

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

Main results

- In the second quarter of 2009, the savings rate for households and non-profit institutions serving households (NPISH) reaches 24.3% of their disposable income, 10.8 points more than the same period in 2008. Taking mobile periods of the last four quarters as a reference, this rate stands at 17.5% of disposable income, 6.5 points more than the previous period.
- The net borrowing of households and NPISH during the second quarter of 2009 stands at 29,087 million euros, 10.9% of GDP. This sum is 27,725 million euros greater than that from the second quarter of 2008.
- Non-financial corporations have net borrowing of 3,874 million euros, 1.4% of quarterly GDP. This rate is 6.1 points lower than that estimated for the same quarter the previous year.
- The Public Administrations present net borrowing of 39,716 million euros, 14.9% of quarterly GDP.
- Financial institutions have net lending of 4,079 million euros this quarter, 1.5% of GDP.
- The net borrowing of the economy as compared with the rest of the world is estimated at 10,424 million euros, accounting for 3.9% of quarterly GDP, 4.9 points less than one year ago.
- In accordance with the normal calendar of the updating of the Spanish National Accounts, the quarterly series of the accounts of the institutional sectors has been reviewed with regard to that published last 1 July. In this way, the quarterly data presented today is consistent, on the one hand, with the new annual and quarterly GDP series and its components, updated last August, and on the other hand, with the new annual and quarterly public administration accounts data, and with the estimates notified to the European Commission within the framework of the Protocol on Excessive Deficits

Households and Non-Profit Institutions Serving Households Sector

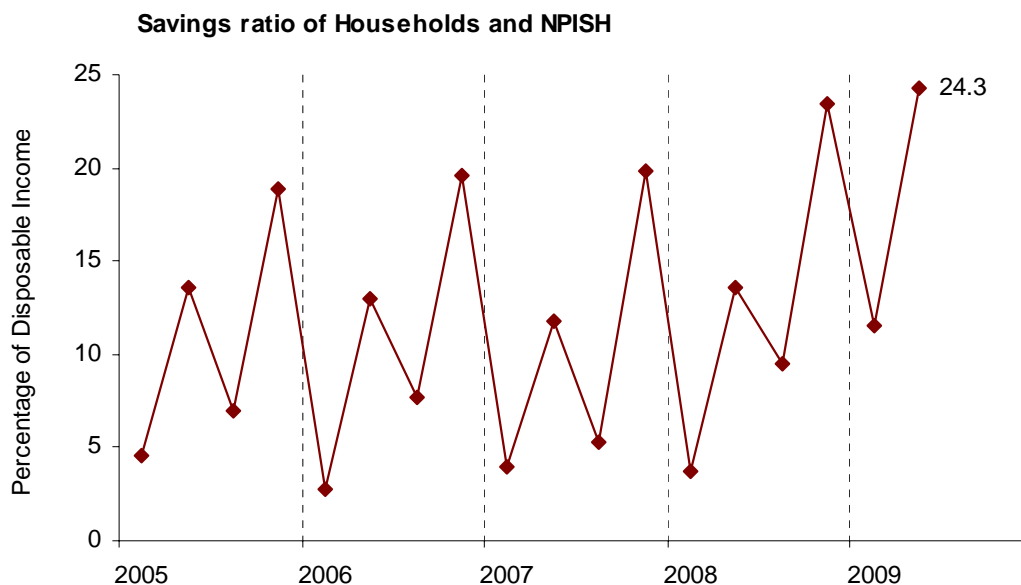
During the second quarter of 2009, disposable income for the Households and Non-Profit Institutions Serving Households Sector (NPISH) increased 4.3% interannually, which amounted to 190,226 million euros, an increase of 7,903 million euros as compared with the income estimated in the second quarter of the previous year.

This result was contributed to by the decrease in the balance for primary income (2.5%), due, on the one hand, to the decrease in the operating surplus and mixed income of households (5.1%) and, on the other, to the increase in the net balance of perceived property income (interest, dividends, ...) resulting in 21.0% (those received decreased 9.2%, and those paid, 43.9%). Finally, the estimated decrease in employee compensation during the quarter was 3.0%.

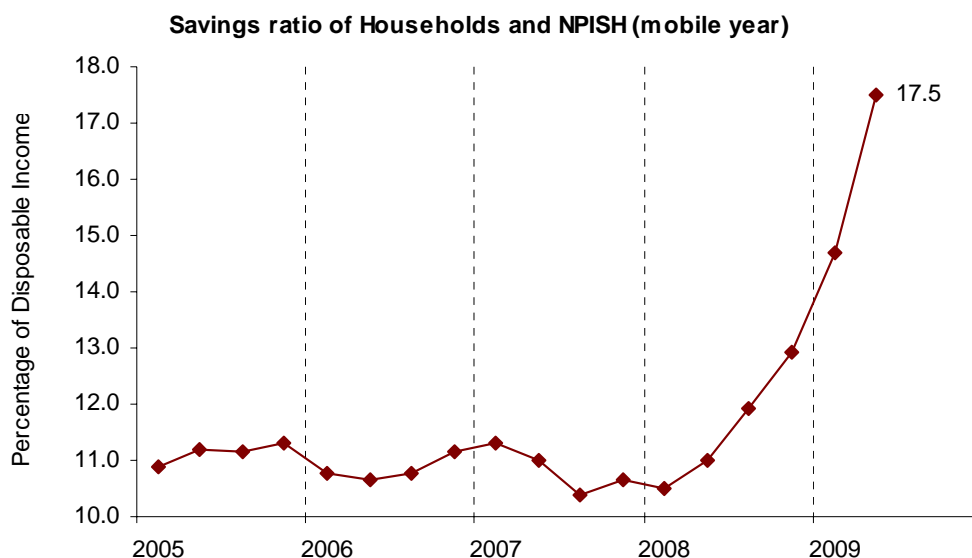
Regarding secondary income distribution, households benefited this quarter, from a volume of social benefits received that grew at an interannual rate of 14.8%, and a decrease in the amount of social contributions paid (1.6%), as well as a balance of current transfers received which grew at a rate of 8.5% (as a result of the decreases of 8.0% in those received and 11.6% in those paid). On the other hand, taxes on income and wealth paid by households decreased 37.0%.

The joint consideration of all of the elements mentioned determined that the interannual growth of the disposable income of households stood at 4.3%, as previously stated.

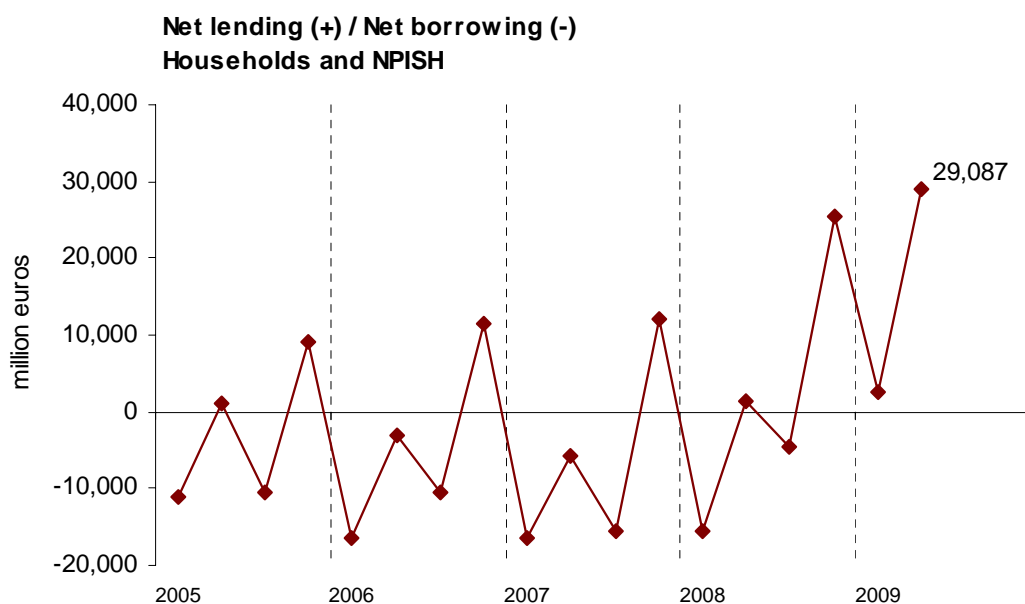
As regards the use of this disposable income, it is worth mentioning that final consumption expenditure by households and NPISH during this period decreased 8.6%, with the result that savings increased 87.5% to reach 46,351 million euros (21,631 million more than the same quarter the previous year). The savings rate thus stood at 24.3% of disposable income, 10.8 points more than one year ago.



Taking mobile periods of four quarters, the period from the third quarter of 2008 to the second quarter of 2009 showed a saving rate for the sector that recovered to reach 17.5% of disposable income, 6.5 points more than the previous mobile period.



On inspection of the capital account, it is clear that this savings generated by households and NPISH, together with a positive balance of 694 million euros due to net capital transfers received, was sufficient to finance the considerable investment volume of the sector, which reached 17,958 million euros this quarter, 27.0% less than in the same period of 2008. Thus, the sector generated net lending of 29,087 million euros (10.9% of quarterly GDP).



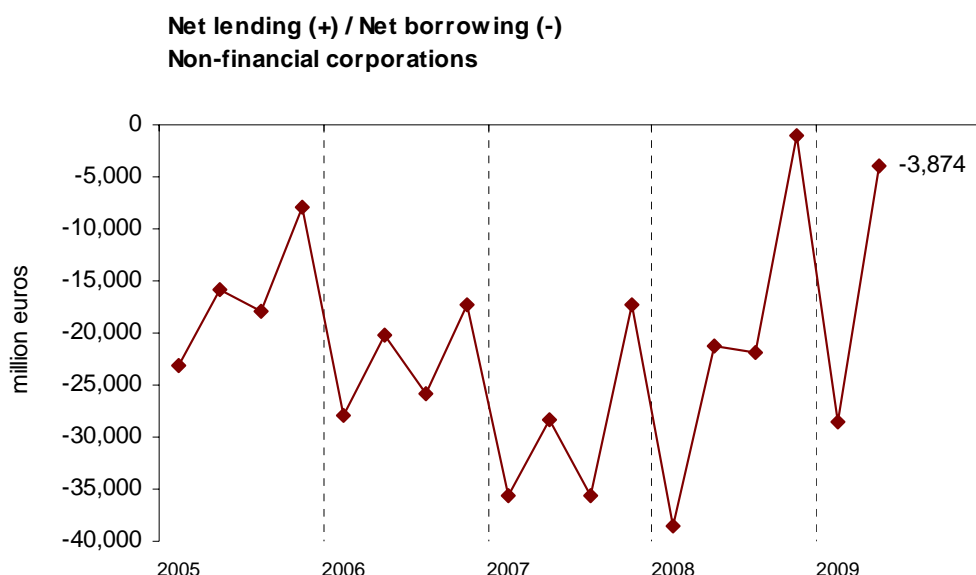
Non-Financial Corporations Sector

During the second quarter of 2009, non-financial corporations experienced an interannual increase of 6.9% in disposable income.

This performance was explained, firstly, by the increase of 4.3% in the balance of primary income (due to the 22.1% reduction in the balance of net property income paid, partially compensated by the 4.2% decrease in operating surplus). In addition, a decrease of 12.0% took place, in interannual terms, in the sum of the corporate taxes paid by the sector.

In absolute terms, disposable income for the sector reached 29,361 million euros during the referenced quarter.

This amount, linked to the positive balance of 3,661 million euros in net capital transfers received, was not sufficient to finance the total investment volume of the sector (36,896 million euros). Consequently, net borrowing of 3,874 million euros was estimated, this figure accounting for 1.4% of quarterly GDP, 6.1 points less than that recorded one year ago.



Public Administration Sector

In the second quarter of 2009, the Public Administration decreased their disposable income by 41.8% in the interannual rate, reaching 31,231 million euros.

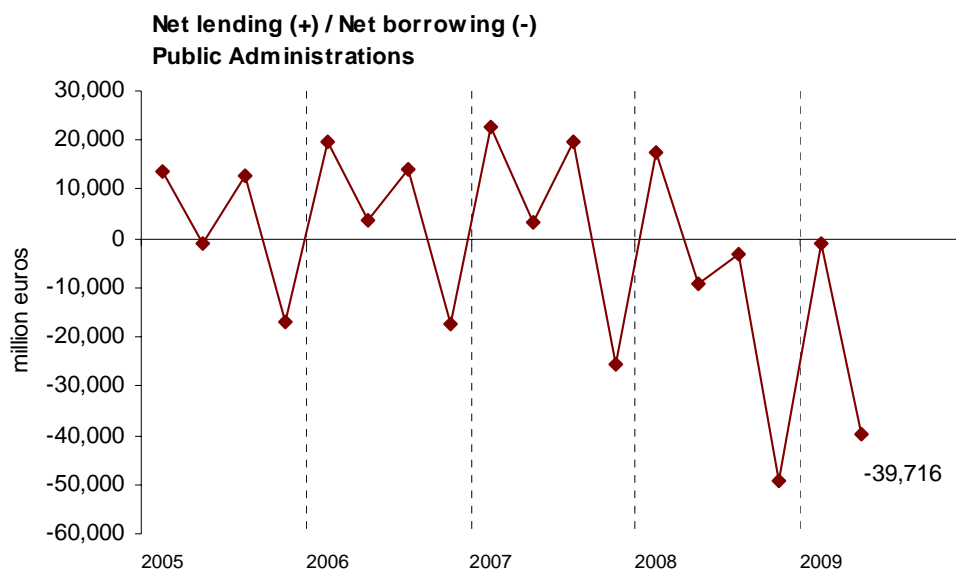
The essential factor explaining this result was the interannual decrease, of 32.4%, in the total value of net taxes received by the sector. The behaviour of the net taxes linked to production and taxes from income and wealth was similar, whereas the former experienced a drop in level of 32.8% (decreasing 7,121 million euros), the latter decreased at a rate of 32.1% (8,325 million euros).

In addition, other elements contributing to the decrease in disposable income were the decrease in social contributions received (2.3%) and the increases in social benefits paid (16.3%) and in property income paid (36.1%).

In turn, the final consumption expenditure of the public administrations increased 7.1%, therefore the savings of the sector presented a negative sum of 26,527 million euros.

This saving, together with the net balance of capital transfers paid (2,364 million euros) and the investment by the Public Administrations this quarter, led the sector to a net borrowing of 39,716 million euros, 14.9% GDP for the quarter (11.6 points less than one year ago).

The following graph shows the evolution of the net lending/borrowing of the Public Administrations.

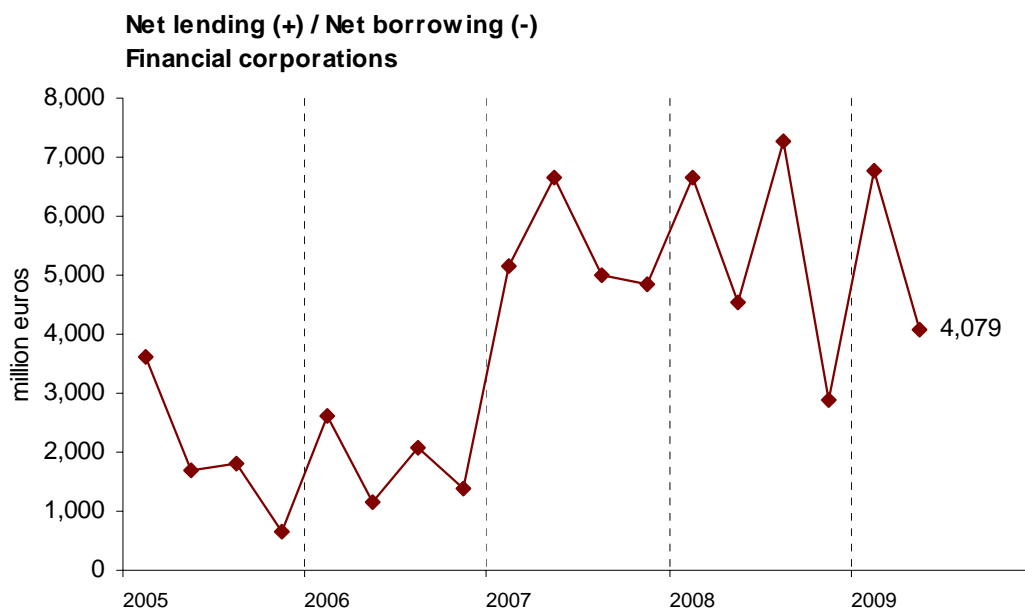


Financial Institution Sector

In the second quarter of 2009, disposable income for the financial institution sector increased 2.5% as compared with the same period the previous year, standing at 7,052 million euros.

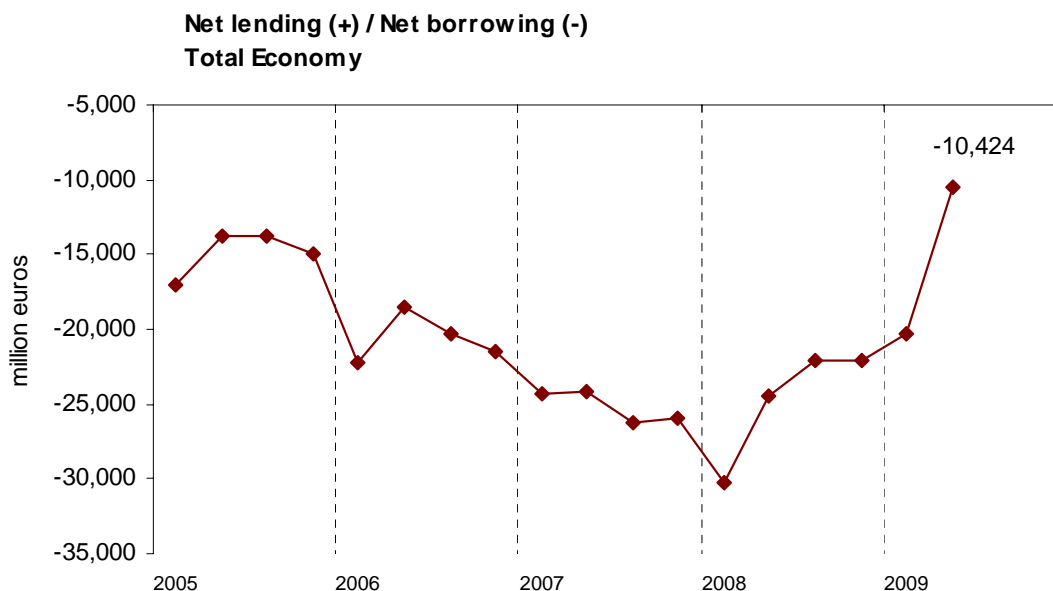
This result was mainly due to the decrease in the net balance of perceived property income (that received decreased 32.9%, whilst that paid decreased 25.2%). This fact produced an increase of 174 million euros in the disposable income of the financial institutions, this amount being partially compensated by the increase in its operating surplus (3,622 million) and by the lower amount of corporate tax paid by the sector (529 million).

Disposable income generated this quarter, reduced by a negative balance of 174 million in capital transfers, was enough to finance the significant investment volume made by the sector (2,434 million euros), and so that financial institutions obtained net lending of 4,079 million during this period, 1.5% of GDP, one tenth less than one year ago.



National Economy

As a result of the actions of all institutional sectors, the national economy presented net borrowing of 10,424 million euros, against the rest of the world, during the second quarter of 2009 (14,089 million euros less than that estimated for the second quarter of 2008). This figure represented 3.9% of GDP, 4.9 points less than the same period the previous year.



From the perspective of the accounts of the rest of the world, the decrease in the net borrowing of the Spanish economy was explained by the behaviour of the balance of goods and services transactions abroad, which decreased 14,130 million, as a result of a greater decrease in imports (29.5%) than in exports (17.3%).

Regarding the balance of income and current and capital transfers, the behaviour this quarter was similar, in volume, to that corresponding to the previous year.

Further information

The results for the period from the first quarter of 2000 to the second quarter of 2009 are available on the INE website (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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