

29 June 2018

Non-financial Quarterly Accounts for the Institutional Sectors First quarter 2018

Main results

- The *net lending* of the national economy to the rest of the world is 622 million euros in the first quarter of 2018.
- After adjusting for seasonal and calendar effects, the net lending of the national economy stands at 2.2% of the GDP, one tenth more than in the previous quarter.
- The national income reaches 289,112 million euros in the first quarter and the national disposable income stands at 285,535 million.
- After adjusting for seasonal and calendar effects, the national income and the national disposable income increase by 0.9% and 0.8%, respectively, as compared with the previous quarter.
- The savings rate of households is estimated at -4.2% of their disposable income, as in the same quarter of the previous year.
- Excluding seasonal and calendar effects, the household savings rate is 5.0% of their disposable income, one tenth higher than in the previous quarter.
- The *net borrowing* of the *General Government* amounts to 3,980 million euros, compared to 5,381 million euros in the same quarter of 2017.
- After adjusting for seasonal and calendar effects, the *net borrowing* of the *General Government* stands at 3.0% of the quarterly GDP, compared to 2.9% in the previous quarter.

New developments in the press release

The results published today include the full set of **main results for the national economy and the sectors of households, non-financial corporations and general government adjusted for the seasonal and calendar effects** required by the European System of National and Regional Accounts (ESA 2010), approved by Regulation (EU) 549/2013 of the European Parliament and of the Council of 21 May.

This initiative responds to a growing demand for the availability of results of the *Quarterly Non-Financial Accounts for the Institutional Sectors* adjusted for seasonal factors and possible calendar effects to facilitate the analysis of the economic situation and give meaning to the quarterly comparison of their variations. It is also consistent with the general line of action taken by the National Statistics Institute (INE) on its short-term statistics.

The High Council on Statistics was informed of this initiative on 6 June 2017 and received a very favourable opinion of it from the national users represented there.

The information on the *Quarterly Non-Financial Accounts for the Institutional Sectors* published today is consistent with the series of quarterly aggregates of the national economy published last May 31st in the scope of the *Quarterly National Accounts of Spain*.

Net lending of the national economy

The national economy registered a *net lending* to the rest of the world of 622 million euros in the first quarter of 2018, which represents 0.2% of the GDP for the period. In the same quarter of 2017, the national economy registered a *net lending* of 31 million euros (0.0% of the GDP).

This greater net lending is due to the growth in the *balance of foreign trade in goods and services* (3,213 million euros, compared to 2,447 million euros in the same period of 2017) and the balance of capital transfers¹ (587 million euros, compared to 362 million euros in the same quarter of the previous year).

On the other hand, the balance of income and current transfers with the rest of the world was estimated at -3,178 million euros, compared to -2,778 million euros in the first quarter of 2017.

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

Units: Million euros

Operations and balance items with the rest of the world	1st quarter 2018	1st quarter 2017	Difference
Imports of goods and services	93,043	92,004	1,039
Exports of goods and services	96,256	94,451	1,805
External balance of goods and services (A)	3,213	2,447	766
Balance of income and current transfers account (B)	-3,178	-2,778	-400
Balance of external current account (C=A+B)	35	-331	366
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	587	362	225
Net lending (+) / Net borrowing (-) (C+D)	622	31	591

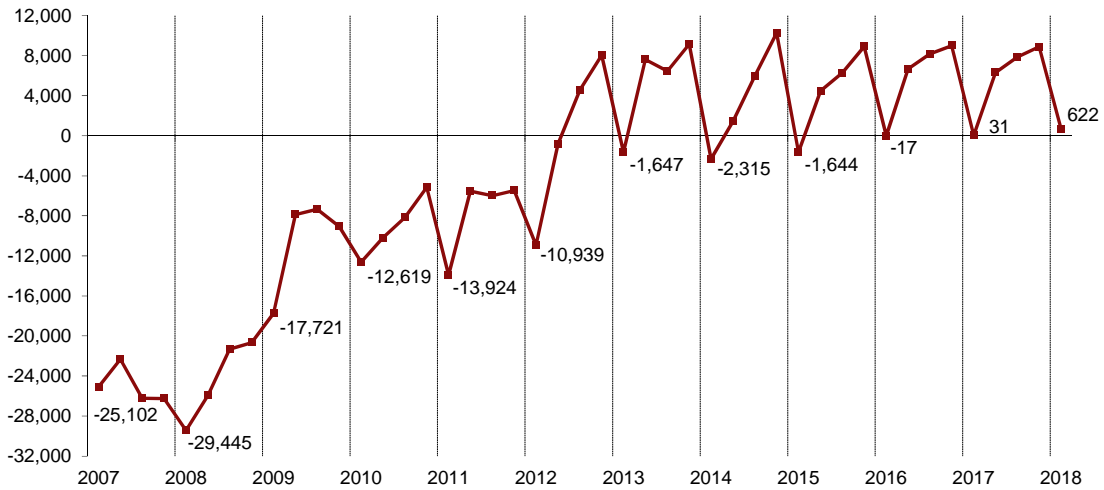
Net Lending (+) / Net Borrowing (-) Total economy

Units: Million euros

Institutional Sector	1st quarter 2018	1st quarter 2017	Difference
Households and NPISH	-18,246	-17,103	-1,143
General Government	-3,980	-5,381	1,401
Financial Corporations	5,813	5,393	420
Non-Financial Corporations	17,035	17,122	-87
TOTAL	622	31	591

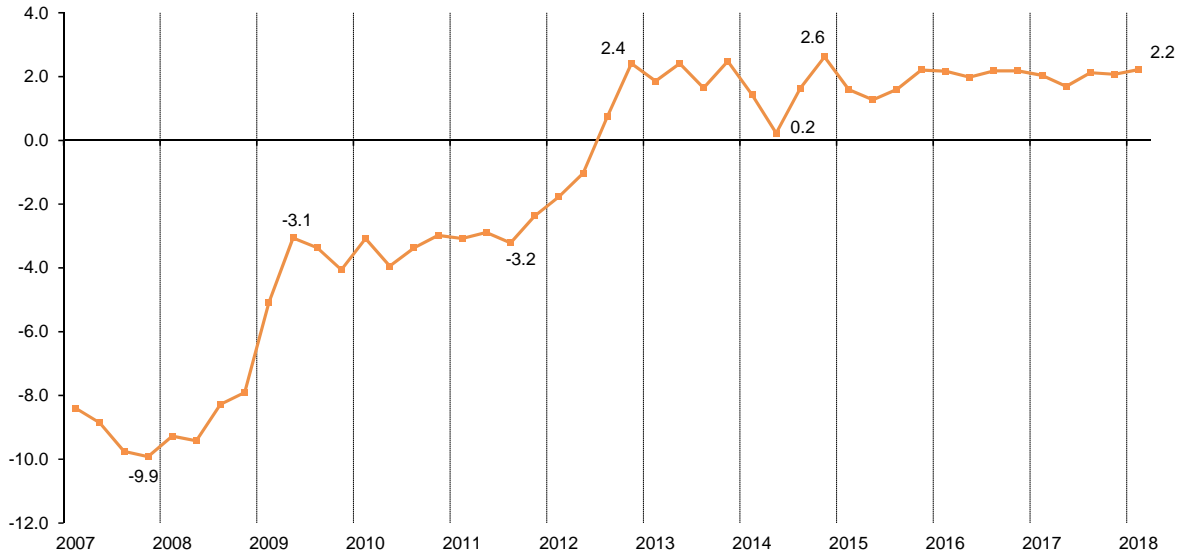
¹ Capital transfers and acquisitions less disposals of non-produced non-financial assets.

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



After adjusting for seasonal and calendar effects, the *net lending* of the national economy stood at 2.2% of the GDP, one tenth more 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 289,112 million euros in the first quarter of 2018, with an increase of 3.9% with respect to the same quarter of 2017.

National Income

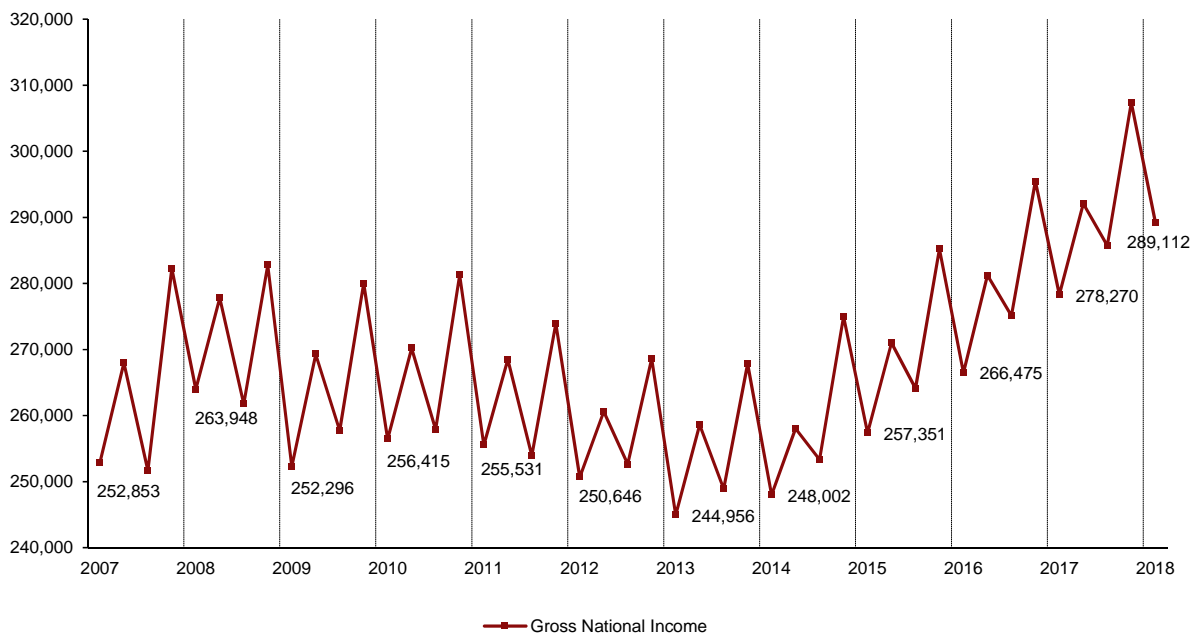
Units: million euros and rates in percentage

	Q1-2018	Q1-2017	Variation (%)
Gross operating surplus/mixed income	118,425	114,030	3.9
Compensation of Employees	134,429	129,862	3.5
Taxes (less subsidies) on Production and Imports	36,432	34,552	5.4
Balance of property income with the rest of the world	-174	-174	0.0
Gross National Income	289,112	278,270	3.9
Balance of current transfers with the rest of the world	-3,577	-3,244	-10.3
Gross National Disposable Income	285,535	275,026	3.8

This income increase was due to a greater operating surplus of the resident producer units (which increased by 3.9% up to 118,425 million) as well as a greater compensation perceived by resident employees in the economy (which increased by 3.5% reaching 134,429 million euros). There was also a 5.4% increase in the amount accrued in taxes on production and imports, net of subsidies, up to 36,432 million.

The balance of property income (interests, dividends, etc.) with the rest of the world amounted to -174 million euros, as in the first quarter of 2017.

Gross National Income
Million euros

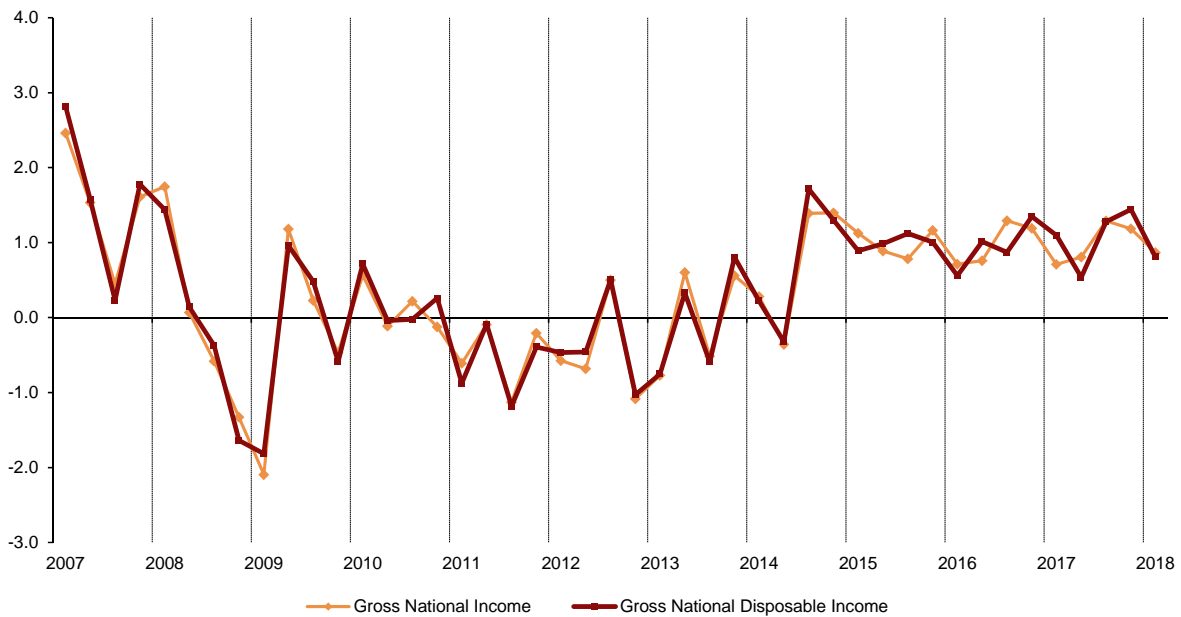


If we also take into account the lower negative balance of current transfers (income and wealth taxes, social security contributions and benefits and other current transfers) with the rest of the world (-3,577 million compared to -3,244 million in the first quarter of 2017), we have a 3.8% increase in *gross national disposable income* to 285,535 million euros.

Excluding seasonal and calendar effects, *gross national income* and *gross national disposable income* grew by 0.9% and 0.8% respectively compared to the fourth quarter of 2017.

Gross National Income and Gross National Disposable Income

Seasonally and calendar effects adjusted series. Interquarterly rate



Households²

The *gross value added* generated by the *Households* sector increased by 6.0% in the first quarter compared to the same period of 2017. The *operating surplus and gross mixed income* of the sector grew by 6.8%.

Considering the increase in the compensations receivable by employees (3.5%) and the evolution of the net balance of the property income to be received by the sector (interests, dividends, etc.), this results in an increase of 4.4% in the *gross balance of primary incomes*.

Taking also into account the combined performance of flows in the secondary distribution of income (income and wealth tax, social contributions and social benefits and other current transfers), results that in the first quarter of 2018 the *gross disposable income* of households increased by 3,9% to 168,445 million euros.

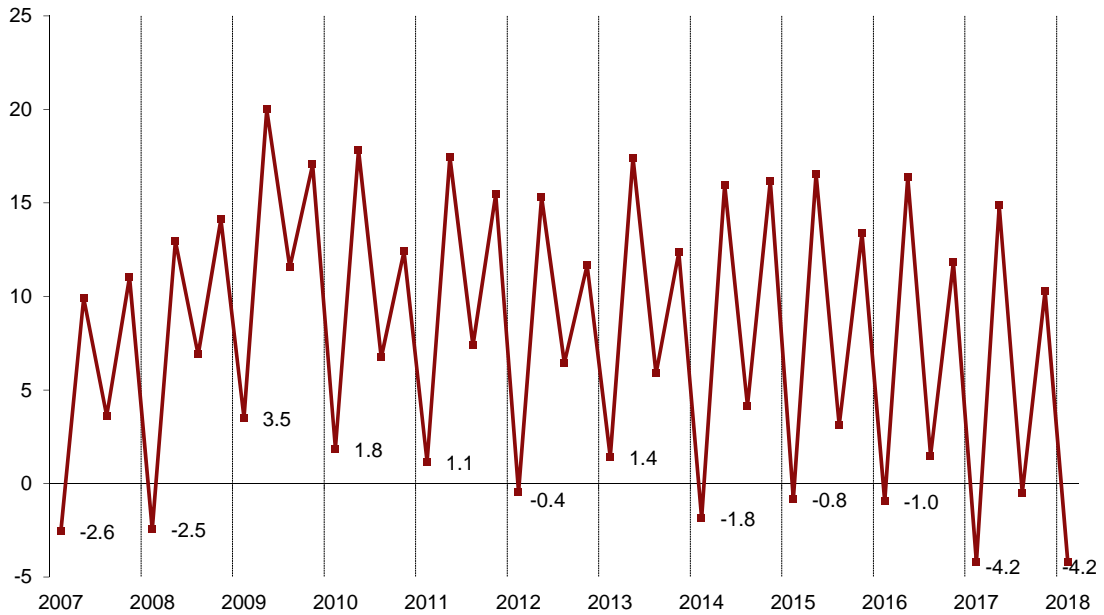
Final consumption expenditure of the households was estimated at 175,101 million euros, with an increase of 3.9%. As a result, savings in the sector amounted to -7,022 million euros (in the first quarter of 2017 it was -6,790 million euros)³.

In this way, the savings rate of households stood at -4.2% of its disposable income, similar to that of the first quarter of the previous year.

² Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

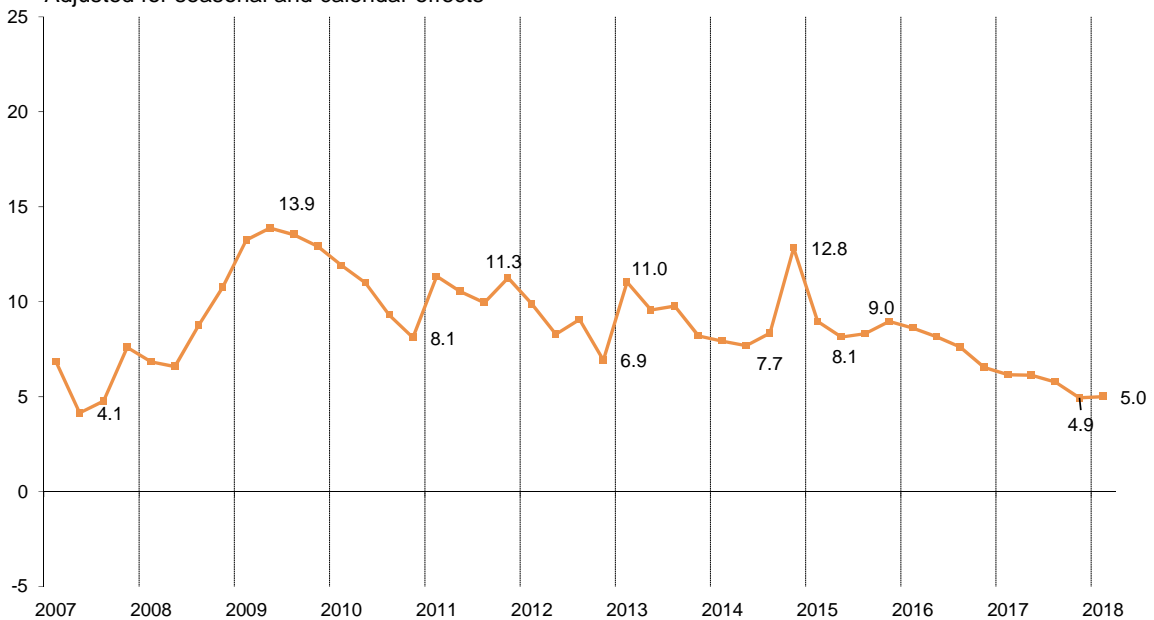
³ After taking into account the change in pension rights to which households have a defined right.

Savings of Households
Percentage of Quarterly Gross Disposable Income



Excluding seasonal and calendar effects, the savings rate in the sector increased by one tenth compared to the previous quarter, to 5.0%.

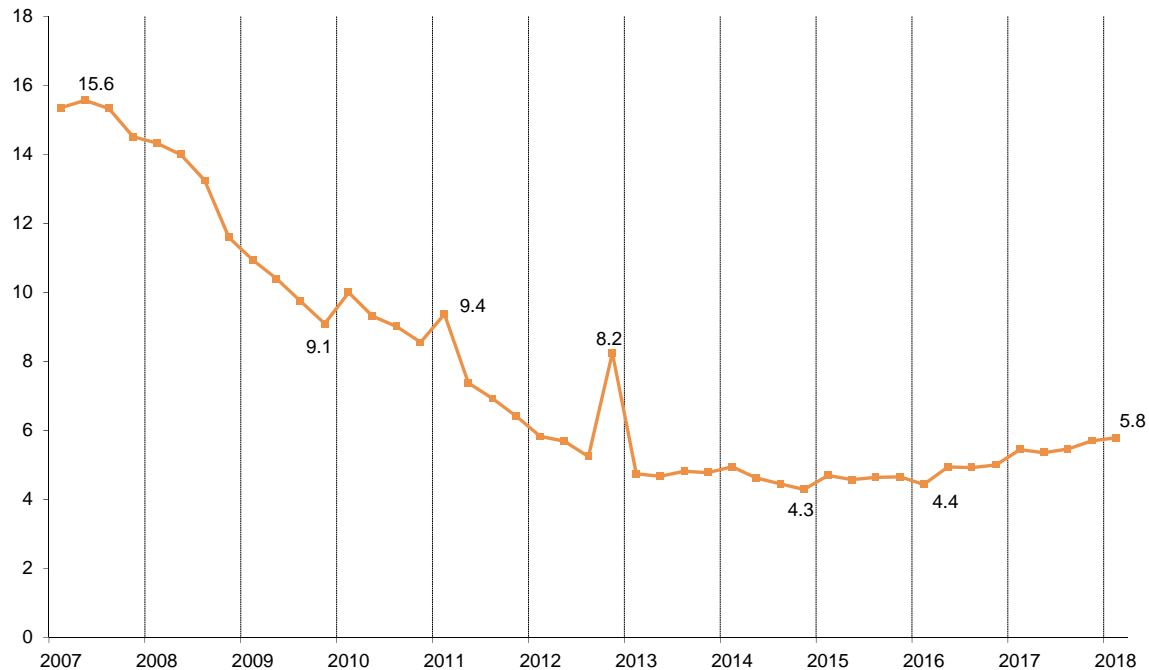
Savings of Households.
Percentage of Quarterly Gross Disposable Income
Adjusted for seasonal and calendar effects



On the other hand, the household investment⁴ reached 11,311 million euros in the first quarter (8.6% more than in the same period of 2017).

After adjusting for seasonal and calendar effects, the investment rate of households stood at 5.8% of their disposable income⁵, one tenth higher than in the previous quarter.

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

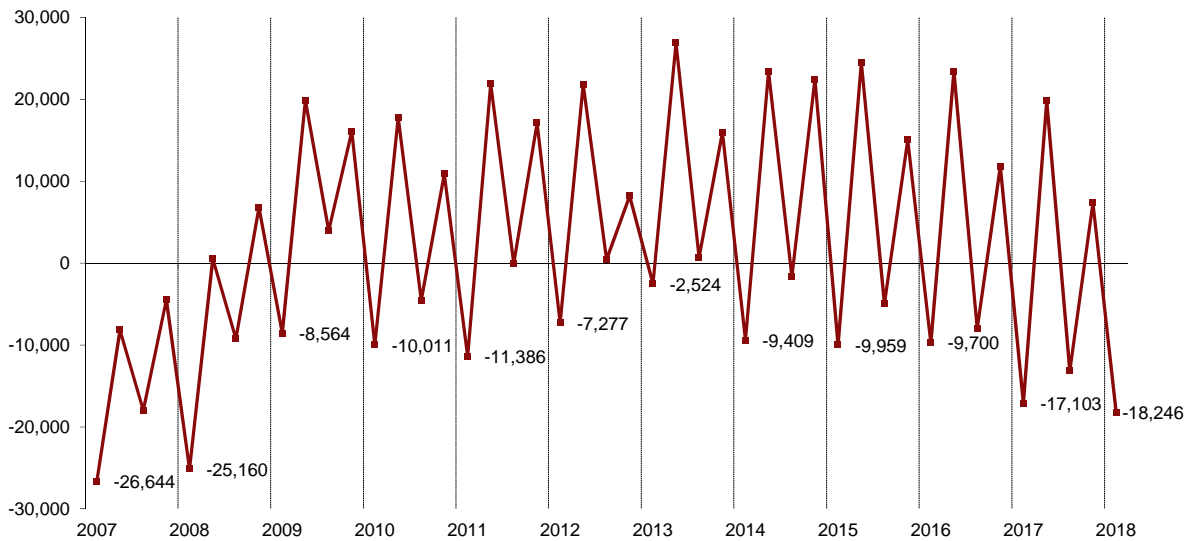


Thus, after taking into account the balance of capital transfers in the sector, households recorded a *net borrowing* of 18,246 million (compared to the 17,103 million estimated for the same quarter in 2017).

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

⁵ After taking into account the change in pension rights to which households have a defined right.

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



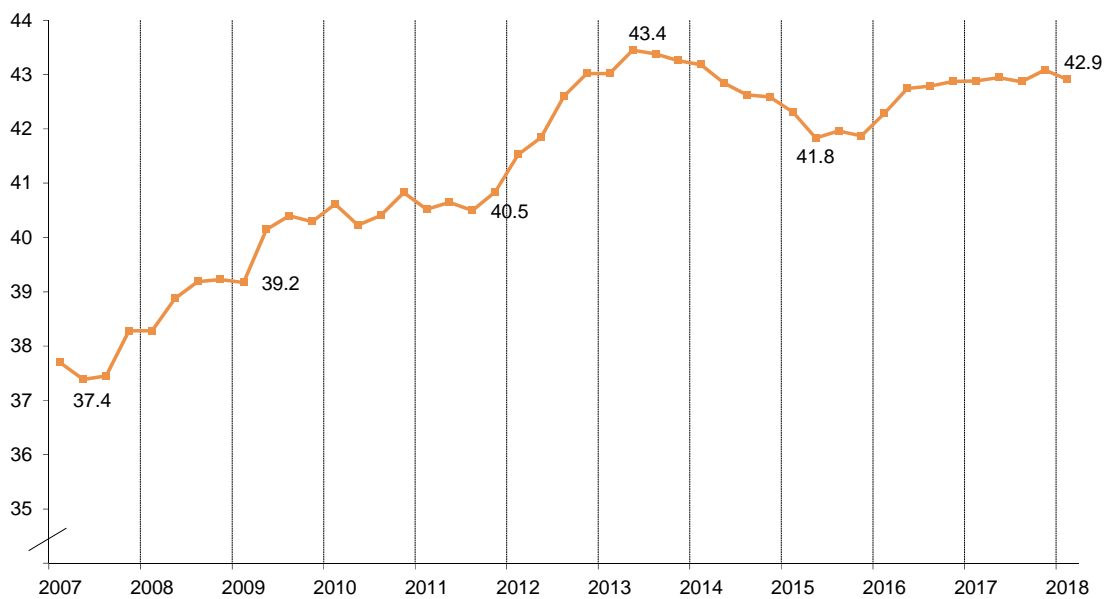
Non-financial corporations

The *gross value added* generated by the *Non-Financial Corporations* increased by 3.9% as compared with the same quarter of 2017 and the *gross operating surplus* of the sector did so by 3.6%.

Excluding seasonal and calendar effects, the share of the sector's gross surplus in its value added was 42.9%, which is two tenths less than in the previous quarter.

Gross Operating Surplus of Non-Financial Corporations

Percentage of Quarterly Gross Added Value
Adjustes 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 *gross primary income balance* increased by 4.2% with respect to the first quarter of 2017.

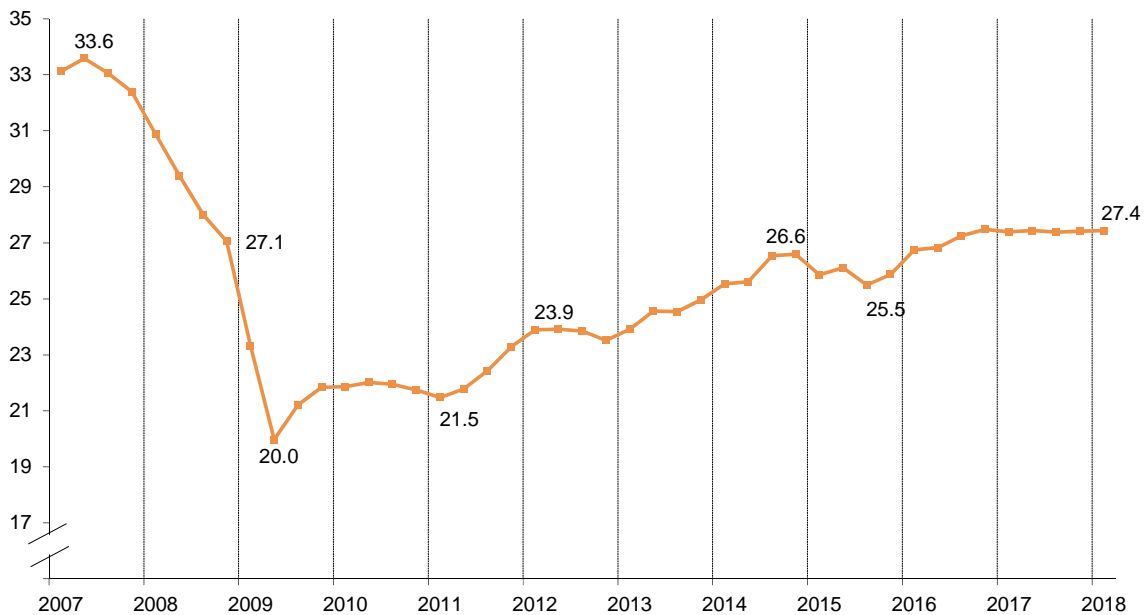
As a consequence of the above, and of the evolution of the flows in the secondary income distribution (corporate taxes, social contributions and benefits and other current transfers), the disposable income of *Non-Financial Corporations* increased by 2.6%.

This disposable income, together with its capitals transfer balance is sufficient to finance the investment volume of the sector, which amounted to 41,187 million (3.6% more than that of the same quarter of the previous year).

After adjusting for seasonal and calendar effects, the investment rate of *Non-Financial Corporations* stood at 27.4% of their gross value added, standing at the same level as in the previous quarter.

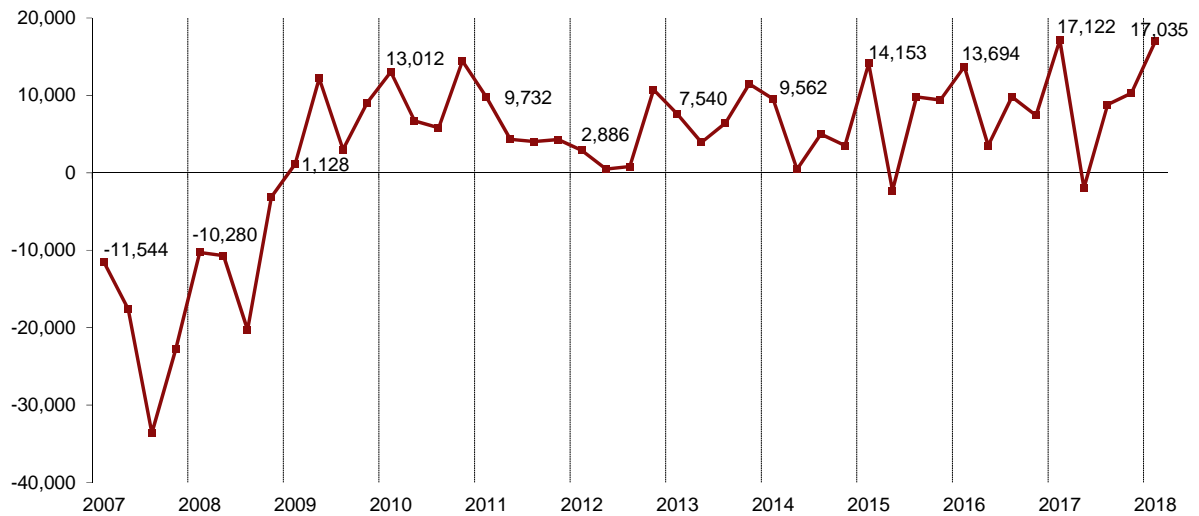
Investment of Non-Financial Corporations

Percentage of Quarterly Gross Added Value
Adjusted for seasonal and calendar effects



Consequently, the sector had an estimated *net lending* of 17,035 million euros, compared to 17,122 million euros in the first quarter of 2017.

Net lending (+) / Net borrowing (-) Non-financial corporations Million euros



General Government

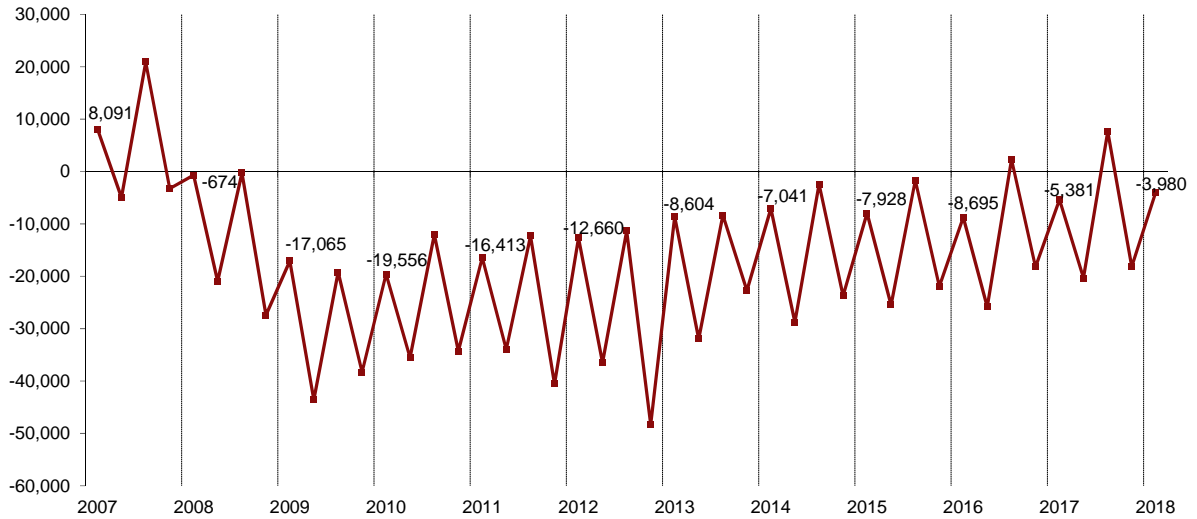
The *gross disposable income* for the *General Government* reached 56,307 million euros in the first quarter, 7.8% more than the same period of 2017.

The *final consumption expenditure* increased by 2.0% up to 51,388 million euros. With this, the sector's *gross savings* amounted to 4.919 million (in the first quarter of 2017 it was 1,815 million).

General Government investment during the first quarter of 2018 was estimated at 6,746 million with an increase of 22.3% compared to the same period of the previous year.

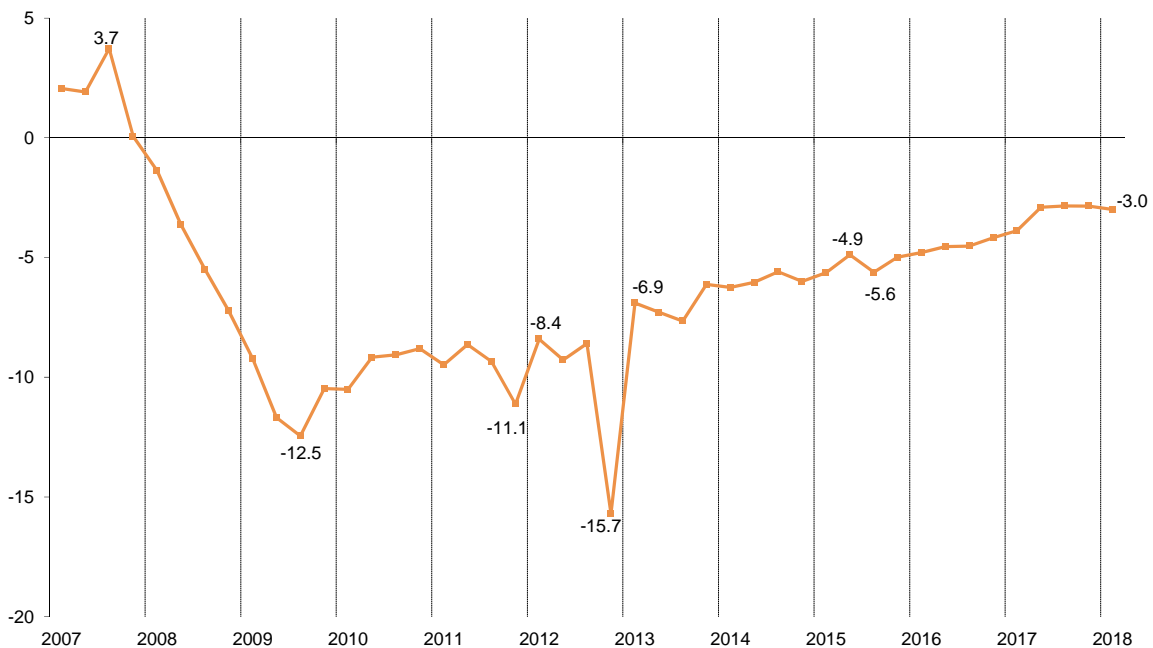
Savings and investment in the sector, together with the balance of capital transfers, led the sector to generate a net borrowing of 3,980 million euros, compared to 5,381 million euros in the first quarter of 2017.

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



If seasonal and calendar effects are excluded, the *General Government* recorded a *net borrowing* of 3.0% of GDP, one tenth higher 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

The *gross value added* of *Financial Corporations* decreased by 4.2% in the first quarter of 2018, compared to the same period of 2017. The *gross operating surplus* of the sector decreased by 18.2%.

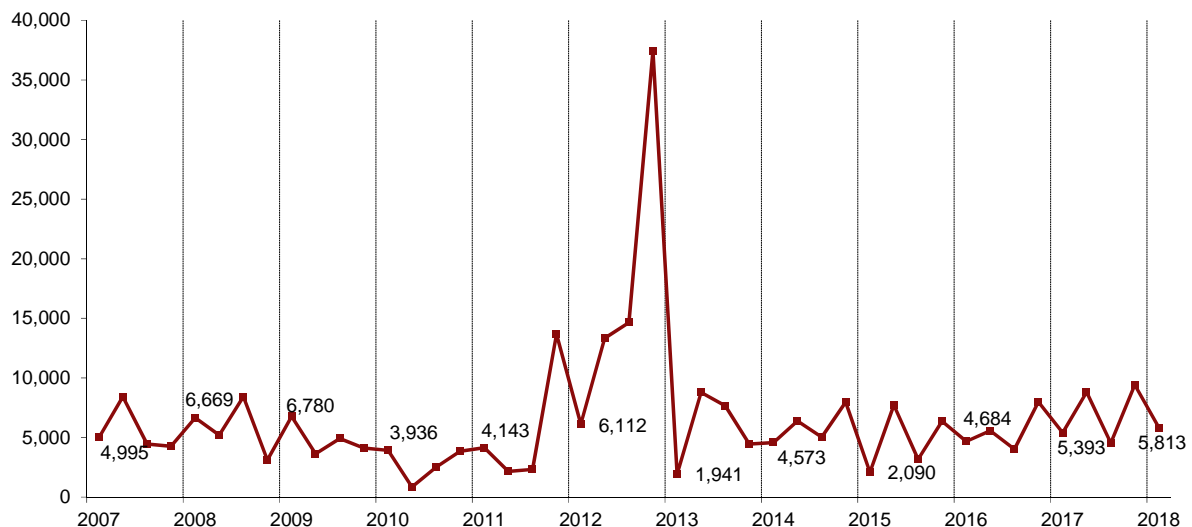
This decrease was accompanied by a lower net balance of property income (interest, dividends, etc.) to be received by the sector, which means that the primary income balance of it fell by 27.3%.

If we also take into account its flows in secondary income distribution (corporate income tax, social security contributions and benefits and other current transfers), the sector's *gross disposable income* was estimated at 4,035 million euros, 24.1% lower than in the same quarter of 2017.

The investment of the financial corporations amounted to -339 million euros, 176.0% lower than in the same quarter of 2017.

With this, and after considering the balance of capital transfers, the sector generated a *net lending* of 5,813 million euros, compared to 5,393 million euros in the first quarter of 2017.

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



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Annex

New developments in upcoming national accounts publications

As of the second quarter of 2018, the quarterly national accounts will modify their publication calendar, as reported by the High Council on Statistics at its Standing Committee meeting on 22 March.

Specifically, the **Quarterly National Accounts of Spain (QNAS)** has modified its dissemination calendar and contents since the publication of the data referring to the second quarter of 2018.

The advance results of this operation—until now the **Quarterly GDP Flash Estimate**—which is currently disseminated around 30 days after the end of the quarter (t+30 days, being t the reference quarter), **will contain for the first time estimates of the quarterly GDP flash estimates, at current prices and in volume, for each of its components (supply, demand and income) and for employment.**

These advance results will be updated at around t+90 days (eliminating the publication of t+60), which will make it possible to include in its compilation, among other sources, the quarterly results of the Balance of Payments, which the Bank of Spain disseminates at around t+85 days. Additionally, this new calendar will enable **the QNAS update to be disseminated simultaneously with the Quarterly Non-Financial Accounts for the Institutional Sectors (QNFAIS)**, which will provide a complete and integrated view of the economic performance of the quarter.

This new calendar is also 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.

In this way, the next publications of quarterly national accounts will take place on the following dates and with the following contents:

- **31 July 2018:** advance results of the **second quarter of 2018 of the QNAS.**
- **28 September 2018:** **QNAS** and **QNFAIS** for the **second quarter of 2018** (including, in both cases, the results update from the first quarter of 2015⁶).

On the other hand, today we are disseminating, for the first time, the results of the *Supplementary Table for Pension Rights Accrued on a Specific Date in the Social Security of the ESA 2010 (Pension Table)*, corresponding to the year **2015**, as an annex to the non-financial accounts of the institutional sectors of the *Annual Spanish National Accounts*.

⁶ Consistent with the review of the results for the period 2015-2017 of the Annual Spanish National Accounts, which will also be released in September.

Methodological note

The objective of the **Quarterly Non-Financial 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 economic processes (production and income generation, distribution and redistribution, final consumption, savings and accumulation of assets).

The QNFAIS form part of the global objective to create an annual and quarterly accounts system for the European Union and the euro zone. This system includes the main macroeconomic aggregates and the financial and non-financial accounts of the institutional sectors, all of which is created 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 Council, of 21 May.

The results corresponding to the first quarter of 2018 are being published today, consistent with the series of quarterly aggregates of the national economy in base 2010 published last 31 May in the scope of the *Quarterly National Accounts of Spain*. The results 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 seasonality 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, please consult the INE website (www.ine.es), as well as access the standardised methodological report on the operation ([Standardised metadata report](#)).

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

	Q1-2018	Q1-2017	Variation (%)
Gross added value	57,595	54,310	6.0
Compensation of Employees (payable) (-)	11,674	11,269	3.6
Other taxes (less subsidies) on Production and Imports (-)	2,014	1,927	4.5
Gross operating surplus/mixed income	43,907	41,114	6.8
Compensation of Employees (receivable) (+)	134,429	129,862	3.5
Property income (receivable, net) (+)	8,732	8,131	7.4
Gross balance of primary incomes	187,068	179,107	4.4
Current taxes on property and income (-)	23,014	21,801	5.6
Net social contributions (-)	41,026	39,384	4.2
Social benefits (+)	44,406	43,000	3.3
Other current transfers (receivable, net) (+)	1,011	1,254	-19.4
Gross disposable income	168,445	162,176	3.9
Final consumption expenditure (-)	175,101	168,603	3.9
Adjustment for the change in pension entitlements (+)	-366	-363	-0.8
Gross saving	-7,022	-6,790	-3.4
Capital transfers (receivable, net) (+)	87	103	-15.5
Gross capital formation and Net acquisitions of non-produced	11,311	10,416	8.6
Net lending (+) / Net borrowing (-)	-18,246	-17,103	-6.7

Non-financial accounts for Non-Financial Corporations

Units: million euros and rates in percentage

	Q1-2018	Q1-2017	Variation (%)
Gross added value	154,709	148,886	3.9
Compensation of Employees (payable) (-)	89,381	85,893	4.1
Other taxes (less subsidies) on Production and Imports (-)	1,325	1,213	9.2
Gross operating surplus	64,003	61,780	3.6
Property income (receivable, net) (+)	-4,924	-5,088	3.2
Gross balance of primary incomes	59,079	56,692	4.2
Current taxes on property and income (-)	1,145	354	223.4
Net social contributions (+)	1,938	1,881	3.0
Social benefits (-)	1,005	981	2.4
Other current transfers (receivable, net) (+)	-2,119	-1,921	-10.3
Gross disposable income	56,748	55,317	2.6
Gross saving	56,748	55,317	2.6
Capital transfers (receivable, net) (+)	1,474	1,563	-5.7
Gross capital formation and Net acquisitions of non-produced	41,187	39,758	3.6
Net lending (+) / Net borrowing (-)	17,035	17,122	-0.5

Non-financial accounts for General Government

Units: million euros and rates in percentage

	Q1-2018	Q1-2017	Variation (%)
Gross added value	35,047	34,466	1.7
Compensation of Employees (payable) (-)	27,852	27,418	1.6
Other taxes (payable, less subsidies) on Production and Imports (-)	76	63	20.6
Gross operating surplus	7,119	6,985	1.9
Taxes (receivable, less subsidies) on Production and Imports (+)	36,432	34,552	5.4
Property income (receivable, net) (+)	-5,420	-5,719	5.2
Gross balance of primary incomes	38,131	35,818	6.5
Current taxes on property and income (+)	24,831	22,764	9.1
Net social contributions (+)	36,414	34,954	4.2
Social benefits (-)	39,926	38,778	3.0
Other current transfers (receivable, net) (+)	-3,143	-2,544	-23.5
Gross disposable income	56,307	52,214	7.8
Final consumption expenditure (-)	51,388	50,399	2.0
Gross saving	4,919	1,815	171.0
Capital transfers (receivable, net) (+)	-2,153	-1,679	-28.2
Gross capital formation and Net acquisitions of non-produced	6,746	5,517	22.3
Net lending (+) / Net borrowing (-)	-3,980	-5,381	26.0

Non-financial accounts for Financial Corporations

Units: million euros and rates in percentage

	Q1-2018	Q1-2017	Variation (%)
Gross added value	9,564	9,987	-4.2
Compensation of Employees (payable) (-)	4,915	4,705	4.5
Other taxes (payable, less subsidies) on Production and Imports (-)	1,253	1,131	10.8
Gross operating surplus	3,396	4,151	-18.2
Property income (receivable, net) (+)	1,438	2,502	-42.5
Gross balance of primary incomes	4,834	6,653	-27.3
Current taxes on property and income (-)	597	622	-4.0
Net social contributions (+)	2,476	2,362	4.8
Social benefits (-)	2,842	2,725	4.3
Other current transfers (receivable, net)	164	-349	147.0
Gross disposable income	4,035	5,319	-24.1
Adjustment for the change in pension entitlements (-)	-366	-363	-0.8
Gross saving	4,401	5,682	-22.5
Capital transfers (receivable, net) (+)	1,073	157	583.4
Gross capital formation and Net acquisitions of non-produced	-339	446	-176.0
Net lending (+) / Net borrowing (-)	5,813	5,393	7.8