



BANK OF FINLAND

Monthly Bulletin

Bank automation

**Finnish economy in 1976 and
the current outlook**

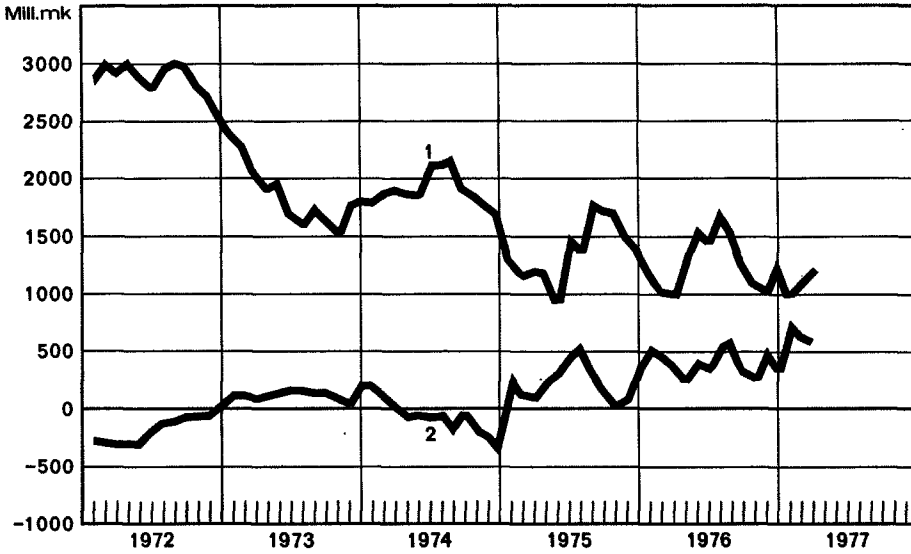
**Finland's first nuclear power plant
inaugurated**

**Board of Management of
the Bank of Finland**

MAY 1977

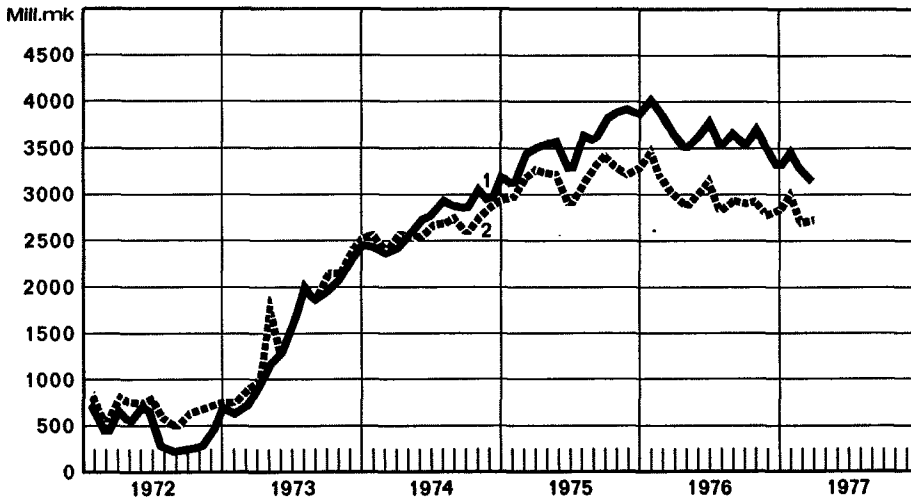
Vol. 51 No. 5

BANK OF FINLAND'S CONVERTIBLE AND NON-CONVERTIBLE FOREIGN EXCHANGE RESERVES, 1972 - 1977



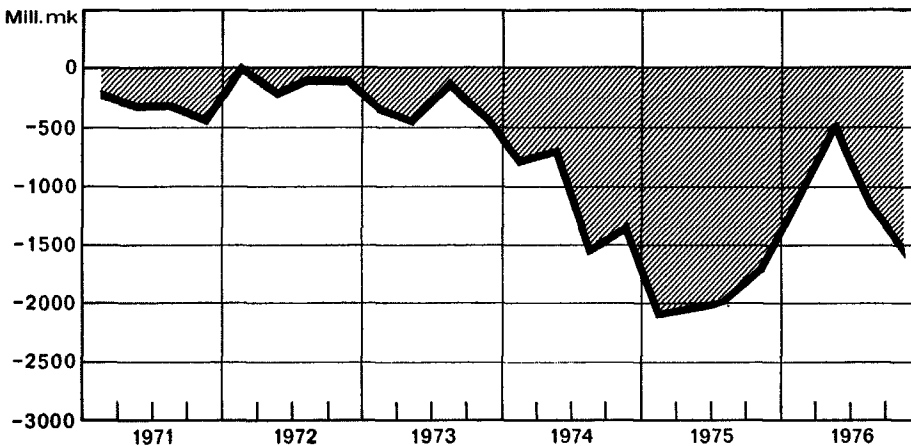
- 1. Gold and convertible currencies
- 2. Non-convertible currencies

BANK OF FINLAND'S POSITION WITH REGARD TO THE DOMESTIC FINANCIAL SECTOR, 1972 - 1977



- 1. Net receivables from the domestic financial sector
 - 2. Discounted and rediscounted bills
- Seasonally adjusted end-of-month figures

BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS / DEFICIT, 1971 - 1976



Seasonally adjusted quarterly figures

BANK AUTOMATION

Rapid progress in bank automation has been stimulated by the particular characteristics of the Finnish banking system. In contrast to the position in many other countries, there are only a few, large commercial banks alongside strong co-operative and savings banks movements and the Postipankki (post bank). These banks and banking groups have sizeable networks of branch offices all around the country; consequently the transmitting of payments to head office or to another bank and the updating of customer accounts by physical transportation of documents have both involved great problems. For some years now, customer accounts have been processed in bank computer centres in or near Helsinki.

Another special feature of the Finnish payments system has been the relatively small use of cheques — the passbook remains the major account document, and bank and postal giros are also important. It is only recently that the use of cheques has started to grow more rapidly. Through the automation of the payments system it is hoped that the more widespread use of cheques, and the accompanying increase in costs, can be avoided.

These factors have caused an almost simultaneous effort by all the banks to proceed towards on-line or real time computer systems, with vast terminal networks and a complex of minicomputer data concentrators in the different regions of the country. The aim of the current operation, started in 1976, is to switch rapidly away from physical transportation of the documents, towards data transmission through the telephone system.

For each bank or banking group this has meant a large investment in EDP centres for main computers as well as in terminals and data concentrators. The total cost of these investments can be estimated at 500—600 million marks. The number of bank branch terminals alone will be some six or seven thousand when

the real time and on-line systems are completed at the end of this decade. A large number of the terminals are produced domestically, which somewhat reduces the otherwise heavy reliance on imported EDP equipment. These investments have been expected to bring potentially high labour savings and to improve the service to bank customers. The saving in the number and the cost of bank staff was regarded as a particularly important factor in the boom period of early 1970's when the investment decisions were made. Now, with the economy's growth prospects and employment situation somewhat different, the labour shortage seems to be losing some of its importance.

The rapid pace of bank automation is not, of course, a purely Finnish phenomenon. In order to improve their services and to cope with a growing number of documents, banks in general have gone over to computer-based terminal networks. What is extraordinary in Finland is the rapidity and simultaneity of the movement by the banks. At the beginning competition in introducing data processing system was to be seen; gradually, more and more co-operation has been emerging.

The most obvious example of co-operation is the automation of payments between banks. Three years ago, the major commercial banks, the Postipankki and the Bank of Finland started a joint project, POLM, to plan an on-line domestic bank transfer system. The need for additional equipment for this purpose would be very small, because it could be done by linking the banks' existing computer systems. The aim now is to start implementing this plan. The first phase has started early this year, with magnetic tapes containing payments details being transferred between the banks' computer centres. In this phase direct credits and cheques are included in the tape exchange system. Transportation of cheques between banks is avoided by truncating the cheques in the

recipient bank branch. As in the old system, clearing between the banks takes place in the Bank of Finland. In the new system, the number of documents in the clearing will be much smaller because only the sums of the machine-coded transactions will have to be cleared.

It can be seen that, technically, progress towards on-line transfers is happening in stages, and the final outcome, a complete on-line domestic transfer system may come about at the turn of this decade. Several possible further developments have been under investigation, one of them being a general bank card. One of the preconditions for and benefits of an on-line payments system has been increasing standardization of procedures in different banks.

The present computer systems of the banks are heavily concentrated on Helsinki. The only exception is the Postipankki, which has regional data centres as well. Current technical development, especially of less expensive minicomputers, would favour a more decentralized payments system. In a country with a relatively large area like Finland, regionally decentralized systems would be a quite natural development.

In the international transfer of payments between banks, progress is going to be rapid. All the seven major Finnish banks are participating in SWIFT, the international computer-based payments transfer system, that is just

now entering into operation. According to the schedule, Finnish and Swedish banks will start transmission of payments through the SWIFT network in the latter part of this year. To start with, the network covers the major banks in 13 Western European countries plus the USA and Canada, and it will be extended at least to Japan. Some discussion has been going on about extending the SWIFT network to the Eastern European countries as well.

The SWIFT network is separate from the domestic payments system. Each bank in Finland has its own minicomputer terminals especially for SWIFT traffic. These terminals are connected through a data concentrator by two telephone line routes to the main SWIFT computers in Brussels and Amsterdam. The main route from Helsinki goes via Copenhagen to Brussels, the other via Stockholm and Oslo to Leiden, near Amsterdam. In other respects, too, security and reliability are given a high priority in the SWIFT system.

The main motivation for the creation of the SWIFT system, and the main benefit to Finnish banks in joining it is expected savings in cost. It is also expected that the system will enable the banks to meet the demand for better, and probably also faster service in international transfer of payments. It remains to be seen, however, how far these goals can be achieved by the new system.

April 21, 1977

	1976		1977			
	Apr. 30	Dec. 31	Apr. 7	Apr. 15	Apr. 22	Apr. 29
Assets						
Gold and foreign exchange receivables	1 721	1 801	2 170	2 430	2 216	2 050
Gold	121	121	127	127	127	127
Special drawing rights	272	236	221	221	221	221
Convertible currencies	1 000	1 004	1 185	1 300	1 106	976
Tied currencies	328	440	637	782	762	726
Other foreign receivables	1 449	1 660	1 718	1 715	1 726	1 733
Foreign bills	281	436	441	441	451	455
Foreign bonds	342	397	450	447	448	451
Currency subscription to Finland's quota in the IMF	826	827	827	827	827	827
Receivables from financial institutions	4 344	4 674	4 317	3 626	4 412	4 092
Cheque accounts of the commercial banks	193	174	160	153	182	152
Discounted bills	3 053	2 920	2 588	2 245	2 421	2 460
Bonds	413	332	350	354	395	375
Call money market advances	671	1 204	1 192	861	1 372	1 050
Other financial institution receivables	14	44	27	13	42	55
Receivables from the public sector	341	447	433	435	434	407
Bonds	70	67	74	73	74	74
Total coinage	269	279	287	287	288	288
Other public sector receivables	2	101	72	75	72	45
Receivables from corporations	1 126	1 400	1 342	1 348	1 357	1 398
New export bills	128	165	178	179	181	182
Financing of suppliers' credits	456	554	581	590	590	616
Bonds	208	198	190	189	188	188
Other corporate receivables	334	483	393	390	398	412
Other assets	47	53	61	61	61	62
Total	9 028	10 035	10 041	9 615	10 206	9 742
Liabilities						
Foreign exchange liabilities	94	101	89	90	83	94
Convertible accounts	47	50	62	63	54	65
Tied accounts	47	51	27	27	29	29
Other foreign liabilities	1 413	1 923	1 923	1 923	1 923	1 923
IMF mark accounts	1 155	1 665	1 665	1 665	1 665	1 665
Allocations of special drawing rights	258	258	258	258	258	258
Notes and coins in circulation	2 676	2 885	2 903	2 850	2 856	2 924
Notes	2 441	2 635	2 651	2 598	2 604	2 671
Coins	235	250	252	252	252	253
Deposit certificates in circulation	—	—	180	180	180	180
Claims of financial institutions	684	1 143	1 221	967	1 551	1 065
Cheque account of Postipankki	0	2	0	0	1	1
Cheque accounts of the commercial banks	1	2	1	2	1	3
Call money market deposits	679	1 137	1 180	945	1 540	1 050
Other financial institution claims	4	2	40	20	9	11
Claims of the public sector	1 390	1 133	665	595	588	512
Cheque accounts	1	2	0	0	2	0
Counter-cyclical reserves	55	59	34	34	34	34
Import deposits	1 296	973	498	429	419	345
Other public sector claims	38	99	133	132	133	133
Claims of corporations	523	308	307	273	272	272
Investment deposits	68	58	57	57	57	54
Capital import deposits	441	242	241	200	200	201
Import levy deposits	8	6	7	11	11	13
Other corporate claims	6	2	2	5	4	4
Other liabilities	12	13	15	14	13	14
Equalization accounts	335	592	768	750	763	778
Capital accounts	1 901	1 937	1 970	1 973	1 977	1 980
Primary capital	1 400	1 400	1 400	1 400	1 400	1 400
Reserve fund	334	334	436	436	436	436
Undisposed profits	97	—	102	102	102	102
Net earnings	70	203	32	35	39	42
Total	9 028	10 035	10 041	9 615	10 206	9 742

End of year and month	Foreign sector							Public sector			Deposit certificates in circulation
	Gold and convertible exchange receivables	Convertible exchange liabilities	Gold and convertible exchange reserve (1-2)	Non-convertible exchange reserve	Other receivables	Other liabilities	Net receivables (3+4+5-6)	Receivables	Liabilities	Net liabilities (9-8)	
	1	2	3	4	5	6	7	8	9	10	
1970	1 812	11	1 801	- 63	639	606	1 771	119	121	2	203
1971	2 620	30	2 590	-297	686	704	2 275	148	140	- 8	400
1972	2 613	43	2 570	- 6	757	788	2 533	175	49	-126	790
1973	1 928	65	1 863	210	803	788	2 088	200	534	334	1 450
1974	1 784	62	1 722	-388	1 123	788	1 669	302	560	258	1 040
1975	1 488	78	1 410	368	1 274	1 385	1 667	339	1 301	962	250
1976	1 361	50	1 311	389	1 660	1 923	1 437	447	1 133	686	-
1976											
March	1 184	157	1 027	378	1 442	1 413	1 434	338	1 465	1 127	-
April	1 393	47	1 346	281	1 449	1 413	1 663	341	1 390	1 049	-
May	1 627	46	1 581	434	1 465	1 922	1 558	352	1 360	1 008	-
June	1 546	48	1 498	392	1 456	1 923	1 423	350	1 320	970	-
July	1 800	62	1 738	507	1 483	1 923	1 805	361	1 227	866	-
Aug.	1 670	123	1 547	620	1 503	1 923	1 747	388	1 263	875	-
Sept.	1 414	142	1 272	355	1 533	1 923	1 237	415	1 188	773	-
Oct.	1 257	134	1 123	304	1 560	1 923	1 064	421	1 130	709	-
Nov.	1 197	123	1 074	529	1 595	1 923	1 275	432	1 215	783	-
Dec.	1 361	50	1 311	389	1 660	1 923	1 437	447	1 133	686	-
1977											
Jan.	1 074	53	1 021	768	1 636	1 923	1 502	440	979	539	-
Feb.	1 180	49	1 131	654	1 637	1 923	1 499	426	873	447	-
March	1 292	60	1 232	608	1 692	1 923	1 609	433	739	306	180
April	1 324	65	1 259	697	1 733	1 923	1 766	407	512	105	180

¹ The balance sheet of the Bank of Finland was revised in Dec. 1974.
See explanations on page 18

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1976			Net holdings, March 31, 1977			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	March	Jan.-Mar.
	Gold	121	-	121	127	-	127	-
Special drawing rights	236	-	236	221	-	221	-15	-15
IMF gold tranche	-	-	-	-	-	-	-	-
Convertible currencies	954	-1 783	-829	884	-2 568	-1 684	-424	-855
Total	1 311	-1 783	-472	1 232	-2 568	-1 336	-439	-864
Non-convertible currencies	389	-27	362	608	-22	586	-43	+224

End of year and month	Domestic financial sector						Corporate sector				Notes and coins in circulation
	Dis-counted and redis-counted bills	Cheque account receiv-ables ²	Other receiv-ables	Cheque account liabilities to the commer-cial banks ³	Cheque account liabilities to Posti-pankki ³	Other liabili-ties	Net receiv-ables (1+2+3-4-5-6)	Receiv-ables	Liabili-ties	Net receiv-ables (8-9)	
	1	2	3	4	5	6	7	8	9	10	11
1970	836	3	—	1	4	—	834	383	324	59	1 455
1971	849	—	—	9	2	—	838	355	385	— 30	1 413
1972	753	5	—	—	2	—	756	321	73	248	1 879
1973	2 556	61	—	—	2	—	2 615	372	259	113	2 082
1974	3 034	114	266	4	4	1	3 405	631	195	436	2 462
1975	3 385	133	646	3	1	25	4 135	933	539	394	2 855
1976	2 920	174	1 580	2	2	1 139	3 531	1 400	308	1 092	2 885

1976

March	3 035	202	1 421	1	1	843	3 813	1 098	427	671	2 544
April	3 053	193	1 098	1	0	683	3 660	1 126	523	603	2 676
May	3 235	176	1 004	2	0	551	3 862	1 175	488	687	2 775
June	3 358	196	1 111	1	0	685	3 979	1 215	413	802	2 969
July	2 775	164	1 189	3	0	793	3 332	1 284	374	910	2 895
Aug.	2 749	169	926	3	0	531	3 310	1 297	301	996	2 858
Sept.	3 031	185	1 153	2	0	783	3 584	1 342	189	1 153	2 840
Oct.	3 148	164	1 566	3	0	1 005	3 870	1 356	297	1 059	2 882
Nov.	3 036	178	1 401	5	1	785	3 824	1 315	352	963	2 839
Dec.	2 920	174	1 580	2	2	1 139	3 531	1 400	308	1 092	2 885

1977

Jan.	2 729	119	2 095	2	0	1 673	3 268	1 308	244	1 064	2 758
Feb.	2 604	176	2 405	1	1	1 865	3 318	1 306	353	953	2 790
March	2 769	123	1 690	2	0	1 322	3 258	1 321	307	1 014	2 845
April.	2 460	152	1 480	3	1	1 061	3 027	1 398	272	1 126	2 924

¹ The balance sheet of the Bank of Finland was revised in Dec. 1974. See explanations on page 18.

² Including special index accounts

³ Including cash reserve accounts.

SELLING RATES FOR FOREIGN EXCHANGE

Mk

April 21, 1977

New York ¹	1 \$	4.052	Frankfurt o. M.	100 DM	171.20	Vienna	100 S	24.05
Montreal	1 \$	3.870	Amsterdam	100 FI	164.20	Lisbon	100 Esc	10.55
London	1 £	6.970	Brussels ²	100 Fr		Madrid	100 Pta	5.93
Stockholm	100 Kr	93.30	Zurich	100 Fr	161.00	Tokyo	100 Y	1.465
Oslo	100 Kr	76.90	Paris	100 FF	81.80	Reykjavik	100 Kr	2.10
Copenhagen	100 Kr	67.90	Rome	100 Lit	0.459	Moscow ³	1 Rbl	5.431

¹ As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.

² 11.170 commercial rate; 11.130 financial rate.

³ Clearing account; also Bucharest.

DEPOSITS BY THE PUBLIC

Mill. mk

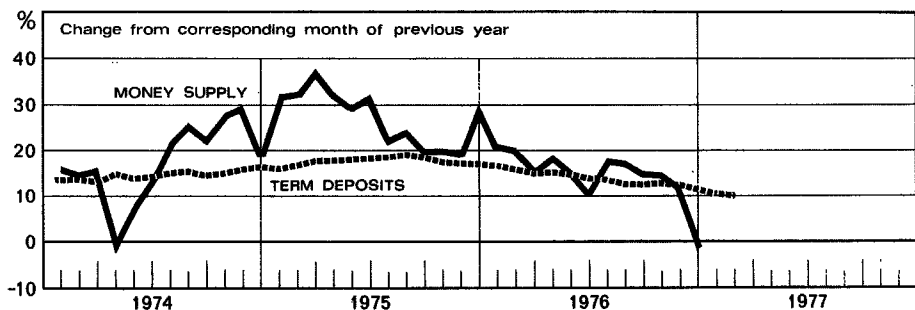
End of year and month	Sight deposits			Term deposits						Total (2 + 3 + 9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1970	1 143	1 508	603	6 099	4 847	3 458	1 288	574	16 266	18 377
1971	1 343	1 734	754	6 962	5 446	3 877	1 491	642	18 418	20 906
1972	1 851	2 371	979	8 096	6 232	4 500	1 806	720	21 353	24 703
1973	2 144	2 892	1 360	8 989	7 109	5 237	2 159	805	24 299	28 551
1974	2 551	3 478	1 638	10 213	8 288	6 308	2 641	921	28 371	33 487
1975	3 447	4 642	2 301	11 764	9 751	7 538	3 170	1 094	33 317	40 260
1976*	3 028	4 386	2 332	12 789	11 066	8 622	3 578	1 255	37 310	44 028

1976*

Feb.	2 855	4 188	2 258	11 929	10 033	7 779	3 263	1 132	34 136	40 582
March	3 007	4 336	2 032	11 837	10 032	7 751	3 224	1 139	33 983	40 351
April	3 040	4 120	2 155	11 894	10 080	7 819	3 270	1 148	34 211	40 486
May	2 843	4 021	2 048	11 972	10 174	7 870	3 292	1 161	34 469	40 538
June	3 004	4 222	1 865	11 963	10 279	7 971	3 332	1 167	34 712	40 799
July	2 985	4 176	1 951	11 966	10 389	8 064	3 390	1 184	34 993	41 120
Aug.	3 102	4 375	1 968	11 988	10 531	8 216	3 423	1 194	35 352	41 695
Sept.	2 856	4 094	1 935	11 896	10 545	8 286	3 426	1 213	35 366	41 395
Oct.	2 715	3 930	1 948	11 986	10 599	8 341	3 465	1 231	35 622	41 500
Nov.	2 933	4 170	1 913	12 031	10 769	8 477	3 480	1 248	36 005	42 088
Dec.	3 028	4 386	2 332	12 789	11 066	8 622	3 578	1 255	37 310	44 028

1977*

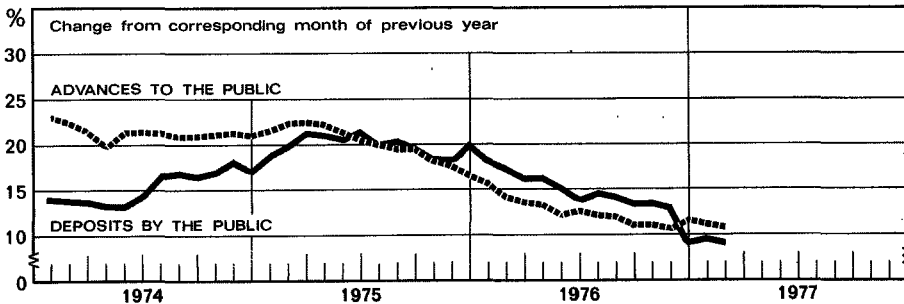
Jan.	2 969	4 190	2 370	12 718	11 166	8 721	3 616	1 282	37 503	44 063
Feb.	2 827	4 103	2 495	12 719	11 273	8 821	3 673	1 296	37 782	44 380



ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1970	7 963	4 342	3 404	1 342	1 454	17 815	690	18 505	3 445
1971	9 234	4 795	3 834	1 747	1 799	20 640	769	21 409	4 025
1972	10 667	5 503	4 483	2 245	2 374	24 473	799	25 272	4 959
1973	13 365	6 497	5 302	3 399	2 696	30 286	973	31 259	6 115
1974	15 869	7 716	6 456	4 617	3 264	36 782	1 140	37 922	7 283
1975	17 773	9 108	7 798	5 488	4 129	43 002	1 294	44 296	9 450
1976*	19 090	10 616	9 256	6 012	4 582	47 965	1 591	49 556	9 268
1976*									
Feb.	17 868	9 333	7 939	5 605	4 226	43 653	1 318	44 971	8 771
March	17 902	9 453	8 009	5 688	4 245	43 913	1 384	45 297	8 582
April	18 049	9 576	8 079	5 691	4 258	44 192	1 461	45 653	8 607
May	18 138	9 647	8 178	5 697	4 378	44 605	1 433	46 038	8 488
June	18 396	9 728	8 279	5 779	4 409	45 121	1 470	46 591	8 652
July	18 212	9 831	8 376	5 844	4 479	45 365	1 377	46 742	8 665
Aug.	18 309	9 965	8 505	5 885	4 507	45 652	1 519	47 171	8 830
Sept.	18 453	10 148	8 683	5 937	4 470	46 092	1 599	47 691	8 504
Oct.	18 658	10 279	8 855	5 939	4 475	46 617	1 589	48 206	8 422
Nov.	18 791	10 418	9 000	6 046	4 494	47 168	1 581	48 749	8 565
Dec.	19 090	10 616	9 256	6 012	4 582	47 965	1 591	49 556	9 268
1977*									
Jan.	19 176	10 683	9 271	6 044	4 625	48 168	1 631	49 799	..
Feb.	19 204	10 762	9 276	6 071	4 619	49 932	..



STATE FINANCES

Mill. mk

Revenue	Jan.-Dec.		Expenditure	Jan.-Dec.	
	1975	1976		1975	1976
Income and property tax (net)	7 781	11 471	Wages, salaries, pensions etc.	4 366	5 186
Gross receipts	(20 414)	(25 223)	Repair and maintenance	643	722
Refunds & local authorities	(-12 633)	(-13 752)	Other consumption expenditure	2 088	2 403
Other taxes on income and property	196	245	Total consumption expenditure	7 097	8 311
Employers' child allowance payments	910	1 234	State aid to local authorities	4 684	5 760
Sales tax	6 127	6 667	State aid to industries	4 436	4 614
Revenue from Alcohol Monopoly	1 482	1 726	of which: agric. price subsidies	(2 147)	(2 516)
Customs duties & import charge	636	621	Child allowances	707	819
Counter-cyclical tax	—	—	Share in national pensions and health insurance	229	268
Excise duty on tobacco	648	855	Other transfer expenditure	2 749	3 415
» » on liquid fuel	1 219	1 601	Total transfer expenditure	12 805	14 876
Other excise duties	664	991	Machinery and equipment	1 073	1 202
Tax on autom. and motor cycles	764	896	House construction	639	640
Stamp duties	501	633	Land and waterway construction	1 432	1 617
Special diesel etc. vehicles tax	86	97	Total real investment	3 144	3 459
Other taxes and similar revenue ¹	603	851	Interest on State debt	222	255
Total taxes	21 617	27 888	Index compensations	47	37
Miscellaneous revenue	2 280	1 715	Net deficit of State enterprises	480	258
Interest, dividends etc.	534	576	Other expenditure	47	45
Sales and depreciation of property	11	7	Total other expenditure	796	595
Redemptions of loans granted	337	397	Increase in inventories	+250	+37
Total revenue	24 779	30 583	Lending	2 369	2 965
Foreign borrowing	534	803	Other financial investment	589	561
Domestic borrowing	454	784	Total expenditure	27 050	30 804
Total borrowing	988	1 587	Redemption of foreign loans	145	216
Deficit (+) or surplus (—)	(+1 779)	(-882)	Redemption of domestic loans	351	268
			Total redemptions	496	484
Total	27 546	31 288	Total	27 546	31 288

¹ Including supplementary turnover tax and import-equalization tax from June 1971.

State debt	1973	1974	1975	1976		
	Dec.	Dec.	Dec.	Oct.	Nov.	Dec.
Foreign debt	1 395	1 152	1 603	2 144	2 152	2 248
Loans	1 758	1 528	1 645	2 058	2 117	2 175
Compensatory obligations	1	1	1	1	1	1
Short-term credit	39	37	85	83	187	287
Cash debt (net)	-468	-571	-242	-365	-609	-643
Domestic debt	1 330	995	1 489	1 777	1 696	1 820
Total State debt	2 725	2 147	3 092	3 921	3 848	4 068
Total debt, mill \$	710	590	798	1 015	1 000	1 069

FOREIGN TRADE

Mill. mk

Value mill mk

Period	Value mill mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1971	9 897	11 734	-1 837
1972	12 082	13 107	-1 025
1973	14 605	16 599	-1 994
1974	20 687	25 666	-4 979
1975	20 247	28 002	-7 755
1976*	24 505	28 560	-4 055

1976*			
Jan.	1 564	2 131	- 567
Feb.	1 478	1 949	- 471
March	1 967	2 249	- 282
April	1 452	1 851	- 399
May	2 212	1 956	+ 256
June	2 232	2 441	- 209
July	2 256	2 543	- 287
Aug.	1 758	2 357	- 599
Sept.	2 119	2 632	- 513
Oct.	2 394	2 361	+ 33
Nov.	2 463	2 783	+ 320
Dec.	2 610	3 307	- 697

1977*			
Jan.	2 469	2 382	+ 87
Feb.	1 917	1 978	-61

Jan.-Feb.			
1976*	3 042	4 080	-1 038
1977*	4 386	4 360	+26

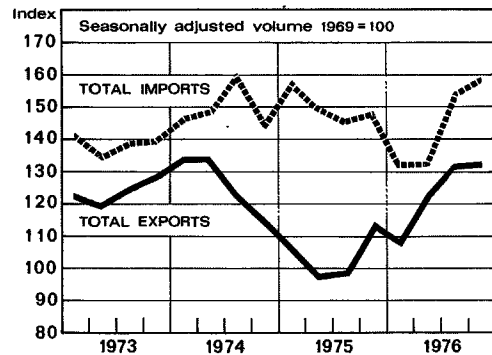
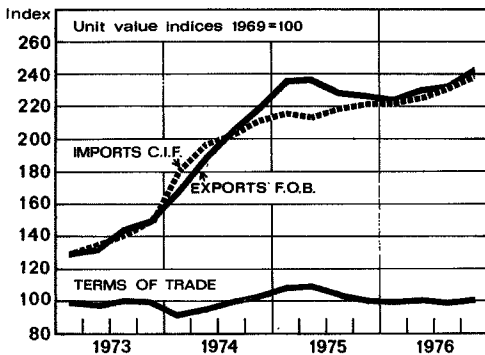
Indices of exports and imports 1969 = 100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1971	103	119	115	
1972	118	124	123	125	98
1973	127	141	138	139	99
1974	126	151	196	200	98
1975	105	151	232	218	106
1976*	126	148	234	228	103

1974					
Jan.-Mar.	131	146	169	184	92
Apr.-June	131	147	190	199	95
July-Sept.	119	158	206	204	101
Oct.-Dec.	125	152	221	213	104

1975					
Jan.-Mar.	104	160	237	217	109
Apr.-June	95	146	238	216	110
July-Sept.	94	143	230	220	105
Oct.-Dec.	124	153	228	223	102

1976*					
Jan.-Mar.	106	134	226	224	101
Apr.-June	122	130	231	226	102
July-Sept.	125	152	234	233	100
Oct.-Dec.	147	165	244	240	102



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agricultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1971	313	1 643	3 797	1 764	2 380	7 037	570	2 333	1 746	48
1972	346	1 809	4 376	2 547	3 004	7 842	609	2 354	2 250	52
1973	432	2 458	5 266	2 921	3 528	9 916	729	2 919	2 968	67
1974	464	3 153	7 872	4 245	4 953	16 525	1 978	3 857	3 282	24
1975	449	2 177	7 225	5 357	5 039	17 058	1 670	5 222	3 989	63
1976*	804	2 892	7 860	6 891	6 058	17 828	1 581	4 972	4 102	77

1976*

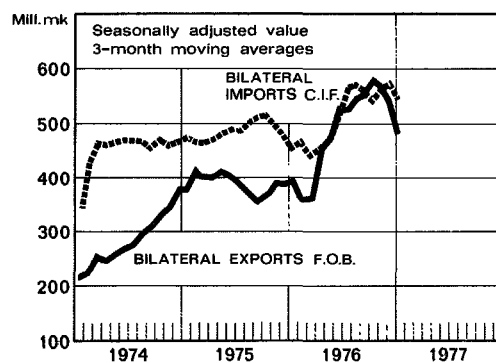
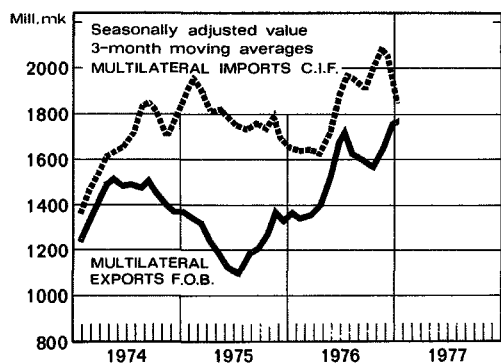
Jan.	114	190	477	436	347	1 190	133	495	312	1
Feb.	14	196	592	287	389	1 211	114	327	291	6
March	125	214	780	338	510	1 339	91	461	353	5
April	19	140	397	475	421	1 034	66	433	318	0
May	78	158	601	837	538	1 236	106	291	316	7
June	38	302	804	529	559	1 604	100	390	347	0
July	29	320	693	739	475	1 725	164	342	307	5
Aug.	42	257	645	324	490	1 483	163	381	308	22
Sept.	47	276	665	554	577	1 564	166	515	386	1
Oct.	71	255	741	749	578	1 448	177	380	346	10
Nov.	66	273	724	826	574	1 849	157	371	397	9
Dec.	161	311	741	797	600	2 145	144	586	421	11

1977*

Jan.	204	286	655	748	576	1 378	144	546	308	6
Feb.	45	232	625	476	539	1 286	102	268	320	2

Jan.-Feb.

1976*	128	386	1 069	723	736	2 401	247	822	603	7
1977*	249	518	1 280	1 224	1 115	2 664	246	814	628	8



FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January - February				January - February			
	1976*		1977*		1976*		1977*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	66.5	2 022	68.8	3 018	66.6	2 717	67.5	2 944
Austria	0.7	20	0.7	29	1.8	75	1.5	67
Belgium-Luxembourg	1.7	53	1.4	60	2.0	81	1.9	85
Denmark	3.9	119	4.0	176	3.0	122	3.1	134
France	4.3	131	3.6	158	3.1	128	3.1	137
Federal Republic of Germany	9.0	275	10.6	464	15.0	612	17.3	753
Italy	1.5	47	1.5	65	2.0	83	2.1	91
Netherlands	3.3	99	4.3	189	3.2	129	3.4	149
Norway	4.5	137	6.3	278	4.4	180	2.3	99
Portugal	0.4	11	0.3	12	0.3	13	0.4	16
Spain	1.2	36	0.9	40	1.4	58	1.4	62
Sweden	16.8	510	19.1	840	18.2	743	18.5	807
Switzerland	2.0	60	2.0	87	3.2	129	3.7	162
United Kingdom	15.8	482	12.0	529	8.7	354	8.4	366
Other	1.4	42	2.1	91	0.3	10	0.4	16
OECD countries outside Europe	5.6	172	5.4	235	7.2	294	6.6	287
Canada	0.6	18	0.6	26	0.5	20	0.5	21
Japan	0.7	22	0.6	27	1.4	57	1.8	78
United States	3.7	113	3.4	148	5.3	216	4.3	187
Other	0.6	19	0.8	34	0.0	1	0.0	1
CMEA countries	18.9	575	18.6	815	20.5	838	21.3	928
Czechoslovakia	0.7	23	0.4	17	0.5	23	0.5	20
Democratic Republic of Germany	0.8	24	0.9	39	0.5	19	0.5	22
Poland	1.4	43	0.8	37	1.4	59	1.9	83
Soviet Union	15.3	465	15.6	683	16.8	685	17.6	767
Other	0.7	20	0.9	39	1.3	52	0.8	36
Latin America	2.9	87	1.5	69	2.8	114	2.4	105
Argentina	0.3	8	0.3	12	0.0	0	0.0	0
Brazil	0.5	14	0.4	19	1.1	45	0.4	19
Colombia	0.1	3	0.0	2	1.1	44	1.1	49
Other	2.0	62	0.8	36	0.6	25	0.9	37
Other	6.1	186	5.7	249	2.9	117	2.2	96
GRAND TOTAL	100.0	3 042	100.0	4 386	100.0	4 080	100.0	4 360
of which								
EFTA countries	24.3	740	28.5	1 249	28.1	1 145	26.5	1 157
EEC countries	40.3	1 225	38.0	1 666	37.1	1 512	39.4	1 720
OECD countries	72.1	2 194	74.2	3 253	73.8	3 011	74.1	3 231

BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport. net	Travel. net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1974 r	20 605	25 598	-4 993	+1 075	+326	+105	-3 487	-1 006	-69	-4 562
1975	20 181	27 939	-7 758	+ 984	+105	+217	-6 452	-1 414	-108	-7 974
1976*	24 419	28 529	-4 110	+1 186	+ 8	+348	-2 568	-1 741	-91	-4 400

1974

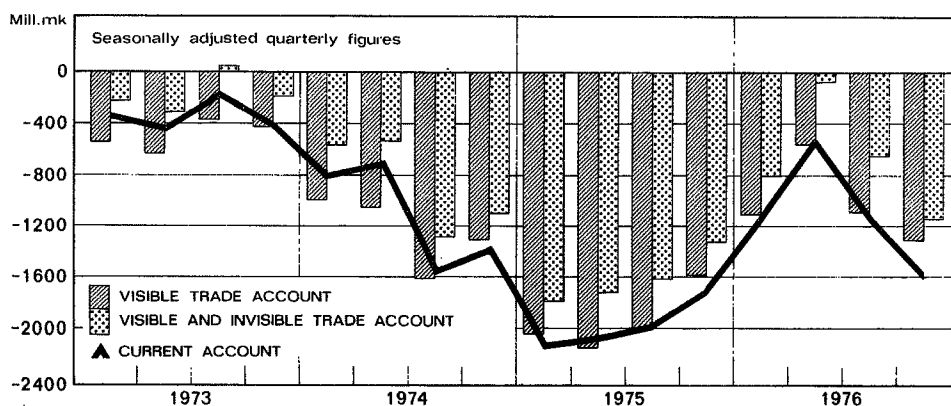
Jan.-March	4 589	5 683	-1 094	+338	+ 10	+ 5	- 741	-233	-25	- 999
Apr.-June	5 159	6 198	-1 039	+282	+ 74	+47	- 636	-239	-11	- 886
July-Sept.	5 104	6 838	-1 734	+251	+243	-36	-1 276	-243	- 4	-1 523
Oct.-Dec.	5 753	6 879	-1 126	+204	- 1	+89	- 834	-291	-29	-1 154

1975

Jan.-March	5 143	7 368	-2 225	+292	- 43	- 44	-2 020	-316	-57	-2 393
Apr.-June	4 695	6 688	-1 993	+221	+ 13	- 2	-1 761	-379	-15	-2 155
July-Sept.	4 482	6 649	-2 167	+237	+142	+ 57	-1 731	-308	- 6	-2 045
Oct.-Dec.	5 861	7 234	-1 373	+234	- 7	+206	- 940	-411	-30	-1 381

1976*

Jan.-March	4 989	6 357	-1 368	+276	- 53	+ 51	-1 094	-349	-24	-1 467
Apr.-June	5 833	6 241	- 408	+295	- 5	+ 15	- 103	-484	-37	- 624
July-Sept.	6 113	7 481	-1 368	+322	+112	+115	- 819	-436	-17	-1 272
Oct.-Dec.	7 484	8 450	- 966	+293	- 46	+167	- 552	-472	-13	-1 037

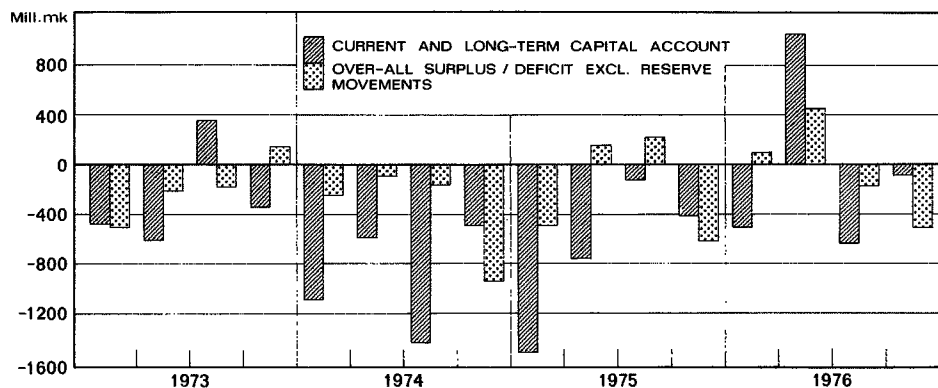


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and prepayments, net	Short-term export credits and prepayments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+2 730	-1 537	-223	- 23	+ 947	-3 615	+930	+337	+ 873	-1 475	+739	+ 736
+6 729	-1 445	-214	+ 62	+5 132	-2 842	+638	+1 449	+ 8	- 747	-444	+1 191
+6 130	-1 785	-191	+ 56	+4 210	- 190	+292	-1 288	+1 058	- 128	+ 78	+ 50
+481	-522	- 24	-26	- 91	-1 090	+288	+124	+409	-269	+138	+131
+758	-362	-114	+13	+295	- 591	+349	+ 58	+ 88	- 96	- 99	+195
+549	-379	- 61	-25	+ 84	-1 439	+502	+312	+462	-163	+202	- 39
+942	-274	- 24	+15	+659	- 495	-209	-157	- 86	-947	+498	+449
+1 206	-310	- 24	+11	+ 883	-1 510	+310	+758	- 35	-477	- 32	+509
+1 870	-433	- 48	+ 9	+1 398	-757	-140	+758	+296	+157	-668	+511
+2 121	-287	- 3	+57	+1 888	-157	+131	- 34	+265	+205	+ 91	-296
+1 532	-415	-139	-15	+ 963	-418	+337	- 33	-518	-632	+165	+467
+1 404	-374	+ 2	-79	+ 953	- 514	-579	+119	+1072	+ 98	+373	-471
+2 096	-394	-115	+83	+1 670	+1 046	-158	+119	- 549	+458	-485	+ 27
+1 239	-568	- 20	-25	+ 626	- 646	+520	-764	+ 717	-173	+263	- 90
+1 391	-449	- 58	+77	+ 961	- 76	+509	-762	- 182	-511	- 73	+584

Assets: increase —, decrease +. Liabilities: increase +, decrease —.

¹ Including Direct investment, net.

² Including Allocations of special drawing rights 88 million in 1970, 85 million in 1971 and 85 million in 1972.



PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1973 = 100 ¹		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machinery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1975	562	575	513	570	637	532	629	536	539	139	131	142
1976	626	646	548	614	707	621	679	594	614	152	142	154
1976												
June	611	629	539	599	698	605	669	576	599	150	146	150
July	628	648	554	610	706	633	686	596	615	151	146	153
Aug.	641	662	560	627	709	642	697	611	627	154	146	155
Sept.	648	670	565	640	721	640	700	623	633	157	146	160
Oct.	650	671	567	642	726	640	699	624	637	158	146	161
Nov.	656	678	570	646	727	651	706	627	645	159	146	163
Dec.	659	681	573	647	738	654	710	627	649	160	146	164
1977												
Jan.	669	692	584	653	770	665	710	629	672	165	149	169
Feb.	676	698	588	658	781	672	718	635	677	166	149	171
March.	682	706	591	660	777	687	727	645	680	167	149	172

¹ New series.

Period	Cost of living Oct. 1951 = 100	Con-sumer prices Oct.—Dec. 1957 = 100	Consumer prices 1972 = 100									
			Total	Food	Bever-ages and tobacco	Clothing and foot-wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1975	392	308	153	157	135	150	162	184	150	145	144	156
1976	449	352	174	182	164	166	171	200	164	174	162	185
1976												
June	442	347	172	176	161	164	171	201	161	172	161	182
July	450	353	175	185	168	161	171	202	162	175	161	186
Aug.	456	358	177	191	168	163	171	202	165	176	161	187
Sept.	460	361	179	193	169	168	171	202	166	177	162	190
Oct.	465	365	181	192	168	173	174	208	167	178	167	194
Nov.	468	367	182	194	168	173	174	209	170	180	169	194
Dec.	469	368	182	195	168	173	174	209	170	181	171	195
1977												
Jan.	476	374	185	196	174	173	174	210	174	185	179	198
Feb.	482	378	187	200	174	176	175	210	176	187	180	201
March.	489	384	190	207	174	179	175	214	177	190	182	202

WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agriculture	Industry	Construction							
1975	508	383	389	313	312	307	362	300	384	347
1976*	597	441	427	360	361	353	417	346	441	399
1975										
July-Sept.	514	390	395	319	322	311	374	308	396	358
Oct.-Dec.	559	399	405	335	334	332	380	318	404	366
1976*										
Jan.-March	584	416	411	351	349	347	396	337	417	382
Apr.-June	591	448	427	362	364	355	422	348	448	404
July-Sept.	600	447	434	362	365	355	425	349	451	406
Oct.-Dec.	608	453	437	363	365	356	427	351	453	408
1977*										
Jan.-March	626	456	441	370	376	364	431	356	459	414

PRODUCTION

Volume indices of production 1964 = 100

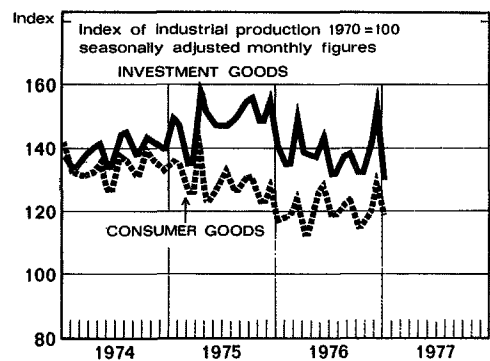
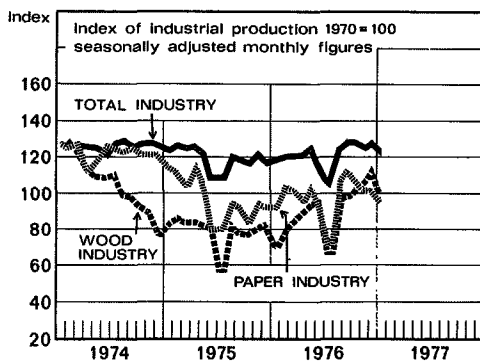
Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1974	160	197	90	96	168	103	163	179	158	159	165
1975*	160	189	99	83	170	105	158	188	166	168	169
1976*	162	194	107	79	148	103	160	188	173	174	173
1975*											
July-Sept.	157	164	180	48	178	103	155	184	166	168	170
Oct.-Dec.	162	200	81	64	180	103	158	198	170	170	171
1976*											
Jan.-March	155	198	63	84	115	103	147	182	171	172	171
Apr.-June	162	193	104	91	148	106	158	185	172	173	172
July-Sept.	161	170	185	55	160	101	163	185	173	175	172
Oct.-Dec.	170	216	75	86	167	103	171	201	177	177	176
1977*											
Jan.-March	160	202	61	108	117	101	156	180	179	176	174

PRODUCTION¹

Index of industrial production 1970 = 100

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1974	127	141	122	135	112	107	124	154	136	141	127
1975*	121	151	111	132	112	81	99	136	123	145	120
1976*	124	144	121	123	118	94	102	120	114	142	123
1976*											
Jan.	126	157	121	124	108	70	96	129	102	150	119
Feb.	124	143	121	122	108	82	109	132	104	140	119
March	138	169	135	132	103	104	115	134	115	164	120
April	123	155	119	119	103	107	84	133	99	150	123
May	133	152	130	132	128	115	115	130	120	150	126
June	118	150	110	127	132	103	74	91	120	147	121
July	68	57	68	74	114	37	71	74	61	56	100
Aug.	123	133	120	126	124	85	113	116	118	133	123
Sept.	135	151	133	135	129	101	116	136	139	155	131
Oct.	136	151	135	132	126	102	121	119	133	153	128
Nov.	137	160	135	133	129	117	109	106	133	159	126
Dec.	132	152	130	130	112	104	97	143	120	154	129
1977*											
Jan.	129	144	129	120	104	97	98	150	124	146	125
Feb.	125	138	126	119	98	101	102	136	108	143	125

¹ Revised figures.



LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Population of working age 1 000 persons	Total labour force. 1 000 persons	Employed 1 000 persons	Un-employed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1972 = 100	Wholesalers' volume index 1972 = 100
1974	3 483	2 268	2 229	39	1.7	34 457	114	114
1975	3 513	2 272	2 221	51	2.2	29 133	118	119
1976*	3 530	2 244	2 158	86	3.8	27 305	110	120
1976*								
March	3 527	2 187	2 102	85	3.9	3 269	104	124
April	3 529	2 195	2 105	90	4.1	3 217	110	113
May	3 531	2 224	2 151	73	3.3	2 735	111	116
June	3 533	2 396	2 320	76	3.2	1 821	114	124
July ¹	3 532	2 416	2 317	99	4.1	1 047	114	106
Aug.	3 531	2 352	2 253	99	4.2	1 155	106	121
Sept.	3 533	2 215	2 144	71	3.2	1 839	109	133
Oct.	3 532	2 183	2 111	72	3.3	2 293	111	125
Nov.	3 534	2 183	2 099	84	3.8	2 787	102	125
Dec.	3 535	2 186	2 085	101	4.6	3 126	143	147
1977*								
Jan.	3 524	2 181	2 053	128	5.9	2 455	84	91
Feb.	3 528	2 163	2 032	131	6.1

¹ Revised figures since July 1976.

CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Buildings-works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1974	53.23	22.35	3.26	21.30	3.52	46.50	21.54	2.75	17.04	3.14	52.84
1975	51.42	19.65	3.79	21.62	3.39	47.85	20.59	2.80	18.68	3.64	52.45
1976*	46.90	19.95	3.93	15.81	3.83	40.95	17.60	3.12	15.32	2.58	52.48
1975											
July-Sept.	12.21	4.84	0.79	4.72	1.13	11.97	4.70	0.92	4.17	1.27	56.38
Oct.-Dec.	10.71	4.04	0.59	4.52	1.00	14.15	6.08	1.06	5.65	0.73	52.45
1976*											
Jan.-March	8.52	3.04	0.73	3.29	0.86	8.04	3.55	0.52	3.25	0.42	49.19
Apr.-June	14.00	7.39	1.80	2.81	0.55	9.59	3.60	0.35	4.45	0.78	51.30
July-Sept.	12.42	5.43	0.71	4.44	0.97	8.89	3.59	0.97	2.95	0.67	54.82
Oct.-Dec.	11.96	4.09	0.69	5.12	1.45	12.85	6.16	1.15	3.94	0.80	52.48

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

The balance sheet of the Bank of Finland was revised on Dec. 31, 1974 in connection with the revision of accounting legislation. New series have been built according to the revision. When the figures are not fully comparable to the previous ones, the series is broken by a line.

Page 4. *Foreign sector*: Gold and convertible exchange receivables = Gold + Special drawing rights + IMF gold tranche + Convertible currencies.

Gold and convertible exchange reserve = Gold and convertible exchange receivables — Liabilities in convertible currencies.

Non-convertible exchange reserve = Receivables in tied currencies — Liabilities in tied currencies.

Other receivables = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF.

Other liabilities = IMF mark accounts + Allocations of special drawing rights.

Public sector: Receivables = Total coinage + Other public sector receivables + Bonds.

Liabilities = Cheque accounts + Counter-cyclical reserves + Import deposits + Other public sector liabilities.

Deposit certificates are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

Page 5. *Domestic financial sector*: Other receivables = Call money market advances + Bonds + Other financial institution receivables. Other liabilities = Call money market deposits + Other financial institution claims.

Corporate sector: Receivables = New export bills + Financing of suppliers' credits + Other corporate receivables + Bonds.

Liabilities = Investment deposits + Counter-cyclical withholdings + Capital import deposits + Import levy deposits + Other corporate claims.

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

Figures for deposits and advances are supplied by the Central Statistical Office. From the beginning of 1974 the figures include deposits by and advances to other credit institutions.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks and co-operative banks.

Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public.

From 1974 the money supply includes estimates of Finnish notes and coins held by the savings and co-operative banks. Exact figures are not available.

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure; Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to Postipankki less cash holdings (net) of State departments and funds.

FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9). The volume indices are calculated according to the Paasche formula and the unit value indices according to the Laspeyres formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): imports by countries of purchase exports by countries of sale.

BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office.

Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: Investment goods weight 7.0, other producer goods weight 67.0 and consumer goods weight 26.0. The weights for the special manufacturing indices are food manufacturing (SIC 311-2) 9.8, manufacture of wood, and wood and cork products (SIC 311-2) 8.0, manufacture of paper and paper products (SIC 341) 15.2, manufacture of industrial chemicals (SIC 351-2) 5.2, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.6 and metal industry (SIC 37-38) 25.9.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — CONSTRUCTION OF BUILDINGS

Page 17. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED

- Preliminary
- r Revised
- 0 Less than half the final digit shown
- . Logically impossible
- .. Not available
- Nil
- S affected by strike

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. Mr. Urho Kekkonen has been President for three 6-year periods. His last term of office was extended by four years and will end on March 1, 1978.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1975 is as follows: Social Democrats 54, People's Democrats 40, Centre Party 40, Conservatives 35, Swedish Party 10, Liberal Party 9, Christian League 9, Finnish Farmers Party 2 and Finnish People's Constitutional Party 1.

INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966 and OECD 1969

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) are covered by forests.

OWNERSHIP OF LAND (1970): The total land area was distributed among different classes of owners approximately as follows: private 60.7 %, State 29.4 %, joint stock companies etc. 8.0 %, municipalities and parishes 1.9 %.

POPULATION

NUMBER OF INHABITANTS (1975): 4.7 million. Sweden 8.2, Switzerland 6.4, Denmark 5.1 and Norway 4.0 million.

DENSITY OF POPULATION (1975): In South Finland 46.1, in East and Central Finland 13.3, in North Finland 4.0 and in the whole country an average of 15.5 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1975): 41 % of the population inhabit the rural areas, 59 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 496 872 inhabitants, Tampere (Tammerfors) 165 928, Turku (Åbo) 163 981.

EMPLOYMENT (1975): Agriculture and forestry 15 %, industry and construction 36 %, commerce 16 %, transport and communications 7 %, services 26 %.

LANGUAGE (1974): Finnish speaking 93.3 %, Swedish speaking 6.5 %, others 0.2 %.

EDUCATION (1976): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) and 12 colleges of university standard.

CHANGE OF POPULATION (1975): births 14.1 ‰, deaths 9.4 ‰, change + 3.8 ‰, net emigration 0.9 ‰. Deaths in France 10.4 ‰ and Great Britain 11.9 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1976, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 6 407 (6 %), forestry and fishing 4 950 (5 %), manufacturing 31 509 (31 %),

construction 9 233 (9 %), transport and communication 10 849 (11 %), commerce, banking and insurance 13 585 (14 %), public administration 5 264 (5 %), ownership of dwellings 3 639 (4 %), services 15 581 (15 %), total 101 017. Index of real domestic product 162 (1964 = 100).

FOREST RESOURCES (1975): The growing stock comprised of 1 513 million m³ (solid volume with bark), of which 44 % was pine and 38 % spruce, the remaining 18 % being broad-leaved trees, chiefly birch. Of the growing stock, 656 million m³ was up to the standard required for logs, 55 % of these being pine. The annual growth was 57.5 million m³ and the total removal, calculated on the basis of roundwood consumption, was 40.1 million m³.

AGRICULTURE (1975): Cultivated land 2.5 million hectares. Number of holdings 248 700, of which 167 800 are of more than 5 ha. Measure of self-sufficiency in bread cereals 133 % in the crop year 1975/76.

INDUSTRY (1975): Gross value of industrial production 89 210 mill. marks, number of workers 410 181, salaried employees 132 074, motive power (1975) 6.7 mill. kW. Index of industrial production 127 for 1975 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1977): Length 5 920 km.

MERCHANT FLEET (March 31, 1977): Passenger vessels 118 (173 985 gross reg. tons), tankers 56 (1 188 156 gross reg. tons), dry cargo vessels 207 (813 795 gross reg. tons), other vessels 61 (9 343 gross reg. tons), total 442 (2 185 279 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1976): Passenger cars 1 032 900, lorries and vans 132 700, buses 8 800, others 7 100, total 1 181 500.

FINNISH AIRLINES (April 1, 1977): Finnair and Kar-Air have in use 4 DC-8, 1 DC-6-ST, 8 Super Caravelles, 9 DC-9s, 5 DC-9-51s, 2 DC-10-30 and 5 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 32 airports and to 20 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per one SDR). On Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar was set, and since June 4, 1973 the mark has been allowed to float.

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1976). There are two big and five small commercial banks with in all 856 offices, 280 savings banks 380 co-operative banks, six mortgage banks, Postipankki and five development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-nine private insurance companies also grant credits.

RATES OF INTEREST (Jan. 1, 1975). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ½ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ % and 10 ½ %. Other credit institutions: term deposits 5 ¾ %; 6 month deposits 6 ¼ %; 12 month deposits 6 ¾ %; 24 month deposits 7 ¾ %; 36 month deposits 9 % + savings premium; 36 month deposits 8 ¼ % + tax concession and sight deposits 1 ½ %; highest lending rate 12 ½ %.

FINNISH ECONOMY IN 1976 AND THE CURRENT OUTLOOK

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The improvement in the international economic situation in early 1976 led to increased foreign demand for Finnish products. In spite of the recovery in exports, however, GDP grew only slightly because of a sharp decline in domestic demand. Investment demand fell because of unutilized capacity and a deterioration in the profitability outlook. Domestic demand was further limited by economic policy, which was constrained by the necessity to improve the external balance and slow down the rate of inflation. The current account deficit was indeed reduced, to 4.4 million marks, little more than half of the 1975 deficit. There was also a reduction in the rate of inflation, although it remained high by historical standards. The slight increase in aggregate output had no mitigating effects on unemployment. The average rate of unemployment was four per cent, but it was rising sharply at the end of the year.

In the autumn of 1976 the pace of economic recovery slowed down again in the major industrial countries. This was partly due to the exhaustion of the growth impulse brought on by inventory restocking and increasing consumption demand, and partly to restrictive policies which paid primary attention to the curbing of inflation. Cyclical developments abroad normally affect the Finnish economy after a lag, but it seems that this time the employment effects of poorer export prospects have already taken place. As a consequence of the sluggishness of domestic demand, imports will grow considerably more slowly than exports, implying further improvement in the current account balance. The trade account actually showed a surplus in the first quarter of the current year, although exceptional

factors were involved. On the other hand, the employment situation is expected to remain severe, although some improvement is likely towards the end of the year. Following the devaluations of the Swedish, Danish and Norwegian crowns, the Finnish mark was devalued by 5.7 per cent in April 1977; this is not, however, expected to have a significant impact on economic activity.

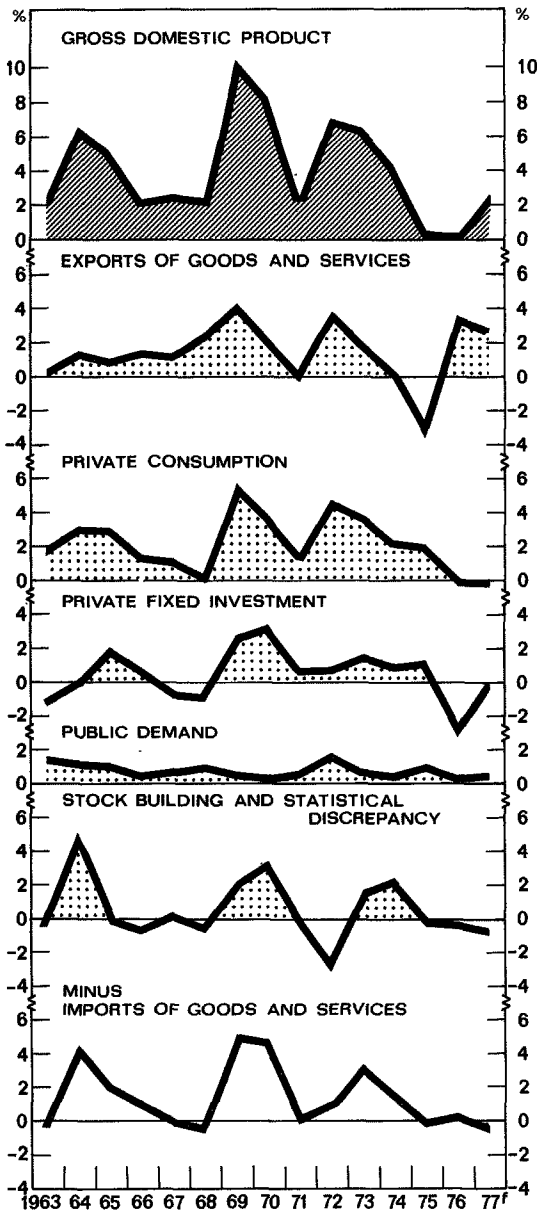
FOREIGN DEMAND

The end of destocking in Finland's major markets stimulated demand for wood-based products in 1976. The growth of metal industry exports, too, was boosted by the timing of substantial consignments of ships and heavy industrial equipment to both western and eastern markets.

Exports of wood industry products grew in volume terms by 25 per cent in 1976, although a new slackening in demand was discernible at the end of the year. The volume of paper industry exports was, on average, 15 per cent higher than in the previous year. Of the other sectors, agriculture, the chemical industry and the food-processing industry expanded their exports most rapidly. Export prices were rising moderately throughout 1976 but, mainly due to the carry-over effect from 1975 when the prices of wood-based products were falling sharply, the average price of exports in 1976 was only one per cent higher than the average price in the previous year.

In 1977, exports are expected to grow at a steady, albeit slow rate; international invest-

CHART 1. CONTRIBUTION TO THE GROWTH OF GROSS DOMESTIC PRODUCT 1963—1976 AND FORECAST 1977¹



¹ Change in volume over previous year as a percentage of preceding year's gross domestic product.

in the development of Finnish exports, has not so far shown any great signs of recovery. The recent currency adjustment is unlikely to cause any significant changes in export volume.

DOMESTIC DEMAND

In spite of a steep decline in industrial investment its share in GDP still remained fairly high

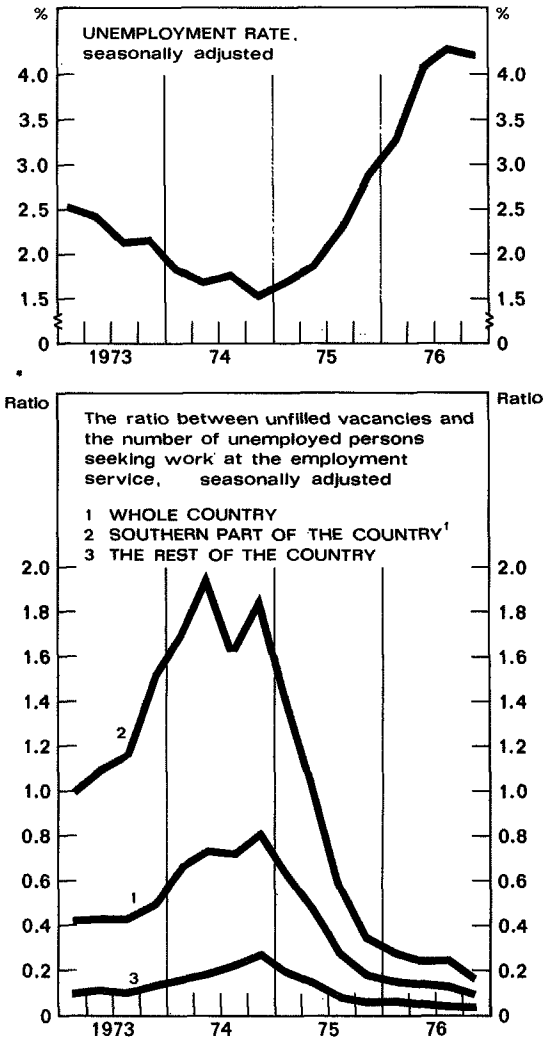
ment activity, which plays an important role last year. The decrease was particularly noticeable for the metal industry and the forest industries, and especially for paper manufacturing. Industrial investment was mainly concentrated on the completion of expansion projects and the replacement of old machinery; the volume of investment in new industrial buildings thus fell markedly. The rate of construction of dwellings had started to decline in 1975, and this continued in 1976. Nevertheless the number of dwellings completed was still above the level considered appropriate to satisfy demand in the medium-term.

According to the Bank of Finland's November 1976 investment inquiry, difficulties faced in investment during 1976 will continue to cloud the investment outlook for 1977.¹ The volume of total private investment is thus not expected to recover in the immediate future. However, there may be some increase in machinery and equipment investment in the forest industry, unless poor profit performance reduces confidence still further. Industrial construction activity may start to revive towards the end of the year as a consequence of gradual improvement in demand.

The growth of the household sector's disposable income slowed down as a result of reduced employment, higher taxation and only a moderate increase in capital incomes. Real disposable income fell for the first time since 1957. Consumption reacted stiffly to this change in income: according to preliminary estimates the average propensity to consume rose by as much as 5 percentage points, and therefore the volume of private consumption decreased only slightly. The picture for household sector income development in 1977 is still rather unclear, since wage agreements have not yet been reached in many industries. However, if the recommendation of 4 to 5 per cent rises in negotiated wage rates is generally adopted, real disposable income will grow marginally as a result of increases in transfer payments and an inflation adjustment to tax scales effective from April 1, 1977.

¹ See Bulletin 2/1977, "The Bank of Finland investment inquiries".

CHART 2. LABOUR MARKET



¹ The Helsinki, Turku, Tampere and Kouvola administrative districts of the Ministry of Labour.

In order to improve the external balance and the state's financial position the Government restrained the growth of public sector demand during 1976. Public consumption expenditure increased by 3.5 per cent in real terms, with pensions and expenditure on education and health care still growing rapidly due to reforms started earlier. The growth of public investment came to a halt when several projects were postponed, and instead unemployment was alleviated primarily by government subsidies and advances. Since the Government is continuing with this austerity programme, the growth rate of public demand in 1977 is expected to remain below its long-term average.

OUTPUT AND EMPLOYMENT

Expanding exports reversed the downward trend of total output, but the recovery was curbed by the decrease in domestic demand. Though forest industry production grew markedly from the low level of the previous year, it did not reach pre-recession levels. The upturn in production was dampened by stocks of finished products, especially in the pulp and paper industry. The impact of the recession began to be noticeable in the metal industry almost a year later than in other sectors of the economy; in 1976 the volume of production fell slightly and order books shortened. The decline in domestic demand was reflected in the service sector as well as in consumption goods industries.

In the last quarter of 1976 seasonally adjusted total output was 5 per cent higher than in the first quarter. However, the annual growth rate of GDP at factor cost was only one per cent. During the first few months of the current year there were setbacks to production because of temporary lay-offs and strikes. Total output during 1977 is expected to be about 3 per cent above the 1976 level.

In spite of the slight increase in total output, the unemployment rate rose sharply in 1976. This was not only due to lags between production and employment changes but also to the fact that the revival in activity took place mainly in capital-intensive industries. Furthermore, reduced expectation of a rapid upswing weakened the employment situation towards the end of the year. The average rate of unemployment rose from 2.2 per cent in 1975 to 4 per cent in 1976.

The number of those in employment decreased considerably but, typical of the cyclical phase, the participation rate also went down. The employment situation deteriorated in all sectors of the economy, with construction and manufacturing being worst affected. As usual, there were wide regional variations. (Chart 2). Because of reduced domestic demand for labour, emigration to Sweden speeded up.

particularly during the last few months of the year. The employment situation continued to deteriorate in the first quarter of 1977 when the seasonally-adjusted unemployment rate climbed to 5 per cent.

IMPORTS

During the first half of 1976 imports decreased substantially, and imports of finished goods in particular stayed at a low level until the end of the year. Following the revival of industrial output and because of expectations of price rises, imports of raw materials and energy started to increase in mid-1976. One of the fastest growing categories was imports of crude oil, partly as a result of new refining capacity coming on stream during the year. The volume of imports of investment goods went down more than did total domestic investment in machinery and equipment, and the volume of consumer goods imported was also lower than in 1975. Import prices went up by almost 5 per cent and hence the value of imports grew slightly.

Imports of raw materials have been low during the first few months of the current year, and an acceleration is expected later on. However, total imports will be kept at a fairly low level by the generally weak state of economic activity.

PRICES AND WAGES

In spite of the reduction which did take place in the rate of price increases, inflation remained one of the main problems in 1976. In the first half of the year, for five months of which a price freeze was in effect, inflation slowed down noticeably but, after the termination of the freeze at the end of July, prices started to go up again, in spite of continuing fairly strict regulation of prices. Measured by the GDP-deflator, the annual rate of inflation was reduced by 4 percentage points. Partly due to the lags in the process of shifting costs into prices, the consumer price index was still 14 per cent

above the level of the previous year. However, three percentage points of the rise was due to increases in indirect taxes and public charges.

According to the 1976 Collective Agreements¹, wages and salaries were to be increased by 7 per cent from the beginning of February. The index of wages and salaries actually rose by an average of 15 per cent in 1976. As prices rose by nearly the same amount, there was only a small increase in real earnings. The development of other incomes was rather poor, especially that of company profits and forest owners' incomes. The share of the public sector in national income increased because of a higher net tax rate.

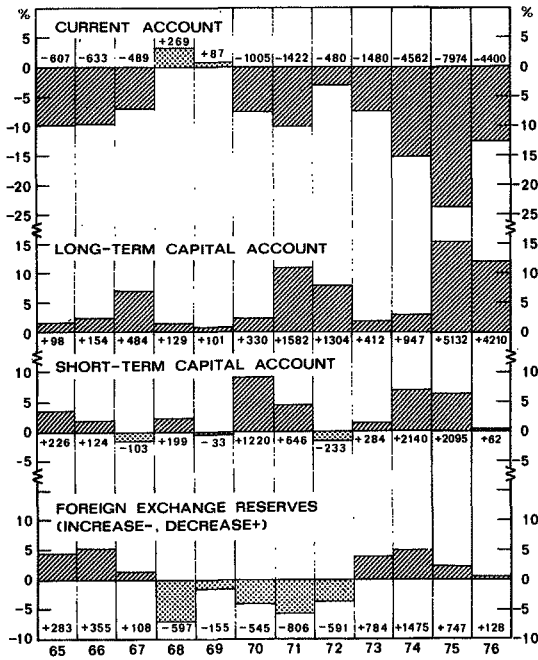
Inflationary pressures still prevailed at the beginning of the current year. The shift from direct to indirect taxes caused rises in consumer prices at the beginning of the year, with the sales tax, excise taxes and some state charges being increased in January. On the other hand, the income tax scales were adjusted downwards at the beginning of April.

In 1977 no general agreement on wages was reached by the central organisations in the labour market, but the State Incomes Policy Negotiator recommended certain guidelines to be followed in the sectoral negotiations. According to this recommendation, wages and salaries would be increased by 4 1/2 per cent during the year. By the end of March, the whole public sector and some unions from the private sector, altogether about 620 000 workers, agreed to settlements based on this proposal. In the remaining industries negotiations are still going on.

If the negotiations do lead to incomes agreements more or less in line with the recommended guidelines, increasing productivity will lead to a reduction in cost pressures. Furthermore, weak domestic demand is likely to place additional restraints upon inflation. On the other hand, the devaluation will induce some inflationary pressures.

¹ See Bulletin 4/1976, "Collective Agreements for February 1976-January 1977".

CHART 3. PRINCIPAL BALANCE OF PAYMENTS COMPONENTS AS A PERCENTAGE OF CURRENT PAYMENTS AND IN MILLIONS OF MARKS



CURRENT ACCOUNT AND EXTERNAL LIQUIDITY¹

As the volume of exports increased by 20 percentage points more than the volume of imports, the trade deficit was reduced to 4.1 million marks, having been 7.8 million marks a year earlier. Export prices, however, rose less than import prices, and consequently the terms of trade worsened, on a yearly basis. An increase in the surplus on the services account produced a larger decrease in the current account deficit. This stood at 4.4 million marks, some 4 per cent of GDP, and only a little over half of the preceding year's deficit.

The current account deficit was almost completely financed by the inflow of long-term capital. Import credits granted for purchases of ships and aircraft and for large investment projects amounted to a substantial proportion of this inflow. The net inflow of short-term capital was negligible, reflecting the development of commodity trade. Finland's net foreign

debt increased to 24 500 million marks, some 22 per cent of GDP. The overall balance deficit was only 128 million marks and thus the external liquidity position remained almost unchanged. The Bank of Finland's total foreign exchange reserves were reduced by 78 million marks while the reserves in convertible currencies fell by 99 million marks.

MONETARY DEVELOPMENTS

Financial disequilibrium in the economy was considerably reduced as a result of the recession and the pursuit of a tight financial policy. On the other hand, despite reduced fixed investment, corporate demand for credit remained high because of poor cash flow. As a result of the fall in the household sector's propensity to save, its erstwhile financial surplus turned into a deficit.

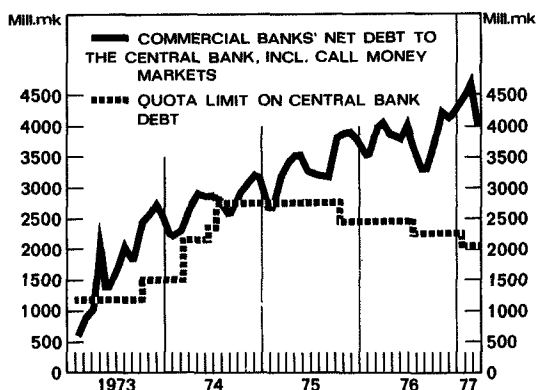
The financial position of the central government improved considerably, partly as a result of a fiscal policy aimed at curtailing public expenditure and partly because of fiscal drag. The central government also improved its financial position by increasing its issues of domestic bonds.

The central government's cash surplus was reflected as increased tightness in financial markets. Most of this surplus was channelled into the Bank of Finland's call-money market. The commercial banks' financing from the central bank grew by 517 million marks.

The stringency in financial markets was reflected mainly in the commercial banks, whose advances to the public grew only by 7 per cent. Savings banks and co-operative banks increased their lending to the public by 16 per cent and 18 per cent respectively, nearly as much as in the previous year. The growth rate of advances to the public granted by all the banks declined from 20 per cent in 1975 to 11 per cent in 1976. The public's bank deposits increased by 9 per cent in 1976, which was only about half as much as in the previous year. Demand deposits actually de-

¹ See also Bulletin 4/1976, "The Balance of Payments and Foreign Exchange Policy in 1976".

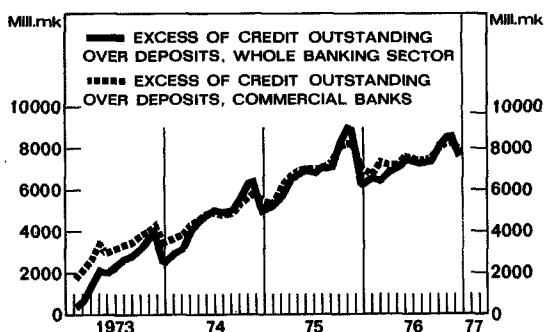
CHART 4. COMMERCIAL BANKS' CENTRAL BANK FINANCING



clined, mainly because of reduced liquidity in the corporate sector, and the growth rate of time deposits slowed down considerably as household income development remained weak.

The growth rates of deposits differed considerably between various types of the bank. Deposits grew rather slowly for the commercial banks and for Postipankki, banks where demand deposits have traditionally made up a significant part of total deposits. Savings banks and co-operative banks, which have always relied more on time deposits, saw clearly greater deposit growth.

CHART 5. CREDIT OUTSTANDING IN EXCESS OF DEPOSITS



Bank advances to the public increased by 1 264 million marks more than deposits during 1976, and this brought the gap between the stock of deposits and advances outstanding to 7 688 million marks at the end of the year. The figure for the commercial banks on their own was nearly 7 987 million marks.

This year the growth rates of deposits and advances will probably be of about the same order of magnitude as they were last year. On the other hand the rates for the different types of banks may be somewhat more alike.

Credits granted to the public by both insurance companies and development credit institutions expanded by around 20 per cent. For the mortgage banks, however, both domestic and foreign borrowing facilities were limited, so that lending grew by only 11 per cent.

POLICY ISSUES

The economic strategy aimed at restoring current account balance and reducing the rate of inflation was continued during 1976. Accordingly, inflows of foreign capital and the growth of the Bank of Finland's net domestic assets were restrained in order to hold down the nominal growth of domestic demand. The emphasis has been on stringent monetary policies, but at the same time the Government has taken definite steps to restrain the growth of public sector expenditure. The Government implemented an austerity programme which reduced budgeted expenditure in 1976 by about 0.5 per cent of GDP. Savings were made both in consumption expenditure and in transfer payments, and the State's financial position improved remarkably.

In accordance with the February 1976 incomes policy agreement, the Government decided upon a five-month price freeze for both domestic and imported goods, although price rises stemming from the agricultural price agreement were permitted during the freeze. The price freeze was followed by a period of tight price control which terminated at the end of January 1977. After that, resort was made to the old Price Law of 1974, with minor modifications, for a transition period of ten months. These measures mean somewhat relaxed price controls during 1977. In the place of strict price regulation the Government is trying to reduce inflationary pressures via income tax reliefs and by giving its support to

the proposals of the State Incomes Policy Negotiator.

Primary attention in employment policy has been paid to the creation of permanent new jobs in the private sector; even though the employment situation will remain severe this year, the number employed directly on public works will be therefore slightly lower than in 1976. The government has also taken special measures to alleviate youth unemployment by increasing the number of conscripts and expanding vocational training. In order to encourage construction activity the Government has increased depreciation rights on industrial buildings started between May 1, 1976 and September 30, 1977.

The temporary import deposit scheme introduced in 1975 was extended until the end of 1976, when the collection of deposits was terminated. All the deposits will have been released to the importing firms by the end of July. The Bank of Finland has announced that it will compensate for this relaxation by taking other steps to restrain domestic liquidity.

Domestic monetary policy remained tight throughout 1976, although the Bank of Finland did continue the selective credit arrangements for alleviating employment and production problems. The main tools of monetary policy were the regulations concerning the amount and the terms of commercial banks' central bank financing. At the beginning of July the Bank of Finland reduced the commercial banks' central bank credit quotas by 200 million marks to 2 300 million marks. This was done in order to neutralize the liquidity effects of increased export income and the partial return of import deposits. The quotas were cut by a further 200 million marks at the beginning of this year, and there will be another cut of the same amount at the beginning of May. In the credit instructions given in November 1976 the Bank of Finland emphasized that in the long term banks should keep their credit expansion equal to the increase of their

deposits. Furthermore, priority in credit granting should be given to the financing of working capital and to the completion of investment projects already under way in profitable enterprises.

The concern of financial policy during 1976 was not simply to manage the overall balance of payments so as to maintain the foreign exchange reserves at an adequate level, but primarily to hold down the current account deficit so as to reach a more acceptable rate of foreign borrowing in the medium term. Thus tight domestic monetary management was combined with explicit rationing of long-term foreign capital inflows in line with the current financial budget. This meant that the actual inflow of long-term capital was below the amount which could have been obtained from the international capital market. On the other hand it seems clear that, in view of the heavy Finnish borrowing in recent years, good availability of foreign finance was conditioned by the Finnish authorities' determination to take definite steps to restrict further rapid accumulation of external debt.

The same technique of financial budgeting has been continued into 1977 in order to secure a further reduction in the current account deficit. The control of long-term borrowing was supplemented by a widening of the cash payments scheme for imports from the first of March in order to restrict short-term capital imports so as to make room for some additional long-term borrowing within the accepted overall financial budget.

A 5.7 per cent devaluation of the Finnish mark was effected on April 4, 1977 as a corollary to the devaluations of three other Nordic currencies. This was done in order to preserve Finland's competitive position as compared with Sweden, which is an important trade partner as well as a competitor in world markets. The main effect of the exchange rate adjustment will be to ease somewhat the tight financial position of export firms.

ITEMS

Finland's first nuclear power plant inaugurated. On March 23, 1977, Finland's first nuclear power plant, Loviisa I, was inaugurated by the President of the Republic, U. K. Kekkonen and the Chairman of the Council of Ministers of the USSR, A. N. Kosygin. Thus was brought to a successful conclusion seven years of work involving the participation of representatives of many nations.

Imatran Voima Osakeyhtiö's Loviisa power complex is one of the largest construction projects ever to have been undertaken in Finland. When completed, the complex, which is situated on the island of Hästholmen, 13 kilometres from the town of Loviisa, will consist of two power stations, and the total volume of the buildings will be almost 800 000 cubic metres. Construction work reached its peak at the end of 1975, when the total labour force engaged on the two stations amounted to almost 3 900 persons. Work is still proceeding on the second power station, Loviisa II, but even this has now reached the stage of the installation of machinery and equipment.

The main structures of the Loviisa I station are: the reactor building; the intake and discharge tunnels for cooling water; the waste storage, laboratory, and office buildings; the switching centre; the auxiliary building, which contains the power plant repair shops and the air and liquid purifying equipment; and the turbine hall, which is common to both stations. The supply, storage and maintenance building to serve both stations has also been built as part of the first stage.

Loviisa I has a net capacity of 420 MW. The reactor, the nucleonic design, the primary circuit piping, the steam generators, the two turbogenerators, the main equipment in the auxiliary building and the steel frame of the turbine hall have all been supplied and installed by the Soviet V/O Atomenergoexport and its subcontractors. The Soviet Union will also

supply the fuel for the reactor. The primary circuit pumps, refuelling machine, cranes and transformers are of Finnish manufacture. Finns have designed and constructed the gas-tight and pressure-proof protective shield for the reactor hall, and have also been responsible for civil engineering design and implementation for the whole project.

In collaboration with the Technical Research Centre of Finland, Imatran Voima Osakeyhtiö has been responsible for the quality control of the structures and the components. The ice condenser, which assures the safety of the power plant, has been constructed in Finland under an American licence, as have many of the other safety systems in the plant. The computer systems come from Finland, with the computers themselves from Britain. The instrumentation originates from the Federal Republic of Germany. There have also been deliveries from Canada and from France, and Swiss consultants were involved in the general planning of the complex.

The safety philosophy of the power follows western norms, and much attention and a great deal of resources have been devoted to the safety aspects. Very strict quality control has also been important in this context. The aim has been to create as safe and reliable a nuclear power plant as possible.

At 11.20am on January 21, 1977, the first reactor of the Loviisa power complex was made critical, and connection into the national grid was made at 10.46pm on February 8. The load on the machinery has been gradually increased within the limits laid down by the authorities. At the time of the inaugural festivities, the plant was operating at 75 per cent of its full capacity, generating 330MW of electricity.

The final cost of constructing Loviisa I, including some facilities to be shared by Loviisa II, will total some 1 000 million marks.

Board of Management of the Bank of Finland. On April 7, 1977, the President of the Republic appointed Mr. Ele Alenius, M.P., D.Pol.Sc., to the Board of Management of the Bank of Finland as from May 1, 1977.

BANK OF FINLAND

Board of Management

Mauno Koivisto

Governor

Ahti Karjalainen

*Absent as a Member
of Government*

Päiviö Hetemäki

Pentti Uusivirta

Rolf Kullberg

Ele Alenius

Directors

Jouko J. Voutilainen

Markku Puntila

Seppo Lindblom

Eino Helenius

Pentti Koivikko

Kari Nars

Senior officials

Pertti Kukkonen

Director, ADP-planning

Reino Airikkala

Monetary Policy

Pekka Tukiainen

*Domestic Financial
Operations*

Kari Pekonen

Foreign Exchange Policy

Raine Panula

Foreign Exchange

Raili Nuortila

Eastern Trade

Antti Lehtinen

Capital Transfers

J. Ojala

Foreign Exchange Control

Kari Puumanen

Economics Dept.

Heikki Koskenkylä

Research Dept.

Heikki T. Hämäläinen

Administration and Legal Affairs

A. Nenonen

Foreign Correspondence

Eino Suomela

Internal Audit

K. Eirola

Automatic Data Processing

Pauli Kanerva

*Personnel Administration and
General Affairs*

Stig G Björklund

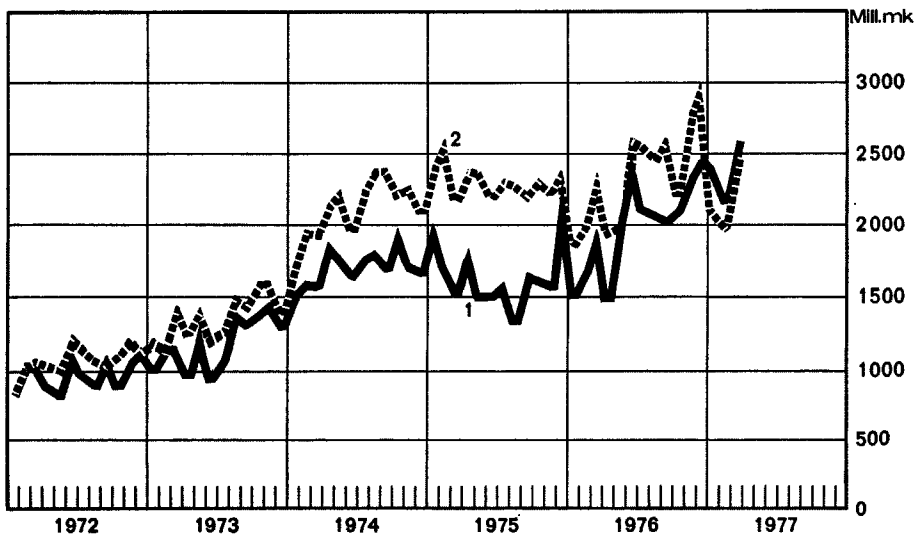
Banking Services

Antti Luukka

Cash

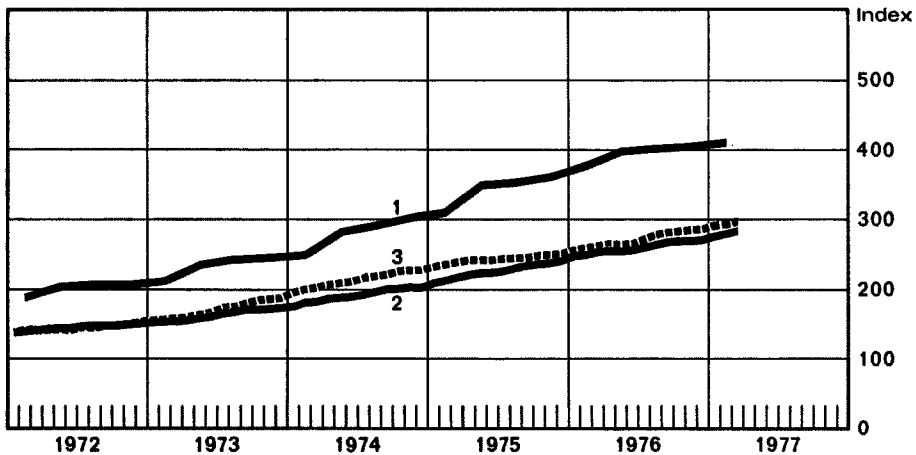
FOREIGN TRADE, 1972-1977

- 1. Exports f.o.b.
 - 2. Imports c.i.f.
- Seasonally adjusted monthly figures



PRICES AND WAGES, 1972-1977

- 1. Index of salary and wage earnings 1964 = 100, quarterly
- 2. Cost of living index 1964 = 100, monthly
- 3. Wholesale price index 1964 = 100, monthly



PRODUCTION, 1972-1977

- 1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures
- 2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures

