



# BANK OF FINLAND

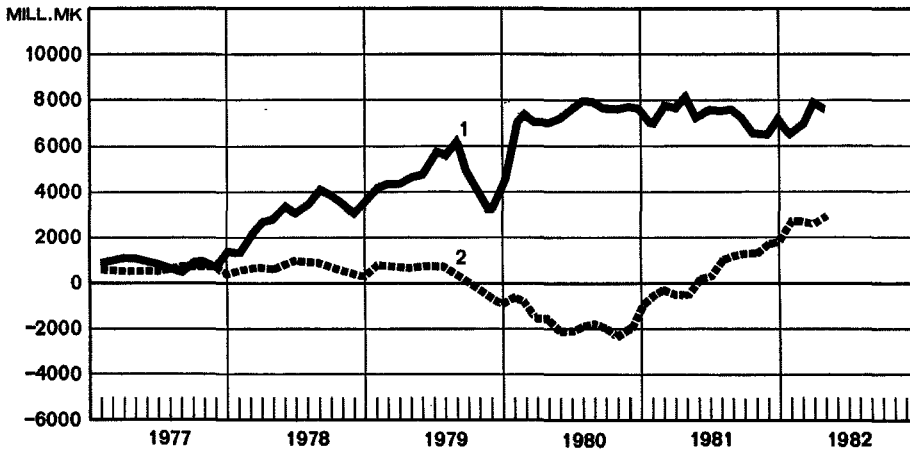
*Monthly Bulletin*

Developments in the securities market  
Public finance  
Finland's balance of payments  
January—March 1982  
Revision of the cash reserve agreement  
Publications of the Bank of Finland

**JUNE—JULY 1982**

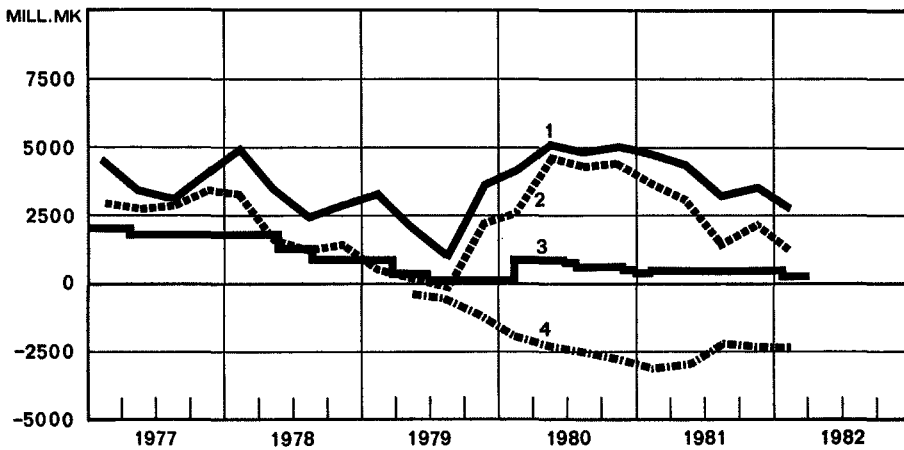
**Vol. 56 Nos. 6—7**

**BANK OF FINLAND'S CONVERTIBLE AND TIED FOREIGN EXCHANGE RESERVES, 1977 - 1982**



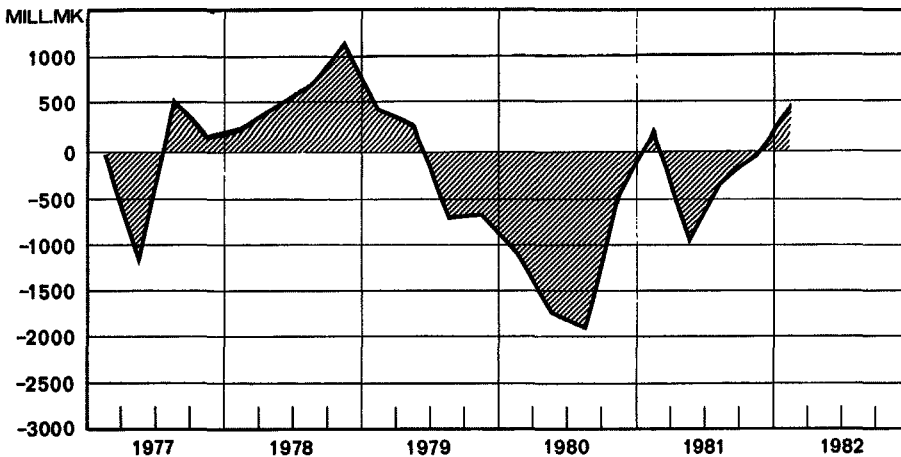
- 1. Gold and convertible currencies
- 2. Tied currencies

**COMMERCIAL BANKS' CENTRAL BANK POSITION, 1977-1982**



- 1. Total central bank debt
  - 2. Actual central bank debt
  - 3. The quotas
  - 4. Cash reserve deposits
- Quarterly average of daily amounts (1, 2 and 4)

**BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS/DEFICIT, 1977-82**



Seasonally adjusted quarterly figures

# DEVELOPMENTS IN THE SECURITIES MARKET

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Because of a deceleration in the growth of exports and a stagnation in the growth of domestic demand, the profitability of the corporate sector weakened in 1981. Investment activity began to slacken, and the volume of both fixed and inventory investment decreased markedly. Nevertheless, owing to fairly high capacity utilization, firms' cash-flow positions remained relatively good with respect to the prevailing cyclical phase.

As a result of these developments, the financial deficit of the corporate sector started to decrease. Given the high level of interest rates abroad, the corporate sector relied increasingly on domestic sources of finance. This shift in corporate financing was supported by the State; there were fewer issues of Central Government debt in domestic markets than in 1980 and the bulk of the somewhat reduced borrowing requirement was covered by foreign finance.

## BOND AND SHARE ISSUES

In spite of the weakening of real income prospects in both the household and corporate sectors, the demand for securities in 1981 was sustained by certain personal income tax reliefs, firms' good results in 1980 as well as the fairly good liquidity in the economy stemming mainly from the decrease in the current account deficit and the growth in capital imports.

At the end of 1981, the total of domestic bonds outstanding stood at 14 200 million marks, 14 per cent higher than a year earlier. Following the practice first adopted in 1978 between the banks and the government, the latter agreed to limit the amount of its bond issues intended

for public subscription in 1981 to 1 950 million marks, while the banks pledged to buy any portion of the issues not taken up by the public. Including issues for subscription by insurance companies and pensions institutions, sales of new government bonds totalled 2 320 million marks. Hence sales of new government bonds decreased by 7 per cent in 1981, after having grown 39 per cent in the previous year.

In 1981, sales of new private bonds amounted to 1 390 million marks, five per cent less than in 1980. The mortgage banks' sales of tax-free bonds intended for public subscription amounted to 450 million marks. Their sales of other bonds to the value of 760 million marks, as well as sales of bonds by industrial companies totalling 180 million marks, were liable to tax and intended for subscription primarily by financial institutions.

After two active years, the amount of new share issues dropped significantly in 1981. New share issues launched by companies quoted on the Helsinki Stock Exchange totalled only 120 million marks as compared with 360 million marks in the previous year and 590 million marks in 1979. The total equity value of the 50 listed companies at the end of 1981 was 9 900 million marks. Dividends paid out in 1981 amounted to 575 million marks, 23 per cent more than a year earlier.

## STOCK EXCHANGE

Trading on the Helsinki Stock Exchange was brisk in 1981. The rapid growth in turnover was mainly due to the increase in the sales of bonds, which accounted for 76 per cent of the total turnover; in 1980, their share had been

48 per cent. Bond transactions reached 1 000 million marks, more than three times as much as in the previous year. The demand for shares clearly exceeded their supply, and at the end of the year prices were some 17 per cent higher than a year before. However, the value of share transactions grew by only 11 per cent. Total sales of securities on the Helsinki Stock Exchange more than doubled as compared with the previous year to attain a record level of 1 460 million marks.

## CURRENT DEVELOPMENTS

Despite the rather modest economic prospects, trading has remained lively on the Helsinki Stock Exchange. During the first four months of this year, share prices increased steadily and the share price index rose by 24 per cent. At the same time the total turnover on the Stock Exchange more than doubled compared with the same period last year, and sales of shares grew even faster. In May, seven new

share issues were in progress, and the total amount of share issues is likely to exceed 1 000 million marks this year, which is more than in any previous year.

The amount of dividend income exempt from personal taxation was raised from 1 700 marks to 2 500 marks for 1982, and it may now include certain other forms of income in addition to dividends. This has prompted some firms to issue 5-year debentures for public subscription bearing 12—13 per cent annual interest.

In 1982, the government will issue bonds for public subscription to the value of 2 500 million marks, the banks as before pledging to take up any unsold amounts. This increase in the amount of bonds issued by the central government is mainly motivated by the lively demand for bonds last year and the prevailing easiness in the financial markets.

May 21, 1982

## BANK OF FINLAND

Mill. mk

	1981		1982				
	May 29	Dec. 31	May 7	May 14	May 21	May 31	
<b>Assets</b>							
Gold and foreign exchange receivables	7 886	9 463	10 682	10 641	10 591	10 371	
Gold	1 073	1 382	1 382	1 382	1 382	1 382	
Special drawing rights	521	632	563	526	526	526	
IMF reserve tranche	380	394	394	394	397	397	
Foreign bonds	1 708	1 405	1 103	1 099	1 081	1 064	
Convertible currencies	3 808	3 686	4 154	4 059	3 999	3 532	
Tied currencies	396	1 964	3 086	3 181	3 206	3 470	
Other foreign receivables	1 632	1 606	1 606	1 606	1 615	1 615	
Mark subscription to Finland's IMF quota	1 632	1 606	1 606	1 606	1 615	1 615	
Receivables from financial institutions	4 515	3 690	4 087	4 759	4 263	4 039	
Banks' cheque accounts	582	495	434	450	395	511	
Call money market advances	2 717	1 796	2 181	2 858	2 403	1 888	
Till-money credits	597	768	708	688	700	849	
Bonds	559	594	728	728	729	745	
Other financial institution receivables	60	37	36	35	36	46	
Receivables from the public sector	1 161	1 236	964	952	961	964	
Government promissory notes	354	354	—	—	—	—	
Bonds	344	386	418	411	420	420	
Total coinage	456	483	525	528	529	532	
Other public sector receivables	7	13	21	13	12	12	
Receivables from corporations	3 643	4 549	4 645	4 700	4 709	4 770	
Financing of exports	1 558	1 754	1 671	1 666	1 663	1 667	
Financing of domestic deliveries	1 782	2 111	2 262	2 320	2 335	2 391	
Bonds	206	187	185	184	182	182	
Other corporate receivables	97	497	527	530	529	530	
Other assets	83	89	93	92	93	93	
	Total	18 920	20 633	22 077	22 750	22 232	21 852
<b>Liabilities</b>							
Foreign exchange liabilities	112	96	47	42	54	48	
Convertible accounts	31	41	40	32	41	34	
Tied accounts	81	55	7	10	13	14	
Other foreign liabilities	2 652	2 597	3 210	3 176	3 189	3 196	
IMF mark accounts	1 956	1 871	1 812	1 775	1 785	1 785	
Allocations of special drawing rights	696	726	726	726	726	726	
Term liabilities	—	—	672	675	678	685	
Notes and coins in circulation	5 082	5 595	5 361	5 370	5 420	5 534	
Notes	4 672	5 152	4 907	4 916	4 965	5 077	
Coins	410	443	454	454	455	457	
Deposit certificates in circulation	300	1 600	2 550	3 000	3 000	2 000	
Claims of financial institutions	4 214	3 797	4 084	4 372	3 732	4 257	
Banks' cheque accounts	6	0	1	1	45	0	
Call money market deposits	1 340	1 080	1 300	1 600	922	1 420	
Cash reserve deposits	2 783	2 492	2 644	2 644	2 643	2 707	
Capital import deposits	66	201	102	102	102	102	
Other financial institution claims	19	24	37	25	20	28	
Claims of the public sector	680	578	194	161	171	171	
Cheque accounts	0	1	1	0	0	0	
Counter-cyclical reserves	545	433	117	117	117	117	
Counter-cyclical deposits	117	143	—	—	—	—	
Capital import deposits	—	—	76	44	54	54	
Other public sector claims	18	1	0	0	0	0	
Claims of corporations	1 100	1 433	1 411	1 408	1 405	1 396	
Deposits for investment and ship purchase	892	1 425	1 214	1 212	1 210	1 204	
Capital import deposits	—	—	189	187	187	184	
Export deposits	203	0	—	—	—	—	
Other corporate claims	5	8	8	9	8	8	
Other liabilities	14	15	17	14	14	14	
Equalization accounts	2 341	609	783	777	802	776	
Capital accounts	2 425	4 313	4 420	4 430	4 445	4 460	
Primary capital	1 400	3 000	3 000	3 000	3 000	3 000	
Reserve fund	750	750	1 032	1 032	1 032	1 032	
Undisposed profits	113	—	281	281	281	281	
Net earnings	162	563	107	117	132	147	
	Total	18 920	20 633	22 077	22 750	22 232	21 852

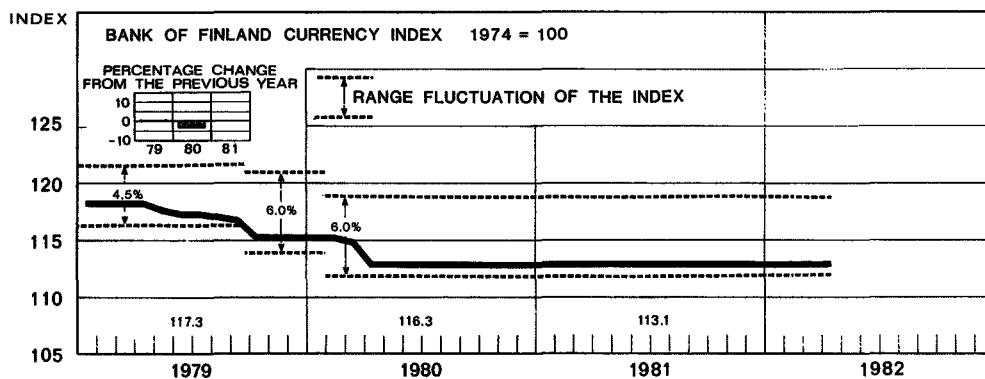
End of year or month	Foreign sector							Public sector			
	Gold SDRs, IMF reserve tranche	Foreign bonds	Convertible currencies, net	Total convertible reserves (1+2+3)	Tied currencies, net	Other receivables, net	Net receivables (4+5+6)	Receivables	Liabilities	Net liabilities (9-8)	Deposit certificates in circulation
	1	2	3	4	5	6	7	8	9	10	11
1976	357	397	954	1 708	389	-660	1 437	447	1 133	686	—
1977	337	543	1 212	2 092	496	-2 031	557	391	328	— 63	200
1978	728	872	3 080	4 680	471	-1 099	4 052	633	114	-519	1 090
1979	1 728	1 749	2 964	6 441	-678	-764	4 999	884	387	-497	1 700
1980	1 850	2 125	3 823	7 798	-757	-890	6 151	1 225	591	-634	1 900
1981	2 408	1 405	3 645	7 458	1 909	-991	8 376	1 236	578	-658	1 600
1981											
May	1 974	1 708	3 777	7 459	315	-1 020	6 754	1 161	680	-481	300
June	1 974	1 422	4 331	7 727	437	-1 020	7 144	1 155	696	-459	700
July	2 150	1 400	4 109	7 659	1 166	-1 020	7 805	1 186	731	-455	600
Aug.	2 142	1 420	4 154	7 716	1 362	-1 020	8 058	1 209	747	-462	450
Sept.	2 129	1 582	3 687	7 398	1 435	-1 007	7 826	1 198	727	-471	450
Oct.	2 131	1 597	2 908	6 636	1 472	-1 007	7 101	1 213	698	-515	750
Nov.	2 090	1 498	3 065	6 653	1 878	-970	7 561	1 196	699	-497	1 550
Dec.	2 408	1 405	3 645	7 458	1 909	-991	8 376	1 236	578	-658	1 600
1982											
Jan.	2 408	1 381	2 828	6 617	2 832	-991	8 458	1 262	434	-828	1 000
Feb.	2 371	1 096	3 617	7 084	2 860	-1 638	8 306	970	435	-535	400
March	2 343	1 125	4 597	8 065	2 718	-1 627	9 156	971	211	-760	2 300
April	2 343	1 117	4 267	7 727	3 084	-1 612	9 199	965	195	-770	2 150
May	2 305	1 064	3 498	6 867	3 456	-1 581	8 742	964	171	-793	2 000

## FOREIGN EXCHANGE POSITION.

Mill. mk

	Net holdings, Dec. 31, 1981			Net holdings, April 30, 1982			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	April	Jan.-April
Gold	1 382	—	1 382	1 382	—	1 382	—	—
Special drawing rights	632	—	632	567	—	567	—	-65
IMF reserve tranche	394	—	394	394	—	394	—	—
Foreign bonds	1 405	—	1 405	1 116	—	1 116	-9	-289
Convertible currencies	3 646	-7 748	-4 102	4 267	-6 019	-1 752	-211	+2 350
Total	7 459	-7 748	-289	7 726	-6 019	+1 707	-220	+1 996
Tied currencies	1 909	-122	1 787	3 085	-178	2 907	+335	+1 120
Grand total	9 368	-7 870	1 498	10 811	-6 197	4 614	+115	+3 116

End of year or month	Domestic financial sector						Corporate sector				Notes and coins in circulation
	Discounted and re-discounted bills	Cheque account receivables, net	Demand for call money by deposit banks	Supply of call money by deposit banks	Cash reserve deposits	Other liabilities, net	Net receivables (1+2+3-4-5-6)	Permanent special financing schemes	Liabilities, net	Net receivables (8-9)	
	1	2	3	4	5	6	7	8	9	10	11
1976	2 920	172	1 204	1 137	—	-372	3 531	1 400	308	1 092	2 885
1977	3 091	107	1 804	850	—	-74	4 226	1 416	242	1 174	3 167
1978	970	136	2 213	2 075	—	69	1 175	1 948	356	1 592	3 822
1979	—	229	3 870	1 131	1 764	-291	1 495	2 182	65	2 117	4 375
1980	—	480	3 674	290	3 317	-1 064	1 611	3 063	642	2 421	4 954
1981	—	495	1 796	1 080	2 492	-1 174	-107	3 865	749	3 116	5 595
1981											
May	—	576	2 717	1 340	2 783	-1 131	301	3 340	797	2 543	5 082
June	—	603	2 635	1 430	2 346	-1 303	765	3 441	1 167	2 274	5 212
July	—	610	1 876	1 240	2 396	-1 186	36	3 525	1 228	2 297	5 166
Aug.	—	610	1 916	1 770	2 429	-1 348	-325	3 517	1 263	2 254	5 089
Sept.	—	535	1 994	1 380	2 464	-1 155	-160	3 649	1 308	2 341	5 023
Oct.	—	561	2 443	780	2 469	-1 164	919	3 786	1 327	2 459	5 131
Nov.	—	607	3 218	1 430	2 476	-1 226	1 145	3 829	1 124	2 705	5 201
Dec.	—	495	1 796	1 080	2 492	-1 174	-107	3 865	749	3 116	5 595
1982											
Jan.	—	521	979	1 380	2 605	-1 119	-1 366	3 927	703	3 224	5 257
Feb.	—	388	1 972	2 020	2 638	-1 071	-1 227	3 928	868	3 060	5 272
March	—	379	2 032	1 590	2 644	-1 161	-662	3 989	719	3 270	5 175
April	—	305	2 069	1 600	2 644	-1 360	-510	3 955	752	3 203	5 383
May	—	511	1 888	1 420	2 707	-1 510	-218	4 058	684	3 374	5 534



# MONETARY POLICY INDICATORS

Average for period	Total central bank debt of the commercial banks, mill. mk	Actual central bank debt of the commercial banks, mill. mk	Credit quotas of the commercial banks at the Bank of Finland, mill. mk	Cash reserve deposits of the deposit banks, mill. mk	Cash reserve deposits of the commercial banks, mill. mk	Bank of Finland placements in the call money market, mill. mk	Base rate %	Call money interest rate %	Average cost of total central bank debt %	Average lending rate of the commercial banks <sup>1</sup> %
	1	2	3	4	5	6	7	8	9	10
1975	4 000	3 611	2 725	—	—	239 <sup>2</sup>	9.25	26.80 <sup>2</sup>	12.10	9.65
1976	4 001	3 345	2 400	—	—	79	9.25	18.40	12.38	9.69
1977	3 914	3 094	1 967	—	—	149	9.00	17.20	11.82	9.54
1978	3 573	2 070	1 475	—	—	90	7.58	11.99	8.88	8.22
1979	2 629	820	475	447	389	321	7.46	9.74	8.99	8.03
1980	4 963	4 097	783	2 542	2 220	3 313	9.20	12.38	12.37	9.77
1981	4 087	2 754	595	2 795	2 442	2 161	9.25	11.48	11.61	9.84

## 1981

May	3 950	2 848	600	2 918	2 523	2 249	9.25	11.00	11.20	9.86
June	3 658	2 634	600	2 569	2 228	2 036	9.25	11.00	10.96	9.85
July	3 513	1 760	600	2 346	2 052	1 161	9.25	11.00	10.73	9.85
Aug.	3 115	1 678	600	2 393	2 099	1 080	9.25	11.45	10.58	9.85
Sept.	3 265	1 558	600	2 428	2 126	959	9.25	11.50	11.05	9.81
Oct.	3 544	2 032	600	2 459	2 151	1 434	9.25	11.50	11.37	9.81
Nov.	3 533	2 092	600	2 465	2 157	1 494	9.25	11.50	11.26	9.82
Dec.	3 941	2 850	600	2 473	2 164	2 253	9.25	11.30	11.74	9.84

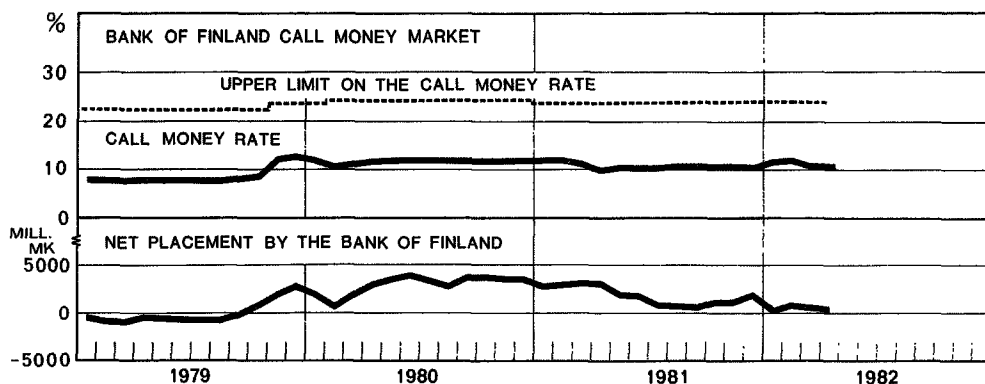
## 1982

Jan.	2 526	1 163	600	2 502	2 194	567	9.25	12.30	10.90	9.84
Feb.	2 760	1 518	400	2 603	2 286	1 121	9.25	12.45	11.95	9.84
March	3 059	1 305	400	2 630	2 290	906	9.25	11.56	11.72	9.79
April	3 049	1 062	400	2 637	2 299	664	9.25	11.50	11.51	..
May	2 908	1 429	400	2 645	2 313	1 034	9.25	11.50	..	..

See explanations on page 22.

<sup>1</sup> End of period.

<sup>2</sup> 1. 9.—31. 12. 1975.



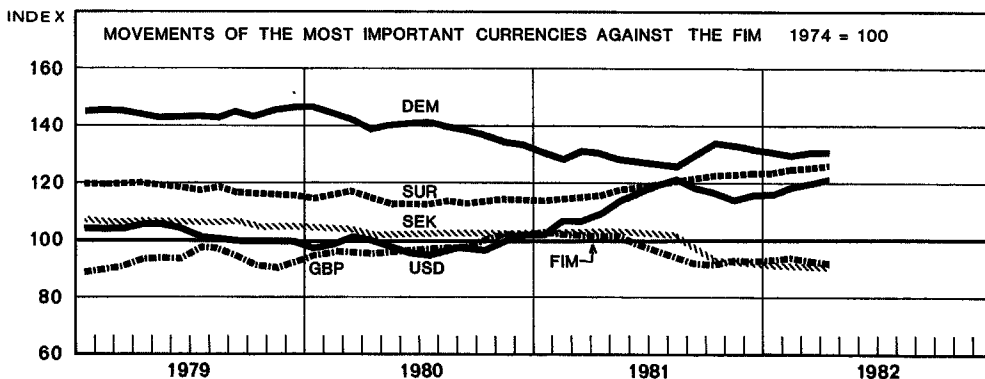


# FOREIGN EXCHANGE RATES

Mill. mk

Average selling rates for foreign exchange, mk

Period	New York 1 US \$ USD	London 1 £ GBP	Stockholm 100 Skr SEK	Oslo 100 Nkr NOK	Copenhagen 100 Dkr DKK	Frankfurt 100 DM DEM	Zurich 100 Sfr CHF	Paris 100 FF FRF	Moscow 1 Cl Rbl SUR	Currency Index 1974 = 100
	1	2	3	4	5	6	7	8	9	10
1975	3.679	8.155	88.80	70.59	64.21	149.80	142.64	86.00	5.093	101.1
1976	3.864	6.983	88.86	70.95	64.04	153.78	154.86	81.09	5.125	99.9
1977	4.029	7.042	90.21	75.83	67.23	174.15	168.70	82.16	5.475	106.1
1978	4.117	7.917	91.43	78.93	75.06	205.53	231.83	91.77	6.037	117.2
1979	3.896	8.275	91.12	77.22	74.38	212.75	234.36	91.88	5.941	117.3
1980	3.730	8.691	88.43	75.81	66.53	205.58	222.87	88.65	5.741	113.6
1981	4.315	8.731	85.74	75.54	60.96	191.31	220.34	79.92	5.986	113.1
1981										
May	4.321	9.047	88.51	76.52	60.18	188.58	209.60	79.04	5.922	113.1
June	4.448	8.805	88.34	75.62	59.90	187.41	214.73	78.97	5.951	113.1
July	4.543	8.546	87.97	74.82	59.78	186.54	217.10	78.75	6.028	113.1
Aug.	4.629	8.445	87.59	75.24	59.23	185.36	213.77	77.77	6.078	113.1
Sept.	4.504	8.197	83.48	75.79	61.25	191.31	222.42	80.18	6.127	113.1
Oct.	4.424	8.173	80.19	75.19	61.61	196.84	234.86	79.05	6.165	113.1
Nov.	4.354	8.301	79.70	75.18	61.11	195.91	244.06	79.98	6.188	113.1
Dec.	4.375	8.368	79.24	75.96	60.07	194.01	241.26	76.96	6.207	113.1
1982										
Jan.	4.409	8.339	78.84	75.55	59.24	192.69	239.40	76.09	6.215	113.1
Feb.	4.515	8.352	78.49	75.76	58.03	191.08	239.02	75.25	6.265	113.1
March	4.574	8.275	78.51	76.02	57.01	192.48	242.70	74.70	6.307	113.1
April	4.613	8.179	78.12	75.94	56.66	192.74	235.81	74.09	6.378	113.1
May	4.512	8.180	78.12	75.72	57.60	195.56	231.86	75.17	6.353	113.1



# DEPOSITS BY THE PUBLIC

Mill. mk

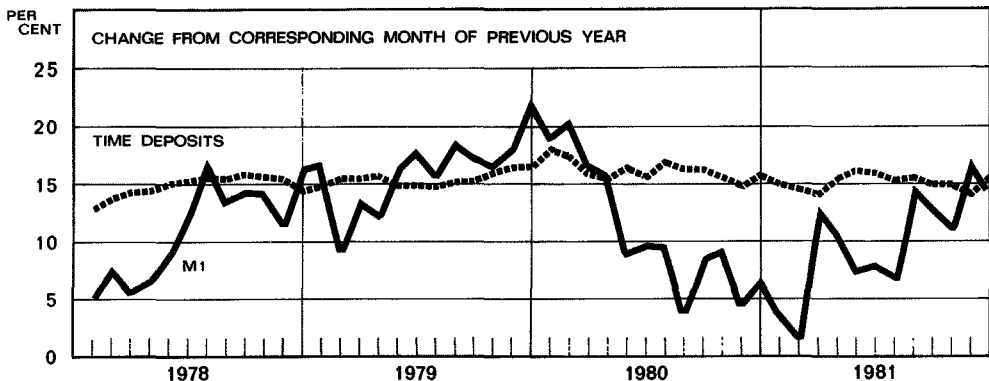
End of year and month	Demand deposits				Time deposits					Total (4+9)
	Commercial banks	Savings banks & Co-op. banks	Posti-pankki	All deposit banks	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	All deposit banks	
	1	2	3	4	5	6	7	8	9	
1978	3 887	1 676	2 052	7 615	17 035	14 641	11 286	4 900	47 862	55 477
1979	4 697	2 255	2 714	9 666	19 794	17 177	13 348	5 599	55 918	65 584
1980	5 459	2 285	2 531	10 275	22 591	20 009	15 950	6 355	64 905	75 180
1981	5 791	2 879	2 952	11 622	26 094	22 937	18 598	7 448	75 077	86 699

## 1980

Nov.	4 410	2 155	2 669	9 234	21 658	19 618	15 416	6 256	62 948	72 182
Dec.	5 459	2 285	2 531	10 275	22 591	20 009	15 950	6 355	64 905	75 180

## 1981

Jan.	4 519	2 183	3 011	9 713	22 516	20 394	16 164	6 440	65 514	75 227
Feb.	3 999	2 123	2 848	8 970	22 492	20 683	16 485	6 578	66 238	75 208
March	4 522	2 036	3 913	10 471	22 405	20 581	16 420	6 652	66 058	76 529
April	4 552	2 189	3 366	10 107	23 119	20 851	16 673	6 732	67 375	77 482
May	4 334	2 391	3 035	9 760	23 800	21 177	16 919	6 769	68 665	78 425
June	5 424	2 434	2 956	10 814	23 803	21 451	17 094	6 863	69 211	80 025
July	4 728	2 577	3 102	10 407	24 316	21 818	17 485	6 957	70 576	80 983
Aug.	5 076	2 716	3 194	10 986	24 554	22 012	17 596	7 053	71 215	82 201
Sept.	5 070	2 804	3 226	11 100	24 239	22 056	17 723	7 058	71 076	82 176
Oct.	4 964	2 689	3 245	10 898	24 706	22 221	17 749	7 060	71 736	82 634
Nov.	5 386	2 689	3 115	11 190	24 732	22 280	17 892	7 080	71 984	83 174
Dec.	5 791	2 879	2 952	11 622	26 094	22 937	18 598	7 448	75 077	86 699



ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

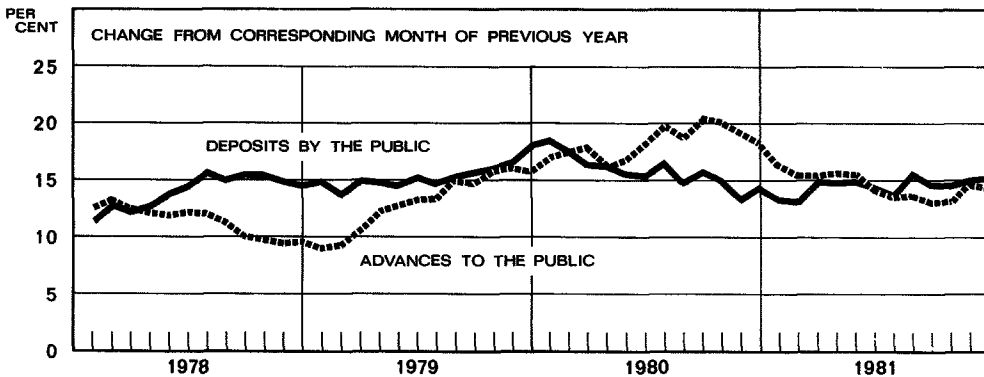
End of year and month	Advances granted by				Types of advances			Total (1 to 4) (5 to 7)	Money Supply	
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Loans & bills in domestic currency	Cheque credits	Domestic credits in foreign currency		M <sub>1</sub>	M <sub>1</sub> +Quasi-Money
	1	2	3	4	5	6	7		8	9
1978	26 324	14 092	12 181	6 847	52 517	1 723	5 204	59 444	11 496	60 682
1979	29 844	16 535	14 258	8 299	60 971	1 955	6 010	68 936	14 087	71 157
1980	35 994	19 097	16 760	9 973	70 466	2 347	9 011	81 824	14 979	81 601
1981	40 462	22 009	20 059	11 135	80 817	2 877	9 971	93 665	17 186	94 577

1980

Nov.	35 789	18 920	16 491	10 166	69 911	2 543	8 912	81 366	13 757	78 488
Dec.	35 994	19 097	16 760	9 973	70 466	2 347	9 011	81 824	14 979	81 601

1981

Jan.	35 612	19 269	16 849	10 004	70 763	2 564	8 407	81 734	14 307	81 615
Feb.	36 102	19 462	17 015	9 978	71 487	2 865	8 205	82 557	13 649	81 707
March	36 904	19 617	17 211	9 977	72 291	2 884	8 534	83 709	15 093	82 994
April	37 444	19 751	17 421	10 120	73 015	2 884	8 837	84 736	14 852	84 105
May	38 034	20 004	17 704	10 149	73 769	2 912	9 210	85 891	14 634	85 186
June	38 541	20 278	18 039	10 502	74 629	3 044	9 687	87 360	15 763	87 304
July	38 494	20 570	18 358	10 876	75 599	2 940	9 759	88 298	15 465	88 405
Aug.	39 011	20 845	18 686	10 474	76 295	2 948	9 773	89 016	15 856	89 507
Sept.	39 325	21 199	19 079	10 773	77 556	3 128	9 692	90 376	16 045	89 787
Oct.	40 172	21 466	19 363	10 797	78 871	3 168	9 759	91 798	15 876	90 234
Nov.	41 040	21 732	19 730	11 129	80 208	3 495	9 928	93 631	16 128	90 514
Dec.	40 462	22 009	20 059	11 135	80 817	2 877	9 971	93 665	17 186	94 577



# STATE FINANCES

Mill. mk

Revenue	Jan.-March		Expenditure	Jan.-March	
	1981	1982		1981	1982
Income and wealth tax (net)	4 689	3 698	Wages, salaries, pensions etc.	2 050	2 378
Gross receipts	(10 811)	(10 623)	Repair and maintenance	260	255
Refunds & local authorities	(-6 122)	(-6 925)	Other consumption expenditure	1 287	1 751
Other taxes on income and wealth	78	91	Total consumption expenditure	3 597	4 384
Employers' child allowance payments	56	1	State aid to local authorities	2 628	2 995
Sales tax	3 239	3 272	State aid to industries	1 877	2 370
Customs duties and import charges and levies	335	355	of which: agric. price subsidies	(892)	(1 305)
Excise duties	2 119	2 453	Child allowances	397	439
Excise duty on alcoholic beverages	599	682	Share in national pensions and sickness insurance schemes	133	207
Excise duty on tobacco	316	354	Other transfer expenditure	1 663	2 099
Excise duty on liquid fuel	636	768	Total transfer expenditure	6 698	8 110
Other excise duties	568	649	Machinery and equipment	375	394
Tax on autom. and motor-cycles	402	439	Construction of buildings	162	178
Stamp duties	254	314	Land and waterway construction	440	474
Special diesel etc. vehicles tax	53	47	Total real investment	977	1 046
Other taxes and similar revenue	236	274	Interest on State debt	424	600
Total taxes	11 461	10 944	Net deficit of State enterprises	-134	-119
Miscellaneous revenue	970	1 108	Other expenditure	3	2
Interest, dividends etc.	143	189	Total other expenditure	293	483
Redemptions of loans granted	121	90	Increase in inventories	-37	-142
<b>Total revenue</b>	12 695	12 331	Lending	739	791
Foreign borrowing	301	1 604	Other financial investment	144	87
Domestic borrowing	796	1 071	<b>Total expenditure</b>	12 411	14 759
<b>Total borrowing</b>	1 097	2 675	Redemption of foreign loans	66	310
<b>Deficit (+) or surplus (-)</b>	-672	969	Redemption of domestic loans	643	906
			<b>Total redemptions</b>	709	1 216
<b>Total</b>	13 120	15 975			
			<b>Total</b>	13 120	15 975

State debt	1979	1980	1981 <sup>1</sup>	1982		
	Dec.	Dec.	Dec.	Jan.	Feb.	March
<b>Foreign debt</b>	8 964	10 341	13 331	13 521	13 819	14 925
Long-term debt	6 051	7 585	8 762	8 910	8 556	8 814
Short-term credit	174	40	9	17	21	22
<b>Domestic debt</b>	6 225	7 625	8 771	8 927	8 577	8 836
<b>Total State debt</b>	15 189	17 966	22 102	22 448	22 396	23 761
Total debt mill. \$	4 061	4 642	5 052	5 091	4 960	5 195

<sup>1</sup> Since December 1981 State debt has been expressed in gross terms. As a result cash assets are no longer deducted from domestic debt; foreign debt is unaffected by the change. The short-term debt of the State Granary is excluded from the figures.

# FOREIGN TRADE

Mill. mk

Value, mill. mk

Period	Value, mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1976	24 505	28 555	-4 050
1977	30 931	30 708	+223
1978	35 206	32 338	+2 868
1979	43 430	44 222	-792
1980	52 795	58 250	-5 455
1981	60 308	61 269	-961

1981

May	5 538	5 908	-370
June	5 306	4 858	+448
July	4 246	4 413	-167
Aug.	4 777	5 941	-1 164
Sept.	5 097	5 282	-185
Oct.	5 626	5 217	+409
Nov.	5 645	5 504	+141
Dec.	4 944	5 712	-768

1982\*

Jan.	5 243	5 003	+240
Feb	5 476	4 785	+691
March	5 298	4 993	+305

Jan.-March

1981	14 472	13 516	+956
1982*	16 017	14 781	+1 236

Indices of exports and imports  
1980 = 100<sup>1</sup>

Period	Indices of exports and imports 1980 = 100 <sup>1</sup>				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
1976	71	86	65	57	114
1977	78	79	75	67	113
1978	84	75	80	74	108
1979	92	89	90	86	105
1980	100	100	100	100	100
1981	103	94	111	112	99

1980

Jan.-March	101	94	96	99	97
Apr.-June	95	96	99	100	99
July-Sept.	97	107	100	100	100
Oct.-Dec.	107	101	104	102	102

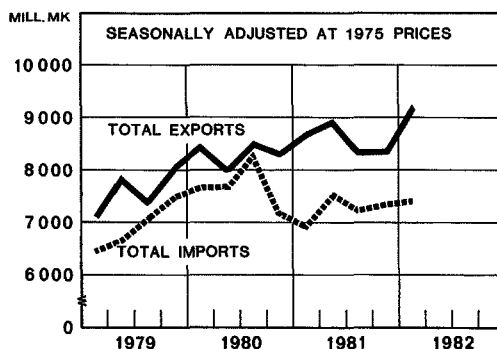
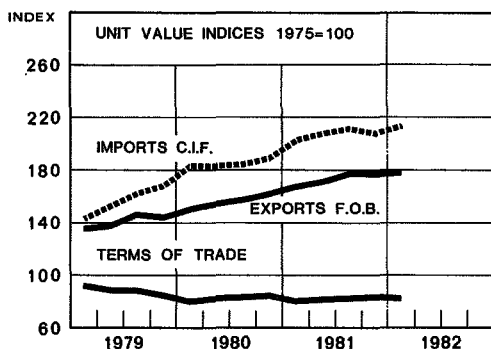
1981

Jan.-March	102	84	107	110	97
Apr.-June	106	95	110	113	98
July-Sept.	95	94	113	115	99
Oct.-Dec.	108	100	114	113	100

1982\*

Jan.-March	106	88	114	115	99
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<sup>1</sup> New series.



# 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	
1976	804	2 892	7 860	6 891	6 058	17 828	1 581	4 966	4 103	77
1977	1 087	3 854	8 798	9 184	8 008	19 128	2 066	4 828	4 603	83
1978	966	4 641	10 402	9 593	9 604	20 431	2 224	4 801	4 830	52
1979	1 366	6 073	12 992	10 342	12 657	28 878	3 401	5 719	6 133	91
1980	1 403	7 742	15 751	11 546	16 353	38 622	4 088	7 989	7 440	111
1981	2 036	6 852	17 127	14 858	19 435	39 156	5 115	8 877	8 015	106

1981

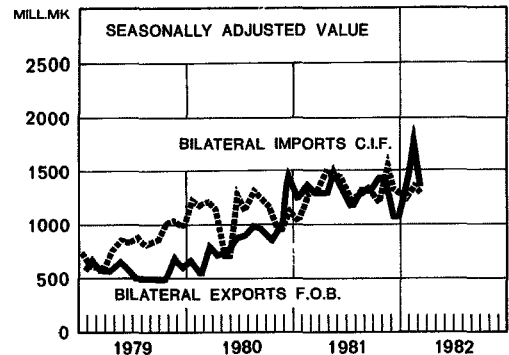
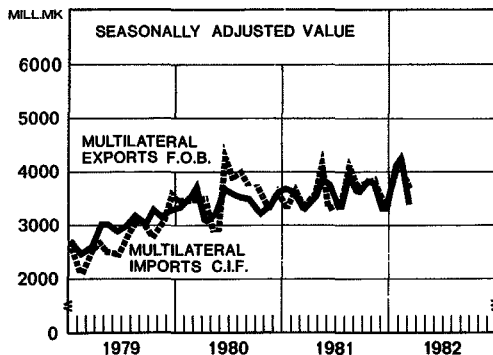
May	318	644	1 378	1 678	1 520	4 210	344	682	668	4
June	89	717	1 363	1 371	1 766	2 993	621	665	565	14
July	87	504	1 453	1 164	1 038	2 641	588	614	537	33
Aug.	95	515	1 316	918	1 933	3 584	644	1 035	671	7
Sept.	103	536	1 560	1 028	1 870	3 455	561	588	674	4
Oct.	82	574	1 589	1 511	1 870	3 223	454	777	759	4
Nov.	70	579	1 514	1 513	1 969	3 614	474	705	707	4
Dec.	325	538	1 400	1 217	1 464	3 818	426	825	632	11

1982\*

Jan.	59	460	1 461	1 427	1 836	3 152	224	991	631	5
Feb.	355	458	1 438	1 398	1 827	3 089	267	648	778	3
March	356	461	1 623	1 240	1 618	3 201	230	736	823	3

Jan.-March

1981	795	1 675	4 052	3 408	4 542	8 492	730	2 236	2 035	23
1982*	770	1 379	4 522	4 065	5 281	9 442	721	2 375	2 232	11



FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January — March				January — March			
	1981*		1982*		1981*		1982*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	59.3	8 583	57.7	9 250	56.0	7 556	56.0	8 275
Austria	0.6	82	0.7	109	1.3	177	1.3	191
Belgium and Luxembourg	1.3	194	1.5	247	1.8	246	1.8	265
Denmark	2.6	378	4.6	742	2.4	319	2.3	338
France	4.6	668	5.1	824	3.8	514	3.4	500
Federal Republic of Germany	10.2	1 472	10.2	1 627	13.0	1 757	13.1	1 942
Italy	2.2	319	2.3	367	2.5	337	2.6	388
Netherlands	3.8	547	2.9	471	2.6	351	2.6	383
Norway	6.3	909	3.7	600	2.6	348	2.4	358
Portugal	0.3	37	0.2	34	0.6	76	0.7	94
Spain	0.7	107	0.8	121	0.8	107	0.8	116
Sweden	12.9	1 862	11.8	1 898	12.6	1 704	15.2	2 248
Switzerland	1.9	272	1.6	248	1.8	247	1.8	271
United Kingdom	10.4	1 509	10.2	1 633	9.2	1 238	7.4	1 096
Other	1.5	227	2.1	329	1.0	135	0.6	85
<b>OECD countries outside Europe</b>	6.0	862	6.2	992	13.8	1 865	12.7	1 883
Canada	0.7	104	0.9	142	0.7	95	1.1	166
Japan	1.2	170	1.6	258	4.4	589	4.6	677
United States	3.4	487	2.7	432	8.6	1 166	6.8	1 012
Other	0.7	101	1.0	160	0.1	15	0.2	28
<b>CMEA countries</b>	24.9	3 603	26.6	4 257	24.0	3 252	23.2	3 431
Czechoslovakia	0.2	32	0.2	33	0.7	95	0.6	95
German Democratic Republic	0.7	96	0.5	74	0.7	96	0.6	88
Poland	0.2	28	0.1	17	0.8	106	1.1	165
Soviet Union	23.1	3 340	25.0	4 002	20.6	2 793	19.6	2 896
Other	0.7	107	0.8	131	1.2	162	1.3	187
<b>Latin America</b>	1.7	245	1.1	170	2.4	329	2.2	319
Argentina	0.4	62	0.1	19	0.1	13	0.1	10
Brazil	0.4	57	0.3	45	0.4	62	0.7	105
Colombia	0.1	15	0.1	13	0.7	96	0.6	89
Other	0.8	111	0.6	93	1.2	158	0.8	115
<b>Other</b>	8.1	1 179	8.4	1 348	3.8	514	5.9	873
<b>GRAND TOTAL</b>	100.0	14 472	100.0	16 017	100.0	13 516	100.0	14 781
of which								
<b>EFTA countries</b>	22.0	3 177	18.2	2 909	19.3	2 602	21.6	3 190
<b>EEC countries</b>	36.3	5 252	38.6	6 181	35.7	4 825	33.6	4 962
<b>OECD countries</b>	65.3	9 445	63.9	10 242	69.8	9 417	68.7	10 158

# BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income net	Unrequited transfers net	Other, net	Current account
1978	35 068	32 600	+2 468	+2 024	+141	+803	+5 436	-2 713	-211	+94	+2 606
1979	43 302	44 430	-1 128	+3 010	+157	+359	+2 398	-2 840	-430	+111	-761
1980*	52 860	58 315	-5 455	+3 064	+320	+587	-1 484	-3 308	-454	+91	-5 155
1981*	60 275	61 615	-1 340	+3 481	+436	+1 102	+3 679	-4 400	-453	+8	-1 166

## 1979

Jan.-March	9 683	9 168	+515	+652	-112	+318	+1 373	-656	-204	+24	+537
Apr.-June	10 847	10 193	+654	+745	+13	-71	+1 341	-963	-91	+25	+312
July-Sept.	10 210	11 573	-1 363	+792	+251	+76	-244	-671	-51	+33	-933
Oct.-Dec.	12 562	13 496	-934	+821	+5	+36	-72	-550	-84	+29	-677

## 1980\*

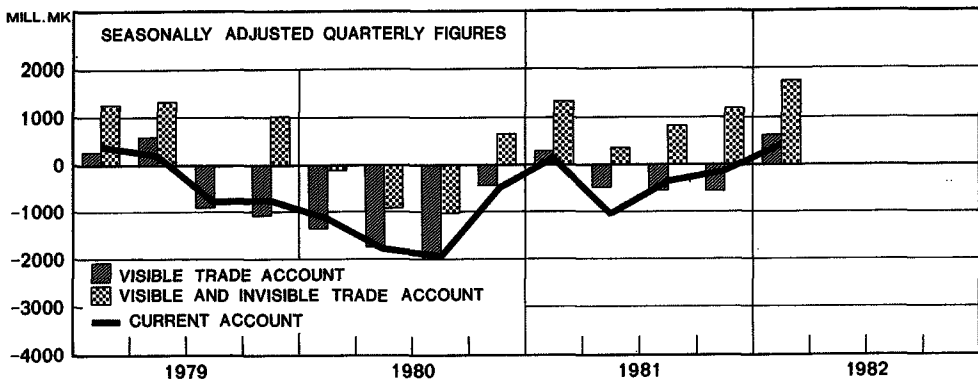
Jan.-March	12 788	13 608	-820	+878	-103	+338	+293	-787	-169	-5	-668
Apr.-June	12 470	14 029	-1 559	+567	+80	+83	-829	-723	-100	+55	-1 597
July-Sept.	12 864	15 643	-2 779	+855	+298	+100	-1 526	-765	-102	+34	-2 359
Oct.-Dec.	14 738	15 035	-297	+764	+45	+66	+578	-1 033	-83	+7	-531

## 1981\*

Jan.-March	14 472	13 617	+855	+924	-79	+88	+1 788	-993	-119	-6	+670
Apr.-June	15 495	15 767	-272	+874	+85	-143	+544	-1 260	-116	+7	-825
July-Sept.	14 105	15 724	-1 619	+904	+451	+443	+179	-1 031	-97	+9	-940
Oct.-Dec.	16 203	16 507	-304	+779	-21	+714	+1 168	-1 116	-121	-2	-71

## 1982\*

Jan.-March	16 005	14 878	+1 127	+1 009	-151	+255	+2 240	-1 133	-164	-3	+940
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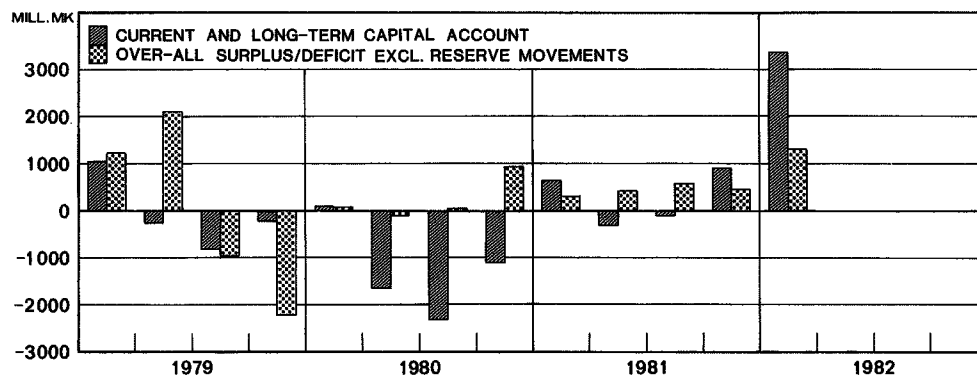
Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and prepayments, net	Short-term export credits and prepayments, net	Short-term capital of authorized banks, net <sup>2</sup>	Miscellaneous, short-term capital terms, incl. errors and omissions <sup>2</sup>	Over-all surplus deficit excl. reserve movements <sup>2</sup>	Bank of Finland foreign exchange reserves
+9 007	-5 743	-774	-225	+2 265	+4 871	+130	-2 188	-703	+479	+2 589	-2 589
+6 230	-4 843	-541	-337	+509	-252	+831	-834	+1 211	-834	+122	-122
+5 183	-4 140	-433	-428	+182	-4 973	+3 255	-967	+3 930	-250	+995	-995
+8 312	-4 643	-518	-826	+2 325	+1 159	-1 040	+437	-406	+1 653	+1 803	-1 803
+2 202	-1 626	-8	-46	+522	+1 059	-19	-63	+819	-564 <sup>3</sup>	+1 232	-1 232
+1 267	-1 453	-218	-174	-578	-266	+39	-62	+1 966	+423	+2 100	-2 100
+1 258	-892	-336	+70	+100	-833	+422	-354	-1 100	+880	-985	+985
+1 503	-872	+21	-187	+465	-212	+389	-355	-474	-1 573	-2 225	+2 225
+2 108	-1 113	-171	-65	+759	+91	+302	-31	+518	-797 <sup>3</sup>	+83	-83
+1 076	-997	-39	-86	-46	-1 643	+1 498	-32	+1 666	-1 584	-95	+95
+1 126	-913	-36	-146	+31	-2 328	+711	-452	+1 189	+934	+54	-54
+873	-1 117	-187	-131	-562	-1 093	+744	-452	+557	+1 197	+953	-953
+1 404	-955	-227	-235	-13	+657	-473	+789	-163	-501 <sup>3</sup>	+309	-309
+1 948	-1 213	+11	-233	+513	-312	+867	+790	-21	-894	+430	-430
+1 932	-797	-91	-200	+844	-96	+95	-571	-822	+1 981	+587	-587
+3 028	-1 678	-211	-158	+981	+910	-1 529	-571	+600	+1 067	+477	-477
+3 637	-866	-169	-163	+2 439	+3 379	-996	+216	-1 520	+233	+1 312	-1 312

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

<sup>1</sup> Including direct investment, net.

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

<sup>3</sup> Including allocations of special drawing rights: 139 million in 1979, 133 million in 1980 and 131 million in 1981.

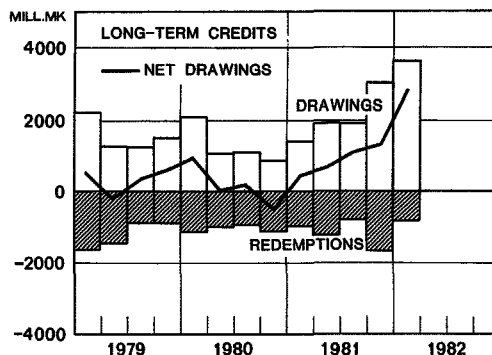
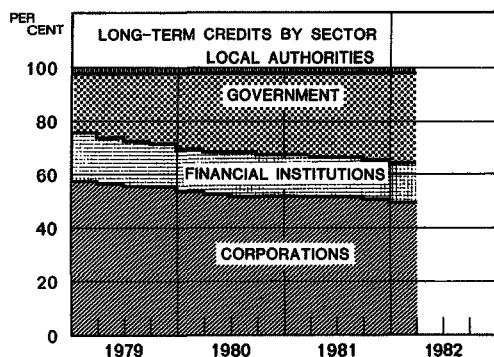


# FINLAND'S FOREIGN ASSETS AND LIABILITIES

Mill. mk

End of year and month	Long-term assets				Long-term liabilities					Net long-term liabilities (9-4)
	Export credits	Direct investment	Other	Total (1 to 3)	Financial loans	Import credits	Direct investment	Other	Total (5 to 8)	
	1	2	3	4	5	6	7	8	9	10
1978	2 978	1 850	956	5 784	27 716	5 612	1 885	231	35 444	29 660
1979	3 389	2 324	983	6 696	28 194	4 898	1 979	300	35 371	28 675
1980*	3 872	2 806	1 051	7 729	29 730	4 377	2 075	340	36 522	28 793
1981*	4 673	3 426	1 317	9 416	35 536	4 444	2 183	391	42 554	33 138
1979										
March	3 001	1 972	1 008	5 981	28 214	5 584	1 924	221	35 943	29 962
June	3 179	2 089	1 029	6 297	27 763	5 172	1 923	226	35 084	28 787
Sept.	3 419	2 226	1 066	6 711	27 724	4 956	1 930	232	34 842	28 131
Dec.	3 389	2 324	983	6 696	28 194	4 898	1 979	300	35 371	28 675
1980*										
March	3 625	2 456	932	7 013	29 122	4 692	1 971	288	36 073	29 060
June	3 534	2 539	967	7 040	28 887	4 517	1 990	268	35 662	28 622
Sept.	3 594	2 649	972	7 215	29 251	4 482	2 029	278	36 040	28 825
Dec.	3 872	2 806	1 051	7 729	29 730	4 377	2 075	340	36 522	28 793
1981*										
March	4 254	2 945	1 229	8 428	30 523	4 455	2 138	442	37 558	29 130
June	4 473	3 161	1 278	8 912	32 814	4 467	2 180	406	39 867	30 955
Sept.	4 559	3 329	1 282	9 170	34 414	4 377	2 168	392	41 351	32 181
Dec.	4 673	3 426	1 317	9 416	35 536	4 444	2 183	391	42 554	33 138
1982*										
March	5 000	3 616	1 416	10 032	38 609	4 623	2 263	709	46 204	36 172

See explanations on page 22.

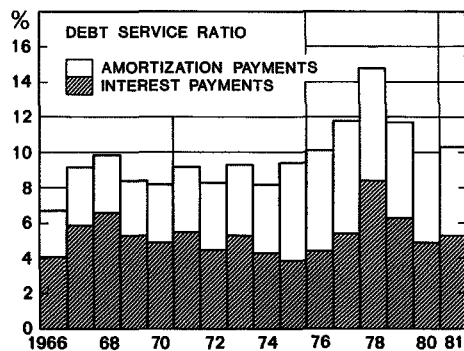
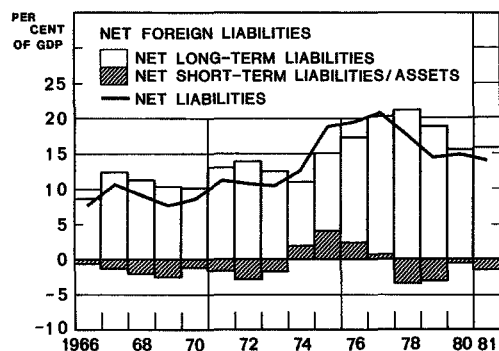


# FINLAND'S FOREIGN ASSETS AND LIABILITIES

Mill. mk

Short-term assets				Short-term liabilities				Net short-term liabilities (18-14)	Net liabilities (10+19)	Debt service, flow	Of which amortization payments, flow
Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (11 to 13)	Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (15 to 17)				
11	12	13	14	15	16	17	18	19	20	21	22
6 545	4 731	8 698	19 974	1 478	6 379	7 309	15 166	-4 808	24 852	6 623	3 769
7 918	6 579	9 970	24 467	2 340	9 333	7 816	19 489	-4 978	23 697	6 457	3 472
9 895	9 560	12 532	31 987	3 089	16 240	11 849	31 178	-809	27 984	6 716	3 274
11 362	13 732	14 176	39 270	2 427	20 218	13 565	36 210	-3 060	30 078	7 971	3 494
7 804	4 187	8 845	20 836	1 611	6 692	7 332	15 635	-5 201	24 761	1 970	1 284
9 871	4 053	9 131	23 055	1 604	8 404	7 476	17 484	-5 571	23 216	2 085	1 082
8 601	4 205	9 508	22 314	1 579	7 620	7 808	17 007	-5 307	22 824	1 315	604
7 918	6 579	9 970	24 467	2 340	9 333	7 816	19 489	-4 978	23 697	1 087	502
8 708	6 936	10 224	25 868	3 113	10 179	7 865	21 157	-4 711	24 349	1 756	937
9 279	7 133	10 509	26 921	3 727	11 970	9 545	25 242	-1 679	26 943	1 518	730
9 250	7 478	11 469	28 197	3 605	13 539	10 567	27 711	-486	28 339	1 554	761
9 895	9 560	12 532	31 987	3 089	16 240	11 849	31 178	-809	27 984	1 888	846
9 701	10 149	12 357	32 207	2 680	16 543	12 409	31 632	-575	28 555	1 744	732
10 125	11 464	12 299	33 888	2 437	18 080	14 102	34 619	731	31 686	2 178	897
10 817	12 627	13 152	36 596	2 403	18 487	14 690	35 580	-1 016	31 165	1 646	595
11 362	13 732	14 176	39 270	2 427	20 218	13 565	36 210	-3 060	30 078	2 403	1 270
12 795	13 550	14 060	40 405	3 074	18 532	12 354	33 960	-6 445	29 727	1 765	555

See explanations on page 22



# PRICE INDICES

Period	Wholesale price index 1949 = 100	Basic price index for domestic supply 1975 = 100						Building costs 1980 = 100		
		Total	Origin		Purpose			Total	Wages in building trade	Building materials
			Domestic goods	Imported goods	Raw materials	Consumer goods	Investment goods			
1979	791	138.0	135.0	148.7	133.1	150.7	139.2			
1980	919	160.7	156.6	175.0	160.1	167.7	155.9	100.0	100.0	100.0
1981	1 044	182.4	178.6	196.0	185.3	185.3	173.3	110.1	109.6	110.0
1981										
Aug.	1 057	184.7	180.5	199.5	187.5	187.9	175.3	110.4	109.6	110.6
Sept.	1 064	185.9	181.9	200.2	189.0	189.8	175.3	112.2	112.8	111.8
Oct.	1 070	187.0	183.6	199.0	189.4	191.7	177.5	113.0	112.8	112.9
Nov.	1 085	189.6	187.2	197.7	193.0	192.2	179.1	113.1	112.8	112.8
Dec.	1 087	190.0	187.6	198.5	193.6	192.6	179.3	113.3	112.8	113.1
1982										
Jan.	1 095	191.4	189.3	198.7	195.3	194.2	179.8	113.9	113.0	113.8
Feb.	1 103	192.8	190.7	200.2	196.8	195.4	181.1	114.1	113.0	114.0
March	1 103	192.8	192.0	195.7	195.4	198.0	182.2	115.7	116.8	115.0
April	1 106	193.3	192.5	195.9	194.7	200.3	184.0	116.8	117.1	116.4

Period	Consumer prices 1977 = 100										
	Total	Food	Beverages and tobacco	Clothing and footwear	Rent	Heating and lighting	Household goods and services	Health and medical services	Transport and communication	Education and recreation	Other goods and services
1979	115.9	108.8	129.4	116.3	113.1	114.4	114.4	124.1	120.2	115.5	118.4
1980	129.3	122.8	140.9	131.9	122.4	141.1	127.4	137.6	136.4	123.4	132.6
1981	144.8	138.9	157.4	146.6	140.4	168.1	138.0	150.1	148.9	136.3	150.8
1981											
Aug.	146.2	139.8	157.9	146.7	142.1	171.5	138.6	152.6	150.0	139.2	152.2
Sept.	148.1	144.7	158.0	149.5	142.1	172.6	139.9	152.6	152.3	139.7	153.0
Oct.	149.4	146.4	158.0	150.6	146.7	172.8	141.1	154.2	151.3	140.2	154.4
Nov.	149.4	146.0	158.0	151.4	146.7	173.7	141.3	154.3	151.1	140.9	154.7
Dec.	149.9	145.6	158.0	151.9	147.2	177.9	141.7	154.9	152.4	141.1	154.9
1982											
Jan.	152.4	146.2	176.4	148.4	147.2	181.6	142.3	159.4	155.7	141.6	158.8
Feb.	153.1	147.5	176.4	151.1	147.2	182.7	142.9	161.2	156.2	141.8	159.5
March	155.0	152.4	176.5	152.9	148.5	183.3	143.4	163.0	157.8	141.8	160.6
April	156.1	155.3	176.5	154.8	148.5	178.2	145.5	163.1	156.6	144.8	164.0

# WAGES

Index of wage and salary earnings 1975 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agri-culture	Industry	Con-struction							
1980*	178.6	170.4	146.3	165.8	161.9	156.1	169.8	166.1	167.3	166.7
1981*	201.4	192.0	164.6	185.9	182.8	174.1	191.9	187.2	188.9	188.0
1980*										
Oct.-Dec.	189.3	178.9	153.9	173.7	169.8	162.8	178.8	174.6	175.9	175.3
1981*										
Jan.-March	191.0	183.1	158.1	179.0	176.9	168.9	182.9	179.7	180.3	180.0
Apr.-June	199.6	194.1	163.7	184.9	182.4	173.4	192.2	186.7	189.6	188.1
July-Sept.	201.1	193.5	166.9	187.6	184.0	175.4	194.1	189.1	190.9	190.0
Oct.-Dec.	211.0	197.2	169.8	192.1	187.7	178.7	198.2	193.3	194.8	194.0

# PRODUCTION

Volume indices of production 1975 = 100

Period	Gross domestic product	Industrial production	Agri-culture	For-estry	Construc-tion of buildings	Land and waterway construc-tion	Transport and com-munica-tion	Commerce	Public sector services	Others
1979										
Oct.-Dec.	119	126	77	148	119	90	127	111	122	115
1980*										
Jan.-March	112	126	73	145	79	87	110	96	124	112
Apr.-June	114	126	83	139	79	89	112	104	124	117
July-Sept.	115	116	187	89	111	86	123	106	125	113
Oct.-Dec.	124	135	80	152	121	86	131	114	127	119
1981*										
Jan.-March	113	128	71	137	79	85	112	95	128	116
Apr.-June	117	129	87	144	76	88	121	107	128	120
July-Sept.	114	117	151	73	100	84	127	107	130	116
Oct.-Dec.	126	137	75	135	120	88	138	115	132	122

# PRODUCTION

Index of industrial production 1975 = 100

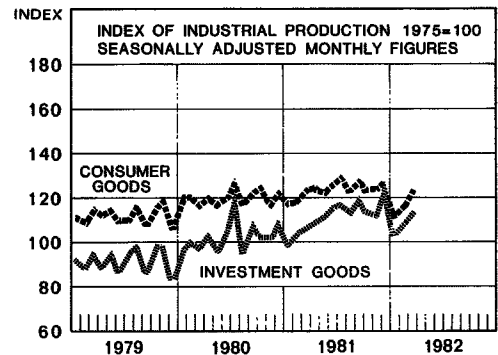
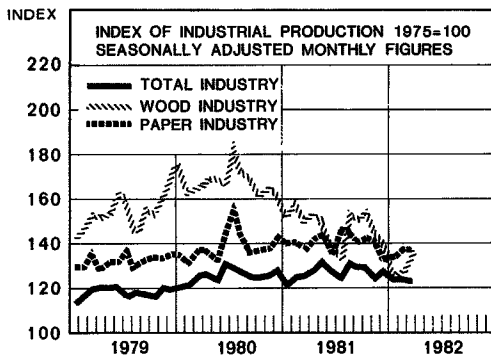
Period	Total	Investment goods	Consumer goods	Other producer goods	Special indices of manufacturing						Total adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industries	Non-metallic mineral industry	Metal industry	
1978	107.0	85.6	108.1	111.9	103.9	130.3	118.2	109.6	93.5	99.6	108.2
1979	118.3	93.7	113.7	127.0	110.8	155.6	134.0	123.7	102.3	110.3	119.0
1980*	127.2	104.8	121.8	135.9	118.0	169.1	141.1	137.2	112.9	122.4	126.7
1981*	129.0	113.6	125.1	135.1	120.5	148.7	142.5	148.2	104.2	128.9	129.3

1981\*

March	137.0	117.0	134.6	143.5	115.6	172.2	148.9	170.1	109.0	131.7	126.5
April	128.4	107.2	127.1	134.8	117.5	176.1	130.0	157.9	106.8	125.7	128.8
May	135.6	120.9	129.3	142.7	121.7	178.4	148.2	157.6	110.6	139.1	133.6
June	123.2	118.1	121.6	125.3	118.9	148.1	111.5	153.3	108.4	135.3	128.6
July	87.9	60.6	80.1	99.0	113.0	67.8	146.6	103.3	71.5	67.7	126.0
Aug.	129.5	112.5	125.9	135.9	118.0	138.2	156.6	156.8	102.2	123.7	132.5
Sept.	138.6	127.5	132.7	144.3	130.8	166.0	144.4	152.0	115.4	144.0	130.7
Oct.	143.6	127.7	140.8	149.3	145.6	160.1	156.8	149.5	112.5	144.2	130.4
Nov.	136.5	123.5	133.6	141.4	135.5	145.8	150.0	157.7	108.2	141.0	125.9
Dec.	131.8	130.0	130.5	133.0	123.0	127.8	129.0	125.9	96.3	143.2	129.7

1982\*

Jan.	127.5	112.2	121.3	134.6	105.7	115.8	143.9	135.4	86.6	130.8	126.1
Feb.	123.1	113.6	118.5	127.9	98.6	124.1	133.4	131.8	85.4	129.5	125.8
March	139.3	123.6	133.8	146.1	120.0	160.7	147.5	157.7	104.4	142.3	124.1



# LABOUR—TIMBER FELLINGS—INTERNAL TRADE

Period	Population of working age, 1 000 persons	Total labour force, 1 000 persons	Employed, 1 000 persons	Un-employed, 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings, 1 000 solid cu. m	Retail sales volume index 1972 = 100	Wholesale volume index 1972 = 100
1978	3 578	2 253	2 084	169	7.5	29 021	110	120
1979	3 593	2 223	2 134	139	6.1	37 986	117	135
1980	3 606	2 315	2 203	112	4.8	38 283	119	141
1981*	3 629	2 369	2 244	125	5.3	39 488	122	140
1981*								
June	3 623	2 542	2 415	127	5.0	2 184	122	136
July	3 625	2 556	2 422	134	5.2	1 600	128	125
Aug.	3 627	2 454	2 330	124	5.1	1 732	122	138
Sept.	3 639	2 363	2 245	118	5.0	2 793	123	156
Oct.	3 641	2 352	2 230	122	5.2	3 440	128	156
Nov.	3 642	2 349	2 223	126	5.4	3 679	116	138
Dec.	3 644	2 337	2 205	132	5.6	4 370	160	159
1982*								
Jan.	3 648	2 376	2 204	172	7.2	3 278	108	115
Feb.	3 649	2 378	2 219	159	6.9	4 260	107	126
March	3 654	2 335	2 175	160	6.9	5 781	..	..

## CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building-works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1979	48.64	18.71	6.34	16.57	3.99	38.29	16.70	4.39	11.88	3.25	47.62
1980	50.53	19.66	5.43	18.41	3.99	42.78	17.24	4.82	14.66	3.84	49.83
1981*	44.73	17.96	5.72	14.56	3.47	40.10	16.11	4.26	13.86	3.76	48.89
1980											
Oct.-Dec.	11.09	3.38	0.74	5.10	1.29	13.93	5.99	1.74	4.47	1.18	49.83
1981*											
Jan.-March	7.17	2.85	0.90	2.47	0.49	7.91	3.50	0.54	2.81	0.80	45.82
Apr.-June	16.83	7.54	2.79	4.56	0.80	6.99	3.34	0.52	2.29	0.49	51.97
July-Sept.	10.88	4.42	1.15	3.45	0.98	9.54	3.37	1.39	2.93	1.01	53.75
Oct.-Dec.	9.84	3.16	0.87	4.07	1.19	13.80	5.18	1.70	5.03	1.32	48.89

# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

Page 4. *Public sector*: Receivables = Government promissory notes + Bonds + Total coinage + Other public sector receivables. Liabilities = Cheque accounts + Counter-cyclical reserves + Counter-cyclical deposits + Capital import deposits + Other public sector claims.

Deposit certificates are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

Page 5. *Domestic financial sector*: Other liabilities, net = Capital import deposits + Other financial institution claims — Till-money credits — Bonds — Other financial institution receivables.

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

## MONETARY POLICY INDICATORS

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

Total central bank debt of the commercial banks = Discounted and rediscounted bills (until 30. 6. 1979, subsequently the banks have not been allowed to discount or rediscount bills) + net cheque account receivables from the commercial banks + call money debt + bond transactions with repurchase obligation — call money deposits by the commercial banks.

Actual central bank debt of the commercial banks = Total central bank debt — Postipankki's call money placements (or + Postipankki's call money overdrafts). Postipankki accounts for the bulk of the supply of call money from the deposit banks (supply of call money, see column 4 on page 5).

Credit quotas of the commercial banks at the Bank of Finland are the sum of individual quotas specifying the amount each bank eligible for central bank credit can borrow at the base rate. Before July 1979, a progressively rising interest rate was charged on credit in excess of the quota up to an absolute ceiling on quota-related debt. From July 1979, no bank may exceed its quota on average over the month. On any given day quota-related borrowing may not exceed 2.5 times the quota. The interest on this borrowing is the base rate.

Bank of Finland placements in the call money market = Demand for call money by the deposit banks — Supply of call money by the deposit banks. Average cost of the total central bank debt of the commercial banks: Net costs paid to the Bank of Finland by the commercial banks, as a percentage of their total central bank debt, per annum.

## FOREIGN EXCHANGE RATES

Page 7. *Exchange rates* are annual and monthly averages of the Bank of Finland's daily quotations. *Currency index* is annual and monthly average of daily index numbers.

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

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

Page 8. *Deposits by the public*. The central government and the financial institutions are mainly excluded from the public. From 1974 deposits include domestic deposits denominated in foreign currency.

Page 9. *Advances to the public*. The central government and the financial institutions are not included in the public. Postipankki's advances do not include loans granted by the State Investment Fund (INRA). Domestic credits in foreign currency are mainly granted by the commercial banks and the rest by Postipankki.

*Money Supply*.  $M_1$  = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Demand deposits held by the public (incl. Demand deposits at the Bank of Finland). Quasi-Money = Time deposits held by the public (incl. Time deposits at the Bank of Finland).

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

## STATE FINANCES

Page 10. Official figures computed by the Economics Department of the Ministry of Finance. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations.

## FOREIGN TRADE

Pages 11—13. Figures supplied by the Board of Customs. *Indices* (p. 11): 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. 13): from January 1980 imports by countries of origin exports by countries of consignment.

## BALANCE OF PAYMENTS

Pages 14—15. Figures are calculated by the Bank of Finland. In the current account, the figures for visible and invisible trade have been revised from 1970 so that they are in accordance with the revised System of National Accounts. In addition to the Board of Customs figures, exports include fuel for carriers but exclude stevedoring expenses and imports include seamen's duty-free imports, fuel for carriers and adjusted allowance for smuggling. On Jan. 1, 1980, foreign bonds were included in the convertible foreign exchange reserves of the Bank of Finland and not in the short-term capital account as earlier. The figures for other years have also been revised accordingly.

## FOREIGN ASSETS AND LIABILITIES

Pages 16—17. Figures calculated by the Bank of Finland. Long-term assets: Other = financial loans development credits + Finland's subscriptions to international financial institutions. Long-term liabilities: Other = Leasing credits + subscriptions to international financial institutions paid in the form of bonds. Short-term assets: From 1978 the Bank of Finland's foreign bills are included in financing of exports and reclassified under the corporate sector.

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

Columns 21 and 22 during the year and the quarter.

Chart Debt service ratio: Debt service as a per cent of current account earnings. 1978 and 1979 debt service does not include amortisation of the Bank of Finland's reserve and oil credits.

## PRICE INDICES

Page 18. All indices calculated by the Central Statistical Office

## WAGES — PRODUCTION

Pages 19—20. Figures supplied by the Central Statistical Office Page 20. *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: Investments goods weight 15.2, other producer goods weight 58.2, and consumer goods weight 26.8. The weights for the special manufacturing indicas are food manufacturing (SIC 311-2) 9.7, manufacture of wood, and wood and cork products (SIC 331-2) 5.1, manufacture of paper and paper products (SIC 341) 12.3, manufacture of industrial chemicals (SIC 351-2) 5.3, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.9, and metal industry (SIC 37—38) 31.9.

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

Page 21. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Forest Research Institute, *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

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



# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

From 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. The President for the current term, January 27, 1982, to March 1, 1988, is Mauno Koivisto.

Parliament, comprising 200 members is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1979 is as follows: Social Democratic Party of Finland 52, National Coalition Party 47, Centre Party 36, Democratic League of the People of Finland 35, Swedish Party 10, Christian League of Finland 10, Finnish Rural Party 6 and Liberal Party 4.

## INTERNATIONAL ORGANIZATIONS

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

## LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 244 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4%. Of the land area (1980) 2.5 mill. ha (8.2%) are cultivated and 19.7 mill. ha (64.5%) are covered by forests.

OWNERSHIP OF LAND (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 (1980): 4.8 million. Sweden 8.3, Switzerland 6.4, Denmark 5.1, and Norway 4.1 million.

DENSITY OF POPULATION (1980): In South Finland 46.8, in East and Central Finland 14.0, in North Finland 4.1 and in the whole country an average of 15.7 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1980): 40% of the population inhabit the rural areas, 60% towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital, 483 036 inhabitants, Tampere (Tammerfors) 166 228, Turku (Åbo) 163 680.

EMPLOYMENT (1981): Agriculture and forestry 11%, industry and construction 35%, commerce 14%, transport and communication 8%, financing, insurance, real estate and business services 6%, community and personal services 26%.

LANGUAGE (1980): Finnish speaking 93.5% Swedish speaking 6.3%, others 0.2%.

EDUCATION (1981): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) and 14 colleges of university standard.

CHANGE OF POPULATION (1980): births 13.2‰, deaths 9.3‰, change + 2.8‰, net immigration - 0.3‰. Deaths in France 10.1‰ and Great Britain 11.8‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1980), in million marks: Gross domestic product at factor cost by industrial origin: agriculture 6 863 (4%), forestry and fishing 8 330 (5%), manufacturing 54 285 (33%), construction 12 102 (7%), trade, restaurants and hotels 19 169 (11%), transport and communication 13 557 (8%), banking and insurance 6 613 (4%), ownership of dwellings 11 048 (7%) other services 34 146 (21%), total 166 113. Index of real domestic product 118 (1975 = 100).

FOREST RESOURCES (1980). The growing stock comprised of 1 631 million m<sup>3</sup> (solid volume with bark) of which 44% was pine and 38% spruce, the remaining 18% being broad-leaved trees, chiefly birch. Of the growing stock, 690 million m<sup>3</sup> was up to the standard required for logs, 56% of these being pine. The annual growth was 65 million m<sup>3</sup> and the total drain calculated on the basis of roundwood consumption was 59 million m<sup>3</sup>.

AGRICULTURE (1980). Cultivated land 2.3 million hectares. Number of holdings 224 721 of which 155 277 are of more than 5 ha. Measure of self-sufficiency in bread cereals 70%.

INDUSTRY (1980). Gross value of industrial production 170 869 mill. marks, number of workers 419 404, salaried employees 140 613, motive power (1979) 7.7 mill. kW. Index of industrial production 127 for 1980 (1975 = 100).

STATE RAILWAYS (Dec. 31, 1981): Length 6 976 km.

MERCHANT FLEET (Mar. 31, 1982): Passenger vessels 150 (257 677 gross reg. tons), tankers 46 (1 283 583 gross reg. tons), dry cargo vessels 192 (915 299 gross reg. tons), other vessels 98 (15 225 gross reg. tons), total 486 (2 471 784 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1981): Passenger cars 1 279 192 lorries and vans 155 001, buses 9 384, others 9 384, total 1 452 631.

FINNISH AIRLINES (April 1, 1982): Finnair and Kar-Air have in use 2 DC-8, 1 DC-6-ST, 3 Super Caravelles, 9 DC-9-14/15, 5 DC-9-41, 12 DC-9-51, 3 DC-10-30, 2 Fokker F-27 and 2 Embraer Bandeirante. Companies have scheduled traffic outside of Finland to 38 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). The last par value of the mark was set on Oct. 12, 1967 and was 0.21159 grams of fine gold per mark (equivalent, at the time, to 4.20 marks per U.S. dollar). Since Nov. 1, 1977 the external value of the mark has been officially expressed in terms of a currency index. This index is trade-weighted and indicates the average change in the currencies which are important in Finnish foreign trade. The present currency weights are Rbl 22.6, Skr 16.4, £ 13.3, DM 12.4, \$ 10.4, other currencies 24.9. The permissible range of fluctuation is about 3 per cent on either side of the arithmetic mean. The fluctuation limits are 119.0 and 112.0.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1981). There are two big and five small commercial banks with in all 891 offices, 274 savings banks, 371 co-operative banks, five mortgage banks, Posti-pankki and three development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-five private insurance companies also grant credits.

RATES OF INTEREST (June 1, 1982). The base rate applied by the Bank of Finland on credit extended to the banks in the context of the quota facility is 8 ½%. The range of rates for other credits granted by the Bank of Finland is between 6% and 11%. Other credit institutions: time deposits 4 ¼%; 6 month deposits 5 ½%; 12 month deposits 7%; 24 month deposits 8 ¼% and sight deposits 1 ¼%. The highest lending rate 12 ½%.

# PUBLIC FINANCE

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Although Finland's GDP growth rate slowed in 1981 from 5 per cent in the previous year to one per cent, the recession was milder than in most European OECD countries. For the year as a whole, the impact of fiscal policy on demand was neutral. At the beginning of the year fiscal policy was aimed at restricting investment activity, but it began to impart a slightly expansionary effect towards the end of the year as a result of the implementation of discretionary measures.

## CENTRAL GOVERNMENT FINANCE

### THE BUDGET PROPOSAL<sup>1</sup>

In the summer of 1980 when the budget proposal for 1981 was being formulated, the international downswing was already discernible. However, it was expected to prove fairly short-lived and moderate in extent. Total exports were expected to grow slightly owing to an increase in exports to the Soviet Union, whereas exports to Western markets were estimated to fall from the previous year. Total domestic demand and real GDP were each projected to rise by 3.5 per cent. The rate of inflation was forecast to slow distinctly. Although the terms of trade were expected to improve slightly, the current account deficit was forecast to remain large.

The curbing of inflation and the maintenance of competitiveness had again emerged as the major tasks for economic policy in securing employment. In order to restrain the growth of the current account deficit and the rise in costs and prices, the budget proposal was framed so as to exercise a neutral impact on aggregate demand. Adjustments were made in taxation so as to curb the rise in costs, to

affect the timing of industrial investments in an appropriate way, and to create the prerequisites for a moderate incomes policy agreement by forestalling tax-push inflation.

In keeping with established practice, the budget proposal for 1981 included proposals for adjustments in income and wealth taxation to compensate for inflation in 1980. The proposed average adjustment of 11 per cent in personal income tax scales and major allowances fell somewhat short of the actual rise in prices in 1980.

The sales tax rates were kept unchanged, whereas certain excise duties and stamp duties were raised. In addition, it was proposed that employers' child allowance contributions in 1981 would be collected only for January—February. All in all, it was estimated that these revisions would reduce state revenue by 900 million marks on a cash basis.

Minor amendments to the budget proposal by Parliament increased both revenue and expenditure by about 100 million marks. The increases in expenditure, of which rises in soldiers' invalidity compensations and front-veterans' pensions were the most noteworthy, were financed mainly by raising the prices of alcoholic beverages and fuels. Budgeted expenditure totalled 56 100 million marks, of which 5 400 million marks was earmarked to be financed through borrowing. The 1981 budget contained appropriations for the continuation of employment schemes, the implementation of the energy programme, and the expansion of research enhancing the economy's real competitiveness and of other activities. The budget proposal also contained appropriations for the continuation of major social re-

<sup>1</sup> See the front article in Bulletin 12/1980.

forms and for supporting agriculture and forestry.

#### ECONOMIC DEVELOPMENTS IN 1981

At the beginning of 1981, the economic outlook was less favourable than in the summer of 1980 when the budget proposal was being prepared. All the demand components, particularly investment, were now expected to grow less than forecast earlier. In addition, it was apparent that the rate of inflation would not slow quite to the extent expected. And in the course of 1981 it became necessary to revise downwards still further the growth estimates for domestic demand components.

Owing to a decline in markets and a weakening in price competitiveness, Finnish exports to Western markets fell by 4 per cent. However, with export deliveries to Socialist countries increasing by 30 per cent, total visible exports grew by about 3 per cent. In contrast, consumption grew at only half the expected rate and fixed investment declined. The volume of manufacturing investment maintained the level reached in the previous year, but inventory investment declined significantly. As a result of these developments, GDP growth amounted to only one per cent. Nevertheless, Finland's GDP growth rate was — as in the preceding two years — faster than in most OECD countries.

The slowdown in economic growth was, of course, reflected in employment. Although more new vacancies were created than expected, a marked increase in the supply of labour raised the unemployment rate from 4.8 per cent to 5.3 per cent.

Although the terms of trade weakened slightly, the current account deficit amounted to only 1 700 million marks owing to a decline in the volume of imports and a greater-than-expected increase in exports. In 1980, the current account had shown a deficit of 5 100 million marks.

The increase in import prices and the incomes policy agreements resulted in the consumer price index rising by 12 per cent rather than by 10 per cent as originally forecast.

Although the level of real earnings rose by almost one per cent, households' real disposable income did not grow at all in 1981. This was mainly attributable to the rapid increase in direct taxes and to the minimal growth of entrepreneurial income.

In 1981, the Government presented three supplementary budgets, the outlays of which were intended mainly for the maintenance of employment, the increasing need for export subsidies on agricultural products, the increase in price disparity compensations, compensation for crop damage and faster-than-forecast rises in costs. Together, the supplementary budgets increased state expenditure by almost 3 300 million marks, or by 5.8 per cent of total expenditure in the ordinary budget. In previous years, supplementary budgets had been larger in relative terms. The additional outlays were covered by increasing the Government's authority to borrow by 350 million marks, by upward revisions in the estimates of the yield from taxes and other revenue, and by means of funds left unutilized or intended for the financing of unrealized expenditure.

#### STATE REVENUE

In 1981, total state revenue (excluding borrowing) amounted to 52 700 million marks, 19 per cent more than in 1980 (Table 1). The yield from income and wealth taxes grew by 28 per cent and accounted for a third of total state tax revenue. The substantial increase in the yield from income and wealth taxes was partly due to the fact that the level of tax refunds paid was normal and clearly down on the previous year. As, moreover, the 11 per cent adjustment for inflation was 4 percentage points less than the rise in average earnings, the progressive tax system affected a fairly large part of the increase in income. The yield from taxes also increased owing to changes in the timing of recording.

The yield from sales taxes was 18 per cent up on the previous year, although the growth of the value of domestic demand was estimated to be approximately only 10 per cent. In part, this difference was attributable to changes in the structure of demand and in the methods of recording tax items. Because of the decline in the volume of imports, the yield from customs duties, import charges and equalization taxes remained almost the same as in the previous year.

The total yield from excise duties increased as a result of rises in the prices of tobacco and alcoholic beverages and increases in tax rates on electricity and certain sweets. In addition, fresh-fruit juices became subject to the tax on soft drinks. The total yield from excise duties was 13 per cent up on the preceding year, while the total yield from taxes on automobiles and motor-cycles increased by 17 per cent. Employers' child allowance contributions were collected only for the first two months, so that the yield from this source was less than half that in the previous year. Taxes and similar revenue totalled 46 850 million marks, which was 19 per cent more than in 1980.

#### STATE EXPENDITURE

State expenditure (excluding redemptions of loans) totalled 55 200 million marks, or 14 per cent more than in 1980. Expenditure grew slightly faster than in the previous year. In volume terms, total expenditure increased by more than one per cent.

The largest expenditure group, transfers, grew by more than 2 per cent in real terms. Subsidies increased because of the growth of exports of agricultural products, while transfers to households increased as a result of higher family allowances and pension benefits. Of the other expenditure groups, the volume of consumption expenditure grew by only one per cent, the volume of real investment was flat and financial investment at constant prices declined by 12 per cent. New loans for housing granted by the state amounted to 2 000 million marks, a fall of 6 per cent in volume terms. Interest

**TABLE 1. STATE REVENUE AND EXPENDITURE**

Revenue	1980	1981
	mill. mk	
Total taxes on income and wealth	12 540	15 984
Sales tax	12 262	14 421
Customs duties and import charges	784	785
Excise duties	9 233	10 488
Other taxes and similar revenue	4 564	5 213
Other revenue	4 166	4 847
Redemptions of loans granted	751	971
	<hr/>	<hr/>
Total revenue	44 300	52 669
Borrowing	5 002	5 229
	<hr/>	<hr/>
Total	49 302	57 898
<b>Expenditure</b>		
Consumption expenditure	13 702	15 604
Transfers	25 485	29 483
Real investment	4 098	4 552
Interest on state debt and index compensations	1 214	1 580
Other expenditure <sup>1</sup>	48	179
Lending	3 349	3 256
Other financial investment	540	544
	<hr/>	<hr/>
Total expenditure	48 436	55 198
Redemptions	1 503	1 748
Deficit (—), surplus (+)	— 637	+ 951
	<hr/>	<hr/>
Total	49 302	57 898

<sup>1</sup> Incl. net deficit of State enterprises.

payments on state debt increased by 30 per cent.

#### CENTRAL GOVERNMENT BORROWING REQUIREMENT

State revenue on a cash basis grew faster than expenditure in 1981 with the result that the net borrowing requirement was more than a third less than in the previous year and amounted to 2 500 million marks. About 90 per cent of this sum could be ascribed to the central government's position as a significant creditor on the housing market. Half of the net borrowing requirement was met by domestic borrowing.

If the redemptions of state loans are included in the net borrowing requirement, the gross borrowing requirement amounted to 4 300 million marks in 1981. As the value of new loans raised, 5 200 million marks, exceeded the direct requirement, the cash surplus totalled

almost 1 000 million marks. Nearly half of the cash surplus was placed, temporarily, at Postipankki's disposal and could not therefore be used to cover state expenditure; the remainder was used to increase short-term financial reserves. The expenditure transferred to the current year and the resultant financial liability increased by the same amount as the financial reserves.

Of the new loans, foreign loans accounted for 2 700 million marks and domestic loans for 2 500 million marks. Of domestic borrowing, 1 900 million marks was raised by 5 and 10 year bonds intended for public subscription. The other loans were mainly bonds sold to insurance companies and pension institutions.

The state's net long-term borrowing remained approximately at the 1980 level, amounting to 3 500 million marks, of which net foreign borrowing accounted for 2 300 million marks. As a consequence of changes in exchange rates and the promissory notes issued to international development institutions, foreign debt grew distinctly more than net borrowing. At the end of 1981, the state's total debt, of which 13 000 million marks was external, amounted to 22 100 million marks. At 10.6 per cent of GDP and almost two fifths of annual state revenue, this was still fairly low by international standards.

## LOCAL GOVERNMENT FINANCE

The financial position of municipalities improved substantially during 1980, although their deposits declined at the end of the year as they participated for the first time in the financing of tax refunds. The investment tax, which became effective at the end of 1980, affected municipalities to some extent, and also increased the local government borrowing requirement at the end of the year when investment starts accelerated.

Local government tax revenue continued to grow fast in 1981. The average local government tax rate rose only slightly, to reach 15.86

pennies; however, as wages and salaries continued to grow rapidly, the total amount of taxes levied grew by more than 16 per cent. The growth of tax revenue varied greatly among the total of 461 municipalities in Finland: there were 59 municipalities where the growth in tax revenue was at least 20 per cent and 17 municipalities where it was less than 10 per cent.

Also contributing to the increase in local government revenue was a new local government tax, the street charge, the yield from which was, however, insignificant in the first year of collection.

According to preliminary figures, local government investment grew by more than 4 per cent despite the investment tax. Local government consumption expenditure increased at almost the same rate, although the growth in educational expenditure was curbed by a decline in the number of school children resulting from changes in the population age structure. The volume of consumption expenditure was also increased by the need for additional personnel caused by the provision for shorter working time in the incomes policy agreement.

As in the previous year, local government borrowing increased sharply in 1981, but no great difficulties were encountered after the money market had eased at the end of 1980. According to an inquiry carried out last year, an unusually large part of the loans specified in municipalities' budgets had not been drawn. This was mainly attributable to very favourable revenue developments, as a result of which the need for credit was smaller than expected, and to the collection of the investment tax, which may have postponed the starts of certain investments. The investment tax was in force between November 3, 1980 and August 31, 1981; however, in Greater Helsinki it was in force until February 28, 1982. Towards the end of the year, the financial position of municipalities deteriorated in line with the overall slackening of economic activity.

During the last quarter of the year, municipalities' bank deposits again declined appreciably, being 4 per cent less than a year earlier. On the other hand, their bank liabilities increased over the same period.

The local government prepayment tax rate for 1982 is only slightly above the 1981 level. The Government's decision to reduce wage and salary earners' prepayment tax rates by one percentage point will postpone local government tax receipts and hence hamper temporarily the financial position of municipalities. On average, the financial position of municipalities has tightened compared with the previous two years.

## SOCIAL SECURITY FUNDS<sup>1</sup>

Although the first stage in the reform of the basic pensions scheme was implemented in 1980, the financial position of social security funds improved along with the economic revival in 1979—1980. The reform was continued in 1981 when eligibility for basic pensions was extended by raising the cut-off limit on earned income as from the beginning of July. As a result, it is estimated that the Social Insurance Institution's expenditure will grow by 110 million marks per annum. Social security benefits were also increased by the extension of the payment period for maternity allowances, an improvement in the benefits related to front-veterans' pensions and a rise in the care allowances paid to handicapped persons.

Social security contribution rates were, for the most part, kept unchanged during 1981, although the unemployment insurance contribution was lowered by about 0.5 percentage points and employers' child allowance contributions<sup>2</sup> were removed entirely at the beginning of March. As economic growth decelerated, the yield from insurance contribu-

tions increased more slowly than the payment of benefits. Although the financial surplus of social security funds declined in 1981, social security contribution rates can still be used as short-term counter-cyclical policy instruments. Accordingly, the Government decided in February 1982 to temporarily lower the basic pensions and sickness insurance contributions so as to reduce cost pressures. However, in the longer term, it will be necessary to ensure adequate revenue for social security funds. Basic pensions expenditure will also increase with the continuation of the reform of the basic pensions scheme: the second stage is due to be completed at the beginning of 1983 and the third stage at the beginning of 1985. If economic growth continues to be slow, it may become necessary to raise the unemployment insurance contribution.

## PUBLIC FINANCE AND OVERALL ECONOMIC DEVELOPMENT

### PUBLIC SECTOR FINANCIAL BALANCE

Public finance had an expansionary impact on the economy throughout the past boom. The central government did not effectively begin to balance public revenue and expenditure until 1981 when the economic downswing had already started. According to preliminary figures, general government revenue increased by more than 17 per cent or about 5 percentage points faster than the value of GDP. The yield from direct taxes increased particularly rapidly, but this was mainly attributable to the timing of tax collections. The ratio of total tax revenue to GDP rose by 1 ½ percentage points to 36 ½ per cent of GDP. General government expenditure also increased rapidly, albeit less than revenue, and the ratio of the general government financial surplus to GDP increased by more than 0.5 percentage points. However, the financial surplus remained at a low level. The improvement in the financial balance was mainly attributable to developments in central government finances; the local government financial surplus also increased, whereas the surplus of social security funds declined.

<sup>1</sup> These include the Social Insurance Institution, unemployment funds, the Central Unemployment Fund, the Support Fund for Unemployment Funds and the Redundancy Payments Fund. Contrary to many other countries, the employment pensions scheme in Finland is operated by financial institutions in the private sector.

<sup>2</sup> The employers' child allowance contributions are collected by the central government.

**TABLE 2. THE FINANCIAL SURPLUSES OF GENERAL GOVERNMENT IN 1976—1981**

Year	Central government, mill. mk	Local government, mill. mk	Social security funds, mill. mk	Overall surplus, per cent of GDP
1976	3 977	1 143	584	5.0
1977	2 698	1 043	298	3.2
1978	1 411	836	—253	1.4
1979	—470	967	291	0.5
1980 <sup>1</sup>	—318	903	818	0.8
1981 <sup>1</sup>	1 030	1 260	550	1.4

<sup>1</sup> Preliminary figures.

#### IMPACT ON TOTAL DEMAND

The growth of the general government financial surplus contributed to the improvement in the external balance of the economy. However, the decline in the current account deficit was mainly due to a decline in the corporate sector's fixed and inventory investment. In part, this may have been a result of the fiscal policy pursued, which was designed to encourage the postponement of investment in order to even out cyclical fluctuations. The investment tax on certain building projects was one example of this policy.

General government also contributed to the curbing of inflation. It is estimated that indirect taxes and state charges and tariffs raised the consumer price index by only 0.8 per cent, as against 2.1 per cent in the previous year. In order to reduce costs, the employers' child allowance contribution was removed entirely and the employment pensions and unemployment insurance contributions were lowered. As a consequence, the rate of inflation slowed distinctly in the course of the year, so that at the end of the year, the rate of inflation in Finland was almost the same as the average for the OECD countries.

In previous years, the stimulus to growth imparted by general government operations was based on a decline in the tax ratio and the continued real growth of public expenditure. In 1981, the real growth of public demand continued at virtually the same pace, and it is estimated to have offset the restrictive impact stemming from the rise in the tax ratio. According to econometric estimates of the fiscal

impact made by the Ministry of Finance the effect of general government operations on growth was nil. These estimates do not take into account lagged effects, nor the effects working through the money market. Given that the lagged effects of the expansionary fiscal policy pursued in previous years evidently sustained private demand in 1981 as well and that the central government caused a substantial increase in the supply of money through capital imports, it seems that the public sector also provided an overall stimulus to the economy in 1981.

In Finland, as in a number of other OECD countries, the low rate of investment is becoming a growth-curbing factor over the longer term, although Finland has, contrary to several other countries, pursued a policy of low real interest rates. Efforts at the beginning of the year to postpone for cyclical policy reasons the implementation of industrial investments until after 1981 contributed to the fall in the rate of investment. The deteriorating international prospects also reduced the willingness to invest, even though the relatively high level of capacity utilization sustained profitability.

**TABLE 3. THE RATIO OF TAXES TO GDP AND THE REAL GROWTH OF PUBLIC EXPENDITURE IN 1976—1981, PER CENT**

	1976	1977	1978	1979	1980 <sup>1</sup>	1981 <sup>1</sup>
Gross tax revenue as a percentage of GDP	39.2	38.5	36.2	34.7	34.8	36.4
Net tax revenue as a percentage of GDP	26.2	25.0	22.7	21.4	22.1	23.4
Real growth of public consumption and investment	4.0	3.6	3.3	3.3	3.8	3.5
Central government	—0.2	—1.0	4.6	3.0	3.8	1.9
Local government	5.8	6.2	2.6	3.5	3.7	4.3
Real growth of private consumption and fixed investment	—2.5	—2.9	—1.2	5.2	4.7	0.3
Real growth of exports	14.8	9.4	8.1	9.2	9.4	2.6
Real growth of GDP	0.3	0.4	2.3	7.6	5.0	1.0
Industry's capacity utilization	79.0	77.5	79.0	86.0	89.5	86.5

<sup>1</sup> Preliminary figures.

When in 1981 the recession had proved more severe and longer-lasting than expected, several measures were taken to secure domestic and foreign demand and to promote investments for ensuring adequate growth of productive potential. In the spring of 1981, the financial market was eased substantially and financial institutions received new credit policy guidelines. At the same time, the timetable for the release of investment reserves was announced, according to which enterprises could start using the reserves for the financing of investments as from October 1981. Export deposits collected from enterprises were also released in the autumn of 1981.

The Government continued to pursue reflationary policies in early 1982. In order to reduce labour costs, employment pensions contributions were lowered by 0.9 percentage points. In February, the Government also decided to reduce basic pensions and sickness insurance contributions. Prior to this in January the Government decided to increase depreciation allowances for manufacturing firms, to permit the creation of investment reserves for acquisitions in the development regions and to expand the availability of financial assistance for investment, start-up and development. In conjunction with the introduction of expansionary policy measures in February, it was decided that the collection of wage and salary earners' prepayment taxes would be reduced so as to temporarily enhance households' purchasing power.

The policy pursued has ensured that the corporate sector's financial prerequisites for implementing investments will be good, once international economic conditions and export prospects improve. The relatively high level of capacity utilization will also force enterprises to start their investments more rapidly after the upturn in export demand than was the case in previous business cycles.

#### IMPACT ON THE FINANCIAL MARKET

In spite of the slight improvement in the financial balance of the public sector, the financial

problems of the central government, in particular, continued to be serious in 1981. Hampering the improvement was the likelihood of the continuation of the recession in 1982. A slight rise in the tax ratio and the steady expansion of public expenditure were also regarded as part of the appropriate economic policy stance both in 1981 and 1982. Owing to the easiness of the financial market, these measures have not had any significant crowding-out effects. Rather, under the prevailing overall economic circumstances, they may have had crowding-in effects.

In recent years, about half of the central government's new loans have been raised abroad and the other half from domestic sources, mainly from the public. This was also the case in 1981. As a rule, domestic borrowing in the form of loans intended for public subscription has been agreed upon in advance with the deposit banks, which carry out the actual sale of loans against separate compensation. Most of the domestic loans sold to financial institutions are also agreed upon in advance.

The remainder of the borrowing requirement has been met by capital imports, which have, at the same time, contributed to the support of the foreign exchange reserves.

The central government's capital imports have reduced the private sector's need to import capital and have, in general, helped to keep the domestic money market rather easy in recent years. To finance its expenditure, the central government has converted imported foreign exchange into domestic currency at the Bank of Finland. The commercial banks' central bank financing in the Bank of Finland's Balance Sheet has declined almost in line with the increase in the foreign exchange reserves. The marginal interest rates paid by the commercial banks on their central bank financing vary according to the amount of financing. As the amount of central bank financing has declined, the marginal cost of commercial banks' additional finance has fallen and profitability improved, which has meant that commercial banks have been able



to increase their credit commitments. Moreover, the private sector has been able to reduce its foreign liabilities.

The central government has also increased its domestic debt and, to some extent, competed with the banks for the public's savings; however, the tightening effect on banks which this has given rise to has generally been minimal. Nevertheless, in 1980 the banks were left with a total of about 600 million marks of unsold central government bonds intended for public

subscription, at a time when the banks were forced to pay a high marginal rate of interest on their central bank financing. For this reason, it was agreed that the amount of central government bonds intended for public subscription to be sold in 1981 would be substantially smaller, or, in net terms, almost 400 million marks less than in the previous year. Demand proved very brisk and the target for bond sales in 1982 was raised, in net terms, to almost the 1980 level.

## ITEMS

**Finland's balance of payments January—March 1982.** According to the Bank of Finland's preliminary figures, the current account showed a surplus of 940 million marks for January—March, as compared with a surplus of 670 million marks for the corresponding period of last year. The net inflow of long-term capital amounted to 2 439 million marks and the outflow of short-term capital to 2 067 million marks. The foreign exchange reserves of the Bank of Finland grew by 1 312 million marks.

The visible trade account showed a surplus of 1 127 million marks for January—March, as compared with a surplus of 855 million marks for the corresponding period of last year. The surplus in trade with Western markets amounted to about 200 million marks and that in bilateral trade to 900 million marks. The value of visible exports rose by 11 per cent and the volume by 4 per cent. The volume of metal and engineering industry and paper industry exports increased on average by 5 per cent, whereas the volume of exports of wood industry products declined by 8 per cent. The value of imports rose by 9 per cent. As import prices were on average 4 per cent higher than the previous year, the volume of imports grew by 5 per cent. This increase was partly attributable to the exceptionally low level of imports in the first quarter of 1981.

The invisible trade account registered a surplus of 1 113 million marks for January—March, or 200 million marks more than in the same period last year. The surplus on the transport account amounted to almost 1 009 million marks, or 100 million marks more than last year. Travel receipts did not grow at all while expenditure increased by 13 per cent; hence, the travel account showed a deficit of 151 million marks. Receipts on the »Other services» account increased by 150 million marks to reach 255 million marks.

### MAJOR BALANCE OF PAYMENTS ITEMS JANUARY—MARCH 1982, MILL. MK<sup>1</sup>

	Receipts	Expendi- ture	Net
Visible trade (exports f.o.b., imports c.i.f.)	16 017	14 781	1 236
Adjustment items	—12	97	—109
Visible trade account	16 005	14 878	1 127
Transport (c.i.f.)	1 544	535	1 009
Travel	489	640	—151
Other services	1 082	827	255
Invisible trade account	3 115	2 002	1 113
VISIBLE AND INVISIBLE			
TRADE ACCOUNT	19 120	16 880	2 240
Investment income, net	660	1 793	—1 133
Unrequited transfers	103	267	—164
Other	475	478	—3
A. CURRENT ACCOUNT	20 358	19 418	940
	Change in receiv- ables	Change in liabilities	Net
Long term financial loan and suppliers' credits: drawings	—355	3 637	3 282
redemptions	186	—866	—680
Direct investment	—185	72	—113
Other long-term capital	—105	55	—50
B. LONG-TERM CAPITAL ACCOUNT	—459	2 898	2 439
BASIC BALANCE (A+B)			3 379
Prepayments and liabilities related to imports			—996
Prepayments and receivables related to exports			216
Short-term capital of authorized banks			—1 520
Other short-term capital			383
Errors and omissions			—150
C. SHORT-TERM CAPITAL ACCOUNT			—2 067
D. Allocations of SDRs			—
OVERALL BALANCE (A+B+C+D)			1 312
Change in the foreign ex- change reserves of the Bank of Finland			—1 312

Receivables: increase —, decrease +  
Liabilities: increase +, decrease —

<sup>1</sup> Preliminary figures.

Interest expenses on borrowing abroad totalled 1 793 million marks. With interest earnings from foreign receivables amounting to 660 million marks, the investment income account showed a deficit of 1 133 million marks. The unrequited transfers account registered a deficit of 164 million marks.

Drawings of long-term loans totalled 3 637 million marks, or 2 233 million marks more than in the same period of last year, with the central government accounting for 1 616 million marks of the drawings. Redemptions of long-term loans amounted to 866 million marks, or slightly less than in the corresponding period of 1981. Drawings of long-term export credits granted to foreign customers totalled 355 million marks and redemptions of outstanding export credits 186 million marks. Finnish direct investment abroad reached 185 million marks and foreign direct investment in Finland 72 million marks. The net inflow of long-term capital amounted to 2 439 million marks.

The short-term capital account (incl. errors and omissions in the balance of payments) showed a deficit of 2 067 million marks. The short-term import debt declined by 996 million marks. Prepayments and receivables related to exports increased, in net terms, by 216 million marks. The net short-term foreign debt of the authorized banks declined by 1 520 million marks.

The overall balance showed a surplus of 1 312 million marks for January—March. The convertible foreign exchange reserves of the Bank of Finland grew by 585 million marks during the first quarter of the year, while receivables in tied currencies increased by 727 million marks. Allowing for the changes in exchange rates, the convertible foreign exchange reserves of the Bank of Finland amounted to 8 065 million marks and the tied foreign exchange reserves to 2 718 million marks at the end of March.

At the end of March, Finland's net foreign debt amounted to 29 727 million marks, of

which the central government accounted for 13 714 million marks. The net long-term debt amounted to 36 172 million marks and short-term assets to 6 445 million marks.

### **Revision of the cash reserve agreement.**

In March 1979, the Bank of Finland and the deposit banks concluded a cash reserve agreement, which allowed the Bank of Finland to collect cash reserve deposits up to 5 per cent of the banks' stock of deposits outstanding at the end of a month<sup>1</sup>. The cash reserve system has provided a significant supplement to the Bank of Finland's other monetary policy instruments, which have focused on the regulation of the terms of central bank financing.

The agreement signed in 1979 was revised recently, the revision becoming effective on May 15, 1982. The amendments to the agreement facilitate the Bank of Finland's control over developments in the financial market: the ceiling on the cash reserve requirement was raised from 5 per cent to 8 per cent and the size of monthly increments in the reserve requirement from 0.4 percentage points per month to 0.6 percentage points. The rate of interest on cash reserves, which is tied to the Bank of Finland's base rate, was raised by 0.5 percentage points. This rate has been 8.25 per cent since June 1, 1982, when the Bank of Finland's base rate was lowered by 0.75 percentage points to 8.50 per cent.

The reserve requirement has stood at 3 per cent since June 1981, after having peaked at 4.6 per cent at the end of 1980. At the end of April 1982, cash reserve deposits totalled about 2 600 million marks.

**Publications of the Bank of Finland.** The Bank of Finland Year Book for 1981 has been published. The first section reviews the Finnish economy in 1981, and the subsequent three sections examine the Central Bank's monetary and foreign exchange policy, the Bank of Finland's balance sheet and income statement and the bank's relations with international organizations. A summary of new

<sup>1</sup> See front article in the April 1979 issue of the Bulletin.

items relating to monetary and foreign exchange policy measures taken during the year is included. The statements of the bank and various banking transactions during the year under review are included in a statistical appendix. Helsinki 1982, 74 pp. ISSN 0081-9468.

A revised version of the publication »Finnish Industry» has been issued. The booklet contains eight articles concerning the most important industrial branches in Finland. The subjects covered in the articles are: Finnish industry as a whole; metal and engineering industries; forest industries; chemical industry; food, beverages and tobacco industries; textile, clothing and footwear industries; clay, glass and stone industries; printing, publishing and

allied industries; manufacture of non-metallic furniture and fixtures; manufacture of rubber products; and electricity, gas and water supply. Helsinki 1982, 41 pp. ISBN 951-686-077-X.

Finnish Bond Issues 1981 has been published in an edition with text and explanatory notes in Finnish, Swedish and English. It gives a detailed description of the 51 loans issued in 1981, including the 10 denominated in foreign currency and floated abroad. In addition the introduction includes statistics on domestic and foreign bonds outstanding at the end of the 1971—1981 period, and on sales of domestic bonds in 1971—1981. Helsinki 1982, 55 pp. ISBN 951-686-076-1, ISSN 0585-9581.



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# BANK OF FINLAND

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## Board of Management

Ahti Karjalainen

*Chairman*

Rolf Kullberg

*Vice Chairman*

Pentti Uusivirta

Ele Alenius

Harri Holkeri

Seppo Lindblom

---

## Directors

Markku Puntila

Eino Helenius

Pentti Koivikko

Kari Nars

Antti Lehtinen

Sirkka Hämäläinen

---

## Senior officials

Pertti Kukkonen

*Senior adviser*

Ralf Pauli

*Monetary Policy*

Raimo Hyvärinen

*Domestic Financing*

Kari Pekonen

*Exchange Policy*

M. Vanhala

*Foreign Exchange*

Kari Holopainen

*Bilateral Trade*

Pekka Tukiainen

*Foreign Financing*

J. Ojala

*Exchange Control*

Seppo Kostainen

*Deputy, Economics Dept.*

Juhani Hirvonen

*Deputy, Research Dept.*

Markku Pietinen

*Information*

H. T. Hämäläinen

*Administration*

Timo Männistö

*Internal Audit*

U. Levo

*International Legal Affairs*

Erkki Vehkamäki

*Data Processing*

Anton Mäkelä

*Personnel*

Stig G Björklund

*Payments*

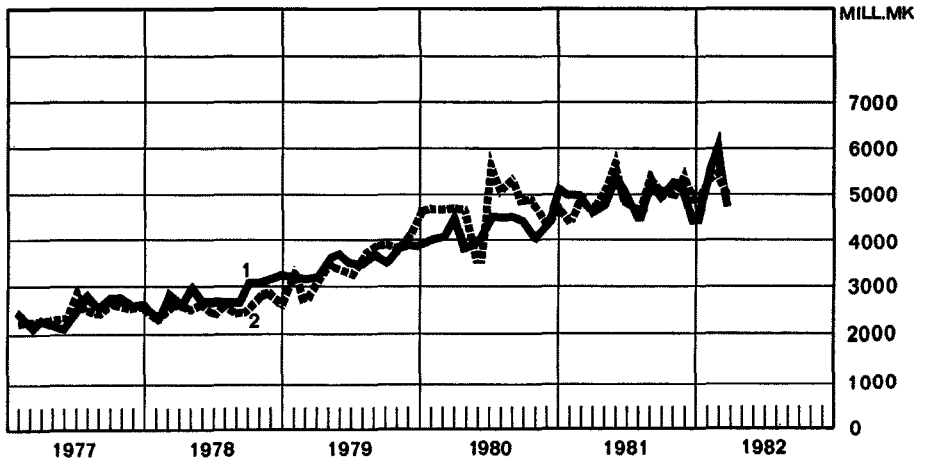
Reijo Mäkinen

*Cash*

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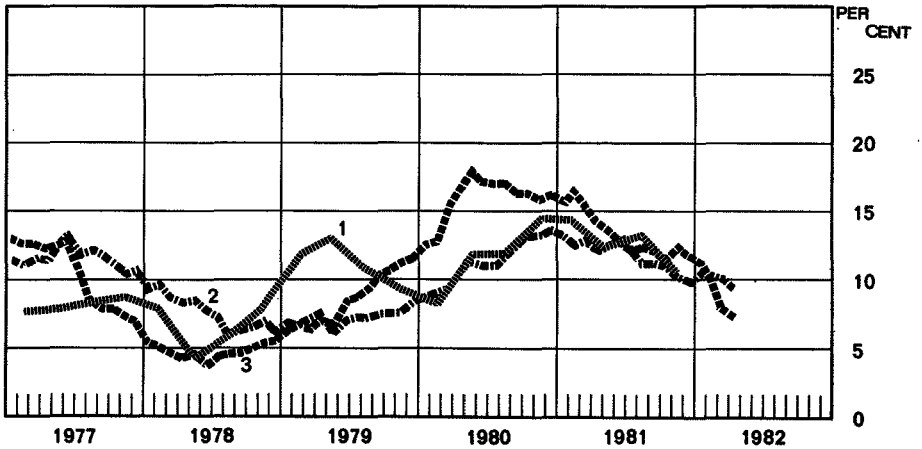
### FOREIGN TRADE, 1977-82

- 1. Exports f.o.b.
  - 2. Imports c.i.f.
- Seasonally adjusted monthly figures



### PRICES AND WAGES, 1977 - 1982

- 1. Index of wage and salary earnings 1975 = 100, quarterly figures
  - 2. Consumer price index 1977 = 100, monthly figures
  - 3. Basic price index for domestic supply 1975 = 100, monthly figures
- Percentage change on previous year



### PRODUCTION, 1977-82

- 1. Total index of industrial production 1975 = 100, seasonally adjusted monthly figures
- 2. Volume index of gross domestic product 1975 = 100, seasonally adjusted quarterly figures

