



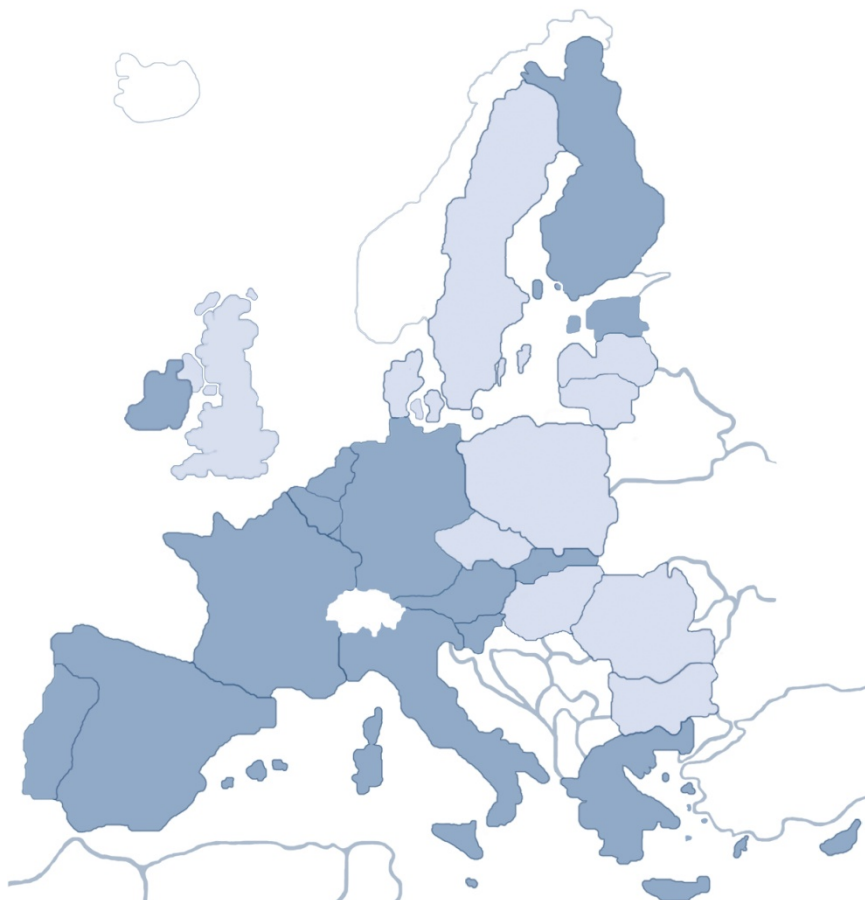
**BANK OF FINLAND**

**Monetary Policy and Research - Financial Markets and Statistics**

EUROJÄRJESTELMÄ  
EUROSYSTEMET

# **Main Indicators for the Finnish Economy**

10/2011



12 October 2011

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

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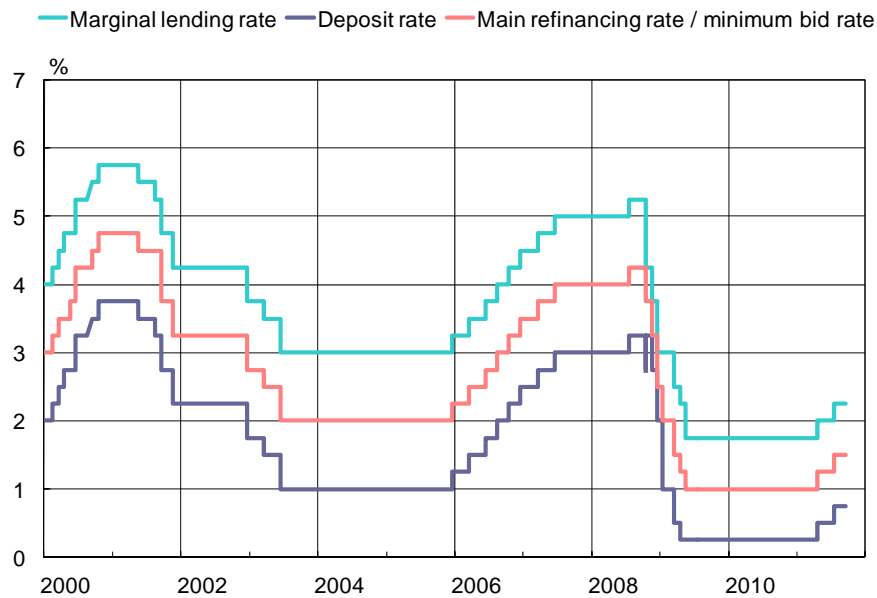
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## Monetary policy and market interest rates

Chart 1.

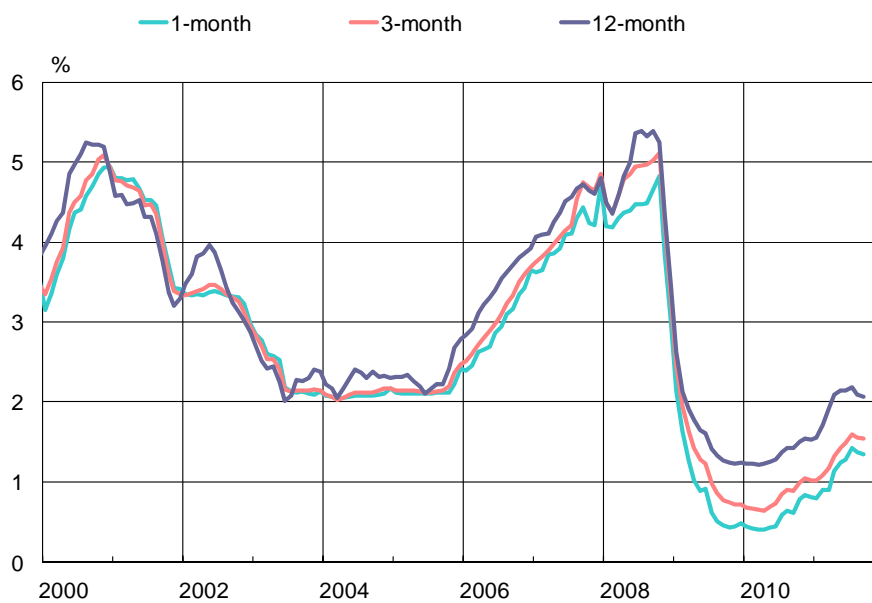
### Eurosystem interest rates



Sources: European Central Bank.

Chart 2.

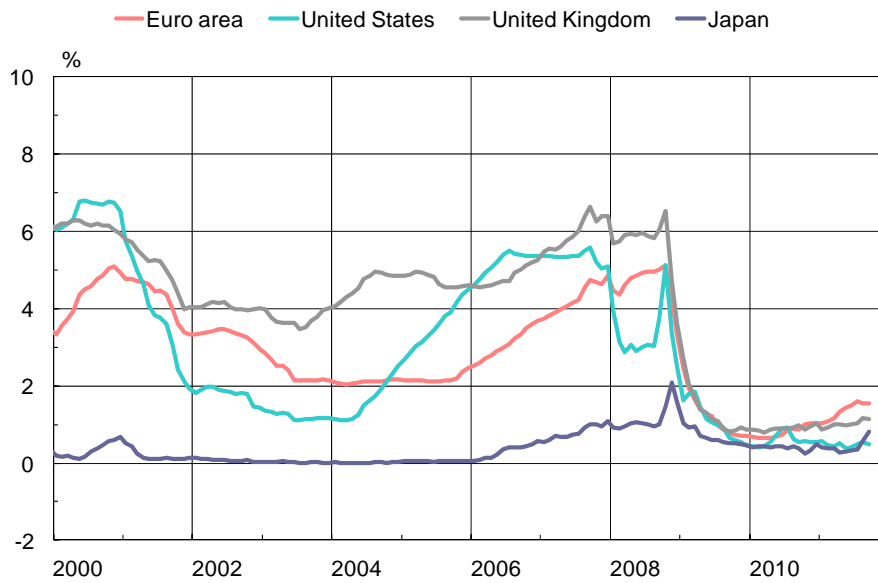
### Euribor rates



Source: Reuters.

Chart 3.

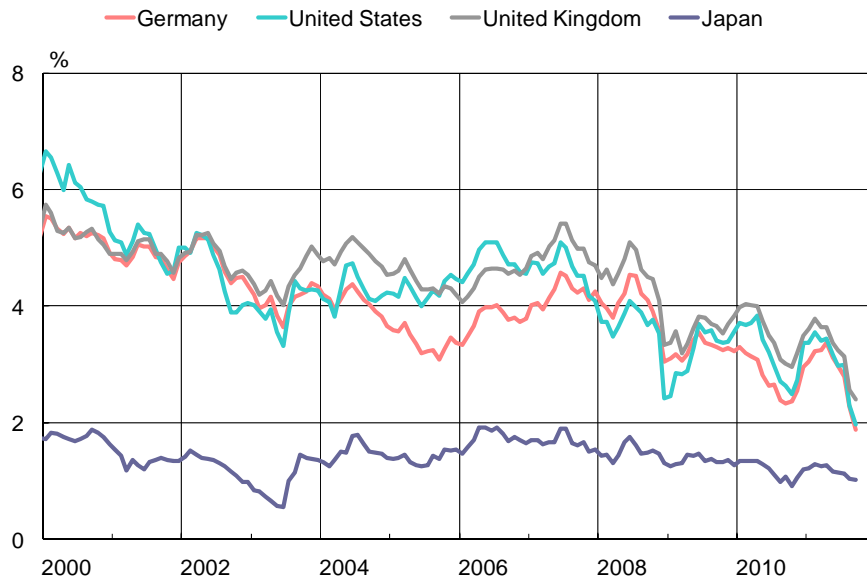
### International three-month interest rates



Sources: Reuters and European Central Bank.

Chart 4.

### International long-term interest rates

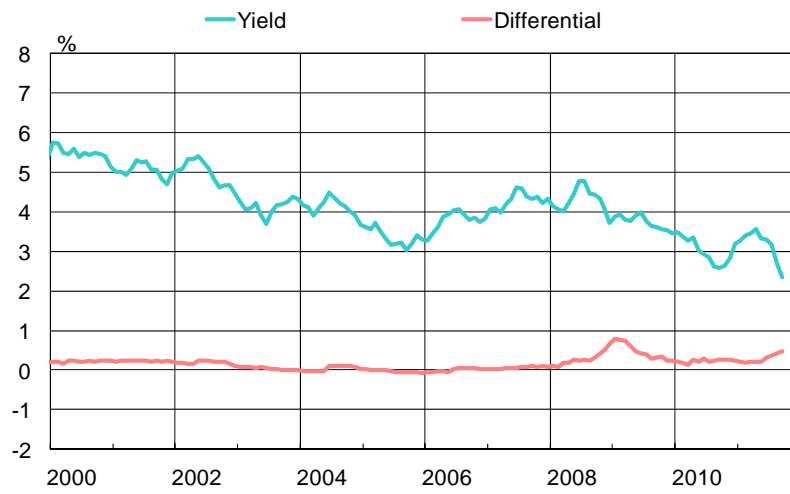


Source: Reuters.

Note: Yield on ten-year government bonds.

Chart 5.

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

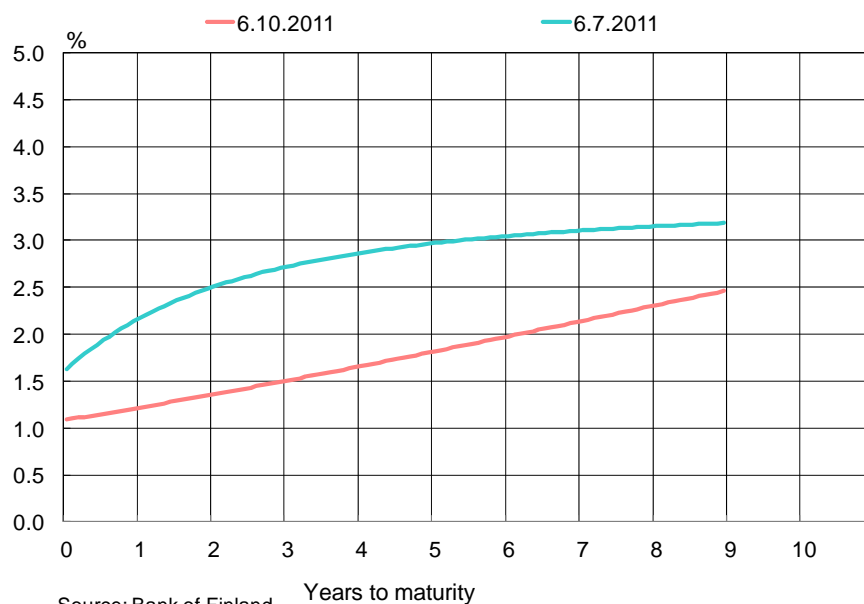


Source: Reuters.

Chart 6.

### Euro area (Finland's) yield curve

(zero coupon yield curve)



Source: Bank of Finland.

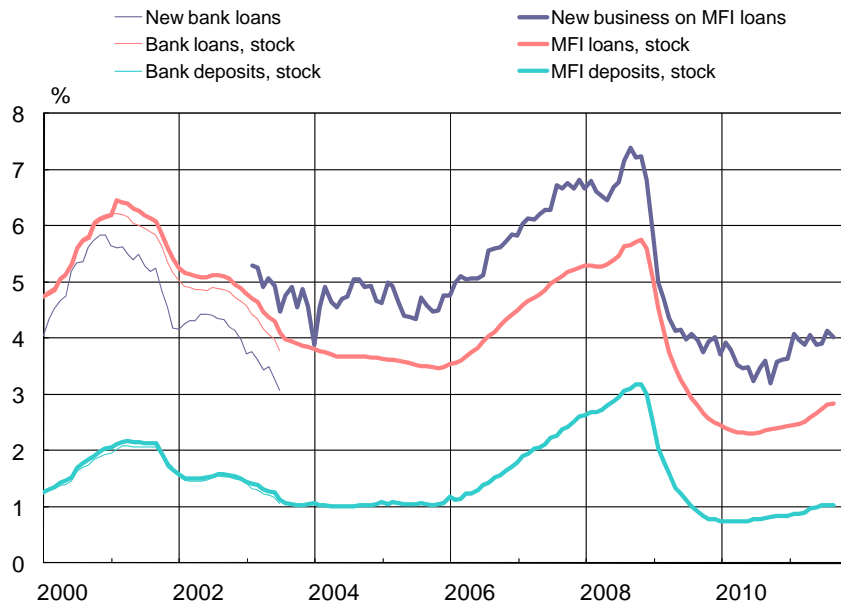
Note: BOF estimation using Nelson & Siegel (1987) yield curve model applied to Eonia and Euribor rates and Finnish benchmark government bond yields.

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

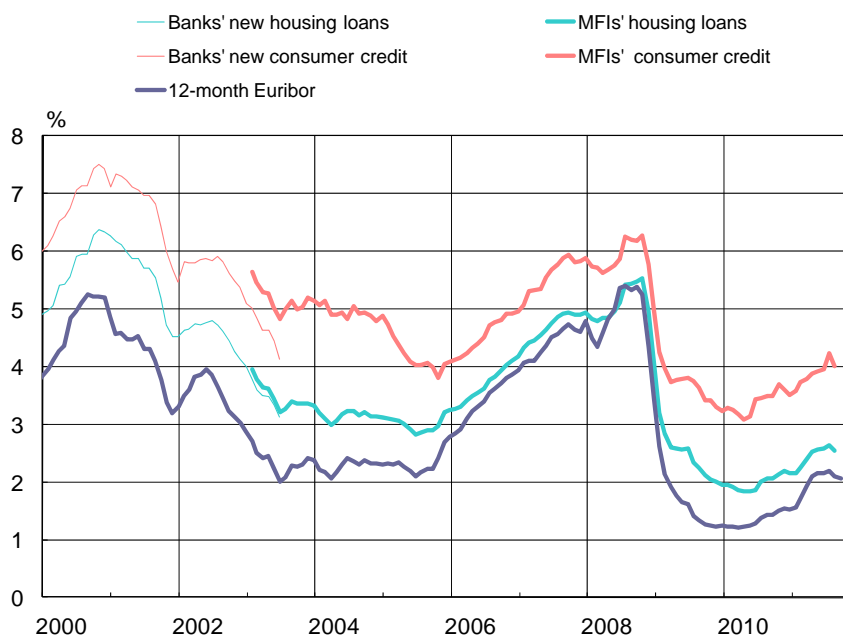


Source: Bank of Finland.

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



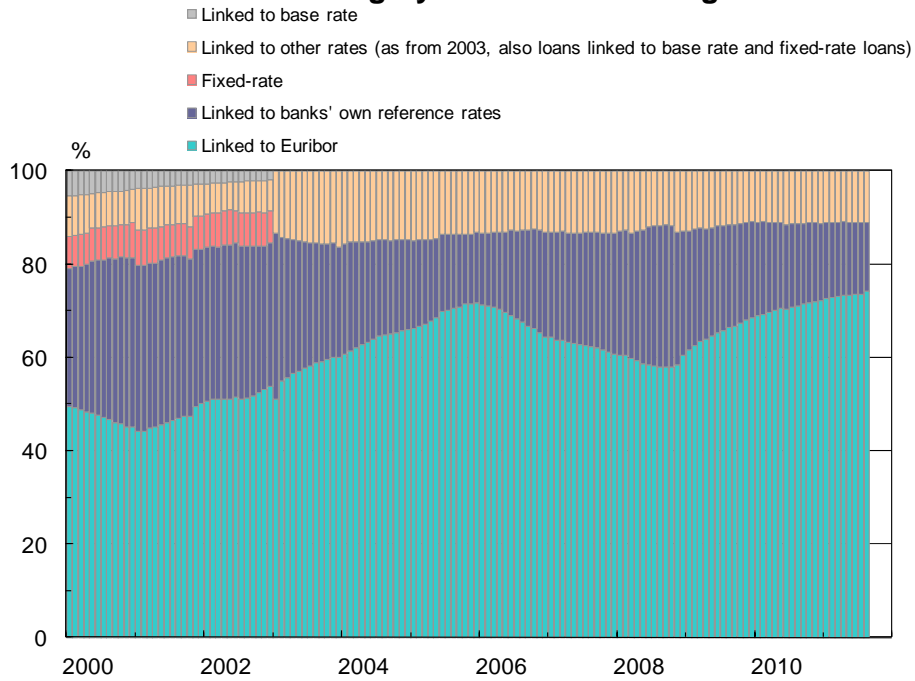
Source: Bank of Finland.

See note in Chart 7.



Chart 9.

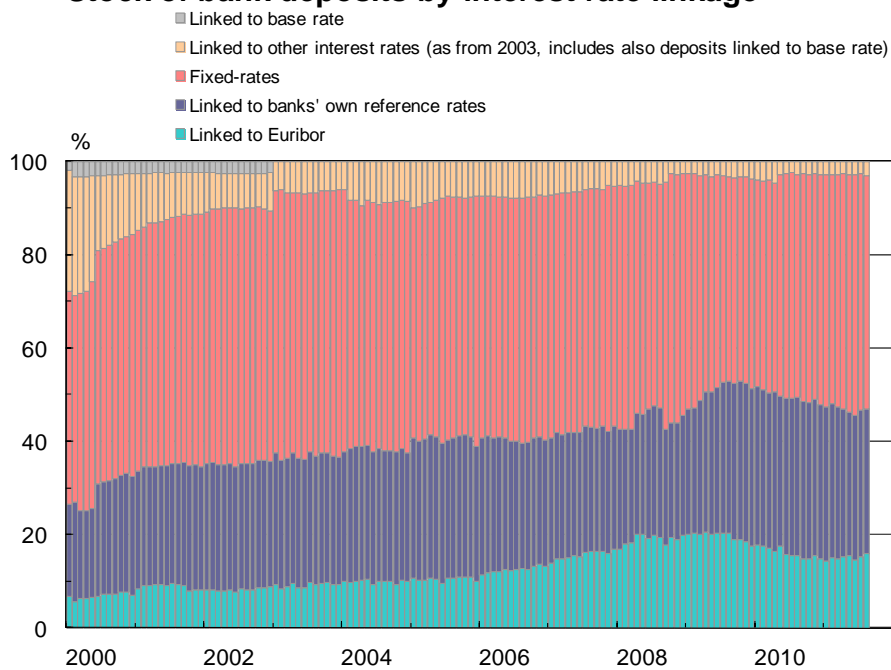
### Stock of bank lending by interest rate linkage



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

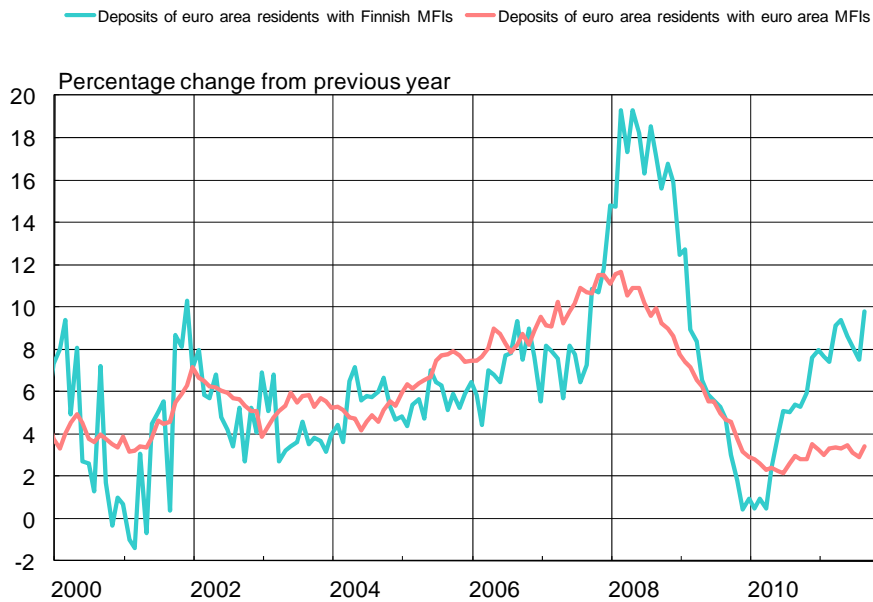


Chart 12.

### Euro area and Finnish MFIs: growth of loans

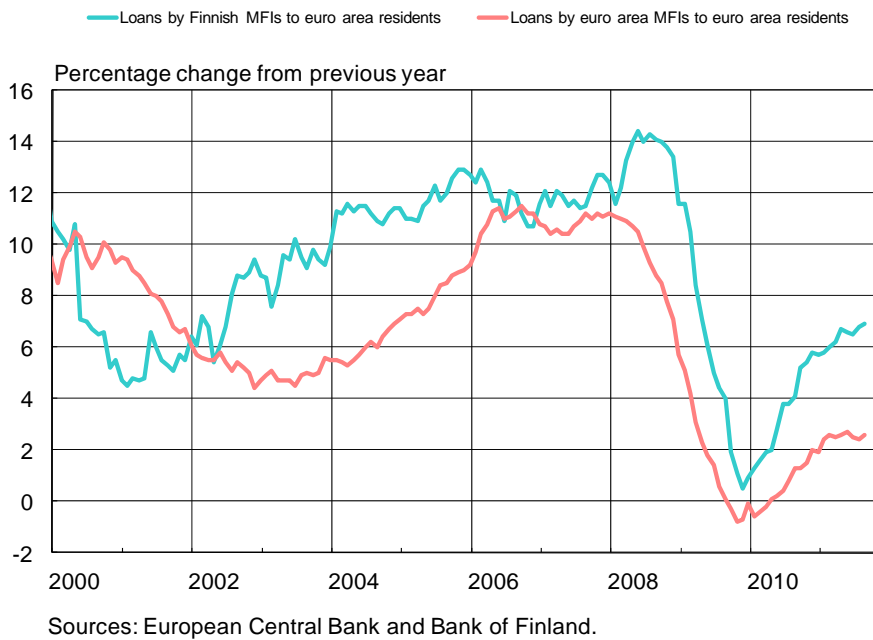
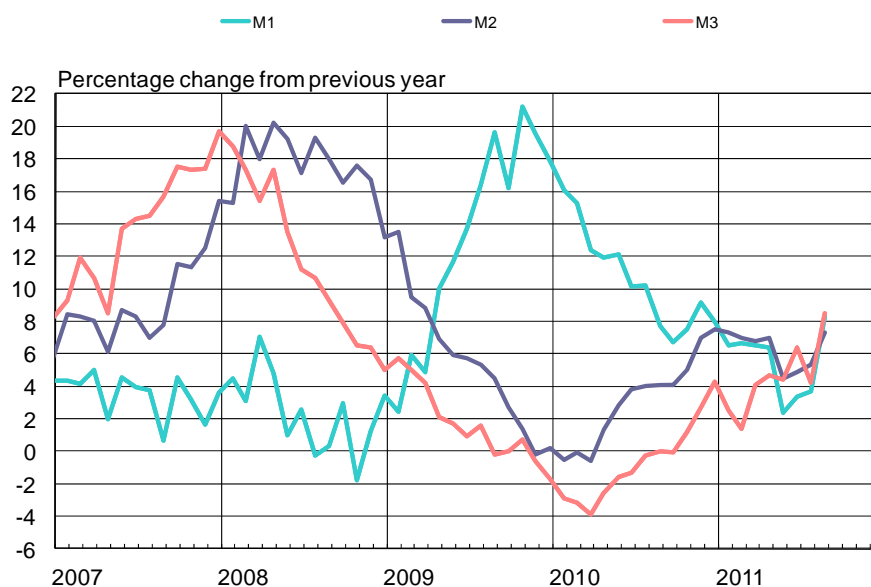


Chart 13.

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

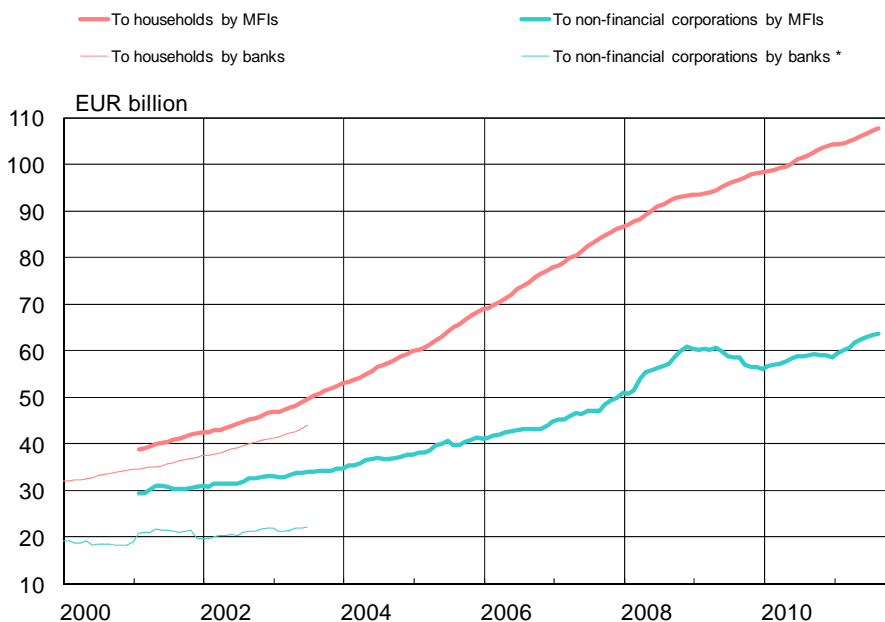


Source: Bank of Finland.

\* 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.

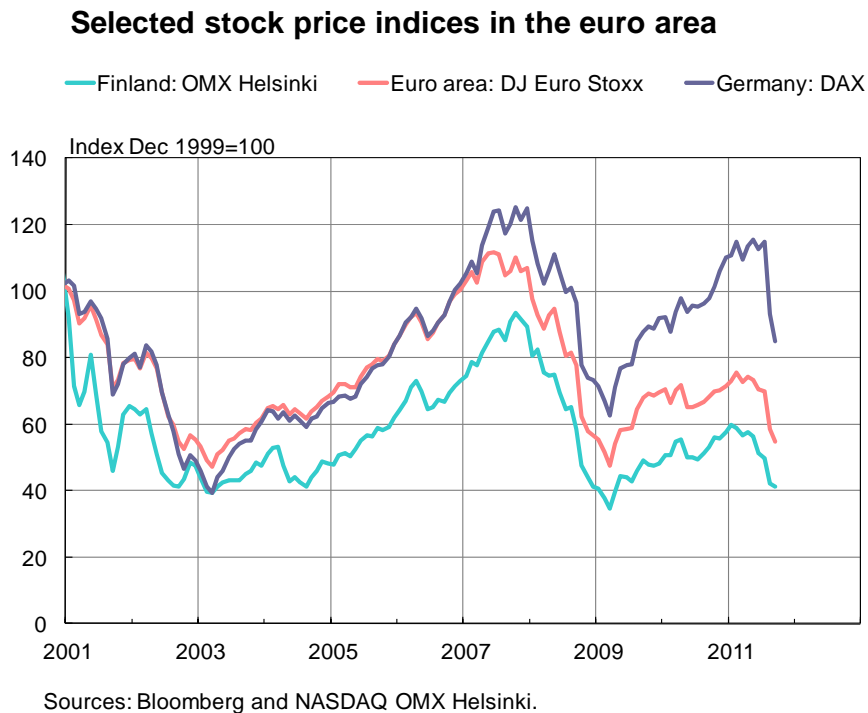


Chart 16.

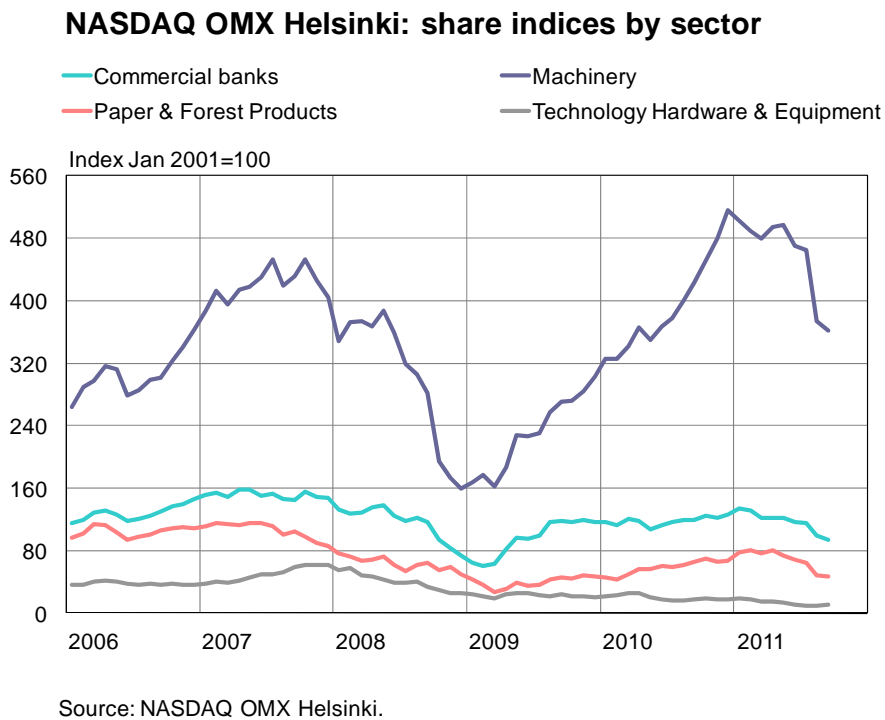


Chart 17.

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



Chart 18.

### Non-residents' portfolio investments in Finland 12-month moving totals

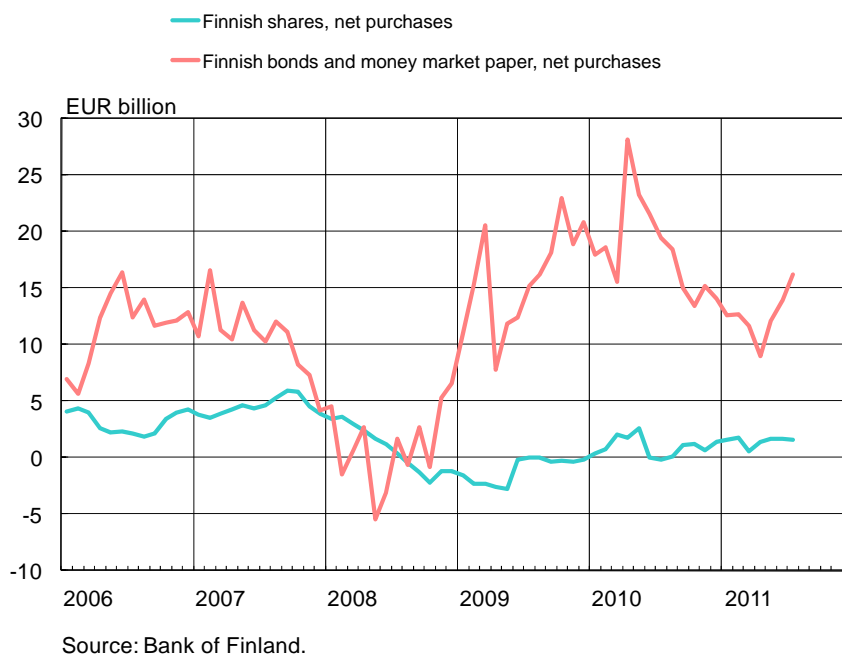
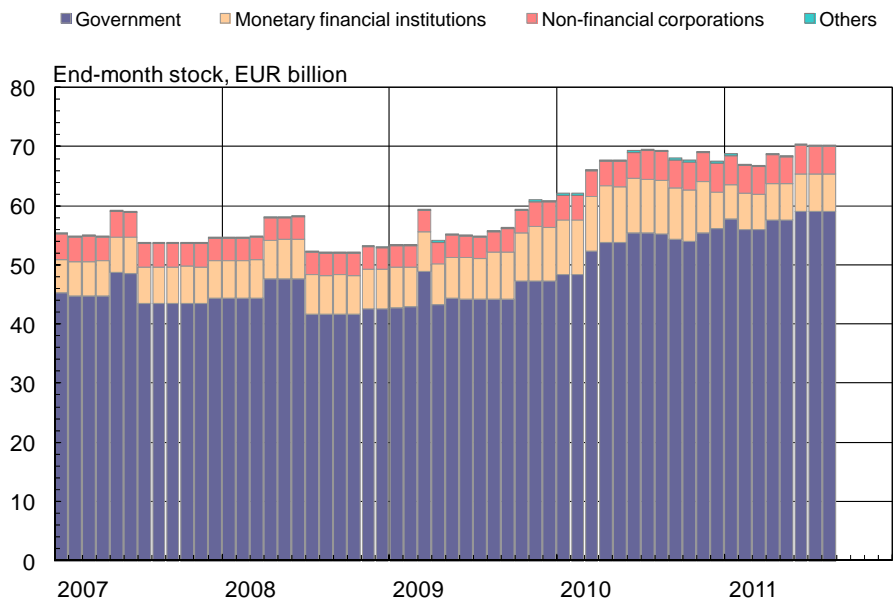


Chart 19.

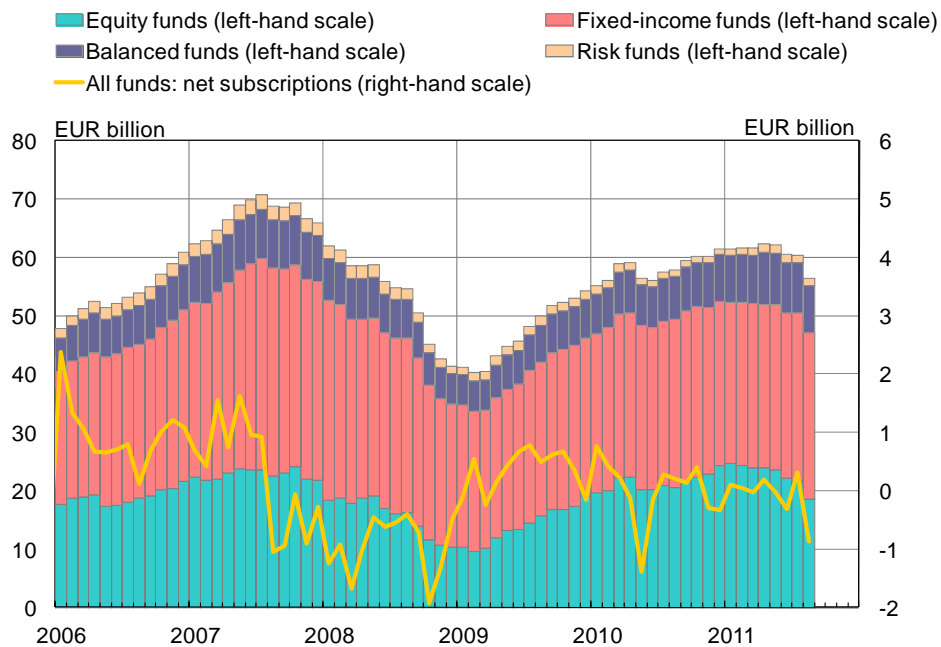
### Bonds issued in Finland



Source: Statistics Finland.

Chart 20.

### Mutual funds registered in Finland



Source: Finnish Association of Mutual Funds.

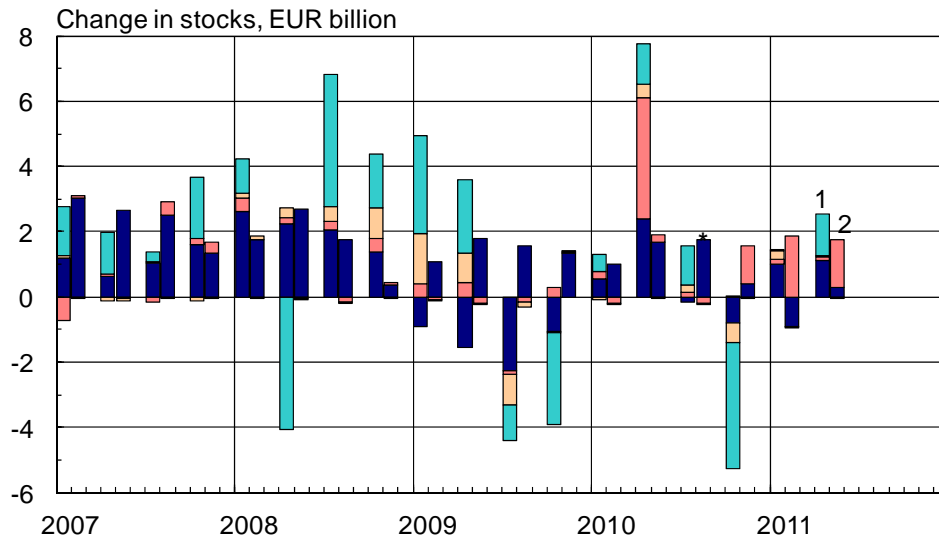
## Borrowing by sector in Finland

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



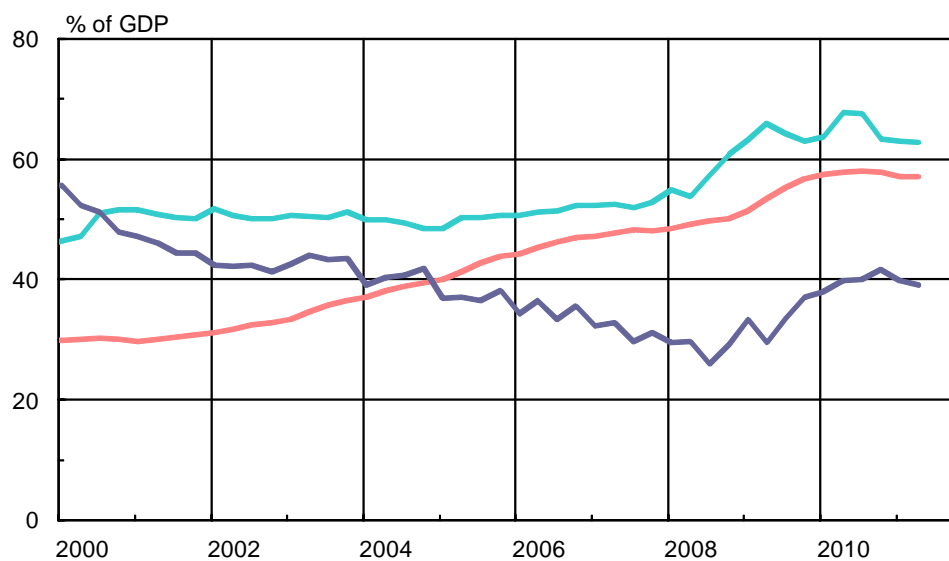
Sources: Bank of Finland and Statistics Finland.

\*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

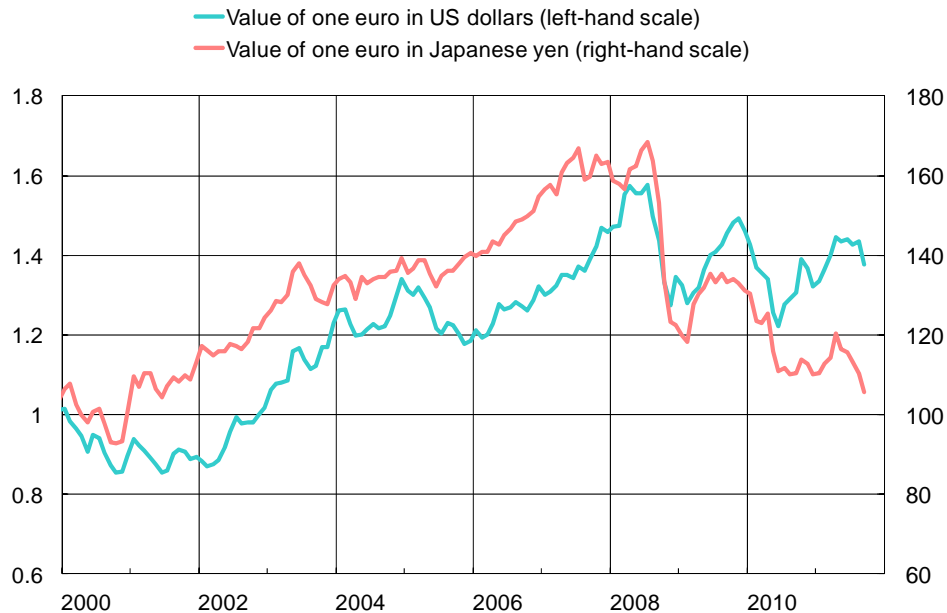


Sources: Statistics Finland, State Treasury and Bank of Finland.

## Exchange rates

Chart 23.

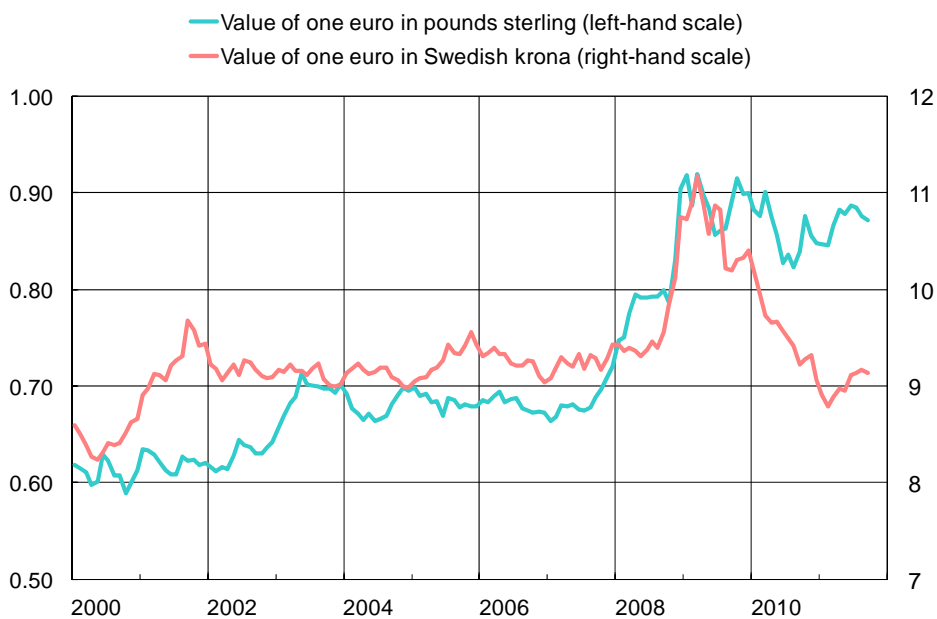
### Euro exchange rates against the US dollar and the yen



Sources: European Central Bank and Reuters.

Chart 24.

### Euro exchange rates against the pound sterling and the Swedish krona

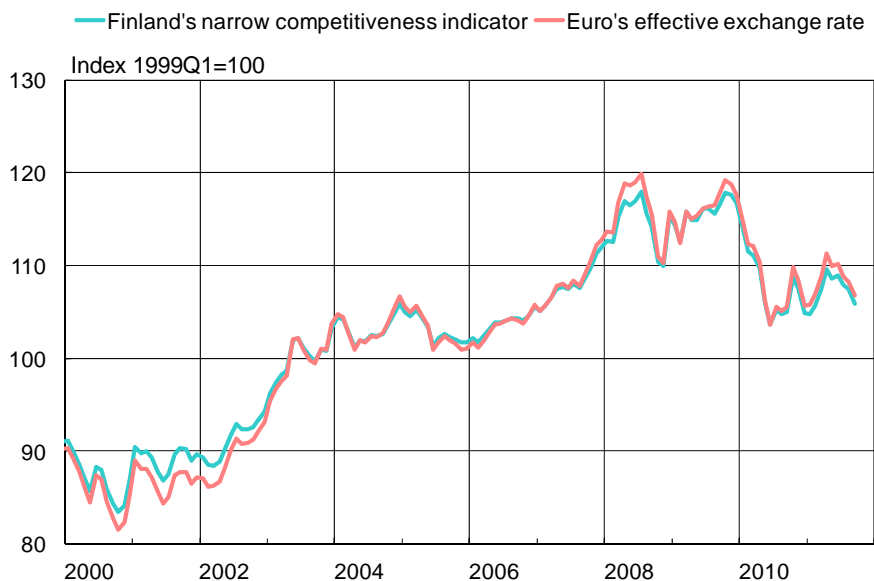


Sources: European Central Bank and Reuters.



Chart 25.

### Euro's external value and Finland's competitiveness indicator

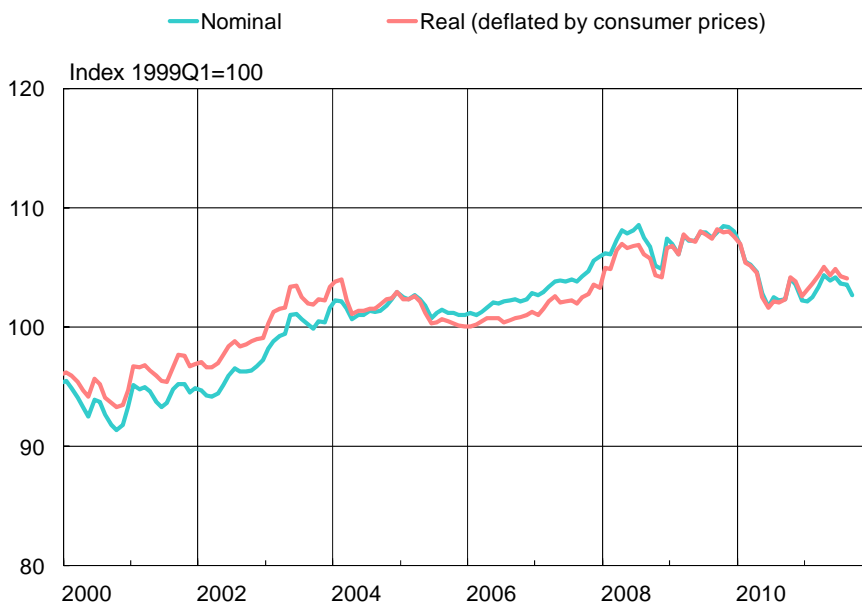


Sources: European Central Bank and Bank of Finland.

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.

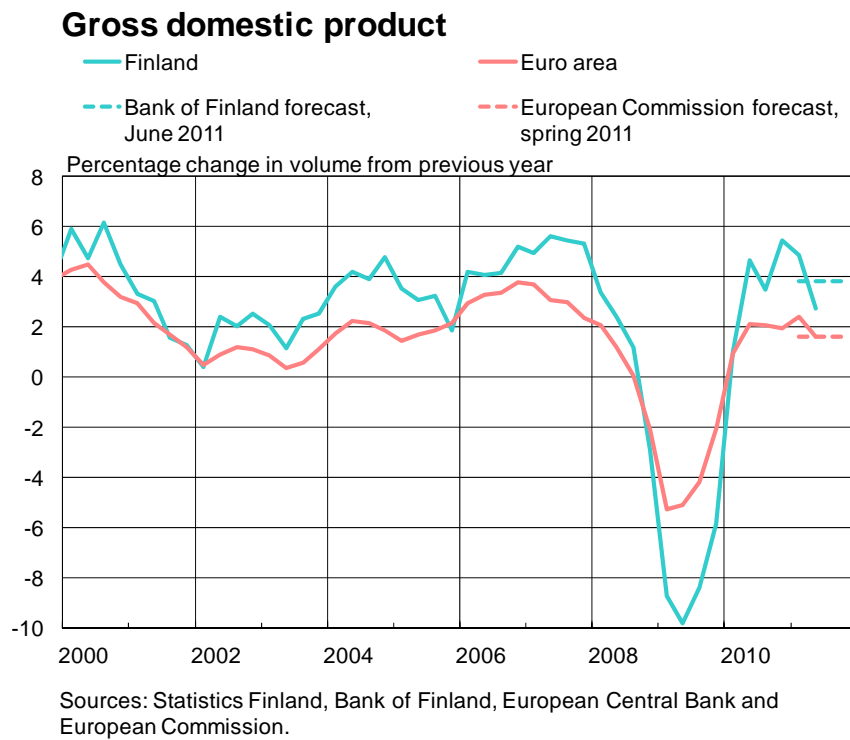


Chart 28.

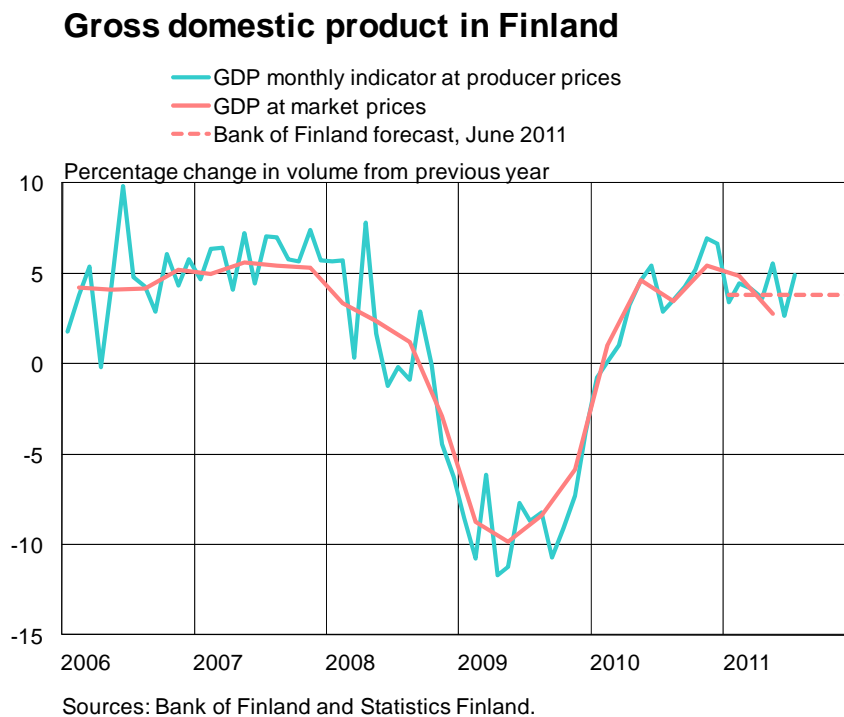
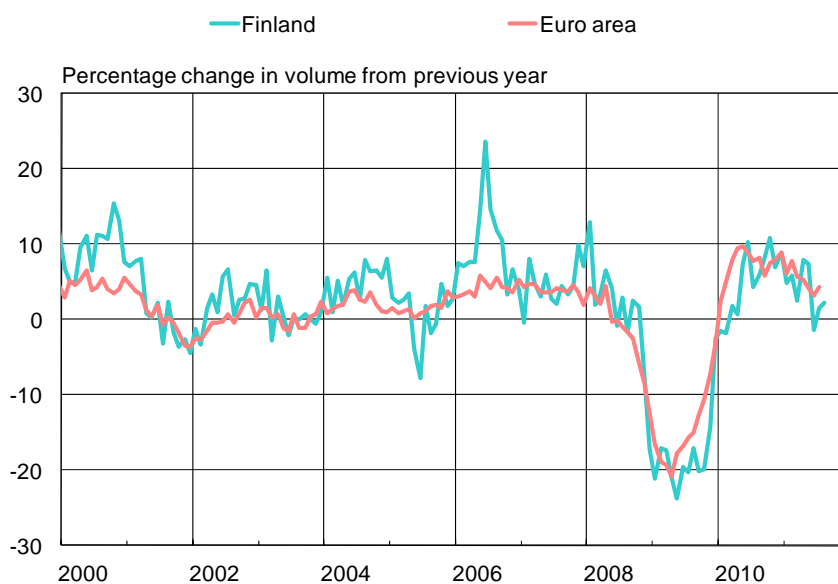


Chart 29.

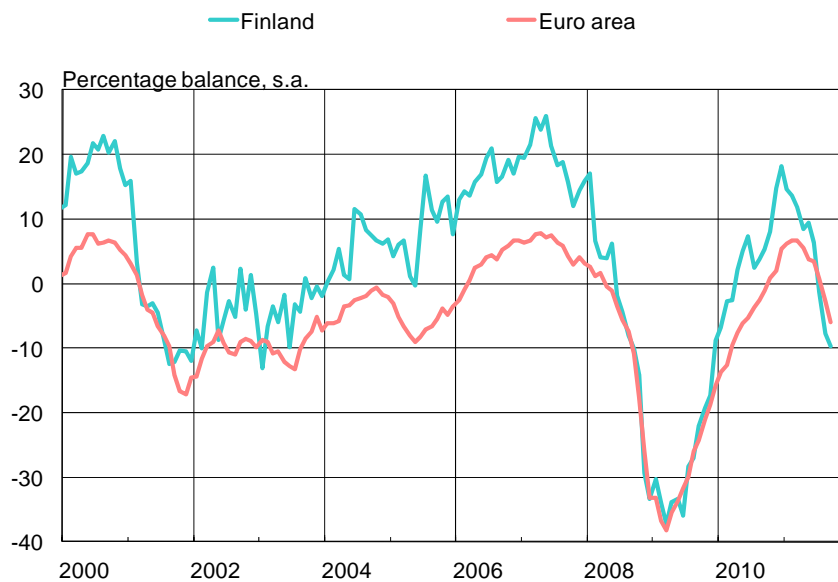
### Industrial production



Sources: Statistics Finland and Eurostat.

Chart 30.

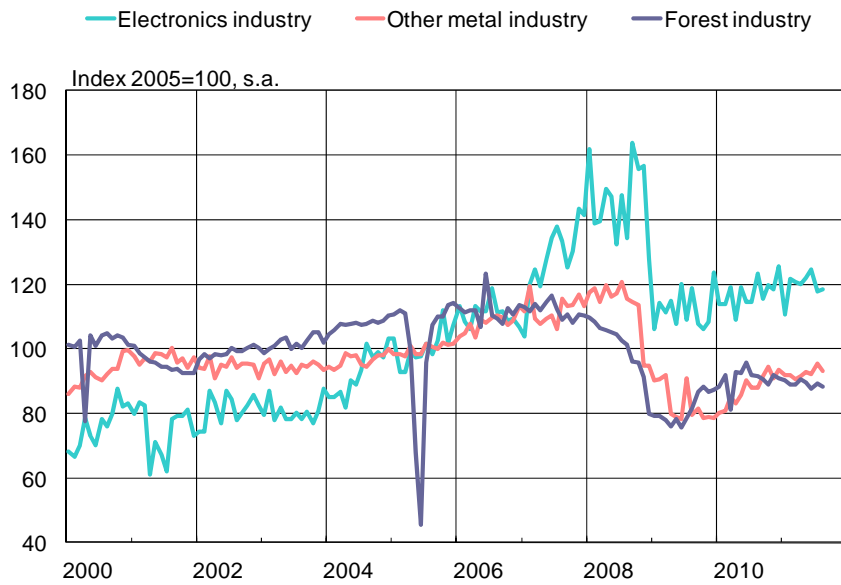
### Industrial confidence indicator



Source: European Commission.

Chart 31.

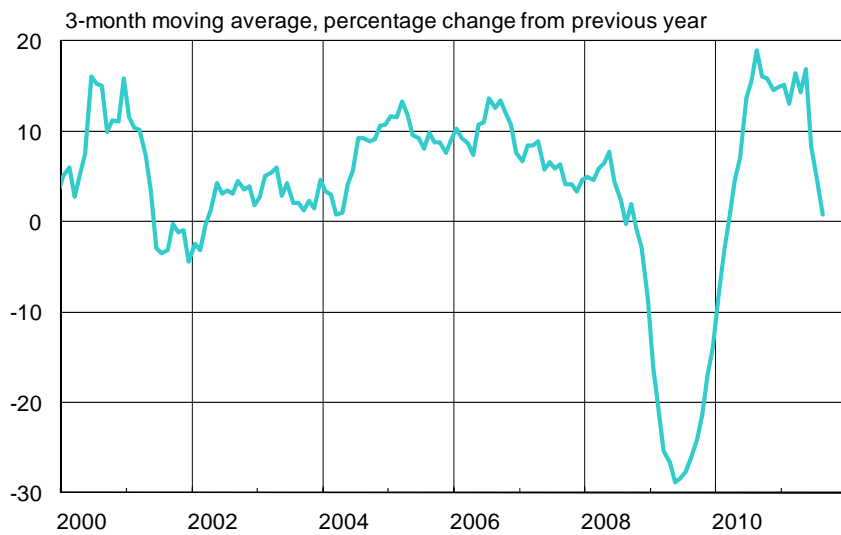
### Manufacturing production by sector



Source: Statistics Finland.

Chart 32.

### Finland's imports of goods



Source: National Board of Customs.

Chart 33.

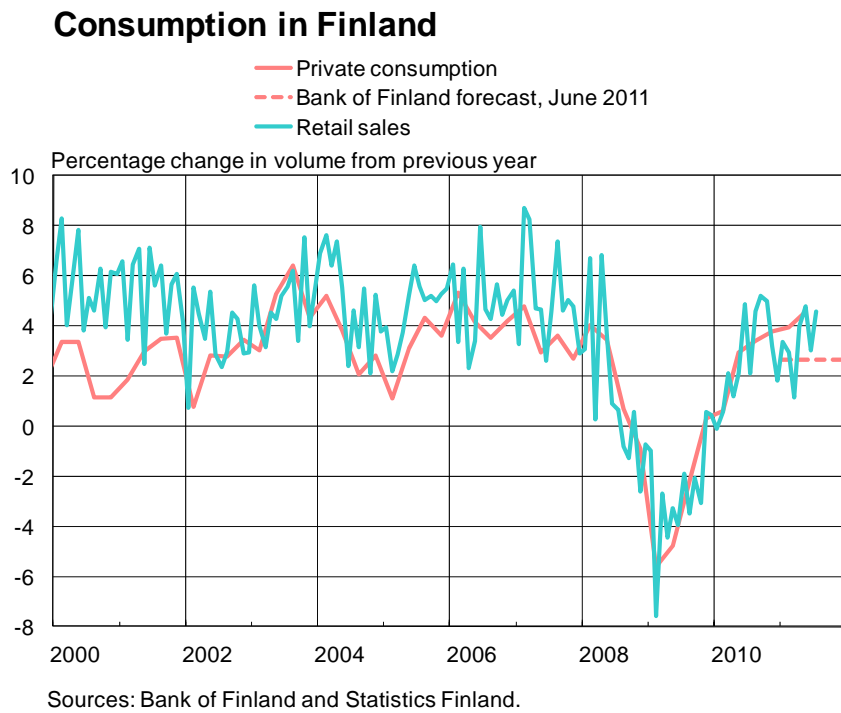


Chart 34.

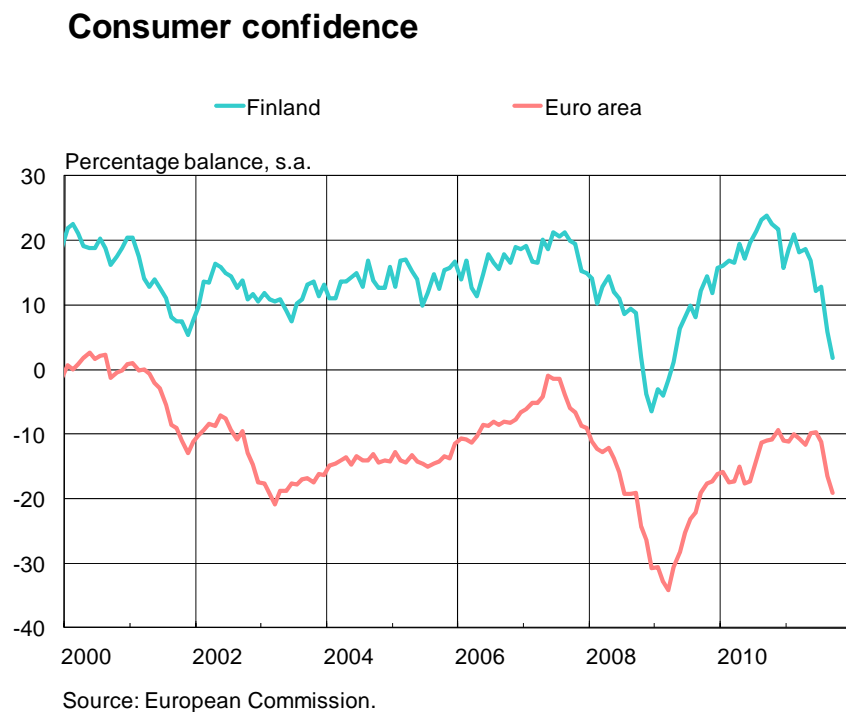


Chart 35.

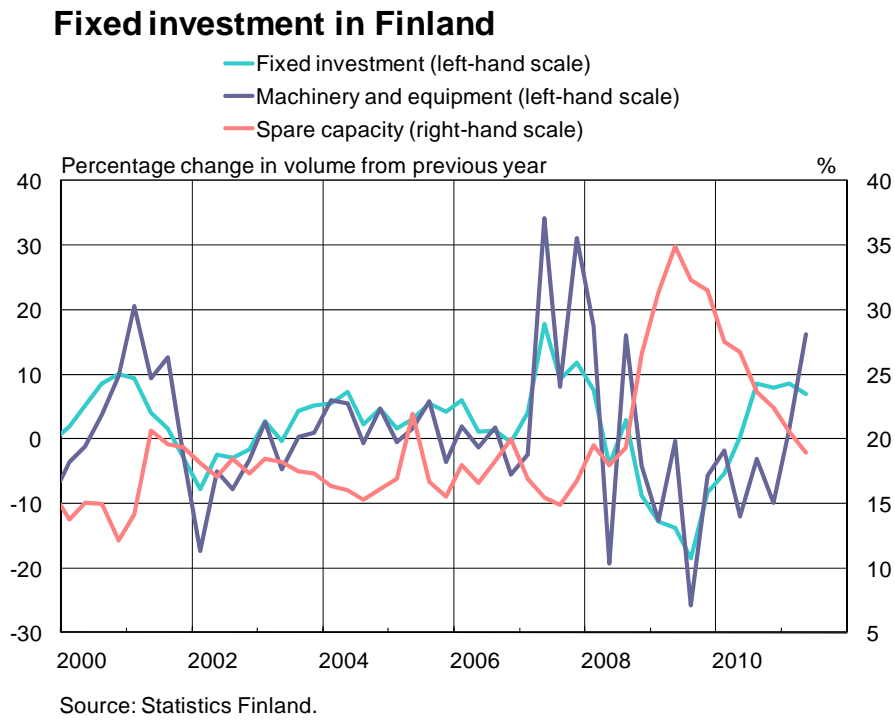


Chart 36.

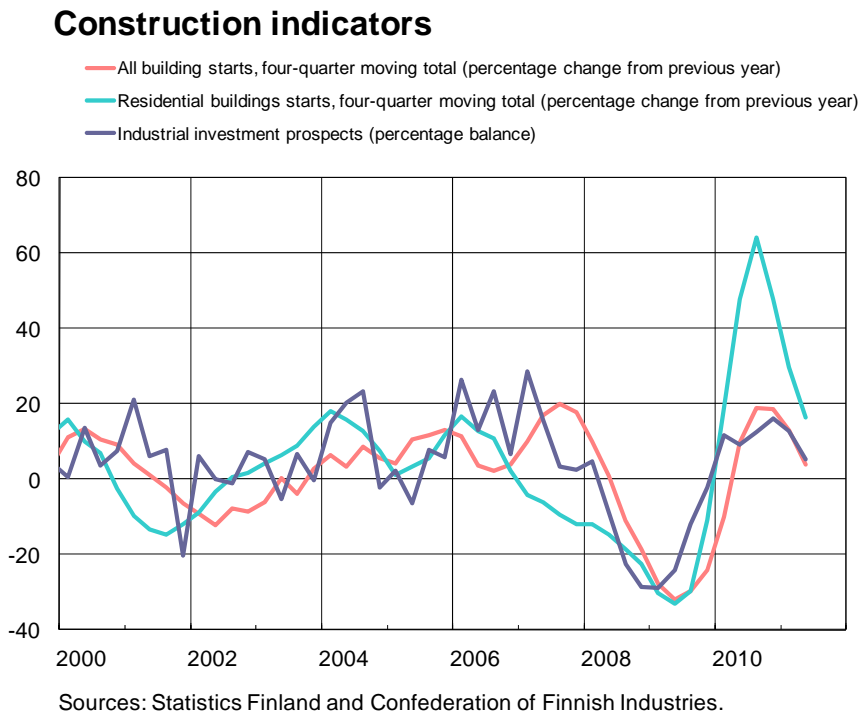
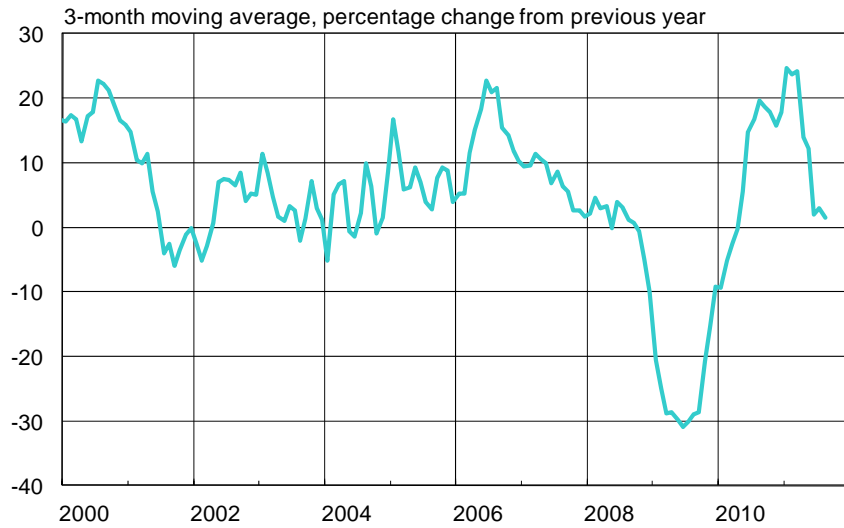


Chart 37.

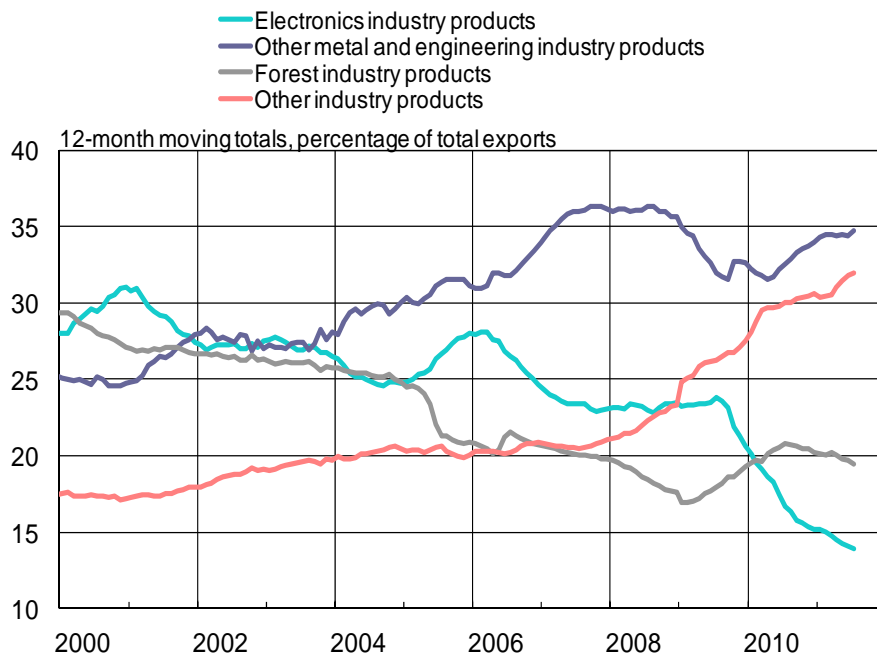
### Finland's exports of goods



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**

	2009	2010	2011 actual	2011*	2012*
<b>Supply and demand</b>					
<i>percentage change in volume from previous year</i>					
Gross domestic product at market prices	-8.2	3.6	2.9 Q2 3.8 Q1-Q2	3.8	2.6
GDP monthly indicator at producer prices	-8.6	3.8	3.7 M7 4.0 M1-M7		
Manufacturing production	-20.3	5.5	3.3 M8 4.5 M1-M8		
Consumption expenditure	-1.9	2.1	3.3 Q2 3.0 Q1-Q2		
- private	-3.1	2.7	4.6 Q2 4.3 Q1-Q2	2.7	2.0
- general government	0.9	0.6	0.5 Q2 0.4 Q1-Q2	1.2	0.7
Gross fixed capital formation	-13.5	2.8	7.4 Q2 7.5 Q1-Q2		
- private	-15.9	3.9	9.4 Q2 8.9 Q1-Q2	6.3	6.4
- general government	4.7	-3.8	-5.6 Q2 -0.5 Q1-Q2	0.8	0.2
Domestic demand	-7.4	3.5	4.3 Q2 5.2 Q1-Q2		
Exports of goods and services	-21.5	8.6	-6.8 Q2 2.3 Q1-Q2	8.0	7.0
Imports of goods and services	-16.1	7.4	1.1 Q2 4.7 Q1-Q2	5.1	6.9
<b>Labour market indicators</b>					
Employed persons <i>percentage change from previous year</i>	-2.9	-0.4	1.2 M8 1.1 M8	0.9	1.0
Unemployment rate, s.a.**	8.2	8.4	7.7 M8	7.9	7.4

Source: Statistics Finland.

\* Bank of Finland forecast, June 2011.

\*\* Seasonally adjusted by the Bank of Finland.



## Prices and costs

Chart 39.

### Consumer prices



Chart 40.

### Harmonized index of consumer prices (HICP)

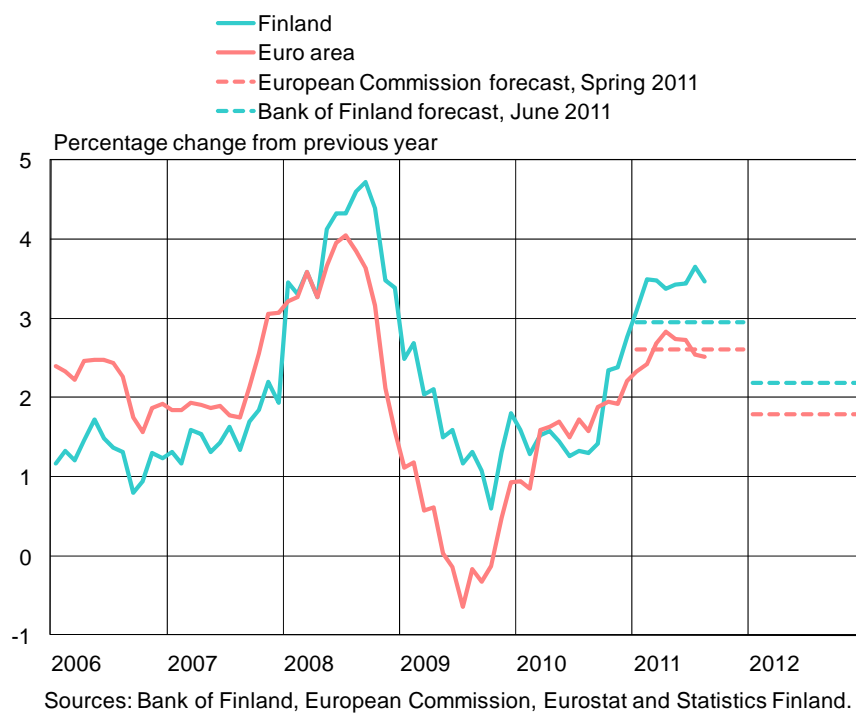
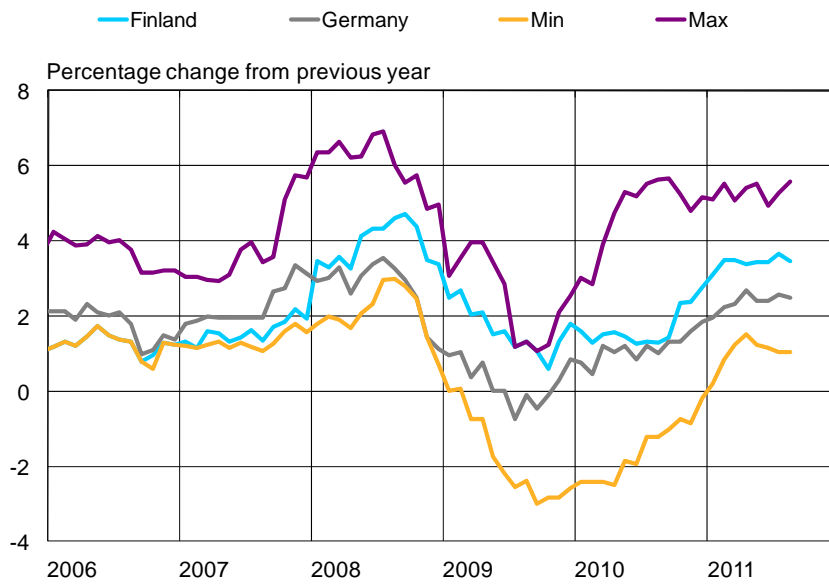


Chart 41.

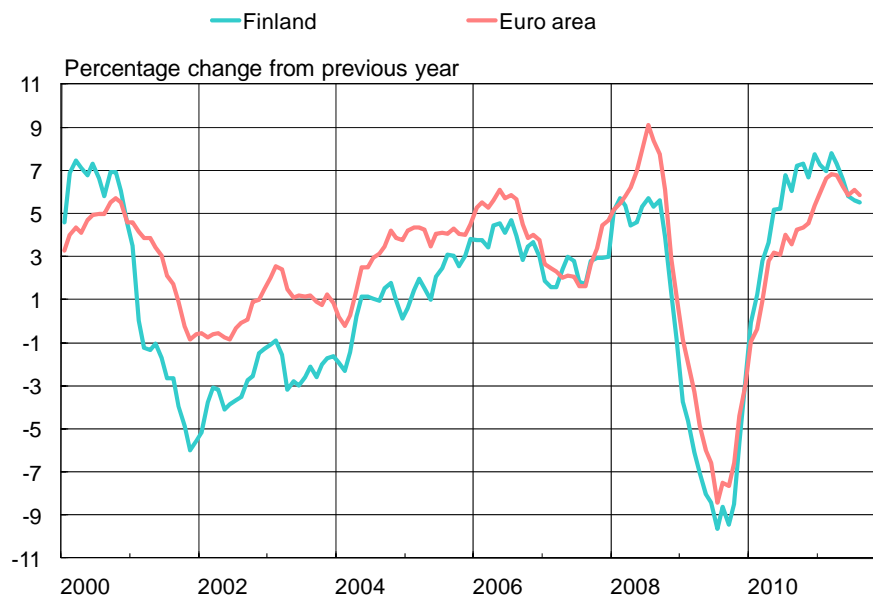
### Inflation rates in the euro area (HICP)



Sources: Eurostat and Statistics Finland.

Chart 42.

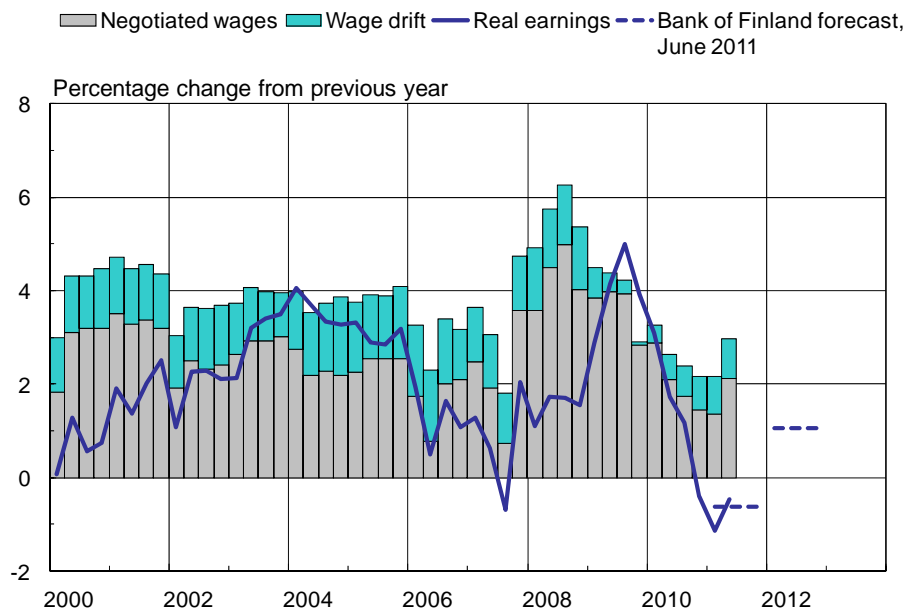
### Producer prices



Sources: Eurostat and Statistics Finland.

Chart 43.

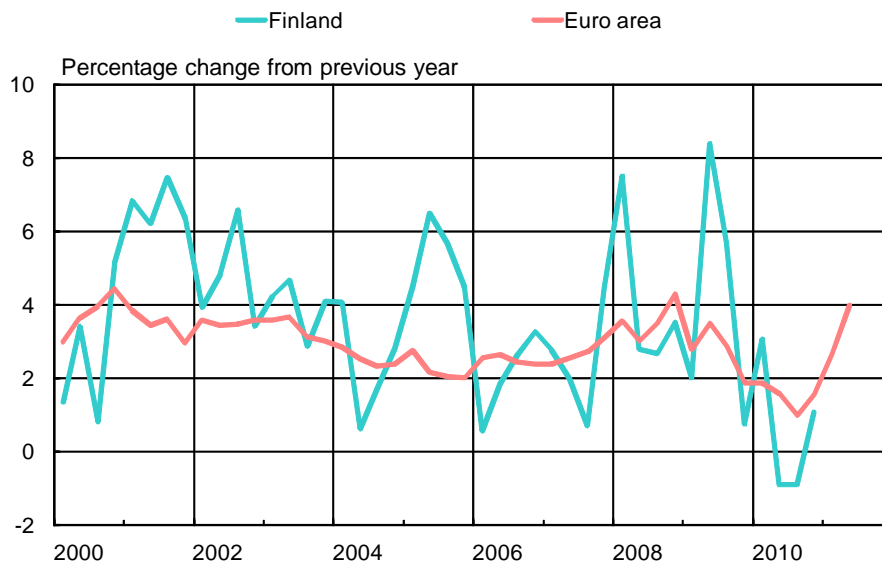
### Earnings in Finland



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

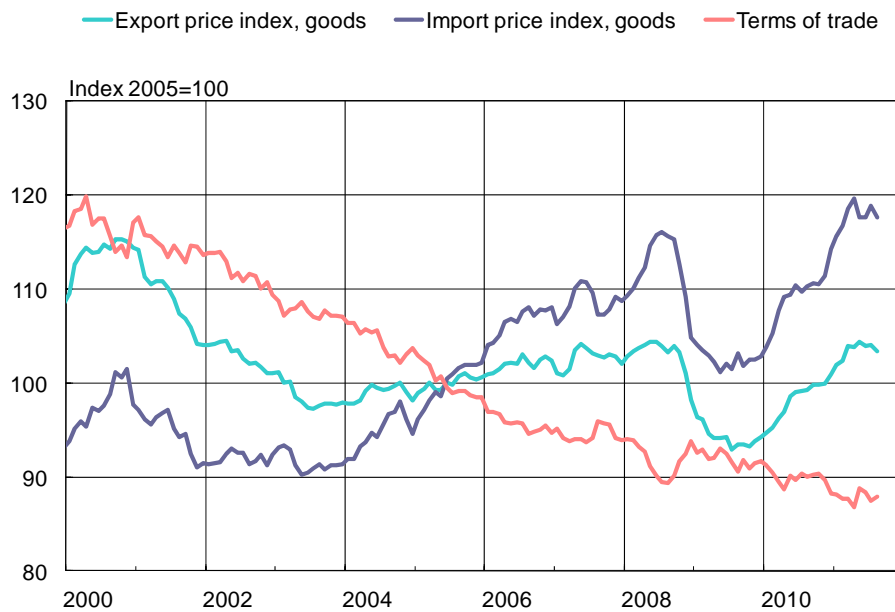


Chart 46.

### Dwelling prices in Finland

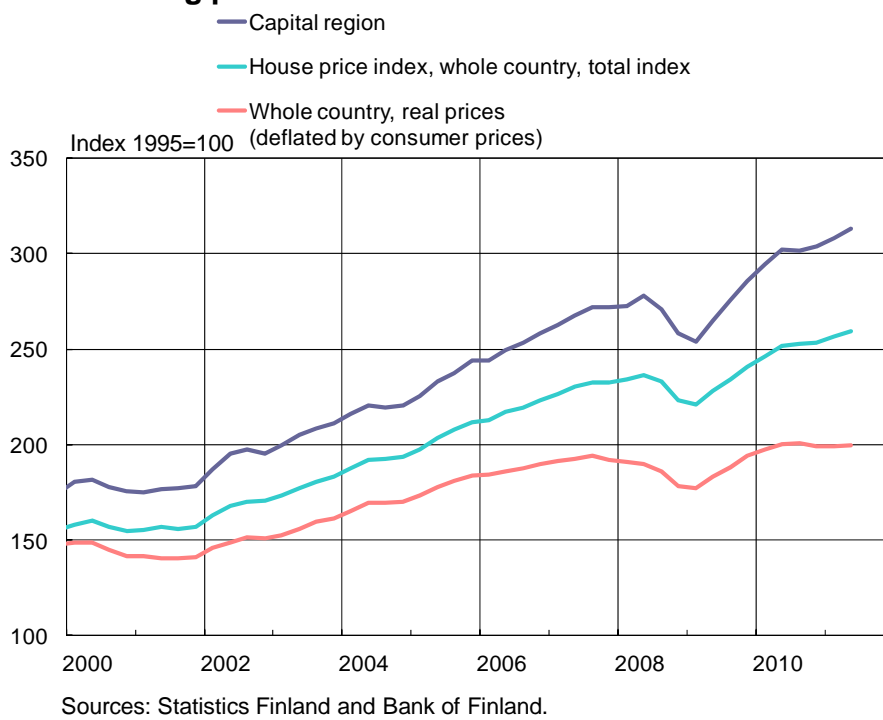


Table 2.

**Cost and price indicators***Percentage change from previous year*

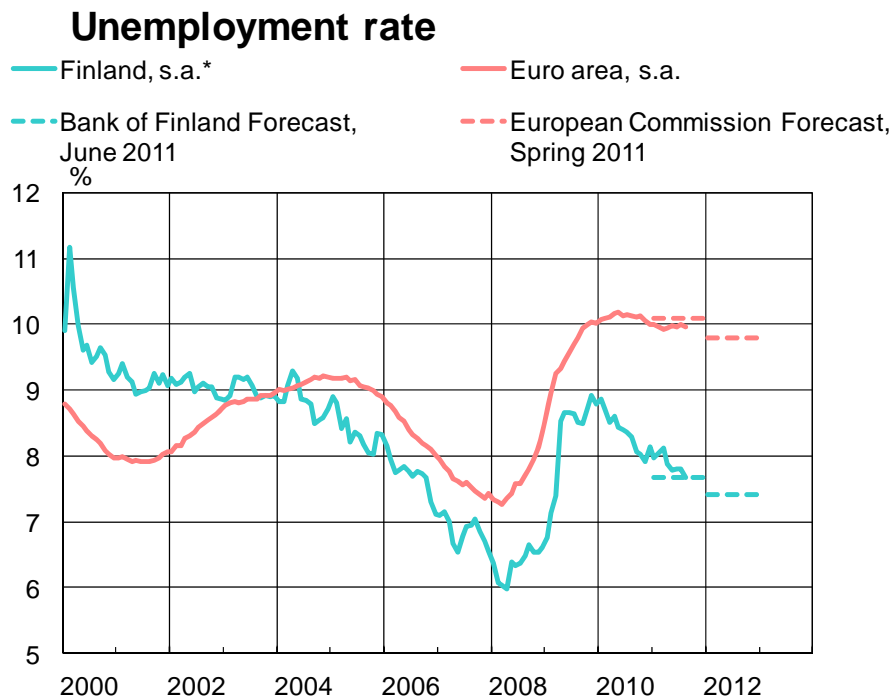
	2009	2010	2011 Actual	2011*	2012*
<b>Labour costs</b>					
Index of wages and salaries	4.0	2.6	3.0 Q2	2.9	3.4
Unit labour costs					
- whole economy	8.2	-1.0	3.0 Q2	0.1	1.5
<b>Price indices</b>					
Export prices (goods)					
- export price index	-9.2	4.3	4.1 M8 6.2 M1-M8		
- export price deflator	-9.1	5.5	9.8 Q2		
Import prices (goods)					
- import price index	-11.4	6.7	6.6 M8 8.8 M1-M8		
- import price deflator	-11.9	8.2	9.6 Q2		
Producer prices	-5.7	5.0	5.5 M8 6.6 M1-M8		
Wholesale prices	-6.6	5.7	7.9 M8 9.7 M1-M8		
Consumer prices					
- consumer price index	0.0	1.2	3.7 M8 3.5 M1-M8	3.5	2.3
- harmonized index of consumer prices	1.6	1.7	3.5 M8 3.4 M1-M8	3.4	2.1
<b>Asset prices</b>					
Stumpage prices	-15.2	7.8	-0.9 M8 -3.1 M1-M8		
Dwelling prices, whole country	-0.3	8.7	3.2 Q2		
Share prices	-32.9	21.6	-22.7 M9 1.5 M1-M9		

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

\* Bank of Finland forecast, June 2011

## Labour market

Chart 47.



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

Chart 48.

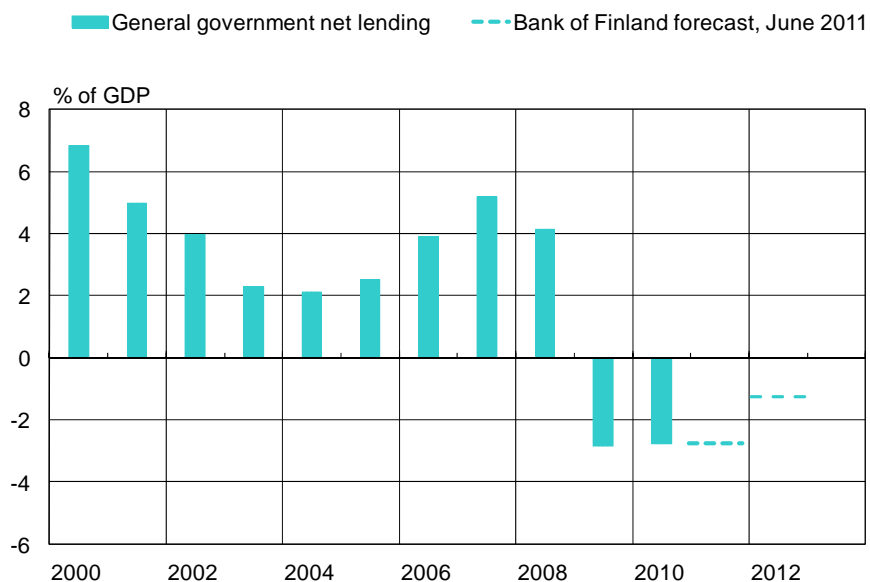


Sources: Statistics Finland and Bank of Finland.  
 \* Seasonally adjusted by the Bank of Finland.

## Public finances

Chart 49.

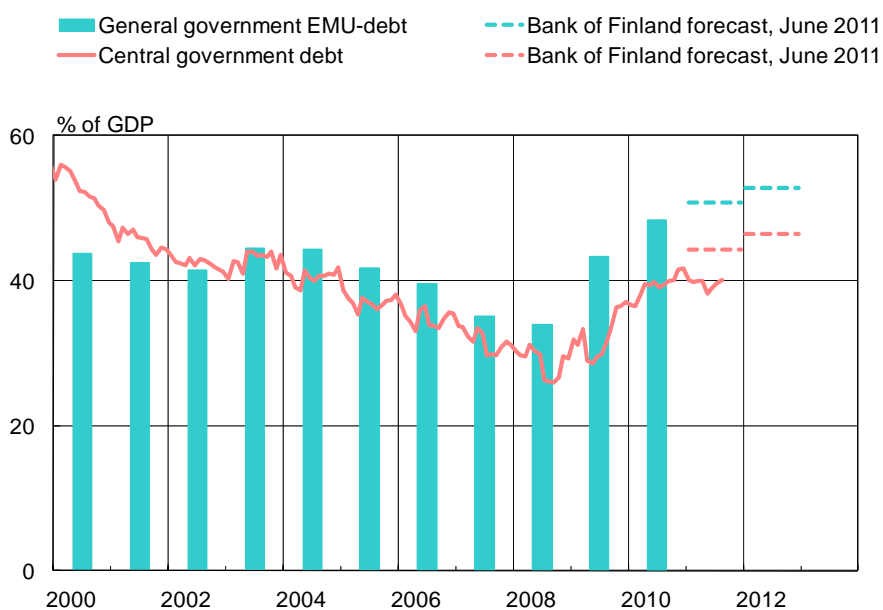
### Public sector balances in Finland



Sources: Statistics Finland and Bank of Finland.

Chart 50.

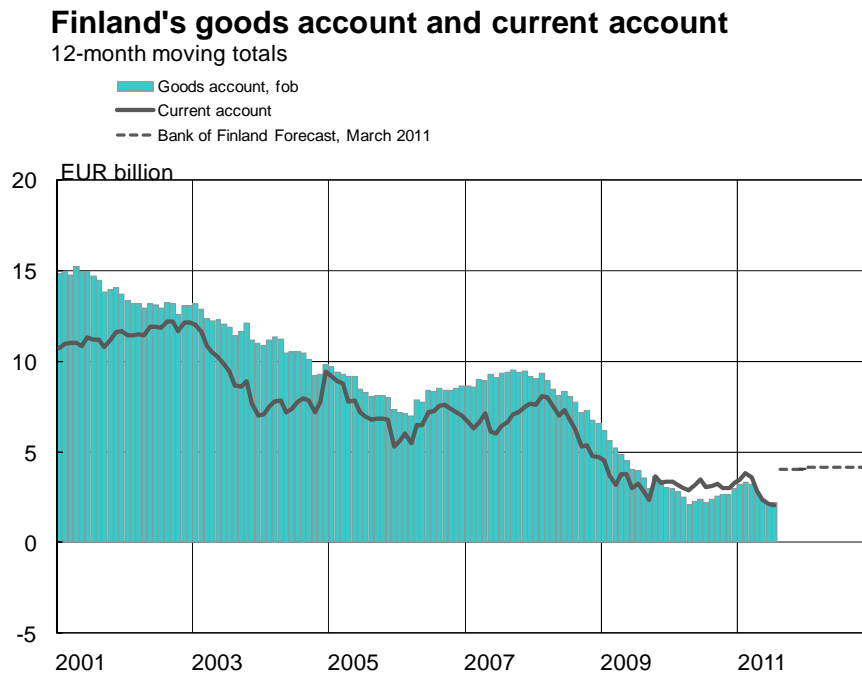
### Public sector debt in Finland



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

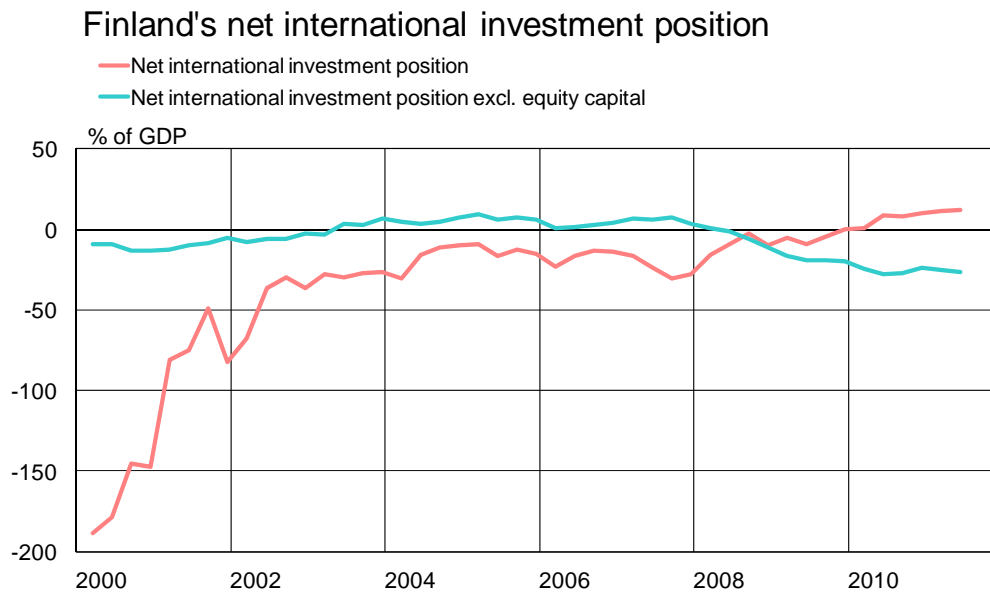
## External balance

Chart 51.



Source: Bank of Finland.

Chart 52.



Source: Bank of Finland.



Table 3.

**Finland's balance of payments, EUR billion**

	2009	2010	2011 January–July	2011 July	2011*	2012*
<b>Current account</b>	3.4	3.3	-1.4	0.2	4.1	4.1
Goods account	3.0	3.0	0.2	0.1		
Exports, fob	45.1	53.0	33.1	4.4		
Imports, fob	42.1	50.0	32.9	4.3		
Services	0.6	0.1	-0.6	0.0		
Credit	20.1	21.0	9.9	1.7		
Debit	19.5	20.9	10.5	1.7		
Income and current transfers	-0.2	0.2	-1.0	0.2	-1.4	-1.4
<b>Capital account</b>	0.1	0.2	0.1	0.0		
<b>Financial account</b>	4.0	-1.4	1.8	-1.3		
Direct investment	-3.3	-2.7	-4.4	-1.6		
Abroad	3.5	7.9	4.4	1.8		
In Finland	0.3	5.2	0.0	0.2		
Portfolio investment	-6.8	-6.3	1.9	0.3		
Assets	27.5	21.8	5.9	0.6		
Liabilities	20.6	15.5	7.8	1.0		
Other investment	12.5	6.3	4.7	-0.1		
Assets	4.5	19.4	25.6	-1.9		
Liabilities	17.1	25.7	30.3	-2.0		
Financial derivatives	2.2	-0.4	0.2	0.1		
<b>Reserve assets (increase -)</b>	-0.6	1.7	-0.6	0.0		
Errors and omissions	-7.5	-2.0	-0.5	1.1		
	31 December 2009	31 December 2010		31 July 2011		
Net international investment position excluding equity items	-0.3	17.8		28.5		
	-35.1	-43.3		-49.2		

\*Bank of Finland forecast, June 2011