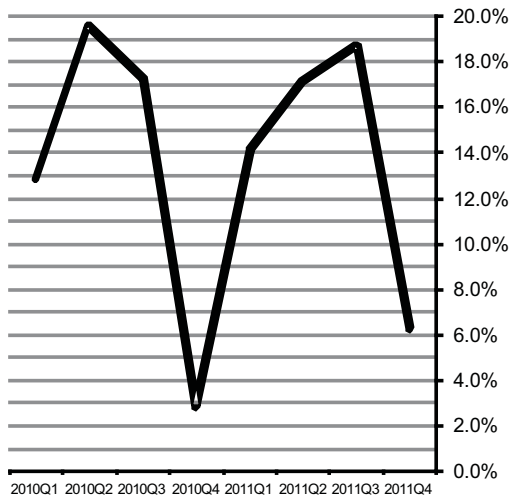




**Gross Household Saving Ratio**  
Q1 2010 - Q4 2011



2010Q1 2010Q2 2010Q3 2010Q4 2011Q1 2011Q2 2011Q3 2011Q4

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## Quarterly Institutional Sector Accounts

### Non-Financial

Quarter 4 2011 and Year 2011 (Preliminary)

**Gross Saving by Institutional Sector**

Year	Non-Financial Corporations (S.11)	Financial Corporations (S.12)	General Government (S.13)	Households and NPISH (S.14 & S.15)
	€m			
2010	14,100	5,047	-13,025	12,229
2011	11,261	3,438	-10,631	12,866

### Gross Household savings rise in 2011

Preliminary estimates for 2011 indicate that gross household savings increased by over €637m to €12,866m. Gross disposable income of households (B.6g) decreased from €89,180m in 2010 to €88,825m in 2011 – a decline of €356m (-0.4%). In the same period household consumption expenditure (P.3) fell by €945m (-1.2%) from €79,292m to €78,347m.

The gross savings ratio, which expresses savings as a percentage of gross disposable income, increased from 13.4 per cent in 2010 to 14.1 per cent in 2011. The corresponding quarterly figures were 2.8 per cent in Q4 2010 and 6.3 per cent in Q4 2011 (*see Background Notes - definitions*).

### Improvement in Government savings deficit

The gross savings of Government (resources less uses) amounted to a deficit of €10,631m in 2011 – an improvement of €2,394m on the 2010 deficit of €13,025m. This increase is largely explained by higher taxes with Taxes on income and wealth (D.5) at €18,344m showing an increase of almost €2 billion in 2011.

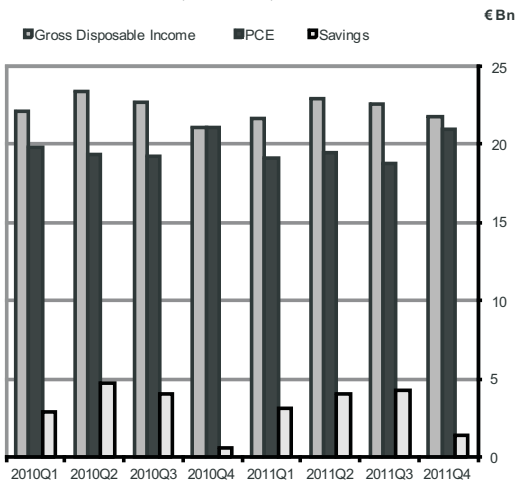
However, on the capital side investment by government in 2011 was €5.3bn while there was also a substantial capital transfer of €5.8bn relating to bank recapitalisation.

The entire back series of data on *Quarterly Non Financial Institutional Sector Accounts* (Tables 1.2 to 1.9 for Q1 2002 to Q4 2011) is available at [www.cso.ie/shorturl.aspx/99](http://www.cso.ie/shorturl.aspx/99)

These preliminary estimates will be revised when the next detailed annual results are published in October.

For more information contact Michael Connolly at 01 498 4006 or Mary Brew at 01 498 4365.

**HOUSEHOLD**  
**Total Gross Disposable Income v's PCE and Savings**  
**Q1 2010 - Q4 2011**



Taken together with the savings deficit this resulted in a net borrowing requirement for Government of €21,013m in 2011.

The savings deficit in the fourth quarter of 2011 was €475m – an improvement of €847m on the Q4 2010 deficit of €1,322m.

**Non-financial (S.11) and Financial (S.12) Corporations**

The gross savings of non-financial corporations were €11,261m in 2011 – a decline of €2,839m compared with the 2010 figure of €14,100m. This reduction in savings is mainly explained by higher retained earnings being accrued to the foreign owners of multi national corporations operating in Ireland.

Financial corporations had gross savings of €3,438m in 2011 – down from €5,047m in 2010. This is explained by increases in net property income (D.4) in 2011.

**Rest of the World Sector (S.2)**

The rest of the world recorded a deficit of €125m with Ireland in 2011 (i.e. Ireland recorded a current account surplus with the rest of the world) compared with a deficit of €761m in 2010. In Q4 2010 the deficit was €795m compared with €1,555m in Q4 2010.

**Institutional Sector Accounts  
Non-Financial Tables**

**Quarter 4 2011 and Year 2011 (Preliminary)**

**Summary Table - Quarterly Accounts by Institutional Sector, Q3 2010 - Q4 2011**
**€ million**

Key Variables		Quarter	S.2	S.1	S.IN	S.11	S.12	S.13	S.14+S.15
			Rest of World	Total economy	Not sectorized	Non-financial corporations	Financial corporations	General government	Households including NPISH
(a) B.1*g	Gross domestic product	Q3 2010		39,770	3,981	19,368	3,491	5,252	7,678
		Q4 2010		37,392	3,739	18,129	3,331	5,524	6,669
		Q1 2011		38,575	3,744	18,560	3,690	5,346	7,234
		Q2 2011		39,779	3,851	19,303	3,660	5,179	7,785
		Q3 2011		39,553	3,967	19,343	3,447	5,178	7,618
		Q4 2011		38,531	4,182	18,885	3,426	5,217	6,822
(b) B.2g/B.3g	Gross operating surplus / Mixed income	Q3 2010		18,121	-47	10,230	2,114	753	5,071
		Q4 2010		17,020	-44	9,540	1,962	831	4,731
		Q1 2011		17,437	-45	9,831	2,041	760	4,851
		Q2 2011		18,037	-47	10,180	2,122	760	5,021
		Q3 2011		17,697	-47	9,982	2,077	760	4,924
		Q4 2011		17,504	-45	9,865	2,058	760	4,866
(c) D.1_D.4	Net Primary Income	Q3 2010		14,715	0	-5,583	-21	3,319	17,000
		Q4 2010		16,880	0	-3,310	-582	3,367	17,405
		Q1 2011		13,063	0	-6,685	-462	3,155	17,055
		Q2 2011		13,175	0	-6,708	-1,338	3,807	17,415
		Q3 2011		13,611	0	-6,920	-243	3,304	17,469
		Q4 2011		14,623	0	-5,487	-1,755	3,635	18,230
(d) B.5g	Gross national income = (b + c)	Q3 2010		32,836	-47	4,647	2,093	4,072	22,070
		Q4 2010		33,900	-44	6,230	1,380	4,198	22,136
		Q1 2011		30,501	-45	3,145	1,579	3,915	21,906
		Q2 2011		31,212	-47	3,472	784	4,567	22,436
		Q3 2011		31,308	-47	3,062	1,834	4,065	22,394
		Q4 2011		32,127	-45	4,379	303	4,395	23,096
(e) D.5_D.7	Net Current Transfers	Q3 2010		-610	0	-475	395	-1,126	596
		Q4 2010		-436	0	-1,330	58	1,921	-1,086
		Q1 2011		-728	0	-220	510	-737	-280
		Q2 2011		-446	0	-855	266	-299	442
		Q3 2011		-492	0	-477	421	-594	158
		Q4 2011		-507	0	-1,245	130	1,933	-1,327
(f) B.6g	Gross disposable income = (d + e)	Q3 2010		32,225	-47	4,172	2,488	2,946	22,666
		Q4 2010		33,464	-44	4,900	1,438	6,119	21,050
		Q1 2011		29,773	-45	2,925	2,089	3,178	21,626
		Q2 2011		30,765	-47	2,617	1,050	4,268	22,878
		Q3 2011		30,816	-47	2,585	2,255	3,471	22,552
		Q4 2011		31,620	-45	3,134	433	6,328	21,769

**Summary Table - Quarterly Accounts by Institutional Sector, Q3 2010 - Q4 2011**
**€ million**

Key Variables	Year	S.2	S.1	S.IN	S.11	S.12	S.13	S.14+S.15
		Rest of World	Total economy	Not sectorized	Non-financial corporations	Financial corporations	General government	Households including NPISH
(g) P.3 + D.8 Use of disposable income	Q3 2010		-26,780	0	0	-573	-7,560	-18,647
	Q4 2010		-28,463	0	0	-584	-7,441	-20,437
	Q1 2011		-26,246	0	0	-573	-7,169	-18,503
	Q2 2011		-26,155	0	0	-605	-6,685	-18,865
	Q3 2011		-26,041	0	0	-599	-7,218	-18,224
	Q4 2011		-27,781	0	0	-612	-6,804	-20,366
(h) B.8g Gross saving = (f + g)	Q3 2010		5,445	-47	4,172	1,915	-4,614	4,019
	Q4 2010		5,001	-44	4,900	854	-1,322	613
	Q1 2011		3,527	-45	2,925	1,516	-3,991	3,122
	Q2 2011		4,610	-47	2,617	445	-2,417	4,013
	Q3 2011		4,774	-47	2,585	1,655	-3,747	4,328
	Q4 2011		3,839	-45	3,134	-178	-475	1,403
(i) Changes in Capital Accounts	Q3 2010		-189	-47	466	8,606	-9,424	210
	Q4 2010		-205	-44	1,403	9,669	-11,678	444
	Q1 2011		-723	-45	-186	40	-141	-391
	Q2 2011		-1,257	-47	-747	44	-292	-216
	Q3 2011		-110	-47	151	5,825	-5,812	-227
	Q4 2011		267	-45	1,311	54	-1,425	374
(j) K.1 Consumption of fixed capital	Q3 2010		4,080		2,111	159	678	1,132
	Q4 2010		3,936		2,022	152	678	1,084
	Q1 2011		3,820		1,962	147	678	1,034
	Q2 2011		3,852		1,981	148	678	1,044
	Q3 2011		3,828		1,966	147	678	1,037
	Q4 2011		3,736		1,909	143	678	1,006
(k) B.9 Net lending (+) / Net borrowing (-) = (h + i) - j	Q3 2010	-1,176	1,176	-94	2,527	10,362	-14,716	3,097
	Q4 2010	-859	860	-88	4,282	10,372	-13,678	-27
	Q1 2011	1,017	-1,017	-91	777	1,410	-4,810	1,697
	Q2 2011	498	-499	-94	-112	341	-3,387	2,753
	Q3 2011	-837	836	-93	769	7,333	-10,237	3,064
	Q4 2011	-372	371	-91	2,536	-267	-2,578	771

Quarterly Accounts by Institutional Sector, 2011 Q4

€million

Uses									CURRENT ACCOUNTS	Resources							
S.14+S.15 Households including NPISH	S.13 General government	S.12 Financial corporations	S.11 Non-financial corporations	S.IN Not sectorized	S.1 Total economy	S.2 Rest of World	S.1+S.2 Sum over sectors			S.1+S.2 Sum over sectors	S.2 Rest of World	S.1 Total economy	S.IN sectorized	Not S.11 Non-financial corporations	S.12 Financial corporations	S.13 General government	S.14+S.15 Households including NPISH
<b>1.2 GENERATION OF INCOME ACCOUNT</b>																	
									<b>B.1*g</b>	<b>Gross domestic product</b>							
											<b>38,531</b>	<b>4,182</b>	<b>18,885</b>	<b>3,426</b>	<b>5,217</b>	<b>6,822</b>	
2,754	4,457	1,344	9,137		17,692	134	17,826	D.1	Compensation of employees								
116	0	24	386	4,365	4,890		4,890	D.2	Taxes on production and imports, paid								
								D.3	Subsidies, received	1,555	1,555	138	504	0	0	913	
<b>4,866</b>	<b>760</b>	<b>2,058</b>	<b>9,865</b>	<b>-45</b>	<b>17,504</b>			<b>B.2g/ B.3g</b>	<b>Gross operating surplus/ Mixed income</b>								
<b>1.3 ALLOCATION OF PRIMARY INCOME ACCOUNT</b>																	
									<b>B.2g/ B.3g</b>	<b>Gross operating surplus/ Mixed income</b>							
											<b>17,504</b>	<b>-45</b>	<b>9,865</b>	<b>2,058</b>	<b>760</b>	<b>4,866</b>	
								D.1	Compensation of employees	17,826	194	17,631				17,631	
								D.2	Taxes on production and imports, received	4,890	109	4,781			4,781		
	219				219	1,336	1,555	D.3	Subsidies, paid								
704	1,333	14,061	8,822		24,920	13,861	38,781	D.4	Property income	38,781	21,431	17,350	3,336	12,306	405	1,303	
666	1,333	7,864	92		9,955	9,163	19,118	D.41	Interest	19,117	7,451	11,667	198	10,740	211	517	
0	0	4,347	6,769		11,116	*	*	D.42	Distributed income of corporations	*	*	2,412	659	1,253	194	307	
0	0	1,032	1,961		2,993	*	*	D.43	Reinvested earnings on direct foreign investment	*	*	2,792	2,478	313	0	0	
0	0	818	0		818	0	818	D.44	Property income attributed to insurance policy holders	818	377	441	0	0	0	441	
38	0	0	0		38		38	D.45	Rent	38		38	0	0	0	38	
<b>23,096</b>	<b>4,395</b>	<b>303</b>	<b>4,379</b>	<b>-45</b>	<b>32,127</b>			<b>B.5g</b>	<b>Gross national income</b>								

\* Suppressed for confidentiality reasons

Quarterly Accounts by Institutional Sector, 2011 Q4

€million

Uses									CURRENT ACCOUNTS	Resources								
S.14+S.15 Households including NPISH	S.13 General government	S.12 Financial corporations	S.11 Non-financial corporations	S.IN Not sectorized	S.1 Total economy	S.2 Rest of World	S.1+S.2 Sum over sectors			S.1+S.2 Sum over sectors	S.2 Rest of World	S.1 Total economy	S.IN Not sectorized	S.11 Non-financial corporations	S.12 Financial corporations	S.13 General government	S.14+S.15 Households including NPISH	
<b>1.5 SECONDARY DISTRIBUTION OF INCOME ACCOUNT</b>																		
									<b>B.5g</b>	<b>Gross national income</b>			<b>32,127</b>	<b>-45</b>	<b>4,379</b>	<b>303</b>	<b>4,395</b>	<b>23,096</b>
4,854	0	478	1,179		6,512	25	6,537	D.5	Current taxes on income, wealth, etc.		6,537	20	6,517				6,517	
3,804					3,804	0	3,804	D.61	Social contributions		3,804	0	3,804		0	999	2,713	92
119	6,450	387	0		6,956	73	7,029	D.62	Social benefits other than social transfers in kind		7,029	86	6,943					6,943
794	862	1,303	207		3,166	642	3,808	D.7	Other current transfers		3,807	1,142	2,665		142	1,300	16	1,208
<b>21,769</b>	<b>6,328</b>	<b>433</b>	<b>3,134</b>	<b>-45</b>	<b>31,620</b>			<b>B.6g</b>	<b>Gross disposable income</b>				<b>31,620</b>	<b>-45</b>	<b>3,134</b>	<b>433</b>	<b>6,328</b>	<b>21,769</b>
<b>1.6 USE OF DISPOSABLE INCOME ACCOUNT</b>																		
									<b>B.6g</b>	<b>Gross disposable income</b>			<b>31,620</b>	<b>-45</b>	<b>3,134</b>	<b>433</b>	<b>6,328</b>	<b>21,769</b>
20,978	6,804				27,781			P.3	Final consumption expenditure									
			612		612	0	612	D.8	Adjustment for the change in net equity of households in pension funds reserves		612	0	612					612
<b>1,403</b>	<b>-475</b>	<b>-178</b>	<b>3,134</b>	<b>-45</b>	<b>3,839</b>			<b>B.8g</b>	<b>Gross saving</b>									
<b>1.7 EXTERNAL ACCOUNT</b>																		
						41,944		P.6	Exports of goods and services									
								P.7	Imports of goods and services			34,239						
							<b>-7,705</b>	<b>B.11</b>	<b>External balance of goods &amp; services</b>									
					68,770	16,072	84,842	D.1 to D.8	Primary incomes and current transfers		84,841	22,982	61,858					
							<b>-795</b>	<b>B.12</b>	<b>Current external balance</b>									

Quarterly Accounts by Institutional Sector, 2011 Q4

€million

Changes in assets									CAPITAL ACCOUNTS	Changes in liabilities and net worth								
S.14+S.15 Households including NPISH	S.13 General government	S.12 Financial corporations	S.11 Non-financial corporations	S.IN Not sectorized	S.1 Total economy	S.2 Rest of World	S.1+S.2 Sum over sectors			S.1+S.2 Sum over sectors	S.2 Rest of World	S.1 Total economy	S.IN Not sectorized	Not S.11 Non-financial corporations	S.12 Financial corporations	S.13 General government	S.14+S.15 Households including NPISH	
<b>1.8 CHANGE IN NET WORTH DUE TO SAVING AND CAPITAL TRANSFERS ACCOUNT</b>																		
									<b>B.8g</b>	<b>Gross saving</b>			<b>3,839</b>	<b>-45</b>	<b>3,134</b>	<b>-178</b>	<b>-475</b>	<b>1,403</b>
									<b>B.12</b>	<b>Current external balance</b>			<b>-795</b>					
174	314	0	222		711	20	731		D.9	Capital transfers	731	15	716		56	0	398	262
1,006	678	143	1,909		3,736				K.1	Consumption of fixed capital								
<b>485</b>	<b>-1,069</b>	<b>-321</b>	<b>1,059</b>	<b>-45</b>	<b>108</b>	<b>-800</b>	<b>-692</b>		<b>B.10.1</b>	<b>Changes in net worth due to saving and capital transfers</b>								
<b>1.9 ACQUISITION OF NON-FINANCIAL ASSETS ACCOUNT</b>																		
									<b>B.10.1</b>	<b>Changes in net worth due to saving and capital transfers</b>	<b>-692</b>	<b>-800</b>	<b>108</b>	<b>-45</b>	<b>1,059</b>	<b>-321</b>	<b>-1,069</b>	<b>485</b>
720	2,187	89	3	45	3,045		3,045		P.5	Gross capital formation								
									K.1	Consumption of fixed capital	3,736		3,736		1,909	143	678	1,006
0	0	0	428		428	-428	0		K.2	Acquisitions less disposals of non-produced non-financial assets								
<b>771</b>	<b>-2,578</b>	<b>-267</b>	<b>2,536</b>	<b>-91</b>	<b>371</b>	<b>-372</b>	<b>-1</b>		<b>B.9</b>	<b>Net lending (+) / net borrowing (-)</b>								



## Background Notes

**Description of institutional sectors** In the sector accounts, institutional sectors are distinguished not in terms of the nature of their production activity (such as agriculture, industry, services etc) but rather in terms primarily of the institutional form of the units that make them up. Thus companies, whether engaged in commercial non-financial or financial business, are grouped in a different sector from households, even though the latter are in many cases also engaged in commercial production, and from government or other non-market producers such as voluntary agencies.

**Institutional Sectors** The classification system is that of the European System of Accounts 1995 (ESA95). The sectors and sub-sectors distinguished in the present publication are as follows:

**S.1 Resident Economy** is the sum of all the sectors of the domestic economy.

**S.11 Non-Financial Corporations** are corporate bodies producing goods and non-financial services on a commercial basis. They include public limited companies, private companies and other corporate forms of business, whether owned by residents (including the government) or non-residents or both. In particular, therefore, Irish subsidiaries of foreign companies and the Irish branches of foreign companies operating in Ireland on a branch basis are included; while the foreign subsidiaries of Irish companies and the foreign branches of Irish companies operating abroad are excluded (they form part of the Rest of the World sector S.2). The business activities of self-employed persons (quasi-corporations) are in principle to be included here if separate accounts are available for statistical purposes.

**S.12 Financial Corporations** are corporate bodies producing financial services on a commercial basis. As with S.11, they can take various legal forms, with a range of ownership arrangements. They include monetary financial institutions, other financial intermediaries, financial auxiliaries and insurance corporations and pension funds.

**S.13 General Government** consists of central and local government and the social security fund. Central government includes the National Pension Reserve Fund, and non-commercial agencies owned and funded by government, but does not include commercial state-owned companies (which are proper to S.11 or S.12 as appropriate).

**S.14 + S.15 Households (S.14) and Non-Profit Institutions Serving Households (S.15).** S.14 consists of persons in their capacity as holders of financial assets or as borrowers. The business assets and liabilities of unincorporated self-employed persons are also mainly reflected in this sector. S.15 consists of non-profit institutions such as charities and non-commercial agencies not owned by the government, such as some schools and hospitals.

### **S.2 Rest of the World.**

The figures represent the economy's transactions with non-residents. The conceptual definition is the same as in the balance of payments (BOP) statistics. In particular, non-residents include foreign subsidiaries of Irish companies, the foreign branches of Irish companies that operate abroad on a branch basis, and the head offices of foreign companies that operate in Ireland on a branch basis.

### **S.1N Not Sectorised.**

In the non-financial accounts an additional residual sector is used to report taxes and subsidies in the Generation of Income Account (*Account 1.2*) as it is not possible to allocate these amounts to Institutional Sectors. In addition throughout these accounts S.1N is used to report the amounts that appear as the statistical discrepancy in the National Income and Expenditure GDP accounts, arising from the use of two independent estimates of GDP (from the Income and Expenditure approaches). In the Annual National Accounts NIE tables 3 and 5, the official estimate of GDP is reported as the average of the two measures, and the discrepancy is therefore displayed as half the difference between the two independent estimates (and thus with different signs in the two tables). The discrepancy is projected forward on a quarterly basis in line with the trends in the Expenditure components and is presented in Table 2 of the Quarterly National Accounts. In the sector accounts it appears as the first balancing item in the sequence (in the gross value added item in the production account), and is then carried through successive accounts via the balancing item. In the final non-financial account, the full amount of the discrepancy then emerges as the unallocated net lending or borrowing in the economy.

**Description of detailed non-financial accounts** Sector accounts present a coherent overview of all economic processes and the roles played by the various sectors. Each economic process is described in a separate account. The accounts describe successively generation of income, primary and secondary income distribution, final consumption, redistribution by means of capital transfers and capital formation. Note that the *Production Account (1.1)* from the Annual Accounts is not included in these quarterly accounts as the data is not available on a quarterly basis. The accounts record economic transactions, distinguishing between uses and resources, (e.g. the *resources* side of the transaction category *D.41 Interest* records the amounts of interest receivable by the different sectors of the economy and the *uses* side shows interest payable) with a special item to **balance** the two sides of each account. By passing on the balancing item from one account to the next a connection is created between successive accounts.

The accounts are compiled for the total economy and include accounts for separate domestic sectors and the Rest of the World sector. In this way the sector accounts describe:

- for each economic process the role of each sector, for instance General Government in income redistribution and Financial Corporations in financing.
- for each sector all economic transactions and their relation with other domestic sectors and the Rest of the World.

The successive accounts are explained in more detail below.

#### **Current Accounts 1.1 Production Account**

This Account is not presented in the Quarterly Non-Financial Accounts as quarterly data is not available.

#### **1.2 Generation of Income Account**

This account displays the transactions through which Gross Domestic Product at market prices is distributed to labour (compensation of employees), capital (operating surplus) and government (the balance of taxes and subsidies on production). The balancing item for the Household and NPISH sector in this account is called mixed income, because apart from operating surplus it also contains compensation for work by self-employed persons and their family members. B.2g/B.3g Gross Operating Surplus / Gross Mixed Income is the balancing item for the entire account.

#### **1.3 Allocation of Primary Income Account**

This account records, as resources, the income from direct participation in the production process, as well as property income received in exchange for the use of land, financial resources and other intangible assets. In addition, this account records the taxes on production and imports received by the government. On the uses side, property income is recorded as well as the subsidies paid by the government.

On this account the interest paid and received are recorded excluding imputed bank services (financial intermediation services indirectly measured - FISIM<sup>1</sup>). In the national accounts insurance technical reserves are seen as a liability of insurance enterprises and pension funds to policyholders. Therefore, the receipts from investing these reserves are recorded as payments from insurance enterprises and pension funds to households, in the form of property income attributed to insurance policy holders and pension scheme members. The balancing item of this account for each sector is B.5g Gross National Income. Primary Income for the total economy is the National Income.

<sup>1</sup>See Appendix 3 in Institutional Sector Accounts – Non-Financial and Financial, October 2011 at [www.cso.ie/shorturl.aspx/98](http://www.cso.ie/shorturl.aspx/98) for a comprehensive explanation of FISIM

**1.4 Memorandum - Entrepreneurial Income Account**

This account is not presented in the Quarterly series.

**1.5 Secondary Distribution of Income Account**

The secondary distribution of income account shows how primary income is redistributed by means of current taxes on income and wealth, social contributions (including contributions to pension schemes), social benefits (including pension benefits) and other current transfers. The balancing item of this account is B.6g Gross Disposable Income. For the consuming sectors (Households, NPISH and General Government) this item is passed on to 1.6 Use of Disposable Income Account. For the other sectors the disposable income is generally equal to savings. This is then passed on to the capital account.

**1.6 Use of Disposable Income Account**

This account shows the element of disposable income that is spent on final consumption and also the element that is saved. As mentioned above final consumption only exists for Households, NPISH and General Government. The net equity of Households in pension funds and life insurance reserves are seen as financial assets that belong to Households. Changes in these reserves need to be included in the savings of Households. However, contributions to pension schemes and pension benefits have already been recorded on 1.5 Secondary Distribution of Income Account (as social contributions and social benefits). Therefore, an adjustment is needed to include in the savings of Households the change in pension funds reserves on which they have a definite claim. This adjustment is called D.8 'Adjustment for the change in net equity in pension funds reserves'. There is no need for a similar adjustment concerning life insurance because life insurance premiums and benefits are not recorded as current transactions. The balancing item for this account is B.8g Gross Saving.

**1.7 External account**

This account records the summarised transactions of S.2 the Rest of the World sector, including on the uses side exports of goods and services, primary incomes and current transfers receivable. The resources side of this account includes imports of goods and services together with primary incomes and transfers payable. The balancing item is B.12 Current External Balance, which records the balance on current accounts with the Rest of the World.

**Capital accounts 1.8 Change in Net Worth due to Saving and Capital Transfers**

On this account the capital transfers are recorded and combined with gross saving and the current external balance. The resulting balancing item is B.10.1 Changes in Net Worth due to Saving and Capital Transfers.

**1.9 Acquisition of Non-Financial Assets Account**

On this account gross fixed capital formation, changes in inventories, acquisitions less disposals of valuables and non-produced non-financial assets are recorded among the uses. The decline in the value of fixed capital goods caused by consumption of fixed capital goods is recorded among the resources. The balancing item is Net Lending (+) or Borrowing (-). It shows the amount a sector can lend / invest or has to borrow as a result of its current and capital transactions.

**Definitions**

**Household Savings Ratio** The household saving ratio is Gross Household Saving expressed as a percentage of total resources i.e. the sum of Gross Household Disposable income and the adjustment for the change in net equity of households in pension funds.