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Closing of the Accounts for 1993

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of the Savings Bank Sector

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PUBLISHER

**SUOMEN PANKKI
FINLANDS BANK**P.O.Box 160,
FIN-00101 HELSINKI,
FINLANDTelephone:
National (90) 1831
International + 358 0 1831Telex: 121224 SPFB SF
Telefax: 174872
Cables: SUOMENPANKKI**Editor-in-Chief**

Antero Arimo

Editor

Marja Hirvensalo-Niini

Subscriptions

Heli Virtanen

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STATEMENT ON THE OCCASION OF THE CLOSING OF THE ACCOUNTS FOR 1993

by Dr Sirkka Hämäläinen,
Governor of the Bank of Finland

In 1993, developments in the international environment were unfavourable for the Finnish economy. Demand contracted in Finland's major export markets, and the international financial markets were unsettled until the end of the summer. Despite a gradual decline, the level of interest rates in Europe remained high given the prevailing economic conditions. Calm was not restored to the money and foreign exchange markets until the EC countries agreed on a substantial widening of the fluctuation bands in the exchange rate mechanism (ERM) of the European Monetary System in August.

Although the fluctuation bands were widened, exchange rates within the ERM remained fairly stable for the rest of the year. The gradual lowering of interest rates continued in the autumn. Notwithstanding the problems arising from the recession and the turmoil in the currency markets, EU countries endeavoured to proceed with the integration process according to the agreed timetable. In addition to and instead of various national measures, EU countries have sought to develop a common approach to redirecting economic policies in an expansionary direction. After having been ratified by all member states, the Maastricht treaty entered into force on 1 November 1993, and the EC became the EU (European Union). The European Monetary Institute, whose establishment is required by the Maastricht treaty and whose aim is to further integration of member states' monetary policies, started operations at the beginning of this year.

A positive sign as regards the development of the Finnish

economy is that economic activity in the EU area seems to have recovered – albeit only modestly – with the onset of the new year. The easing of inflation is helping to underpin stability in the money and currency markets and is paving the way for a further lowering of interest rates in Europe.

Despite weak demand in international markets, the volume of Finnish exports grew exceptionally fast in 1993 thanks to good competitiveness, exceeding the previous cyclical peak by a clear margin. A particularly positive feature of this growth was that the regional distribution of exports continued to diversify. Besides the weakening of the markka, the adjustment of production costs in exporting industries has been an important contributory factor to the good competitiveness of exports: pay rises and rises in the prices of other domestic inputs have been very moderate and, at the same time, productivity has improved markedly.

Largely due to the favourable export performance but also to the low level of imports, which were curbed by the contraction in domestic demand, Finland's external balance improved rapidly in the course of last year. In the latter half of the year, the current account shifted into a modest surplus, which meant that Finland's heavy foreign debt started to decrease.

Balance was restored to the current account as a result of adjustment by the business sector and households. By contrast, the financial deficits and debt of the central and local government sectors continued to grow rapidly. Household saving rose to a record high level while companies continued to

reduce their investment. Companies consolidated their balance sheets by cutting back investment projects, repaying their debts and improving the efficiency of their production. In export companies these measures were implemented at the same time as output was growing and profitability improving. By contrast, companies operating in the domestic market were forced to scale down their operations and shed labour because of weakening domestic demand.

A key challenge facing economic policy in the near future will be to bring the slump in the domestic market to an end within the limits provided by the growth of exports and foreign indebtedness. Monetary policy has aimed at reducing the level of interest rates without prompting reactions in exchange rates that would be difficult to control.

The experiences gained last year of the reactions of currency markets demonstrated that even though floating exchange rates provide monetary policy with room for manoeuvre in principle, in practice it is only possible to advance cautiously, particularly when the economy is burdened with a large foreign debt. In the course of 1993, the exchange rate risks associated with the large foreign debt led at times to self-enforcing developments, which were difficult to manage. The fall in market interest rates gave rise to pressures on the markka to depreciate, which, in turn, increased repayments of foreign currency loans. The depreciation of the markka exacerbated the position of domestic-oriented companies with large foreign debts, led to bankruptcies and increased unemployment, which again tended

to increase expectations of a further weakening of the markka.

To counter expectations of the markka's depreciation and to make a lowering of interest rates possible, the Bank of Finland announced in February that its aim was to stabilize inflation at about two per cent, measured by the indicator of the underlying rate of inflation (ie the consumer price index from which the effects of government measures have been removed), by 1995.

During the past year, the conduct of monetary policy was also hampered by the fact that expectations concerning government finances, pay settlements and economic developments both internationally and at home were readily reflected in the external value of the markka.

Towards the end of the year, conditions in the Finnish financial markets stabilized appreciably. Interest rates fell throughout the year, but in early 1993 the fall was attributable to heavy capital imports by the central government. In the last months of the year, the restoration of balance to the current account, strengthening optimism about an improvement in economic conditions, the savings targets set for central government finances and increased confidence in the fact that inflation would remain low were reflected in pressures on the markka to appreciate and on long-term interest rates to fall. These positive factors made it possible to

ease monetary policy to the extent that short-term market rates fell clearly below German rates at the end of 1993. However, the differential between Finnish and German long-term market rates, which can be considered an indicator of market confidence in the country's anti-inflationary policy, is still in the region of one percentage point. The Bank of Finland's base rate, which is used as the reference rate for tax-exempt deposits and for about one-third of outstanding markka loans – and thus mainly affects income distribution – was progressively lowered in line with movements in market rates by a total of four percentage points to 5½ per cent in the course of 1993.

The main structural problems of the economy – widespread unemployment and the large public sector deficit – cannot be resolved by monetary and counter-cyclical policy measures. The public sector deficit is being swelled by the interest expenses arising from the growing foreign debt. Over the next few years, a firm commitment to the consolidation of public finances will be a key factor in safeguarding the room for manoeuvre in monetary policy and in policies aimed at creating export capacity in the private sector and stimulating domestic demand without resort to foreign debt.

The new year has brought with it some hope of an improvement in the economy. The fall in market rates and increased

confidence in the strengthening in the value of the markka will support output and incomes and at the same time improve bank profitability through lower financing costs and reduced credit losses. Higher capacity utilization, due to the growth of exports, and the revival of demand in international markets will contribute to a gradual increase in investment. However, there is no reason to expect a strong recovery in economic growth. The contraction in households' purchasing power, uncertainty about jobs and continuing high debt levels will keep the propensity to save high and the propensity to invest moderate.

To what extent there will be room for monetary policy in this situation to support economic recovery will depend partly on the confidence in efforts to improve the central government's financial position and partly on developments in wages and salaries and other domestic costs. As long as inflation expectations remain subdued, stronger confidence in the economy in general can be channelled to the lowering of interest rates. It is of utmost importance under these conditions to avoid overheating in the export sector and soaring costs. This is best achieved by the appreciation of the markka.

10 January 1994

DECISION ON THE RESTRUCTURING OF THE SAVINGS BANK SECTOR

by **Peter Nyberg**, Adviser to the Board
Financial Markets Department
Bank of Finland

Finnish banking problems¹ have, to a large extent, been concentrated in the savings bank sector. From late 1991 onwards, several savings banks experienced increasing difficulties as a result of the country's rapidly worsening economic situation. The number of savings banks experiencing severe solvency problems multiplied during 1992.

The authorities realized that the problem could only be dealt with through a large-scale merger embracing both troubled and healthy banks. It was felt that such an arrangement would ease the administration of the support and restructuring programme as well as utilize in full the capital resources of the savings banks sector for the rescue. Thus, in June 1992 the Government Guarantee Fund (GGF) decided to support the merger of savings banks into a new bank called the Savings Bank of Finland (SBF). This was accepted, and the new bank adopted a stringent restructuring programme. The merger and conversion of initially 41 savings banks into a limited company was formally concluded by the end of the year.

Those forty savings banks which did not take part in the merger continued their activities mainly in the form traditional savings banks.

SBF'S RESTRUCTURING EFFORTS

In its restructuring programme, the SBF undertook to put more stress on retail banking as opposed to investment

and commercial banking, to cut costs substantially and to achieve a more balanced, longer-term funding structure. Risks were to be reduced by shortening the balance sheet.

Cost reductions were to be achieved by sharp cutbacks in the number of both staff and branches. Staff was reduced by about 1500 during 1992 and by almost 600 more in the ten months to October 1993. Hence the bank trimmed its staff by more than a quarter in less than two years. Over the same period 160 branches were closed, reducing the branch network by almost one-fifth. Actual costs savings, of course, lagged behind these numbers because of dismissal costs, and only started to have a noticeable effect on financial results in 1993.

Lending and risks were reduced primarily by running down loans denominated in foreign currencies and loans to high-risk branches and by cutting back off-balance sheet items. As a result, the balance sheet was reduced to some FIM 86 billion by autumn 1993 from almost FIM 96 billion at the end of 1992, a reduction of one-tenth. Further cuts to achieve a final balance sheet total of FIM 65 billion by the end of 1996 were envisaged.

While cost and risk reductions remained well on track, performance as regards credit losses and funding was worse than foreseen.

Non-performing loans amounted to FIM 13½ billion, net, at the end of 1992, with almost FIM 8 billion being booked as credit losses. During the first nine months of 1993, non-performing loans increased by FIM 3½ billion, which was substantially more than originally expected.

However, credit losses were unlikely to increase in the same proportion, as they were partly subject to judgemental factors. The increase in non-performing loans was primarily due to the recession being both deeper and longer than originally foreseen, particularly in the sectors where the bank found itself heavily involved. This represented a development over which the SBF had little control, but the effect on profits was, of course, negative.

Even before the creation of the SBF, the constituent banks were losing deposits at a steady though modest rate for several reasons. First, the savings banks were seen as less sound than other banks and this may have reduced their attractiveness in the eyes of depositors. Secondly, and probably more importantly, this situation was later actively exploited by the SBF's major competitors. Thirdly, the GGF required the SBF to stop paying the above-average deposit rates that had been agreed to with certain depositors by the savings banks involved in the merger. Since market interest rates gradually fell below the high fixed rate paid on part of these deposits inherited by the SBF, this also made good commercial sense for the bank itself.

The reduction in deposits was matched by a fall in SBF assets, which meant that the bank did not encounter acute funding difficulties. In all, deposits fell by more than FIM 3½ billion, or some 7 per cent, in the period between the end of 1992 and the end of September 1993. Though these developments were largely undramatic, the increased dependence on funding in the money and bond mar-

¹ For a discussion of the banking crisis, see the article by Peter Nyberg and Vesa Vihriälä in the April 1993 issue of the Bulletin.

kets, together with the reduction in the amount of performing assets, pointed to gradually growing liquidity risks for the bank.

Thus the restructuring of the SBF proceeded largely as originally planned, though credit losses were larger than expected and modest problems appeared on the liquidity side. However, both the SBF itself and the authorities responsible for the running of the bank were facing increasingly vehement criticism from other domestic banks, political circles and the press. It seemed unfair that a bank should be allowed to compete in the market while receiving so much public support.² It was also felt that something decisive should be done to quickly eliminate excess banking capacity, and thereby support profitability in the sector as a whole. Finally, there was growing public demand for something to be done to end what was seen to constitute the core of the Finnish banking crisis.

SPLITTING UP AND SELLING OF THE SBF

On 22 October 1993, the Finnish Government, on the recommendation of the GGF, decided to sell the sound parts of the SBF's balance sheet in equal parts to four of the bank's competitors for a total price of FIM 5.6 billion.³ This reflected the GGF's view that other options were less advantageous and that restructuring the bank under the GGF's ownership would not prove feasible.

The SBF was split up according to branches, the weight of each branch being determined by the amount of depos-

its in it. The buyers agreed among themselves on which bank would receive a particular SBF branch, the aim being to avoid as far as possible the creation of local monopolies.⁴ Each branch is to be transferred with its balance sheet and customers, necessary adjustments being made in cases where customers have held assets and liabilities in different branches of the SBF. Of course, the customer is himself the final judge as to with which bank he chooses to do business.

The total value of the SBF assets to be transferred is about FIM 41 billion, which will be financed mainly by deposits amounting to some FIM 49 billion, the difference being accounted for by a loan to an asset-holding company to be set up simultaneously. These items will, as soon as is practicable, be transferred onto the balance sheets of the buying banks. The buyers have agreed among themselves on a temporary ban on competition in order to avoid disruptions in the practical arrangements for the transfer. Deposit and loan terms of current SBF customers will not be affected by the transfer.

The non-performing assets of the SBF are to be transferred to an asset-holding company (Arsenal Ltd) financed at the government's risk. The assets include loans, real estate and other assets totalling FIM 30 billion and guarantees totalling FIM 9 billion. Further transfers of assets which become non-performing or which perform badly may be made in 1994. It is estimated that these additional items could amount to some FIM 4 billion, implying a total risk of some FIM 43 billion. Losses may eventually reach FIM 15 billion. Arsenal Ltd may extend additional credit to its customers in cases where this reduces the total cost to the government.

The remaining part of the balance sheet will, for the time being, be kept on the books of the SBF, which will be wound down within a relatively short time. The balance sheet of this entity will chiefly consist of miscellaneous securities (of which FIM 10 billion remain from the previous SBF), including financing of Arsenal Ltd and participations, all financed primarily by bank loans, notes and bonds. The SBF will cease to function as a bank within a few years at the latest.

The role of Skopbank, in which the GGF maintains its majority shareholding, will not change in any way. It will continue its activities as before, though obviously the volume of its business will decline. It will also continue to function as the central banking institution for the remaining savings banks and to serve its non-bank customers, in addition to retaining all the rights (to eg central bank financing) of a major Finnish commercial bank.

CONSEQUENCES OF THE DECISION

The decision to dispose of the SBF as described above is likely to have many important implications for the financial markets in Finland.

First, it will speed up the reduction in retail capacity within the Finnish banking sector, as most of the SBF's branches will be closed and the major part of its staff made redundant. Over time, however, the net impact on banking capacity is unlikely to be large, since the reduction in SBF staff and branches will lessen the need for similar reductions in the remaining banks. Whether or not the average efficiency of the remaining branch network will, in the longer run, be affected by the closure of specifically SBF branches remains unclear.

Second, concentration within the retail banking market will increase markedly in certain parts of the country. However, the number of customers imme-

² By summer 1993, the banks that had merged to form the SBF and the SBF itself had received a total of some FIM 15 billion in capital infusions or other financial support. This was more than one-third of the total sum of capital injections and loans used to support the banking sector as a whole.

³ If the cost of closing the SBF turns out to be sufficiently small, a conditional payment from the bank's remaining value could raise the value recovered by the GGF to some FIM 7 billion.

⁴ Naturally, this can only be regulated in the initial stage of the transaction. Over time, banks will be free to trade branches among themselves if this makes commercial sense.

diately affected will be fairly small, and in the course of time basically only the market for loans of modest size is likely to remain affected. In fact, selling the SBF to all its major competitors is likely to be less problematic from the point of view of competitiveness than some of the other options considered.⁵ Nevertheless, reducing the number of major banks in Finland will underline the urgency of developing markets, eg for

commercial paper, and of reducing the costs of entry into the retail banking market.

Third, the impact of public policy on the real estate market as well as on other parts of the domestic market is likely to be very important for a number of years to come. The asset-holding company's sell-off policy is likely to have a major effect on price expectations. Similarly, its decisions whether or not to restructure the numerous companies transferred onto its books may affect the fortunes of these companies' competitors in various markets. The effect on government financing needs will, of course, depend on how effi-

ciently Arsenal Ltd can recover value from its bad assets.

Finally, the political debate on the decision may continue, given the huge size and rapid conclusion of the deal. This debate will not concern the need for or object of bank support in Finland, but rather is likely to focus on the instruments used, price and principles applied. As such, this domestic debate should not give investors or lenders any cause for uncertainty or alarm.

7 January 1994

⁵ In fact, independent savings banks as well as some small commercial banks are planning to expand their branch network and scale of operations after the disposal of the SBF.

**THE BANK OF
FINLAND'S
INVESTMENT INQUIRY**

According to the Bank of Finland's investment inquiry conducted in October–December 1993, the volume of fixed investment decreased by just under one-fifth in total industry and by about one-quarter in manufacturing in 1993. According to the survey data, the value of fixed investment amounted to FIM 17.3 billion in total industry and to FIM 11.4 billion in manufacturing. The investment ratio, ie the ratio of fixed investment to value added, fell below 10 per cent in manufacturing, which is notably lower than its level during the recession in the latter part of the 1970s. According to the inquiry, it seems that the strong contraction in manufacturing investment, which has continued for four years now, will come to a halt in 1994. At the time the inquiry was conducted, manufacturing companies' planned investment for 1994 was equal in volume to their estimated investment in 1993.

Recently, there has been talk of a number of major invest-

ment projects in the forest and motor industries, but as yet no final decisions have been taken on these, and they are not included in the investment inquiry. The implementation of just one or two of these projects in addition to those already decided on would lead to a marked increase in the volume of investment in 1994. But not even substantial percentage growth in the volume of investment would take the investment ratio in manufacturing close to its earlier long-term average.

The rise in the capacity utilization rate, which started in 1992, is expected to continue in 1994. The duality in Finland's economic performance is reflected in expectations concerning capacity utilization. Some exporting industries expect to be operating at full capacity in the second half of 1994, while capacity utilization rates in industries serving the domestic market are expected to remain low in 1994.

Several factors point to an improvement in investment prospects for manufacturing. The price competitiveness of the manufacturing industry continu-

ed to strengthen in 1993, financing costs have fallen and, in addition to the rise in capacity utilization rates, companies' profitability has started to improve and their debt levels to fall. Uncertainty about future operating conditions diminished towards the end of 1993, partly after the inquiry was conducted. Contributing to the more optimistic outlook were the moderate pay agreements for 1994 reached in the last months of the year and the decision to introduce the VAT reform in June 1994. Export prospects have improved following the conclusion of the GATT agreement, the entry into force of the EEA agreement and increasing signs that the recession may be easing in Western Europe.

A pick-up in investment activity will be hampered by global excess capacity in capital-intensive industries, such as the paper and chemical industries, and by weak demand in the domestic market. Other factors which could adversely affect investment in manufacturing are the increased uncertainty about Finland's membership in the European Union, the postponement of decisions on energy supply and difficulties in the availability of timber in the forest industries.

Fixed investment

According to the survey data, the volume of fixed investment contracted by just under one-fifth in industry as a whole in 1993 and by just over one-quarter in manufacturing. The forest industries, which are still plagued by global excess capacity, estimate that their investment slumped by more than 40 per cent in volume from the previous

TABLE 1. ANNUAL CHANGE IN THE VOLUME OF INDUSTRIAL FIXED INVESTMENT, 1992–1994, PER CENT

	1992	1993	1994 planned
Forest industries	-18	-44	-4
Metal and engineering industries	-21	17	38
Other manufacturing	-9	-25	-24
MANUFACTURING	-15	-26	0
ENERGY AND WATER SUPPLY	-10	8	-18
TOTAL INDUSTRY (incl. mining)	-15	-17	-6
By type of investment			
Construction	-22	-18	-18
8 Machinery and equipment	-11	-18	-1

TABLE 2. INTANGIBLE INVESTMENT IN MANUFACTURING, 1992-1994

	1992		1993		1994 planned	
	Million FIM	Percentage change	Million FIM	Percentage change	Million FIM	Percentage change
Forest industries	381	-18	383	1	378	-1
Metal and engineering industries	1 428	73	1 304	-9	1 440	10
Other manufacturing	1 139	-20	1 005	-12	1 015	1
MANUFACTURING	2 949	8	2 692	-9	2 833	5

TABLE 3. CAPACITY UTILIZATION RATE IN MANUFACTURING SEMI-ANNUALLY, 1992-1994, PER CENT

	1992		1993		1994	
	I	II	I	II	I	II
Forest industries	80	81	85	88	88	89
Metal and engineering industries	82	81	85	86	87	88
Other manufacturing	79	78	76	79	79	81
MANUFACTURING	80	80	82	84	85	86

year. The sector 'other manufacturing', for which the domestic market is more important than for total industry on average, also expects a fall of about one-quarter in acquisitions of new fixed assets. The metal and engineering industries, where companies estimate the volume of investment to have risen by just under one-fifth, are the only bright spot in the figures for 1993.

The long downward trend in manufacturing investment is expected to come to a halt in 1994. At the time the inquiry was conducted, companies' planned investment for this year was the same in volume terms as their estimated investment in 1993. Because of the low level of investment, the addition of one or two major investment projects would suffice to bring about a marked increase in the volume of industrial investment this year. However, investment intentions for 1994 vary considerably from sector to sector: companies in the metal and engineering industries estimate their investment to increase by more than one-third; the forest industries expect a further slight decline and the sector 'other manufacturing' expects investment

to decrease by almost a further one-quarter.

Investment in energy and water supply is expected to decrease by almost one-fifth. Thus, planned investment in total industry for this year falls short of last year's level.

In recent years, there has been a distinct change in the structure of fixed investment in industry. Machinery and equipment now account for a larger share of investment in fixed assets, while construction has decreased drastically. According to the survey, the same trends will be maintained in 1994, with the volume of construction continuing to decline and the volume of investment in machinery and equipment investment remaining unchanged.

Intangible investment

According to the inquiry, manufacturing companies spent about FIM 2.7 billion on intangible investment in 1993. Of this amount, the forest industries accounted for just under 15 per cent, the chemical industry for about 30 per cent and the metal and engineering industries for almost 50 per cent. In spite of the sharp decrease in investment in

fixed assets, intangible investment has remained unchanged or even increased somewhat in recent years. However, according to the survey data, intangible investment decreased by about 10 per cent in 1993. In 1994, companies intend to increase their intangible investment again.

Capacity utilization

In the second half of 1993, the capacity utilization rate in manufacturing was 84 per cent. In the second half of 1994, it is expected to rise to 86 per cent, ie roughly the same level as in the 1980s on average. Even though the estimates of capacity utilization rates vary widely by sector, all sectors expect a rise in capacity utilization in 1994. In the paper industry and in those sectors of the metal and engineering industries which produce mainly for export, ie manufacture of metals and manufacture of electrical engineering products and instruments, companies expect to be running at close to full capacity in the second half of 1994.

CENTRAL GOVERNMENT BUDGET FOR 1994

Changes made to the budget proposal¹ submitted to Parliament in September during its passage through Parliament resulted in increases totalling FIM 5.5 billion in budgeted expenditure and FIM 1.7 billion in budgeted revenue. Of the increase in expenditure, FIM 2.5 billion was due to pay agreements in the public sector and FIM 0.5 billion to increases in child allowances. Increases were also budgeted for pensions (indexed increases in certain pensions) and for the management of unemployment. Increases of FIM 1.8 billion made on both the expenditure and revenue sides of the budget were due to technical factors.

¹ See the article by Chris-Marie Rasi in the October issue of the Bulletin.

At the beginning of December, the Government decided on certain changes in taxation which will reduce the degree of fiscal tightening in 1994. The changes will reduce central government tax revenue by some FIM 1 billion. However, the pay agreements in the public sector and charges to be collected in connection with the marketing of agricultural prod-

ucts will boost tax revenue by FIM 1.7 billion in net terms, as compared with the original budget proposal.

The expenditure increases mean that the budgetary ceiling set for 1994 was exceeded by some FIM 6 billion. The central government's total cash expenditure, excluding financial investments, will remain at the previous year's level in real

terms. The Government's aim in the original budget proposal was to cut expenditure in real terms. The central government's net financing requirement for both budgeted and extra budgetary items amounts to FIM 3.8 billion more than was foreseen in the original budget proposal.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM MARCH 1993 TO FEBRUARY 1994

1993

MARCH

Organization of the Government Guarantee Fund. The internal organization of the Government Guarantee Fund is changed on 11 March. The changes are designed to improve the Fund's prerequisites for providing bank support. The main changes are: (1) the board of management of the Fund comprises at most five members, at least one of whom represents the Ministry of Finance; the Parliamentary Supervisory Board of the Bank of Finland continues to function as the Fund's supervisory body and appoints the members of the board; (2) the Fund has a full-time manager and other necessary full-time staff; and (3) the Fund assists the Ministry of Finance in the preparation of decisions concerning the use of funds set aside for bank support in the state budget; the Government makes decisions on support measures.

MAY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 7.5 per cent to 7.0 per cent with effect from 17 May.

Cash reserve requirement. The Bank of Finland lowers the banks' cash reserve requirement from 5.5 per cent to 4.5 per cent of the cash reserve base at end-April.

Maximum interest rate on transaction accounts. Under the amendment to the law on income and wealth taxation, the maximum annual rate of interest payable on tax-exempt

transaction accounts is lowered from 4.5 per cent to 2.5 per cent with effect from 6 May.

JUNE

Cash reserve requirement. The Bank of Finland lowers the banks' cash reserve requirement from 4.5 per cent to zero (0) per cent of the cash reserve base at end-May and returns the banks' cash reserve deposits on 1 June 1993.

Termination of till-money credit facility. The Bank of Finland decides to terminate its till-money agreements with the banks with effect from 30 June, when the till-money credits currently extended to the banks mature.

Market in government securities. On 15 June, the Bank of Finland announces measures designed to promote the functioning of the market in government securities by improving the operating conditions of primary dealers. Among other things, the Bank starts to hold weekly repo auctions in government and Bank of Finland securities for the primary dealers. In addition, the Bank may, at its discretion, grant intraday credit to primary dealers and special short-term financing to non-bank primary dealers.

JULY

Introduction of minimum reserve system. In June, an amendment to the Regulations for the Bank of Finland enters into force providing for a mandatory minimum reserve system. On 30 June, the Bank decides to terminate the existing cash reserve agreement with the banks and replace it by the

minimum reserve system. Deposit banks and branches of foreign credit institutions are required to hold 2.0 per cent of their liquid deposits, 1.5 per cent of their other deposits and 1.0 per cent of their other domestic liabilities as non-interest-bearing minimum reserves at the Bank of Finland. The system is applied for the first time to the reserve base for June and the corresponding deposits are to be made by the end of July.

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 7.0 per cent to 6.5 per cent with effect from 15 July.

AUGUST

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 6.5 per cent to 6.0 per cent with effect from 16 August.

Guarantee to the Union Bank of Finland and Kansallis-Osake-Pankki. On 19 August, the Government makes a decision in principle to guarantee the acquisition of new equity capital by the Union Bank of Finland (UBF) and Kansallis-Osake-Pankki (KOP). The final decision is subject to approval by Parliament of the necessary revisions to the budgetary powers. The guarantee to be given to the UBF covers the issue of preferred capital certificates up to FIM 1 billion and that to KOP the issue of preferred capital certificates and subordinated debentures up to a total of FIM 1.8 billion. In the case of preferred capital certificates, the guarantee applies to both interest and principal and will remain in force for a maximum of 10 years.

The state will receive consideration against the guarantees, the probable value of which will cover the probable amount of expenses incurred by the state.

Support to the Savings Bank of Finland. On 19 August, the Government grants capital support totalling FIM 1 billion to the Savings Bank of Finland. Of this amount, FIM 250 million is used to increase the bank's share capital and FIM 750 million to purchase the bank's preferred capital certificates. As a result, the state's holding in the Savings Bank of Finland rises to 99 per cent.

OCTOBER

Establishment of asset management companies becomes possible. The Act on the Government Guarantee Fund is amended on 15 October so as to enable the Fund to own and administer shares in an asset management company, ie a company set up for the purpose of purchasing and administering the assets or liabilities of a bank subject to support measures taken by the Fund or the government.

Sale of the Savings Bank of Finland to other banks. On 22 October, the Government approves the proposal of the Government Guarantee Fund for an arrangement whereby the Savings Bank of Finland (SBF) is to be sold to four buyers. Kansallis-Osake-Pankki, Postipankki Ltd, Union Bank of Finland Ltd and the cooperative banks designated by the Central Association of the Cooperative Banks will each buy one-quarter of the business operations of the SBF.

NOVEMBER

Establishment of the asset management company Arsenal Ltd. On 18 November, the Government establishes an asset management company called Arsenal Ltd to own and administer the non-performing assets of the Savings Bank of Finland (SBF). These assets were not included in those parts of the SBF sold to four banking groups in October.

DECEMBER

Base rate. The Parliamentary Supervisory Board lowers the

Bank of Finland's base rate from 6.0 per cent to 5.5 per cent with effect from 1 December.

Collateral requirements for banks' intra-day and liquidity credit. The Bank of Finland specifies the collateral requirements for banks' liquidity credit and intra-day credit with effect from 1 December. The intra-day overdraft limits introduced on banks' current accounts on 1 March 1993 become permanent and liquidity credit must always be fully collateralized. Banks which fulfil the criteria for access to central bank liquidity credit are required to deposit collateral equivalent to 25 per cent of their overdraft limits whereas other banks are required to deposit collateral for the full amount of their limits.

1994

FEBRUARY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 5.5 per cent to 5.25 per cent with effect from 1 February.

Visiting Scholars Programme

BANK OF FINLAND

The Bank of Finland welcomes applications from foreign scholars for a post within the Bank's Visiting Scholars Programme at the Research Department during 1994. The department is willing to consider both short and longer-term (up to one year) visits.

A visiting scholar would be expected to conduct research on a subject mainly in the field of monetary / financial economics and policy. The research report could be published in the Bank's publication series. The scholar would also normally be expected to give comments and advice on other research work conducted at the Bank.

Remuneration for visiting scholars will be commensurate with the research experience of the selected applicant.

Persons interested in applying are invited to write to the Head of the Research Department, enclosing a CV and specifying their academic and research background, suggestions for research topics and required salary. The address is:

**Research Department
BANK OF FINLAND
P.O.Box 160
FIN-00101 Helsinki, Finland**

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 5 055 700 (1 January 1993) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 502 000 inhabitants, Espoo (Esbo) 178 850, Tampere (Tammerfors) 175 300, Turku (Åbo) 160 200 and Vantaa (Vanda) 159 300.

There are two official languages: 93.4 % of the population speaks Finnish as its mother tongue and 5.9 % 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 1988 to 1 March 1994, is Dr Mauno Koivisto.

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1991, the seats of the various parties in Parliament are distributed as follows:

Centre Party 55; Social Democratic Party 48; National Coalition Party 40; Left-Wing Alliance 19; Swedish People's Party 12; The Greens 10; Christian

League 8; Rural Party 7; and Liberal Party of Finland 1.

Of the 17 ministerial posts in the present Government appointed in April 1991, 8 are held by the Centre Party, 6 by the National Coalition Party, 2 by the Swedish People's Party and 1 by the Christian League. The Prime Minister is Mr Esko Aho of the Centre Party.

Finland is divided into 461 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 and the EBRD in 1991.

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. In spring 1992, Finland signed the agreement on the European Economic Area (EEA) between the member countries of EFTA and the European Community, and submitted her application for membership of the European Community. 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 co-operation 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 414 billion in basic values in 1992, 3 % was generated in agriculture and fishing, 2 % in forestry, 22 % in industry, 6 % in construction, 12 % in trade, restaurants and hotels, 9 % in transport and communications, 3 % in finance and insurance, 18 % in other private services and 22 % by producers of government services. Of total employment of 2.1

million persons in 1992, 9 % were engaged in primary production, 27 % in industry and construction and 64 % in services.

In 1992, expenditure on the gross domestic product in purchasers' values amounted to FIM 476 billion and was distributed as follows: net exports 1.2 % (exports 26.8 %, imports -25.6 %), gross fixed capital formation 18 %, private consumption 57 % and government consumption 25 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 47 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 3.7 % in 1990-92. Finland's GDP per capita in 1992 was USD 21 000.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1988-92, their share was, on average, 78.1 per cent, of which the share of EC countries was 47.7 percentage points and that of EFTA countries 20.2 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union) accounted for 14.4 per cent and the rest of the world for 9.6 per cent. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1992, the share of forest industry products in total merchandise exports was 38 %, the share of metal and engineering products 43 % and the share of other goods 19 %. Raw materials and intermediate goods (incl. crude oil) accounted for 62 % of merchandise imports, fuels for 4 %, investment goods for 14 % and consumption goods for 22 %.

Forest resources. Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1880 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch.

The annual growth increment totals 79 million cubic metres and the total drain calculated on the basis of commercial fellings was 38 million cubic metres in 1992.

Energy. In 1992, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 45 %, heating for 22 %, transportation for 14 % and other purposes for 19 %. The sources of primary energy in 1992 were as follows: oil 29 %, coal 9 %, nuclear power 15 %, hydro-electric power, peat and other indigenous sources 31 %, others 16 %. Compared

internationally (1990), Finland's consumption of 5.8 toe (OECD definition) per capita was 1.8 times higher than the average in European OECD countries. The self-sufficiency rate (including nuclear power) in Finland was 39 %, as compared with 60 % in western Europe on average.

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 Bank of Finland decided to temporarily abandon the limits of the fluctuation range and allow the markka to float. On 13 November 1992, the Government, on the basis of the amended Currency Act, authorized the Bank of Finland to float the markka for an indefinite period.

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 of Management 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, open market operations, intervention in the foreign exchange market and determination of the external value of the currency within the fluctuation limits. 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 7 branch offices in other towns.

Other banks (31 December 1992)
. Finland has three major groups of deposit banks with a total of about 2 700 offices. There are three big commercial banks with national branch networks and ten smaller ones, two of which are foreign-owned. The commercial banks have a total of 29 foreign branches, subsidiaries and associate banks and 31 representative offices abroad. There are 41 savings banks and 310 cooperative banks with their own extensive branch networks. In addition, foreign banks have three branches and eight representative offices in Finland.

Financial market. Of the total stock of FIM 758 billion in outstanding

domestic credit at the end of 1992, 58 % was provided by deposit banks 3 % by private mortgage banks, 19 % by insurance companies, 3 % by other private credit institutions, 6 % by public financial institutions and 10 % 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, 75 % of the instruments, which totalled approximately FIM 158 billion at end-1992, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds raised through bank trust departments and non-negotiable bank debt instruments make up the bulk of non-negotiable instruments. In its open market operations, the Bank of Finland deals in bank certificates of deposit and also issues its own certificates of deposit.

There are 63 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 64 billion (at end-1992). Two foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1992 totalled FIM 162 billion; government bonds made up 27 % of the total. Turnover on the Stock Exchange in 1992 amounted to FIM 26 billion; the share of shares and subscription rights in the total was approximately 40 %.



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1. THE BALANCE SHEET OF THE BANK OF FINLAND

1.1 THE BALANCE SHEET OF THE BANK OF FINLAND,

MILL. FIM

	1992		1993		
	31 Dec.	8 Dec.	15 Dec.	23 Dec.	31 Dec.
ASSETS					
Gold and foreign currency claims	29 517	31 585	32 330	32 066	33 472
Gold	2 180	2 180	2 180	2 180	2 180
Special drawing rights	564	668	669	662	664
IMF reserve tranche	1 732	1 771	1 774	1 741	1 747
Convertible currencies	25 041	26 967	27 708	27 484	28 882
Other foreign claims	4 867	5 418	5 424	5 426	5 058
Markka subscription to Finland's IMF quota	4 464	4 960	4 960	4 975	5 058
Term credit	404	458	464	452	-
Claims on financial institutions	14 595	8 465	8 698	8 452	8 677
Liquidity credits	1 585	-	434	-	1
Certificates of deposit	3 930	1 476	1 326	1 303	1 844
Securities with repurchase commitments	4 408	5 603	5 588	5 799	5 493
Term credits	100	-	-	-	-
Till-money credits	2 872	-	-	-	-
Bonds	1 462	1 149	1 112	1 112	1 101
Other claims on financial institutions	238	238	238	238	238
Claims on the public sector	2 446	1 784	1 791	1 799	1 788
Treasury notes and bills	-	-	-	-	-
Loans to the Government Guarantee Fund	1 000	-	-	-	-
Total coinage	1 446	1 784	1 791	1 799	1 788
Claims on corporations	1 458	3 321	3 320	3 319	3 303
Financing of domestic deliveries (KTR)	747	513	512	512	496
Other claims on corporations	711	2 807	2 807	2 807	2 807
Other assets	10 925	7 471	7 471	5 916	6 826
Loans for stabilizing the money market	9 474	7 307	7 307	5 752	5 752
Accrued items	1 298	-	-	-	907
Other assets	153	164	164	164	166
Capitalized expenditures and losses due to safeguarding the stability of the money market	1 700	1 700	1 700	1 700	1 400
Total	65 509	59 743	60 734	58 679	60 524
LIABILITIES					
Foreign currency liabilities	101	214	208	192	193
Convertible currencies	101	214	208	192	193
Other foreign liabilities	7 764	6 097	6 099	6 102	6 189
IMF markka accounts	4 464	4 960	4 960	4 975	5 058
Allocations of special drawing rights	1 026	1 137	1 139	1 127	1 131
Other foreign liabilities	2 274	-	-	-	-
Notes and coin in circulation	14 508	15 170	16 117	15 978	14 994
Notes	13 209	13 657	14 571	14 420	13 442
Coin	1 299	1 512	1 546	1 558	1 552
Certificates of deposit	4 880	14 090	14 616	14 616	14 837
Liabilities to financial institutions	20 000	7 738	7 228	6 995	8 201
Call money deposits	2 135	1 261	452	518	1 803
Term deposits	4 700	-	300	-	-
Minimum reserve deposits	13 165	6 476	6 475	6 475	6 398
Other liabilities to financial institutions	-	0	0	2	-
Liabilities to the public sector	90	652	648	647	784
Cheque accounts	72	4	1	1	8
Deposits of the Government Guarantee Fund	18	649	647	647	776
Other liabilities to the public sector	-	-	-	-	-
Liabilities to corporations	3 362	2 158	2 128	2 110	2 087
Deposits for investment and ship purchase	3 362	2 158	2 128	2 110	2 087
Other liabilities	4 399	159	151	98	627
Accrued items	4 242	-	-	-	536
Other liabilities	156	159	151	98	92
Valuation account and reserves	4 642	7 702	7 777	6 175	6 847
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
Profit/loss for the accounting year	-	-	-	-	-
Total	65 509	59 743	60 734	58 679	60 524

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	Convertible currencies, net	Convertible reserves, total (1+2+3+4)	Tied currencies, net	Foreign exchange reserves, total (5+6)	Other claims, net	Net claims (7+8)	Claims	Liabilities	Net claims (10-11)
	1	2	3	4	5	6	7	8	9	10	11	12
1989	2 179	966	950	18 780	22 875	-564	22 312	440	22 752	1 137	5 325	-4 188
1990	2 180	791	783	33 451	37 205	-882	36 324	-364	35 960	1 314	1 321	-7
1991	2 180	932	1 136	29 336	33 584	33	33 616	-412	33 204	1 375	3	1 372
1992	2 180	564	1 732	24 940	29 416	-	29 416	-2 897	26 519	2 446	90	2 356
1993	2 180	664	1 747	28 689	33 280	-	33 279	-1 131	32 148	1 788	784	1 004
1992												
Dec.	2 180	564	1 732	24 940	29 416	-	29 416	-2 897	26 519	2 446	90	2 356
1993												
Jan.	2 180	595	1 829	27 247	31 851	-	31 852	-661	31 191	2 449	92	2 357
Feb.	2 180	655	1 972	23 778	28 585	-	28 585	-710	27 875	2 121	90	2 031
March	2 180	655	1 974	22 521	27 330	-	27 330	-716	26 614	1 954	102	1 852
April	2 180	615	1 842	29 986	34 623	-	34 624	-678	33 946	2 639	59	2 580
May	2 180	634	1 819	29 778	34 411	-	34 410	-692	33 718	2 416	64	2 352
June	2 180	650	1 866	32 156	36 852	-	36 851	-699	36 152	1 396	591	805
July	2 180	661	1 899	30 157	34 897	-	34 898	-681	34 217	1 396	150	1 246
Aug.	2 180	680	1 927	26 834	31 621	-	31 621	-707	30 914	1 412	149	1 263
Sept.	2 180	675	1 869	22 134	26 858	-	26 858	-704	26 154	1 444	149	1 295
Oct.	2 180	668	1 850	24 552	29 250	-	29 251	-693	28 558	1 652	149	1 503
Nov.	2 180	678	1 854	26 159	30 871	-	30 871	-689	30 182	1 801	649	1 152
Dec.	2 180	664	1 747	28 689	33 280	-	33 279	-1 131	32 148	1 788	784	1 004

End of period	Domestic financial sector						Corporate sector				
	Term claims on deposit banks	Liquidity position of deposit banks, net ¹	Minimum reserve deposits of deposit banks ²	Till-money credits to deposit banks	Other claims on financial institutions, net	Net claims (13+14+15+16+17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19+20)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	13	14	15	16	17	18	19	20	21	22	23
1989	33 230	-531	-25 506	3 310	2 248	12 751	2 000	-10 604	-8 604	13 129	-
1990	9 411	-418	-17 401	3 427	2 317	-2 664	1 477	-9 724	-8 247	14 555	-
1991	11 882	-2 206	-10 361	3 528	2 003	4 846	1 086	-6 854	-5 768	14 528	8 880
1992	3 738	-550	-13 165	2 872	1 700	-5 405	747	-2 651	-1 904	14 508	4 880
1993	7 337	-1 802	-6 398	-	1 339	476	496	720	1 216	14 994	14 837
1992											
Dec.	3 738	-550	-13 165	2 872	1 700	-5 405	747	-2 651	-1 904	14 508	4 880
1993											
Jan.	6 804	-3 732	-14 734	3 023	1 665	-6 974	728	-2 072	-1 344	14 906	6 710
Feb.	7 448	-690	-14 806	3 511	1 639	-2 898	710	-1 915	-1 205	13 840	7 220
March	8 069	142	-14 698	2 994	1 626	-1 867	686	-1 808	-1 122	13 720	10 270
April	2 688	-815	-14 599	2 747	1 608	-8 371	662	-1 744	-1 082	13 834	13 490
May	5 359	-3 395	-11 790	2 750	1 591	-5 485	643	392	1 035	13 870	16 190
June	4 275	945	-	-	1 556	6 776	608	428	1 036	13 864	28 367
July	4 763	75	-6 262	-	1 488	64	592	475	1 067	13 553	18 956
Aug.	6 953	408	-6 310	-	1 459	2 510	575	524	1 099	13 297	18 259
Sept.	6 474	1 764	-6 338	-	1 470	3 370	555	597	1 152	13 317	13 615
Oct.	6 759	-386	-6 320	-	1 429	1 482	535	614	1 149	13 653	14 480
Nov.	6 951	-1 373	-6 476	-	1 405	507	517	642	1 159	15 836	12 259
Dec.	7 337	-1 802	-6 398	-	1 339	476	496	720	1 216	14 994	14 837

¹ Call money claims on deposit banks, net, until 2 July 1992.

² Cash reserve deposits prior to 1 July 1993.

2. THE BANK OF FINLAND'S OPERATIONS IN THE MONEY AND FOREIGN EXCHANGE MARKETS AND THE BANKS' FORWARD EXCHANGE POSITION

2.1 BANKS' LIQUIDITY POSITION AT THE BANK OF FINLAND,

MILL. FIM

Average of daily observations	Call money deposits	Liquidity credits ¹	Liquidity position, net ¹ (1-2)
	1	2	3
1989	416	369	47
1990	806	132	674
1991	881	985	-103
1992	2 103	437	1 666
1993	831	425	407
1992 Dec.	1 193	640	553
1993 Jan.	1 511	594	917
Feb.	1 305	23	1 282
March	416	1 008	-592
April	629	390	239
May	763	186	577
June	1 032	387	645
July	981	518	462
Aug.	581	311	270
Sept.	482	480	2
Oct.	605	759	-154
Nov.	714	336	378
Dec.	955	103	852

2.2 THE BANK OF FINLAND'S MINIMUM RESERVE SYSTEM²

End of period	Reserve requirement			Cash reserve requirement, %	Deposits, mill. FIM Total
	On liquid deposits, %	On other deposits, %	On domestic debt capital, %		
	1	2	3	4	5
1989	.	.	.	9.1	25 506
1990	.	.	.	7.0	17 401
1991	.	.	.	4.0	10 361
1992	.	.	.	5.0	13 165
1993	2.0	1.5	1.0	.	6 398
1992 Dec.	.	.	.	5.0	13 165
1993 Jan.	.	.	.	5.5	14 734
Feb.	.	.	.	5.5	14 806
March	.	.	.	5.5	14 698
April	.	.	.	5.5	14 599
May	.	.	.	4.5	11 790
June	.	.	.	.	.
July	2.0	1.5	1.0	.	6 262
Aug.	2.0	1.5	1.0	.	6 310
Sept.	2.0	1.5	1.0	.	6 338
Oct.	2.0	1.5	1.0	.	6 320
Nov.	2.0	1.5	1.0	.	6 476
Dec.	2.0	1.5	1.0	.	6 398

¹ Call money credits and call money position until 2 July 1992.

² Cash reserve system prior to 1 July 1993

2.3 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
1989	131 110	3 855	99 245	28 010
1990	163 326	26 379	160 797	-23 850
1991	109 568	30 380	81 969	-2 781
1992	76 230	137 940	-60 417	-1 293
1993	86 521	146 899	-50 486	-9 892
1992 Dec.	12 070	5 680	-2 560	8 950
1993 Jan.	5 490	5 400	3 890	-3 800
Feb.	6 500	8 340	-260	-1 580
March	10 470	12 750	660	-2 940
April	5 870	11 310	1 450	-6 890
May	4 250	21 140	-775	-16 115
June	4 041	22 169	-19 911	1 783
July	7 070	12 260	-18 300	13 110
Aug.	7 240	14 950	-10 660	2 950
Sept.	7 920	7 720	-6 920	7 120
Oct.	10 110	11 970	1 180	-3 040
Nov.	8 310	9 200	-2 090	1 200
Dec.	9 250	9 690	1 250	-1 690

2.4 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
1992					
Nov.	4 530	-	6 190	-6 610	13 020
Dec.	-	-2 990	5 100	-5 710	-1 200
1993					
Jan.	-	-9 390	-440	-580	12 660
Feb.	-	-8 830	3 600	-2 000	7 870
March	-	-7 470	-3 920	4 030	2 690
April	3 610	-3 010	4 510	-1 650	10 820
May	5 220	-2 090	2 410	-2 300	660
June	6 040	-1 010	1 220	-1 600	-1 690
July	960	-8 360	-4 800	4 520	-820
Aug.	510	-3 580	960	-810	-420
Sept.	-	-1 170	2 050	-1 950	-1 770
Oct.	2 790	-100	1 540	-1 510	2 980
Nov.	2 270	-70	-40	-	-1 170

2.5 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					
	Domestic companies			Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
	1	2	3	4	5	6
1988	16 488	1 543	14 946	9 086	-377	23 654
1989	10 531	3 563	6 967	8 031	205	15 204
1990	11 609	4 979	6 631	10 100	-6 098	10 633
1991	33 004	36 352	-3 348	2 550	8 953	8 155
1992	39 195	32 939	6 256	-11 197	7 133	2 192
1992						
Nov.	40 986	35 550	5 436	-11 623	11 617	5 430
Dec.	39 195	32 939	6 256	-11 197	7 133	2 192
1993						
Jan.	35 125	32 711	2 414	-9 056	6 433	-209
Feb.	33 968	32 896	1 072	-8 308	2 585	-4 651
March	33 115	34 059	-944	-10 187	9 815	-1 316
April	36 298	33 616	2 682	-11 158	7 460	-1 016
May	36 027	31 763	4 264	-6 992	4 144	1 416
June	36 401	26 908	9 493	-5 785	2 204	5 912
July	34 287	26 687	7 600	-13 932	6 718	386
Aug.	32 677	26 607	6 070	-10 840	5 912	1 142
Sept.	34 391	29 105	5 287	-10 588	4 221	-1 080
Oct.	36 251	31 071	5 179	-10 384	2 293	-2 912
Nov.	36 988	26 544	10 444	-12 018	2 527	953

3. RATES OF INTEREST

3.1 MONEY MARKET RATES AND RATES APPLIED BY THE BANK OF FINLAND, PER CENT

Average of daily observations	Inter-bank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate ¹	Call money deposit rate	Base rate
	1	2	3	4	5	6	7	8
1989	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67
1990	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50
1991	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
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
1992								
Dec.	10.20	10.55	10.68	10.70	10.70	11.69	7.69	9.50
1993								
Jan.	10.20	10.53	10.64	10.63	10.57	11.49	7.49	8.50
Feb.	8.47	9.16	9.19	9.22	9.30	10.34	6.34	8.00
March	9.13	8.99	8.90	8.69	8.62	9.96	5.96	7.50
April	8.93	8.85	8.73	8.57	8.44	9.85	5.85	7.50
May	8.48	8.41	8.25	8.14	7.97	9.42	5.42	7.26
June	7.77	7.70	7.62	7.57	7.55	8.72	4.72	7.00
July	7.45	7.31	7.27	7.22	7.12	8.31	4.31	6.73
Aug.	6.18	6.70	6.65	6.56	6.52	7.74	3.74	6.24
Sept.	6.35	6.81	6.68	6.49	6.29	7.76	3.76	6.00
Oct.	6.97	7.13	6.87	6.60	6.29	8.08	4.08	6.00
Nov.	6.76	6.95	6.58	6.23	5.93	7.97	3.97	6.00
Dec.	6.22	6.16	5.90	5.68	5.52	8.21	4.21	5.50

¹ Call money credit rate until 2 July 1992.

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	Average of daily observations	Average of daily observations				
					ECU	3 currencies	Commercial ECU		
	1	2	3	4	1	2	3		
1992¹	13.85	1992	+1.00	7	-3.00	1989	9.3	8.4	9.3
1993	7.85	1993	+2.00	7	-2.00	1990	10.5	9.1	10.4
1992		1992				1991	10.1	8.5	9.9
Dec.	10.69	Dec.	+1.00	7	-3.00	1992	10.4	7.8	10.6
1993		1993				1993	8.0	6.0	8.1
Jan.	10.49	Jan.	+1.00	7	-3.00	1992			
Feb.	9.34	Feb.	+1.00	7	-3.00	Dec.	10.3	7.2	10.9
March	8.96	March	+1.00	7	-3.00	1993			
April	8.85	April	+1.00	7	-3.00	Jan.	9.9	6.8	10.1
May	8.42	May	+1.00	7	-3.00	Feb.	9.9	6.6	9.6
June	7.72	June	+1.00	7	-3.00	March	9.3	6.4	9.2
July	7.31	July	+1.00	7	-3.00	April	8.6	6.3	8.9
Aug.	6.74	Aug.	+1.00	7	-3.00	May	7.9	6.1	7.9
Sept.	6.76	Sept.	+1.00	7	-3.00	June	7.6	6.1	7.5
Oct.	7.08	Oct.	+1.00	7	-3.00	July	7.7	5.9	7.8
Nov.	6.97	Nov.	+1.00	7	-3.00	Aug.	7.5	5.5	7.7
Dec.	6.21	Dec.	+2.00	7	-2.00	Sept.	7.4	5.5	7.7
01.12.1993	6.65					Oct.	7.2	5.6	7.5
02.12.1993	6.30					Nov.	6.8	5.4	7.0
03.12.1993	6.24					Dec.	6.5	5.2	6.5
07.12.1993	6.18								
17.12.1993	6.17								
27.12.1993	6.18								

S6 ¹ July-December

3.3 WEIGHTED EURORATES AND COMMERCIAL ECU INTEREST RATE, PER CENT

Average of daily observations	Average of daily observations		
	ECU	3 currencies	Commercial ECU
	1	2	3
1989	9.3	8.4	9.3
1990	10.5	9.1	10.4
1991	10.1	8.5	9.9
1992	10.4	7.8	10.6
1993	8.0	6.0	8.1
1992			
Dec.	10.3	7.2	10.9
1993			
Jan.	9.9	6.8	10.1
Feb.	9.9	6.6	9.6
March	9.3	6.4	9.2
April	8.6	6.3	8.9
May	7.9	6.1	7.9
June	7.6	6.1	7.5
July	7.7	5.9	7.8
Aug.	7.5	5.5	7.7
Sept.	7.4	5.5	7.7
Oct.	7.2	5.6	7.5
Nov.	6.8	5.4	7.0
Dec.	6.5	5.2	6.5

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, on 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
1988	10.22	12.27	10.50	10.72	9.88	9.74	8.00	.	3.75	5.24	9.80	6.20
1989	12.97	13.47	11.58	12.07	10.56	10.40	7.50	.	4.50	5.67	11.92	7.37
1990	13.24	15.62	13.33	13.85	11.84	11.61	7.50	.	4.50	6.43	13.55	8.41
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
1992												
Nov.	14.18	15.74	13.10	13.47	12.70	12.26	7.50	8.50	4.50	7.41	12.26	8.99
Dec.	12.63	14.99	11.64	11.98	12.34	11.93	7.50	8.50	4.50	7.06	11.78	8.62
1993												
Jan.	11.87	15.36	12.32	12.53	11.89	11.68	6.50	7.50	4.50	6.56	11.18	8.04
Feb.	12.07	14.78	11.34	11.68	11.33	11.15	5.50	6.50	4.50	6.05	10.51	7.53
March	11.35	14.50	10.93	11.29	11.07	10.84	5.50	6.50	4.50	5.87	10.04	7.30
April	10.82	14.23	10.29	10.60	10.89	10.62	5.50	6.50	4.50	5.74	9.72	7.11
May	9.78	14.23	10.13	10.40	10.56	10.27	5.00	6.00	2.50	4.90	9.42	6.43
June	5.59	13.88	9.51	9.44	10.35	10.06	5.00	6.00	2.50	4.75	9.08	6.18
July	10.45	13.04	8.99	9.47	10.01	9.73	4.50	5.50	2.50	4.50	8.64	5.88
Aug.	10.67	13.20	8.79	9.25	9.58	9.26	4.00	5.00	2.50	4.10	8.09	5.44
Sept.	7.66	12.97	8.39	8.68	9.38	9.09	4.00	5.00	2.50	3.96	7.88	5.31
Oct.	9.92	12.39	8.66	9.04	9.28	8.97	4.00	5.00	2.50	3.89	7.77	5.24
Nov.	9.51	12.77	8.29	8.64	9.21	8.90	4.00	5.00	2.00	3.71	7.44	5.04

¹ End of period.

3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

Period	Reference rates calculated by the Bank of Finland		Taxable government bonds		Taxable public issues	Taxfree public issues
	3 years	5 years	5 years	10 years		
	1	2	3	4	5	6
1988	10.7	10.8	10.6	.	10.6	7.8
1989	12.2	12.0	12.1	.	11.9	8.1
1990	13.7	13.5	13.2	.	13.3	9.2
1991	12.3	12.2	11.9	.	12.6	10.0
1992	13.1	13.0	12.1	11.5 ¹	13.8	9.9
1992						
Nov.	12.8	12.9	12.0	12.0	14.7	9.4
Dec.	11.7	11.8	10.9	11.0	13.2	9.5
1993						
Jan.	11.4	11.6	10.7	10.9	12.2	8.6
Feb.	10.5	10.7	9.9	10.3	12.1	8.0
March	9.7	10.0	9.4	9.9	11.4	7.6
April	9.6	10.0	9.3	9.8	11.0	7.8
May	9.2	9.6	8.9	9.5	11.0	6.7
June	8.8	9.2	8.4	9.0	9.3	6.7
July	8.2	8.7	8.0	8.5	11.1	6.3
Aug.	7.4	7.9	7.2	7.7	9.2	5.9
Sept.	7.2	7.8	7.3	7.9	8.3	5.8
Oct.	7.1	7.6	6.9	7.6	9.8	5.5
Nov.	6.8	7.2	6.5	7.2	9.0	5.3

¹ November and December only.

4. RATES OF EXCHANGE

4.1 MIDDLE RATES, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oso	Copen-hagen	Frankfurt aM	Amster-dam	Brussels	Zurich	Paris
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF	1 FRF
	1	2	3	4	5	6	7	8	9	10	11	12
1989	4.290	3.624	7.032	6.082	0.6654	0.6213	0.5869	2.2818	2.0226	0.10890	2.6243	0.6725
1990	3.823	3.277	6.808	6.325	0.6459	0.6110	0.6181	2.3664	2.1002	0.11447	2.7576	0.7024
1991	4.046	3.533	7.131	6.511	0.6684	0.6236	0.6322	2.4380	2.1634	0.11841	2.8208	0.7169
1992	4.483	3.706	7.875	7.636	0.7714	0.7222	0.7444	2.8769	2.5552	0.13973	3.2000	0.8486
1993	5.719	4.434	8.582	8.371	0.7350	0.8059	0.8822	3.4584	3.0787	0.16545	3.8706	1.0096
1992												
Dec.	5.136	4.034	7.969	8.570	0.7457	0.7710	0.8395	3.2477	2.8890	0.15784	3.6137	0.9526
1993												
Jan.	5.419	4.242	8.304	8.863	0.7475	0.7885	0.8699	3.3561	2.9850	0.16307	3.6685	0.9899
Feb.	5.830	4.622	8.387	8.641	0.7747	0.8352	0.9247	3.5526	3.1565	0.17228	3.8416	1.0488
March	5.972	4.790	8.716	8.810	0.7720	0.8527	0.9441	3.6258	3.2254	0.17604	3.9274	1.0673
April	5.597	4.435	8.646	8.551	0.7519	0.8268	0.9131	3.5076	3.1212	0.17038	3.8346	1.0371
May	5.479	4.317	8.493	8.321	0.7484	0.8067	0.8888	3.4137	3.0432	0.16604	3.7865	1.0126
June	5.549	4.339	8.394	8.212	0.7489	0.7961	0.8793	3.3664	3.0017	0.16381	3.7713	1.0001
July	5.778	4.506	8.638	8.150	0.7262	0.7906	0.8698	3.3682	2.9954	0.16313	3.8123	0.9897
Aug.	5.831	4.462	8.699	8.110	0.7237	0.7915	0.8429	3.4363	3.0540	0.16183	3.8905	0.9818
Sept.	5.783	4.379	8.813	8.295	0.7219	0.8168	0.8707	3.5637	3.1734	0.16601	4.0737	1.0188
Oct.	5.750	4.335	8.647	8.250	0.7172	0.8030	0.8682	3.5126	3.1255	0.16140	3.9946	1.0012
Nov.	5.805	4.411	8.598	8.147	0.7026	0.7856	0.8578	3.4148	3.0428	0.16018	3.8777	0.9825
Dec.	5.755	4.320	8.578	8.159	0.6887	0.7753	0.8585	3.3645	3.0038	0.16112	3.9282	0.9840

Average of daily quotations	Rome	Vienna	Lisbon	Reykjavik	Madrid	Athens	Tullinn	Tokyo	Mel-bourne	ECU Commercial	SDR
	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 EEK	1 JPY	1 AUD	1 XEU	1 XDR
	13	14	15	16	17	18	19	20	21	22	23
1989	0.00313	0.3242	0.0273	0.0758	0.0362	..	..	0.03116	3.398	4.719	5.49536
1990	0.00319	0.3363	0.0268	0.0656	0.0375	..	..	0.02647	2.988	4.864	5.18322
1991	0.00326	0.3464	0.0280	0.0684	0.0389	0.0224	..	0.03008	3.152	5.003	5.52733
1992	0.00364	0.4088	0.0332	0.0778	0.0438	0.0235	0.4060	0.03546	3.289	5.798	6.31546
1993	0.00364	0.4916	0.0356	0.0846	0.0451	0.0250	0.4323	0.05168	3.885	6.685	7.98641
1992											
Dec.	0.00364	0.4615	0.0362	0.0817	0.0455	0.0246	0.4060	0.04141	3.542	6.359	7.13363
1993											
Jan.	0.00364	0.4771	0.0373	0.0849	0.0473	0.0251	0.4195	0.04333	3.652	6.576	7.46369
Feb.	0.00377	0.5049	0.0390	0.0898	0.0497	0.0267	0.4441	0.04824	3.970	6.904	7.99191
March	0.00375	0.5153	0.0392	0.0918	0.0507	0.0270	0.4532	0.05103	4.225	7.034	8.24353
April	0.00364	0.4985	0.0378	0.0886	0.0484	0.0256	0.4384	0.04982	3.985	6.830	7.90687
May	0.00371	0.4851	0.0362	0.0868	0.0453	0.0250	0.4267	0.04970	3.826	6.672	7.76351
June	0.00370	0.4784	0.0354	0.0858	0.0438	0.0249	0.4208	0.05172	3.747	6.582	7.82674
July	0.00365	0.4786	0.0345	0.0806	0.0430	0.0248	0.4210	0.05365	3.913	6.564	8.03185
Aug.	0.00363	0.4884	0.0336	0.0813	0.0420	0.0245	0.4295	0.05621	3.957	6.555	8.17177
Sept.	0.00369	0.5064	0.0348	0.0833	0.0442	0.0250	0.4455	0.05485	3.772	6.771	8.20308
Oct.	0.00359	0.4994	0.0340	0.0823	0.0435	0.0242	0.4391	0.05378	3.797	6.671	8.09230
Nov.	0.00348	0.4856	0.0334	0.0811	0.0423	0.0240	0.4268	0.05383	3.861	6.550	8.06368
Dec.	0.00341	0.4785	0.0330	0.0800	0.0410	0.0234	0.4206	0.05237	3.874	6.494	7.96460

4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

Average of daily observations	Market value of the ECU FIM/ECU	Currency indices, 1982=100		
		Trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4
1989	4.73670	98.4	99.1	102.8
1990	4.85697	97.3	96.8	97.3
1991	5.00580	101.4	101.4	102.8
1992	5.80140	116.4	115.7	117.3
1993	6.69420	132.4	135.5	141.8
1992				
Dec.	6.36242	125.0	126.8	129.8
1993				
Jan.	6.57212	128.9	131.3	134.7
Feb.	6.89952	135.6	138.8	143.9
March	7.03656	138.2	141.6	147.4
April	6.83031	134.0	136.2	141.6
May	6.67350	131.7	133.5	139.3
June	6.58470	130.9	133.2	140.1
July	6.57241	131.0	134.6	142.2
Aug.	6.60127	131.9	135.7	143.9
Sept.	6.81414	134.5	137.6	144.7
Oct.	6.69596	132.6	136.0	142.8
Nov.	6.55386	130.4	134.4	141.7
Dec.	6.49606	128.9	132.9	139.8

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
1988	25 473	76 958	121 670		224 102	4 643	228 745	28 844	257 589
1989	28 942	85 396	125 748		240 085	7 358	247 444	35 298	282 742
1990	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
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
1992									
Sept.	30 779	82 078	120 918	18 662	252 436	15 698	268 134	61 377	329 510
Oct.	34 447	82 734	119 726	19 659	256 566	15 429	271 995	59 666	331 661
Nov.	34 675	82 763	118 536	19 613	255 587	14 807	270 394	61 800	332 194
Dec.	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
1993									
Jan.	36 386	90 643	112 861	21 500	261 390	15 643	277 033	62 732	339 766
Feb.	34 514	90 871	111 873	21 643	258 901	16 995	275 896	67 225	343 122
March	36 713	88 594	110 246	21 576	257 130	16 498	273 627	67 271	340 898
April	34 626	88 277	109 522	21 839	254 264	15 708	269 972	64 776	334 747
May	36 856	86 814	108 988	22 119	254 776	14 521	269 297	67 714	337 011
June	36 554	87 629	108 571	22 615	255 368	13 402	268 770	67 806	336 576
July	35 787	87 997	107 557	23 582	254 924	15 616	270 540	63 737	334 277
Aug.	36 548	88 515	105 708	23 870	254 640	14 861	269 502	65 157	334 659
Sept.	35 312	88 067	105 958	23 259	252 596	16 642	269 239	66 050	335 289

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
1988	11 358	5 920	234 268	251 545	50 235	301 780
1989	15 270	5 650	257 768	278 688	73 176	351 864
1990	19 152	5 777	260 790	285 720	103 134	388 853
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
1992						
Sept.	17 366	3 610	256 359	277 335	103 654	380 989
Oct.	16 738	3 538	255 133	275 409	100 976	376 385
Nov.	16 545	3 449	254 411	274 405	101 162	375 567
Dec.	16 045	3 335	252 163	271 544	95 168	366 712
1993						
Jan.	15 948	3 017	251 227	270 192	96 543	366 735
Feb.	16 086	2 944	251 618	270 647	97 973	368 621
March	15 718	2 894	251 528	270 140	95 576	365 717
April	15 326	2 891	251 556	269 774	88 604	358 378
May	15 198	2 848	251 553	269 599	85 075	354 675
June	15 221	2 812	251 305	269 339	83 482	352 821
July	15 192	2 858	251 610	269 660	82 922	352 582
Aug.	15 427	2 670	251 295	269 392	81 558	350 950
Sept.	15 425	2 656	251 667	269 748	79 676	349 424

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5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL.FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)	M ₃
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
1988	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
1989	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
1990	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
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
1992*								
Nov.	-65 532	-8 253	448 726	440 473	-105 066	128 610	269 875	312 343
Dec.	-68 099	81	439 937	440 018	-97 909	134 829	274 011	310 733
1993*								
Jan.	-58 784	-103	441 263	441 160	-106 350	138 722	276 026	315 321
Feb.	-55 354	-997	443 883	442 886	-114 185	136 779	273 346	307 399
March	-52 886	-162	445 947	445 785	-121 904	135 990	270 994	311 305
April	-41 746	271	431 871	432 142	-121 662	134 069	268 734	308 513
May	-39 870	687	430 307	430 993	-121 897	134 801	269 227	307 799
June	-38 803	41	429 134	429 175	-120 187	135 602	270 184	307 449
July	-34 515	1 349	428 478	429 827	-125 718	135 157	269 594	309 002
Aug.	-33 338	2 158	426 871	429 028	-126 590	136 005	269 101	312 036
Sept.	-29 387	4 183	424 571	428 754	-132 068	134 600	267 299	312 044
Oct.	-20 713	3 530	419 647	423 177	-130 047	136 989	272 417	319 050
Nov.	..	..	..	..	..	137 058	271 730	312 151

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 (4+8)	Out-standing lending	Cash funds
	Bonds	Other bonds and debentures	Long-term promissory notes	Total (1+2+3)	Public bonds	Other long-term liabilities	Treasury notes and bills	Total (5+6+7)			
	1	2	3	4	5	6	7	8	9	10	11
1988	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	41 011	15 858
1989	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	43 499	21 248
1990	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	48 121	23 114
1991	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	55 165	15 956
1992	100 244	3 669	2 474	106 387	40 578	13 555	14 762	68 895	175 282	61 671	19 781
1992											
Nov.	85 971	3 704	2 599	92 274	38 928	11 460	14 716	65 104	157 378	61 743	22 448
Dec.	100 244	3 669	2 474	106 387	40 578	13 555	14 762	68 895	175 282	61 671	19 781
1993											
Jan.	116 428	7 343	2 607	126 378	41 597	13 555	16 900	72 052	198 430	62 268	22 958
Feb.	130 937	8 155	4 440	143 532	44 537	13 598	20 397	78 532	222 064	62 742	16 444
March	135 192	8 185	4 422	147 799	47 824	13 593	22 315	83 732	231 531	63 632	39 402
April	139 909	7 834	4 221	151 964	49 146	12 897	22 570	84 613	236 577	64 197	45 211
May	139 488	8 701	4 209	152 398	51 126	12 771	22 014	85 911	238 309	64 292	43 522
June	139 102	9 018	4 263	152 383	57 718	12 770	22 126	92 614	244 997	64 436	43 203
July	142 159	9 510	4 409	156 078	59 997	12 769	21 459	94 225	250 303	64 796	40 718
Aug.	143 148	9 457	4 411	157 016	63 086	15 355	23 460	101 901	258 917	65 317	43 091
Sept.	145 375	9 350	4 409	159 134	64 904	15 354	24 615	104 873	264 007	65 879	42 793
Oct.	143 854	8 868	4 271	156 993	69 251	15 354	23 754	108 359	265 352	66 435	42 816
Nov.	144 122	8 930	4 090	157 142	71 833	15 313	22 647	109 793	266 935	..	..

5.5 MARKKA BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
1	2	3	4	5	6	7	8	9	
1988	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
1989	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
1990	4 640	17 891	4 420	490	1 007	17 234	607	10 607	28 447
1991	7 277	25 737	11 073	1 320	-	30 160	-	15 247	45 407
1992*	6 984	15 043	12 965	2 674	4	23 858	-	13 812	37 671
1992*									
Nov.	140	1 478	430	120	-	1 918	-	250	2 168
Dec.	1 065	4 559	-	600	-	2 178	-	4 046	6 224
1993*									
Jan.	624	592	1 766	276	-	2 318	-	940	3 258
Feb.	471	843	3 480	200	-	4 342	-	652	4 995
March	871	657	3 944	656	13	4 991	-	1 149	6 140
April	504	206	1 835	89	-	2 124	-	509	2 634
May	3 281	1 262	2 761	407	-	4 257	-	3 454	7 711
June	3 132	670	6 658	93	-	7 107	-	3 446	10 553
July	510	165	2 286	-	-	2 451	-	510	2 961
Aug.	372	643	4 829	60	-	5 890	-	15	5 905
Sept.	50	497	2 023	10	-	2 480	-	100	2 580
Oct.	410	840	5 126	222	-	6 366	-	232	6 598
Nov.	989	4 160	2 793	28	50	7 838	-	182	8 020

B) STOCK, MILL. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
1	2	3	4	5	6	7	8	9	
1988	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
1989	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
1990	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
1991	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
1992*	26 617	82 319	44 005	5 237	3 358	89 534	13 917	58 085	161 536
1992*									
III	26 079	80 658	39 579	4 457	3 720	86 058	14 329	54 106	154 493
IV	26 617	82 319	44 005	5 237	3 358	89 534	13 917	58 085	161 536
1993*									
I	27 751	81 343	51 244	6 092	3 030	97 679	12 097	59 684	169 460
II	33 614	79 950	60 316	6 618	2 369	107 775	11 558	63 534	182 867
III	33 426	78 136	67 504	6 600	2 018	114 359	10 717	62 608	187 684

C) TURNOVER, MILL. FIM

During period	Interbank	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
1989	6 500	9 660	.	.	.
1990	5 401	6 058	.	.	.
1991	3 343	29 134	.	.	.
1992	18 221	58 594	10 744	12 156	13 354
1993	45 966	241 273	42 945	95 647	117 489
1992					
Dec.	1 460	8 073	1 370	2 932	2 966
1993					
Jan.	2 566	10 760	2 350	3 889	4 923
Feb.	2 762	14 290	2 690	4 909	7 933
March	3 760	15 481	3 400	5 482	8 300
April	2 073	12 289	1 840	4 409	7 048
May	2 165	14 069	2 114	4 977	8 328
June	2 539	21 079	2 115	5 810	7 307
July	4 886	18 701	4 725	7 990	10 211
Aug.	4 426	20 776	4 387	9 812	10 579
Sept.	5 364	24 405	5 124	11 436	12 459
Oct.	4 958	33 749	4 717	13 465	15 832
Nov.	4 454	28 725	4 069	12 703	12 069
Dec.	6 012	26 948	5 414	10 765	12 500

5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices									Turnover ¹ , mill. FIM		
	HEX index (28 Dec., 1990=1000)									Shares and subscription rights	Bonds and debentures	Total
	All-share index	By ownership			By industry							
		Re-stricted	Non-re-stricted	Banks and finance	Insurance and investment	Manufacturing	Of which:					
	1	2	3	4	5	6	7	8	9	10	11	12
1989	1 827	1 850	1 689	1 958	1 528	1 818	1 728	1 748	2 061	33 160	7 375	40 536
1990	1 332	1 324	1 393	1 263	1 185	1 376	1 436	1 282	1 474	15 521	4 550	20 071
1991	962	949	1 062	901	898	1 003	1 075	1 076	1 020	6 339	1 315	7 655
1992	772	759	868	425	467	942	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
1992												
Dec.	845	829	959	329	424	1 096	1 203	1 296	1 127	2 521	6 543	9 064
1993												
Jan.	875	.	.	314	422	1 143	1 158	1 331	1 214	1 803	4 114	5 917
Feb.	913	.	.	348	449	1 187	1 246	1 378	1 250	2 268	4 461	6 730
March	994	.	.	429	483	1 295	1 437	1 417	1 371	3 019	5 354	8 374
April	1 091	.	.	464	551	1 419	1 478	1 566	1 535	3 019	3 260	6 279
May	1 200	.	.	575	602	1 542	1 637	1 748	1 644	4 451	4 805	9 257
June	1 132	.	.	508	600	1 461	1 569	1 597	1 570	1 906	4 118	6 024
July	1 241	.	.	579	631	1 618	1 720	1 659	1 808	2 810	2 855	5 665
Aug.	1 410	.	.	830	813	1 782	1 954	1 893	1 944	6 081	4 509	10 589
Sept.	1 378	.	.	790	788	1 745	1 887	1 860	1 913	4 689	6 036	10 725
Oct.	1 502	.	.	820	781	1 943	1 958	2 095	2 212	6 638	6 936	13 574
Nov.	1 542	.	.	810	770	2 003	2 093	2 156	2 253	4 842	7 153	11 995
Dec.	1 549	.	.	773	801	2 003	2 114	2 240	2 209	4 810	6 375	11 185

¹ During period.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL.FIM

During period	Exports of goods, tot	Transport receipts	Travel receipts	Other services receipts	Services receipts, of goods 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, dif	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1988	91 313	7 026	4 280	6 132	17 438	108 750	9 377	4 415	122 543	91 232	3 338	7 907	7 390
1989	98 265	7 662	4 497	6 277	18 436	116 701	10 212	3 652	130 565	104 400	3 869	8 969	8 759
1990	99 750	8 347	4 650	6 081	19 077	118 827	12 739	4 461	136 027	101 967	4 363	10 766	9 503
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
1991													
I	21 947	1 759	915	1 462	4 136	26 084	3 022	1 289	30 395	22 015	968	2 592	2 833
II	21 204	1 850	1 256	1 282	4 389	25 593	2 376	1 421	29 391	20 895	1 019	2 583	2 599
III	22 749	2 030	1 629	1 274	4 932	27 681	2 557	1 268	31 506	20 526	1 020	2 899	2 439
IV	25 199	1 869	1 244	1 618	4 731	29 931	2 047	1 359	33 337	22 912	967	3 014	3 139
1992*													
I	24 783	2 002	1 159	1 702	4 863	29 645	2 301	1 367	33 313	22 698	1 001	2 725	3 422
II	26 452	2 152	1 493	1 681	5 326	31 778	1 269	1 374	34 421	24 180	1 064	2 813	3 039
III	24 820	2 323	1 958	1 923	6 203	31 023	1 204	1 480	33 707	20 677	1 119	2 853	3 242
IV	29 754	2 167	1 480	2 424	6 071	35 825	1 649	1 699	39 173	25 632	1 176	2 572	3 666
1993*													
I	30 900	2 222	1 351	2 894	6 468	37 368	2 275	1 659	41 303	25 643	1 126	2 401	4 390
II	32 522	2 461	1 763	2 402	6 626	39 148	2 073	1 945	43 166	24 753	1 023	2 276	3 960
III	32 140	2 560	2 203	2 233	6 997	39 136	1 664	1 773	42 573	24 397	1 063	2 242	4 151

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
1988	18 634	109 866	17 033	6 975	133 874	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 656	-2 560	-11 331
1989	21 596	125 996	21 882	7 561	155 439	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-11 670	-3 910	-24 874
1990	24 632	126 599	26 973	8 967	162 540	-2 218	3 984	-6 117	-3 422	-5 555	-7 772	-14 234	-4 506	-26 513
1991	26 074	112 421	28 674	10 529	151 624	4 752	3 534	-6 044	-5 374	-7 885	-3 132	-18 671	-5 192	-26 996
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
1991														
I	6 394	28 408	7 642	3 020	39 070	-67	791	-1 677	-1 371	-2 257	-2 325	-4 620	-1 731	-8 676
II	6 201	27 096	7 805	2 259	37 161	309	831	-1 326	-1 317	-1 812	-1 503	-5 429	-838	-7 771
III	6 358	26 884	6 716	2 524	36 124	2 223	1 010	-1 270	-1 165	-1 425	797	-4 159	-1 257	-4 618
IV	7 121	30 033	6 510	2 725	39 268	2 288	902	-1 770	-1 521	-2 389	-102	-4 463	-1 367	-5 931
1992*														
I	7 148	29 845	8 435	3 124	41 405	2 085	1 001	-1 566	-1 720	-2 285	-200	-6 134	-1 758	-8 092
II	6 916	31 096	7 400	2 381	40 877	2 272	1 087	-1 320	-1 358	-1 590	682	-6 131	-1 007	-6 456
III	7 214	27 891	6 765	2 402	37 058	4 143	1 204	-895	-1 319	-1 011	3 132	-5 561	-922	-3 351
IV	7 413	33 045	7 824	2 440	43 309	4 122	991	-1 092	-1 241	-1 342	2 780	-6 174	-741	-4 136
1993*														
I	7 917	33 560	10 352	3 099	47 011	5 257	1 096	-1 049	-1 496	-1 449	3 808	-8 076	-1 440	-5 708
II	7 259	32 012	10 701	2 689	45 402	7 769	1 438	-512	-1 558	-633	7 136	-8 628	-744	-2 237
III	7 456	31 853	7 149	2 945	41 947	7 743	1 497	-39	-1 917	-459	7 284	-5 486	-1 172	626

6.2 CAPITAL ACCOUNT¹, MILL. FIM

During period	Imports of long-term capital				Exports of long-term capital					Long-term capital account (5-10)	Basic balance	
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital			Total (6+7+8+9)
	1	2	3	4	5	6	7	8	9	10	11	12
1988	2 218	14 355	3 062	85	19 720	10 919	1 248	3 931	292	16 390	3 331	-8 001
1989	2 095	14 756	8 608	79	25 538	13 327	180	5 323	273	19 103	6 435	-18 439
1990	3 010	22 656	19 674	169	45 509	12 471	577	-499	294	12 843	32 666	6 153
1991	-997	37 284	14 840	825	51 952	4 240	-372	1 052	101	5 022	46 931	19 935
1992*	1 777	36 772	5 509	479	44 537	1 821	367	3 461	304	5 953	38 584	16 549
1991												
I	116	7 881	3 994	-493	11 499	1 183	-16	184	165	1 516	9 983	1 308
II	99	16 050	4 888	585	21 621	1 155	-433	694	-19	1 397	20 224	12 453
III	-435	10 416	2 747	114	12 843	1 315	434	-522	-2	1 225	11 617	6 999
IV	-777	2 937	3 211	619	5 989	587	-356	697	-44	883	5 106	-825
1992*												
I	564	4 173	-399	795	5 133	624	182	621	273	1 699	3 433	-4 658
II	74	12 934	371	-261	13 118	-208	1 142	121	187	1 242	11 876	5 420
III	340	5 302	786	259	6 688	775	-882	1 117	182	1 192	5 495	2 144
IV	799	14 362	4 751	-314	19 598	630	-75	1 602	-337	1 820	17 779	13 643
1993*												
I	187	15 167	8 939	-384	23 909	1 368	2 981	-688	-105	3 556	20 354	14 646
II	805	15 158	4 233	-477	19 719	1 475	-1 094	478	148	1 006	18 713	16 476
III	167	4 572	2 908	-456	7 191	407	-811	-791	636	-559	7 750	8 376

During period	Imports of short-term capital				Exports of short-term capital				Errors and omissions	Short-term capital account (16-20+21)	Overall balance excl. reserve movements (12+22)	Change in central bank's foreign exchange reserves
	Short-term capital imports of authorized banks	Trade credits	Other short-term capital	Total (13+14+15)	Short-term capital exports of authorized banks	Trade credits	Other short-term capital	Total (17+18+19)				
	13	14	15	16	17	18	19	20	21	22	23	24
1988	10 950	-399	-811	9 740	2 331	644	1 995	4 971	3 415	8 183	183	-183
1989	4 285	1 627	3 679	9 592	1 462	475	710	2 647	5 533	12 478	-5 961	5 961
1990	16 258	1 119	-1 357	16 020	-2 290	-1 254	1 244	-2 300	-9 381	8 939	15 092	-15 092
1991	-13 436	399	-1 301	-14 338	6 261	882	3 285	10 427	-1 574	-26 339	-6 404	6 404
1992*	-29 022	7 744	10 880	-10 399	-567	4 115	6 586	10 134	-5 265	-25 798	-9 249	9 249
1991												
I	18 274	-1 105	2 367	19 536	22 472	-628	3 978	25 821	1 876	-4 410	-3 102	3 102
II	-10 919	-68	-605	-11 592	515	-495	1 970	1 990	-1 092	-14 674	-2 221	2 221
III	-16 407	340	-583	-16 650	-3 091	1 027	1 869	-195	2 550	-13 905	-6 905	6 905
IV	-4 383	1 232	-2 481	-5 632	-13 635	977	-4 531	-17 189	-4 908	6 649	5 824	-5 824
1992*												
I	-2 542	458	3 694	1 610	-4 134	1 003	1 723	-1 408	-1	3 017	-1 641	1 641
II	-9 587	3 973	491	-5 123	-1 612	1 167	-3 403	-3 848	-5 194	-6 469	-1 049	1 049
III	-11 212	1 155	12 230	2 173	6 064	217	176	6 457	-4 026	-8 310	-6 165	6 165
IV	-5 681	2 157	-5 535	-9 059	-885	1 729	8 090	8 934	3 956	-14 036	-394	394
1993*												
I	-3 093	270	-5 941	-8 764	14 868	1 419	-1 306	14 982	3 406	-20 340	-5 694	5 694
II	-5 939	2 257	-1 544	-5 227	-3 008	1 046	-254	-2 216	-2 759	-5 770	10 706	-10 706
III	-9 314	2 688	2 780	-3 845	12 840	1 045	4 309	18 194	2 596	-19 443	-11 067	11 067

¹ Capital account data are based on surveys as from the beginning of 1991. The resulting figures conform more closely to the IMF's recommendations.

6.3 FINLAND'S FOREIGN LIABILITIES AND ASSETS, MILL. FIM

End of period	Long-term liabilities					Long-term assets					Long-term debt, net (8-10)
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1988	12 673	68 957	33 117	915	115 662	24 199	8 223	19 417	2 484	54 323	61 339
1989	16 093	82 313	40 110	994	139 510	33 234	7 680	24 572	2 757	68 243	71 267
1990	18 651	98 399	51 744	4 630	173 424	43 931	7 184	25 595	5 487	82 196	91 228
1991	17 443	143 685	75 772	5 827	242 728	53 560	7 430	27 907	6 161	95 057	147 671
1992*	19 260	209 864	94 568	7 919	331 611	61 659	9 165	34 108	7 670	112 602	219 009
1991											
I	18 714	110 303	60 239	4 116	193 373	45 453	7 312	25 970	5 914	84 649	108 723
II	18 760	126 800	66 420	4 725	216 704	46 947	6 923	27 125	6 061	87 056	129 648
III	18 273	132 499	68 747	4 877	224 395	48 601	7 392	26 056	5 934	87 983	136 412
IV	17 443	143 685	75 772	5 827	242 728	53 560	7 430	27 907	6 161	95 057	147 671
1992*											
I	18 017	151 064	77 508	6 768	253 357	53 857	7 900	29 179	6 738	97 674	155 683
II	18 101	160 511	75 713	6 441	260 765	53 322	9 089	28 025	6 648	97 084	163 681
III	18 451	183 997	84 821	7 290	294 559	61 356	8 618	31 039	7 397	108 410	186 149
IV	19 260	209 864	94 568	7 919	331 611	61 659	9 165	34 108	7 670	112 602	219 009
1993*											
I	19 447	252 513	114 168	8 233	394 361	69 244	12 628	35 652	8 324	125 848	268 513
II	20 252	255 154	114 904	7 363	397 673	66 924	11 472	33 601	8 287	120 284	277 389
III	20 419	273 990	121 048	7 255	422 711	68 250	10 784	33 805	9 290	122 129	300 582

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+22)	Net interest and dividend expenditure in relation to current receipts	
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits	Other short-term liabilities	Total (12+13+14+15)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits	Other short-term assets	Total (17+18+19+20)				
	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1988	3 341	83 828	11 070	9 039	107 278	32 037	32 108	16 041	4 789	84 975	22 303	83 642	7 933	6.5
1989	3 558	88 751	12 697	12 883	117 889	25 113	33 569	16 516	5 666	80 864	37 024	108 291	10 453	8.0
1990	3 922	106 548	13 466	13 864	137 801	39 506	27 190	14 372	6 608	87 676	50 125	141 353	13 130	9.7
1991	3 149	99 502	13 798	14 703	131 152	35 922	36 727	15 840	10 545	99 034	32 118	179 788	15 734	12.7
1992*	7 849	84 253	21 637	22 274	136 013	33 966	43 534	21 069	16 656	115 225	20 788	239 797	19 007	13.6
1991														
I	3 399	126 600	12 237	17 232	159 468	37 748	48 792	13 813	11 336	111 690	47 778	156 502	3 886	12.8
II	2 889	117 188	12 160	17 498	149 735	36 023	50 406	13 339	13 721	113 489	36 245	165 893	4 695	16.0
III	2 826	99 953	12 500	16 703	131 982	29 006	47 064	14 371	15 121	105 561	26 421	162 833	3 424	10.9
IV	3 149	99 502	13 798	14 703	131 152	35 922	36 727	15 840	10 545	99 034	32 118	179 788	3 729	11.2
1992*														
I	3 185	100 961	14 219	18 439	136 804	35 429	32 960	17 007	12 765	98 161	38 643	194 326	4 886	14.7
II	3 242	89 647	18 218	18 211	129 318	33 516	32 786	18 123	8 932	93 356	35 961	199 642	4 882	14.2
III	14 067	86 647	19 397	21 248	141 359	29 484	43 316	18 829	9 575	101 204	40 155	226 304	4 313	12.8
IV	7 849	84 253	21 637	22 274	136 013	33 966	43 534	21 069	16 656	115 225	20 788	239 797	4 925	12.6
1993*														
I	5 836	86 548	21 884	19 820	134 088	31 998	60 816	23 176	16 308	132 297	1 791	270 304	6 827	16.5
II	6 173	78 062	24 088	17 254	125 577	41 889	56 831	23 948	14 823	137 491	-11 914	265 475	7 378	17.1
III	6 293	70 466	26 803	20 144	123 705	31 987	71 362	25 144	19 089	147 582	-23 877	276 706	4 236	10.0

6.4 FINLAND'S LONG-TERM FOREIGN LIABILITIES AND ASSETS, BY SECTOR, MILL. FIM

End of period	Long-term liabilities						Long-term assets						Long-term liabilities, net (6-12)
	Corporate sector	Banks	Other financial institutions	Central government	Other	Total (1+2+3+4+5)	Corporate sector	Banks	Other financial institutions	Central government	Other	Total (7+8+9+10+11)	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1988	46 471	27 427	14 339	26 926	499	115 662	25 093	21 607	3 573	3 101	949	54 323	61 339
1989	58 009	40 199	17 665	23 063	574	139 510	34 828	26 048	2 313	3 517	1 537	68 243	71 267
1990	65 553	56 394	21 694	29 174	610	173 424	45 372	28 423	2 075	4 279	2 047	82 196	91 228
1991	79 212	70 795	35 623	56 377	721	242 728	57 749	27 641	2 121	4 752	2 794	95 057	147 671
1992*	91 304	70 253	49 558	118 081	2 415	331 611	69 963	30 619	3 096	5 627	3 298	112 602	219 009
1991													
I	71 221	58 776	26 529	36 123	724	193 373	47 585	28 021	2 140	4 651	2 252	84 649	108 723
II	76 980	67 005	33 210	38 814	696	216 704	49 995	27 536	2 122	5 040	2 362	87 056	129 648
III	76 925	68 223	34 193	44 332	723	224 395	51 794	26 862	2 138	4 655	2 534	87 983	136 412
IV	79 212	70 795	35 623	56 377	721	242 728	57 749	27 641	2 121	4 752	2 794	95 057	147 671
1992*													
I	80 610	69 700	36 053	65 370	1 624	253 357	58 653	28 466	2 298	5 367	2 890	97 674	155 683
II	78 623	64 232	37 674	78 534	1 703	260 765	58 461	28 235	2 290	5 147	2 951	97 084	163 681
III	85 281	68 903	39 531	98 824	2 020	294 559	66 650	30 514	2 451	5 528	3 268	108 410	186 149
IV	91 304	70 253	49 558	118 081	2 415	331 611	69 963	30 619	3 096	5 627	3 298	112 602	219 009
1993*													
I	101 873	72 568	54 996	162 000	2 925	394 361	77 701	34 821	3 350	6 259	3 716	125 848	268 513
II	101 959	69 550	51 715	171 676	2 774	397 673	76 058	31 083	3 297	6 535	3 311	120 284	277 389
III	111 481	74 132	53 499	180 678	2 922	422 711	77 911	30 462	3 539	7 044	3 174	122 129	300 582

7. FOREIGN TRADE

7.1 EXPORTS, IMPORTS AND THE TRADE BALANCE, MILL. FIM

During period	Exports, feb	Imports, cif	Balance (1-2)
	1	2	3
1988	92 902	92 118	784
1989	99 784	105 516	-5 732
1990	101 327	103 027	-1 700
1991	92 842	87 744	5 098
1992*	107 471	94 988	12 483
1992*			
Nov.	10 532	8 740	1 792
Dec.	9 437	8 588	849
1993*			
Jan.	9 273	6 614	2 659
Feb.	10 645	9 096	1 549
March	11 444	10 392	1 052
April	11 428	9 662	1 766
May	11 390	7 746	3 644
June	10 176	7 781	2 395
July	10 899	8 137	2 762
Aug.	10 127	8 218	1 909
Sept.	11 452	8 037	3 415
Oct.	13 906	8 413	5 493
Nov.	12 369	9 628	2 741

7.2 FOREIGN TRADE: INDICES OF VOLUME, UNIT VALUE AND TERMS OF TRADE, 1980=100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1988	121	130	145	122	119
1989	121	144	156	126	123
1990	125	138	154	128	120
1991	114	115	154	131	118
1992*	124	112	164	145	113
1991					
II	107	112	153	130	118
III	113	109	156	132	119
IV	124	118	157	135	116
1992*					
I	118	112	162	142	114
II	125	118	162	143	113
III	117	102	163	142	115
IV	133	116	171	154	111
1993*					
I	135	107	175	166	106
II	143	104	174	166	105
III	141	103	174	165	105

7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, feb					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
	1	2	3	4	5	6	7	8	9	10
1988	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
1989	7 416	32 513	8 844	32 682	18 329	51 786	8 310	20 606	24 055	759
1990	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
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	19 079	49 514	9 745	13 348	20 826	1 555
1992*										
Nov.	770	3 010	1 205	3 789	1 758	4 809	1 058	1 039	1 755	79
Dec.	644	2 949	870	3 421	1 553	4 280	1 300	1 122	1 534	352
1993*										
Jan.	706	2 683	1 051	3 260	1 573	3 706	546	900	1 401	61
Feb.	780	3 083	1 135	3 645	2 002	4 370	1 120	1 672	1 855	79
March	899	3 441	1 213	3 911	1 980	4 663	887	2 848	1 923	71
April	968	3 414	1 320	3 755	1 971	5 445	697	1 352	2 062	106
May	1 020	3 100	1 082	4 262	1 926	4 537	488	1 050	1 606	65
June	927	2 931	965	3 698	1 655	4 286	1 040	906	1 482	67
July	774	2 753	1 162	4 385	1 825	4 358	973	983	1 645	178
Aug.	668	2 991	1 255	3 304	1 909	4 350	969	1 147	1 682	70
Sept.	988	3 255	1 328	3 767	2 114	4 360	951	873	1 713	140
Oct.	1 133	3 508	1 258	5 869	2 138	4 718	863	978	1 835	19
Nov.	1 061	3 294	1 354	4 479	2 181	4 969	1 377	1 282	1 946	54

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, feb				Imports, cif			
	1992 *		1993 *		1992 *		1993 *	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	88 347	82.2	94 256	16.1	75 180	79.1	74 245	8.3
OECD Europe	78 566	73.1	79 695	10.2	62 972	66.3	60 866	6.1
Of which:								
Austria	1 368	1.3	1 335	4.9	1 162	1.2	1 054	-0.5
Belgium and Luxembourg	2 785	2.6	2 701	6.0	2 688	2.8	2 708	10.8
Denmark	3 858	3.6	4 126	15.7	3 192	3.4	2 981	1.3
France	7 204	6.7	6 497	-2.8	4 382	4.6	4 263	11.6
Germany	16 806	15.6	16 215	4.3	16 085	16.9	15 491	4.4
Italy	4 302	4.0	4 030	2.1	3 425	3.6	3 453	9.4
Netherlands	5 628	5.2	6 152	19.9	3 458	3.6	3 537	12.1
Norway	3 775	3.5	3 889	11.3	3 825	4.0	4 479	32.4
Spain	2 842	2.6	3 063	17.7	1 167	1.2	1 101	2.2
Sweden	13 771	12.8	13 689	7.9	11 133	11.7	9 513	-6.5
Switzerland	1 921	1.8	1 960	11.3	1 842	1.9	1 879	10.2
United Kingdom	11 519	10.7	13 015	23.5	8 213	8.6	8 320	12.6
Other OECD	9 781	9.1	14 561	63.9	12 209	12.9	13 379	19.6
Of which:								
Canada	751	0.7	1 015	43.3	616	0.6	663	14.7
Japan	1 370	1.3	1 987	60.9	5 202	5.5	5 437	13.7
United States	6 365	5.9	9 882	70.0	5 792	6.1	6 833	29.1
Non-OECD European countries	7 310	6.8	11 161	70.0	9 681	10.2	10 248	19.8
Of which:								
Russia	3 020	2.8	5 181	92.0	6 725	7.1	7 229	22.4
Other countries	11 814	11.0	17 693	72.0	10 127	10.7	9 231	-0.2
Of which:								
OPEC countries	1 927	1.8	2 996	79.3	1 497	1.6	431	-68.1
TOTAL	107 471	100.0	123 109	25.6	94 988	100.0	93 724	8.5
Of which:								
EC countries	57 150	53.2	57 916	10.2	44 801	47.2	43 742	7.0
EFTA countries	20 959	19.5	20 992	8.6	18 033	19.0	16 983	3.6

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
1988	258 821	102 132	109 095	17 275	1 533	488 856	115 761	116 898	487 719
1989	269 879	104 526	129 905	15 149	5 975	525 434	117 241	127 311	515 364
1990	269 754	108 535	121 858	17 286	5 769	523 202	118 828	126 600	515 430
1991	260 031	111 256	93 722	17 243	-2 451	479 801	110 965	111 755	479 011
1992*	246 714	109 043	75 529	16 226	4 365	451 877	122 059	112 989	460 947
1991									
II	65 178	27 831	23 849	4 679	-228	121 310	26 188	27 095	120 404
III	65 174	27 846	22 011	4 305	-1 360	117 975	29 212	28 003	119 184
IV	64 320	27 817	21 014	3 919	-1 512	115 557	28 301	27 486	116 373
1992*									
I	63 158	27 411	20 416	4 221	165	115 371	29 444	28 329	116 486
II	61 828	27 203	19 825	4 284	1 609	114 749	30 618	29 208	116 159
III	61 147	27 169	18 581	3 851	1 540	112 287	30 287	27 498	115 076
IV	60 581	27 260	16 708	3 870	1 051	109 470	31 710	27 955	113 226
1993*									
I	59 819	26 065	16 320	3 316	1 501	107 021	34 380	28 809	112 591
II	58 675	25 801	15 339	3 251	1 292	104 358	34 836	27 172	112 023
III	58 274	25 738	15 453	3 403	3 325	106 193	35 974	28 688	113 479

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1990=100

(seasonally adjusted figures)

Period	Total industry (100.0)	Mining and quarrying (1.3)	Manufacturing (89.6)	Wood and paper industries (16.8)	Metal and engineering industries (31.3)	Other manufacturing (41.5)	Energy and water supply (9.1)
	1	2	3	4	5	6	7
1988	97.1	94.1	97.1	98.7	93.8	99.0	97.5
1989	100.3	101.9	100.5	102.3	99.6	100.8	97.9
1990	100.2	99.8	100.2	100.1	100.4	100.1	100.0
1991	91.2	91.3	89.9	91.5	85.6	92.6	103.6
1992*	92.6	91.2	91.5	94.8	90.9	90.6	103.2
1992*							
Oct.	93.5	78.2	92.0	96.5	89.6	92.1	111.5
Nov.	93.8	87.6	92.1	98.0	92.0	89.9	111.5
Dec.	92.1	80.8	90.8	96.9	91.1	88.8	107.4
1993*							
Jan.	93.5	86.3	92.1	98.6	92.4	88.6	105.6
Feb.	94.4	82.8	92.9	100.2	94.7	89.4	106.1
March	94.4	82.9	92.8	100.7	95.1	88.2	109.1
April	95.9	83.4	94.9	104.3	98.0	89.1	105.4
May	93.2	78.7	92.4	99.0	96.7	86.6	103.4
June	97.7	65.8	97.5	106.8	100.3	90.9	109.5
July	98.4	81.9	98.2	105.2	100.9	93.2	106.3
Aug.	95.5	73.3	95.1	105.7	95.8	90.3	104.7
Sept.	99.8	83.3	99.1	110.1	101.5	92.9	110.6
Oct.	102.1	85.9	101.6	113.1	104.3	94.9	109.9

8.3 INDICATORS OF DOMESTIC SUPPLY AND DEMAND, 1985=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
1988	116.7	113.0	108.6	106.0	113.4	110.6	135.0	111.5
1989	124.2	117.0	130.3	132.9	137.6	125.2	161.4	116.7
1990	119.9	111.7	127.3	124.8	161.7	122.1	144.6	117.5
1991	101.2	103.9	103.9	94.4	127.7	109.9	102.1	110.2
1992*	87.9	93.8	79.5	73.8	76.2	87.5	84.5	107.0
1992*								
Sept.	87.2	93.6	..	..	..	..	..	106.3
Oct.	84.8	91.7	..	..	..	..	..	105.9
Nov.	81.3	86.3	..	..	..	..	..	106.6
Dec.	82.6	89.8	..	..	..	..	..	106.6
III	86.6	91.6	78.1	73.4	80.2	82.6	64.1	106.6
IV	82.9	89.3	67.4	59.9	53.2	75.0	80.1	106.4
1993*								
Jan.	76.8	87.2	..	..	..	..	..	105.0
Feb.	82.4	92.3	..	..	..	..	..	106.4
March	84.5	91.6	..	..	..	..	..	105.1
April	81.0	89.7	..	..	..	..	..	104.5
May	81.9	88.8	..	..	..	..	..	103.2
June	86.5	87.3	..	..	..	..	..	104.8
July	84.9	84.4	..	..	..	..	..	104.4
Aug.	83.1	85.2	..	..	..	..	..	104.4
Sept.	81.7	85.8	..	..	..	..	..	105.5
I	81.2	90.4	57.6	60.6	43.4	61.8	117.6	105.5
II	83.1	88.6	57.8	63.1	45.2	59.0	73.2	104.2
III	83.2	85.1	57.7	59.3	45.5	54.5	67.7	104.8

8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SIC3)	Central government	Local government	Non-profit institutions			Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1988	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
1989	135.7	136.5	133.8	137.4	132.1	137.1	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
1990	148.2	148.8	146.8	149.8	144.7	150.0	127.3	110.9	115.7	93.6	110.0	110.4	109.8	134.5
1991	157.6	158.3	156.2	157.9	154.8	158.9	132.6	111.2	115.8	94.2	109.9	108.7	110.4	137.3
1992¹	160.6	160.9	159.9	160.6	159.1	162.4	136.0	112.4	115.6	100.9	112.6	113.4	112.3	134.9
1992¹														
Nov.	..	..	..	..	..	..	137.1	113.4	115.5	105.5	114.1	116.7	112.8	134.4
Dec.	..	..	..	..	..	..	136.8	113.4	115.5	105.9	114.0	115.9	113.0	134.0
III	160.4	160.5	159.3	160.7	159.5	162.7	136.2	112.2	115.6	99.6	112.8	113.3	112.6	134.0
IV	161.2	161.4	160.8	161.0	160.3	163.0	136.9	113.4	115.6	105.2	113.9	116.2	112.9	134.3
1993¹														
Jan.	..	..	..	..	..	..	138.2	113.9	115.8	107.1	114.4	116.5	113.4	134.9
Feb.	..	..	..	..	..	..	138.6	115.3	116.6	109.8	115.9	118.9	114.5	134.8
March	..	..	..	..	..	..	138.8	116.2	117.1	112.4	116.9	120.5	115.2	134.7
April	..	..	..	..	..	..	139.3	116.4	117.3	112.4	117.4	121.0	115.7	135.2
May	..	..	..	..	..	..	139.4	116.1	116.8	112.7	117.3	121.6	115.4	135.3
June	..	..	..	..	..	..	139.2	116.1	117.1	111.8	117.2	120.7	115.6	135.5
July	..	..	..	..	..	..	138.8	116.0	117.1	111.6	116.7	119.8	115.2	135.3
Aug.	..	..	..	..	..	..	138.7	116.0	116.8	112.1	116.9	120.4	115.2	135.3
Sept.	..	..	..	..	..	..	139.0	116.1	117.4	110.9	117.4	121.1	115.7	135.6
Oct.	..	..	..	..	..	..	139.1	115.9	117.2	110.8	117.4	121.4	115.5	135.7
Nov.	..	..	..	..	..	..	138.9	115.7	117.2	110.0	116.8	120.4	115.2	135.7
I	161.7	161.9	161.8	161.6	161.0	163.5	138.5	115.1	116.5	109.8	115.7	118.6	114.4	134.8
II	162.0	162.0	162.7	161.9	161.5	164.0	139.3	116.2	117.1	112.3	117.3	121.1	115.6	135.3
III	161.8	161.6	161.8	162.3	161.9	164.3	138.8	116.0	117.1	111.5	117.0	120.4	115.4	135.4

¹ Preliminary figures for columns 1—6.

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+9)	By industrial status		By industry			Unemployed	Unemployment rate		
				Self-employed	Wage and salary earners	Agriculture and forestry	Industry	Construction			Service industries	
		1000 persons										
		1	2	3	4	5	6	7	8	9	10	11
1988	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6	
1989	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5	
1990	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4	
1991	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6	
1992	66.1	2 502	2 174	325	1 849	188	454	150	1 382	328	13.1	
1992												
Oct.	66.1	2 505	2 138	319	1 818	180	455	127	1 376	367	14.7	
Nov.	66.2	2 509	2 125	316	1 809	178	440	142	1 365	384	15.3	
Dec.	65.3	2 477	2 095	311	1 783	182	436	136	1 341	383	15.4	
1993												
Jan.	65.7	2 492	2 092	307	1 785	178	438	127	1 349	400	16.1	
Feb.	65.7	2 493	2 077	317	1 761	171	424	132	1 351	415	16.7	
March	65.2	2 475	2 053	312	1 741	180	431	132	1 311	421	17.0	
April	65.5	2 487	2 056	319	1 737	179	428	129	1 320	432	17.4	
May	65.3	2 481	2 051	318	1 734	175	432	129	1 315	430	17.3	
June	64.8	2 462	2 016	307	1 709	166	420	128	1 302	446	18.1	
July	65.0	2 472	2 026	315	1 711	172	422	123	1 310	445	18.0	
Aug.	65.6	2 494	2 039	307	1 732	163	423	127	1 326	455	18.3	
Sept.	65.6	2 497	2 021	318	1 703	171	423	119	1 307	476	19.1	
Oct.	65.3	2 486	2 018	311	1 706	170	415	125	1 308	469	18.9	

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:	
	1	2	3	4	5	6	7	8	9	10	11
1988	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
1989	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
1990	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
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	49 207	105 184	42 990	59 180
1992											
Oct.	2 896	5 336	136	1 448	9 816	187	10 003	4 169	9 599	3 498	5 933
Nov.	2 984	5 925	110	1 751	10 770	704	11 474	3 806	9 072	3 463	5 492
Dec.	853	6 371	-50	2 978	10 152	1 043	11 195	4 395	9 323	3 671	5 263
1993											
Jan.	-560	5 900	70	919	6 329	15	6 345	4 129	9 084	3 230	5 701
Feb.	3 730	4 446	240	1 257	9 673	113	9 785	3 869	7 807	3 347	4 273
March	2 456	6 205	127	3 496	12 284	2 119	14 403	4 145	9 295	3 698	5 440
April	3 875	4 926	93	2 657	11 551	98	11 649	3 835	9 436	4 055	5 278
May	2 697	5 638	97	2 688	11 120	510	11 630	3 646	9 115	3 958	5 013
June	2 870	5 633	86	2 748	11 337	591	11 928	4 110	8 842	3 958	4 672
July	3 208	5 626	119	1 759	10 712	197	10 909	4 719	8 225	3 287	4 696
Aug.	3 011	5 884	102	2 166	11 163	154	11 318	3 424	7 820	3 395	4 102
Sept.	2 792	5 185	129	2 247	10 353	108	10 461	3 658	9 482	3 371	5 987
Oct.	2 774	5 548	118	1 072	9 512	64	9 576	3 381	9 774	3 375	6 235

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)
	12	13	14	15	16	17	18	19	20
1988	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287
1989	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842
1990	5 962	4 927	133 614	9 319	142 934	5 737	678	1 201	1 879
1991	5 370	6 368	158 044	13 328	171 372	-23 420	-32 304	25 659	-6 645
1992	5 042	8 499	167 932	35 501	203 433	-41 316	-71 764	70 691	-1 071
1992									
Oct.	439	1 229	15 436	937	16 373	-5 620	-6 370	8 365	1 995
Nov.	410	102	13 390	1 010	14 400	-2 620	-2 926	15 124	12 199
Dec.	664	1 117	15 499	11 897	27 396	-5 347	-16 201	3 174	-13 027
1993									
Jan.	261	1 691	15 165	662	15 826	-8 836	-9 481	16 891	7 410
Feb.	290	842	12 808	1 289	14 097	-3 135	-4 312	15 636	11 324
March	313	2 248	16 001	3 211	19 211	-3 717	-4 808	9 245	4 437
April	306	1 554	15 131	2 060	17 191	-3 580	-5 542	12 592	7 050
May	318	1 156	14 235	1 351	15 586	-3 115	-3 956	2 086	-1 870
June	384	2 650	15 986	768	16 753	-4 649	-4 825	4 424	-401
July	406	914	14 264	3 935	18 200	-3 552	-7 291	7 157	-134
Aug.	416	874	12 534	723	13 258	-1 371	-1 940	5 079	3 139
Sept.	417	1 135	14 692	1 756	16 448	-4 339	-5 987	3 529	-2 457
Oct.	369	2 497	16 021	740	16 761	-6 509	-7 185	6 076	-1 109

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 (Column 13) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments. Liquidity position of deposit banks, net (Column 14): see explanation to Table 2.1. Other claims on financial institutions, net (Column 17) = bonds + other claims on financial institutions – other liabilities to financial institutions. *Corporate sector.* Special deposits and other items, net (Column 20) = bonds: other + other claims on corporations – deposits for investment and ship purchase – other liabilities to corporations.

2 THE BANK OF FINLAND'S OPERATIONS IN THE MONEY AND FOREIGN EXCHANGE MARKETS AND THE BANKS' FORWARD EXCHANGE POSITION

Table 2.1 Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. They can also obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity is determined by the Bank of Finland.

Table 2.2 The minimum reserve requirement is reported for the month by the end of which the deposit must be made with the Bank of Finland. The requirement is determined on the basis of the reserve base for the previous month. No interest is paid on minimum reserve deposits. The cash reserve figures for 1989 include the additional deposit requirement of 1.1 per cent under the supplementary cash reserve agreement in force at the time, together with the corresponding non-interest-bearing deposits of FIM 3 159 million.

Table 2.3 Money market instruments are the instruments used by the Bank of Finland in its money market operations. Matured money market in-

struments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

Table 2.4 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 payments 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 2.5 As from the beginning of 1990, the statistics on the forward exchange market are based on data on individual contracts against the Finnish markka as reported by banks (excluding Columns 5 and 6). The statistics cover all authorized banks and contracts. The rates of exchange used in the statistics are the forward rates on the contract date.

3 RATES OF INTEREST

Table 3.1 HELIBOR (Helsinki) Inter-bank Offered Rate) (Columns 2–5): The HELIBOR rate for each maturity is calculated by the Bank of Finland as the average of the offered rates for certificates of deposit quoted daily at 1 p.m. by the five largest banks.

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.

Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. In addition, they can obtain liquidity credit from the Bank of Finland 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 is obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. The monthly and annual values for maturity and interest rate margins are the last values recorded in each month or year.

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 averages 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. Yields on taxable government bonds (Columns 3 and 4) are calculated by the Bank of Finland in a similar fashion. Until January 1992, the yield on 5-year taxable government bonds (Column 3) was calculated on a bullet bond due on 15 March 1994 with a coupon rate of 13 per cent. From February 1992 onwards the yield is calculated on a bullet bond due on 15 January 1999 with a coupon rate of 11 per cent. The yield on 10-year taxable government bonds (Column 4) is calculated on a housing bond (bullet) due on 15 March 2002 with a coupon rate of 10.75 per cent. The yield on taxa-

ble public issues (Column 5) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued by all issuers except the central government with a remaining maturity of between 3 and 6 years. The yield on taxfree public issues (Column 6) is calculated as the arithmetic mean of yields on fixed-rate public bonds with a remaining maturity of between 4 and 5 years. The Bank of Finland calculates the yields for columns 5 and 6 once a week on the basis of the trading quotations of the Helsinki Stock Exchange. Monthly observations are the averages of weekly observations and annual observations the averages of monthly observations.

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, for which daily quotations at noon Finnish time are used. Since 8 September 1992 the markka has been floating. 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. The MERM index (Column 4): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; 14 currencies are included in this index.

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 bonds and debentures (Column 2) are so-called private placings. Long-term promissory notes (Column 3) are bank loans. 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 (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

Table 5.5 Source: 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-denominated bonds outside the Helsinki Stock Exchange. Inter-bank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by the banks entitled to central bank financing. The State Treasury and the five largest banks (KOP, Okobank, Postipankki, Skopbank and Union Bank of Finland) agreed on a market making arrangement for benchmark government

bonds with effect from 1 August 1992. Evli Securities Ltd was accepted as primary dealer with effect from 1 May 1993. The primary dealers' quotes are published daily (page JVKD on Reuters). 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.

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 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 annually from the September issue of the Bulletin. (The annual figure is divided evenly between quarterly figures.)

Table 6.2 Columns 1-5: Net change in long-term liabilities. Columns 6-10: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 7) (marketable instruments): Primary and secondary market transactions in securities. Loans (Column 3) (non-marketable instruments): Financial loans, import credits, prepayments related to exports and leasing credits. Other long-term capital (Column 4): Finland's subscriptions to international financial institutions paid in the form of promissory notes + long-term deposit liabilities of banks + other long-term liabilities of central government, banks and other financial institutions. Loans (Column 8): Financial loans, development credits, export credits, prepayments related to imports and leasing credits. Other long-term capital (Column 9): Finland's subscriptions to international financial institutions + long-term deposits of banks + other long-term assets of central government, banks and other financial institutions.

Table 6.3 Net foreign debt (Columns 1-23) at the end of a period is classified in the same way as the corresponding data on changes in the capital account (Table 6.2). The items included in net foreign debt 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 The sectoral figures for short-term foreign liabilities and assets correspond to the figures shown in Columns 12-22 of Table 6.3.

7 FOREIGN TRADE

Source: The National Board of Customs. All tables refer to foreign trade in goods.

Table 7.2 The volume indices (Columns 1 and 2) are calculated according to the Paasche formula and the unit value indices (Columns 3 and 4) according to the Laspeyres formula.

The terms of trade (Column 5) is the ratio of the export unit value index to the import unit value index multiplied by one hundred.

Table 7.4 The regional and country grouping is based on the classification according to Finnish Official Statistics I A.

8 DOMESTIC ECONOMIC DEVELOPMENTS

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

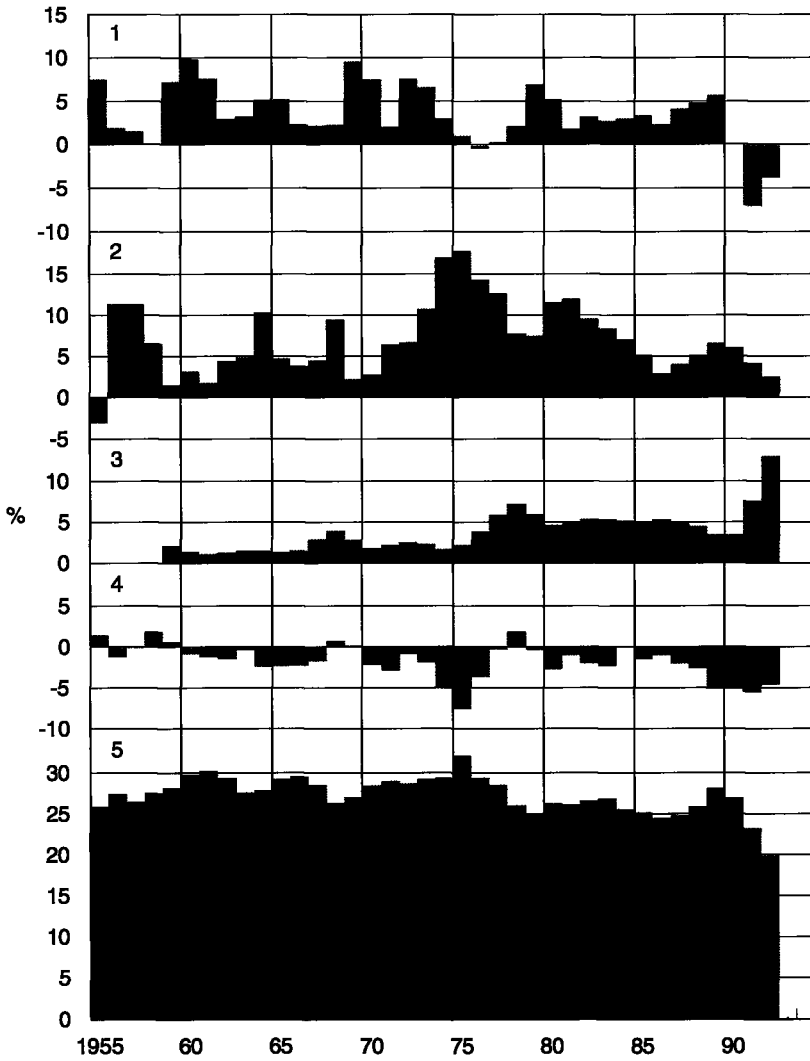
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

Table 8.4 The consumer price index (Column 7) was revised as from January 1988. Both the weights and the methods of calculation were changed (see the item in the March 1988 issue of the Bulletin). The base year is 1985.

Table 8.6 Source: Ministry of Finance.

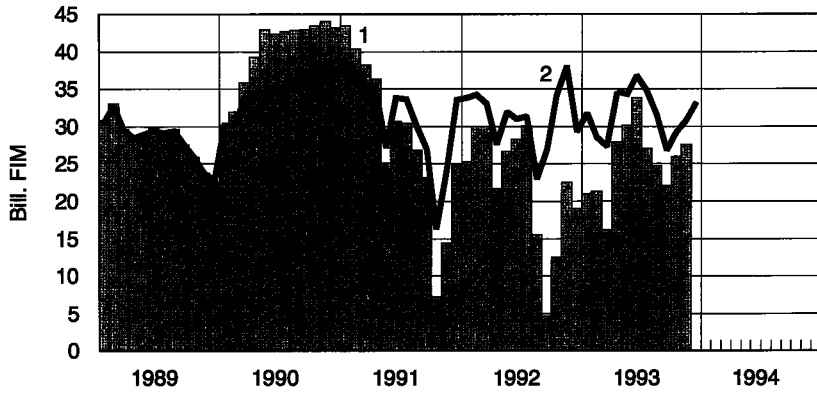
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
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4. Rates of interest applied by the Bank of Finland	S29
5. Banks' liquidity position with the Bank of Finland	S30
6. Liquidity management interest rates	S30
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14. Monthly spot rates for the markka against the Deutschmark and the US dollar	S33
15. Monthly spot rates for the markka against the pound sterling and the Swedish krona	S33
16. Banks' markka lending rates and markka funding rates	S33
17. Bank funding from the public	S34
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29. Employment and the unemployment rate	S39
30. Prices and wages	S39
31. Central government finances	S40
32. Central government debt	S40

1. LONG-TERM INDICATORS



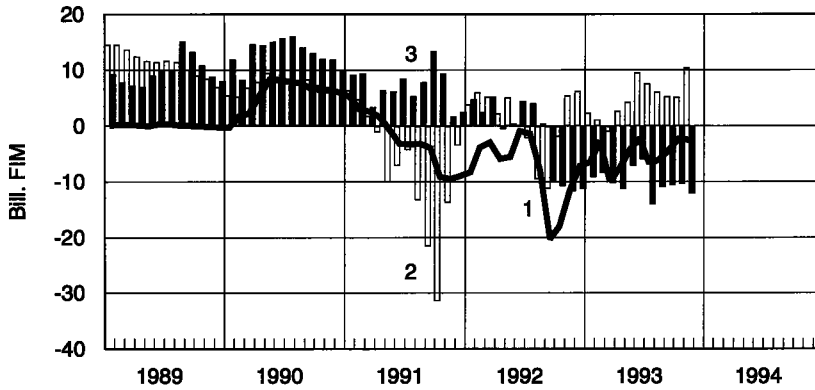
1. GDP change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

2. THE BANK OF FINLAND'S FOREIGN EXCHANGE RESERVES AND FORWARD POSITION



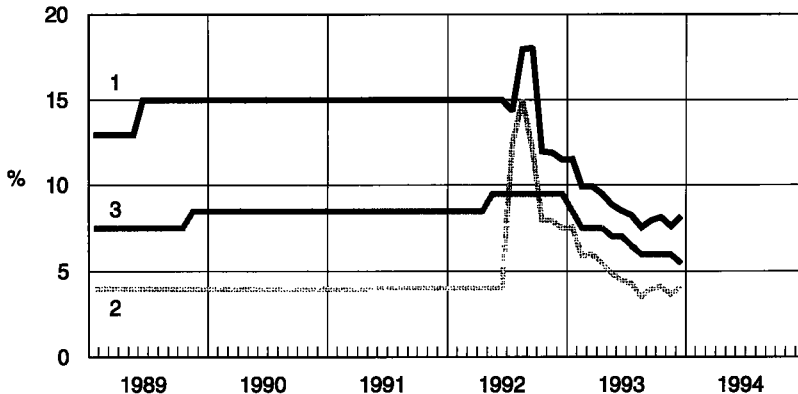
- 1. Foreign exchange reserves plus forward position
- 2. Foreign exchange reserves

3. FORWARD MARKET



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

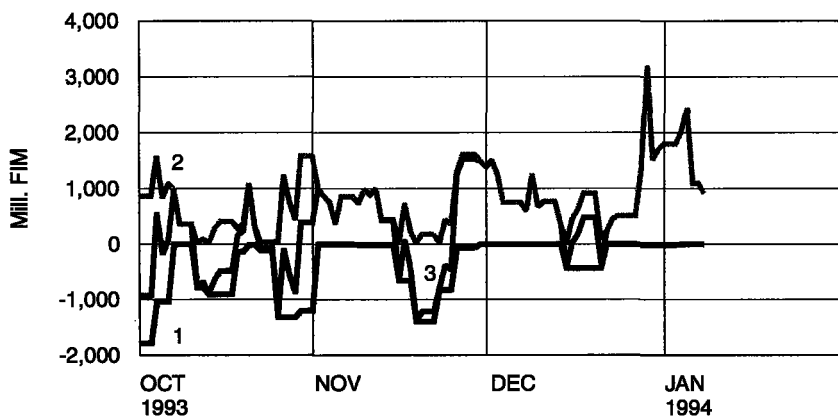
4. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



- 1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
- 2. Call money deposit rate
- 3. Base rate

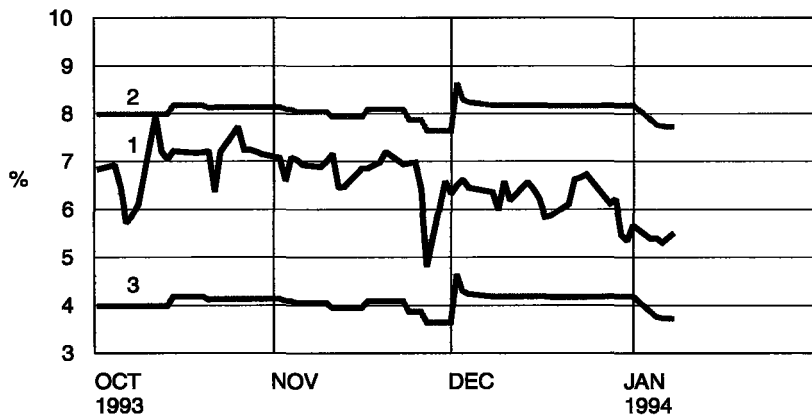
End-of-month observations

5. BANKS' LIQUIDITY POSITION WITH THE BANK OF FINLAND



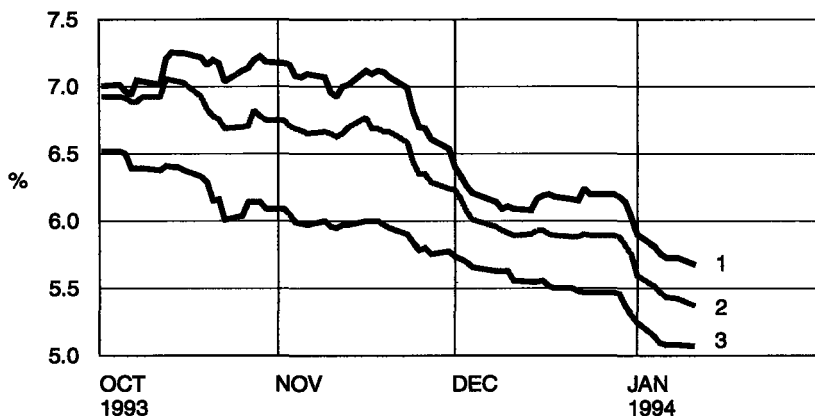
- 1. Liquidity credits (-)
- 2. Call money deposits
- 3. Net

6. LIQUIDITY MANAGEMENT INTEREST RATES



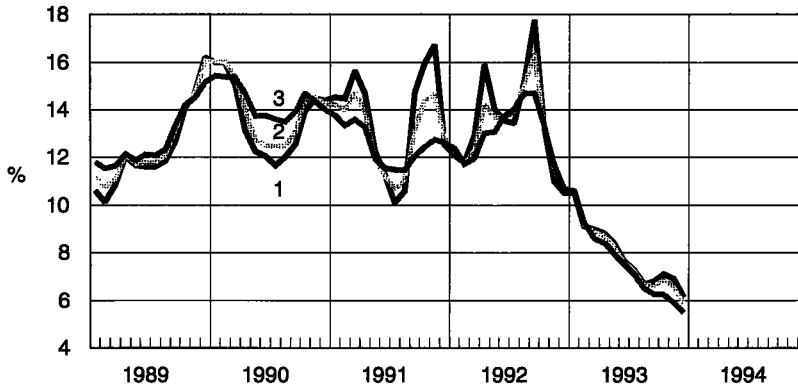
- 1. Inter-bank overnight rate
 - 2. Liquidity credit rate
 - 3. Call money deposit rate
- Daily observations

7. HELIBOR RATES OF INTEREST, DAILY



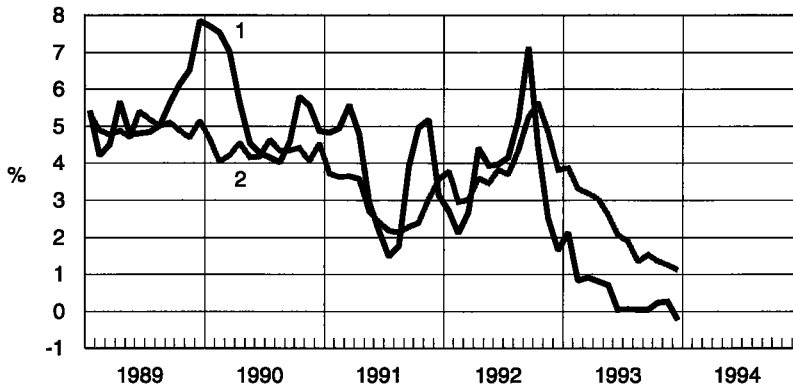
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

8. HELIBOR RATES OF INTEREST, MONTHLY



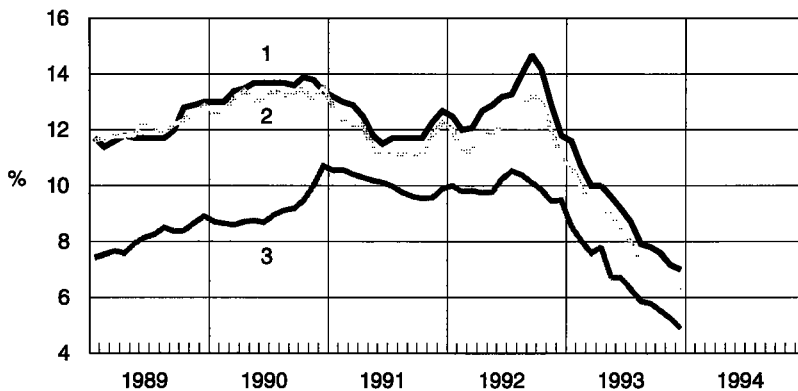
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. DIFFERENTIAL BETWEEN FINNISH AND GERMAN INTEREST RATES



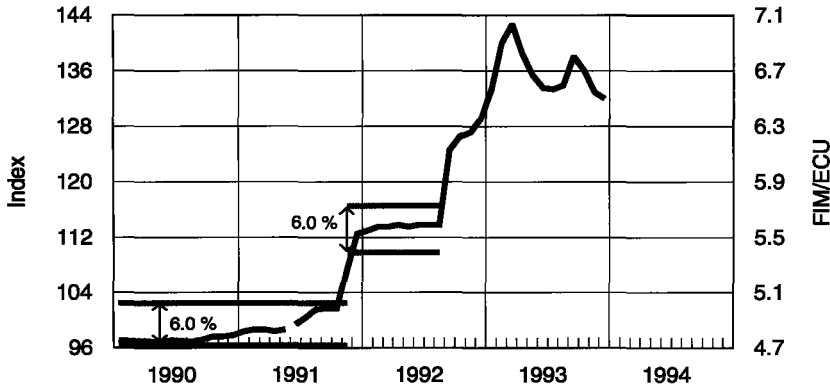
- 1. 3-month HELIBOR *minus* 3-month DEM eurorate
- 2. 5-year Finnish government bond yield *minus* 5-year German government bond yield

10. YIELDS ON BONDS



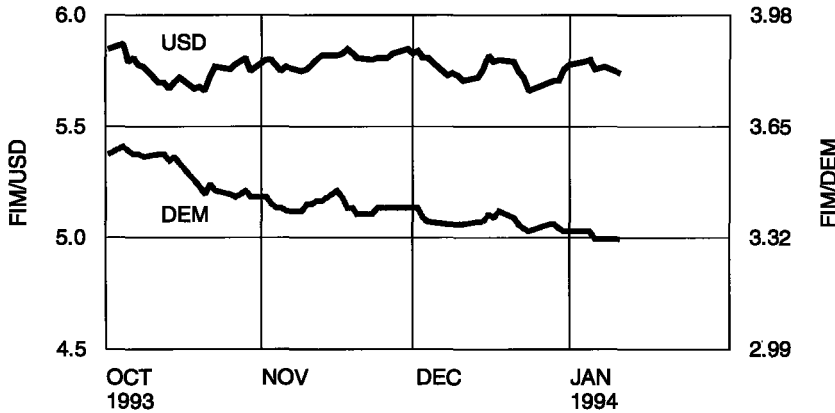
- 1. Bank of Finland's 5-year reference rate
- 2. Until April 1991, yield on (4-5 year) taxable government bonds
Since May 1991, yield on government bond due on 15 March 1996, coupon rate 11.75 per cent
- 3. Yield on (4-5 year) tax-free government bonds

11. BANK OF FINLAND CURRENCY INDEX AND THE MARKKA VALUE OF THE ECU



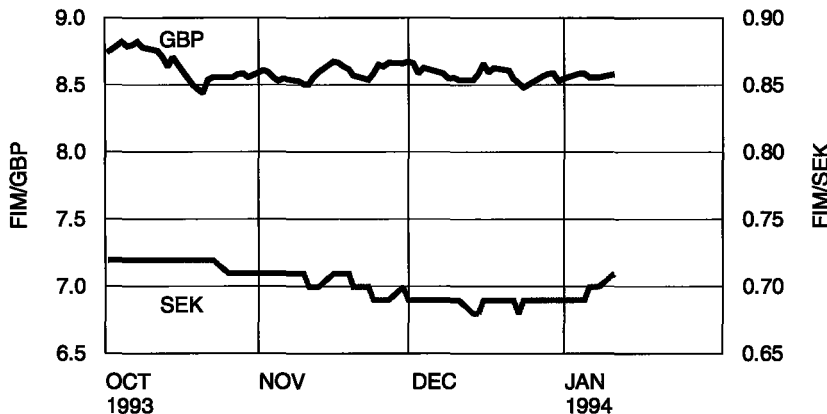
Until 7 June 1991, the Bank of Finland currency index. From 7 June 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953–5.02207 in the period 7 June – 14 November 1991, and 5.39166–5.72516 in the period 15 November 1991 – 7 September 1992. Since 8 September 1992, the limits have been temporarily abandoned.
Monthly averages

12. DAILY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



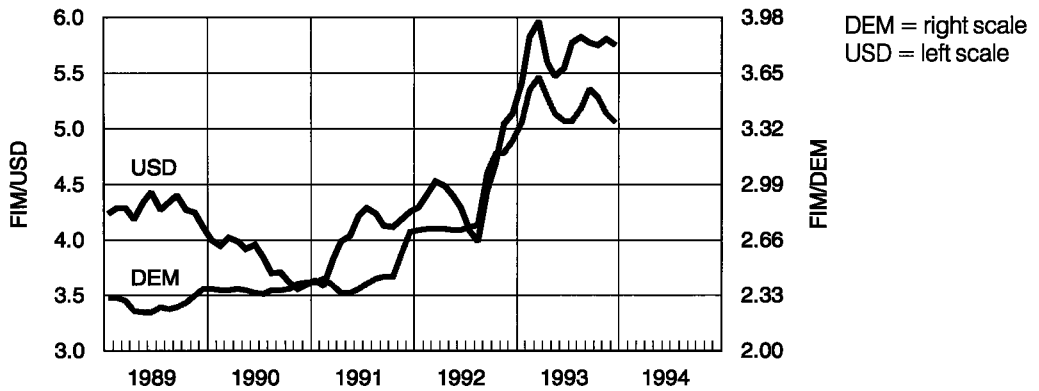
Middle rates
DEM = right scale
USD = left scale

13. DAILY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA

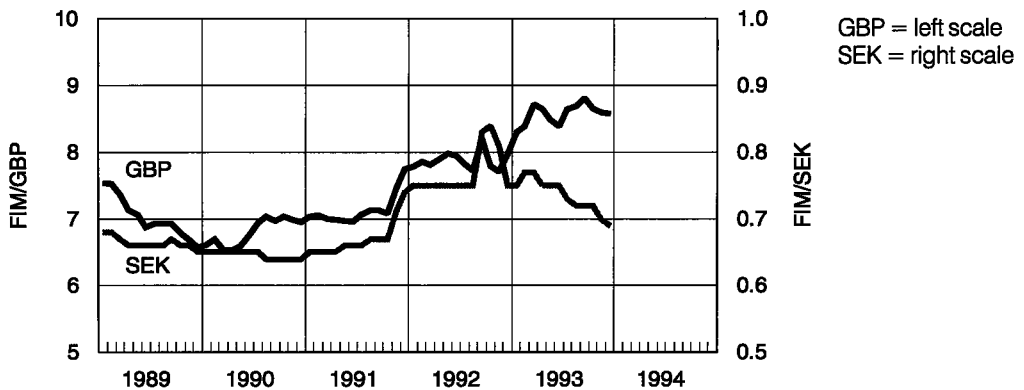


Middle rates
GBP = left scale
SEK = right scale

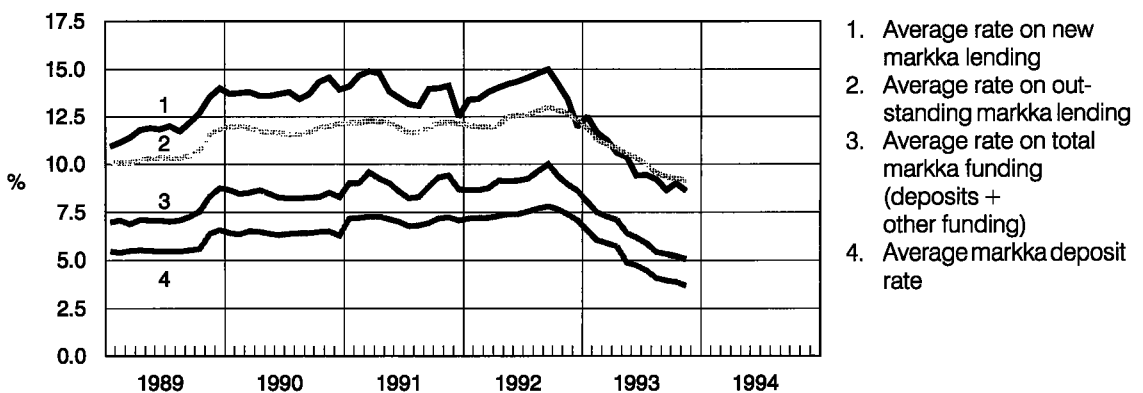
14. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



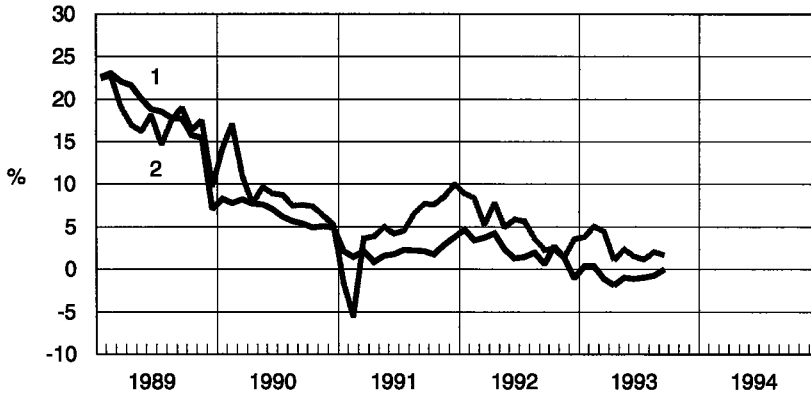
15. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



16. BANKS' MARKKA LENDING RATES AND MARKKA FUNDING RATES



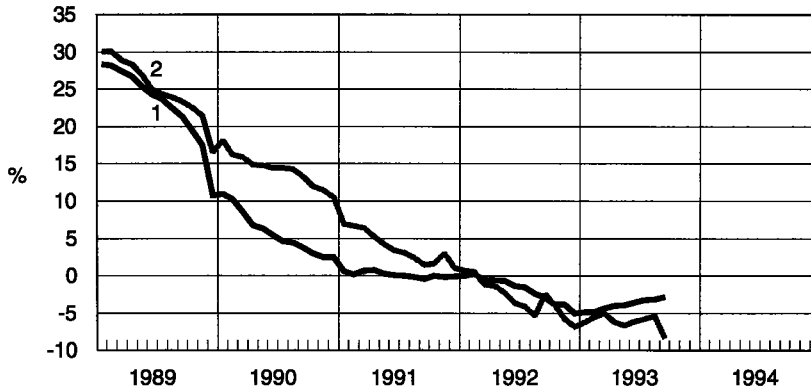
17. BANK FUNDING FROM THE PUBLIC



- 1. Markka deposits
- 2. Total funding

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

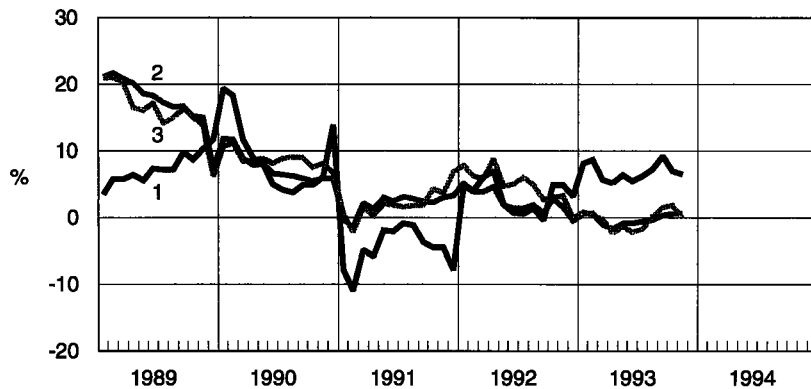
18. BANK LENDING TO THE PUBLIC



- 1. Markka lending
- 2. Total lending

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

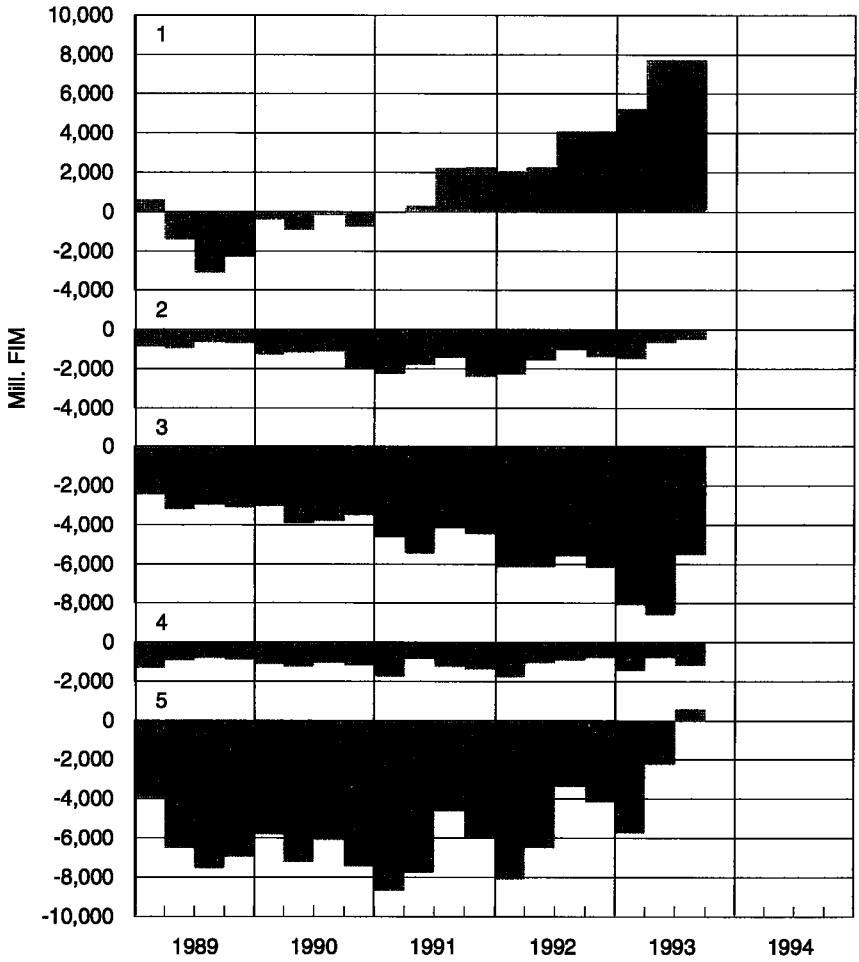
19. MONEY SUPPLY



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

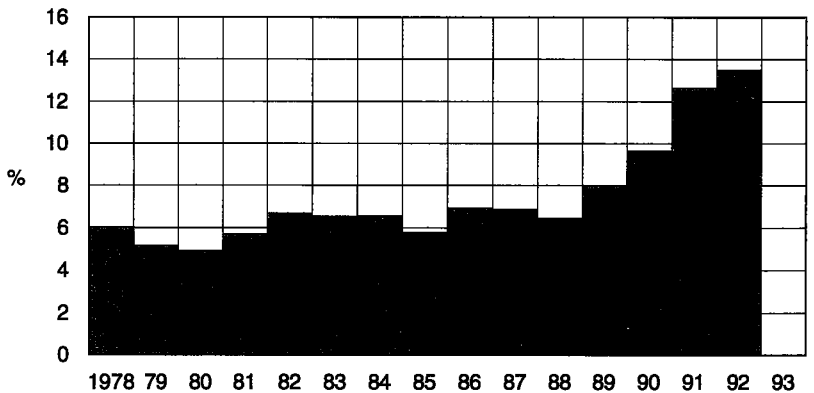
Change from the corresponding month of the previous year, per cent

20. CURRENT ACCOUNT



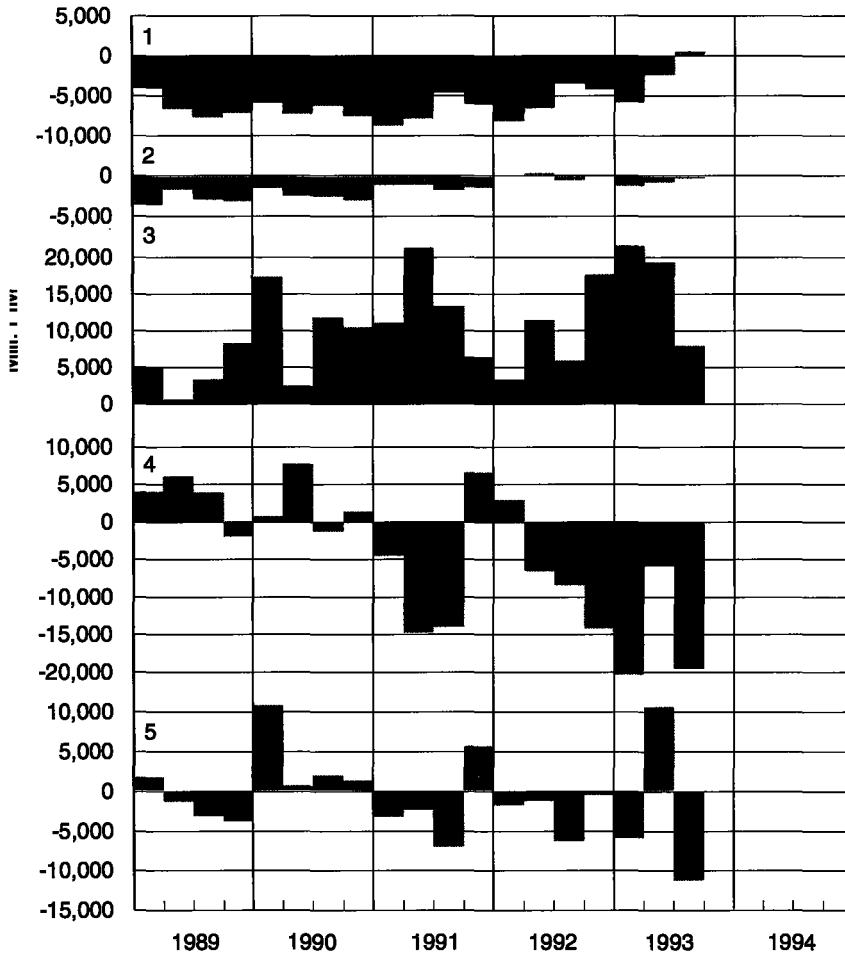
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

21. NET INTEREST AND DIVIDEND EXPENDITURE



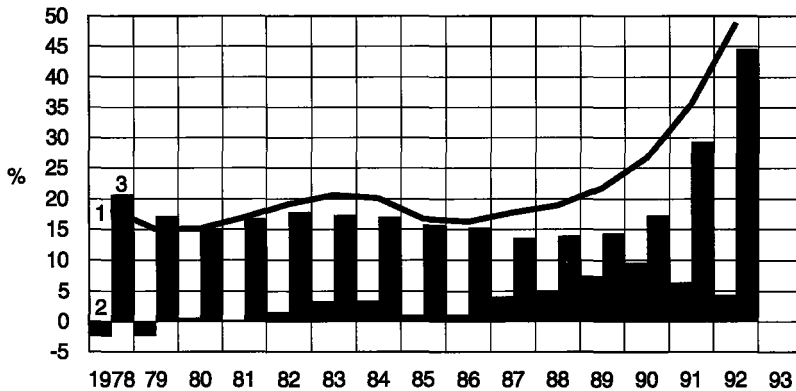
As a percentage of current account receipts

22. BALANCE OF PAYMENTS



1. Current account
2. Direct investment
3. Other long-term capital account
4. Short-term capital account
5. Overall balance = change in the foreign exchange reserves of the Bank of Finland

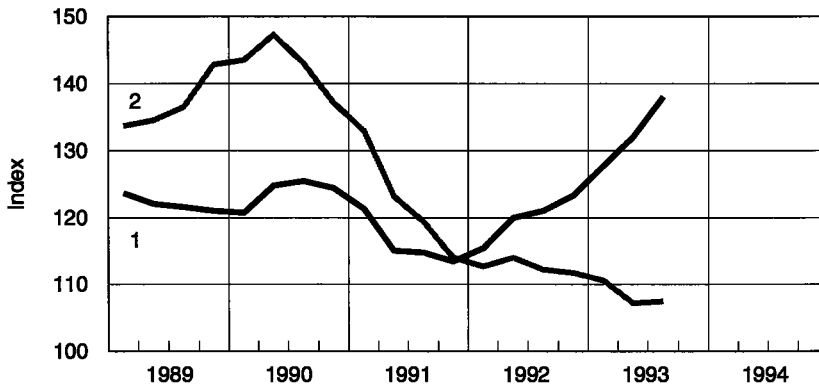
23. FOREIGN DEBT



1. Total foreign net debt
2. Short-term net debt
3. Long-term net debt

As a percentage of GDP

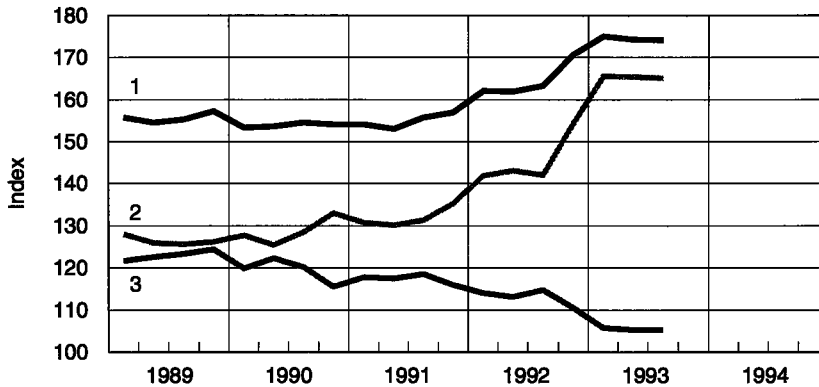
24. FOREIGN TRADE



1. Total exports
2. Total imports

Volume index, 1980 = 100, four-quarter moving average plotted at the last quarter

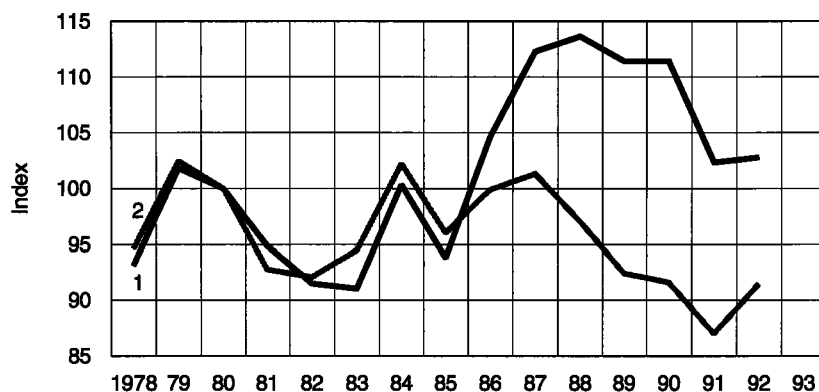
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



1. Unit value index of exports
2. Unit value index of imports
3. Terms of trade

1980 = 100

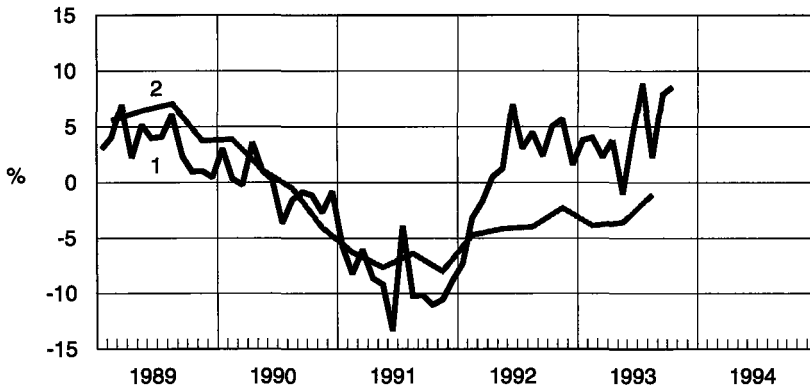
26. FINLAND'S EXPORT PERFORMANCE



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

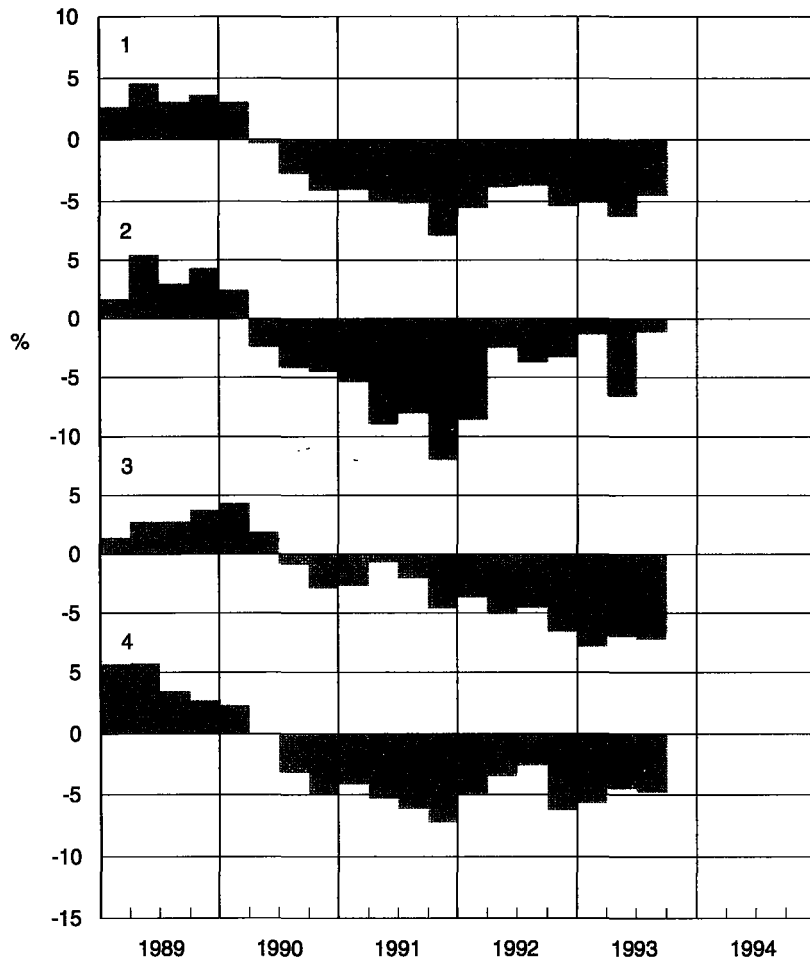
1980 = 100

27. 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

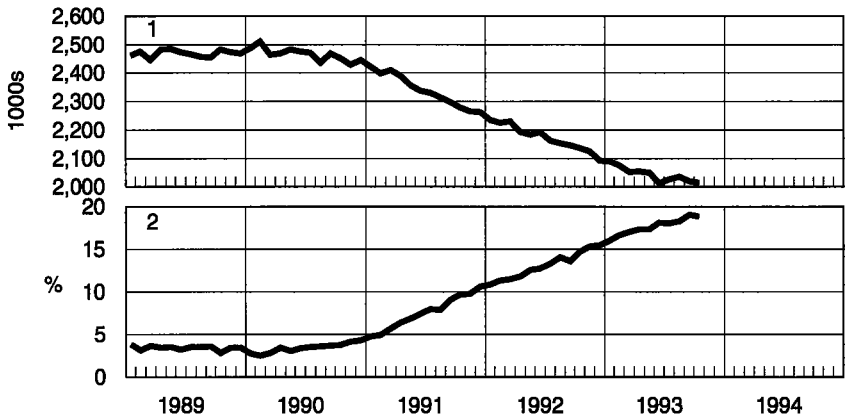
28. FIXED INVESTMENT



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

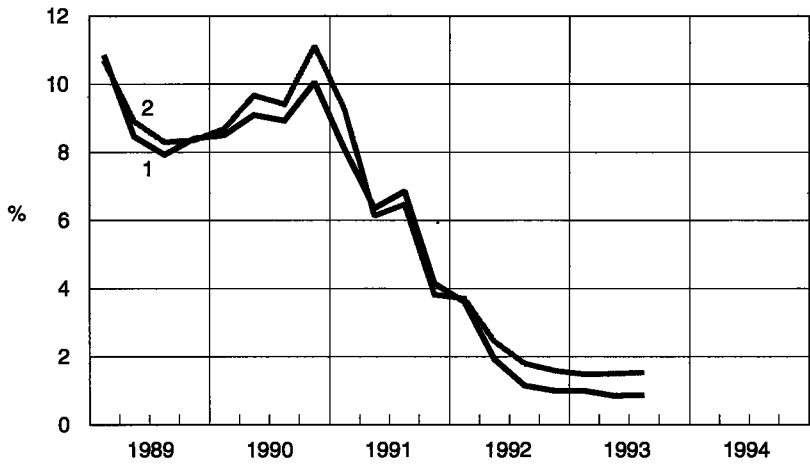
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



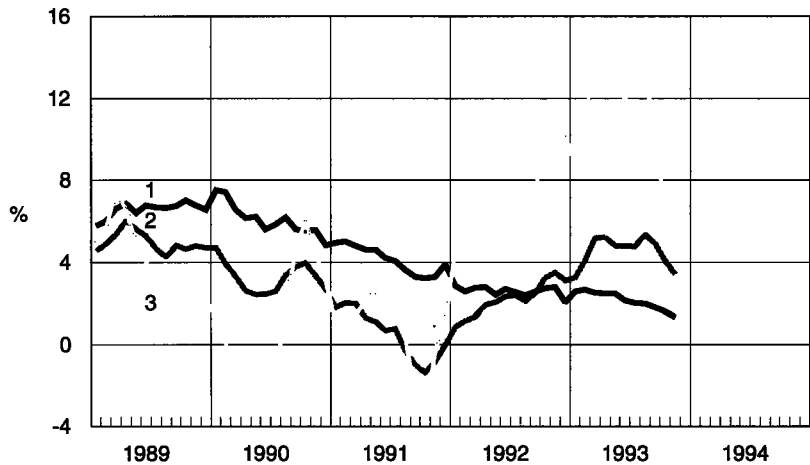
1. Employment, 1000 persons
2. Unemployment rate, per cent

30. PRICES AND WAGES



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

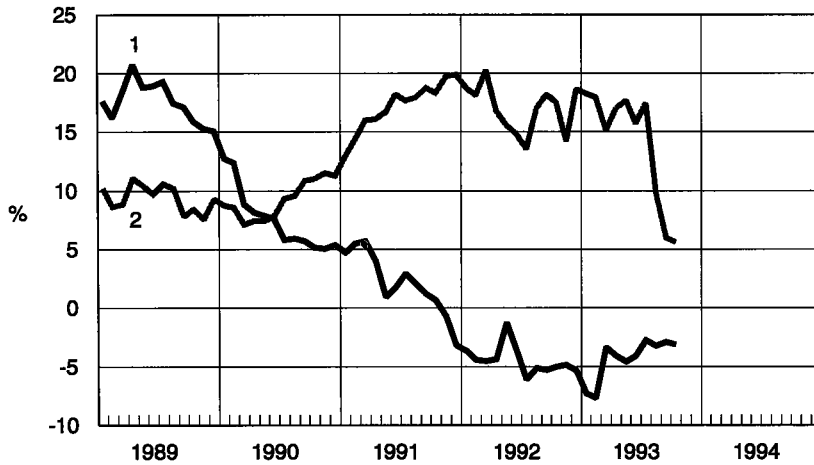
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Wholesale price index
3. Import price index

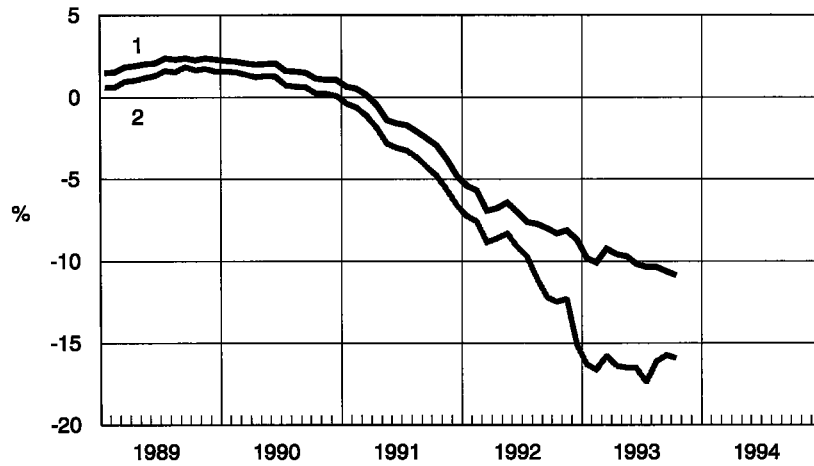
Change from the corresponding month of the previous year, per cent

31. CENTRAL GOVERNMENT FINANCES



1. Revenue excl. borrowing
2. Expenditure excl. redemptions of central government debt

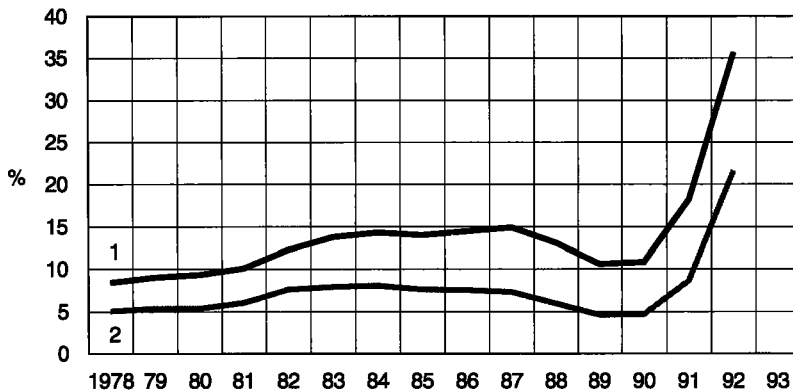
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



1. Revenue surplus (revenue less expenditure excl. financial transactions) (surplus = +)
2. Net borrowing requirement (net borrowing = -)

12-month moving total as a percentage of GDP, plotted at the last month

32. CENTRAL GOVERNMENT DEBT



1. Total debt
2. Of which: foreign currency-denominated debt

As a percentage of GDP

BANK OF FINLAND*

1 January 1994

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* Since 1 October 1993, the Financial Supervision Authority has functioned as an independent body in connection with the Bank of Finland.