



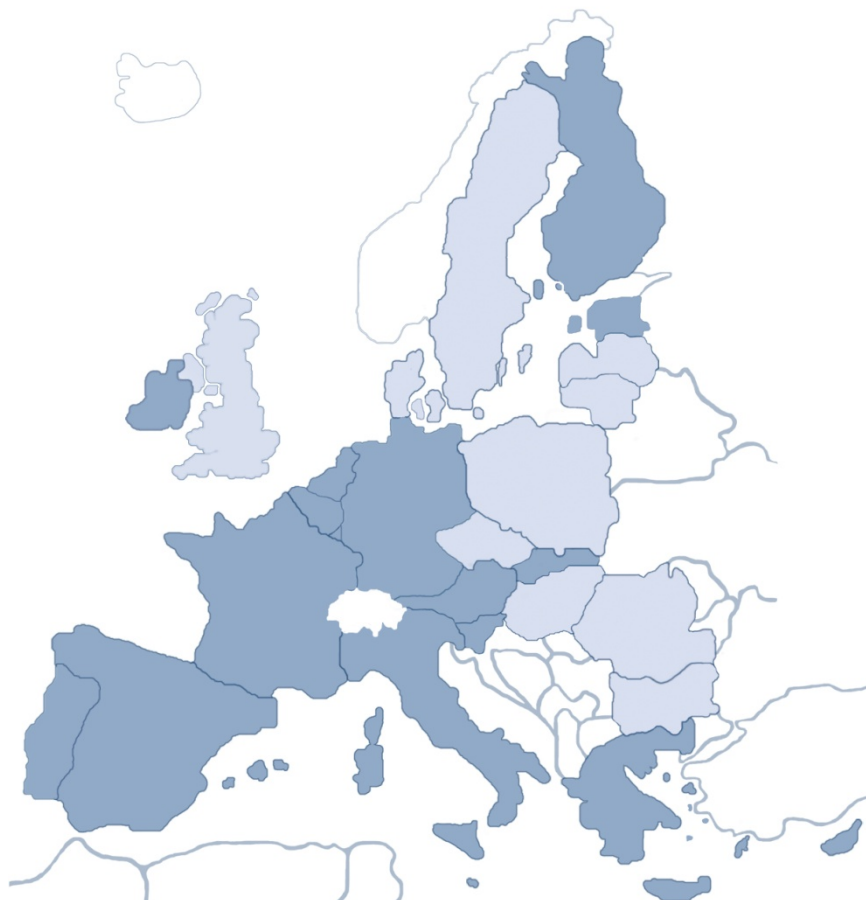
BANK OF FINLAND

Monetary Policy and Research - Financial Markets and Statistics

EUROJÄRJESTELMÄ
EUROSYSTEMET

Main Indicators for the Finnish Economy

2/2011



16 February 2011

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Monetary policy and market interest rates

Chart 1.

Eurosystem interest rates

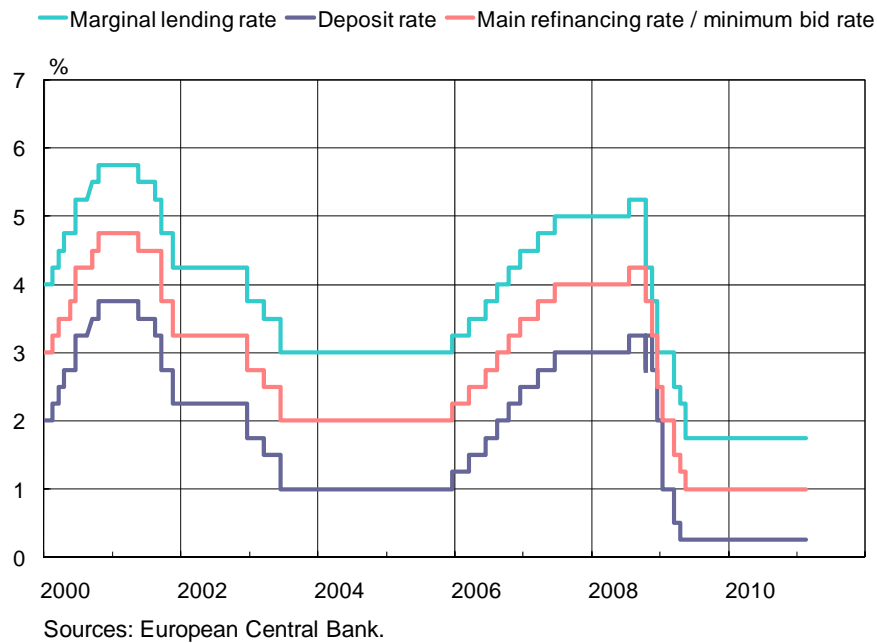


Chart 2.

Euribor rates

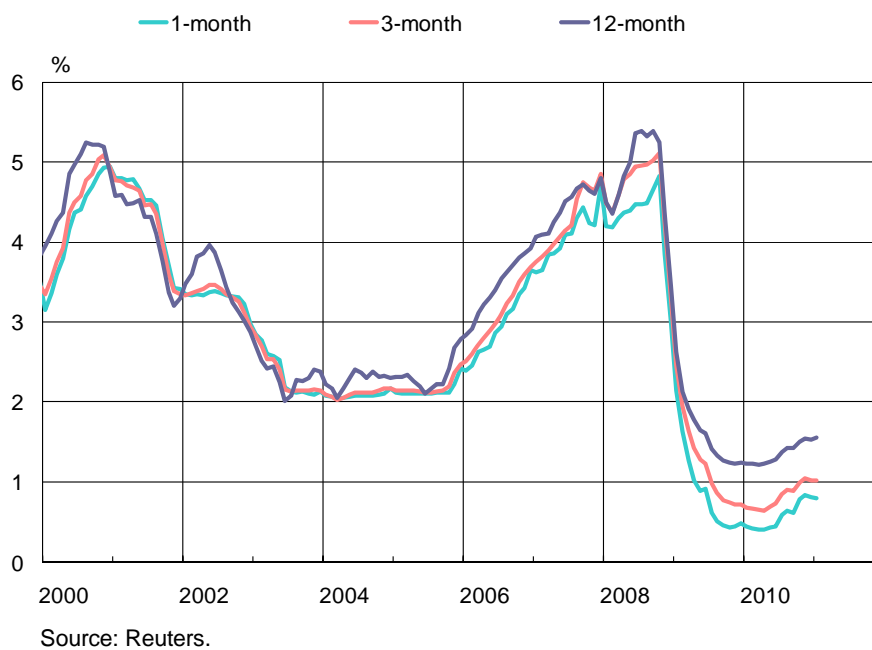
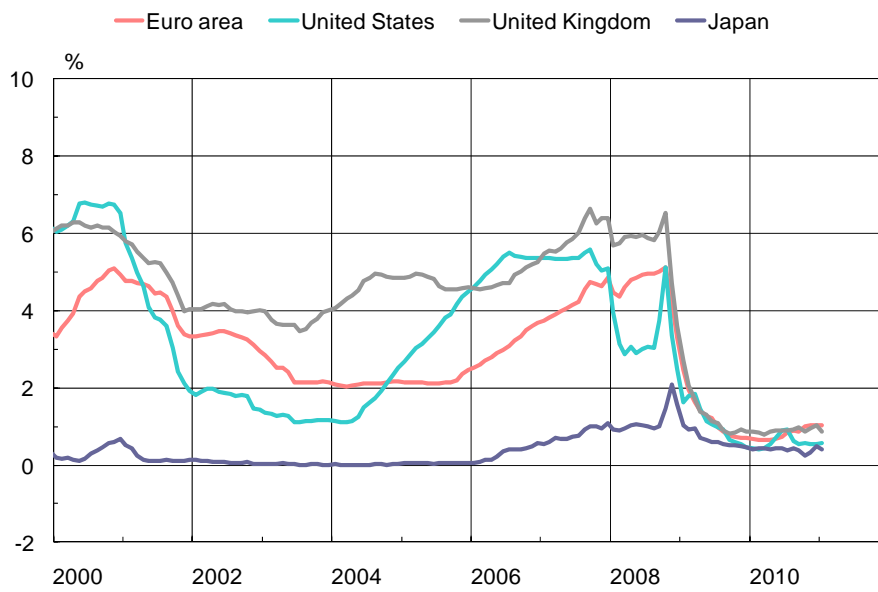


Chart 3.

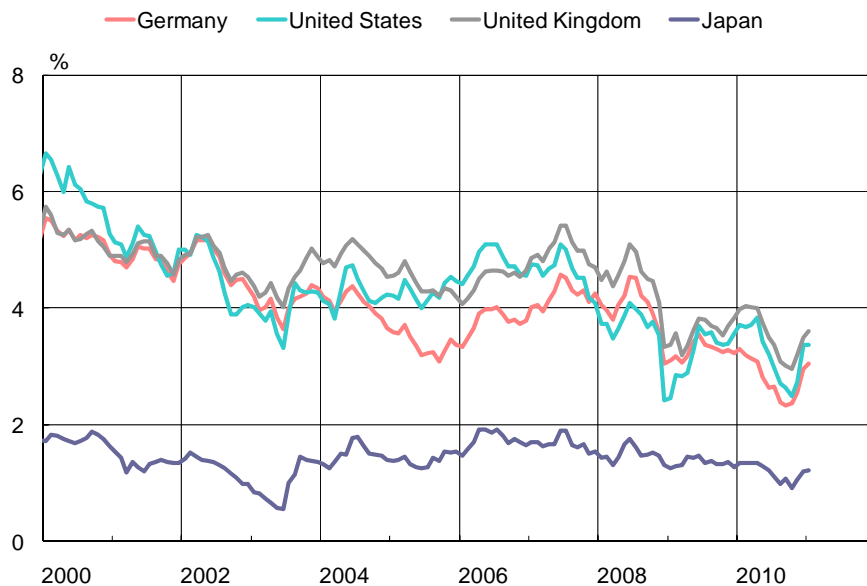
International three-month interest rates



Sources: Reuters and European Central Bank.

Chart 4.

International long-term interest rates



Source: Reuters.

Note: Yield on ten-year government bonds.

Chart 5.

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

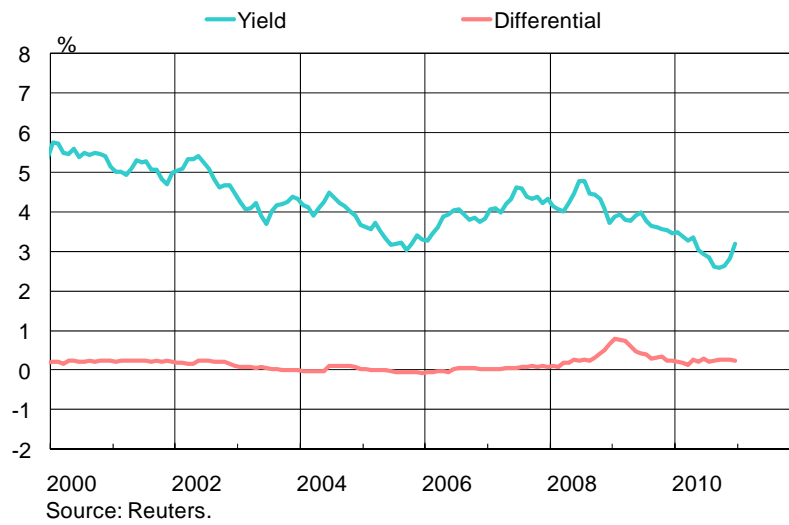
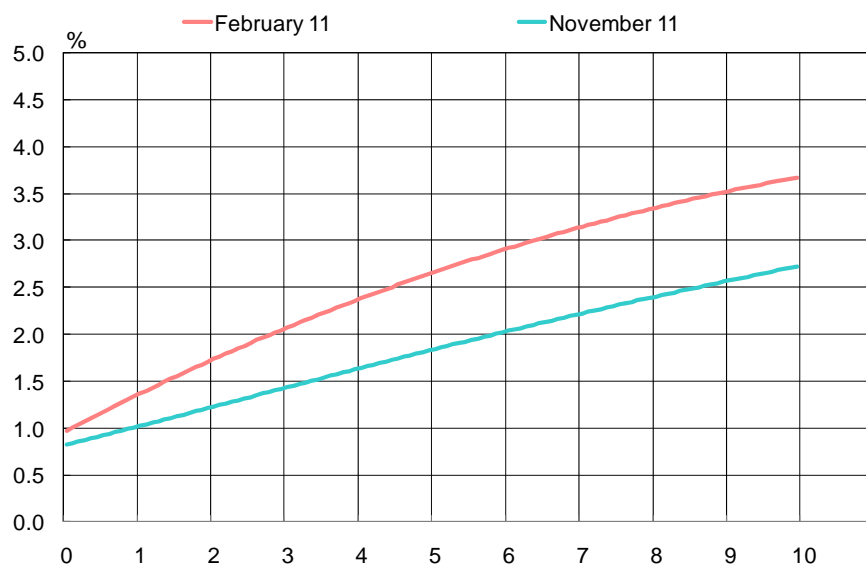


Chart 6.

Euro area (Finland's) yield curve (zero coupon yield curve)

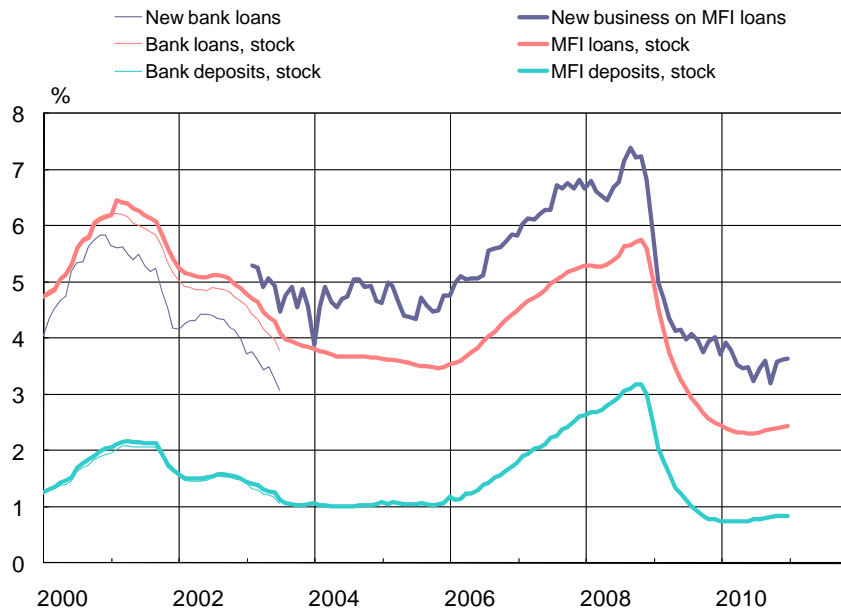


Source: Bank of Finland. Years to maturity
 Note: BOF estimation using Nelson & Siegel (1987) yield curve model applied to Eonia and Euribor rates and Finnish benchmark government bond yields.
 Note 2: Due to recent turmoil in financial markets, the estimate of the yield curve is biased and, therefore, cannot be interpreted in a mechanical way.

Banking in Finland

Chart 7.

Interest rates on loans and deposits

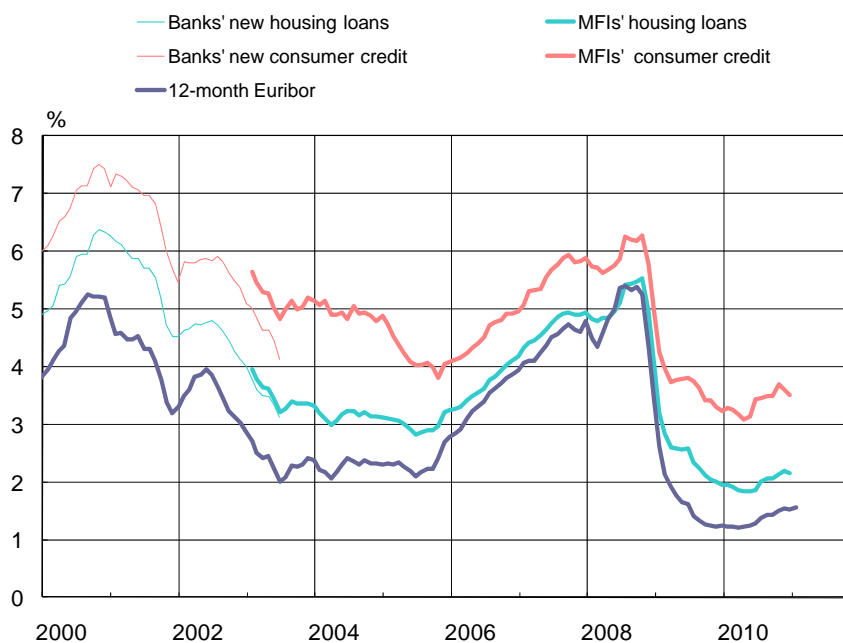


Source: Bank of Finland.

The data collection process changed from 1 January 2003, with the coming into force of the ECB Regulation concerning statistics on interest rates ECB/2001/18. Consecutively, the reporting population has been extended to cover credit institutions, in addition to deposit banks.

Chart 8.

Interest rates on new loans to households

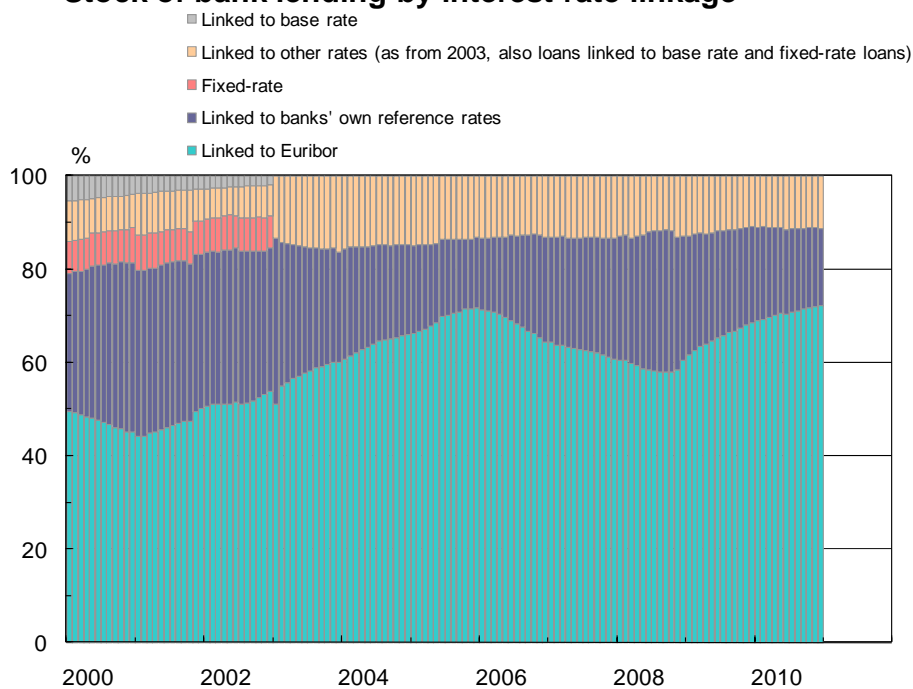


Source: Bank of Finland.

See note in Chart 7.

Chart 9.

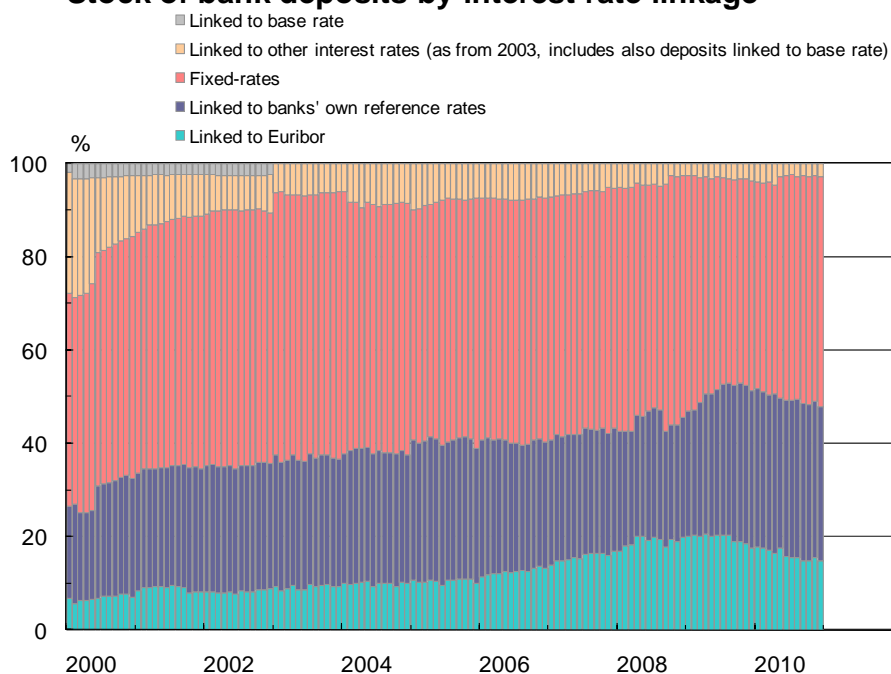
Stock of bank lending by interest rate linkage



Source: Bank of Finland.
See note in Chart 7.

Chart 10.

Stock of bank deposits by interest rate linkage



Source: Bank of Finland.
See note in Chart 7.

Chart 11.

Euro area and Finnish MFIs: growth of deposits

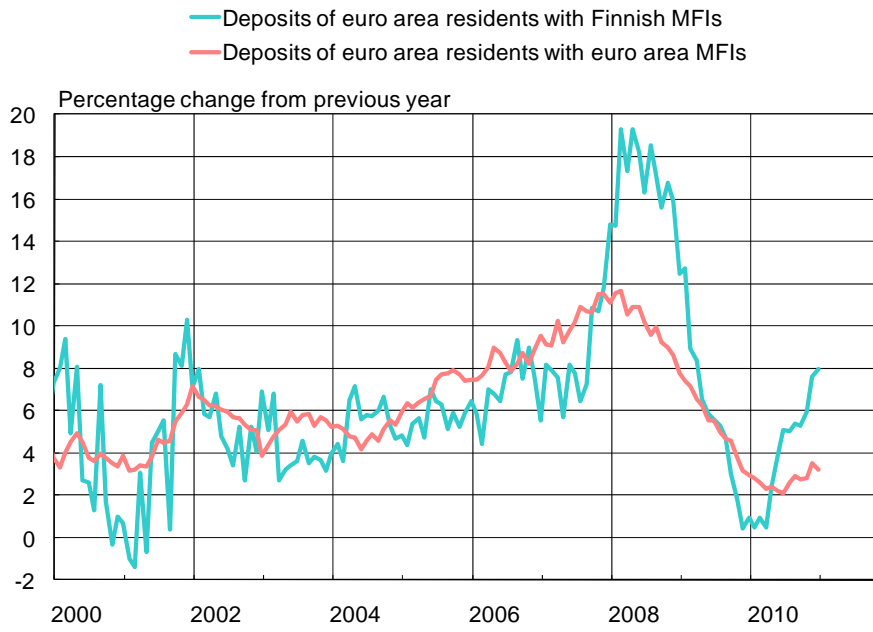


Chart 12.

Euro area and Finnish MFIs: growth of loans

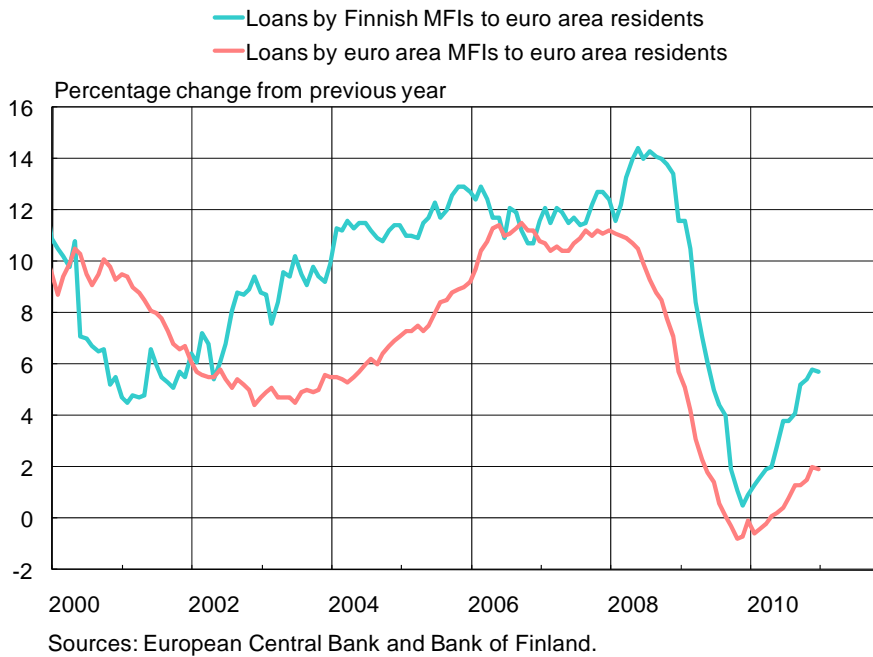
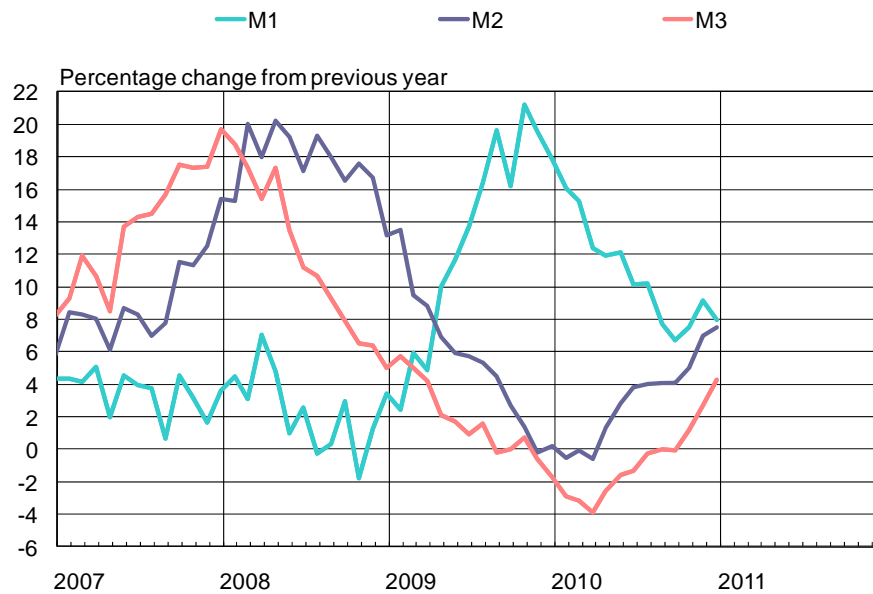


Chart 13.

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

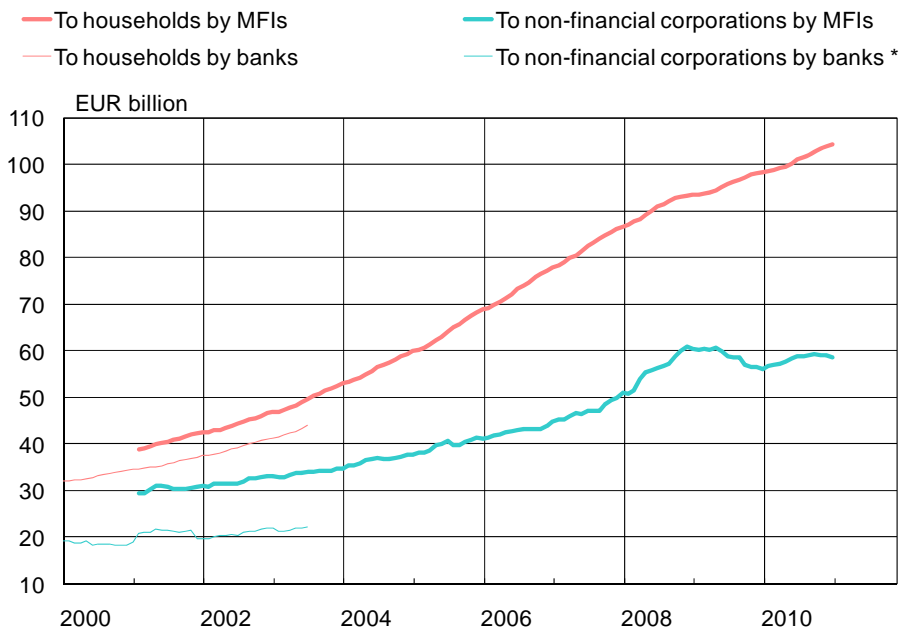


Source: Bank of Finland.

* Note: Excluding currency in circulation with the public.

Chart 14.

Outstanding loans to households and non-financial corporations



Source: Bank of Finland.

* Note: The series includes structural changes.

Securities market

Chart 15.

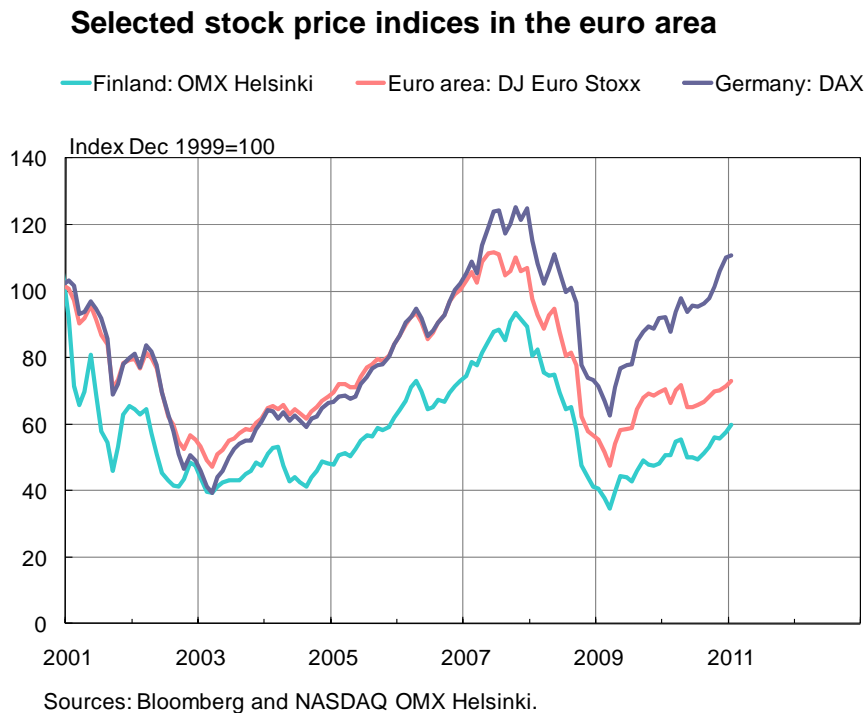


Chart 16.

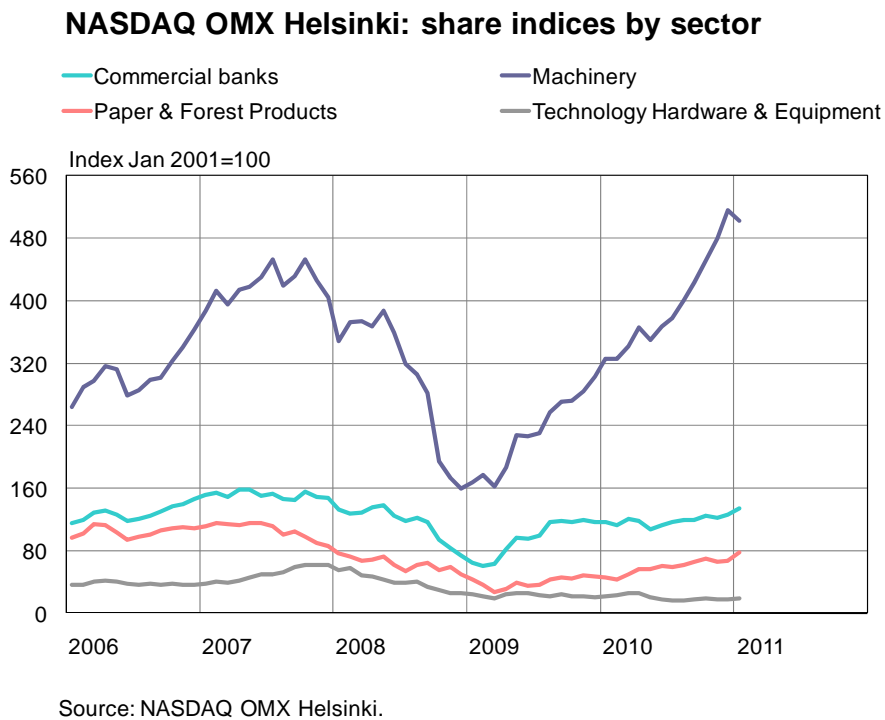


Chart 17.

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



Chart 18.

Non-residents' portfolio investments in Finland

12-month moving totals

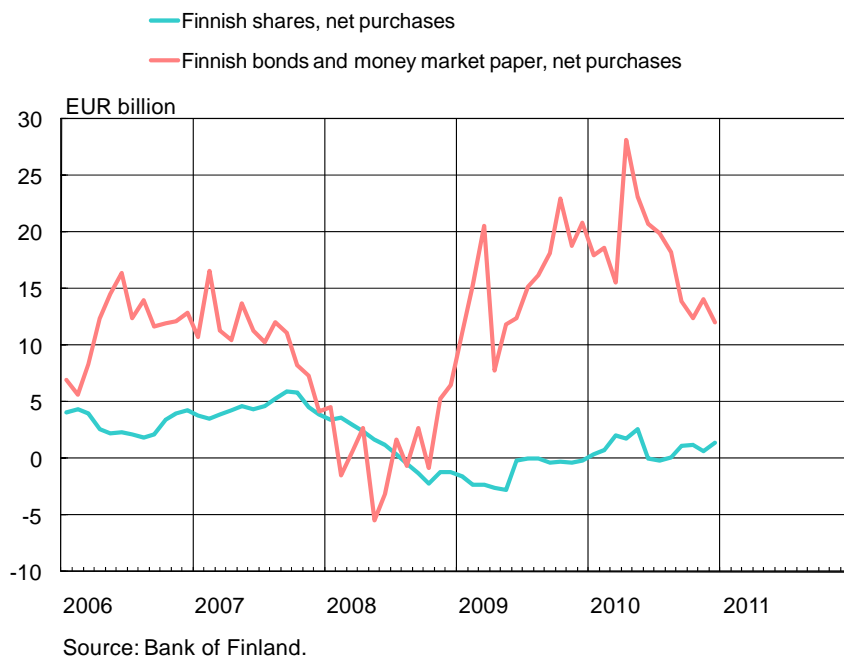


Chart 19.

Bonds issued in Finland

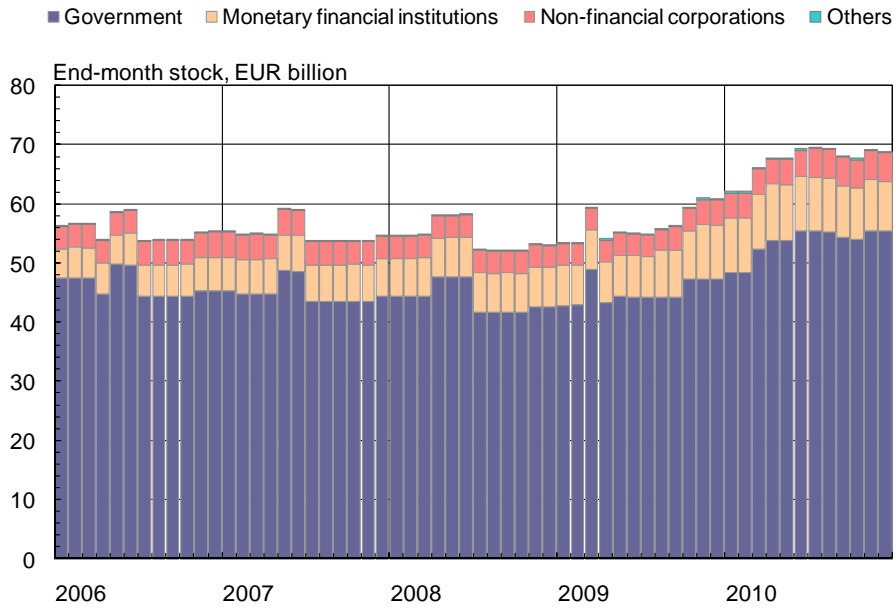
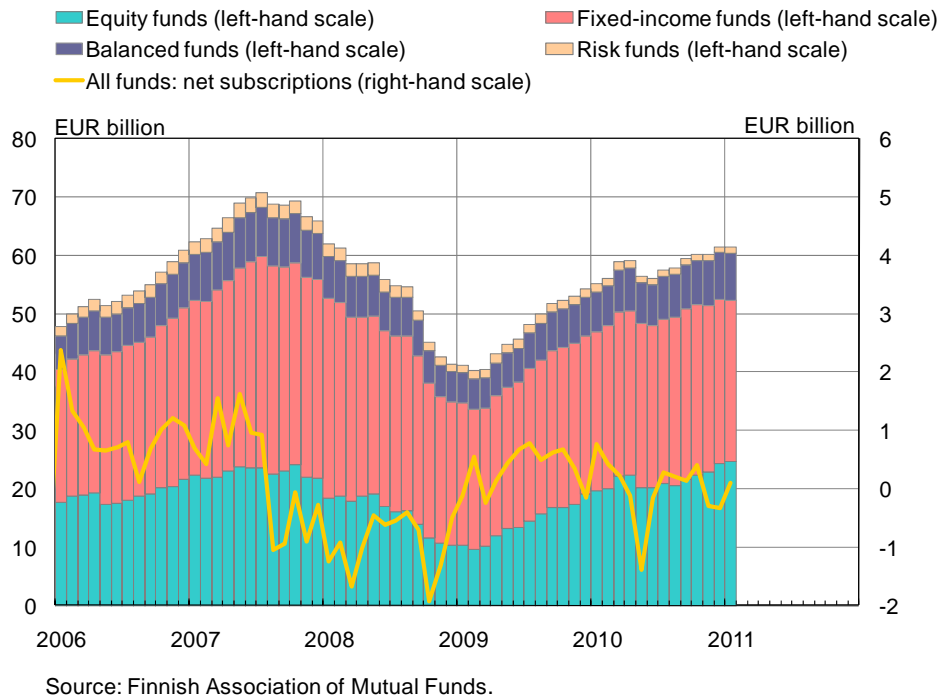


Chart 20.

Mutual funds registered in Finland



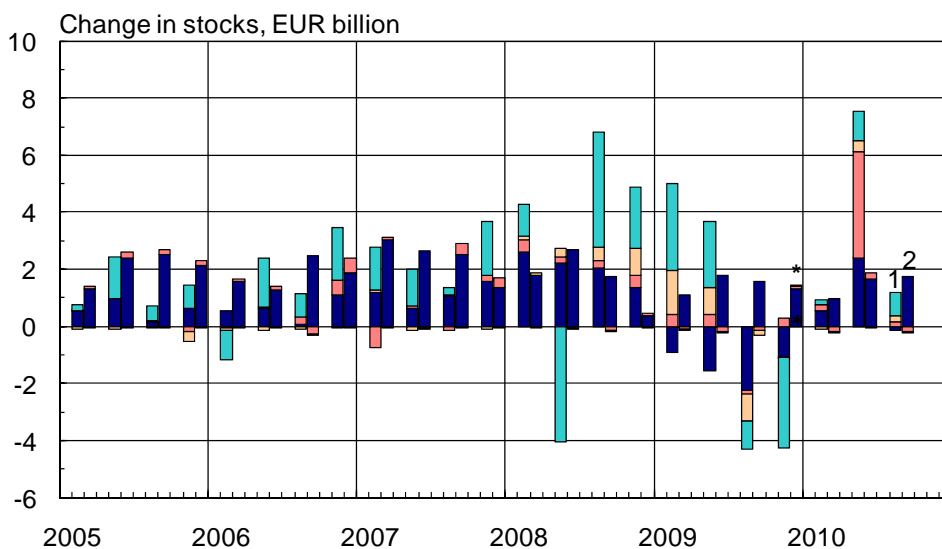
Borrowing by sector in Finland

Chart 21.

Non-financial corporate sector and household borrowing

1 = corporate sector (excl. housing corporations), 2 = households.

■ Banks ■ Other financial institutions ■ General government ■ Rest of the world



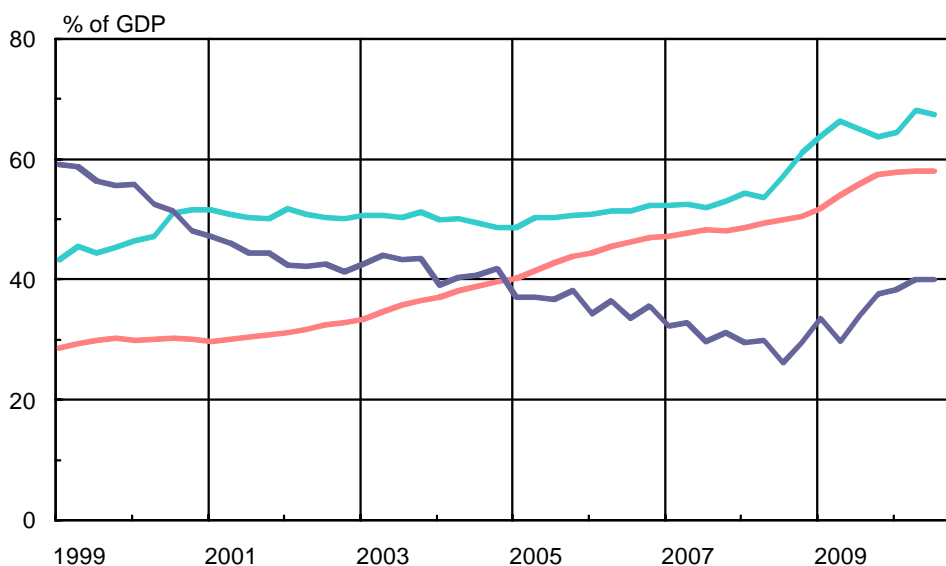
Sources: Bank of Finland and Statistics Finland.

*Note: Corrected for changes in sectoral classification.

Chart 22.

Sectoral debt ratios in Finland

— Non-financial corporate sector excl. housing corporations
 — Household sector
 — Central government



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

Exchange rates

Chart 23.

Euro exchange rates against the US dollar and the yen

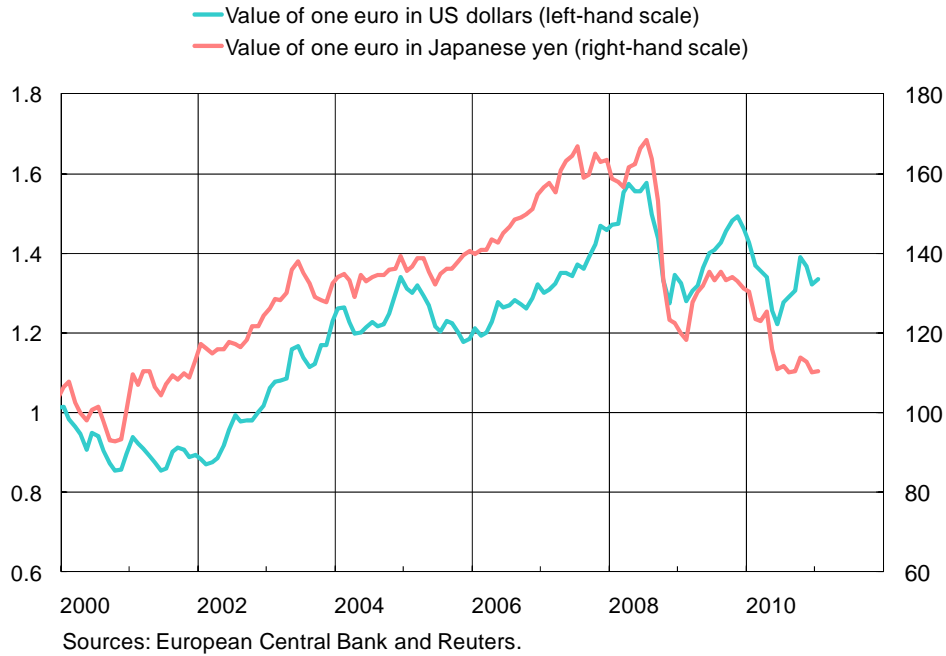


Chart 24.

Euro exchange rates against the pound sterling and the Swedish krona

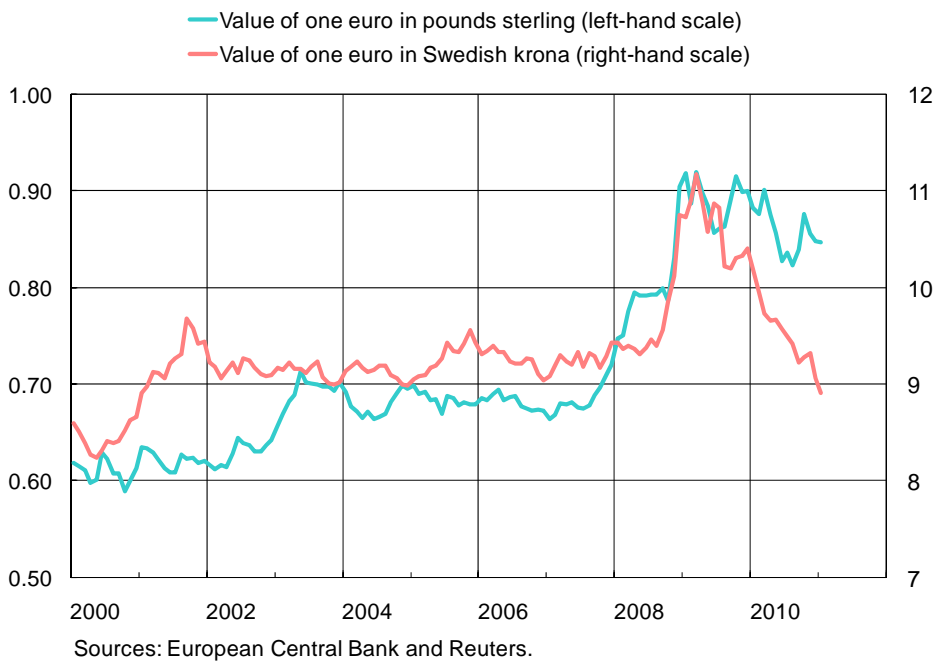
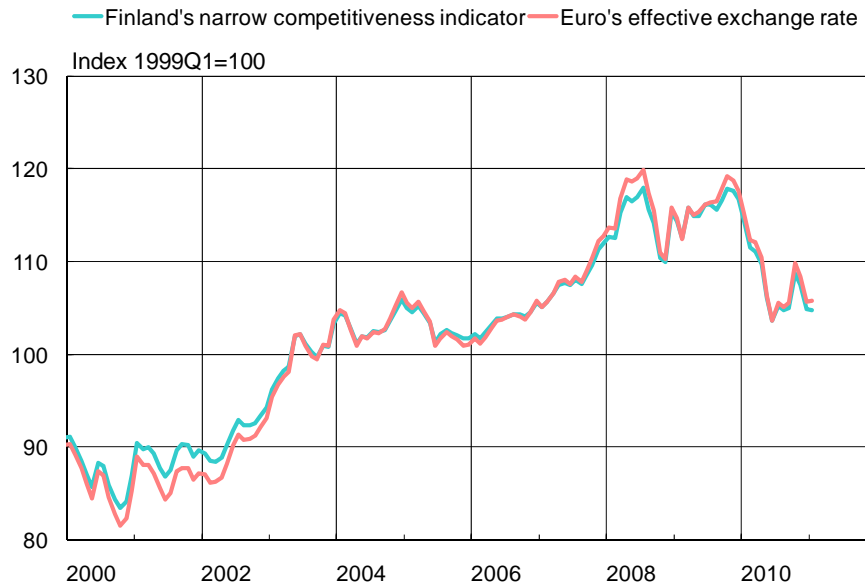


Chart 25.

Euro's external value and Finland's competitiveness indicator

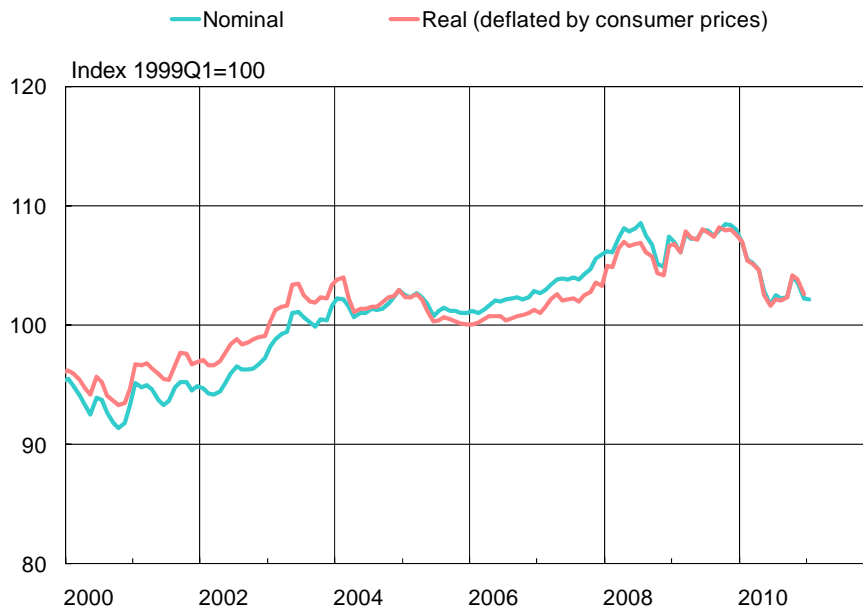


Sources: European Central Bank and Bank of Finland.

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.

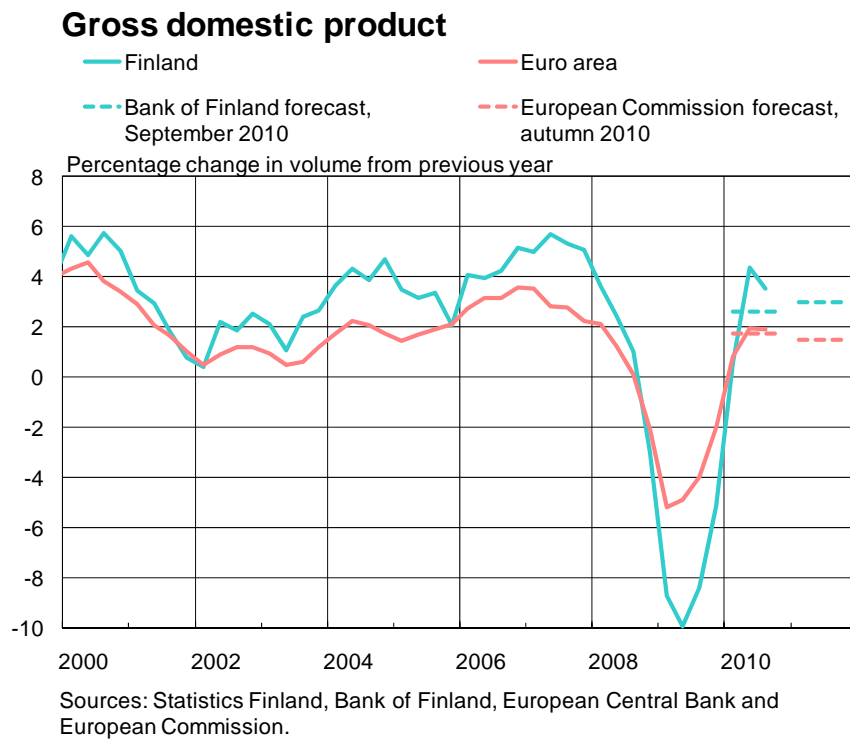


Chart 28.



Chart 29.

Industrial production

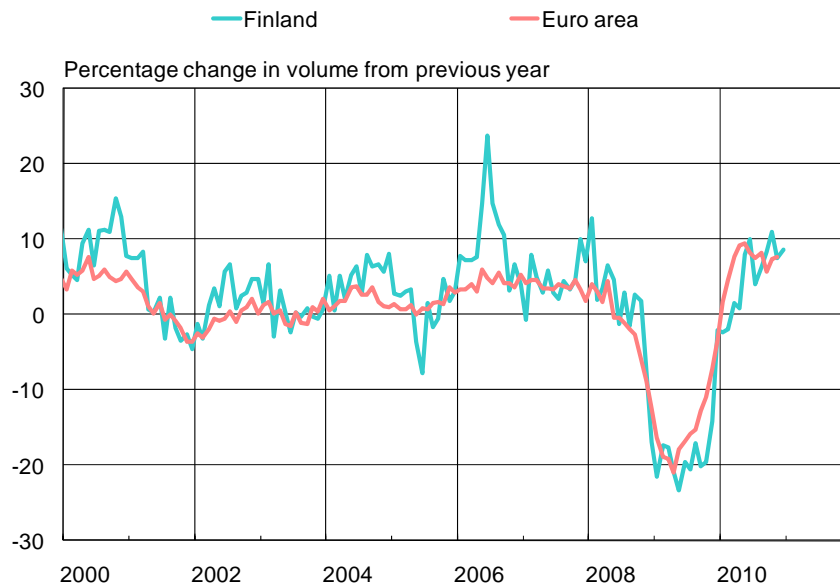


Chart 30.

Industrial confidence indicator

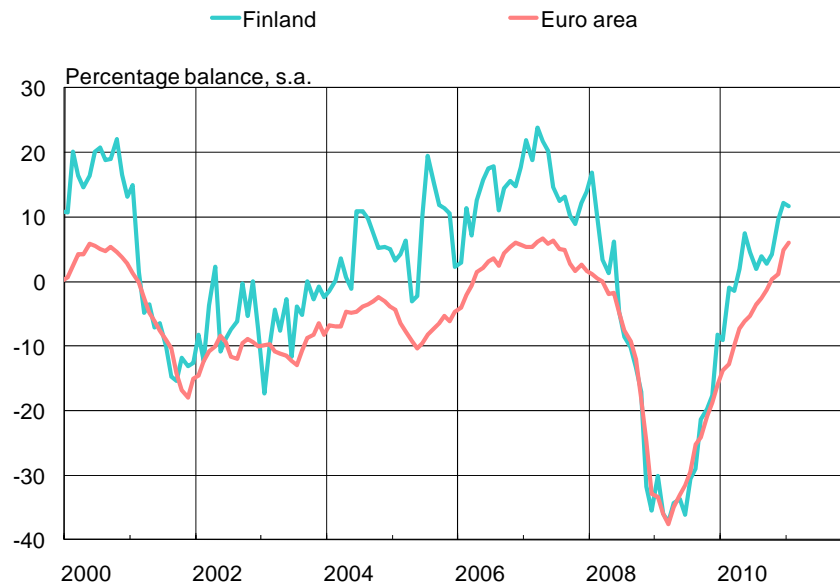


Chart 31.

Manufacturing production by sector

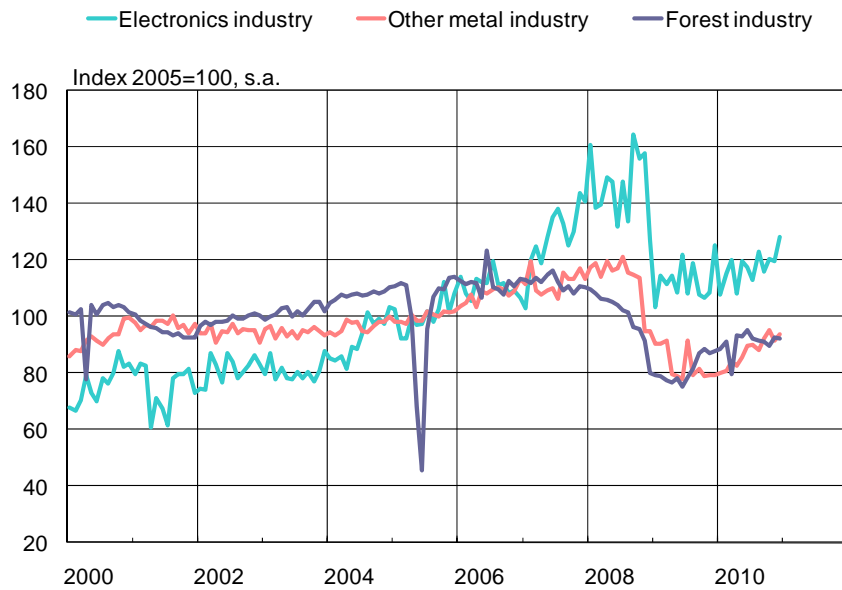


Chart 32.

Finland's imports of goods

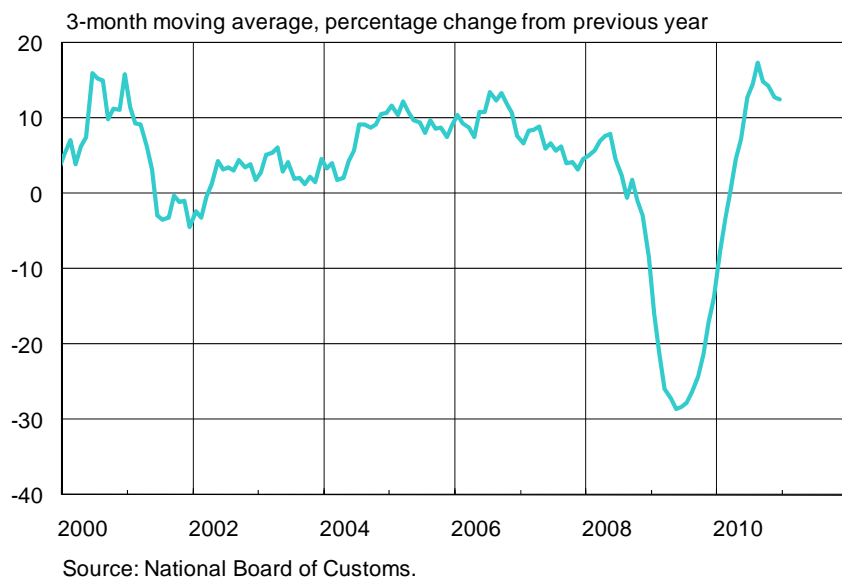


Chart 33.

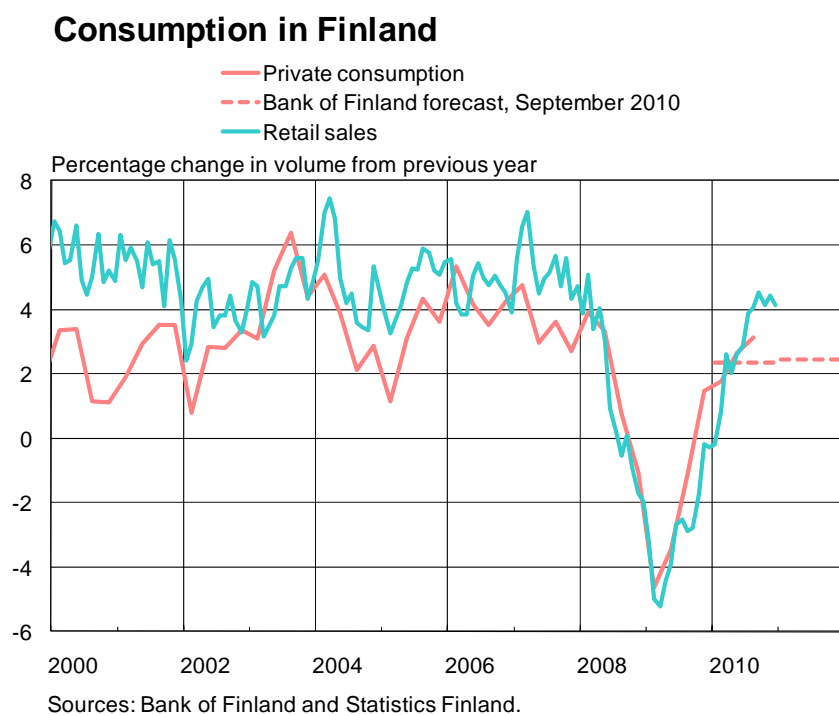


Chart 34.

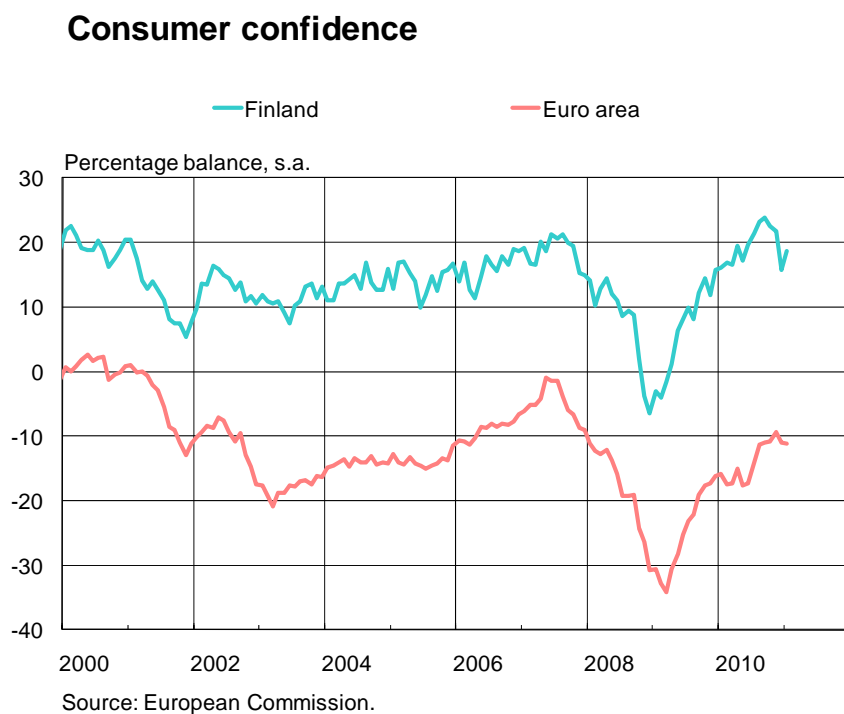


Chart 35.

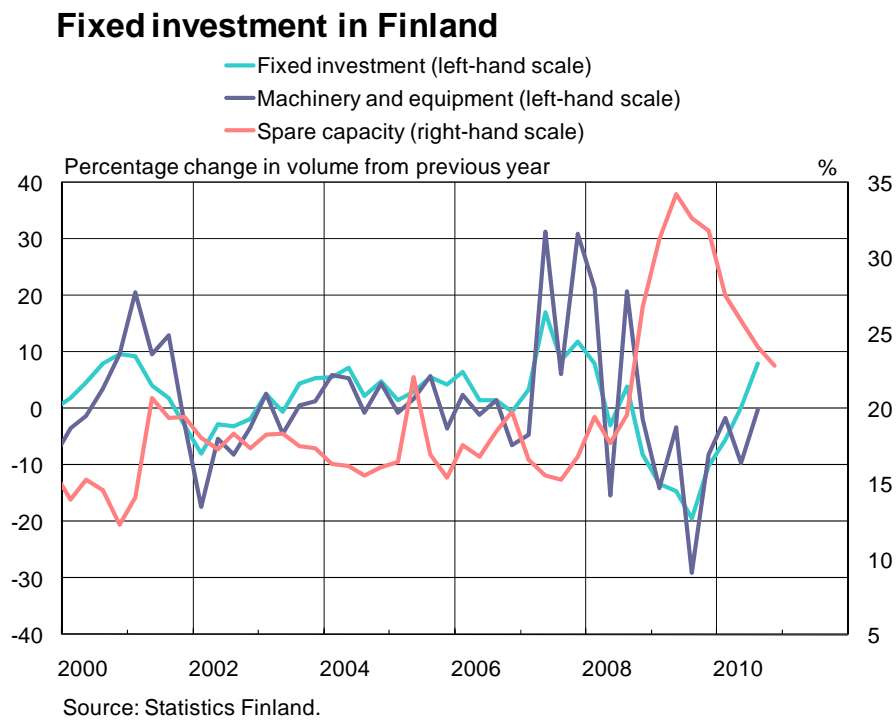


Chart 36.

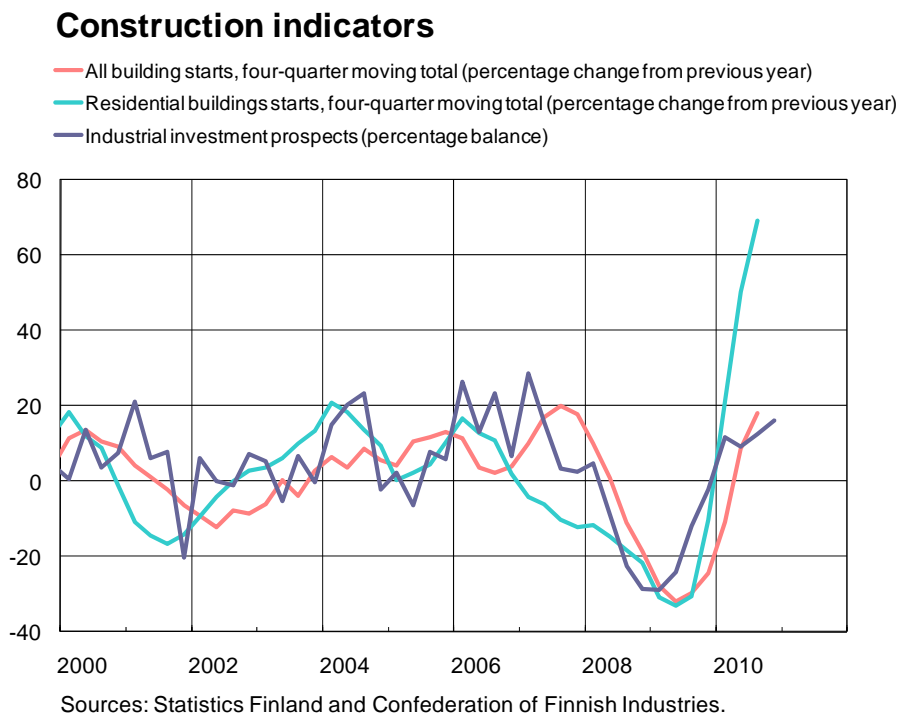
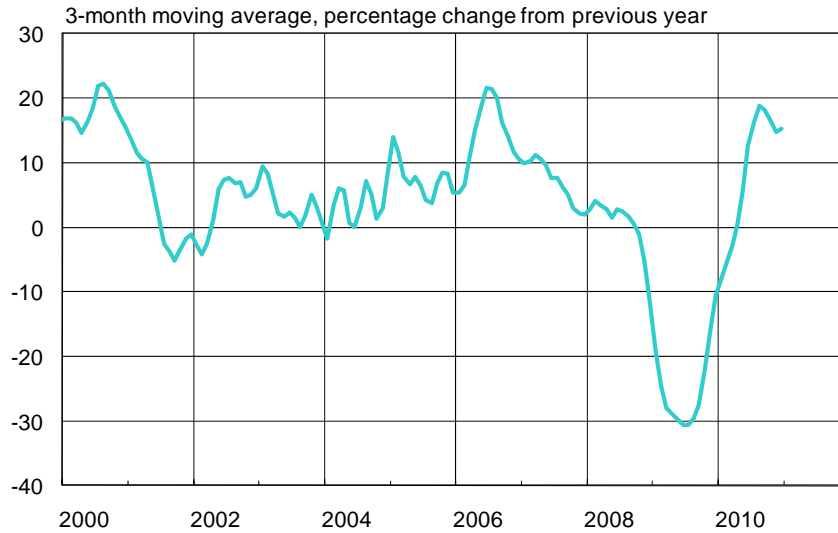


Chart 37.

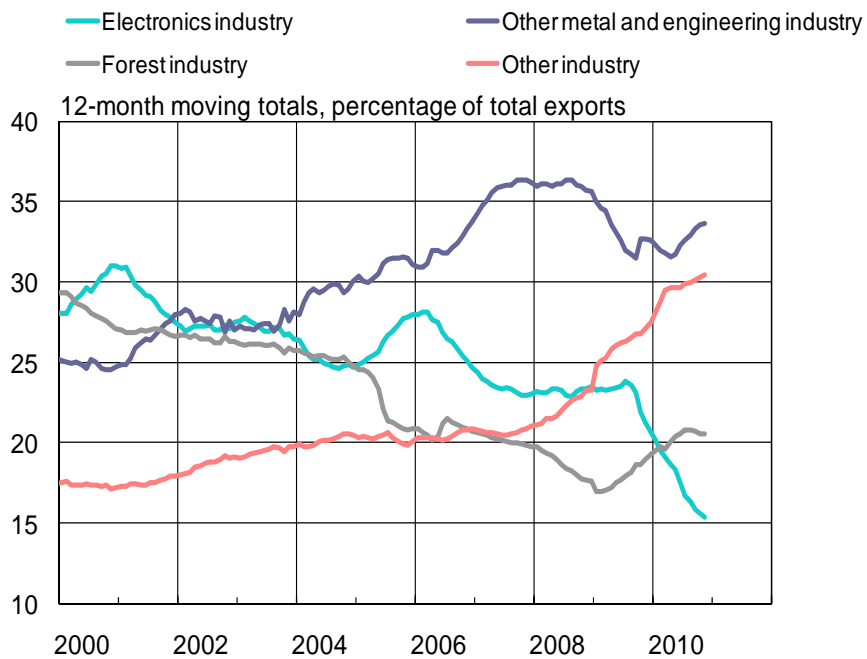
Finland's exports of goods



Source: National Board of Customs.

Chart 38.

Finland's exports by industry



Source: National board of customs.

Note: From January 2009 onwards, the data is presented according to a new classification (CPA2008).

Table 1.

Supply, demand and labour market indicators

	2008	2009	2010 actual	2010*	2011*
Supply and demand					
<i>percentage change in volume from previous year</i>					
Gross domestic product at market prices	0.9	-8.2	3.7 Q3 2.9 Q1-Q3	2.6	3.0
GDP monthly indicator at producer prices	0.8	-8.4	8.6 M11 3.2 M1-M11		
Manufacturing production	1.9	-20.3	8.5 M12 4.7 M1-M12		
Consumption expenditure	1.9	-1.2	2.2 Q3 1.9 Q1-Q3		
- private	1.7	-2.1	3.1 Q3 2.5 Q1-Q3	2.3	2.5
- general government	2.4	1.0	0.1 Q3 0.4 Q1-Q3	0.1	0.4
Gross fixed capital formation	-0.4	-14.6	8.9 Q3 1.4 Q1-Q3		
- private	-0.3	-17.4	9.5 Q3 1.1 Q1-Q3	0.6	7.9
- general government	-0.7	6.2	5.3 Q3 3.4 Q1-Q3	-3.5	-2.5
Domestic demand	0.4	-6.8	3.9 Q3 2.2 Q1-Q3		
Exports of goods and services	6.3	-20.1	9.4 Q3 4.1 Q1-Q3	5.7	8.3
Imports of goods and services	6.5	-17.6	7.3 Q3 1.5 Q1-Q3	3.7	9.0
Labour market indicators					
Employed persons <i>percentage change from previous year</i>	1.6	-2.9	-0.5 M12 -0.4 M1-M12	-0.2	0.9
Unemployment rate, s.a.**	6.4	8.2	8.5 M12 8.4 M1-M12	8.4	8.0

Source: Statistics Finland.

* Bank of Finland forecast, September 2010.

** Seasonally adjusted by the Bank of Finland.

Prices and costs

Chart 39.

Consumer prices

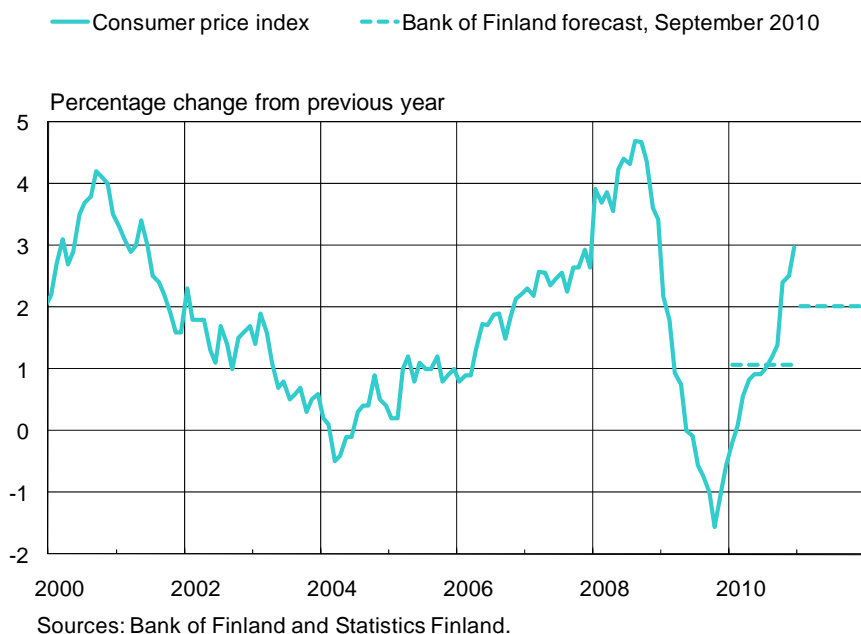


Chart 40.

Harmonized index of consumer prices (HICP)

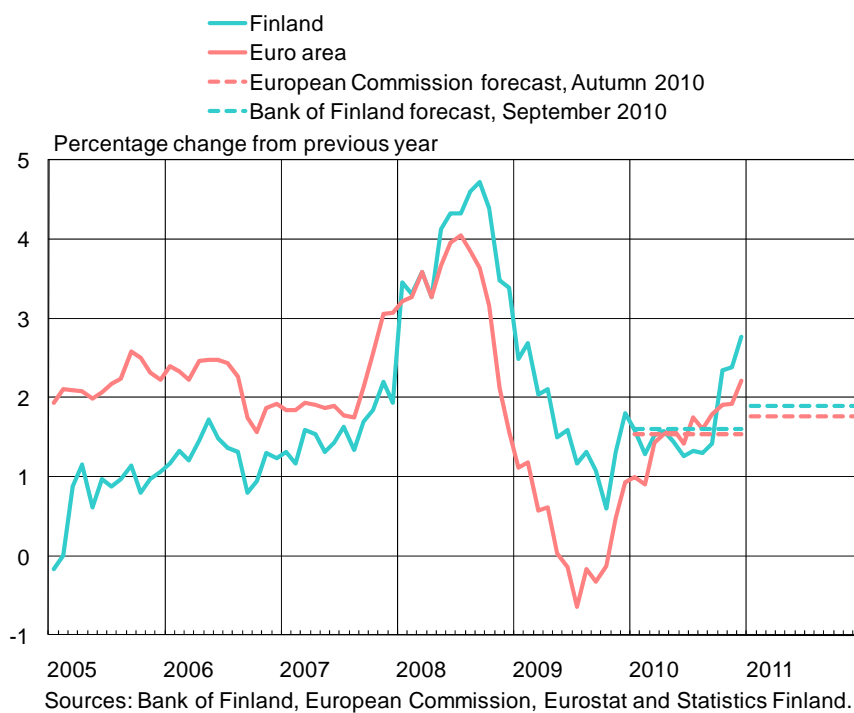


Chart 41.

Inflation rates in the euro area (HICP)

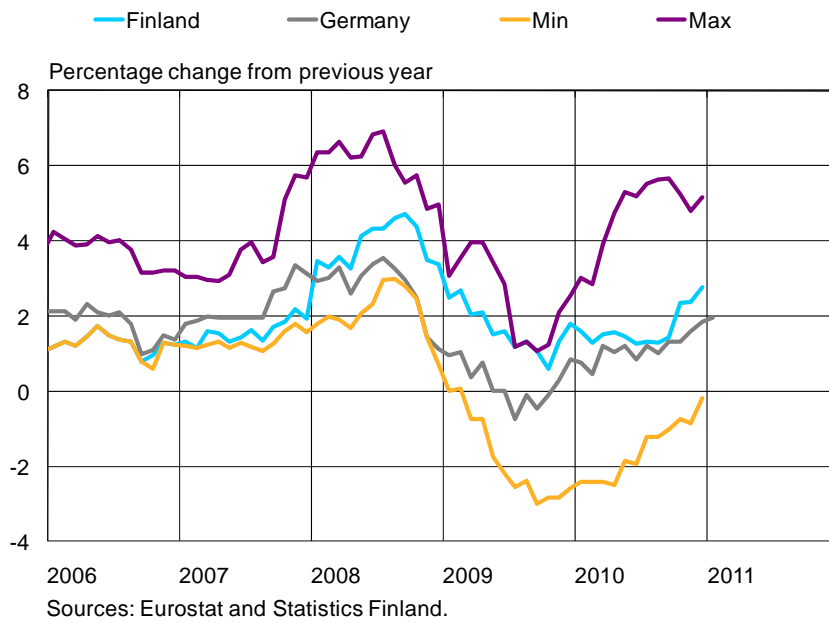


Chart 42.

Producer prices

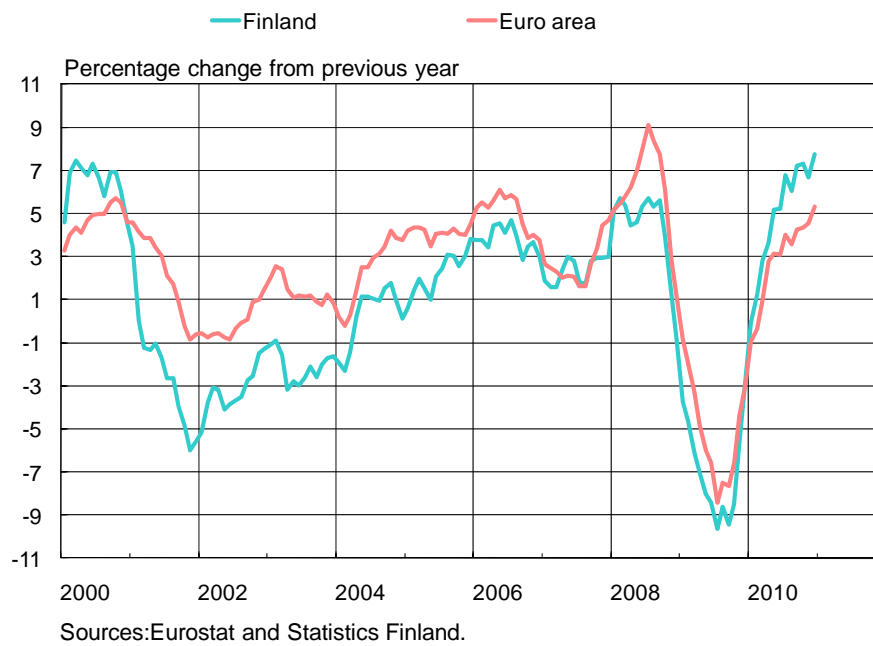
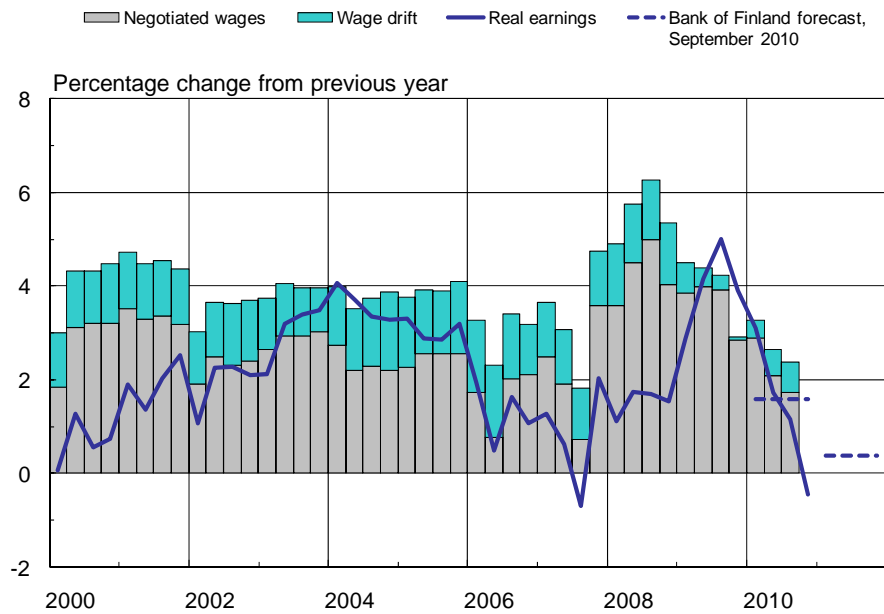


Chart 43.

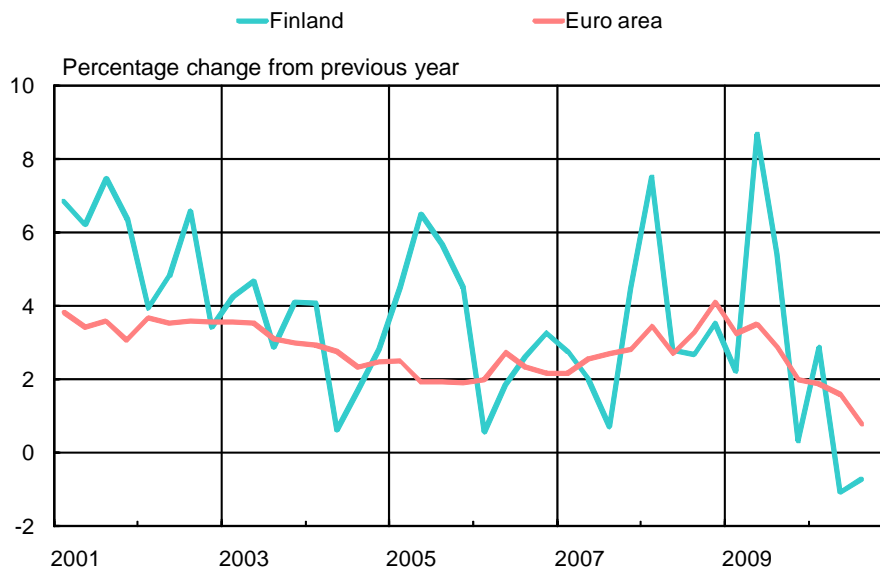
Earnings in Finland



Source: Statistics Finland.

Chart 44.

Hourly labour costs



Source: Eurostat.

Note 1: Whole economy excl. agriculture, public administration, education, health and services not elsewhere classified.

Note 2: Eurostat and Statistics Finland have revised the compilation of quarterly statistics on labour costs. The data are based on the new index from Q1 2008 onwards.

Chart 45.

Finland's export prices, import prices and terms of trade

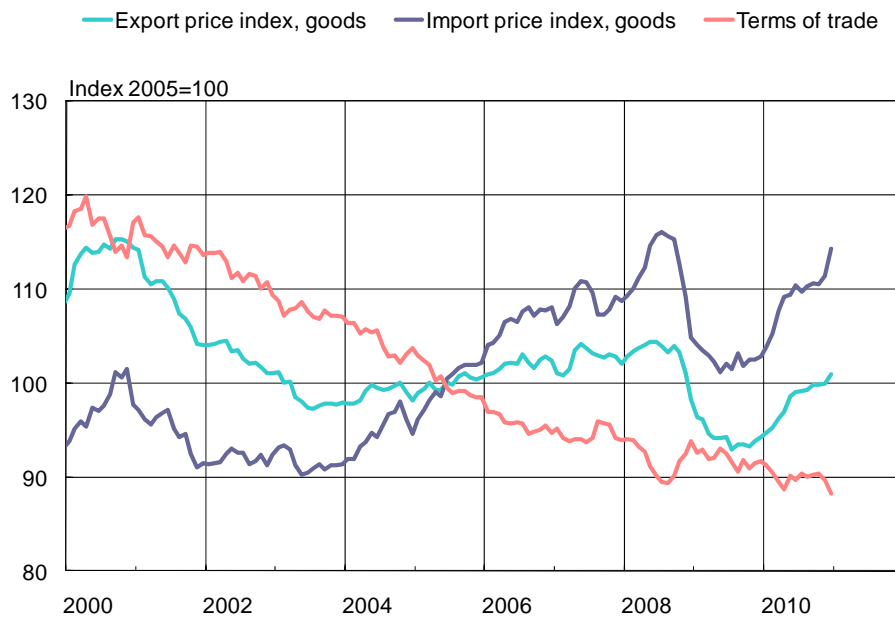


Chart 46.

Dwelling prices in Finland

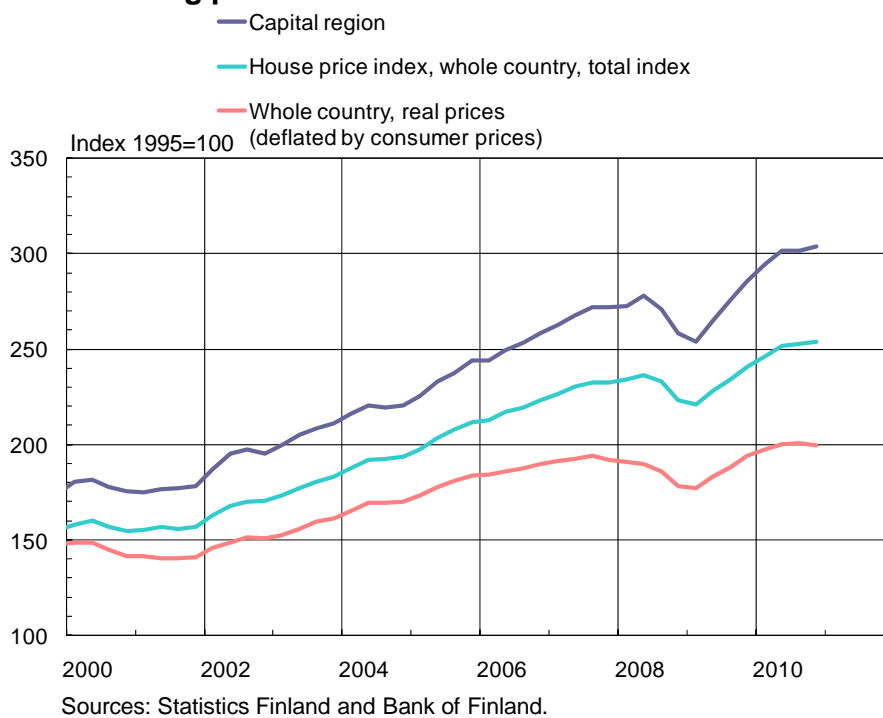


Table 2.

Cost and price indicators*Percentage change from previous year*

	2009	2010 Actual	2010*	2011*
Labour costs				
Index of wages and salaries	4.0	2.1 Q4 2.6 Q1-Q4	2.7	2.4
Unit labour costs				
- whole economy	7.4	-0.3 Q3 -1.6 Q1-Q3	-1.3	-0.1
Price indices				
Export prices (goods)				
- export price index	-9.2	7.0 M12 4.3 M1-M12		
- export price deflator	-11.4	11.0 Q3 6.2 Q1-Q3		
Import prices (goods)				
- import price index	-11.4	11.2 M12 6.3 M1-M12		
- import price deflator	-10.4	10.4 Q3 7.9 Q1-Q3		
Producer prices	-5.7	7.7 M12 5.0 M1-M12		
Wholesale prices	-6.6	10.5 M12 5.2 M1-M12		
Consumer prices				
- consumer price index	0.0	3.0 M12 1.2 M1-M12	1.1	2.0
- harmonized index of consumer prices	1.6	2.8 M12 1.7 M1-M12	1.6	1.9
Asset prices				
Stumpage prices	-15.2	-1.9 M12 7.8 M1-M12		
Dwelling prices, whole country	-0.3	5.4 Q4 8.7 Q1-Q4		
Share prices	-32.9	20.1 M12 21.6 M1-M12		

Sources: Finnish Forest Research Institute, OMX Nordic Exchange Helsinki Oy and National Board of Customs and Statistics Finland.

* Bank of Finland forecast, September 2010

Labour market

Chart 47.

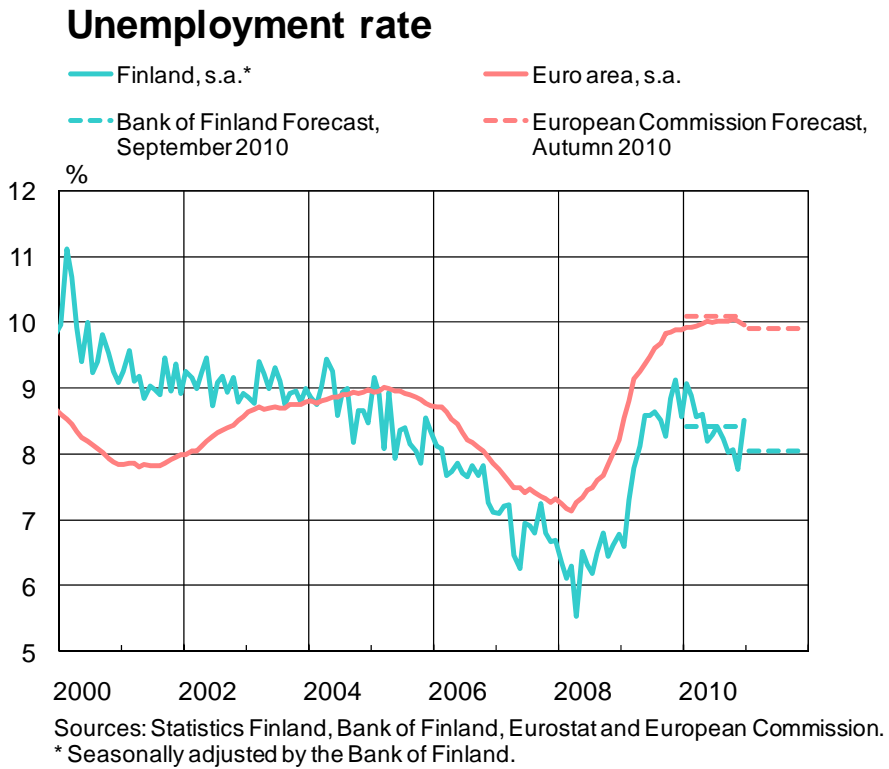


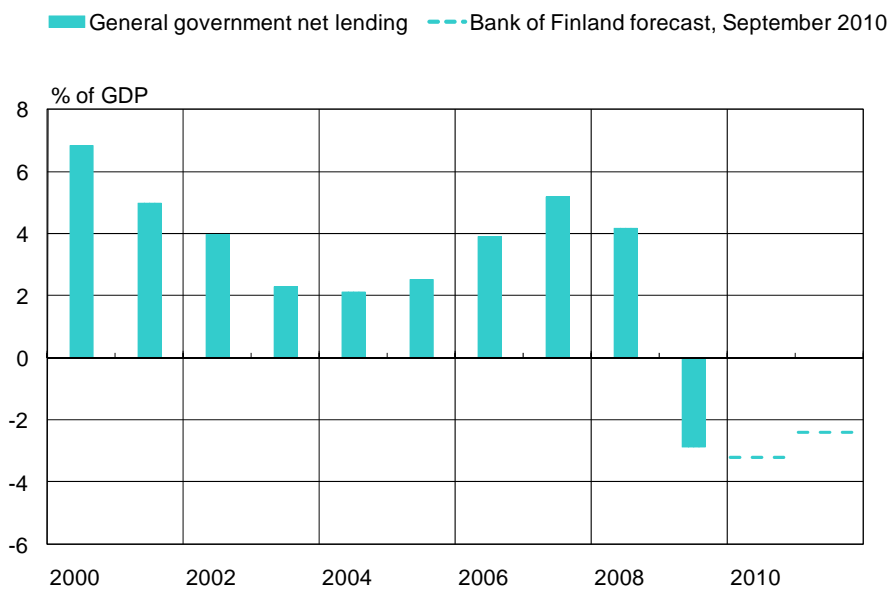
Chart 48.



Public finances

Chart 49.

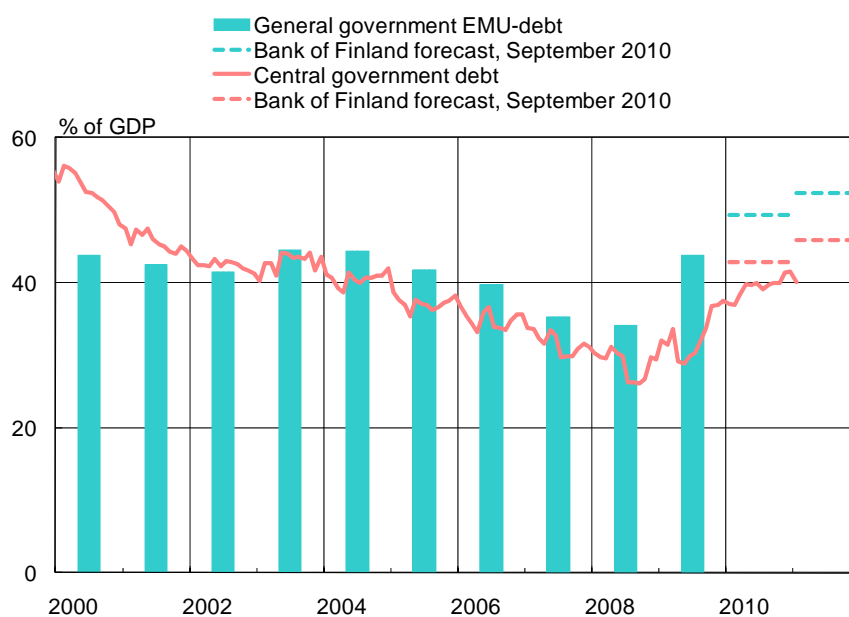
Public sector balances in Finland



Sources: Statistics Finland and Bank of Finland.

Chart 50.

Public sector debt in Finland



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

External balance

Chart 51.

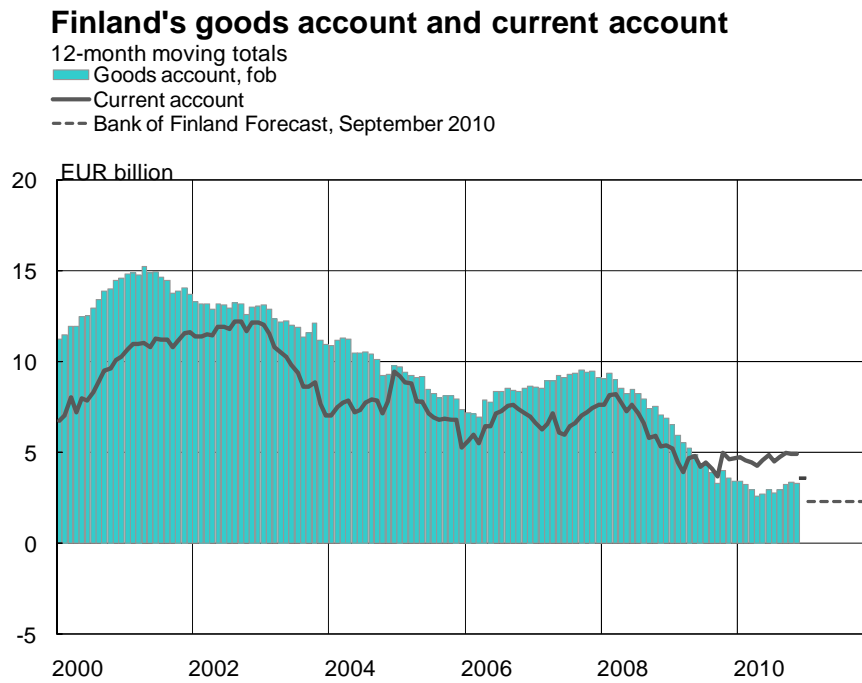


Chart 52.

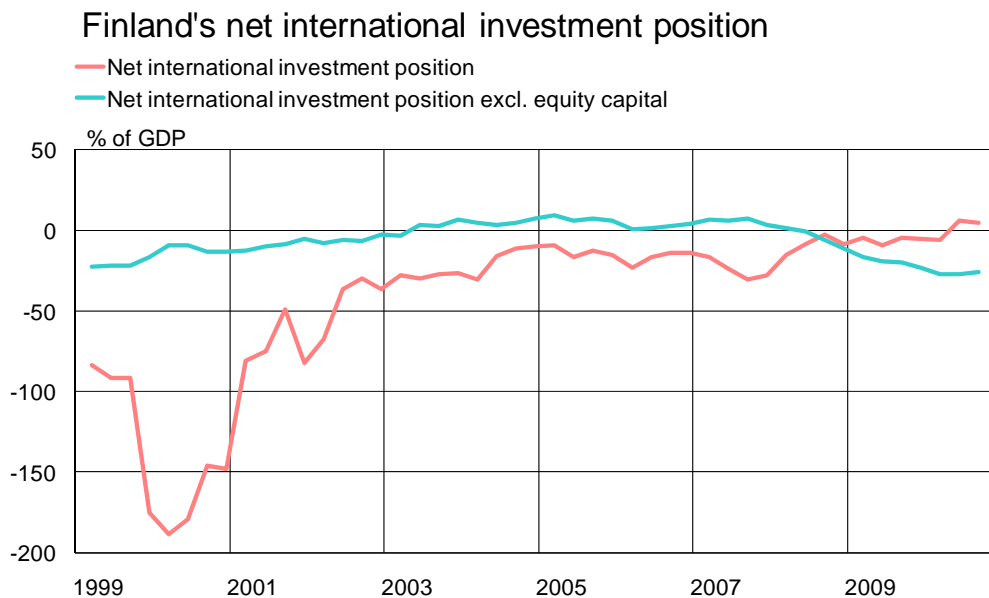


Table 3.

Finland's balance of payments, EUR billion

	2008	2009	2010 January–November	2010 November	2010*	2011*
Current account	5.4	4.7	4.3	0.5	3.6	2.3
Goods account	6.9	3.4	3.3	0.1		
Exports, fob	65.6	45.1	47.6	4.7		
Imports, fob	58.8	41.7	44.3	4.6		
Services	1.1	1.3	1.2	0.3		
Credit	21.8	19.8	16.9	1.9		
Debit	20.7	18.5	15.7	1.6		
Income and current transfers	-2.6	0.0	-0.2	0.2	-1.1	-2.6
Capital account	0.2	0.1	0.1	0.0		
Financial account	9.1	11.0	-0.2	0.4		
Direct investment	-7.1	-2.8	-2.5	0.0		
Abroad	6.3	2.8	4.4	0.1		
In Finland	-0.7	0.0	1.9	0.1		
Portfolio investment	5.3	-0.5	-4.3	-4.6		
Assets	0.0	21.1	17.6	8.9		
Liabilities	5.3	20.6	13.3	4.4		
Other investment	9.6	12.7	5.6	4.4		
Assets	8.0	4.5	28.4	28.7		
Liabilities	17.6	17.2	34.0	33.1		
Financial derivatives	1.4	2.2	-0.7	0.0		
Reserve assets (increase -)	-0.2	-0.6	1.7	0.5		
Errors and omissions	-14.7	-15.9	-4.3	-0.9		
	31 December 2008	31 December 2009		30 November 2010		
Net international investment position excluding equity items	-16.2	-9.3		8.9		
	-20.9	-39.7		-51.4		

*Bank of Finland forecast, September 2010