



BANK OF FINLAND

Monetary Policy and Research - Financial Markets and Statistics

EUROJÄRJESTELMÄ
EUROSYSTEMET

Main Indicators for the Finnish Economy

3/2009



19 March 2009

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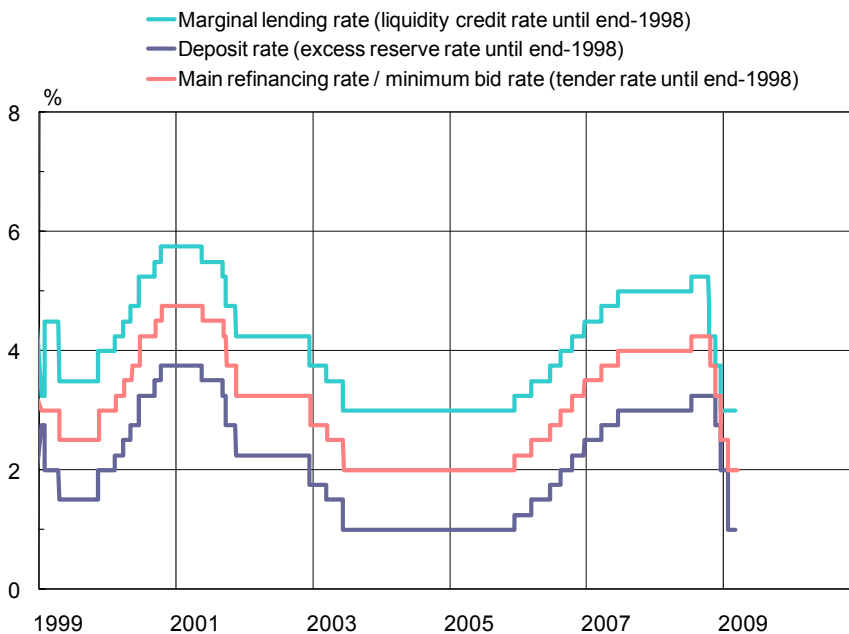
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Monetary policy and market interest rates

Chart 1.

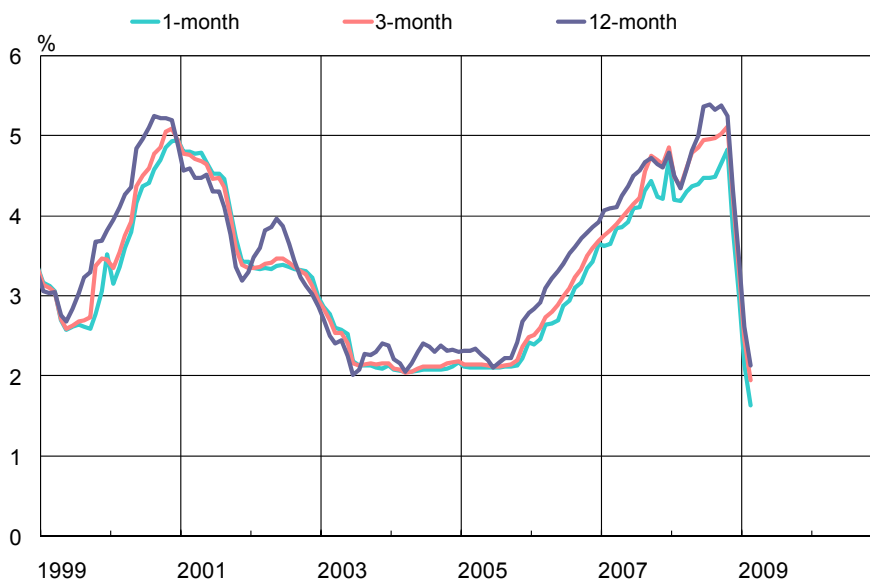
Eurosystem interest rates



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

Chart 2.

Euribor rates



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

Chart 3.

International three-month interest rates

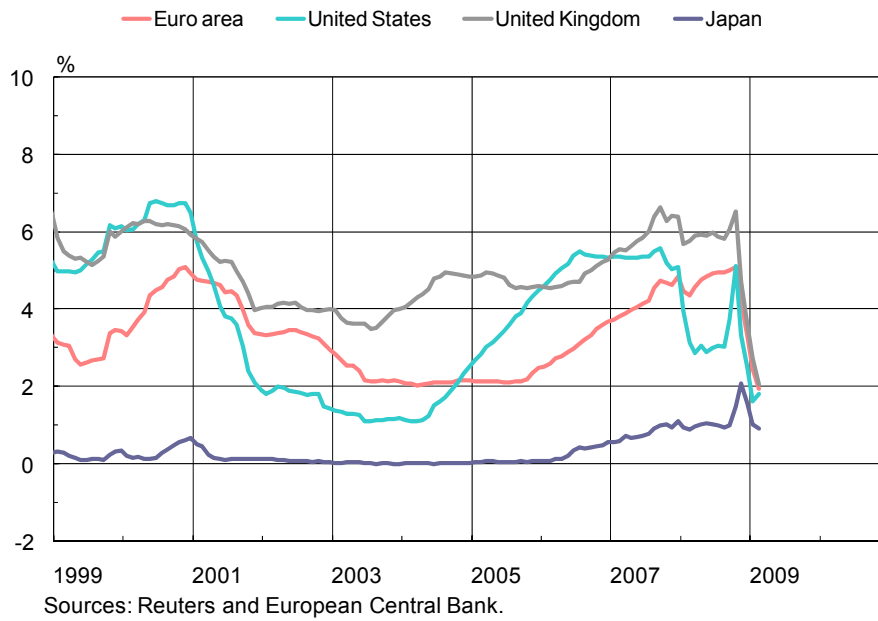


Chart 4.

International long-term interest rates

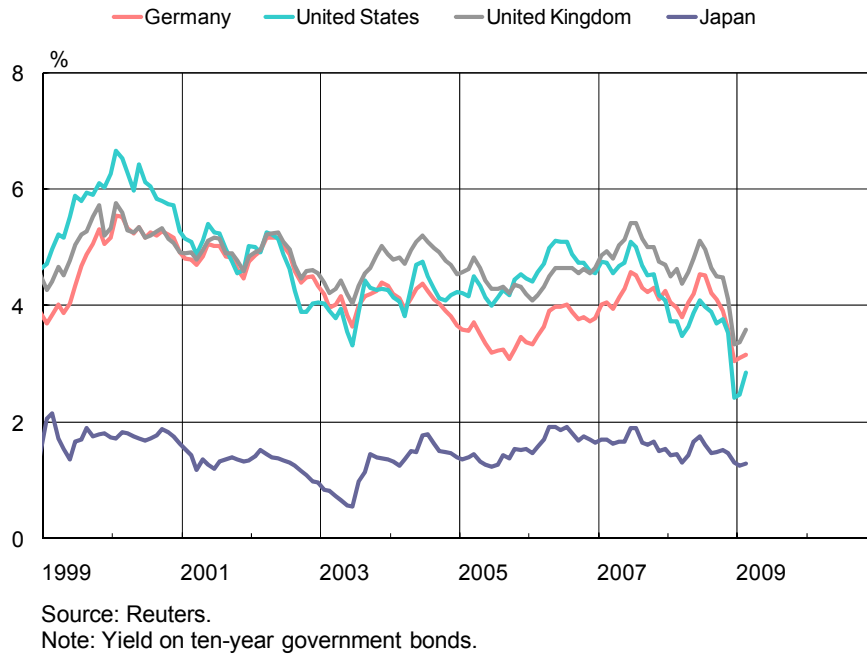
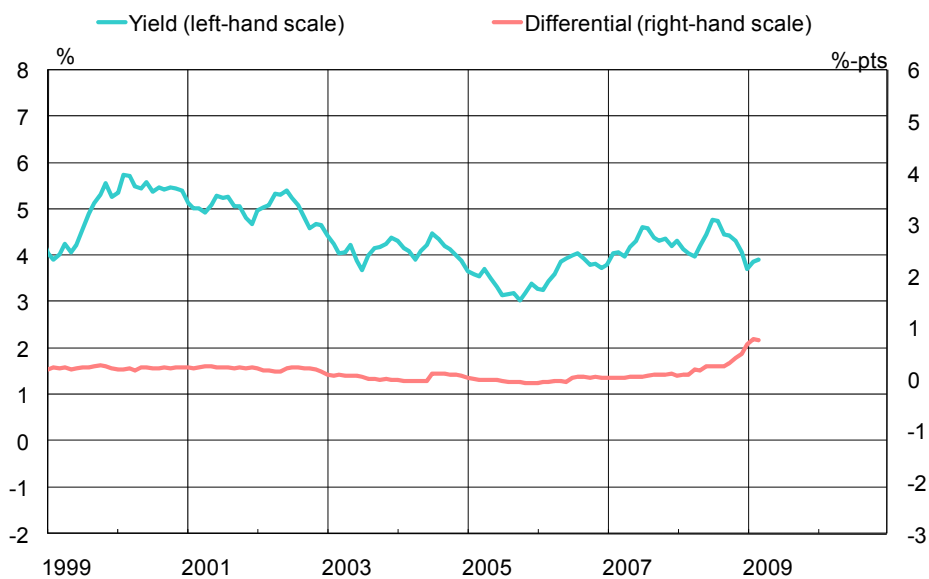


Chart 5.

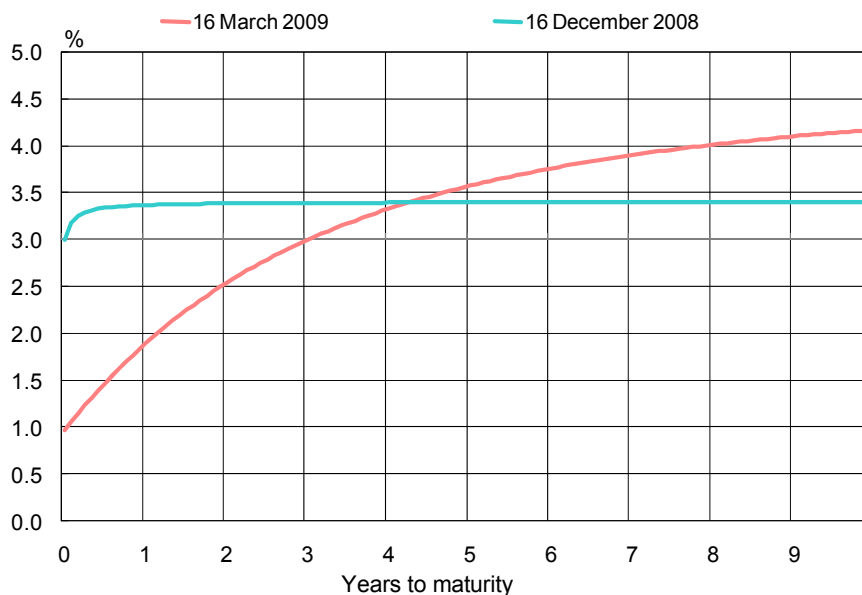
Yield on ten-year Finnish government bonds and differential vs. Germany



Source: Reuters.

Chart 6.

Euro area (Finland's) yield curve (zero coupon yield curve)



Source: Bank of Finland.

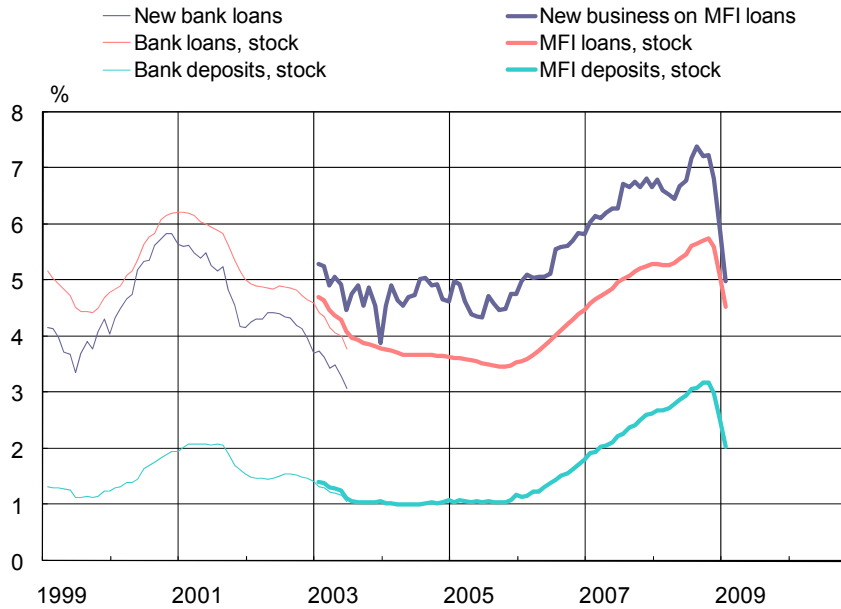
Note: BOF estimation using Nelson & Siegel (1987) yield curve model applied to Eonia and Euribor rates and Finnish benchmark government bond yields.

Note 2: Due to recent turmoil in financial markets, the estimate of the yield curve is biased and, therefore, cannot be interpreted in a mechanical way.

Banking in Finland

Chart 7.

Interest rates on loans and deposits

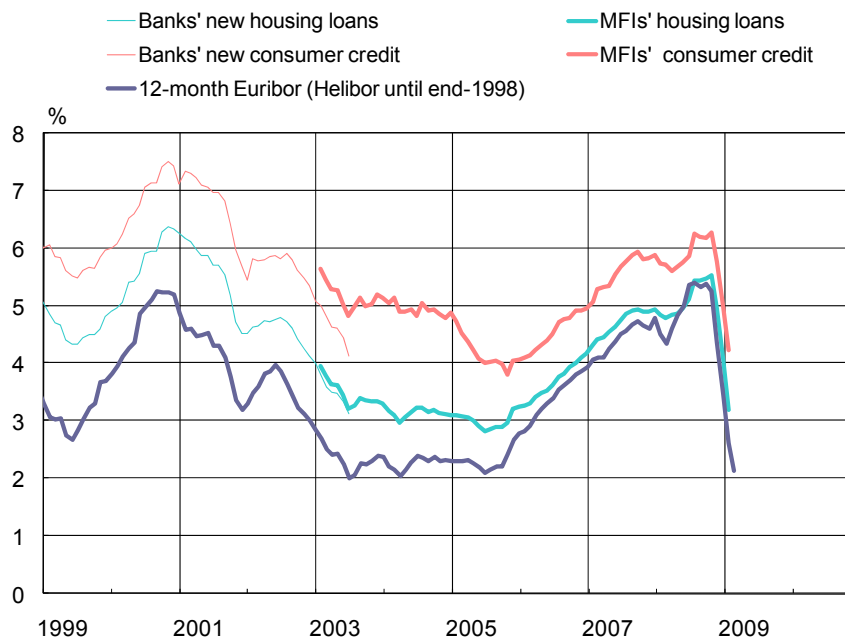


Source: Bank of Finland.

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 loans to households

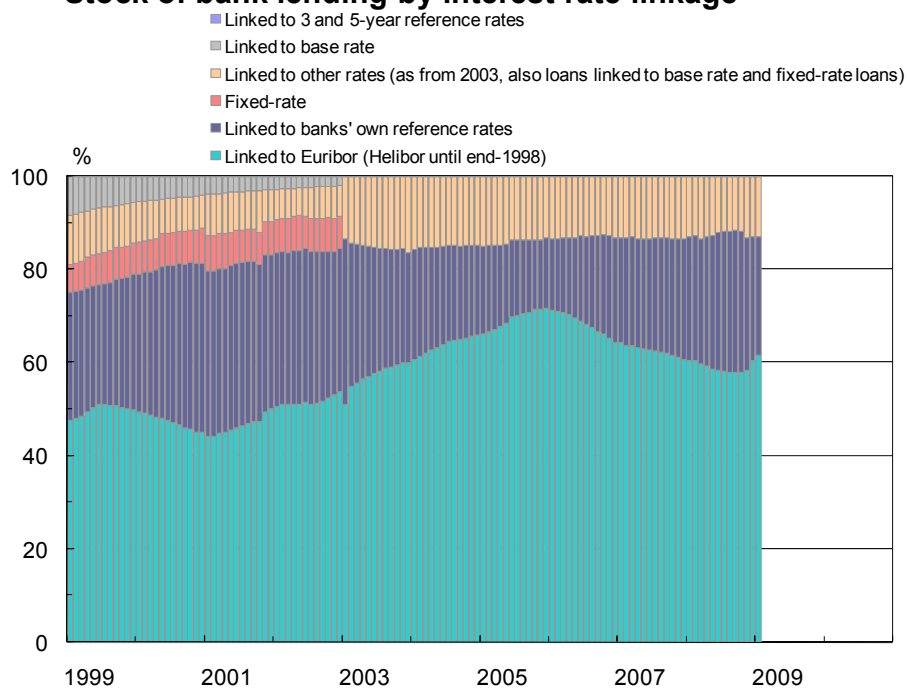


Source: Bank of Finland.

See note in Chart 7.

Chart 9.

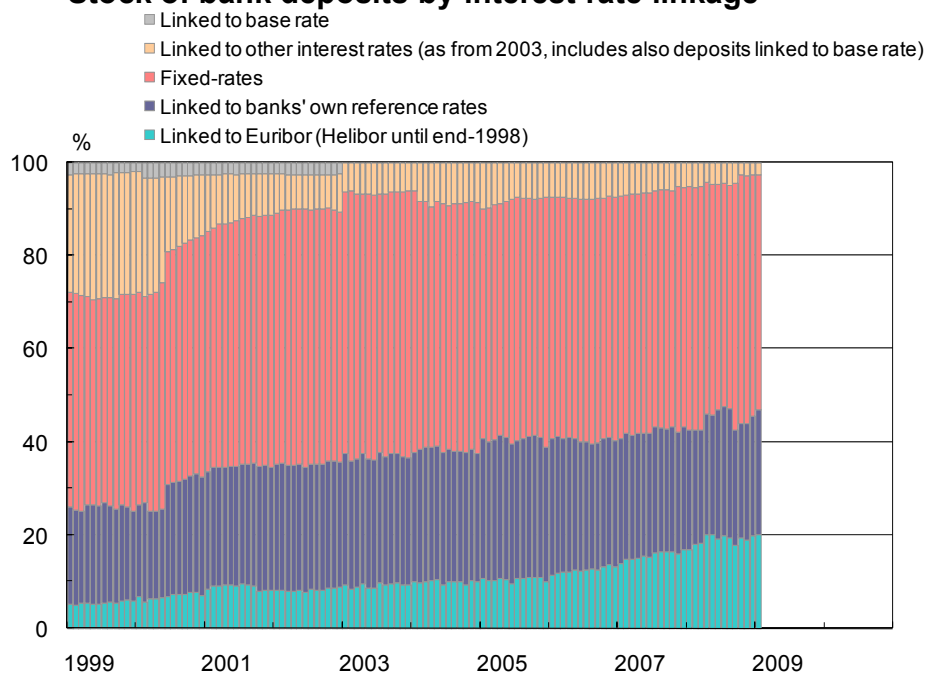
Stock of bank lending by interest rate linkage



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

Chart 10.

Stock of bank deposits by interest rate linkage



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

Chart 11.

Euro area and Finnish MFIs: growth of deposits

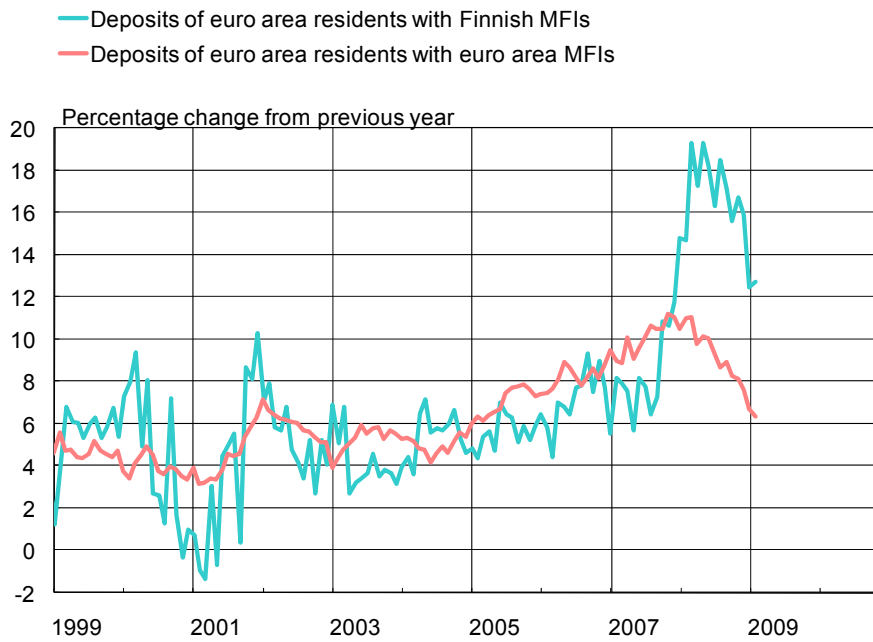


Chart 12.

Euro area and Finnish MFIs: growth of loans

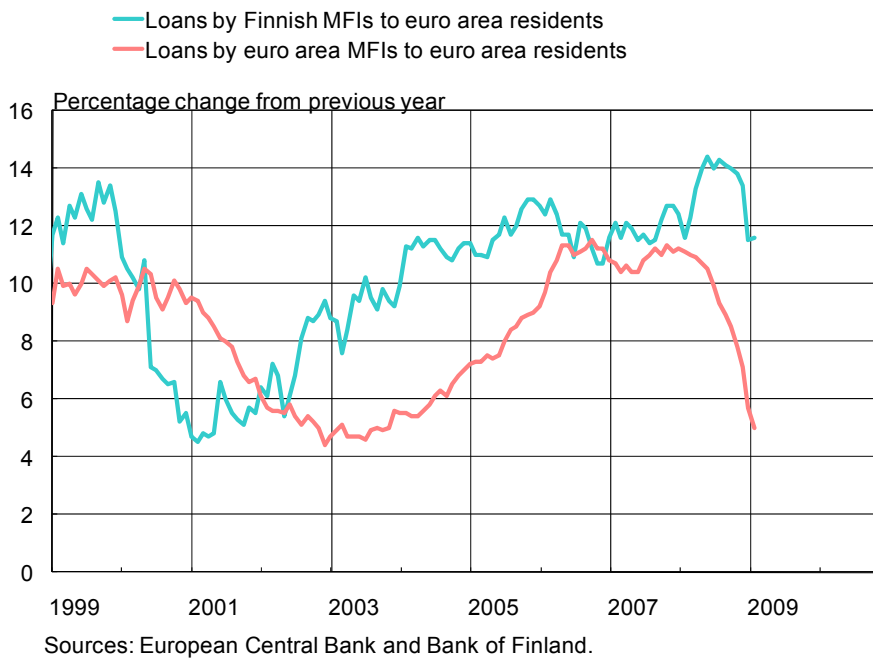
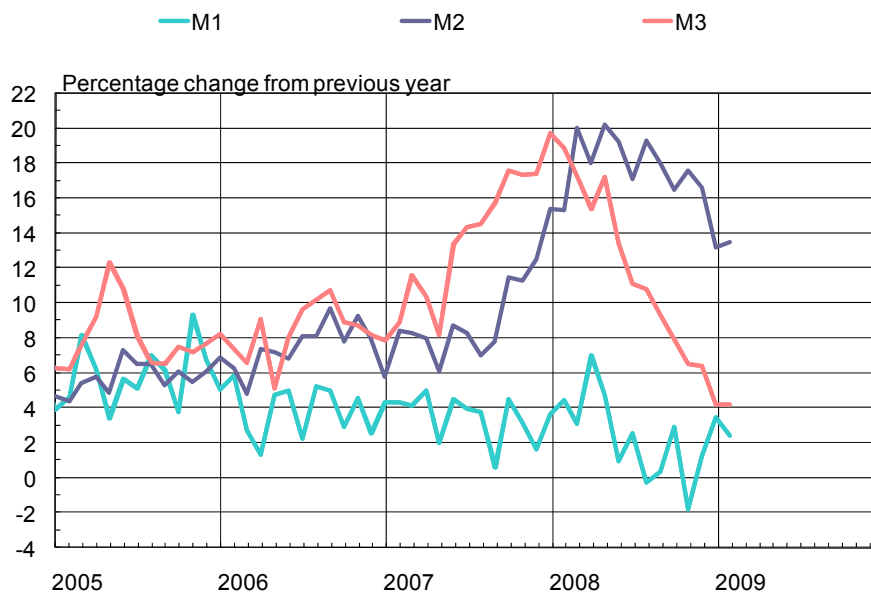


Chart 13.

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

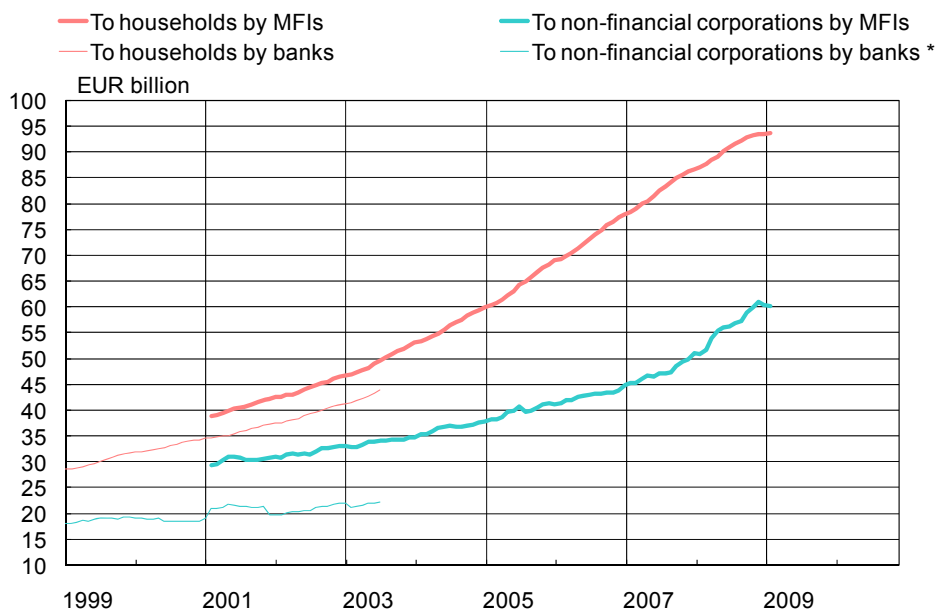


Source: Bank of Finland.

* Note: Excluding currency in circulation with the public.

Chart 14.

Outstanding loans to households and non-financial corporations



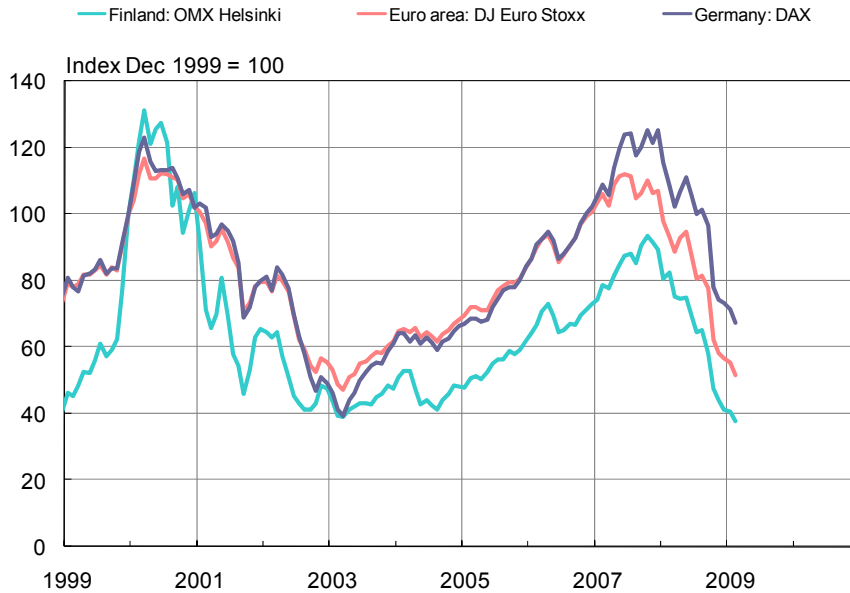
Source: Bank of Finland.

* Note: The series includes structural changes.

Securities market

Chart 15.

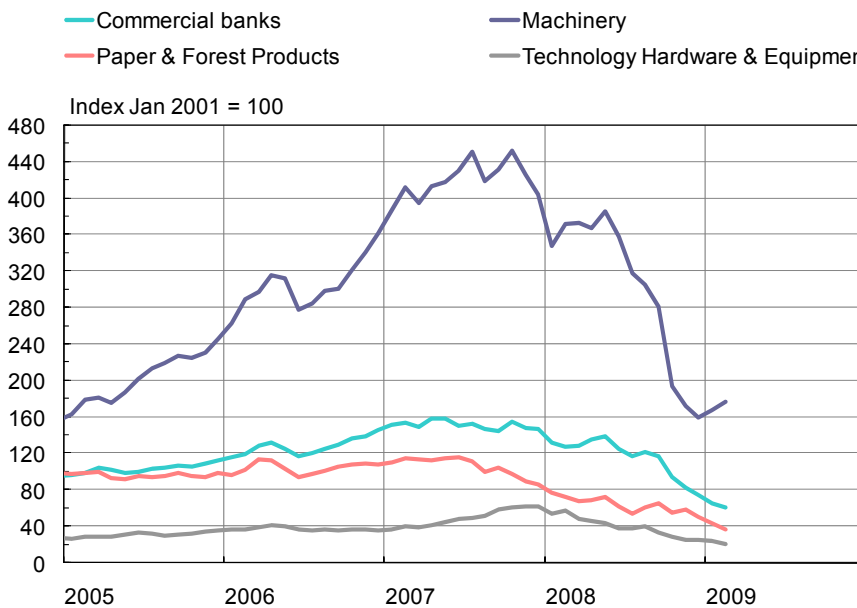
Selected stock price indices in the euro area



Sources: Bloomberg and OMX Nordic Exchange Helsinki Oy.

Chart 16.

OMX Nordic Exchange Helsinki: share indices by sector

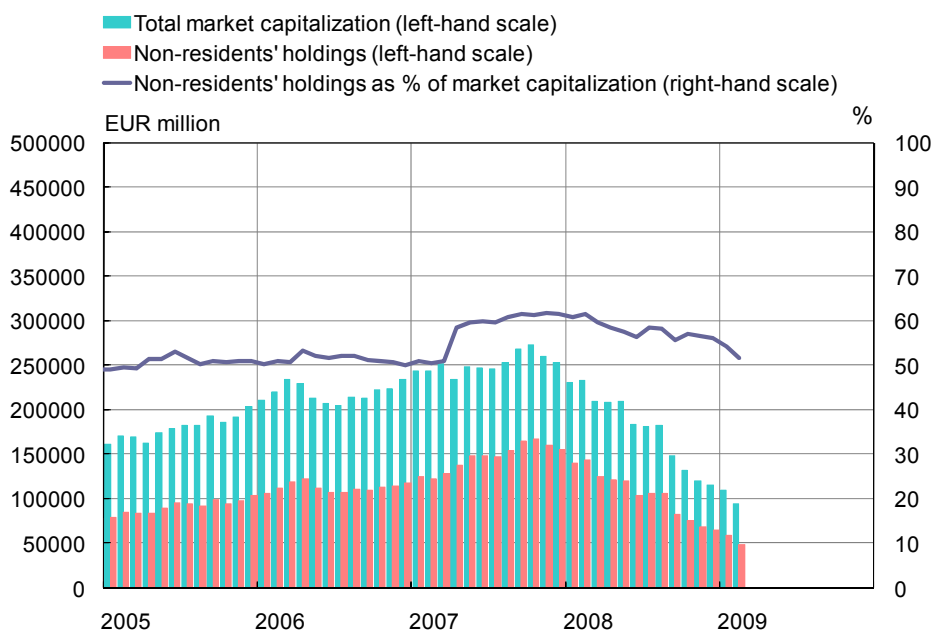


The Helsinki Stock Exchange introduced the Global Industry Classification Standard (GICS) for listed companies as of 1 July 2005.

Source: OMX Nordic Exchange Helsinki Oy.

Chart 17.

Listed shares in Finland: total market capitalization and non-residents' holdings

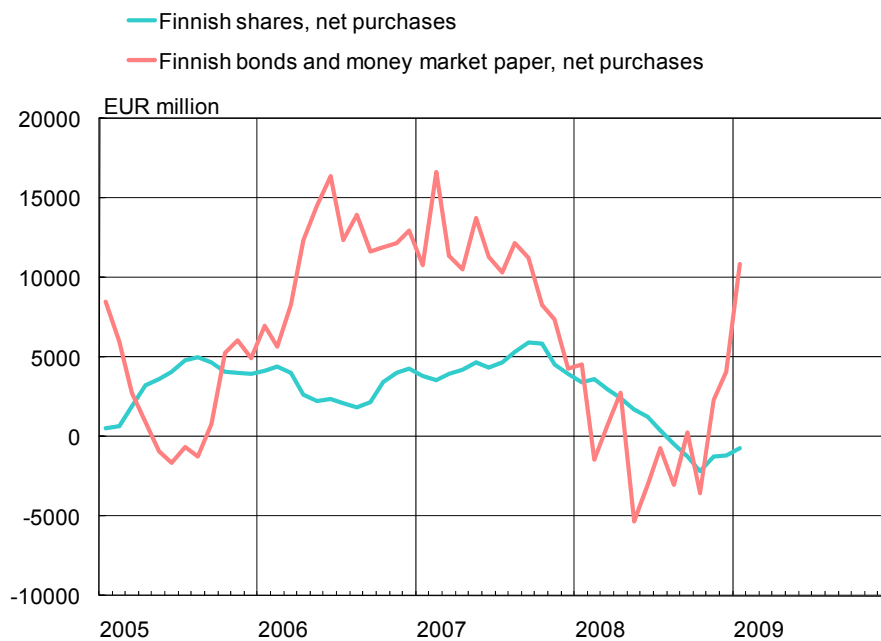


Sources: OMX Nordic Exchange Helsinki Oy and Finnish Central Securities Depository.

Chart 18.

Non-residents' portfolio investments in Finland

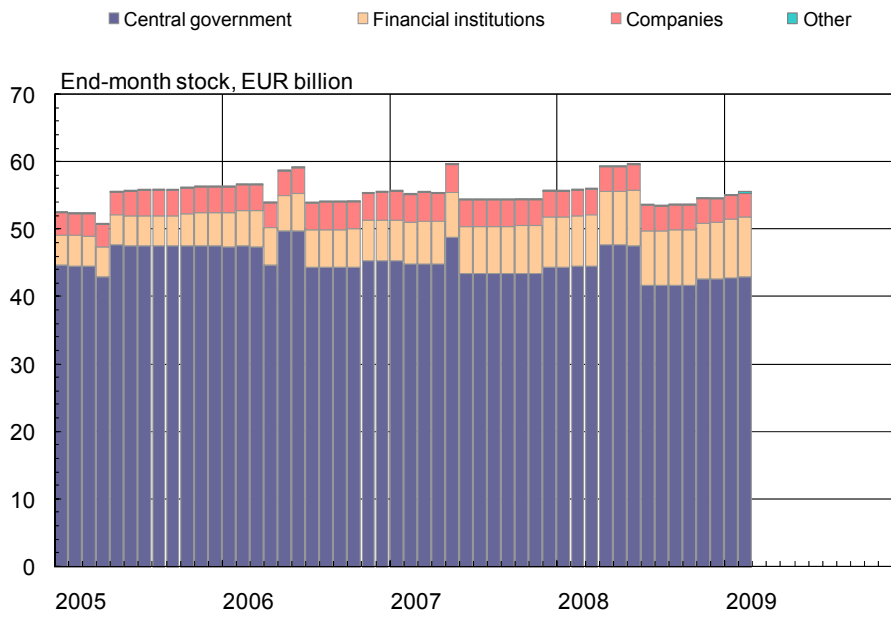
12-month moving totals



Source: Bank of Finland.

Chart 19.

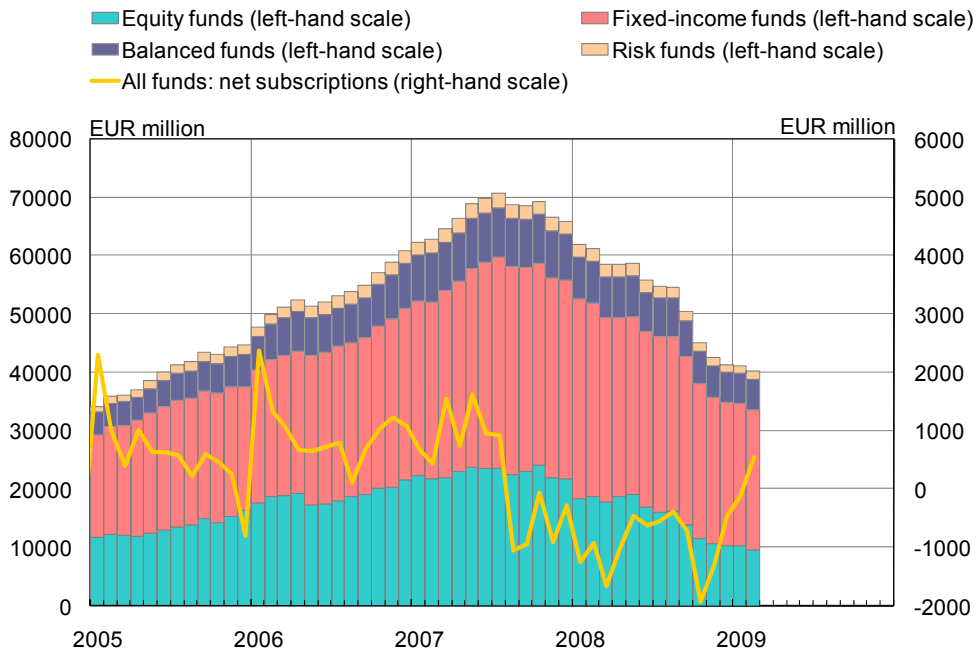
Bonds issued in Finland



Source: Statistics Finland.

Chart 20.

Mutual funds registered in Finland



Sources: OMX Nordic Exchange Helsinki Oy and Finnish Association of Mutual Funds.

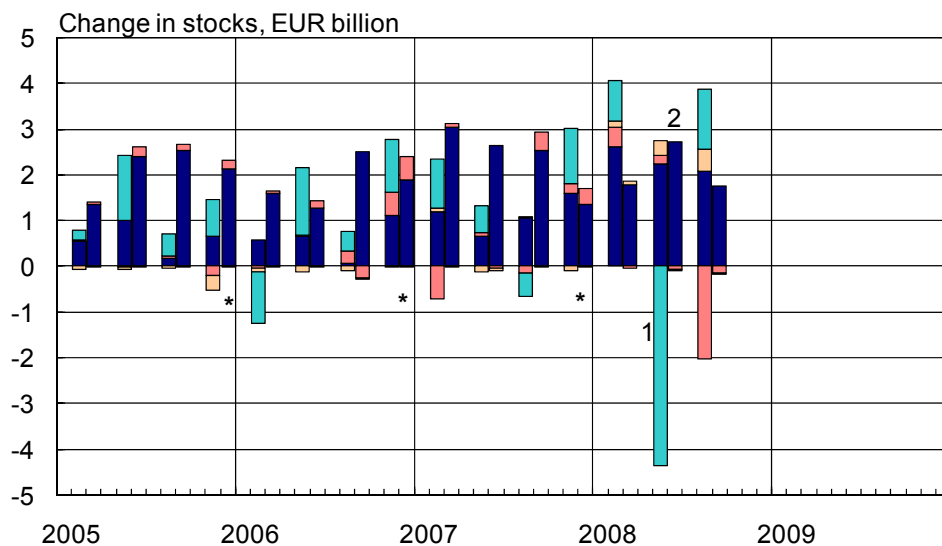
Borrowing by sector in Finland

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.

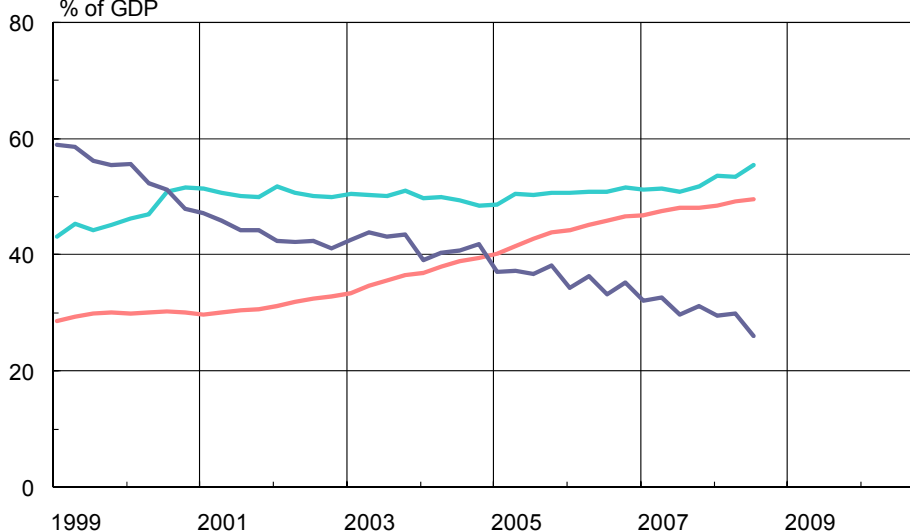
Sectoral debt ratios in Finland

— Non-financial corporate sector excl. housing corporations

— Household sector

— Central government

% of GDP



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

Exchange rates

Chart 23.

Euro exchange rates against the US dollar and the yen

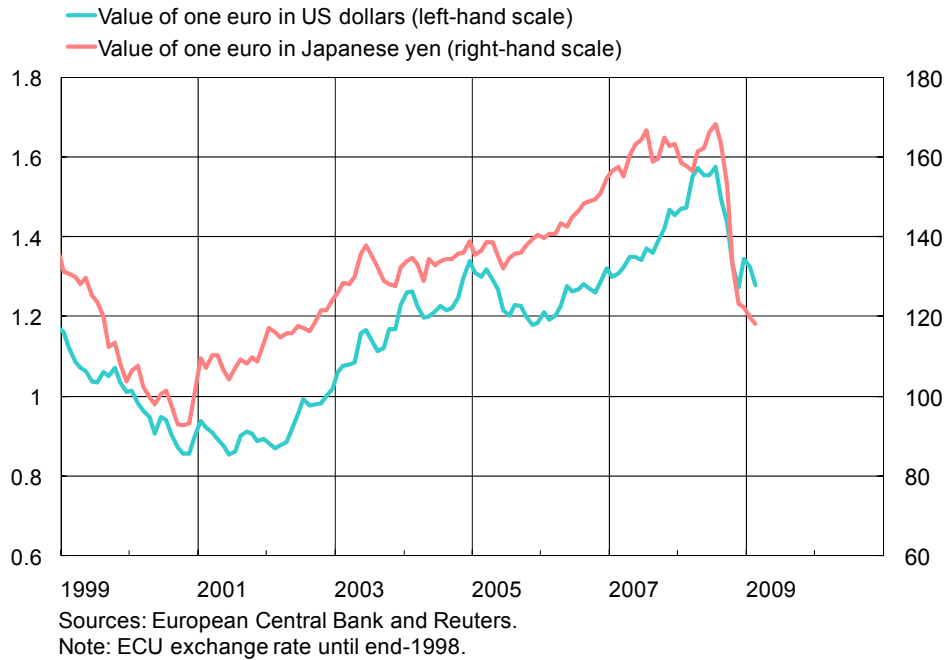


Chart 24.

Euro exchange rates against the pound sterling and the Swedish krona

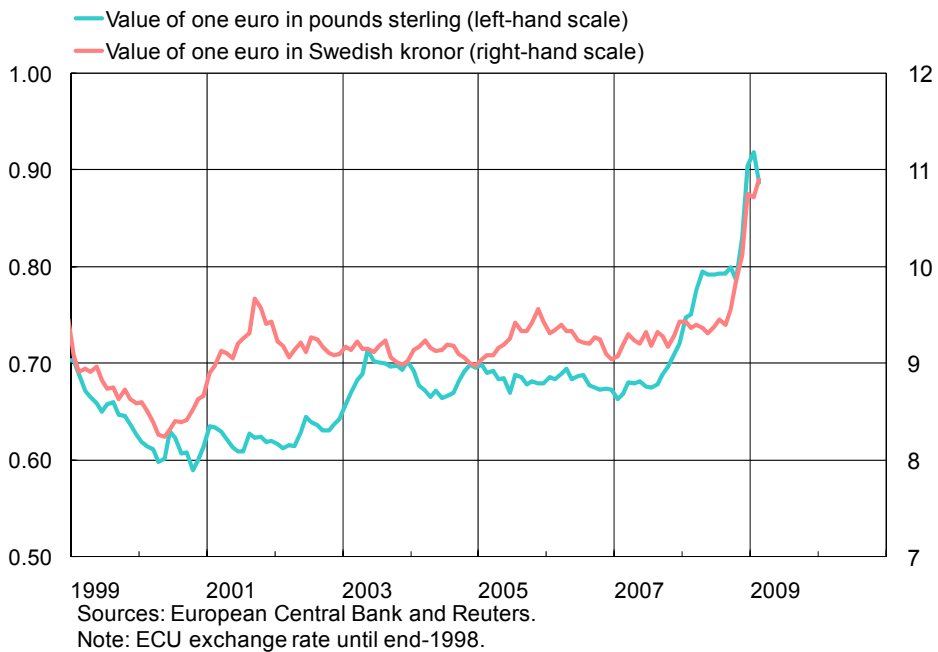
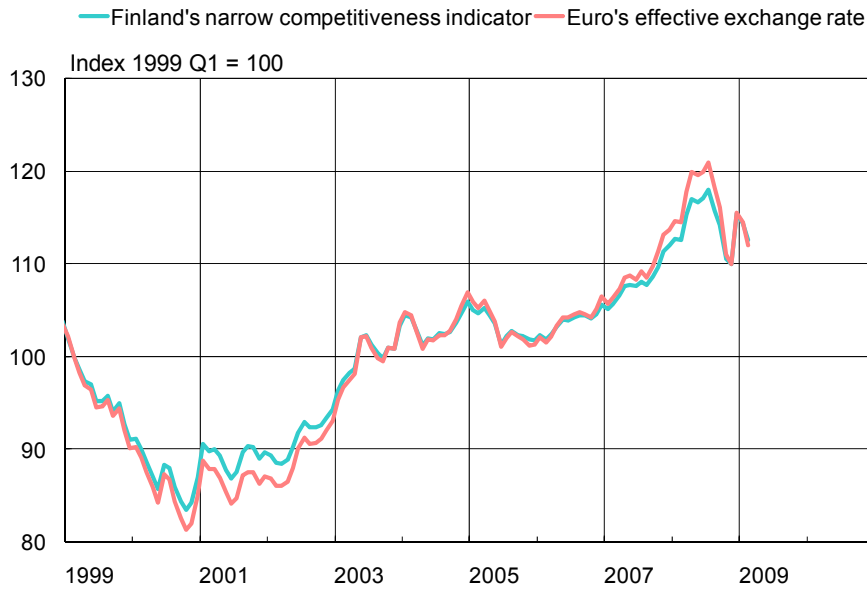


Chart 25.

Euro's external value and Finland's competitiveness indicator

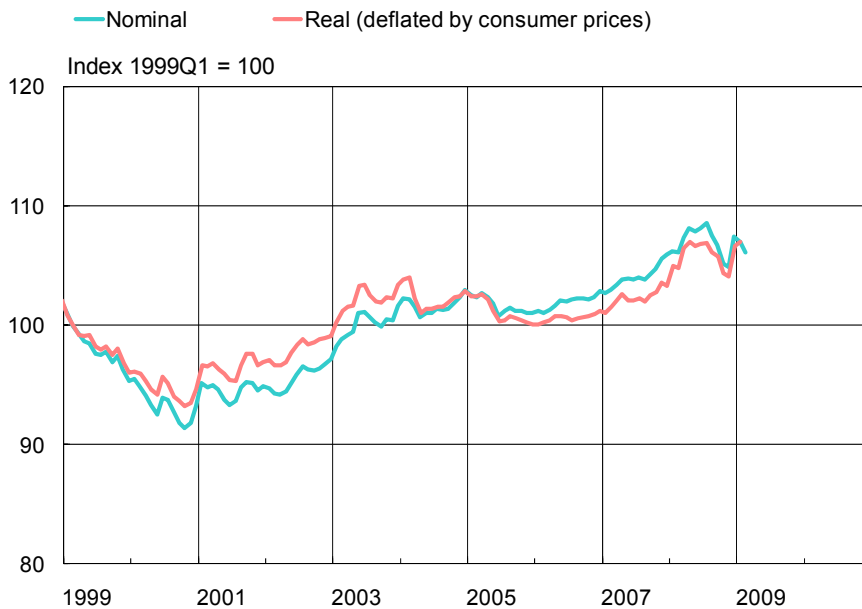


Sources: European Central Bank and Bank of Finland.

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



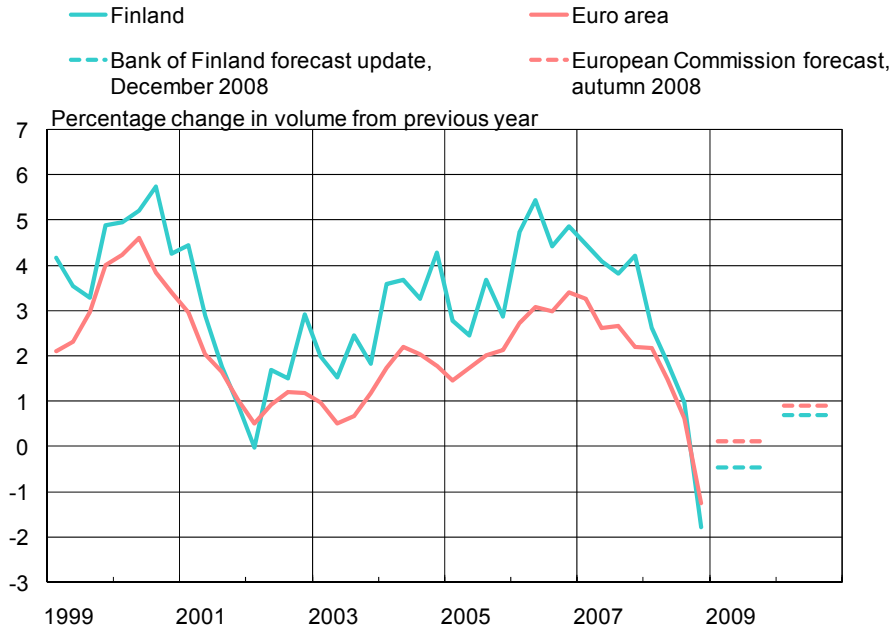
Source: Bank of Finland.

Note: Narrow plus euro area competitiveness indicator. See also note in Chart 25.

Real economy

Chart 27.

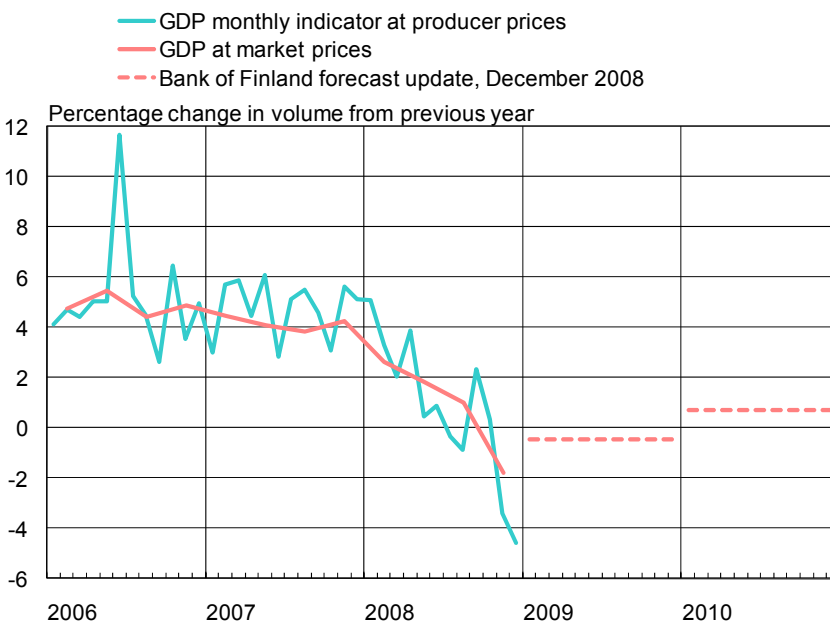
Gross domestic product



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

Chart 28.

Gross domestic product in Finland



Sources: Bank of Finland and Statistics Finland.

Chart 29.

Industrial production

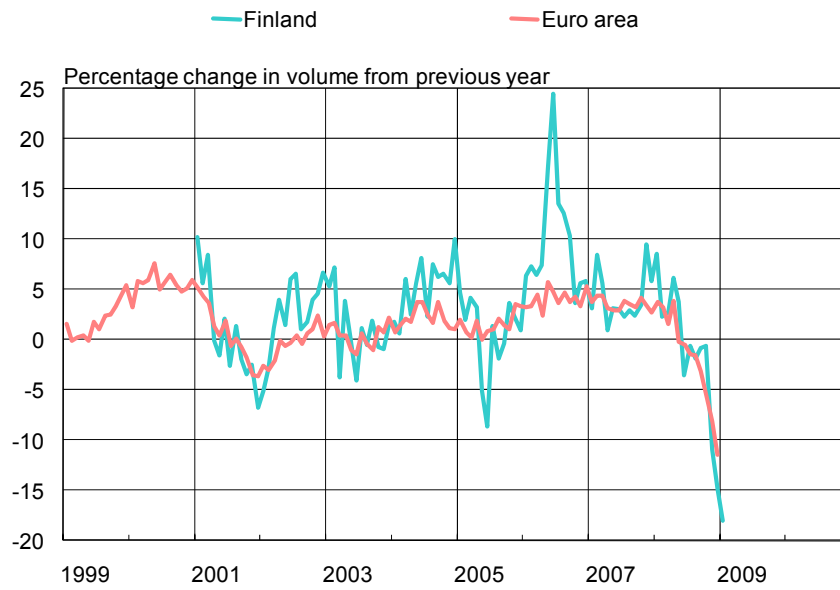


Chart 30.

Industrial confidence indicator

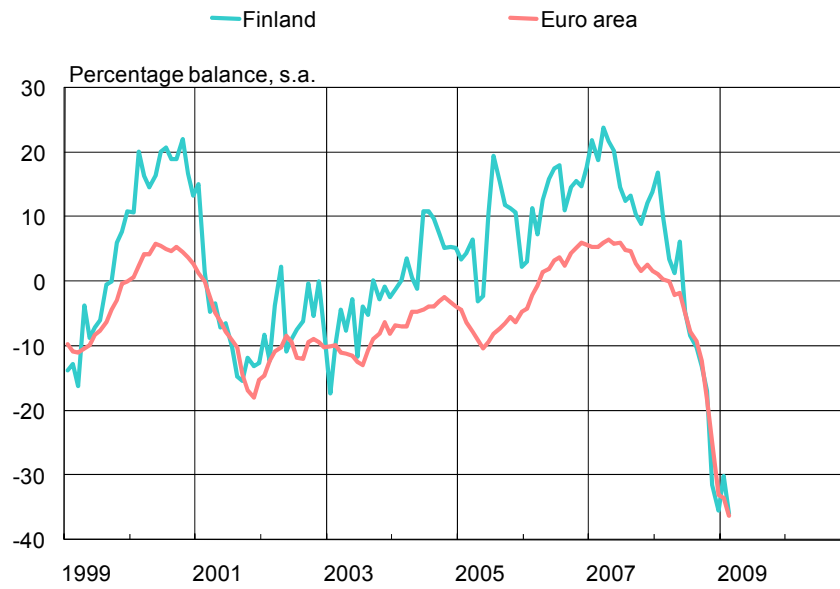
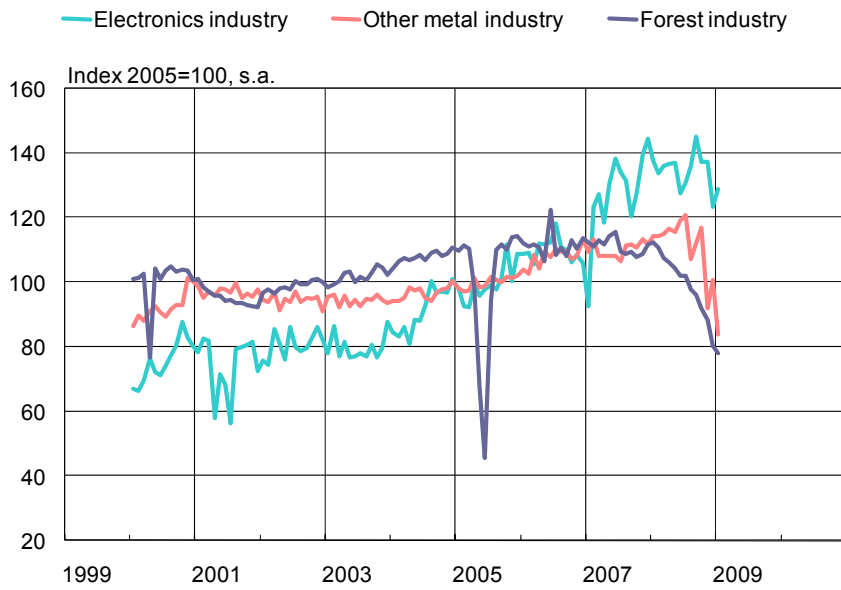


Chart 31.

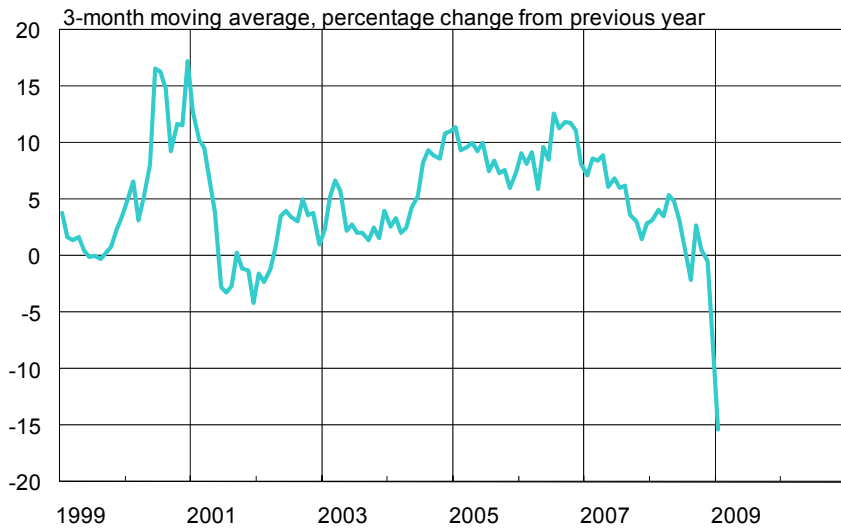
Manufacturing production by sector



Source: Statistics Finland.

Chart 32.

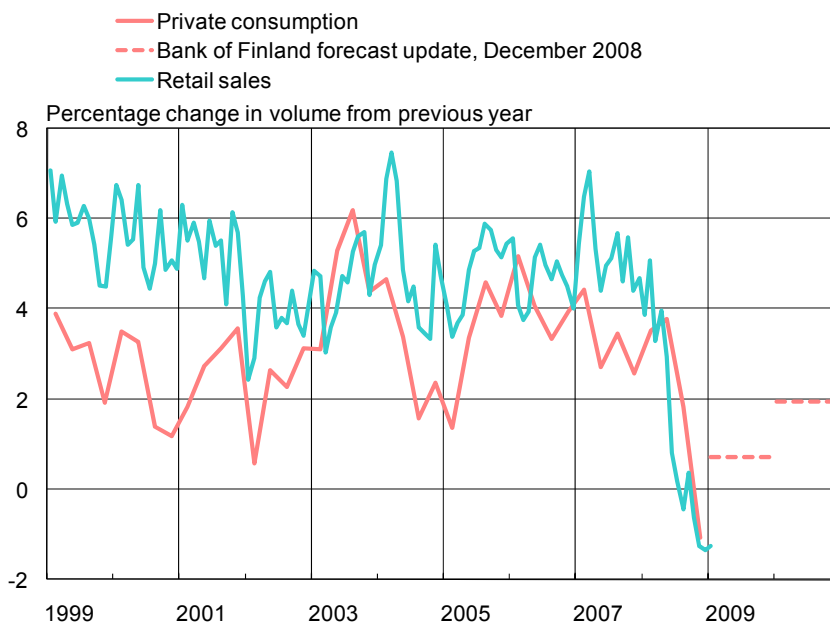
Finland's imports of goods



Source: National Board of Customs.

Chart 33.

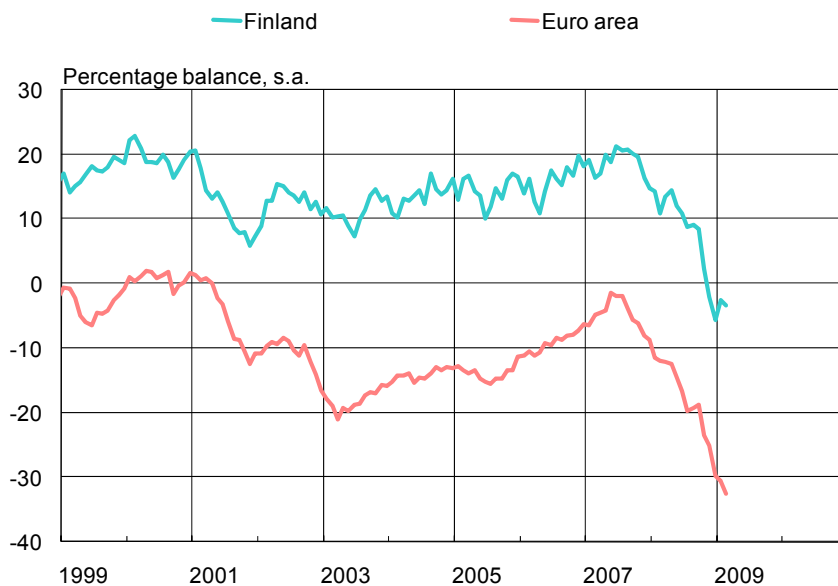
Consumption in Finland



Sources: Bank of Finland and Statistics Finland.

Chart 34.

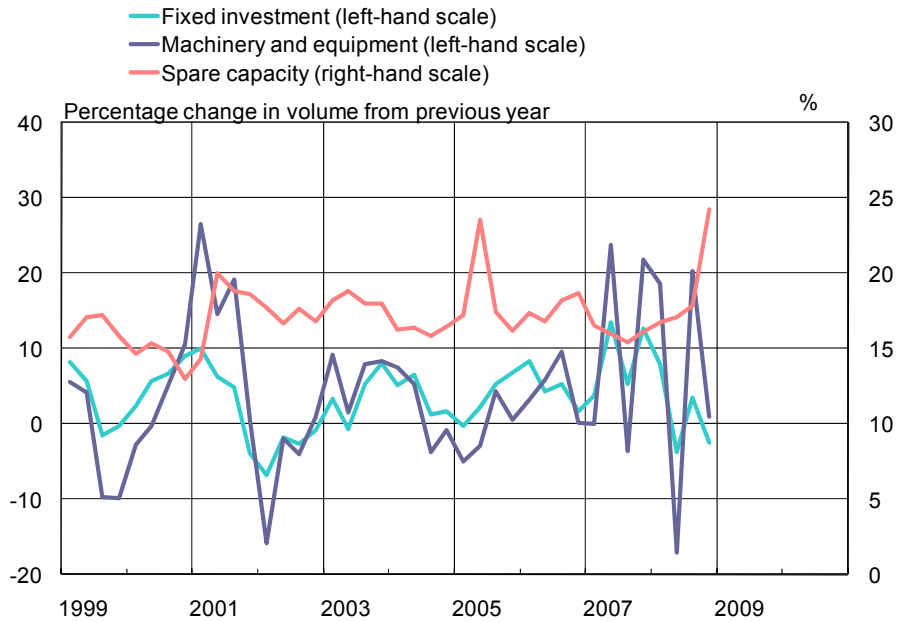
Consumer confidence



Source: European Commission.

Chart 35.

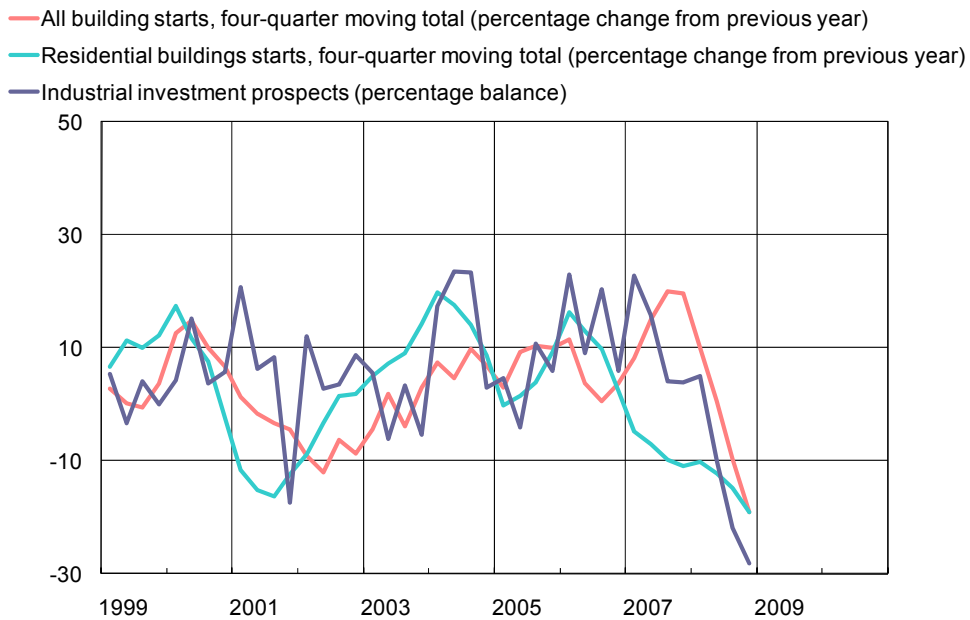
Fixed investment in Finland



Source: Statistics Finland.

Chart 36.

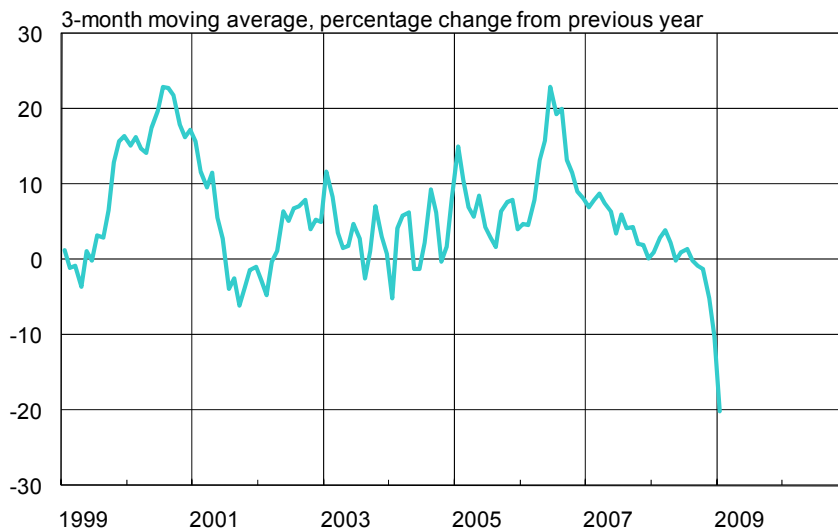
Construction indicators



Sources: Statistics Finland and Confederation of the Finnish Industries.

Chart 37.

Finland's exports of goods



Source: National Board of Customs.

Chart 38.

Finland's exports by industry

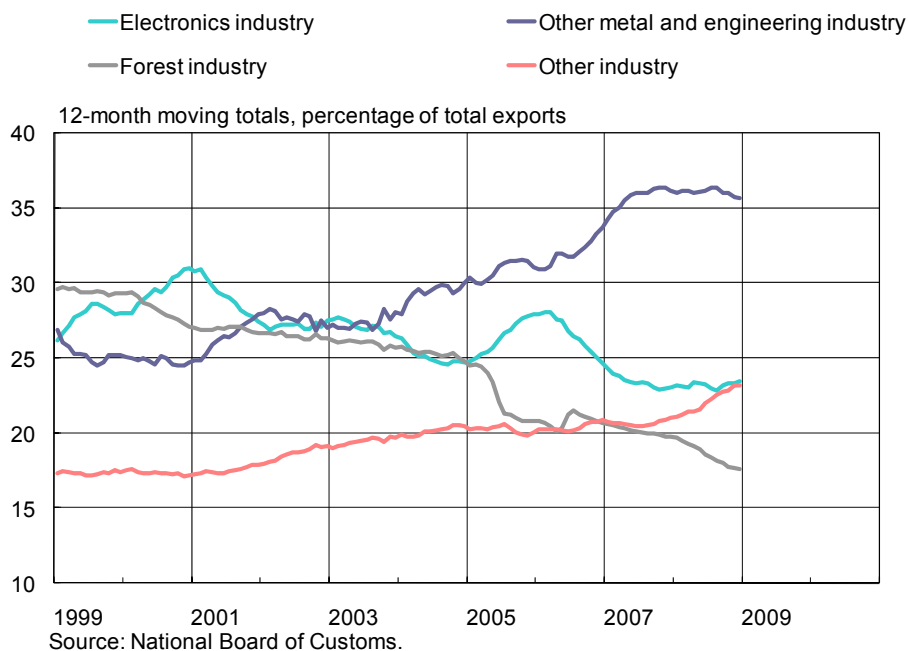


Table 1.

Supply, demand and labour market indicators

	2007	2008	2008/2009 Actual	2009*	2010*
Supply and demand <i>percentage change in volume from previous year</i>					
Gross domestic product at market prices	4.2	0.9	-1.8 Q4 0.9 Q1-Q4	-0.5	0.7
GDP monthly indicator at producer prices	4.9	0.7	-2.2 M12 0.7 M1-M12		
Manufacturing production	5.5	0.3	-20.1 M1 -20.1 M1-M1		
Consumption expenditure	2.5	1.9	0.9 Q4 1.8 Q1-Q4		
- private	3.3	2.0	-0.3 Q4 1.6 Q1-Q4	0.7	1.9
- general government	0.8	1.7	2.7 Q4 1.7 Q1-Q4	1.9	1.6
Gross fixed capital formation	8.7	1.0	-2.5 Q4 1.1 Q1-Q4		
- private	9.0	1.3	-2.5 Q4 1.4 Q1-Q4	-6.4	-1.1
- general government	6.8	-1.3	-2.2 Q4 -2.2 Q1-Q4	4.8	4.5
Domestic demand	4.5	-0.1	-1.9 Q4 0.9 Q1-Q4		
Exports of goods and services	8.1	-1.1	-14.1 Q4 -0.9 Q1-Q4	-3.3	1.0
Imports of goods and services	6.5	-1.3	-14.8 Q4 -1.3 Q1-Q4	-2.1	2.6
Labour market indicators <i>percentage change from previous year</i>					
Employed persons	2.0	1.6	-1.0 M1 -1.0 M1-M1	-1.8	-1.0
Unemployment rate, s.a. **	6.9	6.4	6.5 M1 6.5 M1-M1	7.2	7.7

Source: Statistics Finland.

* Bank of Finland forecast update, December 2008.

** Seasonally adjusted by the Bank of Finland.

Prices and costs

Chart 39.

Consumer prices

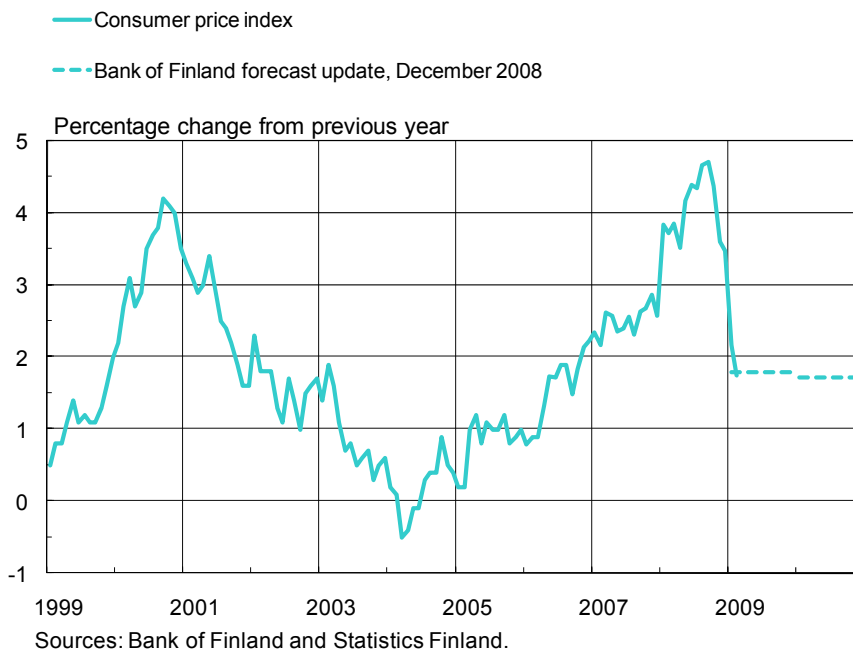


Chart 40.

Harmonized index of consumer prices (HICP)

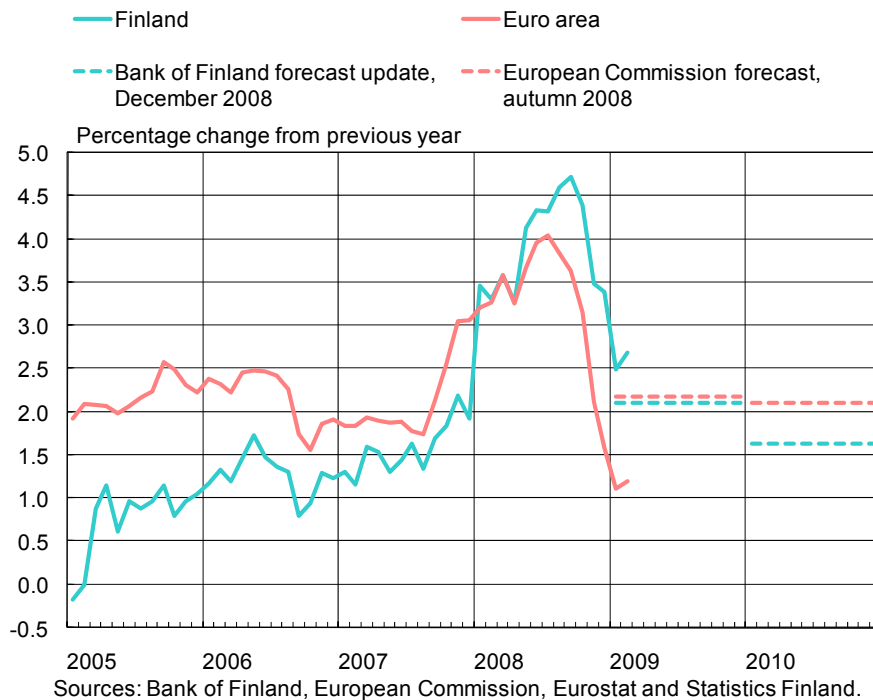


Chart 41.

Inflation rates in the euro area (HICP)

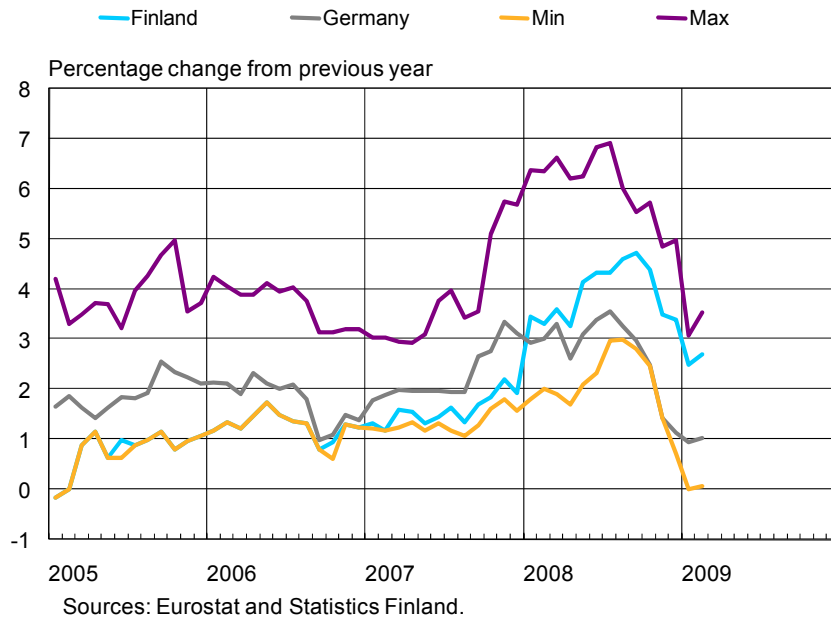


Chart 42.

Producer prices

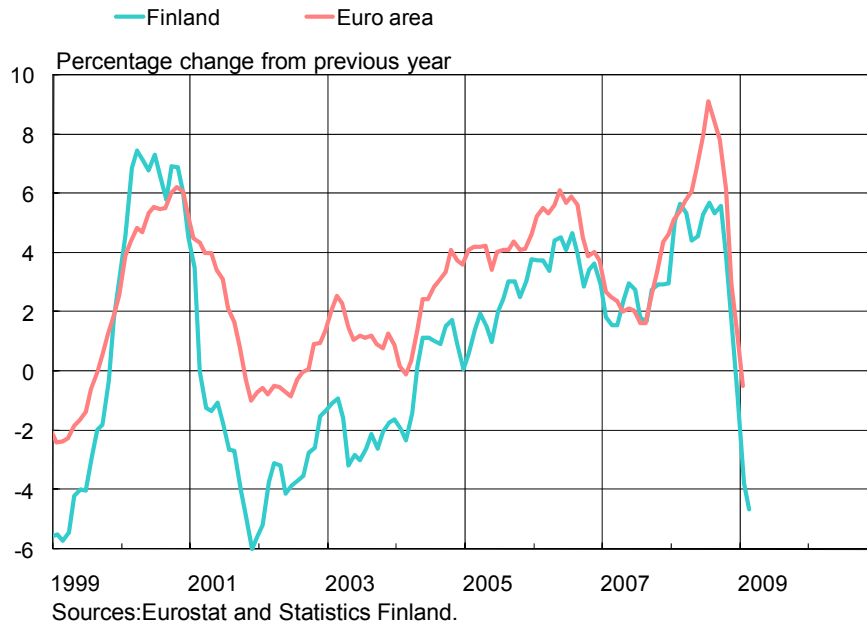
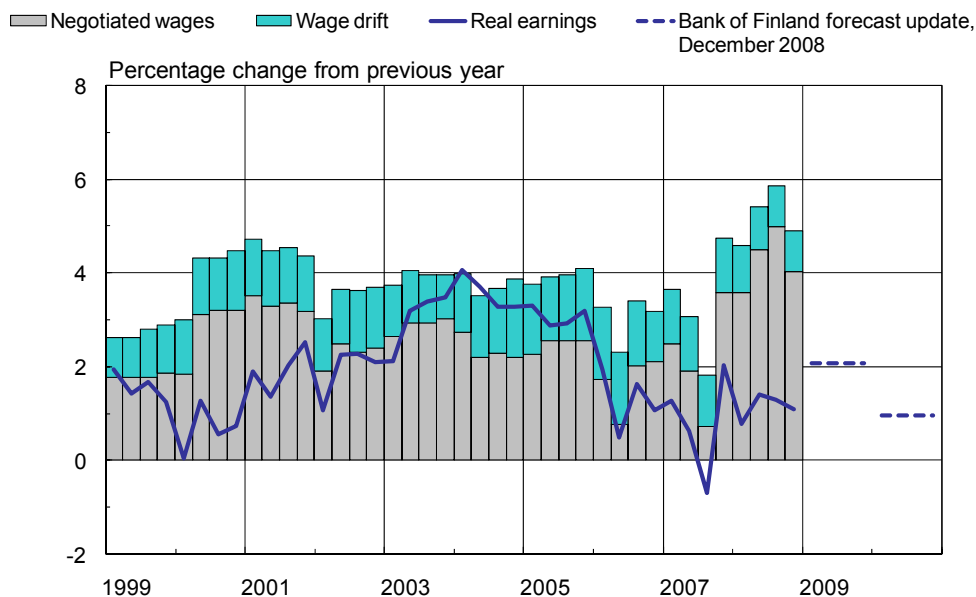


Chart 43.

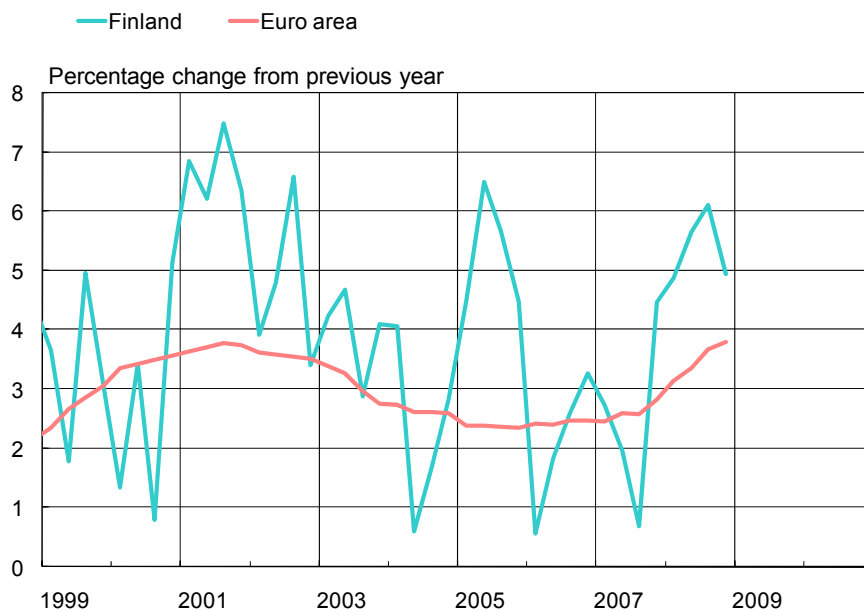
Earnings in Finland



Source: Statistics Finland.

Chart 44.

Hourly labour costs



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

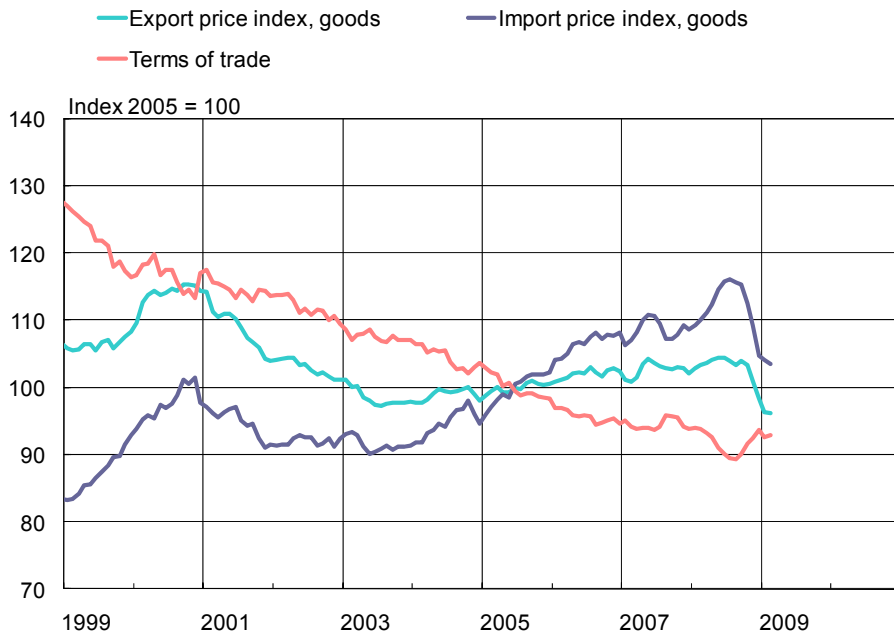


Chart 46.

Dwelling prices in Finland

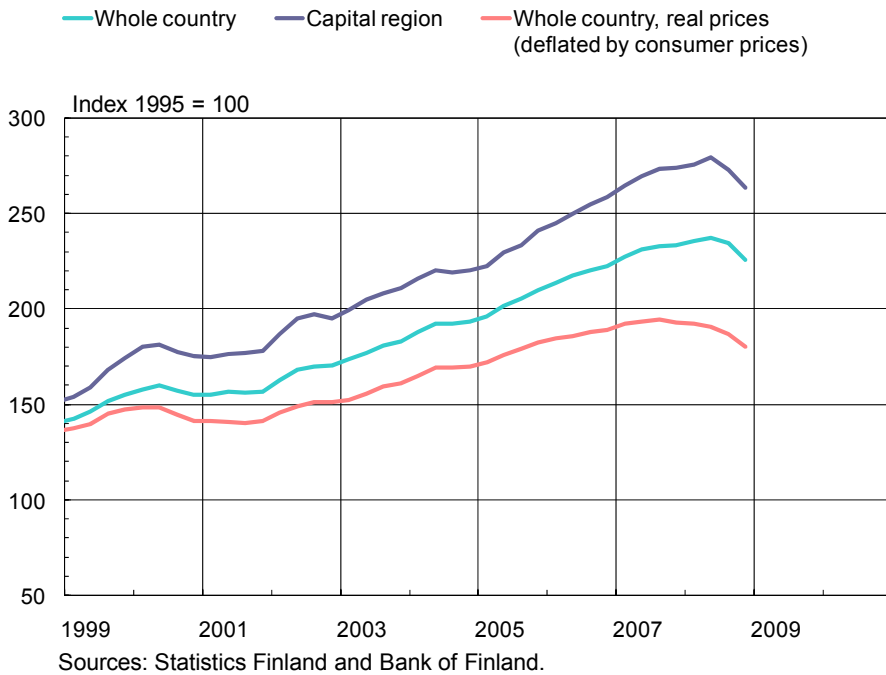


Table 2.

Cost and price indicators*Percentage change from previous year*

	2008	2009	2008/2009 Actual	2009*	2010*
Labour costs					
Index of wages and salaries	3.3	5.2	4.9 Q4 5.2 Q1 - Q4	3.9	2.7
Unit labour costs					
- whole economy	1.2	6.0	7.9 Q4 6.0 Q1 - Q4	3.0	1.3
Price indices					
Export prices (goods)					
- export price index	2.4	1.1	-7.0 M2 -6.6 M1-M2		
- export price deflator	-0.1	0.5	-0.9 Q4 0.5 Q1 - Q4		
Import prices (goods)					
- import price index	2.4	3.5	-6.0 M2 -5.4 M1-M2		
- import price deflator	1.7	4.2	2.9 Q4 4.2 Q1 - Q4		
Producer prices	3.0	3.7	-4.6 M2 -4.2 M1-M2		
Wholesale prices	3.5	4.6	-4.5 M2 -3.7 M1-M2		
Consumer prices					
- consumer price index	2.5	4.1	1.7 M2 2.0 M1-M2	1.8	1.7
- harmonized index of consumer prices	1.6	3.9	2.7 M2 2.6 M1-M2	2.1	1.6
Asset prices					
Stumpage prices	5.9	0.9	-14.6 M1 -14.6 M1		
Dwelling prices, whole country	24.4	-24.0	-3.4 Q4 0.9 Q1 - Q4		
Share prices	23.4	-12.3	-54.2 M2 -51.9 M1-M2		

Sources: Finnish Forest Research Institute, OMX Nordic Exchange Helsinki Oy., National Board of Customs and Statistics Finland.

* Bank of Finland forecast update, December 2008.

Labour market

Chart 47.

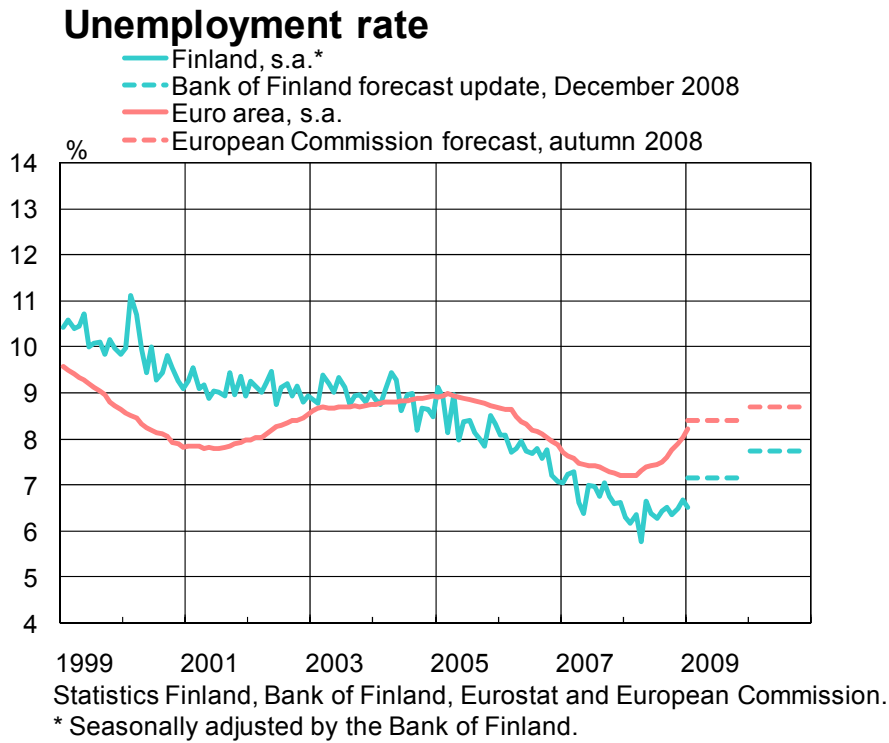


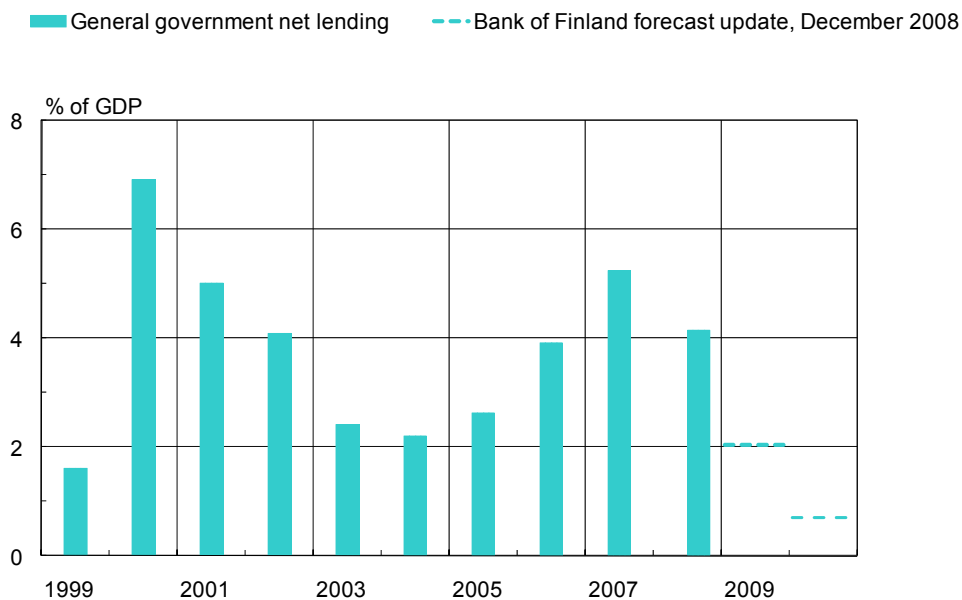
Chart 48.



Public finances

Chart 49.

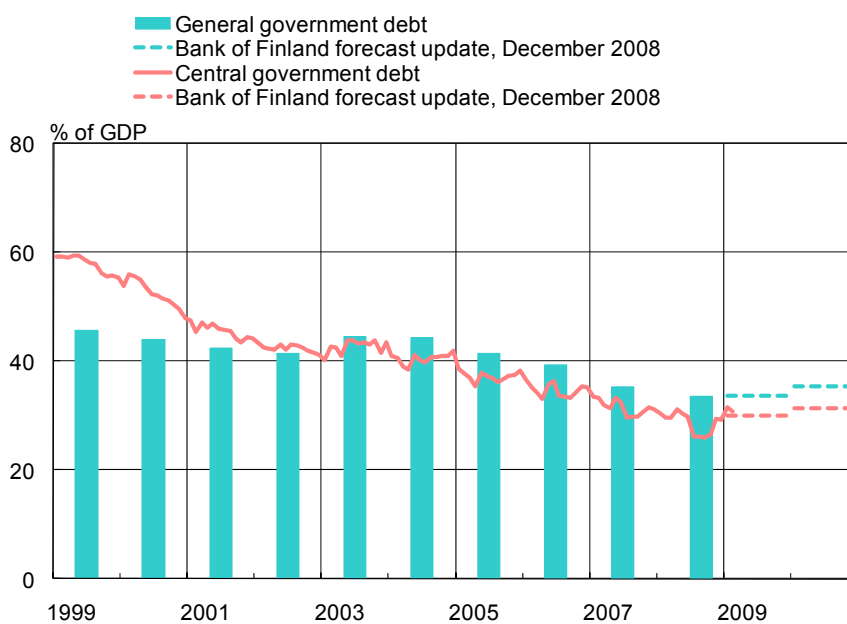
Public sector balances in Finland



Sources: Statistics Finland and Bank of Finland.

Chart 50.

Public sector debt in Finland



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

External balance

Chart 51.

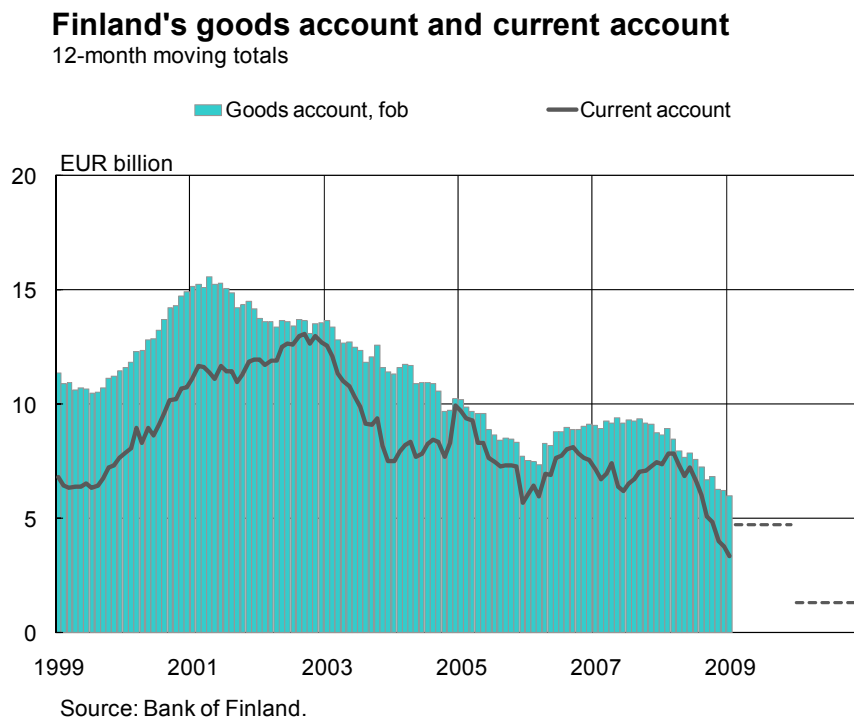


Chart 52.

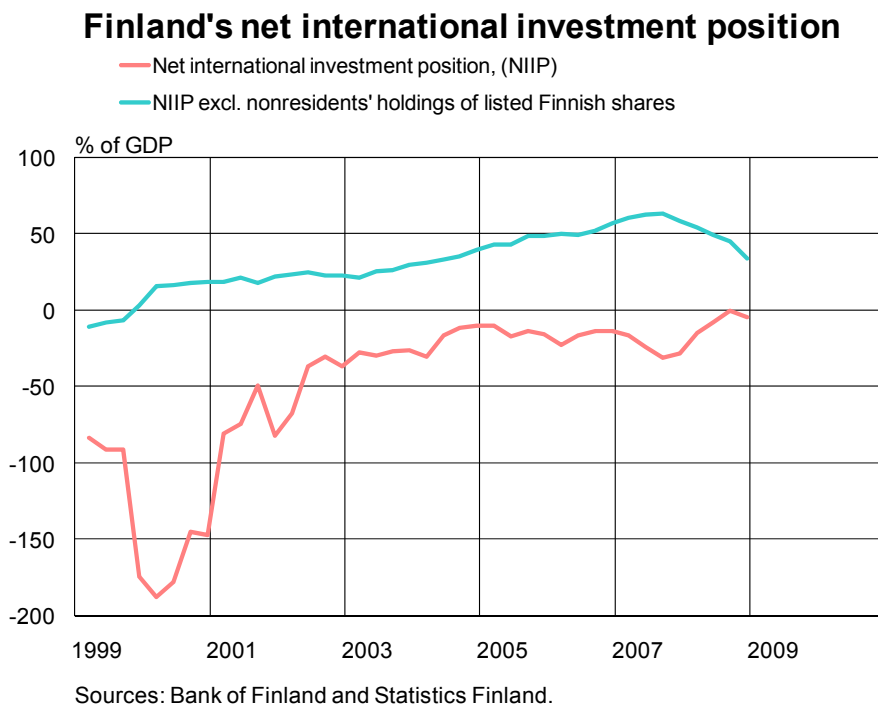


Table 3.

Finland's balance of payments, EUR billion

	2006	2007	2008	2009	2009*	2010*
				January		
Current account	7.6	7.5	3.8	0.0	4.7	1.3
Goods account	9.1	8.7	6.2	0.1		
Exports, fob	61.7	65.8	65.6	3.4		
Imports, fob	52.6	57.0	59.4	3.3		
Services	-0.9	0.7	0.8	-0.1		
Credit	13.9	17.0	16.7	1.1		
Debit	14.8	16.3	15.9	1.1		
Income and current transfers	-0.7	-2.0	-3.2	-0.1	-1.7	-1.5
Capital account	0.2	0.2	0.2	0.0		
Financial account	-6.4	-0.1	7.8	3.8		
Direct investment	2.3	3.4	-4.0	1.1		
Abroad	3.8	5.6	1.1	-0.9		
In Finland	6.1	9.0	-2.9	0.2		
Portfolio investment	-9.4	-3.8	4.9	4.2		
Assets	26.6	12.0	-2.0	1.0		
Liabilities	17.2	8.2	2.9	5.2		
Other investment	-3.0	1.1	5.5	-2.0		
Assets	12.4	7.7	6.1	13.8		
Liabilities	9.4	8.8	11.6	11.8		
Financial derivatives	0.1	-0.6	1.6	0.5		
Reserve assets (increase -)	3.6	-0.2	-0.2	0.1		
Errors and omissions	-1.3	-7.5	-11.8	-3.8		
	31 December 2006	31 December 2007	31 December 2008	31 January 2009		
Net international investment position	-22.1	-50.1	-8.0	-8.2		
excluding equity items	7.9	7.8	-9.7	-15.5		

*Bank of Finland forecast, update December 2008