



# BANK OF FINLAND

*Monthly Bulletin*

Finnish project exports in the Soviet  
Union

State-owned companies in Finland

Inflow of long-term loan capital in 1974

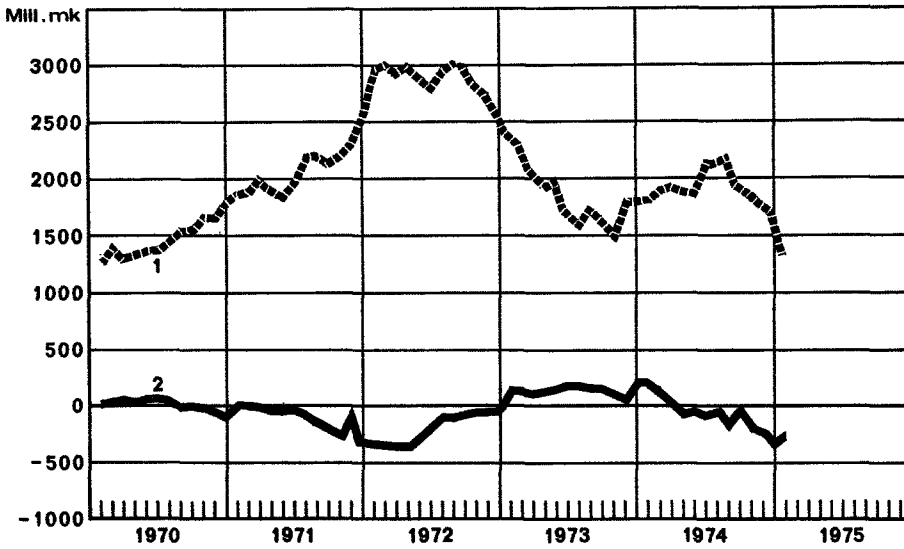
Train ferry connection between Hanko  
and Travemünde

The Bank's new director

**MARCH 1975**

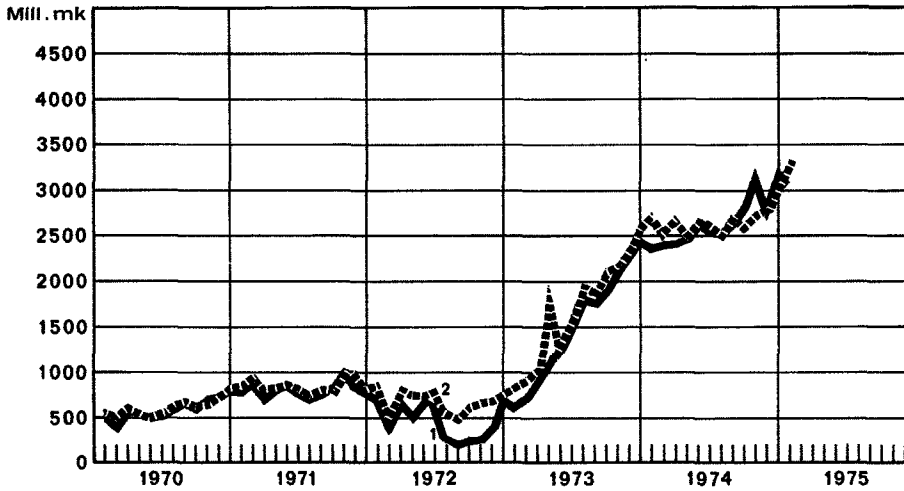
**Vol. 49 No. 3**

**BANK OF FINLAND'S CONVERTIBLE AND NON-CONVERTIBLE FOREIGN EXCHANGE RESERVES, 1970-1975**



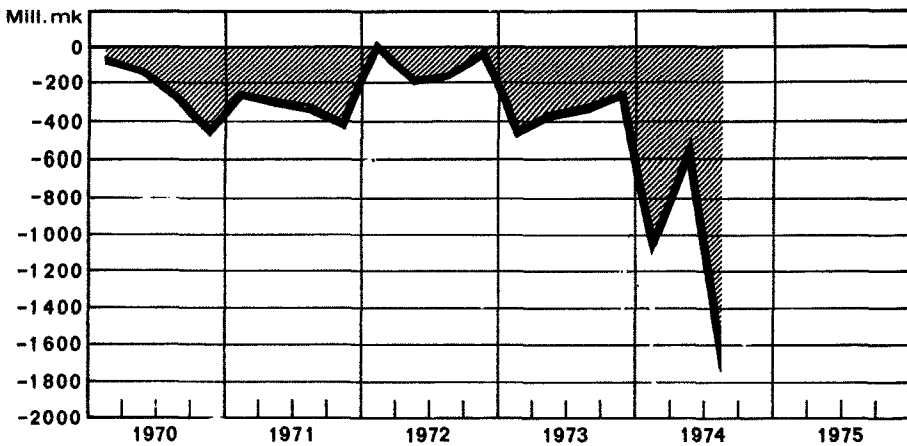
1. Total gold and foreign exchange
2. Gold and convertible currencies
3. Other currencies

**BANK OF FINLAND'S POSITION WITH REGARD TO THE DOMESTIC FINANCIAL SECTOR, 1970-1975**



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

**BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS / DEFICIT, 1970-1975**



Seasonally adjusted quarterly figures

# FINNISH PROJECT EXPORTS IN THE SOVIET UNION

Traditionally trade between Finland and the Soviet Union has involved the exchange of goods on the basis of long-term framework agreements which are supplemented by annual protocols. Finnish exports delivered within the framework of these agreements consist mainly of metal, engineering, wood and paper industry products. During the 1970s Finland has seen both the diversification of her traditional exports and the development of project exports, as well as efforts to co-operate in industrial production. This development is the consequence of two agreements, i.e., one on scientific and technical co-operation, the other on economic, technical and industrial co-operation between the two countries. The Standing Soviet—Finnish Intergovernmental Commission for Economic Co-operation and its working groups have also contributed substantially. (See Bulletin No. 10/1974).

A project export is here defined as a single, fairly large export delivery, which includes the planning and implementation of a construction project or the delivery of complete factories. Frequently, project exports consist of both the construction and equipping of factories.

The construction of power plants at Rajakoski, Kaitakoski, Jäniskoski and Ylä-Tuloma within the Soviet Union in the 1950s and 1960s were Finland's first project exports. As the building sites are located near Finland's eastern border and since Finland has had unused labour and equipment in these regions, the projects have benefited both parties.

The first building project started during the current decade was the forestry centre of Pääjärvi. After an intergovernmental protocol concerning the building of this centre had been signed in April 1971, the work was offered to Finnish enterprises on a contract basis. Finland agreed upon to undertake the planning and construction of the forestry centre using Finnish

labour. At the same time it was decided that the centre would be paid for with additional timber deliveries. The second stage of the Pääjärvi project is now under way, and the third stage, which includes the construction of a chipboard factory at Pääjärvi, is being considered.

An intergovernmental agreement concerning the renovation and extension of the pulp and paper mill at Svetogorsk using Finnish labour was concluded in March 1972. It was agreed that the annual output of sulphate cellulose of the old pulp and paper mill at Svetogorsk in the District of Leningrad would be increased by 550 000 tons, and that a cable paper mill with an annual capacity of 55 000 tons as well as new buildings connected with these extensions would be constructed. The first stage of the Svetogorsk project is now coming to an end, and negotiations are under way concerning the next stage which includes the construction of an acetate cellulose factory and ancillary facilities.

An intergovernmental protocol concerning the construction of a dressing plant at Kostamus was concluded in October 1973. It was then agreed in principle that Finnish enterprises would undertake the construction of a dressing plant and other facilities necessary for exploiting the iron ore in Kostamus during 1973—1981. The construction has been scheduled to take place in three stages. Negotiations on the first one are now under way, and it is planned that the annual production capacity of the mine will be 2.7 million tons of iron pellets. Preliminary work is now being carried out. This includes the construction of transport facilities between Finland and Kostamus, internal connections within the mine area and 14 kilometres of the road between Kostamus and Ledmozero. The actual contracts concerning mining and town building are being negotiated. One distinguish-

ing feature of the Kostamus project is that part of the output of the mine will be imported to Finland as raw material for the steel industry.

A typical metal industry export project is the outfitting of a nickel and copper smeltery to Norilsk, which is being carried out within the framework of the agreement on scientific and technical co-operation between Finland and the Soviet Union. This project differs from the construction projects in that the contribution of Finnish labour is much smaller. On the other hand, even in this case a single, fairly large delivery is at stake, and a substantial amount of planning work is involved.

The projects mentioned above have been prepared either in working groups appointed by the Commission for Economic Co-operation or in meetings of the Commission itself. Finnish enterprises have made, or are making, their contract offers and agreements on the basis of these negotiations. In addition, preliminary discussions have been conducted concerning the construction of a highway between Leningrad and Vyborg. The first stage of this project will probably include the construction of the highway from the national border to Vyborg.

When examining construction projects as a whole, it can be seen that the total value of construction projects has increased many times over since 1971. After tentative contract projects during the first years, extensive construction and equipping projects are getting started.

It is estimated that in 1975 the total value of commodity trade between Finland and the Soviet Union will come to about 8 000 million marks. The total value of the Kostamus project alone is several thousand million marks. Projects similar to this and the ones at Svetogorsk and Pääjärvi are changing the nature of Finnish—Soviet trade. This means that Finland's current account balance with the Soviet Union may be in surplus earlier than was expected, probably even before 1977. Since these construction projects concern thousands of workers, the contracts may have a pronounced impact on cyclical conditions in the Finnish construction and manufacture of machinery. The indirect effects of the projects on the building material industry and the regional employment situation mean that the projects are of clear macroeconomic importance.

February 27, 1975

	1973	1974	1975			
	Dec. 31	Dec. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
<b>Assets</b>						
Gold and foreign exchange receivables	2 210	1 791	1 775	1 721	1 622	1 527
Gold	121	121	121	121	121	121
Special drawing rights	285	286	286	286	286	286
IMF gold tranche	268	268	268	268	268	268
Convertible currencies	1 228	1 109	716	638	627	574
Tied currencies	308	7	384	408	320	278
Other foreign receivables	952	1 123	1 106	1 095	1 098	1 106
Foreign bills	103	252	230	219	222	230
Foreign bonds	319	341	346	346	346	346
Currency subscription to Finland's quota in the IMF	530	530	530	530	530	530
Receivables from financial institutions	2 745	3 414	3 308	3 221	3 606	3 454
Cheque accounts of the commercial banks	19	114	219	215	226	171
Discounted bills	2 556	3 034	2 818	2 738	3 145	2 970
Bonds	121	220	246	239	194	244
Other financial institution receivables	49	46	25	29	41	69
Receivables from the public sector	268	301	304	306	309	307
Bonds	53	71	71	71	71	71
Total coinage	200	224	229	230	231	233
Other public sector receivables	15	6	4	5	7	3
Receivables from corporations	613	631	634	646	653	654
New export bills	47	90	93	95	97	97
Financing of suppliers' credits	271	276	272	273	273	273
Bonds	255	231	231	240	244	244
Other corporate receivables	40	34	38	38	39	40
Other assets	34	37	36	36	36	37
<b>Total</b>	<b>6 822</b>	<b>7 297</b>	<b>7 163</b>	<b>7 025</b>	<b>7 324</b>	<b>7 085</b>
<b>Liabilities</b>						
Foreign exchange liabilities	147	457	178	178	168	170
Convertible accounts	73	62	57	55	53	53
Tied accounts	74	395	121	123	115	117
Other foreign liabilities	788	788	788	788	788	788
IMF mark accounts	530	530	530	530	530	530
Allocations of special drawing rights	258	258	258	258	258	258
Notes and coins in circulation	2 082	2 461	2 236	2 290	2 277	2 318
Notes	1 907	2 259	2 041	2 094	2 081	2 120
Coins	175	202	195	196	196	198
Deposit certificates in circulation	1 450	1 040	1 370	1 150	1 400	1 050
Claims of financial institutions	13	9	31	25	65	27
Cheque account of Postipankki	2	4	4	1	40	2
Cheque accounts of the commercial banks	7	4	2	1	3	2
Other financial institution claims	4	1	25	23	22	23
Claims of the public sector	535	560	554	555	591	551
Cheque accounts	2	7	3	4	40	4
Counter-cyclical reserves	509	543	543	543	543	543
Other public sector claims	24	10	8	8	8	4
Claims of corporations	239	195	230	226	227	336
Investment deposits	5	34	36	35	35	36
Counter-cyclical withholdings	—	49	85	85	85	110
Capital import deposits	214	98	90	89	89	175
Import levy deposits	6	6	11	9	10	8
Other corporate claims	14	8	8	8	8	7
Other liabilities	16	17	14	13	13	13
Equalization accounts	740	858	836	872	866	900
Capital accounts	812	912	926	928	929	932
Primary capital	600	600	600	600	600	600
Reserve fund	114	163	237	237	237	237
Undisposed profits	—	—	75	75	75	75
Net earnings	98	149	14	16	17	20
<b>Total</b>	<b>6 822</b>	<b>7 297</b>	<b>7 163</b>	<b>7 025</b>	<b>7 324</b>	<b>7 085</b>

End of year and month	Foreign sector						Public sector				Deposit certificates in circulation
	Gold and convertible exchange receivables	Convertible exchange liabilities	Gold and convertible exchange reserve (1-2)	Non-convertible exchange reserve	Other receivables	Other liabilities	Net receivables (3+4+5-6)	Receivables	Liabilities	Net liabilities (9-8)	
	1	2	3	4	5	6	7	8	9	10	11
1968	1 309	6	1 303	— 12	125	34	1 382	105	364	259	—
1969	1 266	11	1 255	— 80	517	360	1 332	102	200	98	—
1970	1 812	11	1 801	— 63	639	606	1 771	119	121	2	203
1971	2 620	30	2 590	—297	686	704	2 275	148	140	— 8	400
1972	2 613	43	2 570	— 6	757	788	2 533	175	49	—126	790
1973	1 928	65	1 863	210	803	788	2 088	200	534	334	1 450
1974	1 784	62	1 722	—388	1 123	788	1 669	302	560	258	1 040
1974											
Jan.	1 908	78	1 830	230	808	788	2 080	202	534	332	1 310
Feb.	1 986	75	1 911	160	817	788	2 100	204	533	329	1 380
March	2 030	86	1 944	— 9	831	788	1 978	205	578	373	1 450
April	1 974	72	1 902	—113	855	788	1 856	207	579	372	1 450
May	1 968	77	1 891	— 89	874	788	1 888	208	533	325	1 490
June	2 219	72	2 147	—113	888	788	2 134	209	528	319	1 600
July	2 240	82	2 158	— 96	888	788	2 162	209	575	366	1 600
Aug.	2 274	74	2 200	—220	889	788	2 081	213	530	317	1 360
Sept.	1 989	71	1 918	— 86	899	788	1 943	217	564	347	1 390
Oct.	1 947	70	1 877	—235	922	788	1 776	220	521	301	1 510
Nov.	1 862	64	1 798	—280	936	788	1 666	222	520	298	1 400
Dec.	1 784	62	1 722	—388	1 123	788	1 669	302	560	258	1 040
1975											
Jan.	1 388	56	1 332	306	1 105	788	1 955	302	555	253	990
Feb.	1 249	53	1 196	161	1 106	788	1 675	307	551	244	1 050

<sup>1</sup> The balance sheet of the Bank of Finland was revised in Dec. 1974.  
See explanations on page 18.

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1973			Net holdings, Dec. 31, 1974			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Dec.	Jan.-Dec.
Gold	121	—	121	121	—	121	—	—
Special drawing rights	285	—	285	286	—	286	—	+ 1
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 189	165	1 354	1 047	—564	483	—302	—871
Total	1 863	165	2 028	1 722	—564	1 158	—302	—870
Non-convertible currencies	210	2	212	—388	— 5	—393	— 92	—605

End of year and month	Domestic financial sector						Corporate sector				Notes and coins in circulation
	Dis-counted and re-dis-counted bills	Cheque account receiv-ables <sup>2</sup>	Other receiv-ables	Cheque account liabilities to the commer-cial banks <sup>3</sup>	Cheque account liabilities to Posti-pankki <sup>3</sup>	Other liabili-ties	Net receiv-ables (1+2+3-4-5-6)	Receiv-ables	Liabili-ties	Net receiv-ables (8-9)	
	1	2	3	4	5	6	7	8	9	10	11
1968	618	107	—	163	16	—	546	381	43	338	1 246
1969	550	87	—	93	12	—	532	461	25	436	1 394
1970	836	3	—	1	4	—	834	383	324	59	1 455
1971	849	—	—	9	2	—	838	355	385	— 30	1 622
1972	753	5	—	—	2	—	756	321	73	248	1 879
1973	2 556	61	—	—	2	—	2 615	372	259	113	2 082
1974	3 034	114	266	4	4	1	3 405	631	195	436	2 462
1974											
Jan.	2 146	129	—	—	1	—	2 274	367	237	130	1 872
Feb.	2 227	113	—	—	4	—	2 336	368	229	139	1 910
March	2 530	103	—	—	78	—	2 555	368	230	138	1 959
April	2 677	156	—	—	80	—	2 753	372	244	128	1 977
May	2 719	93	—	—	3	—	2 809	370	230	140	2 081
June	2 794	127	—	—	3	—	2 918	378	221	157	2 315
July	2 688	158	—	—	43	—	2 803	389	213	176	2 155
Aug.	2 538	122	—	—	3	—	2 657	400	203	197	2 227
Sept.	2 703	249	—	—	9	—	2 943	415	181	234	2 246
Oct.	2 985	142	—	—	2	—	3 125	425	219	206	2 206
Nov.	3 108	167	—	—	1	—	3 274	422	224	198	2 360
Dec.	3 034	114	266	4	4	1	3 405	631	195	436	2 462
1975											
Jan.	2 572	112	269	2	2	23	2 926	631	231	400	2 274
Feb.	2 970	171	313	2	2	23	3 427	654	336	318	2 318

<sup>1</sup> The balance sheet of the Bank of Finland was revised in Dec. 1974. See explanations on page 18.

<sup>2</sup> Including special index accounts.

<sup>3</sup> Including cash reserve accounts.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

February 20, 1975

New York <sup>1</sup>	1 \$	3.495	Frankfurt o. M.	100 DM	150.30	Vienna	100 S	21.20
Montreal	1 \$	3.485	Amsterdam	100 Fl	145.75	Lisbon	100 Esc	14.45
London	1 \$	8.360	Brussels <sup>2</sup>	100 Fr		Madrid	100 Pta	6.24
Stockholm	100 Kr	87.90	Zurich	100 Fr	141.00	Tokyo	100 Y	1.210
Oslo	100 Kr	69.90	Paris	100 FF	81.70	Reykjavik	100 Kr	2.35
Copenhagen	100 Kr	63.30	Rome	100 Lit	0.5500	Moscow <sup>3</sup>	1 Rbl	4.957

<sup>1</sup> As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.

<sup>2</sup> 10.070 commercial rate; 9.970 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

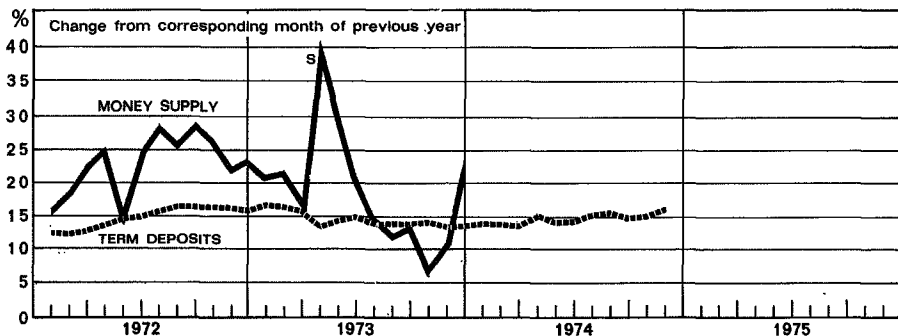
1973\*

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

1974<sup>1</sup>

Jan.	1 896.2	2 478.1	1 272.5	9 113.6	7 227.8	5 377.5	2 207.4	814.2	24 740.5	28 491.1
Feb.	1 851.4	2 431.8	1 373.6	9 162.3	7 272.2	5 445.5	2 230.9	825.6	24 936.5	28 741.9
March	1 806.1	2 379.5	1 253.4	9 078.6	7 271.1	5 449.4	2 266.3	831.7	24 897.1	28 530.0
April	1 839.1	2 482.1	1 229.2	9 081.0	7 272.6	5 510.5	2 268.9	833.3	24 966.3	28 677.6
May	2 007.4	2 641.1	1 179.0	9 158.2	7 378.6	5 598.5	2 286.7	839.3	25 261.3	29 081.4
June	1 992.3	2 627.9	1 231.6	9 205.1	7 484.0	5 631.6	2 334.9	847.2	25 502.8	29 362.3
July	2 155.1	2 817.9	1 267.3	9 244.4	7 565.9	5 725.8	2 365.5	854.4	25 756.0	29 841.2
Aug.	2 157.9	2 855.2	1 201.4	9 366.3	7 705.0	5 838.6	2 395.5	859.8	26 165.2	30 221.8
Sept.	2 160.5	2 871.7	1 287.6	9 370.3	7 740.4	5 884.6	2 421.9	874.7	26 291.9	30 451.2
Oct.	2 224.3	2 958.4	1 183.7	9 501.4	7 815.3	5 981.7	2 457.3	891.8	26 647.5	30 789.6
Nov.	2 198.0	2 924.2	1 346.1	9 652.8	7 943.8	6 100.6	2 503.7	895.8	27 096.7	31 367.0

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





# 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

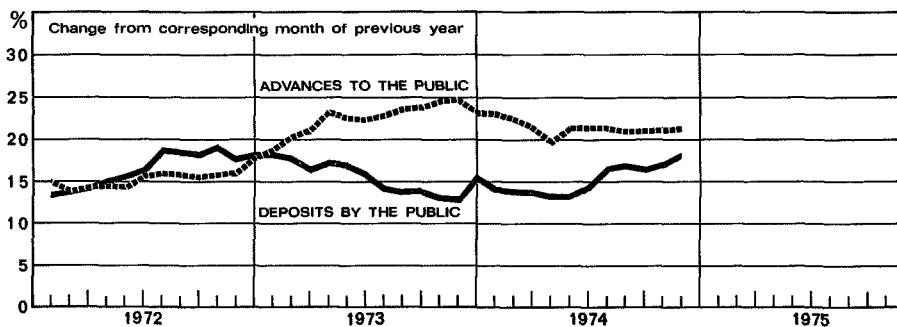
1973\*

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

1974<sup>1</sup>

Jan.	13 386.6	6 609.8	5 361.4	3 570.9	2 741.2	30 656.7	1 013.2	31 669.9	..
Feb.	13 446.8	6 697.9	5 444.2	3 664.7	2 770.1	31 007.0	1 016.7	32 023.7	..
March	13 595.2	6 771.6	5 514.6	3 740.9	2 827.4	31 379.4	1 070.3	32 449.7	..
April	13 829.9	6 844.2	5 574.4	3 890.5	2 847.7	31 914.6	1 072.1	32 986.7	..
May	14 110.7	6 935.2	5 670.5	4 016.1	2 920.3	32 536.8	1 116.0	33 652.8	..
June	14 292.8	7 014.9	5 749.7	4 164.3	2 980.7	33 083.6	1 118.8	34 202.4	..
July	14 349.5	7 091.4	5 839.7	4 334.5	3 021.2	33 533.7	1 102.6	34 636.3	..
Aug.	14 500.3	7 190.6	5 953.4	4 359.1	3 038.9	33 962.9	1 079.4	35 042.3	..
Sept.	14 826.2	7 340.9	6 102.0	4 424.4	3 086.5	34 609.4	1 170.6	35 780.0	..
Oct.	15 225.3	7 478.7	6 224.7	4 531.7	3 130.5	35 397.7	1 193.2	36 590.9	..
Nov.	15 541.7	7 616.4	6 338.0	4 614.6	3 206.0	36 138.5	1 178.2	37 316.7	..

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



## STATE FINANCES

Mill. mk

Revenue	Jan.—Nov.		Expenditure	Jan.—Nov.	
	1973	1974		1973	1974
Income and property tax (net)	5 412	7 054	Wages, salaries, pensions etc.	2 479	3 061
Gross receipts	(10 939)	(14 012)	Repair and maintenance	357	474
Refunds & local authorities	(—5 527)	(—6 958)	Other consumption expenditure	1 119	1 334
Other taxes on income and property	116	147	Total consumption expenditure	3 955	4 869
Employers' child allowance payments	475	595	State aid to local authorities	2 198	2 989
Sales tax	3 873	4 728	State aid to industries	1 469	2 449
Revenue from Alcohol Monopoly	923	1 041	of which: agric. price subsidies	(963)	(1 669)
Customs duties & import charges	518	474	Child allowances	327	430
Counter-cyclical tax	—	—	Share in national pensions and health insurance	219	213
Excise duty on tobacco	470	549	Other transfer expenditure	1 705	2 029
»  »  on liquid fuel	755	853	Total transfer expenditure	5 918	8 110
Other excise duties	400	407	Machinery and equipment	488	656
Tax on autom. and motor cycles	609	428	House construction	310	367
Stamp duties	320	383	Land and waterway construction	951	1 042
Special diesel etc. vehicles tax	51	58	Total real investment	1 749	2 065
Other taxes and similar revenue <sup>1</sup>	354	396	Interest on State debt	227	181
<b>Total taxes</b>	<b>14 276</b>	<b>17 113</b>	Index compensations	25	33
Miscellaneous revenue	830	960	Net deficit of State enterprises	120	96
Interest, dividends etc.	318	423	Other expenditure	17	22
Sales and depreciation of property	3	4	Total other expenditure	389	332
Redemptions of loans granted	195	216	Increase in inventories	—1	+82
<b>Total revenue</b>	<b>15 622</b>	<b>18 716</b>	Lending	1 244	1 353
Foreign borrowing	18	11	Other financial investment	749	443
Domestic borrowing	200	217	<b>Total expenditure</b>	<b>14 003</b>	<b>17 254</b>
<b>Total borrowing</b>	<b>218</b>	<b>228</b>	Redemption of foreign loans	170	187
<b>Deficit (+) or surplus (—)</b>	<b>(—968)</b>	<b>(—1 099)</b>	Redemption of domestic loans	699	404
			<b>Total redemptions</b>	<b>869</b>	<b>591</b>
	<b>Total</b>	<b>14 872</b>	<b>Total</b>	<b>14 872</b>	<b>17 845</b>

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

State debt	1971	1972	1973	1974		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.
<b>Foreign debt</b>	1 524	1 517	1 395	1 262	1 161	1 156
Loans	2 467	2 268	1 758	1 592	1 574	1 571
Compensatory obligations	2	2	1	1	1	1
Short-term credit	61	56	39	38	37	37
Cash debt (net)	—528	—488	—468	—401	—537	—366
<b>Domestic debt</b>	<b>2 002</b>	<b>1 838</b>	<b>1 330</b>	<b>1 230</b>	<b>1 075</b>	<b>1 243</b>
<b>Total State debt</b>	<b>3 526</b>	<b>3 355</b>	<b>2 725</b>	<b>2 492</b>	<b>2 236</b>	<b>2 399</b>
Total debt, mill \$	849	804	710	653	586	642

# FOREIGN TRADE

Mill. mk

Value mill. mk

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	16 599	-1 994
1974*	20 687	25 676	-4 989

1974\*

Jan.	1 540	1 951	- 411
Feb.	1 471	1 884	- 413
March	1 599	1 867	- 268
April	1 779	2 131	- 352
May	1 848	2 272	- 424
June	1 555	1 813	- 258
July	1 799	2 164	- 365
Aug.	1 550	2 265	- 715
Sept.	1 780	2 421	- 641
Oct.	2 239	2 400	- 161
Nov.	1 812	2 302	-490
Dec.	1 715	2 206	- 491

Indices of exports and  
imports 1969 = 100

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
1974*	126	151	196	200	98

1972

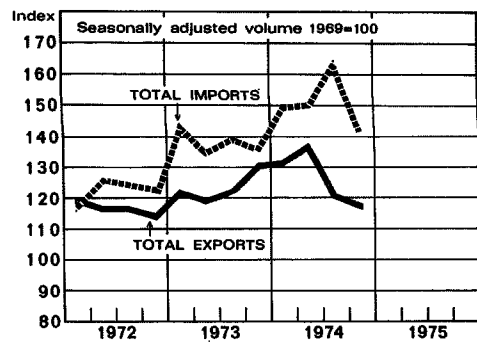
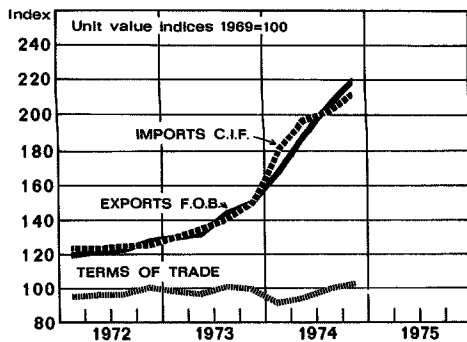
Jan.-Mar.	114	112	121	125	97
Apr.-June	112	124	123	125	98
July-Sept.	116	120	124	126	98
Oct.-Dec.	123	136	129	127	102

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
Apr.-June	131	147	190	198	96
July-Sept.	119	158	206	203	101
Oct.-Dec.	125	152	221	213	104



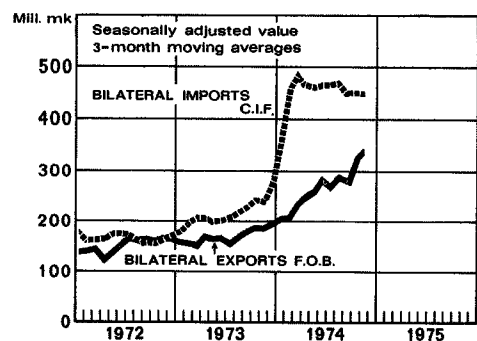
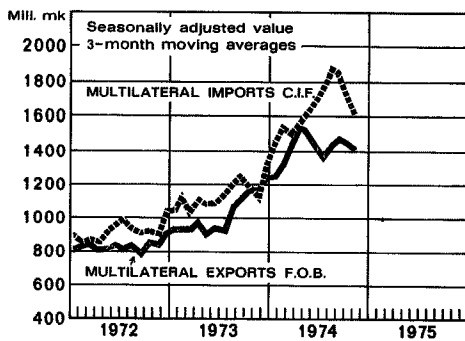
# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agri-cultural 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	2 458	5 266	2 921	3 528	9 916	729	2 919	2 968	67
1974*	464	3 153	7 872	4 245	4 953	16 533	1 979	3 858	3 282	24

1974\*

Jan.	89	249	513	378	311	1 251	174	292	233	1
Feb.	21	249	540	316	345	1 195	198	244	246	1
March	94	229	605	258	413	1 173	171	262	261	0
April	22	291	671	351	444	1 375	146	325	276	9
May	47	314	595	414	478	1 498	137	313	320	4
June	10	262	557	340	386	1 245	120	237	208	3
July	18	302	656	456	367	1 350	147	422	244	1
Aug.	25	339	673	168	345	1 537	169	290	267	2
Sept.	32	248	756	275	469	1 512	187	388	334	0
Oct.	27	251	852	618	491	1 551	190	339	319	1
Nov.	16	228	736	361	471	1 382	186	429	304	1
Dec.	63	191	718	310	433	1 464	154	317	270	1



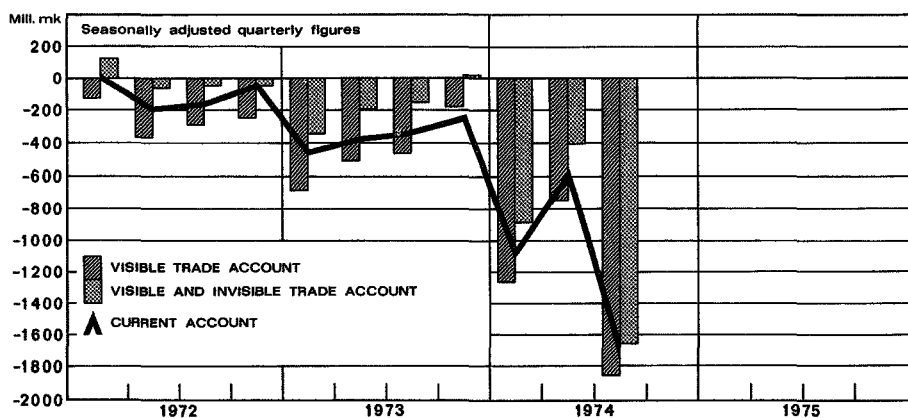
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—December				January—December			
	1973		1974*		1973		1974*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	71.8	10 494	68.3	14 121	73.1	12 128	64.8	16 647
Austria	1.1	162	0.9	187	1.7	274	1.4	353
Belgium-Luxembourg	2.1	300	2.0	421	2.1	356	1.9	486
Denmark	4.3	624	3.6	740	3.5	580	3.3	862
France	4.1	598	4.3	885	3.2	537	3.2	829
Federal Republic of Germany	10.3	1 511	8.6	1 779	18.5	3 073	15.4	3 947
Italy	1.8	270	1.8	367	1.8	299	1.6	407
Netherlands	4.0	586	3.5	720	3.3	556	3.5	910
Norway	4.0	583	2.7	564	2.8	464	2.8	728
Portugal	0.3	51	0.5	95	0.8	129	0.7	168
Spain	1.1	160	1.3	270	0.6	100	0.4	107
Sweden	15.2	2 223	16.4	3 394	19.7	3 270	18.4	4 719
Switzerland	2.1	301	1.7	357	3.3	540	3.2	819
United Kingdom	19.7	2 880	19.2	3 971	11.3	1 875	8.8	2 263
Other	1.7	245	1.8	371	0.5	75	0.2	49
<b>OECD countries outside Europe</b>	6.6	960	6.1	1 273	7.5	1 251	9.3	2 392
Canada	0.6	87	0.6	130	0.4	68	0.5	121
Japan	0.8	111	0.8	173	2.2	370	1.4	368
United States	4.5	652	3.7	766	4.7	788	7.4	1 895
Other	0.7	110	1.0	204	0.2	25	0.0	8
<b>CMEA countries</b>	14.1	2 056	16.1	3 334	15.4	2 553	22.4	5 747
Czechoslovakia	0.4	53	0.4	88	0.5	82	0.3	86
Democratic Republic of Germany	0.5	77	0.5	106	0.5	87	0.6	141
Poland	0.8	116	0.8	167	1.4	230	2.1	546
Soviet Union	11.7	1 705	13.7	2 835	12.1	2 002	18.2	4 660
Other	0.7	105	0.7	138	0.9	152	1.2	314
<b>Latin America</b>	2.0	299	2.8	577	1.8	300	1.5	388
Argentina	0.4	59	0.6	126	0.0	6	0.0	12
Brazil	0.6	94	0.9	177	0.7	108	0.4	88
Colombia	0.1	16	0.1	25	0.5	85	0.4	108
Other	0.9	130	1.2	249	0.6	101	0.7	180
<b>Other</b>	5.5	796	6.7	1 382	2.2	367	2.0	502
<b>GRAND TOTAL</b>	100.0	14 605	100.0	20 687	100.0	16 599	100.0	25 676
of which								
<b>EFTA countries</b>	23.0	3 354	22.4	4 644	28.3	4 702	26.5	6 804
<b>EEC countries</b>	47.1	6 882	43.9	9 072	44.0	7 305	37.8	9 717
<b>OECD countries</b>	78.4	11 454	74.4	15 394	80.6	13 379	74.1	19 039

# 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*	14 525	16 561	-2 036	+996	+341	+29	- 670	-753	-57	-1 480
Jan.-March										
1971 †	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	+257	- 5	+28	- 287	-139	-14	- 440
1974*	4 589	5 663	-1 074	+281	+ 10	+28	- 755	-233	-25	-1 013
Apr.-June										
1971 †	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	+215	+ 48	+17	- 380	-190	-22	- 592
1974*	5 160	6 224	-1 064	+199	+ 74	+72	- 719	-239	-12	- 970
July-Sept.										
1971 †	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	4 086	- 448	+268	+240	+10	+ 70	-173	- 9	- 112
1974*	5 107	6 810	-1 703	+353	+243	-45	-1 152	-244	- 6	-1 402
Oct.-Dec.										
1971 †	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*	4 404	4 765	- 361	+256	+ 58	-26	- 73	-251	-12	- 336

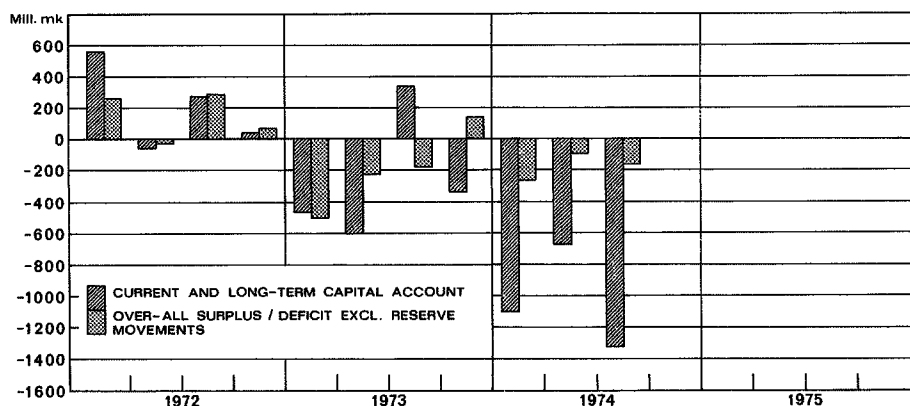


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and prepayments, net	Short-term export credits and prepayments, 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
+1 858	—1 366	+ 34	—114	+ 412	—1 068	—246	+561	— 31	—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	— 461	+ 20	+ 7	— 73	—507	+353	+154
+ 481	— 522	— 23	— 26	— 90	—1 103	+270	+285	+279	—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	— 606	+ 94	+323	— 38	—227	+301	— 74
+ 758	— 362	—115	+ 15	+ 296	— 674	+369	+182	+ 27	— 96	— 99	+195
+ 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	+ 336	—401	—257	+136	—186	+ 66	+120
+ 543	— 385	— 61	— 22	+ 75	—1 327	+483	+523	+158	—163	+202	— 39
+ 656	— 174	—103	— 43	+ 336	— 235	+566	—299	+270	+302	—305	+ 3
+ 763	— 448	— 28	— 93	+ 194	+ 44	—101	+ 36	+ 92	+ 71	+333	—404
+ 411	— 335	— 12	— 65	— 1	— 337	+ 41	+488	— 56	+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	Machinery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1973	398	401	385	403	447	378	435	395	378	188	202	176
1974	495	498	482	523	536	448	555	495	459	233	231	230
1974												
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
June	489	491	481	519	537	438	541	495	454	235	235	230
July	500	503	488	528	544	451	567	505	456	235	235	231
Aug.	505	507	497	532	549	457	567	510	463	235	235	231
Sept.	515	521	495	538	554	475	573	514	481	239	239	237
Oct.	524	531	497	549	570	478	595	510	489	241	239	238
Nov	525	533	496	552	577	477	602	508	491	242	239	240
Dec.	525	535	489	551	578	478	602	507	491	243	239	237
1975												
Jan.	537	546	502	565	589	487	616	518	502	247	243	237

Period	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Consumer prices 1972 = 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
1974	333	261	129	130	109	128	144	161	129	128	118	127
1974												
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
June	329	258	128	129	108	126	141	150	128	128	116	125
July	335	263	130	131	108	127	146	151	129	129	119	130
Aug.	340	267	132	135	108	129	146	171	130	130	120	130
Sept.	348	273	135	142	109	133	147	172	131	130	121	132
Oct.	351	275	136	139	111	137	153	175	133	131	121	134
Nov.	353	277	137	139	111	138	154	172	136	132	123	136
Dec.	354	278	138	138	111	139	154	175	137	133	125	136
1975												
Jan.	364	285	141	139	124	141	155	179	140	136	135	141



# 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	Industry	Construction							
1971	210	195	195	180	176	178	188	171	195	185
1972	253	222	222	196	189	194	212	188	220	206
1973*	317	260	261	223	213	223	247	214	258	239
1974*	402	313	318	262	251	261	294	250	309	283
1973*										
Jan.-March	287	235	238	206	197	206	224	196	234	217
Apr.-June	331	260	248	227	215	226	249	216	259	241
July-Sept.	313	268	271	229	220	230	259	220	271	249
Oct.-Dec.	340	275	286	231	221	230	261	222	273	251
1974*										
Jan.-March	361	283	292	233	226	233	265	224	278	254
Apr.-June	388	316	321	266	252	265	300	253	315	288
July-Sept.	410	323	324	268	255	268	306	256	323	294
Oct.-Dec.	430	330	334	279	269	279	309	265	325	300

# PRODUCTION

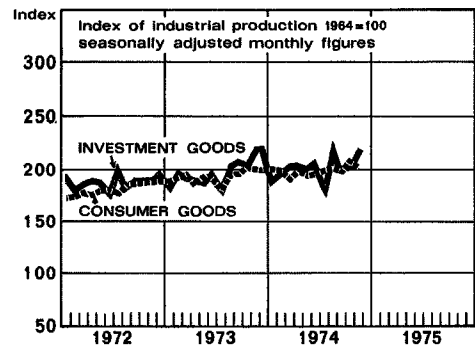
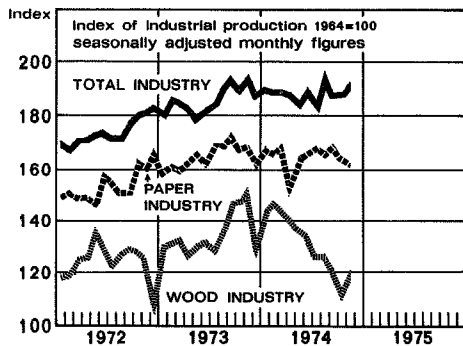
Volume indices of production 1964 = 100

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
1971	136	157	96	106	138	99	134	140	135	135	140
1972	145	177	94	95	149	103	143	155	142	143	148
1973*	153	187	89	96	162	104	154	169	150	148	155
1974*	161	200	86	98	177	105	165	179	157	154	162
1973*											
July-Sept.	153	169	164	55	198	105	159	165	149	149	156
Oct.-Dec.	160	205	65	97	185	101	159	186	153	150	158
1974*											
Jan.-March	157	205	59	124	134	104	159	169	155	152	158
Apr.-June	154	188	62	113	156	113	161	170	157	153	160
July-Sept.	163	184	161	62	210	105	169	176	157	154	164
Oct.-Dec.	170	223	59	94	206	99	172	199	161	155	167

# 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	116	114	111	111	109	112	142	115	118	113
1973*	121	123	122	120	114	118	120	151	124	127	121
1974	123	126	123	123	119	112	120	158	132	131	123
1973*											
July	85	56	92	73	110	65	120	115	116	59	120
Aug.	122	118	122	125	130	105	126	145	141	125	123
Sept.	122	126	123	118	114	121	126	157	132	129	125
Oct.	138	146	138	138	139	143	133	166	144	151	124
Nov.	135	145	134	135	126	134	128	161	143	148	126
Dec.	117	119	118	113	109	113	111	146	116	122	125
1974*											
Jan.	134	135	135	131	118	139	133	167	139	141	124
Feb.	124	128	125	120	106	134	121	155	132	132	123
March	134	138	136	127	107	139	136	179	145	143	123
April	123	134	121	124	121	130	95	160	143	139	122
May	133	138	132	131	128	139	123	156	142	144	121
June	112	121	111	112	114	110	97	145	122	124	123
July	86	59	92	79	122	65	121	128	92	62	120
Aug.	124	125	123	128	127	92	124	154	144	131	128
Sept.	125	130	124	125	116	106	123	150	142	135	124
Oct.	138	145	135	144	140	111	130	172	147	150	123
Nov.	130	141	128	135	123	102	125	169	134	146	125
Dec.	115	119	114	116	103	75	110	165	107	124	120



## LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Population of working age 1 000 persons	Total labour force, 1 000 persons	Employed 1 000 persons	Un-employed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m <sup>1</sup>	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100
1971	3 507	2 199	2 150	49	2.2	41 264	118	137
1972	3 409	2 173	2 118	55	2.5	34 954	128	151
1973*	3 442	2 215	2 164	51	2.3	35 123	138	167
1974*	3 483	2 269	2 229	40	1.8	34 457	..	..
1974*								
Jan.	3 471	2 187	2 134	53	2.4	3 510	119	156
Feb.	3 474	2 194	2 140	54	2.5	3 923	122	160
March	3 476	2 183	2 138	45	2.1	4 014	131	174
April	3 478	2 199	2 154	45	2.0	3 976	137	169
May	3 480	2 236	2 200	36	1.6	3 527	143	175
June	3 483	2 432	2 397	35	1.4	2 308	140	163
July	3 485	2 447	2 409	38	1.6	1 305	146	155
Aug.	3 487	2 355	2 318	37	1.6	1 545	148	185
Sept.	3 489	2 262	2 230	32	1.4	2 021	140	178
Oct.	3 491	2 249	2 219	30	1.3	2 476	151	196
Nov.	3 439	2 239	2 207	32	1.4	2 773	..	..
Dec.	3 495	2 241	2 204	37	1.7	3 079	..	..

## CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Buildings-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											
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	16.50	4.28	40.00	18.15	2.84	14.19	2.99	40.57
1973*	54.96	24.68	3.82	20.96	2.81	40.20	18.81	2.91	13.63	2.82	51.42
1973*											
July-Sept.	16.23	7.86	0.84	6.06	0.76	10.71	4.67	0.99	3.47	0.80	55.01
Oct.-Dec.	11.13	4.98	0.45	4.09	0.92	13.85	6.66	1.11	4.51	1.13	51.42
1974*											
Jan.-March	10.33	3.65	0.68	4.79	0.76	8.72	3.98	0.45	3.31	0.69	49.20
Apr.-June	16.64	7.96	1.62	5.39	0.70	9.96	4.99	0.35	3.73	0.48	54.42
Jyly-Sept.	14.53	6.15	0.56	5.82	1.26	10.39	4.51	0.40	3.65	0.81	57.01

# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

The balance sheet of the Bank of Finland was revised on Dec. 31, 1974 in connection with the revision of accounting legislation. New series have been built according to the revision. When the figures are not fully comparable to the previous ones, the series is broken by a line.

Page 4. *Foreign sector*: Gold and convertible exchange receivables = Gold + Special drawing rights + IMF gold tranche + Convertible currencies.

Gold and convertible exchange reserve = Gold and convertible exchange receivables — Liabilities in convertible currencies.

Non-convertible exchange reserve = Receivables in tied currencies — Liabilities in tied currencies.

Other receivables = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF.

Other liabilities = IMF mark accounts + Allocations of special drawing rights.

*Public sector*: Receivables = Total coinage + Other public sector receivables + Bonds (since Dec. 1974).

Liabilities = Cheque accounts + Counter-cyclical reserves + Other public sector liabilities.

Deposit certificates are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

Page 5. *Domestic financial sector*: Other receivables = Other financial institution receivables + Bonds (since Dec. 1974).

*Corporate sector*: Receivables = New export bills + Financing of suppliers' credits + Other corporate receivables + Bonds (since Dec. 1974).

Liabilities = Investment deposits + Counter-cyclical withholdings + Capital import deposits + Import levy deposits + Other corporate claims.

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

Figures for deposits and advances are supplied by the Central Statistical Office. From the beginning of 1974 the figures include deposits by and advances to other credit institutions.

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. *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 (1973): 4.7 million. Sweden 8.1. Switzerland 6.4, Denmark 5.0 and Norway 4.0 million.

DENSITY OF POPULATION (1973): In South Finland 44.9, in East and Central Finland 14.0, in North Finland 3.9 and in the whole country an average of 15.3 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1973): 57 % of the population inhabit the rural areas, 43 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 505 700 inhabitants, Tampere (Tammerfors) 164 400, Turku (Åbo) 162 200.

EMPLOYMENT (1973): Agriculture and forestry 17 %, industry and construction 35 %, commerce 16 %, transport and communications 7 %, services 25 %.

LANGUAGE (1971): Finnish speaking 93.2 %, Swedish speaking 6.6 %, others 0.2 %.

EDUCATION (1974): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) and 11 colleges of university standard.

CHANGE OF POPULATION (1973): births 12.2 ‰, deaths 9.3 ‰, change + 4.1 ‰, net immigration 1.2 ‰. Deaths in France 10.7 ‰ and Great Britain 12.0 ‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1973, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 378 (6 %), forestry and fishing 3 728 (6 %), manufacturing 18 561 (32 %),

construction 5 788 (10 %), transport and communication 5 617 (10 %), commerce, banking and insurance 7 620 (13 %), public administration 2 624 (4 %), ownership of dwellings 2 770 (5 %), services 8 490 (14 %), total 58 576. Index of real domestic product 153 (1964 = 100).

FOREST RESOURCES (1973): The growing stock comprised of 1 501 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, 618 million m<sup>3</sup> was up to the standard required for logs. 56 % of these being pine. The annual growth was 56.9 million m<sup>3</sup> and the total removal, calculated on the basis of roundwood consumption, was 55.4 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 (1972): Gross value of industrial production 44 958 mill. marks, number of workers 404 033, salaried employees 114 534, motive power (1971) 5.7 mill. kW. Index of industrial production 114 for 1972 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1975): Length 5 908 km.

MERCHANT FLEET (Dec. 31, 1974): Steamers 27 (13 800 gross reg. tons), motor vessels 361 (756 700 gross reg. tons), tankers 61 (853 400 gross reg. tons). Total 449 (1 623 900 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 (March 27, 1975): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-8, 9 Super Caravelles, 8 DC-9s, 1 DC-10-30 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 (Jan. 1, 1975). 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 %; 36 month deposits 9 % + savings premium; 36 month deposits 8 ¼ % + tax concession and sight deposits 1 ½ %; highest lending rate 12 ½ %.

# STATE-OWNED COMPANIES IN FINLAND

by Unto Lund, D.Pol.Sc., and  
Matti Purasjoki, Lic.Sc. (Econ.)

State-Owned Companies Office  
Ministry of Commerce and Industry

The business activities of the central government can be placed in two categories, i.e., those conducted within the framework of the Budget (e.g., the State Railways, the Post and Telegraph Administration, the State Clothing Factory, the State Margarine Factory, etc.) and those carried out by state-owned companies fairly independently of the Budget. In this article we shall confine our attention to the activities of state-owned companies which are defined as joint stock companies, in which the central government owns the majority of the shares.

The first state-owned companies were set up between the first and second World Wars, mainly to exploit the country's natural resources, i.e., wood, minerals and water power. When state-owned companies have been established after World War II, the purpose has been to achieve a degree of self-sufficiency in certain fields vital for the Finnish economy. Some attempts to reach regional balance in industrialization have also been made. A few large industrial enterprises have located in regions which have been the slowest to develop. To some extent, this has been a direct consequence of the location of raw materials.

One important reason why the central government has started business activities has been the shortage of private funds, which has been particularly pronounced in capital-intensive industrial fields.

In 1973 state-owned companies employed more than 60 000 persons and had a total turnover of 7 500 million marks. Moreover, about a third of the construction labour employed by industrial firms worked on building sites of

state-owned companies. Investment in fixed assets of state-owned companies amounted to nearly 2 000 million marks per annum.

The state-owned companies are concentrated in four industrial fields:

Mining and the metal industry (three companies)

The wood-processing industries (two companies)

The chemical industry (two companies)

Energy (two companies)

State-owned companies produce iron and steel (Rautaruukki Oy), copper (Outokumpu Oy), ships, paper-making machinery and transport equipment (Valmet Oy), paper, pulp and timber (Enso-Gutzeit Oy and Veitsiluoto Oy), fertilizers (Kemira Oy), refined oil products (Neste Oy) and electricity (Imatran Voima Oy and Kemijoki Oy).

In addition to these nine companies, there are other, non-industrial companies which are owned by the state. Finnair Oy (air traffic), Oy Alko Ab (alcoholic beverages), and Oy Yleisradio Ab (broadcasting). The last two companies are not treated in this review. In addition there are a few smaller state-owned companies and a number of minor subsidiaries which are also excluded.

## ADMINISTRATION AND CONTROL

The administration of the state-owned companies is based on the general Limited Companies Act. The general meeting of shareholders acts as the highest decision-making body. These meetings are generally held once a year, but

extraordinary meetings can also be called. The Minister of Industry or his deputy represents the central government in the general meetings of shareholders of industrial state-owned companies.

The Administrative Council represents the shareholders during the period between the shareholder meetings. It decides upon the appointment and dismissal of the Managing Director and elects the Board of Directors. The Administrative Councils make final decisions in matters concerning investment and financial plans. The central government is represented in the Administrative Councils by politicians who represent the different parties in keeping with the number of seats they have in Parliament. Since the majority of the members of Administrative Councils are also Members of Parliament, state-owned companies are indirectly controlled by the Parliament.

The Board of Directors is responsible for the day-to-day management of the companies. In each industrial company, owned by the state, one of the members of the Board of Directors is an official of the Ministry of Commerce and Industry. As a rule, the Managing Director of the company also acts as the chairman of the Board of Directors. The number of members of the Board ranges from six to nine.

The Auditors are elected annually, and their number varies between four and twelve, depending on the size of the company. At least one of the Auditors must be a Chartered Accountant, one an official of the Public Finance Control Office and one an official of the Ministry of Commerce and Industry. Other Auditors are chosen on grounds similar to those for the selection of members of the Administrative Councils. In addition, the officials of the Public Finance Control Office are legally authorized to audit the finances and accounts of state-owned companies. The State Auditors have the right to obtain the information they need concerning the management and finances of state-owned companies.

The growth of the state-owned companies and the diversification of their production tend to

increase the need for co-operation and co-ordination between the different companies, and between them, the Ministry of Commerce and Industry and the Government. According to the standing directives of the Ministry of Commerce and Industry, the companies must inform the Ministry of any firm plans about the location or extension of industrial plants, the increase in the share capital of subsidiaries, the establishment of new subsidiaries and the acquisition of share holdings in other companies.

In the Budget for 1973, an appropriation was approved for the establishment of a special office for state-owned companies in the Industrial Department of the Ministry of Commerce and Industry. This office started its operations on July 1, 1973, and it takes charge of matters related to state-owned joint stock companies, such as their investment plans, their use of state funds and their co-operation with other state-owned companies.

In August 1973, the Government appointed a special Ministerial Committee for State-Owned Companies and charged the State-Owned Companies Office to assist the committee. The committee is to prepare matters related to state-owned companies for consideration by the Council of State and to provide the managers of state-owned companies with information on matters over which the state has authority as the principal share holder.

## THE SCOPE AND GROWTH OF THE ACTIVITIES OF STATE-OWNED COMPANIES

Table 1 shows the turnover of state-owned companies by industrial category in 1965—1973.<sup>1</sup> During this period, the total turnover of these companies grew by 17.6 per cent per annum. The growth was fastest (21 per cent per annum) in the chemical industry and slowest (13.7 per cent per annum) in the wood-processing industries. For this reason, a pronounced change took place in the relative importance of these categories.

<sup>1</sup> See the annual publication «State-Owned Companies» for the years 1969—1973 for further information.

**TABLE 1. TURNOVER OF STATE-OWNED COMPANIES IN 1965—1973, BY INDUSTRIAL CATEGORY**

	Mining and metal industry		Wood-processing industries		Chemical industry		Power companies		Finnair Oy		Total	
	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent
1965	522.7	25	662.1	32	562.7	27	238.0	12	78.3	4	2 063.8	100
1966	568.8	25	713.1	32	619.8	28	251.0	11	92.7	4	2 245.4	100
1967	611.4	24	721.8	29	787.5	32	269.5	11	109.2	4	2 499.4	100
1968	835.3	25	967.0	29	1 075.8	33	298.2	9	128.9	4	3 305.2	100
1969	1 104.8	28	1 101.3	28	1 259.2	32	327.6	8	150.5	4	3 943.4	100
1970	1 243.1	27	1 296.2	28	1 469.2	32	429.5	9	198.7	4	4 636.7	100
1971	1 197.6	24	1 315.7	26	1 739.3	35	488.6	10	228.1	5	4 969.3	100
1972	1 606.4	27	1 522.1	25	1 967.5	32	662.7	11	282.2	5	6 040.9	100
1973	1 982.8	26	1 860.1	25	2 577.9	34	787.0	11	329.2	4	7 537.0	100

**TABLE 2. EXPORTS OF STATE-OWNED COMPANIES IN 1966—1973, BY INDUSTRIAL CATEGORY**

	Mining and metal industry		Wood-processing industries		Chemical industry		Power companies		Finnair Oy		Total	
	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent
1966	280.3	30	570.9	61	13.6	2	2.2	—	63.8	7	930.8	100
1967	312.1	31	569.7	58	30.6	3	0.7	—	75.8	8	988.9	100
1968	461.6	33	788.8	56	73.8	5	6.0	—	88.9	6	1 419.1	100
1969	657.4	36	908.8	50	115.6	7	13.2	1	111.9	6	1 806.9	100
1970	637.8	32	1 003.6	51	140.3	7	45.3	2	147.0	8	1 974.0	100
1971	561.0	30	994.9	53	141.1	8	0.3	—	175.8	9	1 875.1	100
1972	679.8	31	1 150.1	52	147.6	7	0.4	—	215.2	10	2 193.1	100
1973	876.3	32	1 441.6	53	164.4	6	0.2	—	238.6	9	2 723.1	100

Wood-processing firms continue to provide the bulk of the export receipts of the state-owned companies. However, the importance of other industrial categories is steadily increasing (Table 2).

As state-owned companies are concentrated in capital intensive fields, their investment has tended to be quite extensive. Since these com-

panies can secure finance even when money is tight, by raising their share capital through the Budget, they have often been able to carry out investment at a fairly stable pace irrespective of cyclical conditions. Probably the most important change in the structure of investment has been the sharp growth in investment in the energy during the 1970s. This is a result of the construction of nuclear power plants.

**TABLE 3. INVESTMENT OF STATE-OWNED COMPANIES IN 1965—1973, BY INDUSTRIAL CATEGORY**

	Mining and metal industry		Wood-processing industries		Chemical industry		Power companies		Finnair Oy		Total	
	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent
1965	92.8	16	164.1	28	197.2	33	85.3	14	50.8	9	590.2	100
1966	254.4	45	70.9	13	152.6	27	70.6	12	14.6	3	563.1	100
1967	233.5	34	97.4	14	215.6	31	113.6	17	29.9	4	690.0	100
1968	213.4	27	170.9	22	293.7	38	74.5	10	26.4	3	778.9	100
1969	188.9	25	162.4	21	259.9	31	88.3	11	91.1	12	770.6	100
1970	288.8	29	324.1	32	230.7	23	156.7	16	4.7	—	1 005.0	100
1971	420.5	29	276.7	19	396.0	28	250.5	18	88.9	6	1 432.6	100
1972	283.9	21	293.0	21	474.4	34	293.6	21	44.0	3	1 388.9	100
1973	358.9	26	137.2	10	429.7	32	636.7	27	63.1	5	1 352.6	100



## THE ROLE OF STATE-OWNED COMPANIES IN THE FINNISH ECONOMY

During the post-war period, the central government has tried to promote basic industries by setting up joint stock companies of its own. This has naturally increased the direct impact of state-owned companies on the Finnish economy. Between 1956 and 1972, the contribution of state-owned companies to GDP grew from 5 per cent to nearly 7 per cent (Table 4).

When examining changes in their contribution to GDP it can be seen that cyclical swings in the activities of the state-owned companies have paralleled the cyclical variations in the economy as a whole. This is because a number of companies are dependent on exports and changes in domestic demand.

Light can also be shed on the role of state-owned companies by examining their share in the country's total investment (Table 5). There is no distinct trend in the share. However, it is to be noted that the share of state-owned companies in investment is larger than their share in GDP. The importance of the investment of

**TABLE 4. THE CONTRIBUTION TO GDP OF  
PUBLIC COMPANIES IN 1956—1972<sup>1</sup>**

	Mill. mk	Percentage change	Percentage share in GDP
1956	493.2	—	5.0
1957	512.6	3.9	4.9
1958	632.2	23.3	5.6
1959	723.4	14.4	5.8
1960	786.0	8.7	5.6
1961	892.9	13.6	5.7
1962	908.9	1.8	5.4
1963	1 022.3	12.5	5.5
1964	1 282.2	25.4	6.1
1965	1 325.2	3.4	5.7
1966	1 417.8	7.0	5.7
1967	1 587.3	11.9	6.0
1968	1 872.8	18.0	6.2
1969	2 444.4	30.5	7.1
1970	2 866.2	17.3	7.4
1971	2 665.3	—7.0	6.3
1972	3 274.5	22.9	6.7

<sup>1</sup> Source: Finnish National Accounts. Public companies are joint stock companies in which the public sector owns the majority of shares, either directly or indirectly. They are thus not completely synonymous with state-owned companies.

**TABLE 5. THE INVESTMENT OF PUBLIC COM-  
PANIES IN 1961—1972**

	Mill. mk	Percentage change	Share in do- mestic gross capital forma- tion, per cent	Investment/ value added
1961	396.8	—	8.0	44.4
1962	387.4	— 2.3	7.5	42.6
1963	447.8	15.6	8.5	43.8
1964	439.4	— 1.9	7.6	34.3
1965	626.7	42.6	9.3	47.3
1966	676.9	8.0	9.5	47.7
1967	555.0	—18.0	7.6	35.0
1968	566.8	2.1	7.3	30.3
1969	651.0	14.9	7.1	26.6
1970	954.7	46.7	8.5	33.3
1971	1 247.6	30.7	9.6	46.8
1972	1 322.0	6.0	8.9	40.4

state-owned companies is also reflected in the ratio of investment to value added. For state-owned companies, this ratio was higher than the corresponding ratios for total manufacturing (22.6) and the economy as a whole (28.8 per cent) during the period 1956—1972.

The above table shows that state-owned companies are highly capital-intensive. The average incremental capital-output ratio, i.e., the ratio between investment and the change in value added, for state-owned companies was almost 3.5 in 1961—1972, whereas it was 1.7 in manufacturing during the 1960s.

## FUTURE PROSPECTS

It seems likely that the number and size of state-owned companies will grow in the years to come, both in absolute and relative terms. At present, the establishment of two state-owned electronics companies is being considered.

One interesting feature of the recent past has been the substantial increase in the number of subsidiaries of the state-owned companies. State-owned companies have made attempts to acquire or set up companies which carry on activities in the industrial field of the parent company. In 1967 there were 65 such subsidiaries; at present they total nearly 100. However, the turnover of the subsidiaries is small, compared with the turnover of the parent companies.

# ITEMS

## Inflow of long-term loan capital in 1974.

Last year the international capital market remained both volatile and tight. The situation deteriorated during the course of the year as a result of sharp rises in the price of oil and worldwide inflation. Finland's long-term foreign debt grew by almost 12 per cent in 1974. Although this growth was double the growth of 1973, it was clearly below the average annual growth rate of more than 20 per cent in the early 1970s. A substantial amount of permits granted by the Bank of Finland for borrowing abroad remained unused. This was mainly a consequence of the tightness prevailing in the international capital market. On the other hand, the willingness to borrow abroad was reduced by the high level of interest rates. For these reasons, part of the demand for finance had to be satisfied by taking short-term loans.

Maximum loan periods for long-term foreign loans were shortened substantially during 1974. Most of the loans drawn bore variable interest rates, and the average interest rate varied between 10 and 12 per cent.

Long-term loans amounted to 11 838 million marks at the end of the year. The share of central government loans in this debt was fairly

small, or about 10 per cent. On the other hand state-secured loans accounted for about a third of the total stock of loans. Loans which the private sector had both drawn and secured thus made up more than half of long-term foreign loans.

Drawings of new long-term loans amounted to 2 786 million marks during 1974, which exceeded the drawings in 1973 by more than 800 million marks. Redemptions of loans totalled 1 451 million marks, which was only 100 million marks more than in the previous year. Thus the net inflow of capital came to 1 244 million marks. The 92 million mark claim, which the Swedish government has forgone on the basis of an agreement made in 1971, has been taken into account in these figures.

The continued sluggishness of the international bond market was reflected in the total amount of Finnish bond issues floated abroad. In the course of the year, only two Finnish bond issues, together totalling 65 million marks, were floated, which is the smallest bond issue value in eight years. A US \$ 15 million municipal loan was floated in February, and in May the Industrialization Fund of Finland Ltd launched a 5 million Swiss franc issue.

### FINLAND'S LONG-TERM FOREIGN LOANS IN 1974, MILLION MARKS<sup>1</sup>

	Debt Dec. 31, 1973	Drawings 1974	Re- demptions 1974	Net change 1974	Debt Dec. 31, 1974
Financial loans	8 680	1 926	1 017	818 <sup>2</sup>	9 498
Individual financial loans	4 335	1 472	768	613 <sup>2</sup>	4 948
Granted by foreign governments	312	—	60	— 151 <sup>2</sup>	161
Bonds and debentures	4 345	454	249	205	4 550
Bond issues	2 666	65	170	— 105	2 561
Private placement loans	1 157	371	1	370	1 527
Loans from the World Bank	522	18	78	— 60	462
Import credits	1 720	804	427	377	2 097
Loans to Finnish subsidiaries	194	56	7	49	243
<b>Total</b>	<b>10 594</b>	<b>2 786</b>	<b>1 451</b>	<b>1 244<sup>2</sup></b>	<b>11 838</b>

<sup>1</sup> The figures have been converted into Finnish marks by using the average selling rate of the month when the statistics were compiled.

<sup>2</sup> The claim of the Swedish government of nearly 92 million marks, which she has renounced, has been taken into account.

At the end of the year, financial loans, which also include bonds, made up four fifths of Finland's long-term foreign debt.

Interest and other expenses on long-term foreign loans amounted to 2 275 million marks in 1974, which was over 12 per cent more than in the previous year. Expenses thus increased in the same proportion as the total value of long-term loans. The ratio of total debt service costs on long-term loans to total current account earnings fell by almost two percentage points from the previous year, or from 11 per cent to about 9 per cent.

**Train ferry connection between Hanko and Travemünde.** A train ferry connection between Finland and continental Europe was opened on February 17, when Railship I arrived in Hanko. Railship I is 150.5 metres long and 18.5 metres high. It takes an average of 50

carriages, which are placed on three decks. The total length of the rails on the ferry is 1 370 metres. It has a speed of ten knots an hour, and the journey between Hanko and Travemünde takes two days. The ship has been built so that it can easily be converted for use as an ordinary ro-ro ship. Containers and trailers can also be accommodated on the ferry. It is estimated that about two to three per cent of Finland's trade with Western markets will be transported by the train ferry.

**The Bank's new director.** The Bank Supervisors of the Parliament decided on February 26, 1975 to create a sixth permanent post of Director at the Bank of Finland as from March 1, 1975. At the same time they appointed Mr. K. Ignatius, LL.M. to this post. Mr. Ignatius has served as administrative secretary of the Bank since 1960 and head of personnel department since 1969.





---

# BANK OF FINLAND

---

## Board of Management

Mauno Koivisto

*Governor*

A. Simonen

*Deputy Governor*

Ahti Karjalainen

*Absent as a Member  
of Government*

Päiviö Hetemäki

Pentti Uusivirta

Rolf Kullberg

Pertti Tammivuori

*ad int.*

---

## Directors

Jouko J. Voutilainen

Jorma Aranko

Pertti Tammivuori

Markku Puntila

Seppo Lindblom

K. Ignatius

---

## Senior officials

Pertti Kukkonen

*Director, ADP-planning*

Pauli Kanerva

Eino Helenius

*Administration*

Reino Airikkala

*Monetary Policy*

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.*

Stig Törnroth

*Cash*

K. Eirola

*Automatic Data Processing*

A. Nenonen

*Foreign Correspondence*

Stig G Björklund

*Banking Services*

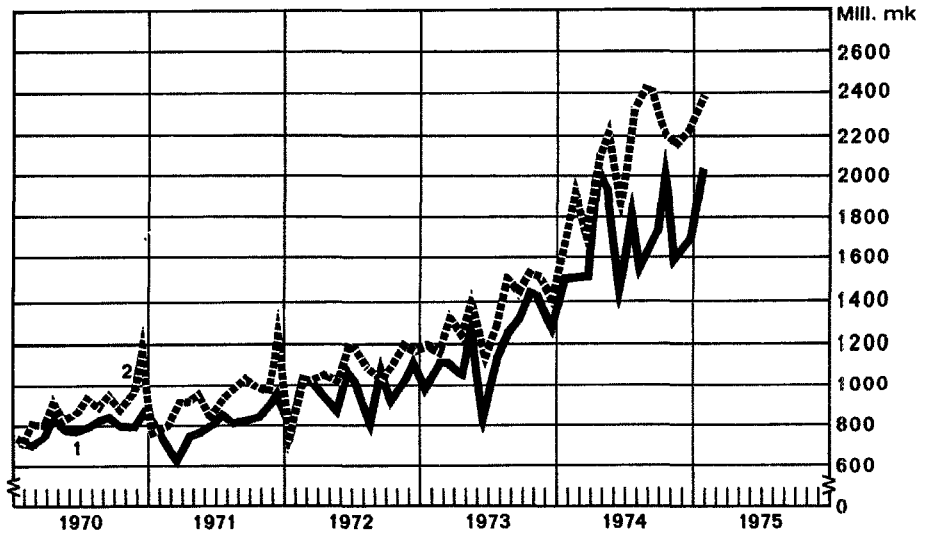
Eino Suomela

*Internal Audit*

---

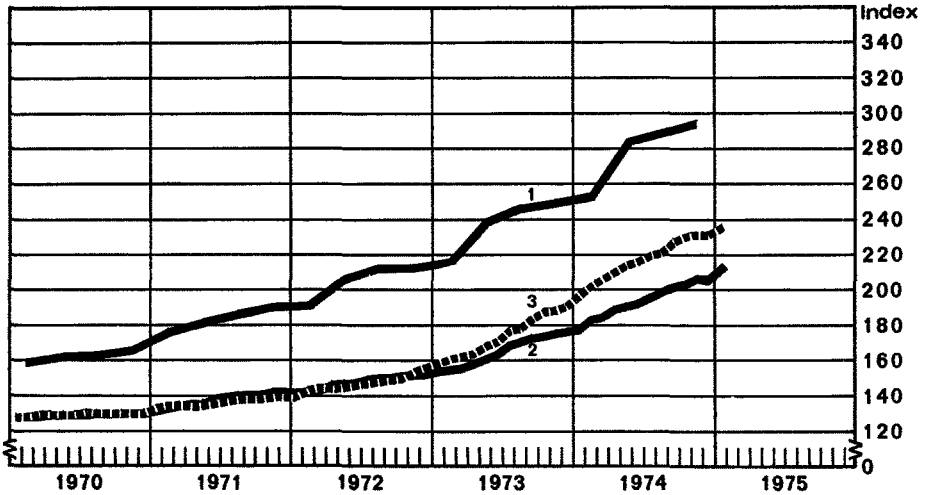
**FOREIGN TRADE, 1970-1975**

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



**PRICES AND WAGES, 1970-1975**

- 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, 1970-1975**

- 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

