BANK OF FINLAND

Monthly Bulletin

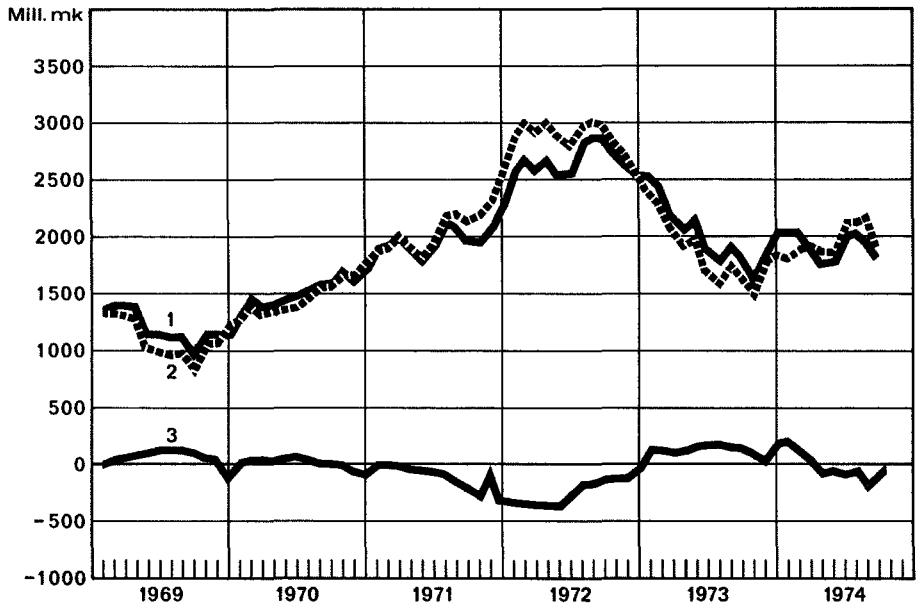
Foreign trade

The principles of water pollution control in Finland up to 1985

NOVEMBER 1974

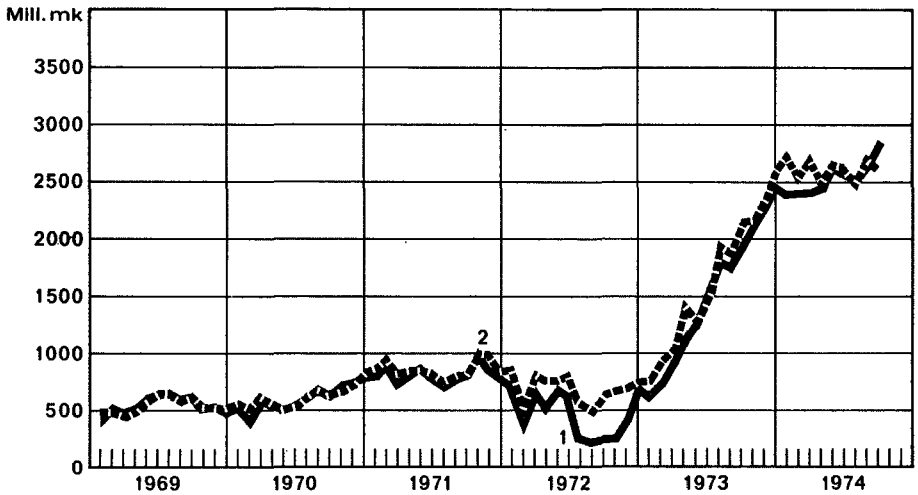
Vol. 48 No. 11

Bank of Finland foreign exchange reserve, 1969–1974



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

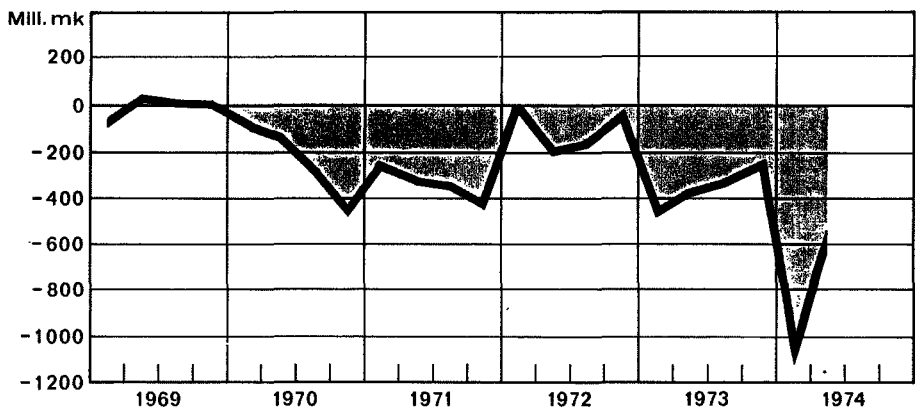
Bank of Finland's position in regard to the banks, 1969–1974



1. Net claims on the banks
2. Discounted and rediscounted bills

Seasonally adjusted end-of-month figures

Balance of payments current account surplus / deficit, 1969–1974



Seasonally adjusted quarterly figures

FOREIGN TRADE

Although the growth of production in the OECD countries most important for Finnish exports nearly came to a halt in the first half of this year, the growth of the volume of Finnish exports was well above its long-term average. The buoyant demand conditions of 1973 have continued into the current year, and the growth of imports has been almost as rapid as last year. As a result of the rise in the price of imported energy and raw materials, Finland's terms of trade have deteriorated, though less than was first feared, and the trade deficit has widened. In the first three quarters of the year, the deficit amounted to 3 800 million marks, which is equivalent to 20 per cent of imports over this period. Nearly half of the deficit originated in bilateral trade, and it will be paid off by increased exports over the next few years. In the coming year the growth of imports is expected to slow down more than the growth of exports, and it is likely that the terms of trade will improve.

EXPORTS

Last year, when demand was strong in international markets, the volume of Finnish exports increased by eight per cent. However, the country's markets grew by even more so that her market shares fell somewhat. Although supply bottlenecks were the main cause of this, there was also some decline in price competitiveness.

In the current year exports have developed quite favourably. Growth has been kept up by the brisk demand for paper in world markets, the buoyancy of the Swedish economy, and increased exports to the Soviet Union in payment for the higher oil bill. During the first eight months of the year, the value of exports rose by 50 per cent compared with the corresponding period of 1973. Four fifths of the increase can be attributed to price rises, which were generated by the high demand for forest industry products. The value of exports of wood products grew by 60 per cent, even though export volume has fallen slightly as a result of the contraction of building activity in Finland's principal markets. Paper industry exports grew by nearly 50 per cent in value terms, with price increases accounting for the bulk of the expansion. Quantitative growth has been highest in the case of metal industry exports, where volume increases accounted for more than half of the 48 per cent rise in value. Exports of other industrial goods have also shown considerable strength. The exports of agricultural commodities have remained largely unchanged.

There will be some slowing down in the export of wood and paper products towards the end of the year. The growth of metal and other manufacturing exports is expected to remain brisk, as a large part of the oil-induced exports fall into this category.

No great changes have taken place in the regional distribution of exports. The share of the EEC and EFTA countries has fallen somewhat and that of CMEA countries grown slightly. The individual countries most important for Finnish exports include the United Kingdom, Sweden, the Soviet Union and the Federal Republic of Germany.

IMPORTS

Brisk economic activity and limited domestic productive capacity led to a substantial increase in imports in 1973. As there has been no marked reduction in demand pressure in the current year, import growth has declined only slightly. Another factor contributing to the growth of imports has been the need to rebuild stocks. However, the rises in energy and raw material prices have been responsible for the bulk of the increase in the value of imports. The full impact of the commodity price boom on imports has only been felt in 1974.

In the January—August period the value of imports increased by nearly 60 per cent. Import

volume rose by about ten per cent, and prices were over 40 per cent higher than last year.

Imports of raw materials and semi-finished products have grown by 56 per cent, with volume increases accounting for about a fourth. Import prices of fuels and lubricants (including crude oil) have trebled. The volume of fuel imports has also increased as stocks have had to be replenished. The investment boom that started in the latter half of 1973 has raised the value of investment good imports by nearly 30 per cent. Of this, more than half is estimated to be due to increases in volume. Imports of consumption goods have grown by only three per cent, and volume of these imports has actually declined. This is partly a consequence of the slower growth in real disposable income, but it also reflects the extensive stockbuilding that took place in the first half of 1973. Speculative buying was subsequently discouraged by the introduction of a cash payment scheme for consumer goods and a temporary import licensing system for some consumer durables. The licensing of imports was effectively made automatic in the spring of this year.

The change in the price of oil has brought about noticeable changes in the regional distribution of imports. As Finland imports roughly two thirds of her oil from the Soviet Union, the value of imports from the Soviet Union now exceeds the value of imports from Sweden and the Federal Republic of Germany. The share of the CMEA countries has consequently increased by about 7 percentage units to 23 per cent. The share of EFTA and EEC members has declined by the same amount. EFTA supplied 23 per cent of Finnish imports and the share of the European Economic Community was 36 per cent.

October 21, 1974

BANK OF FINLAND

Mill. mk

	1973		1974			
	Oct. 31	Dec. 31	Oct. 8	Oct. 15	Oct. 23	Oct. 31
Assets						
Gold and other foreign assets	2 099	2 493	2 299	2 293	2 300	2 347
Gold	205	121	121	121	121	121
Special drawing rights	285	285	286	286	286	286
IMF gold tranche	268	268	268	268	268	268
Foreign exchange	1 103	1 546	1 249	1 240	1 245	1 280
Foreign bills	100	96	188	191	193	205
Foreign bonds	138	177	187	187	187	187
Claims on domestic banks	2 417	2 617	3 096	3 073	3 380	3 127
Discounted bills	2 363	2 556	2 870	2 855	3 178	2 985
Rediscounted bills	—	—	—	—	—	—
Cheque accounts	54	61	226	218	202	142
Other lending	352	362	396	397	408	412
Inland bills discounted						
In foreign currency	—	—	—	—	—	—
In Finnish marks	57	58	105	107	115	121
Loans	295	304	291	290	293	291
Other assets	805	598	632	632	622	628
Finnish bonds	232	33	57	57	47	52
Finnish coin	36	25	33	33	33	33
Currency subscription to Finland's quota in the IMF	530	530	530	530	530	530
Other claims	7	10	12	12	12	13
Total	5 673	6 070	6 423	6 395	6 710	6 514
Liabilities						
Notes in circulation	1 683	1 907	1 982	2 018	1 961	2 019
Liabilities payable on demand	557	178	226	251	326	341
Foreign exchange accounts	117	80	120	152	223	235
Mark accounts of holders abroad	52	67	79	79	78	77
Cheque accounts						
Treasury	49	2	4	0	2	2
Post Office Bank	320	2	3	0	2	2
Private banks	—	—	—	—	—	—
Other	2	8	3	3	3	7
Other sight liabilities	17	19	17	17	18	18
Term liabilities	1 712	2 214	2 279	2 184	2 472	2 223
Foreign	—	—	—	—	—	—
Domestic	1 712	2 214	2 279	2 184	2 472	2 223
IMF mark accounts	530	530	530	530	530	530
Allocations of special drawing rights	258	258	258	258	258	258
Equalization accounts	171	171	298	301	306	283
Bank's own funds	762	812	850	853	857	860
Capital	600	600	600	600	600	600
Reserve fund	114	114	163	163	163	163
Profits undisposed	—	—	—	—	—	—
Earnings less expenses (Dec. 31, Net profit)	48	98	87	90	94	97
Total	5 673	6 070	6 423	6 395	6 710	6 514

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1—2)	Other foreign assets	Other foreign liabilities	**Net foreign assets (3 + 4—5)**	Cheque account	Term liabilities, net	**Net liabilities to the Treasury (7+8)[1]**
	1	2	3	4	5	6	7	8	9
1967	701	75	626	98	354	370	4	7	11
1968	1 353	62	1 291	125	34	1 382	3	354	357
1969	1 268	92	1 176	517	360	1 333	4	196	200
1970	1 844	106	1 738	639	518	1 859	2	119	121
1971	2 620	327	2 293	686	530	2 449	2	138	140
1972	2 685	121	2 564	757	530	2 791	1	48	49
1973	2 220	147	2 073	803	530	2 346	2	532	534
1973									
Sept.	2 020	176	1 844	763	530	2 077	50	31	81
Oct.	1 861	169	1 692	768	530	1 930	49	30	79
Nov.	2 060	170	1 890	798	606	2 082	50	530	580
Dec.	2 220	147	2 073	803	530	2 346	2	532	534
1974									
Jan.	2 207	147	2 060	808	530	2 338	1	533	534
Feb.	2 214	143	2 071	817	530	2 358	3	530	533
March	2 104	168	1 936	831	530	2 237	49	529	578
April	1 986	196	1 790	855	530	2 115	51	528	579
May	2 005	203	1 802	874	530	2 146	5	528	533
June	2 231	197	2 034	888	530	2 392	1	527	528
July	2 251	189	2 062	888	530	2 420	48	527	575
Aug.	2 285	305	1 980	889	530	2 339	4	526	530
Sept.	2 008	176	1 832	899	530	2 201	43	521	564
Oct.	1 955	312	1 643	922	530	2 035	2	519	521

[1] New series, see explanations on page 18.

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1973			Net holdings, August 31, 1974			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	August	Jan.-August
Gold	121	—	121	121	—	121	—	—
Special drawing rights	285	—	285	286	—	286	—	+ 1
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 189	165	1 354	1 525	—106	1 419	—114	+ 65
Other currencies	210	2	212	—220	— 39	—259	—132	—471
Total	2 073	167	2 240	1 980	—145	1 835	—246	—405

BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks					Other				Deposit certificates [3]	Notes in circulation
	Discounted and rediscounted bills	Cheque accounts [1]	Liabilities, Cheque accounts: Private banks [2]	Liabilities, Cheque accounts: Posti pankki [2]	**Net claims on the banks (1+2—3—4)**	Inland bills in Finnish marks	Other advances	Liabilities	**Net claims on the rest of economy (6 + 7—8) [3]**		
	1	2	3	4	5	6	7	8	9	10	11
1967	868	—	155	35	678	197	383	56	524	—	1 052
1968	618	107	163	16	546	186	195	43	338	—	1 160
1969	550	87	93	12	532	192	269	25	436	—	1 298
1970	836	3	1	4	834	137	246	324	59	203	1 344
1971	849	—	9	2	838	121	234	385	—30	400	1 479
1972	753	5	—	2	756	44	277	73	248	790	1 730
1973	2 556	61	—	2	2 615	58	314	259	113	1 450	1 907
1973											
Sept.	2 221	22	—	199	2 044	54	296	309	41	1 400	1 773
Oct.	2 363	54	—	320	2 097	57	302	301	58	1 400	1 683
Nov.	2 623	50	—	67	2 606	60	302	260	102	1 400	1 790
Dec.	2 556	61	—	2	2 615	58	314	259	113	1 450	1 907
1974											
Jan.	2 146	129	—	1	2 274	64	303	237	130	1 310	1 706
Feb.	2 227	113	—	4	2 336	64	304	229	139	1 380	1 744
March	2 530	103	—	78	2 555	72	296	230	138	1 450	1 792
April	2 677	156	—	80	2 753	79	293	244	128	1 450	1 806
May	2 719	93	—	3	2 809	81	289	230	140	1 490	1 907
June	2 794	127	—	3	2 918	81	297	221	157	1 600	2 134
July	2 688	158	—	43	2 803	84	305	213	176	1 600	1 970
Aug.	2 538	122	—	3	2 657	98	302	203	197	1 360	2 042
Sept.	2 703	249	—	9	2 943	114	301	181	234	1 390	2 060
Oct.	2 985	142	—	2	3 125	121	304	219	206	1 510	2 019

[1] Including special index accounts
[2] Including cash reserve accounts
[3] New series, see explanations on page 18.

SELLING RATES FOR FOREIGN EXCHANGE

Mk

October 17, 1974

New York [1]	1 $	3.783	Frankfurt o. M.	100 DM	147.70	Vienna	100 S	20.60
Montreal	1 $	3.855	Amsterdam	100 Fl	143.40	Lisbon	100 Esc	14.95
London	1 $	8.842	Brussels [2]	100 Fr		Madrid	100 Pta	6.62
Stockholm	100 Kr	87.30	Zurich	100 Fr	131.20	Tokyo	100 Y	1.280
Oslo	100 Kr	68.90	Paris	100 FF	80.10	Reykjavik	100 Kr	3.23
Copenhagen	100 Kr	63.30	Rome	100 Lit	0.5700	Moscow [3]	1 Rbl	4.995

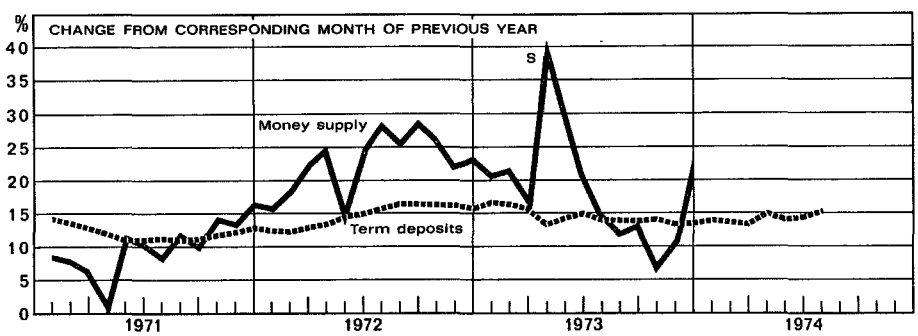
[1] As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.
[2] 9.850 commercial rate: 9.790 financial rate.
[3] Clearing account: also Bucharest.

DEPOSITS BY THE PUBLIC

Mill. mk

End of year and month	Sight deposits			Term deposits						Total (2 + 3 + 9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Postipankki	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970	1 142.7	1 507.7	603.3	6 098.7	4 846.9	3 458.4	1 287.6	574.2	16 265.8	18 376.8
1971	1 343.2	1 733.5	754.4	6 961.4	5 446.4	3 876.6	1 491.4	642.3	18 418.1	20 906.0
1972	1 851.2	2 371.4	979.2	8 095.8	6 231.8	4 499.8	1 805.6	720.0	21 353.0	24 703.6
1973*	2 153.3	2 900.5	1 360.2	8 973.8	7 117.1	5 238.7	2 158.7	804.9	24 293.2	28 553.9
1973*										
July	1 754.2	2 236.8	1 041.5	8 326.0	6 506.9	4 735.7	1 950.5	757.7	22 276.8	25 555.1
Aug.	1 677.3	2 192.3	1 025.7	8 401.2	6 610.8	4 831.8	1 874.3	763.4	22 581.5	25 799.5
Sept.	1 630.7	2 155.5	1 098.0	8 442.8	6 689.7	4 924.3	1 994.5	783.9	22 835.2	26 088.7
Oct.	1 690.5	2 234.4	932.0	8 524.6	6 756.3	5 013.2	2 017.6	783.2	23 094.9	26 261.3
Nov.	1 681.9	2 221.5	989.1	8 508.2	6 833.8	5 113.1	2 052.0	785.2	23 292.3	26 502.9
Dec.	2 153.3	2 900.5	1 360.2	8 973.8	7 117.1	5 238.7	2 158.7	804.9	24 293.2	28 553.9
1974[1]										
Jan.	1 896.2	2 478.1	1 272.5	9 113.6	7 227.8	5 377.5	2 207.4	814.2	24 740.5	28 491.1
Feb.	1 851.4	2 431.8	1 373.6	9 162.3	7 272.2	5 445.5	2 230.9	825.6	24 936.5	28 741.9
March	1 806.1	2 379.5	1 253.4	9 078.6	7 271.1	5 449.4	2 266.3	831.7	24 897.1	28 530.0
April	1 839.1	2 482.1	1 229.2	9 081.0	7 272.6	5 510.5	2 268.9	833.3	24 966.3	28 677.6
May	2 007.4	2 641.1	1 179.0	9 158.2	7 378.6	5 598.5	2 286.7	839.3	25 261.3	29 081.4
June	1 992.3	2 627.9	1 231.6	9 205.1	7 484.0	5 631.6	2 334.9	847.2	25 502.8	29 362.3
July	2 155.1	2 817.9	1 267.3	9 244.4	7 565.9	5 725.8	2 365.5	854.4	25 756.0	29 841.2

[1] New series, see explanations on page 18.

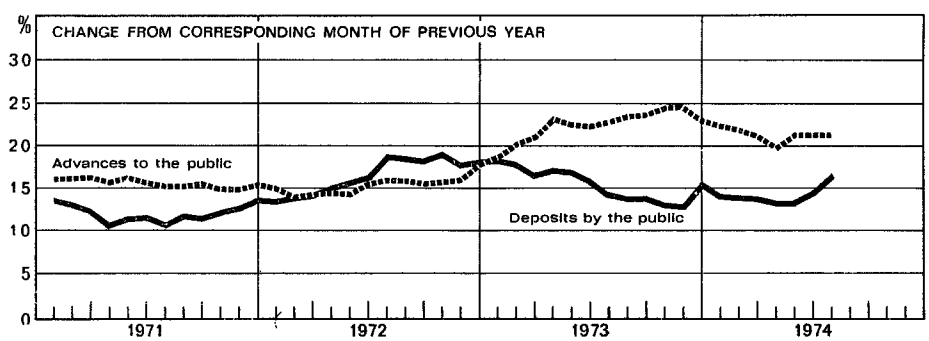


ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances		**Total (1 to 5) (6 and 7)**	Money Supply
	Commercial banks	Savings banks	Co-op. banks	Postipankki	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1967	5 558.9	3 247.7	2 424.3	864.9	1 026.9	12 583.8	538.9	13 122.7	2 146
1968	5 865.5	3 448.4	2 600.5	927.9	1 053.0	13 392.0	503.3	13 895.3	2 642
1969	6 892.2	3 802.8	2 922.1	1 039.8	1 290.4	15 354.4	592.9	15 947.3	3 126
1970	7 963.5	4 342.1	3 403.8	1 341.9	1 454.0	17 814.9	690.4	18 505.3	3 445
1971	9 233.7	4 795.6	3 834.0	1 746.6	1 799.1	20 639.8	769.2	21 409.0	4 025
1972	10 667.3	5 503.0	4 482.6	2 244.8	2 374.4	24 472.6	799.5	25 272.1	4 959
1973*	13 293.1	6 495.5	5 302.5	3 398.6	2 696.4	30 214.3	971.8	31 186.1	6 114
1973*									
July	12 238.0	6 005.7	4 833.9	2 854.6	2 547.8	27 520.2	959.8	28 480.0	4 883
Aug.	12 419.3	6 096.5	4 908.2	2 915.1	2 565.5	27 928.1	976.5	28 904.6	4 791
Sept.	12 702.8	6 202.6	5 009.5	3 023.8	2 573.6	28 451.7	1 060.6	29 512.3	5 004
Oct.	12 968.1	6 320.2	5 116.5	3 173.2	2 592.9	29 142.5	1 028.4	30 170.9	4 749
Nov.	13 162.8	6 414.2	5 209.2	3 284.9	2 629.6	29 677.4	1 023.3	30 700.7	4 906
Dec.	13 293.1	6 495.5	5 302.5	3 398.6	2 696.4	30 214.3	971.8	31 186.1	6 114
1974 [1]									
Jan.	13 386.6	6 609.8	5 361.4	3 570.9	2 741.2	30 656.7	1 013.2	31 669.9	..
Feb.	13 446.8	6 697.9	5 444.2	3 664 7	2 770.1	31 007.0	1 016.7	32 023.7	..
March	13 595.2	6 771.6	5 514.6	3 740.9	2 827.4	31 379.4	1 070.3	32 449.7	..
April	13 829.9	6 844.2	5 574.4	3 890.5	2 847.7	31 914.6	1 072.1	32 986.7	..
May	14 110.7	6 935.2	5 670.5	4 016.1	2 920.3	32 536.8	1 116.0	33 652.8	..
June	14 292.8	7 014.9	5 749.7	4 164.3	2 980.7	33 083.6	1 118.8	34 202.4	..
July	14 349.5	7 091.4	5 839.7	4 334.5	3 021.2	33 533.7	1 102.6	34 636.3	..

[1] New series, see explanations on page 18.



STATE FINANCES

Mill. mk

Revenue	Jan.—Aug. 1973	Jan.—Aug. 1974
Income and property tax (net)	3 851	5 252
Gross receipts	(7 774)	(10 177)
Refunds & local authorities	(—3 923)	(—4 925)
Other taxes on income and property	78	99
Employers' child allowance payments	334	417
Sales tax	2 731	3 400
Revenue from Alcohol Monopoly	650	744
Customs duties & import charges	374	325
Counter-cyclical tax	—	—
Excise duty on tobacco	316	375
» » on liquid fuel	544	508
Other excise duties	266	286
Tax on autom. and motor cycles	459	288
Stamp duties	228	269
Special diesel etc. vehicles tax	39	44
Other taxes and similar revenue [1]	237	258
Total taxes	10 107	12 265
Miscellaneous revenue	580	657
Interest, dividents etc.	229	313
Sales and depreciation of property	2	3
Redemptions of loans granted	150	165
Total revenue	11 068	13 403
Foreign borrowing	11	8
Domestic borrowing	190	192
Total borrowing	201	200
Deficit (+) or surplus (—)	1 079	—845
Total	10 190	12 758

Expenditure	Jan.—Aug. 1973	Jan.—Aug. 1974
Wages, salaries, pensions etc.	1 747	2 169
Repair and maintenance	230	341
Other consumption expenditure	751	956
Total consumption expenditure	2 728	3 466
State aid to local authorities	1 567	2 164
State aid to industries	1 021	1 715
of which: agric. price subsidies	(684)	(1 174)
Child allowances	219	283
Share in national pensions and health insurance	156	151
Other transfer expenditure	1 232	1 507
Total transfer expenditure	4 195	5 820
Machinery and equipment	336	462
House construction	207	256
Land and waterway construction	674	711
Total real investment	1 217	1 429
Interest on State debt	196	161
Index compensations	20	27
Net deficit of State enterprises	113	90
Other expenditure	11	14
Total other expenditure	340	292
Increase in inventories	—21	—7
Lending	852	921
Other financial investment	192	343
Total expenditure	9 503	12 264
Redemption of foreign loans	115	139
Redemption of domestic loans	572	355
Total redemptions	687	494
Total	10 190	12 758

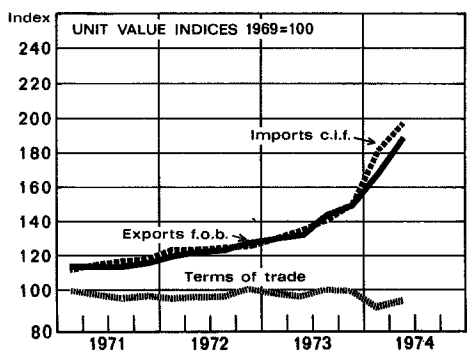
[1] Including supplementary turnover tax and import-equalization tax from June 1971.

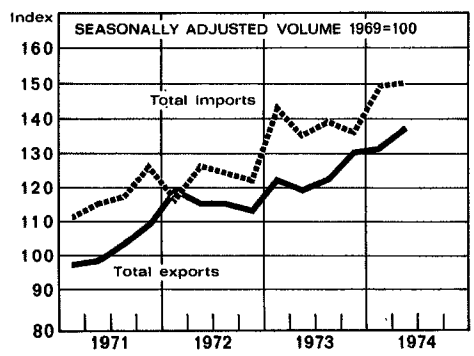
State debt	1971 Dec.	1972 Dec.	1973 Dec.	1974 July	1974 Aug.	1974 Sept
Foreign debt	1 524	1 517	1 395	1 259	1 263	1 262
Loans	2 467	2 268	1 758	1 583	1 595	1 592
Compensatory obligations	2	2	1	1	1	1
Short-term credit	61	56	39	38	37	..
Cash debt (net)	—528	—488	—468	—534	—423	..
Domestic debt	2 002	1 838	1 330	1 088	1 210	..
Total State debt	3 526	3 355	2 725	2 347	2 473	..
Total debt, mill $	849	804	710	635	659	..

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (—)
1970	9 687	11 071	—1 384
1971	9 897	11 734	—1 837
1972	12 082	13 107	—1 025
1973	14 605	16 601	—1 996
1973			
Sept.	1 366	1 482	— 116
Oct.	1 538	1 689	— 151
Nov.	1 558	1 623	— 65
Dec.	1 331	1 462	— 131
1974*			
Jan.	1 540	1 950	— 410
Feb.	1 471	1 886	— 415
March	1 599	1 865	— 266
April	1 779	2 128	— 349
May	1 848	2 273	— 425
June	1 555	1 814	— 259
July	1 799	2 158	— 359
Aug.	1 550	2 252	— 702
Jan.-Aug.			
1973*	8 812	10.345	—1 533
1974*	13 141	16 326	—3 185

[1] New series, see explanations on page 18.

Period	Indices of exports and imports 1969 = 100 [1]				
	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
1970	107	121	108	108	100
1971	103	119	115	116	99
1972	118	124	123	125	98
1973*	127	141	138	139	99
1972					
Jan.-Mar.	114	112	121	125	97
Apr.-June	112	124	123	125	98
July-Sept.	116	120	124	126	98
Oct.-Dec.	123	136	129	127	102
1973					
Jan.-Mar.	120	140	131	131	100
Apr.-June	115	133	133	136	98
July-Sept.	122	136	145	141	103
Oct.-Dec.	140	149	151	150	101
1974					
Jan.-Mar.	131	147	169	182	93
Apr.-June	131	147	190	198	96



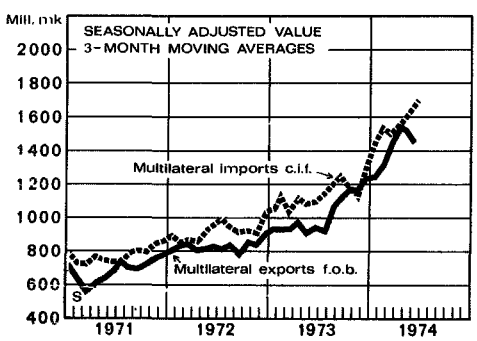


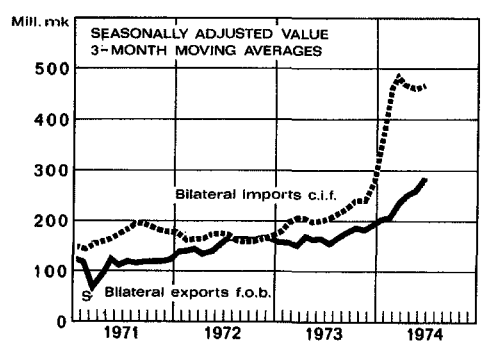
FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agricultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1970	286	1 536	3 883	1 828	2 154	6 891	422	1 949	1 750	59
1971	313	1 643	3 797	1 764	2 380	7 037	570	2 333	1 746	48
1972	346	1 809	4 376	2 547	3 004	7 842	609	2 354	2 250	52
1973	432	2 458	5 266	2 921	3 528	9 916	729	2 921	2 968	67
1973*										
Sept.	27	260	494	246	339	918	80	229	255	0
Oct.	24	283	537	302	392	984	87	345	270	3
Nov.	21	282	524	376	355	1 046	98	243	230	6
Dec.	72	227	454	243	335	907	104	236	215	0
1974*										
Jan.	89	249	513	378	311	1 252	172	292	233	1
Feb.	21	249	540	316	345	1 195	199	244	247	1
March	94	229	605	258	413	1 173	170	262	260	0
April	22	291	671	351	444	1 372	146	325	276	9
May	47	314	595	414	478	1 498	138	313	320	4
June	10	262	557	340	386	1 246	119	236	210	3
July	18	302	656	456	367	1 346	146	422	243	1
Aug.	25	339	673	167	346	1 524	169	291	266	2
Jan.-Aug.										
1973*	288	1 406	3 257	1 754	2 107	6 061	360	1 868	1 998	58
1974*	326	2 235	4 810	2 680	3 090	10 606	1 259	2 385	2 055	21

New series.



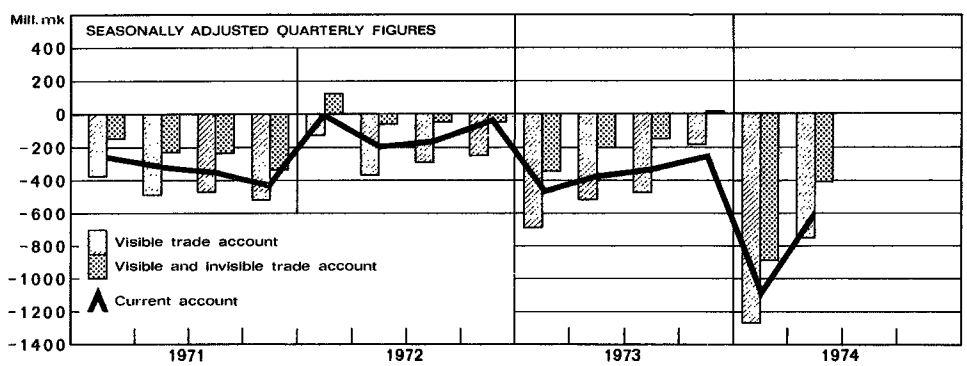


FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b. January—August				Imports, c.i.f. January—August			
	1973*		1974*		1973*		1974*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	71.4	6 293	70.4	9 251	73.8	7 637	64.5	10 533
Austria	1.1	99	0.9	119	1.7	176	1.4	225
Belgium-Luxembourg	1.8	160	2.2	287	2.3	235	2.0	321
Denmark	4.4	382	3.9	509	3.5	363	3.2	529
France	4.2	367	4.4	581	3.5	359	3.1	506
Federal Republic of Germany	10.9	962	8.5	1 117	19.0	1 964	15.1	2 462
Italy	1.7	151	1.9	246	1.9	199	1.5	243
Netherlands	4.0	351	3.6	479	3.4	353	3.7	601
Norway	3.7	327	2.7	351	2.6	267	2.9	476
Portugal	0.4	33	0.4	50	0.8	87	0.7	121
Spain	1.1	97	1.3	171	0.6	67	0.4	73
Sweden	14.9	1 315	16.4	2 158	19.0	1 971	17.8	2 913
Switzerland	2.1	187	1.7	227	3.3	339	3.2	515
United Kingdom	19.5	1 720	20.6	2 701	11.6	1 196	9.3	1 514
Other	1.6	142	1.9	255	0.6	61	0.2	34
OECD countries outside Europe	6.7	593	6.6	870	7.9	817	8.7	1 423
Canada	0.6	51	0.7	96	0.3	28	0.4	59
Japan	0.6	58	1.0	136	2.4	254	1.3	220
United States	4.7	413	4.0	528	5.1	524	7.0	1 139
Other	0.8	71	0.9	110	0.1	11	0.0	5
CMEA countries	13.8	1 217	14.4	1 889	14.8	1 531	22.9	3 733
Czechoslovakia	0.4	33	0.4	52	0.6	56	0.4	57
Democratic Republic of Germany	0.5	50	0.5	67	0.5	52	0.5	81
Poland	1.0	85	0.8	109	1.2	128	2.0	324
Soviet Union	11.1	980	12.1	1 586	11.5	1 191	18.6	3 041
Other	0.8	69	0.6	75	1.0	104	1.4	230
Latin America	2.1	186	2.3	303	1.4	147	1.8	287
Argentina	0.4	37	0.5	73	0.0	4	0.1	11
Brazil	0.7	63	1.0	127	0.5	48	0.4	58
Colombia	0.1	11	0.1	16	0.4	47	0.5	88
Other	0.9	75	0.7	87	0.5	48	0.8	130
Other	6.0	523	6.3	828	2.1	213	2.1	350
GRAND TOTAL	100.0	8 812	100.0	13 141	100.0	10 345	100.0	16 326
of which								
EFTA countries	22.5	1 982	22.3	2 936	27.7	2 861	26.1	4 263
EEC countries	47.2	4 158	46.1	6 064	45.4	4 697	37.9	6 184
OECD countries	78.1	6 886	77.0	10 121	81.7	8 454	73.2	11 956

Period	Visible exports f.o.b.	Visible imports c.i.f.	**Visible trade account**	Transport, net	Travel, net	Other services, net	**Visible and invisible trade account**	Investment income, net	Transfer payments, net	**Current account**
1971	9 845	11 762	—1 917	+660	+247	+66	—944	—477	— 1	—1 422
1972	12 012	13 087	—1 075	+731	+335	+72	+ 63	—586	+43	— 480
1973*	14 525	16 561	—2 036	+996	+341	+29	—670	—753	—57	—1 480
Jan.-March										
1971 r	2 168	2 536	— 368	+208	— 13	+19	—154	—135	— 1	— 290
1972	2 870	2 960	— 90	+217	+ 3	+ 1	+131	—142	—22	— 33
1973*	3 301	3 868	— 567	+257	— 5	+28	—287	—139	—14	— 440
1974*	4 589	5 663	—1 074	+281	+ 10	+28	—755	—233	—25	—1 013
Apr.-June										
1971 r	2 291	2 797	— 506	+141	+ 47	+21	—297	—118	— 1	— 416
1972	2 856	3 298	— 442	+162	+ 57	+46	—177	—155	— 8	— 340
1973*	3 182	3 842	— 660	+215	+ 48	+17	—380	—190	—22	— 592
1974*	5 160	6 224	—1 064	+199	+ 74	+72	—719	—239	—12	— 970
July-Sept.										
1971 r	2 501	2 864	— 363	+159	+166	+16	— 22	—119	— 4	— 145
1972	2 978	3 195	— 217	+170	+191	+19	+163	—140	+20	+ 43
1973*	3 638	4 086	— 448	+268	+240	+10	+ 70	—173	— 9	— 112
Oct.-Dec.										
1971 r	2 885	3 565	— 680	+152	+ 47	+10	—471	—105	+ 5	— 571
1972	3 308	3 634	— 326	+182	+ 84	+ 6	— 54	—149	+53	— 150
1973*	4 404	4 765	— 361	+256	+ 58	—26	— 73	—251	—12	— 336



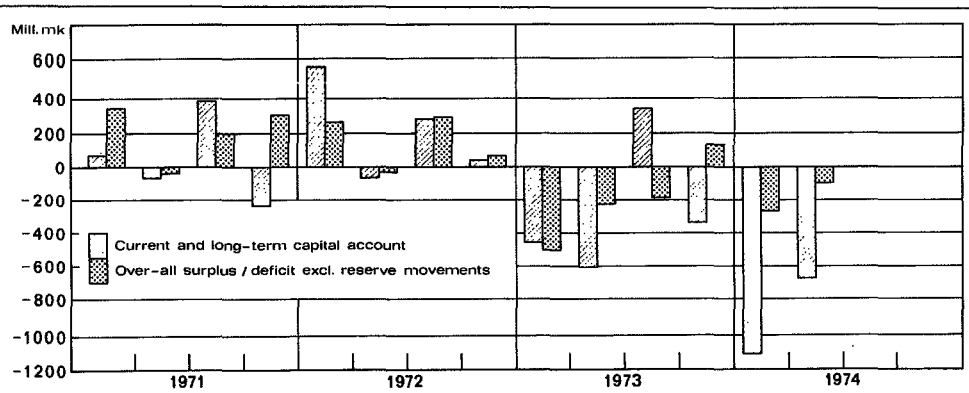
Mill. mk

Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net [1]	**Long-term capital account**	**Current and long-term capital account**	Short-term import credits and prepayments, net	Short-term export credits and prepayments, net	Miscellaneous short-term capital items incl. errors and omissions	**Over-all surplus/deficit excl. reserve movements**	Reserve movements: Bank of Finland	Reserve movements: Other foreign exchange holders
+2 730	— 855	—208	— 85	+1 582	+ 160	+387	+197	+ 62[2]	+806	—555	—251
+3 014	—1 228	—376	—106	+1 304	+ 824	+104	— 90	—247[2]	+591	—271	—320
+1 858	—1 366	+ 34	—114	+ 412	—1 068	—246	+561	— 31	—784	+491	+293
+ 609	— 228	— 5	— 17	+ 359	+ 69	+ 21	+329	— 77	+342	—314	— 28
+ 968	— 273	—115	+ 17	+ 597	+ 564	—152	— 27	—124[2]	+261	—327	+ 66
+ 365	— 396	+ 34	— 24	— 21	— 461	+ 20	+ 7	— 73	—507	+353	+154
+ 481	— 522	— 23	— 26	— 90	—1 103	+270	+285	+279	—269	+138	+131
+ 596	— 201	— 11	— 30	+ 354	— 62	—140	+146	+ 19	— 37	+ 99	— 62
+ 655	— 180	—192	— 5	+ 278	— 62	+ 92	+ 25	— 84	— 29	+ 37	— 8
+ 308	— 265	— 48	— 9	— 14	— 606	+ 94	+323	— 38	—227	+301	— 74
+ 758	— 362	—115	+ 15	+ 296	— 674	+369	+182	+ 27	— 96	— 99	+195
+ 869	— 252	— 89	+ 5	+ 533	+ 388	— 60	+ 21	—150	+199	— 35	—164
+ 628	— 327	— 41	— 25	+ 235	+ 278	+265	—124	—131	+288	—314	+ 26
+ 774	— 370	+ 60	— 16	+ 448	+ 336	—401	—257	+136	—186	+ 66	+120
+ 656	— 174	—103	— 43	+ 336	— 235	+566	—299	+270	+302	—305	+ 3
+ 763	— 448	— 28	— 93	+ 194	+ 44	—101	+ 36	+ 92	+ 71	+333	—404
+ 411	— 335	— 12	— 65	— 1	— 337	+ 41	+488	— 56	+136	—229	+ 93

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

[1] Including Direct investment, net.

[2] Including Allocations of special drawing rights 88 million in 1970, 85 million in 1971 and 85 million in 1972.



PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
		Origin		Purpose			Stage of processing					
	Total	Domestic goods	Imported goods	Producer goods	Machinery & transport equipm.	Consumer goods	Raw materials and commodities	Simply processed goods	More elaborately processed goods	**Total**	Wages in building trade	Building materials
1971	312	315	302	309	361	304	346	295	303	149	162	134
1972	338	342	325	330	400	334	370	318	332	161	182	141
1973	398	401	385	403	447	378	435	395	378	188	202	176
1973												
Nov.	430	436	408	452	465	393	478	434	399	205	214	199
Dec.	436	440	418	459	481	394	481	442	404	209	214	200
1974												
Jan.	452	453	448	479	487	407	509	452	417	214	217	209
Feb.	462	461	466	492	496	413	514	471	424	222	217	222
March	471	472	468	500	507	423	517	480	437	225	217	227
April	480	481	478	508	517	434	528	490	446	233	235	229
May	487	489	477	518	521	436	539	495	450	235	235	230
June	489	491	481	519	537	438	541	495	454	235	235	230
July	500	503	488	528	544	451	567	505	456	235	235	231
Aug.	505	507	497	532	549	457	567	510	463	235	235	231
Sept.	515	521	495	538	554	475	573	514	481	239	239	237

Period	**Cost of living Oct. 1951 = 100**	**Consumer prices Oct.-Dec. 1957 = 100**	Consumer prices 1972 = 100									
			Total	Food	Beverages and tobacco	Clothing and footwear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1973	284	223	111	112	107	111	116	110	109	109	105	111
1973												
Nov.	299	235	116	117	107	116	128	114	116	113	108	115
Dec.	303	237	118	161	107	117	131	129	116	115	109	116
1974												
Jan.	305	239	119	116	107	118	133	132	119	116	110	118
Feb.	314	246	122	117	107	121	135	162	122	124	114	118
March	317	248	123	118	108	123	137	158	123	124	114	121
April	324	255	126	126	108	124	140	159	125	126	115	121
May	328	257	127	128	108	126	141	160	127	127	115	124
June	329	258	128	129	108	126	141	150	128	128	116	125
July	335	263	130	131	108	127	146	151	129	129	119	130
Aug.	340	267	132	135	108	129	146	171	130	130	120	130
Sept.	348	273	135	142	109	133	147	172	131	130	121	132

WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries				By institutional sectors			All salary earners	All wage earners	**All employees**
	Wage earners in			Employees in services	State employees	Municipal employees	Employees in private sector			
	Agriculture	Industry	Construction							
1970	181	170	170	164	161	165	164	157	169	164
1971	210	195	195	180	176	178	188	171	195	185
1972	253	222	222	196	189	194	212	188	220	206
1973*	317	260	260	223	213	223	247	214	258	239
1973*										
Jan.-March	287	235	238	206	198	206	224	196	234	217
Apr.-June	331	260	250	227	215	226	249	217	259	240
July-Sept.	314	268	268	229	219	230	259	221	270	248
Oct.-Dec.	340	275	284	231	220	230	261	222	273	251
1974*										
Jan.-March	349	277	286	233	225	232	264	224	276	254
Apr.-June	417	303	308	265	247	263	291	251	303	280

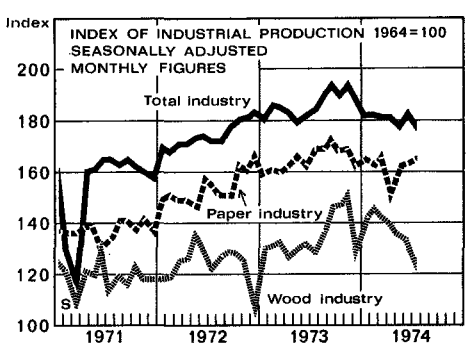
PRODUCTION

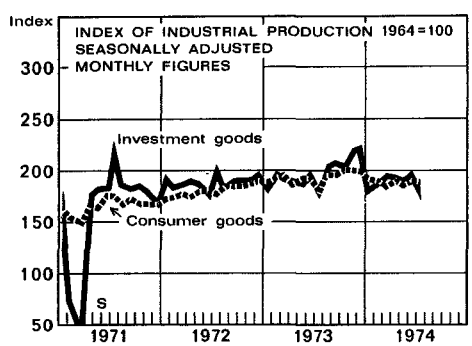
Volume indices of productin 1964 = 100

Period	**Gross domestic product**	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1970	132	154	96	111	141	98	132	132	129	128	134
1971	136	157	96	106	138	99	134	140	135	135	140
1972	145	177	94	95	149	103	143	155	142	143	148
1973*	153	188	96	96	161	104	154	169	150	148	156
1973*											
Jan.-March	152	197	53	130	131	105	145	163	147	147	156
Apr.-June	147	180	68	107	131	103	154	162	148	148	156
July-Sept.	153	169	169	53	198	105	159	165	149	149	156
Oct.-Dec.	160	204	64	96	184	101	159	186	153	150	158
1974*											
Jan.-March	157	204	55	126	138	103	153	168	155	152	163
Apr.-June	153	189	63	106	142	109	163	169	156	153	164

Index of industrial production 1970 = 100

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1972	114	116	114	111	111	109	112	142	115	118	113
1973*	121	123	122	120	114	118	120	151	124	128	121
1973*											
Jan.	129	131	130	124	99	127	125	170	130	136	118
Feb.	121	127	122	118	97	118	117	151	124	131	121
March	134	138	134	133	109	133	128	165	141	142	120
April	116	117	115	117	104	112	101	157	127	122	119
May	128	132	126	131	126	133	124	151	96	140	116
June	110	121	108	114	110	113	95	131	71	125	119
July	85	56	92	73	110	65	120	115	116	59	120
Aug.	122	118	122	125	130	105	126	145	141	125	123
Sept.	122	126	123	118	114	121	126	157	132	129	126
Oct.	138	146	138	138	139	143	133	166	144	151	124
Nov.	135	145	134	135	126	134	128	161	143	148	126
Dec.	117	119	118	113	109	113	111	146	116	122	122
1974*											
Jan.	134	134	135	131	118	139	132	166	134	141	124
Feb.	124	127	125	121	106	134	121	155	127	132	123
March	134	139	136	128	107	139	136	179	140	144	123
April	123	133	121	126	121	130	95	160	137	138	122
May	132	140	132	131	127	139	123	156	135	145	120
June	113	122	111	113	114	110	97	145	116	126	124
July	86	58	91	79	120	65	121	129	88	61	120
Aug.	123	125	122	126	127	92	123	154	136	131	127





LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Population of working age 1 000 persons	Total labour force, 1 000 persons	Employed 1 000 persons	Unemployed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100
1969	3 480	2 189	2 127	62	2.8	35 338	108	117
1970	3 492	2 194	2 153	41	1.9	39 267	114	130
1971	3 507	2 199	2 150	49	2.2	36 264	118	137
1972	3 409	2 173	2 118	55	2.5	31 442	128	151
1973*	3 442	2 215	2 164	51	2.3	30 746	138	167
1973*								
Sept.	3 449	2 226	2 188	38	1.7	1 606	139	172
Oct.	3 451	2 222	2 181	41	1.8	2 339	149	191
Nov.	3 453	2 220	2 180	40	1.8	2 813	142	180
Dec.	3 455	2 216	2 168	48	2.2	2 998	185	187
1974*								
Jan.	3 471	2 187	2 134	53	2.4	3 063	119	156
Feb.	3 474	2 194	2 140	54	2.5	3 425	122	160
March	3 476	2 183	2 138	45	2.1	3 509	131	174
April	3 478	2 199	2 154	45	2.0	3 473	137	169
May	3 480	2 236	2 200	36	1.6	3 082	143	175
June	3 483	2 432	2 397	35	1.4	2 027	140	163
July	3 485	2 447	2 410	37	1.5	..	..	..

CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Buildings-works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	**Total**	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
	Million cubic metres										
1971	42.63	19.54	3.10	15.18	2.60	37.35	15.79	3 16	13 88	2.91	37.64
1972	47.73	20.56	3.08	16.50	4.28	40.00	18.15	2.84	14.19	2.99	40.57
1973*	54.96	24.68	3.82	20.96	2.81	40.20	18.81	2.91	13.63	2.82	51.42
1973*											
Jan.-March	10.62	3.99	0.80	4.85	0.50	8.46	3.86	0.43	3.38	0.51	38.65
Apr.-June	16.97	7.85	1.73	5.82	0.62	6.51	3.27	0.33	2.08	0.37	47.39
July-Sept.	16.23	7.86	0.84	6.06	0.76	10.34	4.65	0.91	3.31	0.78	55.01
Oct.-Dec.	11.13	4.98	0.45	4.09	0.92	13.85	6.66	1.11	4.51	1.13	51.42
1974*	10.33	3.65	0.68	4.79	0.76	8.72	3.98	0.45	3.31	0.69	48.27

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 4. Since Dec. 31, 1969. *Gold and foreign exchange* = Gold (valued on basis of the value of the mark) + Special drawing rights + IMF gold tranche + Foreign exchange. *Liabilities on foreign exchange and mark accounts* = Foreign exchange accounts + Mark account of holders abroad. *Other foreign assets* = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF. *Other foreign liabilities* = Foreign term liabilities + IMF mark accounts. *The Treasury cheque account* = The cheque account of the Treasury with the Bank of Finland; while *Treasury term liabilities* = Export levies + Governmental counter-cyclical fund + Counter-cyclical tax account — Treasury's IMF and IBRD bills (net). *Foreign exchange situation:* Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.
Page 5. *Other advances* = Inland bills discounted in foreign currency + Loans + Other claims (excl. Treasury's IMF and IBRD bills). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities (excl. Export levies + Governmental counter-cyclical fund + Counter-cyclical tax account + Deposit certificates + Cash reserve accounts). *Deposit certificates* are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

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

Figures for deposits and advances are supplied by the Central Statistical Office. From the beginning of 1974 the figures include deposits by and advances to other credit institutions.
Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks and co-operative banks.
Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public.

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8. 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to Postipankki less cash holdings (net) of State departments and funds.

FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9). The volume indices are calculated according to the Paasche formula and the unit value indices according to the Laspeyres formula. *Terms of trade:* the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): imports by countries of purchase exports by countries of sale.

BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office.
Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: Investment goods weight 7.0, other producer goods weight 67.0 and consumer goods weight 26.0. The weights fot the special manufacturing indices are food manufacturing (SIC 311-2) 9.8, manufacture of wood, and wood and cork products (SIC 311-2) 8.0, manufacture of paper and paper products (SIC 341) 15.2, manufacture of industrial chemicals (SIC 351-2) 5.2, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.6 and metal industry (SIC 37-38) 25.9.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — CONSTRUCTION OF BUILDINGS

Page 17. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED

- • Preliminary
- r Revised
- 0 Less than haif the final digit shown
- . Logically impossible
- .. Not available
- — Nil
- S affected by strike

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. Mr. Urho Kekkonen has been President for three 6-year periods. His last term of office was extended by four years and will end on March 1, 1978.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1972 is as follows: Social Democrats 56, People's Democrats 37, Centre Party 35, Conservatives 33, Finnish People's Unification Party 13, Swedish Party 9, Liberal Party 6, Finnish Farmers Party 5, Christian League 4 and Finnish People's Constitutional Party 2.

INTERNATIONAL ORGANIZATIONS

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

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) are covered by forests.

OWNERSHIP OF LAND (1970): The total land area was distributed among different classes of owners approximately as follows: private 60.7 %, State 29.4 %, joint stock companies etc. 8.0 %, municipalities and parishes 1.9 %.

POPULATION

NUMBER OF INHABITANTS (1972): 4.6 million. Sweden 8.1, Switzerland 6.4, Denmark 5.0 and Norway 3.9 million.

DENSITY OF POPULATION (1972:) In South Finland 44.4, in East and Central Finland 14.0, in North Finland 4.0 and in the whole country an average of 15.2 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1972): 55 % of the population inhabit the rural areas, 45 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 507 700 inhabitants, Tampere (Tammerfors) 162 800, Turku (Åbo) 158 300.

EMPLOYMENT (1972): Agriculture and forestry 19 %, industry and construction 35 %, commerce 15 %, transport and communications 7 %, services 24 %.

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

EDUCATION (1973): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 11 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1972): births 12.7 ‰, deaths 9.6 ‰, change + 4.3 ‰, net immigration 1.2 ‰. Deaths in France 10.6 ‰ and Great Britain 11.9 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1973, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 378 (6 %), forestry and fishing 3 728 (6 %), manufacturing 18 561 (32 %), construction 5 788 (10 %), transport and communication 5 617 (10 %), commerce, banking and insurance 7 620 (13 %), public administration 2 624 (4 %), ownership of dwellings 2 770 (5 %), services 8 490 (14 %), total 58 576. Index of real domestic product 153 (1964 = 100).

FOREST RESOURCES (1972): The growing stock comprised of 1 481 million m³ (solid volume with bark), of which 44 % was pine and 38 % spruce, the remaining 18 % being broad-leaved trees, chiefly birch. Of the growing stock, 619 million m³ was up to the standard required for logs, 55 % of these being pine. The annual growth was 56.2 million m³ and the total removal, calculated on the basis of roundwood consumption, was 54.3 million m³.

AGRICULTURE (1972): Cultivated land 2.7 million hectares. Number of holdings 286 500, of which 189 100 are of more than 5 ha. Measure of self-sufficiency in bread cereals 105 % in the crop year 1972/73.

INDUSTRY (1972): Gross value of industrial production 44 958 mill. marks, number of workers 404 033, salaried employees 114 534, motive power (1971) 5.7 mill. kW. Index of industrial production 114 for 1972 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1974): Length 5 897 km.

MERCHANT FLEET (Sept. 30, 1974): Steamers 29 (21 300 gross reg. tons), motor vessels 363 (743 600 gross reg. tons) tankers 59 (775 700 gross reg. tons). Total 451 (1 540 600 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1973): Passenger cars 894 100, lorries and vans 119 900, buses 8 400, others 5 700. Total 1 028 100.

FINNISH AIRLINES (April 30, 1974): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-6s, 8 Super Caravelles 8 DC-9s and 5 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 27 airports and to 20 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per one SDR). On Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar was set, and since June 4, 1973 the mark has been allowed to float.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1973). There are two big and five small commercial banks with in all 846 offices, 298 savings banks, 398 co-operative banks, six mortgage banks, and Postipankki. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-eight private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1973). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ¼ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ and 10 ½ %. Other credit institutions; term deposits 5 ¾ %; 6 month deposits 6 ¼ %; 12 month deposits 6 ¾ %; 24 month deposits 7 ¾ %; and sight deposits 1 ½ %; highest lending rate 12 ½ %.

THE PRINCIPLES OF WATER POLLUTION CONTROL IN FINLAND UP TO 1985

by Simo Jaatinen
Director-General of the National Board of Waters

Finland is one of the cleanest and wildest regions in Europe. Our country still has plenty of clean water, fresh air, green forests and uninhabited wilderness. However, the environment has deteriorated even in certain parts of Finland. The most serious manifestation of this is water pollution. For this reason, water pollution control is the most important part of Finland's environmental protection programme. Enjoying clean water is an integral part of the Finnish way of life, and the demands that people in Finland place on water resources differ from those in other industrialized countries.

FINLAND'S WATER RESOURCES

About 31 000 square kilometres, or roughly ten per cent of Finland's total area is covered by water. Furthermore, the country borders on the Gulf of Finland, the Baltic Sea and the Gulf of Bothnia. A large number of islands are dotted off this long coast. Most of the lakes are situated inland, where more than 20 per cent of the area is covered by lakes. The area between the coast and the lake region which is located in the centre of the country has only a few lakes and rather short rivers. The longest rivers are found in Lapland, where, apart from the most northern regions, there are only a few lakes.

The natural features of Finland's watercourses and the country's geographic position give rise to special problems for water protection. The lakes are rather shallow, since their average depth is only about seven metres. Theoretically, the water should be changed on average every second year, but in practice it takes much longer. As the lakes are shallow, they are easily eutrophied. They often contain humus, so that the watercourses have an intrinsically rich basic organic substance load. The ice cover which develops during the long winter prevents oxygen from dissolving into the water for several months. Since precipitation is accumulated in the form of snow during the winter, the amount of water in the lakes and rivers is reduced at a time when the capacity of the waters to receive waste water is very low. Moreover, the coastal waters of the sea areas tend to become polluted fairly easily. This water is brackish and the dense island network hampers the exchange of water with the open sea.

About three per cent of Finland's total lake area is entirely, or almost entirely, unsuitable for water supply, recreation or fishing. The total area of the less polluted lake areas, which are so far still suitable for various purposes, is about 20 per cent of the total lake area. The usability of these water areas has been reduced not only by dense settlement and industrial growth but also by waste water loading of agriculture and scattered settlements.

Apart from the clean rivers of the Northern Finland, most of the rivers of the country are only in satisfactory condition. The total length of such rivers is roughly 8 800 kilometres. About 100 square kilometres of the country's coastal waters are severely polluted. The total area of less polluted water, which can still be used for various purposes is about 240 square kilometres.

In Finland, population density is greatest in the southern and western parts of the country. Unfortunately, there are few lakes and rivers in these regions so the waters are easily polluted. For this reason, about a quarter of the country's population, or about 1.1 million people, live near severely polluted water. About half of the country's population lives near mildly or severely polluted water.

LEGISLATION AND ADMINISTRATION OF WATER PROTECTION

Systematic water protection measures were first implemented in Finland in the 1950s. Water legislation was revised in 1962. Basic regulations concerning water protection which were quite unique, were then incorporated into the Water Act. These regulations are still in force. The Water Act prohibits activities which cause detrimental water pollution. However, exceptions may be granted to this general prohibition. The Water Tribunal defines the terms on which activites causing water pollution may be carried out. Lengthy deliberations may take place before the Water Tribunal makes a decision. During that time those whom the matter concerns have the opportunity to express their views and to present compensation claims. The hearing is public and it helps to provide legal security for the citizens of the country. As water areas in Finland are generally owned by private persons or corporations, the treatment of compensation matters can become quite complicated. Partly because of this private ownership, Finnish water legislation has always been based on the »Polluter Pays Principle.» According to this principle, whoever causes water pollution is obliged to implement and finance measures designed to reduce pollution. In addition, whoever discharges waste water or otherwise causes water pollution is obliged to compensate in full all those who have suffered as a consequence.

Earlier several bodies were responsible for water affairs. In 1970 the water administration was centralized through the establishment of the National Board of Waters, which is subordinate to the Ministry of Agriculture and Forestry. There are 13 water districts which act as the local administration for this new central office. The efficiency of water pollution control was substantially improved through the creation of the National Board of Waters. Planning, research and practical measures related to water pollution control can now be carried out in circumstances more favourable than those of the past.

THE PRESENT STATE OF WATER PROTECTION

In Finland the densely populated areas continue to grow. An increasing number of new buildings are being linked with the public sewerage systems. Attempts have been made to reduce waste water loading in watercourses by constructing sewage treatment plants. In this way it has been possible to keep the waste water load of the population centres more or less constant since 1970. At the end of 1973, about 2.8 million people, or 60 per cent of the country's population, lived in buildings linked with public sewerage systems. At that time, there were 408 municipal sewage treatment plants in use which treated the effluent of 1.8 million people. In 1970—1973, about 240 million marks (at August, 1974 prices) was used for constructing sewage treatment plants in population centres. It is estimated that about 110 million marks will be used for this purpose in the current year.

BOD AND NUTRIENT LOADS CAUSED BY POPULATION AND INDUSTRY, SITUATION IN 1972 AND GOALS FOR 1980 AND 1985.

Source	BOD_7 tons/day			Phosphorus kg P/day			Nitrogen kg N/day		
	1972	1980	1985	1972	1980	1985	1972	1980[3]	1985
Population centres [1]	126	60[2]	45	5 700	3 000	2 500	30,5	38,0	38
Wood processing	1 300	650	400	2 000	2 300[3]	1 500	15,0	15,0	15
Fertilizer	1			560	200	100	3,5	2,0	1
Explosives	—			—			0,6	0,2	
Other chemical	20	< 10	< 10	60	< 100	< 100	1,0	1,0	< 3
Leather	4			15			0,8	0,5	
Textile	4			200			0,6	0,3	
Food processing	60	10		900	100		3,7	1,0	
Total	1 515	730	455	9 435	5 700	4 200	55,7	56,0	55

[1] The goals for population centres also include the industrial effluents discharged into municipal sewers. Concerning the corresponding industrial fields, only the effluent load caused by separate discharges are presented.
[2] 60 tons BOD_7/day corresponds to ca. 20 000 tons BOD_5/year.
[3] Trends

In Finland the waste water loading of industry, particularly in the form of organic substances, is substantially heavier than that of population centres. The forest industry is the major polluter of the country's watercourses. It also consumes six times more of water than the populace at large. The forest industry has spread to the lakesides, riversides and seashores. In all, it carries out activities in 57 different places. Water pollution is easily seen in the watercourses below wood-processing mills. In recent years, the industrial sector has also started to implement water pollution control measures. For instance, all sulphite mills now burn their waste liquor. By improving production and treatment methods, the suspended solids load generated by the forest industry has been reduced to almost half of what it was in 1970. In recent years, the industrial sector has invested about 80 million marks per annum in water protection measures.

The water pollution control measures implemented so far only allow the preservation of the water resources of the country in their present state. However, the demands on the use of water have increased continuously, and clean water has come to be appreciated more and more. This means that water quality and usability should be improved. The water pollution control measures which have been implemented on the local level have substantially reduced pollution, which shows that it is possible to improve the condition of a country's water resources even after they have been polluted.

THE WATER POLLUTION CONTROL PROGRAMME

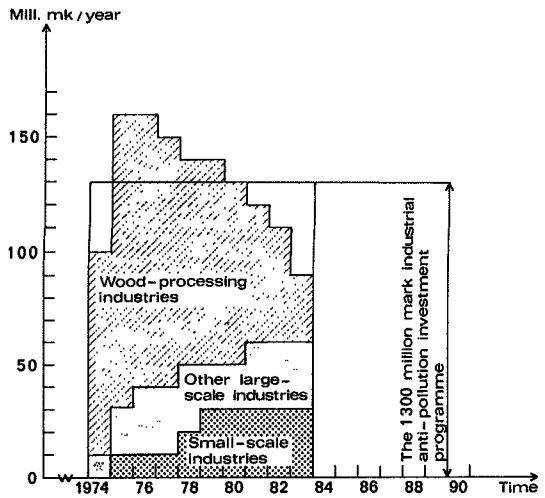
The efficient implementation of water pollution control requires long-range planning. For this reason, the National Board of Waters has prepared a long-term water protection programme covering the years up to 1985. The programme is based on available data and international agreements to which Finland is a party. A detailed comprehensive water protection programme is being prepared on the basis of general principles.

The objectives for water pollution control set in the long-term programme are naturally in keeping with the general objectives of environmental protection. Attempts will be made to integrate activities which tend to pollute waters or otherwise affect the condition of the water in the ecosystem. The effect of such activities on water quality will be examined as a whole, and efforts will be made to minimize the damage to the entire environment. The measures will first centre on correcting the damage that has already been done and later on preventing pollution.

According to the long-term programme, water pollution control measures are primarily designed to prevent damage before it occurs and to eliminate the causes of pollution. In reducing waste water loading, attempts are first made to prevent the formation of waste, for instance by making more efficient use of raw materials through the introduction of new production methods, by re-using waste and by shifting to the use of less damaging substances. Next in importance are measures designed to reduce waste water loading. The last line of defence is the treatment of waste water. Special attention is paid to precautionary measures and to the prevention of accidential damage. Damage may also be reduced by choosing the proper location for the discharge of treated waste water and by improving the usability of waters through restoration and other technical measures. Efforts will be made to time these measures so that the local authorities will be able to take steps simultaneously and so that the measures implemented by individual establishments will be focused on the causes of the most serious pollution.

Efficient water protection naturally presupposes that plans are based on the best available information. The National Board of Waters thus prepares integrated water management plans which provide estimates of total water consumption for vast areas and large watercourse units. In these estimates, the choice of necessary water pollution control measures is based in the idea that, for limiting water pollution, it is urgent to reduce the presence of substances such as organic matter and phosphorus com-

CHART 1. INVESTMENT IN WATER POLLUTION CONTROL IN 1974—1983, AS PROJECTED IN THE FINANCIAL PROGRAMME



pounds which upset the oxygen balance in the water. In lakes an efficient reduction of eutrophying phosphorus is of primary importance, but the BOD load must be reduced at the same time. In minor river basins, the shortage of oxygen resulting from the presence of organic matter is often the single most important cause of pollution. It is necessary to reduce the amount of phosphorus so as to prevent the further eutrophication of river basins and coastal waters. Measures are chosen according to the quantity and quality of the wastes so that the most detrimental factors are reduced most effectively.

It has been possible to set rather precise objectives for reducing waste water loading up to 1980. The measures designed to reduce this loading which will be taken during this first stage will be implemented by all water polluters. By the end of the 1970s, it will be possible to choose the measures to be carried out in the 1980s to allow the appropriate and sustainable utilization of natural resources. Objectives for waste water loading for 1980—1985 have been set in the long-term programme for densely populated areas and the major industries.

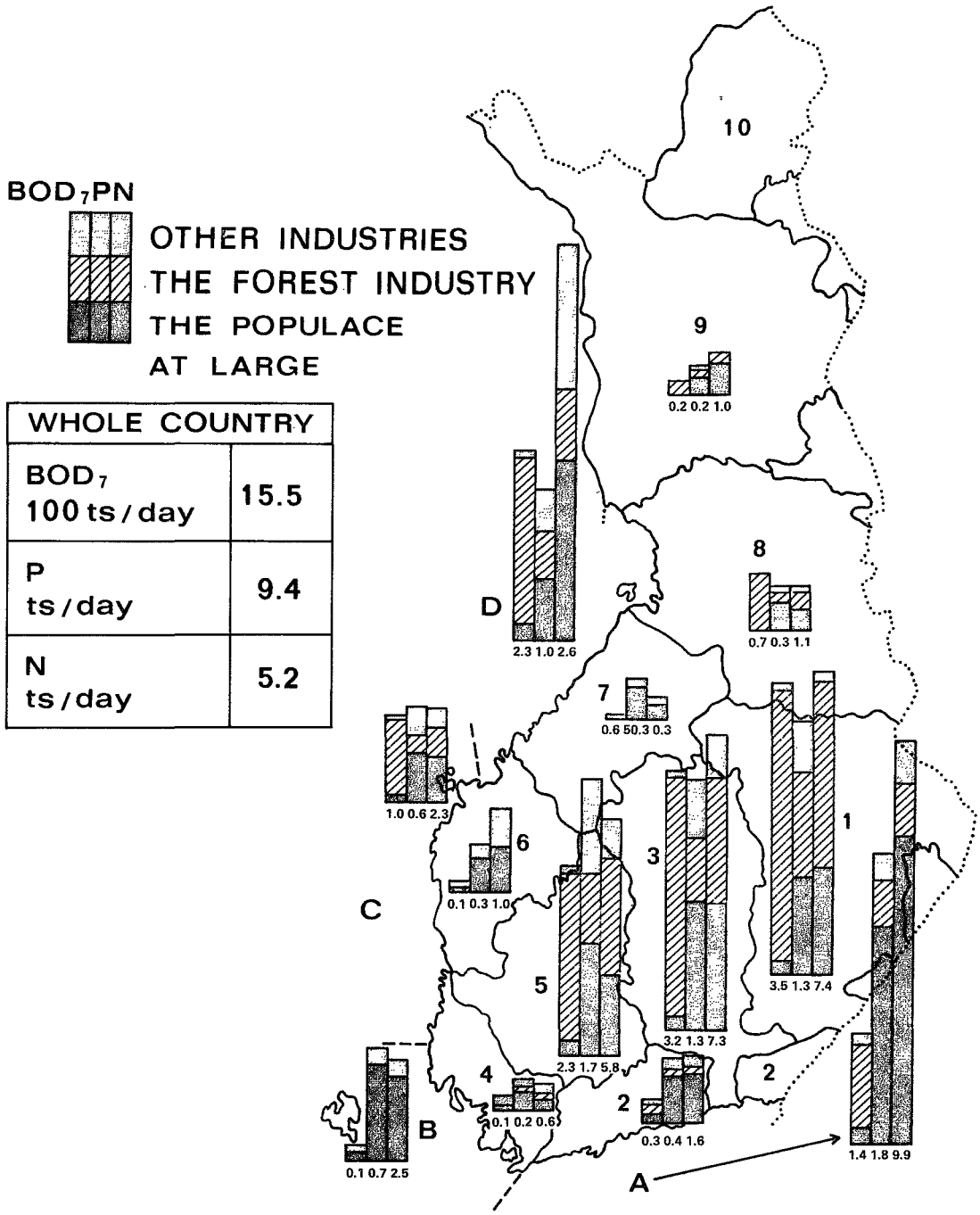
In addition to activities which currently cause water pollution, new activities which could give rise to pollution have also been taken into account in the long-term programme. In population centres, new buildings will continue to be linked with the public sewerage systems. It is estimated that roughly 1.5 million people will be housed in the new buildings to be linked with the public sewerage systems during the coming decade. Water consumption per inhabitant is also likely to rise further. Industrial production will expand in the branches which tend to cause water pollution. When existing industrial plants are being renovated and new plants are built, pollution control measures can be implemented more efficiently. It is possible to plan products and production methods so as to encourage the economical use of natural resources and the prevention of environmental damage. On the other hand, technological breakthroughs and the diversification of production will probably lead to different and so far unknown types of pollution.

When new industrial enterprises are being located, special attention should be paid to environmental damage. It is possible to choose sites which are satisfactory, both regionally and locally, from the point of view of water pollution control. Industrial activities which are likely to cause heavy water pollution, despite intensified pollution control measures, are to be located only in a few places. If plans are made to establish new plants which will damage the country's water resources, measures designed to reduce the pollution load will be intensified. No pollution generating activities are to be located in areas which are to be preserved in their natural state. It is not permissible to locate hazardous or heavily polluting activities near watercourses which serve as sources of water supply for the population. When such industrial activities are being located, recreational, fishing, cattle watering and other needs must be kept in mind.

THE IMPLEMENTATION OF THE PROGRAMME

The efficient implementation of water pollution control measures requires research, planning and control, development of legislation, ex-

CHART 2. BOD, PHOSPHORUS AND NITROGEN LOADS IN WASTE WATERS IN 1972, BY RIVER BASIN GROUPS AND POLLUTER

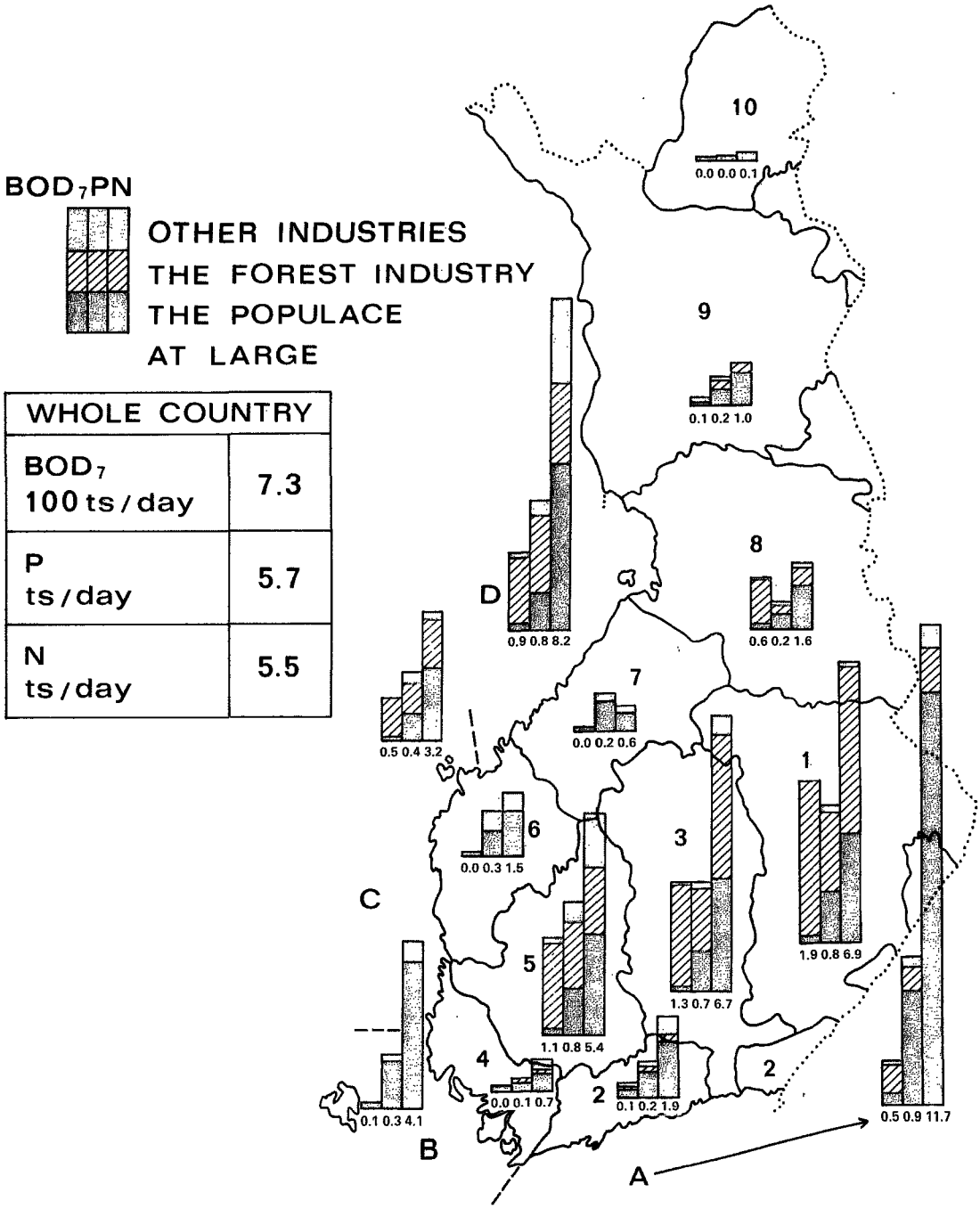


WHOLE COUNTRY	
BOD_7 100 ts/day	15.5
P ts/day	9.4
N ts/day	5.2

1. The Vuoksi river basin 2. The southern coastal district 3. The Kymijoki river basin 4. Southwestern Finland 5. The Kokemäkijoki river basin 6. Northern Satakunta and Southern Ostrobothnia 7. Central Ostrobothnia 8. Northern Ostrobothnia and the inland waters of Kainuu 9. The Kemijoki and Tornionjoki river basins 10 Watercourses flowing into the Arctic Ocean

A. Gulf of Finland B. The Archipelago Sea C. Southern parts of Gulf of Bothnia D. Northern parts of Gulf of Bothnia

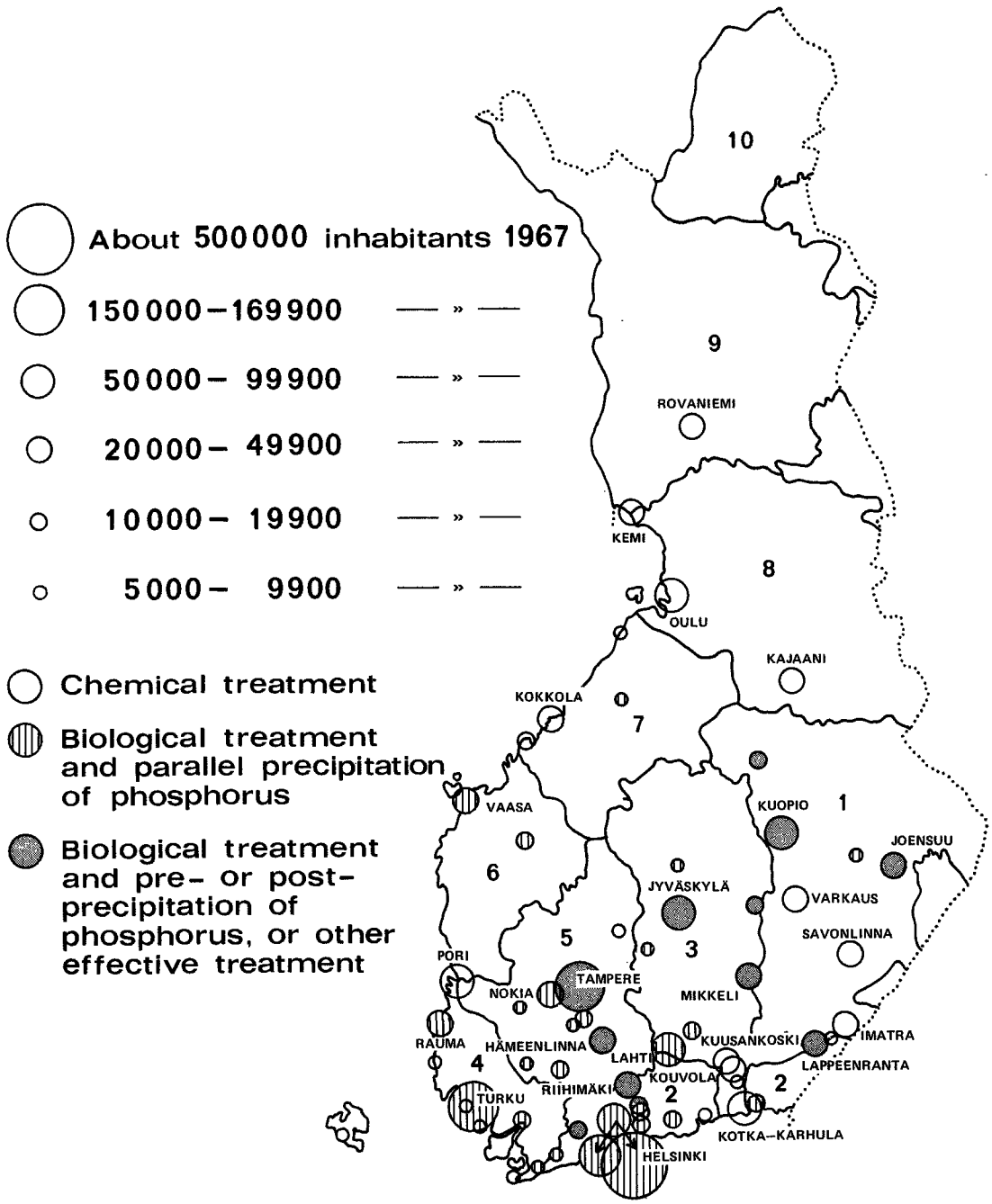
CHART 3. ESTIMATE OF THE BOD, PHOSPHORUS AND NITROGEN LOADS OF WASTE WATERS IN 1980, BY RIVER BASIN GROUPS



1. The Vuoksi river basin 2. The southern coastal district 3. The Kymijoki river basin 4. Southwestern Finland 5. The Kokemäkijoki river basin 6. Northern Satakunta and Southern Ostrobothnia 7. Central Ostrobothnia 8. Northern Ostrobothnia and the inland waters of Kainuu 9. The Kemijoki and Tornionjoki river basins 10 Watercourses flowing into the Arctic Ocean

A. Gulf of Finland B. The Archipelago Sea C. Southern parts of Gulf of Bothnia D. Northern parts of Gulf of Bothnia

CHART 4. GOALS FOR WASTE WATER TREATMENT IN DENSELY POPULATED REGIONS IN 1980



1. The Vuoksi river basin 2. The southern coastal district 3. The Kymijoki river basin 4. Southwestern Finland 5. The Kokemäkijoki river basin 6. Northern Satakunta and Southern Ostrobothnia 7. Central Ostrobothnia 8. Northern Ostrobothnia and the inland waters of Kainuu 9. The Kemijoki and Tornionjoki river basins 10 Watercourses flowing into the Arctic Ocean

tensive training and education, as well as adequate financing. The measures outlined in the programme require very large investments and operating costs will grow continuously. For population centres, the programme means that about 90 per cent of waste water in public sewerage systems must be treated biologically with simultaneous precipitation method by 1980 at the latest. During this decade, roughly 160 million marks per annum will be needed to finance the construction of sewage treatment plants near population centres. In addition the construction of the necessary sewage collectors will require an almost equal amount of money. The Government supports the water pollution control measures for population centres by granting interest subsidy loans from the funds of Postipankki (the post office bank), by granting financial assistance for the construction of treatment plants and by financing regional water pollution control projects. In 1974, about 45 million marks will be granted in the form interest subsidy loans and 5 million marks in the form of grants-in-aid. The cost of water pollution control projects financed by the Government will come to 5 million marks.

The programme for financing water pollution control measures for industry in 1974—1983 was outlined in the Budget for 1974. This financing programme is in keeping with the long-term programme for water pollution control. It is estimated that the industrial sector will need about 1 300 million marks (at 1972 prices) for water pollution control measures during this ten-year period. The direct share of polluters will be 300 million marks, or 23 per cent. The remainder will be financed through a 500 million mark appropriation in the State Budget which will mainly take the form of interest subsidy loans granted by Postipankki, and 500 million marks will be borrowed by the Bank of Finland and the Mortgage Bank of Finland, from foreign and domestic lenders. It is estimated that the forest industry will need 850 million marks of the 1 300 million marks, other large-scale industries will need 250 million marks and small and medium-sized industries 200 million marks. No subsidies will be granted by the Government to industry, and the Government's support will be confined to making financial arrangements for water pollution control measures.

THE IMPACT OF WATER POLLUTION CONTROL MEASURES

The water pollution control measures outlined in the long-term programme will greatly improve both the quality of the water and its suitability for various purposes by 1980. The amount of waste which is annually discharged into the waters will not increase and the extent of pollution in several polluted water areas will be greatly reduced. After the implementation of these measures, heavily polluted water will only be found near points where waste water is discharged. The size of fresh-water areas which now are considered to be moderately polluted will be cut in half. The water areas which at present are severely polluted will then be suitable for a number of purposes and classed as satisfactory. The usability of coastal waters will also be improved as a result of water pollution control measures. The most striking change will take place in water areas near population centres which now are severely polluted. Their total area will be cut in half. About 50 per cent of the population which at present lives near severely polluted water areas will then be able to enjoy an environment with fairly clean water.

It will be necessary to reduce waste water loading further after 1980, since all the damage cannot be eliminated before 1985.

Protecting Finland's water is a national undertaking. Although its implementation is a heavy financial burden, the Government has placed water protection in a privileged position. In this way we shall be able to keep Finland's water clean and preserve a healthy environment for future generations.

BANK OF FINLAND

Board of Management

Mauno Koivisto
Governor

A. Simonen
Deputy Governor

Ahti Karjalainen
Absent as a Member of Government

Päiviö Hetemäki

Pentti Uusivirta

Rolf Kullberg

Pertti Tammivuori
ad int.

Directors

Jouko J. Voutilainen

Jorma Aranko

Pertti Tammivuori

Markku Puntila

Seppo Lindblom

Senior officials

Pertti Kukkonen
Director, ADP-planning

Pauli Kanerva
Eino Helenius
Administration

K. Ignatius
Personnel

Antti Lehtinen
Domestic Financial Operations

Kalle Koski
Capital Transfers

Kari Nars
Foreign Exchange Policy

Raili Nuortila
Eastern Trade

J. Ojala
Foreign Exchange Control

Kari Puumanen
Economics Dept.

Heikki Koskenkylä
Research Dept., ad int.

Stig Törnroth
Cash

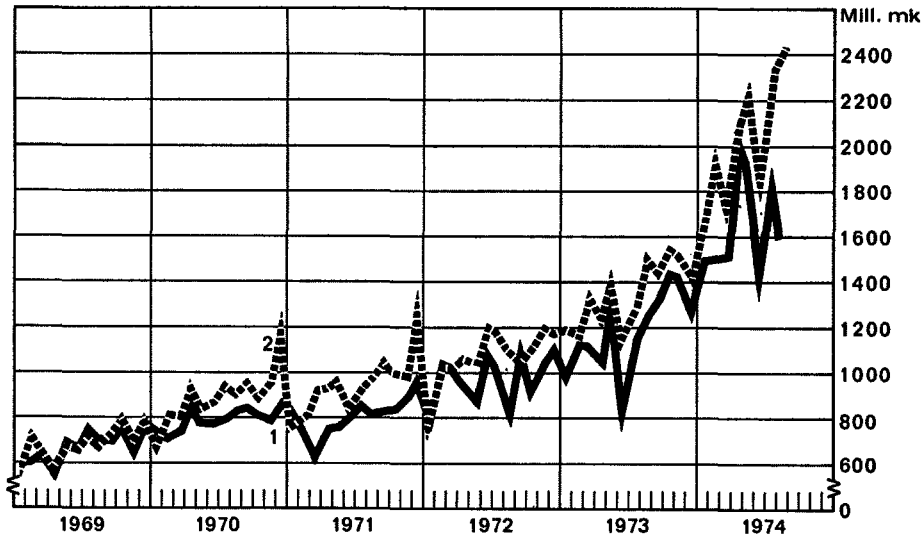
K. Eirola
Automatic Data Processing

A. Nenonen
Foreign Correspondence

Stig G Björklund
Banking Services

Eino Suomela
Internal Audit

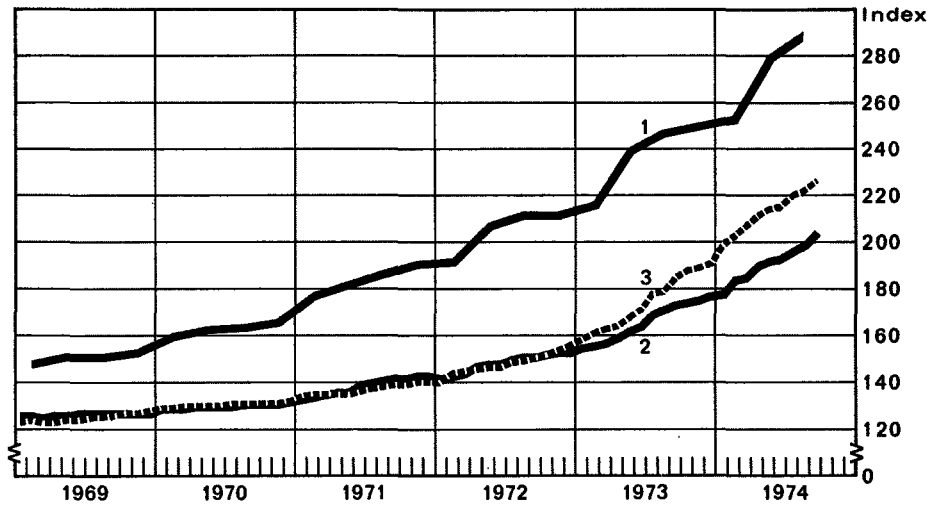
Foreign trade, 1969–1974



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

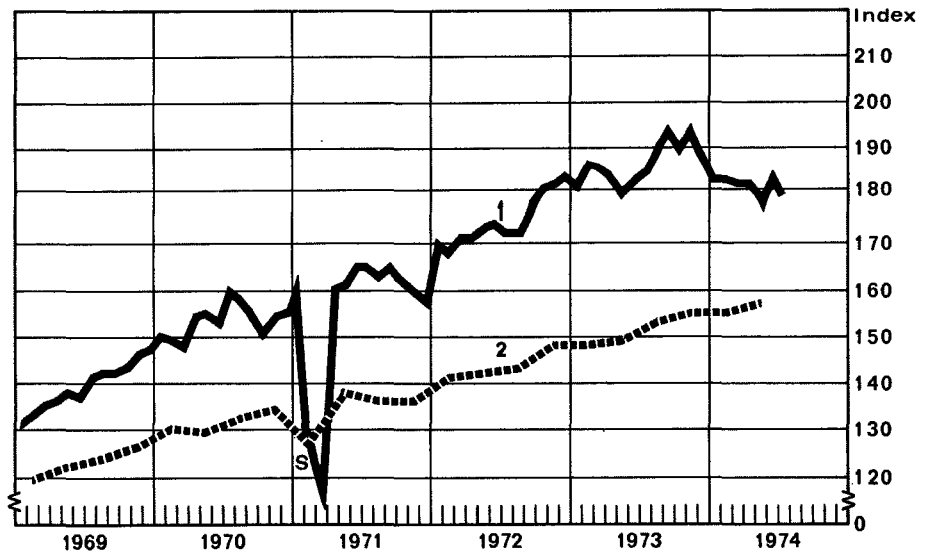
Seasonally adjusted monthly figures

Prices and wages, 1969–1974



1. Index of salary and wage earnings 1964 = 100, quarterly
2. Cost of living index 1964 = 100, monthly
3. Wholesale price index 1964=100, monthly

Production, 1969–1974



1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures
2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures