

2023-01-13

PRESS RELEASE

Links:

[NBB.stat](#)
[General information](#)

Following the discovery of an error, the quarterly non-financial sector accounts were adjusted on 13 January 2023 from the version published on 10 January 2023 for the first three quarters of the year 2022. The adjusted figures are available on nbb.stat.

Non-financial accounts of the institutional sectors – third quarter of 2022

- **The household saving rate declines.**
- **The profit margin of non-financial corporations fell slightly.**
- **General government net borrowing deteriorates slightly and remains at a much higher level than before the pandemic.**

KEY INDICATORS
(data adjusted for seasonal and calendar effects)

		Households ¹		Non-financial corporations		General government
		Saving rate (%)	Investment rate (%)	Profit margin (%)	Investment rate (%)	Budget balance (% of GDP)
2019	I	12.2	9.8	42.1	27.3	-2.2
	II	13.5	9.7	42.2	27.2	-2.2
	III	11.6	9.8	42.4	27.4	-1.8
	IV	12.1	9.8	42.1	27.4	-1.5
2020	I	17.5	9.3	43.2	27.4	-6.2
	II	26.0	8.2	42.0	26.3	-15.7
	III	15.7	9.5	43.0	27.6	-6.1
	IV	23.0	9.5	42.4	29.0	-8.7
2021	I	20.2	9.8	44.2	27.8	-5.3
	II	19.7	9.8	43.8	27.8	-7.3
	III	16.0	9.9	44.4	26.4	-6.8
	IV	12.3	10.3	44.2	25.6	-3.0
2022	I	11.7	10.7	44.7	26.3	-1.9
	II	14.7	10.2	45.1	25.8	-4.9
	II	13.6	10.1	44.9	26.0	-5.1

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

Household saving rate declines

The saving rate fell to 13.6% in the third quarter of 2022 from 14.7% in the previous quarter.

While household disposable income increased (+1.7%), final consumption expenditure increased even more significantly (+3.1%), which had a negative impact on the saving rate.

Employee compensation was the main contributor to household disposable income growth, accounting for 1.7 percentage points. For their part, taxes on income and wealth were responsible for a positive contribution of 0.2

percent points. The impact of other components of disposable income - namely gross operating surplus and mixed income, property income, net current transfers and net social benefits - was marginal in this quarter.

Household investment rate remained stable

In the third quarter of 2022, the household investment rate, which includes housing construction and renovation as well as gross fixed capital formation (GFCF) by the self-employed and non-profit institutions serving households (NPISHs), remained fairly stable at 10.1%.

The profit margin of non-financial corporations declined slightly

In the third quarter of 2022, the profit margin of non-financial corporations fell slightly to 44.9%, compared with 45.1% the previous quarter.

The gross operating surplus of non-financial corporations rose by 1.2%, a rate which was below the growth of value added (+1.5%).

According to the available indicators on the evolution of wages and value added, the profit margin dropped mainly in industrial branches of activity and the business-related services sector.

The investment rate of non-financial corporations rose somewhat

The investment rate of non-financial corporations increased slightly to 26% of value added in the third quarter of 2022, compared with 25.8% in the previous quarter. Growth in investment by non-financial corporations (+2.4%) in the third quarter indeed outstripped that in value added (+1.5%).

The government budget balance deteriorates slightly

In the third quarter of 2022, the government budget balance deteriorated slightly, displaying a deficit of 5.1% of GDP, compared with 4.9% in the second quarter. General government net borrowing remains at a much higher level than before the pandemic.

Revenue decreased slightly. Indeed, a minor increase in indirect tax revenue was insufficient to offset the decrease in direct tax revenue, social contributions and capital taxes.

Spending was also down somewhat. The decrease in social benefits more than made up for the increase in employee compensation expenditure caused by new automatic indexation.

Methodology and definitions

- The non-institutional sector accounts are compiled at current prices and according to ESA 2010.
- The rates considered fluctuate widely from quarter to quarter. In order to detect more fundamental trends, they are presented after adjustment for seasonal and calendar effects.
- The gross saving rate 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 share of gross disposable income which is not spent. The saving rate therefore increases when gross disposable income grows faster than final consumption expenditure.
- The gross investment rate 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 expenditure on housing construction and renovation as well as investments in fixed capital by self-employed persons and NPISHs.
- The investment rate 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 the payment of employee compensation and taxes on production (net of subsidies).
- The government budget balance measures the government's financing capacity or borrowing needs. A positive balance (financing capacity) means that, after taking into account all resources and expenditure, the government is able to increase its financial assets and/or reduce its financial liabilities. Conversely, a negative balance (borrowing needs) 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.