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RECENT ECONOMIC AND FINANCIAL MARKET DEVELOPMENTS

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ECONOMIC ACTIVITY REMAINS BUOYANT

The Finnish economy has continued to expand at a rapid pace in recent months, underpinned in part by expectations of continuing, stable economic growth abroad. This has been reflected in companies' expectations and has led to an acceleration of investment growth. The growth of private consumption also seems to have been based on expectations of steadily increasing real income. In Finland's main trading partners, real GDP grew by about 3 per cent in the first six months of the year compared with the corresponding period of 1988. Inflation in these countries, as measured by the consumer price index, rose to 5.5 per cent in the 12 months to August 1989, slightly more than in the OECD area on average. In Finland, real GDP increased by 4.5 per cent in the first half of 1989 compared with the same period a year ago, while the 12-month rate of consumer price inflation rose to 6.6 per cent in August of this year. Exports of goods and services in the first two quarters were up 3.8 per cent from the corresponding period a year earlier. In the second quarter, however, export growth slowed down markedly, partly because of capacity constraints in the export sector. The rapid increase in output has also been reflected in higher employment. In August, the seasonally adjusted unemployment rate stood at 3.9 per cent as against an average rate of 4.5 per cent in 1988.

The main contribution to the expansion of the Finnish econ-

omy has, however, come from exceptionally buoyant — even excessive — growth in domestic demand. Particularly strong growth has been recorded by the various components of private demand. By the end of June this year, private investment had increased by 12.8 per cent from the corresponding period of 1988. This compares with growth of 9.7 per cent for 1988 as a whole. During the same period, private consumption rose by 4.1 per cent as against 5 per cent last year. Public demand also continued to grow steadily; it has been expanding at an annual rate of just under 3 per cent for some time now.

Residential construction has been the most rapidly growing component of private investment. In the first six months of the year, it increased at an annual rate of 26 per cent. Because of the investment tax on construction in the Greater Helsinki area, non-residential construction has been more stable. Investment in machinery and equipment grew at an annual rate of just over 10 per cent in the first half of 1989.

Contributing to the increase in real income underlying the growth of domestic demand has been a significant improvement in the terms of trade. The terms of trade have been improving since 1986 and the same trend was maintained in the first half of this year.

STRONG DEMAND LEADS TO SOARING IMPORTS

Buoyant domestic demand has been reflected in an increase in import volumes. The trade account was forecast to

be broadly in balance this year. During the summer, however, imports grew slightly more rapidly than expected; in January–September, the trade account posted a deficit of just under FIM 3 billion. In the past two years, the volume of merchandise imports has risen by about 9 per cent per annum. Service imports have grown more rapidly than merchandise imports. Since the increase in real national income deriving from the improvement in the terms of trade has boosted the growth of domestic demand, the terms-of-trade gains have not had a stabilizing effect on the trade balance. As domestic demand has grown more rapidly than output, the current account deficit has widened. In 1988, the deficit amounted to FIM 12.6 billion. By the end of September this year, the cumulative deficit for the first three quarters of 1989 already amounted to FIM 14.3 billion.

FISCAL POLICY TO BE TIGHTENED GRADUALLY

Fiscal policy will have a restrictive impact on the economy this year mainly owing to the effect of automatic stabilizers. Tax revenue is forecast to increase to such an extent that the central government budget surplus will widen by almost one percentage point in relation to GDP. Restrictive measures decided on in the course of this year include the rises announced in the spring in employers' social security contribution rates and sales tax, which were originally designed to be temporary. All in all, the effect of discretionary fiscal action on economic ac-

tivity will be broadly neutral in 1989.

The Government's budget proposal for 1990 marks a further shift of emphasis in taxation towards indirect taxes. In addition to the increase from 16 to 16.5 per cent in June, sales tax will be raised by another half a percentage point to 17 per cent on December 1. By contrast, the easing of personal income taxation will continue as part of the next stage of the ongoing income tax reform. As a result of the changes, the ratio of gross taxes to GDP is estimated to remain roughly unchanged.

Public expenditure is projected to increase by 1.5 per cent in real terms in 1990, compared with an estimated 2.5 per cent this year. The budget has been designed to show a surplus, with the revenue surplus estimated to increase to some FIM 13 billion next year. Taking into account structural changes in the budget, the projected increase in the revenue surplus amounts to about 0.5 per cent of GDP.

To curb domestic demand the investment tax applied in the Greater Helsinki area is to be extended to cover the entire country. The purpose of the tax is to restrain construction activity by levying a 40 per cent tax on construction other than residential and industrial buildings. This means in effect that major building projects subject to the tax will be postponed until the abolition of the tax. The system is flexible, however, as construction is allowed under special permission.

TIGHTENING MONETARY CONDITIONS

In January-July, total bank lending expanded at an annual rate of 16 per cent, with markka lending growing by 12 per cent. In May-July, the growth of total bank lending decelerated to 12 per cent. On the basis of the supplementary

cash reserve agreement between the Bank of Finland and the banks, the banks have had to progressively increase their cash reserve deposits with the Bank of Finland; in March-October, the average cash reserve ratio was raised from 8 to 9 per cent and by the end of October cash reserve deposits made since March under the supplementary agreement had increased by FIM 2.7 billion.

The differential between domestic and foreign interest rates has widened since the summer. In the early part of the year, the interest rate differential fell steeply, but increased again after the markka had been revalued in March. The sharp rise in domestic market rates in late September and early October was partly attributable to uncertainties concerning the true magnitude of the trade account deficit. Though the upward revision by FIM 1.5 billion of the import figures for January-August did not prove to be as great as was first feared, interest rates remained high in October. The revised import figures nevertheless reveal that the current account deficit is deepening and that no rapid reversal is imminent. Thus, the risk premium associated with markka investments seems to have grown, because of increased uncertainty about economic developments in the near term. At the same time, international interest rates have risen, resulting in higher markka rates. Changes in foreign interest rates are now transmitted to the money market more rapidly than previously following the removal of the controls on companies' capital exports on September 1. With effect from the same date, the controls were also lifted on capital imports of more than one year's maturity.

In order to tighten monetary conditions, government cash reserves totalling FIM 5 billion are to be deposited at the Bank

of Finland in the course of this year. It is intended to transfer further cash funds to the central bank in 1990. This measure is designed to tighten the financial markets in general, but initially the impact is expected to be felt most in the short-term market. Banks will increasingly have to satisfy their liquidity needs by borrowing from the central bank, which is likely to keep short-term rates high.

In October, the Government made a decision in principle to allow a 1 percentage point rise in interest rates on 24-month tax-exempt deposits in order to boost household saving. In the same context, it announced that it would limit the tax deductibility of interest payments on consumer credit.

As a further step to tighten monetary conditions, the Bank of Finland announced a one point rise in its base rate in October; the increase will take effect on November 1.¹ Rates of interest on tax-exempt deposits are determined on the basis of the base rate, and therefore a rise in the base rate is expected to act as an added incentive to saving. Similarly, a large proportion of the existing stock of loans is linked to the base rate. The rise in lending rates is expected to dampen demand.

The increasing uncertainty concerning economic prospects has been particularly evident in the share market. Share prices have displayed a downward trend since March and the rate of decline has accelerated during the autumn. Activity on the options market has picked up recently, a further sign of the markets' perception of growing uncertainty.

November 1, 1989

¹ See the item in this issue of the Bulletin.

THE 125TH ANNIVERSARY OF THE MINT OF FINLAND¹

by **Tuukka Talvio**, Assistant Curator
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Coin Cabinet

In 1988 the Mint of Finland moved from the centre of Helsinki to new premises in Vantaa, just outside the capital. In 1989 the Mint is celebrating its 125th anniversary and in 1990 the first coins of a new series will be put into circulation. This article describes the history of the old Mint — the building of which will be preserved as a historical monument — and presents the new Mint and its first coins. The article begins, however, with a short account of the coins which were made in Finland in earlier times.

Among the many forms of currency used in prehistoric Scandinavia there were also coins imported from the Roman Empire and other states where the use of coined money was known earlier than in the North. A few Roman coins have also been found in Finland, but it was not until the Viking Age (c.800—1050) that coins became common. They were imported both from the Arabic world via Russia and from West and Central Europe. Among the eastern imports were small numbers of Byzantine coins and the finds suggest that they were imitated in Finland. The Finnish-Byzantine coins were apparently made to be worn in necklaces, but they were not mere pieces of jewellery, for they were struck with two dies which were professionally cut and aligned. The imitations can be dated to the early eleventh century; in other Scandinavian countries and Russia minting had begun shortly before the year 1000.

All the Viking-Age coins were struck of silver and the same is true of medieval coins. From the twelfth century onwards Finland was a part of Sweden and from the early fifteenth century until 1558 there was a mint in Turku (in Swedish, Åbo). The earliest coins made in Turku were bracteates and örtugs; an early type of örtug was known as abo. In the sixteenth century there were also öres and their multiples up to the mark, which had the value of eight öres. Although from 1556 Finland was a Duchy (and later a Grand Duchy), most of the coins were struck in the name of the king. The last phase of the minting was connected with a war with Russia (1555—57).

THE DEVELOPMENT OF A NATIONAL MONEY

When in 1809 Finland became a Grand Duchy under Russia, the rouble was proclaimed the monetary unit of the country. Plans were made to found a mint and strike silver roubles and smaller coins with the coat of arms of Finland, but this proved to be impossible, for owing to inflation paper money had wholly superseded silver. When the Bank of Finland was founded in 1811 there was a plan that it would soon start issuing copper coins made of Finnish copper. Even this project was eventually shelved and until the 1860s the Bank issued only notes, which had texts in Swedish, Finnish and Russian. The coins in circulation were Russian.

Russia returned to a silver standard in 1839 and in 1840 the silver rouble also became

the main currency in Finland. However, the Crimean War (1853—56) caused such an increase in the number of Russian rouble notes in circulation that their redemption for silver was suspended in Russia and consequently also in Finland. During the following decade the value of paper money fluctuated. Silver was hoarded and in the end even copper coins disappeared from circulation. In 1859 the Finnish Senate appealed to Tsar Alexander II and petitioned that Russian paper money should no longer be legal tender in Finland according to its nominal value, but at its real value (as the situation had been before 1840). It was also noted that even in normal circumstances the rouble was too high a monetary unit for such a poor country as Finland. The outcome of the petition was partly a disappointment, for the Tsar would not consent to the proposal concerning the value of the banknotes. However, there were various concessions, the most important of which was that Finland was granted a monetary unit of its own. The value of the new unit was fixed at a quarter of a rouble and it was given the name markka (mark). The hundredth part of the mark was called penni. Both names were versions of well known Germanic words which have been used in northern Europe since the early Middle Ages, first as units of weight and later for coins. The Emperor signed the manifesto concerning the new unit on April 4, 1860.

Until recently there was no real explanation for the granting of a separate monetary unit for Finland, a procedure which

¹ This article is based on the English summary of the publication "The Mint of Finland 125 Years", Helsinki 1989.

was against the normal policy of Russia. It now seems that the change of system can be connected with plans for a similar reform in Russia. The rouble was equivalent to four French francs and it would thus have been in many ways convenient to introduce a new basic unit worth 25 copecks, as was done in Finland.

THE FOUNDING OF THE MINT

The most important person in the early history of the Finnish Mint was August Fredrik Soldan (1817—1885), who in 1861 was sent to Germany to organize the planning of the Mint and the purchasing of its machines. Later in the same year he was appointed its first director.

Soldan was a talented technician who was also deeply interested in the arts and philosophy. Besides organizing the founding of the Mint he supervised the printing of banknotes.

On his German tour in 1861 Soldan studied the mints of Berlin, Hannover and Dresden in particular. An architectural firm in Dresden prepared the preliminary drawings for the Mint building, but owing to the nature of the site they had to be extensively revised in Helsinki. The building had also been given a more modest appearance than Soldan wished and it was subsequently redesigned to make it more imposing.

Work began in autumn 1862 and everything went according to plan until 1863 when it was realized that the vaults might not bear the weight of the machines. The strengthening of the structures took so much time that the Mint was not ready to commence operations until late in the summer of 1864.

THE OPERATION OF THE MINT DURING THE PERIOD OF AUTONOMY

The first series of Finnish coins consisted of 2 and 1

mark and 50 and 25 penni pieces in silver and 10, 5 and 1 penni pieces in copper. Drawings for the coins were made in St. Petersburg and the well-known numismatist Bernhard von Koehne was consulted about their designs. He is known to have suggested the use of a nickel alloy instead of silver, but this advice could not be followed as it had been decreed that the mark had to have the same weight and fineness as a 25 copeck piece.

When in 1877 Finland adopted a gold standard, gold coins of 10 and 20 marks were added to the series. The gold mark had the same value as the French franc.

The first consignment of coins delivered to the Bank of Finland in the autumn of 1864 was purely symbolic, consisting of 300 marks in one penni pieces, but during the following three years the total production was well over 20 million coins. This was enough to meet demand for some time and several quiet years followed.

In the 1860s there were few engravers in Finland and none of them could be entrusted with the exacting task of engraving coin dies. In 1861 Soldan had met in Stockholm Lea Ahlborn (1826—1897), engraver to the Swedish mint, and the dies for the first Finnish coins and medals were ordered from her. However, Soldan was not entirely satisfied with her work and in 1873 he visited the St. Petersburg mint and ordered from Avenir Griliches (1822—1905) new master dies for the silver coins. This time cooperation was even less satisfactory and the result was that Soldan obtained permission for the Mint to employ an engraver of its own. On a trip to Germany he met the German engraver Max Barduleck in Dresden and was told about Barduleck's former colleague, the Berlin-born Carl Jahn (1844—1912), who was currently working for the Wyon

family firm in London. The result was that Jahn was invited to Helsinki in 1874 and spent the rest of his life working for the Mint.

The Mint also produced medals, which initially were designed by Ahlborn and from the mid-1870s by Jahn. There was no reducing machine and Jahn had to rely on various foreign firms to have the dies engraved mechanically. Medallistic art in Finland was still in its infancy; before 1864 Finnish medals had to be made either in Stockholm or St. Petersburg. Jahn did not, however, lack work, for prize and exhibition medals were in great demand during the last quarter of the 19th century. The turn of the century finally witnessed the birth of a proper medallistic art in Finland, when portrait medals began to be modelled by Finnish sculptors. Stylistically they adhered to the new French school.

Jahn could not compete with the new generation of medallists and as there was no reducing machine the Mint soon lost its monopoly in medal production. More and more medals were both engraved and struck abroad. In a few cases the reasons were political, for medals struck at the mint had to be officially approved. After Jahn's death in 1912 no new engraver was appointed and coin dies were ordered from a private steel engraver in Helsinki. The situation remained unchanged until the early 1950s. During this time there was no medal production worth mentioning.

After Soldan, Conrad Lihr (1831—1913) was appointed Director in 1885. He is now best remembered for his discovery of gold in Lapland in 1868. He was succeeded in 1912 by Isak Gustaf Sundell (1878—1964), whose association with the Mint was to last until his death. Both Lihr and Sundell had formerly been sub-directors.

THE FIRST DECADES OF INDEPENDENT FINLAND

When Finland's separation from Russia became imminent, Sundell began to plan a new coinage and the model drawings made for him by a local artist were actually paid for on the Day of Independence, December 6, 1917. Less than two months later the Civil War began and the Mint came under the control of the People's Commissariat. The striking of the smaller silver coins with the date 1917 was continued and the "Reds" issued a five penni coin of their own design with the legend "People's labour, people's power". Other similar coins were planned, but before they could be struck the war ended in May 1918 with the victory of the "White" forces.

After the separation from Russia, the Senate was transformed into the Government of independent Finland. There was no essential change in the position of the Mint, except that the office of Inspector of the Mint was founded in 1926. A proposal was also made for placing the Mint under the direction of the Bank of Finland. This question has been considered on several occasions, but to date the Mint has remained under the Ministry of Finance.

New designs for the coins were confirmed in May 1918. The production of copper coins began immediately, but there was no possibility of using silver, let alone gold. All coins from the 25 penni piece upwards were replaced with notes. In the long run this was, of course, undesirable and by a law passed in 1920 cupro-nickel (75 per cent Cu, 25 per cent Ni) was accepted as an alternative to silver. As the Mint was employed to capacity producing the new copper coins, the first cupro-nickel coins were ordered in 1921 from The Mint, Birmingham, Ltd. The following year a further consignment was ordered from

the Danish Royal Mint in Copenhagen. In 1923 the production of cupro-nickel coins began in Helsinki and since then all Finnish coins have been struck in Finland, with the exception of some of the one penni coins of 1963, which were struck in Leningrad.

The gold standard was re-introduced in 1925, but as a consequence of the international depression it had to be abandoned again in 1931. The only gold coins of independent Finland were issued in 1926. Their denominations were 100 and 200 marks.

The 1920s also saw the introduction of aluminium-bronze coins in Finland. The metal was bought in ready-made strips from Denmark, where the alloy had been developed. Even as a series, the Finnish aluminium-bronze coins of 5, 10 and 20 marks were rather similar to the Danish 1/2, 1 and 2 crown pieces. The addition of these new coins to the series would not have been possible without increasing the production capacity of the Mint and a number of new machines and installations were acquired.

During the two wars (1939—40, 1941—45) there were difficulties both in acquiring materials and with inflation which made issuing the smaller denominations uneconomic. When the war ended, the 50 penni piece was the smallest coin. In 1940 cupro-nickel was replaced with copper and from 1943 all coins were made of iron. Banknotes of 5, 10 and 20 marks were introduced again and the sizes of the 5 and 10 penni coins were reduced, while their module was changed to one with a hole in the centre in order that they should not be confused with other denominations. New machinery was needed and in 1941 two coining presses of Aston type were constructed at a Finnish factory.

A new coin series was introduced in 1952, consisting of 1,

5, 10, 20 and 50 marks. The two smaller coins were struck of nickel-clad iron, the three others of aluminium-bronze. In 1956 the series was completed with 100 and 200 mark coins containing 50 per cent silver. All the coins were designed by the new Director, P. U. Helle (1912—1971). He also constructed a reducing machine. The first coin engraved with the new machine was the Olympic commemorative piece struck for the 1952 games in Helsinki. This was the first commemorative coin of Finland and also the first Olympic coin in the world. Both the games and the coin had originally been scheduled for 1940.

FROM MONETARY REFORM TO THE 1990s

A monetary reform, planned since the ending of the war, came into force in 1963. The name of the money was not changed, but the new mark had the value of 100 old ones and the penni was reintroduced as the subdivision. The types of the coins were not changed, with the exception of some minor alterations. The silver coins were, however, replaced with a one mark coin of modern design (struck first in 35 per cent silver, but since 1969 in cupro-nickel). A 5 mark coin of aluminium-bronze was introduced in 1972. It was originally designed as a seven-sided piece like the British 50 pence, but this plan was abandoned, partly because there would have been difficulties with the edge inscription.

The coins were planned by the new Director, Allan Soinie-mi, who had succeeded Helle in 1958. The designing was, however, now entrusted to professional artists.

Another commemorative coin was issued in 1967 to celebrate the 50th anniversary of Finland's independence. The coin was designed by Heikki Häivöja, who later de-

signed several other commemoratives, some of which were very well received in the numismatic world. The 50 mark coin struck in 1985 to commemorate the 150th anniversary of the Kalevala, the Finnish national epic, was voted "coin of the world" by World Coin News, a magazine published in the USA. This coin, modelled by Reijo Paavilainen, was the thirteenth Finnish commemorative.

At the time of the reform the Mint produced in 1962 some 177 million coins, which was a record up to then. This was made possible by increasing the number of employees and acquiring two new coining presses. Despite the annex built in 1958 the Mint was by now hopelessly cramped and inconvenient. Various alterna-

tives for new premises were considered, until Parliament in 1977 decided that a new Mint should be built at Rovaniemi on the Arctic Circle. This decision was reversed in 1983 and the Mint began to prepare for a move to Vantaa, some 20 kilometres from the centre of Helsinki, where the Bank of Finland had built a new Security Printing House in 1979.

The move took place in 1988. The new premises form part of the main building of the Printing House and the Mint can thus benefit from the same security system. The acquisition of new machinery has considerably increased the production capacity, which now amounts to as much as 350 million coins per year. The flans for commemorative coins and medals are produced at

the Mint, other flans are bought in ready-made. Since 1988 the Mint has been preparing for a renewal of the coin series. New 10 and 50 penni coins in cupro-nickel will be put into circulation in 1990, followed by one and five mark coins in aluminium-bronze in 1993. A ten mark coin, also in aluminium-bronze, will probably be issued in the mid-1990s.

Since 1981 the Mint has had a Board of Directors, the chairman of which is Osmo Sarmavuori. The Director of the Mint is now Raimo Makkonen.

November 1, 1989

RISE IN THE BASE RATE

On October 20, the Parliamentary Supervisory Board decided to raise the Bank of Finland's base rate from 7½ per cent to 8½ per cent with effect from November 1.

As a result of the stabilization agreement concluded last autumn, the base rate was lowered by half a percentage point at the beginning of this year. The cut in the base rate was based on expectations according to which a sufficiently comprehensive stabilization agreement would lead to a slowing down in inflation. In connection with the decision to lower the base rate, however, the Bank announced that it would be necessary to raise the base rate if the rise in costs and prices and the widening in the current account deficit did not slow.

In the course of this year, the imbalances in the economy have persisted. An important part of the labour market remained outside the stabilization agreement and reached inflationary pay settlements. Earnings and consumer prices have risen considerably more than was estimated when the stabilization agreement was concluded and the rate of inflation exceeds the inflation target implicit in monetary policy. The current account deficit is deepening and foreign debt growing. Households continue to spend more than they earn.

The correction of the imbalances calls for a marked curbing of domestic demand. To regain its competitive position, Finland must, for a time, depress its rate of inflation below

that prevailing in other industrialized countries. The sooner this happens, the smaller will be the losses in terms of production and employment associated with this adjustment.

The Government's budget proposal for 1990 aims at curbing the growth of domestic demand. It alone will not suffice, however. To support the budget, the stance of monetary policy will have to be as tight as possible. There is some room for manoeuvre in base rate policy as this does not directly influence capital movements. Moreover, of the instruments of central bank policy, changes in the base rate most effectively influence saving and consumption decisions since the majority of household deposit and loan rates are still linked to the base rate.

The rise in the base rate will raise the real rate of interest on deposits linked to the base rate and thus increase the attractiveness of saving. In addition, the distribution of income between households will shift in favour of depositors, thereby tending to reduce consumer demand. Raising the base rate will also curb investment demand. Hence it will restrain the growth of domestic demand, strengthen the current account and ease inflationary pressures. In particular, it should help to reinforce the recent downward trend in house prices.

In this context the Bank of Finland expects the banks to keep the debt servicing costs of housing loans linked to the base rate granted after June 1987 unchanged by lengthening the repayment periods for these loans.

Banks may raise interest rates on low-rate loans granted before 1987 by more than the rise in the base rate if this is possible under the terms of the loan contract. The increase should not, however, exceed 1½ percentage points.

FRAMEWORK AGREEMENT ON TRADE BETWEEN FINLAND AND THE SOVIET UNION IN 1991—1995

A five-year framework agreement — the ninth of its kind — on the exchange of goods and payments between Finland and the Soviet Union in the period 1991—1995 was signed in Helsinki on October 26, 1989. According to the agreement trade between the two countries will continue to take place mainly on a bilateral basis.

The targets set for trade in goods in the new framework agreement are more loosely defined than in the previous agreements. Annual quotas have, however, been fixed for imports of energy, which are of key importance for Finnish imports, as well as for imports of most raw materials. Finnish imports agreed on in the framework agreement do not include oil intended for trading with third countries.

As the volume of Finnish exports in the future will continue to be highly dependent on developments in world market prices of energy, targets for Finnish exports have only been set sectorally in the new framework agreement and the figures serve merely as guidelines. Because of the flexibility of the frame-

work agreement, the significance of the annual trade negotiations is likely to be accentuated.

As far as payments arrangements are concerned, the new framework agreement adheres to the principles agreed on in the autumn of 1988 when certain amendments were made to the current framework agreement (see the item in the October 1988 issue of the Bulletin). The most important amendments in 1988 concerned the interest-bearing nature of the clearing account, the use of convertible currencies for settling clearing account balances in excess of the credit limit and credit arrangements between companies.

Because of the rapid changes which Soviet foreign trade and the economy as a whole are now undergoing, it has not yet been agreed on the accounting currency (currently the clearing rouble) to be used by the central banks in clearing account transactions. A decision on the accounting currency will nevertheless be made by the middle of 1990.

SECOND SUPPLEMENTARY BUDGET FOR 1989

The Government submitted the second supplementary budget for 1989 to Parliament

at the end of September. Total output, incomes and domestic demand have continued to grow at a rapid pace, resulting in a higher-than-forecast increase in government revenue. The second supplementary budget does not, however, provide for any marked increase in total expenditure, except for a reduction of government debt. In accordance with fiscal policy objectives in the current phase of the business cycle, the budgeted net borrowing requirement of FIM 2.4 billion has been abandoned and, instead, government debt will be reduced by FIM 3.9 billion. Hence, the central government budget for 1989 shows a clear surplus. This supports economic policy efforts to curb the growth of domestic demand.

The second supplementary budget provides for a net increase in revenue of FIM 7.7 billion and an increase in tax revenue of FIM 9.4 billion. The largest increase in revenue is attributable to sales tax receipts, which are estimated to increase by FIM 3.6 billion mainly because of the greater-than-forecast growth of domestic demand and the half percentage point rise in sales tax on June 1. Income and wealth tax receipts are estimated to increase by a further FIM

3.1 billion as a result of the faster-than-expected rise in wages and salaries. In addition, both stamp duty and motorcar and motorcycle tax receipts are expected to exceed the budgeted amounts by FIM 1 billion.

The net additions to central government outlays are smaller than in recent years. The second supplementary budget raises budgeted expenditure for 1989 by FIM 1.9 billion. This represents an increase of 1.5 per cent on the ordinary budget, whereas the corresponding increase last year amounted to 4.1 per cent. The small size of the net increase in outlays in the second supplementary budget also reflects the operation of built-in stabilizers. Budgeted employment appropriations have been removed owing to favourable developments in employment while current transfers to the Social Insurance Institution have been reduced because of the faster-than-expected rise in wages and salaries and the rise in employers' sickness benefit contributions. Including net payments of government debt, expenditure in the supplementary budget proposal totals about FIM 5.8 billion.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM DECEMBER 1988 TO NOVEMBER 1989

1988

DECEMBER

Cash reserve requirement.

The Bank of Finland raises the cash reserve requirement from 7.6 per cent to 7.8 per cent of the cash reserve base in December.

1989

JANUARY

Base rate. The Bank of Finland's base rate is lowered from 8 to 7.5 per cent as from January 1.

Special financing arrangements.

As from the beginning of 1989, the Bank of Finland abolishes the financing arrangements for new-export credits and short-term export credits. The Bank of Finland abandons the financing of KTR credits with effect from the beginning of 1989. (KTR = financing arrangement for domestic suppliers' credits.)

FEBRUARY

Export deposits. The Government decides to levy export deposits of 3 per cent on wood-free printing paper exported during the period February 1, 1989 and January 31, 1990.

Cash reserve requirement.

The Bank of Finland raises the cash reserve requirement from 7.8 per cent to 8 per cent of the cash reserve base in February.

MARCH

Supplementary cash reserve agreement.

An agreement supplementing the cash reserve agreement between the Bank of Finland and the banks is signed on March 13, 1989. The supplementary agreement, which is effective until the end of 1990, enables the Bank of Finland to raise the cash reserve requirement to a maximum of 12 per cent. The application of the additional requirement is linked to developments in bank lending (see the item in the April 1989 Bulletin).

Fluctuation limits of the currency index.

On March 17, 1989, the Government, on the basis of a proposal by the Parliamentary Supervisory Board, decides to lower the fluctuation limits (range) of the currency index by about 4 per cent, thus making possible a revaluation of the markka of corresponding magnitude. The new upper limit of the fluctuation range of the currency index is 102.5 and the new lower limit 96.5.

APRIL

Till-money credits.

The Bank of Finland raises the base amount — the share of banks' till-money holdings which is not financed by the Bank of Finland — by over FIM 60 million as from the beginning of April. The new base amount is effective until the end of March 1990.

Amendments to the cash reserve agreement and the terms of central bank financing.

The Bank of Finland grants Interbank Ltd. the right to central bank financing with effect from the beginning of April. The bank joins the cash reserve agreement between the Bank of Finland and the banks on February 16, 1989.

MAY

Export deposits.

The Government decides to terminate the temporary export deposits levied on wood-free printing paper since the beginning of February 1, 1989 with effect from the beginning of May.

Cash reserve requirement.

The Bank of Finland raises the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to just under 8.2 per cent of the cash reserve base in April.

JUNE

Foreign Exchange Regulations.

The Bank of Finland relaxes the foreign exchange regulations concerning direct investments by enterprises in the financial and insurance sector as from June 1, 1989. After this date, only direct investments by private individuals and direct investments in countries with which Finland maintains

payments agreements require the Bank of Finland's authorization.

Call money market. With effect from June 16, 1989, the Board of Management of the Bank of Finland decides to abolish the bank-specific quotas for call money credit of the banks entitled to central bank financing. At the same time, the penalty interest charged on borrowing in excess of quota, which last stood at 19 per cent, is abolished.

In addition, the call money credit rate is raised from 13 per cent to 15 per cent; the call money deposit rate remains at 4 per cent.

Cash reserve requirement. The Bank of Finland raises the cash reserve requirement for certain banks and groups of banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 8.4 per cent of the cash reserve base in May.

JULY

Cash reserve requirement. The Bank of Finland adjusts the cash reserve requirement for certain banks and groups of banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 8.5 per cent of the cash reserve base in June.

AUGUST

Cash reserve requirement. The Bank of Finland adjusts the cash reserve requirement for certain banks and groups of banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 8.7 per cent of the cash reserve base in July.

SEPTEMBER

Foreign Exchange Regulations. The Bank

of Finland relaxes the foreign exchange regulations concerning foreign investments and capital imports. The amendments enter into force on September 1, 1989, except for those applying to private individuals. For tax control reasons, the decisions regarding capital exports by private individuals will enter into force on a later date, however not later than July 1, 1990. **Capital exports.** Acquisitions of dwellings and real estate abroad no longer require authorization; previously, permission was necessary if the purchase price exceeded FIM 1 million. Investments in the form of foreign securities, deposits held in accounts with foreign monetary institutions and merchandise held abroad are permitted without the permission of the Bank of Finland or quantitative restrictions. In addition, credit of more than one year's maturity may be granted to non-residents without the Bank of Finland's permission.

Capital imports. Non-financial companies, except housing and real estate companies, are permitted to raise foreign credit of more than one year's maturity; previously, only loans of more than five years' maturity were permitted. The authorization of the Bank of Finland is still required if a company borrows directly from a foreign lender. Suppliers' credits and prepayments in respect of imports are entirely freed from authorization. In addition, most direct investments in Finland no longer require authorization.

Cash reserve requirement. The Bank of Finland raises the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now

amounts to 8.8 per cent of the cash reserve base in August.

OCTOBER

Government cash fund deposits. The Ministry of Finance and the Bank of Finland reach an agreement according to which the government will make cash fund deposits totalling FIM 5 billion with the Bank of Finland between October 5, 1989 and January 31, 1990. These deposits will be transferred on February 1, 1990 to a pension fund to be set up by the government. Additional deposits totalling FIM 1.6 billion will be made by the government in the pension fund, between February 1 and December 31, 1990.

Cash reserve requirement. The Bank of Finland raises the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 9.0 per cent of the cash reserve base in September.

NOVEMBER

Base rate. The Bank of Finland raises the base rate from 7.5 per cent to 8.5 per cent as from November 1.

Call money market. With effect from November 6, 1989, the Bank of Finland amends the terms of the call money credit system so that the 5-day moving average of a bank's position may be negative but in this case the call money credit rate will be charged at double the normal rate. It was a condition of the revision of June 1989 that the moving average of a bank's 5-day call money position should not be negative. The call money credit rate remains unchanged at 15 per cent and the call money deposit rate at 4 per cent.



FINLAND IN BRIEF

LAND, CLIMATE AND POPULATION

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

Finland has a population of 4 954 400 (Dec. 31, 1988) and an average population density of 16.3 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 491 800 inhabitants, Tampere (Tammerfors) 171 000, Espoo (Esbo) 168 100, Turku (Åbo) 159 400 and Vantaa (Vanda) 151 400.

There are two official languages: 93.6 % of the population speaks Finnish as its mother tongue and 6.0 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

FORM OF GOVERNMENT

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

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

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1987, the seats of the various parties in Parliament are distributed as follows:

Social Democratic Party 56; National Coalition Party 53; Centre Party 40; People's Democratic League 16; Swedish People's Party 13; Rural Party 9; Christian League 5; the Greens 4; and the Democratic Alternative 4.

Of the 18 ministerial posts in the present government appointed in May 1987, 8 are held by Social Democrats, 7 by the National Coalition Party, 2 by the Swedish People's Party and 1 by the Rural Party. The Prime Minister is Mr. Harri Holkeri of the National Coalition Party.

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

INTERNATIONAL RELATIONS

Finland pursues a policy of neutrality in foreign affairs, and enjoys friendly relations with all European countries and countries elsewhere. Finland's development cooperation programmes channel assistance via international organizations and, bilaterally, to a number of African, Asian and Latin American countries.

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

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

THE ECONOMY

Output and employment. The Finnish economy is essentially based on private enterprise, with over 80 % of manufacturing output and some 90 %

of banking services produced by private companies. Of the gross domestic product of FIM 383 billion in basic values in 1988, 3 % was generated in agriculture and fishing, 3 % in forestry, 27 % in industry, 9 % in construction, 12 % in trade, restaurants and hotels, 8 % in transport and communications, 5 % in finance and insurance, 16 % in other private services and 17 % by producers of government services. Of total employment of 2.3 million persons, 10 % were engaged in primary production, 31 % in industry and construction and 59 % in services.

In 1988, expenditure on the gross domestic product in purchasers' values amounted to FIM 440 billion and was distributed as follows: net exports -0.3 % (exports 24.8 %, imports -25.1 %), gross fixed capital formation 25 %, private consumption 53 % and government consumption 20 %. Finland's gross tax ratio (gross taxes in relation to GDP) was 38 % and the net tax ratio (net taxes in relation to GDP) 25 %, which is about the average for OECD countries.

Average annual (compounded) growth of real GDP was 4.9 % in the period 1950-60, 4.8 % in 1960-70, 3.5 % in 1970-80, 3.2 % in 1980-88 and 4.2 % in 1950-88. Finland's GDP per capita in 1988 was USD 21 200; this put Finland in fifth place among the 24 member countries of the OECD, preceded by Switzerland, Iceland, Japan and Norway.

Foreign trade. Over 80 % of Finland's trade is carried on with market economies, the most important among which are Sweden, the Federal Republic of Germany, the United Kingdom, the United States, France and Japan. Bilateral trade with the Soviet Union, which is conducted at world market prices, dominates Finland's trade with socialist countries. Finland imports mainly oil and other energy products from the Soviet Union, while her exports consist primarily of manufactured goods.

In 1988, the share of forest industry products in total merchandise exports was 42 %, the share of metal and engineering products 39 % and the share of other goods 19 %. Raw materials and intermediate goods (incl. crude oil) accounted for 55 % of merchandise imports, fuels for 3 %, investment goods for 19 % and consumption goods for 23 %.

Forest resources. Finland has fairly abundant forest resources, but

only limited amounts of other raw materials. The growing stock comprises 1 660 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch. The annual growth increment totals 68 million cubic metres and the total drain calculated on the basis of commercial fellings was 58 million cubic metres in 1988.

Energy. In 1988, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 45 %, heating for 23 %, transportation for 14 % and other purposes for 18 %. The sources of primary energy in 1988 were as follows: oil 32 %, coal 12 %, nuclear power 16 %, hydro-electric power, peat and other indigenous sources 30 %, others 10 %. Compared internationally (1987), Finland's consumption of 6.3 toe per capita was 2.0 times higher than the average in European OECD countries. The self-sufficiency rate (OECD definition) in Finland was 38 %, as compared with 62 % in western Europe on average.

FINANCE AND BANKING

Currency. Since 1865 Finland has had its own monetary system. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). Since Nov. 1, 1977 the external value of the markka has been officially expressed in terms of a trade-weighted currency index. As from Jan. 1, 1984 only convertible currencies have been included in the index. Since November 30, 1988, the index has been permitted to fluctuate within a range of 6 percentage points (previously 4.5). The range is defined by fluctuation limits which are set by the Government at the proposal of the Bank of Finland. Since March 17, 1989, the fluctuation limits have been 96.5 and 102.5 (1982 = 100), where the lower limit means the highest permissible value for the markka and the upper limit the lowest permissible value.

International payments. The use of the markka in foreign trade and as a eurocurrency has increased, but most international payments are effected in other currencies. Finland adopted Article VIII status at the International Monetary Fund in 1979. There are no restrictions concerning payments for merchandise or invisibles, and short-term trade finance may be acquired whenever exporters and importers see fit. The remaining exchange controls apply mainly to financial transactions.

Outward direct investment is permitted without the Bank of Finland's authorization except for direct investments in countries with which Finland maintains payments agreements. Similarly, inward direct investment is permitted without the Bank of Finland's authorization except for direct investments in enterprises in the financial sector and direct investments by countries with which Finland maintains pay-

ments agreements. Foreign investors may also buy shares of listed Finnish companies; however, foreign investment in markka-denominated bonds is normally prohibited for the present. Finnish companies may freely raise foreign credits and extend loans abroad of over one year's maturity. Finnish residents, except enterprises in the financial sector, may invest freely in foreign securities and real estate. The unlimited right to make foreign investments also applies to private individuals, but the date of its entry into force is to be determined separately. The date will not, however, be later than July 1, 1990.

Transactions with the Soviet Union, the German Democratic Republic and Bulgaria are carried out on a bilateral basis and payments are effected through clearing accounts. The necessary licencing of trade for maintaining balance in bilateral trade is carried out by the Export and Import Permits Office; the scope for suppliers' credits is also limited.

The Central Bank. The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board of Management are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance, open market operations, intervention in the foreign exchange market, determination of the external value of the currency within the fluctuation limits, direct lending and permits for international capital transactions. The powers vested in the Bank and its independence of the Government make the Bank of Finland one of the world's stronger central banks. In practice, the Bank liaises closely with the Government, so as to coordinate economic policy. The Bank of Finland has a head office in Helsinki and 12 branch offices in other towns.

Other banks (Dec. 31, 1988). Finland has four major groups of deposit banks with a total of more than 3 550 offices. There are two big commercial banks with national branch networks and eight smaller ones, four of which are foreign-owned. The commercial banks have a total of 29 foreign branches, subsidiaries and associate banks and 29 representative offices abroad. There are 211 savings banks and 267 cooperative banks with their own extensive branch networks. The government-owned Postipankki has 56 branches and also offers basic services in post offices.

Financial markets. Of the total stock of FIM 487 billion in outstanding domestic credit at the end of 1987,

60 % was provided by deposit banks, 4 % by mortgage banks, 17 % by insurance companies, 8 % by other credit institutions and 11 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 69 % of the instruments, which totalled approximately FIM 108 billion at end 1988, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds intermediated through bank trust departments and non-negotiable bank debt instruments make up the bulk of non-negotiable instruments. In its open market operations, the Bank of Finland deals in bank certificates of deposit and also issues its own certificates of deposit.

There are 69 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 127 billion (at end-1988). Three foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1988 totalled FIM 93.6 billion; government bonds made up 33 % of the total. Turnover on the Stock Exchange in 1988 amounted to FIM 37 billion; the share of shares and subscription rights in the total was approximately 85 %.



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1. THE BALANCE SHEET OF THE BANK OF FINLAND

1.1 THE BALANCE SHEET OF THE BANK OF FINLAND,

MILL. FIM

	1988		1989			
	Oct. 31	Dec. 31	Oct. 6	Oct. 13	Oct. 23	Oct. 31
ASSETS						
Gold and foreign currency claims	29 676	29 753	26 397	26 340	26 230	26 083
Gold	2 128	2 128	2 129	2 129	2 129	2 129
Special drawing rights	1 008	1 120	873	875	865	1 055
IMF reserve tranche	922	940	946	949	926	927
Convertible currencies	23 687	24 492	22 374	22 311	22 232	21 893
Tied currencies	1 931	1 073	76	77	79	79
Other foreign claims	4 210	4 199	4 059	3 725	3 735	3 734
Markka subscription to Finland's IMF quota	2 271	2 283	2 172	2 172	2 189	2 189
Term credit	1 939	1 916	1 886	1 553	1 546	1 546
Claims on financial institutions	11 795	14 384	29 651	29 853	30 191	31 330
Call money credits	10	463	8	16	30	3
Certificates of deposit	5 605	7 187	24 334	24 619	24 497	25 623
Term credits	—	—	—	—	—	—
Till-money credits	2 559	2 920	2 609	2 519	2 983	3 023
Financing of crop failure loans	1 222	1 222	206	206	198	198
Bonds	2 130	2 325	2 256	2 256	2 245	2 245
Other claims on financial institutions	270	267	238	238	238	238
Claims on the public sector	1 044	1 128	1 138	1 144	1 129	1 112
Treasury notes and bills	19	88	—	—	—	—
Bonds	4	20	44	45	28	8
Total coinage	1 021	1 020	1 095	1 099	1 101	1 103
Other claims on the public sector	—	—	—	—	—	—
Claims on corporations	3 123	3 041	2 376	2 366	2 351	2 304
Financing of exports	506	400	20	19	16	13
Financing of domestic deliveries (KTR)	2 281	2 205	1 839	1 831	1 819	1 776
Bonds: KTR credits	121	218	308	308	307	307
Bonds: Other	32	35	22	22	22	22
Other claims on corporations	182	183	186	186	186	186
Other assets	116	787	93	94	97	104
Accrued items	—	668	—	—	—	—
Other assets	116	118	93	94	97	104
Total	49 963	53 291	63 714	63 523	63 732	64 667
LIABILITIES						
Foreign currency liabilities	162	247	1 047	656	559	439
Convertible currencies	49	119	86	61	60	52
Tied currencies	113	128	961	596	500	386
Other foreign liabilities	3 076	3 082	2 948	2 951	2 961	2 962
IMF markka accounts	2 271	2 283	2 172	2 172	2 189	2 189
Allocations of special drawing rights	805	800	776	778	773	774
Notes and coin in circulation	10 513	11 550	11 795	11 753	11 778	11 775
Notes	9 601	10 601	10 784	10 738	10 762	10 759
Coin	912	949	1 011	1 015	1 015	1 016
Certificates of deposit	1 930	1 130	20	20	0	0
Liabilities to financial institutions	17 785	19 248	25 640	25 617	25 669	26 106
Call money deposits	404	128	240	219	273	422
Term deposits	—	—	—	—	—	—
Cash reserve deposits	17 328	19 039	25 089	25 089	25 089	25 377
Capital import deposits	—	—	270	270	270	270
Other liabilities to financial institutions	53	81	42	40	38	37
Liabilities to the public sector	1 575	1 903	1 796	2 086	2 379	2 683
Cheque accounts	1	1	1	1	0	1
Cash fund deposits	—	—	290	580	870	1 160
Counter-cyclical fund deposit	900	900	—	—	—	—
Counter-cyclical deposits	674	981	1 318	1 319	1 318	1 318
Export deposits	—	20	185	185	189	202
Other liabilities to the public sector	1	1	1	2	1	1
Liabilities to corporations	6 685	6 797	10 814	10 799	10 789	10 806
Deposits for investment and ship purchase	6 337	6 447	10 246	10 231	10 221	10 230
Capital import deposits	332	349	567	567	567	575
Other liabilities to corporations	16	1	0	0	0	0
Other liabilities	46	1 107	60	53	54	53
Accrued items	—	1 064	—	—	—	—
Other liabilities	46	43	60	53	54	53
Valuation account and reserves	2 703	2 391	3 758	3 752	3 706	4 007
SITRA's capital	400	400	400	400	400	400
Capital accounts	5 088	5 436	5 436	5 436	5 436	5 436
Primary capital	5 000	5 000	5 000	5 000	5 000	5 000
Reserve fund	88	88	436	436	436	436
Profit/loss for the accounting year	—	348	—	—	—	—
Total	49 963	53 291	63 714	63 523	63 732	64 667

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

MILL. FIM

End of period	Foreign sector									Public sector		
	Gold	Special drawing rights	IMF reserve tranche	Convertible currencies, net	Convertible currencies, total (1+2+3+4)	Tied currencies, net	Foreign exchange reserves, total (5+6)	Other claims, net	Net claims (7+8)	Claims	Liabilities	Net liabilities (11-10)
	1	2	3	4	5	6	7	8	9	10	11	12
1984	1 732	936	859	15 303	18 830	-337	18 493	-917	17 576	1 951	4 277	2 326
1985	2 081	931	775	18 572	22 359	-285	22 074	-849	21 225	1 023	4 300	3 277
1986	2 081	983	793	6 778	10 635	3 421	14 056	-838	13 218	1 002	2 001	999
1987	2 128	899	793	23 571	27 391	1 212	28 603	1 131	29 734	977	901	-76
1988	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
1988												
Oct.	2 128	1 008	922	23 638	27 696	1 818	29 514	1 134	30 648	1 044	1 575	531
Nov.	2 128	1 011	939	23 754	27 832	1 340	29 172	1 111	30 283	1 064	1 581	517
Dec.	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
1989												
Jan.	2 128	1 066	945	26 514	30 653	2 296	32 949	1 129	34 078	1 114	2 016	902
Feb.	2 128	878	959	28 919	32 884	2 332	35 216	1 131	36 347	1 119	2 017	898
March	2 128	853	901	25 659	29 541	1 352	30 893	1 097	31 990	1 079	1 368	289
April	2 128	832	890	24 628	28 478	1 725	30 203	1 085	31 288	1 103	1 404	301
May	2 128	861	1 004	25 028	29 021	1 580	30 601	1 103	31 704	1 113	1 433	320
June	2 128	858	961	25 501	29 448	353	29 801	1 113	30 914	1 136	1 458	322
July	2 128	854	919	25 318	29 219	717	29 936	1 094	31 030	1 113	1 472	359
Aug.	2 128	882	934	25 545	29 489	706	30 195	1 117	31 312	1 113	1 486	373
Sept.	2 129	878	952	23 568	27 527	-826	26 701	1 107	27 808	1 135	1 504	369
Oct.	2 129	1 055	927	21 841	25 952	-307	25 645	772	26 417	1 112	2 683	1 571

End of period	Domestic financial sector						Corporate sector				
	Term claims on deposit banks	Call money claims on deposit banks, net	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other liabilities to financial institutions, net	Net claims (13+14-15+16-17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19-20)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	13	14	15	16	17	18	19	20	21	22	23
1984	.	2 802	8 696	1 563	-1 618	-2 713	4 646	2 614	2 032	7 442	.
1985	.	4 014	10 222	1 925	-1 386	-2 897	4 525	4 113	412	8 072	.
1986	2 381	6 687	9 270	2 305	-2 240	4 343	4 581	4 757	-176	8 668	.
1987	-	-757	10 941	2 730	-2 350	-6 618	3 449	4 782	-1 333	9 990	4 970
1988	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
1988											
Oct.	5 605	-394	17 328	2 559	-3 569	-5 989	2 908	6 471	-3 563	10 513	1 930
Nov.	5 907	165	18 112	2 516	-3 554	-5 970	2 844	6 474	-3 630	10 563	1 690
Dec.	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
1989											
Jan.	5 291	632	20 389	2 733	-3 447	-8 286	2 681	6 622	-3 941	10 755	1 440
Feb.	5 195	-101	21 328	2 657	-3 481	-10 096	2 555	6 706	-4 151	10 769	1 460
March	7 917	1 735	22 120	2 481	-3 017	-6 970	2 455	6 700	-4 245	10 996	980
April	10 166	256	22 195	2 342	-2 952	-6 479	2 386	6 935	-4 549	11 190	580
May	7 597	3 803	22 820	2 843	-2 716	-5 861	2 335	7 168	-4 833	11 385	180
June	16 601	-568	23 500	2 518	-2 816	-2 133	2 239	9 557	-7 318	11 737	160
July	17 582	-727	24 116	2 936	-2 817	-1 508	2 252	10 439	-8 187	11 774	160
Aug.	18 641	-839	24 639	2 899	-2 833	-1 105	2 214	10 587	-8 373	11 651	60
Sept.	22 152	-133	25 089	2 569	-2 781	2 280	2 184	10 617	-8 433	11 739	20
Oct.	25 623	-419	25 377	3 023	-2 374	5 224	2 096	10 597	-8 501	11 775	-

2. THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD MARKET

2.1 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE CALL MONEY MARKET, MILL. FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Impact on liquidity (1-2-3)	Call money credits	Call money deposits	Total net change (4+5-6)
	1	2	3	4	5	6	7
1984	.	.	.	.	-767	1 606	-2 373
1985	.	.	.	.	201	-1 011	1 212
1986	.	.	.	.	1 599	-1 074	2 673
1987	1 263	23 658	-17 520	-4 875	-6 818	626	-12 319
1988	13 840	19 190	-16 850	11 500	463	-629	12 592
1988							
Oct.	1 470	470	1 000	—	-32	314	-346
Nov.	2 970	—	2 380	590	212	-347	1 149
Dec.	3 000	—	1 100	1 900	241	71	2 070
1989							
Jan.	260	1 190	1 370	-2 300	252	-45	-2 003
Feb.	3 260	1 125	2 125	10	-656	77	-723
March	8 695	170	5 095	3 430	1 785	-51	5 266
April	4 710	—	2 370	2 340	-1 548	-69	861
May	6 490	—	7 880	-1 390	3 507	-40	2 157
June	16 295	250	7 875	8 170	-3 798	573	3 799
July	16 790	240	15 170	1 380	7	166	1 221
Aug.	14 560	—	13 160	1 400	-10	102	1 288
Sept.	14 260	—	9 950	4 310	73	-633	5 016
Oct.	16 720	—	13 920	2 800	-72	214	2 514

2.2 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					
	Domestic companies			Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
	1	2	3	4	5	6
1984	22 921	1 394	21 527	2 002	-19 962	3 566
1985	16 982	1 733	15 249	708	-9 005	6 951
1986	11 446	1 319	10 127	-2 461	-92	7 574
1987	21 671	1 158	20 513	-233	-1 287	18 994
1988	16 488	1 543	14 946	9 086	-377	23 654
1988						
Sept.	19 282	1 847	17 435	6 712	-1 216	22 930
Oct.	18 420	1 998	16 422	7 072	-958	22 536
Nov.	17 447	1 894	15 553	8 224	-863	22 914
Dec.	16 488	1 543	14 946	9 086	-377	23 654
1989						
Jan.	15 710	1 058	14 652	9 284	-62	23 874
Feb.	15 495	857	14 638	7 706	-273	22 071
March	14 614	871	13 742	7 221	-168	20 795
April	13 536	1 044	12 492	7 003	-63	19 432
May	13 248	1 535	11 714	9 024	-	20 737
June	12 859	1 408	11 451	9 781	-306	20 926
July	13 125	1 393	11 731	9 870	-395	21 207
Aug.	12 652	1 187	11 465	15 126	-220	26 371
Sept.	11 782	1 669	10 113	13 261	214	23 588

2.3 BANKS' CENTRAL BANK POSITION, MILL. FIM

Average of daily observations	Call money credits	Bank CDs held by the Bank of Finland	Gross debt to the Bank of Finland (1+2)	Call money deposits	Holdings of CDs issued by the Bank of Finland	Cash reserve deposits	Gross claim on the Bank of Finland (4+5+6)	Net position (3-7)
	1	2	3	4	5	6	7	8
1984	3 176	.	3 176	3 215	.	6 324	9 539	-6 364
1985	5 812	.	5 812	4 527	.	9 578	14 105	-8 293
1986	7 117	120	7 237	1 256	.	9 189	10 445	-3 208
1987	481	1 581	2 062	703	4 705	10 092	15 501	-13 439
1988	128	2 190	2 319	621	5 044	15 159	20 824	-18 505
1988								
Oct.	52	5 543	5 594	371	1 851	17 459	19 681	-14 087
Nov.	120	5 677	5 796	346	1 846	17 354	19 545	-13 749
Dec.	221	6 633	6 854	306	1 287	18 172	19 765	-12 911
1989								
Jan.	111	6 203	6 314	611	1 252	19 083	20 946	-14 632
Feb.	129	4 612	4 741	501	1 568	20 423	22 491	-17 750
March	711	5 175	5 886	177	1 202	21 352	22 731	-16 845
April	689	8 697	9 386	129	774	22 128	23 031	-13 644
May	1 176	8 908	10 083	127	330	22 214	22 671	-12 588
June	779	11 264	12 042	321	118	22 842	23 282	-11 240
July	46	17 049	17 095	714	160	23 520	24 394	-7 299
Aug.	46	17 384	17 431	507	116	24 132	24 755	-7 325
Sept.	41	19 738	19 779	446	47	24 669	25 161	-5 382
Oct.	62	24 529	24 591	483	11	25 098	25 592	-1 001

3. RATES OF INTEREST

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

Average of daily observations	Inter-bank overnight rate	HELIBOR				Bank of Finland rates			Cash reserve requirement	
		1 month	3 months	6 months	12 months	Call money credit rate	Call money deposit rate	Base rate	Ordinary	Additional (average)
	1	2	3	4	5	6	7	8	9	10
1984	..	..	..	..	..	16.53	16.53	9.50	5.4	.
1985	..	..	..	..	..	13.37	13.37	9.04	5.6	.
1986	11.87	..	..	..	..	13.43	11.34	7.46	4.8	.
1987	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8	.
1988	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63	6.5	.
1988										
Oct.	7.88	10.34	10.68	10.96	11.31	12.83	4.34	8.00	7.0	.
Nov.	8.24	10.85	11.26	11.56	11.93	13.00	4.00	8.00	7.3	.
Dec.	8.41	11.21	11.55	11.85	12.14	13.00	4.00	8.00	7.6	.
1989										
Jan.	7.46	10.60	11.19	11.42	11.80	13.00	4.00	7.50	7.8	.
Feb.	7.91	10.12	10.78	11.10	11.53	13.00	4.00	7.50	7.8	.
March	9.09	10.85	11.09	11.34	11.66	13.00	4.00	7.50	8.0	.
April	11.37	12.08	12.11	12.11	12.15	13.00	4.00	7.50	8.0	.
May	11.43	11.70	11.75	11.79	11.90	13.00	4.00	7.50	8.0	0.2
June	9.79	11.62	11.78	11.93	12.13	13.00	4.00	7.50	8.0	0.4
July	10.56	11.64	11.79	11.94	12.11	15.00	4.00	7.50	8.0	0.5
Aug.	8.86	11.87	12.06	12.22	12.35	15.00	4.00	7.50	8.0	0.7
Sept.	8.56	12.69	13.09	13.30	13.40	15.00	4.00	7.50	8.0	0.8
Oct.	10.31	14.06	14.19	14.22	14.19	15.00	4.00	7.50	8.0	1.0

3.2 WEIGHTED EURORATE (3 AND 12 CURRENCIES), PER CENT

Average of daily observations	3 currencies ¹				12 currencies ²			
	1 month	3 months	6 months	12 months	1 month	3 months	6 months	12 months
	1	2	3	4	5	6	7	8
1984	7.5	7.7	8.0	8.2	..	..	..	..
1985	6.8	6.9	7.0	7.2	..	..	..	..
1986	5.9	5.9	5.9	5.8	..	..	..	..
1987	5.4	5.6	5.7	5.8	7.9	8.0	8.1	8.2
1988	5.9	6.0	6.2	6.4	7.8	8.0	8.1	8.3
1988								
Oct.	6.6	6.8	6.9	6.9	8.3	8.5	8.6	8.6
Nov.	6.7	6.9	7.0	7.0	8.5	8.6	8.7	8.7
Dec.	7.4	7.4	7.4	7.5	8.8	8.8	8.9	8.9
1989								
Jan.	7.4	7.6	7.7	7.8	8.8	8.9	8.9	9.0
Feb.	8.0	8.2	8.4	8.4	9.2	9.3	9.3	9.4
March	8.0	8.3	8.6	8.8	9.3	9.5	9.7	9.8
April	8.0	8.2	8.4	8.6	9.2	9.5	9.6	9.7
May	8.3	8.4	8.6	8.7	9.5	9.7	9.7	9.8
June	8.3	8.4	8.5	8.5	9.7	9.8	9.8	9.9
July	8.3	8.2	8.2	8.1	9.7	9.8	9.7	9.7
Aug.	8.3	8.3	8.2	8.2	9.7	9.8	9.7	9.7
Sept.	8.5	8.6	8.6	8.6	9.9	10.0	10.0	9.9
Oct.	8.9	9.0	8.9	8.8	10.4	10.5	10.4	10.4

3.3 COVERED EURO-DOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
1984	..	..	..	..
1985	12.9	12.8	12.8	12.6
1986	12.1	11.7	11.5	11.1
1987	9.8	9.9	9.9	10.1
1988	9.6	9.8	10.0	10.3
1988				
Oct.	10.2	10.5	10.8	11.0
Nov.	10.6	11.0	11.3	11.6
Dec.	10.8	11.2	11.4	11.7
1989				
Jan.	10.2	10.8	11.0	11.3
Feb.	10.0	10.5	10.7	11.1
March	10.6	10.9	11.1	11.3
April	11.9	11.8	11.8	11.7
May	11.1	11.2	11.2	11.3
June	11.2	11.3	11.4	11.5
July	11.1	11.3	11.5	11.5
Aug.	11.1	11.5	11.7	11.8
Sept.	11.9	12.5	12.8	12.9
Oct.	13.6	13.8	13.8	13.7

¹ DEM 60 per cent, USD 30 per cent, GBP 10 per cent.

² Weighted according to their relative shares in the Bank of Finland currency index. Since March 1989, the index has consisted of 14 currencies.

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

End of period	Lending						Deposits					
	New credits ¹				Average lending rate	Of which: Commercial banks	Savings accounts and ordinary deposit accounts	12-month time deposits	24-month time deposits	Average rate of interest on regulated deposits	Average rate of interest on unregulated deposits	Average rate of interest on total deposits
	Cheque account and post-al giro credits	Bills of exchange	Loans	New lending, total								
1	2	3	4	5	6	7	8	9	10	11	12	
1984	..	..	..	..	10.67	10.68	5.25	8.00	9.25	6.22	15.43	7.30
1985	12.04	12.94	10.62	11.55	10.37	10.37	4.75	7.50	8.75	5.91	13.24	6.81
1986	10.89	12.30	9.76	10.64	8.82	8.81	2.75	5.75	7.00	4.43	11.84	5.35
1987	10.50	12.31	10.01	10.62	9.12	8.99	2.75	5.75	7.00	4.56	10.13	5.29
1988	10.22	12.27	10.50	10.72	10.37	10.25	3.75	6.75	8.00	5.87	9.80	6.20
1988												
Sept.	12.24	12.53	10.81	11.14	10.19	10.06	3.75	6.75	8.00	5.56	9.83	6.56
Oct.	11.97	12.53	10.82	11.16	10.29	10.15	3.75	6.75	8.00	5.59	10.09	6.63
Nov.	12.08	12.62	11.02	11.33	10.33	10.21	3.75	6.75	8.00	5.66	10.39	6.77
Dec.	10.02	11.68	10.33	10.48	10.37	10.25	3.75	6.75	8.00	5.87	10.62	6.92
1989*												
Jan.	11.63	12.37	10.58	10.95	10.09	9.90	3.50	.	5.50	5.45	10.86	6.99
Feb.	11.63	12.23	10.85	11.18	10.09	9.92	3.50	.	5.50	5.41	10.85	7.06
March	12.04	12.69	11.04	11.45	10.11	9.94	3.50	.	5.50	5.51	10.89	6.87
April	12.73	13.10	11.35	11.80	10.23	10.06	3.50	.	5.50	5.54	11.32	7.09
May	12.75	13.11	11.48	11.91	10.31	10.13	3.50	.	5.50	5.52	11.41	7.07
June	12.46	13.12	11.43	11.83	10.35	10.18	3.50	.	5.50	5.48	11.55	7.06
July	12.60	13.25	11.59	12.03	10.34	10.18	3.50	.	5.50	5.46	11.53	7.04
Aug.	12.67	13.36	11.33	11.79	10.37	10.20	3.50	.	5.50	5.48	11.60	7.07
Sept.	12.28	13.54	11.84	12.21	10.46	10.31	3.50	.	5.50	5.53	11.92	7.29

¹ Average rate of interest for period.

3.5 RATES OF INTEREST ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market rates						Rates at issue		
	Long-term unregulated market rate		Taxable government bonds	Taxable public issues	Of which:		Taxfree public issues	Taxable public issues	Taxfree public issues
	3 years	5 years			Financial institutions	Corporations			
1	2	3	4	5	6	7	8	9	
1984	..	..	.	14.0	..	..	10.6	13.6	11.1
1985	..	..	.	12.7	..	..	10.1	12.7	10.6
1986	..	..	.	11.7	..	..	8.3	11.3	8.8
1987	..	..	.	11.2	11.1	11.2	8.1	10.7	7.9
1988	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4	7.3
1988									
Sept.	10.7	10.8	10.6	10.7	10.8	10.5	8.0	10.7	7.2
Oct.	11.2	11.3	10.6	10.6	10.6	10.6	7.8	10.3	7.2
Nov.	11.6	11.6	11.6	11.0	11.0	11.3	7.8	10.7	7.2
Dec.	11.8	11.7	11.6	11.3	11.3	11.1	7.5	11.3	7.2
1989									
Jan.	11.8	11.7	11.6	11.8	11.7	12.0	7.4	11.1	6.5
Feb.	11.5	11.4	11.7	11.5	11.8	11.3	7.5	11.5	6.5
March	11.6	11.6	11.8	11.8	11.5	11.8	7.7	11.5	6.5
April	11.9	11.8	11.8	11.8	11.9	11.7	7.6	11.6	6.5
May	11.8	11.7	11.8	11.8	11.9	11.8	7.9	11.6	6.5
June	11.9	11.7	12.3	11.8	11.8	11.7	8.1	11.5	6.5
July	11.8	11.7	12.1	11.8	12.0	11.6	8.2	11.6	6.5
Aug.	11.9	11.7	11.9	11.9	11.8	12.0	8.5	11.5	6.5
Sept.	12.5	12.0	12.2	12.1	12.0	12.2	8.4	11.9	6.5

4. RATES OF EXCHANGE

4.1 AVERAGE SPOT SELLING RATES, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oslo	Copenhagen	Frankfurt a.M.	Amsterdam	Brussels	
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEC	1 BEL
	1	2	3	4	5	6	7	8	9	10	11
1984	6.010	4.645	8.023	6.533	0.7277	0.7384	0.5816	2.1165	1.8772	0.10428	0.10274
1985	6.206	4.554	8.000	6.590	0.7222	0.7231	0.5871	2.1142	1.8745	0.10483	0.10421
1986	5.077	3.659	7.459	6.816	0.7138	0.6882	0.6290	2.3454	2.0789	0.11399	0.11299
1987	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	0.11735
1988	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	0.11345
1988											
Oct.	4.315	3.582	7.492	6.349	0.6883	0.6401	0.6153	2.3699	2.1019	0.11311	0.11197
Nov.	4.151	3.416	7.512	6.350	0.6827	0.6328	0.6154	2.3737	2.1049	0.11333	0.11250
Dec.	4.140	3.466	7.565	6.319	0.6816	0.6365	0.6112	2.3590	2.0902	0.11262	0.11212
1989											
Jan.	4.247	3.568	7.561	6.223	0.6804	0.6385	0.6003	2.3234	2.0583	0.11098	0.11048
Feb.	4.299	3.623	7.550	6.206	0.6814	0.6411	0.5974	2.3231	2.0578	0.11091	0.11045
March	4.302	3.604	7.393	6.170	0.6756	0.6347	0.5925	2.3084	2.0459	0.11026	0.10982
April	4.197	3.534	7.149	6.001	0.6605	0.6190	0.5776	2.2465	1.9913	0.10737	0.10691
May	4.347	3.650	7.090	5.975	0.6618	0.6187	0.5737	2.2325	1.9805	0.10672	0.10639
June	4.437	3.706	6.899	5.985	0.6643	0.6183	0.5757	2.2397	1.9884	0.10708	0.10681
July	4.278	3.602	6.947	6.043	0.6622	0.6164	0.5818	2.2601	2.0043	0.10803	0.10786
Aug.	4.348	3.703	6.950	6.036	0.6657	0.6186	0.5814	2.2582	2.0029	0.10802	0.10782
Sept.	4.419	3.744	6.952	6.050	0.6698	0.6215	0.5830	2.2650	2.0088	0.10827	0.10803
Oct.	4.281	3.649	6.809	6.115	0.6648	0.6177	0.5892	2.2951	2.0326	0.10933	0.10897

Average of daily quotations	Zurich	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Tokyo	Moscow	Mal-bourne	ECU	SDR
	1 CHF	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 JPY	1 SUR	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22	23
1984	2.5642	0.6907	0.00344	0.3013	0.0414	0.1939	0.0375	0.02534	7.357	..	..	6.14739
1985	2.5360	0.6940	0.00327	0.3012	0.0367	0.1520	0.0366	0.02610	7.419	..	..	6.27879
1986	2.8349	0.7355	0.00343	0.3339	0.0343	0.1259	0.0364	0.03028	7.228	..	..	5.94432
1987	2.9563	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	0.03050	6.965	3.106	5.075	5.68010
1988	2.8700	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	0.03273	6.891	3.309	4.954	5.61826
1988												
Oct.	2.7995	0.6963	0.00319	0.3374	0.0290	0.0940	0.0360	0.03347	6.998	3.509	4.911	5.68200
Nov.	2.8293	0.6965	0.00321	0.3378	0.0288	0.0931	0.0362	0.03372	6.890	3.548	4.918	5.62011
Dec.	2.8009	0.6921	0.00321	0.3357	0.0288	0.0929	0.0366	0.03349	6.862	3.573	4.899	5.59952
1989												
Jan.	2.7332	0.6831	0.00318	0.3308	0.0286	0.0887	0.0372	0.03346	6.896	3.712	4.840	5.61726
Feb.	2.7314	0.6838	0.00319	0.3305	0.0286	0.0870	0.0373	0.03369	6.943	3.704	4.838	5.64865
March	2.6830	0.6824	0.00316	0.3284	0.0283	0.0842	0.0372	0.03305	6.896	3.530	4.801	5.60538
April	2.5518	0.6659	0.00308	0.3195	0.0275	0.0819	0.0363	0.03181	6.702	3.395	4.672	5.44433
May	2.5138	0.6615	0.00308	0.3176	0.0273	0.0814	0.0359	0.03151	6.770	3.374	4.644	5.48599
June	2.5942	0.6616	0.00310	0.3185	0.0271	0.0789	0.0351	0.03079	6.831	3.367	4.639	5.49166
July	2.6243	0.6679	0.00314	0.3214	0.0273	0.0762	0.0361	0.03047	6.759	3.260	4.678	5.42928
Aug.	2.6201	0.6700	0.00316	0.3211	0.0273	0.0751	0.0362	0.03079	6.821	3.336	4.678	5.47435
Sept.	2.6202	0.6723	0.00316	0.3220	0.0273	0.0740	0.0363	0.03047	6.870	3.435	4.694	5.49998
Oct.	2.6260	0.6776	0.00314	0.3263	0.0272	0.0717	0.0362	0.03014	6.801	3.338	4.710	5.43586

4.2 CURRENCY INDICES, 1982=100

Average of daily observations	Bank of Finland currency index	Other currency indices		Currency	Weights of the Bank of Finland currency index As from September 7, 1989
		Payments currency index	MERM index		
	1	2	3		4
1984	102.8	108.5	111.6	USD	8.1
1985	102.5	109.4	112.5	GBP	13.4
1986	103.9	106.3	110.4	SEK	19.1
1987	103.3	103.2	106.1	NOK	4.3
1988	102.0	101.0	104.7	DKK	4.5
				DEM	19.3
1988				NLG	4.8
Oct.	102.0	101.5	105.8	BEC	3.1
Nov.	101.6	100.5	104.5	CHF	2.5
Dec.	101.4	100.2	104.2	FRF	6.5
				ITL	4.9
1989				ATS	1.6
Jan.	100.9	100.2	104.6	ESP	1.8
Feb.	101.0	100.5	105.2	JPY	6.1
March	100.1	99.8	104.4		
April	97.4	97.1	101.6		
May	97.3	97.6	102.4		
June	97.2	97.9	102.8		
July	97.4	97.5	101.7		
Aug.	97.7	98.0	102.6		
Sept.	98.0	98.6	103.1		
Oct.	97.7	97.8	102.0		

5. OTHER DOMESTIC FINANCING

5.1 BANK DEPOSITS BY THE PUBLIC, MILL. FIM

End of period	Demand deposits	Time deposits	Investment accounts	Markka deposits, total (1+2+3)	Foreign currency deposits	Unregulated deposits	Total deposits (4+5+6)
	1	2	3	4	5	6	7
1984	16 975	108 118	.	125 093	4 960	11 287	141 340
1985	19 268	125 366	1 781	146 415	6 184 ^r	13 998	166 597 ^r
1986	18 393	137 521	3 423	159 337	4 259 ^r	17 271	180 866 ^r
1987	20 377	155 115	5 243	180 735	3 915 ^r	17 892	202 542 ^r
1988*	24 831	194 181	5 089	224 102	4 561	41 028	269 690
1988*							
Aug.	24 437	167 010	5 904	197 351	4 344	39 645	241 340
Sept.	23 357	168 233	6 211	197 801	4 223	39 761	241 784
Oct.	25 168	170 139	6 530	201 837	4 667	42 652	249 156
Nov.	23 389	171 714	6 602	201 706	4 936	44 564	251 206
Dec.	24 831	194 181	5 089	224 102	4 561	41 028	269 690
1989*							
Jan.	24 190	194 308	5 842	224 340	4 526	48 256	277 122
Feb.	26 225	194 930	6 433	227 588	4 900	48 346	280 834
March	25 618	193 825	6 932	226 375	4 713	51 153	282 241
April	25 872	195 207	7 408	228 487	5 383	55 898	289 768
May	26 969	194 708	7 672	229 349	5 627	51 275	286 250
June	29 176	195 503	8 080	232 759	6 499	57 898	297 156
July	29 608	195 487	8 371	233 465	6 745	58 715	298 925
Aug.	28 191	195 844	8 612	232 646	6 633	62 039	301 318

5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
1984	5 233	7 644	111 280	124 157	20 363	144 520
1985	6 313	7 471	132 668	146 451	24 236 ^r	170 687 ^r
1986	7 542	6 354	152 335	166 231	24 450 ^r	190 681 ^r
1987	8 507	5 177	178 698	192 382	36 475 ^r	228 857 ^r
1988*	11 358	5 920	234 268	251 545	49 910	301 455
1988*						
Aug.	9 907	4 767	207 885	222 560	46 567	269 127
Sept.	10 634	4 755	212 246	227 635	47 172	274 807
Oct.	10 647	4 796	216 684	232 127	47 526	279 653
Nov.	10 898	4 902	221 029	236 830	48 213	285 043
Dec.	11 358	5 920	234 268	251 545	49 910	301 455
1989*						
Jan.	11 765	5 334	237 089	254 188	52 726	306 914
Feb.	11 783	5 044	239 517	256 345	56 193	312 537
March	12 595	5 122	241 517	259 234	55 929	315 163
April	12 836	5 129	240 945	258 910	57 233	316 143
May	12 926	5 195	246 520	264 641	59 553	324 194
June	13 422	5 347	248 921	267 691	60 671	328 362
July	14 052	5 305	150 961	270 318	59 621	329 939
Aug.	13 931	5 358	253 401	272 691	60 892	333 582

5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)
		Claims on the central government	Claims on the public	Total (2+3)			
	1	2	3	4	5	6	7
1984	-2 575	-5 483	176 694	171 211	-26 978	24 945	141 658
1985	-6 641	-8 694	209 231	200 537	-27 244	27 694	166 652
1986	-16 784	-13 884	237 514	223 630	-27 522	27 838	179 324
1987	-25 484	-14 977	277 068	262 090	-36 145	30 342	200 461
1988*	-40 670	-15 691	351 266	335 574	-48 866	35 232	246 039
1988*							
Aug.	-33 160	-14 690	317 063	302 373	-49 570	34 831	219 644
Sept.	-37 256	-15 307	322 509	307 202	-49 841	34 097	220 105
Oct.	-38 414	-15 174	327 518	312 344	-50 503	35 538	223 428
Nov.	-38 919	-16 343	333 845	317 502	-54 941	33 856	223 642
Dec.	-40 670	-15 691	351 266	335 574	-48 866	35 232	246 039
1989*							
Jan.	-40 982	-13 442	358 025	344 583	-57 465	34 954	246 137
Feb.	-41 631	-13 958	364 209	350 252	-58 621	37 294	250 000
March	-43 785	-16 112	368 268	352 156	-59 424	36 810	248 947
April	-45 413	-13 377	372 511	359 134	-61 684	37 559	252 037
May	-47 950	-10 575	377 748	367 173	-65 853	38 966	253 370
June	-50 499	-11 982	384 021	372 039	-58 889	42 526	262 651
July	-49 924	-13 556	385 135	371 579	-59 946	41 333	261 708
Aug.	-51 975	-14 549	390 251	375 703	-62 613	40 017	261 115

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

End of period	Foreign debt			Domestic debt				Total central government debt (4+8)	Out-standing lending	Cash funds	
	Bonds	Other bonds and debentures	Long-term promissory notes	Total (1+2+3)	Public bonds	Other long-term liabilities	Treasury notes and bills				Total (5+6+7)
	1	2	3	4	5	6	7	8	9	10	11
1984	16 513	2 666	5 767	24 946	12 037	4 520	2 766	19 323	44 269	33 816	6 300
1985	17 316	2 703	5 658	25 677	14 994	4 107	2 203	21 304	46 981	36 032	6 383
1986	17 905	3 038	6 038	26 981	18 059	4 481	2 474	25 013	51 994	38 028	11 686
1987	20 407	2 697	5 576	28 680	22 121	4 692	3 018	29 831	58 511	40 035	11 553
1988	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	42 990	15 858
1988											
Sept.	20 200	1 847	5 098	27 145	23 767	4 979	3 580	32 326	59 471	43 141	13 073
Oct.	20 015	1 833	5 100	26 948	24 056	4 980	3 310	32 346	59 294	43 357	13 886
Nov.	19 643	1 814	4 324	25 781	24 079	4 984	2 980	32 043	57 824	43 349	15 683
Dec.	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	42 990	15 858
1989											
Jan.	20 208	1 790	4 216	26 214	23 563	5 261	2 130	30 954	57 168	43 531	13 022
Feb.	19 999	1 486	4 158	25 643	23 877	5 225	1 930	31 032	56 675	43 990	13 926
March	19 285	1 234	3 893	24 412	24 399	5 219	1 630	31 248	55 660	44 071	17 893
April	18 236	1 219	3 678	23 133	24 508	4 975	1 280	30 763	53 896	44 371	15 128
May	19 333	1 239	3 564	24 136	24 351	4 806	980	30 137	54 273	44 739	14 374
June	18 759	1 249	3 400	23 408	24 539	4 810	780	30 129	53 537	44 916	14 598
July	18 587	1 229	3 370	23 186	24 526	4 812	660	29 998	53 184	45 169	16 701
Aug.	18 809	1 166	3 390	23 365	24 352	4 798	420	29 570	52 935	45 107	17 363
Sept.	18 764	1 160	3 377	23 301	24 404	4 799	280	29 483	52 784	..	17 846

5.5 DOMESTIC BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1984	2 528	6 167	5 073	112	32	1 947	5 336	6 629	13 912
1985	4 799	9 112	5 994	435	33	8 070	6 394	5 909	20 373
1986	4 976	10 638	6 532	422	105	5 987	7 487	9 199	22 674
1987	4 477	9 510	8 119	206	69	9 409	8 830	4 142	22 380
1988	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
1988									
Sept.	13	903	127	—	—	378	482	183	1 042
Oct.	324	706	656	15	—	930	656	115	1 701
Nov.	14	1 240	183	—	—	873	183	381	1 437
Dec.	838	808	174	3	50	638	174	1 062	1 874
1989									
Jan.	738	1 451	1 075	47	—	1 284	1 293	734	3 311
Feb.	153	1 403	1 800	7	—	2 683	400	280	3 362
March	391	1 785	—	6	—	1 234	381	566	2 181
April	274	345	982	13	—	375	—	1 239	1 614
May	353	458	450	56	—	495	450	371	1 316
June	502	2 602	—	15	—	1 111	—	2 008	3 119
July	58	100	—	8	3	100	—	69	169
Aug.	247	103	450	35	—	507	200	128	835
Sept.	789	763	800	7	3	1 310	273	779	2 362

B) STOCK, MILL. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1984	6 766	19 960	14 904	247	43	3 531	15 148	23 242	41 921
1985	10 482	26 173	18 575	661	56	10 967	19 002	25 977	55 947
1986	14 075	31 902	22 091	1 042	177	16 432	23 314	29 541	69 287
1987	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
1988*	19 222	42 927	28 953	1 412	292	31 970	30 064	30 771	92 805
1988*									
III	18 407	40 650	28 478	1 416	246	29 804	29 588	29 805	89 197
IV	19 222	42 927	28 953	1 412	292	31 970	30 064	30 771	92 805
1989*									
I	20 237	46 069	28 907	1 417	392	35 733	29 416	31 874	97 023
II	20 675	49 118	28 907	1 473	384	37 747	29 384	33 426	100 557
III	21 657	49 328	29 308	1 499	389	39 255	29 487	33 439	102 181

5.6 HELSINKI STOCK EXCHANGE

During period	Turnover, mill.FIM			Share prices Unitas Index ¹ , 1975 = 100		
	Shares and subscription rights	Bonds and debentures	Total (1+2)	Banks	Industry	Overall index
	1	2	3	4	5	6
1984	2 508	5 007	7 515	193	273	259
1985	3 114	9 046	12 160	184	234	229
1986	9 488	6 479	15 968	254	357	350
1987	26 641	4 604	31 245	319	603	546
1988	31 734	5 718	37 452	404	734	677
1988						
Sept.	2 149	270	2 419	432	763	704
Oct.	1 979	191	2 170	421	751	696
Nov.	2 271	205	2 475	445	787	731
Dec.	3 475	966	4 441	443	786	732
1989						
Jan.	2 622	314	2 936	439	792	736
Feb.	5 491	883	6 373	447	829	771
March	4 530	463	4 993	467	838	784
April	3 520	171	3 691	489	854	807
May	2 861	367	3 228	482	851	801
June	2 016	268	2 283	486	844	796
July	1 344	303	1 647	473	823	776
Aug.	3 198	1 171	4 370	466	829	776
Sept.	2 265	400	2 665	429	786	732

¹ Average of daily observations.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, c.i.f.	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1984	78 961	6 580	3 039	5 610	15 229	94 190	4 537	3 624	102 351	73 496	2 572	4 250	5 819
1985	82 475	6 216	3 258	6 224	15 698	98 173	5 847	3 791	107 811	80 764	2 545	5 031	6 554
1986	81 066	5 757	3 195	5 616	14 568	95 634	4 510	3 609	103 752	76 736	2 160	5 587	5 415
1987	83 826	6 370	3 736	6 099	16 204	100 030	5 075	3 231	108 336	81 867	2 610	6 811	6 488
1988*	91 299	7 146	4 257	6 333	17 736	109 035	7 752	3 396	120 183	91 234	3 576	7 913	7 500
1987													
I	20 038	1 474	660	1 253	3 387	23 425	1 127	876	25 427	19 528	572	1 467	1 473
II	21 302	1 644	929	1 382	3 955	25 257	1 175	797	27 229	20 508	673	1 688	1 529
III	20 849	1 698	1 339	1 573	4 610	25 459	1 115	781	27 355	20 258	670	1 915	1 467
IV	21 638	1 554	808	1 890	4 252	25 890	1 659	777	28 325	21 573	694	1 741	2 019
1988*													
I	20 513	1 663	777	1 511	3 951	24 464	1 804	818	27 086	19 684	715	1 830	2 041
II	22 565	1 828	1 041	1 456	4 325	26 890	1 781	864	29 535	23 185	831	1 917	1 760
III	21 617	1 913	1 486	1 518	4 916	26 533	1 944	883	29 361	23 769	1 013	2 210	1 813
IV	26 603	1 743	954	1 848	4 544	31 148	2 223	831	34 201	24 597	1 017	1 956	1 886
1989*													
I	24 904	1 884	865	1 678	4 427	29 331	2 248	866	32 444	24 320	753	2 081	2 147
II	23 340	2 009	1 100	1 606	4 716	28 056	2 582	942	31 580	24 804	905	2 230	1 912

During period	Services expenditure, total (11+12+13)	Imports of goods services (10+14)	Investment expenditure (15+16)	Transfers and other expenditure (17)	Current account expenditure (15+16+17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account net (20+21+22)	Goods and services account net (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account net (24+25+26) = (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1984	12 641	86 137	11 298	5 010	102 445	5 465	4 008	-1 211	-209	2 588	8 053	-6 761	-1 385	-93
1985	14 130	94 893	12 134	5 300	112 327	1 711	3 671	-1 773	-330	1 568	3 279	-6 287	-1 509	-4 517
1986	13 162	89 898	11 719	5 964	107 580	4 329	3 597	-2 392	201	1 406	5 735	-7 209	-2 355	-3 828
1987	15 909	97 775	12 617	5 860	116 251	1 960	3 760	-3 075	-390	296	2 255	-7 542	-2 629	-7 915
1988*	18 989	110 223	15 769	6 771	132 763	64	3 570	-3 656	-1 167	-1 252	-1 188	-8 017	-3 375	-12 580
1987														
I	3 512	23 040	2 901	1 745	27 686	509	901	-806	-220	-125	385	-1 774	-869	-2 259
II	3 890	24 398	3 624	1 288	29 309	794	971	-759	-147	65	859	-2 450	-490	-2 081
III	4 052	24 310	2 660	1 303	28 274	591	1 028	-576	106	558	1 149	-1 545	-522	-919
IV	4 455	26 027	3 431	1 523	30 982	65	860	-933	-129	-203	-138	-1 773	-747	-2 657
1988*														
I	4 585	24 269	3 882	1 919	30 070	828	948	-1 053	-529	-634	194	-2 077	-1 100	-2 983
II	4 508	27 692	3 863	1 501	33 056	-619	997	-876	-304	-183	-802	-2 082	-637	-3 521
III	5 037	28 805	3 511	1 503	33 819	-2 151	900	-725	-296	-120	-2 272	-1 567	-620	-4 459
IV	4 859	29 456	4 514	1 848	35 818	2 007	725	-1 003	-38	-315	1 692	-2 291	-1 017	-1 617
1989*														
I	4 982	29 302	4 303	2 182	35 786	584	1 130	-1 216	-469	-555	29	-2 055	-1 316	-3 342
II	5 047	29 851	5 086	1 801	36 738	-1 464	1 104	-1 130	-306	-332	-1 795	-2 504	-859	-5 158

6.2 CAPITAL ACCOUNT, MILL. FIM

During period	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Imports of other long-term capital	Imports of long-term capital (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Exports of other long-term capital	Exports of long-term capital (9+10+11+12)	Long-term capital account (8-13)
			Central government	Author-ized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1984	324	1 492	2 598	2 861	1 090	6 549	68	8 433	2 479	408	1 682	-1 960	2 609	5 824
1985	392	4 264	1 556	1 489	442	3 487	140	8 283	2 073	1 329	-1 313	1 026	3 115	5 168
1986	1 627	646	-63	5 935	-482	5 390	87	7 750	3 641	2 347	-381	702	6 309	1 441
1987	424	179	2 284	5 700	2 526	10 510	91	11 204	3 741	3 294	158	3 103	10 296	908
1988*	835	-182	-1 690	9 796	9 076	17 182	85	17 920	7 845	1 307	675	1 899	11 726	6 194
1987														
I	134	69	1 638	1 755	874	4 267	79	4 549	779	1 076	261	2 486	4 602	-53
II	215	58	-443	1 529	1 260	2 346	-55	2 564	934	1 339	-144	55	2 184	381
III	24	82	-1 019	945	549	475	12	593	682	519	106	82	1 389	-796
IV	51	-30	2 108	1 471	-157	3 422	55	3 498	1 346	360	-65	482	2 123	1 376
1988*														
I	64	6	-857	361	3 230	2 734	89	2 893	997	245	6	572	1 820	1 073
II	301	-212	1 171	2 356	1 599	5 126	-42	5 173	2 996	344	180	431	3 951	1 222
III	88	-43	-1 571	3 011	885	2 325	-19	2 351	1 661	375	89	380	2 505	-154
IV	382	67	-433	4 068	3 362	6 997	57	7 503	2 191	343	400	515	3 449	4 054
1989*														
I	-168	694	-141	5 951	2 199	8 009	42	8 577	3 182	-360	1 395	1 057	5 274	3 303
II	176	-287	-1 197	1 491	3 020	3 314	-22	3 181	648	346	545	161	1 700	1 481

During period	Basic balance	Short-term capital imports of authorized banks	Import liabilities and prepayments related to exports	Imports of short-term capital (16+17)	Short-term capital exports of authorized banks	Export receivables and prepayments related to imports	Exports of short-term capital (19+20)	Other short-term capital incl. errors and omissions	Short-term capital account (18-21+22)	Overall balance exd. reserve movements (15+23)	Change in central bank's foreign exchange reserves (26+27)	Of which:	
												Convertible reserves	Tied reserves
	15	16	17	18	19	20	21	22	23	24	25	26	27
1984	5 730	16 080	944	17 024	13 614	-2 811	10 803	-2 676	3 545	9 275	-9 275	-10 142	867
1985	651	6 890	350	7 240	323	1 732	2 055	-2 092	3 093	3 744	-3 744	-3 729	-15
1986	-2 387	6 019	-3 796	2 222	9 933	-92	9 841	2 075	-5 544	-7 930	7 930	11 678	-3 748
1987	-7 007	19 324	-665	18 659	-7 343	-183	-7 526	-3 442	22 743	15 736	-15 736	-17 817	2 081
1988*	-6 386	10 695	-1 161	9 535	5 970	453	6 423	3 457	6 569	183	-183	-517	334
1987													
I	-2 311	3 682	1 076	4 757	-5 911	-118	-6 029	-2 239	8 547	6 236	-6 236	-7 020	785
II	-1 700	7 667	82	7 748	1 510	-118	1 392	1 580	7 937	6 237	-6 237	-5 569	-667
III	-1 714	8 738	-355	8 383	3 494	27	3 521	-2 512	2 351	637	-637	-2 407	1 771
IV	-1 281	-763	-1 468	-2 230	-6 436	27	-6 410	-271	3 908	2 627	-2 627	-2 820	193
1988*													
I	-1 911	6 501	-1 602	4 899	2 966	-802	2 164	1 516	4 251	2 341	-2 341	-1 295	-1 046
II	-2 300	11 731	539	12 270	4 363	-802	3 561	-1 692	7 018	4 718	-4 718	-4 662	-57
III	-4 613	-547	803	256	3 405	1 029	4 434	1 703	-2 475	-7 088	7 088	6 337	751
IV	2 438	-6 990	-901	-7 890	-4 764	1 029	-3 735	1 929	-2 226	212	-212	-897	685
1989*													
I	-39	6 707	-241	6 466	4 685	-140	4 545	-62	1 859	1 820	-1 820	-1 372	-449
II	-3 677	9 788	-394	9 394	4 847	-140	4 707	-2 185	2 502	-1 174	1 174	152	1 022

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

End of period	Long-term liabilities							Long-term assets					Long-term debt, net (8-13)	
	Direct investment in Finland	Port-foho investment in Finland	Long-term credits			Other long-term capital	Total (1+2+6+7)	Direct investment abroad	Port-foho investment abroad	Long-term export credits	Other long-term capital	Total (9+10+11+12)		
			Central government	Author-ized banks	Others									Total (3+4+5)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1984	2 905	2 013	24 928	5 960	37 227	68 116	512	73 546	8 689	1 021	8 920	2 097	20 727	52 819
1985	3 274	6 313	25 678	6 410	34 276	66 364	652	76 603	10 524	2 350	6 539	3 053	22 466	54 137
1986	4 892	7 992	26 292	11 992	32 044	70 330	739	83 953	13 727	4 697	5 649	3 685	27 758	56 195
1987	5 285	7 055	27 861	17 365	33 088	78 314	830	91 483	16 651	7 991	5 240	6 618	36 500	54 983
1988*	6 424	7 251	26 011	27 427	41 787	95 227	915	109 817	24 511	9 298	6 686	8 555	49 050	60 767
1987														
I	5 018	8 909	27 391	13 472	32 074	72 939	818	87 684	14 191	5 773	5 648	6 105	31 717	55 967
II	5 229	9 033	26 862	14 991	33 280	75 132	763	90 157	15 098	7 112	5 513	6 164	33 887	56 270
III	5 243	10 141	25 627	15 825	33 511	74 963	775	91 122	15 633	7 631	5 571	6 229	35 064	56 058
IV	5 285	7 055	27 861	17 365	33 088	78 314	830	91 483	16 651	7 991	5 240	6 618	36 500	54 983
1988*														
I	5 308	7 105	26 637	17 594	35 884	80 114	919	93 446	17 538	8 236	5 250	7 183	38 207	55 239
II	5 410	6 893	28 390	20 464	38 230	87 083	877	100 263	20 928	8 580	5 629	7 712	42 849	57 414
III	5 521	6 850	27 007	23 707	39 278	89 993	858	103 222	22 521	8 955	5 752	8 122	45 350	57 872
IV	6 424	7 251	26 011	27 427	41 787	95 227	915	109 817	24 511	9 298	6 686	8 555	49 050	60 767
1989*														
I	6 233	7 945	25 357	32 799	43 289	101 448	957	116 583	25 355	8 938	8 025	9 590	51 908	64 675
II	6 421	7 658	24 178	34 097	46 669	104 943	935	119 957	28 044	9 284	8 674	9 793	55 795	64 162

End of period	Short-term liabilities				Short-term assets				Short-term liabilities, net (18-22)	Debt, net (14+23)	Debt service payments	Of which: repayments	Debt service ratio
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits and other liabilities	Total (15+16+17)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits and other assets	Total (19+20+21)					
	15	16	17	18	19	20	21	22	23	24	25	26	27
1984	4 562	55 695	17 988	78 245	22 912	42 068	13 083	78 063	182	53 001	11 586	4 613	11.3
1985	4 070	51 374	17 474	72 918	25 183	36 208	18 450	79 841	-6 922	47 215	11 287	4 808	10.5
1986	3 455	56 881	14 483	74 819	16 613	46 141	19 279	82 034	-7 215	48 980	13 462	6 018	13.0
1987	3 362	73 132	16 898	93 392	31 134	38 798	18 060	87 993	5 400	60 383	14 203	6 516	13.1
1988*	3 341	83 828	15 157	102 327	32 037	44 768	20 342	97 147	5 180	65 947	14 573	6 479	12.1
1987													
I	3 521	59 536	17 323	80 380	22 482	40 231	17 996	80 709	-329	55 638	3 203	1 411	12.6
II	3 490	67 208	17 719	88 417	28 680	41 741	18 110	88 531	-114	56 156	3 994	1 496	14.7
III	3 607	75 547	18 654	97 808	29 291	45 235	18 009	92 535	5 273	61 331	2 771	1 217	10.1
IV	3 362	73 132	16 898	93 392	31 134	38 798	18 060	87 993	5 400	60 383	4 236	2 392	15.0
1988*													
I	3 467	79 633	14 083	97 183	33 515	41 764	18 164	93 443	3 740	58 979	3 870	1 773	14.3
II	3 177	91 364	14 662	109 203	39 025	46 127	16 986	102 138	7 065	64 479	3 390	1 289	11.5
III	3 539	90 817	16 773	111 129	32 750	49 532	19 678	101 960	9 169	67 041	3 816	2 230	13.0
IV	3 341	83 828	15 157	102 327	32 037	44 768	20 342	97 147	5 180	65 947	3 497	1 187	10.2
1989*													
I	3 278	90 535	16 016	109 829	33 376	49 453	20 434	103 263	6 566	71 241	3 328	1 249	10.3
II	3 136	100 323	15 848	119 306	32 142	54 300	20 437	106 879	12 427	76 589	4 323	1 795	13.7

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

End of period	Long-term liabilities					Long-term assets					Long-term liabilities, net (5-10)
	Corporate sector	Financial institutions	Central government	Local government	Total (1+2+3+4)	Corporate sector	Financial institutions	Central government	Other	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1984	34 012	13 366	25 440	728	73 546	17 624	1 243	1 678	182	20 727	52 819
1985	35 709	13 980	26 330	585	76 603	17 102	3 131	1 955	279	22 466	54 137
1986	36 243	20 169	27 031	509	83 953	19 209	5 721	2 309	520	27 758	56 195
1987	35 549	26 734	28 691	511	91 483	23 377	9 740	2 653	730	36 500	54 983
1988*	41 263	41 128	26 926	499	109 817	31 117	12 977	3 101	1 855	49 050	60 767
1987											
I	37 133	21 860	28 209	481	87 684	19 729	8 958	2 458	572	31 717	55 967
II	38 100	23 960	27 625	474	90 157	21 371	9 431	2 465	621	33 887	56 270
III	38 943	25 240	26 402	538	91 122	22 571	9 297	2 519	677	35 064	56 058
IV	35 549	26 734	28 691	511	91 483	23 377	9 740	2 653	730	36 500	54 983
1988*											
I	37 289	28 097	27 556	506	93 446	23 616	10 717	2 851	1 023	38 207	55 239
II	39 035	31 460	29 267	503	100 263	27 172	11 469	2 887	1 322	42 849	57 414
III	39 381	35 469	27 865	506	103 222	28 974	11 845	2 938	1 594	45 350	57 872
IV	41 263	41 128	26 926	499	109 817	31 117	12 977	3 101	1 855	49 050	60 767
1989*											
I	41 774	47 978	26 314	515	116 583	32 212	14 288	3 299	2 109	51 908	64 675
II	42 898	51 447	25 113	501	119 957	35 337	14 889	3 331	2 238	55 795	64 162

7. FOREIGN TRADE

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

During period	Exports, f.o.b.	Imports, c.i.f.	Balance (1-2)
	1	2	3
1984	80 904	74 682	6 222
1985	84 028	81 520	2 508
1986	82 579	77 601	4 978
1987	85 516	82 807	2 709
1988	92 902	92 118	784
1988			
Sept.	8 406	8 645	-239
Oct.	8 587	8 351	236
Nov.	9 904	8 113	1 791
Dec.	8 514	8 354	160
1989*			
Jan.	8 261	8 248	13
Feb.	8 251	7 598	653
March	8 803	8 699	104
April	8 931	8 344	587
May	7 678	8 647	-969
June	7 147	8 037	-890
July	7 495	7 390	105
Aug.	7 896	9 774	-1 878
Sept.	7 582	8 574	-992

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

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1984	114	98	134	131	102
1985	115	104	138	135	102
1986	116	110	135	121	111
1987	118	119	138	119	116
1988	121	130	145	122	119
1988					
1987					
II	120	120	137	119	115
III	116	116	140	121	115
IV	121	128	140	119	117
1988					
I	114	116	140	120	117
II	123	133	141	121	117
III	113	134	147	123	119
IV	136	137	150	124	121
1989*					
I	123	132	156	128	122
II	116	136	155	126	123
III	112	141	155	125	124

7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, f.o.b.					Imports by use of goods, c.i.f.				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
	1	2	3	4	5	6	7	8	9	10
1984	7 145	23 573	10 176	22 998	17 012	35 162	16 900	10 993	11 454	173
1985	6 728	25 030	9 803	24 412	18 055	38 676	17 770	11 675	12 967	432
1986	6 947	24 600	7 858	26 115	17 059	39 292	10 070	12 898	15 069	272
1987	7 470	27 058	7 770	26 230	16 988	41 191	9 389	14 138	17 478	611
1988	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
1988										
Sept.	611	2 865	781	2 503	1 646	3 990	852	1 939	1 853	11
Oct.	690	2 751	800	2 749	1 597	4 168	632	1 577	1 922	52
Nov.	686	2 851	730	3 972	1 665	4 227	492	1 369	1 858	167
Dec.	751	2 788	799	2 673	1 503	4 154	586	1 704	1 701	209
1989*										
Jan.	600	2 578	810	2 645	1 628	4 348	408	1 519	1 893	80
Feb.	604	2 621	832	2 704	1 490	3 830	515	1 315	1 912	26
March	624	2 953	760	2 775	1 691	4 363	569	1 496	2 248	23
April	661	2 728	673	3 309	1 560	4 095	532	1 624	1 962	131
May	669	2 714	634	2 198	1 463	4 162	689	1 829	1 840	127
June	598	2 519	587	1 992	1 451	3 931	602	1 784	1 706	14
July	552	2 511	740	2 475	1 217	3 512	921	1 437	1 512	8
Aug.	477	2 987	669	2 380	1 383	4 906	858	1 769	2 192	49
Sept.	597	2 599	652	2 248	1 486	3 925	777	1 763	1 987	122

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1988		1989* January—September		1988		1989* January—September	
	MIL. FIM	Percentage share	MIL. FIM	Percentage change from the corresponding period on the previous year	MIL. FIM	Percentage share	MIL. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	69 368	74.7	54 530	9.1	71 210	77.3	59 0176	13.8
OECD Europe	60 049	64.6	46 868	7.9	57 523	62.4	47 589	14.1
Of which:								
Austria	936	1.0	827	24.5	1 140	1.2	906	13.4
Belgium and Luxembourg	1 818	2.0	1 426	6.3	2 318	2.5	2 072	24.9
Denmark	3 272	3.5	2 384	-0.4	2 674	2.9	2 286	17.0
France	4 902	5.3	3 916	10.0	3 724	4.0	3 071	11.5
Federal Republic of Germany	10 027	10.8	7 821	7.4	15 483	16.8	13 109	15.9
Italy	2 511	2.7	2 161	18.2	4 077	4.4	3 557	17.6
Netherlands	3 348	3.6	2 904	20.9	2 976	3.2	2 357	8.3
Norway	3 211	3.5	2 092	-12.6	2 180	2.4	1 763	8.5
Spain	1 433	1.5	1 290	27.1	1 034	1.1	807	11.0
Sweden	13 135	14.1	10 159	8.5	12 215	13.3	10 055	17.7
Switzerland	1 600	1.7	1 193	0.3	1 716	1.9	1 286	5.7
United Kingdom	11 995	12.9	9 206	6.3	6 371	6.9	4 897	4.4
Other OECD	9 320	10.0	7 663	17.1	13 687	14.9	11 428	12.6
Of which:								
Canada	1 136	1.2	957	19.8	656	0.7	679	46.9
Japan	1 689	1.8	1 488	20.7	6 784	7.4	5 652	12.1
United States	5 355	5.8	4 256	13.8	5 821	6.3	4 781	9.9
CMEA countries	15 527	16.7	11 923	13.5	13 523	14.7	10 524	5.7
Of which:								
Soviet Union	13 958	15.0	10 643	13.7	11 116	12.1	8 528	4.3
Developing countries	7 081	7.6	4 972	5.7	6 182	6.7	4 791	5.7
OPEC countries	1 494	1.6	1 021	-2.5	710	0.8	471	-17.9
Other	5 588	6.0	3 951	8.0	5 471	5.9	4 320	9.1
Other countries	926	1.0	618	-11.4	1 204	1.3	980	2.1
TOTAL	92 902	100.0	72 044	9.3	92 118	100.0	75 311	11.9
Of which:								
EEC countries	40 765	43.9	32 311	9.4	40 095	43.5	33 386	13.6
EFTA countries	19 022	20.5	14 348	4.6	17 340	18.8	14 112	15.2

8. DOMESTIC ECONOMIC DEVELOPMENTS

8.1 SUPPLY AND USE OF RESOURCES, MILL. FIM, 1985 PRICES (seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4	5	6	7	8	9
1984	176 038	64 872	67 584	10 202	-2 647	316 049	96 993	88 857	324 185
1985	181 664	68 218	69 599	10 453	1 772	331 706	98 173	94 893	334 986
1986	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
1987*	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
1988*	210 071	75 453	79 850	12 049	9 301	386 724	106 124	118 772	374 076
1987*									
I	48 862	18 091	17 898	2 879	946	88 676	24 839	26 346	87 169
II	49 650	18 272	18 222	2 744	648	89 537	25 898	26 035	89 399
III	50 075	18 474	17 927	3 071	-589	88 959	26 441	26 717	88 682
IV	51 393	18 621	18 714	2 960	1 241	92 929	24 949	27 469	90 409
1988*									
I	51 858	18 643	19 282	2 958	1 490	94 231	25 343	27 748	91 826
II	51 729	18 761	19 373	2 876	2 923	95 662	26 639	29 523	92 778
III	53 043	18 946	20 477	3 144	2 668	98 278	26 142	31 101	93 320
IV	53 440	19 103	20 718	3 070	2 221	98 553	28 000	30 401	96 152
1989*									
I	53 436	19 205	20 944	2 909	3 672	100 167	27 853	31 713	96 307
II	54 412	19 298	22 115	2 891	2 910	101 627	26 155	30 383	97 399

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100 (seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.5)	(30.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
1984	96.1	118.7	96.6	101.7	92.5	97.5	111.2
1985	100.4	99.8	100.4	100.1	100.6	100.3	100.2
1986	101.9	102.8	102.0	102.3	103.0	101.2	100.4
1987	107.2	99.9	107.2	106.5	110.2	105.4	107.8
1988*	111.1	110.6	111.2	114.5	114.8	107.3	110.3
1988*							
Aug.	110.1	99.4	109.9	113.3	113.5	106.1	114.0
Sept.	112.9	108.5	113.1	117.0	118.3	107.9	111.1
Oct.	113.4	106.2	113.5	118.1	118.5	108.0	113.0
Nov.	114.6	117.0	114.1	120.6	119.7	107.1	116.9
Dec.	113.1	123.1	112.2	119.5	116.7	105.5	116.6
1989*							
Jan.	113.1	117.1	114.0	120.5	121.0	106.0	107.5
Feb.	113.8	118.0	115.3	119.0	121.0	109.4	104.7
March	115.2	121.4	116.4	120.4	122.7	108.3	108.2
April	113.0	117.2	113.5	120.7	120.5	105.8	111.4
May	115.7	122.9	116.0	122.6	122.3	108.9	113.7
June	116.0	124.4	114.9	118.0	123.1	107.8	118.2
July	112.0	110.3	113.9	114.0	121.8	108.9	100.8
Aug.	114.2	94.2	115.4	117.3	126.8	107.2	106.5

8.3 INDICATORS OF DOMESTIC SUPPLY AND DEMAND, 1985=100 (seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1984	97.2	96.8	101.8	104.1	112.8	96.2	98.6	96.9
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	104.7	102.5	94.0	88.4	99.9	99.5	105.2	101.8
1987	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.7
1988*	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.4
1988*								
July	110.1	110.5	..	..	..	..	..	110.2
Aug.	123.1	117.3	..	..	..	..	..	111.1
Sept.	121.6	115.3	..	..	..	..	..	111.9
Oct.	113.8	112.4	..	..	..	..	..	111.4
Nov.	121.9	115.2	..	..	..	..	..	112.9
Dec.	119.2	115.8	..	..	..	..	..	112.3
II	115.5	111.0	104.0	99.7	104.6	109.7	140.4	109.5
III	118.3	114.4	108.2	109.8	106.9	106.1	142.2	111.1
IV	118.3	114.5	116.7	120.2	127.1	113.0	146.0	112.2
1989*								
Jan.	123.5	119.5	..	..	..	..	..	113.3
Feb.	120.7	115.9	..	..	..	..	..	113.0
March	119.5	115.0	..	..	..	..	..	113.6
April	121.5	117.5	..	..	..	..	..	114.2
May	127.5	119.8	..	..	..	..	..	114.5
June	120.9	118.6	..	..	..	..	..	114.5
July	115.7	114.8	..	..	..	..	..	113.6
I	121.2	116.8	117.3	121.1	127.6	105.6	133.9	113.3
II	123.3	118.6	126.3	127.9	148.7	108.5	167.4	114.4

8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SK 3)	Central government	Local government	Non-profit institutions			Domes- tic goods	Import- ed goods		Export- ed goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1984	92.4	92.0	92.9	92.7	93.0	92.0	95.1	95.3	94.8	97.1	96.0	98.1	95.1	94.6
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	106.9	106.6	106.2	106.6	107.8	107.2	102.9	97.0	98.6	91.0	96.5	96.7	96.4	104.3
1987	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
1988¹	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
1988¹														
Sept.	..	..	..	..	..	..	114.2	102.4	105.7	90.0	102.9	105.7	101.5	118.7
Oct.	..	..	..	..	..	..	114.3	103.2	106.9	89.7	103.8	107.0	102.3	119.2
Nov.	..	..	..	..	..	..	114.5	103.5	107.2	89.8	103.9	106.9	102.5	119.8
Dec.	..	..	..	..	..	..	115.4	104.0	107.7	90.5	104.3	107.4	102.8	119.9
II	125.2	125.2	123.4	130.0	122.1	129.3	112.2	100.7	104.0	88.9	100.7	102.4	99.9	115.9
III	126.2	126.2	124.0	130.3	123.5	129.5	113.4	102.3	105.6	90.0	102.6	105.2	101.3	117.7
IV	128.4	128.5	126.6	132.1	125.2	131.4	114.7	103.6	107.3	90.0	104.0	107.1	102.5	119.6
1989¹														
Jan.	..	..	..	..	..	..	116.0	104.8	108.4	91.7	105.2	108.4	103.6	121.6
Feb.	..	..	..	..	..	..	116.6	105.5	109.0	92.4	105.8	109.6	103.9	121.9
March	..	..	..	..	..	..	117.9	105.9	109.3	93.4	106.3	110.2	104.4	123.4
April	..	..	..	..	..	..	119.1	107.0	110.6	93.6	107.1	109.9	105.8	124.3
May	..	..	..	..	..	..	119.5	107.4	111.3	93.2	107.8	110.1	106.6	124.9
June	..	..	..	..	..	..	120.6	107.4	111.4	92.6	107.9	110.4	106.8	124.6
July	..	..	..	..	..	..	120.4	107.4	111.4	92.6	108.2	110.5	107.1	124.8
Aug.	..	..	..	..	..	..	120.6	107.6	111.8	92.3	108.3	110.6	107.3	125.8
Sept.	..	..	..	..	..	..	121.9	108.1	112.4	92.3	108.8	111.3	107.6	127.6
I	131.4	131.2	129.1	135.2	129.3	134.4	116.8	105.4	108.9	92.5	105.8	109.4	104.0	122.3
II	134.9	135.6	133.4	136.8	130.9	136.3	119.7	107.3	111.1	93.1	107.6	110.1	106.4	124.6

¹ Preliminary figures for columns 1—6.

8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status		By industry				Unemployed	Unemployment rate	
				Self-employed	Wage and salary earners	Agriculture and forestry	Industry	Construction	Service industries			
		1000 persons										
		%									%	
		1	2	3	4	5	6	7	8	9	10	11
1984	68.8	2 546	2 414	378	2 035	294	600	183	1 337	132	5.2	
1985	69.2	2 566	2 437	361	2 076	280	597	178	1 380	129	5.0	
1986	69.1	2 569	2 431	359	2 071	266	589	185	1 391	138	5.4	
1987	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1	
1988	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.5	
1988												
Aug.	68.1	2 532	2 417	360	2 057	245	562	179	1 431	115	4.5	
Sept.	68.5	2 546	2 439	366	2 073	231	539	199	1 470	108	4.2	
Oct.	68.7	2 555	2 448	373	2 076	226	543	200	1 479	107	4.2	
Nov.	68.7	2 555	2 438	356	2 082	232	560	164	1 483	117	4.6	
Dec.	68.3	2 540	2 436	366	2 070	233	551	197	1 455	104	4.1	
1989												
Jan.	68.8	2 561	2 470	368	2 101	226	550	201	1 492	91	3.6	
Feb.	69.0	2 567	2 476	367	2 109	231	552	191	1 502	91	3.5	
March	68.3	2 544	2 456	365	2 091	232	554	209	1 461	88	3.4	
April	69.2	2 576	2 486	372	2 114	232	550	202	1 502	91	3.5	
May	69.4	2 585	2 499	360	2 139	223	577	194	1 506	86	3.3	
June	68.9	2 566	2 478	359	2 119	219	566	197	1 495	88	3.4	
July	68.7	2 558	2 463	371	2 093	197	558	198	1 510	95	3.7	
Aug.	67.8	2 525	2 427	330	2 097	193	570	186	1 477	98	3.9	

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

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1984	22 526	42 737	598	9 711	75 572	1 894	77 466	22 155	44 333	18 444	24 836
1985	25 750	47 578	546	10 415	84 290	2 071	86 361	24 835	49 269	21 183	26 866
1986	28 079	51 733	323	11 640	91 774	2 209	93 983	26 354	52 845	23 215	28 131
1987	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
1988	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
1988											
Aug.	3 333	6 295	62	1 022	10 712	488	11 200	2 607	5 279	2 361	2 801
Sept.	2 811	5 242	23	896	8 972	145	9 117	2 665	4 689	2 359	2 211
Oct.	3 052	5 247	41	1 294	9 634	234	9 868	2 759	5 088	2 487	2 451
Nov.	2 900	6 315	45	1 277	10 536	394	10 931	2 753	6 717	2 711	3 846
Dec.	3 116	7 486	57	1 555	12 214	537	12 751	3 012	5 193	2 542	2 142
1989											
Jan.	3 090	5 482	1	1 180	9 754	6	9 760	2 764	5 635	2 433	3 066
Feb.	2 792	6 185	86	824	9 887	67	9 953	2 708	6 177	2 464	3 446
March	3 375	5 613	37	1 014	10 040	1 713	11 754	2 736	5 297	2 589	2 413
April	3 881	6 221	36	1 266	11 405	63	11 468	2 911	6 055	3 337	2 532
May	2 928	6 044	38	2 349	11 359	300	11 658	3 135	6 870	2 881	3 544
June	3 186	6 347	13	1 156	10 701	264	10 965	3 034	5 632	3 033	2 447
July	3 938	7 353	62	945	12 298	115	12 412	3 453	5 043	2 594	2 203
Aug.	3 211	6 455	119	1 065	10 850	488	11 338	2 780	5 768	2 685	2 918

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
1984	5 455	4 220	76 162	4 717	80 878	-590	-3 412	5 200	1 788
1985	5 700	4 936	84 739	4 982	89 722	-449	-3 361	3 506	145
1986	6 111	5 058	90 368	4 913	95 281	1 406	-1 298	4 203	2 905
1987	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324
1988	7 565	5 614	110 946	6 529	117 476	4 842	870	1 853	2 723
1988									
Aug.	609	478	8 972	450	9 422	1 740	1 778	-588	1 190
Sept.	772	445	8 570	1 623	10 193	402	-1 076	801	-275
Oct.	642	558	9 047	483	9 531	587	337	-15	322
Nov.	645	199	10 313	428	10 741	223	190	-1 239	-1 049
Dec.	811	208	9 224	316	9 540	2 990	3 211	323	3 533
1989									
Jan.	580	743	9 722	681	10 403	32	-643	-881	-1 524
Feb.	501	288	9 675	557	10 232	212	-278	-634	-912
March	620	645	9 299	1 845	11 143	742	610	137	748
April	544	941	10 451	379	10 830	954	638	-1 512	-875
May	670	643	11 318	903	12 219	41	-561	189	-372
June	839	316	9 821	515	10 336	880	629	-708	-79
July	619	-13	9 103	414	9 517	3 195	2 895	-151	2 744
Aug.	634	309	9 490	467	9 957	1 359	1 381	-519	862

NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION

GENERAL

Source

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

Symbols used

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

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

NOTES AND EXPLANATIONS TO TABLES

1 THE BALANCE SHEET OF THE BANK OF FINLAND

Table 1.2 *Domestic financial sector.* Term claim on deposit banks (Column 13) = term credits (from December 1986 to July 1987) + bank certificates of deposit held by the Bank of Finland (since March 1987). Other liabilities to financial institutions, net (Column 17) = capital import deposits + other liabilities to financial institutions - bonds and debentures - other claims on financial institutions. *Corporate sector.* Claims in the form of special financing (Column 19) = export bills + new-export credits + financing of domestic deliveries. Special deposits, net (Column 20) = deposits for investment and ship purchase + capital import deposits + export deposits + other liabilities to corporations - bonds - other claims on corporations.

2 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD EXCHANGE MARKET

Table 2.1 Money market instruments (Columns 1-3) denote bank certificates of deposit, Treasury bills and banks' fixed-term deposits with the Bank of Finland. Matured money market instruments, net, comprise both purchased and sold instruments.

Table 2.3 Bank CDs held by the Bank of Finland (Column 2) include term credits. Holdings of CDs issued by the Bank of Finland (Column 5) include term liabilities.

3 RATES OF INTEREST

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

Table 3.2 The rates shown are based on the lending rates quoted for the respective currencies in the Euromarket.

Table 3.3 The covered Eurodollar rate is a computed rate of interest for the markka obtained by adding the difference between the forward selling rate and the spot selling rate for the U.S. dollar expressed as an annual rate of interest to the Eurodeposit rate for the dollar. The rates shown are based on daily quotations at noon by two banks.

Table 3.4 *Lending.* New credits (Columns 1-4): the rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts, whereas annual rates are arithmetic averages of monthly observations. As from January 1989, Postipankki Oy has been included in the calculation of the average rate on the commercial banks' outstanding stock of loans. *Deposits.* The rates of interest applied to deposit accounts (Columns 7-9) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. The average rate of interest on the stock of regulated deposits (Column 10) is the average rate of interest weighted by the deposit amounts at the end of period, where the stock of deposits comprises cheque accounts, postal giro accounts, deposit accounts with a cheque facility, savings and ordinary deposit accounts, other time deposit accounts and taxable investment accounts. The average rate of interest on unregulated deposits (Column 11) is the average rate of interest weighted by the amounts in the period. Unregulated deposits include, inter alia, sales of certificates of deposit, promissory notes and bonds as well as corporate deposits at market rates.

Table 3.5 *Secondary market rates.* The long-term unregulated market rate (Columns 1 and 2) is calculated by the Bank of Finland as the monthly average of the offered rates for taxable, fixed-rate bonds quoted by the five largest banks. The rate of interest for taxable government bonds (Column 3) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate government bonds with a remain-

ing maturity of between 4 and 5 years. The rate of interest for taxable public issues (Column 4) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate ordinary bonds, debentures or other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued by all issuers except the central government with a remaining maturity of between 3 and 6 years. Financial institutions (Column 5): as in Column 4 for issues by financial institutions incl. banks. Corporations (Column 6): as in Column 4 for issues by non-financial corporations. The rate of interest for taxfree public issues (Column 7) is the yield on fixed-rate public bonds with a remaining maturity of between 4 and 5 years. The Bank of Finland calculates the yields for columns 3-7 once a week on the basis of the trading quotations of the Helsinki Stock Exchange. Monthly observations are the averages of weekly observations and annual observations the averages of monthly observations. *Rates at issue* on bonds and debentures (Columns 8 and 9) are the average rates of interest weighted by issue amounts - in the case of government bonds by sales amounts - on ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued during the period.

4 RATES OF EXCHANGE

Table 4.2 The weights of the Bank of Finland currency index (Column 1) are moving averages of the shares of countries in Finland's merchandise export and import trade. The index comprises 14 convertible currencies. The index values are based on the Bank of Finland's daily quotations at noon. The weights of the payments currency index (Column 2) are moving averages of the shares of payments currencies in Finland's trade. The index comprises 14 convertible currencies. The weights of the MERM index (Column 3) are fixed 1977 weights computed on the basis of the IMF's world trade model. Fourteen currencies are included in this index.

5 OTHER DOMESTIC FINANCING

Table 5.1 Source: The Central Statistical Office of Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Domestic foreign-currency deposits are included in the figures. Time deposits

(Column 2) consist of tax-exempt time deposits held by the public. Investment accounts (Column 3) are taxable time deposits held by the public. For the definition of unregulated deposits (Column 6), see the explanation under Table 3.4. Since the beginning of 1987, the figures for banks' holdings of certificates of deposit issued by other banks have been netted out. Netting out is done by the Bank of Finland.

Table 5.2 Source: The Central Statistical Office of Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Foreign currency credits (Column 5) are mainly granted by commercial banks and Postipankki.

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

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

Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

Table 5.6 *Turnover*. Source: The Helsinki Stock Exchange. *Share prices*. Source: Union Bank of Finland Ltd.

6 BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

Table 6.1 The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts.

Table 6.2 Columns 1-8: Net change in long-term liabilities. Columns 9-13: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 10); Secondary market transactions in securities and share issues. As from the June-July 1989 issue of the Bulletin, portfolio investment abroad (Column 10) also includes investments in long-term bonds and shares by Finnish authorized banks. These were previously included in short-term capital exports of authorized banks. Long-term credits (Columns 3-6): Financial loans, import credits and leasing credits. Others (Column 5): Long-term credits of enterprises, financial institutions other than authorized banks and local government. Imports of other long-term capital (Column 7): Finland's subscriptions to international financial institutions paid in the form of promissory notes. Exports of other long-term capital (Column 12) = financial loans abroad + development credits + purchases of real estate and other acquisitions by private persons + Finland's subscriptions to international financial institutions.

Table 6.3 Net foreign debt (Columns 1-24) at the end of a period is classified in the same way as the corresponding data on changes in the capital account (Table 6.2). The items included in net foreign debt have been translated into markkaa using the spot rates for each date. Thus the figures include the impact of changes in exchange rates. Debt service payments (Column 25): the total of net payments of interest, dividends and remunerations relating to long- and short-term foreign liabilities and assets plus net repayments relating to long-term foreign liabilities and assets. Repayments do not include early repayments of loans, repatriations of equity capital included under direct investment, repurchases of shares included under portfolio investment (since 1986), repayments of the Bank of Finland's reserve tranche and oil facility credits, or repayments of rouble-denominated assets included under loan assets. The debt-service ratio (Column 27) = service charges on net foreign debt as a percentage of current account earnings.

Table 6.4 All direct investments have been placed under the corporate

sector (Columns 1 and 6). Other (Column 9) consists mainly of long-term assets of private persons.

The sectoral figures for short-term foreign liabilities and assets correspond to the figures shown in Columns 15-23 of Table 6.3.

7 FOREIGN TRADE

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

Table 7.2 The volume indices (Columns 1 and 2) are calculated according to the Paasche formula and the unit value indices (Columns 3 and 4) according to the Laspeyres formula. The terms of trade (Column 5) is the ratio of the export unit value index to the import unit value index multiplied by one hundred.

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

8 DOMESTIC ECONOMIC DEVELOPMENTS

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

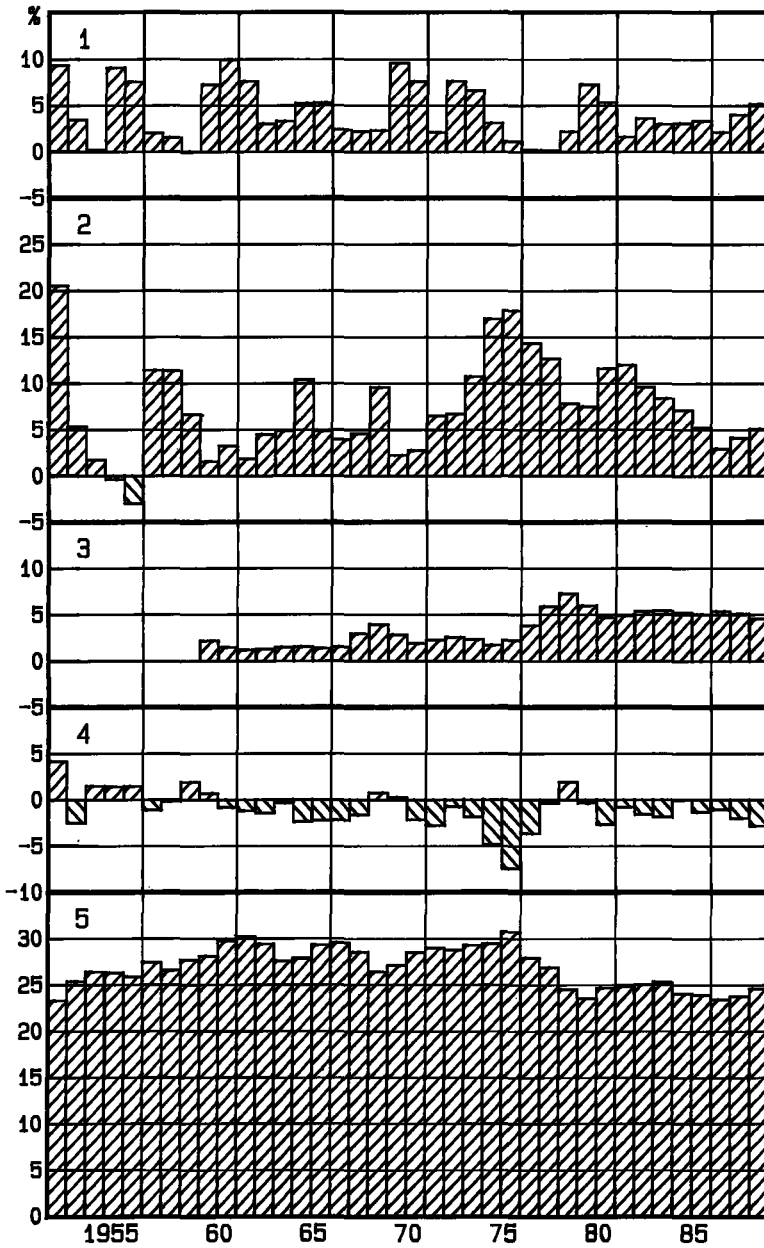
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

Table 8.4 The consumer price index (Column 7) was revised as from January 1988. Both the weights and the methods of calculation were changed (see the item in the March 1988 issue of the Bulletin). The base year of the new CPI is 1985, while the base year of the index shown until end-1984 is 1981.

Table 8.6 Source: Ministry of Finance.

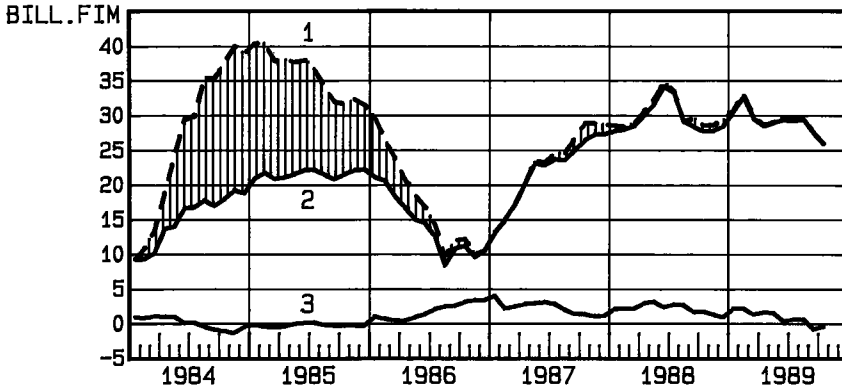
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Banks' central bank position	S29
5. Overnight rates	S30
6. HELIBOR rates of interest	S30
7. Rates of interest applied by the Bank of Finland	S30
8. 3-month covered Eurodollar rate and 3-month currency basket rates	S31
9. Rates on new issues of bonds and debentures	S31
10. Secondary market rates on bonds and debentures	S31
11. Bank of Finland currency index (monthly)	S32
12. Bank of Finland currency index (daily)	S32
13. Changes in the exchange rates of selected Nordic currencies	S32
14. Changes in the exchange rates of selected major currencies	S33
15. Bank deposits from the public	S33
16. Bank lending to the public	S33
17. Money supply	S34
18. Direct investment	S34
19. Central government debt	S34
20. Current account	S35
21. Foreign debt	S35
22. Balance of payments	S36
23. Debt service ratio	S36
24. Foreign trade	S37
25. Western trade	S37
26. Bilateral trade	S37
27. Foreign trade: prices and terms of trade	S38
28. Western trade: prices and terms of trade	S38
29. Bilateral trade: prices and terms of trade	S38
30. Production	S39
31. Fixed investment	S39
32. Employment and unemployment rate	S40
33. Prices and wages	S40
34. Central government finances	S41

1. LONG-TERM INDICATORS



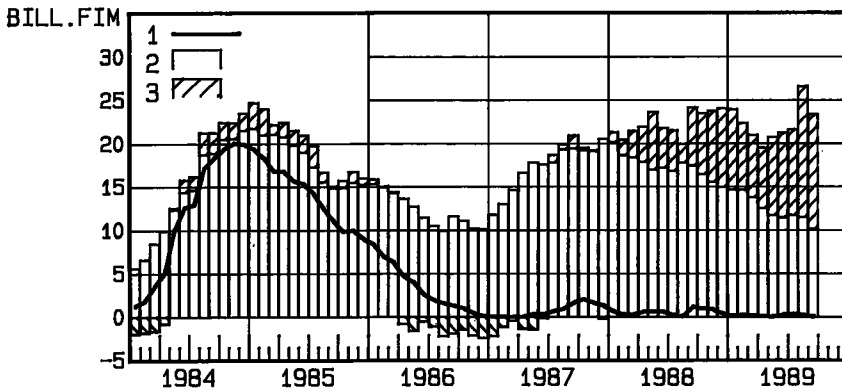
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



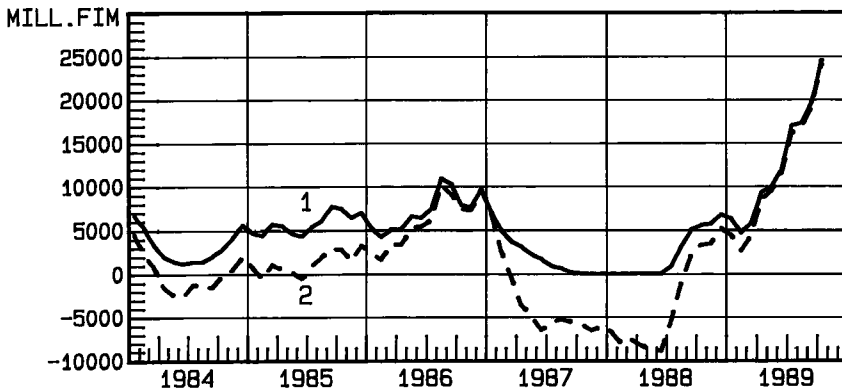
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves
3. Tied currencies

3. FORWARD MARKET



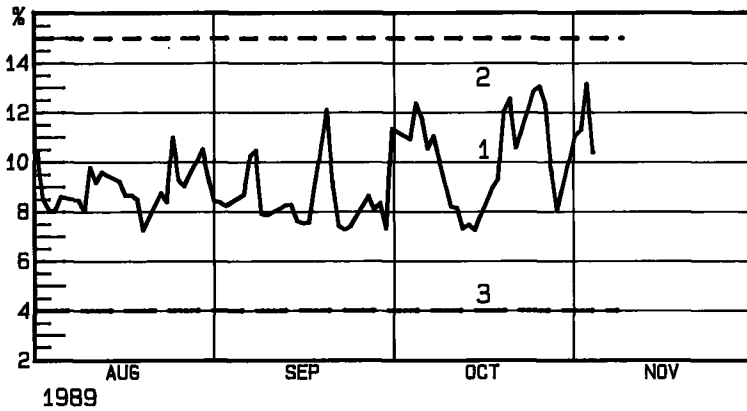
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

4. BANKS' CENTRAL BANK POSITION



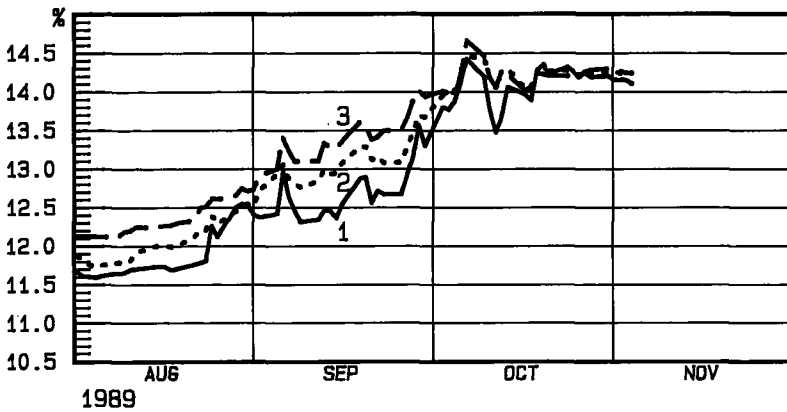
1. Gross debt to the Bank of Finland
2. Net debt to the Bank of Finland (excl. cash reserve deposits)

5. OVERNIGHT RATES



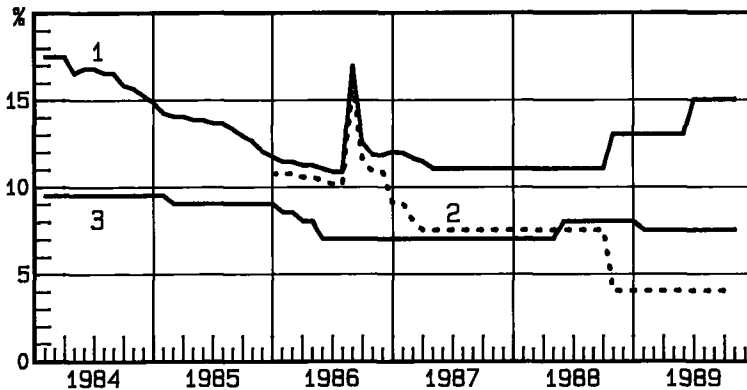
- 1. Inter-bank overnight rate
 - 2. Call money credit rate
 - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



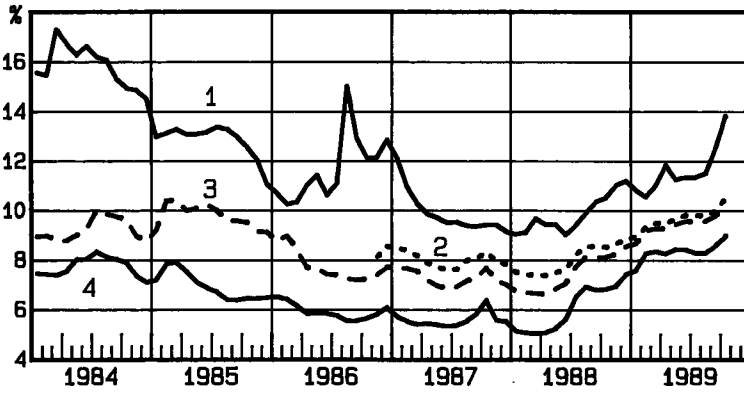
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Daily observations

7. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



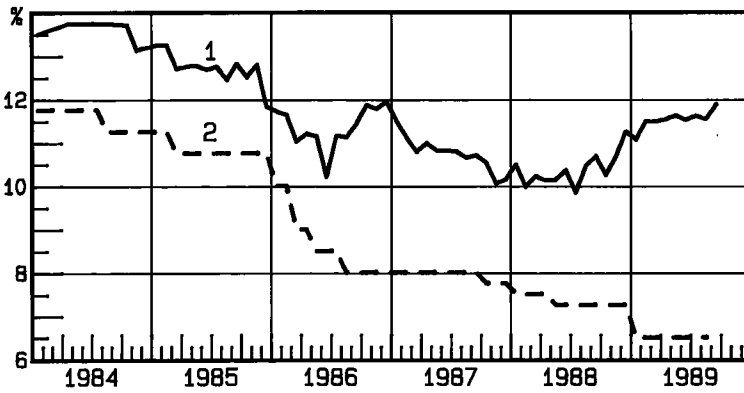
- 1. Call money credit rate
 - 2. Call money deposit rate
 - 3. Base rate
- End-of-month observations

8. 3-MONTH COVERED EURODOLLAR RATE AND 3-MONTH CURRENCY BASKET RATES



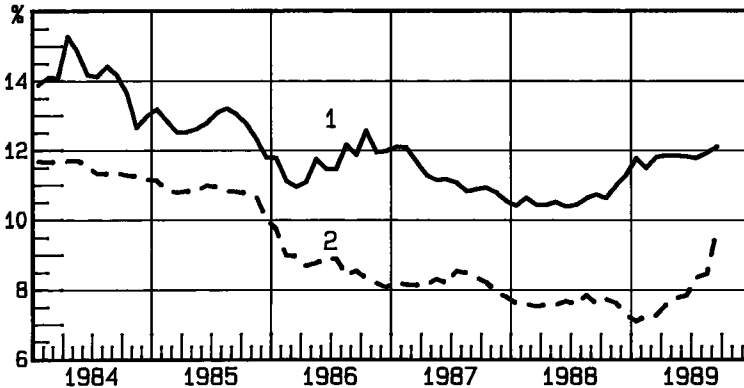
- 1. Covered Eurodollar rate
- 2. 12-currency basket rate
- 3. 8-currency basket rate
- 4. 3-currency basket rate

9. RATES ON NEW ISSUES OF BONDS AND DEBENTURES



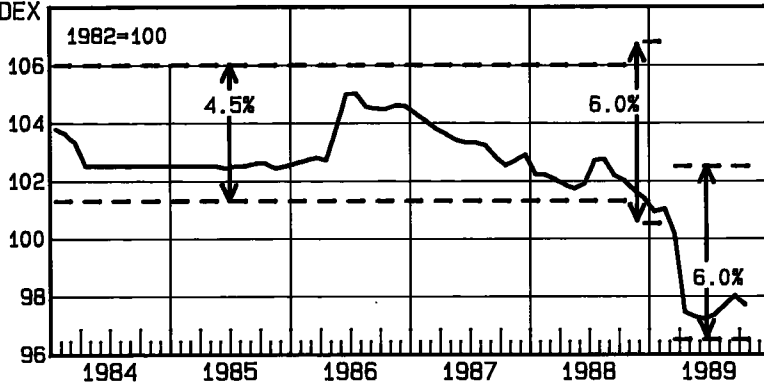
- 1. Rates on new fixed-rate debentures
- 2. Rates on new 10-year tax-free government bonds

10. SECONDARY MARKET RATES ON BONDS AND DEBENTURES



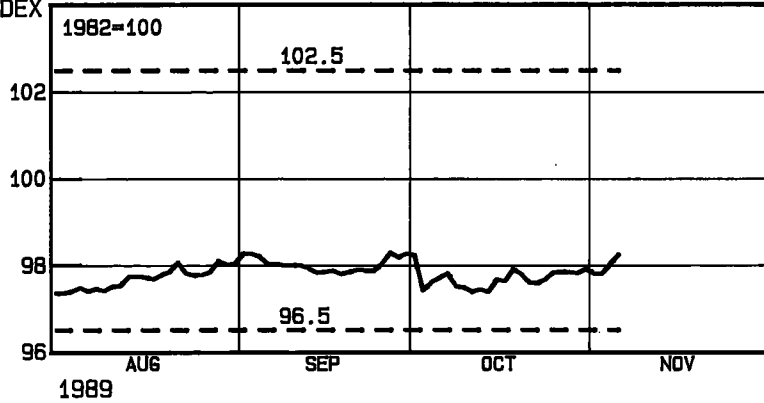
- 1. Secondary market rate on (3-6 year) fixed-rate debentures
- 2. Secondary market rate on (9-10 year) taxfree government bonds

11. BANK OF FINLAND CURRENCY INDEX



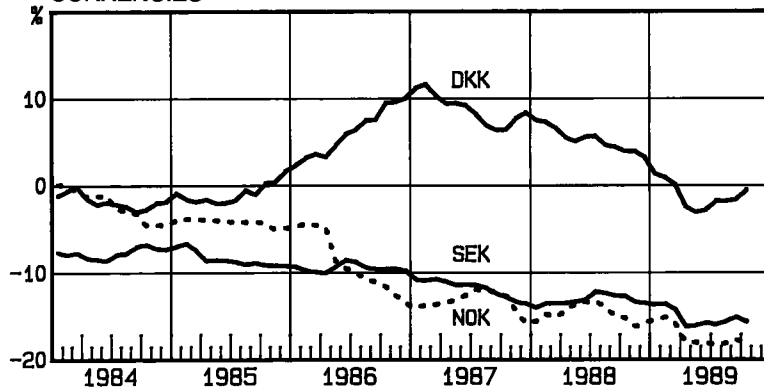
4.5 % and 6.0 % = fluctuation range of the index
Monthly averages

12. BANK OF FINLAND CURRENCY INDEX



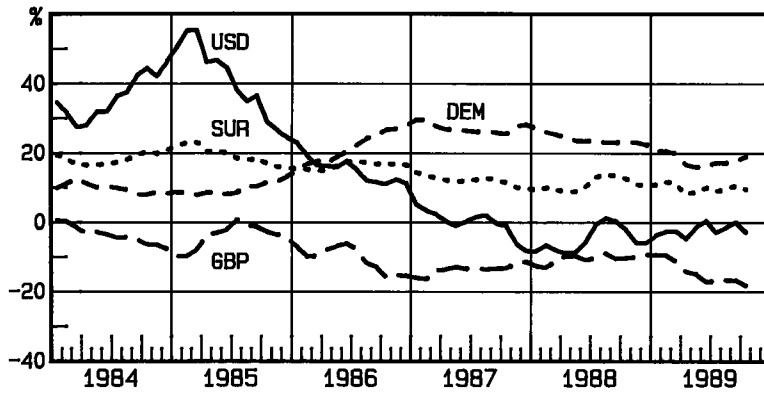
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



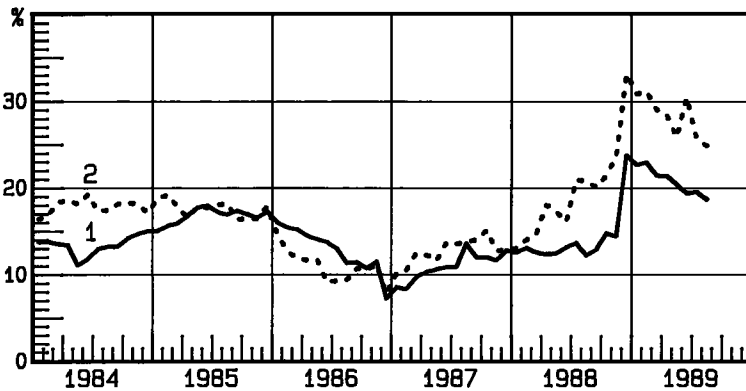
Monthly changes in markka selling rates calculated from the average rates for January 1982

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



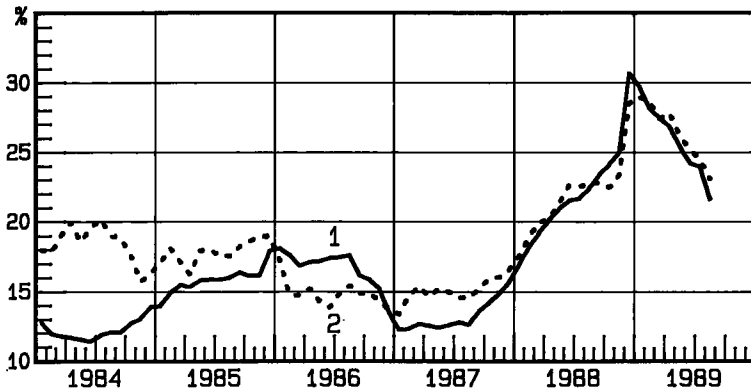
Monthly changes in markka selling rates calculated from the average rates for January 1982

15. BANK DEPOSITS FROM THE PUBLIC



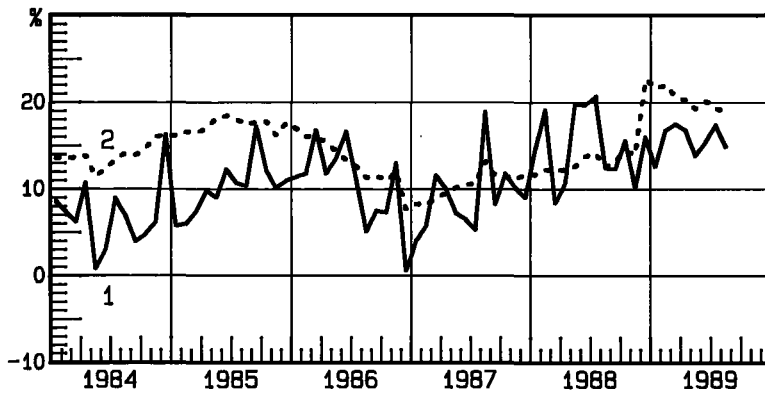
1. Regulated deposits
2. Total deposits
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



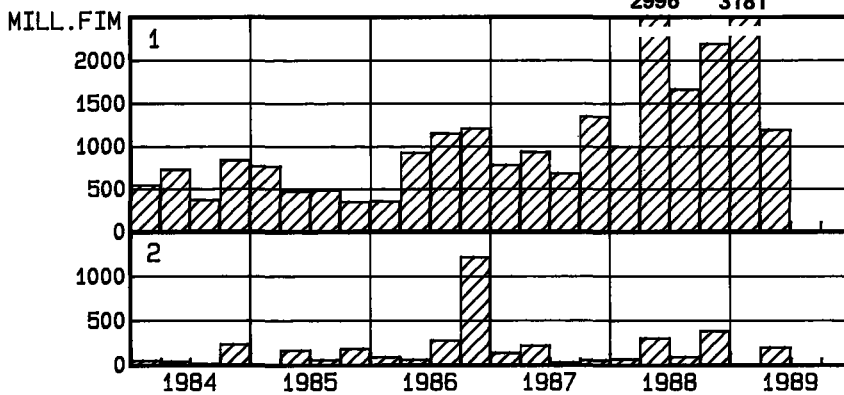
1. Markka lending
2. Total lending
Change from the corresponding month of the previous year, per cent

17. MONEY SUPPLY



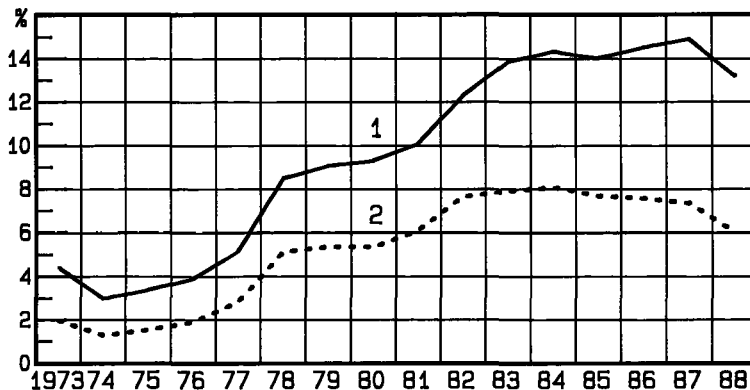
1. Narrow money supply (M1)
 2. Broad money supply (M2)
- Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



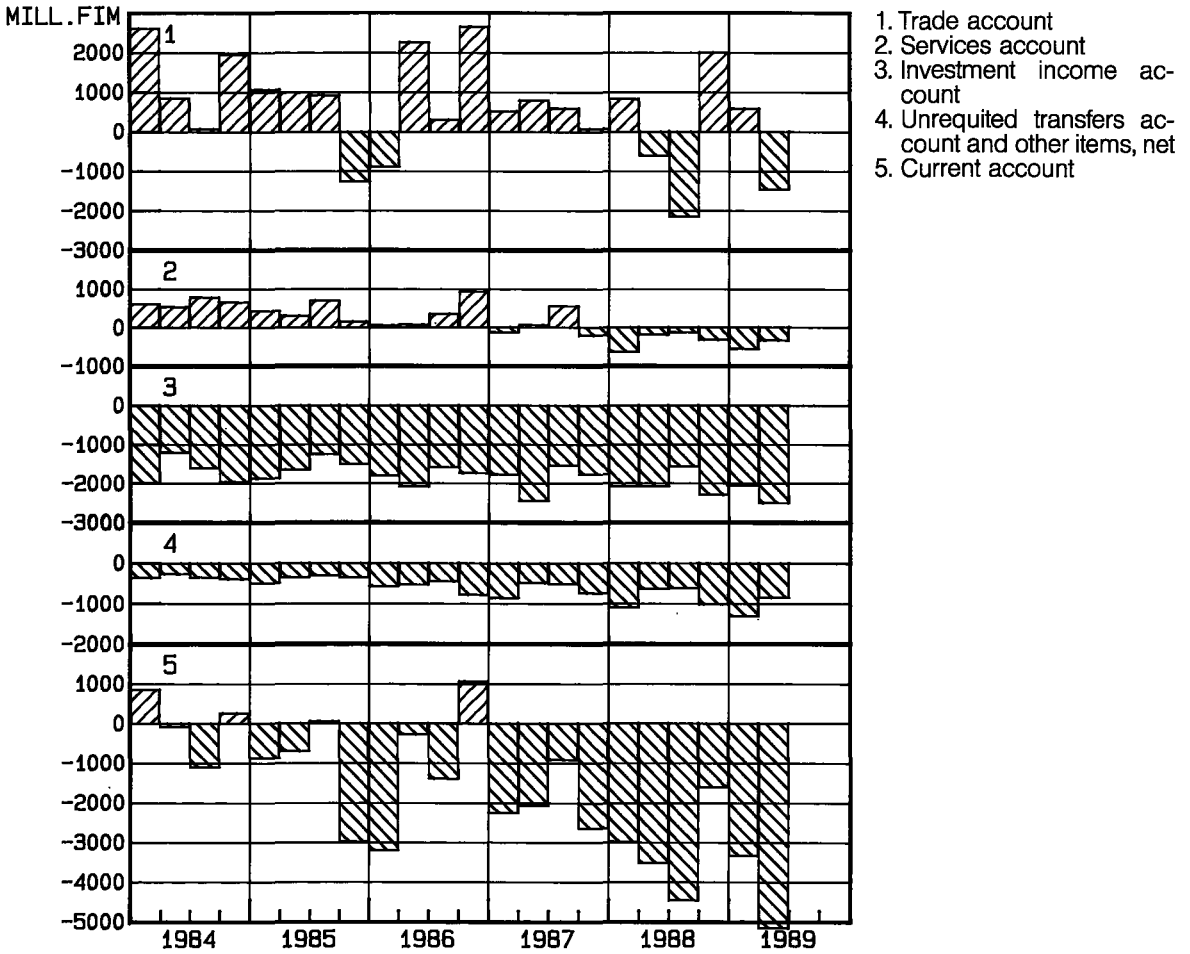
1. Finnish direct investment abroad, net
2. Foreign direct investment in Finland, net

19. CENTRAL GOVERNMENT DEBT

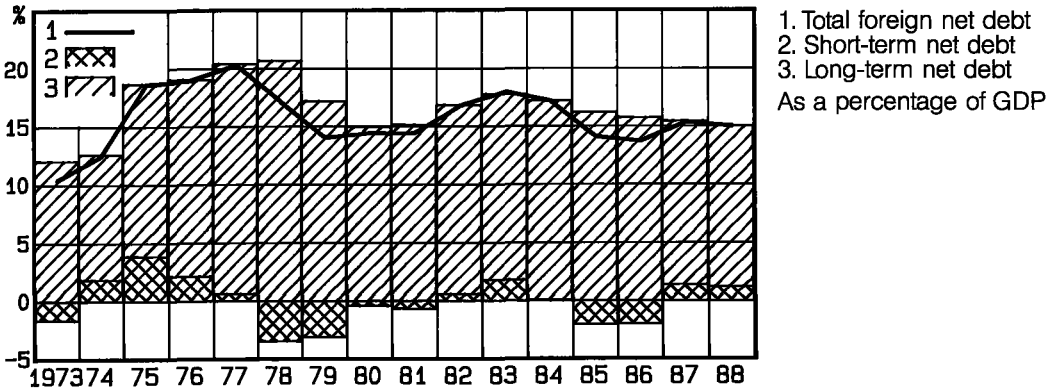


1. Total debt
 2. Of which: foreign debt
- As a percentage of GDP

20. CURRENT ACCOUNT

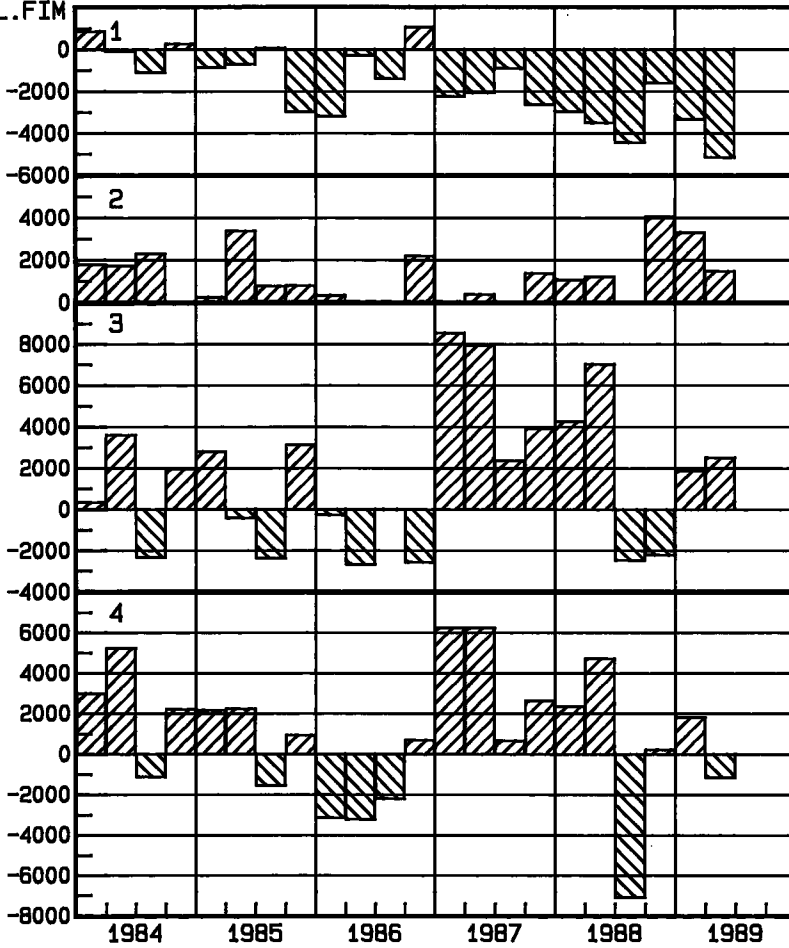


21. FOREIGN DEBT



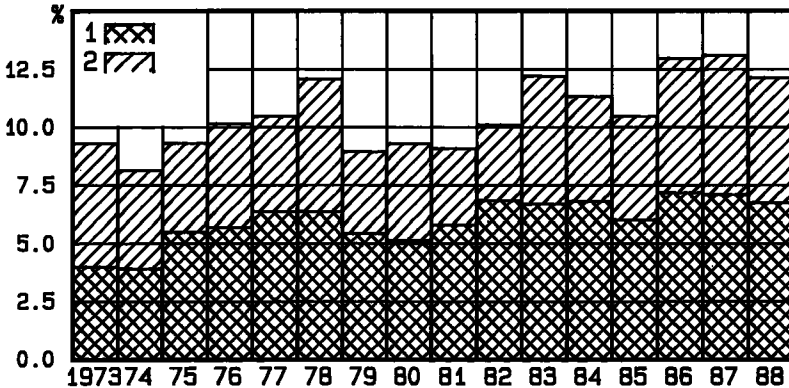
22. BALANCE OF PAYMENTS

MILL. FIM



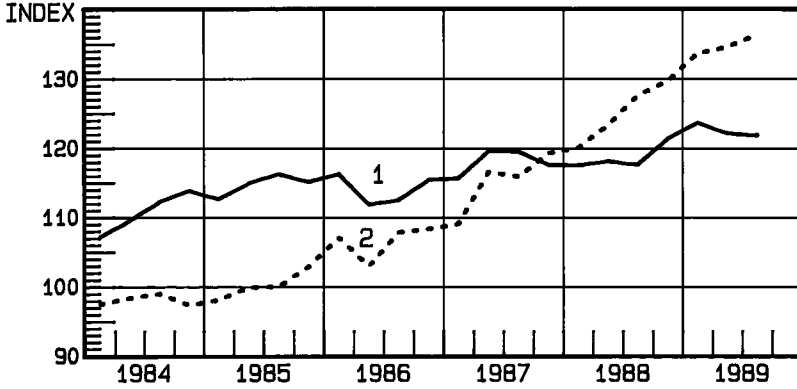
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance = change in the foreign exchange reserves of the Bank of Finland

23. DEBT SERVICE RATIO



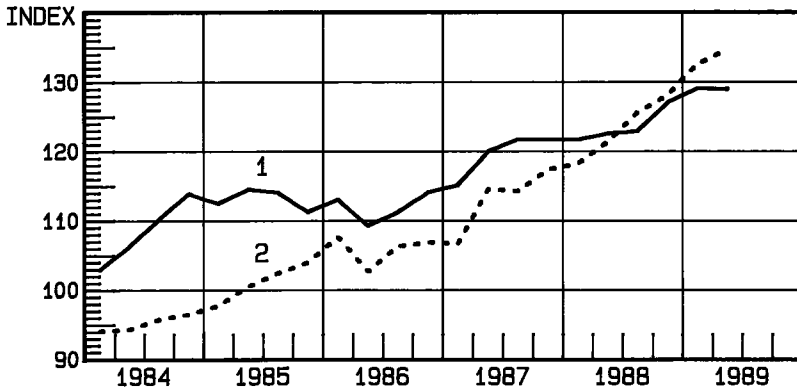
1. Interest payments
 2. Redemptions
- As a percentage of current account earnings

24. FOREIGN TRADE



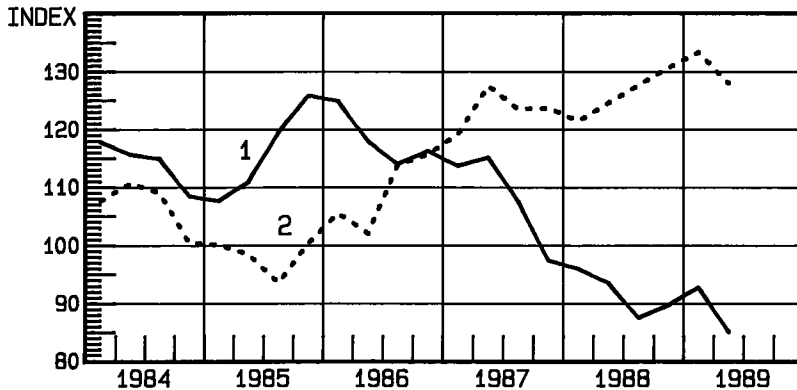
1. Total exports
2. Total imports
Volume index, 1980 = 100,
four-quarter moving average
shown as at the last quarter

25. WESTERN TRADE



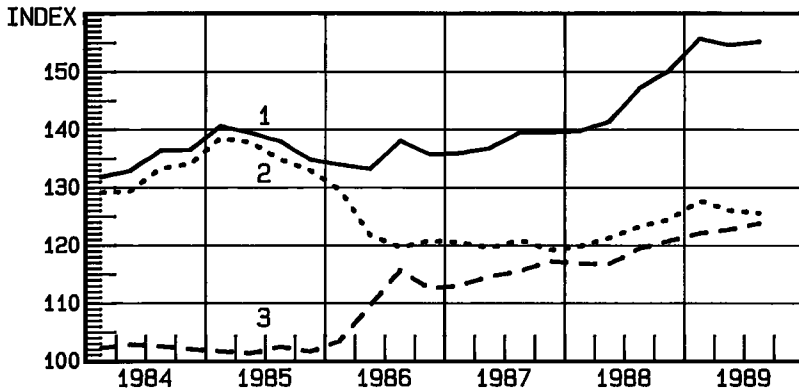
1. Western exports
2. Western imports
Volume index, 1980 = 100,
four-quarter moving average
shown as at the last quarter

26. BILATERAL TRADE



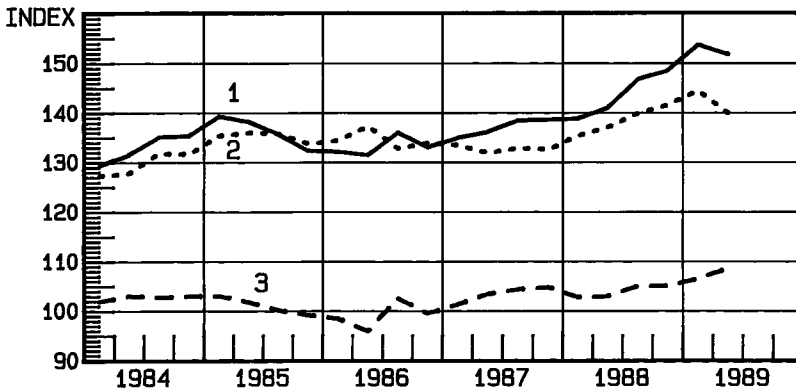
1. Bilateral exports
2. Bilateral imports
Volume index, 1980 = 100,
four-quarter moving average
shown as at the last quarter

27. FOREIGN TRADE: PRICES AND TERMS OF TRADE



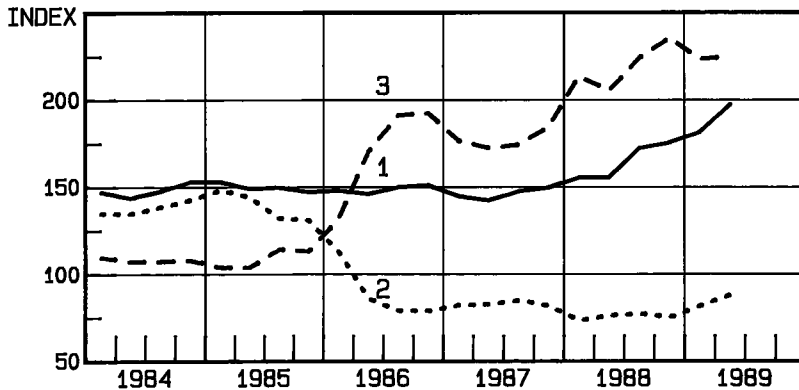
- 1. Unit value index of exports
 - 2. Unit value index of imports
 - 3. Terms of trade
- 1980 = 100

28. WESTERN TRADE: PRICES AND TERMS OF TRADE



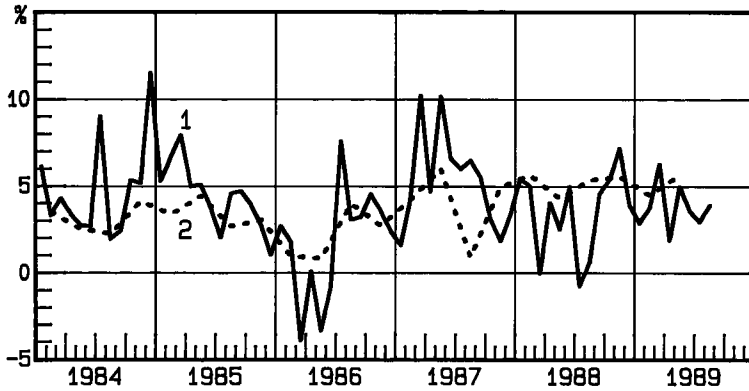
- 1. Unit value index of western exports
 - 2. Unit value index of western imports
 - 3. Terms of trade in western trade
- 1980 = 100

29. BILATERAL TRADE: PRICES AND TERMS OF TRADE



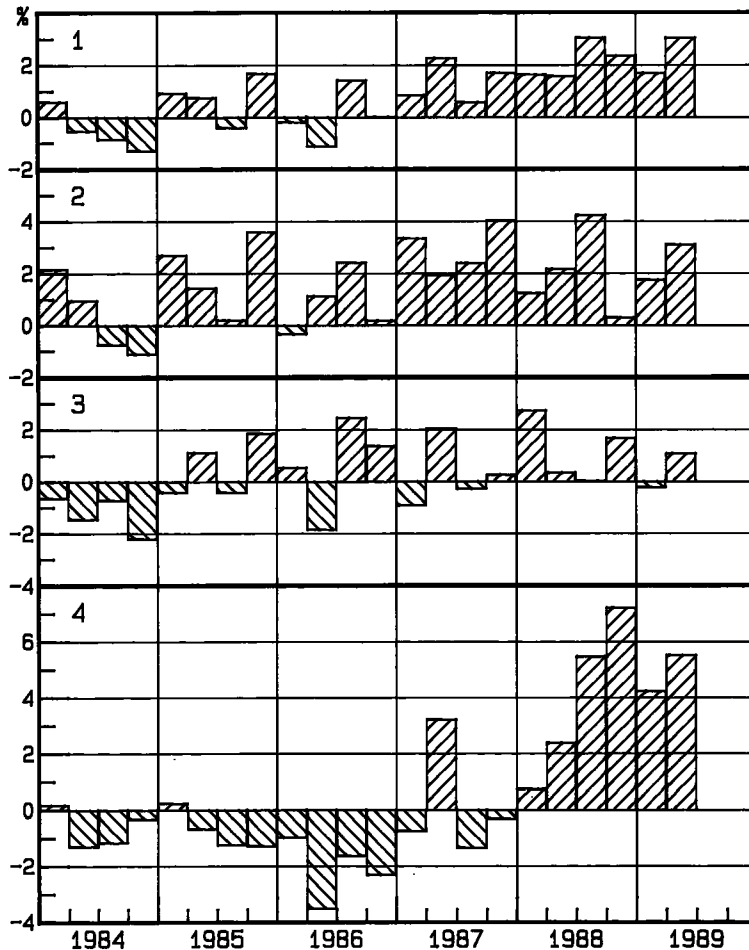
- 1. Unit value index of bilateral exports
 - 2. Unit value index of bilateral imports
 - 3. Terms of trade in bilateral trade
- 1980 = 100

30. PRODUCTION



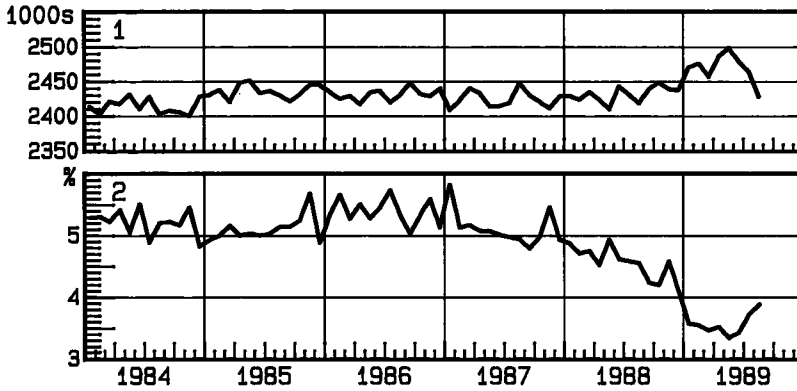
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

31. FIXED INVESTMENT



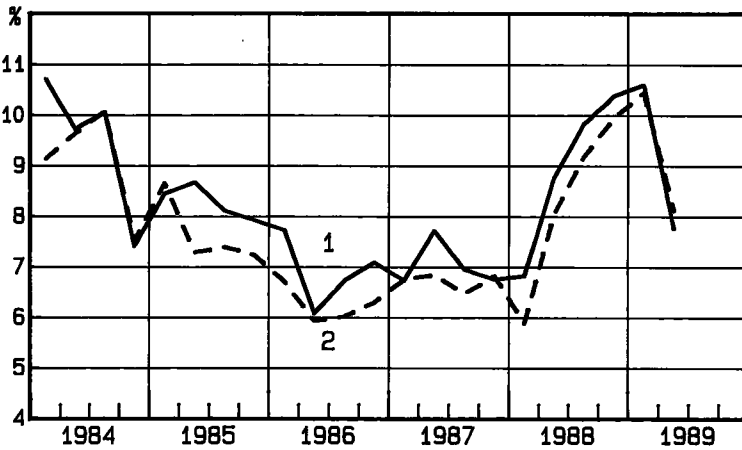
1. Total fixed investment
 2. Investment in machinery and equipment
 3. Building investment, excl. residential buildings
 4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

32. EMPLOYMENT AND THE UNEMPLOYMENT RATE

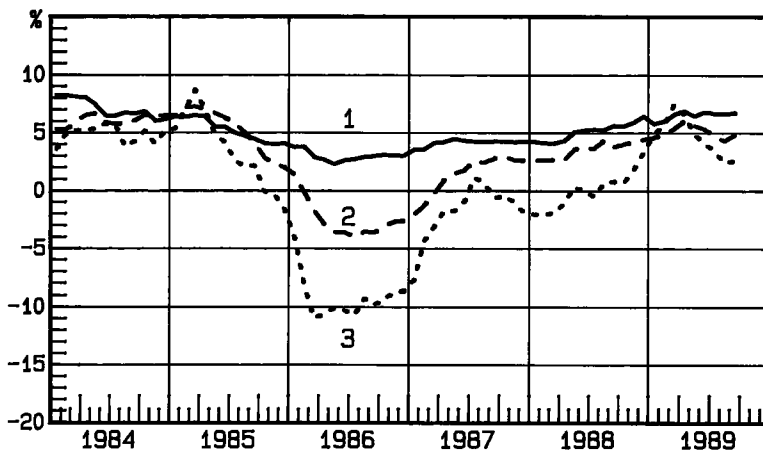


1. Employment, 1000 persons
2. Unemployment rate, per cent

33. PRICES AND WAGES

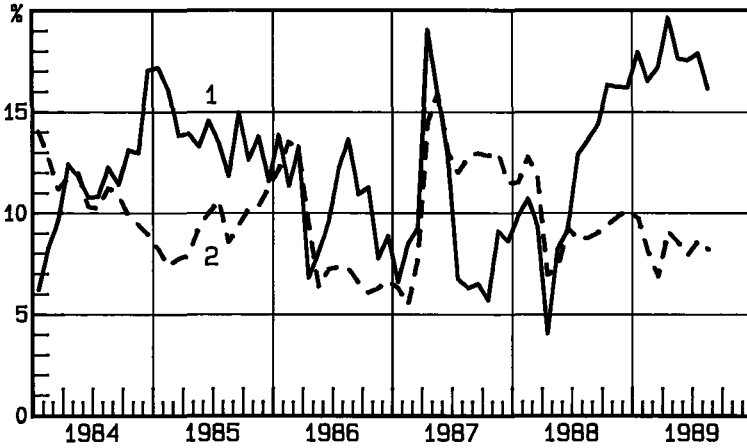


1. Index of wage and salary earnings, all wage and salary earners
 2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



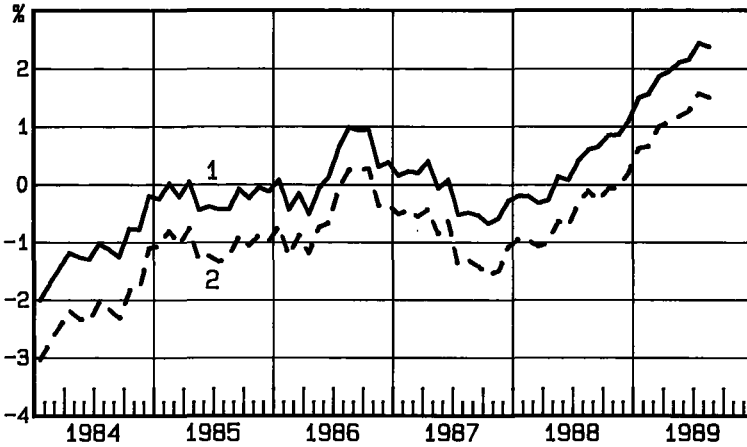
1. Consumer price index
 2. Wholesale price index
 3. Import price index
- Change from the corresponding month of the previous year

34. CENTRAL GOVERNMENT FINANCES



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

Changes calculated from 12-month moving totals and shown as at the last month, per cent



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

12-month moving total shown as at the last month and as a percentage of GDP

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