

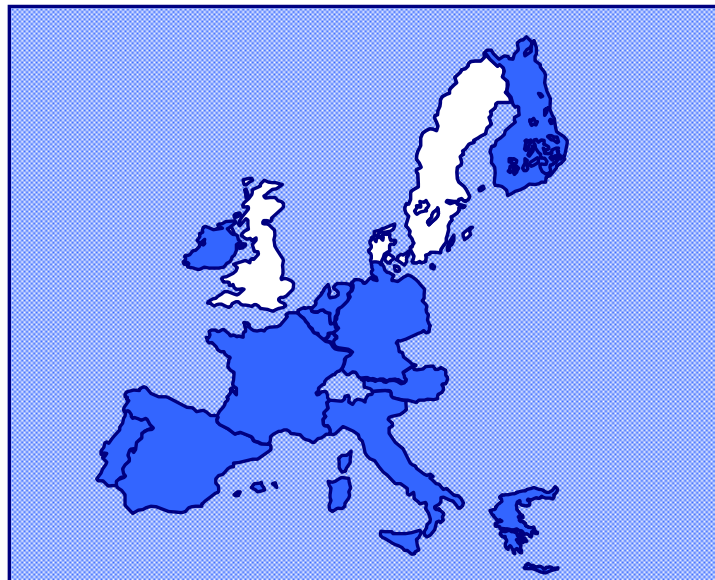


BANK OF FINLAND

Economics Department - Financial Markets Department - Statistics Department

Main Indicators for the Finnish Economy

No 11/2002



19 Nov 2002

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Monetary policy and market interest rates

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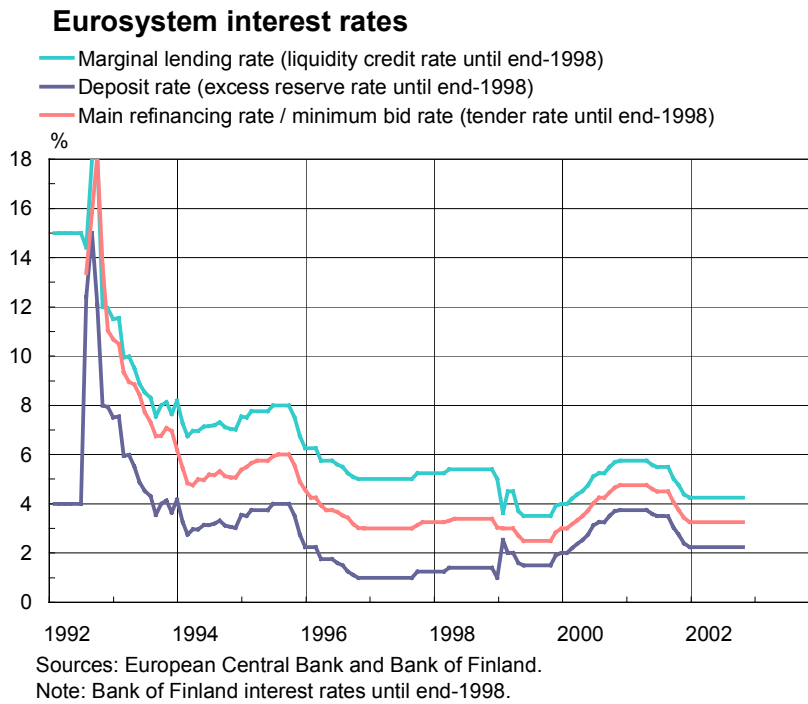


Chart 2.

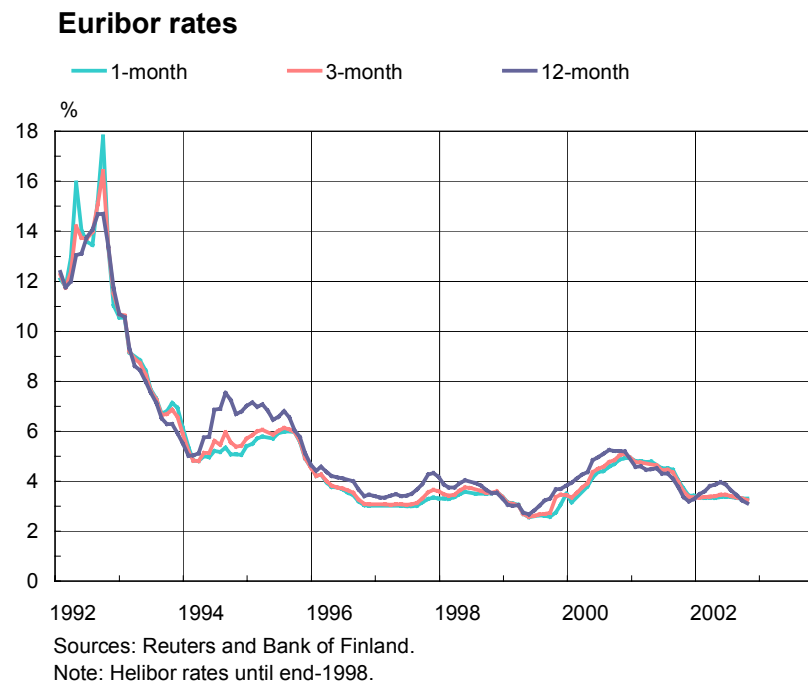
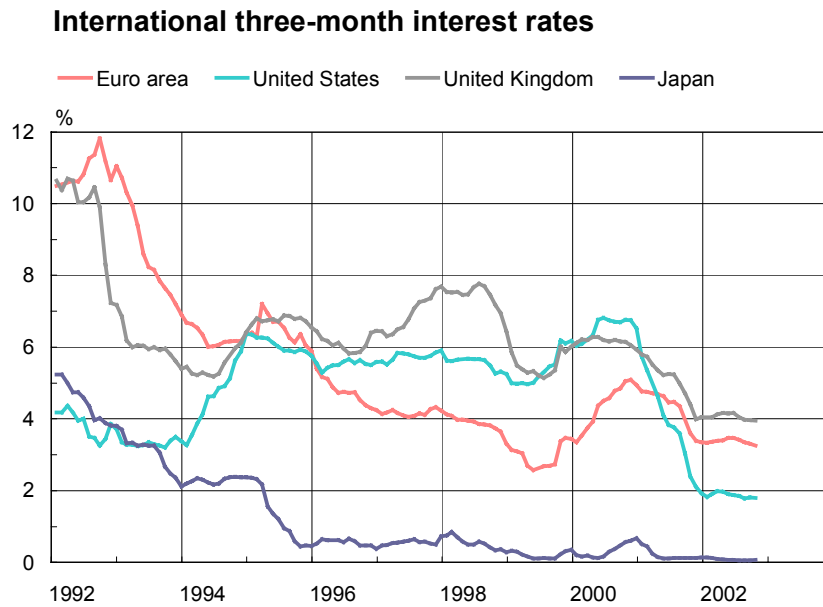


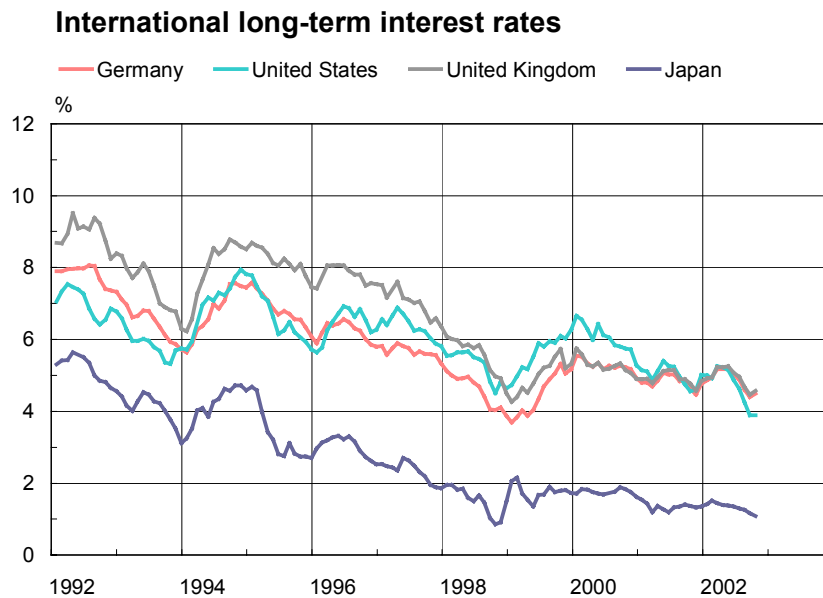
Chart 3.



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.



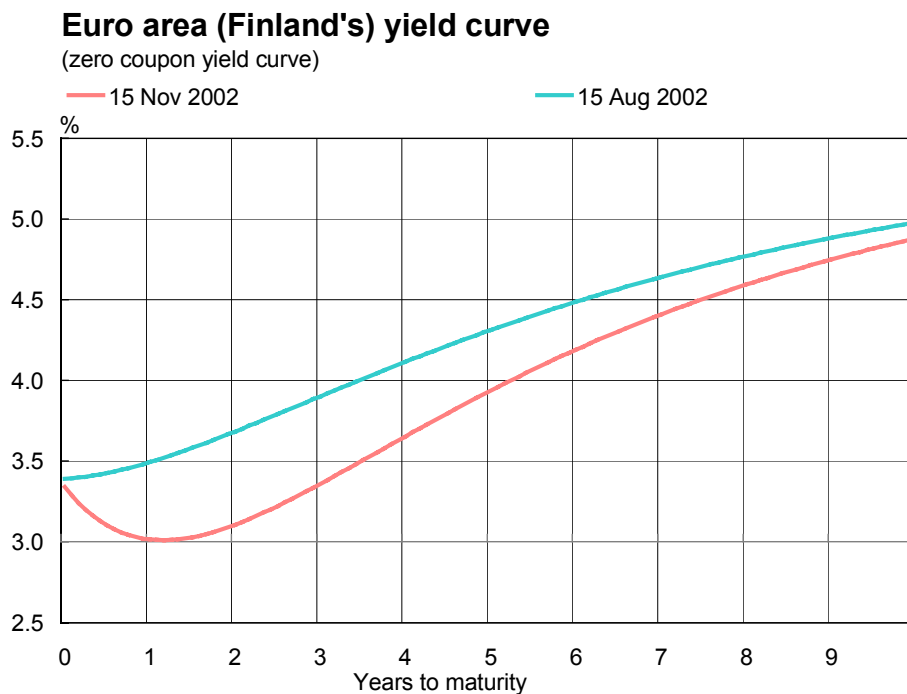
Source: Reuters.

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.

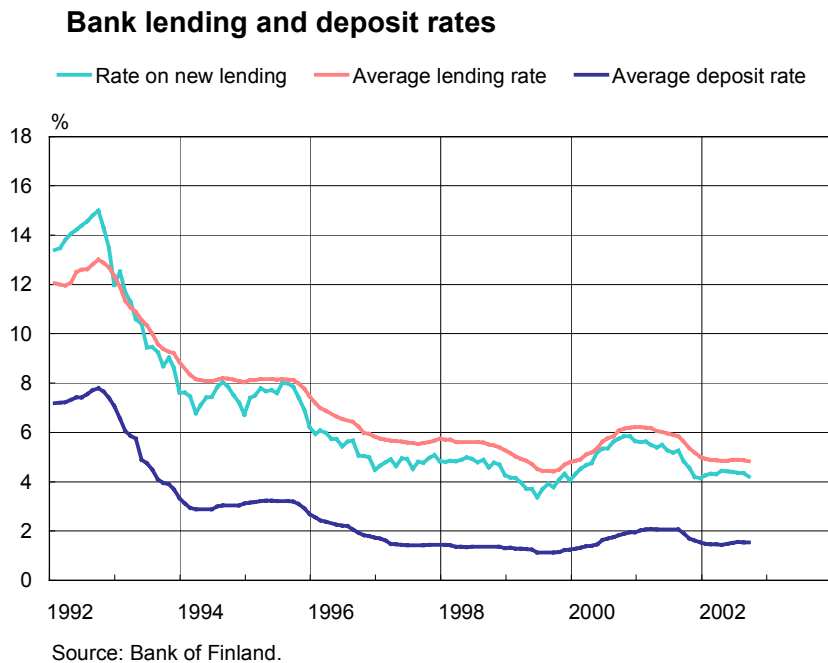


Chart 8.

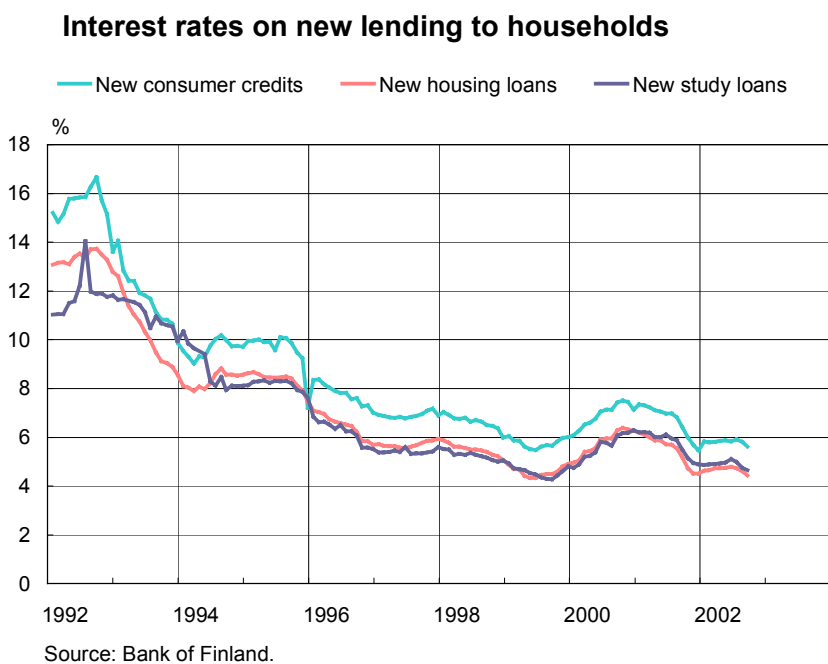


Chart 9.

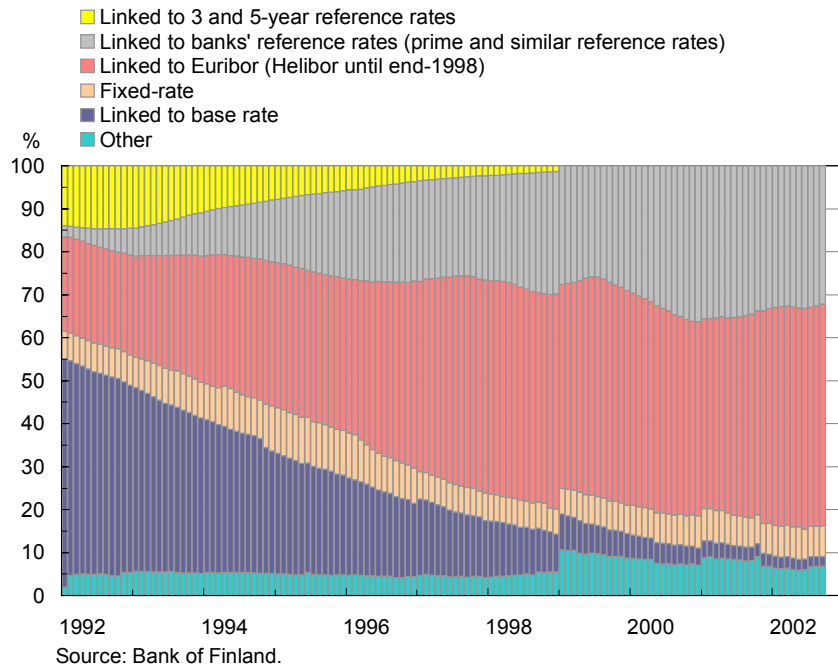
Stock of bank lending by interest rate linkage

Chart 10.

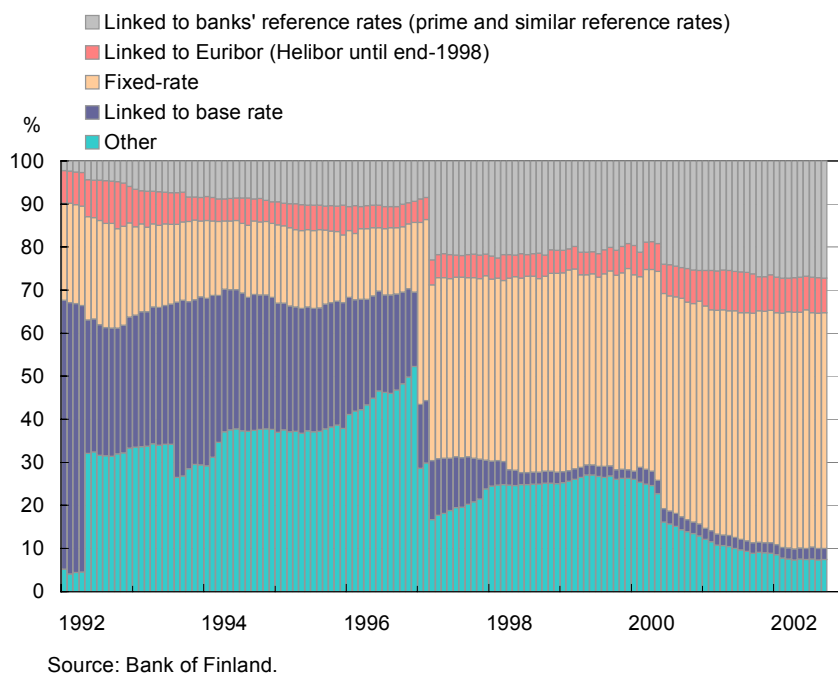
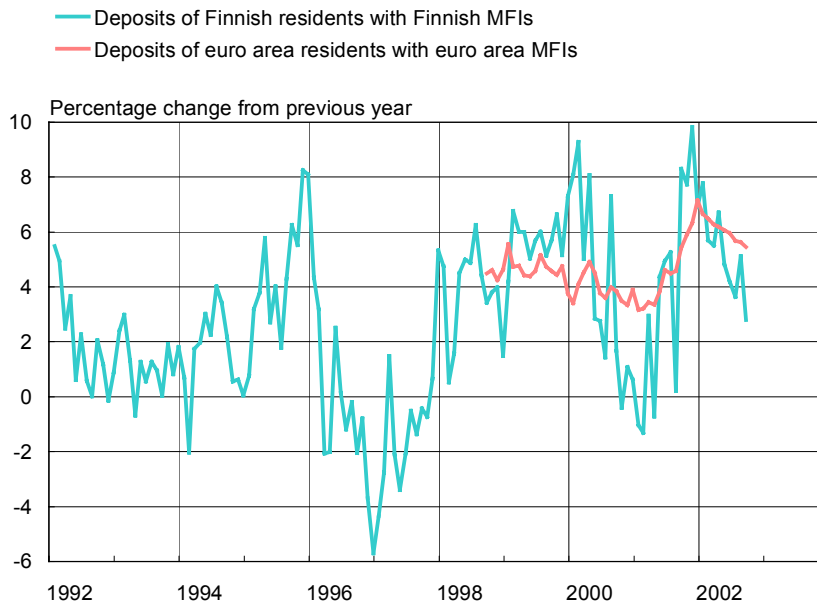
Stock of bank deposits by interest rate linkage

Chart 11.

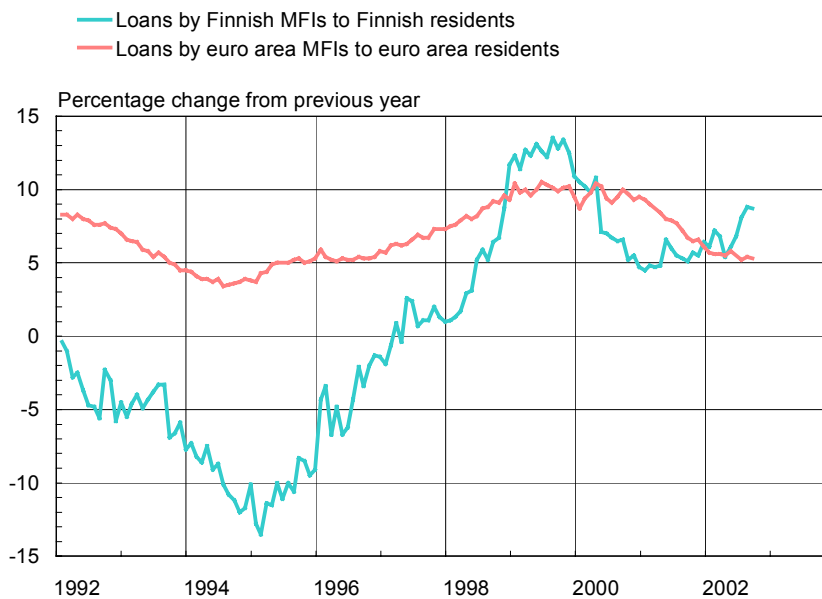
Euro area and Finnish MFIs: growth of deposits



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 *

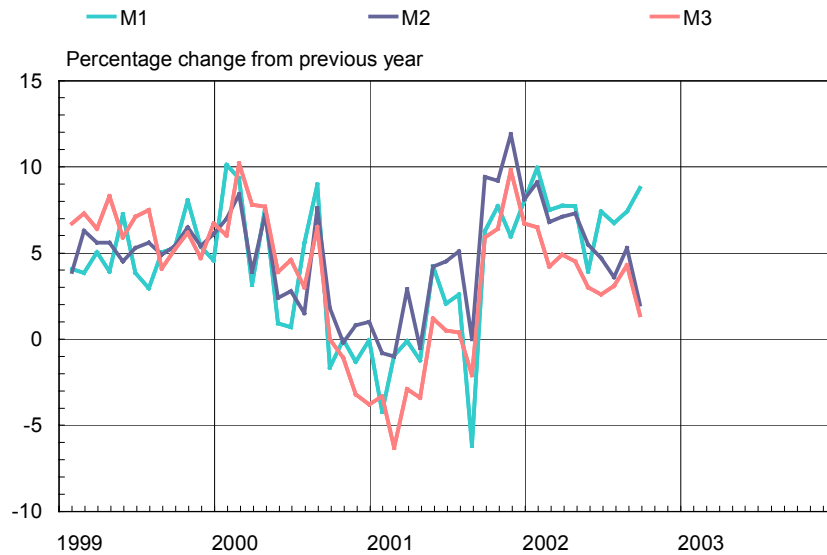
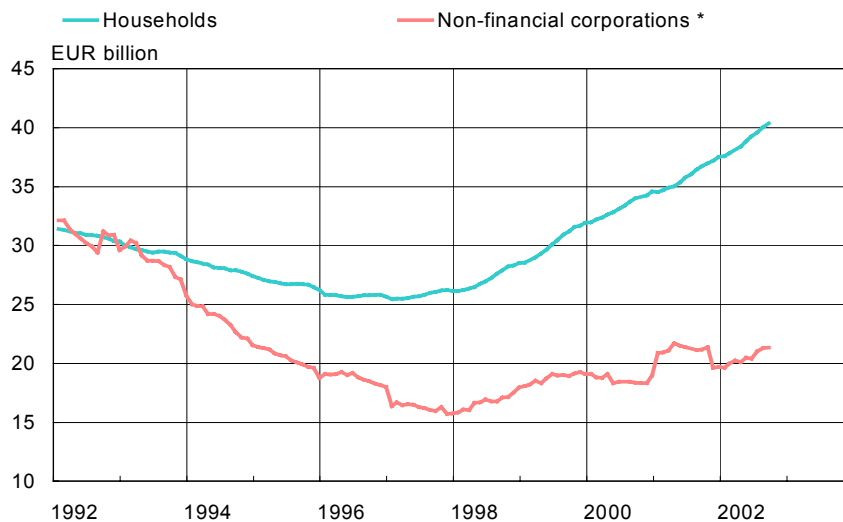


Chart 14.

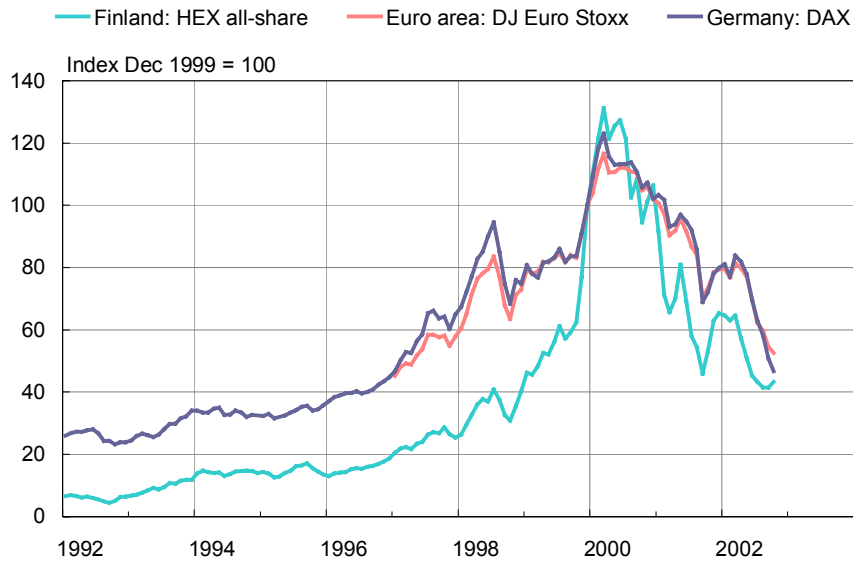
Outstanding bank credit to households and non-financial corporations in Finland



Securities market

Chart 15.

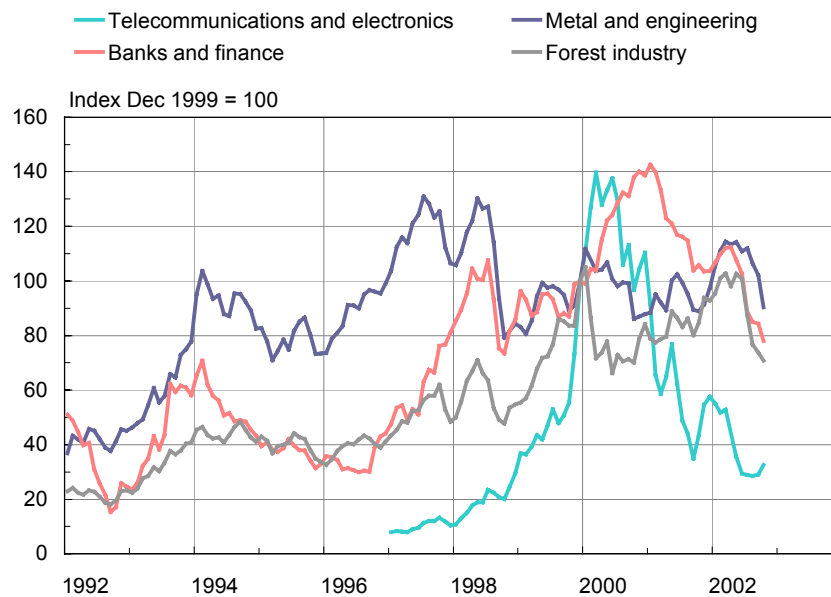
Selected stock price indices in the euro area



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

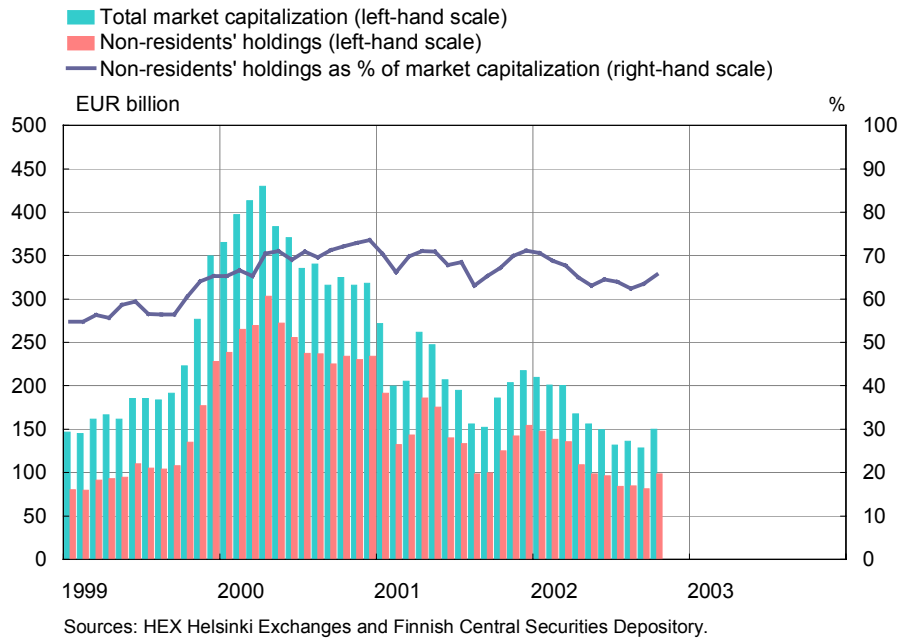


Chart 18.

Non-residents' portfolio investments in Finland

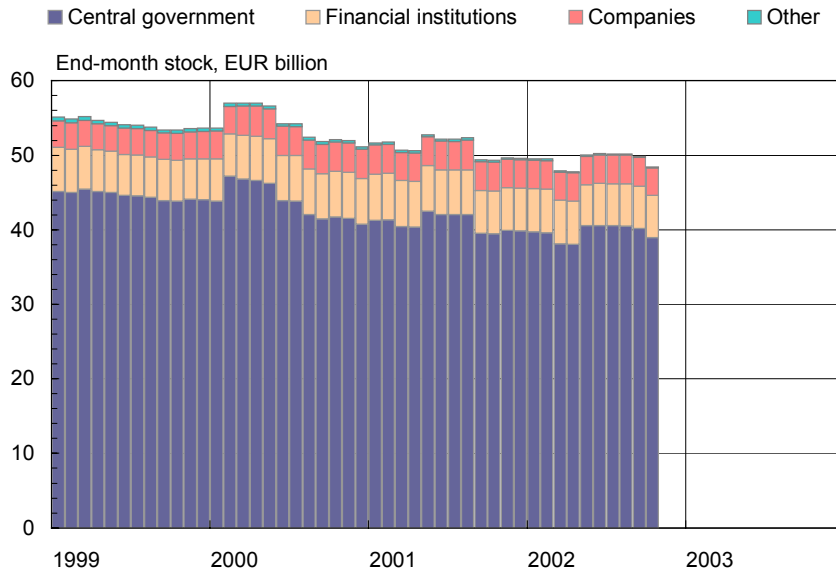
12-month moving totals

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



Chart 19.

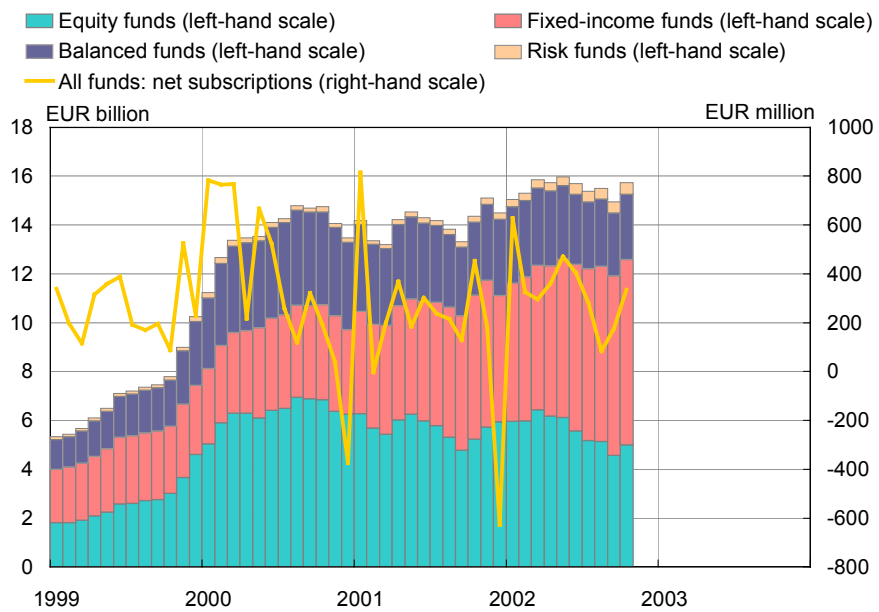
Bonds issued in Finland



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.

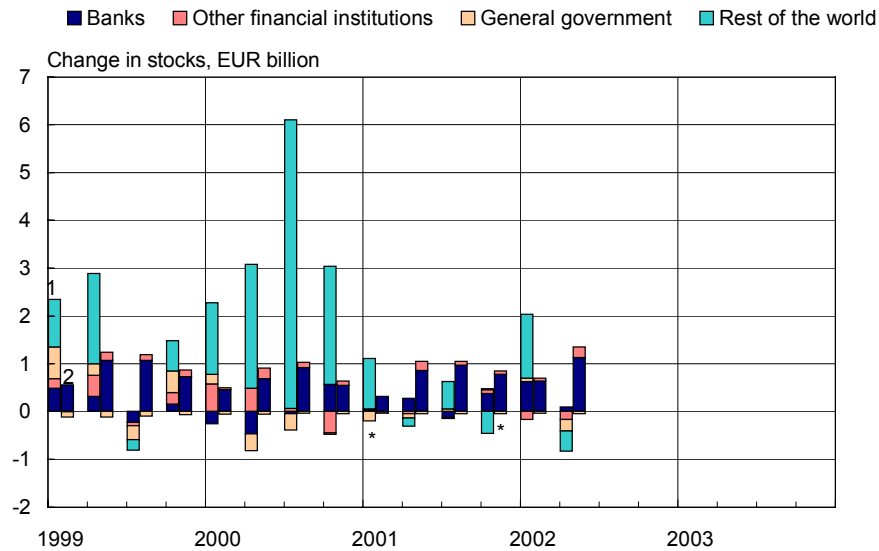
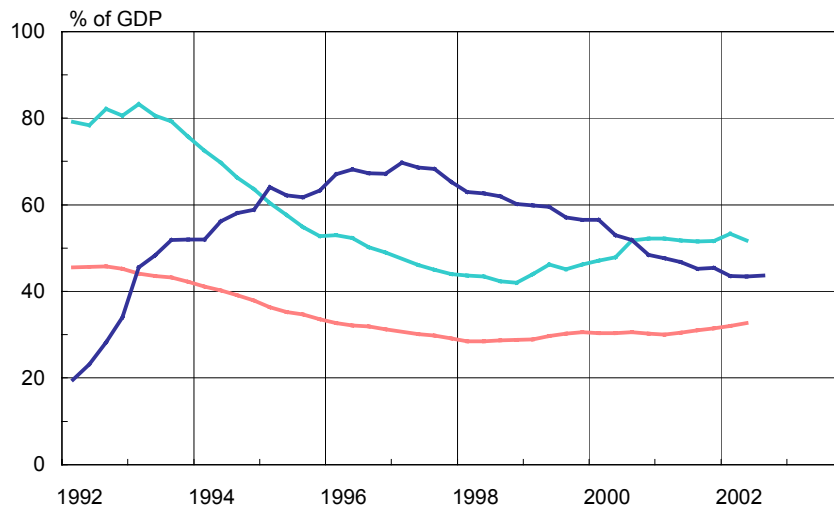


Chart 22.

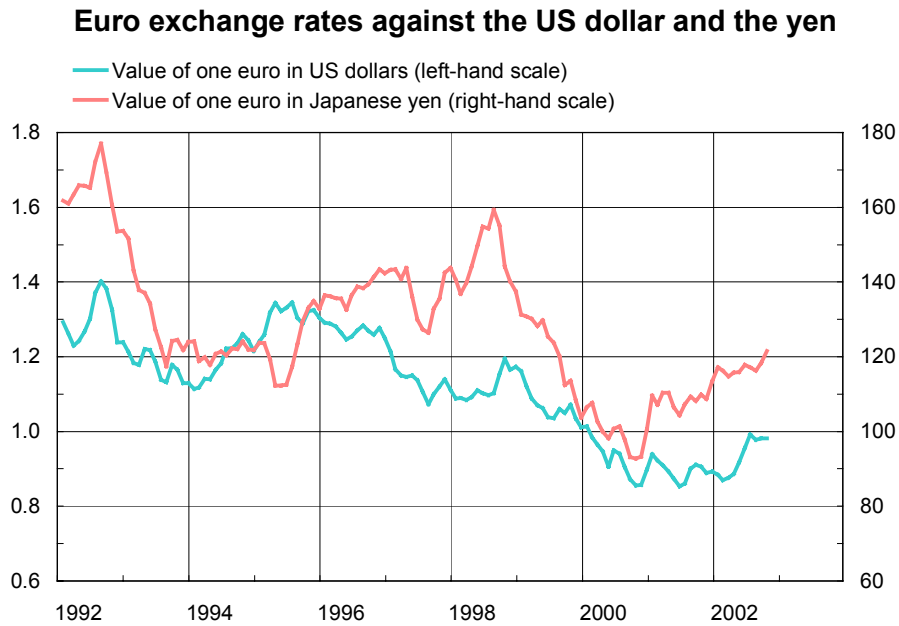
Sectoral debt ratios in Finland

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



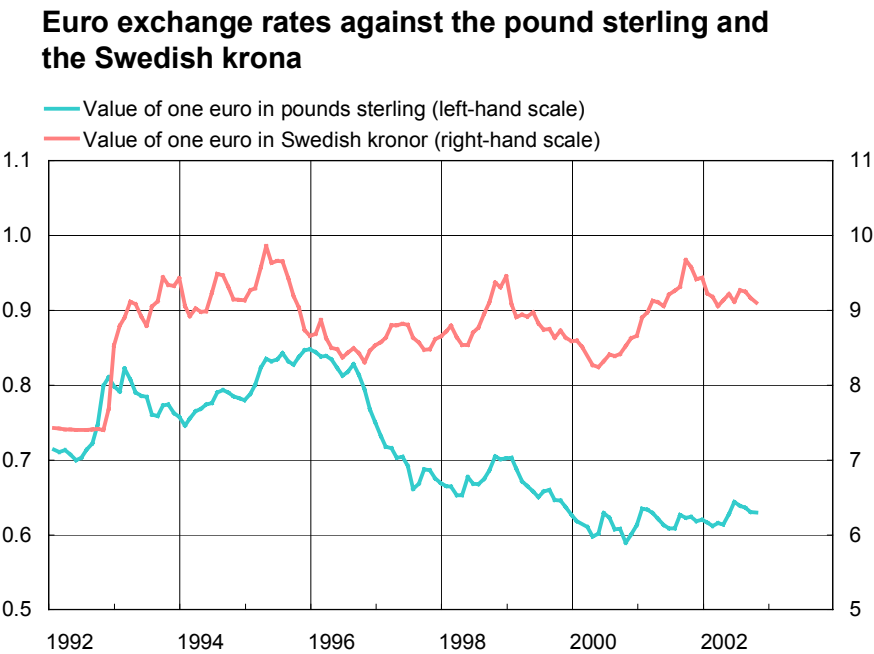
Exchange rates

Chart 23.



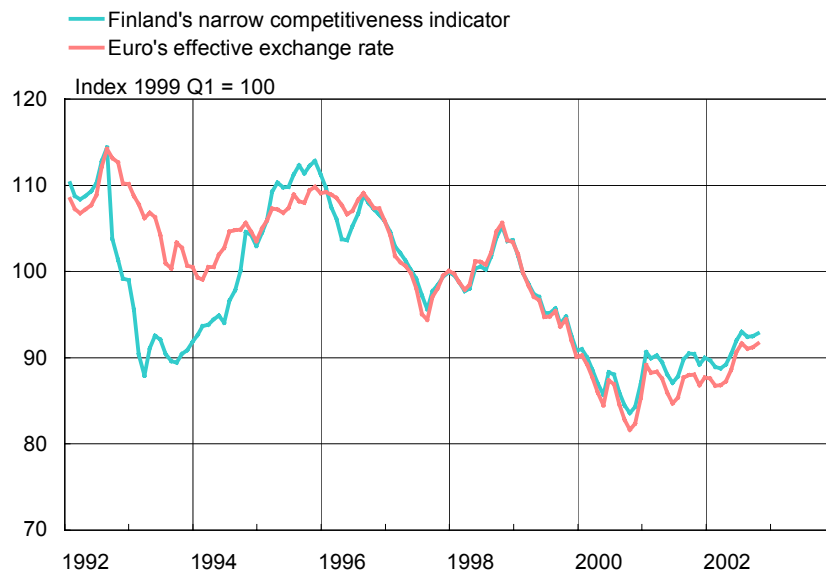
Sources: European Central Bank and Reuters.
 Note: ECU exchange rate until end-1998.

Chart 24.



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

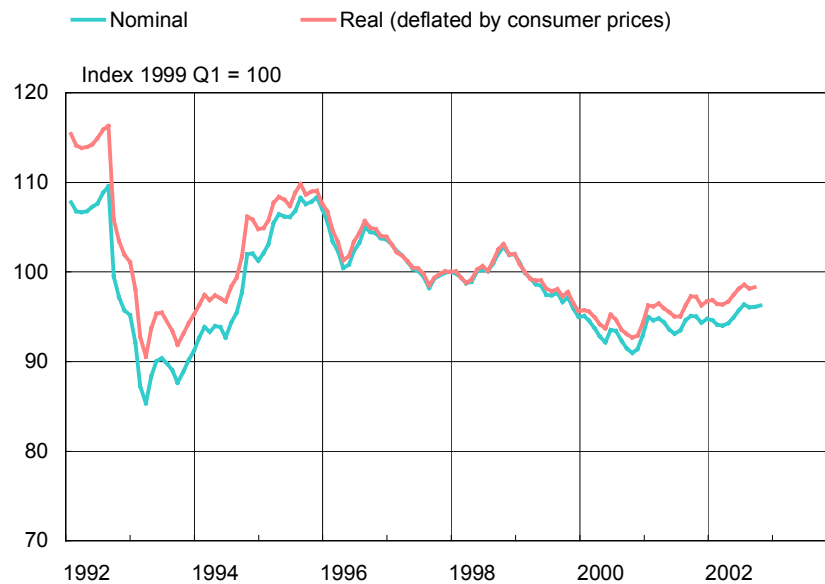
Chart 25.

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.

Real economy

Chart 27.

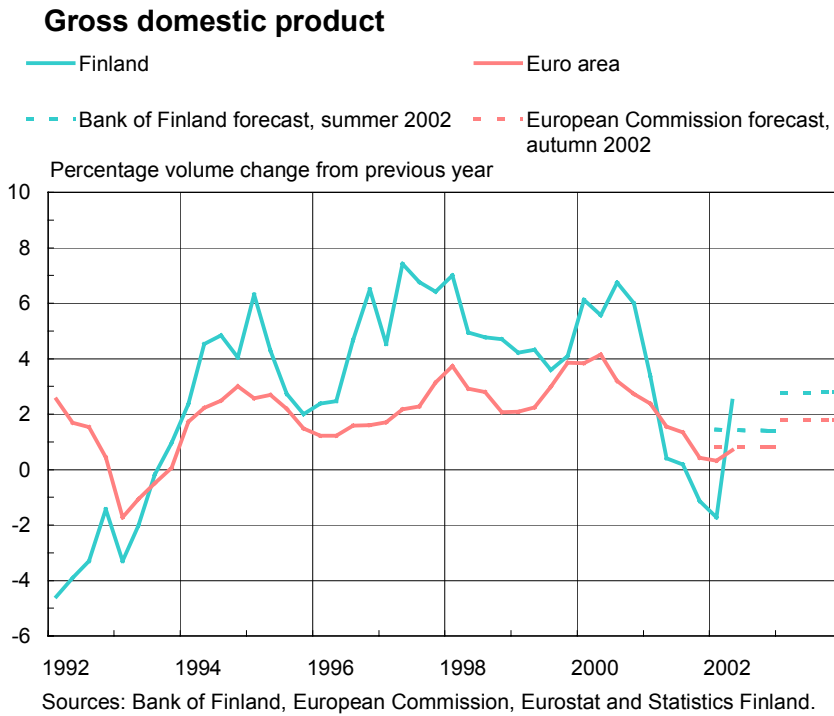


Chart 28.

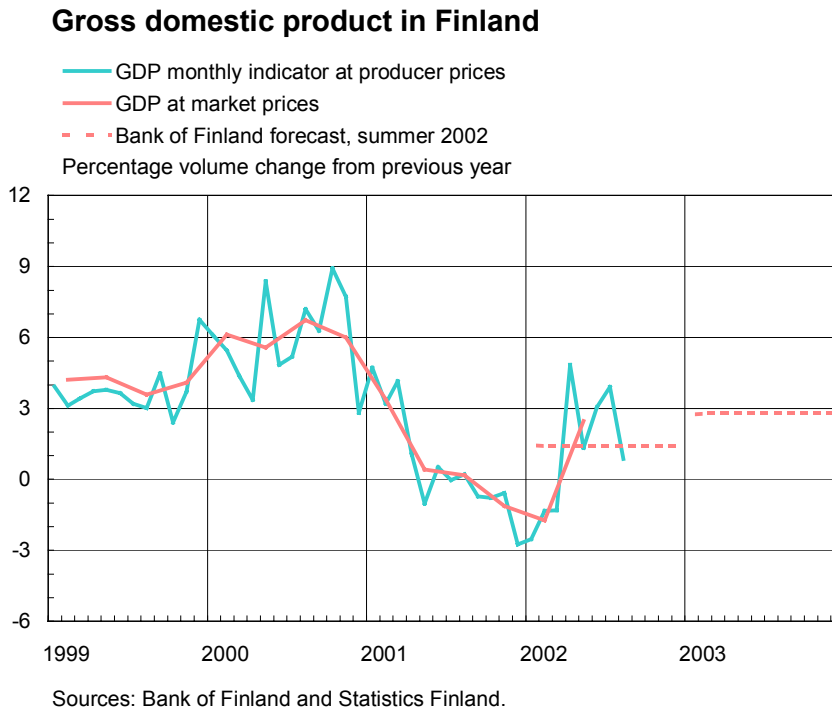


Chart 29.

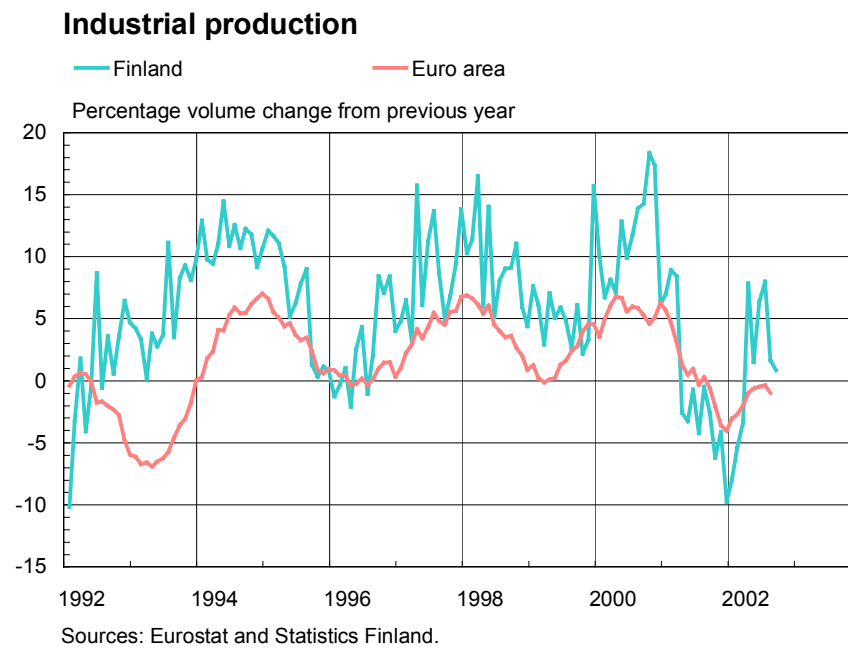


Chart 30.

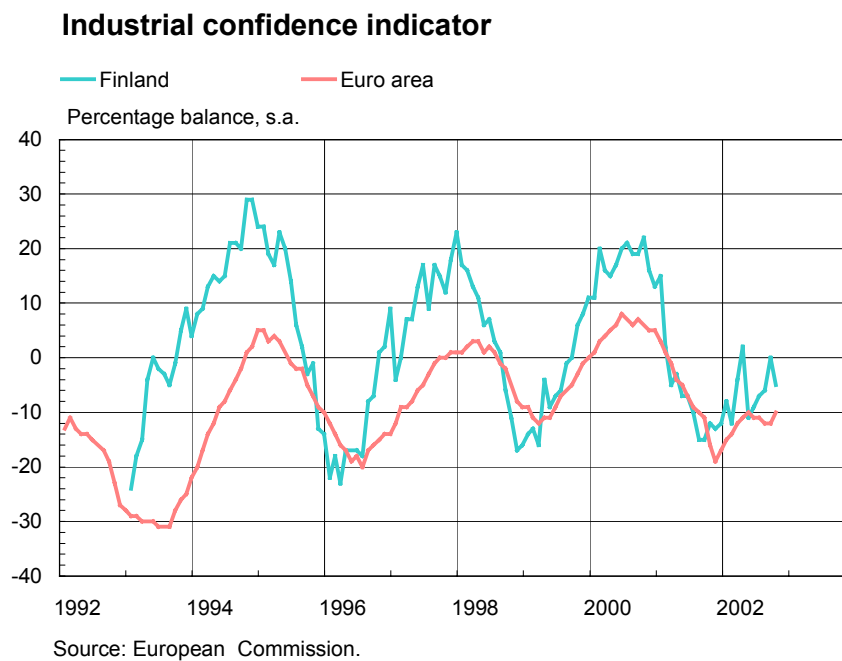


Chart 31.

Manufacturing production by sector in Finland

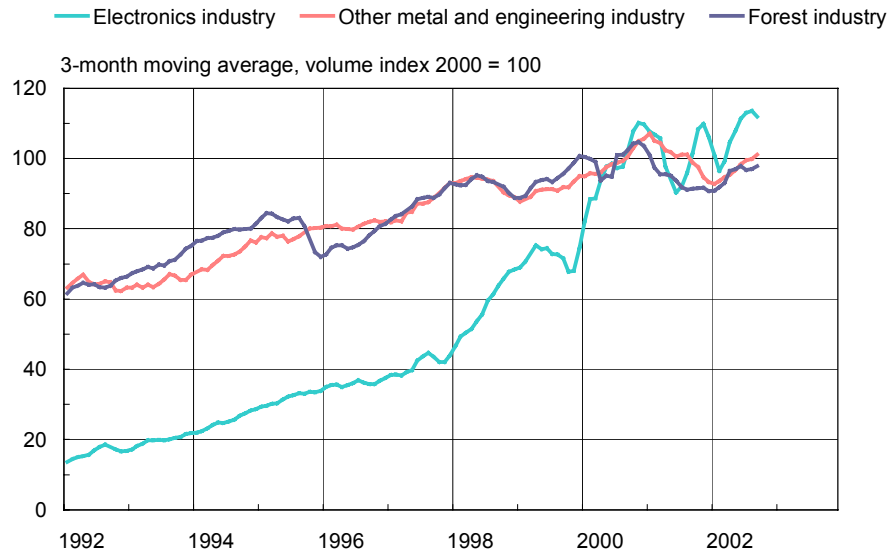


Chart 32.

Finland's imports of goods

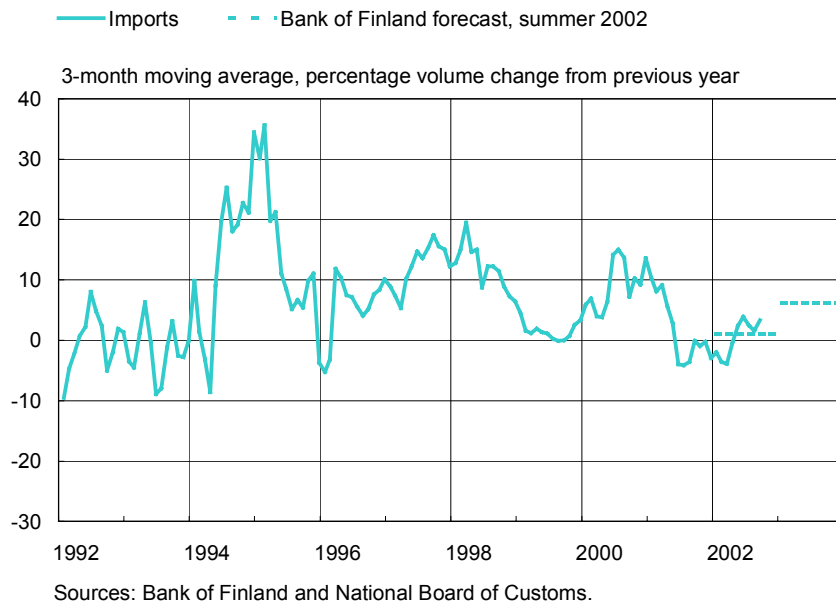


Chart 33.

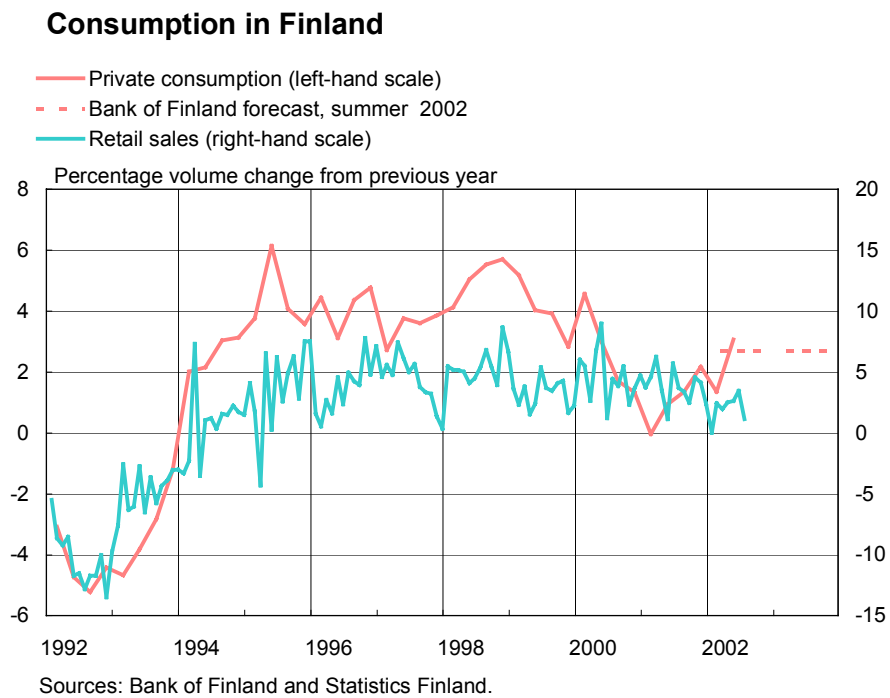


Chart 34.

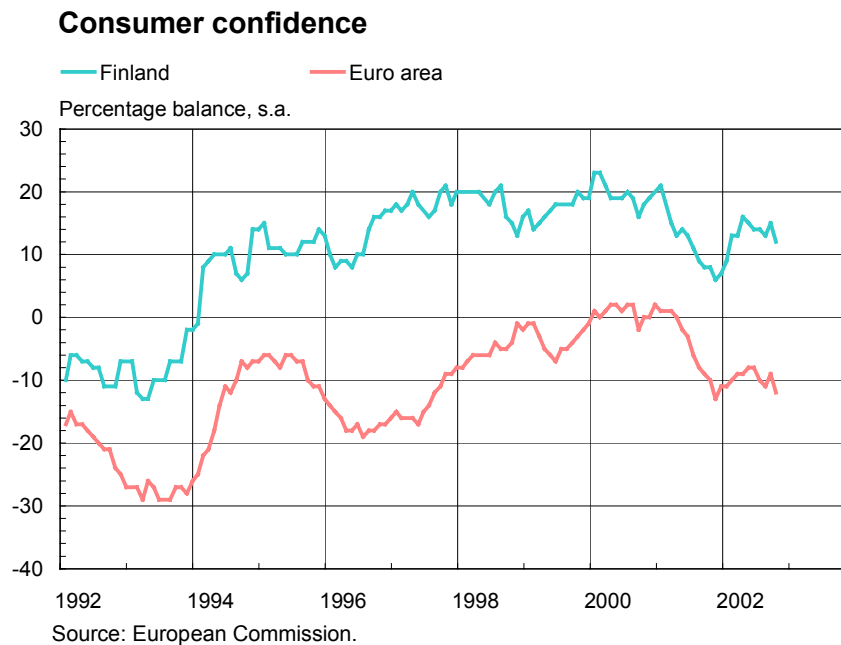


Chart 35.

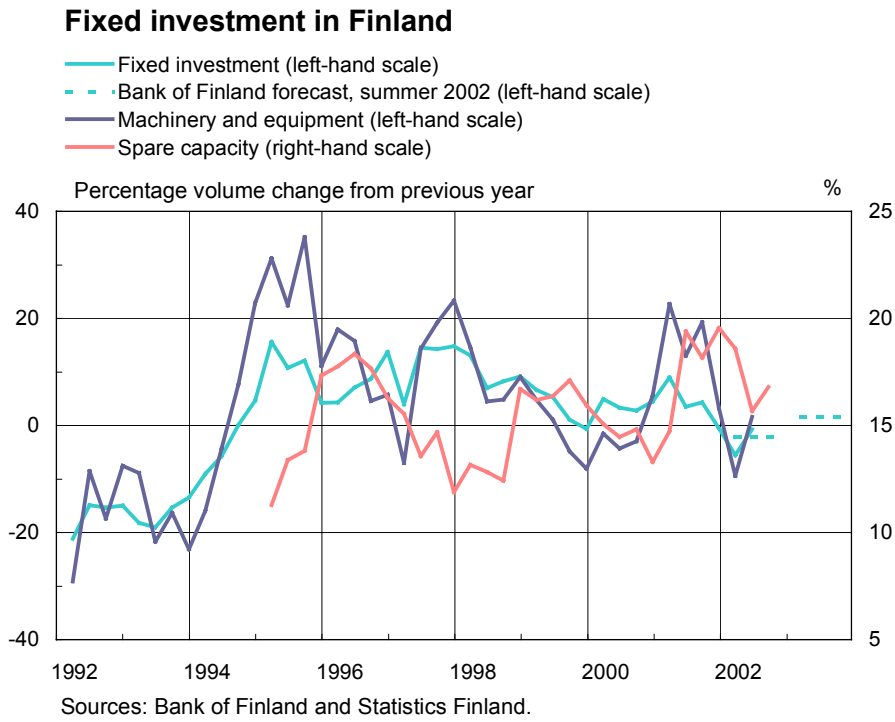


Chart 36.

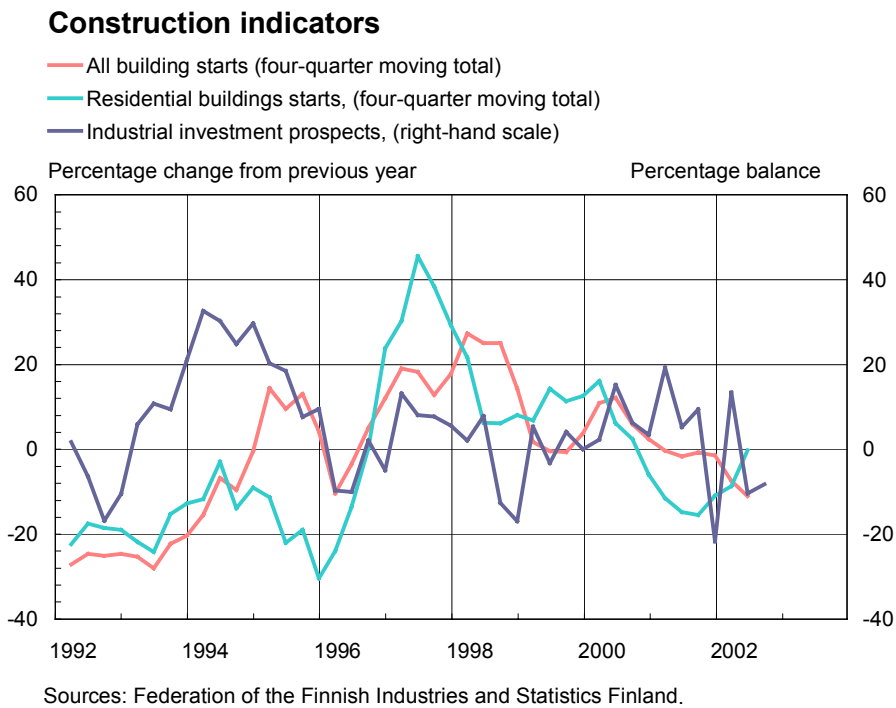


Chart 37.



Chart 38.

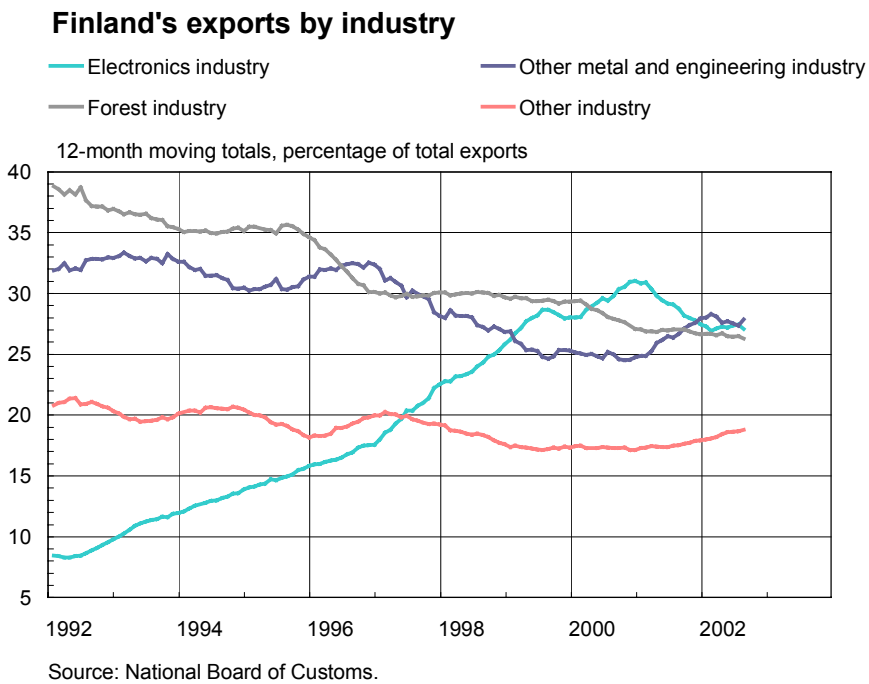


Table 1.

Supply, demand and labour market indicators

| | 2000 | 2001 | 2002 Actual | | 2002* | 2003* |
|---|------|------|------------------------|--|-------|-------|
| Supply and demand | | | | | | |
| <i>percentage volume change from previous year</i> | | | | | | |
| Gross domestic product at market prices | 6.1 | 0.7 | 2.5 Q2 0.3 Q1-Q2 | | 1.4 | 2.8 |
| GDP monthly indicator at producer prices | 5.9 | 0.6 | 0.9 M8 1.1 M1-M8 | | | |
| Manufacturing production | 12.7 | -1.6 | 0.3 M9 1.1 M1-M9 | | | |
| Consumption expenditure | 1.8 | 1.4 | 2.8 Q2 2.1 Q1-Q2 | | 2.6 | 2.5 |
| - private | 2.6 | 1.1 | 3.2 Q2 2.2 Q1-Q2 | | 2.7 | 2.7 |
| - general government | -0.2 | 2.1 | 2.0 Q2 2.0 Q1-Q2 | | 2.1 | 2.0 |
| Gross fixed capital formation | 3.9 | 4.0 | -0.6 Q2 -3.0 Q1-Q2 | | -2.1 | 1.6 |
| - private | 5.5 | 4.6 | -0.8 Q2 -3.6 Q1-Q2 | | -2.8 | 2.5 |
| - general government | -5.4 | 0.8 | 0.5 Q2 0.1 Q1-Q2 | | 2.6 | -3.7 |
| Domestic demand | 2.9 | 2.0 | 0.0 Q2 -1.3 Q1-Q2 | | 0.9 | 2.7 |
| Exports of goods and services | 20.1 | -2.2 | 4.3 Q2 0.6 Q1-Q2 | | 1.9 | 4.9 |
| Imports of goods and services | 16.0 | 0.1 | -1.3 Q2 -3.4 Q1-Q2 | | 0.8 | 5.6 |
| Labour market indicators | | | | | | |
| Employed persons <i>percentage change from previous year</i> | 1.7 | 1.4 | -0.3 M10 0.3 M1-M10 | | 0.1 | 0.0 |
| Unemployment rate, s.a. ** | 9.8 | 9.1 | 9.1 M10 9.1 M1-M10 | | 9.3 | 9.4 |

Source: Statistics Finland.

* Bank of Finland forecast, summer 2002.

** Seasonally adjusted by the Bank of Finland.

Prices and costs

Chart 39.

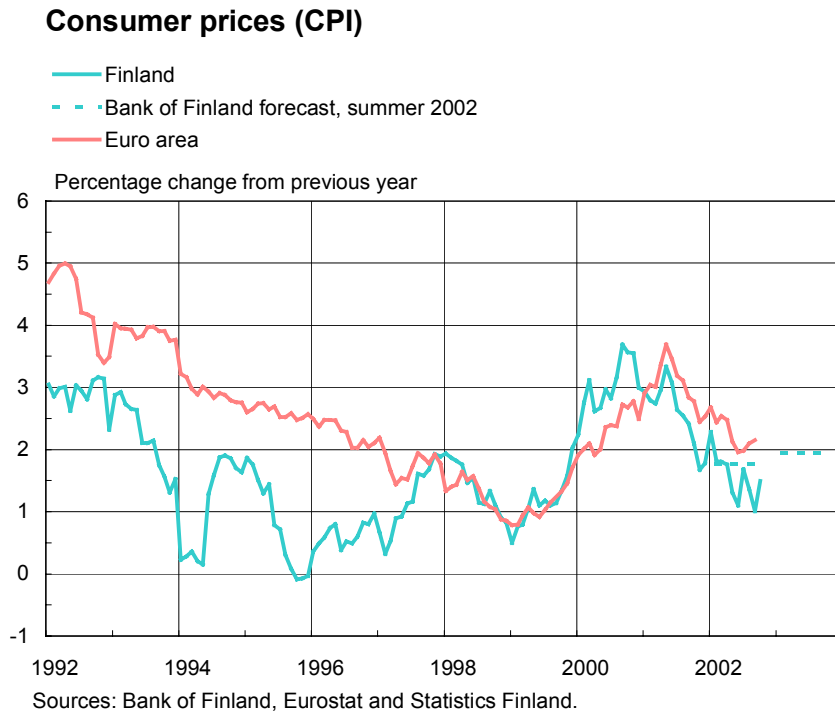


Chart 40.

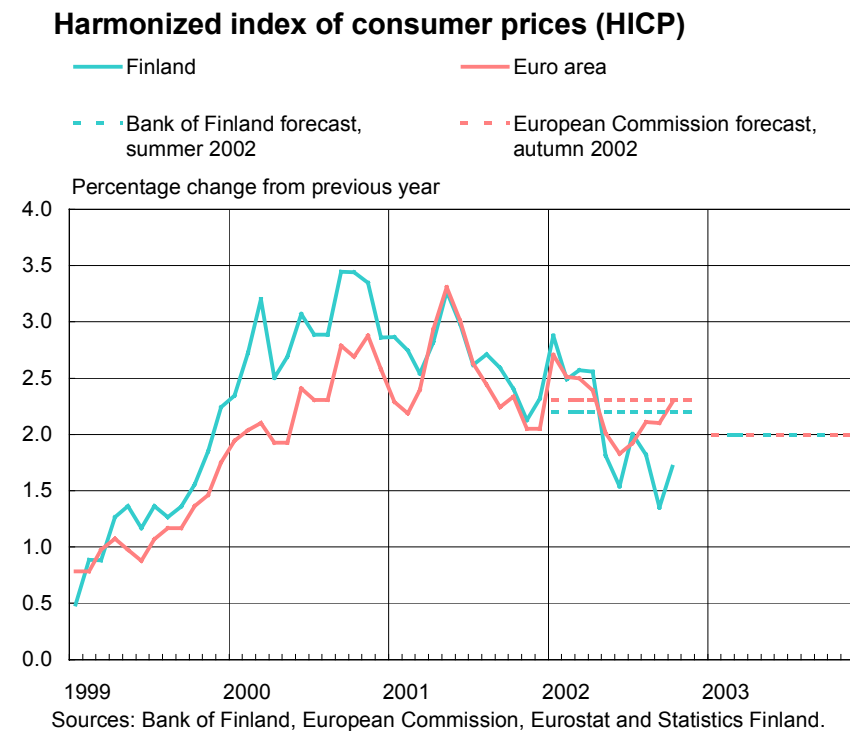


Chart 41.

Inflation rates in the euro area (HICP)

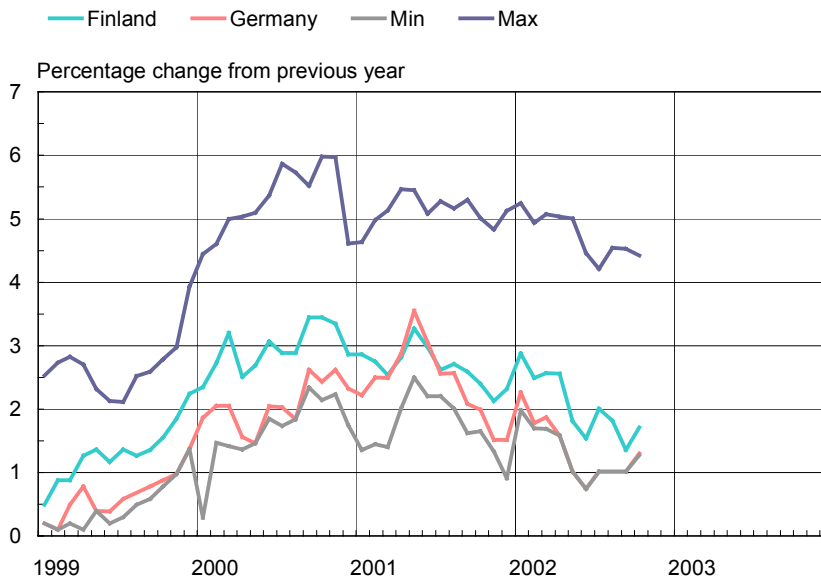


Chart 42.

Producer prices

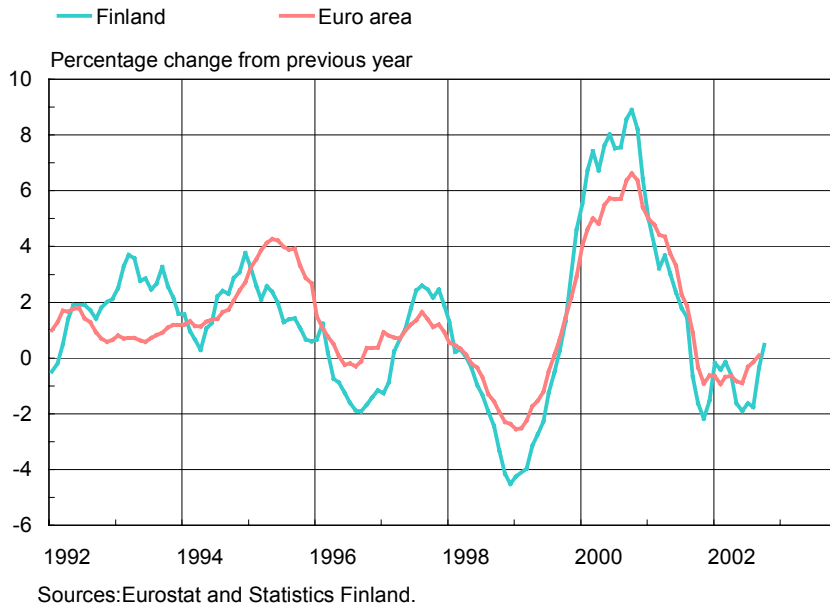


Chart 43.



Chart 44.

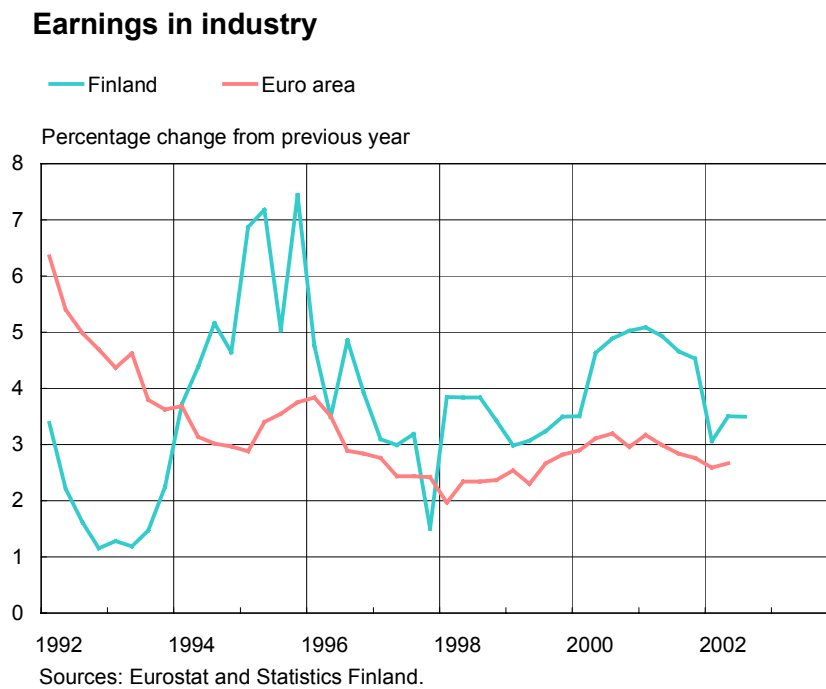


Chart 45.

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

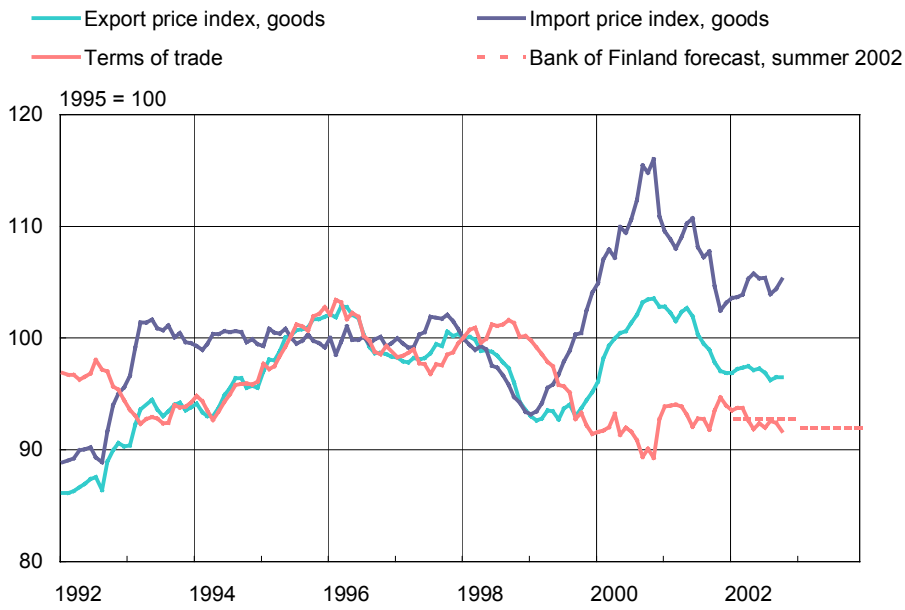


Chart 46.

Dwelling prices in Finland

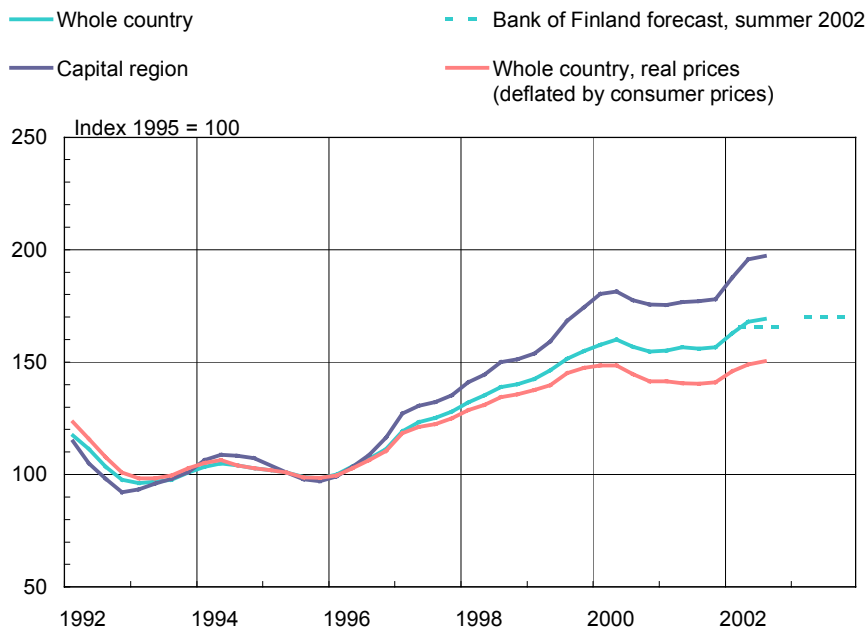


Table 2.

Cost and price indicators*Percentage change from previous year*

| | 2000 | 2001 | 2002 Actual | 2002* | 2003* |
|---------------------------------------|------|-------|---------------------------|-------|-------|
| Labour costs | | | | | |
| Index of wages and salaries | 4.0 | 4.5 | 3.3 Q3 3.2 Q1-Q3 | 3.4 | 4.0 |
| Unit labour costs | | | | | |
| - whole economy | -0.6 | 5.2 | 0.8 Q2 2.6 Q1-Q2 | 1.5 | 2.2 |
| - manufacturing | -6.2 | 6.2 | -3.9 Q2 1.6 Q1-Q2 | | |
| Price indices | | | | | |
| Export prices (goods) | | | | | |
| - export price index | 7.9 | -0.6 | -1.4 M10 -4.0 M1-M10 | | |
| - export price deflator | 2.7 | -1.6 | -3.7 Q2 -5.0 Q1-Q2 | -4.4 | 0.7 |
| Import prices (goods) | | | | | |
| - import price index | 13.1 | -2.8 | 0.6 M10 -3.5 M1-M10 | | |
| - import price deflator | 6.4 | -3.1 | -0.4 Q2 -1.4 Q1-Q2 | -2.0 | 1.6 |
| Producer prices | | | | | |
| | 7.4 | 1.5 | 0.5 M10 -0.8 M1-M10 | | |
| Wholesale prices | | | | | |
| | 8.1 | 0.3 | 0.8 M10 -1.1 M1-M10 | | |
| Consumer prices | | | | | |
| - consumer price index | 3.4 | 2.6 | 1.5 M10 1.6 M1-M10 | 1.8 | 2.0 |
| - harmonized index of consumer prices | 3.0 | 2.7 | 1.7 M10 2.1 M1-M10 | 2.2 | 2.0 |
| Asset prices | | | | | |
| Stumpage prices | | | | | |
| | 6.0 | -1.9 | 7.4 M10 1.8 M1-M10 | | |
| Dwelling prices, whole country | | | | | |
| | 5.7 | -0.8 | 8.5 Q3 6.9 Q1-Q3 | 6.3 | 2.4 |
| Share prices | | | | | |
| | 91.1 | -42.5 | -18.6 M10 -22.0 M1-M10 | | |

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

* Bank of Finland forecast, summer 2002.

Labour market

Chart 47.

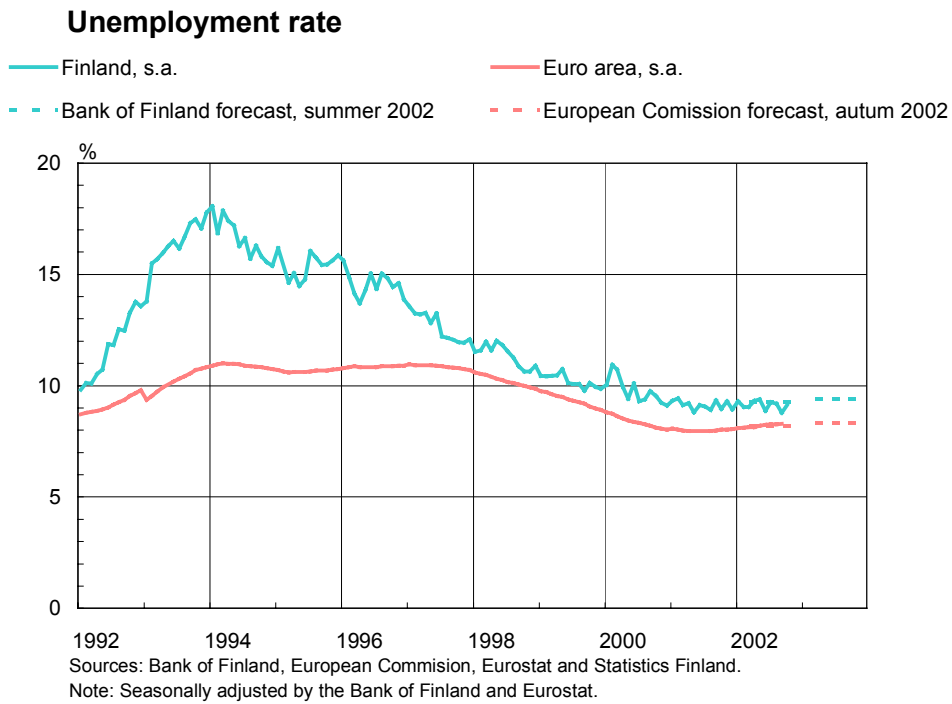
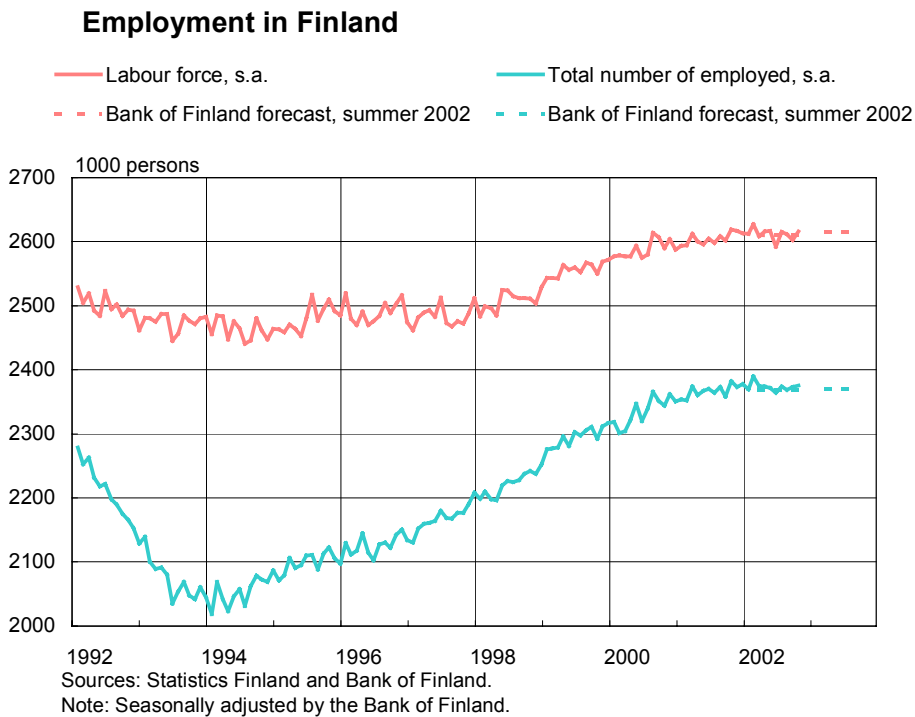


Chart 48.



Public finances

Chart 49.



Chart 50.



External balance

Chart 51.

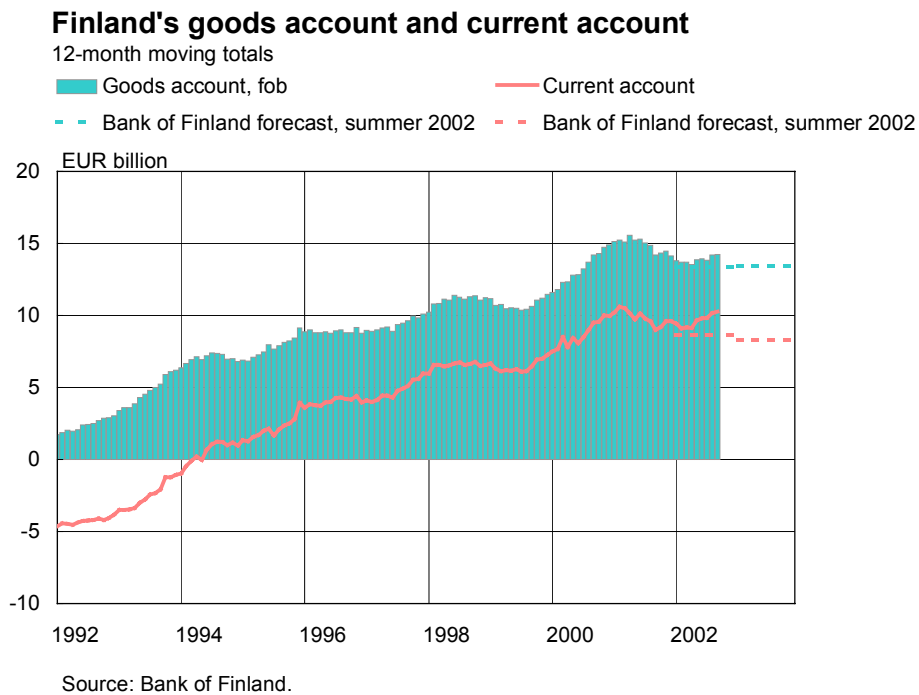


Chart 52.

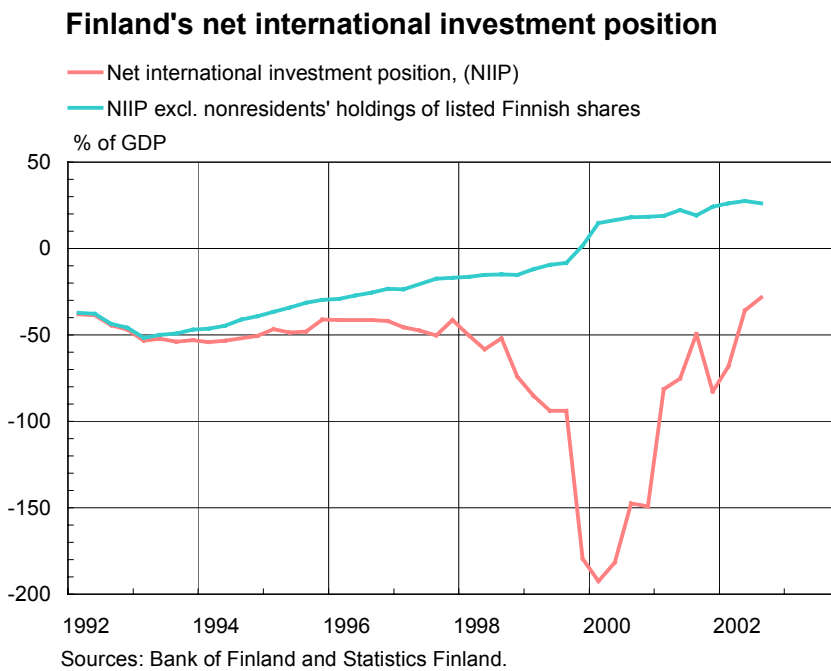


Table 3.

External balance and sectoral balances indicators

| | 2000 | 2001 | 2002 Actual | 2002* | 2003* |
|--|-------|-------|--------------------------|-------|-------|
| Goods account | | | | | |
| EUR billion | 14.9 | 14.1 | 1.1 M09 10.1 M01-M09 | 13.3 | 13.4 |
| per cent of GDP | 11.4 | 10.4 | | 9.5 | 9.2 |
| Current account | | | | | |
| EUR billion | 10.0 | 9.6 | 0.9 M09 6.3 M01-M09 | 8.6 | 8.3 |
| per cent of GDP | 7.6 | 7.1 | | 6.2 | 5.7 |
| Financial account | | | | | |
| EUR billion | -9.6 | -9.1 | -0.6 M09 -6.1 M01-M09 | | |
| General government | -11.0 | -10.0 | -0.4 M09 -4.8 M01-M09 | | |
| Direct investment | | | | | |
| in Finland | 9.6 | 4.2 | 0.1 M09 4.0 M01-M09 | | |
| abroad | 26.1 | 9.4 | 0.8 M09 5.6 M01-M09 | | |
| Shares | 3.2 | -1.4 | -0.3 M09 -2.0 M01-M09 | | |
| Other capital (incl. errors and omissions) | 14.8 | 7.5 | 0.7 M09 2.3 M01-M09 | | |
| Foreign exchange reserves (increase -) | -0.4 | -0.5 | -0.3 M09 -0.2 M01-M09 | | |
| Net lending, saving minus investment | | | | | |
| Private sector | | | | | |
| EUR billion | 0.7 | 2.9 | | 4.0 | 3.2 |
| per cent of GDP | 0.5 | 2.1 | | 2.8 | 2.2 |
| General government | | | | | |
| EUR billion | 9.2 | 6.7 | | 4.6 | 5.1 |
| per cent of GDP | 7.0 | 4.9 | | 3.3 | 3.5 |
| Central government | | | | | |
| EUR billion | 4.5 | 2.7 | | 1.2 | 1.3 |
| per cent of GDP | 3.5 | 2.0 | | 0.8 | 0.9 |
| Local government | | | | | |
| EUR billion | 0.3 | -0.5 | | -0.5 | -0.5 |
| per cent of GDP | 0.2 | -0.4 | | -0.3 | -0.3 |
| Social security funds | | | | | |
| EUR billion | 4.4 | 4.5 | | 3.9 | 4.3 |
| per cent of GDP | 3.3 | 3.3 | | 2.8 | 3.0 |
| Net foreign debt | | | | | |
| per cent of GDP | 149.2 | 82.6 | | | |
| per cent of exports of goods and services | 347.1 | 206.3 | | | |
| Sectoral debt ratios, gross debt, per cent of GDP | | | | | |
| Non-financial corporate sector ** | 52.2 | 51.6 | | | |
| Household sector | 30.3 | 31.5 | | | |
| General government (Maastricht definition) | 44.0 | 43.4 | | 42.0 | 40.6 |

Sources: Bank of Finland and Statistics Finland.

* Bank of Finland forecast, summer 2002.

** Excl. housing corporations.

