



# BANK OF FINLAND

*Monthly Bulletin*

Finland as a tourist country

Business barometer for the Finnish  
industry

New Cabinet

The Bank Supervisors of the Diet

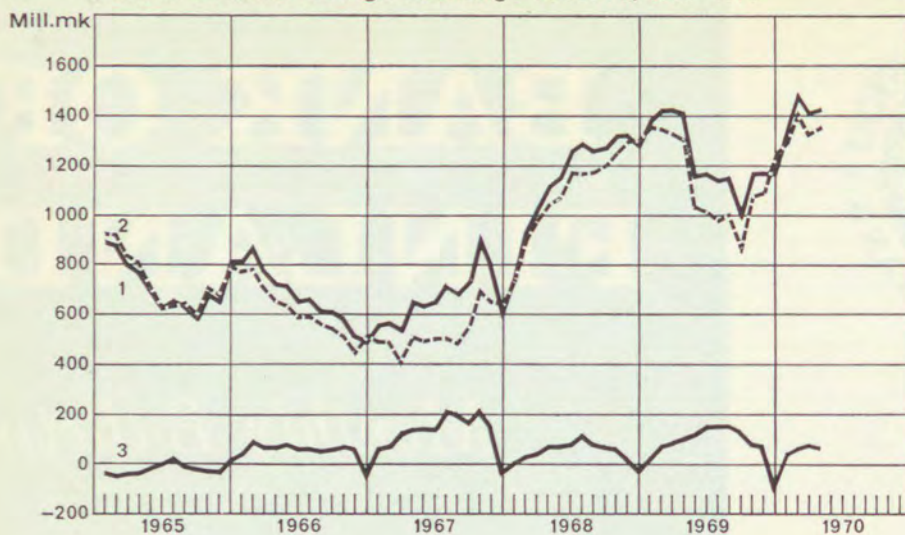
Trade agreement

Domestic bond issues

Publications of the Bank of Finland

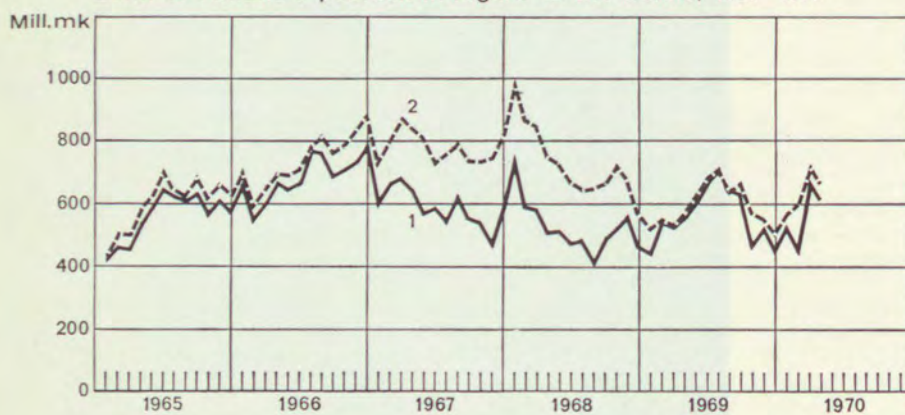
**JUNE 1970**  
**Vol. 44 No. 6**

Bank of Finland foreign exchange reserve, 1965-1970



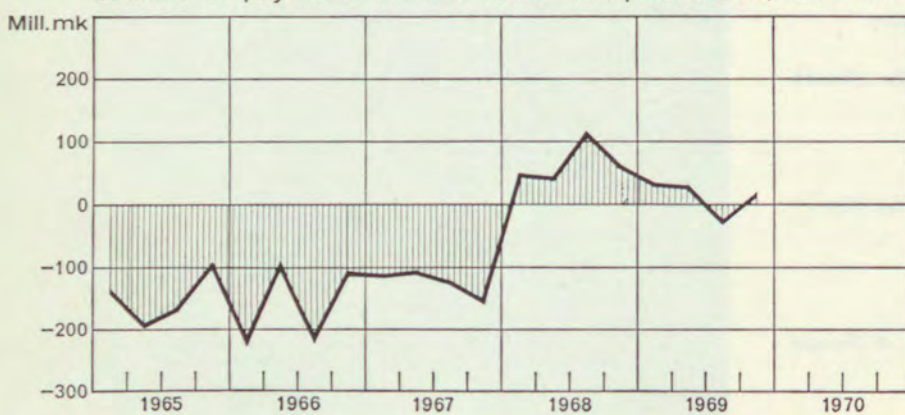
1. Total gold and foreign exchange
2. Gold and convertible currencies
3. Other currencies

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

# FINLAND AS A TOURIST COUNTRY

The rapid development of world communications has brought Finland very close to Central Europe and made it an integral part of the Scandinavian tourist area. Finland has moreover become an important half-way house for tourists between the Soviet Union and Western Europe.

The opportunities offered by Finland for tourists are partly based on its large area and small population. By European standards the area of the country is considerable; it is larger than Italy or the British Isles. On the other hand the Finnish population totals less than 5 million and the major part of it is concentrated in Southern Finland. Thus Finland is able to offer the tourists unspoiled nature, wide-open spaces and solitude. As far as climate is concerned Finland is suitable for tourism both in summer and winter. The average temperature in July is the same in Helsinki as in London and the sunny hours average 250 as against 200 in London. Because of the country's northern location the summer is also very light; in the northernmost part the sun never sets in the middle of the summer. In winter there is plenty of snow and especially in the early spring there are excellent possibilities for skiing.

In the last few years marked steps have been taken in the utilization of these natural tourist attractions. The highway network has been rebuilt all over the country; no traffic jams plague the roads. Camping sites and motels are gradually becoming more numerous and available in all parts of the country. The number of holiday villages has increased from a few to approximately 70 and local provincial companies have been founded to improve the standard of services for tourists. Tens of skiing resorts with ski lifts have been built as well. This work has brought the lake area of Eastern

Finland, the largest uniform lake region in Europe and the last big wilderness in Western Europe within reach of tourists.

However, what Finland has to offer to the tourist is not restricted exclusively to her nature for she can boast also of many interesting attractions in the field of culture from old cultural monuments, castles and stone churches to modern Finnish architecture and design. The same parallelism between traditional culture and new culture based on it is noticeable also in the performing arts. Local traditions e.g. in folk dancing and folk music have been revived at the same time as a series of cultural events »Finland Festivals» has been established, which provides diversified, high-quality art performances in various tourist centres throughout the summer. As an example may be mentioned the Savonlinna opera festival; the tourist attractions in the town and its surroundings are closely connected with the festival programme.

But tourism does not consist only of holiday activities. Travelling for study purposes, to participate in international congresses and meetings as well as purchase and business trips form an important part of tourism. Constant attention has been given in Finland to the promotion of the services and amenities required to get the full benefit from this type of travelling.

After the devaluation of 1967 Finland has become a far better prospect as a tourist country also as far as prices are concerned. This can be clearly seen in the development of tourism in the last few years.

In 1968 the deficit on the travel account declined to 8 million marks after having been almost 100 million marks in previous years. Last year this development was very distinctive as revenue from tourism increased by 33 per

cent while expenditure grew by 28 per cent. Receipts from tourism in 1969 amounted to 375 million marks and corresponding expenses to 371 million. Last year the travel account showed a surplus for the first time as income exceeded expenditure by approximately 4 million marks.

It has been estimated that the number of foreign tourists having visited Finland in 1969 was about 1 300 000. If forecasts are made for the future it is likely that this figure will be at least doubled by 1975.

May 29, 1970

## BANK OF FINLAND

Mill. mk

	1969		1970				
	May 30	Dec. 31	May 8	May 15	May 22	May 29	
<b>Assets</b>							
Gold and other foreign assets	1 380.3	1 433.1	1 698.7	1 705.0	1 750.0	1 723.6	
Gold	189.2	189.4	189.4	189.4	189.4	189.4	
Special drawing rights	—	—	92.9	92.9	92.9	92.9	
IMF gold tranche	173.3	173.3	173.3	173.3	173.3	173.3	
Foreign exchange	868.5	905.0	1 050.9	1 060.2	1 104.4	1 081.0	
Foreign bills	94.8	106.3	131.1	128.1	128.9	126.2	
Foreign bonds	54.5	59.1	61.1	61.1	61.1	60.8	
Claims on domestic banks	762.4	637.1	616.6	502.9	628.8	583.5	
Discounted bills	—	—	562.9	454.7	577.0	531.4	
Rediscounted bills	609.7	550.3	4.3	2.8	7.7	8.3	
Cheque accounts	152.7	86.8	49.4	45.4	44.1	43.8	
Other lending	271.4	317.6	280.5	274.9	273.9	274.0	
Inland bills discounted							
In foreign currency	22.6	7.3	4.6	4.6	4.6	4.6	
In Finnish marks	155.6	191.6	157.0	150.8	151.1	151.3	
Loans	93.2	118.7	118.9	119.5	118.2	118.1	
Other assets	258.4	627.0	723.0	807.1	734.5	826.8	
Finnish bonds	170.1	126.5	305.0	391.7	319.4	411.1	
Finnish coin	15.0	5.5	10.1	10.5	10.4	10.7	
Currency subscription to Finland's quota in the IMF	—	351.7	351.7	351.7	351.7	351.7	
Other claims	73.3	143.3	56.2	53.2	53.0	53.3	
	Total	2 672.5	3 014.8	3 318.8	3 289.9	3 387.2	3 407.9
<b>Liabilities</b>							
Notes in circulation	1 150.0	1 298.4	1 187.3	1 201.6	1 225.2	1 258.3	
Liabilities payable on demand	84.8	123.5	72.6	81.8	75.1	76.7	
Foreign exchange accounts	48.2	81.0	46.2	47.4	46.2	47.9	
Mark accounts of holders abroad	21.5	12.2	11.3	11.8	11.3	11.6	
Cheque accounts							
Treasury	0.5	3.7	0.9	0.9	1.4	1.2	
Post Office Bank	0.8	3.6	1.5	0.4	0.6	3.5	
Private banks	—	10.1	—	7.8	3.1	—	
Other	2.1	1.0	1.8	1.7	1.8	1.8	
Other sight liabilities	11.7	11.9	10.9	11.8	10.7	10.7	
Term liabilities	521.3	307.6	671.6	609.7	689.9	670.9	
Foreign	19.0	7.7	4.7	4.7	4.7	4.7	
Domestic	502.3	299.9	666.9	605.0	685.2	666.2	
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	401.6	405.6	400.4	408.6	407.7	411.2	
Bank's own funds	514.8	528.0	547.0	548.3	549.4	550.9	
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	
Earnings less expenses (Dec. 31, Net profit)	19.4	55.3	19.0	20.3	21.4	22.9	
	Total	2 672.5	3 014.8	3 318.8	3 289.9	3 387.2	3 407.9

## 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
May	1 536.6	59.5	1 477.1	538.7	356.4	1 659.4	—166.5	1.2	—167.7

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1969			Net holdings, April 30, 1970			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Apr.	Jan.-Apr.
	Gold	189	—	189	189	—	189	—
Special drawing rights	—	—	—	92	—	92	—	92
IMF gold tranche	173	—	173	173	—	173	—	—
Convertible currencies	893	—98	795	908	—268	640	—68	—155
Other currencies	—80	5	—75	65	—2	63	—14	138
Total	1 175	—93	1 082	1 427	—270	1 157	—82	75

## BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks						Other				Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts <sup>1</sup>	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 <sup>2</sup>	Post Office Bank <sup>2</sup>						
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
May	531.4	8.3	43.8	41.4	7.8	534.3	151.3	176.0	466.5	—139.2	1 258.3

<sup>1</sup> Including special index accounts.  
<sup>2</sup> Including cash reserve accounts.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

May 29, 1970

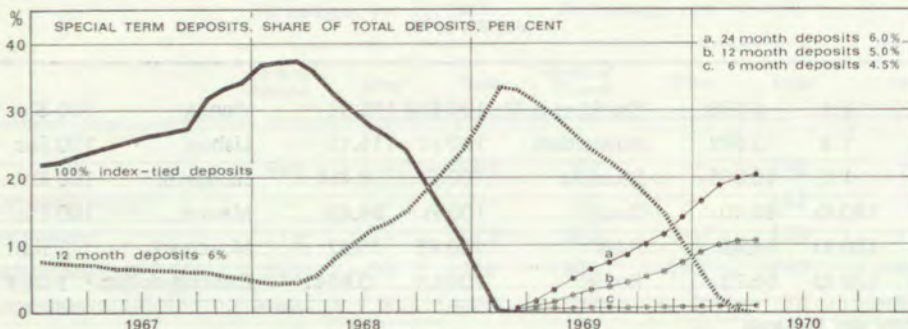
New York	1 \$	4.178	Frankfurt o. M.	100 DM	115.02	Vienna	100 S	16.13
Montreal	1 \$	3.892	Amsterdam	100 Fl	115.15	Lisbon	100 Esc	14.70
London	1 £	10.035	Brussels	100 Fr	8.415	Reykjavik	100 Kr	4.77
Stockholm	100 Kr	80.40	Zurich	100 Fr	96.69	Madrid	100 Pta	6.03
Oslo	100 Kr	58.45	Paris	100 FF	75.62	Moscow <sup>1</sup>	1 Rbl	4.6799
Copenhagen	100 Kr	55.72	Rome	100 Lit	0.6641	Clearing dollars <sup>2</sup>	1 CI \$	4.212

<sup>1</sup> Clearing account; also Bucharest.  
<sup>2</sup> 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	1 374.6	520.8	5 236.3	4 340.9	3 021.6	1 116.0	521.6	14 236.6	16 132.0
1969*										
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	1 374.6	520.8	5 236.3	4 340.9	3 021.6	1 116.0	521.6	14 236.6	16 132.0
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
April	1 133.1	1 390.8	572.7	5 489.3	4 502.0	3 193.2	1 188.0	544.0	14 916.5	16 880.0

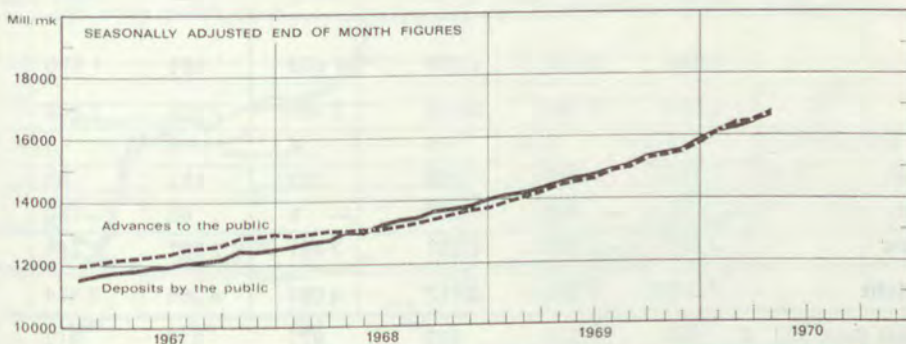




# ADVANCES TO THE PUBLIC—MONEY SUPPLY

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*									
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
April	7 300.5	3 947.2	1 119.0	3 029.7	1 317.8	16 005.4	708.8	16 714.2	3 534.2



## STATE FINANCES

Mill. mk

Revenue	Jan.—Mar.		Expenditure	Jan.—Mar.	
	1969	1970		1969	1970
Income and property tax (net)	737	813	Wages, salaries, pensions etc.	401	438
Gross receipts	(1 572)	(1 822)	Repair and maintenance	45	46
Refunds & local authorities	(—835)	(—1 009)	Other consumption expenditure	155	182
Other taxes on income and property	18	19	Total consumption expenditure	601	666
Employers' child allowance payments	138	147	State aid to local authorities	397	418
Sales tax	512	599	State aid to industries	233	371
Revenue from Alcohol Monopoly	101	132	of which: agric. price subsidies	(186)	(297)
Customs duties & import charges	82	104	Child allowances	80	76
Export levy	89	—	Share in national pensions and health insurance	101	102
Excise duty on tobacco	98	97	Other transfer expenditure	249	270
»  »  on liquid fuel	87	138	Total transfer expenditure	1 060	1 237
Other excise duties	39	52	Machinery and equipment	66	82
Tax on autom. and motor cycles	56	67	House construction	78	72
Stamp duties	49	52	Land and waterway construction	171	150
Special diesel etc. vehicles tax	8	8	Total real investment	315	304
Other taxes and similar revenue	12	25	Interest on State debt	75	83
Total taxes	2 026	2 253	Index compensations	15	13
Miscellaneous revenue	96	130	Net deficit of State enterprises	46	24
Interest, dividends etc.	27	23	Other expenditure	3	1
Sales and depreciation of property	18	20	Total other expenditure	139	121
Redemptions of loans granted	26	29	Increase in inventories	—14	—1
<b>Total revenue</b>	<b>2 193</b>	<b>2 455</b>	Lending	110	114
Foreign borrowing	42	0	Other financial investment	29	17
Domestic borrowing	272	194	<b>Total expenditure</b>	<b>2 240</b>	<b>2 458</b>
<b>Total borrowing</b>	<b>314</b>	<b>194</b>	Redemption of foreign loans	28	32
<b>Deficit (+) or surplus (—)</b>	<b>—47</b>	<b>+ 4</b>	Redemption of domestic loans	192	163
			<b>Total redemptions</b>	<b>220</b>	<b>195</b>
			Total	2 460	2 653

State debt	1967	1968	1969	1970			
	Dec.	Dec.	Dec.	Jan.	Feb.	March	April
<b>Foreign debt</b>	1 844	2 074	1 656	1 600	1 585	1 570	1 564
Loans	2 013	2 160	2 316	2 350	2 318	2 339	2 344
Compensatory obligations	5	5	4	4	3	3	3
Short-term credit	167	320	158	133	112	82	52
Cash debt (net)	— 12	— 256	—217	— 6	68	—180	..
<b>Domestic debt</b>	2 173	2 229	2 261	2 481	2 501	2 244	..
<b>Total State debt</b>	4 017	4 303	3 917	4 081	4 086	3 814	..
Total debt, mill. \$	955	1 028	933	972	977	912	..

# FOREIGN TRADE

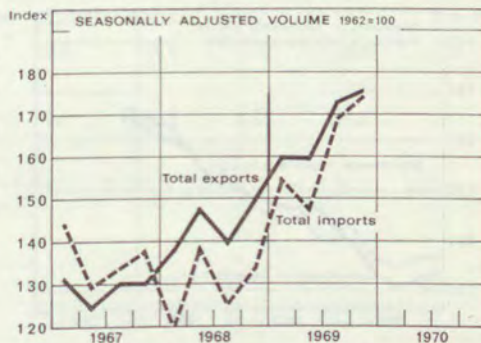
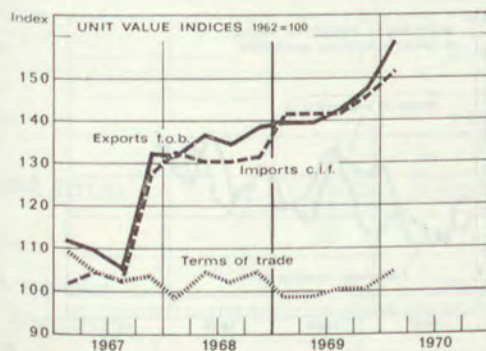
Mill. mk

Value mill. mk

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*			
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
March	732.0	793.5	- 61.5
Jan.-Mar.			
1969*	1 706.6	1 939.0	-232.4
1970*	2 087.1	2 303.4	-216.3

 Indices of exports and  
imports 1962 = 100

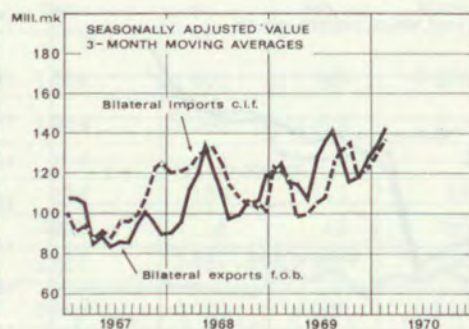
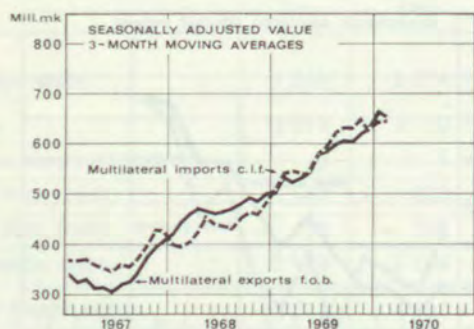
Period	Indices of exports and imports 1962 = 100				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
1965	114	129	113	104	109
1966	122	135	112	104	108
1967	129	135	115	110	105
1968	143	129	136	132	103
1969*	164	153	144	141	102
1967					
July-Sept.	134	124	106	103	103
Oct.-Dec.	139	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
1970*					
Jan.-Mar.	148	154	159	152	105



# 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*										
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
March	47.0	0.7	62.7	308.5	191.0	122.1	333.1	54.8	245.6	160.0
Jan.-Mar.										
1969*	116.9	6.2	213.3	769.7	366.9	233.6	757.8	272.4	538.3	370.5
1970*	126.9	3.8	239.0	856.9	537.4	323.1	978.4	258.2	614.8	452.0



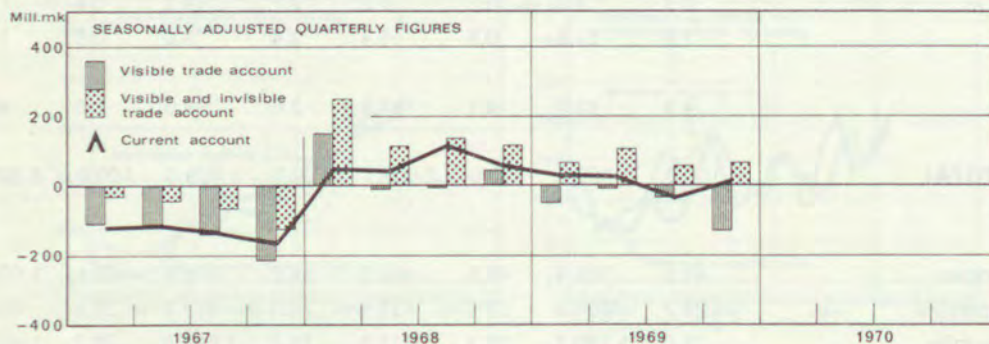
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—March				January—March			
	1969		1970		1969		1970	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	67.9	1 158.4	72.0	1 501.9	70.8	1 372.5	74.7	1 720.8
Austria	0.7	12.6	1.0	19.9	1.0	19.6	1.3	29.6
Belgium-Luxembourg	2.0	34.7	1.8	37.5	1.6	30.2	1.0	43.8
Denmark	4.1	70.0	4.0	83.9	3.2	61.9	3.3	75.5
France	4.2	71.6	4.1	86.4	3.4	65.0	3.7	86.2
Federal Republic of Germany	10.7	183.5	11.0	228.6	14.2	275.8	17.7	408.0
Italy	2.7	45.9	2.7	56.3	2.3	44.2	2.0	46.0
Netherlands	4.1	69.3	4.0	83.6	3.5	68.6	3.5	80.1
Norway	2.1	35.2	3.4	70.4	2.4	46.5	2.3	52.7
Portugal	0.3	5.6	0.5	9.8	0.5	9.9	0.8	18.4
Spain	0.9	15.2	1.1	23.5	0.4	7.9	0.4	8.2
Sweden	13.3	226.4	18.0	375.2	16.6	321.4	19.1	440.7
Switzerland	2.2	36.7	1.8	37.8	3.1	59.2	3.3	75.3
United Kingdom	18.7	318.9	17.1	357.9	18.4	357.8	15.0	347.2
Other	1.9	32.8	1.5	31.1	0.2	4.5	0.4	9.1
<b>OECD countries outside Europe</b>	7.1	121.9	6.2	130.0	7.9	153.8	5.0	115.8
Canada	0.4	6.0	1.1	23.0	0.2	3.9	0.4	9.3
Japan	0.3	5.0	0.3	7.2	1.3	26.1	1.6	38.1
United States	6.4	110.9	4.8	99.8	6.4	123.8	3.0	68.4
<b>Eastern Bloc</b>	16.5	281.9	15.2	317.7	17.1	331.8	16.5	380.1
Czechoslovakia	0.5	8.0	0.5	9.9	0.5	9.9	0.3	7.9
Democratic Republic of Germany	0.5	8.7	0.5	11.0	0.6	11.8	0.5	11.6
People's Republic of China	0.2	4.1	0.7	14.6	0.4	7.5	0.2	4.3
Poland	1.6	26.7	1.1	23.6	0.8	15.6	0.8	17.0
Soviet Union	12.9	220.2	11.5	240.5	14.3	276.9	13.8	318.5
Other	0.8	14.2	0.9	18.1	0.5	10.1	0.9	20.8
<b>Latin America</b>	3.6	60.7	2.4	49.6	2.2	41.9	1.8	40.4
Argentina	0.8	13.9	0.8	16.7	0.1	1.5	0.1	1.1
Brazil	0.6	10.2	0.6	11.3	1.0	18.3	0.6	13.6
Colombia	0.3	4.7	0.2	5.2	0.7	14.1	0.6	14.6
Other	1.9	31.9	0.8	16.4	0.4	8.0	0.5	11.1
<b>Other</b>	4.9	83.7	4.2	87.9	2.0	39.0	2.0	46.3
<b>GRAND TOTAL</b>	100.0	1 706.6	100.0	2 087.1	100.0	1 939.0	100.0	2 303.4
of which								
<b>EFTA countries</b>	41.3	705.4	45.8	955.0	45.2	876.5	45.1	1 039.4
<b>EEC countries</b>	23.7	405.0	23.6	492.5	25.0	483.9	28.8	664.1
<b>OECD countries</b>	75.0	1 280.3	78.2	1 631.9	78.7	1 526.3	79.7	1 836.6

# BALANCE OF PAYMENTS

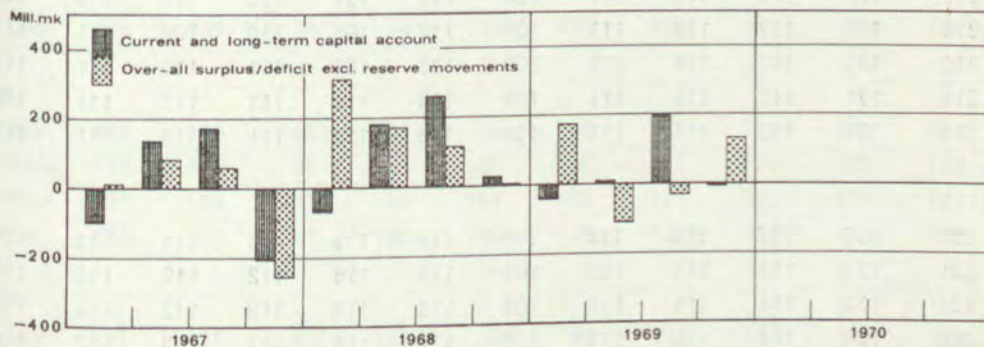
Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1965	4 542	5 287	-745	+341	-108	+35	-477	-131	+ 1	-607
1966	4 784	5 542	-758	+356	- 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 <sup>1</sup>	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 —.

<sup>1</sup> Including Direct investment net.



# PRICE INDICES

Wholesale prices 1949 = 100

Building costs  
1964 = 100

Period	Total	Origin		Purpose			Stage of processing			Building costs		
		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												
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
April	297	300	286	300	310	291	330	293	281	138	146	126

Consumer prices 1967 = 100

Period	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Consumer prices 1967 = 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												
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
April	222	174	114	116	114	109	116	119	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

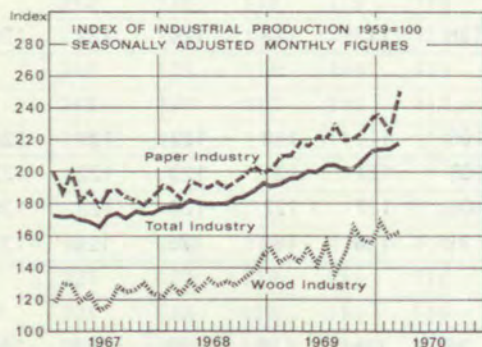
Volume indices of production 1964 = 100

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
1966	107	112	96	87	113	106	109	110	109	110	109
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*											
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.	222	228	234	194	163	170	239	300	244	228	215
Feb.	213	213	224	190	155	168	223	307	244	217	215
March	218	222	226	197	161	168	234	278	259	225	219



## 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	2 188	2 100	1 754	4.0	47 733	170	177	109
1969	2 189	2 127	1 752	2.8	52 725	..	..	..
1969								
March	2 125	2 038	1 746	4.1	5 349	..	..	115
April	2 126	2 044	1 774	3.9	4 336	..	..	112
May	2 160	2 097	1 821	2.9	11 075	..	..	111
June	2 296	2 243	1 763	2.3	1 937	..	..	117
July	2 327	2 277	1 579	2.2	1 007	..	..	119
Aug.	2 286	2 239	1 691	2.1	1 886	..	..	121
Sept.	2 186	2 147	1 767	1.8	2 778	..	..	124
Oct.	2 171	2 131	1 805	1.8	3 906	..	..	130
Nov.	2 164	2 120	1 773	2.0	4 171	..	..	117
Dec.	2 164	2 113	1 771	2.4	5 724	..	..	119
1970								
Jan.	2 133	2 074	1 730	2.8	5 012	..	..	..
Feb.	2 130	2 073	1 689	2.7	6 210	..	..	..
March	2 129	2 075	1 704	2.5	5 531	..	..	..

## 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 (May 31, 1970): Steamers 56 (66 867 gross reg. tons), motor vessels 385 (587 534 gross reg. tons), tankers 54 (690 293 gross reg. tons) general cargos 10 (1 379 gross reg. tons). Total 505 (1 346 073 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 sixty-two 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 4½%, 12 month deposits 5%, 24 month deposits 6%; highest lending rate 10%.

# BUSINESS BAROMETER FOR THE FINNISH INDUSTRY

by Kari Jalas, M. Pol. Sc.

Department Secretary, Department for Economic Policy, the Federation of Finnish Industries

Since the beginning of 1966 the Federation of Finnish Industries has conducted a quarterly survey among the highest industrial management on their business expectations. Parts of the results of the survey have been published under the title »Business barometer for the Finnish industry». The purpose of the survey is to provide cyclical forecasts on the various sectors of the industry for the members of the Federation and to aid in the formation of the Federation's general industrial policy.

The structure of the survey closely resembles that of the »Konjunkturtest» developed by the IFO-Institut für Wirtschaftsforschung. Answers are chosen from the given alternatives »larger», »equally large» or »smaller», which describe the expected development of the variable or its past development. The concept »equally large» is defined to include changes within the limits of  $\pm 2$  per cent from the previous figure, which involves a difference in comparison with the IFO-Institut survey. This  $\pm 2$  per cent interval is termed »indifference-interval». Thus the material obtained through the survey is qualitative, which gives rise to specific difficulties in its treatment and interpretation. As many as 100 firms are included in the survey, the major part of the membership of the Federation being covered by it. The survey covers all sectors of industry with the exception of the wood-processing industry, the shoe and clothing industry, the graphic industry and a part of the building material industry which do not belong to the Federation. The response has continuously been very good, between 88 and 97 per cent.

The questions asked deal with:

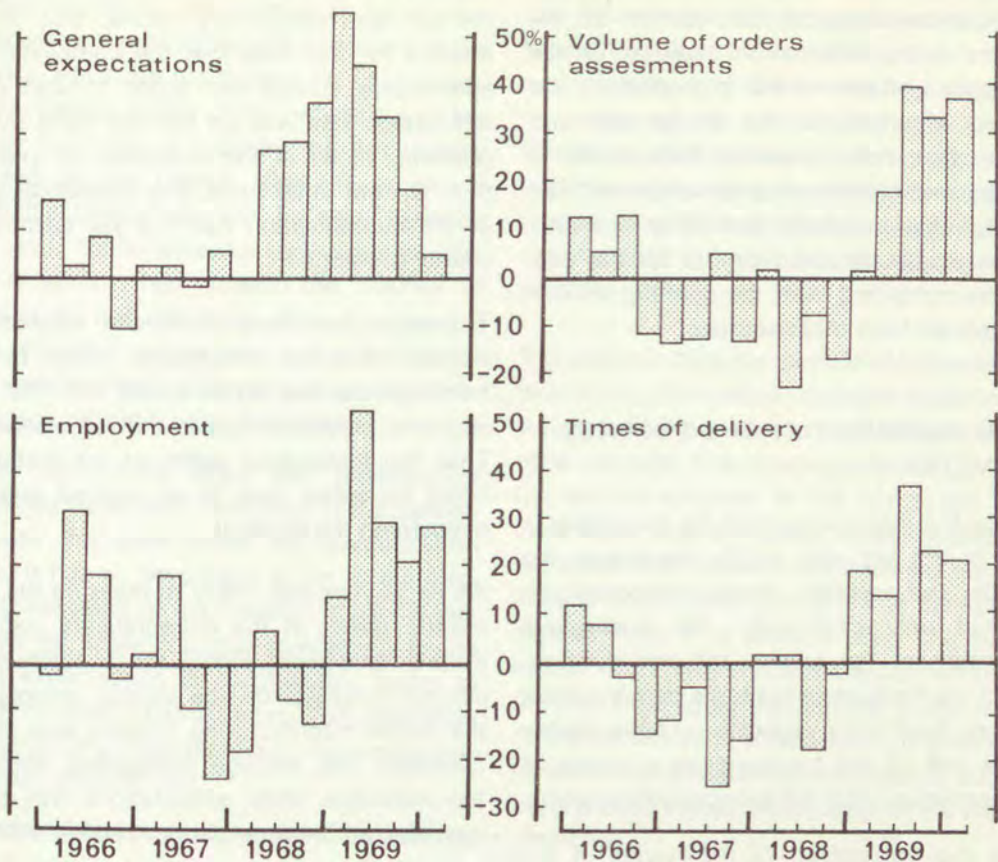
1. The volume of production during the current quarter
  - a. in comparison with the previous quarter

- b. in comparison with the corresponding quarter of the previous year.
2. The volume of production in the next quarter in comparison with the present quarter
3. Unused production capacity
4. Volume of orders
  - a. as against three months earlier
  - b. as against three months after the time of survey
5. Present volume of orders
6. Times of delivery
  - a. as against three months earlier
  - b. as against one year earlier
7. Stocks
  - a. as against three months earlier
  - b. as against one year earlier (answers asked separately for raw materials and finished products)
8. Total number of workers
  - a. as against three months earlier
  - b. as against one year earlier
  - c. as against three months after the survey
  - d. as against 6 months after the survey
9. Bottlenecks in production
10. General business prospects.

## THE BUSINESS BAROMETER AS AN INDICATOR OF THE 1966—1969 CYCLICAL FLUCTUATIONS

During 1966—1969 the Finnish economy actually experienced only one marked cyclical change, the turning point of the 1966—1968 recession into a relatively strong upswing. Since the main importance of the business barometer is that it gives vital information on future cyclical development, special attention has to be paid to this change in the direction of the cycle as well as to the development suggested by the business barometer figures at present.

CYCLICAL DEVELOPMENT EXPERIENCED BY THE MEMBERS OF THE FEDERATION OF FINNISH INDUSTRIES



The chart above depicts the development of the various components of the barometer during the period under review. The height of the columns shows the difference between  $S_T^+$  and  $S_T^-$ ;  $S_T^+$  shows the share of those having replied »larger» and  $S_T^-$  the share of those having replied »smaller». The charts deal with the following components 1) general business prospects, 2) present volume of orders, 3) total number of workers as against three months earlier, 4) times of delivery as against three months earlier.

The question on general economic prospects is intended to measure how optimistic the entrepreneurs are regarding the future; changes in the expectations may be assumed to precede changes in real economic variables. The development of this component proves this hypothesis to be correct. The entrepreneurs'

optimism increased considerably during the second quarter of 1968 thus forecasting an upswing, which, however, did not affect the labour position, for instance, until almost one year later. The increase in the volume of orders and the lengthening of delivery times also appeared not until the first half of 1969. The entrepreneurs' optimism reached its peak during the first quarter of 1969; as many as 55 per cent of them expected a further improvement in the outlook and the rest expected the situation to remain unchanged. Thus the optimism reached its peak again approximately one year before the downward cyclical trend set in at the end of 1969, e.g. in the form of a decreasing volume of orders and assumed changes in the delivery dates.

The experience gathered from the sixteen surveys made so far has been very encourag-

ing. The various components of the business barometer have usually given a coherent picture of the prevailing cyclical situation. On the other hand, the information obtained on the development of the volume of production and the stock situation has not always been sufficiently free from seasonal fluctuations to serve the analysis of cyclical development. The general weakness of the method is, however, that the results obtained cannot for the time being be combined with the quantitative material derived from other sources.

## THE DEVELOPMENT OF THE BUSINESS BAROMETER

Because the theory on which the barometer is based is not yet very highly developed the reliability and accuracy of the method can be measured only empirically. The continuous observation of the results and the development of the method on the basis of this control therefore have to be regarded as prerequisites for the use of the barometer as a source of the information used for economic forecasting.

Before the publication of the results of the barometer began their consistency and reliability were examined for one and a half years.<sup>1</sup> By the end of 1968 material and experience had been obtained from twelve surveys and it was decided to carry out a more thorough study on the reliability and forecasting ability of the barometer results. The study<sup>2</sup> which was finished in April 1969 dealt mainly with the ability of the barometer to depict and forecast the volume of production, the number of workers and the development of the volume of orders.

An essential problem in the use of the business barometer in depicting past developments is the quantification problem, i.e. the transforming of qualitative answers to represent the real quantitative changes. The quantification ex-

periments with the volume of production carried out in connection with the study, however, did not give satisfactory results. One of the reasons for this was that the compilation of quantitative comparison series created great difficulties. This was on the one hand due to problems faced in the collection of information. On the other hand, the theoretical basis of the quantification has not yet been sufficiently developed.

The results from the quantification experiments showed that the information given by the barometer cannot yet be linked with the conventional statistical figures derived elsewhere. Thus the forecasting ability of the barometer could be tested only as an internal question concerning the material.

An endeavour was made to measure the forecasting ability of the entrepreneurs' expectations on two levels. Firstly, the reliability of the cyclical forecasts on the various sectors and the whole manufacturing industry was tested. Secondly, the average forecasting ability of the individual firms' expectations was tested over the whole time period 1966—1968.

The forecasting ability of the barometer proved to vary greatly depending on the variable being forecast. As far as production and labour expectations were concerned the accuracy was rather good whereas expectations concerning the volume of orders did not predict future changes too well. There were, however, clear differences in the forecasting accuracy between the different sectors; in the foodstuffs industry and »other manufacturing» it was very good also as far as volume of orders was concerned. As the firms of the building material industry, which is very sensitive to cyclical changes, have a great weight in »other manufacturing», the whole forecasting method can apparently be improved by increasing the share of the enterprises of this sector in the sample.

The forecasting method based on the distribution of the answers used for the barometer is a very rough one. Therefore reasons for rather good results had to be found elsewhere. There was reason to believe that the explanation

<sup>1</sup> Ristimäki, J.: Experiences from the business barometer. *Teollisuusliitto tiedottaa* 4/67. (in Finnish).

<sup>2</sup> Jalas, K. J. J.: The interpretation and forecasting ability of the surveys on business expectations. mimeographed study. Suomen Teollisuusliitto, Helsinki 1969. (in Finnish).



could be found in the good forecasting ability of individual firms. It became clear that the forecasting ability of individual firms was preserved very well during the treatment of the answers. Although the differences in the average forecasting ability of the enterprises of the various branches of industry are not directly reflected in the branch forecasts, a clearly noticeable connection can be seen between these two. Some variables have a better forecasting ability than others; the volume of orders is the variable most difficult to predict while the expectations concerning the labour force were realized more often on average than those regarding the other variables.

Almost exclusively large and medium-size enterprises have been included in the survey. Although this deteriorates the quantification results, it has an advantage as far as the forecasting accuracy of the material is concerned. It could be noted that the forecasting ability of the expectations is considerably better in large firms than in small ones. The difference was particularly clear regarding the production and order expectations.

It became apparent that the fixed indifference interval ( $= \pm 2$  per cent) is not applicable for all variables to be forecast. Especially when applied for labour forecasts the information obtained was very scarce, which involved a weakness for the method as a whole. However, the information obtained from the forecasts is greatly improved if suitable intervals are determined for each variable and sector and revised on the basis of general economic development.

Although the quantification experiments and the measurements of the forecasting ability did not throughout give as good results as was hoped for, there is no doubt that both the quantifiability and the forecasting ability can be improved by developing the method. Efforts are being made for this purpose. The branches of industry important from the point of view of cyclical development, e.g. the building material industry are thereby in a key position.

It is obvious that the method of following and forecasting the cyclical changes based on the survey could be markedly developed also in other respects. The interdependencies between the various variables of the survey are partly clear on an intuitive basis. However, this does not mean that these connections are the same in all firms and branches and that the answers express them in a rational way. The cyclical behaviour of firms should be examined also for the part enabled by the material of the survey. At the same time it would become possible to establish various internal methods of controlling the consistency and quality of the material obtained.

Some subjective judgment is always involved in the interpretation of the numerical results of the business barometer. More and more reliable forecasts can be developed in the future by observing the firms' behaviour when answering questions and by studying the interdependencies between the various components of the survey.

## ITEMS

**New Cabinet.** As the negotiations to form a majority Cabinet proved inconclusive, the President appointed a new caretaker Cabinet composed of politicians and senior public officials. The Prime Minister of the new Cabinet is Mr Teuvo Aura, Major of the city of Helsinki, the Deputy Prime Minister and Minister of Finance is Mr Päiviö Hetemäki. Mr Väinö Leskinen is Minister for Foreign Affairs and

Mr Olavi Mattila Minister of Trade and Industry.

**The Bank Supervisors of the Diet.** The Electors of the new Diet chose Bank Supervisors, nine in number, on May 14. The Bank Supervisors elected Mr Juha Rihniemi as Chairman and Mr Jussi Linnamo as Vice-chairman.

**Trade agreement.** On May 15, 1970 an agreement was signed between Finland and Hungary regulating the exchange of goods between the two countries for the period from July 1, 1970 to June 30, 1971. The Finnish export list includes different kinds of paper and board and their products, cellulose, woodworking machinery and other machinery and equipment, special steel, semi-manufactured products of copper, chemical industry products and plastic products. Finland's import list comprises the licence-free imports together with rolled products, fresh and tinned vegetables and fruits, juices, various textiles and electrical instruments.

**Domestic bond issues.** The Government has announced the following two bond issues for public subscription.

The 1970 II issue of 8 per cent bonds of 20 million marks. The bonds are dated May 4 and will run for a period of ten years.

The 1970 III issue of 7 1/2 per cent bonds amounting to 80 million marks. The currency period is four years starting from May 4.

The both loans are issued at par.

The Government has authorized the Real Estate Bank in Finland Ltd to make a private bond issue of 10 million marks. The bonds are dated May 15 and will mature in ten years. The rate of interest is 8 per cent and the loan is issued at par.

**Publications of the Bank of Finland.** The following publication has appeared in series of Studies in Finland's Economic Growth II: Erkki Pihkala, Suomen Ulkomaankauppa 1860—1917 (Finland's Foreign Trade 1860—1917). Published in Finnish with an English summary and statistics. Helsinki 1970, 156 pp.

In Series D, the following has recently been published: 25, Pertti Kukkonen and Esko Tikkanen, Jäänmurtaajat ja talviliikenne (Icebreakers and Winter Traffic). Published in Finnish. Helsinki 1970, 136 pp.

---

## BANK OF FINLAND

---

### Board of management

Mauno Koivisto

*Governor*

Reino Rossi

*Deputy Governor*

Esko K. Leinonen

A. Simonen

Ahti Karjalainen

Heikki Valvanne

---

### 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*

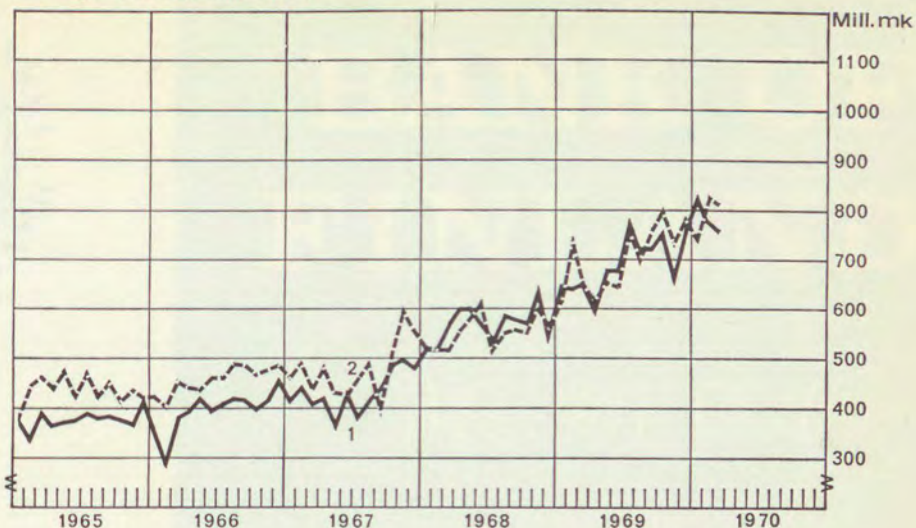
Markku Puntila

*Head of department*

---

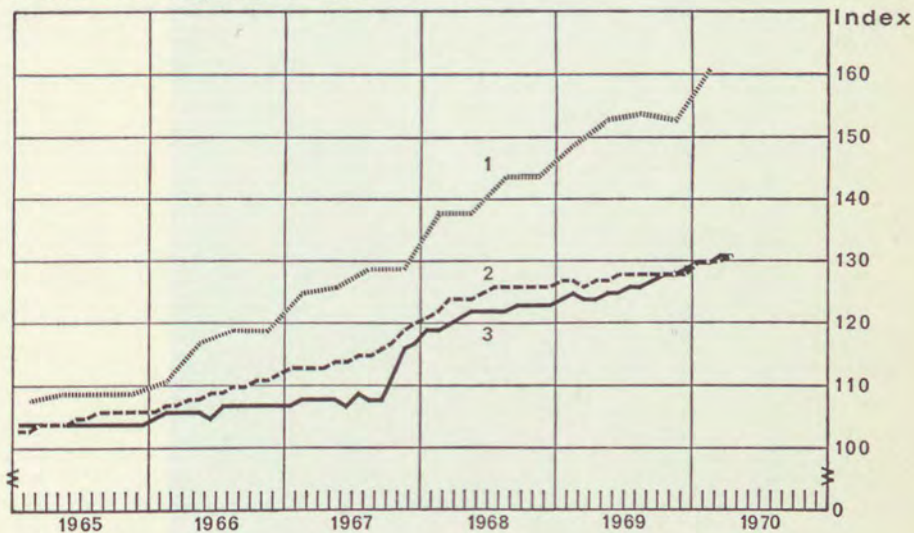
### Foreign trade, 1965-1970

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



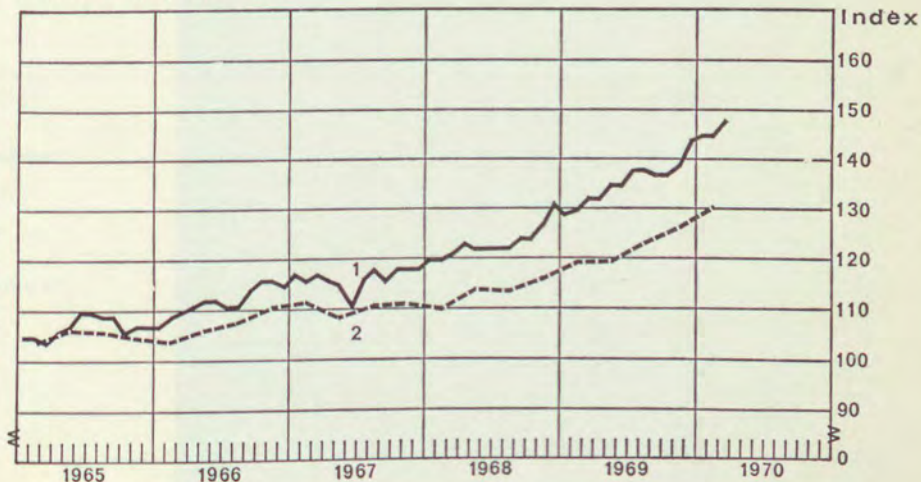
### Prices and wages, 1965-1970

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



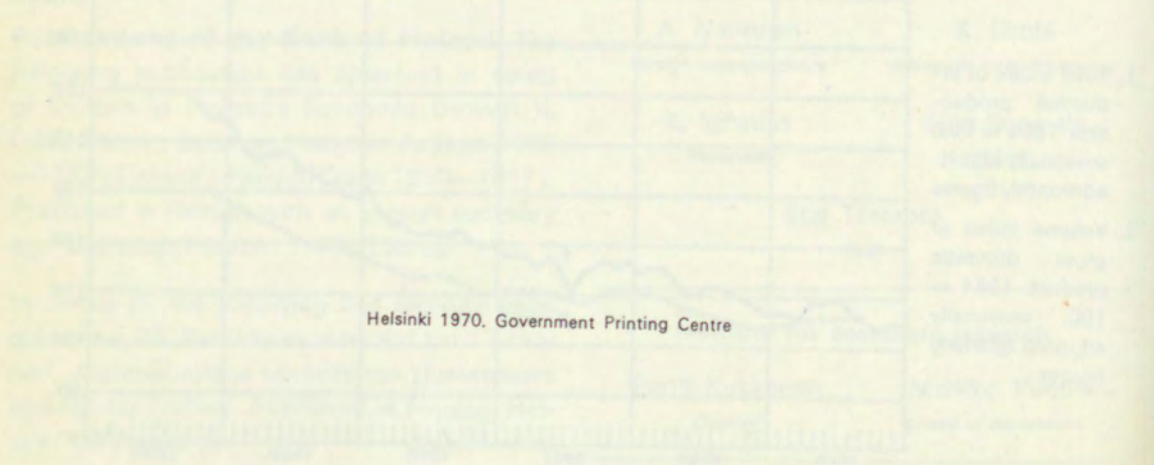
# BANK OF FINLAND



Chart 1. The amount of deposits in the Bank of Finland, 1957-1967. (In million marks.)



Chart 2. The amount of deposits in the Bank of Finland, 1957-1967. (In million marks.)



Me  
Fin  
in  
Dr  
Fin  
Jan  
Sup  
Tra