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PRESS RELEASE

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Non-financial accounts of the institutional sectors – second quarter of 2023¹

- The household saving rate rose again, while the corporate profit share continued to decline.
- The general government budget balance improved slightly.

KEY INDICATORS

(data adjusted for seasonal and calendar effects)

		Households ¹		Non-financial corporations		General government
		Saving rate (%)	Investment rate (%)	Profit share (%)	Investment rate (%)	Budget balance (% of GDP)
2020	I	18.2	9.3	44.2	27.1	-6.8
	II	24.9	8.3	40.9	26.0	-13.5
	III	16.2	9.4	43.0	27.2	-7.0
	IV	22.4	9.6	43.3	28.4	-8.8
2021	I	20.8	9.6	45.2	27.7	-5.6
	II	18.4	9.8	44.5	27.5	-5.6
	III	16.2	9.7	44.8	26.1	-6.9
	IV	13.2	9.8	45.0	25.2	-3.5
2022	I	12.0	10.0	45.5	26.0	-2.1
	II	14.5	9.4	44.8	25.8	-3.8
	III	13.4	9.4	44.4	26.5	-4.3
	IV	11.7	9.2	43.9	27.1	-4.0
2023	I	13.5	9.1	42.6	27.7	-4.3
	II	14.7	8.8	42.2	28.8	-4.1

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

The household saving rate rose again

The household saving rate continues to recover. It stood at 14.7% for the second quarter, compared with 13.5% the previous quarter.

Household disposable income rose by 1.8%, while consumer spending slowed noticeably (+0.3%), pushing up the saving rate.

¹ The sector accounts for the second quarter of 2023 incorporate the latest available data on the quarterly national accounts and the labour market, published on [NBB.stat](#) on 19 October 2023.

Net property income and net current transfers contributed 0.7 basis points to the rise in disposable income, while compensation of employees contributed 0.6 basis points. Other income components made a more moderate contribution.

The household investment rate fell slightly

The household investment rate (which includes housing construction and renovation and gross fixed capital formation by the self-employed and NPISH) fell to 8.8%, compared with 9.1% a quarter earlier.

The profit share of non-financial corporations continued to decline

The profit share of non-financial corporations continued to decline in the second quarter of 2023, falling to 42.2% from 42.6% in the previous quarter.

While value added stagnated (+0.1%), employee compensation rose by 0.8%, leading to a contraction in the gross operating surplus (-0.9%). This negatively impacted the profit share of non-financial corporations.

The investment rate of non-financial corporations increased

The investment rate of non-financial corporations stood at 28.8% of value added in the second quarter of 2023, thus up from the previous quarter (27.7%). Growth in investment by non-financial corporations was sustained (+3.9%) and once again clearly outstripped that in value added (+0.1%).

The general government budget balance improved slightly

In the second quarter of 2023, the general government budget balance improved slightly, displaying a deficit of 4.1% of GDP (compared with 4.3% of GDP in the previous quarter).

Growth in revenue was mainly due to a sharp increase in direct corporate taxes.

For its part, expenditure is also on the rise as a result of an increase in social benefits in cash.

Methodology and definitions

- The non-institutional sector accounts are compiled at current prices and in accordance with 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 share 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 lending capacity or borrowing need. A positive balance (lending capacity) means that, after taking into account all revenue and expenditure, the government is able to increase its financial assets and/or reduce its financial liabilities. Conversely, a negative balance (borrowing need) 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.