

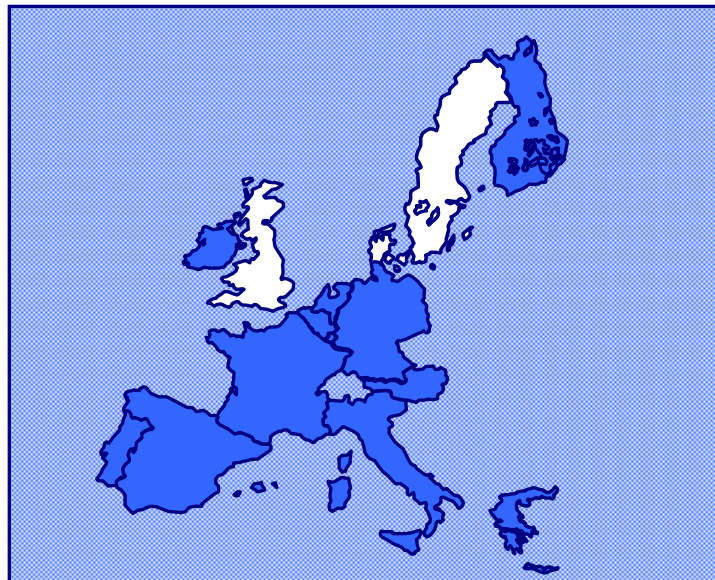


BANK OF FINLAND

Economics Department - Financial Markets Department - Statistics Department

Main Indicators for the Finnish Economy

No 4/2001



18 Apr 2001

Main Indicators for the Finnish Economy is produced jointly by the Economics, Financial Markets and Statistics Departments and it is issued monthly. The review is unofficial, and the Bank of Finland is not liable for any possible errors.

Main Indicators for the Finnish Economy is posted on our website
(<http://www.bof.fi/env/eng/rp/mainen.stm>)

Charts and tables

Monetary policy and market interest rates

Chart 1. Eurosystem interest rates	5
Chart 2. Euribor rates	5
Chart 3. International three-month interest rates	6
Chart 4. International long-term interest rates	6
Chart 5. Yield on ten-year Finnish government bonds and differential vs Germany	7
Chart 6. Yield curve	7

Banking in Finland

Chart 7. Bank lending and deposit rates	8
Chart 8. Interest rates on new lending to households	8
Chart 9. Stock of bank lending by interest rate linkage	9
Chart 10. Stock of bank deposits by interest rate linkage	9
Chart 11. Growth of deposits	10
Chart 12. Growth of lending	10
Chart 13. Liabilities of Finnish MFIs in the Finnish contribution to euro area monetary aggregates	11
Chart 14. Outstanding bank credit to households and non-financial corporations in Finland	11

Securities market

Chart 15. Selected stock price indices in the euro area	12
Chart 16. HEX Helsinki Exchanges: share indices by sector	12
Chart 17. Listed shares in Finland: total market capitalization and non-residents' holdings	13
Chart 18. Non-residents' portfolio investments in Finland	13
Chart 19. Bonds issued in Finland	14
Chart 20. Mutual funds registered in Finland	14

Borrowing by sector in Finland

Chart 21. Non-financial corporate sector and household borrowing	15
Chart 22. Sectoral debt ratios in Finland	15

Exchange rates

Chart 23. Euro exchange rates against the US dollar and the yen	16
Chart 24. Euro exchange rates against the pound sterling and the Swedish krona	16
Chart 25. Euro's external value and Finland's competitiveness indicator	17
Chart 26. Competitiveness indicators for Finland	17

Real economy

Chart 27. GDP, volume, Finland and euro area	18
Chart 28. GDP, volume, Finland, monthly indicator	18
Chart 29. Industrial production, volume, Finland and euro area	19
Chart 30. Industrial confidence indicator, Finland and euro area	19
Chart 31. Manufacturing production by sector in Finland, volume index	20
Chart 32. Finland's imports of goods, volume	20
Chart 33. Consumption in Finland, volume	21
Chart 34. Consumer confidence, Finland and euro area	21
Chart 35. Fixed investment in Finland, volume	22
Chart 36. Construction indicators	22
Chart 37. Exports of goods, volume, Finland	23
Chart 38. Exports by industry, Finland	23
Table 1. Supply, demand and labour market indicators	24

Prices and costs	
Chart 39. Consumer prices (CPI), Finland and euro area	25
Chart 40. Harmonized index of consumer prices (HICP), Finland and euro area	25
Chart 41. Inflation rates in the euro area (HICP)	26
Chart 42. Producer prices, Finland and euro area	26
Chart 43. Earnings in Finland	27
Chart 44. Earnings in industry, Finland and euro area	27
Chart 45. Finland's export prices, import prices and terms of trade	28
Chart 46. Dwelling prices in Finland	28
Table 2. Cost and price indicators	29
Labour market	
Chart 47. Unemployment rate, Finland and euro area	30
Chart 48. Employment in Finland	30
Public finances	
Chart 49. Public sector balances in Finland	31
Chart 50. Public sector debt in Finland	31
External balance	
Chart 51. Goods account and current account, Finland	32
Chart 52. Net international investment position, Finland	32
Table 3. External balance and sectoral balances indicators	33

Monetary policy and market interest rates

Chart 1.

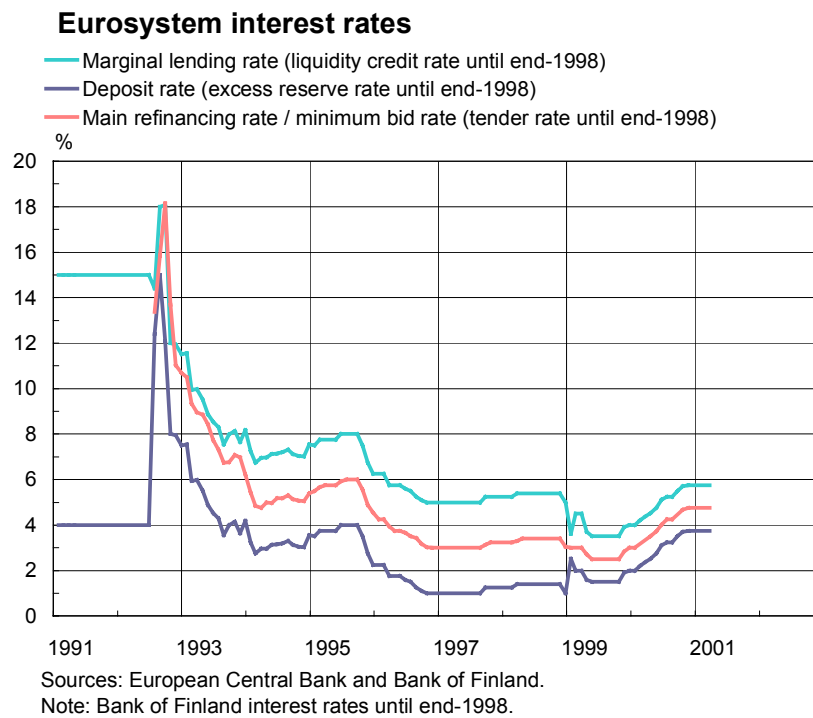


Chart 2.

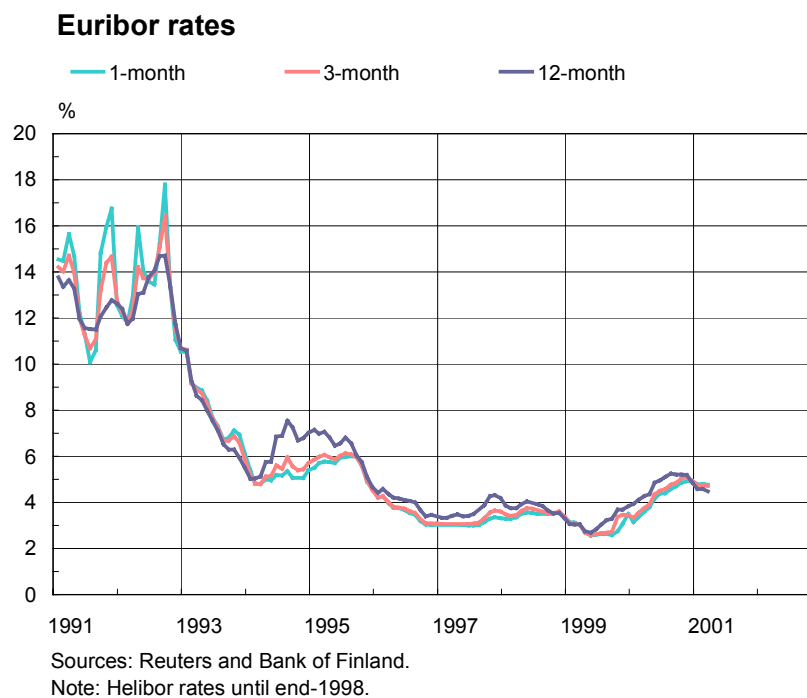
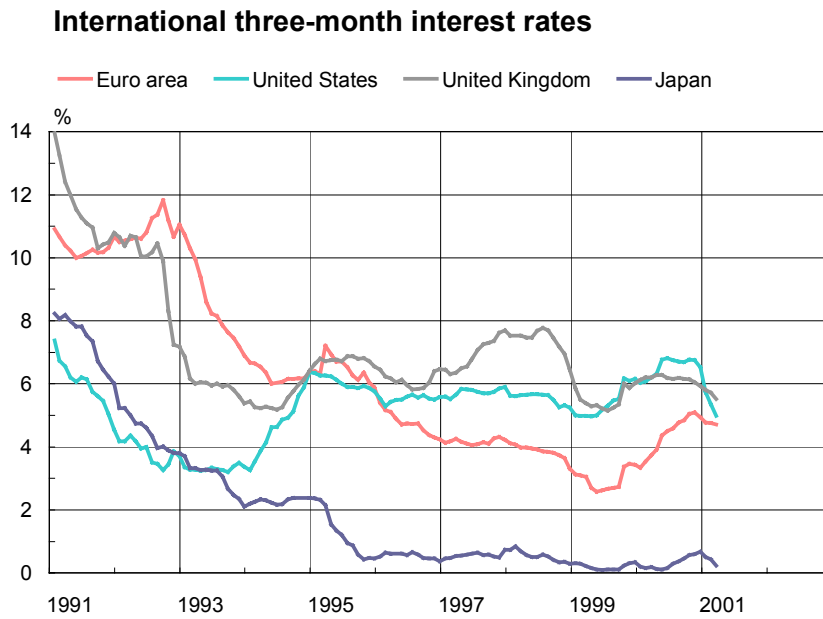
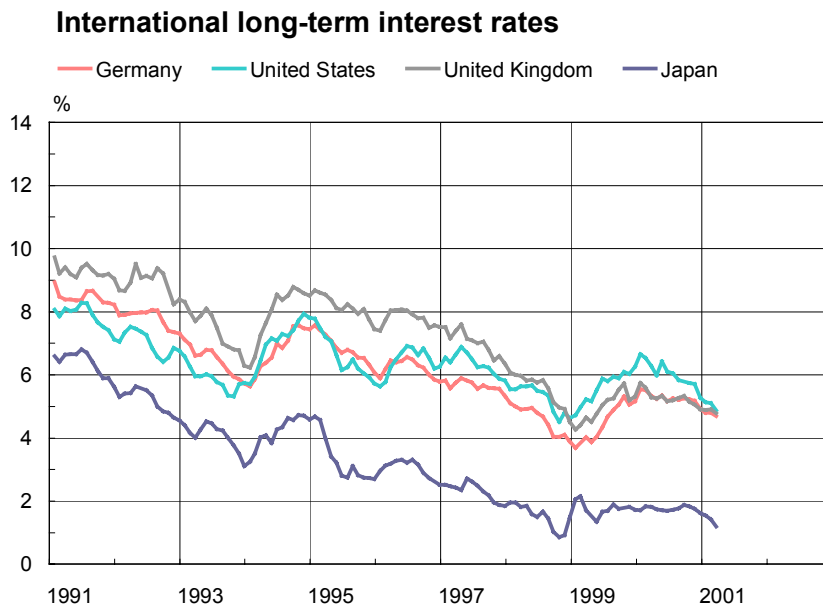


Chart 3.



Sources: Reuters and European Central Bank.
 Note: Until end-1998 the euro area rate is calculated as the average of national rates weighted by GDP. Euribor from January 1999.

Chart 4.



Source: Reuters.
 Note: Yield on ten-year government bonds.

Chart 5.

Yield on ten-year Finnish government bonds and differential vs Germany

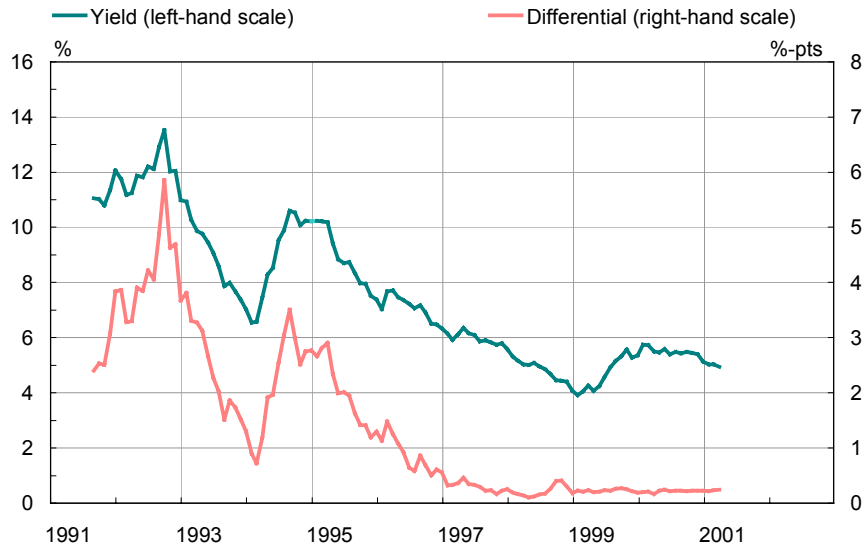
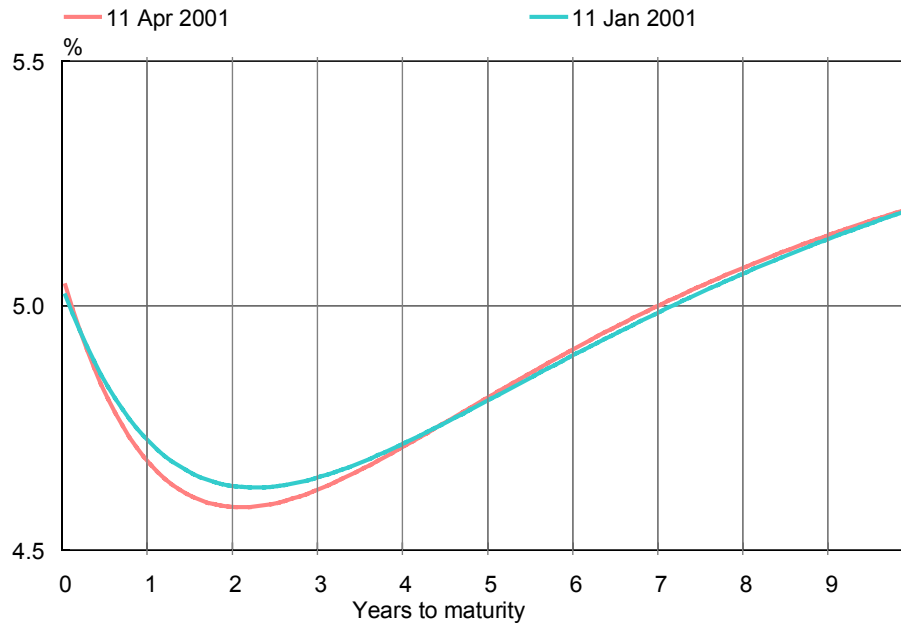


Chart 6.

Euro area (Finland's) yield curve

(zero coupon yield curve)



Source: Bank of Finland.

Note: BOF estimation using Nelson & Siegel (1987) yield curve model applied to Eonia and Euribor rates and Finnish benchmark government bond yields.

Banking in Finland

Chart 7.

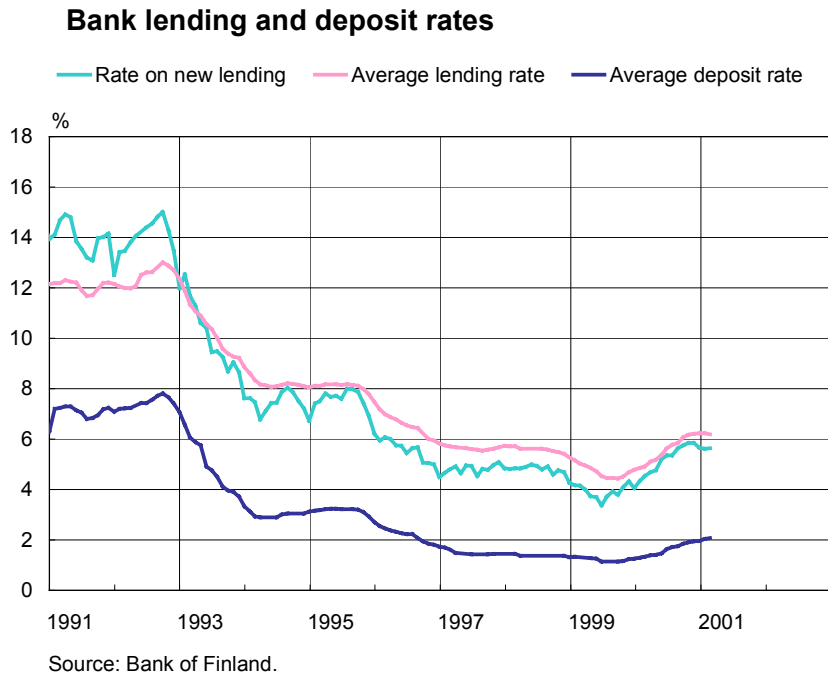


Chart 8.

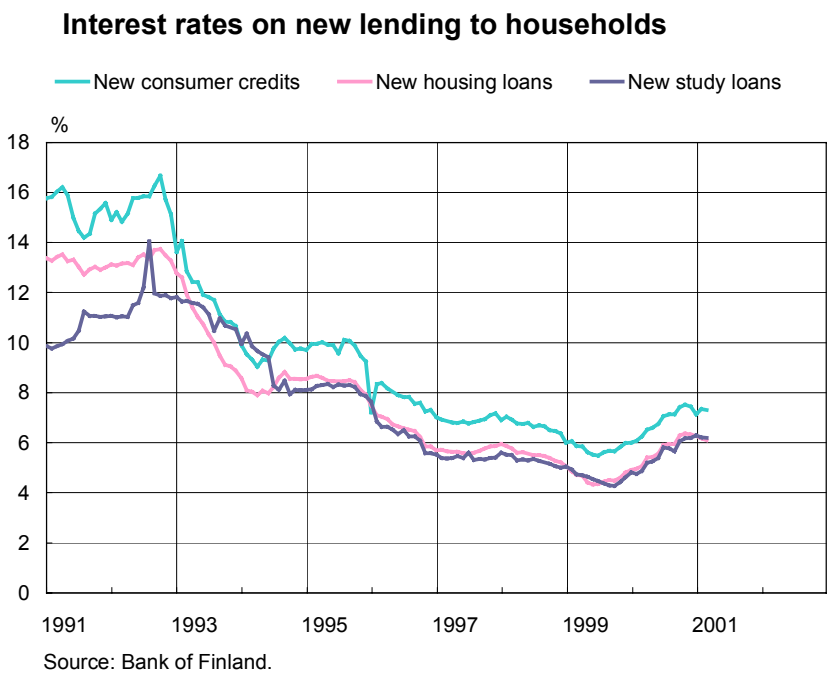


Chart 9.

Stock of bank lending by interest rate linkage

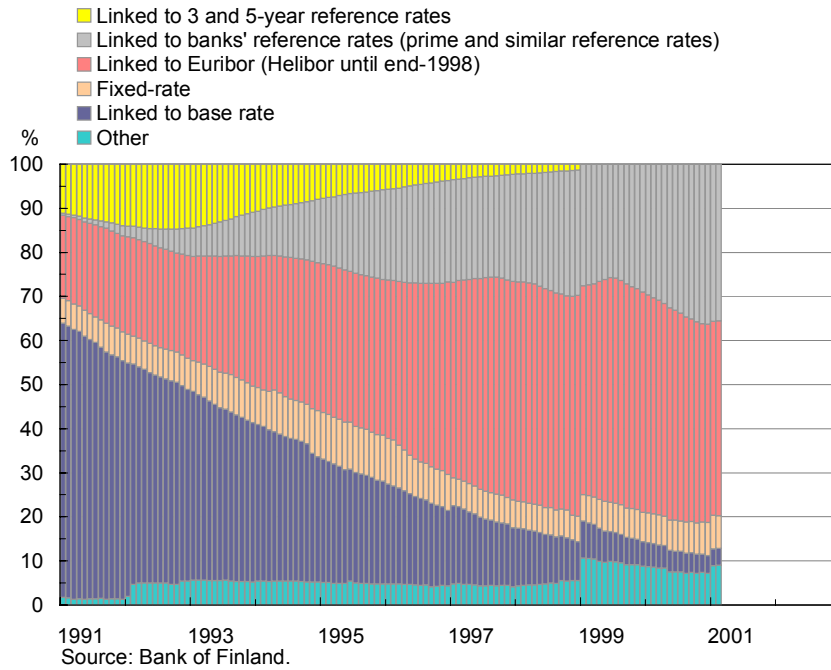


Chart 10.

Stock of bank deposits by interest rate linkage

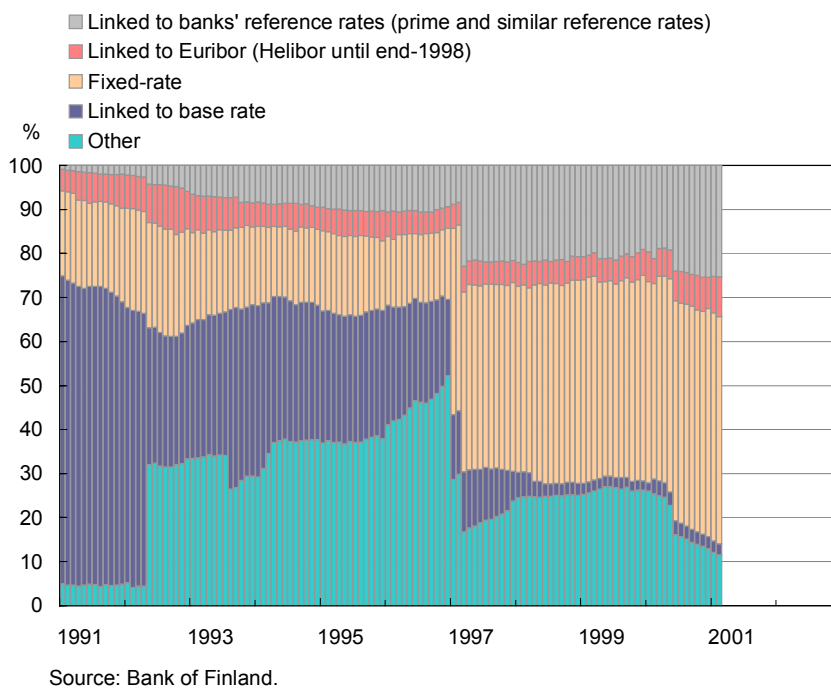
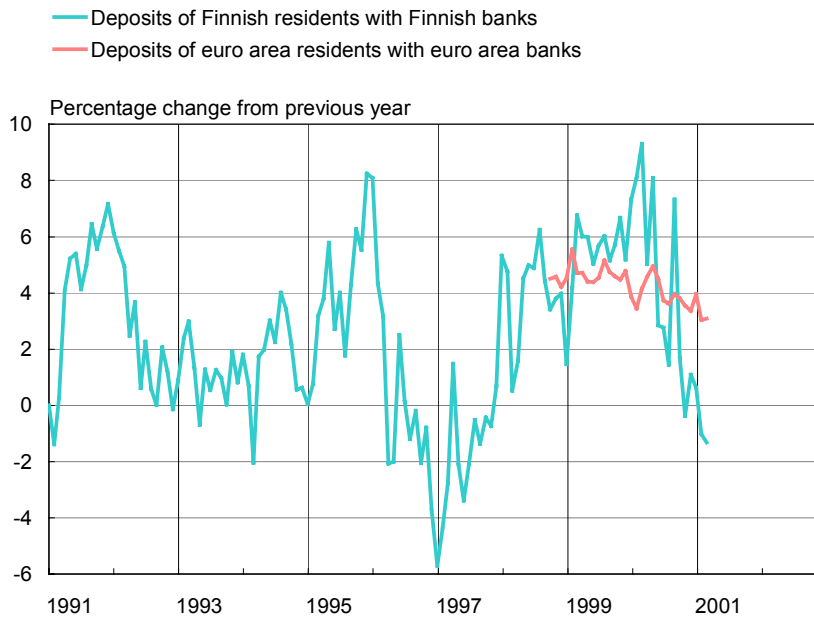
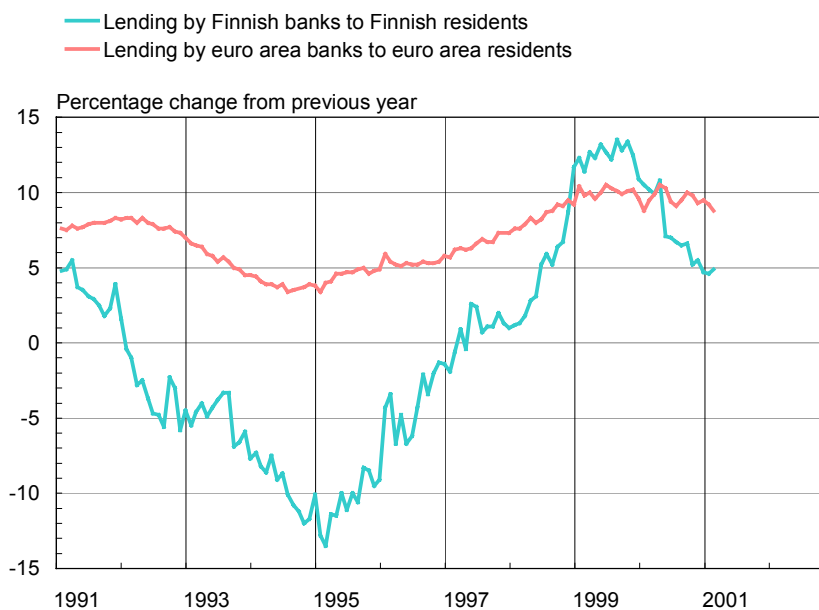


Chart 11.

Euro area and Finnish banks: growth of deposits

Sources: European Central Bank and Bank of Finland.

Chart 12.

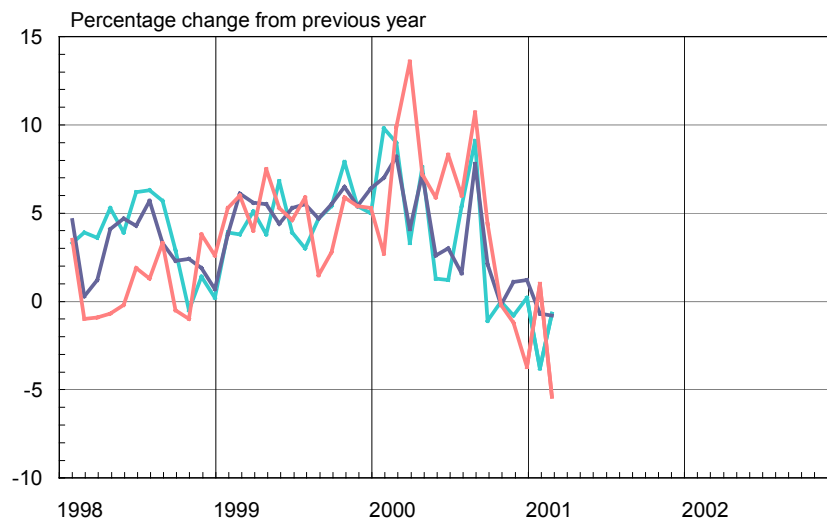
Euro area and Finnish banks: growth of lending

Sources: European Central Bank and Bank of Finland.

Chart 13.

Liabilities of Finnish monetary financial institutions included in monetary aggregates for the euro area

- Items included in M1: transaction accounts (=overnight deposits)
- Items included in M2: all deposits except fixed-term deposits of over 2 years
- Items included in M3: M2 plus certain securities and other items

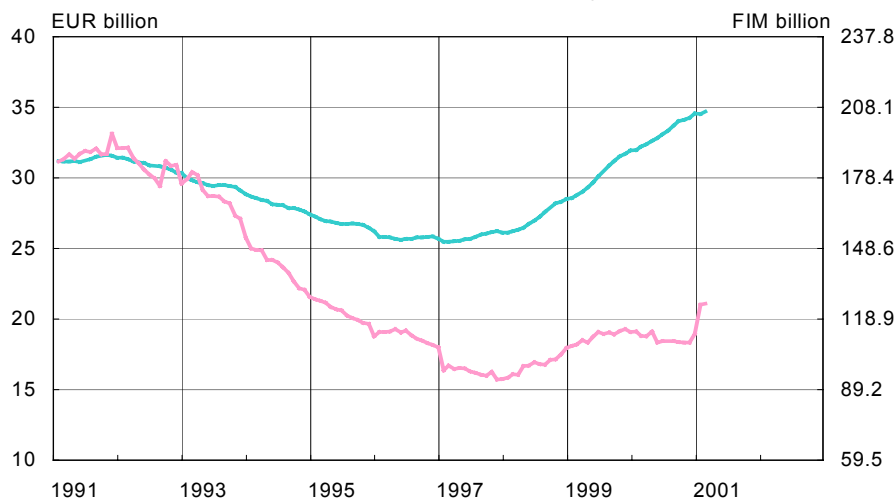


Source: Bank of Finland.

Chart 14.

Outstanding bank credit to households and non-financial corporations in Finland

- Households
- Non-financial corporations *



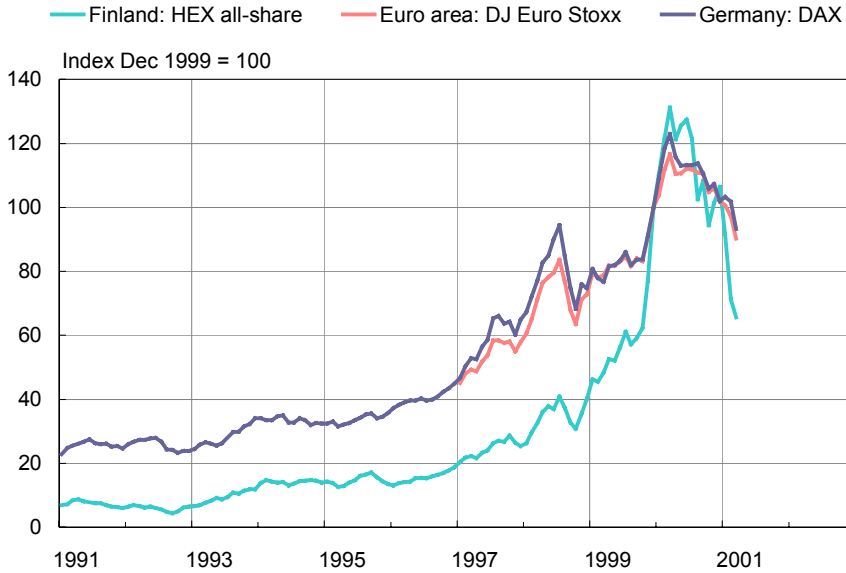
Source: Bank of Finland.

* Note: The series includes structural changes.

Securities market

Chart 15.

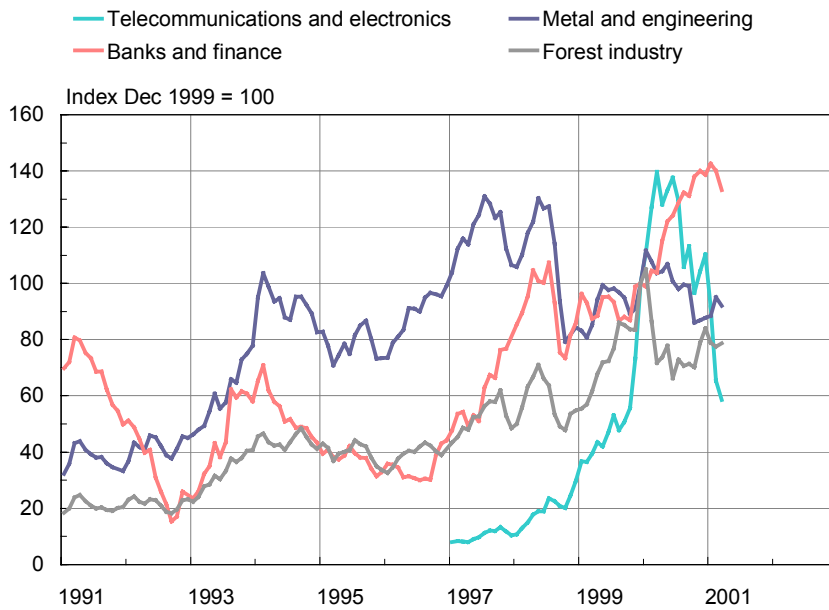
Selected stock price indices in the euro area



Sources: Bloomberg and HEX Helsinki Exchanges.

Chart 16

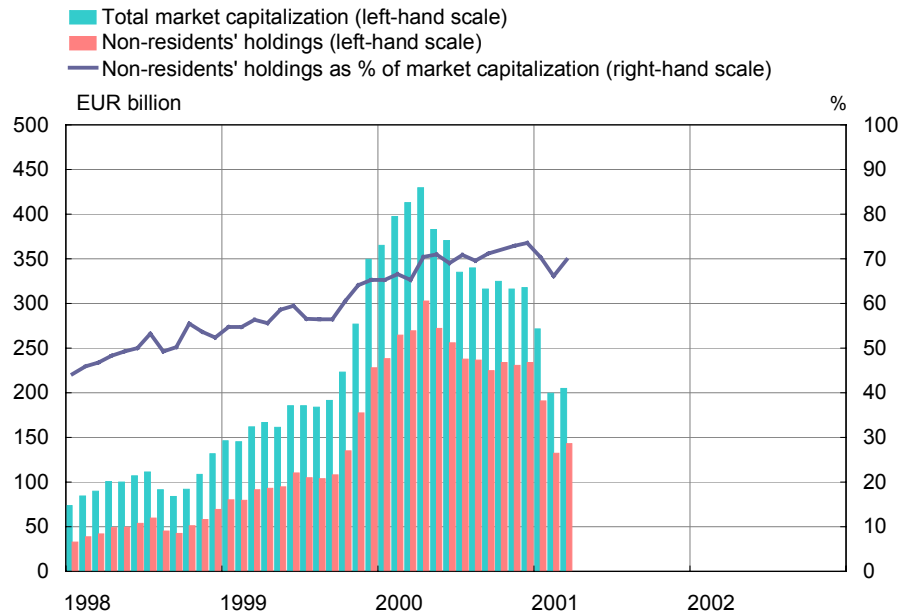
HEX Helsinki Exchanges: share indices by sector



Source: HEX Helsinki Exchanges.

Chart 17.

Listed shares in Finland: total market capitalization and non-residents' holdings

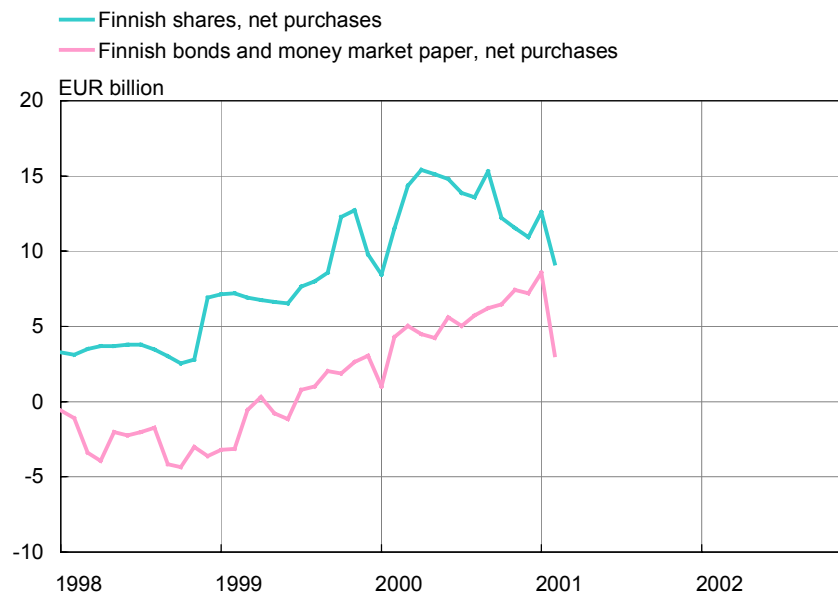


Sources: HEX Helsinki Exchanges and Finnish Central Securities Depository.

Chart 18.

Non-residents' portfolio investments in Finland

12-month moving totals



Source: Bank of Finland.

Chart 19.

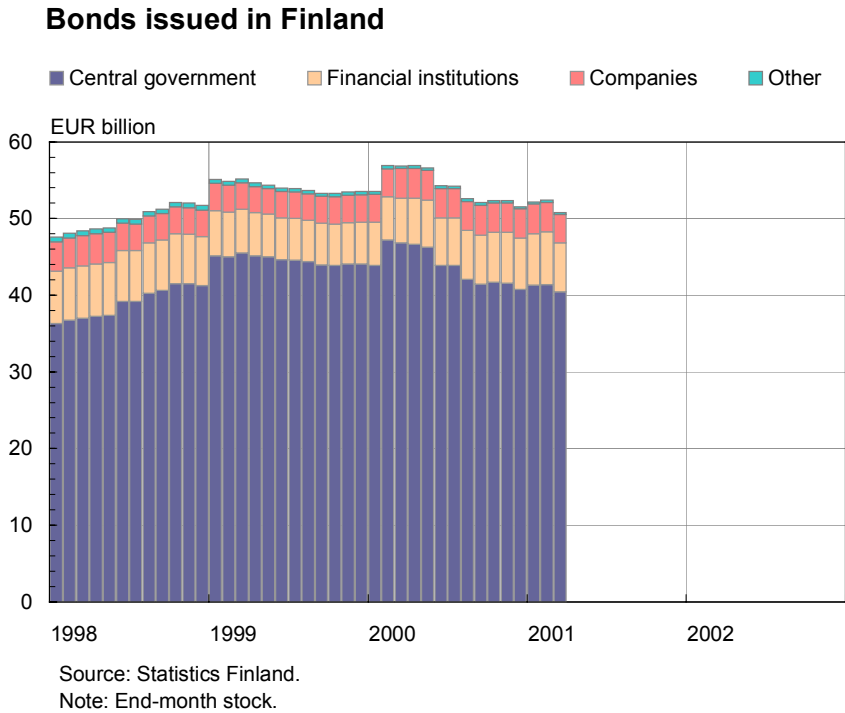
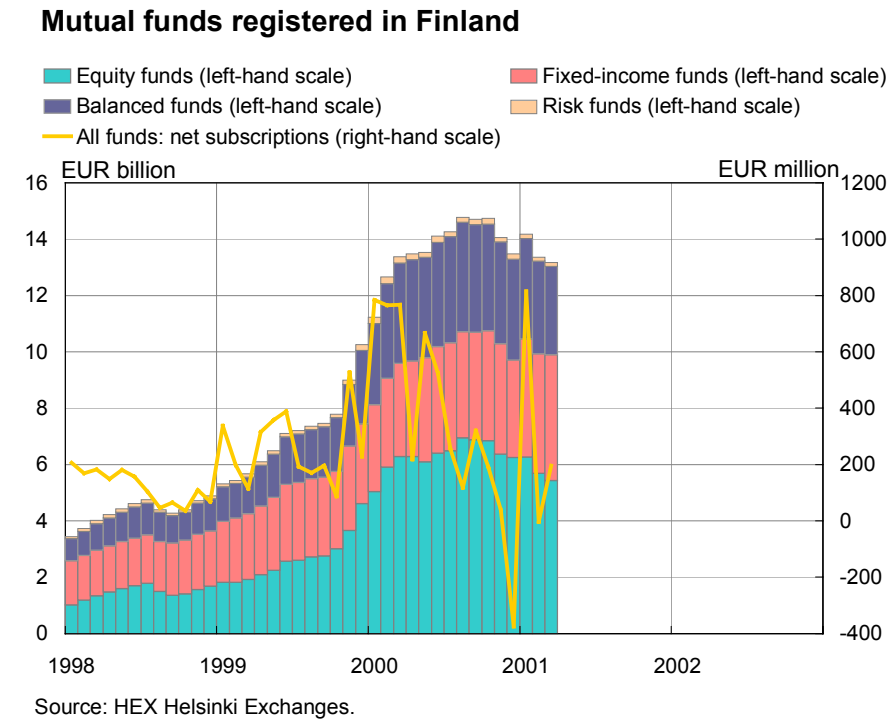


Chart 20.



Borrowing by sector in Finland

Chart 21.

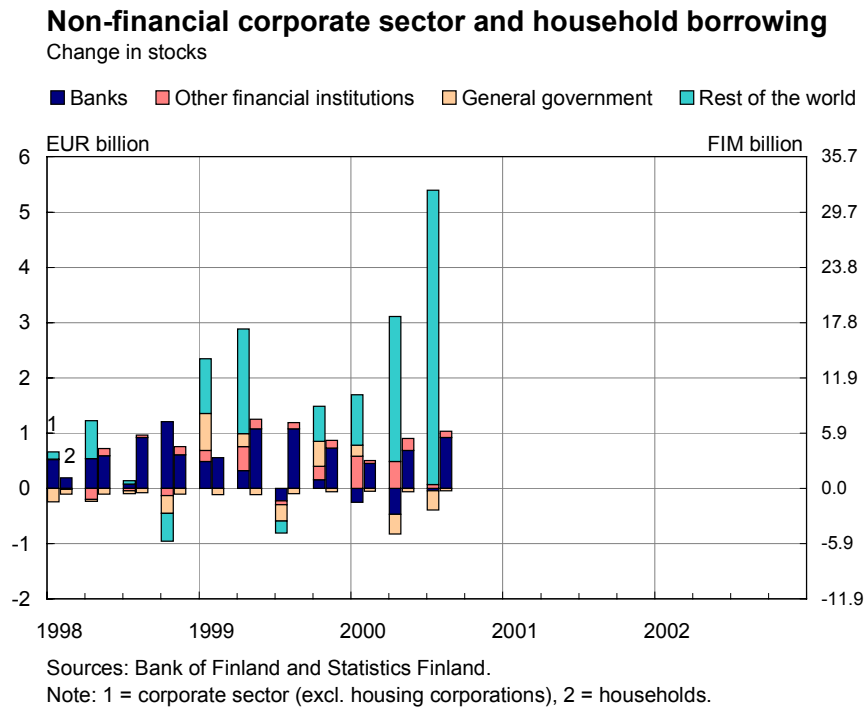
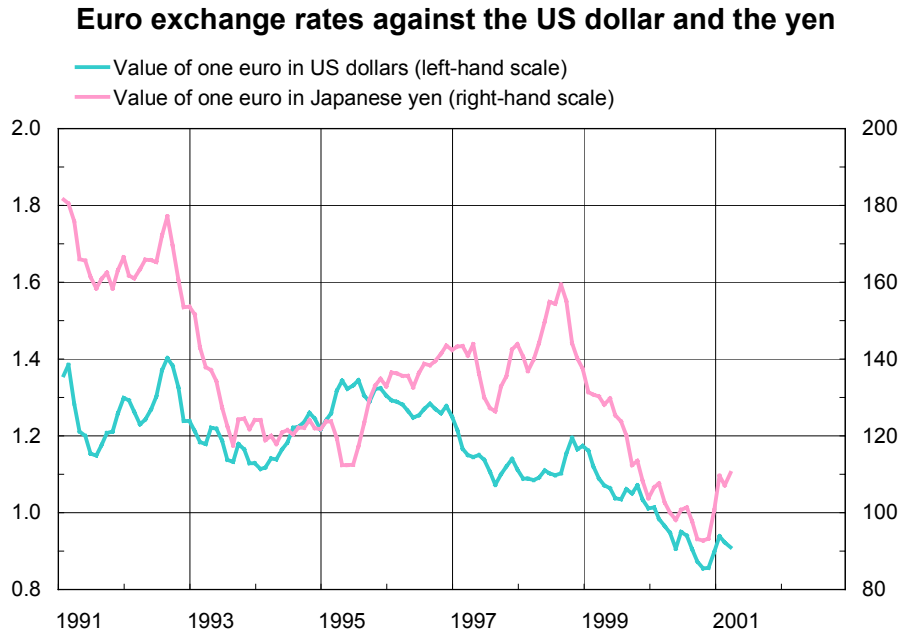


Chart 22.



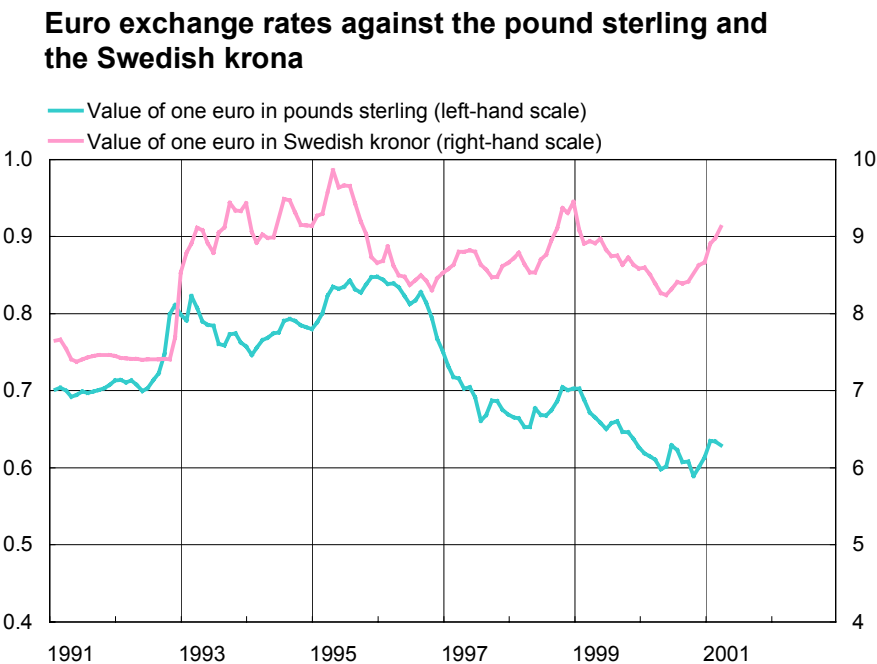
Exchange rates

Chart 23.



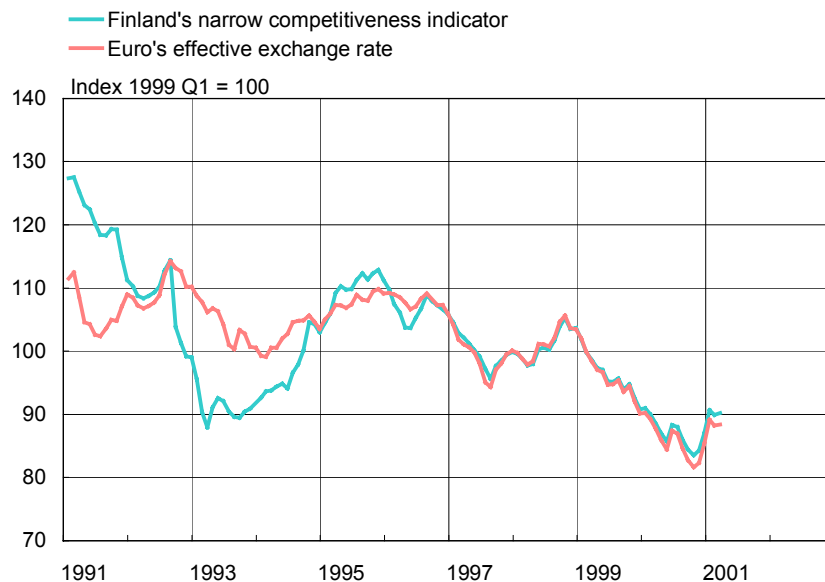
Sources: European Central Bank and Reuters.
 Note: ECU exchange rate until end-1998.

Chart 24.



Sources: European Central Bank and Reuters.
 Note: ECU exchange rate until end-1998.

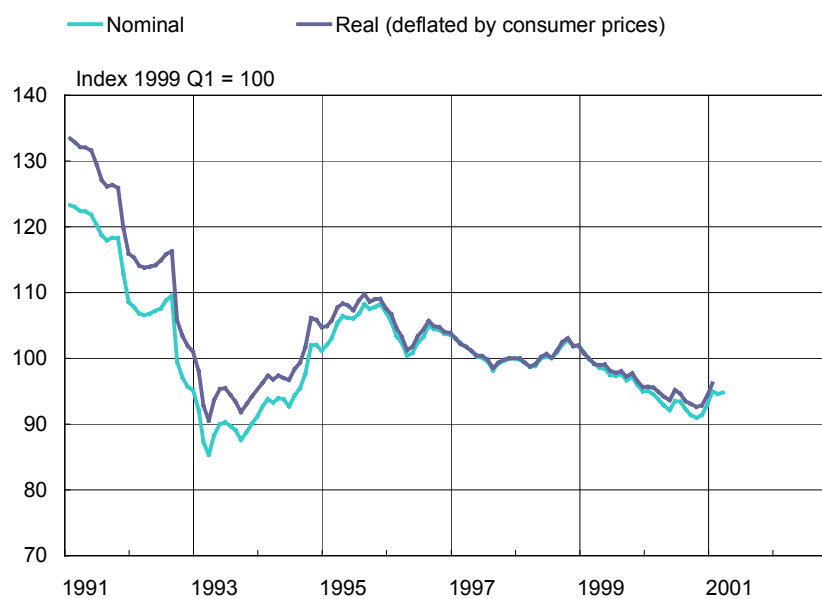
Chart 25.

Euro's external value and Finland's competitiveness indicator

Sources: European Central Bank and Bank of Finland.

Note: An upward movement of the index represents an appreciation of the euro/
a weakening in Finnish competitiveness. The method of calculation is described in the
Bank of Finland Bulletin 1/2000.

Chart 26.

Competitiveness indicators for Finland

Source: Bank of Finland.

Note: Narrow plus euro area competitiveness indicator. See also note in Chart 25.

Real economy

Chart 27.

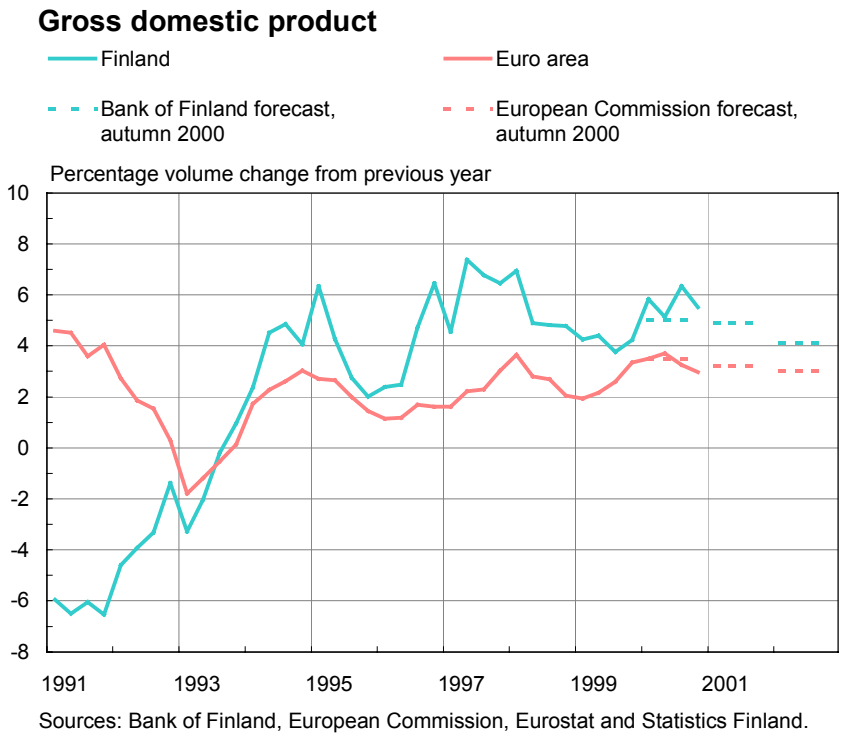


Chart 28.



Chart 29.

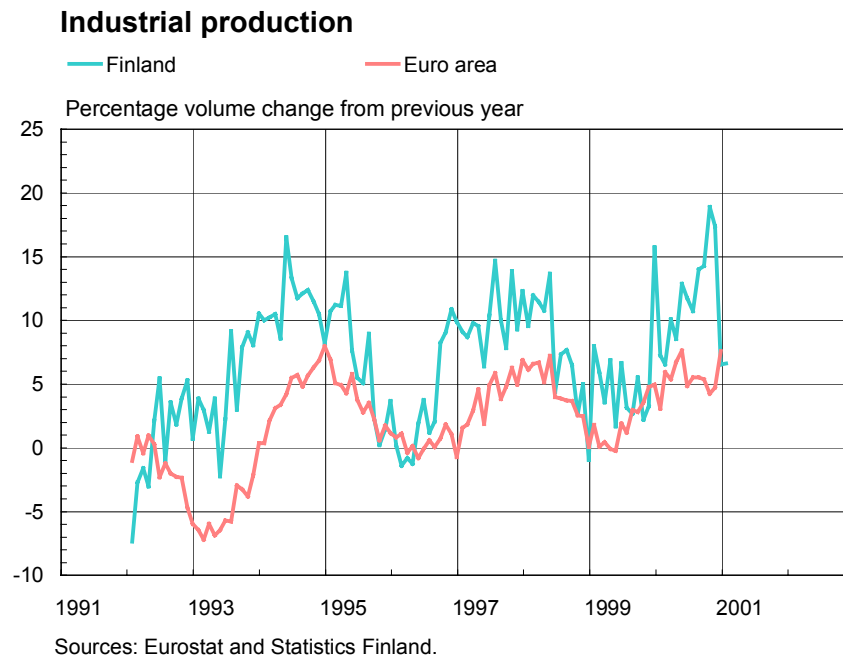


Chart 30.

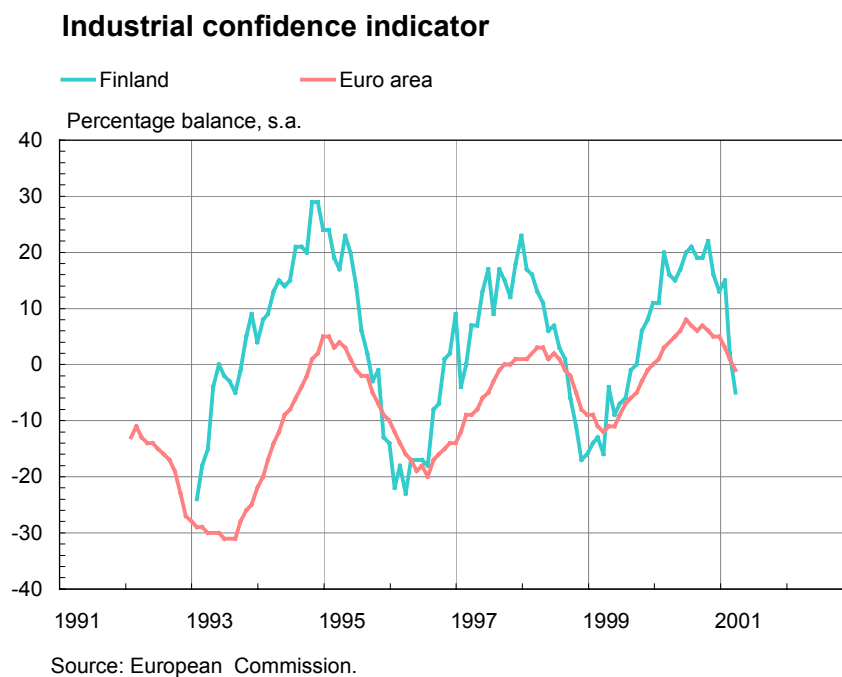


Chart 31.

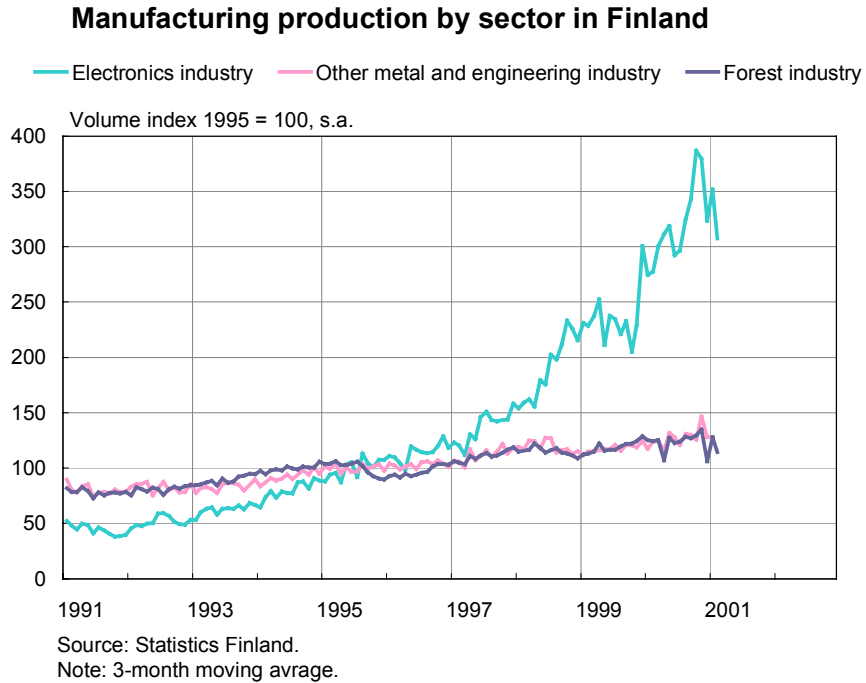


Chart 32.



Chart 33.

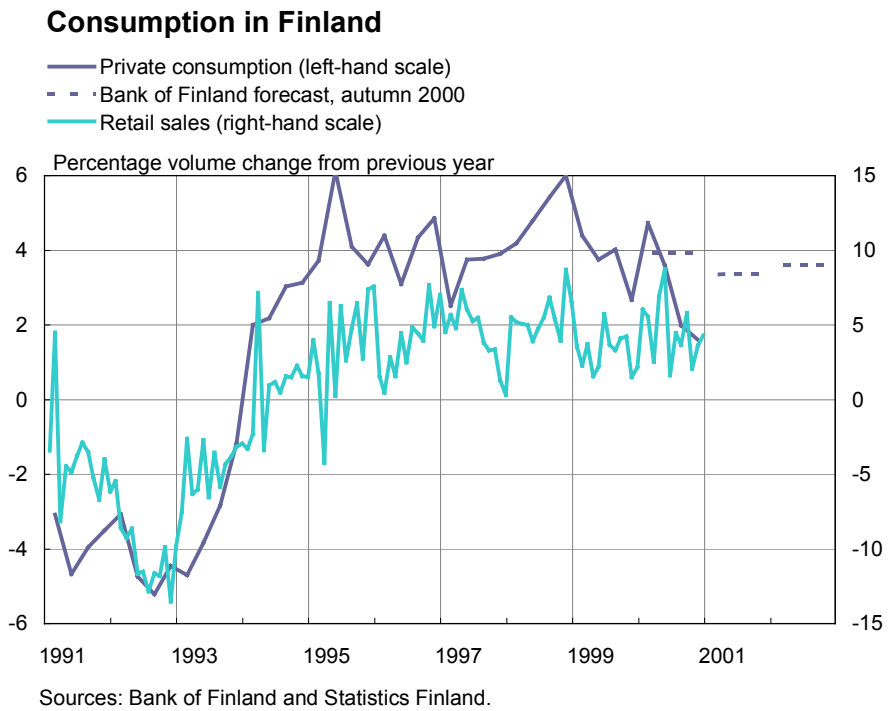


Chart 34.

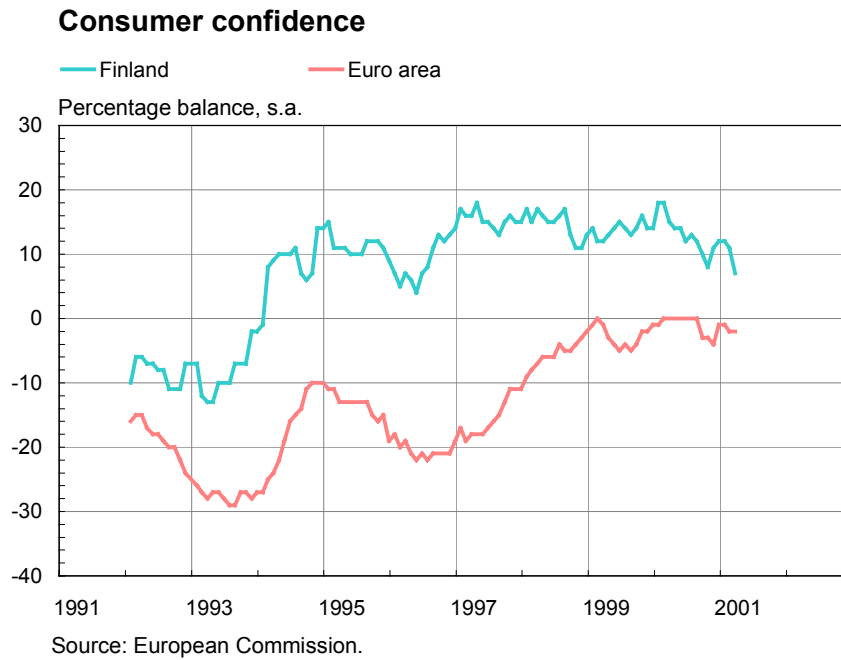


Chart 35.

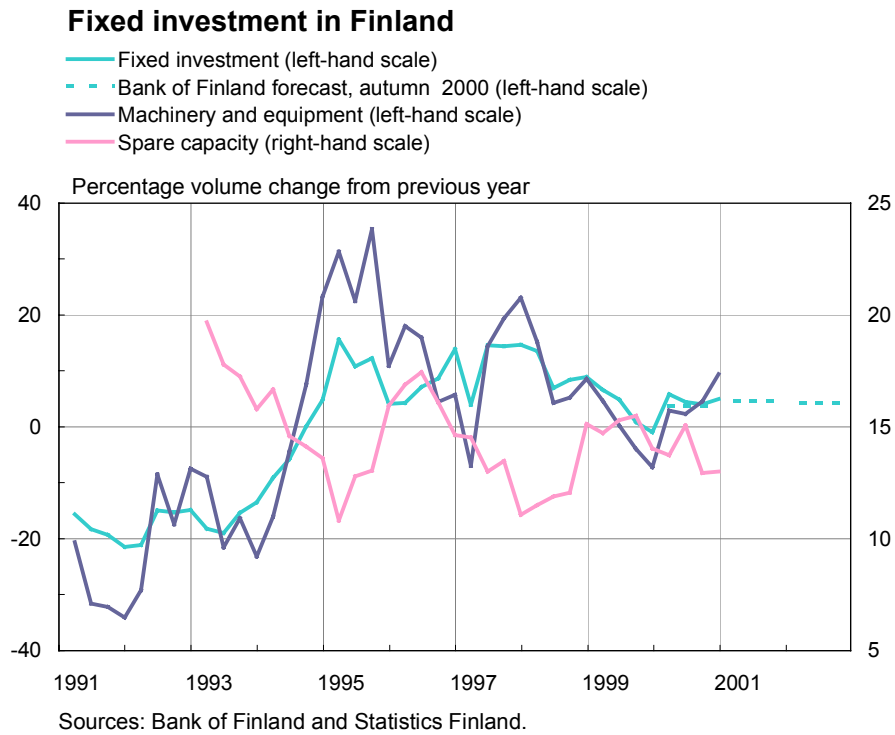


Chart 36.

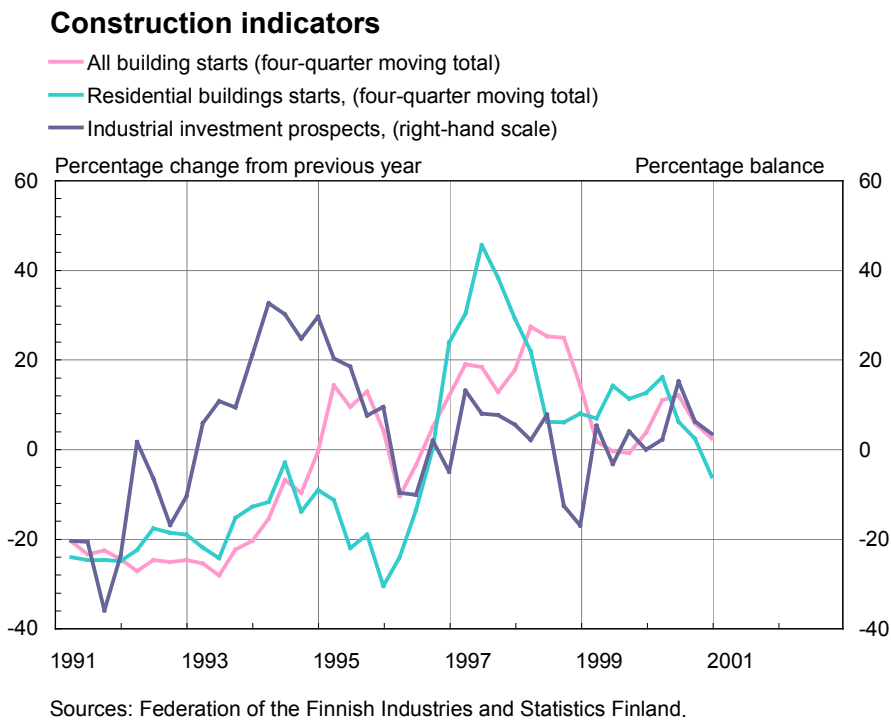


Chart 37.



Chart 38.

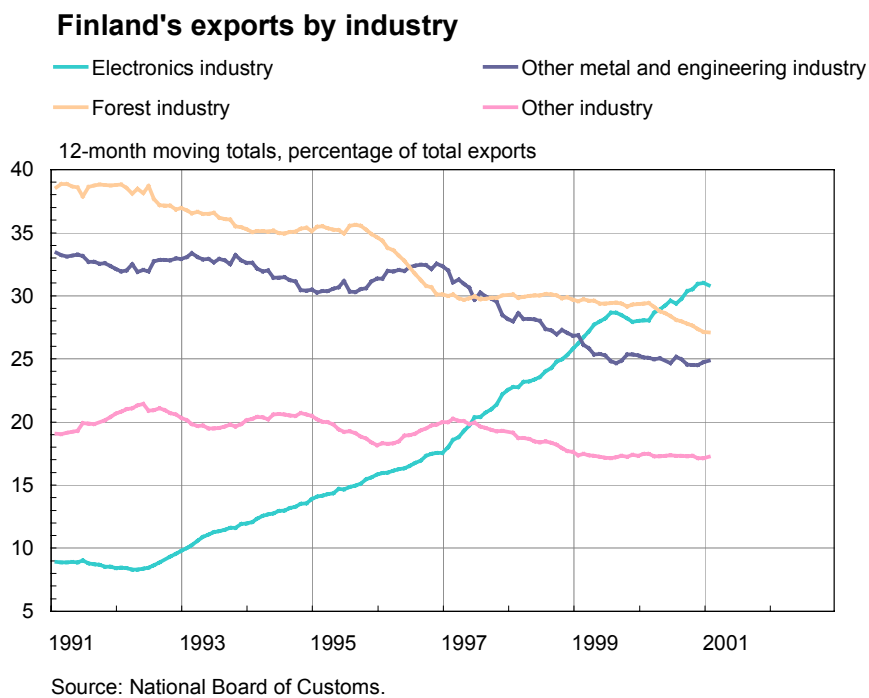


Table 1.

Supply, demand and labour market indicators

	1998	1999	2000/2001 Actual		2000*	2001*	2002*
Supply and demand <i>percentage volume change from previous year</i>							
Gross domestic product at market prices	5.3	4.2	5.5 Q4 5.7 Q1-Q4		5.0	4.9	4.1
GDP monthly indicator at producer prices	5.3	3.8	5.2 M1 5.2 M01-M01				
Manufacturing production	9.3	5.7	6.0 M02 6.7 M01-M02				
Consumption expenditure	4.1	3.2	1.3 Q4 2.2 Q1-Q4		2.9	2.8	3.0
- private	5.1	3.7	1.6 Q4 3.0 Q1-Q4		3.9	3.4	3.6
- general government	1.7	2.0	0.1 Q4 0.4 Q1-Q4		0.6	1.4	1.4
Gross fixed capital formation	9.3	2.7	5.1 Q4 4.8 Q1-Q4		3.7	4.6	4.2
- private	11.6	3.5	6.4 Q4 5.7 Q1-Q4		4.9	5.3	4.5
- general government	-1.4	-1.3	-3.0 Q4 0.1 Q1-Q4		-3.4	0.2	2.4
Domestic demand	4.8	2.9	4.0 Q4 2.5 Q1-Q4		3.9	3.0	3.3
Exports of goods and services	8.9	7.1	14.4 Q4 17.7 Q1-Q4		9.7	9.5	7.0
Imports of goods and services	8.5	4.3	14.0 Q4 12.8 Q1-Q4		8.2	6.2	6.2
Labour market indicators <i>percentage change from previous year</i>							
Employed persons	2.4	3.3	2.4 M02 1.9 M01-M02		1.9	2.2	1.9
Unemployment rate, s.a. **	11.4	10.2	9.3 M02 9.3 M01-M02		9.7	8.8	7.9

Source: Statistics Finland.

* Bank of Finland forecast, autumn 2000.

** Seasonally adjusted by the Bank of Finland.

Prices and costs

Chart 39.

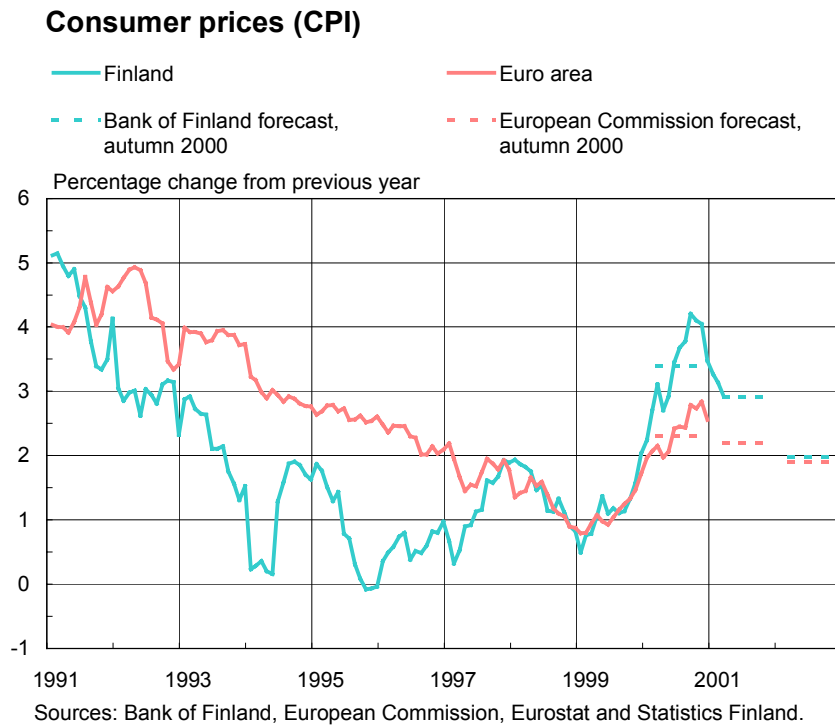


Chart 40.

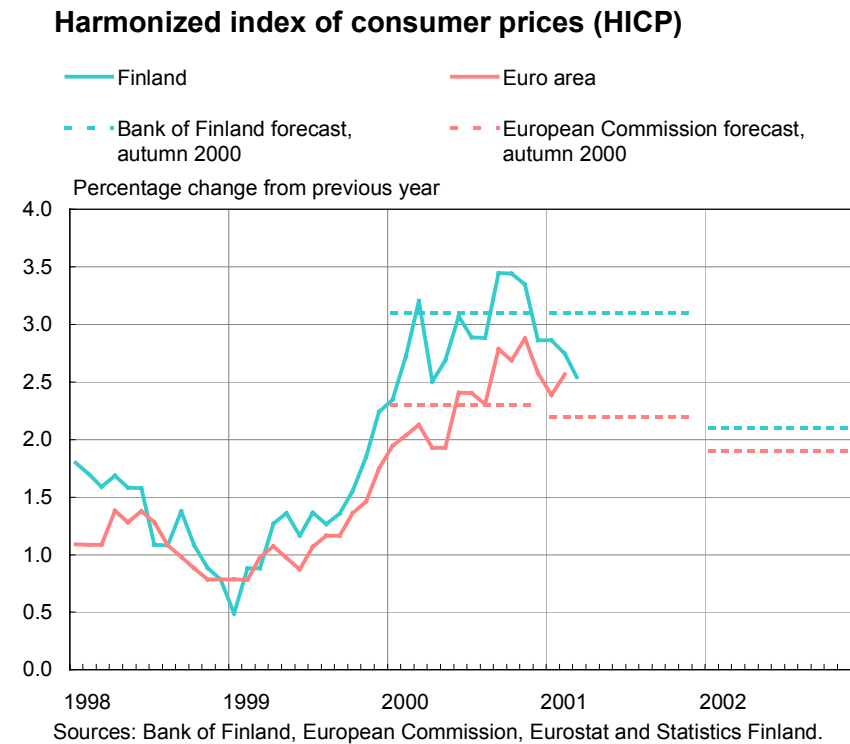


Chart 41.

Inflation rates in the euro area (HICP)

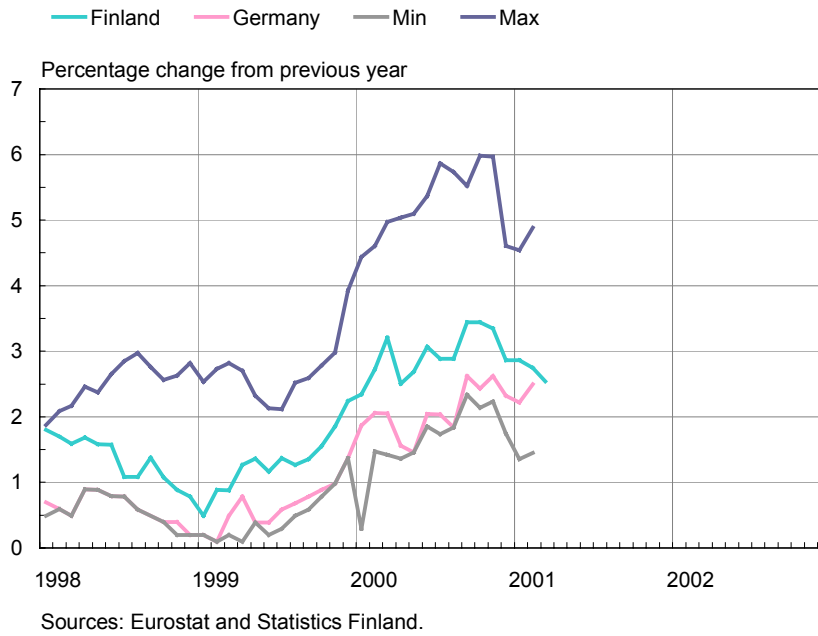


Chart 42.

Producer prices

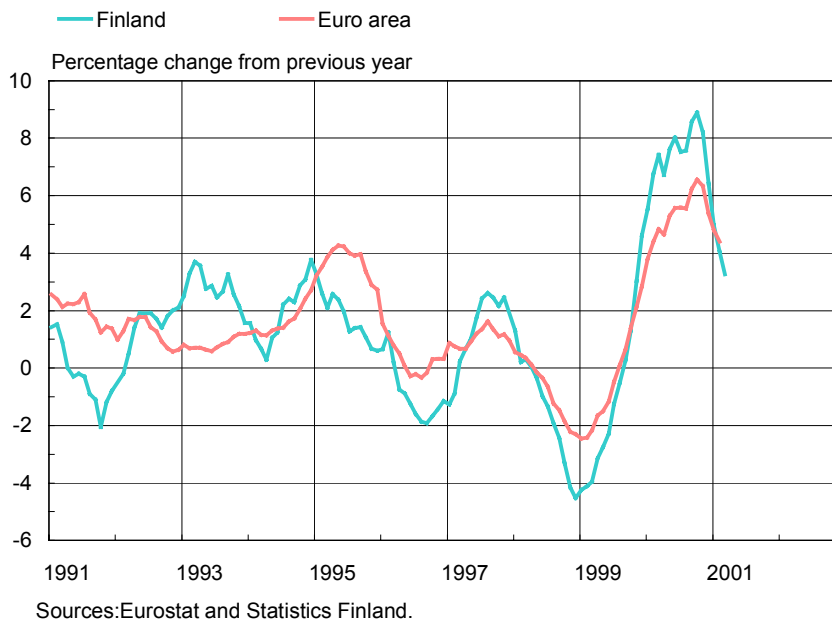


Chart 43.

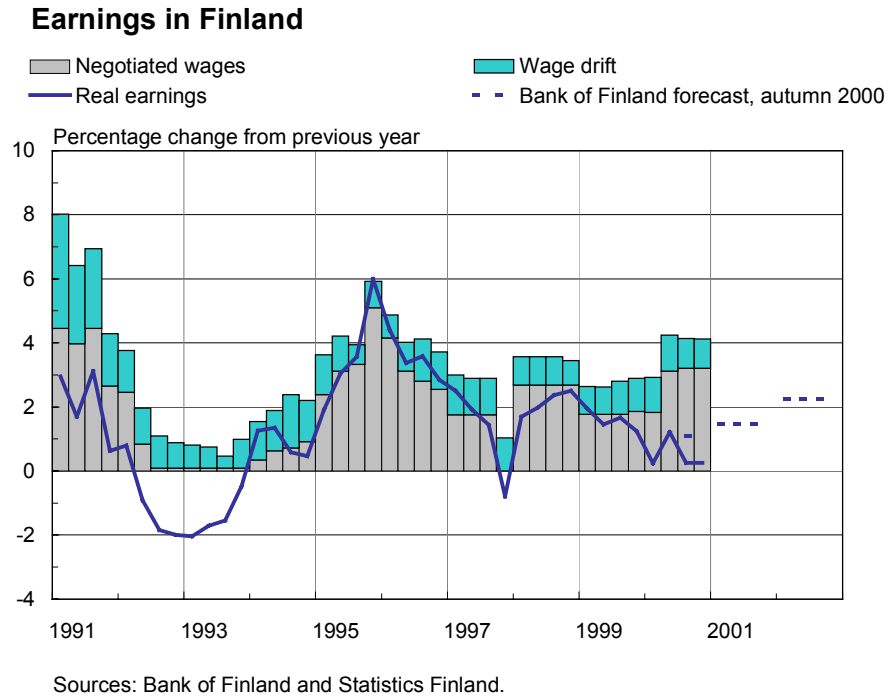


Chart 44.

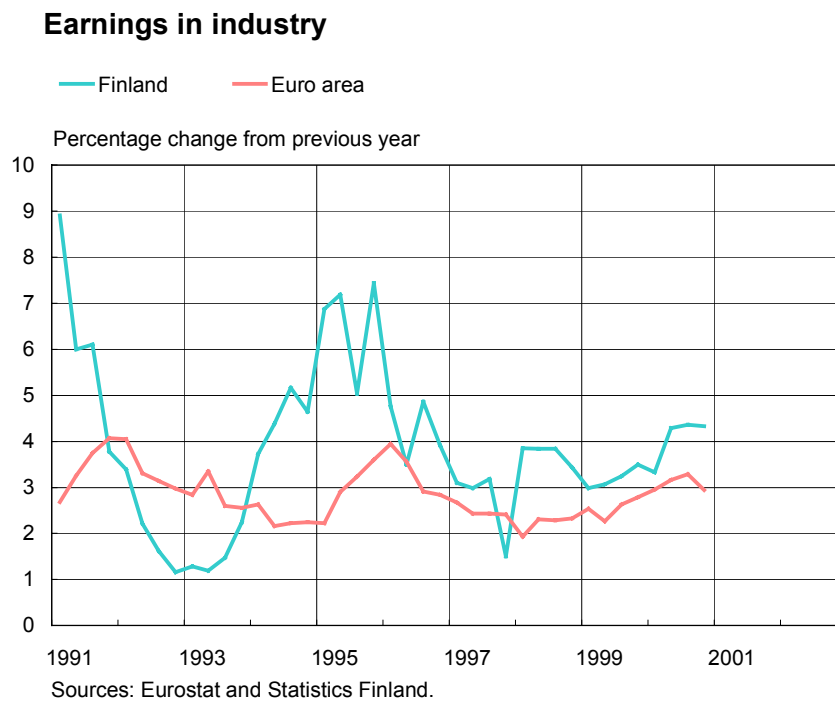


Chart 45.

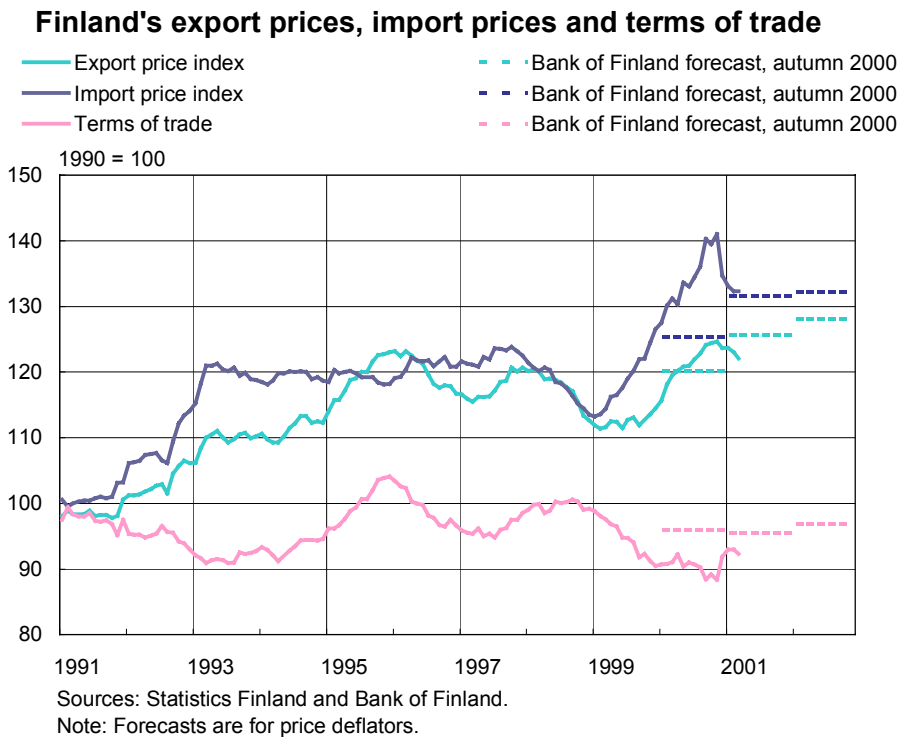


Chart 46.

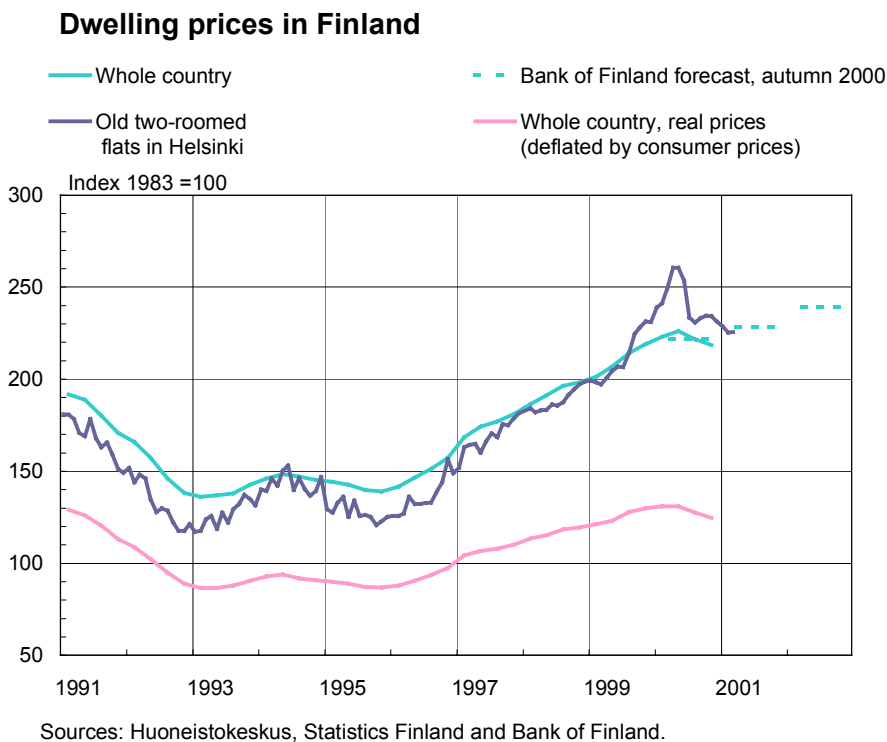


Table 2.

Cost and price indicators*Percentage change from previous year*

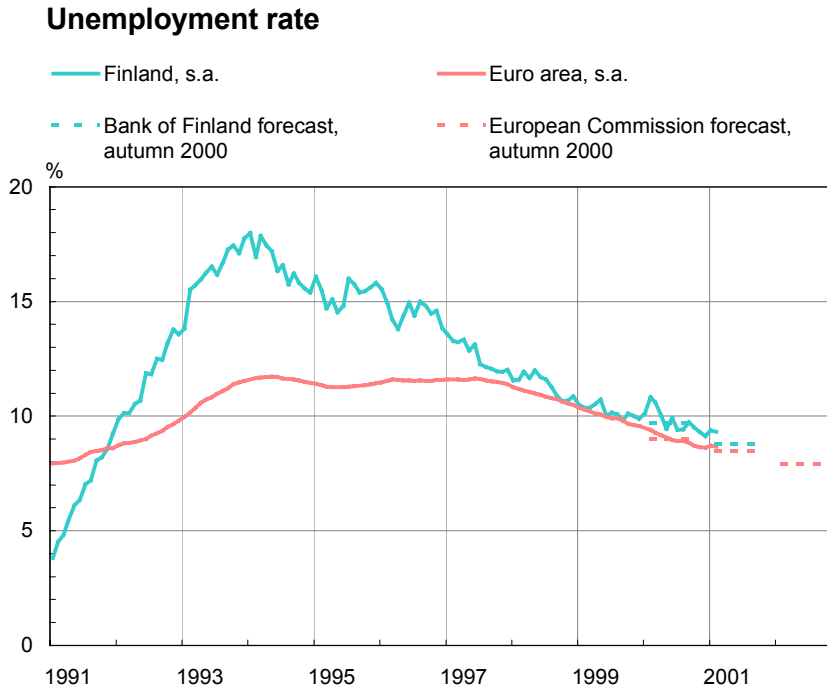
	1998	1999	2000/2001	2000*	2001*	2002*
			Actual			
Labour costs						
Index of wages and salaries	3.5	2.7	4.1 Q4 3.9 Q1-Q4	4.0	4.1	4.3
Unit labour costs						
- whole economy	1.9	0.3	-0.9 Q4 -0.2 Q1-Q4	0.8	1.1	2.3
- manufacturing	-0.8	-4.6	-8.4 Q4 -5.9 Q1-Q4			
Price indices						
Export prices						
- export price index	-1.1	-4.4	2.2 M03 4.4 M01-M03			
- export price deflator	-1.3	-5.9	6.7 Q4 4.5 Q1-Q4	9.5	4.7	1.9
Import prices						
- import price index	-3.5	0.6	0.1 M03 2.0 M01-M03			
- import price deflator	-4.1	-1.7	6.7 Q4 6.9 Q1-Q4	9.9	5.2	0.2
Producer prices	-1.4	-1.1	3.3 M03 4.1 M01-M03			
Wholesale prices	-1.3	-0.2	2.1 M03 3.2 M01-M03			
Consumer prices						
- consumer price index	1.4	1.2	2.9 M03 3.1 M01-M03	3.4	2.9	2.0
- harmonized index of consumer prices	1.4	1.3	2.5 M03 2.7 M01-M03	3.1	3.1	2.1
- indicator of underlying inflation	1.0	1.3	3.4 M02 3.5 M01-M02	3.6	3.0	1.9
Asset prices						
Stumpage prices	3.0	1.9	3.7 M02 4.0 M01-M02			
Dwelling prices, whole country	10.2	8.9	-0.2 Q4 5.7 Q1-Q4	6.0	2.8	4.8
Share prices	41.6	72.1	-49.9 M03 -37.1 M01-M03			

Sources: Finnish Forest Research Institute, HEX Helsinki Exchanges, National Board of Customs and Statistics Finland.

* Bank of Finland forecast, autumn 2000.

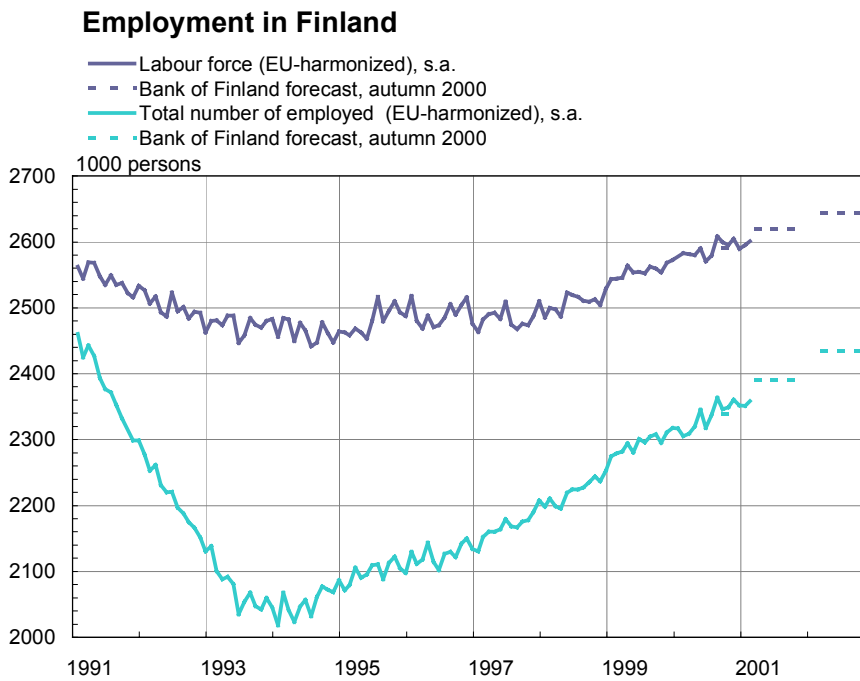
Labour market

Chart 47.



Sources: Bank of Finland, European Commission, Eurostat and Statistics Finland.
 Note: Seasonally adjusted by the Bank of Finland and Eurostat.

Chart 48.



Sources: Statistics Finland and Bank of Finland.
 Note: Seasonally adjusted by the Bank of Finland.

Public finances

Chart 49.



Sources: Statistics Finland, State Treasury and Bank of Finland.

Chart 50.



Sources: Statistics Finland, State Treasury and Bank of Finland.

External balance

Chart 51.

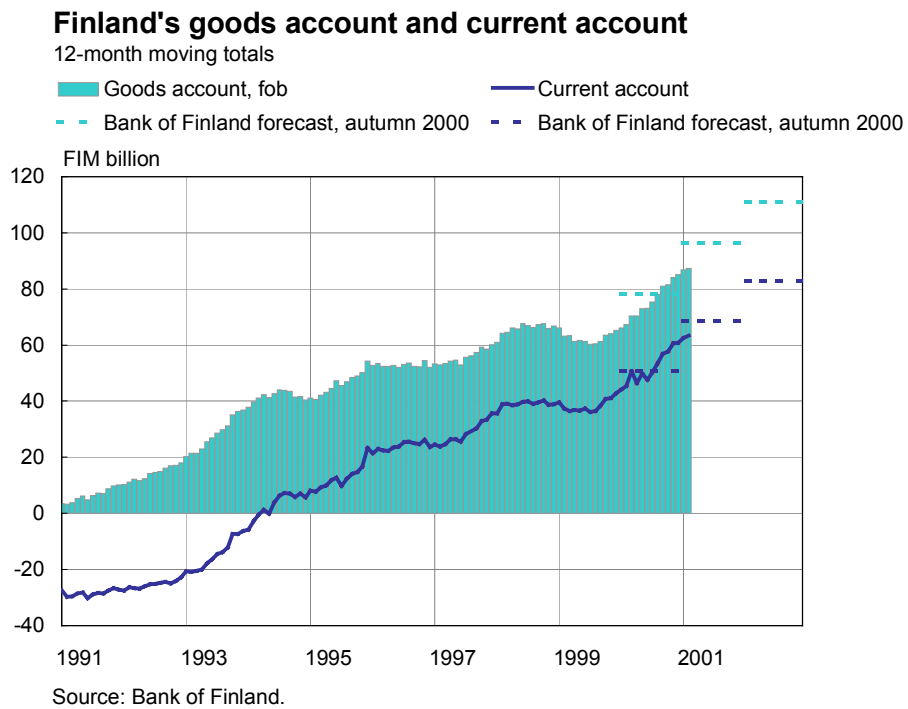


Chart 52.

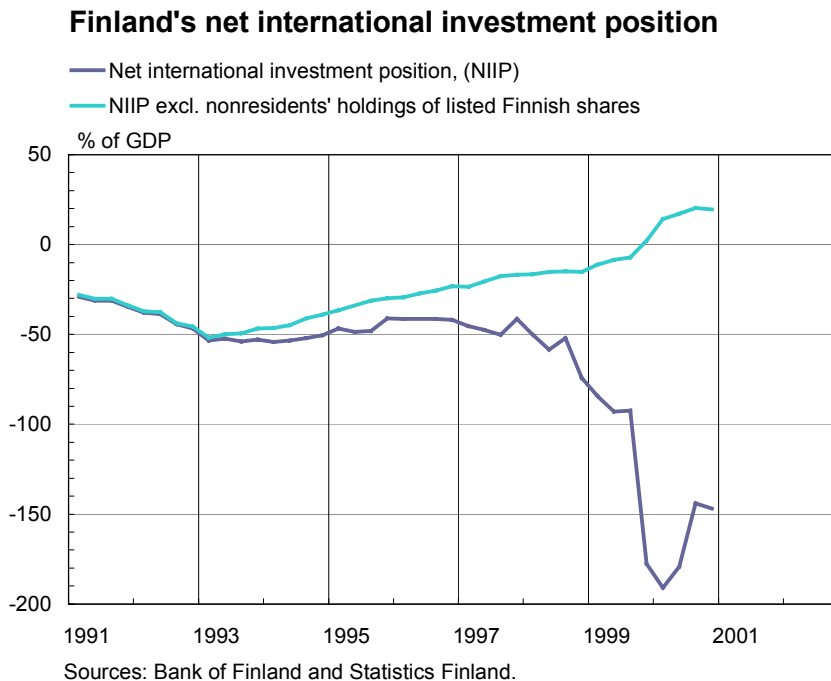


Table 3.

External balance and sectoral balances indicators

	1999	2000	2001 Actual	2000*	2001*	2002*
Goods account						
EUR billion	11.0	14.3	1.0 M02 2.2 M01-M02	13.1	16.2	18.7
per cent of GDP	9.0	10.8		10.0	11.5	12.4
Current account						
EUR billion	7.2	10.2	0.7 M02 1.5 M01-M02	8.5	11.6	13.9
per cent of GDP	5.9	7.7		6.5	8.2	9.3
Financial account						
EUR billion	-7.0	-9.8	-0.9 M02 -1.6 M01-M02			
General government	-5.3	-10.5	-3.7 M02 -5.7 M01-M02			
Direct investment in Finland	4.3	8.9	-0.4 M02 0.1 M01-M02			
abroad	6.2	25.1	0.2 M02 1.8 M01-M02			
Shares	5.3	3.0	-0.3 M02 -0.3 M01-M02			
Other capital (incl. errors and omissions)	-5.1	13.8	3.7 M02 6.1 M01-M02			
Foreign exchange reserves (increase -)	-0.2	-0.4	0.2 M02 0.1 M01-M02			
Net lending, saving minus investment						
Private sector						
EUR billion	5.0	1.4		2.7	5.7	7.4
per cent of GDP	4.1	1.1		2.0	4.1	5.0
General government						
EUR billion	2.2	8.8		5.9	5.8	6.5
per cent of GDP	1.8	6.7		4.5	4.1	4.3
Central government						
EUR billion	-0.9	4.3		1.8	1.5	2.0
per cent of GDP	-0.8	3.3		1.4	1.1	1.3
Local government						
EUR billion	-0.3	0.2		-0.1	0.0	-0.1
per cent of GDP	-0.3	0.1		-0.1	0.0	-0.1
Social security funds						
EUR billion	3.4	4.3		4.2	4.4	4.8
per cent of GDP	2.8	3.3		3.2	3.1	3.2
Net foreign debt						
per cent of GDP	177.7	147.0				
per cent of exports of goods and services	473.8	346.1				
Sectoral debt ratios, gross debt, per cent of GDP						
Non-financial corporate sector **	45.8					
Household sector	30.4					
General government (Maastricht definition)	46.9	44.0		41.7	38.5	35.6

Sources: Bank of Finland and Statistics Finland.

* Bank of Finland forecast, autumn 2000.

** excl. housing corporations.

