



# BANK OF FINLAND

*Monthly Bulletin*

**SITRA - Finnish National Fund for  
Research and Development**

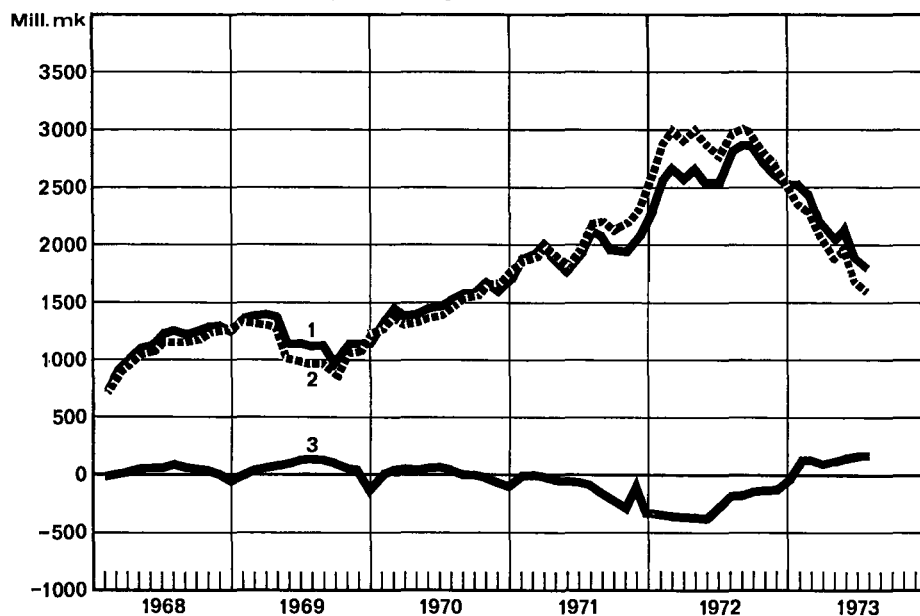
**The National Board of Trade and  
Consumer Interests**

**Foreign Stand-by Credits**

**SEPTEMBER 1973**

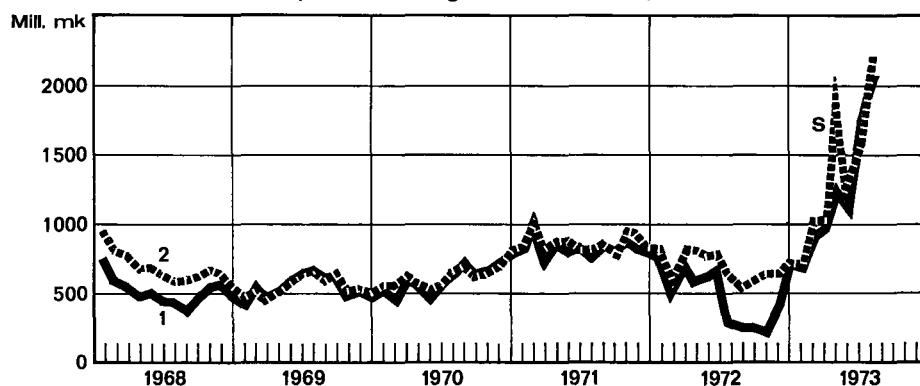
**Vol. 47 No. 9**

Bank of Finland foreign exchange reserve, 1968 - 1973



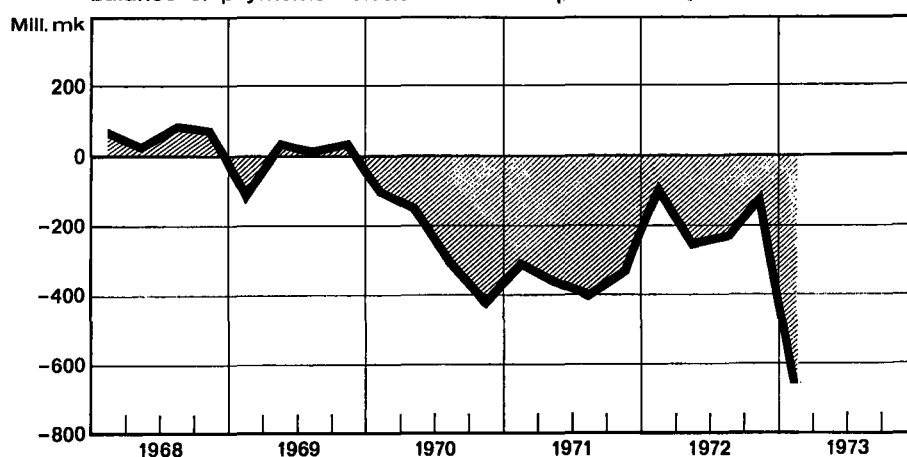
1. Total gold and foreign exchange
2. Gold and convertible currencies
3. Other currencies

Bank of Finland's position in regard to the banks, 1968 - 1973



1. Net claims on the banks
  2. Discounted and rediscounted bills
- Seasonally adjusted end-of-month figures

Balance of payments current account surplus / deficit, 1968 - 1973



Seasonally adjusted quarterly figures

# SITRA — FINNISH NATIONAL FUND FOR RESEARCH AND DEVELOPMENT

SITRA or the Finnish National Fund for Research and Development was founded in 1967 to commemorate the fiftieth anniversary of Finland's independence. At this time the rules of the Fund were confirmed by Parliament and the Bank of Finland granted 100 million marks in bonds and securities to be used as the basic capital of the Fund. In 1972 the capital was raised to 200 million marks. The annual yield on the capital, totalling about 17 million marks, may be used for the purposes for which the Fund was established. In addition, SITRA may use any repayments of funds appropriated previously. The Board of Management of the Bank of Finland presents possible projects to the Bank Supervisors of Parliament who then make the final decision.

SITRA was set up to provide finance for research and development projects which have a distinct economic character, but which involve so great a risk or which require so much money that the entrepreneur cannot undertake the project alone even though the potential benefit may be great. Projects are assessed in light of their relevance for increasing the country's economic growth rate, for making the use of resources more efficient, for bettering the allocation of the public sector's funds and for improving the environment.

At present, SITRA engages in three major lines of activity: the support of product development or other risky entrepreneurial or research projects, contract investigations and the organization of meetings and seminars. SITRA may contract out research projects which it considers to be of great importance. The results of these investigations are then the property of SITRA, and the Fund may use them as it sees fit.

If a technological project leads to the planned result, the beneficiary is under obligation to make a certain repayment which is agreed upon in advance. This repayment is generally in the form of a royalty of a set size and with a fixed term. If the project does not seem to be leading to the desired results, or if, for instance, the marketing prospects for a products under development have become distinctly poorer, SITRA is entitled to break off its financing. About a third of the funds distributed has been granted without the obligation to repay. These funds have been used to finance investigations which are considered important for the economy, but for which there are no other appropriate sources of finance.

During its first five and half years of operation, SITRA financed 394 projects, for which about 77 million marks was granted. About two thirds of this amount were granted for technological projects. The use of the funds granted is shown by beneficiary and by purpose in the table on page 2.

Machinery and electronics clearly rank at the top of the industrial category. In the first category, projects for developing processing and automation techniques, and in the second category, projects for developing automation, data processing and component technology have received a substantial part of SITRA's fund.

During its first years of operation, SITRA was the only major public body in Finland to provide significant support for technological product development and research. Subsequently the Ministry of Trade and Industry increased its appropriations for industrial product development. Accordingly, SITRA has been able

**FUNDS GRANTED BY SITRA IN JANUARY 1,  
1968 — JUNE 30, 1973**

	Number	Amount (in 1000 marks)
Break-down by beneficiary		
Enterprises	207	53 185
Universities, university colleges and research institutions	71	10 318
Special research teams	87	9 934
Other beneficiaries	29	3 380
Total	394	76 817
Break-down by purpose		
Agriculture and forestry	18	4 478
Manufacturing		
wood-processing industry	12	4 696
chemical industry	24	8 532
electronics and electrical industry	83	18 548
basic metal industries, mining metal- lurgy	11	1 250
manufacture of machinery and metal products	114	21 846
other technological projects	19	3 070
Construction, community planning	23	4 040
Data processing and communication	15	2 612
Administration and education	19	1 305
Environmental protection	14	2 046
Futurology	5	790
Marketing, new industrial branches	10	704
Other fields of research	27	2 900
Total	394	76 817

to pay more attention to projects for which there are no other sources of finance; the Fund has also turned to new fields.

The provision of guarantees for commercial reference installations is the most important of the new activities started during the past year. The guarantee activity, by which SITRA assumes part of the risk involved in delivering complex installations, is designed to put new techniques into operation rapidly in cases in which full-scale prototype experiments are not possible. To cover the risk of commercial reference installations, SITRA may grant funds which will be available for unexpected alterations.

It is difficult to assess reliably either the success of the technical projects financed by SITRA or the Fund's rôle in the overall development of the Finnish economy because the Fund is still rather young and most of the projects are long-term. Of the 92 projects completed by enterprises before the end of 1972, 48 per cent can be regarded as successful and 27 per cent as unsuccessful; it is not yet possible to evaluate the other projects.

August 24, 1973

## BANK OF FINLAND

Mill. mk

	1972		1973			
	Aug. 31	Dec. 29	Aug. 8	Aug. 15	Aug. 23	Aug. 31
<b>Assets</b>						
Gold and other foreign assets	3 286	2 912	2 174	2 161	2 126	2 360
Gold	205	205	205	205	205	205
Special drawing rights	283	283	285	285	285	285
IMF gold tranche	268	268	268	268	268	268
Foreign exchange	2 317	1 929	1 158	1 148	1 119	1 355
Foreign bills	103	110	121	118	112	110
Foreign bonds	110	117	137	137	137	137
Claims on domestic banks	494	758	2 091	2 026	2 421	1 784
Discounted bills	488	752	2 004	1 946	2 340	1 776
Rediscounted bills	1	1	0	0	0	0
Cheque accounts	5	5	87	80	81	8
Other lending	303	316	343	348	342	342
Inland bills discounted						
In foreign currency	—	—	—	—	—	—
In Finnish marks	63	44	53	53	52	52
Loans	240	272	290	295	290	290
Other assets	684	607	601	601	600	728
Finnish bonds	110	47	34	34	33	158
Finnish coin	28	25	32	33	33	35
Currency subscription to Finland's quota						
in the IMF	530	530	530	530	530	530
Other claims	16	5	5	4	4	5
<b>Total</b>	<b>4 767</b>	<b>4 593</b>	<b>5 209</b>	<b>5 136</b>	<b>5 489</b>	<b>5 214</b>
<b>Liabilities</b>						
Notes in circulation	1 474	1 730	1 638	1 635	1 650	1 693
Liabilities payable on demand	479	136	320	239	565	212
Foreign exchange accounts	144	78	47	67	69	106
Mark accounts of holders abroad	31	43	52	54	52	50
Cheque accounts						
Treasury	43	1	42	48	47	29
Post Office Bank	249	2	160	51	373	5
Private banks	—	—	—	—	—	—
Other	1	1	1	1	1	1
Other sight liabilities	11	11	18	18	23	21
Term liabilities	1 048	899	1 460	1 460	1 453	1 625
Foreign	—	—	—	—	—	—
Domestic	1 048	899	1 460	1 460	1 453	1 625
IMF mark accounts	530	530	530	530	530	530
Allocations of special drawing rights	258	258	258	258	258	258
Equalization accounts	251	286	256	266	283	145
Bank's own funds	727	754	747	748	750	751
Capital	600	600	600	600	600	600
Reserve fund	74	74	114	114	114	114
Profits undisposed	—	—	—	—	—	—
Earnings less expenses (Dec. 31, Net profit)	53	80	33	34	36	37
<b>Total</b>	<b>4 767</b>	<b>4 593</b>	<b>5 209</b>	<b>5 136</b>	<b>5 489</b>	<b>5 214</b>

## BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1—2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4—5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7—8)
	1	2	3	4	5	6	7	8	9
1966	556	61	495	81	101	475	10	40	— 30
1967	701	75	626	98	354	370	— 7	4	— 11
1968	1 353	62	1 291	125	34	1 382	—354	3	—357
1969	1 268	92	1 176	517	360	1 333	—196	4	—200
1970	1 844	106	1 738	639	518	1 859	—118	2	—120
1971	2 620	327	2 293	686	530	2 449	— 15	2	— 17
1972	2 685	121	2 564	757	530	2 791	— 2	1	— 3
1972									
June	2 865	282	2 583	732	530	2 785	— 3	36	— 39
July	3 028	181	2 847	748	530	3 065	— 3	35	— 38
Aug.	3 073	175	2 898	743	530	3 111	— 3	43	— 46
Sept.	3 034	137	2 897	741	530	3 108	— 2	48	— 50
Oct.	2 881	134	2 747	742	530	2 959	— 2	43	— 45
Nov.	2 791	146	2 645	740	530	2 855	— 2	47	— 49
Dec.	2 685	121	2 564	757	530	2 791	— 2	1	— 3
1973									
Jan.	2 629	70	2 559	748	530	2 777	— 2	43	— 45
Feb.	2 530	70	2 460	740	530	2 670	— 2	47	— 49
March	2 287	75	2 212	737	530	2 419	— 2	41	— 43
April	2 177	73	2 104	752	530	2 326	— 2	46	— 48
May	2 280	90	2 190	762	530	2 422	— 1	41	— 42
June	1 985	75	1 910	771	530	2 151	— 1	5	— 6
July	1 931	96	1 835	791	530	2 096	— 1	44	— 45
Aug.	2 113	156	1 957	777	530	2 204	— 1	29	— 30

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1972			Net holdings, June 30, 1973			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	June	Jan.-June
Gold	205	—	205	205	—	205	—	—
Special drawing rights	283	—	283	285	—	285	—	+ 2
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 814	463	2 277	952	395	1 347	— 44	—930
Other currencies	— 6	— 3	— 9	200	— 15	185	+ 16	+194
Total	2 564	460	3 024	1 910	380	2 290	— 28	—734

## BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks					Other					Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts <sup>1</sup>	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)	
				Private banks <sup>2</sup>	Post Office Bank <sup>2</sup>						
1	2	3	4	5	6	7	8	9	10	11	
1966	—	915	—	14	17	884	180	85	72	193	1 106
1967	—	868	—	155	35	678	197	383	56	524	1 052
1968	—	618	107	163	16	546	186	195	43	338	1 160
1969	—	550	87	93	12	532	192	269	25	436	1 298
1970	827	9	3	1	4	834	137	246	528	—145	1 344
1971	848	1	—	9	2	838	121	234	908	—553	1 479
1972	752	1	5	—	2	756	44	277	909	—588	1 730

## 1972

June	860	1	—	6	154	701	67	261	1 096	-768	1 555
July	616	1	19	—	347	289	63	256	1 072	-753	1 513
Aug.	488	1	5	—	249	245	63	256	1 057	-738	1 474
Sept.	661	1	15	—	388	289	63	248	977	-666	1 557
Oct.	753	1	29	—	507	276	65	262	949	-622	1 507
Nov.	787	1	17	—	312	493	57	265	937	-615	1 556
Dec.	752	1	5	—	2	756	44	277	909	-588	1 730

## 1973

Jan.	621	1	9	—	18	613	40	273	911	-598	1 497
Feb.	828	1	56	—	162	723	40	275	900	-585	1 521
March	986	1	17	—	16	988	41	291	891	-559	1 562
April	2 036	1	—	3	768	1 266	43	293	1 033	-697	1 937
May	1 363	1	—	4	22	1 338	47	297	1 030	-686	1 795
June	1 696	1	25	—	1	1 721	50	301	1 211	-860	1 829
July	2 060	0	60	—	156	1 964	51	297	1 477	-1 129	1 695
Aug.	1 776	0	8	—	5	1 779	52	295	1 646	-1 299	1 693

<sup>1</sup> Including special index accounts.<sup>2</sup> Including cash reserve accounts.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

August 27, 1973

New York <sup>1</sup>	1 \$	3.706	Frankfurt o. M.	100 DM	151.40	Vienna	100 S	20.57
Montreal	1 \$	3.690	Amsterdam	100 Fl	138.10	Lisbon	100 Esc	16.05
London	1 £	9.110	Brussels <sup>2</sup>	100 Fr		Reykjavik	100 Kr	4.28
Stockholm	100 Kr	88.60	Zurich	100 Fr	122.60	Madrid	100 Pta	6.55
Oslo	100 Kr	66.60	Paris <sup>3</sup>	100 FF		Moscow <sup>5</sup>	1 Rbl	5.211
Copenhagen	100 Kr	64.50	Rome <sup>4</sup>	100 Lit				

<sup>1</sup> As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.<sup>2</sup> 9.880 commercial rate; 9.760 financial rate.<sup>3</sup> 86.10 commercial rate; 85.50 financial rate.<sup>4</sup> 0.6590 commercial rate; 0.6350 financial rate.<sup>5</sup> Clearing account: also Bucharest.

# DEPOSITS BY THE PUBLIC

Mill. mk

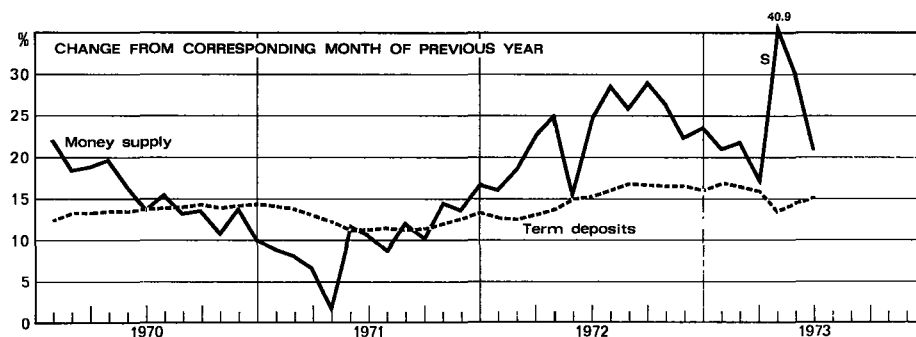
End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commer- cial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commer- cial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1966	639.8	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970	1 142.7	1 507.7	603.3	6 098.7	4 846.9	3 458.4	1 287.6	574.2	16 265.8	18 376.8
1971	1 343.2	1 733.5	754.4	6 961.4	5 446.4	3 876.6	1 491.4	642.3	18 418.1	20 906.0
1972*	1 851.2	2 371.9	979.2	8 095.8	6 232.1	4 499.2	1 805.6	720.0	21 352.7	24 703.8

## 1972\*

June	1 542.5	1 927.3	850.0	7 236.5	5 675.7	4 106.5	1 599.3	674.5	19 292.5	22 069.8
July	1 655.1	2 046.3	779.9	7 341.4	5 728.4	4 150.2	1 619.5	677.1	19 516.6	22 342.8
Aug.	1 637.3	2 078.4	793.6	7 418.0	5 813.8	4 218.5	1 634.3	678.4	19 763.0	22 635.0
Sept.	1 568.9	2 009.4	852.1	7 491.7	5 882.5	4 270.0	1 669.2	695.4	20 008.8	22 870.3
Oct.	1 735.6	2 181.9	793.0	7 567.4	5 934.6	4 311.5	1 693.8	697.2	20 204.5	23 179.4
Nov.	1 689.1	2 140.7	797.0	7 658.3	6 018.3	4 396.2	1 727.8	700.9	20 501.5	23 439.2
Dec.	1 851.2	2 371.9	979.2	8 095.8	6 232.1	4 499.2	1 805.6	720.0	21 352.7	24 703.8

## 1973\*

Jan.	1 849.2	2 315.5	944.6	8 190.6	6 327.8	4 583.8	1 839.0	729.6	21 670.8	24 930.9
Feb.	1 796.9	2 261.8	1 047.7	8 221.3	6 399.2	4 655.8	1 866.7	737.5	21 880.5	25 190.0
March	1 649.4	2 132.3	989.5	8 197.1	6 412.9	4 672.2	1 869.7	742.3	21 894.2	25 016.0
April	1 660.4	2 144.0	1 488.1	8 028.9	6 325.3	4 647.3	1 892.5	747.5	21 641.5	25 273.6
May	1 919.5	2 512.9	1 037.9	8 259.6	6 462.6	4 712.7	1 893.8	753.0	22 081.7	25 632.5
June	1 816.1	2 292.4	1 092.5	8 345.6	6 490.8	4 699.2	1 926.3	752.0	22 213.9	25 598.8
July	1 754.2	2 236.9	1 041.5	8 326.0	6 506.9	4 735.7	1 950.5	757.7	22 276.8	25 555.2





# ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

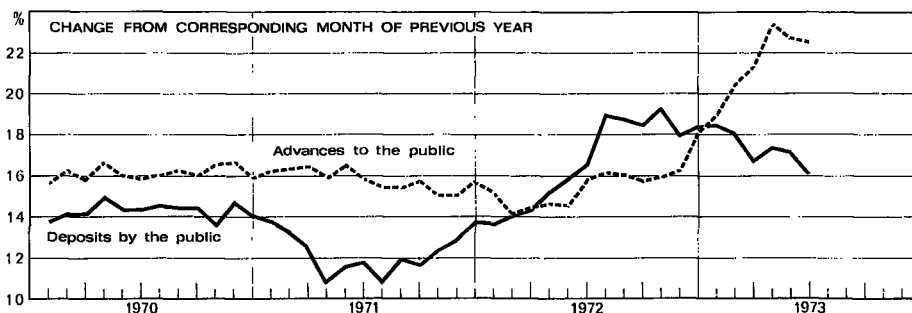
End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1966	5 205.4	2 951.4	2 261.0	779.6	908.8	11 618.1	488.1	12 106.2	2 181
1967	5 558.9	3 247.7	2 424.3	864.9	1 026.9	12 583.8	538.9	13 122.7	2 146
1968	5 865.5	3 448.4	2 600.5	927.9	1 053.0	13 392.0	503.3	13 895.3	2 642
1969	6 892.2	3 802.8	2 922.1	1 039.8	1 290.4	15 354.4	592.9	15 947.3	3 126
1970	7 963.5	4 342.1	3 403.8	1 341.9	1 454.0	17 814.9	690.4	18 505.3	3 445
1971	9 233.7	4 795.6	3 834.0	1 746.6	1 799.1	20 639.8	769.2	21 409.0	4 025
1972*	10 667.3	5 505.6	4 482.2	2 244.8	2 374.4	24 475.0	799.3	25 274.3	4 959

1972\*

June	9 887.3	5 052.3	4 074.7	1 943.4	1 975.1	22 074.8	858.0	22 932.8	4 275
July	9 867.9	5 101.2	4 124.7	1 963.3	2 086.5	22 332.1	811.5	23 143.6	4 247
Aug.	9 865.5	5 167.3	4 187.4	2 022.3	2 103.7	22 540.1	806.1	23 346.2	4 268
Sept.	10 038.7	5 253.3	4 269.7	2 095.4	2 135.6	22 957.3	835.4	23 792.7	4 408
Oct.	10 214.8	5 335.2	4 357.3	2 087.0	2 171.6	23 370.8	795.1	24 165.9	4 422
Nov.	10 386.3	5 429.3	4 417.6	2 107.8	2 229.2	23 758.6	811.6	24 570.2	4 418
Dec.	10 667.3	5 505.6	4 482.2	2 244.8	2 374.4	24 475.0	799.3	25 274.3	4 959

1973\*

Jan.	10 788.6	5 590.5	4 525.4	2 344.4	2 438.0	24 878.1	808.8	25 686.9	4 627
Feb.	11 007.4	5 659.5	4 593.6	2 399.7	2 446.4	25 249.9	856.7	26 106.6	4 757
March	11 284.3	5 732.6	4 626.6	2 538.3	2 450.7	25 699.4	933.1	26 632.5	4 644
April	11 839.6	5 829.5	4 681.0	2 648.4	2 490.1	26 490.4	998.2	27 488.6	5 584
May	11 805.2	5 876.4	4 730.2	2 777.4	2 486.8	26 806.2	869.8	27 676.0	5 225
June	12 074.3	5 954.0	4 788.3	2 790.3	2 510.9	27 180.8	937.0	28 117.8	5 170
July	12 238.0	6 005.7	4 833.9	2 854.7	2 547.8	27 520.3	959.8	28 480.1	..



## Mill. mk

<sup>1</sup> Including supplementary turnover tax and import-equalization tax from June 1971.

8

# FOREIGN TRADE

Mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1967	5 231	5 794	— 563
1968	6 874	6 711	+ 163
1969	8 345	8 505	— 160
1970	9 687	11 071	—1 384
1971	9 897	11 734	—1 837
1972*	12 082	13 107	—1 025

1972*			
Aug.	832	999	—167
Sept.	1 171	1 092	+ 79
Oct.	1 019	1 215	—196
Nov.	1 135	1 257	—122
Dec.	1 175	1 207	— 32

1973*			
Jan.	1 074	1 391	— 317
Feb.	1 079	1 104	— 25
March	1 167	1 384	— 217
April	938	1 288	— 350
May	1 336	1 460	— 124
June	925	1 107	— 182

Jan.-June			
1972*	5 757	6 237	— 480
1973*	6 519	7 734	—1 215

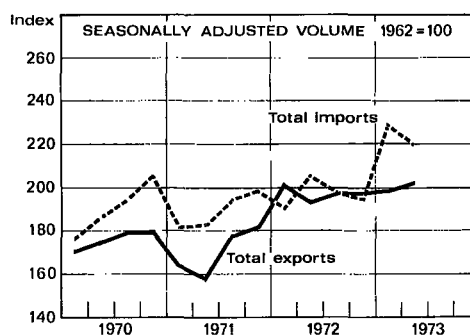
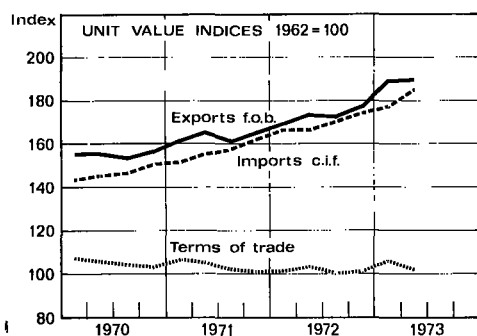
Period	Indices of exports and imports 1962 = 100				
	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
1967	129	135	115	110	105
1968	143	129	136	132	103
1969	167	160	141	135	104
1970	176	192	156	147	106
1971	171	190	164	157	104
1972*	197	196	174	170	102

1971					
Jan.-Mar.	152	169	162	152	107
Apr.-June	157	182	166	156	106
July-Sept.	176	184	162	158	103
Oct.-Dec.	198	223	166	163	102

1972					
Jan.-Mar.	192	179	170	167	102
Apr.-June	187	200	174	167	104
July-Sept.	197	190	173	171	101
Oct.-Dec.	212	215	178	175	102

1973 <sup>1</sup>					
Jan.-Mar.	197	222	190	178	107
Apr.-June	190	211	191	186	103

<sup>1</sup> The 1973 figures have been calculated by converting the final 1972 Fisher index with the percentage change in the 1973—1972 Laspeyres index.



# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agri- cultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products	Other goods	Raw materials and pro- ducer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1967	261	54	866	2 384	1 081	585	2 546	668	1 463	1 117
1968	327	56	1 158	2 994	1 566	773	3 023	874	1 525	1 289
1969	360	72	1 400	3 374	2 012	1 127	3 693	949	2 229	1 634
1970	426	88	1 544	3 789	2 437	1 403	4 918	1 243	2 906	2 004
1971	547	89	1 653	3 721	2 323	1 564	4 639	1 557	3 427	2 111
1972*	634	56	1 824	4 253	3 246	2 069	5 238	1 626	3 586	2 657

## 1972\*

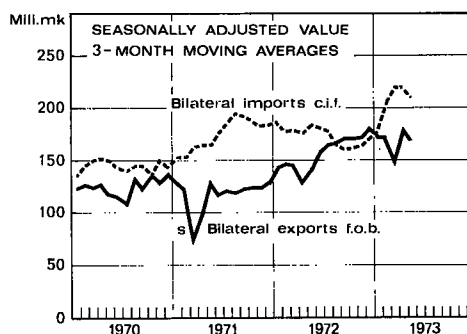
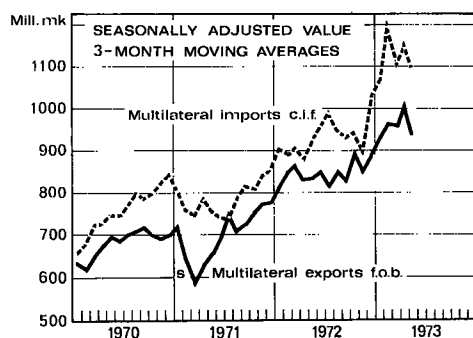
Aug.	30	4	145	319	172	162	413	144	241	201
Sept.	55	7	199	420	248	242	451	143	269	229
Oct.	45	4	170	343	257	200	480	167	309	259
Nov.	41	8	189	380	310	207	508	162	313	274
Dec.	71	3	186	438	281	196	523	139	303	242

## 1973\*

Jan.	89	6	175	359	279	166	556	164	364	307
Feb.	24	6	159	398	308	184	444	86	311	263
March	83	3	166	424	271	220	532	101	415	336
April	49	5	142	350	219	173	501	125	344	318
May	71	6	202	463	388	206	579	117	458	306
June	34	3	103	249	369	167	454	123	308	222

## Jan.-June

1972*	345	20	762	1 990	1 711	929	2 463	683	1 839	1 252
1973*	350	29	947	2 243	1 834	1 116	3 066	716	2 200	1 752



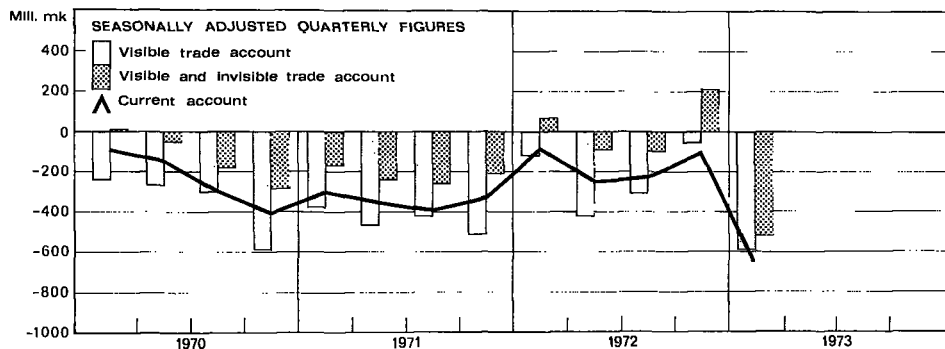
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—June				January—June			
	1972*		1973*		1972*		1973*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	72.8	4 193	71.0	4 625	75.2	4 688	74.3	5 744
Austria	0.9	50	1.1	73	1.5	91	1.7	130
Belgium-Luxembourg	1.6	95	1.7	108	1.9	116	2.2	170
Denmark	3.5	201	4.5	292	3.1	195	3.6	277
France	3.9	225	4.0	264	4.1	253	3.4	261
Federal Republic of Germany	10.1	581	10.4	676	18.1	1 127	18.1	1 397
Italy	1.6	91	1.8	120	2.0	126	1.9	150
Netherlands	3.4	194	3.6	232	3.6	226	3.5	276
Norway	4.3	247	4.2	270	2.8	177	2.6	199
Portugal	0.3	15	0.4	23	0.7	45	0.9	68
Spain	0.9	55	1.0	66	0.7	43	0.7	54
Sweden	19.9	1 145	15.9	1 039	18.7	1 168	20.0	1 550
Switzerland	2.1	121	2.2	144	3.3	207	3.2	247
United Kingdom	17.8	1 026	18.6	1 215	14.4	896	11.8	910
Other	2.5	147	1.6	103	0.3	18	0.7	55
<b>OECD countries outside Europe</b>	6.5	374	6.1	399	6.5	407	7.8	607
Canada	0.9	50	0.6	38	0.3	18	0.2	19
Japan	0.4	23	0.6	40	1.8	115	2.6	204
United States	5.2	301	4.9	321	4.4	274	5.0	384
<b>Eastern Bloc</b>	14.4	827	14.7	961	15.1	943	14.2	1 098
Czechoslovakia	0.6	31	0.4	23	0.5	29	0.5	36
Democratic Republic of Germany	0.4	25	0.5	36	0.6	37	0.5	41
People's Republic of China	0.4	22	0.3	19	0.3	20	0.2	17
Poland	0.8	48	1.3	87	0.8	54	1.2	90
Soviet Union	11.5	660	11.4	741	11.8	736	10.8	836
Other	0.7	41	0.8	55	1.1	67	1.0	78
<b>Latin America</b>	2.0	114	1.8	119	1.7	105	1.5	119
Argentina	0.3	20	0.4	23	0.1	9	0.1	4
Brazil	0.8	44	0.6	39	0.5	29	0.4	34
Colombia	0.1	7	0.1	8	0.5	32	0.5	40
Other	0.8	43	0.7	49	0.6	35	0.5	41
<b>Other</b>	4.3	249	6.4	415	1.5	94	2.2	166
<b>GRAND TOTAL</b>	100.0	5 757	100.0	6 519	100.0	6 237	100.0	7 734
of which								
<b>EFTA countries</b>	27.5	1 586	24.0	1 564	27.2	1 695	28.6	2 212
<b>EEC countries</b>	42.6	2 455	45.3	2 954	47.2	2 941	44.8	3 468
<b>OECD countries</b>	79.3	4 567	77.1	5 024	81.7	5 095	82.1	6 351

# BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1970	9 634	11 099	-1 465	+716	+142	+17	-590	-397	-18	-1 005
1971	9 845	11 762	-1 917	+660	+247	+66	-944	-477	-1	-1 422
1972	12 012	13 087	-1 075	+731	+335	+72	+ 63	-586	+43	- 480
Jan.-Mar										
1970 <sup>r</sup>	2 074	2 309	-235	+192	- 9	- 3	- 55	- 86	-11	-152
1971 <sup>r</sup>	2 168	2 536	-368	+208	- 13	+19	-154	-135	- 1	-290
1972	2 870	2 960	- 90	+217	+ 3	+ 1	+131	-142	-22	- 33
1973*	3 301	3 888	-587	+225	- 5	+10	-357	-150	-14	-521
Apr.-June										
1970 <sup>r</sup>	2 429	2 721	-292	+180	+ 10	+ 0	-102	- 96	+ 1	-197
1971 <sup>r</sup>	2 291	2 797	-506	+141	+ 47	+21	-297	-118	- 1	-416
1972	2 856	3 298	-442	+162	+ 57	+46	-177	-155	- 8	-340
July-Sept.										
1970 <sup>r</sup>	2 469	2 690	-221	+180	+109	- 4	+ 64	-110	- 1	- 47
1971 <sup>r</sup>	2 501	2 864	-363	+159	+166	+16	- 22	-119	- 4	-145
1972	2 978	3 195	-217	+170	+191	+19	+163	-140	+20	+ 43
Oct.-Dec.										
1970 <sup>r</sup>	2 662	3 379	-717	+164	+ 32	+24	-497	-105	- 7	-609
1971 <sup>r</sup>	2 885	3 565	-680	+152	+ 47	+10	-471	-105	+ 5	-571
1972	3 308	3 634	-326	+182	+ 84	+ 6	-54	-149	+53	-150

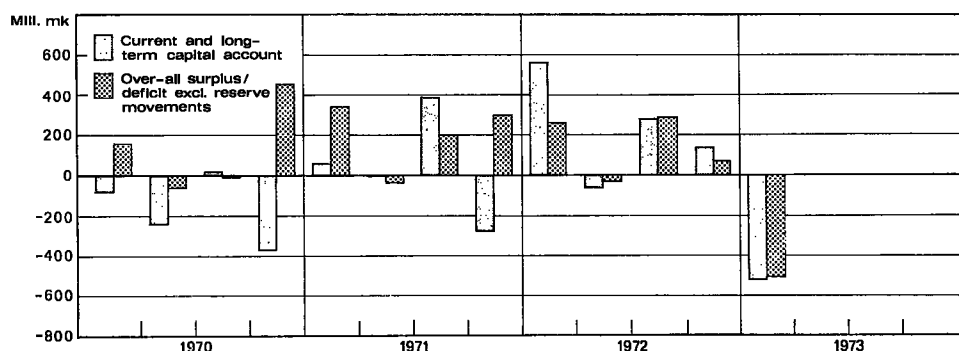


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+1 479	-694	-253	-202	+330	-675	+751	+237	+232 <sup>2</sup>	+545	-563	+ 18
+2 730	-855	-208	- 85	+1 582	+160	+387	+197	+ 62 <sup>2</sup>	+806	-555	-251
+3 014	-1 228	-376	-106	+1 304	+824	+104	- 90	-247 <sup>2</sup>	+591	-271	-320
+ 278	-158	- 51	+ 1	+ 70	- 82	- 9	+225	+ 23	+157	-240	+ 83
+ 609	-228	- 5	-17	+359	+ 69	+ 21	+329	- 77	+342	-314	- 28
+ 968	-273	-115	+17	+597	+564	-152	- 27	-124 <sup>2</sup>	+261	-327	+ 66
+ 379	-392	+ 34	-24	- 3	-524	+ 35	+ 7	- 25	-507	+353	+154
+ 220	-191	- 69	- 4	- 44	-241	+142	+ 42	- 4	- 61	- 86	+147
+ 596	-201	- 11	-30	+354	- 62	-140	+146	+ 19	- 37	+ 99	- 62
+ 655	-180	-192	- 5	+278	- 62	+ 92	+ 25	- 84	- 29	+ 37	- 8
+ 359	-175	- 60	-58	+ 66	+ 19	+ 87	+ 5	-119	- 8	-116	+124
+ 869	-252	- 89	+ 5	+533	+388	- 60	+ 21	-150	+199	- 35	-164
+ 628	-327	- 41	-25	+235	+278	+265	-124	-131	+288	-314	+ 26
+ 622	-170	- 73	-141	+238	-371	+531	- 35	+332	+457	-121	-336
+ 656	-174	-103	- 43	+336	-235	+566	-299	+270	+302	-305	+ 3
+ 763	-448	- 28	- 93	+194	+ 44	-101	+ 36	+ 92	+ 71	+333	-404

Assets: increase —, decrease +. Liabilities: increase +, decrease —.

<sup>1</sup> Including Direct investment, net.

<sup>2</sup> Including Allocations of special drawing rights 88 million in 1970, 85 million in 1971 and 85 million in 1972.



# PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1970	297	300	286	299	317	290	329	290	283	138	146	126
1971	312	315	302	309	361	304	346	295	303	149	162	134
1972	338	342	325	330	400	334	370	318	332	161	182	141

## 1972

Nov.	352	356	335	347	406	344	393	333	340	165	187	145
Dec.	356	361	339	351	408	350	396	338	344	166	187	147

## 1973

Jan.	363	365	352	356	413	359	401	345	352	168	190	147
Feb.	367	370	357	361	413	364	403	351	356	169	190	149
March	372	374	365	367	429	365	405	358	362	171	190	152
April	374	376	369	369	430	367	403	362	365	175	191	160
May	382	383	375	379	438	372	407	377	369	180	191	170
June	389	391	380	390	441	374	415	390	372	183	191	176
July	404	408	390	406	456	389	439	406	382	192	213	179

Period	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Consumer prices 1967 = 100									
			Total	Food	Bever- ages and tobacco	Clothing and foot- wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1970	223	175	115	116	115	109	115	121	115	113	113	115
1971	237	186	122	121	119	112	125	141	119	125	119	125
1972	254	199	131	133	125	118	131	147	126	135	128	135

## 1972

Nov.	262	205	135	138	126	122	134	147	129	138	130	140
Dec.	262	206	135	139	127	122	135	149	130	139	130	140

## 1973

Jan.	265	208	136	140	130	124	135	149	131	141	131	141
Feb.	267	210	138	141	131	126	136	151	132	142	132	142
March	269	211	139	142	132	126	137	153	133	142	133	143
April	272	214	140	143	137	127	140	155	135	143	136	145
May	277	218	143	147	137	128	142	157	135	147	137	147
June	280	220	144	150	137	128	143	158	136	148	139	150
July	288	226	148	152	138	128	161	158	137	152	139	151



## WAGES

### Index of salary and wage earnings 1964 = 100

Period	By industries			By institutional sectors				All salary earners	All wage earners	All employees
	Wage earners in			Employees in services	State employees	Municipal employees	Employees in private sector			
	Agriculture	Manufacturing	Construction							
1970	181	170	170	164	161	165	164	157	169	164
1971	210	195	195	180	176	178	188	171	195	185
1972*	254	222	222	197	189	196	212	189	220	206
1971										
July-Sept.	210	199	200	180	178	178	192	171	200	188
Oct.-Dec.	219	205	207	185	181	184	196	177	204	192
1972*										
Jan.-Mar.	236	207	206	186	179	186	197	178	205	193
Apr.-June	251	225	219	198	191	194	215	191	223	209
July-Sept.	256	227	228	202	194	201	219	193	229	213
Oct.-Dec.	272	230	235	203	193	202	220	193	229	213
1973*										
Jan.-Mar.	286	231	237	206	198	206	221	195	231	216

## PRODUCTION

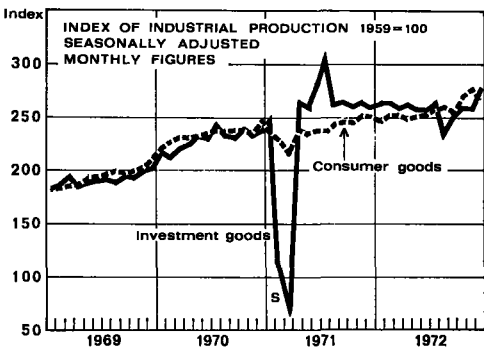
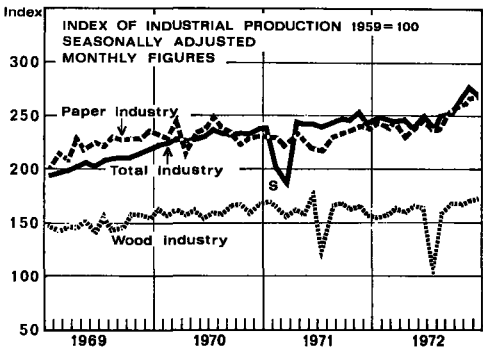
### Volume indices of production 1964 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	House construction	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1970	132	154	96	111	141	98	132	132	129	128	134
1971	136	157	98	106	138	99	134	140	135	135	140
1972*	145	176	95	95	149	103	144	154	142	140	148
1972*											
Jan.-Mar.	142	181	60	132	106	103	132	145	140	138	147
Apr.-June	143	172	86	108	143	106	146	149	141	139	148
July-Sept.	144	157	172	51	169	102	150	152	142	140	148
Oct.-Dec.	151	194	62	90	177	101	150	170	145	141	150
1973*											
Jan.-Mar.	149	195	52	128	119	106	143	161	146	140	154
Apr.-June	149	185	82	118	136	101	153	160	147	144	155

PRODUCTION

Index of industrial production 1959 = 100

Period	Special indices of manufacturing										Total, adjusted for seasonal variations
	Total	Investment goods	Other producer goods	Consumer goods	Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1968	182	175	191	164	163	132	202	253	240	177	181
1969	207	194	214	196	173	151	223	285	281	199	207
1970	232	230	223	235	182	164	234	336	341	233	232
1971*	238	235	229	241	192	164	231	363	360	231	238
1972*	258	261	245	261	202	164	248	389	372	259	255
1971*											
Sept.	256	283	244	258	192	170	241	374	378	278	248
Oct.	264	288	256	257	229	173	250	375	394	282	248
Nov.	269	289	260	264	234	166	251	389	370	283	256
Dec.	251	274	242	250	188	159	223	375	305	272	245
1972*											
Jan.	257	286	246	249	171	164	256	418	308	277	249
Feb.	258	280	245	257	175	171	245	402	321	273	248
March	277	295	261	280	190	188	262	423	372	287	245
April	254	270	236	265	183	180	218	386	349	267	248
May	259	271	242	271	213	191	231	394	350	270	250
June	244	247	226	262	207	164	220	371	340	250	251
July	180	144	178	178	183	91	235	238	325	139	240
Aug.	254	233	234	283	217	138	247	325	421	236	251
Sept.	262	267	249	265	195	168	261	369	425	266	254
Oct.	290	292	279	286	256	182	278	443	441	289	271
Nov.	292	284	281	292	244	172	278	450	433	287	278
Dec.	268	265	263	250	190	165	249	449	382	274	273



# LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Unemployed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100	Indicator of traffic activity 1964 = 100
1968	2 188	2 100	88	4.0	31 859	100	100	106
1969	2 189	2 127	62	2.8	35 338	108	117	118
1970	2 194	2 153	41	1.9	39 267	114	130	125
1971	2 199	2 150	49	2.2	36 238	118	137	122
1972*	2 206	2 149	57	2.6	31 441	128	151	132

1972\*

Sept.	2 198	2 153	45	2.0	1 637	130	157	137
Oct.	2 194	2 148	46	2.1	2 092	134	164	143
Nov.	2 190	2 142	50	2.3	2 367	134	169	147
Dec.	2 187	2 132	55	2.5	3 328	177	173	138

1973<sup>1</sup>

Jan.	2 127	2 055	72	3.4	3 257	116	140	141
Feb.	2 116	2 047	69	3.3	3 529	117	153	123
March	2 111	2 048	63	3.0	4 175	132	176	137
April	2 120	2 060	60	2.8	4 088	125	160	..
May	2 177	2 128	49	2.3	2 446	..	..	..
June	2 364	2 314	50	2.1	1 461	..	..	..

<sup>1</sup> See explanations on page 18.

## CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1970	41.42	17.96	3.72	15.56	2.36	38.55	16.41	4.29	12.59	3.35	36.56
1971*	42.63	19.54	3.10	15.18	2.60	37.35	15.79	3.16	13.88	2.91	37.64
1972*	47.73	20.56	3.08	17.04	4.28	39.72	18.02	2.81	14.13	2.96	39.29

1972\*

Jan.-Mar.	7.31	2.73	0.55	3.20	0.48	7.95	3.23	0.33	3.44	0.75	34.34
Apr.-June	13.52	6.22	1.55	3.91	0.85	8.02	4.08	0.35	2.56	0.65	38.57
July-Sept.	13.44	6.11	0.55	4.89	1.17	9.90	4.49	0.83	3.18	0.75	40.93
Oct.-Dec.	13.46	5.50	0.43	4.88	1.78	13.32	5.94	1.26	4.83	0.77	39.29

1973\*

Jan.-Mar.	10.62	3.99	0.80	4.85	0.50	8.07	3.71	0.42	3.17	0.51	38.39
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# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

Page 4. Since Dec. 31, 1969. *Gold and foreign exchange* = Gold (valued on basis of the value of the mark) + Special drawing rights + IMF gold tranche + Foreign exchange. *Liabilities on foreign exchange and mark accounts* = Foreign exchange accounts + Mark account of holders abroad. *Other foreign assets* = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF. *Other foreign liabilities* = Foreign term liabilities + IMF mark accounts. *Claims on Treasury* = Treasury bills covering certain IMF and IBRD accounts + Advances for stand-by stocks — Export levies (net). *Foreign exchange situation*: Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.

Page 5. *Other advances* = Inland bills discounted in foreign currency + Loans + Other claims (excl. Treasury's IMF and IBRD bills and Advances for stand by stocks). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities — Cash reserve accounts — Export levies (net).

## DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

Figures for deposits and advances are supplied by the Central Statistical Office.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks and co-operative banks.

Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public.

## STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Bank less cash holdings (net) of State departments and funds.

## FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9): The indices are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indices corresponds to the annual level of the Fisher index formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): imports by countries of purchase, exports by countries of sale.

## BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

## PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

## WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office.

Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: food industry ISIC no. 20, weight 11.2, wood industry no. 25, weight 6.6, paper industry no. 27, weight 13.1, chemical industry no. 31, weight 5.2, non-metallic mineral industry no. 33, weight 3.6 and metal industry nos. 34—38, weight 23.5

## LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — CONSTRUCTION OF BUILDINGS

Page 17. *Labour* figures supplied by the Central Statistical Office. As of the beginning of 1973, the figures for the labour force, the employed labour force and the rate of unemployment are not fully comparable to the previous figures. The sample population used in the Labour Force Sample Survey was changed to accord with the data provided by the demographic forecast made in 1973. In January 1973, the labour force was estimated to be about 30 000 persons smaller, and the seasonally unadjusted rate of unemployment about 0.1 percentage point lower, than the corresponding figures derived with the aid of the former sample population.

*Commercial timber felling* compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *Construction of buildings* figures calculated by the Central Statistical Office.

## SYMBOLS USED

- \* Preliminary
- r Revised
- 0 Less than half the final digit shown
- . Logically impossible
- .. Not available
- Nil
- S affected by strike

# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current period, March 1, 1968, to March 1, 1978, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1972 is as follows: Social Democrats 56, People's Democrats 37, Centre Party 35, Conservatives 34, Finnish People's Unification Party 13, Swedish Party 10, Liberal Party 6, Finnish Farmers Party 5 and Christian League 4.

## INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966 and OECD 1969

## LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) are covered by forests.

OWNERSHIP OF LAND (1970): The total land area was distributed among different classes of owners approximately as follows: private 60.7 %, State 29.4 %, joint stock companies etc. 8.0 %, municipalities and parishes 1.9 %.

## POPULATION

NUMBER OF INHABITANTS (1971): 4.6 million. Sweden 8.1, Switzerland 6.3, Denmark 5.0 and Norway 3.9 million.

DENSITY OF POPULATION (1971): In South Finland 44.2 in East and Central Finland 14.2, in North Finland 3.9 and in the whole country an average of 15.2 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1971): 52 % of the population inhabit the rural areas, 48 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 519 900 inhabitants, Tampere (Tammerfors) 159 600, Turku (Åbo) 159 900.

EMPLOYMENT (1971): Agriculture and forestry 21 %, industry and construction 36 %, commerce 15 %, transport and communications 7 %, services 21 %.

LANGUAGE (1970): Finnish speaking 93.2 %, Swedish speaking 6.6 %, others 0.2 %.

EDUCATION (1971): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 10 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1971): births 13.3 ‰, deaths 9.9 ‰, change + 3.3 ‰, net emigration 0.0 ‰. Deaths in France 10.7 ‰ and Great Britain 11.6 ‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1972, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 225 (7 %), forestry and fishing 2 721 (6 %), manufacturing 15 147 (31 %),

construction 4 703 (10 %), transport and communication 4 750 (10 %), commerce, banking and insurance 6 174 (13 %), public administration 2 191 (4 %), ownership of dwellings 2 538 (5 %), services 6 891 (14 %), total 48 340. Index of real domestic product 143 (1964 = 100).

FOREST RESOURCES (1971). The growing stock comprised 1 448 million of solid cu. m incl. bark (51 135 million cu.ft), of which pine 44 % and spruce 37 %, the remaining 19 % being broad-leaf-trees, chiefly birch. Of the growing stock 17 386 million cu. ft, 48 % of them pine, was up to the standard required for logs. The annual growth is 47.6 million solid cu. m green wood excl. bark (1 681 mill. cu. ft). The total removal calculated according to the use of wood was 48.4 million cu. m excl. bark (1 709 million cu. ft).

AGRICULTURE (1971): Cultivated land 2.7 million hectares. Number of holdings 297 257, of which 188 461 are of more than 5 ha. Measure of self-sufficiency in bread cereals 97 % in the crop year 1970/71 and 115 % in 1971/72.

INDUSTRY (1970): Gross value of industrial production 35 577 mill. marks, number of workers 502 981, salaried employees 103 449, motive power (1970) 5.1 mill. kW. Index of industrial production 238 for 1971 (1959 = 100).

STATE RAILWAYS (Jan. 1, 1973): Length 5 887 km.

MERCHANT FLEET (July 31, 1973): Steamers 31 (31 500 gross reg. tons), motor vessels 388 (792 000 gross reg. tons), tankers 59 (747 100 gross reg. tons), sailing vessels with auxiliary engines 3 (500 gross reg. tons). Total 481 (1 571 100 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1972): Passenger cars 818 000, lorries and vans 116 100, buses 8 400, others 5 400. Total 947 900.

FINNISH AIRLINES (March 31, 1973): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-6s, 8 Super Caravelles 8 DC-9s and 5 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 25 airports and to 18 domestic airports.

## FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar). Since Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar has been applied.

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1972). There are two big and five small commercial banks with in all 837 offices, 302 savings banks, 406 co-operative banks, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The National Pension Institute and fifty-nine private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1973). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ¼ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ % and 10 ½ %. Other credit institutions: term deposits 5 ¾ %, 6 month deposits 6 ¼ %, 12 month deposits 6 ¾ %, 24 month deposits 7 ¾ %, and sight deposits 1 ½ %; highest lending rate 12 ½ %.

# THE NATIONAL BOARD OF TRADE AND CONSUMER INTERESTS

by Bror Wahlroos

Secretary General  
Ministry of Trade and Industry

A new central board, the National Board of Trade and Consumer Interests started its operations on July 1, 1973. The act setting up this Board which is subordinated to the Ministry of Trade and Industry, stipulates that the Board is to take care of price control, to promote competition, to watch over consumer interests, and to monitor the quality of foodstuffs. Before the National Board of Trade and Consumer Interests had been established, the Prices Department of the Ministry for Social Affairs and Health administered price control measures and dealt with matters concerning consumers, while competition and the quality control on foodstuffs were supervised by the Ministry of Trade and Industry.

## THE PARLIAMENTARY BILL PRESENTED BY THE CABINET

On the basis of the statements provided by the authorities and various organizations, the Cabinet presented Parliament with a bill concerning the establishment of a national board for trade and consumer interests. At the time the bill was being debated, the Cabinet argued that it was necessary to rationalize the administration of affairs concerning prices, competition and consumers as quickly as possible. The Cabinet held that the Ministry of Trade and Industry should have the overall responsibility for these because it already handled public measures aimed at promoting production and facilitating the marketing of goods and services. Although the actions of the Ministry concerned entrepreneurs in the first instance, consumers were also affected. The Cabinet maintained that it is appropriate to

monitor the quality of foodstuffs at the time they are being manufactured, imported or offered for sale. For this reason the general supervision of foodstuffs control should fall to the Ministry of Trade and Industry. In the Cabinet's opinion it was advisable that the management of affairs falling in the domain of the National Medical Board and of the Veterinary Department of the Ministry of Agriculture and Forestry be kept unchanged.

When presenting its bill to Parliament the Cabinet stated that the legislation concerning prices and competition is being revised, and about the same time the Cabinet introduced to Parliament a bill on price regulation and a bill on the promotion of competition. The total revision of price control legislation has not yet been completed, whereas the legislation on the promotion of competition came into force at the time the National Board of Trade and Consumer Interests started operations.

## PARLIAMENTARY TREATMENT

Parliament passed the Cabinet's bill on the establishment of the National Board of Trade and Consumer Interests with only one change: the date for establishing the Board was postponed until July 1, 1973, since Parliamentary treatment of the acts concerning the Board required more time than had been originally estimated. Parliament charged the Cabinet to ensure that, irrespective of whether the National Board of Trade and Consumer Interests was established, the Veterinary Department of the Ministry of Agriculture and Forestry, as well as the National Medical Board, remain

the main authorities responsible for foodstuffs control, and that their field of operations be in no way reduced.

As was mentioned above, at the same time that it passed the Act on the National Board of Trade and Consumer Interests, Parliament approved revised legislation on the promotion of competition, which includes stipulations regulating the activities of the Board. Simultaneously an act establishing the post of competition commissioner was passed. The Competition Commissioner is an independent authority, quite separate from the National Board of Trade and Consumer Interests, even though in practice the Competition Commissioner will work in close connection with the Board, since the studies and investigations provided by the Board will form the basic data for the Commissioner's activities.

## THE ORGANIZATION AND FUNCTIONS OF THE NATIONAL BOARD OF TRADE AND CONSUMER INTERESTS

The National Board of Trade and Consumer Interests is made up of four departments: the Administration Department, the Research Department, the Executive Department and the Department of Consumer Affairs. The Prices Board, Competition Council, Consumer Council and Foodstuffs Commission have been brought under the Board. The government of each province handles local matters relating to foodstuffs and price control and is subordinate to the National Board of Trade and Consumer Interests in these affairs.

The Administration Department deals with personnel management, the preparation of legislation, the budget and the economic plan, as well as the use of appropriations.

When the organization of the National Board of Trade and Consumer Interests was being considered, it was thought particularly important that separate unit in the Board carries out research on prices and competition questions. Since decisions concerning prices and

competition must be based on precise and objective studies, research is one of the most important functions of the Board. According to the new law, the Research Department is in charge of following price developments and changes in the level of commodity prices, carrying out studies on the factors affecting prices, releasing the results of the studies to the extent considered necessary, administering research on the competitive environment, as well as preparing studies on obstacles to competition and the effects of such strictures.

The Executive Department has been vested with the duties concerning prices and competition which were previously handled by the Prices Department of the Ministry for Social Affairs and Health and the Trade Licence Department of the National Board of Patents. It is this department in the National Board of Trade and Consumer Interests with which the public, particularly industrial and business circles, will have the closest contacts. The Executive Department is made up of four offices. The General Prices Office deals with domestic commodity prices, and the Commodity Import Prices Office handles the prices of imported goods. The Competition Office is concerned with the registration of restrictive practices, the release of reports on regulations governing competition and measures needed for relieving the detrimental effects of strictures on competition. The Control Office deals with special matters concerning prices and competition. This office sees to it that the price control stipulations are observed. It also guides and supervises the price controllers in the provincial governments, and sees that the registration required by the Act on the Promotion of Competition is carried out, and that the decisions issued in accordance with this act are observed.

The Department of Consumer Affairs consists of the Foodstuffs Office, which is in charge of foodstuffs control, and of the Consumer Office, which is concerned with consumer research, the protection of consumer interests and the provision of information for consumers.

Some of the duties which would otherwise fall within the domain of these two offices are performed by the Surveillance Office, which gathers product samples and monitors foodstuffs and other consumer products, with respect to the contents, packaging and labelling of the products.

The Consumer Council, previously operating under the Ministry for Social Affairs and Health, and the Foodstuffs Commission, formerly under the Ministry of Commerce and Industry, were incorporated into the National Board of Trade and Consumer Interests in connection with the establishment of the Board, and these bodies will serve as consultants, particularly to the Department of Consumer Affairs, in matters concerning consumers.

#### DECISION-MAKING IN THE NATIONAL BOARD OF TRADE AND CONSUMER INTERESTS

The highest decision-making body in the National Board of Trade and Consumer Interests is the Board Session at which the Director General acts as Chairman and the Heads of Department serve as members. It is stated in the Act on the National Board of Trade and Consumer Interests that others may also serve as members of the Board Session, if matters that require separate action are under consideration. It is intended that certain price questions connected with the price control bill, which is at present being treated by Parliament, will be discussed by an enlarged Session. However, as debate on the price control bill is not yet finished, it was thought unnecessary at this stage to include a special remark on an enlarged

Board Session in the stipulations of the National Board of Trade and Consumer Interests. The Board Session is to deal with problems of principle and questions of great importance, e.g. matters relating to the application of stipulations issued pursuant to the Special Economic Powers Act (see e.g. Bulletin 5/73, p. 27), particularly the matters concerning prices.

Previously a price rise was first considered by the Prices Board, after which the question was passed on to the Ministry for Social Affairs and Health for decision. The Board Session of the National Board of Trade and Consumer Interests has taken over this function from the Ministry in all but a few exceptional cases. If the National Board disagrees with the Prices Board, the matter must be submitted to the Council of State. In this case the Ministry of Trade and Industry, and not the Ministry for Social Affairs and Health, presents the matter to the Council of State.

If a matter falling to the National Board of Trade and Consumer Interests is not decided upon at a Board Session, the decision may be made by the Director General, a Head of Department, a Deputy Head of Department, a Head of Office or any other official of the Board, in accordance with existing regulations.

So short a time has passed since the founding of the Board that it is too early to assess its importance. The rationalization of the administration of such closely inter-related questions as prices, competition, and consumer affairs is without doubt desirable. For this reason consumers, employees and employers, as well as business and industrial circles, have taken a very positive attitude towards the new Board.



**Foreign Stand-by Credits.** On July 26, 1973, the Bank of Finland signed an agreement with the Bank of America and Morgan Guaranty Trust setting up a US \$ 100 million stand-by credit. This stand-by credit may be drawn upon, when needed, for strengthening the foreign exchange reserves of the Bank of Finland. The loan agreement will remain in force for at least three years.

Furthermore, on August 24, 1973, a similar agreement on a stand-by credit of US \$ 200 million was signed with a consortium headed by First Boston (Europe) Ltd. This credit facility may also be used when necessary, and the loan agreement will be in force for ten years.

Moreover, the Parliamentary Bank Supervisors have granted permission to negotiate another

US \$ 100 million stand-by credit, the arrangements for which are still being made.

In making these stand-by credit agreements, the Bank of Finland has endeavoured to make Finland's external liquidity position secure and to strengthen the country's standing in international credit markets. The recent decline in the foreign exchange reserves has been largely caused by the rather insignificant inflow of foreign capital during the current year. The major cause for this has been the unstable situation prevailing in international money and foreign exchange markets. The agreements made allow the flexible support of the country's external liquidity position, even if international uncertainty were not to subside in the near future.

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# BANK OF FINLAND

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## Board of Management

Mauno Koivisto

*Governor*

A. Simonen

*Deputy Governor*

Ahti Karjalainen

*Absent as a Member  
of Government*

Heikki Valvanne

Jaakko Lassila

Päiviö Hetemäki

Timo Helelä

*ad int.*

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## Directors

Jouko J. Voutilainen

Timo Helelä

Jorma Aranko

Pertti Tammivuori

Markku Puntila

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## Senior officials

Pertti Kukkonen

*Director, ADP-planning*

Pauli Kanerva

*Administration*

K. Ignatius

*Personnel*

Antti Lehtinen

*Domestic financial  
operations*

Helge Lindström

*Credits and securities*

Kalle Koski

*Capital transfers*

Kari Nars

*Foreign exchange policy*

Raili Nuortila

*Eastern trade*

J. Ojala

*Foreign exchange contro*

Kari Puumanen

*Economics dept., ad int.*

Henri J. Vartiainen

*Research dept.*

Stig Törnroth

*Cash*

K. Eirola

*Automatic Data Processing*

A. Nenonen

*Foreign correspondence*

Väinö Heiskanen

*Banking services*

Eino Suomela

*Internal Audit*

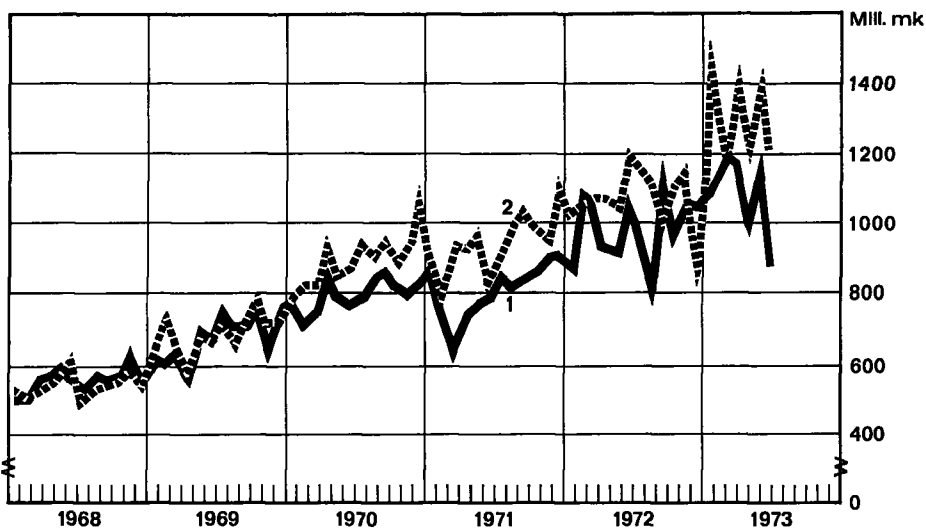
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### Foreign trade, 1968 - 1973

1. Exports f.o.b.

2. Imports c.i.f.

Seasonally adjusted  
monthly figures

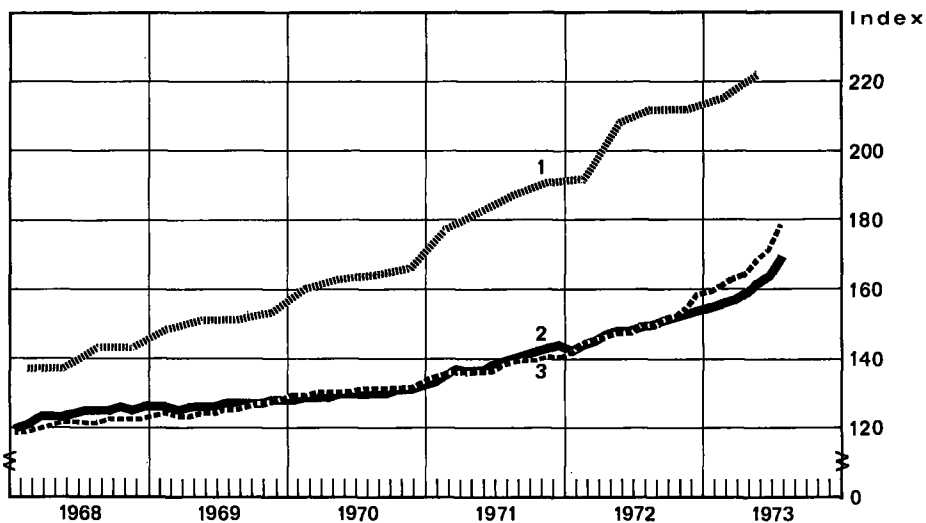


### Prices and wages, 1968 - 1973

1. Index of salary  
and wage earnings 1964 = 100,  
quarterly

2. Cost of living index 1964 = 100,  
monthly

3. Wholesale price index 1964 = 100,  
monthly



### Production, 1968 - 1973

1. Total index of industrial  
production 1964 = 100,  
seasonally adjusted monthly figures

2. Volume index of gross domestic  
product 1964 = 100, seasonally  
adjusted quarterly figures

