

Household income and savings and non-financial corporation profits

IV quarter 2009

The analysis provided below is based on a selection of indicators derived from quarterly national accounts by institutional sector (QSA), which allow a timely analysis of the behaviour of households and non-financial corporations in the different phases of the economic cycle. At present only raw QSA series are compiled: a project is currently being carried out to produce seasonally adjusted data. Some results are going to be published by 2010. In order to smooth series which are generally volatile and seasonal, the variables presented here are calculated as the moving sum of the value of the last four quarters (“moving year”): therefore, the data provided in the tables refer to the last quarter and the three preceding ones and not only to the last quarter. Accordingly, the value for the fourth quarter of 2009 refers to the period January 2009-December 2009, while the value for the third quarter refers to the period October 2008 - September 2009.

Saving rate and gross investment rate of households

Raw values – Millions of Euro (IV quarter cumulated sum)					%		
	Gross disposable income (a)	Purchasing power of real income (b)	Final consumption expenditure (c)	Gross fixed capital formation	Saving rate (d)	Gross investment rate (e)	
2008	Q1	1,071,999	889,478	914,602	103,613	14.7	9.7
	Q2	1,083,147	890,209	920,130	104,132	15.1	9.6
	Q3	1,091,816	889,817	927,006	104,575	15.1	9.6
	Q4	1,089,492	883,009	929,078	103,337	14.7	9.5
2009	Q1	1,085,729	879,159	923,074	101,154	15.0	9.3
	Q2	1,070,075	866,910	917,931	97,974	14.2	9.2
	Q3	1,061,065	861,238	912,221	95,083	14.0	9.0
	Q4	1,059,347	859,791	911,513	93,022	14.0	8.8

(a) Gross disposable income adjusted for the change in the net equity of households in pension funds reserves

(b) Gross disposable income in real terms, obtained by applying the deflator of final consumption expenditure of households and NPISHs (chained values, reference year 2000)

(c) Final consumption of NPISHs is included.

(d) Gross saving divided by gross disposable income

(e) Gross fixed capital formation divided by gross disposable income

In the fourth quarter of 2009, the household saving rate (defined as gross saving divided by gross disposable income, with the latter being adjusted for the change in the net equity of households in pension funds reserves) was 14.0%, the same as in the previous quarter. In the fourth quarter of 2008 the household saving rate was 14.7%.

In the fourth quarter of 2009 and compared to the previous quarter, gross disposable income of households declined slightly (-0.2%) but more than final consumption expenditure (-0.1%). Compared to the fourth quarter of 2008 the reduction of gross disposable income of households was -2.8%, while the final consumption expenditure declined by 1.9%. In the fourth quarter of

2009 the purchasing power of the gross disposable income of households declined by 0.2% compared to the previous quarter and by 2.6% compared to the fourth quarter of 2008.

In the fourth quarter of 2009 the gross investment rate of households (defined as 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 funds reserves) was 8.8%, compared with 9.0% in the previous quarter and with 9.5% in the fourth quarter of 2008.

In the fourth quarter of 2009 and compared to the previous quarter, gross fixed capital formation (GFCF) of households registered a sharper decline (-2.2%) than gross disposable income (-0.2%).

Gross profit share and gross investment rate of non-financial corporations

		Raw values – Millions of Euro (IV quarter cumulated sum)			%	
		Gross value added at basic prices	Gross operating surplus	Gross fixed capital formation	Gross profit share (a)	Gross investment rate (b)
2008	Q1	728,074	311,492	183,214	42.8	25.2
	Q2	731,668	313,418	184,440	42.8	25.2
	Q3	734,839	313,092	184,942	42.6	25.2
	Q4	731,933	308,290	181,244	42.1	24.8
2009	Q1	719,388	298,018	174,530	41.4	24.3
	Q2	705,881	285,239	164,418	40.4	23.3
	Q3	696,397	278,172	157,121	39.9	22.6
	Q4	692,552	279,106	153,471	40.3	22.2

(a) Gross operating surplus divided by gross value added

(b) Gross fixed capital formation divided by gross value added

The gross profit share of non-financial corporations (defined as gross operating surplus divided by gross value added) was 40.3% in the fourth quarter of 2009, compared with 42.1% in the fourth quarter of 2008. Compared to the third quarter of 2009, the profit share increased by 0.4 percentage points: the gross operating surplus of non-financial corporations, in fact, increased by 0.3%, while gross value added declined by 0.6%.

The gross investment rate of non-financial corporations (defined as gross fixed capital formation divided by gross value added) was 22.2% in the fourth quarter of 2009, compared with 24.8% in the fourth quarter of 2008. Compared to the third quarter of 2009, the gross investment rate declined by 0.4 percentage points, since GFCF fell more (-2.3%) than gross value added.

For more detailed information please refer to the Italian version

Date of previous release: 11 January 2010

Date of next release: 8 July 2010

Contact persons:

Division for national accounts

ISTAT – Italian National Institute of Statistics

Via A. Depretis, 74/b – 00184 Rome, Italy

Alessandra Agostinelli

phone +39 06 4673.3130

email agostine@istat.it

Stefania Cuicchio

phone +39 06 4673.3175

email cuicchio@istat.it