

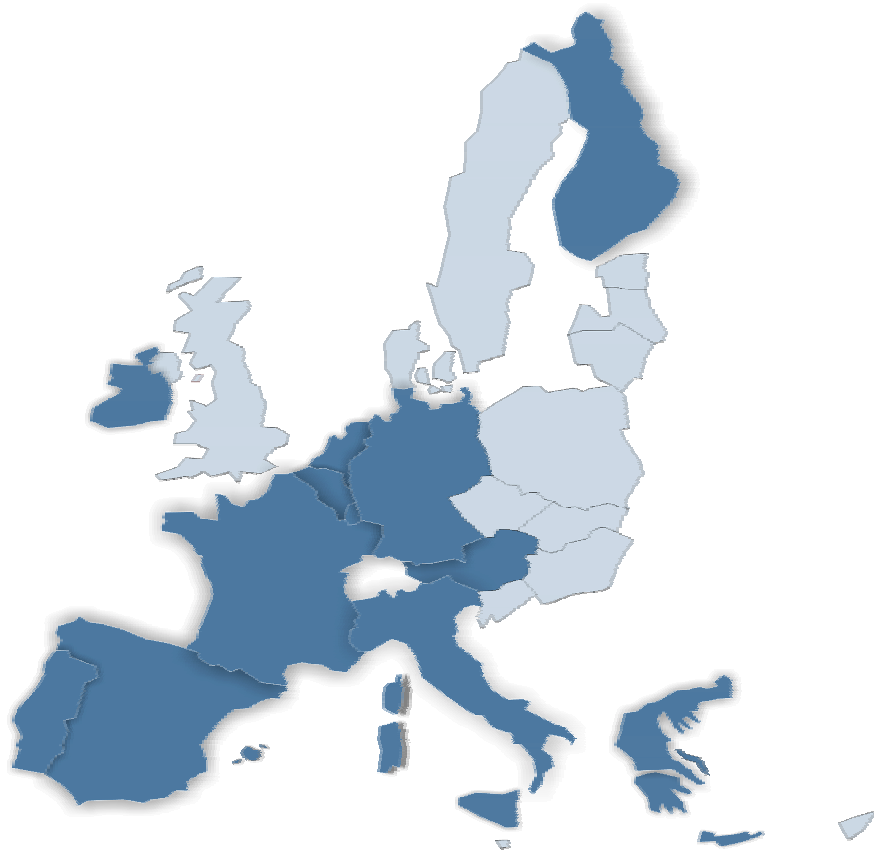


BANK OF FINLAND

Monetary Policy and Research - Financial Markets and Statistics

Main Indicators for the Finnish Economy

No 3/2005



18 Mar 2005

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Monetary policy and market interest rates

Chart 1.

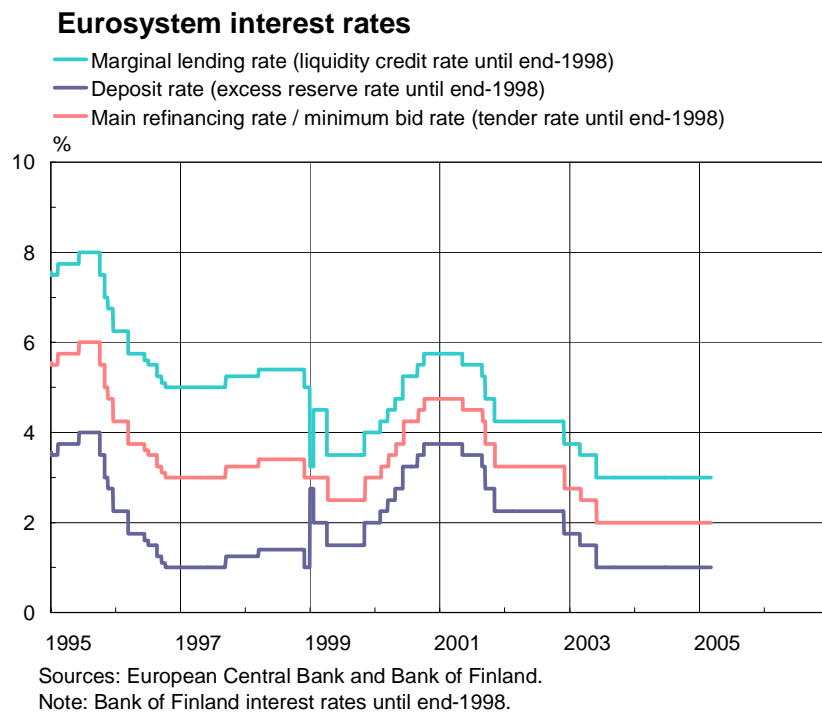


Chart 2.

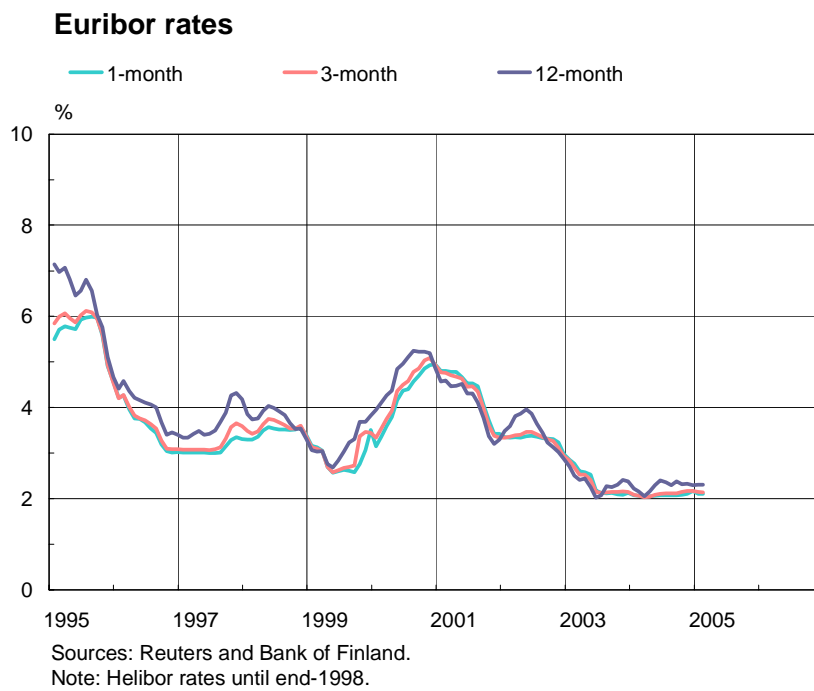
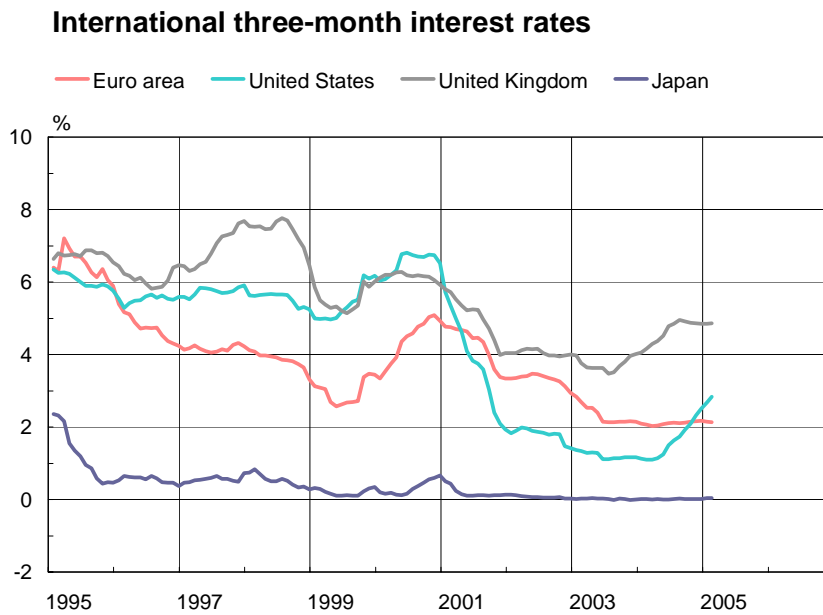
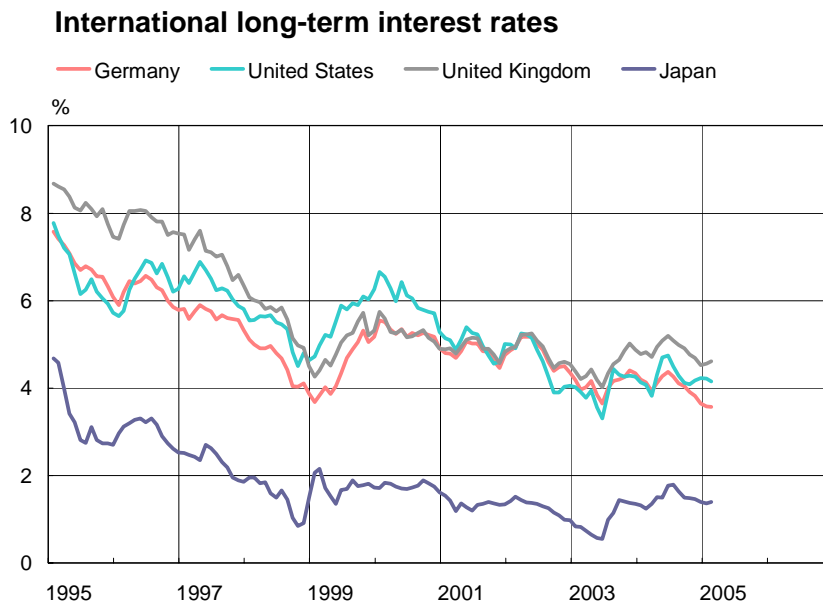


Chart 3.



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.

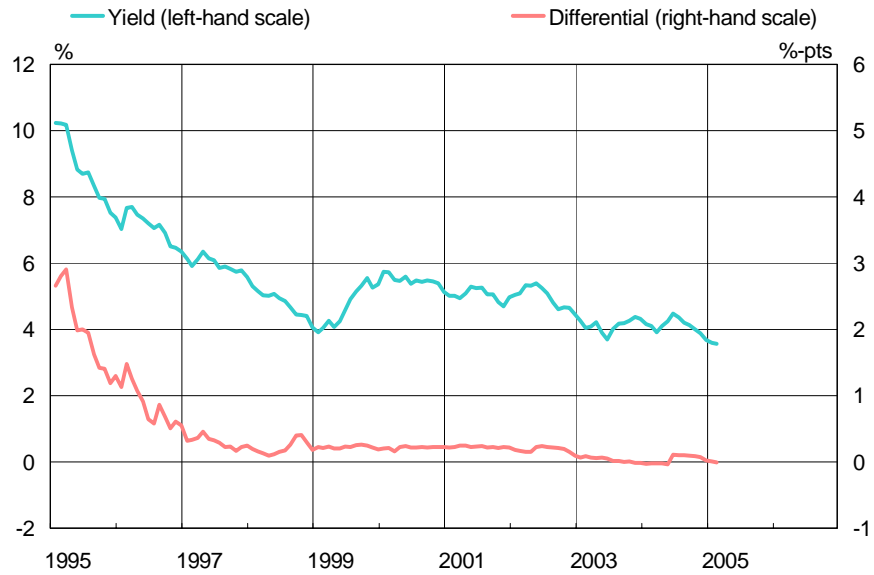
Chart 4.



Source: Reuters.
 Note: Yield on ten-year government bonds.

Chart 5.

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

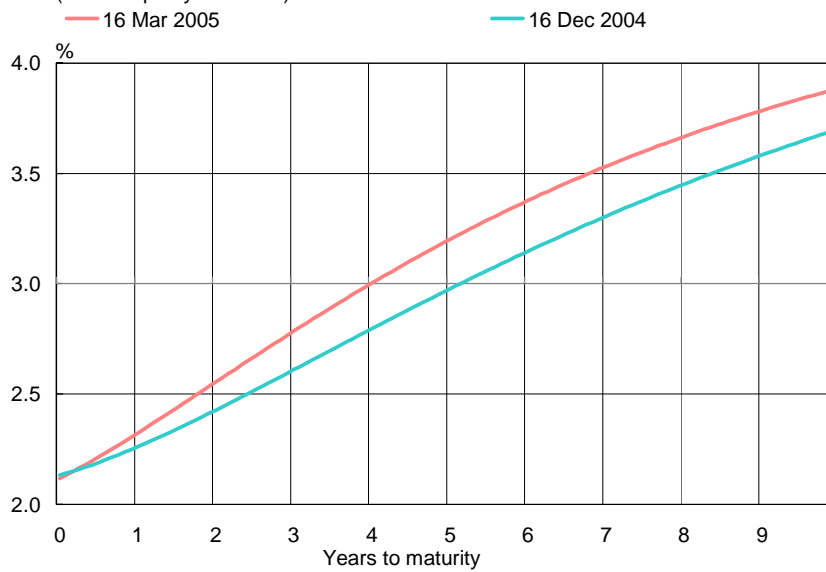


Source: Reuters.

Chart 6.

Euro area (Finland's) yield curve

(zero coupon yield curve)



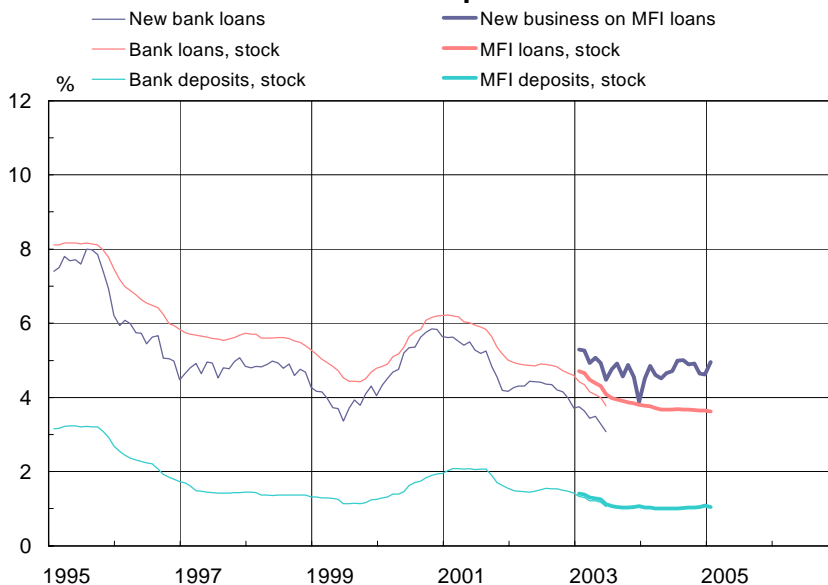
Source: Bank of Finland.

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

Banking in Finland

Chart 7.

Interest rates on loans and deposits

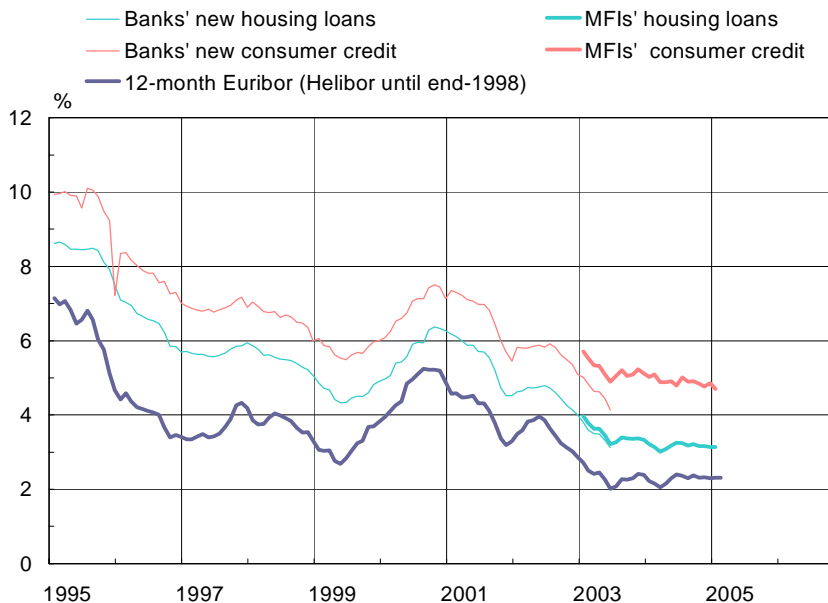


Source: Bank of Finland.

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 business to households



Source: Bank of Finland.

See note in Chart 7.

Chart 9.

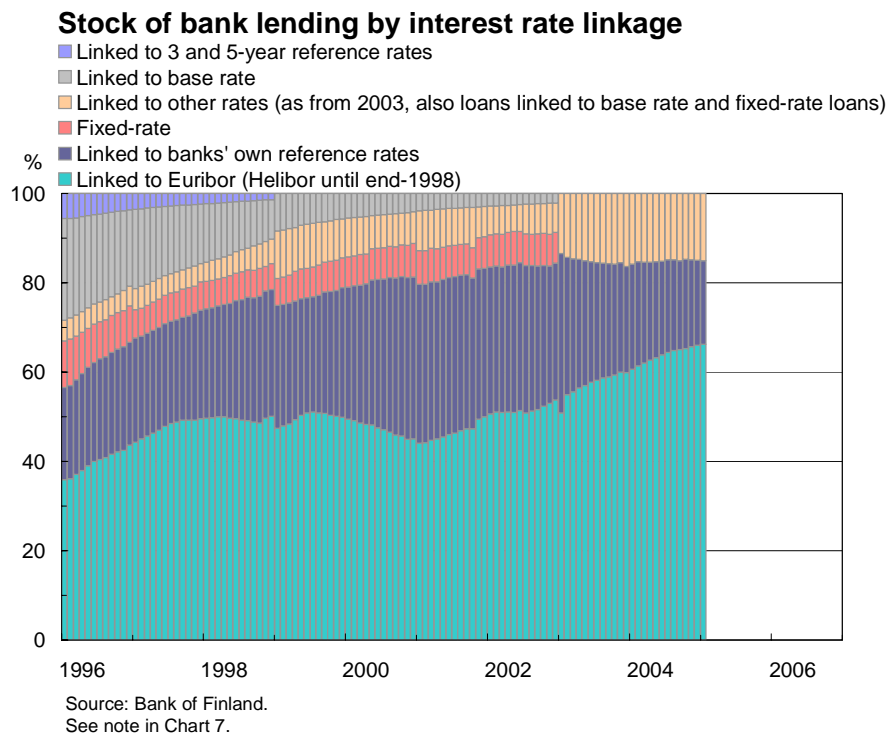


Chart 10.

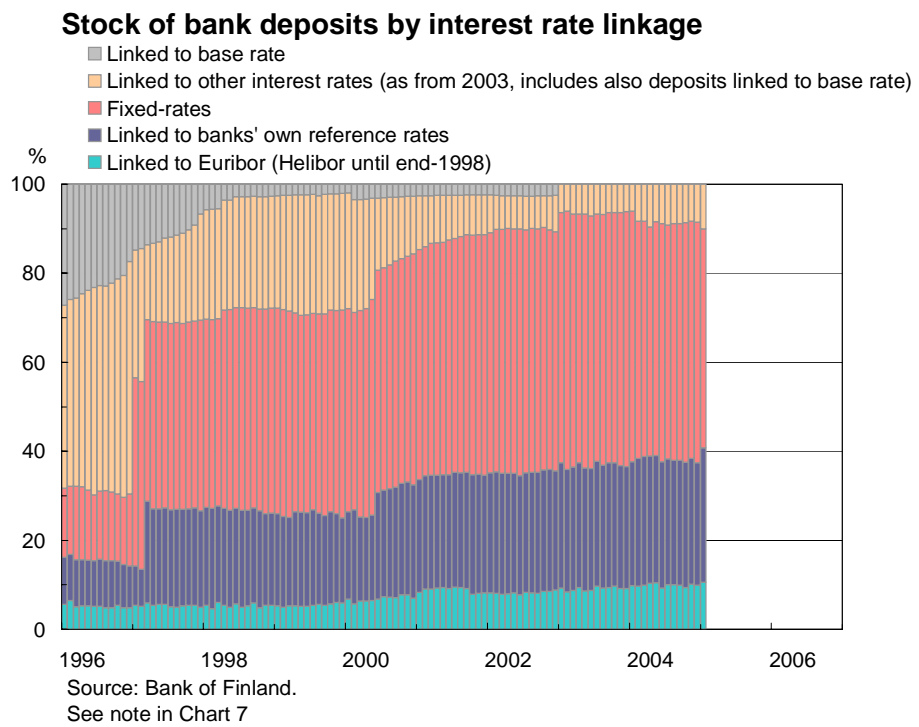
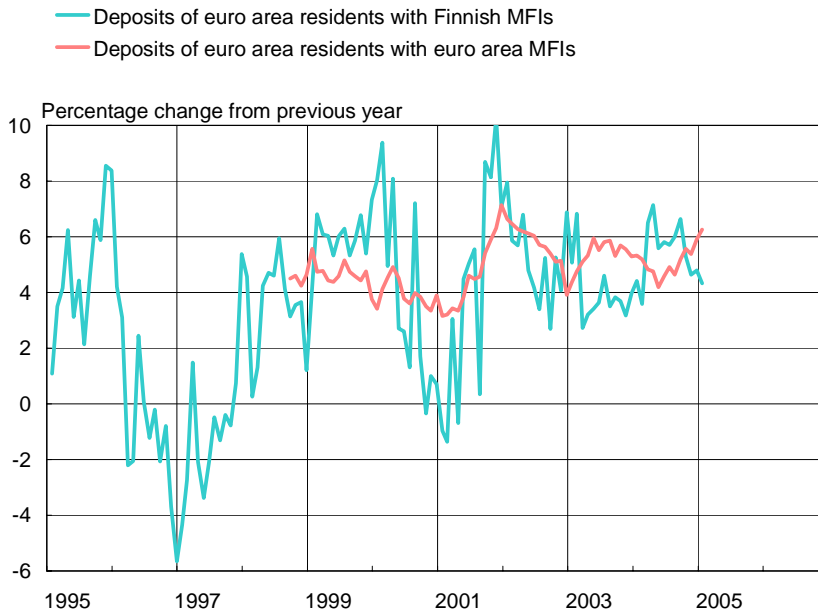


Chart 11.

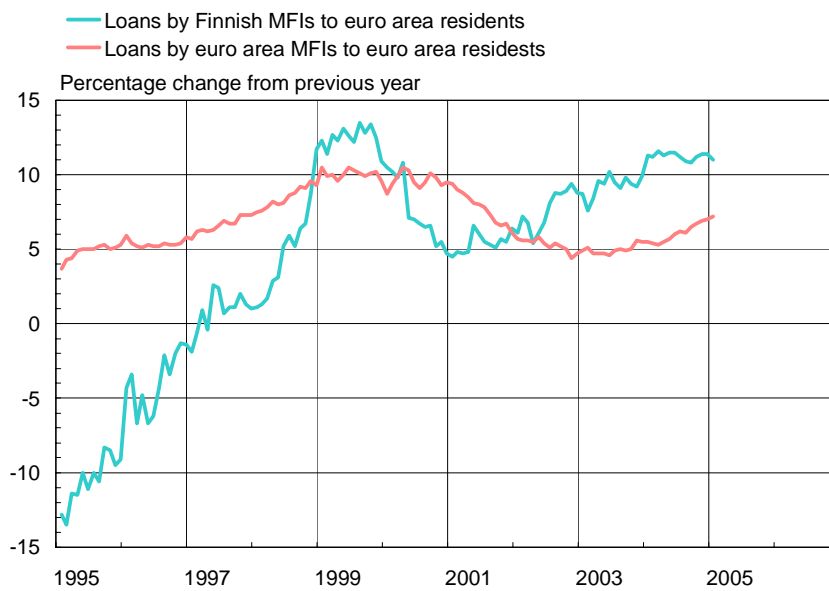
Euro area and Finnish MFIs: growth of deposits



Sources: European Central Bank and Bank of Finland.

Chart 12.

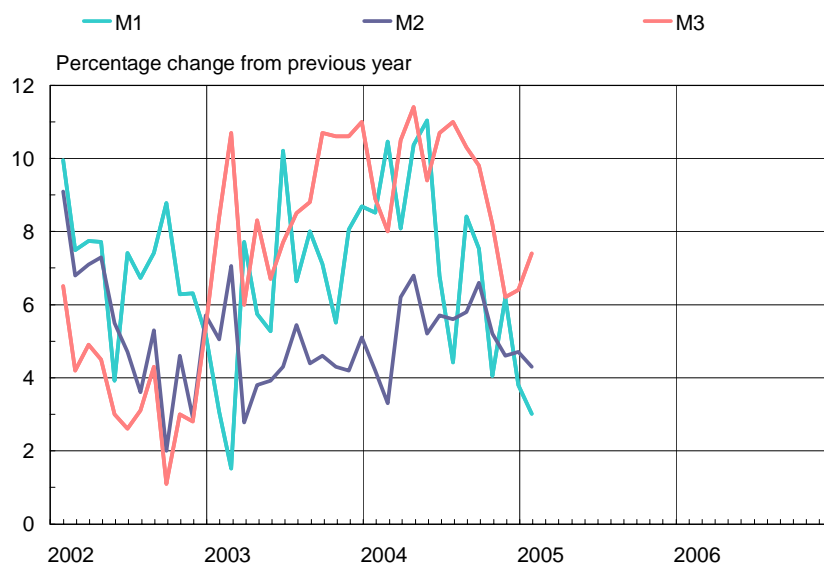
Euro area and Finnish MFIs: growth of loans



Sources: European Central Bank and Bank of Finland.

Chart 13.

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

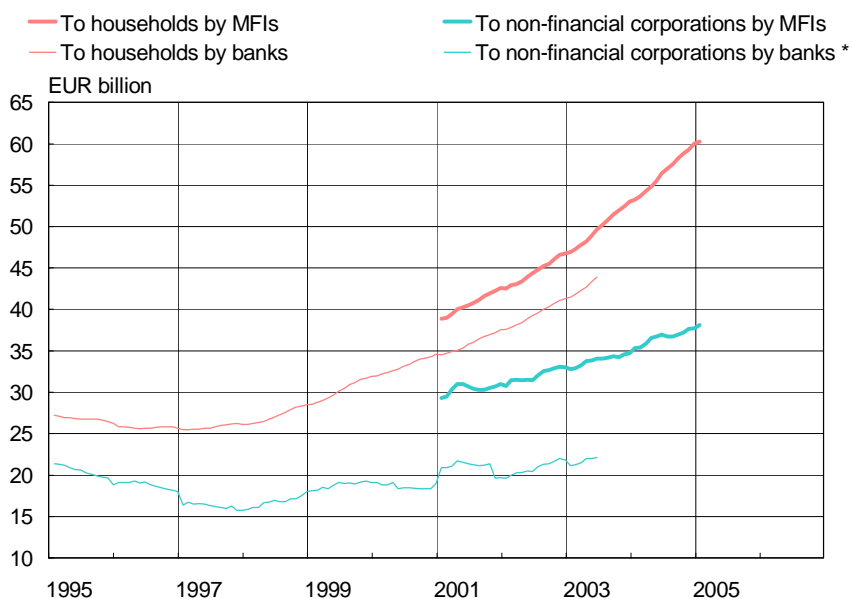


Source: Bank of Finland.

* Note: Excluding currency in circulation with the public.

Chart 14.

Outstanding loans to households and non-financial corporations



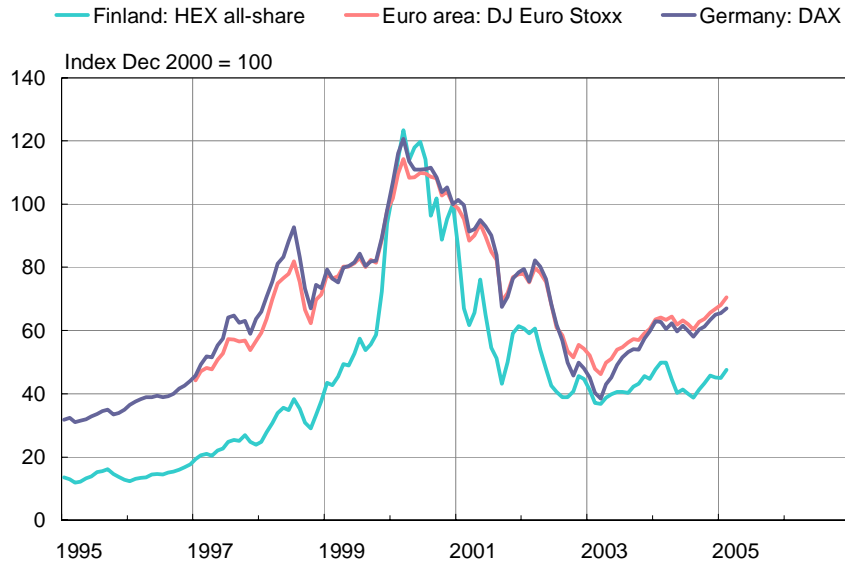
Source: Bank of Finland.

* Note: The series includes structural changes.

Securities market

Chart 15.

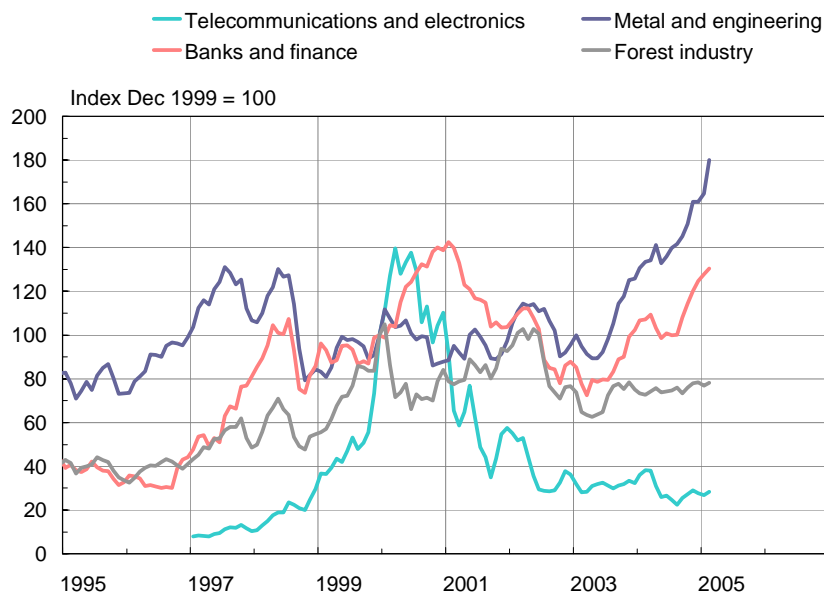
Selected stock price indices in the euro area



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

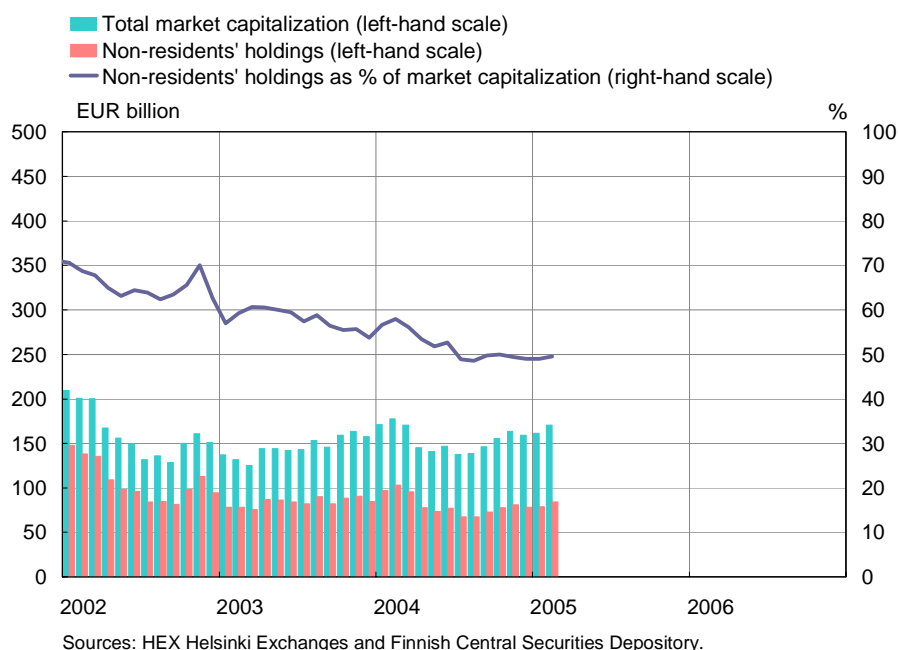


Chart 18.

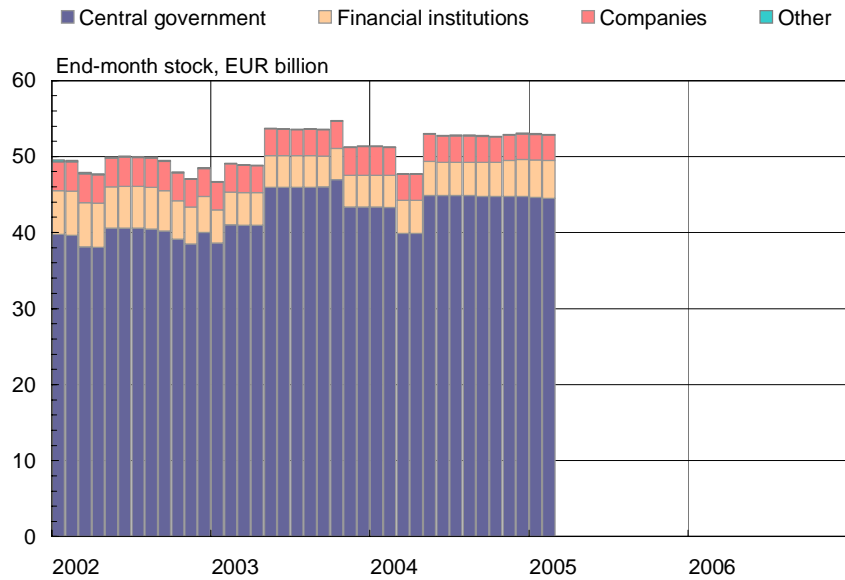
Non-residents' portfolio investments in Finland

12-month moving totals



Chart 19.

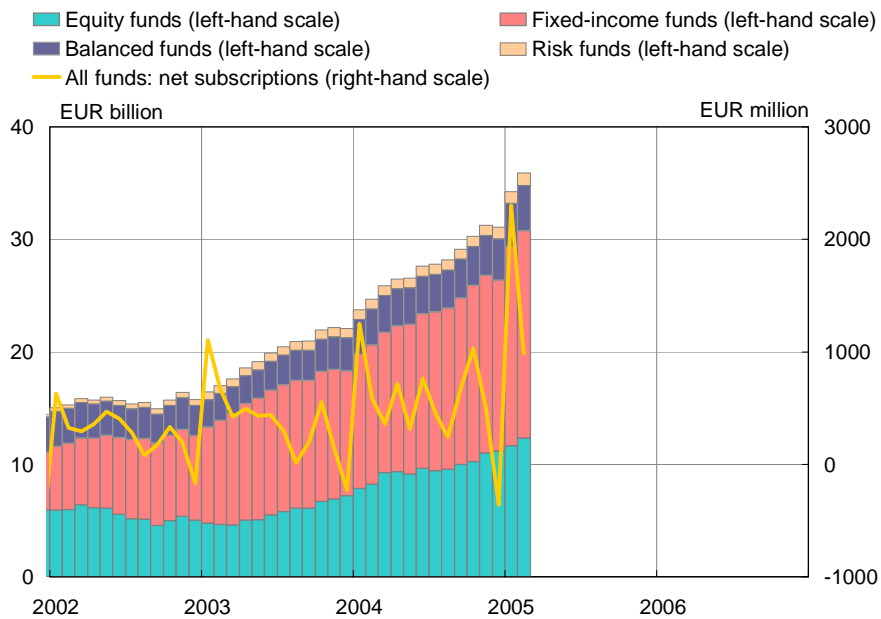
Bonds issued in Finland



Source: Statistics Finland.

Chart 20.

Mutual funds registered in Finland



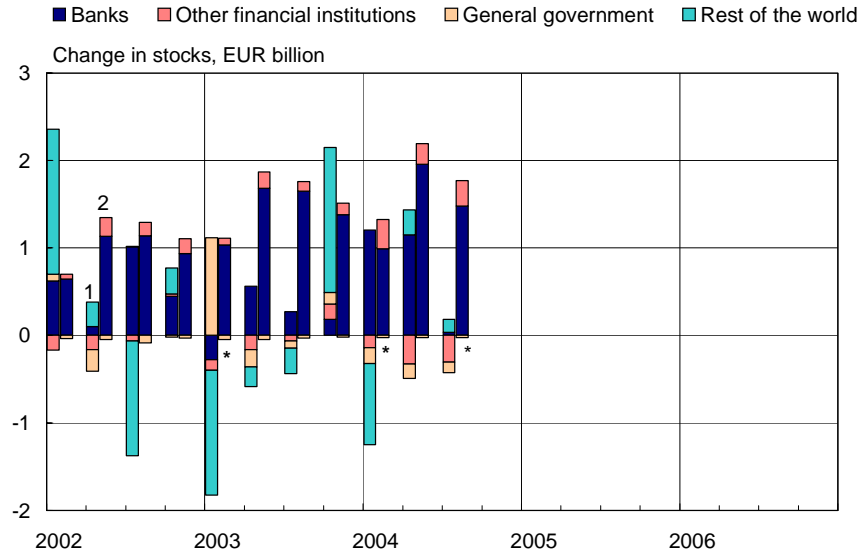
Sources: HEX Helsinki Exchanges and Finnish Association of Mutual Funds.

Borrowing by sector in Finland

Chart 21.

Non-financial corporate sector and household borrowing

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



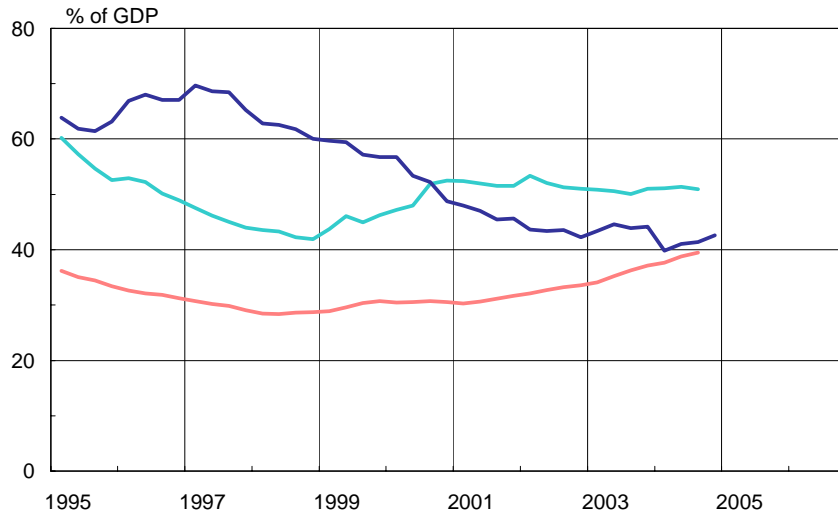
Sources: Bank of Finland and Statistics Finland.

*Note: Corrected for changes in sectoral classification.

Chart 22.

Sectoral debt ratios in Finland

Legend: Non-financial corporate sector excl. housing corporations (teal), Household sector (red), Central government (blue)



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

Exchange rates

Chart 23.

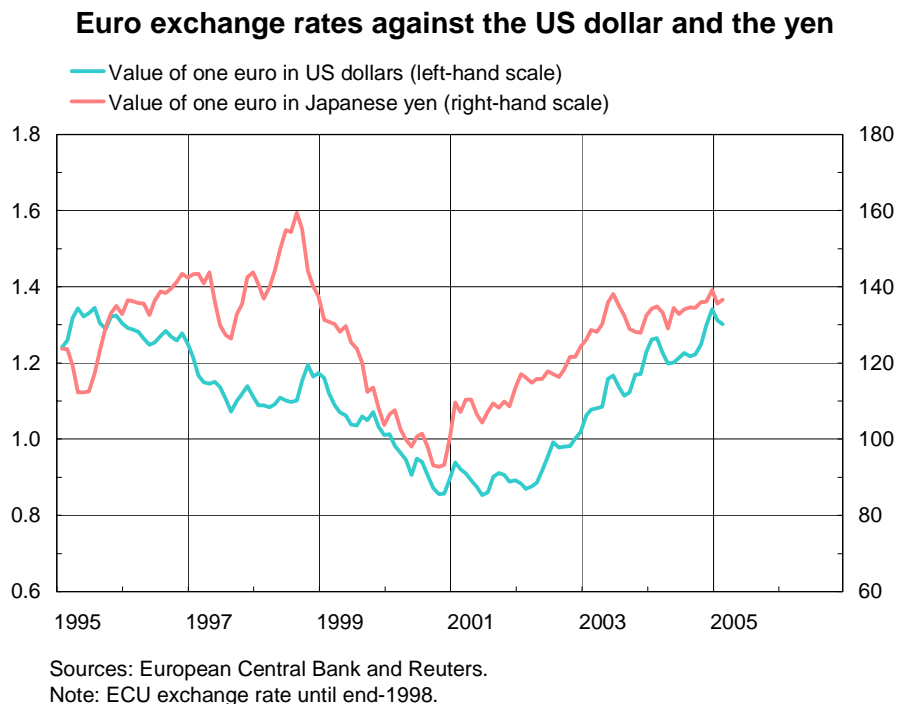


Chart 24.

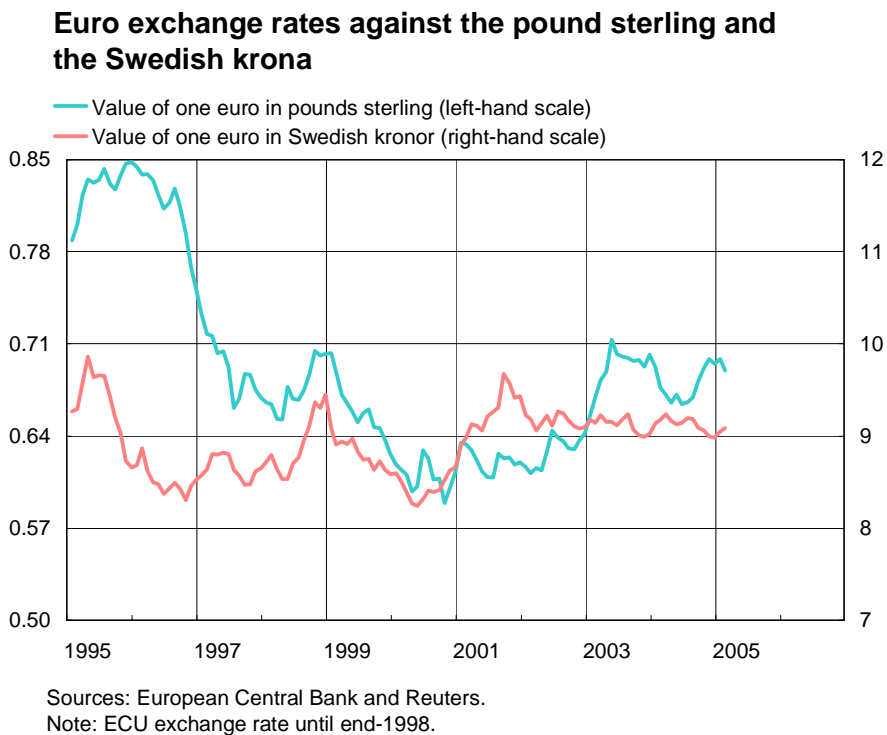
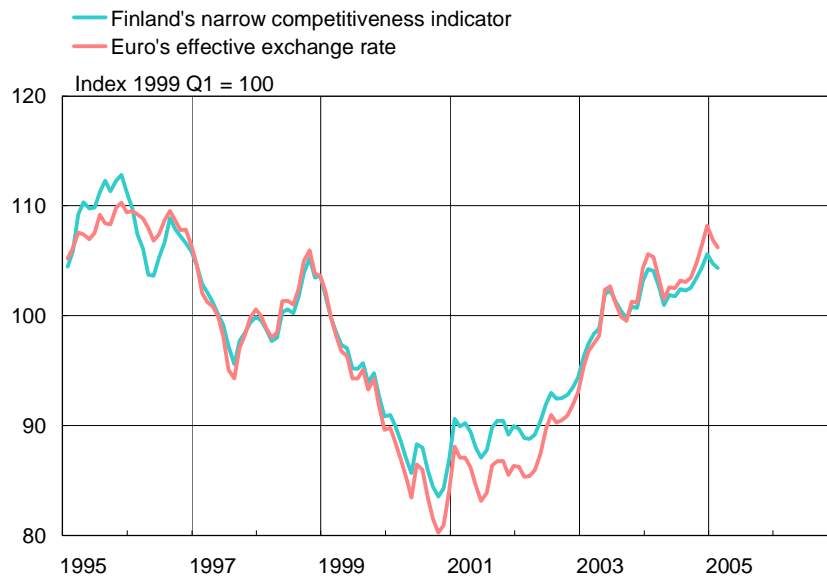


Chart 25.

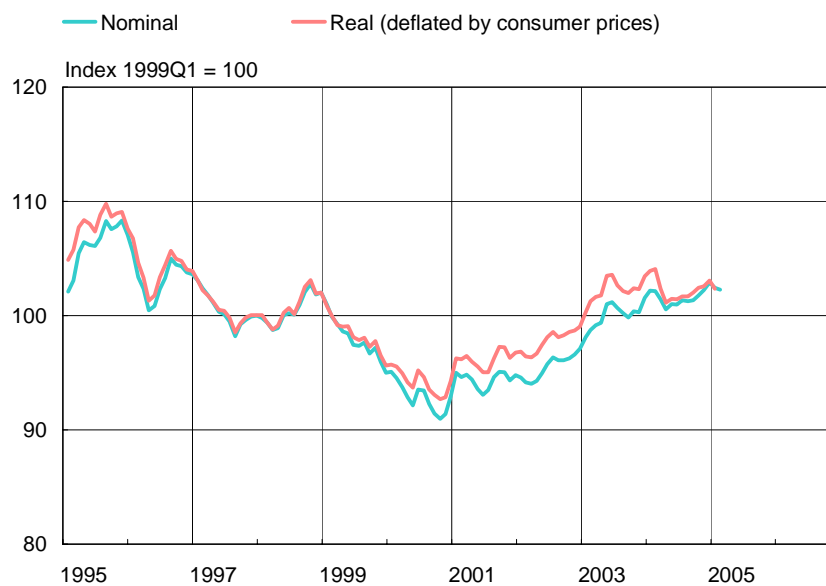
Euro's external value and Finland's competitiveness indicator



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.

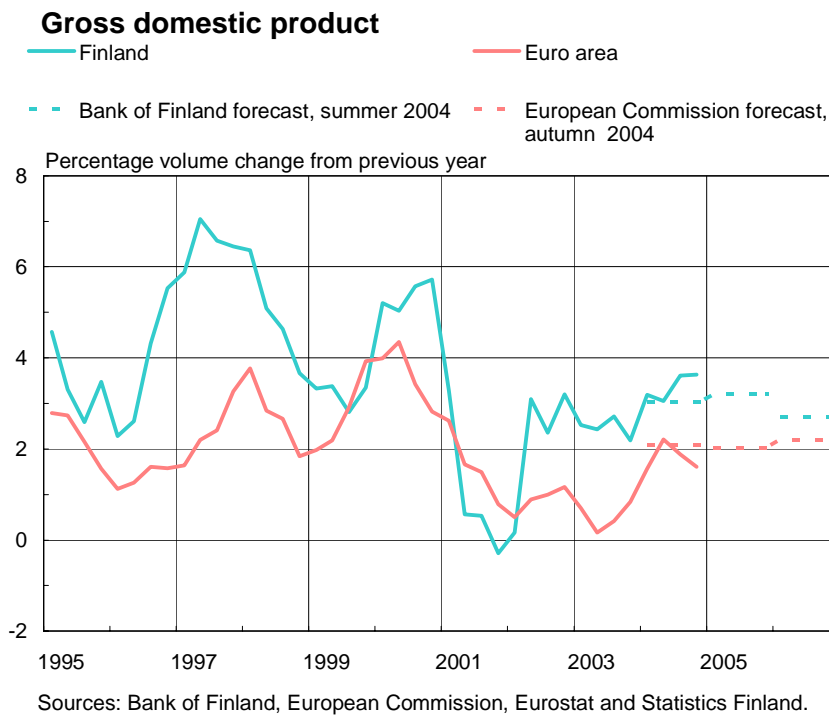


Chart 28.



Chart 29.

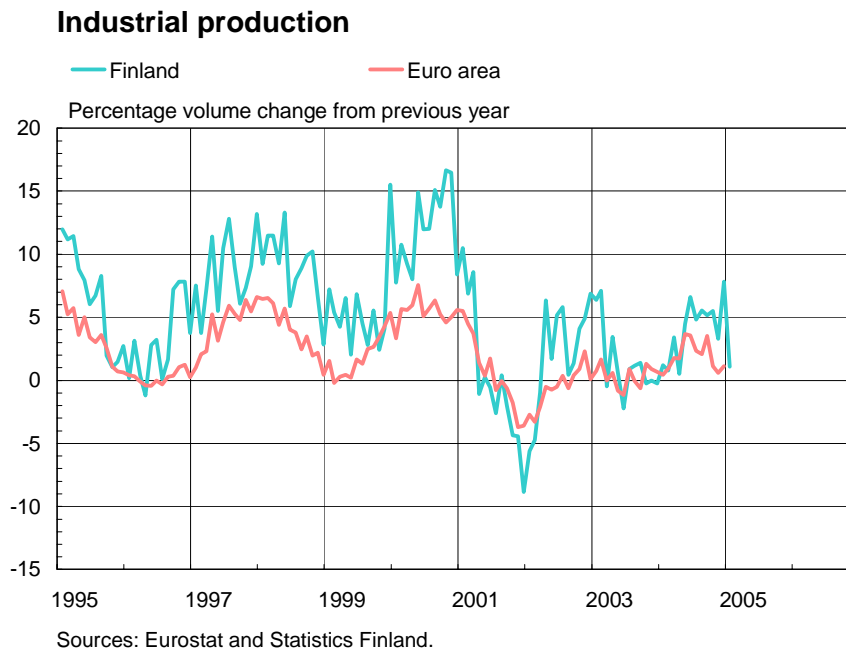


Chart 30.

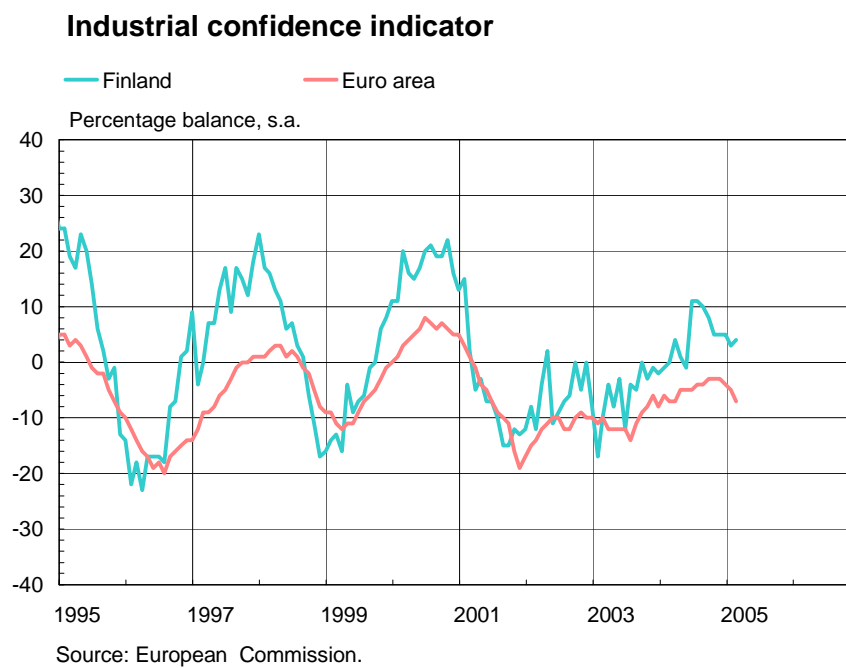


Chart 31.

Manufacturing production by sector in Finland

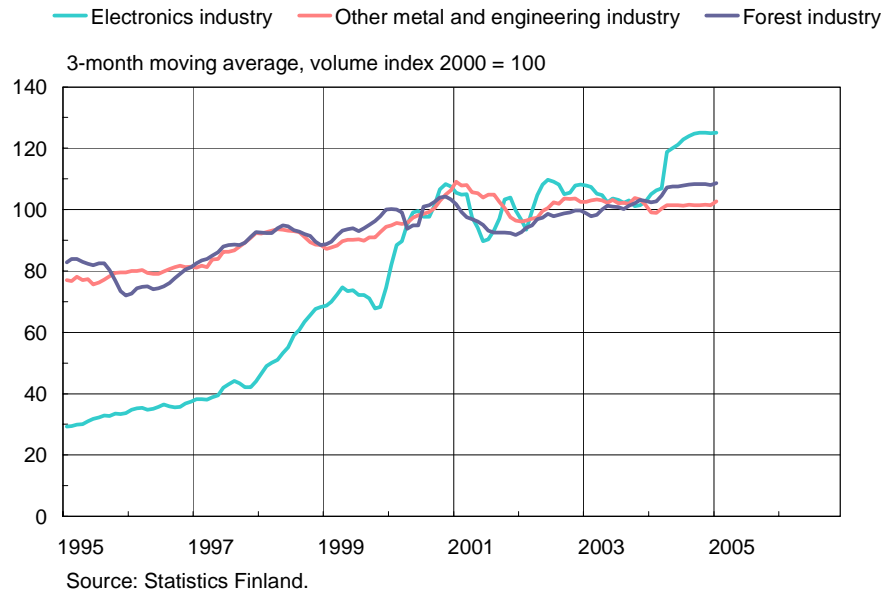


Chart 32.

Finland's imports of goods

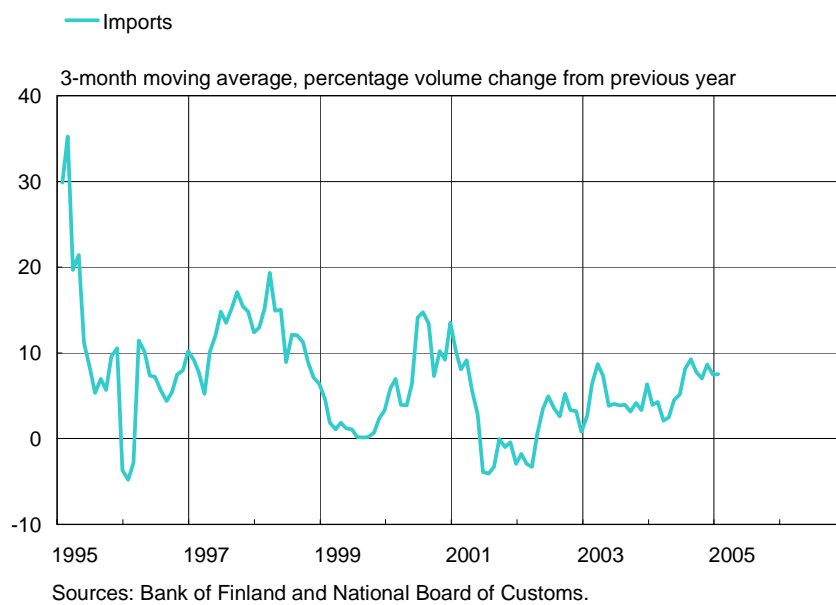


Chart 33.

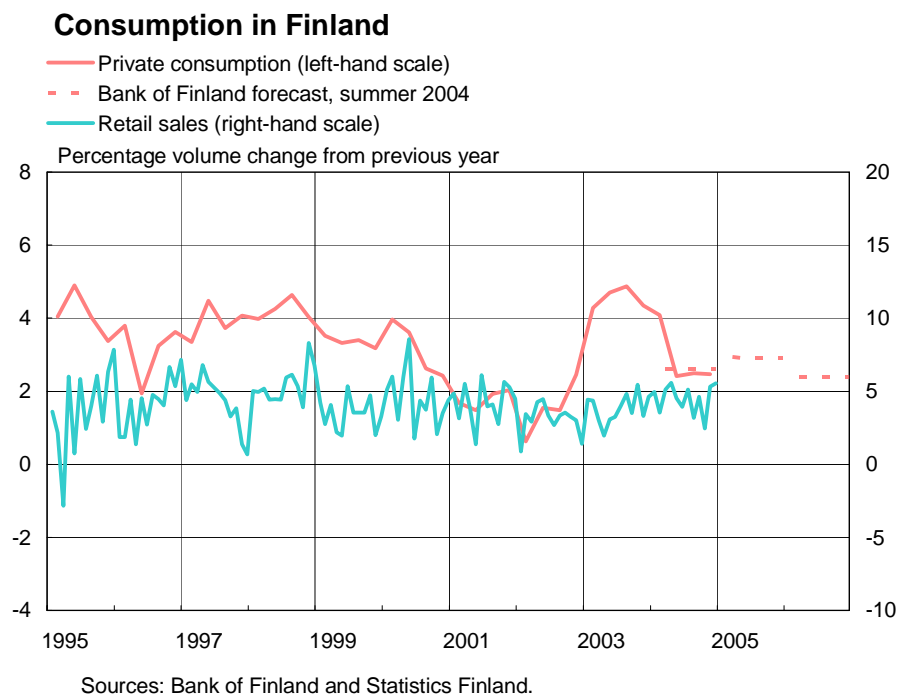


Chart 34.

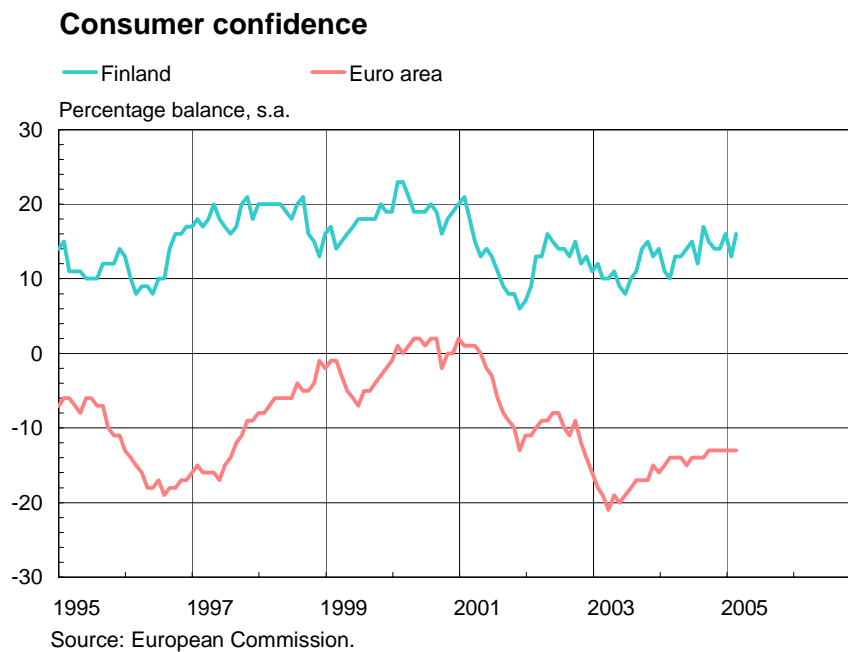


Chart 35.

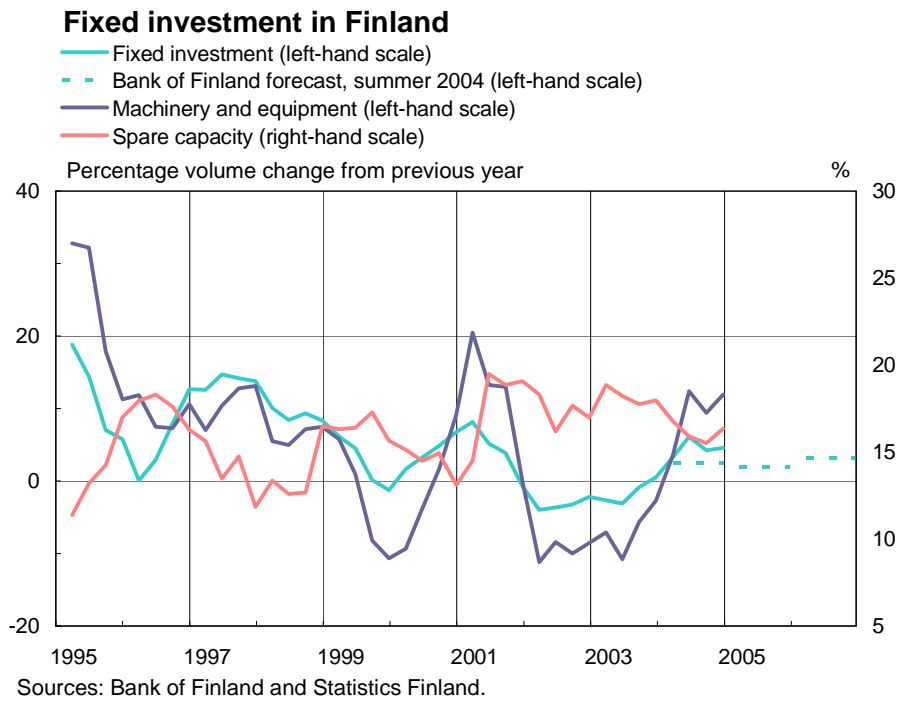


Chart 36.

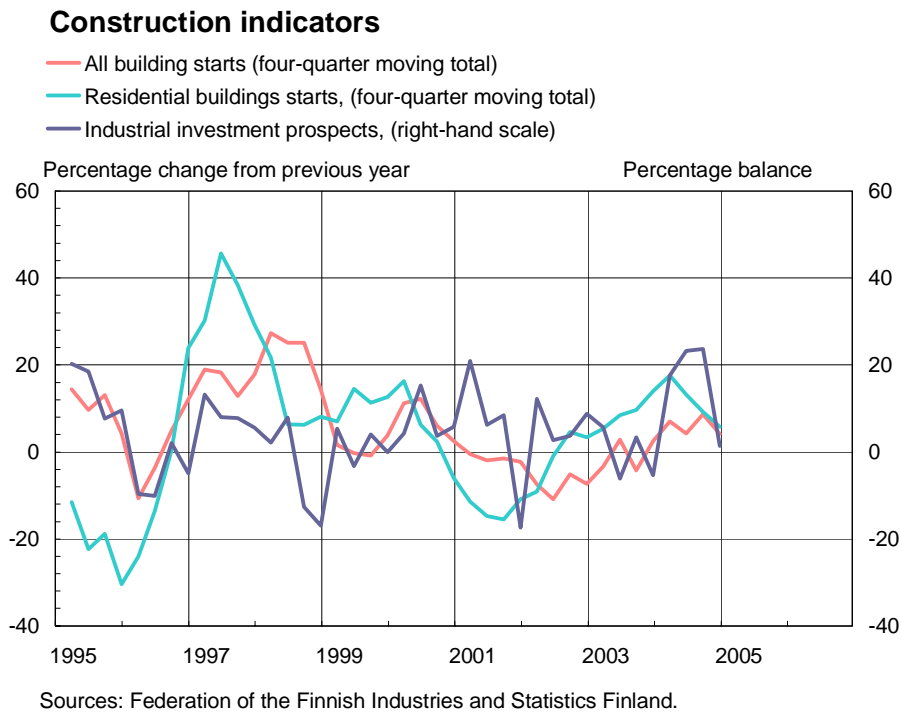


Chart 37.

Finland's exports of goods

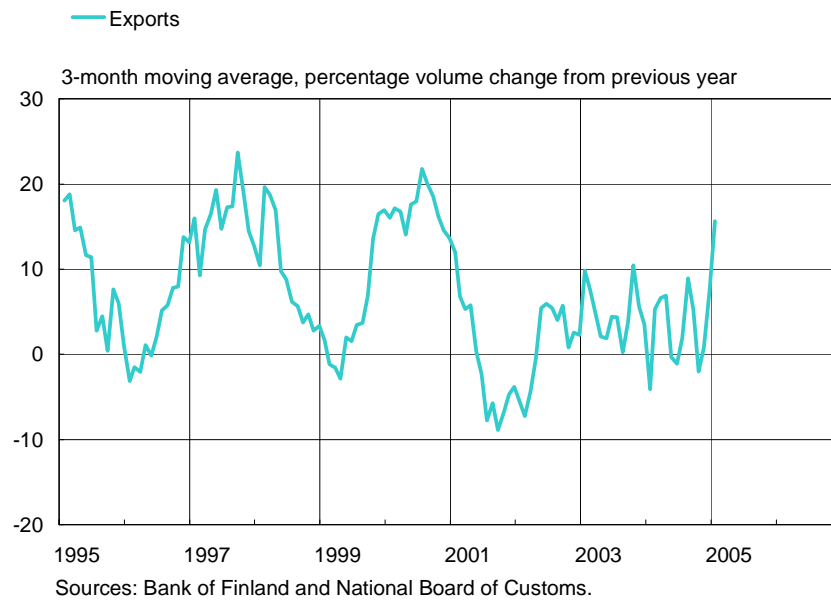


Chart 38.

Finland's exports by industry

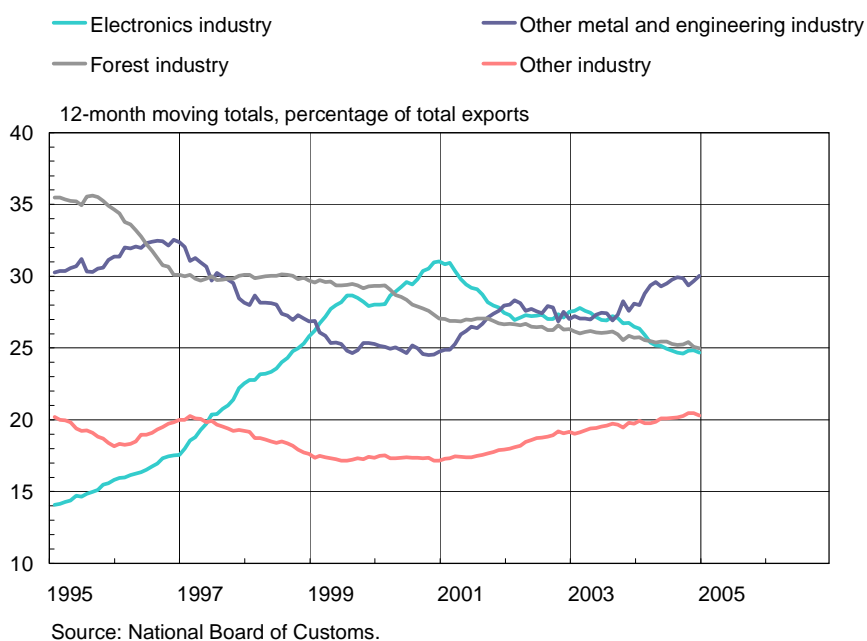


Table 1.

Supply, demand and labour market indicators

	2003	2004	2004 Actual		2004*	2005*	2006*
Supply and demand <i>percentage volume change from previous year</i>							
Gross domestic product at market prices	2.3	2.0	4.0 Q4 3.7 Q1-Q4		3.0	3.2	2.7
GDP monthly indicator at producer prices	2.0	3.6	5.9 M12 3.6 M1-M12				
Manufacturing production	0.4	4.7	1.3 M1 1.3 M1-M1				
Consumption expenditure	2.2	3.5	2.4 Q4 2.9 Q1-Q4		2.1	2.4	2.0
- private	1.5	4.3	2.6 Q4 3.2 Q1-Q4		2.6	2.9	2.4
- general government	3.8	1.6	2.1 Q4 2.1 Q1-Q4		0.9	0.9	0.9
Gross fixed capital formation	-3.1	-2.1	4.2 Q4 4.6 Q1-Q4		2.5	2.0	3.1
- private	-4.6	-3.0	5.1 Q4 5.7 Q1-Q4		3.1	2.3	3.7
- general government	6.6	2.7	-0.5 Q4 -1.1 Q1-Q4		-1.0	-0.2	-0.3
Domestic demand	0.8	2.7	3.1 Q4 4.2 Q1-Q4		1.9	2.3	2.2
Exports of goods and services	5.1	1.1	7.6 Q4 3.5 Q1-Q4		3.0	6.6	5.3
Imports of goods and services	1.9	2.6	6.5 Q4 4.8 Q1-Q4		-0.1	5.0	4.8
Labour market indicators							
Employed persons <i>percentage change from previous year</i>	-0.3	0.0	0.8 M1 0.8 M1-M1		-0.6	0.4	0.9
Unemployment rate, s.a. **	9.0	8.8	9.1 M1 9.1 M1-M1		9.1	8.8	8.4

Source: Statistics Finland.

* Bank of Finland forecast, summer 2004.

** Seasonally adjusted by the Bank of Finland.

Prices and costs

Chart 39.

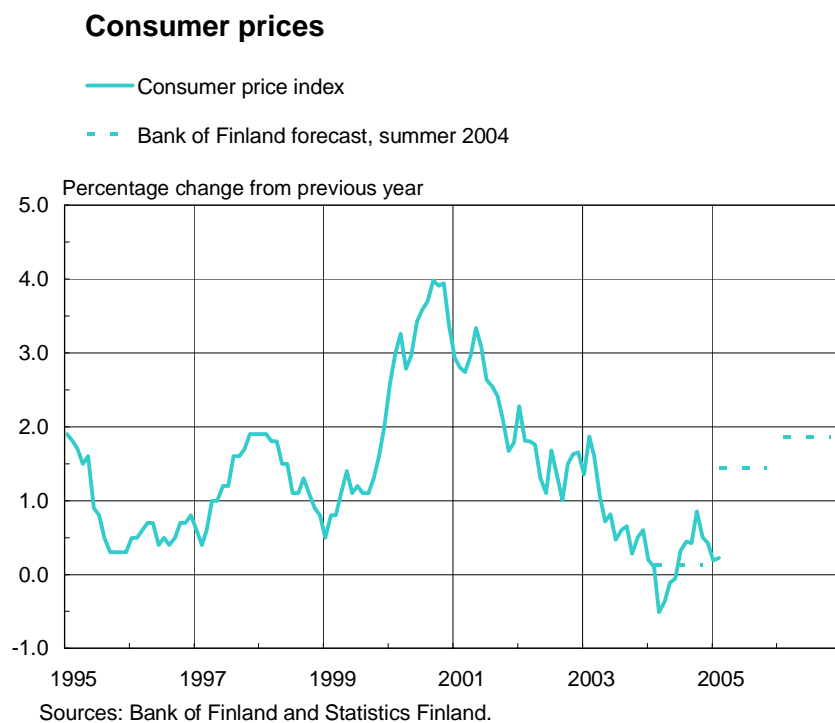


Chart 40.

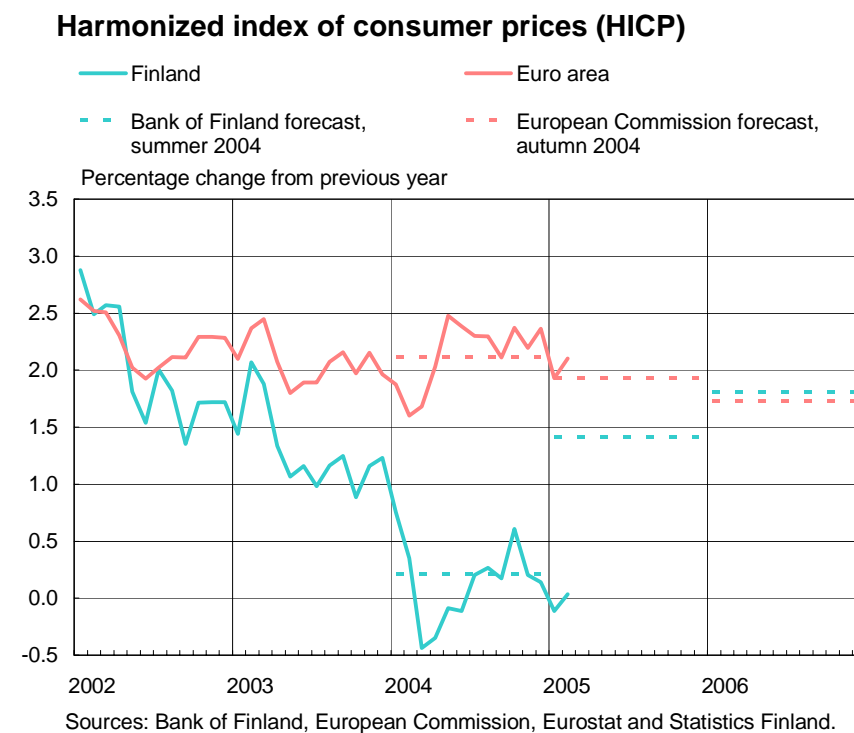
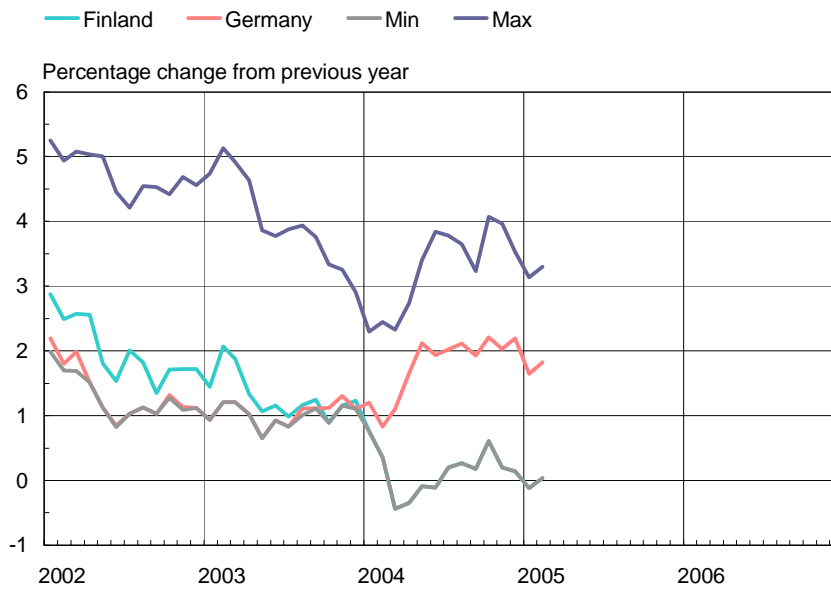


Chart 41.

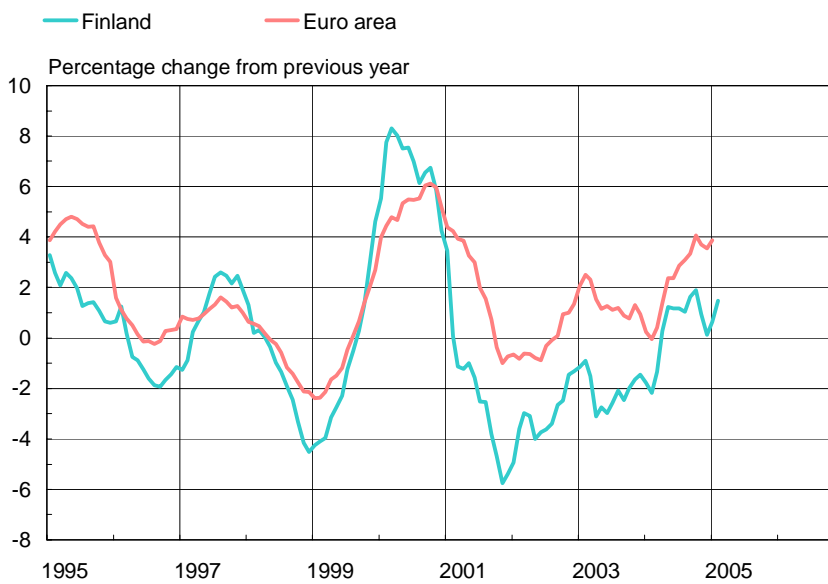
Inflation rates in the euro area (HICP)



Sources: Eurostat and Statistics Finland.

Chart 42.

Producer prices



Sources: Eurostat and Statistics Finland.

Chart 43.

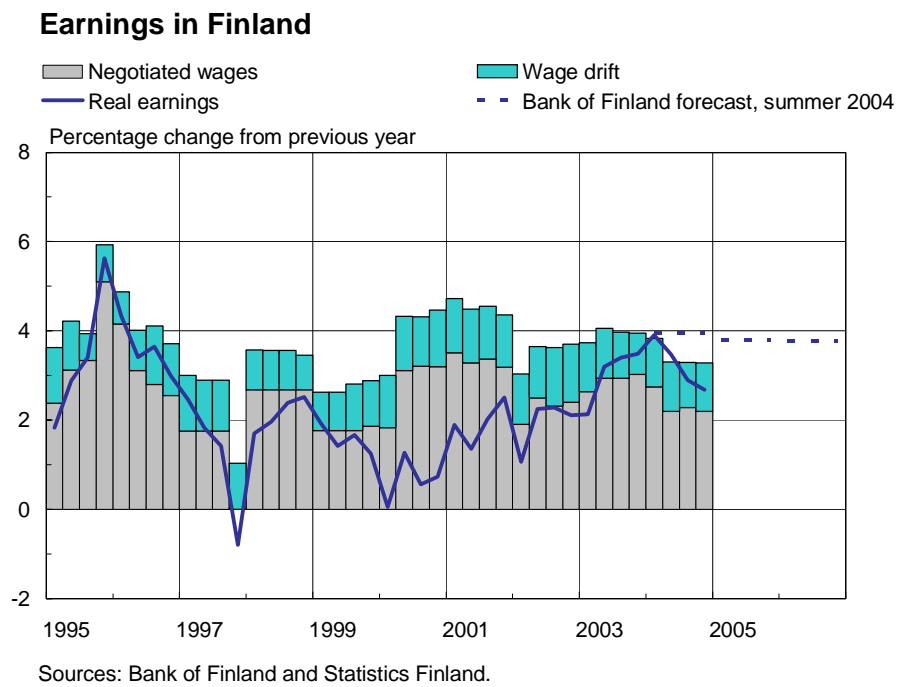


Chart 44.

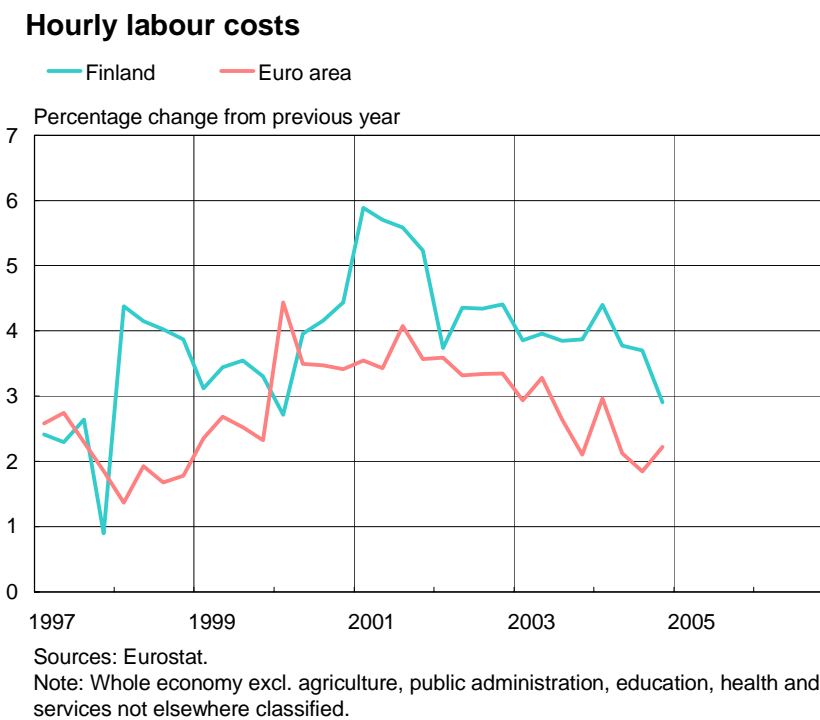
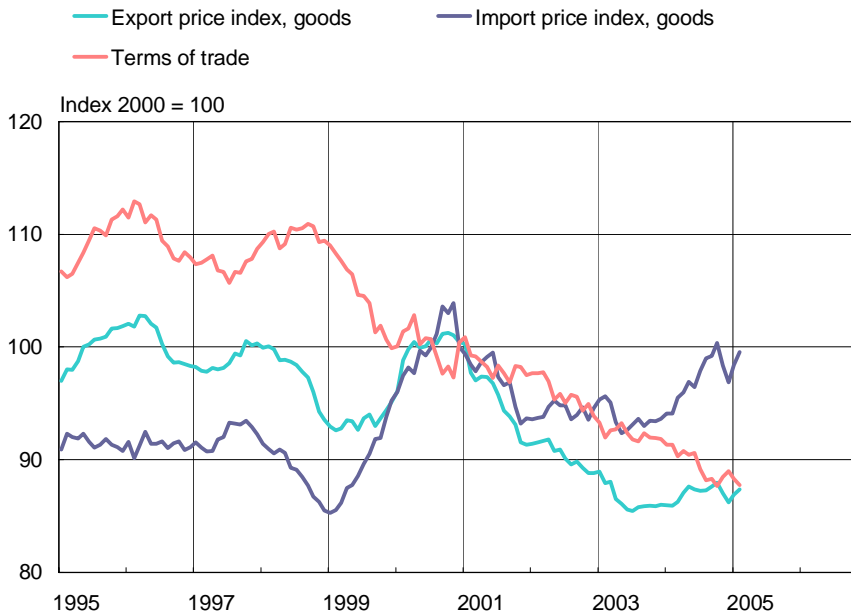


Chart 45.

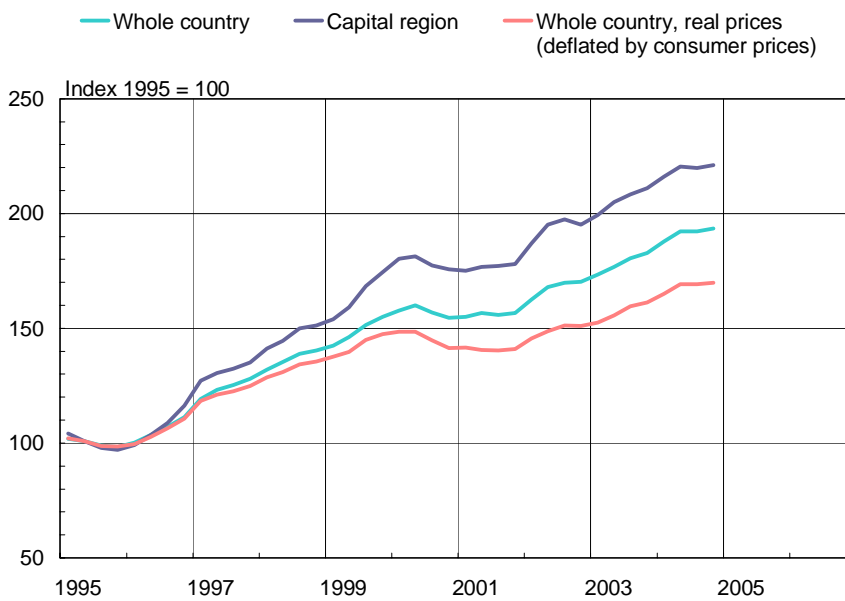
Finland's export prices, import prices and terms of trade



Sources: Statistics Finland and Bank of Finland.

Chart 46.

Dwelling prices in Finland



Sources: Statistics Finland and Bank of Finland.

Table 2.

Cost and price indicators*Percentage change from previous year*

	2003	2004	2004 / 2005 Actual	2004*	2005*	2006*
Labour costs						
Index of wages and salaries	3.9	3.4	3.3 Q4 3.4 Q1-Q4	3.9	3.8	3.8
Unit labour costs						
- whole economy	0.8	0.7	0.7 Q4 0.7 Q1-Q4	0.8	1.6	2.1
- manufacturing	0.0	-1.9	-3.8 Q4 -1.9 Q1-Q4			
Price indices						
Export prices (goods)						
- export price index	-4.3	0.5	1.7 M2 1.4 M1-M2			
- export price deflator	-3.7	0.9	0.3 Q4 0.9 Q1-Q4			
Import prices (goods)						
- import price index	-0.6	3.6	5.8 M2 5.2 M1-M2			
- import price deflator	0.2	3.2	4.9 Q4 3.2 Q1-Q4			
Producer prices	-2.1	0.3	1.5 M2 1.1 M1-M2			
Wholesale prices	-0.3	0.9	2.2 M2 1.7 M1-M2			
Consumer prices						
- consumer price index	0.9	0.2	0.2 M2 0.2 M1-M2	0.1	1.4	1.9
- harmonized index of consumer prices	1.3	0.1	0.0 M2 0.0 M1-M2	0.2	1.4	1.8
Asset prices						
Stumpage prices	0.3	-1.2	2.5 M2 3.0 M1-M2			
Dwelling prices, whole country	6.4	7.3	5.8 Q4 7.3 Q1-Q4			
Share prices	-14.5	7.6	-4.5 M2 -5.2 M1-M2			

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

* Bank of Finland forecast, summer 2004.

Labour market

Chart 47.

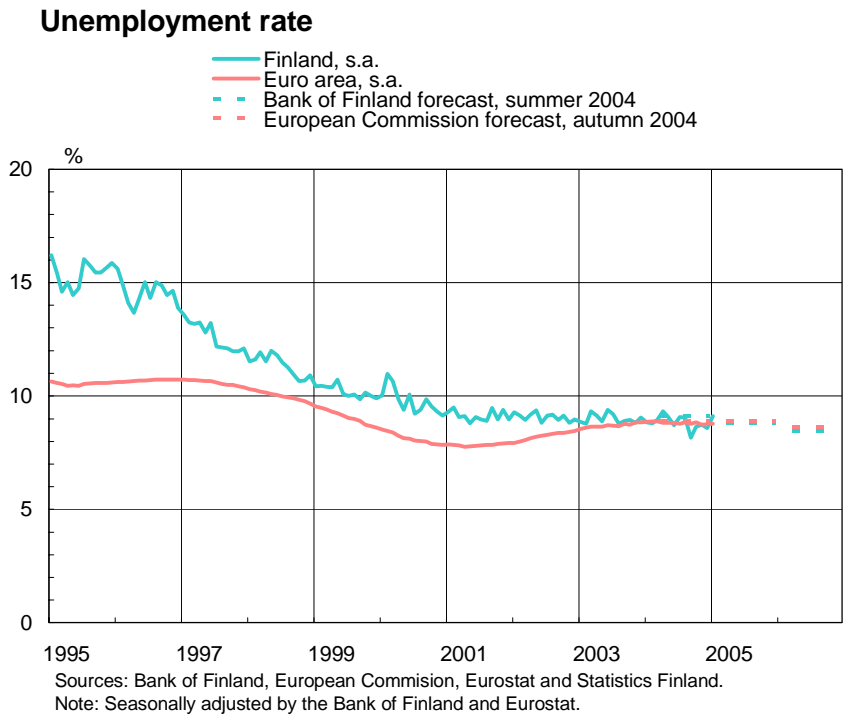
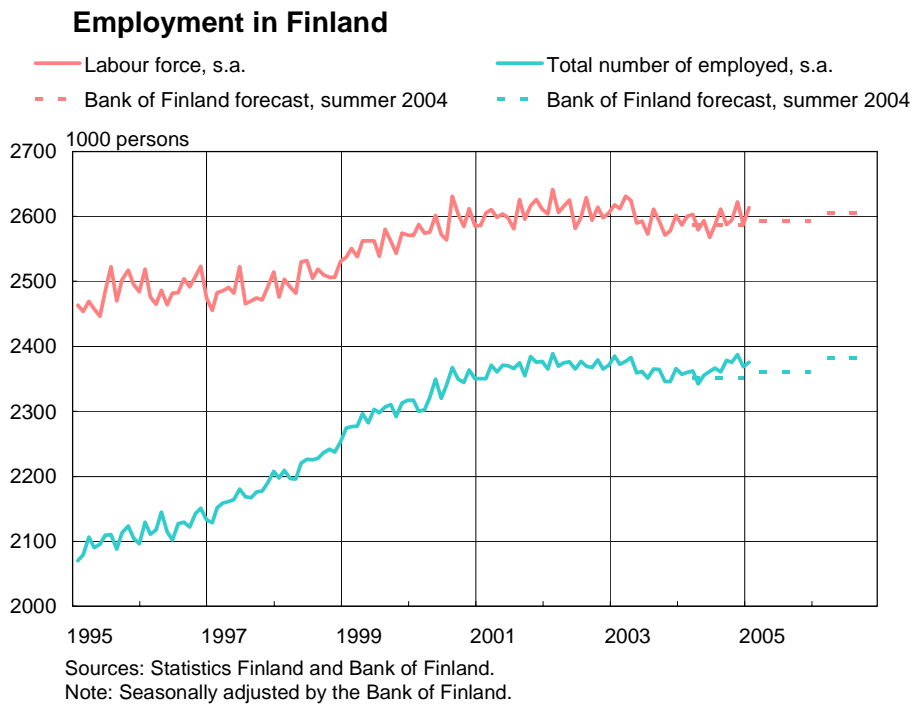


Chart 48.



Public finances

Chart 49.



Chart 50.

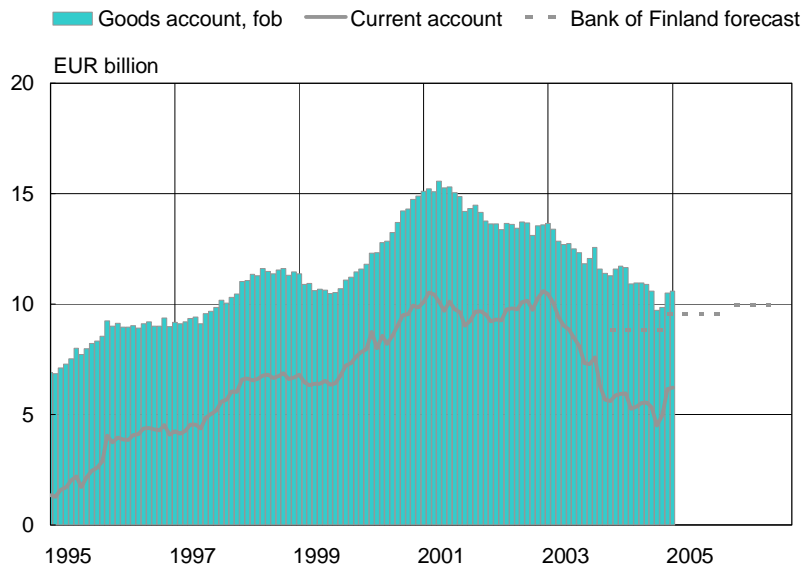


External balance

Chart 51.

Finland's goods account and current account

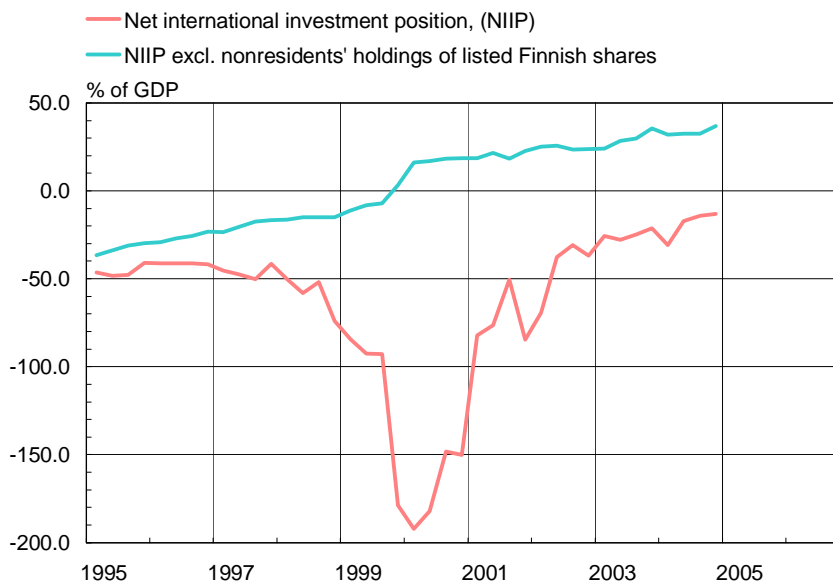
12-month moving totals



Source: Bank of Finland.

Chart 52.

Finland's net international investment position



Sources: Bank of Finland and Statistics Finland.

Table 3.

External balance and sectoral balances indicators

	2003	2004	2005 Actual	2004*	2005*	2006*
Goods account						
EUR billion	11.4	10.5	0.8 M01			
per cent of GDP	7.9	7.0				
Current account						
EUR billion	5.7	6.2	0.4 M01	8.8	9.6	10.0
per cent of GDP	4.0	4.1		6.0	6.2	6.2
Financial account						
EUR billion	-6.2	-5.4	-0.7 M01			
General government	-0.1	-3.4	-2.6 M01			
Direct investment in Finland	2.9	3.7	0.5 M01			
abroad	-2.3	-0.8	1.3 M01			
Shares	-5.6	-5.9	-0.5 M01			
Other capital (incl. errors and omissions)	-5.7	-0.7	3.1 M01			
Foreign exchange reserves (increase -)	0.5	-0.7	0.3 M01			
Net lending, saving minus investment						
Private sector						
EUR billion	2.4	3.4		5.5	6.2	5.5
per cent of GDP	1.7	2.3		3.8	4.0	3.4
General government						
EUR billion	3.3	2.8		3.3	3.4	4.5
per cent of GDP	2.3	1.9		2.2	2.2	2.8
Central government						
EUR billion	0.4	0.2		0.4	-0.2	0.3
per cent of GDP	0.3	0.1		0.3	-0.1	0.2
Local government						
EUR billion	-0.7	-1.1		-0.7	-0.5	-0.2
per cent of GDP	-0.5	-0.7		-0.5	-0.3	-0.1
Social security funds						
EUR billion	3.6	3.7		3.6	4.1	4.4
per cent of GDP	2.5	2.4		2.5	2.7	2.7
Net foreign debt						
per cent of GDP	21.4	13.3				
per cent of exports of goods and services	57.7	35.7				
Sectoral debt ratios, gross debt, per cent of GDP						
Non-financial corporate sector **	51.0					
Household sector	37.1					
General government (Maastricht definition)	45.3	45.1		44.4	43.4	41.8

Sources: Bank of Finland and Statistics Finland.

* Bank of Finland forecast, summer 2004.

** Excl. housing corporations.

