

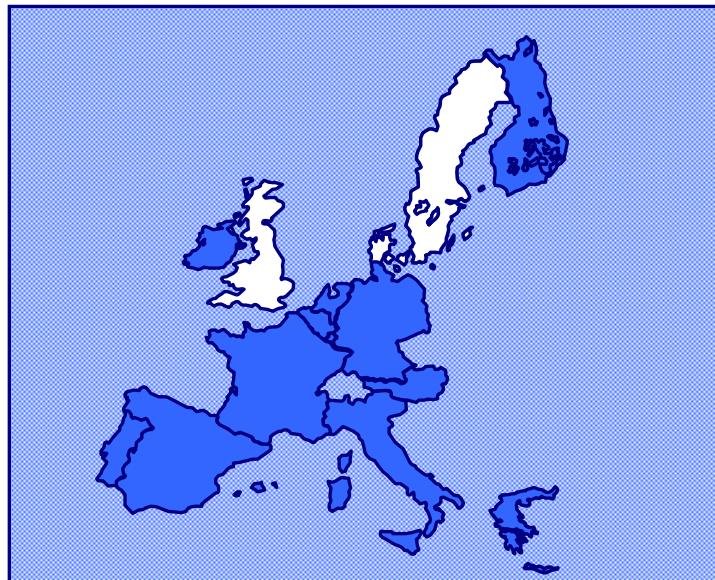


**BANK OF FINLAND**

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

# **Main Indicators for the Finnish Economy**

No 3/2002



19 Mar 2002

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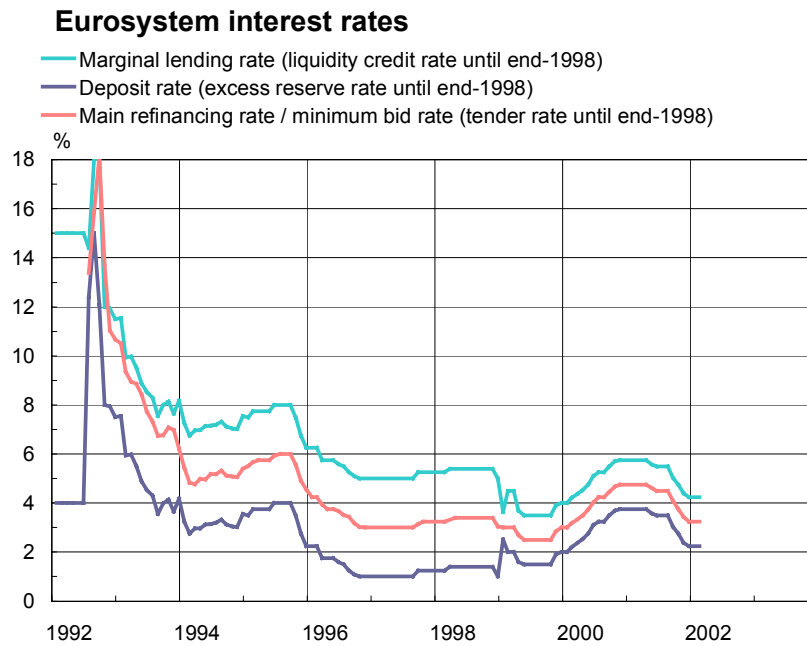
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## Monetary policy and market interest rates

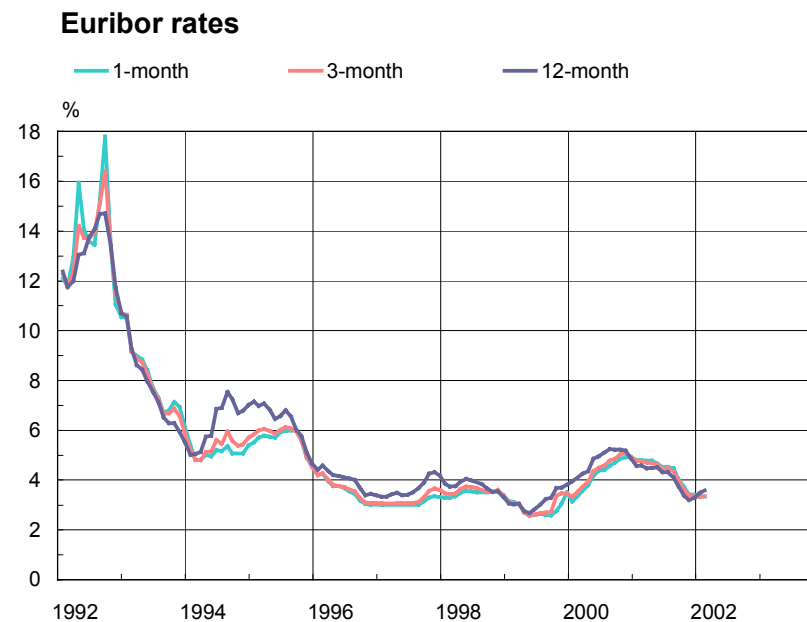
Chart 1.



Sources: European Central Bank and Bank of Finland.

Note: Bank of Finland interest rates until end-1998.

Chart 2.

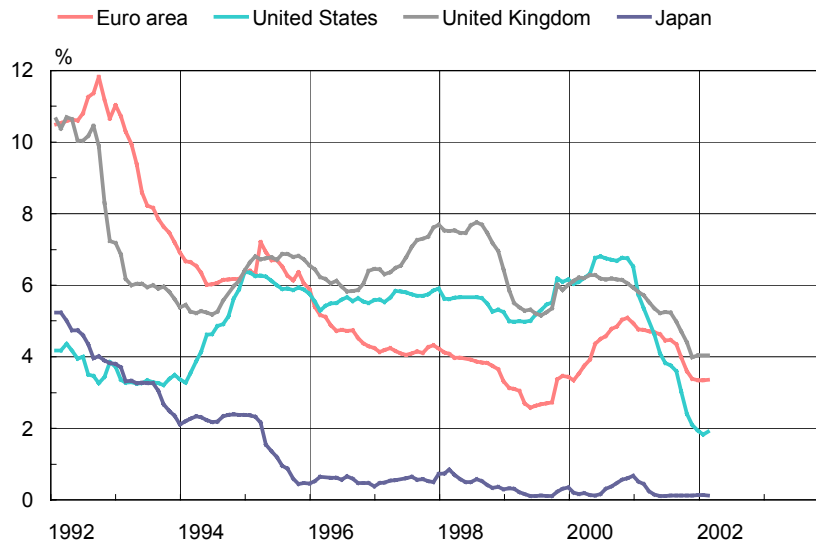


Sources: Reuters and Bank of Finland.

Note: Helibor rates until end-1998.

Chart 3.

**International three-month interest rates**

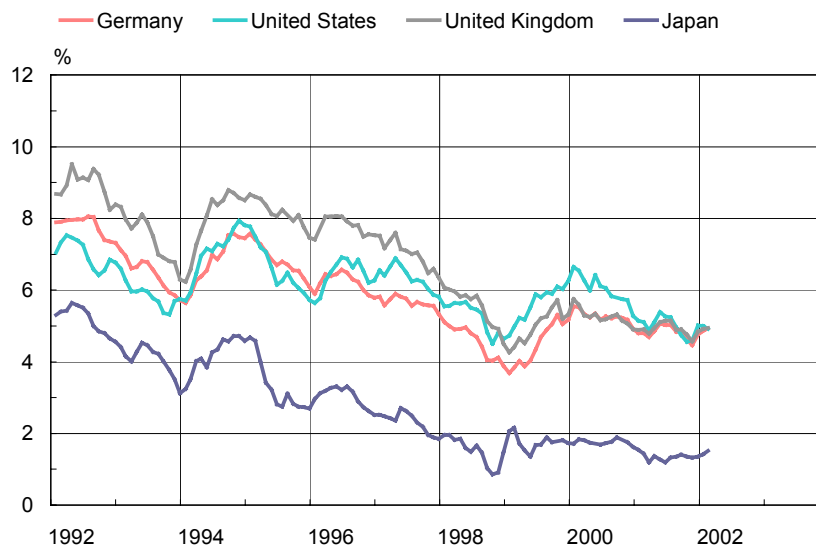


Sources: Reuters and European Central Bank.

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.

**International long-term interest rates**



Source: Reuters.

Note: Yield on ten-year government bonds.

Chart 5.

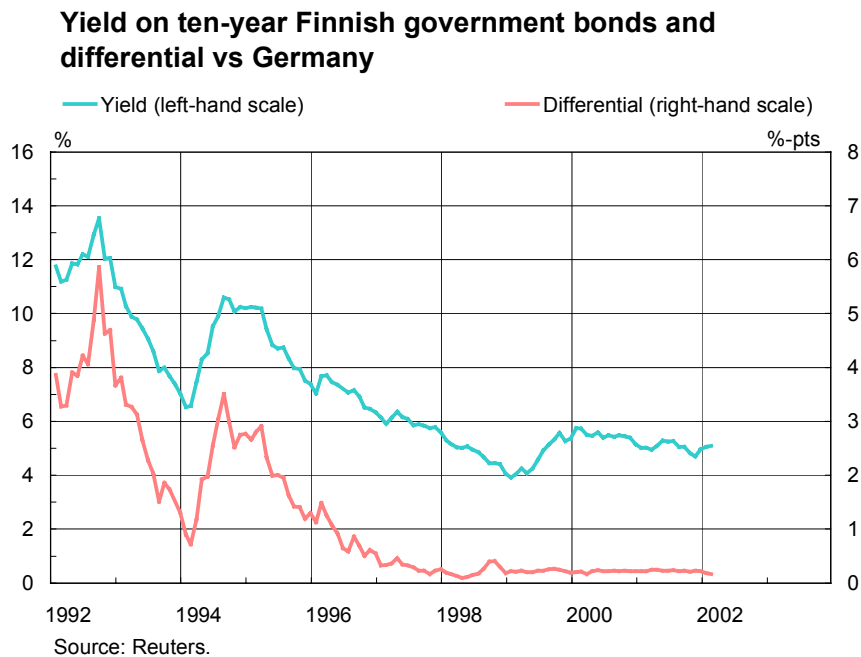
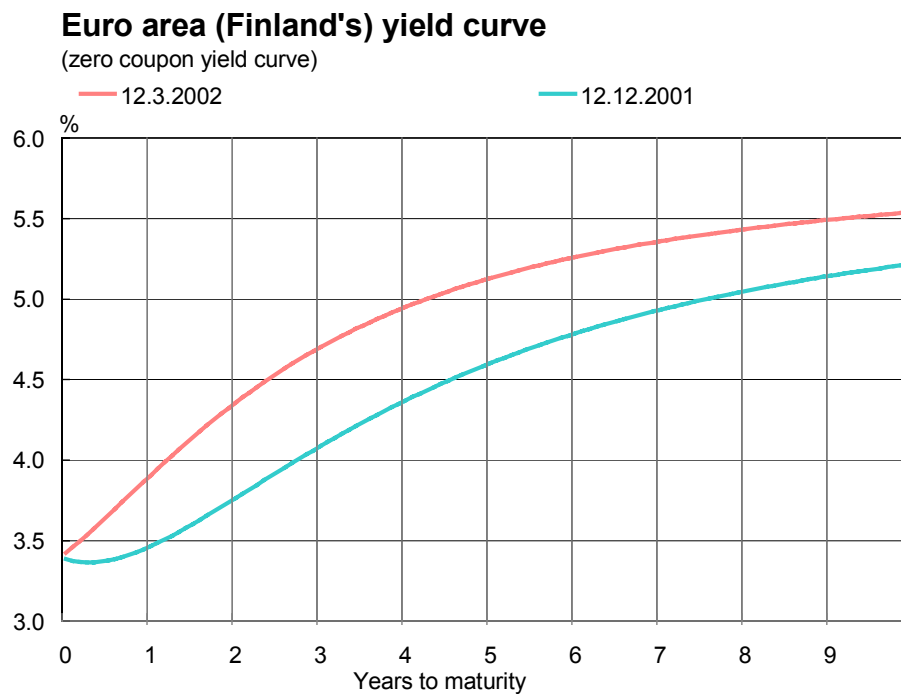


Chart 6.



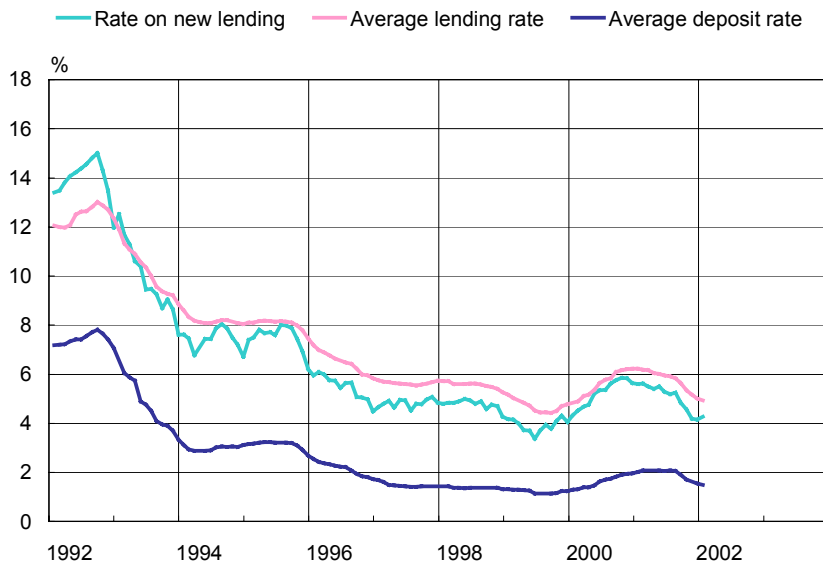
Source: Bank of Finland.

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.

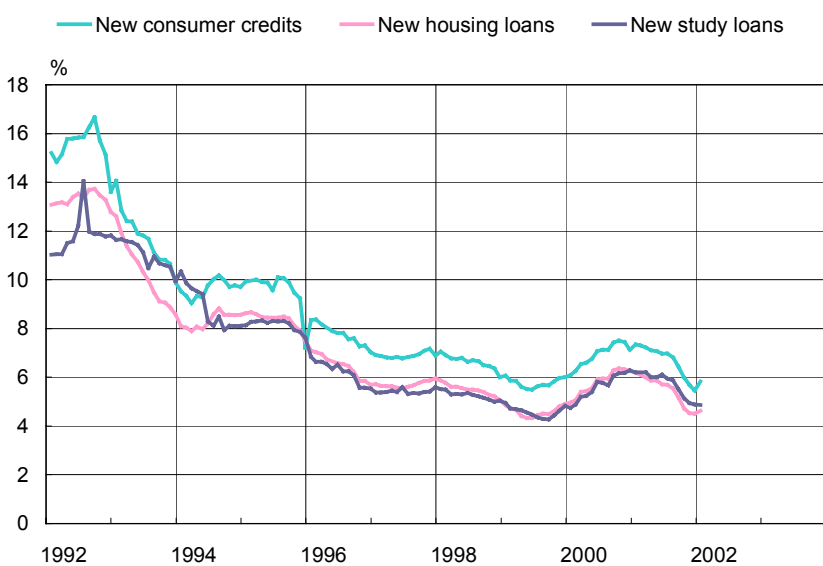
## Bank lending and deposit rates



Source: Bank of Finland.

Chart 8.

## Interest rates on new lending to households



Source: Bank of Finland.



Chart 9.

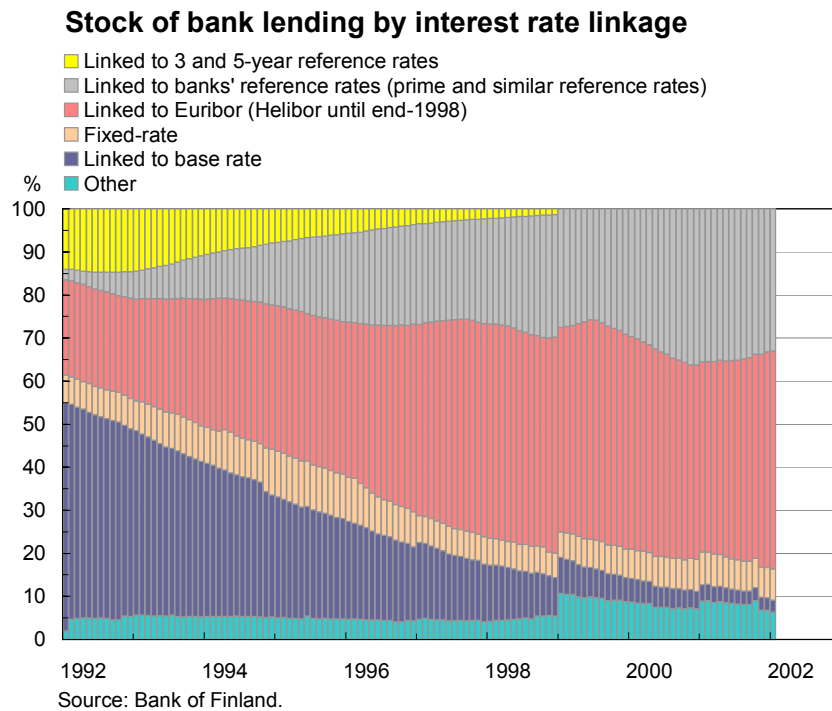


Chart 10.

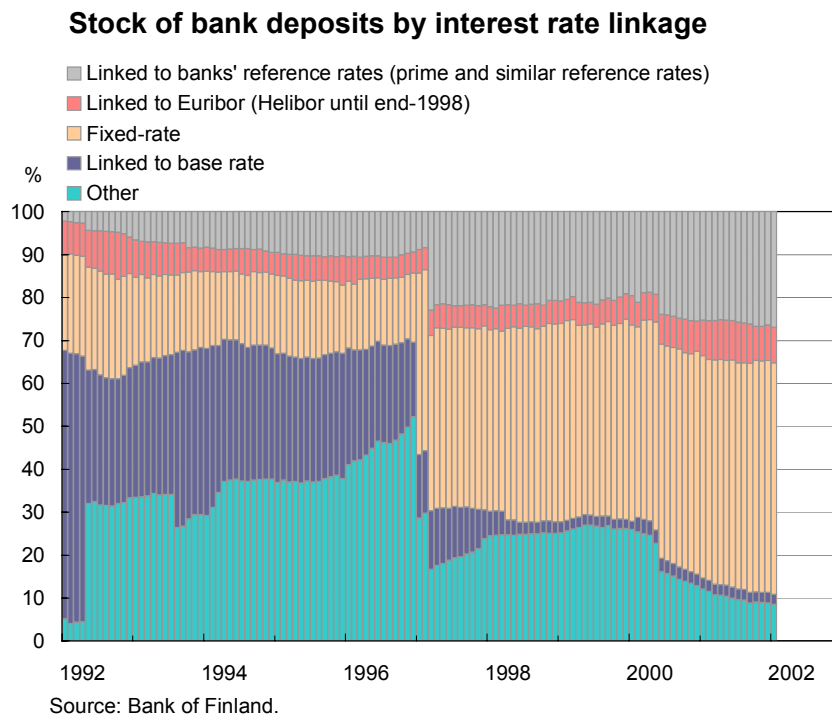


Chart 11.

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

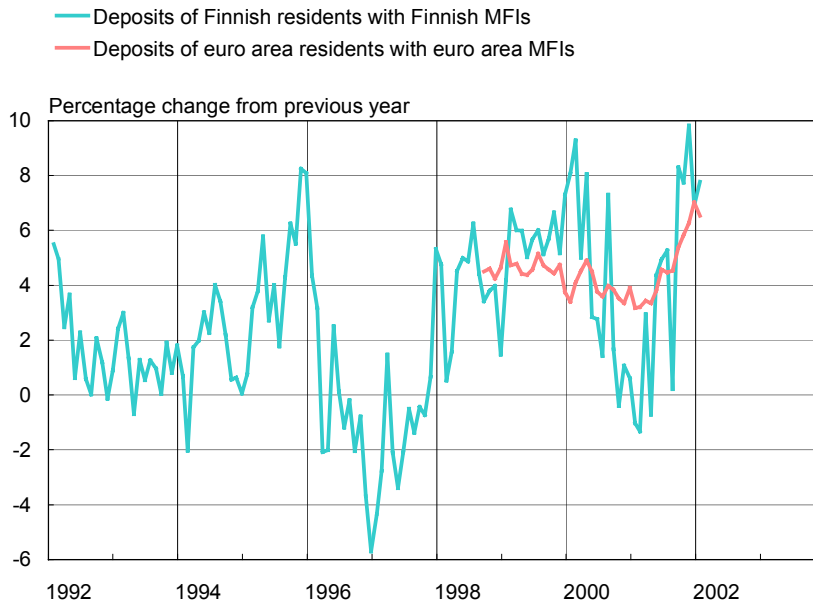


Chart 12.

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

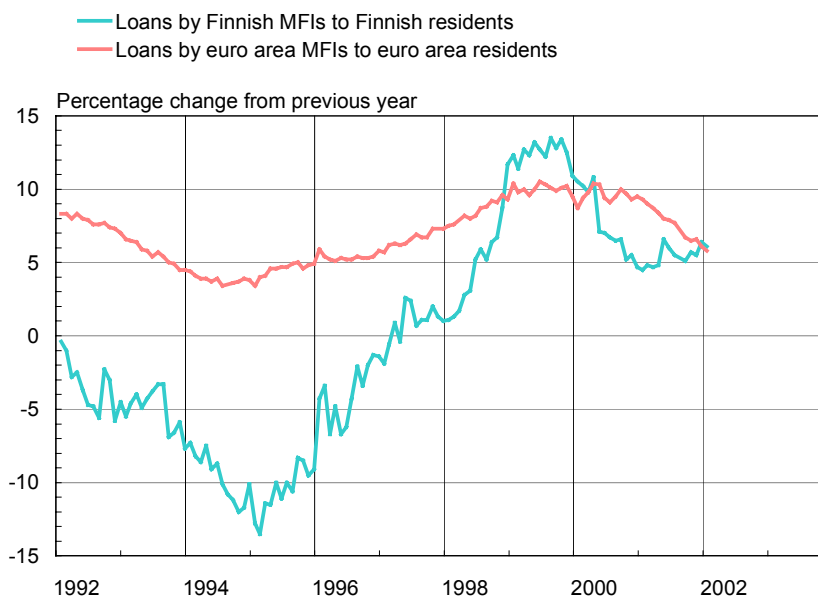
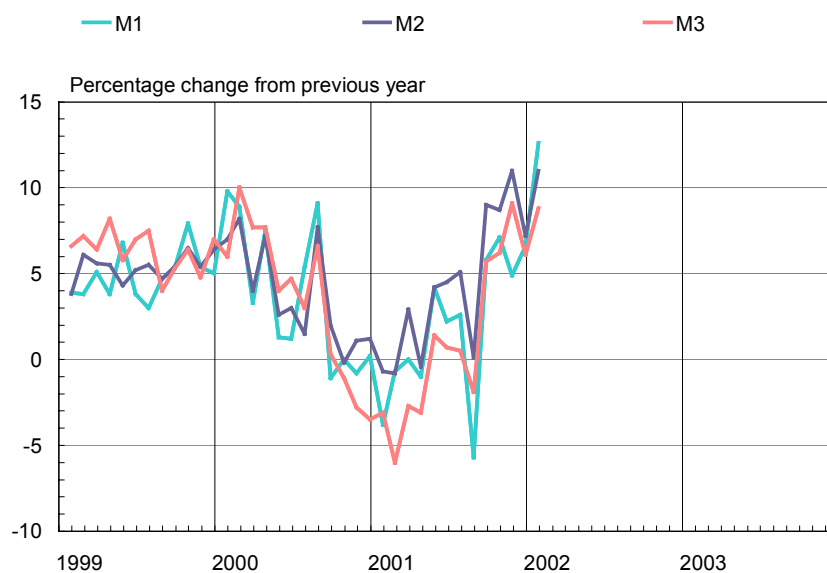


Chart 13.

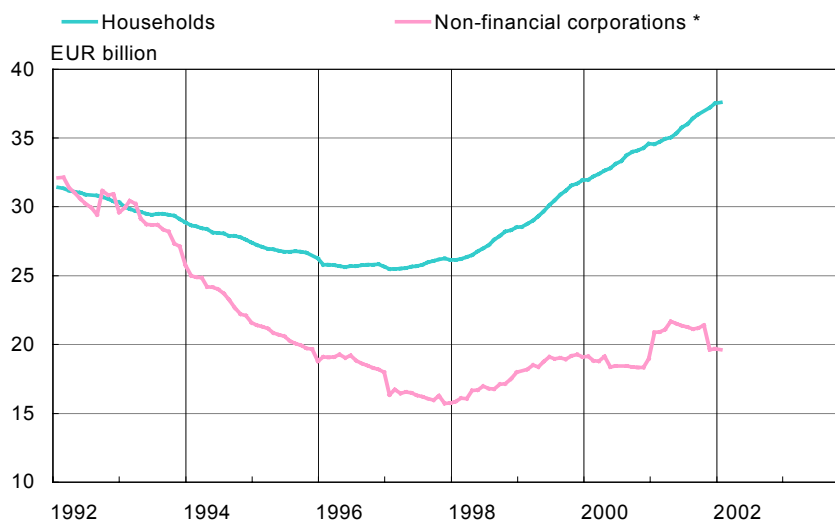
### Liabilities of Finnish monetary financial institutions included in monetary aggregates for the euro area



Source: Bank of Finland.

Chart 14.

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



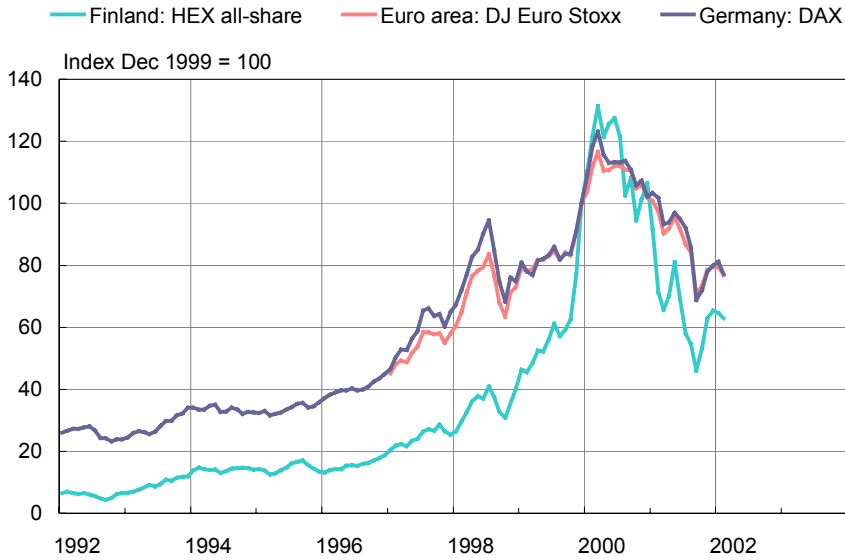
Source: Bank of Finland.

\* Note: The series includes structural changes.

# Securities market

Chart 15.

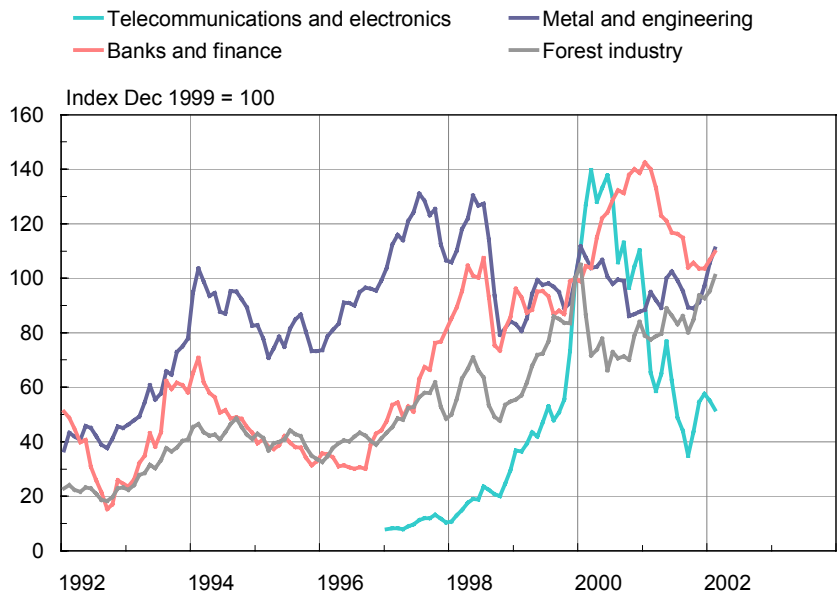
## Selected stock price indices in the euro area



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

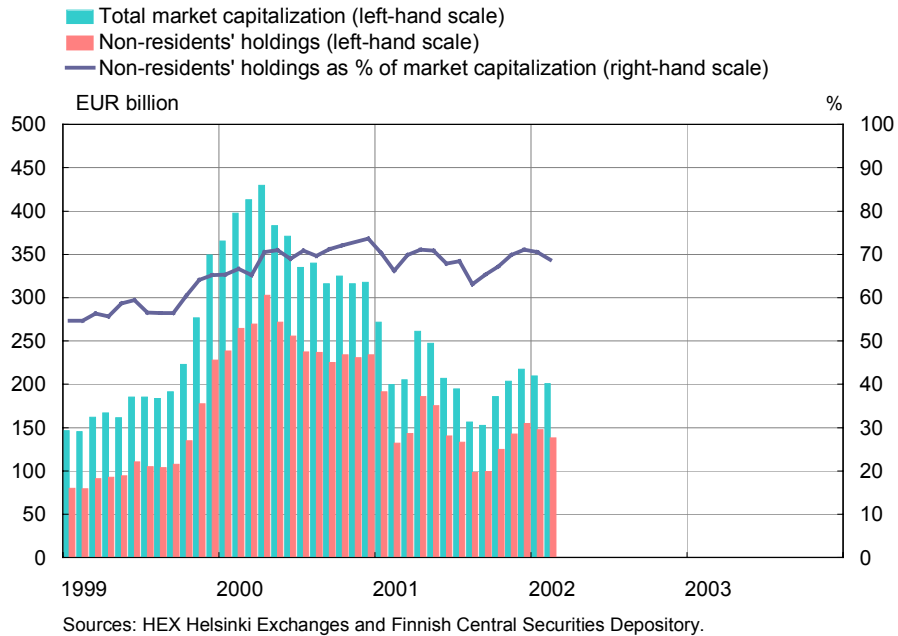


Chart 18.

### Non-residents' portfolio investments in Finland

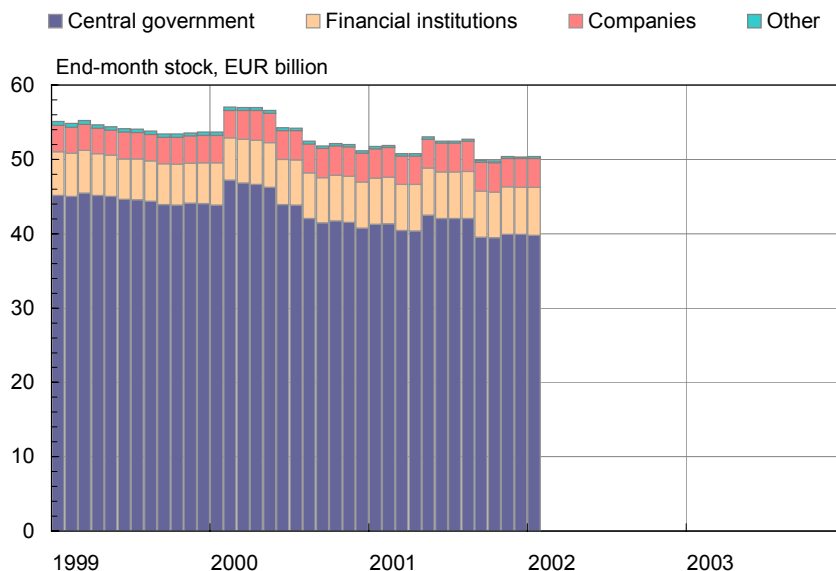
12-month moving totals

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



Chart 19.

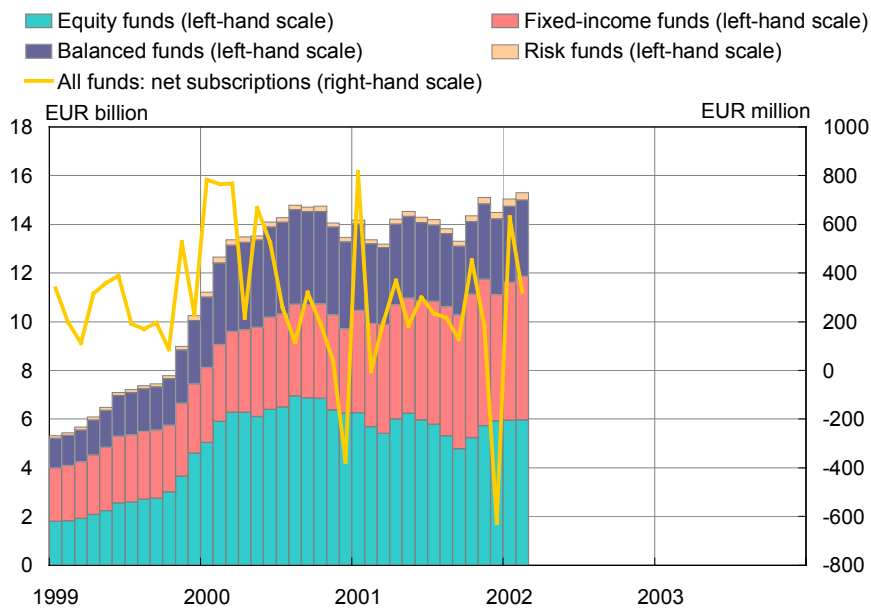
**Bonds issued in Finland**



Source: Statistics Finland.

Chart 20.

**Mutual funds registered in Finland**



Sources: HEX Helsinki Exchanges and Finnish Association of Mutual Funds.

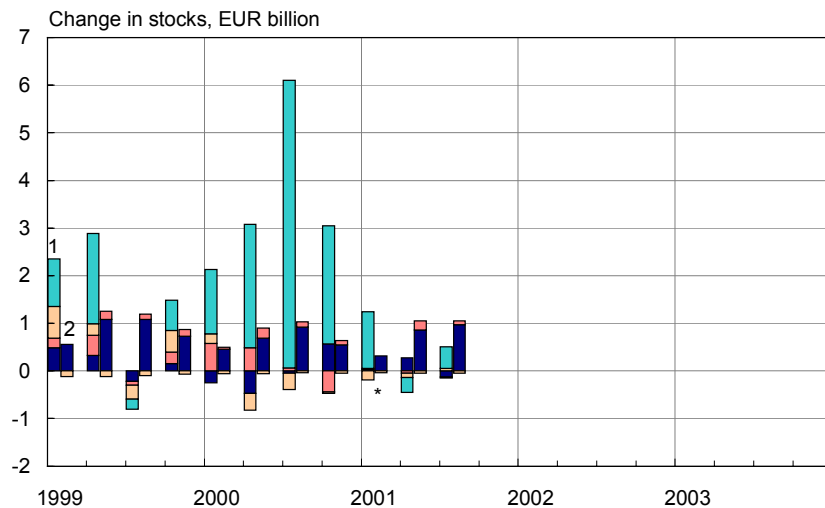
## Borrowing by sector in Finland

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



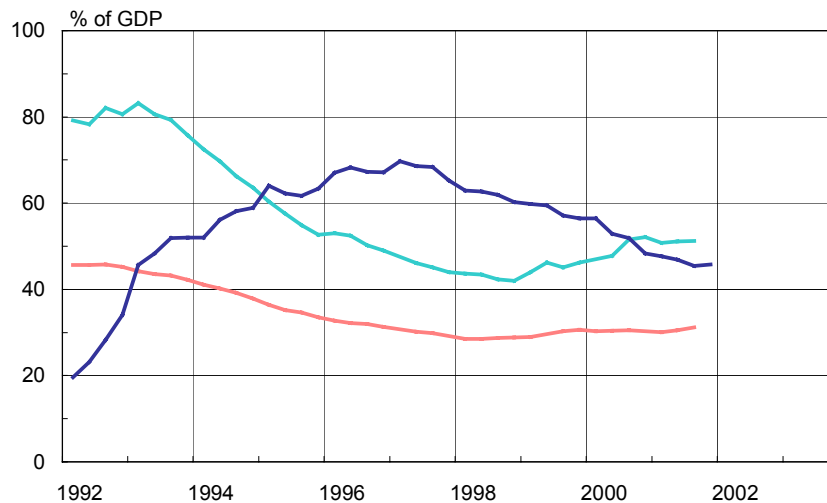
Sources: Bank of Finland and Statistics Finland.

\*Note: Corrected for changes in sectoral classification.

Chart 22.

### Sectoral debt ratios in Finland

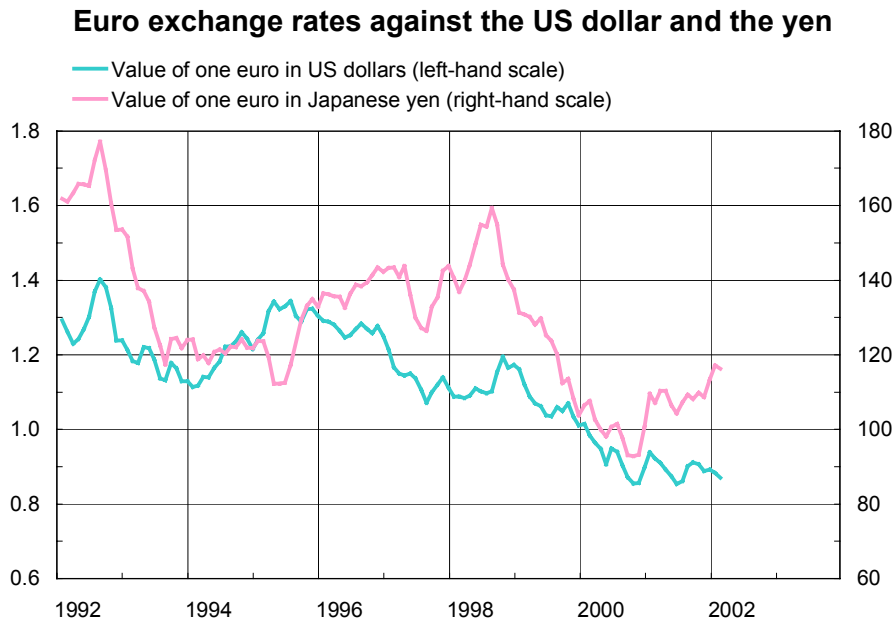
— Non-financial corporate sector excl. housing corporations  
— Household sector  
— Central government



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

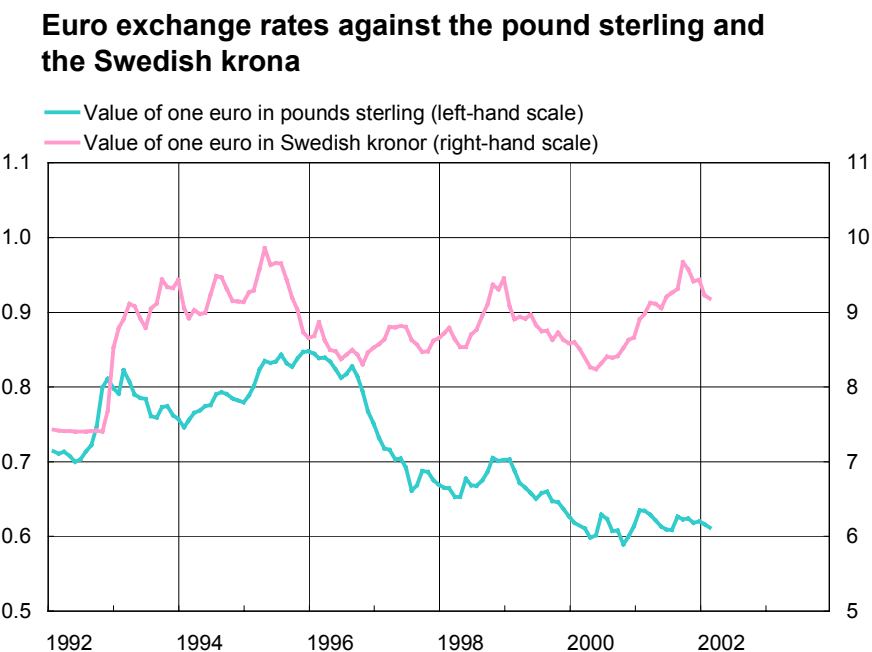
## Exchange rates

Chart 23.



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

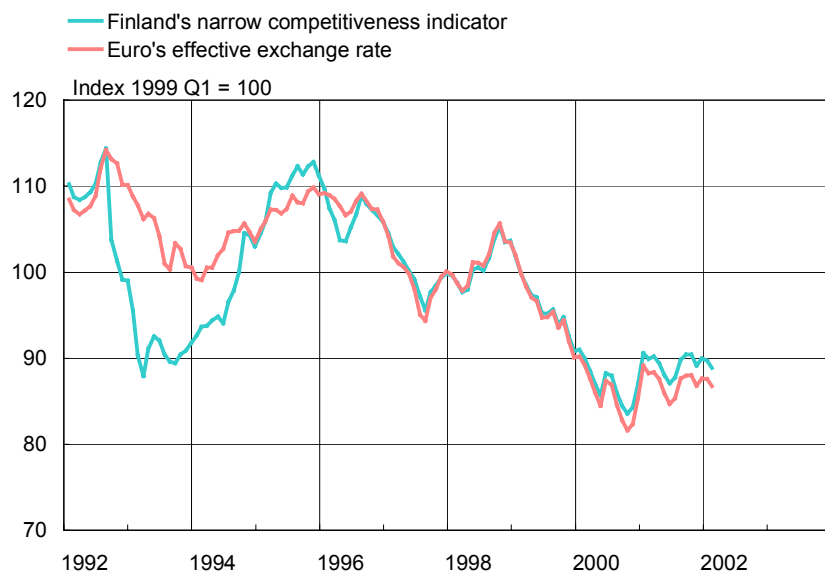
Chart 24.



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



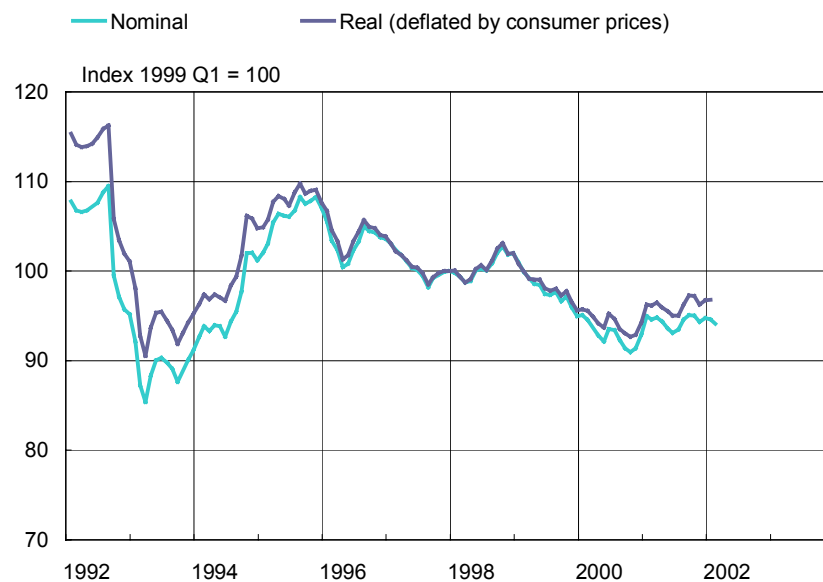
Chart 25.

**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.

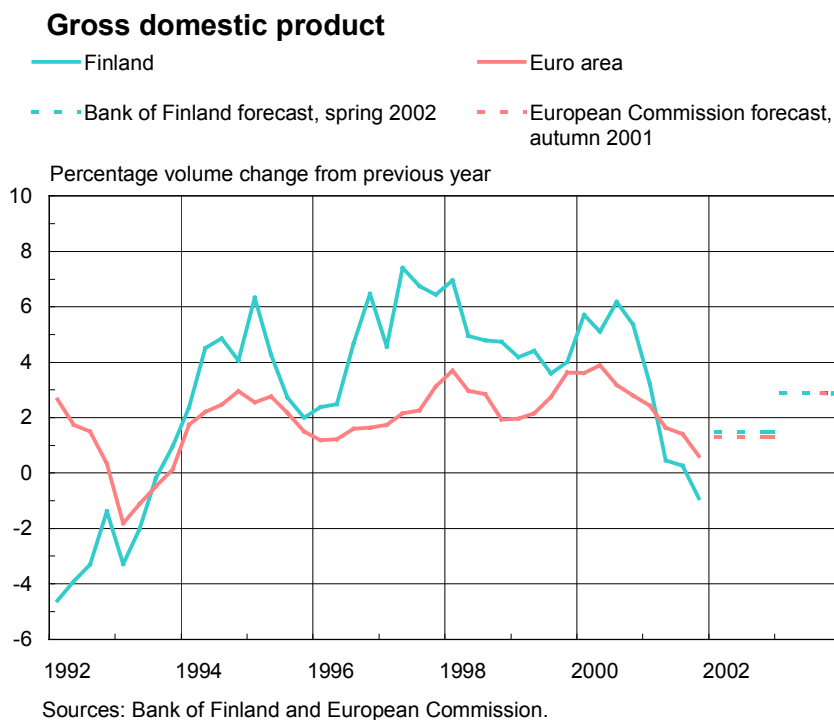


Chart 28.

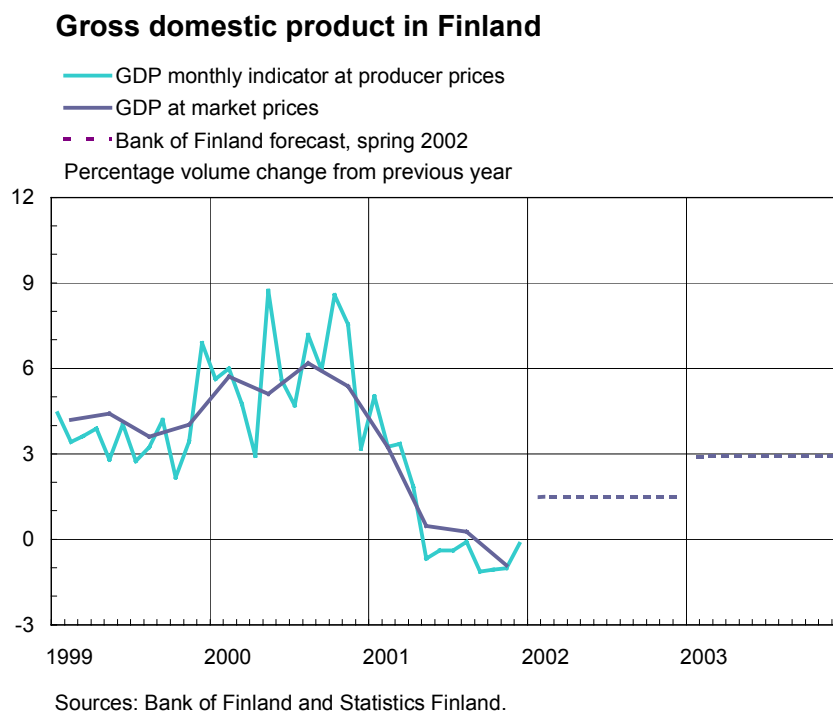


Chart 29.

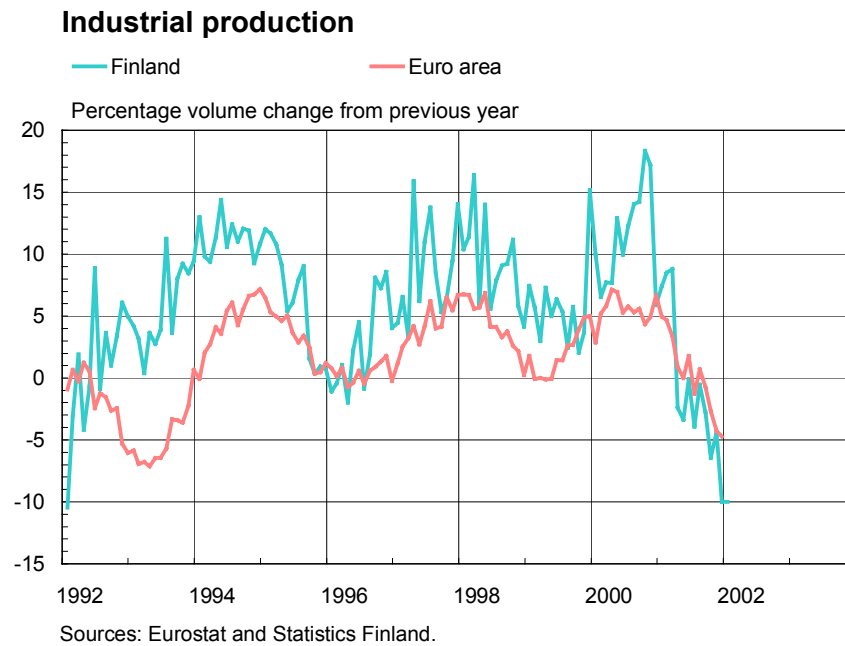


Chart 30.

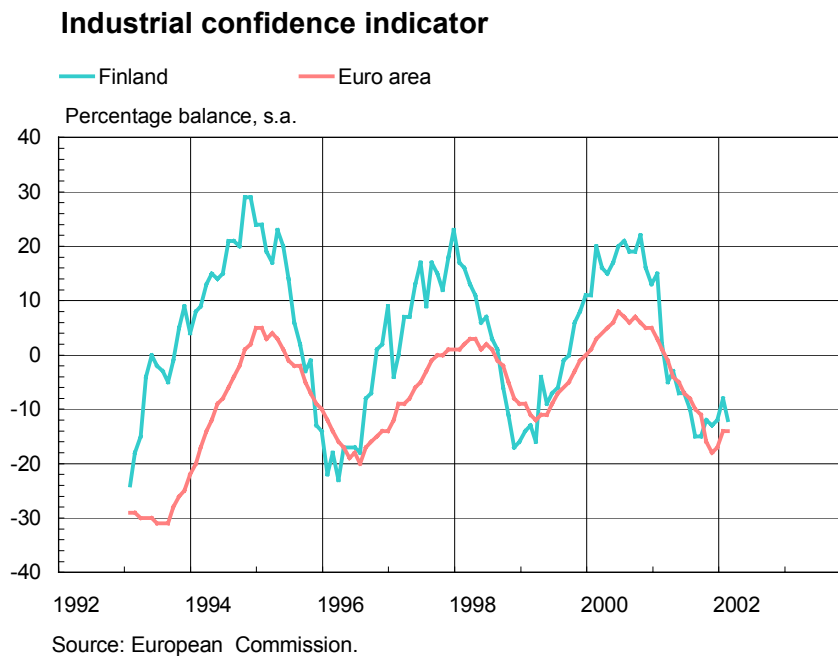


Chart 31.

### Manufacturing production by sector in Finland

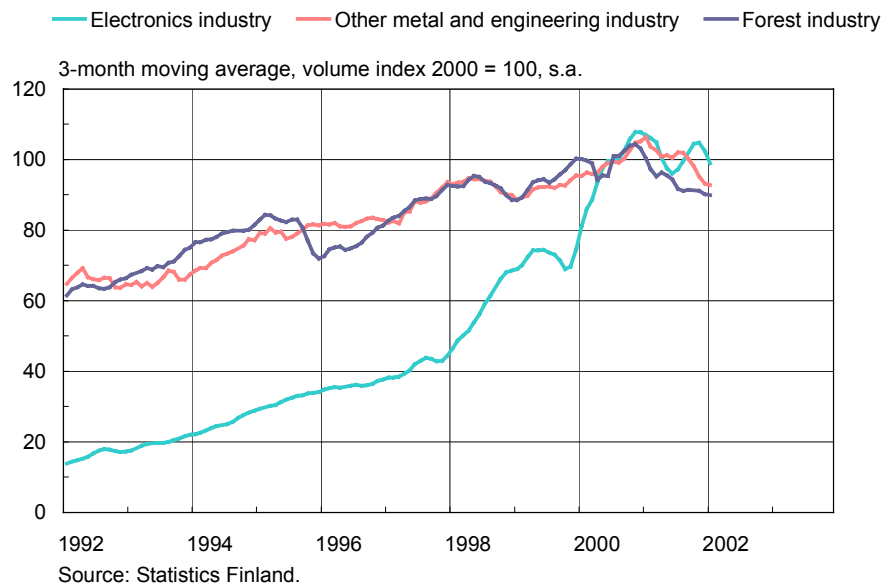


Chart 32.

### Finland's imports of goods

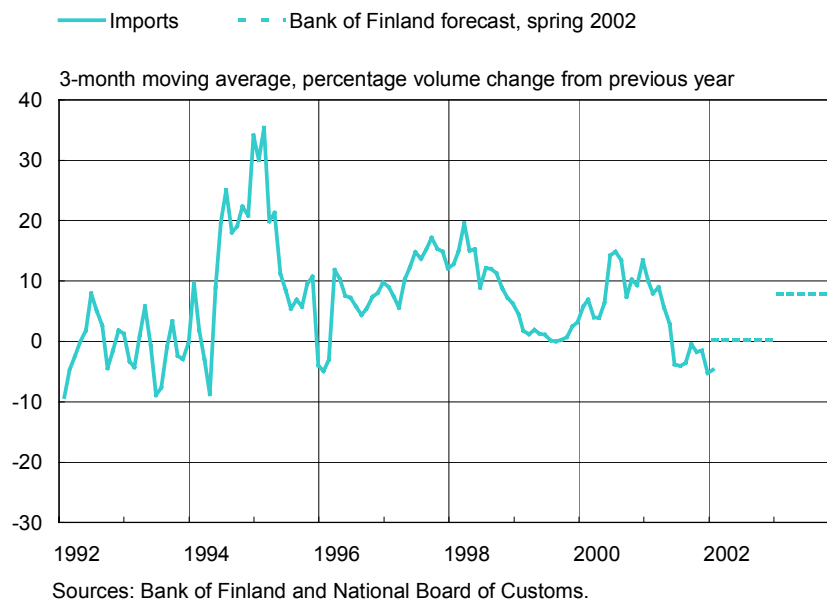


Chart 33.

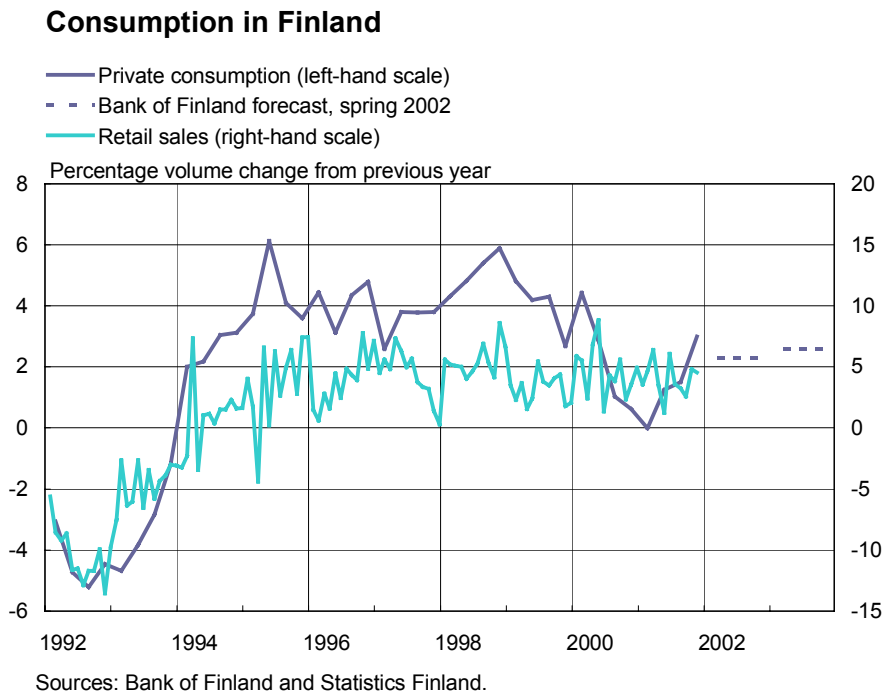


Chart 34.

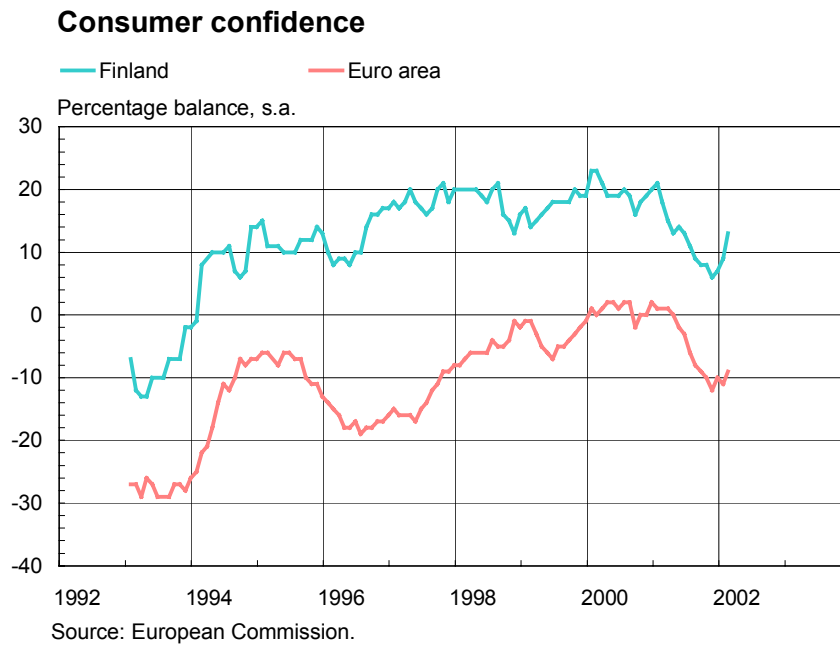


Chart 35.

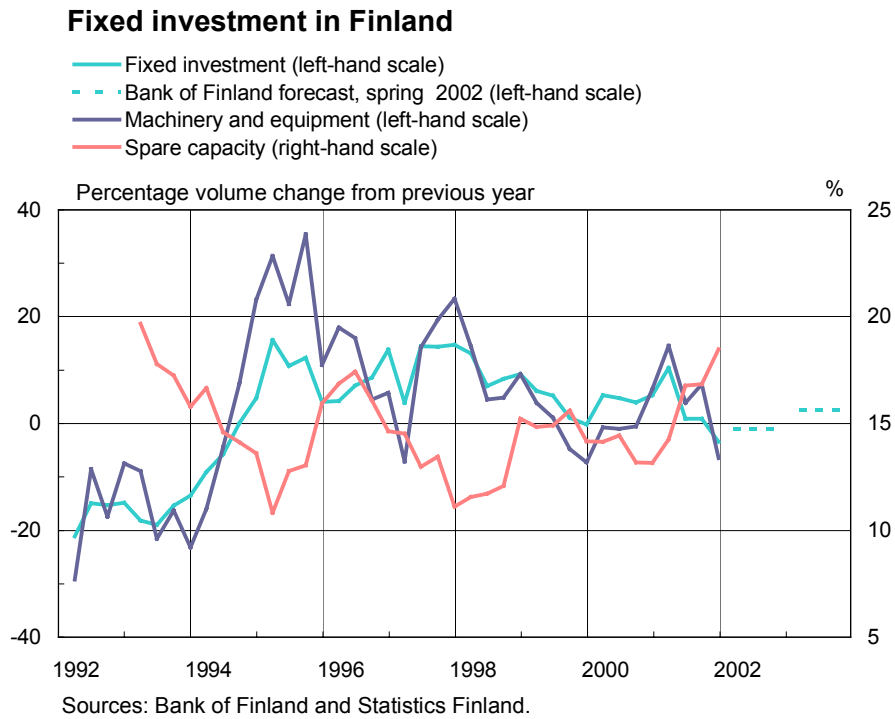


Chart 36.

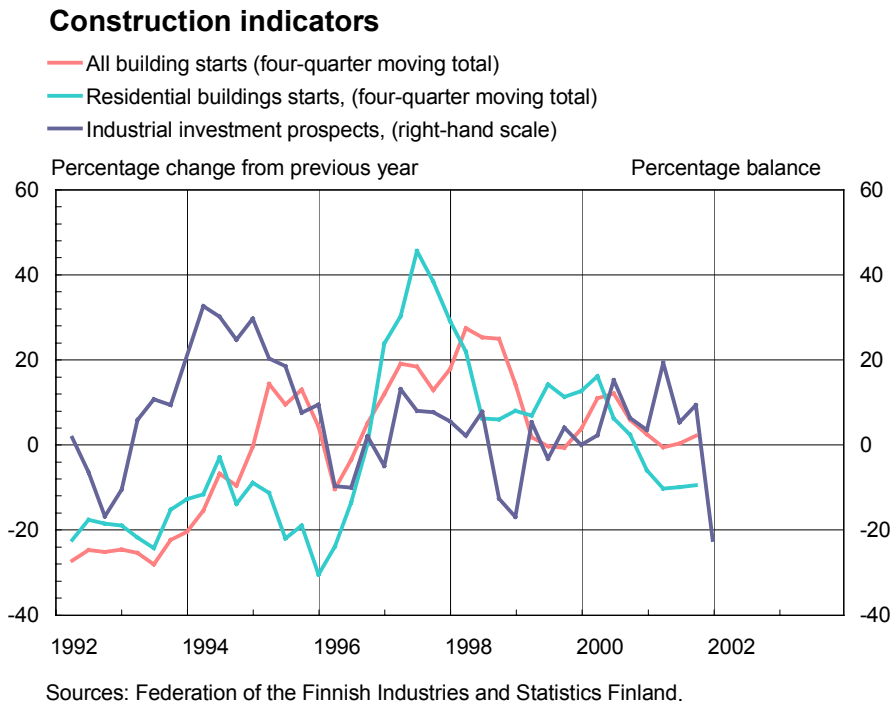


Chart 37.



Chart 38.

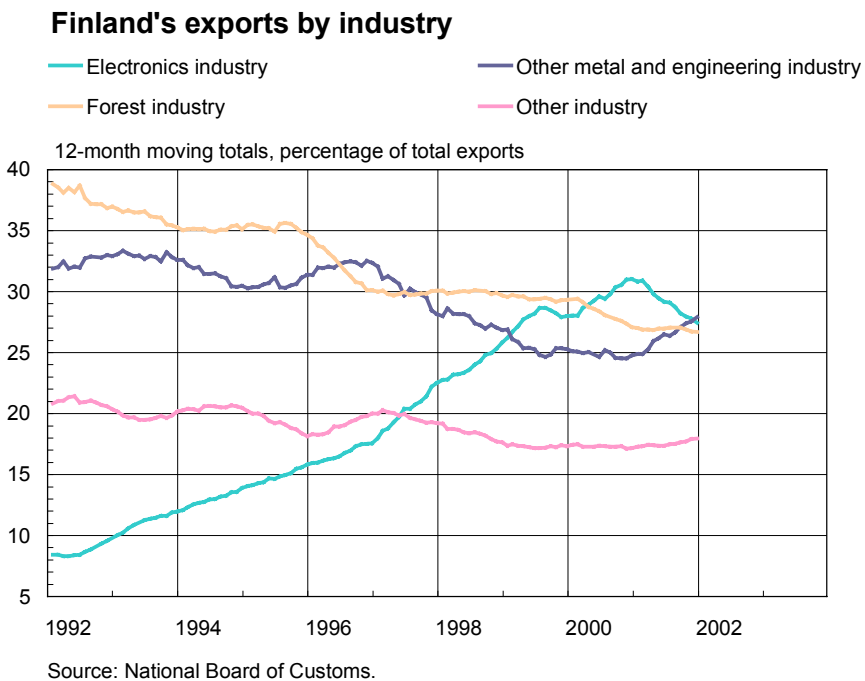


Table 1.

**Supply, demand and labour market indicators**

	2000	2001	2001/2002 Actual		2002*	2003*
<b>Supply and demand</b>						
<i>percentage volume change from previous year</i>						
Gross domestic product at market prices	5.6	0.7	-0.9	Q4	1.5	2.9
GDP monthly indicator at producer prices	5.9	0.7	-1.0	M12		
Manufacturing production	12.7	-1.6	-11.3	M1		
Consumption expenditure	1.5	1.5	2.6	Q4	2.5	2.4
- private	2.2	1.4	3.0	Q4	2.3	2.6
- general government	-0.2	1.7	1.6	Q4	3.1	2.1
Gross fixed capital formation	4.8	2.1	-3.9	Q4	-1.1	2.5
- private	6.8	1.8	-5.0	Q4	-2.0	2.5
- general government	-6.3	3.9	4.4	Q4	4.2	2.3
Domestic demand	3.3	0.8	-3.4	Q4	1.5	2.4
Exports of goods and services	18.2	-0.7	-1.3	Q4	0.3	6.8
Imports of goods and services	16.2	-1.0	-7.2	Q4	0.1	6.9
<b>Labour market indicators</b>						
Employed persons <i>percentage change from previous year</i>	1.7	1.4	1.9	M02	0.2	0.7
			1.2	M01-M02		
Unemployment rate, s.a. **	9.8	9.1	9.0	M02	9.5	9.3
			9.1	M01-M02		

Source: Statistics Finland.

\* Bank of Finland forecast, spring 2002.

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



## Prices and costs

Chart 39.

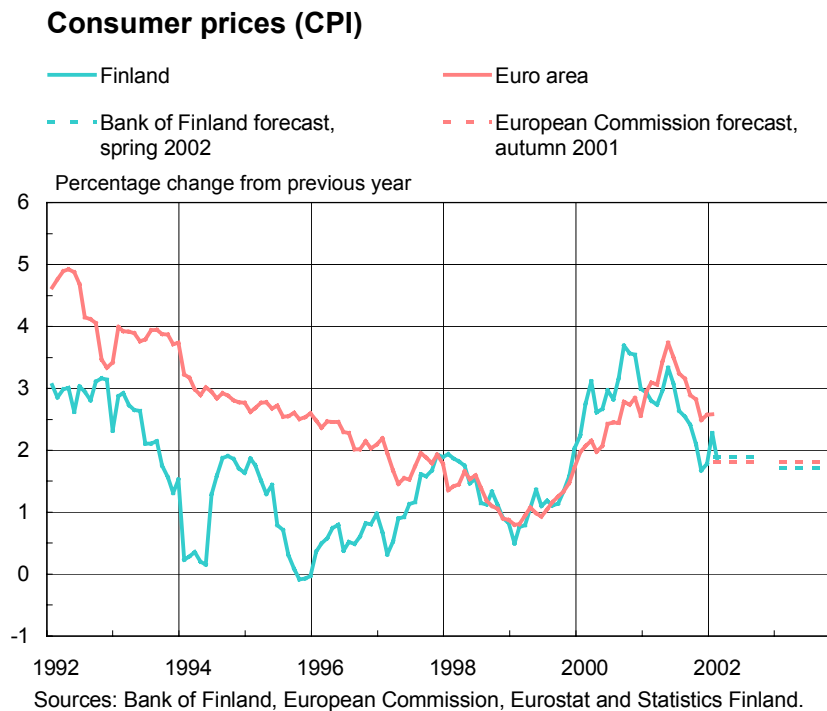


Chart 40.

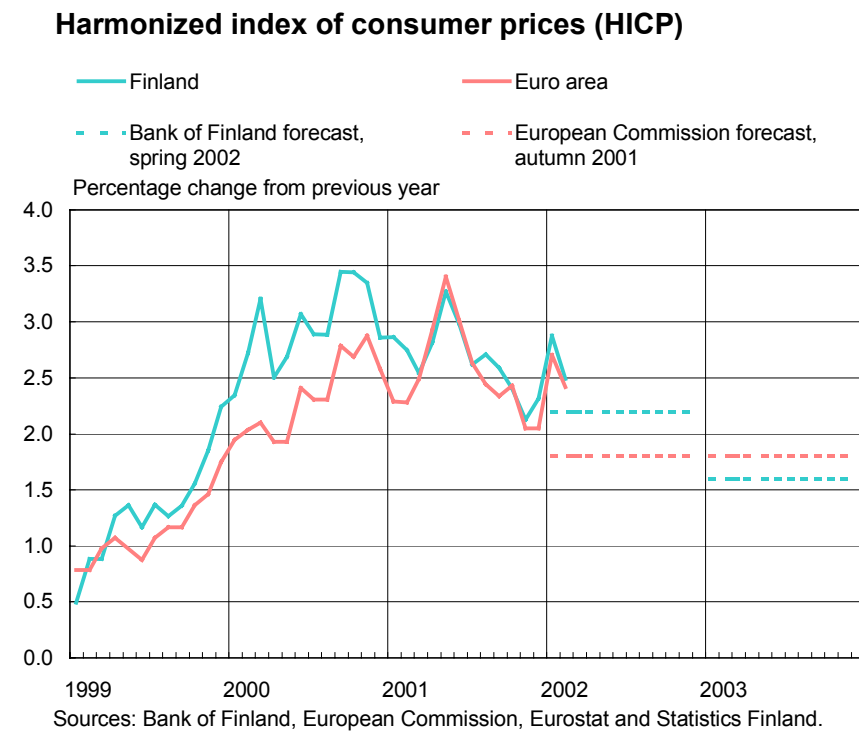


Chart 41.

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

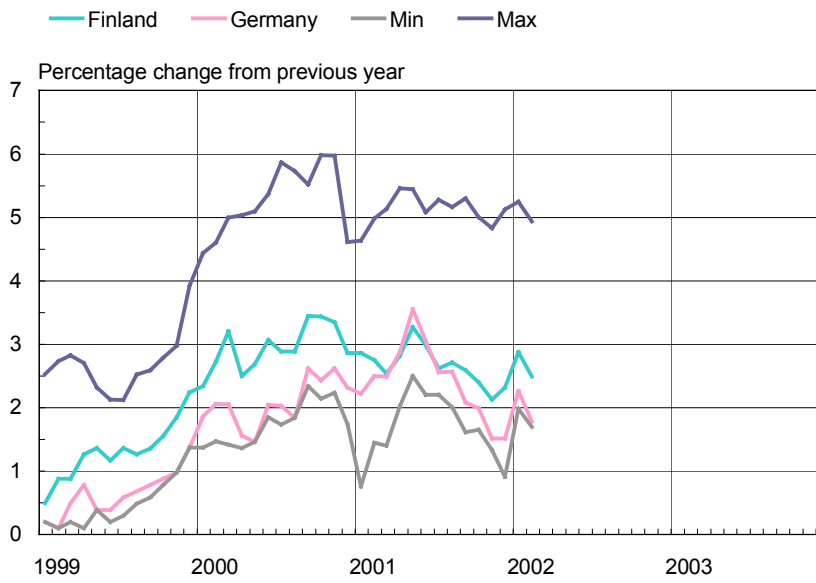


Chart 42.

**Producer prices**

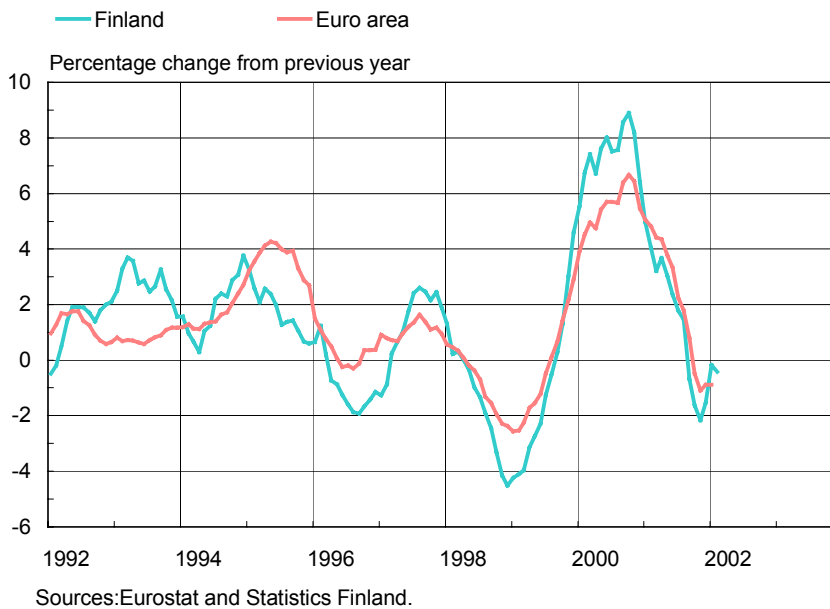


Chart 43.

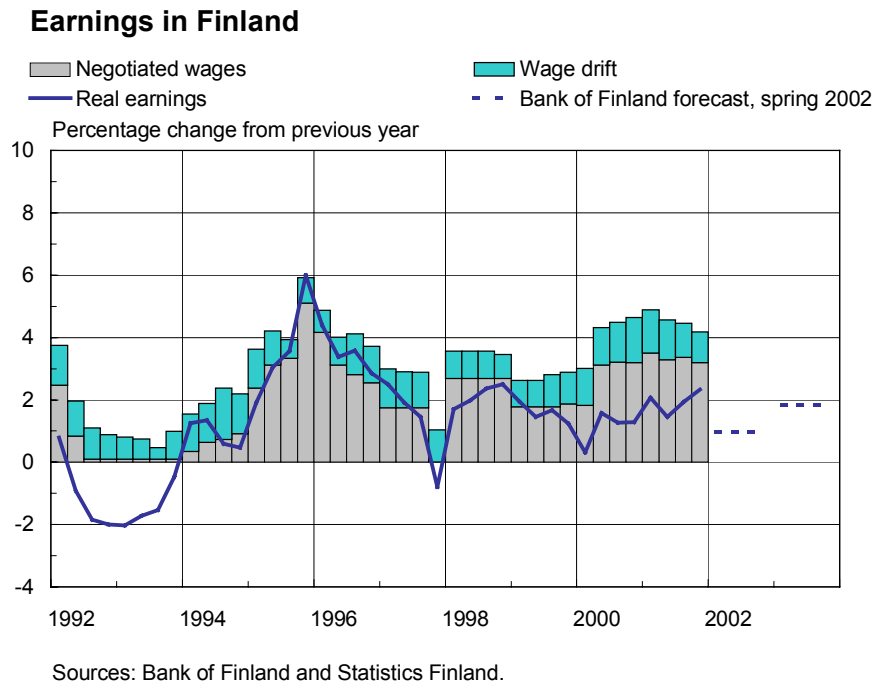


Chart 44.

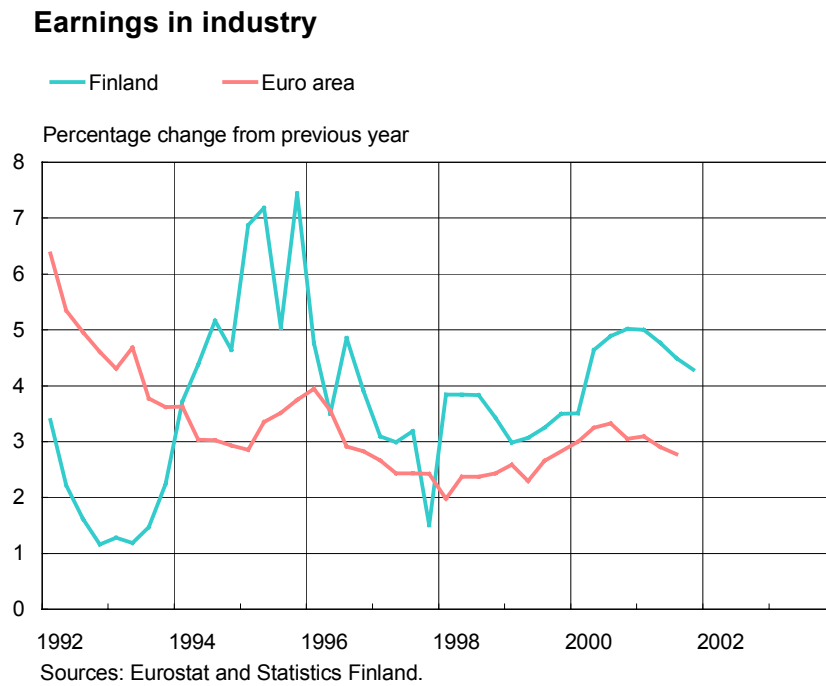


Chart 45.

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

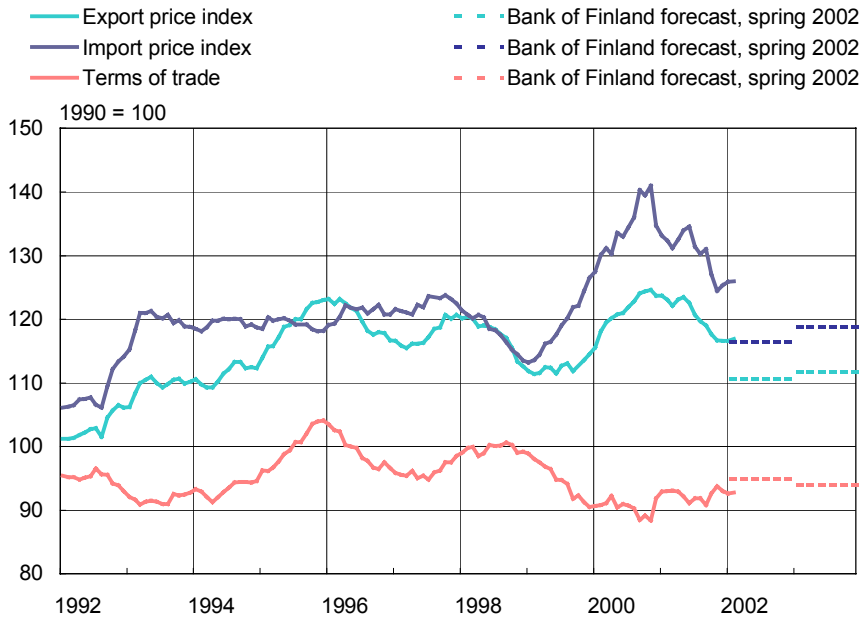


Chart 46.

**Dwelling prices in Finland**

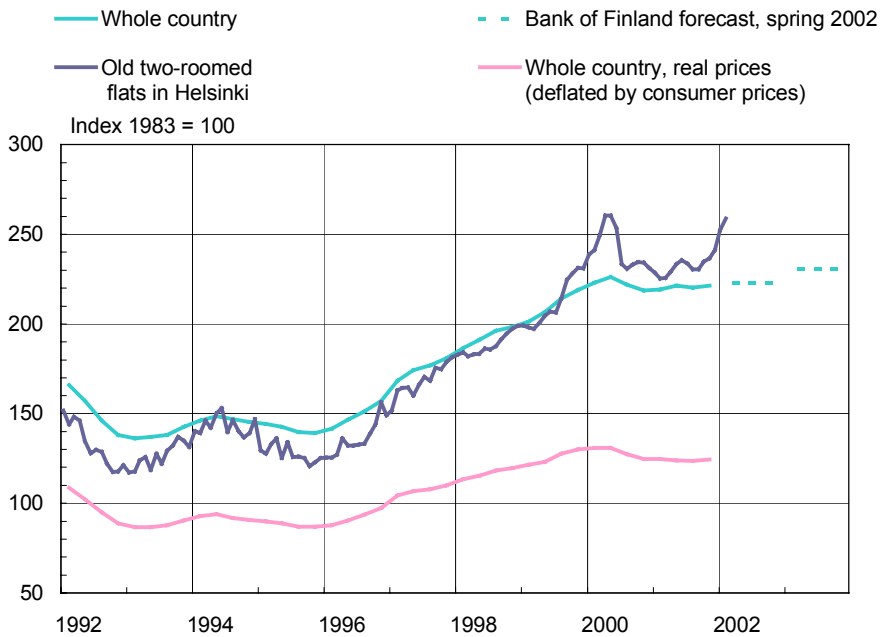


Table 2.

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

	2000	2001	2001/2002 Actual	2002*	2003*
<b>Labour costs</b>					
Index of wages and salaries	4.1	4.5	4.2 Q4	2.8	3.7
Unit labour costs					
- whole economy	0.0	5.6	7.1 Q4	1.7	1.8
- manufacturing	-5.5	6.6	11.9 Q4		
<b>Price indices</b>					
Export prices (goods)					
- export price index	7.9	-0.6	-4.9 M02 -5.4 M01-M02		
- export price deflator	4.4	-3.0	-7.7 Q4	-1.4	1.0
Import prices (goods)					
- import price index	13.1	-2.8	-4.7 M2 -5.1 M01-M02		
- import price deflator	6.4	-2.9	-6.3 Q4	-1.4	2.3
Producer prices	7.4	1.5	-0.4 M2 -0.3 M01-M02		
Wholesale prices	8.1	0.3	-1.4 M2 -1.3 M01-M02		
Consumer prices					
- consumer price index	3.4	2.6	1.9 M2 2.1 M01-M02	1.9	1.7
- harmonized index of consumer prices	3.0	2.7	2.5 M2 2.7 M01-M02	2.2	1.6
- indicator of underlying inflation	3.6	3.1	2.5 M12	1.7	1.8
<b>Asset prices</b>					
Stumpage prices	6.0	-1.9	-5.2 M1 -5.2 M01-M01		
Dwelling prices, whole country	5.7	-0.8	1.3 Q4	1.6	3.5
Share prices	91.1	-42.5	-11.7 M2 -21.8 M01-M02		

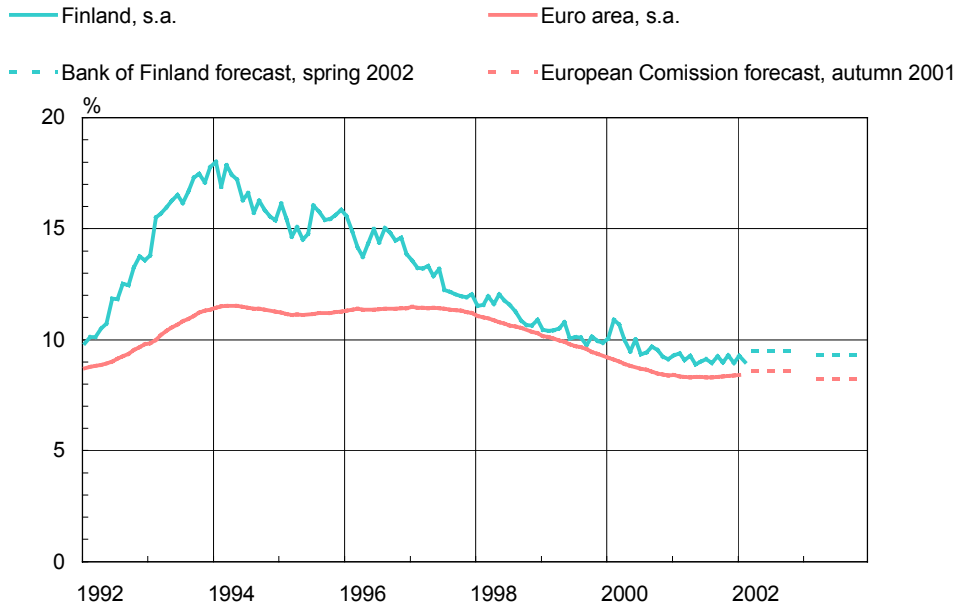
Sources: Finnish Forest Research Institute, HEX Helsinki Exchanges, National Board of Customs and Statistics Finland.

\* Bank of Finland forecast, spring 2002.

# Labour market

Chart 47.

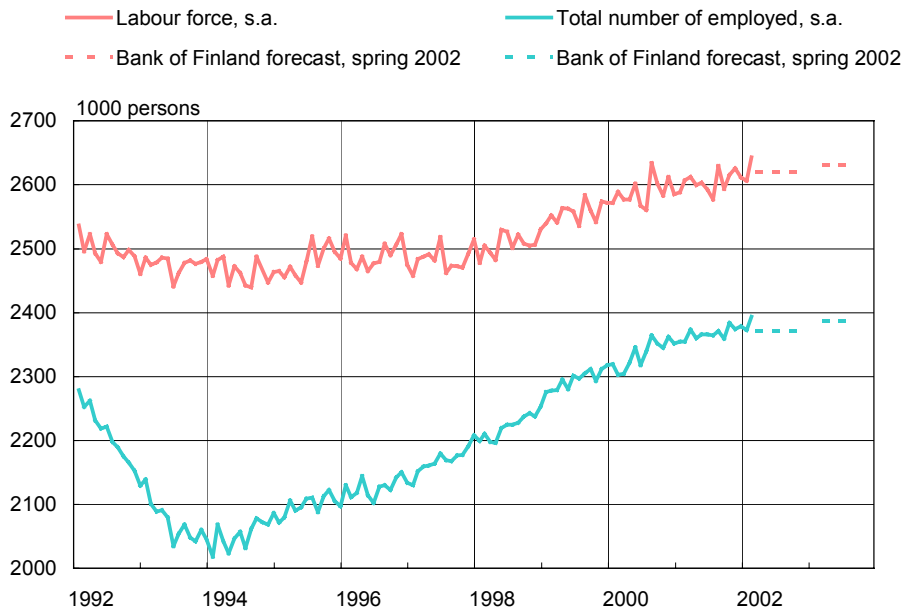
## Unemployment rate



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

Chart 48.

## Employment in Finland



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

## Public finances

Chart 49.

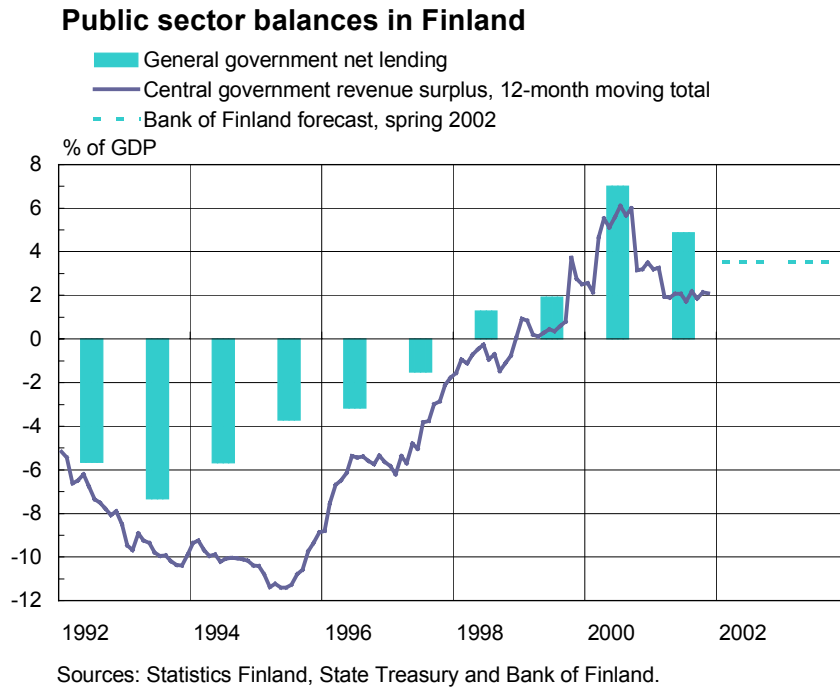


Chart 50.



## External balance

Chart 51.

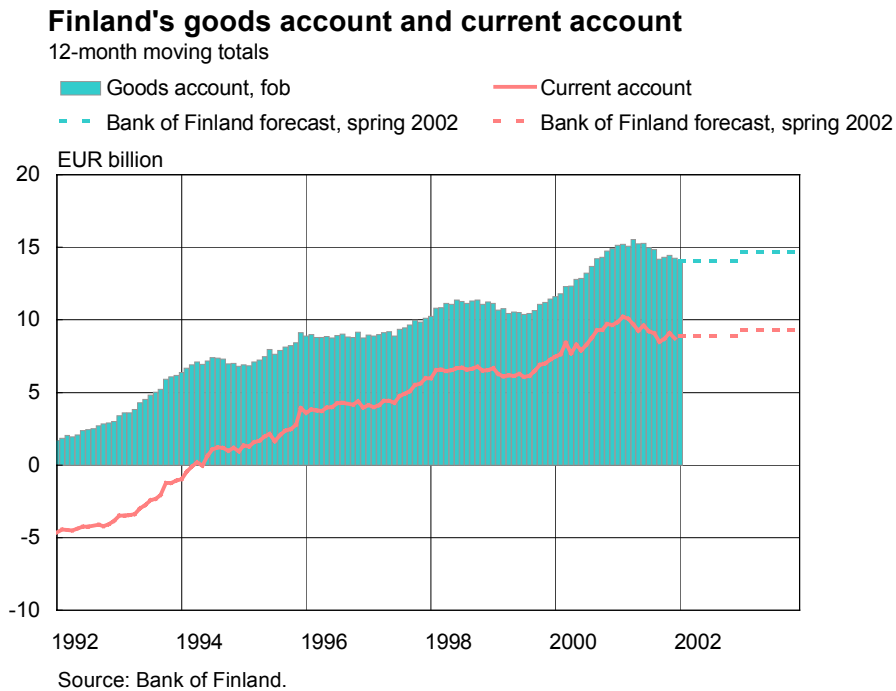


Chart 52.

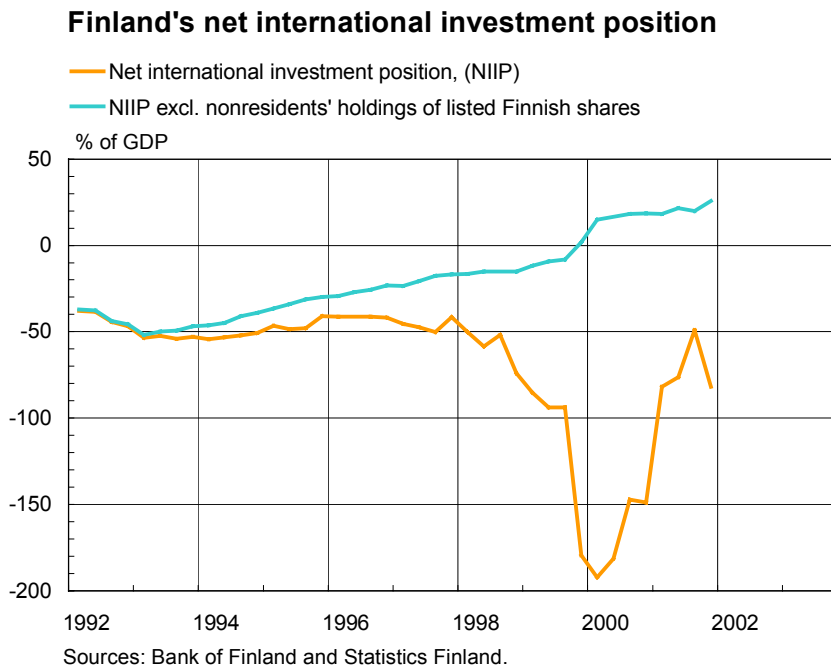




Table 3.

**External balance and sectoral balances indicators**

	2000	2001	2002 Actual	2002*	2003*
<b>Goods account</b>					
EUR billion	14.9	14.2	1.0 M01	14.1	14.7
per cent of GDP	11.4	10.5		10.2	10.1
<b>Current account</b>					
EUR billion	9.7	8.7	0.5 M01	8.9	9.3
per cent of GDP	7.4	6.5		6.4	6.4
<b>Financial account</b>					
EUR billion	-9.3	-8.3	-0.4 M01		
General government	-11.0	-10.0	-2.0 M01		
Direct investment in Finland	9.6	4.0	3.5 M01		
abroad	26.1	8.1	2.6 M01		
Shares	3.2	-1.3	-0.4 M01		
Other capital (incl. errors and omissions)	15.1	7.2	1.2 M01		
Foreign exchange reserves (increase -)	-0.4	-0.5	-0.1 M01		
<b>Net lending, saving minus investment</b>					
Private sector					
EUR billion	0.5	2.2		4.0	4.2
per cent of GDP	0.4	1.6		2.9	2.9
General government					
EUR billion	9.2	6.6		4.9	5.1
per cent of GDP	7.0	4.9		3.5	3.5
Central government					
EUR billion	4.5	2.5		1.1	1.2
per cent of GDP	3.4	1.9		0.8	0.8
Local government					
EUR billion	0.3	-0.4		-0.3	-0.4
per cent of GDP	0.2	-0.3		-0.2	-0.3
Social security funds					
EUR billion	4.3	4.5		4.1	4.2
per cent of GDP	3.3	3.3		3.0	2.9
<b>Net foreign debt</b>					
per cent of GDP	148.8	82.2			
per cent of exports of goods and services	346.9	203.6			
<b>Sectoral debt ratios, gross debt, per cent of GDP</b>					
Non-financial corporate sector **	52.1				
Household sector	30.3				
General government (Maastricht definition)	44.0	43.6		43.6	42.1

Sources: Bank of Finland and Statistics Finland.

\* Bank of Finland forecast, spring 2002.

\*\* Excl. housing corporations.

