

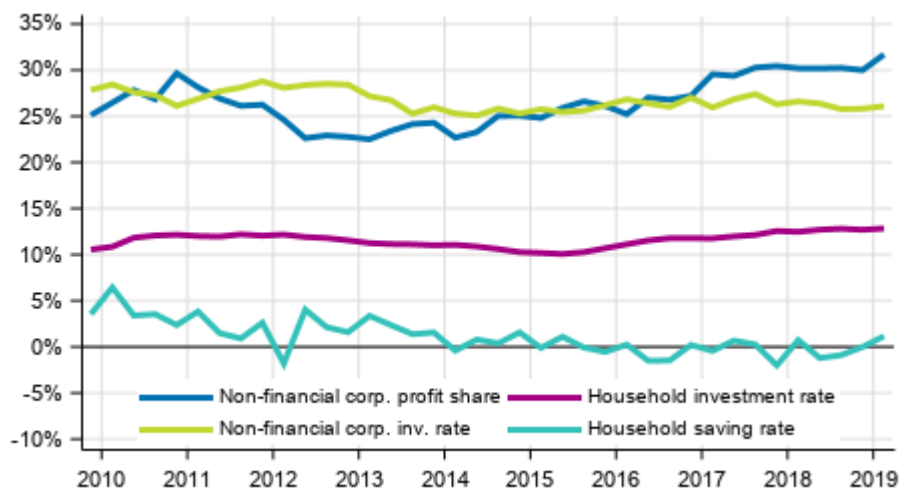
Quarterly sector accounts

2019, 1st quarter

Profit share of non-financial corporations sector grew in the first quarter of 2019

Households' saving rate improved slightly in January to March from the previous quarter. The saving rate calculated from seasonally adjusted data improved, even though disposable income declined slightly because households' consumption expenditure decreased more compared with the previous quarter. Households' investment rate remained unchanged. The profit share of the non-financial corporations sector improved compared to the previous quarter as the sector's value added grew faster than compensation of employees paid. The investment rate of non-financial corporations grew slightly from the previous quarter. These data derive from Statistics Finland's quarterly sector accounts.

Key indicators for households and non-financial corporations, seasonally adjusted



In January to March, households' saving rate grew by 1.2 percentage points to 1.2 per cent. The saving rate refers to the share of households' savings of disposable income. Households' investment rate grew slightly and stood at 12.8 per cent. Most of households' investments are investments in dwellings. Households' adjusted disposable income adjusted for price changes grew by 1.6 per cent from the corresponding quarter in 2018. Adjusted income is the indicator recommended by the OECD for evaluating

the economic well-being of households. Adjusted disposable income is derived by adding individual services produced by the public sector, such as education, health and social services, to the disposable income of households.

In the first quarter of 2019, the profit share of non-financial corporations, or the share of operating surplus describing profits in value added, stood at 31.7 per cent, which is 1.7 percentage points higher than in the previous quarter. The investment rate of financial corporations, or the proportion of investments in value added, increased by 0.3 percentage points to 26.1 per cent.

The key figures were calculated from seasonally adjusted time series. Sector accounts are calculated only at current prices. However, a volume indicator describing the development adjusted for price changes is calculated for households' adjusted disposable income in a separate Appendix table. The profit share, saving rate and investment rate are calculated from net figures, which means that consumption of fixed capital is taken into account. Households do not include non-profit institutions serving households.

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Sector-specific review on the data for the first quarter of 2019

Households

Compared with the corresponding quarter last year, households' disposable income increased by 1.2 per cent in the first quarter of 2019. The key components of disposable income on the income side are wages and salaries received, entrepreneurial and property income, and social benefits received. The biggest individual expense items are taxes paid and social contributions.

Compared to the figures one year ago, disposable income grew mainly due to a growth of good EUR 0.5 billion in compensation of employees received and to an estimated increase of nearly EUR 0.4 billion in entrepreneurial income and EUR 0.2 billion social benefits received. By contrast, on the income side, property income decreased by close on EUR 0.7 billion from one year ago. Concerning expenses, no major changes in either direction took place, but both income taxes and property expenditure were almost on the same level as in the corresponding quarter of the previous year, and social security contributions paid only increased by good EUR 0.1 billion. Consumption expenditure is also estimated to have grown only by around EUR 150 million compared with the expenditure in 2018.

When received social benefits in kind are added to the disposable income of households, the household adjusted disposable income is derived, which is the indicator recommended by the OECD for measuring economic well-being. Social benefits in kind refer to education, health and social services produced by general government and non-profit institutions serving households. In the first quarter of 2019, adjusted disposable income grew at current prices by 2.3 per cent and adjusted for price changes by 1.6 per cent from the corresponding quarter of the year before. The volume indicator describing the development of adjusted disposable income adjusted for price changes can be found in Appendix table 3 of this publication.

Households' seasonally adjusted saving rate was 1.2 per cent in the first quarter of 2019. In the previous quarter, the saving rate stood at 0.0 per cent. The saving rate is derived by deducting consumption expenditure from disposable income. The saving rate is negative if households' consumption expenditure is higher than their disposable income. Households' seasonally adjusted investment rate was 12.8 per cent of disposable income in the first quarter of 2019, which was the 0.1 percentage points higher than the corresponding data of the previous quarter. Most of households' investments are investments in dwellings.

Compensation of employees paid by non-profit institutions serving households increased by good four per cent compared with the quarter of one year ago.

In these statistics, the households sector covers only the actual households sector S14. Sector S15, non-profit institutions serving households, is calculated and published separately. In Eurostat's publication, the households sector also includes the data for sector S15. Another difference to Eurostat's publication is in how consumption of fixed capital is taken into account. Eurostat publishes investment and saving rates as gross figures. Net data are used in these statistics, that is, when consumption of fixed capital is taken into account, the saving rate decreases and the investment rate increases.

Profits in the non-financial corporations sector grew from the previous quarter

In the first quarter of 2019, the seasonally adjusted profit share of non-financial corporations grew to 31.7 per cent from the previous quarter's 30.0 per cent. The profit share refers to the share of the operating surplus in value added. The profit share grew because value added in the non-financial corporations sector grew more strongly than compensation of employees paid. The investment rate of non-financial corporations, or the proportion of fixed capital investments in value added increased slightly from the previous quarter to 26.1 per cent.

Profits of financial and insurance corporations decreased

The sector's value added shrunk by 21 per cent in the first quarter of the year from the corresponding quarter of the previous year, while output grew by around seven per cent and intermediate consumption by 31 per cent. The big changes compared to the values one year ago are largely explained by international group changes in the sector. The operating surplus describing profits in the sector declined from EUR 613 million one year ago to EUR 340 million. Compensation of employees remained at last year's level. Value added and operating surplus describe the income that is generated from providing financial services to the public. It does not include property income or holding gains of securities.

Financial position of general government weakened slightly from a year ago

In January to March 2019, consolidated total general government revenue grew by EUR 650 million from the respective quarter of the previous year. Consolidated expenditure increased by EUR 790 million. The difference between revenue and expenditure, that is, the deficit (net borrowing) of general government declined by EUR 140 million. Of the sub-sectors, the financial position of central government and employment pension schemes improved, while the financial position of local government and other social security funds weakened. General government is comprised of central government, local government and social security funds. Consolidated total revenue and expenditure are figures in which flows between the general government sub-sectors have been eliminated. More detailed statistics, where the sub-sectors are specified, are published in the quarterly sector accounts of general government: [General government revenue and expenditure by quarter](#).

Current account in surplus in the first quarter of 2019

Exports of goods at current prices from Finland to abroad amounted to EUR 16.0 billion in the first quarter of 2019. Exports of goods increased by EUR 0.7 billion or 4.3 per cent from the respective quarter of the year before. Exports of services amounted to EUR 7.0 billion, which was EUR 0.5 billion more than one year ago. Imports of goods to Finland at current prices were EUR 14.9 billion. Compared to one year ago, the value of imports of goods decreased by EUR 0.3 billion (1.8 per cent). Imports of services amounted to EUR 7.5 billion, which was EUR 0.6 billion more than one year ago. The balance of goods and services showed a surplus of EUR 0.7 billion.

Property income received from abroad was around EUR 0.8 billion higher than property income paid abroad. Property income includes dividends, interests and reinvested earnings. Current transfers paid abroad from Finland were around EUR 0.3 billion higher than current transfers paid from abroad to Finland. The most significant current transfer item is the GNI payment paid by the state to the EU.

The current account was 1.2 billion in surplus in the first quarter of 2019.

Data and methods used

The quarterly data become revised as source data are updated. The biggest revisions take place for the last two to three years, because the data in the annual accounts are still preliminary. Examined by quarter, the biggest revisions occur in the release for the second quarter at the turn of September and October and in the release for the fourth quarter at the turn of March and April. These revisions are caused by updated annual national accounts data. The data in the publication are based on the data sources available by 13 June 2019. The data for 1999 to 2018 mainly correspond with the annual sector accounts of the national accounts, although the updating of source data may cause differences to the previous annual accounts release.

The saving rate, profit share and investment rate in the quarterly publication of sector accounts are net amounts, i.e. consumption of fixed capital has been removed from the figures. The key indicators in these statistics were calculated as follows: :

Households' saving rate = $B8N / (B6N + D8R)$

Households' investment rate = $P51K / (B6N + D8R)$

Profit share of non-financial corporations = $B2N / B1NPH$

Investment rate of non-financial corporations = $P51K / B1NPH$

The volume indicator, measuring the development of households' adjusted disposable income, adjusted for price changes and its change percentages can be found in Appendix table 3 of this publication. This volume indicator is calculated using the price data of the statistics on quarterly national accounts, with which the components of adjusted disposable income are deflated. Households' disposable income is deflated with the implicit price index of household consumption expenditure. Price data are also available for the consumption of non-profit institutions serving households. As a methodological shortcoming, general government individual consumption expenditure has to be deflated with the total general government consumption expenditure for lack of more accurate data. The volume time series was formed with the annual overlap method.

Appendix tables

Appendix table 1. Key indicators from sector accounts (time series unadjusted for seasonal variation)

	Non-financial corporations (S11) profit share, %	Non-financial corporations (S11) investment rate, %	Household (S14) saving rate, %	Household (S14) investment rate, %
2011Q1	24.6	25.4	-1.4	11.0
2011Q2	27.0	27.5	7.0	11.3
2011Q3	21.4	29.8	-0.1	14.3
2011Q4	33.5	28.6	2.6	11.7
2012Q1	20.5	26.3	-8.6	11.3
2012Q2	22.3	28.1	9.4	11.4
2012Q3	18.7	30.3	1.5	13.8
2012Q4	30.6	28.5	1.8	11.0
2013Q1	18.7	25.5	-2.1	10.3
2013Q2	22.9	26.5	7.3	10.9
2013Q3	20.2	27.0	0.7	13.0
2013Q4	31.5	26.1	2.0	10.3
2014Q1	19.0	23.7	-5.7	10.1
2014Q2	22.7	24.9	5.6	10.9
2014Q3	21.4	27.6	-0.5	12.3
2014Q4	31.9	25.3	1.8	9.5
2015Q1	21.2	24.2	-5.2	9.4
2015Q2	25.3	25.4	5.6	10.2
2015Q3	23.0	27.3	-1.1	11.8
2015Q4	32.9	26.1	0.2	9.8
2016Q1	21.8	25.3	-4.1	10.3
2016Q2	26.8	26.5	3.5	11.7
2016Q3	22.9	27.7	-2.5	13.4
2016Q4	33.6	26.7	0.0	10.8
2017Q1	25.9	24.4	-4.0	10.9
2017Q2	29.1	27.1	5.5	12.1
2017Q3	27.1	29.2	-0.6	13.7
2017Q4	36.6	25.7	-2.9	11.6
2018Q1	26.3	25.2	-2.2	11.7
2018Q2	29.8	26.8	3.5	12.9
2018Q3	27.4	27.5	-1.9	14.3
2018Q4	36.3	25.1	-1.0	11.7
2019Q1	28.0	24.8	-1.5	12.1

Appendix table 2. Key indicators from sector accounts (seasonally adjusted)

	Non-financial corporations (S11) profit share, %	Non-financial corporations (S11) investment rate, %	Household (S14) saving rate, %	Household (S14) investment rate, %
2011Q1	28.1	26.9	3.8	12.0
2011Q2	26.9	27.7	1.5	12.0
2011Q3	26.1	28.1	0.9	12.2
2011Q4	26.2	28.8	2.6	12.0
2012Q1	24.6	28.1	-1.8	12.2
2012Q2	22.6	28.4	4.0	11.9

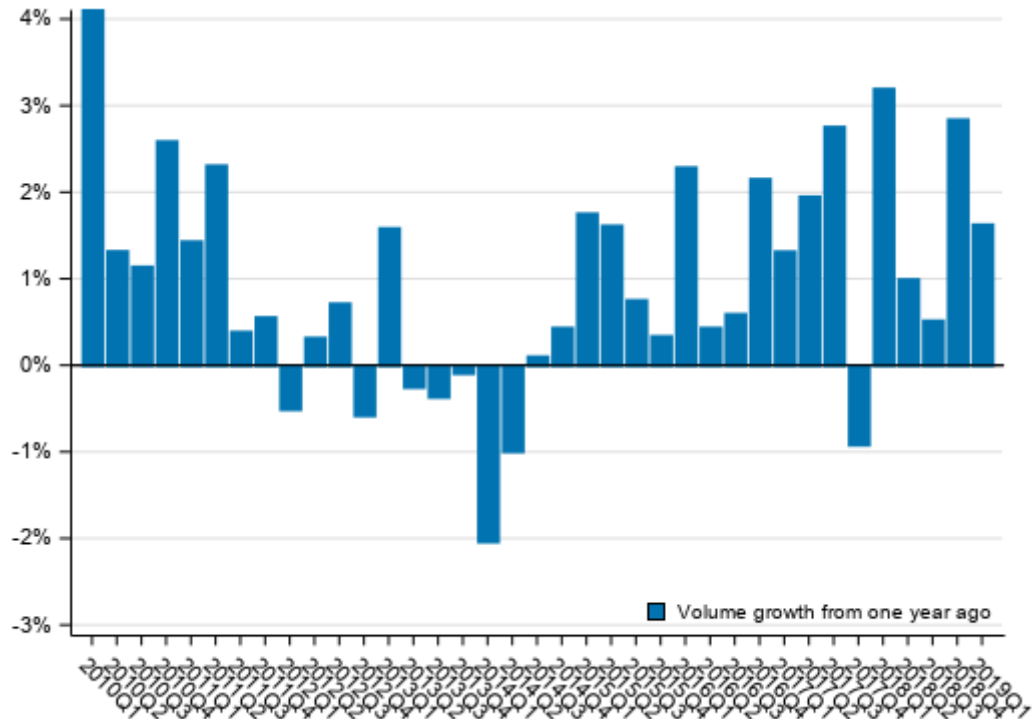
	Non-financial corporations (S11) profit share, %	Non-financial corporations (S11) investment rate, %	Household (S14) saving rate, %	Household (S14) investment rate, %
2012Q3	22.9	28.5	2.1	11.8
2012Q4	22.8	28.4	1.6	11.5
2013Q1	22.5	27.2	3.4	11.2
2013Q2	23.4	26.7	2.4	11.1
2013Q3	24.1	25.3	1.4	11.1
2013Q4	24.3	26.0	1.6	11.0
2014Q1	22.7	25.3	-0.4	11.1
2014Q2	23.3	25.1	0.8	10.9
2014Q3	25.0	25.8	0.4	10.6
2014Q4	25.1	25.3	1.6	10.3
2015Q1	24.8	25.8	-0.1	10.2
2015Q2	25.9	25.5	1.1	10.1
2015Q3	26.6	25.6	-0.1	10.3
2015Q4	26.1	26.2	-0.5	10.7
2016Q1	25.2	26.8	0.2	11.1
2016Q2	27.0	26.4	-1.5	11.5
2016Q3	26.8	26.0	-1.5	11.8
2016Q4	27.2	27.0	0.2	11.8
2017Q1	29.6	25.9	-0.4	11.8
2017Q2	29.4	26.8	0.7	12.0
2017Q3	30.3	27.4	0.2	12.1
2017Q4	30.4	26.3	-2.0	12.6
2018Q1	30.2	26.6	0.7	12.5
2018Q2	30.2	26.4	-1.2	12.7
2018Q3	30.2	25.8	-0.9	12.8
2018Q4	30.0	25.8	0.0	12.7
2019Q1	31.7	26.1	1.2	12.8

Appendix table 3. Volume development of household adjusted disposable income

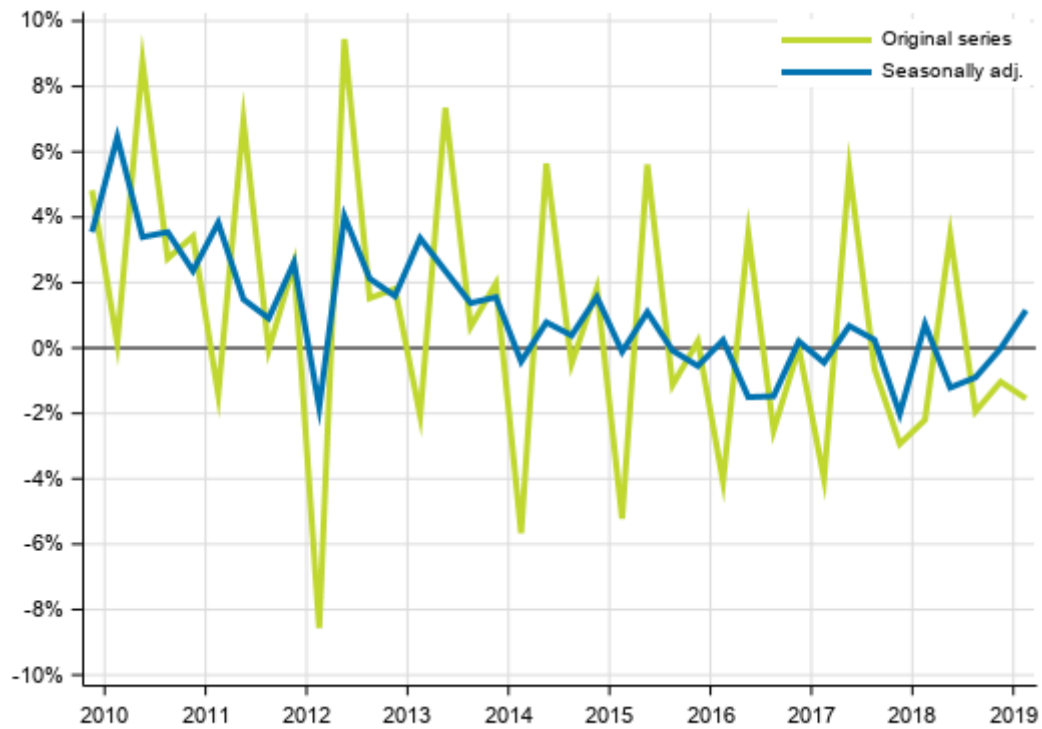
	Household adjusted disposable income, EUR bil.	Change in value from one year ago, %	Volume indicator (1999=100)	Change in volume from one year ago, %
2011Q1	31.7	4.6	122.7	1.4
2011Q2	36.7	5.8	140.8	2.3
2011Q3	34.1	4.2	130.3	0.4
2011Q4	36.8	4.0	139.6	0.6
2012Q1	32.6	2.6	122.1	-0.5
2012Q2	38.1	3.6	141.3	0.3
2012Q3	35.5	4.0	131.2	0.7
2012Q4	37.6	2.4	138.8	-0.6
2013Q1	33.9	4.2	124.0	1.6
2013Q2	38.9	2.2	141.0	-0.3
2013Q3	36.1	1.9	130.8	-0.4
2013Q4	38.5	2.2	138.7	-0.1
2014Q1	33.9	-0.3	121.5	-2.0
2014Q2	39.0	0.2	139.6	-1.0
2014Q3	36.6	1.4	130.9	0.1
2014Q4	39.1	1.6	139.3	0.4
2015Q1	34.7	2.4	123.6	1.8
2015Q2	39.9	2.3	141.8	1.6
2015Q3	37.1	1.2	131.9	0.8
2015Q4	39.4	0.8	139.8	0.4
2016Q1	35.4	2.2	126.5	2.3
2016Q2	40.1	0.6	142.5	0.4
2016Q3	37.3	0.7	132.7	0.6
2016Q4	40.3	2.3	142.8	2.2
2017Q1	36.1	1.9	128.2	1.3
2017Q2	41.1	2.5	145.3	2.0
2017Q3	38.5	3.2	136.4	2.8
2017Q4	40.1	-0.5	141.5	-0.9
2018Q1	37.6	4.0	132.3	3.2
2018Q2	42.0	2.2	146.7	1.0
2018Q3	39.3	2.1	137.1	0.5
2018Q4	41.9	4.4	145.6	2.9
2019Q1	38.4	2.3	134.4	1.6

Appendix figures

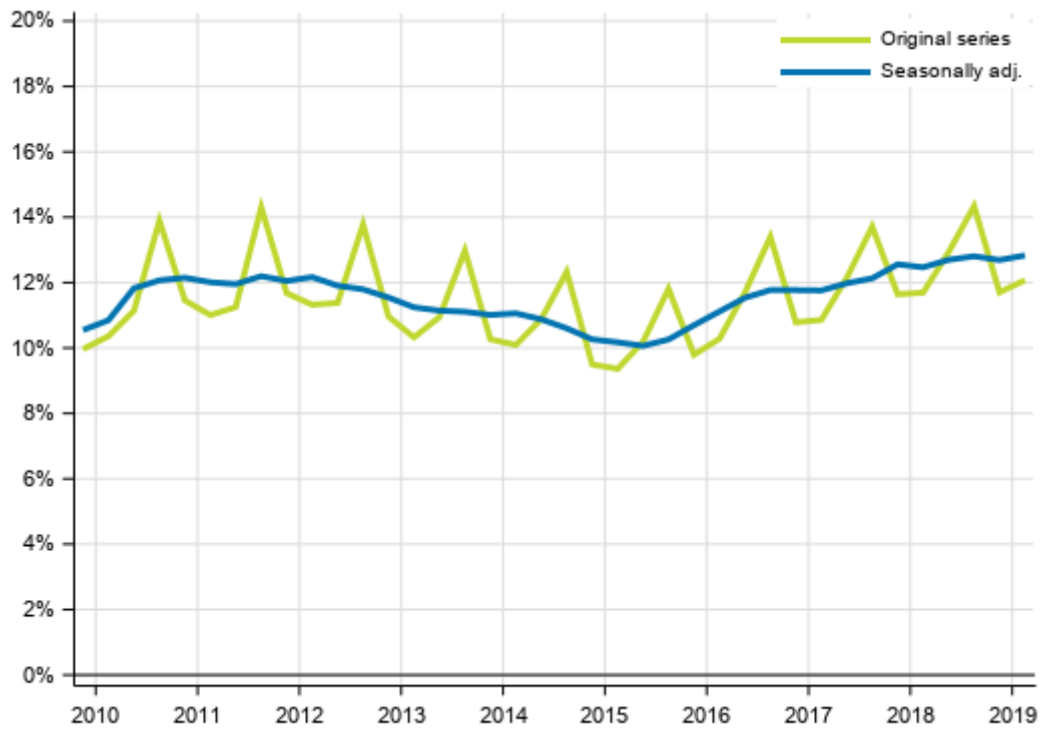
Appendix figure 1. Volume development of households' adjusted disposable income



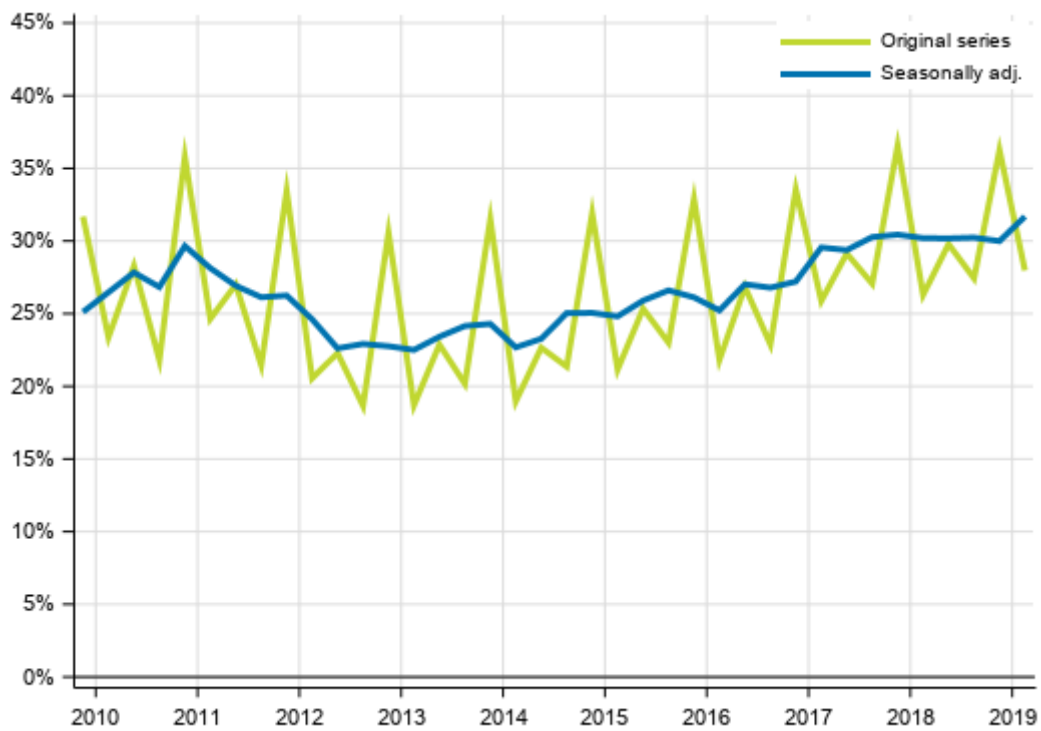
Appendix figure 2. Households' saving rate



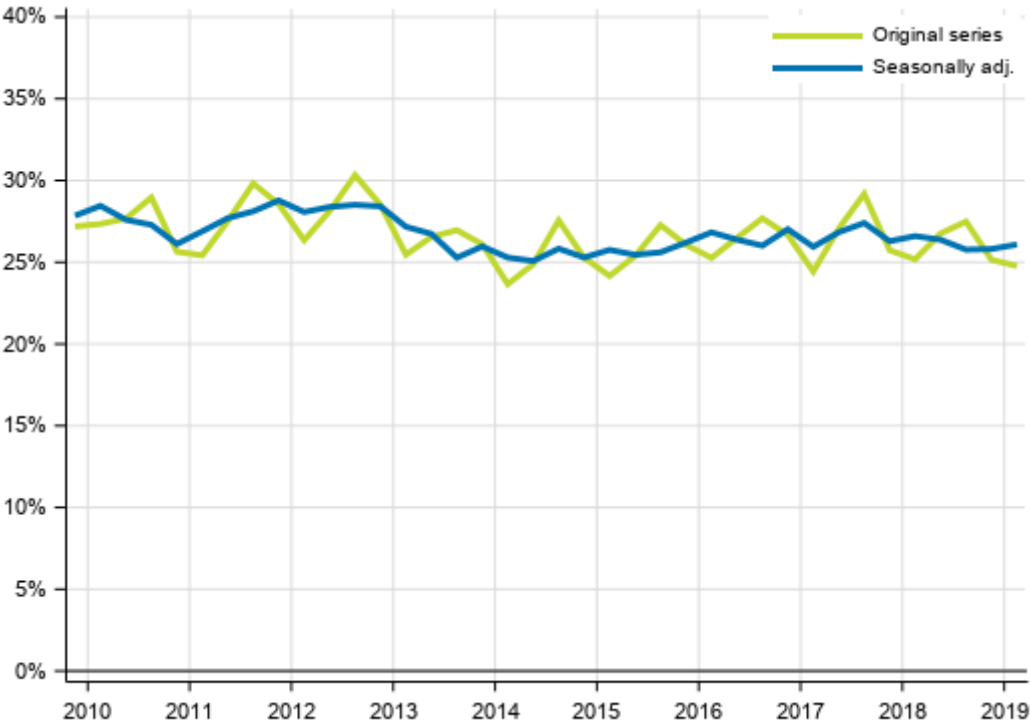
Appendix figure 3. Households' investment rate



Appendix figure 4. Non-financial corporations' profit share



Appendix figure 5. Non-financial corporations' investment rate



Revisions in these statistics

Revisions to the latest quarters' seasonally adjusted key indicators since their initial publications.

		1st release (%)	Latest release (20.6.2019) (%)	Revision (% pts)
Non-financial corporations (S11) profit share	2018Q1	30.0	30.2	0.2
	2018Q2	31.2	30.2	-1.0
	2018Q3	30.7	30.2	-0.5
	2018Q4	30.7	30.0	-0.7
Non-financial corporations (S11) investment rate	2018Q1	28.6	26.6	-2.0
	2018Q2	25.2	26.4	1.2
	2018Q3	24.3	25.8	1.5
	2018Q4	25.6	25.8	0.2
Household (S14) saving rate	2018Q1	0.5	0.7	0.2
	2018Q2	-0.2	-1.2	-1.0
	2018Q3	-0.1	-0.9	-0.8
	2018Q4	0.7	0.0	-0.7
Household (S14) investment rate,	2018Q1	13.0	12.5	-0.5
	2018Q2	13.1	12.7	-0.4
	2018Q3	13.1	12.8	-0.3
	2018Q4	13.1	12.7	-0.4

Inquiries

Jarkko Kaunisto 029 551 3551

Katri Soinne 029 551 2778

Director in charge:

Ville Vertanen

kansantalous.suhdanteet@stat.fi

www.stat.fi

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