



BANK OF FINLAND

Monthly Bulletin

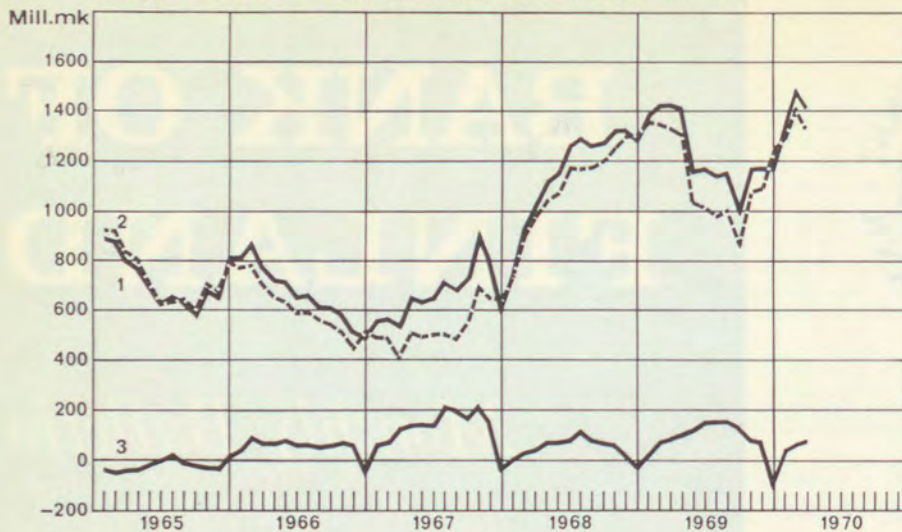
Building activity

Finland's foreign trade in 1969

MAY 1970

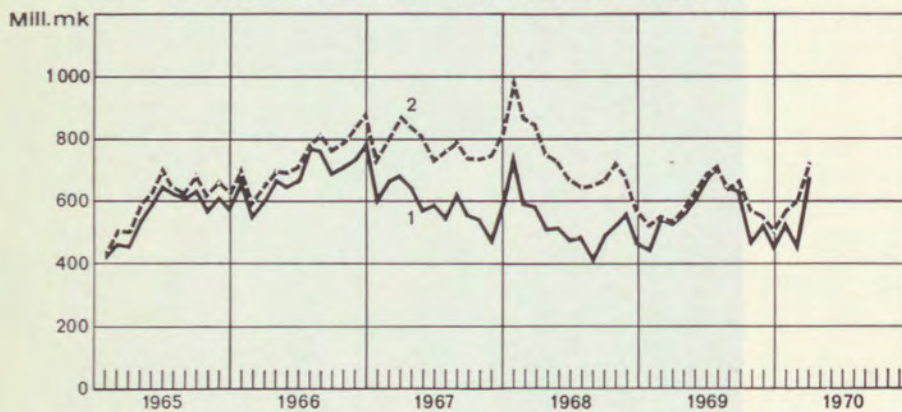
Vol. 44 No. 5

Bank of Finland foreign exchange reserve, 1965-1970



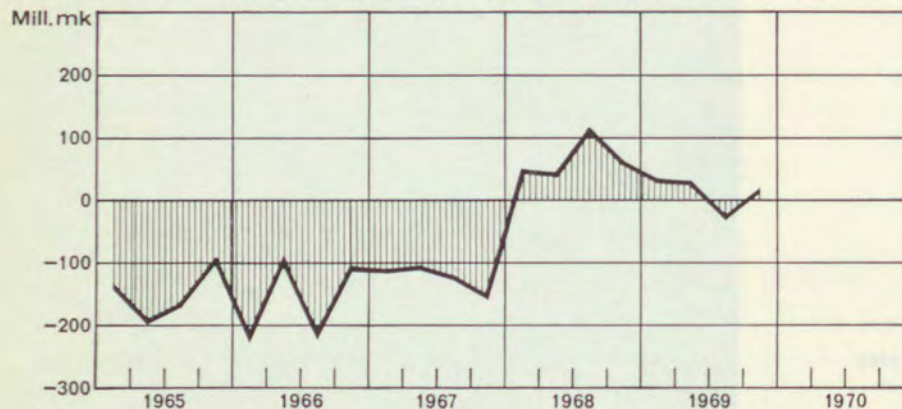
- 1. Total gold and foreign exchange
- 2. Gold and convertible currencies
- 3. Other currencies

Bank of Finland's position in regard to the banks, 1965-1970



- 1. Net claims on the banks
 - 2. Discounted and rediscounted bills
- Seasonally adjusted end of month figures

Balance of payments current account surplus/deficit, 1965-1970



Seasonally adjusted quarterly figures

BUILDING ACTIVITY

HOUSE BUILDING IN 1967—1968

A sharp decline was recorded in the volume of industrial and business construction started in 1967 and 1968 due to the slackening in economic growth. The same development set in also for residential houses towards the end of 1966 partly because the law on tax reliefs concerning residential building had expired. Thus house building as a whole began to show a decreasing trend in the first half of 1967. The decline in industrial and business building was especially strong. The volume of building permits granted for industrial and business buildings reached its lowest level already in the third quarter of 1967. The effects of the devaluation and the economic upswing on industrial and business construction, however, were clearly felt only one year later when the volume of building permits granted for industry in particular started to grow sharply. Industrial and business construction started in 1968 totalled a cubic volume exceeding that of the previous year by almost 20 per cent. However, the volume of completed industrial and business buildings in 1968 remained 30 per cent smaller than in the previous year.

Indications of the end of the downswing in residential building became evident during the second quarter of 1968 as the volume of granted residential building permits began to increase. The Government had supported building activity by raising the housing appropriations by more than 20 per cent in 1968. Apart from this, the amount of loans earmarked in the 1969 budget for the financing of the construction of flats commenced in 1968 for employment reasons exceeded the previous year's corresponding figure by 30 per cent. The Bank of Finland also facilitated the acceleration of residential building activity through special financial arrange-

ments. As a result, there has been a strong increase in the volume of residential houses commenced since the second quarter of 1968. The total volume of residential houses brought under construction in 1968 was almost 15 per cent more than in 1967. The number of dwellings completed, 35 800, on the other hand, was still approximately 1 000 dwellings less than in 1967.

The employment situation in house building began to improve in the last quarter of 1968 although there was still a decline of approximately 10 per cent in the labour force employed between 1967 and 1968. The unemployment rate in house building was at its highest nearly 30 000 persons or slightly more than 20 per cent of the total labour force in house building in the first quarter of 1968.

BUILDING ACTIVITY IN 1969

The volume of house building grew by 12 per cent in 1969 on the previous year. The growth was due above all to the vigorous increase in industrial and business construction. The growth in industrial building was strong throughout the year whereas that of business building took place mainly in the latter half of 1969. The volume of industrial and business buildings brought under construction was almost 50 per cent higher in 1969 than in 1968. The increase in the production of industrial buildings on 1968 is estimated to be about 25 per cent. The cubic contents of completed industrial buildings exceeded the corresponding figure for the previous year by almost 50 per cent and the volume of industrial buildings under construction remained throughout the year on a level 20 per cent higher than the previous year's figure.

The growth of residential building was smaller than that of non-residential building in 1969. The production of residential houses is estimated to have increased by approximately 10 per cent in 1969 and building permits granted that year involved cubic contents exceeding that of the previous year by 10 per cent. The strong increase in the volume of residential houses brought under construction in the latter half of 1968 resulted in a slightly more than 8 per cent increase in the number of completed houses in 1969. The annual growth in the volume of residential construction commenced in 1969 was 8 per cent above the 1968 figure. The Government supported residential building activity by granting a 315 million marks appropriation for the financing of flats in a supplementary budget in the autumn 1969. This sum exceeded by 30 per cent the reservations of loans for the financing of flats in the ordinary housing appropriations for 1969.

Some upward trend was noticeable in the production of public buildings in 1969. The volume of completed public buildings exceeded that of 1968 by as much as 10 per cent but, due to reasons relating to cyclical developments, not very many new construction sites were opened in 1969.

In spite of the acceleration in house building the employment situation was still rather weak in winter 1969 — the number of unemployed totalling approximately 25 000 men. The continued upward trend in house building activity resulted in a 10 per cent growth in the employed

labour force in 1969. Nevertheless there is still a great number of unemployed in the house building sector; in winter 1970 it was about 15 000 men on average. This is partly a result of rapid rationalisation in the industry.

OUTLOOK

House building activity is expected to continue increasing in 1970. This conclusion can be made on the basis of the almost 20 per cent volume growth in houses brought under construction in the last quarter of 1969 and an 18 per cent increase in the number building permits granted in the first two months of 1970 in comparison with the previous year. The growth will probably continue to be concentrated in industrial and business buildings; the volume of new building sites in this group increased by 100 per cent in the last quarter of 1969 on the corresponding period of 1968. The building permits for the industrial and business sectors increased by 40 per cent in the two opening months of 1970. On the other hand, the upward development may be checked by financing difficulties and shortage in the supply of raw materials and other building requisites — the latter being already evident in 1969. In some regions there is also shortage of skilled labour although the number of unemployed in the building sector as a whole remains rather high.

April 24, 1970

BANK OF FINLAND

Mill. mk

	1969		1970				
	Apr. 30	Dec. 31	Apr. 8	Apr. 15	Apr. 23	Apr. 30	
Assets							
Gold and other foreign assets	1 599.7	1 433.1	1 685.3	1 661.8	1 689.0	1 678.4	
Gold	189.2	189.4	189.4	189.4	189.4	189.4	
Special drawing rights	—	—	92.4	92.4	92.4	92.4	
IMF gold tranche	131.3	173.3	173.3	173.3	173.3	173.3	
Foreign exchange	1 134.1	905.0	1 052.0	1 020.3	1 042.6	1 029.4	
Foreign bills	89.7	106.3	117.0	125.2	130.1	132.7	
Foreign bonds	55.4	59.1	61.2	61.2	61.2	61.2	
Claims on domestic banks	659.6	637.1	528.9	478.5	559.1	618.4	
Discounted bills	—	—	461.2	418.6	485.0	552.8	
Rediscounted bills	491.0	550.3	6.6	5.3	24.1	7.3	
Cheque accounts	168.6	86.8	61.1	54.6	50.0	58.3	
Other lending	242.4	317.6	293.8	276.2	274.9	280.7	
Inland bills discounted							
In foreign currency	22.6	7.3	7.3	5.4	4.6	4.6	
In Finnish marks	127.5	191.6	164.3	161.3	160.7	157.2	
Loans	92.3	118.7	122.2	109.5	109.6	118.9	
Other assets	122.4	627.0	721.2	762.6	771.6	742.7	
Finnish bonds	38.1	126.5	297.8	343.2	353.6	325.0	
Finnish coin	15.9	5.5	10.7	11.2	11.3	10.7	
Currency subscription to Finland's quota in the IMF	—	351.7	351.7	351.7	351.7	351.7	
Other claims	68.4	143.3	61.0	56.5	55.0	55.3	
	Total	2 624.1	3 014.8	3 229.2	3 179.1	3 294.6	3 320.2
Liabilities							
Notes in circulation	1 099.4	1 298.4	1 117.3	1 132.8	1 144.5	1 205.1	
Liabilities payable on demand	81.5	123.5	73.1	74.8	79.4	87.4	
Foreign exchange accounts	37.8	81.0	44.2	43.5	43.0	45.9	
Mark accounts of holders abroad	13.8	12.2	14.8	14.8	13.7	11.5	
Cheque accounts							
Treasury	9.7	3.7	0.1	0.8	2.9	6.8	
Post Office Bank	7.2	3.6	1.5	2.9	1.4	10.9	
Private banks	—	10.1	—	—	6.0	—	
Other	2.0	1.0	1.6	1.1	1.3	1.6	
Other sight liabilities	11.0	11.9	10.9	11.7	11.1	10.7	
Term liabilities	541.9	307.6	667.5	592.9	691.2	644.8	
Foreign	19.0	7.7	7.7	4.7	4.7	4.7	
Domestic	522.9	299.9	659.8	588.2	686.5	640.1	
IMF mark accounts	—	351.7	351.7	351.7	351.7	351.7	
Allocations of special drawing rights	—	—	88.2	88.2	88.2	88.2	
Equalization accounts	389.4	405.6	389.1	394.8	394.4	396.8	
Bank's own funds	511.9	528.0	542.3	543.9	545.2	546.2	
Capital	300.0	300.0	300.0	300.0	300.0	300.0	
Reserve fund	172.7	172.7	200.3	200.3	200.3	200.3	
Profits undisposed	22.7	—	27.7	27.7	27.7	27.7	
Earning less expenses (Dec. 31, Net profit)	16.5	55.3	14.3	15.9	17.2	18.2	
	Total	2 624.1	3 014.8	3 229.2	3 179.1	3 294.6	3 320.2

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7-8)
	1	2	3	4	5	6	7	8	9
1963	752.2	18.2	734.0	65.6	100.5	699.1	18.9	0.2	18.7
1964	973.4	84.7	888.7	76.3	82.8	882.2	8.9	5.4	3.5
1965	860.9	44.8	816.1	83.8	56.5	843.4	— 1.1	1.1	— 2.2
1966	555.9	61.2	494.7	81.3	100.8	475.2	10.4	39.8	— 29.4
1967	701.1	74.7	626.4	97.7	353.6	370.5	— 6.5	4.4	— 10.9
1968	1 352.5	62.1	1 290.4	124.9	33.8	1 381.5	—354.3	3.0	—357.3
1969	1 267.7	92.4	1 175.3	517.1	360.2	1 332.2	—196.1	3.7	—199.8
1969									
April	1 454.5	42.9	1 411.6	145.2	27.7	1 529.1	—367.4	9.7	—377.1
May	1 231.0	61.3	1 169.7	149.3	27.4	1 291.6	—347.6	0.5	—348.1
June	1 236.2	62.7	1 173.5	143.9	23.1	1 294.3	—281.5	5.3	—286.8
July	1 215.4	68.3	1 147.1	144.0	20.9	1 270.2	—281.2	18.8	—300.0
Aug.	1 226.7	70.5	1 156.2	144.5	21.2	1 279.5	—278.0	6.8	—284.8
Sept.	1 105.5	83.5	1 022.0	151.6	20.9	1 152.7	—263.0	1.1	—264.1
Oct.	1 246.7	75.9	1 170.8	154.3	18.1	1 307.0	—238.4	2.9	—241.3
Nov.	1 257.3	83.6	1 173.7	159.4	18.1	1 315.0	—224.7	2.8	—227.5
Dec.	1 267.7	92.4	1 175.3	517.1	360.2	1 332.2	—196.1	3.7	—199.8
1970									
Jan.	1 393.7	56.6	1 337.1	514.8	359.4	1 492.5	—187.2	1.1	—188.3
Feb.	1 541.8	54.0	1 487.8	515.7	359.4	1 644.1	—184.5	18.2	—202.7
March	1 468.8	53.7	1 415.1	524.1	359.4	1 579.8	—175.2	12.1	—187.3
April	1 484.5	57.4	1 427.1	545.6	356.4	1 616.3	—169.6	6.8	—176.4

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1969			Net holdings, March 31, 1970			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Feb.	Jan.-Feb.
Gold	189	—	189	189	—	189	—	—
Special drawing rights	—	—	—	92	—	92	+4	+92
IMF gold tranche	173	—	173	173	—	173	—	—
Convertible currencies	893	—98	795	883	—175	708	—73	—87
Other currencies	—80	+5	—75	78	—1	77	+4	+152
Total	1 175	—93	1 082	1 415	—176	1 239	—65	+157

BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks						Other				Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts ¹	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)	
				Private banks ²	Post Office Bank ²						
1	2	3	4	5	6	7	8	9	10	11	
1963	—	325.3	—	1.3	3.0	321.0	57.4	94.2	2.9	148.7	943.7
1964	—	448.4	—	16.4	49.6	382.4	78.5	91.6	2.2	167.9	1 002.7
1965	—	640.6	—	11.9	8.3	620.4	76.2	71.7	31.8	116.1	1 028.5
1966	—	915.2	—	13.8	17.3	884.1	180.3	84.8	71.9	193.2	1 106.2
1967	—	867.5	—	154.7	34.5	678.3	197.3	382.5	56.0	523.8	1 052.1
1968	—	617.7	107.4	163.3	16.3	545.5	186.3	195.3	43.4	338.2	1 159.6
1969	—	550.3	86.8	92.8	12.2	532.1	191.6	269.3	25.4	435.5	1 298.4
1969											
April	—	491.0	168.5	124.1	20.1	515.3	127.5	180.9	29.0	279.4	1 099.4
May	—	609.7	152.8	124.1	13.7	624.7	155.6	186.5	29.0	313.1	1 150.0
June	—	699.6	147.3	124.1	37.6	685.2	159.9	187.1	29.1	317.9	1 177.6
July	—	714.1	120.2	124.1	33.2	677.0	169.7	185.8	26.7	328.8	1 119.8
Aug.	—	601.3	115.2	83.3	11.3	621.9	174.9	185.8	25.7	335.0	1 166.6
Sept.	—	684.6	112.2	82.7	9.7	704.4	180.9	187.9	30.8	338.0	1 143.3
Oct.	—	597.2	102.1	121.3	11.7	566.3	184.2	200.3	26.4	358.1	1 144.0
Nov.	—	601.0	96.7	82.7	14.0	601.0	181.4	197.3	25.9	352.8	1 191.4
Dec.	—	550.3	86.8	92.8	12.2	532.1	191.6	269.3	25.4	435.5	1 298.4
1970											
Jan.	462.4	36.1	74.6	82.7	12.8	477.6	183.3	189.2	157.4	215.1	1 177.5
Feb.	467.9	8.7	62.7	63.6	82.6	393.1	178.9	196.6	165.0	210.5	1 208.9
March	584.8	4.2	98.1	41.4	50.2	595.5	167.4	191.6	449.6	— 90.6	1 189.6
April	552.8	7.3	58.3	41.4	15.2	561.8	157.2	178.8	437.1	—101.1	1 205.1

¹ Including special index accounts.² Including cash reserve accounts.

SELLING RATES FOR FOREIGN EXCHANGE

Mk

April 30, 1970

New York	1 \$	4.176	Frankfurt o. M.	100 DM	114.90	Vienna	100 S	16.14
Montreal	1 \$	3.892	Amsterdam	100 Fl	114.97	Lisbon	100 Esc	14.73
London	1 £	10.045	Brussels	100 Fr	8.410	Reykjavik	100 Kr	4.77
Stockholm	100 Kr	80.30	Zurich	100 Fr	97.10	Madrid	100 Pta	6.03
Oslo	100 Kr	58.45	Paris	100 FF	75.62	Moscow ¹	1 Rbl	4.6799
Copenhagen	100 Kr	55.63	Rome	100 Lit	0.6641	Clearing dollars ²	1 Cl \$	4.212

¹ Clearing account; also Bucharest.² Berlin, Budapest, Sofia.

DEPOSITS BY THE PUBLIC

Mill. mk

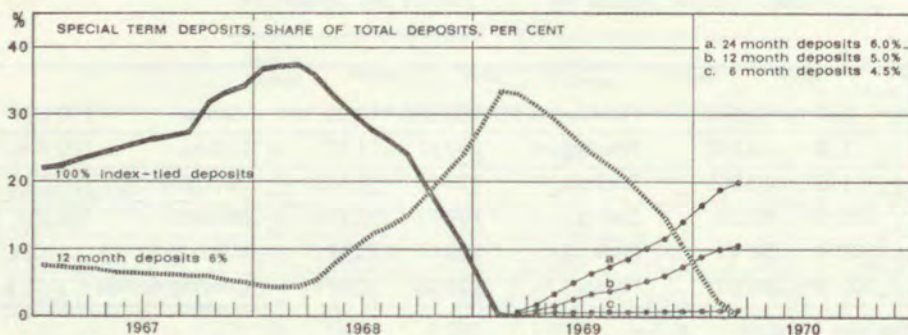
End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1961	577.9	720.8	143.8	2 117.7	2 079.6	1 229.6	558.2	285.3	6 270.3	7 134.9
1962	649.0	800.8	168.5	2 281.2	2 210.8	1 314.7	606.6	293.2	6 706.7	7 676.0
1963	715.3	876.0	250.3	2 451.6	2 336.6	1 437.5	648.5	310.7	7 185.0	8 311.3
1964	683.3	855.4	296.5	2 834.0	2 614.7	1 664.1	713.8	331.4	8 158.2	9 310.1
1965	665.7	843.7	309.4	3 182.6	2 954.4	1 931.0	773.2	357.2	9 198.6	10 351.7
1966	625.5	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
1967	649.8	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	832.7	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 042.8	1 895.4	520.8	5 236.3	4 340.9	3 021.6	1 116.0	521.6	14 236.6	16 652.8

1969*

March	923.0	1 163.0	426.7	4 652.9	4 045.0	2 782.6	1 058.5	478.2	13 017.6	14 607.3
April	893.6	1 139.5	421.2	4 706.8	4 071.2	2 809.4	1 059.0	479.6	13 126.4	14 687.1
May	912.3	1 161.8	421.0	4 779.0	4 115.1	2 828.1	1 054.0	476.8	13 253.4	14 836.2
June	919.6	1 172.9	466.6	4 782.4	4 084.9	2 797.3	1 049.5	474.2	13 188.6	14 828.1
July	910.1	1 160.0	404.0	4 802.3	4 087.1	2 815.4	1 052.4	474.8	13 232.2	14 796.2
Aug.	873.5	1 127.0	440.8	4 836.5	4 117.0	2 846.2	1 057.0	477.1	13 334.1	14 901.9
Sept.	941.7	1 213.4	463.2	4 869.2	4 149.2	2 881.6	1 062.7	490.8	13 453.8	15 130.4
Oct.	971.0	1 238.5	425.6	4 922.5	4 184.0	2 906.1	1 073.2	497.8	13 583.9	15 248.0
Nov.	923.7	1 190.5	445.8	4 954.8	4 218.9	2 946.0	1 080.5	507.0	13 707.4	15 343.7
Dec.	1 042.8	1 895.4	520.8	5 236.3	4 340.9	3 021.6	1 116.0	521.6	14 236.6	16 652.8

1970

Jan.	1 060.3	1 324.0	568.1	5 299.1	4 389.7	3 068.9	1 139.0	528.6	14 425.3	16 317.4
Feb.	1 060.9	1 315.7	575.2	5 381.2	4 450.4	3 131.5	1 164.4	535.9	14 663.4	16 554.3
March	1 098.3	1 371.4	542.4	5 416.5	4 475.8	3 159.0	1 172.9	541.6	14 765.8	16 679.6



ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

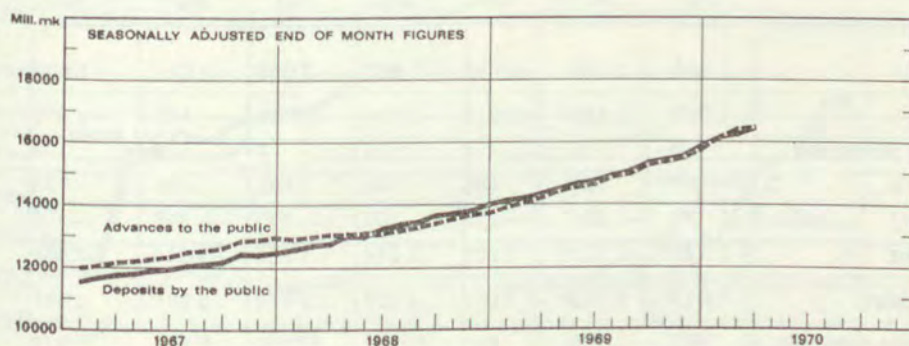
End of year and month	Advances granted by					Types of advances			Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Post Office Bank	Co-op. banks	Mortgage banks	Loans & Bills	Cheque credits			
	1	2	3	4	5	6	7	8	9	
1961	3 192.0	1 817.6	436.8	1 318.7	515.2	6 928.2	352.1	7 280.3	1 646.1	
1962	3 425.7	2 018.5	508.7	1 474.8	614.7	7 680.8	361.6	8 042.4	1 722.5	
1963	3 621.3	2 134.5	544.0	1 608.9	664.3	8 226.2	346.8	8 573.0	1 986.5	
1964	4 153.2	2 318.0	607.7	1 820.7	829.4	9 320.5	408.5	9 729.0	2 042.5	
1965	4 597.4	2 609.2	716.5	2 030.6	899.4	10 439.6	413.5	10 853.1	2 085.0	
1966	5 205.4	2 951.4	783.9	2 261.0	908.8	11 630.7	479.8	12 110.5	2 221.7	
1967	5 558.9	3 247.7	869.0	2 424.3	1 026.9	12 598.9	527.9	13 126.8	2 183.1	
1968	5 865.5	3 448.4	940.3	2 600.5	1 053.0	13 419.5	488.2	13 907.7	2 668.7	
1969*	6 892.2	3 803.0	1 049.1	2 925.9	1 290.4	15 379.5	581.1	15 960.6	3 140.9	

1969*

March	5 987.1	3 491.0	958.5	2 637.8	1 106.1	13 638.4	542.1	14 180.5	2 552.9
April	6 089.9	3 515.4	960.5	2 661.8	1 112.9	13 767.8	572.7	14 340.5	2 612.2
May	6 194.9	3 550.1	969.9	2 691.2	1 142.8	13 971.0	577.9	14 548.9	2 673.4
June	6 300.1	3 561.1	978.9	2 713.9	1 178.9	14 139.9	593.0	14 732.9	2 730.9
July	6 343.5	3 595.4	988.4	2 743.4	1 191.8	14 278.9	583.6	14 862.5	2 634.6
Aug.	6 364.7	3 633.8	1 010.5	2 772.6	1 196.2	14 406.2	571.6	14 977.8	2 675.1
Sept.	6 551.2	3 688.9	1 027.5	2 819.4	1 201.4	14 678.8	609.6	15 288.4	2 737.3
Oct.	6 640.0	3 746.8	1 037.3	2 870.5	1 228.3	14 911.9	611.0	15 522.9	2 760.7
Nov.	6 739.5	3 794.8	1 044.8	2 911.3	1 243.9	15 093.5	640.8	15 734.3	2 792.0
Dec.	6 892.2	3 803.0	1 049.1	2 925.9	1 290.4	15 379.5	581.1	15 960.6	3 140.9

1970

Jan.	6 944.4	3 834.9	1 070.5	2 948.1	1 317.7	15 516.9	598.7	16 115.6	3 164.2
Feb.	7 060.6	3 853.6	1 089.5	2 978.1	1 318.6	15 667.0	633.4	16 300.4	3 216.4
March	7 100.3	3 883.0	1 098.1	2 994.2	1 333.5	15 770.7	638.4	16 409.1	3 455.6



STATE FINANCES

Mill. mk

Revenue	February		Expenditure	February	
	1969	1970		1969	1970
Income and property tax (net)	312	348	Wages, salaries, pensions etc.	265	290
Gross receipts	(874)	(1 038)	Repair and maintenance	28	28
Refunds & local authorities	(-562)	(-690)	Other consumption expenditure	107	123
Other taxes on income and property	11	10	Total consumption expenditure	400	441
Employers' child allowance payments	92	99	State aid to local authorities	280	306
Sales tax	351	420	State aid to industries	143	253
Revenue from Alcohol Monopoly	55	83	of which: agric. price subsidies	(113)	(203)
Customs duties & import charges	53	62	Child allowances	50	45
Export levy	61	—	Share in national pensions and health insurance	67	66
Excise duty on tobacco	61	65	Other transfer expenditure	165	187
» » on liquid fuel	46	94	Total transfer expenditure	705	857
Other excise duties	18	33	Machinery and equipment	39	46
Tax on autom. and motor cycles	33	39	House construction	46	38
Stamp duties	33	35	Land and waterway construction	98	91
Special diesel etc. vehicles tax	3	5	Total real investment	183	175
Other taxes and similar revenue	7	16	Interest on State debt	57	64
Total taxes	1 136	1 309	Index compensations	13	10
Miscellaneous revenue	56	79	Net deficit of State enterprises	35	24
Interest, dividends etc.	16	16	Other expenditure	1	1
Sales and depreciation of property	12	13	Total other expenditure	106	99
Redemptions of loans granted	19	21	Increase in inventories	-12	-3
Total revenue	1 239	1 438	Lending	66	67
Foreign borrowing	42	0	Other financial investment	20	11
Domestic borrowing	232	145	Total expenditure	1 468	1 647
Total borrowing	274	145	Redemption of foreign loans	7	14
Deficit (+) or surplus (-)	+135	+218	Redemption of domestic loans	173	140
			Total redemptions	180	154
Total	1 648	1 801	Total	1 648	1 801

State debt	1967	1968	1969	1969			1970	
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.	Jan.	Feb.
Foreign debt	1 844	2 074	1 656	1 963	2 048	2 017	1 600	1 585
Loans	2 013	2 160	2 316	2 134	2 131	2 188	2 350	2 318
Compensatory obligations	5	5	4	4	4	4	4	4
Short-term credit	167	320	158	109	101	98	133	111
Cash debt (net)	— 12	— 256	— 217	— 203	— 370	— 346	— 6	..
Domestic debt	2 173	2 229	2 261	2 044	1 866	1 944	2 481	..
Total State debt	4 017	4 303	3 917	4 007	3 914	3 961	4 081	..
Total debt, mill. \$	955	1 028	933	951	930	941	972	..

FOREIGN TRADE

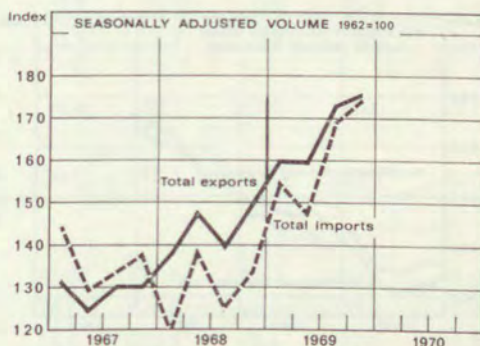
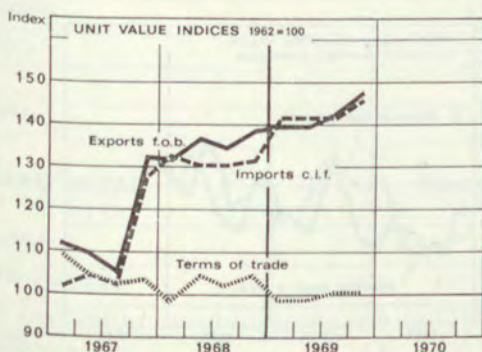
Mill. mk

Value mill. mk

Indices of exports and imports 1962 = 100

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1965	4 566.0	5 265.1	-699.1
1966	4 816.9	5 524.4	-707.5
1967	5 231.2	5 794.4	-563.2
1968	6 874.2	6 710.9	+163.3
1969*	8 344.8	8 495.0	-150.2
1969*			
Jan.	591.4	631.7	- 40.3
Feb.	491.5	667.6	-176.1
March	623.8	639.6	- 15.8
April	555.8	615.7	- 59.9
May	753.7	740.5	+ 13.2
June	704.4	645.8	+ 58.6
July	742.3	648.5	+ 93.8
Aug.	703.7	588.8	+114.9
Sept.	733.0	782.1	- 49.1
Oct.	884.9	865.0	+ 19.9
Nov.	714.4	747.3	- 32.9
Dec.	845.9	922.4	- 76.5
1970*			
Jan.	758.2	768.1	- 9.9
Feb.	596.9	741.8	-144.9
Jan.-Feb.			
1969*	1 082.9	1 299.3	- 216.4
1970*	1 355.1	1 509.9	- 154.8

Period	Indices of exports and imports 1962 = 100				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
1965	114	129	113	104	109
1966	122	135	112	104	108
1967	129	135	115	110	105
1968	143	129	136	132	103
1969*	164	153	144	141	102
1969*					
1967					
Jan.-Mar.	110	134	112	102	110
Apr.-June	130	135	110	105	105
July-Sept.	134	124	106	103	103
Oct.-Dec.	139	144	133	128	104
1968					
Jan.-Mar.	120	116	132	133	99
Apr.-June	150	141	137	131	105
July-Sept.	142	116	135	131	103
Oct.-Dec.	161	145	139	132	105
1969*					
Jan.-Mar.	138	139	140	142	99
Apr.-June	162	143	140	142	99
July-Sept.	172	145	143	142	101
Oct.-Dec.	187	177	148	146	101



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1965	251.8	60.3	919.8	2 165.6	800.3	368.2	2 362.4	514.7	1 511.4	876.6
1966	264.0	59.0	863.5	2 297.0	877.2	456.2	2 450.5	589.8	1 448.5	1 035.6
1967	261.4	54.3	865.7	2 384.5	1 080.6	584.7	2 545.9	668.2	1 462.8	1 117.5
1968	327.1	55.5	1 157.7	2 994.0	1 566.4	773.5	3 023.1	874.0	1 524.2	1 289.6
1969	360.2	71.9	1 400.4	3 373.9	2 011.8	1 126.6	3 683.4	948.3	2 229.4	1 633.9

1969*

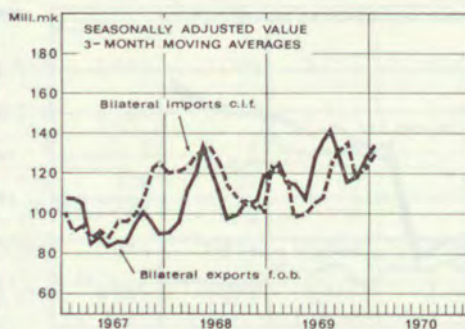
Jan.	46.3	2.4	91.9	257.8	126.8	66.2	259.0	111.9	138.6	122.2
Feb.	14.3	2.8	53.1	225.7	123.4	72.2	251.4	108.6	198.7	108.9
March	56.3	1.0	68.3	286.2	116.7	95.3	247.3	51.9	201.0	139.4
April	15.3	2.4	59.5	267.5	124.5	86.6	243.6	51.0	184.1	137.0
May	26.6	6.7	125.0	300.1	208.0	87.3	321.4	63.8	217.2	138.1
June	27.3	5.5	133.3	260.5	183.1	94.7	290.2	53.3	191.4	110.9
July	17.6	10.3	155.3	268.9	216.3	73.9	302.7	65.3	160.9	119.6
Aug.	21.9	9.3	153.0	289.5	129.8	100.2	285.2	55.0	139.4	109.2
Sept.	24.7	9.8	150.4	287.0	147.1	114.0	344.6	119.3	173.4	144.8
Oct.	24.9	7.9	158.6	337.2	235.1	121.2	366.9	96.9	243.8	157.4
Nov.	26.2	8.5	130.6	291.7	144.2	113.2	337.1	99.4	146.0	164.8
Dec.	58.8	5.3	121.4	301.8	256.8	101.8	434.0	71.9	234.9	181.6

1970*

Jan.	53.4	1.4	112.0	295.4	199.4	96.6	330.8	133.5	166.2	137.6
Feb.	26.5	1.7	64.3	253.0	147.0	104.4	314.5	69.9	203.0	154.4

Jan.-Feb.

1969*	60.6	5.2	145.0	483.5	250.2	138.4	510.4	220.5	337.3	231.1
1970*	79.9	3.1	176.3	548.4	346.4	201.0	645.3	203.4	369.2	292.0



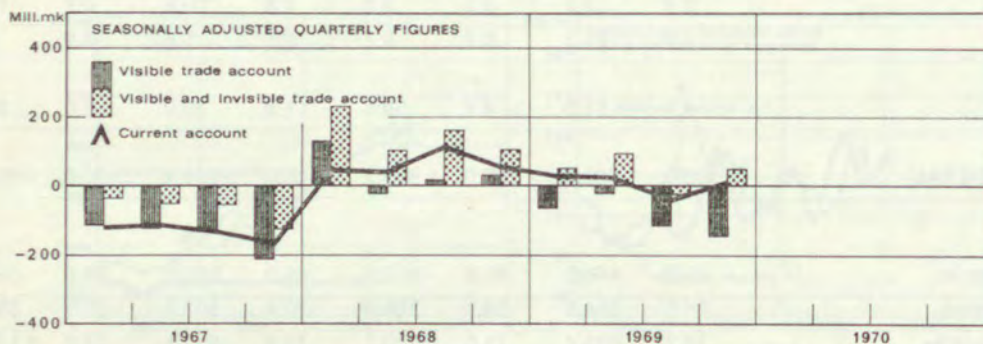
FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—February				January—February			
	1969		1970		1969		1970	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	68.7	743.7	72.5	983.3	69.4	901.7	72.8	1 099.5
Austria	0.8	8.5	1.0	13.1	0.9	11.9	1.2	17.8
Belgium-Luxembourg	2.3	25.1	2.0	26.9	1.6	20.3	2.0	30.3
Denmark	3.8	41.0	3.9	53.0	2.9	38.0	3.2	48.7
France	4.5	48.4	4.4	59.3	2.9	37.8	3.8	56.4
Federal Republic of Germany	10.8	116.6	10.9	147.9	13.5	175.1	14.9	225.1
Italy	2.5	27.2	2.6	35.7	2.1	27.4	1.9	28.5
Netherlands	4.4	47.4	4.1	56.1	3.3	43.0	3.3	50.5
Norway	2.0	21.9	3.8	51.9	2.2	28.9	2.2	33.1
Portugal	0.3	3.5	0.5	6.2	0.5	6.6	0.8	12.3
Spain	0.8	9.0	1.3	17.6	0.4	5.5	0.4	6.1
Sweden	12.6	137.0	16.3	221.6	15.8	205.5	19.7	298.0
Switzerland	1.9	20.2	2.0	27.1	2.9	36.8	3.2	48.3
United Kingdom	19.8	214.1	18.1	244.9	20.2	262.0	15.7	236.8
Other	2.2	23.8	1.6	22.0	0.2	2.9	0.5	7.6
OECD countries outside Europe	6.0	65.7	6.4	86.9	6.9	90.4	5.0	75.5
Canada	0.3	3.5	1.4	19.4	0.2	3.0	0.5	7.8
Japan	0.4	4.5	0.5	6.4	1.3	16.8	1.7	25.2
United States	5.3	57.7	4.5	61.1	5.4	70.6	2.8	42.5
Eastern Bloc	16.6	179.5	14.3	193.9	19.4	251.5	18.2	275.4
Czechoslovakia	0.6	6.4	0.4	5.0	0.5	6.1	0.3	4.8
Democratic Republic of Germany	0.4	4.0	0.6	7.9	0.7	8.2	0.5	7.4
People's Republic of China	0.3	3.8	1.0	14.1	0.5	6.8	0.1	1.4
Poland	1.9	20.7	1.1	15.4	1.0	13.0	0.9	13.9
Soviet Union	12.6	136.1	10.2	138.1	16.1	209.3	15.5	234.6
Other	0.8	8.5	1.0	13.4	0.6	8.1	0.9	13.3
Latin America	4.0	43.0	2.4	31.9	2.4	30.8	2.0	30.3
Argentina	0.8	8.3	0.8	11.1	0.0	0.6	0.0	0.6
Brazil	0.6	6.1	0.6	8.3	1.1	13.8	0.7	9.8
Colombia	0.3	3.3	0.3	3.8	0.8	10.8	0.7	10.8
Other	2.3	25.3	0.7	8.7	0.5	5.6	0.6	9.1
Other	4.7	51.0	4.4	59.1	1.9	25.0	2.0	29.2
GRAND TOTAL	100.0	1 082.9	100.0	1 355.1	100.0	1 299.4	100.0	1 509.9
of which								
EFTA countries	41.2	446.0	45.6	617.8	45.3	589.2	46.0	695.0
EEC countries	24.5	264.8	24.1	326.0	23.4	303.7	25.9	390.8
OECD countries	74.7	809.4	79.0	1 070.2	76.4	992.1	77.8	1 175.0

BALANCE OF PAYMENTS

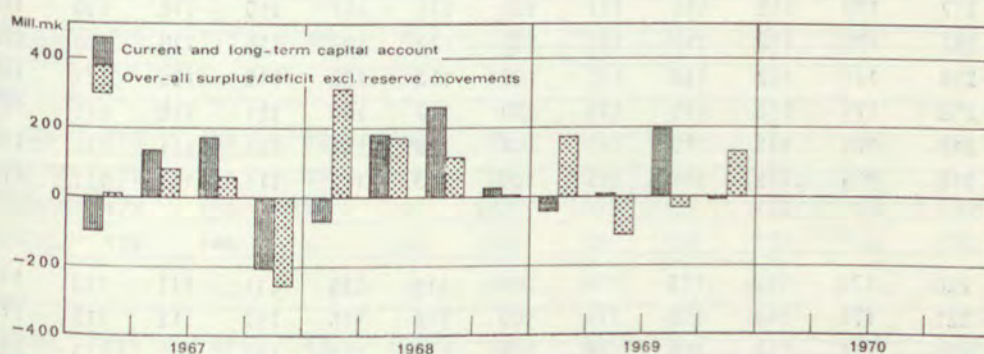
Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1965	4 542	5 287	-745	+341	-108	+35	-477	-131	+ 1	-607
1966	4 784	5 542	-758	+356	- 96	+25	-473	-150	-10	-633
1967	5 194	5 816	-622	+416	- 88	+17	-277	-209	- 3	-489
1968	6 832	6 730	+102	+481	- 8	-25	+550	-276	- 5	+269
1969*	8 301	8 518	-217	+524	+ 4	-21	+290	-307	+72	+ 55
Jan.-Mar										
1966	879	1 247	-368	+ 72	- 23	+11	-308	- 38	- 1	-347
1967	1 088	1 347	-259	+ 98	- 24	- 2	-187	- 57	- 1	-245
1968	1 385	1 515	-130	+103	- 16	+ 7	- 36	- 58	+ 1	- 93
1969	1 696	1 944	-248	+128	- 20	-11	-151	- 57	+80	-128
Apr.-June										
1966	1 247	1 397	-150	+113	- 31	- 6	- 74	- 36	- 4	-114
1967	1 242	1 398	-156	+ 97	- 34	+ 6	- 87	- 39	+ 1	-125
1968	1 808	1 829	- 21	+133	- 12	+ 2	+102	- 67	- 1	+ 34
1969	2 002	2 008	- 6	+140	- 17	- 6	+111	- 84	- 7	+ 20
July-Sept.										
1966	1 275	1 359	- 84	+ 73	- 17	+ 4	- 24	- 40	- 1	- 65
1967	1 241	1 256	- 15	+114	- 18	- 3	+ 78	- 63	+ 3	+ 18
1968	1 680	1 500	+180	+147	+ 32	+ 0	+359	- 67	- 1	+291
1969	2 168	2 022	+146	+116	+ 38	-14	+286	- 80	+ 1	+207
Oct.-Dec.										
1966	1 383	1 539	-156	+ 98	- 25	+16	- 67	- 36	- 4	-107
1967	1 623	1 815	-192	+107	- 12	+16	- 81	- 50	- 6	-137
1968	1 959	1 886	+ 73	+ 98	- 12	-34	+125	- 84	- 4	+ 37
1969*	2 435	2 544	-109	+140	+ 3	+10	+ 44	- 86	- 2	- 44



Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+ 434	-273	- 66	+ 3	+ 98	-509	+146	+ 34	+ 46	-283	+202	+ 81
+ 518	-271	- 61	-32	+154	-479	+ 53	-114	+185	-355	+321	+ 34
+ 910	-406	- 33	+13	+484	- 5	-112	- 56	+ 65	-108	+ 84	+ 24
+1 245	-868	-167	-81	+129	+398	+235	- 64	+ 28	+597	-664	+ 67
+1 031	-714	-180	-36	+101	+156	+241	-295	+ 53	+155	+115	-270
+ 89	- 60	+ 2	-15	+ 16	-331	+ 43	+243	+ 12	- 33	+ 38	- 5
+ 192	- 66	+ 12	+ 5	+143	-102	- 48	+ 85	+ 74	+ 9	- 50	+41
+ 214	-140	- 54	+ 4	+ 24	- 69	+168	+191	+ 24	+314	-401	+87
+ 311	-201	- 8	-15	+ 87	- 41	+112	+147	- 46	+172	-135	-37
+ 116	- 52	- 36	+ 3	+ 31	- 83	+ 19	-114	+ 64	-114	+121	- 7
+ 315	- 62	+ 2	+ 4	+259	+134	+ 44	+ 71	-169	+ 80	-105	+ 25
+ 396	-214	- 18	-18	+146	+180	+190	-144	- 56	+170	-233	+ 63
+ 279	-155	- 98	-39	- 13	+ 7	- 23	- 92	- 6	-114	+252	-138
+ 111	- 67	- 9	+20	+ 55	- 10	- 3	-121	+ 43	- 91	+ 45	+ 46
+ 251	- 92	- 13	+ 4	+150	+168	- 95	- 53	+ 38	+ 58	- 77	+ 19
+ 226	-212	- 14	-29	- 29	+262	- 98	- 27	- 25	+112	- 18	- 94
+ 146	-146	- 17	+ 6	- 11	+196	+ 34	-284	+ 19	- 35	+151	-116
+ 202	- 92	- 18	-40	+ 52	- 55	- 6	-122	+ 66	-117	+117	± 0
+ 152	-186	- 34	+ 0	- 68	-205	- 13	-159	+122	-255	+316	-61
+ 409	-302	- 81	-38	- 12	+ 25	- 25	- 84	+ 85	+ 1	- 12	+11
+ 295	-212	- 57	+12	+ 38	- 6	+118	- 66	+ 86	+132	-153	+21

Assets: increase —, decrease +. Liabilities: increase +, decrease —.

¹ Including Direct investment net.



PRICE INDICES

Wholesale prices 1949 = 100

Period	Total	Origin		Purpose			Stage of processing			Building costs 1964 = 100		
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods	Total	Wages in building trade	Building materials
1967	248	254	225	246	241	253	276	236	240	114	121	107
1968	275	280	259	271	276	281	301	264	268	126	133	115
1969	285	288	271	283	291	285	313	276	273	131	139	119
1969												
June	283	286	270	280	290	284	308	274	273	130	139	117
July	285	288	271	283	291	285	311	277	273	130	139	118
Aug.	285	288	273	283	292	286	312	278	273	131	139	119
Sept.	287	290	275	287	294	285	314	282	274	132	139	122
Oct.	289	291	280	289	301	285	316	283	276	133	139	122
Nov.	290	293	281	291	301	286	319	285	276	133	139	123
Dec.	291	293	282	293	301	285	319	287	277	134	139	122
1970												
Jan.	294	297	284	297	307	288	323	290	280	137	146	123
Feb.	295	298	285	297	308	289	327	289	280	138	146	126
March	296	299	285	297	308	291	329	290	280	138	146	126

Consumer prices 1967 = 100

Period	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100										
			Total	Food	Bever- ages and tobacco	Clothing and foot- wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1967	195	153	100	100	100	100	100	100	100	100	100	100
1968	212	166	109	111	110	106	107	108	109	110	108	109
1969	217	170	112	115	111	108	111	109	110	110	110	112
1969												
June	217	170	112	115	111	108	111	108	110	110	110	112
July	217	170	112	115	111	109	111	107	110	110	110	112
Aug.	217	170	112	116	111	108	112	107	110	110	110	112
Sept.	218	171	112	116	111	109	112	108	110	109	111	112
Oct.	218	171	112	115	111	109	113	109	111	110	111	112
Nov.	218	171	112	115	111	109	113	111	111	111	111	112
Dec.	218	171	112	115	111	109	113	112	111	111	111	112
1970												
Jan.	220	173	113	115	116	109	115	115	111	111	112	114
Feb.	221	173	114	115	116	109	115	116	112	112	112	114
March	221	174	114	115	116	109	115	118	113	112	113	114

WAGES

Index of salary and wage earnings 1964=100

Period	By industries			By institutional sectors				All salary earners	All wage earners	All employees
	Wage earners in			Employees in services	State employees	Municipal employees	Employees in private sector			
	Agriculture	Manufacturing	Construction							
1967	139	128	125	131	126	134	126	127	127	127
1968	151	142	136	146	141	149	139	141	140	141
1969*	171	154	151	156	150	160	149	150	154	152
1968										
July-Sept.	153	144	138	149	144	152	143	144	144	144
Oct.-Dec.	157	145	141	149	144	152	142	144	144	144
1969*										
Jan.-Mar.	167	151	145	155	150	159	147	149	149	149
Apr.-June	169	154	150	156	150	160	149	150	155	153
July-Sept.	169	155	155	156	150	160	150	150	157	154
Oct.-Dec.	181	155	156	156	150	160	150	150	155	153
1970*										
Jan.-Mar.	194	164	165	162	158	167	155	157	163	161

PRODUCTION

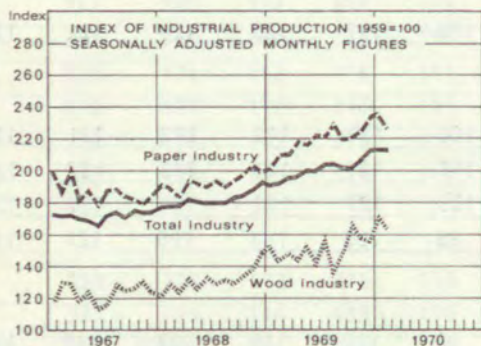
Volume indices of production 1964=100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	House construction	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1967	110	115	96	89	117	106	109	113	114	114	114
1968	113	122	98	92	109	107	113	111	118	120	119
1969	121	134	97	101	122	104	123	122	123	123	127
1968											
Oct.-Dec.	115	129	66	96	113	138	117	123	120	122	120
1969											
Jan.-Mar.	118	135	63	146	85	106	115	112	122	121	126
Apr.-June	119	131	85	113	105	105	121	121	123	122	127
July-Sept.	123	124	171	46	157	105	127	122	124	123	126
Oct.-Dec.	125	144	67	100	140	98	129	133	125	125	128
1970*											
Jan.-Mar.	125	147	63	153	96	99	125	119	127	126	132

PRODUCTION

Index of industrial production 1959 = 100

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1966	167	160	175	151	153	121	191	214	219	163	166
1967	172	163	180	158	160	125	187	233	224	168	172
1968*	182	190	189	166	164	132	194	247	219	189	183
1969*	200	205	208	183	174	152	220	254	248	205	201
1968*											
Sept.	187	195	194	170	165	123	204	259	246	195	184
Oct.	206	213	212	190	211	138	217	270	239	215	184
Nov.	199	212	208	176	188	134	210	260	223	212	188
Dec.	181	190	189	159	139	130	180	252	216	191	194
1969*											
Jan.	201	218	209	179	152	159	205	269	229	215	192
Feb.	191	206	200	169	142	150	207	248	207	206	193
March	212	239	220	187	157	169	231	266	244	230	196
April	197	202	203	184	165	165	210	253	236	203	196
May	205	207	209	193	179	174	210	255	261	211	201
June	185	192	186	181	175	131	191	219	245	193	200
July	152	110	166	133	184	138	217	209	232	110	205
Aug.	198	182	204	190	182	122	235	240	255	187	205
Sept.	211	223	217	194	181	147	232	258	266	221	203
Oct.	227	236	235	207	211	170	241	263	276	235	203
Nov.	216	226	226	191	204	150	232	278	257	224	207
Dec.	209	216	219	186	161	149	213	289	265	221	213
1970*											
Jan.	221	227	233	192	163	172	239	299	244	227	214
Feb.	212	212	223	188	155	171	223	307	244	216	214



LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Labour input 1 000 man-years/months	Unemployment, % of total labour force	Commercial timber fellings 1 000 piled cu. m	Retailers' sales volume index 1954 = 100	Wholesalers' volume index 1954 = 100	Indicator of traffic activity 1964 = 100
1966	2 215	2 180	1 904	1.6	46 507	164	179	103
1967	2 209	2 146	1 845	2.9	44 963	168	190	103
1968	2 199	2 110	1 762	4.0	47 733	170	177	109
1969	2 205	2 143	1 758	2.8	52 725	..	..	..
1969								
Jan.	2 142	2 044	1 782	4.6	5 151	..	..	110
Feb.	2 135	2 042	1 757	4.4	5 405	..	..	105
March	2 134	2 047	1 751	4.1	5 349	..	..	115
April	2 138	2 056	1 781	3.8	4 336	..	..	112
May	2 175	2 113	1 831	2.9	11 075	..	..	111
June	2 306	2 253	1 772	2.3	1 937	..	..	117
July	2 343	2 292	1 588	2.2	1 007	..	..	119
Aug.	2 304	2 257	1 704	2.0	1 886	..	..	121
Sept.	2 208	2 169	1 783	1.8	2 778	..	..	124
Oct.	2 195	2 155	1 794	1.8	3 906	..	..	130
Nov.	2 191	2 145	1 792	2.1	4 171	..	..	117
Dec.	2 188	2 136	1 769	2.4	5 724	..	..	119
1970								
Jan.	2 152	2 092	1 740	2.8	5 012	..	..	..

HOUSE CONSTRUCTION

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1966	36.70	15.98	3.65	11.56	3.29	26.91	11.35	2.84	8.39	3.01	36.19
1967	28.82	11.51	3.08	8.90	3.02	31.34	12.42	2.93	10.83	3.49	31.40
1968*	31.58	14.00	2.95	9.56	3.06	26.44	11.72	2.58	9.15	1.35	34.09
1969*	38.95	15.38	3.88	15.29	2.12	31.46	12.62	3.05	12.67	1.41	36.49
1968*											
Oct.-Dec.	8.97	4.17	0.43	2.67	1.30	7.78	3.82	0.94	2.20	0.40	34.09
1969*											
Jan.-Mar.	5.43	2.12	0.59	2.10	0.32	4.85	1.97	0.28	1.92	0.50	32.29
Apr.-June	11.98	4.95	1.88	4.13	0.25	5.56	2.42	0.38	1.64	0.82	37.45
July-Sept.	11.78	4.94	0.86	4.62	0.75	8.52	3.31	0.83	2.56	1.20	38.85
Oct.—Dec.	9.76	3.37	0.55	4.44	0.80	10.66	4.25	1.36	4.27	0.32	36.49

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 4. Since Dec. 31, 1969. *Gold and foreign exchange* = Gold (valued on basis of the par value of the mark) + Special drawing rights + IMF gold tranche + Foreign exchange. *Liabilities on foreign exchange and mark accounts* = Foreign exchange accounts + Mark account of holders abroad. *Other foreign assets* = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF. *Other foreign liabilities* = Foreign term liabilities + IMF mark accounts. *Claims on Treasury* = Treasury bills covering certain IMF and IBRD accounts + Advances for stand-by stocks — Export levies (net). *Foreign exchange situation*: Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.

Page 5. *Other advances* = Inland bills discounted in foreign currency + Loans + Other claims (excl. Treasury's IMF and IBRD bills and Advances for stand-by stocks). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities — Cash reserve accounts — Export levies (net).

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

Commercial bank and mortgage bank figures obtained from the official bank statistics, savings bank figures from the Central Statistical Office, other figures from the respective credit institutions or their central banks.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks, co-operative banks, and mortgage banks. *Term deposits in all credit institutions* includes a small amount of deposits in mortgage banks.

Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public.

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank less cash holdings (net) of State departments and funds.

FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9): The indices are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indices corresponds to the annual level of the Fisher index formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): imports by countries of purchase, exports by countries of sale.

BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office. Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: food industry ISIC no. 20, weight 11.2, wood industry no. 25, weight 6.6, paper industry no. 27, weight 13.1, chemical industry no. 31, weight 5.2, non-metallic mineral industry no. 33, weight 3.6 and metal industry nos. 34—38, weight 23.5.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — HOUSE CONSTRUCTION

Page 17. *Labour* figures supplied by the Labour Research Bureau of the Ministry of Communications and Public Works, both based on the labour force sample survey. Labour input represents the estimated average number of days worked. (See article in No. 10, 1960 of this Bulletin). *Commercial timber fellings* compiled by the Ministry of Communications and Public Works. Since July 1965 figures have been adjusted by the Bank of Finland Institute for Economic Research. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *House construction* figures calculated by the Central Statistical Office.

SYMBOLS USED

* Preliminary 0 Less than half the final digit shown . Logically impossible .. Not available — Nil

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1154 to 1809 Finland formed a part of the kingdom of Sweden. It then became an autonomous Grand Duchy connected with Russia until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current period, March 1, 1968, to March 1, 1974, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1970 were as follows: Social Democrats 52, Conservatives 37, Centre Party 36, People's Democrats 36, Finnish Farmers' Party 18, Swedish Party 12, Liberal Party 8 and Christian League 1.

INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966 and OECD 1969.

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4%. On an average 15.8% of the land in the South of Finland is cultivated (1960), 2.3% in the North and 9.2% of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.3%, are covered by forests.

OWNERSHIP OF LAND (1960): The total land area was distributed among different classes of owners approximately as follows: private 60.9%, State 31.8%, joint stock companies etc. 5.6%, municipalities and parishes 1.7%.

POPULATION

NUMBER OF INHABITANTS (1968): 4.7 million. Sweden 7.9, Switzerland 6.1, Denmark 4.9 and Norway 3.8 million.

DENSITY OF POPULATION (1968): In South Finland 26.2, in North Finland 4.3 and in the whole country an average of 15.4 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1968): 51% of the population inhabit the rural areas, 49% towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 532 300 inhabitants, Tampere (Tammerfors) 152 500, Turku (Åbo) 152 000.

EMPLOYMENT (1968): Agriculture and forestry 25%, industry and construction 34%, commerce 15%, transport and communications 7%, services 19%.

LANGUAGE (1960): Finnish speaking 92.4%, Swedish speaking 7.4%, others 0.2%.

EDUCATION (1968): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 6 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

INCREASE OF POPULATION (1968): births 16.0‰, deaths 9.6‰, increase 4.4‰, net emigration 1.6‰. Deaths in France 11.0‰ and Great Britain 11.8‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1968, in million marks). Gross domestic product at factor cost by industrial origin: agriculture 2 635 (9%), forestry and fishing 1 947 (7%), manufacturing 8 941 (30%), construction 2 748 (9%), transport and communication 2 225 (7%), commerce, banking and insurance 3 724 (12%), public administration 1 418 (5%), other services 6 211 (21%), total 29 849. Index of real domestic product 113 (1964 = 100).

FOREST RESOURCES (1960—1968): The growing stock comprised 1 448 million of solid cu. m incl. bark (51 139 million cu. ft.), of which pine 43% and spruce 38%, the rest 19% being broad-leaf-trees, chiefly birch. Of the growing stock 16 364 million cu. ft. 47% of them pine, was up to the standard required for logs. The annual growth is 47 million solid cu. m green wood excl. bark (1 660 mill. cu. ft). The total removal in 1968 calculated according to the use of wood was 48 million cu. m excl. bark (1 655 million cu. ft).

AGRICULTURE (1960): Cultivated land 2.6 million hectares. Number of holdings 388 000, of which 184 000 are of more than 5 ha. Index of agricultural production 100 for 1968 (1964 = 100). Measure of self-sufficiency in bread cereals 81% in the crop year 1967/68.

INDUSTRY (1966): Gross value of industrial production 20 900 mill. marks, number of workers 356 100, salaried employees 84 200, motive power (1966) 4.2 mill. kW. Index of industrial production 171 for 1967 (1959 = 100).

STATE RAILWAYS (Jan. 1, 1970): Length 5 801 km.

MERCHANT FLEET (April 30, 1970): Steamers 56 (66 867 gross reg. tons), motor vessels 387 (591 945 gross reg. tons), tankers 53 (689 849 gross reg. tons) general cargos 12 (1 515 gross reg. tons). Total 508 (1 350 176 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1969): Passenger cars 643 100, lorries and vans 96 900, buses 7 900, others 4 700. Total 752 600.

FINNISH AIRCRAFT (April, 1970): Finnish airlines. Finnair and Kar-Air have in use 2 DC-8-62s, 3 DC-6s, 8 Super Caravelles and 9 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 23 airports and to 16 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar).

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1969). There are two big and four small commercial banks with in all 824 offices, 330 savings banks, 464 co-operative banks and their central bank, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The National Pension Institute and sixtytwo private insurance companies also grant credits.

RATES OF INTEREST (Jan 1, 1970). Bank of Finland discount rates 6—9%, the rate for discounts or rediscounts for banks 7%. Other credit institutions: term deposits 4%, 6 month deposits 4 1/2%, 12 month deposits 5%, 24 month deposits 6%; highest lending rate 10%.

FINLAND'S FOREIGN TRADE IN 1969

by Tuomas Sukselainen, Mag. Pol.,

Fellow of the Bank of Finland Institute for Economic Research

INTERNATIONAL BACKGROUND

In 1969 a rapidly increasing economic activity characterized most of the countries of continental Europe. In contrast the growth rates of the United Kingdom and the United States fell. The average growth of GNP in European OECD-countries increased to 6 per cent while the growth rate of GNP of the whole OECD decreased to 5 per cent. In general the growth was due to the favourable development of exports and lively investment activity. In most countries there were clear signs of overheating in the form of increasing price and wage pressure.

The growth in the value of world trade reached a new record level since the Korea boom, being 13—15 per cent. The trade of OECD countries grew even more, 16 per cent in value. Owing to the expansionary development in Europe world market prices, especially those of raw materials, increased substantially. Most marked was the price rise in metals. The international money market was still characterized by considerable uncertainty. After the parity changes of the French franc and D-mark the situation however calmed down. The international interest rate level, which had risen since the end of 1968 remained high.

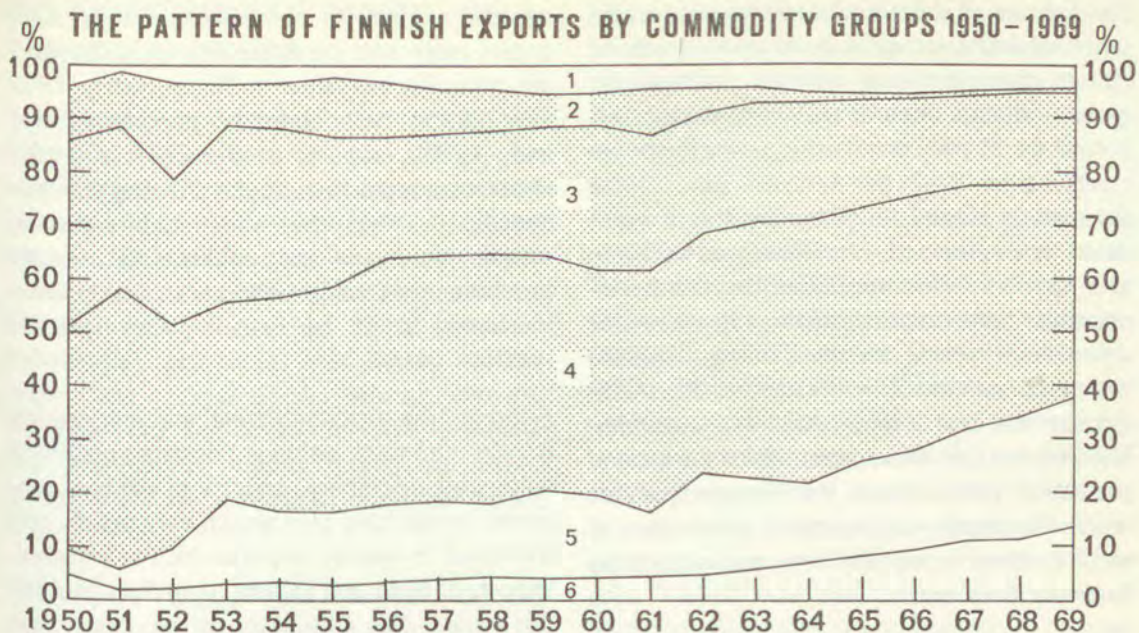
The only important western markets for Finnish exports where the growth decelerated significantly were, as previously mentioned, the United Kingdom and the United States. While growth in the United Kingdom's demand for imports remained almost unchanged, that of the United States slowed down considerably. Also in the Netherlands the growth of GNP decelerated to some extent but nevertheless remained on a high level. The growth in Western Germany, Sweden and especially France continued to accelerate as was the case for most other export markets.

GENERAL DEVELOPMENT OF FINNISH FOREIGN TRADE IN 1969

In spite of the fact that the growth rate of total production in western countries weighted by their shares in Finnish exports slowed down to some extent owing to the development of economic activity in the United Kingdom, the United States and the Netherlands, 1969 was the best year for the Finnish exports during the entire 1960's. It is evident that Finland was able to increase its market shares to compensate for the slight deceleration of import demand in the market countries. The lagged effects of devaluation thus still seem operative.

The volume of total merchandise exports increased by 16 per cent in comparison with 11 per cent in the previous year. Favourable development of export prices, especially of the wood industry products, account for the 21.5 per cent value growth in exports. The average growth of export prices by 4.5 per cent reflected the continued strong demand for Finnish export products and also partly the near-capacity production level in most branches of the export industry. The increase in the price level occurred mainly in the latter part of the year and has continued in 1970.

The growth rate of total production in Finland last year, 8 per cent, was among the greatest in the industrialized countries. The powerful upswing of economic activity inevitably led to a very strong increase in the import demand. While the volume of commodity imports had decreased in 1968 it grew last year by 23 per cent. Even if the acceleration of import demand was quite foreseeable in this cyclical phase it exceeded the forecasts. The strong increase in the demand for imported invest-



1. Agricultural products
 2. Round and hewn timber
 3. Wood industry products
 4. Paper industry products
 5. Metal and engineering industry products
 6. Other goods
- } Exports based on wood

ment goods was partly due to the fact that the domestic metal and engineering industry worked just below its capacity ceiling, which has led to delays in deliveries. According to preliminary figures import prices increased on average by 3 per cent.

The considerably stronger growth of commodity imports compared with commodity exports led to a trade deficit. The deficit was 158 million marks while in 1968 there had been a surplus of 163 million marks. The deterioration on trade account in 1969 was thus 321 million marks. Examination of the development of trade within the year reveals that in the first quarter of the year there was a marked deficit in the seasonally adjusted trade account. This was very much due to some special purchases of aircrafts and ships. In the middle of the year there was a surplus, but this turned into an accumulating deficit in the latter part of the year. The deficit in multilateral trade was 232 million marks and the surplus in the bilateral trade 74 million marks.

THE DEVELOPMENT OF EXPORTS BY COMMODITY GROUPS

The structural development characteristic of Finnish exports since the devaluation in 1957 continued last year. The share of exports based on wood was 75 per cent in the beginning of the decade; it was 61 per cent in 1968 and 58 per cent in 1969. The commodity categories gaining were metal and engineering industry products and other industrial products. Over half of the increase in the value of total exports came from these categories. According to the pattern common to the 1960's agricultural products almost retained their share; especially steady, stronger than average, growth of exports of other industrial products is evidence of the continuing diversification of exports which is essential to a small country largely dependent on foreign trade. A tendency comparable and adjoining to this is a rising degree of processing which can be seen especially in the metal and engineering exports but also in the exports of the wood and paper industry.

The exports of the woodprocessing industries achieved last year quite rapid even if slower growth than the total exports. In particular wood industry exports grew more than expected, i.e. 21 per cent in value, while the prices increased by 6—7 per cent. In spite of the diminishing United Kingdom imports of sawn wood and plywood Finnish exporters were able to more than compensate for this by increasing their market shares. Reasons for slackening imports to the United Kingdom were among others the recession of the building industry and a large stock of inventories. The fact that Canadian exporters for the second successive year turned to the European markets much less than usual helped Finnish exports of both sawn wood and plywood expand as much as they did.

The volume of paper product exports increased by 10 per cent, price increase being about 3 per cent. The exports of pulp hardly grew in volume but rising prices however helped to achieve a growth of 8 per cent in value. The small increase was due to the fact that the pulp industry also worked near its capacity limit. The limited capacity growth and the competition of the domestic demand with export demand meant that there was little possibility for pulp exports to increase. The foreign demand continued however to be very active leading to price increases. The volume of newsprint exports decreased slightly. There was a clear tendency in paper exports away from less processed brands towards higher quality ones such as printings, writings and flutings. At the end of the year the prices of both pulp and paper were raised again but the influence of this cannot be seen before 1970.

Growing by 28 per cent in value, the exports of metal and engineering industry products for the first time exceeded the figure of 2 000 million marks. The share of this group in total exports is now a quarter having been 17 per cent in 1960. Before the Second World War this industry was still considered a typical home market industry. Exports to the Soviet Union and the other eastern countries have long played the main role in this category, but during the last

decade exports to western countries have grown more and the share of exports to eastern countries has fallen to 36 per cent in 1969 after having been about 65 per cent in the early 1960's, exports to the EFTA countries alone have more than doubled during the past decade. In 1969 the most rapidly growing market for metal and engineering industry products was Sweden, exports to that country increasing by 55 per cent in value from the previous year.

Although the exports of metal and engineering industry products last year consisted mainly of ships and machinery, exports of various consumer goods have also grown very rapidly and increased in relative importance. For instance, exports of radio and TV sets more than doubled last year. Also the exports of ships and machinery have greatly diversified no longer consisting merely of ice breakers or wood working machinery.

The remaining group of industrial exports, experienced the most rapid growth of all the export categories, that is 46 per cent in value. The exports of textile industry products and clothes grew still more briskly, by 55 and 83 per cent in value, respectively. Although the steady growth of »new exports» means the progress of the diversification of exports, it is worth remembering that it usually also implies growing imports of raw materials and machinery.

The exports of the surplus of agricultural production continued to grow in 1969. The value increase was 11 per cent due mainly to exports of meat, meat products and milk powder. The exports of butter and eggs decreased from the previous year. A sign of the increased marketing efforts for butter is the fact that it was last year exported to 24 countries as against only a few in 1968. Exports of cheese, the biggest commodity group under the title of agricultural products in 1969, grew 3 per cent in volume. Fur skin exports remained on the same level as in 1968. The volume of roundwood exported, which has been steadily declining since the early 1960's, increased contrary to expectations by 20 per cent in 1969.

THE DEVELOPMENT OF IMPORTS BY COMMODITY GROUPS

The development of imports in 1969 was typical of a boom year. This can also be seen in the commodity structure of imports, in which the share of investment and consumer goods increased. The fact that the import share of raw materials and production goods decreased can be seen as evidence of better domestic substitution possibilities than during the corresponding cyclical phases before. There has not been any significant trendlike change in the structure of imports during the 1960's except the slow increase of consumer goods' share.

The import value of raw materials and production goods increased last year by 23 per cent. While the prices rose about 5 per cent the increase in volume was 17 per cent. The prices of imported metals and metal products rose according to the general tendency in world market prices. When examining the raw material and production good imports by industrial branches only the chemical and food industries deviated from the generally uniform growth pattern. While imports by other branches grew by well over 20 per cent imports of the two branches mentioned grew by about 15 per cent. The imports of raw materials and production goods used in agricultural production increased by 13 per cent in value while agricultural production grew only by 1 per cent.

The imports of fuels and lubricants grew less than imports of the other commodity groups. According to preliminary estimates the increase was 10 per cent in volume while the prices fell by 2 per cent. The growth in imports concentrated heavily on the latter part of the year. Imports of crude oil grew more than 20 per cent in volume. Only 65 per cent of crude oil came from the Soviet Union while the corresponding figure for 1968 was 90 per cent. About one third was imported from Iran which in 1968 accounted only for one tenth. Coal imports increased by 15 per cent and there was thus a slight shift towards liquid fuels.

There was also a slight decline in the imports of various oil products and it is evident that the domestic industry has to a greater extent than before been able to carry out the refining process.

After a recession of two years investment activity began to pick up at the end of 1968. The main weight being on the side of productive investment and because the domestic engineering industry was, partly due to capacity limitations, unable to produce the necessary machinery this led to soaring imports of investment goods. The growth rate achieved was 42 per cent in value. According to preliminary estimates the prices of investment goods imported rose by as much as 6 per cent. Fastest was the growth in imports of transport equipment (excluding cars), 144 per cent, which was to a great extent due to the unusually large purchases of aircraft and ships already mentioned. Also the expansionary phase going on in the textile and clothing industries led to doubled imports of the machinery concerned.

In line with the growing disposable income of households the imports of consumer goods grew briskly in 1969 totalling to a value that was one third more than in the previous year. This is a typical phenomenon during the upswing and the growth experienced was thus expected. In earlier corresponding cyclical phases the imports of consumer goods have grown even more and it can be assumed that devaluation by changing the relative prices of domestic and foreign goods to the disadvantage of the latter has significantly contributed to the competitive position of import substituting industries. The stabilization measures taken have helped to maintain the domestic advantage. Due to the improved competitive position of domestic producers the importers found it necessary to lower their prices by an average amount of 2 per cent. The growth to some extent concentrated on consumer durables but the imports of some less durable consumer goods, especially clothing also increased significantly. Among the durable goods the most important feature was the growth of

passenger car imports by 75 per cent. This was no surprise because besides the influence of growing incomes the imports had been on quite a low level in 1968 and it was necessary to renew the existing stock of passenger cars. The number of cars imported was 87 000 which still falls short of the record achieved in 1965, of over 100 000 cars.

**BALANCE OF TRADE IN 1965—1969, EXPORTS
FOB — IMPORTS CIF**

	Bilateral Trade	Multilateral Trade	Total Trade
1965	— 6	—693	—699
1966	—181	—526	—707
1967	— 97	—466	—563
1968	— 87	+ 250	+ 163
1969	+ 74	—232	—158

**THE REGIONAL PATTERN OF FOREIGN
TRADE**

The regional distribution of Finnish foreign trade developed in 1969 according to the lines common to the whole 1960's. There has been a general shift towards the EFTA countries in both exports and imports. In 1969 these countries accounted for 44 per cent of the total trade while the corresponding figure in 1960, the year preceding the FINEFTA-agreement, was 34 per cent. In 1969, as during the whole period, imports from EFTA countries slightly exceeded exports to them. The increasing importance of EFTA countries in Finnish trade has been accompanied by a corresponding decline in the relative share of EEC countries — to one quarter in the total trade in 1969 as against almost one third in the early 1960's. The share of the eastern countries noticeable decreased last year, partly for cyclical reasons, and while the imports from the eastern bloc decreased absolutely the exports grew far less than the total exports; the share fell from 20 per cent in 1968 to 17 per cent in 1969. When examining the development inside the areas mentioned it is worth noticing that trade with Sweden especially but also with all the Scandinavian countries combined has very much increased in importance by more than doubling its share in the last decade.

BANK OF FINLAND

Board of management

Mauno Koivisto

Governor (Absent as Prime Minister)

Reino Rossi

*Deputy Governor,
present Acting Governor*

Esko K. Leinonen

A. Simonen

*(Absent as a member of
Government)*

Ahti Karjalainen

*(Absent as a member of
Government)*

Heikki Valvanne

Jouko J. Voutilainen
ad int.

Directors

Jouko J. Voutilainen

Timo Helelä

Jorma Aranko

Senior officials

Pertti Tammivuori

Administration

P.-E. Österlund

*Invisible transactions and
capital transfers*

A. Kajantie

Internal Audit

Helge Lindström

Credits

A. Nenonen

Foreign correspondence

K. Eirola

Automatic Data Processing

K. Ignatius

Personnel

Eino Suomela

Office

Stig Törnroth

Cash

Institute for economic research

Pertti Kukkonen

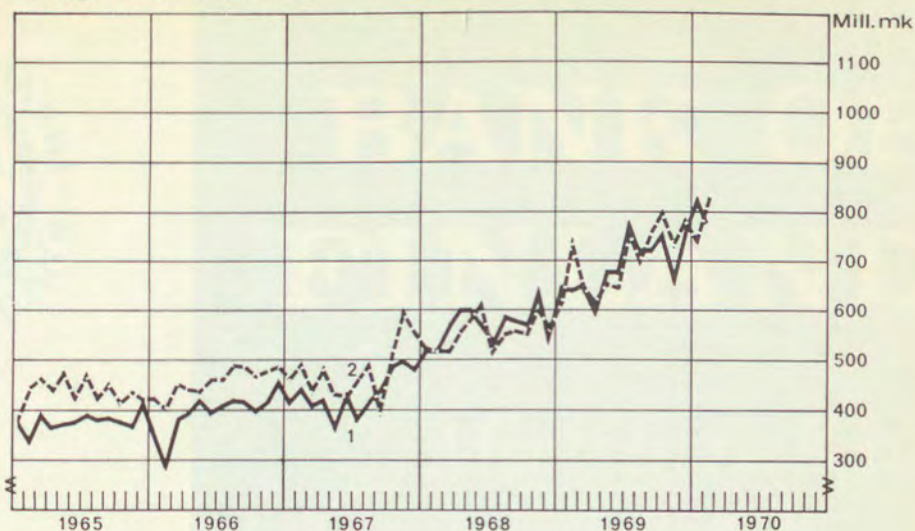
Director

Markku Puntila

Head of department

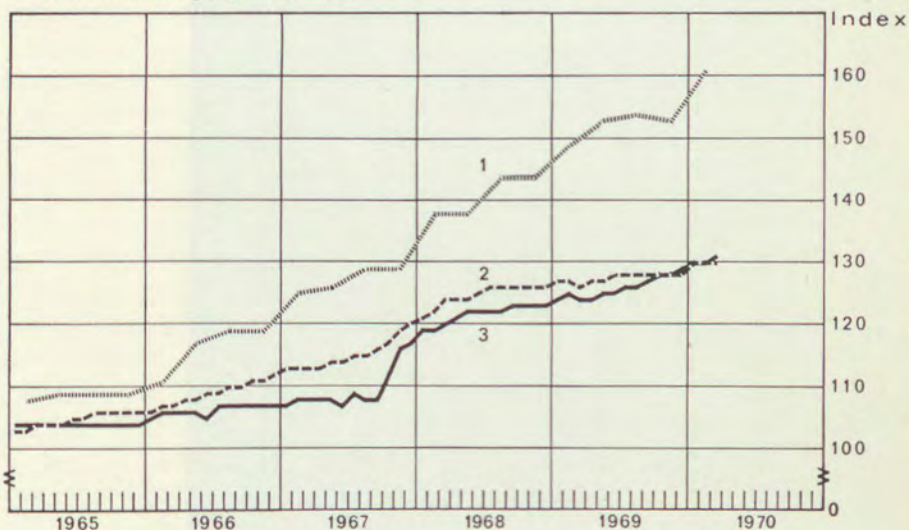
Foreign trade, 1965-1970

1. Exports f.o.b.
 2. Imports c.i.f.
- Seasonally adjusted monthly figures



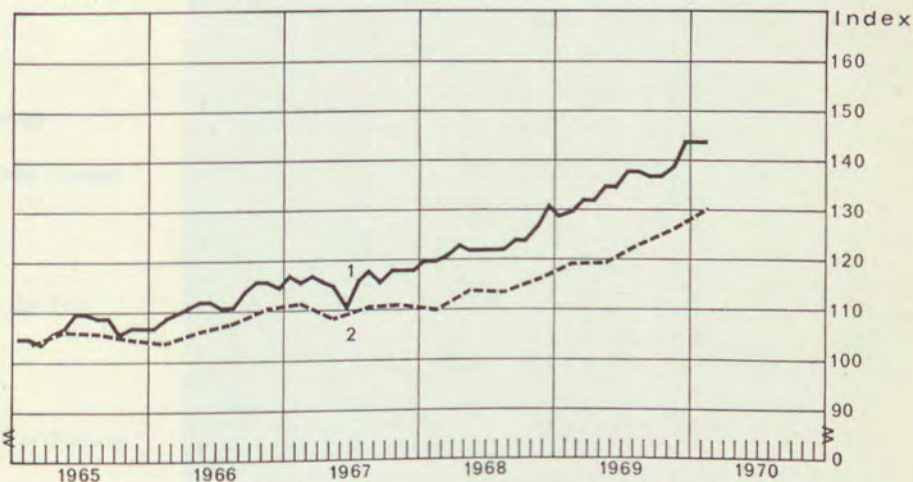
Prices and wages, 1965-1970

1. Index of salary and wage earnings 1964 = 100, quarterly
2. Cost of living index 1964 = 100, monthly
3. Wholesale price index 1964 = 100, monthly



Production, 1965-1970

1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures
2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures



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