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Recent Economic and Financial Market
Developments

Developments in Finnish Financial
Markets

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RECENT ECONOMIC AND FINANCIAL MARKET DEVELOPMENTS

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ECONOMY COOLING DOWN

The Finnish economy showed some signs of slowing down towards the end of 1989. However, there was no improvement in the current account deficit and inflationary pressures remained high. Moreover, the negotiations on new pay settlements dragged on, adding to uncertainty and leading to a greater risk premium on markka investments. As foreign interest rates also increased, both short- and long-term interest rates rose substantially in the final quarter of the year.

The slowdown in the expansion of real GDP — to an estimated annual rate of 3 per cent — in the last quarter of 1989 was mainly due to a weakening in the pace of output growth in the forest industries and the metal and engineering industries, as well as to bottlenecks in the construction sector. However, for the year as a whole, the increase in GDP was still nearly 5 per cent, well above the OECD average. On the demand side, private consumption, which has been one of the mainstays of growth in recent years, seems to have finally begun to slow.

Investment activity, which has been constrained by labour shortages, weakened to some extent in the last quarter. Nevertheless, the number of buildings under construction is still some 20 per cent higher than a year earlier. According to the latest survey of investment intentions, manufacturing investment has not shown any signs of slackening so far.¹ Total investment rose by some

12½ per cent in 1989, and investment activity seems likely to continue brisk over the next six months.

The demand for labour has remained very high. Consequently, the unemployment rate edged down throughout 1989 and was around 3.5 per cent at the end of the year. The heavy demand for labour maintained strong pressures on wages and prices. As a result, and contrary to expectations, the rise in the consumer price index slowed down only slightly towards the end of the year. Consumer prices increased by 6.5 per cent in the course of the year.

As exports in many sectors were hampered by capacity constraints while imports of investment and consumer goods remained buoyant, the trade deficit widened to some extent in the final months of 1989, amounting to FIM 5.5 billion for the year as a whole. The volume of imports of goods and services grew by about 9½ per cent and that of exports by some 1½ per cent in 1989.

The improvement in the terms of trade also seems to have slowed in the latter half of 1989 mainly because of a downturn in export prices of forest products. Overall, both export and import prices were virtually unchanged in the fourth quarter of the year compared with the third quarter.

NEW WAGE AGREEMENTS REACHED

On November 30, 1989 the central labour market organizations accepted the proposal of the state mediator for a comprehensive economic and in-

comes policy settlement covering the years 1990—1991.² However, the entry into force of the agreement was conditional on the major unions reaching pay agreements in accordance with the proposal by December 28. Although this deadline was not met, most sectors eventually concluded settlements on January 15. This eased some of the tensions and reduced uncertainty about economic prospects, since the agreement covered about three-quarters of labour force. Some unions remained outside the agreement, e.g. the major part of the banking sector, which, at the time writing, was involved in an industrial dispute.

BUDGET SURPLUS INCREASES TOWARDS THE END OF THE YEAR

The government budget posted a substantial surplus in 1989. The surplus increased particularly towards the end of the year both because of a slowing in public expenditure and the impact of the discretionary tax measures taken in the spring. Built-in stabilizers were also important, reflecting continuing growth, higher earnings and price inflation. The surplus was used to repay both domestic and foreign debt. Beginning in October, part of the surplus was placed at the Bank of Finland as cash fund deposits, which, by the end of the year, totalled FIM 4.0 billion. At the beginning of February 1990, these deposits were transferred to a pension fund set up by the central government at the central bank.

¹ See the item in this issue of the Bulletin

² See the item in the December 1989 issue of the Bulletin.

This fund will be gradually augmented in the course of the year so that by the end of 1990 it should amount to some FIM 6 billion.

CENTRAL BANK POLICY

Throughout 1989 the prime aim of central bank policy remained to keep policy tight. While the Bank had difficulties in keeping interest rates up in the early part of 1989, interest rates rose sharply towards the end of the year as the imbalances in the economy and the unclear outcome of the wage negotiations increased uncertainty. This was clearly reflected in the money market. At times the central bank judged it necessary to ease tensions by selling foreign exchange.

In the last quarter of the year the central bank did not implement any essentially new measures. However, in addition to the rise in the Bank of Finland's base rate with effect from November 1, there were many other factors at work squeezing liquidity. One was the depositing of the government's surplus cash funds with the Bank of Finland mentioned above. Another was the rise in cash reserve deposits, both because of the enlargement of the cash reserve base and the collection of supplementary cash reserves. The latter, which are interest-free, amounted to FIM 3 billion at the end 1989.

Repayments of government foreign debt and intervention in the foreign exchange market also served to reduce the liquidity of the banking system. Thus, at the end of the year the Bank of Finland had to support bank liquidity by buying large amounts of bank CDs. At the end of 1989, the total value of bank CDs outstanding was FIM 78 billion. The Bank of Finland held 42 per cent of these; by contrast, there were no CDs of its own outstanding.

To reinforce the effects on interest rates of its money

market operations the Bank of Finland made some technical changes to the call money window facility. In June, the quotas for central bank financing and the penalty rate of interest had been abolished and access to the call money window on a continuing basis had been prohibited.¹ However, it turned out that the new rules were not efficient enough on occasions when bank liquidity was severely squeezed.

Consequently, the Bank of Finland reframed the rules in November. To avoid potentially cumbersome administrative procedures banks are now allowed to resort to call money credit without restriction, but continuous use has been made very expensive. Thus, banks pay 15 per cent interest on temporary financing, but if the 5-day moving average of a bank's central bank position is negative, the call money rate is doubled to 30 per cent.

From the beginning of 1990, the Bank of Finland also revised the conditions concerning access to the call money window.² This was done in order to cope with the changed structure of potential participants in the money market as well as to enlarge the market. The definitions of the group of banks entitled to central bank credit and the CDs accepted as instruments in money market operations were slightly changed. The major change was that access was no longer dependent on having the status of a commercial bank. Rather, the Bank of Finland now accepts CDs issued by any bank that acts as an active market-maker for CDs provided it meets certain minimum requirements regarding size and capital adequacy. Banks meeting these conditions can also be accorded the right to call money credit.

¹ See the item in the August 1989 issue of the Bulletin.

² See the item in the January 1990 issue of the Bulletin.

To encourage the use of market rates as reference rates in bank lending the Bank of Finland allowed banks to introduce their own prime rates in December.³ Alternatives to the Bank of Finland's base rate are important because the role of the base rate in banks' funding will diminish in the future. Its widespread use as a reference rate in bank lending would increase banks' structural interest rate risks. The amount of new loans linked to market rates has been slowly increasing in recent years, and at the end of 1989 their share was about 30 per cent. At the same time, about 25 per cent of banks' funding bore market rates of interest.

INTEREST RATES UP, LENDING SLOWS

Monetary policy measures have kept the exchange rate close to the lower limit of its band. But short-term interest rates climbed rapidly in the final months of 1989, particularly in November. The 3-month HELIBOR rate rose by about 2.5 percentage points during the last quarter and stood at over 16 per cent at the end of the year. By the end of 1989, the average differential between domestic interest rates and eurorates for foreign currencies, weighted according to their relative shares in the currency index, rose to around 5 per cent, thus exceeding the average inflation differential by a wide margin. Long-term rates also moved higher towards the end of the year.

The change in the rules concerning the use of the call money window caused temporary fluctuations in money market rates. Because of the target of high interest rates, bank liquidity was kept very tight. Thus, the banks were, on aggregate, in a debtor position at the call money window in the

³ See the item in the January 1990 issue of the Bulletin.

last two months of the year, despite the high cost of call money credit. The interbank overnight rate remained at 20 per cent on average.

The rises in market rates and the base rate, together with the increase in cash reserve deposits, raised banks' funding costs. Parliament amended the law on tax-exemption of deposits and bonds with effect from December 1. The highest permissible tax-exempt deposit rate is now one percentage points higher in relation to the base rate than before. This also tended to add to banks' funding costs. As a result, bank lending rates rose and finally started to moderate the demand for credit more distinctly. The 3-month growth rate of banks' markka lending decelerated from an annual rate of 13 per cent in the summer to 8 per cent in De-

ember. The slowdown was mainly due to a sharp drop in the amount of consumer loans.

The share and dwelling markets were first to feel the impact of tighter monetary conditions and increasing uncertainty. There, too, the effects have been the most marked so far. Share prices on the Helsinki Stock Exchange peaked in April of last year, and have been falling since; the rate of decline accelerated in the last months of 1989. The rise in dwelling prices came to a halt in the summer, and prices actually fell in the Helsinki area. Sales of dwellings also slowed down appreciably.

February 2, 1990

DEVELOPMENTS IN FINNISH FINANCIAL MARKETS

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FINANCIAL MARKET DEREGULATION IN FINLAND

At the end of the 1970s, negative real interest rates and changes in financial balances in the economy generated pressures for the development of higher-yielding financial assets outside the scope of interest rate regulation. The Bank of Finland started the step-by-step dismantling of average lending rate controls in 1983, whereby banks gradually moved their unregulated lending at market rates of interest on to their balance sheets. This created the preconditions for diversified and efficient financial markets based on free interest rate formation. Deregulation of average lending rates was soon followed by a rapid increase in the importance of competitively-determined interest rates.

A true interbank market did not emerge until 1986, when the Bank of Finland introduced a spread between borrowing and deposit rates in the call money market. The measure was designed to encourage banks to settle differences in their liquidity in the money market rather than at the central bank. The final impetus to the rapid growth of the money market was provided by the exemption of certificates of deposit from the cash reserve requirement in January 1987. This enabled the focus of monetary policy to shift to the CD market, thereby enhancing the efficiency of monetary control. At the same time, the share of negotiable instruments in total financial assets increased substantially.

Deregulation of capital movements also contributed to

the emergence of well-functioning financial markets. After access to the forward exchange market was eased in 1980, Finland obtained her first true short-term market interest rates sensitive to foreign influences. The internationalization of the business sector, the lifting of the quantitative controls on long-term capital imports in 1986-89 and the gradual liberalization of portfolio investment abroad also led to the more widespread use of financing and transactions denominated in foreign currency.

Increased interest rate and exchange rate risks and the need to manage them acted as a spur to product development in the derivatives market. The use of forward rate agreements (FRAs), forward currency contracts and interest and currency options has expanded, although until now these instruments have been best suited for interbank transactions and larger companies.

Along with the emergence of an unregulated and relatively well-functioning money market, the capital market also started to develop in the mid-1980s. Finland, too, embarked on an era of securitization, albeit slowly at first. Besides the dismantling of credit rationing, the development of the capital market was affected by a general rise in wealth and income levels, an increase in companies' liquid assets and a rapid rise in share prices, which further increased interest in securities investment.

Steps have also been taken to adapt taxation to the changes in financial markets. According to a new law which took effect at the beginning of

1989, the tax exemption of deposits depends on the rate of interest paid on them, not on the type of account. This has led to mounting interbank competition for taxable deposits, thus providing depositors with greater choice. On the other hand, the tax deductibility of interest has been reduced. The reforms are aimed at neutrality in the tax treatment of different types of investment and at enhancing the efficiency of interest rate policy.

THE STRUCTURE OF FINANCIAL MARKETS AT THE END OF THE 1980S

Finnish financial markets have traditionally been characterized by the dominance of banks. Previously, the reasons for this were mainly related to the tax-exemption of deposits as well as to the policy of low interest rates conducted by the authorities and the credit rationing and exchange control associated with it. At that time, bank-customer relationships and prior savings were the key criteria for access to credit.

Financial deregulation has reinforced the banks' dominant position. The release of households' pent-up demand for credit has led to a sharp increase in household indebtedness in relation to disposable income. Loans have mostly been raised from banks. Moreover, the increase in companies' foreign currency loans intermediated by banks has further consolidated the role of banks in financial intermediation.

However, direct borrowing on the market has also been growing. The development of financial markets and liberali-

zation of capital movements have increased the opportunities of companies, in particular, to make direct use of both domestic and foreign markets.

FINANCIAL INTERMEDIATION

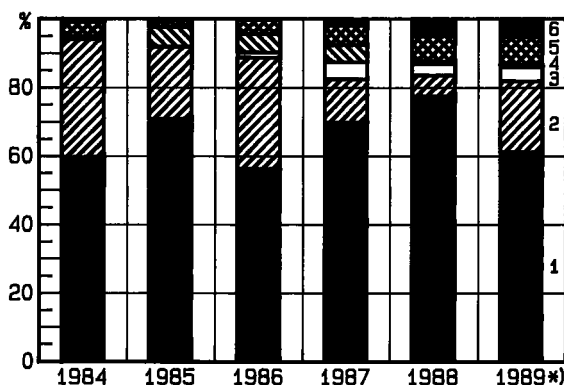
With the development and restructuring of financial markets, the share of financial institutions other than banks in financial intermediation has decreased (Chart 1). For instance, special financial institutions, which during the period of strict credit rationing channelled funds to sectors and projects considered important, have lost much of their previous significance. This is reflected in the fact that many institutions have reorganized their functions and been merged with banking groups. Finance companies, which earlier boosted their operations to some extent by circumventing interest rate regulation, and insurance institutions have also lost some of their share in financial intermediation after the deregulation of markets.

Changes in financial markets and the enhanced role of market rates, in particular, are also clearly reflected in structural changes in banks' funding (Chart 2). The major change is an increase in the share of foreign liabilities and in markka funding at market rates of interest. At the same time, the importance of deposits in banks' funding has declined significantly. Over the past five years, the share of foreign financing in banks' total funding has risen from some 20 per cent to just under 40 per cent¹.

Markka deposits continue to be banks' main source of funding although their share in total funding has been falling

¹ However, the growth of banks' foreign currency transactions is not only based on foreign currency funds intermediated to Finland. In fact, the share of purely international business in foreign operations has increased more rapidly than funds intermediated to Finland.

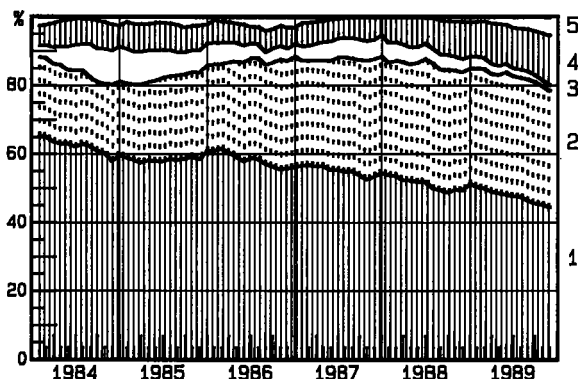
CHART 1.
DISTRIBUTION OF THE PUBLIC'S NEW NET FINANCING



*) 1989/9

1. Bank loans (incl. bonds purchased)
2. Other financial institution credits (incl. bonds purchased)
3. Commercial paper
4. Bonds (public issues)
5. Shares
6. Direct borrowing abroad

CHART 2.
THE STRUCTURE OF BANKS' FUNDING



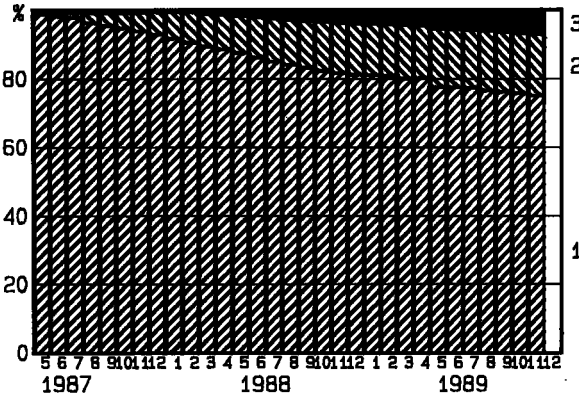
1. Markka deposits
2. Foreign liabilities (incl. foreign currency deposits)
3. Markka liabilities to the forward exchange market
4. Other markka liabilities to the public
5. Liabilities to the central bank

for many years now, amounting to only just over 40 per cent at the moment. The share of tax-exempt savings accounts, in particular, has fallen while fixed-term deposits and taxable accounts, which in practice yield the best return for many depositors, have gained in popularity.

In the last few years, the structure of banks' lending has

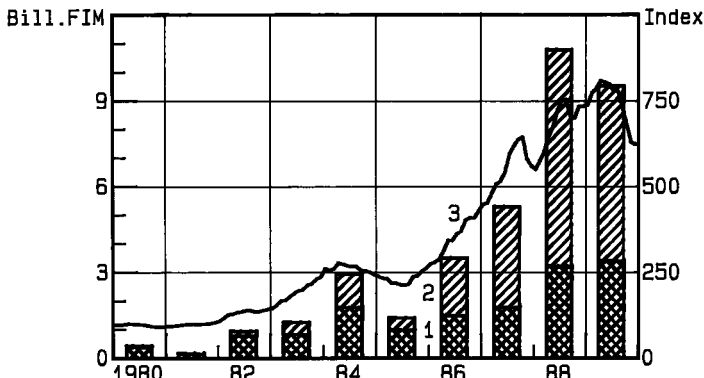
also undergone far-reaching change. Besides the base rate, banks are allowed to link their lending to a number of different market rates and have indeed made increasing use of this opportunity. The share of loans linked to the base rate in banks' total outstanding loans to the public has decreased by some 20 percentage points over the past two years or so.

CHART 3.
BANK LENDING AND INTEREST RATE LINKAGES



1. Share of lending linked to the base rate and fixed-rate lending in total markka lending
2. Lending linked to HELIBOR rates (1-12 months)
3. Lending linked to long-term reference rates

CHART 4.
ACQUISITION OF RISK CAPITAL BY LISTED COMPANIES AND THE SHARE INDEX



1. Share issues of listed companies
2. Share premiums of listed companies
3. Unitas general index for listed shares, 1975 = 100

Almost one-third of new loans are linked to market rates and their share is still increasing if the structural changes in lending are taken into consideration (Chart 3).

This places greater demands on the development of the derivatives market and on banks' customers in the management of interest rate risks.

DIRECT ACQUISITION OF FUNDS FROM THE PUBLIC

The importance of the capital market is also now quite

different from what it was in the early 1980s. Up until the 1980s, the capital market was underdeveloped and dominated by bonds. With the abolition of interest rate controls, interest rates on new bank loans have risen as they are linked to money market rates. At the same time, the competitiveness of the direct acquisition of funds from the public in corporate financing has improved. Funds can be raised directly from the public either in the form of share or bond issues in the capital market or by ar-

-ranging commercial paper programmes in the money market.

The bond market was the first market to expand as bonds and debentures became popular with non-resident investors because of the attractive return they offered. Although the sale of markka bonds to non-residents was prohibited in summer 1985 for monetary policy reasons, public issues did not decline in markka terms. However, they have been of relatively, minor importance as a source of funds for the public in recent years (Chart 1). Moreover, in comparison with other countries, the Finnish bond market is thin. This can be attributed to the large share of private placements, the central government's good cash position during the past few years and the high rates of interest on bonds in relation to those on foreign currency credits raised abroad. The share of bonds in turnover on the Helsinki Stock Exchange has decreased since the wholesale market in these securities has to a large extent relocated outside the stock exchange.

The importance of risk capital, i.e. capital raised in the share market, for companies has increased from some two per cent to over one-fifth of companies' net financing needs in the space of a few years. Although as far as taxation is concerned, debt capital is a cheaper form of corporate financing than share issues, companies have been attracted by high share premiums, which have been made possible by the rise in share prices. Because of large issue volumes and weakening economic prospects, the share market began to show signs of saturation towards the end of 1989. At the same time, the number of new issues fell markedly compared with the early part of the year and share prices turned down (Chart 4).

The rapid development of the share market was also partly due to the fact that the quotation of separate share series which can also be sold to non-residents was initiated in 1984.

Although the immediate task of banks and other financial intermediaries in the direct acquisition of finance from the public is largely confined to the provision of expert services and arranging financing, in practice they play a more direct role as they are important shareholders themselves. By contrast, the participation of individuals in share ownership has been falling in relative terms in the 1980s.

By international standards, the Finnish share market is still small, both in absolute terms and in relation to GDP (Chart 5).

In recent years, the OTC market has developed as a new market outside the stock exchange. It provides a good channel for the raising of equity capital by small and

medium-sized companies. In the past few years, the number of listed companies and OTC companies has risen sharply, which also reflects the growth of the share market.

RISK MANAGEMENT

The deregulation of domestic financial markets and capital movements has provided the public with a wide choice in financial planning. Depending on the market situation, companies may flexibly choose between markka-denominated and foreign-currency-denominated financing or investing. Large companies, in particular, are well-placed to exploit the various markets in Finland and abroad. Risk management was further promoted on February 1, 1990, when non-residents were permitted to purchase new markka bonds and Finnish companies were allowed to issue markka bonds abroad. Households are still not allowed to raise foreign currency loans but all quanti-

tative restrictions on investments will be abolished by July 1, 1990 at the latest.

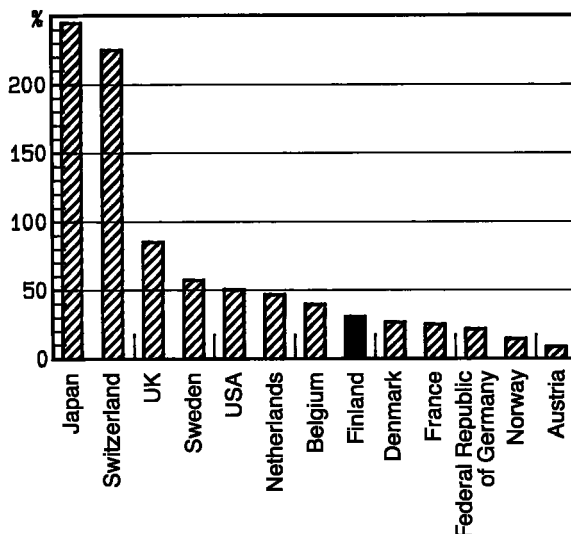
The rapid development of markets has brought with it interest rate and exchange rate risks, which were previously virtually unknown to the majority of the public. On the other hand, market deregulation has also contributed to the rapid development of the derivatives market, which is well-suited for risk management. Exchange rate risks can be hedged by means of forward exchange contracts and currency options, though the latter have not yet gained unqualified acceptance in the business sector.

Interest rate risks have also increased markedly. Costs of loans linked to volatile market rates may vary considerably during the maturity of the loan. In consequence, the use of FRAs and interest rate options in risk management is becoming more common. In addition to risk management, FRAs are suitable instruments for investors wishing to profit by their interest rate expectations.

However, for some groups risk awareness and risk management do not yet correspond to the demands of the changed market environment. Pressures for adjustment are especially strong among households, who previously lived in a world in which credit was strictly rationed but available at relatively low and stable rates of interest.

One indication of the development of the Finnish securities market was the launching of derivatives market operations in spring 1988. Stock option and futures markets offer an efficient way of managing risks related to changes in share prices and thus help to promote the further development of the share market.

CHART 5.
MARKET CAPITALIZATION OF LISTED SHARES IN RELATION TO GDP IN SELECTED COUNTRIES IN 1988



FUTURE PROSPECTS

The 1980s witnessed the end of administrative regulation of financial markets in Fin-

land. As a consequence, money and capital markets have undergone change and become more diversified. In Finland, as in many other countries, the securitization of finance has been one of the most important changes. Traditional loans raised from financial institutions have been replaced by negotiable instruments. At the same time, financial intermediation has become more efficient.

But, although the process has got off to a good start it is still in its infancy. Develop-

ments in Finland can be expected to follow international trends. Thus securitization will gain in importance when the remaining barriers to free capital movements are removed. The bond market, in particular, can be expected to expand when the tax treatment of different types of investment becomes neutral. Financial intermediation will also become more efficient and competition in financial markets tighter. In the increasingly international markets, Finnish financial institutions are having to compete

not only with each other but also with foreign financial institutions in the same financial products. The profitability of banks will be strained by narrower spreads and tighter capital adequacy requirements. Domestic banks are nevertheless likely to continue to play a prominent role in financial intermediation in the future.

February 2, 1990

ITEMS

FINLAND'S BALANCE OF PAYMENTS IN 1989

The external balance of the economy weakened markedly in 1989. The widening of the current account deficit and, in particular, the increase in commodity imports were a consequence of the rapid growth of domestic investment and consumption.

According to the Bank of Finland's preliminary figures for 1989, the current account showed a deficit of FIM 21 billion, equivalent to over 4 per cent of nominal GDP. In 1988, the current account had registered a deficit of FIM 12.6 billion. The current account in convertible currencies posted a deficit of FIM 25.1 billion and the current account in tied currencies a surplus of FIM 4.1 billion.

Net imports of long-term capital amounted to FIM 9.1 billion and net imports of short-term capital imports to FIM 5.9 billion. Since total net capital imports were smaller than the deficit on current account, the Bank of Finland's convertible currency reserves decreased by FIM 6.0 billion.

Current account. Compiled on a balance-of-payments basis, the trade account registered a deficit of FIM 6.3 billion in 1989, compared with a surplus of FIM 0.1 billion in 1988. According to the foreign trade statistics of the National Board of Customs, commodity exports grew by over 7 per cent in value but only slightly in volume. The increase in the volume of Finland's western exports was equivalent to half the expansion of just under 10

MAJOR BALANCE OF PAYMENTS ITEMS IN 1989, MILLION FIM¹

	Receipts	Expenditure	Net
Trade (exports f.o.b., imports c.i.f.)	99 799	105 316	-5 517
Adjustment items	-1 599	-816	-783
Trade account	98 200	104 500	-6 300
Transport	7 900	3 900	4 000
Travel	4 500	9 000	-4 500
Other services	6 800	8 300	-1 500
Services account	19 200	21 200	-2 000
GOODS AND SERVICES ACCOUNT	117 400	125 700	-8 300
Investment income, net	10 000	19 500	-9 500
Unrequited transfers	1 300	4 000	-2 700
Other	2 900	3 400	-500
A. CURRENT ACCOUNT	131 600	152 600	-21 000
	Change in assets	Change in liabilities	Net
Long-term financial loans and suppliers' credits: ²			
drawings	-4 329	37 339	33 010
redemptions	1 395	-13 680	-12 285
Direct investment	-11 793	1 353	-10 440
Other long-term capital	-2 261	1 070	-1 191
B. LONG-TERM CAPITAL ACCOUNT	-16 988	26 082	9 094
BASIC BALANCE (A+B)			-11 906
Prepayments and liabilities related to imports		)	4 000
Prepayments and receivables related to exports			
Short-term capital of authorized banks			2 000
Other short-term capital			-55
Errors and omissions			..
C. SHORT-TERM CAPITAL ACCOUNT			5 945
D. ALLOCATIONS OF SDRs			-
OVERALL BALANCE (A + B + C + D)			-5 961
Change in the foreign exchange reserves of the Bank of Finland			5 961

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

¹ Preliminary figures.

² Assets include export credits only.

per cent in Finland's main export markets, measured in terms of the volume of imports. The value of eastern exports grew by about 4 per cent and that of eastern imports by 9 per cent. The value of commodity imports increased by 14 per cent and the volume by 10 per cent.

The terms of trade improved for the fourth year in succession. This was due to the fact that export prices rose by 7 per cent on average whereas import prices rose by only 3.5 per cent. In March 1989, the Finnish markka was revalued in connection with the lowering of the fluctuation limits of the the currency index. Subsequently, import prices fell slightly as a result of the exchange rate change. The decline in world market prices was also reflected in Finnish import prices towards the end of the year. The increase in real incomes arising from the improvement in the terms of trade has been considerable.

The deficit on the services account widened further to FIM 2.0 billion, as against FIM 1.3 billion in the previous year. Service receipts grew by 8 per cent and service expenditure by 12 per cent. The surplus on the transport account grew by FIM 0.5 billion from the previous year to FIM 4.0 billion. Transport receipts increased by 10 per cent on average and transport expenditure by 9 per cent. The growth of receipts and expenditure was fairly uniform among all transport categories. Travel receipts grew by about 6 per cent and travel expenditure by about 12 per cent, giving rise to a travel account deficit of FIM 4.5 billion. In 1988, the travel account deficit had been FIM 3.7 billion. The other services account posted a deficit of FIM 2.7 billion.

Interest payments on foreign loans and other outstanding foreign liabilities amounted to FIM 19.5 billion. As interest income on foreign assets to-

talled FIM 10.0 billion, the investment income account showed a deficit of FIM 9.5 billion. This was FIM 1.5 billion more than in 1988. The deficit in the unrequited transfers account amounted to FIM 2.7 billion.

Capital account. The net inflow of foreign capital totalled FIM 15.0 billion. There were heavy inflows of long-term loan capital in the course of the year; the net figure of FIM 23.7 billion for the year as a whole was up FIM 6.5 billion on 1988. The inflow was attributable to long-term borrowing by the private sector, since the central government made net repayments of foreign debt amounting to FIM 1.9 billion. Loan capital was imported by financial institutions to the value of FIM 18.2 billion and was used, among other things, for financing foreign currency loans of companies and local authorities. Imports of long-term loan capital by companies in their own name amounted to FIM 7.2 billion.

Finnish net portfolio investment abroad totalled FIM 0.4 billion whereas foreign investors purchased Finnish securities totalling FIM 1.0 billion in net terms. Drawings of long-term export credits granted to foreign buyers amounted to FIM 4.3 billion and repayments to FIM 1.4 billion. Finnish net direct investment abroad totalled FIM 11.8 billion and net direct investment in Finland FIM 1.4 billion.

The net inflow of short-term capital amounted to FIM 5.9 billion in 1989. Net imports of short-term capital by authorized banks reached FIM 2.0 billion. Net imports of short-term capital, including trade credits, by other sectors amounted to FIM 3.9 billion.

The foreign exchange reserves of the Bank of Finland decreased by FIM 5 961 million in 1989. The convertible foreign exchange reserves fell by FIM 4 455 million. Tied currency claims decreased by

FIM 1 506 million so that the net tied currency claim turned into a net liability. At the end of the year, the convertible foreign exchange reserves of the Bank of Finland stood at FIM 22 875 million and tied currency liabilities at FIM 563 million.

Net foreign debt. At the end of 1989, Finland's net foreign debt totalled FIM 83.9 billion, or 17 per cent of GDP. Net long-term debt amounted to FIM 66.0 billion and net short-term debt to FIM 17.9 billion. The central government's share of net foreign debt was FIM 20.2 billion.

THE BANK OF FINLAND'S INVESTMENT INQUIRY

In 1989, GDP continued to expand at a rate of some 5 per cent for the third successive year. High capacity utilization created favourable conditions for the growth of investment. According to preliminary estimates, the volume of fixed investment grew by over 10 per cent and private investment by 12—13 per cent last year. Industrial investment picked up sharply. According to the Bank of Finland's survey of investment intentions conducted in November-December 1989, fixed investment in manufacturing, mining and energy and water supply increased by 11 per cent in 1989. The manufacturing investment ratio — fixed investment in relation to value added — reached its highest level in the 1980s. Moreover, performance among the various sectors was more uniform than usual; in almost all manufacturing industries the volume of investment exceeded the 1988 level. In the forest industries, investment increased by over one-fifth, and in the metal and engineering industries, the increase was more than 10 per cent. In other manufacturing, the increase in investment was modest, noticeably slower growth in this sector compared

TABLE 1. ANNUAL CHANGE IN THE VOLUME OF INDUSTRIAL FIXED INVESTMENT IN 1988—1990 PER CENT

By sector	1988	Plans	
		1989	1990
Forest industries	2	22	-2
Metal and engineering industries	-5	13	9
Other manufacturing	-8	5	-3
MANUFACTURING	-4	12	0
ENERGY AND WATER SUPPLY	4	7	-4
TOTAL INDUSTRY (incl. mining)	-2	11	-1
By type of investment			
Construction	-4	3	-2
Machinery and equipment	-1	16	-0

with other sectors. Analyzed by size category, small companies showed a relatively higher increase in investment than large ones. Investment by private and state-owned industrial companies grew at the same rate.

Companies' investment plans for 1990 as of end-1989 suggest that the volume of investment will reach the same level as actual investment in 1989. Assuming no unexpected developments in economic conditions, industrial investment activity can therefore be expected to remain buoyant in 1990. According to the survey data, investment will increase substantially in the metal and engineering industries, whereas in the other sectors it is expected to decrease slightly.

As before, the main emphasis in industrial investment is on acquisitions of machinery and equipment, the volume of which grew at an annual rate of almost 8 per cent on average in the 1980s. Construction in industry grew at an average rate of some 1 per cent annually.

In contrast to previous trends, outlays on research and development increased more slowly than expenditure on fixed assets in 1989. In manufacturing, outlays grew by only 10 per cent in markka terms. The slowdown in growth was mainly concentrated in the sector "other manufacturing". According to the results of the inquiry, outlays on research and development in manufacturing totalled almost FIM 3

billion in 1989. The metal and engineering industries accounted for just over 50 per cent of this amount.

In 1989, the capacity utilization rate in manufacturing remained at 89 per cent on average. Thus capacity grew at the same rate, by some 4 per cent, as production in 1989. Capacity will continue to grow rapidly, if companies' investment plans are implemented. For two years now, manufacturing production has been running at almost full capacity. In 1990, the capacity utilization rate is expected to fall, notably in the forest industries but also in the metal and engineering industries, albeit only slightly there. The capacity utilization rate is expected to rise in the textiles, clothing and leather industries. This is likely to reflect a contraction in capacity rather than expectations of stronger demand, as many companies have ceased operations.

TABLE 2. OUTLAYS ON RESEARCH AND DEVELOPMENT IN MANUFACTURING IN 1988—1990, MILLION FIM

	1988	Plans	
		1989	1990
Forest industries	199	221	237
Metal and engineering industries	1 283	1 497	1 505
Other manufacturing	1 198	1 229	1 367
MANUFACTURING	2 680	2 947	3 110

TABLE 3. CAPACITY UTILIZATION RATE IN MANUFACTURING IN 1989—1990 PER CENT

	1989		1990	
	I	II	I	II
Forest industries	94	93	92	91
Metal and engineering industries	91	92	91	91
Other manufacturing	82	84	84	85
MANUFACTURING	89	89	89	89

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM MARCH 1989 TO FEBRUARY 1990

1989

MARCH

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

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

APRIL

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

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

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

MAY

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

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

JUNE

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

Call money market. With effect from June 16, 1989, the Board of Management of the Bank of Finland decides to abolish the bank-specific quotas for call money credit of the banks entitled to central bank financing. At the same time, the penalty

interest charged on borrowing in excess of quota, which last stood at 19 per cent, is abolished. In addition, the call money credit rate is raised from 13 per cent to 15 per cent; the call money deposit rate remains at 4 per cent.

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

JULY

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

AUGUST

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

SEPTEMBER

Foreign Exchange Regulations. The Bank of Finland relaxes the foreign exchange regulations concerning foreign investments and capital imports. The amendments enter into force on September

1, 1989, except for those applying to private individuals. For tax control reasons, the decisions regarding capital exports by private individuals will enter into force on a later date, however not later than July 1, 1990.

Capital exports. Acquisitions of dwellings and real estate abroad no longer require authorization; previously, permission was necessary if the purchase price exceeded FIM 1 million. Investments in the form of foreign securities, deposits held in accounts with foreign monetary institutions and merchandise held abroad are permitted without the permission of the Bank of Finland or quantitative restrictions. In addition, credit of more than one year's maturity may be granted to non-residents without the Bank of Finland's permission.

Capital imports. Non-financial companies, except housing and real estate companies, are permitted to raise foreign credit of more than one year's maturity; previously, only loans of more than five years' maturity were permitted. The authorization of the Bank of Finland is still required if a company borrows directly from a foreign lender.

Suppliers' credits and prepayments in respect of imports are entirely freed from authorization. In addition, most direct investments in Finland no longer require authorization.

Cash reserve requirement.

The Bank of Finland raises the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to 8.8 per cent of the cash reserve base in August.

OCTOBER

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

Cash reserve requirement.

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

NOVEMBER

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

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

Cash reserve requirement.

The Bank of Finland raises the cash reserve requirement for certain banks. Together

with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 9.1 per cent of the cash reserve base in October.

DECEMBER

Cash reserve requirement.

The Bank of Finland adjusts the cash reserve requirement for certain banks and groups of banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 9.1 per cent of the cash reserve base in November.

1990

JANUARY

Prime rates. The Bank of Finland complements its recommendations on reference rates to banks by permitting them to apply their own prime rates in all their lending and deposit-taking, with effect from January 1, 1990.

Money market operations.

As from January 1, 1990, only CDs issued by banks which meet the following requirements can be accepted for use in money market dealings: the bank's capitalization exceeds the minimum amount set by the Bank of Finland, the bank meets the minimum capital adequacy requirements set by the BIS and operates as a market maker in the CD market. These banks may at the same time act as the Bank of Finland's market counterparties and may be granted access to call money credit. As a rule, a one-year transition period will be applied in the introduction of the new requirements for banks which are already entitled to call money credit and in whose CDs the Bank of Finland deals.

Cash reserve requirement.

The Bank of Finland adjusts the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement remains at about 9.1 per cent of the cash reserve base in December.

Provided bank lending does not accelerate sharply in January-February 1990, the collection of additional deposits under the supplementary cash reserve agreement will be discontinued. The interest-free additional deposits collected on the basis of the lending growth figures at the end of December 1989 will remain at the Bank of Finland and be refunded at the latest in July-December of the current year in six equal instalments at the end of each month.

FEBRUARY**Foreign Exchange**

Regulations. The Bank of Finland allows the sale abroad of new markka-denominated bonds of over one year's maturity as from February 1, 1990, with the exception of bonds issued by housing and real estate companies. The present ban on cross-border sales remains in force for bonds issued previously. Effective the same date, non-residents will be allowed to issue markka-denominated bonds in Finland.

With effect from the beginning of February, the Bank of Finland also decides to exempt Finnish companies' share issues abroad from the requirement of prior authorization. Starting from this date, the Bank of Finland no longer requires quotation by the Helsinki Stock

Exchange or the OTC market as a condition for the issue of foreign securities in Finland. Similarly, it will no longer be necessary for non-residents purchasing Finnish securities to effect their purchases through the Helsinki Stock Exchange or the OTC market.



LAND, CLIMATE AND POPULATION

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

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

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

FORM OF GOVERNMENT

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

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

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

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

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

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

INTERNATIONAL RELATIONS

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

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

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

THE ECONOMY

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

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

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

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

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

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

Forest resources. Finland has fairly abundant forest resources, but

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

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

FINANCE AND BANKING

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

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

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

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

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

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

Other banks (Dec. 31, 1988).

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

Financial markets. Of the total stock of FIM 580 billion in outstanding domestic credit at the end of 1988,

64 % was provided by deposit banks, 4 % by mortgage banks, 15 % by insurance companies, 8 % by other credit institutions and 9 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

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

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



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1. THE BALANCE SHEET OF THE BANK OF FINLAND

1.1 THE BALANCE SHEET OF THE BANK OF FINLAND,
MILL. FIM

	1989		1990			
	Jan. 31	Dec. 31	Jan. 8	Jan. 15	Jan. 23	Jan. 31
ASSETS						
Gold and foreign currency claims	33 188	23 009	22 920	22 732	24 909	30 340
Gold	2 128	2 179	2 179	2 179	2 179	2 179
Special drawing rights	1 066	966	966	956	907	900
IMF reserve tranche	945	950	949	940	960	954
Convertible currencies	26 620	18 822	18 723	18 550	20 751	26 196
Tied currencies	2 428	92	102	106	112	112
Other foreign claims	4 216	3 300	3 296	3 287	3 281	3 267
Markka subscription to Finland's IMF quota	2 283	2 103	2 103	2 103	2 087	2 087
Term credit	1 933	1 198	1 193	1 185	1 195	1 180
Claims on financial institutions	12 503	39 054	38 526	38 132	44 225	49 508
Call money credits	715	38	—	346	34	52
Certificates of deposit	5 291	33 230	32 477	31 943	30 286	25 780
Term credits	—	—	—	—	7 520	12 980
Till-money credits	2 733	3 310	3 577	3 244	3 787	8 099
Financing of crop failure loans	1 222	—	—	—	—	—
Bonds	2 304	2 238	2 234	2 360	2 360	2 360
Other claims on financial institutions	238	238	238	238	238	238
Claims on the public sector	1 114	1 137	1 147	1 153	1 157	1 168
Treasury notes and bills	59	—	—	—	—	—
Bonds	20	8	8	8	7	7
Total coinage	1 032	1 129	1 140	1 145	1 150	1 161
Other claims on the public sector	3	—	—	—	—	—
Claims on corporations	2 896	2 207	2 181	2 172	2 166	2 157
Financing of exports	301	1	1	1	1	1
Financing of domestic deliveries (KTR)	2 167	1 697	1 675	1 666	1 660	1 654
Bonds: KTR credits	213	302	298	298	298	295
Bonds: Other	33	21	21	21	21	21
Other claims on corporations	182	186	186	186	186	186
Other assets	120	571	103	106	104	103
Accrued items	—	464	—	—	—	—
Other assets	120	107	103	106	104	103
Total	54 038	69 279	68 173	67 582	75 842	86 543
LIABILITIES						
Foreign currency liabilities	238	697	560	480	507	713
Convertible currencies	106	42	67	79	38	17
Tied currencies	132	656	493	401	470	696
Other foreign liabilities	3 087	2 860	2 860	2 852	2 840	2 835
IMF markka accounts	2 283	2 103	2 103	2 103	2 087	2 087
Allocations of special drawing rights	804	758	757	750	753	748
Notes and coin in circulation	10 755	13 129	12 681	12 384	16 738	22 760
Notes	9 811	12 073	11 632	11 340	15 671	21 672
Coin	944	1 056	1 049	1 044	1 067	1 088
Certificates of deposit	1 440	—	—	—	—	—
Liabilities to financial institutions	20 789	26 303	26 101	25 805	29 447	33 667
Call money deposits	83	569	353	74	3 138	3 295
Term deposits	—	—	—	—	580	4 710
Cash reserve deposits	20 389	25 506	25 506	25 506	25 506	25 441
Capital import deposits	280	190	180	180	180	180
Other liabilities to financial institutions	37	38	62	45	42	41
Liabilities to the public sector	2 016	5 325	5 900	6 190	6 206	6 384
Cheque accounts	1	0	0	0	0	0
Cash fund deposits	—	3 770	4 060	4 350	4 350	4 525
Pension fund deposits	—	—	285	285	285	285
Counter-cyclical fund deposit	964	—	—	—	—	—
Counter-cyclical deposits	1 000	1 319	1 319	1 319	1 319	1 319
Export deposits	36	235	235	235	251	251
Other liabilities to the public sector	15	1	1	1	1	4
Liabilities to corporations	6 836	10 810	10 762	10 692	10 686	10 661
Deposits for investment and ship purchase	6 470	10 228	10 179	10 109	10 104	10 104
Capital import deposits	354	583	583	583	583	556
Other liabilities to corporations	13	—	—	—	—	—
Other liabilities	39	1 294	58	53	67	70
Accrued items	—	1 241	—	—	—	—
Other liabilities	39	53	58	53	67	70
Valuation account and reserves	3 001	2 696	3 086	2 962	3 186	3 290
SITRA's capital	400	400	400	400	400	400
Capital accounts	5 436	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000	5 000
Reserve fund	436	436	764	764	764	764
Profit/loss for the accounting year	—	328	—	—	—	—
Total	54 038	69 279	68 173	67 582	75 842	86 543

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

MILL. FIM

End of period	Foreign sector									Public sector		
	Gold	Special drawing rights	IMF reserve tranche	Convertible currencies, net	Convertible currencies, total (1+2+3+4)	Tied currencies, net	Foreign exchange reserves, total (5+6)	Other claims, net	Net claims (7+8)	Claims	Liabilities	Net liabilities (11-10)
	1	2	3	4	5	6	7	8	9	10	11	12
1985	2 081	931	775	18 572	22 359	-285	22 074	-849	21 225	1 023	4 300	3 277
1986	2 081	983	793	6 778	10 635	3 421	14 056	-838	13 218	1 002	2 001	999
1987	2 128	899	793	23 571	27 391	1 212	28 603	1 131	29 734	977	901	-76
1988	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
1989	2 179	966	950	18 780	22 875	-564	22 311	440	22 751	1 137	5 325	4 188
1989												
Jan.	2 128	1 066	945	26 514	30 653	2 296	32 949	1 129	34 078	1 114	2 016	902
Feb.	2 128	878	959	28 919	32 884	2 332	35 216	1 131	36 347	1 119	2 017	898
March	2 128	853	901	25 659	29 541	1 352	30 893	1 097	31 990	1 079	1 368	289
April	2 128	832	890	24 628	28 478	1 725	30 203	1 085	31 288	1 103	1 404	301
May	2 128	861	1 004	25 028	29 021	1 580	30 601	1 103	31 704	1 113	1 433	320
June	2 128	858	961	25 501	29 448	353	29 801	1 113	30 914	1 136	1 458	322
July	2 128	854	919	25 318	29 219	717	29 936	1 094	31 030	1 113	1 472	359
Aug.	2 128	882	934	25 545	29 489	706	30 195	1 117	31 312	1 113	1 486	373
Sept.	2 129	878	952	23 568	27 527	-826	26 701	1 107	27 808	1 135	1 504	369
Oct.	2 129	1 055	927	21 841	25 952	-307	25 645	772	26 417	1 112	2 683	1 571
Nov.	2 129	851	967	19 826	23 773	-381	23 392	769	24 161	1 126	4 150	3 024
Dec.	2 179	966	950	18 780	22 875	-564	22 311	440	22 751	1 137	5 325	4 188
1990												
Jan.	2 179	900	954	26 179	30 212	-584	29 628	432	30 060	1 168	6 384	5 216

End of period	Domestic financial sector						Corporate sector			Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	Term claims on deposit banks	Call money claims on deposit banks, net	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other liabilities to financial institutions, net	Net claims (13+14-15+16-17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19-20)		
	13	14	15	16	17	18	19	20	21	22	23
1985	.	4 014	10 222	1 925	-1 386	-2 897	4 525	4 113	412	8 072	.
1986	2 381	6 687	9 270	2 305	-2 240	4 343	4 581	4 757	-176	8 668	.
1987	—	-757	10 941	2 730	-2 350	-6 618	3 449	4 782	-1 333	9 990	4 970
1988	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
1989	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	—
1989											
Jan.	5 291	632	20 389	2 733	-3 447	-8 286	2 681	6 622	-3 941	10 755	1 440
Feb.	5 195	-101	21 328	2 657	-3 481	-10 096	2 555	6 706	-4 151	10 769	1 460
March	7 917	1 735	22 120	2 481	-3 017	-6 970	2 455	6 700	-4 245	10 996	980
April	10 166	256	22 195	2 342	-2 952	-6 479	2 386	6 935	-4 549	11 190	580
May	7 597	3 803	22 820	2 843	-2 716	-5 861	2 335	7 168	-4 833	11 385	180
June	16 601	-568	23 500	2 518	-2 816	-2 133	2 239	9 557	-7 318	11 737	160
July	17 582	-727	24 116	2 936	-2 817	-1 508	2 252	10 439	-8 187	11 774	160
Aug.	18 641	-839	24 639	2 899	-2 833	-1 105	2 214	10 587	-8 373	11 651	60
Sept.	22 152	-133	25 089	2 569	-2 781	2 280	2 184	10 617	-8 433	11 739	20
Oct.	25 623	-419	25 377	3 023	-2 374	5 224	2 096	10 597	-8 501	11 775	—
Nov.	29 475	261	25 581	2 925	-2 170	9 250	2 066	10 590	-8 524	11 894	—
Dec.	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	—
1990											
Jan.	34 050	-3 243	25 441	8 099	-2 377	15 842	1 950	10 453	-8 503	22 760	—

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

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

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Impact on liquidity (1-2-3)	Call money credits	Call money deposits	Total net change (4+5-6)
	1	2	3	4	5	6	7
1985	.	.	.	.	201	-1 011	1 212
1986	.	.	.	.	1 599	-1 074	2 673
1987	1 263	23 658	-17 520	-4 875	-6 818	626	-12 319
1988	13 840	19 190	-16 850	11 500	463	-629	12 592
1989	131 110	3 855	99 245	28 010	-425	441	27 144
1989							
Jan.	260	1 190	1 370	-2 300	252	-45	-2 003
Feb.	3 260	1 125	2 125	10	-656	77	-723
March	8 695	170	5 095	3 430	1 785	-51	5 266
April	4 710	—	2 370	2 340	-1 548	-69	861
May	6 490	—	7 880	-1 390	3 507	-40	2 157
June	16 295	250	7 875	8 170	-3 798	573	3 799
July	16 790	240	15 170	1 380	7	166	1 221
Aug.	14 560	—	13 160	1 400	-10	102	1 288
Sept.	14 260	—	9 950	4 310	73	-633	5 016
Oct.	16 720	—	13 920	2 800	-72	214	2 514
Nov.	18 220	350	13 560	4 310	510	-170	4 990
Dec.	10 850	530	6 770	3 550	-475	317	2 758
1990							
Jan.	18 660	4 710	13 750	200	14	2 726	-2 512

2.2 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					
	Domestic companies			Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
1	2	3	4	5	6	
1985	16 982	1 733	15 249	708	-9 005	6 951
1986	11 446	1 319	10 127	-2 461	-92	7 574
1987	21 671	1 158	20 513	-233	-1 287	18 994
1988	16 488	1 543	14 946	9 086	-377	23 654
1989	10 531	3 563	6 967	8 031	205	15 203
1988						
Dec.	16 488	1 543	14 946	9 086	-377	23 654
1989						
Jan.	15 710	1 058	14 652	9 284	-62	23 874
Feb.	15 495	857	14 638	7 706	-273	22 071
March	14 614	871	13 742	7 221	-168	20 795
April	13 536	1 044	12 492	7 003	-63	19 432
May	13 248	1 535	11 714	9 024	-	20 737
June	12 859	1 408	11 451	9 781	-306	20 926
July	13 125	1 393	11 731	9 870	-395	21 207
Aug.	12 652	1 187	11 465	15 126	-220	26 371
Sept.	11 782	1 669	10 113	13 261	-	23 374
Oct.	11 323	2 260	9 063	10 774	-	19 836
Nov.	11 487	2 934	8 552	8 784	-	17 336
Dec.	10 531	3 563	6 967	8 031	205	15 203

2.3 BANKS' CENTRAL BANK POSITION, MILL. FIM

Average of daily observations	Call money credits	Bank CDs held by the Bank of Finland	Gross debt to the Bank of Finland (1+2)	Call money deposits	Holdings of CDs issued by the Bank of Finland	Cash reserve deposits	Gross claim on the Bank of Finland (4+5+6)	Net position (3-7)
1	2	3	4	5	6	7	8	
1985	5 812	.	5 812	4 527	.	9 578	14 105	-8 293
1986	7 117	120	7 237	1 256	.	9 189	10 445	-3 208
1987	481	1 581	2 062	703	4 705	10 092	15 501	-13 439
1988	128	2 190	2 319	621	5 044	15 159	20 824	-18 505
1989	373	15 146	15 519	403	465	23 035	23 903	-8 384
1989								
Jan.	111	6 203	6 314	611	1 252	19 083	20 946	-14 632
Feb.	129	4 612	4 741	501	1 568	20 423	22 491	-17 750
March	711	5 175	5 886	177	1 202	21 352	22 731	-16 845
April	689	8 697	9 386	129	774	22 128	23 031	-13 644
May	1 176	8 908	10 083	127	330	22 214	22 671	-12 588
June	779	11 264	12 042	321	118	22 842	23 282	-11 240
July	46	17 049	17 095	714	160	23 520	24 394	-7 299
Aug.	46	17 384	17 431	507	116	24 132	24 755	-7 325
Sept.	41	19 738	19 779	446	47	24 669	25 161	-5 382
Oct.	62	24 529	24 591	483	11	25 098	25 592	-1 001
Nov.	360	26 702	27 062	363	-	25 384	25 747	1 315
Dec.	328	31 497	31 824	462	-	25 574	26 036	5 788
1990								
Jan.	308	34 827	35 135	1 200	860	25 504	27 564	7 571

3. RATES OF INTEREST

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

Average of daily observations	Inter-bank overnight rate	HELIBOR				Bank of Finland rates			Cash reserve requirement	
		1 month	3 months	6 months	12 months	Call money credit rate	Call money deposit rate	Base rate	Ordinary	Additional (average)
	1	2	3	4	5	6	7	8	9	10
1985	..	..	..	..	..	13.37	13.37	9.04	5.6	.
1986	11.87	..	..	..	..	13.43	11.34	7.46	4.8	.
1987	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8	.
1988	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63	6.5	.
1989	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67	8.0	0.5
1989										
Jan.	7.46	10.60	11.19	11.42	11.80	13.00	4.00	7.50	7.8	.
Feb.	7.91	10.12	10.78	11.10	11.53	13.00	4.00	7.50	7.8	.
March	9.09	10.85	11.09	11.34	11.66	13.00	4.00	7.50	8.0	.
April	11.37	12.08	12.11	12.11	12.15	13.00	4.00	7.50	8.0	.
May	11.43	11.70	11.75	11.79	11.90	13.00	4.00	7.50	8.0	0.2
June	9.79	11.62	11.78	11.93	12.13	13.00	4.00	7.50	8.0	0.4
July	10.56	11.64	11.79	11.94	12.11	15.00	4.00	7.50	8.0	0.5
Aug.	8.86	11.87	12.06	12.22	12.35	15.00	4.00	7.50	8.0	0.7
Sept.	8.56	12.69	13.09	13.30	13.40	15.00	4.00	7.50	8.0	0.8
Oct.	10.31	14.06	14.19	14.22	14.19	15.00	4.00	7.50	8.0	1.0
Nov.	12.78	14.78	14.77	14.66	14.51	15.00	4.00	8.50	8.0	1.1
Dec.	15.03	16.23	16.08	15.56	15.17	15.00	4.00	8.50	8.0	1.1
1990										
Jan.	10.73	16.01	16.05	15.73	15.45	15.00	4.00	8.50	8.0	1.1

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

Average of daily observations	3 currencies ¹				12 currencies ²			
	1 month	3 months	6 months	12 months	1 month	3 months	6 months	12 months
	1	2	3	4	5	6	7	8
1985	6.8	6.9	7.0	7.2	..	..	..	..
1986	5.9	5.9	5.9	5.8	..	..	..	..
1987	5.4	5.6	5.7	5.8	7.9	8.0	8.1	8.2
1988	5.9	6.0	6.2	6.4	7.8	8.0	8.1	8.3
1989	8.3	8.4	8.5	8.5	9.7	9.8	9.9	9.9
1989								
Jan.	7.4	7.6	7.7	7.8	8.8	8.9	8.9	9.0
Feb.	8.0	8.2	8.4	8.4	9.2	9.3	9.3	9.4
March	8.0	8.3	8.6	8.8	9.3	9.5	9.7	9.8
April	8.0	8.2	8.4	8.6	9.2	9.5	9.6	9.7
May	8.3	8.4	8.6	8.7	9.5	9.7	9.7	9.8
June	8.3	8.4	8.5	8.5	9.7	9.8	9.8	9.9
July	8.3	8.2	8.2	8.1	9.7	9.8	9.7	9.7
Aug.	8.3	8.3	8.2	8.2	9.7	9.8	9.7	9.7
Sept.	8.5	8.6	8.6	8.6	9.9	10.0	10.0	9.9
Oct.	8.9	9.0	8.9	8.8	10.4	10.5	10.4	10.4
Nov.	8.8	9.0	9.0	8.9	10.5	10.7	10.7	10.7
Dec.	9.0	9.0	9.0	8.9	10.8	10.9	10.9	10.9
1990								
Jan.	8.8	9.0	9.2	9.2	10.8	11.0	11.2	11.3

3.3 COVERED EURO-DOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
1985	12.9	12.8	12.8	12.6
1986	12.1	11.7	11.5	11.1
1987	9.8	9.9	9.9	10.1
1988	9.6	9.8	10.0	10.3
1989	11.8	12.1	12.2	12.2
1989				
Jan.	10.2	10.8	11.0	11.3
Feb.	10.0	10.5	10.7	11.1
March	10.6	10.9	11.1	11.3
April	11.9	11.8	11.8	11.7
May	11.1	11.2	11.2	11.3
June	11.2	11.3	11.4	11.5
July	11.1	11.3	11.5	11.5
Aug.	11.1	11.5	11.7	11.8
Sept.	11.9	12.5	12.8	12.9
Oct.	13.6	13.8	13.8	13.7
Nov.	14.2	14.3	14.3	14.1
Dec.	15.3	15.2	14.8	14.5
1990				
Jan.	14.9	15.4	15.1	15.0

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

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

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

End of period	Lending						Deposits					
	New credits ¹			Average lending rate	Of which: Commercial banks	Savings accounts and ordinary deposit accounts	12-month time deposits	24-month time deposits	Average rate of interest on regulated deposits	Average rate of interest on unregulated deposits	Average rate of interest on total deposits	
	Cheque account and post-al giro credits	Bills of exchange	Loans									New lending, total
	1	2	3	4	5	6	7	8	9	10	11	12
1984	..	..	..	..	10.67	10.68	5.25	8.00	9.25	6.22	15.43	7.30
1985	12.04	12.94	10.62	11.55	10.37	10.37	4.75	7.50	8.75	5.91	13.24	6.81
1986	10.89	12.30	9.76	10.64	8.82	8.81	2.75	5.75	7.00	4.43	11.84	5.35
1987	10.50	12.31	10.01	10.62	9.12	8.99	2.75	5.75	7.00	4.56	10.13	5.29
1988	10.22	12.27	10.50	10.72	10.37	10.25	3.75	6.75	8.00	5.87	9.80	6.20
1988												
Nov.	12.08	12.62	11.02	11.33	10.33	10.21	3.75	6.75	8.00	5.66	10.39	6.77
Dec.	10.02	11.68	10.33	10.48	10.37	10.25	3.75	6.75	8.00	5.87	10.62	6.92
1989*												
Jan.	11.63	12.37	10.58	10.95	10.09	9.90	3.50	.	5.50	5.45	10.86	6.99
Feb.	11.63	12.23	10.85	11.18	10.09	9.92	3.50	.	5.50	5.41	10.85	7.06
March	12.04	12.69	11.04	11.45	10.11	9.94	3.50	.	5.50	5.51	10.89	6.87
April	12.73	13.10	11.35	11.80	10.23	10.06	3.50	.	5.50	5.54	11.32	7.09
May	12.75	13.11	11.48	11.91	10.31	10.13	3.50	.	5.50	5.52	11.41	7.07
June	12.46	13.12	11.43	11.83	10.35	10.18	3.50	.	5.50	5.48	11.55	7.06
July	12.60	13.25	11.59	12.03	10.34	10.18	3.50	.	5.50	5.46	11.53	7.04
Aug.	12.67	13.36	11.33	11.79	10.37	10.20	3.50	.	5.50	5.48	11.60	7.07
Sept.	12.28	13.54	11.84	12.21	10.46	10.31	3.50	.	5.50	5.53	11.92	7.29
Oct.	14.08	14.12	12.09	12.72	10.72	10.59	3.50	.	5.50	5.57	12.56	7.56
Nov.	14.99	14.77	12.90	13.58	11.60	11.44	4.50	.	6.50	6.40	13.27	8.35

¹ Average rate of interest for period.

3.5 RATES OF INTEREST ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market rates						Rates at issue		
	Long-term rate		Taxable government bonds	Taxable public issues	Issued by:		Taxfree public issues	Taxable public issues	Taxfree public issues
	3 years	5 years			Financial institutions	Corporations			
	1	2	3	4	5	6	7	8	9
1985	..	..	.	12.7	..	..	10.1	12.7	10.6
1986	..	..	.	11.7	..	..	8.3	11.3	8.8
1987	..	..	.	11.2	11.1	11.2	8.1	10.7	7.9
1988	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4	7.3
1989	12.2	12.0	12.1	12.0	11.9	12.0	8.1	11.7	6.6
1988									
Dec.	11.8	11.7	11.6	11.3	11.3	11.1	7.5	11.3	7.2
1989									
Jan.	11.8	11.7	11.6	11.8	11.7	12.0	7.4	11.1	6.5
Feb.	11.5	11.4	11.7	11.5	11.8	11.3	7.5	11.5	6.5
March	11.6	11.6	11.8	11.8	11.5	11.8	7.7	11.5	6.5
April	11.9	11.8	11.8	11.8	11.9	11.7	7.6	11.6	6.5
May	11.8	11.7	11.8	11.8	11.9	11.8	7.9	11.6	6.5
June	11.9	11.7	12.3	11.8	11.8	11.7	8.1	11.5	6.5
July	11.8	11.7	12.1	11.8	12.0	11.6	8.2	11.6	6.5
Aug.	11.9	11.7	11.9	11.9	11.8	12.0	8.5	11.5	6.5
Sept.	12.5	12.0	12.2	12.1	12.0	12.2	8.4	11.9	6.5
Oct.	13.3	12.8	12.4	12.2	12.8	12.3	8.4	11.9	6.5
Nov.	13.3	12.9	12.6	12.4	12.2	12.6	8.7	12.2	6.5
Dec.	13.5	13.0	12.9	12.8	11.6	12.6	8.9	12.5	7.5

4. RATES OF EXCHANGE

4.1 AVERAGE SPOT SELLING RATES, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oslø	Copenhagen	Frankfurt a.M.	Amsterdam	Brussels	
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEC	1 BEL
	1	2	3	4	5	6	7	8	9	10	11
1985	6.206	4.554	8.000	6.590	0.7222	0.7231	0.5871	2.1142	1.8745	0.10483	0.10421
1986	5.077	3.659	7.459	6.816	0.7138	0.6882	0.6290	2.3454	2.0789	0.11399	0.11299
1987	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	0.11735
1988	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	0.11345
1989	4.295	3.632	7.051	6.104	0.6673	0.6234	0.5886	2.2879	2.0281	0.10925	0.10894
1989											
Jan.	4.247	3.568	7.561	6.223	0.6804	0.6385	0.6003	2.3234	2.0583	0.11098	0.11048
Feb.	4.299	3.623	7.550	6.206	0.6814	0.6411	0.5974	2.3231	2.0578	0.11091	0.11045
March	4.302	3.604	7.393	6.170	0.6756	0.6347	0.5925	2.3084	2.0459	0.11026	0.10982
April	4.197	3.534	7.149	6.001	0.6605	0.6190	0.5776	2.2465	1.9913	0.10737	0.10691
May	4.347	3.650	7.090	5.975	0.6618	0.6187	0.5737	2.2325	1.9805	0.10672	0.10639
June	4.437	3.706	6.899	5.985	0.6643	0.6183	0.5757	2.2397	1.9884	0.10708	0.10681
July	4.278	3.602	6.947	6.043	0.6622	0.6164	0.5818	2.2601	2.0043	0.10803	0.10786
Aug.	4.348	3.703	6.950	6.036	0.6657	0.6186	0.5814	2.2582	2.0029	0.10802	0.10782
Sept.	4.419	3.744	6.952	6.050	0.6698	0.6215	0.5830	2.2650	2.0088	0.10827	0.10803
Oct.	4.281	3.649	6.809	6.115	0.6648	0.6177	0.5892	2.2951	2.0326	0.10933	0.10897
Nov.	4.262	3.649	6.715	6.180	0.6644	0.6190	0.6001	2.3302	2.0648	0.11108	0.11089
Dec.	4.125	3.556	6.597	6.262	0.6569	0.6167	0.6107	2.3725	2.1016	0.11294	0.11289
1990											
Jan.	4.010	3.431	6.632	6.270	0.6508	0.6139	0.6117	2.3708	2.1018	0.11317	0.11315

Average of daily quotations	Zurich	Paris	Rome	Vienne	Lisbon	Reykjavik	Madrid	Tokyo	Moscow	Melbourne	ECU	SDR
	1 CHF	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 JPY	1 SUR	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22	23
1985	2.5360	0.6940	0.00327	0.3012	0.0367	0.1520	0.0366	0.02610	7.419	..	..	6.27879
1986	2.8349	0.7355	0.00343	0.3339	0.0343	0.1259	0.0364	0.03028	7.228	..	..	5.94432
1987	2.9563	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	0.03050	6.965	3.106	5.075	5.68010
1988	2.8700	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	0.03273	6.891	3.309	4.954	5.61826
1989	2.6306	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	0.03122	6.817	3.423	4.731	5.49375
1989												
Jan.	2.7332	0.6831	0.00318	0.3308	0.0286	0.0887	0.0372	0.03346	6.896	3.712	4.840	5.61726
Feb.	2.7314	0.6838	0.00319	0.3305	0.0286	0.0870	0.0373	0.03369	6.943	3.704	4.838	5.64865
March	2.6830	0.6824	0.00316	0.3284	0.0283	0.0842	0.0372	0.03305	6.896	3.530	4.801	5.60538
April	2.5518	0.6659	0.00308	0.3195	0.0275	0.0819	0.0363	0.03181	6.702	3.395	4.672	5.44433
May	2.5138	0.6615	0.00308	0.3176	0.0273	0.0814	0.0359	0.03151	6.770	3.374	4.644	5.48599
June	2.5942	0.6616	0.00310	0.3185	0.0271	0.0789	0.0351	0.03079	6.831	3.367	4.639	5.49166
July	2.6243	0.6679	0.00314	0.3214	0.0273	0.0762	0.0361	0.03047	6.759	3.260	4.678	5.42928
Aug.	2.6201	0.6700	0.00316	0.3211	0.0273	0.0751	0.0362	0.03079	6.821	3.336	4.678	5.47435
Sept.	2.6202	0.6723	0.00316	0.3220	0.0273	0.0740	0.0363	0.03047	6.870	3.435	4.694	5.49998
Oct.	2.6260	0.6776	0.00314	0.3263	0.0272	0.0717	0.0362	0.03014	6.801	3.338	4.710	5.43586
Nov.	2.6348	0.6868	0.00319	0.3312	0.0273	0.0705	0.0367	0.02971	6.799	3.359	4.765	5.43347
Dec.	2.6339	0.6959	0.00321	0.3371	0.0273	0.0691	0.0369	0.02872	6.716	3.263	4.810	5.35882
1990												
Jan.	2.6457	0.6980	0.00319	0.3371	0.0272	0.0684	0.0367	0.02768	6.640	3.159	4.812	5.27623

4.2 CURRENCY INDICES, 1982=100

Average of daily observations	Bank of Finland currency index	Other currency indices		Currency	Weights of the Bank of Finland currency index As from January 2, 1990
		Payments currency index	MERM index		
	1	2	3		4
1985	102.5	109.4	112.5	USD	8.4
1986	103.9	106.3	110.4	GBP	13.6
1987	103.3	103.2	106.1	SEK	19.1
1988	102.0	101.0	104.7	NOK	3.8
1989	98.4	98.4	102.8	DKK	4.4
				DEM	19.1
1989				NLG	4.8
Jan.	100.9	100.2	104.6	BEC	3.1
Feb.	101.0	100.5	105.2	CHF	2.4
March	100.1	99.8	104.4	FRF	6.5
April	97.4	97.1	101.6	ITL	5.0
May	97.3	97.6	102.4	ATS	1.6
June	97.2	97.9	102.8	ESP	1.9
July	97.4	97.5	101.7	JPY	6.3
Aug.	97.7	98.0	102.6		
Sept.	98.0	98.6	103.1		
Oct.	97.7	97.8	102.0		
Nov.	98.1	98.1	102.1		
Dec.	97.9	97.6	100.9		
1990					
Jan.	97.2	96.7	99.2		

5. OTHER DOMESTIC FINANCING

5.1 BANK DEPOSITS BY THE PUBLIC, MILL. FIM

End of period	Demand deposits	Time deposits	Investment accounts	Markku deposits, total (1+2+3)	Foreign currency deposits	Unregulated deposits	Total deposits (4+5+6)
	1	2	3	4	5	6	7
1984	16 975	108 118	.	125 093	4 960	11 287	141 340
1985	19 268	125 366	1 781	146 415	6 184	13 998	166 597
1986	18 393	137 521	3 423	159 337	4 259	17 271	180 866
1987	20 377	155 115	5 243	180 735	3 915	17 892	202 542
1988*	24 831	194 181	5 089	224 102	4 561	41 028	269 690
1988*							
Oct.	25 168	170 139	6 530	201 837	4 667	42 652	249 156
Nov.	23 389	171 714	6 602	201 706	4 936	44 564	251 206
Dec.	24 831	194 181	5 089	224 102	4 561	41 028	269 690
1989*							
Jan.	24 190	194 308	5 842	224 340	4 526	48 256	277 122
Feb.	26 225	194 930	6 433	227 588	4 900	48 346	280 834
March	25 618	193 825	6 932	226 375	4 660	51 153	282 187
April	25 872	195 207	7 408	228 487	5 323	55 898	289 707
May	26 969	194 708	7 672	229 349	5 627	51 275	286 250
June	29 176	196 927	8 080	234 182	6 499	57 898	298 580
July	29 608	195 487	8 371	233 465	6 745	58 715	298 925
Aug.	28 191	195 844	8 612	232 647	6 633	62 039	301 319
Sept.	27 588	196 169	9 219	232 975	6 235	67 515	306 724
Oct.	28 296	195 743	9 667	233 706	6 550	70 701	310 956

5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markku lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
1984	5 233	7 644	111 280	124 157	20 363	144 520
1985	6 313	7 471	132 668	146 451	24 236	170 687
1986	7 542	6 354	152 335	166 231	24 450	190 681
1987	8 507	5 177	178 698	192 382	36 475	228 857
1988*	11 358	5 920	234 268	251 545	49 910	301 455
1988*						
Oct.	10 647	4 796	216 684	232 127	47 526	279 653
Nov.	10 898	4 902	221 029	236 830	48 213	285 043
Dec.	11 358	5 920	234 268	251 545	49 910	301 455
1989*						
Jan.	11 765	5 334	237 089	254 188	52 726	306 914
Feb.	11 783	5 044	239 517	256 345	56 193	312 537
March	12 595	5 122	241 517	259 234	55 929	315 163
April	12 836	5 129	240 945	258 910	57 233	316 143
May	12 926	5 195	246 520	264 641	59 553	324 194
June	13 422	5 347	248 921	267 691	60 671	328 362
July	14 052	5 305	250 961	270 318	59 621	329 939
Aug.	13 931	5 358	253 401	272 691	60 892	333 582
Sept.	14 691	5 436	256 014	276 141	62 836	338 977
Oct.	15 190	5 471	256 958	277 619	65 458	343 078

5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)
		Claims on the central government	Claims on the public	Total (2+3)			
	1	2	3	4	5	6	7
1984	-2 575	-5 483	176 694	171 211	-26 978	24 945	141 658
1985	-6 641	-8 694	209 231	200 537	-27 244	27 694	166 652
1986	-16 784	-13 884	237 514	223 630	-27 522	27 838	179 324
1987	-25 484	-14 977	277 068	262 090	-36 145	30 342	200 461
1988*	-40 670	-15 691	351 266	335 574	-48 866	35 232	246 039
1988*							
Nov.	-38 919	-16 343	333 845	317 502	-54 941	33 856	223 642
Dec.	-40 670	-15 691	351 266	335 574	-48 866	35 232	246 039
1989*							
Jan.	-40 982	-13 442	358 025	344 583	-57 465	34 954	246 137
Feb.	-41 631	-13 958	364 209	350 252	-58 621	37 294	250 000
March	-43 785	-16 112	368 268	352 156	-59 424	36 810	248 947
April	-45 413	-13 377	372 511	359 134	-61 684	37 559	252 037
May	-47 950	-10 575	377 748	367 173	-65 853	38 966	253 370
June	-50 499	-11 982	384 021	372 039	-58 889	42 526	262 651
July	-49 924	-13 556	385 135	371 579	-59 946	41 333	261 708
Aug.	-51 975	-14 549	390 251	375 703	-62 613	40 017	261 115
Sept.	-53 458	-15 401	396 312	380 911	-66 143	39 625	261 310
Oct.	-55 551	-15 567	399 696	384 128	-66 557	40 176	262 020
Nov.	-57 974	-18 766	403 920	385 154	-65 808	39 730	261 372

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

End of period	Foreign debt			Domestic debt				Total central government debt (4+8)	Out-standing lending	Cash funds	
	Bonds	Other bonds and debentures	Long-term promissory notes	Total (1+2+3)	Public bonds	Other long-term liabilities	Treasury notes and bills				Total (5+6+7)
	1	2	3	4	5	6	7	8	9	10	11
1985	17 316	2 703	5 658	25 677	14 994	4 107	2 203	21 304	46 981	36 032	6 383
1986	17 905	3 038	6 038	26 981	18 059	4 481	2 474	25 013	51 994	38 028	11 686
1987	20 407	2 697	5 576	28 680	22 121	4 692	3 018	29 831	58 511	40 035	11 553
1988	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	42 990	15 858
1989	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	..	..
1988											
Dec.	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	42 990	15 858
1989											
Jan.	20 208	1 790	4 216	26 214	23 563	5 261	2 130	30 954	57 168	43 474	13 022
Feb.	19 999	1 486	4 158	25 643	23 877	5 225	1 930	31 032	56 675	43 932	13 926
March	19 285	1 234	3 893	24 412	24 399	5 219	1 630	31 248	55 660	44 013	17 893
April	18 236	1 219	3 678	23 133	24 508	4 975	1 280	30 763	53 896	44 313	15 128
May	19 333	1 239	3 564	24 136	24 351	4 806	980	30 137	54 273	44 418	14 374
June	18 759	1 249	3 400	23 408	24 539	4 810	780	30 129	53 537	44 595	14 598
July	18 587	1 229	3 370	23 186	24 526	4 812	660	29 998	53 184	44 848	16 701
Aug.	18 809	1 166	3 390	23 365	24 352	4 798	420	29 570	52 935	44 786	17 363
Sept.	18 764	1 160	3 377	23 301	24 404	4 799	280	29 483	52 784	45 032	17 846
Oct.	18 591	1 138	3 385	23 114	23 998	4 801	250	29 049	52 163	45 371	17 788
Nov.	18 601	853	3 319	22 773	23 988	4 798	250	29 036	51 809	45 413	21 445
Dec.	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	..	..

5.5 DOMESTIC BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corpo- rations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1985	4 799	9 112	5 994	435	33	8 070	6 394	5 909	20 373
1986	4 976	10 638	6 532	422	105	5 987	7 487	9 199	22 674
1987	4 477	9 510	8 119	206	69	9 409	8 830	4 142	22 380
1988	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
1989	4 014	11 996	5 717	233	13	11 750	2 997	7 226	21 974
1988									
Dec.	838	808	174	3	50	638	174	1 062	1 874
1989									
Jan.	738	1 451	1 075	47	—	1 284	1 293	734	3 311
Feb.	153	1 403	1 800	7	—	2 683	400	280	3 362
March	391	1 785	—	6	—	1 234	381	566	2 181
April	274	345	982	13	—	375	—	1 239	1 614
May	353	458	450	56	—	495	450	371	1 316
June	502	2 602	—	15	—	1 111	—	2 008	3 119
July	58	100	—	8	3	100	—	69	169
Aug.	247	103	450	35	—	507	200	128	835
Sept.	789	763	800	7	3	1 310	273	779	2 362
Oct.	102	1 262	160	8	7	1 226	—	313	1 540
Nov.	150	875	—	23	—	761	—	288	1 048
Dec.	258	850	—	9	—	665	—	452	1 117

B) STOCK, MILL. FIM

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

5.6 HELSINKI STOCK EXCHANGE

During period	Turnover, mill.FIM			Share prices Unitas index ¹ , 1975 = 100		
	Shares and subscription rights	Bonds and debentures	Total (1+2)	Banks	Industry	Overall index
	1	2	3	4	5	6
1985	3 114	9 046	12 160	184	234	229
1986	9 488	6 479	15 968	254	357	350
1987	26 641	4 604	31 245	319	603	546
1988	31 734	5 718	37 452	404	734	677
1989	33 160	7 375	40 536	441	793	742
1988						
Dec.	3 475	966	4 441	443	786	732
1989						
Jan.	2 622	314	2 936	439	792	736
Feb.	5 491	883	6 373	447	829	771
March	4 530	463	4 993	467	838	784
April	3 520	171	3 691	489	854	807
May	2 861	367	3 228	482	851	801
June	2 016	268	2 283	486	844	796
July	1 344	303	1 647	473	823	776
Aug.	3 198	1 171	4 370	466	829	776
Sept.	2 265	400	2 665	429	786	732
Oct.	1 304	689	1 993	397	727	677
Nov.	1 081	876	1 957	369	674	627
Dec.	2 929	1 471	4 400	354	669	619

¹ Average of daily observations.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account of receipts (6+7+8)	Imports of goods, c.i.f.	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1985	82 475	6 216	3 258	6 224	15 698	98 173	5 847	3 791	107 811	80 764	2 545	5 031	6 554
1986	81 066	5 757	3 195	5 616	14 568	95 634	4 510	3 609	103 752	76 736	2 160	5 587	5 415
1987	83 826	6 370	3 736	6 099	16 204	100 030	5 075	3 231	108 336	81 867	2 610	6 811	6 488
1988*	91 299	7 146	4 257	6 333	17 736	109 035	7 752	3 396	120 183	91 234	3 576	7 913	7 500
1989*	98 200	7 900	4 500	6 800	19 200	117 400	10 000	4 200	131 600	104 500	3 900	9 000	8 300
1987													
III	20 849	1 698	1 339	1 573	4 610	25 459	1 115	781	27 355	20 258	670	1 915	1 467
IV	21 638	1 554	808	1 890	4 252	25 890	1 659	777	28 325	21 573	694	1 741	2 019
1988*													
I	20 513	1 663	777	1 511	3 951	24 464	1 804	818	27 086	19 684	715	1 830	2 041
II	22 565	1 828	1 041	1 456	4 325	26 890	1 781	864	29 535	23 185	831	1 917	1 760
III	21 617	1 913	1 486	1 518	4 916	26 533	1 944	883	29 361	23 769	1 013	2 210	1 813
IV	26 603	1 743	954	1 848	4 544	31 148	2 223	831	34 201	24 597	1 017	1 956	1 886
1989*													
I	24 904	1 884	865	1 706	4 454	29 358	2 323	942	32 623	24 320	753	2 081	2 286
II	23 331	2 009	1 100	1 525	4 634	27 965	2 271	1 033	31 269	24 803	905	2 230	2 000
III	22 594	2 115	1 494	1 663	5 272	27 866	2 525	1 114	31 505	25 584	1 128	2 494	2 050
IV	27 371	1 892	1 041	1 907	4 840	32 211	2 881	1 112	36 203	29 793	1 113	2 195	1 963

During period	Services exports, total (11+12)	Imports of goods and services (10+14)	Investment expenditure (15+16)	Transfers and other expenditure (+17)	Current account expenditure (+18)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account (+22)	Goods and services account net (19+23)	Investment income, net (7-16)	Transfers and other, net (8-17)	Current account (+24+25) (= +26)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1985	14 130	94 893	12 134	5 300	112 327	1 711	3 671	-1 773	-330	1 568	3 279	-6 287	-1 509	-4 517
1986	13 162	89 898	11 719	5 964	107 580	4 329	3 597	-2 392	201	1 406	5 735	-7 209	-2 355	-3 828
1987	15 909	97 775	12 617	5 860	116 251	1 960	3 760	-3 075	-390	296	2 255	-7 542	-2 629	-7 915
1988*	18 989	110 223	15 769	6 771	132 763	64	3 570	-3 656	-1 167	-1 252	-1 188	-8 017	-3 375	-12 580
1988*	21 200	125 700	19 500	7 400	152 600	-6 300	4 000	-4 500	-1 500	-2 000	-8 300	-9 500	-3 200	-21 000
1987														
III	4 052	24 310	2 660	1 303	28 274	591	1 028	-576	106	558	1 149	-1 545	-522	-919
IV	4 455	26 027	3 431	1 523	30 982	65	860	-933	-129	-203	-138	-1 773	-747	-2 657
1988*														
I	4 585	24 269	3 882	1 919	30 070	828	948	-1 053	-529	-634	194	-2 077	-1 100	-2 983
II	4 508	27 692	3 863	1 501	33 056	-619	997	-876	-304	-183	-802	-2 082	-637	-3 521
III	5 037	28 805	3 511	1 503	33 819	-2 151	900	-725	-296	-120	-2 272	-1 567	-620	-4 459
IV	4 859	29 456	4 514	1 848	35 818	2 007	725	-1 003	-38	-315	1 692	-2 291	-1 017	-1 617
1989*														
I	5 121	29 441	4 288	2 106	35 835	584	1 130	-1 216	-581	-666	-82	-1 965	-1 164	-3 212
II	5 135	29 938	5 076	1 735	36 749	-1 472	1 104	-1 130	-475	-501	-1 973	-2 805	-702	-5 480
III	5 672	31 256	4 772	1 676	37 704	-2 990	987	-1 000	-388	-401	-3 391	-2 247	-562	-6 199
IV	5 271	35 064	5 364	1 883	42 312	-2 422	779	-1 154	-56	-431	-2 853	-2 483	-772	-6 109

6.2 CAPITAL ACCOUNT, MILL. FIM

During period	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Imports of other long-term capital	Imports of long-term capital (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Exports of other long-term capital	Exports of long-term capital (9+10+11+12)	Long-term capital account (8-13)
			Central government	Authorized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1985	392	4 264	1 556	1 489	442	3 487	140	8 283	2 073	1 329	-1 313	1 026	3 115	5 168
1986	1 627	646	-63	5 935	-482	5 390	87	7 750	3 641	2 347	-381	702	6 309	1 441
1987	424	179	2 284	5 700	2 526	10 510	91	11 204	3 741	3 294	158	3 103	10 296	908
1988*	1 164	-182	-1 690	9 796	9 076	17 182	85	18 249	7 935	1 307	675	1 899	11 816	6 433
1989*	1 353	991	-1 854	14 659	10 854	23 659	79	26 082	11 793	409	2 934	1 852	16 988	9 094
1987														
III	24	82	-1 019	945	549	475	12	593	682	519	106	82	1 389	-796
IV	51	-30	2 108	1 471	-157	3 422	55	3 498	1 346	360	-65	482	2 123	1 376
1988*														
I	63	6	-857	361	3 230	2 734	89	2 892	1 113	245	6	572	1 936	956
II	313	-212	1 171	2 356	1 599	5 126	-42	5 185	2 972	344	180	431	3 927	1 258
III	107	-43	-1 571	3 011	885	2 325	-19	2 370	1 677	375	89	380	2 521	-151
IV	681	67	-433	4 068	3 362	6 997	57	7 802	2 173	343	400	515	3 431	4 371
1989*														
I	-165	706	-141	5 951	2 199	8 009	42	8 592	3 173	-372	1 395	1 057	5 253	3 339
II	176	-256	-1 197	1 491	2 951	3 245	-22	3 143	1 785	430	543	160	2 918	225
III	484	495	-93	2 452	1 938	4 297	-16	5 260	3 237	333	225	158	3 953	1 307
IV	858	46	-423	4 765	3 766	8 108	75	9 087	3 598	18	771	478	4 865	4 222

During period	Basic balance	Short-term capital imports of authorized banks	Import facilities and prepayments related to exports	Imports of short-term capital (16+17)	Short-term capital exports of authorized banks	Export receivables and prepayments related to imports	Exports of short-term capital (19+20)	Other short-term capital incl. errors and omissions	Short-term capital account (18-21+22)	Overall balance excl. reserve movements (15+23)	Change in central bank's foreign exchange reserves (26+27)	Of which:	
												Convertible reserves	Tied reserves
	15	16	17	18	19	20	21	22	23	24	25	26	27
1985	651	6 890	350	7 240	323	1 732	2 055	-2 092	3 093	3 744	-3 744	-3 729	-15
1986	-2 387	6 019	-3 796	2 222	9 933	-92	9 841	2 075	-5 544	-7 930	7 930	11 678	-3 748
1987	-7 007	19 324	-665	18 659	-7 343	-183	-7 526	-3 442	22 743	15 736	-15 736	-17 817	2 081
1988*	-6 147	10 695	-1 061	9 634	5 970	644	6 614	3 309	6 330	183	-183	-517	334
1989*	-11 906	9 371	2 713	12 084	7 371	-1 287	6 084	-55	5 945	-5 961	5 961	4 455	1 506
1987													
III	-1 714	8 738	-355	8 383	3 494	27	3 521	-2 512	2 351	637	-637	-2 407	1 771
IV	-1 281	-763	-1 468	-2 230	-6 436	27	-6 410	-271	3 908	2 627	-2 627	-2 820	193
1988*													
I	-2 028	6 501	-1 604	4 897	2 966	-692	2 274	1 745	4 368	2 341	-2 341	-1 295	-1 046
II	-2 264	11 731	537	12 268	4 363	-692	3 671	-1 615	6 982	4 718	-4 718	-4 662	-57
III	-4 610	-547	854	308	3 405	1 014	4 419	1 634	-2 478	-7 088	7 088	6 337	751
IV	2 755	-6 990	-849	-7 838	-4 764	1 014	-3 750	1 546	-2 543	212	-212	-897	685
1989*													
I	127	6 707	-384	6 323	4 685	71	4 756	126	1 693	1 820	-1 820	-1 372	-449
II	-5 255	9 788	-2 136	7 652	4 648	72	4 720	1 148	4 080	-1 174	1 174	152	1 022
III	-4 892	4 629	1 447	6 076	4 747	-230	4 517	346	1 905	-2 987	2 987	1 802	1 185
IV	-1 886	-11 753	3 786	-7 967	-6 708	-1 200	-7 908	-1 675	-1 734	-3 620	3 620	3 873	-253

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

End of period	Long-term liabilities							Long-term assets					Long-term debt, net (8-13)	
	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Other long-term capital	Total (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Other long-term capital		Total (9+10+11+12)
			Central government	Authorized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1985	3 274	6 313	25 678	6 410	34 276	66 364	652	76 603	10 524	2 350	6 539	3 053	22 466	54 137
1986	4 892	7 992	26 292	11 992	32 044	70 330	739	83 953	13 727	4 697	5 649	3 685	27 758	56 195
1987	5 285	7 055	27 861	17 365	33 088	78 314	830	91 483	16 651	7 991	5 240	6 618	36 500	54 983
1988*	6 438	7 251	26 011	27 427	41 787	95 226	915	109 830	24 564	9 298	6 686	8 555	49 103	60 727
1989*	7 773	8 242	23 118	39 946	51 211	114 275	994	131 284	35 647	9 707	9 501	10 379	65 234	66 050
1987														
III	5 243	10 141	25 627	15 825	33 511	74 963	775	91 122	15 633	7 631	5 571	6 229	35 064	56 058
IV	5 285	7 055	27 861	17 365	33 088	78 314	830	91 483	16 651	7 991	5 240	6 618	36 500	54 983
1988*														
I	5 340	7 105	26 637	17 594	35 883	80 114	919	93 478	17 730	8 236	5 248	7 183	38 397	55 081
II	5 664	6 893	28 390	20 464	38 232	87 084	877	100 518	21 168	8 580	5 685	7 712	43 145	57 373
III	5 768	6 850	26 991	23 697	39 248	89 935	858	103 411	22 852	8 955	5 787	8 122	45 716	57 695
IV	6 438	7 251	26 011	27 427	41 787	95 226	915	109 830	24 564	9 298	6 686	8 555	49 103	60 727
1989*														
I	6 233	7 957	25 357	32 799	43 289	101 448	957	116 595	25 355	8 926	8 025	9 590	51 896	64 699
II	6 421	7 701	24 178	34 097	46 669	104 943	935	120 000	28 044	9 356	8 674	9 794	55 868	64 132
III	6 740	8 196	23 893	36 200	48 032	108 124	919	123 979	30 773	9 689	8 830	9 933	59 225	64 754
IV	7 773	8 242	23 118	39 946	51 211	114 275	994	131 284	35 647	9 707	9 501	10 379	65 234	66 050

End of period	Short-term liabilities				Short-term assets				Short-term liabilities, net (18-22)	Debt, net (14+23)	Debt service payments	Of which: repayments	Debt service ratio
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits and other liabilities	Total (15+16+17)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits and other assets	Total (19+20+21)					
	15	16	17	18	19	20	21	22	23	24	25	26	27
1985	4 070	51 374	17 474	72 918	25 183	36 208	18 450	79 841	-6 922	47 215	11 287	4 808	10.5
1986	3 455	56 881	14 483	74 819	16 613	46 141	19 279	82 034	-7 215	48 980	13 462	6 018	13.0
1987	3 362	73 132	16 898	93 392	31 134	38 798	18 060	87 993	5 400	60 383	14 203	6 516	13.1
1988*	3 341	83 828	15 257	102 426	32 037	44 768	20 830	97 635	4 791	65 518	14 240	6 146	11.8
1989*	3 558	93 199	19 701	116 458	25 113	52 139	21 327	98 579	17 879	83 929	13 594	3 998	10.3
1987													
III	3 607	75 547	18 654	97 808	29 291	45 235	18 009	92 535	5 273	61 331	2 771	1 217	10.1
IV	3 362	73 132	16 898	93 392	31 134	38 798	18 060	87 993	5 400	60 383	4 236	2 392	15.0
1988*													
I	3 467	79 633	14 083	97 183	33 515	41 764	18 164	93 443	3 740	58 821	3 530	1 433	13.0
II	3 177	91 364	14 662	109 203	39 025	46 127	16 986	102 138	7 065	64 438	3 326	1 225	11.3
III	3 539	90 817	16 773	111 129	32 750	49 532	19 678	101 960	9 169	66 864	3 980	2 394	13.6
IV	3 341	83 828	15 257	102 426	32 037	44 768	20 830	97 635	4 791	65 518	3 404	1 094	10.0
1989*													
I	3 278	90 535	15 973	109 786	33 376	49 453	20 905	103 734	6 051	70 750	3 227	1 238	9.9
II	3 136	100 323	14 656	118 115	32 142	54 101	22 149	108 392	9 723	73 855	4 581	1 752	14.6
III	3 919	104 952	16 212	125 082	29 839	58 848	22 139	110 826	14 257	79 011	3 027	756	9.6
IV	3 558	93 199	19 701	116 458	25 113	52 139	21 327	98 579	17 879	83 929	2 759	252	7.6

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

End of period	Long-term liabilities					Long-term assets					Long-term liabilities, net (5-10)
	Corporate sector	Financial institutions	Central government	Local government	Total (1+2+3+4)	Corporate sector	Financial institutions	Central government	Other	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1985	35 709	13 980	26 330	585	76 603	17 102	3 131	1 955	279	22 466	54 137
1986	36 243	20 169	27 031	509	83 953	19 209	5 721	2 309	520	27 758	56 195
1987	35 549	26 734	28 691	511	91 483	23 377	9 740	2 653	730	36 500	54 983
1988*	41 278	41 127	26 926	499	109 830	31 170	12 977	3 101	1 855	49 103	60 727
1989*	50 013	56 584	24 112	575	131 284	42 393	16 339	3 651	2 851	65 234	66 050
1987											
III	38 943	25 240	26 402	538	91 122	22 571	9 297	2 519	677	35 064	56 058
IV	35 549	26 734	28 691	511	91 483	23 377	9 740	2 653	730	36 500	54 983
1988*											
I	37 322	28 095	27 556	506	93 478	23 808	10 716	2 851	1 023	38 397	55 081
II	39 278	31 463	29 267	513	100 518	27 482	11 455	2 887	1 322	43 145	57 373
III	39 353	35 695	27 849	514	103 411	29 354	11 830	2 938	1 594	45 716	57 695
IV	41 278	41 127	26 926	499	109 830	31 170	12 977	3 101	1 855	49 103	60 727
1989*											
I	41 786	47 978	26 314	515	116 595	32 212	14 288	3 299	2 097	51 896	64 699
II	42 941	51 447	25 113	501	120 000	35 327	14 978	3 331	2 232	55 868	64 132
III	45 454	53 224	24 812	491	123 979	37 332	15 906	3 374	2 613	59 225	64 754
IV	50 013	56 584	24 112	575	131 284	42 393	16 339	3 651	2 851	65 234	66 050

7. FOREIGN TRADE

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

During period	Exports, f.o.b.	Imports, c.i.f.	Balance (1-2)
	1	2	3
1985	84 028	81 520	2 508
1986	82 579	77 601	4 978
1987	85 516	82 807	2 709
1988	92 902	92 118	784
1989*	99 799	105 304	-5 505
1988			
Dec.	8 514	8 354	160
1989**			
Jan.	8 260	8 252	8
Feb.	8 251	7 603	648
March	8 804	8 709	95
April	8 930	8 361	569
May	7 681	8 642	-961
June	7 145	8 028	-883
July	7 485	7 403	82
Aug.	7 885	9 764	-1 879
Sept.	7 553	8 539	-986
Oct.	10 391	10 795	-404
Nov.	9 437	9 836	-399
Dec.	7 982	9 015	-1 033

¹ Owing to certain technical difficulties during the summer months the figures for individual months of the foreign trade statistics compiled by the Board of Customs may contain inaccuracies. However, the cumulative total for January-December should not be unduly affected.

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

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

7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, f.o.b.					Imports by use of goods, c.i.f.				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
	1	2	3	4	5	6	7	8	9	10
1985	6 728	25 030	9 803	24 412	18 055	38 676	17 770	11 675	12 967	432
1986	6 947	24 600	7 858	26 115	17 059	39 292	10 070	12 898	15 069	272
1987	7 470	27 058	7 770	26 230	16 988	41 191	9 389	14 138	17 478	611
1988	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
1989*	7 419	32 523	8 843	32 686	18 328	51 733	8 283	20 467	24 060	761
1988										
Dec.	751	2 788	799	2 673	1 503	4 154	586	1 704	1 701	209
1989**										
Jan.	600	2 578	810	2 645	1 627	4 352	408	1 519	1 894	79
Feb.	604	2 621	832	2 704	1 490	3 832	515	1 316	1 912	28
March	624	2 953	761	2 775	1 691	4 371	574	1 495	2 246	23
April	660	2 728	673	3 308	1 561	4 102	540	1 626	1 963	130
May	669	2 712	633	2 198	1 469	4 172	678	1 832	1 834	126
June	598	2 518	587	1 991	1 451	3 926	595	1 787	1 705	15
July	551	2 510	737	2 471	1 216	3 518	925	1 439	1 512	9
Aug.	477	2 978	668	2 379	1 383	4 901	862	1 768	2 182	51
Sept.	597	2 598	648	2 223	1 487	3 915	753	1 763	1 987	121
Oct.	719	2 913	967	3 867	1 925	5 436	738	2 029	2 522	70
Nov.	700	2 864	844	3 318	1 711	4 679	899	1 965	2 256	37
Dec.	618	2 554	684	2 806	1 320	4 327	796	1 863	1 963	66

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1988		1989*		1988		1989*	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period on the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	69 368	74.7	75 501	8.8	71 210	77.3	82 732	16.2
OECD Europe	60 049	64.6	64 400	7.2	57 523	62.4	67 023	16.5
Of which:								
Austria	936	1.0	1 175	25.5	1 140	1.2	1 295	13.6
Belgium and Luxembourg	1 818	2.0	1 947	7.1	2 318	2.5	2 932	26.5
Denmark	3 272	3.5	3 257	-0.5	2 674	2.9	3 287	22.9
France	4 902	5.3	5 453	11.2	3 724	4.0	4 417	18.6
Federal Republic of Germany	10 027	10.8	10 785	7.6	15 483	16.8	18 234	17.8
Italy	2 511	2.7	2 989	19.1	4 077	4.4	4 900	20.2
Netherlands	3 348	3.6	3 962	18.3	2 976	3.2	3 388	13.8
Norway	3 211	3.5	2 920	-9.1	2 180	2.4	2 455	12.6
Spain	1 433	1.5	1 831	27.8	1 034	1.1	1 129	9.2
Sweden	13 135	14.1	14 313	9.0	12 215	13.3	14 314	17.2
Switzerland	1 600	1.7	1 686	5.4	1 716	1.9	1 829	6.6
United Kingdom	11 995	12.9	11 958	-0.3	6 371	6.9	6 898	8.3
Other OECD	9 320	10.0	11 102	19.1	13 687	14.9	15 709	14.8
Of which:								
Canada	1 136	1.2	1 359	19.7	656	0.7	919	40.2
Japan	1 689	1.8	2 032	20.3	6 784	7.4	7 694	13.4
United States	5 355	5.8	6 390	19.3	5 821	6.3	6 668	14.5
CMEA countries	15 527	16.7	16 253	4.7	13 523	14.7	14 711	8.8
Of which:								
Soviet Union	13 958	15.0	14 498	3.9	11 116	12.1	11 956	7.6
Developing countries	7 081	7.6	7 223	2.0	6 182	6.7	6 613	7.0
OPEC countries	1 494	1.6	1 556	4.2	710	0.8	681	-4.2
Other	5 588	6.0	5 667	1.4	5 471	5.9	5 933	8.4
Other countries	926	1.0	827	-10.7	1 204	1.3	891	-26.0
TOTAL	92 902	100.0	99 804	7.4	92 118	100.0	104 947	13.9
Of which:								
EEC countries	40 765	43.9	43 871	7.6	40 095	43.5	46 872	16.9
EFTA countries	19 022	20.5	20 200	6.2	17 340	18.8	20 005	15.4

8. DOMESTIC ECONOMIC DEVELOPMENTS

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

(seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4	5	6	7	8	9
1984	176 038	64 872	67 584	10 202	-2 647	316 049	96 993	88 857	324 185
1985	181 664	68 218	69 599	10 453	1 772	331 706	98 173	94 893	334 986
1986	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
1987*	199 981	73 458	72 761	11 654	2 243	360 097	102 130	106 568	355 659
1988*	209 986	75 278	81 256	11 470	8 901	386 891	106 124	118 772	374 243
1987*									
II	49 790	18 292	18 274	2 772	689	89 818	25 930	26 208	89 540
III	49 994	18 467	17 888	3 078	-607	88 820	25 996	26 226	88 590
IV	51 303	18 604	18 693	2 928	1 065	92 593	25 337	27 601	90 329
1988*									
I	51 908	18 617	19 542	2 856	1 496	94 419	25 406	27 905	91 921
II	51 897	18 750	19 866	2 763	2 848	96 124	26 705	29 746	93 083
III	52 883	18 879	20 792	2 980	2 587	98 121	25 617	30 581	93 157
IV	53 297	19 032	21 056	2 871	1 970	98 227	28 396	30 541	96 082
1989*									
I	53 522	19 180	21 259	2 811	3 546	100 319	27 812	31 890	96 241
II	54 617	19 300	22 642	2 796	2 785	102 140	26 061	30 614	97 586
III	54 743	19 411	23 147	2 838	4 626	104 764	25 576	31 969	98 371

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100

(seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manufacturing	Wood and paper industries	Metal and engineering industries	Other manufacturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.5)	(30.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
1984	96.1	118.7	96.6	101.7	92.5	97.5	111.2
1985	100.4	99.8	100.4	100.1	100.6	100.3	100.2
1986	101.9	102.8	102.0	102.3	103.0	101.2	100.4
1987	107.2	99.9	107.2	106.5	110.2	105.4	107.8
1988*	111.1	110.6	111.2	114.5	114.8	107.3	110.3
1988*							
Nov.	114.6	117.0	114.1	120.6	119.7	107.1	116.9
Dec.	113.1	123.1	112.2	119.5	116.7	105.5	116.6
1989*							
Jan.	113.0	117.1	114.0	120.5	120.9	106.0	107.5
Feb.	113.7	118.0	115.1	119.0	120.9	109.1	104.7
March	115.2	121.4	116.4	120.4	122.7	108.4	108.2
April	113.1	117.2	113.6	120.7	120.4	105.9	111.4
May	115.6	122.9	115.9	122.6	122.3	108.7	113.7
June	116.4	124.4	115.4	118.1	124.0	108.0	118.2
July	113.2	110.5	115.3	114.5	126.7	109.1	100.8
Aug.	116.5	94.8	118.0	117.5	133.8	107.5	106.5
Sept.	115.1	103.7	116.7	119.5	126.7	108.5	101.3
Oct.	114.0	116.8	115.1	115.4	125.3	107.6	104.3
Nov.	115.8	115.6	116.2	118.4	125.5	108.4	112.0

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

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1984	97.2	96.8	101.8	104.1	112.8	96.2	98.6	96.8
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	104.7	102.5	94.0	88.4	99.9	99.5	105.2	101.9
1987	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.6
1988*	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.3
1988*								
Oct.	113.8	112.4	..	..	..	..	..	111.4
Nov.	121.9	115.2	..	..	..	..	..	112.8
Dec.	119.2	115.8	..	..	..	..	..	112.2
III	118.3	114.4	108.2	109.8	106.9	106.1	142.6	110.9
IV	118.3	114.5	116.7	120.2	127.1	113.0	146.5	112.1
1989*								
Jan.	123.5	119.5	..	..	..	..	..	113.3
Feb.	120.7	115.9	..	..	..	..	..	113.0
March	119.5	115.0	..	..	..	..	..	113.5
April	121.5	117.5	..	..	..	..	..	114.2
May	127.5	119.8	..	..	..	..	..	114.5
June	120.9	118.6	..	..	..	..	..	114.6
July	115.7	114.8	..	..	..	..	..	114.1
Aug.	130.5	119.1	..	..	..	..	..	115.5
Sept.	126.2	118.8	..	..	..	..	..	115.1
Oct.	131.5	115.5	..	..	..	..	..	115.1
I	121.2	116.8	117.3	121.1	127.6	105.6	133.9	113.2
II	123.3	118.6	126.3	128.4	149.3	112.9	167.4	114.4
III	124.1	117.6	121.7	127.6	133.8	106.9	152.4	114.9

8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SIC 3)	Central government	Local government	Non-profit institutions			Domes-tic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1984	92.4	92.0	92.9	92.7	93.0	92.0	95.1	95.3	94.8	97.1	96.0	98.1	95.1	94.6
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	106.9	106.6	106.2	106.6	107.8	107.2	102.9	97.0	98.6	91.0	96.5	96.7	96.4	104.3
1987	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
1988¹	124.7	124.6	122.8	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
1988¹														
Dec.	..	..	..	..	..	..	115.4	104.0	107.7	90.5	104.3	107.4	102.8	119.9
III	126.3	126.2	124.1	130.3	123.5	129.5	113.4	102.3	105.6	90.0	102.6	105.2	101.3	117.7
IV	128.4	128.6	126.6	132.1	125.2	131.4	114.7	103.6	107.3	90.0	104.0	107.1	102.5	119.6
1989¹														
Jan.	..	..	..	..	..	..	116.0	104.8	108.4	91.7	105.2	108.4	103.6	121.6
Feb.	..	..	..	..	..	..	116.6	105.5	109.0	92.4	105.8	109.6	103.9	121.9
March	..	..	..	..	..	..	117.9	105.9	109.3	93.4	106.3	110.2	104.4	123.4
April	..	..	..	..	..	..	119.1	107.0	110.6	93.6	107.1	109.9	105.8	124.3
May	..	..	..	..	..	..	119.5	107.4	111.3	93.2	107.8	110.1	106.6	124.9
June	..	..	..	..	..	..	120.6	107.4	111.4	92.6	107.9	110.4	106.8	124.6
July	..	..	..	..	..	..	120.4	107.4	111.4	92.6	108.2	110.5	107.1	124.8
Aug.	..	..	..	..	..	..	120.6	107.6	111.8	92.3	108.3	110.6	107.3	125.8
Sept.	..	..	..	..	..	..	121.9	108.1	112.4	92.3	108.8	111.3	107.6	127.6
Oct.	..	..	..	..	..	..	122.4	108.7	113.2	92.5	109.2	111.7	108.0	128.2
Nov.	..	..	..	..	..	..	122.3	108.9	113.5	92.3	109.1	111.2	108.0	128.6
Dec.	..	..	..	..	..	..	123.0	109.0	113.6	92.4	109.3	111.5	108.2	129.8
I	131.6	131.5	129.4	135.2	129.3	134.4	116.8	105.4	108.9	92.5	105.8	109.4	104.0	122.3
II	135.6	136.7	134.3	136.9	130.8	136.3	119.7	107.3	111.1	93.1	107.6	110.1	106.4	124.6
III	135.8	137.0	133.8	136.9	131.0	136.4	121.0	107.7	111.9	92.4	108.4	110.8	107.3	126.1

¹ Preliminary figures for columns 1—6.

8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status		By industry				Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agri-culture and forestry	Industry	Con-struction	Service industries		
				1000 persons							
%	1	2	3	4	5	6	7	8	9	10	11
1984	68.8	2 546	2 414	378	2 035	294	600	183	1 337	132	5.2
1985	69.2	2 566	2 437	361	2 076	280	597	178	1 380	129	5.0
1986	69.1	2 569	2 431	359	2 071	266	589	185	1 391	138	5.4
1987	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1
1988	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6
1988											
Nov.	68.6	2 552	2 452	371	2 081	235	558	170	1 489	100	3.9
Dec.	68.3	2 542	2 425	353	2 072	235	552	196	1 442	117	4.6
1989											
Jan.	68.9	2 562	2 469	369	2 100	227	551	200	1 491	93	3.6
Feb.	69.0	2 568	2 475	368	2 107	230	552	189	1 504	92	3.6
March	68.3	2 543	2 451	363	2 088	229	554	208	1 460	91	3.6
April	69.1	2 572	2 481	371	2 109	228	550	202	1 500	92	3.6
May	69.2	2 578	2 491	359	2 132	219	576	193	1 503	88	3.4
June	68.7	2 557	2 470	359	2 111	214	565	197	1 494	86	3.4
July	68.6	2 557	2 466	365	2 101	203	561	195	1 507	91	3.6
Aug.	68.2	2 542	2 449	343	2 106	196	565	193	1 494	93	3.7
Sept.	68.4	2 549	2 460	360	2 100	213	574	203	1 470	89	3.5
Oct.	68.6	2 556	2 482	376	2 105	218	557	200	1 506	74	2.9
Nov.	68.6	2 558	2 470	373	2 098	214	562	191	1 503	88	3.4

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

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1984	22 526	42 737	598	9 711	75 572	1 894	77 466	22 155	44 333	18 444	24 836
1985	25 750	47 578	546	10 415	84 290	2 071	86 361	24 835	49 269	21 183	26 866
1986	28 079	51 733	323	11 640	91 774	2 209	93 983	26 354	52 845	23 215	28 131
1987	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
1988	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
1988											
Nov.	2 900	6 315	45	1 277	10 536	394	10 931	2 753	6 717	2 711	3 846
Dec.	3 116	7 486	57	1 555	12 214	537	12 751	3 012	5 193	2 542	2 142
1989											
Jan.	3 090	5 482	1	1 180	9 754	6	9 760	2 764	5 635	2 433	3 066
Feb.	2 792	6 185	86	824	9 887	67	9 953	2 708	6 177	2 464	3 446
March	3 375	5 613	37	1 014	10 040	1 713	11 754	2 735	5 204	2 589	2 320
April	3 881	6 221	36	1 266	11 405	63	11 468	2 911	6 055	3 337	2 532
May	2 927	6 045	38	2 349	11 359	300	11 658	3 135	6 870	2 881	3 544
June	3 186	6 347	13	1 156	10 701	264	10 965	3 034	5 632	3 033	2 447
July	3 938	7 353	62	945	12 298	115	12 412	3 453	5 043	2 594	2 203
Aug.	3 211	6 455	119	1 065	10 850	488	11 338	2 780	5 768	2 685	2 918
Sept.	3 172	5 474	46	1 354	10 046	210	10 256	2 792	5 100	2 659	2 312
Oct.	3 108	6 458	46	969	10 581	101	10 682	2 950	6 203	3 001	3 058
Nov.	3 199	7 013	47	1 396	11 655	391	12 046	2 942	6 912	2 817	3 944

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
1984	5 455	4 220	76 162	4 717	80 878	-590	-3 412	5 200	1 788
1985	5 700	4 936	84 739	4 982	89 722	-449	-3 361	3 506	145
1986	6 111	5 058	90 368	4 913	95 281	1 406	-1 298	4 203	2 905
1987	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324
1988	7 565	5 614	110 946	6 529	117 476	4 842	870	1 853	2 723
1988									
Nov.	645	199	10 313	428	10 741	223	190	-1 239	-1 049
Dec.	811	208	9 224	316	9 540	2 990	3 211	323	3 533
1989									
Jan.	580	743	9 722	623	10 345	32	-586	-881	-1 466
Feb.	501	288	9 675	557	10 232	212	-278	-634	-912
March	591	640	9 170	1 841	11 011	870	742	137	880
April	544	941	10 451	379	10 830	954	638	-1 512	-875
May	670	642	11 317	639	11 956	42	-297	189	-109
June	839	316	9 821	515	10 336	880	629	-708	-79
July	619	-13	9 103	414	9 517	3 195	2 895	-151	2 744
Aug.	634	309	9 490	467	9 957	1 359	1 381	-519	862
Sept.	740	649	9 282	470	9 752	765	505	-75	429
Oct.	779	672	10 604	617	11 221	-23	-539	-532	-1 072
Nov.	758	193	10 805	503	11 308	850	738	-387	351

NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION

GENERAL

Source

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

Symbols used

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

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

NOTES AND EXPLANATIONS TO TABLES

1 THE BALANCE SHEET OF THE BANK OF FINLAND

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

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

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

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

3 RATES OF INTEREST

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

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

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

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

Table 3.5 *Secondary market rates.* The long-term unregulated market rate (Columns 1 and 2) is calculated by the Bank of Finland as the monthly average of the offered rates for taxable, fixed-rate bonds quoted by the five largest banks. The rate of interest for taxable government bonds (Column 3) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate government bonds with a remaining maturity of between 4 and 5 years.

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

The rate of interest on taxfree bonds issued by the government and mortgage banks (Column 9) in the period from December 1, 1989 to December 31, 1990 may not exceed the Bank of Finland's base rate.

4 RATES OF EXCHANGE

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

5 OTHER DOMESTIC FINANCING

Table 5.1 Source: The Central Statistical Office of Finland. The public

comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Domestic foreign-currency deposits are included in the figures. Time deposits (Column 2) consist of tax-exempt time deposits held by the public. Investment accounts (Column 3) are taxable time deposits held by the public. For the definition of unregulated deposits (Column 6), see the explanation under Table 3.4. Since the beginning of 1987, the figures for banks' holdings of certificates of deposit issued by other banks have been netted out. Netting out is done by the Bank of Finland.

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

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

Table 5.4 Source: State Treasury Office. *Foreign debt*. Other bonds and debentures (Column 2) are so-called private placings. Long-term promissory notes (Column 3) are bank loans. Outstanding lending (Column 10) comprises the stock of central loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main

part of the latter is reserved for covering transferable allocations budgeted in previous years (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

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

6 BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

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

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

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

vice charges on net foreign debt as a percentage of current account earnings.

Table 6.4 All direct investments have been placed under the corporate sector (Columns 1 and 6). Other (Column 9) consists mainly of long-term assets of private persons.

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

7 FOREIGN TRADE

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

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

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

8 DOMESTIC ECONOMIC DEVELOPMENTS

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

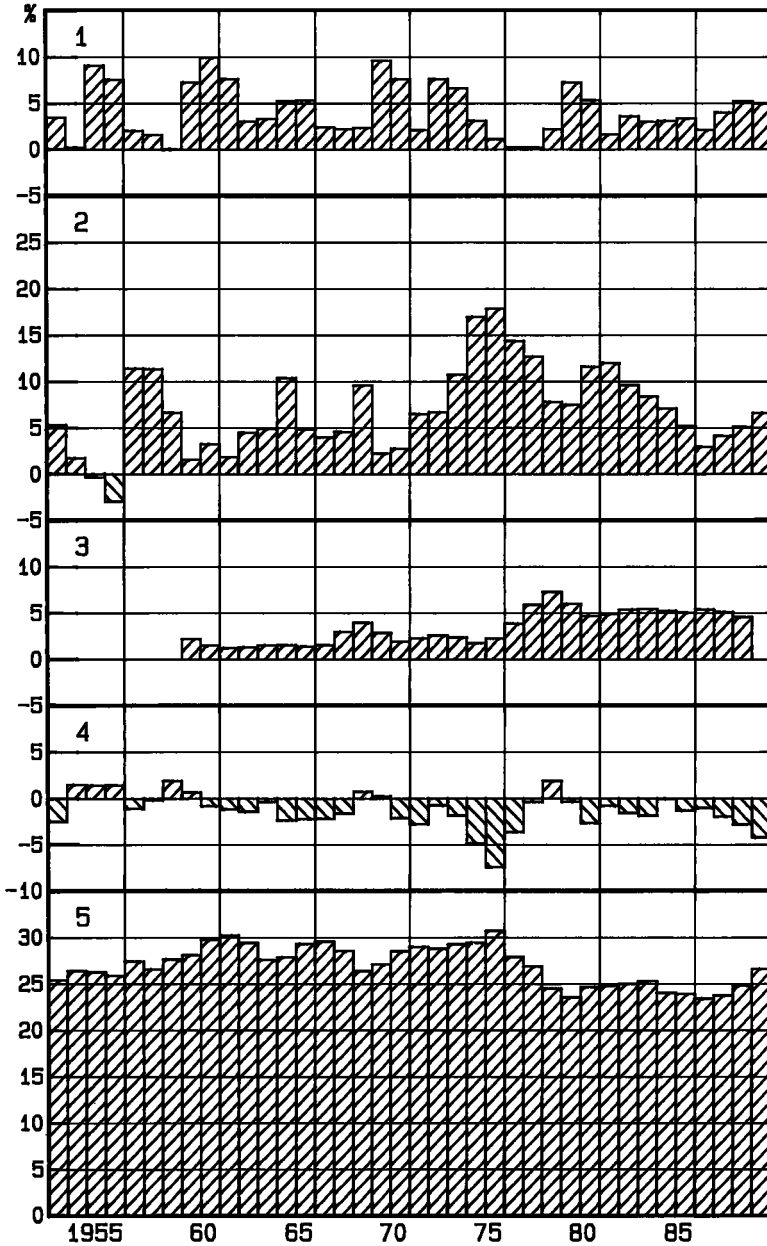
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

Table 8.6 Source: Ministry of Finance.

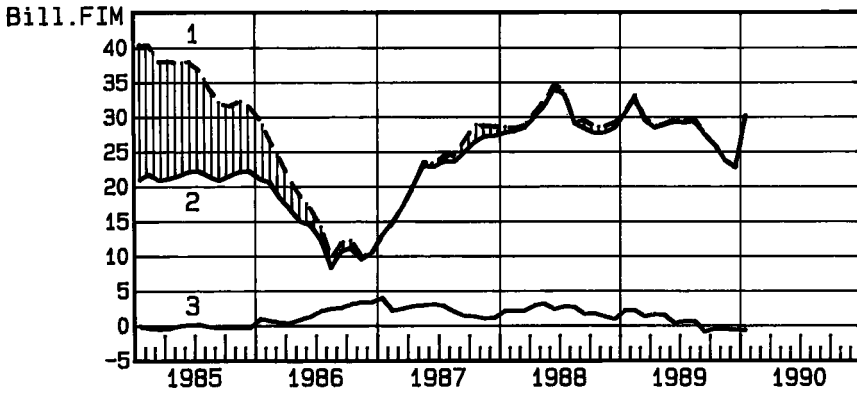
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
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6. HELIBOR rates of interest (daily)	S30
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30. Production	S39
31. Fixed investment	S39
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33. Prices and wages	S40
34. Central government finances	S41

1. LONG-TERM INDICATORS



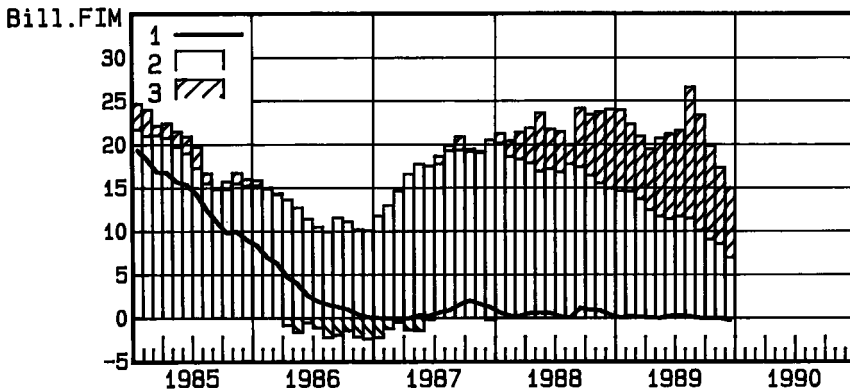
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



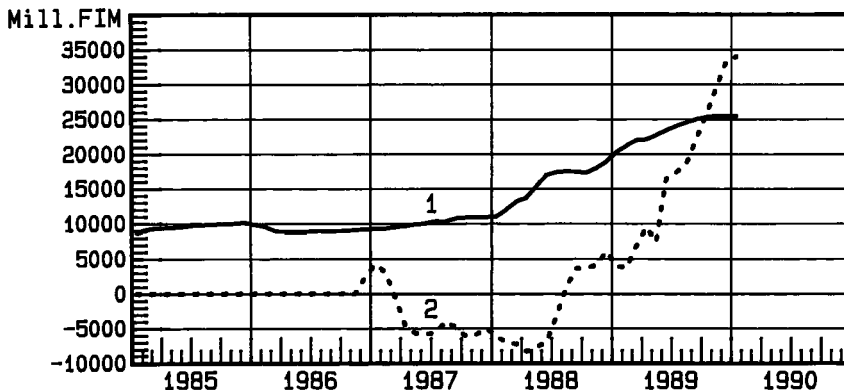
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves
3. Tied currencies

3. FORWARD MARKET



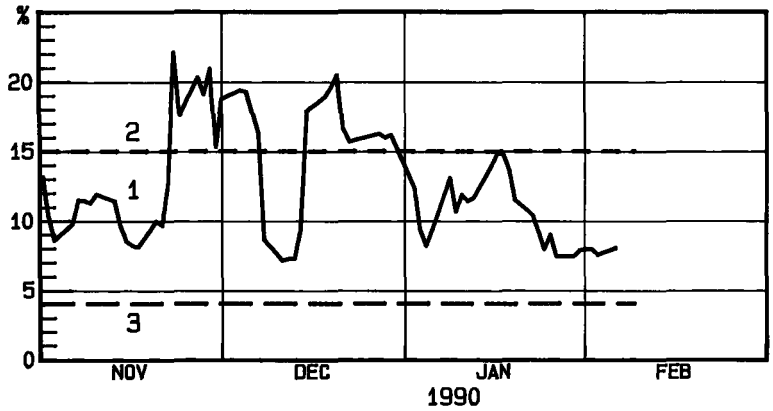
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

4. ITEMS AFFECTING DOMESTIC LIQUIDITY



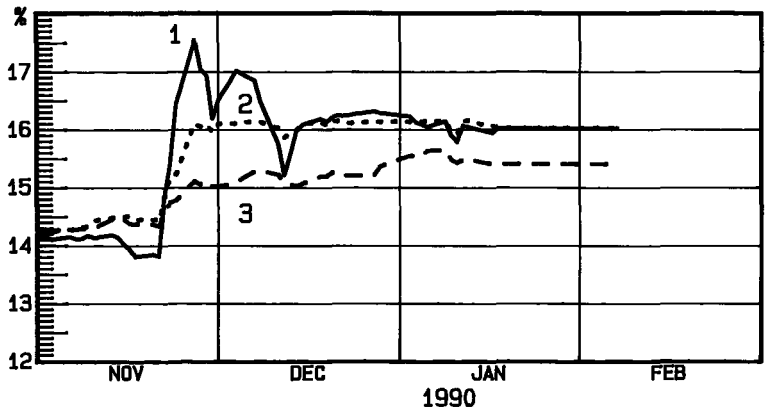
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



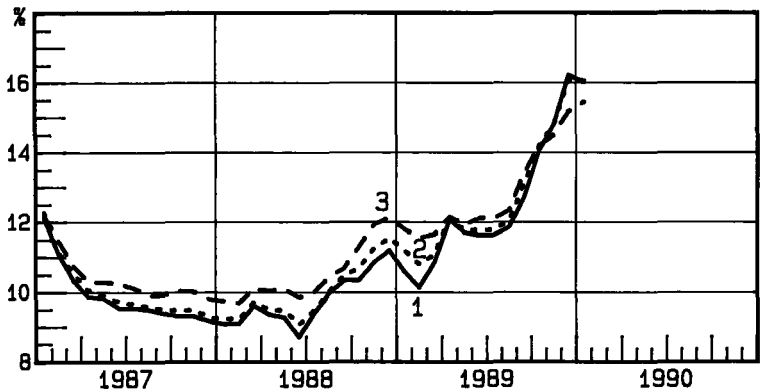
- 1. Inter-bank overnight rate
 - 2. Call money credit rate
 - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



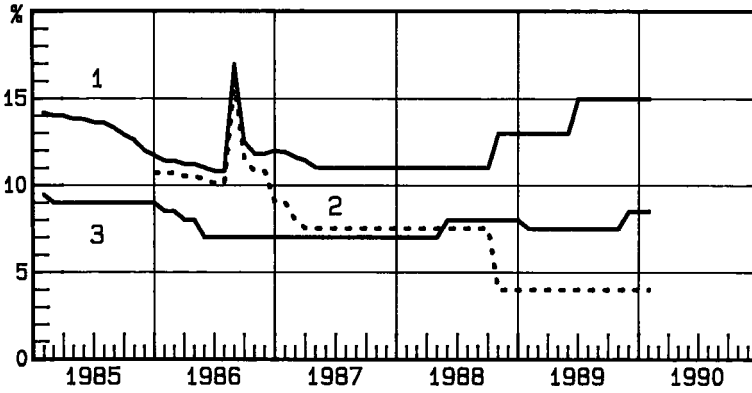
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



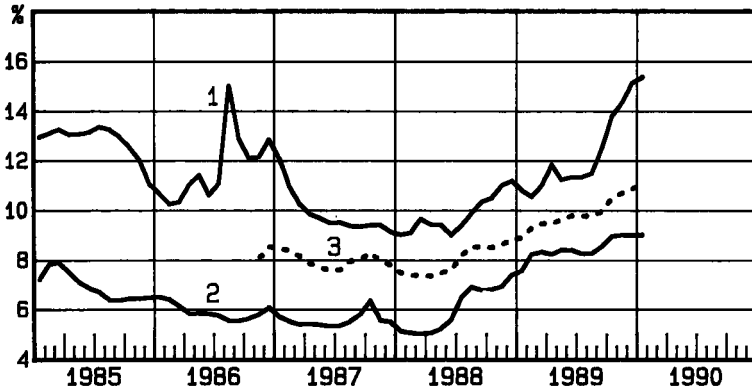
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



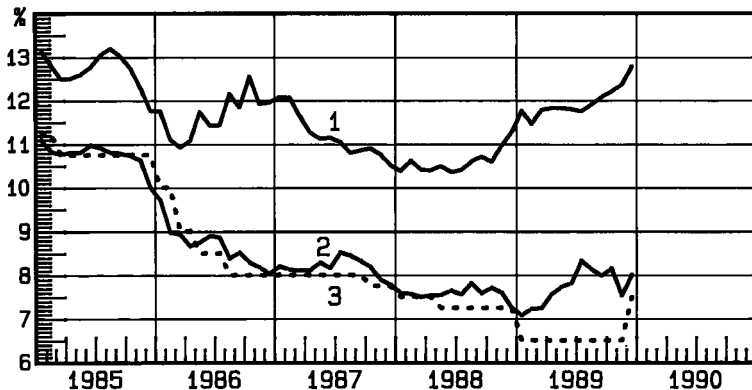
- 1. Call money credit rate
 - 2. Call money deposit rate
 - 3. Base rate
- End-of-month observations

9. 3-MONTH COVERED EURODOLLAR RATE AND 3-MONTH CURRENCY BASKET RATES



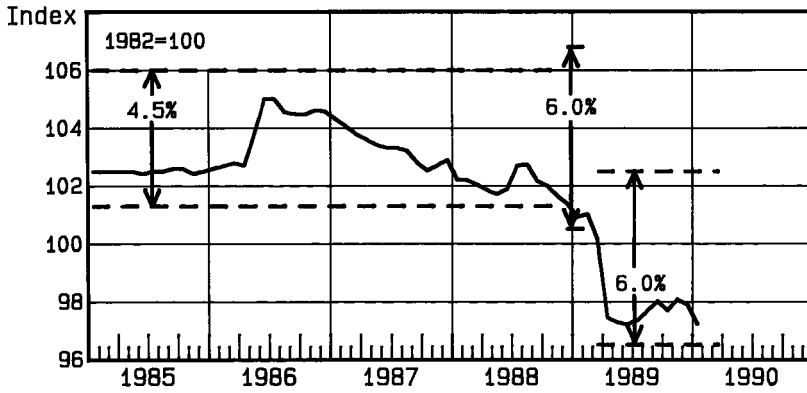
- 1. Covered Eurodollar rate
- 2. 3-currency basket rate (DEM 60 %, USD 30 %, GBP 10 %)
- 3. 14-currency basket rate (Bank of Finland currency index weights)

10. RATES ON BONDS AND DEBENTURES



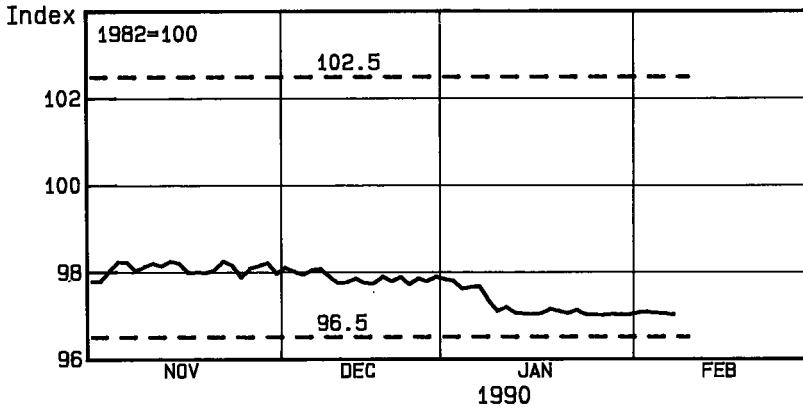
- 1. Rate on (3-6 year) fixed-rate debentures
- 2. Rate on (9-10 year) tax-free government bonds
- 3. Rate at issue on new 10-year taxfree government bonds

11. BANK OF FINLAND CURRENCY INDEX



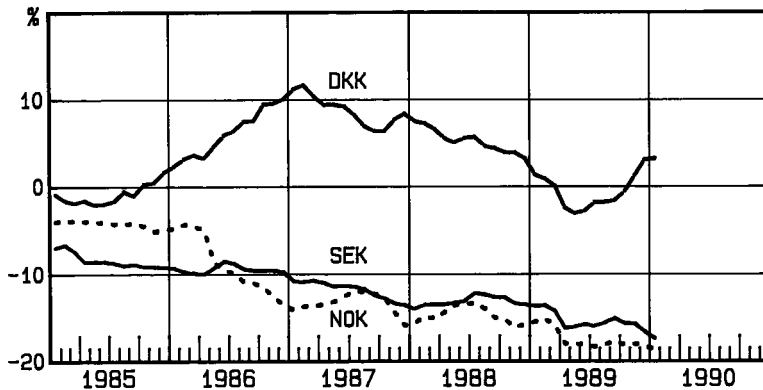
4.5 % and 6.0 % = fluctuation range of the index
Monthly averages

12. BANK OF FINLAND CURRENCY INDEX



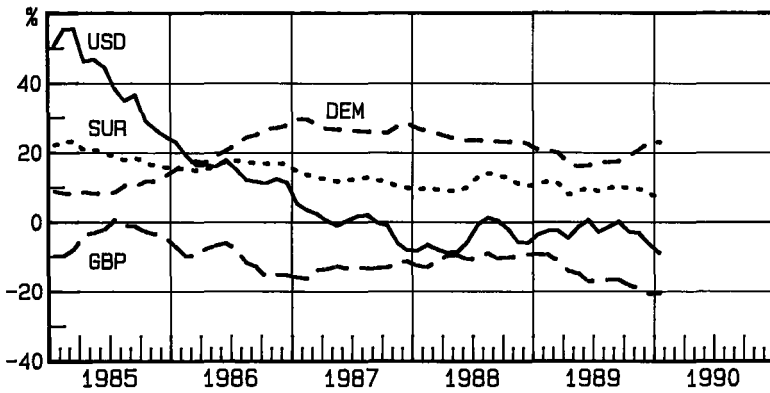
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



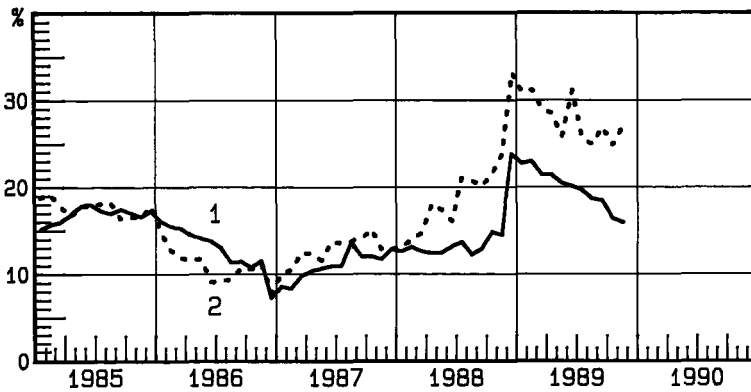
Monthly changes in markka selling rates calculated from the average rates for January 1982

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



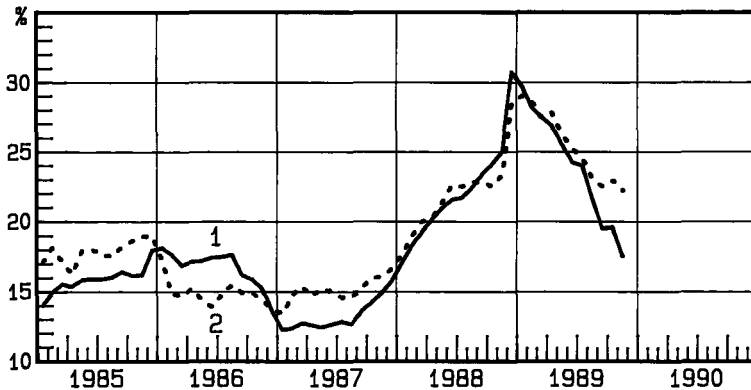
Monthly changes in markka selling rates calculated from the average rates for January 1982

15. BANK DEPOSITS FROM THE PUBLIC



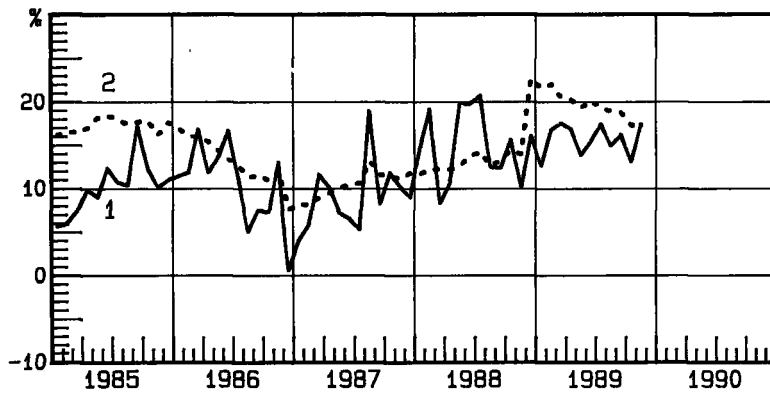
1. Regulated deposits
2. Total deposits
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



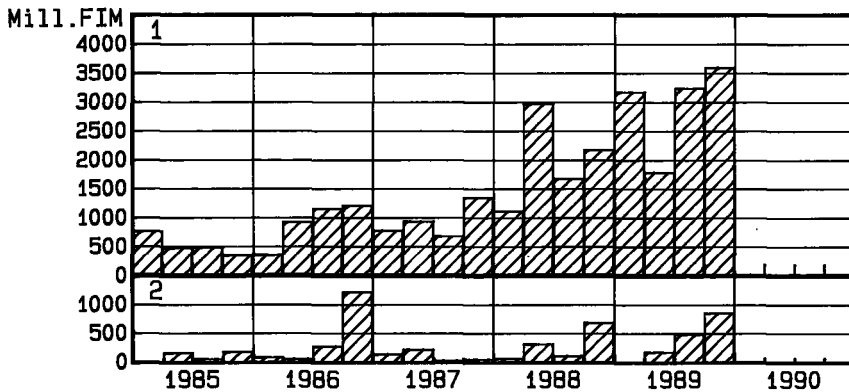
1. Markka lending
2. Total lending
Change from the corresponding month of the previous year, per cent

17. MONEY SUPPLY



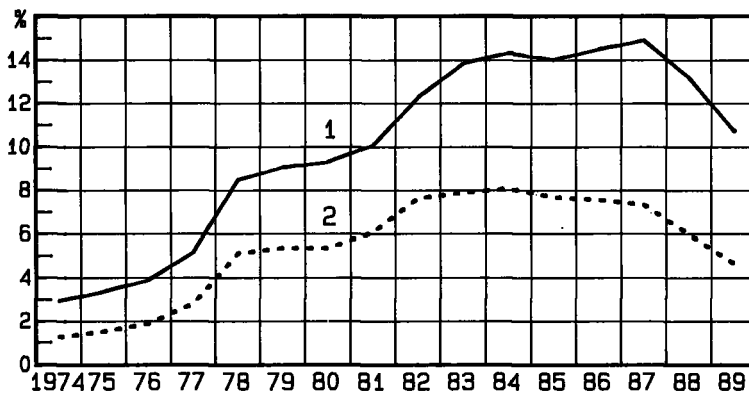
- 1. Narrow money supply (M1)
 - 2. Broad money supply (M2)
- Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



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

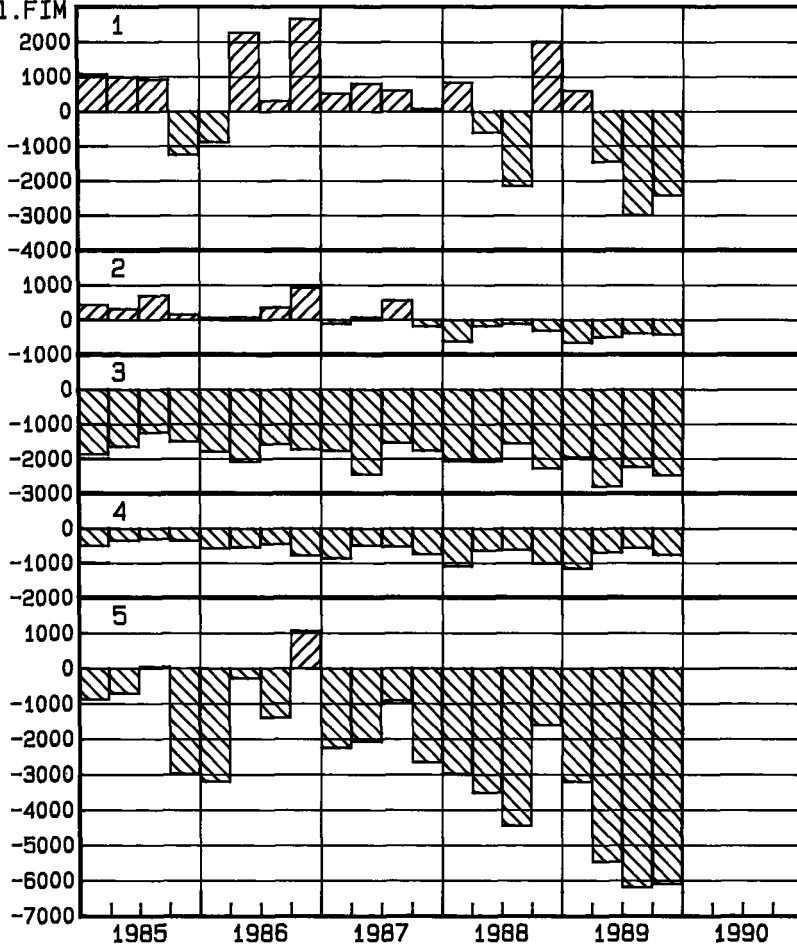
19. CENTRAL GOVERNMENT DEBT



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

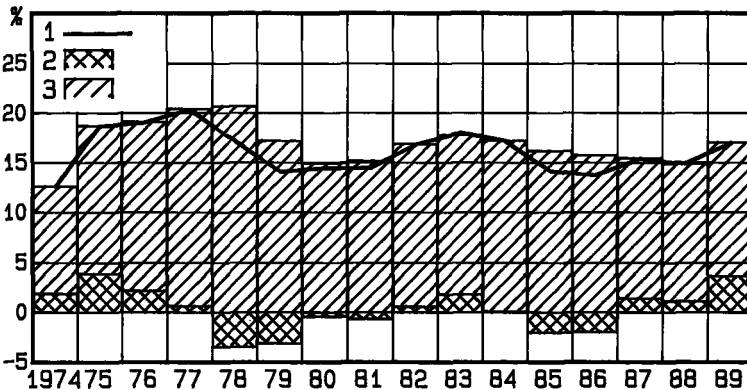
20. CURRENT ACCOUNT

Mill.FIM



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

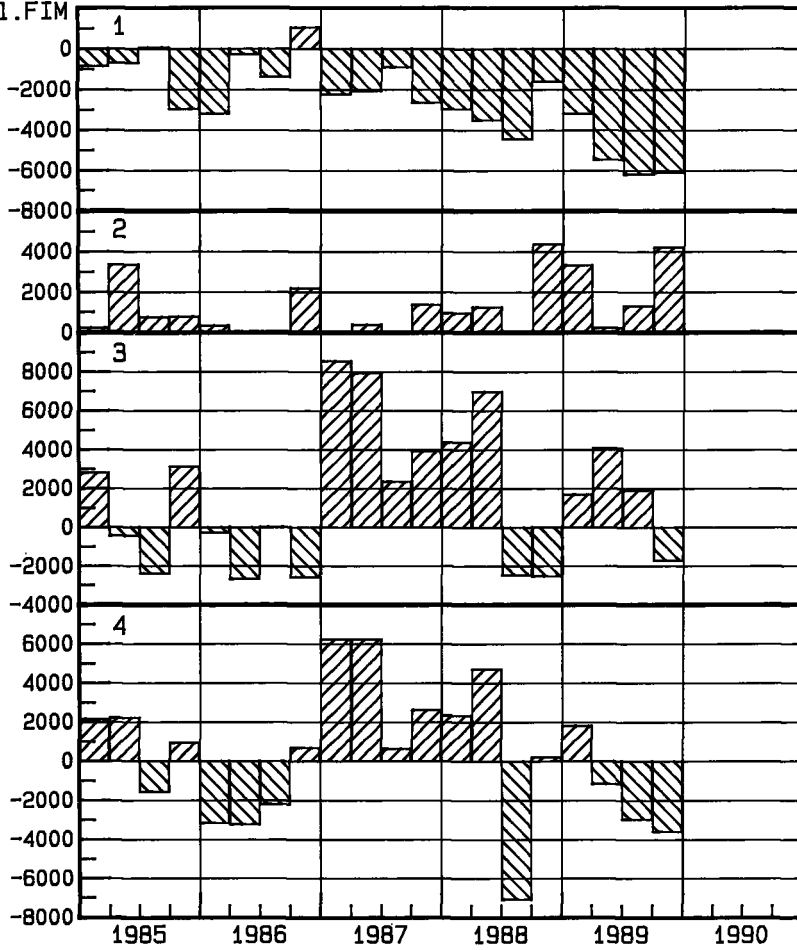
21. FOREIGN DEBT



1. Total foreign net debt
 2. Short-term net debt
 3. Long-term net debt
- As a percentage of GDP

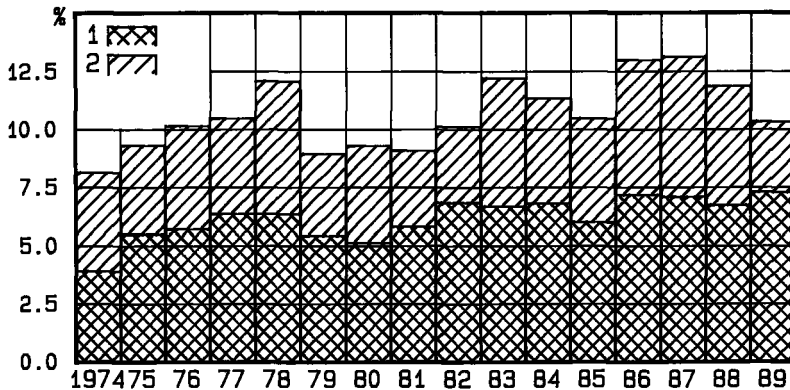
22. BALANCE OF PAYMENTS

Mill.FIM



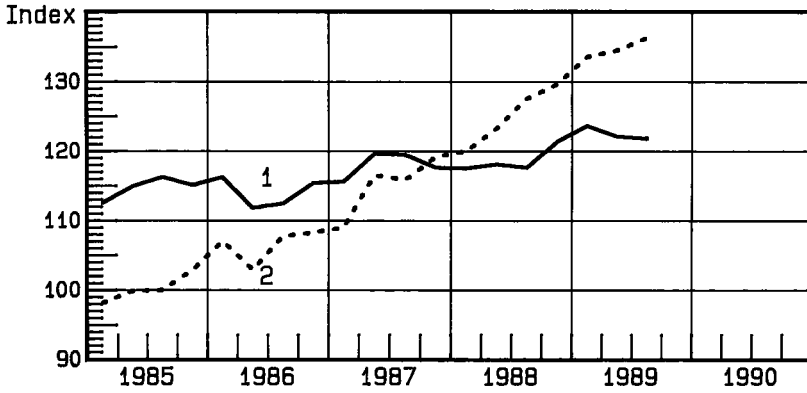
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance=change in the foreign exchange reserves of the Bank of Finland

23. DEBT SERVICE RATIO



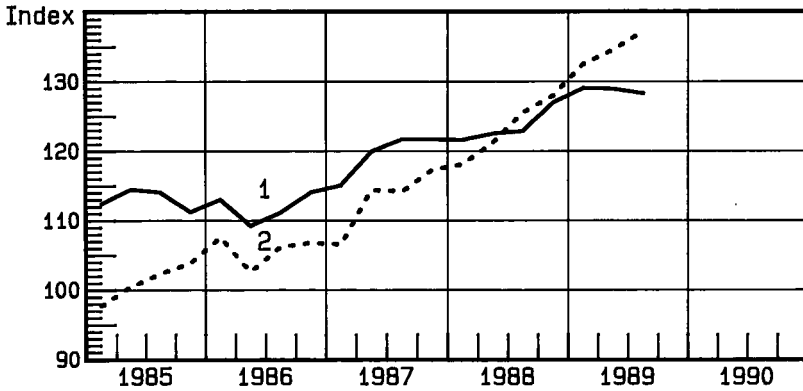
1. Interest payments
 2. Redemptions
- As a percentage of current account earnings

24. FOREIGN TRADE



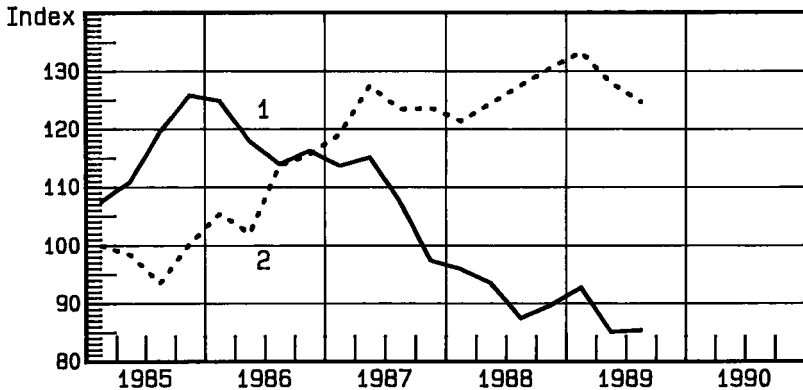
1. Total exports
2. Total imports
Volume index, 1980 = 100,
four-quarter moving average
shown as at the last quarter

25. WESTERN TRADE



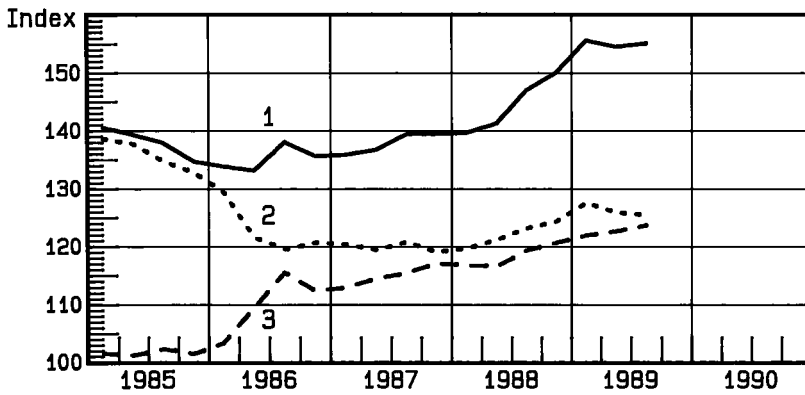
1. Western exports
2. Western imports
Volume index, 1980 = 100,
four-quarter moving average
shown as at the last quarter

26. BILATERAL TRADE



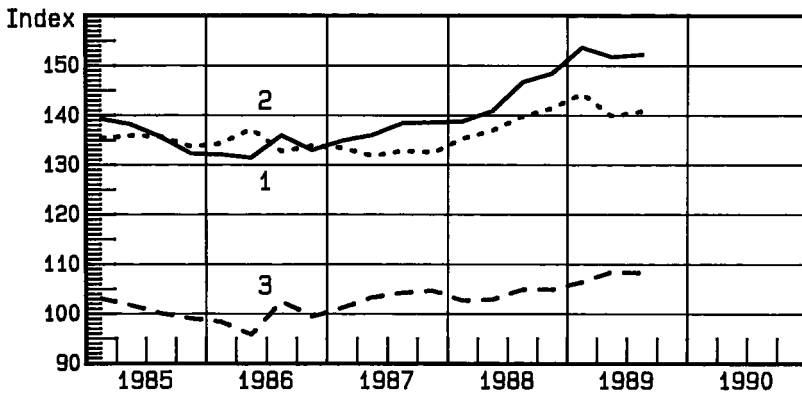
1. Bilateral exports
2. Bilateral imports
Volume index, 1980 = 100,
four-quarter moving average
shown as at the last quarter

27. FOREIGN TRADE: PRICES AND TERMS OF TRADE



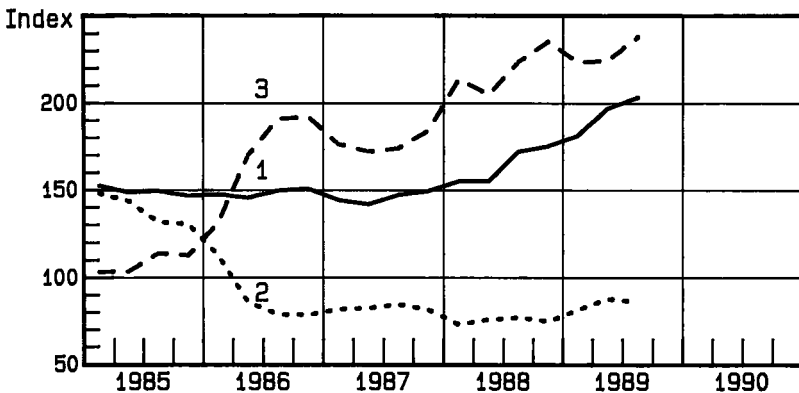
- 1. Unit value index of exports
 - 2. Unit value index of imports
 - 3. Terms of trade
- 1980 = 100

28. WESTERN TRADE: PRICES AND TERMS OF TRADE



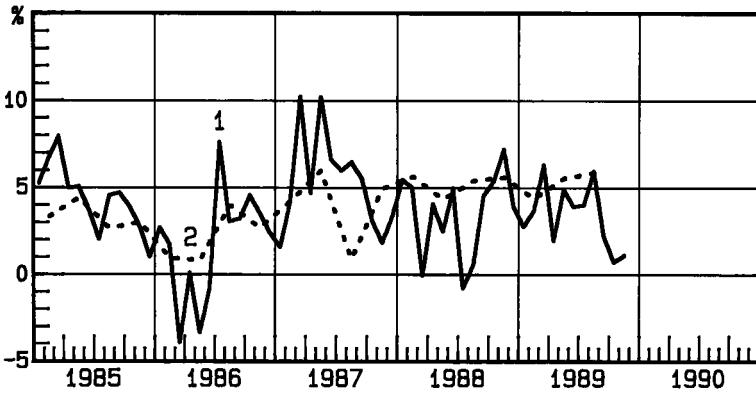
- 1. Unit value index of western exports
 - 2. Unit value index of western imports
 - 3. Terms of trade in western trade
- 1980 = 100

29. BILATERAL TRADE: PRICES AND TERMS OF TRADE



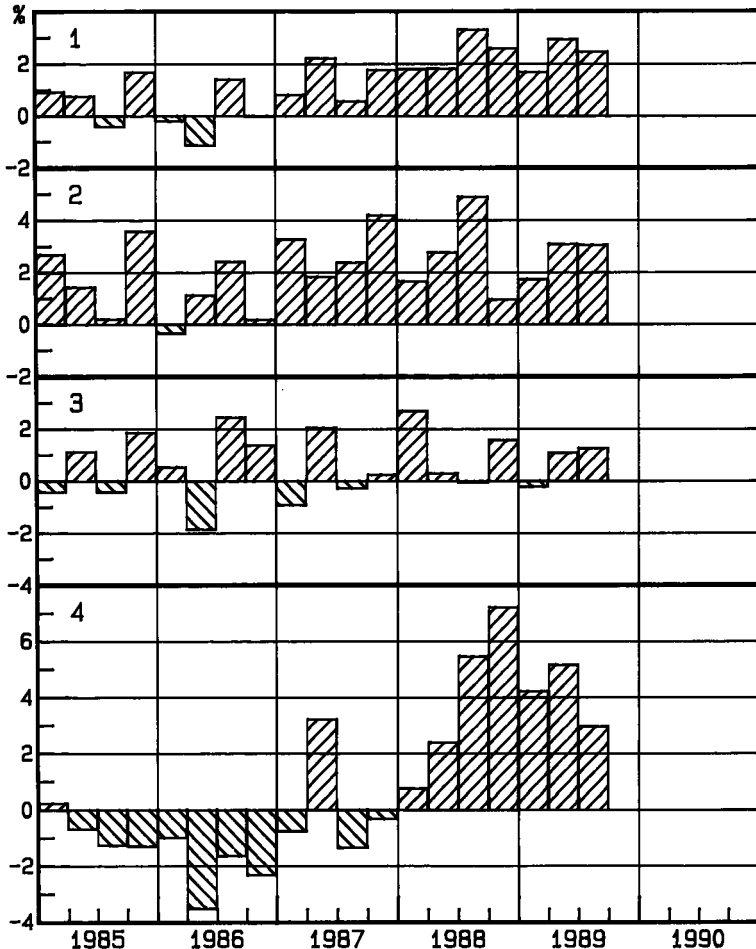
- 1. Unit value index of bilateral exports
 - 2. Unit value index of bilateral imports
 - 3. Terms of trade in bilateral trade
- 1980 = 100

30. PRODUCTION



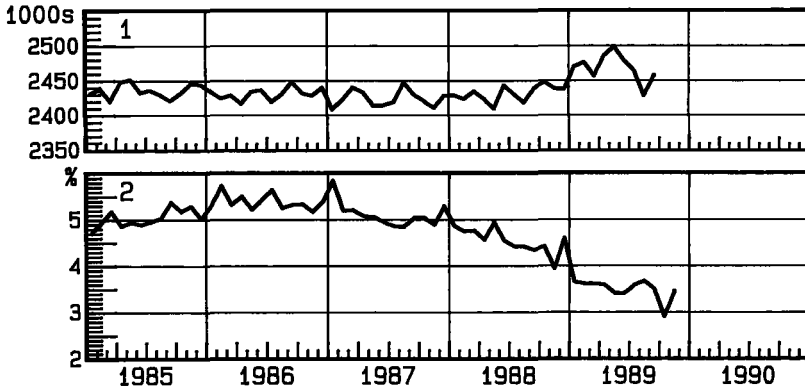
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

31. FIXED INVESTMENT



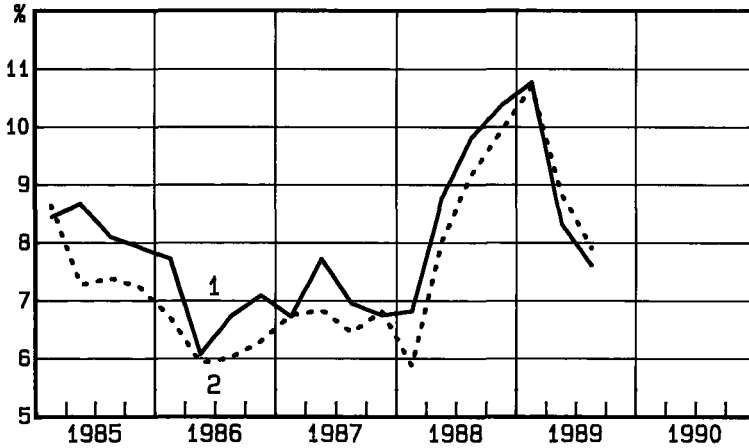
1. Total fixed investment
 2. Investment in machinery and equipment
 3. Building investment, excl. residential buildings
 4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

32. EMPLOYMENT AND THE UNEMPLOYMENT RATE

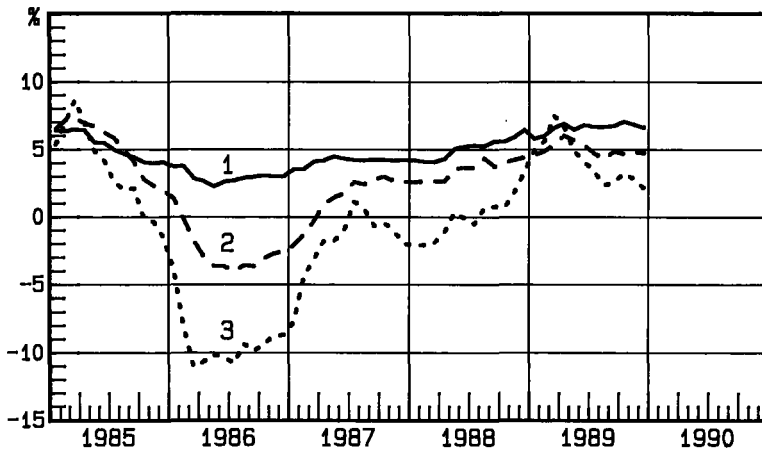


1. Employment, 1000 persons
2. Unemployment rate, per cent

33. PRICES AND WAGES

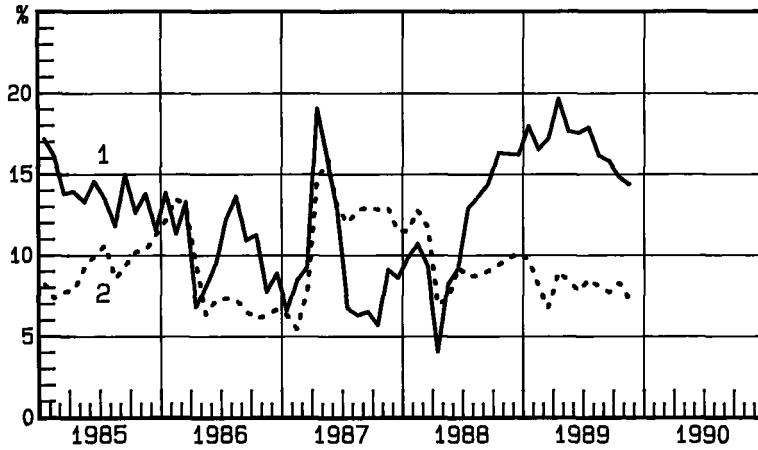


1. Index of wage and salary earnings, all wage and salary earners
 2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



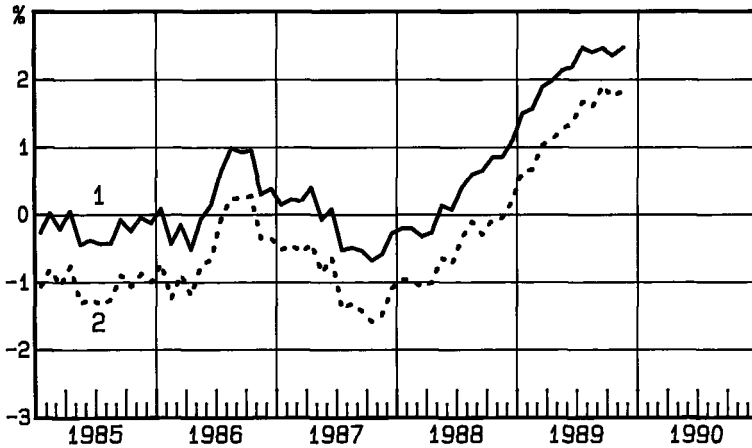
1. Consumer price index
 2. Wholesale price index
 3. Import price index
- Change from the corresponding month of the previous year

34. CENTRAL GOVERNMENT FINANCES



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

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



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

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

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