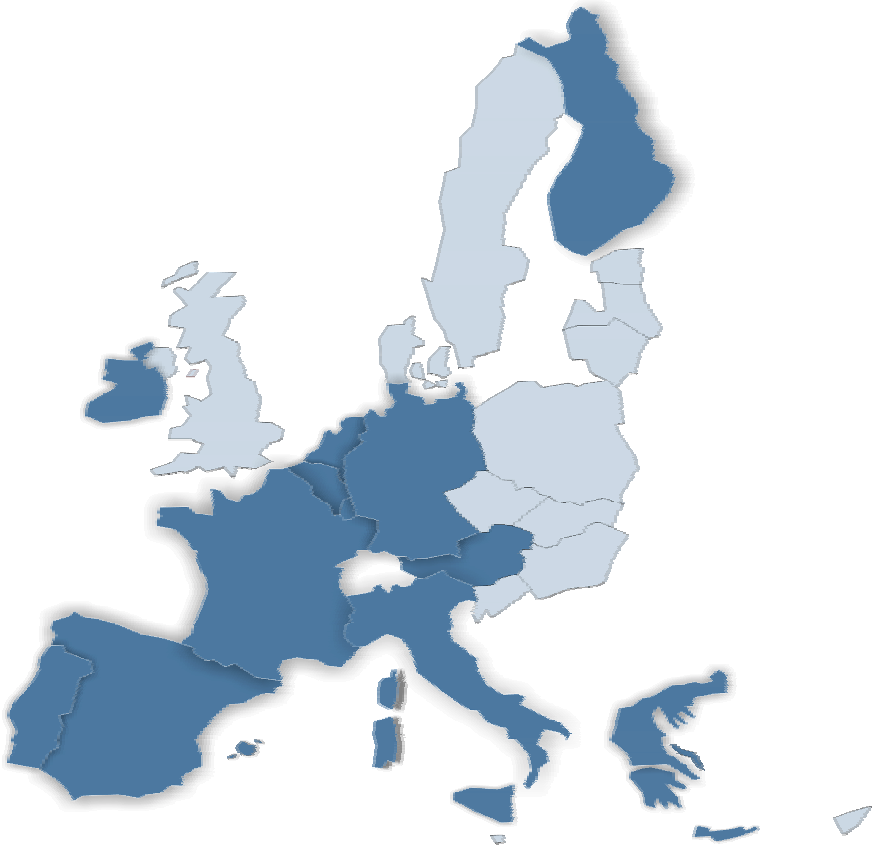
BANK OF FINLAND

Monetary Policy and Research - Financial Markets and Statistics

Main Indicators for the Finnish Economy

No 2/2006



15 Feb 2006

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Monetary policy and market interest rates

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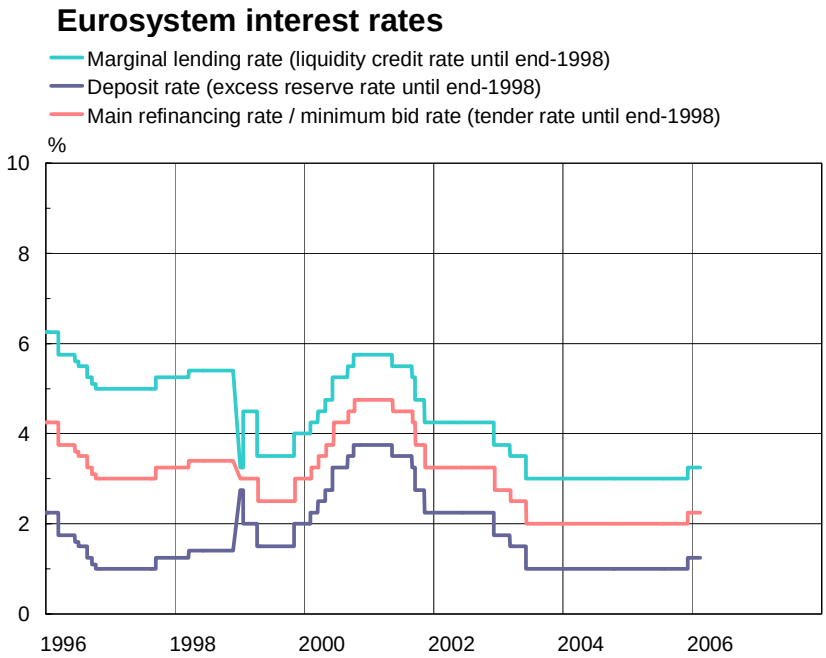
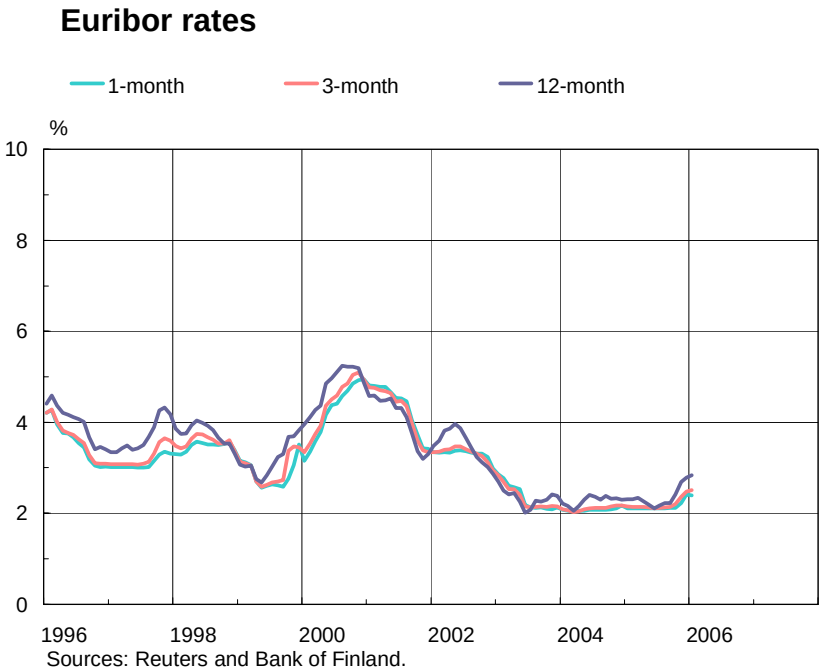


Sources: European Central Bank and Bank of Finland.
Note: Bank of Finland interest rates until end-1998.

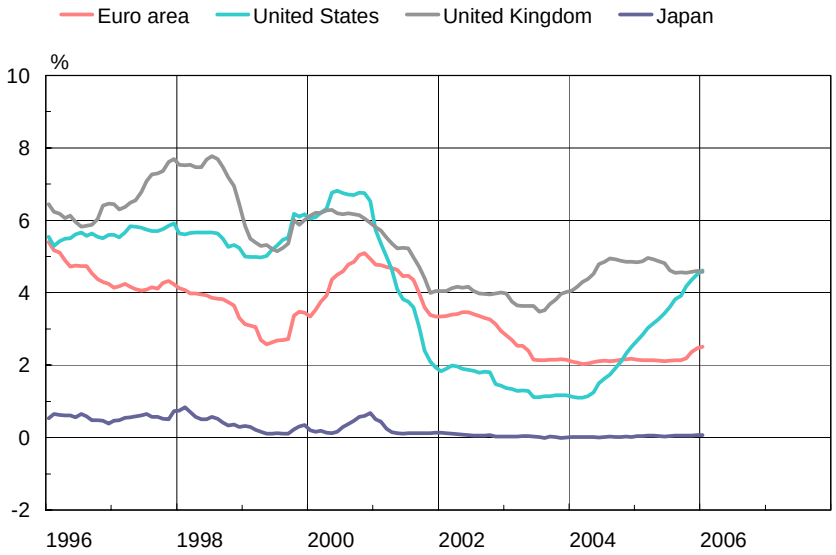
Chart 2.



Sources: Reuters and Bank of Finland.
Note: Helibor rates until end-1998.

Chart 3.

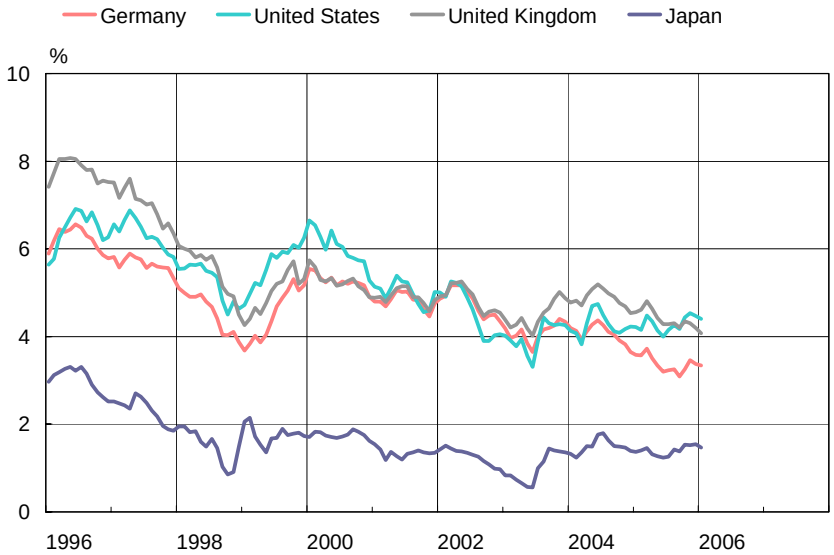
International three-month interest rates



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.

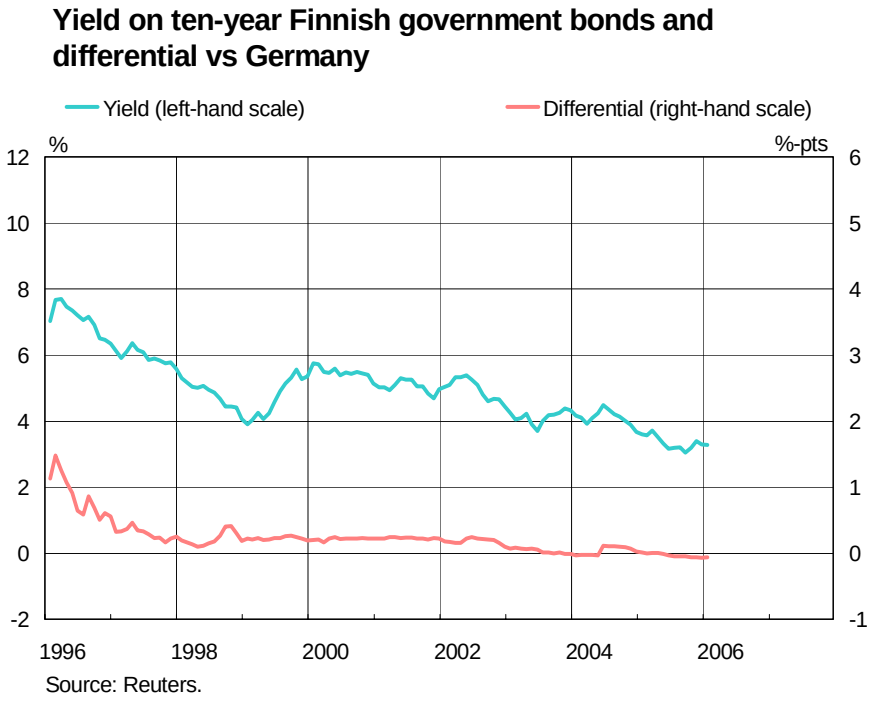
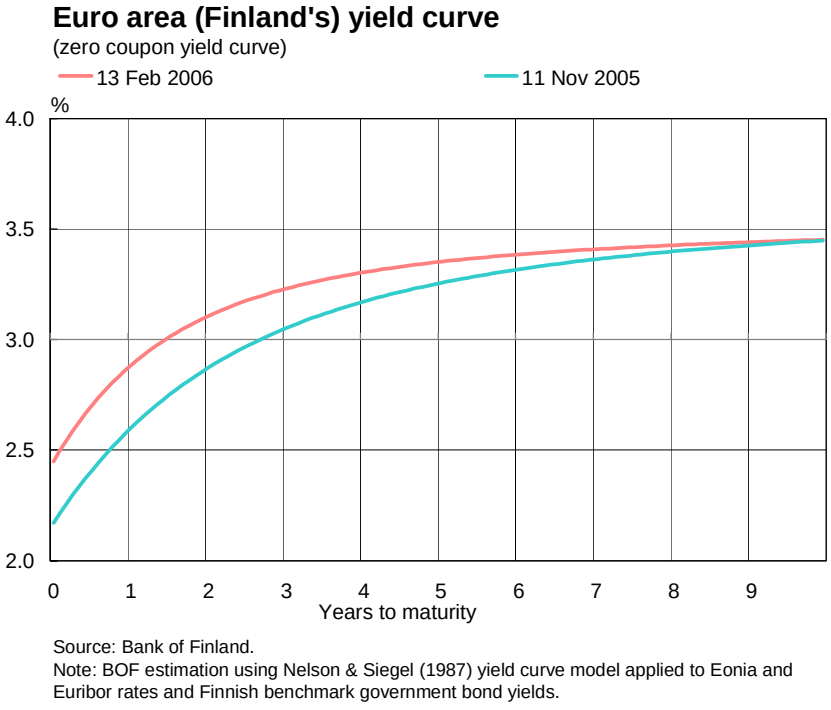
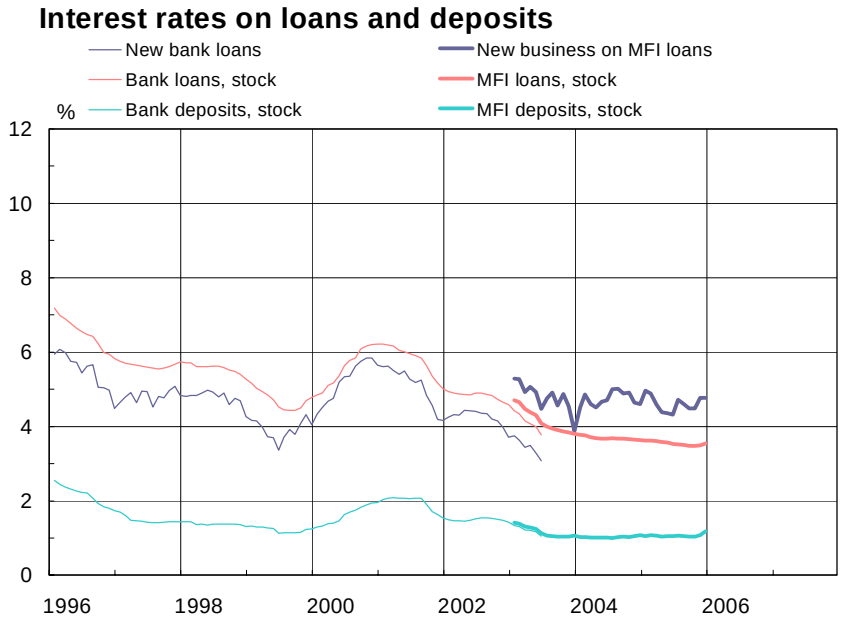


Chart 6.



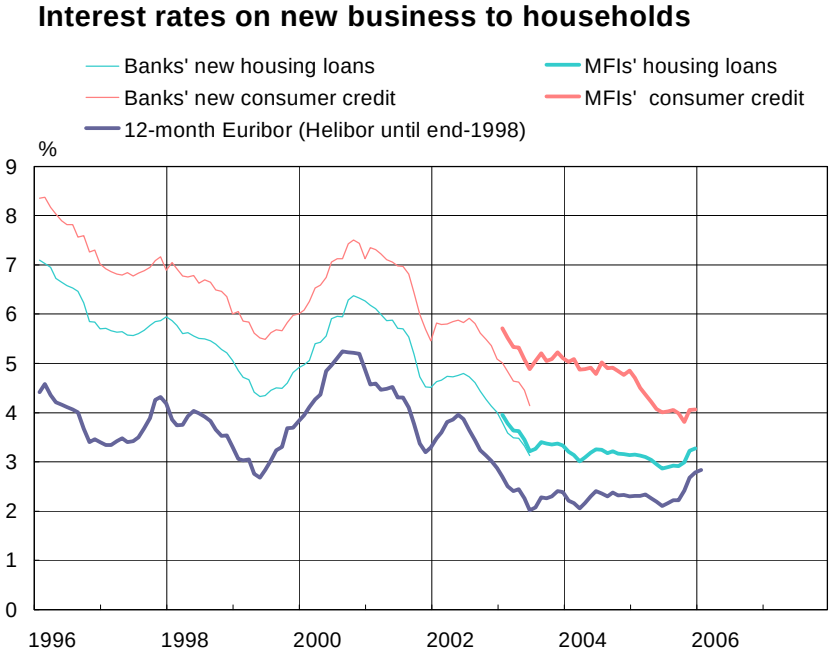
Banking in Finland

Chart 7.



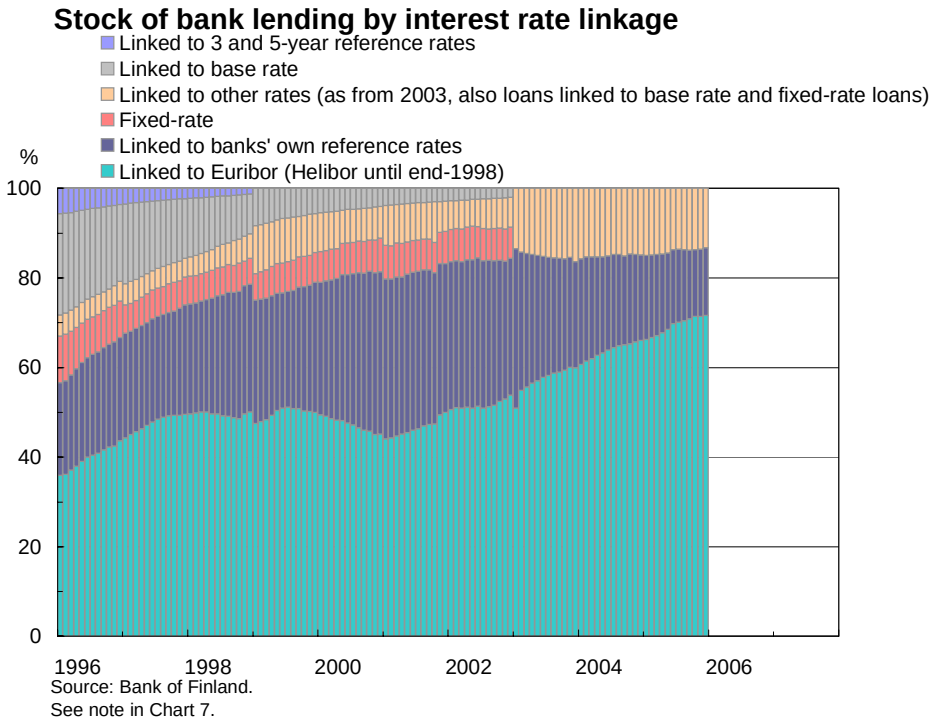
Source: Bank of Finland.
The data collection process changed from 1 January 2003, with the coming into force of the ECB Regulation concerning statistics on interest rates ECB/2001/18. Consecutively, the reporting population has been extended to cover credit institutions, in addition to deposit banks.

Chart 8.



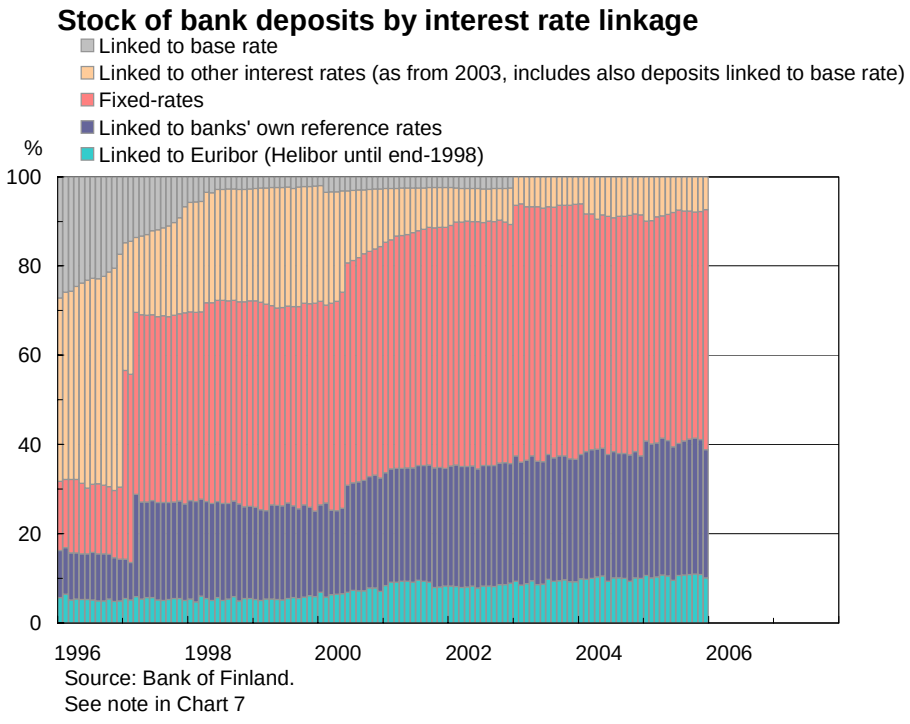
Source: Bank of Finland.
See note in Chart 7.

Chart 9.



Source: Bank of Finland.
See note in Chart 7.

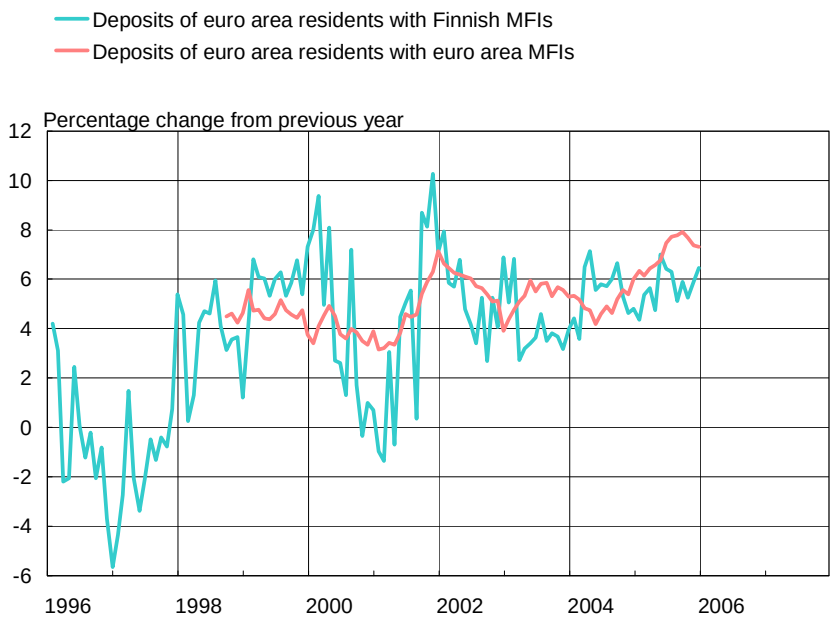
Chart 10.



Source: Bank of Finland.
See note in Chart 7

Chart 11.

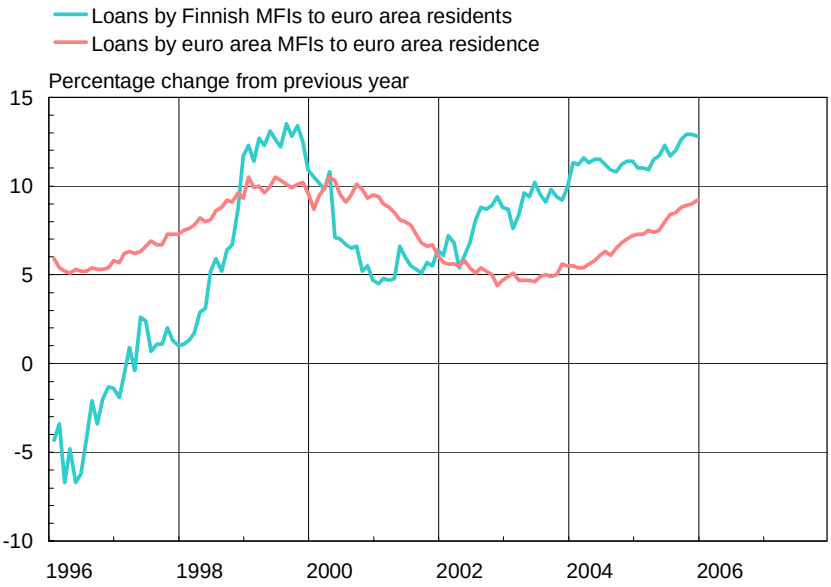
Euro area and Finnish MFIs: growth of deposits



Sources: European Central Bank and Bank of Finland.

Chart 12.

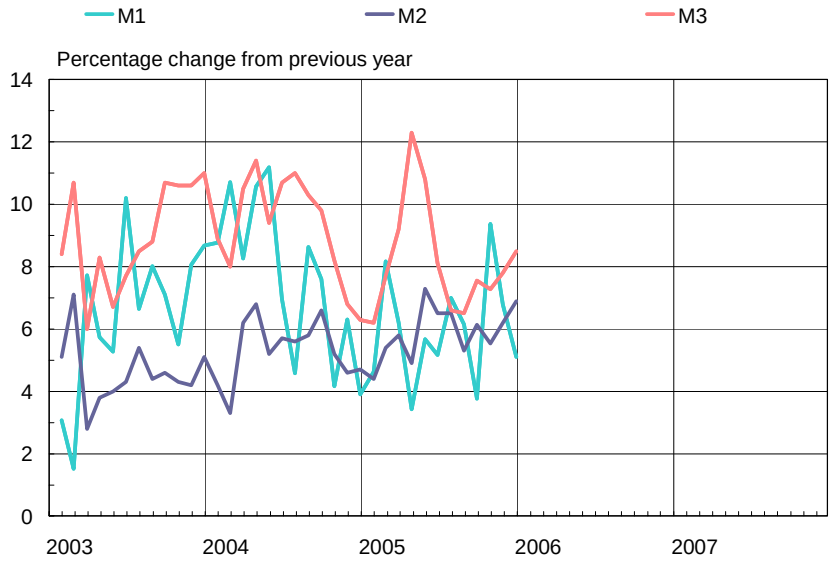
Euro area and Finnish MFIs: growth of loans



Sources: European Central Bank and Bank of Finland.

Chart 13.

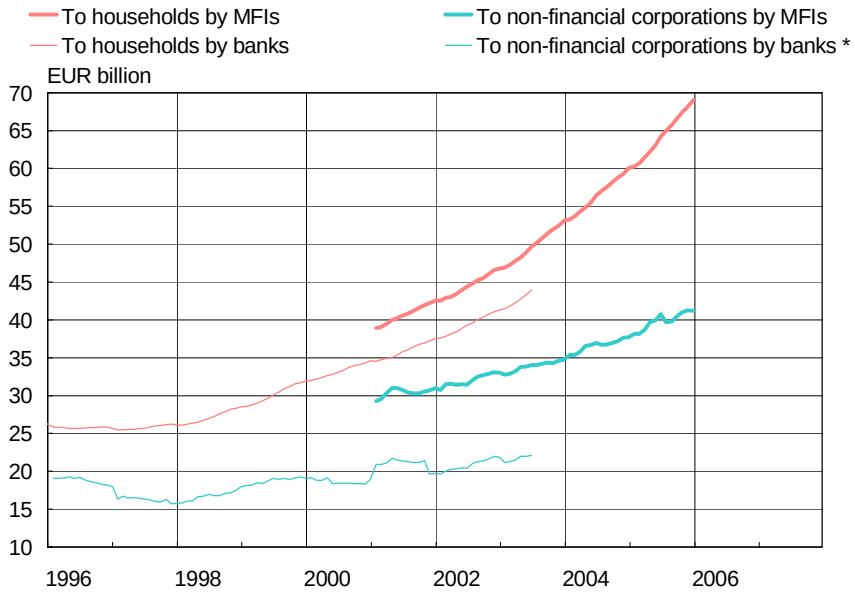
Liabilities of Finnish monetary financial institutions included in monetary aggregates for the euro area *



Source: Bank of Finland.
* Note: Excluding currency in circulation with the public.

Chart 14.

Outstanding loans to households and non-financial corporations

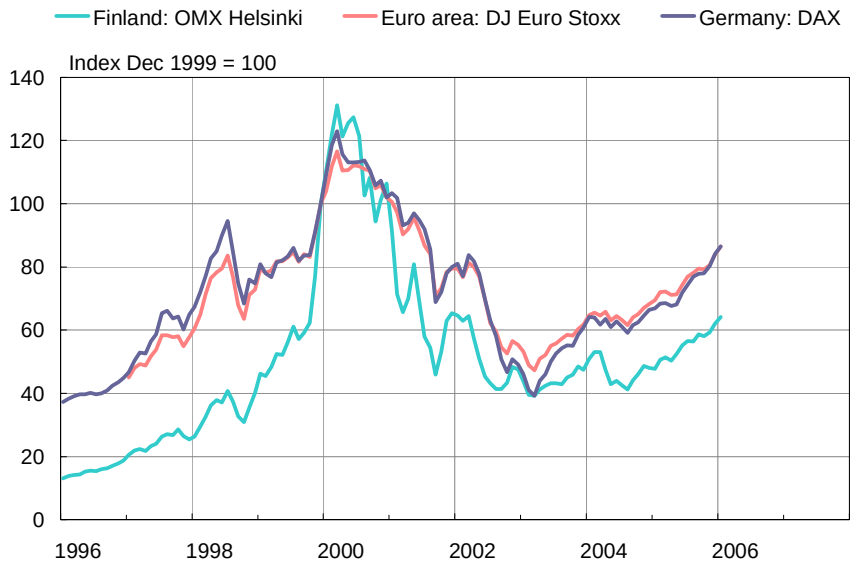


Source: Bank of Finland.
* Note: The series includes structural changes.

Securities market

Chart 15.

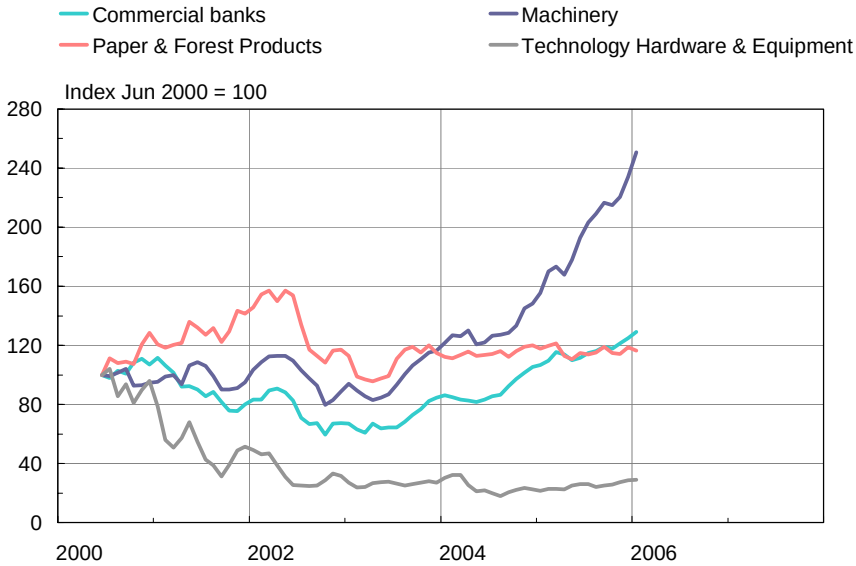
Selected stock price indices in the euro area



Sources: Bloomberg and Helsinki Stock Exchange.

Chart 16.

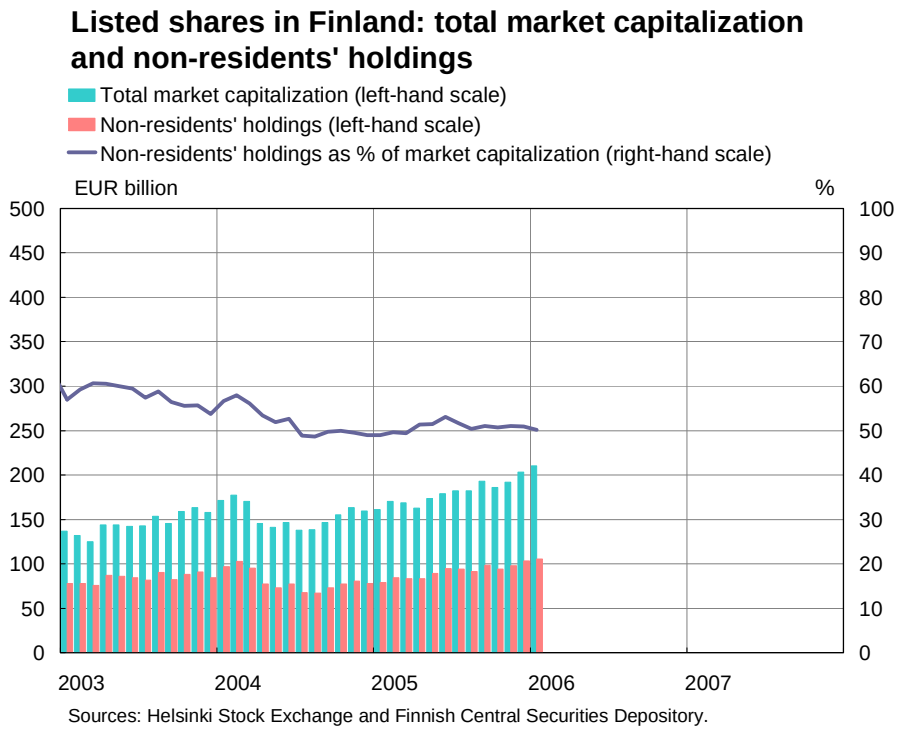
Helsinki Stock Exchange: share indices by sector



The Helsinki Stock Exchange introduced the Global Industry Classification Standard (GICS) for listed companies as of 1 July 2005.

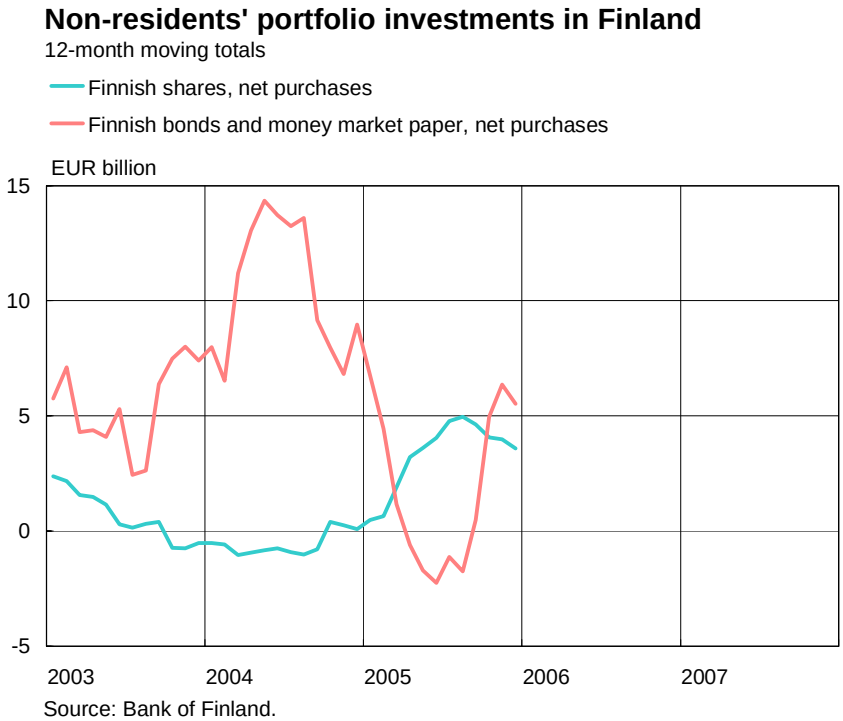
Source: Helsinki Stock Exchange.

Chart 17.



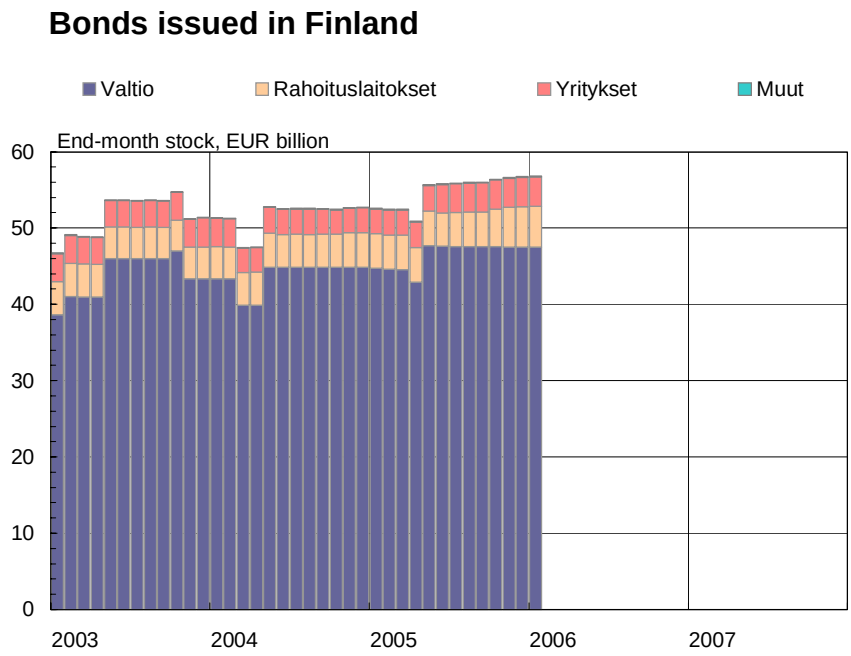
Sources: Helsinki Stock Exchange and Finnish Central Securities Depository.

Chart 18.



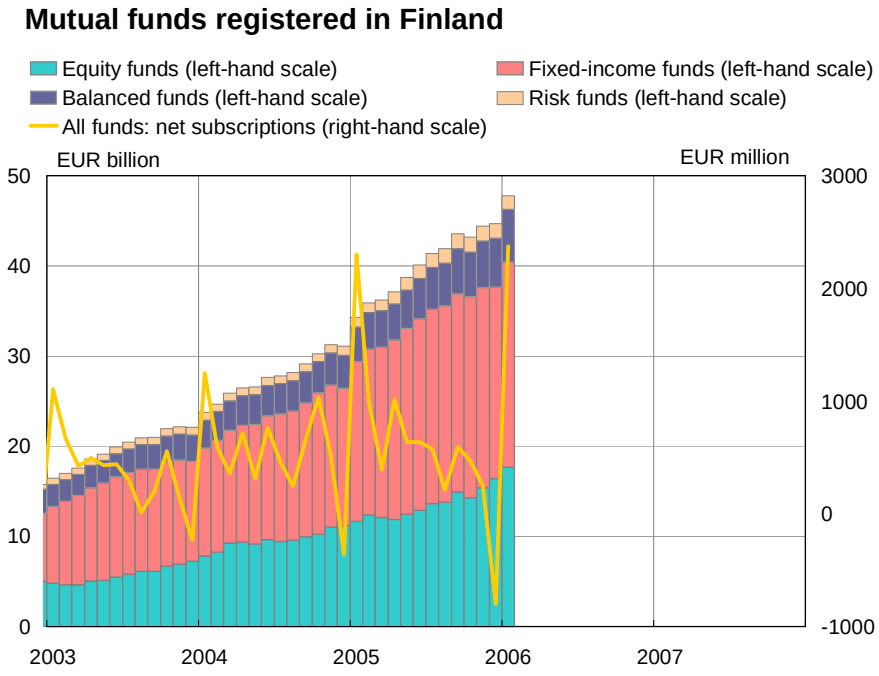
Source: Bank of Finland.

Chart 19.



Source: Statistics Finland.

Chart 20.

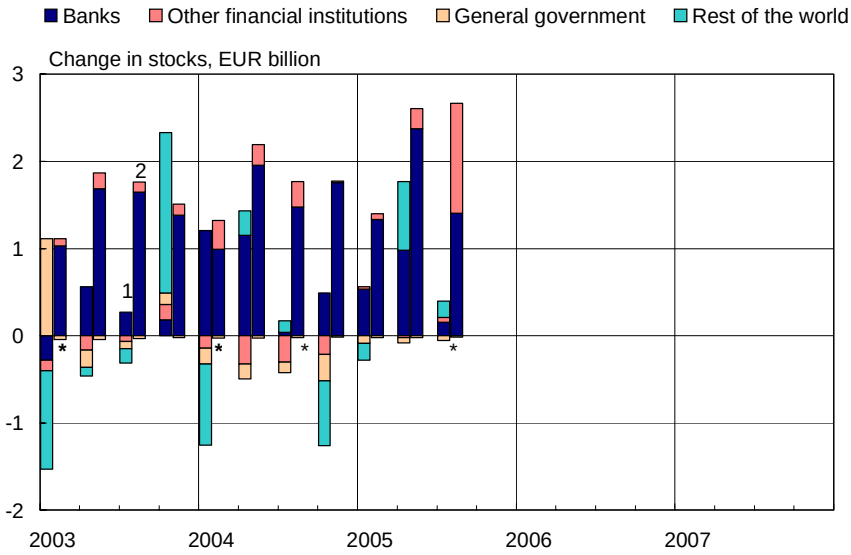


Sources: Helsinki Stock Exchange and Finnish Association of Mutual Funds.

Borrowing by sector in Finland

Chart 21.

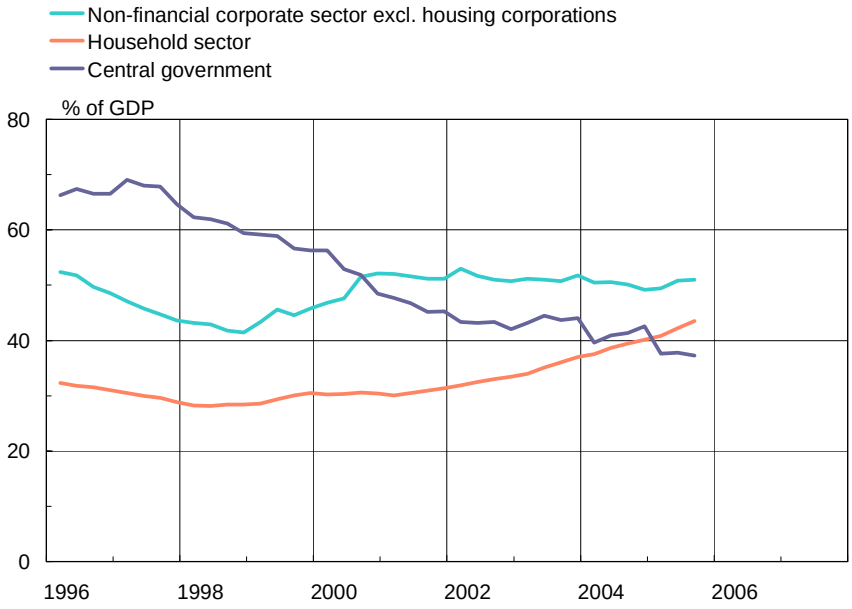
Non-financial corporate sector and household borrowing
1 = corporate sector (excl. housing corporations), 2 = households



Sources: Bank of Finland and Statistics Finland.
*Note: Corrected for changes in sectoral classification.

Chart 22.

Sectoral debt ratios in Finland

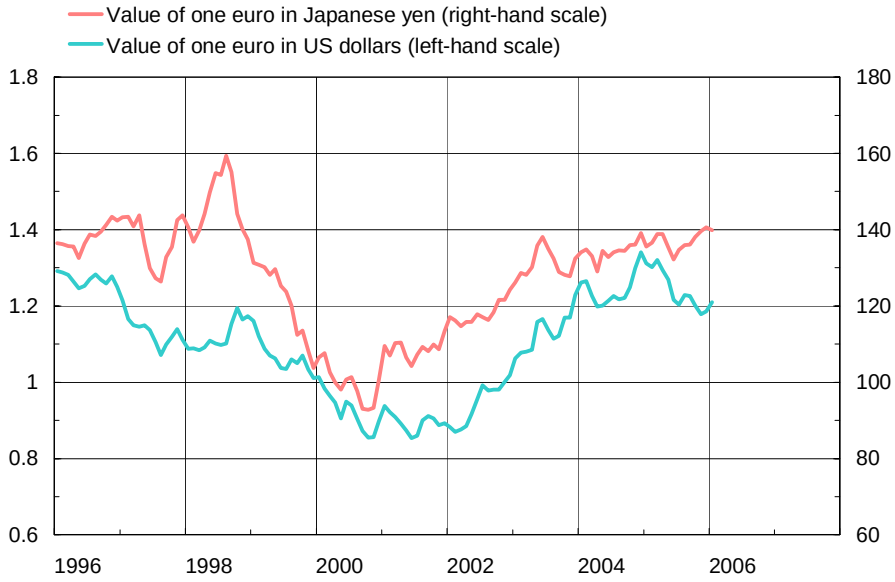


Sources: Statistics Finland, State Treasury and Bank of Finland.

Exchange rates

Chart 23.

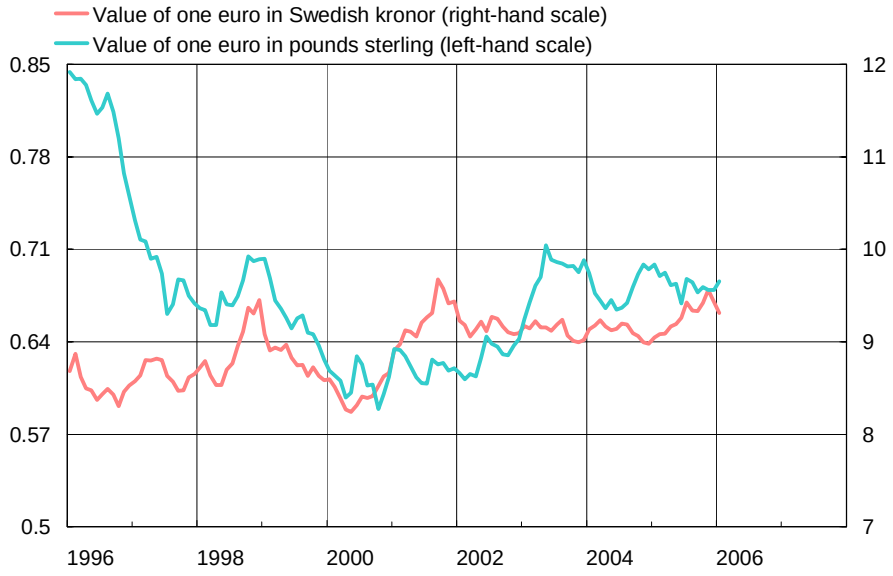
Euro exchange rates against the US dollar and the yen



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

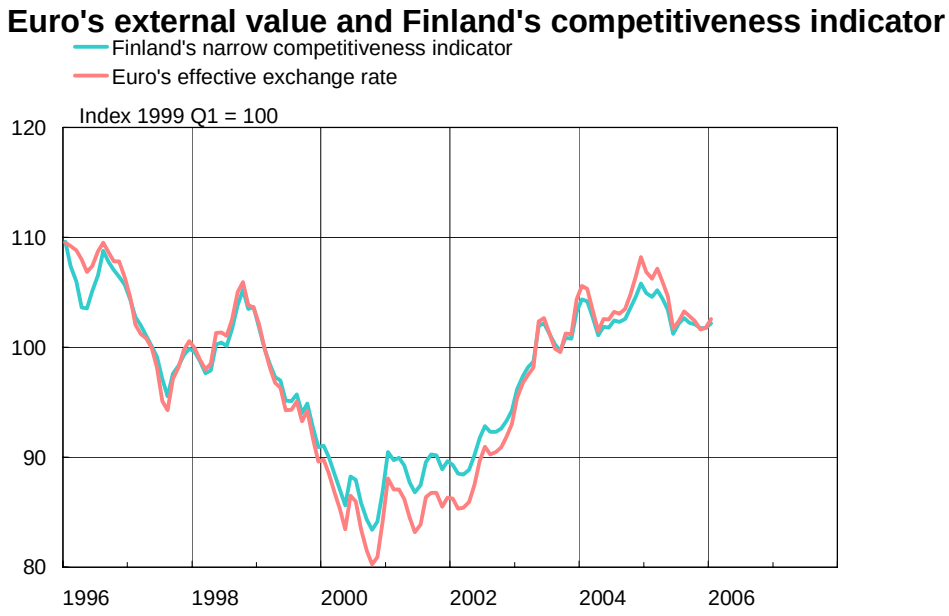
Chart 24.

Euro exchange rates against the pound sterling and the Swedish krona



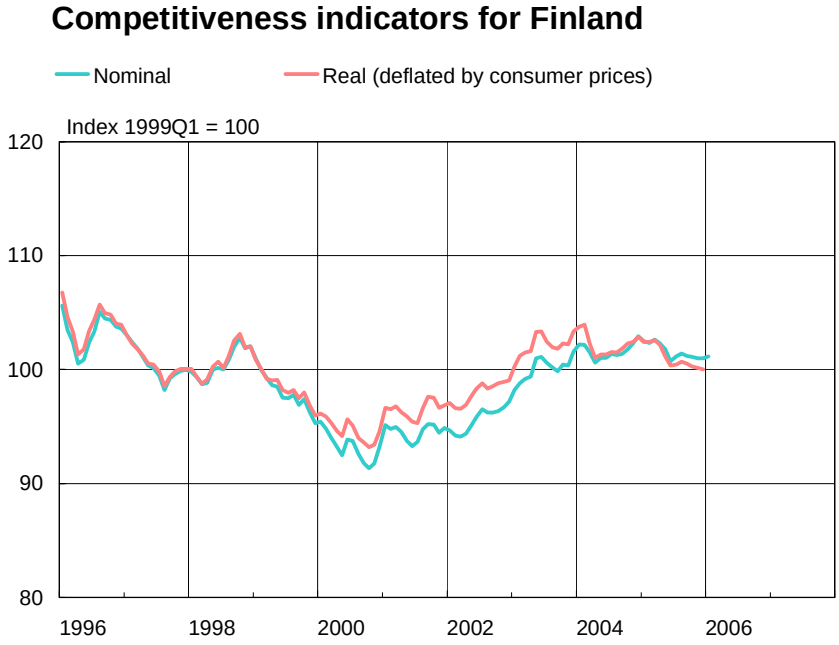
Sources: European Central Bank and Reuters.
Note: ECU exchange rate until end-1998.

Chart 25.



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.

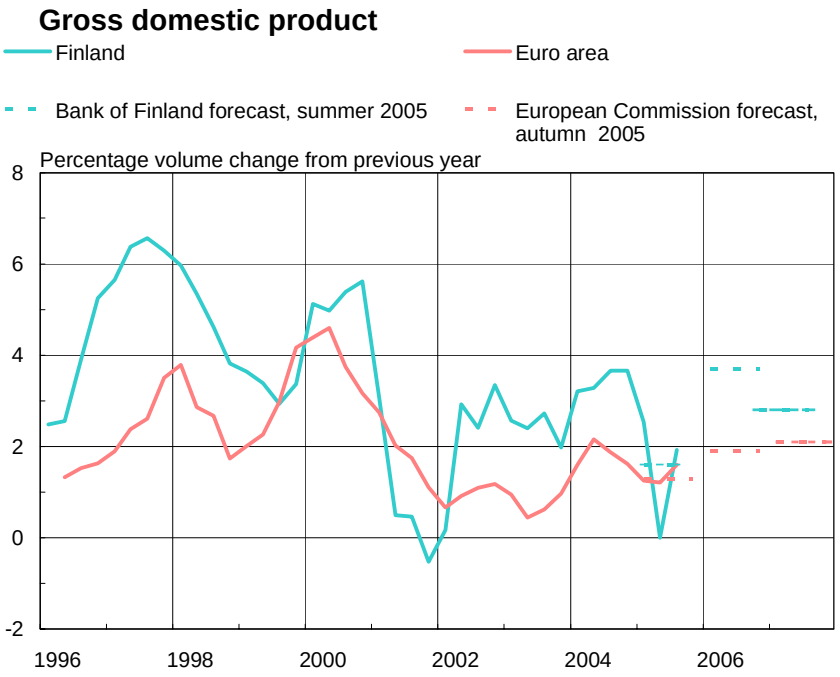
Chart 26.



Source: Bank of Finland.
Note: Narrow plus euro area competitiveness indicator. See also note in Chart 25.

Real economy

Chart 27.



Sources: Bank of Finland, European Commission, Eurostat and Statistics Finland.

Chart 28.

Sources: Bank of Finland and Statistics Finland.

Chart 29.

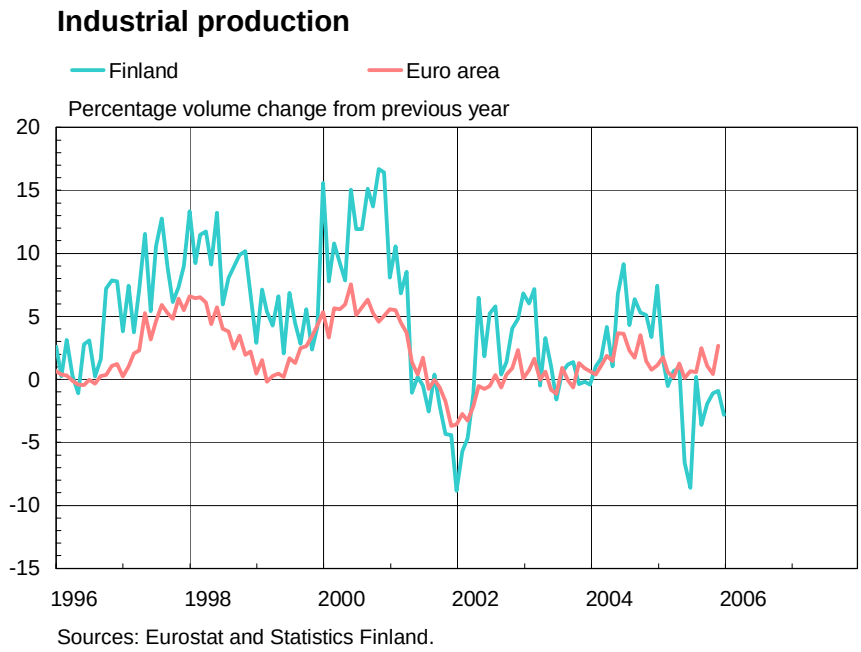


Chart 30.

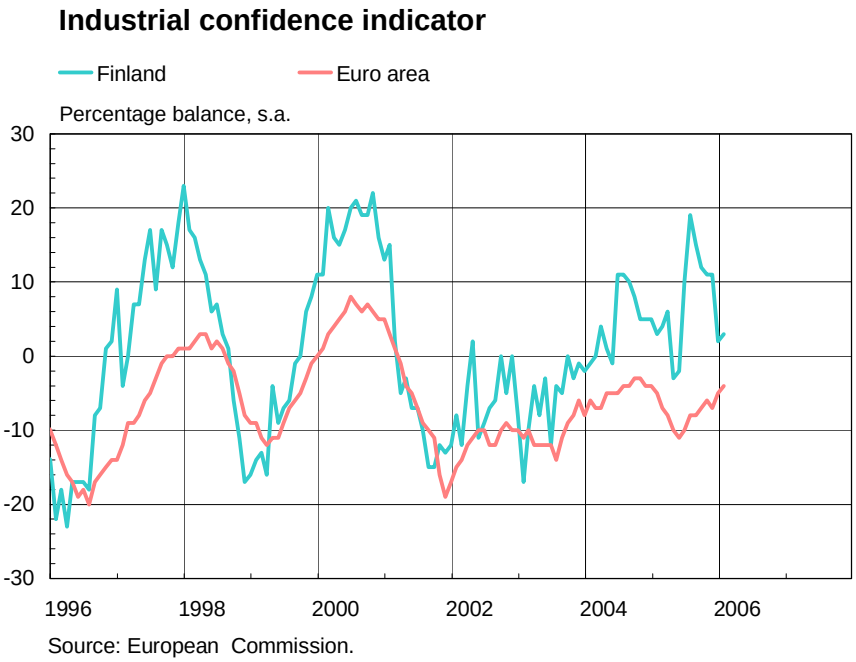


Chart 31.

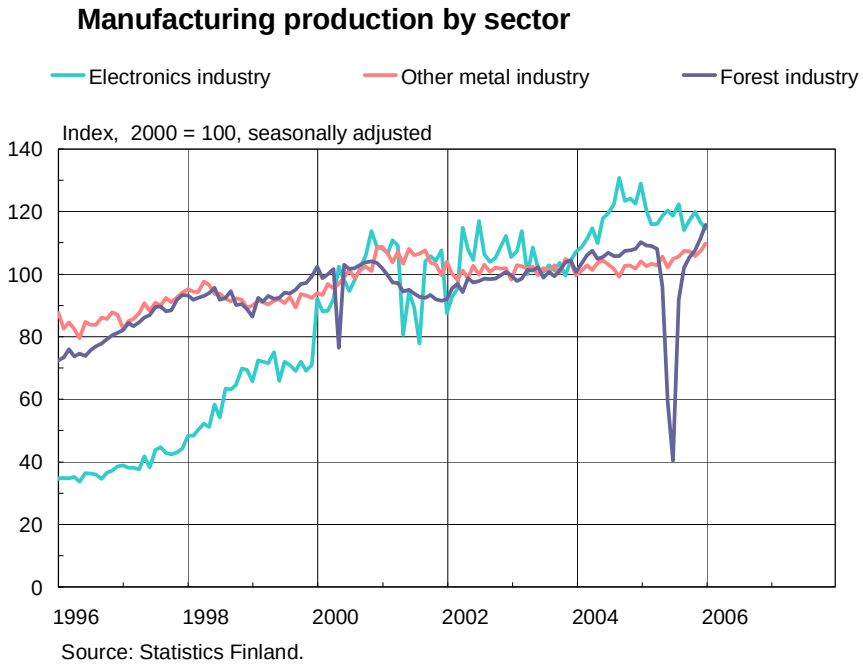


Chart 32.

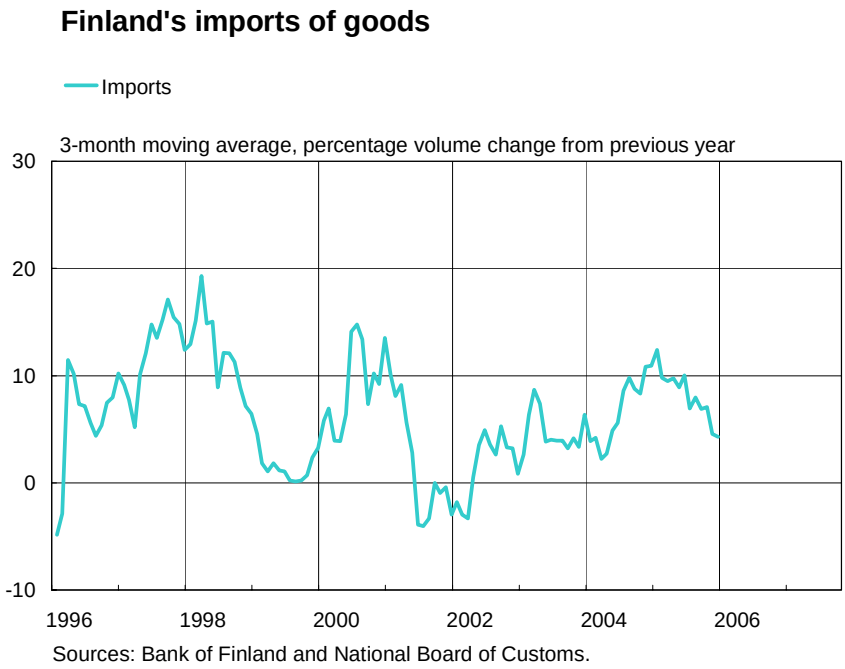
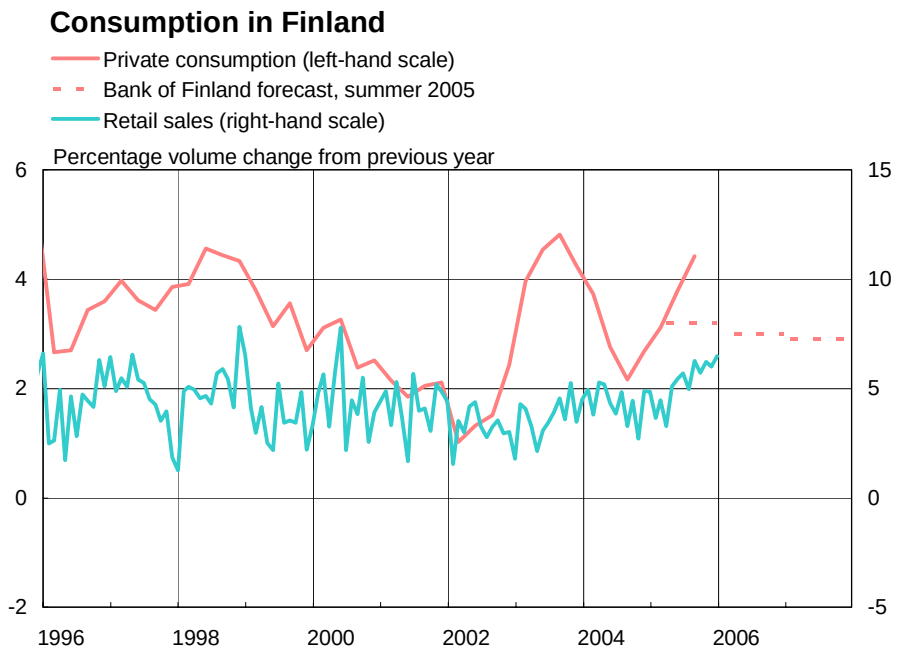
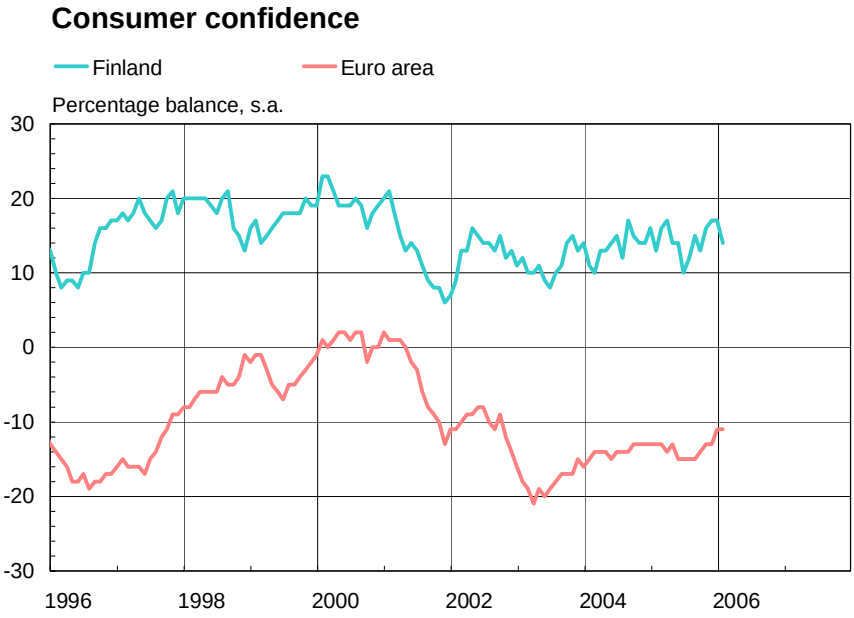


Chart 33.



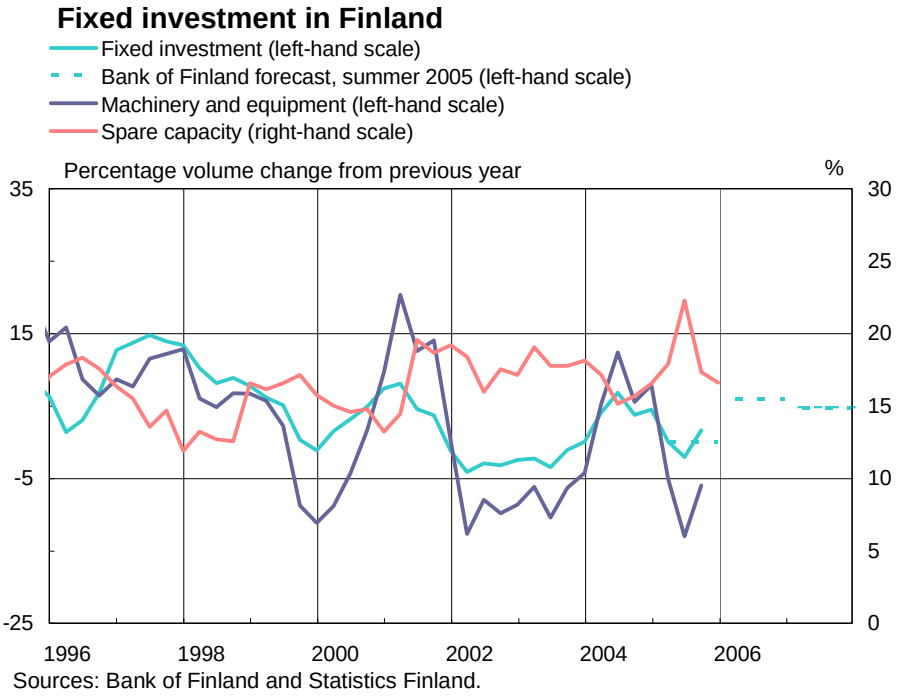
Sources: Bank of Finland and Statistics Finland.

Chart 34.



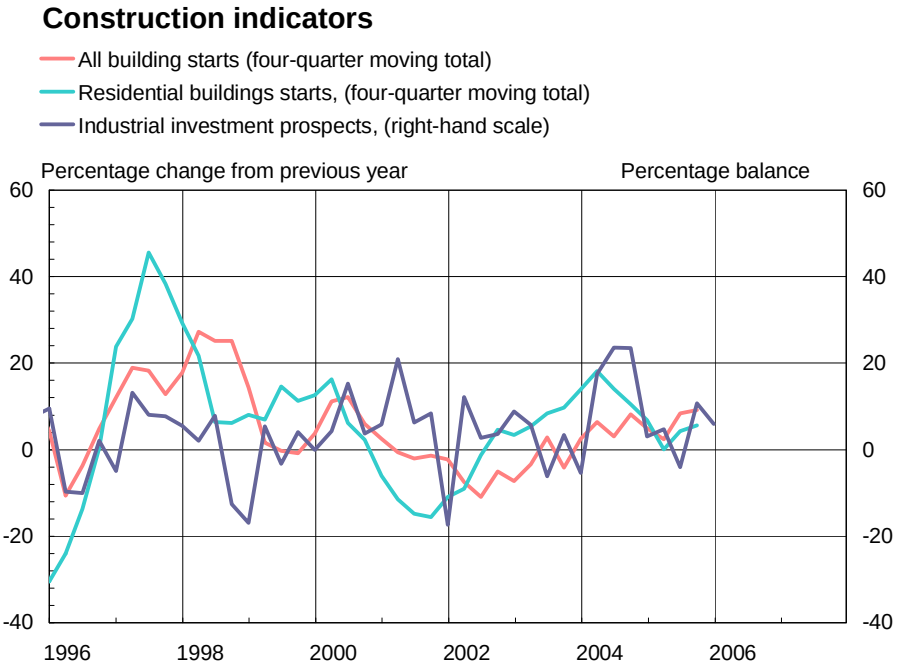
Source: European Commission.

Chart 35.



Sources: Bank of Finland and Statistics Finland.

Chart 36.



Sources: Federation of the Finnish Industries and Statistics Finland.

Chart 37.

Chart 38.

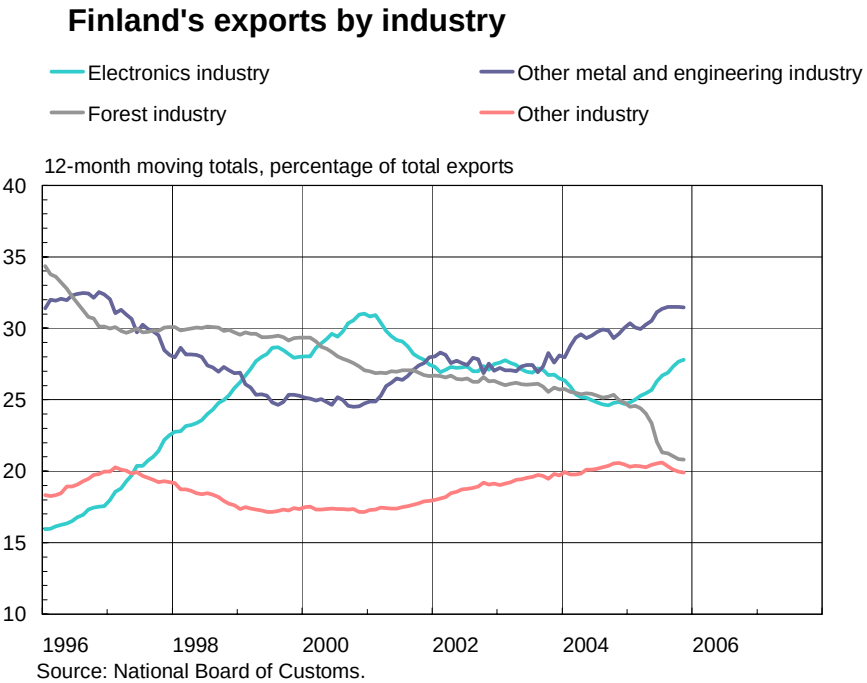


Table 1.

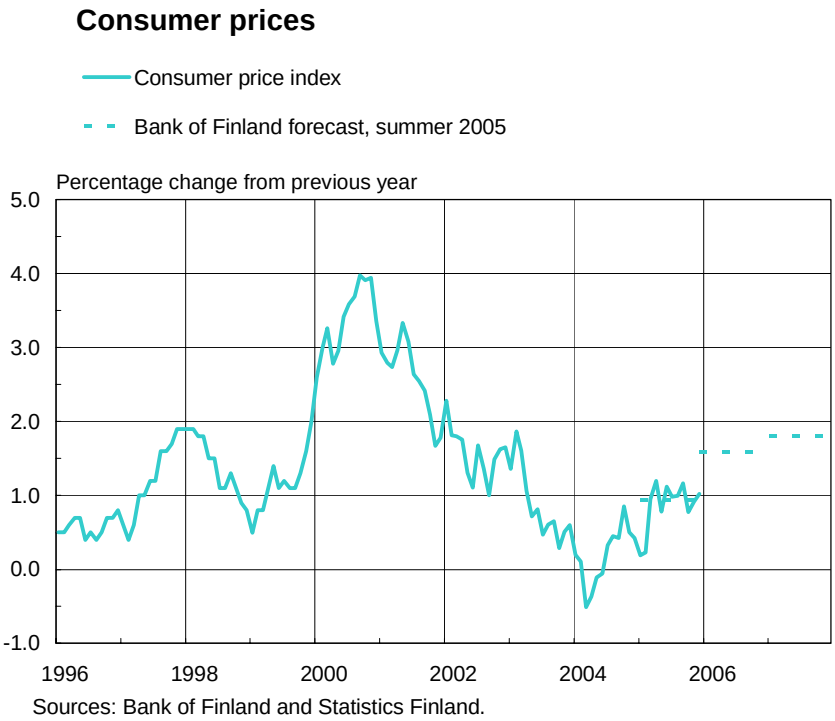
Supply, demand and labour market indicators

	2003	2004	2005 Actual		*2005**	*2006**	*2007**
Supply and demand *percentage volume change from previous year*							
Gross domestic product at market prices	2.4	3.6	2.1 1.5	Q3 Q1-Q3	*1.6*	*3.7*	*2.8*
GDP monthly indicator at producer prices	2.4	3.6	0.6 1.3	M12 M1-M12			
Manufacturing production	0.4	4.8	-0.8 -1.6	M12 M1-M12			
Consumption expenditure	3.5	2.8	4.0 2.9	Q3 Q1-Q3	*2.7*	*2.6*	*2.4*
- private	4.4	3.2	4.8 3.5	Q3 Q1-Q3	*3.2*	*3.0*	*2.9*
- general government	1.5	1.6	2.0 1.5	Q3 Q1-Q3	*1.6*	*1.7*	*1.3*
Gross fixed capital formation	-1.5	5.0	2.1 -0.3	Q3 Q1-Q3	*0.0*	*5.9*	*4.8*
- private	-3.0	5.6	3.7 0.7	Q3 Q1-Q3	*0.1*	*6.8*	*5.5*
- general government	6.7	2.1	-5.3 -5.5	Q3 Q1-Q3	*-0.2*	*0.8*	*0.6*
Domestic demand	3.1	3.5	1.4 1.0	Q3 Q1-Q3	*1.4*	*3.3*	*2.9*
Exports of goods and services	1.4	5.6	8.6 8.3	Q3 Q1-Q3	*5.7*	*6.8*	*5.7*
Imports of goods and services	2.9	6.0	8.2 8.5	Q3 Q1-Q3	*6.3*	*6.4*	*6.7*
Labour market indicators							
Employed persons *percentage change from previous year*	-0.3	0.0	2.7 1.5	M12 M1-M12	*1.4*	*0.6*	*0.3*
Unemployment rate, s.a. **	9.0	8.8	8.4 8.6	M12 M1-M12	*8.4*	*8.0*	*7.8*

Source: Statistics Finland.
* Bank of Finland forecast, summer 2005.
** Seasonally adjusted by the Bank of Finland.

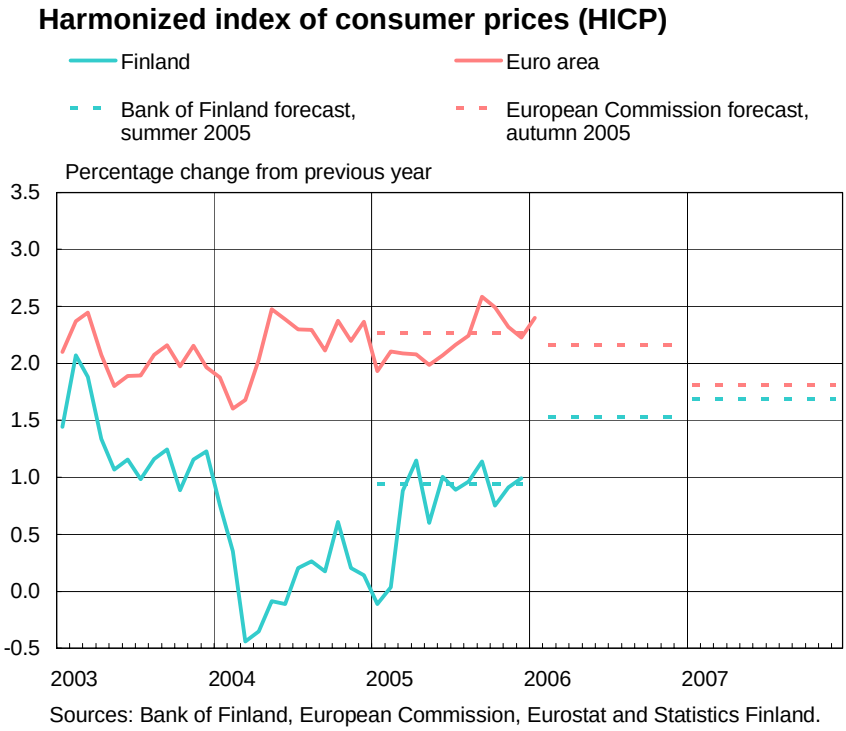
Prices and costs

Chart 39.



Sources: Bank of Finland and Statistics Finland.

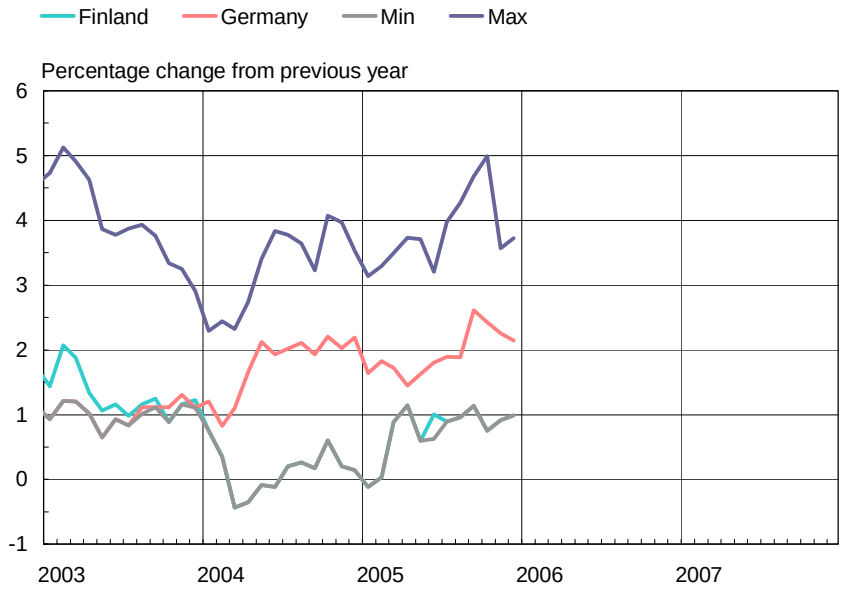
Chart 40.



Sources: Bank of Finland, European Commission, Eurostat and Statistics Finland.

Chart 41.

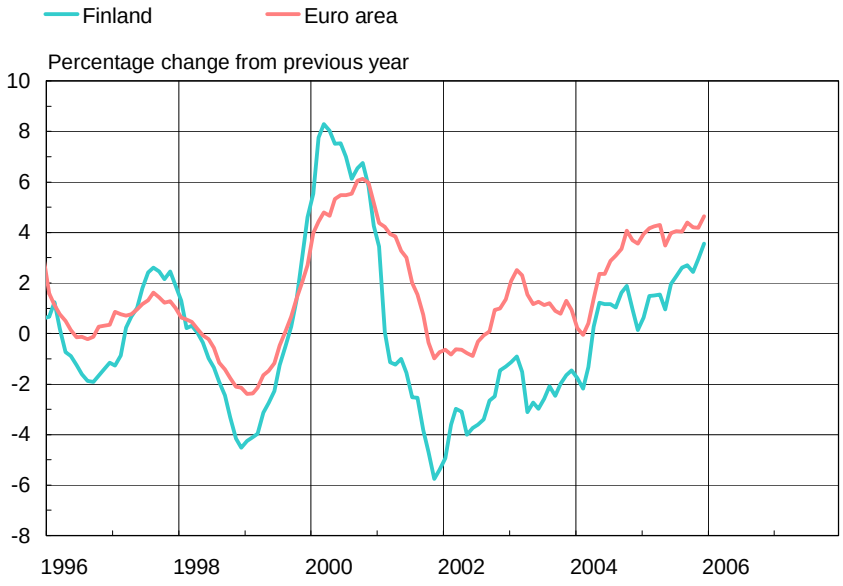
Inflation rates in the euro area (HICP)



Sources: Eurostat and Statistics Finland.

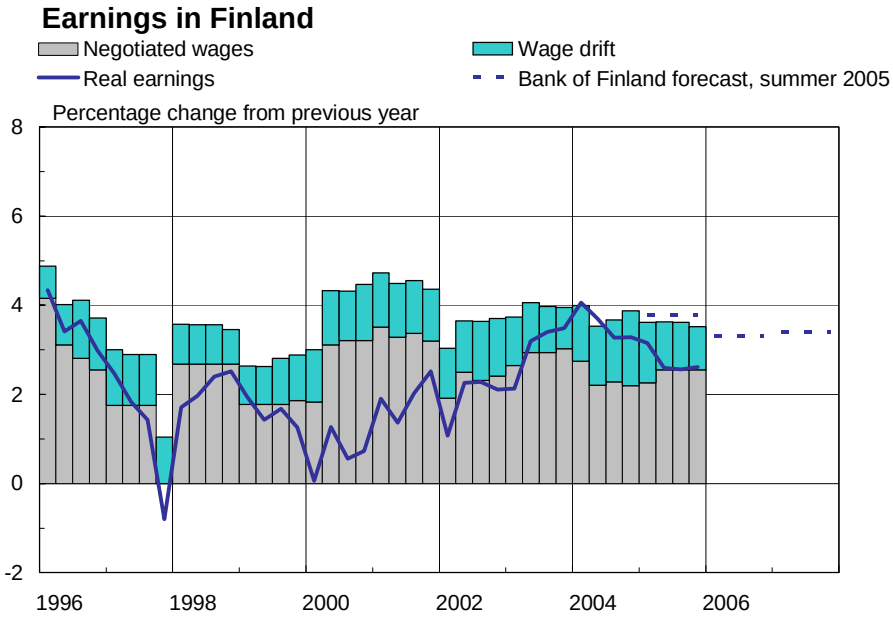
Chart 42.

Producer prices



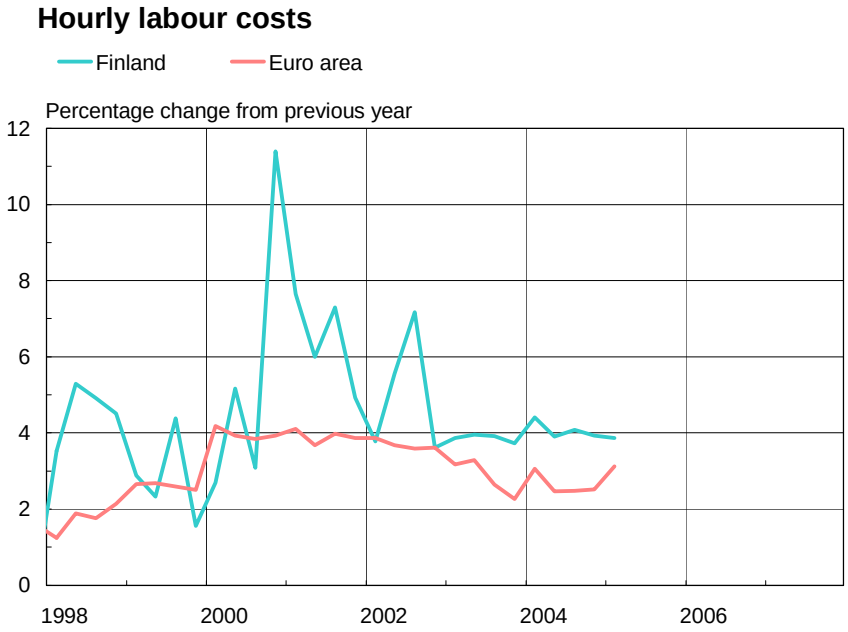
Sources:Eurostat and Statistics Finland.

Chart 43.



Sources: Bank of Finland and Statistics Finland.

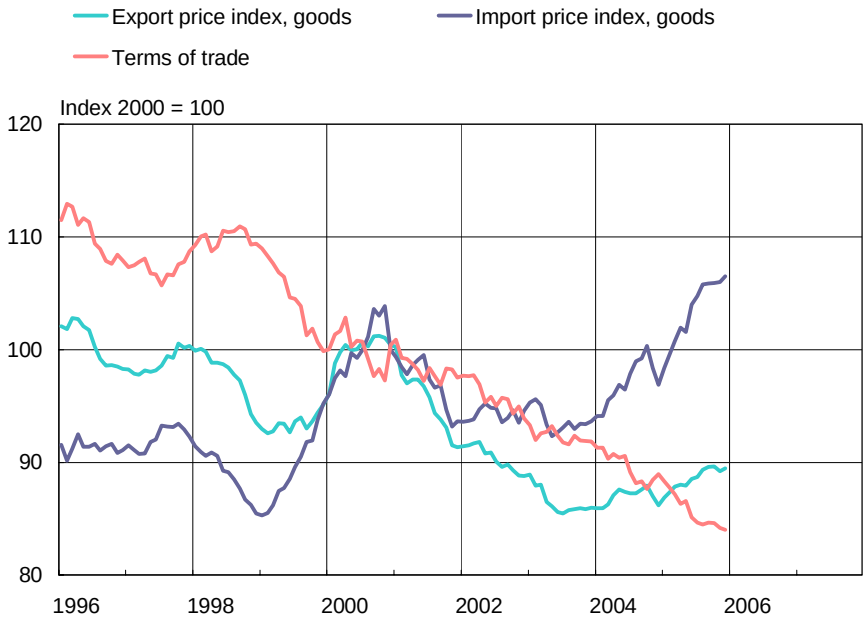
Chart 44.



Sources: Eurostat.
Note: Whole economy excl. agriculture, public administration, education, health and services not elsewhere classified.

Chart 45.

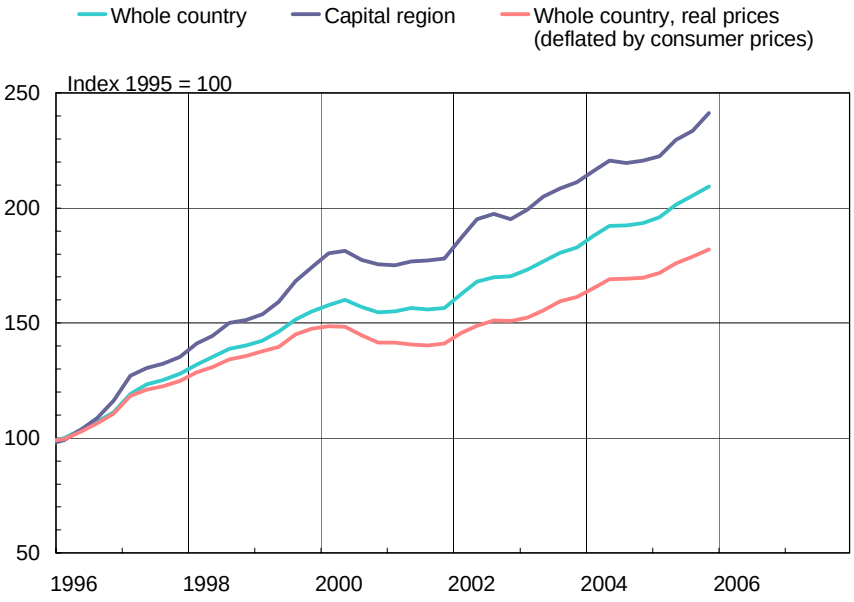
Finland's export prices, import prices and terms of trade



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

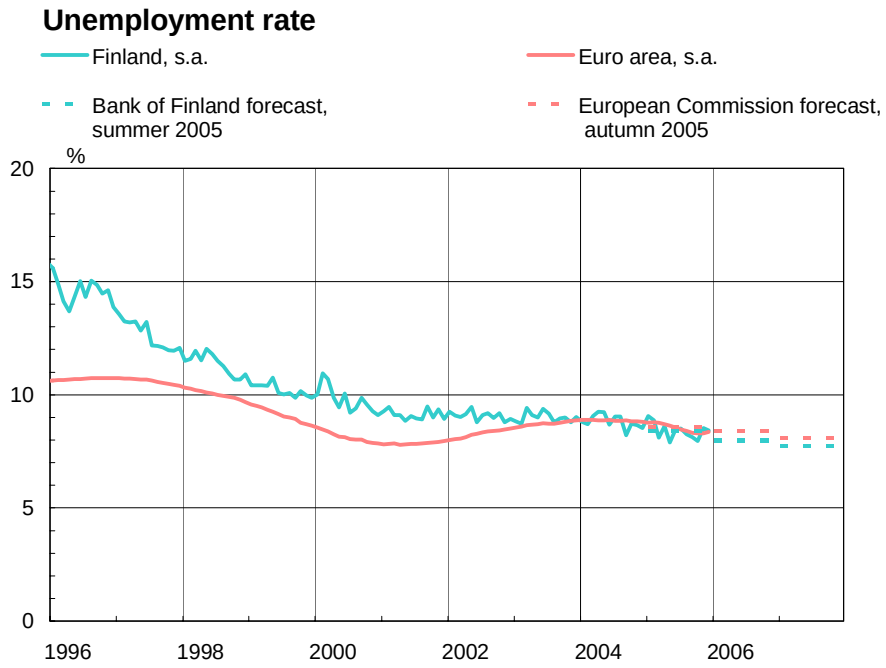
	2003	2004	2005 Actual		2005*	2006*	2007*
Labour costs							
Index of wages and salaries	3.9	3.8	3.6	Q3	*3.8*	*3.3*	*3.4*
			3.6	Q1-Q3			
Unit labour costs							
- whole economy	0.7	0.9	4.0	Q3	*2.9*	*0.3*	*0.3*
			3.8	Q1-Q3			
- manufacturing	0.0	-3.7	5.4	Q3			
			5.6	Q1-Q3			
Price indices							
Export prices (goods)							
- export price index	-4.3	0.5	3.8	M12			
			1.8	M1-M12			
- export price deflator	-3.7	0.1	-1.0	Q3			
			-1.0	Q1-Q3			
Import prices (goods)							
- import price index	-0.6	3.6	9.9	M12			
			6.6	M1-M12			
- import price deflator	0.2	3.4	1.5	Q3			
			3.7	Q1-Q3			
Producer prices	-2.1	0.3	3.6	M12			
			2.1	M1-M12			
Wholesale prices	-0.3	0.9	5.2	M12			
			3.3	M1-M12			
Consumer prices							
- consumer price index	0.9	0.2	1.0	M12	*0.9*	*1.6*	*1.8*
			0.9	M1-M12			
- harmonized index of consumer prices	1.3	0.1	1.0	M12	*0.9*	*1.5*	*1.7*
			0.8	M1-M12			
Asset prices							
Stumpage prices	0.4	-1.2	-1.6	M12			
			1.2	M1-M12			
Dwelling prices, whole country	6.4	7.3	6.4	Q3			
			5.3	Q1-Q3			
Share prices	-14.5	7.6	34.3	M1			
			34.3	M1-M1			

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

* Bank of Finland forecast, summer 2005.

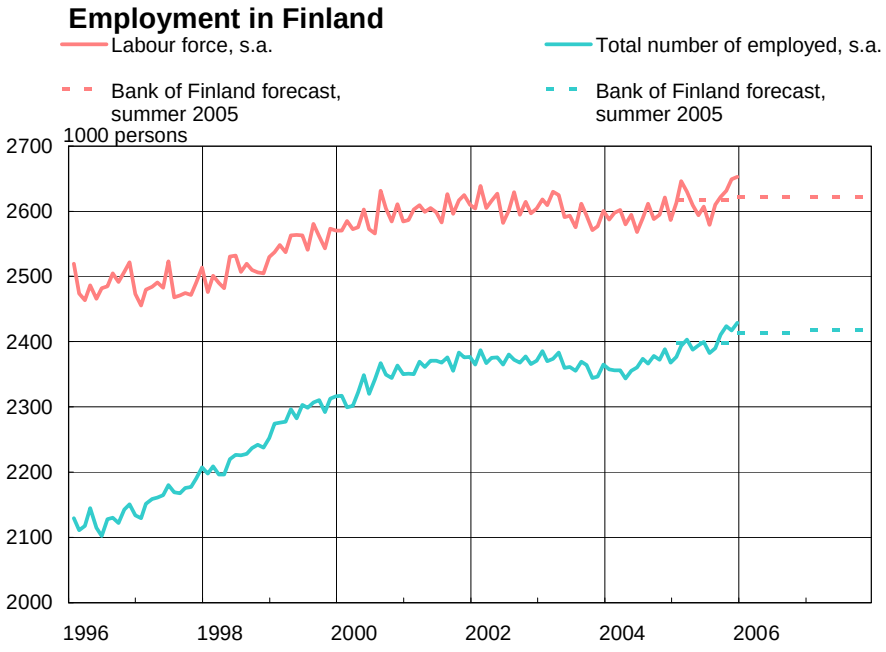
Labour market

Chart 47.



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

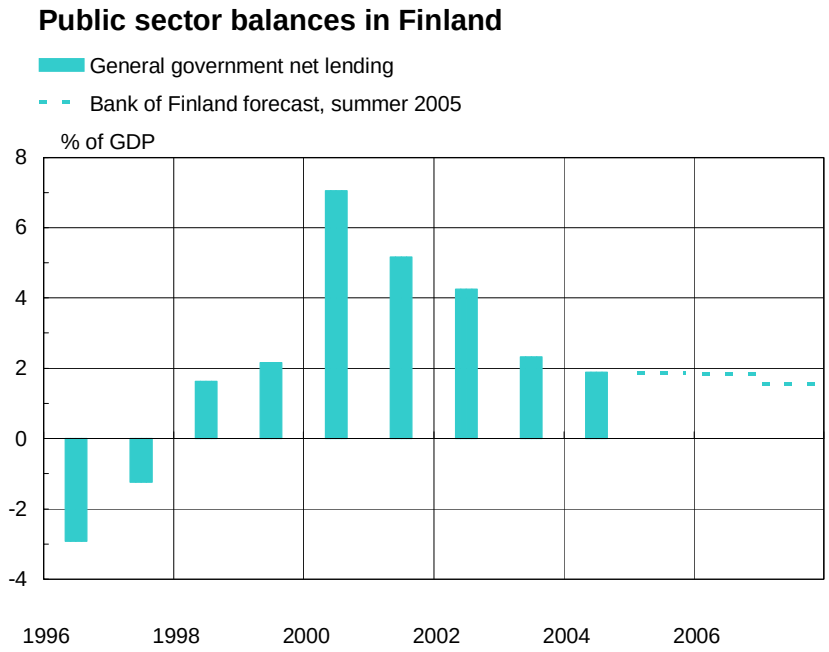
Chart 48.



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

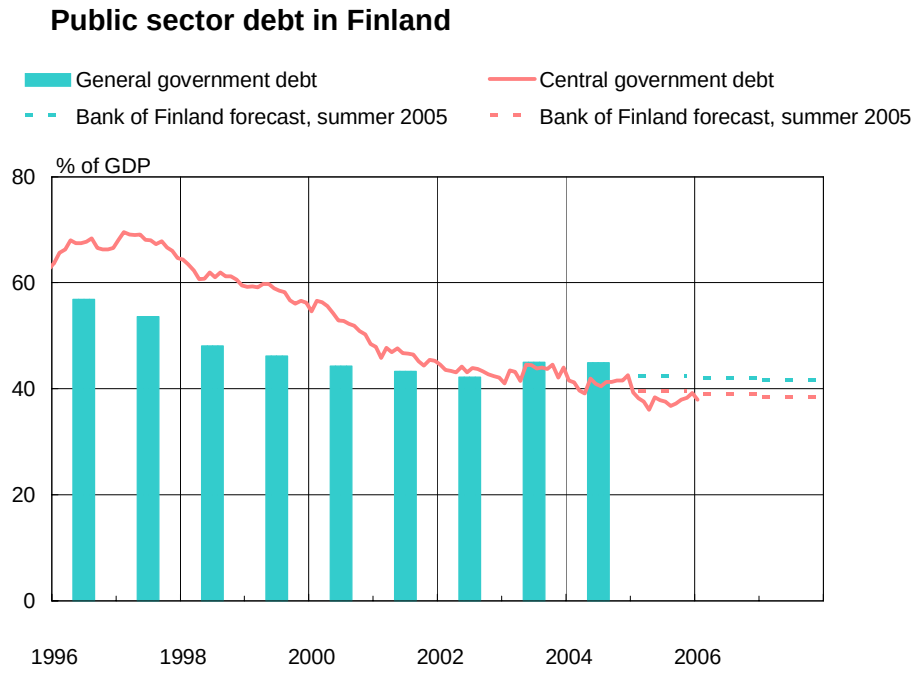
Public finances

Chart 49.



Sources: Statistics Finland and Bank of Finland.

Chart 50.

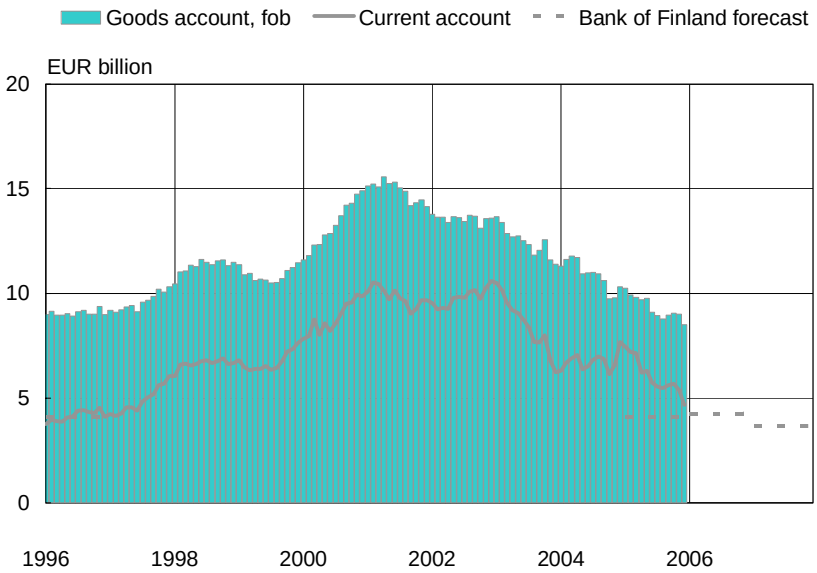


Sources: Statistics Finland, State Treasury and Bank of Finland.

External balance

Chart 51.

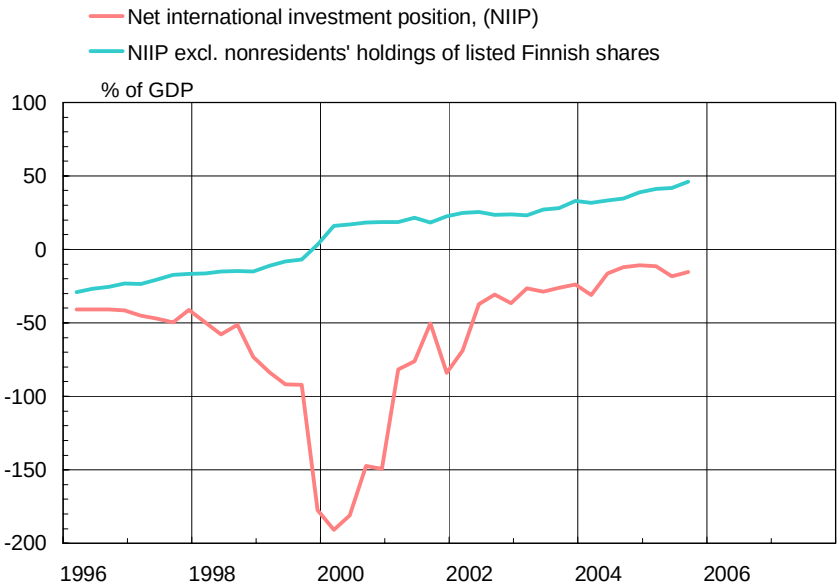
Finland's goods account and current account
12-month moving totals



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	2005*	2006*	2007*
Goods account						
EUR billion	11.4	10.3	0.8 M12			
			8.5 M01-M12			
per cent of GDP	7.9	6.9				
Current account						
EUR billion	6.2	7.7	1.2 M12	*4.1*	*4.3*	*3.7*
			4.7 M01-M12			
per cent of GDP	4.3	5.1		*2.7*	*2.7*	*2.2*
Financial account						
EUR billion	-6.8	-6.9	-0.6 M12			
			-4.7 M01-M12			
General government	-0.1	-5.9	1.0 M12			
			-5.9 M01-M12			
Direct investment						
in Finland	3.0	2.4	0.1 M12			
			3.6 M01-M12			
abroad	-2.4	-1.2	-0.6 M12			
			2.3 M01-M12			
Shares	-5.4	-7.8	-0.6 M12			
			-3.1 M01-M12			
Other capital (incl. errors and omissions)	-6.7	3.1	-1.7 M12			
			2.9 M01-M12			
Foreign exchange reserves (increase -)	0.5	-0.7	-0.6 M12			
			0.1 M01-M12			
Net lending, saving minus investment						
Private sector						
EUR billion	2.9	4.8		*1.2*	*1.4*	*1.1*
per cent of GDP	2.0	3.2		*0.8*	*0.9*	*0.7*
General government						
EUR billion	3.3	2.8		*2.9*	*2.9*	*2.6*
per cent of GDP	2.3	1.9		*1.9*	*1.8*	*1.6*
Central government						
EUR billion	0.6	0.4		*-0.4*	*-0.6*	*-0.8*
per cent of GDP	0.4	0.2		*-0.3*	*-0.4*	*-0.5*
Local government						
EUR billion	-0.8	-1.0		*-0.7*	*-0.6*	*-0.7*
per cent of GDP	-0.6	-0.7		*-0.5*	*-0.4*	*-0.4*
Social security funds						
EUR billion	3.6	3.5		*4.0*	*4.1*	*4.1*
per cent of GDP	2.5	2.3		*2.6*	*2.6*	*2.5*
Net foreign debt						
per cent of GDP	23.8	10.7				
per cent of exports of goods and services	64.4	28.3				
Sectoral debt ratios, gross debt, per cent of GDP						
Non-financial corporate sector **	51.8	49.2				
Household sector	37.0	40.2				
General government	45.0	44.9		*42.4*	*42.0*	*41.7*

Sources: Bank of Finland and Statistics Finland.

* Bank of Finland forecast, summer 2005.

** Excl. housing corporations.