

28 June 2019

## **Quarterly Non-Financial Accounts for the Institutional Sectors** First quarter of 2019

### **Main results**

- The national economy showed a net borrowing of 4.5 billion euros from the rest of the world in the first quarter of 2019.
- After adjusting for seasonal and calendar effects, the net lending of the national economy stands at 1.0% of GDP, six tenths less than in the previous quarter.
- The gross national income reaches 295,552 million euros in the first quarter and the gross national disposable income stands at 291,107 million.
- After adjusting for seasonal and calendar effects, both the national income and the national disposable income increase by 0.3% as compared with the previous quarter.
- The household saving rate is estimated at -4.5% of their disposable income in the first quarter, compared to -5.4% in the same quarter of the previous year.
- After adjusting for seasonal and calendar effects, the household saving rate is 5.4% of their disposable income, six tenths higher than in the previous quarter.
- The net borrowing of the General Government amounts to 3,695 million euros, compared to 4,100 million euros in the same quarter of 2018.
- After adjusting for seasonal and calendar effects, the net borrowing of the General Government stands at 2.4% of the quarterly GDP, two tenths more than in the previous quarter.

## Net lending of the national economy

The national economy registered a *net borrowing* of 4.5 billion euros from the rest of the world in the first quarter of 2019, representing 1.5% of the GDP for that period. In the same quarter of 2018, the *net lending* was 873 million euros (0.3% of GDP).

This increase is explained by a lower *balance of foreign trade in goods and services* (-82 million euros, compared to 2,745 million in the same period of 2018) which, combined with the evolution of current income and transfers, provide a *balance of current transactions with the rest of the world* lower by 3,561 million than that of the same quarter of the previous year. Furthermore, the balance of capital transfers<sup>1</sup> was 667 million, compared to 733 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	1st quarter 2019	1st quarter 2018	Difference
Imports of goods and services	98,427	94,909	3,518
Exports of goods and services	98,345	97,654	691
External balance of goods and services (A)	-82	2,745	-2,827
Balance of income and current transfers account (B)	-5,085	-4,351	-734
Balance of external current account (C=A+B)	-5,167	-1,606	-3,561
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	667	733	-66
Net lending (+) / Net borrowing (-) (C+D)	-4,500	-873	-3,627

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

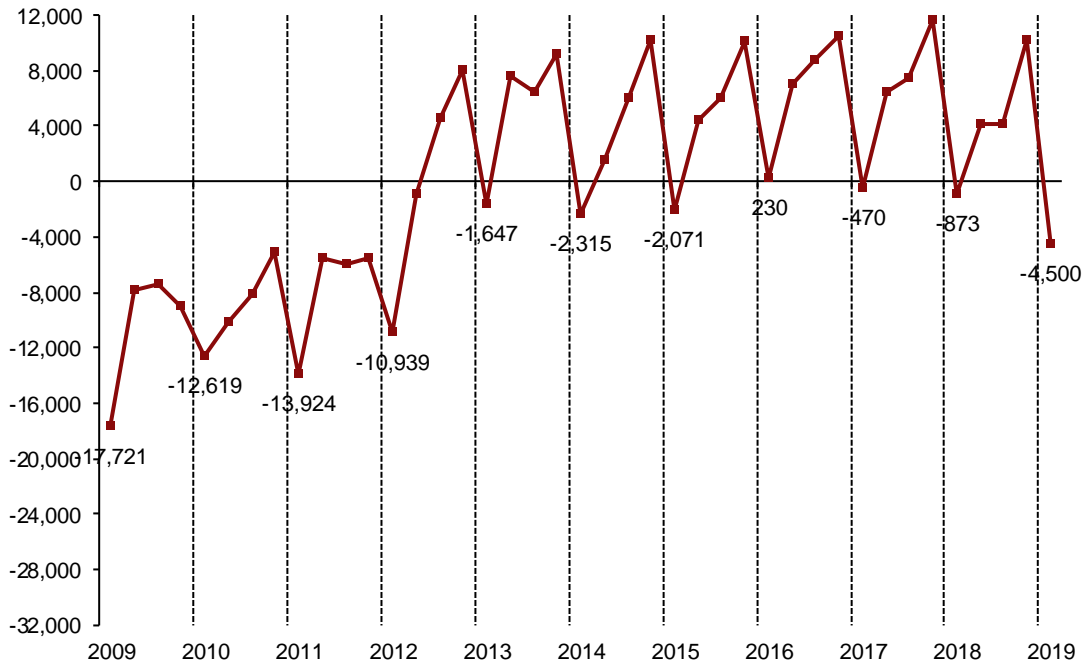
Units: Million euros

Institutional Sector	1st quarter 2019	1st quarter 2018	Difference
Households and NPISH	-20,839	-19,682	-1,157
General Government	-3,695	-4,100	405
Financial Corporations	6,245	7,030	-785
Non-Financial Corporations	13,789	15,879	-2,090
TOTAL	-4,500	-873	-3,627

<sup>1</sup> Capital transfers and acquisitions less disposals of non-produced non-financial assets.

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

Million euros

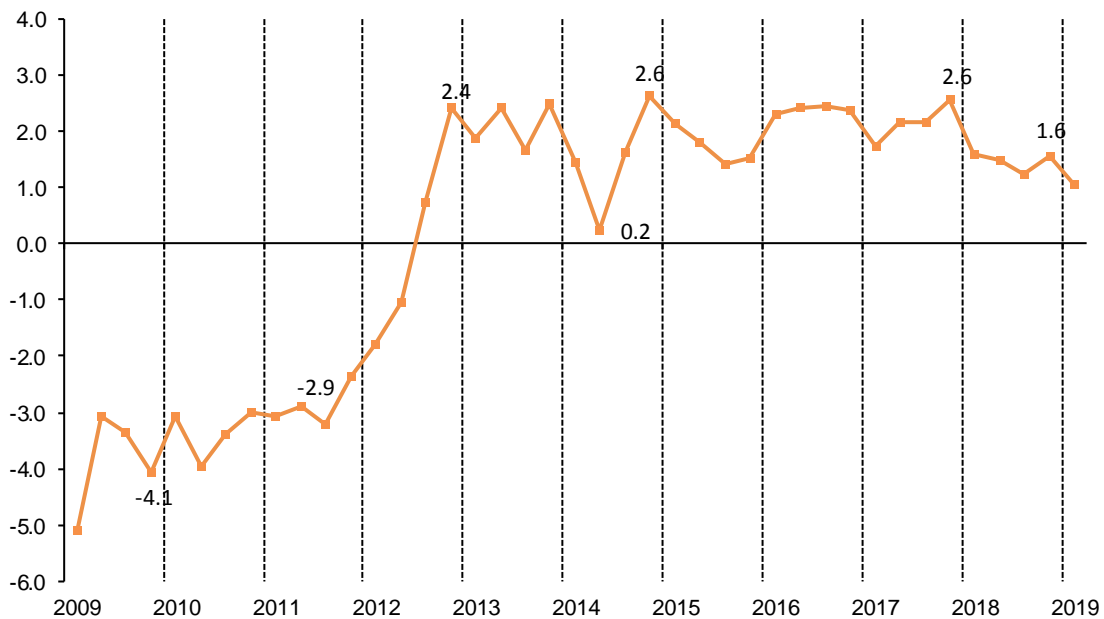


After adjusting for seasonal and calendar effects, the *net lending* of the national economy stood at 1.0% of the GDP, six tenths less than in the previous quarter.

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

Percentage of Quarterly Gross Domestic Product

Seasonally and calendar effects adjusted series.



## National income

The *gross national income* reached 295,552 million euros in the first quarter of 2019, with an increase of 2.9% with respect to the same period of 2018.

### National Income

Units: million euros and rates in percentage

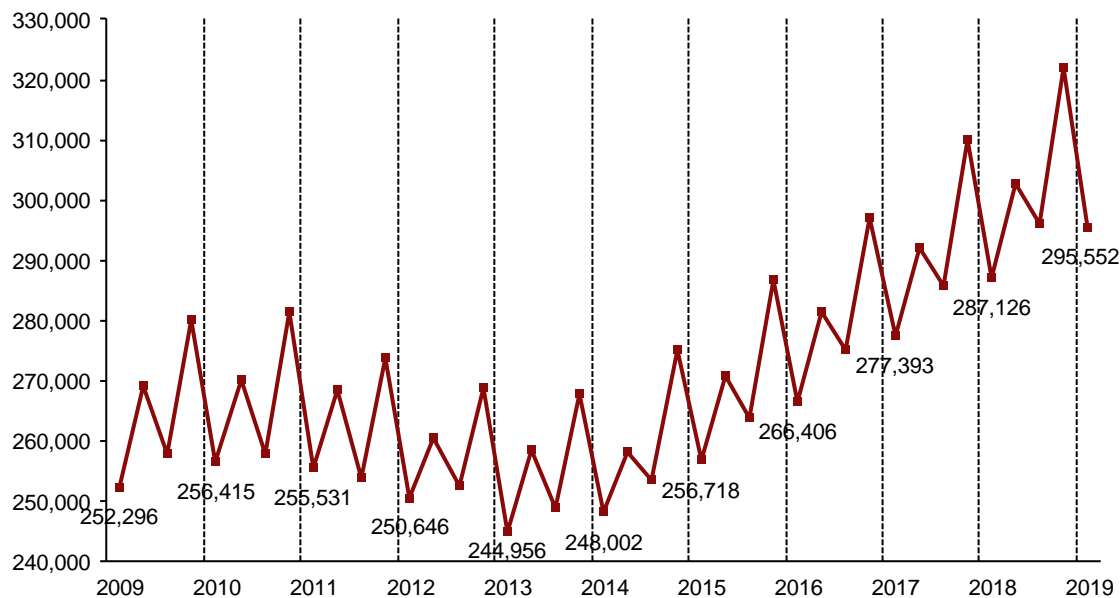
	Q1-2019	Q1-2018	Variation (%)
Gross operating surplus/mixed income	118,192	118,923	-0.6
Compensation of Employees	140,580	133,671	5.2
Taxes (less subsidies) on Production and Imports	38,008	36,251	4.8
Balance of property income with the rest of the world	-1,228	-1,719	28.6
Gross National Income	295,552	287,126	2.9
Balance of current transfers with the rest of the world	-4,445	-3,193	-39.2
Gross National Disposable Income	291,107	283,933	2.5

This income increase occurred in spite of the 0.6% drop in the operating surplus of the resident productive units (to 118,192 million), which was offset by a higher remuneration received by resident employees in the economy (which grew by 5.2% to 140,580 million). There was also a 4.8% increase in the amount accrued in taxes on production and imports, net of subsidies, up to 38,008 million.

The balance of property income (interests, dividends, etc.) with the rest of the world was estimated at -1,228 million euros, compared to -1,719 million in the first quarter of 2018.

### Gross National Income

Million euros



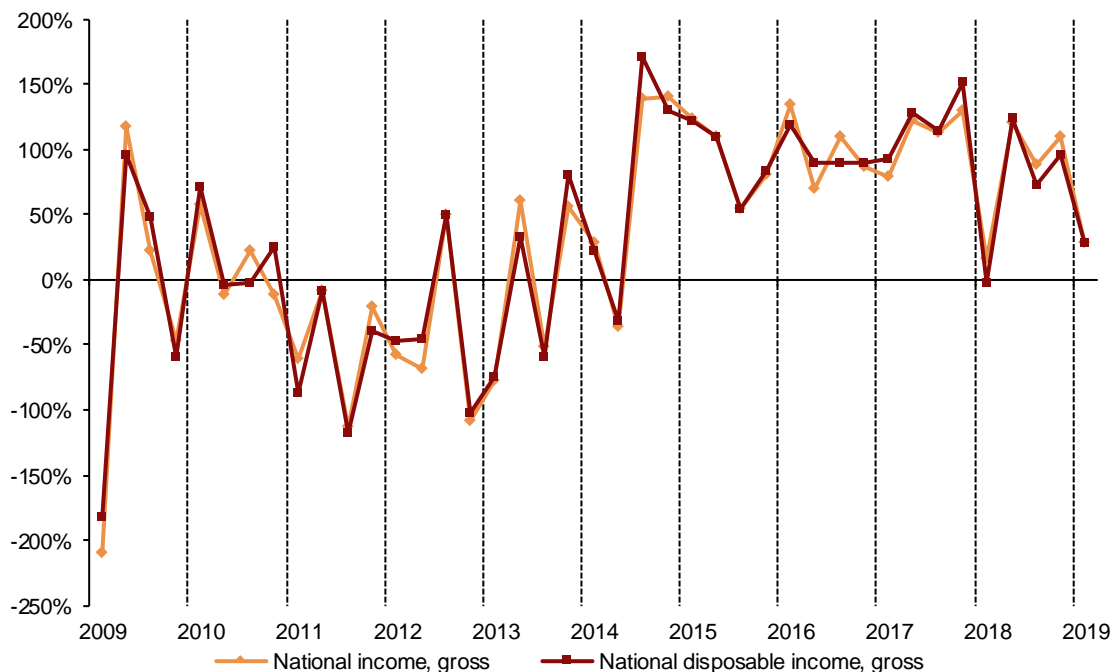
If we also take into account the higher negative balance of current transfers (income and wealth taxes, social security contributions and benefits and other current transfers) with the rest of the world (-4,445 million compared to -3,193 million in the first quarter of 2018), we get that the *gross national disposable income* grew by 2.5%, up to 291,107 million euros.

After adjusting for seasonal and calendar effects, both *gross national income* and *gross national disposable income* grew by 0.3% compared to the fourth quarter of 2018.

## Gross National Income and Gross National Disposable Income

Seasonally and calendar effects adjusted series

Quarter-to-quarter rates of growth



## Households<sup>2</sup>

The *gross value added* generated by the *Households* sector increased by 2.2% in the first quarter compared to the same period of 2018. The *operating surplus* and *gross mixed income* of the sector grew by 1.8%.

Considering the increase in compensations receivable by employees (5.2%) 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 4.3% in the *gross balance of primary income*.

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), it can be seen that in the first quarter of 2019 the *gross disposable income* of households increased by 3.4% to 172,058 million euros.

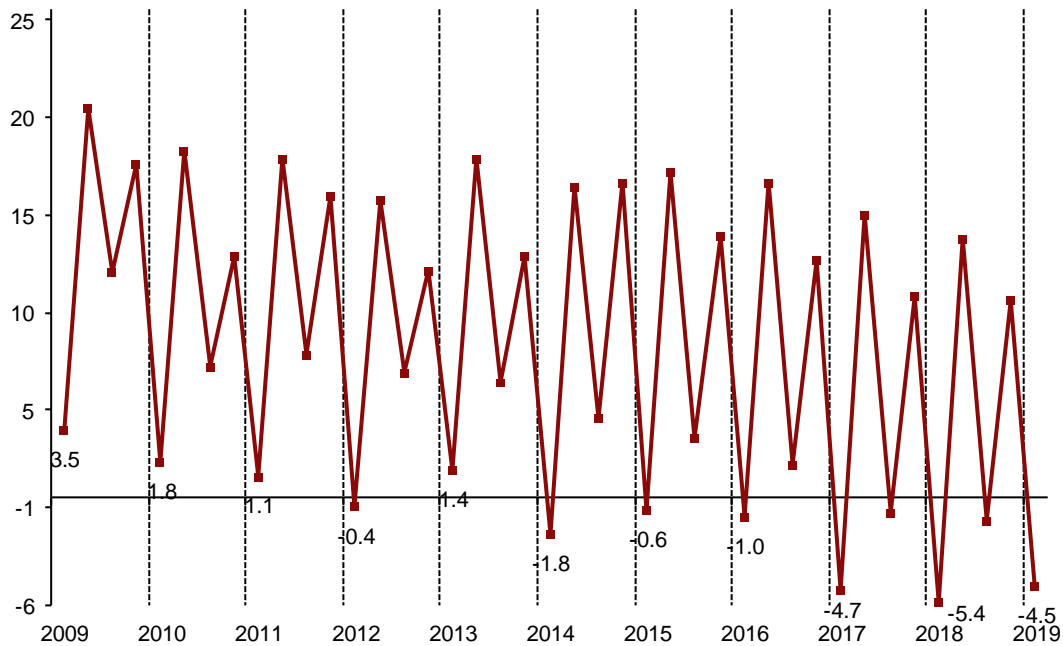
<sup>2</sup> Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

Household final consumption expenditure was estimated at 179,664 million euros, with an increase of 2.7%. As a result, savings in the sector amounted to -7,777 million (in the first quarter of 2018 it was -8,917 million)<sup>3</sup>.

In this way, the household saving rate stood at -4.5% of its disposable income, compared to -5.4% in the same quarter of the previous year.

## Savings of Households

Percentage of Quarterly Gross Disposable Income



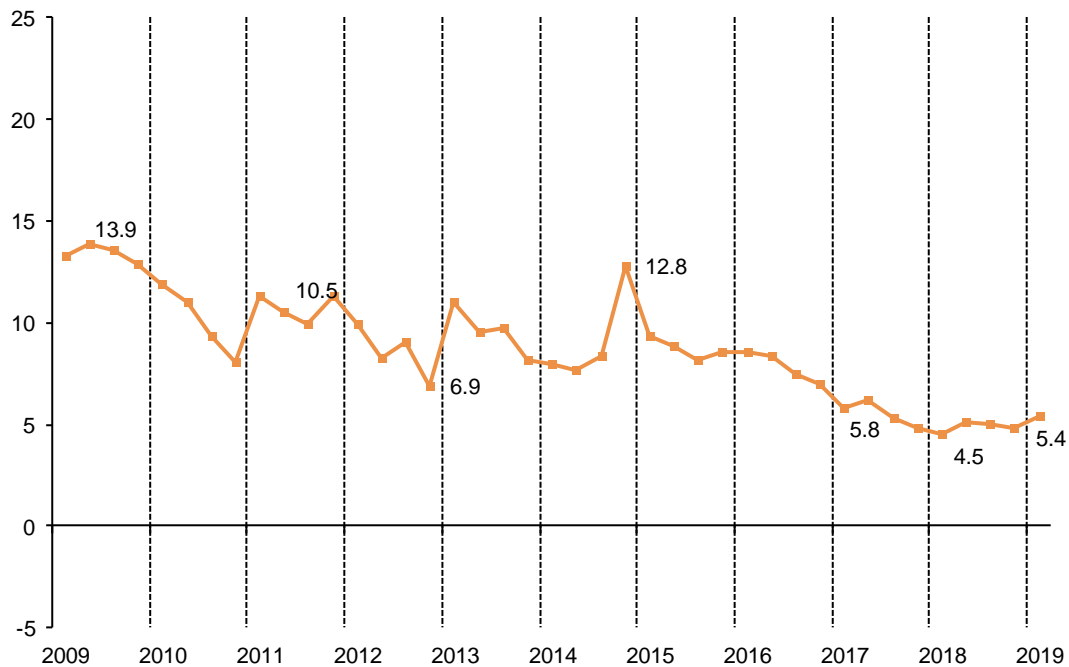
Excluding seasonal and calendar effects, the saving rate in the sector increased by six tenths compared to the previous quarter standing at 5.4%.

<sup>3</sup> 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, the household investment<sup>4</sup> reached 13,041 million euros in the first quarter (19.9% more than in the same period of 2018).

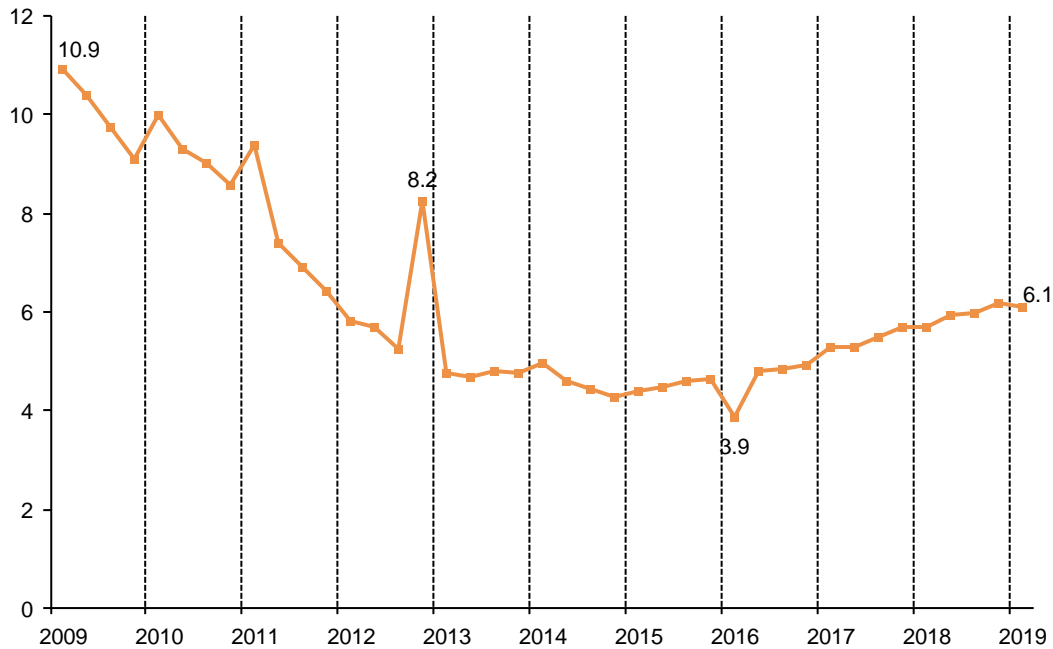
In turn, the investment rate of households<sup>5</sup>, after adjusting for seasonal and calendar effects, stood at 6.1% of their disposable income, one tenth lower than in the previous quarter.

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

<sup>5</sup> 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).

### Investment of Households

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

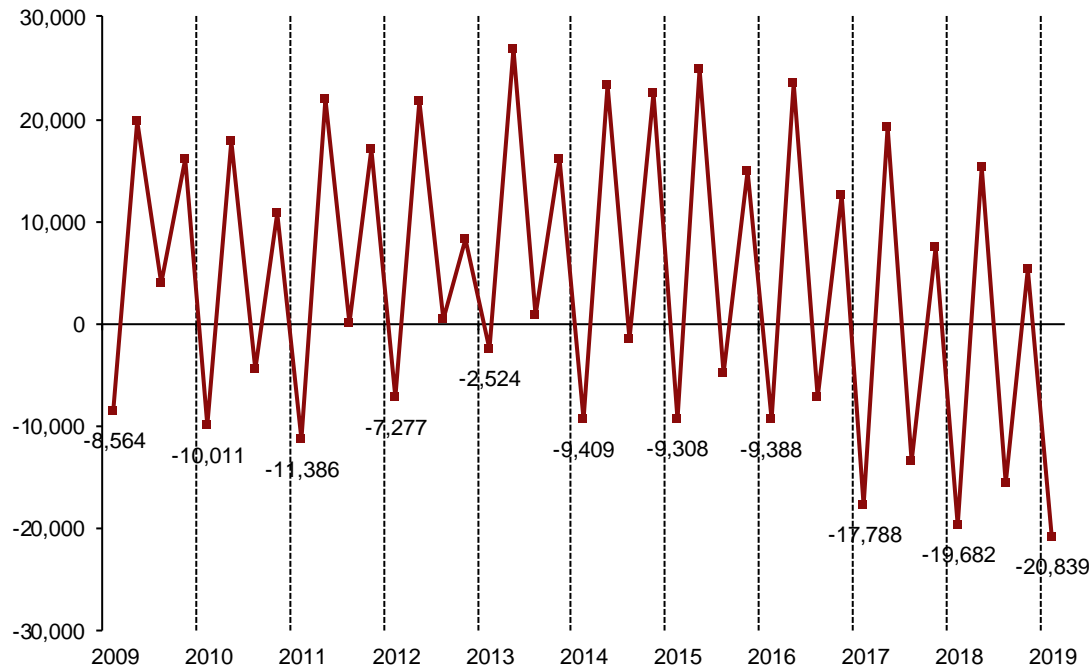


Thus, after taking into account the balance of capital transfers in the sector, households recorded a net borrowing of 20,839 million (compared to the 19,682 million estimated for the same quarter in 2018).



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

Million euros



**Non-financial corporations**

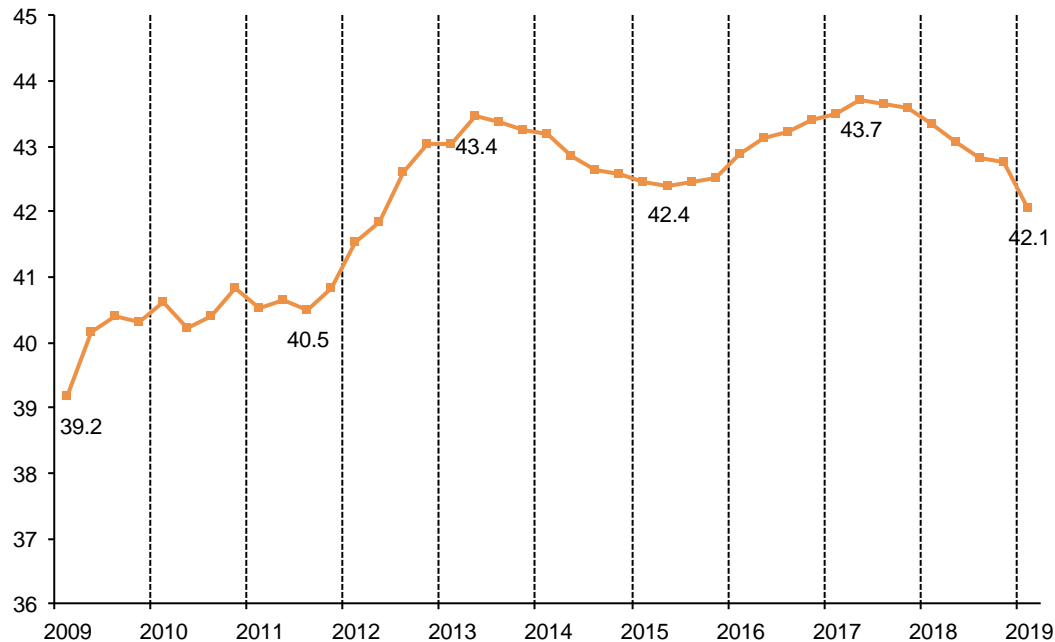
Gross value added generated by Non-Financial Corporations increased by 2.0% in the first quarter as compared with the same quarter of 2018, while gross operating surplus of the sector decreased by 2.9%.

Excluding seasonal and calendar effects, the share of the sector's gross surplus in its value added stood at 42.1%, which is six 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* decreased by 3.9% with respect to the first 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* decreased by 2.4%.

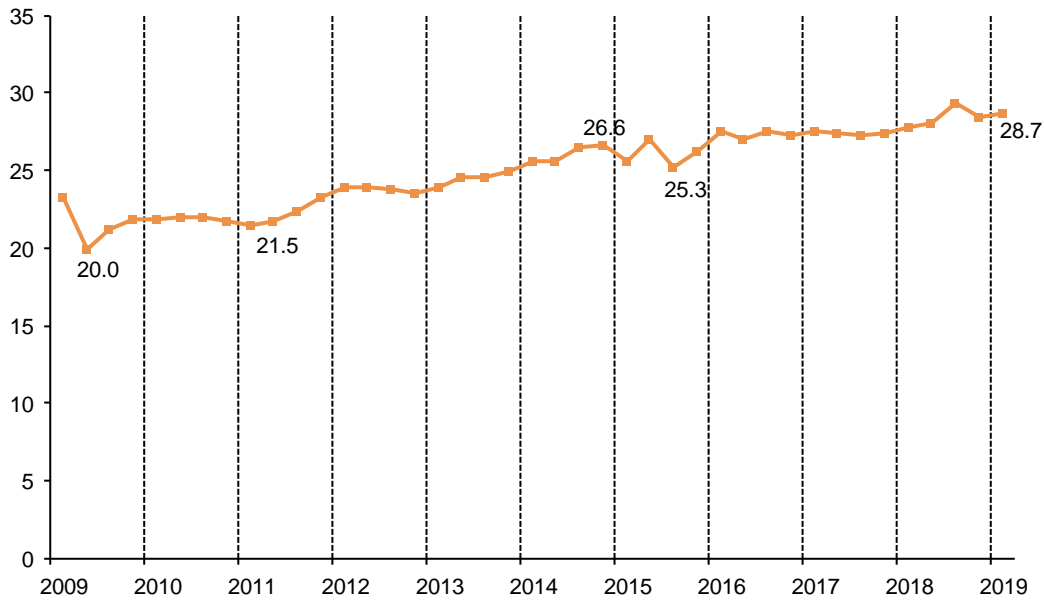
This disposable income, together with its capitals transfer balance is sufficient to finance the investment volume of the sector, which amounted to 43,009 million (1.5% more than that of the same quarter of the previous year).

In turn, the investment rate of *Non-Financial Corporations*<sup>6</sup>, after adjusting for seasonal and calendar effects, stood at 28.7% of their gross value added, three tenths more than in the previous quarter.

<sup>6</sup> Quotient between the gross fixed capital formation and the gross value added of the sector.

**Investment of Non-Financial Corporations**

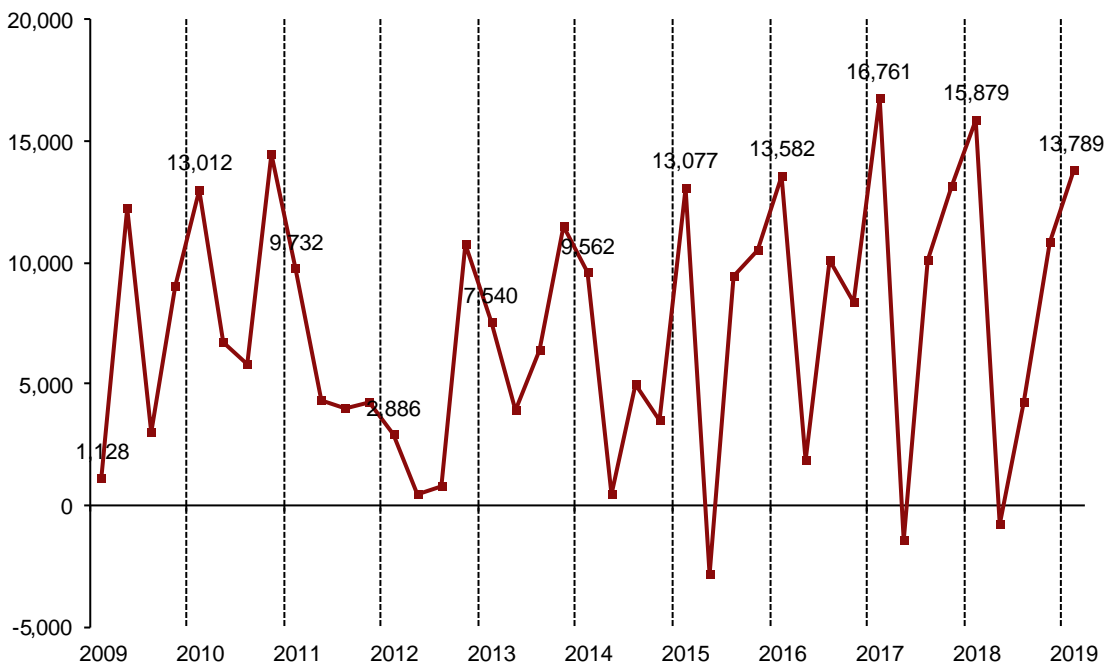
Percentage of Quarterly Gross Added Value  
Adjusted for seasonal and calendar effects



Consequently, the sector had an estimated *net lending* of 13,789 million euros, compared to 15,879 million euros in the first quarter of 2018.

**Net lending (+) / Net borrowing (-) Non-financial corporations**

Million euros



## General Government

The *gross disposable income* for the *General Government* reached 58,269 million euros in the first quarter, 3.7% more than the same period of 2018.

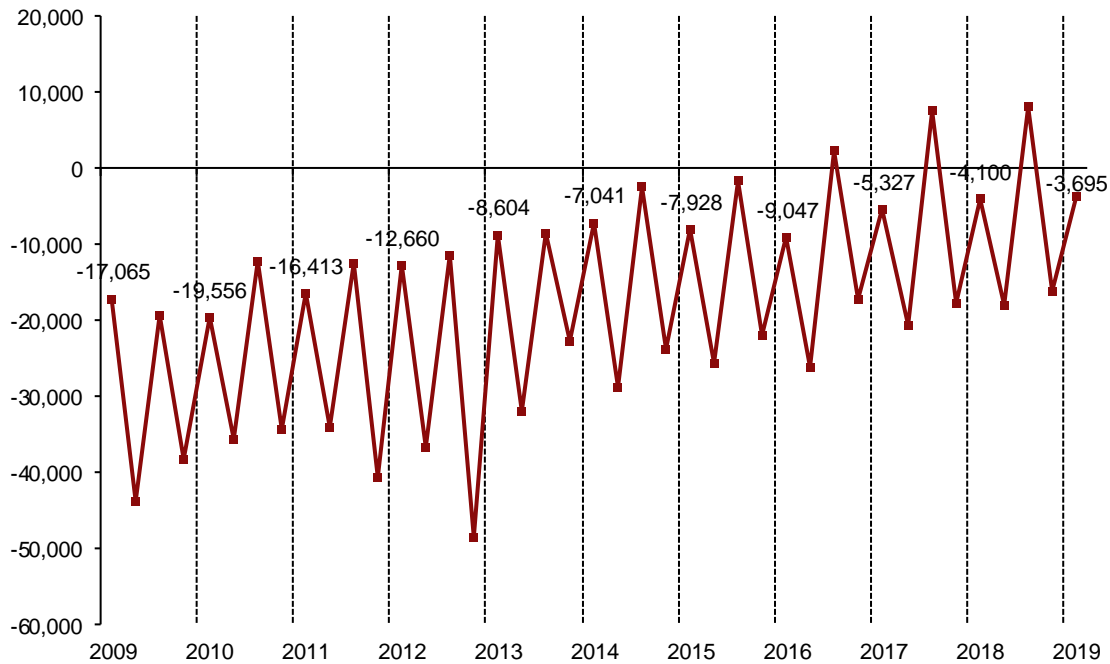
*Final consumption expenditure* increased by 3.7% up to 53,585 million euros. With this, the sector's *gross savings* amounted to 4.684 million (in the first quarter of 2018 it was 4,537 million).

Investment by *General Government* was estimated at 6,298 million, with an increase of 3.4%.

Savings and investment of the sector, together with the balance of capital transfers, mean that the sector had a net borrowing of 3,695 million euros, compared to 4,100 million euros in the first quarter of 2018.

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

Million euros

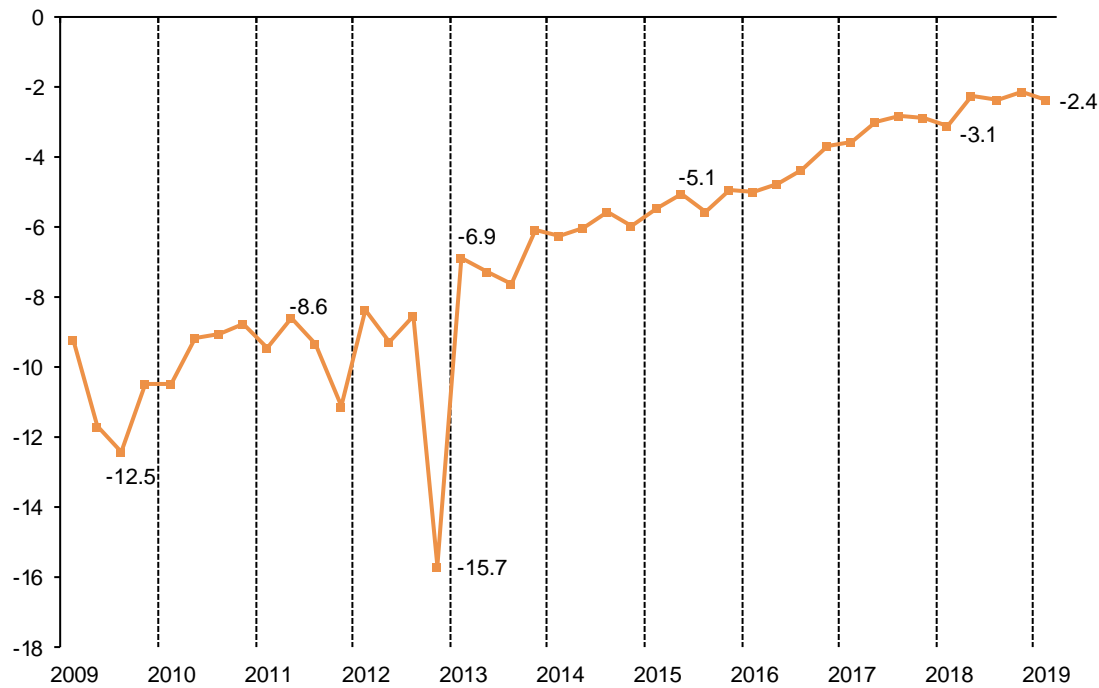


If seasonal and calendar effects are excluded, the *General Government* recorded a *net borrowing* of 2.4% of GDP, two tenths higher than in the previous quarter.

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

Percentage of Quarterly Gross Domestic Product

Adjusted for seasonal and calendar effects



## Financial corporations

*Gross value added of Financial Corporations* increased by 5.3% in the first quarter of 2019, compared to the same period of 2018. *Gross operating surplus* of the sector increased by 16.4%.

This, together with a lower net balance of property income (interests, dividends, etc.) to be perceived by the sector, means that the balance of primary sector income grew by 4.0%.

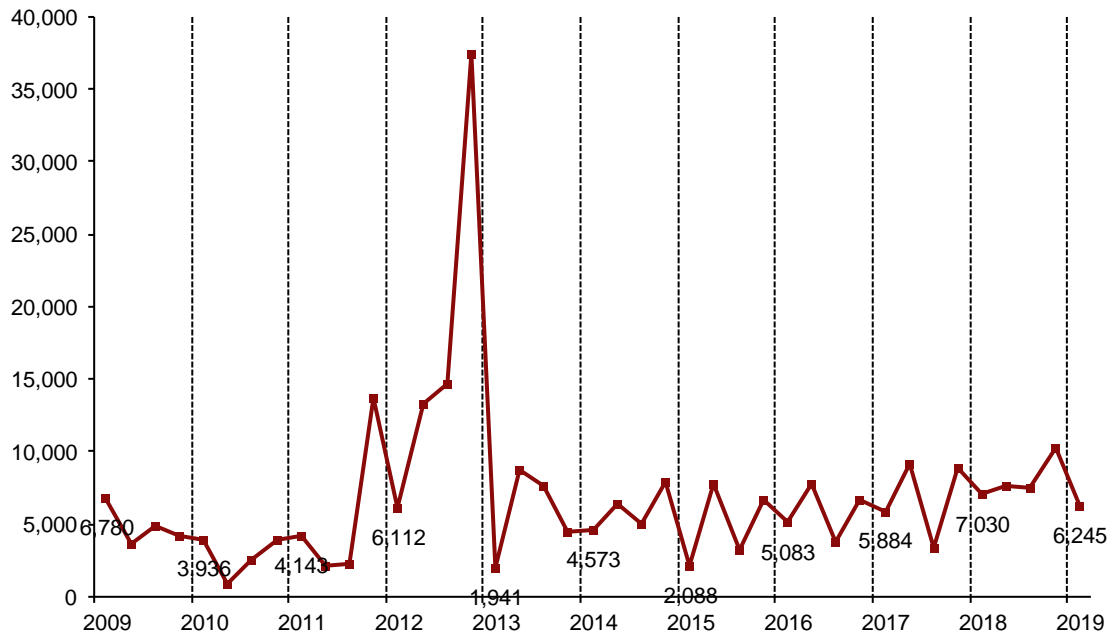
If we also take into consideration their secondary income distribution flows (corporate taxes, social contributions and benefits and other current transfers), we see that the *gross disposable income* of the sector was estimated at 5,840 million euros, 14.0% more than in the same quarter of 2018.

Investment by financial corporations amounted to 459 million euros (during the same quarter of the previous year it was -476 million).

With this, and after considering the balance of capital transfers, the sector generated a *net lending* of 6,245 million euros, compared to 7,030 million euros in the first quarter of 2018.

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

Million euros



## New developments in the next press release

The Statistical Review of the Spanish National Accounts will be carried out in 2019, due to the need to periodically update (at least every five years, according to international recommendations) the sources and methods of estimation used in its compilation. For this reason, all the results of the operations that make up the national accounts that the INE publishes since September will incorporate this review. The review will also be implemented, in coordination with the Bank of Spain, in the financial accounts and balance of payments and international investment position statistics, and the IGAE, in the General Government accounts.

In particular, the results of the Quarterly Non-Financial Accounts for the Institutional Sectors for the second quarter of 2019 that will be released on September 30 will be those resulting from said review and therefore will also incorporate the series updated in accordance with it since the first quarter of 1999.

More information at

[http://www.ine.es/normativa/leyes/cse/cambio\\_meto\\_Revisi%C3%B3nContabilidad2019.pdf](http://www.ine.es/normativa/leyes/cse/cambio_meto_Revisi%C3%B3nContabilidad2019.pdf)

## 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 the economic process (production and generation of income, distribution and redistribution, final consumption, savings and accumulation of assets). These 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 Spanish National Accounts*, 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 Households<sup>7</sup> 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](http://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>).

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<sup>7</sup> Households and Non-Profit Institutions Serving Households (NPISHs) sectors.

## Annex of tables: summary of results by institutional sector

### Non-financial accounts for Households and NPISH

Units: million euros and rates in percentage

	Q1-2019	Q1-2018	Variation (%)
<b>Gross added value</b>	57,435	56,210	2.2
Compensation of Employees (payable) (-)	12,058	11,615	3.8
Other taxes (less subsidies) on Production and Imports (-)	1,973	1,956	0.9
<b>Gross operating surplus/mixed income</b>	43,404	42,639	1.8
Compensation of Employees (receivable) (+)	140,580	133,671	5.2
Property income (receivable, net) (+)	8,427	8,096	4.1
<b>Gross balance of primary incomes</b>	192,411	184,406	4.3
Current taxes on property and income (-)	23,685	23,001	3.0
Net social contributions (-)	44,392	40,515	9.6
Social benefits (+)	46,950	44,402	5.7
Other current transfers (receivable, net) (+)	774	1,050	-26.3
<b>Gross disposable income</b>	172,058	166,342	3.4
Final consumption expenditure (-)	179,664	174,891	2.7
Adjustment for the change in pension entitlements (+)	-171	-368	53.5
<b>Gross saving</b>	-7,777	-8,917	12.8
Capital transfers (receivable, net) (+)	-21	116	-118.1
Gross capital formation and Net acquisitions of non-produced	13,041	10,881	19.9
<b>Net lending (+) / Net borrowing (-)</b>	-20,839	-19,682	-5.9

### Non-financial accounts for Non-Financial Corporations

Units: million euros and rates in percentage

	Q1-2019	Q1-2018	Variation (%)
<b>Gross added value</b>	158,810	155,670	2.0
Compensation of Employees (payable) (-)	93,633	88,526	5.8
Other taxes (less subsidies) on Production and Imports (-)	1,337	1,399	-4.4
<b>Gross operating surplus</b>	63,840	65,745	-2.9
Property income (receivable, net) (+)	-7,162	-6,771	-5.8
<b>Gross balance of primary incomes</b>	56,678	58,974	-3.9
Current taxes on property and income (-)	99	1,019	-90.3
Net social contributions (+)	1,524	1,436	6.1
Social benefits (-)	931	882	5.6
Other current transfers (receivable, net) (+)	-2,232	-2,245	0.6
<b>Gross disposable income</b>	54,940	56,264	-2.4
<b>Gross saving</b>	54,940	56,264	-2.4
Capital transfers (receivable, net) (+)	1,858	1,996	-6.9
Gross capital formation and Net acquisitions of non-produced	43,009	42,381	1.5
<b>Net lending (+) / Net borrowing (-)</b>	13,789	15,879	-13.2



## Non-financial accounts for General Government

Units: million euros and rates in percentage

	Q1-2019	Q1-2018	Variation (%)
<b>Gross added value</b>	36,394	35,110	3.7
Compensation of Employees (payable) (-)	29,386	27,937	5.2
Other taxes (payable, less subsidies) on Production and Imports (-)	64	73	-12.3
<b>Gross operating surplus</b>	6,944	7,100	-2.2
Taxes (receivable, less subsidies) on Production and Imports (+)	38,008	36,251	4.8
Property income (receivable, net) (+)	-4,490	-5,373	16.4
<b>Gross balance of primary incomes</b>	40,462	37,978	6.5
Current taxes on property and income (+)	24,381	24,831	-1.8
Net social contributions (+)	40,106	36,403	10.2
Social benefits (-)	42,645	39,927	6.8
Other current transfers (receivable, net) (+)	-4,035	-3,081	-31.0
<b>Gross disposable income</b>	58,269	56,204	3.7
Final consumption expenditure (-)	53,585	51,667	3.7
<b>Gross saving</b>	4,684	4,537	3.2
Capital transfers (receivable, net) (+)	-2,081	-2,547	18.3
Gross capital formation and Net acquisitions of non-produced assets (-)	6,298	6,090	3.4
<b>Net lending (+) / Net borrowing (-)</b>	-3,695	-4,100	9.9

## Non-financial accounts for Financial Corporations

Units: million euros and rates in percentage

	Q1-2019	Q1-2018	Variation (%)
<b>Gross added value</b>	10,203	9,685	5.3
Compensation of Employees (payable) (-)	4,916	4,990	-1.5
Other taxes (payable, less subsidies) on Production and Imports (-)	1,283	1,256	2.1
<b>Gross operating surplus</b>	4,004	3,439	16.4
Property income (receivable, net) (+)	1,997	2,329	-14.3
<b>Gross balance of primary incomes</b>	6,001	5,768	4.0
Current taxes on property and income (-)	431	660	-34.7
Net social contributions (+)	2,568	2,480	3.5
Social benefits (-)	2,739	2,848	-3.8
Other current transfers (receivable, net)	441	383	15.1
<b>Gross disposable income</b>	5,840	5,123	14.0
Adjustment for the change in pension entitlements (-)	-171	-368	53.5
<b>Gross saving</b>	6,011	5,491	9.5
Capital transfers (receivable, net) (+)	693	1,063	-34.8
Gross capital formation and Net acquisitions of non-produced assets (-)	459	-476	196.4
<b>Net lending (+) / Net borrowing (-)</b>	6,245	7,030	-11.2

For further information see **INEbase**: [www.ine.es/en/](http://www.ine.es/en/) Twitter: [@es\\_ine](https://twitter.com/es_ine)

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