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Recent Financial Market
Developments and Monetary
Policy

The Primary Dealer System
in Finland

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RECENT FINANCIAL MARKET DEVELOPMENTS AND MONETARY POLICY

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MARKKA CONTINUES TO FLOAT, INTEREST RATES MAINTAIN LOWER TREND

Despite the turmoil in European financial markets, the foreign exchange market in Finland was relatively calm in the last few months of 1992. The Finnish markka remained stable against most major currencies; for example in relation to the deutschmark it was at a level that implied a depreciation of some 15 per cent from the pre-float level. However, in the last two weeks of 1992 and the first weeks of this year the markka has depreciated further.

Market interest rates fell sharply in the autumn after the Government announced a comprehensive package of measures aimed at fiscal consolidation in the medium term (Chart 1). When, in late November, the unions accepted a pay settlement under which they agreed to refrain from wage increases for the second year running, long-term rates also fell markedly. The short-term interest rate differential between the markka and the deutschmark narrowed to less than 2 percentage points and the long-term interest rate differential to around 3.5 per cent by the end of the year. In January, the differentials increased slightly.

The developments in the international environment have turned out to be even weaker than expected. In particular, foreign trade prices have developed unfavourably; export prices have risen only a little despite the depreciation of the currency. At home, domestic demand has continued to decline at a faster-than-expected pace and the employment situation has deteriorated sharply.

In early February, the Bank of Finland specified the guidelines according to which monetary policy will be conducted over the next few years. The aim is to stabilize the rate of inflation – measured by the annual rise in consumer prices – permanently at 2 per cent by 1995. The recent weakening of exchange rates could lead to a temporary acceleration of the rise in consumer prices above this level in 1993 and 1994.

EXPORTS EXPAND, DOMESTIC DEMAND CONTRACTS

In 1992, the growth of exports, which had begun in summer 1991, continued unabated, albeit at a decelerating pace towards the end of the year. The volume of exports for the year as a whole was up 9 per cent from 1991. Exports of metal, engineering and forest products recorded the strongest growth. The volume of imports increased by only 1/2 per cent in 1992.

The effects of the surge in exports have been tempered somewhat by the slow rise in export prices. In December, prices of traded goods were only 4.3 per cent higher than a year earlier, despite the markka having depreciated by some 25 per cent. Since the markka was floated in September, import prices have risen by 7.6 per cent – ie at a faster rate than was the case following the devaluation of November 1991. Consequently, the terms of trade deteriorated in the last months of 1992.

Domestic demand continued to contract in the second half of the year. According to preliminary national accounts

figures, the volume of private consumption fell by 5.3 per cent in 1992 as a result of a marked reduction in households' real incomes and continued rise in the propensity to save. Likewise, fixed investment declined by nearly 16 per cent. In the public sector final demand declined by 1.3 per cent in 1992.

According to preliminary figures, the volume of GDP at market prices decreased by 3.5 per cent in 1992, implying a continued contraction in activity in the second half of the year.

Developments in industrial production in the last quarter of 1992 were mixed, reflecting pronounced differences in the conditions facing the economy's foreign and domestic sectors. Production in the forest, metal and engineering industries expanded by 8.4 per cent in 1992. By contrast, the deepening of the domestic recession dampened growth in services, construction and other non-tradables sectors. Output in these industries fell by some 5 per cent on average from the previous year.

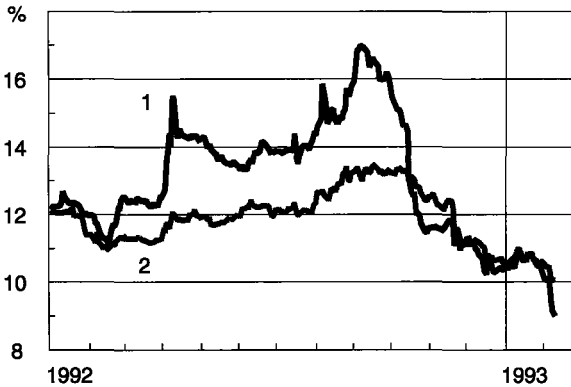
EXTERNAL BALANCE IMPROVES, BUT UNEMPLOYMENT RISES

According to preliminary balance-of-payments figures for 1992, the deficit on current account shrank by FIM 3.8 billion and amounted to FIM 22.8 billion or about 4.5 per cent of GDP¹ (Chart 2). The improvement was largely due to a substantial increase in the trade surplus to FIM 12.2 billion. In addition, the deficit on the services account narrowed as a result of

¹ See the item in this issue of the Bulletin. 3

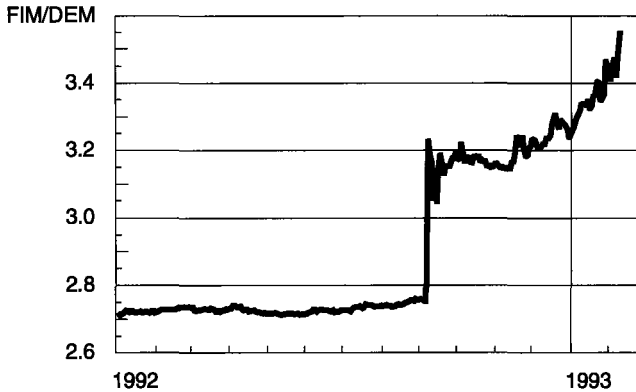
CHART 1.

KEY INTEREST RATES

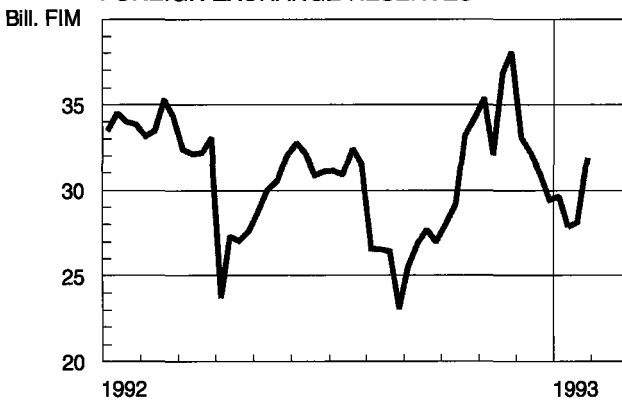


- 1. 3-month HELIBOR
- 2. Rate on 5-year government bonds

MARKKA'S EXCHANGE RATE AGAINST THE DEUTSCHMARK



FOREIGN EXCHANGE RESERVES



both an increase in the surplus on the transport account and a reduction in the deficit on the travel account. In particular, travel expenditure began to decline in the last quarter of the year. The improvement in the external balance was, however, partially offset by a sharp rise in net interest payments.

Cutbacks in production in the domestic sector have led to a further deterioration in the employment situation. The seasonally adjusted unemployment rate rose to 15.1 per cent in December, and the number of unemployed reached 374 000 persons. There was also a rise in the number of persons laid off or on short time in the last months of the year.

On the other hand, the recession has helped to keep domestic price inflation in check. The pass-through from exchange rate changes to prices has only been partial. In the last quarter of 1992, consumer prices rose by 2.5 per cent at annual rate from the previous quarter, and the 12-month change to December 1992 was 2.1 per cent. Higher import prices have been the main factor behind the rise in prices, though hikes in public fees and charges have also contributed. Prices have generally declined in the domestic private sector, especially those of dwellings and food.

At the end of November, a wage agreement was signed for the second year of the current agreement period. The agreement includes an index clause, which states that if consumer prices rise by more than 4.3 per cent in the period between October 1992 and September 1993, wages will be raised by the amount in excess of 3.9 per cent. In the context of the wage agreement, the Government agreed not to make any cuts in unemployment benefits.

CAUTIOUS STANCE IN MONETARY POLICY

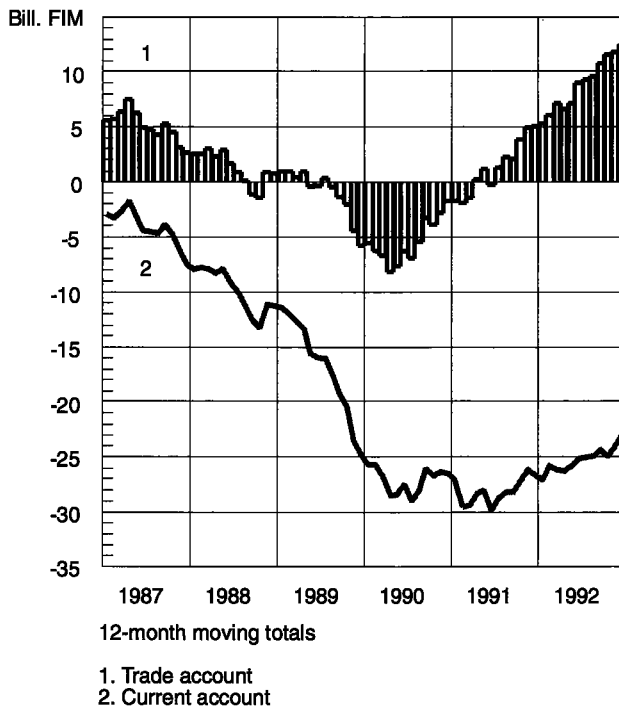
Since the floating of the markka monetary policy has been geared towards maintain-

ing price stability. Monetary policy has been guided by several indicators including indicators of price pressure, monetary aggregates, yield curves and the exchange rate. The goal has been to gradually bring down interest rates without jeopardizing price stability. On 4 February, the Bank of Finland announced an explicit inflation target, which will serve as a guideline for its monetary policy over the next few years. The aim is to stabilize the rate of inflation permanently at 2 per cent by 1995. Inflation will be measured by the consumer price index, excluding public charges, taxes and housing prices.

The dilemma facing monetary policy has been that any rapid easing of monetary policy may lead to further depreciation of the currency with adverse consequences for domestic activity. The problem is compounded by the fact that a large proportion of the outstanding debt of local authorities and firms in the non-tradables sector is denominated in foreign currency. Thus any further depreciation of the markka would result not only in higher import prices but also in higher debt-servicing costs.

The stance of monetary policy has, for these reasons, been rather cautious in the last few months. Monetary conditions have been kept fairly easy and the central bank has intervened in the currency market in order to smooth exchange rate fluctuations. As a result, short-term interest rates settled at around 10.5 per cent at the end of the year. In January, the 3-month interest rate differential between the markka and the deutschmark widened to just over 2 per cent from just under 2 per cent in December. In early February, interest rates fell sharply following the decline in German interest rates and the decision to lower the Bank of Finland's base rate. On 9 February, 3 month HELIBOR stood at 9.0 per cent. Long-term rates have been declining, although interest rates on taxable government bonds have been volatile. The Bank of

CHART 2.
EXTERNAL BALANCE



Finland's tender rate moved in a narrow range around 10.5 per cent in January, while in early February it declined close to 9 per cent.

By the end of January, the value of the markka in relation to the deutschmark had declined by some 25 per cent from its prefloat level (Chart 1). Demand for foreign currency started to increase in December, largely as a result of operations by firms in connection with their end-of-year balance sheets. It continued in January, mainly because of the depreciation of the Swedish krona and the speculation against the Irish punt, which had spill-over effects on the markka.

Uncertainty about the fate of the Government's bill on a support package for the banks also had some effect on exchange rates. The bill consisted of three elements: enlarged powers for the Government to provide financial assistance to the banking sector through the budget, authorization for the Govern-

ment to establish "bad banks" and the placing of the Government Guarantee Fund under the direct control of the Government. The Government wanted the bill to be treated urgently. Parliament was prepared to approve the contents of the bill with the exception of the establishment of the bad banks. However, the opposition parties made their support for the bill's rapid passage through Parliament conditional on the Government agreeing to take measures to stimulate the economy. The Government was not prepared to give way on this point as it considered that such measures were at odds with its attempts to cut spending. As a result the bill was defeated; it would have required 5/6 majority to have been enacted. Instead, the Government made the support available through the budget, and on 2 February a supplementary budget providing FIM 20 billion in support for the banking sector in 1993 was approved by Parliament.

With the fall in market rates, interest rates on new bank loans have fallen as well. The average rate on new markka loans declined in the last few months of the year and was 11.3 per cent in December. Banks' prime rates have also fallen. The margin between the average lending rate and the average deposit rate nevertheless increased towards the end of the year, reflecting the banks' efforts to boost their profitability.

The downward trend in both short- and long-term markka interest rates during the autumn paved the way for the one point cut in the Bank of Finland's base rate to 8.5 per cent with effect from 1 January. On 4 February, in connection with the announcement of the inflation target, the Bank of Finland decided to propose that the base rate be lowered by a further one percentage point to 7 1/2 per cent with effect from 15 February; the proposal was accepted on 9 February. Another cut in the base rate was judged possible given the slowdown in inflation, the easing of expectations concerning it and the current economic situation. Some 30 per cent of outstanding deposits and 44 per cent of all outstanding loans are tied to the base rate.

In the last quarter of 1992, net capital imports amounted to nearly FIM 4 billion, capital imports by the central government being the main contributor. For the year as a whole, there was a net capital inflow of FIM 13.5 billion. During the last months of the year, the Bank of Finland absorbed the increase in liquidity caused by the inflow of capital in order to augment the foreign exchange reserves and repay the loans raised to support the markka under currency swap agreements. The Bank of Finland's foreign exchange reserves totalled FIM 31.9 billion at the end of January (Chart 1).

Part of the liquidity squeeze was effected through an increase in the banks' cash reserve requirements. The requirement was raised in steps

6

5.5 per cent in January, but was kept unchanged in February. Cash reserve deposits amounted to FIM 13.1 billion at the end of 1992. In addition, the interest rate on cash reserve deposits was lowered by one percentage point from the beginning of this year. The Bank of Finland now pays interest on these deposits at a rate which is three percentage points below 3-month HELIBOR, however not less than 8 per cent.

On 1 December, the Bank of Finland began quoting the Estonian kroon. Trade and other economic relations between Finland and Estonia have developed favourably and this has increased the public's need for information on the kroon's exchange rate.

MONEY AGGREGATES STABLE, BANK LENDING DECLINES

Narrow money, M1, grew in the last quarter of the year, partly because of seasonal reasons, partly because of the downward trend in interest rates. In fact, during 1992, M1 grew faster than nominal aggregate output. This also boosted the broader money aggregate, M2, which at the end of 1992 was at the same level as 12 months earlier.

According to preliminary figures, the stock of bank deposits increased by 0.3 per cent in the course of 1992. Deposits behaved in a fairly stable way in the closing months of the year considering the fact that some FIM 4 billion shifted from markka accounts into foreign currency accounts during the speculation against the markka in the autumn. This explains why M2 actually decreased in September. This shift was partly countered by the introduction of new tax-exempt fixed-term deposit accounts. The Government amended the law on the tax relief of deposits and bonds to grant tax-exempt status to 36-month fixed-rate deposits providing the interest rate on them is not more than the Bank of Finland's

base rate less one percentage point.

The stock of bank loans diminished in the course of the year. In December, outstanding markka loans stood at FIM 275 billion, down 5 per cent from the level at the beginning of the year. Apart from the high level of real interest rates, the decline was due to sluggishness of demand for credit and tighter lending terms applied by the banks. Despite repayments of foreign currency loans, the markka value of outstanding loans remained virtually unchanged in the last months of the year, owing to the depreciation of the markka. In December, the markka value of these loans was, however, some 10 per cent lower than a year earlier.

UPTURN IN STOCK MARKET

The decision to float the markka rekindled activity in the stock market, and the decline in interest rates boosted share prices. Trading in the secondary market was very brisk in the fourth quarter of last year and in January, although the prices were rather volatile. This was especially true for bank shares, which were influenced by the troubles of the banking sector and the publicity surrounding them. The biggest gains were recorded by export companies, which reflected the reviving interest of foreign investors in the Finnish capital market. One explanation for the increasing interest of foreigners is the new legislation on foreign ownership that entered into force on 1 January. The new legislation lifted the restrictions on foreign ownership of Finnish companies and eased the acquisition of real estate by foreigners.²

Another explanation for the recovery of the stock market may have been the reform of capital income taxation implemented at the beginning of January. The reform has improved

²

See the item in the January 1993 issue of the Bulletin.

the relative position of share-owners. The taxation of capital income has been separated from that of other income, and a flat rate of 25 per cent is applied to most capital income. The same rate is also applied in the taxation of corporate income.

In spite of the pick-up in activity in the last quarter, 1992 was a rather poor year on the Helsinki Stock Exchange, and there were no new public offer-

ings. Bond issues decreased by 15.5 per cent in 1992, and amounted to about FIM 38 billion. The central government's increased borrowing needs were mainly covered by foreign currency loans, and issues of markka-denominated government bonds increased only slightly in 1992. However, the in-

³ See the article by Kristina Rantalainen in this issue of the Bulletin.

roduction of the primary dealer system for benchmark government bonds in the summer has greatly improved pricing, and transactions in this market increased significantly towards the end of the year.³

9 February 1993

THE PRIMARY DEALER SYSTEM IN FINLAND

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BACKGROUND

A primary dealer system was introduced in Finland in 1992. Agreements on government bond issues and the maintenance of a secondary market were signed by the State Treasury, five Finnish commercial banks and the Bank of Finland in June, and the system started to operate in August.

The primary dealer system was introduced with the aim of improving the infrastructure of the Finnish bond market. Among other things, it was sought to increase the liquidity and transparency of the secondary market. It was hoped that these improvements would increase investor confidence in the markka market and attract new investors in markka-denominated bonds. One of the main objectives was to lower the liquidity premiums paid by Finnish issuers and thereby cut Finland's borrowing costs.

Previously, there was no need for a primary dealer system in the Finnish bond market. The central government's financing needs were fairly modest and they were mainly covered by issues of tax-exempt bonds to households, for which there was no real secondary market. In addition, government debt was sold to pension funds, insurance companies and employment pension schemes in the form of private placements, which were not traded in the secondary market.¹

At the beginning of the 1990s, the financial position of the central government deteriorated rapidly, leading to the

emergence of a sizable budget deficit. This increased the government's financing needs as well as the demands placed on the secondary bond market. Markka-denominated borrowing amounted to FIM 31 408 million in gross terms at the end of 1992, as against only FIM 5 696 million three years earlier.

The structure of the government debt has changed in the past few years. Tax-exempt bonds have been abandoned and replaced mainly by serial bonds, which have the potential to develop into liquid secondary market instruments. The first serial bonds to be issued in a significant amount, FIM 1.5 billion in all, were sold to institutional investors by tender (Dutch auction) in 1989. Serial bonds outstanding at the end of 1992 amounted to FIM 17.6 billion. The same procedure is still applied in selling these bonds.

DESCRIPTION OF THE SYSTEM

The primary dealer system is based on two agreements, which partly overlap and complement each other.

The first agreement, concerning government bond issues and the maintenance of a secondary market, was concluded between the State Treasury and the banks acting as primary dealers and market makers. The primary dealers, ie Kansallis-Osake-Pankki, Okobank, Postipankki, Skopbank and Union Bank of Finland, undertook to participate in tenders for government serial bonds and Finnish Housing Fund bonds and to make binding bids, reasonable in respect to the prevailing market price level, for the bonds on

offer. This obligation refers to all government serial bonds but only those Housing Fund bonds which are defined as benchmark bonds.

Furthermore, the primary dealers undertook to participate actively and in accordance with good trading practice in secondary market trading in all benchmark bonds, whether government serial bonds or Housing Fund bonds. They also agreed to give binding two-way price quotations for benchmark bonds to other market makers and binding bid quotations to customers outside the system.

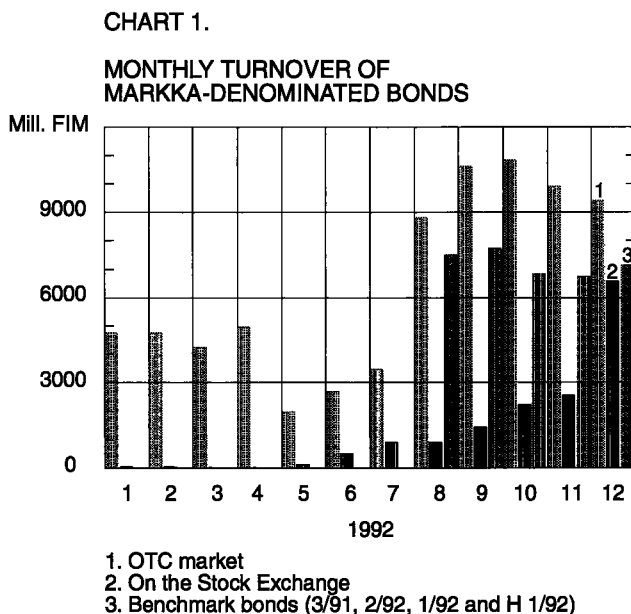
The second agreement was concluded between the Bank of Finland and the banks acting as market makers. It defines the code of conduct for market makers in the secondary market for benchmark government bonds and specifies technical details related to the trading in this market. This agreement is based on the rules for money market dealings drawn up by the Bank of Finland and the banks acting as market makers in the money market in April 1991.² As regards the yield determined on the basis of bid and offer prices, market makers are required to seek to obtain a maximum spread of five basis points; this obligation may be disregarded whenever there is a general disturbance in the market by notifying the other market makers and the Bank of Finland without delay. The minimum trading lot is FIM 10 million. Primary dealers are also required to make binding bid or offer quotations to customers outside the system upon request.

¹ For more details on the bond market in Finland, see the article by Yrjö Koskinen and Pertti Pykkönen in the June-July 1992 issue of the Bulletin.

² See the article by Antti Suvanto in the December 1991 issue of the Bulletin.

The primary dealers receive no pecuniary compensation for their activities but they do enjoy various advantages. First, they have the sole right to participate in the government's tenders for serial bonds. Secondly, they benefit from their role as market makers. As banks and securities broking firms outside the system are only able to participate in the tenders through market makers, primary dealers obtain information on their interest and activity in the bond market. In addition, on the day subsequent to the tender, the State Treasury may decide to offer the same bonds for sale up to 30 per cent of the amount allotted in the tender. Market makers have the sole right to make bids for bonds offered for sale. The selling price, which is determined by the State Treasury, is the same for all market makers.

The State Treasury announces the benchmark bonds after first consulting with the market makers on the matter. Benchmark bonds consist of liquid serial bonds and Housing Fund bonds for which there are already fairly large stocks outstanding (Table). Serial bonds III/91 and I/92 were the first benchmark bonds. Since the beginning of November, the maturity structure of serial bonds has been complemented by ten-year bonds issued by the Finnish Housing Fund. These are comparable to serial bonds in terms of the risk involved because borrowing by the Finnish Housing Fund is carried out at the risk of the government and, according to law, a separate government guarantee is not re-



quired. Serial bonds II/92 were designated benchmark bonds in December.

ASSESSMENT OF THE SYSTEM'S FUNCTIONING

Preliminary assessment based on the first six months of operation of the primary dealer system suggests that the objectives set for it have been partly achieved. The introduction of the system was received favourably by the market. As is clearly shown in Chart 1, there has been a substantial and steady increase in trading in markka-denominated bonds since August, despite disturbances in interest rates and in the foreign exchange markets. Since the introduction of the system, the daily turnover of benchmark bonds

has averaged FIM 400 million, whereas the total turnover of bonds on the stock exchange has averaged just under FIM 160 million per trading day over the same period. However, it should be noted that it is not compulsory for brokers to report their bond transactions to the stock exchange.

The introduction of the primary dealer system has increased both domestic and international investors' confidence in the Finnish bond market. The uncertainty prevailing in the foreign exchange markets at the end of August and the decision to float the markka on 8 September did, however, dampen foreign investors' interest in markka bonds. At the outset, trading took place mainly between market makers but now the focus is rapidly shifting to trading with customers (Chart 2).

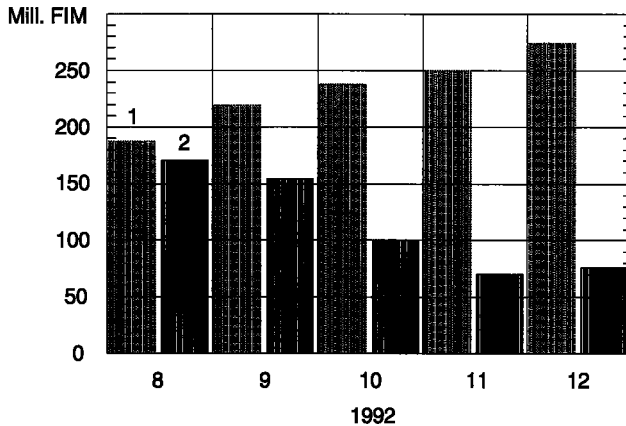
The transparency of the secondary market has increased as a result of the new system. Primary dealers report to the Bank of Finland on the amount of the previous day's transactions in benchmark bonds and the effective yield expressed as a weighted average. Transactions are also classified according to counterparty, ie into transactions between market makers 9

TABLE. CURRENT BENCHMARK BONDS
IN THE PRIMARY DEALER SYSTEM

Bond	Loan period	Coupon, % p.a.	Stock at 31 Dec 1992, mill. FIM
Serial bonds			
III/91	15 June 1991-1995	11	3 370
II/92	15 June 1992-1997	11	2 821
I/92	15 January 1992-1999	11	4 565
Housing Fund bonds			
I/92	15 March 1992-2002	10.75	2 594

CHART 2.

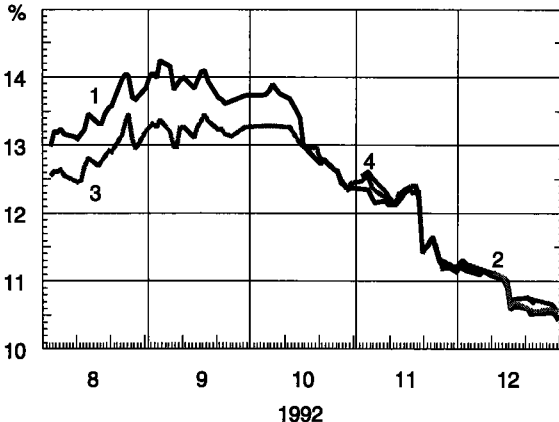
SECONDARY MARKET TRANSACTIONS
IN BENCHMARK BONDS



1. Customer transactions
(daily average; sales plus purchases)
2. Transactions between primary dealers
(average daily purchases)

CHART 3.

TRANSACTIONS BETWEEN PRIMARY
DEALERS: YIELD



1. Benchmark government bond, 3/91 - 95
2. Benchmark government bond, 2/92 - 97
3. Benchmark government bond, 1/92 - 99
4. Benchmark government housing bond, H 1/92 - 02

and between market makers and their customers. Transactions with foreign customers are not reported separately. The Bank of Finland prepares a summary of these reports and publishes it on Reuters. The Bank also monitors changes in the yields on benchmark bonds (Chart 3). Market makers can

calculate their respective market shares on the basis of daily turnover.

In addition, market makers provide market information on benchmark bonds by continuously displaying indicative two-way quotations for benchmark bonds on Reuters. The transparency of the market has also

been increased by the issue calendar published by the State Treasury each month. It contains advance information on the types of bonds to be issued and their dates of issue.

The introduction of the primary dealer system has led to a narrowing of the spread between bid and offer prices for benchmark bonds. Market makers are required to seek to quote these prices in terms of effective yields with a spread of five basis points. At the end of the 1980s, when the first serial bonds were traded in the secondary market, the bid/offer spread was 30-40 basis points. Market makers have reduced their spreads although their quotations are not uniform: as a result of the floating of the markka, all market makers widened their spreads to ten basis points for a few weeks but the majority reduced them to five points after the fluctuations in the markka's value evened out. Spreads are likely to settle at five basis points as the market develops.

It is too early to assess the effects of the primary dealer system on the government's borrowing costs. It is, however, clear that the increased activity in the secondary market for benchmark bonds and the increase in market information will facilitate the pricing of new serial bonds.

**OUTLOOK FOR
THE PRIMARY
DEALER
SYSTEM**

Experience with the primary dealer system to date suggests that it has improved the functioning of the secondary market. However, the number of primary dealers will have to be increased from the present five if greater efficiency is to be achieved. So far, all market makers have been commercial banks but it has not been the intention to exclude other securities broking firms from the system. Securities broking firms applying for primary dealer status are first accepted for a trial peri-

od of six months. After this period, their ability to act as primary dealers is assessed and, if the verdict is favourable, the relevant agreements are signed.

Apart from the short end, the maturity structure of benchmark bonds is good. However, bonds outstanding at the end of 1992 amounted to only FIM 13 350 million, which is very modest by international standards. The situation is likely to be remedied in the future because the government borrowing requirement will remain at a high level over the next few years. One of the objectives set for government borrowing is to increase the present stock of benchmark serial bonds by issuing new tranches of previously issued bonds.

1 February 1993

ITEMS

SUPPLEMENTARY BUDGET ON BANK SUPPORT APPROVED

On 2 February, Parliament approved a bill on a supplementary budget authorizing the Government to use FIM 20 billion for bank support in 1993. Of the total, FIM 5 billion is to be provided to the banks in guarantees. As some FIM 5 billion of the Government Guarantee Fund's original authorization is still uncommitted, about FIM 25 billion is now available for supporting the banking sector without the need for further consultation with Parliament.

The supplementary budget was introduced following the rejection by Parliament of a bill on a more comprehensive support package that would have required a qualified (5/6) majority. A less comprehensive proposal for the administrative reform of the Government Guarantee Fund was submitted to Parliament on 5 February.

FINLAND'S BALANCE OF PAYMENTS IN 1992

Current account

According to preliminary data for 1992, the deficit on current account decreased by FIM 3.8 billion and amounted to FIM 22.8 billion. This is equivalent to about 4.5 per cent of GDP. In 1991, the deficit had amounted to FIM 26.7 billion.

The main contributions to the improvement came from a substantial increase in the trade surplus and a decrease in the deficit on the services account. The improvement in the external

balance was, however, partially offset by a sharp rise in net interest expenditure.¹

Goods. Compiled on a balance-of-payments basis, the trade account (incl. adjustment items) posted a surplus of FIM 12.2 billion, as against a surplus of FIM 4.8 billion in 1991. The value of exports grew by 16 per cent. The sharpest increase was registered for exports of metal and engineering products and paper products. The value of imports rose by 8 per cent.

Services. The deficit on the services account decreased by FIM 1.4 billion from 1991. The surplus on the transport account grew by FIM 0.7 billion, totalling FIM 4.2 billion. The deficit on the travel account narrowed, largely because of a 17 per cent increase in receipts. Travel expenditure did not begin to decline to any significant extent until the last quarter of the year. There was a slight increase in the deficit on the other services account.

Investment income. Investment expenditure abroad amounted to FIM 30.6 billion, while investment income from abroad totalled FIM 6.8 billion. The deficit on the investment income account was mainly due to interest payments on foreign debt. The sharp increase in foreign debt in the course of the year is not fully reflected in interest expenditure, since interest on much of the new borrowing

¹ Current account data include estimated reinvested earnings from direct investment, ie the combined income of Finnish-owned companies after payment of dividends, which gave a net loss of FIM 3.6 billion in 1992. In previous years, the current account was not adjusted for this item until later, in the balance of payments report for January-June.

MAJOR BALANCE OF PAYMENTS ITEMS
IN 1992, MILLION FIM¹

	Receipts	Expenditure	Net
Trade (exports fob, imports cif)	107 427	94 932	12 495
Adjustment items	-1 844	-1 510	-334
Trade account	105 583	93 422	12 161
Transport	8 402	4 217	4 185
Travel	5 894	10 772	-4 878
Other services	7 268	13 044	-5 775
Services account	21 564	28 033	-6 468
GOODS AND SERVICES ACCOUNT	127 147	121 455	5 693
Investment income	6 771	30 582	-23 810
Unrequited transfers	1 662	5 512	-3 850
Other	3 944	4 753	-809
A.CURRENT ACCOUNT	139 525	162 302	-22 777
	Change in assets	Change in liabilities	Net
Loans	-2 065	4 333	2 268
Direct investment	-4 369	807	-3 562
Portfolio investment	-189	36 954	36 764
Other long-term capital	-344	-157	-501
B.LONG-TERM CAPITAL ACCOUNT	-6 967	41 937	34 970
BASIC BALANCE (A+B)			12 193
Trade credits	-4 362	8 967	4 604
Short-term capital of banks	504	-28 341	-27 838
Other short-term capital	-5 665	11 116	5 451
Errors and omissions			-3 659
C.SHORT-TERM CAPITAL ACCOUNT			-21 442
OVERALL BALANCE (A+B+C)			-9 249
Change in the foreign exchange reserves of the Bank of Finland			9 249
Assets: increase -, decrease +			
Liabilities: increase +, decrease -			

¹ Preliminary figures.

does not fall due for payment until 1993.

Capital account

Net imports of long-term and short-term capital totalled FIM 13.5 billion, FIM 6.8 billion less than one year earlier. Net imports of long-term capital amounted to FIM 35.0 billion and net exports of short-term capital to FIM 21.5 billion. As the

net inflow of capital did not cover the current account deficit, the Bank of Finland's foreign exchange reserves decreased by FIM 9.2 billion.

Loans. Net imports of long-term loan capital amounted to FIM 2.3 billion, which was almost FIM 10 billion less than in 1991. Liabilities grew by FIM 4.3 billion, most of which can be ascribed to borrowing by companies and financial institutions

outside the banking sector; banks repaid their loans. Net drawings of long-term export credits granted to foreign customers amounted to FIM 1.6 billion.

Direct investment. Finnish direct investment abroad totalled FIM 4.4 billion in net terms, approximately the same as in the previous year. Foreign direct investment in Finland amounted to FIM 0.8 billion in net terms.

Portfolio investment. Net capital imports in the form of portfolio investment amounted to FIM 36.8 billion. Net sales of Finnish securities abroad totalled FIM 37.0 billion. Sales of bonds amounted to FIM 36.6 billion, slightly less than in 1991. Government bonds were sold to the value of FIM 48.2 billion. By contrast, redemptions and repayments of bonds issued abroad by companies and banks exceeded new sales of such bonds by a substantial margin.

Short-term capital. Net imports of short-term capital (incl. trade credits) by companies amounted to FIM 6.2 billion. Banks reduced their short-term net debt by FIM 27.8 billion. The Bank of Finland repaid foreign loans to the value of FIM 8.4 billion during the last quarter. Hence, the Bank's net borrowing amounted to FIM 1.9 billion for the year as a whole.

Foreign exchange reserves. The Bank of Finland's foreign exchange reserves fell by FIM 9 249 million and totalled FIM 29 416 million at the end of the year.

Net foreign debt

At the end of the year, Finland's net foreign debt amounted to FIM 234.7 billion. This was equivalent to 46 per cent of GDP and 168 per cent of current account earnings. Long-term debt accounted for FIM 207.9 billion and net short-term debt for FIM 26.8 billion. The central government's share of net foreign debt was FIM 113.2 billion and the banks' FIM 80.6 billion.

FINNISH DIRECT INVESTMENT ABROAD AND FOREIGN DIRECT INVESTMENT IN FINLAND IN 1992

Finnish direct investment abroad

In 1992, the net direct investment outflow remained at the same level as in the previous year. Net direct investment abroad totalled FIM 8 869 million, which was equivalent to just under 2 per cent of GDP. When from this amount is deducted the estimated reinvested earnings of Finnish-owned companies, ie their combined result after dividends, which was a negative amount totalling FIM 4 500 million, net direct investment amounted to FIM 4 369 million.

Investment by Finnish companies accounted for FIM 8 653 million of the net outflow of direct investment capital. This was equivalent to just under 20 per cent of companies' fixed investment in Finland. Fifty-eight per cent of net direct investment abroad went to EC countries, 21 per cent to EFTA countries and 9 per cent to North America.

Households' investments in real estate and dwellings abroad totalled FIM 216 million.

Dividend and interest income amounted to FIM 1 184 million.

Foreign direct investment in Finland

In 1992, net direct investment by foreign companies in subsidiaries and associates in

Finland totalled FIM 1 707 million. When from this amount is deducted the estimated reinvested earnings of foreign-owned companies, ie the combined result after dividends, which was a negative amount totalling FIM 900 million, net direct investment in Finland amounted to FIM 807 million.

Of the net inflow of capital, 44 per cent came from EC countries, 31 per cent from EFTA countries and 16 per cent from the United States.

Dividend and interest expense amounted to FIM 723 million.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM APRIL 1992 TO FEBRUARY 1993

1992

APRIL

Interest on cash reserve deposits. As part of the financial support package for the banking sector, the Parliamentary Supervisory Board raises the rate of interest payable on the banks' cash reserve deposits at the Bank of Finland by one percentage point with effect from 1 April. The new rate is 3-month HELIBOR less two percentage points, not however less than 8 per cent.

Call money credit rate. On 5 April, the Parliamentary Supervisory Board extends the powers of the Bank of Finland to set interest rates. The maximum call money credit rate is raised from 50 per cent to 80 per cent.

The Government Guarantee Fund. The law establishing the Government Guarantee Fund is approved by Parliament on 30 April. The purpose of the fund is to help ensure the stability of deposit banking and secure depositors' claims. The fund is authorized to use up to FIM 20 billion for these purposes. Decisions on possible support measures by the fund are taken by the representatives of the Ministry of Finance, the Banking Supervision Office and the Bank of Finland on the board of the fund.

MAY

Base rate. As part of the financial support package for the banking sector, the Parliamentary Supervisory Board raises the Bank of Finland's base rate by one percentage point to 9.5 per cent 14 with effect from 1 May. As a

result of this decision, the banks are allowed to raise the rate of interest on loans that are tied to the base rate by one percentage point, but the Bank of Finland recommends that the rise should not be applied to rates that are already 12 per cent or more. Owing to an amendment to the law on the tax relief of deposits and bonds, the base-rate rise does not apply to interest rates on tax-exempt deposits.

JUNE

Government Guarantee Fund becomes new owner of Skopbank. On 12 June, the Parliamentary Supervisory Board approves a deal whereby Scopulus Oy, owned by the Bank of Finland, sells its holdings of Skopbank shares and preferred capital certificates to the Government Guarantee Fund.

Government offer of capital for banks. Based on the decision by the Government in March to make available FIM 8 billion for investment in banks' core capital, the Government makes a formal offer of investment to the banks on 17 June. Capital will be offered to Finnish deposit banks according to their size, as measured by risk-weighted assets and off-balance-sheet commitments calculated according to BIS standards. The capital will be available at two dates, either in August or in December, depending on the preference of the bank.

Government Guarantee Fund supports the Savings Bank of Finland. On 26 June, the Government Guarantee Fund decides to grant capital support amounting to FIM 5.5

billion and a guarantee of FIM 1.7 billion to the Savings Bank of Finland. The latter will be established in autumn 1992 by merging 41 savings banks.

JULY

The system for regulating bank liquidity changes. The Bank of Finland decides to replace the existing call money facility by a new system for regulating the supply of bank liquidity with effect from 1 July. The new system differs from that applied hitherto in that deposit and borrowing rates are closer to market interest rates and move in line with changes in market rates. In addition, the Bank of Finland may, at its discretion, extend the maturity of liquidity credit from one day up to four weeks.

Central banks of Finland and EC countries strengthen cooperation. The central banks of the European Communities and the Bank of Finland decide on 15 July to strengthen their monetary cooperation. The primary means of achieving this is a network of credits available whenever necessary to support the foreign exchange reserves.

AUGUST

Government offer of capital. Fifty-three savings banks and four commercial banks (Kansallis-Osake-Pankki, Postipankki, Skopbank and STS-Bank) accept, by 14 August, the offer of capital made by the Government. The total amount of capital raised is FIM 4.6 billion.

SEPTEMBER

Floating of the markka. On 8 September, the Bank of Finland decides to temporarily float the markka because of continuing pressure against the currency in the foreign exchange market. The decision is taken with the consent of the Government in accordance with the Currency Act.

OCTOBER

Tax-exempt deposits. On 16 October, the law on the tax relief of deposits and bonds is amended to grant tax-exempt status to 36-month fixed-rate deposits providing the interest rate on them is not more than the Bank of Finland's base rate less one percentage point and they are made between 1 September 1992 and 31 December 1993. The tax-exempt status of 24-month deposits is extended to apply to deposits made up to the end of 1994.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 3.7 per cent to 4.0 per cent of the cash reserve base at end-September.

Termination of payments agreement. The payments agreement between Finland and Bulgaria is terminated on 16 October. Immediately after this, the effecting of clearing payments is discontinued, the clearing accounts are closed and there is a changeover to the use of convertible currencies in trade between the two countries.

NOVEMBER

Amendment to the Currency Act. On 13 November, section 2 of the Currency Act is amended so as to enable the Government, on the basis of a proposal of the Bank of Finland, to authorize the Bank to abandon the limits on the markka's range of fluctuation for an indefinite period. In addition, the Government can cancel such authorization, after taking into consideration the

conditions prevailing in the money and foreign exchange markets. Prior to making the decision, the Government must request the opinion of the Bank of Finland on the matter.

Decision to continue the floating of the markka. On 13 November, the Government, in accordance with the amendment to the Currency Act, decides to authorize the Bank of Finland to continue the floating of the markka.

Letter of intent between the Government Guarantee Fund and Kansallis-Osake-Pankki. On 24 November, Kansallis-Osake-Pankki buys the majority shareholding in STS-Bank Ltd from the STS Foundation. On the same date, the Government Guarantee Fund and Kansallis-Osake-Pankki sign a letter of intent on the establishment of an asset management company ("bad bank") for the management of STS-Bank's bad loans. The agreement is conditional on the Act on the Government Guarantee Fund being amended to permit the establishment of such a company.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 4.0 per cent to 4.5 per cent of the cash reserve base at end-October.

Till-money credits. The Bank of Finland revises the base amounts, the share of banks' till-money holdings which is not financed by the Bank of Finland under the till-money credit arrangement. The combined total of base amounts is raised to 20 per cent of currency in circulation with the public. The combined total of the banks' base amounts rises by FIM 597 million and amounts to FIM 1 791 million as from the last business day in November.

DECEMBER

Government offer of capital to banks. Two commercial banks (Union Bank of Finland and Okobank), 14 savings

banks and 57 cooperative banks accept, by 16 December, the offer of capital made by the Government. The total amount of capital raised in this context is FIM 3.3 billion.

Government Guarantee Fund grants support to Skopbank and the Savings Bank of Finland. The

Government Guarantee Fund decides, on 22 December, to grant capital support totalling FIM 1.5 billion to Skopbank and, on 30 December, to grant capital support totalling FIM 4.7 billion to the Savings Bank of Finland.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 4.5 per cent to 5.0 per cent of the cash reserve base at end-November.

1993

JANUARY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 9.5 per cent to 8.5 per cent with effect from 1 January.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 5.0 per cent to 5.5 per cent of the cash reserve base at end-December.

Interest on cash reserve deposits. The Bank of Finland decides to lower the rate of interest paid on cash reserve deposits as from 1 January in accordance with the current cash reserve agreement. The new interest rate will be 3 percentage points below three-month HELIBOR, however not less than 8 per cent.

Swap agreement between the Nordic central banks.

The Nordic central banks decide to revise and substantially enlarge their agreement on short-term currency support, which has been in force since 1 January 1984. The revised agreement enters into force on 1 January for an indefinite period.

New legislation on foreign ownership.

The 1939 Restriction Act is repealed at the end of December, and new legislation lifting the restrictions on foreign ownership of Finnish companies enters into force on 1 January. The new legislation also liberalizes the acquisition of real estate by foreigners.

FEBRUARY

Monetary policy. The Bank of Finland specifies the guidelines in accordance with which monetary policy will be conducted over the next few years. The aim is to stabilize the rate of inflation, measured by the annual rise in consumer prices, permanently at two per cent by 1995. Inflation will be measured

by the consumer price index; however, changes due to public charges, taxes and developments in housing prices will not be taken into account in monetary policy.

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 8.5 per cent to 7.5 per cent with effect from 15 February.

Visiting Scholars Programme

BANK OF FINLAND

The Bank of Finland welcomes applications from foreign scholars for a post available to academic visitors during 1993.

A visiting scholar would be expected to conduct research on a subject relevant to the field of monetary / financial economics and policy, as agreed between the applicant and the Research Department. The results of the research could be presented in a report, publishable in the Bank's series; the scholar would also be expected to participate in the exchange of comments and advice among researchers working at the Bank.

The department is willing to consider both short and long-term (up to one year) visits. Normally, only one scholar could be received at any one time.

Remuneration for visiting scholars will be determined on the basis of the research experience of the selected applicant.

Persons interested in applying are invited to write to Dr Heikki Koskenkylä, Head of the Research Department, enclosing a CV and specifying their academic and research background, suggestions for research topics and salary requirement. The address is:

**Research Department
BANK OF FINLAND
P.O.Box 160
SF-00101 Helsinki, Finland**

LAND, CLIMATE AND POPULATION

Finland covers an area of more than 338 000 square kilometres. The total area is slowly increasing because of the steady uplift of the land since the last glacial era. The country shares frontiers with Sweden in the west, Norway in the north and Russia in the east and has a coastline bordered by the Baltic Sea in the south and west. Agricultural land accounts for 8 % of the total area, forest and other wooded land for 69 % and inland waters for 10 %. Located between latitudes 60° and 70° north, Finland has warm summers and cold winters. Helsinki on the south coast has an average maximum temperature of 22° C (72° F) in July and -4° C (25° F) in February.

Finland has a population of 5 029 300 (1 January 1992) and an average population density of 16.5 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 497 400 inhabitants, Espoo (Esbo) 175 700, Tampere (Tammerfors) 174 150, Turku (Åbo) 159 500 and Vantaa (Vanda) 157 450.

There are two official languages: 93.5 % of the population speaks Finnish as its mother tongue and 5.9 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

FORM OF GOVERNMENT

Finland is a parliamentary democracy with a republican constitution. From the twelfth century to 1809 Finland was part of the Kingdom of Sweden. In 1809, Finland was annexed to Russia as an autonomous Grand Duchy with the Tsar as Grand Duke. On 6 December 1917 Finland declared her independence. The republican constitution adopted in 1919 remains essentially unchanged today.

The legislative power of the country is exercised by Parliament and the President of the Republic. The supreme executive power is vested in the President, who is elected for a period of six years. The President for the current term, 1 March 1988 to 1 March 1994, is Dr Mauno Koivisto.

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1991, the seats of the various parties in Parliament are distributed as follows:

Centre Party 55; Social Democratic Party 48; National Coalition Party 40; Left-Wing Alliance 19; Swedish People's Party 12; The Greens 10; Christian

League 8; Rural Party 7; and Liberal Party of Finland 1.

Of the 17 ministerial posts in the present Government appointed in April 1991, 8 are held by the Centre Party, 6 by the National Coalition Party, 2 by the Swedish People's Party and 1 by the Christian League. The Prime Minister is Mr Esko Aho of the Centre Party.

Finland is divided into 461 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of four years.

INTERNATIONAL RELATIONS

Finland pursues a policy of neutrality in foreign affairs. Finland became a member of the BIS in 1930, the IMF in 1948, the IBRD in 1948, GATT in 1950, the UN in 1955, the Nordic Council in 1955, the IFC in 1956, IDA in 1960, EFTA in 1961, the ADB in 1966, the OECD in 1969, the IDB in 1977, the AfDB in 1982, the MIGA in 1988 and the Council of Europe in 1989.

Having abolished most quantitative restrictions on foreign trade in 1957, Finland first took part in European free trade arrangements under the auspices of EFTA in 1961. Imports from the USSR were also progressively freed from customs duties. Finland's free trade agreement with the EEC entered into force in 1974 and agreements for the removal of trade barriers were concluded with several eastern European countries as well. In spring 1992, Finland signed the agreement on the European Economic Area (EEA) between the member countries of EFTA and the European Community, and submitted her application for membership of the European Community. Citizens of the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, have enjoyed a common labour market, a passport union and reciprocal social security benefits since the mid-1950s.

Finland's development co-operation programmes channel assistance via international organizations and, bilaterally, to a number of African, Asian and Latin American countries.

THE ECONOMY

Output and employment. Of the gross domestic product of FIM 440 billion in basic values in 1991, 3 % was generated in agriculture and fishing, 2 % in forestry, 21 % in industry, 8 % in construction, 10 % in trade, restaurants and hotels, 8 % in transport and communications, 4 % in finance and insurance, 22 % in other private services and 21 % by producers of government services. Of total employment of 2.3

million persons in 1991, 8 % were engaged in primary production, 29 % in industry and construction and 63 % in services.

In 1991, expenditure on the gross domestic product in purchasers' values amounted to FIM 503 billion and was distributed as follows: net exports -0.6 % (exports 21.8 %, imports -22.4 %), gross fixed capital formation 23 %, private consumption 55 % and government consumption 24 %. Finland's gross tax ratio (gross taxes in relation to GDP) was 37 % and the net tax ratio (net taxes in relation to GDP) 20 %, which is about the average for OECD countries.

Average annual (compounded) growth of real GDP was 4.7 % in the period 1950-59, 5.0 % in 1960-69, 3.7 % in 1970-79, 3.7 % in 1980-89 and 4.0 % in 1990-91. Finland's GDP per capita in 1991 was USD 24 800.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1987-91, their share was, on average, 76.6 per cent, of which the share of EC countries was 45.5 percentage points and that of EFTA countries 20.8 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union) accounted for 14.1 per cent and the rest of the world for 9.3 per cent. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1991, the share of forest industry products in total merchandise exports was 40 %, the share of metal and engineering products 41 % and the share of other goods 19 %. Raw materials and intermediate goods (incl. crude oil) accounted for 56 % of merchandise imports, fuels for 4 %, investment goods for 16 % and consumption goods for 24 %.

Forest resources. Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1880 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch.

The annual growth increment totals 79 million cubic metres and the total drain calculated on the basis of commercial fellings was 43 million cubic metres in 1991.

Energy. In 1991, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 44 %, heating for 22 %, transportation for 14 % and other purposes for 20 %. The sources of primary energy in 1991 were as follows: oil 29 %, coal 12 %, nuclear power 15 %, hydro-electric

power, peat and other indigenous sources 30 %, others 14 %. Compared internationally (1990), Finland's consumption of 5.8 toe (OECD definition) per capita was 1.8 times higher than the average in European OECD countries. The self-sufficiency rate (including nuclear power) in Finland was 39 %, as compared with 60 % in western Europe on average.

FINANCE AND BANKING

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 1 November 1977 to 7 June 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from 30 November 1988 the range was 6 percentage points). Since 7 June 1991, the markka has been pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. The lower limit denotes the highest permissible value for the markka and the upper limit the lowest permissible value. On 8 September 1992, the Bank of Finland decided to temporarily abandon the limits of the fluctuation range and allow the markka to float. On 13 November 1992, the Government, on the basis of the amended Currency Act, authorized the Bank of Finland to float the markka for an indefinite period.

International payments. Though the use of the markka in foreign trade and as a eurocurrency has increased, most international payments are effected in other currencies. Finland adopted Article VIII status at the International Monetary Fund in 1979.

The remaining exchange controls were dismantled as from 1 October 1991.

The foreign exchange operations of financial institutions are still controlled through the issue of licences. Authorized banks may freely engage in the full range of foreign exchange activities; financial institutions which have been granted a licence to engage in foreign exchange activity are entitled to carry on a limited range of foreign exchange activities. The purpose of the licensing requirement is merely to facilitate the monitoring of financial institutions' risks by the Bank of Finland.

With effect from 1 January 1991, trade and payments between Finland and the Soviet Union were put on a convertible currency basis and the special restrictions on payments to and from the Soviet Union were rescinded.

The Central Bank. The Bank of Finland (Suomen Pankki – Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board of Management are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance, open market operations, intervention in the foreign exchange market and determination of the external value of the currency within the fluctuation limits. The powers vested in the Bank and its independence of the Government make the Bank of Finland one of the world's stronger central banks. In practice, the Bank liaises closely with the Government, so as to coordinate economic policy. The Bank of Finland has a head office in Helsinki and 8 branch offices in other towns.

Other banks (31 December 1991). Finland has three major groups of deposit banks with a total of more than

3 000 offices. There are three big commercial banks with national branch networks and ten smaller ones, two of which are foreign-owned. The commercial banks have a total of 32 foreign branches, subsidiaries and associate banks and 27 representative offices abroad. There are 86 savings banks and 328 cooperative banks with their own extensive branch networks. In addition, foreign banks have three branches and eight representative offices in Finland.

Financial market. Of the total stock of FIM 776 billion in outstanding domestic credit at the end of 1991, 62 % was provided by deposit banks, 3 % by private mortgage banks, 17 % by insurance companies, 4 % by other private credit institutions, 4 % by public financial institutions and 9 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 81 % of the instruments, which totalled approximately FIM 150 billion at end-1991, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds raised through bank trust departments and non-negotiable bank debt instruments make up the bulk of non-negotiable instruments. In its open market operations, the Bank of Finland deals in bank certificates of deposit and also issues its own certificates of deposit.

There are 65 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 64 billion (at end-1991). Four foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1991 totalled FIM 145 billion; government bonds made up 24 % of the total. Turnover on the Stock Exchange in 1991 amounted to FIM 8 billion; the share of shares and subscription rights in the total was approximately 82 %.



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1. THE BALANCE SHEET OF THE BANK OF FINLAND

1.1 THE BALANCE SHEET OF THE BANK OF FINLAND,

MILL. FIM

	1992		1993		
	31 Dec.	8 Jan.	15 Jan.	22 Jan.	29 Jan.
ASSETS					
Gold and foreign currency claims	29 517	29 801	28 053	28 302	32 026
Gold	2 180	2 180	2 180	2 180	2 180
Special drawing rights	564	585	586	593	595
IMF reserve tranche	1 732	1 797	1 800	1 823	1 829
Convertible currencies	25 041	25 239	23 488	23 706	27 421
Other foreign claims	4 867	4 887	4 879	4 885	4 886
Markka subscription to Finland's IMF quota	4 464	4 464	4 464	4 464	4 464
Term credit	404	423	415	422	423
Claims on financial institutions	14 595	9 922	9 679	13 305	11 944
Liquidity credits	1 585	277	2	1 357	450
Certificates of deposit	3 930	3 870	3 938	4 383	4 043
Securities with repurchase commitments	4 408	1 203	1 203	3 028	2 761
Term credits	100	-	-	-	-
Till-money credits	2 872	2 872	2 872	2 872	3 023
Bonds	1 462	1 462	1 428	1 428	1 428
Other claims on financial institutions	238	238	238	238	238
Claims on the public sector	2 446	2 446	2 448	2 447	2 449
Bonds	-	-	-	-	-
Loans to the Government Guarantee Fund	1 000	1 000	1 000	1 000	1 000
Total coinage	1 446	1 446	1 448	1 447	1 449
Claims on corporations	1 458	1 451	1 446	1 442	1 438
Financing of domestic deliveries (KTR)	747	740	735	731	728
Other claims on corporations	711	711	711	711	711
Other Assets	10 925	9 623	9 619	9 619	9 622
Loans for stabilizing the money market	9 474	9 474	9 474	9 474	9 474
Accrued items	1 298	-	-	-	-
Other assets	153	149	145	145	148
Capitalized expenditures and losses due to safeguarding the stability of the money market	1 700	1 700	1 700	1 700	1 700
Total	65 509	59 829	57 824	61 701	64 065
LIABILITIES					
Foreign currency liabilities	101	126	174	175	174
Convertible currencies	101	126	174	175	174
Other foreign liabilities	7 764	7 867	7 854	7 927	5 547
IMF markka accounts	4 464	4 464	4 464	4 464	4 464
Allocations of special drawing rights	1 026	1 064	1 066	1 079	1 083
Other foreign liabilities	2 274	2 339	2 325	2 383	-
Notes and coin in circulation	14 508	14 258	14 102	15 608	14 906
Notes	13 209	12 965	12 813	14 321	13 619
Coin	1 299	1 293	1 289	1 287	1 287
Certificates of deposit	4 880	4 850	4 380	6 790	6 710
Liabilities to financial institutions	20 000	15 295	14 176	13 822	18 916
Call money deposits	2 135	2 129	1 010	656	4 182
Term deposits	4 700	-	-	-	-
Cash reserve deposits	13 165	13 165	13 165	13 165	14 734
Other liabilities to financial institutions	-	2	0	1	1
Liabilities to the public sector	90	95	92	92	92
Cheque accounts	72	77	5	5	5
Deposits of the Government Guarantee Fund	18	18	87	87	87
Other liabilities to the public sector	-	-	-	-	-
Liabilities to corporations	3 362	3 136	2 939	2 884	2 783
Deposits for investment and ship purchase	3 362	3 136	2 939	2 884	2 783
Other liabilities	4 399	163	157	156	157
Accrued items	4 242	-	-	-	-
Other liabilities	156	163	157	156	157
Valuation account and reserves	4 642	8 276	8 186	8 483	9 016
Capital accounts	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Profit/loss for the accounting year	-	-	-	-	-
Total	65 509	59 829	57 824	61 701	64 065

1.2 TIME SERIES FOR THE BALANCE SHEET ITEMS OF THE BANK OF FINLAND,

MILL. FIM

End of period	Foreign sector									Public sector		
	Gold	Special drawing rights	IMF reserve tranche	Convertible currencies, net	Convertible reserves, total (1+2+3+4)	Tied currencies, net	Foreign exchange reserves, total (5+6)	Other claims, net	Net claims (7+8)	Claims	Liabilities	Net claims (10-11)
	1	2	3	4	5	6	7	8	9	10	11	12
1988	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	- 775
1989	2 179	966	950	18 780	22 875	- 564	22 312	440	22 752	1 137	5 325	- 4 188
1990	2 180	791	783	33 451	37 205	- 882	36 324	- 364	35 960	1 314	1 321	- 7
1991	2 180	932	1 136	29 336	33 584	33	33 616	- 412	33 204	1 375	3	1 372
1992	2 180	564	1 732	24 940	29 416	- 7	29 416	- 2 897	26 519	2 446	90	2 356
1992												
Jan.	2 180	946	1 234	29 512	33 872	30	33 901	- 482	33 419	1 379	4	1 375
Feb.	2 180	1 070	1 232	29 834	34 316	27	34 343	- 490	33 853	1 382	4	1 378
March	2 180	1 198	1 201	28 522	33 101	24	33 124	- 532	32 592	1 383	4	1 379
April	2 180	1 199	1 242	22 981	27 602	21	27 622	- 540	27 082	1 387	4	1 383
May	2 180	1 045	1 235	27 547	32 007	17	32 025	- 545	31 480	1 397	4	1 393
June	2 180	1 007	1 200	26 724	31 111	14	31 125	- 538	30 587	2 920	4	2 916
July	2 180	942	1 280	27 033	31 435	8	31 443	- 526	30 917	2 904	4	2 900
Aug.	2 180	861	1 195	18 830	23 066	0	23 066	- 2 449	20 617	4 404	4	4 400
Sept.	2 180	1 001	1 328	22 470	26 979	- 7	26 970	- 11 206	15 764	8 480	38	8 442
Oct.	2 180	1 025	1 360	29 610	34 175	-	34 175	- 11 797	22 378	8 507	51	8 456
Nov.	2 180	552	1 908	33 474	38 114	-	38 114	- 2 858	35 256	1 466	6 173	- 4 707
Dec.	2 180	564	1 732	24 940	29 416	-	29 416	- 2 897	26 519	2 446	90	2 356
1993												
Jan.	2 180	595	1 829	27 247	31 851	-	31 852	- 661	31 191	2 449	92	2 357

End of period	Domestic financial sector					Corporate sector					
	Term claims on deposit banks	Liquidity position of deposit banks, net ¹	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other claims on financial institutions, net	Net claims (13+14+15+16+17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19+20)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	13	14	15	16	17	18	19	20	21	22	23
1988	7 187	335	- 19 039	2 920	3 733	- 4 864	2 823	- 6 579	- 3 756	11 550	1 130
1989	33 230	- 531	- 25 506	3 310	2 248	12 751	2 000	- 10 604	- 8 604	13 129	-
1990	9 411	- 418	- 17 401	3 427	2 317	- 2 664	1 477	- 9 724	- 8 247	14 555	-
1991	11 882	- 2 206	- 10 361	3 528	2 003	4 846	1 086	- 6 854	- 5 768	14 528	8 880
1992	3 738	- 550	- 13 165	2 872	1 700	- 5 405	747	- 2 651	- 1 904	14 508	4 880
1992											
Jan.	7 136	- 651	- 9 928	3 806	1 947	2 310	1 053	- 5 974	- 4 921	13 323	10 640
Feb.	2 982	468	- 9 891	3 869	1 935	- 637	1 030	- 5 535	- 4 505	13 271	11 110
March	3 508	- 219	- 9 783	3 521	1 925	- 1 048	995	- 5 287	- 4 292	14 243	13 030
April	11 306	- 1 997	- 9 856	3 917	1 899	5 269	967	- 4 513	- 3 546	13 822	16 450
May	8 562	- 750	- 9 851	3 709	1 923	3 593	946	- 3 775	- 2 829	13 787	20 600
June	10 380	- 152	- 9 773	3 483	1 882	5 820	904	- 4 022	- 3 118	13 896	21 790
July	14 304	- 7 507	- 9 812	3 654	1 818	2 457	882	- 3 851	- 2 969	13 790	19 350
Aug.	15 914	- 13 405	- 9 772	3 534	1 794	- 1 935	861	- 3 527	- 2 666	13 562	6 930
Sept.	13 354	- 811	- 9 762	3 450	1 758	7 989	832	- 3 412	- 2 580	13 459	13 720
Oct.	5 520	- 219	- 10 421	3 432	1 748	60	807	- 3 315	- 2 508	13 493	12 540
Nov.	9 211	1 875	- 11 900	2 778	1 737	3 701	787	- 3 238	- 2 451	14 062	14 885
Dec.	3 738	- 550	- 13 165	2 872	1 700	- 5 405	747	- 2 651	- 1 904	14 508	4 880
1993											
Jan.	6 804	- 3 732	- 14 734	3 023	1 665	- 6 974	728	- 2 072	- 1 344	14 906	6 710

¹ Call money claims on deposit banks, net, until 2 July 1992.

2. THE BANK OF FINLAND'S OPERATIONS IN THE MONEY AND FOREIGN EXCHANGE MARKETS AND THE BANKS' FORWARD EXCHANGE POSITION

2.1 BANKS' LIQUIDITY POSITION AT THE BANK OF FINLAND, MILL. FIM

Average of daily observations	Call money deposits	Liquidity credits ¹	Liquidity position, net ¹ (1-2)
	1	2	3
1988	621	127	494
1989	416	369	47
1990	806	132	674
1991	881	985	- 103
1992	2 103	437	1 666
1992			
Jan.	822	63	759
Feb.	572	42	530
March	327	102	225
April	1 008	1 323	- 315
May	486	141	345
June	715	45	669
July	3 540	26	3 514
Aug.	8 895	0	8 894
Sept.	3 974	1 687	2 287
Oct.	2 191	876	1 314
Nov.	1 512	296	1 215
Dec.	1 193	640	553
1993			
Jan.	1 511	594	917

¹ Call money credits and call money position until 2 July 1992.

2.2 THE BANK OF FINLAND'S CASH RESERVE SYSTEM

End of period	Cash reserve deposits	of which: additional deposits	Ordinary cash reserve requirement	Additional requirement
	mill. FIM		%	
	1	2	3	4
1988	19 039	.	7.6	.
1989	25 506	3 159	8.0	1.1
1990	17 401	.	7.0	.
1991	10 361	.	4.0	.
1992	13 165	.	5.0	.
1992				
Feb.	9 891	.	3.7	.
March	9 783	.	3.7	.
April	9 856	.	3.7	.
May	9 851	.	3.7	.
June	9 773	.	3.7	.
July	9 812	.	3.7	.
Aug.	9 772	.	3.7	.
Sept.	9 762	.	3.7	.
Oct.	10 421	.	4.0	.
Nov.	11 900	.	4.5	.
Dec.	13 165	.	5.0	.
1993				
Jan.	14 734	.	5.5	.
Feb.	..	.	5.5	.

2.3 THE BANK OF FINLAND'S MONEY MARKET TRANSACTIONS, MILL. FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Money market transactions, net (1-2-3)
	1	2	3	4
1988	13 840	19 190	- 16 850	11 500
1989	131 110	3 855	99 245	28 010
1990	163 326	26 379	160 797	- 23 850
1991	109 568	30 380	81 969	- 2 781
1992	76 230	137 940	- 49 457	- 12 253
1992				
Jan.	2 000	7 790	- 80	- 5 710
Feb.	1 710	8 460	1 170	- 7 920
March	2 000	9 420	- 5 290	- 2 130
April	11 310	17 310	- 9 200	3 200
May	6 630	15 240	1 930	- 10 540
June	8 200	14 860	- 6 600	- 60
July	11 700	13 300	- 9 798	8 198
Aug.	6 520	7 650	- 14 659	13 529
Sept.	4 300	19 920	- 5 930	- 9 690
Oct.	1 760	10 740	- 2 060	- 6 920
Nov.	8 030	7 570	- 1 980	2 440
Dec.	12 070	5 680	3 040	3 350
1993				
Jan.	5 490	5 400	3 890	- 3 800

2.4 THE BANK OF FINLAND'S TRANSACTIONS IN CONVERTIBLE CURRENCIES, MILL. FIM

During period	Intervention in the foreign exchange market			Spot transactions related to forward contracts, net	Central government's foreign exchange transactions, net
	Spot purchases	Spot sales	Forward exchange intervention = change in forward exchange position		
	1	2	3		
1991	35 120	- 69 940	- 14 820	12 820	12 260
1992	20 050	- 70 640	- 1 650	390	45 060
1991					
Dec.	6 840	- 170	1 020	- 430	1 110
1992					
Jan.	710	-	190	- 730	- 740
Feb.	-	- 4 000	4 280	- 4 240	7 150
March	50	- 250	1 200	- 1 200	1 250
April	2 960	- 16 650	- 2 790	1 650	6 040
May	3 870	-	500	- 320	930
June	1 480	- 2 380	2 530	3 390	5 370
July	470	- 5 790	1 450	- 1 590	3 760
Aug.	110	- 17 700	- 6 110	6 350	3 170
Sept.	-	- 20 880	- 14 860	11 610	2 800
Oct.	5 870	-	670	- 2 210	3 510
Nov.	4 530	-	6 190	- 6 610	13 020
Dec.	-	- 2 990	5 100	- 5 710	- 1 200

2.5 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					
	Domestic companies			Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
1	2	3	4	5	6	
1988	16 488	1 543	14 946	9 086	- 377	23 654
1989	10 531	3 563	6 967	8 031	205	15 204
1990	11 609	4 979	6 631	10 100	- 6 098	10 633
1991	33 004	36 352	- 3 348	2 550	8 953	8 155
1992	39 195	32 939	6 256	- 11 197	7 133	2 192
1991						
Dec.	33 004	36 352	- 3 348	2 550	8 953	8 155
1992						
Jan.	31 732	27 973	3 759	4 673	8 276	16 708
Feb.	31 502	25 516	5 987	2 441	3 774	12 202
March	27 850	22 720	5 130	5 216	2 937	13 283
April	29 812	27 586	2 227	- 423	5 815	7 619
May	29 457	24 458	4 999	408	5 531	10 938
June	28 942	28 750	192	4 412	807	5 411
July	27 567	29 494	- 1 927	4 013	1 328	3 414
Aug.	25 399	34 767	- 9 368	421	7 933	- 1 014
Sept.	34 168	45 232	- 11 065	- 9 827	20 158	- 734
Oct.	37 048	38 820	- 1 771	- 10 681	17 921	5 469
Nov.	40 986	35 550	5 436	- 11 623	11 617	5 430
Dec.	39 195	32 939	6 256	- 11 197	7 133	2 192

3. RATES OF INTEREST

3.1 MONEY MARKET RATES AND RATES APPLIED BY THE BANK OF FINLAND, PER CENT

Average of daily observations	Inter-bank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate ¹	Call money deposit rate	Base rate
	1	2	3	4	5	6	7	8
1988	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63
1989	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67
1990	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50
1991	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
1992	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
1992								
Jan.	11.41	12.09	12.25	12.33	12.39	15.00	4.00	8.50
Feb.	10.74	11.78	11.74	11.74	11.75	15.00	4.00	8.50
March	14.27	12.95	12.38	12.08	11.99	15.00	4.00	8.50
April	17.24	15.94	14.21	13.38	13.04	15.00	4.00	8.50
May	14.39	14.05	13.73	13.28	13.10	15.00	4.00	9.50
June	13.58	13.58	13.70	13.83	13.76	15.00	4.00	9.50
July	13.47	13.45	13.96	14.19	14.07	14.37	12.13	9.50
Aug.	15.02	15.25	15.09	14.97	14.69	16.84	14.65	9.50
Sept.	16.65	17.79	16.41	15.29	14.71	19.15	13.43	9.50
Oct.	12.23	13.34	13.37	13.32	13.39	14.69	8.96	9.50
Nov.	10.66	11.04	11.50	11.63	11.72	12.03	8.03	9.50
Dec.	10.20	10.55	10.68	10.70	10.70	11.69	7.69	9.50
1993								
Jan.	10.20	10.53	10.64	10.63	10.57	11.49	7.49	8.50

¹ Call money credit rate until 2 July 1992.

3.2 THE BANK OF FINLAND'S LIQUIDITY FACILITY

	The Bank of Finland's tender rate, %	Liquidity credit: interest rate margin, %-points	Liquidity credit: maturity, days	Call money deposits: interest rate margin, %-points
1992				
July	13.37	July +1.00	7	- 1.00
Aug.	15.84	Aug. +1.00	14	- 2.00
Sept.	18.15	Sept. +1.00	14	- 5.00
Oct.	13.69	Oct. +1.00	7	- 3.00
Nov.	11.03	Nov. +1.00	7	- 3.00
Dec.	10.69	Dec. +1.00	7	- 3.00
1993				
Jan.	10.49	Jan. +1.00	7	- 3.00
4 Jan.	10.44			
14 Jan.	10.47			
21 Jan.	10.64			
22 Jan.	10.55			

3.3 WEIGHTED EURORATES AND COMMERCIAL ECU INTEREST RATE, PER CENT

Average of daily observations	ECU	3 currencies	Commercial ECU
	3 months		
	1	2	3
1988	6.9	6.0	6.9
1989	9.3	8.4	9.3
1990	10.5	9.1	10.4
1991	10.1	8.5	9.9
1992	10.4	7.8	10.6
1992			
Jan.	10.2	8.0	10.4
Feb.	10.2	8.1	10.3
March	10.3	8.2	10.2
April	10.3	8.2	10.2
May	10.2	8.1	10.2
June	10.4	8.0	10.5
July	10.7	7.9	10.8
Aug.	10.9	8.0	11.1
Sept.	11.0	7.5	11.6
Oct.	10.3	7.2	11.1
Nov.	9.9	7.3	10.4
Dec.	10.3	7.2	10.9
1993			
Jan.	9.9	6.8	10.1

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

Average for period	Lending						Markka deposits and other markka funding					
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits ¹	36-month tax-exempt deposits ¹	Other tax-exempt deposits, max. rate of interest ¹	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total								
	1	2	3	4	5	6	7	8	9	10	11	12
1988	10.22	12.27	10.50	10.72	9.88	9.74	8.00	.	3.75	5.24	9.80	6.20
1989	12.97	13.47	11.58	12.07	10.56	10.40	7.50	.	4.50	5.67	11.92	7.37
1990	13.24	15.62	13.33	13.85	11.84	11.61	7.50	.	4.50	6.43	13.55	8.41
1991	13.63	15.88	13.40	13.84	12.08	11.80	7.50	.	4.50	7.10	13.22	8.97
1992*	14.06	15.86	13.34	13.76	12.46	12.14	7.50	8.50	4.50	7.42	12.84	9.14
1991												
Dec.	10.15	15.25	12.35	12.51	12.15	11.79	7.50	.	4.50	7.08	12.63	8.71
1992												
Jan.	12.52	15.42	13.14	13.41	12.06	11.76	7.50	.	4.50	7.19	12.29	8.66
Feb.	13.79	15.58	12.96	13.47	12.00	11.76	7.50	.	4.50	7.21	12.15	8.67
March	14.21	15.73	13.36	13.81	11.97	11.70	7.50	.	4.50	7.23	12.32	8.77
April	12.31	16.24	13.75	14.06	12.08	11.76	7.50	.	4.50	7.33	13.09	9.16
May	15.34	15.59	13.82	14.22	12.50	12.21	7.50	.	4.50	7.42	12.95	9.12
June	15.17	15.47	14.04	14.39	12.61	12.29	7.50	.	4.50	7.42	12.94	9.15
July	15.96	16.19	14.06	14.56	12.63	12.29	7.50	.	4.50	7.55	12.94	9.26
Aug.	16.21	16.56	14.33	14.81	12.81	12.52	7.50	.	4.50	7.71	13.64	9.68
Sept.	16.56	16.94	14.52	15.00	13.01	12.72	7.50	8.50	4.50	7.80	14.39	10.03
Oct.	16.70	16.29	13.76	14.29	12.87	12.43	7.50	8.50	4.50	7.66	13.11	9.41
Nov.	14.18	15.74	13.10	13.47	12.70	12.26	7.50	8.50	4.50	7.41	12.26	8.99
Dec.*	12.64	14.99	11.70	12.03	12.35	11.95	7.50	8.50	4.50	7.07	11.81	8.64

¹ End of period.

3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

Period	Reference rates calculated by the Bank of Finland		Taxable government bonds	Taxable public issues	Issued by:		Taxfree public issues	
	3 years	5 years			Financial institutions	Corporations		
		1	2	3	4	5	6	7
1988		10.7	10.8	10.6	10.6	10.6	10.6	7.8
1989		12.2	12.0	12.1	11.9	12.0	12.0	8.1
1990		13.7	13.5	13.2	13.3	13.3	13.2	9.2
1991		12.3	12.2	11.9	12.6	12.5	13.0	10.0
1992		13.1	13.0	12.9	13.8	13.6	13.6	9.9
1991								
Dec.		12.7	12.7	12.4	13.6	13.6	13.1	9.9
1992								
Jan.		12.5	12.5	12.3	13.0	12.9	13.1	10.0
Feb.		12.1	12.0	11.2	12.7	12.4	12.9	9.8
March		12.1	12.1	11.3	12.4	12.4	12.6	9.8
April		12.8	12.7	11.9	12.8	12.7	14.0	9.8
May		13.0	12.9	11.8	13.0	12.6	13.9	9.8
June		13.3	13.2	12.2	14.2	14.2	..	10.2
July		13.6	13.3	12.1	14.1	14.3	13.9	10.5
Aug.		14.3	14.0	12.8	14.5	14.7	14.3	10.4
Sept.		15.0	14.7	13.3	15.3	15.3	..	10.1
Oct.		14.3	14.2	13.0	15.3	15.3	..	9.9
Nov.		12.8	12.9	12.0	14.7	14.3	15.3	9.4
Dec.		11.7	11.8	10.9	13.2	12.7	13.1	9.5

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4. RATES OF EXCHANGE

4.1 MIDDLE RATES, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oslø	Copenhagen	Frankfurt aM	Amsterdam	Brussels	Zurich	Paris
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF	1 FRF
	1	2	3	4	5	6	7	8	9	10	11	12
1988	4.187	3.405	7.446	6.377	0.6829	0.6424	0.6220	2.3842	2.1185	0.11390	2.8631	0.7029
1989	4.290	3.624	7.032	6.082	0.6654	0.6213	0.5869	2.2818	2.0226	0.10890	2.6243	0.6725
1990	3.823	3.277	6.808	6.325	0.6459	0.6110	0.6181	2.3664	2.1002	0.11447	2.7576	0.7024
1991	4.046	3.533	7.131	6.511	0.6684	0.6236	0.6322	2.4380	2.1634	0.11841	2.8208	0.7169
1992	4.483	3.706	7.875	7.636	0.7714	0.7222	0.7444	2.8769	2.5552	0.13973	3.2000	0.8486
1992												
Jan.	4.297	3.715	7.775	7.246	0.7476	0.6926	0.7016	2.7220	2.4170	0.13218	3.0636	0.7981
Feb.	4.423	3.741	7.856	7.289	0.7523	0.6966	0.7046	2.7304	2.4267	0.13259	3.0375	0.8021
March	4.533	3.802	7.814	7.278	0.7522	0.6954	0.7032	2.7279	2.4236	0.13256	3.0051	0.8036
April	4.495	3.783	7.895	7.270	0.7538	0.6962	0.7039	2.7280	2.4233	0.13258	2.9655	0.8066
May	4.402	3.672	7.975	7.256	0.7540	0.6962	0.7033	2.7162	2.4129	0.13196	2.9529	0.8079
June	4.290	3.587	7.945	7.269	0.7544	0.6967	0.7069	2.7238	2.4178	0.13235	3.0051	0.8091
July	4.077	3.420	7.824	7.292	0.7545	0.6966	0.7107	2.7356	2.4261	0.13279	3.0576	0.8106
Aug.	3.985	3.350	7.734	7.289	0.7540	0.6962	0.7120	2.7462	2.4358	0.13328	3.0659	0.8096
Sept.	4.439	3.635	8.209	8.066	0.8271	0.7653	0.7904	3.0602	2.7170	0.14848	3.4724	0.8993
Oct.	4.695	3.771	7.791	8.340	0.8410	0.7774	0.8218	3.1725	2.8180	0.15398	3.5775	0.9350
Nov.	5.048	3.982	7.714	8.394	0.8140	0.7805	0.8263	3.1812	2.8281	0.15465	3.5330	0.9404
Dec.	5.136	4.034	7.969	8.570	0.7457	0.7710	0.8395	3.2477	2.8890	0.15784	3.6137	0.9526
1993												
Jan.	5.419	4.242	8.304	8.863	0.7475	0.7885	0.8699	3.3561	2.9850	0.16307	3.6685	0.9899

Average of daily quotations	Rome	Vienna	Lisbon	Reykjavik	Madrid	Athens	Tallinn	Tokyo	Melbourne	ECU Commercial	SDR
	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 ERK	1 JPY	1 AUD	1 XEU	1 XDR
	13	14	15	16	17	18	19	20	21	22	23
1988	0.00322	0.3391	0.0291	0.0980	0.0359	..	..	0.03266	3.288	4.944	5.61826
1989	0.00313	0.3242	0.0273	0.0758	0.0362	..	..	0.03116	3.398	4.719	5.49375
1990	0.00319	0.3363	0.0268	0.0656	0.0375	..	..	0.02647	2.988	4.864	5.18345
1991	0.00326	0.3464	0.0280	0.0684	0.0389	0.0224	..	0.03008	3.152	5.003	5.53082
1992	0.00364	0.4088	0.0332	0.0778	0.0438	0.0235	0.4060	0.03546	3.289	5.798	6.31247
1992											
Jan.	0.00361	0.3867	0.0314	0.0752	0.0430	0.0240	..	0.03432	3.212	5.550	6.04989
Feb.	0.00364	0.3883	0.0317	0.0758	0.0435	0.0240	..	0.03467	3.325	5.584	6.14937
March	0.00363	0.3877	0.0317	0.0760	0.0432	0.0239	..	0.03412	3.438	5.580	6.19184
April	0.00362	0.3875	0.0320	0.0759	0.0433	0.0231	..	0.03368	3.428	5.586	6.16396
May	0.00361	0.3860	0.0326	0.0755	0.0434	0.0230	..	0.03369	3.328	5.581	6.11371
June	0.00360	0.3869	0.0328	0.0752	0.0433	0.0224	..	0.03381	3.246	5.583	6.05642
July	0.00361	0.3888	0.0323	0.0744	0.0430	0.0220	..	0.03245	3.039	5.585	5.88609
Aug.	0.00362	0.3901	0.0318	0.0739	0.0428	0.0220	..	0.03155	2.890	5.582	5.80390
Sept.	0.00380	0.4346	0.0348	0.0819	0.0455	0.0244	..	0.03620	3.208	6.092	6.46534
Oct.	0.00358	0.4509	0.0356	0.0838	0.0446	0.0243	..	0.03876	3.359	6.197	6.73373
Nov.	0.00370	0.4522	0.0357	0.0840	0.0444	0.0244	..	0.04075	3.483	6.247	7.00171
Dec.	0.00364	0.4615	0.0362	0.0817	0.0455	0.0246	0.4060	0.04141	3.542	6.359	7.13363
1993											
Jan.	0.00364	0.4771	0.0373	0.0849	0.0473	0.0251	0.4195	0.04333	3.652	6.576	7.46369

4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

Average of daily observations	Markka value of the ECU		Currency indices, 1982=100		
	FIM/ECU	Deviation from the midpoint, %	Bank of Finland's trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4	5
1988	4.96108	.	102.0	101.7	104.7
1989	4.73670	.	98.4	99.1	102.8
1990	4.85697	.	97.3	96.8	97.3
1991	5.00580	.	101.4	101.4	102.8
1992	5.80140	.	116.4	115.7	117.3
1992					
Jan.	5.55238	-0.1	112.1	111.1	113.0
Feb.	5.58207	0.4	112.9	112.5	114.4
March	5.57515	0.3	112.9	113.2	115.0
April	5.58563	0.5	112.9	113.0	114.5
May	5.58167	0.4	112.7	112.2	113.6
June	5.58600	0.5	112.6	111.5	112.8
July	5.58744	0.5	111.9	109.7	110.3
Aug.	5.58723	0.5	111.5	108.8	109.1
Sept.	6.13433	.	122.6	120.0	120.8
Oct.	6.22713	.	124.6	123.5	125.3
Nov.	6.25533	.	125.2	126.0	129.2
Dec.	6.36242	.	125.0	126.5	129.8
1993					
Jan.	6.57212	.	128.9	131.0	134.7

5. OTHER DOMESTIC FINANCING

5.1 BANK FUNDING FROM THE PUBLIC, MILL. FIM

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
1987	21 327	76 160	83 248		180 735	3 923	184 658	17 892	202 550
1988	25 473	76 958	121 670		224 102	4 643	228 745	28 844	257 589
1989	28 942	85 396	125 748		240 085	7 358	247 444	35 298	282 742
1990	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
1991	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
1991									
Nov.	28 911	83 328	121 547	18 277	252 063	16 779	268 841	58 774	327 615
Dec.	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
1992									
Jan.	32 780	84 701	123 513	19 094	260 087	12 274	272 361	54 706	327 068
Feb.	29 417	86 031	123 652	18 666	257 767	12 350	270 117	56 202	326 319
March	30 899	87 563	123 296	18 185	259 943	11 805	271 748	54 436	326 184
April	30 762	86 090	124 087	18 119	259 058	12 665	271 722	59 353	331 076
May	30 791	84 805	123 555	17 922	257 073	11 441	268 514	60 635	329 148
June	33 330	84 552	122 504	17 714	258 101	10 418	268 519	62 836	331 355
July	32 419	83 953	122 788	18 003	257 163	10 665	267 828	62 293	330 121
Aug.	33 067	83 283	122 056	17 976	256 381	11 525	267 906	60 054	327 961
Sept.	30 779	82 078	120 918	18 662	252 436	15 698	268 134	61 377	329 510
Oct.	34 447	82 734	119 726	19 659	256 566	15 429	271 995	59 666	331 661
Nov.	34 675	82 763	118 536	19 613	255 587	14 807	270 394	61 800	332 194

5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
1987	8 507	5 177	180 360	194 044	36 954	230 998
1988	11 358	5 920	234 268	251 545	50 235	301 780
1989	15 270	5 650	257 768	278 688	73 176	351 864
1990	19 152	5 777	260 790	285 720	103 134	388 853
1991	18 037	4 712	262 859	285 609	107 714	393 323
1991						
Nov.	17 978	4 576	262 685	285 239	113 156	398 395
Dec.	18 037	4 712	262 859	285 609	107 714	393 323
1992						
Jan.	17 450	4 167	262 309	283 926	107 075	391 001
Feb.	17 650	4 099	262 813	284 563	105 703	390 266
March	17 215	3 996	260 983	282 194	102 701	384 895
April	17 407	3 927	259 782	281 116	101 104	382 220
May	17 403	3 916	259 295	280 613	99 035	379 649
June	17 344	3 899	257 990	279 234	96 635	375 869
July	16 959	3 848	257 777	278 583	95 334	373 917
Aug.	17 249	3 719	256 976	277 944	92 605	370 550
Sept.	17 366	3 610	256 359	277 335	103 654	380 989
Oct.	16 738	3 538	255 133	275 409	100 976	376 385
Nov.	16 545	3 449	254 411	274 405	101 162	375 567

5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL.FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)	M ₃
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
1988	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
1989	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
1990	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
1991	-86 555	-6 516	470 852	464 336	-102 540	130 644	275 241	310 924
1992*	..	..	..	..	..	134 577	273 893	310 616
1991								
Dec.	-86 555	-6 516	470 852	464 336	-102 540	130 644	275 241	310 924
1992								
Jan.	-92 949	-5 295	471 797	466 502	-99 040	128 325	274 513	312 534
Feb.	-86 492	-4 895	470 980	466 085	-108 021	125 875	271 572	306 696
March	-87 007	-5 201	467 987	462 785	-102 093	128 701	273 685	311 738
April	-83 331	-4 726	465 590	460 864	-104 416	127 554	273 117	315 983
May	-83 053	-4 327	463 477	459 151	-104 706	126 652	271 391	311 877
June	-75 847	-2 899	459 867	456 968	-108 783	128 496	272 338	314 149
July	-70 776	-3 718	457 463	453 745	-111 703	127 189	271 265	314 330
Aug.	-65 517	-1 835	456 178	454 342	-118 708	126 771	270 118	311 644
Sept.	-70 526	4 256	454 777	459 032	-122 318	123 157	266 188	307 307
Oct.	-66 406	5 737	451 432	457 170	-119 914	128 012	270 850	313 340
Nov.	..	..	..	..	..	128 610	269 875	312 343
Dec.*	..	..	..	..	..	134 577	273 893	310 616

5.4 LIABILITIES AND ASSETS OF THE CENTRAL GOVERNMENT, MILL.FIM

End of period	Foreign currency-denominated debt				Markks-denominated debt			Total central government debt (4+8)	Out-standing lending	Cash funds	
	Bonds	Other bonds and debentures	Long-term promissory notes	Total (1+2+3)	Public bonds	Other long-term liabilities	Treasury notes and bills				
	1	2	3	4	5	6	7	8	9	10	11
1988	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	41 011	15 858
1989	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	43 499	21 248
1990	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	48 121	23 114
1991	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	55 165 ^f	15 956
1992	100 244	3 669	2 474	106 387	40 578	13 555	14 762	68 895	175 282	..	..
1991											
Dec.	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	55 165 ^f	15 956
1992											
Jan.	38 613	2 525	2 500	43 638	31 064	12 205	6 881	50 150	93 788	55 840 ^f	11 536
Feb.	45 885	2 904	2 466	51 255	32 232	12 205	6 430	50 867	102 122	56 567 ^f	17 967
March	47 575	2 843	2 401	52 819	32 629	12 199	7 201	52 029	104 848	57 571 ^f	18 423
April	53 972	2 837	2 383	59 192	32 814	11 614	7 257	51 685	110 877	58 103 ^f	17 029
May	55 006	2 861	2 376	60 243	33 881	11 460	8 257	53 598	113 841	58 649 ^f	21 068
June	60 146	3 099	2 166	65 411	34 316	11 460	10 384	56 160	121 571	59 244 ^f	20 284
July	63 957	3 063	1 641	68 661	35 193	11 460	10 658	57 311	125 972	59 810 ^f	22 293
Aug.	66 790	3 050	1 630	71 470	34 862	11 460	11 901	58 223	129 693	60 172 ^f	20 510
Sept.	79 848	3 579	2 209	85 636	36 152	11 460	12 193	59 805	145 441	60 940 ^f	21 269
Oct.	84 008	3 599	2 549	90 156	37 427	11 460	14 533	63 420	153 576	61 672 ^f	22 952
Nov.	85 971	3 704	2 599	92 274	38 928	11 460	14 716	65 104	157 378	61 743	22 448
Dec.	100 244	3 669	2 474	106 387	40 578	13 555	14 762	68 895	175 282

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5.5 MARKKA BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1988	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
1989	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
1990	4 640	17 891	4 420	490	1 007	17 234	607	10 607	28 447
1991*	7 277	25 737	11 073	1 320	-	30 160	-	15 247	45 407
1992*	7 250	15 128	12 965	2 674	4	23 884	-	14 137	38 021
1991*									
Dec.	244	6 335	-	-	-	4 092	-	2 486	6 578
1992*									
Jan.	662	846	5 030	70	-	5 925	-	683	6 608
Feb.	770	1 459	-	450	-	1 409	-	1 270	2 679
March	442	953	235	310	-	1 445	-	494	1 940
April	53	1 352	-	570	4	178	-	1 801	1 979
May	1 087	615	3 724	121	-	4 573	-	974	5 547
June	1 242	726	215	42	-	1 071	-	1 154	2 225
July	399	10	-	86	-	50	-	445	495
Aug.	18	1 445	175	20	-	1 620	-	38	1 657
Sept.	2	964	190	77	-	231	-	1 002	1 233
Oct.	1 371	704	2 966	208	-	3 319	-	1 930	5 249
Nov.	140	1 550	430	120	-	1 990	-	250	2 240
Dec.	1 065	4 504	-	600	-	2 073	-	4 096	6 169

B) STOCK, MILL. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1987	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
1988	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
1989	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
1990	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
1991*	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
1991*									
III	25 034	69 492	33 235	2 037	3 744	70 002	18 614	44 926	133 542
IV	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
1992*									
I	26 650	77 864	36 796	3 555	3 724	80 892	15 977	51 720	148 589
II	26 383	80 295	37 744	4 306	3 721	83 427	15 314	53 707	152 449
III	26 079	80 658	39 579	4 457	3 720	86 058	14 329	54 106	154 493

C) TURNOVER, MILL. FIM

During period	Interbank	Between banks and customers	Primary dealers' transactions in benchmark government bonds		
			Purchases from other primary dealers	Purchases from others	Sales to others
	1	2	3	4	5
1988	..	..	.	.	.
1989	6 500	9 660	.	.	.
1990	5 401	6 058	.	.	.
1991	3 343	29 134	.	.	.
1992	18 221	58 241	10 744	12 026	12 859
1992					
Jan.	333	4 433	.	.	.
Feb.	820	3 922	.	.	.
March	636	3 608	.	.	.
April	2 480	2 493	.	.	.
May	360	1 618	.	.	.
June	846	1 848	.	.	.
July	859	2 604	.	.	.
Aug.	3 756	5 058	3 574	2 130	1 798
Sept.	3 272	7 360	2 930	2 566	2 218
Oct.	1 918	8 934	1 600	2 059	3 171
Nov.	1 481	8 432	1 270	2 339	2 849
Dec.	1 460	7 930	1 370	2 932	2 823
1993					
Jan.	2 566	10 186	2 350	3 889	4 349

5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices									Turnover', mill. FIM		
	HEX Index (28 Dec., 1990=1000)									Shares and sub- scrip- tion rights	Bonds and debentures	Total
	All-share index	By ownership		By industry								
		Re- stricted	Non- re- stricted	Banks and finance	Insurance and investment	Manufacturing	Of which:					
						Forest industries	Metal and engineering	Conglomerates				
	1	2	3	4	5	6	7	8	9	10	11	12
1988	1 692	1 727	1 473	1 825	1 371	1 705	1 591	1 629	2 013	31 734	5 718	37 452
1989	1 827	1 850	1 689	1 958	1 528	1 818	1 728	1 748	2 061	33 160	7 375	40 536
1990	1 330	1 322	1 393	1 260	1 182	1 374	1 435	1 281	1 472	15 521	4 550	20 071
1991	962	949	1 062	901	898	1 003	1 075	1 076	1 020	6 339	1 315	7 655
1992	772	759	868	425	467	942	1 123	1 206	890	10 277	15 377	25 654
1992												
Jan.	852	837	961	681	646	950	1 187	1 056	909	790	69	859
Feb.	904	889	1 011	649	653	1 040	1 252	1 244	990	648	65	712
March	858	845	959	595	612	991	1 159	1 204	941	581	41	622
April	805	791	907	530	552	941	1 124	1 171	878	418	23	441
May	849	838	929	542	538	1 014	1 202	1 317	950	674	104	778
June	788	776	877	411	474	972	1 182	1 298	904	606	511	1 118
July	722	710	811	345	425	901	1 082	1 210	835	406	902	1 308
Aug.	639	628	719	286	343	803	969	1 120	728	313	898	1 211
Sept.	576	564	667	205	250	750	944	1 085	653	614	1 449	2 062
Oct.	651	637	747	227	289	852	1 017	1 184	791	1 233	2 208	3 441
Nov.	809	796	905	344	429	1 033	1 184	1 311	1 012	1 474	2 562	4 037
Dec.	845	829	959	329	424	1 096	1 203	1 296	1 127	2 521	6 543	9 064
1993												
Jan.	875	.	.	314	422	1 143	1 158	1 331	1 214	1 803	4 114	5 917

¹ During period.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, feb	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, cit	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1988	91 313	7 026	4 280	6 132	17 438	108 750	9 377	4 415	122 543	91 232	3 338	7 907	7 390
1989	98 265	7 662	4 497	6 277	18 436	116 701	10 212	3 652	130 565	104 400	3 869	8 969	8 759
1990	99 750	8 347	4 650	6 081	19 077	118 827	12 739	4 461	136 027	101 967	4 363	10 766	9 503
1991*	91 100	7 508	5 044	5 636	18 189	109 289	10 003	5 120	124 412	86 348	3 974	11 089	11 011
1992*	105 583	8 402	5 894	7 268	21 564	127 147	6 771	5 606	139 525	93 422	4 217	10 772	13 044
1990													
III	22 902	2 189	1 598	1 186	4 973	27 875	2 607	1 104	31 587	23 063	1 054	2 912	2 089
IV	26 010	2 078	1 188	1 728	4 994	31 004	3 642	1 130	35 776	26 765	1 277	2 760	2 974
1991*													
I	21 947	1 759	915	1 462	4 136	26 084	3 022	1 242	30 348	22 015	968	2 592	2 833
II	21 204	1 850	1 256	1 282	4 389	25 593	2 376	1 323	29 293	20 895	1 019	2 583	2 599
III	22 749	2 030	1 629	1 274	4 932	27 681	2 557	1 233	31 471	20 526	1 020	2 899	2 439
IV	25 199	1 869	1 244	1 618	4 731	29 931	2 047	1 322	33 300	22 912	967	3 014	3 139
1992*													
I	24 738	1 902	1 136	1 718	4 756	29 494	2 494	1 305	33 293	22 755	1 045	2 703	3 400
II	26 409	2 111	1 470	1 595	5 175	31 585	1 487	1 329	34 400	24 222	1 078	2 793	2 966
III	24 804	2 319	1 937	1 744	6 001	30 805	1 375	1 423	33 603	20 755	1 063	2 835	3 148
IV	29 632	2 070	1 351	2 212	5 633	35 265	1 415	1 549	38 229	25 690	1 031	2 441	3 529

During period	Services expenditure, total (11+12)	Imports of goods and services (10+14)	Investment expenditure	Transfers and other expenditure	Current account expenditure (15+16+17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21+22)	Goods and services account (24+25)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account (24+25+26) = (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1988	18 634	109 866	17 033	6 975	133 874	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 656	-2 560	-11 331
1989	21 596	125 996	21 882	7 561	155 439	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-11 670	-3 910	-24 874
1990	24 632	126 599	26 973	8 967	162 540	-2 218	3 984	-6 117	-3 422	-5 555	-7 772	-14 234	-4 506	-26 513
1991*	26 074	112 421	28 674	10 013	151 108	4 752	3 534	-6 044	-5 374	-7 885	-3 132	-18 671	-4 893	-26 696
1992*	28 033	121 455	30 582	10 265	162 302	12 161	4 185	-4 878	-5 775	-6 468	5 693	-23 810	-4 659	-22 777
1990														
III	6 054	29 117	6 415	2 132	37 665	-161	1 136	-1 314	-903	-1 082	-1 243	-3 808	-1 028	-6 078
IV	7 011	33 776	7 141	2 289	43 206	-755	801	-1 572	-1 246	-2 017	-2 772	-3 499	-1 159	-7 430
1991*														
I	6 394	28 408	7 642	2 973	39 023	-67	791	-1 677	-1 371	-2 257	-2 325	-4 620	-1 731	-8 676
II	6 201	27 096	7 805	2 161	37 063	309	831	-1 326	-1 317	-1 812	-1 503	-5 429	-838	-7 771
III	6 358	26 884	6 716	2 190	35 790	2 223	1 010	-1 270	-1 165	-1 425	797	-4 159	-957	-4 319
IV	7 121	30 033	6 510	2 689	39 232	2 288	902	-1 770	-1 521	-2 389	-102	-4 463	-1 367	-5 931
1992*														
I	7 148	29 904	8 357	3 164	41 425	1 982	857	-1 567	-1 682	-2 393	-410	-5 864	-1 859	-8 133
II	6 837	31 059	7 661	2 417	41 136	2 188	1 033	-1 323	-1 372	-1 662	526	-6 174	-1 088	-6 736
III	7 046	27 801	6 909	2 420	37 130	4 049	1 256	-898	-1 404	-1 045	3 004	-5 534	-997	-3 528
IV	7 001	32 691	7 654	2 264	42 610	3 942	1 039	-1 090	-1 318	-1 368	2 573	-6 239	-715	-4 381

6.2 CAPITAL ACCOUNT¹, MILL. FIM

During period	Imports of long-term capital					Exports of long-term capital				Long-term capital account (5-10)	Basic balance	
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital			Total (6+7+8+9)
	1	2	3	4	5	6	7	8	9			10	11	12
1988	2 218	14 355	3 062	85	19 720	10 919	1 248	3 931	292	16 390	3 331	- 8 001
1989	2 095	14 756	8 608	79	25 538	13 327	180	5 323	273	19 103	6 435	-18 439
1990	3 010	22 656	19 674	169	45 509	12 471	577	- 499	294	12 843	32 666	6 153
1991*	- 997	38 004	12 945	561	50 512	4 303	- 371	838	101	4 871	45 641	18 945
1992*	807	36 954	4 333	- 157	41 937	4 369	189	2 065	344	6 967	34 970	12 193
1990												
III	85	6 702	2 518	- 26	9 279	2 640	284	- 2 963	10	- 29	9 308	3 230
IV	2 024	6 330	3 261	103	11 718	5 054	416	- 1 348	128	4 250	7 468	38
1991*												
I	116	7 776	3 602	- 267	11 228	1 199	- 16	17	165	1 365	9 863	1 188
II	99	16 668	3 779	484	21 030	1 171	- 434	589	- 19	1 307	19 723	11 952
III	- 435	10 402	2 775	- 61	12 681	1 330	434	- 520	- 2	1 242	11 440	7 121
IV	- 777	3 157	2 788	404	5 573	603	- 354	753	- 44	957	4 615	- 1 316
1992*												
I	464	3 923	- 979	794	4 202	1 613	186	302	273	2 374	1 829	- 6 304
II	35	12 917	487	- 392	13 047	156	1 144	- 266	29	1 062	11 985	5 249
III	- 49	5 336	771	- 1	6 056	1 018	- 997	1 008	80	1 109	4 947	1 419
IV	357	14 777	4 054	- 557	18 631	1 582	- 143	1 020	- 36	2 422	16 209	11 829

During period	Imports of short-term capital				Exports of short-term capital				Errors and omissions	Short-term capital account (16-20+21)	Overall balance excl. reserve movements (12+22)	Change in central bank's foreign exchange reserves
	Short-term capital imports of authorized banks	Trade credits	Other short-term capital	Total (13+14+15)	Short-term capital exports of authorized banks	Trade credits	Other short-term capital	Total (17+18+19)				
	13	14	15	16	17	18	19	20					21	22	23	24
1988	10 950	- 399	- 811	9 740	2 331	644	1 995	4 971	3 415	8 183	183	- 183
1989	4 285	1 627	3 679	9 592	1 462	475	710	2 647	5 533	12 478	- 5 961	5 961
1990	16 258	1 119	- 1 357	16 020	- 2 290	- 1 254	1 244	- 2 300	- 9 381	8 939	15 092	- 15 092
1991*	- 13 133	817	- 1 301	- 13 617	6 261	957	3 285	10 503	- 1 229	- 25 349	- 6 404	6 404
1992*	- 28 341	8 967	11 116	- 8 259	- 504	4 362	5 665	9 524	- 3 659	- 21 442	- 9 249	9 249
1990												
III	- 1 155	- 201	517	- 838	- 729	- 34	238	- 525	- 857	- 1 170	2 059	- 2 059
IV	- 11 196	- 6	- 1 088	- 12 290	- 13 404	- 34	- 467	- 13 905	- 241	1 374	1 412	- 1 412
1991*												
I	18 038	- 1 035	2 367	19 370	22 472	- 602	3 978	25 847	2 187	- 4 290	- 3 102	3 102
II	- 10 815	3	- 605	- 11 416	515	- 516	1 972	1 971	- 786	- 14 173	- 2 221	2 221
III	- 16 261	392	- 583	- 16 453	- 3 091	1 048	1 869	- 174	2 252	- 14 026	- 6 905	6 905
IV	- 4 094	1 456	- 2 481	- 5 118	- 13 635	1 027	- 4 534	- 17 141	- 4 883	7 140	5 824	- 5 824
1992*												
I	- 2 010	306	3 490	1 786	- 4 134	959	1 720	- 1 455	1 422	4 663	- 1 641	1 641
II	- 9 527	4 056	416	- 5 056	- 1 612	1 198	- 3 259	- 3 674	- 4 916	- 6 298	- 1 049	1 049
III	- 11 092	1 556	12 295	2 759	6 064	336	322	6 722	- 3 621	- 7 585	- 6 165	6 165
IV	- 5 712	3 049	- 5 085	- 7 748	- 822	1 870	6 881	7 930	3 456	- 12 222	- 394	394

¹ Capital account data are based on surveys as from the beginning of 1991. The resulting figures conform more closely to the IMF's recommendations.

6.3 FINLAND'S FOREIGN LIABILITIES AND ASSETS, MILL. FIM

End of period	Long-term liabilities					Long-term assets					Long-term debt, net (8-10)
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1988	12 673	68 957	33 117	915	115 662	24 199	8 223	19 417	2 484	54 323	61 339
1989	16 093	82 313	40 110	994	139 510	33 234	7 680	24 572	2 757	68 243	71 267
1990	18 651	98 399	51 744	4 630	173 424	43 931	7 184	25 595	5 487	82 196	91 228
1991*	17 443	148 446	69 681	5 427	240 997	53 285	7 561	27 707	6 161	94 713	146 283
1992*	18 250	214 180	85 050	6 347	323 827	65 840	9 108	33 400	7 629	115 976	207 851
1990											
III	16 741	90 866	54 362	1 060	163 029	39 321	7 330	24 996	2 923	74 570	88 459
IV	18 651	98 399	51 744	4 630	173 424	43 931	7 184	25 595	5 487	82 196	91 228
1991*											
I	18 714	113 555	56 270	4 234	192 773	45 383	7 307	25 856	5 914	84 459	108 313
II	18 760	130 670	61 363	4 741	215 534	46 808	6 917	26 904	6 061	86 690	128 844
III	18 273	136 365	63 708	4 718	223 064	48 391	7 385	25 837	5 934	87 547	135 517
IV	17 443	148 446	69 681	5 427	240 997	53 285	7 561	27 707	6 161	94 713	146 283
1992*											
I	17 907	155 836	70 591	6 513	250 847	54 898	8 053	28 992	6 738	98 681	152 166
II	17 942	164 855	69 038	6 061	257 896	55 054	9 242	27 836	6 503	98 635	159 261
III	17 893	188 562	77 476	6 652	290 584	64 258	8 654	30 798	7 109	110 818	179 765
IV	18 250	214 180	85 050	6 347	323 827	65 840	9 108	33 400	7 629	115 976	207 851

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+23)	Net interest and dividend expenditure in relation to current receipts	Net interest and dividend expenditure in relation to current receipts
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits	Other short-term liabilities	Total (12+13+14+15)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits	Other short-term assets	Total (17+18+19+20)				
	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1988	3 341	83 828	11 070	9 039	107 278	32 037	32 108	16 041	4 789	84 975	22 303	83 642	7 933	6.5
1989	3 558	88 751	12 697	12 883	117 889	25 113	33 569	16 516	5 666	80 864	37 024	108 291	10 453	8.0
1990	3 922	106 548	13 466	13 864	137 801	39 506	27 190	14 372	6 608	87 676	50 125	141 353	13 130	9.7
1991*	3 149	100 837	14 233	14 703	132 921	35 922	36 727	15 845	10 578	99 072	33 849	180 132	15 734	12.7
1992*	7 849	86 864	23 207	22 653	140 573	33 966	43 603	20 717	15 464	113 751	26 822	234 673	20 210	14.5
1990														
III	4 071	117 679	13 468	12 544	147 763	38 454	44 683	15 297	7 325	105 759	42 004	130 463	3 532	11.2
IV	3 922	106 548	13 466	13 864	137 801	39 506	27 190	14 372	6 608	87 676	50 125	141 353	3 223	9.0
1991*														
I	3 399	127 305	12 323	17 232	160 259	37 748	48 792	13 766	11 366	111 672	48 587	156 901	3 886	12.8
II	2 889	117 997	12 318	17 498	150 702	36 023	50 406	13 271	13 753	113 453	37 249	166 092	4 695	16.0
III	2 826	100 908	12 710	16 703	133 147	29 006	47 064	14 326	15 153	105 549	27 599	163 116	3 424	10.9
IV	3 149	100 837	14 233	14 703	132 921	35 922	36 727	15 845	10 578	99 072	33 849	180 132	3 729	11.2
1992*														
I	3 185	102 919	14 506	18 439	139 048	35 429	32 960	16 974	12 796	98 158	40 890	193 056	4 964	14.9
II	3 242	91 661	18 587	18 157	131 646	33 516	32 786	18 120	9 106	93 528	38 118	197 379	5 274	15.3
III	14 067	88 898	20 166	21 248	144 379	29 484	43 316	18 946	9 907	101 652	42 727	222 492	4 634	13.8
IV	7 849	86 864	23 207	22 653	140 573	33 966	43 603	20 717	15 464	113 751	26 822	234 673	5 339	14.0

6.4 FINLAND'S LONG-TERM FOREIGN LIABILITIES AND ASSETS, BY SECTOR, MILL. FIM

End of period	Long-term liabilities						Long-term assets						Long-term liabilities, net (6-12)
	Corporate sector	Banks	Other financial institutions	Central government	Other	Total (1+2+3+4+5)	Corporate sector	Banks	Other financial institutions	Central government	Other	Total (7+8+9+10+11)	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1988	46 471	27 427	14 339	26 926	499	115 662	25 093	21 607	3 573	3 101	949	54 323	61 339
1989	58 009	40 199	17 665	23 063	574	139 510	34 828	26 048	2 313	3 517	1 537	68 243	71 267
1990	65 553	56 394	21 694	29 174	610	173 424	45 372	28 423	2 075	4 279	2 047	82 196	91 228
1991*	79 266	69 014	35 626	56 377	713	240 997	57 457	27 619	2 092	4 752	2 794	94 713	146 283
1992*	87 108	68 054	48 523	118 081	2 061	323 827	72 817	30 708	3 122	6 034	3 296	115 976	207 851
1990													
III	62 837	54 562	21 377	23 580	673	163 029	39 882	27 193	1 763	3 772	1 960	74 570	88 459
IV	65 553	56 394	21 694	29 174	610	173 424	45 372	28 423	2 075	4 279	2 047	82 196	91 228
1991*													
I	71 346	58 048	26 532	36 123	724	192 773	47 427	28 015	2 114	4 651	2 252	84 459	108 313
II	77 127	65 685	33 213	38 814	696	215 534	49 671	27 523	2 093	5 040	2 362	86 690	128 844
III	77 071	66 742	34 196	44 332	723	223 064	51 407	26 843	2 109	4 655	2 534	87 547	135 517
IV	79 266	69 014	35 626	56 377	713	240 997	57 457	27 619	2 092	4 752	2 794	94 713	146 283
1992*													
I	80 395	67 432	36 032	65 370	1 617	250 847	59 636	28 516	2 271	5 367	2 890	98 681	152 166
II	78 074	61 908	37 685	78 534	1 695	257 896	60 153	28 119	2 265	5 147	2 951	98 635	159 261
III	84 246	66 370	39 131	98 824	2 012	290 584	69 216	30 385	2 422	5 528	3 268	110 818	179 765
IV	87 108	68 054	48 523	118 081	2 061	323 827	72 817	30 708	3 122	6 034	3 296	115 976	207 851

7. FOREIGN TRADE

7.1 EXPORTS, IMPORTS AND THE TRADE BALANCE, MILL. FIM

During period	Exports, fob	Imports, cif	Balance (1-2)
	1	2	3
1988	92 902	92 118	784
1989	99 784	105 516	- 5 732
1990	101 327	103 027	- 1 700
1991*	92 842	87 741	5 101
1992*	107 471	94 988	12 483
1991*			
Dec.	8 207	8 130	77
1992*			
Jan.	7 585	7 218	367
Feb.	8 282	7 769	513
March	9 327	8 155	1 172
April	8 742	8 432	310
May	9 098	8 094	1 004
June	9 019	8 097	922
July	7 972	6 754	1 218
Aug.	7 615	6 871	744
Sept.	9 658	7 489	2 169
Oct.	10 200	8 756	1 444
Nov.	10 532	8 740	1 792
Dec.	9 441	8 613	828

7.2 FOREIGN TRADE: INDICES OF VOLUME, UNIT VALUE AND TERMS OF TRADE, 1980=100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1988	121	130	145	122	119
1989	121	144	156	126	123
1990	125	138	154	128	120
1991*	114	115	154	131	118
1992*	124	112	164	145	113
1990					
III	114	124	155	129	120
IV	130	139	154	133	116
1991*					
I	110	117	154	131	118
II	107	112	153	130	118
III	113	109	156	132	119
IV	124	118	157	135	116
1992*					
I	118	112	162	142	114
II	125	118	162	143	113
III	117	102	163	142	115
IV	133	116	171	154	111

7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, fob					Imports by use of goods, cif				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
	1	2	3	4	5	6	7	8	9	10
1988	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
1989	7 416	32 513	8 844	32 682	18 329	51 786	8 310	20 606	24 055	759
1990	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
1991*	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672
1992*	7 897	32 601	12 181	35 772	19 109	49 488	9 752	13 298	20 861	1 533
1991*										
Dec.	576	2 429	976	2 793	1 452	3 576	952	1 658	1 649	441
1992*										
Jan.	528	2 444	987	2 197	1 429	3 574	690	1 092	1 747	119
Feb.	643	2 589	1 087	2 302	1 661	3 907	608	1 283	1 895	67
March	654	2 761	1 180	3 092	1 642	4 258	665	1 047	2 079	106
April	748	2 799	1 066	2 574	1 556	4 301	707	1 384	1 915	122
May	712	2 569	1 073	3 189	1 556	4 105	894	1 429	1 624	37
June	680	2 643	967	3 157	1 575	4 553	731	1 159	1 538	107
July	504	2 391	763	3 125	1 182	3 460	789	900	1 541	76
Aug.	531	2 352	919	2 353	1 496	3 657	698	751	1 552	217
Sept.	685	2 916	1 026	3 246	1 786	4 116	559	906	1 790	121
Oct.	797	3 187	1 031	3 334	1 862	4 477	1 062	1 199	1 890	105
Nov.	770	3 010	1 213	3 789	1 831	4 816	1 064	1 039	1 755	79
Dec.	645	2 940	869	3 414	1 533	4 264	1 285	1 109	1 535	377

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, fob				Imports, cif			
	1991*		1992*		1991*		1992*	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	75 795	81.6	88 347	16.6	70 023	79.8	75 180	7.4
OECD Europe	67 025	72.2	78 566	17.2	57 776	65.8	62 972	9.0
Of which:								
Austria	1 227	1.3	1 368	11.5	1 054	1.2	1 162	10.2
Belgium and Luxembourg	2 403	2.6	2 785	15.9	2 252	2.6	2 688	19.3
Denmark	3 445	3.7	3 858	12.0	2 993	3.4	3 192	6.7
France	5 492	5.9	7 204	31.2	3 673	4.2	4 382	19.3
Germany	14 331	15.4	16 806	17.3	14 834	16.9	16 085	8.4
Italy	3 303	3.6	4 302	30.2	3 661	4.2	3 425	-6.5
Netherlands	4 653	5.0	5 628	20.9	2 974	3.4	3 458	16.3
Norway	3 079	3.3	3 775	22.6	3 978	4.5	3 825	-3.8
Spain	2 534	2.7	2 842	12.2	1 008	1.1	1 167	15.8
Sweden	12 884	13.9	13 771	6.9	10 806	12.3	11 133	3.0
Switzerland	1 813	2.0	1 921	5.9	1 573	1.8	1 842	17.1
United Kingdom	9 613	10.4	11 519	19.8	6 739	7.7	8 213	21.9
Other OECD	8 770	9.4	9 781	11.5	12 247	14.0	12 209	-0.3
Of which:								
Canada	720	0.8	751	4.3	547	0.6	616	12.5
Japan	1 393	1.5	1 370	-1.6	5 287	6.0	5 202	-1.6
United States	5 648	6.1	6 365	12.7	6 032	6.9	5 792	-4.0
Non-OECD European countries	6 531	7.0	7 310	11.9	9 577	10.9	9 681	1.1
Of which:								
Russia ¹	4 521	4.9	3 020	..	7 455	8.5	6 725	..
Other countries	10 516	11.3	11 814	12.1	8 141	9.3	10 127	24.7
Of which:								
OPEC countries	1 977	2.1	1 927	-2.5	1 306	1.5	1 497	14.6
TOTAL	92 842	100.0	107 471	15.7	87 741	100.0	94 988	8.3
Of which:								
EC countries	47 567	51.2	57 150	20.1	40 224	45.8	44 801	11.4
EFTA countries	19 113	20.6	20 959	9.7	17 447	19.9	18 033	3.4

¹ Until the end of 1991, the Soviet Union; figures for Estonia, Latvia and Lithuania were included in those for the Soviet Union until October 1991.

8. DOMESTIC ECONOMIC DEVELOPMENTS

8.1 SUPPLY AND USE OF RESOURCES, MILL. FIM, 1985 PRICES

(seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4	5	6	7	8	9
1987	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
1988	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
1989	218 775	77 117	95 178	11 234	14 056	416 360	107 552	128 834	395 078
1990	219 293	80 525	88 429	12 720	13 992	414 959	109 236	127 735	396 460
1991*	211 181	82 338	68 465	12 701	6 723	381 408	101 932	112 277	371 063
1990									
II	55 368	20 075	22 277	3 257	4 605	105 583	29 140	34 271	100 452
III	54 718	20 205	21 286	3 092	3 705	103 006	26 511	30 355	99 163
IV	54 290	20 307	20 973	3 201	3 436	102 206	26 349	30 943	97 613
1991*									
I	53 303	20 435	19 371	3 138	2 735	98 981	25 267	29 503	94 745
II	52 902	20 539	17 216	3 525	1 652	95 834	24 280	27 145	92 969
III	53 818	20 638	16 478	3 167	- 143	93 957	26 685	28 160	92 483
IV	52 158	20 726	15 400	2 871	1 479	92 636	25 700	27 470	90 866
1992*									
I	51 316	20 353	15 624	2 947	1 970	92 209	27 168	28 634	90 743
II	49 881	20 431	15 857	2 907	2 920	91 995	28 259	29 229	91 026
III	49 420	20 497	15 350	2 857	3 081	91 206	27 302	27 411	91 097

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100

(seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manufacturing	Wood and paper industries	Metal and engineering industries	Other manufacturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.8)	(30.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
1987	107.2	99.9	107.2	106.5	110.2	105.4	107.8
1988	110.9	108.8	111.0	113.1	114.5	107.6	110.1
1989	114.6	117.9	115.0	116.6	121.5	109.6	110.5
1990	114.2	115.7	114.4	114.6	122.0	108.7	112.9
1991*	104.1	106.4	102.4	104.7	104.9	99.7	117.6
1991*							
Nov.	99.6	97.9	98.1	104.5	95.8	95.9	113.4
Dec.	102.3	104.2	101.4	105.5	105.1	98.6	111.2
1992*							
Jan.	102.9	106.4	101.2	105.4	105.2	96.8	115.9
Feb.	104.9	111.1	103.4	111.7	109.2	95.8	114.6
March	106.6	119.4	105.1	109.9	114.6	96.6	116.5
April	108.3	114.7	106.6	108.3	118.0	98.4	118.8
May	108.4	143.0	106.7	111.2	117.6	97.6	112.9
June	110.7	183.4	106.0	109.8	117.9	98.6	111.8
July	113.8	116.8	114.6	100.5	126.9	107.8	107.3
Aug.	108.9	98.2	109.0	110.5	125.3	97.1	110.7
Sept.	104.6	97.4	103.7	113.2	112.3	94.2	115.0
Oct.	108.8	76.8	106.8	113.6	115.5	98.1	132.6
Nov.	107.8	100.7	105.4	113.1	111.6	96.1	129.6

8.3 INDICATORS OF DOMESTIC SUPPLY AND DEMAND, 1985=100

(seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1987	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.9
1988	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.6
1989	124.2	117.0	130.3	132.9	137.6	125.2	161.4	115.3
1990	119.9	111.7	127.3	124.8	161.7	122.1	144.6	116.5
1991*	101.2	103.9	103.9	94.4	127.7	109.9	102.1	110.8
1991*								
Oct.	95.6	103.0	..	..	..	..	..	109.0
Nov.	95.0	102.5	..	..	..	..	..	108.8
Dec.	95.5	100.4	..	..	..	..	..	109.4
III	101.7	104.9	98.8	89.3	89.6	110.8	86.6	110.8
IV	95.4	102.0	89.9	78.2	97.9	97.0	111.3	109.1
1992*								
Jan.	96.5	104.1	..	..	..	..	..	108.2
Feb.	88.6	98.9	..	..	..	..	..	108.8
March	91.5	97.1	..	..	..	..	..	110.2
April	88.9	96.0	..	..	..	..	..	109.2
May	83.0	92.8	..	..	..	..	..	108.5
June	94.6	93.8	..	..	..	..	..	110.1
July	93.7	92.5	..	..	..	..	..	110.4
Aug.	80.4	88.4	..	..	..	..	..	109.3
Sept.	89.1	96.3	..	..	..	..	..	109.6
Oct.	84.8	92.9	..	..	..	..	..	109.0
I	92.2	100.1	88.1	82.8	92.7	96.1	87.9	109.1
II	88.8	94.2	84.1	81.9	77.8	96.1	106.7	109.3
III	87.7	92.4	80.3	74.2	85.3	80.2	64.1	109.7

8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SIC 3)	Central government	Local government	Non-profit institutions			Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1987	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
1988	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
1989	135.7	136.5	133.8	137.4	132.1	137.1	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
1990	148.2	148.8	146.8	149.8	144.7	150.0	127.3	110.9	115.7	93.6	110.0	110.4	109.8	134.5
1991¹	157.6	158.3	156.2	157.9	154.8	158.9	132.6	111.2	115.8	94.2	109.9	108.7	110.4	137.3
1991¹														
Dec.	..	..	..	..	..	..	134.0	111.3	115.4	96.3	110.8	110.7	110.9	137.1
III	158.6	158.9	156.4	159.5	156.6	161.0	132.8	110.8	115.4	94.3	109.6	108.3	110.2	137.7
IV	159.6	160.1	158.3	159.9	157.3	161.4	133.6	111.1	115.4	95.6	110.3	109.0	110.8	137.3
1992¹														
Jan.	..	..	..	..	..	..	134.7	111.8	115.4	98.4	111.1	111.4	111.0	136.5
Feb.	..	..	..	..	..	..	135.0	112.0	115.6	99.0	111.4	111.6	111.3	136.5
March	..	..	..	..	..	..	135.4	112.1	115.6	99.2	111.5	111.7	111.4	136.5
April	..	..	..	..	..	..	135.9	112.3	115.8	99.8	112.0	112.0	112.0	135.5
May	..	..	..	..	..	..	136.0	112.3	115.7	99.9	112.5	112.6	112.4	134.8
June	..	..	..	..	..	..	136.3	112.3	115.7	100.0	112.8	113.2	112.6	133.7
July	..	..	..	..	..	..	136.1	112.2	115.9	99.0	112.9	113.2	112.8	134.0
Aug.	..	..	..	..	..	..	135.9	112.0	115.7	98.6	112.4	111.8	112.7	133.7
Sept.	..	..	..	..	..	..	136.4	112.2	115.2	101.3	113.2	115.0	112.3	134.5
Oct.	..	..	..	..	..	..	136.9	113.3	115.7	104.3	113.8	115.9	112.8	134.7
Nov.	..	..	..	..	..	..	137.1	113.4	115.5	105.5	114.1	116.7	112.8	134.4
Dec.	..	..	..	..	..	..	136.8	113.4	115.5	105.9	114.0	115.9	113.0	134.0
I	160.1	160.5	159.3	160.5	158.0	161.8	135.0	111.9	115.5	98.9	111.3	111.6	111.2	136.5
II	160.6	161.1	160.1	160.9	158.4	162.3	136.1	112.3	115.7	99.9	112.4	112.6	112.3	134.7
III	160.6	160.8	159.4	161.4	158.9	162.6	136.2	112.2	115.6	99.6	112.8	113.3	112.6	134.0

¹ Preliminary figures for columns 1—6.

8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status		By industry			Unemployed	Unemployment rate	
				Self-employed	Wage and salary earners	Agriculture and forestry	Industry	Construction			Service industries
	%			1000 persons							%
	1	2	3	4	5	6	7	8	9	10	11
1988	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6
1989	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5
1990	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4
1991	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6
1992	66.1	2 501	2 174	325	1 849	188	454	150	1 382	327	13.1
1991											
Dec.	67.2	2 536	2 265	331	1 935	195	476	159	1 436	270	10.7
1992											
Jan.	66.5	2 511	2 237	331	1 905	195	467	153	1 421	274	10.9
Feb.	66.7	2 519	2 227	326	1 901	193	468	181	1 385	292	11.6
March	66.5	2 515	2 222	328	1 893	197	461	153	1 410	293	11.7
April	65.8	2 486	2 193	327	1 866	186	457	150	1 399	294	11.8
May	66.1	2 502	2 192	332	1 859	189	453	154	1 395	310	12.4
June	66.3	2 508	2 186	331	1 856	191	453	156	1 386	321	12.8
July	65.8	2 491	2 163	326	1 837	185	452	147	1 379	328	13.2
Aug.	66.5	2 516	2 162	330	1 832	187	445	151	1 379	354	14.1
Sept.	65.6	2 487	2 145	321	1 824	186	455	151	1 352	342	13.8
Oct.	65.9	2 498	2 135	320	1 815	181	454	132	1 367	363	14.5
Nov.	66.1	2 507	2 126	315	1 811	177	441	142	1 366	381	15.2
Dec.	65.2	2 471	2 097	309	1 787	181	437	134	1 345	374	15.1

8.6 CENTRAL GOVERNMENT FINANCES: REVENUE, EXPENDITURE AND FINANCIAL BALANCE, MILL. FIM, CASH FLOW BASIS

During period	Revenue						Expenditure				
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1987	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
1988	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
1989	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
1990	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
1991	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
1991											
Nov.	3 296	6 173	229	1 763	11 461	711	12 172	3 728	10 423	4 263	5 979
Dec.	3 876	6 691	66	2 636	13 270	418	13 688	3 927	10 463	3 857	5 844
1992											
Jan.	2 963	5 805	98	867	9 733	10	9 743	4 311	8 447	3 360	4 963
Feb.	2 854	6 461	84	1 098	10 497	7	10 504	4 000	8 004	3 387	4 449
March	- 420	5 048	227	2 355	7 210	2 041	9 251	3 889	9 055	3 808	4 542
April	4 629	5 583	119	2 373	12 704	83	12 787	4 022	9 590	3 818	5 394
May	3 068	5 722	131	2 012	10 933	32	10 965	3 782	9 010	3 658	5 183
June	4 310	5 615	135	2 097	12 157	339	12 496	4 390	8 760	4 005	4 514
July	3 662	6 074	275	1 234	11 245	78	11 323	5 073	7 975	3 469	4 319
Aug.	3 422	5 938	130	1 528	11 018	393	11 411	3 483	8 170	3 413	4 553
Sept.	3 091	5 663	117	1 510	10 381	137	10 517	3 887	8 179	3 440	4 575
Oct.	2 896	5 336	136	1 448	9 816	187	10 003	4 169	9 599	3 498	5 933
Nov.	2 984	5 925	110	1 751	10 770	704	11 474	3 806	9 072	3 463	5 492

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
1987	7 089	4 732	100 738	5 672	106 410	- 1 090	- 4 280	7 604	3 324
1988	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287
1989	8 393	5 343	120 826	7 566	128 390	11 490	7 851	- 4 009	3 842
1990	5 962	4 927	133 614	9 319	142 934	5 737	678	1 201	1 879
1991	5 370	6 368	158 044	13 328	171 372	- 23 420	- 32 304	25 659	- 6 645
1991									
Nov.	458	327	14 936	1 012	15 947	- 3 475	- 3 775	5 865	2 089
Dec.	526	892	15 809	798	16 607	- 2 539	- 2 920	- 211	- 3 131
1992									
Jan.	340	846	13 944	792	14 737	- 4 211	- 4 994	1 161	- 3 833
Feb.	314	168	12 486	839	13 324	- 1 989	- 2 820	7 885	5 065
March	378	1 355	14 677	3 305	17 981	- 7 467	- 8 730	3 545	- 5 185
April	394	684	14 690	683	15 374	- 1 986	- 2 587	5 474	2 887
May	400	366	13 558	826	14 385	- 2 625	- 3 420	3 216	- 203
June	476	1 006	14 632	2 574	17 205	- 2 475	- 4 709	8 162	3 453
July	398	479	13 925	683	14 608	- 2 680	- 3 285	5 185	1 900
Aug.	387	331	12 371	7 005	19 375	- 1 353	- 7 964	4 133	- 3 831
Sept.	442	816	13 324	4 950	18 275	- 2 943	- 7 758	5 267	- 2 491
Oct.	439	1 229	15 436	937	16 373	- 5 620	- 6 370	8 365	1 995
Nov.	410	102	13 390	1 010	14 400	- 2 620	- 2 926	15 124	12 199

NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION

GENERAL

Source
Unless otherwise stated, the source or compiler of figures is the Bank of Finland.

Symbols used

- * Preliminary
- r Revised
- 0 Less than half the final digit shown
- . Logically impossible
- .. Data not available
- Nil
- S Affected by strike
- _ Break in series

Owing to rounding of figures, the sum of the individual items in the tables may differ from the total shown.

NOTES AND EXPLANATIONS TO TABLES

1 THE BALANCE SHEET OF THE BANK OF FINLAND

Table 1.2 Domestic financial sector. Term claims on deposit banks (Column 13) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments. Liquidity position of deposit banks, net (Column 14); see explanation to Table 2.1. Other claims on financial institutions, net (Column 17) = bonds + other claims on financial institutions - other liabilities to financial institutions. *Corporate sector.* Special deposits and other items, net (Column 20) = bonds: other + other claims on corporations - deposits for investment and ship purchase - other liabilities to corporations.

2 THE BANK OF FINLAND'S OPERATIONS IN THE MONEY AND FOREIGN EXCHANGE MARKETS AND THE BANK'S FORWARD EXCHANGE POSITION

Table 2.1 Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. They can also obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity is determined by the Bank of Finland.

Table 2.2 The cash reserve requirement is reported for the month by the end of which the deposit must be made with the Bank of Finland. The requirement is announced at the end of the previous month and is determined on the basis of the cash reserve base for that month. The rate of interest paid on cash reserve deposits is 3 percentage points less than three-month HELIBOR (from April to December 1992 2 percentage points) but at least 8 per cent. A supplementary cash reserve agreement was applied from April 1989 to end-1990. The (non-interest-bearing) additional deposits made under this agreement varied according to the bank or group of banks concerned, the amounts being based on the rate of growth in lending.

Table 2.3 Money market instruments are the instruments used by the Bank of Finland in its money market opera-

tions. Matured money market instruments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

Table 2.4 Foreign exchange transactions are recorded according to trade dates. In addition to spot transactions (Columns 1, 2, 4 and 5) the Bank of Finland's foreign exchange reserves are affected by interest payments and by changes in both the prices of securities and exchange rates. Spot transactions related to forward contracts (Column 4) refer to the combined effects on the foreign exchange reserves of forward transactions in the form of swaps and maturing forward transactions. The central government's foreign exchange transactions (Column 5) comprise transactions related to drawings and redemptions of government loans and associated interest payments.

Table 2.5 As from the beginning of 1990, the statistics on the forward exchange market are based on data on individual contracts against the Finnish markka as reported by banks (excluding Columns 5 and 6). The statistics cover all authorized banks and contracts. The rates of exchange used in the statistics are the forward rates on the contract date.

3 RATES OF INTEREST

Table 3.1 HELIBOR (Helsinki Interbank Offered Rate) (Columns 2-5): The HELIBOR rate for each maturity is calculated by the Bank of Finland as the average of the offered rates for certificates of deposit quoted daily at 1 p.m. by the five largest banks.

Table 3.2 The Bank of Finland's tender rate (column 1) is determined in tenders held by the Bank of Finland, in which the banks are asked to make bids or offers for money market instruments with a maturity of one month. The tender rate is the weighted average of accepted bids or offers, expressed as a simple annual interest rate. If, when requesting bids or offers, the Bank of Finland announces an acceptable interest rate (fixed-rate tender), the tender rate is the same as the rate announced by the Bank. The monthly figure for the tender rate is the arithmetic average of calendar day figures.

Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. In addition, they can obtain liquidity credit from the Bank of Finland with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity of liquidity credit is determined by the Bank of Finland. The rate of interest on liquidity credit is obtained by adding together the Bank of Finland's tender rate and the interest rate margin for liquidity credit. The call money deposit rate is obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. The monthly figures for maturity and interest rate margins are those prevailing at the end of the month.

Table 3.3 The rates shown are based on the lending rates quoted for

the respective currencies in the Euro-market. ECU (Column 1): the weights of the ECU basket, 3 currencies (Column 2): DEM 60, USD 30 and GBP 10 per cent.

Table 3.4 *Lending.* New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic averages of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans. *Deposits.* 24-month and 36-month tax-exempt deposits (Columns 7 and 8): from May (September) 1992, 24-month (36-month) deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less two percentage points (one percentage point). In the period from January 1989 to April 1992, 24-month deposits (Column 7) were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less one percentage point. Other tax-exempt deposits (Column 9): from May 1992, deposits other than 24-month or 36-month deposits are tax-exempt if they carry a maximum rate of interest as prescribed by law. The maximum rate was set at 4.5 per cent. In the period from January 1989 to April 1992, deposits other than 24-month deposits were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less 4 percentage points. All markka deposits (Column 10): the stock of deposits comprises all markka deposits by the public. The monthly and annual average rates of interest are weighted by deposit amounts. Other funding (Column 11): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 12); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

Table 3.5 Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. From June 1990 onwards, the yield on taxable government bonds (Column 3) is calculated by the Bank of Finland as the monthly average of the offered rates quoted daily by the five largest banks. Until January 1992, the yield was calculated on a bullet bond due on 15 March 1994 with a coupon rate of 13 per cent. From February 1992 onwards the yield is calculated on a bullet bond due on 15 January 1999 with a coupon rate of 11 per cent. The annual figure for 1990 is calculated as the arithmetic mean of yields on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The yield on taxable public issues (Column 4) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures and other bonds

(excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued by all issuers except the central government with a remaining maturity of between 3 and 6 years. Financial institutions (Column 5): as in Column 4 for issues by financial institutions incl. banks. Corporations (Column 6): as in Column 4 for issues by non-financial corporations. The yield on taxfree public issues (Column 7) is calculated as the arithmetic mean of yields on fixed-rate public bonds with a remaining maturity of between 4 and 5 years. The Bank of Finland calculates the yields for columns 3-7 once a week on the basis of the trading quotations of the Helsinki Stock Exchange. Monthly observations are the averages of weekly observations and annual observations the averages of monthly observations.

4 RATES OF EXCHANGE

Table 4.2 FIM/ECU (Column 1): The markka value of the ECU is calculated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates, for which daily quotations at noon Finnish time are used. The midpoint (Column 2) was FIM 4.87580 from 7 June to 14 November 1991, and FIM 5.55841 from 15 November 1991 to 7 September 1992, and the fluctuation limits were ± 3 per cent around the midpoint. Since 8 September 1992 the markka has been floating. The Bank of Finland's trade-weighted currency index (Column 3): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 4): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERM index (Column 5): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; 14 currencies are included in this index.

5 OTHER DOMESTIC FINANCING

Table 5.1 Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and the local government sector. The table is based on new classifications of Statistics Finland applied since March 1991. Series before March 1991 have been reclassified by the Bank of Finland to conform with the present table, except for columns 3 and 4 where disaggregation was not possible and combined figures are shown. Time deposits (Column 3) consist of all fixed-term deposits. Other deposits (Column 4) include mainly investment accounts with no specific time-period. Other funding (Column 8) comprises CDs, promissory notes and bonds. The figures for banks' holdings of CDs issued by other banks, as well as the CD holdings of the Bank of Finland and the central government have been netted out; netting out is done by the Bank of Finland. Hence, this column includes some liabilities held by entities not covered by the above definition of the public.

Table 5.2 Source: Statistics Finland. S26 The public comprises households and

non-profit institutions, enterprises (excl. financial institutions) and local government. Foreign currency credits (Column 5) are mainly granted by commercial banks and Postipankki.

Table 5.3 Foreign assets, net (Column 1) = the Bank of Finland's foreign claims + banks' foreign claims (incl. foreign claims of banks' foreign branches) - the Bank of Finland's foreign liabilities - banks' foreign liabilities (incl. foreign liabilities of banks' foreign branches). *Domestic credit. Claims on the central government, net (Column 2) =* the Bank of Finland's claims on the central government + banks' claims on the central government - the central government's deposits with the Bank of Finland and Postipankki - loans granted from state funds through banks. Claims on the public (incl. local government), (Column 3) = the Bank of Finland's claims on the private sector + banks' claims on the private sector (loans to the public, bonds and debentures (excl. government bonds and bank debentures), claims on other financial institutions, shares held by banks). Other items, net (Column 5) = capital accounts and other items of the Bank of Finland (incl. private sector time deposits with the Bank of Finland) + capital accounts of deposit banks + unclassified assets and liabilities of deposit banks, net (bank debentures, bank CDs held by the public, other market funding and foreign currency deposits by the public). M_1 (Column 6) = currency in circulation - banks' till money + markka cheque and postal giro account deposits and transactions account deposits held by the public. M_2 (Column 7) = M_1 + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland). M_3 (Column 8) = M_2 + bank CDs held by the public.

Table 5.4 Source: State Treasury Office. Other bonds and debentures (Column 2) are so-called private placings. Long-term promissory notes (Column 3) are bank loans. Outstanding lending (Column 10) comprises the stock of loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

Table 5.5 Source: Table B: Statistics Finland from the beginning of 1991. Tables A and B include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. Table C includes transactions in markka-denominated bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by the banks entitled to central bank financing. The State

Treasury and, at this stage, the five largest banks (Kansallis-Osake-Pankki, Okobank, Postipankki, Skopbank and Union Bank of Finland have agreed on a market making arrangement for benchmark government bonds with effect from 1 August 1992. Transactions (purchases) between primary dealers (Column 3) comprise transactions in benchmark government bonds between the banks that have signed the market making agreement. Purchases and sales between banks and others (Columns 4 and 5) consist of transactions in benchmark government bonds between primary dealers and other parties. Other parties refer to all parties that are not primary dealers.

Table 5.6 Source: The Helsinki Stock Exchange.

6 BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

Table 6.1 The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts. The figures for investment income and expenditure (Columns 7 and 16) include reinvested earnings on direct investment. Preliminary data on reinvested earnings in the previous year have been included in the current account figures annually from the September issue of the Bulletin. (The annual figure is divided evenly between quarterly figures.)

Table 6.2 Columns 1-5: Net change in long-term liabilities. Columns 6-10: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 7) (marketable instruments): Primary and secondary market transactions in securities. Loans (Column 3) (non-marketable instruments): Financial loans, import credits, prepayments related to exports and leasing credits. Other long-term capital (Column 4): Finland's subscriptions to international financial institutions paid in the form of promissory notes + long-term deposit liabilities of banks + other long-term liabilities of central government, banks and other financial institutions. Loans (Column 8): Financial loans, development credits, export credits, prepayments related to imports and leasing credits. Other long-term capital (Column 9): Finland's subscriptions to international financial institutions + long-term deposits of banks + other long-term assets of central government, banks and other financial institutions.

Table 6.3 Net foreign debt (Columns 1-23) at the end of a period is classified in the same way as the corresponding data on changes in the capital account (Table 6.2). The items included in net foreign debt have been translated into markkaa using the spot rates for each date. Thus the figures include the impact of changes in exchange rates.

Table 6.4 The sectoral figures for short-term foreign liabilities and assets correspond to the figures shown in Columns 12-22 of Table 6.3.

7 FOREIGN TRADE

Source: The National Board of Customs. All tables refer to foreign trade in goods.

Table 7.2 The volume indices (Columns 1 and 2) are calculated accord-

ing to the Paasche formula and the unit value indices (Columns 3 and 4) according to the Laspeyres formula. The terms of trade (Column 5) is the ratio of the export unit value index to the import unit value index multiplied by one hundred.

Table 7.4 The regional and country grouping is based on the classification according to Finnish Official Statistics I A.

8 DOMESTIC ECONOMIC DEVELOPMENTS

Tables 8.1-8.5 Source: Statistics Finland. Seasonal adjustment is carried out by the Bank of Finland.

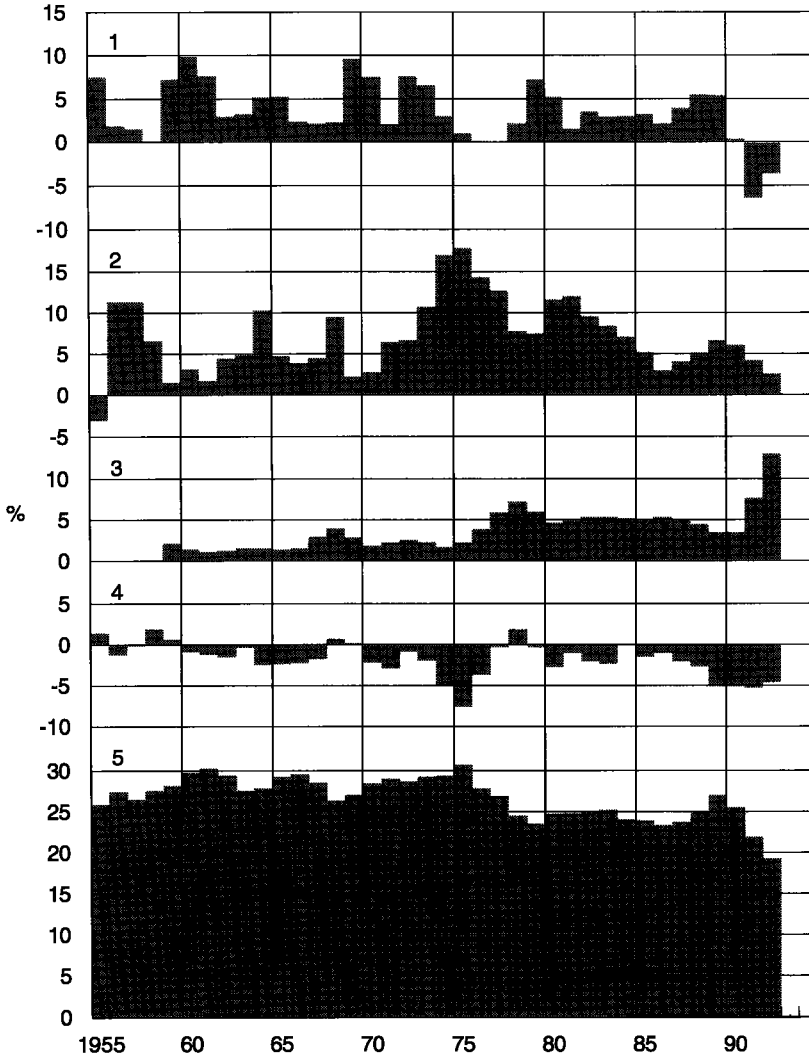
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

Table 8.4 The consumer price index (Column 7) was revised as from January 1988. Both the weights and the methods of calculation were changed (see the item in the March 1988 issue of the Bulletin). The base year is 1985.

Table 8.6 Source: Ministry of Finance.

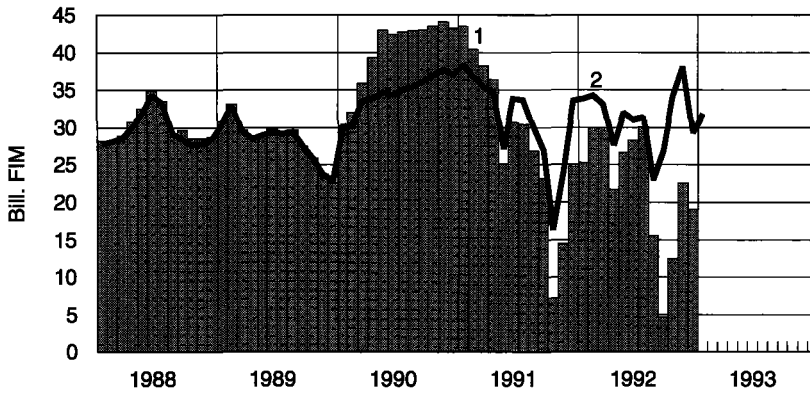
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
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4. Rates of interest applied by the Bank of Finland	S29
5. Banks' liquidity position with the Bank of Finland	S30
6. Liquidity management interest rates	S30
7. HELIBOR rates of interest, daily	S30
8. HELIBOR rates of interest, monthly	S31
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11. Bank of Finland currency index and the markka value of the ECU	S32
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17. Bank funding from the public	S34
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19. Money supply	S34
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21. Net interest and dividend expenditure	S35
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28. Fixed investment	S38
29. Employment and the unemployment rate	S39
30. Prices and wages	S39
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1. LONG-TERM INDICATORS



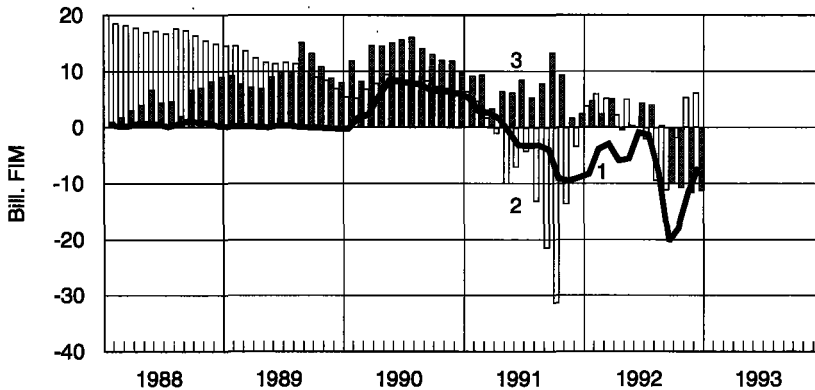
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

2. THE BANK OF FINLAND'S FOREIGN EXCHANGE RESERVES AND FORWARD POSITION



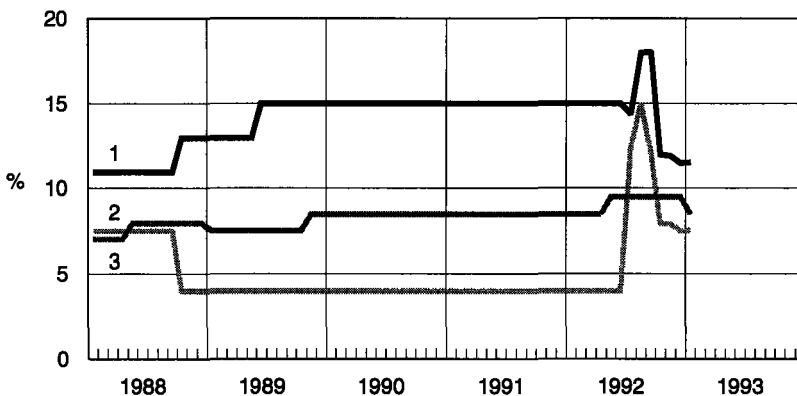
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

3. FORWARD MARKET



1. Forward exchange sold by domestic companies to banks
2. Forward exchange sold by foreign banks to banks
3. Forward exchange purchased by the Bank of Finland from banks

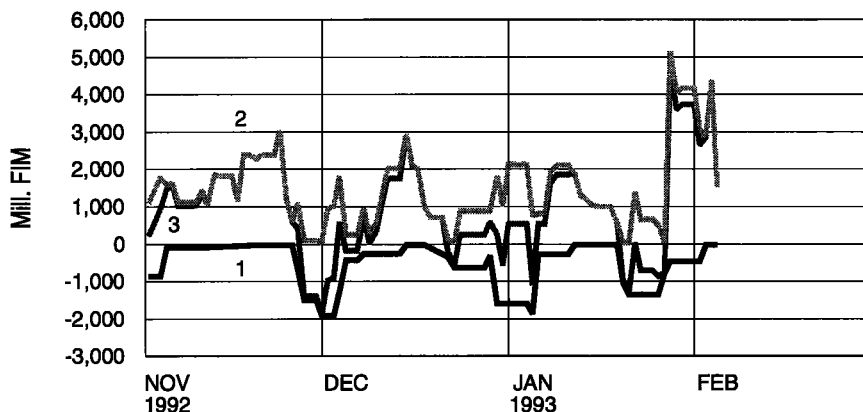
4. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Call money deposit rate
3. Base rate

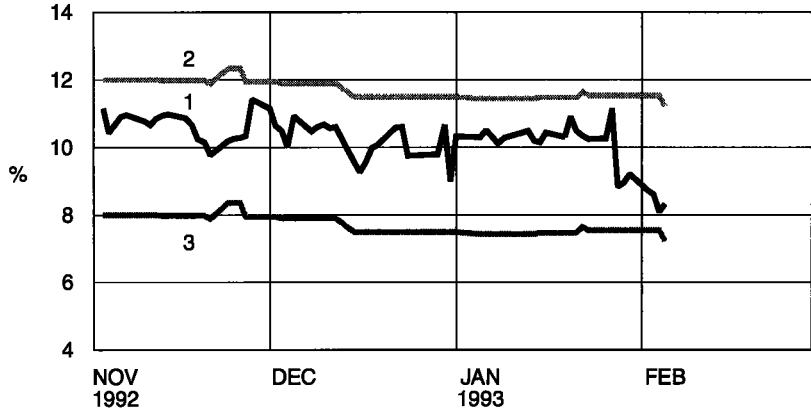
End-of-month observations

5. BANKS' LIQUIDITY POSITION WITH THE BANK OF FINLAND



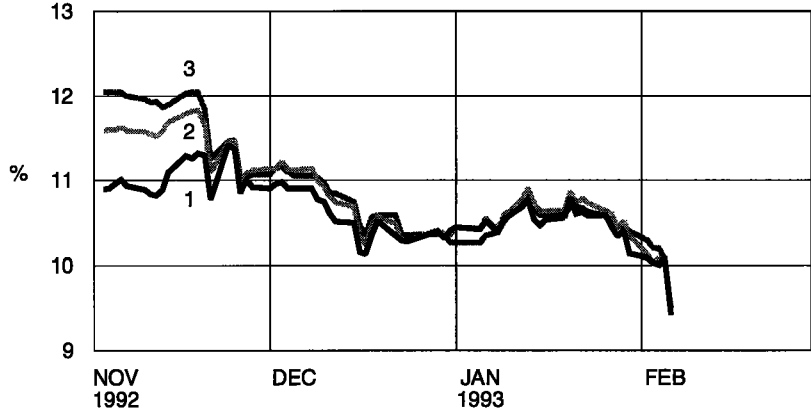
- 1. Liquidity credits (-)
- 2. Call money deposits
- 3. Net

6. LIQUIDITY MANAGEMENT INTEREST RATES



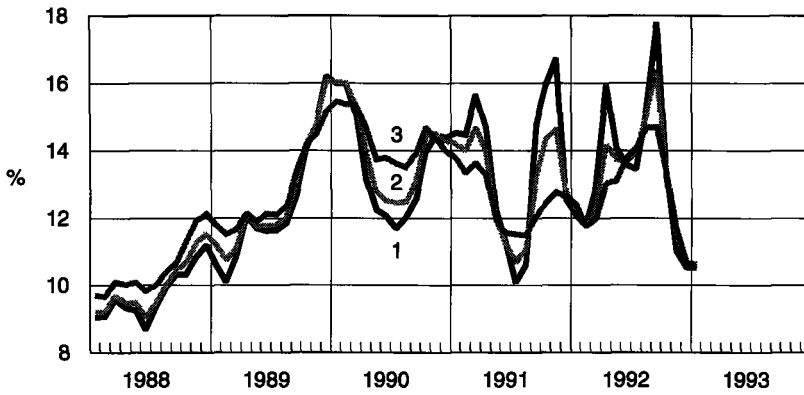
- 1. Inter-bank overnight rate
 - 2. Liquidity credit rate
 - 3. Call money deposit rate
- Daily observations

7. HELIBOR RATES OF INTEREST, DAILY



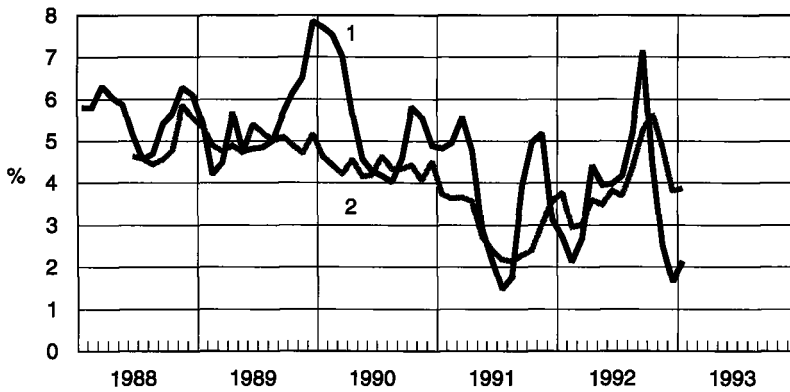
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

8. HELIBOR RATES OF INTEREST, MONTHLY



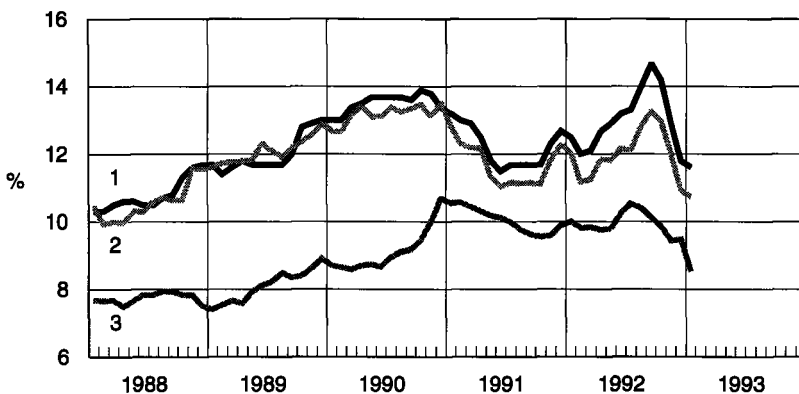
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. DIFFERENTIAL BETWEEN FINNISH AND GERMAN INTEREST RATES



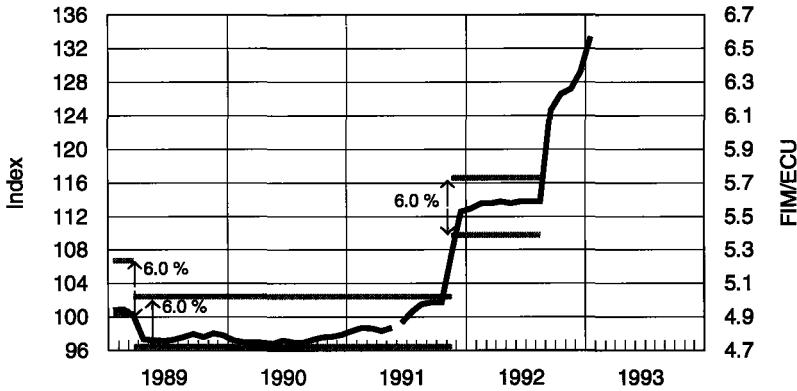
- 1. 3-month HELIBOR *minus* 3-month DEM eurorate
- 2. 5-year Finnish government bond yield *minus* 5-year German government bond yield

10. YIELDS ON BONDS



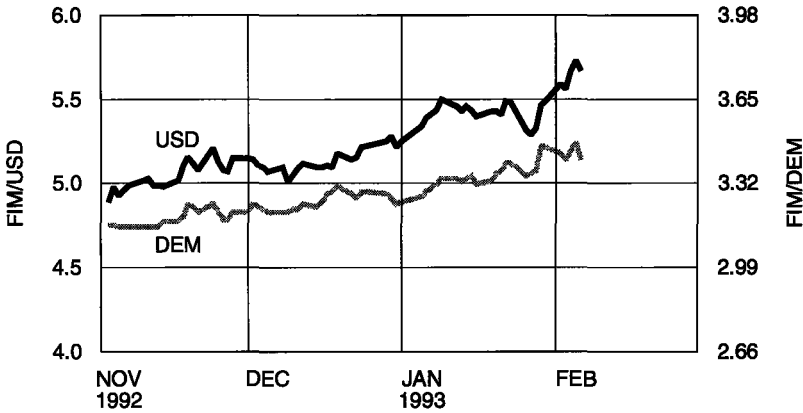
- 1. Bank of Finland's 5-year reference rate
- 2. Until April 1991, yield on (4-5 year) taxable government bonds
Since May 1991, yield on government bond due on 15 March 1996, coupon rate 11.75 per cent
- 3. Yield on (4-5 year) tax-free government bonds

11. BANK OF FINLAND CURRENCY INDEX AND THE MARKKA VALUE OF THE ECU



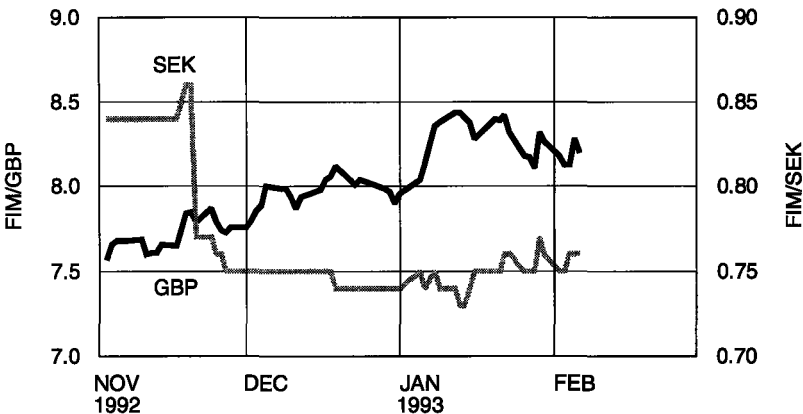
Until 7 June 1991, the Bank of Finland currency index. From 7 June 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953–5.02207 in the period 7 June – 14 November 1991, and 5.39166–5.72516 in the period 15 November 1991 – 7 September 1992. Since 8 September 1992, the limits have been temporarily abandoned. Monthly averages

12. DAILY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



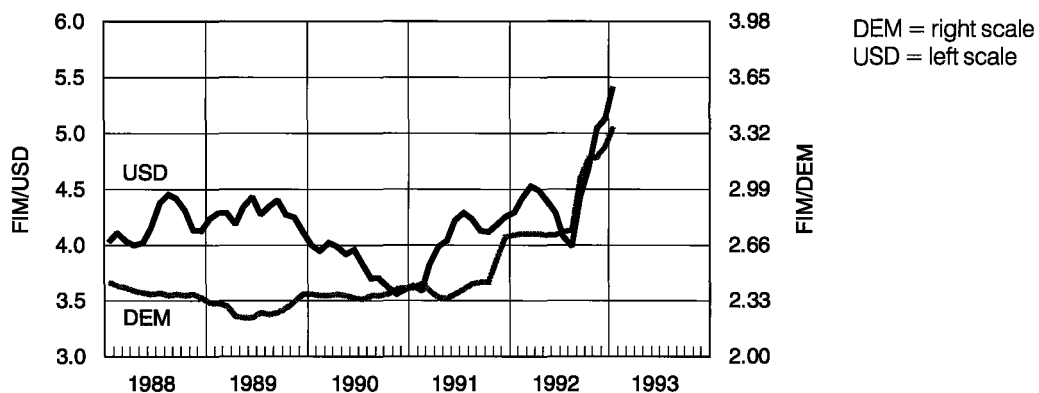
Middle rates
DEM = right scale
USD = left scale

13. DAILY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA

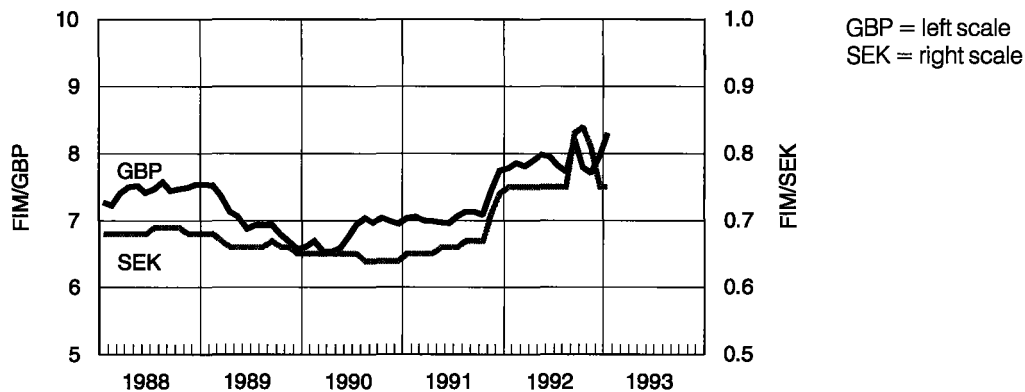


Middle rates
GBP = left scale
SEK = right scale

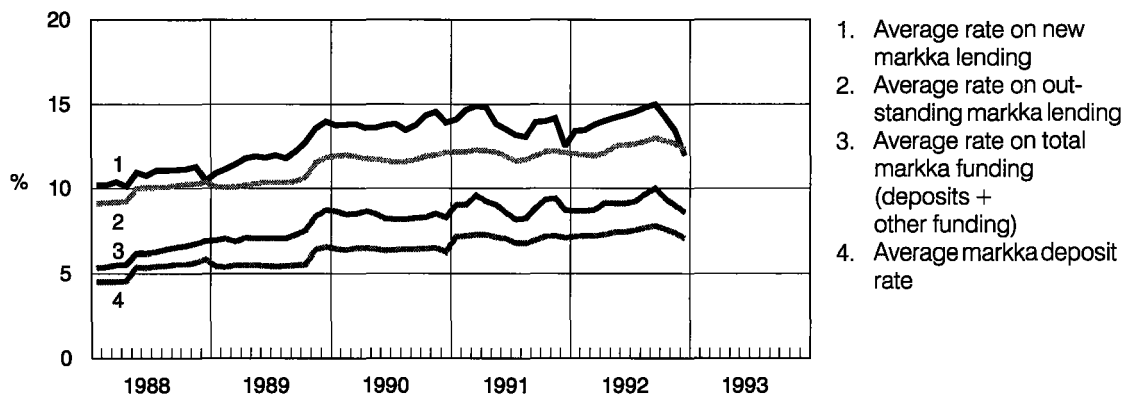
14. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



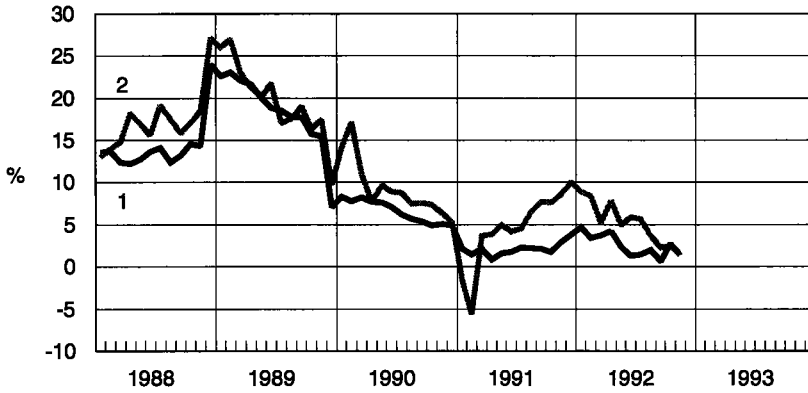
15. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



16. BANKS' MARKKA LENDING RATES AND MARKKA FUNDING RATES



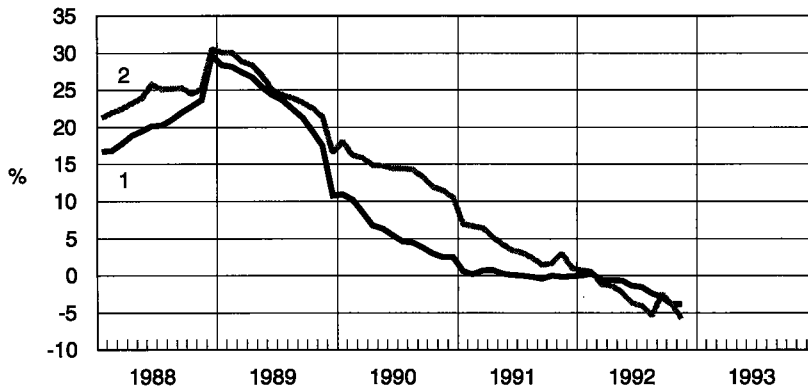
17. BANK FUNDING FROM THE PUBLIC



- 1. Markka deposits
- 2. Total funding

Change from the corresponding month of the previous year, per cent

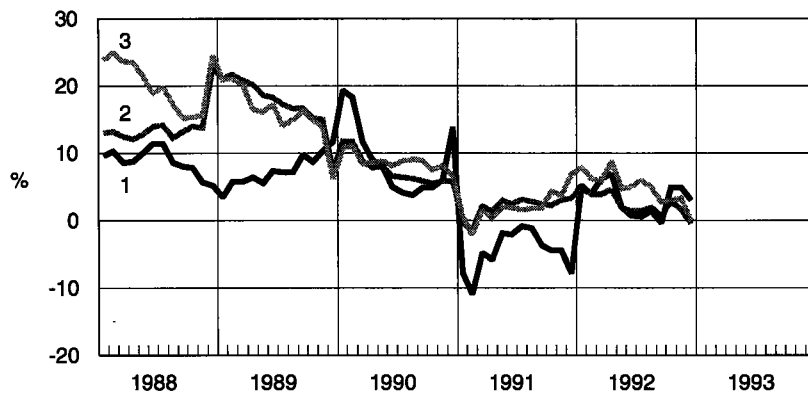
18. BANK LENDING TO THE PUBLIC



- 1. Markka lending
- 2. Total lending

Change from the corresponding month of the previous year, per cent

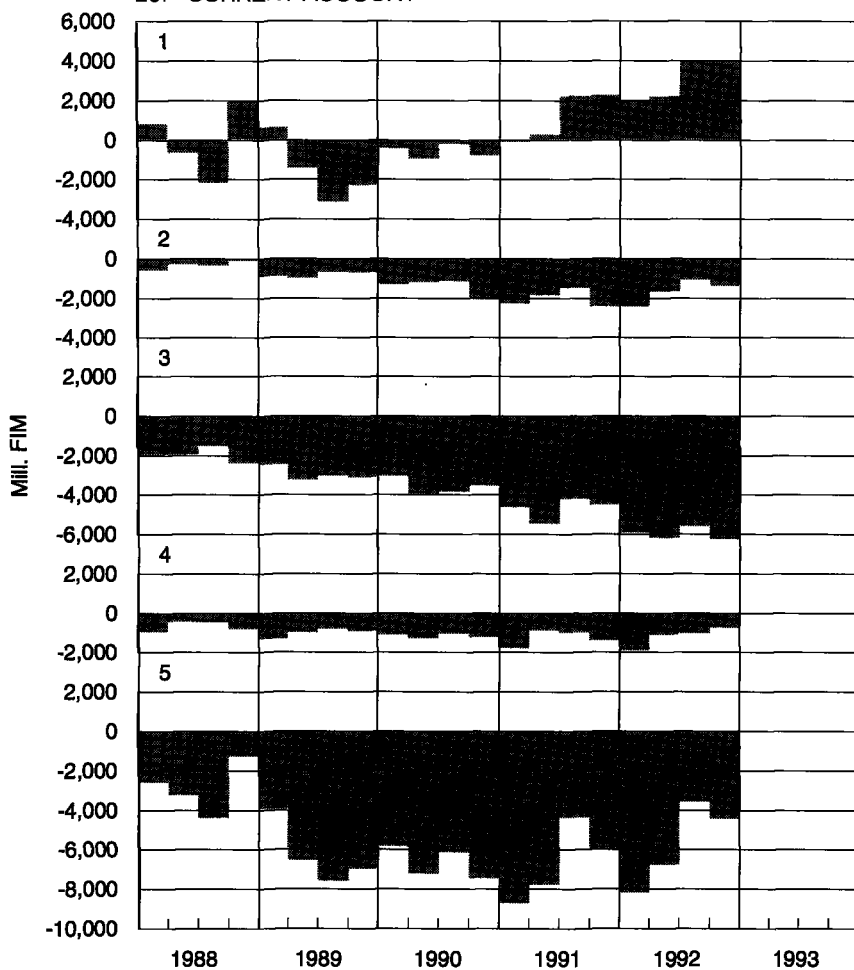
19. MONEY SUPPLY



- 1. Narrow money (M1)
- 2. Broad money (M2)
- 3. M2 + bank CDs held by the public (M3)

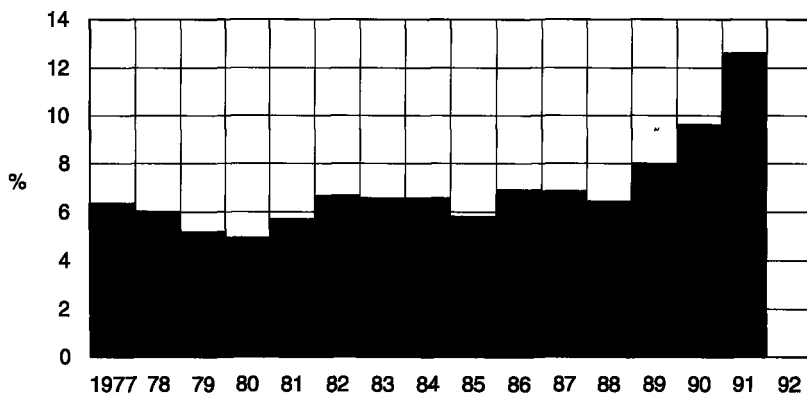
Change from the corresponding month of the previous year, per cent

20. CURRENT ACCOUNT



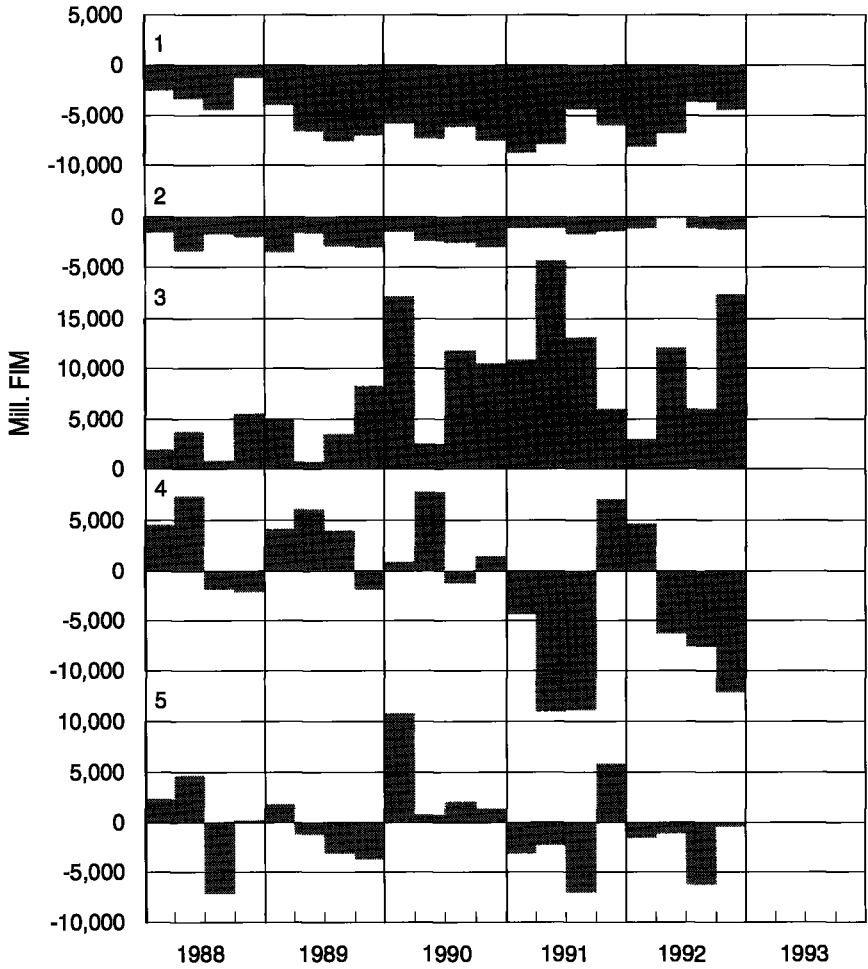
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

21. NET INTEREST AND DIVIDEND EXPENDITURE



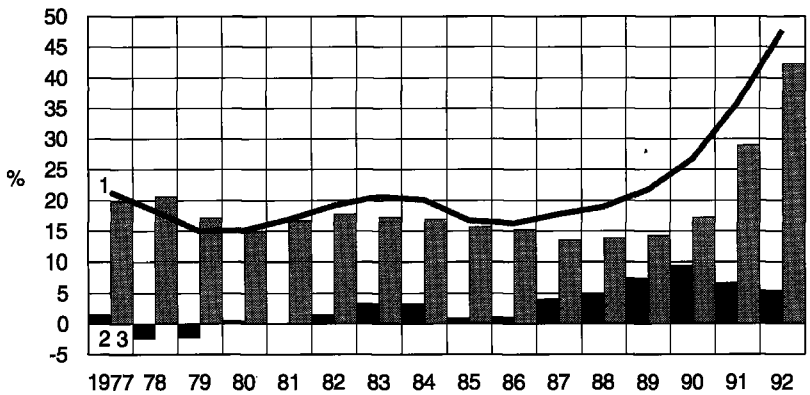
As a percentage of current account receipts

22. BALANCE OF PAYMENTS



1. Current account
2. Direct investment
3. Other long-term capital account
4. Short-term capital account
5. Overall balance = change in the foreign exchange reserves of the Bank of Finland

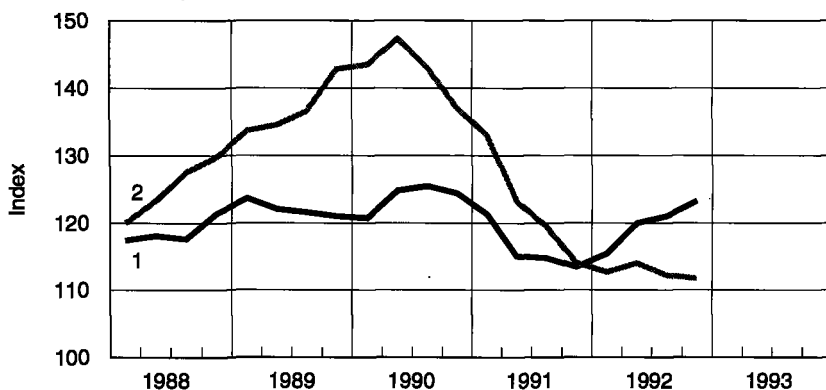
23. FOREIGN DEBT



1. Total foreign net debt
2. Short-term net debt
3. Long-term net debt

As a percentage of GDP

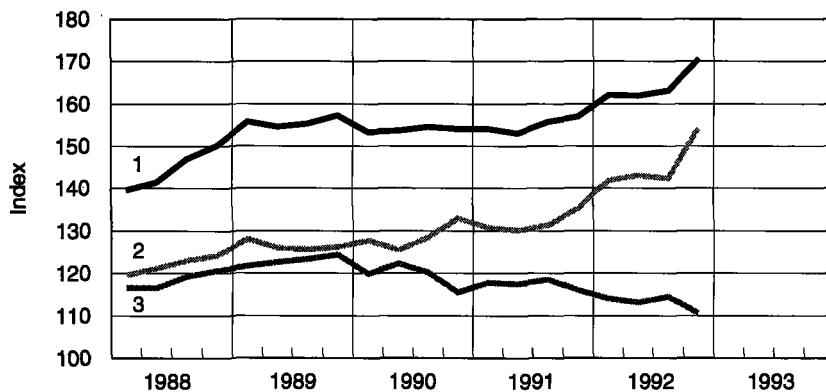
24. FOREIGN TRADE



1. Total exports
2. Total imports

Volume index, 1980 = 100, four-quarter moving average plotted at the last quarter

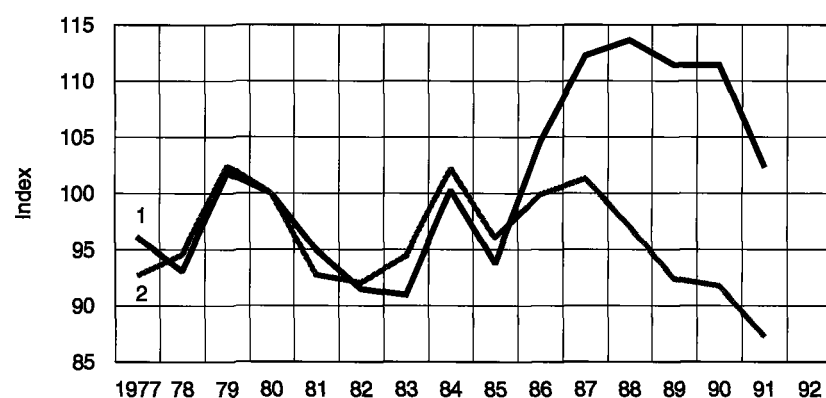
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



1. Unit value index of exports
2. Unit value index of imports
3. Terms of trade

1980 = 100

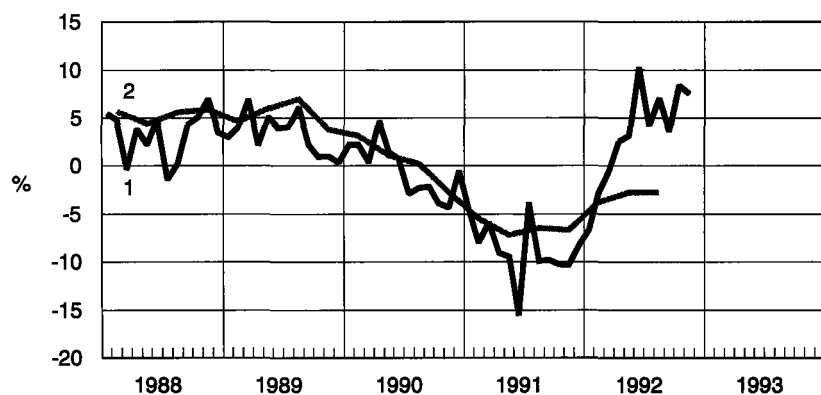
26. FINLAND'S EXPORT PERFORMANCE



1. Value of exports to OECD countries in relation to imports of OECD countries
2. Volume of exports to OECD countries in relation to imports of OECD countries

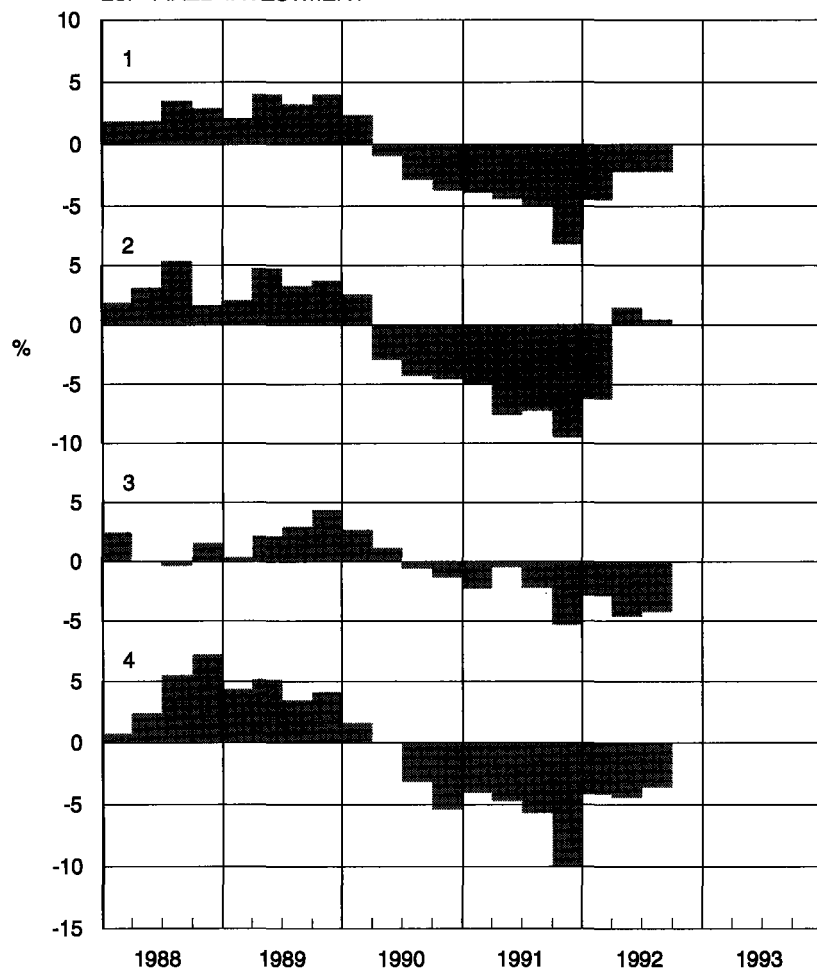
1980 = 100

27. PRODUCTION



1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

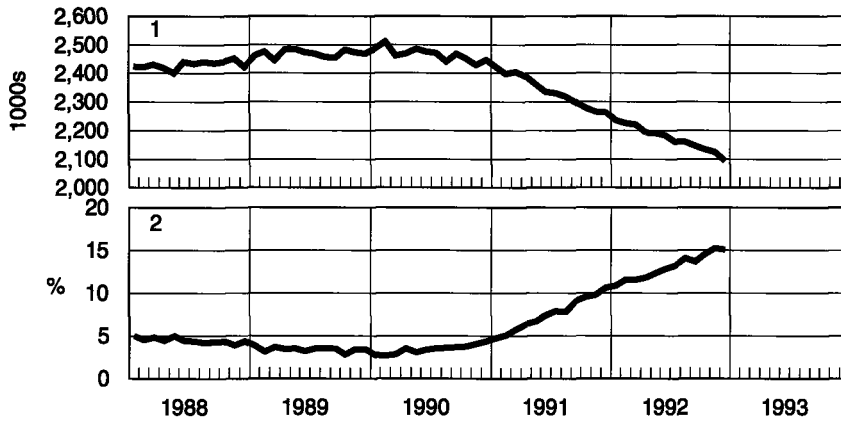
28. FIXED INVESTMENT



1. Total fixed investment
2. Investment in machinery and equipment
3. Building investment, excl. residential buildings
4. Residential buildings

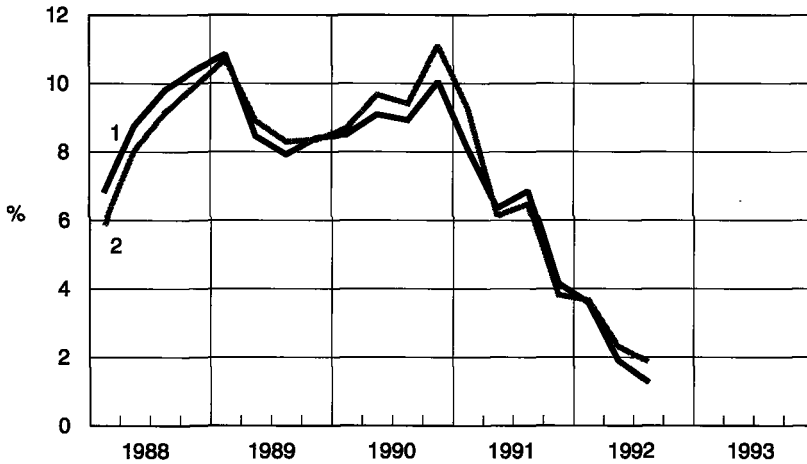
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



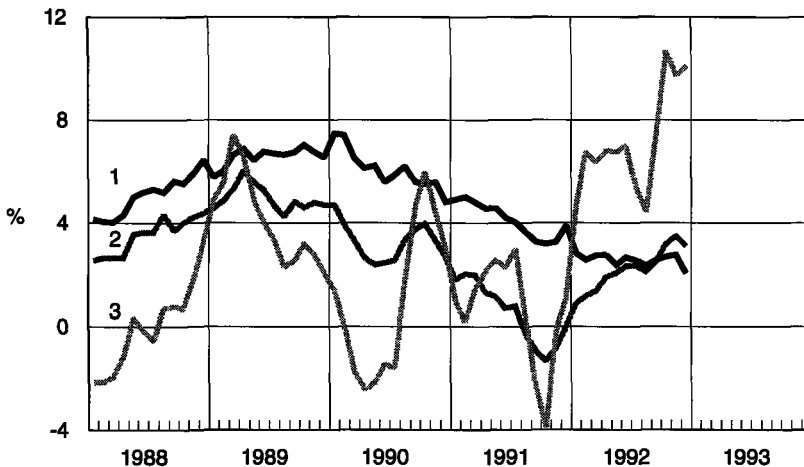
- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES



- 1. Index of wage and salary earnings, all wage and salary earners
- 2. Index of wage and salary earnings, manufacturing workers

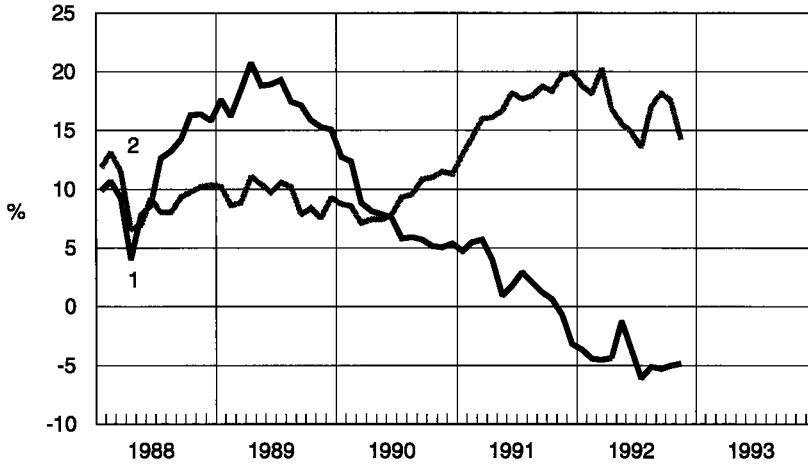
Change from the corresponding quarter of the previous year, per cent



- 1. Consumer price index
- 2. Wholesale price index
- 3. Import price index

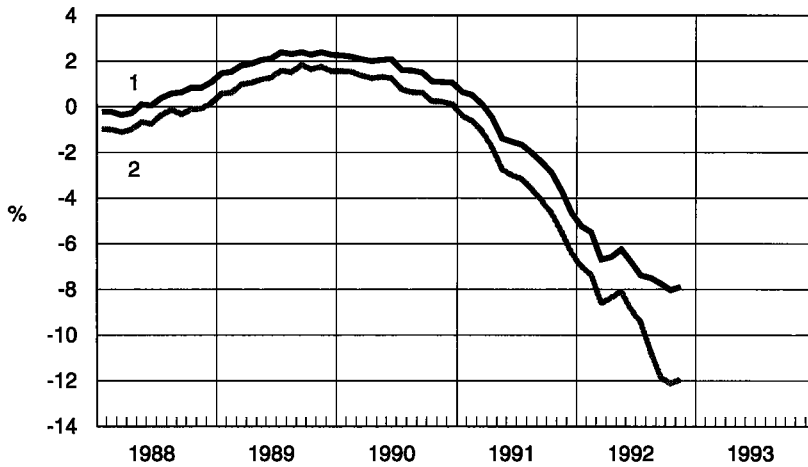
Change from the corresponding month of the previous year, per cent

31. CENTRAL GOVERNMENT FINANCES



1. Revenue excl. borrowing
2. Expenditure excl. redemptions of central government debt

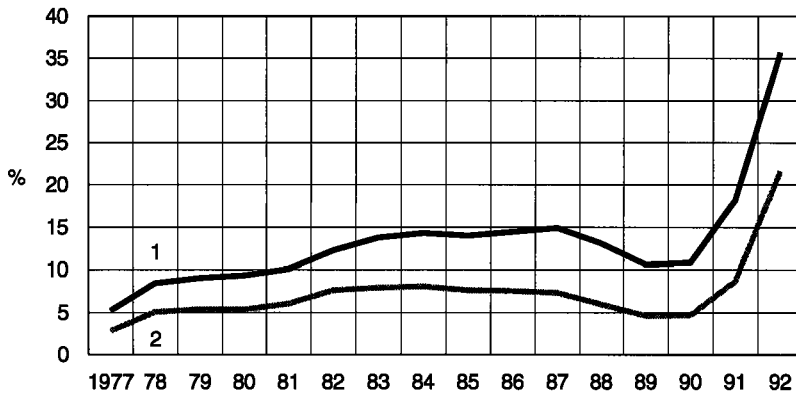
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



1. Revenue surplus (revenue less expenditure excl. financial transactions) (surplus = +)
2. Net borrowing requirement (net borrowing = -)

12-month moving total as a percentage of GDP, plotted at the last month

32. CENTRAL GOVERNMENT DEBT



1. Total debt
2. Of which: foreign currency-denominated debt

As a percentage of GDP

BANK OF FINLAND

1 January 1993

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JUSSI RANTA, Vice Chairman
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HANNU TENHIÄLÄ
ANNELI JÄÄTTEENMÄKI

TUULIKKI HÄMÄLÄINEN
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MAURI MIETTINEN
JÖRN DONNER

THE BOARD OF MANAGEMENT

SIRKKA HÄMÄLÄINEN, Chairman

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MATTI VANHALA

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Economics Department KARI PUUMANEN

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Information ANTTI JUUSELA

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