



# BULLETIN

BANK OF FINLAND

October 1988 Vol. 62 No. 10

Taxation of Interest Income in Finland  
European Integration and Finland

<b>Taxation of Interest Income in Finland</b> by Juhani Raatikainen	3
<b>European Integration and Finland</b> by Veli Sundbäck	5
Items: Changes in the clearing payments system in trade between Finland and the U.S.S.R	8
Monetary and foreign exchange policy measures from October 1987 to October 1988	9
Finland in brief	12
Statistics	S1
Charts	S27

## PUBLISHER

**Suomen Pankki Finlands Bank**  
P.O. Box 160, SF-00101 HELSINKI, FINLAND  
Telephone: National (90)1831  
International +358 01831

**Editor-in-Chief** Antero Arimo  
**Editor** Marja Hirvensalo-Niini  
**Subscriptions** Heli Virtanen

Telex: 121224 SPFB SF  
Telefax: 174872  
Cables: SUOMENPANKKI

The contents of the Bulletin may be freely quoted,  
but due acknowledgement is requested.

ISSN 0784-6509

# TAXATION OF INTEREST INCOME IN FINLAND

by **Juhani Raatikainen**, Lic. Pol. Sc.  
Financial Markets Department  
Bank of Finland

**A** reform of the taxation of bank deposits and bonds will be introduced in Finland at the beginning of 1989. The reform will increase the share of interest income subject to taxation. The reform seeks to harmonize the taxation of financial assets and is part of the comprehensive tax reform to be implemented at the same time.

The current taxation system in Finland — like that in many other countries — contains elements which are undesirable from the point of view of financial markets. For example, it is not neutral in the sense that the returns on various types of investment are not taxed equally. This tends to distort the structure of markets and hamper an efficient allocation of capital. Accordingly, the reform of interest income taxation reflects efforts to eliminate those features of the present system reducing market efficiency.

The reform of capital income taxation can also be considered an essential precondition for the further development of financial markets in Finland, where the focus has shifted from the market for short-term funds to the capital, bank credit and deposit markets. At present, the tax treatment of these market segments is so asymmetric that it can be regarded as retarding their further development.

## **PROBLEMS RELATED TO THE PRESENT TAXATION OF FINANCIAL ASSETS**

In principle, interest income is taxable in Finland. In practice, however, households' bank deposits have been exempted, under a separate law,

from both income and wealth tax, providing that banks apply uniform deposit terms (incl. interest rates). This has effectively prevented deposit rate competition between banks, resulting in the existence of a banking cartel.

The separate law also empowers the Government to decide on the tax exemption of bonds. It has, in fact, generally been considered justified to grant tax exemption to government bonds and bonds issued by some mortgage institutions, while interest on other bonds and debentures has been taxable. This has curbed issues of bonds by economic agents not allowed to issue tax-exempt bonds.

Capital gains on shares are taxable unless the shares have been held for at least five years before they are sold; dividend income is, with certain qualifications, subject to double taxation as both the company and the investor pay tax on it.

The tax system gives tax-exempt investments — bank deposits and government and mortgage institution bonds — a competitive edge over other types of investment, thus distorting the yield structure in the markets. The fact that taxable investments usually involve greater risks than tax-exempt alternatives only tends to reinforce this effect.

## **AIMS OF THE REFORM**

One of the major principles of taxation is neutrality: taxation should not alter the differences in returns attributable to different economic actions but should treat all returns equally. At present, this principle is not applied in Finnish financial markets.

Another issue related to taxation is whether to tax nominal or real income. In the case of financial markets, economists have come down widely in favour of taxing real income: the aim should be to tax real returns, not losses caused by inflation.

The third principle is uniform treatment of interest expenditure on loans in relation to the taxation of interest income. An arrangement whereby some interest income is tax-exempt or only partly taxable tends to encourage tax arbitrage through the incurrence of debt. This is not only inexpedient from the point of view of the system, but also has undesirable effects on the functioning of financial markets.

In addition, other general taxation principles, such as the progressiveness of income taxation, should be applied in the taxation of financial assets.

## **THE REFORM OF INTEREST INCOME TAXATION**

The tax reform, which will take effect at the beginning of 1989, will increase the share of interest income subject to taxation. However, some household interest income will still remain tax-exempt on the basis of the Tax Relief Act, which will remain in force until 1991. Of bank deposits, standard savings and deposit accounts will remain tax-exempt; the interest rate applied to them may not exceed the Bank of Finland's base rate less 4 percentage points. 24-month fixed-term deposits, the interest rate on which is at most the Bank of Finland's base rate less 2 percentage points, will also remain tax-exempt. In addition, 10-year bonds carrying

a maximum interest rate of the base rate less 1 percentage point will be tax-exempt. In principle, all other interest income will be taxable.

The taxation of household interest income will be graduated on the basis of the annual amount of interest income (and all other capital income; the same system of taxation will be applied to all types of capital income, which will be summed up for the purposes of taxation). In 1989, a fixed FIM 2 000 capital income deduction will be allowed on interest income, i.e. any interest income below this amount will be taxfree. Interest income between FIM 2 000 and 18 000 will be taxed so that half of the interest income in excess of the basic capital income deduction of FIM 2 000 will be taxable and taxed according to the investor's personal income tax rate. All interest income exceeding FIM 18 000, after the maximum capital income deduction of FIM 10 000, will be taxable income to the investor. The graduated system is illustrated in Chart 1.

The proportion — in this case 50 per cent — of household interest income between FIM 2 000 and 18 000 subject to taxation is determined broadly in line with the principles of real taxation and may be adjusted by Parliament if there is any significant change in the current rate of inflation. The princi-

TABLE 1.  
TAXATION OF INTEREST INCOME

	A	B	C	D
1 Interest income, FIM	1 000	5 000	20 000	100 000
2 Capital income deduction	1 000	3 500	10 000	10 000
3 Taxable income (1—2)	0	1 500	10 000	90 000
4 Tax (0.5 × 3)	0	750	5 000	45 000
5 Net interest income (1—4)	1 000	4 250	15 000	55 000

Assumptions:

- the investments examined consist of taxable deposits and bonds;
- the investor's marginal tax rate (according to the tax table) is 50 per cent;
- there is no other capital income;
- the investments generating this interest income at a rate of 8 per cent are: A) FIM 12 500, B) FIM 62 500, C) FIM 250 000 and D) FIM 1 250 000.

ple of nominal taxation is applied to interest income exceeding FIM 18 000. Table 1 contains examples of the returns on investments of various size in accordance with the 1989 taxation system.

As interest income, either in full or in part, is included in the recipient's taxable income, the final tax is determined according to personal income tax rates. Thus the arrangement realizes the principle of the general progressiveness of taxation. At the same time, the reform will harmonize the taxation of various investments, though a considerable part of interest income will still remain tax-exempt. Unlike the present situation, the new system will enable banks to increase interest rate competition on taxable deposit accounts but how much it will actually stimulate competition remains to be seen.

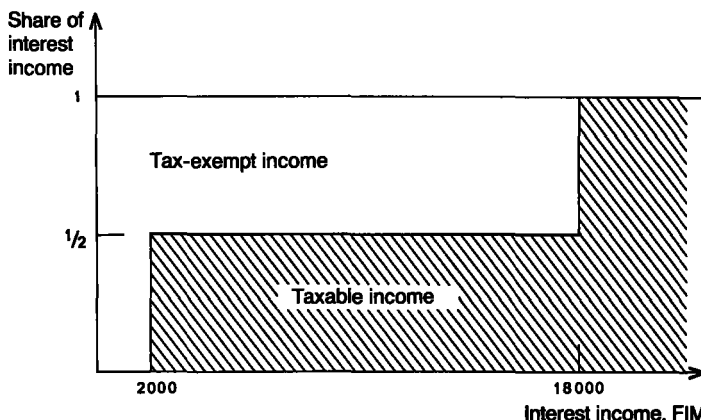
**RELATED ISSUES**

The budget proposal currently being discussed in Parliament contains amendments to the taxation of interest expenditure. According to the proposal, 90 per cent of interest expenditure in excess of the first FIM 900 can be deducted, the maximum deduction for families with children being FIM 25 000 and for others FIM 22 000. The aim is to substantially reduce the tax-deductible share of interest expenditure in the future. Reducing the deductibility of tax expenditure will tend to curb both household indebtedness and tax arbitrage, both of which are favoured, at least to some extent, by the present taxation system.

It should be noted that the Government has also decided to implement other reforms related to the taxation of financial markets which will increase the uniform treatment of financial assets. For example, the "avoir fiscal" system will be introduced in the taxation of dividend income in 1990 and taxation of capital gains will be tightened considerably in 1989. The reforms decided upon aim at a more uniform treatment of both different types of income and different investment outlets. Such measures will contribute to the increased efficiency of both the financial markets and the entire economy.

October 3, 1988

CHART 1.  
TAXABLE AND TAX-EXEMPT SHARES OF INTEREST INCOME



# EUROPEAN INTEGRATION AND FINLAND

by **Veli Sundbäck**, Deputy Director-General  
External Economic Relations  
Ministry for Foreign Affairs

Europe is the key area for Finland's foreign trade, accounting for some 80 per cent of Finland's total imports and exports. The share of the EC in Finland's total trade is over 40 per cent, that of EFTA over 20 per cent and that of Eastern Europe some 15 to 20 per cent.

The outcome of the integration processes currently under way in Europe is thus vital for the economic interests of Finland. It is essential that Europe remains the major market for Finnish products, and an area to which Finnish exports have open access. This article describes Western European integration. Developments taking place in Eastern Europe and between Eastern and Western European countries are not discussed. It should be stressed, however, that these developments are of great importance for Finland, which is a strong supporter of pan-European cooperation.

## **FINNISH PARTICIPATION IN EUROPEAN INTEGRATION**

Finland adopted an open economic strategy as early as 1957. Trade with western countries was liberalized and put on a multilateral basis. When, in the late 1950s, the integration process led to the creation of the EEC and EFTA, Finland safeguarded her economic and trade interests by concluding an agreement with EFTA in 1961.

This first phase in Finland's policy of economic integration was followed by a new phase in the early 1970s. After the UK and Denmark had joined the

Community and other EFTA countries had sought free trade agreements with it, a risk emerged that a significant part of Finnish exports might fall into a disadvantaged position. Finland thus found herself in a situation similar to that some ten years earlier. She had again to adapt herself to the changing economic and trade environment in order to safeguard her vital interests. This was done by concluding a free trade agreement with the EEC. As a result of the new free trade agreements, a Western European free trade area comprising of 16 countries came into being.

## **FINLAND'S TRADE WITH EFTA AND THE EC**

The free trade agreements with EFTA and the EC have worked well. Trade has developed in a balanced manner and its structure has been diversified. Finnish exports have gained significant market shares in the EFTA area, mainly in the other Scandinavian countries. In the EC, Finland has maintained her market shares. Contrary to the fairly widespread fears expressed in Finland, no major difficulties have been encountered as a result of increased imports from EFTA and EC countries. Unlike most other EFTA countries, Finland runs a surplus in her trade with the EFTA/EC area.

The bulk of Finnish-owned companies abroad are located in the EFTA/EC area. At present, there are more than 900 Finnish firms in the Community and some 700 in EFTA countries. Two-thirds of total net foreign direct investment by Finn-

ish firms have taken place in Western Europe.

## **EUROPEAN INTEGRATION ENTERS A NEW PHASE: AN INTERNAL MARKET IN THE EC BY 1992**

Until recently, the European Communities remained primarily a customs union in terms of their degree of integration: a Community with a common foreign trade policy, a common agricultural policy, a largely common competition policy, and common objectives in the area of political cooperation. In the space of 30 years, the original "six" developed into the "twelve". The enlargement took place at least partly at the expense of the deepening of economic integration.

In the past few years, the situation in the Communities has changed radically. In 1985, the Community, by then a market comprising over 320 million people, approved a plan for the creation of an internal market by the end of 1992. The Single European Act provided for qualified majority voting rather than unanimity in adopting Community legislation. Expectations of a real and qualitative change in integration rose. In early 1988, the Community solved the long-standing problems of financing the EC budget, and made the momentous decision to increase the structural funds providing financial assistance to poorer regions of the Community.

Basically, the creation of the internal EC market implies the implementation of the "four freedoms": the free movement of goods, services, capital and people.

The same freedoms are already included in the founding charter of the EEC, the Treaty of Rome. Now a timetable has been laid down for the programme and the rulings of qualified majority voting have been provided for.

### **CHALLENGES FOR FINLAND AND OTHER EFTA COUNTRIES**

What are the economic implications of the internal market for other Western European countries belonging to the same free trade area, and how are they responding to the challenges?

Finland and the other EFTA countries have repeatedly stated their recognition that the success of the internal market is of vital importance for the European economies. They therefore support the Community in this endeavour.

The implementation of the internal market is the best way to achieve the fundamental goal of creating better conditions for sustained growth throughout the EC. Such growth is likely to increase demand in the main export markets of the EFTA countries. They recognize the potential benefits to be reaped from a successful deepening of EC integration.

They are equally aware, however, that the completion of the Community's domestic market entails the risk of weakening their competitive position. They have therefore urged the EC to consolidate and strengthen mutual cooperation between EFTA and the EC at the same time as the EC progresses towards completion of its internal market with the aim of extending the benefits of integration to all countries belonging to the Western European free trade system.

### **LUXEMBOURG DECLARATION OF 1984: THE EUROPEAN ECONOMIC SPACE**

The meeting in Luxembourg 6 in April 1984 was the first joint

meeting between the EC and EFTA to be held at ministerial level. This meeting had a dual purpose. Apart from celebrating the successful implementation of the free trade agreements, it also offered an opportunity for ministers to look ahead and identify new common tasks. The ministers expressed the political will to create a dynamic European Economic Space, the EES, comprising of all the 18 EFTA and EC countries. The concept of the EES has only been defined in rather loose terms. It should not be seen as a new organisation but rather as an ongoing process.

It is in the interest of neither EFTA nor the EC at this juncture to be too precise about the EES. The essence of the EES is parallel development between EC and EFTA countries, providing benefits for all.

So far, the concrete results of this new EFTA/EC dialogue have been limited, though far from insignificant. Two conventions on trade documentation and transit documents have been signed. Decisions have been taken on a large number of issues such as technical barriers to trade, trade facilitation, origin rules, public procurement, state aids, education and training, research and development. Cooperation has progressively been extended to new areas. At present, work is being carried on in some 20 specific fields.

At the second joint ministerial meeting in February 1988, the ministers took stock of the progress made. They adopted a declaration that explicitly describes the relationship between the EC and EFTA as "a special relationship". The declaration furthermore commits the new members of the EC, Spain and Portugal, to the process of creating the EES.

### **THE FINNISH POSITION**

In responding to the challenges of deepening integration, Finland takes as a starting point her established

trade policy. The aim is to safeguard economic and trade interests in a way that is consistent with the policy of neutrality.

The considered Finnish view is that this policy of neutrality cannot be reconciled with full membership of the EC.

Intensified economic cooperation in Europe is, however, essentially in the interest of Finland. Consequently, Finland takes an active part in the ongoing integration process.

For both substantive and practical reasons Finland prefers the joint EFTA approach as the main means of cooperation. This is also the approach preferred by the EC. We need, however, to retain the possibility of bilateral negotiations and decisions with the EC. Intensified economic cooperation among the Nordic countries could make a useful contribution to more extensive West European integration.

Free movement of goods within the EFTA/EC area is undoubtedly in Finland's interest, though certain restrictions would still be necessary as regards trade in agricultural goods. In the area of services and capital movements progress should be made gradually and on the basis of experience. Finland is unlikely to encounter any major difficulties in these fields not experienced by the EC countries or other EFTA countries.

The situation is more complicated in the case of free movement of people. On the one hand, there is keen interest in cooperating in the training sector. Sharing the reciprocal benefits of the EC's major training programmes offers a means of keeping research up to date and maintaining industrial competitiveness. On the other hand, there is need to retain control over aliens and manpower policy.

### **PRINCIPLES APPLIED BY THE EC IN COOPERATION WITH EFTA**

The EC's general negotiating position towards EFTA rests

on the following principles:

- integration within the Community has absolute priority,
- the autonomy of decision-making and action must be safeguarded,
- there must be a balance between benefits and obligations; cooperation should be based on "real reciprocity",
- no area of cooperation should be excluded **a priori**.

From the Finnish point of view, these principles are understandable. Finland, too, gives priority to her own interests and is determined to retain decision-making in her own hands. We fully recognize the need for reciprocity and keep an open mind as regards exploring opportunities for cooperation in all areas of the "four freedoms".

Yet these principles imply that the EC intends to go ahead with its integration without waiting for the EFTA countries. The latter must therefore step up their own cooperation or act unilaterally in order to safeguard progress parallel with Community developments.

The second principle suggests, in practice, that the EFTA countries should closely follow developments in the Communities and be able to react quickly whenever they have a chance to express their views on the Community's draft legislation. As a consequence, cooperation within EFTA will have to be further intensified. Finland has made a number of practical proposals in this respect and welcomes the steps taken to strengthen EFTA machinery so as to be able to keep pace with developments in the EES.

The third principle of "real reciprocity" also seems reasonable enough. It should be recalled, however, that there is no general agreement within the EC as to exactly what real reciprocity should constitute. Accordingly, the fulfilment of this principle will require negotiations between the parties. The need for global liberalization of

international trade will also have to be borne in mind.

### **METHODS OF COOPERATION**

The contractual relations between the EFTA countries and the EC are based on bilateral free trade agreements. Nevertheless, the EFTA countries have underlined that EFTA can play a key role as their vehicle for cooperation and negotiations with the EC.

At the ministerial meeting in February 1988, the EFTA and EC countries agreed that cooperation between them could best be furthered pragmatically along both multilateral and bilateral lines. For a number of reasons, both substantive and practical, sectoral multilateral EFTA/EC arrangements should serve as the main means.

Similarly, bilateral arrangements could be resorted to in issues that do not interest all individual EFTA and EC countries. R & D is a typical example of the bilateral approach. On the basis of the framework agreement with the EC, Finnish partners are already participating or preparing to participate in a significant number of EC programmes and projects.

Another important means — applied, for example, in the fields of technical regulations and state aids — is to develop an internal EFTA system compatible with EC arrangements, thereby providing a basis for bridge-building between the two systems.

A further way is for the parties to automatically and unilaterally ensure that their internal legislation has the same, or similar, compatible content, thereby avoiding any unnecessary obstacles to economic relations.

Adaptation of respective legislations would of course be much facilitated by an efficient and early information and consultation procedure. To some extent such procedures are already applied but they should be made more systematic and

comprehensive in order to render possible more extensive use of the notion of mutual recognition of laws, regulations and standards as an instrument for EFTA/EC cooperation.

### **FUTURE PROSPECTS**

Up till now, the EFTA countries and the EC have worked towards the common goal in a pragmatic manner step by step. This approach has satisfied all concerned. As the process of integration proceeds, a clearer concept and vision of how relations between the EFTA countries and the EC should be arranged in the future might be called for. This should, of course, be developed jointly by the countries and organs of EFTA and the EC.

### **REGIONAL INTEGRATION IN RELATION TO GLOBAL LIBERALIZATION**

Finland remains an avid supporter of the open world trade and financial system. We do not see European integration as an end in itself but as a contribution to the growth of world trade. "Fortress Europe" or "Europe for Europeans" cannot be the answer to this continent's problems. To ensure that regional developments continue to impart positive impulses to the world trading system and **vice versa** it is of vital importance that the ongoing GATT negotiations, the Uruguay Round, play a central role in the liberalization of world economic relations. This is in our national interest and to that end we seek to make an active contribution.

October 3, 1988

### **CHANGES IN THE CLEARING PAYMENTS SYSTEM IN TRADE BETWEEN FINLAND AND THE U.S.S.R.**

On September 9, 1988, the governments of Finland and the U.S.S.R. signed a protocol concerning amendments to the current reciprocal trade and payments agreement between the two countries (the 1984 framework agreement for 1986—90).

Underlying the amendments were the problems caused by the large fluctuations in Finnish-Soviet trade and the almost permanent credit balance in Finland's favour in the clearing account. Also contributing to the pressures for change has been the reform of the Soviet economy. This has not only exposed the rouble to exchange rate risks but also led to the introduction of new forms of economic cooperation in trade between the two countries, which have been difficult to apply under the old system.

According to the new agreement, the credit limit (the maximum permissible imbalance) in the clearing account will be lowered from the present SUR 300 million to SUR 200 million and any amounts exceeding this limit will be settled quarterly in convertible currency. Credit will be interest-free up to SUR 100 million. The debtor party will be obliged to pay interest on credit in excess of this amount at a rate based on the level of interest rates prevailing in the international financial markets. These amendments will enter into force at the beginning of 1990, by which time the clearing account is expected to be in bal-

ance. From the beginning of 1989, funds in the clearing account will be protected from possible changes in the external value of the rouble. The former agreement did not include a clause on exchange rate protection. Moreover, the new agreement, like the old agreement, permits the use of the Finnish markka or some other convertible currency in addition to the rouble as a pricing currency in commercial contracts. This will enhance the opportunities of Finnish companies to hedge against changes in the exchange rate of the rouble.

In practice, the amendments agreed on entail the most radical change for more than 30 years in the principles applied in the trading arrangement between Finland and the U.S.S.R. The improvements in the payments system will make it possible to conduct trade more flexibly than at present and easier to apply new forms of economic cooperation. The new agreement enables the use of customary trade credits in Finnish exports to the Soviet Union, a practice not previously permitted under the clearing system.

The technical and practical arrangements which will be necessary because of the amendments are to be agreed in negotiations between the Bank of Finland and the Foreign Trade Bank of the U.S.S.R. The new agreement will be in force until the end of the current 5-year period (1986—90). The negotiations concerning the following 5-year agreement are due to begin shortly.



# MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM OCTOBER 1987 TO OCTOBER 1988

1987

## OCTOBER

**Amendments to Foreign Exchange Regulations.** The Bank of Finland decides to allow authorized banks to write and purchase markka options as from October 1, 1987. At the same time, the Bank of Finland grants companies and other residents the right to purchase such options. Banks had previously been allowed to write foreign currency options but not markka options. Markka options entitle but do not oblige the holder to purchase or sell foreign currency at an agreed markka rate within an agreed period.

**Banks' central bank financing.** With effect from October 1, 1987, savings and cooperative banks are allowed to deal in certificates of deposit with the Bank of Finland provided that they meet with the requirements set on trading.

As from October 1, 1987, the Bank of Finland enlarges to some extent the right of banks to use call money credit which is not subject to penalty interest.

### **Housing loans.**

From October 16, 1987, the Bank of Finland ceases to issue precise guidelines to the banks concerning prior savings required for housing loans and other personal credits.

## NOVEMBER

**Interest rate policy.** On November 13, 1987, the Parliamentary Supervisory Board decides on new

interest rate powers for the Board of Management of the Bank of Finland in respect of both call money rates and money and capital market operations.

The call money rate powers remain unchanged so that the upper limit on call money rates is still the base rate plus 15.0 percentage points and the lower limit the base rate.

Under the new powers, for rates of interest longer than one day, the Board of Management may, at its discretion, intervene in the market to regulate movements within a range the lower limit of which is the base rate and the upper limit the base rate plus 5 percentage points. If, because of market forces, interest rates move beyond these limits, the Board of Management may only undertake such operations that reduce the gap between market rates and these limits.

At the same time, the new powers are extended to include rates of interest longer than 6 months whereas previously they only concerned rates of interest up to 6 months.

1988

## JANUARY

**Interest rate policy.** With effect from January 1, 1988, the Bank of Finland commences to calculate and publish 3- and 5-year long-term market rates on a monthly basis. Banks may use these rates as reference rates in their lending (incl. housing loans). The long-term reference rates are

based on market rates for taxable, fixed-rate bonds. Like HELIBOR rates, they are calculated on the basis of the offered rates quoted by the five largest banks.

**Housing loans.** With effect from the beginning of 1988, banks may, in addition to the base rate, use the 3- and 5-year market rates calculated and published by the Bank of Finland as reference rates for their new long-term housing loans.

### **Cash reserve requirement.**

The Bank of Finland raises the cash reserve requirement from 4.9 per cent to 5.3 per cent of the cash reserve base in January.

### **Special financing arrangements.**

The Bank of Finland decides to amend the terms applied to the financing of domestic suppliers' deliveries (KTR credits) as from the beginning of 1988. According to the new terms, the rate of interest on KTR credits is 2½ percentage points over the Bank of Finland's base rate while the Bank of Finland's share in the financing of the purchase price of a delivery is 30 per cent.

The Bank of Finland decides to abolish the financing arrangements for new-export credits and for short-term export credits with effect from the beginning of 1989. The present terms are to be applied to these financing arrangements in 1988.

## FEBRUARY

### **Cash reserve requirement.**

The Bank of Finland raises the cash reserve requirement

from 5.3 per cent to 5.7 per cent of the cash reserve base in February.

## MARCH

**Refinancing of crop failure loans.** With effect from March 1, 1988, the Bank of Finland starts granting deposit banks one-year loans for refinancing their crop failure loans. The rate of interest on the refinancing loans, which is tied to the base rate, is 8 per cent. These loans can be granted up to 80 per cent of the total amount of the crop failure loans granted by each bank.

**Cash reserve requirement.** The Bank of Finland raises the cash reserve requirement from 5.7 per cent to 5.9 per cent of the cash reserve base in March.

## APRIL

**Cash reserve requirement.** The Bank of Finland raises the cash reserve requirement from 5.9 per cent to 6.5 per cent of the cash reserve base in April.

## MAY

**Interest rate policy.** The Bank of Finland raises its base rate from 7.0 per cent to 8.0 per cent as from May 16, 1988.

**Cash reserve requirement.** The Bank of Finland raises the cash reserve requirement from 6.5 per cent to 7.0 per cent of the cash reserve base in May.

## AUGUST

**Foreign Exchange Regulations.** The Bank of Finland relaxes the foreign exchange regulations concerning foreign investments as from August 1, 1988. Private individuals and companies may acquire publicly quoted foreign securities up to the total value of FIM 300 000 as

against FIM 50 000 previously. The upper limit for investment in dwellings and real estate will be raised from FIM 600 000 to FIM 1 million. Direct investments by non-financial companies no longer require prior authorization.

**Till-money credits.** The Bank of Finland introduces new regulations concerning till-money credits according to which the banks are henceforth required to fund part of their till-money holdings, the base amount, themselves. Interest-free till-money credits are equivalent to the banks' markka till-money holdings less the base amount. The base amount is defined on the basis of the currency held by the public. This amount is divided among the banks entitled to till-money credit in proportion to their deposit and savings accounts. As a result of the measure, the bank's liquidity position vis-à-vis the central bank is tightened by about FIM 1 billion.

## SEPTEMBER

**Export deposits.** The Government decides to levy export deposits of 4.5 per cent on semi-bleached and bleached sulphate pulp exported during the period September 23, 1988 to September 22, 1989. The deposits are to be made with the Bank of Finland, which will pay interest at the rate of 7.25 per cent on them.

## OCTOBER

**Call money market.** The differential between the call money deposit rate and the call money credit rate is widened with effect from October 6, 1988. The rate on call money credits is raised from 11 per cent to 13 per cent while the

rate on call money deposits is lowered from 7.5 per cent to 4 per cent.



## LAND, CLIMATE AND POPULATION

Finland covers an area of more than 338 000 square kilometres (1986). 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 the Soviet Union 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 4 939 000 (Dec. 31, 1987) and an average population density of 16.2 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 490 000 inhabitants, Tampere (Tammerfors) 170 000 and Turku (Åbo) 160 000.

There are two official languages: 93.6 % of the population speaks Finnish as its mother tongue and 6.1 % 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 1987, the seats of the various parties in Parlia-

ment are distributed as follows: Social Democratic Party 56; National Coalition Party 53; Centre Party 40; People's Democratic League 16; Swedish People's Party 13; Rural Party 9; Christian League 5; the Greens 4; and the Democratic Alternative 4.

Of the 18 ministerial posts in the present government appointed in May 1987, 8 are held by Social Democrats, 7 by the National Coalition Party, 2 by the Swedish People's Party and 1 by the Rural Party. The Prime Minister is Mr. Harri Holkeri of the National Coalition 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, and enjoys friendly relations with all European countries and countries elsewhere. Finland's development cooperation programmes channel assistance via international organizations and, bilaterally, to a number of African, Asian and Latin American countries.

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 and the AfDB in 1982.

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. 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.

## 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 347 billion in basic values in 1987, 3 % was generated in agriculture and fishing, 3 % in forestry, 27 % in industry, 8 % in construction, 12 % in trade, restaurants and hotels, 8 % in transport and communications, 5 % in finance and insurance, 17 % in other private services and 17 % by producers of government services. Of total employment, 10 % was engaged in primary production, 31 % in industry and construction and 59 % in services.

In 1987, expenditure on the gross domestic product in purchasers' values amounted to FIM 394 billion and was distributed as follows: net exports 0.4 % (exports 25.2 %, imports -24.8 %), gross fixed capital formation 23 %, private consumption 54 % and government consumption 21 %. Finland's gross tax ratio (gross taxes in relation to GDP) was 36 % and the net tax ratio (net taxes in relation to GDP) 23 %, which is about the average for OECD countries.

Average annual (compounded) growth of real GDP was 4.9 % in the period 1950-60, 4.8 % in 1960-70, 3.5 % in 1970-80, 3.0 % in 1980-87 and 4.2 % in 1950-87. Finland's GDP per capita in 1987 was USD 18 100; this put Finland in ninth place among the 24 member countries of the OECD, preceded by Switzerland, Japan, the Federal Republic of Germany, the United States and the other Nordic countries.

**Foreign trade.** Over 80 % of Finland's trade is carried on with market economies, the most important among which are Sweden, the Federal Republic of Germany, the United Kingdom, the United States, France and Japan. Bilateral trade with the Soviet Union, which is conducted at world market prices, dominates Finland's trade with socialist countries. Finland imports mainly oil and other energy products from the Soviet Union, while her exports consist primarily of manufactured goods.

In 1987, the share of metal and engineering products in total merchandise exports was 38 %, the share of forest industry products 40 % and the share of other goods 22 %. Raw materials and intermediate goods (incl. crude oil) accounted for 57 % of merchandise imports, fuels for 5 %, invest-

ment goods for 17% and consumption goods for 21 %.

**Forest resources.** Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1 660 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch. The annual growth increment totals 68 million cubic metres and the total drain calculated on the basis of commercial fellings was 54 million cubic metres in 1987.

**Energy.** In 1987, gross consumption of primary energy amounted to 28 Mtoe, of which industry accounted for 45 %, heating for 24 %, transportation for 13 % and other purposes for 18 %. The sources of primary energy in 1987 were as follows: oil 32 %, coal 13 %, nuclear power 16 %, hydro-electric power, peat and other indigenous sources 30 %, others 9 %. Compared internationally (1985), Finland's consumption of 5.5 toe per capita was 1.8 times higher than the average in European OECD countries. The self-sufficiency rate (OECD definition) in Finland was 42 %, as compared with 62 % in western Europe on average.

## FINANCE AND BANKING

**Currency.** Since 1865 Finland has had its own monetary system. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). Since Nov. 1, 1977 the external value of the markka has been officially expressed in terms of a trade-weighted currency index. As from Jan. 1, 1984 only convertible currencies have been included in the index, which may fluctuate within a range of 4.5 percentage points. The range is defined by fluctuation limits which are set by the Government at the proposal of the Bank of Finland. The present fluctuations limits are 101.3 and 106.0 (1982 = 100), where the lower limit means the highest permissible value for the markka and the upper limit the lowest permissible value.

**International payments.** The use of the markka in foreign trade and as a eurocurrency has increased, but most international payments are effected in other currencies. Finland adopted Article VIII status at the International Monetary Fund in 1979. There are no restrictions concerning payments for merchandise or invisibles, and short-term trade finance may be acquired whenever exporters and importers see fit. Exchange-controls apply mainly to financial transactions.

Permission for outward and inward direct investment is granted liberally and foreign investors may also buy shares of listed Finnish companies; however, foreign investment in markka-denominated bonds is normally prohibited at present. Finnish companies may freely raise foreign credits of at least five years' duration for their own

use. Finnish residents may invest in foreign securities and real estate up to specified amounts.

Transactions with the Soviet Union, the German Democratic Republic and Bulgaria are carried out on a bilateral basis and payments are effected through clearing accounts. The necessary licencing of trade for maintaining balance in bilateral trade is carried out by the Export and Import Permits Office; the scope for suppliers' credits is also limited.

**The Central Bank.** The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board of Management are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance, open market operations, intervention in the foreign exchange market, 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 12 branch offices in other towns.

**Other banks** (Dec. 31, 1987). Finland has four major groups of deposit banks with a total of more than 3 500 offices. There are two big commercial banks with national branch networks and eight smaller ones, four of which are foreign-owned. The commercial banks have a total of 30 foreign branches, subsidiaries and associate banks and 30 representative offices abroad. There are 230 savings banks and 369 cooperative banks with their own extensive branch networks. The government-owned Postipankki has 56 branches and also offers basic services in post offices.

**Financial markets.** Of the total stock of FIM 431 billion in outstanding domestic credit at the end of 1986, 60 % was provided by deposit banks, 4 % by mortgage banks, 17 % by insurance companies, 8 % by other credit institutions and 11 % 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, approximately 70 % of the instruments, which totalled approximately FIM 73 billion at end-February 1988, were negotiable instru-

ments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds intermediated 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 52 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 79 billion (at end-1987). Three foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1987 totalled FIM 85 billion; government bonds made up 35 % of the total. Turnover on the Stock Exchange in 1987 amounted to FIM 31 billion; the share of shares and subscription rights in the total was approximately 85 %.



<b>1. THE BALANCE SHEET OF THE BANK OF FINLAND</b>	S2
1.1 The balance sheet of the Bank of Finland	S2
1.2 Time series for the balance sheet items of the Bank of Finland	S3
<b>2. THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD MARKET</b>	S4
2.1 The Bank of Finland's money market operations and the call money market	S4
2.2 Forward exchange market	S5
2.3 Banks' central bank position	S5
<b>3. RATES OF INTEREST</b>	S6
3.1 Money market rates and rates applied by the Bank of Finland	S6
3.2 Weighted Eurorate (3 and 12 currencies)	S6
3.3 Covered Eurodollar rate	S6
3.4 Rates of interest applied by banks	S7
3.5 Rates of interest on bonds and debentures	S7
<b>4. RATES OF EXCHANGE</b>	S8
4.1 Average spot selling rates	S8
4.2 Currency indices	S9
<b>5. OTHER DOMESTIC FINANCING</b>	S10
5.1 Bank deposits by the public	S10
5.2 Bank lending to the public	S10
5.3 Money supply and monetary aggregates	S11
5.4 Liabilities and assets of the central government	S11
5.5 Domestic bond market	S12
a) Issues	S12
b) Stock	S12
5.6 Helsinki Stock Exchange	S13
<b>6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS</b>	S14
6.1 Current account	S14
6.2 Capital account	S15
6.3 Finland's foreign liabilities and assets	S16
6.4 Finland's long-term foreign liabilities and assets by sector	S17
<b>7. FOREIGN TRADE</b>	S18
7.1 Exports, imports and the trade balance	S18
7.2 Foreign trade: indices of volume, unit value and terms of trade	S18
7.3 Foreign trade by main groups	S18
7.4 Foreign trade by regions and countries	S19
<b>8. DOMESTIC ECONOMIC DEVELOPMENTS</b>	S20
8.1 Supply and use of resources	S20
8.2 Volume of industrial production	S20
8.3 Indicators of domestic supply and demand	S21
8.4 Wages and prices	S22
8.5 Labour, employment and unemployment	S23
8.6 Central government finances: revenue, expenditure and financial balance	S24
<b>NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION</b>	S25

# 1. THE BALANCE SHEET OF THE BANK OF FINLAND

## 1.1 THE BALANCE SHEET OF THE BANK OF FINLAND, MILL. FIM

	1987		1988			
	Sept. 30	Dec. 31	Sept. 8	Sept. 15	Sept. 23	Sept. 30
	<b>ASSETS</b>					
<b>Gold and foreign currency claims</b>	26 625	28 739	31 861	31 544	30 898	30 246
Gold	2 081	2 128	2 128	2 128	2 128	2 128
Special drawing rights	970	899	1 016	1 020	1 021	1 022
IMF reserve tranche	757	793	939	942	943	945
Convertible currencies	21 330	23 634	24 999	24 833	24 400	24 357
Tied currencies	1 486	1 284	2 779	2 621	2 406	1 794
<b>Other foreign claims</b>	4 469	4 357	4 225	4 234	4 235	4 229
Markka subscription to Finland's IMF quota	2 506	2 427	2 262	2 262	2 262	2 262
Term credit	1 962	1 930	1 963	1 971	1 973	1 967
<b>Claims on financial institutions</b>	4 923	5 147	10 547	10 475	10 606	11 357
Call money credits	20	0	1	34	1	42
Certificates of deposit	—	—	4 954	4 954	5 069	5 506
Till-money credits	2 385	2 730	2 051	1 950	1 898	2 170
Financing of crop failure loans	—	—	1 222	1 222	1 222	1 222
Bonds	2 099	2 140	2 058	2 057	2 151	2 153
Other claims on financial institutions	418	277	262	259	265	265
<b>Claims on the public sector</b>	965	977	1 001	1 002	1 010	1 011
Bonds	4	4	0	0	5	4
Total coinage	961	967	1 001	1 002	1 005	1 008
Other claims on the public sector	—	6	—	—	—	—
<b>Claims on corporations</b>	3 808	3 678	3 250	3 229	3 202	3 181
Financing of exports	914	868	546	543	535	524
Financing of domestic deliveries (KTR)	2 653	2 568	2 363	2 344	2 328	2 319
Bonds: KTR credits	0	13	123	123	123	122
Bonds: Other	49	46	35	35	34	34
Other claims on corporations	193	182	183	183	183	182
<b>Other assets</b>	105	592	113	115	110	115
Accrued items	—	487	—	—	—	—
Other assets	105	105	113	115	110	115
<b>Total</b>	<b>40 894</b>	<b>43 489</b>	<b>50 997</b>	<b>50 599</b>	<b>50 062</b>	<b>50 139</b>
<b>LIABILITIES</b>						
<b>Foreign currency liabilities</b>	97	135	193	194	193	206
Convertible currencies	39	63	79	73	63	87
Tied currencies	58	72	114	121	130	119
<b>Other foreign liabilities</b>	3 312	3 226	3 075	3 078	3 079	3 080
IMF markka accounts	2 506	2 427	2 262	2 262	2 262	2 262
Allocations of special drawing rights	806	799	813	816	817	818
<b>Notes and coin in circulation</b>	8 952	9 990	10 318	10 299	10 334	10 617
Notes	8 124	9 117	9 417	9 397	9 430	9 708
Coin	828	873	901	902	904	909
<b>Certificates of deposit</b>	4 883	4 970	3 310	1 880	1 850	1 790
<b>Liabilities to financial institutions</b>	11 168	11 766	17 922	18 518	17 915	17 602
Call money deposits	243	757	263	858	247	90
Cash reserve deposits	10 853	10 941	17 612	17 612	17 612	17 464
Capital import deposits	—	—	—	—	—	—
Other liabilities to financial institutions	71	67	48	48	57	49
<b>Liabilities to the public sector</b>	0	901	1 249	1 546	1 566	1 566
Cheque accounts	0	1	0	1	1	1
Counter-cyclical fund deposit	—	900	900	900	900	900
Counter-cyclical deposits	—	—	348	645	665	665
Capital import deposits	—	—	—	—	—	—
Other liabilities to the public sector	0	0	0	0	0	—
<b>Liabilities to corporations</b>	5 080	5 009	6 537	6 537	6 542	6 601
Deposits for investment and ship purchase	4 864	4 799	6 200	6 200	6 203	6 254
Capital import deposits	207	209	328	328	328	338
Other liabilities to corporations	9	2	9	9	10	9
<b>Other liabilities</b>	27	757	43	39	37	40
Accrued items	—	733	—	—	—	—
Other liabilities	27	24	43	39	37	40
<b>Valuation account and reserves</b>	1 446	1 247	2 862	3 021	3 058	3 150
<b>SITRA's capital</b>	400	400	400	400	400	400
<b>Capital accounts</b>	5 529	5 088	5 088	5 088	5 088	5 088
Primary capital	5 000	5 000	5 000	5 000	5 000	5 000
Reserve fund	529	529	88	88	88	88
Profit/loss for the accounting year	—	-440	—	—	—	—
<b>Total</b>	<b>40 894</b>	<b>43 489</b>	<b>50 997</b>	<b>50 599</b>	<b>50 062</b>	<b>50 139</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 currencies, 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>1983</b>	1383	226	751	5150	7510	550	8060	-794	7266	2178	3000	822
<b>1984</b>	1732	936	859	15303	18830	-337	18493	-917	17576	1951	4277	2326
<b>1985</b>	2081	931	775	18572	22359	-285	22074	-849	21225	1023	4300	3277
<b>1986</b>	2081	983	793	6778	10635	3421	14056	-838	13218	1002	2001	999
<b>1987</b>	2128	899	793	23571	27391	1212	28603	1131	29734	977	901	-76
<b>1987</b>												
<b>Sept.</b>	2081	970	757	21291	25099	1428	26527	1157	27684	965	0	-965
<b>Oct.</b>	2081	964	753	22712	26510	1375	27885	1163	29048	968	0	-968
<b>Nov.</b>	2081	961	793	23575	27410	1067	28477	1131	29608	971	1	-970
<b>Dec.</b>	2128	899	793	23571	27391	1212	28603	1131	29734	977	901	-76
<b>1988</b>												
<b>Jan.</b>	2128	879	768	24076	27851	2195	30046	1125	31171	979	901	-78
<b>Feb.</b>	2128	1107	792	24059	28086	2257	30343	1123	31466	982	901	-81
<b>March</b>	2128	1015	779	24683	28605	2243	30848	1115	31963	986	901	-85
<b>April</b>	2128	1065	842	26112	30147	3023	33170	1109	34279	989	901	-88
<b>May</b>	2128	1078	814	27806	31826	3269	35095	1119	36214	995	901	-94
<b>June</b>	2128	1132	956	30054	34270	2399	36669	1146	37815	997	1237	240
<b>July</b>	2128	923	964	29260	33275	2875	36150	1163	37313	997	1246	249
<b>Aug.</b>	2128	1025	947	25057	29157	2733	31890	1158	33048	999	1249	250
<b>Sept.</b>	2128	1022	945	24270	28365	1675	30040	1149	31189	1011	1566	555

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>1983</b>	.	5175	5039	942	-1998	3076	4529	1282	3247	6574	.
<b>1984</b>	.	2802	8696	1563	-1618	-2713	4646	2614	2032	7442	.
<b>1985</b>	.	4014	10222	1925	-1386	-2897	4525	4113	412	8072	.
<b>1986</b>	2381	6687	9270	2305	-2240	4343	4581	4757	-176	8668	.
<b>1987</b>	-	-757	10941	2730	-2350	-6618	3449	4782	-1333	9990	4970
<b>1987</b>											
<b>Sept.</b>	-	-223	10853	2385	-2446	-6245	3567	4838	-1271	8952	4883
<b>Oct.</b>	-	-110	10984	2284	-2541	-6269	3601	4790	-1189	9069	6178
<b>Nov.</b>	-	-1570	11024	2538	-2584	-7472	3561	4772	-1211	9219	5817
<b>Dec.</b>	-	-757	10941	2730	-2350	-6618	3449	4782	-1333	9990	4970
<b>1988</b>											
<b>Jan.</b>	-	-1295	11085	2424	-2364	-7592	3462	4799	-1337	9406	6085
<b>Feb.</b>	-	297	12084	2596	-2346	-6845	3429	4799	-1370	9388	7120
<b>March</b>	-	598	13211	2521	-3149	-6942	3350	4774	-1424	9720	7285
<b>April</b>	-	142	13778	2608	-3121	-7907	3327	5161	-1834	9794	8345
<b>May</b>	-	-720	15363	2976	-3504	-9603	3233	5333	-2100	10142	7625
<b>June</b>	-	1094	17040	3006	-3499	-9441	3129	5929	-2800	10461	7015
<b>July</b>	1525	-661	17487	2875	-3484	-10264	3131	6203	-3072	10443	4810
<b>Aug.</b>	4399	421	17612	2042	-3496	-7254	3047	6320	-3273	10253	3450
<b>Sept.</b>	5506	-48	17464	2170	-3591	-6245	2965	6385	-3420	10617	1790

## 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 certificates of deposit	Sales of certificates of deposit	Matured certificates of deposit, 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>1983</b>	.	.	.	.	2659	-860	3519
<b>1984</b>	.	.	.	.	-767	1606	-2373
<b>1985</b>	.	.	.	.	201	-1011	1212
<b>1986</b>	.	.	.	.	1599	-1074	2673
<b>1987</b>	1263	23658	-17520	-4875	-6818	626	-12319
<b>1987</b>							
<b>Sept.</b>	—	2735	-1845	-890	-61	-555	-396
<b>Oct.</b>	—	4240	-2900	-1340	29	-84	-1227
<b>Nov.</b>	—	3390	-3785	395	6	1466	-1065
<b>Dec.</b>	—	2910	-3805	895	-55	-868	1708
<b>1988</b>							
<b>Jan.</b>	160	3915	-2640	-1115	2	540	-1653
<b>Feb.</b>	—	3955	-2920	-1035	295	-1297	557
<b>March</b>	—	2550	-2385	-165	337	36	136
<b>April</b>	—	3600	-2540	-1060	-217	239	-1516
<b>May</b>	—	2280	-2820	540	-385	477	-322
<b>June</b>	—	2210	-2820	610	1169	-645	2424
<b>July</b>	1560	—	-2205	3765	-1201	554	2010
<b>Aug.</b>	3520	—	-1190	4710	457	-625	5792
<b>Sept.</b>	1160	210	-1810	2760	-415	54	2291

## 2.2 FORWARD EXCHANGE MARKET, MILL. FIM

Inf of period	Banks' forward positions with					Total, net (3+4+5)
	Domestic companies		Net (1-2)	Foreign banks, net	Bank of Finland, net	
	Forward exchange bought by banks	Forward exchange sold by banks				
	1	2	3	4	5	6
<b>1983</b>	7541	1227	6314	-1688	-2290	2335
<b>1984</b>	22921	1394	21527	2002	-19962	3566
<b>1985</b>	16982	1733	15249	708	-9005	6951
<b>1986</b>	11446	1319	10127	-2461	-92	7574
<b>1987</b>	21671	1158	20513	-233	-1287	18994
<b>1987</b>						
<b>Aug.</b>	20075	793	19282	630	-987	18926
<b>Sept.</b>	20088	718	19369	1535	-1664	19241
<b>Oct.</b>	20358	1178	19181	284	-2116	17349
<b>Nov.</b>	20714	1632	19081	85	-1633	17533
<b>Dec.</b>	21671	1158	20513	-233	-1287	18994
<b>1988</b>						
<b>Jan.</b>	21189	1051	20138	1145	-612	20671
<b>Feb.</b>	19699	1093	18606	1816	-264	20158
<b>March</b>	19494	1171	18323	3112	-264	21171
<b>April</b>	19397	1542	17855	4052	-648	21259
<b>May</b>	18451	1500	16952	6672	-687	22937
<b>June</b>	18669	1474	17195	4557	-606	21146
<b>July</b>	18309	1505	16805	4678	-201	21282
<b>Aug.</b>	19248	1479	17769	2147	-	19916

## 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>1983</b>	4131	.	4131	1407	.	4337	5744	-1613
<b>1984</b>	3176	.	3176	3215	.	6324	9539	-6364
<b>1985</b>	5812	.	5812	4527	.	9578	14105	-8293
<b>1986</b>	7117	120	7237	1256	.	9189	10445	-3208
<b>1987</b>	481	1581	2062	703	4705	10092	15501	-13439
<b>1987</b>								
<b>Sept.</b>	39	142	181	667	5080	10352	16099	-15918
<b>Oct.</b>	19	-	19	557	5244	10861	16662	-16643
<b>Nov.</b>	36	-	36	679	5897	10985	17561	-17524
<b>Dec.</b>	10	-	10	909	5101	11021	17031	-17021
<b>1988</b>								
<b>Jan.</b>	9	6	15	1081	5653	10955	17690	-17675
<b>Feb.</b>	15	-	15	546	7583	11114	19242	-19227
<b>March</b>	68	-	68	496	7116	12123	19735	-19668
<b>April</b>	122	-	122	659	7752	13248	21659	-21537
<b>May</b>	35	-	35	1247	7594	13887	22728	-22693
<b>June</b>	47	-	47	1306	7620	15419	24344	-24297
<b>July</b>	373	617	990	411	5883	17083	23377	-22387
<b>Aug.</b>	377	2804	3181	196	3955	17491	21642	-18462
<b>Sept.</b>	101	5006	5107	483	2389	17607	20479	-15372

### 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	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>1983</b>	..	..	..	..	..	15.37	14.87	9.00	4.3
<b>1984</b>	..	..	..	..	..	16.53	16.53	9.50	5.4
<b>1985</b>	..	..	..	..	..	13.37	13.37	9.04	5.6
<b>1986</b>	11.87	..	..	..	..	13.43	11.34	7.42	4.8
<b>1987</b>	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8
<b>1987</b>									
<b>Sept.</b>	8.12	9.37	9.48	9.62	9.92	11.00	7.50	7.00	4.9
<b>Oct.</b>	8.09	9.29	9.45	9.63	10.04	11.00	7.50	7.00	4.9
<b>Nov.</b>	8.35	9.30	9.48	9.64	10.01	11.00	7.50	7.00	4.9
<b>Dec.</b>	8.01	9.15	9.25	9.44	9.79	11.00	7.50	7.00	4.9
<b>1988</b>									
<b>Jan.</b>	8.09	9.07	9.21	9.35	9.71	11.00	7.50	7.00	4.9
<b>Feb.</b>	8.20	9.09	9.22	9.35	9.67	11.00	7.50	7.00	5.3
<b>March</b>	8.62	9.61	9.72	9.84	10.11	11.00	7.50	7.00	5.7
<b>April</b>	8.26	9.35	9.47	9.64	10.03	11.00	7.50	7.00	5.9
<b>May</b>	8.13	9.26	9.47	9.68	10.10	11.00	7.50	7.52	6.5
<b>June</b>	8.01	8.70	9.06	9.36	9.85	11.00	7.50	8.00	7.0
<b>July</b>	9.05	9.38	9.47	9.64	10.00	11.00	7.50	8.00	7.0
<b>Aug.</b>	9.97	9.96	10.00	10.13	10.42	11.00	7.50	8.00	7.0
<b>Sept.</b>	8.51	10.34	10.48	10.58	10.68	11.00	7.50	8.00	7.0

#### 3.2 WEIGHTED EURORATE (3 AND 12 CURRENCIES), PER CENT

Average of daily observations	3 currencies <sup>1</sup>				12 currencies <sup>2</sup>			
	1 month	3 months	6 months	12 months	1 month	3 months	6 months	12 months
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>1983</b>	7.0	7.1	7.3	7.6	..	..	..	..
<b>1984</b>	7.5	7.7	8.0	8.2	..	..	..	..
<b>1985</b>	6.8	6.9	7.0	7.2	..	..	..	..
<b>1986</b>	5.9	5.9	5.9	5.8	..	..	..	..
<b>1987</b>	5.4	5.6	5.7	5.8	7.9	8.0	8.1	8.2
<b>1987</b>								
<b>Sept.</b>	5.7	5.8	6.2	6.4	7.9	8.0	8.4	8.6
<b>Oct.</b>	5.7	6.4	6.5	6.7	7.8	8.3	8.5	8.7
<b>Nov.</b>	5.3	5.6	5.6	5.8	7.7	7.9	8.0	8.1
<b>Dec.</b>	5.5	5.5	5.5	5.7	7.7	7.8	7.9	8.1
<b>1988</b>								
<b>Jan.</b>	4.9	5.1	5.2	5.5	7.2	7.5	7.7	7.9
<b>Feb.</b>	5.0	5.0	5.1	5.3	7.2	7.4	7.5	7.7
<b>March</b>	5.0	5.0	5.1	5.4	7.3	7.4	7.5	7.7
<b>April</b>	5.0	5.1	5.2	5.5	7.2	7.3	7.5	7.8
<b>May</b>	5.0	5.2	5.5	5.8	7.3	7.5	7.6	7.9
<b>June</b>	5.5	5.6	5.8	6.1	7.5	7.6	7.7	8.0
<b>July</b>	6.2	6.5	6.7	6.8	7.9	8.2	8.3	8.5
<b>Aug.</b>	6.7	6.9	7.2	7.3	8.2	8.5	8.8	8.9
<b>Sept.</b>	6.6	6.8	7.0	7.1	8.4	8.6	8.7	8.8

#### 3.3 COVERED EURO-DOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
		<b>1</b>	<b>2</b>	<b>3</b>
<b>1983</b>	..	..	..	..
<b>1984</b>	..	..	..	..
<b>1985</b>	12.9	12.8	12.8	12.6
<b>1986</b>	12.1	11.7	11.5	11.1
<b>1987</b>	9.8	9.9	9.9	10.1
<b>1987</b>				
<b>Sept.</b>	9.2	9.3	9.5	9.7
<b>Oct.</b>	9.2	9.4	9.5	9.9
<b>Nov.</b>	9.2	9.4	9.5	9.9
<b>Dec.</b>	9.1	9.1	9.3	9.5
<b>1988</b>				
<b>Jan.</b>	8.8	9.0	9.1	9.5
<b>Feb.</b>	9.0	9.1	9.2	9.5
<b>March</b>	9.6	9.7	9.7	9.9
<b>April</b>	9.3	9.4	9.6	9.9
<b>May</b>	9.2	9.4	9.6	10.0
<b>June</b>	8.7	9.0	9.3	9.8
<b>July</b>	9.3	9.4	9.6	9.9
<b>Aug.</b>	9.9	9.9	10.1	10.4
<b>Sept.</b>	10.2	10.4	10.4	10.6

<sup>1</sup> DEM 60 per cent, USD 30 per cent, GBP 10 per cent.

<sup>2</sup> Weighted according to their relative shares in the Bank of Finland currency index.

### 3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

End of period	Lending				Average lending rate	Of which: Commercial banks	Savings accounts and ordinary deposit accounts	12-month time deposits	Deposits			
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total					24-month time deposits	Average rate of interest on regulated deposits	Average rate of interest on unregulated deposits	Average rate of interest on total deposits
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1983</b>	..	..	..	..	10.39	10.18	5.25	8.00	9.25	6.08	13.55	..
<b>1984</b>	..	..	..	..	10.67	10.68	5.25	8.00	9.25	6.22	15.43	7.30
<b>1985</b>	11.49	12.61	10.34	11.08	10.37	10.37	4.75	7.50	8.75	5.91	13.24	6.81
<b>1986</b>	10.89	12.45	9.86	10.72	8.82	8.81	2.75	5.75	7.00	4.43	11.84	5.35
<b>1987</b>	10.68	11.95	9.81	10.23	9.12	8.99	2.75	5.75	7.00	4.56	10.13	5.29
<b>1987</b>												
<b>Aug.</b>	9.45	12.27	9.97	10.49	9.04	8.94	2.75	5.75	7.00	4.47	9.85	5.26
<b>Sept.</b>	10.57	12.14	9.93	10.47	9.06	8.95	2.75	5.75	7.00	4.48	9.77	5.29
<b>Oct.</b>	10.65	12.22	10.03	10.49	9.08	8.97	2.75	5.75	7.00	4.50	9.69	5.34
<b>Nov.</b>	10.58	12.15	10.01	10.54	9.12	9.02	2.75	5.75	7.00	4.50	9.64	5.36
<b>Dec.</b>	10.68	11.95	9.81	10.23	9.12	8.99	2.75	5.75	7.00	4.56	9.61	5.40
<b>1988</b>												
<b>Jan.</b>	10.27	12.21	9.82	10.25	9.15	9.03	2.75	5.75	7.00	4.57	9.51	5.38
<b>Feb.</b>	9.56	11.82	10.04	10.24	9.17	9.05	2.75	5.75	7.00	4.55	9.43	5.40
<b>March</b>	9.87	12.17	10.23	10.42	9.20	9.07	2.75	5.75	7.00	4.57	9.49	5.52
<b>April</b>	9.17	12.09	10.27	10.16	9.25	9.12	2.75	5.75	7.00	4.59	9.54	5.56
<b>May</b>	12.31	12.33	10.63	11.01	10.03	9.89	3.75	6.75	8.00	5.39	9.51	6.22
<b>June</b>	10.28	12.50	10.55	10.78	10.07	9.89	3.75	6.75	8.00	5.37	9.46	6.20
<b>July</b>	11.29	12.60	10.72	11.08	10.08	9.91	3.75	6.75	8.00	5.45	9.44	6.30
<b>Aug.</b>	11.04	12.55	10.75	11.07	10.12	9.95	3.75	6.75	8.00	5.48	9.63	6.42

<sup>1</sup>Average rate of interest for period

### 3.5 RATES OF INTEREST ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market rates						Rates of issue		
	Long-term unregulated market rate		Taxable government bonds	Taxable public issues	Of which:		Taxfree public issues	Taxable public issues	Taxfree public issues
	3 years	5 years			Financial institutions	Corporations			
	1	2	3	4	5	6	7	8	9
<b>1983</b>	..	..	.	13.1	..	..	10.3	13.1	10.9
<b>1984</b>	..	..	.	14.0	..	..	10.6	13.6	11.1
<b>1985</b>	..	..	.	12.7	..	..	10.1	12.7	10.6
<b>1986</b>	..	..	.	11.7	..	..	8.3	11.4	8.8
<b>1987</b>	..	..	.	11.2	..	..	8.1	10.7	7.9
<b>1987</b>									
<b>Aug.</b>	..	..	.	10.8	10.7	10.8	8.5	10.7	7.9
<b>Sept.</b>	..	..	.	10.9	10.6	11.0	8.2	10.4	8.0
<b>Oct.</b>	..	..	.	10.9	11.0	10.9	8.1	10.4	7.8
<b>Nov.</b>	..	..	10.5	10.8	10.7	10.8	8.0	10.1	7.6
<b>Dec.</b>	10.3	10.4	10.4	10.5	10.4	10.5	7.8	10.2	7.7
<b>1988</b>									
<b>Jan.</b>	10.2	10.3	10.5	10.4	10.2	10.2	7.7	10.5	7.4
<b>Feb.</b>	10.2	10.3	9.9	10.6	10.3	10.8	7.7	10.0	7.5
<b>March</b>	10.4	10.5	10.0	10.4	10.4	10.4	7.8	10.2	7.4
<b>April</b>	10.4	10.6	10.0	10.4	10.3	10.4	7.6	10.1	7.4
<b>May</b>	10.5	10.6	10.3	10.5	10.5	10.5	7.7	10.1	7.2
<b>June</b>	10.3	10.5	10.3	10.4	10.3	10.5	7.8	10.4	7.2
<b>July</b>	10.3	10.5	10.6	10.4	10.4	10.6	8.1	9.8	7.2
<b>Aug.</b>	10.5	10.7	10.7	10.6	10.5	10.7	8.0	10.5	7.2

## 4. RATES OF EXCHANGE

### 4.1 AVERAGE SPOT SELLING RATES, FIM

Average New York of daily quotations	Montreal	London	Dublin	Stockholm	Oslo	Copen- hagen	Frankfurt a.M.	Amster- dam	Brussels		
	1 USD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEC	1 BEL	
	1	2	3	4	5	6	7	8	9	10	11
<b>1983</b>	5.570	4.524	8.456	6.957	0.7275	0.7644	0.6107	2.1861	1.9566	0.10934	0.10742
<b>1984</b>	6.010	4.645	8.023	6.533	0.7277	0.7384	0.5816	2.1165	1.8772	0.10428	0.10274
<b>1985</b>	6.206	4.554	8.000	6.590	0.7222	0.7231	0.5871	2.1142	1.8745	0.10483	0.10421
<b>1986</b>	5.077	3.659	7.459	6.816	0.7138	0.6882	0.6290	2.3454	2.0789	0.11399	0.11299
<b>1987</b>	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	0.11735
<b>1987</b>											
<b>Sept.</b>	4.394	3.344	7.240	6.493	0.6902	0.6624	0.6299	2.4258	2.1552	0.11686	0.11630
<b>Oct.</b>	4.361	3.337	7.249	6.489	0.6872	0.6591	0.6301	2.4196	2.1504	0.11629	0.11576
<b>Nov.</b>	4.138	3.151	7.354	6.551	0.6827	0.6462	0.6382	2.4617	2.1875	0.11772	0.11722
<b>Dec.</b>	4.043	3.096	7.399	6.584	0.6813	0.6352	0.6422	2.4753	2.1998	0.11837	0.11785
<b>1988</b>											
<b>Jan.</b>	4.036	3.143	7.288	6.505	0.6775	0.6373	0.6369	2.4456	2.1764	0.11702	0.11669
<b>Feb.</b>	4.120	3.251	7.249	6.473	0.6819	0.6435	0.6355	2.4290	2.1632	0.11622	0.11597
<b>March</b>	4.053	3.247	7.426	6.463	0.6822	0.6410	0.6313	2.4160	2.1513	0.11557	0.11527
<b>April</b>	4.010	3.251	7.530	6.414	0.6821	0.6470	0.6250	2.3984	2.1379	0.11469	0.11409
<b>May</b>	4.030	3.263	7.541	6.370	0.6837	0.6530	0.6220	2.3811	2.1249	0.11406	0.11338
<b>June</b>	4.163	3.422	7.437	6.382	0.6853	0.6547	0.6255	2.3781	2.1157	0.11375	0.11320
<b>July</b>	4.383	3.634	7.489	6.403	0.6925	0.6548	0.6263	2.3806	2.1111	0.11378	0.11273
<b>Aug.</b>	4.469	3.660	7.601	6.369	0.6910	0.6498	0.6198	2.3692	2.0986	0.11314	0.11162
<b>Sept.</b>	4.427	3.611	7.462	6.371	0.6885	0.6419	0.6183	2.3732	2.1034	0.11325	0.11181

Average of daily quotations	Zurich	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Tokyo	Moscow	Mel- bourne	ECU	SDR
	1 CHF	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESB	1 JPY	1 SUR	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22	23
<b>1983</b>	2.6570	0.7353	0.00369	0.3111	0.0514	2.2325	0.0391	0.02351	7.491	..	..	5.94325
<b>1984</b>	2.5642	0.6907	0.00344	0.3013	0.0414	0.1939	0.0375	0.02534	7.357	..	..	6.14739
<b>1985</b>	2.5360	0.6940	0.00327	0.3012	0.0367	0.1520	0.0366	0.02610	7.419	..	..	6.27879
<b>1986</b>	2.8349	0.7355	0.00343	0.3339	0.0343	0.1259	0.0364	0.03028	7.228	..	..	5.94432
<b>1987</b>	2.9563	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	0.03050	6.965	3.106	5.075	5.68010
<b>1987</b>												
<b>Sept.</b>	2.9284	0.7280	0.00337	0.3450	0.0311	0.1155	0.0364	0.03071	6.953	3.215	5.031	5.66425
<b>Oct.</b>	2.9163	0.7262	0.00336	0.3441	0.0308	0.1152	0.0369	0.03044	6.928	3.135	5.020	5.63821
<b>Nov.</b>	2.9957	0.7266	0.00336	0.3501	0.0306	0.1140	0.0367	0.03061	6.838	2.863	5.076	5.57249
<b>Dec.</b>	3.0403	0.7316	0.00338	0.3519	0.0305	0.1135	0.0366	0.03151	6.820	2.891	5.105	5.57906
<b>1988</b>												
<b>Jan.</b>	3.0050	0.7259	0.00333	0.3479	0.0301	0.1128	0.0361	0.03170	6.786	2.894	5.048	5.54743
<b>Feb.</b>	2.9625	0.7204	0.00330	0.3461	0.0300	0.1130	0.0361	0.03190	6.832	2.962	5.014	5.57446
<b>March</b>	2.9243	0.7135	0.00328	0.3441	0.0298	0.1060	0.0362	0.03189	6.786	2.989	5.001	5.54669
<b>April</b>	2.9001	0.7081	0.00324	0.3416	0.0296	0.1057	0.0363	0.03209	6.767	3.021	4.976	5.52717
<b>May</b>	2.8592	0.7045	0.00322	0.3390	0.0294	0.1006	0.0361	0.03232	6.760	3.158	4.949	5.53394
<b>June</b>	2.8577	0.7063	0.00321	0.3384	0.0294	0.0963	0.0361	0.03277	6.856	3.381	4.938	5.59796
<b>July</b>	2.8657	0.7077	0.00323	0.3388	0.0295	0.0977	0.0360	0.03296	7.026	3.523	4.947	5.70985
<b>Aug.</b>	2.8246	0.7014	0.00321	0.3373	0.0294	0.0981	0.0362	0.03344	7.091	3.620	4.931	5.76379
<b>Sept.</b>	2.8112	0.6992	0.00320	0.3377	0.0291	0.0971	0.0358	0.03295	7.038	3.527	4.917	5.71616

## 4.2. CURRENCY INDICES, 1982=100

Average of daily observations	Bank of Finland currency index <sup>1</sup>	Other currency indices		Currency	Weights of the Bank of Finland currency index As from September 13, 1988
		Payments currency index <sup>1</sup>	MIRAM index		
	1	2	3		4
<b>1983</b>	104.1	108.3	109.9	<b>USD</b>	7.8
<b>1984</b>	102.8	108.5	111.6	<b>GBP</b>	13.4
<b>1985</b>	102.5	109.4	112.5	<b>SEK</b>	20.6
<b>1986</b>	103.9	106.3	110.4	<b>NOK</b>	4.9
<b>1987</b>	103.3	100.7	106.1	<b>DKK</b>	5.0
				<b>DEM</b>	19.9
<b>1987</b>				<b>NLG</b>	4.9
<b>Sept.</b>	102.8	100.0	105.8	<b>BEC</b>	3.2
<b>Oct.</b>	102.5	99.6	105.3	<b>CHF</b>	2.7
<b>Nov.</b>	102.7	98.6	103.9	<b>FRF</b>	6.7
<b>Dec.</b>	102.9	100.4	103.7	<b>ITL</b>	4.9
				<b>JPY</b>	6.0
<b>1988</b>					
<b>Jan.</b>	102.2	100.3	103.4		
<b>Feb.</b>	102.2	100.6	104.1		
<b>March</b>	102.0	100.2	103.4		
<b>April</b>	101.8	99.8	103.0		
<b>May</b>	101.7	99.7	103.1		
<b>June</b>	101.9	100.5	104.5		
<b>July</b>	102.7	102.1	106.6		
<b>Aug.</b>	102.7	102.6	107.2		
<b>Sept.</b>	102.2	102.0	106.4		

<sup>1</sup>The base 1982=100 has been applied since January 1, 1984. The figures before that date are based on the earlier index of 1974=100, but they have been rebased to the current base.

## 5. OTHER DOMESTIC FINANCING

### 5.1 BANK DEPOSITS BY THE PUBLIC, MILL. FIM

End of period	Demand deposits	Time deposits	Investment accounts	Markka deposits, total (1+2+3)	Foreign currency deposits	Unregulated deposits	Total deposits (4+5+6)
	1	2	3	4	5	6	7
<b>1983</b>	14 337	93 551	.	107 888	5 101	7 700	120 688
<b>1984</b>	16 975	108 118	.	125 093	4 960	11 287	141 340
<b>1985</b>	19 268	125 366	1 781	146 415	6 192	13 998	166 605
<b>1986</b>	18 393	137 521	3 423	159 337	4 306	17 271	180 914
<b>1987*</b>	20 377	155 115	5 243	180 735	3 923	17 892	202 550
<b>1987*</b>							
<b>July</b> —	20 046	147 725	4 447	172 219	4 501	20 063	196 783
<b>Aug.</b>	21 610	149 397	4 574	175 581	4 189	20 162	199 933
<b>Sept.</b>	21 090	148 720	4 777	174 586	4 259	22 539	201 384
<b>Oct.</b>	21 583	149 465	5 000	176 048	3 794	25 321	205 163
<b>Nov.</b>	21 631	149 098	5 194	175 923	5 174	22 478	203 575
<b>Dec.</b>	20 377	155 115	5 243	180 735	3 923	17 892	202 550
<b>1988*</b>							
<b>Jan.</b>	21 169	156 355	5 419	182 943	3 646	25 188	211 777
<b>Feb.</b>	21 901	157 511	5 531	184 943	4 121	25 166	214 230
<b>March</b>	21 079	158 431	5 769	185 279	5 022	28 512	218 813
<b>April</b>	22 028	159 921	5 850	187 799	4 870	32 965	225 634
<b>May</b>	23 753	161 340	5 835	190 928	4 280	32 383	227 592
<b>June</b>	26 163	164 253	5 900	196 317	4 169	27 307	227 793
<b>July</b>	24 369	166 174	5 910	196 454	4 362	37 097	237 913

### 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>1983</b>	4 350	7 264	97 362	108 977	17 253	126 231
<b>1984</b>	5 233	7 644	111 280	124 157	20 363	144 520
<b>1985</b>	6 313	7 471	132 668	146 451	24 704	171 155
<b>1986</b>	7 542	6 354	152 335	166 231	25 016	191 246
<b>1987*</b>	8 507	5 177	178 698	192 382	36 954	229 336
<b>1987*</b>						
<b>July</b>	8 262	5 465	165 436	179 164	30 867	210 031
<b>Aug.</b>	8 392	5 499	167 896	181 787	31 538	213 324
<b>Sept.</b>	8 697	5 453	170 322	184 472	33 160	217 632
<b>Oct.</b>	8 739	5 286	172 968	186 994	35 895	222 889
<b>Nov.</b>	8 974	5 174	175 284	189 431	36 635	226 066
<b>Dec.</b>	8 507	5 177	178 698	192 382	36 954	229 336
<b>1988*</b>						
<b>Jan.</b>	8 703	4 966	182 310	195 979	38 182	234 161
<b>Feb.</b>	8 908	5 070	186 023	200 000	40 372	240 372
<b>March</b>	9 125	4 734	189 554	203 413	41 454	244 867
<b>April</b>	9 298	4 796	192 940	207 033	42 291	249 323
<b>May</b>	9 300	4 756	196 938	210 994	44 727	255 720
<b>June</b>	9 643	4 809	200 832	215 283	47 807	263 090
<b>July</b>	9 436	4 722	203 911	218 068	47 301	265 370



### 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)
		Claims on the central government	Claims on the public	Total (2+3)			
	1	2	3	4	5	6	7
<b>1983</b>	-6081	-3297	152199	148902	-20915	21427	121906
<b>1984</b>	-2575	-5483	176694	171211	-26978	24945	141658
<b>1985</b>	-6641	-8694	209231	200537	-27244	27694	166652
<b>1986</b>	-16784	-13884	237514	223630	-27522	27838	179324
<b>1987</b>	-25484	-14977	277068	262090	-36145	30342	200461
<b>1987</b>							
<b>July</b>	-17724	-9289	255448	246159	-36373	29126	192062
<b>Aug.</b>	-21425	-7994	258743	250749	-34109	30991	195215
<b>Sept.</b>	-23440	-9092	263257	254165	-36404	30360	194321
<b>Oct.</b>	-23445	-9941	268569	258628	-39961	30729	195222
<b>Nov.</b>	-23021	-14346	271682	257337	-38052	30757	196264
<b>Dec.</b>	-25484	-14977	277068	262090	-36145	30342	200461
<b>1988*</b>							
<b>Jan.</b>	-25529	-11911	281442	269532	-41636	31049	202367
<b>Feb.</b>	-25237	-14698	285874	271176	-41121	31932	204819
<b>March</b>	-27061	-14196	291175	276979	-43386	31300	206532
<b>April</b>	-26376	-14601	295527	280926	-44961	32144	209589
<b>May</b>	-29452	-13068	302073	289005	-47122	34237	212432
<b>June</b>	-31339	-14240	308714	294474	-44552	36824	218583
<b>July</b>	-31862	-13831	312650	298819	-47602	35182	219356

### 5.4 LIABILITIES AND ASSETS OF THE CENTRAL GOVERNMENT, MILL. FIM

End of period	Foreign debt			Domestic 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>1983</b>	14127	3391	4205	21723	9506	4377	2518	16401	38124	31187	5042
<b>1984</b>	16513	2666	5767	24946	12037	4520	2766	19323	44269	33816	6300
<b>1985</b>	17316	2703	5658	25677	14994	4107	2203	21304	46981	36033	6383
<b>1986</b>	17905	3038	6038	26981	18059	4481	2474	25013	51994	38028	11686
<b>1987</b>	20407	2697	5576	28680	22121	4692	3018	29831	58511	40328	11553
<b>1987</b>											
<b>Aug.</b>	18279	2416	5940	26635	20426	4422	2194	27042	53677	39623	6219
<b>Sept.</b>	18139	2387	5858	26384	20576	4443	2216	27235	53619	39896	6750
<b>Oct.</b>	19136	2418	5758	27312	21328	4494	2481	28303	55615	40199	8084
<b>Nov.</b>	19820	2591	5711	28122	22034	4490	2731	29255	57377	40299	13109
<b>Dec.</b>	20407	2697	5576	28680	22121	4692	3018	29831	58511	40078	11553
<b>1988</b>											
<b>Jan.</b>	19750	2645	5465	27860	22663	4678	3328	30669	58529	40631	8842
<b>Feb.</b>	19665	2463	5404	27532	23053	4643	3713	31409	58941	40885	10300
<b>March</b>	19638	2244	5390	27272	23286	4627	4163	32076	59348	41143	11116
<b>April</b>	20395	2225	5361	27981	23778	4713	4133	32624	60605	41360	11243
<b>May</b>	20370	2207	5342	27919	23846	4631	4013	32490	60409	41424	10286
<b>June</b>	21356	2244	5135	28735	23833	4871	4035	32739	61474	41754	11713
<b>July</b>	20860	2236	5156	28252	23838	4969	3910	32717	60969	42074	11993
<b>Aug.</b>	20652	1865	5129	27646	23834	4983	3850	32667	60313	..	..

## 5.5 DOMESTIC 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>1983</b>	2035	5602	3890	77	10	1151	3882	6581	11614
<b>1984</b>	2528	6167	5073	112	32	1947	5336	6629	13912
<b>1985</b>	4799	9112	5994	435	33	8070	6394	5909	20373
<b>1986</b>	4976	10638	6532	422	105	5987	7487	9199	22674
<b>1987</b>	4477	9510	8119	206	69	9409	8830	4142	22380
<b>1987</b>									
<b>Aug.</b>	440	205	941	59	—	674	941	30	1644
<b>Sept.</b>	635	1819	331	—	—	1260	1070	455	2786
<b>Oct.</b>	851	1174	1083	4	—	2024	974	114	3112
<b>Nov.</b>	336	1050	841	—	11	1334	450	454	2238
<b>Dec.</b>	347	757	101	—	18	714	101	408	1222
<b>1988</b>									
<b>Jan.</b>	251	5	1370	—	—	108	1370	148	1626
<b>Feb.</b>	260	968	631	63	—	874	806	241	1922
<b>March</b>	203	1254	841	—	11	719	1376	215	2310
<b>April</b>	112	85	1487	—	—	540	55	1089	1684
<b>May</b>	64	783	792	—	—	829	792	18	1639
<b>June</b>	114	832	40	13	—	756	40	202	998
<b>July</b>	523	360	10	74	—	445	10	512	967
<b>Aug.</b>	314	474	576	100	—	772	576	116	1463

### 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>1983</b>	5027	15039	11869	152	11	1954	12057	18086	32098
<b>1984</b>	6766	19960	14904	247	43	3531	15148	23242	41921
<b>1985</b>	10482	26173	18575	661	56	10967	19002	25977	55947
<b>1986</b>	14076	31902	22091	1042	177	16432	23314	29541	69287
<b>1987</b>	17524	36700	26518	1200	232	24778	28223	29173	82174
<b>1987</b>									
<b>II</b>	15558	33079	23623	1168	213	19178	25906	28556	73640
<b>III</b>	16353	33703	24707	1218	213	20674	26781	28738	76194
<b>IV</b>	17524	36700	26518	1200	232	24778	28223	29173	82174
<b>1988*</b>									
<b>I</b>	18006	38603	27626	1251	253	26479	29606	29654	85739
<b>II</b>	17915	39636	28420	1250	246	28404	29620	29443	87468

## 5.6 HELSINKI STOCK EXCHANGE

During period	Turnover, mill. FIM			Share prices Unitas Index <sup>1</sup> , 1975 = 100		
	Shares and subscription rights	Bonds and debentures	Total (1+2)	Banks	Industry	Overall index
	1	2	3	4	5	6
<b>1983</b>	1 390	2 356	3 746	190	144	194
<b>1984</b>	2 508	5 007	7 515	259	193	273
<b>1985</b>	3 114	9 046	12 160	229	184	234
<b>1986</b>	9 488	6 479	15 968	350	254	357
<b>1987</b>	26 641	4 604	31 245	546	319	603
<b>1987</b>						
<b>Aug.</b>	2 809	193	3 002	615	335	689
<b>Sept.</b>	2 962	172	3 133	635	351	707
<b>Oct.</b>	4 099	140	4 239	643	379	708
<b>Nov.</b>	2 275	251	2 525	578	360	631
<b>Dec.</b>	1 701	1 241	2 942	558	328	611
<b>1988</b>						
<b>Jan.</b>	994	75	1 069	547	318	600
<b>Feb.</b>	1 491	248	1 739	572	340	625
<b>March</b>	2 720	418	3 138	600	347	658
<b>April</b>	2 527	357	2 884	645	373	707
<b>May</b>	2 618	649	3 266	672	386	738
<b>June</b>	4 134	1 689	5 823	720	429	784
<b>July</b>	3 765	353	4 117	747	453	806
<b>Aug.</b>	3 614	298	3 911	752	458	809

<sup>1</sup> Average of daily observations

# 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 (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>1983</b>	67960	5765	2851	6159	14775	82735	3067	3310	89112	70731	2565	3599	4467
<b>1984</b>	78961	6580	3039	5610	15229	94190	4537	3624	102351	73496	2572	4250	5819
<b>1985</b>	82475	6216	3258	6224	15698	98173	5847	3791	107811	80764	2545	5031	6554
<b>1986</b>	81066	5757	3195	5616	14568	95634	4510	3609	103752	76736	2160	5587	5415
<b>1987*</b>	83606	5819	3729	6054	15601	99208	5075	2899	107182	81941	2345	6821	6578
<b>1986</b>													
<b>I</b>	19711	1390	564	960	2914	22625	1152	887	24665	20598	439	1163	1256
<b>II</b>	17774	1440	780	1146	3366	21140	1209	902	23251	15507	561	1425	1306
<b>III</b>	20928	1533	1126	1191	3850	24778	907	894	26579	20637	572	1631	1298
<b>IV</b>	22652	1394	724	2319	4439	27091	1241	926	29258	19995	588	1367	1555
<b>1987*</b>													
<b>I</b>	20035	1322	666	1288	3275	23311	1130	794	25234	19542	498	1477	1479
<b>II</b>	21300	1491	934	1435	3859	25159	1175	715	27049	20522	601	1684	1536
<b>III</b>	20847	1573	1333	1541	4446	25293	1115	696	27104	20272	604	1921	1469
<b>IV</b>	21424	1433	797	1791	4021	25445	1655	694	27795	21605	642	1739	2094
<b>1988*</b>													
<b>I</b>	20720	1305	703	1576	3584	24304	1653	810	26767	19719	698	1616	1796
<b>II</b>	22581	1473	1035	1603	4111	26692	1614	838	29144	23309	794	1761	1487

During period	Services expenditure, total (11+12+13)	Imports of goods and services (10+14)	Investment expenditure (16)	Transfers and other expenditure	Current account (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) = (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
<b>1983</b>	10631	81361	8875	4094	94331	-2771	3200	-748	1692	4144	1373	-5808	-784	-5219
<b>1984</b>	12641	86137	11298	5010	102445	5465	4008	-1211	-209	2588	8053	-6761	-1385	-93
<b>1985</b>	14130	94893	12134	5300	112327	1711	3671	-1773	-330	1568	3279	-6287	-1509	-4517
<b>1986</b>	13162	89898	11719	5964	107580	4329	3597	-2392	201	1406	5735	-7209	-2355	-3828
<b>1987*</b>	15744	97685	12563	5434	115682	1666	3473	-3092	-524	-143	1523	-7488	-2535	-8500
<b>1986</b>														
<b>I</b>	2858	23456	2950	1466	27871	-886	951	-600	-296	55	-831	-1798	-578	-3206
<b>II</b>	3293	18800	3291	1439	23530	2268	879	-645	-161	72	2340	-2082	-538	-280
<b>III</b>	3501	24138	2495	1347	27981	291	962	-506	-107	349	640	-1588	-454	-1402
<b>IV</b>	3510	23504	2982	1711	28198	2657	806	-641	764	929	3586	-1741	-785	1060
<b>1987*</b>														
<b>I</b>	3454	22996	2901	1639	27536	493	824	-812	-191	-178	315	-1771	-846	-2302
<b>II</b>	3822	24343	3624	1182	29150	779	890	-751	-102	38	816	-2450	-468	-2101
<b>III</b>	3994	24266	2660	1196	28122	575	968	-588	72	452	1027	-1545	-500	-1018
<b>IV</b>	4475	26080	3378	1416	30874	-181	791	-942	-303	-454	-635	-1723	-722	-3079
<b>1988*</b>														
<b>I</b>	4110	23829	4089	1729	29646	1001	606	-912	-219	-526	476	-2436	-919	-2879
<b>II</b>	4042	27351	3819	1395	32565	-728	680	-726	116	69	-659	-2205	-557	-3421

## 6.2 CAPITAL ACCOUNT, MILL. FIM

During period	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Imports of other long-term capital	Imports of long-term capital (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Exports of other long-term capital	Exports of long-term capital (9+10+11+12)	Long-term capital account (8-13)
			Central government	Authorized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>1983</b>	88	..	2554	323	-38	2839	652	3579	1452	..	-423	676	1705	1874
<b>1984</b>	324	1492	2598	2861	1090	6549	68	8433	2479	..	1682	-1960	2201	6232
<b>1985</b>	392	4264	1556	1489	442	3487	140	8283	2073	78	-1313	948	1786	6497
<b>1986</b>	1627	646	-63	5935	-482	5390	87	7750	3641	489	-381	702	4451	3299
<b>1987*</b>	430	-1626	2287	5383	2843	10513	91	9408	3785	1691	181	3104	8761	647
<b>1986</b>														
<b>I</b>	86	94	-722	1246	62	586	-65	701	357	-15	-241	9	110	591
<b>II</b>	56	710	596	1040	-194	1442	17	2225	925	89	111	118	1243	982
<b>III</b>	273	-206	16	1412	-105	1323	83	1473	1152	279	-110	405	1726	-253
<b>IV</b>	1212	48	47	2237	-245	2039	52	3351	1207	136	-141	170	1372	1979
<b>1987*</b>														
<b>I</b>	131	-387	1640	1756	873	4269	79	4092	778	124	265	2486	3653	440
<b>II</b>	199	6	-442	1530	1257	2345	-55	2495	1173	925	-145	55	2008	488
<b>III</b>	17	-271	-1018	945	551	478	12	236	653	637	112	83	1485	-1248
<b>IV</b>	83	-974	2107	1472	-158	3421	55	2585	1181	5	-51	482	1617	969
<b>1988*</b>														
<b>I</b>	63	71	-857	361	3230	2734	89	2957	982	421	6	532	1941	1016
<b>II</b>	53	-140	1171	2356	1593	5120	-42	4991	2837	83	1039	431	4390	601

During period	Basic balance	Short-term capital imports of authorized banks	Import liabilities and prepayments related to exports	Imports of short-term capital (16+17)	Short-term capital exports of authorized banks	Export receipts and prepayments related to imports	Exports of short-term capital (19+20)	Other short-term capital incl. errors and omissions	Short-term capital account (18-21+22)	Overall balance excl. reserve movements (15+23)	Change in central bank's foreign exchange reserves (26+27)	Of which:	
												Convertible reserves	Tied reserves
	15	16	17	18	19	20	21	22	23	24	25	26	27
<b>1983</b>	-3344	7594	2121	9714	6328	2228	8556	24	1182	-2162	2162	1187	975
<b>1984</b>	6138	16080	944	17024	13994	-2811	11183	-2704	3137	9275	-9275	-10142	867
<b>1985</b>	1980	6890	350	7240	1623	1732	3355	-2121	1764	3744	-3744	-3729	-15
<b>1986</b>	-529	6019	-3796	2222	11791	-92	11699	2075	-7402	-7930	7930	11678	-3748
<b>1987*</b>	-7853	16252	476	16728	-5739	-183	-5922	939	23589	15736	-15736	-17817	2081
<b>1986</b>													
<b>I</b>	-2616	-736	1232	496	1649	-15	1634	592	-547	-3162	3162	3945	-782
<b>II</b>	703	1999	-4636	-2636	4813	-15	4798	3496	-3938	-3236	3236	4161	-925
<b>III</b>	-1655	3185	1216	4401	5317	-31	5286	326	-559	-2213	2213	3455	-1242
<b>IV</b>	3039	1571	-1609	-38	12	-31	-19	-2339	-2358	681	-681	117	-798
<b>1987*</b>													
<b>I</b>	-1862	2656	1065	3720	-4959	-118	-5077	-700	8098	6236	-6236	-7020	785
<b>II</b>	-1614	7672	70	7741	1924	-118	1806	1915	7850	6237	-6237	-5569	-667
<b>III</b>	-2266	8339	-404	7935	3376	27	3403	-1630	2903	637	-637	-2407	1771
<b>IV</b>	-2111	-2415	-255	-2669	-6081	27	-6054	1353	4738	2627	-2627	-2820	193
<b>1988*</b>													
<b>I</b>	-1863	6495	-1489	5005	3511	-288	3223	2421	4204	2341	-2341	-1295	-1046
<b>II</b>	-2820	11737	1941	13678	4623	-288	4335	-1805	7538	4718	-4718	-4661	-57

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

End of period	Long-term liabilities							Long-term assets					Long-term debt, net (8-13)	
	Direct investment in Finland	Portfolio investment in Finland	Long-term credits			Other long-term capital	Total (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Other long-term capital	Total (9+10+11+12)		
			Central government	Authorized banks	Others									Total (3+4+5)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
<b>1983</b>	2317	848	21740	2419	33749	57909	444	61518	6166	..	6612	4051	16829	44689
<b>1984</b>	2905	2013	24928	5960	37227	68116	512	73546	8689	..	8920	2097	19706	53840
<b>1985</b>	3274	6313	25678	6410	34276	66364	652	76603	10524	78	6539	3053	20194	56409
<b>1986</b>	4892	6959	26292	11992	32044	70330	739	82920	13727	567	5649	3685	23628	59292
<b>1987*</b>	5283	3964	27861	17365	33088	78314	830	88391	16647	2258	5242	6618	30765	57626
<b>1986</b>														
<b>I</b>	3351	6407	25126	7546	32986	65659	587	76004	10697	63	6103	3033	19896	56108
<b>II</b>	3414	7117	26548	8708	33159	68417	604	79552	11719	152	6158	3148	21177	58375
<b>III</b>	3687	6911	26710	10063	32664	69438	687	80723	12601	431	5865	3527	22424	58299
<b>IV</b>	4892	6959	26292	11992	32044	70330	739	82920	13727	567	5649	3685	23628	59292
<b>1987*</b>														
<b>I</b>	5013	6572	27361	13447	31978	72787	818	85190	14166	691	5660	6105	26622	58568
<b>II</b>	5209	6578	26967	15024	33267	75259	763	87809	15347	1616	5527	6165	28655	59154
<b>III</b>	5213	6307	25679	15800	33472	74952	775	87247	15812	2253	5478	6229	29772	57475
<b>IV</b>	5283	3964	27861	17365	33088	78314	830	88391	16647	2258	5242	6618	30765	57626
<b>1988*</b>														
<b>I</b>	5308	4035	26637	17594	35883	80114	919	90376	17538	2679	5250	7142	32609	57767
<b>II</b>	5410	3895	28383	20464	38230	87077	877	97259	20928	2762	6488	7671	37849	59410

End of period	Short-term liabilities				Short-term assets				Short-term liabilities, net (18-22)	Debt, net (14+23)	Debt service payments	Of which: repayments	Debt service ratio
	Bank of Finland's term liabilities	Short-term li-abilities of author-ized banks	Trade credits and other liabilities	Total (15+16+17)	Bank of Finland's short-term assets	Short-term assets of author-ized banks	Trade credits and other assets	Total (19+20+21)					
<b>1983</b>	5705	39443	16181	61328	11842	29263	15915	57020	4308	48997	10875	4914	12.2
<b>1984</b>	4562	55695	17988	78245	22912	43319	12804	79035	-790	53050	11586	4613	11.3
<b>1985</b>	4070	51374	17354	72798	25183	38775	18155	82113	-9314	47095	11287	4808	10.5
<b>1986</b>	3455	56881	13240	73575	16613	50613	18381	85608	-12032	47260	13462	6018	13.0
<b>1987*</b>	3362	73132	15601	92095	31134	44874	16324	92333	-238	57388	14150	6516	13.2
<b>1986</b>													
<b>I</b>	3659	50424	18671	72754	21647	40424	18037	80109	-7354	48754	3967	2118	16.1
<b>II</b>	3499	52647	14162	70308	18470	45237	18213	81921	-11612	46763	3307	1176	14.2
<b>III</b>	3565	55602	15410	74577	16168	50554	18131	84854	-10277	48022	2452	834	9.2
<b>IV</b>	3455	56881	13240	73575	16613	50613	18381	85608	-12032	47260	3737	1890	12.8
<b>1987*</b>													
<b>I</b>	3521	59536	15714	78771	22482	45655	17829	85966	-7195	51373	3200	1411	12.7
<b>II</b>	3490	67208	15863	86561	28680	47579	18073	94332	-7771	51383	3994	1496	14.8
<b>III</b>	3607	75547	16500	95654	29291	50955	17836	98081	-2427	55048	2770	1217	10.2
<b>IV</b>	3362	73132	15601	92095	31134	44874	16324	92333	-238	57388	4186	2392	15.1
<b>1988*</b>													
<b>I</b>	3467	79627	12629	95723	33515	48385	16268	98168	-2445	55322	4233	1773	15.8
<b>II</b>	3177	91364	14417	108958	39025	53008	15974	108006	952	60362	3518	1289	12.1

## 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 (5-10)
	Corporate sector	Financial institutions	Central government	Local government	Total (1+2+3+4)	Corporate sector	Financial institutions	Central government	Other	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
<b>1983</b>	30082	8541	22184	710	61518	12791	2472	1447	119	16829	44689
<b>1984</b>	34012	13366	25440	728	73546	17624	222	1678	182	19706	53840
<b>1985</b>	35709	13980	26330	585	76603	17102	859	1955	279	20194	56409
<b>1986</b>	35210	20169	27031	509	82920	19209	1591	2309	520	23628	59292
<b>1987*</b>	32456	26734	28691	511	88391	23375	4007	2653	730	30765	57626
<b>1986</b>											
<b>I</b>	34646	15090	25713	555	76004	16839	765	1970	321	19896	56108
<b>II</b>	35001	16847	27152	551	79552	17906	849	2056	366	21177	58375
<b>III</b>	34231	18554	27397	541	80723	18462	1360	2191	412	22424	58299
<b>IV</b>	35210	20169	27031	509	82920	19209	1591	2309	520	23628	59292
<b>1987*</b>											
<b>I</b>	34716	21814	28179	481	85190	19717	3876	2458	572	26622	58568
<b>II</b>	35601	24004	27730	474	87809	21633	3936	2465	621	28655	59154
<b>III</b>	35045	25209	26454	539	87247	22656	3919	2519	677	29772	57475
<b>IV</b>	32456	26734	28691	511	88391	23375	4007	2653	730	30765	57626
<b>1988*</b>											
<b>I</b>	34218	28096	27556	506	90376	24599	4371	2851	788	32609	57767
<b>II</b>	36037	31460	29260	503	97259	29286	4784	2887	893	37849	59410

## 7. FOREIGN TRADE<sup>1</sup>

### 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
1983	69692	71528	-1836
1984	80904	74682	6222
1985	84028	81520	2508
1986	82579	77601	4978
1987	85306	82801	2505
<b>1987</b>			
Aug.	6600	6943	-343
Sept.	8044	7081	963
Oct.	7895	7318	577
Nov.	6964	7482	-518
Dec.	7000	7000	-
<b>1988*</b>			
Jan.	6879	6874	5
Feb.	6722	6050	672
March	7532	6939	593
April	7579	7487	92
May	8683	8283	400
June	6724	7733	-1009
July	6413	7091	-678
Aug.	7254	8405	-1151

### 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
1983	104	98	127	125	101
1984	114	98	134	131	102
1985	115	104	138	135	102
1986	116	110	135	121	111
1987	118	119	138	119	116
<b>1986</b>					
I	113	110	134	129	103
II	104	90	133	122	109
III	116	119	138	120	116
IV	128	115	136	121	112
<b>1987</b>					
I	114	113	136	120	113
II	120	120	137	119	115
III	116	116	140	121	115
IV	119	126	140	119	117
<b>1988*</b>					
I	115	115	140	119	117
II	123	133	141	121	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
1983	6944	19327	8524	20211	14686	32209	17554	10860	10572	333
1984	7145	23573	10176	22998	17012	35162	16900	10993	11454	173
1985	6728	25030	9803	24412	18055	38676	17770	11675	12967	432
1986	6947	24600	7858	26115	17059	39292	10070	12898	15069	272
1987	7449	26691	7823	26347	16996	41066	9623	14074	17412	626
<b>1987</b>										
Aug.	545	2191	669	1849	1346	3292	1137	1012	1471	31
Sept.	666	2496	688	2629	1565	3503	964	1047	1547	20
Oct.	670	2500	624	2493	1608	3634	845	1151	1579	109
Nov.	664	2168	563	2077	1492	3713	720	1436	1622	-9
Dec.	569	2059	754	2339	1279	3407	994	1197	1374	28
<b>1988*</b>										
Jan.	569	2472	623	2021	1194	3486	780	1270	1340	-2
Feb.	543	2284	707	1626	1562	3194	360	990	1466	40
March	627	2746	690	2108	1361	3470	354	1285	1820	10
April	672	2368	639	2652	1248	3673	587	1321	1900	6
May	735	2466	736	3241	1505	4130	720	1464	1959	10
June	626	2281	599	1892	1326	3721	820	1584	1580	28
July	537	2344	628	1761	1143	3369	735	1310	1604	73
Aug.	545	2657	648	1921	1483	4126	792	1455	1964	68



## 7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1987		1988*		1987		1988*	
	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>	63184	74.1	43813	6.9	63079	76.2	45565	11.7
<b>OECD Europe</b>	55667	65.2	38444	6.4	52212	63.1	36849	9.1
Of which:								
Austria	951	1.1	586	-5.8	1066	1.3	697	1.7
Belgium and Luxembourg	1526	1.8	1187	29.0	2134	2.6	1478	5.9
Denmark	3320	3.9	2095	-4.2	2343	2.8	1742	13.8
France	4497	5.3	3202	7.1	3552	4.3	2482	3.4
Federal Republic of Germany	9335	10.9	6480	6.4	14450	17.5	10061	6.6
Italy	2182	2.6	1642	16.2	3619	4.4	2794	12.9
Netherlands	3060	3.6	2181	4.8	2555	3.1	1881	16.8
Norway	4026	4.7	2087	-19.3	1819	2.2	1419	21.8
Spain	1090	1.3	902	24.6	920	1.1	656	13.4
Sweden	12754	14.9	8269	3.0	10702	12.9	7480	10.8
Switzerland	1525	1.8	1048	4.9	1665	2.0	1040	-6.5
United Kingdom	9734	11.4	7564	18.2	5914	7.1	4004	11.6
<b>Other OECD</b>	7517	8.8	5369	10.5	10867	13.1	8716	24.1
Of which:								
Canada	971	1.1	669	4.5	429	0.5	370	56.1
Japan	1206	1.4	1060	30.8	5861	7.1	4421	14.3
United States	4407	5.2	2983	5.6	4335	5.2	3682	33.9
<b>CMEA countries</b>	14620	17.1	9251	-1.4	14088	17.0	8638	-7.8
Of which:								
Soviet Union	13175	15.4	8351	-1.7	11901	14.4	7163	-11.3
<b>Developing countries</b>	6199	7.3	4051	-1.3	4938	6.0	3884	16.7
<b>OPEC countries</b>	1527	1.8	903	-1.0	805	1.0	382	-37.2
<b>Other</b>	4672	5.5	3148	-1.3	4133	5.0	3502	28.7
<b>Other countries</b>	1312	1.5	671	-27.6	692	0.8	775	81.1
<b>TOTAL</b>	85315	100.0	57786	4.3	82797	100.0	58862	9.2
Of which:								
<b>EEC countries</b>	35966	42.2	26192	10.9	36788	44.4	26095	9.0
<b>EFTA countries</b>	19396	22.7	12091	-1.9	15356	18.5	10705	9.3

\*The trade values and volumes for December 1987 and January 1988 differ from those in the official statistics. For details, see Notes and Explanations on page S26.

## 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>1983</b>	171 330	63 113	69 001	10 467	-2 704	311 207	92 001	87 959	315 249
<b>1984</b>	176 038	64 872	67 584	10 202	-1 327	317 369	96 993	88 857	325 505
<b>1985</b>	181 664	68 218	69 599	10 453	3 610	333 544	98 173	94 893	336 824
<b>1986*</b>	189 113	70 325	69 329	10 738	3 255	342 760	99 498	97 795	344 463
<b>1987*</b>	198 837	73 087	72 388	11 344	7 315	362 971	101 181	106 569	357 583
<b>1986*</b>									
<b>I</b>	46 417	17 395	17 289	2 687	2 801	86 588	24 627	26 144	85 072
<b>II</b>	47 238	17 286	16 686	2 375	-960	82 625	21 722	19 893	84 454
<b>III</b>	47 666	17 740	17 810	2 935	2 381	88 532	25 799	27 061	87 270
<b>IV</b>	47 792	17 904	17 545	2 741	-967	85 015	27 350	24 698	87 668
<b>1987*</b>									
<b>I</b>	48 640	18 011	17 623	2 765	1 857	88 896	25 140	26 316	87 720
<b>II</b>	49 417	18 152	18 227	2 615	1 896	90 307	25 336	25 771	89 872
<b>III</b>	49 824	18 377	17 931	3 141	1 233	90 506	25 460	26 958	89 009
<b>IV</b>	50 956	18 547	18 607	2 823	2 329	93 262	25 244	27 524	90 983
<b>1988*</b>									
<b>I</b>	51 392	18 542	19 129	2 745	1 971	93 779	25 710	27 179	92 310
<b>II</b>	51 471	18 673	19 019	2 671	3 966	95 800	25 682	28 693	92 789

### 8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100 (1980 WEIGHTS)

(seasonally adjusted figures)

Period	Industry (SIC):						
	2-4	2	3	331,341	37,38	4	
	Total industry (100.0)	Mining and quarrying (1.5)	Manufacturing (89.5)	Wood and paper industries (20.5)	Metal and engineering industries (28.3)	Other manufacturing (40.7)	Electricity, gas and water (9.0)
	1	2	3	4	5	6	7
<b>1983</b>	91.9	92.8	92.5	94.2	87.8	95.5	86.0
<b>1984</b>	96.1	96.3	96.6	101.7	92.5	97.6	91.8
<b>1985</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>1986*</b>	100.8	101.7	100.8	101.8	101.3	99.9	100.1
<b>1987*</b>	105.0	79.0	105.2	107.9	106.2	103.0	108.0
<b>1987*</b>							
<b>July</b>	109.1	74.6	107.7	107.7	106.5	105.7	107.7
<b>Aug.</b>	105.6	81.8	105.7	108.4	108.4	104.9	108.9
<b>Sept.</b>	103.7	77.8	104.6	110.1	108.2	103.7	109.0
<b>Oct.</b>	102.8	69.4	106.0	109.8	107.2	102.8	107.5
<b>Nov.</b>	100.8	72.5	103.6	108.4	107.4	100.5	109.5
<b>Dec.</b>	102.7	67.3	105.5	105.4	108.4	100.1	108.4
<b>1988*</b>							
<b>Jan.</b>	107.9	64.7	111.2	115.3	112.0	106.7	94.5
<b>Feb.</b>	107.9	70.4	109.7	113.4	111.2	103.9	102.6
<b>March</b>	105.7	74.0	106.6	110.6	104.5	103.0	105.7
<b>April</b>	109.0	88.9	107.8	115.1	111.7	102.8	110.2
<b>May</b>	108.8	101.5	108.2	108.5	113.4	107.2	103.6
<b>June</b>	112.0	107.9	109.7	115.7	110.2	106.3	110.5
<b>July</b>	113.9	95.4	110.6	109.6	122.3	104.2	110.8

### 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>1983</b>	97.6	94.4	108.2	107.7	123.0	105.1	100.9	94.2
<b>1984</b>	97.2	96.8	101.8	104.1	112.8	96.2	98.6	96.9
<b>1985</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>1986*</b>	104.7	102.5	94.0	88.4	99.9	99.5	105.2	101.8
<b>1987*</b>	111.3	107.7	95.6	89.0	101.0	102.6	113.8	106.1
<b>1987*</b>								
<b>June</b>	112.3	110.1	..	..	..	..	..	106.1
<b>July</b>	110.8	107.5	..	..	..	..	..	106.6
<b>Aug.</b>	111.1	107.1	..	..	..	..	..	106.7
<b>Sept.</b>	111.0	109.4	..	..	..	..	..	106.7
<b>Oct.</b>	114.7	107.8	..	..	..	..	..	106.6
<b>Nov.</b>	113.9	109.9	..	..	..	..	..	107.1
<b>Dec.</b>	111.3	111.4	..	..	..	..	..	107.7
<b>II</b>	112.3	108.6	97.4	95.2	105.0	106.4	121.6	106.1
<b>III</b>	110.9	108.0	95.3	85.5	101.0	105.9	100.2	106.7
<b>IV</b>	113.3	109.7	96.2	85.4	98.9	105.2	121.3	107.1
<b>1988*</b>								
<b>Jan.</b>	115.0	113.4	..	..	..	..	..	108.1
<b>Feb.</b>	113.9	111.5	..	..	..	..	..	108.5
<b>March</b>	112.8	114.9	..	..	..	..	..	108.3
<b>April</b>	116.3	109.3	..	..	..	..	..	107.9
<b>May</b>	111.7	114.9	..	..	..	..	..	109.4
<b>June</b>	115.1	110.8	..	..	..	..	..	109.2
<b>I</b>	113.9	113.3	108.7	93.7	125.6	113.3	113.3	108.3
<b>II</b>	114.4	111.7	101.7	101.5	98.1	106.0	140.0	108.8

## 8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SIC3)	Central government	Local government	Non-profit institutions			Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>1983</b>	84.3	84.0	85.2	86.4	84.0	85.8	88.8	90.4	89.8	92.7	90.8	91.5	90.5	89.2
<b>1984</b>	92.2	92.0	92.9	92.6	92.8	92.1	95.1	95.3	94.8	97.1	96.0	98.1	95.1	94.6
<b>1985</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>1986<sup>1</sup></b>	107.0	106.7	106.2	106.9	108.1	107.0	102.9	97.0	98.6	91.0	96.5	96.7	96.4	104.3
<b>1987<sup>1</sup></b>	114.6	114.5	113.4	115.8	114.0	116.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
<b>1987<sup>1</sup></b>														
<b>Aug.</b>	..	..	..	..	..	..	107.5	98.2	100.5	89.9	97.4	98.2	97.0	109.6
<b>Sept.</b>	..	..	..	..	..	..	108.1	98.4	100.8	89.4	97.9	98.7	97.5	109.9
<b>Oct.</b>	..	..	..	..	..	..	108.3	98.7	101.3	89.2	98.2	99.0	97.8	110.0
<b>Nov.</b>	..	..	..	..	..	..	108.1	98.7	101.6	88.3	98.4	99.4	97.9	110.8
<b>Dec.</b>	..	..	..	..	..	..	108.4	98.9	102.0	87.7	98.6	99.2	98.3	110.9
<b>II</b>	115.3	115.2	114.3	117.1	114.6	117.4	107.0	97.5	99.8	89.2	96.8	97.7	96.3	108.9
<b>III</b>	115.0	114.7	113.7	117.0	114.7	117.5	107.6	98.3	100.6	89.9	97.6	98.4	97.2	109.7
<b>IV</b>	116.6	116.8	115.2	117.3	115.0	117.8	108.3	98.8	101.6	88.4	98.4	99.2	98.0	110.6
<b>1988<sup>1</sup></b>														
<b>Jan.</b>	..	..	..	..	..	..	109.7	99.3	102.4	87.8	99.1	99.9	98.8	111.8
<b>Feb.</b>	..	..	..	..	..	..	110.0	99.6	102.7	87.9	99.5	100.1	99.2	111.9
<b>March</b>	..	..	..	..	..	..	110.6	99.7	103.0	87.5	100.0	101.1	99.4	112.3
<b>April</b>	..	..	..	..	..	..	111.4	99.9	103.1	88.3	100.1	101.5	99.4	115.0
<b>May</b>	..	..	..	..	..	..	112.3	100.9	104.1	89.3	100.8	102.6	100.0	116.2
<b>June</b>	..	..	..	..	..	..	112.9	101.3	104.7	89.1	101.1	103.1	100.2	116.6
<b>July</b>	..	..	..	..	..	..	112.9	102.0	105.4	89.6	102.1	104.3	101.1	117.0
<b>Aug.</b>	..	..	..	..	..	..	113.1	102.4	105.8	90.3	102.7	105.5	101.4	117.5
<b>I</b>	118.9	118.5	117.0	122.9	117.8	123.2	110.1	99.5	102.7	87.7	99.5	100.4	99.1	112.0
<b>II</b>	125.8	125.6	124.2	130.5	123.3	130.5	112.2	100.7	104.0	88.9	100.7	102.4	99.9	115.9

<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				Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agriculture and forestry	Industry	Construction	Service industries		
				1000 persons							
%	1	2	3	4	5	6	7	8	9	10	%
<b>1983</b>	68.7	2527	2390	386	2004	303	606	183	1298	138	5.5
<b>1984</b>	68.8	2546	2414	378	2035	294	600	183	1337	133	5.2
<b>1985</b>	69.2	2567	2437	361	2076	280	597	178	1380	130	5.0
<b>1986</b>	69.1	2568	2431	359	2071	266	589	185	1391	138	5.4
<b>1987</b>	68.6	2554	2423	372	2051	251	569	184	1419	130	5.1
<b>1987</b>											
<b>July</b>	68.5	2547	2420	371	2049	246	584	183	1407	127	5.0
<b>Aug.</b>	69.0	2568	2441	367	2073	248	570	183	1439	127	5.0
<b>Sept.</b>	68.5	2548	2418	366	2053	241	572	176	1429	130	5.1
<b>Oct.</b>	68.5	2551	2423	378	2045	255	575	185	1408	128	5.0
<b>Nov.</b>	68.5	2549	2420	381	2039	252	557	180	1432	129	5.1
<b>Dec.</b>	68.4	2548	2419	378	2041	247	558	183	1430	128	5.0
<b>1988</b>											
<b>Jan.</b>	68.7	2558	2438	381	2057	250	573	189	1427	120	4.7
<b>Feb.</b>	68.4	2549	2430	374	2057	253	551	176	1451	118	4.6
<b>March</b>	68.5	2549	2428	371	2057	240	557	182	1450	120	4.7
<b>April</b>	68.3	2541	2426	367	2059	241	551	192	1442	115	4.5
<b>May</b>	68.3	2540	2415	366	2049	243	543	177	1451	125	4.9
<b>June</b>	68.7	2556	2439	363	2076	231	548	194	1466	117	4.6
<b>July</b>	68.5	2547	2430	361	2070	223	558	203	1446	117	4.6

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)	Borrowing	Total revenue (7+8)	Con-sump-tion and subsidies	Trans-fers and	Of which:	
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>1983</b>	19565	36183	531	8284	64563	1854	66416	11378	77794	20984	39411	15717	22817
<b>1984</b>	22526	42737	598	9711	75572	1894	77466	10752	88218	22155	44333	18444	24836
<b>1985</b>	25750	47578	546	10415	84290	2071	86361	11189	97550	24835	49269	21183	26866
<b>1986</b>	28079	51733	323	11640	91774	2209	93983	14744	108727	26354	52845	23215	28131
<b>1987</b>	29454	57312	455	12437	99658	2482	102139	17484	119623	29419	59498	26456	30964
<b>1987</b>													
<b>July</b>	2941	5335	49	603	8929	95	9023	619	9642	2923	4775	2148	2434
<b>Aug.</b>	2935	4880	37	1098	8949	343	9292	1143	10435	2331	4892	2138	2618
<b>Sept.</b>	2461	4237	40	968	7706	144	7850	619	8470	2424	4341	2131	2102
<b>Oct.</b>	2480	4360	38	1025	7904	119	8023	2295	10318	2505	4713	2227	2296
<b>Nov.</b>	2545	5465	29	1024	9062	266	9329	2397	11726	2366	5746	2336	3306
<b>Dec.</b>	1995	7294	65	1454	10809	680	11488	1496	12984	2731	5271	2239	2720
<b>1988</b>													
<b>Jan.</b>	2495	3188	12	958	6654	21	6674	1680	8354	2367	5494	2221	3145
<b>Feb.</b>	2203	6490	38	837	9568	53	9622	1017	10639	2449	6390	2304	3948
<b>March</b>	3084	4470	49	998	8601	96	8698	1291	9989	2520	5301	2325	2552
<b>April</b>	3203	4517	44	1122	8886	85	8971	2089	11060	2341	4958	2682	2141
<b>May</b>	2659	5470	21	1787	9936	302	10238	834	11072	2760	6409	2640	3405
<b>June</b>	2994	5733	46	1012	9785	132	9917	1490	11407	2842	5368	2755	2376
<b>July</b>	3488	5896	35	871	10290	70	10360	109	10469	3191	4617	2370	2090
During period	Expenditure							Financial balance					
	Fixed investment	Other expenditure	Expenditure before financial transactions (10+11+14+15)	Lending and other financial investment	Expenditure before redemptions of state debt (16+17)	Redemptions of state debt	Total expenditure, (18+19)	Revenue surplus (5-16)	Net borrowing requirement (7-18)	Gross borrowing requirement (7-20)	Cash surplus (9-20)		
	14	15	16	17	18	19	20	21	22	23	24		
<b>1983</b>	5454	4095	69944	4999	74943	3939	78881	-5381	-8527	-12465	-1088		
<b>1984</b>	5455	4220	76162	4717	80878	5552	86430	-590	-3412	-8964	1788		
<b>1985</b>	5700	4936	84739	4982	89722	7682	97404	-449	-3361	-11043	145		
<b>1986</b>	6111	5058	90368	4913	95281	10541	105822	1406	-1298	-11839	2905		
<b>1987</b>	7089	4732	100738	5672	106410	9880	116289	-1080	-4270	-14150	3334		
<b>1987</b>													
<b>July</b>	643	284	8625	752	9377	190	9566	304	-353	-543	76		
<b>Aug.</b>	542	294	8059	479	8539	1410	9949	890	753	-657	487		
<b>Sept.</b>	648	137	7551	552	8102	320	8423	156	-252	-572	47		
<b>Oct.</b>	644	321	8184	446	8629	620	9249	-280	-606	-1226	1069		
<b>Nov.</b>	550	199	8861	407	9267	252	9519	202	62	-190	2207		
<b>Dec.</b>	878	-6	8874	483	9357	109	9466	1935	2131	2022	3518		
<b>1988</b>													
<b>Jan.</b>	502	764	9127	372	9499	1279	10778	-2473	-2824	-4103	-2423		
<b>Feb.</b>	535	324	9699	397	10096	512	10608	-130	-474	-986	31		
<b>March</b>	641	833	9296	427	9723	825	10548	-694	-1025	-1850	-559		
<b>April</b>	492	617	8407	341	8747	674	9421	479	224	-450	1639		
<b>May</b>	690	760	10619	623	11242	1044	12286	-684	-1004	-2048	-1214		
<b>June</b>	660	317	9186	603	9789	818	10607	598	128	-690	800		
<b>July</b>	568	112	8487	467	8954	787	9741	1803	1406	619	728		

# 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** Matured certificates of deposit, net (Column 3) = matured bank certificates of deposit held by the Bank of Finland - matured certificates of deposit issued by the Bank of Finland.

**Table 2.3** Bank CDs held by the Bank of Finland (Column 2) include term credits from December 1986 to July 1987. Holdings of CDs issued by the Bank of Finland (Column 5) include term liabilities from February to July 1987.

## 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 Euromarket.

**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): the rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts, whereas annual rates are averages of monthly observations. *Deposits.* The rates of interest applied to deposit accounts (Columns 6-8) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. The average rate of interest on the stock of regulated deposits (Column 9) is the average rate of interest weighted by the deposit amounts at the end of period, where the stock of deposits comprises cheque accounts, postal giro accounts, deposit accounts with a cheque facility, savings and ordinary deposit accounts, other time deposit accounts and taxable investment accounts. The average rate of interest on unregulated deposits (Column 10) is the average rate of interest weighted by the amounts in the period. Unregulated deposits include, inter alia, sales of certificates of deposit, promissory notes and bonds as well as corporate deposits at market rates.

**Table 3.5** *Secondary market rates.* The long-term unregulated market rate (Columns 1 and 2) is calculated by the Bank of Finland as the monthly average of the offered rates for taxable, fixed-rate bonds quoted by the five largest banks. The rate of interest for taxable government bonds (Column 3) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The rate of interest for taxable public issues

(Column 4) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate ordinary bonds, debentures or 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 rate of interest for taxfree public issues (Column 7) is the yield 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 are the averages of monthly observations. *Rates at issue* on bonds and debentures (Columns 8 and 9) are the average rates of interest weighted by issue amounts - in the case of government bonds by sales amounts - on 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** The weights of the Bank of Finland currency index (Column 1) are moving averages of the shares of countries in Finland's merchandise export and import trade. The index comprises 12 convertible currencies. The index values are based on the Bank of Finland's daily quotations at noon. The weights of the payments currency index (Column 2) are moving averages of the shares of payments currencies in Finland's trade. The index comprises 12 convertible currencies. The weights of the MERM index (Column 3) 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: The Central Statistical Office of Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Domestic foreign-currency deposits are included in the figures. Time deposits (Column 2) consist of tax-exempt time deposits held by the public. Investment

accounts (Column 3) are taxable time deposits held by the public. For the definition of unregulated deposits (Column 6), see the explanation under Table 3.4. Since the beginning of 1987, the figures for banks' holdings of certificates of deposit issued by other banks have been netted out. Netting out is done by the Bank of Finland.

**Table 5.2** Source: The Central Statistical Office of 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. claims on banks' foreign branches) - the Bank of Finland's foreign liabilities - banks' foreign liabilities (incl. liabilities to 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 intermediated by banks from state funds. 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 + capital accounts of deposit banks + unclassified assets and liabilities of deposit banks, net (bank debentures, bank CD's held by the public and other unregulated wholesale deposits).  $M_1$  (Column 6) = notes and coin in circulation - till money held by banks + cheque and postal giro account deposits held by the public.  $M_2$  (Column 7) =  $M_1$  + quasi-money (time deposits held by the public, incl. deposits with the Bank of Finland).

**Table 5.4** Source: State Treasury Office. *Foreign debt*. Other bonds and debentures (Column 2) are so-called private placings. Long-term promissory notes (Column 3) are bank loans. Outstanding lending (Column 10) comprises the stock of central 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 7.7 billion at the end of 1986.

**Table 5.6** *Turnover*. Source: The Helsinki Stock Exchange. *Share prices*. Source: Union Bank of Finland Ltd.

## 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 1-8: Net change in long-term liabilities. Columns 9-13: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 10): Secondary market transactions in securities and share issues. Long-term credits (Columns 3-6): Financial loans, import credits and leasing credits. Others (Column 5): Long-term credits of enterprises, financial institutions other than authorized banks and local government. Imports of other long-term capital (Column 7): Finland's subscriptions to international financial institutions paid in the form of promissory notes. Exports of other long-term capital (Column 12) = financial loans abroad + development credits + purchases of real estate and other acquisitions by private persons + Finland's subscriptions to international financial institutions.

**Table 6.3** Net foreign debt (Columns 1-24) 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. Debt service payments (Column 25): the total of net payments of interest, dividends and remunerations relating to long- and short-term foreign liabilities and assets plus net repayments relating to long-term foreign liabilities and assets. Repayments do not include early repayments of loans, repatriations of equity capital included under direct investment, repurchases of shares included under portfolio investment (since 1986), repayments of the Bank of Finland's reserve tranche and oil facility credits, or repayments of rouble-denominated assets included under loan assets. The debt-service ratio (Column 27) = service charges on net foreign debt as a percentage of current account earnings.

**Table 6.4** All direct investments have been placed under the corporate sector (Columns 1 and 6). Other (Column 9) consists mainly of long-term assets of private persons.

The sectoral figures for short-term foreign liabilities and assets correspond to the figures shown in Columns 15-23 of Table 6.3.

## 7 FOREIGN TRADE

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

On January 1, 1988, the new international harmonized commodity description and coding system was introduced in the compilation of the official foreign trade statistics. Because of the changeover, the trade value figures in the customs statistics are exceptionally high for December 1987 and exceptionally low for January 1988 as compared with the old system. For the sake of comparability, the customs statistics figures for December 1987 and January 1988 have been adjusted in the Bulletin to comply with the old system. For this reason the total trade values for 1987 as a whole also differ from the customs statistics. The Bulletin follows the same practice as in the balance of payments statistics. Adjustments have been made to all value and volume figures for exports and imports. Unit values correspond to those of the customs statistics. The adjustments have been made by the Economics Department of the Bank of Finland.

**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: Central Statistical Office of 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.

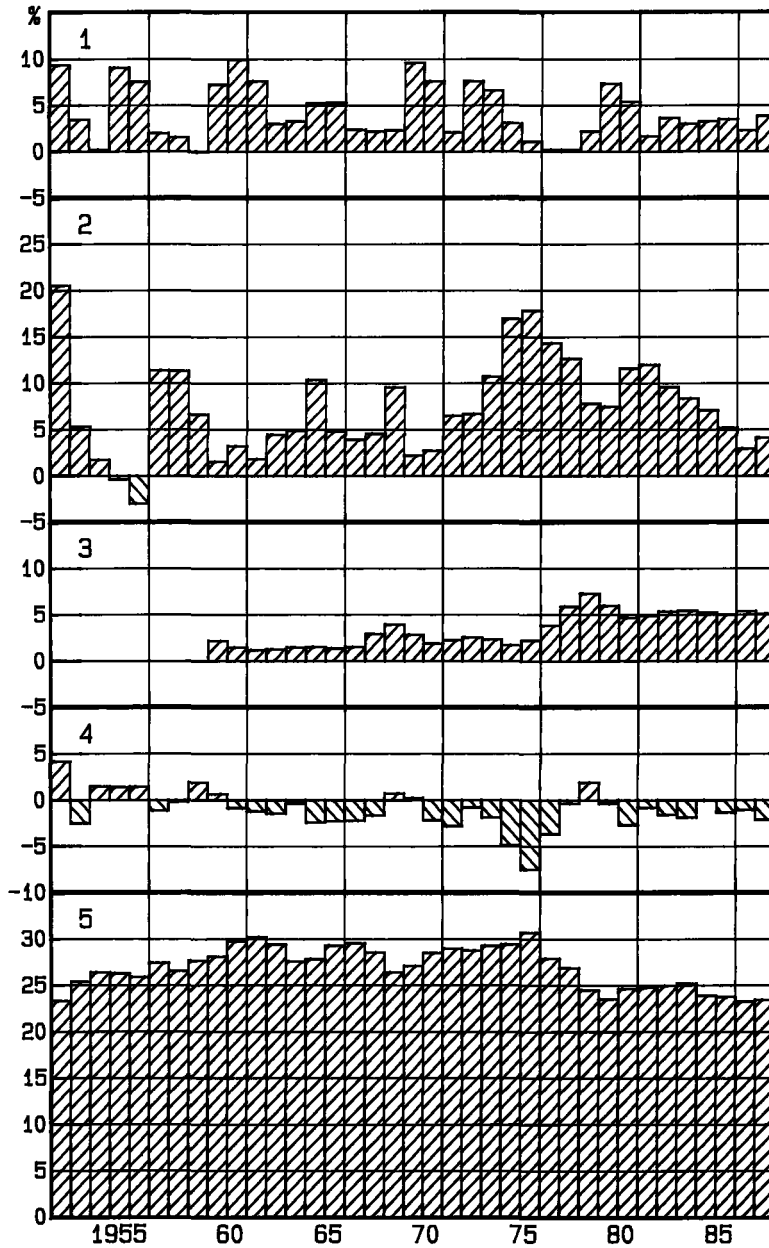
**Table 8.4** The consumer price index (Column 7) was revised as from January 1988. Both the weights and the methods of calculation were changed (see the item in the March 1988 issue of the Bulletin). The base year of the new CPI is 1985, while the base year of the index shown until end-1984 is 1981.

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



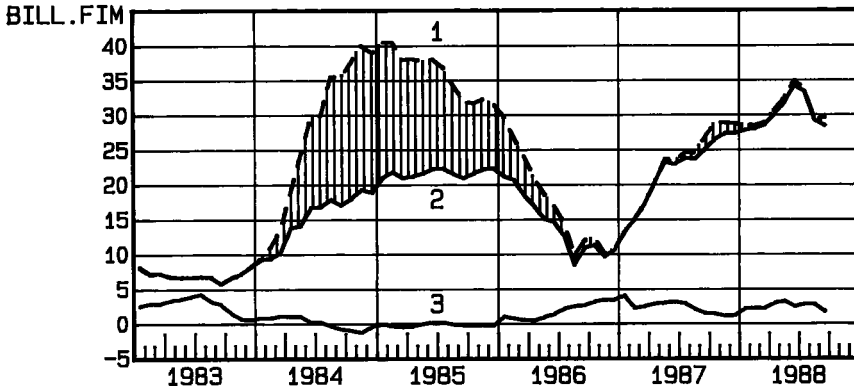
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Banks' central bank position	S29
5. Overnight rates	S30
6. HELIBOR rates of interest	S30
7. Rates of interest applied by the Bank of Finland	S30
8. 3-month covered Eurodollar rate and 3-month currency basket rates	S31
9. Rates on new issues of bonds and debentures	S31
10. Secondary market rates on bonds and debentures	S31
11. Bank of Finland currency index (monthly)	S32
12. Bank of Finland currency index (daily)	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 deposits from the public	S33
16. Bank lending to the public	S33
17. Money supply	S34
18. Direct investment	S34
19. Central government debt	S34
20. Current account	S35
21. Foreign debt	S35
22. Balance of payments	S36
23. Debt service ratio	S36
24. Foreign trade	S37
25. Western trade	S37
26. Bilateral trade	S37
27. Foreign trade: prices and terms of trade	S38
28. Western trade: prices and terms of trade	S38
29. Bilateral trade: prices and terms of trade	S38
30. Production	S39
31. Fixed investment	S39
32. Employment and unemployment rate	S40
33. Prices and wages	S40
34. Central government finances	S41

### 1. LONG-TERM INDICATORS



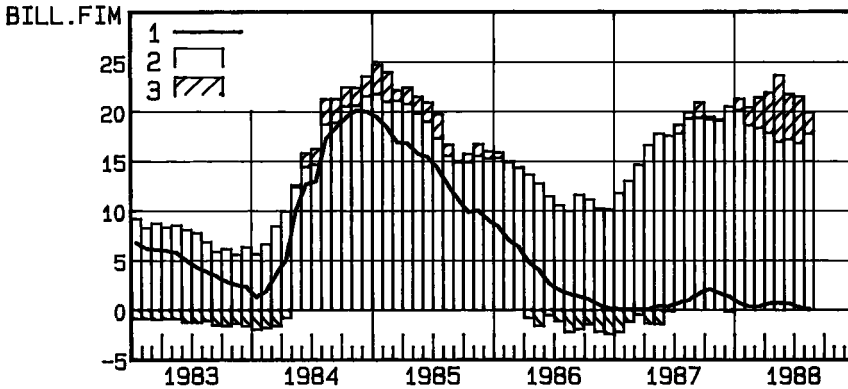
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



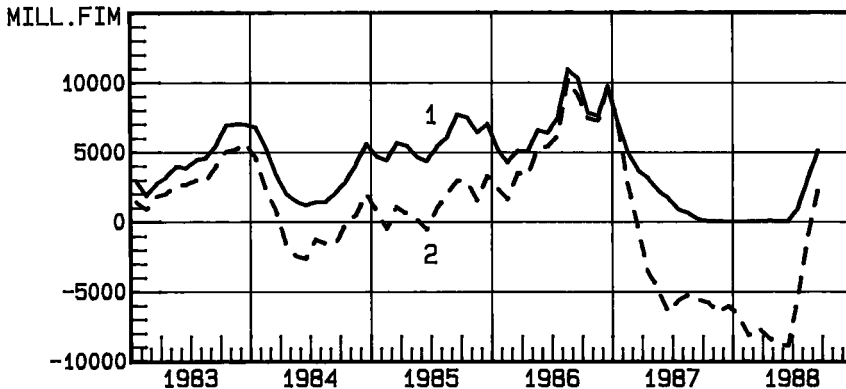
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves
3. Tied currencies

## 3. FORWARD MARKET



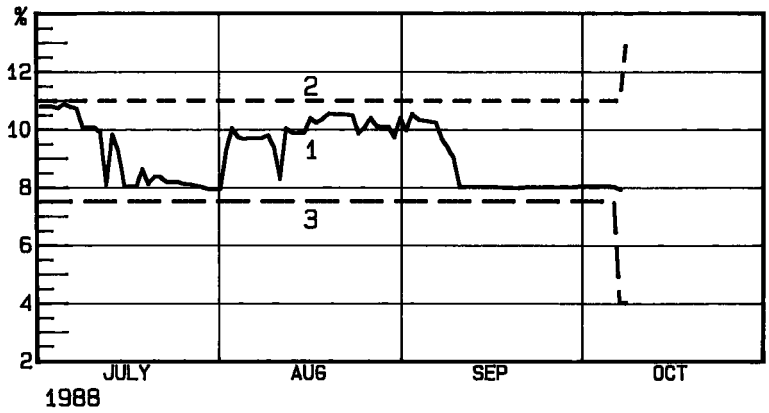
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

## 4. BANKS' CENTRAL BANK POSITION



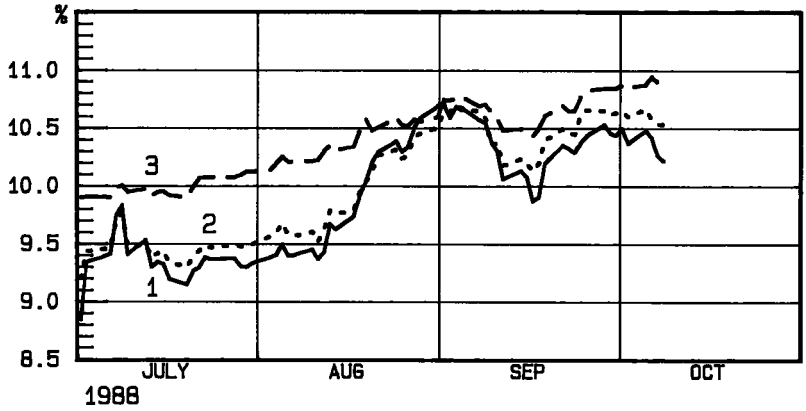
1. Gross debt to the Bank of Finland
2. Net debt to the Bank of Finland (excl. cash reserve deposits)

5. OVERNIGHT RATES



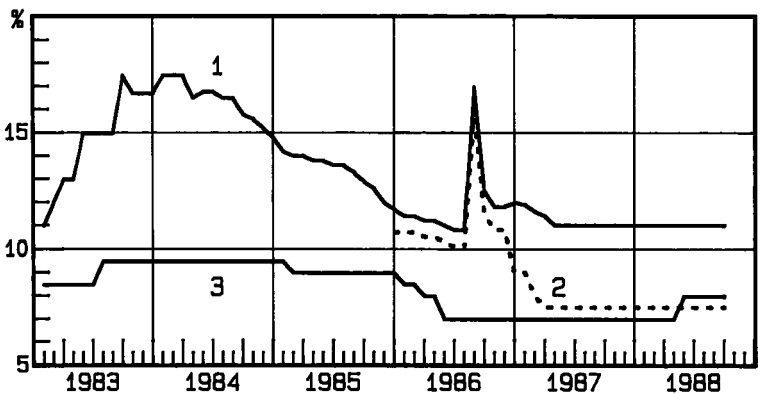
- 1. Inter-bank overnight rate
  - 2. Call money credit rate
  - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



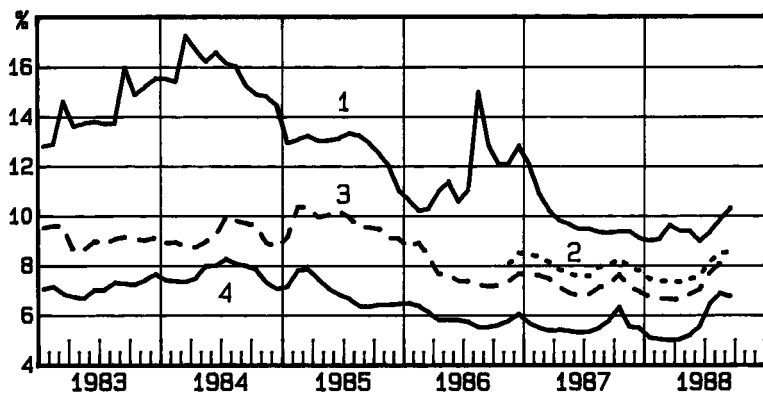
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Daily observations

7. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



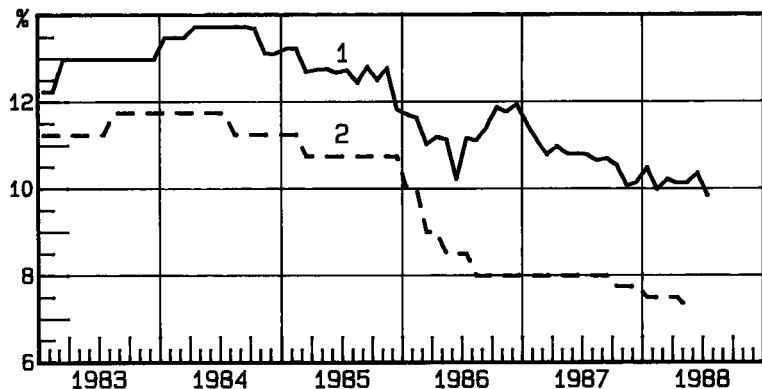
- 1. Call money credit rate
  - 2. Call money deposit rate
  - 3. Base rate
- End-of-month observations

**8. 3-MONTH COVERED EURODOLLAR RATE AND 3-MONTH CURRENCY BASKET RATES**



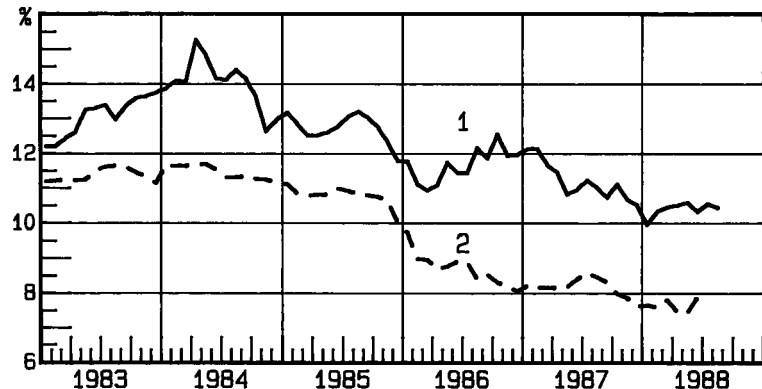
- 1. Covered Eurodollar rate
- 2. 12-currency basket rate
- 3. 8-currency basket rate
- 4. 3-currency basket rate

**9. RATES ON NEW ISSUES OF BONDS AND DEBENTURES**



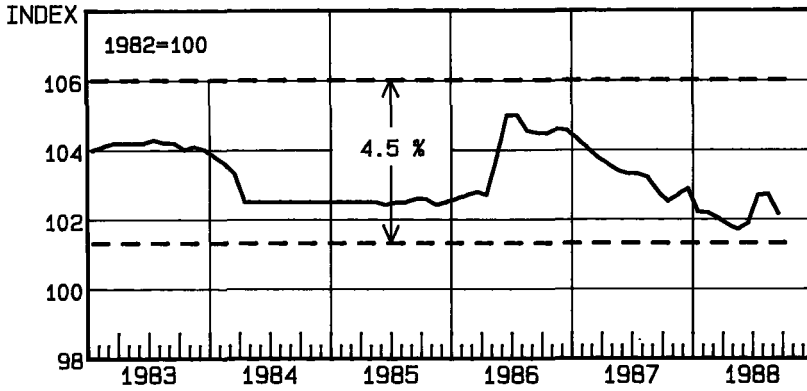
- 1. Rates on new fixed-rate debentures
- 2. Rates on new 10-year tax-free government bonds

**10. SECONDARY MARKET RATES ON BONDS AND DEBENTURES**



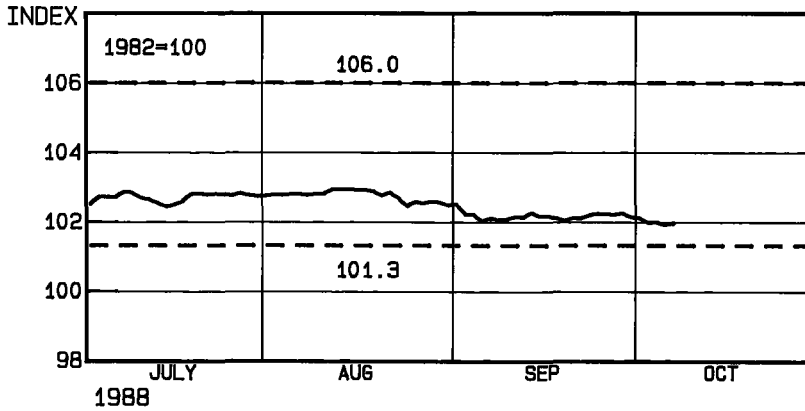
- 1. Secondary market rate on (3-6 year) fixed-rate debentures
- 2. Secondary market rate on (9-10 year) taxfree government bonds

11. BANK OF FINLAND CURRENCY INDEX



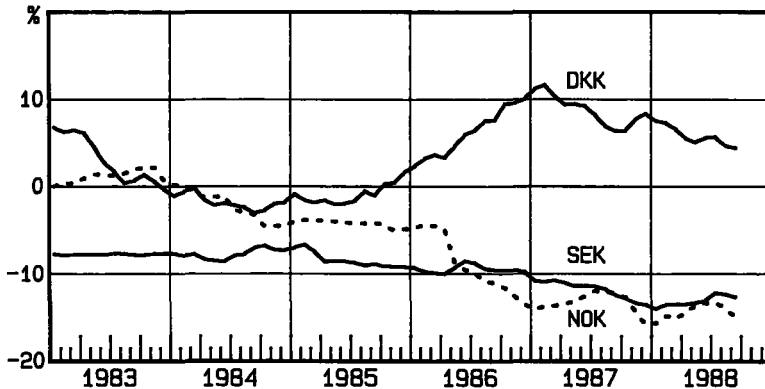
4.5 % = fluctuation range of the index  
Monthly averages

12. BANK OF FINLAND CURRENCY INDEX



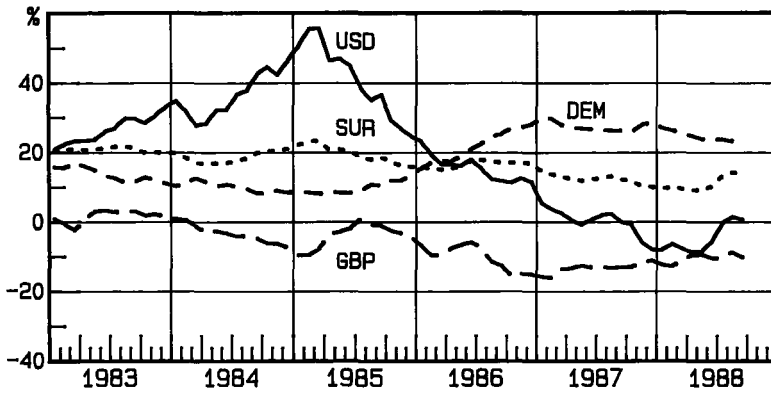
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



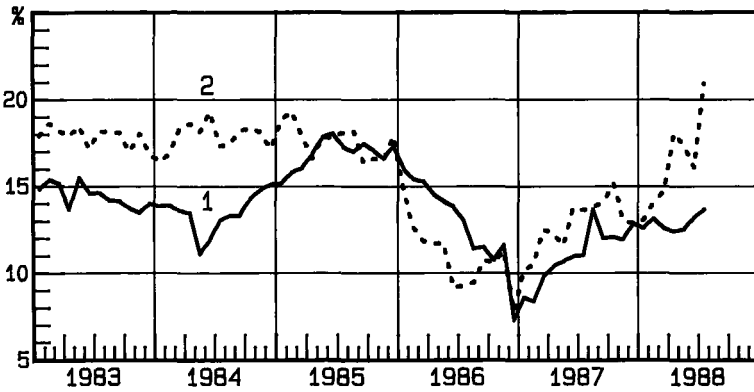
Monthly changes in markka selling rates calculated from the average rates for January 1982

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



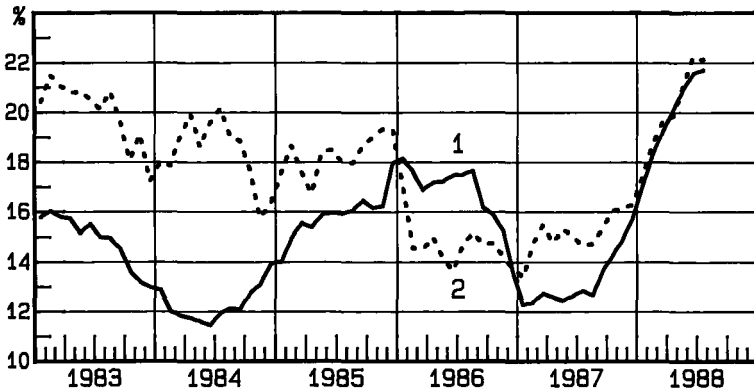
Monthly changes in markka selling rates calculated from the average rates for January 1982

15. BANK DEPOSITS FROM THE PUBLIC



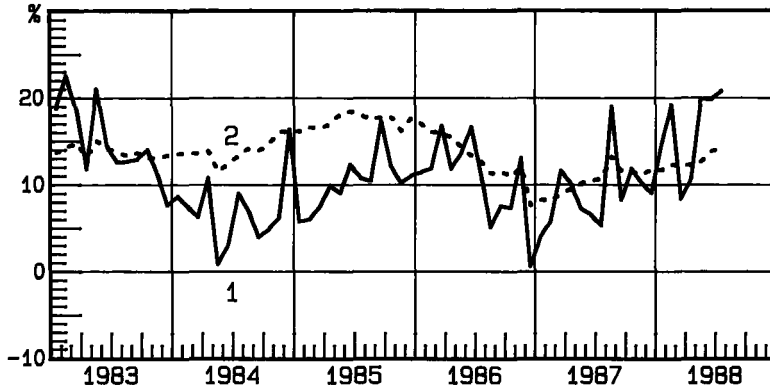
1. Regulated deposits  
2. Total deposits  
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



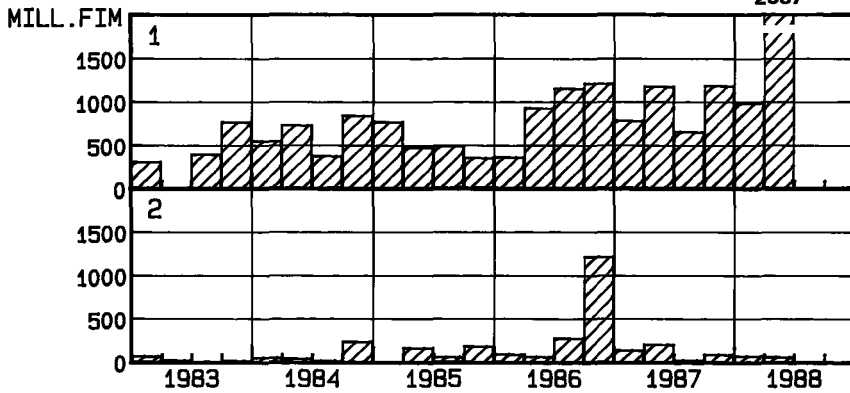
1. Markka lending  
2. Total lending  
Change from the corresponding month of the previous year, per cent

### 17. MONEY SUPPLY



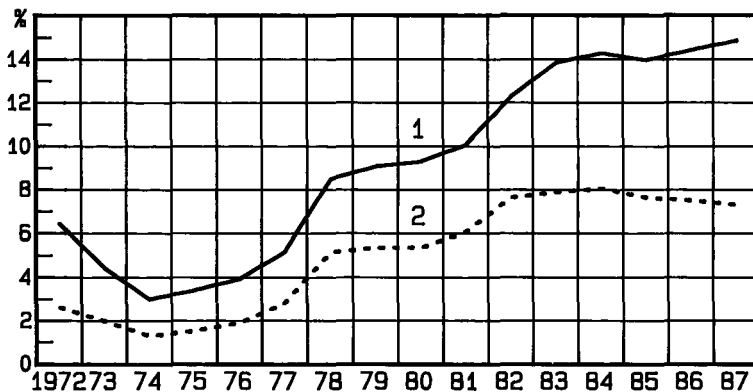
1. Narrow money supply (M1)
  2. Broad money supply (M2)
- Change from the corresponding month of the previous year, per cent

### 18. DIRECT INVESTMENT



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

### 19. CENTRAL GOVERNMENT DEBT

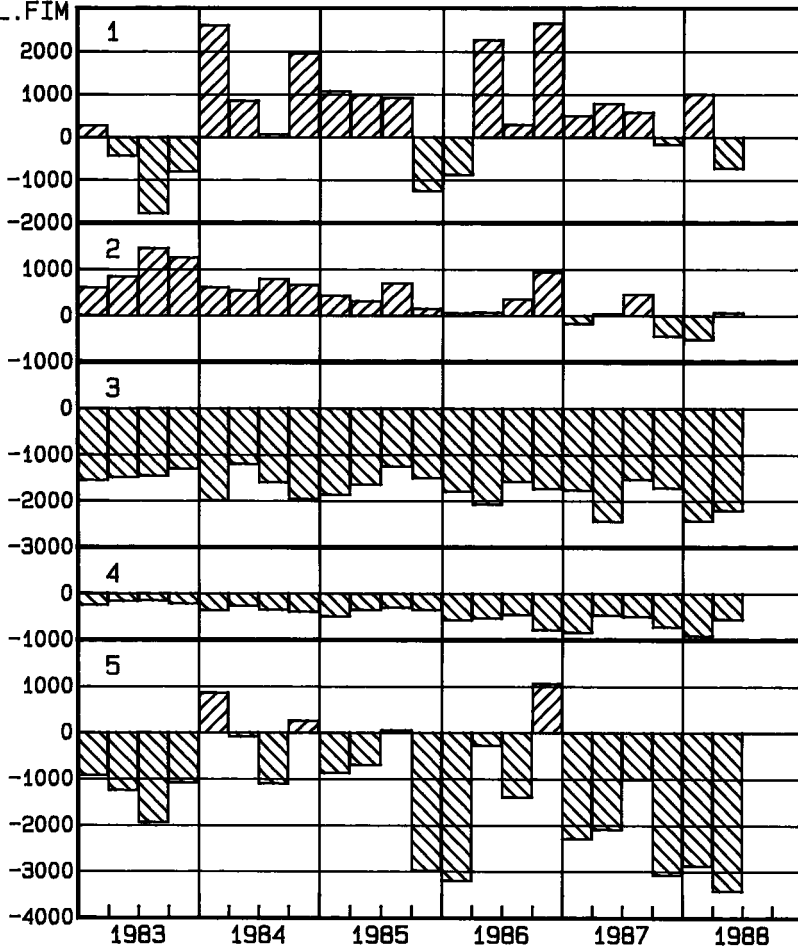


1. Total debt
  2. Of which: foreign debt
- As a percentage of GDP



## 20. CURRENT ACCOUNT

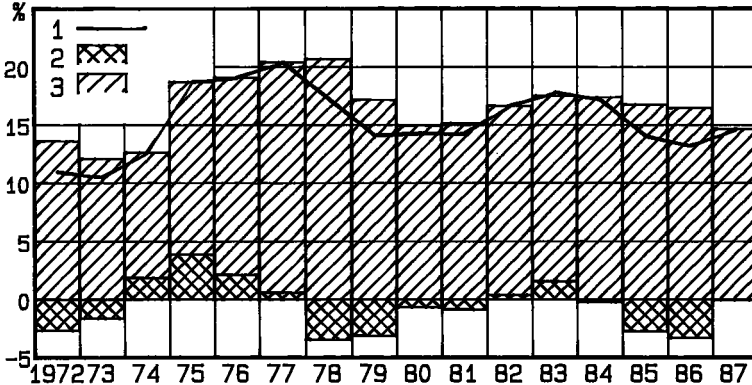
MILL. FIM



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

## 21. FOREIGN DEBT

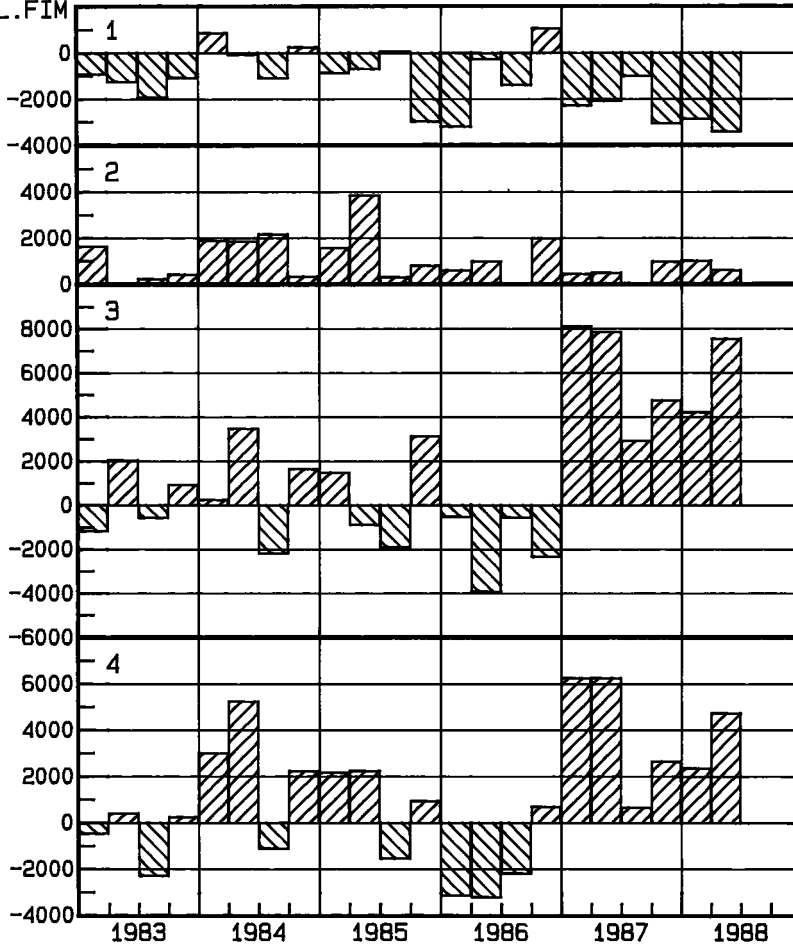
%



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

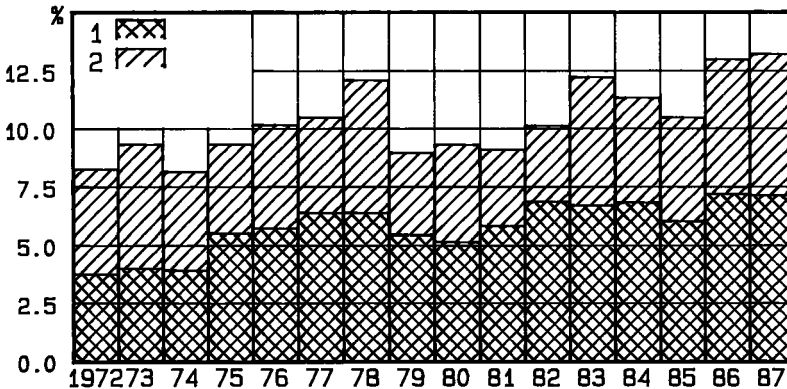
22. BALANCE OF PAYMENTS

MILL. FIM



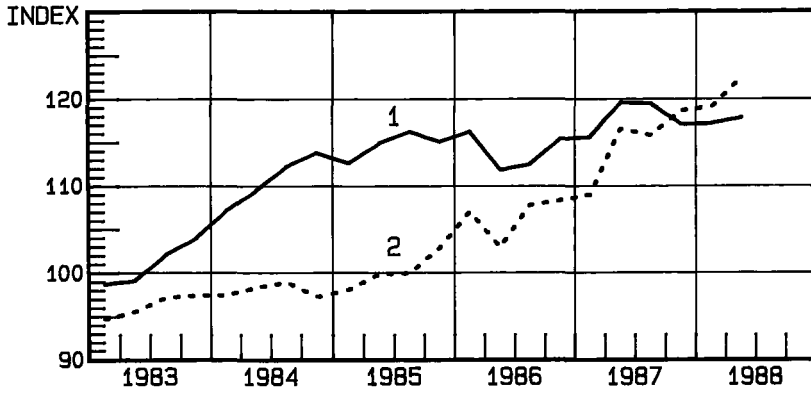
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance = change in the foreign exchange reserves of the Bank of Finland

23. DEBT SERVICE RATIO



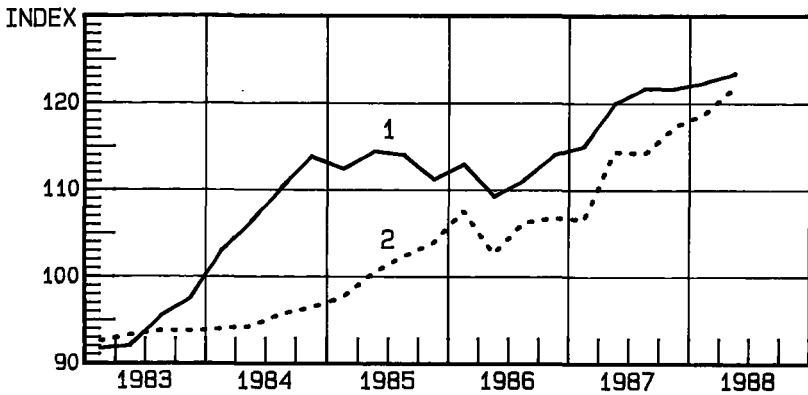
1. Interest payments
  2. Redemptions
- As a percentage of current account earnings

## 24. FOREIGN TRADE



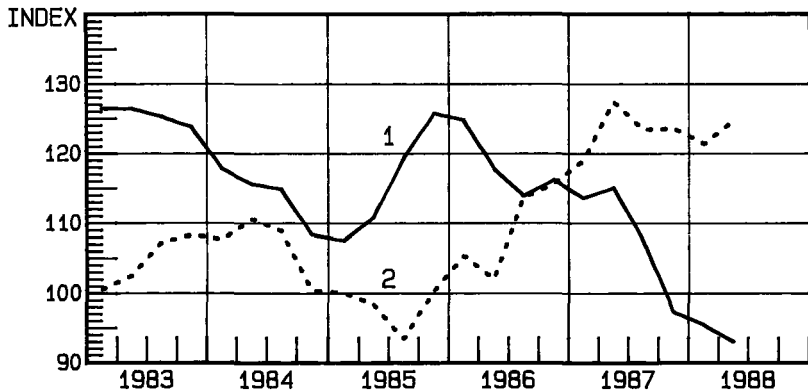
1. Total exports  
2. Total imports  
Volume index, 1980 = 100,  
four-quarter moving average  
shown as at the last quarter

## 25. WESTERN TRADE



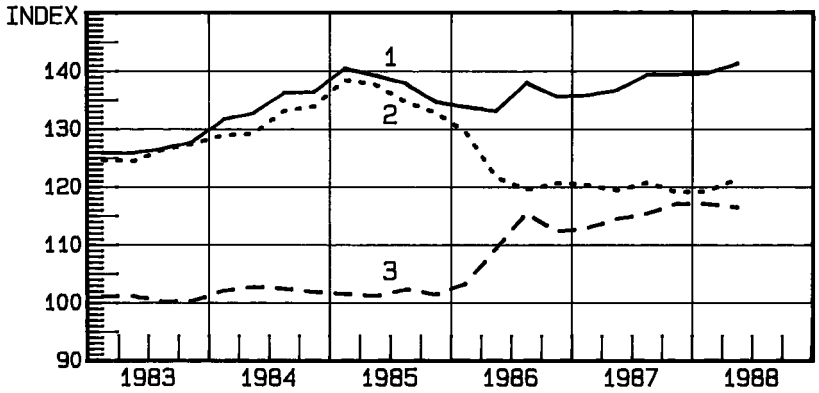
1. Western exports  
2. Western imports  
Volume index, 1980 = 100,  
four-quarter moving average  
shown as at the last quarter

## 26. BILATERAL TRADE



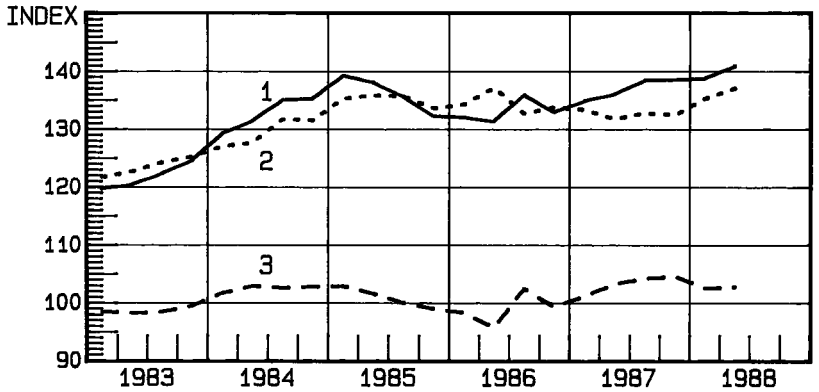
1. Bilateral exports  
2. Bilateral imports  
Volume index, 1980 = 100,  
four-quarter moving average  
shown as at the last quarter

27. FOREIGN TRADE: PRICES AND TERMS OF TRADE



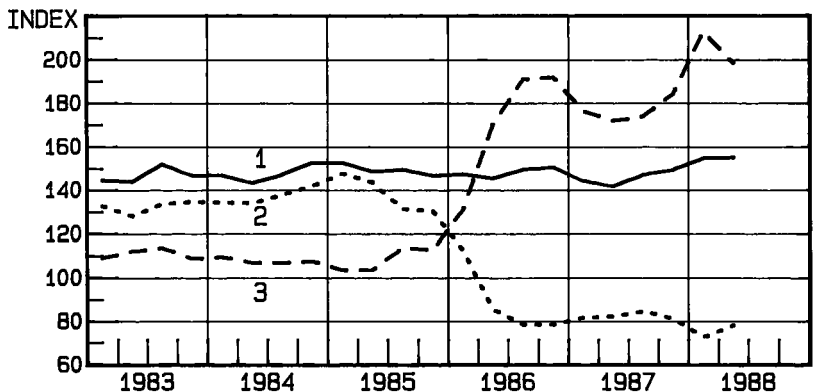
- 1. Unit value index of exports
  - 2. Unit value index of imports
  - 3. Terms of trade
- 1980 = 100

28. WESTERN TRADE: PRICES AND TERMS OF TRADE



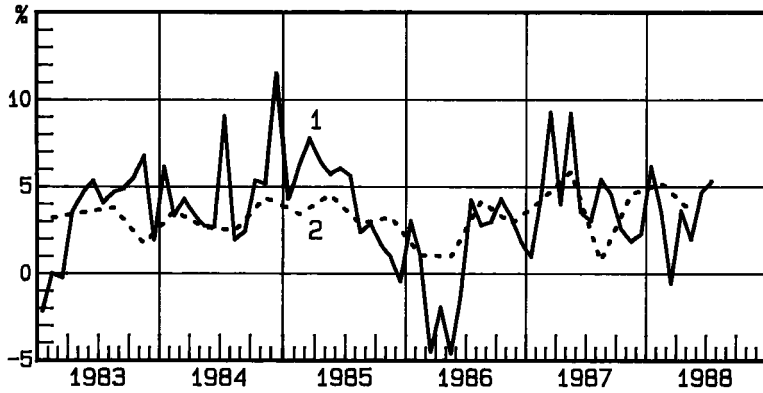
- 1. Unit value index of western exports
  - 2. Unit value index of western imports
  - 3. Terms of trade in western trade
- 1980 = 100

29. BILATERAL TRADE: PRICES AND TERMS OF TRADE



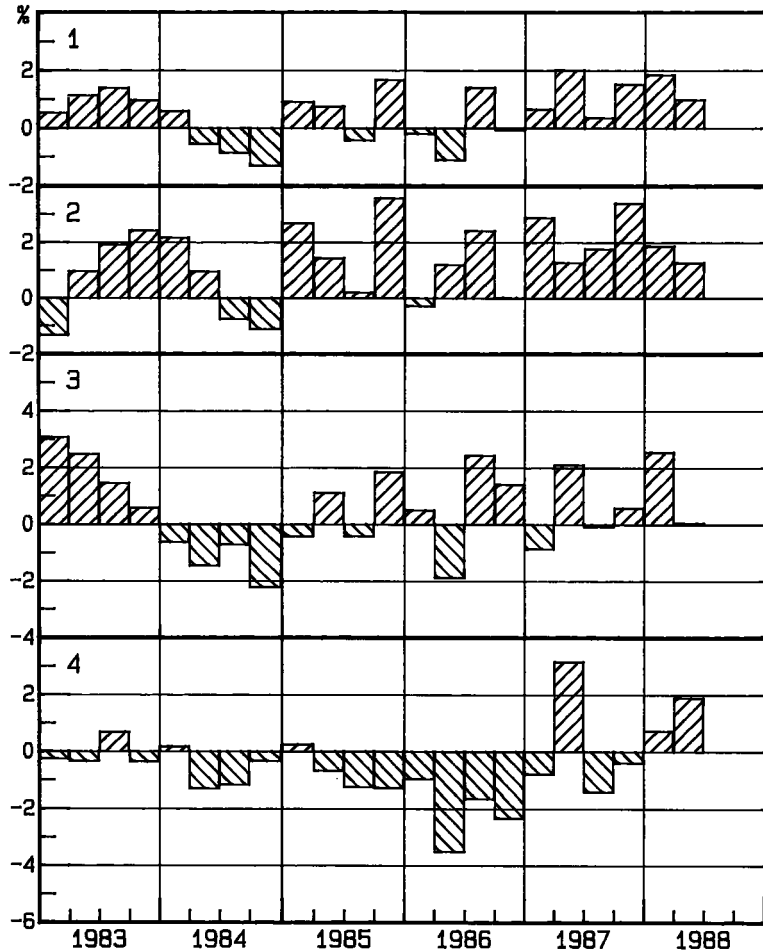
- 1. Unit value index of bilateral exports
  - 2. Unit value index of bilateral imports
  - 3. Terms of trade in bilateral trade
- 1980 = 100

### 30. PRODUCTION



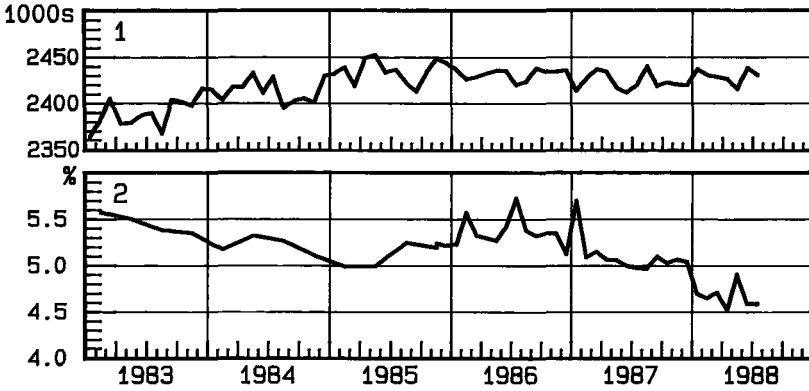
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

### 31. FIXED INVESTMENT



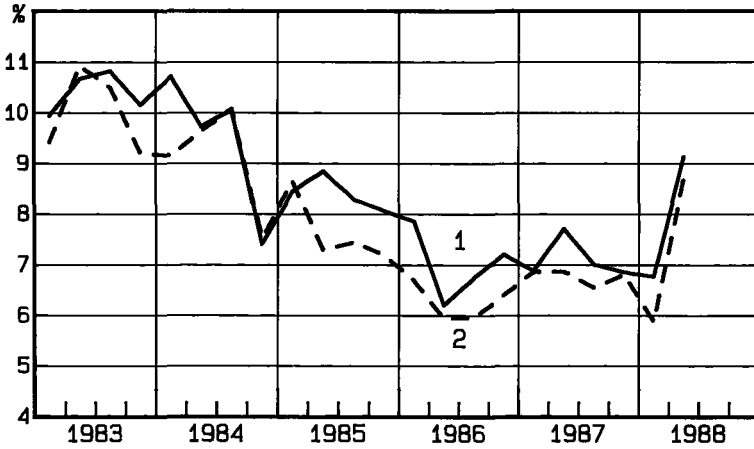
1. Total fixed investment
  2. Investment in machinery and equipment
  3. Building investment, excl. residential buildings
  4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

32. EMPLOYMENT AND THE UNEMPLOYMENT RATE

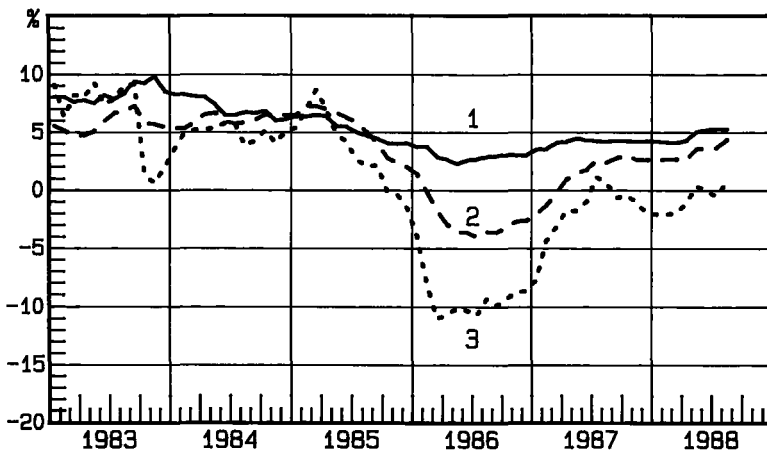


- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

33. PRICES AND WAGES

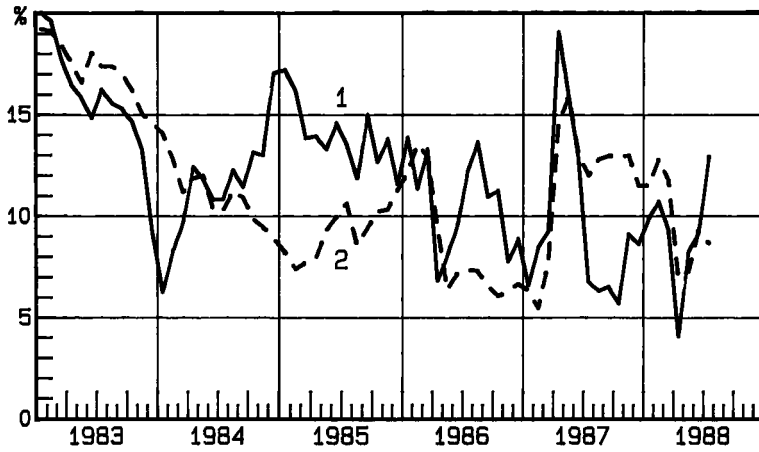


- 1. Index of wage and salary earnings, all wage and salary earners
  - 2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



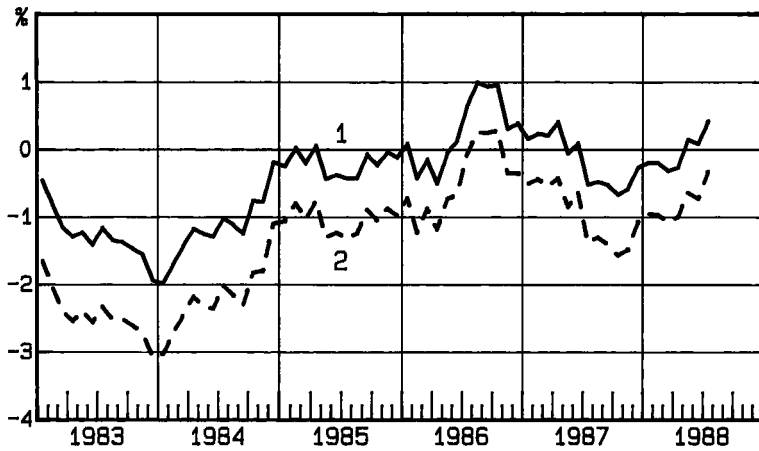
- 1. Consumer price index
  - 2. Wholesale price index
  - 3. Import price index
- Change from the corresponding month of the previous year

### 34. 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

---

## THE PARLIAMENTARY SUPERVISORY BOARD

---

MAURI MIETTINEN, Chairman  
PERTTI HIETALA, Vice Chairman  
MATTI MAIJALA

ANTTI KALLIOMÄKI  
HEIKKI PERHO

ERKKI PYSTYNEN  
JUSSI RANTA

HENRIK WESTERLUND  
PAAVO VÄYRYNEN

---

## THE BOARD OF MANAGEMENT

---

ROLF KULLBERG, Chairman

ESKO OLLILA

PENTTI UUSIVIRTA

KALEVI SORSA  
Minister for Foreign Affairs, on leave of absence

ELE ALENIUS

MARKKU PUNTILA, Acting Member

HARRI HOLKERI  
Prime Minister, on leave of absence

---

## DIRECTORS

## DEPARTMENTS

---

PENTTI KOIVIKKO

Accounting Department OSSI LEPPÄNEN  
Administration Department URPO LEVO  
Data Processing Department RIITTA JOKINEN

Payment Instruments Department  
REIJO MÄKINEN  
Personnel Department ANTON MÄKELÄ  
Branches

SIRKKA HÄMÄLÄINEN

Central Bank Policy Department  
JOHNNY ÅKERHOLM  
Economics Department KARI PUUMANEN  
Financial Markets Department RALF PAULI

Information Department ANTTI HEINONEN  
Research Department HEIKKI KOSKENKYLÄ

MATTI VANHALA

Bilateral Trade Department  
KARI HOLOPAINEN  
Exchange Control Department ESA OJANEN  
Market Operations Department KARI PEKONEN

Payments and Settlement Department  
RAIMO HYVÄRINEN  
Risk Monitoring Department KAARLO JÄNNÄRI

---

Internal Audit Department TIMO MÄNNISTÖ

---

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

---

## BRANCH OFFICES

---

12 branches: Joensuu, Jyväskylä, Kotka, Kuopio, Lahti, Mikkeli, Oulu, Pori, Rovaniemi, Tampere, Turku, Vaasa

---

## SECURITY PRINTING HOUSE

---

TOR-LEIF HUGGARE, Managing Director

---