

30 December 2020

Quarterly Non-Financial Accounts for the Institutional Sectors Third quarter of 2020

Main results

- The net lending of the national economy compared to the rest of the world is 2,891 million euros in the third quarter of 2020.
- After adjusting for seasonal and calendar effects, the net lending of the national economy stands at 1.5% of GDP, one point and three tenths more than in the previous quarter.
- The gross national income reached 280,386 million euros in the third quarter and the gross national disposable income came to 277,504 million.
- - After adjusting for seasonal and calendar effects, the national income and the national disposable income increase by 16.6% and 17.1%, respectively, as compared with the previous quarter.
- The savings rate of households is estimated at 4.8% of their disposable income in the third quarter, compared to -1.7% in the same quarter of the previous year.
- After adjusting for seasonal and calendar effects, the household saving rate is 15.1% of their disposable income, nine points and three tenths lower than in the previous quarter.
- The net borrowing of the General Government amounts to 2,897 million euros, compared to 8,955 million euros in the same quarter of 2019.
- After adjusting for seasonal and calendar effects, the net borrowing of the General Government stands at 7.7% of the quarterly GDP, or 11.8 points less than the previous quarter.

Net lending of the national economy

The national economy registered *net lending* with the rest of the world of 2,891 million euros in the third quarter of 2020, representing 1.0% of GDP for that period. In the same quarter of 2019, *net lending* was 9,198 million euros (3.0% of GDP).

This decrease is explained by a lower *balance of foreign trade in goods and services* (5,030 million euros, compared to 12,413 million in the same period of 2019) which, combined with the evolution of current income and transfers, provide a *balance of current transactions with the rest of the world* lower by 6,585 million than that of the same quarter of the previous year. Furthermore, the balance of capital transfers¹ was 815 million, compared to 537 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	3rd quarter 2020	3rd quarter 2019	Difference
Imports of goods and services	80,582	100,196	-19,614
Exports of goods and services	85,612	112,609	-26,997
External balance of goods and services (A)	5,030	12,413	-7,383
Balance of income and current transfers account (B)	-2,954	-3,752	798
Balance of external current account (C=A+B)	2,076	8,661	-6,585
Balance of capital transfers and the acquisition/disposal of non-financial assets account (D)	815	537	278
Net lending (+) / Net borrowing (-) (C+D)	2,891	9,198	-6,307

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

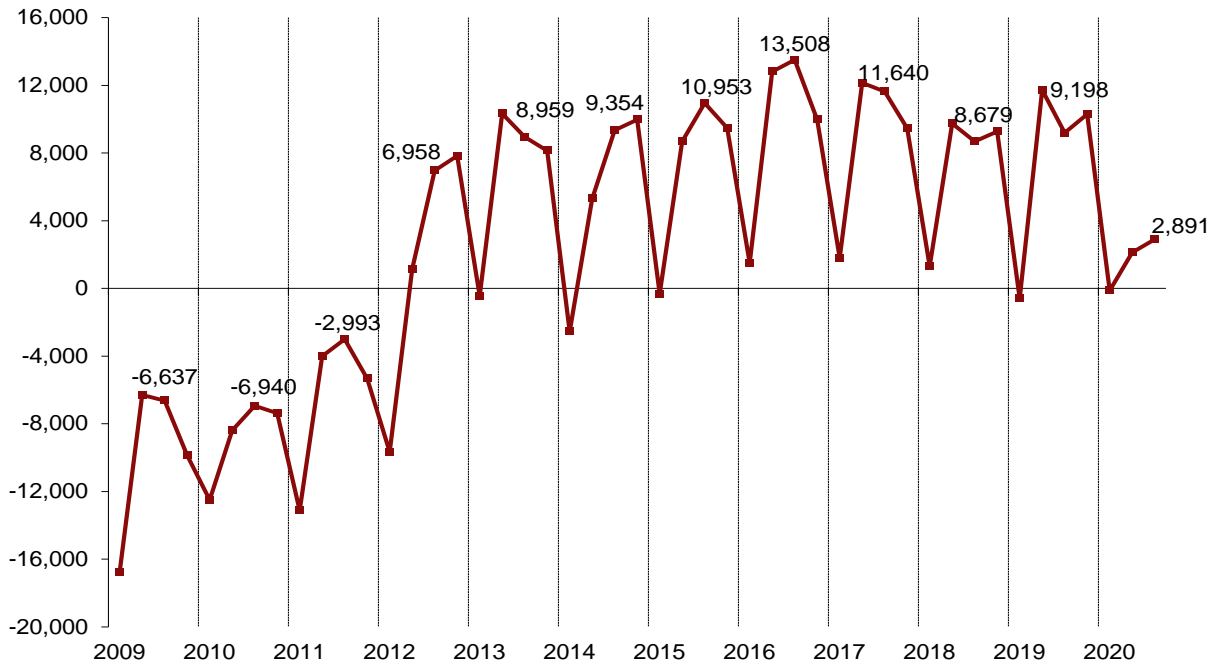
Units: Million euros

Institutional Sector	3rd quarter 2020	3rd quarter 2019	Difference
Households and NPISH	-3,772	-15,051	11,279
General Government	-2,897	8,955	-11,852
Financial Corporations	6,142	7,265	-1,123
Non-Financial Corporations	3,418	8,029	-4,611
TOTAL	2,891	9,198	-6,307

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

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

Million euros

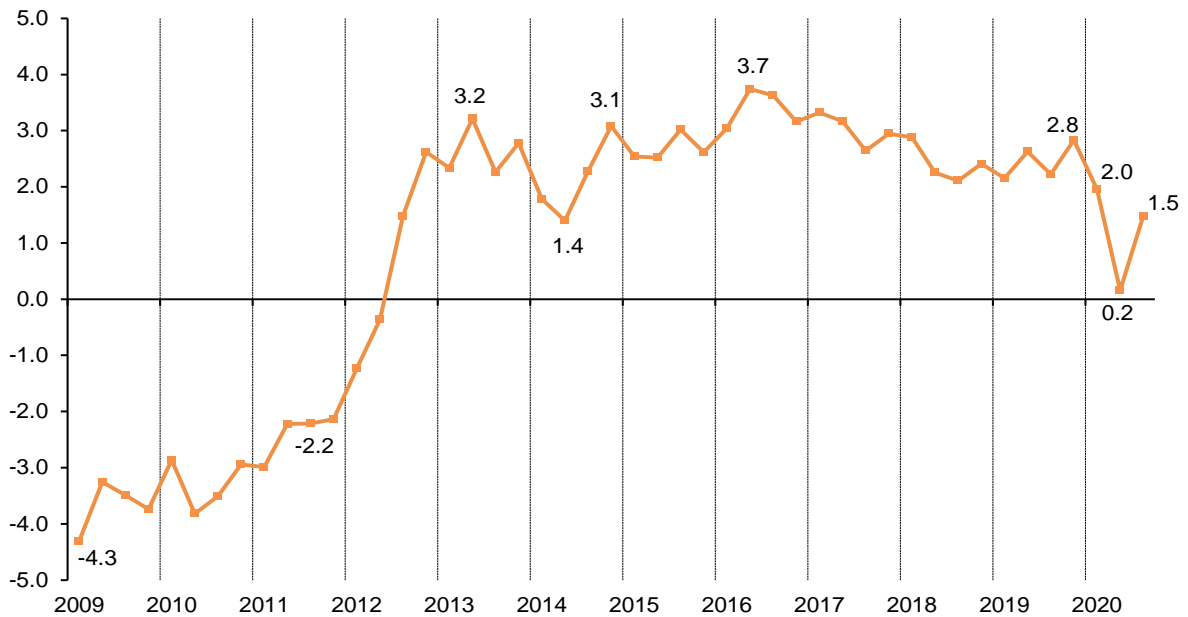


After adjusting for seasonal and calendar effects, the *net lending* of the national economy stands at 1.5% of GDP, one point and three tenths more than in the previous quarter.

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 280,386 million euros in the third quarter of 2020, with a variation of -8.2% with respect to the same period of 2019.

National income

Units: million euros and rates in percentage

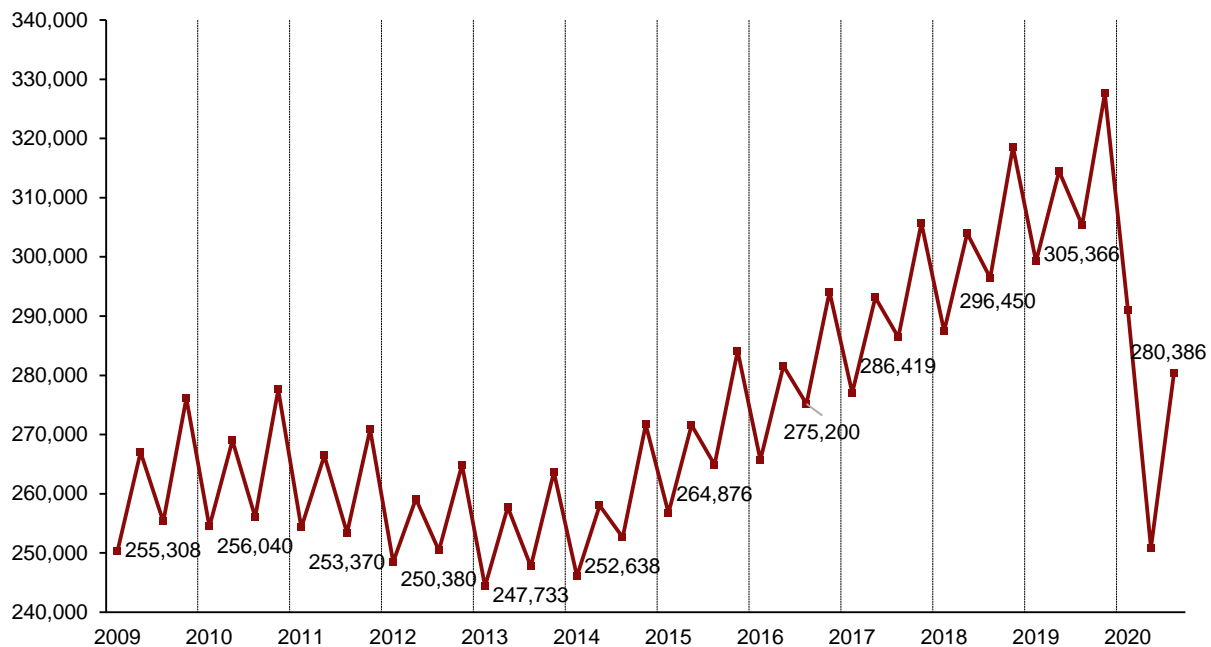
	Q3-2020	Q3-2019	Variation (%)
Gross operating surplus/mixed income	119,128	132,170	-9.9
Compensation of Employees	133,889	141,158	-5.1
Taxes (less subsidies) on Production and Imports	27,812	32,546	-14.5
Balance of property income with the rest of the world	-443	-508	12.8
Gross National Income	280,386	305,366	-8.2
Balance of current transfers with the rest of the world	-2,882	-3,471	17.0
Gross National Disposable Income	277,504	301,895	-8.1

This income decrease was due to a 9-9% decrease in operating surplus for resident productive units (to 119,128 million euros) as well as the lower compensation received by resident employees in the economy (which varied by -5.1%, reaching 133,889 million euros). There was also a 14.5% decrease in the amount accrued in taxes on production and imports, net of subsidies, up to 27,812 million.

The balance of property income (interests, dividends, etc.) with the rest of the world amounted to -443 million euros, compared to -508 million in the third quarter of 2019.

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 (-2,882 million compared to -3,471 million in the third quarter of 2019), we have a 8.1% increase in *gross national disposable income* to 277,504 million euros.

After adjusting for seasonal and calendar effects, *gross national income* and *gross national disposable income* grew by 16.6% and 17.1% respectively compared to the second quarter of 2020.

Households²

The *gross value added* generated by the *Households* sector had a variation of -9.3% in the third quarter compared to the same period of 2019. The *operating surplus* and *gross mixed income* had a rate of -9.0%.

Considering the remuneration to be collected by employees (-5.1%) and the evolution of the net balance of property income to be received by the sector (interest, dividends, etc.), the *balance of gross primary income* had a variation of -5.0%.

Likewise, taking into account the combined performance of secondary income distribution flows (income and wealth tax, social contributions and social benefits and other current transfers), in the third quarter of 2020 the *gross disposable income* of households decreased by 2.1%, to 171,081 million euros.

Household final consumption expenditure was estimated at 161,346 million euros, 8.5% lower than that of the third quarter of 2019. As a result, savings in the sector amounted to 8,063 million (in the third quarter of 2019 it was -2,971 million)³.

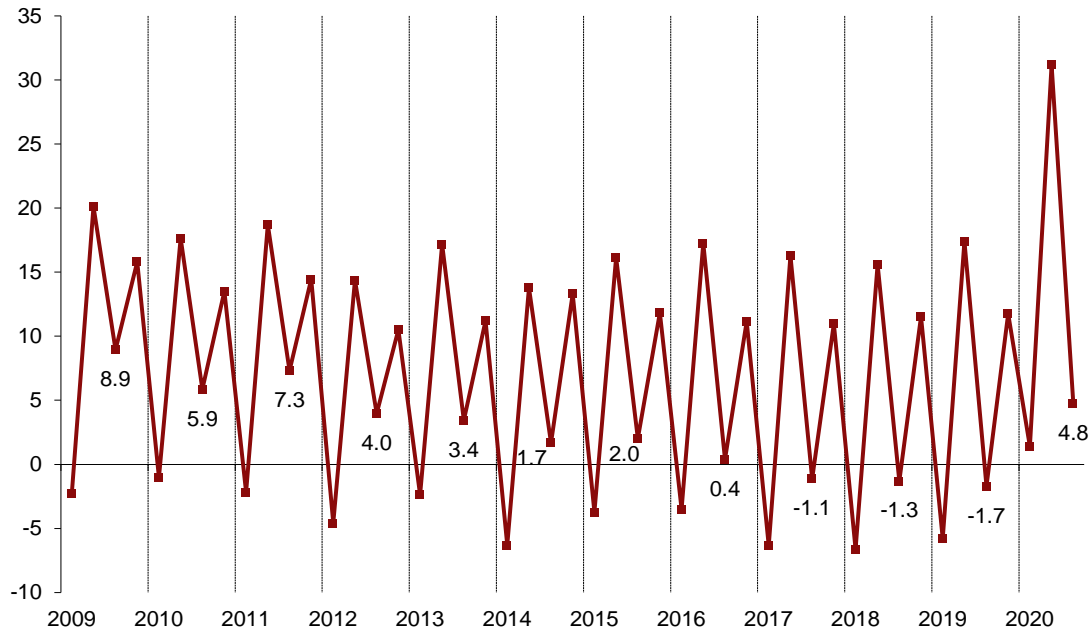
The household savings rate thus stood at 4.8% of disposable income, compared to -1.7% in the same quarter of the previous year.

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

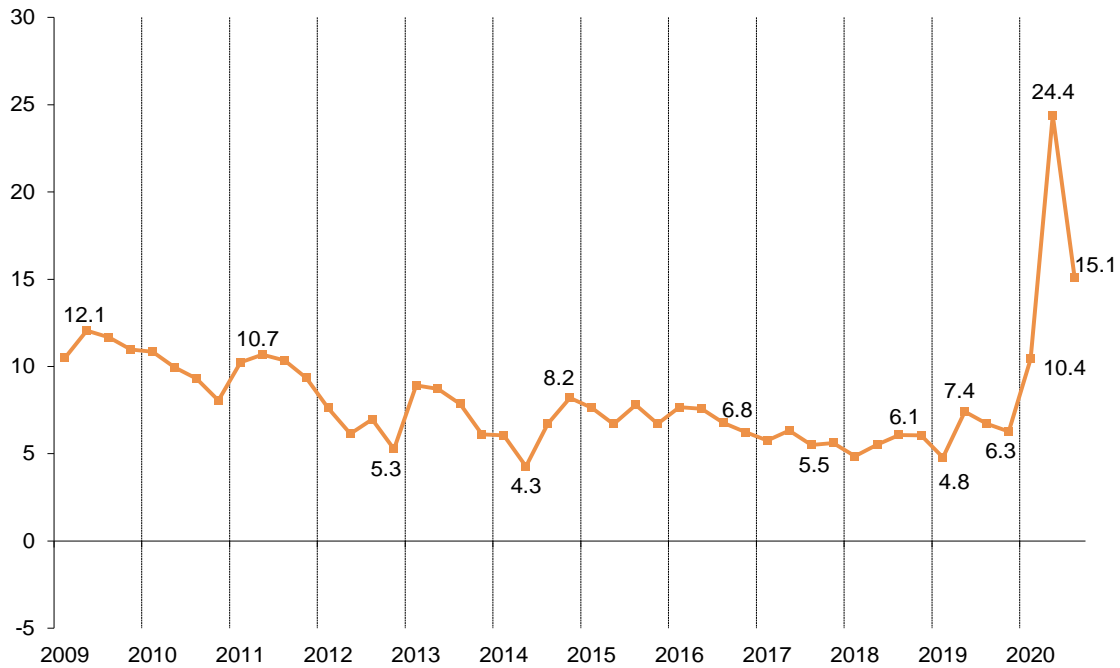
Percentage of Quarterly Gross Disposable Income



Excluding seasonal and calendar effects, the savings rate in the sector decreased by 9.3 points compared to the previous quarter, standing at 15.1%.

Savings of Households

Percentage of Quarterly Gross Disposable Income
Seasonally and calendar effects adjusted series

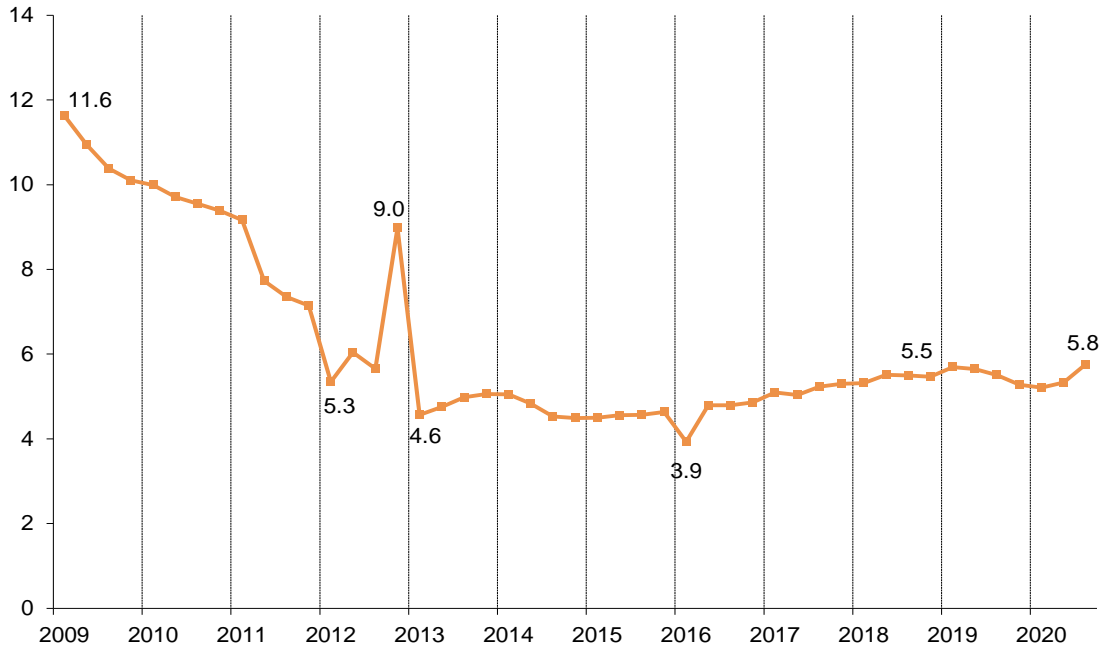


On the other hand, household investment⁴ reached 11,166 million euros in the third quarter (1.9% more than in the same period of 2019).

In turn, the investment rate of households⁵, after adjusting for seasonal and calendar effects, stood at 5.8% of their disposable income, five tenths higher than in the previous quarter.

Investment of Households

Percentage of Quarterly Gross Disposable Income
Seasonally and calendar effects adjusted series



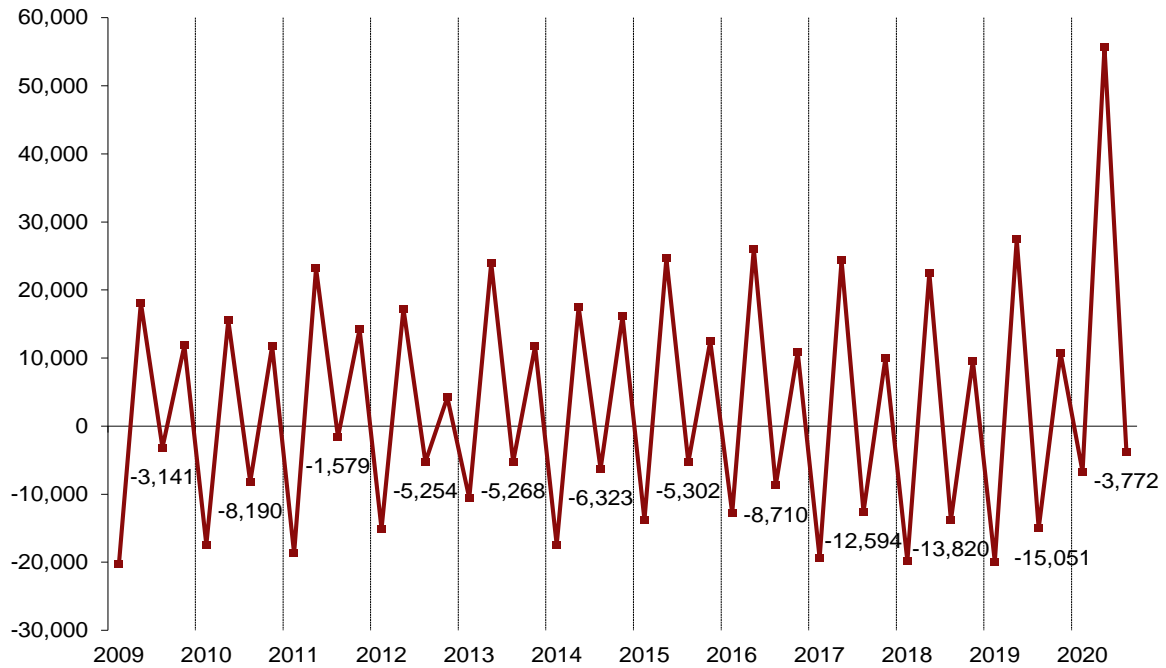
Thus, after taking into account the balance of capital transfers in the sector, households recorded a *net borrowing* of 3,772 million (compared to the net borrowing of 15,051 million estimated for the same quarter in 2019).

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

⁵ 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).

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

Million euros



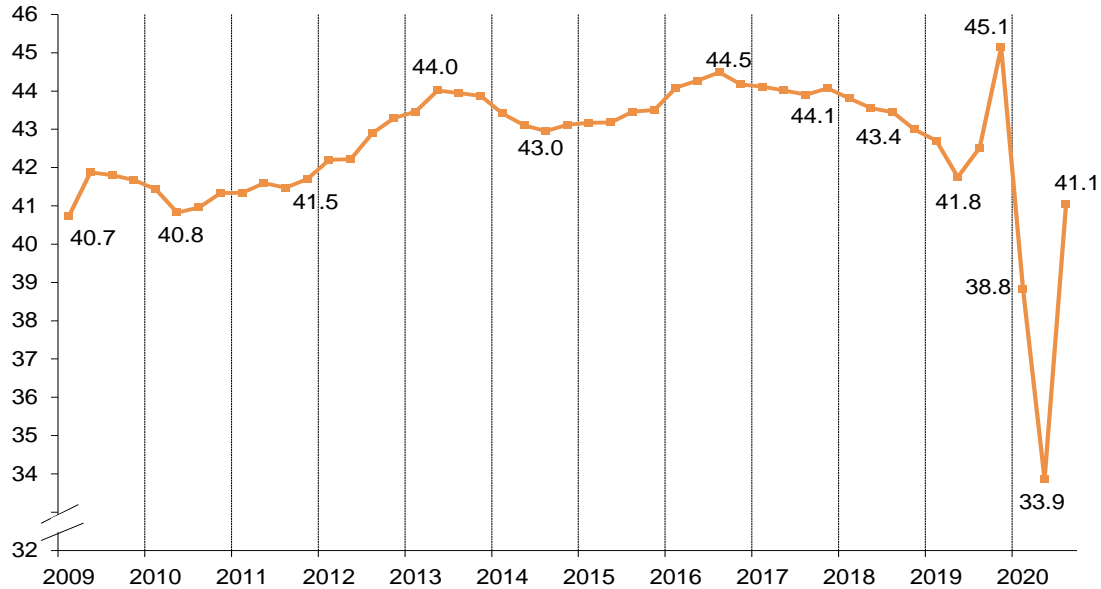
Non-financial corporations

Gross value added generated by Non-Financial Corporations varied by -11.4% in the third quarter as compared with the same quarter of 2019 and the gross operating surplus of the sector increased by -13.8%.

Excluding seasonal and calendar effects, the share of the sector's gross surplus in its value added stood at 41.1%, which is 7.2 points more than in the previous quarter.

Gross Operating Surplus of Non-Financial Corporations

Percentage of Quarterly Gross Added Value
Seasonally and calendar effects adjusted series



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* decreases by 17.2% with respect to the second quarter of 2019.

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* showed a variation of -20.7% in the same quarter of 2019.

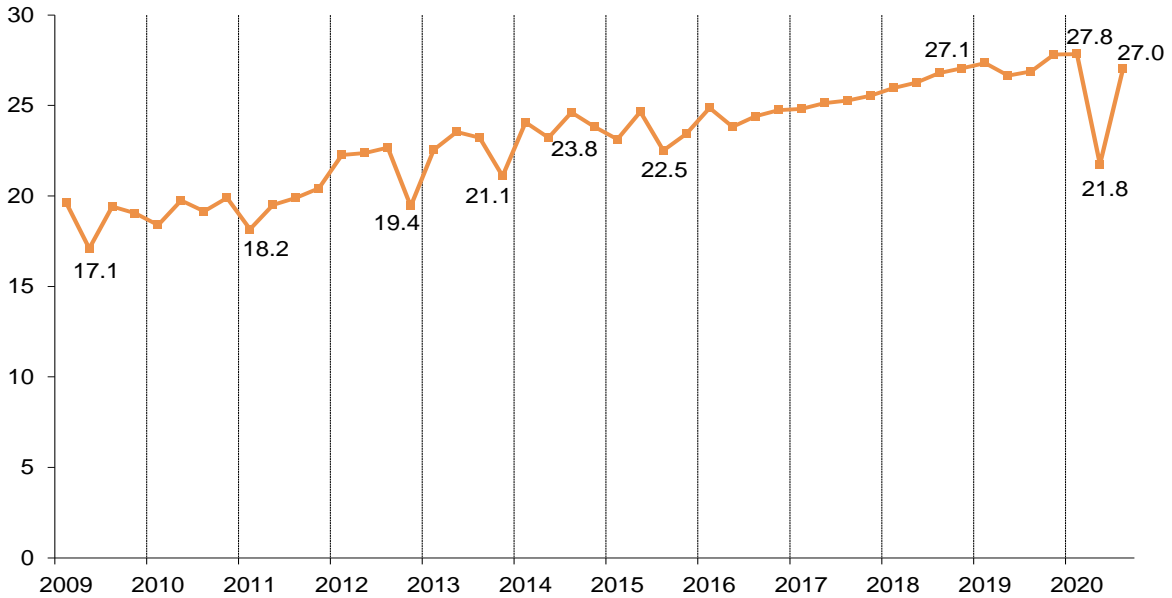
Together with its capital transfer balance, this disposable income is sufficient to finance the sector's investment volume, which amounted to 38,164 million (14.4% less than that of the same quarter of the previous year).

In turn, after adjusting for seasonal and calendar effects, the investment rate of *Non-Financial Corporations*⁶ stood at 27.0% of their gross value added. This was 5.2 points more than in the previous quarter.

⁶ Quotient between the gross fixed capital formation and the gross value added of the sector.

Investment of Non-Financial Corporations

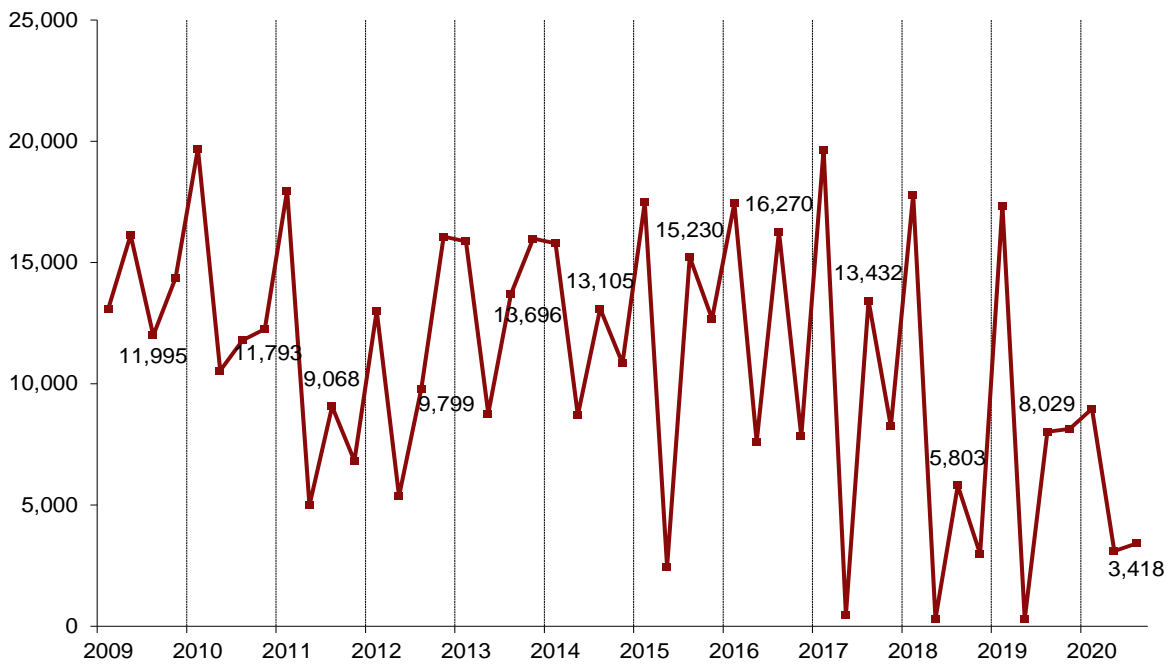
Percentage of Quarterly Gross Added Value
Seasonally and calendar effects adjusted series



Consequently, the sector had an estimated *net lending* of 3,418 million euros, compared to 8,029 million euros in the third quarter of 2019.

Net lending (+) / Net borrowing (-) Non-Financial Corporations

Million euros



General Government

The *gross disposable income* for the *General Government* reached 59,915 million euros in the third quarter, 13.1% less than the same period of 2019.

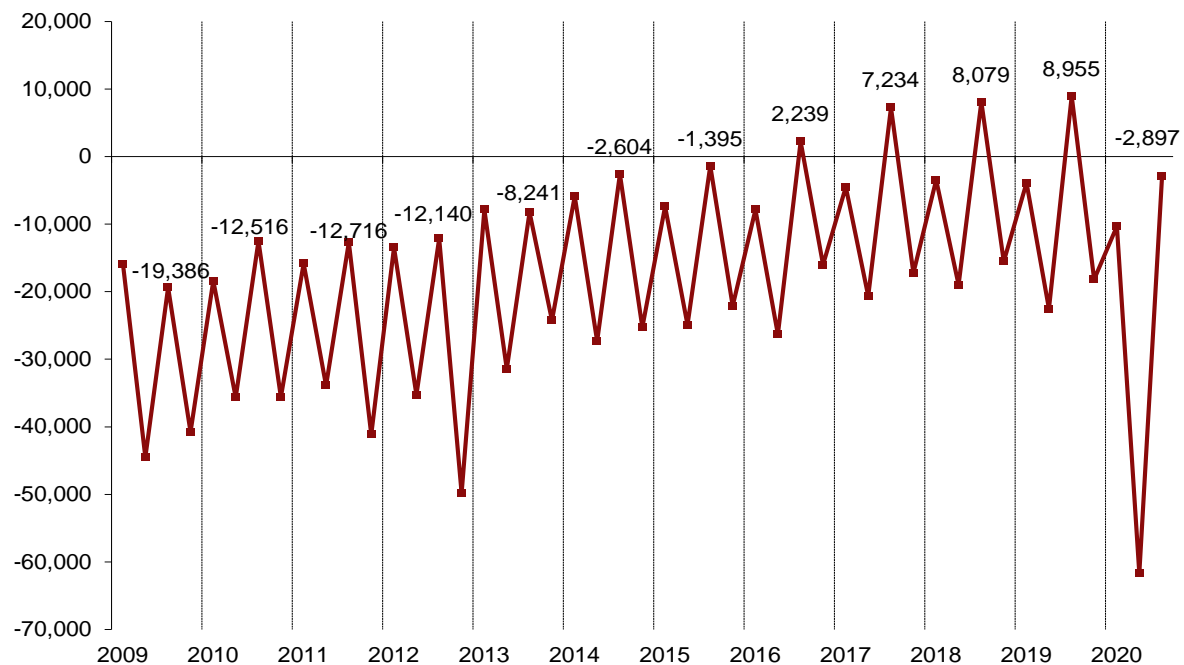
Final consumption expenditure increased by 5.6%, up to 57,040 million euros. With this, *gross savings* of the sector fell to 2.875 million (in the third quarter of 2019 it was 14.917 million).

Investment by *General Government* was estimated at 6,447 million, with a variation of -0.7%.

Savings and investment in the sector, together with the balance of capital transfers, led the sector to generate a net borrowing of 2,897 million euros, compared to the net lending of 8,955 million euros in the third quarter of 2019.

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

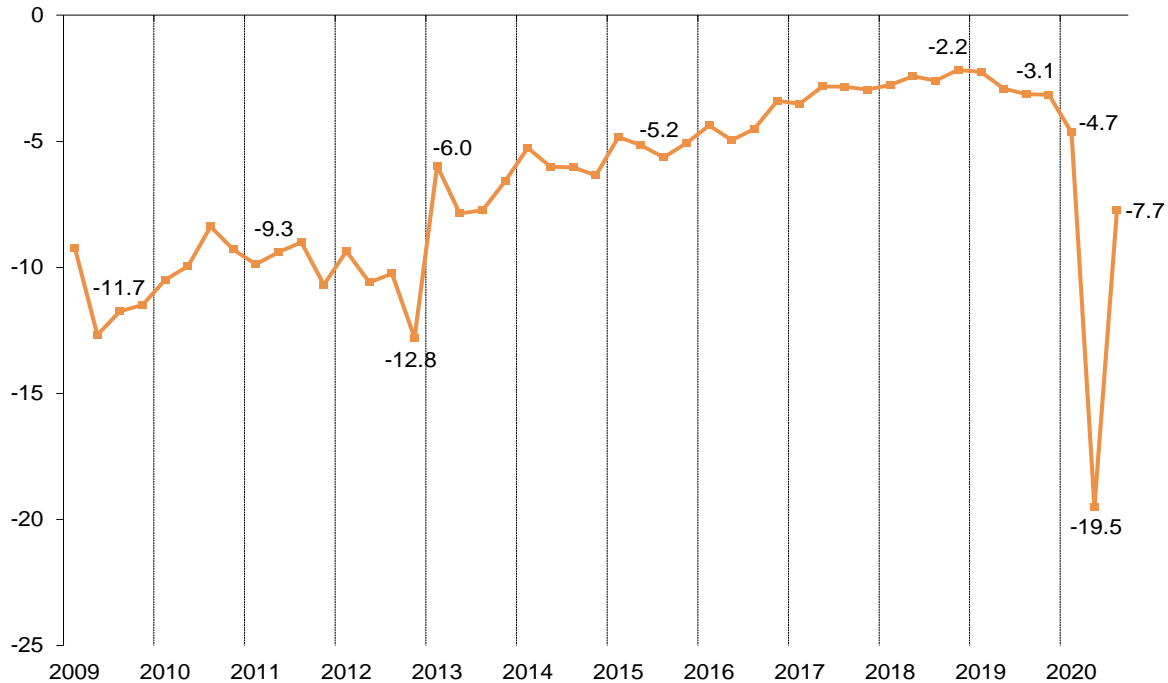
Million euros



If seasonal and calendar effects are excluded, the *General Government* recorded a *net borrowing* of 7.7% of GDP, or 11.8 points less than in the previous quarter.

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

Percentage of Quarterly Gross Domestic Product
Seasonally and calendar effects adjusted series



Financial corporations

Gross value added of Financial Corporations increased by 4.8% in the third quarter of 2020, compared to the same period of 2019. *Gross operating surplus* of the sector increased by 11.8%.

This, together with a lower net balance of property income (interests, dividends, etc.) to be received by the sector, caused the *balance of primary income* to grow by 1.0%.

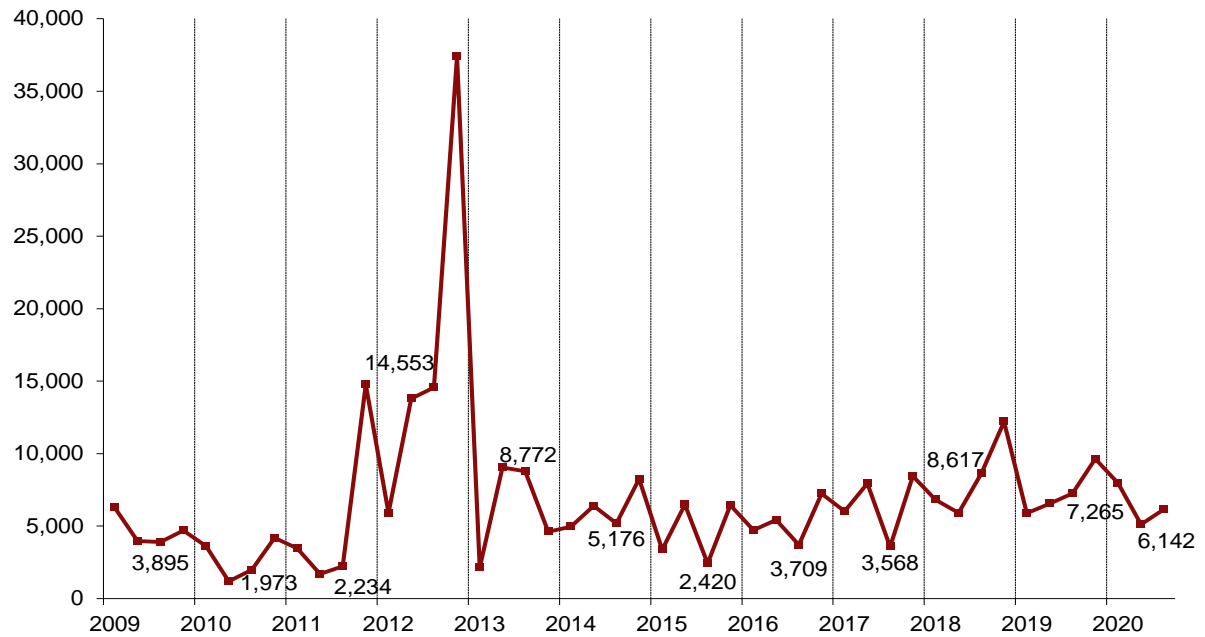
If we also take into account its flows in secondary income distribution (corporate income tax, social security contributions and benefits and other current transfers), the sector's *gross disposable income* was estimated at 5,275 million euros, 16.2% lower than in the same quarter of 2019.

Investment by financial corporations amounted to 862 million euros (during the same quarter of the previous year it was 290 million).

With this, and once considered the balance of capital transfers, the sector generated a *net lending* of 6,142 million euros, compared to 7,265 million in the third quarter of 2019.

Net lending (+) / Net borrowing (-) Financial Corporations

Million euros



Data Review and Update

Coinciding with today's publication, the INE has updated the results relating to the first two quarters of 2020, in line with the updated results of the *Quarterly National Accounts of Spain* released on December 23rd, and in accordance with the latest information available on those quarters.

Methodological note

The objective of the *Quarterly Non-financial Accounts for the Institutional Sectors* (QNFIS) is to discover 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 public administrations) and between them and the rest of the world in an ordered series of accounts that describe each phase of economic processes (production and creation of income, distribution and redistribution, final consumption, savings and asset accumulation). These results 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 following the end of the reference quarter (t+90 days, with t being the reference quarter), once the main aggregates of the national economy provided by the *Quarterly National Accounts of Spain* are published. This offers a complete and integrated view of the quarter's economic evolution.

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 at around t+85 days, and on the *Quarterly Accounts of General Government*, disseminated by the Comptroller General of the State Administration at 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 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, you can consult the INE website (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>).

INE statistics are produced in accordance with the Code of Good Practice for European Statistics, which is the basis for the institution's quality policy and strategy. For more information see the section on [Quality at INE and the Code of Best Practices](#) on the INE webpage.

For more information see **INEbase** – www.ine.es Twitter: [@es_ine](https://twitter.com/es_ine) All press releases in: www.ine.es/prensa/prensa.htm

Press office: Phone Numbers: **91 583 93 63 /94 08** — gprensa@ine.es

Information Area: Phone Number: **91 583 91 00** – www.ine.es/infoine

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

	Q3-2020	Q3-2019	Variation (%)
Gross added value	60,235	66,399	-9.3
Compensation of Employees (payable) (-)	10,416	11,238	-7.3
Other taxes (less subsidies) on Production and Imports (-)	1,569	2,135	-26.5
Gross operating surplus/mixed income	48,250	53,026	-9.0
Compensation of Employees (receivable) (+)	133,889	141,158	-5.1
Property income (receivable, net) (+)	8,300	6,287	32.0
Gross balance of primary incomes	190,439	200,471	-5.0
Current taxes on property and income (-)	31,952	31,271	2.2
Net social contributions (-)	43,351	42,933	1.0
Social benefits (+)	54,792	48,127	13.8
Other current transfers (receivable, net) (+)	1,153	292	294.9
Gross disposable income	171,081	174,686	-2.1
Final consumption expenditure (-)	161,346	176,407	-8.5
Adjustment for the change in pension entitlements (+)	-1,672	-1,250	-33.8
Gross saving	8,063	-2,971	371.4
Capital transfers (receivable, net) (+)	-669	-694	3.6
Gross capital formation and Net acquisitions of non-produced	11,166	11,386	-1.9
Net lending (+) / Net borrowing (-)	-3,772	-15,051	74.9

Non-financial accounts for Non-Financial Corporations

Units: million euros and rates in percentage

	Q3-2020	Q3-2019	Variation (%)
Gross added value	142,567	160,978	-11.4
Compensation of Employees (payable) (-)	85,632	93,478	-8.4
Other taxes (less subsidies) on Production and Imports (-)	77	1,569	-95.1
Gross operating surplus	56,858	65,931	-13.8
Property income (receivable, net) (+)	-5,827	-4,297	-35.6
Gross balance of primary incomes	51,031	61,634	-17.2
Current taxes on property and income (-)	7,677	7,054	8.8
Net social contributions (+)	1,399	1,446	-3.3
Social benefits (-)	1,577	1,634	-3.5
Other current transfers (receivable, net) (+)	-1,943	-2,403	19.1
Gross disposable income	41,233	51,989	-20.7
Gross saving	41,233	51,989	-20.7
Capital transfers (receivable, net) (+)	349	599	-41.7
Gross capital formation and Net acquisitions of non-produced	38,164	44,559	-14.4
Net lending (+) / Net borrowing (-)	3,418	8,029	-57.4

Non-financial accounts for General Government

Units: million euros and rates in percentage

	Q3-2020	Q3-2019	Variation (%)
Gross added value	40,324	38,590	4.5
Compensation of Employees (payable) (-)	32,485	30,897	5.1
Other taxes (payable, less subsidies) on Production and Imports (-)	122	117	4.3
Gross operating surplus	7,717	7,576	1.9
Taxes (receivable, less subsidies) on Production and Imports (+)	27,812	32,546	-14.5
Property income (receivable, net) (+)	-5,283	-5,444	3.0
Gross balance of primary incomes	30,246	34,678	-12.8
Current taxes on property and income (+)	40,583	39,751	2.1
Net social contributions (+)	40,601	40,117	1.2
Social benefits (-)	49,817	43,547	14.4
Other current transfers (receivable, net) (+)	-1,698	-2,072	18.1
Gross disposable income	59,915	68,927	-13.1
Final consumption expenditure (-)	57,040	54,010	5.6
Gross saving	2,875	14,917	-80.7
Capital transfers (receivable, net) (+)	675	533	26.6
Gross capital formation and Net acquisitions of non-produced assets (-)	6,447	6,495	-0.7
Net lending (+) / Net borrowing (-)	-2,897	8,955	-132.4

Non-financial accounts for Financial Corporations

Units: million euros and rates in percentage

	Q3-2020	Q3-2019	Variation (%)
Gross added value	11,334	10,813	4.8
Compensation of Employees (payable) (-)	4,776	4,957	-3.7
Other taxes (payable, less subsidies) on Production and Imports (-)	255	219	16.4
Gross operating surplus	6,303	5,637	11.8
Property income (receivable, net) (+)	2,367	2,946	-19.7
Gross balance of primary incomes	8,670	8,583	1.0
Current taxes on property and income (-)	773	1,195	-35.3
Net social contributions (+)	1,162	1,174	-1.0
Social benefits (-)	2,686	2,297	16.9
Other current transfers (receivable, net)	-1,098	28	-4,021.4
Gross disposable income	5,275	6,293	-16.2
Adjustment for the change in pension entitlements (-)	-1,672	-1,250	-33.8
Gross saving	6,947	7,543	-7.9
Capital transfers (receivable, net) (+)	57	12	375.0
Gross capital formation and Net acquisitions of non-produced assets (-)	862	290	197.2
Net lending (+) / Net borrowing (-)	6,142	7,265	-15.5