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Economic developments, inflation
and monetary policy

The financial performance, balance
sheet structure and solvency of
Finnish deposit banks in 1994

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Economic developments, inflation and monetary policy

Recent economic developments confirm the picture of robust and more broadly based growth but the dichotomy between the export and domestic sectors of the economy persists. Total output increased by 4.4 per cent in the final quarter of 1994 from the corresponding quarter of the previous year and is expected to grow at roughly the same pace in early 1995. Growth is widely forecast to continue fairly strong in Finland and in other industrialized countries next year as well. The risks to world economic growth are mainly related to increased turbulence in the financial markets.

The basic aim of economic policy has been to strengthen the export sector in order to achieve a surplus on current account and to reverse the growth of foreign debt. Exports have, in fact, remained very buoyant, growing at a year-on-year rate of some 10 per cent in the second half of 1994. In the metal and engineering industries, year-on-year output growth was a full 25 per cent in the last quarter of 1994. By contrast, the pace of growth in the forest industries slowed down as capacity started to be fully utilized. Capacity constraints will be a key factor curbing exports this year. Measured in terms of relative unit labour costs, the competitiveness of exports is weakening but is still good.

The effects of growth in the export sector are now spreading to the rest of the economy. Compared with manufacturing, activity in the private services sector has remained sluggish. As a result, the seasonally adjusted unemployment rate was still 17.6 per cent in January and the number of employed persons was only 53 000 higher than a year ago.

The recovery of domestic demand is, however, evident in imports, which grew by more than 20 per cent in the second half of 1994 compared with the same period a year earlier. The share of imports in total supply is expected to grow. Owing to a fall in the savings ratio, private consumption grew by 2.4 per cent over the same period. An increase in households' disposable real income will support the growth of consumption this year.

Last year, private investment in machinery and equipment turned up, and investment in manufacturing is estimated to have increased by one-quarter. This year, productive capacity in manufacturing is starting to increase again, after having contracted

for several years. By contrast, investment activity in the service sector remains subdued, partly because of heavy excess capacity in the sector. Activity in the housing sector continues to be depressed by the high level of real interest rates and the high debt levels of households.

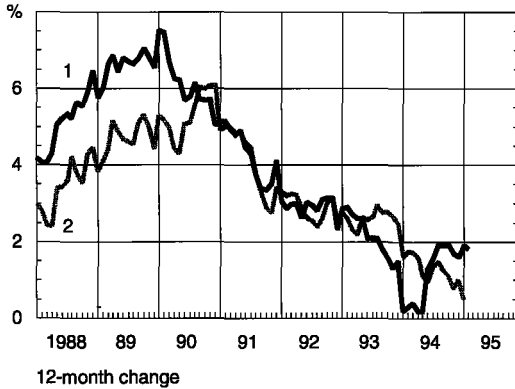
Thanks to a record trade surplus of FIM 33.6 billion, the current account moved into surplus in 1994. The surplus on current account amounted to FIM 5.6 billion for the year as a whole, slightly less than expected. If, however, the change in the compilation of the Board of Customs trade figures associated with Finland's entry into the EU is taken into consideration, it is estimated that the surpluses on both accounts would be FIM 2 billion larger¹. The net outflow of investment income in 1994 amounted to FIM 22 billion and, as net foreign debt decreases, this downward trend in the deficit on the investment income account will continue. This, together with an improvement in the terms of trade, will help to keep the current account in surplus in 1995 as well. Transfers between Finland and the EU will weaken the current account in the first months of the year although their impact for the year as a whole will be fairly neutral. This is already evident in the balance of payments figures for January 1995, which are based on a survey of firms carried out by the Bank of Finland: although the trade and services account posted a surplus of FIM 2.7 billion, the current account showed a deficit of FIM 0.1 billion.

Despite the growth of the economy, the central government deficit has not decreased. Last year, the central government's net financing requirement amounted to FIM 65 billion, of which more than a half was financed by foreign currency borrowing. In 1995, central government finances will be burdened by two tax refunds and outlays related to Finland's first year as a member state of the EU, in addition to the continued provision of support to the banking sector. The net financing requirement is therefore expected to remain at approximately the 1994 level. However, the surpluses of the local government sector and, in particular, the occupational

¹ The change in statistical periods in the official foreign trade statistics increased the value of imports by about FIM 3 billion and the value of exports by just under FIM 1 billion in December 1994. The foreign trade figures for December used in this article have been adjusted.

Chart 1.

Inflation

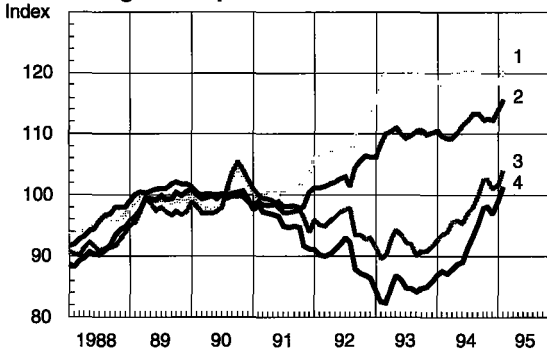


12-month change

- 1. Consumer price index
- 2. Indicator of underlying inflation

Chart 2.

Foreign trade prices



Index 1990 = 100

- 1. Import price index
- 2. Export price index
- 3. Import prices in foreign currency terms*
- 4. Export prices in foreign currency terms*

* Payments-weighted.

pension funds will reduce the deficit of the general government sector, which amounted to 5.6 per cent of GDP at the end of 1994. Because of the rapid growth of central government debt, the ratio of public debt to GDP will increase further this year; at the end of 1994, it stood at 60 per cent.

Inflation has remained slow but pay settlements are relatively high

Despite strong economic growth, the rise in prices has been subdued (Chart 1). In February, consumer prices were 1.8 per cent higher than in February 1994 and the three-month annualized change was only 0.6 per cent. The low rate of inflation is largely attributable to the fall in food prices associated with EU membership, and which had, in fact, already started in late 1994. According to Statistics Finland, food prices in January were about 7 per cent below their level in August-September, which is equivalent to a fall of about 1 per cent in the consumer price index. The consumer price index nevertheless remained unchanged in January as the increases in indirect taxes and widening of the VAT base effected at the beginning of the year raised prices. The widening of the VAT base raised the consumer price index by an estimated 0.2 per cent in January and all in all the VAT reform raised the consumer price index by about 0.8 per cent compared with one year earlier. By contrast, the adjustment of food prices to the EU level was evident in a marked easing of underlying inflation. The indicator of underlying inflation fell by 0.8 per cent from December to January; the rise in the twelve months to January 1995 was 0.5 per cent. In February, consumer prices rose by 0.3 per cent from January, mainly because of the end of the winter sales.

In manufacturing, the 12-month change in producer prices was 3.8 per cent in February and the three-month annualized change was 4.1 per cent. Wholesale prices have fallen during the past few months and developments in the basic price index for domestic supply have been subdued. By contrast, export prices of industrial goods, especially those of forest-based products and basic metals, have risen in line with the rapid rise in world market prices.

The appreciation of the markka has muted the inflationary pressures generated by the rise in world commodity prices. In February, the 12-month rise in the HWWA index, which measures world market prices of raw materials (excl. energy raw materials) in dollar terms, was 29 per cent, and the three-month annualized change was still as high as 11 per cent. The rise in raw material prices is expected to slow in the future as the upswing in the industrialized countries levels off and stocks are run down. The price of pulp is still rising rapidly in dollar terms and is approaching its previous cyclical peak. Finnish import prices (payments currency-weighted) rose by 11 per cent in foreign currency terms in the twelve months to February but by

only 1.9 per cent in markka terms; in February, the three-month annualized rate of increase was 3.7 per cent (Chart 2).

Markka export prices rose by 5.5 per cent in the twelve months to February and their three-month annualized rate of change was 12 per cent. As import prices rose at a notably slower pace over the same period, Finland's terms of trade improved significantly. Profitability has improved in the export industries, particularly the forest industries, which has also been reflected in higher stumpage (standing timber) prices and wages.

In foreign currency prices of Finnish exports and imports both a raw material price cycle moving in line with the international business cycle and a pricing behaviour cycle can be discerned: since last year, both Finnish exporters and importers have sought to raise their margins. This is a reaction to the moderate pricing policy pursued during the period of the markka's depreciation in 1991-1993, when foreign currency export and import prices were lowered in order to maintain market shares.

In the final quarter of 1994, the index of wage and salary earnings was 1.6 per cent higher than one year earlier while negotiated wages were 0.9 per cent higher. However, the wage increases agreed on over the past few months have been larger than expected, particularly in the non-export sectors. Although sectoral differences in profitability are still exceptionally large, sectoral differences in wage increases are small, as is the tradition in Finland, and this will be a factor hampering the improvement of employment. The 4-5 per cent pay increases agreed on in the private sector for 1995 imply an increase in unit labour costs both in manufacturing and services. Pay settlements in the public sector are around 3 per cent on average.

Developments in asset prices have shown little consistent pattern. House prices have been falling since the autumn but, because of the rise last spring, they were still 2 per cent higher on average in the final months of 1994 than a year earlier. In the metropolitan area of Helsinki, the prices of second-hand two-room flats went up in the final months of the year but turned down in January. Share prices have also been falling; in early March, the HEX all-share index was more than 10 per cent below its level a year earlier.

In the autumn, stumpage prices exceeded somewhat the level stipulated in the price agreement reached in early 1994. In January, the prices of pulp wood and log wood were, respectively, 13 per cent and 9 per cent higher than a year ago. Price agreements reached under the new regional negotiation arrangement suggest that stumpage prices might still increase by more than 10 per cent in the course of this year. This estimate is based on the assumption that the world market price of pulp will continue to rise and that world demand for sawn timber will level off.

According to the survey of consumer confidence conducted by Statistics Finland in November, households' expectations of economic developments in 1995 were slightly more optimistic than in the survey conducted in August. Inflation expectations for the next twelve months were lower than at any time during the seven-year history of the survey. In November, households' expectations were affected by the prospect of lower food prices in connection with Finland's entry into the EU whereas the general level of pay settlements was not yet known at the time. According to the survey of business confidence conducted by the Confederation of Finnish Industry and Employers in December, prices of manufactured products had increased less than expected but the rise in costs was expected to accelerate significantly. In addition, the overall inflation rate, as measured by consumer prices, was expected to pick up more over the next twelve months than previously expected.

According to Statistics Finland, the capacity utilization rate was 93 per cent in the wood and paper industries and 91 per cent in the metal and engineering industries in the last quarter of 1994. In the survey, two-thirds of companies in the forest industries reported that lack of capacity was limiting output growth while the corresponding share in the metal and engineering industries was one-quarter.

Markka has remained firm

The markka appreciated notably against the ECU last autumn and has remained broadly steady at its new, stronger level since October despite occasional disturbances in the international money and foreign exchange markets.

Underlying the disturbances in the international currency markets around the turn of the year was the financial crisis in Mexico. First foreign investors withdrew from Mexico and investments have also been run down in other countries perceived as being risky because of major problems related to government and current account deficits. In Europe, the fallout of the Mexican crisis has been felt particularly in the money and foreign exchange markets of Italy, Spain and Sweden, but not to any notable extent in Finland. Nervousness in the foreign exchange markets has continued and the dichotomy between stable and unstable currencies in Europe has been accentuated.

In mid-March, the markka's exchange rate against the Deutschmark was at the same level as in early December. During this period, the markka appreciated by about 10 per cent in relation to the US dollar and 3 per cent against the ECU. The Bank of Finland has intervened in the foreign exchange market to only a minor extent. Thus, the external value of the markka has largely been determined by the free interplay of market forces.

In mid-March, the markka's exchange rate against the Deutschmark was still 13 per cent weaker than before the markka was floated in Sep-

Chart 3.

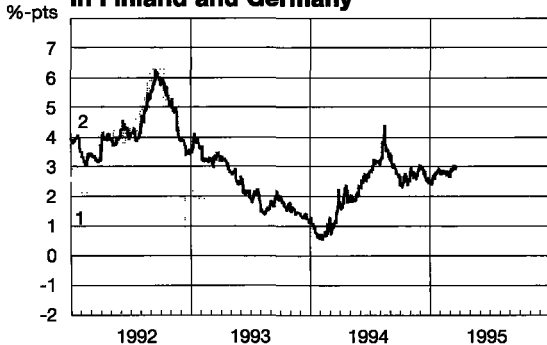
External value of the markka and the short-term interest rate



- 1. 3-month HELIBOR (left scale)
- 2. Markka's exchange rate against the Deutschmark (right scale)

Chart 4.

Differential between interest rates in Finland and Germany



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

tember 1992 and 32 per cent weaker than before it was linked to the ECU in June 1991. In terms of the trade-weighted index, the markka was more or less at the same level as before it was floated (Chart 3).

In addition to the current account surplus and the growth of the real economy, the appreciation of the markka is a consequence of a more general strengthening of confidence concerning the Finnish economy. For example, the March parliamentary elections did not provoke any nervous reactions in the money and foreign exchange markets. Market confidence in the continuation of the fiscal policy aimed at curbing central government indebtedness is supporting the stability of the exchange rate and thus also the maintenance of price stability.

Companies have repatriated their currency earnings at a fairly steady pace and there has been no move out of markka-denominated securities by foreign investors. Despite the growth of imports, developments in the current account are expected to remain satisfactory and the projected rapid pick-up in investment activity implies the continued repatriation of export earnings. Companies' forward currency sales indicate that the markka is expected to strengthen.

Monetary policy tightened through increases in the Bank of Finland's tender rate

The appreciation of the markka has dampened price pressures originating from abroad but cost pressures in the economy have nevertheless increased. For example, stumpage prices are on a clear upward trend and this winter's pay agreements are too high with respect to the employment situation, thus adding to the pressures on the price level. For this reason, the Bank of Finland tightened monetary policy by raising its tender rate by 0.5 percentage point in early December and by a further 0.25 percentage point in early February. Markets reacted favourably to these rate increases: the slope of the yield curve has become slightly flatter and the markka has remained stable.

In mid-March, the one-month HELIBOR rate stood at 5.8 per cent, ie 0.8 percentage point higher than at the beginning of December. Longer-term HELIBOR rates have risen slightly less. Long-term market rates (10 years) were at the same level in mid-March as in early December, ie 10.3 per cent.

Compared internationally, short-term interest rates are still at a tolerable level in Finland. The three-month rate is about 1 percentage point higher than the corresponding rate in Germany and just over 2½ percentage points lower than in Sweden. In mid-March, 10-year market rates were still almost 3 percentage points higher in Finland than in Germany (Chart 4). In relation to the actual rate of inflation, long-term interest rates are high and reflect the continuing uncertainty about the economy in the longer term.

Still plentiful liquidity in the economy

Overall, liquidity in the economy is good. Companies, in particular, still have plenty of liquidity. However, there has been a marked slowdown in the rate of growth of monetary aggregates. In the twelve months to January 1995, the narrow aggregate M1 (currency held by the public plus deposits in cheque and transaction accounts) grew by 6 per cent, compared with a 12-month growth rate of 11 per cent in November. The slowdown has partly been influenced by the rise in short-term market rates and the fall in the price level. The corresponding growth rates for the broader monetary aggregates, M2 and M3, in January were 2.0 per cent and - 0.8 per cent, respectively. The deceleration of the growth of cash and liquid deposits probably also reflects a pick-up in investment activity towards the end of last year.

Banks still have abundant liquidity, as is shown, for example, by the fact that markka deposits exceeded lending by FIM 10 billion at the end of last year whereas only a year ago markka lending and borrowing were roughly equal. Outstanding bank lending, both markka lending and foreign currency lending, has decreased further over the past few months. Moreover, lending by insurance companies to companies contracted further in the final months of 1994, and borrowing by companies in the bond market has been modest.

Another indication of the weak demand for loans, especially among households, is that the rise in market rates has hardly been reflected at all in interest rates on new bank loans. In January, the average interest rate on new housing loans granted by banks was 8.6 per cent and that on new consumer loans 9.9 per cent, ie the rates were at the same level as in November. The average interest rate on new bank loans to companies was 7.4 per cent in January, 0.8 percentage point higher than in November.

As a result of the rise in market rates and the decline in outstanding lending, banks' interest rate margins have narrowed. Taken as a whole, banks' results for last year were poorer than expected. In order to cut costs and improve efficiency, Finland's two leading banks, Kansallis-Osake-Pankki and Union Bank of Finland, announced in February that they were merging.

Inflation prospects and monetary policy

Developments in consumer prices are likely to remain subdued over the next few months. In the first months of the year, the 12-month rise in consumer prices is expected to remain at around 2 per cent and underlying inflation at 0-1 per cent, that is well below the target of 2 per cent set by the Bank of Finland. However, higher labour costs will lead to an acceleration of inflation later in the year even if the exchange rate stays close to its present level and inflationary pressures generated by import prices remain moderate.²

The recent pay settlements have clearly increased cost pressures for 1995 and 1996. As a result of the emergence of inflationary impulses, inflation will accelerate towards the end of this year and in early 1996. From the point of view of maintenance of price stability in the longer term, it is essential that the acceleration of inflation is only temporary and that it does not increase inflation expectations. Inflation should stay at around 2 per cent on average. In regard to the stance of monetary policy, it is essential that the trend of price developments does not deviate from the target trend.

As regards future price stability, a key question is how exchange rates and wages will develop. Developments in productivity are also important: if productivity continues to improve rapidly, the increase in unit labour costs will remain moderate. On the other hand, the rise in stumpage prices could trigger demand for wage increases and thus contribute significantly to the acceleration of cost inflation.

All in all, the pressures for an acceleration of inflation have mounted even though moderate price developments will be supported in the near future by the recent market-driven appreciation of the markka. The tighter the stance taken in fiscal policy and the lower the proneness of the economy to inflation turns out to be, the less will be the need to tighten monetary policy. Monetary policy operates with long lags, and policy has to rely on forecasts of future developments. It is too late to tighten policy only when it has become evident that inflation has already accelerated.

The Finnish economy is now at the crossroads. At stake is the ability to keep inflation low and ensure continued favourable developments in the current account while at the same time promoting balanced growth in the domestic sector. The danger is that the process which has plagued the Finnish economy in the past will be set in motion once again: overheating of the economy and an acceleration of inflation, which in the present environment of unregulated financial markets means that real interest rates would stay high and the economy would move prematurely into a downswing phase. To avert this danger, a broad social commitment to the price stability target is essential.

28 March 1995

² The acceleration of inflation will not show up in full in the 12-month rate in late 1995 because the index level in 1994, the year used as a basis for comparison, was high as food prices had not yet adjusted to the EU level.

The financial performance, balance sheet structure and solvency of Finnish deposit banks in 1994

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The weakened ability of companies and households to service their debts following the onset of a deep recession in the Finnish economy in the early 1990s found its most tangible expression in the financial performance of the banking sector. The banking crisis became the medium through which the problems of the economy filtered into the awareness of the general public.

As banks' losses increased and the banking crisis deepened, the banking sector underwent a restructuring. Skopbank, after having been acquired by the Bank of Finland, passed into the hands of the Government Guarantee Fund to await eventual restructuring. The sound parts of the balance sheet of the Savings Bank of Finland (SBF), a new bank that had been formed through the merger of the majority of the savings banks, were sold to four banking groups and its non-performing items transferred to Asset Management Company Arsenal Ltd, to which they continue to cause substantial losses.

Other major banks have survived the crisis without direct government involvement, though they too have suffered heavy losses, in particular in 1992 and 1993. In 1994, the overall profitability of

Finnish banks remained weak, albeit better than in the previous two years.

Financial performance

In 1994, slack demand for credit, together with higher interest rates and operating costs, slowed the improvement in bank profitability even though loan and guarantee losses did decrease compared with the previous year. The combined profit of Finnish deposit banks¹ (before loan and guarantee losses) declined by FIM 0.8 billion from the previous year (Table 1). This occurred despite the fact that the figures for 1994 include the positive impact of the purchase of the healthy business operations of the SBF for the entire year whereas the figures for 1993 include this effect for the last two months only.

In 1994, the combined profit of the commercial banking groups (before loan and guarantee losses) was down FIM 1.2 billion from the previous year, whereas that of the independent savings and cooperative banks was up by FIM 0.4 billion. Unitas was the only one of the commercial banking groups that managed to increase its profit (before loan and guarantee losses) last year.

Loan and guarantee losses booked by Finnish deposit banks in 1994 amounted to FIM 11.1 billion (compared with FIM 14.7 billion in 1993), of which the commercial banking groups accounted for FIM 8.4 billion. Thus loan losses decreased from the previous year and the banks posted a combined operating loss of FIM 6.4 billion in 1994.

In 1994, the deposit banks' income from financial operations reached the previous year's level, ie FIM 13.1 billion. Though the transfer of the profitable business operations of the SBF to the four buyer banks at the end of 1993 increased these banks' income from financial operations somewhat, the net increase attributable to the deal was only marginal since part of the purchase price was written off as a deduction from interest income. A further positive impact on income from financial operations in 1994 derived from the fact that deposit banks' interest losses in respect of non-performing balance-

Table 1. Main items in the profit and loss account of Finnish deposit banks (consolidated figures for commercial banks), 1990-94, FIM billion

All banks, total	Year 1990	1991	1992*	1993*	1994*
Income from financial operations	15.0	13.9	10.7	13.0	13.1
Other income	10.0	10.3	9.5	9.7	9.8
Total income	25.0	24.2	20.2	22.7	22.9
Other expenses	17.9	18.7	14.9	15.3	16.6
Depreciation	2.2	2.7	1.9	1.9	1.6
Profit before loan and guarantee losses	4.9	2.8	3.4	5.5	4.7
Loan and guarantee losses	2.5	7.6	14.0	14.7	11.1
Operating profit/loss	2.4	-4.8	-10.6	-9.2	-6.4
Cost efficiency before loan losses**	1.25	1.13	1.21	1.32	1.26
Cost efficiency after loan losses	1.11	0.83	0.66	0.71	0.78

* Excl. Siltapankki, Savings Bank of Finland (SBF) and Asset Management Company Arsenal Ltd.

** Cost efficiency = net income (income from financial operations plus other income)/operating expenses (other expenses + depreciation).

¹ Excl. Siltapankki Oy, Savings Bank of Finland (SBF) and Asset Management Company Arsenal Ltd.

sheet items decreased from the previous year. This was due to both a contraction in the outstanding amount of non-performing loans and a lower level of short-term market rates on average compared with the previous year.

Rising long-term market rates led to substantial losses in connection with domestic bond trading and these had a major negative impact – an overall change of some FIM 1.6 billion on the previous year – on the income from financial operations of the commercial banking groups. The bulk of the change was incurred by the commercial banks, whose income from financial operations fell by FIM 0.6 billion in 1994 from the previous year. By contrast, the net interest income of the independent savings banks and the cooperative banks increased by a total of FIM 0.7 billion from 1993.

Other income of the deposit banks also remained at the level of the previous year, totalling FIM 9.8 billion, of which the commercial banking groups accounted for FIM 7.5 billion. Here, too, it should be noted that the impact of the purchase of the profitable business operations of the SBF was included in full in the profit and loss accounts of the buyer banks in 1994.

The deposit banks' other income accounted for 43 per cent of their total income in 1994, which was at the average level for the previous five years. However, there was considerable variation between banks, largely reflecting the effect of sales proceeds.

Service charges and commissions and guarantee commissions etc. accounted for 51 per cent of other income. Because of weak demand for credit, these income items increased by a mere FIM 0.2 billion in 1994 despite the fact that the income items of the SBF (totalling FIM 0.8 billion in 1993) had been transferred to the buyer banks. Developments in other income items not specified above were, at least for some banks, unsatisfactory since income from foreign exchange dealing fell by half on average and proceeds from asset sales remained unchanged from the previous year.

The operating expenses (other expenses and depreciation) of the entire deposit bank sector increased by FIM 1 billion (6 per cent) from the previous year and totalled FIM 18.2 billion. The increase was mainly due to increased staff expenses and rents resulting from the purchase of the SBF's business operations and to non-recurrent expenses resulting from the merger of these operations with the buyer banks' own operations.

On the whole, the progress made in cost-cutting in the banking sector in recent years has been rather modest. This is reflected in the sector's continued poor cost efficiency. Cost efficiency (before loan losses) of the whole banking sector deteriorated further in 1994. Pressures for cutting costs, and not just staff expenses, will be strong in the coming years. Viewed from today's perspective, a substantial increase in income does not

seem possible, not at least while interest rates are rising.

Loan and guarantee losses booked by the entire banking sector decreased by a total of FIM 3.6 billion (24 per cent) from the previous year and amounted to FIM 11.1 billion. The ratio of loan and guarantee losses to outstanding lending was 3.1 per cent in 1994 as against 3.6 per cent in the previous year.

Balance sheet structure

At the end of last year, the balance sheet total of the deposit banks amounted to FIM 667.9 billion, ie FIM 58.9 billion (8.8 per cent) less than one year earlier (Table 2), although the balance sheet totals of the local (savings and cooperative) banks remained unchanged. As expected, Skopbank's balance sheet total decreased most in relative terms (41 per cent) as the bank is currently in the hands of the Government Guarantee Fund awaiting the restructuring of its operations. Loan losses and a marked decrease in outstanding lending were the main factors contributing to the contraction in balance sheet totals from the previous year.

At the end of last year, the deposit banks' outstanding lending to the public (excl. lending in the form of bonds) totalled FIM 354.1 billion, ie FIM 57.7 billion (14 per cent) less than at the end of 1993. Although during the worst phase of the banking crisis in Finland there was talk – not totally unwarranted – of a 'credit crunch', the contraction in lending in 1994 was not caused by capital adequacy constraints but rather by weak demand for credit. Slack demand for credit and the contraction in outstanding lending contributed to a reduction in banks' net interest income and other income but, on the other hand, improved banks' liquidity and solvency.

Total deposits by the public in the deposit banks increased by FIM 3.5 billion (1.2 per cent) from the previous year and totalled FIM 297.5 billion at the end of 1994. Bank deposits covered 84 per cent of total lending to the public, as against 71 per cent in 1993. Markka deposits actually exceeded markka lending.

Table 2. Main items in the balance sheet of Finnish deposit banks (consolidated figures for commercial banks), 1990-94, FIM billion

All banks, total	Year 1990	1991	1992*	1993*	1994*
Balance sheet total	791.3	801.6	688.9	726.8	667.9
Lending to the public	491.3	492.0	399.0	411.8	354.1
Deposits by the public	270.3	290.3	237.1	294.0	297.5
Non-performing assets, net				35.9	25.4

* Excl. Siltapankki, Savings Bank of Finland (SBF) and Asset Management Company Arsenal Ltd.

Table 3. Solvency of Finnish deposit banks (consolidated figures for commercial banks) according to the Credit Institutions Act, 1993 and 1994

	1993	1994
Original own funds, FIM billion	33.9	31.4
Additional own funds, FIM billion	18.5	18.1
Deductions, FIM billion	-0.4	-0.3
Own funds, FIM billion	52.0	49.2
Risk-weighted assets, FIM billion	488.5	419.5
Solvency ratio (according to the Credit Institutions Act), %	10.7	11.7
Original own funds/risk-weighted claims, %	6.9	7.5
Own funds in excess of minimum requirement, FIM billion	13.0	15.6
Loss-bearing capacity, FIM billion	14.4	14.6

Solvency

Calculated according to the provisions of the Credit Institutions Act, the solvency ratio of deposit banks as a whole was 11.7 per cent at the end of last year compared with 10.7 per cent a year earlier (Table 3). Similarly, the solvency ratio of the commercial banking groups was 11.7 per cent at the end of 1994. The improvement in the solvency ratio was mainly due to the contraction in risk-weighted claims. The ratio of original own funds (Tier 1 capital) to risk-weighted claims at the end of 1994 was 7.5 per cent for the deposit banks as a whole and 6.9 per cent for the commercial banks.

In the course of 1994, the original own funds of the deposit banks were strengthened by a total of FIM 4.6 billion through share issues and preferred capital certificates. Nevertheless, the new capital raised was not adequate to cover the total losses of the deposit banks, which amounted to FIM 6.4 billion.

At the end of 1994, the deposit banks' own funds in excess of the level implied by the 8 per cent minimum solvency ratio laid down in the Credit Institutions Act amounted to FIM 15.6 billion. The corresponding surplus for the commercial banking groups was FIM 12.1 billion. Thus lack of own funds was not a factor preventing increased lending by deposit banks in 1994. At the end of last year, the own funds of the deposit banks in excess of the minimum requirement would have allowed additional lending of up to FIM 190 billion involving asset items with a 100 per cent risk weighting without the banks' combined solvency ratio falling below 8 per cent.

The deposit banks' loss-bearing capacity (original own funds a minimum of 4 per cent) totalled FIM 14.6 billion on the basis of end-1994 figures. It should, however, be noted here that internal arrangements within the cooperative banking group through its security fund have increased the group's original own funds by FIM 4 billion. As in the previous year, the combined loss-bearing capacity of the commercial banking groups was FIM 9.6 billion at the end of 1994.

Taken as a whole, the banks' loss-bearing capacity cannot be considered adequate with regard to their non-interest-bearing and low-interest items. Consequently, many banks can be expected to strengthen their solvency through various capital programmes in the current year as well.

Commercial banks' non-performing assets

The non-performing and other zero-interest assets of the major commercial banking groups² and the local banks started to decrease in the latter part of 1994 even before loan losses had been booked. This was mainly due to debt restructuring decisions

² Kansallis-Osake-Pankki, Okobank, Postipankki, Skopbank and Unitas.

Table 4. Exposures, non-performing assets and loan losses of large commercial banking groups, 31 December 1994, FIM billion

	Exposures, 31 December 1994	Non-performing assets, 31 December 1994	Loan losses, 1994	Non-performing assets, 31 December 1993	Loan losses, total for 1992-94
Non-financial corporations,					
of which:	161.9	10.9	7.4	15.6	21.4
Manufacturing	62.2	1.4	0.7	2.0	2.9
Construction	15.0	2.6	2.8	3.9	4.9
Trade, restaurants & hotels	32.8	2.5	1.8	3.6	5.8
Real estate	21.3	1.7	0.7	2.4	3.6
Other	30.6	2.7	1.3	3.6	4.3
Households	98.1	3.4	1.0	4.7	2.6
Other domestic sectors	35.3	1.1	0.3	1.1	24.5
Foreign corporations	58.5	2.9	1.3	6.4	6.2
Total	354.1	18.4	10.0	27.8	32.7

The figures in the table differ slightly from those in Tables 1 and 2 because of the different treatment of non-specific loan losses.

by some large companies and to the recovery of economic activity, which slowed the emergence of new non-performing assets. Another contributing factor was the reorganization of loans agreed between banks and their clients.

An analysis of non-performing and other zero-interest assets and loan losses by sector and industry reveals just how severely the corporate sector was hit by the recession (Table 4). Almost one-quarter of the commercial banks' exposures to the domestic service sector (total exposures at the end of 1994 plus loan losses for 1992-94) were either non-performing or booked as loan losses. In comparison with the local banks, non-performing assets have accounted for a relatively smaller proportion of the commercial banks' total assets (see Solttila, H. and Vihriälä, V., 1994). In addition, some of the problem assets have been taken over by the banks in order to safeguard their claims. They are not included in the figures in Table 4.

The situation has been gloomiest for the construction industry, which was hit hardest by the recession, and for the closely associated real estate business. For example, firms in the construction industry have been unable to service just under 40 per cent of their liabilities to commercial banks. Moreover, the figures in Table 4 do not include loans at below-market interest rates based on debt restructuring decisions. By contrast, the manufac-

turing industry and households have recovered from the recession reasonably well if the ratio of banks' problem loans to total exposures is used as a measure.

Although banks still have large amounts of non-performing and other zero-interest assets on their books, the situation is now brighter than it has been for years. The contraction in the outstanding amount of non-performing assets by one-third in 1994 is a clear indication that the financing costs of non-performing assets and loan losses are diminishing. Furthermore, since non-performing claims on households decreased by some 30 per cent in 1994, it seems that Finland will be spared the second wave of loan losses arising from household loans that has been a typical feature of banking crises in many other countries.

5 April 1995

Reference:

Solttila, H and Vihriälä, V (1994), Finnish Banks' Problem Assets: Result of Unfortunate Asset Structure or Too Rapid Growth?, *Bank of Finland Discussion Papers* 23/94.

Items

1995 parliamentary elections

Parliamentary elections were held on 19 March 1995. Of the nearly 3.9 million persons eligible to vote, 71.8 per cent cast votes (72.1 per cent in the last parliamentary elections).

The following table shows the percentage distribution of votes in 1995 and 1991:

	1995	1991
Social Democratic Party	28.3	22.1
Centre Party	19.8	24.8
National Coalition Party	17.9	19.3
Left Wing Alliance	11.2	10.1
Green League	6.5	6.8
Swedish People's Party	5.1	5.5
Christian League	3.0	3.1
Progressive Finnish Party	2.8	.
Rural Party	1.3	4.8
Liberal Party	0.6	0.8
Ecological Party	0.3	..
Others	3.2	2.7
Total	100.0	100.0

The distribution of seats in Parliament is as follows:

	1995	1991
Social Democratic Party	63	48
Centre Party	44	55
National Coalition Party	39	40
Left Wing Alliance	22	19
Swedish People's Party	12	12
Green League	9	10
Christian League	7	8
Progressive Finnish Party	2	-
Rural Party	1	7
Liberal Party	-	1
Ecological Party	1	-
Total	200	200

The new Parliament assembled for its first session on 28 March 1995.

The new Government

Following the Parliamentary elections held in March, the President of the Republic invited Mr Paa-vo Lipponen, chairman of the Social Democratic Party and Speaker of Parliament, to form a new

Government. On 13 April, the President appointed a majority Government with Mr Lipponen as Prime Minister. The multi-party coalition, which replaces the outgoing centre-right coalition, consists of the Social Democratic Party (seven ministerial posts), the conservative National Coalition Party (five), the Left Wing Alliance (two), the liberal Swedish People's Party (two) and the Green League (one). In addition, there is one minister with no party affiliation, thus bringing the total number of ministers to eighteen. Mrs Tarja Halonen (Soc. Dem.) has been appointed Minister for Foreign Affairs, Mr Iiro Viinanen (Nat. Coal.) continues as Minister of Finance, Mr Ole Norrback (Swed.) has been appointed to the new post of Minister for European Affairs and Mr Antti Kalliomäki (Soc. Dem.) is the new Minister for Trade and Industry.

In economic policy, the Government aims to bring about a fundamental improvement in employment by the end of the four-year election period. This will require continued rapid economic growth, for which the necessary prerequisites are low inflation and a reduction in central government indebtedness. The Government seeks to ensure that Finland meets the criteria for participation in Stage Three of Economic and Monetary Union (EMU). The decision to join Stage Three of EMU will be taken by Parliament on the basis of a proposal by the Government.

Permanent cuts in government spending totalling FIM 20 billion (4 per cent of GDP) are to be implemented during the election period, with the focus falling on subsidies and transfers. New cuts totalling FIM 10 billion will be implemented in 1996 while current temporary spending cuts of FIM 12 billion will be made permanent. Fiscal consolidation will be implemented without any increase in the overall tax ratio. The structure of taxation is to be changed to favour employment and the taxation of labour income is to be lowered.

The new Government fully supports the inflation target adopted by the Bank of Finland. Achieving the target is considered essential for the attainment of low interest rates and sustained economic growth and for an improvement in employment. It also presupposes close cooperation between the Government and the labour market organizations. The independence of the central bank strengthens the credibility of the policy of stable money.

Publications of the Bank of Finland

The *Bank of Finland Year Book* for 1994 has been published. The Year Book includes the Governor's review, a review of monetary policy and other central bank activities in 1994, as well as the financial statements and accompanying notes. Various banking transactions undertaken by the Bank during the year under review are included in a statistical appendix. Helsinki 1995. 91 pp. ISSN 0081-9468.

The Bank of Finland publication *Finnish Bond Issues 1994* has been published. It contains data in Finnish, Swedish and English on all markka bonds issued by Finnish borrowers in 1994. In addition, there are summary tables on all markka bonds issued last year.

Altogether, 103 markka-denominated bonds were issued in 1994. They had a combined nominal value of FIM 46.4 billion, of which government bonds accounted for 68 per cent (FIM 31.6 billion). The total nominal value of bonds issued by financial institutions rose to FIM 10.2 billion from the previous year whereas that of bonds issued by companies fell to FIM 4.1 billion.

In addition to markka-denominated bonds, the Republic of Finland issued bonds denominated in foreign currency to the total value of FIM 39.2 billion. Foreign currency bonds issued by borrowers in the private sector are not included in the publication. Helsinki 1995. ISSN 0781-4437.

The Bank of Finland has reorganized its research publications series. Studies and reports in-

tended for the general reader will continue to be published in series A as before. Doctoral theses, special studies by external experts and analytical studies, which have hitherto appeared in series B, C and D, respectively, have now been combined into a new series E. In this context, both series have been given a new ISSN number, and a new cover design has been introduced.

A book entitled *Testing for Competition in Banking: Behavioral Evidence from Finland* by Jukka Vesala, an economist at the Bank of Finland, has been published in series E (E:1). The subject of the book is an empirical analysis of the efficiency of competition in bank loan and deposit markets in Finland over the period 1985-1993.

This period encompasses deregulation of the banking industry, a pronounced business cycle in the Finnish economy, rapid expansion of banking activities, particularly lending, a very sharp decline in bank profitability and a crisis in the banking sector. The results of the analysis reveal how these factors affected the level of banking competition. In addition, the study sheds light on the role of competition as a factor underlying the rapid expansion of the banking sector in the initial stages of the banking crisis.

One of the main findings of the study is that competition in the bank loan market remained fairly keen after the lifting of controls on banks' average lending rates, despite the high level of market concentration. However, competition in the bank loan market has tended to be quite closely linked to the business cycle, and in 1991 competition decreased markedly as banks' profitability began to deteriorate. In the bank deposit market, competition has been noticeably less intense than in the bank loan market, and the level of competition more stable. Helsinki 1995. ISBN 951-686-447-4. ISSN 1238-1691.

Measures concerning monetary and foreign exchange policy and the financial markets

1994

SEPTEMBER

Increase in the capital of Asset Management Company Arsenal Ltd. On 8 September, the Government decides to raise the share capital of Asset Management Company Arsenal Ltd by FIM 6 billion. The capital injection is necessary to cover losses incurred during the year.

NOVEMBER

Banks' access to the Bank of Finland's current account and liquidity credit facilities. At the beginning of November, the Bank of Finland modifies the conditions governing access by banks and other credit institutions to current account and liquidity credit facilities at the central bank. In addition, the partial collateralization requirement previously imposed on intraday credit limits is replaced by the requirement of full collateralization.

Tax-exempt deposits. On 18 November, Parliament approves an amendment of the law on the tax relief of deposits and bonds whereby the tax-exempt status of 24-month deposits is extended to apply to deposits made up to the end of 1995.

The Bank of Finland decides to sign the EMS agreement without entry into the ERM. On 23 November, the Bank of Finland decides to sign the agreements between the central banks of the EU member states on the European Monetary System (EMS) and Short-Term Monetary Support (STMS). The agreements will enter into force as of the date

Finland's membership of the EU becomes effective. The Board of the Bank of Finland also decides to propose to the central banks of the EU member states that the existing bilateral swap agreements with EU central banks be terminated with effect from the date of entry into force of the EMS and STMS agreements.

DECEMBER

Tender rate. On 9 December, the Bank of Finland raises its tender rate from 5.0 per cent to 5.5 per cent. The tender rate serves as a benchmark for short-term money market rates.

Support to Skopbank. On 21 December, the Government grants capital support to Skopbank by purchasing preferred capital certificates issued by Skopbank to the total value of FIM 450 million.

1995

FEBRUARY

Tender rate. On 10 February, the Bank of Finland raises its tender rate from 5.5 per cent to 5.75 per cent.

MARCH

Increase in the capital of Asset Management Company Arsenal Ltd. On 23 March, the Government decides to raise the share capital of Asset Management Company Arsenal Ltd by FIM 8 billion. The capital injection is necessary to cover losses incurred during the year.

Finland in brief

Land, climate and population

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

Finland has a population of 5 098 427 (31 December 1994) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 516 100 inhabitants, Espoo (Esbo) 186 600, Tampere (Tammerfors) 179 300, Vantaa (Vanda) 164 600 and Turku (Åbo) 162 300.

There are two official languages: 93.1 % of the population speaks Finnish as its mother tongue and 5.8 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

Form of government

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

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

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

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

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

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

International relations

Finland became a member of the BIS in 1930, the IMF in 1948, the IBRD in 1948, GATT in 1950, the UN in 1955, the

Nordic Council in 1955, the IFC in 1956, IDA in 1960, EFTA in 1961, the ADB in 1966, the OECD in 1969, the IDB in 1977, the AfDB in 1982, the MIGA in 1988, the Council of Europe in 1989, the EBRD in 1991 and the EU in 1995.

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

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

The economy

Output and employment. Of the gross domestic product of FIM 418 billion in basic values in 1993, 3 % was generated in agriculture and fishing, 2 % in forestry, 26.5 % in industry, 4.5 % in construction, 11 % in trade, restaurants and hotels, 8.5 % in transport and communications, 4 % in finance and insurance, 20.5 % in other private services and 20 % by producers of government services. Of total employment of 2.0 million persons in 1993, 8 % were engaged in primary production, 27 % in industry and construction and 65 % in services.

In 1993, expenditure on the gross domestic product in purchasers' values amounted to FIM 479 billion and was distributed as follows: net exports 5.5 % (exports 33.3 %, imports -27.8 %), gross fixed capital formation 15 %, private consumption 56.5 % and government consumption 23.5 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 47 per cent, which is somewhat below the average for the Nordic countries.

Average annual (compounded) growth of real GDP was 4.7 % in the period 1950-59, 5.0 % in 1960-69, 3.7 % in 1970-79, 3.7 % in 1980-89 and 3.6 % in 1990-93. Finland's GDP per capita in 1993 was USD 16 500.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1990-94, their share was, on average, 78.3 %, of which the share of EC countries was 48.8 percentage points and that of EFTA countries 18.8 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet

Union/Russia) accounted for 10.6 % and the rest of the world for 11.7 %. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1994, the share of forest industry products in total merchandise exports was 36 %, the share of metal and engineering products 44 % and the share of other goods 20 %. Raw materials and intermediate goods (incl. crude oil) accounted for 60 % of merchandise imports, fuels for 5 %, investment goods for 14 % and consumption goods for 20 %.

Forest resources. Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1 910 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch.

The annual growth increment totals 78 million cubic metres and the total drain was about 62 million cubic metres in 1994.

Energy. In 1993, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 45 %, heating for 22 %, transportation for 13 % and other purposes for 20 %. The sources of primary energy in 1993 were as follows: oil 28 %, coal 11 %, nuclear power 15 %, hydro-electric power, peat and other indigenous sources 32 %, others 14 %. Compared internationally (1992), Finland's consumption of 5.6 toe (OECD definition) per capita was 1.7 times higher than the average in European OECD countries. The self-sufficiency rate (including nuclear power) in Finland was 42 %, as compared with 61 % in western Europe on average.

Finance and banking

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 1 November 1977 to 7 June 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from 30 November 1988 the range was 6 percentage points). From 7 June 1991 to 7 September 1992, the markka was pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was first 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. On 8 September 1992, the Bank of Finland decided to temporarily abandon the limits of the fluctuation range and allow the markka to float. On 13 November 1992, the Government, on the basis of the amended Currency Act, authorized the Bank of Finland to float the markka for an indefinite period.

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

Other banks (31 December 1994). Finland has three major groups of deposit banks with a total of about 2 149 offices. There are three big commercial banks with national branch networks and ten smaller ones. The commercial banks have a total of 27 foreign branches, subsidiaries and associate banks and 31 representative offices abroad. There are 40 savings banks and 302 cooperative banks with their own extensive branch networks. In addition, foreign banks have four branches and eight representative offices in Finland.

Financial market. Of the total stock of FIM 683 billion in outstanding domestic credit at the end of September 1994, 53 % was provided by deposit banks, 23 % by insurance companies, 5 % by other private credit institutions, 7 % by public financial institutions and 12 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 80 % of the instruments, which totalled approximately FIM 189 billion at end-1993, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds raised through bank trust departments and non-negotiable bank debt instruments make up the bulk of non-negotiable instruments. In its open market operations, the Bank of Finland deals in bank certificates of deposit and also issues its own certificates of deposit.

There are 66 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 181 billion (at end-1994). Domestic bonds and debentures in circulation at end-1994 totalled FIM 200 billion; government bonds made up 47 % of the total. Turnover on the Stock Exchange in 1994 amounted to FIM 71 billion; the share of shares and subscription rights in the total was approximately 97 %.

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1. The balance sheet of the Bank of Finland

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

	1994		1995		
	31 Dec.	8 March	15 March	23 March	31 March
ASSETS					
Gold and foreign currency claims	52 743	52 748	52 747	52 749	53 492
Gold	2 180	1 742	1 742	1 742	1 742
Special drawing rights	1 537	1 741	1 763	1 762	1 616
IMF reserve tranche	1 354	1 300	1 320	1 327	1 329
ECU-claim on the European Monetary Institute	—	3 594	3 578	3 590	3 619
Foreign currency claims	47 672	44 371	44 343	44 327	45 185
Other foreign claims	4 595	4 653	4 653	4 653	4 654
Markka subscription to Finland's quota in the IMF	4 595	4 595	4 595	4 595	4 595
Share in the European Monetary Institute	—	59	58	59	59
Claims on financial institutions	2 520	3 622	3 658	3 657	3 638
Liquidity credits	—	—	—	—	—
Certificates of deposit	443	447	448	448	429
Securities with repurchase commitments	1 037	2 234	2 273	2 272	2 272
Term credits	—	—	—	—	—
Bonds	802	703	699	699	699
Other claims on financial institutions	238	238	238	238	238
Claims on the public sector	1 806	1 765	1 765	1 766	1 763
Treasury bills	—	—	—	—	—
Total coinage	1 806	1 765	1 765	1 766	1 763
Claims on corporations	3 149	3 125	3 123	3 123	3 123
Financing of domestic deliveries (KTR)	316	292	290	290	285
Other claims on corporations	2 833	2 833	2 833	2 833	2 838
Other assets	6 524	5 769	5 767	5 822	5 878
Loans for stabilizing the money market	4 532	4 532	4 532	4 532	4 532
Accrued items	1 832	1 069	1 066	1 110	1 162
Other assets	159	168	168	180	184
Valuation account	—	1 895	1 504	1 198	958
Capitalized expenditures and losses due to safeguarding the stability of the money market	1 400	1 400	1 400	1 400	1 400
Total	72 737	74 978	74 616	74 369	74 905
LIABILITIES					
Foreign currency liabilities	130	239	250	245	242
Other foreign liabilities	5 579	5 540	5 555	5 560	5 561
IMF markka accounts	4 595	4 595	4 595	4 595	4 595
Allocations of special drawing rights	985	946	961	966	967
Other foreign liabilities	—	—	—	—	—
Notes and coin in circulation	14 315	14 010	13 889	13 912	13 846
Notes	12 675	12 375	12 254	12 277	12 216
Coin	1 640	1 634	1 635	1 635	1 630
Certificates of deposit	35 236	37 554	35 962	37 335	37 991
Liabilities to financial institutions	7 912	7 719	9 203	7 601	7 564
Call money deposits	1 387	1 198	2 682	1 080	1 048
Term deposits	—	—	—	—	—
Minimum reserve deposits	6 526	6 521	6 521	6 521	6 516
Other liabilities to financial institutions	—	—	—	0	—
Liabilities to the public sector	93	69	55	60	68
Cheque accounts	0	0	1	0	0
Deposits of the Government Guarantee Fund	93	69	54	60	68
Other liabilities to the public sector	—	—	—	—	—
Liabilities to corporations	1 548	1 377	1 373	1 356	1 337
Deposits for investment and ship purchase	1 548	1 377	1 373	1 356	1 337
Other liabilities	461	1 008	867	837	834
Accrued items	437	977	841	811	800
Other liabilities	24	32	26	26	34
Valuation account	—	—	—	—	—
Provisions	1 698	1 698	1 698	1 698	1 698
Pension provision	1 329	1 329	1 329	1 329	1 329
Other provisions	369	369	369	369	369
Capital accounts	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Net earnings	—	—	—	—	—
Total	72 737	74 978	74 616	74 369	74 905

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

End of period	Foreign sector							Public sector			
	Gold	Special drawing rights	IMF reserve tranche	ECU-claim on the European Monetary Institute	Foreign currency claims	Foreign exchange reserves (1+2+3+4+5)	Other claims, net	Net claims (6+7)	Claims	Liabilities	Net claims (9-10)
	1	2	3	4	5	6	7	8	9	10	11
1990	2 180	791	783	.	33 478	37 232	- 1 273	35 960	1 314	1 321	- 7
1991	2 180	932	1 136	.	29 381	33 629	- 424	33 204	1 375	3	1 372
1992	2 180	564	1 732	.	25 041	29 517	- 2 998	26 519	2 446	90	2 356
1993	2 180	664	1 747	.	28 882	33 473	- 1 324	32 148	1 788	784	1 004
1994	2 180	1 537	1 354	.	47 672	52 743	- 1 114	51 629	1 806	93	1 713
1994											
March	2 180	661	1 688	.	38 117	42 646	- 1 257	41 389	1 793	251	1 542
April	2 180	650	1 597	.	37 197	41 623	- 1 229	40 394	1 828	39	1 789
May	2 180	654	1 591	.	43 303	47 728	- 1 207	46 521	1 827	61	1 766
June	2 180	650	1 514	.	48 364	52 708	- 1 176	51 532	1 819	526	1 293
July	2 180	645	1 480	.	51 329	55 634	- 1 261	54 373	1 823	84	1 739
Aug.	2 180	636	1 447	.	48 794	53 058	- 1 249	51 809	1 817	71	1 746
Sept.	2 180	618	1 407	.	48 947	53 153	- 1 178	51 975	1 847	60	1 787
Oct.	2 180	1 249	1 338	.	48 610	53 377	- 1 139	52 238	1 864	115	1 749
Nov.	2 180	1 461	1 388	.	49 154	54 184	- 1 121	53 063	1 872	51	1 821
Dec.	2 180	1 537	1 354	.	47 672	52 743	- 1 114	51 629	1 806	93	1 713
1995											
Jan.	1 742	1 370	1 366	3 700	46 627	54 805	- 1 490	53 315	1 767	184	1 583
Feb.	1 742	1 775	1 326	3 606	45 608	54 058	- 1 544	52 514	1 765	68	1 697
March	1 742	1 616	1 329	3 619	45 185	53 492	- 1 149	52 343	1 763	68	1 695

End of period	Domestic financial sector					Corporate sector				
	Term claims on deposit banks, net	Liquidity position of deposit banks ¹	Minimum reserve deposits of deposit banks ²	Other claims on financial institutions, net	Net claims (12+13+14+15)	Claims in the form of special financing	Special deposits and other items, net	Net claims (17+18)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	12	13	14	15	16	17	18	19	20	21
1990	9 411	- 418	- 17 401	5 744	- 2 665	1 477	- 9 724	- 8 247	14 555	0
1991	11 882	- 2 206	- 10 361	5 531	4 846	1 086	- 6 854	- 5 768	14 528	8 880
1992	3 738	- 550	- 13 165	4 572	- 5 405	747	- 2 651	- 1 904	14 508	4 880
1993	7 337	- 1 802	- 6 398	1 339	476	496	720	1 216	14 994	14 837
1994	1 480	- 1 387	- 6 526	1 040	- 5 392	316	1 285	1 601	14 315	35 236
1994										
March	3 842	- 1 083	- 6 276	1 241	- 2 276	449	1 003	1 452	14 194	23 435
April	2 093	- 483	- 6 411	1 220	- 3 581	431	1 014	1 445	13 927	21 695
May	3 208	- 485	- 6 360	1 197	- 2 441	413	1 034	1 447	14 164	28 412
June	2 684	- 536	- 6 446	1 162	- 3 137	397	1 066	1 463	14 355	32 108
July	2 488	- 796	- 6 467	1 126	- 3 649	386	1 081	1 467	14 176	35 985
Aug.	4 557	- 2 252	- 6 602	1 120	- 3 177	374	1 104	1 478	13 922	35 040
Sept.	3 485	- 1 421	- 6 550	1 173	- 3 313	360	1 124	1 484	13 906	36 856
Oct.	1 829	- 945	- 7 029	1 111	- 5 034	345	1 186	1 531	13 900	36 948
Nov.	492	- 2 026	- 6 674	1 094	- 7 113	331	1 222	1 553	13 776	34 406
Dec.	1 480	- 1 387	- 6 526	1 040	- 5 392	316	1 285	1 601	14 315	35 236
1995										
Jan.	944	- 719	- 6 511	1 003	- 5 284	307	1 354	1 661	13 592	36 282
Feb.	2 328	- 1 618	- 6 521	947	- 4 863	295	1 447	1 742	14 087	36 943
March	2 701	- 1 048	- 6 516	937	- 3 926	285	1 501	1 786	13 846	37 991

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

² Cash reserve deposits prior to 1 July 1993.

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

2.1 Banks' liquidity position at the Bank of Finland, mill. FIM

Average of daily observations	Call money deposits	Liquidity credits ¹	Liquidity position, net ¹ (1-2)
1990	806	132	674
1991	881	985	- 103
1992	2 103	437	1 666
1993	831	425	407
1994	1 393	10	1 383
1994			
March	715	0	715
April	1 275	0	1 275
May	891	16	875
June	1 821	0	1 821
July	1 014	0	1 014
Aug.	2 575	0	2 575
Sept.	2 089	0	2 089
Oct.	1 442	0	1 442
Nov.	2 038	0	2 038
Dec.	1 160	0	1 160
1995			
Jan.	1 196	0	1 196
Feb.	1 210	4	1 206
March	1 750	0	1 750

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

2.2 The Bank of Finland's minimum reserve system²

End of period	Reserve requirement			Cash reserve requirement, %	Deposits, mill. FIM Total
	On liquid deposits, %	On other deposits, %	On domestic debt capital, %		
	1	2	3	4	5
1990	.	.	.	7.0	17 401
1991	.	.	.	4.0	10 361
1992	.	.	.	5.0	13 165
1993	2.0	1.5	1.0	.	6 398
1994	2.0	1.5	1.0	.	6 526
1994					
March	2.0	1.5	1.0	.	6 276
April	2.0	1.5	1.0	.	6 411
May	2.0	1.5	1.0	.	6 360
June	2.0	1.5	1.0	.	6 446
July	2.0	1.5	1.0	.	6 467
Aug.	2.0	1.5	1.0	.	6 602
Sept.	2.0	1.5	1.0	.	6 550
Oct.	2.0	1.5	1.0	.	7 029
Nov.	2.0	1.5	1.0	.	6 674
Dec.	2.0	1.5	1.0	.	6 526
1995					
Jan.	2.0	1.5	1.0	.	6 511
Feb.	2.0	1.5	1.0	.	6 521
March	2.0	1.5	1.0	.	6 516

² Cash reserve system prior to 1 July 1993.

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

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Money market transactions, net (1-2-3)
1990	163 326	26 379	160 797	- 23 850
1991	109 568	30 380	81 969	- 2 781
1992	76 230	137 940	- 60 417	- 1 293
1993	86 521	146 899	- 50 486	- 9 892
1994	35 540	351 820	- 295 165	- 21 115
1994				
March	5 770	22 180	- 21 540	5 130
April	4 080	17 730	- 13 435	- 215
May	2 000	27 940	- 20 790	- 5 150
June	2 870	32 690	- 24 980	- 4 840
July	2 000	34 770	- 29 180	- 3 590
Aug.	5 140	35 040	- 32 970	3 070
Sept.	590	36 860	- 33 510	- 2 760
Oct.	330	38 290	- 36 210	- 1 750
Nov.	1 630	35 210	- 34 400	820
Dec.	1 470	34 680	- 34 790	1 580
1995				
Jan.	2 580	36 050	- 31 590	- 1 880
Feb.	3 490	36 940	- 34 710	1 260
March	4 260	40 440	- 35 360	- 820

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

During period	Intervention in the foreign exchange market			Spot transactions related to forward contracts, net	Central government's foreign exchange transactions, net
	Spot purchases	Spot sales	Forward exchange intervention = change in forward exchange position		
	1	2	3	4	5
1991	35 120	- 69 940	- 14 820	12 820	12 260
1992	20 050	- 70 640	- 1 650	390	45 060
1993	25 120	- 45 080	7 460	- 6 910	33 240
1994	20 930	- 12 900	9 060	- 8 930	24 660
1994					
Feb.	1 310	- 750	- 270	280	4 670
March	-	- 2 200	-	-	- 1 800
April	-	-	330	- 330	- 700
May	-	- 920	110	- 110	6 810
June	-	- 1 350	-	-	6 360
July	-	- 930	-	-	4 610
Aug.	-	- 4 270	- 2 960	2 990	- 530
Sept.	-	- 1 440	2 420	- 2 340	5 350
Oct.	5 110	- 220	5 070	- 5 090	2 280
Nov.	210	- 520	770	- 530	60
Dec.	1 750	- 300	870	- 1 120	- 960
1995					
Jan.	-	- 190	3 290	- 3 260	4 360
Feb.	-	- 90	- 280	- 90	720

2.5 Forward exchange contracts between Finnish markkaa and other currencies, mill. FIM

Stock at end of period	Finnish banks' forward contracts						Non-residents' forward contracts with Finnish customers (excl. Finnish banks)			The Bank of Finland's forward contracts	
	With Finnish customers (excl. Finnish banks)			With foreign customers			Total	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Net currency sales
	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Currency purchases from foreign customers	Currency sales to foreign customers	Net					
	1	2	3	4	5	6	7	8	9	10	11
1990	11 609	4 979	6 631	21 179	11 079	10 100	16 731	237	55	183	- 6 098
1991	33 004	36 352	- 3 348	40 056	37 505	2 550	- 798	1 404	645	759	8 953
1992	39 195	32 939	6 256	21 142	32 339	- 11 197	- 4 941	1 614	1 929	- 315	7 133
1993	38 373	23 721	14 652	14 346	21 895	- 7 548	7 104	11 632	2 173	9 459	1 939
1994	51 096	22 093	29 003	19 236	32 791	- 13 555	15 448	18 372	4 780	13 592	- 6 080
1994											
Feb.	41 288	16 030	25 258	17 043	23 240	- 6 197	19 061	14 542	2 903	11 639	489
March	42 814	16 519	26 295	18 003	24 476	- 6 473	19 822	14 280	2 599	11 682	489
April	40 494	15 128	25 366	15 807	22 872	- 7 065	18 301	16 236	4 104	12 133	135
May	40 529	13 887	26 643	17 151	25 046	- 7 894	18 749	15 321	3 859	11 462	0
June	41 191	15 124	26 067	18 939	25 421	- 6 481	19 586	15 155	4 417	10 739	0
July	40 536	16 619	23 917	17 436	27 166	- 9 730	14 187	14 746	4 000	10 746	0
Aug.	39 846	19 930	19 916	19 572	32 036	- 12 464	7 452	14 542	3 735	10 807	3 002
Sept.	40 197	20 368	19 829	18 637	29 261	- 10 624	9 205	14 177	3 389	10 788	671
Oct.	44 821	19 418	25 403	20 662	30 252	- 9 589	15 814	14 945	2 659	12 286	- 4 436
Nov.	46 460	21 508	24 952	18 515	28 808	- 10 293	14 659	16 058	4 036	12 023	- 5 075
Dec.	51 096	22 093	29 003	19 236	32 791	- 13 555	15 448	18 372	4 780	13 592	- 6 080
1995											
Jan.	53 808	22 928	30 880	21 342	31 748	- 10 407	20 473	19 972	4 698	15 274	- 9 436
Feb.	54 500	23 006	31 494	21 161	36 433	- 15 273	16 221	20 618	3 533	17 086	- 9 485

3. Rates of interest

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

Average of daily observations	Interbank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate ¹	Call money deposit rate	Base rate
		1	2	3	4	5	6	7	8
1990	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50
1991	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
1992	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
1993	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
1994	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
1994								
March	4.39	4.82	4.80	4.88	5.12	6.76	2.76	5.25
April	4.31	5.01	5.13	5.43	5.75	6.99	2.99	5.25
May	4.29	4.97	5.14	5.46	5.78	6.97	2.97	5.25
June	3.93	5.20	5.61	6.24	6.86	7.18	3.18	5.25
July	4.61	5.17	5.46	6.13	6.91	7.17	3.17	5.25
Aug.	3.91	5.35	5.96	6.77	7.54	7.32	3.32	5.25
Sept.	4.07	5.07	5.57	6.36	7.25	7.13	3.13	5.25
Oct.	4.10	5.07	5.39	5.82	6.69	7.08	3.08	5.25
Nov.	4.30	5.07	5.43	6.05	6.79	7.06	3.06	5.25
Dec.	4.57	5.41	5.70	6.18	7.02	7.38	3.38	5.25
1995								
Jan.	4.43	5.50	5.85	6.32	7.14	7.50	3.50	5.25
Feb.	5.27	5.71	5.99	6.32	6.97	7.66	3.66	5.25
March	4.66	5.78	6.06	6.48	7.07	7.75	3.75	5.25

¹ Call money credit rate until 2 July 1992.

3.2 The Bank of Finland's liquidity facility

The Bank of Finland's tender rate, %	Liquidity credit: interest rate margin, %-points	Liquidity credit: maturity, days	Call money deposits: interest rate margin, %-points
1	2	3	4
1992¹			
13.85	1992 +1.00	7	-3.00
1993	1993 +2.00	7	-2.00
7.87	1994 +2.00	7	-2.00
1994			
5.11	1994		
March	1994 +2.00	7	-2.00
4.76	April +2.00	7	-2.00
April	May +2.00	7	-2.00
4.99	June +2.00	7	-2.00
May	July +2.00	7	-2.00
4.97	Aug. +2.00	7	-2.00
June	Sept. +2.00	7	-2.00
5.18	Oct. +2.00	7	-2.00
July	Nov. +2.00	7	-2.00
5.17	Dec. +2.00	7	-2.00
Aug.			
5.32	1995		
Sept.	Jan. +2.00	7	-2.00
5.13	Feb. +2.00	7	-2.00
Oct.	March +2.00	7	-2.00
5.08			
Nov.			
5.06			
Dec.			
5.38			
1995			
Jan.			
5.50			
Feb.			
5.66			
March			
5.75			
01.03.1995	5.75		

¹ July - December.

3.3 Weighted Eurorates and commercial ECU interest rate, per cent

Average of daily observations	ECU	3 currencies	Commercial ECU
	3 months		
	1	2	3
1990	10.5	9.1	10.4
1991	10.1	8.5	9.9
1992	10.4	7.8	10.6
1993	8.0	6.0	8.1
1994	5.9	5.2	6.1
1994			
March	6.2	5.2	6.3
April	6.0	5.1	6.2
May	5.7	5.0	5.9
June	5.6	4.9	6.0
July	5.6	5.0	6.0
Aug.	5.7	5.0	6.0
Sept.	5.8	5.2	5.9
Oct.	5.8	5.4	6.0
Nov.	5.8	5.5	5.9
Dec.	6.1	5.8	6.3
1995			
Jan.	6.0	5.6	6.3
Feb.	6.0	5.6	6.1
March	6.7	5.6	6.9

3.4 Rates of interest applied by banks, per cent

Average for period	Lending						Markka deposits and other markka funding					
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits ¹	36-month tax-exempt deposits ¹	Other tax-exempt deposits, max. rate of interest ¹	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total									7	8	9	10	11	12
1990	13.24	15.62	13.33	13.85	11.84	11.61	7.50	.	4.50	6.43	13.55	8.41
1991	13.63	15.88	13.40	13.84	12.08	11.80	7.50	.	4.50	7.10	13.22	8.97
1992	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
1993	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
1994	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
1994												
Feb.	8.25	11.92	7.14	7.46	8.34	7.97	3.25	4.25	2.00	2.93	5.95	3.92
March	4.99	11.73	6.73	6.78	8.17	7.79	3.25	4.25	2.00	2.88	5.77	3.85
April	7.29	11.68	6.87	7.10	8.12	7.91	3.25	4.25	2.00	2.88	5.79	3.85
May	7.63	11.66	7.18	7.43	8.08	7.87	3.25	4.25	2.00	2.88	5.67	3.86
June	7.19	11.70	7.25	7.44	8.09	7.88	3.25	4.25	2.00	2.89	5.77	3.92
July	8.25	11.76	7.58	7.86	8.14	7.90	3.25	4.25	2.00	3.01	5.85	4.03
Aug.	8.37	11.80	7.81	8.04	8.20	7.97	3.25	4.25	2.00	3.05	5.98	4.11
Sept.	7.61	11.75	7.66	7.86	8.19	7.96	3.25	4.25	2.00	3.04	5.99	4.11
Oct.	8.26	11.61	7.28	7.49	8.15	7.91	3.25	4.25	2.00	3.05	6.10	4.10
Nov.	7.75	11.72	7.01	7.21	8.09	7.83	3.25	4.25	2.00	3.04	6.09	4.08
Dec.	7.62	10.69	6.44	6.71	8.05	7.76	3.25	4.25	2.00	3.11	6.17	4.10
1995												
Jan.	7.79	11.55	7.22	7.40	8.11	7.84	3.25	4.25	2.00	3.15	6.27	4.18
Feb.	8.46	11.54	7.28	7.47	8.12	7.85	3.25	4.25	2.00	3.17	6.33	4.18

¹ End of period.

3.5 Yields on bonds and shares, per cent

Period	Bonds				Shares
	Reference rates calculated by the Bank of Finland		Taxable government bonds		Share yield
	3 years	5 years	5 years	10 years	
	1	2	3	4	5
1990					4.0
1991					3.9
1992				11.5 ¹	3.1
1993	8.5	8.9	8.2	8.8	1.8
1994	8.5	9.3	8.4	9.0	1.4
1994					
Feb.	6.1	6.6	5.9	6.6	1.1
March	6.6	7.5	6.7	7.5	1.2
April	7.7	8.6	7.6	8.3	1.4
May	7.9	8.9	7.9	8.5	1.4
June	9.1	10.0	9.0	9.5	1.5
July	9.7	10.4	9.3	9.9	1.5
Aug.	10.3	11.0	10.0	10.6	1.4
Sept.	10.2	11.0	9.9	10.5	1.4
Oct.	9.5	10.5	9.4	10.1	1.5
Nov.	9.6	10.5	9.5	10.2	1.5
Dec.	9.6	10.5	9.5	10.2	1.7
1995					
Jan.	9.5	10.3	9.4	10.2	1.3
Feb.	9.3	10.2	9.3	10.2	1.5

¹ November and December only.

4. Rates of exchange

4.1 Middle rates, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oslo	Copenhagen	Frankfurt aM	Amsterdam	Brussels	Zurich	Paris
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF	1 FRF
	1	2	3	4	5	6	7	8	9	10	11	12
1990	3.8233	3.2770	6.8080	6.3250	0.6459	0.6110	0.6181	2.3664	2.1002	0.1145	2.7576	0.7024
1991	4.0457	3.5330	7.1310	6.5110	0.6684	0.6236	0.6322	2.4380	2.1634	0.1184	2.8208	0.7169
1992	4.4835	3.7060	7.8750	7.6360	0.7714	0.7222	0.7444	2.8769	2.5552	0.1397	3.2000	0.8486
1993	5.7189	4.4340	8.5820	8.3710	0.7350	0.8059	0.8822	3.4584	3.0787	0.1655	3.8706	1.0096
1994	5.2184	3.8240	7.9820	7.7990	0.6758	0.7393	0.8207	3.2169	2.8684	0.1561	3.8179	0.9406
1994												
March	5.5326	4.0570	8.2480	7.9320	0.6992	0.7530	0.8343	3.2688	2.9089	0.1586	3.8681	0.9591
April	5.4911	3.9740	8.1390	7.8850	0.6965	0.7455	0.8246	3.2336	2.8795	0.1571	3.8174	0.9438
May	5.4072	3.9180	8.1340	7.9560	0.7008	0.7529	0.8335	3.2629	2.9075	0.1585	3.8275	0.9531
June	5.4276	3.9250	8.2670	8.1020	0.6945	0.7660	0.8486	3.2622	2.9676	0.1615	3.9399	0.9737
July	5.2014	3.7620	8.0360	7.9390	0.6695	0.7573	0.8430	3.3120	2.9526	0.1607	3.9249	0.9666
Aug.	5.1384	3.7280	7.9270	7.8260	0.6640	0.7490	0.8310	3.2852	2.9259	0.1594	3.8980	0.9589
Sept.	4.9691	3.6690	7.7670	7.6670	0.6591	0.7303	0.8128	3.2038	2.8578	0.1557	3.8447	0.9367
Oct.	4.6761	3.4640	7.5060	7.4160	0.6440	0.7061	0.7855	3.0745	2.7443	0.1494	3.6959	0.8983
Nov.	4.7172	3.4580	7.5000	7.3850	0.6418	0.7015	0.7833	3.0659	2.7353	0.1490	3.6448	0.8930
1995												
Jan.	4.7358	3.3520	7.4580	7.3750	0.6344	0.7071	0.7851	3.0930	2.7591	0.1501	3.6782	0.8946
Feb.	4.6433	3.3150	7.3000	7.2560	0.6288	0.7041	0.7832	3.0913	2.7576	0.1501	3.6526	0.8889
March	4.3769	3.1110	7.0040	6.9930	0.6021	0.6979	0.7770	3.1138	2.7768	0.1509	3.7378	0.8790

Average of daily quotations	Rome	Vienna	Lisbon	Reykjavik	Madrid	Athens	Tallinn	Tokyo	Melbourne	ECU Commercial	SDR
	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 EEK	1 JPY	1 AUD	1 XEU	1 XDR
	13	14	15	16	17	18	19	20	21	22	23
1990	0.00319	0.3363	0.0268	0.0656	0.0375	..		0.02647	2.988	4.864	5.18322
1991	0.00326	0.3464	0.0280	0.0684	0.0389	0.022		0.03008	3.152	5.003	5.52771
1992	0.00364	0.4088	0.0332	0.0778	0.0438	0.024	0.4060	0.03546	3.289	5.798	6.31546
1993	0.00364	0.4916	0.0356	0.0846	0.0451	0.025	0.4323	0.05168	3.885	6.685	7.98641
1994	0.00324	0.4573	0.0314	0.0745	0.0390	0.021	0.4021	0.05106	3.814	6.175	7.46629
1994											
March	0.00332	0.4647	0.0318	0.0767	0.0398	0.022	0.4086	0.05264	3.937	6.309	7.75651
April	0.00338	0.4597	0.0317	0.0761	0.0398	0.022	0.4042	0.05310	3.934	6.251	7.71250
May	0.00339	0.4639	0.0316	0.0762	0.0396	0.022	0.4079	0.05215	3.916	6.288	7.65245
June	0.00340	0.4729	0.0321	0.0772	0.0404	0.0221	0.4158	0.05281	3.981	6.398	7.74158
July	0.00332	0.4708	0.0322	0.0759	0.0401	0.0219	0.4140	0.05276	3.821	6.329	7.57829
Aug.	0.00325	0.4669	0.0322	0.0749	0.0396	0.0217	0.4107	0.05147	3.805	6.261	7.47292
Sept.	0.00317	0.4552	0.0314	0.0731	0.0386	0.0211	0.4005	0.05029	3.684	6.113	7.27337
Oct.	0.00302	0.4369	0.0301	0.0697	0.0370	0.0201	0.3843	0.04747	3.452	5.865	6.90651
Nov.	0.00298	0.4355	0.0300	0.0699	0.0368	0.0199	0.3832	0.04813	3.559	5.838	6.93950
1995											
Jan.	0.00294	0.4396	0.0300	0.0698	0.0357	0.0199	0.3866	0.04752	3.625	5.859	6.94337
Feb.	0.00287	0.4393	0.0299	0.0697	0.0356	0.0197	0.3864	0.04725	3.460	5.811	6.86328
March	0.00259	0.4424	0.0296	0.0680	0.0341	0.0192	0.3892	0.04833	3.216	5.700	6.72357

4.2 Markka value of the ECU and currency indices

Average of daily observations	Markka value of the ECU FIM/ECU	Currency indices, 1982=100		
		Trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4
1990	4.85697	97.3	96.8	97.3
1991	5.00580	101.4	101.4	102.8
1992	5.80140	116.4	115.7	117.3
1993	6.69420	132.4	136.1	141.8
1994	6.19108	123.2	125.8	131.8
1994				
March	6.31275	126.5	130.2	136.6
April	6.25477	125.5	129.2	135.8
May	6.29981	125.9	129.0	135.3
June	6.41394	127.4	130.3	136.6
July	6.35263	125.2	127.2	133.6
Aug.	6.28705	123.8	125.8	131.9
Sept.	6.13918	121.3	122.7	128.7
Oct.	5.89314	116.5	117.2	122.6
Nov.	5.86886	116.3	117.3	122.9
1995				
Jan.	5.87972	115.9	117.5	122.6
Feb.	5.84352	114.9	116.2	121.3
March	5.76731	112.4	112.9	118.2

5. Other domestic financing

5.1 Bank funding from the public, mill. FIM

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
1990	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
1991	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
1992	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
1993	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994	41 200	99 691	108 922	19 838	269 650	12 774	282 424	60 594	343 018
1993									
Dec.	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994									
Jan.	38 657	94 042	108 694	22 740	264 133	14 050	278 183	70 115	348 298
Feb.	37 462	96 507	106 185	22 548	262 702	12 324	275 027	68 874	343 901
March	38 058	97 847	105 867	22 734	264 506	13 201	277 708	72 348	350 056
April	38 242	98 146	106 551	22 748	265 687	13 574	279 261	75 636	354 897
May	41 132	97 145	106 163	22 337	266 778	14 281	281 059	75 753	356 811
June	42 094	98 377	105 973	21 679	268 123	14 353	282 476	72 209	354 685
July	43 391	98 775	106 511	21 391	270 067	16 517	286 584	70 634	357 218
Aug.	44 503	97 970	107 529	20 969	270 970	14 957	285 927	64 382	350 309
Sept.	40 588	97 976	107 427	20 722	266 712	12 839	279 551	69 158	348 709
Oct.	41 393	98 519	107 168	20 272	267 352	14 479	281 832	67 743	349 575
Nov.	42 319	98 059	107 511	20 141	268 030	11 895	279 925	62 631	342 556
Dec.	41 200	99 691	108 922	19 838	269 650	12 774	282 424	60 594	343 018

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
1990	19 152	5 777	260 790	285 720	103 134	388 853
1991	18 037	4 712	262 859	285 609	107 714	393 323
1992	16 045	3 335	252 163	271 544	95 168	366 712
1993	14 217	2 223	248 406	264 846	66 931	331 777
1994	13 241	1 301	242 417	256 958	45 138	302 096
1993						
Dec.	14 217	2 223	248 406	264 846	66 931	331 777
1994						
Jan.	14 081	2 248	247 259	263 587	64 220	327 807
Feb.	14 120	2 008	247 884	264 012	63 158	327 170
March	14 125	1 942	247 795	263 862	61 114	324 976
April	13 971	1 759	247 095	262 825	59 077	321 902
May	14 079	1 736	246 531	262 345	58 233	320 578
June	14 139	1 763	245 939	261 841	57 756	319 597
July	14 061	1 733	245 591	261 386	56 128	317 513
Aug.	13 859	1 680	244 474	260 013	53 977	313 990
Sept.	14 068	1 642	243 874	259 584	51 258	310 842
Oct.	13 583	1 594	244 191	259 368	47 775	307 143
Nov.	13 274	1 522	244 044	258 840	46 902	305 742
Dec.	13 241	1 301	242 417	256 958	45 138	302 096

5.3 Money supply and monetary aggregates, mill. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)	M ₃
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
1990	- 82 881	- 19 072	453 720	434 648	- 85 385	141 524	266 383	291 045
1991	- 86 555	- 6 516	470 852	464 336	- 102 540	130 644	275 241	310 924
1992	- 68 099	81	439 937	440 018	- 97 909	134 829	274 011	310 733
1993	- 25 989	1 848	403 742	405 589	- 100 006	141 759	279 595	322 408
1994*	14 047	3 394	365 836	369 230	- 96 581	154 357	286 696	328 509
1994*								
Feb.	- 18 440	475	397 458	397 932	- 100 871	146 600	278 621	327 591
March	- 19 743	1 066	397 300	398 365	- 97 626	148 907	280 996	333 304
April	- 23 247	3 499	392 564	396 063	- 91 234	148 783	281 582	335 879
May	- 14 545	5 940	391 346	397 286	- 100 115	150 750	282 626	338 847
June	- 6 902	2 244	389 636	391 880	- 100 498	153 365	284 480	338 345
July	7 521	- 880	387 027	386 147	- 107 408	155 001	286 260	340 445
Aug.	4 260	655	383 389	384 044	- 101 500	154 836	286 804	336 027
Sept.	12 224	- 2 345	374 845	372 501	- 102 004	151 193	282 721	333 572
Oct.	12 826	3 250	370 923	374 174	- 103 332	152 568	283 668	335 896
Nov.	12 535	3 611	369 603	373 214	- 101 461	152 745	284 288	331 096
Dec.	14 047	3 394	365 836	369 230	- 96 581	154 357	286 696	328 509
1995*								
Jan.	..	..	..	..	..	153 970	285 767	325 740
Feb.	..	..	..	..	..	158 086	289 244	328 804

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

End of period	Foreign currency-denominated debt			Markka-denominated debt				Total central government debt (3+8)	Out-standing lending	Cash funds	
	Bonds	Other debt	Total (1+2)	Public bonds	Other long-term liabilities	Treasury notes and bills	Miscellaneous items				Total (4+5+6+7)
	1	2	3	4	5	6	7	8	9	10	11
1990	20 917	3 876	24 793	23 982	8 263	-	.	32 245	57 038	48 121	23 114
1991	38 703	4 943	43 646	31 018	12 208	5 180	.	48 406	92 052	55 165	15 956
1992	100 244	6 143	106 387	40 578	13 555	14 762	.	68 895	175 282	61 671	19 781
1993	142 824	12 753	155 577	71 082	16 060	22 824	.	109 966	265 543	66 439	36 487
1994	160 587	15 975	176 562	93 008	17 100	33 153	- 5 945	137 316	313 878	..	..
1994											
Feb.	148 138	9 990	158 128	74 481	18 260	19 391	- 5 524	106 608	264 736	65 008	31 679
March	147 889	9 894	157 783	75 083	18 230	19 182	- 5 409	107 086	264 869	65 686	20 834
April	146 940	10 891	157 831	76 001	17 541	18 625	- 5 384	106 943	264 774	65 807	18 547
May	156 684	11 106	167 790	76 282	17 442	19 704	- 5 379	108 049	275 839	66 000	22 405
June	163 930	11 658	175 588	77 129	16 901	24 915	- 5 410	113 535	289 123	65 006	30 119
July	169 523	11 952	181 475	78 286	16 891	30 159	- 5 440	119 896	301 371	64 436	41 465
Aug.	165 170	11 698	176 868	79 587	16 870	28 551	- 5 485	119 523	296 391	64 697	37 525
Sept.	167 196	12 111	179 307	82 349	16 865	31 514	- 5 455	125 273	304 580	65 078	41 848
Oct.	160 626	15 042	175 668	84 786	16 865	31 666	- 5 487	127 830	303 498	65 253	39 910
Nov.	163 035	16 371	179 406	88 690	16 794	32 656	- 5 479	132 661	312 067	64 718	42 051
Dec.	160 587	15 975	176 562	93 008	17 100	33 153	- 5 945	137 316	313 878	..	..
1995											
Jan.	167 765	16 137	183 902	96 649	17 080	38 658	- 6 019	146 368	330 270	..	..
Feb.	165 516	15 884	181 400	105 442	17 080	37 320	- 6 039	153 803	335 203	..	..

5.5 Markka bond market

A) Issues, mill. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corpo- rations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1990	4 640	17 891	4 420	490	1 007	17 234	607	10 607	28 447
1991	7 277	25 737	11 073	1 320	-	30 160	-	15 247	45 407
1992	6 984	15 043	12 965	2 674	4	23 858	-	13 812	37 671
1993*	11 691	10 481	36 512	2 235	63	49 973	-	11 456	60 981
1994*	4 053	10 156	31 553	593	-	46 356	-	-	46 356
1994*									
Feb.	560	96	2 359	280	-	3 295	-	-	3 295
March	2 311	733	2 555	190	-	5 789	-	-	5 789
April	100	510	942	-	-	1 552	-	-	1 552
May	181	1 270	1 348	30	-	2 829	-	-	2 829
June	500	160	2 673	48	-	3 380	-	-	3 380
July	2	207	1 171	-	-	1 380	-	-	1 380
Aug.	-	1 721	2 410	-	-	4 131	-	-	4 131
Sept.	-	356	4 173	-	-	4 530	-	-	4 530
Oct.	-	1 063	3 044	-	-	4 107	-	-	4 107
Nov.	400	930	4 137	-	-	5 466	-	-	5 466
Dec.	-	861	4 525	-	-	5 385	-	-	5 385
1995*									
Jan.	100	358	5 109	-	-	5 567	-	-	5 567
Feb.	53	263	9 230	-	-	9 546	-	-	9 546

B) Stock, mill. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corpo- rations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1990	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
1991	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
1992	26 624	82 153	44 005	5 238	3 358	89 382	13 918	58 078	161 378
1993*	32 459	73 893	73 682	6 884	2 009	119 552	10 391	58 984	188 927
1994*	30 179	66 665	94 865	6 981	948	142 128	7 581	49 929	199 638
1994*									
Feb.	32 125	72 634	77 082	7 066	1 309	122 983	9 441	57 792	190 216
March	33 780	71 562	77 676	7 245	1 009	125 409	8 898	56 963	191 270
April	33 638	71 401	77 951	7 235	973	126 375	8 889	55 934	191 198
May	33 383	71 528	78 144	7 237	966	127 092	8 575	55 591	191 258
June	33 100	68 984	78 990	7 273	964	127 695	8 559	53 057	189 311
July	33 060	68 596	80 148	7 270	964	128 767	8 555	52 716	190 038
Aug.	32 156	69 291	81 448	7 126	964	130 413	8 190	52 382	190 985
Sept.	31 217	68 312	84 211	7 120	963	132 507	7 848	51 468	191 823
Oct.	30 278	68 293	86 648	7 110	953	134 732	7 616	50 934	193 282
Nov.	30 505	67 586	90 548	7 030	950	138 626	7 588	50 405	196 619
Dec.	30 179	66 665	94 865	6 981	948	142 128	7 581	49 929	199 638
1995*									
Jan.	29 708	66 498	98 511	6 893	948	146 139	6 946	49 473	202 558
Feb.	29 569	64 183	107 300	6 841	928	153 608	6 715	48 498	208 821

C) Turnover, mill. FIM

During period	Interbank	Between banks and customers	Primary dealers' transactions in benchmark government bonds		
			Purchases from other primary dealers	Purchases from others	Sales to others
	1	2	3	4	5
1990	5 401	6 058	.	.	.
1991	3 343	29 134	.	.	.
1992	18 383	58 757	10 744	12 156	13 354
1993	47 803	246 104	42 945	95 647	117 489
1994	184 599	359 697	173 096	150 908	176 647
1994					
March	35 674	60 298	32 256	28 635	28 693
April	25 078	39 647	23 300	17 241	17 960
May	10 772	21 650	9 731	8 753	10 958
June	14 719	21 105	14 132	8 225	11 496
July	5 247	13 956	5 081	4 961	7 745
Aug.	23 000	22 271	22 791	10 728	10 987
Sept.	12 393	24 397	12 307	9 424	13 922
Oct.	13 514	29 003	13 361	12 045	14 624
Nov.	12 351	24 444	11 742	9 818	13 363
Dec.	7 842	17 304	7 531	6 784	9 281
1995					
Jan.	8 855	30 706	8 481	12 246	16 423
Feb.	7 716	28 452	7 287	10 833	14 291
March	14 858	35 736	11 622	14 835	19 126

5.6 Helsinki Stock Exchange

Average of daily observations	Share prices							Turnover ¹ , mill. FIM		
	HEX index (28 Dec., 1990 = 1000)							Shares and subscription rights	Bonds and debentures	Total
	All-share index	By industry								
		Banks and finance	Insurance and investment	Manufacturing	Forest industries	Metal and engineering	Conglomerates	8	9	10
	1	2	3	4	5	6	7	8	9	10
1990	1 332	1 263	1 185	1 376	1 436	1 282	1 474	15 521	4 550	20 071
1991	962	901	898	1 003	1 075	1 076	1 021	6 339	1 315	7 655
1992	772	425	467	943	1 123	1 206	890	10 277	15 377	25 654
1993	1 240	608	644	1 601	1 695	1 749	1 751	46 337	59 977	106 314
1994	1 847	719	802	2 464	2 284	2 675	3 068	68 671	2 147	70 818
1994										
March	1 861	824	948	2 422	2 250	2 841	2 792	7 060	334	7 394
April	1 815	771	914	2 377	2 189	2 689	2 818	4 849	107	4 956
May	1 839	749	862	2 427	2 207	2 723	2 891	4 035	71	4 105
June	1 708	676	726	2 271	2 113	2 526	2 732	3 719	49	3 768
July	1 776	688	727	2 377	2 253	2 503	2 987	3 891	99	3 990
Aug.	1 877	647	759	2 536	2 405	2 742	3 185	6 594	134	6 728
Sept.	1 908	652	697	2 601	2 513	2 738	3 336	4 856	132	4 988
Oct.	1 917	645	714	2 612	2 351	2 657	3 512	7 761	216	7 977
Nov.	1 908	604	694	2 617	2 207	2 568	3 672	5 629	102	5 731
Dec.	1 832	576	640	2 524	2 128	2 375	3 589	5 100	70	5 170
1995										
Jan.	1 869	524	598	2 616	2 224	2 381	3 788	5 582	130	5 712
Feb.	1 802	543	577	2 512	2 146	2 240	3 645	7 016	132	7 148
March	1 648	509	533	2 292	1 905	2 038	3 343	5 464	76	5 540

¹ During period.

6. Balance of payments, foreign liabilities and assets

6.1 Current account, mill.FIM

During period	Exports of goods, fob	Trans- port receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, cif	Trans- port expenditure	Travel expenditure	Other services expenditure	
	1	2	3	4	5	6	7	8	9	10	11	12	13	
1990	99 750	8 347	4 650	6 081	19 077	118 827	12 739	4 601	136 166	101 967	4 363	10 766	9 503	
1991	91 100	7 508	5 044	5 636	18 189	109 289	10 003	5 336	124 628	86 348	3 974	11 089	11 011	
1992	105 809	8 643	6 089	7 730	22 462	128 272	6 423	5 920	140 614	93 187	4 360	10 962	13 369	
1993*	132 550	10 430	7 079	9 379	26 888	159 438	7 624	6 506	173 567	101 559	5 537	9 237	17 008	
1994*	152 192	11 414	6 811	10 802	29 027	181 219	8 700	5 715	195 634	118 638	5 884	8 189	17 116	
1992														
III	24 820	2 323	1 958	1 923	6 203	31 023	1 204	1 480	33 707	20 677	1 119	2 853	3 242	
IV	29 754	2 167	1 480	2 424	6 071	35 825	1 649	1 699	39 173	25 632	1 176	2 572	3 666	
1993*														
I	31 016	2 366	1 351	2 778	6 495	37 511	2 233	1 470	41 215	25 715	1 279	2 401	4 445	
II	32 625	2 646	1 763	2 281	6 690	39 315	2 125	1 756	43 196	24 818	1 325	2 276	4 015	
III	32 116	2 832	2 203	2 102	7 138	39 253	1 622	1 584	42 460	23 992	1 444	2 242	4 206	
IV	36 793	2 586	1 761	2 218	6 565	43 358	1 643	1 695	46 696	27 034	1 489	2 319	4 341	
1994*														
I	34 536	2 602	1 425	2 587	6 614	41 150	1 382	1 469	44 001	24 852	1 314	1 899	4 234	
II	38 519	2 923	1 747	2 380	7 049	45 569	3 031	1 370	49 970	29 488	1 483	2 038	3 994	
III	37 405	3 127	2 075	2 789	7 991	45 396	1 721	1 372	48 490	28 866	1 525	2 101	4 130	
IV	41 732	2 763	1 563	3 046	7 372	49 105	2 565	1 503	53 173	35 433	1 562	2 151	4 758	
During period	Services expenditure, total (11+12+13)	Imports of goods and services (10+14)	Investment expenditure (15+16+17)	Transfers and other expenditure	Current account expenditure (15+16+17)	Trade account (1-10)	Trans- port (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21+22)	Goods and services account (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account (24+25+26)= (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1990	24 632	126 599	26 973	9 107	162 680	-2 218	3 984	-6 117	-3 422	-5 555	-7 772	-14 234	-4 506	-26 513
1991	26 074	112 421	28 674	10 229	151 325	4 752	3 534	-6 044	-5 374	-7 885	-3 132	-18 671	-4 893	-26 696
1992	28 690	121 878	30 424	10 347	162 649	12 622	4 283	-4 873	-5 639	-6 228	6 394	-24 001	-4 428	-22 035
1993*	31 782	133 341	34 580	10 390	178 311	30 991	4 893	-2 159	-7 629	-4 894	26 097	-26 956	-3 885	-4 744
1994*	31 189	149 827	31 007	9 222	190 056	33 554	5 530	-1 378	-6 314	-2 162	31 392	-22 307	-3 507	5 578
1992														
III	7 214	27 891	6 765	2 402	37 058	4 143	1 204	-895	-1 319	-1 011	3 132	-5 561	-922	-3 351
IV	7 413	33 045	7 824	2 440	43 309	4 122	991	-1 092	-1 241	-1 342	2 780	-6 174	-741	-4 136
1993*														
I	8 125	33 840	10 137	2 808	46 785	5 301	1 087	-1 049	-1 667	-1 630	3 672	-7 904	-1 338	-5 570
II	7 616	32 434	10 493	2 393	45 321	7 806	1 322	-512	-1 735	-926	6 881	-8 368	-637	-2 124
III	7 892	31 884	6 805	2 640	41 330	8 124	1 388	-39	-2 104	-755	7 369	-5 183	-1 055	1 131
IV	8 149	35 183	7 145	2 549	44 876	9 760	1 097	-558	-2 123	-1 584	8 175	-5 502	-854	1 820
1994*														
I	7 447	32 298	9 163	2 834	44 295	9 684	1 288	-474	-1 646	-833	8 851	-7 781	-1 365	-2 994
II	7 516	37 004	8 521	2 110	47 634	9 031	1 439	-291	-1 614	-466	8 565	-5 490	-739	2 336
III	7 756	36 622	6 141	2 119	44 882	8 539	1 602	-25	-1 342	235	8 775	-4 420	-747	3 607
IV	8 471	43 904	7 181	2 160	53 245	6 300	1 200	-587	-1 712	-1 099	5 201	-4 616	-656	-72

6.2 Capital and financial account, mill. FIM

During period	Imports of capital												Total (1+7+12)
	Direct investment in Finland	Portfolio investment					Total (2+3+5+6)	Other investment				Total (8+9+10+11)	
		Shares	Bonds	Of which: market-denominated bonds	Money market instruments	Financial derivatives		Trade credits	Loans	Currency and deposits	Other		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1990	3 010	376	22 280	1 440	- 923	..	21 733	1 156	16 635	- 725	17 307	34 372	59 115
1991	- 997	47	38 751	11 786	- 4 511	..	34 287	- 3 987	7 496	131	- 9 737	- 6 098	27 192
1992	1 822	397	39 309	- 5 312	- 1 791	..	37 915	3 639	2	1 690	- 17 415	- 12 084	27 653
1993*	4 945	12 748	30 353	3 616	- 4 382	..	38 719	4 467	5 357	- 5 347	- 24 454	- 19 977	23 687
1994*	7 703	13 206	20 075	- 7 681	- 1 507	- 373	31 402	2 829	492	- 232	- 1 164	1 924	41 029
1992													
III	340	6	5 474	- 2 712	- 485	..	4 995	2 755	16	828	648	4 248	9 583
IV	845	47	16 710	- 1 169	629	..	17 386	1 178	270	1 110	- 13 544	- 10 986	7 244
1993*													
I	439	1 405	15 542	320	- 2 314	..	14 632	1 900	7 326	901	- 8 593	1 533	16 604
II	927	1 515	16 269	3 420	- 1 348	..	16 435	- 196	815	- 1 268	- 6 612	- 7 261	10 101
III	631	6 529	2 267	2 523	- 2 755	..	6 041	- 836	- 1 495	1 671	- 8 143	- 8 803	- 2 131
IV	2 948	3 300	- 3 725	- 2 646	2 036	..	1 611	3 599	- 1 289	- 6 650	- 1 106	- 5 446	- 887
1994*													
I	3 718	4 389	4 079	- 61	- 1 609	31	6 889	- 882	- 3 980	772	6 665	2 575	13 182
II	2 886	2 404	5 501	- 3 649	3 084	268	11 258	- 868	1 255	- 1 748	- 3 077	- 4 439	9 705
III	2 187	5 181	15 869	124	- 2 185	- 383	18 482	183	- 1 314	964	- 5 536	- 5 704	14 965
IV	- 1 088	1 232	- 5 374	- 4 095	- 798	- 288	- 5 227	4 397	4 531	- 220	784	9 492	3 177

During period	Exports of capital												Errors and omissions	Change in central bank's reserve assets (increase-)
	Direct investment abroad	Portfolio investment					Trade credits	Other investment				Total (14+19+24)		
		Shares	Bonds	Money market instruments	Financial derivatives	Total (15+16+17+18)		Loans	Currency and deposits	Other	Total (20+21+22+23)			
14	15	16	17	18	19	20	21	22	23	24	25	26	27	
1990	10 353	2	575	1 171	..	1 748	1 565	2 953	935	- 3 480	- 1 157	10 944	- 6 240	- 15 417
1991	- 501	- 369	- 3	1 499	..	1 128	- 726	2 341	1 054	6 587	9 256	9 883	2 012	7 375
1992	- 3 372	46	321	2 748	..	3 115	3 634	3 409	3 745	3 259	14 048	13 790	- 1 008	9 180
1993*	9 537	873	767	1 932	..	3 571	1 923	- 839	- 6 063	14 698	9 720	22 828	5 104	- 1 219
1994*	19 687	- 10	- 4 783	- 907	- 276	- 5 976	2 343	- 6 267	1 854	5 896	3 826	17 537	- 3 565	- 25 504
1992														
III	- 552	13	- 895	786	..	- 96	1 313	553	2 619	3 501	7 986	7 338	- 4 944	6 051
IV	- 695	25	- 100	3 361	..	3 286	1 799	2 435	- 1 924	4 276	6 586	9 177	5 577	492
1993*														
I	985	158	2 823	- 577	..	2 404	1 623	- 726	- 1 516	15 515	14 896	18 285	1 665	5 586
II	1 081	2	- 1 095	- 972	..	- 2 065	518	- 185	247	- 3 766	- 3 186	- 4 171	- 1 464	- 10 684
III	- 473	77	- 841	3 975	..	3 211	- 190	- 1 008	1 514	9 514	9 829	12 567	2 549	11 019
IV	7 944	636	- 120	- 494	..	21	- 28	1 081	- 6 308	- 6 564	- 11 819	- 3 854	2 354	- 7 141
1994*														
I	5 078	43	- 662	211	- 201	- 609	- 1 329	- 1 279	2 612	- 5 779	- 5 774	- 1 306	- 3 914	- 10 279
II	5 206	- 68	- 3 273	- 4 446	- 27	- 7 814	1 742	- 1 358	- 460	6 181	6 105	3 497	1 628	- 10 172
III	4 200	- 18	- 1 173	420	- 52	- 824	- 444	- 126	- 268	9 875	9 037	12 413	- 2 239	- 3 921
IV	5 203	33	326	2 908	4	3 271	2 374	- 3 504	- 30	- 4 381	- 5 541	2 933	960	- 1 132

6.3 Finland's international investment position, mill. FIM

Position at end of period	Liabilities												
	Direct investment in Finland	Portfolio investment					Other investment					Total liabilities (1+7+12)	
		Shares	Bonds	Of which: market denominated bonds	Money market instruments	Financial derivatives	Total (2+3+5+6)	Trade credits	Loans	Currency and deposits	Other		Total (8+9+10+11)
1	2	3	4	5	6	7	8	9	10	11	12	13	
1990	18 651	5 052	95 530	6 385	23 856	..	124 438	13 915	51 937	7 969	89 662	163 483	306 572
1991	17 443	4 149	141 055	19 036	22 079	..	167 283	9 532	68 892	8 555	84 036	171 015	355 741
1992	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 880	78 804	182 320	437 557
1993*	24 391	30 375	265 610	26 288	14 995	- 6 103	304 877	18 206	91 378	4 025	55 478	169 087	498 354
1994*	31 473	60 558	256 005	19 012	10 466	- 6 877	320 152	20 635	83 003	3 430	47 917	154 985	506 610
1992													
III	18 483	3 367	184 851	15 547	18 023	..	206 242	12 019	72 530	9 942	89 639	184 130	408 855
IV	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 880	78 804	182 320	437 557
1993*													
I	19 812	8 121	253 159	16 281	17 007	..	278 287	15 193	96 786	13 135	76 093	201 207	499 306
II	20 763	11 901	254 886	21 118	15 573	..	282 360	14 897	93 408	11 461	67 494	187 260	490 383
III	21 418	22 725	265 540	23 460	13 090	..	301 355	14 091	95 327	13 276	61 106	183 799	506 573
IV	24 391	30 375	265 610	26 288	14 995	- 6 103	304 877	18 206	91 378	4 025	55 478	169 087	498 354
1994*													
I	27 616	39 079	265 290	25 822	12 244	- 8 855	307 758	17 142	85 626	4 724	60 047	167 540	502 914
II	30 514	42 719	271 376	22 182	15 286	- 8 809	320 572	16 256	86 786	2 964	56 729	162 735	513 821
III	32 606	56 036	269 909	23 157	11 909	- 7 591	330 263	16 309	80 153	3 752	48 447	148 661	511 530
IV	31 473	60 558	256 005	19 012	10 466	- 6 877	320 152	20 635	83 003	3 430	47 917	154 985	506 610
Position at end of period	Assets												
	Direct investment abroad	Portfolio investment					Other investment					Total assets (14+19+24)	
		Shares	Bonds	Money market instruments	Financial derivatives	Total (15+16+17+18)	Trade credits	Loans	Currency and deposits	Other	Total (20+21+22+23)		
14	15	16	17	18	19	20	21	22	23	24	25		
1990	40 800	762	6 447	2 173	..	9 383	16 549	24 825	5 726	65 754	112 854	163 037	
1991	44 823	426	7 004	4 154	..	11 584	16 388	28 504	7 647	72 498	125 037	181 444	
1992	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	76 647	145 952	207 955	
1993*	54 577	1 285	10 706	11 028	446	23 465	26 350	34 018	5 701	89 301	155 370	233 412	
1994*	69 601	1 129	4 681	9 070	487	15 367	26 431	24 077	7 055	107 254	164 817	249 786	
1992													
III	45 982	442	8 176	4 032	..	12 650	18 898	30 676	14 188	68 323	132 085	190 718	
IV	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	76 647	145 952	207 955	
1993*													
I	51 946	676	11 952	7 766	..	20 394	23 664	36 976	12 275	92 392	165 307	237 648	
II	48 465	671	10 801	6 627	..	18 099	23 888	34 148	12 159	97 321	167 516	234 080	
III	49 447	759	10 074	10 689	..	21 522	23 857	34 208	13 929	98 044	170 039	241 008	
IV	54 577	1 285	10 706	11 028	446	23 465	26 350	34 018	5 701	89 301	155 370	233 412	
1994*													
I	59 112	1 296	9 576	10 910	622	22 403	24 479	31 396	8 107	91 319	155 301	236 816	
II	64 465	1 211	5 953	6 338	550	14 052	26 159	29 856	7 449	106 714	170 178	248 695	
III	65 838	1 116	4 311	6 087	561	12 075	24 435	28 350	6 955	113 275	173 016	250 929	
IV	69 601	1 129	4 681	9 070	487	15 367	26 431	24 077	7 055	107 254	164 817	249 786	

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

Position at end of period	Corporate sector	Banks	Bank of Finland	Other financial institutions	Central government	Local government	Net (1+2+3+4+5+6)	Net interest and dividend expenditure	Net interest and dividend expenditure in relation to current account receipts, %
	1	2	3	4	5	6	7	8	9
1990	34 853	110 111	- 36 700	9 910	24 751	610	143 535	13 130	9.7
1991	28 483	107 434	- 34 046	18 960	52 748	719	174 298	15 671	12.7
1992	30 501	82 343	- 27 546	28 283	113 674	2 347	229 602	19 011	13.6
1993*	49 895	48 189	- 33 279	29 737	167 444	2 956	264 942	21 897	12.7
1994*	72 086	33 579	- 52 606	21 262	179 516	2 987	256 825	19 907	10.4
1992									
III	30 741	83 775	- 16 715	24 364	94 016	1 958	218 138	4 314	12.8
IV	30 501	82 343	- 27 546	28 283	113 674	2 347	229 602	4 926	12.6
1993*									
I	34 830	65 514	- 27 782	29 660	156 500	2 937	261 658	6 640	16.1
II	36 841	61 511	- 37 288	27 269	165 160	2 810	256 303	7 103	16.4
III	44 736	44 622	- 27 318	27 224	173 332	2 967	265 565	3 918	9.2
IV	49 895	48 189	- 33 279	29 737	167 444	2 956	264 942	4 237	9.1
1994*									
I	58 654	53 523	- 42 504	27 617	165 574	3 233	266 097	7 181	16.3
II	57 567	51 846	- 52 617	24 973	180 109	3 248	265 126	4 890	9.8
III	69 474	33 505	- 52 998	23 923	183 627	3 069	260 600	3 820	7.9
IV	72 086	33 579	- 52 606	21 262	179 516	2 987	256 825	4 016	7.6

7. Foreign trade

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

During period	Exports, fob	Imports, cif	Balance (1-2)
	1	2	3
1990	101 327	103 027	- 1700
1991	92 842	87 744	5 098
1992	107 463	94 947	12 516
1993	134 112	103 167	30 945
1994*	153 859	120 200	33 659
1994*			
Feb.	10 908	7 416	3 492
March	12 124	9 515	2 609
April	12 343	9 415	2 928
May	13 357	10 929	2 428
June	13 305	9 599	3 706
July	13 131	9 179	3 952
Aug.	11 557	9 884	1 673
Sept.	13 165	10 162	3 003
Oct.	13 397	10 087	3 310
Nov.	13 982	10 968	3 014
Dec.¹	14 713	14 757	- 44
1995**			
Jan.	13 000	10 000	3 000
Feb.	14 500	10 000	4 500

¹ See Notes and explanations to the statistical section.

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
1990	125	138	154	128	120
1991	114	115	154	131	118
1992	124	112	164	145	113
1993	147	109	172	163	106
1994*	166	130	175	158	111
1992					
III	117	102	163	142	115
IV	133	116	171	154	111
1993					
I	135	108	176	165	106
II	143	105	174	165	105
III	141	101	174	165	105
IV	165	116	170	161	105
1994*					
I	155	107	170	161	106
II	168	129	175	158	111
III	161	124	178	161	111
IV	180	156	176	158	112

7.3 Foreign trade by main groups, mill. FIM

During period	Exports by industries, fob					Imports by use of goods, cif				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
	1	2	3	4	5	6	7	8	9	10
1990	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
1991	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672
1992	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514
1993*	10 910	37 430	14 205	48 158	23 409	54 792	10 904	15 396	21 066	1 009
1994*	14 114	41 300	15 639	55 558	27 248	65 899	11 628	17 147	24 606	920
1993*										
Dec.	968	2 963	1 074	3 799	2 076	5 027	1 099	1 356	1 895	96
1994*										
Jan.	978	3 009	1 282	4 272	2 340	4 537	693	1 206	1 820	61
Feb.	1 018	3 060	1 060	3 741	2 029	4 229	608	925	1 621	33
March	1 026	3 623	1 248	4 061	2 166	5 198	752	1 314	2 206	45
April	1 165	3 487	1 156	4 338	2 197	4 823	968	1 662	1 913	49
May	1 431	3 506	1 511	4 538	2 380	6 075	1 290	1 317	2 232	15
June	1 318	3 358	1 289	4 882	2 458	5 513	867	1 192	1 950	77
July	1 015	3 287	1 315	5 802	1 712	4 823	955	1 227	1 792	377
Aug.	935	3 437	1 258	3 816	2 111	5 419	1 029	1 386	2 031	18
Sept.	1 313	3 586	1 354	4 320	2 592	5 656	1 054	1 384	2 027	25
Oct.	1 268	3 566	1 313	4 937	2 313	5 645	803	1 485	2 051	101
Nov.	1 357	3 719	1 453	4 968	2 485	6 191	1 012	1 557	2 180	14
Dec.	1 290	3 662	1 400	5 883	2 464	7 790	1 597	2 492	2 783	104

7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1993 *		1994 *		1993 *		1994 *	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	102 135	76.3	115 277	12.9	81 607	79.2	93 014	14.0
OECD Europe	86 513	64.6	97 873	13.1	66 956	65.0	74 466	11.2
Of which:								
Austria	1 427	1.1	1 597	11.9	1 179	1.1	1 347	14.3
Belgium and Luxembourg	2 955	2.2	3 457	17.0	3 008	2.9	3 284	9.2
Denmark	4 479	3.3	5 283	17.9	3 231	3.1	3 661	13.3
France	7 114	5.3	7 774	9.3	4 716	4.6	4 902	3.9
Germany	17 628	13.2	20 662	17.2	16 901	16.4	17 713	4.8
Italy	4 350	3.2	4 591	5.5	3 811	3.7	4 660	22.3
Netherlands	6 729	5.0	7 866	16.9	3 847	3.7	4 339	12.8
Norway	4 277	3.2	4 862	13.7	5 010	4.9	5 745	14.7
Spain	3 263	2.4	3 547	8.7	1 245	1.2	1 576	26.6
Sweden	14 855	11.1	16 818	13.2	10 531	10.2	12 522	18.9
Switzerland	2 111	1.6	2 325	10.1	2 044	2.0	2 105	3.0
United Kingdom	14 020	10.5	15 907	13.5	9 160	8.9	10 004	9.2
Other OECD	15 622	11.7	17 404	11.4	14 651	14.2	18 548	26.6
Of which:								
Canada	1 075	0.8	1 031	- 4.0	724	0.7	837	15.7
Japan	2 187	1.6	3 174	45.1	5 958	5.8	7 809	31.1
United States	10 506	7.8	11 033	5.0	7 498	7.3	9 163	22.2
Non-OECD European countries	12 679	9.5	18 428	45.3	11 207	10.9	14 970	33.6
Of which:								
Russia	6 051	4.5	7 994	32.1	7 813	7.6	10 661	36.5
Other countries	19 113	14.3	20 153	5.4	10 264	10.0	12 215	19.0
Of which:								
OPEC countries	3 266	2.4	2 446	- 25.1	542	0.5	590	9.0
TOTAL	133 927	100.0	153 858	14.9	103 078	100.0	120 199	16.6
Of which:								
EC countries	62 850	46.9	71 489	13.7	47 974	46.5	52 447	9.3
EFTA countries	22 799	17.0	25 725	12.8	18 831	18.3	21 812	15.8

8. Domestic economic developments

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

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4						5	6	7	8	9
1990	269 754	108 535	121 858	17 286	5 769	523 202	118 828	126 600	515 430
1991	260 031	111 256	93 722	17 243	-2 451	479 801	110 965	111 755	479 011
1992	247 363	108 799	75 338	16 899	4 534	452 933	122 059	112 989	462 003
1993*	237 793	103 004	61 105	13 959	10 064	425 925	142 459	113 752	454 632
1994*	242 502	102 577	64 398	12 779	17 818	440 074	160 294	128 104	472 264
1992									
III	61 578	27 181	17 901	4 110	1 052	111 822	30 543	27 599	114 766
IV	60 978	27 001	16 419	4 280	2 344	111 022	31 512	27 924	114 610
1993*									
I	59 876	25 911	16 073	3 628	2 747	108 235	34 825	29 902	113 158
II	59 245	25 819	15 487	3 399	1 047	104 997	34 421	26 776	112 642
III	59 109	25 776	14 823	3 581	3 320	106 609	36 186	28 610	114 185
IV	59 563	25 498	14 722	3 351	2 950	106 084	37 027	28 464	114 647
1994*									
I	60 854	25 412	15 160	3 317	1 410	106 153	37 892	28 527	115 518
II	60 098	25 578	15 354	3 254	4 337	108 621	40 016	30 895	117 742
III	60 461	25 570	16 773	3 108	5 412	111 324	40 932	32 900	119 356
IV	61 089	26 017	17 111	3 100	6 659	113 976	41 454	35 782	119 648

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

Period	Total industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.3)	(89.6)	(16.8)	(31.3)	(41.5)	(9.1)
	1	2	3	4	5	6	7
1990	100.2	99.8	100.2	100.1	100.4	100.1	100.0
1991	91.2	91.3	89.9	91.5	85.6	92.6	103.6
1992	92.4	88.4	91.4	94.6	91.1	90.2	103.0
1993*	97.1	85.8	96.2	104.3	99.4	90.4	107.9
1994*	107.9	111.9	107.1	114.4	118.5	95.4	115.6
1994*							
Jan.	102.2	84.0	101.4	111.5	103.4	94.2	112.2
Feb.	103.0	80.0	101.6	109.4	108.9	93.3	118.5
March	103.1	91.9	102.1	111.5	111.5	88.8	115.9
April	105.1	100.7	104.4	112.6	111.2	95.9	114.5
May	108.0	101.6	106.0	114.0	115.7	96.6	116.3
June	107.9	120.7	107.2	115.0	116.0	97.0	118.0
July	108.5	182.1	106.6	117.3	113.6	96.7	114.7
Aug.	109.0	166.7	107.2	115.2	118.8	95.6	122.6
Sept.	111.4	123.8	111.0	116.0	129.6	96.7	117.5
Oct.	112.6	104.8	112.7	116.7	131.1	97.4	113.8
Nov.	112.5	99.9	112.9	114.9	133.7	97.5	110.7
Dec.	111.5	86.6	111.7	118.2	129.0	95.7	112.9
1995*							
Jan.	113.4	77.0	113.6	116.5	132.2	96.6	115.4

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
1990	119.9	111.6	127.3	124.8	161.7	122.1	144.6	117.5
1991	99.4	103.5	103.9	94.4	127.7	109.9	102.1	110.3
1992	87.2	92.9	79.5	73.8	76.2	87.5	84.5	107.0
1993*	82.5	87.6	59.5	60.5	52.9	59.8	83.2	105.5
1994*	87.6	89.3	52.6	53.7	56.2	47.6	97.3	109.9
1993*								
Dec.	84.3	88.6	..	..	..	..	..	107.8
1993*								
IV	82.8	87.3	57.1	57.7	62.9	52.5	79.1	106.9
1994*								
Jan.	82.6	88.0	..	..	..	..	..	106.6
Feb.	83.7	88.3	..	..	..	..	..	107.3
March	84.2	91.6	..	..	..	..	..	108.9
April	82.5	86.8	..	..	..	..	..	109.6
May	89.5	90.2	..	..	..	..	..	110.5
June	88.0	89.4	..	..	..	..	..	109.4
July	87.0	86.9	..	..	..	..	..	109.6
Aug.	90.8	89.2	..	..	..	..	..	110.0
Sept.	90.8	90.9	..	..	..	..	..	110.7
Oct.	89.3	88.9	..	..	..	..	..	111.8
Nov.	91.8	89.7	..	..	..	..	..	111.8
Dec.	90.4	91.1	..	..	..	..	..	112.4
1994*								
I	83.5	89.3	53.9	59.1	40.3	50.4	73.8	107.6
II	86.7	88.8	50.2	54.5	51.1	44.4	97.8	109.8
III	89.5	89.0	53.4	52.2	66.8	47.6	84.4	110.1
IV	90.5	89.9	52.7	48.9	66.4	48.2	132.9	112.0

8.4 Wages and prices, 1990=100

Period	Index of wage and salary earnings	By sectors			Consumer price index	Indicator of underlying inflation	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private	Of which: Manufacturing (SIC 3)	Public				Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1990	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
1991	106.4	106.4	106.1	106.4	104.3	104.1	100.0	99.8	100.8	99.4	98.5	99.8	102.2
1992	108.4	108.1	108.3	109.0	107.4	107.1	101.4	99.5	108.5	101.6	102.7	101.1	100.4
1993¹	109.2	108.8	110.0	110.1	109.7	109.9	104.8	100.8	119.3	105.5	109.2	103.9	100.7
1994¹	111.1	111.1	114.6	111.2	110.9	111.4	106.2	102.8	118.7	107.1	110.1	105.8	102.2
1993¹													
IV	109.9	109.6	111.5	110.7	109.8	110.7	104.7	101.0	118.5	105.6	109.6	103.9	100.9
1994													
Feb.	..	..	..	..	109.8	110.8	105.1	101.7	117.4	105.5	108.4	104.3	101.6
March	..	..	..	..	110.0	111.0	105.4	101.9	118.1	105.7	108.0	104.7	101.7
April	..	..	..	..	110.2	111.3	105.8	102.1	119.2	105.8	108.0	104.8	101.7
May	..	..	..	..	110.3	111.3	105.8	102.2	119.1	106.4	109.0	105.2	101.9
June	..	..	..	..	111.3	111.3	106.1	102.5	119.5	107.0	110.3	105.6	102.2
July	..	..	..	..	111.4	111.5	106.6	103.1	119.3	107.7	110.9	106.3	102.1
Aug.	..	..	..	..	111.6	111.7	106.8	103.3	119.5	108.2	112.0	106.5	102.4
Sept.	..	..	..	..	111.8	112.0	107.0	103.7	119.3	108.4	112.0	106.8	102.5
Oct.	..	..	..	..	111.9	112.1	107.1	104.0	118.2	108.4	111.0	107.3	102.9
Nov.	..	..	..	..	111.6	111.7	107.1	104.1	118.5	108.4	111.3	107.2	102.9
Dec.	..	..	..	..	111.5	111.7	107.2	104.3	118.0	108.7	111.5	107.4	102.8
1994¹													
I	110.5	110.4	113.1	110.9	109.7	110.7	105.1	101.6	117.8	105.6	108.6	104.3	101.6
II	111.0	111.0	114.4	111.0	110.6	111.3	105.9	102.3	119.3	106.4	109.1	105.2	101.9
III	111.2	111.2	114.9	111.2	111.6	111.7	106.8	103.4	119.4	108.1	111.6	106.5	102.3
IV	111.8	111.9	116.0	111.6	111.7	111.8	107.1	104.1	118.2	108.5	111.3	107.3	102.9
1995													
Jan.	..	..	..	..	111.4	110.8	107.0	104.1	117.8	109.1	113.2	107.3	103.2
Feb.	..	..	..	..	111.8	..	107.5	104.2	119.5	109.5	114.7	107.2	103.6

¹ Preliminary figures for columns 1-4.

8.5 Labour, employment and unemployment (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status		By industry			Unemployed	Unemployment rate		
				Self-employed	Wage and salary earners	Agriculture and forestry	Industry	Construction			Service industries	
		1000 persons										
%		1	2	3	4	5	6	7	8	9	10	11
1990	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4	
1991	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6	
1992	66.1	2 502	2 174	325	1 849	188	454	150	1 382	328	13.1	
1993	65.3	2 484	2 041	312	1 729	173	423	124	1 319	444	17.9	
1994	64.8	2 480	2 024	312	1 712	167	426	113	1 317	456	18.4	
1994												
Feb.	65.6	2 502	2 034	324	1 710	169	423	111	1 331	467	18.7	
March	65.2	2 490	2 015	316	1 699	166	422	108	1 318	475	19.1	
April	64.6	2 468	2 001	312	1 689	165	420	114	1 302	467	18.9	
May	64.9	2 483	2 018	312	1 707	167	420	117	1 314	465	18.7	
June	64.9	2 482	2 026	313	1 713	173	423	103	1 328	457	18.4	
July	64.5	2 468	2 006	300	1 706	164	423	120	1 299	462	18.7	
Aug.	64.5	2 471	2 027	307	1 720	169	431	114	1 314	444	18.0	
Sept.	65.1	2 493	2 042	314	1 728	171	441	113	1 318	451	18.1	
Oct.	64.8	2 481	2 040	303	1 737	160	435	122	1 324	441	17.8	
Nov.	64.5	2 472	2 037	307	1 729	168	432	111	1 326	435	17.6	
Dec.	64.8	2 482	2 048	307	1 741	164	436	118	1 330	434	17.5	
1995												
Jan.	64.7	2 479	2 043	320	1 722	162	442	123	1 315	436	17.6	
Feb.	64.3	2 467	2 045	310	1 735	164	430	119	1 331	422	17.1	

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

mill. FIM, cash flow basis

During period	Revenue						Expenditure				
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1989	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
1990	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
1991	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
1992	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
1993	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
1993											
Nov.	2 736	5 757	147	2 672	11 312	2 638	13 952	3 708	9 371	3 437	5 820
Dec.	2 078	6 543	115	5 142	13 878	759	14 637	4 256	10 357	3 609	6 318
1994											
Jan.	2 827	6 024	67	1 857	10 775	27	10 802	3 699	9 936	3 118	6 609
Feb.	2 757	5 500	115	1 770	10 142	83	10 224	3 090	8 334	3 084	4 939
March	3 774	4 727	100	2 283	10 884	2 382	13 265	4 097	9 474	3 521	5 820
April	2 374	5 134	100	1 945	9 553	208	9 759	3 320	9 049	3 849	5 068
May	2 567	5 970	98	2 717	11 352	241	11 592	3 633	8 999	3 684	5 166
June	2 786	5 511	524	1 977	10 798	1 503	12 300	4 654	9 930	3 725	6 028
July	3 059	5 980	237	1 756	11 032	898	11 929	4 200	8 475	3 195	5 083
Aug.	2 915	6 837	138	1 336	11 226	198	11 424	3 046	8 170	3 115	4 806
Sept.	2 671	5 289	127	1 489	9 576	81	9 658	3 866	8 399	3 147	5 182
Oct.	2 736	5 834	101	1 243	9 914	228	10 141	3 859	11 109	3 138	7 867
Nov.	2 632	5 608	72	1 956	10 268	975	11 243	4 013	8 368	3 164	5 009

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
1989	8 393	5 343	120 826	7 566	128 390	11 490	7 851	- 4 009	3 842
1990	5 962	4 927	133 614	9 319	142 934	5 737	678	1 201	1 879
1991	5 370	6 368	158 044	13 328	171 372	- 23 420	- 32 304	25 659	- 6 645
1992	5 042	8 499	168 016	35 501	203 516	- 41 400	- 71 847	70 691	- 1 155
1993	4 306	18 076	177 870	19 753	197 623	- 48 646	- 61 030	84 036	23 009
1993									
Nov.	349	771	14 199	767	14 966	- 2 887	- 1 014	1 230	216
Dec.	477	1 744	16 834	2 491	19 325	- 2 956	- 4 688	91	- 4 596
1994									
Jan.	187	3 336	17 158	545	17 703	- 6 383	- 6 901	519	- 6 383
Feb.	224	1 202	12 850	631	13 482	- 2 708	- 3 258	7 659	4 402
March	245	3 120	16 936	3 111	20 047	- 6 052	- 6 782	- 41	- 6 823
April	227	2 081	14 677	1 434	16 112	- 5 124	- 6 353	789	- 5 563
May	257	1 438	14 327	717	15 045	- 2 975	- 3 453	9 209	5 756
June	342	2 424	17 350	663	18 013	- 6 552	- 5 713	13 429	7 716
July	353	1 181	14 209	365	14 575	- 3 177	- 2 646	14 635	11 990
Aug.	298	1 216	12 730	633	13 363	- 1 504	- 1 939	- 1 348	- 3 287
Sept.	321	1 748	14 334	6 490	20 824	- 4 758	- 11 166	13 203	2 037
Oct.	314	1 705	16 987	555	17 541	- 7 073	- 7 400	4 430	- 2 969
Nov.	344	1 060	13 785	587	14 372	- 3 517	- 3 129	5 473	2 344

Notes and explanations to the statistical section

General

Source

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

Symbols used

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

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

Notes and explanations to tables

1 The balance sheet of the Bank of Finland

Table 1.2 Domestic financial sector. Term claims on deposit banks, net (Column 12) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments + term credits - term deposits. Liquidity position of deposit banks (Column 13): see explanation to Table 2.1. Other claims on financial institutions, net (Column 15) = till-money credits to deposit banks (until May 1993) + bonds + other claims on financial institutions - other liabilities to financial institutions.

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

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

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

Table 2.3 Money market instruments are the instruments used by the Bank of Finland in its money market operations. Matured money market instruments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

Table 2.4 Foreign exchange transactions are recorded according to trade dates. In addition to spot transactions (Columns 1, 2, 4 and 5) the Bank of Finland's foreign ex-

change reserves are affected by interest payment and by changes in both the prices of securities and exchange rates. Spot transactions related to forward contracts (Column 4) refer to the combined effects on the foreign exchange reserves of forward transactions in the form of swaps and maturing forward transactions. The central government's foreign exchange transactions (Column 5) comprise transactions related to drawings and redemptions of government loans and associated interest payments.

Table 2.5 The markka value of forward contracts is given.

3 Rates of interest

Table 3.1 The interbank overnight rate (Column 1) is weighted using amounts of interbank deposits as weights. 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 Bank of Finland's tender rate (Column 1) is determined in tenders held by the Bank of Finland, in which the banks are asked to make bids or offers for money market instruments with a maturity of one month. The tender rate is the weighted average of accepted bids or offers, expressed as a simple annual interest rate. If, when requesting bids or offers, the Bank of Finland announces an acceptable interest rate (fixed-rate tender), the tender rate is the same as the rate announced by the Bank. The monthly and annual values for the tender rate are the arithmetic means of calendar day figures.

Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. In addition, they can obtain liquidity credit from the Bank of Finland with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity of liquidity credit is determined by the Bank of Finland. The rate of interest on liquidity credit is obtained by adding together the Bank of Finland's tender rate and the interest rate margin for liquidity credit. The call money deposit rate is obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. The monthly and annual values for maturity and interest rate margins are the last values recorded in each month or year.

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

Table 3.4 Lending. New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic average of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans. Deposits. 24-month and 36-month tax-exempt deposits (Columns 7 and 8): from May (September) 1992, 24-month (36-month) deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less two percentage points (one percentage point). In the period from January 1989 to April 1992, 24-month de-

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

Table 3.5 Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. Yields on taxable government bonds (Columns 3 and 4) are calculated by the Bank of Finland in a similar fashion. Until January 1992, the yield on 5-year taxable government bonds (Column 3) was calculated on a bullet bond due on 15 March 1994 with a coupon rate of 13 per cent. From February 1992 onwards the yield is calculated on a bullet bond due on 15 January 1999 with a coupon rate of 11 per cent. Until June 1993, the yield on 10-year taxable government bonds (Column 4) is calculated on a housing bond (bullet) due on 15 March 2002 with a coupon rate of 10.75 per cent. From July 1993 onwards the yield is calculated on a bullet bond due on 15 March 2004 with a coupon rate of 9.50 per cent. The share yield (Column 5) is the weighted effective yield on shares quoted on the Helsinki Stock Exchange. Source: Statistics Finland.

4 Rates of exchange

Table 4.2 FIM/ECU (Column 1): The markka value of the ECU is calculated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates, for which daily quotations at noon Finnish time are used. Since 8 September 1992 the markka has been floating. Trade-weighted currency index (Column 2): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 3): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERM index (Column 4): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; 14 currencies are included in this index.

5 Other domestic financing

Table 5.1 Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and the local government sector. The table is based on new classifications of Statistics Finland applied since March 1991. Series before March 1991 have been reclassified by the Bank of Finland to conform with the present table, except for columns 3 and 4 where disaggregation was not possible and combined figures are shown. Time deposits (Column 3) consist of all fixed-term deposits. Other deposits (Column 4) include mainly investment accounts with no specific time-period. Other funding (Column 8) comprises CDs, promissory notes and bonds. The figures for banks' holdings of CDs issued by other banks, as well as the CD holdings of the Bank of Finland and the central government have been netted out; netting out is done by the Bank of Finland. Hence, this column includes some

liabilities held by entities not covered by the above definition of the public.

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

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

Table 5.4 Source: State Treasury Office. Other foreign currency-denominated debt (Column 2) consists of other bonds and debentures and long-term promissory notes. Other bonds and debentures are so-called private placements; long-term promissory notes are bank loans. Miscellaneous items (Column 7) include, inter alia, the liability for coinage (total coinage), promissory notes given to international financial organizations and, as a minus item, the liability to the State Pension Fund. Outstanding lending (Column 10) comprises the stock of loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

Table 5.5 Source: Table B: Statistics Finland from the beginning of 1991. Tables A and B include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. Table C includes transactions in markka-denominated bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by the banks entitled to central bank financing. As from 10 October 1994 the following act as primary dealers: Alfred Berg Pankkiirillike, Evli Fixed Income Securities, Goldman Sachs International, Handelsbanken Finland, Kansallis-Osake-Pankki, Okobank, Postipankki, Skopbank, Union Bank of Finland and Unibors Securities. The primary dealers' quotes are published daily (page JVKD on Reuters). Purchases from and sales to others (Columns 4 and 5) consist of transactions in benchmark government bonds between

primary dealers and other parties. Other parties refer to all parties that are not primary dealers.

Table 5.6 Source: The Helsinki Stock Exchange.

6 Balance of payments, foreign liabilities and assets

Table 6.1 The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts. The figures for investment income and expenditure (Columns 7 and 16) include reinvested earnings on direct investment. Preliminary data on reinvested earnings in the previous year have been included in the current account figures. (The annual figure is divided evenly between quarterly figures.)

Tables 6.2–6.4 Since the beginning of 1994, the former capital account of Finland's balance of payments has been compiled according to the IMF's new recommendations (IMF Balance of Payments Manual, Fifth Edition, 1993). As a result of the new classification, the contents of many of the items in the capital and financial account have been revised to some extent. In the same context, a number of other revisions and clarifications have been made. The main changes are listed below.

Table 6.2 Short-term foreign exchange transfers related to cash management flows between direct investors and their direct investment enterprises are classified as direct investment (Columns 1 and 14). Loans received by resident direct investors from group 'in-house' finance companies located abroad (intra-group loans) are also classified as direct investment (Column 14). Money market instruments are classified as portfolio investment (Columns 5 and 17). Premiums and margin payments arising from transactions in financial derivatives are included as a new item under portfolio investment (Columns 6 and 18). Financial derivatives also include payments arising from currency and interest rate swaps related to loans, i.e. outstanding loans are recorded according to the original loan contract. Medium-term notes (MTNs) are included under bonds (Columns 3 and 16). The category other investment (Columns 8–12 and 20–24) covers transactions related to trade credits, loans, currency and deposits and other assets and liabilities. Transactions in assets and liabilities related to short- and long-term supplier credits and advance payments related to imports and exports are recorded under trade credits (Columns 8 and 20). The item 'Other' (Columns 11 and 23) includes transactions in short- and long-term assets and liabilities of different sectors not covered by any of the items above. In addition, this category includes changes in the central government's subscriptions to and quotas in international organizations as well as transactions in the Bank of Finland's short- and long-term assets and liabilities (excl. reserve items). The most important sub-item under the item 'other' comprises banks' other short-term assets and liabilities (in practice interbank deposits). The central bank's reserve assets (Column 27) comprise gold, special drawings rights (SDRs), the reserve position in the IMF and convertible currency claims. A negative figure implies an increase in reserves.

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

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

7 Foreign trade

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

Table 7.1 The exceptionally large foreign trade figures for December 1994 are largely due to a one-off timing change in the compilation of foreign trade statistics caused by Finland's entry into the EU. This increased the value of imports by some FIM 3 billion and the value of exports by just under FIM 1 billion.

The trade figures for the early months of 1995 have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The official foreign trade statistics published by the Board of Customs are delayed owing to changes in statistical systems caused by Finland's entry into the EU.

Table 7.2 The volume indices (Columns 1 and 2) are calculated according to the Paasche formula and the unit value indices (Columns 3 and 4) according to the Laspeyres formula. The terms of trade (Column 5) is the ratio of the export unit value index to the import unit value index multiplied by one hundred.

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

8 Domestic economic developments

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

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

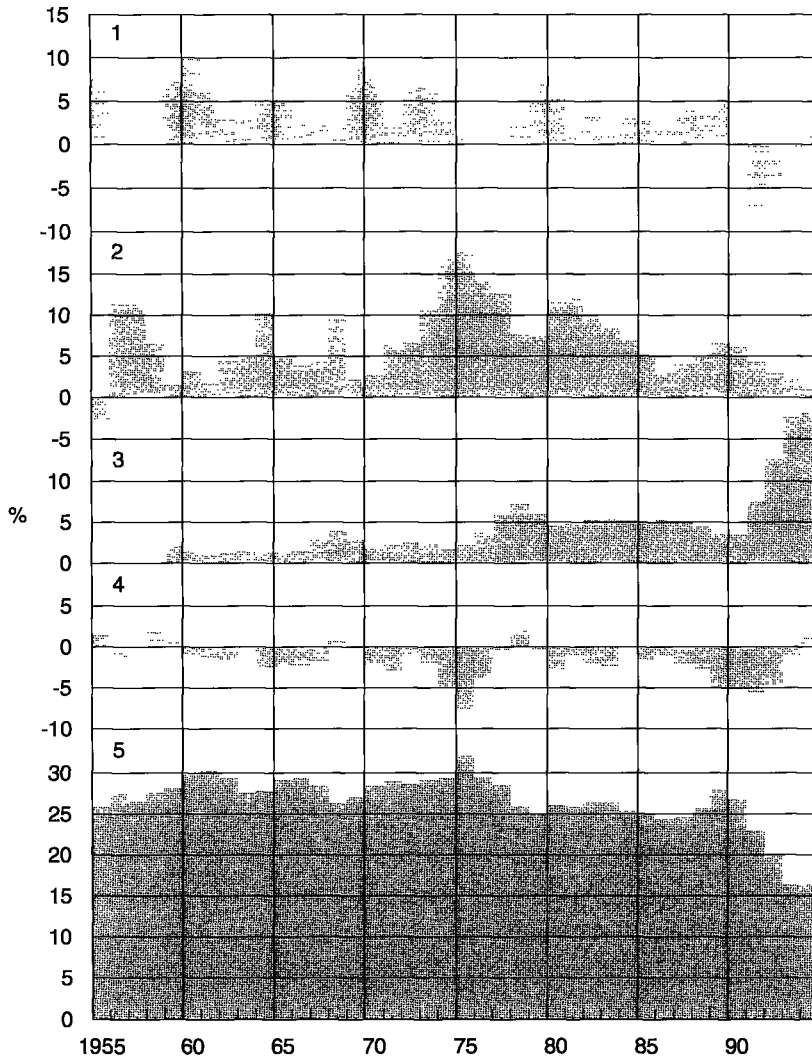
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

Table 8.6 Source: Ministry of Finance.

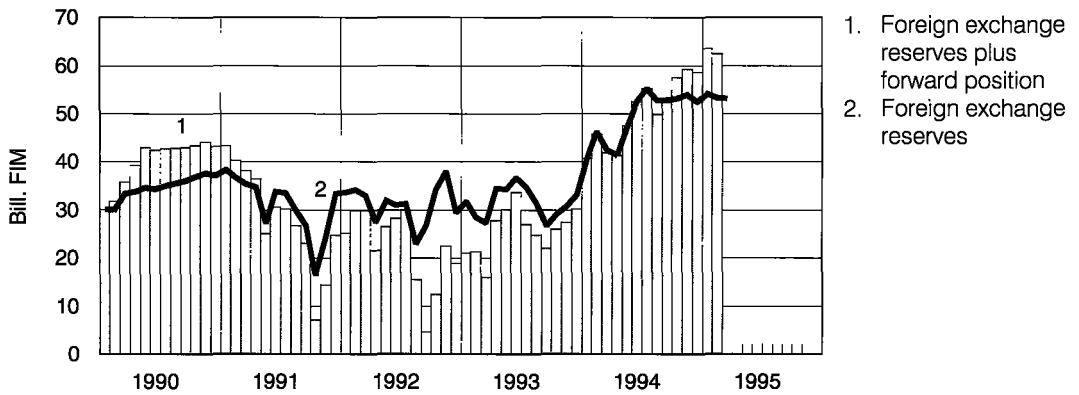
1. Long-term indicators	S30
2. The Bank of Finland's foreign exchange reserves and forward position	S31
3. Forward market	S31
4. Rates of interest set by the Bank of Finland	S31
5. Banks' liquidity position with the Bank of Finland	S32
6. Liquidity management interest rates	S32
7. HELIBOR rates of interest,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

1. LONG-TERM INDICATORS

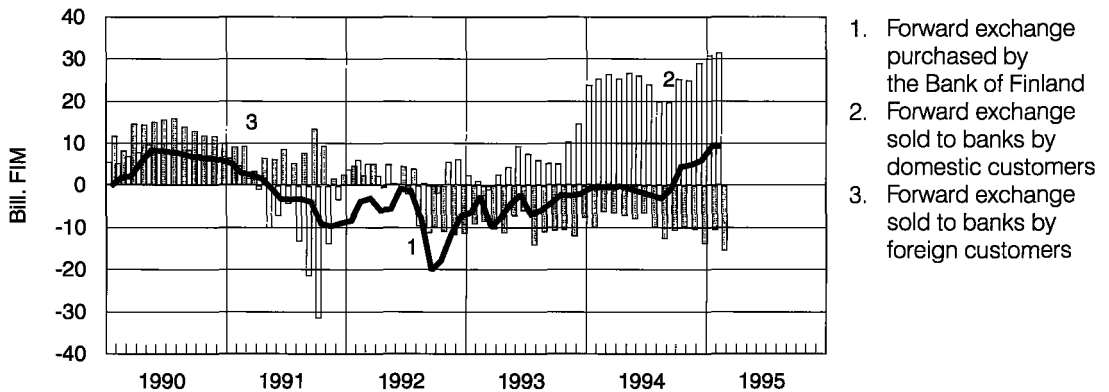


1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

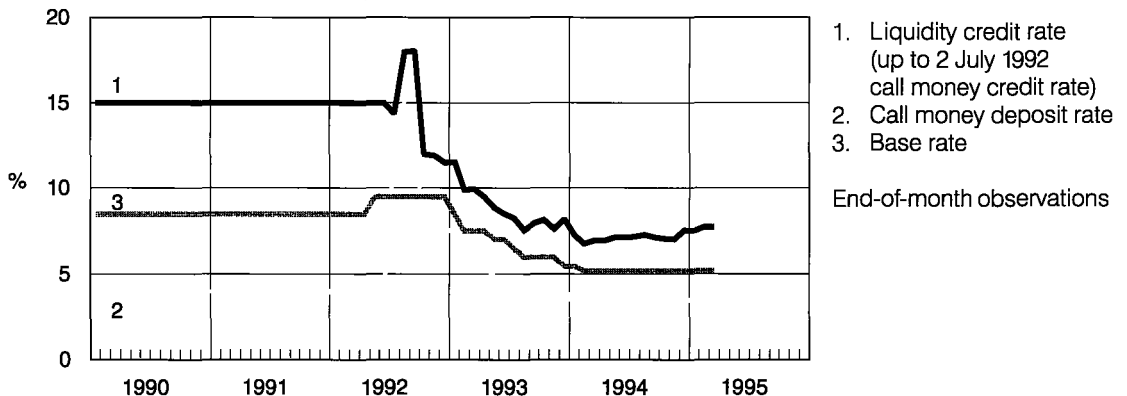
2. THE BANK OF FINLAND'S FOREIGN EXCHANGE RESERVES AND FORWARD POSITION



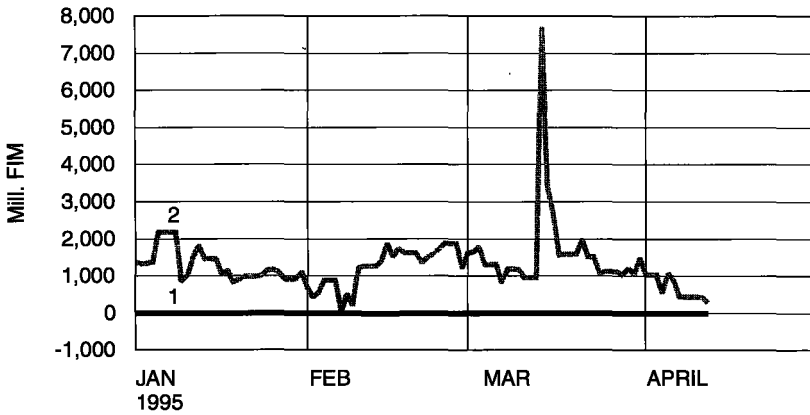
3. FORWARD MARKET



4. RATES OF INTEREST SET BY THE BANK OF FINLAND

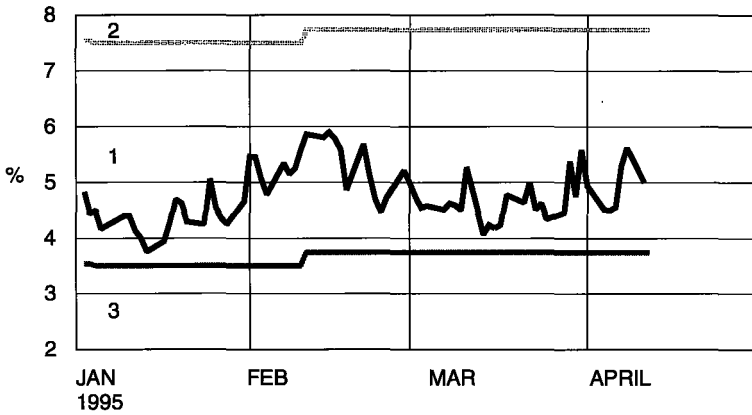


5. BANKS' LIQUIDITY POSITION WITH THE BANK OF FINLAND



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

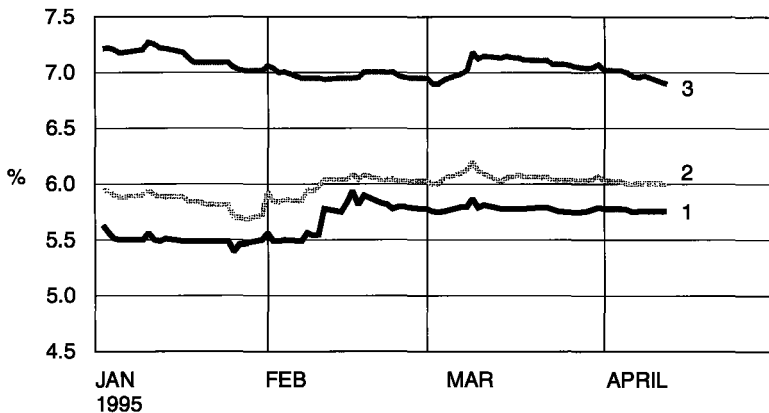
6. LIQUIDITY MANAGEMENT INTEREST RATES



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

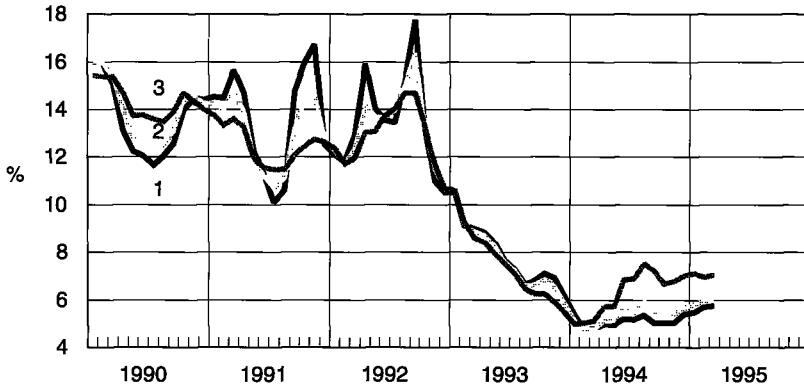
Daily observations

7. HELIBOR RATES OF INTEREST, DAILY



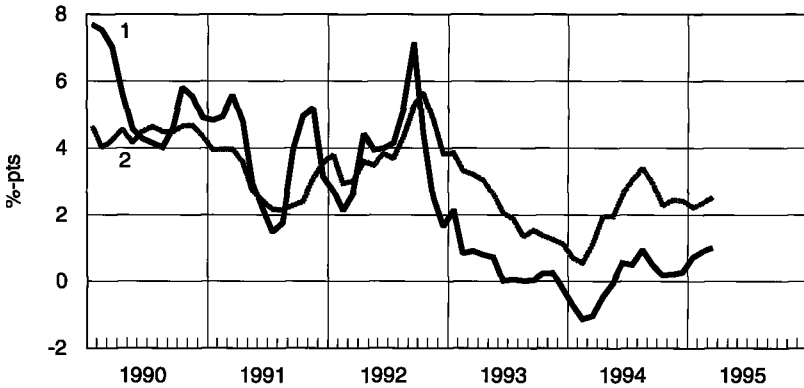
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

8. HELIBOR RATES OF INTEREST, MONTHLY



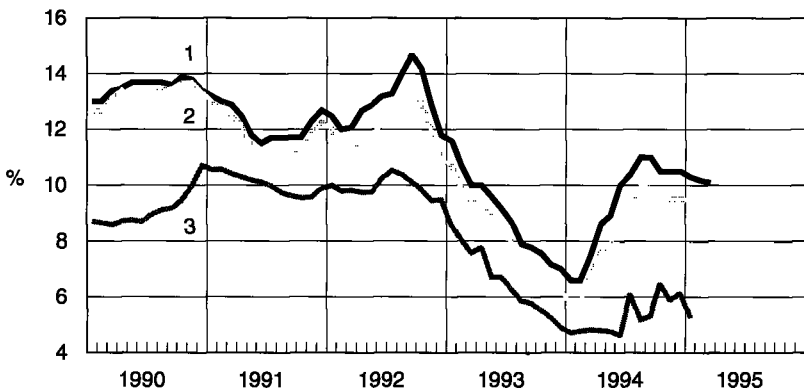
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. DIFFERENTIAL BETWEEN FINNISH AND GERMAN INTEREST RATES



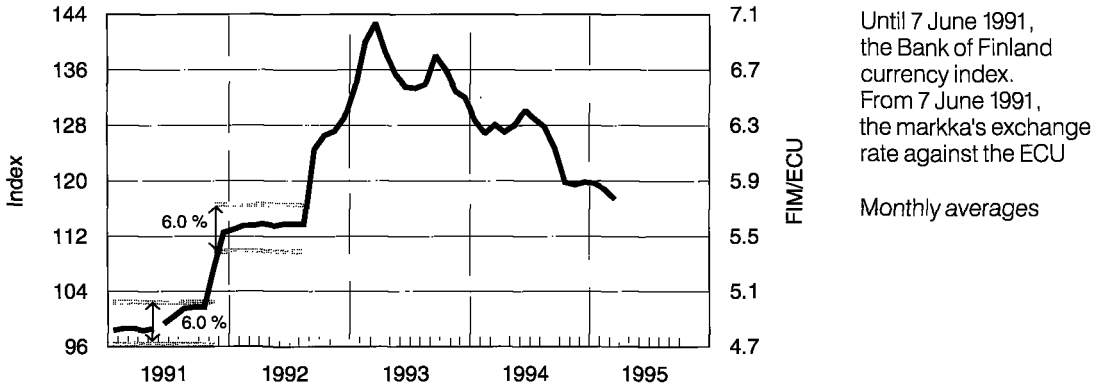
- 1. 3-month HELIBOR *minus* 3-month DEM eurorate
- 2. 5-year Finnish government bond yield *minus* 5-year German government bond yield

10. YIELDS ON BONDS

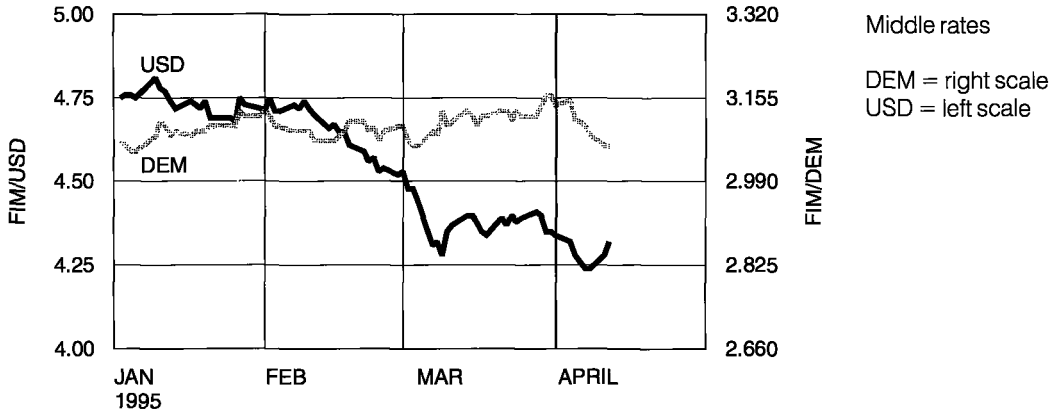


- 1. Bank of Finland's 5-year reference rate
- 2. Yield on (4-5 year) taxable government bonds
- 3. Yield on (4-5 year) taxfree government bonds

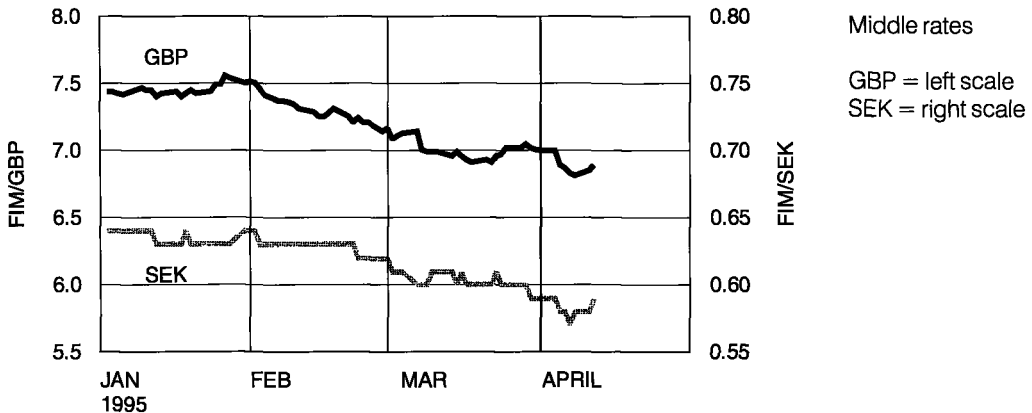
11. BANK OF FINLAND CURRENCY INDEX AND THE MARKKA VALUE OF THE ECU



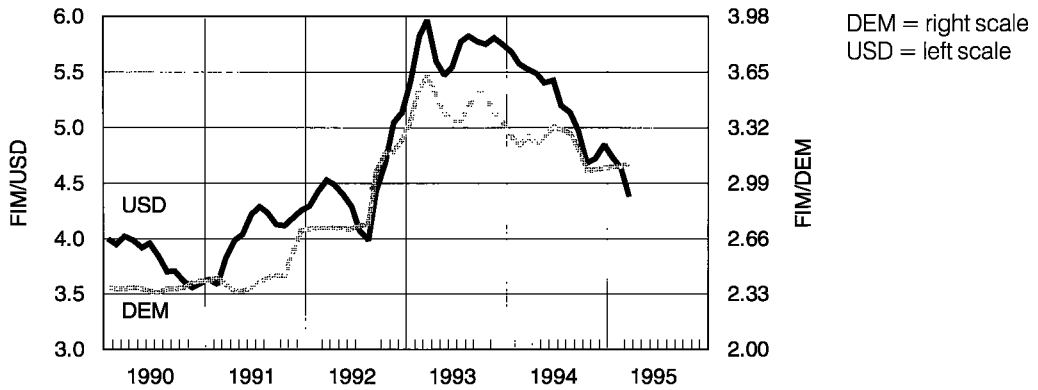
12. DAILY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



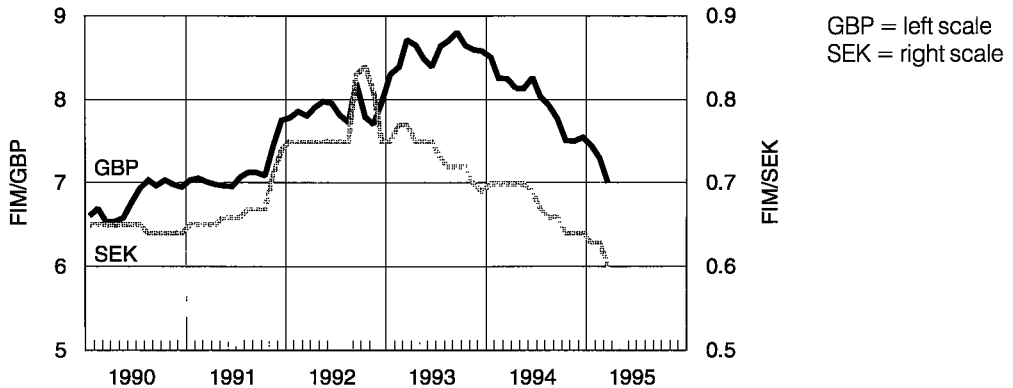
13. DAILY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



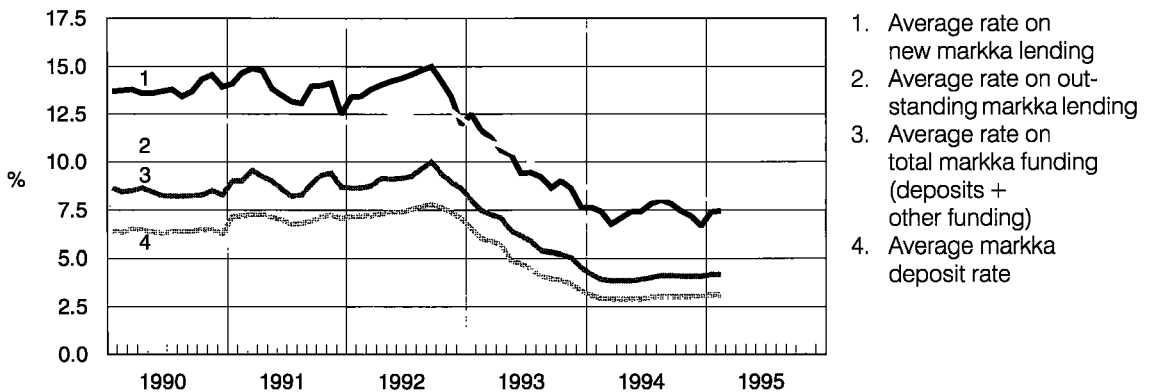
14. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



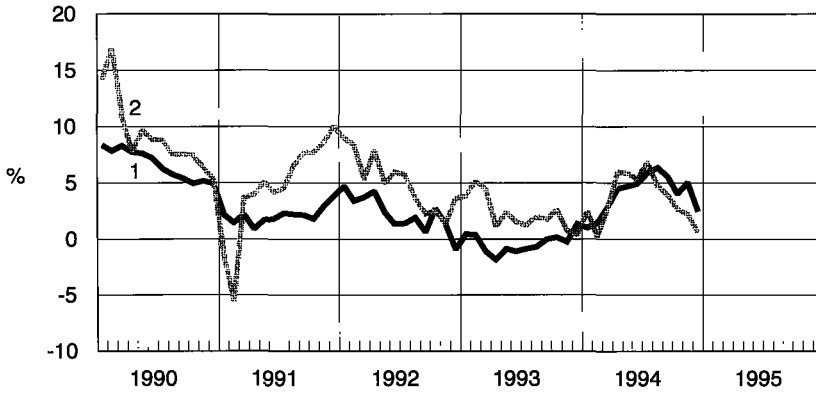
15. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



16. BANKS' MARKKA LENDING RATES AND MARKKA FUNDING RATES



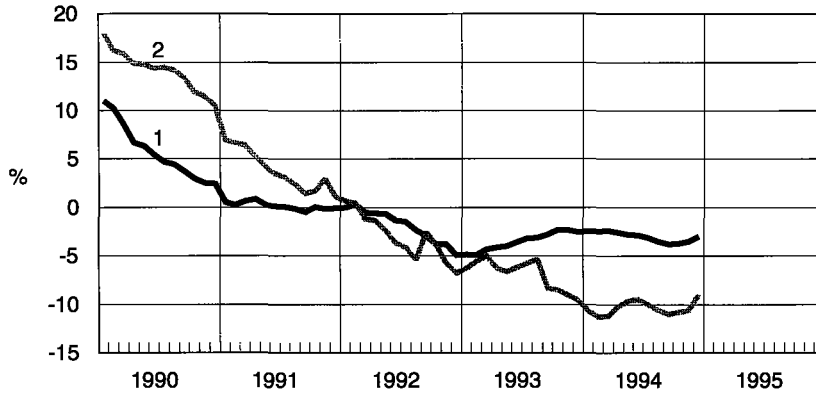
17. BANK FUNDING FROM THE PUBLIC



- 1. Markka deposits
- 2. Total funding

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

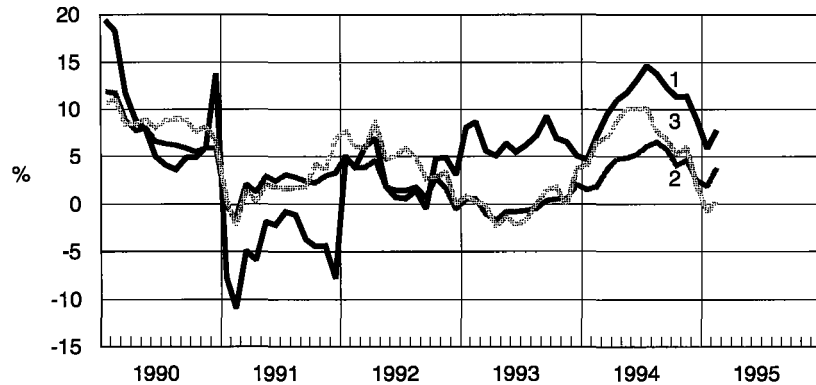
18. BANK LENDING TO THE PUBLIC



- 1. Markka lending
- 2. Total lending

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

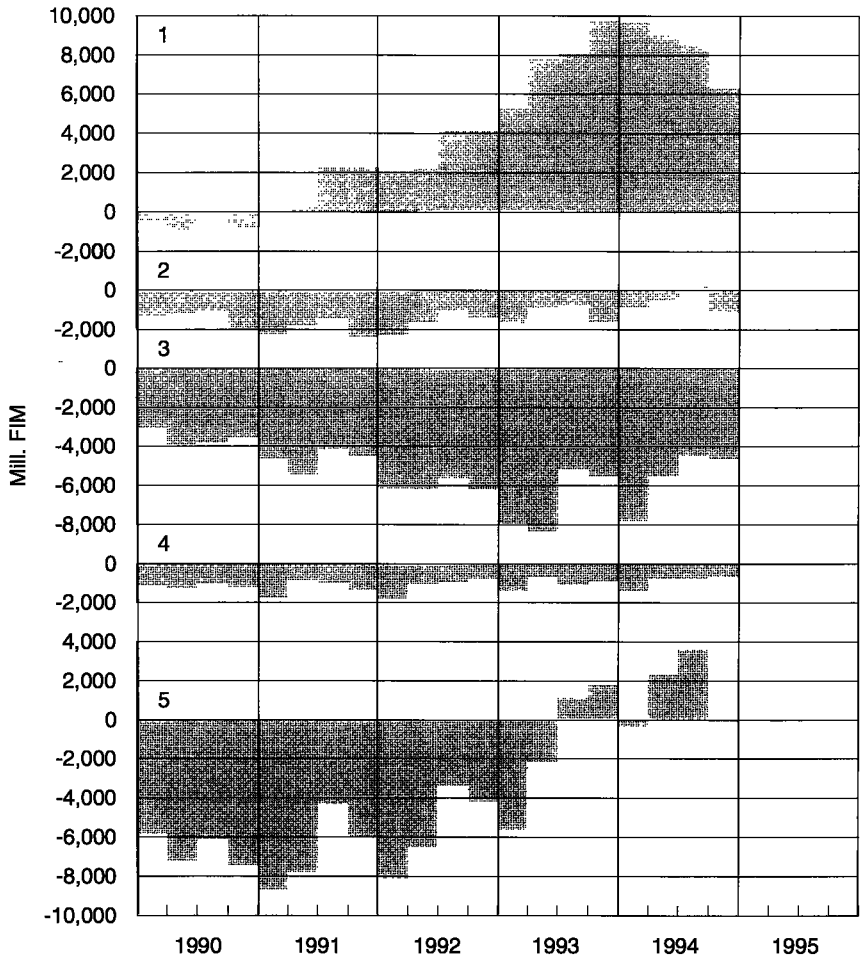
19. MONEY SUPPLY



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

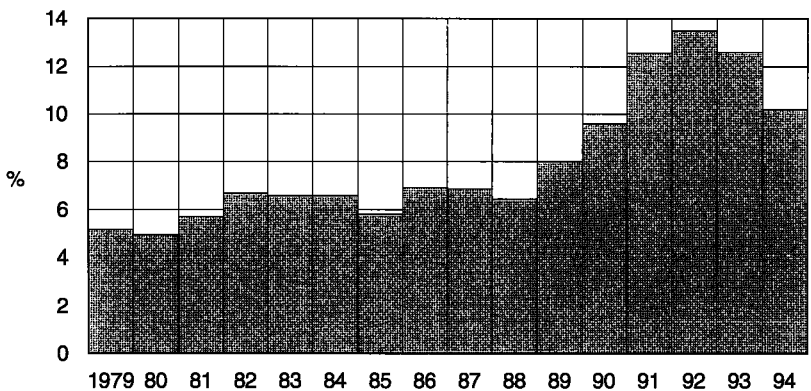
Change from the corresponding month of the previous year, per cent

20. CURRENT ACCOUNT



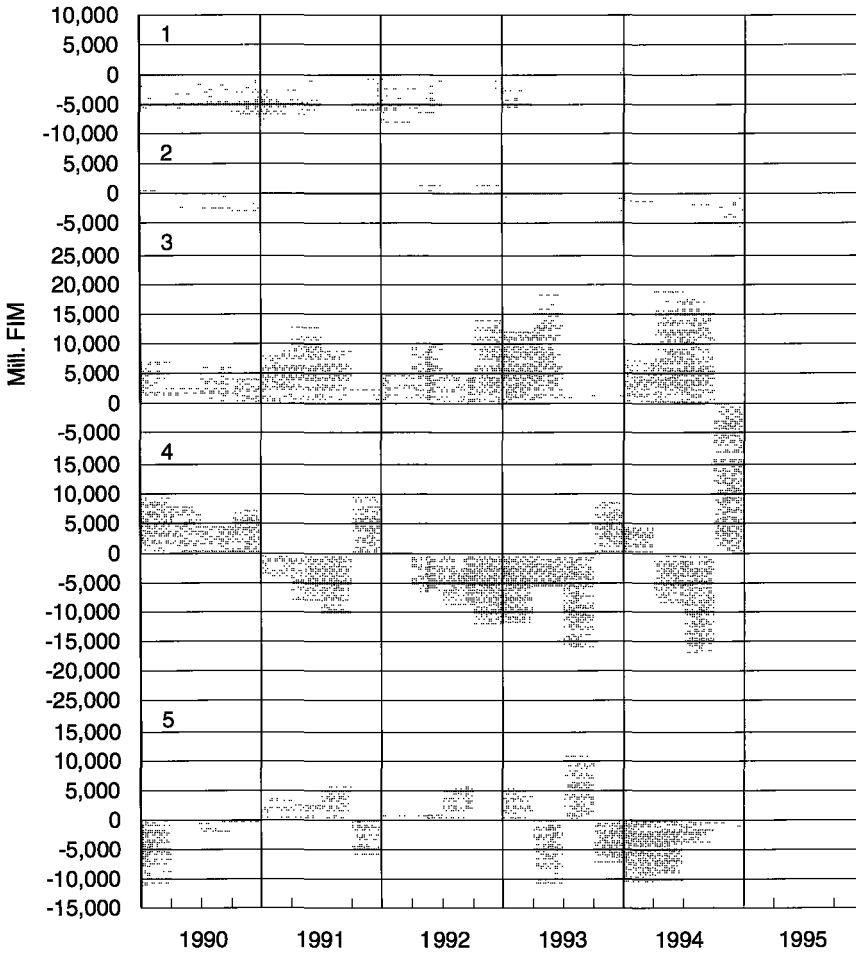
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

21. NET INTEREST AND DIVIDEND EXPENDITURE



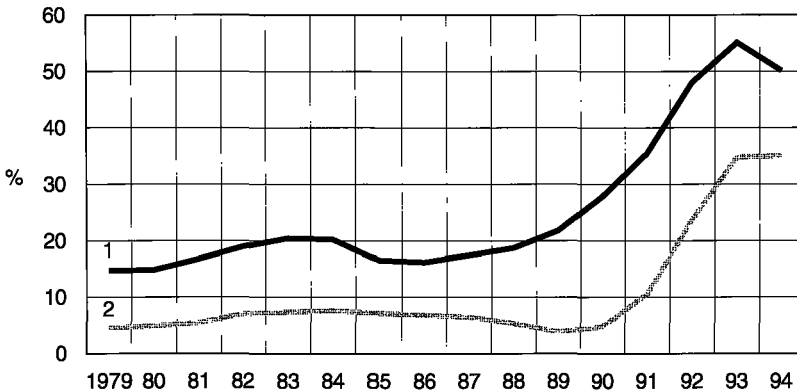
As a percentage of current account receipts

22. BALANCE OF PAYMENTS



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

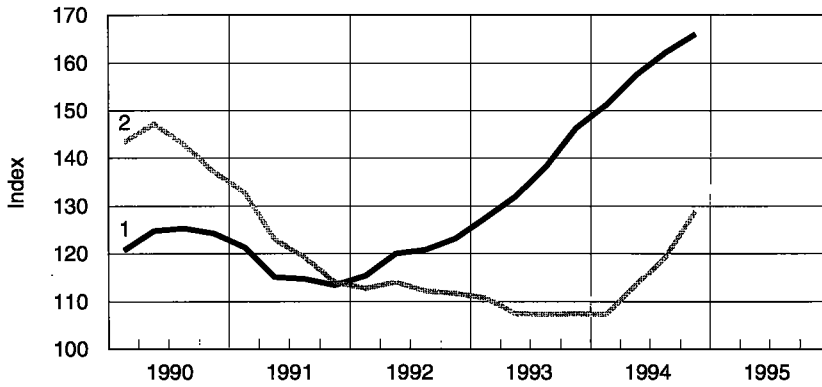
23. FINLAND'S NET INTERNATIONAL INVESTMENT POSITION



- 1. Total
- 2. Of which: central government

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

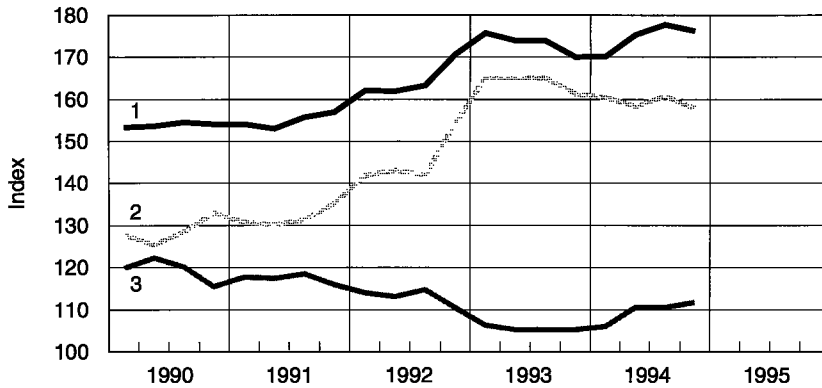
24. FOREIGN TRADE



1. Total exports
2. Total imports

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

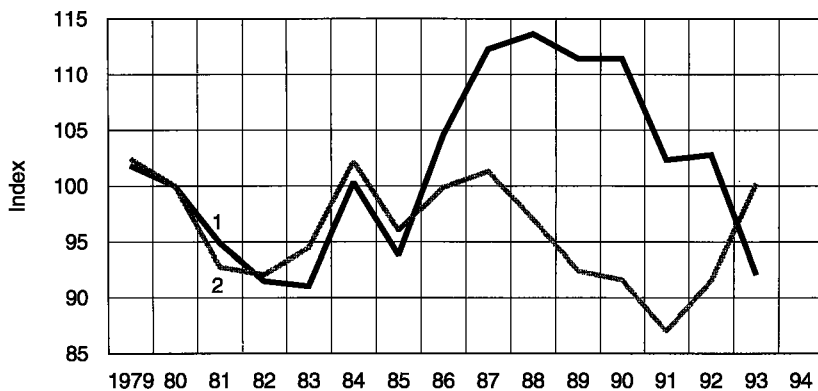
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



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

1980 = 100

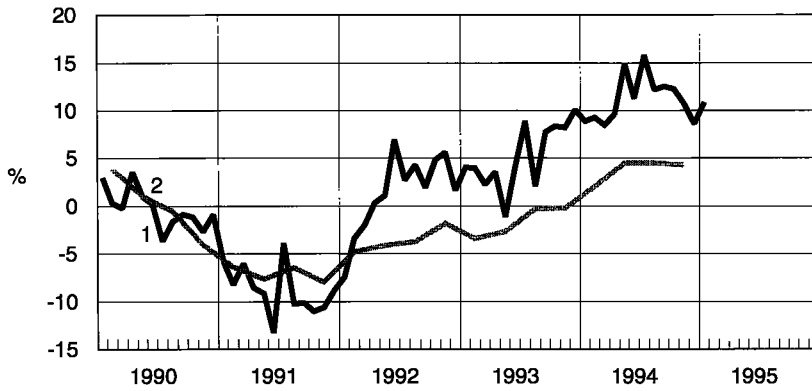
26. FINLAND'S EXPORT PERFORMANCE



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

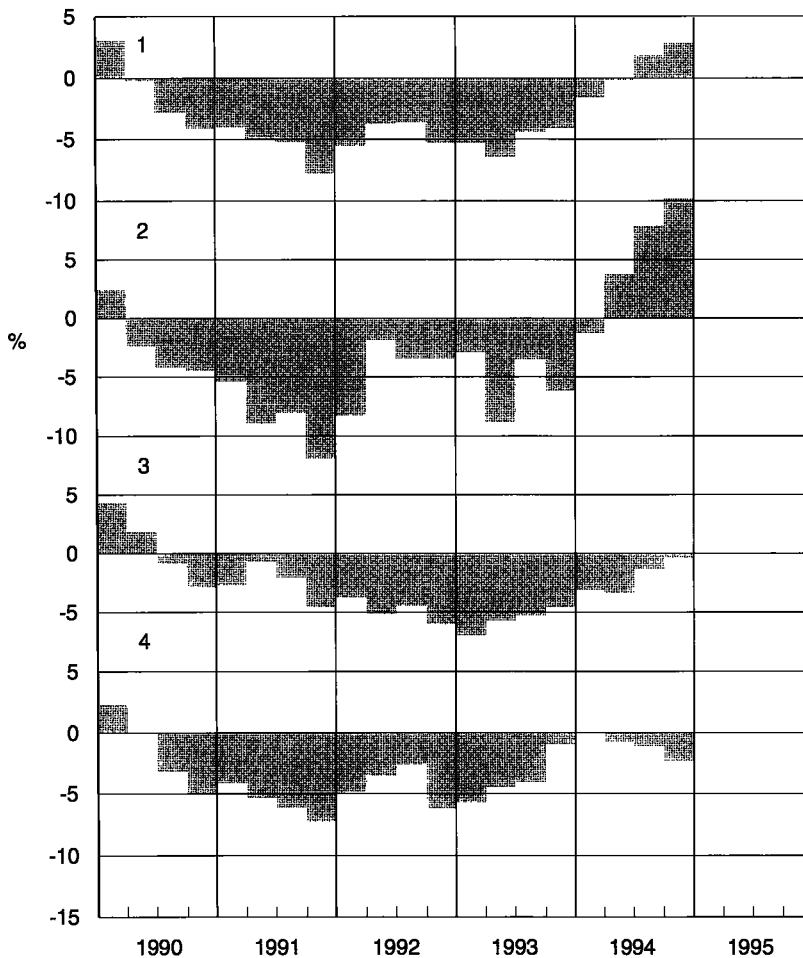
1980 = 100

27. PRODUCTION



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

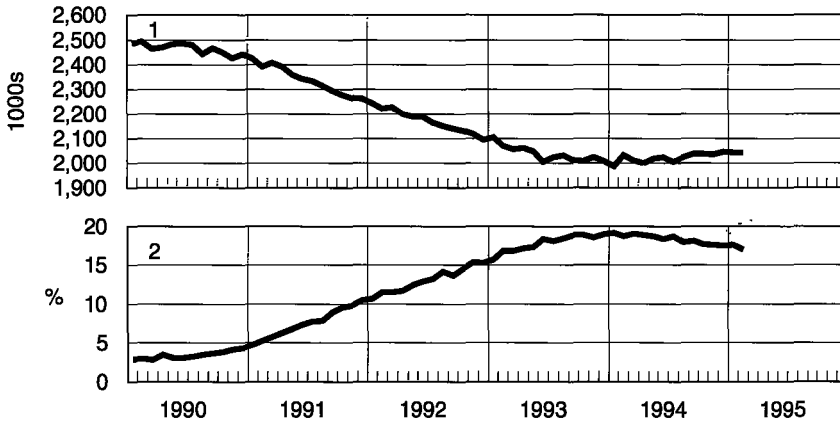
28. FIXED INVESTMENT



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

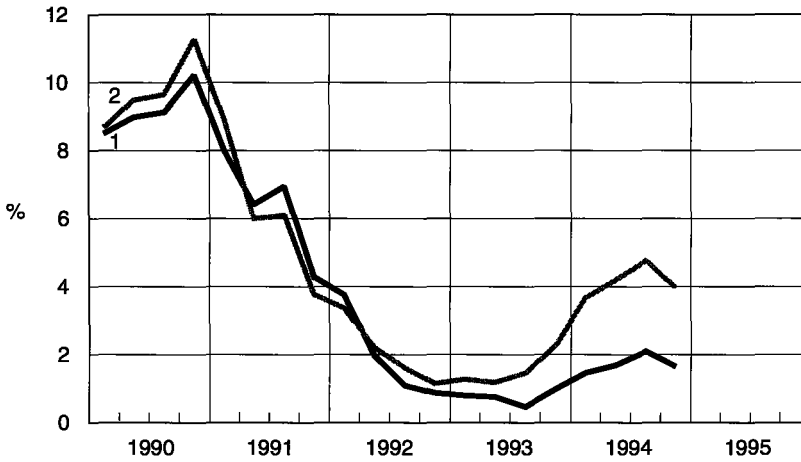
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



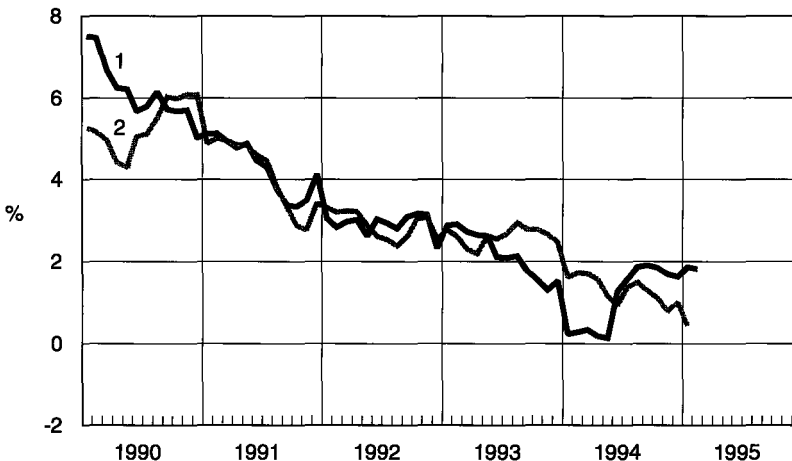
- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES



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

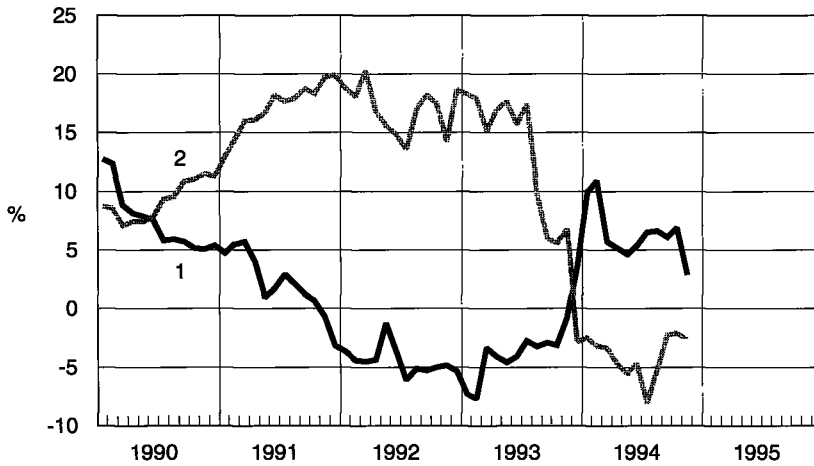
Change from the corresponding quarter of the previous year, per cent



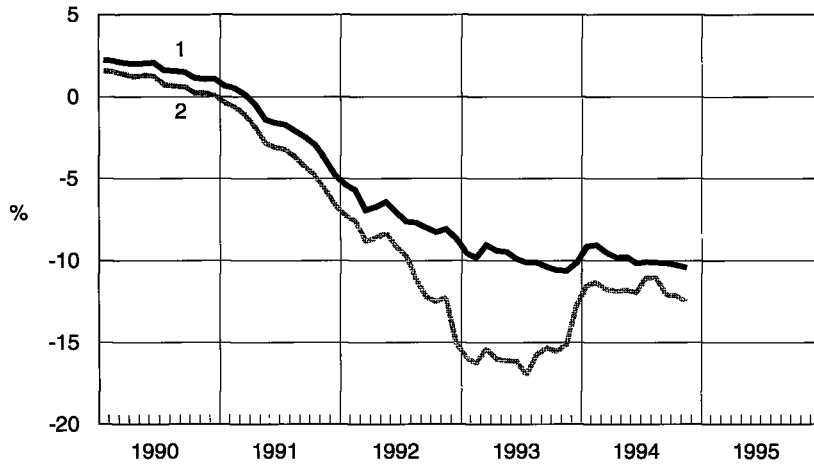
- 1. Consumer price index
- 2. Indicator of underlying inflation

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

31. CENTRAL GOVERNMENT FINANCES

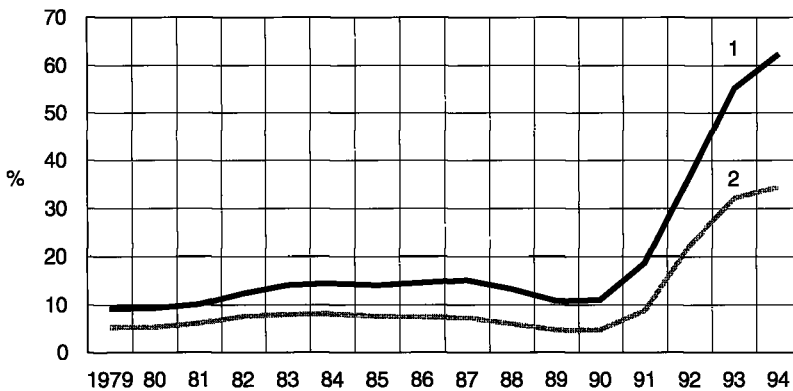


1. Revenue excl. borrowing
2. Expenditure excl. redemptions of central government debt



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

32. CENTRAL GOVERNMENT DEBT



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

BANK OF FINLAND

5 April 1995

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