



BANK OF FINLAND

Monthly Bulletin

Capital flows and Finland's foreign debt in
1983

The balance of payments and foreign
exchange policy in 1983

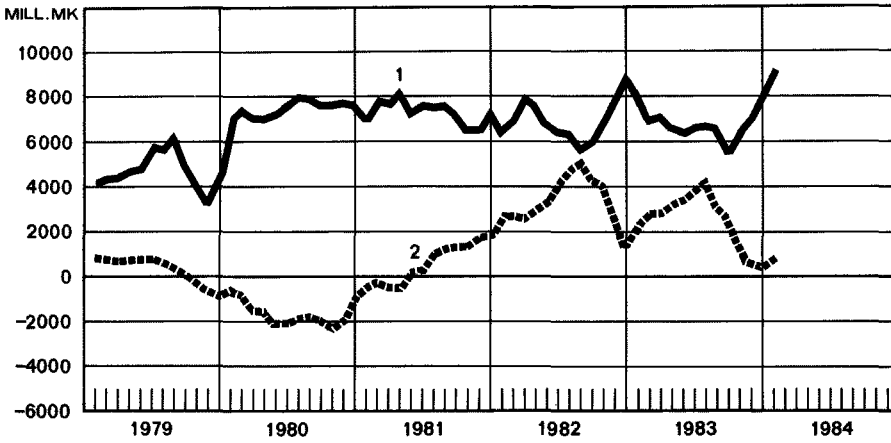
Monetary and foreign exchange policy
measures from February 1,
1983 to January 26, 1984

Finnish direct investment abroad and foreign
direct investment in Finland in 1983

MARCH 1984

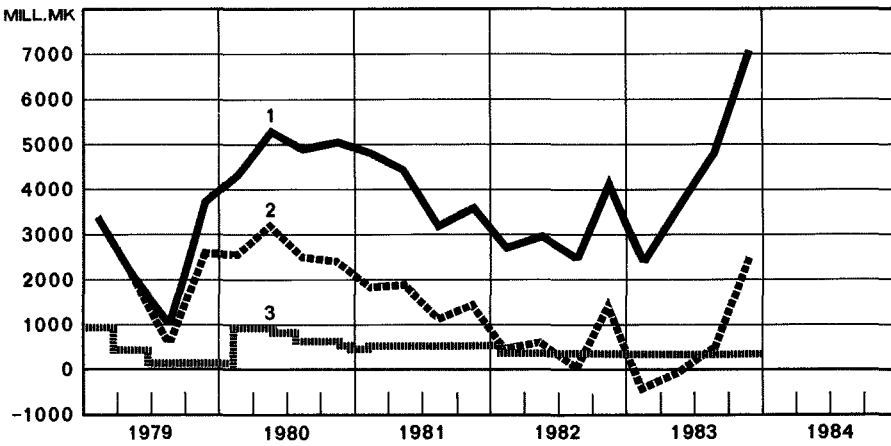
Vol. 58 No. 3

BANK OF FINLAND'S CONVERTIBLE AND TIED FOREIGN EXCHANGE RESERVES, 1979 - 84



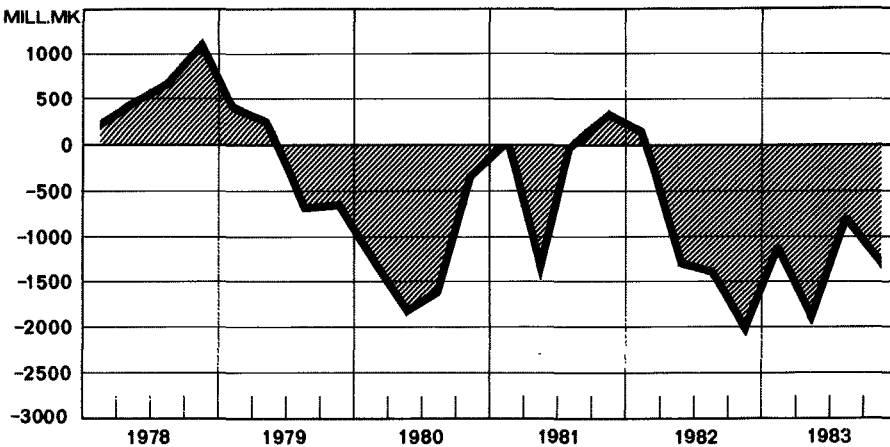
- 1. Gold and convertible currencies
- 2. Tied currencies

COMMERCIAL BANKS' CENTRAL BANK POSITION, 1979 - 84



- 1. Gross central bank debt
 - 2. Net central bank debt
 - 3. Quotas
- Quarterly average of daily amounts (1 and 2)

BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS/DEFICIT, 1978 - 83



Seasonally adjusted quarterly figures

CAPITAL FLOWS AND FINLAND'S FOREIGN DEBT IN 1983¹

by Jorma Hietalahti, M.Pol.Sc.
and Olli-Pekka Lehmuusaari, M.Pol.Sc.

Bank of Finland

Finland fared relatively well in 1983 compared with most other countries; domestic output continued to grow at a rate well above the OECD average, while the external balance remained healthy. At FIM 5.3 billion (2 per cent of GDP), the current account deficit was largely attributable to interest payments. This favourable trade-off between domestic activity and the external position was partly influenced by the devaluations of the markka in 1982. Furthermore, the surplus in the country's bilateral trade with centrally planned economies improved the overall performance. But there is no doubt that the Finnish economy has, during the late 1970s and early 1980s, undergone a structural strengthening which is positively reflected in the external accounts.

The current account deficit was covered mainly by long-term capital inflows, of which the bulk was due to the central government. Private borrowing in the international market in 1983 was restrained by several factors. Industrial investment activity was rather sluggish during the first half of the year, the domestic financial market was easy and the liquidity position of the corporate sector was good. Drawings of long-term loan capital by the private sector fell by FIM 1.1 billion from the previous year to FIM 5.3 billion. The manufacturing sector accounted for more than half of this amount, most of it being used to finance investments in the forest and metal industries.

As a consequence of interest rate developments, the share of floating-rate loans in firms' borrowing in 1983 fell to 62 per cent from 76 per cent in the previous year, while the

average maturity of loans shortened from 5.9 to 4.0 years. The mean spread on floating-rate loans remained at 0.5 per cent. The maturity of fixed-rate loans raised by firms also shortened somewhat from 8.2 to 7.5 years, while the average rate of interest rose from 10.0 to 11.0 per cent. US dollar denominated loans accounted for 36 per cent of private sector borrowing. Because of large redemptions of outstanding loans, net imports of long-term loan capital by the private sector were a modest FIM 0.4 billion.

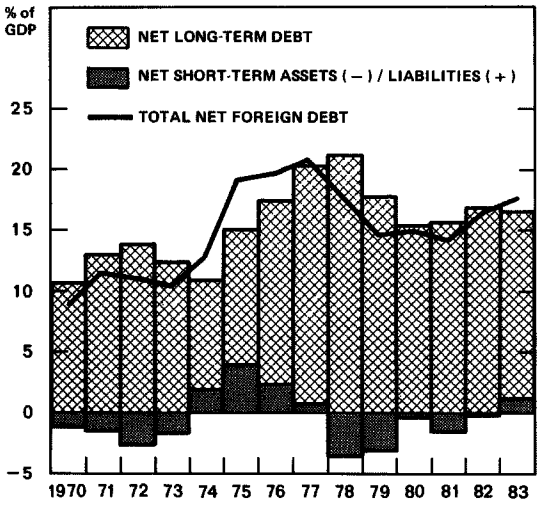
Total central government borrowing in 1983 amounted to FIM 11.5 billion. Of this amount, FIM 4.8 billion, or 42 per cent, was borrowed abroad, a fall of 3 percentage points from the previous year. The majority of loans were fixed-rate bonds. Owing to Finland's excellent credit-worthiness, the terms of loans were good. As before, the US dollar was the main currency of denomination for loans, its share remaining almost unchanged at 31 per cent. Net imports of long-term loan capital by the public sector amounted to FIM 2.4 billion in 1983. In addition, the central government granted development credits and paid subscriptions to international organizations totalling FIM 0.2 billion.

Largely because of a decline in ship deliveries, the volume of new export credits fell by FIM 1.4 billion last year to FIM 1.1 billion. Redemptions of outstanding export credits exceeded new credits by FIM 0.4 billion. Net long-term borrowing by the private sector amounted to FIM 1.0 billion.

The internationalization of Finnish firms continued last year; net direct investment abroad by Finnish firms rose by about one-quarter to

¹ For balance-of-payments details, see the back article of this Bulletin.

CHART 1. FINLAND'S NET FOREIGN DEBT, 1970-83



almost FIM 1.5 billion. The forest, metal and food industries have been the major investors in recent years. By contrast, net foreign direct investment in Finland was only FIM 0.1 billion. Thus, direct investment gave rise to a net outflow of capital of FIM 1.4 billion. Last year saw the first share issues by Finnish companies on foreign stock exchanges; six companies were authorized by the Bank of Finland to sell shares abroad. The total net value of these issues, together with shares purchased by foreigners on the Helsinki Stock Exchange, was FIM 0.5 billion.

The total net inflow of long-term foreign capital in 1983 amounted to FIM 2.3 billion, with FIM 2.2 billion going to the public sector and FIM 0.1 billion to the private sector. The net inflow of short-term capital amounted to FIM 0.8 billion, taking into account a FIM 0.6 billion capital outflow caused by redemptions of the Bank of Finland's drawings of standby credits with foreign commercial banks. Short-term capital movements were, at times, substantial. This reflected developments in trade

flows, expectations of changes in international interest rates and expectations in the domestic foreign exchange market.

As a result of a surplus on the trade account and the easy conditions in the financial market, there were mainly short-term capital outflows during the early part of the year. Some lack of confidence in the external value of the markka emerged both in March and September, which also gave rise to net outflows of short-term capital. This resulted in reductions in the convertible foreign exchange reserves of the Bank of Finland. However, once the foreign exchange market had settled the capital flows were rapidly reversed, and the banks' net foreign debt rose to the level prevailing before the turbulence in the foreign exchange market. A progressive tightening of domestic monetary policy throughout the year and some pick-up of investment activity towards the end of the year increased the willingness to borrow abroad. In the course of the year, short-term capital imports by the banks amounted to FIM 1.0 billion. Short-term capital imports by firms in the form of trade credits amounted to FIM 0.4 billion.

Because of the current account deficit and a substantial strengthening in the US dollar, Finland's net foreign debt grew by FIM 7.4 billion in the course of 1983 to FIM 47 billion at the end of the year. Of this total, the central government accounted for FIM 20.5 billion, or 44 per cent, which was 3 percentage points less than one year earlier (Chart 1). Interest payments on foreign debt rose, in net terms, by FIM 0.4 billion to FIM 5.8 billion, as compared with the previous year. Interest payments and redemptions were equivalent to 12.8 per cent of current account receipts.

February 21, 1984

| | 1983 | | 1984 | | | | |
|---|---------|---------|--------|---------|---------|---------|--------|
| | Feb. 28 | Dec. 31 | Feb. 8 | Feb. 15 | Feb. 23 | Feb. 29 | |
| Assets | | | | | | | |
| Gold and foreign currency claims | 10 096 | 8 779 | 9 860 | 10 006 | 10 592 | 10 284 | |
| Gold | 1 382 | 1 383 | 1 383 | 1 383 | 1 383 | 1 383 | |
| Special drawing rights | 568 | 226 | 226 | 221 | 218 | 216 | |
| IMF reserve tranche | 455 | 751 | 752 | 750 | 742 | 734 | |
| Foreign bonds | 600 | 685 | 919 | 1 075 | 1 020 | 1 143 | |
| Convertible currencies | 4 143 | 5 184 | 5 852 | 5 908 | 6 487 | 5 967 | |
| Tied currencies | 2 948 | 550 | 728 | 669 | 742 | 841 | |
| Other foreign claims | 3 985 | 4 876 | 4 866 | 4 855 | 4 844 | 4 830 | |
| Mark subscription to Finland's IMF quota | 1 843 | 2 762 | 2 762 | 2 762 | 2 762 | 2 762 | |
| Term credits | 2 142 | 2 114 | 2 104 | 2 093 | 2 082 | 2 068 | |
| Claims on financial institutions | 3 583 | 8 788 | 7 693 | 9 049 | 7 153 | 6 396 | |
| Banks' cheque accounts | 241 | 445 | 67 | 69 | 101 | 76 | |
| Call money market advances | 1 151 | 5 785 | 4 952 | 6 385 | 4 399 | 3 659 | |
| Till-money credits | 913 | 942 | 1 028 | 948 | 1 019 | 1 024 | |
| Bonds | 1 253 | 1 546 | 1 606 | 1 605 | 1 607 | 1 607 | |
| Other claims on financial institutions | 25 | 70 | 40 | 42 | 27 | 30 | |
| Claims on the public sector | 1 209 | 2 178 | 2 153 | 2 137 | 2 163 | 2 094 | |
| Government promissory notes | — | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | |
| Bonds | 599 | 449 | 422 | 408 | 431 | 360 | |
| Total coinage | 576 | 710 | 715 | 715 | 716 | 718 | |
| Other claims on the public sector | 34 | 19 | 16 | 14 | 16 | 16 | |
| Claims on corporations | 5 050 | 5 079 | 5 172 | 5 151 | 5 189 | 4 844 | |
| Financing of exports | 1 758 | 1 867 | 1 877 | 1 860 | 1 901 | 1 859 | |
| Financing of domestic deliveries | 2 602 | 2 662 | 2 740 | 2 738 | 2 738 | 2 733 | |
| Bonds | 160 | 134 | 129 | 127 | 124 | 126 | |
| Other claims on corporations | 530 | 416 | 426 | 426 | 426 | 426 | |
| Other assets | 99 | 105 | 106 | 106 | 107 | 107 | |
| | Total | 24 022 | 29 805 | 29 850 | 31 304 | 30 048 | 28 555 |
| Liabilities | | | | | | | |
| Foreign currency liabilities | 60 | 34 | 49 | 68 | 43 | 44 | |
| Convertible accounts | 34 | 34 | 49 | 68 | 43 | 44 | |
| Tied accounts | 26 | 0 | 0 | 0 | 0 | 0 | |
| Other foreign liabilities | 3 805 | 5 670 | 5 691 | 5 663 | 5 629 | 4 742 | |
| IMF mark accounts | 1 890 | 2 762 | 2 762 | 2 762 | 2 762 | 2 762 | |
| Allocations of special drawing rights | 837 | 872 | 872 | 871 | 861 | 852 | |
| Term liabilities | 1 078 | 2 036 | 2 057 | 2 030 | 2 006 | 1 128 | |
| Notes and coin in circulation | 5 803 | 6 574 | 6 110 | 6 118 | 6 213 | 6 232 | |
| Notes | 5 321 | 6 029 | 5 574 | 5 581 | 5 674 | 5 693 | |
| Coin | 482 | 545 | 536 | 537 | 539 | 539 | |
| Certificates of deposit in circulation | 1 650 | — | — | — | — | — | |
| Liabilities to financial institutions | 4 562 | 5 712 | 8 146 | 8 684 | 7 054 | 7 984 | |
| Banks' cheque accounts | 43 | 2 | 22 | 15 | 24 | 18 | |
| Call money market deposits | 1 140 | 610 | 2 852 | 3 408 | 1 775 | 2 607 | |
| Cash reserve deposits | 3 294 | 5 039 | 5 250 | 5 229 | 5 229 | 5 327 | |
| Capital import deposits | 60 | 35 | 12 | 12 | 11 | 11 | |
| Other liabilities to financial institutions | 25 | 26 | 10 | 20 | 15 | 21 | |
| Liabilities to the public sector | 0 | 3 000 | 1 263 | 2 262 | 2 263 | 812 | |
| Cheque accounts | 0 | 0 | 1 | 0 | 1 | 0 | |
| Government deposit account | — | 3 000 | 1 250 | 2 250 | 2 250 | 800 | |
| Capital import deposits | — | — | — | — | — | — | |
| Other liabilities to the public sector | 0 | 0 | 12 | 12 | 12 | 12 | |
| Liabilities to corporations | 1 561 | 1 832 | 1 647 | 1 633 | 1 985 | 1 998 | |
| Deposits for investment and ship purchase | 1 323 | 1 290 | 1 232 | 1 222 | 1 233 | 1 255 | |
| Capital import deposits | 230 | 531 | 400 | 397 | 738 | 728 | |
| Other liabilities to corporations | 8 | 11 | 15 | 14 | 14 | 15 | |
| Other liabilities | 14 | 15 | 18 | 14 | 14 | 16 | |
| Equalization accounts | 1 803 | 2 057 | 1 994 | 1 930 | 1 915 | 1 795 | |
| Capital accounts | 4 764 | 4 911 | 4 932 | 4 932 | 4 932 | 4 932 | |
| Primary capital | 3 000 | 3 000 | 3 000 | 3 000 | 3 000 | 3 000 | |
| Reserve fund | 1 365 | 1 365 | 1 638 | 1 638 | 1 638 | 1 638 | |
| Undisposed profits | 334 | — | 273 | 273 | 273 | 273 | |
| Net earnings | 65 | 546 | 21 | 21 | 21 | 21 | |
| | Total | 24 022 | 29 805 | 29 850 | 31 304 | 30 048 | 28 555 |

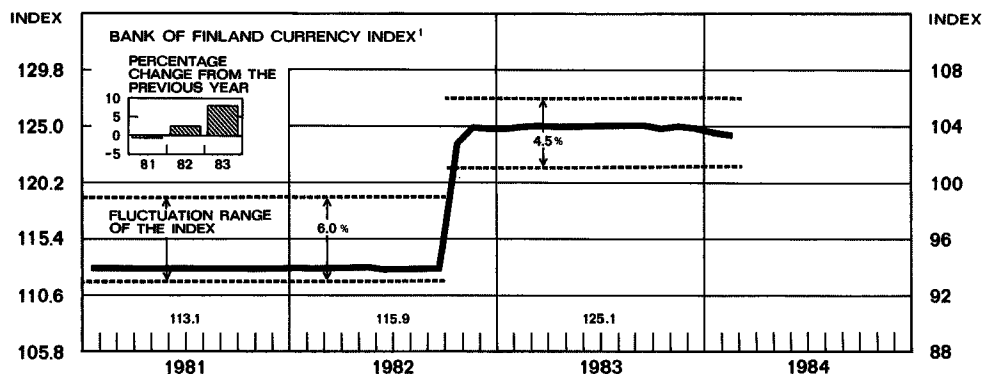
| End of year or month | Foreign sector | | | | | | Public sector | | | | |
|----------------------|---------------------------------|---------------|-----------------------------|------------------------------------|----------------------|--------------|--------------------|--------|---|-------------------|--------------------------|
| | Gold, SDRs, IMF reserve tranche | Foreign bonds | Convertible currencies, net | Total convertible reserves (1+2+3) | Tied currencies, net | Other claims | Net claims (4+5+6) | Claims | Certificates of deposit and deposit account | Other liabilities | Net liabilities (9-8+10) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1980 | 1 850 | 2 125 | 3 823 | 7 798 | -757 | -890 | 6 151 | 1 225 | 1 900 | 591 | 1 266 |
| 1981 | 2 408 | 1 405 | 3 645 | 7 458 | 1 909 | -991 | 8 376 | 1 236 | 1 600 | 578 | 942 |
| 1982 | 2 444 | 765 | 5 796 | 9 005 | 1 525 | -1 447 | 9 083 | 1 040 | 1 700 | 50 | 710 |
| 1983 | 2 360 | 685 | 5 150 | 8 195 | 550 | -794 | 7 951 | 2 178 | 3 000 | 0 | 822 |
| 1983 | | | | | | | | | | | |
| Feb. | 2 405 | 600 | 4 109 | 7 114 | 2 922 | 180 | 10 216 | 1 209 | 1 650 | 0 | 441 |
| March | 2 408 | 278 | 4 560 | 7 246 | 2 919 | -664 | 9 501 | 1 555 | 1 800 | 1 | 246 |
| April | 2 407 | 232 | 4 068 | 6 707 | 3 380 | -654 | 9 433 | 1 477 | 1 650 | 1 | 174 |
| May | 2 368 | 379 | 3 842 | 6 589 | 3 575 | -618 | 9 546 | 1 401 | 950 | 1 | -450 |
| June | 2 362 | 181 | 4 166 | 6 709 | 3 927 | -636 | 10 000 | 1 663 | 750 | 1 | -912 |
| July | 2 368 | 214 | 4 206 | 6 788 | 4 330 | -668 | 10 450 | 1 662 | 1 400 | 1 | -261 |
| Aug. | 2 376 | 232 | 4 090 | 6 698 | 3 193 | -722 | 9 169 | 1 697 | 800 | 1 | -896 |
| Sept. | 2 374 | 268 | 3 000 | 5 642 | 2 762 | -701 | 7 703 | 1 905 | 800 | 1 | -1 104 |
| Oct. | 2 377 | 302 | 3 913 | 6 592 | 1 546 | -726 | 7 412 | 1 839 | 950 | 0 | -889 |
| Nov. | 2 393 | 425 | 4 341 | 7 159 | 681 | -772 | 7 068 | 1 880 | 2 500 | 1 | 621 |
| Dec. | 2 360 | 685 | 5 150 | 8 195 | 550 | -794 | 7 951 | 2 178 | 3 000 | 0 | 822 |
| 1984 | | | | | | | | | | | |
| Jan. | 2 366 | 924 | 5 931 | 9 221 | 926 | -846 | 9 301 | 2 136 | 500 | 12 | -1 624 |
| Feb. | 2 333 | 1 143 | 5 923 | 9 399 | 841 | 88 | 10 328 | 2 094 | 800 | 12 | -1 282 |

FOREIGN EXCHANGE POSITION

Mill. mk

| | Net holdings, Dec. 31, 1982 | | | Net holdings Dec. 31, 1983 | | | Change | |
|------------------------|-----------------------------|---------|--------|----------------------------|---------|--------|--------|-----------|
| | Bank of Finland | Other | Total | Bank of Finland | Other | Total | Dec. | Jan.-Dec. |
| | Gold | 1 382 | - | 1 382 | 1 383 | - | 1 383 | - |
| Special drawing rights | 609 | - | 609 | 226 | - | 226 | -313 | -383 |
| IMF reserve tranche | 453 | - | 453 | 751 | - | 751 | +280 | +298 |
| Foreign bonds | 764 | - | 764 | 685 | - | 685 | +260 | -79 |
| Convertible currencies | 5 796 | -11 049 | -5 253 | 5 150 | -13 558 | -8 408 | +452 | -3 155 |
| Total | 9 004 | -11 049 | -2 045 | 8 195 | -13 558 | -5 363 | +679 | -3 318 |
| Tied currencies | 1 526 | -215 | 1 311 | 550 | -250 | 300 | -125 | -1 011 |
| Grand total | 10 530 | -11 264 | -734 | 8 745 | -13 808 | -5 063 | +554 | -4 329 |

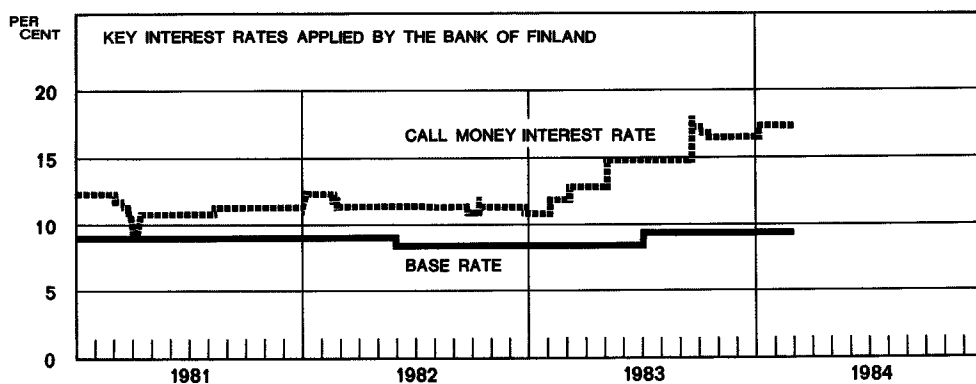
| End of year or month | Domestic financial sector | | | | | | | Corporate sector | | | |
|----------------------|---------------------------|--------------------------------|--|---------------------------------------|-----------------------|------------------------|--------------------------|-------------------------------------|------------------|------------------|-------------------------------|
| | Till-money credits | Claims on cheque accounts, net | Demand for call money by deposit banks | Supply of call money by deposit banks | Cash reserve deposits | Other liabilities, net | Net claims (1+2+3-4-5-6) | Permanent special financing schemes | Liabilities, net | Net claims (8-9) | Notes and coin in circulation |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1980 | 643 | 480 | 3 674 | 290 | 3 317 | -421 | 1 611 | 3 063 | 642 | 2 421 | 4 954 |
| 1981 | 768 | 495 | 1 796 | 1 080 | 2 492 | -406 | -107 | 3 865 | 749 | 3 116 | 5 595 |
| 1982 | 889 | 163 | 3 126 | 1 470 | 3 132 | -1 042 | 618 | 4 302 | 999 | 3 303 | 6 062 |
| 1983 | 942 | 443 | 5 785 | 610 | 5 039 | -1 555 | 3 076 | 4 529 | 1 282 | 3 247 | 6 574 |
| 1983 | | | | | | | | | | | |
| Feb. | 913 | 198 | 1 151 | 1 140 | 3 294 | -1 193 | -979 | 4 360 | 871 | 3 489 | 5 803 |
| March | 802 | 262 | 2 106 | 710 | 3 727 | -1 233 | -34 | 4 418 | 1 135 | 3 283 | 5 966 |
| April | 801 | 355 | 2 510 | 740 | 4 128 | -1 221 | 19 | 4 474 | 1 108 | 3 366 | 5 984 |
| May | 953 | 356 | 2 919 | 1 071 | 4 772 | -1 068 | -547 | 4 452 | 1 086 | 3 366 | 6 042 |
| June | 998 | 451 | 2 853 | 1 432 | 4 889 | -1 153 | -866 | 4 374 | 1 249 | 3 125 | 6 353 |
| July | 879 | 317 | 2 984 | 1 383 | 4 948 | -1 282 | -869 | 4 369 | 1 337 | 3 032 | 6 301 |
| Aug. | 956 | 297 | 3 227 | 1 205 | 4 948 | -1 427 | -246 | 4 314 | 1 383 | 2 931 | 6 085 |
| Sept. | 852 | 274 | 5 812 | 2 294 | 4 994 | -1 482 | 1 132 | 4 334 | 1 389 | 2 945 | 6 209 |
| Oct. | 1 032 | 298 | 5 876 | 2 226 | 5 015 | -1 461 | 1 426 | 4 535 | 1 382 | 3 153 | 6 159 |
| Nov. | 953 | 322 | 6 565 | 997 | 5 053 | -1 507 | 3 297 | 4 610 | 1 361 | 3 249 | 6 179 |
| Dec. | 942 | 443 | 5 785 | 610 | 5 039 | -1 555 | 3 076 | 4 529 | 1 282 | 3 247 | 6 574 |
| 1984 | | | | | | | | | | | |
| Jan. | 1 038 | 62 | 4 087 | 2 907 | 5 250 | -1 619 | -1 351 | 4 572 | 1 106 | 3 466 | 6 195 |
| Feb. | 1 024 | 58 | 3 659 | 2 607 | 5 327 | -1 605 | -1 588 | 4 592 | 1 746 | 2 846 | 6 232 |



MONETARY POLICY INDICATORS

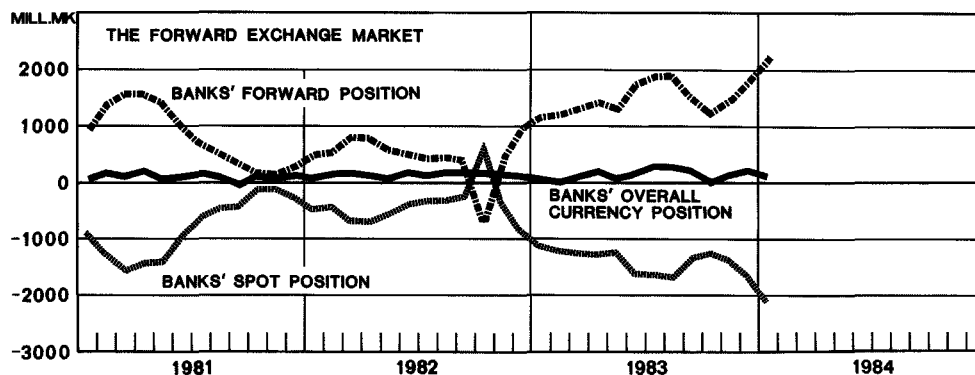
| Average for period | Gross central bank debt of the deposit banks mill. mk | Net central bank debt of the deposit banks mill. mk | Cash reserve deposits of the deposit banks mill. mk | Cash reserve requirement % | Call money credit extended by the Bank of Finland | Call money interest rate % | Average cost of gross central bank debt % | Base rate % | Average lending rate of the commercial banks ¹ % |
|--------------------|---|---|---|----------------------------|---|----------------------------|---|-------------|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1979 | 2 769 | 372 | 447 | 1.0 | 321 | 9.74 | 9.11 | 7.46 | 8.03 |
| 1980 | 4 971 | 1 560 | 2 542 | 3.8 | 3 313 | 12.38 | 12.37 | 9.20 | 9.77 |
| 1981 | 4 095 | -33 | 2 795 | 3.5 | 2 161 | 11.48 | 11.61 | 9.25 | 9.84 |
| 1982 | 3 201 | -783 | 2 777 | 3.1 | 1 571 | 11.64 | 11.98 | 8.81 | 9.33 |
| 1983 | 4 539 | -1 213 | 4 345 | 4.3 | 2 724 | 15.37 | 15.13 | 9.00 | 9.56 |
| 1982 | | | | | | | | | |
| Dec. | 4 307 | 655 | 3 119 | 3.3 | 3 367 | 11.50 | 13.27 | 8.50 | 8.95 |
| 1983 | | | | | | | | | |
| Jan. | 2 996 | -1 716 | 3 135 | 3.3 | 1 011 | 11.00 | 12.09 | 8.50 | 8.99 |
| Feb. | 1 879 | -2 360 | 3 240 | 3.3 | 475 | 12.00 | 11.71 | 8.50 | 8.97 |
| March | 2 741 | -1 492 | 3 308 | 3.7 | 1 408 | 13.00 | 13.60 | 8.50 | 8.95 |
| April | 3 271 | -1 678 | 3 753 | 4.1 | 1 666 | 13.00 | 13.69 | 8.50 | 8.97 |
| May | 4 019 | -1 473 | 4 149 | 4.7 | 2 271 | 15.00 | 14.54 | 8.50 | 9.00 |
| June | 3 873 | -2 053 | 4 770 | 4.7 | 2 308 | 15.00 | 14.32 | 8.50 | 9.07 |
| July | 4 477 | -1 856 | 4 889 | 4.7 | 2 627 | 15.00 | 14.67 | 9.50 | 10.09 |
| Aug. | 4 634 | -1 972 | 4 920 | 4.7 | 2 541 | 15.00 | 14.68 | 9.50 | 10.10 |
| Sept. | 5 523 | - 912 | 4 945 | 4.7 | 3 627 | 16.67 | 16.13 | 9.50 | 10.16 |
| Oct. | 6 972 | 74 | 4 984 | 4.7 | 4 651 | 16.95 | 16.74 | 9.50 | 10.14 |
| Nov. | 7 075 | 238 | 5 008 | 4.7 | 4 837 | 16.70 | 16.27 | 9.50 | 10.15 |
| Dec. | 7 007 | 646 | 5 039 | 4.7 | 5 269 | 16.70 | 16.49 | 9.50 | 10.18 |
| 1984 | | | | | | | | | |
| Jan. | 6 794 | -458 | 5 045 | 4.7 | 4 588 | 17.50 | 17.50 | 9.50 | 10.30 |
| Feb. | 5 327 | -2 921 | 5 242 | 4.7 | 2 323 | 17.50 | 17.50 | 9.50 | .. |

¹ End of period.



FORWARD EXCHANGE MARKETS IN FINLAND

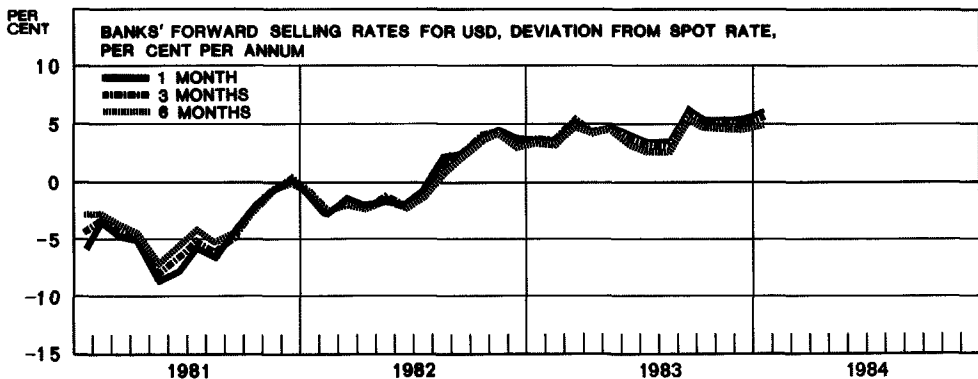
| Period | Banks' forward positions in mill. mk with | | | | | | Banks' forward selling rates for USD | | |
|-------------------|---|-------------|---------|---------------|-----------------|---------|--|----------|----------|
| | Domestic firms | | | Foreign banks | Bank of Finland | Overall | Deviation from spot rate, per cent per annum | | |
| | Assets | Liabilities | Net | Net | Net | Net | 1 month | 3 months | 6 months |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1982 | 11 128.0 | 2 116.7 | 9 011.4 | -865.1 | -6 827.2 | 1 104.0 | 3.9 | 3.8 | 3.4 |
| 1983 | 7 434.6 | 1 333.4 | 6 101.2 | -1 483.0 | -2 063.1 | 2 390.5 | 5.6 | 5.3 | 4.8 |
| 1982 | | | | | | | | | |
| Nov. | 8 921.5 | 2 199.9 | 6 721.6 | -692.8 | -5 027.6 | 917.4 | 4.7 | 4.6 | 4.5 |
| Dec. | 11 128.0 | 2 116.7 | 9 011.4 | -865.1 | -6 827.2 | 1 104.0 | 3.9 | 3.8 | 3.4 |
| 1983 ^r | | | | | | | | | |
| Jan. | 11 278.4 | 2 201.3 | 9 077.1 | -732.6 | -6 643.3 | 1 544.4 | 3.8 | 3.9 | 3.7 |
| Feb. | 10 442.1 | 2 156.4 | 8 285.8 | -947.4 | -6 006.7 | 1 232.6 | 3.7 | 3.8 | 3.4 |
| March | 10 556.9 | 2 088.0 | 8 468.9 | -713.5 | -5 915.7 | 1 761.7 | 5.4 | 5.4 | 5.0 |
| April | 10 064.2 | 2 007.9 | 8 056.3 | -718.9 | -5 591.5 | 1 573.1 | 4.3 | 4.4 | 4.3 |
| May | 9 943.9 | 1 993.5 | 7 950.4 | -677.3 | -5 378.1 | 1 782.3 | 4.9 | 4.8 | 4.7 |
| June | 9 466.8 | 1 811.0 | 7 655.8 | -1 048.1 | -4 590.2 | 1 744.6 | 4.3 | 4.1 | 3.5 |
| July | 9 149.7 | 1 808.8 | 7 341.0 | -1 156.7 | -3 938.6 | 1 813.6 | 3.7 | 3.6 | 2.9 |
| Aug. | 8 487.6 | 1 913.7 | 6 573.9 | -996.4 | -3 511.9 | 1 500.6 | 3.6 | 3.3 | 2.8 |
| Sept. | 7 697.4 | 2 072.6 | 5 624.8 | -1 231.8 | -3 084.1 | 941.0 | 6.5 | 6.1 | 5.7 |
| Oct. | 7 964.3 | 2 064.2 | 5 900.1 | -1 291.5 | -2 540.6 | 1 715.5 | 5.5 | 5.2 | 4.8 |
| Nov. | 7 398.6 | 2 001.9 | 5 396.6 | -1 201.3 | -2 186.5 | 1 670.0 | 5.4 | 5.3 | 4.8 |
| Dec. | 7 434.6 | 1 333.4 | 6 101.2 | -1 483.0 | -2 063.1 | 2 390.5 | 5.6 | 5.3 | 4.8 |
| 1984 | | | | | | | | | |
| Jan. | 7 144.5 | 1 808.4 | 5 336.1 | -1 794.1 | -1 008.4 | 2 275.1 | 6.3 | 5.3 | 5.1 |



FOREIGN EXCHANGE RATES

Average selling rates for foreign exchange, mk

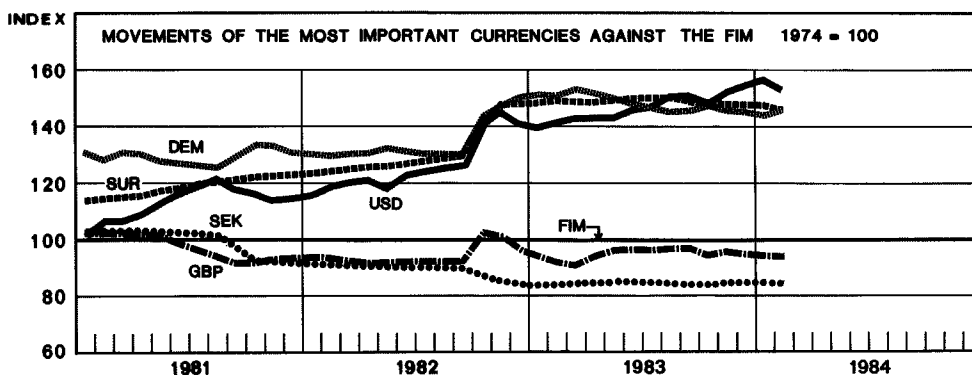
| Period | New York 1 US \$ USD | Montreal 1 C \$ CAD | London 1 £ GBP | Dublin 1 Ir£ IEP | Stockholm 100 Skr SEK | Oslo 100 Nkr NOK | Copenhagen 100 Dkr DKK | Frankfurt 100 DM DEM | Amsterdam 100 Hfl NLG | Brussels 100 FB BEC BEL | |
|--------|----------------------------|---------------------------|----------------------|------------------------|-----------------------------|------------------------|------------------------------|----------------------------|-----------------------------|----------------------------------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1979 | 3.896 | 3.330 | 8.275 | | 91.12 | 77.22 | 74.38 | 212.75 | 194.43 | 13.338 | 12.979 |
| 1980 | 3.730 | 3.194 | 8.691 | 7.689 | 88.43 | 75.81 | 66.53 | 205.58 | 188.02 | 12.818 | 12.635 |
| 1981 | 4.315 | 3.602 | 8.731 | 6.976 | 85.74 | 75.54 | 60.96 | 191.31 | 173.43 | 11.688 | 11.095 |
| 1982 | 4.820 | 3.913 | 8.423 | 6.854 | 77.03 | 74.84 | 57.93 | 198.76 | 180.66 | 10.584 | 9.859 |
| 1983 | 5.570 | 4.524 | 8.456 | 6.957 | 72.75 | 76.44 | 61.07 | 218.61 | 195.66 | 10.934 | 10.742 |
| 1983 | | | | | | | | | | | |
| Jan | 5.317 | 4.332 | 8.397 | 7.417 | 72.78 | 75.57 | 63.27 | 222.95 | 202.42 | 11.370 | 10.869 |
| Feb. | 5.389 | 4.395 | 8.270 | 7.391 | 72.62 | 75.88 | 62.91 | 222.26 | 201.55 | 11.314 | 10.898 |
| March | 5.429 | 4.433 | 8.112 | 7.362 | 72.75 | 75.80 | 63.08 | 225.76 | 202.86 | 11.475 | 10.886 |
| April | 5.436 | 4.417 | 8.389 | 7.061 | 72.74 | 76.28 | 62.87 | 223.29 | 198.24 | 11.212 | 11.103 |
| May | 5.445 | 4.433 | 8.579 | 6.985 | 72.74 | 76.65 | 61.92 | 220.91 | 196.45 | 11.070 | 11.041 |
| June | 5.546 | 4.503 | 8.608 | 6.878 | 72.72 | 76.46 | 60.84 | 217.76 | 194.30 | 10.902 | 10.866 |
| July | 5.592 | 4.544 | 8.558 | 6.840 | 72.80 | 76.47 | 60.25 | 216.44 | 193.48 | 10.816 | 10.762 |
| Aug. | 5.714 | 4.637 | 8.590 | 6.753 | 72.82 | 76.70 | 59.45 | 213.97 | 191.29 | 10.678 | 10.631 |
| Sept. | 5.713 | 4.642 | 8.575 | 6.727 | 72.65 | 77.04 | 59.64 | 214.38 | 191.70 | 10.632 | 10.513 |
| Oct. | 5.646 | 4.589 | 8.465 | 6.742 | 72.68 | 77.24 | 60.06 | 217.30 | 193.69 | 10.670 | 10.509 |
| Nov. | 5.754 | 4.661 | 8.511 | 6.686 | 72.83 | 77.19 | 59.56 | 214.73 | 191.61 | 10.574 | 10.474 |
| Dec. | 5.860 | 4.706 | 8.414 | 6.639 | 72.84 | 76.01 | 58.99 | 213.55 | 190.33 | 10.500 | 10.357 |
| 1984 | | | | | | | | | | | |
| Jan. | 5.940 | 4.764 | 8.389 | 6.579 | 72.85 | 75.65 | 58.56 | 211.96 | 188.64 | 10.395 | 10.225 |
| Feb. | 5.803 | 4.655 | 8.355 | 6.626 | 72.56 | 75.47 | 58.89 | 214.81 | 190.35 | 10.495 | 10.182 |



Average selling rates for foreign exchange, mk

| Zurich 100 Sfr CHF | Paris 100 FF FRF | Rome 100 Lit ITL | Vienna 100 OS ATS | Lisbon 100 Esc PTE | Reykjavik 100 lkr ISK | Madrid 100 Ptas ESP | Tokyo 100 Y JPY | Moscow 1 Cl Rbl SUR | l special drawing right SDR | Currency index ¹ |
|--------------------------|------------------------|------------------------|-------------------------|--------------------------|-----------------------------|---------------------------|-----------------------|---------------------------|--------------------------------------|--------------------------------|
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 234.36 | 91.88 | 0.473 | 29.19 | 8.13 | 1.14 | 5.84 | 1.797 | 5.941 | 5.016 78 | 117.3 |
| 222.87 | 88.65 | 0.440 | 28.90 | 7.60 | 0.81 | 5.25 | 1.662 | 5.741 | 4.842 55 | 113.6 |
| 220.34 | 79.92 | 0.385 | 27.17 | 7.17 | 60.35 | 4.72 | 1.967 | 5.986 | 5.071 40 | 113.1 |
| 237.79 | 73.65 | 0.358 | 28.31 | 6.13 | 40.79 | 4.41 | 1.943 | 6.624 | 5.305 63 | 115.9 |
| 265.70 | 73.53 | 0.369 | 31.11 | 5.14 | 23.25 | 3.91 | 2.351 | 7.491 | 5.943 25 | 125.1 |
| 270.53 | 78.77 | 0.389 | 31.79 | 5.79 | 29.19 | 4.21 | 2.289 | 7.450 | 5.839 47 ^r | 125.0 |
| 267.72 | 78.50 | 0.387 | 31.66 | 5.90 | 28.34 | 4.17 | 2.287 | 7.506 | 5.865 51 ^r | 125.1 |
| 263.75 | 77.75 | 0.383 | 32.13 | 5.82 | 26.65 | 4.09 | 2.287 | 7.498 | 5.884 85 ^r | 125.2 |
| 264.97 | 74.60 | 0.376 | 31.78 | 5.59 | 25.76 | 4.02 | 2.294 | 7.489 | 5.876 34 ^r | 125.2 |
| 264.63 | 73.58 | 0.373 | 31.41 | 5.56 | 24.71 | 3.97 | 2.321 | 7.496 | 5.885 82 ^r | 125.2 |
| 262.74 | 72.53 | 0.368 | 30.93 | 5.29 | 20.55 | 3.89 | 2.313 | 7.529 | 5.915 65 ^r | 125.2 |
| 264.53 | 72.13 | 0.367 | 30.80 | 4.76 | 20.49 | 3.80 | 2.331 | 7.550 | 5.934 78 ^r | 125.3 |
| 264.52 | 71.24 | 0.361 | 30.47 | 4.69 | 20.67 | 3.79 | 2.342 | 7.559 | 5.991 35 ^r | 125.2 |
| 264.40 | 71.10 | 0.358 | 30.53 | 4.64 | 20.63 | 3.77 | 2.359 | 7.507 | 5.995 33 ^r | 125.2 |
| 267.91 | 71.25 | 0.359 | 30.93 | 4.59 | 20.49 | 3.75 | 2.430 | 7.439 | 5.989 58 | 125.0 |
| 265.52 | 70.72 | 0.355 | 30.53 | 4.55 | 20.72 | 3.74 | 2.452 | 7.438 | 6.043 58 | 125.1 |
| 267.20 | 70.15 | 0.353 | 30.33 | 4.49 | 20.76 | 3.73 | 2.506 | 7.439 | 6.101 77 | 125.0 |
| 266.26 | 69.47 | 0.350 | 30.10 | 4.41 | 20.58 | 3.74 | 2.547 | 7.425 | 6.145 38 | 103.8 |
| 263.17 | 69.92 | 0.349 | 30.48 | 4.35 | 20.05 | 3.78 | 2.488 | 7.343 | 6.065 12 | 103.6 |

¹ Until December 31, 1983 the base year was 1974 = 100.
Since January 1, 1984 the base year has been 1982 = 100.



DEPOSITS BY THE PUBLIC

Mill. mk

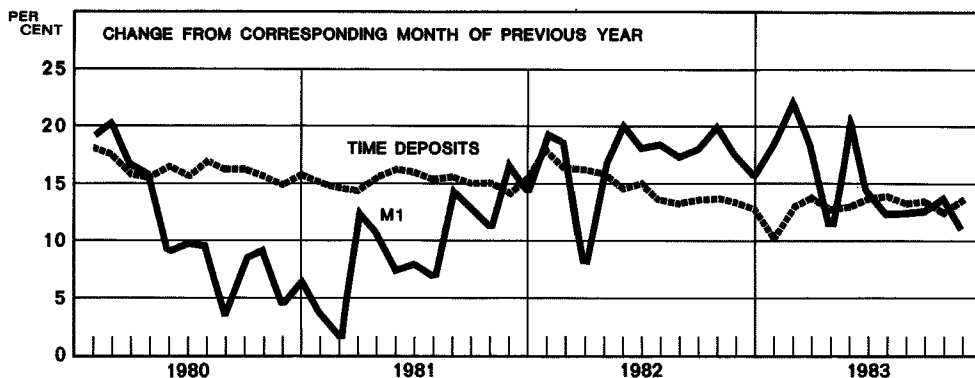
| End of year and month | Demand deposits | | | | Time deposits | | | | | Total (4+9) |
|-----------------------|------------------|------------------------------|--------------|-------------------|------------------|---------------|--------------|--------------|-------------------|-------------|
| | Commercial banks | Savings banks & Co-op. banks | Posti-pankki | All deposit banks | Commercial banks | Savings banks | Co-op. banks | Posti-pankki | All deposit banks | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1979 | 4 697 | 2 255 | 2 714 | 9 666 | 19 794 | 17 177 | 13 348 | 5 599 | 55 918 | 65 584 |
| 1980 | 5 459 | 2 285 | 2 531 | 10 275 | 22 591 | 20 009 | 15 950 | 6 355 | 64 905 | 75 180 |
| 1981 | 5 791 | 2 879 | 2 952 | 11 622 | 26 094 | 22 937 | 18 598 | 7 448 | 75 077 | 86 699 |
| 1982* | 7 155 | 3 874 | 3 049 | 14 078 | 29 260 | 25 833 | 21 040 | 8 665 | 84 798 | 98 876 |

1982*

| | | | | | | | | | | |
|------|-------|-------|-------|--------|--------|--------|--------|-------|--------|--------|
| Oct. | 6 093 | 3 654 | 3 807 | 13 554 | 27 894 | 25 102 | 20 437 | 8 304 | 81 737 | 95 291 |
| Nov. | 6 742 | 3 599 | 3 325 | 13 666 | 27 782 | 25 111 | 20 417 | 8 390 | 81 700 | 95 366 |
| Dec. | 7 155 | 3 874 | 3 049 | 14 078 | 29 260 | 25 833 | 21 040 | 8 665 | 84 798 | 98 876 |

1983*

| | | | | | | | | | | |
|-------|-------|-------|-------|--------|--------|--------|--------|-------|--------|---------|
| Jan. | 7 118 | 3 749 | 3 919 | 14 786 | 29 243 | 26 185 | 21 402 | 8 707 | 85 537 | 100 323 |
| Feb. | 6 394 | 3 700 | 3 914 | 14 008 | 29 953 | 26 624 | 21 920 | 8 781 | 87 278 | 101 286 |
| March | 6 333 | 3 696 | 3 384 | 13 413 | 30 144 | 26 684 | 22 029 | 8 865 | 87 722 | 101 135 |
| April | 5 918 | 3 788 | 3 917 | 13 623 | 30 469 | 26 945 | 22 163 | 8 840 | 88 417 | 102 040 |
| May | 7 315 | 4 088 | 4 037 | 15 440 | 30 895 | 27 180 | 22 264 | 8 985 | 89 324 | 104 764 |
| June | 7 126 | 3 998 | 4 150 | 15 274 | 31 388 | 27 685 | 22 650 | 9 071 | 90 794 | 106 068 |
| July | 6 194 | 4 084 | 4 346 | 14 624 | 31 400 | 27 999 | 22 899 | 9 304 | 91 602 | 106 226 |
| Aug. | 6 974 | 4 128 | 4 331 | 15 433 | 31 181 | 28 135 | 23 013 | 9 293 | 91 622 | 107 055 |
| Sept. | 6 959 | 4 185 | 4 324 | 15 468 | 31 167 | 28 230 | 23 194 | 9 387 | 91 978 | 107 446 |
| Oct. | 7 264 | 4 270 | 4 529 | 16 063 | 31 288 | 28 298 | 23 285 | 9 365 | 92 236 | 108 299 |
| Nov. | 7 514 | 4 182 | 3 625 | 15 321 | 31 668 | 28 447 | 23 424 | 9 492 | 93 031 | 108 352 |



ADVANCES TO THE PUBLIC – MONEY SUPPLY

Mill. mk

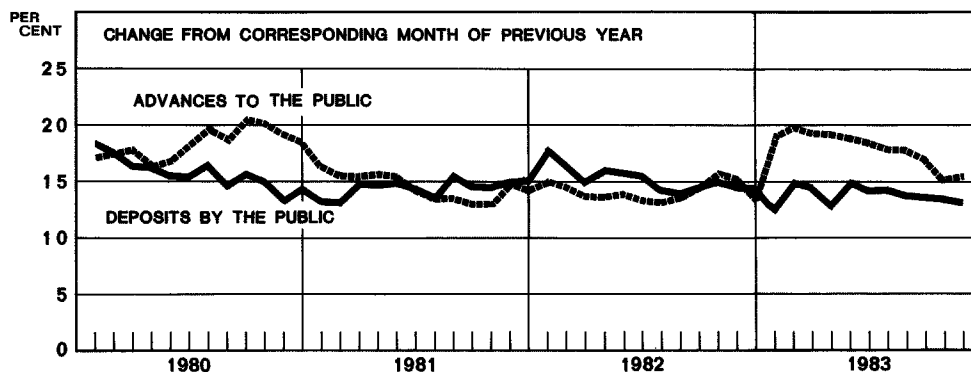
| End of year and month | Advances granted by | | | | Types of advances | | | Total (1 to 4) (5 to 7) | Money Supply | |
|-----------------------|---------------------|---------------|--------------|--------------|------------------------------------|----------------|--------------------------------------|-------------------------|----------------|------------------------------|
| | Commercial banks | Savings banks | Co-op. banks | Posti-pankki | Loans & bills in domestic currency | Cheque credits | Domestic credits in foreign currency | | M ₁ | M ₁ + Quasi-Money |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | 8 | 9 |
| 1979 | 29 844 | 16 535 | 14 258 | 8 299 | 60 971 | 1 955 | 6 010 | 68 936 | 14 087 | 71 157 |
| 1980 | 35 994 | 19 097 | 16 760 | 9 973 | 70 466 | 2 347 | 9 011 | 81 824 | 14 979 | 81 601 |
| 1981 | 40 462 | 22 009 | 20 059 | 11 135 | 80 817 | 2 877 | 9 971 | 93 665 | 17 186 | 94 577 |
| 1982* | 48 282 | 25 682 | 23 601 | 12 683 | 93 011 | 3 467 | 13 770 | 110 248 | 19 917 | 107 549 |

1982*

| | | | | | | | | | | |
|------|--------|--------|--------|--------|--------|-------|--------|---------|--------|---------|
| Oct. | 46 174 | 25 069 | 22 964 | 12 295 | 91 156 | 3 813 | 11 533 | 106 502 | 19 091 | 103 523 |
| Nov. | 47 033 | 25 408 | 23 252 | 12 485 | 92 269 | 3 927 | 11 982 | 108 178 | 18 982 | 103 579 |
| Dec. | 48 282 | 25 682 | 23 601 | 12 683 | 93 011 | 3 467 | 13 770 | 110 248 | 19 917 | 107 549 |

1983*

| | | | | | | | | | | |
|-------|--------|--------|--------|--------|---------|-------|--------|---------|--------|---------|
| Jan. | 49 470 | 25 964 | 23 797 | 13 038 | 93 890 | 4 250 | 14 129 | 112 269 | 20 333 | 108 488 |
| Feb. | 50 391 | 26 216 | 23 998 | 13 093 | 94 894 | 4 495 | 14 309 | 113 698 | 19 861 | 109 709 |
| March | 50 364 | 26 474 | 24 262 | 12 766 | 95 658 | 4 569 | 13 639 | 113 866 | 19 401 | 110 101 |
| April | 51 368 | 26 685 | 24 415 | 12 842 | 96 653 | 4 744 | 13 913 | 115 310 | 19 374 | 110 890 |
| May | 52 093 | 27 075 | 24 733 | 12 909 | 97 926 | 4 451 | 14 433 | 116 810 | 21 325 | 113 729 |
| June | 52 244 | 27 460 | 25 095 | 13 072 | 98 918 | 4 699 | 14 254 | 117 871 | 21 362 | 115 242 |
| July | 52 034 | 27 711 | 25 371 | 13 193 | 99 492 | 4 666 | 14 151 | 118 309 | 20 634 | 115 283 |
| Aug. | 52 299 | 28 101 | 25 787 | 13 348 | 100 310 | 4 761 | 14 464 | 119 535 | 21 011 | 115 625 |
| Sept. | 53 190 | 28 594 | 26 228 | 13 456 | 102 157 | 4 898 | 14 413 | 121 468 | 21 403 | 116 469 |
| Oct. | 54 005 | 28 821 | 26 529 | 13 543 | 103 055 | 4 793 | 15 050 | 122 898 | 21 772 | 116 992 |
| Nov. | 55 597 | 29 040 | 26 946 | 13 665 | 103 989 | 4 847 | 16 412 | 125 248 | 21 105 | 117 008 |



STATE FINANCES

Mill. mk

| Revenue | Jan.-Nov. | | Expenditure | Jan.-Nov. | |
|--|-----------|---------|---|-----------|--------|
| | 1982 | 1983 | | 1982 | 1983 |
| Income and wealth tax (net) | 16 307 | 19 127 | Wages, salaries, pensions etc. | 9 654 | 10 935 |
| Gross receipts | 39 051 | 45 237 | Repair and maintenance | 1 162 | 1 383 |
| Refunds & local authorities | -22 744 | -26 110 | Other consumption expenditure | 5 741 | 6 646 |
| Other taxes on income and wealth | 379 | 439 | Total consumption expenditure | 16 557 | 18 964 |
| Employers' child allowance payments | 1 | 1 | State aid to local authorities | 12 240 | 14 126 |
| Sales tax | 14 017 | 15 861 | State aid to industries | 8 738 | 7 350 |
| Customs duties and import charges and levies | 1 483 | 1 419 | of which: agric. price subsidies | 3 694 | 3 601 |
| Excise duties | 10 414 | 9 404 | Child allowances | 1 611 | 2 228 |
| Excise duty on alcoholic bev. | 3 078 | 3 420 | Share in national pensions and sickness insurance schemes | 769 | 2 272 |
| Excise duty on tobacco | 1 297 | 1 437 | Deficit of State enterprises | 1 070 | 1 155 |
| Excise duty on liquid fuel | 3 117 | 3 300 | Other transfer expenditure | 7 667 | 8 771 |
| Other excise duties | 2 922 | 1 247 | Total transfer expenditure | 32 095 | 35 902 |
| Tax on autom. and motor-cycles | 1 732 | 2 054 | Machinery and equipment | 1 536 | 1 556 |
| Stamp duties | 1 261 | 1 546 | Construction of buildings | 789 | 1 014 |
| Special diesel etc. vehicles tax | 199 | 240 | Land and waterway construction | 2 042 | 2 196 |
| Other taxes and similar revenue | 1 330 | 1 607 | Total real investment | 4 367 | 4 766 |
| Total taxes | 47 123 | 51 698 | Interest on State debt | 2 047 | 2 931 |
| Miscellaneous revenue | 3 456 | 4 151 | Other expenditure | 25 | 10 |
| Interest, dividends etc. | 1 439 | 1 669 | Total other expenditure | 2 072 | 2 941 |
| Surplus of state enterprises | 1 191 | 1 641 | Increase in inventories | -105 | 828 |
| Redemptions of loans granted | 932 | 1 561 | Lending | 3 541 | 3 997 |
| Total revenue | 54 141 | 60 720 | Other financial investment | 530 | 596 |
| Foreign borrowing | 3 304 | 4 073 | Total expenditure | 59 057 | 67 994 |
| Domestic borrowing | 4 186 | 5 630 | Redemption of foreign loans | 900 | 2 166 |
| Total borrowing | 7 490 | 9 703 | Redemption of domestic loans | 1 846 | 1 552 |
| Deficit (+) or surplus (-) | 172 | 1 289 | Total redemptions | 2 746 | 3 718 |
| Total | 61 803 | 71 712 | Total | 61 803 | 71 712 |

| State debt | 1981 | 1982 | 1983 | | | |
|-------------------------|--------|--------|--------|--------|--------|---------------------|
| | Dec. | Dec. | Sept. | Oct. | Nov. | Dec. |
| Foreign debt | 13 331 | 18 807 | 21 024 | 21 515 | 21 626 | 21 723 ¹ |
| Long-term debt | 8 762 | 11 378 | 15 202 | 15 467 | 15 744 | 16 383 |
| Short-term credit | 9 | 63 | 155 | 167 | 81 | 18 |
| Domestic debt | 8 771 | 11 441 | 15 357 | 15 634 | 15 825 | 16 401 |
| Total State debt | 22 102 | 30 248 | 36 381 | 37 149 | 37 451 | 38 124 |
| Total debt mill. \$ | 5 052 | 5 651 | 6 368 | 6 580 | 6 509 | 6 506 |

¹ Includes only long-term debt.

FOREIGN TRADE

Mill. mk

Value, mill. mk

| Period | Value, mill. mk | | |
|--------|------------------|-------------------|--|
| | Exports f.o.b | Imports c.i.f. | Surplus of exports (+) or imports (-) |
| 1979 | 43 430 | 44 222 | -792 |
| 1980 | 52 795 | 58 250 | -5 455 |
| 1981 | 60 308 | 61 269 | -961 |
| 1982 | 63 026 | 64 751 | -1 725 |
| 1983* | 69 751 | 71 520 | -1 769 |

1982

| | | | |
|------|-------|-------|--------|
| Dec. | 6 025 | 7 351 | -1 326 |
|------|-------|-------|--------|

1983*

| | | | |
|-------|-------|-------|--------|
| Jan. | 5 025 | 5 551 | -526 |
| Feb. | 5 573 | 5 073 | +500 |
| March | 6 214 | 5 731 | +483 |
| April | 5 735 | 5 706 | +29 |
| May | 6 154 | 6 245 | -91 |
| June | 5 291 | 5 340 | -49 |
| July | 5 681 | 5 800 | -119 |
| Aug. | 5 128 | 5 513 | -385 |
| Sept. | 5 478 | 6 536 | -1 058 |
| Oct. | 6 095 | 6 567 | -472 |
| Nov. | 6 514 | 6 378 | +136 |
| Dec. | 6 863 | 7 080 | -217 |

Indices of exports and imports
1980 = 100

| Period | Volume | | Unit value | | Terms of trade |
|--------|---------|---------|------------|---------|-------------------|
| | Exports | Imports | Exports | Imports | |
| | 1979 | 92 | 89 | 90 | |
| 1980 | 100 | 100 | 100 | 100 | 100 |
| 1981 | 103 | 94 | 111 | 112 | 99 |
| 1982 | 100 | 95 | 119 | 117 | 102 |
| 1983* | 104 | 98 | 127 | 125 | 101 |

1981

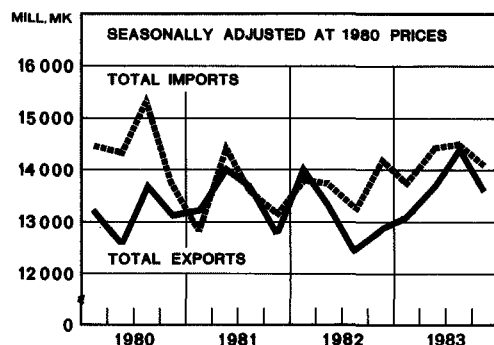
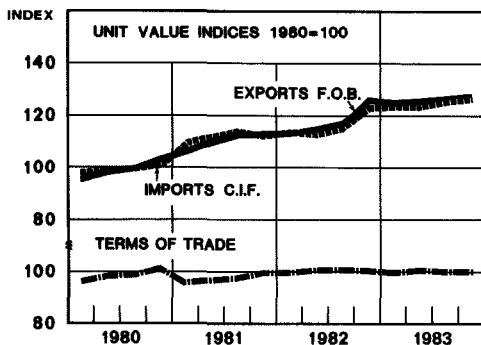
| | | | | | |
|-----------|-----|-----|-----|-----|-----|
| Oct.-Dec. | 108 | 100 | 114 | 113 | 100 |
|-----------|-----|-----|-----|-----|-----|

1982

| | | | | | |
|------------|-----|-----|-----|-----|-----|
| Jan.-March | 106 | 88 | 115 | 115 | 100 |
| Apr.-June | 102 | 92 | 116 | 114 | 102 |
| July-Sept. | 85 | 90 | 118 | 116 | 102 |
| Oct.-Dec. | 107 | 107 | 127 | 125 | 102 |

1983*

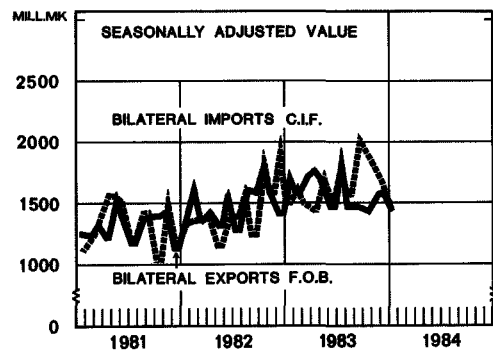
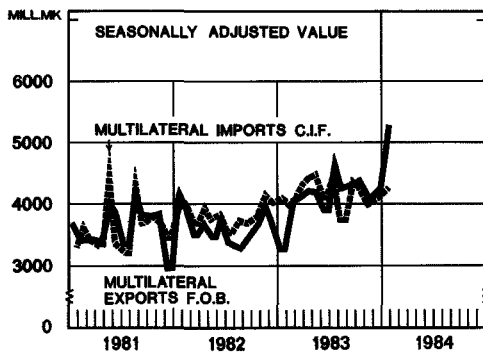
| | | | | | |
|------------|-----|-----|-----|-----|-----|
| Jan.-March | 102 | 90 | 126 | 125 | 101 |
| Apr.-June | 103 | 95 | 126 | 124 | 102 |
| July-Sept. | 97 | 97 | 127 | 126 | 101 |
| Oct.-Dec. | 115 | 108 | 128 | 127 | 101 |



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

| Period | Exports, f.o.b. | | | | | Imports, c.i.f. | | | | |
|--------|---|------------------------|-------------------------|--------------------------------------|-------------|--------------------------------------|----------------------|------------------|----------------|-------------|
| | Agricultural and other primary products | Wood industry products | Paper industry products | Metal, engineering industry products | Other goods | Raw materials and intermediate goods | Fuels and lubricants | Finished goods | | Other goods |
| | | | | | | | | Investment goods | Consumer goods | |
| 1979 | 1 366 | 6 073 | 12 992 | 10 342 | 12 657 | 28 878 | 3 401 | 5 719 | 6 133 | 91 |
| 1980 | 1 403 | 7 742 | 15 751 | 11 546 | 16 353 | 38 622 | 4 088 | 7 989 | 7 440 | 111 |
| 1981 | 2 036 | 6 852 | 17 127 | 14 858 | 19 435 | 39 156 | 5 115 | 8 877 | 8 015 | 106 |
| 1982 | 1 676 | 6 278 | 17 502 | 18 908 | 18 662 | 41 144 | 4 869 | 9 195 | 9 130 | 413 |
| 1983* | 1 712 | 6 943 | 19 329 | 20 253 | 21 514 | 44 748 | 5 011 | 10 858 | 10 570 | 333 |
| 1982 | | | | | | | | | | |
| Dec. | 266 | 631 | 1 522 | 2 165 | 1 441 | 4 744 | 590 | 984 | 882 | 151 |
| 1983* | | | | | | | | | | |
| Jan. | 59 | 466 | 1 313 | 1 719 | 1 468 | 3 411 | 348 | 825 | 921 | 46 |
| Feb. | 337 | 563 | 1 421 | 1 504 | 1 748 | 3 216 | 248 | 665 | 901 | 43 |
| March | 317 | 578 | 1 668 | 1 885 | 1 766 | 3 527 | 227 | 1 016 | 947 | 14 |
| April | 78 | 595 | 1 547 | 1 546 | 1 969 | 3 370 | 270 | 1 010 | 1 046 | 10 |
| May | 258 | 655 | 1 469 | 1 942 | 1 830 | 3 976 | 323 | 976 | 959 | 11 |
| June | 67 | 575 | 1 493 | 1 608 | 1 548 | 3 277 | 440 | 842 | 728 | 53 |
| July | 68 | 562 | 1 571 | 1 826 | 1 654 | 3 459 | 561 | 1 021 | 703 | 56 |
| Aug. | 58 | 492 | 1 669 | 1 123 | 1 786 | 3 512 | 440 | 685 | 833 | 43 |
| Sept. | 41 | 534 | 1 746 | 1 499 | 1 658 | 4 125 | 702 | 850 | 849 | 10 |
| Oct. | 124 | 623 | 1 765 | 1 574 | 2 009 | 4 257 | 578 | 816 | 892 | 24 |
| Nov. | 78 | 643 | 1 851 | 2 054 | 1 888 | 4 122 | 435 | 935 | 869 | 17 |
| Dec. | 227 | 657 | 1 816 | 1 973 | 2 190 | 4 496 | 439 | 1 217 | 922 | 6 |



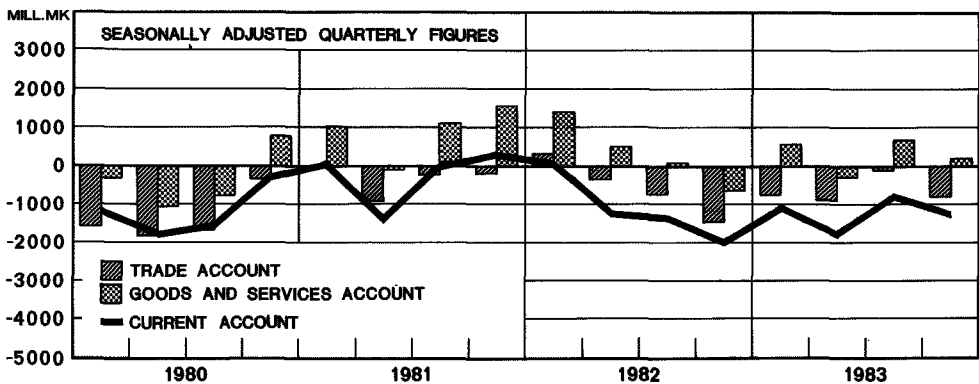
FOREIGN TRADE BY COUNTRIES

Mill. mk

| Area and country | Exports, f.o.b. | | | | Imports, c.i.f. | | | |
|--------------------------------------|------------------|----------|-------|----------|------------------|----------|-------|----------|
| | January–December | | | | January–December | | | |
| | 1982* | | 1983* | | 1982* | | 1983* | |
| | % | Mill. mk | % | Mill. mk | % | Mill. mk | % | Mill. mk |
| OECD countries in Europe | 55.2 | 34 787 | 55.4 | 38 614 | 52.1 | 33 708 | 51.7 | 36 958 |
| Austria | 0.7 | 422 | 0.7 | 518 | 1.2 | 806 | 1.2 | 837 |
| Belgium and Luxembourg | 1.4 | 870 | 1.6 | 1 085 | 1.8 | 1 148 | 1.7 | 1 255 |
| Denmark | 3.6 | 2 282 | 3.7 | 2 581 | 2.3 | 1 501 | 2.4 | 1 728 |
| France | 4.0 | 2 487 | 4.1 | 2 848 | 3.1 | 2 023 | 3.3 | 2 336 |
| Federal Republic of Germany | 9.0 | 5 700 | 9.6 | 6 671 | 13.3 | 8 586 | 13.2 | 9 463 |
| Italy | 1.8 | 1 134 | 1.9 | 1 298 | 2.6 | 1 708 | 3.0 | 2 141 |
| Netherlands | 3.1 | 1 928 | 4.0 | 2 797 | 2.6 | 1 715 | 2.7 | 1 905 |
| Norway | 4.9 | 3 084 | 3.4 | 2 377 | 2.2 | 1 457 | 2.6 | 1 885 |
| Portugal | 0.2 | 143 | 0.2 | 144 | 0.6 | 365 | 0.6 | 434 |
| Spain | 0.8 | 530 | 0.8 | 523 | 0.7 | 454 | 0.8 | 544 |
| Sweden | 12.0 | 7 547 | 12.4 | 8 636 | 12.2 | 7 870 | 11.2 | 7 998 |
| Switzerland | 1.3 | 839 | 1.4 | 995 | 1.6 | 1 059 | 1.7 | 1 208 |
| United Kingdom | 10.8 | 6 827 | 10.3 | 7 197 | 7.2 | 4 642 | 6.7 | 4 765 |
| Other | 1.6 | 994 | 1.3 | 944 | 0.7 | 374 | 0.6 | 459 |
| OECD countries outside Europe | 5.8 | 3 688 | 6.7 | 4 709 | 11.5 | 7 471 | 12.3 | 8 800 |
| Canada | 0.7 | 441 | 0.6 | 412 | 0.9 | 573 | 0.7 | 532 |
| Japan | 1.1 | 678 | 1.1 | 787 | 4.2 | 2 723 | 5.5 | 3 903 |
| United States | 3.2 | 2 008 | 4.1 | 2 859 | 6.1 | 3 947 | 5.6 | 4 040 |
| Other | 0.8 | 561 | 0.9 | 651 | 0.3 | 228 | 0.5 | 325 |
| CMEA countries | 28.8 | 18 147 | 27.8 | 19 366 | 28.0 | 18 105 | 28.6 | 20 464 |
| Czechoslovakia | 0.4 | 269 | 0.4 | 274 | 0.5 | 339 | 0.4 | 307 |
| German Democratic Republic | 0.5 | 337 | 0.5 | 374 | 0.6 | 387 | 0.6 | 426 |
| Poland | 0.1 | 86 | 0.2 | 115 | 1.5 | 938 | 1.3 | 905 |
| Soviet Union | 26.7 | 16 805 | 26.2 | 18 239 | 24.6 | 15 910 | 25.7 | 18 392 |
| Other | 1.1 | 650 | 0.5 | 364 | 0.8 | 531 | 0.6 | 434 |
| Latin America | 1.1 | 680 | 1.7 | 1 202 | 2.2 | 1 399 | 2.3 | 1 642 |
| Argentina | 0.1 | 90 | 0.1 | 85 | 0.1 | 83 | 0.1 | 84 |
| Brazil | 0.3 | 179 | 0.3 | 187 | 0.7 | 468 | 0.7 | 504 |
| Colombia | 0.1 | 80 | 0.1 | 100 | 0.5 | 328 | 0.4 | 313 |
| Other | 0.6 | 331 | 1.2 | 830 | 0.9 | 520 | 1.1 | 741 |
| Other | 9.1 | 5 724 | 8.4 | 5 860 | 6.2 | 4 068 | 5.1 | 3 656 |
| GRAND TOTAL | 100.0 | 63 026 | 100.0 | 69 751 | 100.0 | 64 751 | 100.0 | 71 520 |
| of which | | | | | | | | |
| EFTA countries | 19.2 | 12 129 | 18.3 | 12 757 | 18.1 | 11 632 | 17.3 | 12 409 |
| EEC countries | 34.9 | 21 973 | 36.2 | 25 227 | 33.4 | 21 619 | 33.6 | 24 019 |
| OECD countries | 61.0 | 38 475 | 62.1 | 43 323 | 63.6 | 41 179 | 64.0 | 45 758 |

BALANCE OF PAYMENTS

| Period | Exports f.o.b. | Imports c.i.f. | Trade account | Transport, net | Travel, net | Other services, net | Goods and services account | Invest- ment income, net | Un- requited transfers, net | Other, net | Current account |
|------------|-------------------|-------------------|------------------|-------------------|----------------|---------------------------|-------------------------------------|-----------------------------------|--------------------------------------|---------------|--------------------|
| 1980 | 52 860 | 58 315 | -5 455 | +3 064 | +320 | +587 | -1 484 | -3 308 | -454 | +91 | -5 155 |
| 1981 | 60 260 | 61 697 | -1 437 | +3 261 | +405 | +1 286 | +3 515 | -4 359 | -499 | +132 | -1 211 |
| 1982* | 62 943 | 65 168 | -2 225 | +2 934 | -286 | +811 | +1 234 | -5 446 | -626 | +140 | -4 698 |
| 1983* | 69 650 | 72 100 | -2 450 | +3 200 | -750 | +1 000 | +1 000 | -5 800 | -700 | +200 | -5 300 |
| 1981* | | | | | | | | | | | |
| Jan.-March | 14 469 | 13 623 | +846 | +857 | -87 | +150 | +1 766 | -984 | -130 | +9 | +661 |
| Apr.-June | 15 489 | 15 810 | -321 | +801 | +78 | -100 | +458 | -1 252 | -127 | +48 | -873 |
| July-Sept. | 14 100 | 15 737 | -1 637 | +856 | +443 | +466 | +128 | -1 023 | -109 | +53 | -951 |
| Oct.-Dec. | 16 202 | 16 527 | -325 | +747 | -29 | +770 | +1 163 | -1 100 | -133 | +22 | -48 |
| 1982* | | | | | | | | | | | |
| Jan.-March | 16 082 | 14 858 | +1 224 | +703 | -156 | +350 | +2 121 | -1 083 | -182 | -11 | +845 |
| Apr.-June | 15 587 | 15 390 | +197 | +719 | -85 | +181 | +1 012 | -1 688 | -163 | +44 | -795 |
| July-Sept. | 13 311 | 15 420 | -2 109 | +773 | +149 | +327 | -860 | -1 357 | -135 | +61 | -2 291 |
| Oct.-Dec. | 17 963 | 19 500 | -1 537 | +739 | -194 | -47 | -1 039 | -1 318 | -146 | +46 | -2 457 |
| 1983* | | | | | | | | | | | |
| Jan.-March | 16 860 | 16 463 | +397 | +768 | -290 | +649 | +1 524 | -1 553 | -217 | -26 | -272 |
| Apr.-June | 17 158 | 17 535 | -377 | +808 | -227 | +76 | +280 | -1 482 | -148 | +19 | -1 331 |
| July-Sept. | 16 273 | 17 929 | -1 656 | +853 | +41 | +328 | -434 | -1 438 | -112 | +27 | -1 957 |
| Oct.-Dec. | 19 359 | 20 173 | -814 | +771 | -274 | -53 | -370 | -1 327 | -223 | +180 | -1 740 |



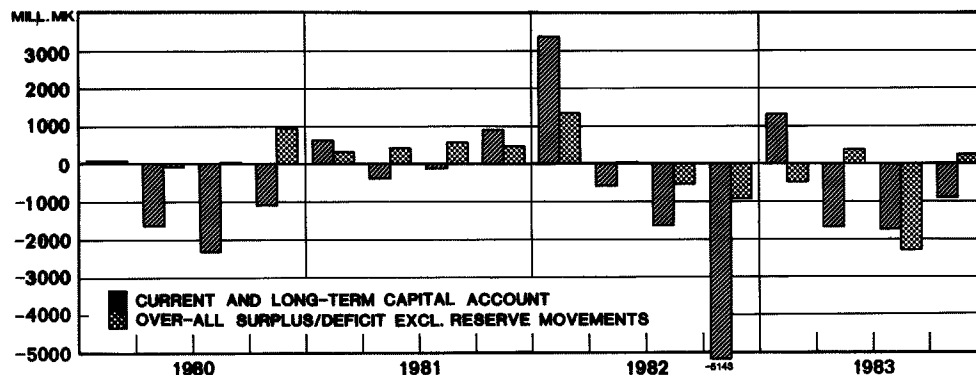
| Drawings of long-term loans | Amortizations of long-term loans | Long-term export credits, net | Miscellaneous long-term capital items, net ¹ | Long-term capital account | Current and long-term capital account | Prepayments and liabilities related to imports | Prepayments and receivables related to exports | Short-term capital of authorized banks, net ² | Miscellaneous, short-term capital terms, incl. errors and omissions ² | Over-all surplus deficit excl. reserve movements ² | Bank of Finland foreign exchange reserves |
|-----------------------------|----------------------------------|-------------------------------|---|---------------------------|---------------------------------------|--|--|--|--|---|---|
| +5 183 | -4 140 | -433 | -428 | +182 | -4 973 | +3 255 | -967 | +3 930 | -250 ³ | +995 | -995 |
| +8 312 | -4 643 | -518 | -826 | +2 325 | +1 114 | -1 067 | +437 | -406 | +1 725 ³ | +1 803 | -1 803 |
| +10 213 | -4 721 | -1 239 | -3 634 | +619 | -4 079 | -2 003 | +1 235 | +1 798 | +2 923 | -126 | +126 |
| +10 112 | -7 273 | +450 | -989 | +2 300 | -3 000 | +2 300 | -1 900 | +1 000 | -562 | -2 162 | +2 162 |
| +1 404 | -955 | -227 | -235 | -13 | +648 | -473 | +789 | -163 | -492 ³ | +309 | -309 |
| +1 948 | -1 213 | +11 | -233 | +513 | -360 | +867 | +790 | -21 | -846 | +430 | -430 |
| +1 932 | -797 | -91 | -200 | +844 | -107 | +95 | -571 | -822 | +1 993 | +588 | -588 |
| +3 028 | -1 678 | -211 | -158 | +981 | +933 | -1 556 | -571 | +600 | +1 070 | +476 | -476 |
| +3 637 | -806 | -114 | -165 | +2 552 | +3 397 | -898 | +569 | -1 509 | -247 | +1 312 | -1 312 |
| +2 332 | -1 555 | -328 | -298 | +151 | -644 | +134 | +571 | +108 | -124 | +45 | -45 |
| +1 859 | -883 | -127 | -247 | +602 | -1 689 | -586 | +48 | -516 | +2 199 | -544 | +544 |
| +2 385 | -1 477 | -670 | -2 924 | -2 686 | -5 143 | -653 | +47 | +3 715 | +1 095 | -939 | +939 |
| +2 985 | -1 271 | +100 | -182 | +1 632 | +1 360 | -535 | -188 | -1 214 | +95 | -482 | +482 |
| +2 435 | -2 895 | +273 | -200 | -387 | -1 718 | +815 | -188 | +699 | +789 | +397 | -397 |
| +1 479 | -1 269 | +142 | -138 | +214 | -1 743 | +725 | -851 | -593 | +149 | -2 313 | +2 313 |
| +3 213 | -1 838 | -65 | -469 | +841 | -899 | +1 295 | -673 | +2 108 | -1 595 | +236 | -236 |

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

¹ Including direct investment, net.

² Reserve movements of other foreign exchange holders have been transferred to the short-term capital account. The short-term capital of the authorized banks is shown separately.

³ Including allocations of special drawing rights: 133 million in 1980 and 131 million in 1981.



FINLAND'S FOREIGN ASSETS AND LIABILITIES

| End of year and month | Long-term assets | | | | Long-term liabilities | | | | | Net long-term liabilities (9-4) |
|-----------------------|------------------|-------------------|-------|----------------|-----------------------|----------------|-------------------|-------|----------------|---------------------------------|
| | Export credits | Direct investment | Other | Total (1 to 3) | Financial loans | Import credits | Direct investment | Other | Total (5 to 8) | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| 1980 | 3 872 | 2 806 | 1 051 | 7 729 | 29 730 | 4 377 | 2 075 | 340 | 36 522 | 28 793 |
| 1981 | 4 673 | 3 426 | 1 317 | 9 416 | 35 536 | 4 444 | 2 183 | 391 | 42 554 | 33 138 |
| 1982* | 6 628 | 4 626 | 3 796 | 15 050 | 47 547 | 4 608 | 2 223 | 752 | 55 130 | 40 080 |
| 1983* | 6 612 | 6 166 | 3 932 | 16 710 | 53 118 | 4 472 | 2 317 | 763 | 60 670 | 43 960 |

1981

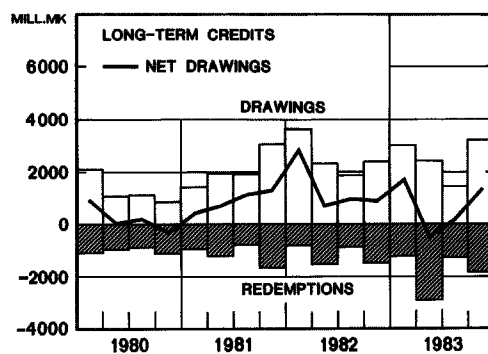
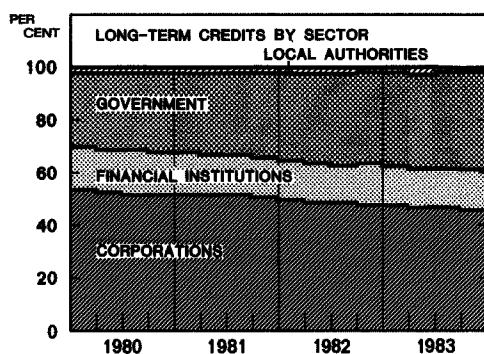
| | | | | | | | | | | |
|-------|-------|-------|-------|-------|--------|-------|-------|-----|--------|--------|
| June | 4 473 | 3 161 | 1 278 | 8 912 | 32 814 | 4 467 | 2 180 | 406 | 39 867 | 30 955 |
| Sept. | 4 559 | 3 329 | 1 282 | 9 170 | 34 414 | 4 377 | 2 168 | 392 | 41 351 | 32 181 |
| Dec. | 4 673 | 3 426 | 1 317 | 9 416 | 35 536 | 4 444 | 2 183 | 391 | 42 554 | 33 138 |

1982*

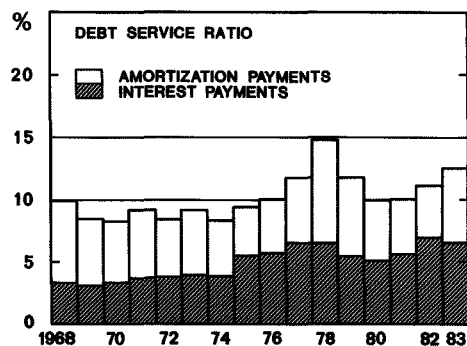
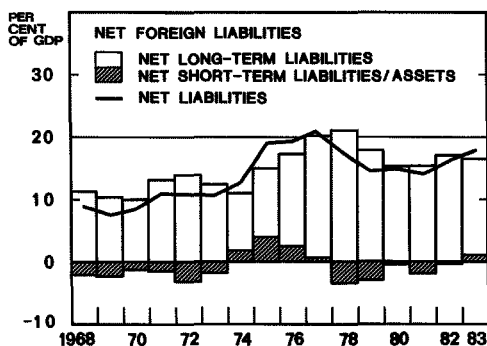
| | | | | | | | | | | |
|-------|-------|-------|-------|--------|--------|-------|-------|-----|--------|--------|
| March | 4 960 | 3 616 | 1 415 | 9 991 | 38 669 | 4 623 | 2 263 | 709 | 46 264 | 36 273 |
| June | 5 361 | 3 741 | 1 471 | 10 573 | 39 847 | 4 456 | 2 313 | 696 | 47 312 | 36 739 |
| Sept. | 5 556 | 4 084 | 1 466 | 11 106 | 41 198 | 4 515 | 2 345 | 687 | 48 745 | 37 639 |
| Dec. | 6 628 | 4 626 | 3 796 | 15 050 | 47 547 | 4 608 | 2 223 | 752 | 55 130 | 40 080 |

1983*

| | | | | | | | | | | |
|-------|-------|-------|-------|--------|--------|-------|-------|-----|--------|--------|
| March | 6 672 | 5 003 | 3 892 | 15 567 | 49 897 | 4 759 | 2 288 | 846 | 57 790 | 42 223 |
| June | 6 458 | 4 998 | 3 956 | 15 412 | 49 921 | 4 462 | 2 306 | 812 | 57 501 | 42 089 |
| Sept. | 6 411 | 5 392 | 3 935 | 15 738 | 50 705 | 4 566 | 2 303 | 798 | 58 372 | 42 634 |
| Dec | 6 612 | 6 166 | 3 932 | 16 710 | 53 118 | 4 472 | 2 317 | 763 | 60 670 | 43 960 |



| Short-term assets | | | | Short-term liabilities | | | | Net short-term liabilities (18-14) | Net liabilities (10+19) | Debt service flow | Of which amortization payments, flow |
|-------------------|---|------------------|------------------|------------------------|---|------------------|------------------|------------------------------------|-------------------------|-------------------|--------------------------------------|
| Bank of Finland | Authorized banks and other foreign exchange holders | Corporate sector | Total (11 to 13) | Bank of Finland | Authorized banks and other foreign exchange holders | Corporate sector | Total (15 to 17) | | | | |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 9 895 | 9 560 | 12 532 | 31 987 | 3 089 | 16 240 | 11 849 | 31 178 | -809 | 27 984 | 6 716 | 3 274 |
| 11 362 | 13 749 | 14 176 | 39 287 | 2 427 | 20 218 | 13 538 | 36 183 | -3 104 | 30 034 | 7 930 | 3 494 |
| 12 737 | 22 562 | 13 498 | 48 797 | 5 348 | 31 331 | 11 593 | 48 272 | -525 | 39 555 | 9 068 | 3 464 |
| 11 842 | 28 950 | 15 883 | 56 675 | 5 705 | 38 700 | 15 310 | 59 715 | 3 040 | 47 000 | 11 572 | 5 621 |
| 10 125 | 11 464 | 12 299 | 33 888 | 2 437 | 18 080 | 14 102 | 34 619 | 731 | 31 686 | 2 170 | 897 |
| 10 817 | 12 627 | 13 152 | 36 596 | 2 403 | 18 487 | 14 690 | 35 580 | -1 016 | 31 165 | 1 638 | 595 |
| 11 362 | 13 749 | 14 176 | 39 287 | 2 427 | 20 218 | 13 538 | 36 183 | -3 104 | 30 034 | 2 387 | 1 270 |
| 12 795 | 13 614 | 13 581 | 39 990 | 3 074 | 18 592 | 12 390 | 34 056 | -5 934 | 30 339 | 1 761 | 600 |
| 12 846 | 14 322 | 13 118 | 40 286 | 3 077 | 19 349 | 12 767 | 35 193 | -5 093 | 31 646 | 2 736 | 1 017 |
| 12 456 | 17 151 | 13 142 | 42 749 | 4 097 | 21 737 | 12 490 | 38 324 | -4 425 | 33 214 | 2 038 | 662 |
| 12 737 | 22 562 | 13 498 | 48 797 | 5 348 | 31 331 | 11 593 | 48 272 | -525 | 39 555 | 2 533 | 1 185 |
| 12 365 | 22 166 | 14 247 | 48 778 | 4 637 | 29 530 | 11 687 | 45 854 | -2 924 | 39 299 | 2 531 | 942 |
| 12 905 | 23 008 | 14 570 | 50 483 | 4 705 | 31 137 | 12 872 | 48 714 | -1 769 | 40 320 | 3 778 | 2 243 |
| 10 556 | 23 605 | 15 759 | 49 920 | 4 737 | 31 289 | 13 726 | 49 752 | -168 | 42 466 | 2 517 | 1 049 |
| 11 842 | 28 950 | 15 883 | 56 675 | 5 705 | 38 700 | 15 310 | 59 715 | 3 040 | 47 000 | 2 746 | 1 387 |



PRICE INDICES

| Period | Wholesale price index 1949 = 100 | Basic price index for domestic supply 1980 = 100 ¹ | | | | | | Building costs 1980 = 100 | | |
|--------|----------------------------------|---|----------------|----------------|---------------|----------------|------------------|---------------------------|-------------------------|--------------------|
| | | Total | Origin | | Purpose | | | Total | Wages in building trade | Building materials |
| | | | Domestic goods | Imported goods | Raw materials | Consumer goods | Investment goods | | | |
| 1982 | 1 122 | 120.8 | 122.1 | 116.7 | 120.8 | 122.4 | 119.0 | 117.7 | 116.8 | 117.8 |
| 1983 | 1 189 | 127.6 | 128.8 | 124.2 | 125.9 | 130.8 | 128.5 | 128.7 | 124.4 | 129.3 |
| 1983 | | | | | | | | | | |
| June | 1 185 | 126.9 | 128.3 | 122.7 | 125.1 | 130.0 | 128.2 | 129.7 | 125.8 | 130.4 |
| July | 1 193 | 127.7 | 128.8 | 124.1 | 125.6 | 130.7 | 129.7 | 130.1 | 125.8 | 130.7 |
| Aug. | 1 195 | 128.2 | 129.2 | 125.2 | 126.2 | 130.8 | 130.5 | 130.7 | 125.8 | 131.3 |
| Sept. | 1 204 | 129.1 | 130.1 | 126.1 | 127.5 | 131.3 | 130.7 | 131.2 | 125.8 | 132.0 |
| Oct. | 1 210 | 129.7 | 130.8 | 126.3 | 127.8 | 133.0 | 131.2 | 132.6 | 128.8 | 132.8 |
| Nov. | 1 215 | 130.2 | 131.3 | 127.0 | 128.2 | 133.3 | 132.0 | 132.8 | 128.8 | 133.0 |
| Dec. | 1 219 | 130.6 | 131.7 | 127.3 | 128.6 | 133.7 | 132.6 | 133.0 | 128.8 | 133.1 |
| 1984 | | | | | | | | | | |
| Jan. | 1 228 | 131.6 | 132.5 | 128.7 | 129.6 | 134.7 | 133.0 | 133.5 | 129.6 | 133.5 |

¹ New series calculated by the Central Statistical Office.

| Period | Consumer prices 1981 = 100 ¹ | | | | | | | | | |
|--------|---|-------|-----------------------|-----------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------|
| | Total | Food | Beverages and tobacco | Clothing and footwear | Rent, heating and lighting | Household goods and services | Health and medical services | Transport and communication | Education and recreation | Other goods and services |
| 1982 | 109.6 | 112.3 | 112.9 | 105.3 | 111.7 | 105.9 | 110.2 | 106.8 | 106.0 | 109.6 |
| 1983 | 118.7 | 120.0 | 125.1 | 112.8 | 118.4 | 114.3 | 126.6 | 117.4 | 116.9 | 120.7 |
| 1983 | | | | | | | | | | |
| June | 119.5 | 122.0 | 126.1 | 112.7 | 120.4 | 114.3 | 123.2 | 117.6 | 115.6 | 120.9 |
| July | 120.0 | 121.5 | 126.1 | 111.8 | 120.4 | 115.3 | 132.3 | 118.1 | 118.3 | 121.4 |
| Aug. | 120.1 | 120.7 | 126.1 | 112.9 | 120.4 | 116.0 | 132.4 | 118.2 | 119.9 | 121.8 |
| Sept. | 121.0 | 121.4 | 126.2 | 115.2 | 120.8 | 116.8 | 132.4 | 119.6 | 120.9 | 122.4 |
| Oct. | 121.3 | 122.1 | 126.2 | 116.8 | 120.6 | 117.3 | 135.2 | 119.3 | 121.1 | 123.1 |
| Nov. | 122.4 | 123.1 | 132.1 | 117.4 | 120.6 | 118.0 | 136.3 | 119.3 | 122.1 | 125.4 |
| Dec. | 122.3 | 121.5 | 132.1 | 117.5 | 120.8 | 118.4 | 136.3 | 120.3 | 122.3 | 125.6 |
| 1984 | | | | | | | | | | |
| Jan. | 123.3 | 122.6 | 132.1 | 113.2 | 121.1 | 119.2 | 139.4 | 123.1 | 123.8 | 128.1 |

¹ New series calculated by the Central Statistical Office.

WAGES

Index of wage and salary earnings 1975 = 100

| Period | By industries | | | | By institutional sectors | | | All salary earners | All wage earners | All employees |
|------------|-----------------|----------|--------------|-----------------------|--------------------------|---------------------|-----------------------------|--------------------|------------------|---------------|
| | Wage earners in | | | Employees in services | State employees | Municipal employees | Employees in private sector | | | |
| | Agriculture | Industry | Construction | | | | | | | |
| 1981 | 201.3 | 192.5 | 165.6 | 186.1 | 182.2 | 174.8 | 191.9 | 187.4 | 188.8 | 188.1 |
| 1982 | 225.7 | 213.5 | 181.8 | 207.3 | 201.1 | 195.7 | 212.0 | 207.4 | 208.9 | 208.1 |
| 1983* | 246.1 | 234.5 | 201.5 | 229.4 | 222.3 | 216.1 | 233.3 | 229.1 | 229.5 | 229.3 |
| 1982 | | | | | | | | | | |
| Oct.-Dec. | 234.9 | 221.7 | 189.9 | 216.9 | 211.1 | 206.0 | 220.4 | 216.6 | 217.5 | 217.0 |
| 1983* | | | | | | | | | | |
| Jan.-March | 240.2 | 224.3 | 194.0 | 218.2 | 214.1 | 206.9 | 222.9 | 219.0 | 219.7 | 219.4 |
| Apr.-June | 247.1 | 236.7 | 201.0 | 229.0 | 222.3 | 215.2 | 233.9 | 229.0 | 230.2 | 229.6 |
| July-Sept. | 243.3 | 234.8 | 202.8 | 230.2 | 222.5 | 217.0 | 234.3 | 229.9 | 230.4 | 230.1 |
| Oct.-Dec. | 253.7 | 242.0 | 208.3 | 240.2 | 230.5 | 225.5 | 242.1 | 238.3 | 237.8 | 238.1 |

PRODUCTION

Volume indices of production 1975 = 100

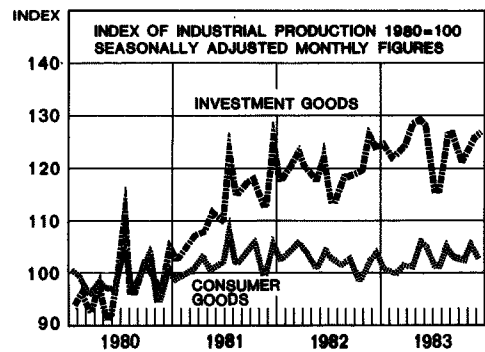
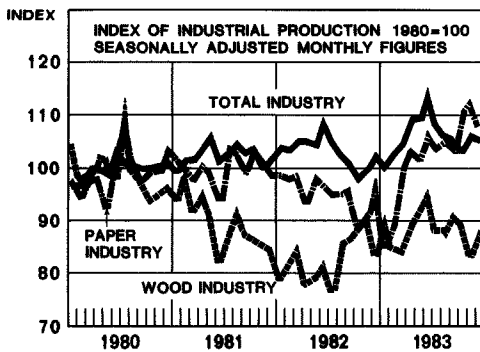
| Period | Gross domestic product | Industrial production | Agriculture | Forestry | Construction of buildings | Land and waterway construction | Transport and communication | Commerce | Public sector services | Others |
|------------|------------------------|-----------------------|-------------|----------|---------------------------|--------------------------------|-----------------------------|----------|------------------------|--------|
| 1981 | | | | | | | | | | |
| July-Sept. | 116 | 119 | 160 | 80 | 100 | 92 | 125 | 108 | 130 | 117 |
| Oct.-Dec. | 129 | 143 | 80 | 149 | 121 | 97 | 135 | 116 | 132 | 124 |
| 1982 | | | | | | | | | | |
| Jan.-March | 115 | 133 | 70 | 134 | 72 | 89 | 113 | 96 | 133 | 120 |
| Apr.-June | 121 | 136 | 82 | 135 | 80 | 94 | 122 | 109 | 133 | 125 |
| July-Sept. | 120 | 121 | 197 | 64 | 106 | 95 | 123 | 111 | 135 | 121 |
| Oct.-Dec. | 133 | 144 | 91 | 154 | 135 | 100 | 136 | 127 | 137 | 129 |
| 1983* | | | | | | | | | | |
| Jan.-March | 119 | 131 | 83 | 141 | 81 | 86 | 115 | 100 | 138 | 123 |
| Apr.-June | 125 | 143 | 89 | 126 | 87 | 94 | 124 | 114 | 138 | 129 |
| July-Sept. | 125 | 126 | 233 | 57 | 111 | 94 | 127 | 111 | 140 | 125 |

PRODUCTION

Index of industrial production 1980 = 100¹

| Period | Total | Investment goods | Consumer goods | Other producer goods | Special indices of manufacturing | | | | | | Total adjusted for seasonal variations |
|--------|-------|------------------|----------------|----------------------|----------------------------------|---------------|----------------|---------------------|-------------------------------|----------------|--|
| | | | | | Food industry | Wood industry | Paper industry | Chemical industries | Non-metallic mineral industry | Metal industry | |
| 1981 | 102.6 | 114.1 | 103.4 | 100.1 | 104.0 | 89.6 | 100.8 | 103.0 | 101.2 | 106.9 | 102.9 |
| 1982* | 103.7 | 121.0 | 103.4 | 100.6 | 106.4 | 83.5 | 96.1 | 98.1 | 108.4 | 114.0 | 103.8 |
| 1983* | 106.8 | 125.3 | 103.3 | 105.1 | 106.4 | 88.9 | 103.9 | 103.5 | 112.2 | 117.3 | 106.8 |
| 1982* | | | | | | | | | | | |
| Dec. | 104.7 | 125.8 | 104.9 | 100.8 | 110.6 | 75.6 | 89.5 | 95.8 | 114.0 | 118.9 | 103.2 |
| 1983* | | | | | | | | | | | |
| Jan. | 103.6 | 124.6 | 101.6 | 100.7 | 94.0 | 82.4 | 87.8 | 91.0 | 114.0 | 118.0 | 101.0 |
| Feb. | 99.5 | 121.0 | 95.7 | 97.4 | 85.9 | 76.6 | 96.5 | 88.8 | 97.3 | 113.4 | 103.3 |
| March | 113.6 | 135.0 | 111.1 | 110.9 | 107.2 | 96.1 | 107.5 | 115.7 | 114.6 | 125.8 | 105.0 |
| April | 106.1 | 132.9 | 101.4 | 103.6 | 100.5 | 96.0 | 93.8 | 107.2 | 103.9 | 122.7 | 109.6 |
| May | 116.3 | 144.6 | 112.7 | 113.0 | 112.7 | 115.0 | 103.3 | 102.2 | 119.3 | 134.1 | 109.8 |
| June | 112.0 | 145.2 | 103.2 | 110.2 | 104.6 | 107.1 | 98.9 | 105.7 | 121.9 | 129.5 | 115.3 |
| July | 67.5 | 49.3 | 63.6 | 72.6 | 90.6 | 35.1 | 106.3 | 66.9 | 67.0 | 51.2 | 108.8 |
| Aug. | 111.3 | 118.8 | 108.0 | 111.5 | 113.2 | 86.5 | 115.4 | 113.4 | 122.5 | 113.9 | 106.7 |
| Sept. | 114.3 | 138.3 | 109.8 | 112.2 | 111.1 | 107.3 | 104.7 | 112.6 | 140.9 | 129.4 | 105.8 |
| Oct. | 112.8 | 126.0 | 111.3 | 111.2 | 125.2 | 100.1 | 115.9 | 114.3 | 130.0 | 119.3 | 104.0 |
| Nov. | 118.5 | 139.2 | 117.8 | 115.1 | 127.5 | 89.1 | 117.4 | 118.9 | 112.4 | 130.3 | 106.8 |
| Dec. | 106.6 | 128.9 | 103.7 | 104.0 | 103.4 | 77.6 | 98.7 | 105.6 | 102.0 | 120.2 | 105.8 |

¹ New series calculated by the Central Statistical Office



LABOUR¹ – TIMBER FELLINGS – INTERNAL TRADE

| Period | Population of working age, 1 000 persons | Total labour force, 1 000 persons | Employed, 1 000 persons | Un-employed, 1 000 persons | Unemployment, % of total labour force | Commercial timber fellings, 1 000 solid cu. m | Retail sales volume index 1980 = 100 ² | Wholesale volume index 1980 = 100 ² |
|--------|--|-----------------------------------|-------------------------|----------------------------|---------------------------------------|---|---|--|
| 1982* | 3 658 | 2 530 | 2 380 | 150 | 5.9 | 41 435 | 106 | 109 |
| 1983* | 3 681 | 2 546 | 2 390 | 156 | 6.1 | 39 519 | .. | .. |
| 1982* | | | | | | | | |
| Dec. | 3 663 | 2 492 | 2 345 | 147 | 5.9 | 4 793 | 136 | 127 |
| 1983* | | | | | | | | |
| Jan. | 3 670 | 2 469 | 2 289 | 180 | 7.3 | 3 728 | 93 | 89 |
| Feb. | 3 672 | 2 479 | 2 314 | 165 | 6.7 | 4 545 | 92 | 96 |
| March | 3 674 | 2 497 | 2 333 | 164 | 6.6 | 5 963 | 106 | 116 |
| April | 3 677 | 2 482 | 2 315 | 167 | 6.8 | 5 227 | 102 | 112 |
| May | 3 676 | 2 528 | 2 383 | 145 | 5.7 | 3 067 | 123 | 135 |
| June | 3 678 | 2 715 | 2 549 | 166 | 6.1 | 2 089 | 100 | 95 |
| July | 3 682 | 2 730 | 2 577 | 153 | 5.6 | 1 084 | 104 | 85 |
| Aug. | 3 682 | 2 555 | 2 426 | 128 | 5.0 | 1 303 | 105 | 113 |
| Sept. | 3 682 | 2 540 | 2 397 | 143 | 5.6 | 2 153 | 107 | 119 |
| Oct. | 3 687 | 2 520 | 2 369 | 151 | 6.0 | 2 860 | 106 | 116 |
| Nov. | 3 695 | 2 507 | 2 355 | 152 | 6.1 | 3 391 | 106 | 117 |
| Dec. | 3 695 | 2 526 | 2 369 | 157 | 6.2 | 4 109 | .. | .. |

¹ Revised figures, see item in August number.

² New series calculated by the Central Statistical Office.

CONSTRUCTION OF BUILDINGS

| Period | Building permits granted | | | | | Buildings completed | | | | | Building-works under construction |
|----------------------|--------------------------|-----------------------|----------------|-----------------------------------|------------------|---------------------|-----------------------|----------------|-----------------------------------|------------------|-----------------------------------|
| | Total | Residential buildings | Farm buildings | Industrial and business buildings | Public buildings | Total | Residential buildings | Farm buildings | Industrial and business buildings | Public buildings | |
| Million cubic metres | | | | | | | | | | | |
| 1981 | 44.92 | 18.76 | 5.78 | 14.65 | 2.75 | 41.08 | 17.20 | 4.39 | 14.35 | 3.01 | 47.14 |
| 1982* | 51.83 | 19.23 | 6.71 | 18.93 | 3.46 | 41.80 | 17.32 | 5.72 | 13.61 | 2.64 | 50.48 |
| 1982* | | | | | | | | | | | |
| Apr.-June | 19.17 | 7.96 | 3.15 | 6.05 | 0.78 | 10.09 | 4.44 | 0.85 | 3.29 | 0.80 | 51.52 |
| July-Sept. | 12.80 | 4.59 | 1.38 | 4.73 | 1.03 | 9.58 | 3.93 | 1.69 | 2.49 | 0.87 | 56.52 |
| Oct.-Dec. | 10.63 | 3.29 | 0.88 | 4.75 | 0.93 | 15.37 | 5.83 | 2.62 | 5.33 | 0.69 | 50.48 |
| 1983* | | | | | | | | | | | |
| Jan.-March | 9.77 | 4.14 | 1.27 | 3.20 | 0.72 | 9.87 | 3.88 | 1.08 | 3.66 | 0.66 | 45.37 |
| Apr.-June | 18.94 | 7.91 | 3.12 | 5.35 | 0.99 | 10.31 | 4.17 | 0.82 | 3.62 | 0.95 | 53.37 |
| July-Sept. | 12.48 | 3.97 | 1.04 | 5.55 | 0.89 | 9.43 | 3.42 | 1.61 | 2.92 | 0.83 | 56.70 |

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 4. *Public sector*: Claims = Government promissory notes + Bonds + Total coinage + Other claims on the public sector. Other liabilities = Cheque accounts + Counter cyclical reserves + Counter-cyclical deposits + Capital import deposits + Other liabilities to the public sector. Certificates of deposit are interest bearing, freely transferable term liabilities of the Bank of Finland sold to the government. Their maturities range from one week to one year. As from November 1, 1983, certificates of deposit were replaced by the government deposit account.

Page 5. *Domestic financial sector*: Other liabilities, net = Capital import deposits + Other liabilities to financial institutions - Bonds - Other claims on financial institutions.

Corporate sector: Permanent special financing schemes = Foreign bills + New export bills + Financing of suppliers' credits. Liabilities, net = Deposits for investment and ship purchase + Counter-cyclical withholdings + Capital import deposits + Import levy deposits + Export deposits + Other liabilities to corporations - Bonds - Other claims on corporations.

MONETARY POLICY INDICATORS

Page 6. All the figures except the average lending rate of the commercial banks are mean values of daily figures for the month or year in question. The average lending rate of the commercial banks is the mean value of the end of the month lending rates weighted by credit outstanding. The annual figure for the average lending rate is an unweighted average of the weighted average monthly rates.

Gross central bank debt of the deposit banks = The commercial banks' and Postipankki's cheque account overdrafts + Call money credit. Prior to January 1984 the average monthly amount of cheque account overdrafts at base rate was restricted by the quota granted to each bank. The banks could obtain central bank credit in excess of the quota by borrowing on the Bank of Finland's call money market. As from January 1984, the quotas were abolished and the only source of central bank debt is now the call money market. There is no longer any absolute ceiling on call money credit. However, banks' borrowing is monitored and a bank whose borrowing exceeds a certain limit comes under the special surveillance of the central bank. The interest charged on call money credit, the call money rate, is adjusted by the central bank in line with monetary policy objectives at the time. Net central bank debt of the deposit banks = Gross central bank debt of the deposit banks - The commercial banks' and Postipankki's deposits on the call money market - All deposit banks' cash reserve deposits at the Bank of Finland.

Cash reserve deposits of the deposit banks equal the total amount of cash reserve deposits at the Bank of Finland made by the deposit banks under the Cash Reserve Agreement of March 8, 1983. The deposit banks consist of the commercial banks, co-operative banks, savings banks and Postipankki.

The cash reserve requirement is set each month by the Bank of Finland as the percentage of each bank's stock of deposits which must be deposited at the central bank. Deposits are to be made one month after the close of the month to which the coefficient applies.

Call money credit extended by the Bank of Finland = Demand for call money by the deposit banks - Supply of call money by the deposit banks.

Average cost of gross central bank debt = Costs of borrowing paid to the Bank of Finland by the deposit banks, as a percentage of their gross central bank debt, per annum.

FORWARD EXCHANGE MARKETS IN FINLAND

Page 7. The figures for columns 1-6 are calculated by the Bank of Finland on the basis of monthly reports from the banks on their outstanding forward exchange positions at the end of each month. The figures for columns 7-9 are based on monthly averages of daily representative quotations, as reported by the banks to the Bank of Finland.

The banks' foreign currency positions shown in the chart at the bottom of page 7 are monthly averages of daily spot and forward positions vis-à-vis the Finnish mark as reported by the commercial banks to the Bank of Finland. The spot position includes all foreign currency-denominated assets and liabilities of the banks, excluding their outstanding forward contracts.

FOREIGN EXCHANGE RATES

Pages 8-9. *Exchange rates* are annual and monthly averages of the Bank of Finland's daily quotations. *Currency index* is annual and monthly average of daily index numbers. The chart at the bottom of page 8 shows the banks' forward selling rates for the US dollar as deviations from the spot rate.

DEPOSITS BY THE PUBLIC - ADVANCES TO THE PUBLIC - MONEY SUPPLY

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

Page 10. *Deposits by the public*. The central government and the financial institutions are mainly excluded from the public. From 1974 deposits include domestic deposits denominated in foreign currency.

Page 11. *Advances to the public*. The central government and the financial institutions are not included in the public.

Postipankki's advances do not include loans granted by the State Investment Fund (INRA). Domestic credits in foreign currency are mainly granted by the commercial banks and the rest by Postipankki.

Money Supply M₁ = Finnish notes and coins in circulation - Finnish notes and coins held by the banks + Demand deposits held by the public (incl. Demand deposits at the Bank of Finland). *Quasi-Money* = Time deposits held by the public (incl. Time deposits at the Bank of Finland).

Note: Domestic deposits in foreign currency included in money supply since 1974. In the money supply the public includes non-monetary financial institutions.

STATE FINANCES

Page 12. Official figures computed by the Economics Department of the Ministry of Finance. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations.

FOREIGN TRADE

Pages 13-15. Figures supplied by the Board of Customs. *Indices* (p. 13): The volume indices are calculated according to the Paasche formula and the unit value indices according to the Laspeyres formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries*: (p. 15): from January 1980 imports by countries of origin exports by countries of consignment.

BALANCE OF PAYMENTS

Pages 16-17. Figures are calculated by the Bank of Finland. In the current account, the figures for trade- and goods and services account have been revised from 1970 so that they are in accordance with the revised System of National Accounts. In addition to the Board of Customs figures, exports include fuel for carriers but exclude stevedoring expenses and imports include seamen's duty-free imports, fuel for carriers and adjusted allowance for smuggling.

On Jan. 1, 1980, foreign bonds were included in the convertible foreign exchange reserves of the Bank of Finland and not in the short-term capital account as earlier. The figures for other years have also been revised accordingly.

FOREIGN ASSETS AND LIABILITIES

Pages 18-19. Figures calculated by the Bank of Finland. Long-term assets: Other = financial loans + development credits + Finland's subscriptions to international financial institutions. Long-term liabilities: Other = Leasing credits + subscriptions to international financial institutions paid in the form of bonds.

Column 21. Debt service = Net investment income of short-term and long-term assets and liabilities + net amortisation payment of long-term foreign assets and liabilities, excl. amortisation payments of the Bank of Finland's reserve and oil credits.

Columns 21 and 22 during the year and the quarter.

Chart Debt service ratio: Debt service as a per cent of current account earnings. Debt service does not include amortisation of the Bank of Finland's reserve and oil credits.

PRICE INDICES

Page 20. All indices calculated by the Central Statistical Office.

WAGES - PRODUCTION

Pages 21-22. Figures supplied by the Central Statistical Office. Page 22. *Index of industrial production* calculated by the Central Statistical Office. The grouping, by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II.

LABOUR - TIMBER FELLINGS - INTERNAL TRADE - CONSTRUCTION OF BUILDINGS

Page 23. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Forest Research Institute, *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED: * Preliminary, r Revised, 0 Less than half the final digit shown, . Logically impossible, . . Not available, - Nil, S affected by strike, - Break in series.

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1 155 to 1 809 Finland formed a part of the kingdom of Sweden. Connected from 1 809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current term, January 27, 1982, to March 1, 1988, is Mauno Koivisto.

Parliament, comprising 200 members is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1983 is as follows: Social Democratic Party of Finland 57, National Coalition Party 44, Centre Party 38, Democratic League of the People of Finland 27, Finnish Rural Party 17, Swedish People's Party 11, Christian League of Finland 3, The Greens 2 and Finnish People's Constitutional Party 1.

INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966, OECD 1969, IDB 1977 and AIDB 1982.

LAND

THE AREA is 338 000 square kilometres (Great Britain's area is 244 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1980) 2.5 mill. ha (8.2 %) are cultivated and 19.7 mill. ha (64.5 %) are covered by forests.

OWNERSHIP OF LAND (1979). The total land area was distributed among different classes of owners approximately as follows: private 58.7 %, State 31.4 %, joint stock companies etc. 7.4 %, municipalities and parishes 2.5 %.

POPULATION

NUMBER OF INHABITANTS (1981): 4.8 million. Sweden 8.3, Switzerland 6.4, Denmark 5.1, and Norway 4.1 million.

DENSITY OF POPULATION (1981): In South Finland 47.0, in East and Central Finland 14.1, in North Finland 4.1 and in the whole country an average of 15.8 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1981): 40 % of the population inhabit the rural areas, 60 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital, 483 051 inhabitants, Tampere (Tammerfors) 167 028, Turku (Åbo) 163 526.

EMPLOYMENT (1982): Agriculture and forestry 13 %, industry and construction 34 %, commerce 14 %, transport and communication 7 %, financing, insurance, real estate and business services 6 %, community and personal services 26 %.

LANGUAGE (1981): Finnish speaking 93.5 %, Swedish speaking 6.3 %, others 0.2 %.

EDUCATION (1982): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) and 14 colleges of university standard.

CHANGE OF POPULATION (1981): births 13.2 ‰, deaths 9.2 ‰, change + 5.2 ‰, net immigration + 1.2 ‰, Deaths in France 10.3 ‰ and Great Britain 11.8 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1982), in million marks: Gross domestic product at factor cost by industrial origin: agriculture 8 993 (4 %) forestry and fishing 9 729 (5 %), manufacturing 64 416 (31 %), construction 15 271 (7 %), trade, restaurants and hotels 24 017 (11 %), transport and communication 17 052 (8 %), banking and insurance 8 633 (4 %), ownership of dwellings 15 009 (7 %) other services 47 323 (23 %), total 210 443. Index of real domestic product 124 (1975 = 100).

FOREST RESOURCES (1981). The growing stock comprised of 1 638 million m³ (solid volume with bark) of which 44 % was pine and 38 % spruce the remaining 18 % being broad-leaved trees chiefly birch. Of the growing stock 674 million m³ was up to the standard required for logs, 52 % of these being pine. The annual growth was 66 million m³ and the total drain calculated on the basis of roundwood consumption was 56 million m³.

AGRICULTURE (1981). Cultivated land 2.4 million hectares. Number of holdings 218 904 of which 151 956 are of more than 5 ha. Measure of self-sufficiency in bread cereals (1982) 56 %.

INDUSTRY (1982). Gross value of industrial production 203 910 mill. marks number of workers 405 013, salaried employees 144 435, motive power 8.3 mill. kW. Index of industrial production 103.7 for 1982 (1980 = 100).

STATE RAILWAYS (Dec. 31, 1982): Length 6 071 km.

MERCHANT FLEET (Dec. 31, 1983): Passenger vessels 157 (252 102 gross reg. tons), tankers 47 (1 257 860 gross reg. tons), dry cargo vessels 180 (835 836 gross reg. tons), other vessels 100 (13 951 gross reg. tons), total 484 (2 359 749 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1982): Passenger cars 1 352 055, lorries and vans 161 680, buses 9 066, others 9 896, total 1 532 697.

FINNISH AIRLINES (May 1, 1983): Finnair has in use 1 DC-8, 8 DC-9-10, 6 DC-9-41, 12 DC-9-51, 3 DC-10-30, 3 DC 9 Super 82 and 2 Fokker F-27. Company has scheduled traffic outside of Finland to 38 airports and to 21 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). The last par value of the mark was set on Oct. 12, 1967 and was 0.21159 grams of fine gold per mark (equivalent, at the time, to 4.20 marks per U.S. dollar). Since Nov. 1, 1977 the external value of the mark has been officially expressed in terms of a currency index. This index is trade-weighted and as from Jan. 1, 1984 indicates the average change in the convertible currencies which are important in Finnish foreign trade. The present currency weights are Skr 19.6, DM 18.9, £ 15.0, \$ 10.6, other currencies 35.9. The permissible range of fluctuation is about 2.25 per cent on either side of the theoretical arithmetic mean. The fluctuation limits are 106.0 and 101.3.

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Managements is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1982). There are two big and five small commercial banks with in all 900 offices, 272 savings banks, 371 co-operative banks, five mortgage banks, Postipankki and three development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-four private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1983). The base rate applied by the Bank of Finland on credit extended to the banks in the context of the quota facility is 9 % . The range of rates for other credits granted by the Bank of Finland is between 7 % and 12 %. Other credit institutions: time deposits 5 % ; 6 month deposits 6 % ; 12 month deposits 8 % ; 24 month deposits 9 % and sight deposits 2 % . The highest lending rate 14 % .

THE BALANCE OF PAYMENTS AND FOREIGN EXCHANGE POLICY IN 1983

by Olli-Pekka Lehmussaari, M.Pol.Sc.
and Timo Taivalaho, M.Pol.Sc.

Bank of Finland

The persistence of recessionary conditions in major markets well into 1983 did not unduly strain Finland's external balance. Even though the growth of total output in Finland was faster than in her main western trading partners for the fifth consecutive year, the balance of goods and services recorded another surplus. Comparing recent developments with, for example, those of the mid-1970s, one can confidently draw the conclusion that the basis for the external balance of the Finnish economy has essentially strengthened. In part, this reflects an increasingly diversified production structure and a reduced propensity to import. The international competitiveness of Finnish industry also appears to have been reasonably well maintained.

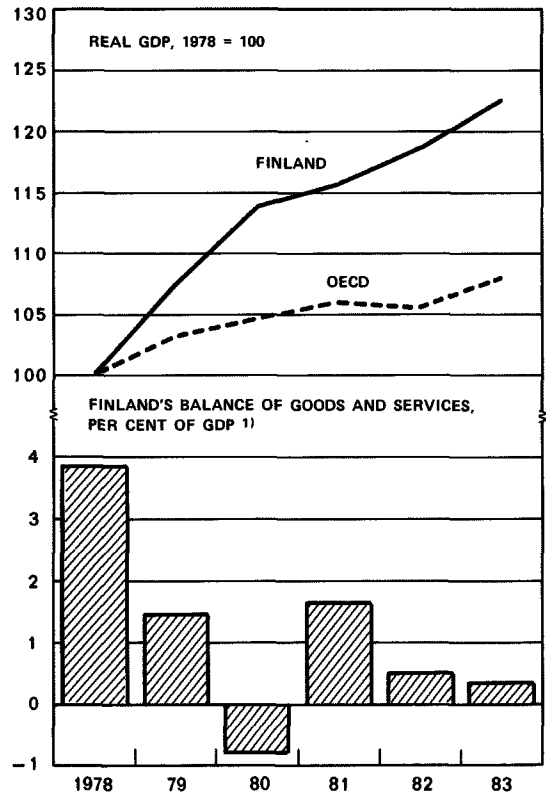
As in the previous year, the current account posted a deficit amounting to about 2 per cent of GDP. Weak western markets, together with interest payments on Finland's foreign debt, gave rise to a somewhat higher deficit in convertible currencies (roughly 3 per cent of GDP). Another current surplus was recorded in bilateral transactions, which account for about a quarter of the total. Although bilateral exports declined towards the end of the year, there was an encouraging improvement in western export demand, and as 1984 opened the prospects for Finnish industry were quite good.

MERCHANDISE TRADE

After a slight fall in the preceding year, the volume of merchandise exports increased by 4 per cent in 1983. At 5 per cent, the growth of western exports clearly exceeded the growth

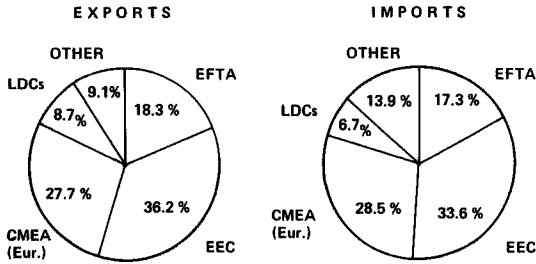
of markets (Chart 5); by contrast, the volume of bilateral exports declined by 2 per cent. The recession-stricken forest industries experienced a distinct pick-up in demand in the latter half of the year; for the year as a whole exports grew by 6 per cent in volume. After two years of vigorous expansion, metal and engineering industry exports only advanced by a modest 2 per cent. Declines were recorded in several branches, but distinct growth took place in the exports of the basic metal and shipbuilding

CHART 1. GROWTH OF REAL GDP AND FINLAND'S BALANCE OF GOODS AND SERVICES



1) IN CURRENT PRICES

CHART 2. FOREIGN TRADE BY AREAS IN 1983



industries. Although order books of Finnish shipyards became thinner, export deliveries increased considerably and accounted for nearly a tenth of total exports of goods. Increased oil refining contracts with foreign companies boosted chemical industry exports by a fifth. A decline in exports of almost the same magnitude was recorded in the textiles and clothing industry, which suffered from reduced quotas in eastern trade and weak markets in the west.

The volume of imports grew by 4 per cent, which was only slightly higher than the estimated 3 ¼ per cent increase in GDP. Imports did not exceed the level of 1980, even though total output was about 8 per cent higher than three years earlier. Import volumes of raw materials and semi-finished goods grew by 3 per cent. Demand for finished goods was buoyant, especially in the first half of the year. Benefitting from the briskness of economic activity were, among other things, computers and transport equipment. Restocking and announced increases in turnover tax helped to

sustain consumer goods imports. For the year as a whole, imports of investment goods increased by 6 per cent while the volume of consumer goods grew by 5 per cent.

Foreign trade prices were fairly stable throughout the year and Finland's terms of trade were virtually unchanged (see chart on p. 13). Export and import prices in foreign currencies actually declined slightly. In terms of Finnish markka, prices were, on average, 6.5 per cent higher than in the previous year, but this was due to higher exchange rates following the 10 per cent devaluation of the markka in October 1982.

Overall, there was relatively little change in the regional or structural distribution of foreign trade (Charts 2 and 3). However, exports to the EEC and especially to the United States increased more rapidly than exports to other areas. The shares of the major industries in exports remained broadly unchanged. In imports, there was a decline in oil purchases from the OPEC countries. The shares of investment and consumer goods increased at the expense of raw materials and semi-finished goods, for which a moderate increase in volume was accompanied by stable prices.

SERVICES AND THE CURRENT ACCOUNT

Seasonally adjusted figures (see chart on p. 16) indicate that the trade deficit was at its largest in late 1982 and in the first half of 1983. For the year as a whole there was a marginal increase in the deficit from FIM 2.2 billion in 1982 to FIM 2.4 billion in 1983. The balance in western trade improved significantly towards the end of the year, aptly at a time when exports to CMEA countries began to stagnate. Trade in services actually grew faster than merchandise trade, but net earnings from services were virtually unchanged. There was a noticeable weakening in the travel account. The real disposable income of households had increased quite strongly in Finland, in contrast to several countries important for tourism in Finland. Thus, while travel receipts stagnated,

CHART 3. FOREIGN TRADE BY MAIN CATEGORIES OF GOODS IN 1983

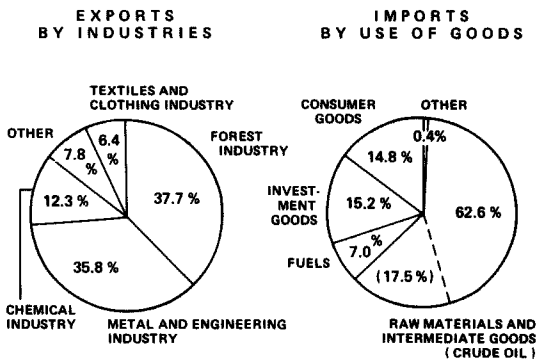


TABLE 1. BALANCE OF PAYMENTS, MILLION FIM

| | 1981 | 1982 | 1983 ¹ |
|--|--------|--------|-------------------|
| Commodity exports ² | 60 260 | 62 943 | 69 650 |
| Commodity imports ² | 61 697 | 65 168 | 72 100 |
| TRADE BALANCE | -1 437 | -2 225 | -2 450 |
| Services, net | 4 952 | 3 459 | 3 450 |
| BALANCE ON GOODS AND SERVICES | 3 515 | 1 234 | 1 000 |
| Investment income & transfer payments | -4 726 | -5 932 | -6 300 |
| CURRENT ACCOUNT | -1 211 | -4 698 | -5 300 |
| Long-term capital, net | 2 325 | 619 | 2 300 |
| BASIC BALANCE | 1 114 | -4 079 | -3 000 |
| Trade credits | -630 | -768 | 400 |
| Short-term capital of authorized banks | -406 | 1 798 | 1 000 |
| Other short-term capital | 1 725 | 2 923 | -562 |
| OVERALL BALANCE | 1 803 | -126 | -2 162 |
| Bank of Finland's foreign exchange reserves (increase -) | -1 803 | 126 | 2 162 |

¹ Preliminary. For further details, see pages 16 and 17.

² Balance of payments basis. See page 13 for customs figures.

expenditure expanded by nearly 15 per cent and the deficit on the travel account widened from FIM 0.3 billion to FIM 0.8 billion. Net income from transportation and other services showed a moderate increase.

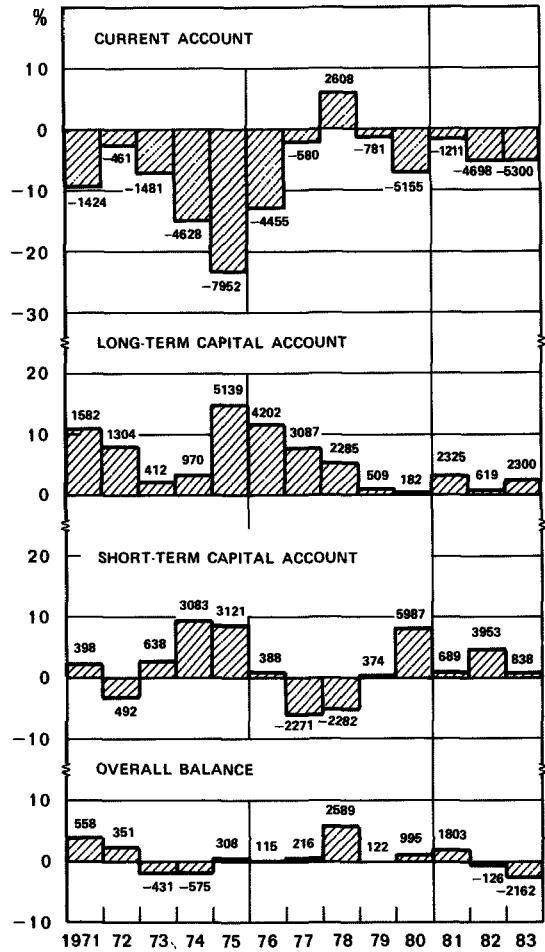
Interest payments on Finland's foreign debt increased by about 5 per cent as did income from Finland's foreign assets. Thanks to lower interest rates abroad the increase was smaller than the growth of Finland's foreign liabilities and assets. In 1983, net interest and related payments abroad totalled FIM 5.8 billion, and thus the net deficit on the investment income account was larger than the current account deficit¹.

CAPITAL FLOWS AND RESERVE MOVEMENTS

Net capital imports by the corporate sector and the central government did not quite cover the deficit on the current account, and conse-

¹ For Finland's external debt position, see the front article of this Bulletin.

CHART 4. PRINCIPAL BALANCE OF PAYMENTS COMPONENTS AS A PERCENTAGE OF CURRENT PAYMENTS AND IN MILLION FIM



quently there was some decline in foreign exchange reserves. Net long-term borrowing amounted to FIM 2.8 billion, of which the central government's share was as much as FIM 2.6 billion. The total amount of new loans decreased marginally to FIM 10.1 billion while redemptions grew by FIM 2.5 billion to FIM 7.3 billion. Throughout most of the year, the private sector was rather cautious in taking up foreign loans. To a large extent, this can be explained by the fact that companies' liquidity was generally good and finance for most investments was readily available on the domestic market; undoubtedly exchange rate uncertainties also contributed to the lukewarm interest in foreign borrowing.

On the other hand, direct investment abroad by Finnish companies continued to grow, reaching almost FIM 1.5 billion. Although the number of Finnish companies operating abroad is increasing rapidly, it is still comparatively small by international standards. Foreign direct investment in Finland remained modest, but there was a lively interest in the shares of Finnish companies, which were sold abroad to the value of FIM 0.5 billion. In contrast to 1982, redemptions of export credits granted by Finnish firms exceeded the amount of new advances. In all, the long-term capital account recorded a net inflow of FIM 2.3 billion, up from FIM 0.6 billion in 1982.

There were again considerable fluctuations in short-term capital flows in the course of the year. In part, these reflected swings in the trade account during the year, but can also be traced to the effects of the still fairly easy domestic financial conditions in the first half of the year as well as to purely speculative flows. The extent of speculative outflows was nevertheless much smaller than in 1982. Tighter financial markets towards the end of the year induced substantial short-term capital inflows in the final months of 1983. For the year as a whole, there was a surplus of FIM 0.8 billion on the short-term capital account. Short-term capital inflows were actually much larger in convertible currencies, since changes in payment patterns in eastern trade for the year as a whole gave rise to an outflow of tied currencies.

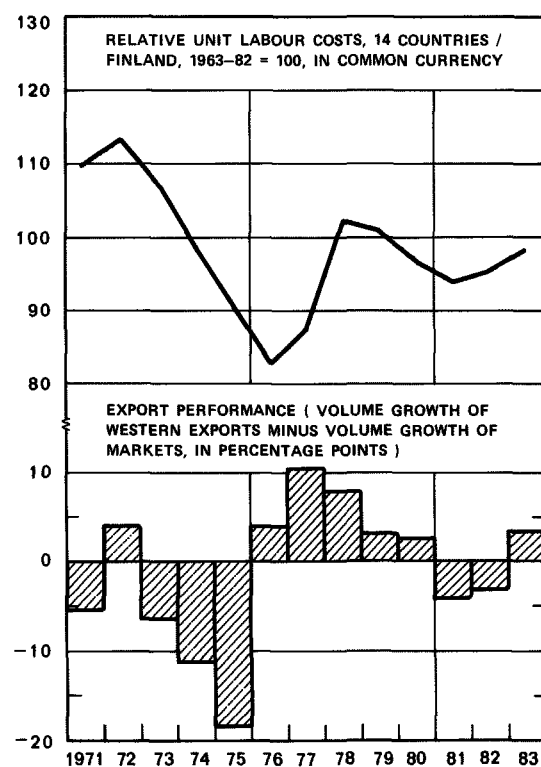
Together, the current and capital account yielded a FIM 2.2 billion deficit on the overall balance and a corresponding decline in the foreign exchange reserves of the Bank of Finland (Table 1). This figure includes repayment of USD 150 million of credit line facilities used by the Bank of Finland (included in the short-term capital account), and hence the reduction in the central bank's net foreign assets was less than the change in reserves. At the end of 1983, the convertible reserves of the Bank of Finland totalled FIM 8.2 billion as against FIM 9.0 billion a year earlier. Tied currency reserves declined from FIM 1.5 billion

to FIM 0.5 billion. Convertible reserves at end-1983 amounted to about 8 weeks' import payments, slightly less than in the previous year, while unused credit line facilities increased the potential reserves by another 7 weeks.

FOREIGN EXCHANGE POLICY

The international foreign exchange markets were characterized by volatility throughout 1983. Substantial movements in exchange rates were mainly due to differences in economic policies between countries, the ensuing interest rate differentials generating large portfolio adjustments. An outstanding feature was the strength of the dollar and the Japanese yen compared to major European currencies. The failure to achieve convergence of economic performance within the European Community contributed to the seventh realignment within the European Monetary System.

CHART 5. COMPETITIVENESS AND EXPORT PERFORMANCE



Foreign exchange markets in Finland were relatively calm in 1983 except for short-lived speculative pressures in March and September. These induced an outflow of short-term capital, causing a decline in the official foreign exchange reserves. When exchange rate expectations subsided the outflow of short-term capital was reversed and banks' net foreign liabilities returned to normal levels.

The external value of the markka expressed in terms of the currency index was virtually unchanged in 1983; while the fluctuation limits remained at 127.5 and 121.9, the index number was kept close to 125.0.

Movements in international exchange rates were, of course, reflected in the selling rates quoted by the Bank of Finland. Thus, the selling rate for the US dollar increased by 10 per cent while those of the pound sterling and the Deutsche mark fell by 1.6 per cent and 4.1 per cent, respectively. The selling rates of the Swedish krona and the rouble were almost unchanged.

The forward markets grew substantially in 1983 and banks' forward positions increased markedly. Forward rates for convertible currencies moved erratically at times. Especially in September, importers' increasing willingness to cover their trade-related exchange risks raised the forward discount and produces a sizeable

shift in banks' forward positions. As banks covered their short forward positions in the spot market, the Bank of Finland's convertible reserves fell. However, following a tightening in monetary policy by the Bank of Finland the currency outflow was brought to a halt.

On May 27, the Bank of Finland suspended the quotation of forward rouble rates and ceased covering banks' and firms' open rouble positions.

In December 1983, Parliament passed an amendment to the Currency Act, which became effective on January 1, 1984². According to the amendment, the currency index is based on the exchange rates for the convertible currencies most important in Finland's foreign trade. By this revision, the rouble was removed from the currency index. However, the rouble continues to be quoted as before. In the same context, the formula for calculating the currency index was revised by a decision of the Government. This technical revision is designed to improve the accuracy of the index number. The introduction of the revised currency index did not require any changes in the markka rates of currencies.

At the end of the year the Bank of Finland had credit facility arrangements worth USD 1.5 billion, of which USD 350 million were in use.

² For a more detailed account of these changes, see the February 1984 issue of the Bulletin.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM FEBRUARY 1, 1983 TO JANUARY 26, 1984

1983

February

Call money market. The Bank of Finland lowers the commercial banks' call money tranche at call rate from a total of 1 600 million marks to 800 million marks on February 1. In addition, the 4 per cent supplementary charge is lowered to 2 per cent.

As from the same date, the Bank of Finland raises the call money rate from 11.0 to 12.0 per cent.

Cash reserve requirement. At the end of February, the Bank of Finland raises the reserve requirement from 3.3 to 3.7 per cent.

March

Call money market. The Bank of Finland raises the call money rate from 12.0 to 13.0 per cent on March 1.

Cash reserve requirement. At the end of March, the Bank of Finland raises the reserve requirement from 3.7 to 4.1 per cent.

April

Financing of saw mill investment. On April 6, the Bank of Finland decides that it will not, for the time being, participate in the financing of saw mill investment by granting domestic suppliers' credits for this purpose, nor grant permits for raising loans abroad for the financing of such investment.

Cash reserve requirement. At the end of April, the Bank of Finland raises the reserve requirement from 4.1 to 4.7 per cent.

May

Regulation of average lending rates. As from May 1, the banks are permitted by the Bank of Finland to pass on in their lending rates part of the cost of their borrowing on the unregulated money market. The proportion to be passed on is a maximum of 40 per cent of interest expenses on specified funding at rates above the 1984 ceiling on the average lending rate.

In the same context, the maximum lending rate is raised from 12.5 to 13.0 per cent and the recommendations on lending rate differentiation are cancelled.

Call money market. On May 1, the Bank of Finland abolishes the system of supplementary charges on call money overdrafts and raises the call money rate from 13 to 15 per cent.

Arrangement for financing domestic suppliers' credits. On May 11, the Bank of Finland lowers its share of domestic suppliers' credits from 50 to 40 per cent.

Forward exchange market. On May 27, the Bank of Finland ceases quoting forward rates for roubles and participating in forward deals conducted in roubles.

July

Interest rate policy. On July 1, the Bank of Finland raises the base rate from 8.5 to 9.5 per

cent, whereby the banks' lending and deposit rates also rise by an average of one percentage point. In addition, the upper limit on lending rates is raised from 13 to 14 per cent.

Financial futures agreements. As from July 1, the Finnish banks are permitted by the Bank of Finland to participate in financial futures markets either on their own or their customers' behalf.

September

Credits for the financing of imports. As from September 1, the Bank of Finland extends the maximum period of import credits granted by the authorized banks from 3 to 6 months on certain conditions.

Changes in the payments agreement between Finland and the German Democratic Republic. An agreement between the two countries, involving a changeover to the use of Finnish marks as the clearing currency instead of US dollars, enters into force on September 1. On the same date, the credit limit on the clearing account is raised to 70 million marks.

Call money market. The Bank of Finland raises the call money rate from 15.0 to 18.0 per cent on September 15 and lowers it to 17.5 per cent on September 23.

October

Regulation of average lending rates. On October 1, the Bank of Finland raises the proportion of the cost of borrowing on the unregulated money market which the banks may pass on in their lending rates from 40 to 50 per cent.

Call money market. The Bank of Finland lowers the call money rate from 17.5 to 17.1 per cent on October 6, to 17.0 per cent on October 12 and to 16.7 per cent on October 17.

November

Government deposit account/certificates of deposit. On the proposal of the Board of Management, the Bank Supervisors of Parliament decide that the Bank of Finland may pay interest on a deposit account opened by the government up to a rate which is half a percentage point below the base rate. The deposit account replaces the earlier transactions with the government in certificates of deposits, the interest payment permit for which is to terminate at the end of 1983.

1984

January

Quotas at base rate. The commercial banks' central bank quotas at base rate are abolished as from January 1.

Call money market. Foreign-owned banks are extended the same rights as the domestic banks to participate in the call money market as from January 1. At the same time, an upper limit is imposed on call money deposits of 20 per cent of each bank's balance sheet total.

The Bank of Finland raises the call money rate from 16.7 to 17.5 per cent on January 1.

Regulation of average lending rates. On January 1, the Bank of Finland raises the proportion of the banks' funding costs in the unregulated money market which they may pass on in their lending rates from 50 to 60 per cent. In the same context, the 14 per cent upper limit on the banks' lending rates is abolished for credit extended to corporations in the form of cheque account overdrafts and bills.

Currency index. As from January 1, only the convertible currencies most important for Finland's foreign trade are taken into account when calculating the currency index number expressing the external value of the markka.

Revised Nordic agreement on short-term foreign exchange support. According to the revised swap agreement entering into force on January 1, the central banks of Denmark, Finland, Norway and Sweden are each entitled to receive credit up to a maximum of SDR 150 million. In addition, each bank is required to extend credit up to a maximum of SDR 100 million. In the case of the central bank of Iceland, the right to credit is SDR 30 million and the lending requirement SDR 20 million.

Liberalization of Foreign Exchange Regulations. The provision prohibiting the export and import of 500 markka banknotes is cancelled on January 1.

As from the same date, most of the upper limits on the markka amounts specified in the Foreign Exchange Regulations are raised by slightly more than an adjustment for inflation requires. For example, the maximum value of the means of payment that may be freely exported from the country is raised from FIM 5 000 to FIM 10 000 per person per journey.

Payments arrangements between Finland and Czechoslovakia. Finland and Czechoslovakia agree that in 1984 and 1985 payments between the two countries can be effected in any convertible currency.

Export deposits. On January 17, the Council of State decides to collect export deposits for pine sawnwood as from January 20. The deposits are to be made at the Bank of Finland, and will bear interest at a rate of 8 ¼ per cent.

Investment reserves. On January 17, the Government decides to raise maximum permissible transfers to investment reserves from 50 per cent to 70 per cent of profits for accounting periods ending in 1984. The Bank of Finland decides to pay interest at a rate of 1 ½ percentage points below the base rate, i.e. 8 per cent, on investment deposits made on the basis of this decision. These decisions enter into force on January 26.

ITEMS

Finnish direct investment abroad and foreign direct investment in Finland in 1983

Overall position at end-1983. The nominal value of the stock of direct investment by Finnish companies in subsidiaries and associates abroad amounted to FIM 6.2 billion at the end of 1983. Of this sum, FIM 5.3 billion represented equity capital and FIM 0.9 billion loans to subsidiaries and associates.

The nominal value of the stock of direct investment by foreign companies in subsidiaries and associates in Finland stood at FIM 2.3 billion at the end of 1983. Of this sum, FIM 1.9 billion was invested as equity capital and FIM 0.4 billion as loans to subsidiaries and associates.

At the end of 1983, there were 1 235 Finnish-owned companies¹ abroad, of which 162, or 13 per cent, were manufacturing firms. During the year, Finnish companies established or acquired 147 subsidiaries and associates abroad. Finnish companies relinquished ownership of 72 companies. At the end of 1983, there were 1 036 foreign-owned companies² in Finland. Of these, 207, or 20 per cent, were manufacturing firms. In the course of the year, foreign companies established or acquired 68 subsidiaries and associates in Finland. Foreign companies relinquished ownership of 19 companies.

Finnish direct investment abroad in 1983. Finnish direct investment abroad in the form of equity capital amounted to FIM 1 469 million, while capital repatriated to Finland totalled FIM 14 million. Thus, there was a net outflow of equity capital of FIM 1 455 million.

¹ Companies in which direct Finnish ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

² Companies in which direct foreign ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

Capital outflows in the form of loans to subsidiaries and associates totalled FIM 179 million. Redemptions of loans amounted to FIM 183 million, giving a net inflow of loans to subsidiaries and associates of FIM 4 million.

Hence, total Finnish direct investment abroad in 1983 amounted to FIM 1 451 million in net terms.

About 10 per cent, or FIM 138 million, of the net outflow of investment capital went to EFTA countries, almost half of it being invested in manufacturing firms. Seventy-seven per cent, or FIM 106 million, of the net investment in the EFTA region went to Sweden. In nominal terms net investment in EFTA countries in 1983 was less than half of the net outflow of FIM 263 million in the preceding year.

Net investment in EEC countries accounted for about 41 per cent, or FIM 598 million, of the total net outflow. Of this amount, about 40 per cent was invested in manufacturing firms.

Net investment in North America amounted to FIM 606 million, representing 42 per cent of the total net outflow. In nominal terms, this was more than twice the amount in the previous year. About 94 per cent of the capital was invested in manufacturing firms.

Finnish net direct investment in developing countries amounted to FIM 94 million, which was 6 per cent of the total net outflow. More than two-thirds of this amount went to manufacturing firms.

Foreign direct investment in Finland in 1983. New foreign direct investment in companies in Finland in the form of equity capital totalled FIM 188 million. As repatriations of capital amounted to FIM 100 million, the net inflow of equity capital totalled FIM 88 million.

TABLE 1. FINNISH DIRECT INVESTMENT ABROAD¹ AND DIVIDEND AND INTEREST EARNINGS IN 1974-1983, FIM MILL.

| | Equity capital ² | Repatriations | Equity capital, net | Drawings of loans to subsidiaries and associates | Redemptions of loans to subsidiaries and associates | Loans to subsidiaries and associates, net | Total net investment | Dividend earnings | Interest earnings | Total capital earnings |
|------|-----------------------------|---------------|---------------------|--|---|---|----------------------|-------------------|-------------------|------------------------|
| 1974 | 59 | 9 | 50 | 42 | 10 | 32 | 82 | 3 | 0 | 3 |
| 1975 | 159 | 3 | 156 | 46 | 106 | -60 | 96 | 13 | 0 | 13 |
| 1976 | 110 | 11 | 99 | 29 | 10 | 19 | 118 | 4 | - | 4 |
| 1977 | 459 | 2 | 457 | 31 | 195 | -164 | 293 | 3 | 3 | 6 |
| 1978 | 243 | 2 | 241 | 17 | 1 | 16 | 257 | 14 | 1 | 15 |
| 1979 | 440 | 1 | 439 | 50 | 2 | 48 | 487 | 4 | 3 | 7 |
| 1980 | 427 | 4 | 423 | 75 | 11 | 64 | 487 | 0 | 0 | 0 |
| 1981 | 631 | 31 | 600 | 98 | 86 | 12 | 612 | 11 | 0 | 11 |
| 1982 | 848 | 11 | 837 | 338 | 50 | 288 | 1 125 | 2 | 11 | 13 |
| 1983 | 1 469 | 14 | 1 455 | 179 | 183 | -4 | 1 451 | 12 | 12 | 24 |

¹ Companies in which direct Finnish ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

² Figures include bonus issues up to 1981.

TABLE 2. FOREIGN DIRECT INVESTMENT IN FINLAND¹ AND PAYMENTS OF DIVIDENDS AND INTEREST IN 1974-1983, FIM MILL.

| | Equity capital ² | Repatriations | Equity capital, net | Drawings of loans to subsidiaries and associates | Redemptions of loans to subsidiaries and associates | Loans to subsidiaries and associates, net | Total net investment | Payments of dividends | Interest expenses | Total capital charges |
|------|-----------------------------|---------------|---------------------|--|---|---|----------------------|-----------------------|-------------------|-----------------------|
| 1974 | 116 | 15 | 101 | 68 | 13 | 55 | 156 | 67 | 9 | 76 |
| 1975 | 160 | 16 | 144 | 129 | 22 | 107 | 251 | 96 | 11 | 107 |
| 1976 | 156 | 3 | 153 | 85 | 15 | 70 | 223 | 115 | 16 | 131 |
| 1977 | 122 | 14 | 108 | 129 | 49 | 80 | 188 | 188 | 31 | 219 |
| 1978 | 155 | 29 | 126 | 43 | 28 | 15 | 141 | 130 | 29 | 159 |
| 1979 | 211 | 25 | 186 | 60 | 140 | -80 | 106 | 163 | 30 | 193 |
| 1980 | 165 | 20 | 145 | 28 | 69 | -41 | 104 | 181 | 25 | 206 |
| 1981 | 182 | 32 | 150 | 49 | 124 | -75 | 75 | 245 | 25 | 270 |
| 1982 | 192 | 216 | -24 | 36 | 79 | -43 | -67 | 301 | 28 | 329 |
| 1983 | 188 | 100 | 88 | 63 | 63 | 0 | 88 | 357 | 22 | 379 |

¹ Companies in which direct Finnish ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

² Figures include bonus issues up to 1981.

Loans granted by foreign companies to subsidiaries and associates in Finland totalled FIM 63 million. Redemptions of loans accounted for an equivalent amount. Hence, the net inflow of foreign direct investment to Finland totalled FIM 88 million.

The net inflow of direct investment to Finland from EFTA countries amounted to FIM 98 million marks, of which Sweden accounted for 91 per cent, or FIM 89 million. Of the net

inflow from EFTA countries, 41 per cent, or FIM 40 million, was invested in manufacturing firms.

Although direct investment by EEC countries in Finland still showed an outflow in net terms, it was substantially less than in 1982. The net outflow amounted to FIM 63 million, as compared with FIM 195 million in 1982. Manufacturing firms accounted for 92 per cent, or FIM 58 million marks, of the net outflow in 1983.

In addition, foreign firms operating in Finland transferred FIM 357 million in dividends to their parent companies and paid FIM 22 million in interest on loans granted by these companies. Thus, capital charges totalled FIM 379 million.

Shares issued by Finnish firms on foreign capital markets and securities sold abroad through the Helsinki Stock Exchange are not included in direct investment. The net value of these items amounted to FIM 544 million in 1983.

BANK OF FINLAND

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Information

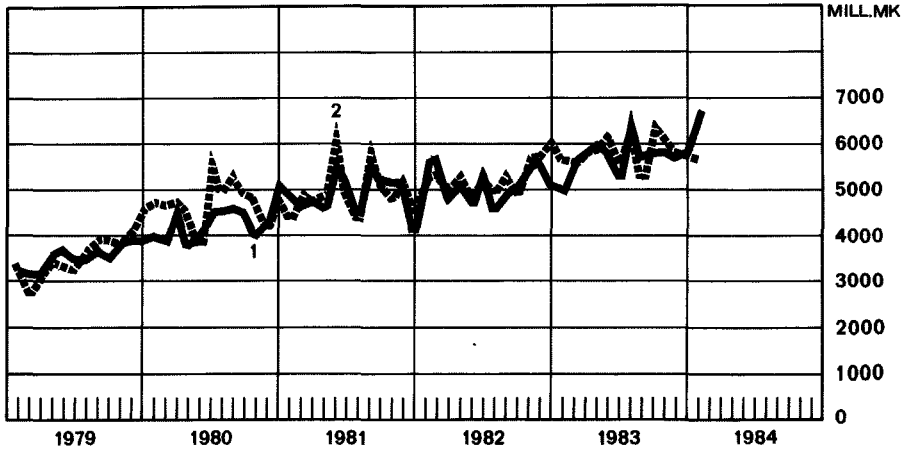
Erkki Vehkamäki

Data Processing

FOREIGN TRADE, 1979 - 84

- 1. Exports f.o.b.
- 2. Imports c.i.f.

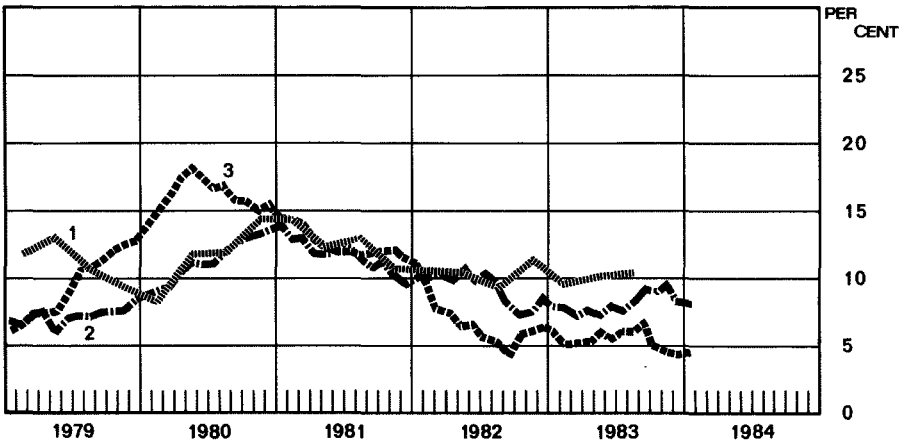
Seasonally adjusted monthly figures



PRICES AND WAGES, 1979 - 84

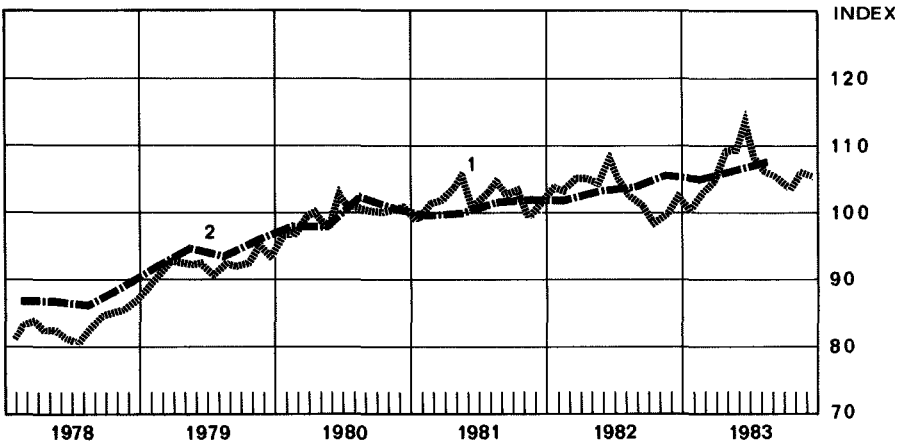
- 1. Index of wage and salary earnings 1975=100, quarterly figures
- 2. Consumer price index 1981=100, monthly figures
- 3. Basic price index for domestic supply 1980=100, monthly figures

Percentage change on previous year



PRODUCTION, 1978 - 83

- 1. Total index of industrial production 1980=100, seasonally adjusted monthly figures
- 2. Volume index of gross domestic product 1980=100, seasonally adjusted quarterly figures



Bank of Finland Monthly Bulletin
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ISSN 0005-5174

Helsinki 1984. Government Printing Centre