

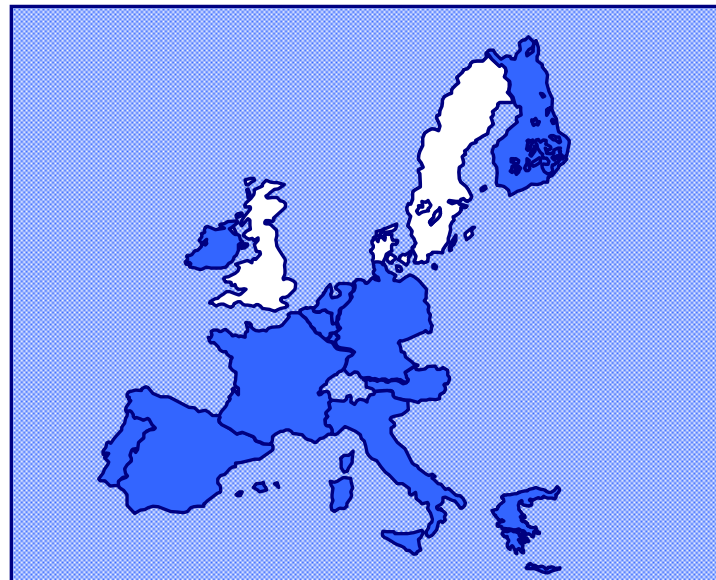


**BANK OF FINLAND**

**Economics Department - Financial Markets Department - Statistics Department**

# **Main Indicators for the Finnish Economy**

No 2/2002



18 Feb 2002

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# 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

<b>Prices and costs</b>	
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
<b>Labour market</b>	
Chart 47. Unemployment rate, Finland and euro area	30
Chart 48. Employment in Finland	30
<b>Public finances</b>	
Chart 49. Public sector balances in Finland	31
Chart 50. Public sector debt in Finland	31
<b>External balance</b>	
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.

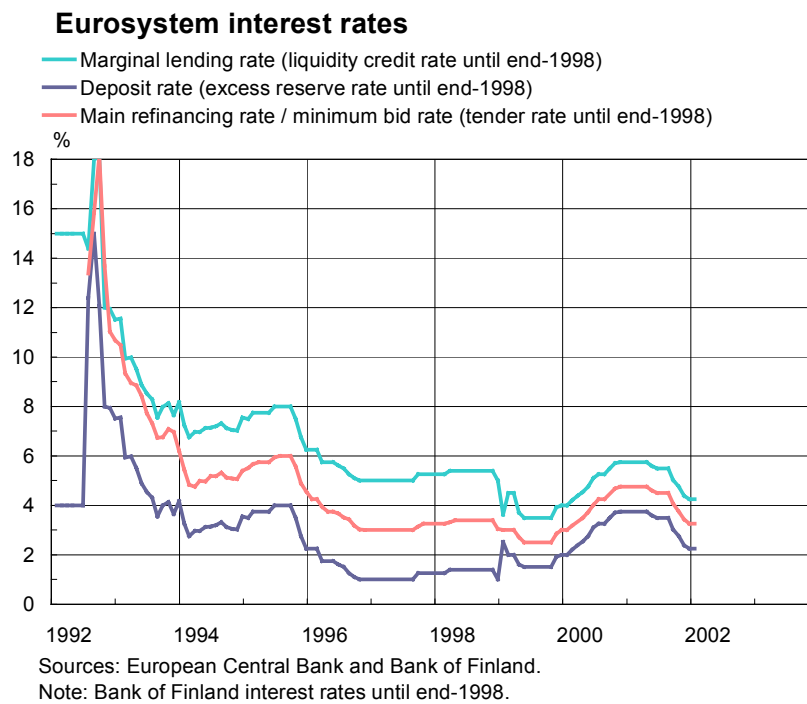


Chart 2.

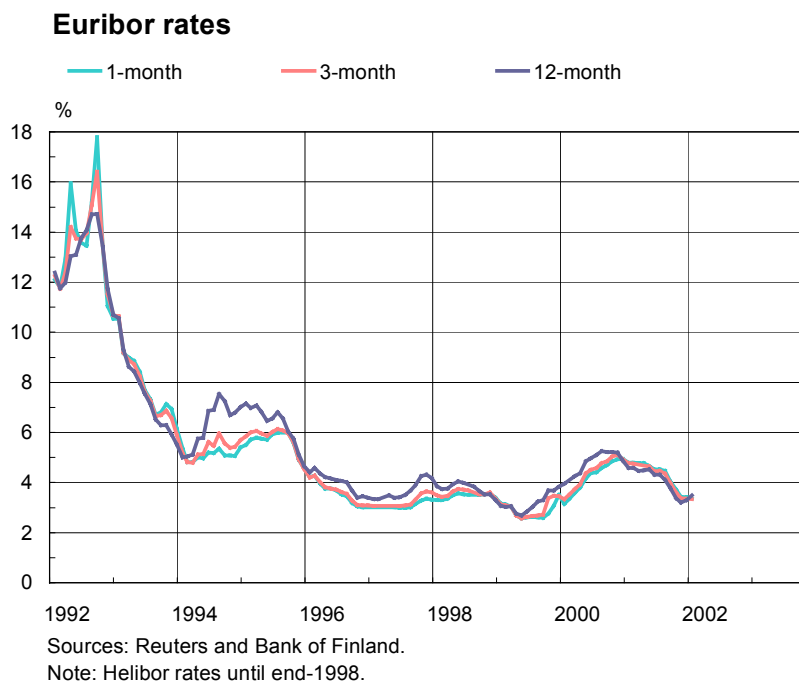
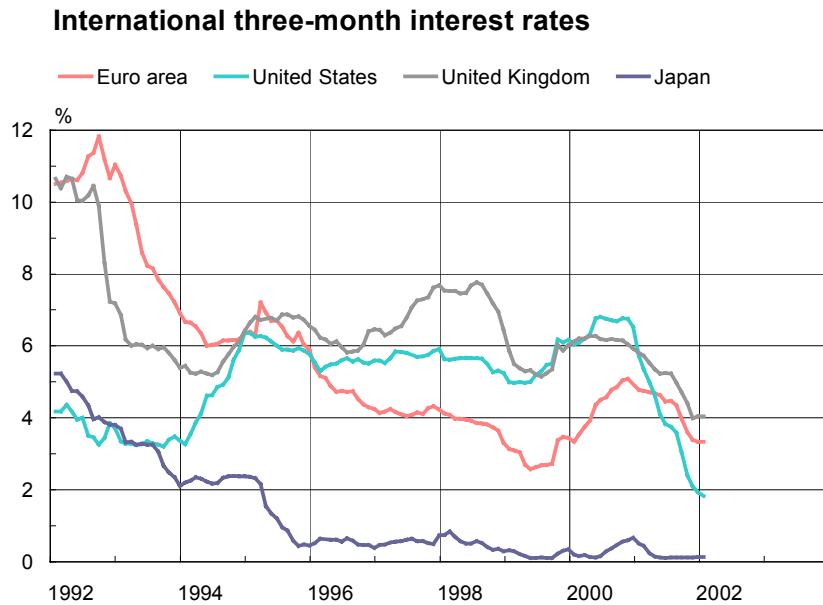
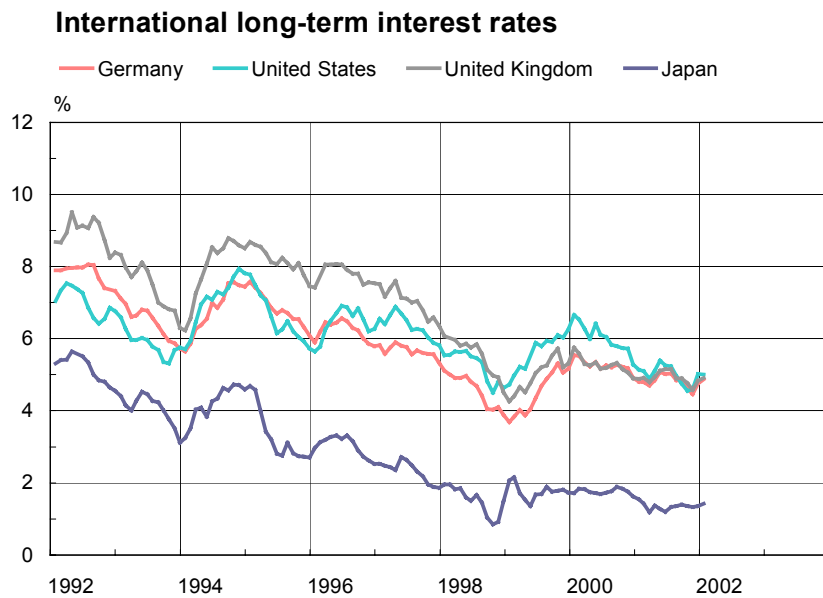


Chart 3.



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.

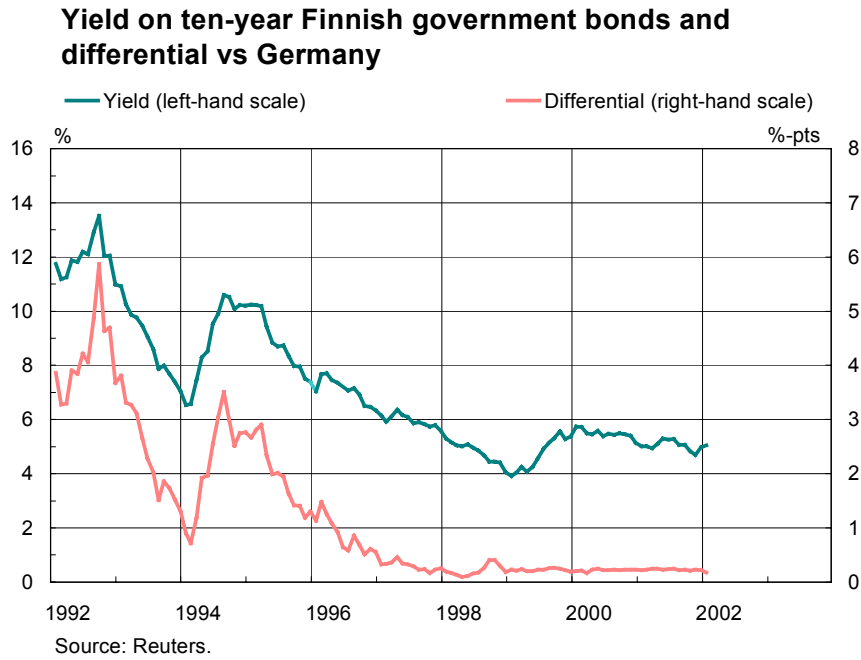
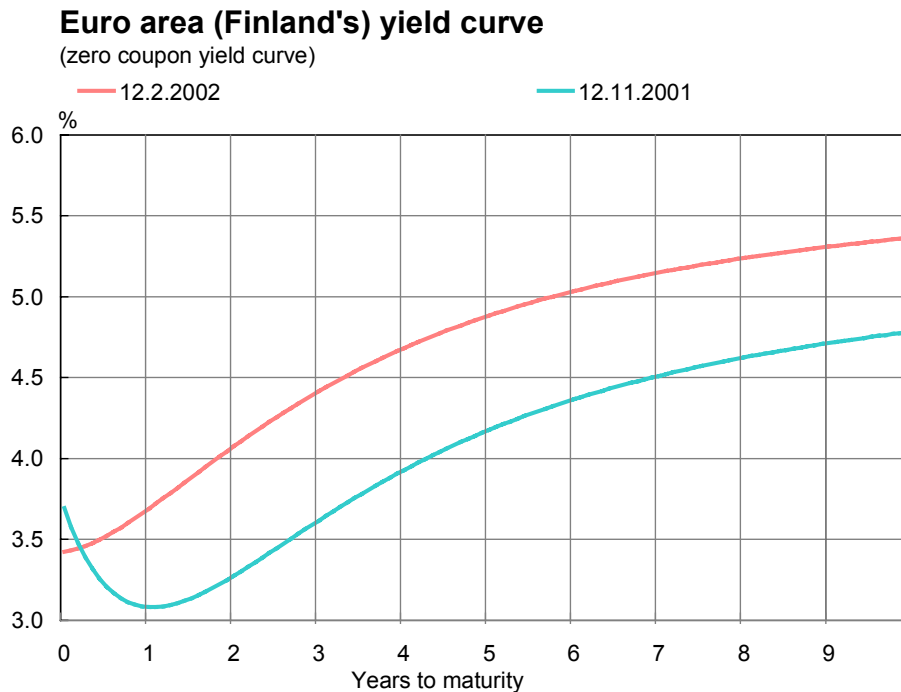


Chart 6.



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.

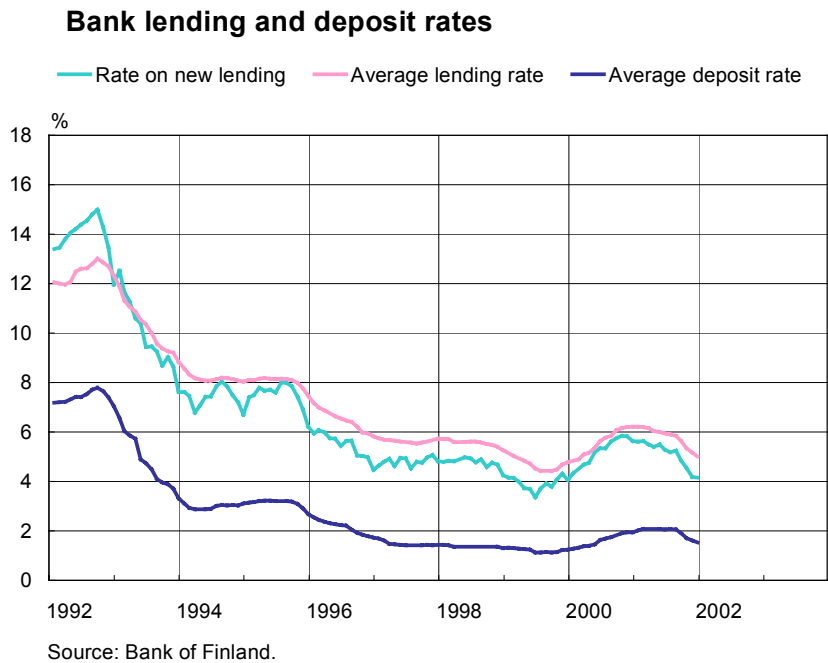


Chart 8.

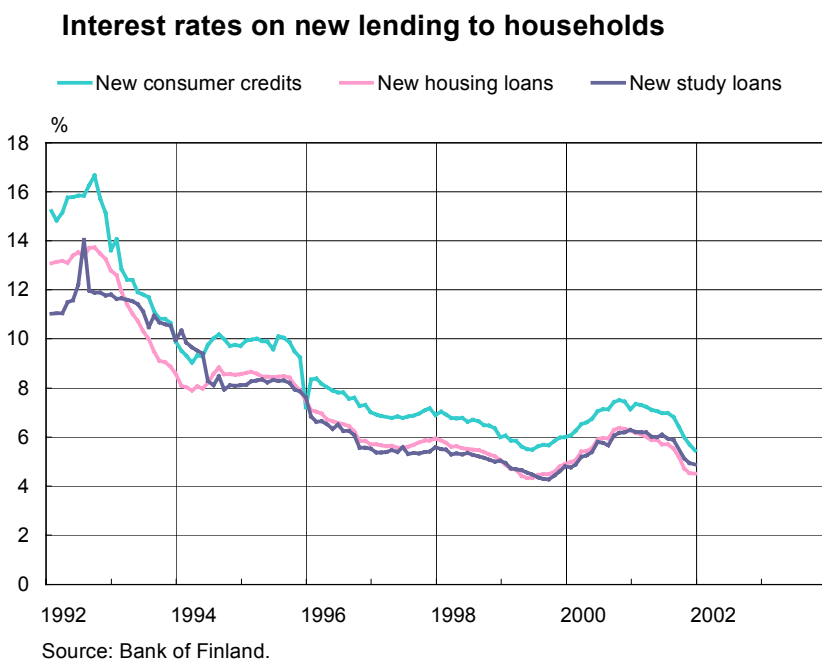




Chart 9.

**Stock of bank lending by interest rate linkage**

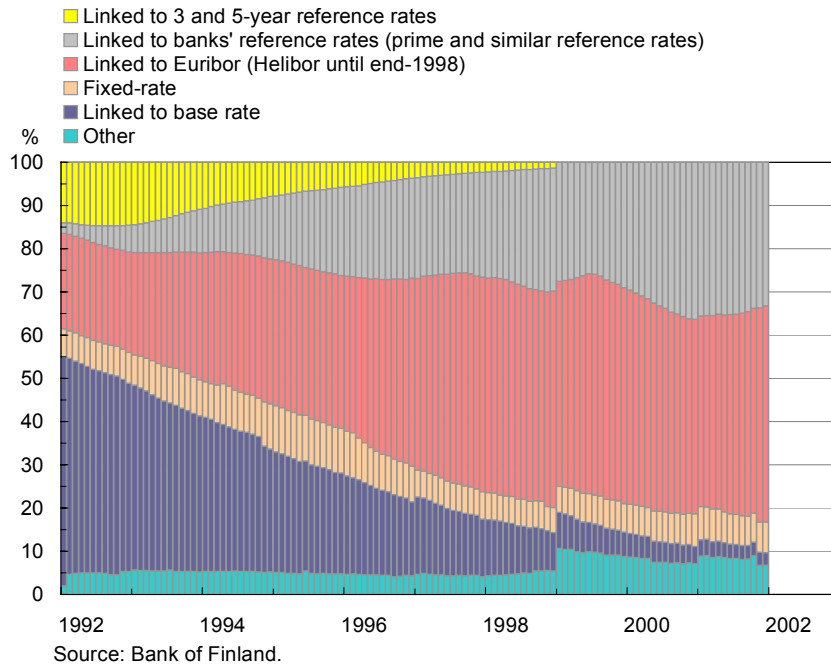


Chart 10.

**Stock of bank deposits by interest rate linkage**

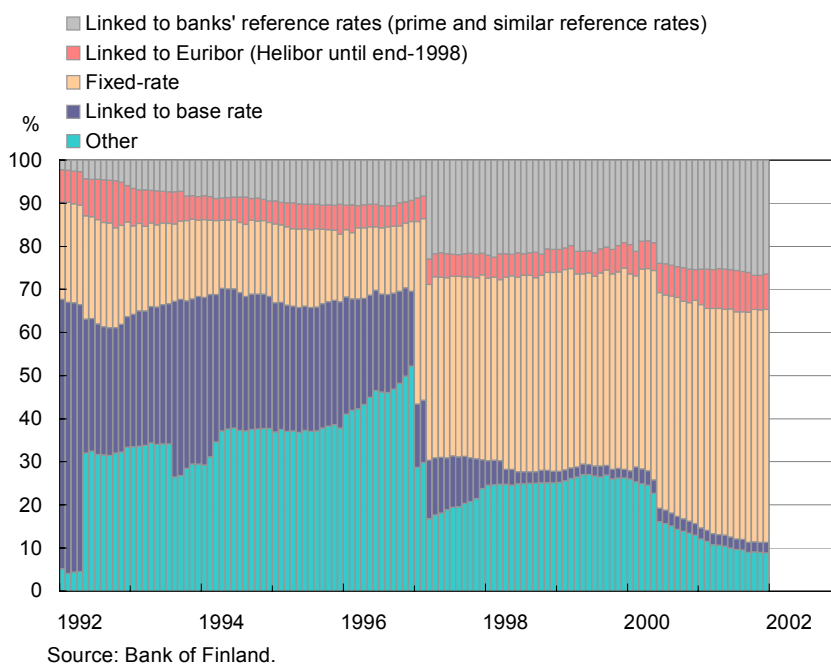
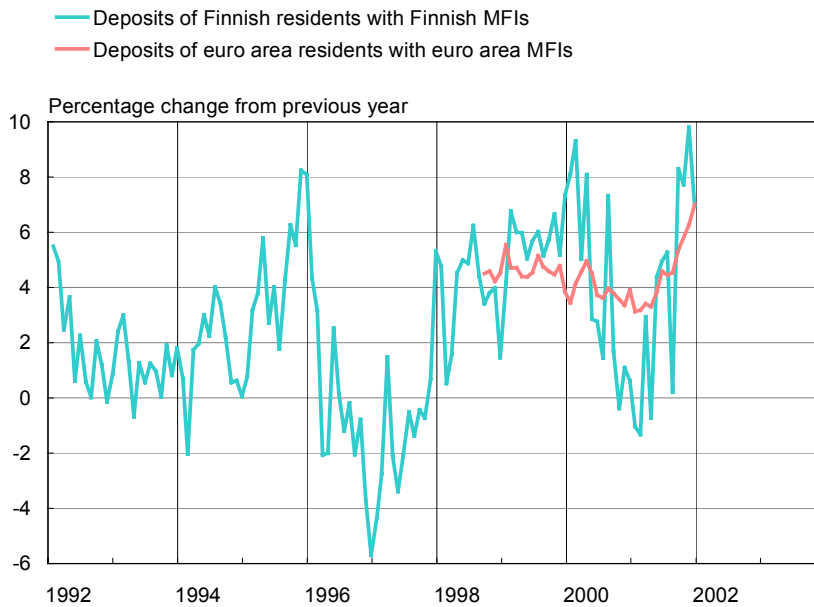


Chart 11.

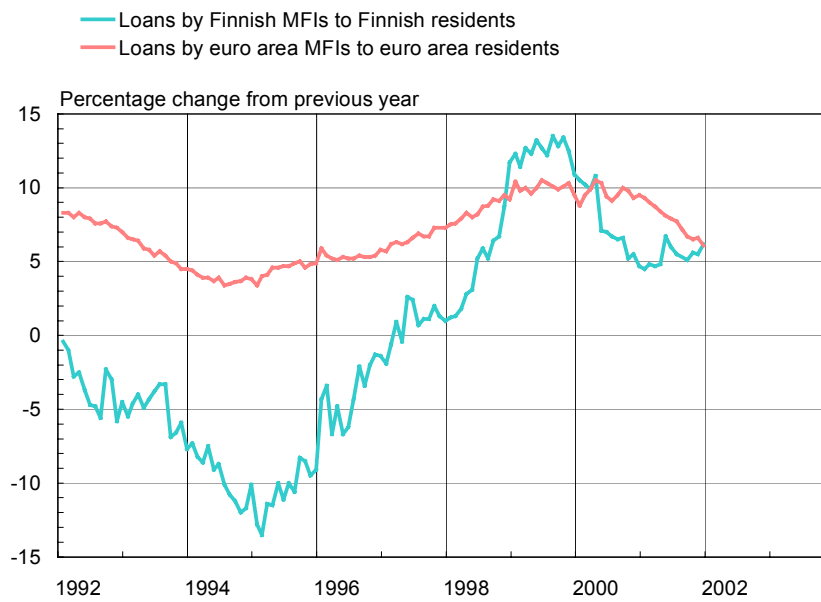
**Euro area and Finnish MFIs: growth of deposits**



Sources: European Central Bank and Bank of Finland.

Chart 12.

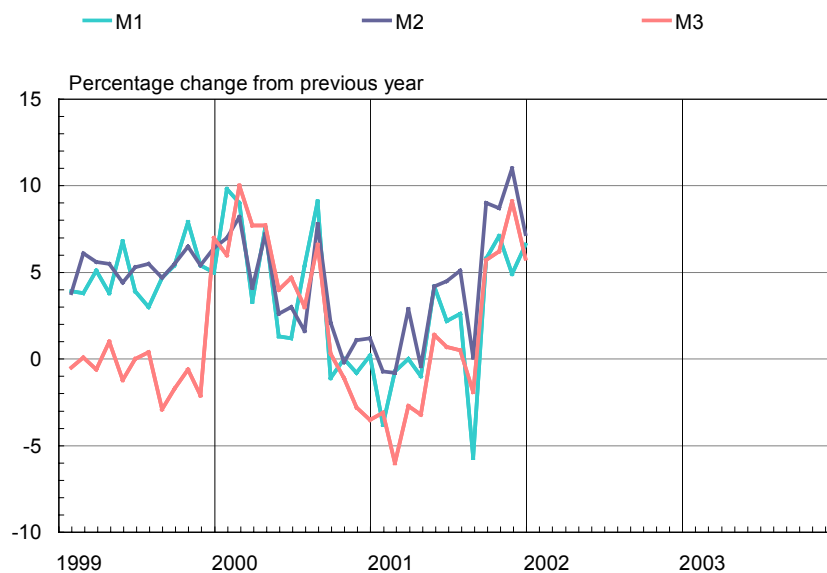
**Euro area and Finnish MFIs: growth of loans**



Sources: European Central Bank and Bank of Finland.

Chart 13.

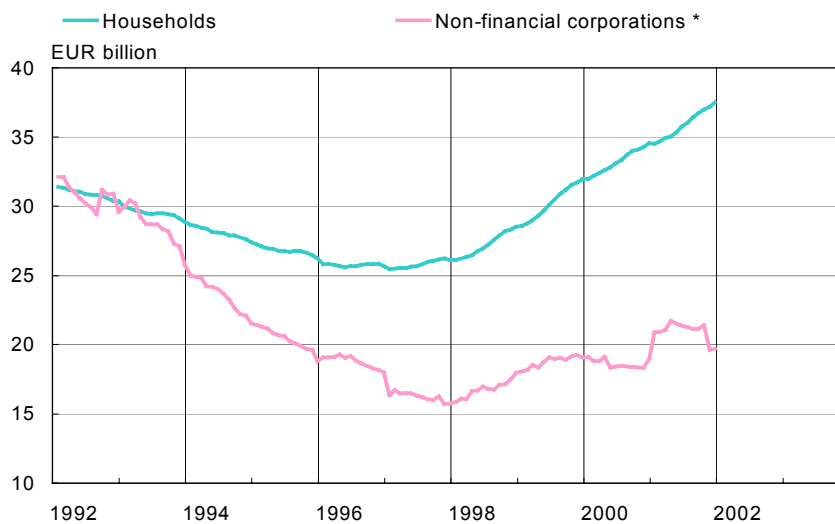
### Liabilities of Finnish monetary financial institutions included in monetary aggregates for the euro area



Source: Bank of Finland.

Chart 14.

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



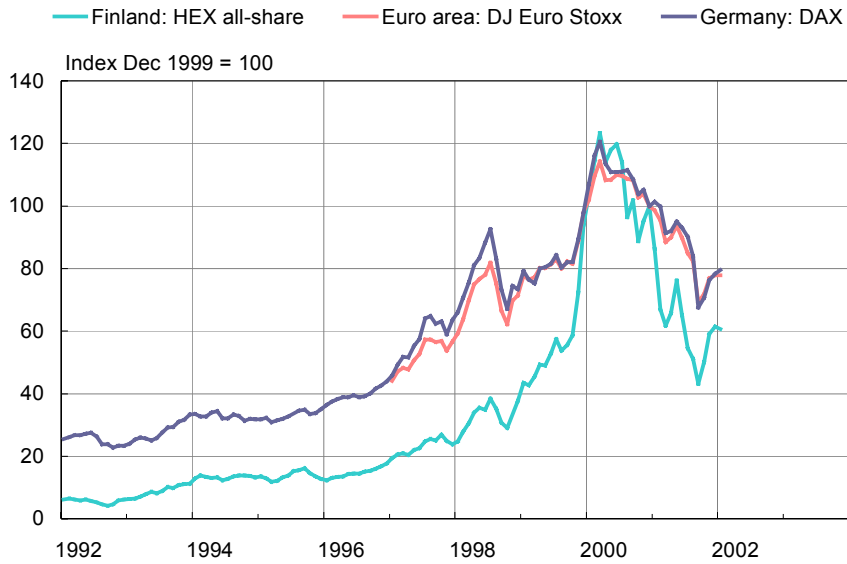
Source: Bank of Finland.

\* Note: The series includes structural changes.

# Securities market

Chart 15.

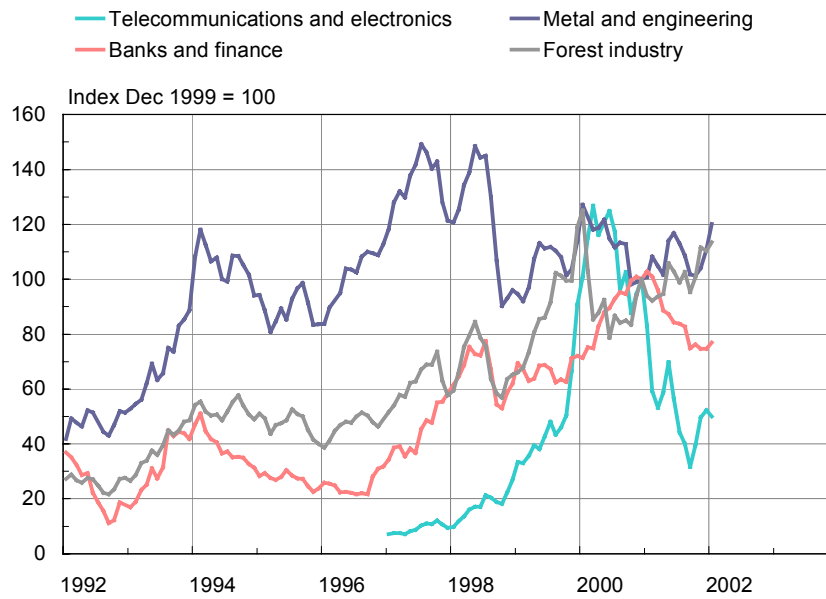
## Selected stock price indices in the euro area



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

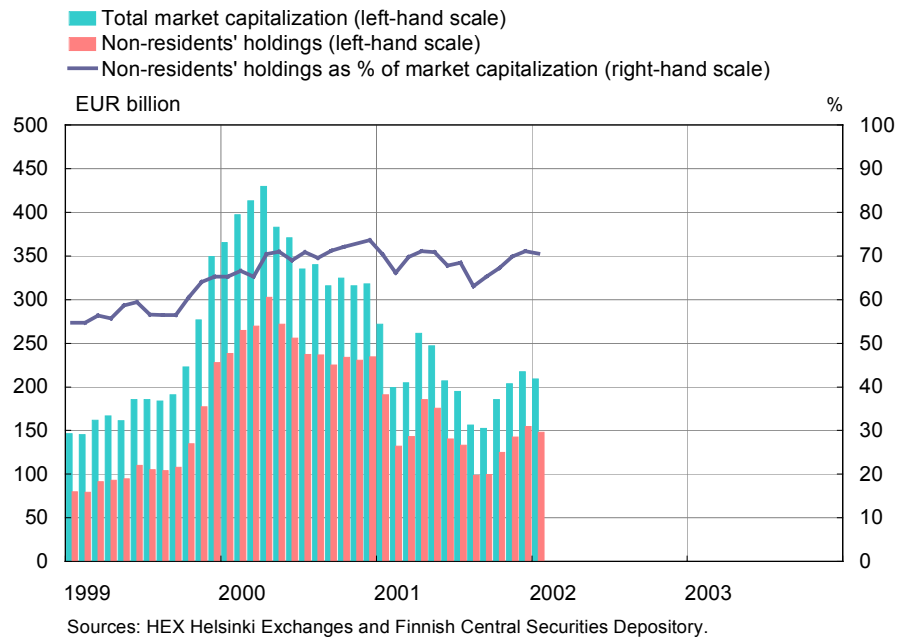


Chart 18.

### Non-residents' portfolio investments in Finland

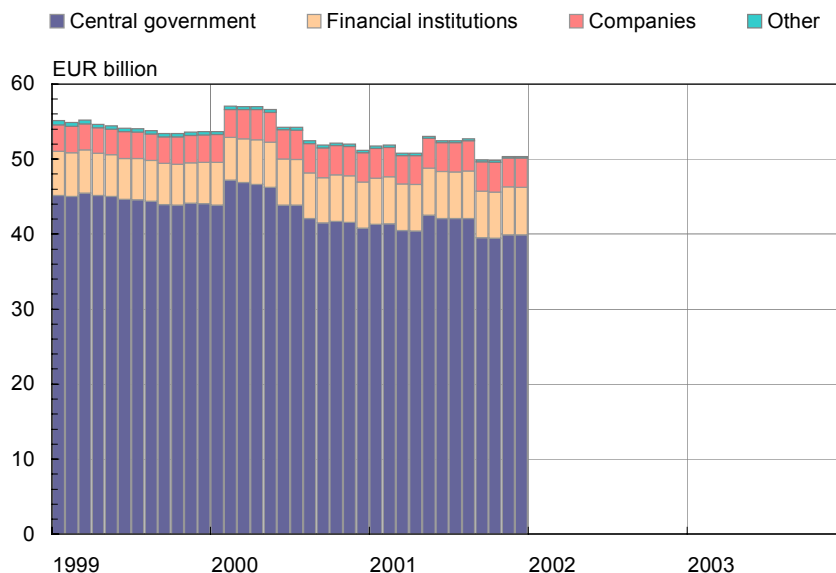
12-month moving totals

— Finnish shares, net purchases  
— Finnish bonds and money market paper, net purchases



Chart 19.

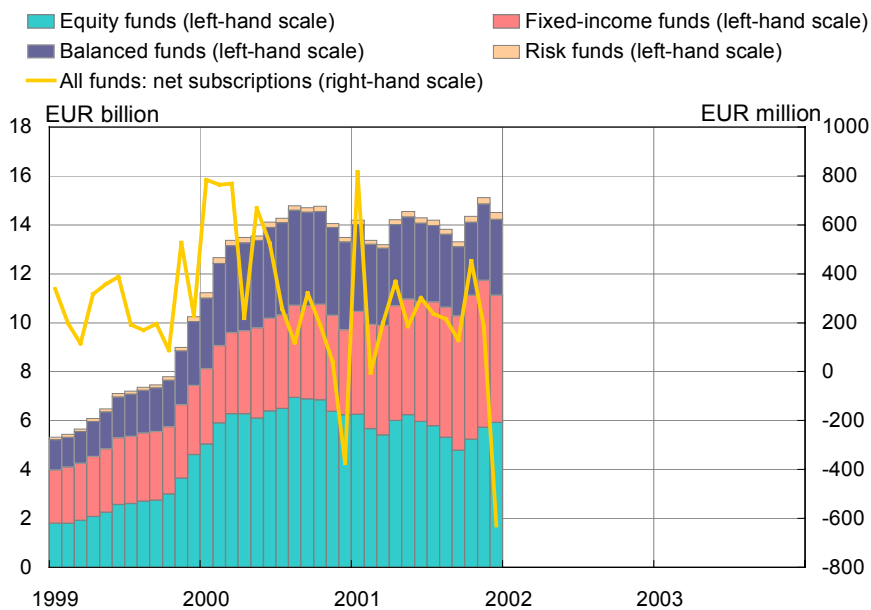
**Bonds issued in Finland**



Source: Statistics Finland.  
Note: End-month stock.

Chart 20.

**Mutual funds registered in Finland**



Source: HEX Helsinki Exchanges.

## Borrowing by sector in Finland

Chart 21.

### Non-financial corporate sector and household borrowing

Change in stocks

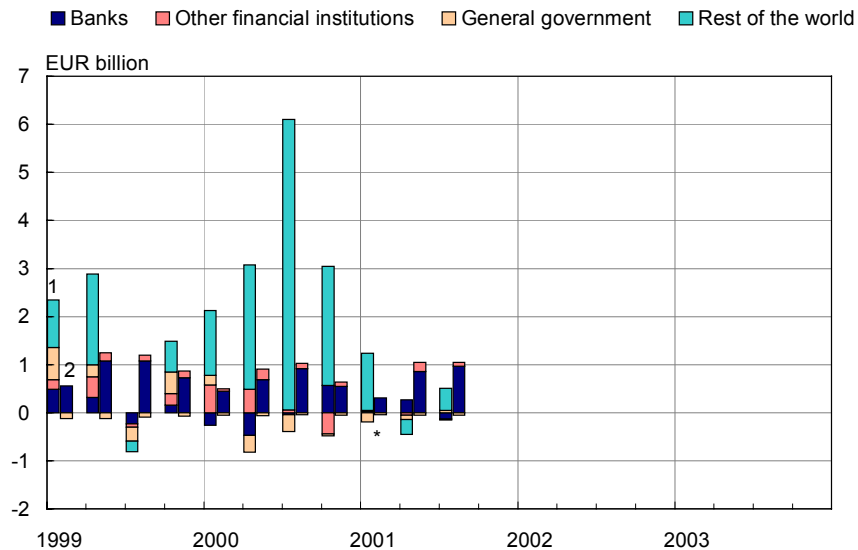
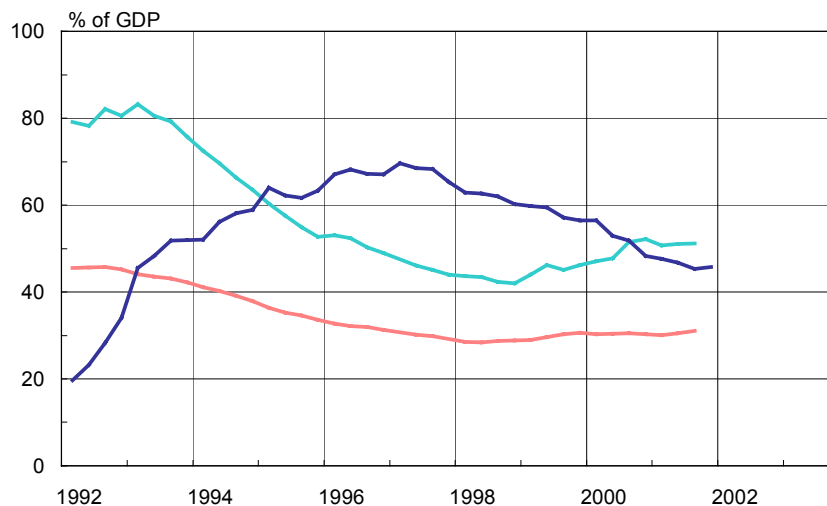


Chart 22.

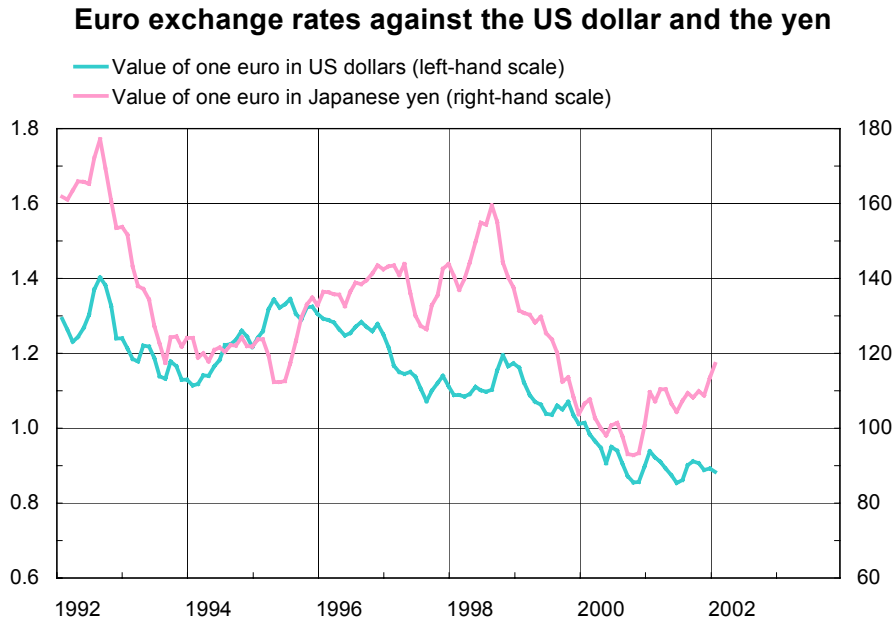
### Sectoral debt ratios in Finland

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



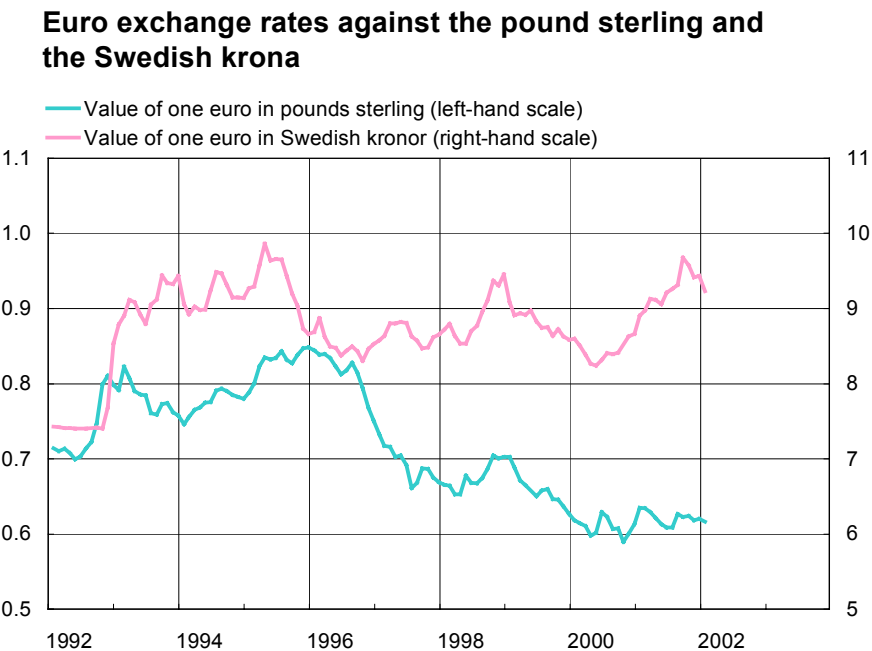
## Exchange rates

Chart 23.



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

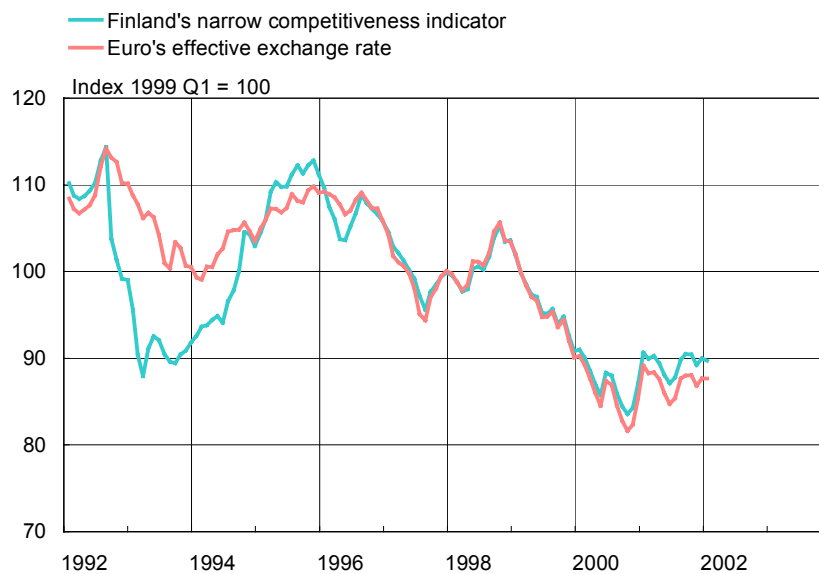
Chart 24.



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



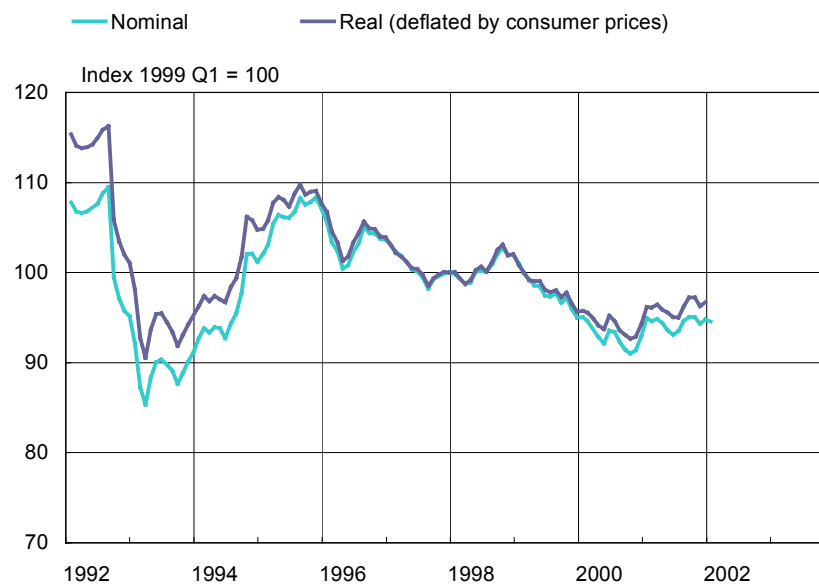
Chart 25.

**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.



Chart 29.

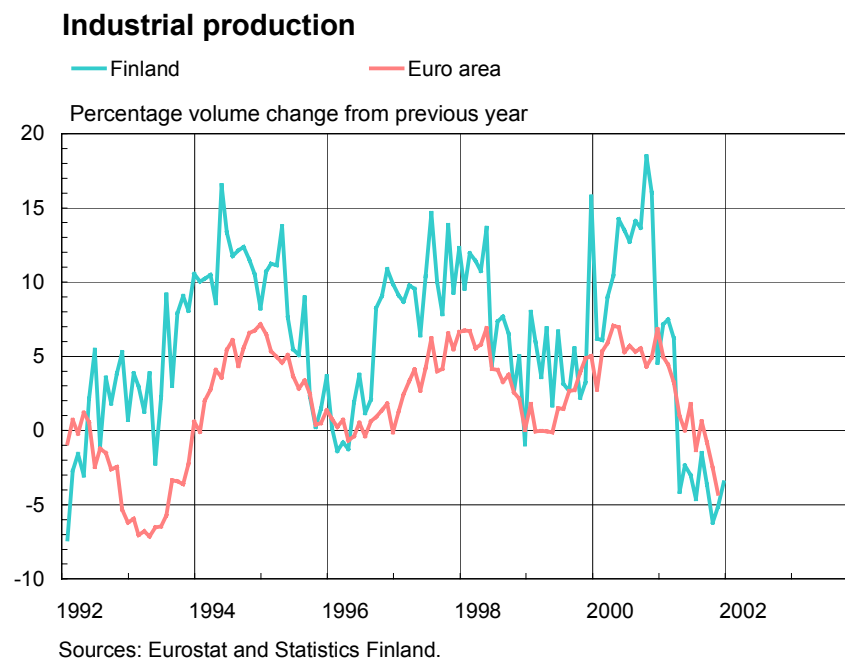


Chart 30.

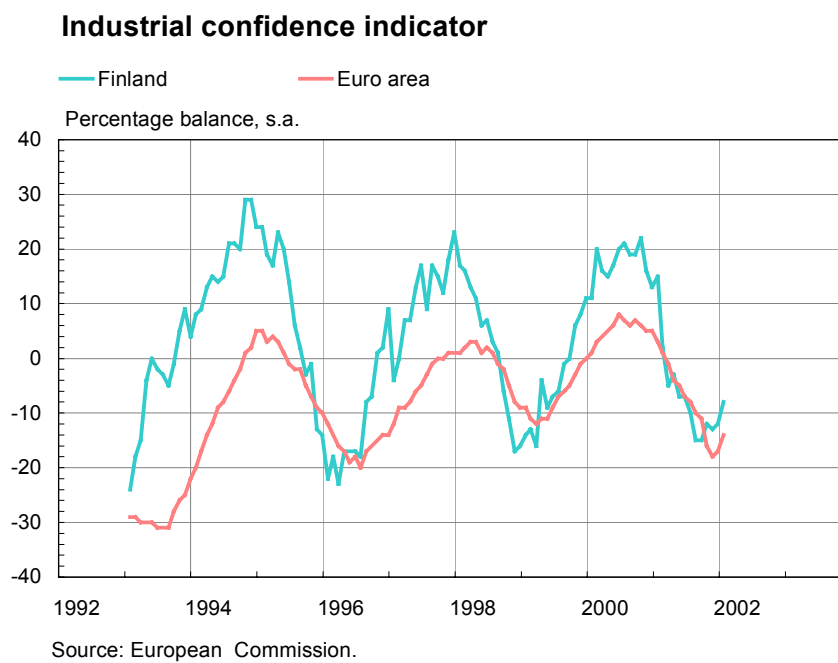


Chart 31.

### Manufacturing production by sector in Finland

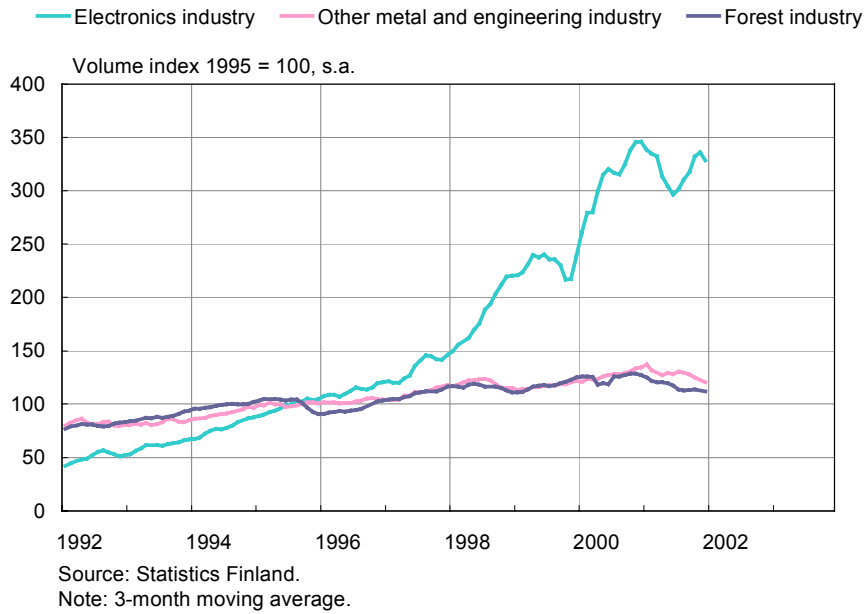


Chart 32.

### Finland's imports of goods

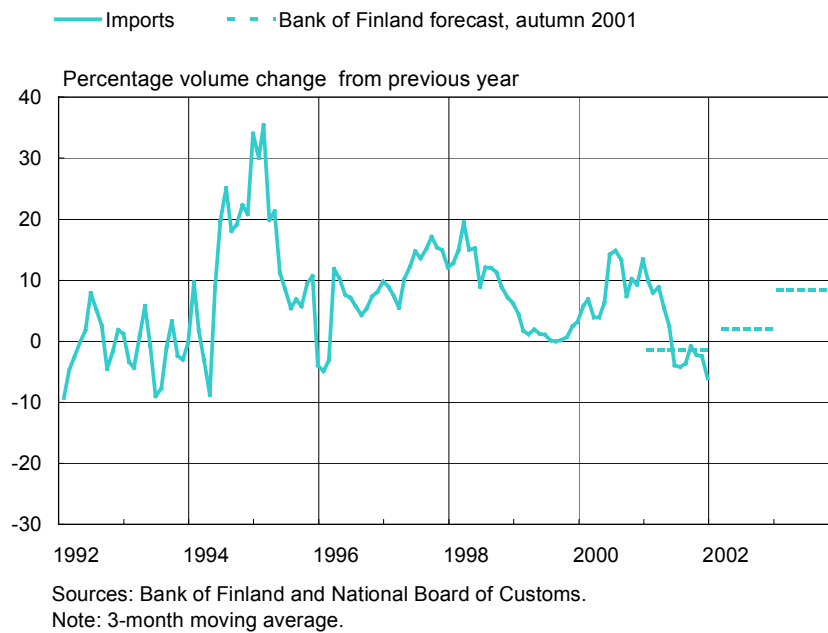


Chart 33.

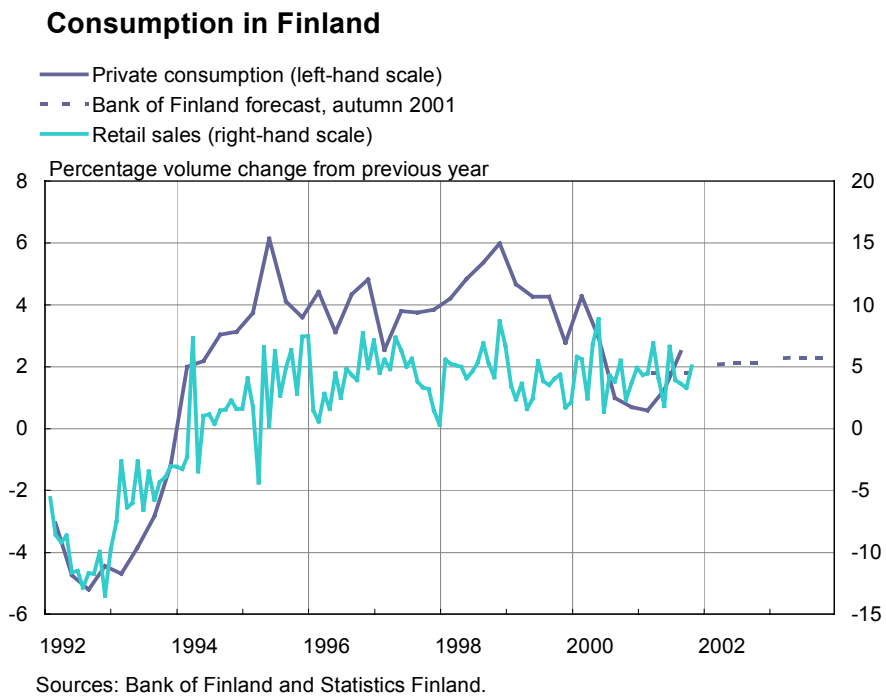


Chart 34.

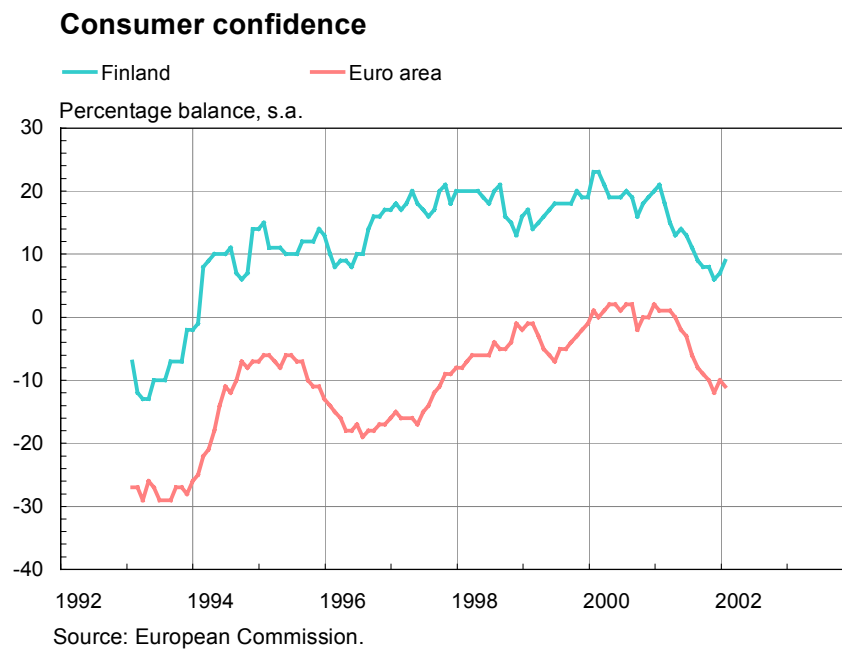


Chart 35.

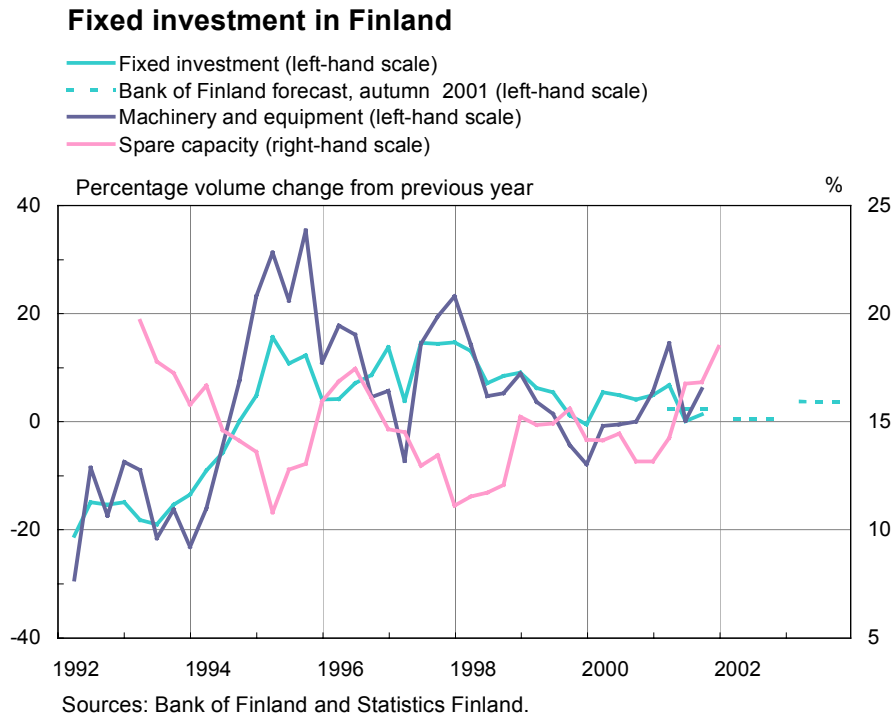


Chart 36.

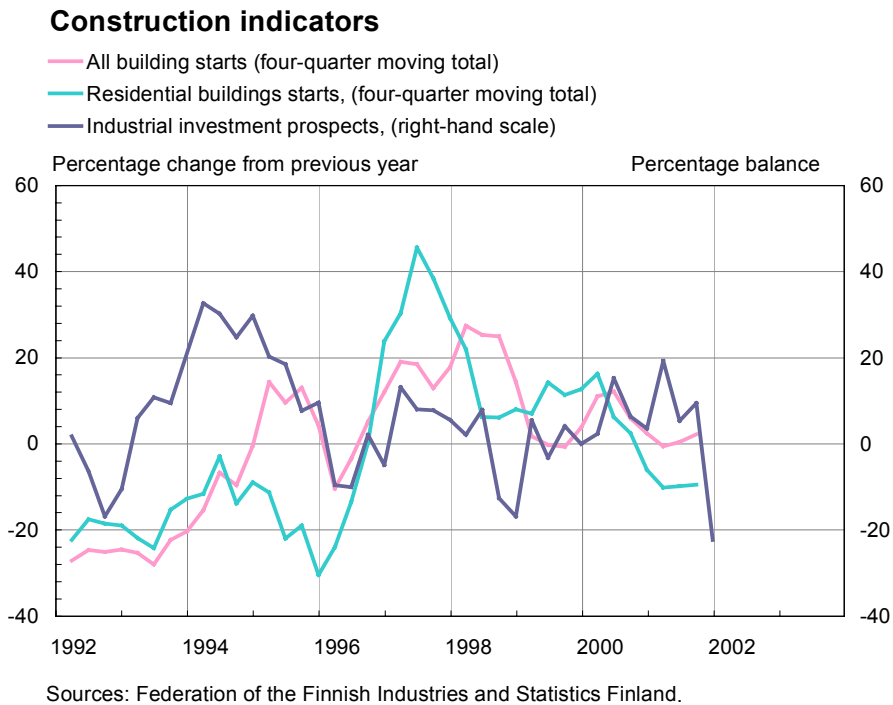


Chart 37.



Chart 38.

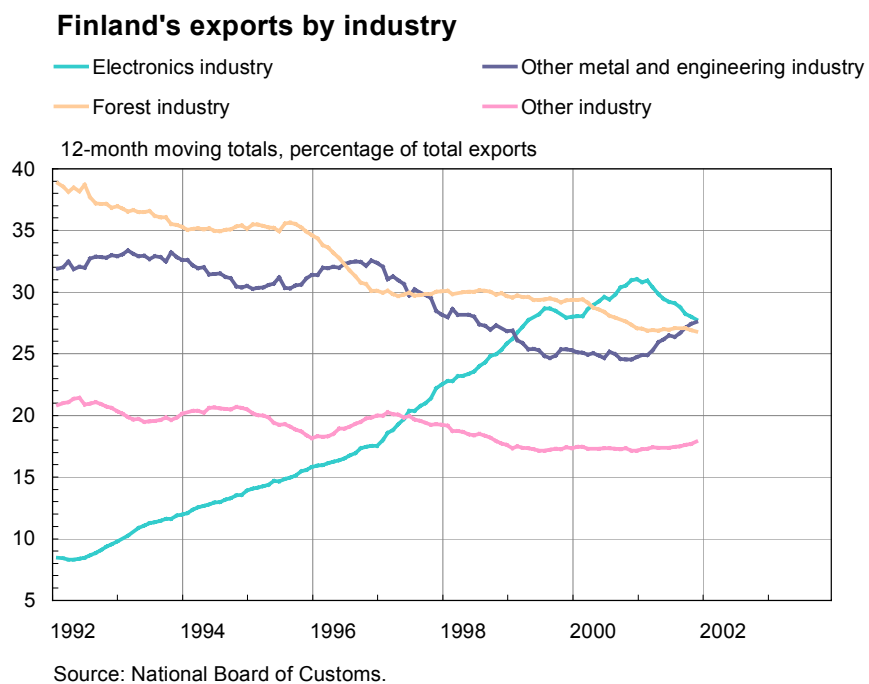


Table 1.

**Supply, demand and labour market indicators**

	1999	2000	2001 Actual	2001*	2002*	2003*
<b>Supply and demand</b>						
<i>percentage volume change from previous year</i>						
Gross domestic product at market prices	4.1	5.6	0.0 Q3	0.4	1.3	3.1
GDP monthly indicator at producer prices	3.7	5.9	-0.7 M11 1.0 M01-M11			
Manufacturing production	5.7	12.5	-3.9 M12 -1.5 M01-M12			
Consumption expenditure	3.4	1.5	2.5 Q3	1.7	2.2	2.2
- private	4.0	2.2	2.6 Q3	1.8	2.1	2.3
- general government	1.9	-0.2	2.1 Q3	1.6	2.4	2.1
Gross fixed capital formation	3.0	4.8	1.8 Q3	2.4	0.5	3.7
- private	4.0	6.8	2.7 Q3	2.7	0.3	3.6
- general government	-2.4	-6.3	-5.0 Q3	0.2	1.8	4.4
Domestic demand	2.8	3.3	4.0 Q3	1.4	1.6	2.4
Exports of goods and services	6.8	18.2	-10.3 Q3	-3.0	1.0	7.7
Imports of goods and services	4.0	16.2	-4.3 Q3	-1.9	1.8	7.6
<b>Labour market indicators</b>						
Employed persons <i>percentage change from previous year</i>	3.3	1.7	1.2 M12 1.4 M01-M12	1.1	-0.7	0.6
Unemployment rate, s.a. **	10.2	9.8	8.9 M12 9.1 M01-M12	9.2	9.8	9.7

Source: Statistics Finland.

\* Bank of Finland forecast, autumn 2001.

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



## Prices and costs

Chart 39.

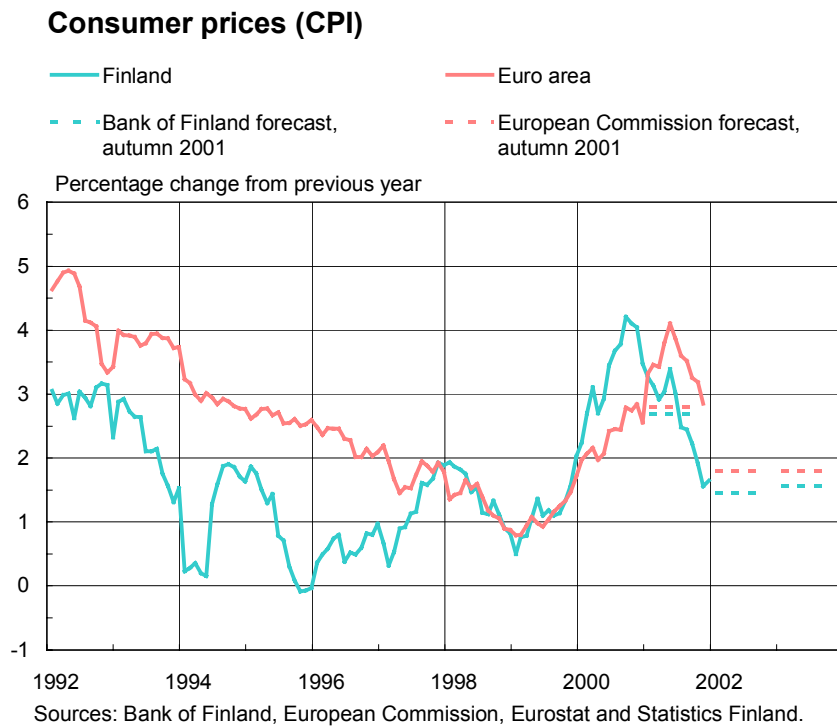


Chart 40.

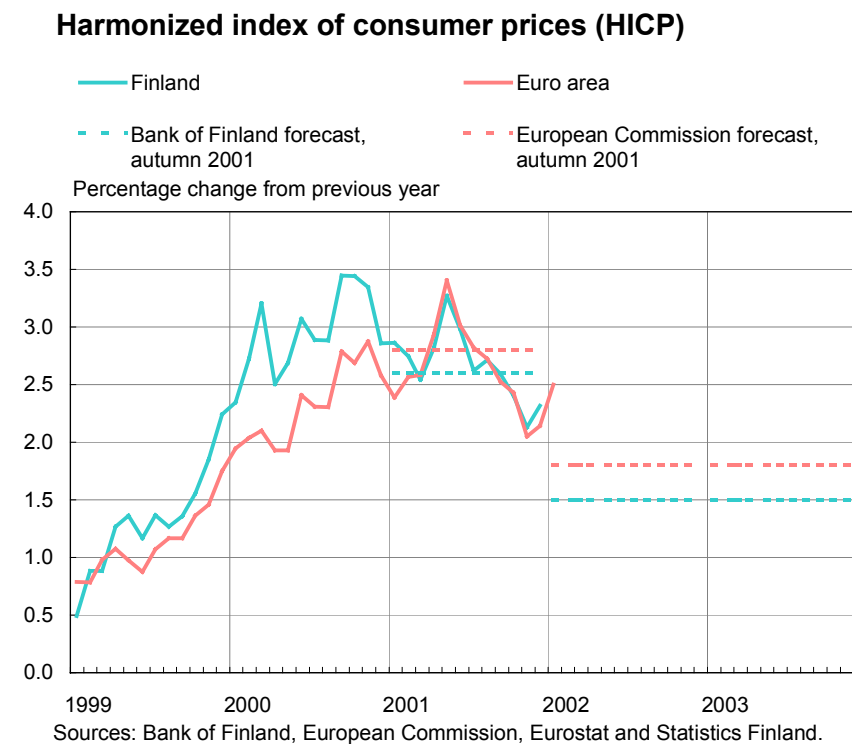


Chart 41.

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

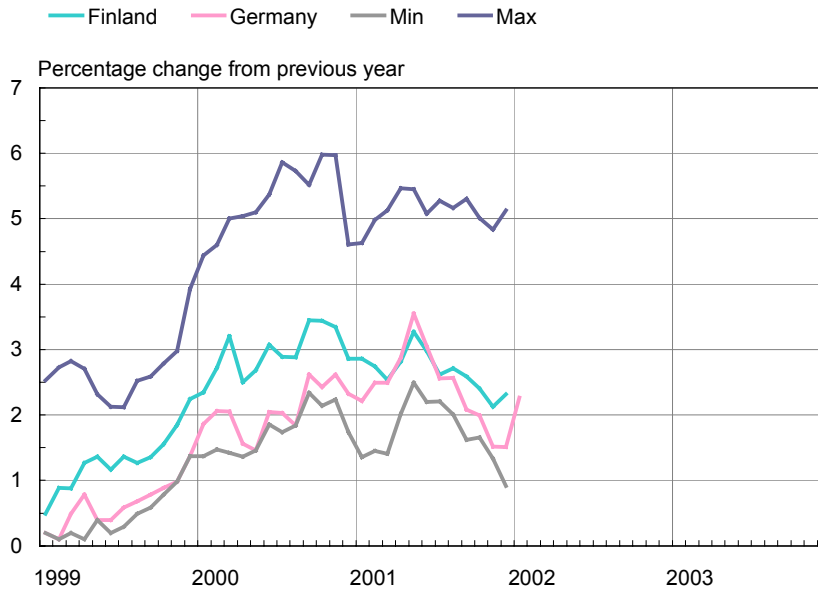


Chart 42.

**Producer prices**

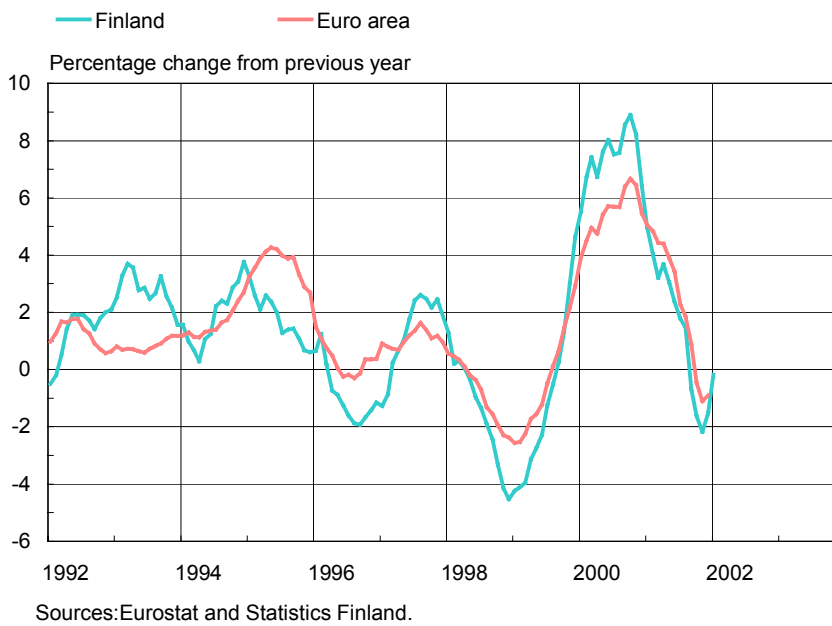


Chart 43.

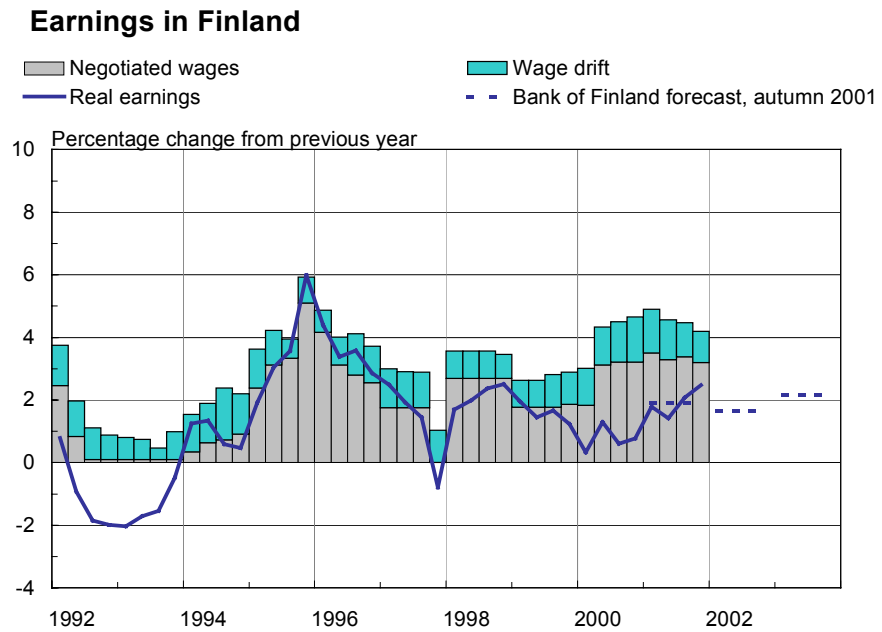


Chart 44.

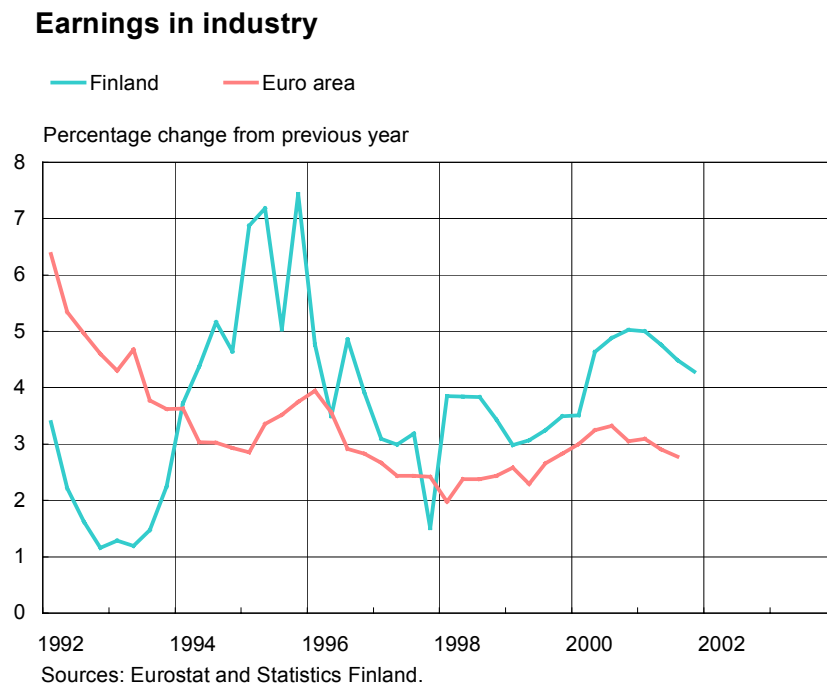


Chart 45.

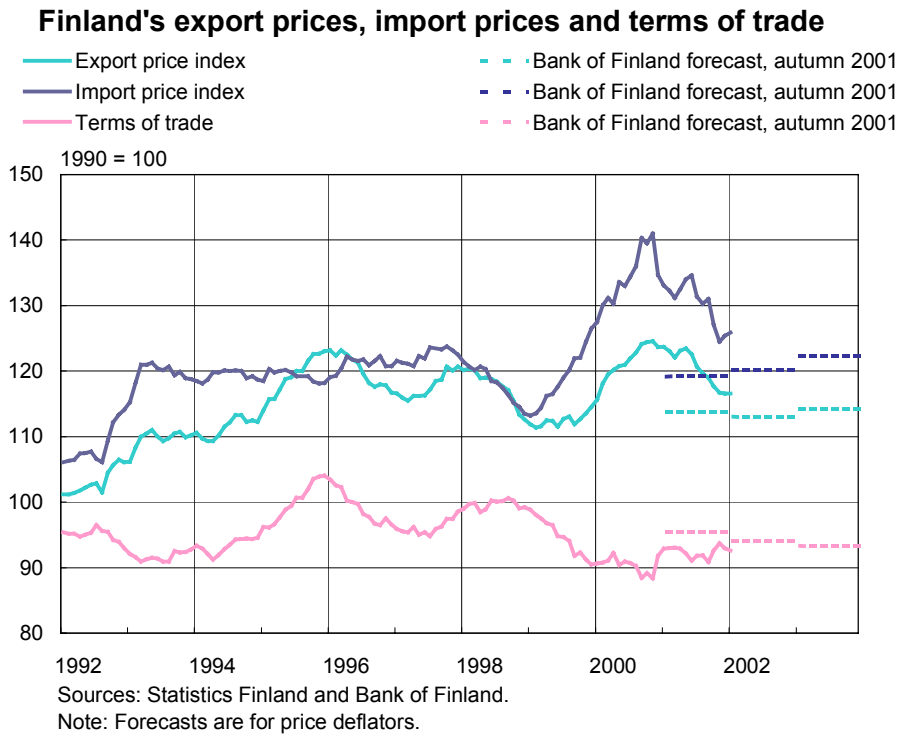


Chart 46.

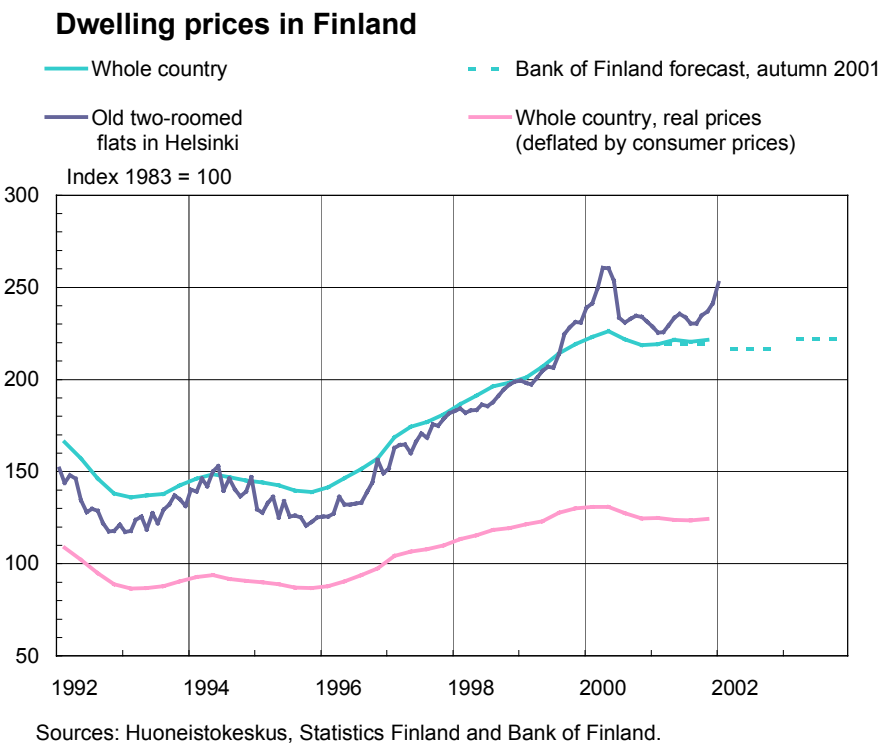


Table 2.

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

	1999	2000	2001/2002 Actual	2001*	2002*	2003*
<b>Labour costs</b>						
Index of wages and salaries	2.7	4.1	4.2 Q4 4.5 Q1-Q4	4.6	3.1	3.6
Unit labour costs						
- whole economy	0.6	0.0	5.6 Q3 5.2 Q1-Q3	6.2	1.9	1.5
- manufacturing	-3.6	-5.5	8.3 Q3 5.8 Q1-Q3			
<b>Price indices</b>						
Export prices (goods)						
- export price index	-4.4	7.9	-5.8 M01 -0.6 M01-M12			
- export price deflator	-5.6	4.4	-0.6 Q3 2.8 Q1-Q3	-1.1	-0.9	1.1
Import prices (goods)						
- import price index	0.6	13.1	-5.4 M1 -2.8 M01-M12			
- import price deflator	-1.7	6.4	0.0 Q3 0.2 Q1-Q3	-2.4	0.6	2.1
Producer prices	-1.1	7.4	-0.2 M1 1.5 M01-M12			
Wholesale prices	-0.2	8.1	-1.3 M1 0.3 M01-M12			
Consumer prices						
- consumer price index	1.2	3.4	1.6 M12 2.6 M01-M12	2.7	1.5	1.6
- harmonized index of consumer prices	1.3	3.0	2.3 M12 2.7 M01-M12	2.6	1.5	1.5
- indicator of underlying inflation	1.3	3.6	2.3 M11 3.1 M01-M11	3.2	1.4	1.1
<b>Asset prices</b>						
Stumpage prices	1.9	6.0	-6.7 M12 -2.1 M01-M12			
Dwelling prices, whole country	8.9	5.7	1.3 Q4 -0.8 Q1-Q4	-0.9	-1.2	2.4
Share prices	72.1	91.1	-29.6 M1 -42.5 M01-M12			

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

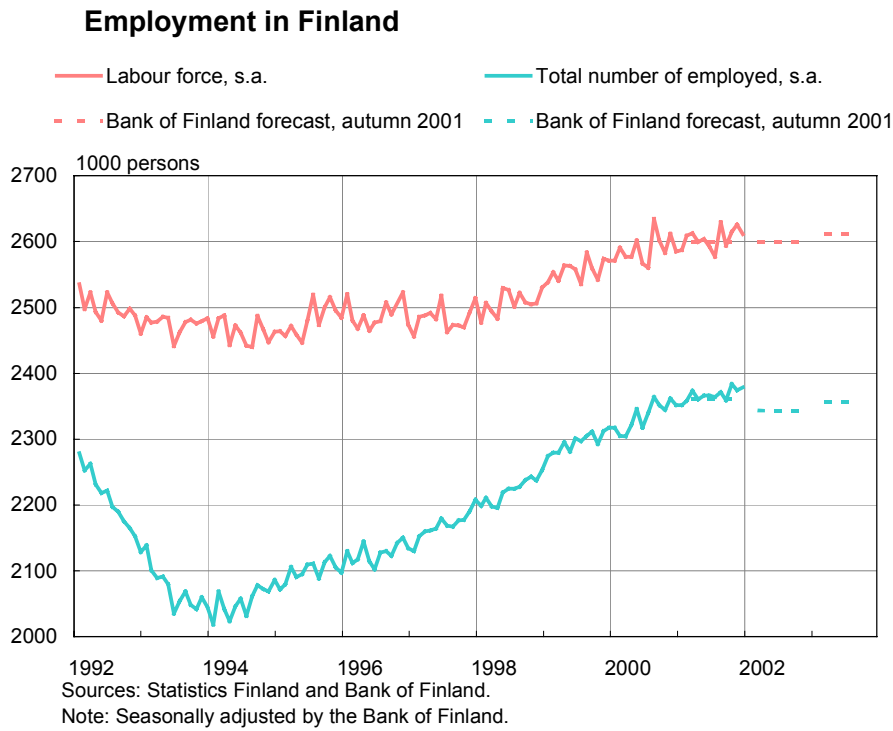
\* Bank of Finland forecast, autumn 2001.

# Labour market

Chart 47.

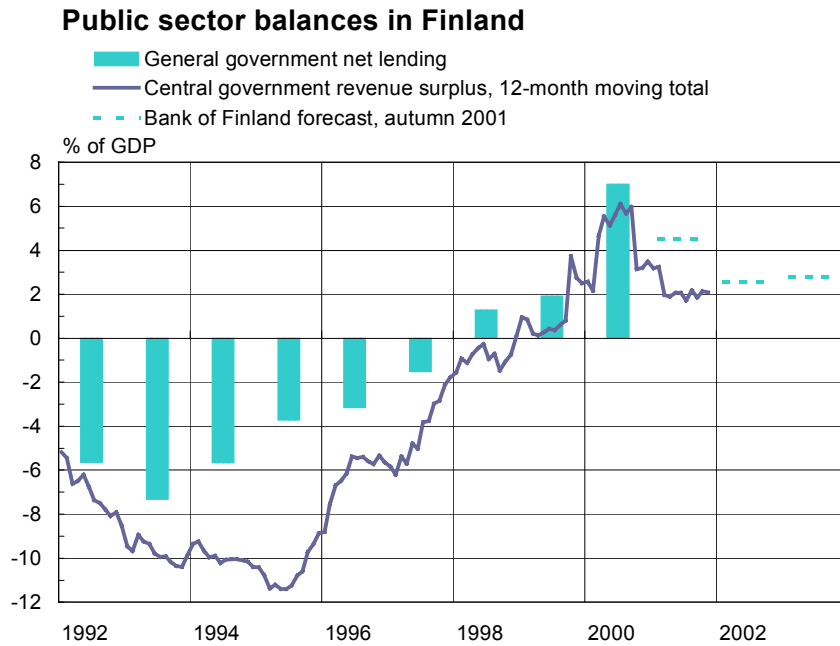


Chart 48.



## 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.

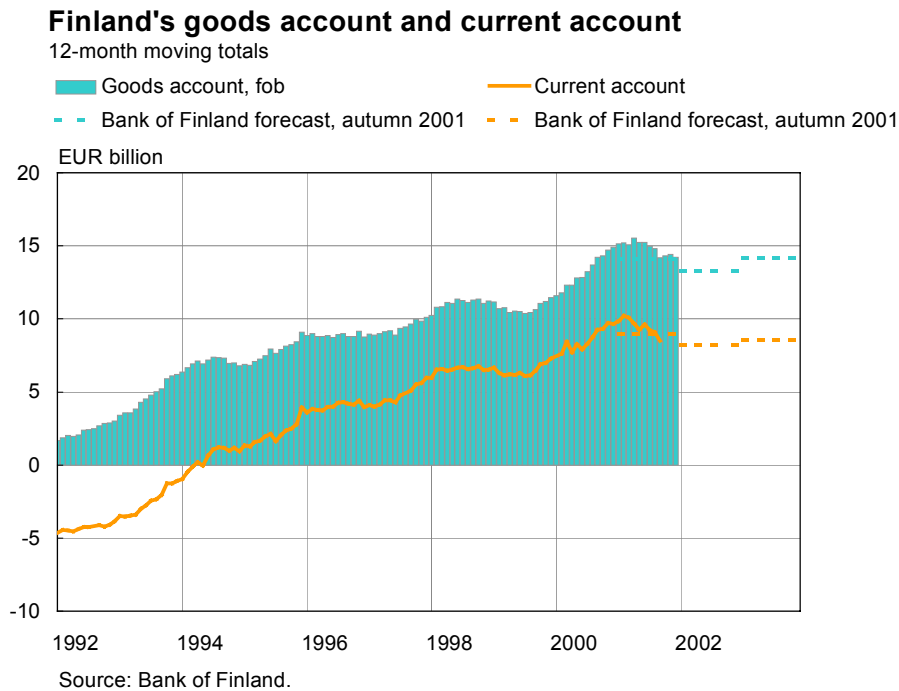


Chart 52.

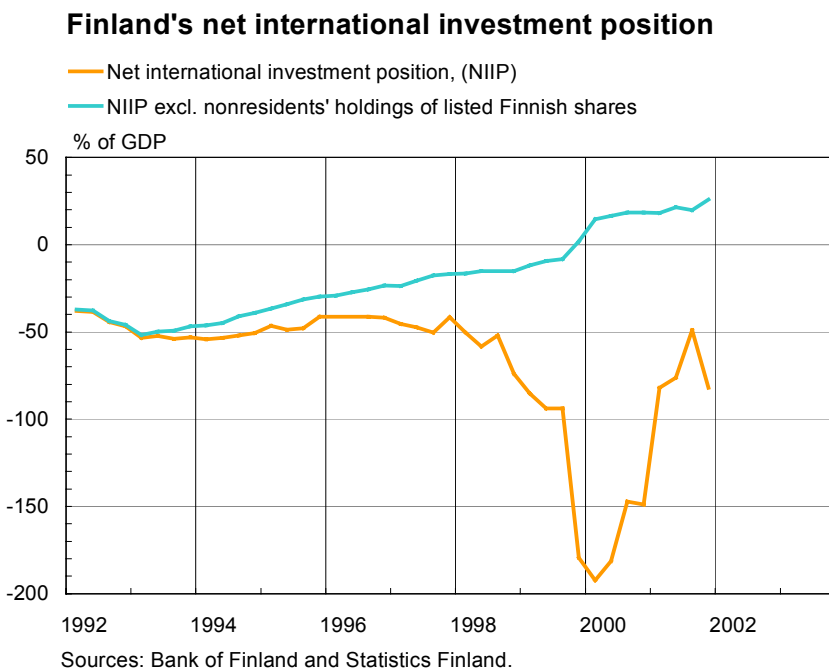




Table 3.

**External balance and sectoral balances indicators**

	1999	2000	2001 Actual	2001*	2002*	2003*
<b>Goods account</b>						
EUR billion	11.5	14.9	1.0 M12 14.2 M01-M12	14.1	13.3	14.2
per cent of GDP	9.5	11.4		10.5	9.7	9.9
<b>Current account</b>						
EUR billion	7.3	9.7	0.7 M12 8.7 M01-M12	9.0	8.2	8.6
per cent of GDP	6.0	7.4		6.6	6.0	6.0
<b>Financial account</b>						
EUR billion	-7.1	-9.3	-0.6 M12 -8.2 M01-M12			
General government	-5.5	-11.0	0.3 M12 -10.0 M01-M12			
Direct investment in Finland	4.3	9.6	-0.7 M12 1.4 M01-M12			
abroad	6.2	26.1	-1.1 M12 6.1 M01-M12			
Shares	4.6	3.2	0.2 M12 -1.3 M01-M12			
Other capital (incl. errors and omissions)	-4.4	15.1	-1.5 M12 7.8 M01-M12			
Foreign exchange reserves (increase -)	-0.2	-0.4	-0.1 M12 -0.5 M01-M12			
<b>Net lending, saving minus investment</b>						
Private sector						
EUR billion	5.0	0.5		2.8	4.7	4.6
per cent of GDP	4.1	0.4		2.1	3.5	3.2
General government						
EUR billion	2.3	9.2		6.1	3.5	4.0
per cent of GDP	1.9	7.0		4.5	2.6	2.8
Central government						
EUR billion	-0.9	4.5		2.6	0.4	0.9
per cent of GDP	-0.7	3.4		1.9	0.3	0.6
Local government						
EUR billion	-0.3	0.3		-0.4	-0.7	-0.9
per cent of GDP	-0.3	0.2		-0.3	-0.5	-0.6
Social security funds						
EUR billion	3.5	4.3		4.0	3.8	4.0
per cent of GDP	2.9	3.3		2.9	2.8	2.8
<b>Net foreign debt</b>						
per cent of GDP	179.5	148.8				
per cent of exports of goods and services	474.6	346.9				
<b>Sectoral debt ratios, gross debt, per cent of GDP</b>						
Non-financial corporate sector **	46.2	52.1				
Household sector	30.6	30.3				
General government (Maastricht definition)	47.3	44.0		41.8	41.5	39.8

Sources: Bank of Finland and Statistics Finland.

\* Bank of Finland forecast, autumn 2001.

\*\* Excl. housing corporations.

