



# BANK OF FINLAND

*Monthly Bulletin*

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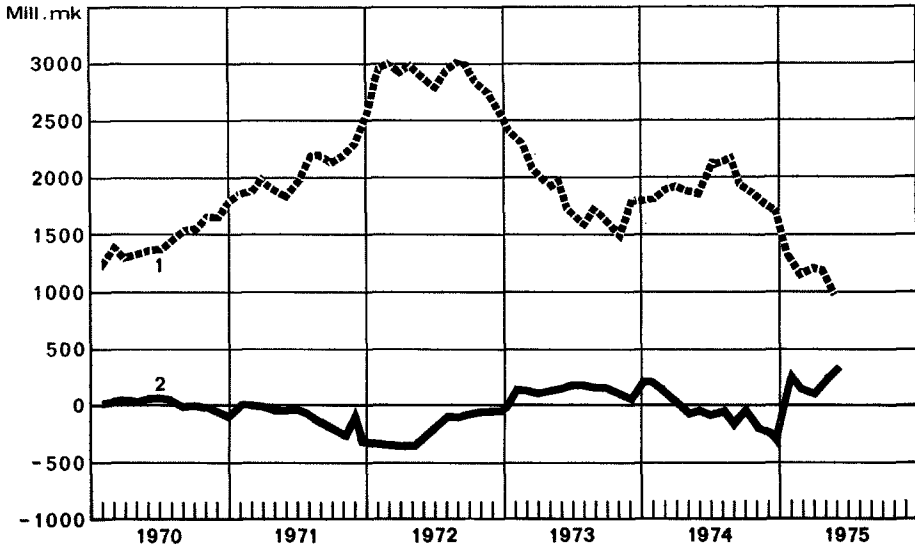
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**JULY 1975**

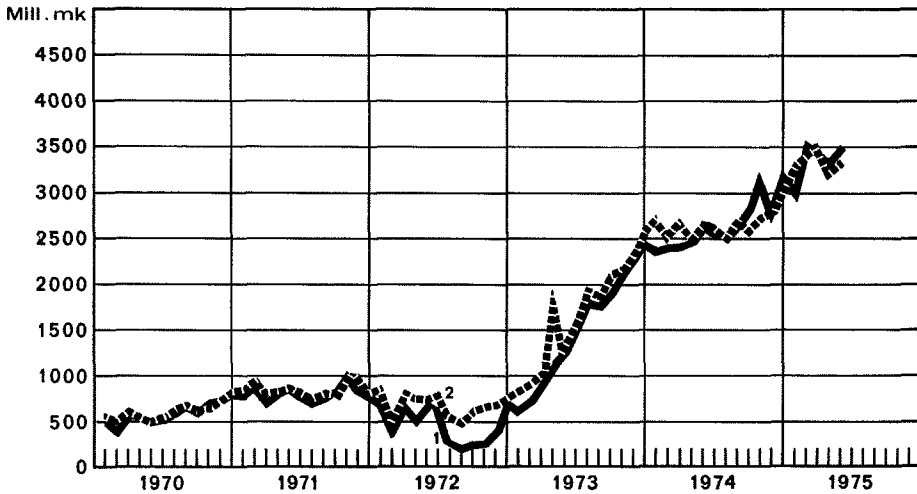
**Vol. 49 No. 7**

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



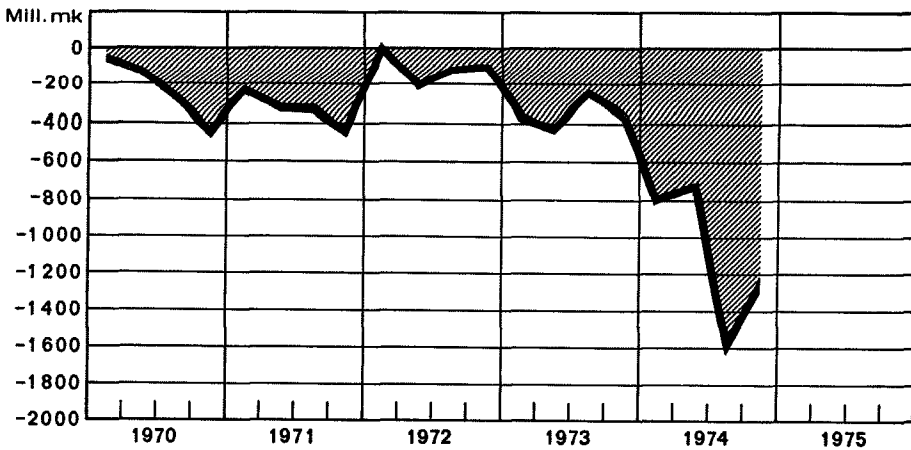
- 1. Gold and convertible currencies
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**BANK OF FINLAND'S POSITION WITH REGARD TO THE DOMESTIC FINANCIAL SECTOR, 1970-1975**



- 1. Net receivables from the domestic financial sector
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- Seasonally adjusted end-of-month figures

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



Seasonally adjusted quarterly figures

# DEVELOPMENTS IN THE SECURITY MARKETS

Despite the international recession and increased cost pressures, Finnish companies fared comparatively well in 1974. The strong investment boom continued and the volume of gross fixed investment of companies grew by about 7 per cent. The rapid increase in prices meant that the need for the finance for fixed investments rose by nearly a third over the previous year. Although the favourable development of export earnings in the forest industry helped to restrain the growth of the financial deficit of the company sector, the need for external financing remained great.

During the current year the financial position of the corporate sector has become still tighter because of an abrupt fall in export incomes, especially in the mechanical wood-processing industry. Although the growth of investment shows clear signs of slowing down, the shortage of long-term finance remains chronic. In the security market the need for finance has been reflected in numerous share issues. On the other hand, the financial position of the central government has, thus far, remained healthy and this has allowed companies to secure finance in the security market.

## NEW ISSUE MARKET

Share issues have succeeded remarkably well, despite their comparatively large number and volume, mainly because of sustained demand for assets which are believed to be hedges against inflation. Companies quoted on the stock exchange raised more than 500 million marks of new capital through share issues in 1974. The amount raised increased by more than a quarter over the previous year, and was far greater than during the first years of the decade. This development should be characteristic of the company sector as a whole, al-

though there are no figures available for the share issues of non-quoted companies.

The bond market is a relatively minor source of finance for companies in Finland. The importance of this market is still reduced by the fact that, in general, most of the issues are not intended for public subscription. Instead it is mostly the banks which buy the bonds to hold as cash reserve assets. The new domestic bond issues of industrial and commercial companies totalled no more than 170 million marks in 1974. However, indirect financing to companies from the bond market was much larger, because the mortgage banks, which were the biggest bond issuing institutions, continued their practice of making loans to industrial companies and local governments. The bond issues of financial institutions came to a total of about 720 million marks, and taking into account amortizations, the net growth of bonds outstanding was some 550 million marks. The bond issues of the central government remained at the low figure of 230 million marks. In fact, its net domestic debt decreased by the same amount, because redemptions were twice the size of new issues.

Although bond issues, as a whole, increased by 29 per cent last year, the net growth of domestic bonds outstanding was less than 12 per cent. Thus the relative share of bonds in total outstanding financial claims decreased further. The bonds tend, on average, to be rather short term, as is indicated by the fact that the amortizations were roughly a sixth of total bonds outstanding. At the end of 1974, the total amount of domestic bonds outstanding was 4 184 million marks, in which the share of the central government was 36 per cent and that of the financial institutions 45 per cent. The average annual interest rate on new fixed-interest bonds rose somewhat during 1974, varying between 8 ¼ per cent and 10 ¼ per cent.

## THE SECONDARY MARKET

The share index of the Helsinki Stock Exchange fell about 23 per cent during 1974. However the average level for the year was only some 5 per cent below the average for 1973. Thus, because of the dominant role of shares on the stock exchange, the drop in total annual turnover from 291 million marks to 209 million marks was mainly due to the decline in the volume of transactions in shares. The fall in share prices was a result of the deteriorating cyclical outlook and tightening money market, but the abundance of share issues certainly had some effect. A considerably number of subscription rights appeared in the market, and following the pattern of the two preceding years, sales of subscription rights rose to more than 20 per cent of total annual turnover on the stock exchange.

The shares of 48 companies were quoted on the stock exchange at the end of 1974. The sales and purchases of shares amounted to 147 million marks, which is only some two per cent of the market value of the share capital of

quoted companies. The market value of bonds and debentures listed on the stock exchange was somewhat less than 1 000 million marks at the end of 1974, while the annual turnover of these securities did not exceed 20 million marks.

During the current year share prices have been volatile. The apparent halt in the downward trend of the previous year has not been followed by the rise in prices experienced in many other countries. One factor curbing the rise of prices has been the large volume of new share issues launched during the first part of this year. On the other hand, there are many factors limiting the scope for new corporate security issues. The continuing tightness in the financial market is dampening the demand for securities and increasing the supply in secondary markets. In addition, the cash position of the central government is no longer so strong, which suggests that more government bonds will be competing with private issues in the security market.

June 17, 1975

## BANK OF FINLAND

Mill. mk

	1973	1974	1975			
	Dec. 31	Dec. 31	June 6	June 13	June 23	June 30
<b>Assets</b>						
Gold and foreign exchange receivables	2 210	1 791	1 467	1 678	2 049	2 244
Gold	121	121	121	121	121	121
Special drawing rights	285	286	289	288	286	286
IMF gold tranche	268	268	268	—	—	—
Convertible currencies	1 228	1 109	291	661	1 006	1 211
Tied currencies	308	7	498	608	636	626
Other foreign receivables	952	1 123	1 010	1 281	1 265	1 283
Foreign bills	103	252	288	291	275	293
Foreign bonds	319	341	192	192	192	192
Currency subscription to Finland's quota in the IMF	530	530	530	798	798	798
Receivables from financial institutions	2 745	3 414	4 107	3 919	3 900	3 569
Cheque accounts of the commercial banks	19	114	178	228	124	139
Discounted bills	2 556	3 034	3 631	3 397	3 486	3 083
Bonds	121	220	275	267	233	277
Other financial institution receivables	49	46	23	27	57	70
Receivables from the public sector	268	301	321	314	313	311
Bonds	53	71	72	72	72	70
Total coinage	200	224	239	239	239	239
Other public sector receivables	15	6	10	3	2	2
Receivables from corporations	613	631	696	691	695	722
New export bills	47	90	115	115	114	112
Financing of suppliers' credits	271	276	312	311	316	314
Bonds	255	231	239	239	235	238
Other corporate receivables	40	34	30	26	27	58
Other assets	34	37	36	36	37	38
<b>Total</b>	<b>6 822</b>	<b>7 297</b>	<b>7 637</b>	<b>7 919</b>	<b>8 259</b>	<b>8 167</b>
<b>Liabilities</b>						
Foreign exchange liabilities	147	457	204	205	212	210
Convertible accounts	73	62	68	67	68	67
Tied accounts	74	395	136	138	144	143
Other foreign liabilities	788	788	788	1 070	1 385	1 385
IMF mark accounts	530	530	530	812	1 127	1 127
Allocations of special drawing rights	258	258	258	258	258	258
Notes and coins in circulation	2 082	2 461	2 472	2 508	2 628	2 692
Notes	1 907	2 259	2 267	2 302	2 419	2 483
Coins	175	202	205	206	209	209
Deposit certificates in circulation	1 450	1 040	1 070	1 120	870	900
Claims of financial institutions	13	9	135	134	177	130
Cheque account of Postipankki	2	4	2	1	47	—
Cheque accounts of the commercial banks	7	4	1	1	2	2
Other financial institution claims	4	1	132	132	128	128
Claims of the public sector	535	560	556	431	519	512
Cheque accounts	2	7	2	2	41	3
Counter-cyclical reserves	509	543	543	388	388	388
Import deposits	—	—	9	39	88	119
Other public sector claims	24	10	2	2	2	2
Claims of corporations	239	195	434	500	500	374
Investment deposits	5	34	65	65	65	66
Counter-cyclical withholdings	—	49	120	120	120	1
Capital import deposits	214	98	236	301	301	292
Import levy deposits	6	6	4	4	6	7
Other corporate claims	14	8	9	10	8	8
Other liabilities	16	17	13	13	12	13
Equalization accounts	740	858	990	960	974	964
Capital accounts	812	912	975	978	982	987
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	63	66	70	75
<b>Total</b>	<b>6 822</b>	<b>7 297</b>	<b>7 637</b>	<b>7 919</b>	<b>8 259</b>	<b>8 167</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	<u>1 928</u>	65	<u>1 863</u>	<u>210</u>	<u>803</u>	788	<u>2 088</u>	<u>200</u>	<u>534</u>	<u>334</u>	1 450
1974	1 784	62	1 722	—388	1 123	788	1 669	302	560	258	1 040
1974											
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.	<u>1 862</u>	64	<u>1 798</u>	<u>—280</u>	<u>936</u>	788	<u>1 666</u>	<u>222</u>	<u>520</u>	<u>298</u>	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
March	1 300	66	1 234	132	1 089	788	1 667	307	553	246	1 080
April	1 284	66	1 218	255	999	788	1 684	310	550	240	1 170
May	1 065	67	998	352	1 010	788	1 572	314	556	242	870
June	1 618	67	1 551	483	1 283	1 385	1 932	311	512	201	900

<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, 1974			Net holdings, April 30, 1975			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Apr.	Jan.-Apr.
Gold	121	—	121	121	—	121	—	—
Special drawing rights	286	—	286	286	—	286	—	—
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 047	—564	483	543	—1 229	—686	—204	—1 169
Total	1 722	—564	1 158	1 218	—1 229	— 11	—204	—1 169
Non-convertible currencies	—388	— 5	—393	255	1	+256	+161	+ 649

End of year and month	Domestic financial sector						Corporate sector				
	Dis-counted and redis-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)	Notes and coins in circu-lation
	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											
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
March	3 275	142	284	2	1	41	3 657	667	388	279	2 433
April	3 441	99	307	1	1	84	3 761	680	417	263	2 396
May	3 417	136	304	2	1	134	3 720	690	446	244	2 479
June	3 083	139	347	2	—	128	3 439	722	374	348	2 692

<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

June 17, 1975

New York <sup>1</sup>	1 \$	3.525	Frankfurt o. M.	100 DM	151.70	Vienna	100 S	21.42
Montreal	1 \$	3.435	Amsterdam	100 Fl	147.35	Lisbon	100 Esc	14.66
London	1 £	8.000	Brussels <sup>2</sup>	100 Fr		Madrid	100 Pta	6.37
Stockholm	100 Kr	90.70	Zurich	100 Fr	142.50	Tokyo	100 Y	1.205
Oslo	100 Kr	72.60	Paris	100 FF	88.75	Reykjavik	100 Kr	2.33
Copenhagen	100 Kr	65.60	Rome	100 Lit	0.5670	Moscow <sup>3</sup>	1 Rbl	5.109

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

<sup>2</sup> 10.160 commercial rate; 9.770 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	Commer- cial banks	Savings banks	Co-op. banks	Posti- pankki	Co-op. stores	All credit institutions	
	Commer- cial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	
1968	856	1 088	428	4 598	3 966	2 683	1 027	465	12 740	14 256
1969	1 057	1 374	521	5 236	4 333	3 022	1 116	522	14 229	16 124
1970	1 143	1 508	603	6 099	4 847	3 458	1 288	574	16 266	18 377
1971	1 343	1 734	754	6 961	5 446	3 877	1 491	642	18 418	20 906
1972	1 851	2 371	979	8 096	6 232	4 500	1 806	720	21 353	24 703
1973	2 144	2 892	1 360	8 989	7 109	5 237	2 159	805	24 299	28 551
1974*	2 551	3 478	1 638	10 213	8 288	6 308	2 641	921	28 371	33 487

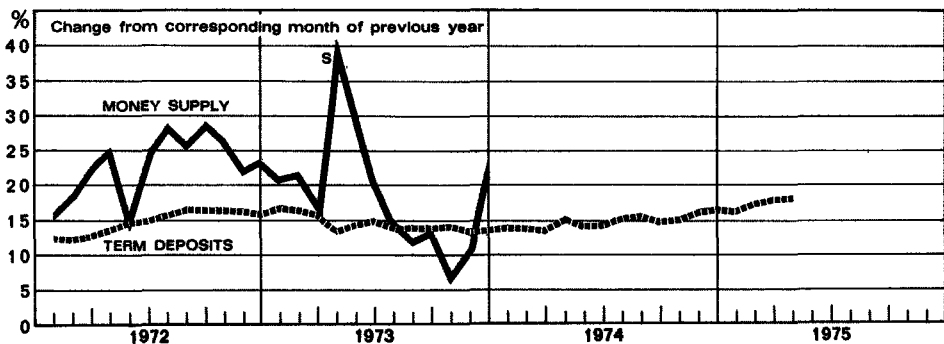
## 1974<sup>1</sup>

Feb.	1 851	2 432	1 374	9 162	7 272	5 446	2 231	826	24 936	28 742
March	1 806	2 380	1 253	9 079	7 271	5 449	2 266	832	24 897	28 530
April	1 839	2 482	1 229	9 081	7 273	5 511	2 269	833	24 966	28 677
May	2 007	2 641	1 179	9 158	7 379	5 599	2 287	839	25 261	29 081
June	1 992	2 628	1 232	9 205	7 484	5 632	2 335	847	25 503	29 363
July	2 155	2 818	1 267	9 244	7 566	5 726	2 366	854	25 756	29 841
Aug.	2 158	2 855	1 201	9 366	7 705	5 839	2 396	860	26 165	30 221
Sept.	2 161	2 872	1 288	9 370	7 740	5 885	2 422	875	26 292	30 452
Oct.	2 224	2 958	1 184	9 501	7 815	5 982	2 457	892	26 648	30 790
Nov.	2 198	2 924	1 346	9 653	7 944	6 101	2 504	896	27 097	31 367
Dec.	2 551	3 478	1 638	10 213	8 288	6 308	2 641	921	28 371	33 487

## 1975\*

Jan.	2 680	3 472	1 590	10 331	8 442	6 438	2 697	937	28 845	33 907
Feb.	2 551	3 371	1 861	10 458	8 553	6 590	2 740	953	29 294	34 526
March	2 530	3 381	1 854	10 520	8 575	6 613	2 753	960	29 421	34 656
April	2 573	3 414	1 762	10 596	8 591	6 668	2 753	964	29 572	34 748

<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
1968	5 866	3 448	2 600	928	1 053	13 392	503	13 895	2 642
1969	6 892	3 803	2 922	1 040	1 290	15 354	593	15 947	3 126
1970	7 963	4 342	3 404	1 342	1 454	17 815	690	18 505	3 445
1971	9 234	4 795	3 834	1 747	1 799	20 640	769	21 409	4 025
1972	10 667	5 503	4 483	2 245	2 374	24 473	799	25 272	4 959
1973	13 365	6 497	5 302	3 399	2 696	30 286	973	31 259	6 115
1974*	15 869	7 716	6 456	4 617	3 264	36 782	1 140	37 922	7 283

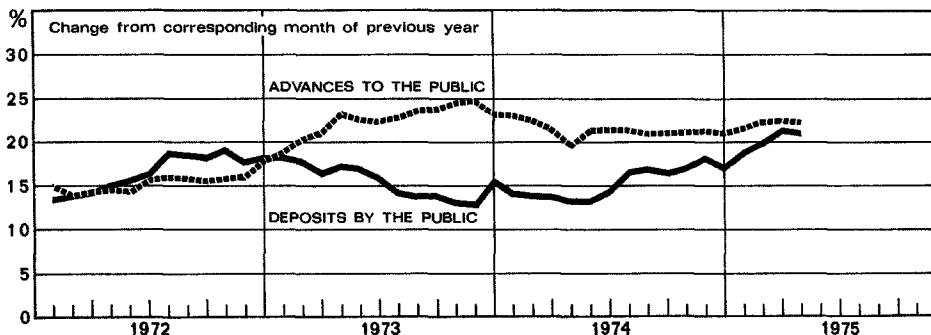
## 1974<sup>1</sup>

Feb.	13 447	6 698	5 444	3 665	2 770	31 007	1 017	32 024	5 479
March	13 595	6 772	5 515	3 741	2 827	31 380	1 070	32 450	5 376
April	13 830	6 844	5 574	3 891	2 848	31 915	1 072	32 987	5 456
May	14 111	6 935	5 671	4 016	2 920	32 537	1 116	33 653	5 646
June	14 293	7 015	5 749	4 164	2 981	33 083	1 119	34 202	5 903
July	14 349	7 092	5 840	4 334	3 021	33 534	1 102	34 636	5 967
Aug.	14 500	7 191	5 953	4 359	3 039	33 963	1 079	35 042	6 039
Sept.	14 826	7 341	6 102	4 424	3 087	34 609	1 171	35 780	6 146
Oct.	15 225	7 479	6 225	4 532	3 130	35 398	1 193	36 591	6 089
Nov.	15 542	7 616	6 338	4 615	3 206	36 139	1 178	37 317	6 378
Dec.	15 869	7 716	6 456	4 617	3 264	36 782	1 140	37 922	7 283

## 1975

Jan.	16 010	7 892	6 554	4 768	3 350	..	..	38 574	..
Feb.	16 398	7 990	6 668	4 818	3 381	..	..	39 255	..
March	16 773	8 060	6 743	4 847	3 394	..	..	39 817	..
April	16 919	8 162	6 868	4 913	3 556	..	..	40 418	..

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



# STATE FINANCES

Mill. mk

Revenue	January—April		Expenditure	January—April	
	1974	1975		1974	1975
	Income and property tax (net)	2 644		3 007	Wages, salaries, pensions etc.
Gross receipts	(4 992)	(6 234)	Repair and maintenance	126	146
Refunds & local authorities	(-2 348)	(-3 227)	Other consumption expenditure	485	675
Other taxes on income and property	53	62	<b>Total consumption expenditure</b>	<b>1 595</b>	<b>2 102</b>
Employers' child allowance payments	184	219	State aid to local authorities	1 034	1 542
Sales tax	1 596	1 741	State aid to industries	634	1 402
Revenue from Alcohol Monopoly	341	358	of which: agric. price subsidies	(459)	(587)
Customs duties & import charges	148	170	Child allowances	110	156
Counter-cyclical tax	—	—	Share in national pensions and health insurance	72	72
Excise duty on tobacco	174	169	Other transfer expenditure	719	856
»    » on liquid fuel	187	341	<b>Total transfer expenditure</b>	<b>2 569</b>	<b>4 028</b>
Other excise duties	128	144	Machinery and equipment	185	275
Tax on autom. and motor cycles	125	209	House construction	115	140
Stamp duties	130	155	Land and waterway construction	330	425
Special diesel etc. vehicles tax	24	22	<b>Total real investment</b>	<b>630</b>	<b>840</b>
Other taxes and similar revenue <sup>1</sup>	121	156	Interest on State debt	80	73
<b>Total taxes</b>	<b>5 855</b>	<b>6 753</b>	Index compensations	14	18
Miscellaneous revenue	332	804	Net deficit of State enterprises	29	52
Interest, dividends etc.	108	170	Other expenditure	12	6
Sales and depreciation of property	1	6	<b>Total other expenditure</b>	<b>135</b>	<b>149</b>
Redemptions of loans granted	51	61	Increase in inventories	— 5	+70
<b>Total revenue</b>	<b>6 347</b>	<b>7 794</b>	Lending	372	543
Foreign borrowing	8	12	Other financial investment	162	75
Domestic borrowing	107	195	<b>Total expenditure</b>	<b>5 458</b>	<b>7 807</b>
<b>Total borrowing</b>	<b>115</b>	<b>207</b>	Redemption of foreign loans	77	30
<b>Deficit (+) or surplus (-)</b>	<b>(-705)</b>	<b>(+28)</b>	Redemption of domestic loans	222	192
<b>Total</b>	<b>5 757</b>	<b>8 029</b>	<b>Total redemptions</b>	<b>299</b>	<b>222</b>
<b>Total</b>	<b>5 757</b>	<b>8 029</b>	<b>Total</b>	<b>5 757</b>	<b>8 029</b>

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

State debt	1972	1973	1974	1975		
	Dec.	Dec.	Dec.	Mar.	Apr.	May.
<b>Foreign debt</b>	1 517	1 395	1 152	1 153	1 150	1 148
Loans	2 268	1 758	1 528	1 525	1 525	1 529
Compensatory obligations	2	1	1	1	1	..
Short-term credit	56	39	37	57	56	..
<b>Cash debt (net)</b>	<b>-488</b>	<b>-468</b>	<b>-571</b>	<b>-481</b>	<b>-409</b>	<b>..</b>
<b>Domestic debt</b>	<b>1 838</b>	<b>1 330</b>	<b>995</b>	<b>1 102</b>	<b>1 173</b>	<b>..</b>
<b>Total State debt</b>	<b>3 355</b>	<b>2 725</b>	<b>2 147</b>	<b>2 255</b>	<b>2 323</b>	<b>..</b>
<b>Total debt, mill \$</b>	<b>804</b>	<b>710</b>	<b>590</b>	<b>643</b>	<b>651</b>	<b>..</b>

# 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	25 666	-4 979

1974\*

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	2 425	- 645
Oct.	2 239	2 399	- 160
Nov.	1 812	2 300	- 488
Dec.	1 715	2 198	- 483

1975\*

Jan.	2 014	2 755	- 741
Feb.	1 550	2 537	- 987
March	1 576	2 096	- 520
April	1 740	2 298	- 558

Jan.-Apr.

1974*	6 389	7 830	-1 441
1975*	6 880	9 686	-2 806

Indices of exports and  
imports 1969 = 100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1970	107	121	108	
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

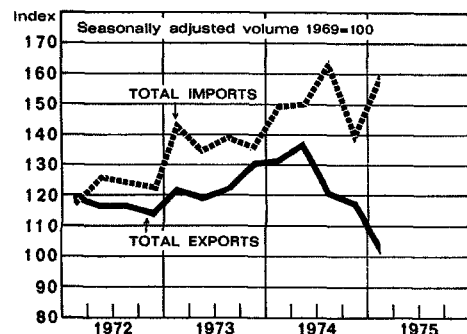
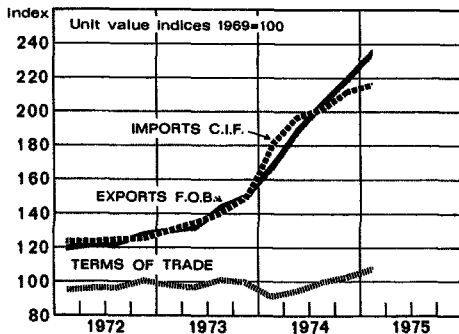
Jan.-Mar.	120	140	131	131	100
Apr.-June	115	133	133	136	98
July-Sept.	122	136	145	141	103
Oct.-Dec.	140	149	151	150	101

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	140

1975\*

Jan.-Mar.	104	160	237	217	109
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# 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	2 458	5 266	2 921	3 528	9 916	729	2 919	2 968	67
1974*	464	3 153	7 872	4 245	4 953	16 525	1 978	3 857	3 282	24

## 1974\*

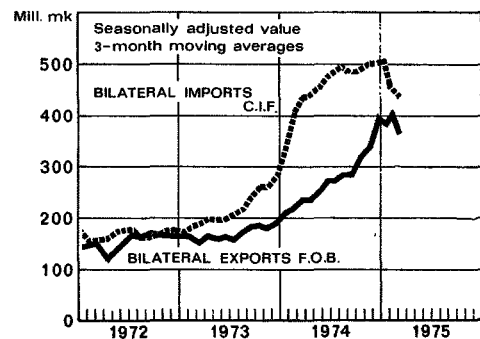
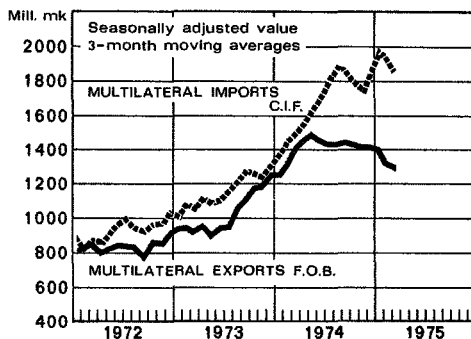
April	22	291	671	351	444	1 376	145	325	276	9
May	47	314	595	414	478	1 499	136	313	320	4
June	10	262	557	340	386	1 244	120	237	209	3
July	18	302	656	456	367	1 350	148	421	244	1
Aug.	25	339	673	168	345	1 537	169	291	266	2
Sept.	32	248	756	275	469	1 516	186	388	335	0
Oct.	27	251	852	618	491	1 550	190	339	319	1
Nov.	16	228	736	361	471	1 381	186	428	304	1
Dec.	63	191	718	310	433	1 457	154	317	269	1

## 1975\*

Jan.	71	229	780	480	454	1 686	146	542	380	1
Feb.	13	145	616	390	386	1 573	134	464	365	1
March	69	141	667	292	407	1 270	107	353	366	0
April	12	168	678	428	454	1 387	111	430	369	1

## Jan.-Apr.

1974*	226	1 018	2 329	1 303	1 513	4 991	689	1 123	1 016	11
1975*	165	683	2 741	1 590	1 701	5 916	498	1 789	1 480	3



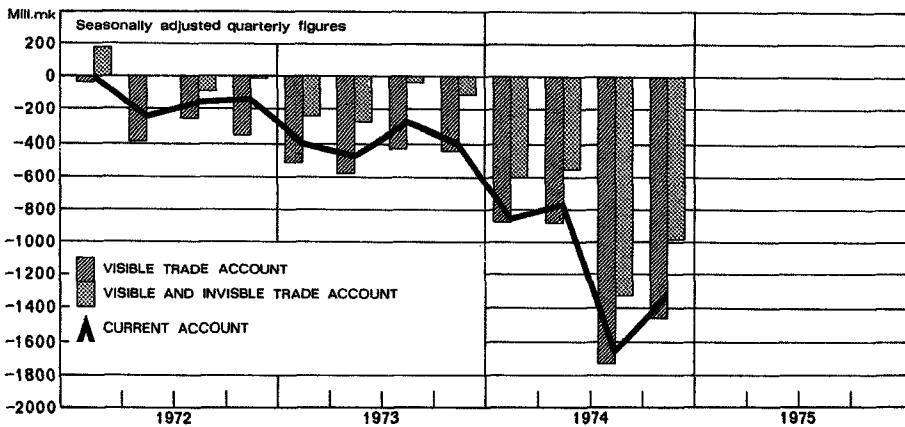
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—April				January—April			
	1974*		1975*		1974*		1975*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	72.0	4 604	63.9	4 399	66.3	5 188	68.2	6 606
Austria	1.0	67	0.8	55	1.4	107	1.3	128
Belgium-Luxembourg	2.0	125	1.4	96	1.8	145	2.1	204
Denmark	4.5	284	3.5	240	3.2	248	3.5	341
France	4.3	276	3.7	253	3.0	234	3.1	303
Federal Republic of Germany	8.3	531	9.7	664	15.3	1 195	16.8	1 625
Italy	2.1	134	1.4	97	1.5	115	2.0	190
Netherlands	3.4	219	2.6	181	4.3	340	3.1	297
Norway	2.9	188	4.4	305	3.3	257	3.1	304
Portugal	0.5	30	0.3	18	0.8	61	0.6	54
Spain	1.3	83	1.1	73	0.4	35	0.9	88
Sweden	17.2	1 100	17.1	1 179	19.0	1 487	19.1	1 851
Switzerland	1.8	114	1.7	120	3.2	251	3.3	319
United Kingdom	20.7	1 324	14.7	1 013	8.9	694	9.1	885
Other	2.0	129	1.5	105	0.2	19	0.2	17
<b>OECD countries outside Europe</b>	6.6	420	5.1	352	7.4	578	9.9	962
Canada	0.8	50	0.5	32	0.2	19	0.4	33
Japan	1.0	66	0.4	31	1.2	90	1.6	159
United States	4.0	256	3.7	253	6.0	468	7.9	768
Other	0.8	48	0.5	36	0.0	1	0.0	2
<b>CMEA countries</b>	13.3	848	21.5	1 481	22.3	1 749	17.7	1 716
Czechoslovakia	0.4	25	0.4	30	0.3	27	0.3	33
Democratic Republic of Germany	0.5	31	0.6	44	0.5	38	0.9	87
Poland	0.9	55	1.2	81	1.5	119	1.8	179
Soviet Union	11.0	701	18.4	1 266	19.4	1 520	13.7	1 325
Other	0.5	36	0.9	60	0.6	45	1.0	92
<b>Latin America</b>	2.4	154	2.9	198	1.8	144	1.6	157
Argentina	0.5	34	1.5	100	0.0	3	0.0	3
Brazil	1.0	65	0.7	50	0.6	43	0.4	39
Colombia	0.1	7	0.1	6	0.8	63	0.7	69
Other	0.8	48	0.6	42	0.4	35	0.5	46
<b>Other</b>	5.7	363	6.6	450	2.2	171	2.6	245
<b>GRAND TOTAL</b>	100.0	6 389	100.0	6 880	100.0	7 830	100.0	9 686
of which								
<b>EFTA countries</b>	23.7	1 512	24.5	1 688	27.7	2 171	27.5	2 662
<b>EEC countries</b>	46.3	2 959	37.7	2 591	38.0	2 974	39.8	3 852
<b>OECD countries</b>	78.6	5 024	69.0	4 751	73.7	5 766	78.1	7 568

# 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
1972	12 012	13 087	-1 075	+ 732	+335	+ 72	+ 64	- 586	+42	- 480
1973*	14 525	16 560	-2 035	+ 996	+341	+ 28	- 670	- 753	-57	-1 480
1974*	20 604	25 609	-5 005	+1 088	+326	+126	-3 465	-1 006	-58	-4 529
Jan.-March										
1972	2 870	2 956	- 86	+ 207	+ 3	+ 1	+ 125	- 142	-22	- 39
1973*	3 282	3 868	- 586	+ 260	- 5	+ 28	- 303	- 139	-14	- 456
1974*	4 589	5 663	-1 074	+ 281	+ 10	+ 28	- 755	- 233	-25	-1 013
Apr.-June										
1972	2 855	3 296	- 441	+ 170	+ 56	+ 47	- 168	- 156	- 8	- 332
1973*	3 182	3 843	- 661	+ 218	+ 48	+ 16	- 379	- 190	-22	- 591
1974*	5 160	6 224	-1 064	+ 199	+ 74	+ 72	- 719	- 239	-12	- 970
July-Sept.										
1972	2 979	3 198	- 219	+ 179	+192	+ 18	+ 170	- 139	+20	+ 51
1973*	3 656	4 084	- 428	+ 271	+240	+ 10	+ 93	- 173	- 9	- 89
1974*	5 103	6 809	-1 706	+ 356	+243	- 44	-1 151	- 244	- 8	-1 403
Oct.-Dec.										
1972	3 308	3 637	- 329	+ 176	+ 84	+ 6	- 63	- 149	+52	- 160
1973*	4 405	4 765	- 360	+ 247	+ 58	- 26	- 81	- 251	-12	- 344
1974*	5 752	6 913	-1 161	+ 252	- 1	+ 70	- 840	- 290	-13	-1 143

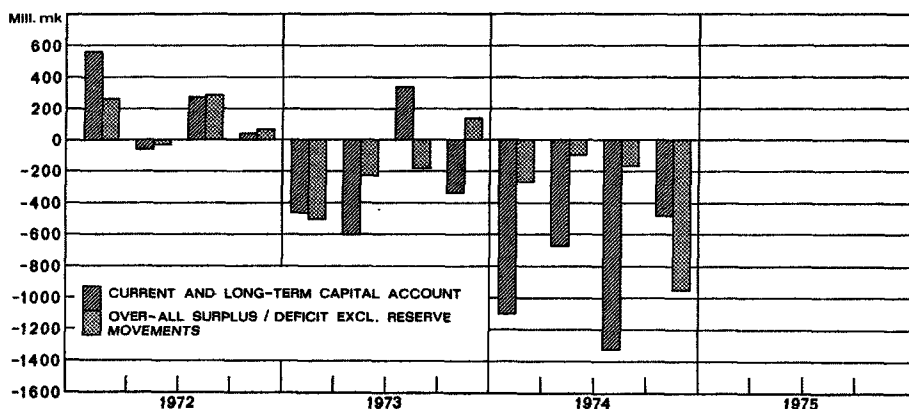


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and prepayments, net	Short-term export credits and prepayments, 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
+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
+2 730	-1 557	-224	- 18	+ 931	-3 598	+940	+ 977	+206	-1 475	+739	+736
+ 968	- 273	-115	+ 17	+ 597	+ 558	-156	- 27	-114 <sup>2</sup>	+ 261	-327	+ 66
+ 364	- 396	+ 35	- 24	- 21	- 477	+ 21	+ 25	- 76	- 507	+353	+154
+ 481	- 522	- 23	- 26	- 90	-1 103	+270	+ 285	+279	- 269	+138	+131
+ 655	- 180	-192	- 5	+ 278	- 54	+ 90	+ 26	- 91	- 29	+ 37	- 8
+ 309	- 265	- 48	- 9	- 13	- 604	+ 95	+ 323	- 41	- 227	+301	- 74
+ 758	- 362	-115	+ 15	+ 296	- 674	+369	+ 182	+ 27	- 96	- 99	+195
+ 628	- 327	- 41	- 25	+ 235	+ 286	+268	-125	-141	+ 288	-314	+ 26
+ 774	- 370	+ 59	- 15	+ 448	+ 359	-403	-274	+132	- 186	+ 66	+120
+ 543	- 373	- 60	- 22	+ 88	-1 315	+480	+ 522	+150	- 163	+202	- 39
+ 763	- 448	- 28	- 93	+ 194	+ 34	- 98	+ 36	+ 99	+ 71	+333	-404
+ 411	- 335	- 12	- 66	- 2	- 346	+ 41	+486	- 45	+ 136	-229	+ 93
+ 942	- 294	- 26	+ 15	+ 637	- 506	-179	- 12	-250	- 947	+498	+449

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
<b>1974</b>												
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
<b>1975</b>												
Jan.	537	546	502	565	589	487	616	518	502	247	243	237
Feb.	546	556	509	571	596	501	620	529	513	246	243	239
March	554	564	514	576	608	511	627	535	521	249	243	242
April	559	571	513	577	610	521	632	538	528	260	269	246
May	561	574	512	575	630	525	630	537	535	260	269	246

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
<b>1974</b>												
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
<b>1975</b>												
Jan.	364	285	141	139	124	141	155	179	140	136	135	141
Feb.	369	290	143	143	125	142	155	180	145	137	137	146
March	375	294	146	148	125	145	156	181	146	139	138	148
April	383	301	149	154	126	145	161	182	148	140	140	150
May	387	304	150	155	129	146	161	183	150	144	141	151



# 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							
1972	253	222	222	196	189	194	212	188	220	206
1973*	317	260	261	223	213	223	247	214	258	239
1974*	402	316	323	262	251	261	296	250	311	285
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	255
Apr.-June	388	316	320	266	252	265	300	253	315	288
July-Sept.	410	326	336	268	258	268	310	257	327	296
Oct.-Dec.	430	337	343	279	270	279	313	266	330	302
1975*										
Jan.-March	433	338	345	284	274	284	321	271	338	309

# PRODUCTION

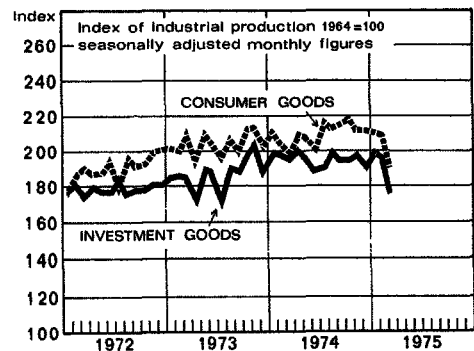
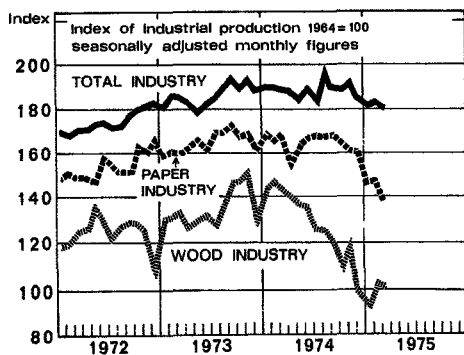
Volume indices of production 1964 = 100

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
1972	145	177	94	95	149	103	143	155	142	143	148
1973*	153	187	90	96	162	104	155	169	150	150	154
1974*	159	197	86	96	168	105	161	179	157	156	161
1973*											
July-Sept.	154	169	165	95	198	105	160	166	149	150	154
Oct.-Dec.	160	205	65	57	185	101	157	187	153	152	157
1974*											
Jan.-March	157	205	58	124	135	104	158	170	155	154	158
Apr.-June	155	190	66	113	162	109	163	172	157	156	160
July-Sept.	160	184	162	62	184	104	162	177	157	156	162
Oct.-Dec.	162	207	58	87	192	103	160	195	161	158	164
1975*											
Jan.-March	157	203	50	117	133	106	156	176	163	158	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	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
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
1975*											
Jan.	128	143	125	131	111	91	115	176	125	145	118
Feb.	120	133	118	122	99	94	106	168	117	137	119
March	119	129	117	121	96	90	103	169	125	134	117
April	130	148	125	139	118	104	104	179	133	152	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	143	168
1974*								
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	149	186
Dec.	3 495	2 234	2 195	39	1.7	3 079	190	193
1975*								
Jan.	3 503	2 208	2 159	49	2.2	3 029	128	158
Feb.	3 505	2 194	2 146	48	2.2	3 899	126	157
March	3 507	2 191	2 143	48	2.2	4 535	...	..

## 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											
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	20.66	2.81	40.20	18.81	2.91	13.63	2.82	51.42
1974*	53.23	22.34	3.26	20.84	3.52	45.85	21.29	2.70	16.74	3.11	50.87
1973*											
Oct.-Dec.	11.13	4.98	0.45	4.09	0.92	14.11	6.79	1.14	4.58	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
Oct.-Dec.	11.73	4.58	0.40	5.21	0.80	15.19	7.06	1.00	5.60	0.99	50.87

# 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 + Import deposits + 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.

From 1974 the money supply includes estimates of Finnish notes and coins held by the savings and co-operative banks. Exact figures are not available.

## 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 58, 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 18 %, transport and communications 7 %, services 25 %.

LANGUAGE (1972): Finnish speaking 93.3 %, Swedish speaking 6.5 %, 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 (1974, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 806 (5 %), forestry and fishing 5 154 (7 %), manufacturing 22 370 (31 %),

construction 7 525 (11 %), transport and communication 6 991 (10 %), commerce, banking and insurance 9 683 (13 %), public administration 3 357 (5 %), ownership of dwellings 3 058 (4 %), services 10 268 (14 %), total 72 212. Index of real domestic product 159 (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 (1973): Cultivated land 2.7 million hectares. Number of holdings 266 000, of which 176 000 are of more than 5 ha. Measure of self-sufficiency in bread cereals 114 % in the crop year 1973/74.

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 (March 31, 1975): Steamers 24 (13 200 gross reg. tons), motor vessels 365 (794 400 gross reg. tons) tankers 61 (993 700 gross reg. tons). Total 450 (1 801 300 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1974): Passenger cars 936 700, lorries and vans 124 900, buses 8 600, others 6 000. Total 1 076 200.

FINNISH AIRLINES (June 1, 1975): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-6, 9 Super Caravelles, 8 DC-9s, 2 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 1880, 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, 1974). There are two big and five small commercial banks with in all 857 offices, 294 savings banks, 390 co-operative banks, six mortgage banks, and Postipankki. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-seven 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 ¼ %; highest lending rate 12 ¼ %.

# MINING AND QUARRYING IN FINLAND

by Urpo J. Salo

Chief Inspector  
Ministry of Commerce and Industry

The purpose of this article is to examine, in broad outline, the development of geological research and prospecting in Finland, the mineral resources of Finland and her mining industry. The stone industry, the extraction of clay and gravel and the peat industry will also be briefly reviewed.

## GEOLOGICAL RESEARCH AND PROSPECTING

For the mining and quarrying industries, the aim of geological research and prospecting is to investigate and estimate the raw material resources of the soil and bedrock. This is the task of the Geological Survey of Finland, the mining and quarrying companies and also, to some extent, the universities.

The Geological Survey of Finland is mainly responsible for the carrying-out of geological mapping and basic research. Attempts have been made to compile, by means of systematic mappings, measurements and prospecting the basic information on the country's mineral resources, necessary for the mining and quarrying companies. There is a map of Pre-Quaternary deposits on the scale of 1 : 400 000 covering almost the whole country, and maps on the scale of 1 : 100 000 covering about one third of the country have been completed. A map of Quaternary deposits on the scale of 1 : 400 000 has been completed for two thirds of the country, and the densely populated southern Finland has been surveyed on the scale of 1 : 100 000. In addition, the whole country has been measured aeromagnetically and aeroelectrically from an altitude of 150 metres and with profile distances of 400 metres. Airborne low-altitude mappings, from about 30 metres and with profile distances of 200 me-

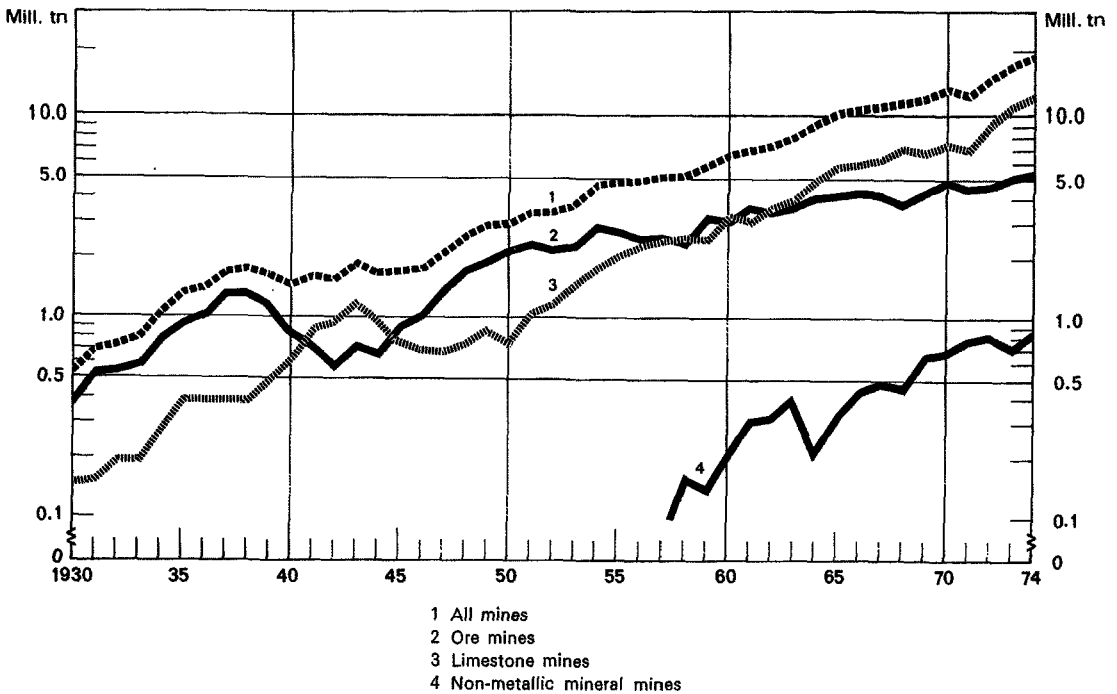
tres, were started a few years ago, and the aim is to measure the most promising regions for prospecting, or about one third of the country, in the next 15 years. Geochemical mapping was started a couple of years ago. The Finnish Geodetic Institute has prepared a gravimetric map of the whole country which is based upon a 5-kilometre observation point density. This amount of basic information will provide at least a basis for continuous estimation and investigation of mineral raw material resources.

Prospecting and mineral research are conducted by the Geological Survey of Finland and the mineral research organizations of seven mining companies. The appropriate estimates for the supply of other raw materials needed by the mining and quarrying industries are made by the entrepreneurs concerned.

In 1974, a total of about 54 million marks was used for geological and mineral research in Finland. Of this amount, 27 million marks was used by the Geological Survey of Finland, 25 million marks by companies and 2 million marks by others, mainly universities, in the form of individual research projects.

Prospecting has been carried out in Finland for several centuries, but its methods have been much improved, particularly during the last thirty years. In the past, ore deposits were discovered almost exclusively on the basis of rock samples collected by laymen. More recently, an increasing number of discoveries are the result of geoscientific research. The increasing importance of research will necessitate additional funds and more trained research staff. Nevertheless, the importance of layman samples is unlikely to diminish.

**CHART 1. TOTAL ANNUAL EXTRACTION OF FINNISH MINES IN 1930—1974, MILLION TONS**



## MINING

The development of total extraction of mines is shown in Chart 1. In the 1930s and 1940s, extraction remained insignificant, and the average annual volume of extraction was between one and one and a half million tons. Then the impact of improved geological surveying and prospecting methods began to be felt. The volumes of annual extraction started to grow substantially, so that in 1974 the total output of mines came to 18.9 million tons. Chart 2 shows the mines in operation at the beginning of 1975, the most important research projects and the metallurgical factories refining ores and concentrates.

There were 14 ore mines in operation last year, and the volume of their total ore production was 8.5 million tons. The operations of two mines ceased, on the exhaustion of the ore deposits. Three new ore mines are under construction: an iron ore mine at Rautuvaara, a vanadium mine at Mustavaara and a nickel-copper mine at Stormi, all due to come into operation in 1975—1976. The Rautuvaara mine will produce 500 000 tons of iron concentrates

and the Mustavaara mine 3 000 tons of vanadium pentoxide, annually.

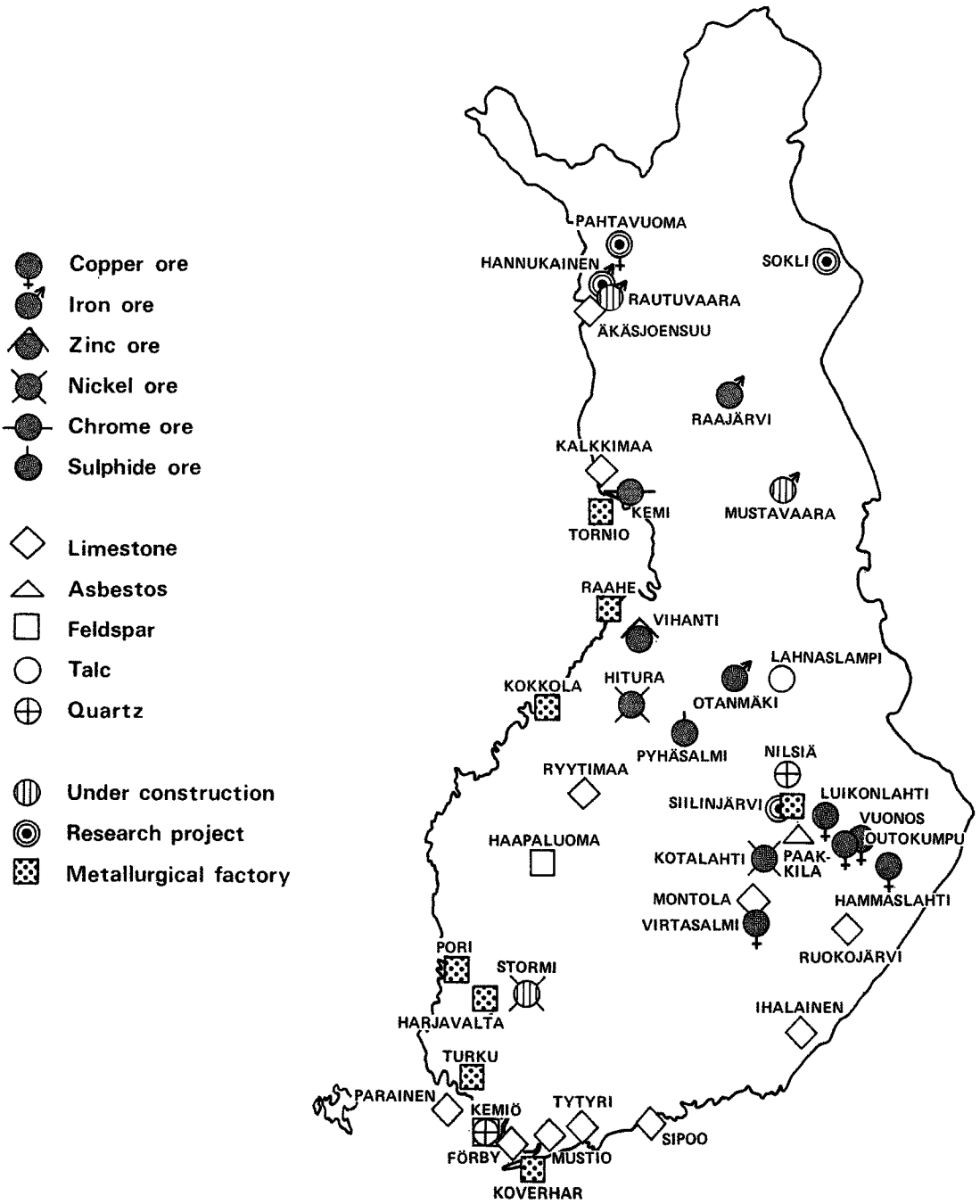
In all, 17 mineral mines were in operation in 1974, 12 of which were limestone mines. The total ore production of these mines was 5.9 million tons. In addition to limestone, the minerals talc, quartz, feldspar and asbestos were extracted from these mines. The Paakkila asbestos mine will close, because of difficulties in marketing asbestos. 0.2 million tons of minerals was extracted for use in the manufacture of mineral wool and cement.

## MINERAL RESOURCES AND THEIR LIMITS

It is estimated that at the present rate of extraction, total known resources of metallic ores will last, on average, more than 20 years.

Total mineral resources of limestone are very abundant. They are estimated to last for hundreds of years, which gives scope for long-range mining activities. Mineral resources of other minerals will last on average more than 30 years.

**CHART 2. MINES IN OPERATION, RESEARCH PROJECTS AND METALLURGICAL FACTORIES IN FINLAND IN 1975**



Apart from existing mines, there are several ore deposits which have been discovered or are being investigated. The most significant research projects are connected with two apatite deposits, at Siilinjärvi and Sokli, the mineral resources of which have proved to be very abundant by Finnish standards. Furthermore,

the ores of Pahtavuoma and Hannukainen are being examined for their copper and iron contents.

It can be concluded that, for certain metals, Finland's mineral resources are limited. However, by means of efficient prospecting, the



**TABLE 1. VOLUME OF ANNUAL OUTPUT, EXPORTS AND IMPORTS OF CONCENTRATES AND NON-METALLIC MINERALS IN 1972 AND 1974, 1 000 TONS**

	Output		Exports		Imports	
	1972	1974	1972	1974	1972	1974
<b>Concentrates</b>						
Iron concentrate	995	937	8	—	771	1 133
Pyrite concentrate	857	703	—	—	—	—
Copper concentrate	159	172	—	—	0.6	36
Ilmenite concentrate	149	152	9	—	0.3	17.5
Chrome concentrate	105	165	15	84	0.9	0.2
Nickel concentrate	107	122	—	—	12	12.6
Zinc concentrate	96	118	—	7	85	112
Cobalt concentrate	2	26	—	—	—	—
Lead concentrate	7	3	6	4	—	—
<b>Non-metallic minerals</b>						
Limestone	3 900	4 600	14	18	382	422
Talc	90	128	3.9	1.9	5.2	1.7
Quartz	92	120	—	5.6	1.6	0.4
Feldspar	60	63	44	46	—	—
Wollastonite	6.5	9	—	—	—	—
Asbestos	6.4	5.6	5.6	4.9	4.7	6.2

annual rate of increase in mineral resources has been kept at least in step with the rate of extraction. For instance, the resources of metallic ores have thus increased during a couple of last decades. Deposits of certain important metals, like aluminium, tin, molybdenum and uranium, are either entirely lacking in Finland or the exploitation of them has not proved economical.

#### PRODUCTION OF CONCENTRATES AND THEIR REFINING

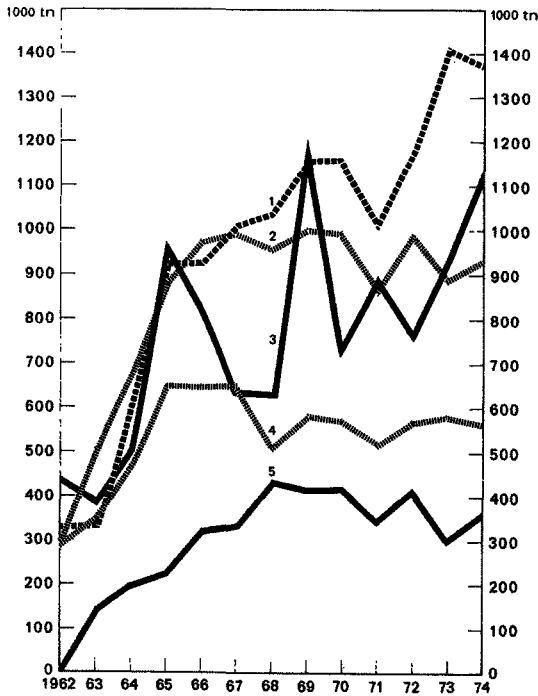
The total output of concentrates and minerals from the mines is shown in Table 1, which also presents export and import figures. Charts from 3 to 11 show the volumes and metal contents of certain major concentrates. Most of the metal concentrates are refined in Finland, apart from lead concentrate, for which the demand is so small that its domestic refining would not be economical. In addition, a substantial amount of Finnish chrome concentrates is exported, which is attributable to its present brisk demand.

#### IRON CONCENTRATES AND THE MANUFACTURE OF IRON

As Chart 3 shows, the principal Finnish iron

concentrates are iron pyrite residues, purple ore and magnetite concentrates. The Kokkola factories of Outokumpu Oy manufacture iron pyrite residues and purple ore, with an annual output of between 350 000 and 400 000 tons. The Otanmäki and Raajärvi mines of Rautaruukki Oy produce magnetite concentrates, their total annual output being between 550 000 and 600 000 tons. The annual output of iron concentrates amounted to 150 000 tons in the late 1950s, when the Otanmäki mine was the only producer. In the early 1960s, three minor iron mines started their production, and in the middle of the 1960s, when the Kokkola pyrite roasting furnace of Outokumpu Oy went into operation, the annual output of concentrates and roasted iron ores used in the manufacture of iron came to almost 1 million tons. This amount has kept the Raahe blast furnace of Rautaruukki Oy in almost full supply. The production of iron concentrates of the Raajärvi mine will cease in 1975, but when the Rautuvaara mine starts its production at the end of the year, the output of iron concentrates will slightly increase. In addition, the amount of iron pyrite residues which will be obtained from the pyrite concentrates of the Luikonlahti mine of Myllykoski Oy in a couple of years, will increase the total output of iron concentrates by 150 000 tons annually.

**CHART 3. ANNUAL OUTPUT AND IMPORTS OF IRON CONCENTRATES AND ROASTED IRON ORE, AND ANNUAL PRODUCTION OF IRON IN 1962-1974, THOUSAND TONS**



- 1 Production of iron from ores
- 2 Imports of iron concentrates
- 3 Total output of iron concentrates and roasted iron ores
- 4 Output of iron concentrates
- 5 Output of roasted iron ores

Fe-content of roasted iron ore 65 per cent  
 Fe-content of iron concentrate 66 per cent

In recent years, imports of iron concentrates have amounted to about 900 000 tons annually. The blast furnaces of Oy Koverhar Ab and Turun Rautatehdas, which belong to the Ovako Group, are totally dependent on imported iron concentrates. When the second blast furnace of Rautaruukki Oy starts its production in 1976, imports of iron concentrates will more than double.

In the early 1960s, about 150 000 tons of iron was produced from ores annually, the blast furnace of Oy Vuoksenniska Ab in Turku being the only manufacturer at that time. After the blast furnace of Oy Koverhar Ab started its production in 1962 and Rautaruukki Oy in 1964, the output of raw iron began to grow gradually, so that, in the last couple of years, it has amounted to 1.4 million tons. The second blast

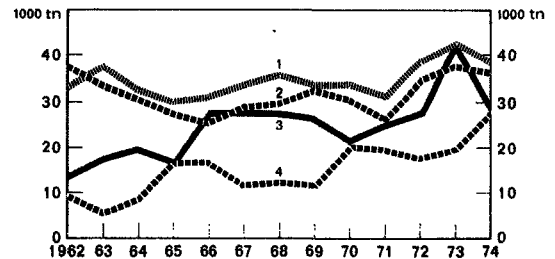
furnace of Rautaruukki Oy will begin production by 1976, and then the annual production capacity of raw iron will come to 2.2 million tons. Similarly, the production capacity and refinement level of raw steel will be further raised. In addition, about 450 000 tons of raw steel annually is smelted from scrap.

The vigorous expansion of the manufacture of iron and steel and the raising of the level of refinement have contributed particularly to a decrease in imports of steel products, especially steel sheets and an increase in exports.

### COPPER PRODUCTION

Copper concentrates are the main product of five mines, and the by-product of four mines. Chart 4 shows the output of copper concentrates (metal content) and copper metal, as well as their imports and exports. The copper content of concentrates has remained fairly constant for some time, being on average 35 000 tons in recent years. The output of cathode copper has also been stable, exceeding the output of copper concentrates by 5 000 tons, which equals the amount of scrap used in production. A certain amount of foreign concentrates has been imported in recent years. During the last ten years, the average annual volume of copper exports has been 28 000 tons and that of copper imports 18 000 tons.

**CHART 4. ANNUAL OUTPUT, EXPORTS AND IMPORTS OF COPPER AND METAL CONTENT OF COPPER CONCENTRATES IN 1962-1974, THOUSAND TONS**



- 1 Output of copper (cathode copper)
- 2 Metal content of copper concentrates
- 3 Exports of copper
- 4 Imports of copper

In recent years, the annual consumption of copper has been about 30 000 tons. Outokumpu Oy produces all copper concentrates in Finland, apart from the 12 per cent produced by the Luikonlahti mine of Myllykoski Oy. The refinement of copper is carried out by the Harjavalta and Pori refineries of Outokumpu Oy. No change is anticipated in the output from these mines in the near future.

## ZINC PRODUCTION

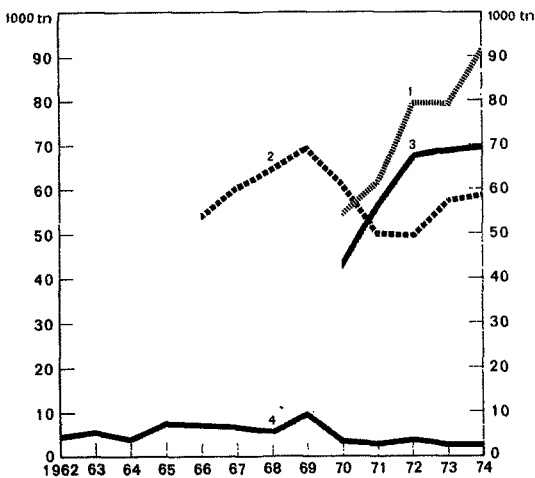
Zinc concentrates are the main product of two mines, the Vihanti and Pyhäsalmi mines of Outokumpu Oy. Two other mines produce zinc as their by-product, but that is of minor importance. Chart 5 shows figures for the output of zinc. Domestic zinc concentrates have so far satisfied two thirds of the need of zinc concentrates. However, the annual output capacity of the Kokkola zinc works rose from 90 000 tons to 160 000 tons at the end of last year, so that the domestic supply of zinc concentrates only meets one third of the need. It will be necessary to import a substantial amount of zinc concentrates, or about 100 000 tons of zinc annually. The annual domestic consumption of zinc will be 20 000 tons, so that its exports will increase

from 70 000 tons to 130 000 tons per annum. The expansion of domestic zinc ore resources is, at present, one of the major objectives of Finnish prospecting.

## NICKEL PRODUCTION

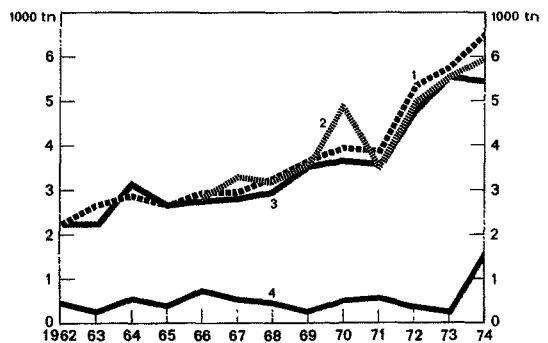
Four mines produce nickel concentrates as their main product and one mine as its by-product. In recent years, a certain amount of nickel concentrates has been imported. Chart 6 shows the figures for nickel production. Produced nickel concentrates are refined in Finland and exported almost totally. The annual production capacity for nickel is 10 000 tons and the annual domestic consumption 500 tons, which equals the amount of nickel imports. The production of nickel concentrates is likely to remain unchanged in the years to come, while the expansion of metal production depends on the availability of foreign nickel concentrates. The consumption of nickel will increase about ten times over, when, in a couple of years, a stainless steel mill goes into operation. Outokumpu Oy produces more than 90 per cent of Finland's nickel concentrates. The remainder is recovered as a by-product from the ores of the Lahnaslampi talc mine. The refinement of nickel concentrates is carried out by the Harjavalta nickel works of Outokumpu Oy.

**CHART 5. ANNUAL OUTPUT, EXPORTS AND IMPORTS OF ZINC AND METAL CONTENT OF ZINC CONCENTRATES IN 1962—1974, THOUSAND TONS**



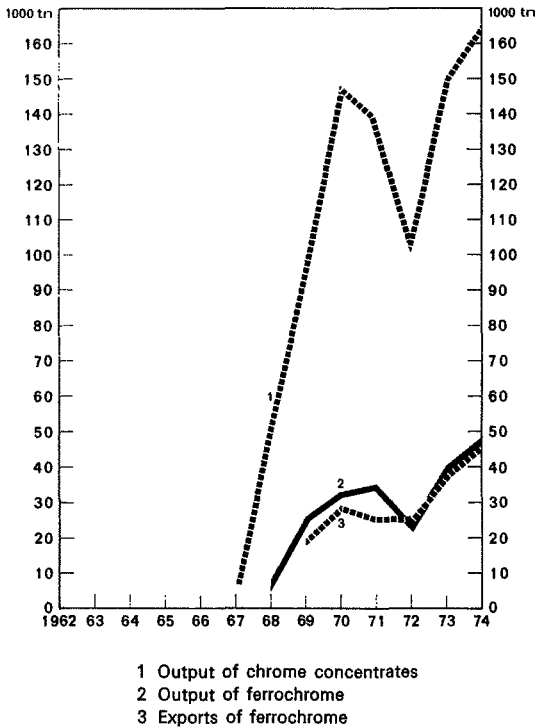
- 1 Output of zinc
- 2 Exports of zinc
- 3 Metal content of zinc concentrates (output of mines)
- 4 Imports of zinc

**CHART 6. ANNUAL OUTPUT, EXPORTS AND IMPORTS OF NICKEL AND METAL CONTENT OF NICKEL CONCENTRATES IN 1962—1974, THOUSAND TONS**



- 1 Output of nickel (cathode nickel)
- 2 Metal content of nickel concentrates
- 3 Exports of nickel
- 4 Imports of nickel

**CHART 7. ANNUAL OUTPUT OF CHROME CONCENTRATES AND OUTPUT AND EXPORTS OF FERROCHROME IN 1962—1974, THOUSAND TONS**



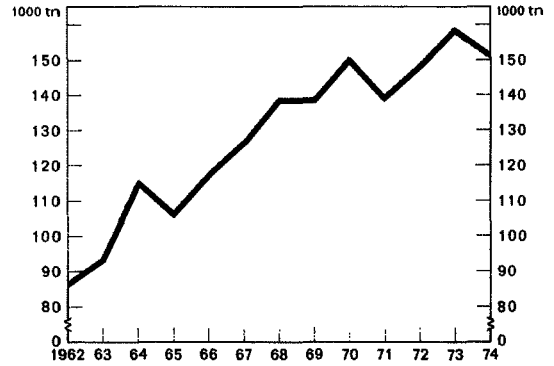
### FERROCHROME PRODUCTION

Chrome concentrates are produced by Outokumpu Oy's mine at Kemi and refined by their ferrochrome works at Tornio. The operations of these were started in 1966. In 1974 the annual output of chrome concentrates came to 165 000 tons, of which 28 400 tons was in the form of foundry sand. A certain amount of concentrates was exported. The output of ferrochrome amounted to 48 000 tons in 1974, with the production capacity being almost fully utilized. Nearly all the output is exported, as domestic consumption is still insignificant. However, when the manufacture of stainless steel starts in a couple of years, domestic consumption will increase and amount to 12 000 tons.

### ILMENITE CONCENTRATES

Ilmenite concentrates are produced by the Otanmäki mine of Rautaruukki Oy, with an annual

**CHART 8. ANNUAL OUTPUT OF ILMENITE CONCENTRATES IN 1962—1974, THOUSAND TONS**

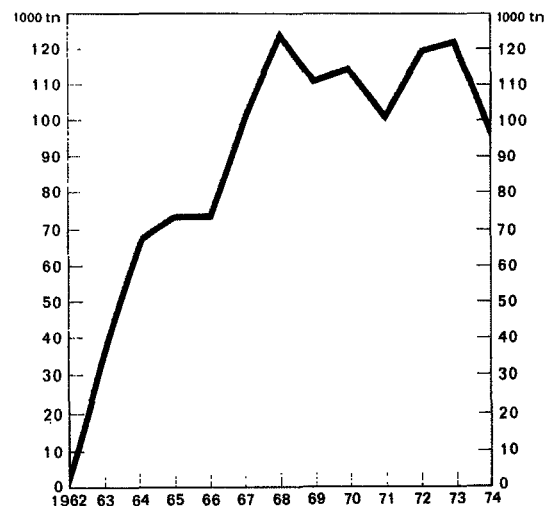


production capacity of 150 000 tons. These concentrates were all exported in the 1950s, but since the 1960s their use in the manufacture of titan white ( $TiO_2$ ) at the Vuorikemia works of Kemira Oy has gradually increased, so that at present almost all ilmenite concentrates are refined domestically. More than 80 per cent of the output of titan white is exported.

### SULPHUR PRODUCTION

Elemental sulphur is produced by Outokumpu Oy's Kokkola works, which went into operation in 1962. Pyrite concentrates for this purpose are produced by the Pyhäsalmi and Vihanti mines. The annual output of elemental sulphur has varied between 100 000 and 120 000 tons in recent years (Chart 9). Elemental sulphur is

**CHART 9. ANNUAL OUTPUT OF ELEMENTAL SULPHUR IN 1962—1974, THOUSAND TONS**



mainly used by the domestic wood-processing industries. The sulphur gases developing in the roasting furnaces and flash-melting works of the Kokkola, Harjavalta and Siilinjärvi plants are used in the manufacture of sulphuric acid. Kemira Oy produced almost 1 million tons of sulphuric acid from these gases.

#### PRODUCTION OF LEAD CONCENTRATES

The annual output of lead concentrates has decreased from 5 000 tons in the 1960s to 1 500 tons last year, since the closing down of the country's only lead mine at Korsnäs in 1972. At present the Vihanti mine produces lead as its by-product.

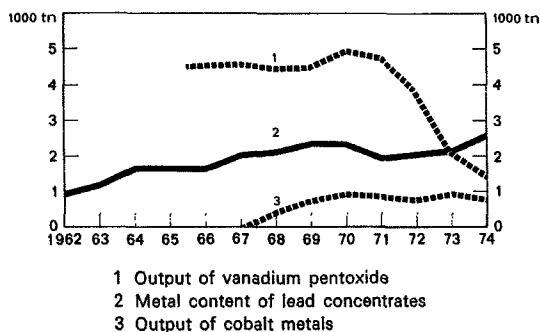
#### PRODUCTION OF VANADIUM PENTOXIDE

Vanadium pentoxide is obtained from the Otanmäki mine of Rautaruukki Oy. Production was started in 1956, and at present its annual output amounts to 2 500 tons, almost all of which, is exported. The output of vanadium will increase to 3 000 tons annually, when the Mustavaara mine and vanadium plant start their operations in 1976. All of the extra output will be exported.

#### COBALT PRODUCTION

Cobalt is produced from the pyrite concentrates and pyrite residues of the Outokumpu mine and from the cobalt concentrates of the Luikonlahti mine. The cobalt plant of Kokkola started its production in 1967, and its annual output has been between 800 and 1 000 tons, almost all of which has been exported.

**CHART 10. ANNUAL OUTPUT OF VANADIUM PENTOXIDE AND COBALT METALS AND METAL CONTENT OF LEAD CONCENTRATES IN 1962—1974, THOUSAND TONS**



#### PRODUCTION OF PRECIOUS METALS

The ores of most sulphide ore mines contain gold and silver. These are collected in the manufacture of copper and zinc from the anodic sludge of the electrolysis. The annual output of gold has been 0.6 tons and that of silver between 20 and 25 tons.

#### TOTAL PRODUCTION OF METALS

The manufacture of iron and copper has a long tradition in Finland. The manufacture of nickel started in 1960, of cobalt in 1967, of ferrochrome in 1968, of zinc in 1969 and that of cadmium and mercury in 1970. Some notable breakthroughs were made in the manufacture of new metals in the 1960s, mainly by Outokumpu Oy.

Finland's share in the world production of major metals was in 1974 as follows: for vanadium about 7.0 per cent, cobalt 3.5 per cent, ferrochrome 1.8 per cent, zinc 1.6 per cent, nickel 1.0 per cent, copper 0.6 per cent and steel 0.2 per cent. Finland's population is slightly more than 0.1 per cent of the world's total population.

#### PRICES OF THE MOST IMPORTANT METALS

The price of copper reached its peak level, or more than £ 1 200 per ton, in 1973, but then fell to the level of the latter half of the 1960s, or to between £ 500 and 600 per ton. In view of the sharp rises in costs, the present price of copper is lower than ever before in the 1960s and 1970s. This is a result of the weakened demand for copper, caused by the present economic downswing. Similarly, the price of zinc has fallen from the peak level of 1973, though it remains at double the price of the early 1970s, or between £ 300 and 400 per ton. The price of nickel, which has always fluctuated less, has shown a slight tendency to rise. The price of ferrochrome, which stayed for some time at a level of between £ 50 and 100 per ton, rose in 1974 to more than £ 300 per ton. The price has continued to rise, so that, at the beginning

of the current year, it exceeded £ 400 per ton. These price increases have been caused by a growth in consumption, disturbances in production and by the rises in the price of energy. The prices of steel have also gone up steadily. The prices of hot-rolled steel sheets have doubled during 1973—1974 on the previous years, or from 600 marks to 1 200 marks per ton.

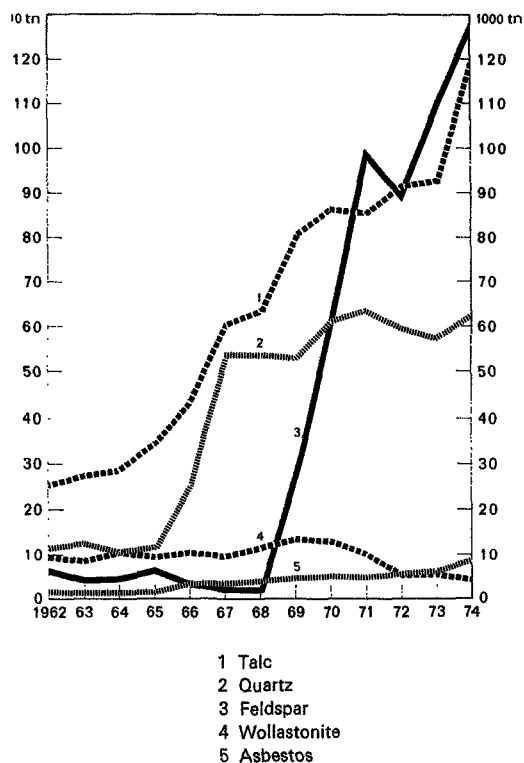
## NON-METALLIC MINERAL PRODUCTION

During the last ten years, the annual extraction of limestone has varied between 3.5 and 4.5 million tons. About 70 per cent of the limestone output is used in the manufacture of cement. Lime burning and soil conditioning account both for ten per cent of the consumption of limestone. Finnish exports of micropowders, which are made of limestone and used as extenders in the manufacture of paints and plastics, amount to about 15 000 tons annually.

The output of non-metallic minerals is shown in Chart 11. Minor amounts of talc were produced for a few decades previously, but when the Lahnaslampi talc mine started its production in 1969, the output of talc concentrates increased rapidly and reached an annual level of 130 000 tons. Highly purified talc, which is concentrated by a process of flotation, is used as an extender in the paper industry, while micropowders are used as coating substances. Talc in this case is used as a substitute for kaolinite, which is an imported mineral. Some amounts of talc have been exported.

The output of quartz has grown steadily, being, at present, about 120 000 tons per annum. Quartz is produced by two mines and used by the glass and ceramic industries. By expanding domestic production, it has been possible to reduce imports substantially. A new quartz plant of Lohjan Kalkkitechdas Oy will be completed at Nilsjä in 1976, when domestic output of quartz will amount to 200 000 tons per annum.

**CHART 11. ANNUAL OUTPUT OF TALC, QUARTZ, FELDSPAR, WOLLASTONITE AND ASBESTOS IN 1962—1974, THOUSAND TONS**



Feldspar production was of minor importance until recently. In 1966 a feldspar mine, which produces feldspar concentrated by a process of flotation, started its production at Kemiö. Feldspar is obtained from two mines, and the output has gradually increased to 60 000 tons a year. Most of the output is exported.

Asbestos has been produced from the Paakkila mine for more than 50 years. During the few last decades, the output has remained at an annual level of 10 000 tons, which has been mostly exported. Because of reduced demand for asbestos, production will cease during the current year.

Wollastonite concentrates have been produced as a by-product from the Ihalainen limestone mine. Its output has steadily risen at an annual level of 10 000 tons. Wollastonite is used in the ceramic industry, and part of its production is exported.

## STONE INDUSTRY

The output of the Finnish stone industry amounted to about 8 000 cubic metres in 1974. Some ten major entrepreneurs and a number of minor entrepreneurs operate in this field. The most important kinds of stone extracted are granite, diabase, diorite, marble, sandstone and soapstone. In recent years the revival of the stone industry has led to expansion, and attempts have been made to raise the level of refinement. The stone industry has enough raw material resources to suggest good prospects for expansion. The substantial part of the output is exported.

## UTILIZATION OF CLAY AND GRAVEL

It is estimated that Finland's clay resources amount to 46 000 million cubic metres, more than 80 per cent of which is situated in southern Finland. About 0.5 million cubic metres of clay is used annually in the brick industry, while 0.2 million cubic metres of clay is used in the manufacture of light gravel. The consumption of clay is thus very small in view of the country's clay resources.

Different estimates have been made of the country's gravel resources, varying between 30 000 and 36 000 million cubic metres. About 9 million cubic metres of gravel is used as concrete gravel and 23 million cubic metres annually for road and railway construction. In addition, a total of 21 million cubic metres of gravel, sand and stone chips is used in construction, as extenders and for other similar purposes.

## PEAT INDUSTRY

The peat industry dates back to very old times in Finland. Peat has been used as litter and fuel. The production of fuel peat was expanded during the war in the 1940s, and in the early 1950s, it rose to 250 000 tons per annum. Subsequently the output declined gradually, reaching an annual level of 80 000 tons in the late 1960s.

Towards the end of the 1950s, a method of cultivating was developed in Finland in which fertilized peat is used as a kind of planting bed in hot-houses. This resulted in the production of horticultural peat, which reached an annual level of 500 000 cubic metres in the 1970s. Exports account for about ten per cent of this amount.

In the 1970s, attention was again focussed on the production and utilization of fuel peat. In 1971 the State Fuel Centre was charged with the duty of producing 3 million tons of fuel peat in 1980. Because of the energy crisis, this target was increased twofold in 1974. In the 1980s, fuel peat will account for about five per cent of the country's total energy supply.

A factory manufacturing peat coke is now under construction. It will produce 30 000 tons of peat coke annually, which will be used as a reducing agent in the metallurgical industry.

There are about 30 enterprises engaged in the production of peat. It is estimated that in the current year the output of fuel peat will exceed 600 000 tons and that of horticultural peat 700 000 cubic metres.

## THE ROLE OF MINING AND QUARRYING IN THE FINNISH ECONOMY

The mining and quarrying industries employed about 7 000 persons in 1973. The value added by mining and quarrying was two per cent of the value added by total manufacturing, while the gross value of its output was one per cent of that of total manufacturing. The expansion of mining and quarrying has been shared by the basic metal industries, the building material industries and the basic chemical industries. The progress made in mining and quarrying has also led to advances in technology, such as a flash-melting method which is used nowadays in copper and nickel metallurgy in various parts of the world.

## ITEMS

**New Cabinet.** At the end of May, the Government of Mr. Kalevi Sorsa, which was formed on September 4, 1972, asked the President of the Republic to hold new Parliamentary elections. On June 4 the President decided to hold Parliamentary elections on 21st and 22nd September 1975. Thereupon Mr. Sorsa's Cabinet tendered its resignation. The President requested Cabinet members to continue in office until a new government had been formed. On June 13 the President appointed a Caretaker Cabinet. The Prime Minister in the new Cabinet is Mr. Keijo Liinamaa, Secretary General in the Ministry of Labour. Mr. Olavi J. Mattila, Chairman of the Board of Valmet Oy and Enso-Gutzeit Oy is Deputy Prime Minister and Minister for Foreign Affairs. Minister for Foreign Trade is Mr. Arvo Rytkönen, Head of the Department of Foreign Trade of the Ministry for Foreign Affairs and Minister of Finance is Mr. Heikki Tuominen, Chief General Manager of Postipankki.

**The International Monetary Fund decision concerning a stand-by arrangement and an oil facility purchase for the Government of Finland.** On June 4, 1975 the International Monetary Fund approved a stand-by arrangement for the Government of Finland, authorizing purchases of currencies up to the equivalent of 95 million special drawing rights (about 420 million marks), or half of Finland's quota in the Fund, over the next twelve months. The Fund also agreed to a purchase of 71.25 million special drawing rights (about 315 million marks) under the 1975 oil facility.

The International Monetary Fund approved these arrangements in support of the Government's stabilization programme aimed at reducing Finland's domestic rate of inflation and the current account deficit of the balance of payments.

**Supplementary budget.** In May Parliament approved the first supplementary budget for 1975, which involved a 1 288 million mark rise in state expenditure and a 660 million mark rise in state revenue. The appropriations included in this budget will be used to promote industry, agriculture and energy production, and to stimulate economic activity in the development regions. Funds were also earmarked for granting housing subsidies and for easing the effects of economic recession.

The agreement which was concluded last August between the Government and the Central Association of Finnish Forest Industries (see Items in Bulletin 9/1974) was revised in January this year to the effect that the amount to be collected in counter-cyclical withholdings was reduced from 300 million marks to 240 million marks. Of this amount, 120 million marks has been deposited on blocked accounts in the Bank of Finland in the name of each depositor (firm). These funds will be reimbursed to the depositors before the end of June 1975. The remaining 120 million marks paid to the central government in counter-cyclical withholdings, will be used for research into securing a sufficient supply of timber and for financing forest improvement projects by granting investment subsidies or loans for forest industry firms. In this supplementary budget, 15 million marks was set aside for reducing prices of forest fertilizers; in addition, 20 million marks was earmarked for forest improvement loans.

540 million marks worth of funds accrued in the counter-cyclical reserves of the central government was included in the budget. The major part of this will be used to raise the share capitals of the state-owned companies, Imatran Voima Oy, Valmet Oy, Enso-Gutzeit Oy, Rautaruukki Oy, Outokumpu Oy and Kemira Oy. The revival of investment in the development re-



gions has increased the demand for loans granted by the Regional Development Fund; in order to allow the fund wider scope for credit granting, it will be granted a 230 million mark loan, and its share capital will be raised by 40 million marks. In addition, funds accrued in the counter-cyclical reserves will be used to set up two state-owned companies operating in the electronics field and to purchase the majority of shares in Oy Suomen Autoteollisuus Ab, in order to promote and expand the domestic automobile industry.

In February this year, an act was passed concerning founding a central government Investment Fund. This Fund is designed to stimulate the investment of state funds in projects promoting economic growth, employment and international competitiveness. It is intended that, in credit-granting decisions, investment projects of both the private sector and state-owned companies will receive equal treatment from the Fund. Credits will be granted for investments in energy production and small-scale industries, with an eye to ensuring that a sufficient amount of loan capital is directed to the development regions. 500 million marks was transferred to the Investment Fund in this supplementary budget.

Parliament passed the Government's proposal for an act concerning housing subsidies. This act is mainly designed to increase the subsidies

for families with children who live in rented dwellings. During the current year this will cause an additional rise in expenditure of 100 million marks, the amount which was allotted in the supplementary budget.

When this supplementary budget is included, budgeted state expenditure for 1975 totals 23 117 million marks.

**Use of safety belts and crash-helmets in Finland's road traffic.**

In May Parliament made an amendment to the Road Traffic Act, concerning the use of safety belts, making it obligatory from the beginning of July 1975, for the driver and any front seat passenger of more than 15 years of age, to use safety belts, given that such belts have been installed in the vehicle. This stipulation does not apply to professional transportation. Moreover, a safety belt is not compulsory, if illness or disability or any other special impediment obviates the use of the belt.

A statute will be enacted concerning the use of the crash-helmets, which will make it obligatory for the driver and passenger of a motorcycle to use crash-helmets of a type approved by the Ministry of Transport and Communications. The provision does not apply to drivers of mopeds.

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# BANK OF FINLAND

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*Governor*

A. Simonen

*Deputy Governor*

Ahti Karjalainen

Päiviö Hetemäki

Pentti Uusivirta

Rolf Kullberg

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## Directors

Jouko J. Voutilainen

Jorma Aranko

Pertti Tammivuori

Markku Puntila

Seppo Lindblom

K. Ignatius

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*Director, ADP-planning*

Pauli Kanerva

Eino Helenius

*Administration*

Pentti Koivikko

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Antti Lehtinen

*Domestic Financial  
Operations*

Kalle Koski

*Capital Transfers*

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*Eastern Trade*

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*Economics Dept.*

Heikki Koskenkylä

*Research Dept.*

Stig Törnroth

*Cash*

K. Eirola

*Automatic Data Processing*

A. Nenonen

*Foreign Correspondence*

Stig G Björklund

*Banking Services*

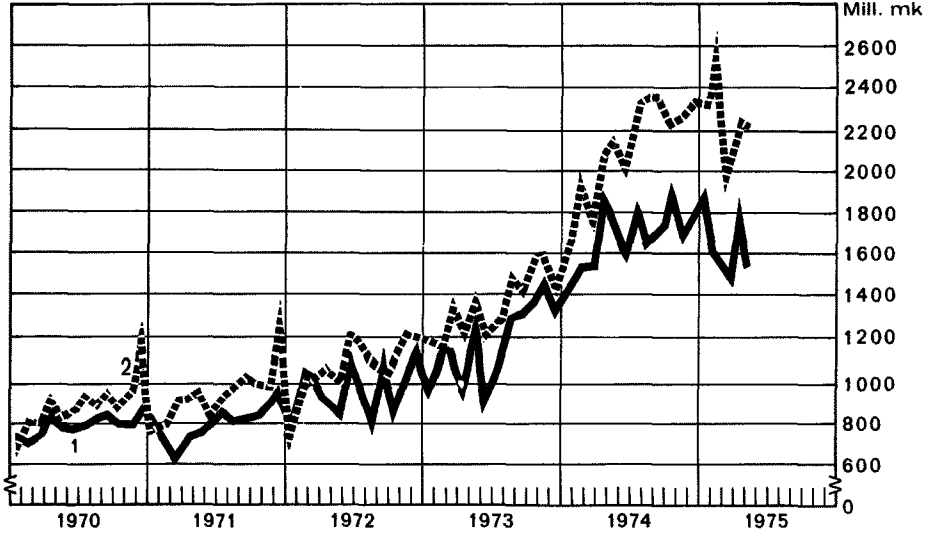
Eino Suomela

*Internal Audit*

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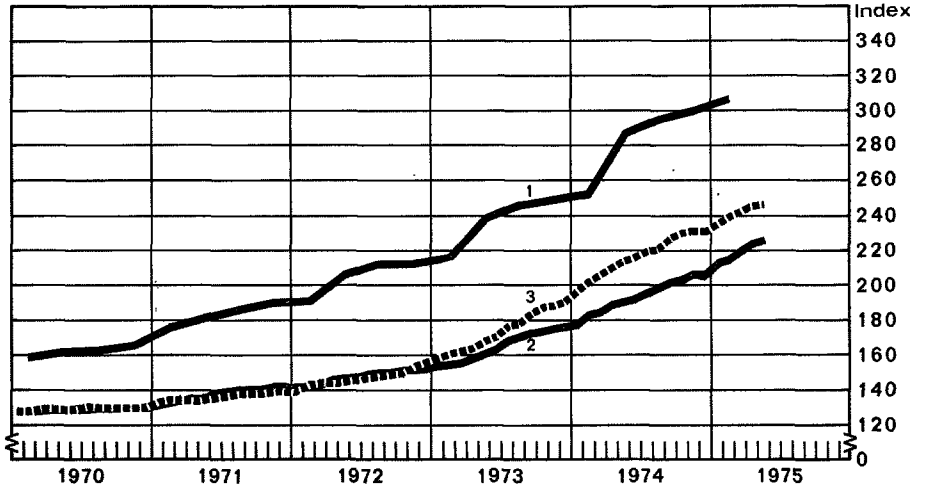
FOREIGN TRADE, 1970-1975

- 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

