

Quarterly National Accounts of Spain. Base 2000
Quarterly non-financial accounts for the institutional sectors
First quarter 2007

Main results

- In first quarter of 2007, the savings rate for households and Non-profit Institutions serving households (NPISH) reaches 4.4% of their disposable income, which coincides with the rate registered during the same period of 2006. Taking mobile periods of the last four quarters as a reference, this rate stands at 10% of disposable income, one tenth less than the previous period.
- The financing need of households and NPISH during the first quarter reaches 16,457 million euros, 6.6% of GDP.
- Non-financial corporations have financing needs of 34,715 million euros, 13.9% of quarterly GDP. This rate is one point above the estimate for the same quarter of the previous year.
- The General Government presents a financing capacity of 23,175 million euros, 9.3% of quarterly GDP.
- Financial corporations have a financing capacity of 3,540 million euros in this quarter, 1.4% of the GDP.
- The need for financing the economy versus the rest of the world is estimated at 24,457 million euros, which implies 9.8% of quarterly GDP, one tenth more than one year ago.

Households and Non-profit Institutions Serving Households Sector

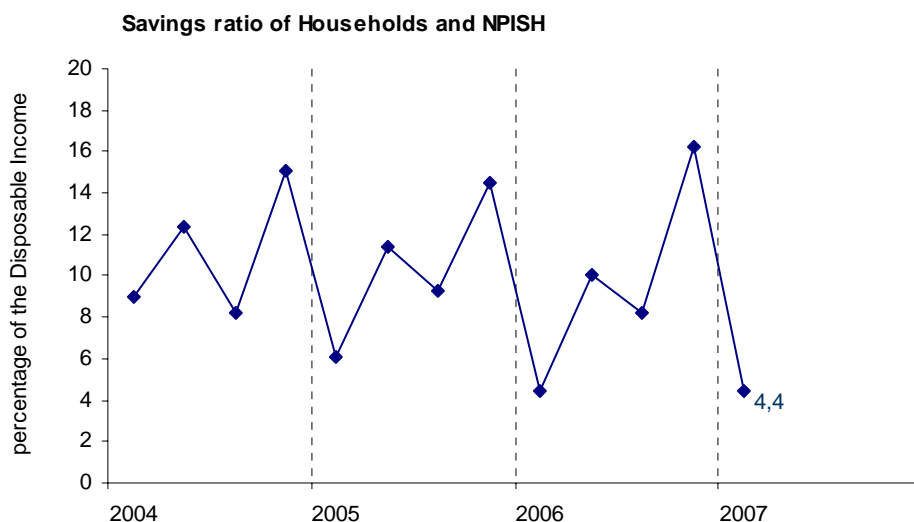
During the first quarter of 2007, disposable income for the Households and Non-profit Institutions Serving Households Sector (NPISH) increased 6.3% as compared with the same quarter of the previous year, which in absolute terms amounted to 8,737 million euros more.

The increase in the balance of primary incomes (7.5%) contributed significantly to this result, and in turn was intensely influenced by the growth in both operating surplus and mixed income, with 9%, and especially, the net balance of received property income (interest, dividends, ...), with a rate of 11.1%. Finally, the growth estimated in employee compensation during the quarter was 6.6%.

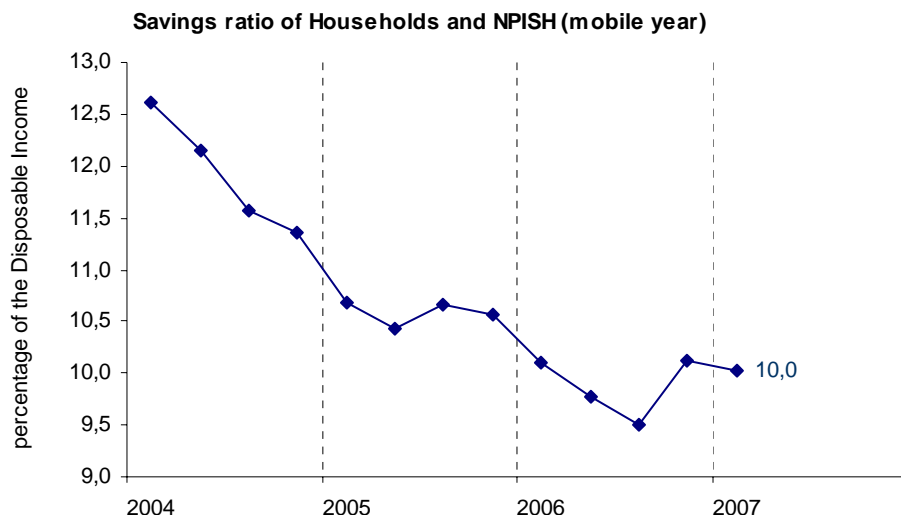
On the other hand, disposable income for households was affected by higher taxes levied on income and capital gains paid this quarter (14.3%) as well as by a volume of social contributions paid (8.1%) greater than the social benefits received (5.8%) by the households. Finally, the growth of disposable income stood at the aforementioned 6.3%.

In absolute terms, disposable income for the sector was estimated at 146,747 million euros for the first quarter of 2007.

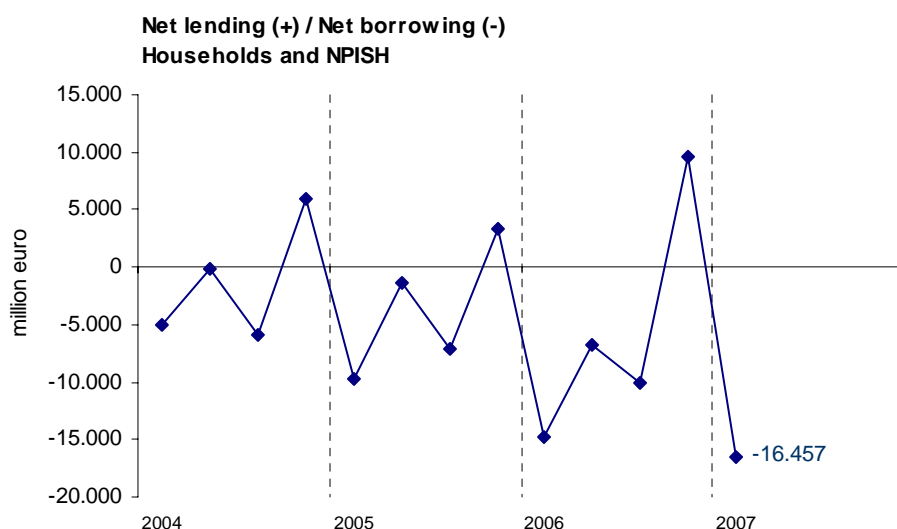
Regarding the use of disposable income, although final household and NPISH consumption expenditure grew at a higher rate (6.7%) than that of the disposable income itself, the increase of 408 million in the adjustment due to household participation in pension funds allowed them to increase their savings by 338 million euros in comparison with the same quarter of the previous year, reaching a figure of 6,477 million euros. The savings rate stood at 4.4% of disposable income, identical to the rate from one year ago.



Taking mobile periods of four quarters, the last period (from the second quarter of 2006 to the first quarter of 2007) showed a savings rate for the sector that reached 10% of disposable income, one tenth less than the previous period.



Considering the capital amount, this savings generated by households and NPISH, even together with a positive balance of 1,519 million due to net capital transfers received, was not sufficient to finance the volume of their investment, which reached 24,453 million euros in this quarter, 10.5% more than in the same period of 2006. Thus, the sector generated a financing need of 16,457 million euros (6.6% of quarterly GDP).



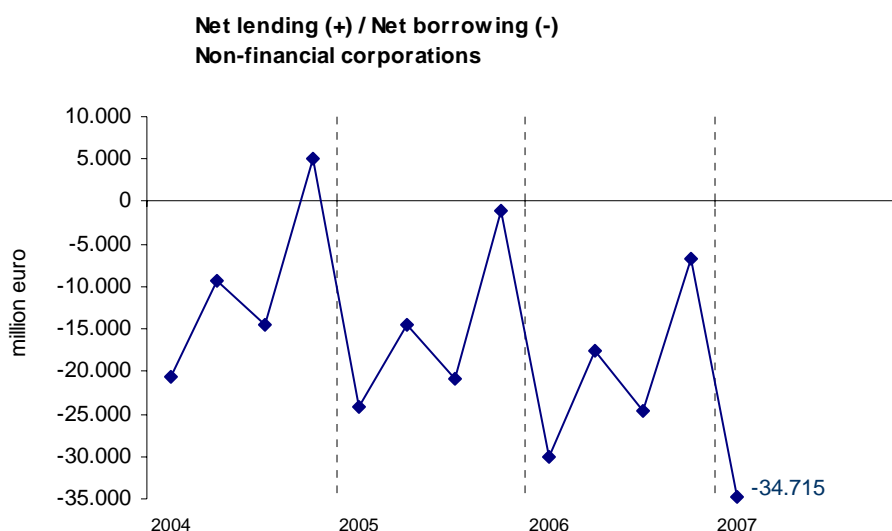
Non-financial Corporations Sector

During the first quarter of 2007, non-financial corporations experienced an interannual decrease of 5.3% in disposable income.

This result was a consequence of the 3.9% decrease in the balance of primary incomes, within which the net property income paid by the corporations grew 39.6% (4,208 million euros), a figure which could not be compensated by the increase in operating surplus (8.2%, 3,139 million euros). In addition to this decrease in the balance of primary incomes, the noteworthy growth in the amount of corporate tax paid (70.4%) and the greater volume of current transfers paid (5.2%) determined the aforementioned decrease of 5.3% in disposable income.

In absolute terms, disposable income for the sector reached 24,025 million euros during the reference quarter.

This disposable income, linked to the positive balance of 1,655 million in transfers of net capital received, was not sufficient to finance the total investment volume of the sector (60,395 million euros). As a result, the financing need was estimated at 34,715 million. This figure accounted for 13.9% of quarterly GDP and was one point higher than that registered one year ago.

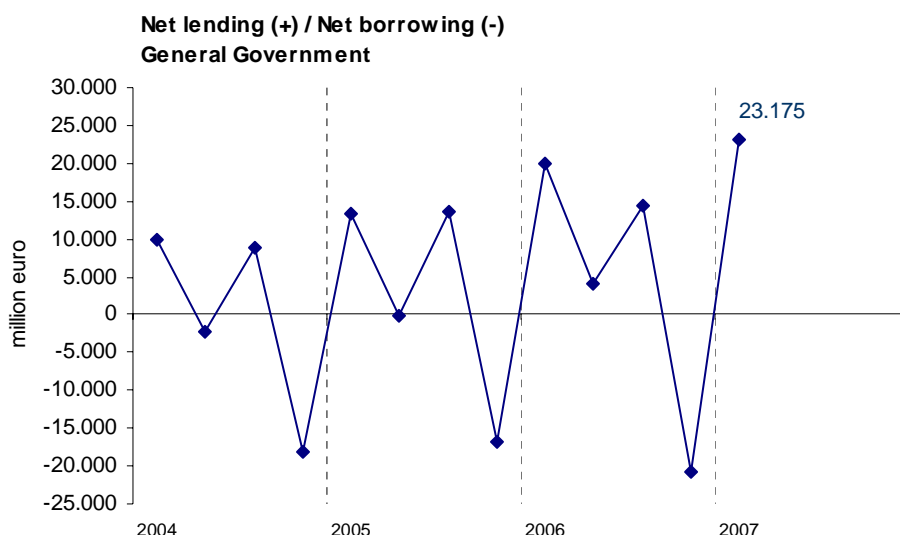


General Government Sector

In the first quarter of 2007, General Government increased their disposable income by 12.1%, reaching 66,306 million. This was mainly due to the interannual increase in net taxes (10.1%), both those linked to production and imports (8.5%) and those related to income and wealth (12.6%) and, likewise, to the less negative pattern of net property income. In the same way, the higher interannual growth of social benefits received (7.6%) than that of contributions paid (6%) contributed positively to the increase in disposable income.

The final general government consumption expenditure increased by 9.7%, which allowed for a 15.6% savings increase as compared with the first quarter of the previous year, setting the absolute figure at 27,886 million euros.

This savings, even after having reduced the net balance of transfers of capital by 1,350 million, allowed the complete financing of general government investment in the first quarter, and as a result, the financing capacity was estimated at 23,175 million euros, 9.3% of quarterly GDP (eight tenths better than one year ago).

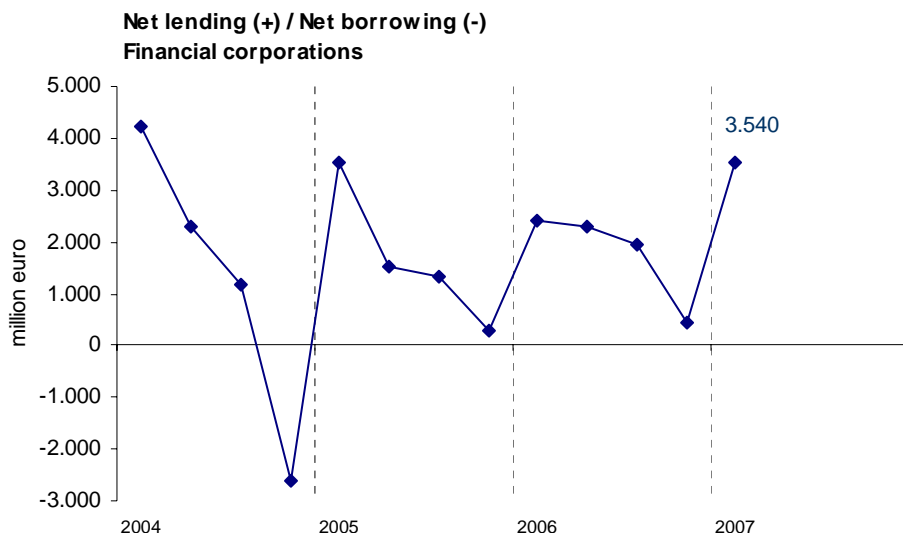


Financial Corporations Sector

In the first quarter of 2007, disposable income for the financial corporations sector increased 48.9% with respect to the same period of the previous year, standing at 5,545 million euros.

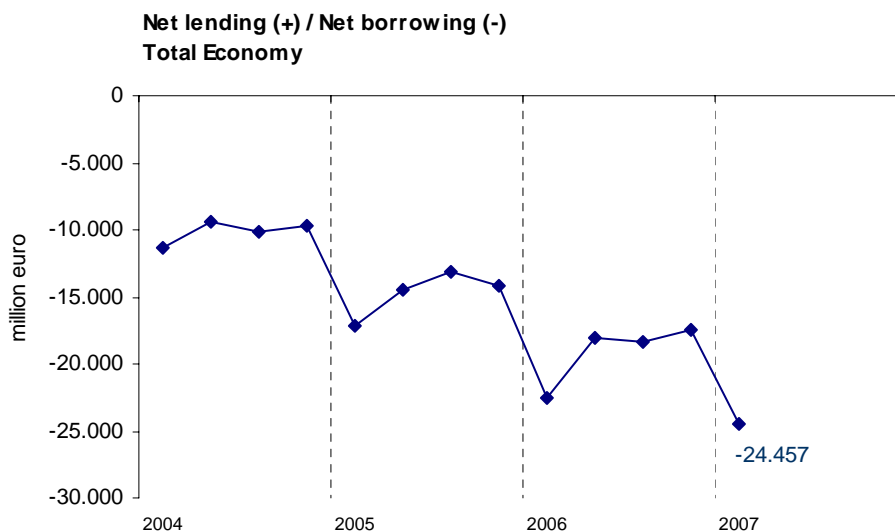
This result was mainly due to the increase in the gross operating surplus of the sector (23.2%) as well as to the decrease in taxes on income and capital gains paid (20.8%). Likewise, the net property income balance increased 23.7% to stand at 679 million euros (30,680 million in income received and 30,001 million in payments).

Finally, this disposable income, as reduced by the adjustment for household participation in pension funds (439 million) and by the negative balance of 187 million in transfers of capital, was sufficient to finance the volume of investment made by the sector (which grew 24.8% to 1,379 million euros), and to grant financial corporations a financing capacity of 3,540 million during this period, 1.4% of GDP, four tenths more than one year ago.



National economy

As a result of the actions of all institutional sectors, the national economy presented a financing need of 24,457 million euros against the rest of the world during the first quarter of 2007 (1,958 million more than the first quarter of 2006). This figure represented 9.8% of GDP, one tenth more than that estimated for the same period of the previous year.



From the perspective of the rest of the world, the greater financing need of the Spanish economy is the result of worse performance, both in foreign balance of goods and services with the rest of the world (a 3.8% drop to 18,054 million euros) and especially, in net foreign balance of income and current and capital transfers (25.5% less, decreasing to 6,403 million).

The negative performance in the balance of income and transfers with the rest of the world was mainly caused by the noteworthy increase in the net property income (interests, dividends, ...) paid abroad, which grew 68.6% with respect to the first quarter of 2006.

Finally, regarding the foreign balance of goods and services, although exports (7.9%) grew more than imports (6.9%), the greater weight of the latter determined the aforementioned negative performance.

Further information

The results for the period since the first quarter of 1999 to the first quarter of 2007 [are available on the INE web page \(www.ine.es\)](http://www.ine.es).

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** All press releases at: **www.ine.es/prensa/prensa.htm**

Press office: Telephone numbers: 91 583 93 63 / 94 08 – Fax: 91 583 90 87 - **gprensa@ine.es**

Information area: Telephone: 91 583 91 00 – Fax: 91 583 91 58 – **www.ine.es/infoine**
