

2020-01-17

PRESS RELEASE

Links: [Publication](#) [NBB.stat](#) [General information](#)

Non-financial accounts of the institutional sectors, third quarter of 2019

- Household saving rate declines
- Investment rates of non-financial corporations and households fairly stable
- General government balance shows slight improvement

The sector accounts are drawn up at current prices and in accordance with ESA 2010.

KEY INDICATORS

(data adjusted for seasonal and calendar effects)

	Households ¹		Non-financial corporations		General government	
	Saving ratio (in %)	Investment ratio (in %)	Profit margin (in %)	Investment ratio (in %)	Budget balance (in % of GDP)	
2016	I	12.5	9.2	41.1	26.5	-3.5
	II	11.7	9.4	42.3	25.6	-2.4
	III	13.1	9.3	42.1	28.8	-2.6
	IV	11.6	9.4	42.5	25.9	-1.0
2017	I	11.8	9.3	42.7	26.1	-0.7
	II	12.0	9.2	42.0	26.4	-0.7
	III	12.1	9.2	41.8	26.2	-1.0
	IV	12.2	9.1	41.7	26.8	-0.4
2018	I	11.2	9.3	41.8	26.6	-0.3
	II	11.6	9.3	41.3	26.8	0.0
	III	11.7	9.3	41.5	26.7	-0.7
	IV	12.6	9.5	42.1	27.4	-1.9
2019	I	12.9	9.6	41.5	27.1	-2.2
	II	13.1	9.7	41.4	27.4	-1.9
	III	12.3	9.6	41.0	27.5	-1.7

¹ Including non-profit institutions (NPIs) serving households.

Net fall in the household saving rate

Despite a positive contribution to growth from compensation of employees (+ 0.8 %) and self-employed incomes (+0.2 %) in the third quarter of 2019, household disposable income contracted by 0.3 % compared with the previous quarter. Property incomes, net social benefits and income tax all had a negative impact on growth in household income.

Final consumption expenditure increased by 0.6 %. The gross saving rate therefore declined sharply from the previous quarter, dropping from 13.1% to 12.3 %.

Household investment rate remains more or less stable

During this third quarter, the household investment rate (construction and renovation of housing and gross fixed capital formation of self-employed workers and NPISHs) remained virtually stable, at 9.6 % of disposable income (against 9.7 % in the second quarter).

Profit share of non-financial corporations shrinks

The profit share of non-financial corporations contracted during the third quarter of 2019, to settle at 41.0 % (compared with 41.4 % in the second quarter). Compensation paid to employees and taxes net of subsidies on production rose by 1.4 % from the previous quarter, posting a higher growth rate than that for value added (+0.8 %).

Virtual stabilisation of investment rate of non-financial corporations

The investment rate of non-financial corporations worked out at 27.5 % of gross value added during the third quarter, up by 0.1 of a percentage point on the second quarter. Growth in investment (+1.1 %) actually exceeded that of value added (+0.8 %).

Slight improvement in the general government balance

Over the third quarter of 2019, the balance of general government came to -1.7 % of GDP, compared to -1.9 % of GDP in the previous quarter. Revenue was positively influenced by higher non-fiscal and non-parafiscal revenue, primarily due to a high fine imposed on a foreign subsidiary of a big financial group. As for expenditure expressed as a percentage of GDP, it remained virtually unchanged.

Definitions

- The ratios considered fluctuate widely from one quarter to the next. In order to detect more fundamental trends, these series are all presented after adjustment for seasonal and calendar effects.
- The gross saving ratio of households is gross saving divided by gross disposable income, which is adjusted for the change in the net equity of households in pension fund reserves. Gross saving is the part of gross disposable income which is not spent on final consumption. The saving ratio therefore increases when gross disposable income grows faster than final consumption expenditure.
- The gross investment ratio of households is gross fixed capital formation divided by gross disposable income, with the latter being adjusted for the change in the net equity of households in pension fund reserves. Gross fixed capital formation covers household expenditure on construction and renovation of housing, and investments in fixed capital by self-employed persons and by NPIs serving households.
- The investment ratio of companies is gross fixed capital formation divided by gross value added.
- The profit margin of companies is the gross operating surplus divided by gross value added. This indicator measures the percentage of value added retained by non-financial corporations after paying compensation of employees and taxes on production (net of subsidies).
- The general government budget balance measures the government's financing capacity or requirement. A positive balance (financing capacity) means that, after taking account of all its resources and expenditure, the government is able to increase its financial assets and/or reduce its financial liabilities. Conversely, a negative balance (financing requirement) indicates that the sector needs to sell some of its assets and/or take on more debt in order to fund its non-financial operations. The budget balance is expressed here as a percentage of GDP.