



# BULLETIN

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## RECENT ECONOMIC DEVELOPMENTS

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### SIGNS OF RECOVERY

**T**he downturn in the Finnish economy is levelling off and there are clear signs of recovery in the export sector. Both exports and manufacturing output grew rapidly in the first quarter of this year, and these trends are expected to continue. In contrast, domestic demand has continued to decrease and GDP is estimated to have stayed at roughly the same level as in the previous quarter. The financial markets have remained cautious and interest rates are still very high.

The pick-up in exports, which got under way last autumn, gained further momentum in the early months of this year. The volume of merchandise exports in the first quarter was up 8 per cent compared with the same period in 1991 while export prices were just over 3 per cent higher than a year earlier. Exports have grown to all Finland's main trading partners but especially to Germany. Export volumes have increased in all sectors of manufacturing. In the metal and engineering industries, first-quarter exports were 7 per cent higher than a year earlier. At the same time orders for ships, paper mills and machinery have increased. Forest-based exports in the first quarter were up 3 per cent in volume from the corresponding period a year ago. However, the profitability of paper product exports is still weak as a result of the low levels of both capacity utilization and export prices. Thus, while export prices as a whole have risen by over 4 per cent since the devaluation of the markka last November, export prices of paper products have remained unchanged. In March, the terms of trade were 2.5 per cent lower than twelve months earlier.

Underlying the recovery of exports to western markets is the improved price competitiveness of Finnish industry and the supply effects of weak domestic demand and the sharp contraction in trade with Russia. The improvement in price competitiveness is due to the 12 per cent devaluation of the markka and the pay freeze agreed for this year in the incomes policy settlement last November.<sup>1</sup> Measured by relative unit labour costs, the price competitiveness of the Finnish manufacturing industry improved by 5 per cent last year and is estimated to improve by almost another 15 per cent in the current year.

In February, the volume of manufacturing output was some 5 per cent higher than its cyclical trough last October and only marginally below its level a year earlier. In the metal and engineering industries and the forest industries the level of production was already higher than twelve months earlier. Recent surveys of business confidence indicate that manufacturing firms are now distinctly more optimistic about future prospects. This applies particularly to the metal and engineering industries, where orders have been increasing since the last quarter of 1991. In the second quarter of this year, manufacturing output is expected to grow in all sectors, except the building materials industry.

Imports have also begun to pick up, although the volume in the first quarter was still below the level prevailing a year ago. Growth has been concentrated in raw materials and intermediate

products, reflecting the increased orders in manufacturing. Imports of consumer goods have also risen slightly as firms have started to replenish their stocks. But no major increase in imports of consumer goods is expected given the still gloomy outlook for consumer demand. The twelve-month cumulative surplus on the trade account was FIM 7 billion in March, some 1.5 per cent of GDP, and is expected to double by the end of the year, assuming international demand recovers as forecast. A year ago there was a cumulative trade deficit of FIM 1.5 billion. However, the current account deficit is shrinking only slowly owing to interest payments on Finland's sharply higher foreign debt.

### DOMESTIC DEMAND REMAINS DEPRESSED

The upturn in the export sector is expected to be felt in the domestic economy only with a lag, since export firms are likely to use their increased cash flow to strengthen their financial balances. In addition, low levels of capacity utilization and the high cost of finance will keep investment activity subdued in the near term.

The latest indicators show that the recession in the sheltered sectors of the economy is continuing because of the weakness of domestic demand. Private investment is expected to decrease further under the combined impact of firms' poor profitability, high interest rates and falling prices of dwellings and real estate. Weak developments in real income and high unemployment will continue to dampen private consumption, although the downward trend is expected to level off in the course of this year.

<sup>1</sup> See the item in the December 1991 issue of the Bulletin and the article by Olli-Pekka Lehmussaari in the February 1992 issue of the Bulletin.

The overall slack in the economy has further depressed the demand for labour. However, the rise in unemployment has slowed during the first few months of this year. The number of lay-offs has started to fall but long-term unemployment is still rising slightly. The seasonally adjusted unemployment rate has remained fairly stable in recent months and stood at 11.8 per cent in March.

### **INFLATION STILL LOW**

Price stability has not deteriorated in the wake of the November devaluation. This is largely due to the depressed demand conditions in the product and labour markets. The fall in world market prices has also been a contributory factor. Import prices rose by just over 5 per cent from November to March while the terms of trade deteriorated by 1 per cent in the same period. The twelve-month rise in consumer prices accelerated slightly in March to 2.8 per cent.

The depressed level of economic activity has resulted in a rapid increase in the central government budget deficit. The total budget deficit, before financial transactions, is estimated to reach 7 per cent of GDP this year. Local government budget deficits will also grow rapidly this year. To prevent a further increase in the budget deficit the Government announced in April a package of economic measures aimed at cutting government expenditure by a total of FIM 10 billion, or 2 per cent of GDP, in 1993. Many of the cuts will help to curb the growth of spending in subsequent years as well.<sup>2</sup> Ways are also being sought to cut spending in the local government sector.

### **SLOW GROWTH OF LENDING**

The growth of lending has slowed further in the early months of this year. The main reason for the slow growth has

been the subdued demand for credit by the private sector, a reflection of the high level of interest rates, high indebtedness, low profitability and economic uncertainty. However, there have also been forces at work on the supply side in the form of a potential 'credit crunch'. The fall in collateral values and increase in credit losses have made banks more cautious in granting new loans. Moreover, the prospect of further credit losses has increased the risk that banks will have to rein back their lending in order to meet the BIS capital adequacy requirements. The public sector has satisfied its borrowing requirements by increasing capital imports whereas capital imports by the private sector have decreased.

Demand for credit by the corporate sector has risen slightly in recent months, mainly because of increased export orders and a lack of working capital. Given the high level of bank lending rates and low equity values, the corporate sector has covered its borrowing needs through increased issues of bonds and debentures.

The threat of a credit crunch now seems to have largely receded as a result of the recent government support package for the banking sector and the signs of recovery in the open sector. The support package, announced at the end of March, is aimed at strengthening the capital base of the banks and thereby preventing a reduction in credit supply that might jeopardize the economic recovery. The support measures included the setting aside of a sum of FIM 8 billion for investment in banks' core capital, the establishment of the Government Guarantee Fund and an increase in the base rate from 8.5 per cent to 9.5 per cent with effect from May 1, 1992. The base-rate rise was aimed at strengthening bank profitability and reducing the gap between market interest rates and lending rates linked to the base rate.<sup>3</sup>

### **FINANCIAL MARKETS CAUTIOUS**

Market sentiment has remained cautious throughout the winter and early spring, and interest rates have stayed at a high level. Worries about the sustainability of the budget deficit, the problems of the banking sector and uncertainty about the Government's economic policy in general have made the situation vulnerable to speculative attacks. After the devaluation in November, short-term interest rates fell sharply, and three-month HELIBOR reached 11.5 per cent in February. The interest rate differential in relation to the market ECU interest rate narrowed to 1 percentage point, but that proved to be unsustainable. The gap started to widen again as foreign investors began to sell their markka-denominated bonds, partly in response to prevailing interest rates.

The uncertainty came to a head in early April. It was preceded by a lowering in the credit ratings of the commercial banks, by a report by the IMF on the Finnish economy – which was leaked to the press – calling for prompt action to cut the budget deficit and by nervousness caused by the public row between the Government and the Bank of Finland. One-month HELIBOR climbed to 20 per cent and private capital totalling FIM 10 billion left the country. To calm the markets, on April 5, the Government announced its economic policy package – referred to above – for cutting spending. At the same time, the Bank of Finland agreed on support arrangements for the markka with the central banks of three Nordic countries, Denmark, Norway and Sweden, as well as with the Bundesbank.

The markets subsequently calmed down and the capital outflow was stemmed. Short-term interest rates moved lower and settled around 14 per cent and were still at this level in early May. The Bank of Finland has allowed interest rates to stay at a relatively high level in order to attract foreign capital back to Finland. The Bank of Finland's

<sup>2</sup> See the item in the April 1992 issue of the Bulletin.

<sup>3</sup> See the item in the April 1992 issue of the Bulletin.

foreign exchange reserves had recovered somewhat by the end of April.

The goal of the Bank of Finland is to preserve the stability of the currency band. A further devaluation is not warranted on economic grounds; it would only deepen the recession in the domestic economy, prolong uncertainty and keep interest rates high. Accordingly, the Bank has allowed interest rates to fluctuate

widely in response to capital flows.

Other measures designed to improve the efficiency of the economy, the state of public finances and the credibility of the fixed exchange rate policy include the introduction of new competition legislation, the reform of the state-aid system for the funding of the local government sector, and the adoption of a simple majority procedure for

the enactment of laws on government spending cuts. In addition, capital taxation will be reformed and the restrictions on foreigners' rights to own shares in Finnish companies will be removed.

May 11, 1992

# DEVELOPMENTS IN BANK PROFITABILITY

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## ECONOMIC SETTING

In Finland, as in other countries, the deregulation of the financial markets and the economic boom in the latter half of the 1980s had a significant impact on the growth and structure of banks' balance sheets. At the beginning of 1986, the combined balance sheet of all the banking groups totalled some FIM 360 billion; at the end of 1991, it totalled FIM 800 billion. Similarly, bank lending to the public grew nearly two and a half times during the same period.

The decline in the relative importance of markka lending in banks' balance sheets was primarily due to the growth of foreign currency items. However, the unleashing of the demand for credit that had built up during the period of regulation also led to considerably faster growth in markka lending than in markka deposit-taking in the latter half of the 1980s. Consequently, the banks had to fund a large proportion of their markka lending in the money market. Funds were readily available because the inflow of capital from abroad, attracted by a substantial interest rate differential, increased liquidity and certificates of deposit developed into a flexible funding instrument.

The surge in the demand for credit was the outcome not only of deregulation but also of lax fiscal policy during the economic boom, the generous tax deduction allowed for interest payments on loans, a marked improvement in the terms of trade and low market interest rates up until summer 1989. Moreover, the criteria applied by banks in their lending were eased and loans were granted to new categories of customers

and for riskier purposes. The result was a rapid increase in the indebtedness of households and particularly of companies in the sheltered sectors of the economy.

With the deregulation and increasingly efficient functioning of the money market, the capital market also began to develop in the mid-1980s. Besides the deregulation of lending, this was due, inter alia, to higher levels of wealth and income, increased holdings of liquid assets by companies and a rapid rise in the value of assets, which further enhanced their attractiveness as investments. The banks participated in these developments by liberally extending credit for investment in shares and real estate and by making similar investments on their own account.

After the economic upswing and the rise in indebtedness peaked and monetary policy was tightened, prices of shares and real estate started to decline in mid-1989. At the same time, bank profitability, which had benefited from the earlier rise in share and real estate prices, began to weaken. The tighter monetary conditions further squeezed bank profits by way of high market interest rates and credit losses also started to grow.

The economic recession in western countries, the weakened competitiveness of Finnish firms and the collapse of exports to the Soviet Union, coupled with more stringent economic policy, cooled the overheated Finnish economy at the beginning of the 1990s. As the economy adjusted to over-indebtedness and a worsening outlook for demand in 1991, domestic demand plummeted, unemployment rose to

record highs and Finland entered a deep recession. As the incomes of households and firms decreased, their ability to service debt weakened, with serious implications for the banks.

Indeed, not all firms and households have been able to meet their interest and debt repayment obligations. The amount of non-performing loans has increased rapidly, placing a strain on banks' income from financial operations. The debt-servicing problems have also caused a sharp rise in the number of business failures and consequently in banks' credit losses.

## BANKS' INCOME IN 1991

Last year was a difficult one for Finnish deposit banks. The problems of firms and households were reflected not only in the banks' rapidly mounting credit losses but also in a steep fall in collateral values. The sharp rise in credit losses was partly the result of a change in accounting standards which brought them closer in line with international practice. Bank profitability was weakened not only by credit losses but also by the withholding tax on interest income introduced at the beginning of 1991, which increased bank funding costs as taxable deposits became more prevalent.

The combined pre-tax losses (i.e. losses before extraordinary items, appropriations and taxes) of the deposit banks were FIM 4.9 billion in 1991. In the previous year, the banks had still recorded pre-tax profits of FIM 2.4 billion, and thus their financial results worsened by FIM 7.3 billion in 1991 as compared to 1990 (Table 1). The largest pre-tax losses were recorded by Skopbank (FIM 3.3 billion) and Kansallis-

TABLE 1. FINNISH DEPOSIT BANKS:  
SUMMARY INCOME STATEMENT AND TOTAL  
ASSETS, 1988 - 91, BILL. FIM

Year	1988	1989	1990	1991
Income from financial operations	13.2	14.0	16.5	15.2
Other income	9.3	10.4	10.1	10.3
Total income	22.5	24.4	26.5	25.5
Expenses	14.0	16.5	17.9	18.7
Credit and guarantee losses	1.1	1.8	2.5	7.6
Operating profit	7.3	6.1	6.1	-0.8
Depreciation	2.5	2.9	3.7	4.0
Profit before extraordinary items, appropriations and taxes	4.8	3.2	2.4	-4.9
Net income	2.5	0.8	1.6	-6.6
Total assets	645.1	741.7	790.5	799.5

TABLE 2. FINNISH DEPOSIT BANKS:  
PROFIT BEFORE EXTRAORDINARY ITEMS,  
APPROPRIATIONS AND TAXES, 1988 - 91, BILL. FIM

Year	1988	1989	1990	1991
Commercial banks	3.5	2.2	1.0	-5.2
Savings banks	0.6	0.5	0.6	-0.5
Cooperative banks	0.7	0.5	0.8	0.8
Total	4.8	3.2	2.4	-4.9

Osake-Pankki (FIM 1.6 billion), both the result of special factors.

The massive pre-tax loss reported by Skopbank was mainly explained by credit losses of FIM 2.6 billion. The bank's situation became so precarious in the beginning of autumn 1991 that the Bank of Finland decided to step in and take control of the entire group. The restructuring of the group was expedited and, with the support of the Bank of Finland, the largest risk exposures, which had burdened the financial results, were removed from Skopbank's balance sheet. The transfer of shares and risk exposures related to Oy Tampella Ab were recorded as extraordinary expenditure of FIM 3.8 billion.

The special factors responsible for the sharp decline in the profitability of the Kansallis-Osake-Pankki group were related to, first, certain domestic share deals carried out a few years earlier and, second, the bankruptcy of a London investment bank. These gave rise to credit losses of FIM 270 million and FIM 122 million, respectively.

For the year as a whole, foreign exchange dealing showed a loss of FIM 131 million (compared with a gain of FIM 318 million in the previous year) and the value of shareholdings in the associate company Securus was written down by FIM 400 million. In addition, a change in the accounting treatment of interest earned on non-performing loans reduced the group's net interest income by FIM 420 million.

The deposit banks' combined pre-tax loss in 1991 is shown in Table 2 broken down according to the main bank groupings. The losses of Skopbank and Kansallis-Osake-Pankki are included in the figure for the commercial banks. The savings banks had a combined loss last year of FIM 0.5 billion. The main reason for the poor performance was an increase in credit losses from FIM 0.4 billion to FIM 1.1 billion. The cooperative banks recorded a combined profit of FIM 0.8 billion for 1991, i.e. the same as for the previous year.

The total income of the deposit banks declined by 4 per

cent from the previous year, while expenses (incl. credit and guarantee losses) increased by 29 per cent. The decline in income was mainly the result of an 8 per cent drop in income from financial operations, as compared with 1990. The decline in income from financial operations, in turn, was largely due to the marked increase in the amount of non-performing loans. Firms and households were not able to meet all of their debt-service obligations. Altogether, non-performing loans and guarantees amounted to FIM 42 billion at the end of 1991.

Credit and guarantee losses more than tripled from the previous year, amounting to FIM 7.6 billion in 1991. Prior to 1991, Finnish banks generally recorded credit losses only when they were known with certainty to be uncollectable. Last year, debts considered unlikely to be recoverable were also written off. The deposit banks' credit and guarantee losses were distributed as follows: commercial banks FIM 6.1 billion, savings banks FIM 1.1 billion and cooperative banks FIM 0.4 billion (Table 3). Skopbank (FIM 2.6 billion) and Kansallis-Osake-Pankki (FIM 1.3 billion) accounted for the bulk of the commercial banks' losses. Credit and guarantee losses amounted to 1.55 per cent of the deposit banks' total outstanding loans last year; the corresponding figure for 1990 was 0.51 per cent.

Thus, overall, bank profitability, as measured by return on equity, has weakened drastically in recent years. Only the cooperative banks have been able to maintain a reasonable level of profitability. The combined return on equity for all deposit banks was negative last year (Table 4). The profitability of the deposit banks is more or less the same if it is measured in terms of return on assets.

Although the poor performance and increased credit losses of the deposit banks have eroded the capital ratios of many banks, even the hardest-hit banking groups (Skopbank and Kansallis-Osake-Pankki) met the

TABLE 3. FINNISH DEPOSIT BANKS:  
CREDIT LOSSES, 1988-91, BILL. FIM

Year	1988	1989	1990	1991
Commercial banks	0.9	1.5	1.9	6.1
% of total lending	0.34	0.51	0.58	1.84
Savings banks	0.1	0.1	0.4	1.1
% of total lending	0.13	0.18	0.49	1.37
Cooperative banks	0.1	0.1	0.2	0.4
% of total lending	0.23	0.21	0.24	0.52
Total	1.1	1.8	2.5	7.6
% of total lending	0.29	0.41	0.51	1.55

TABLE 4. FINNISH DEPOSIT BANKS:  
RETURN ON EQUITY, 1988-91, %

Year	1988	1989	1990	1991
Commercial banks	10.2	4.5	0.1	-15.3
Savings banks	12.0	6.8	7.4	-7.6
Cooperative banks	16.4	9.8	11.4	10.1
Total	11.1	5.4	2.4	-10.8

BIS capital adequacy requirements at the end of 1991. In order to maintain Skopbank's capital at an adequate level and pave the way for a restoration of profitable operations, it was necessary in the latter part of the year to remove its largest risk exposures and inject additional capital into the parent bank. The capital injection was achieved through a FIM 2 billion share issue, which was taken up by Scopulus Oy, a holding company owned by the Bank of Finland.

### **BANK PROFITABILITY TO REMAIN POOR**

As measured by total output, the performance of the Finnish economy will remain unsatisfactory in 1992, even though the recession has probably bottomed out. Because of the marked improvement in the price competitiveness of industry, conditions in the open sector have begun to improve. Exports are expected to pick up appreciably this year, which will gradually bring about an economic recovery. However, the downward trend in domestic demand is likely to continue at least this year.

Because of the weakness of the economy, the profitability of banks is expected to remain

poor in 1992. All the banks seem likely to continue to suffer from credit losses and problem loans that do not generate interest income. Debt-servicing difficulties are likely to persist, especially among households and firms in the sheltered sectors. For this reason, credit losses will probably surpass the level reached in 1991 and net interest income may shrink because of the growing number of non-performing loans.

The financial troubles of the banks could prompt them to cut back on lending in an effort to reduce their balance sheets so as to meet capital adequacy requirements. Because financial intermediation in Finland is dominated by banks, a sharp cutback in bank lending would deepen and prolong the economic recession. This, in turn, could further exacerbate the banks' problems.

To avert the threat of a 'credit crunch' of the kind described above, the state is to make direct injections of capital into banks. Perpetuals are considered to be the most appropriate instrument for this purpose as they qualify for inclusion in banks' core capital. The scheme covers all banks and is essentially a pre-emptive

measure. The size of the capital investment made in any one bank will not depend on the bank's financial position but rather on the scale of its banking activities. If all deposit banks were to request such investments by the central government, the total capital infusion would amount to FIM 8 billion at most.

In addition, the banks' narrow interest rate margin – which to some extent is a gradually disappearing remnant of the era of regulation – was widened by raising the interest rates on low-interest loans tied to Bank of Finland's base rate to a maximum of 12 per cent. This was achieved by raising the base rate by one percentage point and amending the tax relief law so that interest rates payable on tax-exempt deposits did not rise. The measures decided upon will increase the banks' net interest income by some FIM 1 billion in a year.

Certain categories of loans containing an interest subsidy element will be partially guaranteed by the central government, thus reducing the banks' own capital requirement, and the tax relief law will be extended to cover deposits made in 1993.

Further, both the restrictions on foreigners' ownership rights and stamp duty, as it applies to securities trading, are to be removed as soon as possible.

The aim of these measures is to ensure that the banks can continue to operate effectively without having to cut back their balance sheets until the resumption of economic growth brings about an improvement in bank profitability. In order to ensure the stability of deposit banking and secure depositors' claims, the Government Guarantee Fund has been established to operate alongside the banks' own guarantee funds. The Government Guarantee Fund will help banks that fall into difficulty, whenever such support is judged necessary to secure stability in the financial markets.

May 11, 1992



**SUPPLEMENTARY BUDGET**

The first supplementary budget for 1992 was approved by Parliament in late April. It provides for an increase in budgeted central government expenditure of FIM 9.3 billion, which is 5.4 per cent of total expenditure in the ordinary budget for 1992. Most of the new outlays are related to the financial support package for the banking sector.<sup>1</sup> A sum of FIM 8 billion has been set aside for investment in banks' core capital in order to avert a potential 'credit crunch' caused by banks' actual and prospective credit losses. The other appropriations consist mainly of investments in construction and procurements by the central government, various employment-promoting measures and statutory outlays.

Practically the whole of the increase in expenditure is to be covered by borrowing. Central government net borrowing (excl. extra-budgetary funds) has been increased by FIM 9.2 billion in the supplementary budget. In the ordinary budget the net borrowing requirement was about FIM 34.6 billion. Now the maximum borrowing powers have been set at FIM 65 billion in gross terms and FIM 45 billion in net terms. This implies a net borrowing requirement for the whole central government sector (incl. extra-budgetary funds) of more than FIM 50 billion in 1992, around 10 per cent of GDP.

<sup>1</sup> See the item in the April 1992 issue of the Bulletin.

**NEW 5 MARKKAA COIN**

A 5 markkaa coin belonging to the new series of Finnish coins was put into circulation in April 1992. The coin, bearing the date 1992, was specially minted in commemoration of Finland's 75th anniversary of independence, which will be celebrated in December this year. The issue comprises 800 000 pieces. The profit from the issue will be used for the protection of the Saimaa seal.

The 5 markkaa coin is the third in the series featuring motifs taken from nature and designed by Antti Neuvonen; new 10 penniä and 50 penniä coins were issued in November 1990. The obverse of the 5 markkaa coin depicts a Saimaa seal and a common gull, the reverse a blue damner and a water lily. The diameter of the gold-coloured coin is 24.5 mm and the weight 4.5 g.

# MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM JUNE 1991 TO MAY 1992

1991

## JUNE

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 5.8 per cent to 5.5 per cent of the cash reserve base at end-May 1991.

### **Finnish Markka linked to the European Currency Unit (ECU).**

On the basis of a proposal by the Bank of Finland, the Government decides on June 4, 1991 to present a bill to Parliament providing for the amendment of section 2 of the Currency Act. By the amendment, which is approved on June 7, the markka is unilaterally linked to the EC's official accounting and currency unit, the European Currency Unit (ECU), from June 7, 1991.

The amendment does not involve any change in the fluctuation range of the markka. The new fluctuation margins and the midpoint are set so as to correspond with the fluctuation margins and midpoint applied to the old currency index. The midpoint is defined on the basis of the exchange rates confirmed by the EC on June 6, 1991 at 3.15 pm (Finnish time). The new midpoint is 4.87580 (FIM/ECU). The markka may fluctuate within margins of 3 per cent on either side of the midpoint, i.e. between FIM 4.72953 and FIM 5.02207.

### **Foreign Exchange**

**Regulations.** The Bank of Finland decides to rescind all controls on the raising of loans abroad by private individuals and comparable corporate entities as from October 1, 1991. This measure completes the abolition of exchange control in Finland.

## JULY

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 5.5 per cent to 5.2 per cent of the cash reserve base at end-June 1991.

## AUGUST

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 5.2 per cent to 4.9 per cent of the cash reserve base at end-July 1991.

## SEPTEMBER

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.9 per cent to 4.6 per cent of the cash reserve base at end-August 1991.

**Skopbank.** On September 19, 1991, the Bank of Finland decides to take control of Skopbank so as to restore confidence in the bank's activities and states that it will ensure Skopbank's solvency and liquidity under all circumstances.

## OCTOBER

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.6 per cent to 4.3 per cent of the cash reserve base at end-September 1991.

**Call money credit rate.** On October 23, 1991, the Bank of Finland temporarily ceases to apply the 30 per cent penalty rate on call money credit.

**The Bank of Finland's borrowing powers.** On October 25, 1991, the Parliamentary Supervisory Board decides to raise the Bank's foreign

borrowing powers from USD 1.5 billion to USD 5 billion; the previous borrowing powers dated from 1980.

## NOVEMBER

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.3 per cent to 4.0 per cent of the cash reserve base at end-October 1991.

**Call money credit rate.** On November 8, 1991, the Bank of Finland reinstates the 30 per cent penalty rate on call money credit.

On November 14, 1991, the Parliamentary Supervisory Board of the Bank of Finland extends the powers of the Bank of Finland to set interest rates. The maximum call money credit rate is raised from 30 per cent to 50 per cent. The Bank of Finland raises the interest rate on call money credit from 15 per cent to 20 per cent, implying a penalty rate of 40 per cent. On November 19, 1991, the Bank of Finland lowers the interest rate on call money credit to 15 per cent again, implying a 30 per cent penalty rate.

### **Devaluation of the markka.**

On November 14, 1991, the Bank of Finland decides to allow the markka's exchange rate to float temporarily. The next day, November 15, the Government decides, on the basis of a proposal by the Parliamentary Supervisory Board, to raise the limits of the markka's fluctuation range against the ECU by 14 per cent, implying a 12.3 per cent fall in the external value of the markka. The new midpoint is 5.55841 (FIM/ECU) and the limits are 5.39166 and 5.72516.

**Till-money credits.** The Bank of Finland revises the base amounts, the share of banks'

till-money holdings which is not financed by the Bank of Finland under the till-money credit arrangement. The combined total of base amounts is kept unchanged in proportion to currency in circulation with the public. Owing to a reduction in currency in circulation with the public, the combined total of the banks' base amounts falls by FIM 49 million and amounts to FIM 1 194 million as from the last business day in November.

1992

## JANUARY

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.0 per cent to 3.7 per cent of the cash reserve base at end-December.

## APRIL

### **Interest on cash reserve**

**deposits.** As part of the financial support package for the banking sector, the Parliamentary Supervisory Board raises the rate of interest payable on the banks' cash reserve deposits at the Bank of Finland by one percentage point with effect from April 1, 1992. The new rate is 3-month HELIBOR less two percentage points, not however less than 8 per cent.

**Call money credit rate.** On April 5, 1992, the Parliamentary Supervisory Board extends the powers of the Bank of Finland to set interest rates. The maximum call money credit rate is raised from 50 per cent to 80 per cent.

### **The Government Guarantee**

**Fund.** The law establishing the Government Guarantee Fund is approved by Parliament on April 30. The purpose of the fund is to help ensure the stability of deposit banking and secure depositors' claims. The fund is authorized to use up to FIM 20 billion for these purposes. Decisions on possible support measures by the fund are taken by the representatives of the Ministry of Finance, the Banking Supervision Office and the Bank of Finland on the board of the fund.

## MAY

**Base rate.** As part of the financial support package for the banking sector, the Parliamentary Supervisory Board raises the Bank of Finland's base rate by one percentage point to 9.5 per cent with effect from May 1, 1992. As a result of this decision, the banks are allowed to raise the rate of interest on loans that are tied to the base rate by one percentage point, but the Bank of Finland recommends that the rise should not be applied to rates that are already 12 per cent or more. Owing to an amendment to the law on the tax relief of deposits and bonds, the base-rate rise does not apply to interest rates on tax-exempt deposits.

## FINLAND IN BRIEF

### LAND, CLIMATE AND POPULATION

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

Finland has a population of 5 029 300 (Jan. 1, 1992) and an average population density of 16.5 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 497 400 inhabitants, Espoo (Esbo) 175 700, Tampere (Tammerfors) 174 150, Turku (Åbo) 159 500 and Vantaa (Vanda) 157 450.

There are two official languages: 93.5 % 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 December 6, 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, March 1, 1988 to March 1, 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 12 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 pursues a policy of neutrality in foreign affairs. 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 and the Council of Europe in 1989.

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.** The Finnish economy is essentially based on private enterprise, with over 80 % of manufacturing output and some 90 % of banking services produced by private companies. Of the gross domestic product of FIM 458 billion in basic values in 1990, 3 % was generated in agriculture and fishing, 3 % in forestry, 23 % in industry, 9 % in construction, 11 % in trade, restaurants

and hotels, 8 % in transport and communications, 5 % in finance and insurance, 20 % in other private services and 18 % by producers of government services. Of total employment of 2.3 million persons in 1991, 8 % were engaged in primary production, 29 % in industry and construction and 63% in services.

In 1991, expenditure on the gross domestic product in purchasers' values amounted to FIM 510 billion and was distributed as follows: net exports -0.5 % (exports 21.6 %, imports -22.1 %), gross fixed capital formation 23 %, private consumption 54 % and government consumption 24 %. Finland's gross tax ratio (gross taxes in relation to GDP) was 37 % and the net tax ratio (net taxes in relation to GDP) 20 %, which is about the average for OECD 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 4.3 % in 1990-89. Finland's GDP per capita in 1991 was USD 25 100.

**Foreign trade.** OECD countries absorb the bulk of Finnish merchandise exports. In 1987-91, their share was, on average, 76.6 per cent, of which the share of EC countries was 45.5 percentage points and that of EFTA countries 20.8 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union) accounted for 14.1 per cent and the rest of the world for 9.3 per cent. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1991, the share of forest industry products in total merchandise exports was 40 %, the share of metal and engineering products 41 % and the share of other goods 19 %. Raw materials and intermediate goods (incl. crude oil) accounted for 56 % of merchandise imports, fuels for 4 %, investment goods for 16 % and consumption goods for 24 %.

**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 43 million cubic metres in 1991.

**Energy.** In 1990, gross consumption of primary energy amounted to 31 Mtoe, of which industry accounted for

46 %, heating for 21 %, transportation for 14 % and other purposes for 19 %. The sources of primary energy in 1988 were as follows: oil 30 %, coal 12 %, nuclear power 14 %, hydro-electric power, peat and other indigenous sources 29 %, others 15 %. Compared internationally (1989), 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 40 %, 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 November 1, 1977 to June 7, 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 November 30, 1988 the range was 6 percentage points). Since June 7, 1991, the markka has been 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 4.87580 (FIM/ECU). Since the devaluation of the markka on November 15, 1991, the midpoint has been 5.55841 and the fluctuation limits FIM 5.39166 and FIM 5.72516, where the lower limit means the highest permissible value for the markka and the upper limit the lowest permissible value. Under the Currency Act, the fluctuations limits are set by the Government on the proposal of the Bank of Finland.

**International payments.** Though the use of the markka in foreign trade and as a eurocurrency has increased, most international payments are effected in other currencies. Finland adopted Article VIII status at the International Monetary Fund in 1979.

The remaining exchange controls were dismantled as from October 1, 1991.

The foreign exchange operations of financial institutions are still controlled through the issue of licences. Authorized banks may freely engage in the full range of foreign exchange activities; financial institutions which have been granted a licence to engage in foreign exchange activity are entitled to carry on a limited range of foreign exchange activities. The purpose of the licensing requirement is merely to facilitate the monitoring of financial institutions' risks by the Bank of Finland.

With effect from January 1, 1991, trade and payments between Finland and the Soviet Union were put on a convertible currency basis and the special restrictions on payments to and from the Soviet Union were rescinded.

**The Central Bank.** The Bank of Finland (Suomen Pankki - Finland's 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, determination of the external value of the currency within the fluctuation limits, direct lending and permits for international capital transactions. 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 9 branch offices in other towns.

**Other banks** (Dec. 31, 1991). Finland has three major groups of deposit

banks with a total of more than 3 000 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 32 foreign branches, subsidiaries and associate banks and 27 representative offices abroad. There are 86 savings banks and 328 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 733 billion in outstanding domestic credit at the end of 1990, 64 % was provided by deposit banks, 3 % by private mortgage banks, 16 % by insurance companies, 4 % by other private credit institutions, 4 % by public financial institutions and 8 % 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, 81 % of the instruments, which totalled approximately FIM 150 billion at end-1991, 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 65 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 64 billion (at end-1991). Four foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1991 totalled FIM 145 billion; government bonds made up 24 % of the total. Turnover on the Stock Exchange in 1991 amounted to FIM 8 billion; the share of shares and subscription rights in the total was approximately 82 %.



# Visiting Scholars Programme

BANK OF FINLAND

**T**he Bank of Finland welcomes applications from foreign scholars for a post available to academic visitors.

A visiting scholar would be expected to conduct research on a subject relevant to the field of monetary / financial economics and policy, as agreed between the applicant and the Research Department. The results of the research could be presented in a report, publishable in the Bank's series; the scholar would also be expected to participate in the exchange of comments and advice among researchers working at the Bank.

The department is willing to consider both short and long-term (up to one year) visits. Normally, only one scholar could be received at any one time.

Remuneration for visiting scholars will be determined on the basis of the research experience of the selected applicant.

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

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





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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

	1991		1992		
	Dec. 31	April 8	April 15	April 23	April 30
<b>ASSETS</b>					
<b>Gold and foreign currency claims</b>	33 662	23 797	27 434	27 146	27 688
Gold	2 180	2 180	2 180	2 180	2 180
Special drawing rights	932	1 189	1 200	1 204	1 199
IMF reserve tranche	1 136	1 253	1 264	1 268	1 242
Convertible currencies	29 381	19 152	22 768	22 472	23 045
Tied currencies	34	24	23	23	22
<b>Other foreign claims</b>	2 690	2 532	2 528	2 529	2 546
Markka subscription to Finland's IMF quota	2 260	2 185	2 185	2 185	2 205
Term credit	430	347	343	344	341
<b>Claims on financial institutions</b>	17 413	17 190	16 081	16 546	17 122
Call money credits	—	8 217	282	1	0
Certificates of deposit	9 157	2 720	5 304	6 061	6 242
Securities with repurchase commitments	2 725	814	5 064	5 064	5 064
Till-money credits	3 528	3 521	3 521	3 521	3 917
Bonds	1 765	1 681	1 673	1 661	1 661
Other claims on financial institutions	238	238	238	238	238
<b>Claims on the public sector</b>	1 375	1 386	1 387	1 387	1 387
Bonds	3	3	3	3	3
Total coinage	1 372	1 383	1 384	1 384	1 384
<b>Claims on corporations</b>	1 288	1 192	1 197	1 190	1 180
Financing of domestic deliveries (KTR)	879	793	788	782	772
Bonds: KTR credits	207	196	196	195	195
Bonds: Other	2	2	2	2	2
Other claims on corporations	201	201	211	211	211
<b>Other assets</b>	2 916	11 602	11 601	11 601	13 131
Loans for stabilizing the money market	1 730	11 457	11 457	11 457	12 982
Accrued items	1 034	—	—	—	—
Other assets	153	145	144	144	149
<b>Total</b>	<b>59 346</b>	<b>57 698</b>	<b>60 229</b>	<b>60 399</b>	<b>63 054</b>
<b>LIABILITIES</b>					
Foreign currency liabilities	46	89	79	67	66
Convertible currencies	45	88	77	66	64
Tied currencies	1	1	1	1	1
<b>Other foreign liabilities</b>	3 102	3 058	3 066	3 069	3 086
IMF markka accounts	2 260	2 185	2 185	2 185	2 205
Allocations of special drawing rights	843	873	881	884	880
<b>Notes and coin in circulation</b>	14 528	13 951	14 068	13 926	13 822
Notes	13 306	12 747	12 850	12 710	12 603
Coin	1 222	1 204	1 217	1 216	1 219
<b>Certificates of deposit</b>	8 880	12 410	15 000	14 990	16 450
<b>Liabilities to financial institutions</b>	12 567	9 787	9 794	10 491	11 853
Call money deposits	2 206	3	10	707	1 997
Cash reserve deposits	10 361	9 783	9 783	9 783	9 856
Other liabilities to financial institutions	0	1	1	1	0
<b>Liabilities to the public sector</b>	3	4	5	4	4
Cheque accounts	—	—	—	—	—
Other liabilities to the public sector	3	4	5	4	4
<b>Liabilities to corporations</b>	7 057	5 398	5 219	4 769	4 726
Deposits for investment and ship purchase	7 057	5 398	5 219	4 769	4 726
Other liabilities to corporations	—	—	—	—	—
<b>Other liabilities</b>	1 682	104	99	99	96
Accrued items	1 584	—	—	—	—
Other liabilities	98	104	99	99	96
<b>Valuation account and reserves</b>	5 715	7 132	7 137	7 219	7 187
<b>Capital accounts</b>	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	—	—	—	—	—
<b>Total</b>	<b>59 346</b>	<b>57 698</b>	<b>60 229</b>	<b>60 399</b>	<b>63 054</b>

## 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 liabilities (11-10)
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1987</b>	2 128	899	793	23 571	27 391	1 212	28 604	1 131	29 735	977	901	-76
<b>1988</b>	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
<b>1989</b>	2 179	966	950	18 780	22 875	-564	22 312	440	22 752	1 137	5 325	4 188
<b>1990</b>	2 180	791	783	33 451	37 205	-882	36 324	-364	35 960	1 314	1 321	7
<b>1991</b>	2 180	932	1 136	29 336	33 584	33	33 616	-412	33 204	1 375	3	-1 372
<b>1991</b>												
<b>April</b>	2 180	945	1 065	30 681	34 871	-260	34 611	-386	34 225	1 388	3	-1 385
<b>May</b>	2 180	833	1 091	23 154	27 258	-17	27 241	-387	26 854	1 405	4	-1 401
<b>June</b>	2 180	1 021	1 115	29 588	33 904	29	33 933	-394	33 539	1 411	4	-1 407
<b>July</b>	2 180	853	1 111	29 535	33 679	56	33 734	-399	33 335	1 391	4	-1 387
<b>Aug.</b>	2 180	875	1 086	25 966	30 107	55	30 161	-401	29 760	1 382	3	-1 379
<b>Sept.</b>	2 180	863	1 142	22 743	26 928	49	26 976	-400	26 576	1 398	3	-1 395
<b>Oct.</b>	2 180	868	1 145	12 242	16 435	42	16 478	-404	16 074	1 375	3	-1 372
<b>Nov.</b>	2 180	954	1 193	19 868	24 195	38	24 231	-419	23 812	1 388	3	-1 385
<b>Dec.</b>	2 180	932	1 136	29 336	33 584	33	33 616	-412	33 204	1 375	3	-1 372
<b>1992</b>												
<b>Jan.</b>	2 180	946	1 234	29 512	33 872	30	33 901	-482	33 419	1 379	4	-1 375
<b>Feb.</b>	2 180	1 070	1 232	29 834	34 316	27	34 343	-490	33 853	1 382	4	-1 378
<b>March</b>	2 180	1 198	1 201	28 522	33 101	24	33 124	-532	32 592	1 383	4	-1 379
<b>April</b>	2 180	1 199	1 242	22 981	27 602	21	27 622	-540	27 082	1 387	4	-1 383

End of period	Domestic financial sector					Corporate sector					
	Term claims on deposit banks	Call money claims on deposit banks, net	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other liabilities to 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
<b>1987</b>	-	-757	10 941	2 730	-2 350	-6 618	3 449	4 782	-1 333	9 990	4 970
<b>1988</b>	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
<b>1989</b>	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	-
<b>1990</b>	9 411	-418	17 401	3 427	-2 317	-2 664	1 477	9 724	-8 247	14 555	-
<b>1991</b>	11 882	-2 206	10 361	3 528	-2 003	4 846	1 086	6 854	-5 768	14 528	8 880
<b>1991</b>											
<b>April</b>	11 193	-441	15 845	3 429	-2 169	505	1 336	8 587	-7 251	13 244	3 280
<b>May</b>	16 252	1 282	14 700	3 442	-2 181	8 457	1 310	8 076	-6 766	14 405	2 380
<b>June</b>	12 715	-1 996	14 161	3 786	-2 164	2 508	1 273	8 190	-6 917	13 973	2 850
<b>July</b>	10 515	-1 877	13 546	3 740	-2 127	959	1 236	8 074	-6 838	13 840	1 090
<b>Aug.</b>	12 159	-1 078	12 707	3 631	-2 133	4 138	1 212	7 993	-6 781	13 614	370
<b>Sept.</b>	13 289	285	11 842	3 542	-2 105	7 379	1 172	7 973	-6 801	13 621	610
<b>Oct.</b>	13 587	13 383	11 047	3 471	-2 066	21 460	1 143	7 896	-6 753	13 500	4 090
<b>Nov.</b>	20 743	-1 580	10 276	3 519	-2 064	14 470	1 120	7 457	-6 337	13 490	6 650
<b>Dec.</b>	11 882	-2 206	10 361	3 528	-2 003	4 846	1 086	6 854	-5 768	14 528	8 880
<b>1992</b>											
<b>Jan.</b>	7 136	-651	9 928	3 806	-1 947	2 310	1 053	5 974	-4 921	13 323	10 640
<b>Feb.</b>	2 982	468	9 891	3 869	-1 935	-637	1 030	5 535	-4 505	13 271	11 110
<b>March</b>	3 508	-219	9 783	3 521	-1 925	-1 048	995	5 287	-4 292	14 243	13 030
<b>April</b>	11 306	-1 997	9 856	3 917	-1 899	5 269	967	4 513	-3 546	13 822	16 450

## 2. THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD MARKET

### 2.1 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE CALL MONEY MARKET, MILL.FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Impact on liquidity (1-2-3)	Call money credits	Call money deposits	Total net change (4+5-6)
	1	2	3	4	5	6	7
<b>1987</b>	1 263	23 658	-17 520	-4 875	-6 818	626	-12 319
<b>1988</b>	13 840	19 190	-16 850	11 500	463	-629	12 592
<b>1989</b>	131 110	3 855	99 245	28 010	-425	441	27 144
<b>1990</b>	163 326	26 379	160 797	-23 850	-38	-151	-23 737
<b>1991</b>	109 568	30 380	81 969	-2 781	-	1 788	-4 569
<b>1991</b>							
<b>April</b>	13 060	1 200	8 990	2 870	-752	39	2 079
<b>May</b>	12 670	1 180	7 950	3 540	1 366	-357	5 263
<b>June</b>	9 603	2 980	9 493	-2 870	-1 305	1 973	-6 148
<b>July</b>	6 865	160	7 366	-661	-71	-190	-542
<b>Aug.</b>	11 430	280	7 380	3 770	21	-778	4 569
<b>Sept.</b>	11 670	680	10 360	630	277	-1 086	1 993
<b>Oct.</b>	15 350	6 710	8 990	-350	13 086	-12	12 748
<b>Nov.</b>	9 850	6 340	7 020	-3 510	-13 371	1 592	-18 473
<b>Dec.</b>	2 430	6 660	2 260	-6 490	-13	613	-7 116
<b>1992</b>							
<b>Jan.</b>	2 000	7 790	-80	-5 710	3	-1 552	-4 155
<b>Feb.</b>	1 710	8 460	1 170	-7 920	476	-643	-6 801
<b>March</b>	2 000	9 420	-5 290	-2 130	-466	221	-2 817
<b>April</b>	11 310	17 310	-9 200	3 200	-13	1 765	1 422

## 2.2 FORWARD EXCHANGE MARKET, MILL.FIM

End of period	Banks' forward positions with					
	Domestic companies		Net (1-2)	Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks				
	1	2	3	4	5	6
<b>1987</b>	21 671	1 158	20 513	-233	-1 287	18 994
<b>1988</b>	16 488	1 543	14 946	9 086	-377	23 654
<b>1989</b>	<u>10 531</u>	<u>3 563</u>	<u>6 967</u>	<u>8 031</u>	<u>205</u>	<u>15 204</u>
<b>1990</b>	11 609	4 979	6 631	10 100	-6 098	10 633
<b>1991</b>	33 004	36 352	-3 348	2 550	8 953	8 155
<b>1991</b>						
<b>March</b>	13 919	12 231	1 688	3 336	-2 593	2 431
<b>April</b>	14 088	15 045	-957	6 496	-1 568	3 971
<b>May</b>	15 130	25 075	-9 945	6 181	663	-3 101
<b>June</b>	16 144	23 123	-6 980	8 500	3 159	4 679
<b>July</b>	16 228	20 422	-4 194	5 350	3 257	4 413
<b>Aug.</b>	16 961	30 053	-13 092	7 757	3 187	-2 148
<b>Sept.</b>	17 020	38 496	-21 477	13 454	3 947	-4 076
<b>Oct.</b>	22 174	53 395	-31 222	9 433	9 034	-12 755
<b>Nov.</b>	37 546	51 191	-13 645	1 551	9 601	-2 493
<b>Dec.</b>	33 004	36 352	-3 348	2 550	8 953	8 155
<b>1992</b>						
<b>Jan.</b>	31 732	27 973	3 759	4 673	8 276	16 708
<b>Feb.</b>	31 502	25 516	5 987	2 441	3 774	12 202
<b>March</b>	27 850	22 720	5 130	5 216	2 937	13 283

## 2.3 BANKS' CENTRAL BANK POSITION, MILL.FIM

Average of daily observations	Call money credits	Bank CDs held by the Bank of Finland	Gross debt to the Bank of Finland (1+2)	Call money deposits	Holdings of CDs issued by the Bank of Finland	Cash reserve deposits	Gross claim on the Bank of Finland (4+5+6)	Net position (3-7)
	1	2	3	4	5	6	7	8
<b>1987</b>	481	1 581	2 062	703	4 705	10 092	15 501	-13 439
<b>1988</b>	128	2 190	2 319	621	5 044	15 159	20 824	-18 505
<b>1989</b>	373	15 146	15 519	403	465	23 035	23 903	-8 384
<b>1990</b>	142	24 056	24 198	790	1 924	23 406	26 120	-1 922
<b>1991</b>	936	12 293	13 229	868	2 728	14 154	17 749	-4 520
<b>1991</b>								
<b>April</b>	49	12 235	12 284	999	3 288	15 743	20 030	-7 746
<b>May</b>	148	11 837	11 985	1 319	2 504	15 808	19 631	-7 645
<b>June</b>	535	15 926	16 461	2 332	2 469	14 646	19 447	-2 986
<b>July</b>	34	10 038	10 073	1 132	1 856	14 142	17 130	-7 057
<b>Aug.</b>	24	10 002	10 026	865	683	13 492	15 040	-5 014
<b>Sept.</b>	219	14 983	15 202	418	412	12 678	13 508	1 694
<b>Oct.</b>	5 126	12 287	17 413	405	2 094	11 817	14 316	3 098
<b>Nov.</b>	4 422	20 294	24 716	429	4 043	10 996	15 468	9 248
<b>Dec.</b>	36	15 685	15 721	743	10 325	10 279	21 347	-5 626
<b>1992</b>								
<b>Jan.</b>	33	9 212	9 246	937	9 728	10 347	21 012	-11 766
<b>Feb.</b>	50	4 521	4 571	548	10 951	9 925	21 424	-16 853
<b>March</b>	88	3 923	4 011	366	10 794	9 888	21 047	-17 036
<b>April</b>	1 064	8 904	9 968	989	13 706	9 785	24 480	-14 512

### 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			Cash reserve requirement	
		1 month	3 months	6 months	12 months	Call money credit rate	Call money deposit rate	Base rate	Ordinary	Additional (average)
	1	2	3	4	5	6	7	8	9	10
<b>1987</b>	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8	.
<b>1988</b>	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63	6.5	.
<b>1989</b>	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67	8.0	0.5
<b>1990</b>	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50	7.9	.
<b>1991</b>	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50	5.3	.
<b>1991</b>										
<b>April</b>	16.33	14.69	13.97	13.52	13.28	15.00	4.00	8.50	6.2	.
<b>May</b>	13.12	12.25	11.98	11.94	11.95	15.00	4.00	8.50	5.8	.
<b>June</b>	13.45	11.29	11.25	11.41	11.56	15.00	4.00	8.50	5.5	.
<b>July</b>	9.48	10.09	10.69	11.19	11.52	15.00	4.00	8.50	5.2	.
<b>Aug.</b>	10.20	10.62	11.09	11.28	11.50	15.00	4.00	8.50	4.9	.
<b>Sept.</b>	19.84	14.80	13.20	12.45	12.07	15.00	4.00	8.50	4.6	.
<b>Oct.</b>	15.72	15.95	14.38	13.01	12.46	15.00	4.00	8.50	4.3	.
<b>Nov.</b>	20.94	16.75	14.66	13.25	12.77	16.23	4.00	8.50	4.0	.
<b>Dec.</b>	10.89	12.55	12.78	12.71	12.63	15.00	4.00	8.50	4.0	.
<b>1992</b>										
<b>Jan.</b>	11.41	12.09	12.26	12.33	12.39	15.00	4.00	8.50	3.7	.
<b>Feb.</b>	10.74	11.78	11.74	11.74	11.75	15.00	4.00	8.50	3.7	.
<b>March</b>	14.27	12.95	12.38	12.08	11.99	15.00	4.00	8.50	3.7	.
<b>April</b>	17.24	15.94	14.21	13.38	13.04	15.00	4.00	8.50	3.7	.

#### 3.2 WEIGHTED EURORATES AND COMMERCIAL

ECU INTEREST RATE, PER CENT

Average of daily observations	ECU	3 currencies	14 currencies	Commercial ECU
	1	2	3	4
<b>1987</b>	7.0	5.6	8.0	7.1
<b>1988</b>	6.9	6.0	8.0	6.9
<b>1989</b>	9.3	8.4	9.9	9.3
<b>1990</b>	10.5	9.1	10.9	10.4
<b>1991</b>	10.1	8.5	9.9	9.9
<b>1991</b>				
<b>April</b>	10.1	8.6	10.1	9.4
<b>May</b>	9.9	8.4	9.8	9.7
<b>June</b>	9.9	8.4	9.6	10.1
<b>July</b>	10.0	8.5	9.6	10.0
<b>Aug.</b>	10.0	8.4	9.6	9.9
<b>Sept.</b>	9.8	8.3	9.4	9.8
<b>Oct.</b>	9.9	8.3	9.5	9.9
<b>Nov.</b>	10.0	8.2	9.5	10.0
<b>Dec.</b>	10.4	8.2	10.1	10.6
<b>1992</b>				
<b>Jan.</b>	10.2	8.0	9.8	10.4
<b>Feb.</b>	10.2	8.1	9.7	10.3
<b>March</b>	10.3	8.2	9.7	10.2
<b>April</b>	10.3	8.2	9.7	10.2

#### 3.3 COVERED EURODOLLAR RATE,

PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
<b>1987</b>	9.8	9.9	9.9	10.1
<b>1988</b>	9.5	9.8	9.9	10.2
<b>1989</b>	11.8	12.1	12.1	12.1
<b>1990</b>	13.2	13.7	13.9	14.1
<b>1991</b>	13.5	13.0	12.6	12.4
<b>1991</b>				
<b>April</b>	14.5	13.8	13.3	13.0
<b>May</b>	12.1	11.9	11.9	11.8
<b>June</b>	11.7	11.7	11.5	11.6
<b>July</b>	10.3	11.0	11.4	11.6
<b>Aug.</b>	11.1	10.9	11.3	11.5
<b>Sept.</b>	14.9	13.4	12.5	12.0
<b>Oct.</b>	15.7	14.4	13.0	12.3
<b>Nov.</b>	16.3	14.3	13.1	12.6
<b>Dec.</b>	11.9	12.4	12.3	12.3
<b>1992</b>				
<b>Jan.</b>	11.7	12.0	12.0	12.1
<b>Feb.</b>	11.5	11.5	11.5	11.5
<b>March</b>	12.8	12.2	11.9	11.8
<b>April</b>	15.4	14.1	13.4	13.1

### 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 <sup>1</sup>	Other tax-exempt deposits, max. rate of interest <sup>1</sup>	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	
<b>1987</b>	10.50	12.31	10.01	10.62	8.99	8.91	7.00	2.75	4.47	10.13	5.29
<b>1988</b>	10.22	12.27	10.50	10.72	9.88	9.74	8.00	3.75	5.24	9.80	6.20
<b>1989</b>	12.97	13.47	11.58	12.07	10.56	10.40	7.50	4.50	5.67	11.92	7.37
<b>1990</b>	13.24	15.62	13.33	13.85	11.84	11.61	7.50	4.50	6.43	13.55	8.41
<b>1991</b>	13.63	15.88	13.40	13.84	12.08	11.80	7.50	4.50	7.10	13.22	8.97
<b>1991</b>											
<b>March</b>	14.99	16.45	14.44	14.91	12.31	12.16	7.50	4.50	7.29	15.07	9.62
<b>April</b>	15.85	16.45	14.17	14.80	12.25	11.99	7.50	4.50	7.29	13.93	9.26
<b>May</b>	15.50	15.05	13.37	13.85	12.20	11.96	7.50	4.50	7.14	13.25	9.03
<b>June</b>	13.98	15.55	13.02	13.54	11.91	11.56	7.50	4.50	7.05	12.35	8.61
<b>July</b>	12.00	15.54	12.80	13.19	11.67	11.28	7.50	4.50	6.79	11.69	8.21
<b>Aug.</b>	12.54	15.35	12.70	13.09	11.70	11.38	7.50	4.50	6.82	11.73	8.29
<b>Sept.</b>	12.81	15.74	13.78	13.96	11.96	11.76	7.50	4.50	6.95	12.95	8.87
<b>Oct.</b>	12.48	16.07	13.83	14.01	12.19	11.96	7.50	4.50	7.18	13.63	9.36
<b>Nov.</b>	14.19	16.29	13.71	14.16	12.21	11.87	7.50	4.50	7.24	13.63	9.41
<b>Dec.</b>	10.15	15.25	12.35	12.51	12.15	11.79	7.50	4.50	7.08	12.63	8.71
<b>1992</b>											
<b>Jan.</b>	12.52	15.42	13.14	13.41	12.06	11.76	7.50	4.50	7.19	12.29	8.66
<b>Feb.</b>	13.79	15.58	12.96	13.47	12.00	11.76	7.50	4.50	7.21	12.15	8.67
<b>March</b>	14.21	15.73	13.36	13.81	11.97	11.70	7.50	4.50	7.23	12.32	8.77

<sup>1</sup> End of period.

### 3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market yields							Offer yield on taxable public issues
	Reference rates calculated by the Bank of Finland		Taxable government bonds	Taxable public issues	Issued by:		Tax-free public issues	
	3 years	5 years			Financial institutions	Corporations		
	1	2	3	4	5	6	7	8
<b>1987</b>	..	..	.	11.2	11.1	11.2	8.1	10.7
<b>1988</b>	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4
<b>1989</b>	12.2	12.0	12.1	11.9	12.0	12.0	8.1	11.7
<b>1990</b>	13.7	13.5	13.2	13.3	13.3	13.2	9.2	13.0
<b>1991</b>	12.3	12.2	11.9	12.6	12.5	13.0	10.0	11.7
<b>1991</b>								
<b>March</b>	13.0	12.9	12.5	13.2	13.1	13.8	10.4	12.4
<b>April</b>	12.7	12.5	12.2	13.0	11.8	14.1	10.3	12.1
<b>May</b>	11.9	11.8	11.5	12.4	12.1	12.5	10.2	11.2
<b>June</b>	11.5	11.5	11.1	11.7	11.5	12.7	10.1	11.1
<b>July</b>	11.8	11.7	11.2	12.4	12.2	12.6	10.0	10.8
<b>Aug.</b>	11.7	11.7	11.2	11.9	11.9	12.3	9.8	11.2
<b>Sept.</b>	11.7	11.7	11.3	12.2	12.0	12.7	9.6	11.3
<b>Oct.</b>	11.8	11.7	11.4	12.2	12.2	12.7	9.6	11.1
<b>Nov.</b>	12.4	12.3	12.1	12.5	12.5	12.5	9.6	11.2
<b>Dec.</b>	12.7	12.7	12.4	13.6	13.6	13.1	9.9	12.2
<b>1992</b>								
<b>Jan.</b>	12.5	12.5	12.3	13.0	12.9	13.1	10.0	11.9
<b>Feb.</b>	12.1	12.0	11.2	12.7	12.4	12.9	9.8	11.3
<b>March</b>	12.1	12.1	11.3	12.4	12.4	12.6	9.8	11.4

## 4. RATES OF EXCHANGE

### 4.1 AVERAGE SPOT SELLING RATES, FIM

Average New York of daily quotations	Montreal	London	Dublin	Stockholm	Oslø	Copen- hagen	Frankfurt a.M.	Amster- dam	Brussels	Zurich	
	1 USD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF	
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	2.9563
<b>1988</b>	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	2.8700
<b>1989</b>	4.295	3.632	7.051	6.104	0.6673	0.6234	0.5886	2.2879	2.0281	0.10925	2.6306
<b>1990</b>	3.831	3.287	6.827	6.347	0.6479	0.6130	0.6197	2.3721	2.1053	0.11480	2.7635
<b>1991</b>	4.053	3.543	7.159	6.540	0.6713	0.6264	0.6345	2.4464	2.1709	0.11887	2.8300
<b>1991</b>											
<b>April</b>	4.001	3.473	7.007	6.292	0.6547	0.6051	0.6141	2.3506	2.0858	0.11431	2.7796
<b>May</b>	4.047	3.525	6.992	6.320	0.6587	0.6061	0.6164	2.3578	2.0922	0.11469	2.7824
<b>June</b>	4.228	3.699	6.983	6.355	0.6592	0.6088	0.6163	2.3737	2.1072	0.11539	2.7662
<b>July</b>	4.298	3.745	7.087	6.434	0.6647	0.6169	0.6217	2.4030	2.1332	0.11679	2.7733
<b>Aug.</b>	4.245	3.710	7.148	6.509	0.6705	0.6232	0.6292	2.4323	2.1582	0.11820	2.7906
<b>Sept.</b>	4.143	3.646	7.148	6.530	0.6711	0.6244	0.6323	2.4405	2.1656	0.11853	2.7910
<b>Oct.</b>	4.127	3.661	7.113	6.534	0.6706	0.6243	0.6323	2.4413	2.1667	0.11863	2.7910
<b>Nov.</b>	4.202	3.722	7.475	6.920	0.7091	0.6600	0.6670	2.5893	2.2979	0.12575	2.9249
<b>Dec.</b>	4.266	3.732	7.774	7.249	0.7440	0.6912	0.6989	2.7192	2.4131	0.13206	3.0708
<b>1992</b>											
<b>Jan.</b>	4.305	3.725	7.796	7.266	0.7496	0.6946	0.7031	2.7270	2.4215	0.13248	3.0696
<b>Feb.</b>	4.431	3.751	7.877	7.309	0.7543	0.6986	0.7061	2.7354	2.4312	0.13289	3.0435
<b>March</b>	4.541	3.812	7.835	7.298	0.7542	0.6974	0.7047	2.7329	2.4281	0.13286	3.0111
<b>April</b>	4.503	3.793	7.916	7.290	0.7558	0.6982	0.7054	2.7330	2.4278	0.13288	2.9715

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Athens	Tokyo	Mel- bourne	ECU Commer- cial	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 JPY	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22
<b>1987</b>	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	..	0.03050	3.106	5.075	5.68010
<b>1988</b>	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	..	0.03273	3.309	4.954	5.61826
<b>1989</b>	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	..	0.03122	3.423	4.731	5.49375
<b>1990</b>	0.7054	0.00321	0.3374	0.0271	0.0681	0.0377	..	0.02654	3.011	4.875	5.18345
<b>1991</b>	0.7208	0.00328	0.3479	0.0283	0.0710	0.0392	0.0234	0.03016	3.176	5.019	5.53082
<b>1991</b>											
<b>April</b>	0.6969	0.00318	0.3342	0.0273	0.0692	0.0382	..	0.02921	3.138	4.844	5.39487
<b>May</b>	0.6969	0.00319	0.3354	0.0273	0.0694	0.0382	..	0.02932	3.151	4.847	5.42606
<b>June</b>	0.7013	0.00321	0.3376	0.0273	0.0702	0.0382	0.0230	0.03024	3.231	4.879	5.56841
<b>July</b>	0.7095	0.00324	0.3417	0.0281	0.0711	0.0385	0.0230	0.03117	3.331	4.938	5.66884
<b>Aug.</b>	0.7172	0.00327	0.3459	0.0286	0.0715	0.0391	0.0230	0.03103	3.338	4.992	5.65829
<b>Sept.</b>	0.7186	0.00328	0.3471	0.0287	0.0713	0.0390	0.0230	0.03080	3.304	5.002	5.59644
<b>Oct.</b>	0.7177	0.00328	0.3472	0.0286	0.0713	0.0388	0.0230	0.03158	3.291	5.000	5.61024
<b>Nov.</b>	0.7593	0.00345	0.3681	0.0299	0.0743	0.0410	0.0241	0.03243	3.324	5.285	5.80952
<b>Dec.</b>	0.7973	0.00361	0.3865	0.0309	0.0771	0.0427	0.0250	0.03329	3.317	5.530	5.98926
<b>1992</b>											
<b>Jan.</b>	0.8011	0.00363	0.3877	0.0317	0.0777	0.0432	0.0250	0.03439	3.237	5.560	6.04989
<b>Feb.</b>	0.8051	0.00366	0.3893	0.0320	0.0783	0.0437	0.0250	0.03474	3.350	5.594	6.14937
<b>March</b>	0.8066	0.00365	0.3887	0.0320	0.0785	0.0434	0.0249	0.03419	3.464	5.590	6.19184
<b>April</b>	0.8096	0.00364	0.3885	0.0323	0.0784	0.0435	0.0241	0.03375	3.453	5.596	6.16396



## 4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

Average of daily observations	Markka value of the ECU		Currency indices, 1982=100		
	FIM/ECU	Deviation from the midpoint, %	Bank of Finland's trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4	5
<b>1987</b>	5.08273	.	103.3	103.2	106.1
<b>1988</b>	4.96108	.	102.0	101.1	104.7
<b>1989</b>	4.73670	.	98.4	98.4	102.8
<b>1990</b>	4.85697	.	97.3	96.1	97.3
<b>1991</b>	5.00580	.	101.4	100.1	102.8
<b>1991</b>					
<b>April</b>	4.83628	.	98.4	97.4	100.2
<b>May</b>	4.84342	.	98.7	97.9	100.8
<b>June</b>	4.86741	-0.2	99.6	99.2	103.0
<b>July</b>	4.92615	1.0	100.8	100.5	104.6
<b>Aug.</b>	4.98131	2.2	101.6	101.0	104.7
<b>Sept.</b>	4.99324	2.4	101.5	100.5	103.9
<b>Oct.</b>	4.98879	2.3	101.5	100.4	104.2
<b>Nov.</b>	5.27668	0.9	106.8	105.2	108.3
<b>Dec.</b>	5.52866	-0.5	111.5	109.4	111.9
<b>1992</b>					
<b>Jan.</b>	5.55238	-0.1	112.1	110.0	113.0
<b>Feb.</b>	5.58207	0.4	112.9	111.2	114.4
<b>March</b>	5.57515	0.3	112.9	111.6	115.0
<b>April</b>	5.58563	0.5	112.9	111.5	114.5

## 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
<b>1987</b>	21 327	76 160	83 248		180 735	3 923	184 658	17 892	202 550
<b>1988</b>	25 473	76 958	121 670		224 102	4 643	228 745	28 844	257 589
<b>1989</b>	28 942	85 396	125 748		240 085	7 358	247 444	35 298	282 742
<b>1990</b>	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
<b>1991</b>	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
<b>1991</b>									
<b>Jan.</b>	27 951	82 243	138 181		248 374	7 828	256 202	43 928	300 130
<b>Feb.</b>	27 148	82 061	140 027		249 237	8 618	257 855	43 071	300 926
<b>March</b>	26 116	85 099	123 080	16 205	250 500	10 568	261 068	48 606	309 674
<b>April</b>	26 204	83 128	120 397	18 693	248 422	10 264	258 686	47 977	306 663
<b>May</b>	27 279	84 918	120 217	18 685	251 098	10 137	261 235	52 377	313 612
<b>June</b>	29 916	86 765	118 644	19 341	254 667	10 448	265 114	47 550	312 665
<b>July</b>	29 535	86 235	118 362	19 368	253 500	9 746	263 245	49 001	312 246
<b>Aug.</b>	27 517	86 732	118 573	18 569	251 391	11 633	263 024	53 386	316 410
<b>Sept.</b>	28 607	84 769	119 427	18 087	250 890	12 476	263 366	58 761	322 127
<b>Oct.</b>	28 160	83 526	120 091	17 992	249 769	15 774	265 543	58 038	323 582
<b>Nov.</b>	28 911	83 328	121 547	18 277	252 063	16 779	268 841	58 774	327 615
<b>Dec.</b>	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
<b>1992</b>									
<b>Jan.</b>	32 780	84 701	123 513	19 094	260 087	12 274	272 361	54 699	327 061

### 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
<b>1987</b>	8 507	5 177	180 360	194 044	36 954	230 998
<b>1988</b>	11 358	5 920	234 268	251 545	50 235	301 780
<b>1989</b>	15 270	5 650	257 768	278 688	73 176	351 864
<b>1990</b>	19 152	5 777	260 790	285 720	103 134	388 853
<b>1991</b>	18 037	4 712	262 859	285 609	107 714	393 323
<b>1991</b>						
<b>Jan.</b>	18 897	5 549	259 464	283 910	104 329	388 239
<b>Feb.</b>	18 653	5 491	259 415	283 559	104 691	388 250
<b>March</b>	18 428	5 410	259 775	283 612	105 706	389 319
<b>April</b>	18 292	5 416	259 028	282 736	104 407	387 143
<b>May</b>	17 798	5 271	259 334	282 404	106 066	388 470
<b>June</b>	17 947	5 190	259 851	282 988	106 895	389 884
<b>July</b>	17 787	5 021	259 880	282 687	107 005	389 693
<b>Aug.</b>	18 679	4 925	260 927	284 531	106 764	391 295
<b>Sept.</b>	18 677	4 823	262 019	285 519	105 186	390 704
<b>Oct.</b>	18 419	4 714	263 042	286 175	105 113	391 288
<b>Nov.</b>	17 978	4 576	262 685	285 239	113 156	398 395
<b>Dec.</b>	18 037	4 712	262 859	285 609	107 714	393 323
<b>1992</b>						
<b>Jan.</b>	17 450	4 167	262 309	283 926	107 075	391 001

### 5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL.FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M <sub>1</sub>	M <sub>2</sub> (1+4+5)	M <sub>3</sub>
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
<b>1987</b>	-25 484	-14 977	277 068	262 090	-45 769	105 829	190 837	206 175
<b>1988</b>	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
<b>1989</b>	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
<b>1990*</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1991*</b>	-95 995	-13 226	477 935	464 709	-94 348	129 769	274 365	310 048
<b>1990*</b>								
<b>Dec.</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1991*</b>								
<b>Jan.</b>	-83 269	-15 187	457 639	442 452	-98 044	122 453	261 139	289 898
<b>Feb.</b>	-86 676	-11 118	458 501	447 383	-99 285	121 053	261 423	288 823
<b>March</b>	-81 750	-7 736	454 073	446 337	-101 181	121 271	263 406	294 244
<b>April</b>	-81 026	-9 236	451 259	442 023	-99 964	119 229	261 033	290 233
<b>May</b>	-81 899	-9 355	452 770	443 415	-95 112	124 190	266 403	297 849
<b>June</b>	-79 812	-9 512	454 529	445 017	-96 677	127 454	268 528	298 899
<b>July</b>	-84 565	-9 819	460 838	451 019	-99 124	126 403	267 329	296 597
<b>Aug.</b>	-79 060	-9 209	462 953	453 743	-109 459	124 941	265 224	296 956
<b>Sept.</b>	-75 824	-12 356	463 583	451 227	-111 093	123 637	264 310	299 216
<b>Oct.</b>	-76 079	-11 646	464 834	453 188	-113 816	122 012	263 293	304 260
<b>Nov.</b>	-85 011	-10 502	478 032	467 530	-117 926	121 627	264 592	301 299
<b>Dec.</b>	-95 995	-13 226	477 935	464 709	-94 348	129 769	274 365	310 048

### 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
<b>1987</b>	20 407	2 697	5 576	28 680	22 121	4 692	3 018	29 831	58 511	38 436	11 553
<b>1988</b>	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	41 011	15 858
<b>1989</b>	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	43 499	21 248
<b>1990</b>	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	48 121	23 114
<b>1991</b>	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	55 319	15 956
<b>1991</b>											
<b>March</b>	25 405	1 736	2 910	30 051	24 769	8 256	925	33 950	64 001	50 215	20 871
<b>April</b>	24 784	1 759	2 675	29 218	25 082	7 783	1 725	34 590	63 808	51 235	24 167
<b>May</b>	25 174	1 779	2 711	29 664	25 994	7 608	2 125	35 727	65 391	51 629	19 794
<b>June</b>	24 909	1 828	2 669	29 406	26 754	7 608	2 330	36 692	66 098	52 139	17 306
<b>July</b>	25 760	1 813	2 689	30 262	27 122	9 008	2 330	38 460	68 722	52 706	17 215
<b>Aug.</b>	26 028	1 837	2 633	30 498	28 315	9 008	2 330	39 653	70 151	53 330	15 108
<b>Sept.</b>	28 417	1 817	2 350	32 584	29 058	9 008	2 530	40 595	73 179	53 998	16 859
<b>Oct.</b>	32 338	1 848	2 362	36 548	30 070	9 008	2 670	41 748	78 296	54 858	17 991
<b>Nov.</b>	37 875	2 014	2 601	42 490	30 825	10 408	4 180	45 413	87 903	55 105	16 909
<b>Dec.</b>	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	55 319	15 956
<b>1992</b>											
<b>Jan.</b>	38 613	2 525	2 500	43 638	31 064	12 205	6 881	50 150	93 788	..	..
<b>Feb.</b>	45 885	2 904	2 466	51 255	32 232	12 205	6 430	50 867	102 122	..	..
<b>March</b>	47 575	2 843	2 401	52 819	32 629	12 199	7 201	52 029	104 848	..	..

## 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
<b>1987</b>	4 477	9 510	8 119	206	69	9 409	8 830	4 142	22 380
<b>1988</b>	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
<b>1989</b>	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
<b>1990</b>	4 640	17 891 <sup>r</sup>	4 420	490	1 007	17 234 <sup>r</sup>	607	10 607	28 447
<b>1991*</b>	7 277	25 866	11 073	1 320	-	30 170	-	15 366	45 536
<b>1991*</b>									
<b>March</b>	271	1 015	500	29	-	1 267	-	548	1 815
<b>April</b>	161	1 457	1 800	-	-	2 487	-	931	3 418
<b>May</b>	613	2 030	1 475	50	-	3 488	-	680	4 167
<b>June</b>	880	3 207	-	315	-	2 355	-	2 047	4 401
<b>July</b>	1 592	2 097	-	-	-	1 505	-	2 184	3 689
<b>Aug.</b>	275	817	4 693	50	-	5 680	-	155	5 835
<b>Sept.</b>	449	1 411	300	250	-	2 261	-	149	2 410
<b>Oct.</b>	327	1 302	205	403	-	624	-	1 612	2 236
<b>Nov.</b>	1 142	2 646	100	223	-	1 613	-	2 497	4 111
<b>Dec.</b>	244	6 343	-	-	-	4 100	-	2 486	6 586
<b>1992*</b>									
<b>Jan.</b>	662	921	4 465	70	-	5 435	-	683	6 118
<b>Feb.</b>	770	2 575	-	450	-	2 525	-	1 270	3 795
<b>March</b>	442	1 467	235	310	-	1 960	-	494	2 454

### 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
<b>1987</b>	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
<b>1988</b>	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
<b>1989</b>	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
<b>1990</b>	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
<b>1991*</b>	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
<b>1990</b>									
<b>IV</b>	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
<b>1991*</b>									
<b>I</b>	24 169	62 451	29 594	1 466	4 006	58 366	20 638	42 680	121 684
<b>II</b>	23 269	67 588	30 932	1 760	4 395	63 588	19 971	44 384	127 943
<b>III</b>	25 034	69 492	33 235	2 037	3 744	70 002	18 614	44 926	133 542
<b>IV</b>	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020

## 5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices									Turnover <sup>1</sup> , mill. FIM		
	HEX index (Dec. 28, 1990=1000)									Shares and subscription rights	Bonds and debentures	Total
	All-share index	By ownership			By industry							
		Re-restricted	Non-restricted	Banks and finance	Insurance and investment	Manufacturing	Of which					
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1987</b>	1 284	1 264	1 385	1 449	1 054	1 285	1 421	1 342	1 369	26 641	4 604	31 245
<b>1988</b>	1 692	1 727	1 473	1 825	1 371	1 705	1 591	1 629	2 013	31 734	5 718	37 452
<b>1989</b>	1 827	1 850	1 689	1 958	1 528	1 818	1 728	1 748	2 061	33 160	7 375	40 536
<b>1990</b>	1 330	1 322	1 393	1 260	1 182	1 374	1 435	1 281	1 472	15 521	4 550	20 071
<b>1991</b>	962	949	1 062	901	898	1 003	1 075	1 076	1 020	6 339	1 315	7 655
<b>1991</b>												
<b>April</b>	1 138	1 123	1 243	1 060	993	1 210	1 279	1 263	1 273	607	117	724
<b>May</b>	1 071	1 051	1 210	1 001	1 000	1 123	1 169	1 171	1 179	692	62	754
<b>June</b>	1 031	1 010	1 184	977	963	1 076	1 089	1 128	1 139	710	111	821
<b>July</b>	983	971	1 076	912	942	1 023	1 032	1 094	1 076	307	51	358
<b>Aug.</b>	986	971	1 095	915	950	1 025	1 049	1 098	1 073	324	58	382
<b>Sept.</b>	914	897	1 032	829	904	948	1 007	1 037	974	373	61	433
<b>Oct.</b>	846	833	945	755	807	891	988	994	889	447	40	487
<b>Nov.</b>	831	819	927	727	745	884	1 038	978	856	406	36	442
<b>Dec.</b>	787	779	853	664	618	857	1 060	955	807	487	125	612
<b>1992</b>												
<b>Jan.</b>	852	837	961	681	646	950	1 187	1 056	909	790	69	859
<b>Feb.</b>	904	889	1 011	649	653	1 040	1 252	1 244	990	648	65	712
<b>March</b>	858	845	959	595	612	991	1 159	1 204	941	581	41	622
<b>April</b>	805	791	907	530	552	941	1 124	1 171	878	418	23	441

<sup>1</sup> During period.

## 6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

### 6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, c.i.f.	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>1987</b>	83 826	6 387	3 736	6 099	16 222	100 048	6 162	3 231	109 441	81 867	2 610	6 811	6 488
<b>1988</b>	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
<b>1989</b>	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
<b>1990*</b>	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
<b>1991*</b>	91 260	8 037	5 000	5 986	19 023	110 283	13 776	4 601	128 660	86 678	4 442	11 100	10 547
<b>1989</b>													
<b>III</b>	22 534	1 982	1 421	1 466	4 869	27 403	2 368	927	30 698	25 637	1 022	2 431	2 070
<b>IV</b>	27 418	1 879	1 129	2 114	5 122	32 540	3 211	944	36 694	29 708	1 080	2 446	2 285
<b>1990*</b>													
<b>I</b>	24 356	1 984	794	1 621	4 399	28 755	3 190	1 084	33 028	24 732	928	2 514	2 250
<b>II</b>	26 481	2 096	1 070	1 546	4 712	31 193	3 299	1 142	35 634	27 406	1 104	2 581	2 190
<b>III</b>	22 902	2 189	1 598	1 186	4 973	27 875	2 607	1 104	31 587	23 063	1 054	2 912	2 089
<b>IV</b>	26 011	2 078	1 188	1 728	4 994	31 005	3 642	1 130	35 777	26 766	1 277	2 760	2 974
<b>1991*</b>													
<b>I</b>	21 987	1 912	933	1 646	4 492	26 479	3 802	1 104	31 385	22 083	973	2 612	2 727
<b>II</b>	21 255	1 996	1 275	1 410	4 680	25 935	3 169	1 189	30 293	20 975	1 133	2 602	2 486
<b>III</b>	22 793	2 106	1 645	1 385	5 136	27 928	3 618	1 092	32 639	20 600	1 063	2 918	2 460
<b>IV</b>	25 225	2 023	1 146	1 546	4 715	29 940	3 187	1 215	34 343	23 020	1 273	2 968	2 874

During period	Services expenditure, total (11+12+13)	Imports of goods and services (10+14)	Investment expenditure (15)	Transfers and other expenditure (16)	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
<b>1987</b>	15 909	97 775	13 356	5 860	116 990	1 960	3 778	-3 075	-390	313	2 273	-7 194	-2 629	-7 550
<b>1988</b>	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
<b>1989</b>	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
<b>1990*</b>	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
<b>1991*</b>	26 089	112 767	29 934	9 378	152 080	4 582	3 595	-6 100	-4 562	-7 067	-2 485	-16 158	-4 777	-23 420
<b>1989</b>														
<b>III</b>	5 522	31 160	5 332	1 730	38 222	-3 103	960	-1 010	-604	-654	-3 757	-2 964	-804	-7 524
<b>IV</b>	5 811	35 519	6 299	1 827	43 645	-2 291	799	-1 316	-171	-689	-2 980	-3 088	-883	-6 951
<b>1990*</b>														
<b>I</b>	5 693	30 425	6 218	2 167	38 810	-377	1 056	-1 720	-629	-1 293	-1 670	-3 028	-1 084	-5 782
<b>II</b>	5 874	33 281	7 198	2 378	42 857	-925	992	-1 511	-644	-1 163	-2 087	-3 899	-1 236	-7 223
<b>III</b>	6 054	29 117	6 415	2 132	37 665	-161	1 136	-1 314	-903	-1 082	-1 243	-3 808	-1 028	-6 078
<b>IV</b>	7 011	33 777	7 141	2 289	43 207	-755	801	-1 572	-1 246	-2 017	-2 772	-3 499	-1 159	-7 430
<b>1991*</b>														
<b>I</b>	6 312	28 395	7 826	2 834	39 055	-96	939	-1 678	-1 081	-1 821	-1 916	-4 024	-1 729	-7 670
<b>II</b>	6 222	27 197	7 933	2 043	37 173	281	863	-1 328	-1 077	-1 542	-1 261	-4 765	-854	-6 880
<b>III</b>	6 440	27 040	6 881	2 024	35 945	2 192	1 043	-1 272	-1 075	-1 304	888	-3 262	-932	-3 306
<b>IV</b>	7 115	30 136	7 294	2 477	39 907	2 205	750	-1 822	-1 329	-2 400	-195	-4 107	-1 262	-5 564

## 6.2 CAPITAL ACCOUNT<sup>1</sup>, 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
<b>1987</b>	1 165	9 319	1 370	91	11 945	5 015	2 285	4 927	272	12 499	-554	-8 104
<b>1988</b>	2 218	14 457	2 960	85	19 720	10 919	1 248	4 249	292	16 708	3 013	-8 319
<b>1989</b>	2 095	14 756	8 608	79	25 538	13 327	180	4 747	273	18 527	7 011	-17 863
<b>1990*</b>	3 023	22 656	19 674	169	45 522	12 548	546	1 807	294	15 195	30 327	3 814
<b>1991*</b>	131	34 876	12 293	561	47 861	8 501	-590	905	87	8 902	38 958	15 538
<b>1989</b>												
<b>III</b>	681	2 841	1 481	-16	4 987	3 626	338	935	12	4 911	76	-7 448
<b>IV</b>	1 012	2 804	5 323	75	9 214	4 136	-190	416	102	4 464	4 750	-2 201
<b>1990*</b>												
<b>I</b>	574	6 788	12 238	126	19 726	2 055	302	807	156	3 320	16 406	10 624
<b>II</b>	272	2 836	1 657	-34	4 731	2 928	-425	395	0	2 898	1 833	-5 390
<b>III</b>	84	6 702	2 518	-26	9 278	2 658	284	195	10	3 147	6 131	53
<b>IV</b>	2 093	6 330	3 261	103	11 787	4 907	385	410	128	5 830	5 957	-1 473
<b>1991*</b>												
<b>I</b>	549	8 008	3 402	-267	11 693	2 090	4	18	165	2 278	9 416	1 746
<b>II</b>	358	14 185	3 758	484	18 784	1 697	-368	643	-19	1 953	16 832	9 952
<b>III</b>	-269	9 243	2 752	-61	11 665	1 966	402	-527	-2	1 839	9 826	6 520
<b>IV</b>	-507	3 440	2 381	404	5 718	2 748	-628	771	-58	2 833	2 885	-2 679

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
<b>1987</b>	19 324	-665	3 835	22 494	-9 346	-183	1 268	-8 261	-6 915	23 839	15 736	-15 736
<b>1988</b>	10 950	-399	-811	9 740	1 754	644	1 995	4 393	3 155	8 501	183	-183
<b>1989</b>	4 285	1 627	3 679	9 592	1 873	475	710	3 058	5 368	11 902	-5 961	5 961
<b>1990*</b>	12 352	1 471	-1 822	12 000	-4 318	-864	814	-4 368	-5 091	11 278	15 092	-15 092
<b>1991*</b>	-15 246	1 534	-985	-14 697	3 654	1 662	3 223	8 540	1 294	-21 942	-6 404	6 404
<b>1989</b>												
<b>III</b>	4 047	1 107	537	5 690	3 860	24	264	4 148	2 919	4 462	-2 987	2 987
<b>IV</b>	-16 243	2 915	-148	-13 476	-12 331	24	-615	-12 922	-865	-1 419	-3 620	3 620
<b>1990*</b>												
<b>I</b>	19 514	735	956	21 205	10 570	-593	1 575	11 552	-9 430	222	10 847	-10 847
<b>II</b>	9 095	793	-1 742	8 146	5 078	-593	-103	4 382	2 400	6 164	774	-774
<b>III</b>	-2 325	-351	517	-2 158	-3 743	-58	238	-3 563	602	2 007	2 059	-2 059
<b>IV</b>	-13 932	293	-1 554	-15 192	-16 223	379	-896	-16 740	1 338	2 885	1 412	-1 412
<b>1991*</b>												
<b>I</b>	14 459	-679	2 412	16 192	22 260	-247	3 978	25 991	4 952	-4 848	-3 102	3 102
<b>II</b>	-7 077	-674	-588	-8 339	1 197	-1 193	1 972	1 976	-1 857	-12 172	-2 221	2 221
<b>III</b>	-16 120	1 380	-337	-15 077	-5 103	2 036	1 873	-1 194	458	-13 425	-6 905	6 905
<b>IV</b>	-6 508	1 508	-2 472	-7 472	-14 700	1 066	-4 599	-18 233	-2 258	8 503	5 824	-5 824

<sup>1</sup> 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 (5-10)
	Direct investment in Finland	Port-folio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Port-folio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	10 339	54 317	30 379	830	95 865	17 892	6 975	13 638	2 192	40 697	55 168
<b>1988</b>	12 673	68 957	33 117	915	115 662	24 199	8 223	18 002	2 484	52 908	62 754
<b>1989</b>	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
<b>1990*</b>	17 896	96 543	54 846	4 630	173 915	42 868	7 184	25 595	5 487	81 133	92 782
<b>1991*</b>	18 027	143 769	74 609	5 427	241 832	56 339	7 139	27 919	6 122	97 518	144 314
<b>1989</b>											
<b>III</b>	15 205	79 950	35 418	919	131 492	30 172	8 392	22 317	2 655	63 536	67 956
<b>IV</b>	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
<b>1990*</b>											
<b>I</b>	16 812	85 070	50 790	1 120	153 792	34 561	8 113	23 149	2 913	68 736	85 056
<b>II</b>	16 629	85 823	52 247	1 086	155 785	36 760	7 715	23 501	2 913	70 889	84 896
<b>III</b>	16 258	89 500	54 362	1 060	161 180	38 690	7 631	23 553	2 923	72 797	88 383
<b>IV</b>	17 896	96 543	54 846	4 630	173 915	42 868	7 184	25 595	5 487	81 133	92 782
<b>1991*</b>											
<b>I</b>	18 445	111 430	59 579	4 234	193 687	44 958	7 214	25 982	5 917	84 072	109 615
<b>II</b>	18 803	125 488	64 991	4 741	214 023	46 655	6 885	27 086	6 061	86 687	127 335
<b>III</b>	18 534	130 483	67 136	4 718	220 871	48 621	7 302	26 013	5 934	87 870	133 001
<b>IV</b>	18 027	143 769	74 609	5 427	241 832	56 339	7 139	27 919	6 122	97 518	144 314

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+22)	Net investment expenditure	Net investment expenditure in relation to current account 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
<b>1987</b>	3 362	73 132	11 470	9 691	97 654	31 134	34 043	15 397	2 663	83 238	14 417	69 585	7 194	6.6
<b>1988</b>	3 341	83 828	11 070	9 039	107 278	32 037	35 797	16 041	4 789	88 664	18 614	81 367	7 656	6.2
<b>1989</b>	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	11 670	9.0
<b>1990*</b>	3 922	104 087	13 859	13 650	135 518	39 506	31 626	14 764	6 608	92 504	43 014	135 796	14 234	10.5
<b>1991*</b>	3 149	100 636	15 316	14 481	133 582	35 922	35 610	16 891	10 523	98 946	34 635	178 949	16 158	12.6
<b>1989</b>														
<b>III</b>	3 919	104 777	9 783	12 965	131 443	29 839	50 001	16 492	6 212	102 544	28 899	96 855	2 964	9.7
<b>IV</b>	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	3 088	8.4
<b>1990*</b>														
<b>I</b>	4 036	108 663	13 432	13 808	139 940	35 895	48 239	15 924	7 218	107 276	32 663	117 719	3 028	9.2
<b>II</b>	4 195	118 120	14 226	12 066	148 607	36 764	53 318	15 331	7 126	112 539	36 067	120 963	3 899	10.9
<b>III</b>	4 071	116 509	13 521	12 544	146 645	38 454	49 575	15 273	7 325	110 627	36 019	124 402	3 808	12.1
<b>IV</b>	3 922	104 087	13 859	13 650	135 518	39 506	31 626	14 764	6 608	92 504	43 014	135 796	3 499	9.8
<b>1991*</b>														
<b>I</b>	3 399	119 227	13 071	17 102	152 798	37 748	52 566	14 514	11 366	116 194	36 605	146 220	4 024	12.8
<b>II</b>	2 889	113 157	12 388	17 386	145 820	36 023	53 362	13 342	13 753	116 480	29 340	156 675	4 765	15.7
<b>III</b>	2 826	100 119	13 768	16 837	133 551	29 006	47 502	15 385	15 153	107 045	26 506	159 507	3 262	10.0
<b>IV</b>	3 149	100 636	15 316	14 481	133 582	35 922	35 610	16 891	10 523	98 946	34 635	178 949	4 107	12.0



## 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
<b>1987</b>	39 522	17 365	9 777	28 691	509	95 865	19 493	14 509	3 403	2 653	639	40 697	55 168
<b>1988</b>	46 471	27 427	14 339	26 926	499	115 662	25 093	20 192	3 573	3 101	949	52 908	62 754
<b>1989</b>	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
<b>1990*</b>	67 585	56 394	21 680	27 635	621	173 915	44 579	28 153	2 075	4 279	2 047	81 133	92 782
<b>1991*</b>	83 478	69 325	31 672	56 537	820	241 832	58 818	29 286	2 065	4 752	2 597	97 518	144 314
<b>1989</b>													
<b>III</b>	52 901	36 375	17 942	23 783	491	131 492	31 816	23 317	3 695	3 374	1 334	63 536	67 956
<b>IV</b>	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
<b>1990*</b>													
<b>I</b>	63 700	47 491	19 518	22 478	604	153 792	35 917	25 018	2 388	3 699	1 714	68 736	85 056
<b>II</b>	62 810	50 028	20 722	21 588	636	155 785	38 010	25 172	2 118	3 734	1 855	70 889	84 896
<b>III</b>	62 359	54 380	21 121	22 647	673	161 180	39 755	25 547	1 763	3 772	1 960	72 797	88 383
<b>IV</b>	67 585	56 394	21 680	27 635	621	173 915	44 579	28 153	2 075	4 279	2 047	81 133	92 782
<b>1991*</b>													
<b>I</b>	72 749	58 297	25 781	36 123	737	193 687	47 197	27 857	2 114	4 651	2 252	84 072	109 615
<b>II</b>	78 621	65 895	29 985	38 814	708	214 023	49 433	27 758	2 093	5 040	2 362	86 687	127 335
<b>III</b>	78 706	66 897	30 201	44 332	735	220 871	51 286	27 286	2 109	4 655	2 534	87 870	133 001
<b>IV</b>	83 478	69 325	31 672	56 537	820	241 832	58 818	29 286	2 065	4 752	2 597	97 518	144 314

## 7. FOREIGN TRADE

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

During period	Exports, f.o.b.	Imports, c.i.f.	Balance (1-2)
	1	2	3
<b>1987</b>	85 516	82 807	2 709
<b>1988</b>	92 902	92 118	784
<b>1989</b>	99 784	105 516	-5 732
<b>1990</b>	101 327	103 027	-1 700
<b>1991</b>	92 876	87 720	5 156
<b>1991</b>			
<b>March</b>	7 665	7 547	118
<b>April</b>	8 704	7 872	832
<b>May</b>	7 651	7 186	465
<b>June</b>	5 294	6 207	-913
<b>July</b>	8 026	7 070	956
<b>Aug.</b>	7 057	6 706	351
<b>Sept.</b>	8 156	7 139	1 017
<b>Oct.</b>	8 494	7 885	609
<b>Nov.</b>	8 950	7 272	1 678
<b>Dec.</b>	8 207	8 130	77
<b>1992</b>			
<b>Jan.</b>	7 585	7 216	369
<b>Feb.</b>	8 282	7 809	473
<b>March</b>	9 347	8 148	1 199

### 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
<b>1987</b>	118	119	138	119	116
<b>1988</b>	121	130	145	122	119
<b>1989</b>	121	144	156	126	123
<b>1990*</b>	125	138	154	128	120
<b>1991*</b>	114	115	154	131	118
<b>1989</b>					
<b>III</b>	112	141	155	126	124
<b>IV</b>	134	163	157	126	125
<b>1990*</b>					
<b>I</b>	122	134	153	128	120
<b>II</b>	132	151	154	126	122
<b>III</b>	114	124	155	129	120
<b>IV</b>	130	139	154	133	116
<b>1991*</b>					
<b>I</b>	110	117	154	131	118
<b>II</b>	107	112	153	130	118
<b>III</b>	113	109	156	132	119
<b>IV</b>	124	118	156	135	116

### 7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, f.o.b.					Imports by use of goods, c.i.f.				
	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
<b>1987</b>	7 470	27 058	7 770	26 230	16 988	41 175	9 406	14 138	17 478	610
<b>1988</b>	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
<b>1989</b>	7 416	32 513	8 844	32 682	18 329	51 786	8 310	20 606	24 055	759
<b>1990*</b>	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
<b>1991*</b>	7 009	29 699	10 538	29 163	16 467	42 440	9 445	14 009	21 205	621
<b>1991*</b>										
<b>March</b>	571	2 616	902	2 260	1 316	3 668	527	1 174	2 168	10
<b>April</b>	578	2 577	896	3 297	1 356	3 914	600	1 326	1 998	34
<b>May</b>	592	2 454	835	2 396	1 374	3 774	700	1 091	1 612	9
<b>June</b>	283	1 009	804	2 035	1 163	3 011	905	957	1 299	35
<b>July</b>	704	3 277	693	2 135	1 217	3 453	670	1 111	1 833	3
<b>Aug.</b>	571	2 587	733	1 854	1 312	3 225	806	992	1 648	35
<b>Sept.</b>	642	2 442	955	2 578	1 539	3 537	854	1 015	1 727	6
<b>Oct.</b>	654	2 681	965	2 628	1 566	3 607	1 215	1 130	1 803	130
<b>Nov.</b>	661	2 835	1 062	2 880	1 512	3 550	962	1 006	1 732	22
<b>Dec.</b>	576	2 429	976	2 793	1 433	3 576	952	1 658	1 649	295
<b>1992*</b>										
<b>Jan.</b>	528	2 444	987	2 197	1 429	3 574	690	1 090	1 747	115
<b>Feb.</b>	643	2 589	1 087	2 302	1 661	3 904	611	1 282	1 895	117
<b>March</b>	654	2 761	1 180	3 092	1 660	4 259	664	1 047	2 079	99

## 7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1991*		1992* January-February		1991*		1992* January-February	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period on 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
<b>All OECD countries</b>	75 815	81.6	13 158	8.5	70 038	79.8	12 040	1.2
<b>OECD Europe</b>	67 045	72.2	11 927	8.4	57 797	65.9	10 036	1.6
Of which:								
Austria	1 227	1.3	219	17.2	1 054	1.2	170	-5.0
Belgium and Luxembourg	2 404	2.6	457	19.3	2 252	2.6	402	11.8
Denmark	3 446	3.7	632	10.0	3 006	3.4	509	7.1
France	5 499	5.9	1 042	13.2	3 673	4.2	690	6.1
Germany	14 333	15.4	2 699	14.3	14 835	16.9	2 465	-1.1
Italy	3 304	3.6	609	15.4	3 661	4.2	551	-16.6
Netherlands	4 655	5.0	828	12.7	2 968	3.4	553	15.6
Norway	3 080	3.3	495	5.8	3 991	4.6	589	-24.5
Spain	2 534	2.7	445	14.8	1 008	1.1	250	20.8
Sweden	12 886	13.9	2 150	-0.2	10 797	12.3	1 833	-1.3
Switzerland	1 813	2.0	311	-6.0	1 573	1.8	313	15.4
United Kingdom	9 617	10.4	1 642	3.5	6 749	7.7	1 311	22.9
<b>Other OECD</b>	8 770	9.4	1 232	8.7	12 241	14.0	2 004	-0.3
Of which:								
Canada	720	0.8	77	-33.6	547	0.6	89	2.4
Japan	1 393	1.5	263	29.1	5 287	6.0	842	-11.6
United States	5 648	6.1	724	4.9	6 026	6.9	1 021	11.3
<b>Non-OECD European countries</b>	6 531	7.0	1 108	6.4	9 577	10.9	1 338	-5.5
Of which:								
Russia <sup>1</sup>	4 522	4.9	531	..	7 461	8.5	946	..
<b>Other countries</b>	10 530	11.3	1 601	9.2	8 105	9.2	1 648	16.2
Of which:								
<b>OPEC countries</b>	1 977	2.1	245	-16.1	1 302	1.5	149	-59.2
<b>TOTAL</b>	92 876	100.0	15 867	8.4	87 720	100.0	15 025	2.0
Of which:								
<b>EC countries</b>	47 585	51.2	8 668	11.1	40 240	45.9	7 103	4.9
<b>EFTA countries</b>	19 115	20.6	3 190	1.2	17 452	19.9	2 915	-5.8

<sup>1</sup> Until the end of 1991, the Soviet Union; figures for Estonia, Latvia and Lithuania were included in those for the Soviet Union until October 1991.

## 8. DOMESTIC ECONOMIC DEVELOPMENTS

### 8.1 SUPPLY AND USE OF RESOURCES, MILL. FIM, 1985 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
<b>1987</b>	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
<b>1988</b>	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
<b>1989</b>	218 775	77 117	95 178	11 234	14 056	416 360	107 552	128 834	395 078
<b>1990*</b>	219 654	80 600	88 534	12 691	13 675	415 154	109 236	127 735	396 655
<b>1991*</b>	210 048	82 433	71 258	12 718	4 735	381 192	102 255	110 820	372 627
<b>1989</b>									
<b>III</b>	54 850	19 327	24 486	2 832	4 467	105 962	26 153	32 800	99 315
<b>IV</b>	55 135	19 488	25 129	2 990	4 546	107 288	27 626	34 301	100 612
<b>1990*</b>									
<b>I</b>	55 028	19 885	23 746	3 161	2 916	104 736	27 310	32 548	99 497
<b>II</b>	55 396	20 075	22 164	3 306	4 601	105 541	29 005	34 251	100 295
<b>III</b>	54 836	20 244	21 251	3 076	3 409	102 815	26 442	30 242	99 015
<b>IV</b>	54 394	20 396	21 374	3 148	2 750	102 061	26 479	30 694	97 847
<b>1991*</b>									
<b>I</b>	53 206	20 343	20 509	3 084	2 091	99 234	25 740	29 597	95 376
<b>II</b>	52 505	20 541	18 568	3 332	591	95 537	24 376	26 728	93 186
<b>III</b>	52 423	20 704	17 168	3 248	-106	93 438	26 849	27 672	92 614
<b>IV</b>	51 914	20 845	15 013	3 053	2 159	92 983	25 290	26 822	91 451

### 8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100

(seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.5)	(30.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
<b>1987</b>	107.2	99.9	107.2	106.5	110.2	105.4	107.8
<b>1988</b>	110.9	108.8	111.0	113.1	114.5	107.6	110.1
<b>1989</b>	114.6	117.9	115.0	116.6	121.5	109.6	110.5
<b>1990*</b>	113.9	115.5	114.0	114.6	121.8	108.0	112.9
<b>1991*</b>	104.2	101.4	102.4	103.9	107.7	97.8	119.6
<b>1991*</b>							
<b>Feb.</b>	107.4	108.4	105.1	105.1	111.9	100.0	123.4
<b>March</b>	108.3	107.5	107.2	107.8	115.2	100.9	116.8
<b>April</b>	105.9	100.4	104.4	107.2	110.3	99.8	119.8
<b>May</b>	105.2	90.2	103.3	106.7	111.3	96.2	124.1
<b>June</b>	100.0	79.7	98.9	90.4	103.0	97.3	115.2
<b>July</b>	106.7	101.8	104.5	105.4	110.0	101.0	122.2
<b>Aug.</b>	102.1	111.7	100.0	102.4	103.0	97.0	120.9
<b>Sept.</b>	101.5	103.9	99.1	103.4	102.0	95.3	125.7
<b>Oct.</b>	100.8	102.5	98.1	103.3	101.6	93.5	123.1
<b>Nov.</b>	100.3	95.9	98.5	103.4	101.2	94.3	114.9
<b>Dec.</b>	102.1	101.6	100.7	104.2	104.7	96.4	112.1
<b>1992*</b>							
<b>Jan.</b>	103.8	110.0	101.8	103.2	109.1	95.8	116.5
<b>Feb.</b>	106.0	105.8	104.3	112.3	114.3	93.7	117.3

### 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
<b>1987</b>	111.3	107.7	95.6	89.0	101.0	102.6	114.3	107.0
<b>1988</b>	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.7
<b>1989</b>	124.2	117.0	130.3	132.9	137.6	125.2	161.4	115.5
<b>1990*</b>	119.9	111.7	127.3	124.8	161.7	122.1	144.6	116.7
<b>1991*</b>	101.2	103.9	104.4	95.2	128.5	108.3	102.3	110.7
<b>1990*</b>								
<b>Dec.</b>	107.1	106.7	..	..	..	..	..	113.3
<b>IV</b>	112.8	108.9	118.8	114.0	166.8	117.4	144.1	114.7
<b>1991*</b>								
<b>Jan.</b>	111.1	104.9	..	..	..	..	..	113.8
<b>Feb.</b>	108.4	104.6	..	..	..	..	..	112.3
<b>March</b>	96.2	102.7	..	..	..	..	..	111.3
<b>April</b>	109.0	106.5	..	..	..	..	..	112.1
<b>May</b>	101.8	105.1	..	..	..	..	..	110.9
<b>June</b>	97.8	103.7	..	..	..	..	..	108.7
<b>July</b>	107.3	107.2	..	..	..	..	..	112.6
<b>Aug.</b>	99.3	104.3	..	..	..	..	..	109.9
<b>Sept.</b>	99.5	103.4	..	..	..	..	..	110.0
<b>Oct.</b>	94.8	102.5	..	..	..	..	..	109.0
<b>Nov.</b>	94.9	102.3	..	..	..	..	..	108.6
<b>Dec.</b>	94.5	100.1	..	..	..	..	..	109.3
<b>I</b>	105.2	104.1	112.9	109.4	156.3	109.4	110.0	112.5
<b>II</b>	102.8	105.1	111.6	100.9	153.5	118.0	100.4	110.6
<b>III</b>	102.0	105.0	99.5	90.3	90.6	109.6	86.3	110.9
<b>IV</b>	94.7	101.6	93.6	80.0	113.6	96.1	112.6	109.0

## 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 (SIC 3)	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
<b>1987</b>	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
<b>1988</b>	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
<b>1989</b>	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
<b>1990<sup>1</sup></b>	148.2	148.9	146.9	149.8	144.8	150.1	127.3	110.9	115.7	93.6	110.0	110.4	109.8	134.5
<b>1991<sup>1</sup></b>	157.4	158.1	155.9	158.2	154.4	158.2	132.6	111.2	115.8	94.2	109.9	108.7	110.4	137.3
<b>1990<sup>1</sup> IV</b>	153.3	154.1	152.5	153.9	150.0	154.0	129.1	112.6	117.0	96.6	110.9	110.3	111.2	136.8
<b>1991<sup>1</sup> March</b>	..	..	..	..	..	..	131.7	111.5	116.5	93.3	109.8	108.6	110.4	137.4
<b>April</b>	..	..	..	..	..	..	132.2	111.2	116.0	93.5	109.5	108.7	109.9	137.4
<b>May</b>	..	..	..	..	..	..	132.8	111.2	116.0	93.6	109.4	108.4	109.9	137.4
<b>June</b>	..	..	..	..	..	..	132.7	111.1	116.0	93.5	109.8	109.0	110.2	137.2
<b>July</b>	..	..	..	..	..	..	132.7	111.0	115.6	94.0	109.6	108.3	110.2	137.8
<b>Aug.</b>	..	..	..	..	..	..	132.8	110.8	115.2	94.5	109.4	108.2	110.1	137.5
<b>Sept.</b>	..	..	..	..	..	..	133.0	110.8	115.3	94.4	109.7	108.5	110.3	137.8
<b>Oct.</b>	..	..	..	..	..	..	133.3	111.0	115.6	94.4	109.8	108.0	110.7	137.5
<b>Nov.</b>	..	..	..	..	..	..	133.4	111.2	115.3	96.1	110.1	108.4	110.9	137.4
<b>Dec.</b>	..	..	..	..	..	..	134.0	111.3	115.4	96.3	110.8	110.7	110.9	137.1
<b>1991</b>														
<b>I</b>	154.5	155.5	153.7	154.6	150.8	154.3	131.4	111.6	116.6	93.4	110.1	108.9	110.6	137.1
<b>II</b>	157.4	158.3	156.1	158.2	153.9	158.2	132.6	111.1	116.0	93.5	109.6	108.7	110.0	137.3
<b>III</b>	158.4	158.8	156.0	159.9	155.9	159.9	132.8	110.8	115.4	94.3	109.6	108.3	110.2	137.7
<b>IV</b>	159.4	159.9	157.9	160.1	156.9	160.2	133.6	111.1	115.4	95.6	110.3	109.0	110.8	137.3
<b>1992</b>														
<b>Jan.</b>	..	..	..	..	..	..	134.7	111.8	115.4	98.4	111.1	111.4	111.0	136.5
<b>Feb.</b>	..	..	..	..	..	..	135.0	112.0	115.6	99.0	111.4	111.6	111.3	136.5
<b>March</b>	..	..	..	..	..	..	135.4	112.1	115.6	99.2	111.5	111.7	111.4	136.5

<sup>1</sup> 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			Unem-ployed	Unem-employment rate	
				Self-employed	Wage and salary earners	Agri-culture and forestry	Industry	Con-struction			Service industries
		1000 persons									
%											
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1
<b>1988</b>	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6
<b>1989</b>	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5
<b>1990</b>	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4
<b>1991</b>	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6
<b>1991</b>											
<b>March</b>	68.2	2 560	2 409	356	2 053	197	525	189	1 497	151	5.9
<b>April</b>	67.9	2 548	2 388	343	2 044	198	513	193	1 484	160	6.3
<b>May</b>	67.4	2 530	2 359	342	2 017	196	516	186	1 460	171	6.8
<b>June</b>	67.2	2 525	2 338	345	1 993	193	511	179	1 456	187	7.4
<b>July</b>	67.2	2 527	2 331	331	2 000	196	499	180	1 456	196	7.7
<b>Aug.</b>	67.2	2 530	2 328	341	1 987	205	495	181	1 447	201	8.0
<b>Sept.</b>	67.0	2 523	2 298	327	1 971	189	486	164	1 459	225	8.9
<b>Oct.</b>	67.0	2 526	2 282	330	1 951	198	481	159	1 444	245	9.7
<b>Nov.</b>	66.9	2 524	2 272	337	1 935	196	473	166	1 438	251	10.0
<b>Dec.</b>	66.9	2 526	2 255	330	1 925	197	472	159	1 428	270	10.7
<b>1992</b>											
<b>Jan.</b>	66.5	2 512	2 232	330	1 902	196	465	152	1 420	280	11.1
<b>Feb.</b>	66.7	2 521	2 224	322	1 902	189	462	161	1 412	297	11.8
<b>March</b>	66.6	2 518	2 220	327	1 892	196	461	153	1 410	298	11.8

## 8.6 CENTRAL GOVERNMENT FINANCES: REVENUE, EXPENDITURE AND FINANCIAL BALANCE, MILL. FIM, CASH FLOW BASIS

During period	Revenue						Expenditure				
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
<b>1988</b>	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
<b>1989</b>	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
<b>1990</b>	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
<b>1991</b>	41 055	73 250	1 137	19 182	134 624	4 442	139 068	45 085	101 220	42 297	55 160
<b>1990</b>											
<b>Dec.</b>	4 045	8 332	222	2 740	15 339	278	15 616	3 730	8 101	3 311	4 150
<b>1991</b>											
<b>Jan.</b>	2 877	6 212	229	1 127	10 445	7	10 452	3 947	7 435	3 102	4 188
<b>Feb.</b>	2 995	6 373	111	1 174	10 653	121	10 775	3 421	7 309	3 079	3 422
<b>March</b>	2 876	5 452	126	1 522	9 976	64	10 040	3 453	7 218	3 431	3 667
<b>April</b>	2 954	5 586	44	2 607	11 191	1 771	12 962	3 638	8 726	3 286	5 333
<b>May</b>	1 575	6 096	70	1 471	9 212	341	9 553	3 784	8 164	3 600	4 278
<b>June</b>	5 619	6 144	-81	1 615	13 297	499	13 797	3 789	8 622	4 041	4 109
<b>July</b>	5 450	6 176	97	1 794	13 517	144	13 661	4 778	7 889	3 360	4 290
<b>Aug.</b>	3 120	6 425	77	1 020	10 642	157	10 799	3 247	7 817	3 387	4 205
<b>Sept.</b>	3 336	6 164	69	1 303	10 872	124	10 996	3 610	7 895	3 458	4 271
<b>Oct.</b>	3 080	5 759	99	1 150	10 088	85	10 174	3 763	9 259	3 433	5 574
<b>Nov.</b>	3 296	6 173	229	1 763	11 461	711	12 172	3 728	10 423	4 263	5 979
<b>Dec.</b>	3 877	6 690	67	2 636	13 270	418	13 687	3 927	10 463	3 857	5 844

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)
<b>1987</b>	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324
<b>1988</b>	7 565	5 614	110 946	6 529	117 476	4 842	870	1 853	3 287
<b>1989</b>	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842
<b>1990</b>	5 962	4 927	133 614	9 319	142 934	5 737	678	1 201 <sup>r</sup>	1 879 <sup>r</sup>
<b>1991</b>	5 371	6 368	158 044	13 328	171 372	-23 420	-32 304	25 659	-6 644
<b>1990</b>									
<b>Dec.</b>	738	370	12 939	926	13 866	2 400	1 750	1 737 <sup>r</sup>	3 488 <sup>r</sup>
<b>1991</b>									
<b>Jan.</b>	359	612	12 353	918	13 272	-1 908	-2 820	2 173	-647
<b>Feb.</b>	333	288	11 351	774	12 125	-698	-1 350	-152	-1 502
<b>March</b>	380	641	11 692	958	12 649	-1 716	-2 609	4 634	2 025
<b>April</b>	418	1 050	13 832	2 893	16 725	-2 641	-3 763	-17	-3 780
<b>May</b>	505	891	13 344	1 051	14 394	-4 132	-4 841	1 080	-3 760
<b>June</b>	450	311	13 172	1 429	14 601	125	-804	492	-312
<b>July</b>	460	187	13 314	847	14 162	203	-501	2 382	1 881
<b>Aug.</b>	416	-67	11 413	826	12 240	-771	-1 441	1 180	-261
<b>Sept.</b>	498	523	12 526	829	13 355	-1 654	-2 359	3 242	883
<b>Oct.</b>	567	713	14 302	993	15 295	-4 214	-5 121	4 991	-130
<b>Nov.</b>	458	327	14 936	1 012	15 947	-3 475	-3 775	5 865	2 089
<b>Dec.</b>	527	892	15 809	798	16 607	-2 539	-2 920	-211	-3 130



# 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 claim on deposit banks (Column 13) = term credits (from December 1986 to July 1987) + bank certificates of deposit held by the Bank of Finland (since March 1987). Other liabilities to financial institutions, net (Column 17) = capital import deposits + other liabilities to financial institutions – bonds and debentures – other claims on financial institutions. **Corporate sector.** Claims in the form of special financing (Column 19) = export bills + new-export credits + financing of domestic deliveries. Special deposits, net (Column 20) = deposits for investment and ship purchase + capital import deposits + export deposits + other liabilities to corporations – bonds – other claims on corporations.

### 2 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD EXCHANGE MARKET

**Table 2.1** Money market instruments (Columns 1–3) denote bank certificates of deposit, Treasury bills and banks' fixed-term deposits with the Bank of Finland. Matured money market instruments, net, comprise both purchased and sold instruments.

**Table 2.2** 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 new statistical system covers all authorized banks and contracts. The rates of exchange used in the statistics are the forward rates on the contract date.

**Table 2.3** Bank CDs held by the Bank of Finland (Column 2) include term credits. Holdings of CDs issued by the Bank of Finland (Column 5) include term liabilities.

### 3 RATES OF INTEREST

**Table 3.1** HELIBOR (Helsinki Interbank 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 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. 14 currencies (Column 3): weighted according to the relative shares of the respective countries in Finland's foreign trade (= weights of the Bank of Finland's trade-weighted currency index = the old Bank of Finland currency index). Until March 1989, the index consisted of 12 currencies.

**Table 3.3** The covered Eurodollar rate is a computed rate of interest for the markka obtained by adding the difference between the forward selling rate and the spot selling rate for the U.S. dollar expressed as an annual rate of interest to the Eurodeposit rate for the dollar. The rates shown are based on daily quotations at noon by two banks.

**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 tax-exempt deposits (Column 7): 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 1 percentage point (since December 1989). Other tax-exempt deposits (Column 8): Deposits other than 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 4 percentage points (since January 1989). Up till December 1988, the figures for tax-exempt deposits (Columns 7 and 8) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. All markka deposits (Column 9): 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 10): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 11); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

### Table 3.5 Secondary market yields.

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. From June 1990 onwards, the yield on taxable government bonds (Column 3) is calculated by the Bank of Finland as the monthly average of the offered rates quoted daily by the five largest banks. Until January 1992, the yield was calculated on a bullet bond due on March 15, 1994 with a coupon rate of 13 per cent. From February 1992 onwards the yield is calculated on a bullet bond due on January 15, 1999 with a coupon rate of 11 per cent. The annual figure for 1990 is calculated as the arithmetic mean of yields on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The yield on taxable public issues (Column 4) 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. Financial institutions (Column 5): as in Column 4 for issues by financial institutions incl. banks. Corporations (Column 6): as in Column 4 for issues by non-financial corporations. The yield on taxfree public issues (Column 7) 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 3–7 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. **The offer yield** on fixed-rate taxable public bonds and debentures (Column 8) is the average yield weighted by issue amounts – in the case of government bonds by amounts sold – on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued during the period.

### 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. The midpoint (Column 2) was FIM 4.87580 from June 7 to November 14, 1991, and has been FIM 5.55841 since November 15, 1991. The markka may fluctuate  $\pm 3$  per cent around the midpoint. The Bank of Finland's trade-weighted currency index (Column 3): The weights are moving averages of the shares of (currently) 14 countries in Finland's for-

eign merchandise trade (only convertible currencies are included). The payments currency index (Column 4): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERM index (Column 5): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; fourteen 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. Since the beginning of 1987, 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<sub>1</sub> (Column 6) = currency in circulation - banks' till

giro account deposits and transactions account deposits held by the public. M<sub>2</sub> (Column 7) = M<sub>1</sub> + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland). M<sub>3</sub> (Column 8) = M<sub>2</sub> + bank CDs held by the public.

**Table 5.4** Source: State Treasury Office. Other bonds and debentures (Column 2) are so-called private placements. 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 on the markka bond market include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland.

**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.

**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.

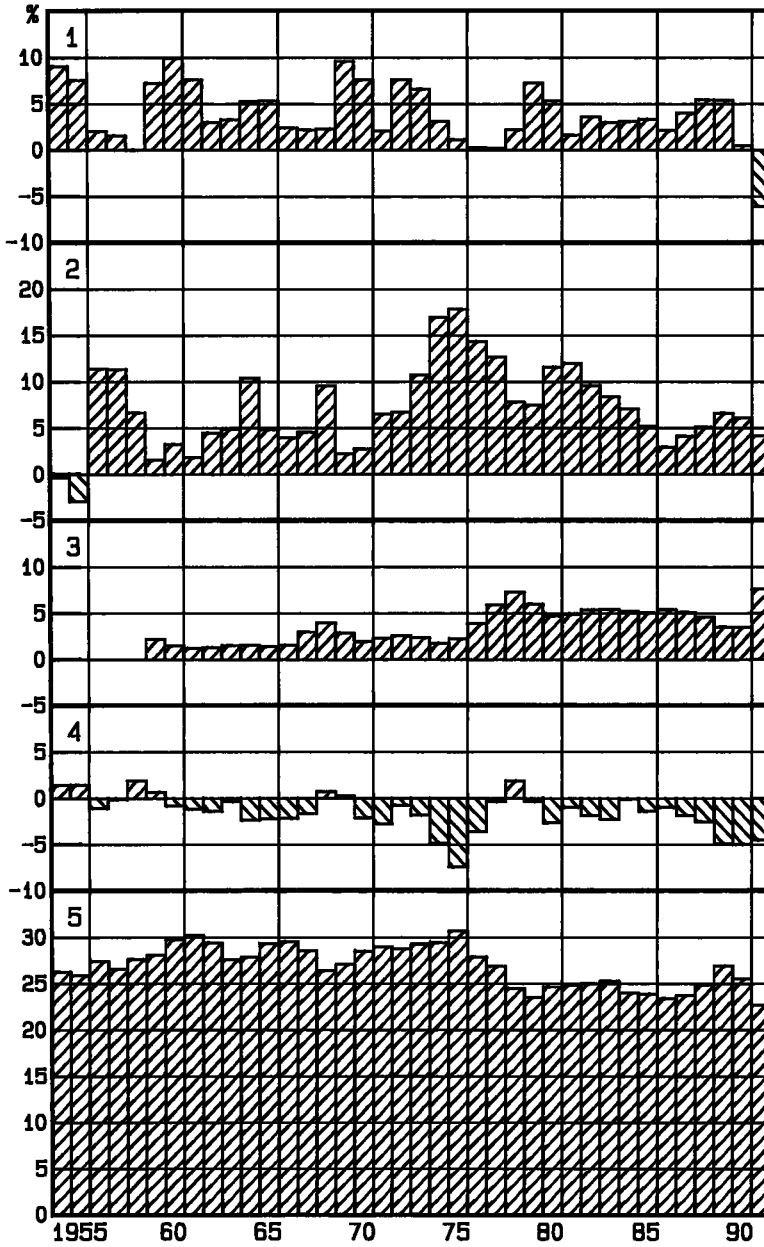
**Table 8.3** The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

**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 of the new CPI is 1985, while the base year of the index shown until end-1984 is 1981.

**Table 8.6** Source: Ministry of Finance.

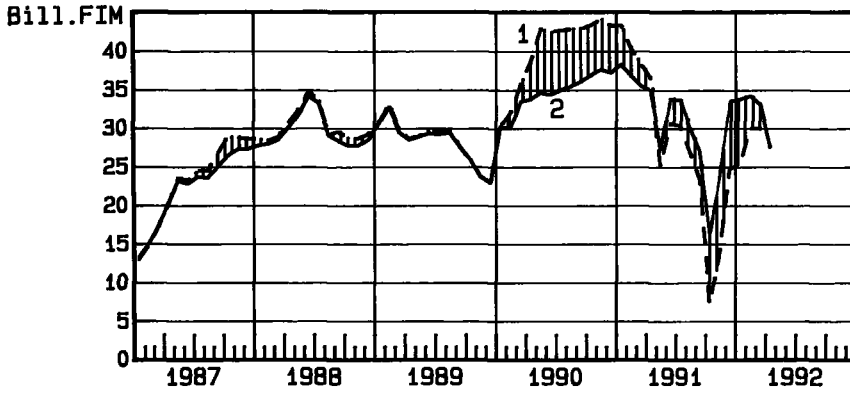
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Items affecting domestic liquidity	S29
5. Overnight rates	S30
6. HELIBOR rates of interest (daily)	S30
7. HELIBOR rates of interest (monthly)	S30
8. Rates of interest applied by the Bank of Finland	S31
9. 3-month covered Eurodollar rate and 3-month Eurorates	S31
10. Yield on bonds	S31
11. Bank of Finland currency index and the markka value of the ECU	S32
12. Markka value of the ECU	S32
13. Changes in the exchange rates of selected Nordic currencies	S32
14. Changes in the exchange rates of selected major currencies	S33
15. Bank funding from the public	S33
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17. Money supply	S34
18. Direct investment	S34
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20. Current account	S35
21. Foreign debt	S35
22. Balance of payments	S36
23. Net investment expenditure	S36
24. Foreign trade	S37
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26. Finland's export performance	S37
27. Production	S38
28. Fixed investment	S38
29. Employment and the unemployment rate	S39
30. Prices and wages	S39
31. Central government finances	S40

1. LONG-TERM INDICATORS



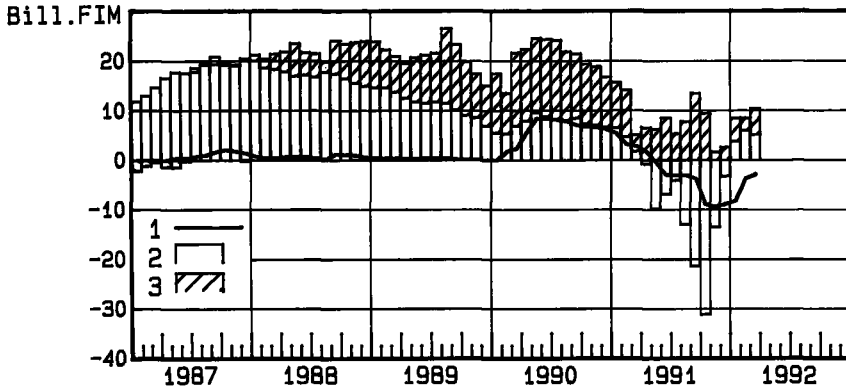
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



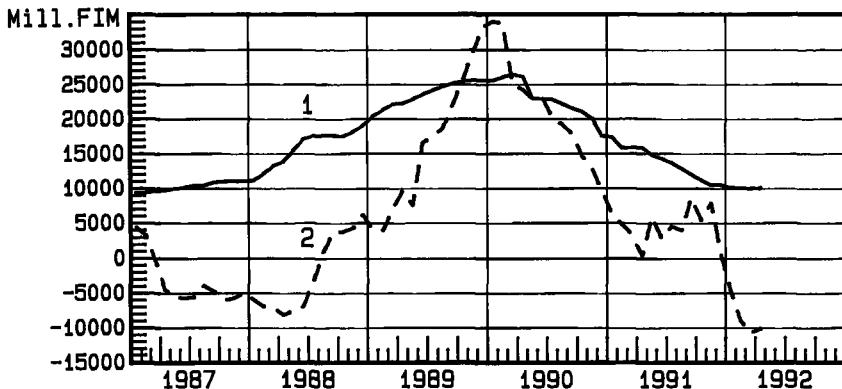
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves

**3. FORWARD MARKET**



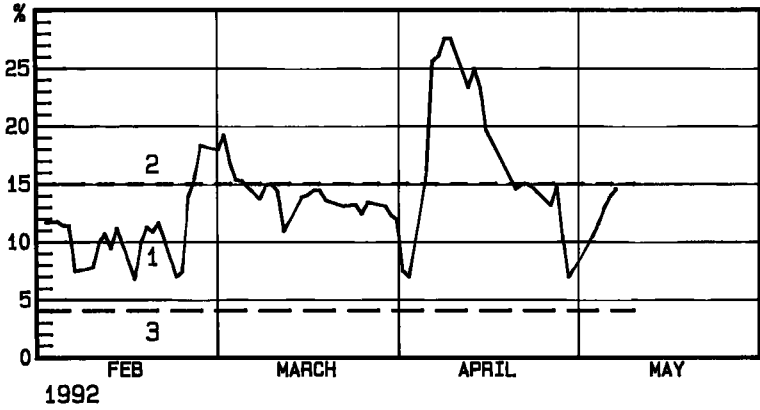
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

**4. ITEMS AFFECTING DOMESTIC LIQUIDITY**



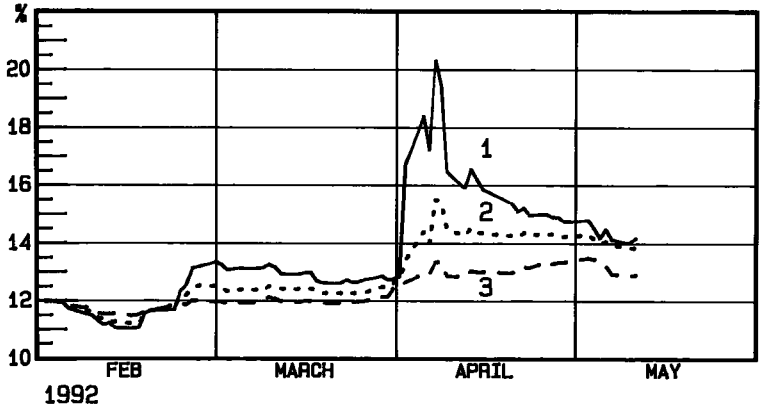
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



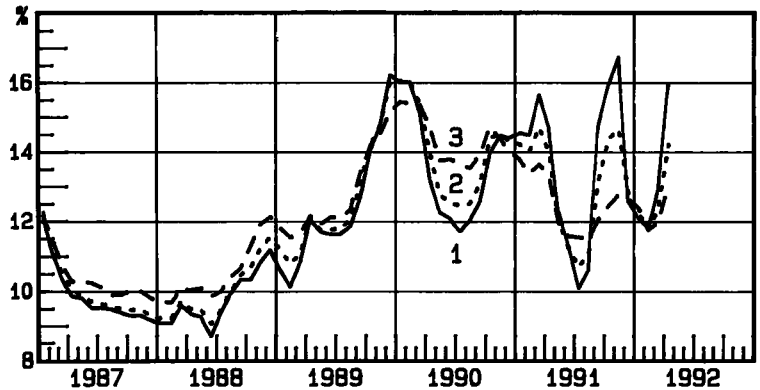
- 1. Inter-bank overnight rate
  - 2. Call money credit rate
  - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



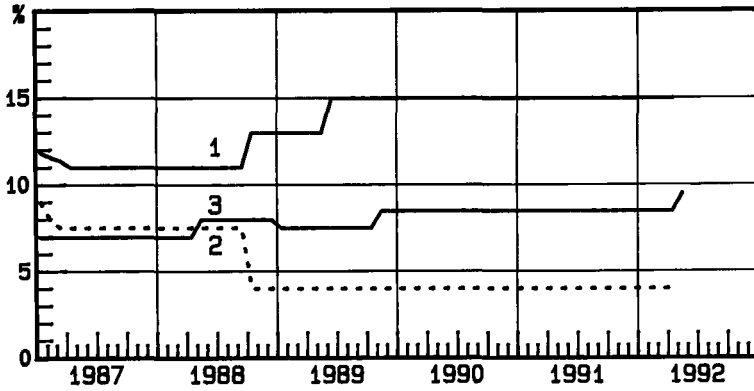
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



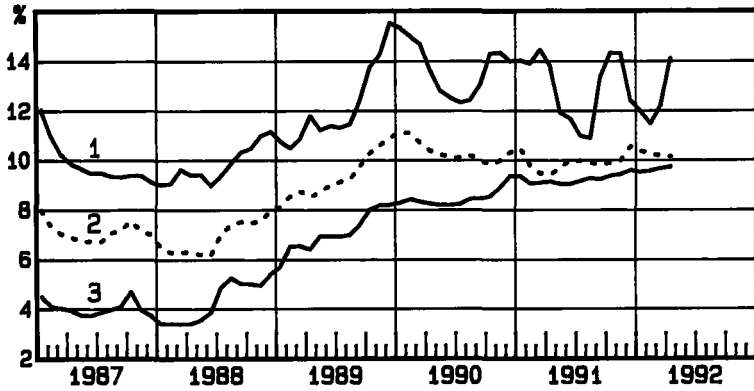
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



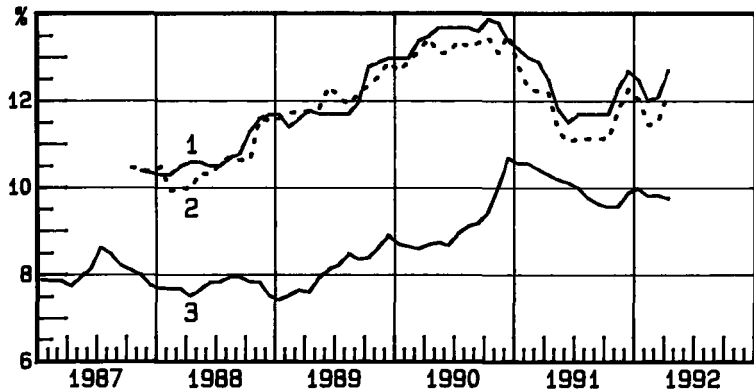
- 1. Call money credit rate
  - 2. Call money deposit rate
  - 3. Base rate
- End-of-month observations

9. 3-MONTH COVERED EURODOLLAR RATE AND 3-MONTH EURORATES



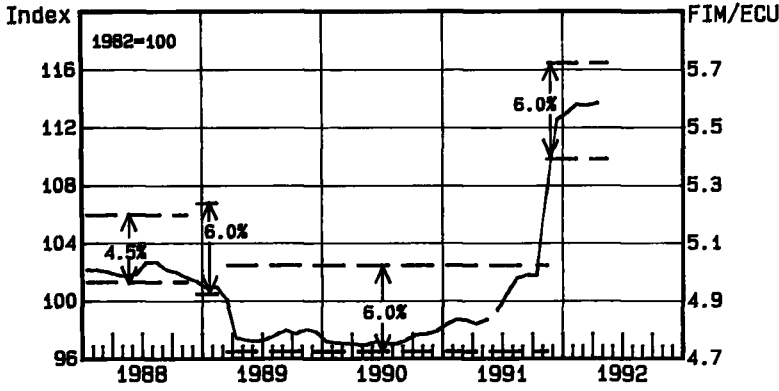
- 1. Covered Eurodollar rate
- 2. ECU rate
- 3. DEM Eurorate

10. YIELDS ON BONDS



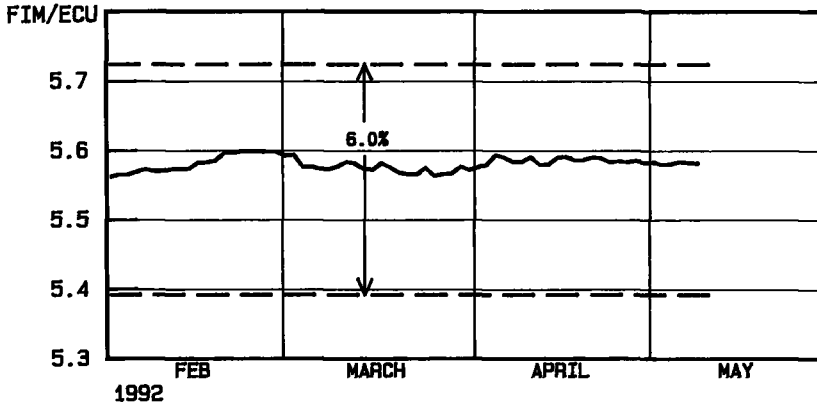
- 1. Bank of Finland's 5-year reference rate
- 2. Until April 1991, yield on (4-5 year) taxable government bonds  
Since May 1991, yield on government bond due on March 15, 1996, coupon rate 11.75 per cent
- 3. Yield on (4-5 year) taxfree government bonds

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



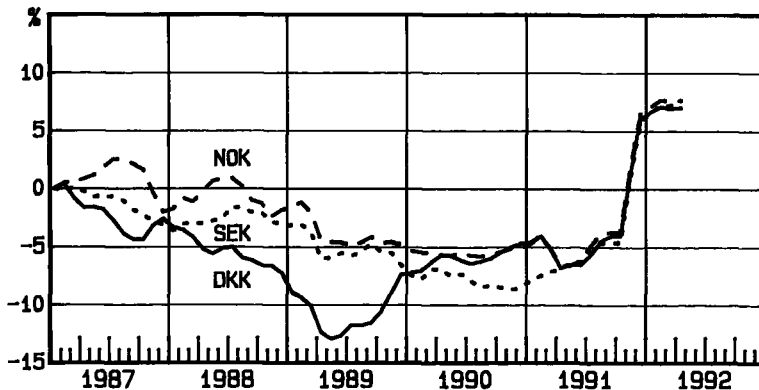
Until June 7, 1991, the Bank of Finland currency index. From June 7, 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953 - 5.02207 in the period June 7 - November 14, 1991, and have been 5.39166 - 5.72516 since November 15, 1991. Monthly averages

12. MARKKA VALUE OF THE ECU



Daily observations

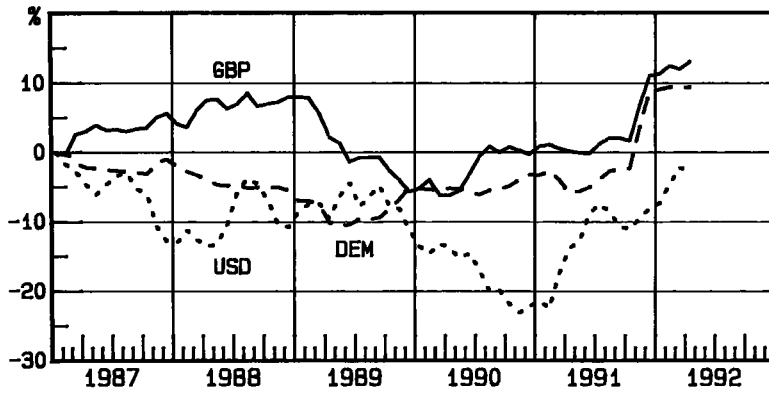
13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



Monthly changes in markka selling rates calculated from the average rates for January 1987

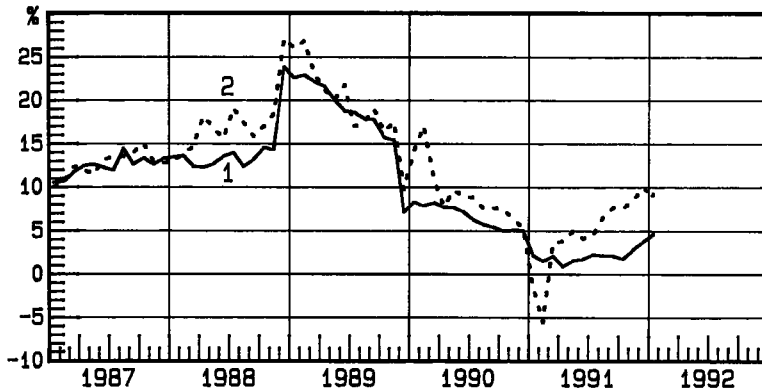


14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



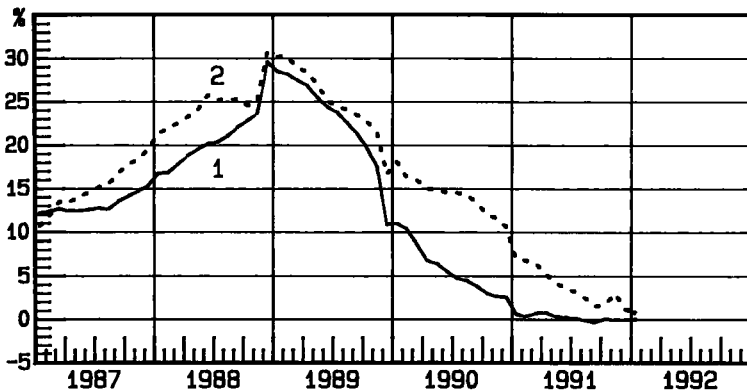
Monthly changes in markka selling rates calculated from the average rates for January 1987

15. BANK FUNDING FROM THE PUBLIC



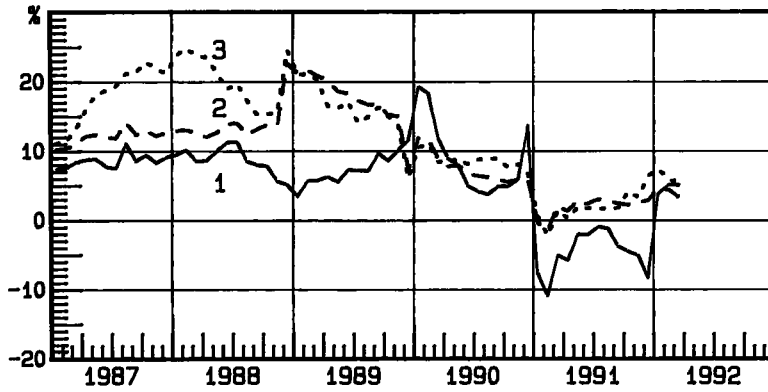
1. Markka deposits  
2. Total funding  
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



1. Markka lending  
2. Total lending  
Change from the corresponding month of the previous year, per cent

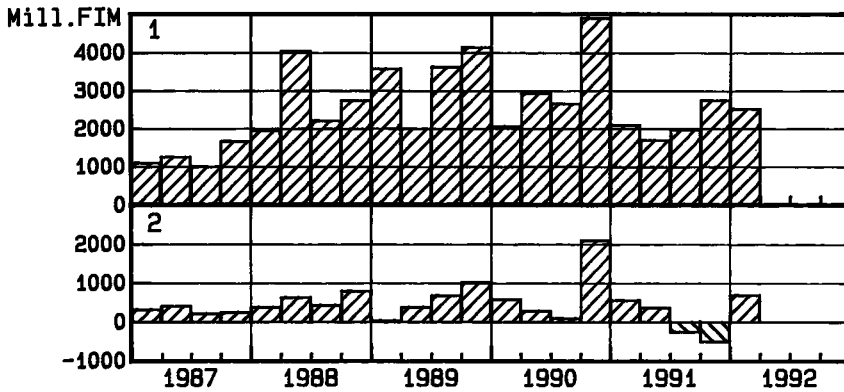
17. MONEY SUPPLY



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

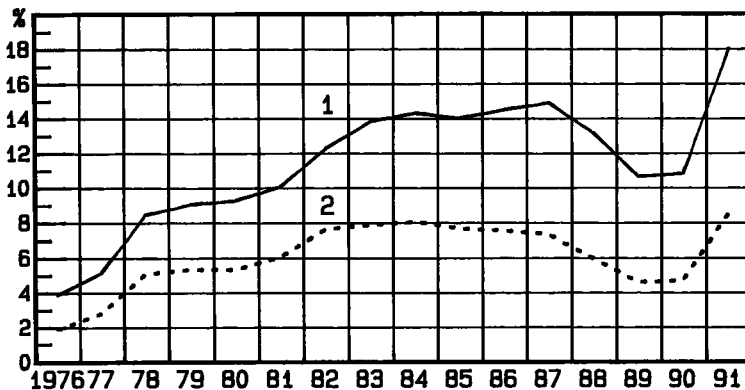
Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



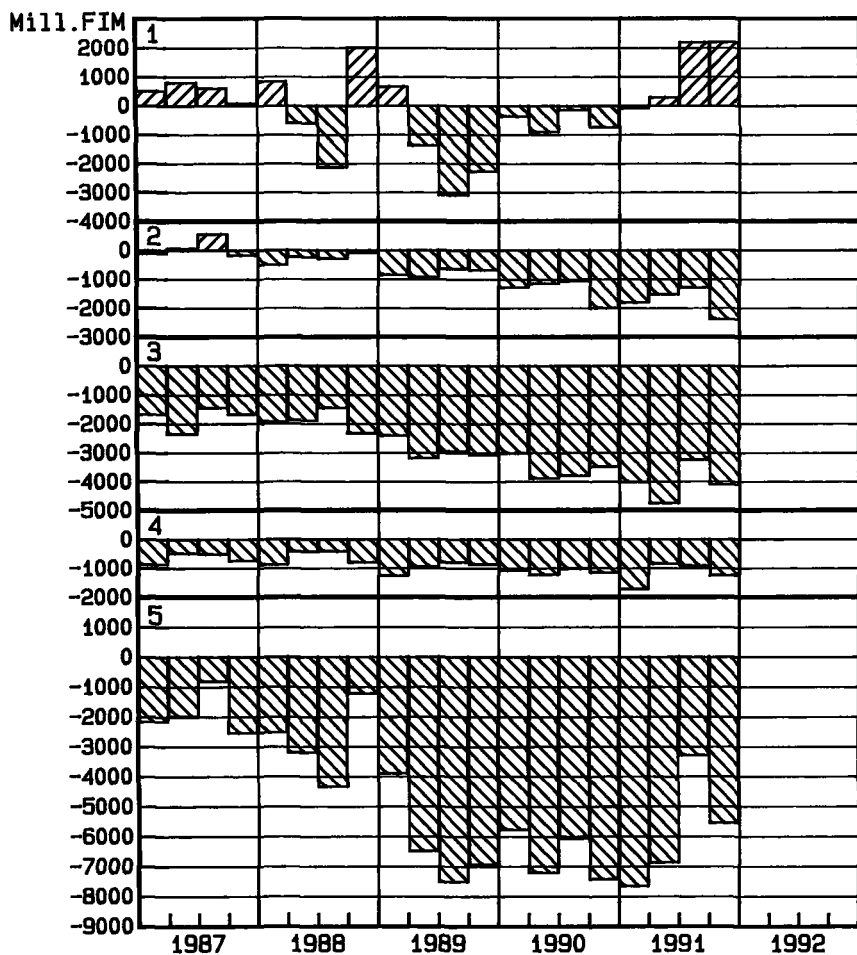
- 1. Finnish direct investment abroad, net
- 2. Foreign direct investment in Finland, net

19. CENTRAL GOVERNMENT DEBT



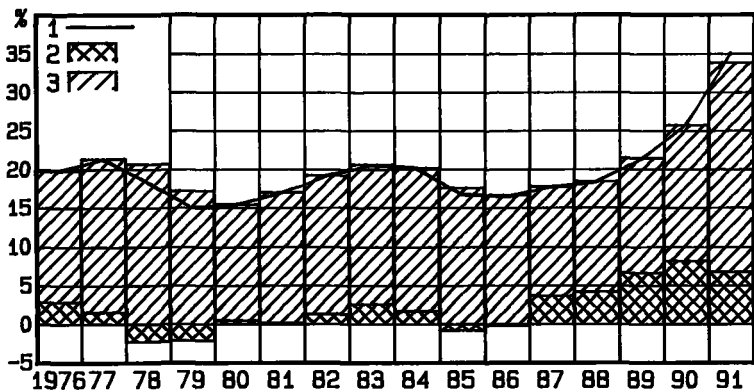
- 1. Total debt
  - 2. Of which: foreign currency-denominated debt
- As a percentage of GDP

20. CURRENT ACCOUNT



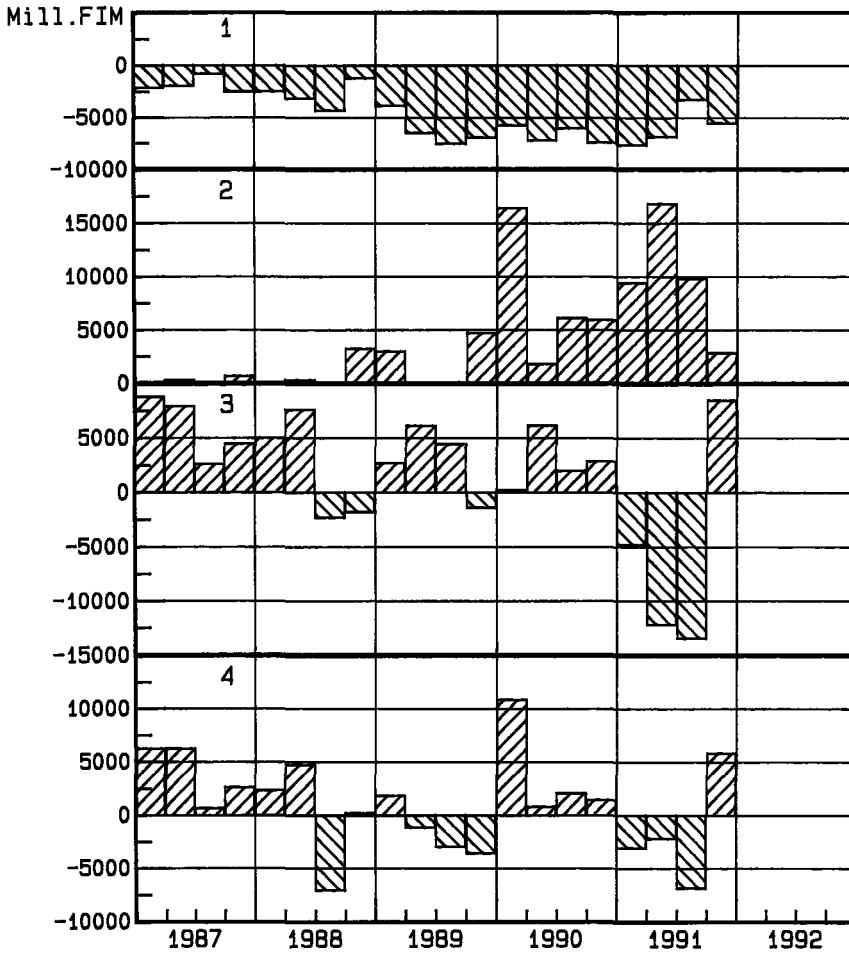
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

21. FOREIGN DEBT



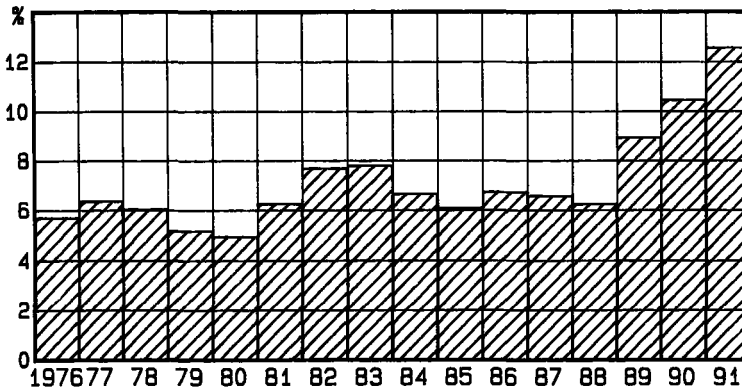
1. Total foreign net debt
  2. Short-term net debt
  3. Long-term net debt
- As a percentage of GDP

## 22. BALANCE OF PAYMENTS



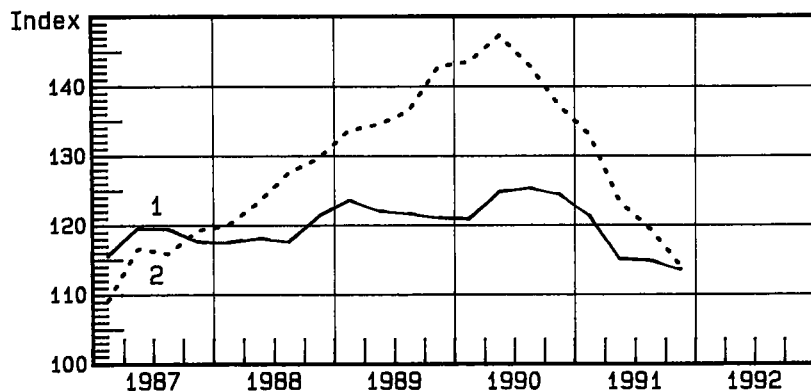
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance=change in the foreign exchange reserves of the Bank of Finland

## 23. NET INVESTMENT EXPENDITURE



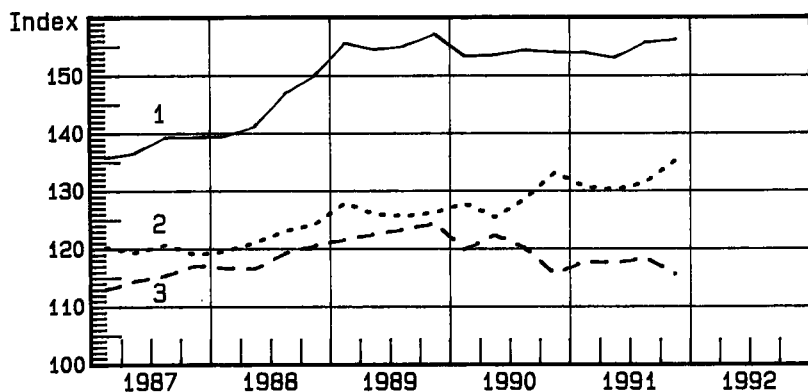
As a percentage of current account receipts

## 24. FOREIGN TRADE



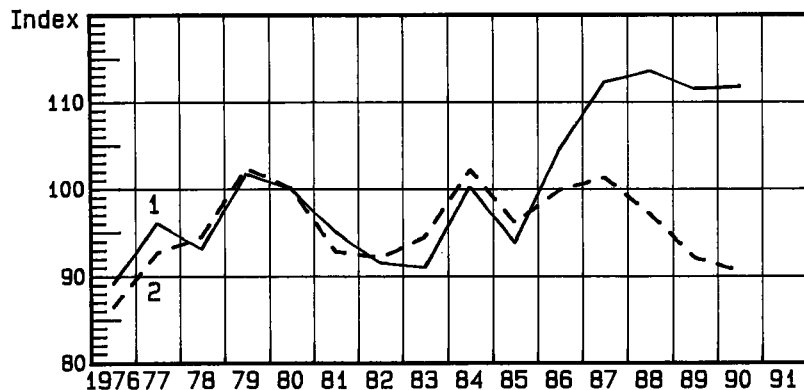
1. Total exports
  2. Total imports
- Volume index, 1980 = 100, four-quarter moving average shown as at the last quarter

## 25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



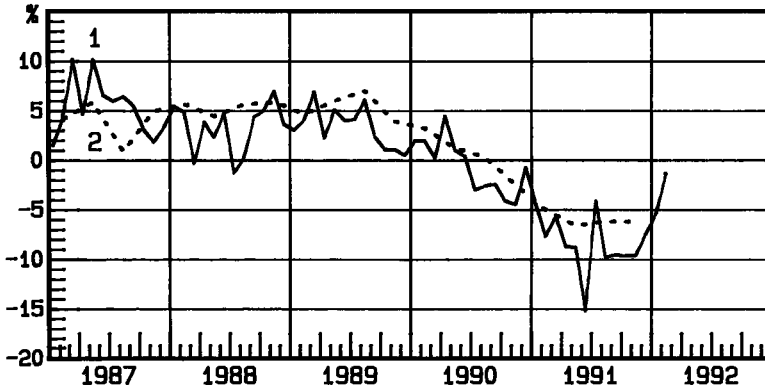
1. Unit value index of exports
  2. Unit value index of imports
  3. Terms of trade
- 1980 = 100

## 26. FINLAND'S EXPORT PERFORMANCE



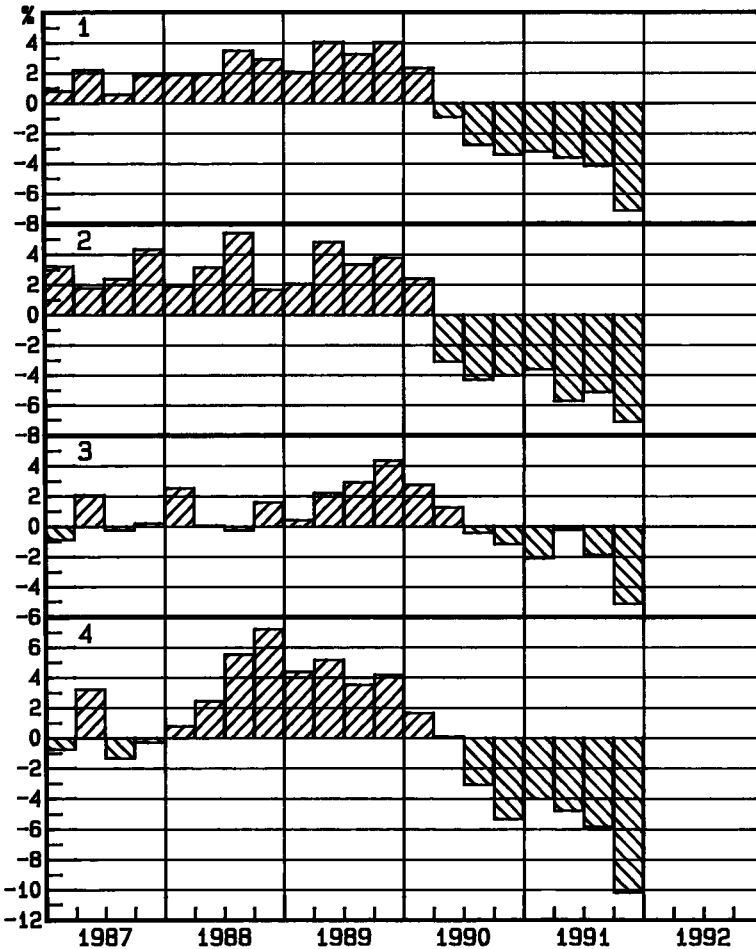
1. Value of exports to OECD countries in relation to imports of OECD countries
  2. Volume of exports to OECD countries in relation to imports of OECD countries
- 1980 = 100

27. PRODUCTION



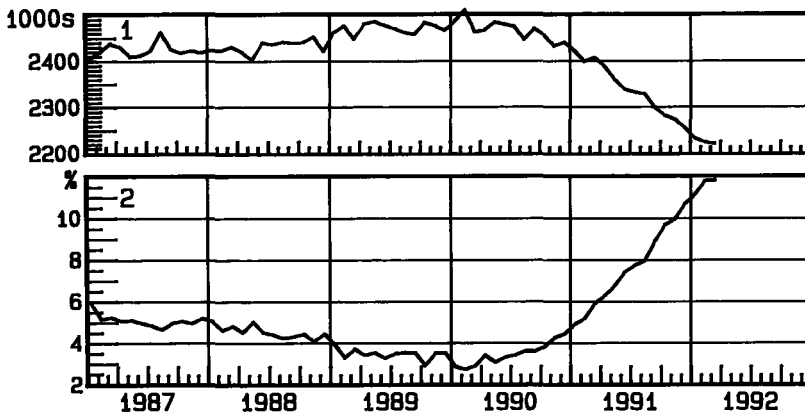
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

28. FIXED INVESTMENT



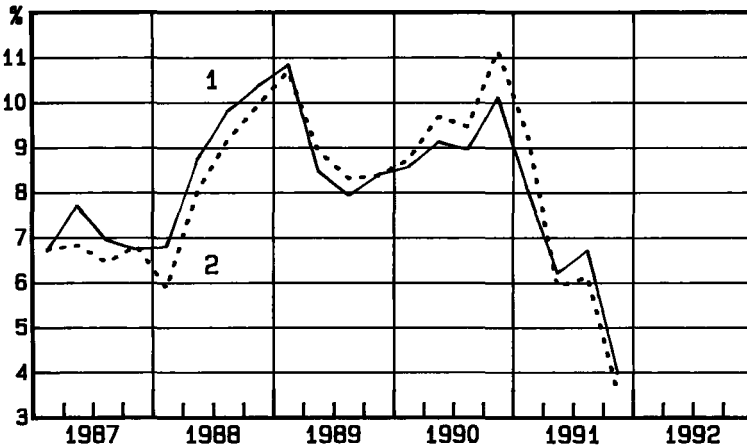
1. Total fixed investment
  2. Investment in machinery and equipment
  3. Building investment, excl. residential buildings
  4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

### 29. EMPLOYMENT AND THE UNEMPLOYMENT RATE

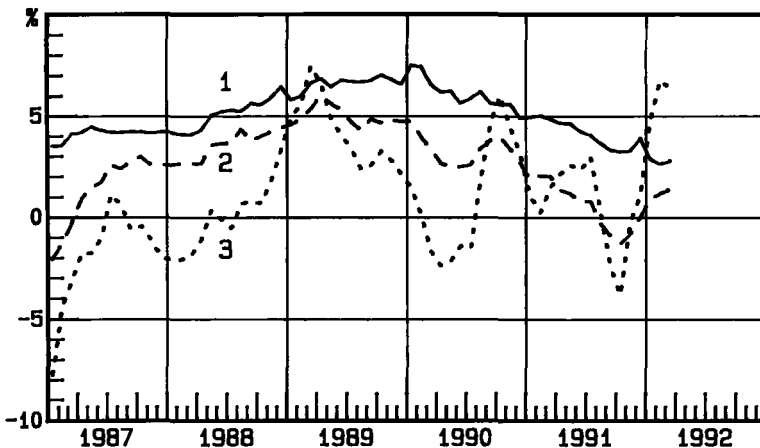


1. Employment, 1000 persons
2. Unemployment rate, per cent

### 30. PRICES AND WAGES

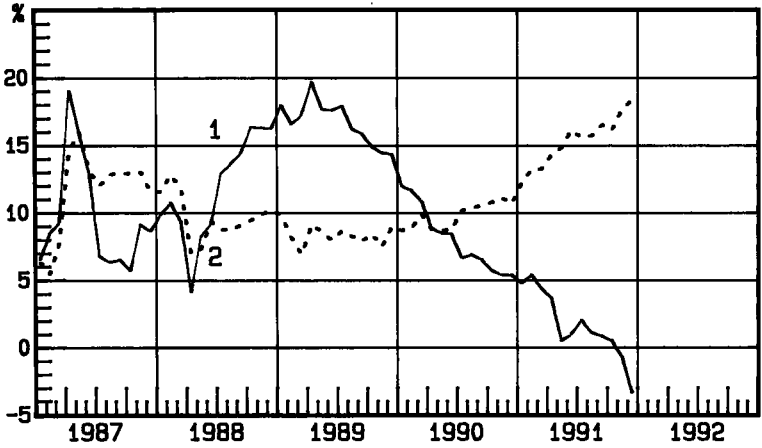


1. Index of wage and salary earnings, all wage and salary earners
  2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



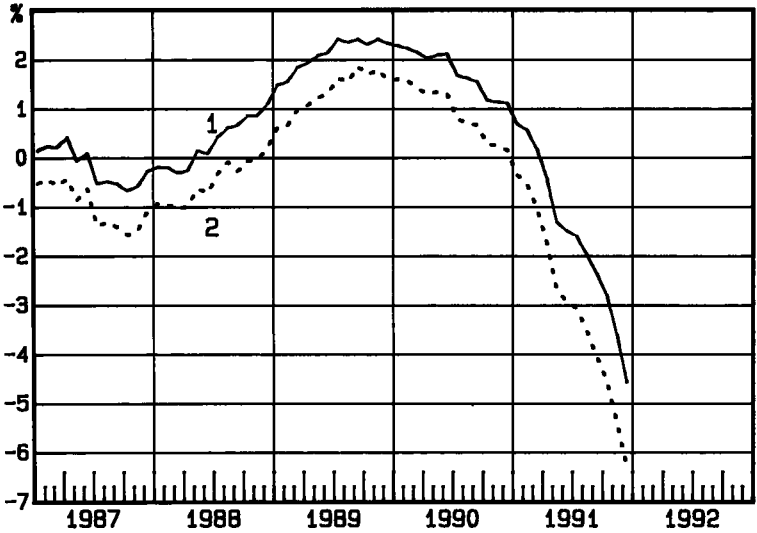
1. Consumer price index
  2. Wholesale price index
  3. Import price index
- Change from the corresponding month of the previous year, per cent

31. CENTRAL GOVERNMENT FINANCES



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

Changes calculated from 12-month moving totals and shown as 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 shown as at the last month and as a percentage of GDP



# BANK OF FINLAND

May 1, 1992

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## THE PARLIAMENTARY SUPERVISORY BOARD

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PENTTI MÄKI-HAKOLA, Chairman  
JUSSI RANTA, Vice Chairman  
SEPPÖ KÄÄRIÄINEN

HANNU TENHIÄLÄ  
ANNELI JÄÄTTEENMÄKI

TUULIKKI HÄMÄLÄINEN  
ESKO SEPPÄNEN

MAURI MIETTINEN  
JÖRN DONNER

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## THE BOARD OF MANAGEMENT

---

SIRKKA HÄMÄLÄINEN, Chairman  
ELE ALENIUS  
HARRI HOLKERI

ESKO OLLILA  
KALEVI SORSA

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## DIRECTORS      UNITS

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PENTTI KOIVIKKO	Accounting Department OSSI LEPPÄNEN Administration Department URPO LEVO Building Projects BENGT PALMROOS Data Processing Department RIITTA JOKINEN Legal Affairs ARNO LINDGREN	Payment Instruments Department REIJO MÄKINEN Personnel Department ANTON MÄKELÄ Personnel Projects ANNELI SOINI Security JYRKI AHVONEN Branches
—	Central Bank Policy Department (excl. International Office) JOHNNY ÅKERHOLM Economics Department KARI PUUMANEN Information Department ANTTI HEINONEN	Market Operations Department MARKUS FOGELHOLM Research Department HEIKKI KOSKENKYLÄ Statistical Services Department ESA OJANEN
MATTI VANHALA	Financial Markets Department KAIJU KALLIO (Acting Head), Advisers: RALF PAULI, PETER NYBERG International Office of the Central Bank Policy Department	Payments and Settlement Department RAIMO HYVÄRINEN Unit for Eastern European Economies KARI PEKONEN

---

Internal Audit Department TIMO MÄNNISTÖ

---

Management Secretarial Staff HEIKKI T. HÄMÄLÄINEN,  
Secretary to the Parliamentary Supervisory  
Board and the Board of Management

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## BRANCH OFFICES

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9 branches: Joensuu, Jyväskylä, Kotka, Kuopio, Lahti, Oulu, Tampere, Turku, Vaasa

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## SETEC OY

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VELI TARVAINEN, Managing Director

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