



# BANK OF FINLAND

*Monthly Bulletin*

**The growth prospects of the Finnish  
metal industry**

**New perspectives for Finnish man-  
power policy**

**Finland's balance of payments January-  
March 1974**

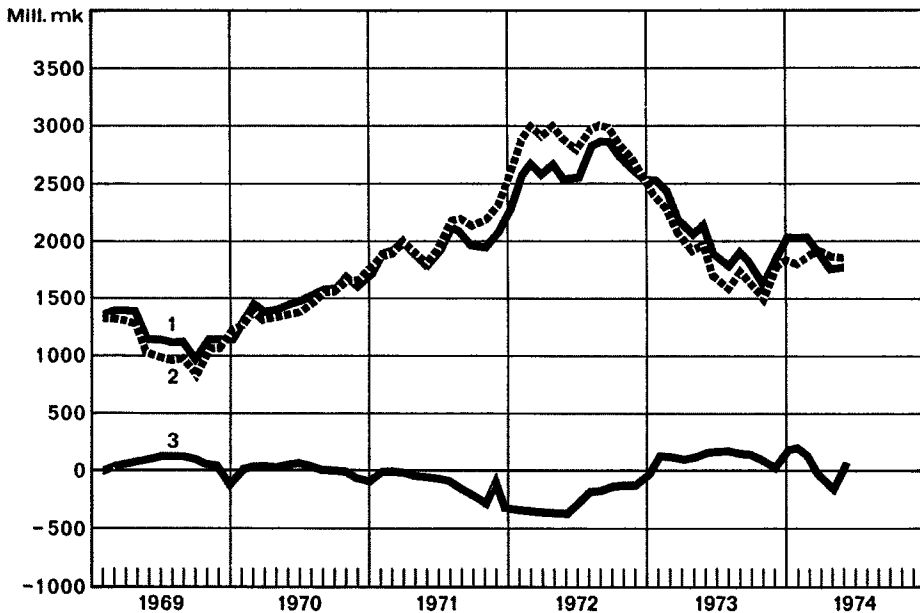
**Supplementary budget**

**Publications of the Bank of Finland**

**JULY 1974**

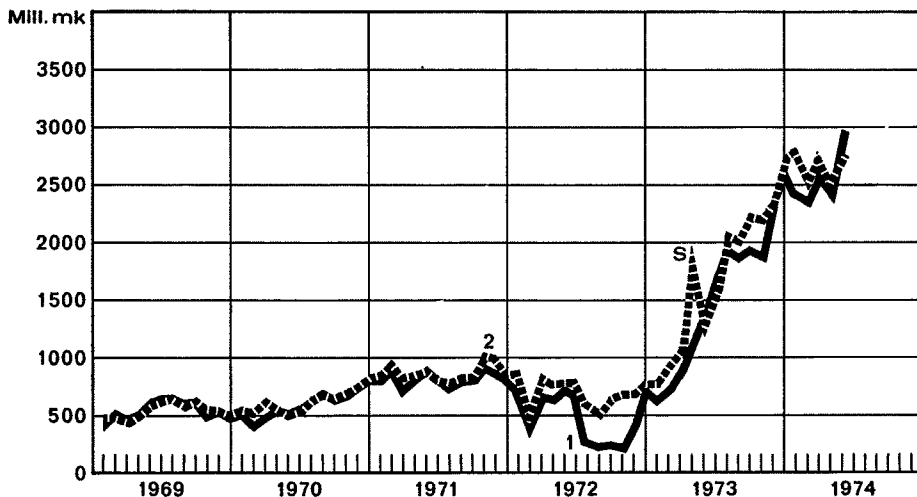
**Vol. 48 No. 7**

Bank of Finland foreign exchange reserve, 1969-1974



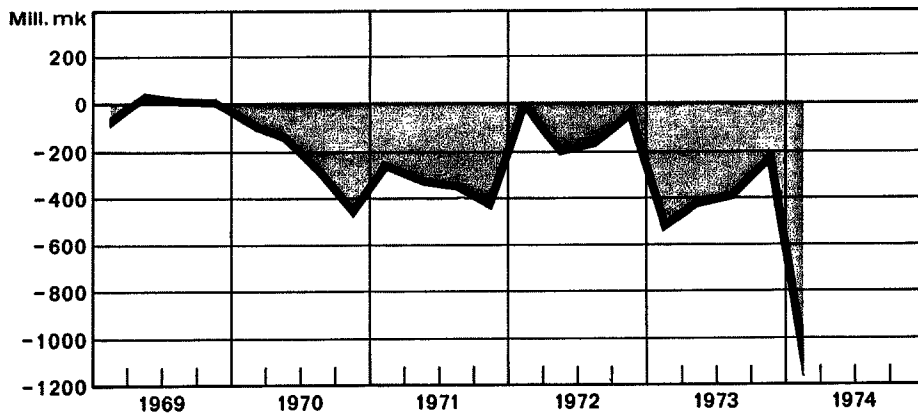
- 1. Total gold and foreign exchange
- 2. Gold and convertible currencies
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Bank of Finland's position in regard to the banks, 1969-1974



- 1. Net claims on the banks
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Balance of payments current account surplus / deficit, 1969-1974



Seasonally adjusted quarterly figures

# THE GROWTH PROSPECTS OF THE FINNISH METAL INDUSTRY

The metal industry accounts for about a tenth of Finland's gross domestic product, and its share in total labour input is slightly smaller. At present, the metal industry is responsible for about a third of industrial output and about 35 per cent of industrial employment.

The metal industry includes the basic metal industries, the manufacture of metal products, the manufacture of machinery, the manufacture of electrical machinery and the manufacture of transport equipment. The break-down of production by industrial category is shown in the table below. The relative weight of the individual branches changed substantially in the 1960s. The basic metal industries expanded much more rapidly than the other sectors of the metal industry, while the growth rate of the manufacture of transport equipment was clearly below average.

Since the Second World War, the importance of the metal industry in the Finnish economy has grown continuously. In 1960—1973 the average annual growth of the volume of manufacturing was seven per cent and that of the metal industry about one percentage point higher. The average annual growth of the total economy was about 5 per cent during the corresponding period. At the same time, employment in the metal industry increased on average by more than 3.5 per cent per annum, so that the corresponding increase in productivity came to 4.1 per cent. The gross value of

production in the metal industry rose by 14.3 per cent per annum.

In the past the prices of manufactured products have risen more slowly than the prices of all goods and services produced in Finland. Because of different costs of production, changes in the price level vary from one industrial category to the next. Since 1960, the average annual change in prices in the metal industry was almost the same as the annual change in the price of manufactures as a whole, i.e., 6 per cent. However, the cost developments of recent years suggest that in the future the rise in the price of metal industry products will probably be larger than the rise in the average manufacturing price level.

When evaluating the growth prospects for the economy, it has generally been presupposed that the expansion of the metal industry will provide one of the main stimuli to growth in the 1970s. During 1970—1973 the volume of metal industry production grew by about 8 to 9 per cent per annum and that of manufacturing as a whole by 7.5 per cent. According to the estimates presented with the 1974 state budget, the average annual growth of industrial production is forecast to come to 7 per cent over the period 1973—1978. According to the same estimate, the metal industry is expected to expand by about 8.5 per cent per annum.

The vigour of Finland's metal industry has been

## THE SHARE OF THE METAL INDUSTRY IN GDP AND EMPLOYMENT IN 1960 AND 1973

	Share in GDP				Labour Input			
	1960		1973		1960		1973	
	Mill. mk	Per cent	Mill. mk	Per cent	1 000 man-years	Per cent	1 000 man-years	Per cent
Basic metal industries	91	8.4	1 018	16.5	9	7.1	17	8.6
Manufacture of metal products	164	15.1	1 040	16.8	22	18.2	37	19.3
Manufacture of machinery	333	30.7	1 821	29.5	36	29.3	56	28.6
Manufacture of electricity	142	13.1	973	15.8	16	13.2	29	14.9
Manufacture of transport equipment	355	32.7	1 322	21.4	39	32.2	56	28.6
Total metal industry	1 085	100.0	6 174	100.0	122	100.0	195	100.0
Total manufacturing	3 773		18 266		427		561	
Total economy	14 082		58 577		1 865		2 056	

reflected in its intensive investment activity. The value of metal industry investment rose by about 18 per cent per annum in the 1960s, whereas the corresponding rise for manufacturing as a whole was less than 13 per cent. It seems likely that this trend will also continue in the future.

The expansion of the metal industry will largely depend on how its growing demand for labour can be met. At present the metal industry has more vacancies than there are persons seeking jobs in this branch. The shortage is particularly severe for skilled metal industry labour. According to the official growth estimate for the period 1973—1978, employment in the metal industry is expected to grow by about 3 per cent, or by 4 500—5 000 employees, per annum. It is not at all clear whether this additional labour can be found.

Another major problem facing the metal industry is how to secure productivity increases and international competitiveness. In light of general economic trends it seems obvious that production cost developments in the years ahead will place stronger cost pressures on the metal industry than on other industrial branches. This is linked partly with the shortage of labour mentioned above, which will inevitably lead to a very rapid rise in wages and salaries. The growth of labour costs will be further strengthened by increased social security contributions.

The position of small-scale enterprises is particularly strong in the machinery and equipment sub-sector. From the point of view of growth, the major problem is how to produce an adequate rise in productivity. One way to do this is to rationalize the structure of production of the entire branch. The enlargement of production units should be a major target. The data for the 1960s indicate that in relation to the number of firms there has been less activity of this type in the metal industry than in other industrial fields. Another way to promote productivity increases would be to boost the efficiency of work in individual industrial enterprises, e.g., by concentrating on special articles, promoting vocational training of em-

ployees and increasing the efficiency of the organizations in other ways.

In 1960 less than a fifth of the total output of the metal industry was exported, but at present the share of exports comes to about a third. This share is expected to grow further in the future. The share of metal industry products in exports of manufactured products was about 18 per cent in 1960, but amounted to more than 25 per cent in 1973.

In 1960 the share of exports of metal industry products in the gross value of production was smaller than the corresponding average share in other industrial fields. However, in 1970 the shares were equal. At present the metal industry exports a larger part of its output than does the manufacturing sector on average.

Since 1960 the average annual growth of the volume of exports has been about 7 per cent for manufactured products and more than 9 per cent for metal industry products. According to the latest five-year growth estimate, the volume of exports of metal industry products will grow by 14 per cent during 1973—1978.

In light of the data available at present, the main growth prospects of the Finnish metal industry can be summarized as follows. The basic metal industries will expand very rapidly, because prices of basic metals will be so high that they will guarantee profitable conditions for production, even though costs are likely to rise substantially. In other branches of the metal industry, international competition will be very keen in the years ahead, and this will make necessary to raise productivity further. The prospects seem good for sophisticated electronic equipment. Ship-building and the manufacture of oil-drilling platforms should also prosper.

Whether the estimates will hold true, depends decisively on the supply of the skilled labour and the metal industry's profitability which can be promoted by rationalization, boosting the efficiency of entrepreneurial activities and by otherwise improving productivity.

June 25, 1974

## BANK OF FINLAND

Mill. mk

	1973		1974			
	June 29	Dec. 31	June 7	June 14	June 20	June 28
<b>Assets</b>						
Gold and other foreign assets	2 226	2 493	2 465	2 529	2 505	2 589
Gold	205	121	121	121	121	121
Special drawing rights	285	285	286	286	286	286
IMF gold tranche	268	268	268	268	268	268
Foreign exchange	1 227	1 546	1 441	1 501	1 481	1 556
Foreign bills	112	96	164	168	164	173
Foreign bonds	129	177	185	185	185	185
Claims on domestic banks	1 722	2 617	2 838	2 731	2 722	2 921
Discounted bills	1 696	2 556	2 678	2 572	2 618	2 794
Rediscounted bills	1	—	—	—	—	—
Cheque accounts	25	61	160	159	104	127
Other lending	346	362	361	362	362	364
Inland bills discounted						
In foreign currency	—	—	—	—	—	—
In Finnish marks	50	58	80	79	80	81
Loans	296	304	281	283	282	283
Other assets	602	598	720	628	630	630
Finnish bonds	32	33	148	53	58	58
Finnish coin	35	25	34	32	29	28
Currency subscription to Finland's quota in the IMF	530	530	530	530	530	530
Other claims	5	10	8	13	13	14
	Total 4 896	6 070	6 384	6 250	6 219	6 504
<b>Liabilities</b>						
Notes in circulation	1 829	1 907	1 920	1 973	2 097	2 134
Liabilities payable on demand	96	178	326	225	232	224
Foreign exchange accounts	29	80	117	115	115	121
Mark accounts of holders abroad	46	67	87	83	85	76
Cheque accounts						
Treasury	5	2	47	2	2	1
Post Office Bank	1	2	51	1	3	3
Private banks	—	—	—	—	—	—
Other	2	8	2	2	4	2
Other sight liabilities	13	19	22	22	23	21
Term liabilities	1 197	2 214	2 331	2 216	2 064	2 325
Foreign	—	—	—	—	—	—
Domestic	1 197	2 214	2 331	2 216	2 064	2 325
IMF mark accounts	530	530	530	530	530	530
Allocations of special drawing rights	258	258	258	258	258	258
Equalization accounts	244	171	165	191	179	172
Bank's own funds	742	812	854	857	859	861
Capital	600	600	600	600	600	600
Reserve fund	114	114	163	163	163	163
Profits undisposed	—	—	49	49	49	49
Earnings less expenses (Dec. 31, Net profit)	28	98	42	45	47	49
	Total 4 896	6 070	6 384	6 250	6 219	6 504

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)	Cheque account	Term liabilities, net	Net liabilities to the Treasury (7+8) <sup>1</sup>
	1	2	3	4	5	6	7	8	9
1967	701	75	626	98	354	370	4	7	11
1968	1 353	62	1 291	125	34	1 382	3	354	357
1969	1 268	92	1 176	517	360	1 333	4	196	200
1970	1 844	106	1 738	639	518	1 859	2	119	121
1971	2 620	327	2 293	686	530	2 449	2	138	140
1972	2 685	121	2 564	757	530	2 791	1	48	49
1973	2 220	147	2 073	803	530	2 346	2	532	534
1973									
April	2 177	73	2 104	752	530	2 326	46	36	82
May	2 280	90	2 190	762	530	2 422	41	34	75
June	1 985	75	1 910	771	530	2 151	5	34	39
July	1 931	96	1 835	791	530	2 096	44	33	77
Aug.	2 113	156	1 957	777	530	2 204	29	32	61
Sept.	2 020	176	1 844	763	530	2 077	50	31	81
Oct.	1 861	169	1 692	768	530	1 930	49	30	79
Nov.	2 060	170	1 890	798	606	2 082	50	530	580
Dec.	2 220	147	2 073	803	530	2 346	2	532	534
1974									
Jan.	2 207	147	2 060	808	530	2 338	1	533	534
Feb.	2 214	143	2 071	817	530	2 358	3	530	533
March	2 104	168	1 936	831	530	2 237	49	529	578
April	1 986	196	1 790	855	530	2 115	51	528	579
May	2 005	203	1 802	874	530	2 146	5	528	533
June	2 231	197	2 034	888	530	2 392	1	527	528

<sup>1</sup> New series, see explanations on page 18.

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1973			Net holdings, April 30, 1974			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Apr.	Jan.-Apr.
Gold	121	—	121	121	—	121	—	—
Special drawing rights	285	—	285	285	—	285	—	—
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 189	165	1 354	1 228	+18	1 246	-80	-108
Other currencies	210	2	212	-113	-29	-142	-113	-354
Total	2 073	167	2 240	1 789	-11	1 778	-193	-462

## BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks				Other						
	Dis-counted and re-dis-counted bills	Cheque accounts <sup>1</sup>	Liabilities, Cheque accounts		Net claims on the banks (1+2-3-4)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (6+7-8) <sup>3</sup>	Deposit certificates <sup>3</sup>	Notes in circulation
			Private banks <sup>2</sup>	Posti-pankki <sup>2</sup>							
1	2	3	4	5	6	7	8	9	10	11	
1967	868	—	155	35	678	197	383	56	524	—	1 052
1968	618	107	163	16	546	186	195	43	338	—	1 160
1969	550	87	93	12	532	192	269	25	436	—	1 298
1970	836	3	1	4	834	137	246	324	59	203	1 344
1971	849	—	9	2	838	121	234	385	—30	400	1 479
1972	753	5	—	2	756	44	277	73	248	790	1 730
1973	2 556	61	—	2	2 615	58	314	259	113	1 450	1 907
1973											
April	2 037	—	3	768	1 266	43	293	49	287	950	1 937
May	1 364	—	4	22	1 338	47	297	47	297	950	1 795
June	1 697	25	—	1	1 721	50	301	48	303	1 130	1 829
July	2 060	60	—	156	1 964	51	297	45	303	1 400	1 695
Aug.	1 776	8	—	5	1 779	52	295	215	132	1 400	1 693
Sept.	2 221	22	—	199	2 044	54	296	309	41	1 400	1 773
Oct.	2 363	54	—	320	2 097	57	302	301	58	1 400	1 683
Nov.	2 623	50	—	67	2 606	60	302	260	102	1 400	1 790
Dec.	2 556	61	—	2	2 615	58	314	259	113	1 450	1 907
1974											
Jan.	2 146	129	—	1	2 274	64	303	237	130	1 310	1 706
Feb.	2 227	113	—	4	2 336	64	304	229	139	1 380	1 744
March	2 530	103	—	78	2 555	72	296	230	138	1 450	1 792
April	2 677	156	—	80	2 753	79	293	244	128	1 450	1 806
May	2 719	93	—	3	2 809	81	289	230	140	1 490	1 907
June	2 794	127	—	3	2 918	81	297	221	157	1 600	2 134

<sup>1</sup> Including special index accounts.<sup>2</sup> Including cash reserve accounts.<sup>3</sup> New series, see explanations on page 18.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

June 18, 1974

New York <sup>1</sup>	1 \$	3.716	Frankfurt o. M.	100 DM	147.40	Vienna	100 S	20.51
Montreal	1 \$	3.855	Amsterdam	100 Fl	140.20	Lisbon	100 Esc	15.00
London	1 £	8.880	Brussels <sup>2</sup>	100 Fr		Madrid	100 Pta	6.52
Stockholm	100 Kr	84.90	Zurich	100 Fr	124.00	Tokyo		1.320
Oslo	100 Kr	68.70	Paris	100 FF	75.55	Reykjavik	100 Kr	3.92
Copenhagen	100 Kr	62.25	Rome	100 Lit	0.5705	Moscow <sup>3</sup>	1 Rbl	4.980

<sup>1</sup> As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.<sup>2</sup> 9.830 commercial rate; 9.360 financial rate.<sup>3</sup> Clearing account: also Bucharest.

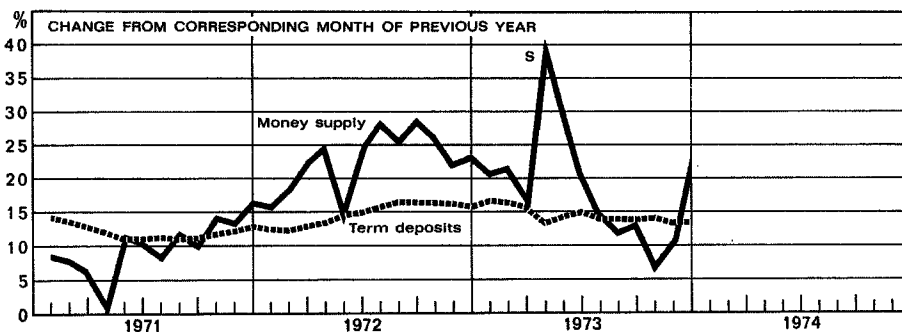
# DEPOSITS BY THE PUBLIC

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	Posti-pankki	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	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	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970	1 142.7	1 507.7	603.3	6 098.7	4 846.9	3 458.4	1 287.6	574.2	16 265.8	18 376.8
1971	1 343.2	1 733.5	754.4	6 961.4	5 446.4	3 876.6	1 491.4	642.3	18 418.1	20 906.0
1972	1 851.2	2 371.4	979.2	8 095.8	6 231.8	4 499.8	1 805.6	720.0	21 353.0	24 703.6
1973*	2 153.3	2 900.5	1 360.2	8 973.8	7 117.1	5 238.7	2 158.7	804.9	24 293.2	28 553.9

## 1973\*

Jan.	1 849.2	2 315.5	944.6	8 190.6	6 327.8	4 583.8	1 839.0	729.6	21 670.8	24 930.9
Feb.	1 796.9	2 261.8	1 047.7	8 221.3	6 399.2	4 655.8	1 866.7	737.5	21 880.5	25 190.0
March	1 649.4	2 132.3	989.5	8 197.1	6 412.9	4 672.2	1 869.7	742.3	21 894.2	25 016.0
April	1 660.4	2 144.0	1 488.1	8 028.9	6 325.3	4 647.3	1 892.5	747.5	21 641.5	25 273.6
May	1 919.5	2 512.9	1 037.9	8 259.6	6 462.6	4 712.7	1 893.8	753.0	22 081.7	25 632.5
June	1 816.1	2 292.4	1 092.5	8 345.6	6 490.8	4 699.2	1 926.3	752.0	22 213.9	25 598.8
July	1 754.2	2 236.9	1 041.5	8 326.0	6 506.9	4 735.7	1 950.5	757.7	22 276.8	25 555.2
Aug.	1 677.3	2 192.3	1 025.7	8 401.2	6 610.8	4 831.8	1 874.3	763.4	22 581.5	25 799.5
Sept.	1 630.7	2 155.5	1 098.0	8 442.8	6 689.7	4 924.3	1 994.5	783.9	22 835.2	26 088.7
Oct.	1 690.5	2 234.4	932.0	8 524.6	6 756.3	5 013.2	2 017.6	783.2	23 094.9	26 261.3
Nov.	1 681.9	2 221.5	989.1	8 508.2	6 833.8	5 113.1	2 052.0	785.2	23 292.3	26 502.9
Dec.	2 153.3	2 900.5	1 360.2	8 973.8	7 117.1	5 238.7	2 158.7	804.9	24 293.2	28 553.9





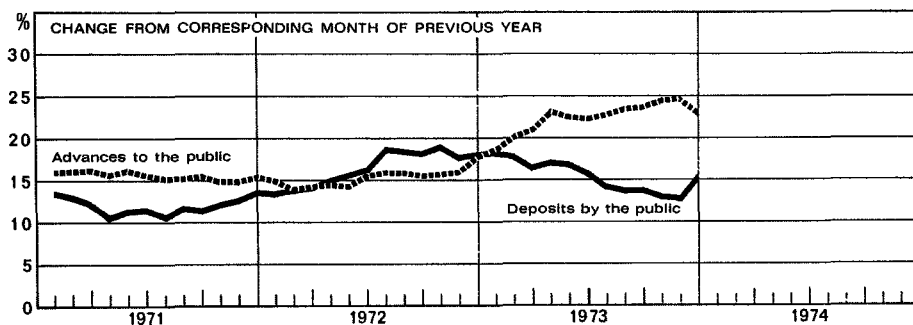
# ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances			Total (1 to 5) (6 and 7)	Money Supply
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Mortgage banks	Loans & Bills	Cheque credits			
	1	2	3	4	5	6	7	8	9	
1967	5 558.9	3 247.7	2 424.3	864.9	1 026.9	12 583.8	538.9	13 122.7	2 146	
1968	5 865.5	3 448.4	2 600.5	927.9	1 053.0	13 392.0	503.3	13 895.3	2 642	
1969	6 892.2	3 802.8	2 922.1	1 039.8	1 290.4	15 354.4	592.9	15 947.3	3 126	
1970	7 963.5	4 342.1	3 403.8	1 341.9	1 454.0	17 814.9	690.4	18 505.3	3 445	
1971	9 233.7	4 795.6	3 834.0	1 746.6	1 799.1	20 639.8	769.2	21 409.0	4 025	
1972	10 667.3	5 503.0	4 482.6	2 244.8	2 374.4	24 472.6	799.5	25 272.1	4 959	
1973*	13 293.1	6 495.5	5 302.5	3 398.6	2 696.4	30 214.3	971.8	31 186.1	6 114	

1973\*

Jan.	10 788.6	5 590.5	4 525.4	2 344.4	2 438.0	24 878.1	808.8	25 686.9	4 627
Feb.	11 007.4	5 659.5	4 593.6	2 399.7	2 446.4	25 249.9	856.7	26 106.6	4 757
March	11 284.3	5 732.6	4 626.6	2 538.3	2 450.7	25 699.4	933.1	26 632.5	4 644
April	11 839.6	5 829.5	4 681.0	2 648.4	2 490.1	26 490.4	998.2	27 488.6	5 584
May	11 805.2	5 876.4	4 730.2	2 777.4	2 486.8	26 806.2	869.8	27 676.0	5 225
June	12 074.3	5 954.0	4 788.3	2 790.3	2 510.9	27 180.8	937.0	28 117.8	5 170
July	12 238.0	6 005.7	4 833.9	2 854.7	2 547.8	27 520.3	959.8	28 480.1	4 883
Aug.	12 419.3	6 096.5	4 908.2	2 915.1	2 565.5	27 928.1	976.5	28 904.6	4 791
Sept.	12 702.8	6 202.6	5 009.5	3 023.8	2 573.6	28 451.7	1 060.6	29 512.3	5 004
Oct.	12 968.1	6 320.2	5 116.5	3 173.2	2 592.9	29 142.5	1 028.4	30 170.9	4 749
Nov.	13 162.8	6 414.2	5 209.2	3 284.9	2 629.6	29 677.4	1 023.3	30 700.7	4 906
Dec.	13 293.1	6 495.5	5 302.5	3 398.6	2 696.4	30 214.3	971.8	31 186.1	6 114



## STATE FINANCES

Mill. mk

Revenue	Jan.—Apr.		Expenditure	Jan.—Apr.	
	1973	1974		1973	1974
Income and property tax (net)	1 900	2 644	Wages, salaries, pensions etc.	873	984
Gross receipts	(3 792)	(4 992)	Repair and maintenance	89	126
Refunds & local authorities	(—1 892)	(—2 348)	Other consumption expenditure	414	485
Other taxes on income and property	43	53	Total consumption expenditure	1 376	1 595
Employers' child allowance payments	156	184	State aid to local authorities	765	1 034
Sales tax	1 346	1 596	State aid to industries	476	634
Revenue from Alcohol Monopoly	303	341	of which: agric. price subsidies	(348)	(459)
Customs duties & import charges	176	148	Child allowances	91	110
Counter-cyclical tax	—	—	Share in national pensions and health insurance	77	72
Excise duty on tobacco	121	174	Other transfer expenditure	620	719
»  »  on liquid fuel	247	187	Total transfer expenditure	2 029	2 569
Other excise duties	101	128	Machinery and equipment	142	185
Tax on autom. and motor cycles	216	125	House construction	119	115
Stamp duties	112	130	Land and waterway construction	368	330
Special diesel etc. vehicles tax	19	24	Total real investment	629	630
Other taxes and similar revenue <sup>1</sup>	116	121	Interest on State debt	97	80
Total taxes	4 856	5 855	Index compensations	12	14
Miscellaneous revenue	358	332	Net deficit of State enterprises	64	29
Interest, dividends etc.	90	108	Other expenditure	3	12
Sales and depreciation of property	—	1	Total other expenditure	176	135
Redemptions of loans granted	44	51	Increase in inventories	—14	—5
<b>Total revenue</b>	<b>5 348</b>	<b>6 347</b>	Lending	388	372
Foreign borrowing	6	8	Other financial investment	66	162
Domestic borrowing	163	107	<b>Total expenditure</b>	<b>4 650</b>	<b>5 458</b>
<b>Total borrowing</b>	<b>169</b>	<b>115</b>	Redemption of foreign loans	44	77
<b>Deficit (+) or surplus (—)</b>	<b>(—528)</b>	<b>(—705)</b>	Redemption of domestic loans	295	222
			<b>Total redemptions</b>	<b>339</b>	<b>299</b>
<b>Total</b>	<b>4 989</b>	<b>5 757</b>	<b>Total</b>	<b>4 989</b>	<b>5 757</b>

<sup>1</sup> Including supplementary turnover tax and import-equalization tax from June 1971.

State debt	1971	1972	1973	1974		
	Dec.	Dec.	Dec.	Mar.	Apr.	May
<b>Foreign debt</b>	<b>1 524</b>	<b>1 517</b>	<b>1 395</b>	<b>1 355</b>	<b>1 350</b>	<b>1 326</b>
Loans	2 467	2 268	1 758	1 642	1 643	1 591
Compensatory obligations	2	2	1	1	1	1
Short-term credit	61	56	39	37	37	..
Cash debt (net)	—528	—488	—468	—420	—427	..
<b>Domestic debt</b>	<b>2 002</b>	<b>1 838</b>	<b>1 330</b>	<b>1 260</b>	<b>1 254</b>	<b>..</b>
<b>Total State debt</b>	<b>3 526</b>	<b>3 355</b>	<b>2 725</b>	<b>2 615</b>	<b>2 604</b>	<b>..</b>
<b>Total debt, mill \$</b>	<b>849</b>	<b>804</b>	<b>710</b>	<b>682</b>	<b>695</b>	<b>..</b>

# FOREIGN TRADE

Mill. mk

Value mill. mk

Period

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)

1970	9 687	11 071	-1 384
1971	9 897	11 734	-1 837
1972	12 082	13 107	-1 025
1973*	14 605	16 601	-1 996

1973\*

June	925	1 106	- 181
July	1 094	1 204	- 110
Aug.	1 218	1 407	- 189
Sept.	1 366	1 482	- 116
Oct.	1 538	1 689	- 151
Nov.	1 558	1 624	- 66
Dec.	1 331	1 461	- 130

1974\*

Jan.	1 540	1 950	- 410
Feb.	1 471	1 882	- 411
March.	1 599	1 848	- 249
April	1 779	2 118	- 339

Jan.-April

1973*	4 240	5 168	- 928
1974*	6 389	7 798	-1 409

Indices of exports and imports 1969 = 100<sup>1</sup>

Period

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	

1970	107	121	108	108	100
1971	103	119	115	116	99
1972	118	124	123	125	98
1973*	127	141	138	139	99

1972

Jan.-Mar.	114	112	121	125	97
Apr.-June	112	124	123	125	98
July-Sept.	116	120	124	126	98
Oct.-Dec.	123	136	129	127	102

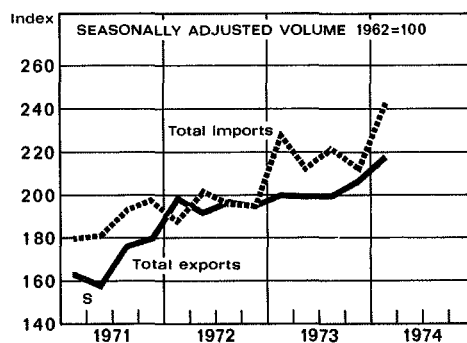
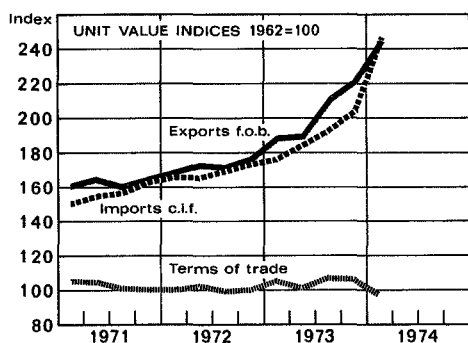
1973

Jan.-Mar.	120	140	131	131	100
Apr.-June	115	133	133	136	98
July-Sept.	122	136	145	141	103
Oct. Dec.	140	149	151	150	101

1974

Jan.-Mar.	131	147	169	182	93
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<sup>1</sup> New series, see explanations on page 18.



# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agricultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1970	286	1 536	3 883	1 828	2 154	6 891	422	1 949	1 750	59
1971	313	1 643	3 797	1 764	2 380	7 037	570	2 333	1 746	48
1972	346	1 809	4 376	2 547	3 004	7 842	609	2 354	2 250	52
1973*	432	2 451	5 264	2 928	3 530	9 915	729	2 921	2 968	68

## 1973\*

June	11	103	258	306	247	664	41	200	197	4
July	15	189	423	237	230	717	53	249	173	12
Aug.	14	268	523	123	290	871	71	249	215	1
Sept.	27	259	494	247	339	918	80	229	255	0
Oct.	24	282	536	302	394	984	87	345	270	3
Nov.	21	282	524	377	354	1 046	98	243	230	7
Dec.	72	226	454	244	335	903	104	236	215	3

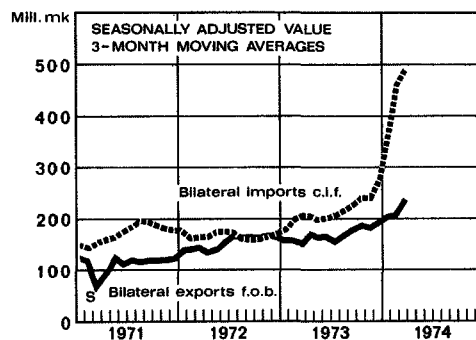
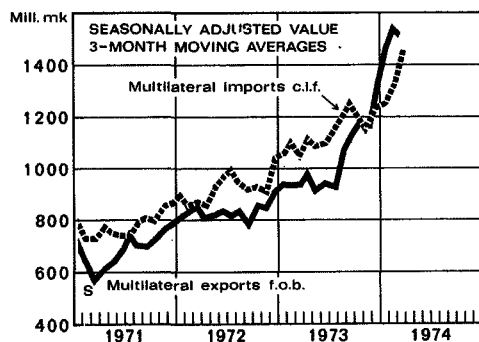
## 1974\*

Jan.	89	249	513	378	311	1 254	171	291	233	1
Feb.	21	249	540	316	345	1 192	197	245	247	1
March.	94	229	605	258	413	1 157	169	262	260	0
April	22	291	671	351	444	1 367	144	322	276	9

## Jan.-April

1973*	190	644	1 577	806	1 023	2 993	153	874	1 119	29
1974*	226	1 018	2 329	1 303	1 513	4 970	681	1 120	1 016	11

New series.



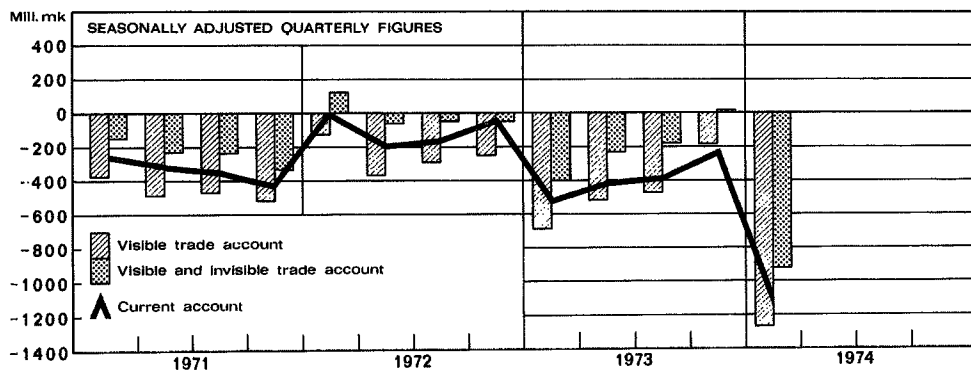
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—April				January—April			
	1973*		1974*		1973*		1974*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	71.5	3 030	72.0	4 603	75.2	3 885	66.5	5 184
Austria	1.2	50	1.0	67	1.7	89	1.4	107
Belgium-Luxembourg	1.6	68	2.0	125	2.2	116	1.9	145
Denmark	4.3	181	4.5	284	3.8	197	3.2	248
France	4.3	184	4.3	276	3.4	175	3.0	234
Federal Republic of Germany	10.5	447	8.3	531	18.6	960	15.3	1 195
Italy	2.0	83	2.1	133	1.9	99	1.5	115
Netherlands	4.0	171	3.4	219	3.6	184	4.3	339
Norway	2.9	124	2.9	188	2.6	132	3.3	257
Portugal	0.4	16	0.5	30	0.9	46	0.8	61
Spain	1.1	45	1.3	83	0.6	31	0.5	35
Sweden	15.8	672	17.2	1 100	19.8	1 021	19.0	1 484
Switzerland	2.4	100	1.8	114	3.2	165	3.2	251
United Kingdom	19.3	818	20.7	1 324	12.1	627	8.9	694
Other	1.7	71	2.0	129	0.8	43	0.2	19
<b>OECD countries outside Europe</b>	7.2	305	6.6	420	7.0	361	7.6	592
Canada	0.5	23	0.8	50	0.3	13	0.2	19
Japan	0.7	28	1.0	66	2.7	141	1.2	90
United States	5.1	217	4.0	256	3.9	201	6.2	482
Other	0.9	37	0.8	48	0.1	6	0.0	1
<b>CMEA countries</b>	13.5	574	13.3	848	13.9	718	22.1	1 723
Czechoslovakia	0.4	15	0.4	25	0.5	26	0.4	30
Democratic Republic of Germany	0.6	27	0.5	31	0.5	28	0.5	38
Poland	1.3	55	0.9	55	1.3	67	1.5	118
Soviet Union	10.3	437	11.0	701	10.4	536	19.1	1 492
Other	0.9	40	0.5	36	1.2	61	0.6	45
<b>Latin America</b>	2.0	83	2.4	154	1.3	68	1.9	150
Argentina	0.4	15	0.5	34	0.0	2	0.0	3
Brazil	0.7	29	1.0	65	0.4	22	0.6	43
Colombia	0.1	5	0.1	7	0.6	30	0.8	63
Other	0.8	34	0.8	48	0.3	14	0.5	41
<b>Other</b>	5.8	248	5.7	364	2.6	136	1.9	149
<b>GRAND TOTAL</b>	100.0	4 240	100.0	6 389	100.0	5 168	100.0	7 798
of which								
<b>EFTA countries</b>	22.9	970	23.7	1 512	28.3	1 463	27.8	2 168
<b>EEC countries</b>	46.8	1 985	46.3	2 959	46.1	2 382	38.1	2 973
<b>OECD countries</b>	78.7	3 335	78.6	5 023	82.2	4 246	74.1	5 776

# 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
1971	9 845	11 762	-1 917	+660	+247	+66	-944	-477	- 1	-1 422
1972	12 012	13 087	-1 075	+731	+335	+72	+ 63	-586	+ 43	- 480
1973*	14 526	16 565	-2 039	+857	+308	+24	-850	-787	--47	-1 684
<b>Jan.-Mar</b>										
1971 <sup>f</sup>	2 168	2 536	-368	+208	- 13	+19	-154	-135	- 1	-290
1972	2 870	2 960	- 90	+217	+ 3	+ 1	+131	-142	-22	- 33
1973*	3 301	3 868	-567	+229	- 5	+15	-328	-149	-14	-491
1974*	4 590	5 664	-1 074	+224	+ 52	+13	-785	-244	-26	-1 055
<b>Apr.-June</b>										
1971 <sup>f</sup>	2 291	2 797	-506	+141	+ 47	+21	-297	-118	- 1	-416
1972	2 856	3 298	-442	+162	+ 57	+46	-177	-155	- 8	-340
1973*	3 182	3 842	-660	+196	+ 48	+ 5	-411	-200	-23	-634
<b>July-Sept.</b>										
1971 <sup>f</sup>	2 501	2 864	-363	+159	+166	+16	- 22	-119	- 4	-145
1972	2 978	3 195	-217	+170	+191	+19	+163	-140	+20	+ 43
1973*	3 638	4 089	-451	+266	+230	-15	+ 30	-189	- 8	-167
<b>Oct.-Dec.</b>										
1971 <sup>f</sup>	2 885	3 565	-680	+152	+ 47	+10	-471	-105	+ 5	-571
1972	3 308	3 634	-326	+182	+ 84	+ 6	-54	-149	+53	-150
1973*	4 405	4 766	-361	+166	+ 35	+19	-141	-249	- 2	-392

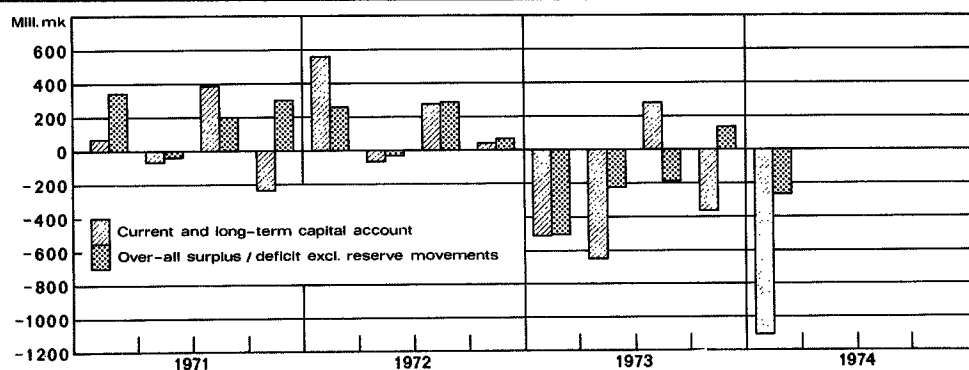


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, 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
+2 730	-855	-208	- 85	+1 582	+160	+387	+197	+ 62 <sup>2</sup>	+806	-555	-251
+3 014	-1 228	-376	-106	+1 304	+824	+104	- 90	-247 <sup>2</sup>	+591	-271	-320
+1 865	-1 353	+ 34	-104	+ 442	-1 242	-275	+472	+261	-784	+491	+293
+ 609	-228	- 5	-17	+359	+ 69	+ 21	+329	- 77	+342	-314	- 28
+ 968	-273	-115	+17	+597	+564	-152	- 27	-124 <sup>2</sup>	+261	-327	+ 66
+ 365	-396	+ 34	-24	- 21	-512	+ 20	+ 7	- 22	-507	+353	+154
+ 481	-479	- 23	-30	- 51	-1 106	+270	+265	+302	-269	+138	+131
+ 596	-201	- 11	-30	+354	- 62	-140	+146	+ 19	- 37	+ 99	- 62
+ 655	-180	-192	- 5	+278	- 62	+ 92	+ 25	- 84	- 29	+ 37	- 8
+ 308	-265	- 48	- 9	- 14	-648	+ 94	+323	+ 4	-227	+301	- 74
+ 869	-252	- 89	+ 5	+533	+388	- 60	+ 21	-150	+199	- 35	-164
+ 628	-327	- 41	-25	+235	+278	+265	-124	-131	+288	-314	+ 26
+ 774	-370	+ 60	-16	+448	+281	-401	-257	+191	-186	+ 66	+120
+ 656	-174	-103	- 43	+336	-235	+566	-299	+270	+302	-305	+ 3
+ 763	-448	- 28	- 93	+194	+ 44	-101	+ 36	+ 92	+ 71	+333	-404
+ 418	-322	- 12	- 55	+ 29	-363	+ 12	+399	+ 88	+136	-229	+ 93

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

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

<sup>2</sup> Including Allocations of special drawing rights 88 million in 1970, 85 million in 1971 and 85 million in 1972.



# PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		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			
1971	312	315	302	309	361	304	346	295	303	149	162	134
1972	338	342	325	330	400	334	370	318	332	161	182	141
1973	398	401	385	403	447	378	435	395	378	188	202	176
1973												
Aug.	408	412	391	414	456	388	440	414	384	198	213	188
Sept.	421	426	401	437	466	388	466	425	391	202	213	194
Oct.	427	433	408	448	469	390	476	429	397	204	214	198
Nov.	430	436	408	452	465	393	478	434	399	205	214	199
Dec.	436	440	418	459	481	394	481	442	404	209	214	200
1974												
Jan.	452	453	448	479	487	407	509	452	417	214	217	209
Feb.	462	461	466	492	496	413	514	471	424	222	217	222
March	471	472	468	500	507	423	517	480	437	225	217	227
April	480	481	478	508	517	434	528	490	446	233	235	229
May	487	489	477	518	521	436	539	495	450	235	235	230

Period	Consumer prices 1972 = 100											
	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
1973	284	223	111	112	107	111	116	110	109	109	105	111
1973												
July	288	226	112	114	109	109	119	110	109	110	105	113
Aug.	292	229	114	116	109	112	123	111	110	111	106	113
Sept.	295	231	115	117	107	115	125	112	111	111	106	114
Oct.	297	233	115	117	107	116	127	113	112	111	107	115
Nov.	299	235	116	117	107	116	128	114	116	113	108	115
Dec.	303	237	118	161	107	117	131	129	116	115	109	116
1974												
Jan.	305	239	119	116	107	118	133	132	119	116	110	118
Feb.	314	246	122	117	107	121	135	162	122	124	114	118
March	317	248	123	118	108	123	137	158	123	124	114	121
April	324	255	126	126	108	124	140	159	125	126	115	121
May	328	257	127	128	108	126	141	160	127	127	115	124



# 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							
1970	181	170	170	164	161	165	164	157	169	164
1971	210	195	195	180	176	178	188	171	195	185
1972	253	222	222	196	189	194	212	188	220	206
1973*	329	257	256	223	210	218	239	212	256	237
1972										
Jan.-Mar.	236	207	206	186	180	186	197	178	205	193
Apr.-June	251	225	219	197	191	193	215	190	222	208
July-Sept.	256	227	228	200	194	197	219	192	229	213
Oct.-Dec.	271	231	235	201	193	199	220	193	229	213
1973*										
Jan.-Mar.	287	235	238	206	198	206	221	195	234	217
Apr.-June	331	260	251	227	213	222	239	213	259	240
July-Sept.	336	264	266	229	215	222	247	219	267	246
Oct.-Dec.	339	268	269	231	216	224	249	220	268	247

# PRODUCTION

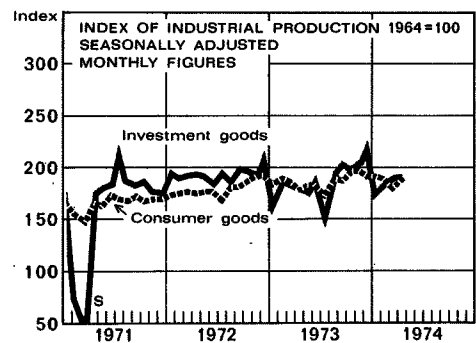
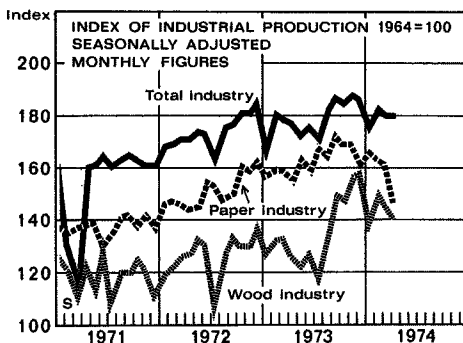
Volume indices of production 1964 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1970	132	154	96	111	141	98	132	132	129	128	134
1971	136	157	96	106	138	99	134	140	135	135	140
1972	145	176	96	95	149	103	145	155	142	141	149
1973*	153	186	92	96	158	102	156	168	150	145	157
1972											
Oct.-Dec.	151	194	62	90	177	101	151	171	145	143	151
1973*											
Jan.-Mar.	151	196	54	130	124	107	145	162	147	143	156
Apr.-June	147	179	76	107	139	100	154	162	148	145	157
July-Sept.	152	168	170	53	183	104	162	164	149	146	156
Oct.-Dec.	160	203	69	96	185	99	163	186	153	147	159
1974*											
Jan.-Mar.	158	205	56	126	134	109	154	176	155	149	163

# PRODUCTION

Index of industrial production 1970 = 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	
1972*	114	120	113	111	110	110	110	137	113	118	113
1973*	117	117	117	115	113	117	118	139	120	120	117
1972*											
Oct.	126	133	126	123	126	119	124	152	135	132	118
Nov.	125	131	123	125	118	111	121	148	131	132	118
Dec.	116	119	117	111	104	104	111	149	120	122	121
1973*											
Jan.	124	125	125	120	98	126	123	156	128	128	111
Feb.	116	121	117	114	96	117	115	139	122	124	118
March	129	132	129	128	108	132	126	152	138	133	117
April	111	112	111	113	103	111	99	145	124	114	115
May	123	126	121	126	126	132	122	140	96	132	113
June	106	114	103	109	109	112	94	121	70	117	115
July	83	53	88	72	109	65	118	104	109	56	112
Aug.	118	112	117	121	129	104	124	134	138	117	118
Sept.	117	121	119	114	113	120	124	145	128	122	122
Oct.	133	140	132	132	138	142	131	153	140	142	120
Nov.	129	138	129	129	125	133	126	148	140	139	122
Dec.	112	114	113	107	108	112	109	134	113	115	121
1974*											
Jan.	128	129	131	125	117	139	130	154	131	132	115
Feb.	118	120	119	114	106	134	119	135	123	123	119
March.	128	130	130	121	106	139	133	160	135	134	117
April	117	125	116	119	118	130	93	145	133	128	117



# LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Population of working age 1 000 persons	Total labour force, 1 000 persons	Employed 1 000 persons	Unem- ployed 1 000 persons	Unemploy- ment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Whole- salers' volume index 1968 = 100
1969	3 480	2 189	2 127	62	2.8	35 338	108	117
1970	3 492	2 194	2 153	41	1.9	39 267	114	130
1971	3 507	2 199	2 150	49	2.2	36 264	118	137
1972	3 409	2 173	2 118	55	2.5	31 442	128	151
1973*	3 442	2 215	2 164	51	2.3	30 746	138	167
1973*								
May	3 436	2 177	2 128	49	2.3	2 446	132	174
June	3 440	2 365	2 315	50	2.1	1 461	141	151
July	3 444	2 379	2 333	46	1.9	818	135	141
Aug.	3 447	2 303	2 261	42	1.8	1 216	143	175
Sept.	3 449	2 226	2 188	38	1.7	1 606	139	172
Oct.	3 451	2 222	2 181	41	1.8	2 339	149	191
Nov.	3 453	2 220	2 180	40	1.8	2 813	142	180
Dec.	3 455	2 216	2 168	48	2.2	2 998	185	187
1974*								
Jan.	3 471	2 187	2 134	53	2.4	3 063	119	156
Feb.	3 474	2 194	2 140	54	2.5	3 425	121	159
March	3 476	2 183	2 138	45	2.1	3 509	..	..

## CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residen- tial buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residen- tial buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1970	41.42	17.96	3.72	15.56	2.36	38.55	16.41	4.29	12.59	3.35	36.56
1971*	42.63	19.54	3.10	15.18	2.60	37.35	15.79	3.16	13.88	2.91	37.64
1972*	47.73	20.56	3.08	17.04	4.28	39.72	18.02	2.81	14.13	2.96	39.29
1972*											
Apr.-June	13.52	6.22	1.55	3.91	0.85	8.28	4.21	0.35	2.64	0.68	39.33
July-Sept.	13.44	6.11	0.55	4.89	1.17	10.17	4.64	0.87	3.22	0.76	41.87
Oct.-Dec.	13.46	5.50	0.43	4.88	1.78	13.32	5.94	1.26	4.83	0.77	39.29
1973*											
Jan.-Mar.	10.62	3.99	0.80	4.85	0.50	8.07	3.71	0.42	3.17	0.51	48.56
Apr.-June	16.97	7.85	1.73	5.82	0.62	6.51	3.27	0.33	2.08	0.37	47.39
July-Sept.	16.23	7.86	0.84	6.06	0.76	10.34	4.65	0.91	3.31	0.78	52.75

# 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 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. *The Treasury cheque account* = The cheque account of the Treasury with the Bank of Finland; while *Treasury term liabilities* = Export levies + Governmental counter-cyclical fund + Counter-cyclical tax account — Treasury's IMF and IBRD bills (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). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities (excl. Export levies + Governmental counter-cyclical fund + Counter-cyclical tax account + Deposit certificates + Cash reserve accounts). *Deposit certificates* are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

## DEPOSITS BY THE PUBLIC —

## ADVANCES TO THE PUBLIC — MONEY SUPPLY

Figures for deposits and advances are supplied by the Central Statistical Office.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks and co-operative 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 Postipankki 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 volume indices are calculated according to the Paasche formula and the unit value indices according to the Laspeyres 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 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 Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland 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 7.0, other producer goods weight 67.0 and consumer goods weight 26.0. The weights for the special manufacturing indices are food manufacturing (SIC 311-2) 9.8, manufacture of wood, and wood and cork products (SIC 311-2) 8.0, manufacture of paper and paper products (SIC 341) 15.2, manufacture of industrial chemicals (SIC 351-2) 5.2, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.6 and metal industry (SIC 37-38) 25.9.

## LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — CONSTRUCTION OF BUILDINGS

Page 17. *Labour* figures supplied by the Central Statistical Office. As of the beginning of 1973, the figures for the labour force, the employed labour force and the rate of unemployment are not fully comparable to the previous figures. The sample population used in the Labour Force Sample Survey was changed to accord with the data provided by the demographic forecast made in 1973. In January 1973, the labour force was estimated to be about 30 000 persons smaller, and the seasonally unadjusted rate of unemployment about 0.1 percentage point lower, than the corresponding figures derived with the aid of the former sample population.

*Commercial timber fellings* compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

## SYMBOLS USED

- Preliminary
- r Revised
- 0 Less than half the final digit shown
- .
- Logically impossible
- .. Not available
- Nil
- S affected by strike

# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke 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. Mr. Urho Kekkonen has been President for three 6-year periods. His last term of office was extended by four years and will end on March 1, 1978.

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 1972 is as follows: Social Democrats 56, People's Democrats 37, Centre Party 35, Conservatives 33, Finnish People's Unification Party 13, Swedish Party 9, Liberal Party 6, Finnish Farmers Party 5, Christian League 4 and Finnish People's Constitutional Party 2.

## 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 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) are covered by forests.

OWNERSHIP OF LAND (1970): The total land area was distributed among different classes of owners approximately as follows: private 60.7 %, State 29.4 %, joint stock companies etc. 8.0 %, municipalities and parishes 1.9 %.

## POPULATION

NUMBER OF INHABITANTS (1972): 4.6 million. Sweden 8.1, Switzerland 6.4, Denmark 5.0 and Norway 3.9 million.

DENSITY OF POPULATION (1972): In South Finland 44.4 in East and Central Finland 14.0, in North Finland 4.0 and in the whole country an average of 15.2 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1972): 55 % of the population inhabit the rural areas, 45 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 507 700 inhabitants, Tampere (Tammerfors) 162 800, Turku (Åbo) 158 300.

EMPLOYMENT (1972): Agriculture and forestry 19 %, industry and construction 36 %, commerce 15 %, transport and communications 7 %, services 24 %.

LANGUAGE (1970): Finnish speaking 93.2 %, Swedish speaking 6.6 %, others 0.2 %.

EDUCATION (1972): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) 11 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1972): births 12.7 ‰, deaths 9.6 ‰, change + 4.3 ‰, net immigration 1.2 ‰. Deaths in France 10.6 ‰ and Great Britain 11.9 ‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1972, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 225 (7 %), forestry and fishing 2 721 (6 %), manufacturing 15 147 (31 %),

construction 4 703 (10 %), transport and communication 4 750 (10 %), commerce, banking and insurance 6 174 (13 %), public administration 2 191 (4 %), ownership of dwellings 2 538 (5 %), services 6 891 (14 %), total 48 340. Index of real domestic product 143 (1964 = 100).

FOREST RESOURCES (1972): The growing stock comprised of 1 481 million m<sup>3</sup> (solid volume with bark), of which 44 % was pine and 38 % spruce, the remaining 18 % being broad-leaved trees, chiefly birch. Of the growing stock, 619 million m<sup>3</sup> was up to the standard required for logs, 55 % of these being pine. The annual growth was 56.2 million m<sup>3</sup> and the total removal, calculated on the basis of roundwood consumption, was 54.3 million m<sup>3</sup>.

AGRICULTURE (1972): Cultivated land 2.7 million hectares. Number of holdings 286 500, of which 189 100 are of more than 5 ha. Measure of self-sufficiency in bread cereals 105 % in the crop year 1972/73.

INDUSTRY (1971): Gross value of industrial production 29 705 mill. marks, number of workers 395 501, salaried employees 105 915, motive power (1971) 5.5 mill. kW. Index of industrial production 101 for 1971 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1974): Length 5 897 km.

MERCHANT FLEET (Dec. 31, 1973): Steamers 28 (21 300 gross reg. tons), motor vessels 378 (760 000 gross reg. tons), tankers 57 (731 700 gross reg. tons), sailing vessels with auxiliary engines 3 (500 gross reg. tons). Total 466 (1 513 500 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1973): Passenger cars 894 100, lorries and vans 119 900, buses 8 400, others 5 700. Total 1 028 100.

FINNISH AIRLINES (April 30, 1974): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-6s, 8 Super Caravelles 8 DC-9s and 5 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 27 airports and to 20 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 one SDR). On Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar was set, and since June 4, 1973 the mark has been allowed to float.

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, 1973). There are two big and five small commercial banks with in all 846 offices. 298 savings banks, 398 co-operative banks, six mortgage banks, and Postipankki. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-eight private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1973). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ¼ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ and 10 ½ %. Other credit institutions: term deposits 5 ¾ %, 6 month deposits 6 ¼ %, 12 month deposits 6 ¾ %, 24 month deposits 7 ¾ %; and sight deposits 1 ½ %; highest lending rate 12 ¼ %.

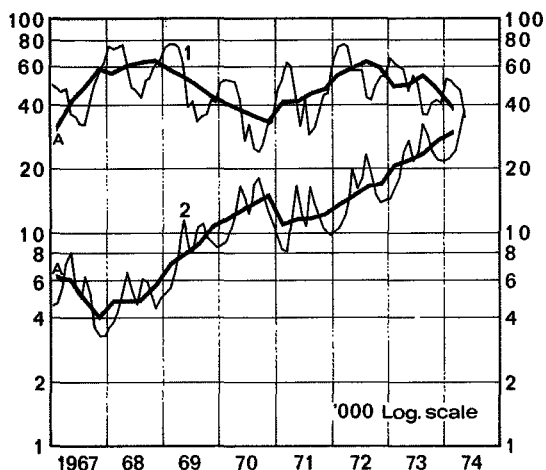
# NEW PERSPECTIVES FOR FINNISH MANPOWER POLICY

by Lauri Korpelainen, D.Pol.Sc.,

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May of this year marked a turning point in Finnish employment conditions, which has been anticipated for some time. It was in this month that the number of unfilled vacancies reported to the Employment Service exceeded the number of unemployed job-seekers for the first time. The shortage of labour, which has prevailed in southern Finland for a number of years started to spread further. The shortage of skilled labour in particular began to be felt in the growth centres of the regions which had up till then suffered from unemployment.

**UNEMPLOYED PERSONS SEEKING JOBS (1) AND UNFILLED VACANCIES (2) AT THE EMPLOYMENT SERVICE, MONTHLY FIGURES AND SEASONALLY ADJUSTED QUARTERLY (A) FIGURES**



The transition from a period of chronic unemployment to an era of labour shortage has presented the Finnish manpower authorities with new problems, which certainly are no easier to solve than those of the past. However, in recent years steps have been taken to develop the organization of labour administration and legislation so as to be able to deal with these and other problems.

## RECENT REFORMS

In the beginning of the 1960s, the central government assumed responsibility for the central tasks of manpower policy, i.e., running the Employment Service and providing vocational guidance, which had up till then been carried out by some of the local authorities. The services were to be provided throughout the country, but before this could be done comprehensively the facilities had to be developed. In the middle of the 1960s, vocational training for the promotion of employment was implemented by legislation. However, the most important event in the development of the organization was the creation of the Ministry of Labour (see Bulletin 4/1970). Up to that time the Ministry of Communications and Public Works was the central organ responsible for labour affairs. As the range of tasks of this ministry was very wide, it was not always possible to pay sufficient attention to the development of manpower policy. When the Ministry of Labour was being set up, special emphasis was laid on research and planning, since it would provide the foundation for the development of manpower policy. This point of view was also reflected in the organization of the ministry.

The first wide-ranging task of the new Ministry of Labour was to frame a new Employment Act (see Bulletin 2/1972). In keeping with both the general agreement (No. 122) of the ILO concerning employment policy and the recommendation of the OECD on an active manpower policy, the revised Finnish Employment Act, which came into force in 1972, outlines the tasks of manpower policy and defines its rôle w.r.t. other societal policy fields. Furthermore, the new Act laid out revised regulations on the duties of central and local

## UNEMPLOYED PERSONS SEEKING JOBS AND UNFILLED VACANCIES AT THE EMPLOYMENT SERVICE, BY ADMINISTRATIVE DISTRICT

Administrative district	Unemployed job-seekers			Unfilled vacancies		
	May 1974	May 1973	Change	May 1974	May 1973	Change
Helsinki	1 721	2 559	—838	16 168	12 693	+3 475
Turku, Tampere and Kouvola	8 204	11 913	—3 709	13 926	10 328	+3 598
Mikkeli, Vaasa, Jyväskylä and Kuopio	10 231	12 630	—2 399	5 367	3 464	+1 903
Joensuu, Kajaani, Oulu and Rovaniemi	15 621	20 672	—5 051	1 918	1 110	+808
Total	35 777	47 774	—11 997	37 379	27 595	+9 784

government to provide employment, on the planning of investment projects and on safeguarding the livelihood of unemployed persons with the aid of unemployment compensation to be paid from state funds. In order to increase the efficiency of the different services, the regional organization was reformed in 1973. The former Employment Districts and the Vocational Guidance Districts which each had their own regional organization, were amalgamated into one uniform network of Labour Districts. A similar revision was carried out on the local level, where former Employment Service Offices and Vocational Guidance Offices were integrated into common Labour Offices. Unlike the situation in the other Nordic Countries, the district administration in Finland is under the direct control of the Ministry of Labour.

After the establishment of the Ministry of Labour, it proved possible to increase rapidly the number of administrative personnel. In 1970 not quite 1 100 persons were employed in the labour administration, yet at present their number is nearly 1 700. The increase in personnel and the attempt to improve services has also strengthened the need to intensify the training of the personnel. For this reason a personnel training centre for the labour administration was opened in Jyväskylä in April of this year, and since then it has been possible to unify and rationalize the training of personnel, which had taken place on a piece-meal basis up till then.

### THE MAIN FUNCTIONS OF LABOUR ADMINISTRATION

The labour administration — the Ministry of Labour together with its district organization —

is responsible for the following fields of activity:

1. development and guidance of labour resources,
2. counteracting disturbances on employment through measures affecting the demand for labour, and
3. safeguarding the livelihood of the unemployed.

Labour market research and the planning of manpower policy help to develop the ability to carry out these tasks.

The activities designed to develop and guide labour resources, and so affect the supply of labour, include the provision of general information on the labour market. Individual labour market services are provided by the employment service, the vocational guidance, employment promotion courses, the promotion of labour mobility and the exchange of trainees.

The principal lines of action followed by the labour authorities in warding off disturbances in employment and promoting employment are the regulation of state and local public work projects and of projects financed with state loans or subsidies, the arranging of special category office work for unemployed white-collar workers, and the promotion of the employment of handicapped. Attempts will also be taken to affect the demand for labour by supporting the development of personnel planning within firms. New lines of action are the selective financing of production to promote employment in the development regions, which was started in 1973, and the creation of a location advisory service in 1974.

The present means for safeguarding the livelihood of the unemployed are the daily allowance paid by the various unemployment funds, unemployment compensation, severance pay and unemployment pension. The labour administration administers unemployment compensation, and the Ministry for Social Affairs and Health is responsible for controlling other parts of the system. However, in the latter case, the decisions concerning the payment of benefits are based on statements given by the manpower authorities. The new forms of activity in this area include a system of Government guarantee for unpaid wages, which falls under the control of the manpower authorities in accordance with a special law.

A number of the activities mentioned above presuppose co-operation with other authorities. Employment promotion courses and vocational guidance are carried out in conjunction with the educational authorities. Similarly, the co-operation with the National Housing Board is needed in the promotion of labour mobility. The promotion of employment in turn requires co-operation with the Ministry of Finance, the Ministry of Commerce and Industry, the Ministry of Communications, the State Works Offices and with the local authorities. There is also a special need for contact with the Ministry for Social Affairs and Health.

## TOWARD A COMPREHENSIVE MANPOWER POLICY PROGRAMME

When all the extensive reforms mentioned above and a number of minor revisions were carried out, it was soon realized that an overall manpower programme was needed to co-ordinate the various measures and to further develop policy in this field. On the basis of a decision of the Ministry of Labour, preparations for such a programme were started in 1972. The programme was drafted under the direct supervision of a group of executive

officials and a co-ordination group appointed by the Ministry. The Manpower Council, which operates in connection with the Ministry, and where the central labour market organizations are represented, was closely involved in the preparation of the programme. The Manpower Policy Programme, which was the result of extensive and thorough preparatory work, was released in June of this year. Although this programme was mainly prepared in view of developing manpower policy and labour administration, attention was also paid to the relations between manpower policy and other sectors of societal policy. As the programme was a general development and action scheme, matters related to organization and resources were not dealt with in it. Necessary proposals on these matters will be included in medium-term economic plans prepared annually, and in the annual Budget proposals.

In the Programme the goals for manpower policy and the principles for the operation of the labour administration were broadly outlined in keeping with international recommendations and the legislation related to manpower policy. Furthermore, attempts were to clarify the rôle of manpower policy by analyzing the impact of the manpower policy measures implemented in Finland. The problems were examined on the basis of an assessment of the growth prospects for the economy and estimates of the demand for and the supply of labour. The core of the Programme consists of three chapters, where the need for the development of the various means of labour administration are examined by fields of activity. Emphasis is also laid on the development of research and planning related to manpower policy. Since manpower policy is closely linked with the rest of socio-economic policy, overall co-ordination is needed. The Programme aims at setting forth the ways in which manpower policy considerations should be taken into account when formulating and implementing societal policy as well as the ways, in which manpower policy measures could be used to help to achieve general societal policy goals. Certain central parts of the Programme are presented below.



## THE GOAL AND THE PRINCIPLES

The joint responsibility of manpower, economic, regional, housing and educational policies are stressed when considering the ways to best achieve full employment. If full employment is to be achieved, the various policies must act in concert.

From the point of view of manpower policy, emphasis was laid on the qualitative aspects of employment equilibrium as well as equilibrium by branch, region and over different time horizons. Full employment as an explicit goal of manpower policy means that quantitative and qualitative equilibrium in the demand for and the supply of labour should be reached in different branches and regions, both in the short and long run.

After the goals of manpower policy, the ways to develop the labour administration were examined. The following principles for the functioning of the labour administration were outlined:

The labour administration should

- promote and support those economic policy measures which affect the demand for labour, with the purpose of reaching and maintaining a high and stable employment rate;

- use all available means to support and implement those measures which contribute to the adjustment of the demand for and the supply of labour;

- create as many options as possible for the individual in the labour market and create new ways to enter working life, and

- look after and safeguard the livelihood of the unemployed.

## THE DEVELOPMENT AND GUIDANCE OF LABOUR RESOURCES

On the whole, population developments have so far been favourable from the point of view of the use of labour. The share of the economically active, i.e., those between 15 and 64, in the total population has grown and will

continue to grow further during the current decade. However, this trend is the result of a sharp decline in the share of those under 15, which in turn means that the present age pattern of population will be reversed in the 1980s and 1990s.

If we confine our study to the medium term, the most far-reaching problem related to the supply of labour is the adaptability of the labour resources. The regional and occupational structure of the demand for labour tends to change faster than the adaptability of the labour resources. While there is a constant shortage of labour in the southern and south-western parts of the country, many people, and women in particular, may be without suitable paid employment in the north and east of Finland or in the thinly populated countryside. Thus the shortage of labour is structural and not caused by a quantitative shortage of labour. This raises problems which are related to increasing the occupational and regional mobility of labour. Another difficult problem in Finland is emigration.

The Programme presents targets for or recommendations on the different lines of action affecting the supply of labour. The most vital considerations are the provision of information on the labour market, the employment service, the guidance of labour between different occupations and different regions, vocational guidance and employment promotion courses.

When developing labour market information the goal is to produce more thorough and more reliable information on job opportunities, working conditions, training possibilities and on job content than is available at present. The labour administration should provide employers with information on the quantity and quality of the supply of labour and on unused labour resources, so that the opportunities as well as the limits which labour availability places on productive activities could be taken into account.

The labour administration should try, more purposefully than at present, to focus their

guidance and services on the labour force as a whole, so as to increase its share of the work placements in total labour market turnover. At the same time, it is urgent that the quality of the services be raised for all types of clients by increasing the overall efficiency of the labour administration and by adjusting the services according to the needs of individual clients or specific types of clients. When working methods are being improved, attention should be paid to the individual's own possibilities of choice so that the range of different working and training opportunities submitted him/her will be broad enough.

In promoting structural change, the main goal is to encourage labour to seek jobs primarily in those branches, where the productivity is high, where a continuous living is secured, where the working conditions are good, and where the overall impact is to stimulate a balanced economic growth. In regional guidance priority should be given to local mobility. If it is not possible to provide productive work by promoting mobility within the region, permanent migration to more distant regions should be encouraged.

For vocational guidance, emphasis was laid on the promotion of the guidance of both school children and adults. In this respect, certain special groups, such as the disabled, conscripts, the unemployed, housewives re-entering the labour market and prisoners, require more efficient guidance.

The need for versatile and reliable information was emphasized when treating the international exchange of labour. The Programme expresses some reserve about encouraging the immigration of foreign labour. At present the matter is being considered more closely by a sub-committee appointed by the Manpower Council.

The primary quantitative target for employment promotion course activities, i.e., training one per cent of the labour force per annum, will soon be reached. However, the need for further training and retraining, brought about by structural changes in the Finnish economy

means that this target must be raised to 1.5 per cent in the coming years. The Programme includes a number of recommendations improving the quality of the employment promotion courses, on increasing the economic aid for the trainees and on promoting the planning of training.

## THE DEMAND FOR LABOUR

When examining the manpower policy instruments influencing the demand for labour, attention was focused on several factors affecting disequilibrium in the Finnish economy. The sharp cyclical and seasonal fluctuations as well as the regional imbalance of employment give rise to the most concern. Furthermore, changes in the structure and methods of production tend to have a strong impact on the demand for labour and on the breakdown of demand by industry and occupation. From the point of view of balanced employment, it is of great importance that labour resources, their characteristics and prospects for development, are taken into account in the structural policy designed to influence the country's productive activities.

The Programme includes several detailed recommendations on way to develop measures affecting the demand for labour. These touch upon the planning and flexible implementation of governmental and municipal investment projects, state subsidies for alleviating unemployment and the terms on which state subsidies and loans are granted. Furthermore, attention has been paid to the ways to develop regional subsidies, advising enterprises on choice of a location and on the development of their personnel policies. Special emphasis has been laid on improving the employment prospects of people who are hard-to-place.

## SECURING THE LIVELIHOOD OF THE UNEMPLOYED

Finland's system for guaranteeing the livelihood of the unemployed is reasonably well developed

by international standards, but it does suffer from a lack of coherence. As a consequence, the unemployed are treated somewhat unequally. Moreover, certain aspects in the system are inconsistent with other targets of manpower policy, such as the encouragement of labour mobility.

In the Programme it was deemed necessary to revise totally the system of guaranteeing the livelihood of the unemployed. The system should secure in an equitable fashion the livelihood for each unemployed person, and the regulations should be in keeping with other manpower policy measures. It was suggested that certain partial reforms be made before the total revision is completed, so that the worst inconsistencies between the two major systems in use at present, i.e., the unemployment fund system and the unemployment compensation system, would be eliminated.

## SUMMARY

Only the broad outlines of the manpower policy programme have been dealt with above in this brief article. A similar reservation is contained in the 255-page programme itself. The view of the Ministry of Labour with regard to the scope of this Programme and the continuous need for its development is clearly expressed in the introduction of the Programme:

It has been possible to provide only general outlines for the development of policy measures in several sections of this programme. For these sections, more detailed functional planning is needed. Similarly, scope must be left so that the Programme or its components can be adjusted according to changing situations and on the basis of fresh information. In addition, attention should also be paid to the development of planning within other sectors of socio-economic policy.

## ITEMS

**Finland's balance of payments January—March 1974.** According to preliminary figures of the Bank of Finland, the current account deficit amounted to 1 055 million marks during the first quarter of 1974. In the corresponding period of 1973 the deficit was 491 million marks. The growth of the deficit was mainly caused by an increase in the price of imported fuel. The service account developed favourably as a result of a growth in travel income. Because of the volatile state of international financial markets and the high level of interest rates, there was no net inflow of long-term capital. The current account deficit and the slight decline in long-term debt were largely covered by the inflow of short-term capital. Part of the financial deficit was made up by an increase in Finland's clearing account debt to the Socialist countries. The convertible foreign exchange reserves remained at almost the same level as at the beginning of the year.

During the first quarter of the current year, the trade deficit amounted to 1 074 million marks, which was 500 million marks more than in January—March 1973. Foreign trade would have developed fairly favourably, had the price of imported energy not risen so sharply. Expenditure on imported crude oil and other fuel, which had been 350 million marks in January—March 1973, came to 1 160 million marks in the corresponding period of this year. Since the demand for Finnish wood industry products has been strong, their prices have risen sharply. Part of the rise in the price of imported fuel and raw materials was covered by these price rises. Two thirds of the trade deficit was brought about by the bilateral trade. The deficit in the trade with Western markets declined, as compared with the corresponding period of 1973.

Of service account items, net income from travel was larger than in the corresponding period of 1973. Other current account items

indicated that the need to pay the interest charges on foreign loans was clearly greater than in January—March 1973. The current account deficit was 1 055 million marks, which was 16 per cent of total current account expenditure. The corresponding ratio was 11 per cent during the first quarter of 1973.

As a result of the instability in the international capital market, drawing of new long-term loans only equalled amortizations of previous loans, so that there was no net inflow of long-term loan capital. Drawings of long-term export credits granted to foreign customers exceeded the corresponding repayments by 20 million marks. Direct investments by Finnish residents were slightly larger than the corresponding investments by foreigners in Finland. Short-term foreign liabilities increased by more than 800 million marks. Two thirds of the inflow of short-term capital was in the form of trade credits.

Total long-term and short-term net foreign liabilities grew by 786 million marks. The country's convertible foreign exchange reserves declined by 28 million marks. Thus almost all of the total 269 million mark decline in the reserves was caused by the growth of bilateral clearing account debt.

### MAJOR BALANCE OF PAYMENTS ITEMS, MILL. MK

	January—March	
	1974	1973
Trade account	—1 074	—567
Service account	289	239
Visible and invisible trade account	—785	—328
Other current account items	—270	—163
Current account	—1 055	—491
Long-term capital	—51	—21
Short-term capital	837	5
Capital flows	786	—16
The change in the foreign exchange reserves	—269	—507

**Supplementary budget.** The second supplementary budget for 1974 was approved by Parliament in June. It involved a rise of more than 1 600 million marks in expenditure, of which about a third was caused by increases in agricultural price subsidies decided upon in connection with the collective income agreements concluded in March. Expenditure was substantially increased also by appropriations for the promotion of employment and the granting of housing loans. An important factor affecting the increase in expenditure was the rise in the price and cost level.

In order to implement the measures required by the agreement on farmers' income, which was signed by the Council of State and the central organizations of agricultural producers on March 15, 1974, a total of 239 million marks was set aside mainly for lowering the prices of concentrated fertilizers and fodder, and an additional 284 million marks for agricultural price policy subsidies.

As a result of the sharp rise in building costs, the National Board of Housing was authorized to grant an additional 200 million marks in new housing loans; the completion of 31 000 state-financed dwellings by the end of 1975 was set as the target.

Even though the employment situation has been quite favourable from the point of view of the whole country, pronounced unemployment has appeared in the development regions. An additional 144 million marks was set aside for investment to secure employment. Because investment activities have grown vigorously in the development regions, it was decided to raise the ceiling on total loans granted by the Regional Development Fund from 60 million marks to 160 million marks during the current year. An additional 20 million marks was allotted for financing manpower policy meas-

ures designed to promote productive activities in the development regions.

In order to be able to increase the share of domestic fuel in the country's supply of energy, it has been decided to raise the annual output of peat of the National Fuel Centre to 20 million cubic metres by 1980. Thus a total of 20 million marks was set aside for preparing the expansion of peat production and for acquiring peat bogs, and production and maintenance equipment.

An additional 22.5 million marks was set aside for covering the costs of the Finnish UN troops in the Middle East and Cyprus.

#### **Publications of the Bank of Finland.**

Finnish Bond Issues 1973 has been published in an edition with text and explanatory notes in Finnish, Swedish and English. It contains a detailed description of the 38 loans issued in 1973, including the three which were denominated in foreign currency and floated abroad. In addition the introduction includes statistics on domestic and foreign bonds outstanding at the end of 1963—1973 and sales of domestic bonds in 1963—1973.

Three articles which appeared in the Bank of Finland Monthly Bulletin in 1973—1974 have been published under the title »Social Insurance in Finland». These articles deal with Finnish basic pensions schemes, employment pensions scheme and sickness insurance scheme.

In Series D the following publications have appeared: D: 34 Heikki Koskenkylä and Ilmo Pyyhtiä, Suomen allokatio-ongelman perusteista ja taustasta (Problems of Resource Allocation in Finland), in Finnish, 1974, 59 pp.; D: 35 Immo Pohjola, Ekonometrinen tutkimus Suomen rahamarkkinoista (An Econometric Study of the Finnish Money Market), in Finnish, 1974, 120 pp.

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# BANK OF FINLAND

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## Board of Management

Mauno Koivisto

*Governor*

A. Simonen

*Deputy Governor*

Ahti Karjalainen

*Absent as a Member  
of Government*

Heikki Valvanne

Päiviö Hetemäki

Pentti Uusivirta

Pertti Tammivuori  
*ad int.*

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## Directors

Jouko J. Voutilainen

Jorma Aranko

Pertti Tammivuori

Markku Puntila

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## Senior officials

Pertti Kukkonen

*Director, ADP-planning*

Pauli Kanerva

*Administration*

K. Ignatius

*Personnel*

Antti Lehtinen

*Domestic Financial  
Operations*

Kalle Koski

*Capital Transfers*

Kari Nars

*Foreign Exchange Policy*

Raili Nuortila

*Eastern Trade*

J. Ojala

*Foreign Exchange Control*

Kari Puumanen

*Economics Dept.*

Heikki Koskenkylä

*Research Dept., ad int.*

Stig Törnroth

*Cash*

K. Eirola

*Automatic Data Processing*

A. Nenonen

*Foreign Correspondence*

Väinö Heiskanen

*Banking Services*

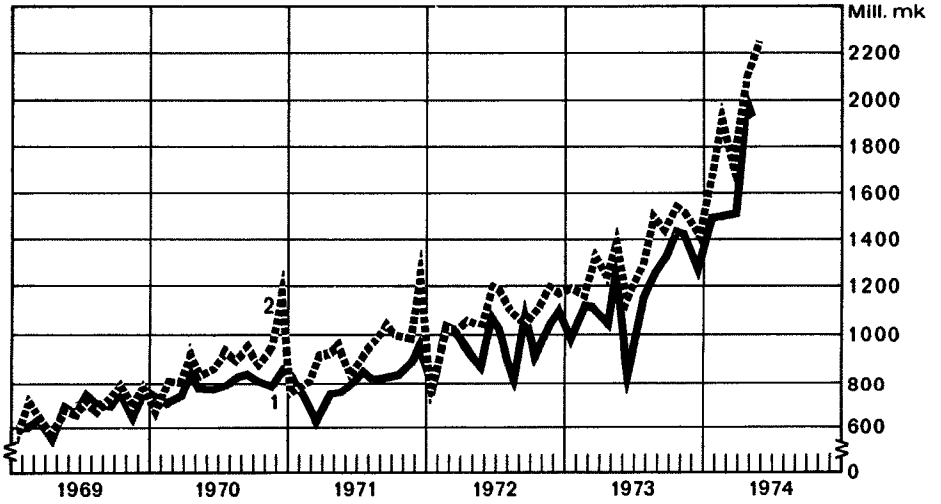
Eino Suomela

*Internal Audit*

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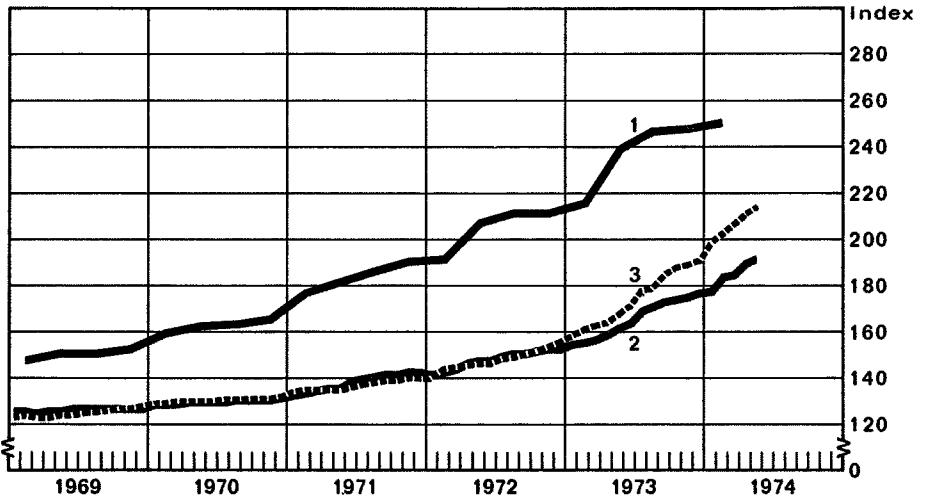
Foreign trade, 1969-1974

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



Prices and wages, 1969-1974

- 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, 1969-1974

- 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

