

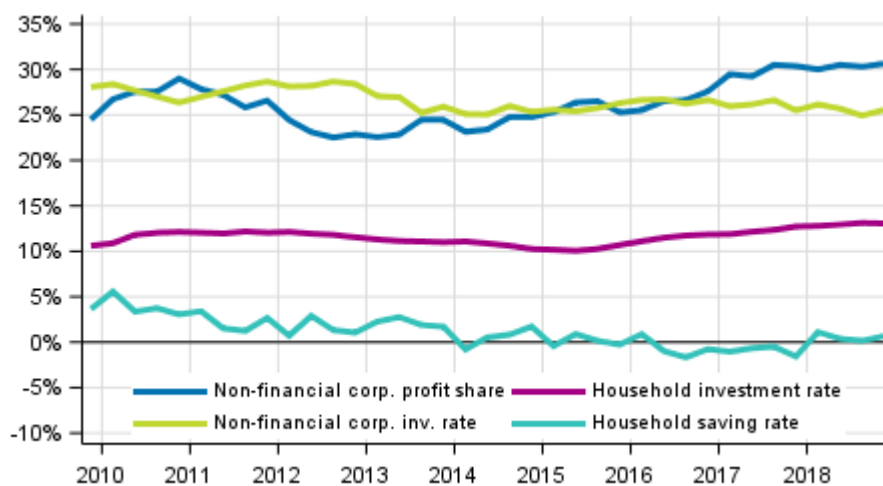
Quarterly sector accounts

2018, 4th quarter

Small growth in the profits and investments of the non-financial corporations sector in the last quarter of 2018

Households' saving rate grew in October to December from the previous quarter. The saving rate remained positive, because disposable income was bigger than consumption expenditure. Households' investment rate remained on level with the previous quarter. The profit share of the non-financial corporations sector grew as value added in the sector grew more than compensation of employees. The investment rate of the non-financial corporations sector also grew slightly. These data derive from Statistics Finland's quarterly sector accounts.

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



In October to December, households' saving rate grew by 0.5 percentage points to 0.7 per cent. The saving rate refers to the share of households' savings in disposable income. Households' investment rate was unchanged, being still 13 per cent. Most of households' investments were investments in dwellings. Households' adjusted disposable income grew by 2.8 per cent adjusted for price changes from the corresponding quarter in 2017. 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 last quarter of 2018, the profit share of non-financial corporations, or the share of profits in value added, grew from the previous quarter by 0.4 percentage points to 30.7 per cent. The investment rate of non-financial corporations, or the proportion of investments in value added, turned to growth after weakening in the past two quarters. The investment rate was 25.6 per cent, which is 0.7 percentage points higher than in the previous quarter.

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.

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 6 March 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:

$$\text{Households' saving rate} = B8N / (B6N + D8R)$$

$$\text{Households' investment rate} = P51K / (B6N + D8R)$$

$$\text{Profit share of non-financial corporations} = B2N / B1NPH$$

$$\text{Investment rate of non-financial corporations} = P51K / B1NPH$$

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.

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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	0.0	10.9
2011Q2	27.0	27.5	7.1	11.2
2011Q3	21.5	29.8	-0.1	14.3
2011Q4	33.4	28.6	1.2	11.8
2012Q1	20.5	26.4	-5.6	11.0
2012Q2	22.3	28.1	9.2	11.4
2012Q3	18.7	30.3	0.9	13.9
2012Q4	30.6	28.5	0.3	11.1
2013Q1	18.5	25.5	-1.2	10.2
2013Q2	22.9	26.6	7.5	10.9
2013Q3	20.3	26.9	0.8	13.0
2013Q4	31.5	26.1	1.0	10.4
2014Q1	18.8	23.7	-4.4	10.0
2014Q2	22.7	24.9	5.8	10.9
2014Q3	21.4	27.5	-0.7	12.4
2014Q4	31.9	25.3	0.8	9.6
2015Q1	21.3	24.1	-3.8	9.2
2015Q2	25.4	25.4	5.8	10.2
2015Q3	23.1	27.3	-1.3	11.8
2015Q4	32.6	26.1	-1.0	9.9
2016Q1	21.8	25.3	-2.7	10.1
2016Q2	26.6	26.5	3.7	11.7
2016Q3	23.0	27.7	-2.6	13.4
2016Q4	33.7	26.7	-1.3	10.9
2017Q1	26.4	24.3	-3.8	10.9
2017Q2	29.3	26.0	4.1	12.4
2017Q3	26.8	28.3	-1.6	14.0
2017Q4	36.2	25.6	-2.9	11.8
2018Q1	26.7	24.5	-1.0	11.9
2018Q2	29.7	25.8	4.2	13.3
2018Q3	27.5	26.2	-0.7	14.7
2018Q4	36.7	25.6	-0.5	12.0

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	27.8	27.0	3.4	12.0
2011Q2	27.2	27.6	1.5	12.0
2011Q3	25.8	28.2	1.2	12.2
2011Q4	26.6	28.7	2.7	12.0
2012Q1	24.4	28.1	0.7	12.1
2012Q2	23.1	28.2	2.9	11.9
2012Q3	22.5	28.7	1.3	11.8

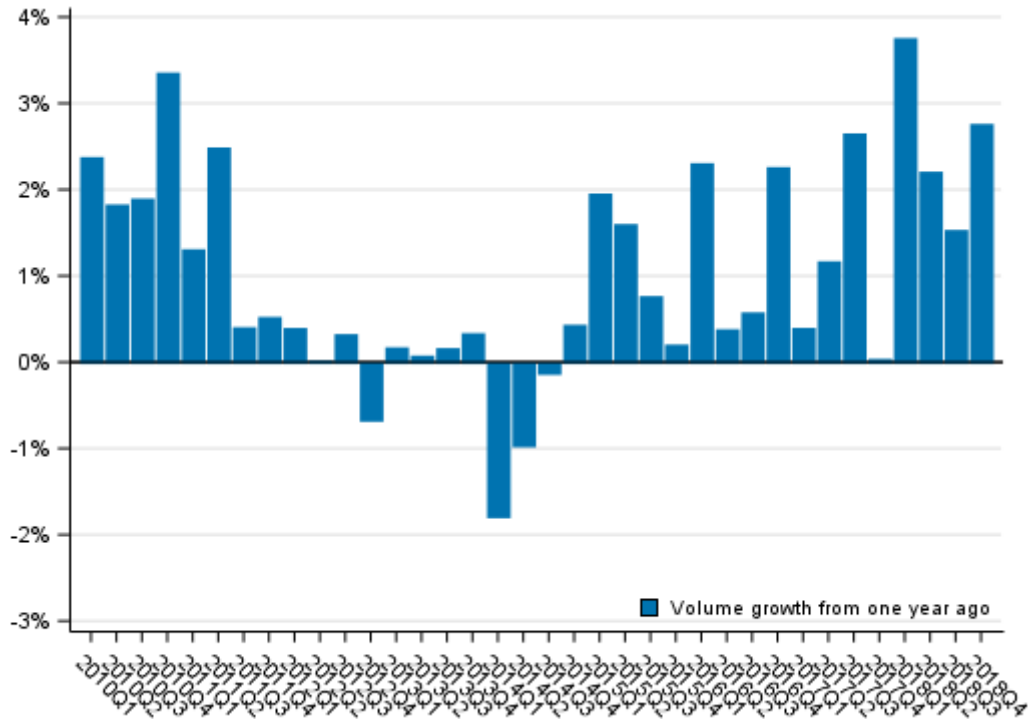
	Non-financial corporations (S11) profit share, %	Non-financial corporations (S11) investment rate, %	Household (S14) saving rate, %	Household (S14) investment rate, %
2012Q4	22.9	28.4	1.1	11.5
2013Q1	22.6	27.1	2.3	11.3
2013Q2	22.9	26.9	2.8	11.1
2013Q3	24.5	25.2	1.9	11.1
2013Q4	24.5	25.9	1.7	11.0
2014Q1	23.1	25.1	-0.8	11.1
2014Q2	23.4	25.1	0.5	10.9
2014Q3	24.8	26.0	0.8	10.6
2014Q4	24.8	25.3	1.7	10.3
2015Q1	25.3	25.6	-0.4	10.2
2015Q2	26.4	25.4	0.9	10.1
2015Q3	26.5	25.7	0.2	10.3
2015Q4	25.3	26.3	-0.3	10.7
2016Q1	25.5	26.6	0.9	11.1
2016Q2	26.5	26.7	-1.0	11.5
2016Q3	26.6	26.2	-1.7	11.8
2016Q4	27.6	26.7	-0.8	11.8
2017Q1	29.5	25.9	-1.0	11.9
2017Q2	29.2	26.2	-0.7	12.2
2017Q3	30.5	26.6	-0.5	12.3
2017Q4	30.4	25.5	-1.6	12.7
2018Q1	30.0	26.2	1.1	12.8
2018Q2	30.5	25.7	0.4	12.9
2018Q3	30.3	24.9	0.2	13.1
2018Q4	30.7	25.6	0.7	13.1

Appendix table 3. Volume development of household adjusted disposable income

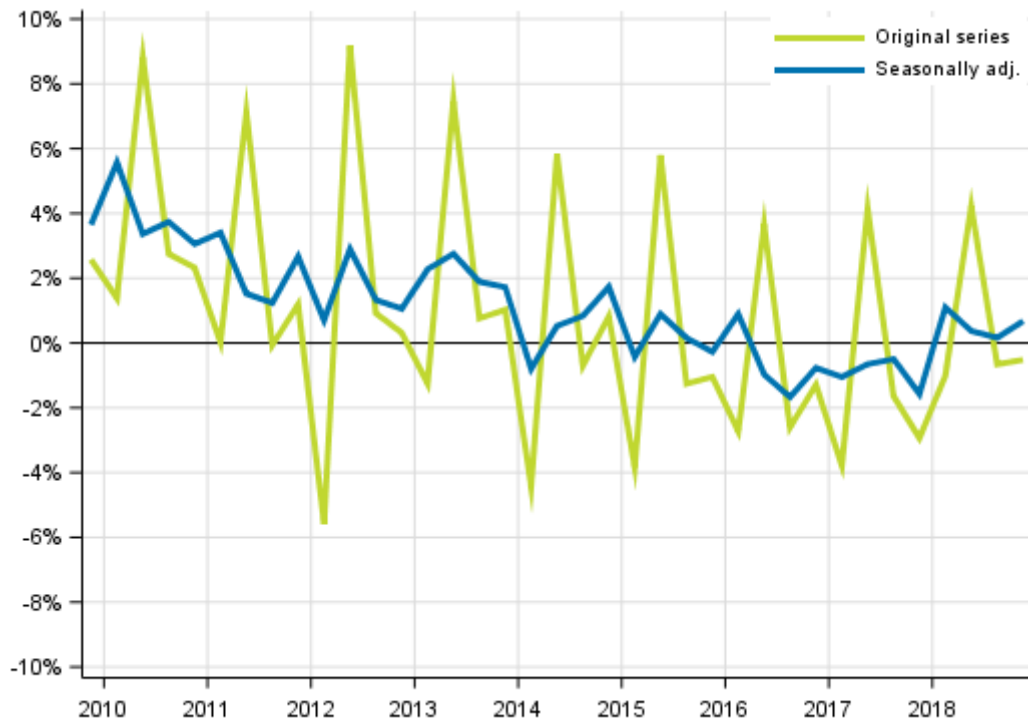
	Household adjusted disposable income, EUR bil.	Change in value from one year ago, %	Volume indicator (1999=100)	Change in volume from one year ago, %
2011Q1	32.0	4.5	123.9	1.3
2011Q2	36.8	6.0	141.1	2.5
2011Q3	34.1	4.2	130.4	0.4
2011Q4	36.4	4.0	138.3	0.5
2012Q1	33.2	3.5	124.4	0.4
2012Q2	38.0	3.3	141.1	0.0
2012Q3	35.3	3.6	130.8	0.3
2012Q4	37.2	2.3	137.4	-0.7
2013Q1	34.1	2.8	124.6	0.2
2013Q2	38.9	2.5	141.2	0.1
2013Q3	36.2	2.5	131.0	0.2
2013Q4	38.2	2.7	137.8	0.3
2014Q1	34.1	0.0	122.4	-1.8
2014Q2	39.0	0.2	139.9	-1.0
2014Q3	36.6	1.1	130.8	-0.1
2014Q4	38.8	1.6	138.4	0.4
2015Q1	35.0	2.5	124.8	2.0
2015Q2	39.9	2.3	142.1	1.6
2015Q3	37.0	1.1	131.8	0.8
2015Q4	39.1	0.6	138.7	0.2
2016Q1	35.7	2.2	127.7	2.3
2016Q2	40.1	0.5	142.7	0.4
2016Q3	37.3	0.8	132.6	0.6
2016Q4	40.0	2.3	141.8	2.3
2017Q1	36.1	1.0	128.2	0.4
2017Q2	40.8	1.7	144.3	1.2
2017Q3	38.4	3.0	136.1	2.7
2017Q4	40.2	0.7	141.9	0.0
2018Q1	37.8	4.6	133.0	3.8
2018Q2	42.2	3.5	147.5	2.2
2018Q3	39.7	3.3	138.2	1.5
2018Q4	42.0	4.5	145.8	2.8

Appendix figures

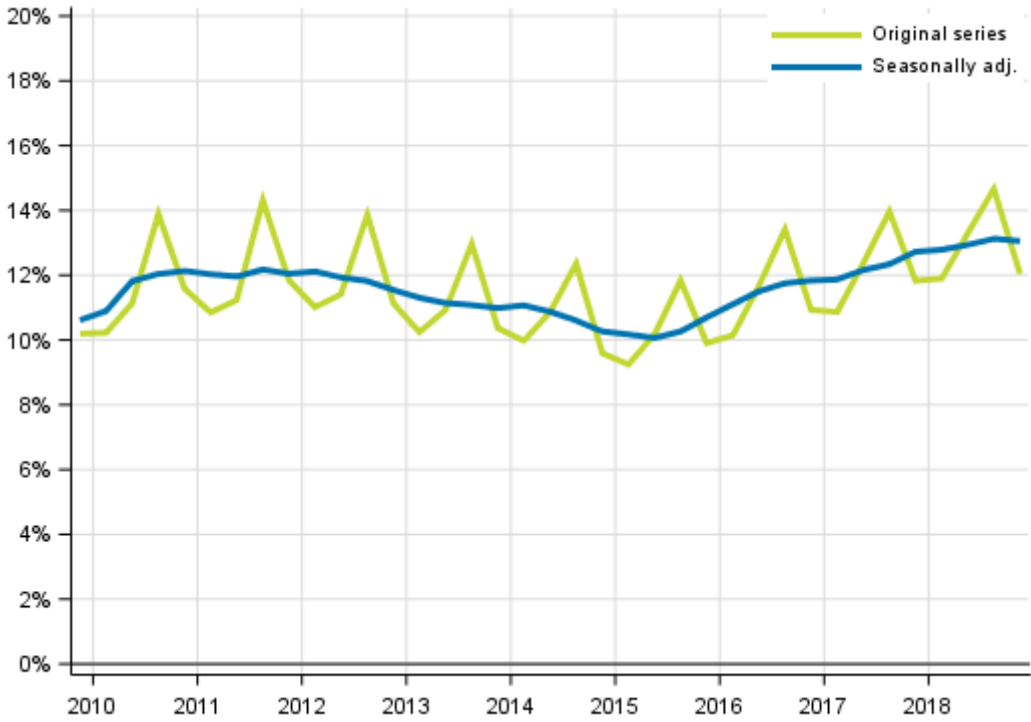
Appendix figure 1. Volume development of households' adjusted disposable income



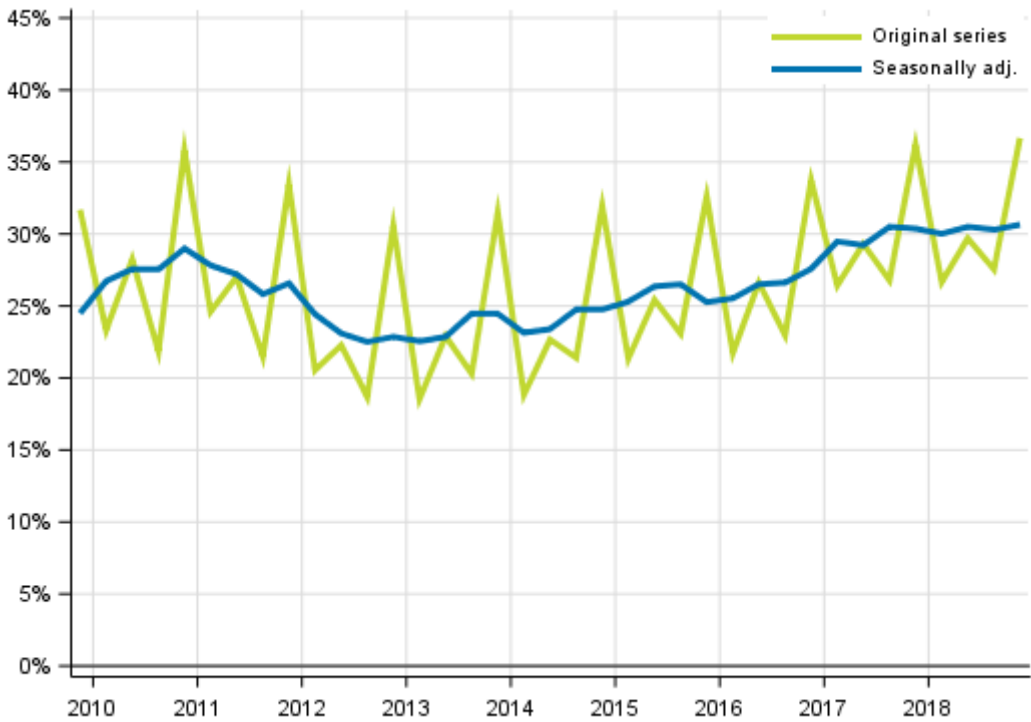
Appendix figure 2. Households' saving rate



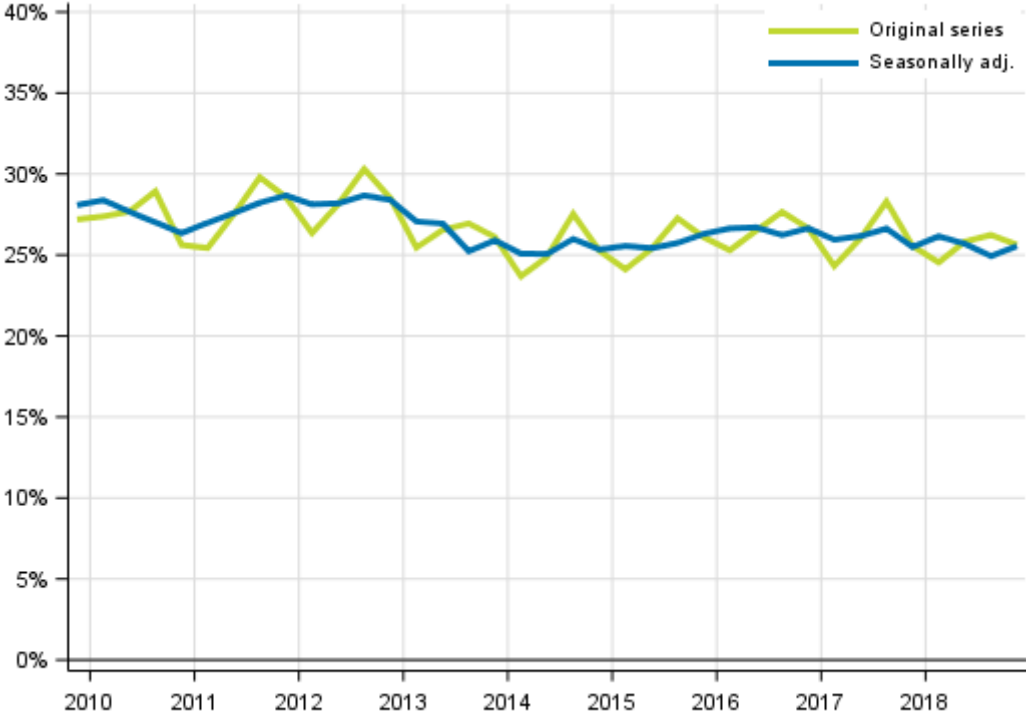
Appendix figure 3. Households' investment rate



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 (15.3.2019) (%)	Revision (% pts)
Non-financial corporations (S11) profit share	2017Q4	29.6	30.4	0.8
	2018Q1	30.0	30.0	0.0
	2018Q2	31.2	30.5	-0.7
	2018Q3	30.7	30.3	-0.4
Non-financial corporations (S11) investment rate	2017Q4	27.4	25.5	-1.9
	2018Q1	28.6	26.2	-2.4
	2018Q2	25.2	25.7	0.5
	2018Q3	24.3	24.9	0.6
Household (S14) saving rate	2017Q4	-2.0	-1.6	0.4
	2018Q1	0.5	1.1	0.6
	2018Q2	-0.2	0.4	0.6
	2018Q3	-0.1	0.2	0.3
Household (S14) investment rate,	2017Q4	12.7	12.7	0.0
	2018Q1	13.0	12.8	-0.2
	2018Q2	13.1	12.9	-0.2
	2018Q3	13.1	13.1	0.0

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Source: Sector accounts, Statistics Finland