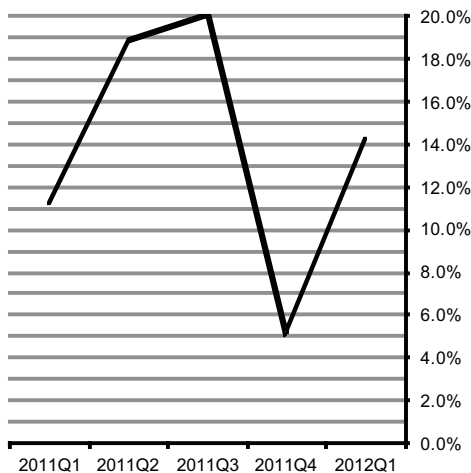




**Gross Household Saving Ratio  
Q1 2011 - Q1 2012**



## Quarterly Institutional Sector Accounts Non-Financial Quarter 1 2012

Quarter	Gross Saving by Institutional Sector			
	Non-Financial Corporations (S.11)	Financial Corporations (S.12)	General Government (S.13)	Households and NPISH (S.14 & S.15)
	€m			
Q1 2011	2,377	2,015	-3,700	2,439
Q1 2012	3,431	1,150	-3,575	3,209

### Gross household savings increase in Q1 2012

The gross disposable income of households (B.6g) was €21,986m in Q1 2012 – an increase of €771m or 3.6 per cent compared with the same quarter of 2011. Higher wages (D.1) (+€170m) and profits of the self employed (B.2g/B.3g) (+€365m) along with lower interest payments (D.41) (-€272m) were the main factors which contributed to the increase in household disposable income over this period.

There was little change in household expenditure (P.3) between the first quarter of 2012 and the corresponding quarter of 2011 (€19,361m compared with €19,372m). As a result, gross household savings increased from €2,439m in Q1 2011 to €3,209 in Q1 2012. The derived gross savings ratio, which expresses savings as a percentage of gross disposable income, increased from 11.2 per cent in Q1 2011 to 14.2 per cent in Q1 2012 (*see Background Notes - definitions*).

### Slight improvement in Government savings deficit

An increase in current taxes (D.5) of €673m between Q1 2011 and Q1 2012 was slightly offset by a fall of €312m in social contributions (D.61) over the same period, resulting in an increase of €361m in the resources side of the government account. On the uses side of the account social benefits (D.62) paid by government increased by €289m. As a result, the government savings deficit (resources less uses) showed an improvement of €125m – up from -€3,700m in Q1 2011 to -€3,575 in Q1 2012.

The entire back series of data on *Quarterly Non Financial Institutional Sector Accounts* (Tables 1.2 to 1.9 for Q1 2002 to Q1 2012) is available at [www.cso.ie/shorturl.aspx/99](http://www.cso.ie/shorturl.aspx/99)

Published by the Central Statistics Office, Ireland.

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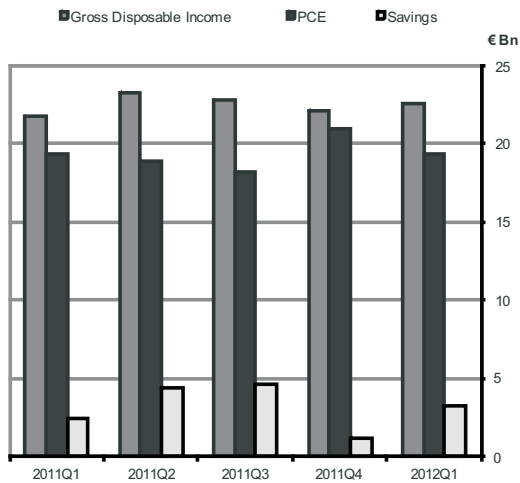
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**Total Gross Disposable Income v's PCE and Savings  
Q1 2011 - Q1 2012**



When account is taken of investment and capital transfers, the net borrowing of the government sector amounted to €4,182m in Q1 2012 compared with €4,489m in Q1 2011.

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

The gross savings of non-financial corporations were €3,431 in Q1 2012 – an increase of €1,054m compared with the Q1 2011 figure of €2,377m. This is mainly explained by an increase of €756 in gross operating surplus (B.2g/B.3g) and an increase in net property income (D.4) of €315m. An increase in gross capital formation of €425m resulted in a net lending of €631m for this sector in Q1 2012.

Financial corporations had gross savings of €1,150 in Q1 2012 – down from €2,015m in Q1 2011. This is explained by a decrease in net property income (D.4) in Q1 2012.

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

The rest of the world recorded a surplus of €994m with Ireland in Q1 2012 (i.e. Ireland recorded a current account deficit with the rest of the world) compared with a surplus of €1910m in Q1 2011.

**Institutional Sector Accounts  
Non-Financial Tables**

**Quarter 1 2012**

**Summary Table - Quarterly Accounts by Institutional Sector, Q1 2011 - Q1 2012**
**€ million**

Key Variables		Quarter	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
(a) B.1*g	Gross domestic product	Q1 2011		38,093	3,379	18,755	3,555	5,509	6,894
		Q2 2011		41,024	3,493	20,613	3,898	5,307	7,714
		Q3 2011		40,006	3,604	19,937	3,714	5,359	7,391
		Q4 2011		39,870	3,607	19,922	3,932	5,536	6,873
		Q1 2012		39,748	3,420	19,842	3,649	5,590	7,247
(b) B.2g/B.3g	Gross operating surplus / Mixed income	Q1 2011		17,293	-244	9,912	2,054	680	4,892
		Q2 2011		19,748	-263	11,356	2,376	679	5,599
		Q3 2011		18,625	-257	10,692	2,225	690	5,275
		Q4 2011		19,213	-256	10,995	2,305	750	5,420
		Q1 2012		18,674	-255	10,668	2,242	762	5,257
(c) D.1_D.4	Net Primary Income	Q1 2011		12,760	0	-7,314	24	3,003	17,047
		Q2 2011		12,647	0	-7,371	-896	3,800	17,113
		Q3 2011		13,476	0	-7,087	60	3,256	17,248
		Q4 2011		14,541	0	-6,003	-871	3,530	17,885
		Q1 2012		12,393	0	-6,999	-1,028	2,900	17,521
(d) B.5g	Gross national income = (b + c)	Q1 2011		30,054	-244	2,598	2,078	3,684	21,939
		Q2 2011		32,395	-263	3,986	1,481	4,479	22,713
		Q3 2011		32,101	-257	3,604	2,284	3,946	22,522
		Q4 2011		33,754	-256	4,992	1,433	4,280	23,305
		Q1 2012		31,067	-255	3,669	1,213	3,662	22,778
(e) D.5_D.7	Net Current Transfers	Q1 2011		-764	0	-220	532	-352	-724
		Q2 2011		-477	0	-855	257	111	9
		Q3 2011		-588	0	-477	409	-233	-286
		Q4 2011		-614	0	-1,420	54	2,609	-1,856
		Q1 2012		-734	0	-238	521	-225	-792
(f) B.6g	Gross disposable income = (d + e)	Q1 2011		29,290	-244	2,377	2,610	3,331	21,215
		Q2 2011		31,917	-263	3,131	1,738	4,590	22,721
		Q3 2011		31,513	-257	3,127	2,693	3,713	22,237
		Q4 2011		33,140	-256	3,571	1,487	6,889	21,448
		Q1 2012		30,333	-255	3,431	1,734	3,436	21,986

**Summary Table - Quarterly Accounts by Institutional Sector, Q1 2011 - Q1 2012**
**€ million**

Key Variables		Year	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
(g)	P.3 + D.8 Use of disposable income	Q1 2011		-26,403	0	0	-595	-7,031	-18,777
		Q2 2011		-26,238	0	0	-596	-7,316	-18,326
		Q3 2011		-25,940	0	0	-587	-7,686	-17,667
		Q4 2011		-28,136	0	0	-610	-7,190	-20,337
		Q1 2012		-26,373	0	0	-584	-7,012	-18,777
(h)	B.8g Gross saving = (f + g)	Q1 2011		2,886	-244	2,377	2,015	-3,700	2,439
		Q2 2011		5,679	-263	3,131	1,142	-2,725	4,395
		Q3 2011		5,573	-257	3,127	2,106	-3,973	4,570
		Q4 2011		5,003	-256	3,571	877	-301	1,112
		Q1 2012		3,959	-255	3,431	1,150	-3,575	3,209
(i)	Changes in Capital Accounts	Q1 2011		-971	-244	-296	38	-173	-296
		Q2 2011		-1,154	-263	-391	55	-338	-217
		Q3 2011		-107	-257	348	5,832	-5,760	-270
		Q4 2011		421	-256	1,236	71	-951	321
		Q1 2012		-1,122	-255	-832	47	72	-154
(j)	K.1 Consumption of fixed capital	Q1 2011		3,825		2,003	150	617	1,056
		Q2 2011		4,071		2,156	161	617	1,137
		Q3 2011		3,991		2,106	158	617	1,110
		Q4 2011		3,922		2,063	154	617	1,087
		Q1 2012		3,831		1,968	147	679	1,037
(k)	B.9 Net lending (+) / Net borrowing (-) = (h + i) - j	Q1 2011	1,910	-1,910	-489	78	1,903	-4,489	1,087
		Q2 2011	-454	453	-526	583	1,035	-3,681	3,041
		Q3 2011	-1,476	1,475	-513	1,369	7,780	-10,350	3,190
		Q4 2011	-1,503	1,503	-512	2,745	793	-1,869	345
		Q1 2012	994	-994	-510	631	1,050	-4,182	2,017

## Quarterly Accounts by Institutional Sector, Q1 2012

€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>1.2 GENERATION OF INCOME ACCOUNT</b>																
								<b>B.1*g</b>	<b>Gross domestic product</b>		<b>39,748</b>	<b>3,420</b>	<b>19,842</b>	<b>3,649</b>	<b>5,590</b>	<b>7,247</b>
1,955	4,829	1,381	8,801		16,965	134	17,100	D.1	Compensation of employees							
127	0	26	424	3,751	4,327		4,327	D.2	Taxes on production and imports, paid							
								D.3	Subsidies, received	218	218	76	51	0	0	92
<b>5,257</b>	<b>762</b>	<b>2,242</b>	<b>10,668</b>	<b>-255</b>	<b>18,674</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>18,674</b>	<b>-255</b>	<b>10,668</b>	<b>2,242</b>	<b>762</b>	<b>5,257</b>
								D.1	Compensation of employees	17,100	203	16,896				16,896
								D.2	Taxes on production and imports, received	4,327	130	4,197			4,197	
	100				100	119	218	D.3	Subsidies, paid							
718	1,451	13,655	10,335		26,158	13,886	40,044	D.4	Property income	40,044	22,487	17,558	3,335	12,627	254	1,342
667	1,451	7,570	1,184		10,872	9,154	20,026	D.41	Interest	20,026	7,789	12,237	205	11,032	200	801
0	0	3,499	4,208		7,708	1,375	9,083	D.42	Distributed income of corporations	9,083	7,408	1,675	18	1,350	54	253
0	0	1,905	4,943		6,848	3,357	10,205	D.43	Reinvested earnings on direct foreign investment	10,205	6,848	3,357	3,113	245	0	0
0	0	680	0		680	0	680	D.44	Property income attributed to insurance policy holders	680	442	238	0	0	0	238
50	0	0	0		50		50	D.45	Rent	50		50	0	0	0	50
<b>22,778</b>	<b>3,662</b>	<b>1,213</b>	<b>3,669</b>	<b>-255</b>	<b>31,067</b>			<b>B.5g</b>	<b>Gross national income</b>							

## Quarterly Accounts by Institutional Sector, Q1 2012

€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>31,067</b>	<b>-255</b>	<b>3,669</b>	<b>1,213</b>	<b>3,662</b>	<b>22,778</b>
4,047	0	61	173		4,280	25	4,305	D.5	Current taxes on income, wealth, etc.	4,305	19	4,286			4,286	
3,395					3,395	0	3,395	D.61	Social contributions	3,395	0	3,395	0	971	2,330	93
119	5,925	387	0		6,431	73	6,505	D.62	Social benefits other than social transfers in kind	6,505	87	6,418				6,418
883	937	1,750	207		3,776	1,035	4,811	D.7	Other current transfers	4,811	1,761	3,050	142	1,747	21	1,140
<b>21,986</b>	<b>3,436</b>	<b>1,734</b>	<b>3,431</b>	<b>-255</b>	<b>30,333</b>			<b>B.6g</b>	<b>Gross disposable income</b>							
<b>1.6 USE OF DISPOSABLE INCOME ACCOUNT</b>																
								<b>B.6g</b>	<b>Gross disposable income</b>		<b>30,333</b>	<b>-255</b>	<b>3,431</b>	<b>1,734</b>	<b>3,436</b>	<b>21,986</b>
19,361	7,012				26,373			P.3	Final consumption expenditure							
		584			584	0	584	D.8	Adjustment for the change in net equity of households in pension funds reserves	584	0	584				584
<b>3,209</b>	<b>-3,575</b>	<b>1,150</b>	<b>3,431</b>	<b>-255</b>	<b>3,959</b>			<b>B.8g</b>	<b>Gross saving</b>							
<b>1.7 EXTERNAL ACCOUNT</b>																
						43,054		P.6	Exports of goods and services							
								P.7	Imports of goods and services		34,678					
								<b>B.11</b>	<b>External balance of goods &amp; services</b>							
					66,017	15,273	81,290	D.1 to D.8	Primary incomes and current transfers	81,290	24,688	56,602				
								<b>B.12</b>	<b>Current external balance</b>							
						<b>-8,376</b>										
						<b>1,039</b>										

## Quarterly Accounts by Institutional Sector, Q1 2012

€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	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>3,959</b>	<b>-255</b>	<b>3,431</b>	<b>1,150</b>	<b>-3,575</b>	<b>3,209</b>	
								<b>B.12</b>	<b>Current external balance</b>		<b>1,039</b>						
112	181	0	178		472	60	531	D.9	Capital transfers	531	15	516	64	-5	353	104	
1,037	679	147	1,968		3,831			K.1	Consumption of fixed capital								
<b>2,164</b>	<b>-4,083</b>	<b>998</b>	<b>1,349</b>	<b>-255</b>	<b>173</b>	<b>994</b>	<b>1,167</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>1,167</b>	<b>994</b>	<b>173</b>	<b>-255</b>	<b>1,349</b>	<b>998</b>	<b>-4,083</b>	<b>2,164</b>
1,184	778	95	2,686	255	4,998		4,998	P.5	Gross capital formation								
								K.1	Consumption of fixed capital	3,831		3,831	1,968	147	679	1,037	
0	0	0	0		0	0	0	K.2	Acquisitions less disposals of non-produced non-financial assets								
<b>2,017</b>	<b>-4,182</b>	<b>1,050</b>	<b>631</b>	<b>-510</b>	<b>-994</b>	<b>994</b>	<b>0</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). 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. The 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.