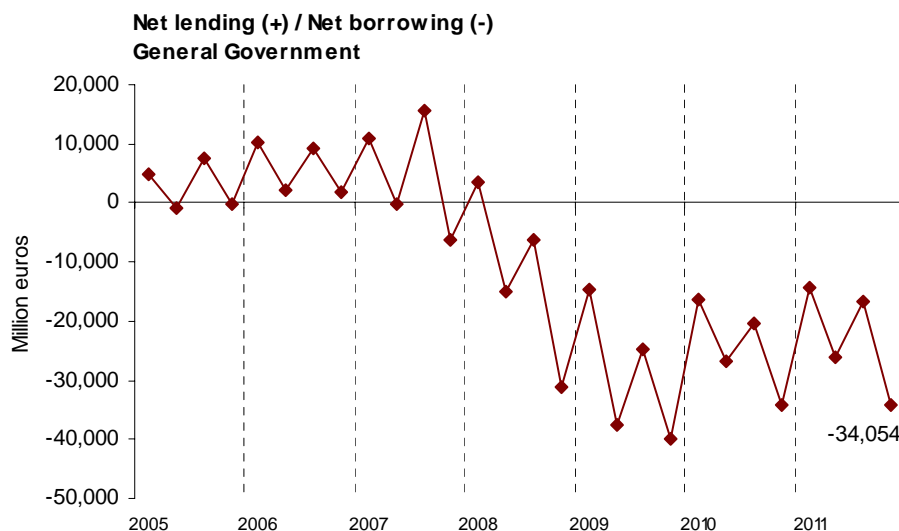
## General Government<sup>1</sup>

The disposable income of General Government stood at 41,254 million euros, 3,861 lower than in the fourth quarter of 2010. This behaviour was mainly due to the increase of benefits paid (3.3%) not compensated by the joint effect of the decrease in social contributions received (0.6%) and the increase in benefits paid (81.3%). Furthermore, the interannual decrease of 1.3% experienced by net taxes -where the increase of those income and capital gains (5.9%) didn't compensate the decrease in those linked to production and imports (10.0%).

The decreasing of the level of disposable income, together with the decrease in final consumption expenditure of General Government (1.9%), has contributed to the savings balance standing at -24,435 million euros, indicating a decrease of 11.9% as compared with the fourth quarter the previous year.

Said savings, reduced by 3,668 million euros by the net balance of capital transfers paid, and by the investment flow of General Government, which during this quarter stood at 5,951 million euros, drove net borrowing of the sector to 34,054 million euros, 12.3% of GDP for the quarter.

<sup>1</sup> Gross fixed capital formation of Autonomous Communities sub-sectors was accrued to make it consistent with the seasonal adjustment which was made in October 2011 with gross fixed capital formation of the rest of sub-sectors of General Government (See NSI press release with date 3 October 2011).

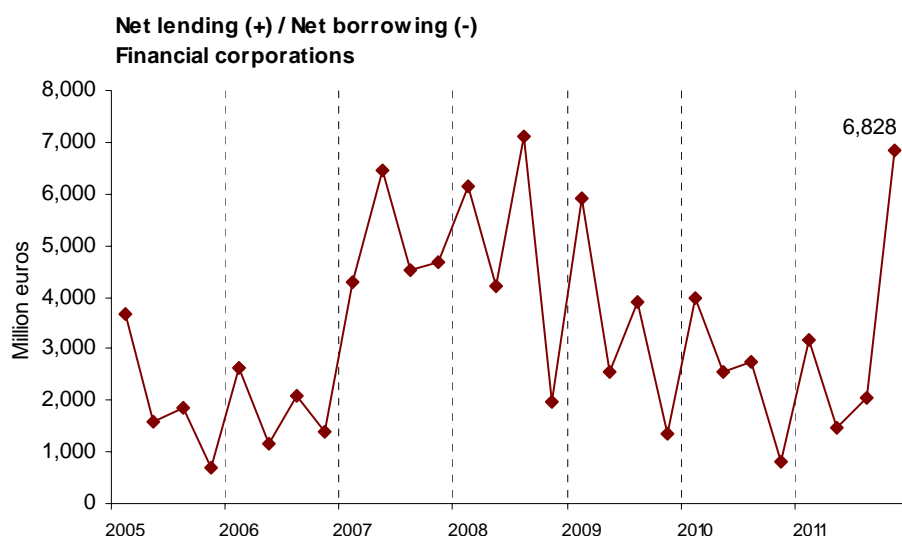


## Financial institutions

In the fourth quarter of 2011, disposable income for the financial institutions sector increased 67.7%, standing at 9,692 million euros.

The operating surplus increased (18.9%) and the net balance of property income paid (which went from 3,584 million euros in the fourth quarter of 2010 to -5,551 million euros during the reference year) were the main causes of the increase in the disposable income of the sector.

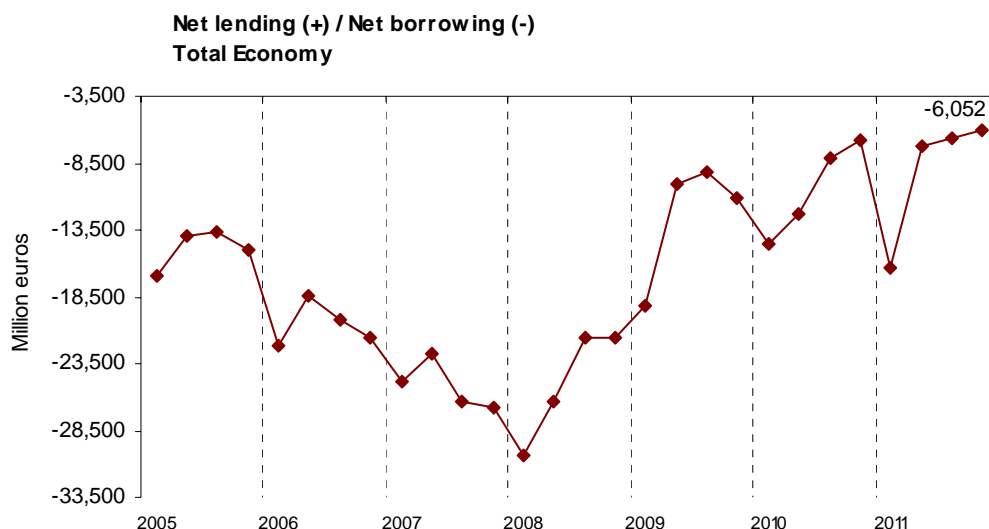
This increase together the capital transfers received allowed an investment which reached 2,710 million euros and enabled the sector to generate net lending estimated at 6,828 million euros. This figure accounted for 2.5% of quarterly GDP, 2.2 points more than one year ago.



## Total Economy

As a result of the actions of all institutional sectors, the national economy presented net borrowing of 6,052 million euros against the rest of the world during the fourth quarter of the year 2011 (743 million euros less than 2010).

This figure represented 2.2% of GDP, three tenths less than that estimated for the same period the previous year.



The lesser net borrowing of the Spanish economy was explained by the less unfavourable behaviour of the balance of foreign exchanges of goods and services which decreased 5,794 million euros -as a result of a greater interannual increase in exports (9.4%) than in imports (1.6 %)- and the decrease of the balance of income and current transfers and of capital with the rest of the world- that increased the results of the previous year in 5,051 million euros.

## Rest of the world

Unit: million euros

	2010 TIV	2011 TIV	difference
External balance of goods and services	6,917	1,123	-5,794
Balance of income and current and capital transfers	-122	4,929	5,051
<b>Net lending (+) / Net borrowing (-)</b>	<b>6,795</b>	<b>6,052</b>	<b>-743</b>

## Total Economy

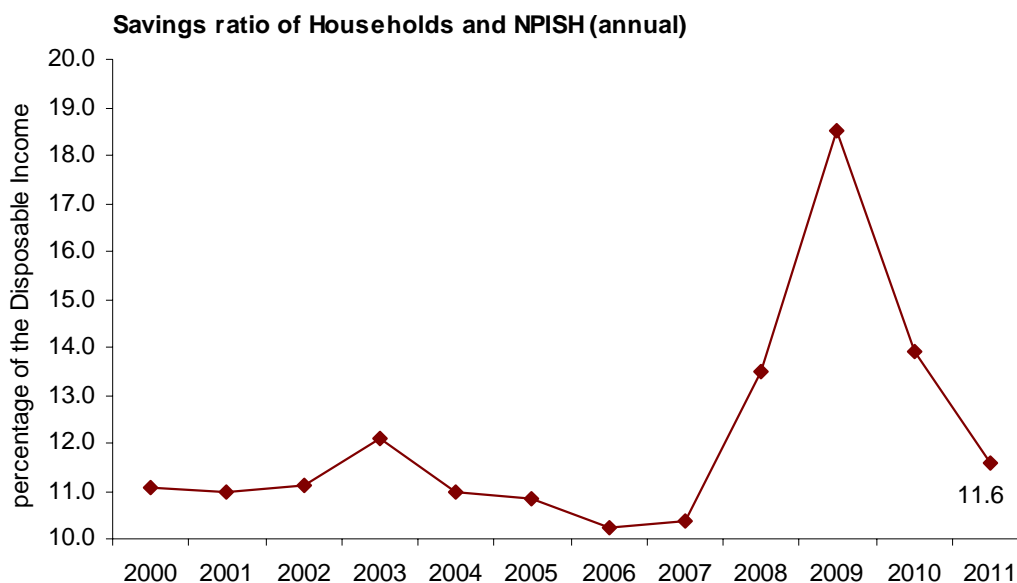
Unit: million euros

	2010 TIV	2011 TIV	difference
<b>Net lending (+) / Net borrowing (-)</b>	<b>-6,795</b>	<b>-6,052</b>	<b>743</b>

## Annual estimates

The data showing the behaviour of the different institutional sectors over the entire year is obtained from grouping the estimates corresponding to the four quarters of 2011.

The savings rate for households and NPISH decreased 2.3 points in the entire year 2011, coming to stand at 11.6% of their disposable income. This drop was as a result of the increase in final consumption expenditure (1.8%) higher than the gross disposable income (0.4%).



In the analysis of the different household income resources, the balance of primary income increased 0.2% as a consequence of the increase in operating surplus and in mixed income (4.1%) which counterbalanced the decreased in employee remuneration (1.0%) and in the received net property income (income received increased 7.3% and income paid 37.1%).

The savings generated by households and NPISH reached 81,900 million euros. These savings, linked to the 4,793 million euros corresponding to the balance of capital transfers received, allowed for financing the investment flow of households and NPISH, estimated at 61,747 million euros, 3.5% lower than in the year 2010.

Thus, the sector presented net lending of 24,946 million euros in the year 2011, representing 2.3% of GDP.

With reference to the remaining institutional sectors, General Government presented net borrowing of 91,420 million euros, 8.5% of GDP for 2011<sup>2</sup>.

The decrease in the net borrowing as compared with the previous year was determined, firstly, by the decrease in consumption expenditure (1.8%) and less investment (30.3%) which compensated the decrease in disposable income of the General Government (5.2%),

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<sup>2</sup> This fact was strictly coherent with that communicated to the European Authorities on 31 March within the framework of the Protocol on Excessive Deficit.

allowing an improvement in net borrowing of 6.798 million euros. The lower disposable income is the result of the decrease in net taxes received (0.5%), the increase in net property income paid (53.9%) and payments of social benefits higher than the social contributions received.

With regard to non-financial corporations, its disposable income increased 12.1% in 2011. The 10.6% increase in the operating surplus, together with the decrease in property income received (3.9%) compensated both the decline in net property income received (5.549 million euros less than in 2010) as increasing the payment of corporate tax (7.2%).

This result, together with the net balance of capital transfers received, was sufficient to finance the investment volume of the sector (which was 3.2% greater than in 2010) and obtain net lending of 16,769 million euros, 1.6% of GDP.

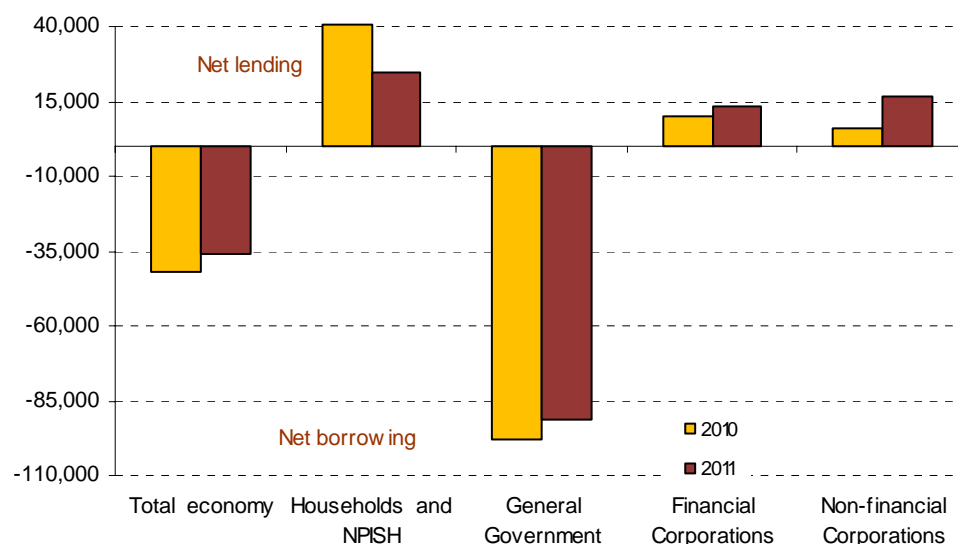
Finally, financial institutions showed net lending of 13,479 million euros, 1.3% of GDP.

As an additional result, in 2011 the national economy recorded a foreign net borrowing of 36,226 million euros, 3.4% of GDP, six tenths lower than that from the year 2010.

## Net lending (+)/ Net borrowing(-)

Unit: million euros

Institutional sector	2010	2011	difference
Household and NPISH	40,410	24,946	-15,464
General Government	-98,218	-91,420	6,798
Financial Corporations	10,094	13,479	3,385
Non-financial Corporations	5,946	16,769	10,823
<b>Total Economy</b>	<b>-41,768</b>	<b>- 36,226</b>	<b>5,542</b>



The decrease in the net borrowing of the economy between 2010 and 2011 (5,542 million euros) can be explained by the improvement of foreign exchanges of goods and services



with the rest of the world (15,872 million euros) counterbalancing the worsening in the balance of income and current and capital transfers (10,330 million euros).

## **Further information**

**The results for the period from the first quarter of 2000 to the fourth quarter of 2011 are available** on the INE website ([http://www.ine.es/en/welcome\\_en.htm](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.