

Bank of Finland Bulletin
Index to Vol. 71, 1997
Articles and Items

No. 1 **Statement on the occasion of the closing of the accounts for 1996**
by Sirkka Hämäläinen

Different indices of consumer prices
by Martti Lehtonen and Juhana Hukkinen

No. 2 **Inflation forecasts and expectations by Juhana Hukkinen and Antti Suvanto**

Central government borrowing and cash management
by Kari Nars and Pekka Saarinen

Finland's balance of payments in 1996
Direct investment capital flows in 1996
Portfolio investment in Finland's balance of payments in 1996
Publication of the Bank of Finland

No. 3 **National central securities depositories and EMU**
by Markku Malkamäki and Kimmo Virolainen

Causes of the credit bubble
by Vesa Vihriälä

No. 4 **Inflation, monetary policy and economic performance**

Toward electronic money
by Ralf Pauli and Risto Koponen

No. 5 **The Bank of Finland's interbank funds transfer system and**
preparations for EMU by Risto Herrala

The BOF5 macroeconomic model of the Finnish economy
by Alpo Willman and Hanna-Leena Männistö

New 20 markka note issue set for 12 May
Publication of the Bank of Finland

Nos. 6-7 **Inflation, monetary policy and economic performance**

The present situation of Finnish banks and possible impacts of EMU
by Heikki Koskenkylä and Jukka Vesala

Commemorative coin for the centenary of the birth of Paavo Nurmi

**No. 8 *Have the dynamics of Finnish inflation changed?*
by Timo Tyrväinen**

***The development of the Finnish forward exchange market*
by Jorma Hietalahti and Harri Kuussaari**

Two new currencies added to the Bank of Finland currency index

No. 9 *Inflation, monetary policy and economic performance*

***EMU and the Finnish securities markets*
by Markku Malkamäki and Erja Saukkonen**

***Revision of the Act on the Bank of Finland*
by Arno Lindgren and Maritta Vehmas**

**No. 10 *Measuring the external value of the markka*
by Veli-Matti Mattila**

***Divisia indices for money in the Finnish context*
by Jori Petteri Kiviniemi**

Supplementary budget

No. 11 *Fiscal policy and public finances by Timo Hämäläinen*

***Capital flows promote Finnish integration into the global economy*
by Martti Lehtonen**

No. 12 *Inflation, monetary policy and economic performance*

Monetary policy in 1998 by Matti Vanhala

Direct investment in Finland's balance of payments, 1996

Wage settlement for 1998–1999

Agreement on buffer funds

Second supplementary budget for 1997

Matti Korhonen appointed to the Board following resignation of Harri Holkeri

80th anniversary commemorative coins

Publication of the Bank of Finland



BULLETIN

BANK OF FINLAND

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Statement by the Governor of
the Bank of Finland on
the occasion of the closing of
the accounts for 1996

Different indices of consumer prices

**Statement on the occasion of
the closing of the accounts for 1996**

by Sirkka Hämäläinen 3

Different indices of consumer prices

by Martti Lehtonen and Juhana Hukkinen 5

Measures concerning monetary and
foreign exchange policy and the financial markets 10

Finland in brief 12

Statistics • List of tables on page S1

Charts • List of charts on page S29

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Statement on the occasion of the closing of the accounts for 1996

by Dr **Sirkka Hämäläinen**,
Governor of the Bank of Finland

Coherent economic policies and a stable international environment provided the appropriate conditions for steady growth and balanced performance of the Finnish economy in 1996. The rise in the price level was moderate and exchange rates remained fairly stable. For these reasons, it was possible to lower the instrumental interest rates of monetary policy to levels that were low by both historical and international standards. Long-term market rates followed the downward trend in short-term rates. Positive outcomes included a reduction in the central government deficit, the end of the banks' protracted series of financial losses and a noticeable improvement in the economy's external indebtedness. High unemployment continued to pose a serious problem.

The consumer price index rose by about 1 per cent in 1996, and the indicator of underlying inflation, which serves as a basis for monetary policy, was even more subdued. During the summer and autumn months, a lively public discussion ensued on the possibility of deflation. There were however no signs of a general decline in the price level, and the entire configuration of asset prices, for example, trended upward.

Exports and investment provided less-than-expected stimulus to economic growth in 1996, but owing to a healthy rise in private consumption expenditure, total output is estimated to have grown by nearly 3 per cent. The market outlook for exports improved in the latter part of the year. Investment expenditure was buoyed mainly by previously started large-scale investment projects in the manufacturing sector, but construction activity picked up sharply in the latter part of the year. Because of a recovery in the service and construction sectors, the employment situation improved slightly, which had a salutary effect on expectations and demand in the household and corporate sectors.

The growth in domestic demand helped to constrain the general government deficit, ie the combined deficit of central and local governments and social security funds. Nonetheless, the central government deficit remained large by both historical and international standards. The indebtedness of households and firms again eased considerably and the external indebtedness of the total economy continued to improve.

The Bank of Finland continued to relax monetary policy in 1996. In the course of the year, the tender rate was lowered from 4.25 per cent to 3.0 per cent and the financial markets remained calm. The external value of the markka fluctuated to some extent but on the whole remained relatively stable. As the year progressed, the long-term interest rate moved considerably closer to the comparable German rate, and by the final months of the year the differential had stabilized at about ½ percentage point.

One significant development in 1996 was the continued strengthening of the banks and the termination of a period of several years of negative financial results. The aggregate result turned positive largely because of reduced loan losses and lower cost levels. Nonetheless, domestic banks' profitability and capital adequacy have still not reached levels that can be considered good by international standards.

Improved economic balance and steady economic policy enabled the Bank of Finland to make a proposal in October to the Government concerning the joining of the markka to the EU's Exchange Rate Mechanism (ERM). The proposal was approved and negotiations with other EU countries led to an agreed ECU central rate for the markka of FIM 5.80661, corresponding to a central rate against the Deutschmark of FIM 3.04. The agreed markka exchange rate configuration vis-à-vis major ERM currencies corresponds to the average level of recent years. After Italy joined the ERM in November, the markka's ECU central rate became FIM 5.85424. Bilateral central rates against other ERM currencies were not affected.

Finland's purpose in joining the ERM was to ensure its eligibility to be among the first group of countries to move into Stage Three of EMU. According to the text of the Maastricht Treaty, the exchange rate convergence criterion requires exchange rate stability for two years prior to the examination and participation in the ERM. It now appears that the final decision on eligibility for Stage Three of EMU is slated for spring 1998.

As the Bank of Finland reaffirmed in connection with the ERM linkup, the monetary policy objective remains that of keeping the inflation rate at about 2 per cent, which accords with the major EU coun-

tries. Although the inflation objective is consistent with the stable exchange rate objective, in the event of a disturbance, ERM participation would imply precedence of the exchange rate objective. The ERM's wide (± 15 per cent) fluctuation margins provide a good buffer against speculative activity, but clearly the need to meet the EMU exchange rate criterion and to maintain economic balance requires a much more stable course for exchange rates. Continuing progress in balancing central government finances and maintenance of the moderate cost trend are key factors as regards exchange rate stability.

It is apparent that the easing of monetary policy and confidence in improving economic prospects will provide support for domestic demand over the future. With exports also picking up again, the growth of total output could reach 4 per cent in 1997. It appears that the rise in the price level will stay near the targeted level. The decline in unemployment should continue but again at a very sluggish pace. In order to accelerate the decline in the unemployment rate, the tax wedge should be narrowed further and the social security and tax systems should be made more work-friendly.

It appears that Finland will be able to meet all the economic convergence criteria for EMU, ie those pertaining to inflation, exchange rates, the long-term interest rate, and the public sector deficit and debt. The decision on which countries are to participate in Stage Three of EMU is to be made in spring 1998, only a little over a year from now, and before that time the Act on the Bank of Finland should be amended so that the EMU requirement regarding central bank independence can be fulfilled.

Practical preparations within the EU for Economic and Monetary Union have progressed according to plans. The Bank of Finland has participated in the work of creating the European System of Central Banks, in both the European Monetary Institute (EMI) and the EU's Monetary Committee. The preparatory work involves inter alia strategy and instruments for the conduct of a single monetary policy as well as detailed planning of the payment system. Progress has also been made in specifying the legal status of the single currency – the euro – as well as in the design of euro notes and coins. Much work has also been required in the

development of an exchange rate system covering both EMU participants and other EU states.

The Bank of Finland's own preparations for Stage Three of EMU have intensified. The adoption of a single currency requires broad changes in the payment systems of the banks and the Bank of Finland. One major change will be the fusion of national payment systems into an EU-wide payment system. The Bank of Finland supports efficient and secure solutions, which will at the same time provide the best possible environment for Finnish banking and securities markets. Cooperative efforts between the banks and the Bank of Finland have intensified in all areas of concern, and the Bank of Finland is participating in the national EMU project of the Ministry of Finance.

* * *

The Bank of Finland's financial result for 1996 marked a significant improvement over the last several years, which had resulted in an erosion of the Bank's capital position. The primary reason for the improvement was the sale to the state of the Sponda group, which had fallen to the Bank in the wake of the banking crisis. In this connection, the Bank received repayment of a loan to Sponda and partial compensation for forgone interest income. Final losses in connection with the takeover of Skopbank were included in the Bank's balance sheet in 1996: the loss of equity capital amounted to about FIM 5 billion.

The Bank of Finland's result for 1996 after capitalization of prior years' losses not previously recorded in the balance sheet was FIM 3 754 million, which was added to the reserve fund in the balance sheet, thus strengthening the Bank's capital position.

10 January 1997

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- Key words: balance sheet, economic policy, inflation, statement, governor

Different indices of consumer prices

by **Martti Lehtonen**, Head of Office
and **Juhana Hukkinen**, Economist
Economics Department
Bank of Finland

The consumer price index plays a key role in the measurement of inflation, which refers to a rising level of prices of goods and services. However, as a result of developments in recent years two other indices of consumer prices are now produced in addition to the regular consumer price index.

In setting an inflation target for its monetary policy in February 1993, the Bank of Finland also defined an inflation gauge: the indicator of underlying inflation. The indicator is based on the consumer price index but is less comprehensive. The need to monitor and evaluate economic convergence between the EU countries made it necessary to modify the consumer price indices of the different countries in order to improve their international comparability. Since February 1996 EU member states have published an interim harmonized consumer price index.

Currently, Statistics Finland calculates and publishes three different price indices: the consumer price index, the interim harmonized consumer price index and the indicator of underlying inflation. Reported values of these indices have shown that differences in construction – ie differences in commodity baskets and to some extent in price definitions – occasionally show up as rather distinct differences in measured price developments. In conditions of low inflation even small differences become magnified. Significant differences between the indices are however related to a few specific factors, so that reasons for numerical differences in the indices are generally easy to pinpoint.

The different indices measure prices defined in different ways

The *consumer price index (CPI)* is used to measure changes over time in prices of consumer goods and services purchased by Finnish households. Indirect taxes, including tax-like charges related to consumption, are included in the prices covered by the CPI. The index is intended to measure primarily price developments in the direct monetary expenditures of consumers, but it also covers certain consumer expenditures for which there is no clearly defined price. In particular, capital costs related to owner-occupied housing, ie annual depreciation and mortgage interest payments on housing loans, are evaluated on the basis of comparable prices

(see Appendix). Rents are not considered to reflect the costs of owner-occupied housing with sufficient reliability because the percentage of consumers living in rented dwellings is fairly small (in the early 1990s 72 per cent of households lived in owner-occupied dwellings) and because the rents were subject to control up to the early 1990s.

The *indicator of underlying inflation (IUI)*, which is based on price data used in the CPI, is less comprehensive than the CPI (see Appendix). When the Bank of Finland specified its inflation target, it defined its inflation gauge (IUI) so as to measure developments in commodity prices excluding taxes and to reflect changes in the price level due to production costs, including import prices and profit margins. Thus imputed capital costs related to owner-occupied housing are excluded from the IUI. Indirect taxes and subsidies are excluded because there is no reason for economic policy to react to changes in the price level caused by economic policy actions. The same argument applies to interest on housing loans. Based on the pattern of consumption in 1990, the IUI covers 67 per cent of the prices included in the CPI.

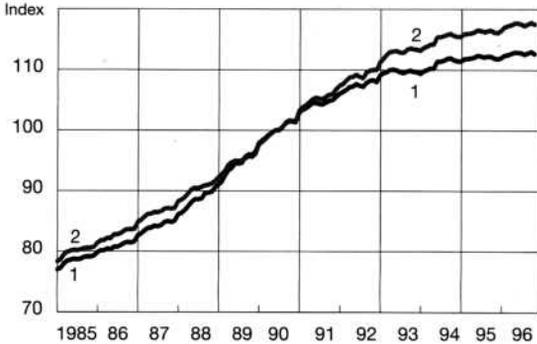
The inflation criterion prescribed in the Maastricht Treaty as a precondition for EU member states' participation in Stage Three of Economic and Monetary Union underlined the need to improve international comparability between the national CPIs. As a first step, an *interim harmonized consumer price index* was published for the first time in February 1996, with 1994 as the base year. For Finland the weight structure for the index is from 1990. In this first stage, the indices of the different countries have been harmonized by excluding from regular CPIs those commodities whose prices are most difficult to compare internationally. Excluded categories of consumption are capital costs related to owner-occupied housing (as for the IUI), charges for public services such as health care and education, as well as certain categories not included in the index of all the countries (eg church tax and membership fees). The excluded categories amount to about 23 per cent of the consumption categories covered by the Finnish CPI. The prices of the consumer goods covered by the present harmonized CPI reflect mainly the consumer price effects of producer prices in the private sector, distribution costs and indirect taxes.

Chart 1.

Indices of consumer prices

A

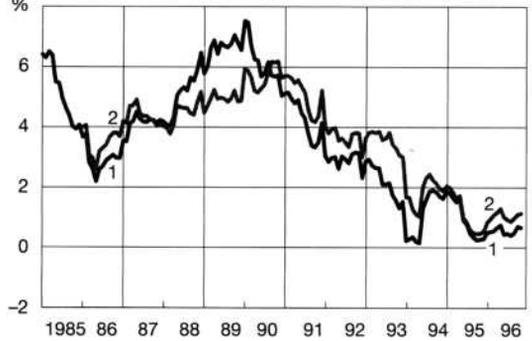
1990 = 100



- 1. Consumer price index
- 2. Consumer price index excl. house prices and interest rate on housing loans

B

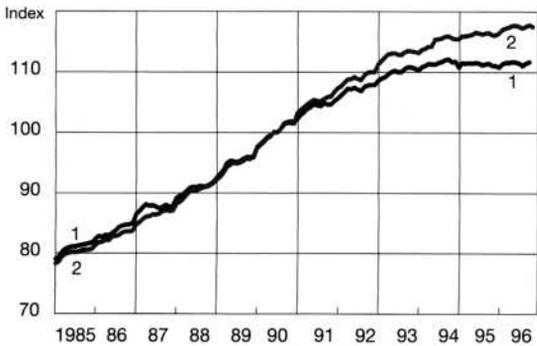
Change from corresponding month of previous year, %



- 1. Consumer price index
- 2. Consumer prices excl. house prices and interest rate on housing loans

C

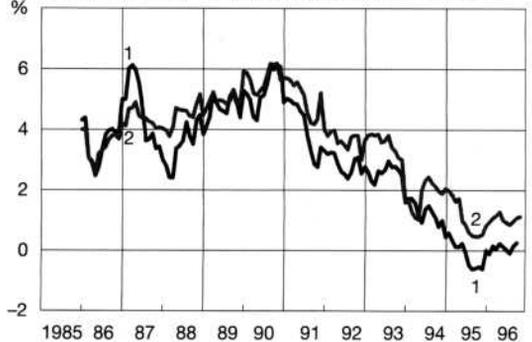
1990 = 100



- 1. Indicator of underlying inflation
- 2. Consumer price index excl. house prices and interest rate on housing loans

D

Change from corresponding month of previous year, %



- 1. Indicator of underlying inflation
- 2. Consumer prices excl. house prices and interest rate on housing loans

Differences in price developments as measured by the indices may be persistent

Differences between the above-mentioned CPIs can be analysed on the basis of either average long-term changes in the indices (trends) or short-term changes. In the late 1980s average rises in the different components¹ of the CPI were nearly equal (Charts 1A and 1C). In the late 1980s rising house prices and interest rates produced marked divergencies in annual changes for these price components. As a result, the CPI rose faster than the true average level of commodity prices (Chart 1B).

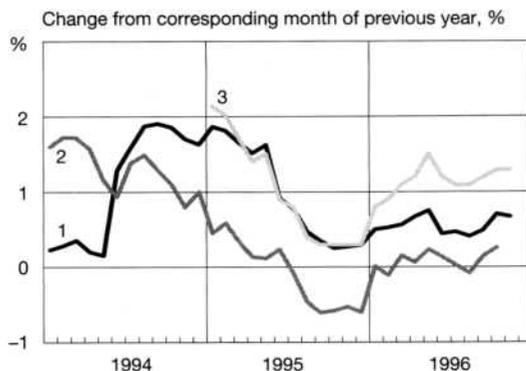
In the 1990s the rate of change in the various components of the CPI has varied considerably. From 1990 to October 1996 the imputed capital costs of owner-occupied housing declined by a total of 30 per cent due to lower house prices and, beginning around the end of 1992, downward trending interest rates on housing loans (Appendix, Chart 3). In 1991–1995 consumer prices excluding house prices and interest rates rose at an average annual rate 0.8 percentage point faster than the CPI, which covers the above-mentioned imputed prices.

Another long-standing trend has been that the tax rate index has risen at a higher rate than other prices. In 1991–1995 prices including taxes, as measured by the price index excluding capital costs of owner-occupied housing, rose at an average annual rate 0.9 percentage point faster than prices excluding taxes, as measured by the IUI. Because of indirect taxes the prices of consumer goods including taxes have trended upward relative to prices excluding taxes. The tax rate index, which measures developments in indirect taxes and subsidies, rose by about 36 per cent between 1990 and September 1996. During the same period the CPI rose by 13 per cent.

The indices of consumer prices calculated by Statistics Finland show that the twelve-month change in prices was 0.3–1.4 per cent in October–November 1996 (Chart 2). According to the interim harmonized consumer price index, the rise in prices of consumer goods and services has accelerated to more than one per cent. Between December 1995 and November 1996 the change was 1.5 per cent. From October 1995 to October 1996 the IUI rose by only 0.3 per cent, and the change for December 1995–October 1996 was 0.6 per cent. The most significant difference between the interim harmonized consumer price index and the IUI concerns the treatment of indirect taxes. The interim index measures prices including taxes, whereas the IUI measures prices excluding taxes. Neither index includes imputed capital costs of housing. Thus the difference between the two indices should show the effect of indirect taxation on prices of consumer

Chart 2.

Consumer prices



1. Consumer price index
2. Indicator of underlying inflation
3. Interim harmonized consumer price index

goods. In 1996 indirect taxation has increased, especially regarding fuels. In addition, the differences between the indices have been magnified by a bias caused by the way in which reduced income support to agriculture has been treated in the indices. When Finland became a member of the EU, agricultural price subsidies were replaced by income support and thus severed from prices of agricultural products and food. The agricultural subsidies are however still taken into consideration in calculating the indices. The reduction in income support to agriculture in 1996 shows up in the index calculation as increased net indirect taxes and thus as a rise in the tax rate index. The removal from the CPI of this – purely technical – upward influence on the tax rate index caused a reverse bias of 1/2 percentage point in the IUI for 1996 (see Appendix).

With the decline in the average interest rate on housing loans, the imputed capital costs of owner-occupied housing have continued to decrease in 1996. Therefore the CPI, which includes the imputed costs, shows a slower rise in prices than the harmonized consumer price index, which more clearly reflects commodity prices as expressed in money terms.

8 January 1997

- Key words: consumer prices, indices of consumer prices, indicators of underlying inflation

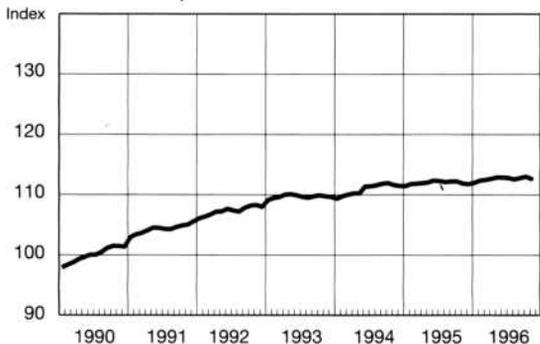
¹ These components are imputed capital costs of owner-occupied housing, the adjusted index excl. these costs (commodity prices incl. taxes), the tax rate index and the IUI (commodity prices excl. taxes).

Chart 3.

Indices and components of consumer prices, 1990 = 100

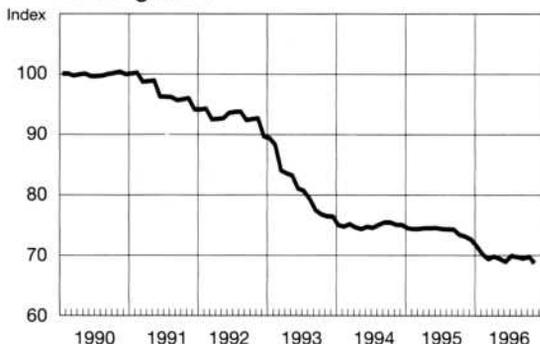
A

Consumer price index



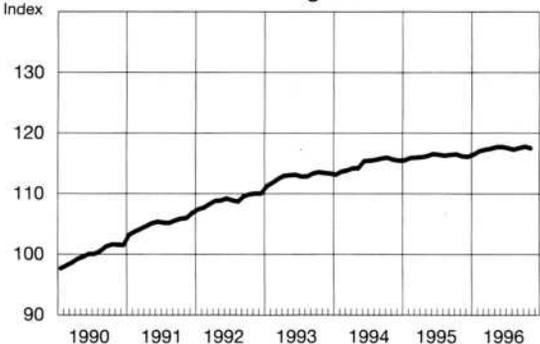
B

House prices and interest rate on housing loans



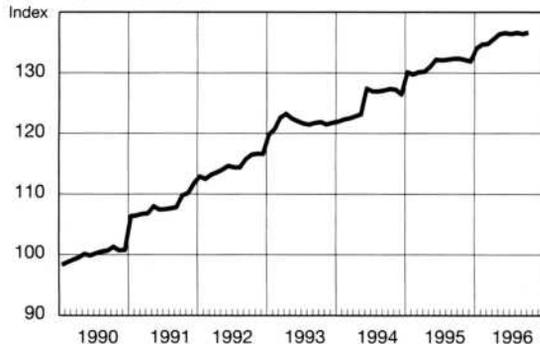
C

Consumer prices excl. house prices and interest rate on housing loans



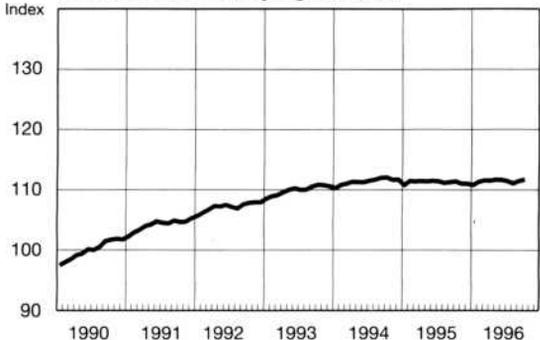
D

Tax rate index



E

Indicator of underlying inflation



Appendix

Calculation of the indicator of underlying inflation, 1990 = 100

Prices of consumer goods and services include the indirect taxes and subsidies on these commodities. Certain indirect taxes are directly added to the price of the final product, and their percentage share and amount in markkaa are easy to calculate. Examples of such taxes are the value-added tax and insurance premium tax. Some indirect taxes included in the prices of consumer goods (eg excise taxes) are defined in markkaa per quantity unit. In such cases, the tax share varies with the price paid by consumers. Even here, determination of the price excluding the tax is conceptually clear but complicated in practice. Some indirect taxes are imposed on inputs used in a production process. The share of these taxes that is passed through to households' consumption expenditure depends on the use of the goods as inputs in producing commodities sold for domestic consumption. Likewise, subsidies that reduce production costs generally have an impact on prices of commodities used as productive inputs. For these reasons, calculation of the IUI cannot be based on direct measurements of prices of individual commodities excluding taxes. Instead, the share of indirect taxes and subsidies passed through to consumer goods prices must be calculated by means of input-output analysis.

In calculating the IUI, which measures commodity prices excluding taxes, one must remove from the CPI the effect of the tax rate index, which reflects developments in the indirect tax and subsidy component of consumer prices, as well as imputed capital costs of owner-occupied housing.²

Table. Calculation of the indicator of underlying inflation (1990 component weight in brackets), %

Consumer price index	(100.0)
<i>minus</i> Imputed capital costs of owner-occupied housing	(10.0)
– House prices (depreciation)	(5.3)
– Interest costs on housing loans	(4.7)
= Consumer prices excl. house prices and interest costs on housing loans	(90.0)
<i>minus</i> tax rate index	(23.0)
– Indirect taxes	(27.4)
– Subsidies	(-4.4)
= Indicator of underlying inflation	(67.0)

The level of indirect taxation, ie the share of taxes and subsidies in consumer goods prices, is estimated in the case of certain taxes and subsidies. This is not necessarily a major problem with respect to changes in the tax rate index. A more significant bias may occur when the nature and the incidence of an indirect tax or subsidy change. For example, price subsidies to agriculture were replaced by direct income support, when Finland acceded to the EU. In this connection the link between subsidies and agricultural producer prices and food prices was severed. In calculating the tax rate index, the effect of reduced subsidies to agriculture is however taken into account as before. The reduced subsidies increase net indirect taxes. When the calculated rise in the tax rate index caused by these reductions is removed from the CPI, a reverse, ie downward, bias occurs in the IUI. In 1996 the change in the IUI is therefore 1/2 percentage point smaller than it would be without the bias.

² When the average share of net indirect taxes (indirect taxes minus subsidies) in commodity prices increases, the tax rate index rises by more than the index of commodity prices excl. taxes (IUI). When the share of taxes remains unchanged, the percentage changes in the tax rate index and prices excl. taxes are the same. Increases in indirect taxes and reductions in subsidies raise the tax rate index. The tax rate index is also raised by a general rise in prices when an ad valorem indirect tax, such as a value-added tax, is imposed on commodities.

Measures concerning monetary and foreign exchange policy and the financial markets

1996

JANUARY

Reorganization of the responsibilities of the government and the Bank of Finland. On 9 January, the Cabinet Economic Policy Committee took the following decisions in principle:

– responsibility for the Sponda group, which is owned by the Bank of Finland and which was set up to manage Skopbank's assets (real estate and shares), will be transferred to the Council of State

– the government will settle its coinage-related debt to the Bank of Finland in the amount of some FIM 2 billion.

The required measures will be prepared in connection with the first supplementary budget for 1996.

The Government Guarantee Fund. On 9 January, the Cabinet Economic Policy Committee decides to propose that the Government Guarantee Fund be transferred to the authority of the Council of State as from the beginning of April.

FEBRUARY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 4.75 per cent to 4.50 per cent with effect from 1 February.

MARCH

Tender rate. On 13 March, the Bank of Finland lowers its tender rate from 4.25 per cent to 3.75 per cent. In addition, the interest rate on banks' excess reserves is cut from 2.25 per cent to 1.75 per cent.

MAY

The Government Guarantee Fund moves to the Ministry of Finance. On 1 May, the Government Guarantee Fund ceased to operate as a separate unit and its employment contracts were allowed to expire. The Fund, which was previously subordinate to Parliament was made subordinate to the Government, operating in connection with the Ministry of Finance. Fund personnel were also transferred to the Ministry.

The Government takes over Sponda. On 23 May, the Finnish Government bought the entire share capital of Sponda Oy at a purchase price of FIM 1 248 million. The Bank of Finland originally set up Sponda Oy in 1991 to manage the real estate and equity assets transferred from Skopbank after the bank ran into severe liquidity and solvency problems.

JUNE

Currency Act amended. On 10 June, the amendments to the Currency Act enter into force. The amendments enable the joining of the markka to the EU Exchange Rate Mechanism (ERM).

Tender rate. On 14 June, the Bank of Finland lowers its tender rate from 3.75 per cent to 3.60 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.75 per cent to 1.60 per cent.

JULY

Tender rate. On 5 July, the Bank of Finland lowers its tender rate from 3.60 per cent to 3.50 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.60 per cent to 1.50 per cent.

AUGUST

Bank of Finland's guidelines for credit institutions. On 1 August, the Bank of Finland issues its monetary policy-related guidelines for credit institutions as a complete set. The contents remain essentially unchanged.

Tender rate. On 23 August, the Bank of Finland lowers its tender rate from 3.50 per cent to 3.25 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.50 per cent to 1.25 per cent.

SEPTEMBER

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 4.50 per cent to 4.00 per cent with effect from 16 September.

Tender rate. On 18 September, the Bank of Finland lowers its tender rate from 3.25 per cent to 3.10 per cent. In addition, the interest rate on

banks' excess reserves is cut from 1.25 per cent to 1.10 per cent.

OCTOBER

Tender rate. On 9 October, the Bank of Finland lowers its tender rate from 3.10 per cent to 3.00

per cent. In addition, the interest rate on banks' excess reserves is cut from 1.10 per cent to 1.00 per cent.

Finland joins the ERM. Finland joins the EU Exchange Rate Mechanism (ERM) as of 14 October 1996.

Finland in brief

Land, climate and population

Finland covers an area of more than 338 000 square kilometres. The total area is slowly increasing because of the steady uplift of the land since the last glacial era. The country shares frontiers with Sweden in the west, Norway in the north and Russia in the east and has a coastline bordered by the Baltic Sea in the south and west. Agricultural land accounts for 8 % of the total area, forest and other wooded land for 69 % and inland waters for 10 %. Located between latitudes 60° and 70° north, Finland has warm summers and cold winters. Helsinki on the south coast has an average maximum temperature of 22° C (72° F) in July and -4° C (25° F) in February.

Finland has a population of 5 116 800 (31 December 1995) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 525 000 inhabitants, Espoo (Esbo) 191 200, Tampere (Tammerfors) 182 700, Vantaa (Vanda) 166 500 and Turku (Åbo) 164 700.

There are two official languages: 92.9 % of the population speaks Finnish as its mother tongue and 5.8 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

Form of government

Finland is a parliamentary democracy with a republican constitution. From the twelfth century to 1809 Finland was part of the Kingdom of Sweden. In 1809, Finland was annexed to Russia as an autonomous Grand Duchy with the Tsar as Grand Duke. On 6 December 1917 Finland declared her independence. The republican constitution adopted in 1919 remains essentially unchanged today.

The legislative power of the country is exercised by Parliament and the President of the Republic. The supreme executive power is vested in the President, who is elected for a period of six years. The President for the current term, 1 March 1994 to 1 March 2000, is Mr Martti Ahtisaari.

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1995, the seats of the various parties in Parliament are distributed as follows:

Social Democratic Party 63; Centre Party 44; National Coalition Party 39; Left Wing Alliance 22; Swedish People's Party 12; Green League 9; Christian League 7; Progressive Finnish Party 2; Rural Party 1; and Ecological Party 1.

Of the 18 ministerial posts in the present Government appointed in April 1995, 7 are held by the Social Democratic Party, 5 by the National Coalition Party, 2 by the Left Wing Alliance, 2 by the Swedish People's Party, 1 by the Green League and 1 by an expert with no party affiliation. The Prime Minister is Mr Paavo Lipponen of the Social Democratic Party.

Finland is divided into 455 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of four years.

International relations

Finland became a member of the BIS in 1930, the IMF in 1948, the IBRD in 1948, GATT in 1950, the UN in 1955, the Nordic Council in 1955, the IFC in 1956, IDA in 1960, EFTA in 1961, the ADB in 1966, the OECD in 1969, the IDB in 1977, the AfDB in 1982, the MIGA in 1988, the Council of Europe in 1989, the EBRD in 1991 and the EU in 1995.

Having abolished most quantitative restrictions on foreign trade in 1957, Finland first took part in European free trade arrangements under the auspices of EFTA in 1961. Imports from the USSR were also progressively freed from customs duties. Finland's free trade agreement with the EEC entered into force in 1974 and agreements for the removal of trade barriers were concluded with several eastern European countries as well. The agreement on the European Economic Area (EEA) between the member countries of EFTA and the European Union came into effect at the beginning of 1994. Finland's negotiations to join the European Union were concluded in spring 1994. The accession treaty was signed in Corfu in June. In autumn 1994, a consultative referendum was held in which the majority of the voters (56.9 %) were in favour of membership. The Finnish Parliament ratified the accession treaty in November. The accession treaty having been ratified by each Member State, Finland became a member of the European Union on 1 January 1995. Citizens of the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, have enjoyed a common labour market, a passport union and reciprocal social security benefits since the mid-1950s.

Finland's development cooperation programmes channel assistance via international organizations and, bilaterally, to a number of African, Asian and Latin American countries.

The economy

Output and employment. Of the gross domestic product of FIM 478 billion in basic values in 1995, 2 % was generated in agriculture and fishing, 3 % in forestry, 29 % in industry, 5 % in construction, 11 % in trade, restaurants and hotels, 8 % in transport and communications, 3 % in finance and insurance, 20 % in other private services and 19 % by producers of government services. Of total employment of 2.1 million persons in 1995, 7.6 % were engaged in primary production, 27.8 % in industry and construction and 64.6 % in services.

In 1995, expenditure on the gross domestic product in purchasers' values amounted to FIM 546 billion and was distributed as follows: net exports 9 % (exports 38 %, imports -29 %), gross fixed capital formation 15 %, private consumption 54 % and government consumption 22 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 46.5 per cent, which is somewhat below the average for the Nordic countries.

Average annual (compounded) growth of real GDP was 4.7 % in the period 1950-59, 5.0 % in 1960-69,

3.7% in 1970-79, 3.7% in 1980-89 and 3.6% in 1950-95. Finland's GDP per capita in 1995 was USD 24 500.

Foreign trade. EU countries absorb the bulk of Finnish merchandise exports. In 1991-1995 their average share was 51.0%. Over the same period, Finland's exports to other European countries (including Russia) accounted for 25.4% and to the rest of the world for 23.6%. The regional distribution of Finland's merchandise imports in the same period has been quite similar to that of exports: EU countries accounted for 48.6%, other European countries for 27.5% and the rest of the world for 23.9%.

In 1995, the share of forest industry products in total merchandise exports was 36%, the share of metal and engineering products 36% and the share of other goods 28%. Raw materials and intermediate goods (incl. crude oil) accounted for 60% of merchandise imports, fuels for 5%, investment goods for 14% and consumption goods for 20%.

Forest resources. Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1 887 million cubic metres, of which 46% is pine, 36% spruce and 15% broad-leaved species, chiefly birch.

The annual growth increment totals 77 million cubic metres and the total drain was about 62 million cubic metres in 1995.

Finance and banking

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 1 November 1977 to 7 June 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from 30 November 1988 the range was 6 percentage points). From 7 June 1991 to 7 September 1992, the markka was pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was first 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. On 8 September 1992, the fluctuation limits of the markka were abandoned and the markka was allowed to float. On 14 October 1996, the markka was joined to the Exchange Rate Mechanism (ERM) of the European Monetary System (EMS) at the central rate of 5.80661 per ECU. As from 25 November 1996 the ECU central rate is FIM 5.85424.

The Central Bank. The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance and open market operations in the money and foreign exchange market. The powers vested in the Bank and its independence of the Government make the Bank of Finland one of the world's stronger central banks. In practice, the Bank liaises closely with the Government, so as to coordinate economic policy. The Bank of Finland has a head office in Helsinki and 4 branch offices in other towns.

Other banks (31 December 1995). Finland has three major groups of deposit banks with a total of 1 953 offices. There are two big commercial banks with national branch networks and five smaller ones. The commercial banks have a total of 19 foreign branches, subsidiaries and associate banks and 21 representative offices abroad. There are 40 savings banks and 301 cooperative banks with their own extensive branch networks. In addition, foreign banks have four branches and nine representative offices in Finland.

Financial market. Of the total stock of FIM 679 billion in outstanding domestic credit at the end of September 1995, 50% was provided by deposit banks, 26% by insurance companies, 5% by other private credit institutions, 6% by public financial institutions and 12% by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 69% of the instruments, which totalled approximately FIM 142 billion at end-1995, were bank certificates of deposit (including central bank paper). Other negotiable money market instruments consist of Treasury bills, commercial paper and local authority paper.

There are 73 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 191 billion (at end-1995). Domestic bonds and debentures in circulation at end-1995 totalled FIM 234 billion; government bonds made up 62% of the total. Turnover on the Stock Exchange in 1995 amounted to FIM 84 billion; the share of shares and subscription rights in the total was approximately 99%.

1. The balance sheet of the Bank of Finland	S2
1.1 The balance sheet of the Bank of Finland	S2
1.2 Time series for the balance sheet items of the Bank of Finland	S3
2. The Bank of Finland's operations in the money and foreign exchange markets and the banks' forward exchange position	S4
2.1 The Bank of Finland's minimum reserve system and standing facilities	S4
2.2 The Bank of Finland's money market transactions	S4
2.3 The Bank of Finland's transactions in convertible currencies	S5
2.4 Forward exchange contracts	S5
3. Rates of interest	S6
3.1 Money market rates and rates applied by the Bank of Finland	S6
3.2 The Bank of Finland's liquidity facility	S6
3.3 Weighted Eurorates and commercial ECU interest rate	S6
3.4 Rates of interest applied by banks	S7
3.5 Yields on bonds and shares	S7
4. Rates of exchange	S8
4.1 Middle rates	S8
4.2 Markka value of the ECU and currency indices	S9
4.3 Deviations of ERM currencies' markka rates from central rates	S9
5. Other domestic financing	S10
5.1 Bank funding from the public	S10
5.2 Bank lending to the public	S10
5.3 Money supply	S11
5.4 Liabilities and assets of the central government	S11
5.5 Markka bond market	S12
a) Issues	S12
b) Stock	S12
c) Turnover	S13
5.6 Helsinki Stock Exchange	S13
6. Balance of payments, foreign liabilities and assets	S14
6.1 Current account	S14
6.2 Capital and financial account	S15
6.3 Finland's international investment position	S16
6.4 Finland's net international investment position (liabilities less assets), by sector	S17
7. Foreign trade	S18
7.1 Exports, imports and the trade balance	S18
7.2 Foreign trade: indices of volume, prices and terms of trade	S18
7.3 Foreign trade by main groups	S18
7.4 Foreign trade by regions and countries	S19
8. Domestic economic developments	S20
8.1 Supply and use of resources	S20
8.2 Volume of industrial production	S20
8.3 Indicators of domestic supply and demand	S21
8.4 Wages and prices	S22
8.5 Labour, employment and unemployment	S23
8.6 Central government finances: revenue, expenditure and financial balance	S24
Notes and explanations to the statistical section	S25

1. The balance sheet of the Bank of Finland

1.1 The balance sheet of the Bank of Finland, mill. FIM

	1995		1996		
	31 Dec.	5 Dec.	13 Dec.	23 Dec.	31 Dec.
ASSETS					
Reserve assets	48 865	37 160	36 447	36 396	36 397
Gold	1 742	1 742	1 742	1 742	1 742
Special drawing rights	1 569	1 026	1 088	1 343	1 344
IMF reserve tranche	1 685	1 959	1 946	1 952	1 953
ECU-claim on the European Monetary Institute	3 363	2 531	2 533	2 533	2 541
Foreign exchange assets	40 506	29 903	29 139	28 825	28 817
Other foreign claims	3 969	4 053	4 053	4 052	3 853
Markka subscription to Finland's quota in the IMF	3 911	3 994	3 994	3 993	3 794
Share in the European Monetary Institute	58	59	59	59	59
Claims on financial institutions	8 831	14 196	14 512	14 507	13 497
Liquidity credits	-	721	-	-	-
Certificates of deposit	-	-	-	-	-
Securities with repurchase commitments	7 076	11 598	12 635	12 635	11 626
Term credits	-	-	-	-	-
Bonds	417	197	197	197	196
Other claims on financial institutions	1 339	1 681	1 681	1 676	1 676
Claims on the public sector	1 882	5 991	5 998	1 906	1 906
Treasury bills	-	-	-	-	-
Bonds	-	-	-	-	-
Total coinage	1 882	1 891	1 898	1 906	1 906
Loans for stabilizing the money market	-	3 268	3 268	-	-
Other claims on the public sector	-	832	832	-	-
Claims on corporations	2 886	2 271	2 271	2 271	2 266
Financing of domestic deliveries (KTR)	185	74	74	74	70
Other claims on corporations	2 700	2 197	2 197	2 197	2 197
Other assets	5 645	662	610	620	598
Loans for stabilizing the money market	4 532	-	-	-	-
Accrued items	972	540	487	515	490
Other assets	141	123	123	105	108
Valuation account	643	-	-	-	-
Capitalized expenditures and losses due to safeguarding the stability of the money market	1 400	1 400	1 400	1 400	-
Total	74 121	65 734	65 292	61 152	58 518
LIABILITIES					
Foreign currency liabilities	1 214	838	836	936	934
Other foreign liabilities	4 837	4 949	4 943	4 944	4 745
IMF markka accounts	3 911	3 994	3 994	3 993	3 794
Allocations of special drawing rights	927	955	949	951	951
Other foreign liabilities	-	-	-	-	-
Notes and coin in circulation	15 611	15 911	16 908	17 720	16 891
Notes	13 868	14 146	15 128	15 914	15 076
Coin	1 743	1 765	1 780	1 806	1 815
Certificates of deposit	27 090	22 160	23 680	14 650	15 530
Liabilities to financial institutions	16 777	10 176	7 317	11 236	8 329
Reserve deposits	15 676	8 676	5 817	9 736	6 829
Term deposits	-	-	-	-	-
Other liabilities to financial institutions	1 101	1 500	1 500	1 500	1 500
Liabilities to the public sector	75	-	-	-	-
Cheque accounts	0	-	-	-	-
Deposits of the Government Guarantee Fund	75	-	-	-	-
Other liabilities to the public sector	-	-	-	-	-
Liabilities to corporations	994	600	588	576	574
Deposits for investment and ship purchase	994	600	588	576	574
Other liabilities to corporations	-	-	-	-	-
Other liabilities	327	231	228	238	220
Accrued items	300	190	195	189	193
Other liabilities	27	41	33	49	27
Valuation account	-	3 674	3 595	3 656	260
Provisions	1 431	1 431	1 431	1 431	5 270
Pension provision	1 431	1 431	1 431	1 431	1 516
Other provisions	-	-	-	-	3 754
Capital accounts	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Net earnings	-	-	-	-	-
Total	74 121	65 734	65 292	61 152	58 518

1.2 Time series for the balance sheet items of the Bank of Finland, mill. FIM

End of period	Foreign sector								Public sector		
	Gold	Special drawing rights	IMF reserve tranche	ECU-claim on the European Monetary Institute	Foreign exchange assets	Reserve assets (1+2+3+4+5)	Other claims, net	Net claims (6+7)	Claims	Liabilities	Net claims (9-10)
	1	2	3	4	5	6	7	8	9	10	11
1992	2 180	564	1 732	.	25 041	29 517	-2 998	26 519	2 446	90	2 356
1993	2 180	664	1 747	.	28 882	33 473	-1 324	32 148	1 788	784	1 004
1994	2 180	1 537	1 354	.	47 672	52 743	-1 114	51 629	1 806	93	1 713
1995	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
1996	1 742	1 344	1 953	2 541	28 817	36 397	-1 826	34 571	1 906	-	1 906
1995 Dec.	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
1996 Jan.	1 742	1 174	1 716	3 337	36 023	43 993	-1 378	42 615	1 879	132	1 747
Feb.	1 742	1 061	1 767	3 376	37 832	45 778	-1 484	44 294	1 880	54	1 826
March	1 742	1 165	1 802	3 435	35 330	43 475	-1 364	42 111	1 874	40	1 834
April	1 742	1 401	1 864	3 070	33 986	42 063	-1 481	40 582	1 873	342	1 531
May	1 742	1 474	1 953	3 002	27 814	35 985	-1 725	34 260	6 670	0	6 670
June	1 742	1 243	1 908	2 964	26 851	34 707	-2 015	32 692	6 460	0	6 460
July	1 742	1 187	1 880	2 642	26 402	33 854	-2 066	31 788	6 460	-	6 460
Aug.	1 742	1 186	1 909	2 613	27 139	34 590	-2 588	32 002	6 297	-	6 297
Sept.	1 742	1 412	1 928	2 614	27 619	35 315	-1 774	33 541	5 998	-	5 998
Oct.	1 742	1 017	1 915	2 519	29 510	36 703	-1 863	34 840	5 982	-	5 982
Nov.	1 742	1 044	1 945	2 541	29 713	36 985	-2 088	34 897	5 987	-	5 987
Dec.	1 742	1 344	1 953	2 541	28 817	36 397	-1 826	34 571	1 906	-	1 906

End of period	Domestic financial sector				Corporate sector				
	Term claims on deposit banks, net	Reserve deposits of deposit banks ¹	Other claims on financial institutions, net	Net claims (12+13+14)	Claims in the form of special financing	Special deposits and other items, net	Net claims (16+17)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	12	13	14	15	16	17	18	19	20
1992	3 738	-13 165	4 022	-5 405	747	-2 651	-1 904	14 508	4 880
1993	7 337	-6 398	-463	476	496	720	1 216	14 994	14 837
1994	1 480	-6 526	-347	-5 392	316	1 285	1 601	14 315	35 236
1995	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090
1996	11 626	-6 829	372	5 169	70	1 623	1 692	16 891	15 530
1995 Dec.	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090
1996 Jan.	3 182	-18 155	624	-14 349	170	1 756	1 926	14 293	16 743
Feb.	2 095	-8 092	2 046	-3 951	159	1 808	1 968	14 428	28 325
March	2 244	-6 564	598	-3 722	153	1 825	1 978	14 448	25 426
April	3 430	-8 831	304	-5 097	138	1 628	1 767	14 759	20 350
May	10 237	-8 790	527	1 974	129	1 541	1 670	14 967	20 700
June	7 887	-4 191	498	4 194	124	1 560	1 685	15 275	21 420
July	6 540	-7 203	487	-176	117	1 581	1 698	15 251	16 445
Aug.	9 988	-5 400	472	5 060	108	1 592	1 700	15 201	21 920
Sept.	10 147	-3 676	443	6 914	102	1 630	1 732	15 331	24 650
Oct.	10 683	-5 131	394	5 946	92	1 662	1 754	15 296	24 920
Nov.	7 041	-4 145	1 100	3 996	74	1 591	1 665	15 449	22 160
Dec.	11 626	-6 829	372	5 169	70	1 623	1 692	16 891	15 530

2. The Bank of Finland's operations in the money and foreign exchange markets and the banks' forward exchange position

2.1 The Bank of Finland's minimum reserve system and standing facilities

	Reserve requirement			Required reserves ¹ , mill. FIM	Excess reserves, mill. FIM	Total reserves, mill. FIM (4+5)	Liquidity credits, mill. FIM
	On deposits payable on demand, %	On other deposits, %	On other items, %				
	1	2	3	4	5	6	7
1993	2.0	1.5	1.0	6 398	.	.	440
1994	2.0	1.5	1.0	6 526	.	.	14
1995	2.0	1.5	1.0	6 557	.	.	123
1996	2.0	1.5	1.0	6 530	616	7 146	37
	2.0	1.5	1.0	6 652	440	7 092	121
1995 Dec.	2.0	1.5	1.0	6 487	1 512	7 999	0
1996 Jan.	2.0	1.5	1.0	6 541	217	6 758	-
Feb.	2.0	1.5	1.0	6 681	251	6 932	-
March	2.0	1.5	1.0	6 699	240	6 939	278
April	2.0	1.5	1.0	6 672	148	6 821	153
May	2.0	1.5	1.0	6 624	105	6 730	0
June	2.0	1.5	1.0	6 689	481	7 171	-
July	2.0	1.5	1.0	6 728	139	6 868	-
Aug.	2.0	1.5	1.0	6 672	308	6 981	-
Sept.	2.0	1.5	1.0	6 636	1 634	8 270	0
Oct.	2.0	1.5	1.0	6 703	631	7 334	-
Nov.	2.0	1.5	1.0	6 596	136	6 732	-
Dec.	2.0	1.5	1.0	6 578	992	7 570	186

¹ As of 2 October 1995, the minimum reserve requirement is fulfilled on an averaging basis; until 2 October 1995, end of month figures.

2.2 The Bank of Finland's money market transactions, mill. FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Money market transactions, net (1-2-3)
	1	2	3	4
1992	76 230	137 940	-60 417	-1 293
1993	86 521	146 899	-50 486	-9 892
1994	35 540	351 820	-295 165	-21 115
1995	50 435	434 810	-393 930	9 555
1996	94 080	250 980	-190 562	33 662
1995 Dec.	5 100	31 240	-37 290	11 150
1996 Jan.	3 250	26 000	-22 850	100
Feb.	2 100	27 420	-24 080	-1 240
March	2 280	24 350	-21 300	-770
April	3 500	16 320	-26 040	13 220
May	10 500	20 060	-12 880	3 320
June	7 900	14 020	-2 390	-3 730
July	6 700	16 450	-13 510	3 760
Aug.	14 800	21 920	-9 892	2 772
Sept.	11 900	24 650	-15 530	2 780
Oct.	10 600	24 920	-12 030	-2 290
Nov.	7 900	19 340	-23 630	12 190
Dec.	12 650	15 530	-6 430	3 550

2.3 The Bank of Finland's transactions in convertible currencies, mill. FIM

During period	Intervention in the foreign exchange market			Spot transactions related to forward contracts, net	Central government's foreign exchange transactions, net
	Spot purchases	Spot sales	Forward exchange intervention = change in forward exchange position		
	1	2	3	4	5
1991	35 120	-69 940	-14 820	12 820	12 260
1992	20 050	-70 640	-1 650	390	45 060
1993	25 120	-45 080	7 460	-6 910	33 240
1994	20 930	-12 900	9 060	-8 930	24 660
1995	4 910	-5 960	-6 170	9 170	-9 645
1995					
Nov.	60	-	-2 580	2 570	120
Dec.	-	-820	-	-	-2 310
1996					
Jan.	-	-3 970	-	-	-1 150
Feb.	-	-1 330	-	-	2 440
March	-	-440	-	-	-1 970
April	-	-1 100	-	-	-1 710
May	1 200	-	-	-	-6 230
June	240	-	-	-	-720
July	60	-	-	-	-50
Aug.	1 350	-	-	-	-658
Sept.	2 310	-	-	-	-2 210
Oct.	2 200	-	-	-	-690
Nov.	-	-480	-	-	30

2.4 Forward exchange contracts between Finnish markka and other currencies, mill. FIM

Stock at end of period	Finnish banks' forward contracts						Non-residents' forward contracts with Finnish customers (excl. Finnish banks)			The Bank of Finland's forward contracts	
	With Finnish customers (excl. Finnish banks)			With foreign customers			Total	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Net currency sales
	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Currency purchases from foreign customers	Currency sales to foreign customers	Net					
	1	2	3	4	5	6	7	8	9	10	11
1991	33 004	36 352	-3 348	40 056	37 505	2 550	-798	1 404	645	759	8 953
1992	39 195	32 939	6 256	21 142	32 339	-11 197	-4 941	1 614	1 929	-315	7 133
1993	38 373	23 721	14 652	14 346	21 895	-7 548	7 104	11 632	2 173	9 459	1 939
1994	51 096	22 093	29 003	19 236	32 791	-13 555	15 448	18 372	4 780	13 592	-6 080
1995	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	-
1995											
Nov.	58 789	21 279	37 510	29 384	45 295	-15 911	21 599	15 154	6 539	8 615	-
Dec.	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	-
1996											
Jan.	62 881	24 416	38 465	38 155	61 008	-22 854	15 611	15 426	9 221	6 205	-
Feb.	69 329	29 225	40 105	44 599	67 131	-22 532	17 573	16 168	9 036	7 132	-
March	69 288	29 810	39 478	47 057	66 398	-19 341	20 137	15 413	8 400	7 013	-
April	65 120	29 781	35 340	42 328	63 860	-21 532	13 808	15 326	8 836	6 490	-
May	63 924	29 718	34 206	43 553	66 290	-22 737	11 469	17 851	8 327	9 525	-
June	60 709	27 714	32 995	43 406	61 302	-17 896	15 099	16 731	8 494	8 237	-
July	57 388	27 873	29 514	42 949	62 681	-19 733	9 781	16 977	8 127	8 849	-
Aug.	56 042	26 638	29 404	43 992	68 884	-24 891	4 513	17 407	7 513	9 894	-
Sept.	54 160	23 422	30 738	46 476	69 507	-23 031	7 707	18 761	7 536	11 225	-
Oct.	54 587	24 466	30 120	50 823	73 163	-22 341	7 779	18 988	6 902	12 085	-
Nov.	53 072	22 459	30 614	51 554	76 001	-24 446	6 168	18 476	7 649	10 827	-

3. Rates of interest

3.1 Money market rates and rates applied by the Bank of Finland, per cent

Average of daily observations	Interbank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate ¹	Excess-reserve rate ²	Base rate
	1	2	3	4	5	6	7	8
1992	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
1993	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
1994	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
1995	5.26	5.63	5.76	5.97	6.34	7.63	3.63	5.20
1996	3.66	3.58	3.63	3.74	3.99	5.57	1.57	4.38
1995 Dec.	4.60	4.56	4.54	4.57	4.66	6.56	2.56	4.86
1996 Jan.	4.30	4.21	4.20	4.24	4.41	6.25	2.25	4.75
Feb.	4.05	4.27	4.28	4.33	4.58	6.25	2.25	4.50
March	3.83	3.95	4.01	4.12	4.36	5.94	1.94	4.50
April	3.91	3.77	3.82	3.95	4.21	5.75	1.75	4.50
May	4.01	3.75	3.76	3.86	4.16	5.75	1.75	4.50
June	3.38	3.67	3.72	3.84	4.11	5.67	1.67	4.50
July	3.48	3.54	3.63	3.78	4.07	5.52	1.52	4.50
Aug.	3.94	3.45	3.54	3.70	4.00	5.43	1.43	4.50
Sept.	3.16	3.19	3.28	3.43	3.67	5.19	1.19	4.25
Oct.	3.11	3.04	3.10	3.20	3.40	5.03	1.03	4.00
Nov.	3.29	3.02	3.08	3.21	3.46	5.00	1.00	4.00
Dec.	3.11	3.02	3.08	3.20	3.40	5.00	1.00	4.00

¹ Call money credit rate until 2 July 1992.

² Call money deposit rate until 2 October 1995.

3.2 The Bank of Finland's liquidity facility

	The Bank of Finland's tender rate, %		Liquidity credit: interest rate margin, %-points	Liquidity credit: maturity, days	Call money deposits: interest rate margin, %-points	Excess-reserve rate
1992 ¹	13.85	1992	+1.00	7	-3.00	.
1993	7.87	1993	+2.00	7	-2.00	.
1994	5.11	1994	+2.00	7	-2.00	.
1995	5.63	1995	+2.00	7	.	2.25
1996	3.57	1996	+2.00	7	.	1.52
1995 Dec.	4.56	1995 Dec.	+2.00	7	.	2.25
1996 Jan.	4.25	1996 Jan.	+2.00	7	.	2.25
Feb.	4.25	Feb.	+2.00	7	.	2.25
March	3.94	March	+2.00	7	.	1.75
April	3.75	April	+2.00	7	.	1.75
May	3.75	May	+2.00	7	.	1.75
June	3.67	June	+2.00	7	.	1.60
July	3.52	July	+2.00	7	.	1.50
Aug.	3.43	Aug.	+2.00	7	.	1.25
Sept.	3.19	Sept.	+2.00	7	.	1.10
Oct.	3.03	Oct.	+2.00	7	.	1.00
Nov.	3.00	Nov.	+2.00	7	.	1.00
Dec.	3.00	Dec.	+2.00	7	.	1.00
13.3.1996	3.75	13.3.1996	.	.	.	1.75
14.6.1996	3.60	14.6.1996	.	.	.	1.60
5.7.1996	3.50	5.7.1996	.	.	.	1.50
23.8.1996	3.25	23.8.1996	.	.	.	1.25
18.9.1996	3.10	18.9.1996	.	.	.	1.10
9.10.1996	3.00	9.10.1996	.	.	.	1.00

¹ July-December.

3.3 Weighted Eurorates and commercial ECU interest rate, per cent

Average of daily observations	ECU	3 currencies	Commercial ECU
1992	10.4	7.8	10.6
1993	8.0	5.9	8.1
1994	5.9	5.2	6.1
1995	5.9	5.2	6.0
1996	4.4	4.3	4.4
1995 Dec.	5.3	4.7	5.3
1996 Jan.	4.8	4.5	4.9
Feb.	4.6	4.2	4.7
March	4.6	4.3	4.7
April	4.4	4.2	4.5
May	4.3	4.3	4.4
June	4.4	4.3	4.5
July	4.3	4.3	4.5
Aug.	4.3	4.2	4.4
Sept.	4.2	4.1	4.3
Oct.	4.1	4.1	4.2
Nov.	4.1	4.2	4.2
Dec.	4.1	4.3	4.2

3.4 Rates of interest applied by banks, per cent

Average for period	Lending						Markka deposits and other markka funding					
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits ¹	36-month tax-exempt deposits ¹	Other tax-exempt deposits, max. rate of interest ¹	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total								
	1	2	3	4	5	6	7	8	9	10	11	12
1991	13.63	15.88	13.40	13.84	12.08	11.80	7.50		4.50	7.10	13.22	8.97
1992	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
1993	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
1994	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
1995	7.85	11.33	7.30	7.46	8.04	7.75	2.75	3.75	2.00	3.13	6.29	4.08
1995												
Nov.	6.86	11.48	6.80	6.92	7.78	7.45	3.00	4.00	2.00	2.92	6.04	3.81
Dec.	6.53	9.30	6.10	6.21	7.46	7.13	2.75	3.75	2.00	2.69	5.27	3.38
1996												
Jan.	6.30	11.05	5.81	5.94	7.18	6.88	2.75	3.75	2.00	2.55	5.17	3.29
Feb.	5.79	9.32	6.04	6.08	6.99	6.70	2.50	3.50	2.00	2.44	4.98	3.15
March	5.13	10.78	5.93	5.99	6.88	6.57	2.50	3.50	2.00	2.37	4.63	3.00
April	4.83	8.19	5.71	5.75	6.77	6.43	2.50	3.50	2.00	2.32	4.71	2.99
May	5.96	9.19	5.59	5.73	6.64	6.30	2.50	3.50	2.00	2.27	4.59	2.97
June	5.31	10.66	5.35	5.44	6.55	6.20	2.50	3.50	2.00	2.23	4.10	2.79
July	6.26	9.78	5.48	5.63	6.48	6.12	2.50	3.50	2.00	2.21	4.29	2.81
Aug.	6.19	9.74	5.51	5.66	6.42	6.04	2.50	3.50	2.00	2.07	4.09	2.71
Sept.	6.24	9.95	4.92	5.06	6.23	5.87	2.00	3.00	2.00	1.93	3.92	2.52
Oct.	5.63	9.73	4.90	5.04	5.99	5.67	2.00	3.00	2.00	1.84	3.72	2.39
Nov.	5.12	9.58	4.87	4.98	5.94	5.62	2.00	3.00	2.00	1.80	3.77	2.38

¹ End of period.

3.5 Yields on bonds and shares, per cent

Period	Bonds				Shares
	Reference rates calculated by the Bank of Finland		Taxable government bonds		Share yield
	3 years	5 years	5 years	10 years	
	1	2	3	4	5
1991	12.3	12.2	11.8		3.9
1992	13.1	13.0	12.0	11.5 ¹	3.1
1993	8.5	8.9	8.2	8.8	1.8
1994	8.5	9.3	8.4	9.1	1.4
1995	8.2	8.9	7.9	8.8	2.6
1995					
Nov.	6.7	7.5	7.0	7.5	3.1
Dec.	6.5	7.3	6.7	7.4	3.5
1996					
Jan.	6.1	6.9	6.3	7.0	2.2
Feb.	6.4	7.3	6.9	7.7	2.1
March	6.4	7.5	6.8	7.7	3.0
April	6.1	7.2	6.5	7.5	3.0
May	6.1	7.4	6.5	7.4	2.4
June	6.0	7.2	6.3	7.2	2.4
July	5.9	6.9	6.2	7.1	2.4
Aug.	5.8	6.9	6.1	7.2	2.3
Sept.	5.4	6.5	5.6	6.9	2.8
Oct.	5.0	5.9	5.1	6.5	2.8
Nov.	5.0	5.9	5.1	6.5	2.7

¹ November and December only.

4. Rates of exchange

4.1 Middle rates, FIM

Average of daily quotations	New York 1 USD	Montreal 1 CAD	London 1 GBP	Dublin 1 IEP	Stockholm 1 SEK	Oslo 1 NOK	Copenhagen 1 DKK	Reykjavik 1 ISK	Frankfurt am Main 1 DEM	Amsterdam 1 NLG	Brussels 1 BEF	Zurich 1 CHF
	1	2	3	4	5	6	7	8	9	10	11	12
1992	4.4835	3.706	7.875	7.636	0.7714	0.7222	0.7444	0.0778	2.8769	2.5552	0.1397	3.2000
1993	5.7189	4.434	8.582	8.371	0.7350	0.8059	0.8822	0.0846	3.4584	3.0787	0.1655	3.8706
1994	5.2184	3.824	7.982	7.799	0.6758	0.7393	0.8207	0.0745	3.2169	2.8684	0.1561	3.8179
1995	4.3658	3.181	6.891	6.999	0.6123	0.6889	0.7790	0.0674	3.0471	2.7202	0.1481	3.6941
1996	4.5905	3.367	7.164	7.345	0.6847	0.7111	0.7921	0.0713	3.0530	2.7247	0.1484	3.7211
1995 Dec.	4.3351	3.165	6.669	6.893	0.6531	0.6822	0.7766	0.0663	3.0083	2.6866	0.1464	3.7246
1996 Jan.	4.4425	3.251	6.797	7.032	0.6608	0.6923	0.7859	0.0673	3.0398	2.7145	0.1479	3.7670
Feb.	4.5520	3.309	6.991	7.200	0.6611	0.7107	0.8026	0.0687	3.1048	2.7725	0.1510	3.8076
March	4.6019	3.370	7.026	7.234	0.6836	0.7158	0.8062	0.0694	3.1140	2.7818	0.1515	3.8459
April	4.7313	3.482	7.169	7.402	0.7040	0.7285	0.8147	0.0709	3.1434	2.8109	0.1530	3.8805
May	4.7568	3.475	7.207	7.437	0.6996	0.7233	0.8038	0.0706	3.1028	2.7755	0.1509	3.7924
June	4.6713	3.420	7.204	7.398	0.6991	0.7153	0.7933	0.0695	3.0590	2.7310	0.1487	3.7172
July	4.5888	3.352	7.128	7.354	0.6909	0.7113	0.7910	0.0687	3.0495	2.7171	0.1480	3.7178
Aug.	4.4777	3.263	6.941	7.215	0.6765	0.6986	0.7816	0.0676	3.0210	2.6932	0.1466	3.7227
Sept.	4.5383	3.313	7.075	7.309	0.6834	0.7029	0.7826	0.0680	3.0145	2.6889	0.1464	3.6860
Oct.	4.5714	3.383	7.245	7.352	0.6925	0.7049	0.7803	0.0681	2.9918	2.6669	0.1452	3.6337
Nov.	4.5500	3.400	7.571	7.576	0.6869	0.7162	0.7839	0.0982	3.0106	2.6843	0.1461	3.5703
Dec.	4.6398	3.409	7.726	7.709	0.6799	0.7173	0.7809	0.0692	2.9883	2.6635	0.1450	3.4927

Average of daily quotations	Paris 1 FRF	Rome 1 ITL	Vienna 1 ATS	Lisbon 1 PTE	Madrid 1 ESP	Athens 1 GRD	Tallinn 1 EEK	Tokyo 1 JPY	Melbourne 1 AUD	ECU Commercial 1 XEU	SDR 1 XDR
	13	14	15	16	17	18	19	20	21	22	23
1992	0.8486	0.00364	0.4088	0.0332	0.0438	0.024	0.4060	0.03546	3.289	5.798	6.31546
1993	1.0096	0.00364	0.4916	0.0356	0.0451	0.025	0.4323	0.05168	3.885	6.685	7.98671
1994	0.9406	0.00324	0.4573	0.0314	0.0390	0.021	0.4021	0.05106	3.814	6.175	7.46629
1995	0.8748	0.00268	0.4331	0.0291	0.0350	0.0189	0.3809	0.04663	3.238	5.644	6.61879
1996	0.8978	0.00298	0.4340	0.0298	0.0363	0.0191	0.3816	0.04225	3.593	5.751	6.66357
1995 Dec.	0.8733	0.00272	0.4276	0.0287	0.0354	0.0182	0.3760	0.04258	3.213	5.530	6.43793
1996 Jan.	0.8878	0.00281	0.4323	0.0293	0.0361	0.0185	0.3800	0.04206	3.293	5.609	6.51994
Feb.	0.9028	0.00289	0.4414	0.0299	0.0368	0.0188	0.3881	0.04305	3.439	5.704	6.67427
March	0.9095	0.00294	0.4427	0.0301	0.0370	0.0190	0.3892	0.04346	3.549	5.772	6.72716
April	0.9262	0.00302	0.4470	0.0306	0.0377	0.0195	0.3929	0.04411	3.719	5.882	6.86087
May	0.9170	0.00306	0.4412	0.0302	0.0372	0.0196	0.3878	0.04474	3.790	5.844	6.87179
June	0.9026	0.00303	0.4348	0.0297	0.0363	0.0193	0.3824	0.04292	3.698	5.787	6.74035
July	0.9006	0.00301	0.4334	0.0297	0.0361	0.0193	0.3812	0.04200	3.622	5.762	6.65070
Aug.	0.8848	0.00295	0.4293	0.0294	0.0356	0.0189	0.3776	0.04153	3.506	5.683	6.52988
Sept.	0.8854	0.00299	0.4284	0.0295	0.0358	0.0190	0.3768	0.04132	3.598	5.714	6.57191
Oct.	0.8846	0.00300	0.4253	0.0296	0.0355	0.0191	0.3740	0.04071	3.620	5.731	6.58126
Nov.	0.8898	0.00301	0.4279	0.0298	0.0358	0.0191	0.3763	0.04052	3.625	5.782	6.60942
Dec.	0.8845	0.00304	0.4247	0.0296	0.0355	0.0189	0.3735	0.04075	3.702	5.767	6.67218

4.2 Markka value of the ECU and currency indices

Average of daily observations	Markka value of the ECU FIM/ECU	Currency indices, 1982=100	
		Trade-weighted currency index	Payments currency index
	1	2	3
1992	5.80140	116.4	115.7
1993	6.69420	132.4	136.0
1994	6.19108	123.2	125.5
1995	5.70936	111.6	111.6
1996	5.83028	115.3	115.6
1995 Dec.	5.65470	111.2	111.0
1996 Jan.	5.73809	112.7	112.9
Feb.	5.86385	115.0	115.3
March	5.89568	116.2	116.4
April	5.98143	118.3	118.8
May	5.93160	117.8	118.5
June	5.85380	116.3	116.8
July	5.82763	115.3	115.6
Aug.	5.74674	113.5	113.5
Sept.	5.76093	114.0	114.3
Oct.	5.75237	114.3	114.6
Nov.	5.81220	115.1	114.9
Dec.	5.79898	115.2	115.5

4.3 Deviations of ERM currencies' markka rates from central rates, per cent

Average of daily observations	ECU	DEM	FRF	NLG	DKK	BEF	ESP	ATS	PTE	IEP	ITL
Central rate as of 25 Nov. 1996	5.85424	3.04000	0.906422	2.69806	0.796976	0.147391	0.0357345	0.432094	0.029657	7.32960	0.00307071
	1	2	3	4	5	6	7	8	9	10	11
1995	-1.69	0.23	-3.48	0.82	-2.25	0.49	-2.02	0.24	-1.84	-4.52	..
1996	0.30	0.43	-0.95	0.99	-0.61	0.65	1.49	0.44	0.40	0.21	-3.07
1995 Dec.	-2.62	-1.04	-3.65	-0.42	-2.56	-0.68	-1.00	-1.04	-3.15	-5.96	..
1996 Jan.	-1.18	-0.01	-2.06	0.61	-1.39	0.35	0.92	0.04	-1.16	-4.06	-8.64
Feb.	0.99	2.13	-0.40	2.76	0.71	2.43	3.07	2.16	0.69	-1.77	-5.78
March	1.53	2.43	0.34	3.10	1.15	2.79	3.50	2.46	1.46	-1.30	-4.13
April	3.01	3.40	2.19	4.18	2.23	3.81	5.44	3.45	3.20	0.98	-1.57
May	2.15	2.07	1.16	2.87	0.85	2.41	4.03	2.10	1.83	1.46	-0.50
June	0.81	0.62	-0.42	1.22	-0.47	0.90	1.46	0.62	0.16	0.94	-1.31
July	0.36	0.31	-0.64	0.71	-0.76	0.42	1.05	0.31	0.01	0.34	-2.08
Aug.	-1.03	-0.63	-2.38	-0.18	-1.93	-0.53	-0.34	-0.64	-0.79	-1.56	-3.83
Sept.	-0.79	-0.84	-2.32	-0.34	-1.80	-0.66	0.10	-0.85	-0.48	-0.28	-2.75
Oct.	-0.93	-1.58	-2.40	-1.16	-2.09	-1.46	-0.56	-1.58	-0.18	0.31	-2.35
Nov.	-0.10	-0.97	-1.84	-0.51	-1.64	-0.87	0.10	-0.98	0.43	3.36	-2.10
Dec.	-0.94	-1.70	-2.42	-1.28	-2.02	-1.63	-0.70	-1.71	-0.14	5.17	-1.16

5. Other domestic financing

5.1 Bank funding from the public, mill. FIM

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
1991	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
1992	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
1993	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994	41 200	99 691	108 922	19 838	269 650	12 774	282 424	44 228	326 651
1995	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
1995									
Sept.	44 089	105 789	108 047	20 852	278 776	12 165	290 941	57 174	348 115
Oct.	47 040	104 602	105 406	21 553	278 602	12 247	290 849	64 497	355 346
Nov.	48 730	107 047	104 174	21 797	281 748	13 250	294 998	50 785	345 784
Dec.	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
1996									
Jan.	50 193	112 802	95 502	24 819	283 316	13 011	296 327	50 008	346 335
Feb.	51 099	114 843	92 250	23 683	281 875	14 184	296 059	38 431	334 490
March	47 991	117 400	88 821	24 714	278 925	13 951	292 876	41 906	334 782
April	49 678	118 933	85 792	24 883	279 285	14 896	294 181	43 472	337 653
May	50 828	120 374	82 945	25 001	279 148	15 399	294 547	46 802	341 349
June	51 768	123 948	77 415	27 669	280 800	13 816	294 617	43 867	338 483
July	52 124	123 834	74 292	28 971	279 221	13 735	292 955	42 524	335 479
Aug.	51 620	124 989	71 620	30 631	278 859	12 857	291 717	47 258	338 975
Sept.	53 393	124 484	67 629	31 956	277 462	13 706	291 168	53 697	344 865

5.2 Bank lending to the public, mill. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
1991	18 037	4 712	262 859	285 609	107 714	393 323
1992	16 045	3 335	252 163	271 544	95 168	366 712
1993	14 217	2 223	248 406	264 846	66 931	331 777
1994	13 241	1 301	242 417	256 958	45 138	302 096
1995	12 348	901	235 074	248 323	32 252	280 575
1995						
Sept.	12 317	1 004	241 909	255 230	35 166	290 396
Oct.	12 180	992	241 103	254 275	34 006	288 281
Nov.	12 283	943	240 332	253 558	32 926	286 484
Dec.	12 348	901	235 074	248 323	32 252	280 575
1996						
Jan.	12 013	792	234 240	247 046	32 406	279 452
Feb.	12 114	853	235 279	248 246	31 240	279 486
March	12 189	835	235 696	248 720	30 734	279 453
April	12 042	834	235 129	248 005	31 704	279 709
May	12 053	763	235 370	248 187	29 035	277 221
June	11 720	747	237 581	250 049	29 206	279 255
July	11 626	698	237 063 ^f	249 387 ^f	27 516 ^f	276 903 ^f
Aug.	11 784	685	238 001 ^f	250 471 ^f	26 540	277 011 ^f
Sept.	11 676	659	238 127	250 461	26 131	276 593

5.3 Money supply, mill. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	Monetary aggregates		
		Claims on the central government	Claims on the public	Total (2+3)		M ₁	M ₂ (1+4+5)	M ₃
	1	2	3	4	5	6	7	8
1991	-86 555	-6 516	470 852	464 336	-102 540	130 644	275 241	310 924
1992	-68 099	81	439 937	440 018	-97 909	134 829	274 011	310 733
1993	-25 989	1 848	403 742	405 589	-100 006	141 759	279 595	322 408
1994	12 844	6 092	365 712	371 804	-97 953	154 357	286 696	328 509
1995*	25 481	19 837	353 340	373 177	-94 870	175 921	303 788	329 820
1995*								
Nov.	26 219	16 770	363 830	380 600	-110 948	167 812	295 871	328 102
Dec.	25 481	19 837	353 340	373 177	-94 870	175 921	303 788	329 820
1996*								
Jan.	21 471	12 339	350 717	363 056	-87 920	175 684	296 607	331 664
Feb.	29 249	11 358	350 755	362 114	-96 312	178 534	295 050	326 921
March	29 809	12 658	350 873	363 531	-100 364	178 909	292 976	335 117
April	25 644	18 817	351 511	370 329	-103 109	181 799	292 864	327 546
May	24 810	19 008	349 775	368 783	-100 462	184 749	293 131	325 511
June	28 625	23 209	351 923	375 131	-108 995	189 332	294 761	328 990
July	36 492	24 318	349 162	373 481	-118 138	188 023	291 834	327 935
Aug.	34 402	25 936	349 733	375 669	-117 975	189 292	292 096	325 470
Sept.	33 218	15 590	349 521	365 111	-107 315	190 753	291 014	330 027
Oct.	31 312	18 186	349 742	367 928	-106 080	195 592	293 160	332 373
Nov.	..	..	..	..	..	196 631	292 273	326 535

5.4 Liabilities and assets of the central government, mill. FIM

End of period	Foreign currency-denominated debt			Markka-denominated debt				Total central government debt (3+8)	Out-standing lending	Cash funds	
	Bonds	Other debt	Total (1+2)	Public bonds	Other long-term liabilities	Treasury notes and bills	Miscellaneous items				Total (4+5+6+7)
	1	2	3	4	5	6	7	8	9	10	11
1991	38 703	4 943	43 646	31 018	12 208	5 180	.	48 406	92 052	55 165	15 956
1992	100 244	6 143	106 387	40 578	13 555	14 762	.	68 895	175 282	61 671	19 781
1993	142 824	12 753	155 577	71 082	16 060	22 824	.	109 966	265 543	66 439	36 487
1994	160 587	15 975	176 562	93 008	17 100	33 153	-5 945	137 316	313 878	67 658	43 012
1995	158 545	13 756	172 301	143 948	17 492	37 864	-5 609	193 695	365 996	66 855	41 878
1995											
Nov.	156 263	14 145	170 408	139 244	17 503	38 769	-5 675	189 841	360 249	67 749	45 082
Dec.	158 545	13 756	172 301	143 948	17 492	37 864	-5 609	193 695	365 996	66 855	41 878
1996											
Jan.	159 917	13 867	173 784	148 462	17 437	40 160	-5 670	200 389	374 173	67 194	38 351
Feb.	167 905	14 099	182 004	150 312	17 437	42 259	-5 682	204 326	386 330	67 257	53 668
March	168 150	14 304	182 454	150 650	17 909	44 939	-5 697	207 998	390 452	67 471	45 117
April	172 009	15 082	187 091	158 510	17 369	43 946	-5 298	214 724	401 815	67 576	48 628
May	162 738	14 670	177 408	163 861	17 369	46 049	-5 294	222 182	399 590	67 077	48 909
June	159 874	15 192	175 066	166 921	17 359	46 102	-5 324	225 176	400 242	66 754	48 626
July	158 676	15 699	174 375	171 787	17 220	44 668	-5 367	228 426	402 801	66 824	50 441
Aug.	156 801	15 491	172 292	177 586	17 220	45 698	-5 405	235 236	407 528	67 027	55 516
Sept.	156 467	15 694	172 161	167 234	17 219	46 627	-5 408	225 851	398 012	64 300	44 278
Oct.	157 132	15 908	173 040	172 555	17 219	40 147	-5 454	224 666	397 706	64 438	38 903
Nov.	159 449	16 292	175 741	174 696	17 198	36 909	-5 459	223 597	399 338	..	42 220

5.5 Markka bond market

A) Issues, mill. FIM

During period	Corpo-rations	Financial institutions	Central government	Local government	Others	Total (1+2+3+4+5)
	1	2	3	4	5	6
1991	7 277	25 737	11 073	1 320	-	45 407
1992	6 984	15 043	12 965	2 674	4	37 671
1993	11 691	10 481	36 512	2 235	63	60 981
1994	4 053	9 899	31 553	593	-	46 099
1995*	643	5 036	66 557	26	-	72 262
1995*						
Nov.	-	204	4 761	-	-	4 965
Dec.	-	410	4 717	-	-	5 126
1996*						
Jan.	-	-	6 405	-	-	6 405
Feb.	-	157	1 899	-	-	2 056
March	-	467	2 661	-	-	3 128
April	850	-	7 887	-	-	8 737
May	540	3 130	6 351	-	-	10 020
June	-	522	3 847	20	-	4 390
July	-	-	4 876	-	-	4 876
Aug.	-	311	9 671	-	-	9 981
Sept.	-	560	5 373	-	-	5 933
Oct.	500	600	6 976	-	-	8 076
Nov.	250	1 303	2 656	-	-	4 209

B) Stock, mill. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corpo-rations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
1	2	3	4	5	6	7	8	9	
1991	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
1992	26 624	82 153	44 005	5 238	3 358	89 382	13 918	58 078	161 378
1993	32 459	73 893	73 682	6 884	2 009	119 552	10 391	58 984	188 927
1994	30 179	66 467	94 865	6 981	953	141 935	7 581	49 929	199 445
1995*	26 468	55 166	145 177	6 914	357	187 830	5 034	41 218	234 082
1995*									
Nov.	27 233	57 647	140 404	7 462	359	184 619	4 976	43 510	233 105
Dec.	26 468	55 166	145 177	6 914	357	187 830	5 034	41 218	234 082
1996*									
Jan.	26 039	53 393	149 692	5 814	357	190 594	4 521	40 180	235 295
Feb.	25 942	52 432	151 541	5 679	357	191 827	4 290	39 834	235 951
March	25 636	51 545	152 376	5 619	355	191 745	3 910	39 876	235 531
April	26 394	50 933	159 728	5 612	355	200 101	3 899	39 022	243 022
May	25 973	52 631	165 080	5 558	150	207 717	3 636	38 039	249 392
June	25 534	50 500	168 139	4 647	149	209 827	3 622	35 520	248 969
July	25 016	49 621	173 505	4 646	148	213 851	3 617	35 468	252 936
Aug.	24 756	49 370	179 304	4 638	148	219 536	3 360	35 320	258 216
Sept.	24 649	48 651	168 951	4 632	148	208 881	3 113	35 037	247 031
Oct.	24 834	47 427	174 273	4 642	145	214 135	2 974	34 212	251 321
Nov.	25 641	47 288	176 414	4 641	142	217 494	2 962	33 670	254 126

C) Turnover, mill. FIM

During period	Interbank transactions	Transactions between banks and customers	Primary dealers' transactions in benchmark government bonds		
			Purchases from other primary dealers	Purchases from others	Sales to others
	1	2	3	4	5
1992	18 383	58 757	10 744	12 156	13 354
1993	47 803	246 104	42 945	95 647	117 489
1994	184 599	359 697	173 096	150 908	176 647
1995	147 037	436 052	133 357	190 069	215 879
1996	207 230	496 383	201 528	222 584	242 310
1995 Dec.	11 970	44 723	11 387	21 621	21 833
1996 Jan.	22 987	59 858	22 069	26 431	29 781
Feb.	28 639	49 337	28 117	23 641	24 870
March	21 686	47 221	21 298	22 895	23 603
April	12 424	35 405	12 336	15 989	15 769
May	13 809	27 849	13 505	12 223	11 995
June	10 679	23 361	9 499	8 982	10 037
July	13 411	26 745	12 763	10 069	12 616
Aug.	13 452	50 597	12 908	22 320	22 356
Sept.	20 933	58 941	20 680	26 345	29 739
Oct.	26 602	52 158	26 298	25 293	26 064
Nov.	13 084	37 331	12 545	16 312	20 612
Dec.	9 524	27 581	9 510	12 084	14 868

5.6 Helsinki Stock Exchange

Average of daily observations	Share prices							Turnover ¹ , mill. FIM		
	HEX index (28 Dec., 1990=1000)							Shares and sub- scrip- tion rights	Bonds and debentures	Total
	All-share index	By industry								
		Banks and finance	Insurance and investment	Manu- facturing	Forest industries	Metal and engineering	Conglom- erates	8	9	10
1	2	3	4	5	6	7	8	9	10	
1992	772	425	467	943	1 123	1 206	890	10 277	15 377	25 654
1993	1 240	608	644	1 601	1 695	1 749	1 751	46 337	59 977	106 314
1994	1 847	719	802	2 464	2 284	2 675	3 068	68 671	2 147	70 818
1995	1 918	500	638	2 741	2 062	2 564	4 251	83 019	1 075	84 094
1996	2 032	460	820	2 846	2 040	2 564	5 681	101 265	541	101 806
1995 Dec.	1 769	437	635	2 496	1 740	2 109	4 448	7 515	126	7 641
1996 Jan.	1 710	476	671	2 363	1 686	2 116	4 452	7 241	62	7 302
Feb.	1 810	472	735	2 507	1 796	2 267	4 798	8 238	51	8 289
March	1 851	458	776	2 568	1 951	2 330	5 051	7 758	54	7 812
April	1 867	412	747	2 618	2 040	2 399	5 188	7 940	32	7 972
May	1 995	418	754	2 820	2 095	2 622	5 532	10 860	42	10 902
June	2 019	408	787	2 851	2 079	2 616	5 627	7 681	36	7 717
July	2 002	400	779	2 819	2 174	2 588	5 815	5 885	17	5 902
Aug.	2 082	407	805	2 945	2 240	2 732	6 175	6 995	44	7 039
Sept.	2 131	401	862	3 012	2 188	2 778	6 125	7 204	49	7 253
Oct.	2 217	520	967	3 084	2 087	2 764	6 367	10 410	53	10 463
Nov.	2 317	573	977	3 226	2 017	2 744	6 442	10 676	39	10 715
Dec.	2 446	588	1 006	3 431	2 131	2 850	6 692	10 379	60	10 438

¹ During period.

6. Balance of payments, foreign liabilities and assets

6.1 Current account, mill. FIM

During period	Exports of goods, fob	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, cif	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1991	91 100	7 508	5 044	5 636	18 189	109 289	10 003	5 336	124 628	86 348	3 974	11 089	11 011
1992	105 809	8 643	6 089	7 730	22 462	128 272	6 423	5 920	140 614	93 187	4 360	10 962	13 369
1993	132 550	10 430	7 079	9 379	26 888	159 438	6 137	6 506	172 080	101 559	5 646	9 237	17 008
1994	152 022	11 385	7 314	11 808	30 508	182 530	9 617	4 919	197 067	118 684	5 862	8 697	16 800
1995*	174 629	11 616	7 536	15 366	34 519	209 148	13 729	8 420	231 297	126 738	6 716	10 450	19 150
1994													
I	34 382	2 663	1 524	2 839	7 026	41 408	1 764	1 289	44 462	24 767	1 295	1 998	4 213
II	38 486	2 902	1 860	2 649	7 411	45 897	2 802	1 190	49 889	29 458	1 455	2 151	3 967
III	37 322	3 092	2 230	2 960	8 282	45 604	2 027	1 180	48 811	28 743	1 549	2 256	3 899
IV	41 832	2 728	1 700	3 360	7 788	49 620	3 025	1 260	53 905	35 716	1 563	2 291	4 721
1995*													
I	41 583	2 901	1 499	3 956	8 356	49 939	3 285	1 499	54 724	30 223	1 635	2 326	5 039
II	46 371	2 917	1 891	3 654	8 462	54 833	3 446	1 505	59 784	32 083	1 720	2 639	4 825
III	40 069	2 926	2 243	3 802	8 970	49 039	2 907	2 099	54 045	30 190	1 753	2 707	4 349
IV	46 606	2 873	1 903	3 954	8 730	55 336	4 092	3 316	62 744	34 242	1 609	2 779	4 937
1996*													
I	42 881	2 862	1 679	3 539	8 079	50 960	3 856	1 634	56 451	33 339	1 670	2 590	4 314
II	48 092	3 099	1 983	3 535	8 617	56 709	3 288	1 846	61 844	34 603	1 718	2 834	3 935
III	41 794	3 000	2 108	4 237	9 345	51 139	2 909	1 715	55 764	31 276	1 759	2 620	4 048

During period	Services expenditure, total (11+12 +13)	Imports of goods and services (10+14)	Investment expenditure	Transfers and other expenditure	Current account expenditure (15+16 +17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21 +22)	Goods and services account (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account (24+25 +26)= (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1991	26 074	112 421	28 674	10 229	151 325	4 752	3 534	-6 044	-5 374	-7 885	-3 132	-18 671	-4 893	-26 696
1992	28 690	121 878	30 424	10 347	162 649	12 622	4 283	-4 873	-5 639	-6 228	6 394	-24 001	-4 428	-22 035
1993	31 891	133 450	34 580	10 390	178 421	30 991	4 784	-2 159	-7 629	-5 004	25 988	-28 443	-3 885	-6 340
1994	31 359	150 043	31 801	8 596	190 440	33 339	5 523	-1 382	-4 992	-851	32 487	-22 184	-3 676	6 627
1995*	36 316	163 054	32 529	12 606	208 190	47 891	4 900	-2 914	-3 784	-1 797	46 094	-18 800	-4 186	23 107
1994														
I	7 506	32 274	9 423	2 683	44 380	9 614	1 368	-474	-1 374	-480	9 134	-7 659	-1 393	82
II	7 573	37 031	8 733	1 959	47 722	9 028	1 447	-291	-1 318	-162	8 866	-5 930	-769	2 167
III	7 704	36 447	6 246	1 971	44 664	8 580	1 542	-26	-939	578	9 157	-4 220	-791	4 147
IV	8 575	44 291	7 399	1 984	53 673	6 117	1 166	-591	-1 361	-787	5 330	-4 375	-724	231
1995*														
I	8 999	39 222	9 295	2 814	51 331	11 360	1 266	-827	-1 082	-643	10 717	-6 009	-1 316	3 393
II	9 184	41 267	10 067	3 180	54 514	14 288	1 197	-748	-1 171	-722	13 566	-6 622	-1 675	5 269
III	8 809	38 999	6 630	3 194	48 823	9 879	1 173	-464	-548	161	10 040	-3 723	-1 095	5 222
IV	9 324	43 566	6 538	3 417	53 521	12 364	1 264	-875	-983	-594	11 770	-2 446	-101	9 223
1996*														
I	8 574	41 912	8 084	4 161	54 157	9 543	1 192	-911	-776	-494	9 048	-4 227	-2 527	2 294
II	8 487	43 089	10 354	3 835	57 278	13 490	1 381	-851	-400	130	13 619	-7 066	-1 988	4 566
III	8 428	39 703	6 830	2 959	49 492	10 519	1 241	-512	189	918	11 436	-3 920	-1 244	6 272

6.2 Capital and financial account, mill. FIM

During period	Capital account, imports of capital	Financial account											Total (2+8+12)
		Direct investment in Finland	Portfolio investment in Finland					Other investment in Finland				Total (9+10+11)	
			Shares	Bonds	Of which: markka denominated bonds	Money market instruments	Financial derivatives	Total (3+4+6+7)	Trade credits	Loans	Other capital		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1991	0	-997	47	38 751	11 786	-4 511	..	34 287	-3 987	7 496	-9 606	-6 098	27 192
1992	0	1 822	397	39 309	-5 312	-1 791	..	37 915	3 639	2	-15 725	-12 084	27 653
1993	0	4 945	12 748	30 353	3 616	-4 382	..	38 719	4 467	5 457	-29 801	-19 877	23 787
1994	0	8 240	13 400	21 977	-5 783	-2 134	59	33 302	3 107	647	-1 392	2 361	43 903
1995*	487	4 642	8 734	-17 868	-3 634	1 421	2 345	-5 369	-1 216	-6 985	8 376	176	-551
1994													
I	0	3 844	4 389	4 669	526	-1 665	31	7 423	-616	-3 980	7 459	2 864	14 131
II	0	3 029	2 404	5 341	-3 808	3 264	482	11 492	-848	1 312	-4 826	-4 362	10 159
III	0	2 372	5 181	16 528	783	-2 119	-474	19 116	204	-1 363	-4 571	-5 729	15 759
IV	0	-1 005	1 426	-4 562	-3 283	-1 614	20	-4 729	4 366	4 678	545	9 589	3 855
1995*													
I	0	2 625	392	150	-1 423	-1 889	146	-1 200	-2 601	-333	8 549	5 615	7 040
II	0	-1 243	3 482	-9 335	-3 501	-974	523	-6 303	865	-3 206	-2 136	-4 477	-12 023
III	0	151	2 940	-2 503	933	1 618	1 079	3 134	-1 089	-3 192	-744	-5 025	-1 740
IV	487	3 109	1 920	-6 181	358	2 666	596	-1 000	1 609	-254	2 707	4 063	6 173
1996*													
I	0	1 837	1 216	2 635	1 155	502	974	5 327	-3 502	4 697	-552	644	7 807
II	0	1 011	6 143	-5 152	2 554	363	754	2 108	-720	4 595	-3 119	756	3 875
III	0	2 689	374	-4 841	277	-229	-168	-4 865	-78	2 540	4 371	6 833	4 657

During period	Capital account, exports of capital	Financial account											Errors and omissions	Change in central bank's reserve assets (in-crease -)
		Direct investment abroad	Portfolio investment abroad					Other investment abroad				Total (15+20+24)		
			Shares	Bonds	Money market instruments	Financial derivatives	Total (16+17+18+19)	Trade credits	Loans	Other capital	Total (21+22+23)			
14	15	16	17	18	19	20	21	22	23	24	25	26	27	
1991	299	-501	-369	-3	1 499	..	1 128	-726	2 341	7 570	9 184	9 810	2 239	7 375
1992	0	-3 372	46	321	2 748	..	3 115	3 634	3 409	7 720	14 763	14 506	-293	9 180
1993	0	8 050	873	767	1 932	..	3 571	1 923	-839	9 576	10 660	22 282	6 055	-1 219
1994	0	22 447	434	-4 294	-855	-279	-4 994	1 213	-7 460	9 762	3 516	20 968	-4 058	-25 504
1995*	206	7 339	892	3 685	-5 492	-168	-1 084	3 839	-2 712	11 750	12 877	19 132	-5 186	1 480
1994														
I	0	5 401	356	-558	215	-202	-188	-1 958	-1 849	-2 327	-6 135	-922	-4 856	-10 279
II	0	4 808	100	-3 337	-4 448	-27	-7 713	1 600	-2 625	6 080	5 055	2 150	-3	-10 172
III	0	4 897	-41	-1 166	422	-53	-839	-153	-251	9 532	9 127	13 186	-2 799	-3 921
IV	0	7 341	19	768	2 956	2	3 745	1 724	-2 734	-3 522	-4 532	6 555	3 600	-1 132
1995*														
I	0	2 212	-128	1 757	-2 249	-48	-668	660	-1 234	9 695	9 121	10 665	1 924	-1 691
II	104	1 490	375	104	-2 798	31	-2 288	2 379	-150	-7 809	-5 580	-6 377	-808	1 288
III	0	1 027	461	28	521	-37	973	-132	1 044	3 431	4 343	6 343	1 269	1 592
IV	102	2 610	184	1 797	-967	-115	899	933	-2 373	6 433	4 993	8 502	-7 570	291
1996*														
I	0	4 964	577	4 019	2 424	-26	6 993	-605	2 416	6 397	8 208	20 166	2 810	7 254
II	0	6 461	1 041	3 041	162	71	4 315	718	-2 030	4 832	3 520	14 297	-2 601	8 457
III	0	3 852	591	3 921	-2 391	-51	2 069	-819	1 574	1 872	2 626	8 547	-1 253	-1 129

6.3 Finland's international investment position, mill. FIM

Position at end of period	Liabilities												Total liabilities (1+7+12)
	Direct investment in Finland	Portfolio investment					Total (2+3+5+6)	Other investment				Total (8+9+10+11)	
		Shares	Bonds	Of which: markka denominated bonds	Money market instruments	Financial derivatives		Trade credits	Loans	Currency and deposits	Other		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1991	17 443	4 149	141 055	19 036	22 079	..	167 283	9 532	68 892	8 555	84 036	171 015	355 741
1992	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 881	78 804	182 320	437 557
1993	24 391	30 375	266 269	27 402	14 995	-6 103	305 536	18 206	90 825	4 025	54 188	167 243	497 170
1994	31 846	60 558	258 823	22 285	10 309	-5 179	324 511	19 852	82 649	3 430	46 566	152 498	508 855
1995*	36 894	63 746	228 676	19 638	10 099	1 355	303 877	18 540	69 249	2 568	53 557	143 914	484 684
1994													
I	27 918	39 079	269 077	30 065	12 245	-7 239	313 162	16 274	85 196	4 724	58 746	164 939	506 019
II	30 846	42 719	272 094	23 945	15 286	-6 937	323 162	15 411	86 412	2 964	55 420	160 208	514 216
III	33 010	56 036	272 306	26 009	11 864	-5 704	334 501	15 539	79 730	3 752	47 152	146 174	513 685
IV	31 846	60 558	258 823	22 285	10 309	-5 179	324 511	19 852	82 649	3 430	46 566	152 498	508 855
1995*													
I	34 509	53 488	254 534	21 434	7 065	-5 996	309 092	17 218	79 143	3 369	53 433	153 163	496 764
II	33 386	79 430	243 399	18 054	5 577	-6 768	321 638	18 049	75 411	2 580	51 169	147 208	502 233
III	33 665	93 020	233 054	20 230	7 262	-520	332 815	16 930	68 882	2 364	50 032	138 208	504 688
IV	36 894	63 746	228 676	19 638	10 099	1 355	303 877	18 540	69 249	2 568	53 557	143 914	484 684
1996*													
I	38 795	68 674	241 179	20 771	11 192	2 115	323 160	14 975	77 998	1 518	55 412	149 902	511 857
II	39 810	80 962	234 480	24 003	11 126	2 812	329 380	14 326	81 788	1 939	51 588	149 640	518 831
III	42 463	91 198	225 343	23 676	11 312	2 665	330 517	14 014	82 338	1 742	55 621	153 715	526 696

Position at end of period	Assets											Total assets (14+19+24)	
	Direct investment abroad	Portfolio investment					Total (15+16+17+18)	Other investment					Total (20+21+22+23)
		Shares	Bonds	Money market instruments	Financial derivatives	Trade credits		Loans	Currency and deposits	Other			
14	15	16	17	18	19	20	21	22	23	24	25		
1991	44 823	426	7 004	4 154	..	11 584	16 388	28 504	7 647	73 392	125 931	182 338	
1992	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	78 257	147 562	209 565	
1993	53 090	1 783	10 709	11 030	447	23 968	26 256	35 981	5 799	91 127	159 162	236 221	
1994	59 451	1 984	5 109	9 115	488	16 696	25 500	24 847	8 257	109 847	168 451	244 598	
1995*	66 150	3 216	9 619	2 736	177	15 748	28 358	20 381	7 290	115 543	171 571	253 469	
1994													
I	54 424	2 047	9 576	10 911	622	23 156	23 989	32 788	8 842	93 378	158 996	236 575	
II	58 238	2 109	5 961	6 339	550	14 960	25 551	29 981	8 300	108 953	172 785	245 983	
III	58 314	1 991	4 319	6 087	561	12 959	24 158	28 350	7 493	115 752	175 753	247 025	
IV	59 451	1 984	5 109	9 115	488	16 696	25 500	24 847	8 257	109 847	168 451	244 598	
1995*													
I	60 274	1 751	6 557	5 835	157	14 300	25 254	22 668	6 352	118 897	173 172	247 746	
II	61 007	2 158	6 930	2 977	115	12 180	27 440	22 142	5 915	108 686	164 183	237 370	
III	61 479	2 661	6 870	3 503	200	13 233	27 092	22 978	6 397	108 057	164 524	239 236	
IV	66 150	3 216	9 619	2 736	177	15 748	28 358	20 381	7 290	115 543	171 571	253 469	
1996*													
I	73 847	3 994	14 063	5 670	169	23 896	28 205	23 594	5 435	121 238	178 472	276 215	
II	79 193	5 009	16 834	5 842	93	27 778	29 055	21 533	5 525	118 005	174 118	281 090	
III	81 456	5 694	20 370	3 242	48	29 354	28 034	22 944	6 435	119 256	176 668	287 479	

6.4 Finland's net international investment position (liabilities less assets), by sector, mill. FIM

Position at end of period	Corporate sector	Households and nonprofit institutions	Banks	Bank of Finland	Other financial institutions	Central government	Local government	Net (1+2+3+4+5+6+7)	Net interest and dividend expenditure	Net interest and dividend expenditure in relation to current account receipts, %
	1	2	3	4	5	6	7	8	9	10
1991	31 277	-2 794	107 434	-34 046	18 960	51 854	719	173 403	15 671	12.6
1992	33 761	-3 260	82 343	-27 546	28 283	112 064	2 347	227 992	19 011	13.5
1993	54 315	-3 436	45 658	-33 279	29 737	164 892	3 062	260 949	21 897	12.7
1994	82 428	-3 503	33 800	-52 606	21 931	179 113	3 093	264 257	20 296	10.3
1995*	71 574	-2 293	18 970	-47 708	13 107	174 481	3 085	231 215	17 490	7.6
1994										
I	64 980	-3 692	52 014	-42 504	28 987	166 321	3 339	269 444	7 187	16.2
II	65 677	-3 781	51 328	-52 617	26 127	178 145	3 354	268 233	5 458	10.9
III	77 901	-3 564	34 039	-52 998	24 992	183 115	3 175	266 659	3 748	7.7
IV	82 428	-3 503	33 800	-52 606	21 931	179 113	3 093	264 257	3 903	7.2
1995*										
I	73 872	-3 359	23 396	-53 298	19 524	185 724	3 159	249 018	5 681	10.4
II	94 745	-3 495	27 092	-50 742	18 024	175 932	3 305	264 861	6 295	10.5
III	103 212	-3 599	20 558	-47 488	17 173	172 368	3 227	265 451	3 396	6.3
IV	71 574	-2 293	18 970	-47 708	13 107	174 481	3 085	231 215	2 118	3.4
1996*										
I	75 557	-2 507	4 716	-42 679	9 197	188 188	3 169	235 642	3 732	6.6
II	85 227	-2 601	-4 362	-33 647	4 752	185 254	3 118	237 741	6 571	10.6
III	94 399	-1 109	-5 699	-34 479	1 156	182 405	2 545	239 217	3 425	6.1

7. Foreign trade

7.1 Exports, imports and the trade balance, mill. FIM

During period	Exports, fob	Imports, cif	Balance (1-2)
	1	2	3
1991	92 842	87 744	5 098
1992	107 463	94 947	12 516
1993	134 114	103 165	30 949
1994	154 164	120 612	33 552
1995*	176 021	128 556	47 465
1995*			
Nov.	16 007	11 815	4 192
Dec.	15 331	11 080	4 251
1996* ¹			
Jan.	13 193	10 338	2 855
Feb.	15 161	11 545	3 616
March	15 013	11 919	3 094
April	15 592	11 688	3 904
May	16 075	11 819	4 256
June	16 911	11 559	5 352
July	13 514	9 840	3 674
Aug.	14 199	10 353	3 846
Sept.	14 567	11 546	3 021
Oct.	16 300	12 400	3 900
Nov.	17 900	12 300	5 600

7.2 Foreign trade: indices of volume, prices and terms of trade, 1990=100

Period	Volume (seasonally adjusted)		Prices		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1991	93.0	84.3	98.5	100.9	97.6
1992	102.7	84.7	103.1	108.6	95.0
1993	120.6	83.6	109.7	119.6	91.7
1994	136.6	98.0	111.4	119.3	93.3
1995*	145.7	104.6	119.2	119.2	100.0
1995*					
Nov.	146.9	110.0	122.7	118.1	103.9
Dec.	144.2	105.4	123.0	118.2	104.1
1996*					
Jan.	128.7	108.4	123.2	119.1	103.4
Feb.	151.4	116.2	122.4	119.3	102.6
March	142.0	110.0	123.2	120.4	102.3
April	150.3	108.1	122.5	122.2	100.2
May	154.0	109.4	121.8	121.8	100.0
June	166.6	112.4	121.3	121.6	99.8
July	139.1	103.4	119.6	121.8	98.2
Aug.	152.2	104.2	118.2	120.9	97.8
Sept.	146.4	111.8	117.6	121.6	96.7
Oct.	156.6	112.2	118.0	122.3	96.5
Nov.	172.4	112.0	117.8	120.8	97.5

¹ See Notes and explanations to the statistical section.

7.3 Foreign trade by main groups, mill. FIM

During period	Exports by industries, fob					Imports by use of goods, cif				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
	1	2	3	4	5	6	7	8	9	10
1991	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672
1992	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514
1993	10 910	37 430	14 205	48 158	23 411	54 792	10 904	15 396	21 066	1 007
1994	14 198	41 249	15 725	55 895	27 097	66 156	11 687	17 227	24 684	858
1995*	13 451	48 754	15 877	69 336	28 603	71 397	9 685	19 660	25 514	2 300
1995*										
Sept.	1 081	4 342	1 311	5 740	2 652	6 083	725	1 487	2 205	214
Oct.	1 129	3 991	1 386	6 594	2 516	6 228	849	2 101	2 414	214
Nov.	1 190	3 987	1 268	6 871	2 691	5 948	898	2 503	2 197	269
Dec.	918	3 666	1 245	7 256	2 246	5 660	1 011	2 118	2 012	279
1996*										
Jan.	960	3 564	1 283	4 767	2 619	5 672	694	1 462	2 219	291
Feb.	940	3 619	1 238	6 636	2 728	5 734	876	2 008	2 623	304
March	1 012	4 137	1 469	5 432	2 963	6 270	700	1 863	2 782	304
April	1 127	3 777	1 515	6 104	3 069	5 955	1 059	1 780	2 603	291
May	1 192	3 765	1 866	5 761	3 491	6 315	1 058	1 675	2 415	356
June	1 073	3 538	1 473	8 060	2 767	6 136	816	1 910	2 224	473
July	820	3 524	1 418	4 877	2 875	4 805	1 199	1 126	2 260	450
Aug.	870	3 599	1 598	5 132	3 000	5 474	900	1 397	2 296	286
Sept.	1 032	3 440	1 449	6 108	2 538	5 923	1 219	1 636	2 554	214

7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1995*		September 1995–August 1996*		1995*		September 1995–August 1996*	
	Mill. FIM	Percentage share	Mill. FIM	12-month change calculated from 12-month moving total	Mill. FIM	Percentage share	Mill. FIM	12-month change calculated from 12-month moving total
	1	2	3	4	5	6	7	8
European Union ¹	101 538	57.7	101 635	3.8	76 435	59.5	80 833	9.2
Austria	1 524	0.9	1 459	-11.5	1 629	1.3	1 580	1.4
Belgium and Luxembourg	5 196	3.0	4 849	4.8	3 754	2.9	3 871	3.5
Denmark	5 609	3.2	5 716	4.4	4 126	3.2	4 568	12.1
France	7 989	4.5	7 712	-6.1	5 198	4.0	5 665	8.7
Germany	23 639	13.4	23 254	3.8	19 967	15.5	19 951	0.2
Greece	950	0.5	934	3.5	342	0.3	366	3.6
Ireland	894	0.5	1 010	29.3	1 081	0.8	1 207	25.9
Italy	5 219	3.0	4 858	-7.0	5 111	4.0	5 480	8.3
Netherlands	7 423	4.2	7 288	-6.2	4 916	3.8	4 809	-2.5
Portugal	879	0.5	801	-11.7	1 053	0.8	1 059	-1.3
Spain	4 398	2.5	4 025	-3.5	1 669	1.3	1 799	12.2
Sweden	17 985	10.2	19 370	10.1	14 874	11.6	15 932	13.0
United Kingdom	18 276	10.4	18 844	8.0	10 608	8.3	12 097	16.3
Rest of Europe	27 829	15.8	30 047	9.3	21 879	17.0	21 751	-7.8
Of which:								
Estonia	4 125	2.3	4 529	18.6	1 561	1.2	1 537	7.1
Norway	5 279	3.0	5 140	-3.0	5 357	4.2	5 372	-7.7
Poland	2 256	1.3	2 257	-11.0	1 374	1.1	1 375	-3.7
Russia	8 450	4.8	9 944	25.1	9 314	7.2	9 020	-14.0
Switzerland	2 291	1.3	2 161	-8.7	2 176	1.7	2 347	7.3
Non-European industrialized countries ²	20 020	11.4	21 016	11.3	19 253	15.0	20 180	5.7
Of which:								
Australia	2 330	1.3	2 084	-8.1	931	0.7	1 083	21.3
Japan	4 509	2.6	5 122	36.0	8 170	6.4	7 571	-10.0
U.S.A.	11 683	6.6	12 383	8.6	9 268	7.2	10 613	19.4
Dynamic Asian economies ³	12 296	7.0	12 275	3.6	6 491	5.0	6 293	-10.6
Of which:								
China	2 605	1.5	2 310	-10.6	1 722	1.3	1 892	1.7
Hong Kong	2 438	1.4	2 570	17.6	714	0.6	610	-30.8
South Korea	2 272	1.3	2 462	13.1	991	0.8	856	-13.5
Other countries	14 337	8.1	16 091	41.5	4 498	3.5	5 411	2.2
TOTAL	176 021	100.0	181 064	8.1	128 556	100.0	134 467	4.2
Of which:								
Africa	2 778	1.6	2 581	-2.3	625	0.5	724	-4.3
Asia	23 884	13.6	26 062	26.8	16 062	12.5	15 637	-8.4
Central and South America	4 468	2.5	3 446	-21.1	2 406	1.9	2 622	-23.2
North America	12 910	7.3	13 519	7.4	10 103	7.9	11 473	17.7
Europe	129 367	73.5	131 682	5.0	98 315	76.5	102 583	5.1
Oceania	2 615	1.5	2 494	-1.7	1 044	0.8	1 264	25.8

¹ Including exports / imports to EU unspecified by country

² Australia, Canada, Japan, New Zealand, United States

³ China, Hong Kong, Malaysia, Singapore, South Korea, Taiwan, Thailand

8. Domestic economic developments

8.1 Supply and use of resources, mill. FIM, 1990 prices (seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4						5	6	7	8	9
1991	260 031	111 256	93 722	17 243	-2 451	479 801	110 965	111 755	479 011
1992	247 363	108 799	75 338	16 899	4 534	452 933	122 059	112 989	462 003
1993	240 177	103 028	60 638	13 890	10 221	427 954	142 459	113 842	456 571
1994	244 761	102 728	60 543	14 107	22 236	444 375	161 376	128 411	477 340
1995*	253 935	104 456	67 261	13 717	22 095	461 464	176 157	138 948	498 673
1994*									
II	60 381	25 651	14 824	3 508	5 899	110 263	39 797	31 085	118 975
III	61 226	25 613	15 391	3 513	6 740	112 483	41 224	32 906	120 801
IV	62 140	25 918	15 905	3 574	8 188	115 725	42 233	36 053	121 905
1995*									
I	62 824	25 542	16 986	3 489	4 881	113 722	44 570	34 071	124 221
II	63 719	26 182	16 684	3 420	4 371	114 376	45 036	34 497	124 915
III	63 412	26 237	17 483	3 377	6 903	117 412	42 373	35 098	124 687
IV	63 980	26 495	16 108	3 431	5 940	115 954	44 178	35 282	124 850
1996*									
I	64 858	26 080	16 572	3 602	8 084	119 196	42 535	35 937	125 794
II	64 696	26 437	16 763	3 858	5 983	117 737	44 180	35 072	126 845
III	65 166	26 519	17 972	3 911	6 530	120 098	44 100	34 728	129 470

8.2 Volume of industrial production, 1990=100 (seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.3)	(89.6)	(16.8)	(31.3)	(41.5)	(9.1)
	1	2	3	4	5	6	7
1991	91.2	91.3	89.9	91.5	85.6	92.6	103.6
1992	92.4	88.4	91.4	94.6	91.1	90.2	103.0
1993	97.4	86.1	96.4	104.5	99.7	90.8	107.9
1994	108.5	96.2	108.1	117.0	119.5	95.8	114.3
1995	116.6	95.7	117.5	118.0	143.8	97.4	111.1
1995							
Oct.	116.0	86.7	117.2	111.9	147.1	97.0	106.2
Nov.	117.4	90.5	118.4	109.8	151.5	96.5	108.8
Dec.	117.7	81.4	118.4	102.6	153.7	96.6	114.1
1996							
Jan.	116.0	90.4	116.3	110.4	146.8	97.4	117.4
Feb.	115.9	80.8	115.8	109.2	145.7	97.3	124.4
March	118.4	84.0	118.8	110.4	148.7	98.6	119.2
April	118.0	92.6	118.4	111.7	148.1	99.2	118.5
May	120.0	81.2	120.4	111.0	151.8	99.5	124.7
June	121.7	83.7	122.3	111.5	154.3	101.1	120.4
July	120.4	59.4	121.1	115.7	149.8	101.3	121.6
Aug.	120.3	158.7	120.3	116.5	151.2	100.4	121.2
Sept.	124.0	82.9	124.1	119.6	156.1	101.4	125.6
Oct.	124.3	84.7	124.1	119.7	157.0	101.3	128.2

8.3 Indicators of domestic supply and demand, 1990=100 (seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1991	82.9	92.7	81.6	75.6	79.0	90.0	86.1	93.9
1992	72.7	83.2	62.5	59.1	47.1	71.7	78.1	91.1
1993	68.8	78.4	46.7	48.5	32.7	48.9	72.9	89.8
1994	73.0	79.9	42.0	45.5	35.4	39.8	84.4	93.7
1995*	76.2	82.6	39.9	39.7	52.6	36.1	85.2	97.7
1994								
IV	80.7	75.2	42.4	43.5	43.9	40.2	97.4	95.7
1995*								
Oct.	82.0	77.4	..	..	..	..	..	97.5
Nov.	84.0	78.5	..	..	..	..	..	98.5
Dec.	84.8	77.3	..	..	..	..	..	97.9
1995*								
I	82.3	75.4	41.0	44.1	47.9	35.3	83.8	97.7
II	82.6	75.2	41.3	42.6	57.4	36.4	83.9	97.3
III	82.0	76.6	39.5	37.9	53.3	37.4	84.2	97.5
IV	83.6	77.8	37.9	34.1	51.6	35.4	88.9	98.1
1996								
Jan.	86.5	80.0	..	..	..	..	..	98.7
Feb.	85.0	79.7	..	..	..	..	..	98.3
March	82.9	74.0	..	..	..	..	..	97.5
April	85.1	79.8	..	..	..	..	..	98.8
May	85.6	77.1	..	..	..	..	..	99.9
June	82.1	72.3	..	..	..	..	..	99.8
July	88.1	81.1	..	..	..	..	..	100.5
Aug.	87.0	74.5	..	..	..	..	..	100.5
Sept.	84.2	76.1	..	..	..	..	..	102.0
Oct.	90.4	84.0	..	..	..	..	..	103.2

8.4 Wages and prices, 1990=100

Period	Index of wage and salary earnings	By sectors			Consumer price index	Indicator of underlying inflation	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private	Of which: Manufacturing (SIC 3)	Public				Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1991	106.4	106.4	106.1	106.4	104.3	104.1	100.0	99.8	100.8	99.4	98.5	99.8	102.2
1992	108.4	108.1	108.3	109.0	107.4	107.1	101.4	99.5	108.5	101.6	102.7	101.1	100.4
1993	109.2	108.8	110.0	110.1	109.7	109.9	104.8	100.8	119.3	105.5	109.2	103.9	100.7
1994	111.4	111.6	115.0	111.1	110.9	111.4	106.2	102.8	118.7	107.1	110.2	105.8	102.2
1995 ¹	116.6	117.5	123.1	114.7	112.0	111.3	106.9	103.8	118.5	110.8	118.0	107.7	103.5
1995													
Nov.	..	..	..	..	111.9	111.1	105.7	102.5	117.4	111.9	121.4	107.9	103.2
Dec.	..	..	..	..	111.8	111.0	105.7	102.5	117.4	112.1	121.5	108.1	103.2
1995 ¹													
III	116.7	117.5	123.2	114.9	112.2	111.3	106.5	103.3	118.5	111.3	119.3	107.8	103.6
IV	119.1	119.9	125.4	117.3	112.0	111.2	105.8	102.6	117.5	112.0	121.4	108.0	103.3
1996													
Jan.	..	..	..	..	112.0	110.8	106.2	102.0	118.4	112.4	121.6	108.5	102.1
Feb.	..	..	..	..	112.4	111.4	106.1	102.7	118.6	112.3	120.7	108.7	101.9
March	..	..	..	..	112.5	111.6	106.0	102.2	119.7	112.0	121.3	108.0	102.0
April	..	..	..	..	112.7	111.6	106.1	102.0	121.5	111.7	120.6	107.9	102.1
May	..	..	..	..	112.9	111.7	105.9	101.7	121.0	111.4	120.0	107.7	102.4
June	..	..	..	..	112.9	111.7	105.5	101.4	120.9	110.8	119.5	107.1	102.7
July	..	..	..	..	112.8	111.5	105.5	101.2	121.0	110.2	117.8	106.9	102.8
Aug.	..	..	..	..	112.6	111.1	105.4	101.3	120.2	109.7	116.4	106.8	103.1
Sept.	..	..	..	..	112.8	111.5	105.9	101.9	120.8	109.8	115.8	107.2	103.0
Oct.	..	..	..	..	113.0	111.7	106.4	102.5	120.8	110.2	116.2	107.6	103.1
Nov.	..	..	..	..	112.7	..	105.9	102.3	119.3	110.0	116.0	107.4	103.3
1996 ¹													
I	120.3	121.1	126.7	118.3	112.3	111.3	106.1	102.3	118.9	112.2	121.2	108.4	102.0
II	120.5	121.3	127.1	118.5	112.8	111.6	105.8	101.7	121.1	111.3	120.0	107.6	102.4
III	120.6	121.3	126.8	118.8	112.7	111.3	105.6	101.5	120.7	109.9	116.7	107.0	103.0

¹ Preliminary figures for columns 1-4.

8.5 Labour, employment and unemployment (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8)	By industrial status		By industry			Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agriculture, forestry and fishing	Mining, manufacturing and energy supply	Other industries		
	%			1000 persons						%
	1	2	3	4	5	6	7	8	9	10
1991	67.4	2 533	2 340	340	2 000	198	502	1 640	193	7.6
1992	66.1	2 502	2 174	325	1 849	187	453	1 534	328	13.1
1993	65.3	2 484	2 041	312	1 729	173	424	1 444	444	17.9
1994	64.8	2 480	2 024	312	1 712	167	426	1 430	456	18.4
1995	65.1	2 497	2 068	304	1 764	158	456	1 454	430	17.2
1995										
Nov.	64.9	2 493	2 073	305	1 768	153	452	1 468	418	16.9
Dec.	64.8	2 490	2 069	295	1 774	149	460	1 460	422	17.1
1996										
Jan.	65.3	2 511	2 094	305	1 789	152	468	1 474	418	16.9
Feb.	65.1	2 503	2 089	309	1 780	156	458	1 475	415	16.8
March	65.1	2 502	2 083	299	1 784	148	461	1 474	413	16.6
April	65.4	2 518	2 107	309	1 798	154	468	1 485	407	16.2
May	65.1	2 506	2 089	302	1 787	150	453	1 486	424	16.9
June	64.7	2 490	2 073	294	1 779	138	455	1 481	420	16.8
July	64.7	2 496	2 094	305	1 789	147	465	1 482	411	16.2
Aug.	65.4	2 520	2 104	307	1 797	145	458	1 501	416	16.5
Sept.	64.4	2 480	2 090	296	1 794	141	445	1 504	387	15.6
Oct.	64.8	2 499	2 103	294	1 809	148	467	1 488	391	15.5
Nov.	65.5	2 523	2 116	301	1 815	150	469	1 497	403	16.1

8.6 Central government finances: revenue, expenditure and financial balance,

mill FIM, cash flow basis

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1991	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
1992	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
1993	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
1994	34 588	68 124	1 792	24 095	128 599	7 308	135 900	48 750	108 155	40 388	65 519
1995	40 092	66 902	1 720	35 837	144 550	7 923	152 473	51 446	113 644	39 481	67 514
1995											
Oct.	3 237	5 825	51	2 752	11 865	405	12 270	4 090	8 265	3 110	4 484
Nov.	4 994	5 973	74	2 838	13 879	2 165	16 044	4 514	9 696	2 768	6 481
Dec.	5 347	5 549	60	5 700	16 657	598	17 254	5 846	10 189	3 292	6 954
1996											
Jan.	3 735	7 182	110	3 792	14 818	165	14 983	3 930	12 283	2 974	7 880
Feb.	3 693	7 341	1 089	3 784	15 907	233	16 141	4 064	7 922	2 839	4 692
March	5 458	5 992	150	1 841	13 441	137	13 578	4 486	9 261	3 475	5 194
April	3 590	5 237	58	4 006	12 891	3 469	16 360	4 154	9 517	2 945	5 752
May	3 016	5 805	75	2 979	11 876	843	12 719	4 095	8 753	2 996	5 189
June	3 435	5 863	72	5 222	14 592	850	15 443	5 032	8 952	2 863	5 459
July	3 817	6 187	59	2 003	12 067	323	12 390	5 036	8 707	2 891	5 151
Aug.	3 766	6 125	59	2 483	12 433	219	12 652	3 913	6 090	1 476	4 505
Sept.	3 481	6 391	57	2 526	12 455	3 261	15 716	4 579	8 030	2 747	4 913
Oct.	3 590	6 542	58	3 602	13 792	329	14 121	4 205	10 912	2 995	7 040

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
1991	5 370	6 368	158 044	13 328	171 372	-23 420	-32 304	25 659	-6 645
1992	5 042	8 499	168 016	35 501	203 516	-41 400	-71 847	70 691	-1 155
1993	4 306	18 076	177 870	19 753	197 623	-48 646	-61 030	84 036	23 009
1994	3 737	22 281	182 923	17 886	200 760	-54 324	-64 860	73 193	8 336
1995	3 208	26 336	194 635	16 765	211 399	-50 085	-58 926	54 071	-4 854
1995									
Oct.	332	1 755	14 442	613	15 056	-2 578	-2 786	2 191	-595
Nov.	315	1 113	15 638	590	16 228	-1 759	-184	8 689	8 505
Dec.	603	2 089	18 726	-159	18 567	-2 070	-1 313	1 905	593
1996									
Jan.	151	5 235	21 599	623	22 221	-6 781	-7 238	6 755	-484
Feb.	260	1 544	13 790	454	14 243	2 118	1 897	10 359	12 256
March	185	4 560	18 491	393	18 884	-5 050	-5 306	760	-4 546
April	175	2 759	16 605	3 605	20 210	-3 714	-3 850	6 544	2 694
May	207	1 291	14 346	770	15 117	-2 470	-2 398	2 496	98
June	219	3 060	17 262	2 075	19 338	-2 670	-3 895	3 503	-392
July	316	1 154	15 214	437	15 651	-3 147	-3 261	3 900	639
Aug.	334	1 090	11 427	457	11 884	1 006	768	6 829	7 597
Sept.	290	4 787	17 686	586	18 272	-5 231	-2 556	-10 228	-12 784
Oct.	369	1 832	17 318	489	17 807	-3 526	-3 686	-258	-3 943

Notes and explanations to the statistical section

General

Source

Unless otherwise stated, the source or compiler of figures is the Bank of Finland.

Symbols used

*	Preliminary
r	Revised
0	Less than half the final digit shown
.	Logically impossible
..	Data not available
-	Nil
S	Affected by strike
-	Break in series

Owing to rounding of figures, the sum of the individual items in the tables may differ from the total shown.

Notes and explanations to tables

1 The balance sheet of the Bank of Finland

Table 1.2 Domestic financial sector. Term claims on deposit banks, net (Column 12) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments + term credits - term deposits. Other claims on financial institutions, net (Column 14) = till-money credits to deposit banks (until May 1993) + bonds + other claims on financial institutions + liquidity credits - call money deposits (until September 1995) - other liabilities to financial institutions.

2 The Bank of Finland's operations in the money and foreign exchange markets and the banks' forward exchange position

Table 2.1 From 2 October 1995, banks fulfil their minimum reserve requirement as a monthly average of deposits. From October 1995, the requirement and deposits are shown for the month during which the requirement is to be fulfilled. Before deposits were shown for the previous month, because deposits were matched with the requirement on the last banking day of that month. The requirement is determined on the basis of the reserve base two months earlier (up to September 1995 one month earlier). The reserve base was changed on 31 March 1995 to comply with the new balance sheet format. Liquidity credits (Column 7): see explanations, Table 3.2.

Table 2.2 Money market instruments are the instruments used by the Bank of Finland in its money market operations. Matured money market instruments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

Table 2.3 Foreign exchange transactions are recorded according to trade dates. In addition to spot transactions (Columns 1, 2, 4 and 5) the Bank of Finland's foreign exchange reserves are affected by interest payment and by changes in both the prices of securities and exchange rates. Spot transactions related to forward contracts (Column 4) refer to the combined effects on the foreign

exchange reserves of forward transactions in the form of swaps and maturing forward transactions. The central government's foreign exchange transactions (Column 5) comprise transactions related to drawings and redemptions of government loans and associated interest payments.

Table 2.4 The markka value of forward contracts is given.

3 Rates of interest

Table 3.1 The interbank overnight rate (Column 1) is weighted using amounts of interbank deposits as weights. Since 1 June 1995, HELIBOR rates (Helsinki Interbank Offered Rate) (Columns 2-5) have been calculated on the basis of the bid rates (offered rates for funds) quoted for their own certificates of deposit by all the banks that have been accepted by the Bank of Finland as counterparties in money market operations. An additional condition is that a bank gives regular quotations. The highest and lowest rates quoted for each maturity are omitted and an arithmetic average calculated for the remaining rates. The quotations are taken daily at 1 p.m.

Table 3.2 The Bank of Finland's tender rate (Column 1) is determined in tenders held by the Bank of Finland, in which the banks are asked to make bids or offers for money market instruments with a maturity of one month. The tender rate is the weighted average of accepted bids or offers, expressed as a simple annual interest rate. If, when requesting bids or offers, the Bank of Finland announces an acceptable interest rate (fixed-rate tender), the tender rate is the same as the rate announced by the Bank. The monthly and annual values for the tender rate are the arithmetic means of calendar day figures.

Credit institutions which are subject to the minimum reserve requirement and maintain a current account with the Bank of Finland may obtain liquidity credit to cover overdrafts and to fulfil their minimum reserve requirement. They can obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity of liquidity credit is determined by the Bank of Finland. The rate of interest on liquidity credit is obtained by adding together the Bank of Finland's tender rate and the interest rate margin for liquidity credit. The call money deposit rate in use prior to October 1995 was obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. Since 2 October 1995, the monthly average of a bank's call money deposits exceeding the minimum reserve requirement has been treated as excess reserve. The interest rate paid on excess reserves is determined separately by the Bank of Finland. The values for maturity and interest rate margins are the last values recorded in each period.

Table 3.3 The rates shown are based on the lending rates quoted for the respective currencies in the Euro-market. ECU (Column 1): the weights of the ECU basket. 3 currencies (Column 2): DEM 60, USD 30 and GBP 10 per cent.

Table 3.4 Lending. New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic average of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by

loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans. **Deposits.** 24-month and 36-month tax-exempt deposits (Columns 7 and 8): from May (September) 1992, 24-month (36-month) deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less two percentage points (one percentage point). In the period from January 1989 to April 1992, 24-month deposits (Column 7) were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less one percentage point. Other tax-exempt deposits (Column 9): in the period from January 1989 to April 1992, deposits other than 24-month deposits were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less 4 percentage points. From May 1992, deposits other than 24-month or 36-month deposits are tax-exempt if they carry a maximum rate of interest as prescribed by law. The maximum rate was first set at 4.5 per cent. From 6 May 1993 it has been 2.5 per cent. All markka deposits (Column 10): the stock of deposits comprises all markka deposits by the public. The monthly and annual average rates of interest are weighted by deposit amounts. Other funding (Column 11): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 12); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

Table 3.5 Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. The yields on five-year and ten-year government bonds (Columns 3 and 4) are calculated by the Bank of Finland as averages of the bid rates quoted daily by the primary dealers. The five-year yield is based on quotations for a fixed-rate bullet serial bond (1/94, 15 September 1994 – 15 September 2001). As from 9 August 1996 the ten-year yield is based on quotations for a fixed-rate bullet serial bond (1/96, 18 Apr 1996–2006). The share yield (Column 5) is the weighted effective yield on shares quoted on the Helsinki Stock Exchange. Source: Statistics Finland.

4 Rates of exchange

Table 4.2 FIM/ECU (Column 1): The markka value of the ECU is calculated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates quoted daily at noon Finnish time. The markka was floated on 8 September 1992, continuing until 14 October 1996, when it was joined to the EU's Exchange Rate Mechanism (ERM) at the central rate of 5.80661 per ECU. As from 25 November 1996 the ECU central rate is FIM 5.85424. Trade-weighted currency index (Column 2): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 3): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade.

Table 4.3 The table shows the deviations of the markka's market exchange rate (markka value of the foreign currency) as a percentage of the ERM central rate for each currency. A plus (+) indicates that the markka is weaker than its central rate value against the other currency; the intervention limit is (central rate) +16.121 per cent. A minus (-) indicates that the markka is stronger than its central rate value against the other currency; the intervention limit is (central rate) -13.881 per cent.

5 Other domestic financing

Table 5.1 Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises

(excl. financial institutions) and the local government sector. The table is based on new classifications of Statistics Finland applied since March 1991. Series before March 1991 have been reclassified by the Bank of Finland to conform with the present table, except for columns 3 and 4 where disaggregation was not possible and combined figures are shown. Time deposits (Column 3) consist of all fixed-term deposits. Other deposits (Column 4) include mainly investment accounts with no specific time-period. Other funding (Column 8) comprises CDs, promissory notes and bonds. The figures for banks' holdings of CDs issued by other banks, as well as the CD holdings of the Bank of Finland and the central government have been netted out; netting out is done by the Bank of Finland. Hence, this column includes some liabilities held by entities not covered by the above definition of the public.

Table 5.2 Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Foreign currency credits (Column 5) are mainly granted by commercial banks and Postipankki.

Table 5.3 Foreign assets, net (Column 1) = the Bank of Finland's foreign claims + banks' foreign claims (incl. foreign claims of banks' foreign branches) - the Bank of Finland's foreign liabilities - banks' foreign liabilities (incl. foreign liabilities of banks' foreign branches). *Domestic credit.* Claims on the central government, net (Column 2) = the Bank of Finland's claims on the central government + banks' claims on the central government - the central government's deposits with the Bank of Finland and Postipankki - loans granted from state funds through banks. Claims on the public (incl. local government), (Column 3) = the Bank of Finland's claims on the private sector + banks' claims on the private sector (loans to the public, bonds and debentures (excl. government bonds and bank debentures), claims on other financial institutions, shares held by banks). Other items, net (Column 5) = capital accounts and other items of the Bank of Finland (incl. private sector time deposits with the Bank of Finland) + capital accounts of deposit banks + unclassified assets and liabilities of deposit banks, net (bank debentures, bank CDs held by the public, other market funding and foreign currency deposits by the public). M_1 (Column 6) = currency in circulation - banks' till money + markka cheque and postal giro account deposits and transactions account deposits held by the public. M_2 (Column 7) = M_1 + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland). M_3 (Column 8) = M_2 + bank CDs held by the public.

Table 5.4 Source: State Treasury Office. Other foreign currency-denominated debt (Column 2) consists of other bonds and debentures and long-term promissory notes. Other bonds and debentures are so-called private placings; long-term promissory notes are bank loans. Miscellaneous items (Column 7) include, inter alia, the liability for coinage (total coinage), promissory notes given to international financial organizations and, as a minus item, the liability to the State Pension Fund. Outstanding lending (Column 10) comprises the stock of loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years.

Table 5.5 Source: Table A: Financial Supervision from the beginning of 1994. Table B: Statistics Finland from the beginning of 1991. Tables A and B include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. Table C includes transactions in markka-denominat-

ed bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by primary dealers and banks entitled to central bank financing. As from 14 July 1995 the following act as primary dealers: Alfred Berg Pankkiiriliike Oy, Evli Fixed Income Securities, Goldman Sachs International, Merita Bank, Okobank, Postipankki, Skandinaviska Enskilda Banken, Svenska Handelsbanken AB (publ), Branch Operation in Finland and Unibank A/S. Purchases from and sales to others (Columns 4 and 5) consist of transactions in benchmark government bonds between primary dealers and other parties. Other parties refer to all parties that are not primary dealers. Bank of Finland releases data daily (page SPFI on Reuters and page 20981 on Telerate) on the trading in benchmark government bonds among primary dealers and between primary dealers and their customers.

Table 5.6 Source: The Helsinki Stock Exchange.

6 Balance of payments, foreign liabilities and assets

Table 6.1 The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts. The trade figures for 1995 have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The official foreign trade statistics published by the Board of Customs are delayed owing to changes in statistical systems caused by Finland's entry into the EU. The figures for investment income and expenditure (Columns 7 and 16) include reinvested earnings on direct investment. Preliminary data on reinvested earnings in the previous year have been included in the current account figures. (The annual figure is divided evenly between quarterly figures.)

Tables 6.2–6.4 Since the beginning of 1994, the former capital account of Finland's balance of payments has been compiled according to the IMF's new recommendations (IMF Balance of Payments Manual, Fifth Edition, 1993).

Table 6.2 The capital account (Columns 1 and 14) reflects unrequited capital transfers such as forgiven debts and aid from EU funds. Financial derivatives include payments arising from currency and interest rate swaps related to loans, ie outstanding loans are recorded according to the original loan contract. Medium-term notes (MTNs) are included under bonds (Columns 4 and 17). The category other investment (Columns 9–12 and 21–24) covers transactions related to trade credits, loans, currency and deposits and other assets and liabilities. Transactions in assets and liabilities related to short- and long-term supplier credits and advance payments related to imports and exports are recorded under trade credits (Columns 9 and 21). The item 'Other capital' (Columns 11 and 23) includes transactions in currency and deposits and short- and long-term assets and liabilities of different sectors not covered by any of the items above. In addition, this category includes changes in the central government's subscriptions to and quotas in international organizations as well as transactions in the Bank of Finland's short- and long-term assets and liabilities (excl. reserve items). The

most important sub-item under the item 'other capital' comprises banks' other short-term assets and liabilities (in practice interbank deposits). The central bank's reserve assets (Column 27) comprise gold, special drawing rights (SDRs), the reserve position in the IMF and convertible currency claims. A negative figure implies an increase in reserves.

Table 6.3 The data are classified as in Table 6.2. The items have been translated into markkaa using the spot rates for each date; thus the figures include the impact of changes in exchange rates.

Table 6.4 This contains data on Finland's net international investment position (liabilities less assets) classified by sector.

7 Foreign trade

Source: The National Board of Customs (except for table 7.2). All tables refer to foreign trade in goods.

Table 7.1 The trade figures for October–November 1996 have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The official foreign trade statistics published by the Board of Customs are delayed owing to changes in statistical systems caused by Finland's entry into the EU.

Table 7.2 The volume indices (Columns 1 and 2) are calculated from the export and the import values, deflated by the price indices (Columns 3 and 4). Deflation and seasonal adjustments are carried out by the Bank of Finland. The export and the import price indices are provided by Statistics Finland. The terms of trade (Column 5) is the ratio of the export price index to the import price index, multiplied by 100.

Table 7.4 In addition to all EU countries, those countries are listed whose shares of Finland's exports are at least 1 per cent.

8 Domestic economic developments

Tables 8.1–8.5 Source: Statistics Finland. Seasonal adjustment is carried out by the Bank of Finland.

Table 8.2 The indices of industrial production are adjusted for the number of working days in each month. This causes in small differences the annual averages from the corresponding unadjusted figures. For this reason the indices for 1990 also differ marginally from conventional base-year figures, ie 100.0.

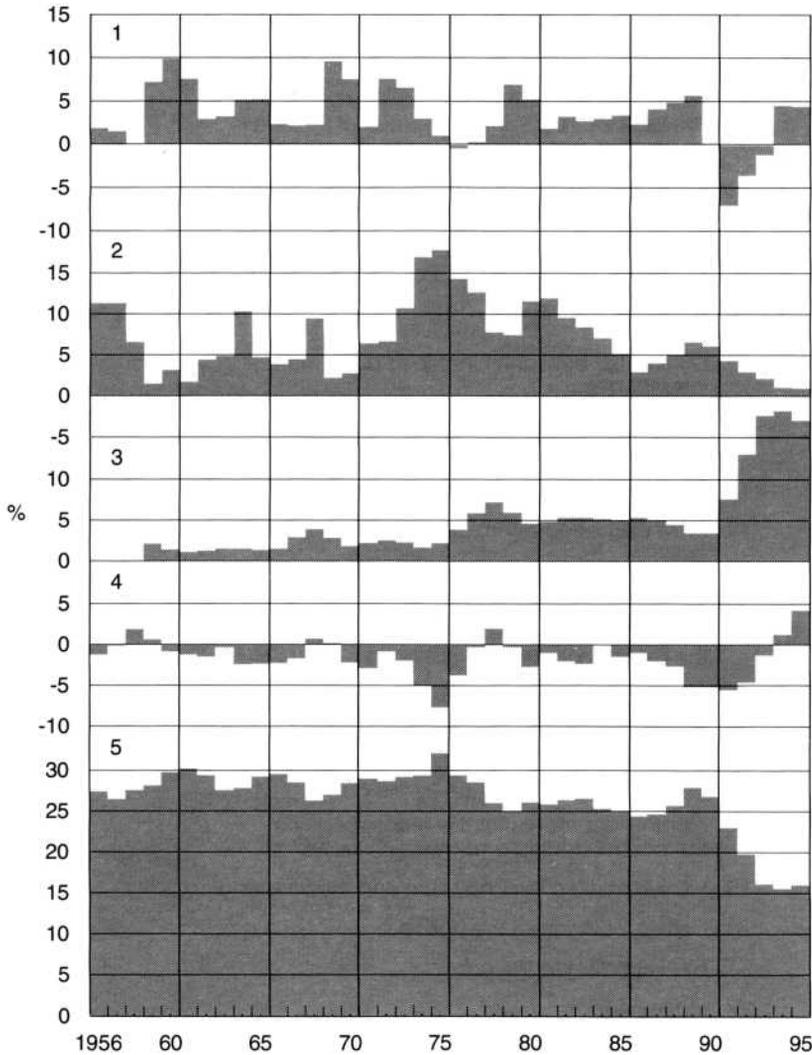
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

Table 8.4 The indicator of underlying inflation (Column 6) is the consumer price index from which the effect of indirect taxes, subsidies and housing-related capital costs (house prices and mortgage interest payments) has been removed (see the article by Pentti Pikkarainen and Timo Tyrväinen in the June – July 1993 issue of the Bulletin). Statistics Finland calculates the indicator and publishes it together with the consumer price index on the 15th of every month (or the next business day). It is lagged by one month in comparison with the consumer price index.

Table 8.6 Source: Ministry of Finance.

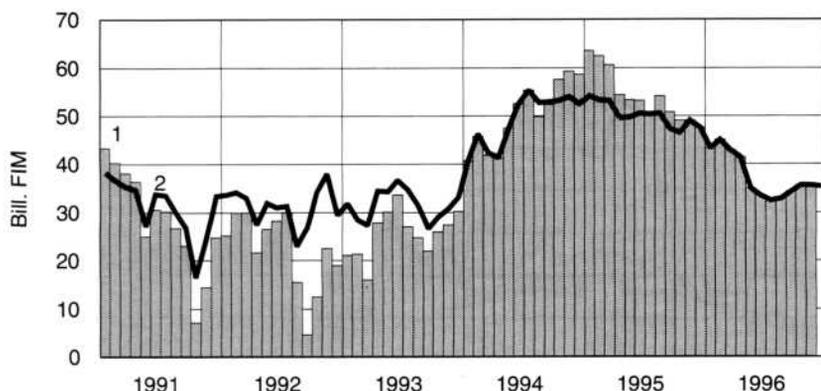
1. Long-term indicators	S30
2. The Bank of Finland's foreign exchange reserves and forward position	S31
3. Forward market	S31
4. Rates of interest set by the Bank of Finland	S31
5. Banks' liquidity position at the Bank of Finland	S32
6. Liquidity management interest rates	S32
7. HELIBOR rates of interest, daily	S32
8. HELIBOR interest rates, monthly	S33
9. Bond yields	S33
10. Differential between Finnish and German interest rates	S33
11. Differential between German and selected EU-countries' 10-year interest rates	S34
12. ERM exchange rates: deviation from DEM central parity	S34
13. ERM exchange rates: deviation from DEM central parity	S34
14. Bank of Finland currency index and markka value of the ECU	S35
15. Daily spot rates for the markka against the Deutschemark and US dollar	S35
16. Daily spot rates for the markka against the pound sterling and Swedish krona	S35
17. Monthly spot rates for the markka against the Deutschemark and US dollar	S36
18. Monthly spot rates for the markka against the pound sterling and Swedish krona	S36
19. Banks' markka lending rates and markka funding rates	S36
20. Bank funding from the public	S37
21. Bank lending to the public	S37
22. Money supply	S37
23. Current account	S38
24. Net interest and dividend expenditure	S38
25. Balance of payments	S39
26. Finland's net international investment position	S39
27. Foreign trade	S40
28. Foreign trade: prices and terms of trade	S40
29. Finland's export performance	S40
30. Production	S41
31. Fixed investment	S41
32. Employment and the unemployment rate	S42
33. Prices and wages	S42
34. Central government finances	S43
35. Central government debt	S43

1. Long-term indicators



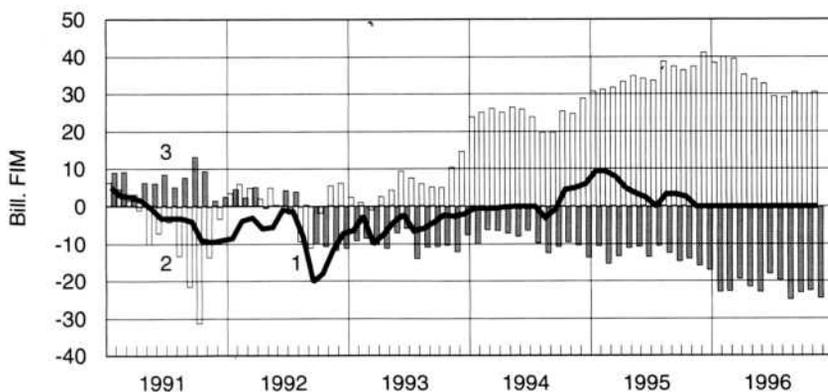
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

2. The Bank of Finland's foreign exchange reserves and forward position



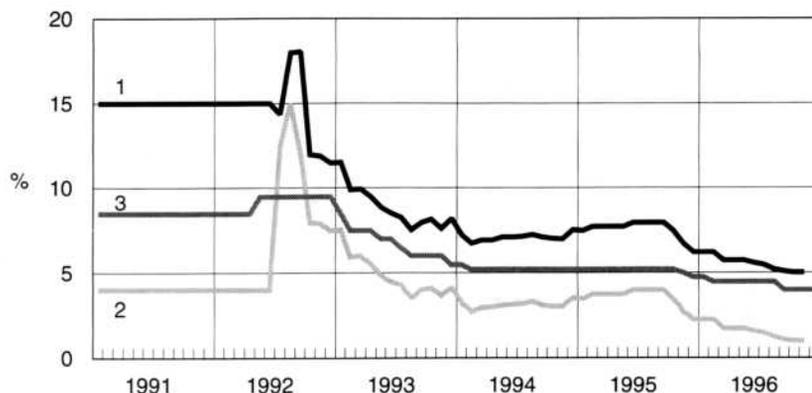
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

3. Forward market



1. Forward exchange sold to banks by domestic customers
2. Forward exchange sold to banks by foreign customers
3. Forward exchange purchased by the Bank of Finland

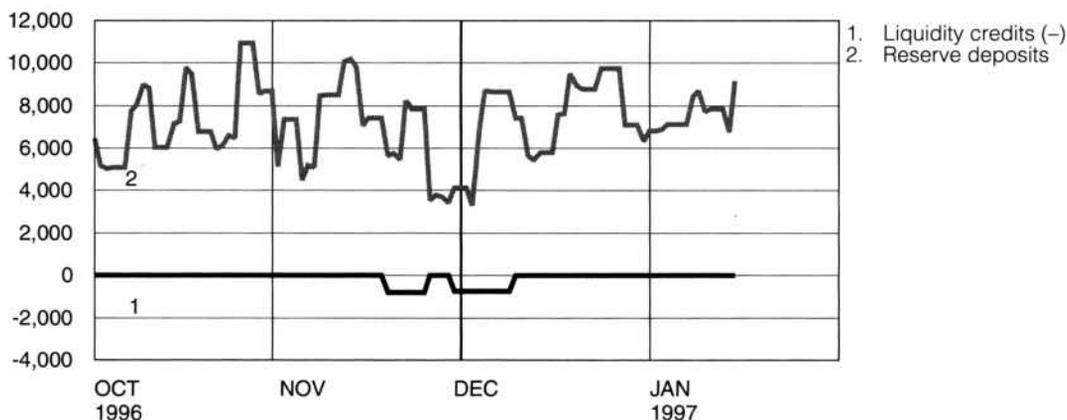
4. Rates of interest set by the Bank of Finland



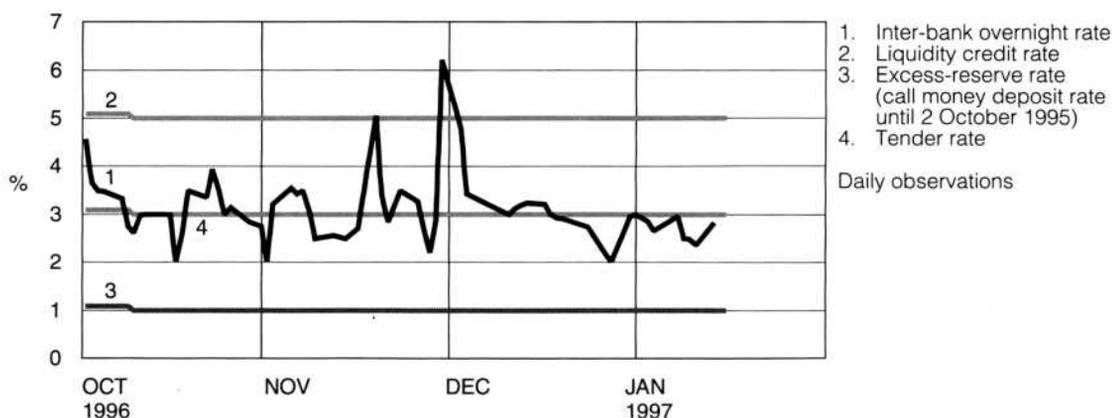
1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Excess-reserve rate (call money deposit rate until 2 October 1995)
3. Base rate

End-of-month observations

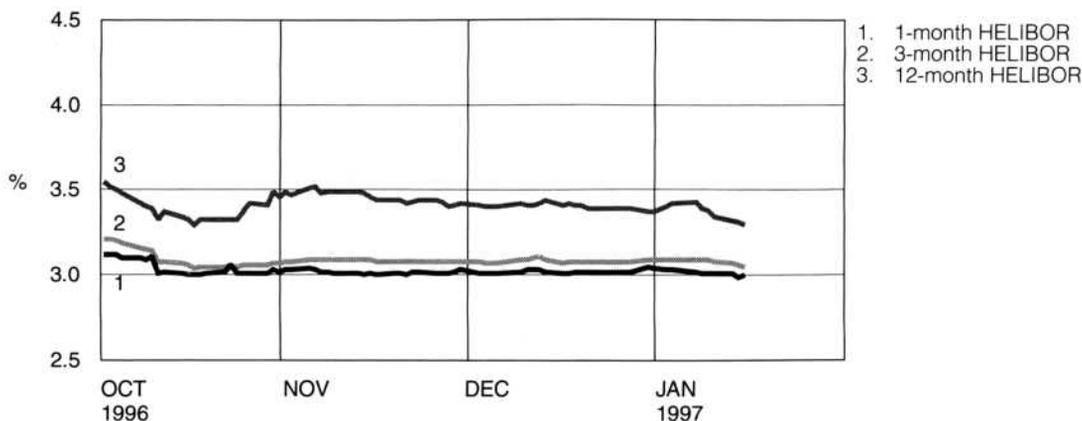
5. Banks' liquidity position at the Bank of Finland



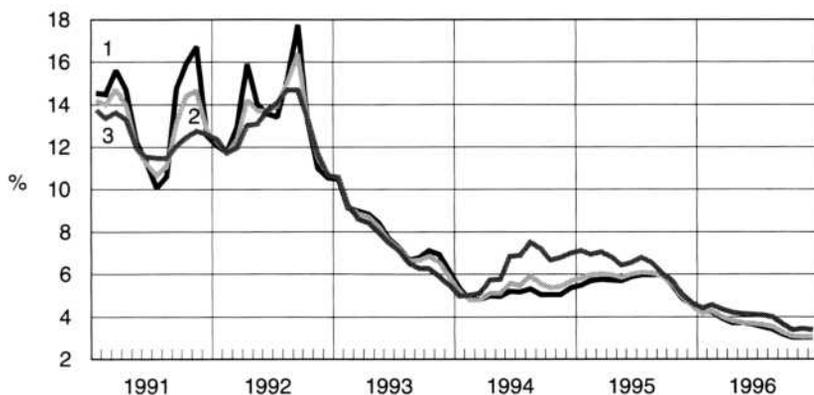
6. Liquidity management interest rates



7. HELIBOR rates of interest, daily

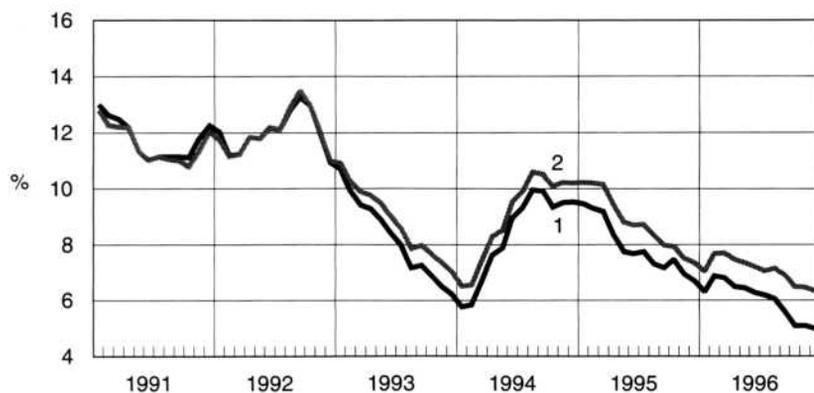


8. HELIBOR interest rates, monthly



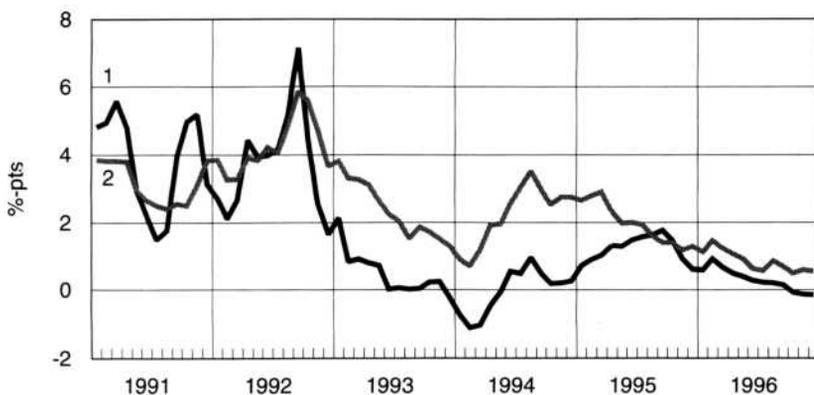
1. 1-month HELIBOR
2. 3-month HELIBOR
3. 12-month HELIBOR

9. Bond yields



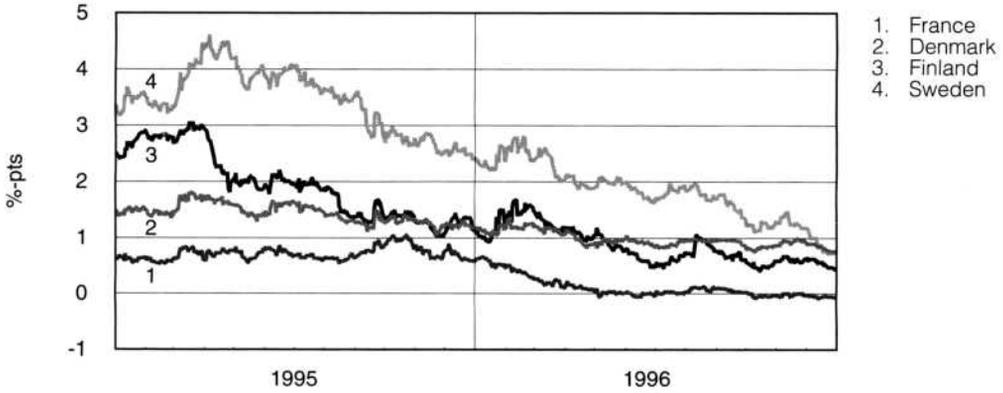
1. Yield on 5-year government bonds
2. Yield on 10-year government bonds

10. Differential between Finnish and German interest rates

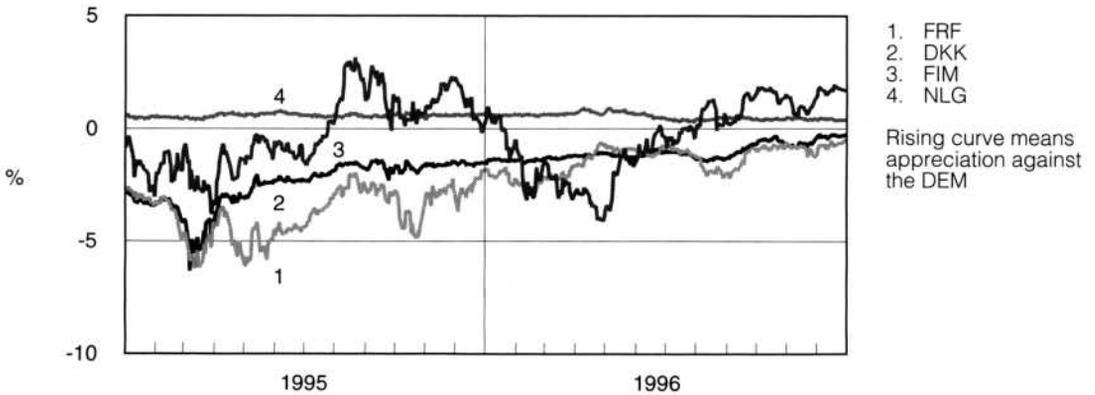


1. 3-month HELIBOR minus 3-month DEM eurorate
2. 10-year Finnish government bond yield minus 10-year German government bond yield

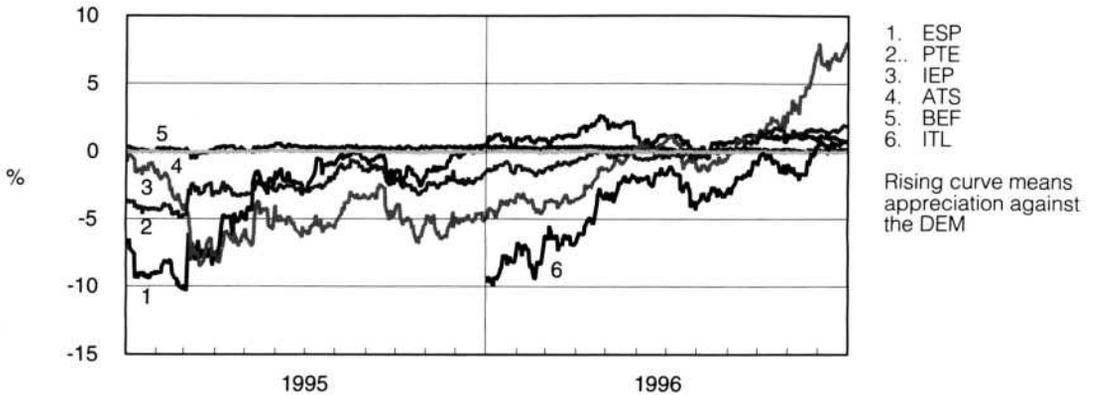
11. Differential between German and selected EU-countries' 10-year interest rates



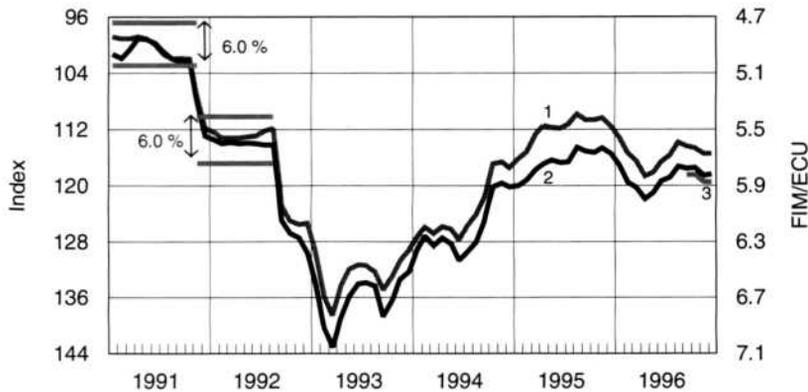
12. ERM exchange rates: deviation from DEM central parity



13. ERM exchange rates: deviation from DEM central parity

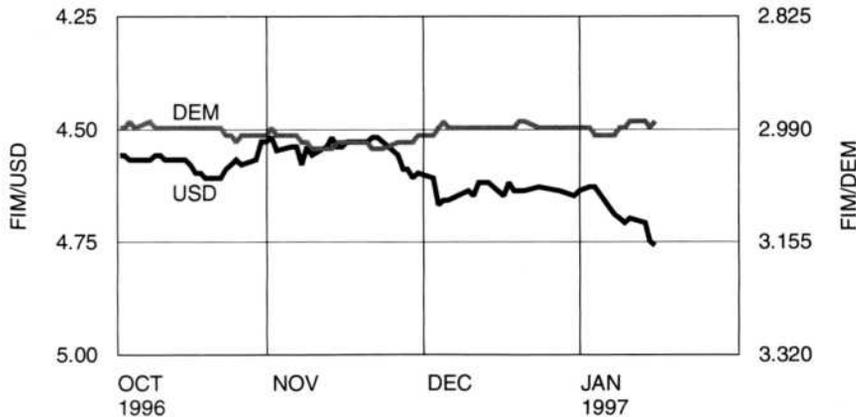


14. Bank of Finland currency index and markka value of the ECU



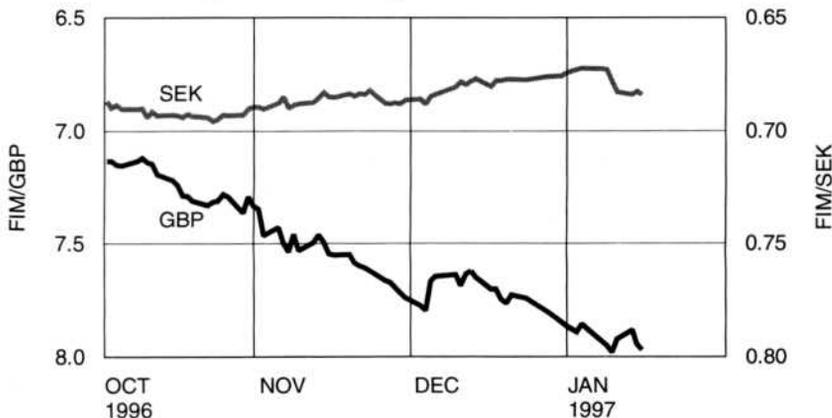
1. Bank of Finland currency index, 1982 = 100 (left scale)
2. Markka value of the ECU from 7 June 1991 (right scale)
3. ECU central rate from 14 October 1996 (right scale)

15. Daily spot rates for the markka against the Deutschmark and US dollar



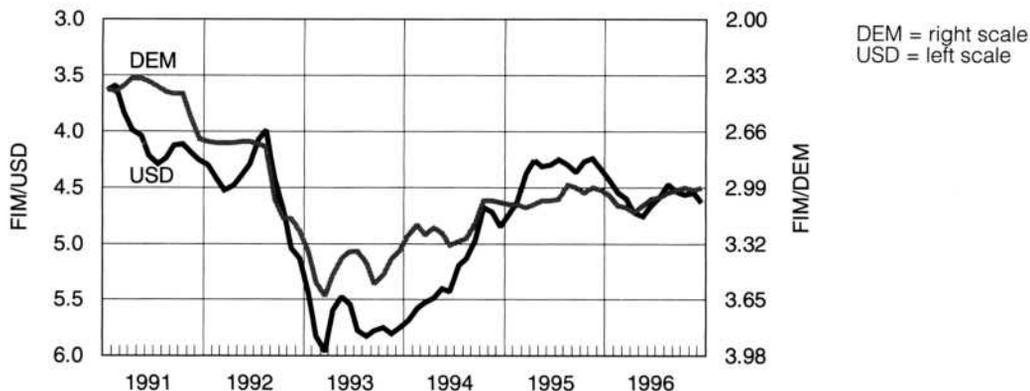
- Middle rates
DEM = right scale
USD = left scale

16. Daily spot rates for the markka against the pound sterling and Swedish krona

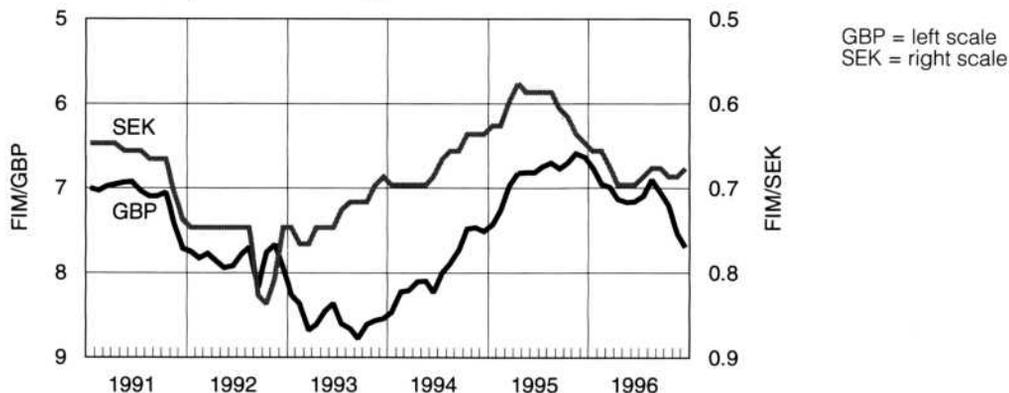


- Middle rates
GBP = left scale
SEK = right scale

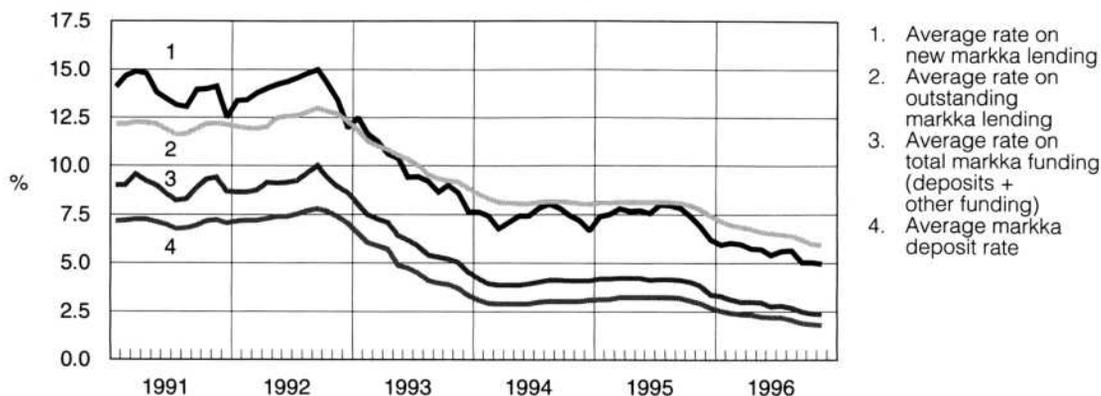
17. Monthly spot rates for the markka against the Deutschemark and US dollar



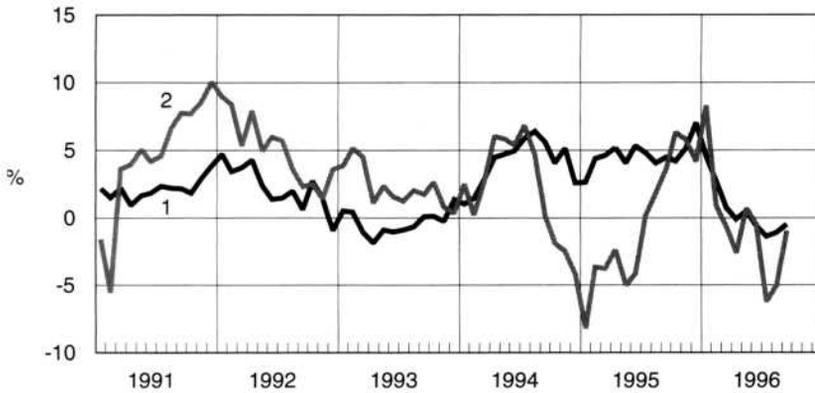
18. Monthly spot rates for the markka against the pound sterling and Swedish krona



19. Banks' markka lending rates and markka funding rates



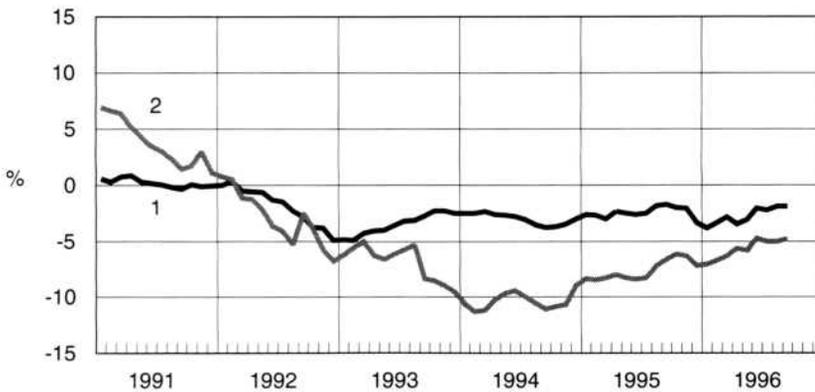
20. Bank funding from the public



1. Markka deposits
2. Total funding

Change from the corresponding month of the previous year, per cent

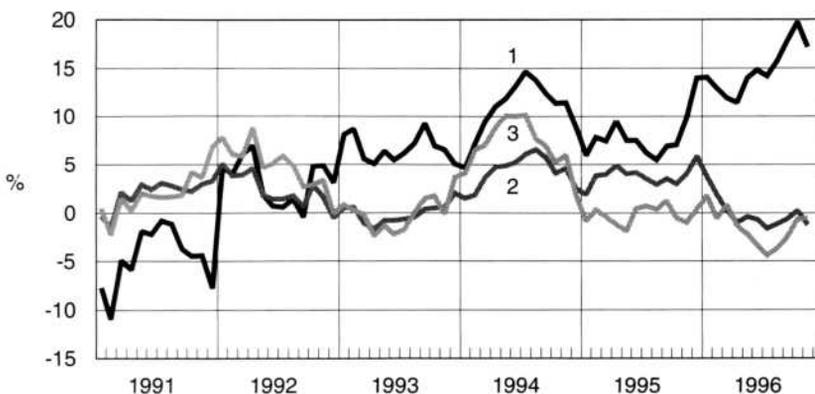
21. Bank lending to the public



1. Markka lending
2. Total lending

Change from the corresponding month of the previous year, per cent

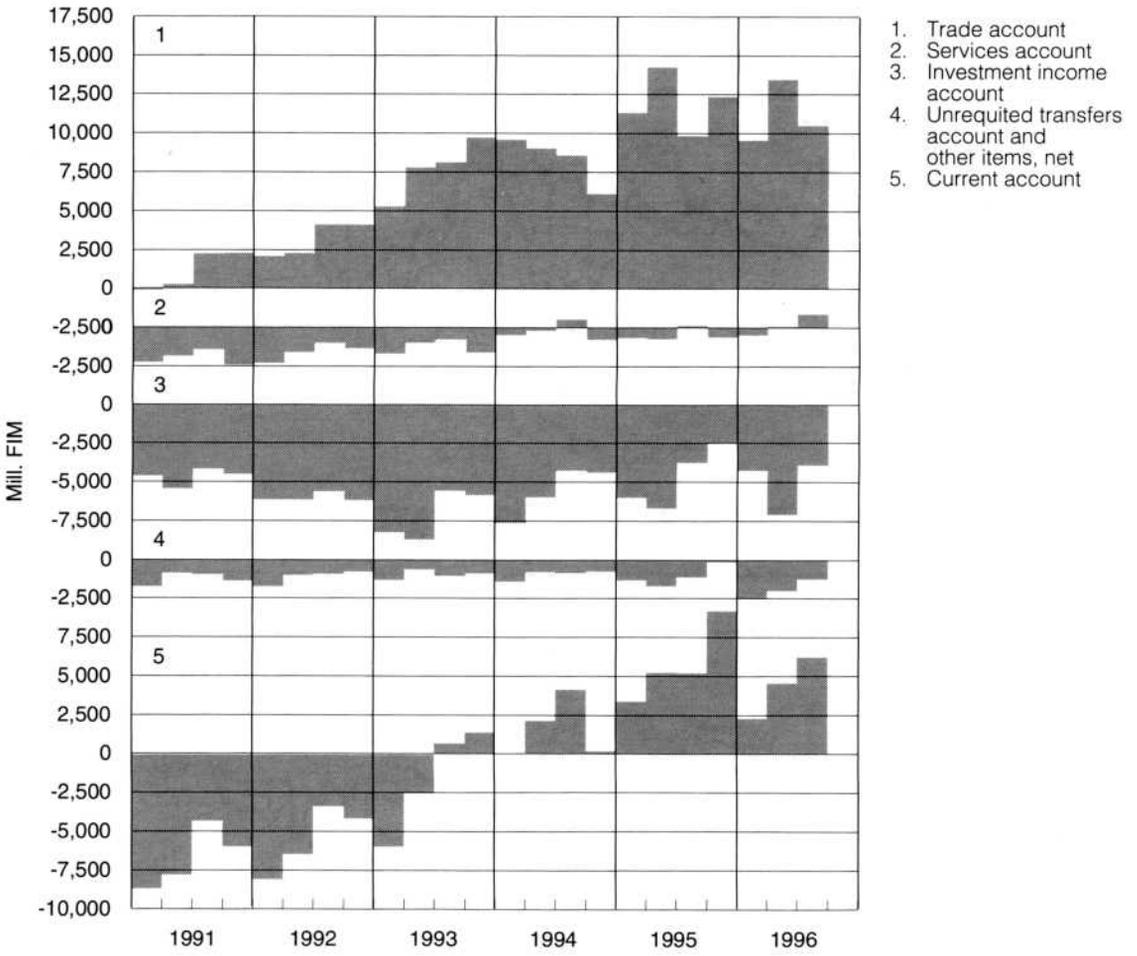
22. Money supply



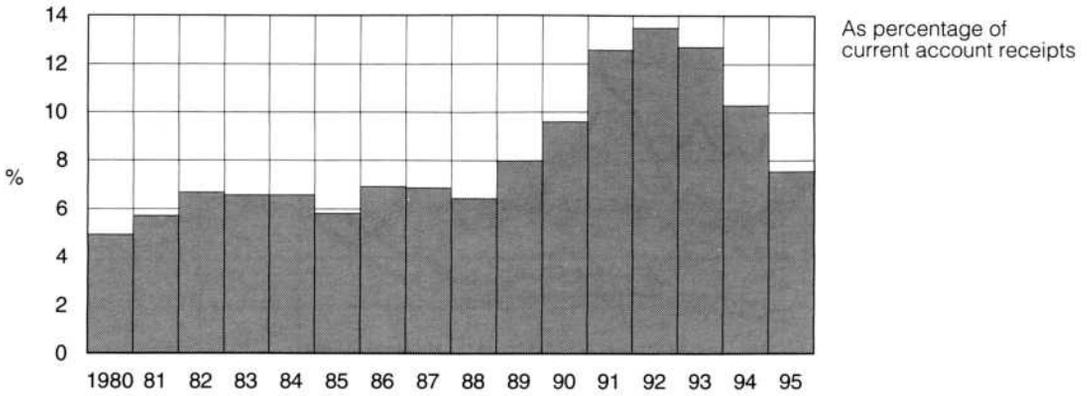
1. Narrow money (M1)
2. Broad money (M2)
3. M2 + bank CDs held by the public (M3)

Change from the corresponding month of the previous year, per cent

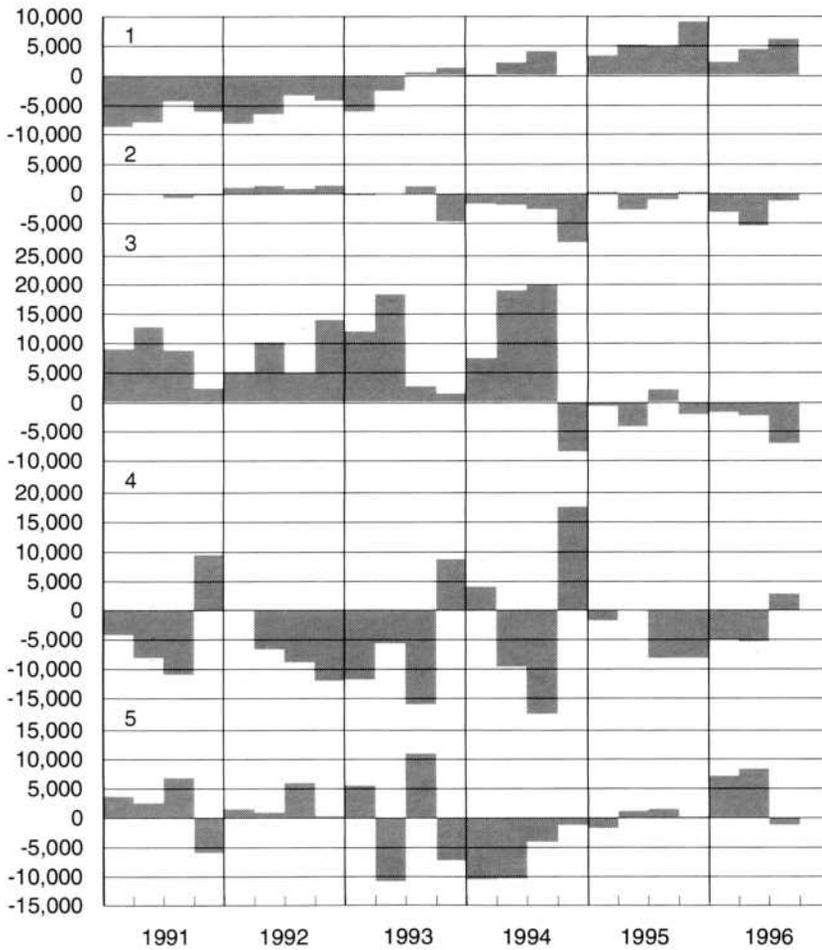
23. Current account



24. Net interest and dividend expenditure

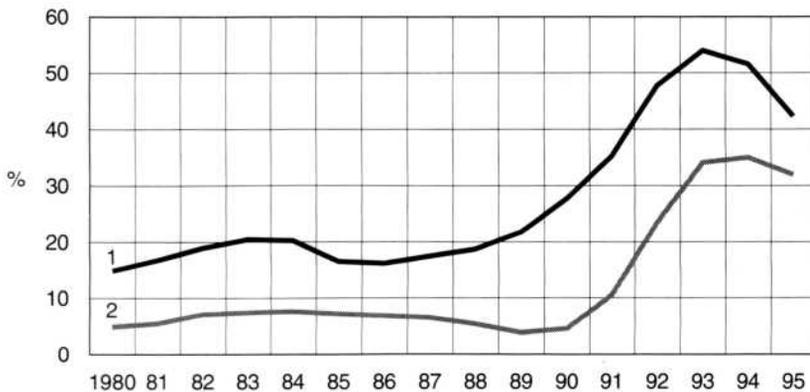


25. Balance of payments



1. Current account
2. Direct investment
3. Portfolio investment
4. Other investment
5. Change in central bank's reserve assets (increase = -)

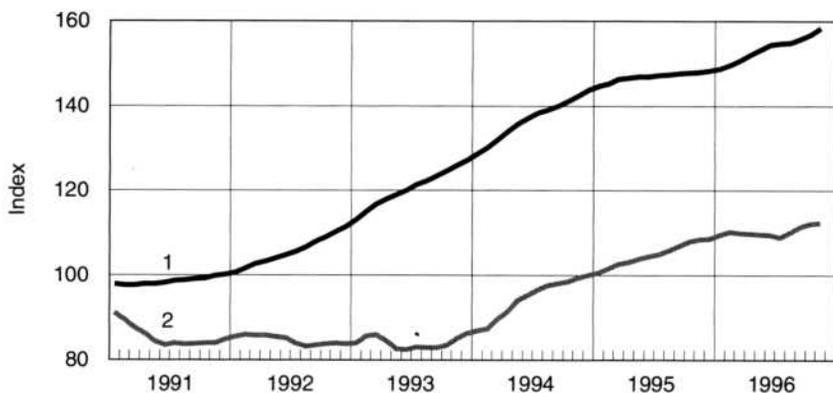
26. Finland's net international investment position



1. Total
2. Of which:
central government

The stock of external liabilities minus the stock of external assets, as a percentage of GDP

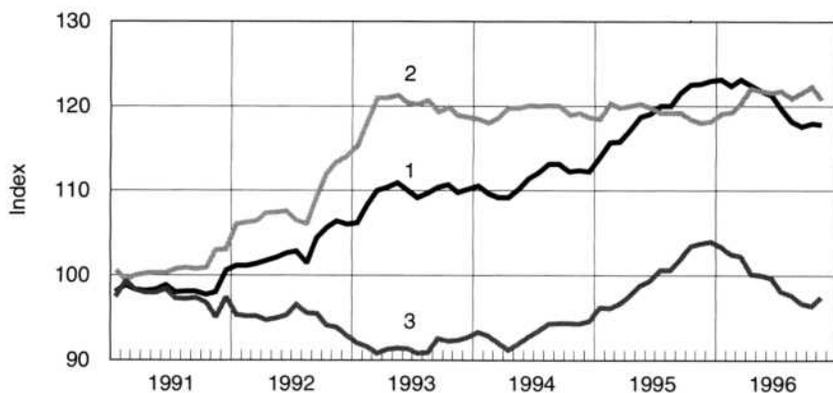
27. Foreign trade



1. Exports of goods
2. Imports of goods

Volume index, 1990 = 100, trend

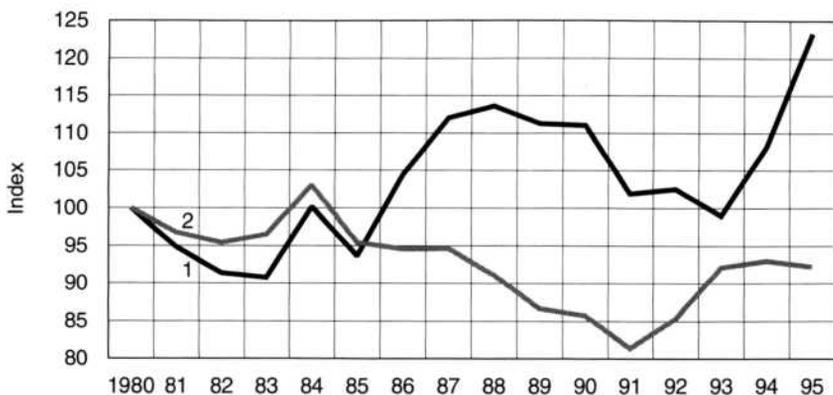
28. Foreign trade: prices and terms of trade



1. Export prices
2. Import prices
3. Terms of trade

Index 1990 = 100

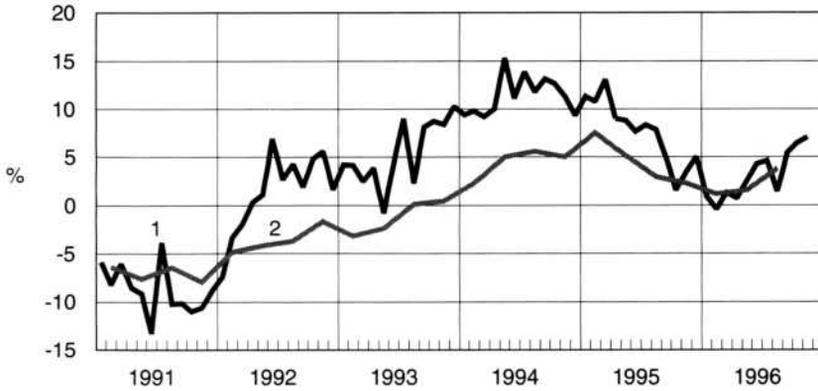
29. Finland's export performance



1. Value of exports to OECD countries in relation to imports of OECD countries
2. Volume of exports to OECD countries in relation to imports of OECD countries

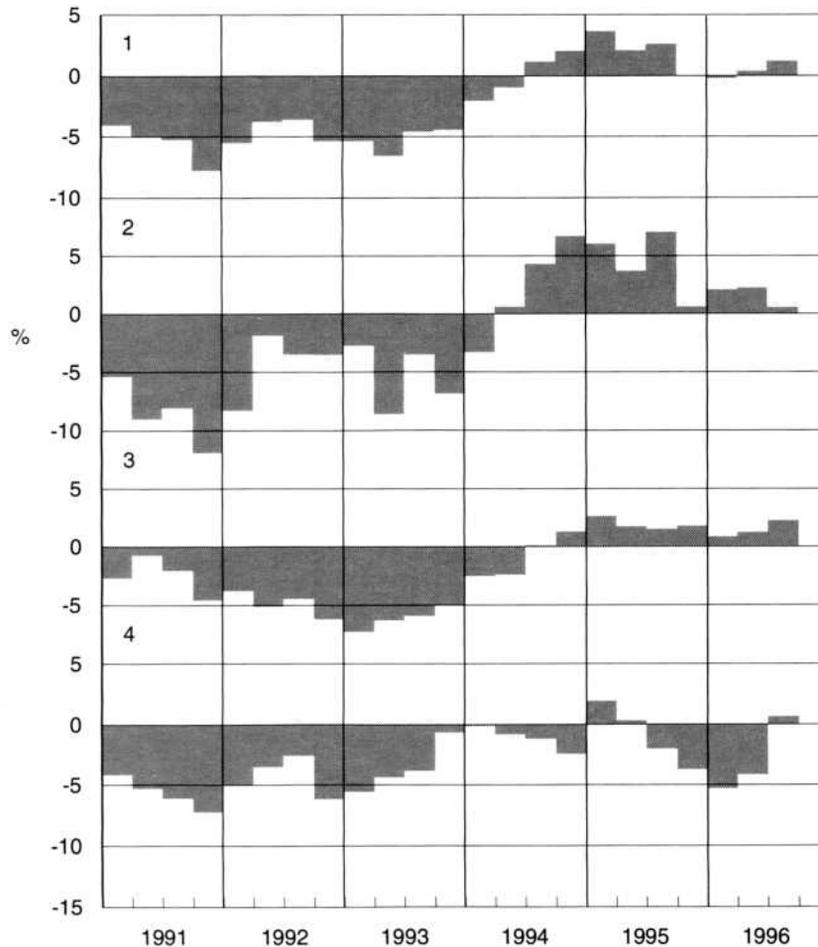
1980 = 100

30. Production



1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

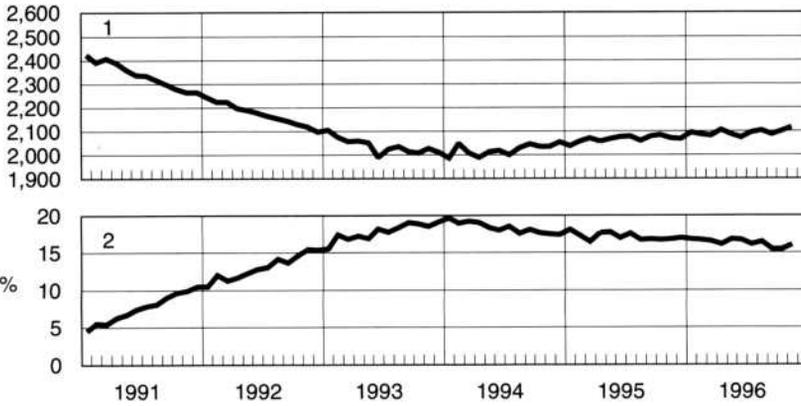
31. Fixed investment



1. Total fixed investment
2. Investment in machinery and equipment
3. Building investment, excl. residential buildings
4. Residential buildings

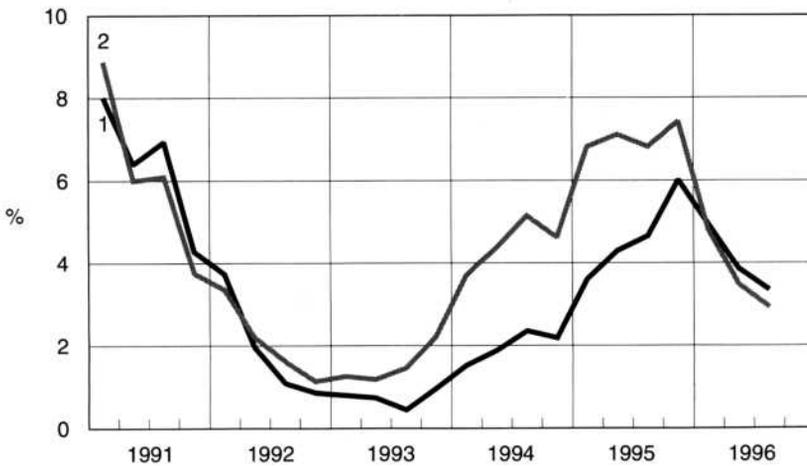
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

32. Employment and the unemployment rate



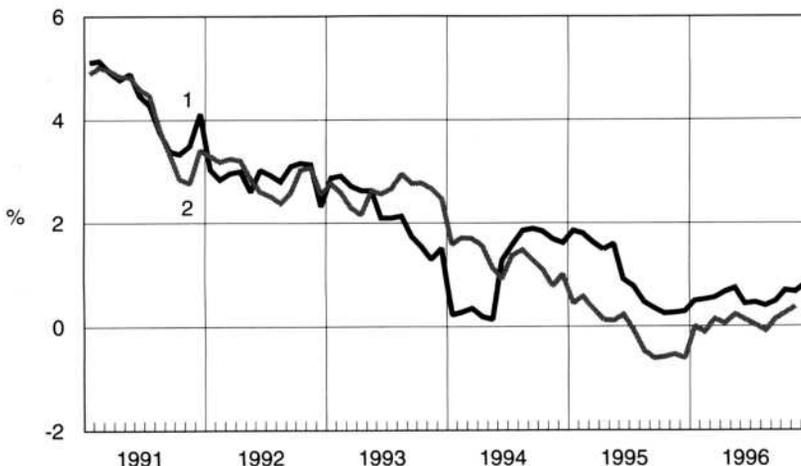
1. Employment, 1000 persons
2. Unemployment rate, per cent

33. Prices and wages



1. Index of wage and salary earnings, all wage and salary earners
2. Index of wage and salary earnings, manufacturing workers

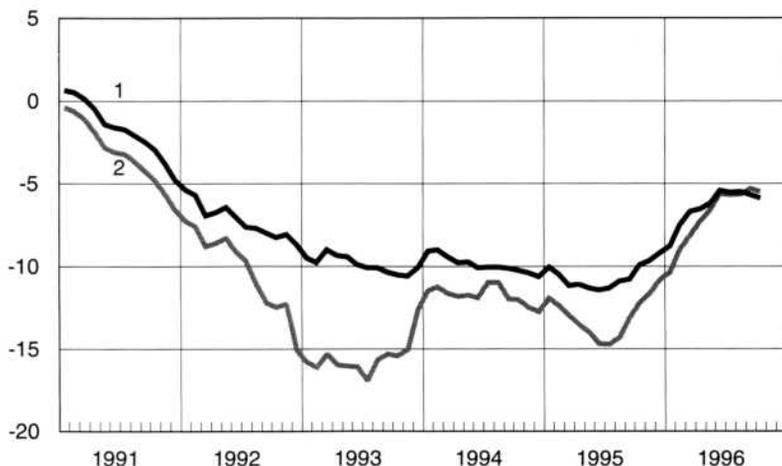
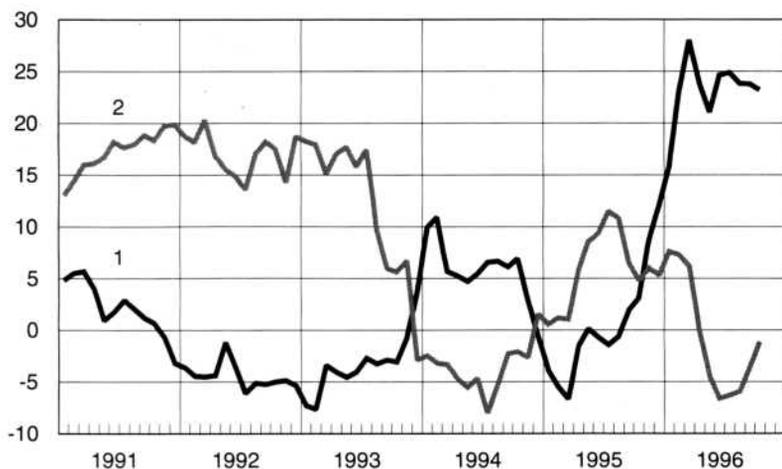
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Indicator of underlying inflation

Change from the corresponding month of the previous year, per cent

34. Central government finances



35. Central government debt

