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Helsinki Money Market Center

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PAYMENT SYSTEMS IN FINLAND

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OVERVIEW

Banking technology and payment systems are fairly advanced in Finland. Of the deposit banks, the commercial, savings and cooperative banks traditionally use bank giro for the transfer of funds while Postipankki uses postal giro. Funds can also be transferred between the two systems. Most domestic funds transfers are effected by bank or postal giro (for an international comparison, see Table).

In addition to the giro systems, the use of bank cards and other debit cards has rapidly increased. By the end of 1989, there were more than 2 600 ATMs for cash withdrawals and about 11 500 EFTPOS terminals in Finland. Changes in payment practices in the latter half of the 1980s are illustrated in Charts 1—4.

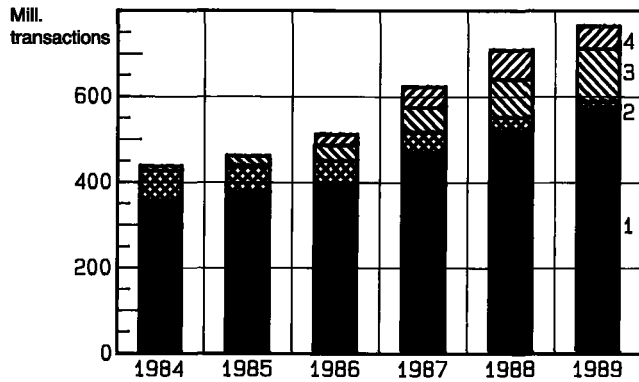
To reduce paperwork and associated costs, banks now effect most payments in machine-readable form. Banks transmit data to each other in electronic form, slips and vouchers being retained by

the branches that first received them. The exchange of data in machine-readable form has also become increasingly common between banks and their corporate and household customers.

SECURITIES MARKET PAYMENTS

The Finnish system for handling securities transactions is still based on physical certificates, which are transferred from seller to buyer in connec-

CHART 1.
PAYMENTS REPLACING CASH,
NUMBER OF TRANSACTIONS IN MILLIONS



1. Postal and bank giro
2. Cheques
3. Bank cards
4. Credit cards

Source: Finnish Bankers' Association

TABLE. COMPARISON OF THE RELATIVE IMPORTANCE OF CASHLESS PAYMENTS INSTRUMENTS AS PERCENTAGE OF TOTAL VOLUME OF TRANSACTIONS, 1987 AND 1989¹

	Cheques		Credit cards		Bank cards		Transfers	
	1987	1989	1987	1989	1987	1989	1987	1989
CHEQUE COUNTRIES								
United Kingdom	57.0	52.9	11.0	12.2	..	1.1	31.0	33.8
Canada	72.4	68.7	23.5	25.8	0.0	0.1	4.1	5.4
France	65.4	60.2	..	..	7.9	13.4	26.7	26.4
United States	82.9	83.9	15.3	13.9	0.1	0.2	1.6	2.0
TRANSFERS COUNTRIES								
Belgium	32.94	27.4	1.0	1.5	5.49	7.9	60.57	63.2
The Netherlands	19.0	15.9	0.5	0.5	0.5	1.0	81.0	83.1
Japan	7.4	11.3	5.8	18.7	..	..	86.8	70.0
Sweden	20.7	22.1	2.07	2.1	0.00	..	77.23	75.8
Germany	8.6	9.7	0.60	1.2	0.00	0.0	90.8	89.1
Switzerland	13.8	11.3	3.0	3.6	0.3	1.7	82.9	83.4
Finland	7.9	3.2	7.7	7.2	9.0	16.8	75.4	72.9
MIXED USE OF PAYMENT SYSTEMS								
Italy	52.54	46.6	0.91	1.7	0.01	0.1	46.54	51.5

¹ Source: Bank for International Settlements and Finnish Bankers' Association.

tion with trades. Payments between brokers in respect of securities transactions are effected by means of certified cheques or bankers' drafts. Plans for rationalizing the systems for processing securities and payments in the money market have reached the implementation stage. Corresponding systems for the Helsinki Stock Exchange are at the specification stage.

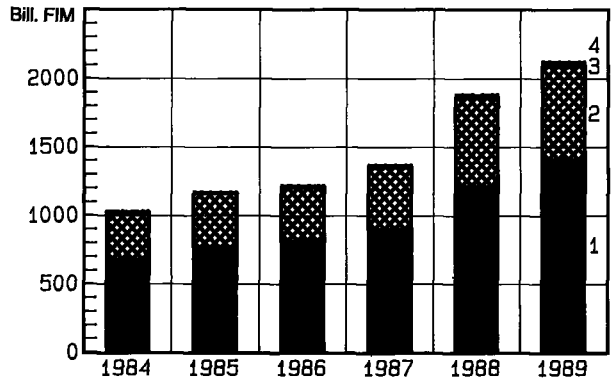
Helsinki Money Market Center Ltd (HMMC)²

The HMMC provides money market participants with the full range of services required for the electronic clearing and settlement of trades as well as a safe-keeping system for computerized book-entry securities. The HMMC is scheduled to commence live operations in autumn 1991. Members, i.e. shareholders, have on-line access to the HMMC. Users are linked to the HMMC either directly or through their agents.

The clearing and settlement of trades is carried out at the HMMC by rolling multilateral netting on a daily basis. For each member there is just one money settlement for all trades on the settlement day and one delivery for each type of security. This procedure reduces the number of transactions and removes the need for temporary financing of transactions. The HMMC ensures that settlement takes place under all circumstances. A trade proceeds to clearing and settlement only if the seller's ability to deliver and the buyer's ability to pay have been verified.

The HMMC's payment system is linked directly to the Bank of Finland's cheque account system. The HMMC, like the commercial banks, maintains a cheque account with the central bank. Other members of the HMMC effect

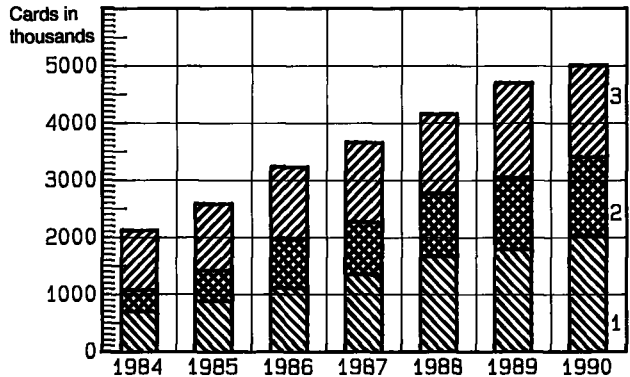
CHART 2.
PAYMENTS REPLACING CASH, BILLION FIM



1. Postal and bank giro
2. Cheques
3. Bank cards
4. Credit cards

Source: Finnish Bankers' Association

CHART 3.
NUMBER OF CARDS



1. Bank cards
2. General credit cards
3. Special credit cards

Source: Finnish Bankers' Association

their payments through the accounts of commercial banks, but the HMMC calculates a liability/claim balance for each of them. At the time of settlement, the HMMC delivers the securities on the basis of multilateral netting after receiving the payment in its account.

Helsinki Stock Exchange

The Helsinki Stock Exchange has announced its intention to develop an electronic clearing and settlement

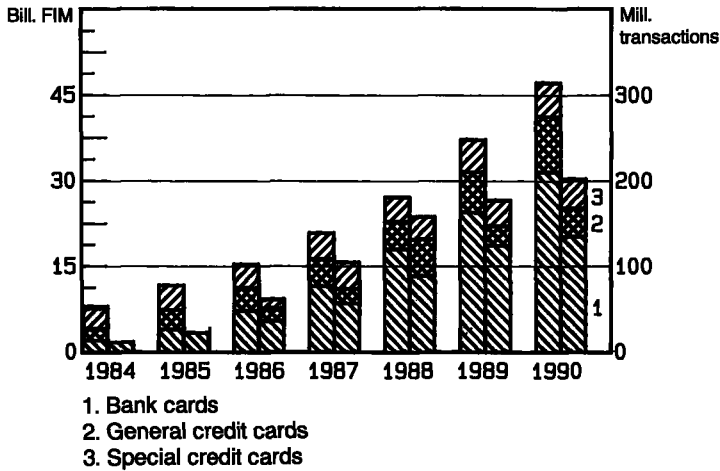
system for trades executed in its trading system. The system will be developed on the assumption that multilateral position netting will be applied in regard to payments. Details of the system remain open for the time being.

CLEARING Interbank payments data

In Finland, the transmission of interbank payments data takes place bilaterally. Each bank classifies entries affect-

² See also the separate article on the HMMC by Erkki Vehkamäki in this issue of the Bulletin.

CHART 4.
CARD-BASED PAYMENTS BY TYPE OF CARD,
IN BILLION FIM AND MILLION TRANSACTIONS
 (Left-hand column shows amount in FIM,
 right-hand column shows numbers of transactions)



Source: Finnish Bankers' Association

ing other banks' accounts on a bank-by-bank basis and transmits data on individual banks to the banks concerned. Data on both debit and credit entries are transmitted primarily in itemized form by on-line transfers between banks. Previously, banks recorded data on magnetic tapes which they then delivered to each other.

Domestic payments

The Bank of Finland has a clearing agreement with all the commercial banks and with some of the savings and cooperative banks located in Helsinki. All banks participating in the clearing must maintain a cheque account at the Bank of Finland.

Clearing is a two-stage process. All banks participating in the system daily calculate claims and liabilities in respect to each counterparty arising from (1) transfers received via the bank giro and postal giro systems, (2) cheques, (3) bankers' drafts and (4) electronic payments.

In the second stage, the banks participating in the clearing forward data to the Bank of Finland's cheque ac-

count system showing each bank's claims and liabilities in respect to other clearing banks. After checking the data, the Bank of Finland credits or debits the net amounts to the cheque accounts of the banks concerned at the Bank of Finland. The clearing takes place once a day in Helsinki at 3.45 pm.

In the new cheque account system — operational since March 1991 — banks with access to a work station linked to the cheque account system submit their clearing calculations to the Bank of Finland on-line. The clearing calculations of other banks are entered into the system by the Bank of Finland. The clearing calculations of all the banks are then entered into the accounts simultaneously by the Bank of Finland in the form of bilateral entries. No change was made in the clearing procedure in connection with the introduction of the new cheque account system, but in principle the new system makes it possible to carry out several clearings each day.

According to the clearing agreement, there must be

adequate funds in a bank's cheque account at the end of the day to cover any obligation that may arise in the clearing. The actual clearing is effected before the end of the business day, and claims or liabilities are entered into a bank's cheque account even though there may not be any funds in the account at that precise moment. For each account holder, the final balance in the cheque account constitutes a call money credit or deposit for that particular day.

For the central bank, clearing involves the risk that a participating bank might be unable to meet its obligations. Should this happen, the clearing liability and the resultant call money credit of the bank concerned could be of considerable magnitude. Since no limits have been placed on call money credits, either in the course of the day or at the end of the day, the liability that would have to be borne by the central bank in such a case could be quite substantial. In the new cheque account system, limits can be set on the balance of each account. Should a debit entry lead to the limit being exceeded, the item is not booked. The system is thus capable of automatically monitoring developments in account balances.

Foreign trade payments

The clearing of incoming markka payments connected with foreign trade has been taken care of alternately by Kansallis-Osake-Pankki (KOP) and Union Bank of Finland Ltd for periods of five years at a time. Until the end of this year, the clearing will be carried out by KOP. The bank managing the clearing automatically settles the markka accounts. The net amounts in the accounts are drawn down/covered through the cheque accounts held at the Bank of Finland.

Previously, this clearing comprised all payments made

to Finland in convertible currencies. Today, banks effect most of their foreign currency payments themselves through their foreign correspondents. However, the bank managing the clearing continues to maintain foreign currency accounts for other banks, though covering funds are not regularly transferred to these accounts. Should the total balance on an account be substantial, the bank in question can request that the funds be transferred to its account with a foreign correspondent. Entries made to foreign currency accounts are also reported to the Bank of Finland.

CHEQUE ACCOUNTS AT THE BANK OF FINLAND

The cheque accounts held at the Bank of Finland are used for interbank transactions and payment clearings as well as for transactions between the banks and the Bank of Finland. Besides transactions pertaining to the maintenance of currency circulation, transactions between the banks and the Bank of Finland are mainly related to the purchase and sale of certificates of deposit and foreign exchange deals in which the markka constitutes the other currency. In addition, urgent payments between banks can be effected at same-day value through their accounts at the central bank until 4.30 pm.

At the moment, 19 banks, the State Treasury Office and the HMMC maintain cheque accounts at the Bank of Finland. Six of the accounts are maintained by savings and cooperative banks, and the daily balances in these accounts are transferred to the cheque account of the relevant central banking institution (i.e. Skopbank or Okobank). The number of transactions in the cheque accounts amounts to approximately 1 000 per day.

The total value of cheque account entries resulting from

interbank transactions varies between FIM 15 and FIM 25 billion per day. The total value of net debits and net credits arising from the clearing varies from just under FIM 1 billion to just over FIM 2 billion per day. The total value of transactions between the Bank of Finland and banks varies from FIM 1 billion to FIM 3 billion per day.

As was noted above, a new cheque account system was introduced in March 1991. At present, the HELIBOR banks, STS-bank, the State Treasury Office and four other banks enter all interbank large-value payments into the system via their work stations. When the HMMC commences live operations in autumn 1991, it will also be linked to the cheque account system.

The new system allows banks to make transfers in favour of other Finnish banks using their own terminals. It also includes enhancements enabling banks to monitor their accounts: each individual transaction, as well as the outstanding balance in the account, can be viewed on the screen.

The new cheque account system could, with relatively small changes¹, be enhanced so as to enable customer data to be transmitted via it². It would then be possible to transmit large-value payments through the system in real time without any value date losses. The simultaneous transfer of all payments data and the relevant funds guarantees the finality of payments, thus eliminating potential cover risk.

FUTURE PROSPECTS

Despite the high technical standard of the payment sys-

tems in Finland, further advances in payments automation and the introduction of new applications are likely to continue. Attention will more than ever have to focus on the effects of new applications rationalizing banking activity and the cost savings associated with them. In addition, new demands imposed by international payment links must be taken into consideration. Foreign payment systems are to a large extent based on payment centres, and one option being examined by the EC is that international connections be handled by these centres. Consequently, there is a need in Finland to determine how a decentralized system could be connected with foreign centres in an efficient way.

Central banks are paying increasing attention to the risk management and efficient functioning of systems for large-value payments. The Bank of Finland has also devoted more attention to payment system issues. It has been particularly active in promoting the centralization of clearing and settlement processes for money market transactions at the HMMC, in part because of the rapid rise in trading volumes and payment flows in the money market. The market operations carried out by the central bank as a part of monetary policy also call for an efficient clearing and settlement system for money market transactions.

Bond and share markets also generate a considerable volume of large-value payments. To enhance the management of systemic risks, it would be important that a centralized and efficiently managed clearing and settlement system be quickly established for these markets as well. Other large-value payments by banks' customers could, in the future, be effected separately outside the normal interbank payment clearing, for example, through the Bank of Finland's cheque account system.

¹This is on the assumption that each payment (mainly large-value payments) and the associated data are transmitted separately via banks' work stations. Banks would obtain the relevant data needed for transmitting payments automatically from their own customer accounts systems.

²Customer data comprise the payer, beneficiary, term of payment and other relevant details; i.e. a payment order is involved and not simply a transfer of funds.

The reliable functioning of clearing organizations has been judged so important in Finland that it is planned to enact a law governing such activities. A working group set up by the Ministry of Finance suggests in its report that a law be drafted concerning the clearing and settlement of book-entry securities, paper-based securities and other financial market instruments. According to the proposal, clearing organizations would operate under the licence of the Ministry of Finance and be subject to the supervision of the Banking Supervision Office.

August 30, 1991

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HELSINKI MONEY MARKET CENTER

by **Erkki Vehkamäki**, Managing Director
Helsinki Money Market Center Ltd

In autumn 1991, Finland enters the age of paperless money market trading with the inauguration by the Helsinki Money Market Center of clearing and settlement services for money market transactions.

ESTABLISHMENT OF THE HELSINKI MONEY MARKET CENTER

The Helsinki Money Market Center Ltd (HMMC) was set up in summer 1989 following groundwork lasting more than a year. The company's function is to provide its members with clearing and settlement facilities for transactions in money market instruments and to replace paper certificates with computerized book-entry register services. The money market will be the first to change over to paperless trading, in autumn 1991.

The need to improve the efficiency of clearing and settlement arrangements arose with the expansion of the money market in conjunction with the Bank of Finland's step-by-step deregulation of interest rates over the period 1983—1986. Rapid growth, however, did not get under way until the end of 1986 when the Bank of Finland began to undertake open market operations and to issue its own certificates of deposit (CDs). The principal market participants found the system based on manual bilateral clearing and settlement to be slow, administratively cumbersome and lacking adequate security. Agreement on the need for a clearing and settlement centre was reached in early 1989, and the HMMC was established on June 1,

1989 as a joint project of the five largest banks (Kansallis-Osake-Pankki, Union Bank of Finland, Skopbank, Okobank and Postipankki), the state and the Bank of Finland. The Bank of Finland undertook the prime responsibility for implementing the project and acquired a majority shareholding in the company.

In spring 1991, 15 new shareholders were added. Now, all the major direct participants in the money market, i.e. the six largest local (savings and cooperative) banks, all but two of the commercial banks, three foreign banks and two insurance companies, are shareholders. Shareholders are entitled to act as counterparties in clearing and settlement operations. The clearance, settlement and register services of the HMMC are also available to annual members and to independent registrars underwritten by shareholders.

FINANCIAL MARKET DEVELOPMENTS

Financial market deregulation is still in progress. Perhaps the most significant factor as regards the development of the financial markets is the dismantling of exchange control. For example, the sale abroad of markka-denominated bonds has been permitted since February 1990, and from October 1991, individuals will be free to raise loans abroad; firms were accorded this right some years ago.

The Finnish money market grew out of the market for short-term funds following the commencement of open market operations by the Bank of Finland. The country still

lacks a highly developed bond market, one reason having been the low levels of return, which, in turn, stemmed from the exemption of interest earnings from taxation. Activity in the secondary bond market has been virtually at a standstill. Housing finance has been provided almost exclusively by banks or in the form of state-subsidized loans. Owing to a succession of budget surpluses in the latter half of the 1980s, the central government has not had to resort to bond financing on a large scale.

With respect to the bond market, however, the situation is changing rapidly. The Finnish Housing Fund, which was set up by the state in 1990 has issued its first ten-year bonds. As for the state itself, its financial position has quickly deteriorated following the onset of recession, and it will have to borrow heavily in domestic and foreign markets over the next few years.

Recently, the expansion of the money market has slowed considerably as compared to the period prior to the establishment of the HMMC. Nonetheless, the amount of CDs outstanding is still growing at an annual rate of 20 per cent. At the moment, outstanding short-term money market claims amount to more than FIM 100 billion. The stock of bonds suitable for secondary market trading is some FIM 30 billion. Daily turnover in the Finnish markets runs in the region of FIM 3 to 4 billion; but at times it exceeds FIM 10 billion, as was the case prior to Finland's decision to link the markka to the ECU in June of this year.

KEY FEATURES OF THE SYSTEM

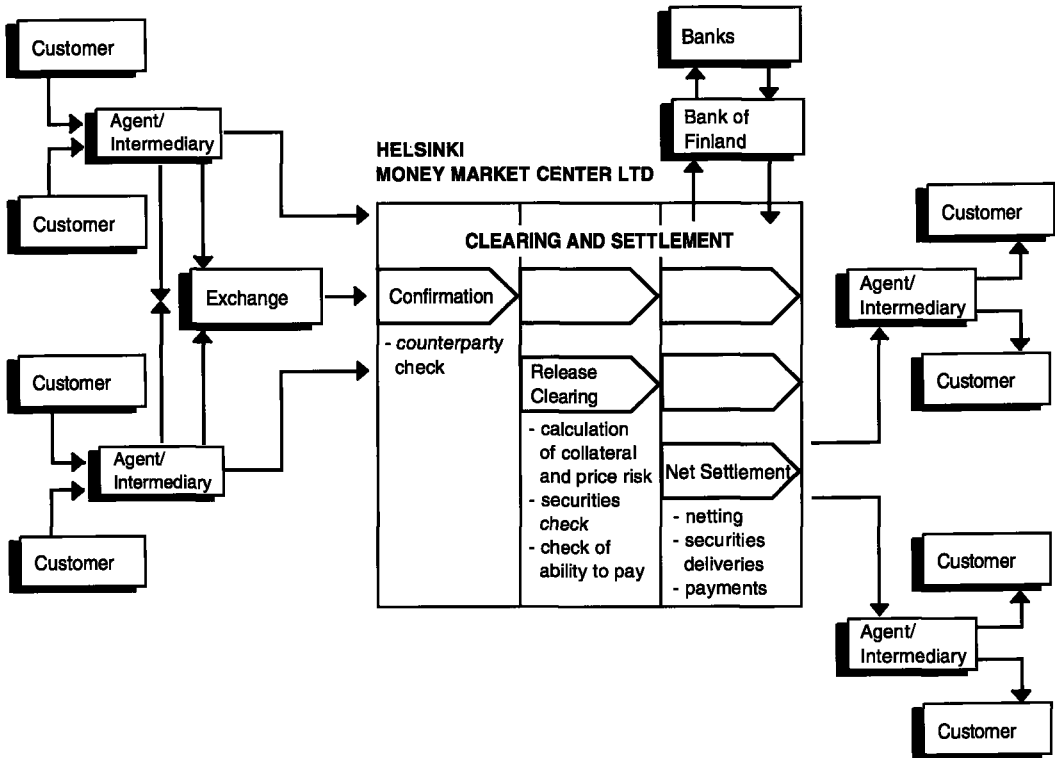
In setting the objectives for the HMMC, the internationalization of financial markets was taken into consideration from the very beginning. It was desired that the HMMC should operate in accordance with international requirements. Therefore when the Group of Thirty published its recommendations on international standards and practices in 1989, the HMMC had no difficulty in meeting those that were applicable to it. Though originally designed with the stock market in mind, Finland's legislation on book-entry securities also permits the conversion of instruments in the nature of external debt into book-entry form. This legislation came into force in August 1991, shortly before the

HMMC was scheduled to launch its clearing and settlement operations.

The accompanying chart depicts the various stages in the HMMC's clearing and settlement process. The settlement of transactions takes place on the basis of delivery versus payment on the date agreed by the parties to a trade, the payment being made at the Bank of Finland. Normally, the value date of the transaction is two days after the trade date. The system also accepts same-day trades on condition that at the time the trade is booked it is known that the seller will be in possession of the relevant instruments by the time of settlement and that the buyer is capable of posting collateral, in addition to the underlying securities, to cover price risk and any reduction in

the principal amount for credit risk.

Trades are entered into the system by the parties to a trade either from their back offices via work stations provided by the HMMC or directly through their own money market trading systems. The HMMC confirms a trade immediately the system has checked that the terms of the trade as entered by both parties are identical. For trades made one day prior to their settlement date, the system verifies that the seller holds the appropriate instruments in his account or will receive them by the time of settlement. Only trades approved in this way are released for clearing and settlement. At the same time, the instruments sold are set aside for delivery and are not available for resale.



At the close of the day preceding settlement, the system executes a clearing run, in which the parties' ability to pay is ascertained and net obligations are calculated. At this stage, the system demands collateral from the purchasing party adequate to cover the net price risk attached to the securities and any reduction in the principal amount. In the case of interest rate instruments, price risk arises from possible changes in interest rates. Reductions in the principal amount, on the other hand, are determined by the category of instrument and the credit rating of the issuer. Once trades have been cleared, each party has a single sum due to or from the HMMC. Correspondingly, there is a single obligation or claim for each category of instrument.

Once clearing is completed, the HMMC guarantees payment, even if payment disturbances occur between the parties involved. In the event that a clearing party is unable to pay its net liability, the HMMC grants credit against the collateral described above. A payment guarantee of this kind is essential in a multilateral netting system in order to prevent a breakdown in the chain of trades and thus a general disruption of the markets, i.e. a domino effect. Normally, however, the collateral requirement should be sufficient and recourse to the granting of credit unnecessary. The HMMC's ability to pay is, in turn, ensured by the Bank of Finland, which can as a last resort lend funds to the HMMC. The shareholders are responsible for any loss incurred by the HMMC in proportion to their holdings in the company.

MONITORING OF POSITIONS AND DISSEMINATION OF INFORMATION

In addition to providing daily reports and information prescribed by law, the system enables parties to monitor their

positions on a real time basis. The system provides immediate information on daily developments. From their position summaries, parties can see, for example, the numbers and values of trades that have been confirmed, released and cleared, the funds required and their own collateral positions for the current and next two days. A party can also monitor his position solely in regard to a particular counterparty or category of instrument. At a later stage, the HMMC will also distribute daily market data on turnover, prices and amounts outstanding (via Reuters and other screen-based information services).

NEW ISSUES AND MATURING ITEMS

The changeover to paperless instruments greatly simplifies the issue of new securities. A bank acting as a clearing and settlement party can issue its own CDs in connection with trades, in which case the system handles all other steps in the process. Even one-day issues are possible. Up until the daily settlement time, a bank can sell or issue its own CDs maturing the next day at value today. The issuance of nonbank instruments must, however, be specifically approved by the HMMC. In fact, this happens immediately, provided the issuer has been accepted into the system and the issue falls within authorized limits.

The maturing of outstanding instruments is almost as simple. The system generates the necessary redemption entries. The issuing financial institution acting as a clearing and settlement party must, however, approve the redemption before the system will execute it as part of normal settlement. The system informs the party handling the issue of the total amount that is to be approved.

PAYMENT FLOWS

The daily flow of payments between settlement parties is

handled through the HMMC's cheque account at the Bank of Finland. As a rule, each party has only one net liability or claim vis-à-vis the HMMC. For the present, payments between customers and settlement parties are initiated by the settlement parties on the basis of the HMMC's breakdown of payments.

STRUCTURE OF THE REGISTER

The computerized accounts at the HMMC together comprise a single entity, which is divided into individual registers. These registers are distinct, each one being the responsibility of a particular registrar. Account entries are made either automatically as part of the clearing and settlement process on the basis of trades entered into the system or as a separate operation. Generally, the registrar is also a settlement party, but the system can also be used solely for the holding of instruments in account form.

Information regarding pledges, recovery proceedings, joint ownership and other such restrictions and rights can be entered into the accounts. The legal status of such entries is defined in the book-entry legislation that came into force in August 1991.

As the accounts are kept in the same central computer, it is possible to cross register boundaries when necessary. For example, transfers between the accounts of separate registers can be carried out on a real time basis. A recipient registrar receives a separate list of transfers from other registers for checking purposes. An account holder can also authorize another registrar (e.g. his broker) to check that the instruments underlying a trade exist and even to transfer such instruments to another register for trading purposes.

HARDWARE AND SOFTWARE

Fault-tolerant Tandem CLX hardware is used for the implementation of the HMMC's systems. The work stations are OS/2 microcomputers, which comply with industry standards. Communications links take place through the leased use of the SNA LU6.2 network. All connections are safeguarded by encryption devices.

Anderson Consulting has been responsible for the programming and technical software planning.

PHASING IN OF OPERATIONS

During the first phase of its operations, the HMMC will be handling zero-coupon bank CDs and Treasury bills. Commercial paper, which is similar in nature, will be added to the system once its collateral criteria have been clarified. In the first quarter of 1992, the system will be extended to include bonds. At the same time, it will become possible to register both domestic and foreign instruments that are denominated in foreign currencies, though there are no plans at present to incorporate

the clearing of foreign currency-denominated trades into the system.

In the third phase, certain derivative instruments will be admitted to the system. The aim is to include at least forward rate agreements. In this connection, it will also be possible, provided enough settlement parties so desire, to incorporate equity-related instruments, such as shares and convertible bonds. This phase will probably be implemented by summer 1992.

September 2, 1991

ITEMS

FINLAND'S BALANCE OF PAYMENTS IN JANUARY—JUNE 1991

Current account

The current account showed a cumulative deficit of FIM 14.0 billion for the first six months of this year, an increase of FIM 0.9 billion from the corresponding period last year. The trade account was approximately in balance. The largest single contribution to the current account deficit came from interest payments on foreign debt.

Goods. Compiled on a balance-of-payments basis, the trade account registered a surplus of FIM 0.2 billion, as against a deficit of FIM 1.3 billion in the first half of last year. The volume of exports fell by a total of 10 per cent. Exports of wood and wood products and metal and engineering products fell by one-quarter. Exports of chemical products grew by 8 per cent in volume. The volume of imports was down 20 per cent from the corresponding period last year. Imports of investment goods decreased by one-third and those of consumer goods, raw materials and intermediate goods by 15 per cent. Export prices remained at the same level as in the first half of 1990, while import prices rose by 3 per cent.

Services. The deficit on the services account grew further. The surplus on the transport account narrowed slightly, amounting to FIM 2.1 billion. The travel account still showed a substantial deficit, even though travel receipts increased by 18 per cent and

MAJOR BALANCE OF PAYMENTS ITEMS IN JANUARY—JUNE 1991, MILLION FIM¹

	Receipts	Expenditure	Net
Trade (exports f.o.b., imports c.i.f.)	44 056	43 598	458
Adjustment items	-788	-540	-248
Trade account	43 268	43 058	210
Transport	3 890	1 836	2 054
Travel	2 198	5 205	-3 007
Other services	3 167	5 331	-2 165
Services account	9 254	12 372	-3 118
GOODS AND SERVICES ACCOUNT	52 522	55 430	-2 908
Investment income	7 104	15 425	-8 322
Unrequited transfers	595	2 968	-2 373
Other	1 720	2 138	-418
A. CURRENT ACCOUNT	61 941	75 961	-14 020
	Change in assets	Change in liabilities	Net
Loans	-482	7 343	6 861
Direct investment	-4 310	1 181	-3 129
Portfolio investment	1 064	17 387	18 451
Other long-term capital	-118	342	224
B. LONG-TERM CAPITAL ACCOUNT	-3 846	26 253	22 407
BASIC BALANCE (A+B)		8 387	8 387
Trade credits	1 422	-1 349	73
Short-term capital of authorized banks	-22 891	7 708	-15 184
Other short-term capital	-6 349	1 818	-4 531
Errors and omissions		5 933	5 933
C. SHORT-TERM CAPITAL ACCOUNT		-13 709	-13 709
OVERALL BALANCE (A+B+C)		-5 322	-5 322
Change in the foreign exchange reserves of the Bank of Finland		5 322	5 322

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

¹ Preliminary figures.

travel expenditure by only 2 per cent. The deficit on the other services account widened a result of a rapid increase in expenditure.

Investment income. The largest item on this account

consists of interest payments on foreign debt, which have risen rapidly as a result of a succession of current account deficits. Interest payments abroad totalled FIM 15.4 billion, 14 per cent more than a

year earlier. Finland's interest income on its foreign assets amounted to FIM 7.1 billion.

Capital account

Net imports of long-term capital totalled FIM 22.4 billion and net exports of short-term capital FIM 13.7 billion. As the inflow of capital did not cover the current account deficit, the Bank of Finland's foreign exchange reserves decreased by FIM 5.3 billion.

Loans. Net drawings of long-term loans by Finnish borrowers in the form of promissory notes and private placement-type bonds totalled FIM 7.3 billion. Of this amount, companies accounted for FIM 5.4 billion and financial institutions for FIM 1.5 billion. Net drawings of long-term export credits granted to foreign customers amounted to FIM 1.0 billion.

Direct investment. Finnish direct investment abroad totalled FIM 4.3 billion, slightly less than in the corresponding period last year. Foreign direct investment in Finland amounted to FIM 1.2 billion.

Portfolio investment. Net imports of capital in the form of portfolio investment amounted to FIM 18.5 billion. Net sales of Finnish securities abroad totalled FIM 17.4 billion. The net inflow was almost entirely due to sales of Finnish bonds abroad. Sales of Finnish shares abroad were of minor significance. Finnish investment in foreign securities decreased by FIM 1.1 billion.

Short-term capital. Net short-term liabilities related to imports decreased by FIM 2.0 billion and receivables and prepayments related to exports by FIM 2.1 billion. The net

short-term liabilities of the authorized banks fell by FIM 15.2 billion.

Foreign exchange reserves.

The Bank of Finland's convertible foreign exchange reserves decreased by FIM 6 307 million. Owing to an increase of FIM 985 billion in tied currencies, the liability on the account turned into a claim. At the end of June, the convertible foreign exchange reserves stood at FIM 33 904 million and net tied currency claims at FIM 29 million.

Net foreign debt

At the end of June, Finland's net foreign debt totalled FIM 147 495 million. Net long-term debt amounted to FIM 120 509 million and net short-term debt to FIM 26 986 million.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM NOVEMBER 1990 TO SEPTEMBER 1991

1990

NOVEMBER

Till-money credits. The agreement under which the Bank of Finland grants interest-free till-money credits to deposit banks is revised as from November 30. In the same context, banks' base amounts are raised in proportion to the increase in notes and coin held by the public.

Export deposits. The Government decides to refund the export deposits levied on pulp and wood-free printing paper, with accrued interest, in lump sum by the end of November.

DECEMBER

Cash reserve deposits. The Bank of Finland decides to lower the cash reserve requirement from 8.0 per cent to 7.0 per cent by the end of the year. The reduction will be carried out in weekly steps of 0.2 percentage point as from November 30.

1991

JANUARY

Repurchase agreements. Repurchase agreements are introduced in money market dealings between the Bank of Finland and the banks from the beginning of 1991. This new type of transaction complements the present system of central bank financing.

Foreign Exchange Regulations. By decision of the Bank of Finland, all remaining foreign exchange regulations, except those regarding the raising of

loans abroad by private individuals and comparable corporate entities, are rescinded, as from January 1, 1991.

Termination of clearing system. As from the beginning of 1991, the special provisions in the Bank of Finland's Foreign Exchange Regulations concerning payments and financing in trade with the Soviet Union are cancelled. Payments in respect of all future trade in goods and services between Finland and the Soviet Union will be made in convertible currencies. The Bank of Finland quotes the selling rate for the clearing rouble for the last time on Thursday, January 31, 1991.

Cash reserve requirement. The Bank of Finland lowers the cash reserve requirement from 7.0 per cent to 6.7 per cent of the cash reserve base at end-December 1990.

FEBRUARY

Cash reserve requirement. The Bank of Finland lowers the cash reserve requirement from 6.7 per cent to 6.2 per cent of the cash reserve base at end-January 1991.

APRIL

Counter-cyclical deposits. The Government returns the counter-cyclical deposits collected in the period April 1, 1988 — March 31, 1989 to enterprises on April 30. The deposits with the Bank of Finland total FIM 1.3 billion.

MAY

Cash reserve requirement.

The Bank of Finland lowers the banks' cash reserve requirement from 6.2 per cent to 5.8 per cent of the cash reserve base at end-April 1991.

JUNE

Cash reserve requirement.

The Bank of Finland lowers the banks' cash reserve requirement from 5.8 per cent to 5.5 per cent of the cash reserve base at end-May 1991.

Finnish Markka linked to the European Currency Unit (ECU).

On the basis of a proposal by the Bank of Finland, the Government decides on June 4, 1991 to present a bill to Parliament providing for the amendment of section 2 of the Currency Act. By the amendment, which is approved on June 7, the markka is unilaterally linked to the EC's official accounting and currency unit, the European Currency Unit (ECU), from June 7, 1991.

The amendment does not involve any change in the fluctuation range of the markka. The new fluctuation margins and the midpoint are set so as to correspond with the fluctuation margins and midpoint applied to the old currency index. The midpoint is defined on the basis of the exchange rates confirmed by the EC on June 6, 1991 at 3.15 pm (Finnish time). The new midpoint is 4.87580 (FIM/ECU). The markka may

fluctuate within margins of 3 per cent on either side of the midpoint, i.e. between FIM 4.72953 and FIM 5.02207.

Foreign Exchange

Regulations. The Bank of Finland decides to rescind all controls on the raising of loans abroad by private individuals and comparable corporate entities as from October 1, 1991. This measure completes the abolition of exchange control in Finland.

JULY

Cash reserve requirement.

The Bank of Finland lowers the banks' cash reserve requirement from 5.5 per cent to 5.2 per cent of the cash reserve base at end-June 1991.

AUGUST

Cash reserve requirement.

The Bank of Finland lowers the banks' cash reserve requirement from 5.2 per cent to 4.9 per cent of the cash reserve base at end-July 1991.

SEPTEMBER

Cash reserve requirement.

The Bank of Finland lowers the banks' cash reserve requirement from 4.9 per cent to 4.6 per cent of the cash reserve base at end-August 1991.

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 4 998 700 (Jan. 1, 1991) and an average population density of 16.4 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 492 500 inhabitants, Espoo (Esbo) 172 650, Tampere (Tammerfors) 172 600, Turku (Åbo) 159 200 and Vantaa (Vanda) 154 900.

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 1991, the seats of the various parties in Parliament are distributed as follows:

Centre Party 55; Social Democratic Party 48; National Coalition Party 40; Left-Wing Alliance 19; Swedish People's Party 12; The Greens 10; Christian League 8; Rural Party 7; and Liberal Party of Finland 1.

Of the 17 ministerial posts in the present government appointed in April 1991, 8 are held by the Centre Party, 6 by the National Coalition Party, 2 by the Swedish Peoples Party and 1 by the Christian League. The Prime Minister is Mr. Esko Aho of the Centre 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. 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, the MIGA in 1988 and the Council of Europe in 1989.

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.

Finland's development cooperation programmes channel assistance via international organizations and, bilaterally, to a number of African, Asian and Latin American countries.

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 458 billion in basic values in 1990, 3 % was generated in agriculture and fishing, 3 % in forestry, 23 % in industry, 9 % in construction, 11 % in trade, restaurants and hotels, 8 % in transport and communications, 5 % in finance and insurance, 20 % in other private services and 18 % by producers of government services. Of total employment of 2.5 million persons in 1990, 8 % were engaged in primary production, 31 % in industry and construction and 61 % in services.

In 1990, expenditure on the gross domestic product in purchasers' values amounted to FIM 525 billion and was distributed as follows: net exports -1.4 % (exports 22.7 %, imports -24.1 %), gross fixed capital formation 26 %, private consumption 52 % and government consumption 21 %. 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 4.7 % in the period 1950-59, 5.0 % in 1960-69, 3.7 % in 1970-79, 3.7 % in 1980-89 and 4.3 % in 1950-89. Finland's GDP per capita in 1990 was USD 27 500.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1986-90, their share was, on average, 74.2 per cent, of which the share of EC countries was 42.9 percentage points and that of EFTA countries 21.1 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union) accounted for 17.2 per cent and the rest of the world for 8.5 per cent. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1990, the share of forest industry products in total merchandise exports was 39 %, the share of metal and engineering products 43 % and the share of other goods 18 %. Raw materials and intermediate goods (incl. crude oil) accounted for 54 % 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 1 880 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch.

The annual growth increment totals 79 million cubic metres and the total drain calculated on the basis of commercial fellings was 55 million cubic metres in 1990.

Energy. In 1990, gross consumption of primary energy amounted to 31 Mtoe, of which industry accounted for 46 %, heating for 21 %, transportation for 14 % and other purposes for 19 %. The sources of primary energy in 1988 were as follows: oil 30 %, coal 12 %, nuclear power 14 %, hydro-electric power, peat and other indigenous sources 29 %, others 15 %. Compared internationally (1989), Finland's consumption of 5.8 toe (OECD definition) per capita was 1.8 times higher than the average in European OECD countries. The self-sufficiency rate (including nuclear power) in Finland was 40 %, as compared with 60 % in western Europe on average.

FINANCE AND BANKING

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From November 1, 1977 to June 7, 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from November 30, 1988 the range was 6 percentage points). Since June 7, 1991, the markka has been pegged to the European Currency Unit, the ECU. The new fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint is 4.87580 (FIM/ECU) and the fluctuation limits FIM 4.72953 and FIM 5.02207, where the lower limit means the highest permissible value for the markka and the upper limit the lowest permissible value. Under the Currency Act, the fluctuations limits are set by the Government on the proposal of the Bank of Finland.

International payments.

Though the use of the markka in foreign trade and as a eurocurrency has increased, most international payments are effected in other currencies. Finland adopted Article VIII status at the International Monetary Fund in 1979.

At the beginning of 1991 the remaining exchange controls were dismantled except for those concerning foreign borrowing by private individuals. The latter controls will be removed as from October 1, 1991.

The foreign exchange operations of financial institutions are still controlled through the issue of licences. Authorized banks may freely engage in the full range of foreign exchange activities; financial institutions which have been granted a licence to engage in foreign exchange activity are entitled to carry on a limited range of foreign exchange activities. The purpose of the licensing requirement is merely to facilitate the

monitoring of financial institutions' risks by the Bank of Finland.

With effect from January 1, 1991, trade and payments between Finland and the Soviet Union were put on a convertible currency basis and the special restrictions on payments to and from the Soviet Union were rescinded.

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, 1990).

Finland has three major groups of deposit banks with a total of more than 3 500 offices. There are three big commercial banks with national branch networks and ten smaller ones, four of which are foreign-owned. The commercial banks have a total of 28 foreign branches, subsidiaries and associate banks and 25 representative offices abroad. There are 150 savings banks and 338 cooperative banks with their own extensive branch networks. In addition, foreign banks have 8 representative offices in Finland.

During 1991 there have been some changes in the status of foreign-owned banks. Since August 1, 1991 three subsidiaries and two branches owned by foreign commercial banks have been operating in Finland.

Financial markets. Of the total stock of FIM 733 billion in outstanding domestic credit at the end of 1990, 64 % was provided by deposit banks, 3 % by private mortgage banks, 16 % by insurance companies, 4 % by other private credit institutions, 4 % by public financial institutions and 8 % 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, 67 % of the instruments, which totalled approxi-

mately FIM 150 billion at end-1990, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds raised 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 74 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 85 billion (at end-1990). Four foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1990 totalled FIM 116 billion; government bonds made up 25 % of the total. Turnover on the Stock Exchange in 1990 amounted to FIM 20 billion; the share of shares and subscription rights in the total was approximately 77 %.



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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

	1990		1991			
	Aug. 30	Dec. 31	Aug. 8	Aug. 15	Aug. 23	Aug. 30
ASSETS						
Gold and foreign currency claims	35 708	37 307	33 202	33 821	32 038	30 191
Gold	2 180	2 180	2 180	2 180	2 180	2 180
Special drawing rights	780	791	846	875	878	875
IMF reserve tranche	813	783	1 103	1 086	1 090	1 086
Convertible currencies	31 829	33 478	29 017	29 622	27 834	25 995
Tied currencies	106	75	56	57	56	56
Other foreign claims	2 530	2 574	2 440	2 475	2 475	2 479
Markka subscription to Finland's IMF quota	2 154	2 198	2 039	2 074	2 074	2 074
Term credit	370	376	401	401	401	405
Claims on financial institutions	24 769	15 190	15 850	15 255	15 706	17 949
Call money credits	14	—	1	—	—	21
Certificates of deposit	19 123	9 411	4 718	5 078	4 957	4 210
Securities with repurchase commitments	—	—	5 269	4 312	4 872	7 949
Term credits	—	—	—	—	—	—
Till-money credits	3 196	3 427	3 740	3 740	3 740	3 631
Bonds	2 198	2 115	1 885	1 887	1 900	1 900
Other claims on financial institutions	238	238	238	238	238	238
Claims on the public sector	1 281	1 314	1 389	1 387	1 385	1 382
Bonds	7	0	3	3	3	3
Total coinage	1 274	1 314	1 386	1 384	1 382	1 379
Claims on corporations	1 838	1 678	1 437	1 426	1 419	1 416
Financing of exports	0	—	—	—	—	—
Financing of domestic deliveries (KTR)	1 360	1 223	1 006	996	989	987
Bonds: KTR credits	272	254	225	225	225	225
Bonds: Other	11	8	4	3	3	3
Other claims on corporations	195	193	202	202	202	202
Other assets	115	900	121	120	121	126
Accrued items	—	770	—	—	—	—
Other assets	115	131	121	120	121	126
Total	66 242	58 964	54 439	54 484	53 144	53 543
LIABILITIES						
Foreign currency liabilities	820	983	24	24	25	30
Convertible currencies	30	27	22	22	24	29
Tied currencies	790	957	1	1	1	1
Other foreign liabilities	2 882	2 938	2 833	2 880	2 883	2 880
IMF markka accounts	2 154	2 198	2 039	2 074	2 074	2 074
Allocations of special drawing rights	728	740	794	807	809	806
Notes and coin in circulation	13 314	14 555	13 833	13 739	13 631	13 614
Notes	12 196	13 399	12 651	12 557	12 451	12 435
Coin	1 118	1 156	1 182	1 181	1 181	1 178
Certificates of deposit	40	—	1 250	370	370	370
Liabilities to financial institutions	22 842	17 855	14 431	14 873	13 636	13 811
Call money deposits	801	418	885	1 326	89	1 099
Term deposits	—	—	—	—	—	—
Cash reserve deposits	21 999	17 401	13 546	13 546	13 546	12 707
Capital import deposits	—	0	—	—	—	—
Other liabilities to financial institutions	42	36	1	1	1	5
Liabilities to the public sector	5 685	1 321	4	4	3	3
Cheque accounts	0	1	—	—	—	—
Pension fund deposits	4 071	0	—	—	—	—
Counter-cyclical deposits	1 318	1 317	—	—	—	—
Export deposits	292	—	—	—	—	—
Other liabilities to the public sector	3	3	4	4	3	3
Liabilities to corporations	10 465	9 925	8 272	8 243	8 215	8 198
Deposits for investment and ship purchase	10 465	9 925	8 272	8 243	8 215	8 198
Other liabilities to corporations	—	—	—	—	—	—
Other liabilities	55	1 774	103	98	97	99
Accrued items	—	1 718	—	—	—	—
Other liabilities	55	56	103	98	97	99
Valuation account and reserves	3 975	3 448	7 925	8 490	8 520	8 774
SITRA's capital	400	400	—	—	—	—
Capital accounts	5 764	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	764	764	764	764	764	764
Profit/loss for the accounting year	—	—	—	—	—	—
Total	66 242	58 964	54 439	54 484	53 144	53 543

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 reserves, 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
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
1990	2 180	791	783	33 451	37 205	-882	36 323	-364	35 959	1 314	1 321	7
1990												
Aug.	2 180	780	813	31 799	35 572	-684	34 888	-352	34 536	1 281	5 685	4 404
Sept.	2 180	790	823	32 386	36 179	-1 059	35 120	-358	34 762	1 358	4 925	3 567
Oct.	2 180	792	825	33 191	36 988	-1 022	35 966	-363	35 603	1 329	3 970	2 641
Nov.	2 180	783	774	34 015	37 753	-1 263	36 489	-357	36 132	1 322	1 832	510
Dec.	2 180	791	783	33 451	37 205	-882	36 323	-364	35 959	1 314	1 321	7
1991												
Jan.	2 180	1 027	881	34 295	38 383	-288	38 095	-362	37 733	1 339	1 321	- 18
Feb.	2 180	968	863	32 839	36 850	-526	36 324	-365	35 959	1 354	1 323	- 31
March	2 180	1 001	892	31 441	35 514	-397	35 117	-376	34 741	1 388	1 320	- 68
April	2 180	945	1 065	30 681	34 871	-260	34 611	-386	34 225	1 388	3	-1 385
May	2 180	833	1 091	23 154	27 258	- 17	27 241	-387	26 854	1 405	4	-1 401
June	2 180	1 021	1 115	29 588	33 904	29	33 933	-394	33 539	1 411	4	-1 407
July	2 180	853	1 111	29 535	33 679	56	33 735	-399	33 336	1 391	4	-1 387
Aug.	2 180	875	1 086	25 966	30 107	55	30 162	-401	29 761	1 382	3	-1 379

End of period	Domestic financial sector						Corporate sector				
	Term claims on deposit banks	Call money claims on deposit banks, net	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other liabilities to financial institutions, net	Net claims (13+14-15+16-17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19-20)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	13	14	15	16	17	18	19	20	21	22	23
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	—
1990	9 411	-418	17 401	3 427	-2 317	-2 664	1 477	9 724	-8 247	14 555	—
1990											
Aug.	19 123	-787	21 999	3 196	-2 394	1 927	1 632	10 259	-8 627	13 314	40
Sept.	17 754	-527	21 395	3 186	-2 357	1 375	1 588	10 235	-8 647	13 418	—
Oct.	14 501	-236	20 877	3 695	-2 334	-583	1 548	9 902	-8 354	13 392	—
Nov.	12 709	-1 746	19 878	3 307	-2 324	-3 284	1 526	9 802	-8 276	13 467	—
Dec.	9 411	-418	17 401	3 427	-2 317	-2 664	1 477	9 724	-8 247	14 555	—
1991											
Jan.	6 948	-1 300	17 215	3 614	-2 262	-5 691	1 448	9 330	-7 882	13 397	640
Feb.	8 171	-1 601	15 682	3 926	-2 239	-2 947	1 419	9 226	-7 807	13 170	1 430
March	11 829	350	15 740	3 535	-2 234	2 208	1 374	8 974	-7 600	13 412	3 770
April	11 193	-441	15 845	3 429	-2 169	505	1 336	8 587	-7 251	13 244	3 280
May	16 252	1 282	14 700	3 442	-2 181	8 457	1 310	8 076	-6 766	14 406	2 380
June	12 715	-1 996	14 161	3 786	-2 164	2 508	1 273	8 190	-6 917	13 972	2 850
July	10 515	-1 877	13 546	3 740	-2 127	959	1 236	8 074	-6 838	13 841	1 090
Aug.	12 159	-1 078	12 707	3 631	-2 133	4 138	1 212	7 993	-6 781	13 613	370

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
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
1990	163 326	26 379	160 797	-23 850	-38	-151	-23 737
1990							
Aug.	10 230	20	11 440	-1 230	4	306	-1 532
Sept.	11 110	100	11 340	-330	0	-260	-70
Oct.	4 850	50	8 340	-3 540	1	-290	-3 249
Nov.	4 160	50	5 940	-1 830	-15	1 495	-3 340
Dec.	3 150	350	6 250	-3 450	-	-1 328	-2 122
1991							
Jan.	3 230	640	5 320	-2 730	-	882	-3 612
Feb.	3 810	1 760	2 480	-430	6	307	-731
March	9 600	1 790	4 360	3 450	756	-1 195	5 401
April	13 060	1 200	8 990	2 870	-752	39	2 079
May	12 670	1 180	7 950	3 540	1 366	-357	5 263
June	9 603	2 980	9 493	-2 870	-1 305	1 973	-6 148
July	6 865	160	7 366	-661	-71	-190	-542
Aug.	11 430	280	7 380	3 770	21	-778	4 569

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	
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	<u>10 531</u>	<u>3 563</u>	<u>6 967</u>	<u>8 031</u>	<u>205</u>	<u>15 204</u>
1990	11 609	4 979	6 131	10 100	-6 098	10 633
1990						
July	11 694	3 567	8 126	16 094	-8 013	16 207
Aug.	11 504	3 659	7 845	14 059	-7 745	14 159
Sept.	12 407	3 978	8 429	13 037	-6 922	14 544
Oct.	12 042	4 677	7 366	12 031	-6 633	12 764
Nov.	12 218	5 220	6 999	11 840	-6 492	12 347
Dec.	11 609	4 979	6 631	10 100	-6 098	10 633
1991						
Jan.	13 191	6 724	6 467	9 165	-5 260	10 372
Feb.	12 545	7 871	4 673	9 413	-3 028	11 058
March	13 919	12 231	1 688	3 336	-2 593	2 431
April	14 088	15 045	-957	6 496	-1 568	3 971
May	15 130	25 075	-9 945	6 181	663	-3 101
June	16 144	23 123	-6 980	8 500	3 159	4 679
July	16 228	20 422	-4 194	5 350	3 257	4 413

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	
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
1990	142	24 056	24 198	790	1 924	23 406	26 120	-1 922
1990								
Aug.	35	19 648	19 683	615	40	22 657	23 312	-3 629
Sept.	18	18 165	18 184	584	17	21 939	22 539	-4 356
Oct.	14	15 893	15 906	974	-	21 378	22 352	-6 445
Nov.	167	13 511	13 678	327	-	20 843	21 170	-7 492
Dec.	188	10 310	10 499	698	-	18 981	19 679	-9 181
1991								
Jan.	36	7 764	7 800	816	546	17 395	18 757	-10 957
Feb.	128	7 368	7 496	420	1 260	17 160	18 840	-11 344
March	474	9 094	9 568	535	3 253	15 690	19 477	-9 909
April	49	12 235	12 284	999	3 288	15 743	20 030	-7 746
May	148	11 837	11 985	1 319	2 504	15 808	19 631	-7 645
June	535	15 926	16 461	2 332	2 469	14 646	19 447	-2 986
July	34	10 038	10 073	1 132	1 856	14 142	17 130	-7 057
Aug.	24	10 002	10 026	865	683	13 492	15 040	-5 014

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
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
1990	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50	7.9	.
1990										
Aug.	8.76	12.03	12.51	12.94	13.52	15.00	4.00	8.50	8.0	.
Sept.	9.62	12.59	13.09	13.46	13.93	15.00	4.00	8.50	8.0	.
Oct.	12.48	13.97	14.41	14.57	14.72	15.00	4.00	8.50	8.0	.
Nov.	15.19	14.48	14.53	14.40	14.38	15.00	4.00	8.50	7.8	.
Dec.	15.55	14.40	14.30	14.08	14.02	15.00	4.00	8.50	7.0	.
1991										
Jan.	15.10	14.55	14.21	13.96	13.78	15.00	4.00	8.50	6.7	.
Feb.	14.91	14.48	14.02	13.66	13.36	15.00	4.00	8.50	6.2	.
March	18.90	15.66	14.72	14.10	13.64	15.00	4.00	8.50	6.2	.
April	16.33	14.69	13.97	13.52	13.28	15.00	4.00	8.50	6.2	.
May	13.12	12.25	11.98	11.94	11.95	15.00	4.00	8.50	5.8	.
June	13.45	11.29	11.25	11.41	11.56	15.00	4.00	8.50	5.5	.
July	9.48	10.09	10.69	11.19	11.52	15.00	4.00	8.50	5.2	.
Aug.	10.20	10.62	11.09	11.28	11.50	15.00	4.00	8.50	4.9	.

3.2 WEIGHTED EURORATES AND COMMERCIAL ECU INTEREST RATE, PER CENT

Average of daily observations	ECU	3 currencies	14 currencies	Commercial ECU
	1	2	3	4
1986	7.7	5.9	..	..
1987	7.0	5.6	8.0	7.1
1988	6.9	6.0	8.0	7.0
1989	9.3	8.4	9.8	9.3
1990	10.5	9.1	10.9	10.4
1990				
Aug.	10.5	9.0	10.7	10.2
Sept.	10.4	9.0	10.8	10.0
Oct.	10.2	9.0	10.9	9.9
Nov.	10.4	9.2	11.1	10.0
Dec.	10.8	9.4	11.2	10.4
1991				
Jan.	10.8	9.2	11.0	10.5
Feb.	10.5	8.8	10.4	9.8
March	10.2	8.7	10.2	9.5
April	10.1	8.6	10.1	9.4
May	9.9	8.4	9.8	9.7
June	9.9	8.4	9.6	10.1
July	10.0	8.5	9.6	10.0
Aug.	10.0	8.4	9.6	9.9

3.3 COVERED EURODOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
1986	12.0	11.7	11.5	11.1
1987	9.8	9.9	9.9	10.1
1988	9.5	9.8	9.9	10.2
1989	11.8	12.1	12.1	12.1
1990	13.2	13.7	13.9	14.1
1990				
Aug.	11.9	12.4	12.8	13.4
Sept.	12.4	13.1	13.3	13.7
Oct.	13.8	14.3	14.4	14.5
Nov.	14.3	14.4	14.2	14.1
Dec.	14.1	14.0	13.8	13.7
1991				
Jan.	14.1	14.1	13.7	13.6
Feb.	14.2	13.9	13.4	13.1
March	15.3	14.5	13.8	13.3
April	14.5	13.8	13.3	13.0
May	12.1	11.9	11.9	11.8
June	11.7	11.7	11.5	11.6
July	10.3	11.0	11.4	11.6
Aug.	11.1	10.9	11.3	11.5

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

Average for period	Lending					Markka deposits and other markka funding					
	New credits			Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits ¹	Other tax-exempt deposits, max. rate of interest ¹	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding	
	Cheque account and postal giro credits	Bills of exchange	Loans								New lending, total
	1	2	3	4	5	6	7	8	9	10	11
1986	10.89	12.30	9.76	10.64	9.03	9.07	7.00	2.75	4.66	11.84	5.35
1987	10.50	12.31	10.01	10.62	8.99	8.91	7.00	2.75	4.47	10.13	5.29
1988	10.22	12.27	10.50	10.72	9.88	9.74	8.00	3.75	5.24	9.80	6.20
1989	12.97	13.47	11.58	12.07	10.56	10.40	7.50	4.50	5.67	11.92	7.37
1990	13.24	15.62	13.33	13.85	11.84	11.61	7.50	4.50	6.43	13.55	8.41
1990											
July	12.73	15.43	13.35	13.84	11.60	11.30	7.50	4.50	6.39	12.94	8.22
Aug.	11.33	15.39	13.24	13.46	11.63	11.34	7.50	4.50	6.42	12.78	8.22
Sept.	12.05	15.51	13.50	13.73	11.70	11.39	7.50	4.50	6.44	12.82	8.28
Oct.	14.78	15.86	13.71	14.36	11.91	11.69	7.50	4.50	6.48	12.92	8.32
Nov.	14.38	15.99	14.11	14.57	12.02	11.79	7.50	4.50	6.52	13.60	8.53
Dec.	14.47	15.94	13.29	13.94	12.14	11.94	7.50	4.50	6.30	13.84	8.31
1991											
Jan.	15.00	16.40	13.39	14.11	12.18	11.97	7.50	4.50	7.20	13.91	9.04
Feb.	15.45	16.36	14.01	14.69	12.18	11.96	7.50	4.50	7.23	13.83	9.06
March	14.99	16.45	14.44	14.91	12.31	12.16	7.50	4.50	7.29	15.07	9.62
April	15.85	16.45	14.17	14.80	12.25	11.99	7.50	4.50	7.29	13.93	9.26
May	15.50	15.05	13.37	13.85	12.20	11.96	7.50	4.50	7.14	13.25	9.03
June	13.98	15.55	13.02	13.54	11.91	11.56	7.50	4.50	7.05	12.35	8.61
July	12.00	15.54	12.80	13.19	11.67	11.28	7.50	4.50	6.79	11.69	8.21

¹End of period.

3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market yields							Offer yield on taxable public issues
	Reference rates calculated by the Bank of Finland		Taxable government bonds	Taxable public issues	Issued by:		Taxfree public issues	
	3 years	5 years			Financial institutions	Corporations		
	1	2	3	4	5	6	7	8
1986	..	..	.	11.7	..	..	8.3	11.3
1987	..	..	.	11.2	11.1	11.2	8.1	10.7
1988	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4
1989	12.2	12.0	12.1	11.9	12.0	12.0	8.1	11.7
1990	13.7	13.5	13.2	13.3	13.3	13.2	9.2	13.0
1990								
July	13.8	13.7	13.4	13.3	13.5	13.1	9.0	13.2
Aug.	13.7	13.7	13.4	13.3	13.5	13.1	9.1	13.1
Sept.	13.7	13.6	13.5	13.3	13.4	13.1	9.2	13.0
Oct.	14.0	13.9	13.7	13.7	13.5	14.0	9.5	13.5
Nov.	13.9	13.8	13.7	13.4	13.3	13.5	10.0	13.6
Dec.	13.5	13.4	13.3	13.2	13.2	12.9	10.7	13.3
1991								
Jan.	13.2	13.2	13.0	13.4	13.3	13.2	10.6	13.1
Feb.	13.0	13.0	12.6	13.3	13.4	13.4	10.6	12.7
March	13.0	12.9	12.5	13.2	13.1	13.8	10.4	12.4
April	12.7	12.5	12.2	13.0	11.8	14.1	10.3	12.1
May	11.9	11.8	11.5	12.4	12.1	12.5	10.2	11.2
June	11.5	11.5	11.1	11.7	11.5	12.7	10.1	11.1
July	11.8	11.7	11.2	12.4	12.2	12.6	10.0	10.8

4. RATES OF EXCHANGE

4.1 AVERAGE SPOT SELLING RATES, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oslo	Copenhagen	Frankfurt a.M.	Amsterdam	Brussels	Zurich
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF
	1	2	3	4	5	6	7	8	9	10	11
1986	5.077	3.659	7.459	6.816	0.7138	0.6882	0.6290	2.3454	2.0789	0.11399	2.8349
1987	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	2.9563
1988	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	2.8700
1989	4.295	3.632	7.051	6.104	0.6673	0.6234	0.5886	2.2879	2.0281	0.10925	2.6306
1990	3.831	3.287	6.827	6.347	0.6479	0.6130	0.6197	2.3721	2.1053	0.11480	2.7635
1990											
Aug.	3.710	3.245	7.061	6.346	0.6431	0.6106	0.6182	2.3628	2.0973	0.11495	2.8338
Sept.	3.715	3.212	6.993	6.358	0.6451	0.6125	0.6200	2.3667	2.1000	0.11514	2.8450
Oct.	3.627	3.133	7.060	6.386	0.6434	0.6135	0.6235	2.3785	2.1100	0.11559	2.8302
Nov.	3.569	3.072	7.015	6.433	0.6420	0.6155	0.6264	2.4006	2.1285	0.11645	2.8394
Dec.	3.611	3.117	6.974	6.449	0.6438	0.6177	0.6284	2.4197	2.1451	0.11699	2.8293
1991											
Jan.	3.650	3.162	7.064	6.457	0.6481	0.6188	0.6281	2.4171	2.1440	0.11737	2.8693
Feb.	3.597	3.119	7.082	6.478	0.6508	0.6224	0.6324	2.4324	2.1583	0.11821	2.8434
March	3.835	3.319	7.035	6.398	0.6535	0.6152	0.6248	2.3990	2.1284	0.11651	2.7770
April	4.001	3.473	7.007	6.292	0.6547	0.6051	0.6141	2.3506	2.0858	0.11431	2.7796
May	4.047	3.525	6.992	6.320	0.6587	0.6061	0.6164	2.3578	2.0922	0.11469	2.7824
June	4.228	3.699	6.983	6.355	0.6592	0.6088	0.6163	2.3737	2.1072	0.11539	2.7662
July	4.298	3.745	7.087	6.434	0.6647	0.6169	0.6217	2.4030	2.1332	0.11679	2.7733
Aug.	4.245	3.710	7.148	6.509	0.6705	0.6232	0.6292	2.4323	2.1582	0.11820	2.7906

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Athens	Tokyo	Melbourne	ECU Commercial	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 JPY	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22
1986	0.7355	0.00343	0.3339	0.0343	0.1259	0.0364	..	0.03028	..	..	5.94432
1987	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	..	0.03050	3.106	5.075	5.68010
1988	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	..	0.03273	3.309	4.954	5.61826
1989	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	..	0.03122	3.423	4.731	5.49375
1990	0.7054	0.00321	0.3374	0.0271	0.0681	0.0377	..	0.02654	3.011	4.875	5.18345
1990											
Aug.	0.7057	0.00322	0.3361	0.0270	0.0677	0.0384	..	0.02519	3.020	4.899	5.09787
Sept.	0.7081	0.00318	0.3367	0.0270	0.0680	0.0378	..	0.02681	3.083	4.898	5.15451
Oct.	0.7117	0.00319	0.3384	0.0272	0.0681	0.0380	..	0.02794	2.933	4.919	5.16932
Nov.	0.7146	0.00321	0.3416	0.0275	0.0680	0.0381	..	0.02770	2.782	4.949	5.14440
Dec.	0.7142	0.00322	0.3443	0.0276	0.0681	0.0381	..	0.02706	2.799	4.963	5.14894
1991											
Jan.	0.7131	0.00323	0.3438	0.0274	0.0685	0.0385	..	0.02729	2.863	4.981	5.18185
Feb.	0.7162	0.00325	0.3461	0.0279	0.0686	0.0390	..	0.02761	2.840	5.002	5.17020
March	0.7063	0.00323	0.3412	0.0278	0.0691	0.0387	..	0.02802	2.980	4.927	5.29584
April	0.6969	0.00318	0.3342	0.0273	0.0692	0.0382	..	0.02921	3.138	4.844	5.39487
May	0.6969	0.00319	0.3354	0.0273	0.0694	0.0382	..	0.02932	3.151	4.847	5.42606
June	0.7013	0.00321	0.3376	0.0273	0.0702	0.0382	0.0230	0.03024	3.231	4.879	5.56841
July	0.7095	0.00324	0.3417	0.0281	0.0711	0.0385	0.0230	0.03117	3.331	4.938	5.66884
Aug.	0.7172	0.00327	0.3460	0.0286	0.0715	0.0391	0.0230	0.03103	3.338	4.992	5.65829

4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

Average of daily observations	Markka value of the ECU		Currency indices, 1982=100		
	FIM/ECU	FIM/ECU Index, midpoint=100	Bank of Finland's trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4	5
1986	4.99433	102.4	103.9	106.3	110.4
1987	5.08273	104.2	103.3	103.2	106.1
1988	4.96108	101.7	102.0	101.1	104.7
1989	4.73670	97.1	98.4	98.4	102.8
1990	4.85697	99.6	97.3	96.1	97.3
1990					
Aug.	4.87577	100.0	97.0	95.5	95.7
Sept.	4.86797	99.8	97.3	95.6	96.6
Oct.	4.89268	100.3	97.7	95.4	96.6
Nov.	4.91748	100.9	97.7	95.3	96.2
Dec.	4.93315	101.2	97.9	95.7	96.4
1991					
Jan.	4.94224	101.4	98.4	96.3	97.0
Feb.	4.97232	102.0	98.8	96.3	97.0
March	4.91308	100.8	98.7	97.2	98.8
April	4.83628	99.2	98.4	97.4	100.2
May	4.84342	99.3	98.7	97.9	100.8
June	4.86741	99.8	99.6	99.2	103.0
July	4.92615	101.0	100.8	100.5	104.6
Aug.	4.98131	102.2	101.6	101.0	104.7

5. OTHER DOMESTIC FINANCING

5.1 BANK DEPOSITS BY THE PUBLIC, MILL. FIM

End of period	Demand deposits	Time deposits	Investment accounts	Markka deposits, total (1+2+3)	Foreign currency deposits	Unregulated deposits	Total deposits (4+5+6)
	1	2	3	4	5	6	7
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
1989*	28 503	201 392	10 176	240 071	7 133	75 522	322 725
1990*	30 369	207 586	14 103	252 058	6 787	57 732	316 578
1990*							
Feb.	33 833	201 002	10 645	245 480	10 439	S	S
March	29 236	205 151	10 687	245 073	9 300	73 595	327 968
April	29 354	205 732	11 005	246 091	7 571	72 984	326 646
May	29 857	205 719	11 293	246 869	8 793	73 082	328 744
June	30 140	208 628	11 214	249 982	8 435	71 385	329 803
July	29 209	207 022	11 440	247 671	8 356	69 537	325 564
Aug.	27 561	206 562	11 729	245 852	7 373	70 060	323 285
Sept.	26 962	206 521	12 119	245 603	7 217	71 367	324 187
Oct.	28 016	204 589	12 731	245 336	8 027	69 496	322 859
Nov.	27 816	203 494	13 518	244 828	7 885	69 584	322 297
Dec.	30 369	207 586	14 103	252 058	6 787	57 732	316 578
1991*							
Jan.	27 360	190 243	30 771	248 374	7 318	60 707	316 399
Feb.	26 537	190 939	31 762	249 237	8 376	61 389	319 002

5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
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
1989*	15 270	5 651	255 410	276 331	71 323	347 654
1990*	19 152	5 777	260 790	285 720	102 595	388 314
1990*						
May	17 429	5 809	252 263	275 501	90 326	365 827
June	17 659	5 887	258 422	281 968	93 398	375 366
July	17 458	5 842	258 684	281 984	94 753	376 737
Aug.	18 440	5 886	260 023	284 349	96 478	380 827
Sept.	19 260	5 863	263 147	288 270	98 093	386 363
Oct.	16 655	5 735	262 920	285 310	98 118	383 428
Nov.	19 156	5 724	262 268	287 148	100 547	387 695
Dec.	19 152	5 777	260 790	285 720	102 595	388 314
1991*						
Jan.	18 897	5 549	259 464	283 910	104 010	387 920
Feb.	18 653	5 491	259 415	283 559	104 379	387 938
March	18 428	5 410	259 616	283 454	105 093	388 546
April	18 292	5 416	259 028	282 735	103 798	386 533
May	17 798	5 271	259 334	282 404	105 448	387 852

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)	M ₃
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
1986	-16 784	-13 884	237 514	223 630	-37 751	96 874	169 095	170 076
1987	-25 484	-14 977	277 068	262 090	-45 769	105 829	190 837	206 175
1988	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
1989*	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
1990*	-82 881	-16 430	448 864	432 434	-83 171	141 524	266 383	291 045
1990*								
May	-67 965	-15 224	436 690	421 466	-94 848	126 524	258 653	291 815
June	-70 350	-15 351	441 042	425 691	-93 296	130 169	262 044	293 491
July	-70 011	-17 320	442 342	425 022	-95 841	127 416	259 171	291 732
Aug.	-73 077	-17 034	445 492	428 458	-97 511	126 332	257 870	291 948
Sept.	-76 042	-16 415	450 006	433 591	-99 650	128 399	257 900	293 609
Oct.	-76 332	-15 648	449 765	434 117	-100 348	127 713	257 436	291 707
Nov.	-80 013	-16 483	452 668	436 185	-98 428	128 127	257 744	291 414
Dec.	-82 881	-16 430	448 864	432 434	-83 171	141 524	266 383	291 045
1991*								
Jan.	-83 269	-15 277	452 783	437 506	-93 098	122 453	261 139	289 898
Feb.	-86 676	-11 209	453 646	442 437	-94 339	121 053	261 423	288 823
March	-81 750	-10 376	454 073	443 697	-98 541	121 271	263 406	294 244
April	-81 026	-9 236	451 259	442 023	-99 964	119 229	261 033	290 233
May	-81 899	-9 355	452 563	443 209	-94 906	124 190	266 403	297 849

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
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	45 356	21 248
1990	20 917	732	3 144	24 793	23 982	8 263	—	32 245	57 038	49 094	23 114
1990											
July	18 482	499	3 185	22 166	22 061	5 182	—	27 243	49 409	48 007	19 082
Aug.	18 515	501	3 180	22 196	21 978	5 182	120	27 280	49 476	48 222	18 948
Sept.	18 590	502	3 190	22 282	22 126	5 182	300	27 608	49 890	48 158	18 903
Oct.	19 325	330	3 181	22 836	22 404	5 182	—	27 586	50 422	48 689	18 034
Nov.	19 832	330	3 183	23 345	23 363	5 182	—	28 545	51 890	48 725	19 035
Dec.	20 917	732	3 144	24 793	23 982	8 263	—	32 245	57 038	49 094	23 114
1991											
Jan.	21 876	1 290	2 978	26 144	23 483	8 261	285	32 029	58 173	46 054	26 381
Feb.	21 486	1 697	2 941	26 124	24 102	8 261	825	33 188	59 312	46 651	18 467
March	25 405	1 736	2 910	30 051	24 769	8 256	925	33 950	64 001	47 450	20 871
April	24 784	1 759	2 675	29 218	25 082	7 783	1 725	34 590	63 808	48 470	24 167
May	25 174	1 779	2 711	29 664	25 994	7 608	2 125	35 727	65 391	48 864	19 794
June	24 909	1 828	2 669	29 406	26 754	7 608	2 330	36 692	66 098	49 374	17 306
July	25 760	1 813	2 689	30 262	27 122	9 008	2 330	38 460	68 722	..	17 215

5.5 MARKKA BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4 = 6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
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	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
1990*	4 640	17 917	4 420	490	1 007	17 260	607	10 607	28 473
1990*									
July	200	542	—	—	150	562	—	330	892
Aug.	431	1 413	270	—	200	1 843	—	471	2 315
Sept.	44	1 810	150	—	—	1 645	250	109	2 004
Oct.	842	485	2 312	—	—	2 772	—	867	3 639
Nov.	64	1 215	165	—	—	435	—	1 009	1 444
Dec.	836	3 857	150	150	—	3 007	—	1 986	4 993
1991*									
Jan.	1 054	3 489	2 000	—	—	4 787	—	1 756	6 543
Feb.	352	892	—	—	—	842	—	402	1 244
March	271	1 015	500	29	—	1 267	—	548	1 815
April	161	2 040	1 800	—	—	3 070	—	931	4 002
May	815	2 276	1 475	50	—	3 734	—	882	4 615
June	880	3 537	—	315	—	2 685	—	2 047	4 732
July	1 592	2 113	—	—	—	1 521	—	2 184	3 705

B) STOCK, MILL. FIM

End of period	By sector					By type of loan			Total (1+2+3+4 = 6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
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	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
1989	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
1990*	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
1990*									
II	22 072	53 719	27 433	1 803	954	43 651	24 544	37 786	105 981
III	22 386	56 266	26 997	1 691	1 303	47 058	23 623	37 962	108 643
IV	23 522	<u>59 756</u>	28 812	1 756	<u>1 298</u>	52 273	22 970	39 902	115 145
1991*									
I	24 169	62 451	29 594	1 466	4 006	58 366	20 638	42 680	121 684
II	23 269	67 588	30 932	1 760	4 395	63 588	19 971	44 384	127 943

5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices										Turnover ² , mill. FIM					
	HEX index (Dec. 28, 1990 = 1000)										Unitas index ¹ , 1975=100			Shares and subscription rights	Bonds and debentures	Total
	All-share index	By ownership			By industry						All-share index	Banks	Industry			
		Re-restricted	Non-restricted	Banks and finance	Insurance and investment	Manufacturing	Of which									
							Forest industries	Metal and engineering	Conglomerates							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1986	..	..	..	..	..	..	..	..	..	350	254	357	9 488	6 479	15 968
1987	1 284	1 264	1 385	1 449	1 054	1 285	1 421	1 342	1 369	546	319	603	26 641	4 604	31 245	
1988	1 692	1 727	1 473	1 825	1 371	1 705	1 591	1 629	2 013	677	404	734	31 734	5 718	37 452	
1989	1 827	1 850	1 689	1 958	1 528	1 818	1 728	1 748	2 061	742	441	793	33 160	7 375	40 536	
1990	1 332	1 324	1 395	1 263	1 185	1 376	1 436	1 282	1 474	536	283	595	15 521	4 550	20 071	
1990																
Aug.	1 313	1 308	1 358	1 238	1 161	1 372	1 385	1 306	1 487	532	280	594	870	145	1 015	
Sept.	1 162	1 160	1 180	1 073	1 086	1 196	1 211	1 170	1 252	468	241	520	544	172	716	
Oct.	1 042	1 043	1 032	1 037	988	1 043	1 090	1 023	1 049	417	233	455	680	427	1 107	
Nov.	1 026	1 025	1 033	1 030	958	1 031	1 060	1 034	1 025	410	230	449	1 727	233	1 960	
Dec.	1 012	1 009	1 030	1 003	977	1 019	1 018	1 025	1 031	404	223	444	1 058	810	1 869	
1991																
Jan.	910	905	945	929	908	901	951	928	872	357	203	387	498	310	808	
Feb.	951	940	1 025	959	930	955	1 032	1 028	941	377	210	412	535	204	739	
March	1 092	1 077	1 198	1 075	971	1 135	1 235	1 241	1 150	.	.	.	953	141	1 094	
April	1 138	1 123	1 243	1 060	993	1 210	1 279	1 263	1 273	.	.	.	607	117	724	
May	1 071	1 051	1 210	1 001	1 000	1 123	1 169	1 171	1 179	.	.	.	692	62	754	
June	1 031	1 010	1 184	977	963	1 076	1 089	1 128	1 139	.	.	.	710	111	821	
July	983	971	1 076	912	942	1 023	1 032	1 094	1 076	.	.	.	307	51	358	
Aug.	986	971	1 095	915	950	1 025	1 049	1 098	1 073	.	.	.	324	58	382	

¹ The calculation of the Unitas index was discontinued as from March 1991.

² During period.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, c.i.f.	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1986	81 066	5 757	3 195	5 616	14 568	95 634	4 808	3 609	104 050	76 736	2 160	5 587	5 415
1987	83 826	6 387	3 736	6 099	16 222	100 048	6 162	3 231	109 441	81 867	2 610	6 811	6 488
1988	91 313	7 026	4 280	6 132	17 438	108 750	9 377	4 415	122 543	91 232	3 338	7 907	7 390
1989	98 265	7 662	4 497	6 277	18 436	116 701	10 212	3 652	130 565	104 400	3 869	8 969	8 759
1990*	99 750	8 049	4 622	6 116	18 787	118 537	12 444	4 453	135 434	101 953	4 132	10 757	9 475
1989													
I	24 944	1 853	869	1 322	4 044	28 988	1 949	851	31 788	24 292	820	1 922	2 170
II	23 370	1 948	1 078	1 376	4 401	27 771	2 684	930	31 385	24 762	947	2 170	2 234
III	22 534	1 982	1 421	1 466	4 869	27 403	2 368	927	30 698	25 637	1 022	2 431	2 070
IV	27 418	1 879	1 129	2 114	5 122	32 540	3 211	944	36 694	29 708	1 080	2 446	2 285
1990*													
I	24 356	1 939	794	1 617	4 349	28 705	3 117	1 083	32 905	24 728	827	2 512	2 230
II	26 481	2 045	1 070	1 534	4 649	31 130	3 225	1 142	35 497	27 403	1 001	2 579	2 215
III	22 902	2 079	1 597	1 358	5 034	27 936	2 533	1 104	31 574	23 059	1 129	2 907	2 128
IV	26 011	1 986	1 161	1 608	4 755	30 766	3 569	1 123	35 459	26 762	1 175	2 759	2 902
1991*													
I	22 000	1 896	933	1 665	4 494	26 494	3 911	1 116	31 521	22 083	854	2 612	2 745
II	21 268	1 994	1 264	1 502	4 760	26 028	3 192	1 199	30 420	20 975	983	2 593	2 587

During period	Services expenditure, total (11+12 services +13)	Imports of goods and services (10+14)	Investment expenditure	Transfers and other expenditure	Current account expenditure (15+16 +17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21 +22)	Goods and services account (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account net (24+25 +26) = (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1986	13 162	89 898	11 814	5 964	107 675	4 329	3 597	-2 392	201	1 406	5 735	-7 006	-2 355	-3 625
1987	15 909	97 775	13 356	5 860	116 990	1 960	3 778	-3 075	-390	313	2 273	-7 194	-2 629	-7 550
1988	18 634	109 866	17 033	6 975	133 874	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 656	-2 560	-11 331
1989	21 596	125 996	21 882	7 561	155 439	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-11 670	-3 910	-24 874
1990*	24 364	126 317	27 078	8 973	162 368	-2 203	3 917	-6 135	-3 359	-5 577	-7 780	-14 633	-4 521	-25 934
1989														
I	4 911	29 203	4 364	2 120	35 687	652	1 034	-1 053	-848	-867	-215	-2 415	-1 269	-3 899
II	5 351	30 114	5 887	1 884	37 885	-1 393	1 001	-1 092	-858	-950	-2 343	-3 203	-954	-6 500
III	5 522	31 160	5 332	1 730	38 222	-3 103	960	-1 010	-604	-654	-3 757	-2 964	-804	-7 524
IV	5 811	35 519	6 299	1 827	43 645	-2 291	799	-1 316	-171	-689	-2 980	-3 088	-883	-6 951
1990*														
I	5 569	30 298	6 263	2 166	38 726	-373	1 112	-1 719	-614	-1 220	-1 593	-3 146	-1 083	-5 822
II	5 795	33 198	7 247	2 378	42 823	-921	1 044	-1 509	-681	-1 146	-2 068	-4 022	-1 236	-7 326
III	6 164	29 224	6 460	2 135	37 818	-157	950	-1 310	-770	-1 130	-1 287	-3 926	-1 031	-6 245
IV	6 836	33 598	7 108	2 294	43 000	-751	812	-1 597	-1 295	-2 080	-2 832	-3 539	-1 171	-7 541
1991*														
I	6 210	28 293	7 688	2 928	38 909	-83	1 042	-1 678	-1 080	-1 716	-1 799	-3 776	-1 812	-7 388
II	6 162	27 137	7 738	2 177	37 052	293	1 012	-1 329	-1 085	-1 402	-1 108	-4 545	-979	-6 632

6.2 CAPITAL ACCOUNT¹, MILL. FIM

During period	Imports of long-term capital					Exports of long-term capital					Long-term capital account (5-10)	Basic balance
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)		
	1	2	3	4	5	6	7	8	9	10	11	12
1986	1 722	9 301	-3 265	87	7 845	4 109	2 320	2 388	266	9 083	-1 238	-4 863
1987	1 165	9 319	1 370	91	11 945	5 015	2 285	4 927	272	12 499	-554	-8 104
1988	2 218	14 457	2 960	85	19 720	10 919	1 248	4 249	292	16 708	3 013	-8 319
1989	2 095	14 756	8 608	79	25 538	13 327	180	4 747	273	18 527	7 011	-17 863
1990*	3 147	22 656	19 674	169	45 646	11 559	546	1 807	294	14 206	31 440	4 506
1989												
I	30	7 696	728	42	8 496	3 575	-381	2 142	159	5 495	3 001	-898
II	372	1 415	1 076	-22	2 841	1 990	413	1 254	0	3 657	-816	-7 316
III	681	2 841	1 481	-16	4 987	3 626	338	935	12	4 911	76	-7 448
IV	1 012	2 804	5 323	75	9 214	4 136	-190	416	102	4 464	4 750	-2 201
1990*												
I	467	6 788	12 238	126	19 619	2 025	302	807	156	3 290	16 329	10 507
II	502	2 836	1 657	-34	4 961	2 712	-425	395	0	2 682	2 279	-5 047
III	119	6 702	2 518	-26	9 313	2 505	284	195	10	2 994	6 319	74
IV	2 059	6 330	3 261	103	11 753	4 316	385	410	128	5 239	6 514	-1 027
1991*												
I	937	6 384	3 589	-108	10 802	2 497	-178	-68	185	2 436	8 365	978
II	244	11 003	3 754	450	15 451	1 813	-886	550	-67	1 410	14 041	7 409

During period	Imports of short-term capital				Exports of short-term capital				Errors and omissions	Short-term capital account (16-20+21)	Overall balance excl. reserve movements (12+22)	Change in central bank's foreign exchange reserves
	Short-term capital imports of authorized banks	Trade credits	Other short-term capital	Total (13+14+15)	Short-term capital exports of authorized banks	Trade credits	Other short-term capital	Total (17+18+19)				
	13	14	15	16	17	18	19	20	21	22	23	24
1986	6 019	-3 796	514	2 736	7 181	-92	955	8 043	2 240	-3 068	-7 930	7 930
1987	19 324	-665	3 835	22 494	-9 346	-183	1 268	-8 261	-6 915	23 839	15 736	-15 736
1988	10 950	-399	-811	9 740	1 754	644	1 995	4 393	3 155	8 501	183	-183
1989	4 285	1 627	3 679	9 592	1 873	475	710	3 058	5 368	11 902	-5 961	5 961
1990*	12 352	1 471	-1 822	12 000	-4 318	-864	814	-4 368	-5 783	10 585	15 092	-15 092
1989												
I	5 699	-287	1 686	7 098	6 536	214	25	6 774	2 395	2 718	1 820	-1 820
II	10 783	-2 108	1 604	10 280	3 808	214	1 036	5 058	920	6 141	-1 174	1 174
III	4 047	1 107	537	5 690	3 860	24	264	4 148	2 919	4 462	-2 987	2 987
IV	-16 243	2 915	-148	-13 476	-12 331	24	-615	-12 922	-865	-1 419	-3 620	3 620
1990*												
I	19 514	735	956	21 205	10 570	-593	1 575	11 552	-9 313	340	10 847	-10 847
II	9 095	793	-1 742	8 146	5 078	-593	-103	4 382	2 058	5 821	774	-774
III	-2 325	-351	517	-2 158	-3 743	-58	238	-3 563	580	1 985	2 059	-2 059
IV	-13 932	293	-1 554	-15 192	-16 223	379	-896	-16 740	892	2 440	1 412	-1 412
1991*												
I	19 560	-596	2 304	21 268	22 366	-164	3 996	26 199	851	-4 080	-3 102	3 102
II	-11 852	-753	-486	-13 092	525	-1 258	2 353	1 620	5 082	-9 630	-2 221	2 221

¹ Capital account data are based on surveys as from the beginning of 1991. The resulting figures conform more closely to the IMF's recommendations.

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

End of period	Long-term liabilities					Long-term assets					Long-term debt, net (5-10)
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1986	8 056	48 039	30 283	739	87 117	11 590	4 690	9 441	1 920	27 641	59 476
1987	10 339	54 317	30 379	830	95 865	17 892	6 975	13 638	2 192	40 697	55 168
1988	12 673	68 957	33 117	915	115 662	24 199	8 223	18 002	2 484	52 908	62 754
1989	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
1990*	19 000	96 543	54 914	6 181	176 639	44 047	7 560	26 289	5 454	83 350	93 288
1989											
I	13 186	75 798	33 132	957	123 073	26 702	7 798	20 067	2 643	57 210	65 863
II	14 041	77 417	34 118	935	126 511	27 619	8 287	21 469	2 643	60 018	66 494
III	15 205	79 950	35 418	919	131 492	30 172	8 392	22 317	2 655	63 536	67 956
IV	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
1990*											
I	16 950	85 070	50 790	1 120	153 930	35 073	8 113	23 149	2 913	69 248	84 682
II	17 242	85 823	52 247	1 086	156 398	37 599	7 715	23 501	2 913	71 728	84 670
III	17 151	89 500	54 362	1 060	162 073	39 918	7 631	23 553	2 923	74 025	88 048
IV	19 000	96 543	54 914	6 181	176 639	44 047	7 560	26 289	5 454	83 350	93 288
1991*											
I	19 937	107 002	59 590	6 008	192 537	46 544	7 591	26 766	5 833	86 735	105 802
II	20 181	118 059	65 255	6 536	210 031	48 357	6 855	28 336	5 974	89 522	120 509

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+22)	Net investment expenditure	Net investment expenditure in relation to current account receipts
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits	Other short-term liabilities	Total (12+13+14+15)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits	Other short-term assets	Total (17+18+19+20)				
	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1986	3 455	56 881	12 135	5 999	78 469	16 613	43 389	15 580	3 700	79 282	-813	58 663	7 006	6.7
1987	3 362	73 132	11 470	9 691	97 654	31 134	34 043	15 397	2 663	83 238	14 417	69 585	7 194	6.6
1988	3 341	83 828	11 070	9 039	107 278	32 037	35 797	16 041	4 789	88 664	18 614	81 367	7 656	6.2
1989	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	11 670	8.9
1990*	3 922	95 294	13 922	13 739	126 877	39 506	31 626	14 827	6 698	92 657	34 220	127 508	14 633	10.8
1989														
I	3 278	90 535	10 783	10 671	115 267	33 376	42 333	16 255	4 793	96 756	18 511	84 374	2 415	7.6
II	3 136	100 345	8 676	12 438	124 595	32 142	46 141	16 468	5 965	100 716	23 879	90 372	3 203	10.2
III	3 919	104 777	9 783	12 965	131 443	29 839	50 001	16 492	6 212	102 544	28 899	96 855	2 964	9.7
IV	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	3 088	8.4
1990*														
I	4 036	108 663	13 432	13 808	139 940	35 895	48 239	15 924	7 218	107 276	32 663	117 345	3 146	9.6
II	4 195	118 120	14 226	12 066	148 607	36 764	53 318	15 331	7 126	112 539	36 067	120 738	4 022	11.3
III	4 071	116 509	13 521	12 544	146 645	38 454	49 575	15 273	7 325	110 627	36 019	124 067	3 926	12.4
IV	3 922	95 294	13 922	13 739	126 877	39 506	31 626	14 827	6 698	92 657	34 220	127 508	3 539	10.0
1991*														
I	3 399	111 554	13 217	16 912	145 081	37 748	47 735	14 660	11 581	111 724	33 357	139 159	3 776	12.0
II	2 889	105 711	12 455	16 706	137 761	36 023	47 355	13 422	13 975	110 774	26 986	147 495	4 545	14.9

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

End of period	Long-term liabilities					Total (1+2+3+4+5)	Long-term assets					Long-term liabilities, net (6-12)	
	Corporate sector	Banks	Other financial institutions	Central government	Other		Corporate sector	Banks	Other financial institutions	Central government	Other		Total (7+8+9+10+11)
	1	2	3	4	5	6	7	8	9	10	11	12	13
1986	39 068	11 992	8 516	27 031	510	87 117	13 910	10 180	793	2 309	449	27 641	59 476
1987	39 522	17 365	9 777	28 691	509	95 865	19 493	14 509	3 403	2 653	639	40 697	55 168
1988	46 471	27 427	14 339	26 926	499	115 662	25 093	20 192	3 573	3 101	949	52 908	62 754
1989	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
1990*	69 668	59 007	22 301	24 976	687	176 639	45 892	28 856	2 074	4 481	2 047	83 350	93 288
1989													
I	47 855	32 799	15 871	26 033	515	123 073	28 466	20 772	3 592	3 299	1 081	57 210	65 863
II	49 629	34 075	18 050	24 257	500	126 511	29 563	22 107	3 807	3 329	1 212	60 018	66 494
III	52 901	36 375	17 942	23 783	491	131 492	31 816	23 317	3 695	3 374	1 334	63 536	67 956
IV	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
1990*													
I	63 968	47 491	19 388	22 478	604	153 930	36 277	25 170	2 388	3 699	1 714	69 248	84 682
II	63 527	50 028	20 615	21 588	636	156 398	38 357	25 664	2 118	3 734	1 855	71 728	84 670
III	63 332	54 380	21 038	22 647	673	162 073	39 968	26 562	1 763	3 772	1 960	74 025	88 048
IV	69 668	59 007	22 301	24 976	687	176 639	45 892	28 856	2 074	4 481	2 047	83 350	93 288
1991*													
I	74 224	60 251	25 769	31 556	737	192 537	48 663	28 841	2 129	4 851	2 252	86 735	105 802
II	80 137	68 050	29 951	31 185	708	210 031	50 899	28 936	2 106	5 220	2 362	89 522	120 509

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
1986	82 579	77 601	4 978
1987	85 516	82 807	2 709
1988	92 902	92 118	784
1989	99 782	105 516	-5 734
1990*	101 338	103 018	-1 680
1990*			
July	7 133	7 765	-632
Aug.	7 655	8 189	-534
Sept.	8 512	7 376	1 136
Oct.	8 986	10 115	-1 129
Nov.	8 960	8 381	579
Dec.	8 442	8 518	-76
1991*			
Jan.	7 685	7 501	184
Feb.	6 986	7 225	-239
March	7 698	7 571	127
April	8 730	7 867	863
May	7 684	7 187	497
June	5 299S	6 201S	-902
July	8 042	7 056	986

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
1986	116	110	135	121	111
1987	118	119	138	119	116
1988	121	130	145	122	119
1989	121	144	156	126	123
1990*	125	138	154	128	120
1990*					
1989					
I	123	132	156	128	122
II	116	136	155	126	123
III	112	141	155	126	124
IV	134	163	157	126	125
1990*					
I	122	134	153	128	120
II	132	151	154	126	122
III	114	124	155	129	120
IV	130	139	154	133	116
1991*					
I	110	117	154	131	118
II	107	112	153	130	118

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
								Investment goods	Consumer goods	
	1	2	3	4	5	6	7	8	9	10
1986	6 947	24 600	7 858	26 115	17 059	39 236	10 126	12 898	15 069	272
1987	7 470	27 058	7 770	26 230	16 988	41 174	9 406	14 138	17 477	612
1988	7 567	30 474	8 450	29 225	17 186	45 790	7 533	17 274	20 828	693
1989	7 418	32 513	8 843	32 682	18 326	51 786	8 311	20 605	24 056	758
1990*	7 810	31 673	9 541	35 494	16 820	49 194	9 836	19 368	23 891	729
1990*										
July	494	2 423	632	2 478	1 106	3 694	609	1 477	1 899	86
Aug.	514	2 765	824	2 304	1 248	3 905	815	1 503	1 942	24
Sept.	645	2 525	877	2 938	1 527	3 494	974	1 207	1 669	32
Oct.	693	2 871	854	3 008	1 560	4 604	1 747	1 569	2 181	14
Nov.	696	2 846	826	3 095	1 497	4 065	811	1 494	1 951	60
Dec.	594	2 447	746	3 365	1 290	3 821	1 239	1 682	1 715	61
1991*										
Jan.	597	2 394	894	2 409	1 391	3 535	781	1 292	1 811	82
Feb.	555	2 394	821	1 918	1 298	3 653	427	1 221	1 915	9
March	571	2 616	902	2 260	1 349	3 694	527	1 173	2 167	10
April	578	2 577	896	3 298	1 381	3 909	600	1 323	2 000	35
May	592	2 454	835	2 397	1 406	3 763	713	1 093	1 613	5
June	283	1 013	804	2 034	1 165	3 001	916	953	1 298	33
July	705	3 287	693	2 138	1 219	3 453	657	1 109	1 834	3

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1990*		1991* January-July		1990*		1991* January-July	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of 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	77 533	76.5	43 245	-4.9	82 355	79.9	40 342	-17.3
OECD Europe	68 001	67.1	37 943	-3.6	67 601	65.6	33 283	-16.5
Of which:								
Austria	1 117	1.1	684	7.6	1 401	1.4	622	-23.6
Belgium and Luxembourg	2 247	2.2	1 419	15.4	2 839	2.8	1 266	-25.9
Denmark	3 538	3.5	1 906	-8.1	3 369	3.3	1 765	-14.9
France	6 237	6.2	3 191	-17.0	4 427	4.3	2 177	-21.6
Federal Republic of Germany ¹	13 003	12.8	8 141	11.9	17 897	17.4	8 405	-23.1
Italy	3 227	3.2	1 897	-1.0	4 766	4.6	2 259	-24.9
Netherlands	4 347	4.3	2 581	1.1	3 276	3.2	1 738	-7.1
Norway	3 067	3.0	1 709	-3.4	3 512	3.4	2 193	23.6
Spain	2 210	2.2	1 390	9.7	1 159	1.1	610	-12.8
Sweden	14 456	14.3	7 215	-14.2	13 407	13.0	6 365	-20.7
Switzerland	1 806	1.8	1 030	-0.5	1 804	1.8	926	-10.2
United Kingdom	10 724	10.6	5 472	-14.7	7 822	7.6	3 592	-10.8
Other OECD	9 532	9.4	5 301	-13.2	14 754	14.3	7 059	-20.8
Of which:								
Canada	1 124	1.1	414	-45.0	810	0.8	305	-33.6
Japan	1 445	1.4	827	-0.8	6 628	6.4	3 232	-22.5
United States	5 898	5.8	3 497	-9.5	6 974	6.8	3 302	-19.0
Non-OECD European countries	13 888	13.7	3 537	-54.5	12 266	11.9	5 362	-24.7
Of which:								
Soviet Union	12 884	12.7	2 758	-60.9	10 202	9.9	4 332	-25.2
Other countries	9 917	9.8	5 343	-3.3	8 397	8.2	4 904	7.6
Of which:								
OPEC countries	1 727	1.7	1 026	7.4	935	0.9	861	106.5
TOTAL	101 338	100.0	52 124	-11.3	103 018	100.0	50 608	-16.3
Of which:								
EEC countries	47 078	46.5	27 065	-2.1	47 263	45.9	23 089	-18.6
EFTA countries	20 540	20.3	10 697	-10.1	20 195	19.6	10 133	-13.5

¹ Figures for unified Germany since October 1990; prior to then, the trade figures for the German Democratic Republic are included in those for the Federal Republic of Germany.

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
1986	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
1987	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
1988	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
1989*	218 775	77 117	95 178	11 234	14 057	416 361	107 551	128 834	395 078
1990*	219 847	80 531	88 428	12 658	13 343	414 807	109 434	127 509	396 732
1988									
IV	53 399	18 972	21 072	2 865	2 330	98 637	27 443	29 701	96 379
1989*									
I	54 136	19 114	21 807	2 754	3 169	100 980	27 829	31 752	97 058
II	54 635	19 201	23 934	2 675	2 090	102 535	25 766	30 087	98 214
III	54 915	19 323	24 502	2 839	4 031	105 611	26 511	32 771	99 350
IV	55 089	19 480	24 935	2 966	4 766	107 235	27 445	34 224	100 456
1990*									
I	55 048	19 885	24 060	3 098	3 400	105 491	27 294	32 982	99 802
II	55 442	20 057	22 141	3 384	4 304	105 327	28 902	33 977	100 252
III	55 003	20 219	21 249	3 077	2 493	102 041	27 136	30 042	99 135
IV	54 354	20 370	20 978	3 099	3 146	101 947	26 103	30 507	97 543
1991*									
I	53 131	20 091	20 877	3 023	2 882	100 003	25 754	30 276	95 482

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100

(seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.5)	(30.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
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	110.9	108.8	111.0	113.1	114.5	107.6	110.1
1989*	114.6	117.9	115.0	116.6	121.5	109.6	110.5
1990*	113.9	115.5	114.0	114.6	121.8	108.0	112.9
1990*							
June	116.7	127.8	117.3	121.1	125.7	107.9	110.5
July	112.5	89.5	113.5	114.3	120.0	108.2	113.0
Aug.	113.1	126.5	113.4	112.9	121.5	107.8	108.4
Sept.	112.4	118.2	112.3	112.9	120.3	106.6	111.4
Oct.	110.8	110.0	110.3	111.4	117.6	104.9	114.6
Nov.	110.7	104.7	110.0	110.5	117.8	104.4	115.1
Dec.	112.6	117.8	112.2	112.0	121.5	105.5	113.2
1991*							
Jan.	109.7	116.3	108.4	106.7	117.1	102.3	118.0
Feb.	107.0	107.0	104.7	104.6	110.7	99.7	124.9
March	107.7	107.0	106.6	107.4	113.6	100.3	118.0
April	105.1	96.9	103.8	107.0	108.8	99.1	120.1
May	104.0	85.4	102.7	106.7	109.4	95.6	123.3
June	98.3	73.5	97.8	90.9	100.7	96.5	113.6

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
1986	104.7	102.5	94.0	88.4	99.9	99.5	105.2	102.1
1987	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.9
1988	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.6
1989*	124.2	117.0	130.3	132.9	137.6	125.2	161.4	115.3
1990*	119.9	111.7	127.3	124.8	161.7	122.1	144.7	116.5
1990*								
May	124.3	113.6	..	..	..	..	..	118.0
June	119.0	112.0	..	..	..	..	..	116.6
July	121.7	113.5	..	..	..	..	..	117.3
Aug.	121.8	112.9	..	..	..	..	..	117.3
Sept.	116.2	107.9	..	..	..	..	..	116.3
Oct.	118.8	111.5	..	..	..	..	..	115.4
Nov.	111.2	109.9	..	..	..	..	..	114.5
Dec.	108.5	107.5	..	..	..	..	..	113.9
I	124.6	112.0	139.1	137.0	153.6	136.8	148.1	116.9
II	122.3	113.7	133.6	132.7	164.2	125.5	167.5	117.3
III	119.9	111.4	119.3	120.0	163.5	109.8	122.2	117.0
IV	112.8	109.6	117.3	109.4	165.4	115.0	145.2	114.6
1991*								
Jan.	112.7	102.9	..	..	..	..	..	114.1
Feb.	108.4	102.0	..	..	..	..	..	112.8
March	95.7	102.4	..	..	..	..	..	111.4
April	111.3	107.8	..	..	..	..	..	112.2
May	100.5	105.1	..	..	..	..	..	111.4
I	105.6	102.5	116.7	113.7	166.0	104.9	110.5	112.8

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	Import- ed goods		Export- ed goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
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
1988	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
1989¹	135.7	136.5	133.8	137.4	132.1	137.1	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
1990¹	147.9	148.6	146.6	149.8	144.7	148.4	127.3	110.9	115.7	93.6	110.0	110.4	109.9	134.5
1990¹														
July	..	..	..	..	..	..	127.5	110.5	115.8	91.2	110.1	110.6	109.8	135.3
Aug.	..	..	..	..	..	..	128.1	111.5	116.3	94.1	110.4	110.2	110.6	135.4
Sept.	..	..	..	..	..	..	128.8	112.3	116.6	96.5	110.7	110.4	110.8	135.7
Oct.	..	..	..	..	..	..	129.2	113.2	117.3	98.0	111.4	110.6	111.7	136.8
Nov.	..	..	..	..	..	..	129.1	112.6	117.1	96.4	110.9	110.6	111.1	136.8
Dec.	..	..	..	..	..	..	129.0	112.1	116.7	95.3	110.4	109.6	110.9	136.8
I	143.0	143.3	140.5	145.8	140.0	144.5	125.2	109.3	113.9	92.5	109.1	110.6	108.4	131.0
II	147.9	148.6	147.2	149.4	144.9	148.3	126.9	110.2	115.4	91.3	109.8	110.5	109.4	135.0
III	148.1	148.7	146.8	150.2	144.8	148.5	128.1	111.4	116.2	93.9	110.4	110.4	110.4	135.5
IV	152.8	153.6	152.0	153.9	149.6	152.1	129.1	112.6	117.0	96.6	110.9	110.3	111.2	136.8
1991¹														
Jan.	..	..	..	..	..	..	130.9	111.9	116.7	94.0	110.2	108.9	110.8	137.1
Feb.	..	..	..	..	..	..	131.6	111.6	116.7	92.8	110.2	109.2	110.7	136.8
March	..	..	..	..	..	..	131.7	111.5	116.5	93.3	109.8	108.6	110.4	137.4
April	..	..	..	..	..	..	132.2	111.2	116.0	93.5	109.5	108.7	109.9	137.4
May	..	..	..	..	..	..	132.8	111.2	116.0	93.6	109.4	108.4	109.9	137.4
June	..	..	..	..	..	..	132.7	111.1	116.0	93.5	109.8	109.0	110.2	137.2
July	..	..	..	..	..	..	132.7	111.0	115.6	94.0	109.6	108.3	110.2	137.4
I	153.8	154.7	153.0	154.3	150.4	152.4	131.4	111.7	116.6	93.4	110.1	108.9	110.6	137.1

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	Agriculture and forestry	Industry	Construction	Service industries		
%											%
	1	2	3	4	5	6	7	8	9	10	11
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
1989	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5
1990	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4
1990											
June	68.6	2 563	2 479	354	2 125	203	558	212	1 507	84	3.3
July	68.5	2 560	2 473	361	2 112	209	562	205	1 496	87	3.4
Aug.	67.9	2 537	2 450	349	2 101	202	551	203	1 493	87	3.4
Sept.	68.4	2 562	2 472	359	2 113	202	550	210	1 511	90	3.5
Oct.	68.2	2 554	2 454	354	2 100	205	550	201	1 498	101	3.9
Nov.	67.8	2 539	2 434	356	2 078	205	546	202	1 482	105	4.1
Dec.	68.2	2 559	2 445	349	2 096	199	549	200	1 497	113	4.4
1991											
Jan.	67.8	2 544	2 417	344	2 073	203	529	200	1 485	127	5.0
Feb.	67.4	2 527	2 382	348	2 034	199	521	192	1 471	145	5.7
March	68.3	2 564	2 410	359	2 051	200	525	186	1 500	153	6.0
April	67.9	2 548	2 386	345	2 041	198	511	192	1 484	162	6.4
May	67.3	2 529	2 357	343	2 014	195	515	186	1 461	173	6.8
June	67.2	2 523	2 336	346	1 990	191	510	180	1 455	188	7.4

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
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
1989	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
1990	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
1990											
June	3 374	6 942	44	1 278	11 638	142	11 780	3 470	6 329	3 644	2 544
July	4 052	6 765	76	1 294	12 187	14	12 201	4 131	6 660	2 985	3 340
Aug.	3 390	6 584	84	1 337	11 395	297	11 692	3 225	6 222	2 965	3 057
Sept.	3 274	5 539	83	1 746	10 642	565	11 208	3 274	6 238	2 993	3 109
Oct.	3 135	6 208	75	1 151	10 569	218	10 787	3 520	7 862	3 526	4 143
Nov.	4 576	5 868	77	1 871	12 393	701	13 094	3 493	7 574	3 212	4 192
Dec.	4 045	8 332	222	2 740	15 339	278	15 616	3 730	8 101	3 311	4 150
1991											
Jan.	2 877	6 212	229	1 127	10 445	7	10 452	3 623	6 893	3 045	3 703
Feb.	2 995	6 373	111	1 174	10 653	121	10 775	3 421	7 309	3 079	3 422
March	2 876	5 452	126	1 522	9 976	64	10 040	3 453	7 218	3 431	3 667
April	2 954	5 586	44	2 607	11 191	1 771	12 962	3 638	8 726	3 286	5 333
May	1 575	6 096	70	1 471	9 212	341	9 553	3 784	8 164	3 600	4 278
June	5 619	6 144	-81	1 615	13 297	499	13 797	3 789	8 622	4 041	4 109

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)
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	2 417	3 287
1989	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842
1990	5 962	4 927	133 614	9 319	142 934	5 737	678	4 202	4 880
1990									
June	536	288	10 622	760	11 382	1 016	398	-16	383
July	487	114	11 392	589	11 981	795	221	1 491	1 712
Aug.	529	322	10 299	557	10 856	1 096	836	95	931
Sept.	523	274	10 309	539	10 848	333	360	-63	298
Oct.	583	599	12 564	793	13 357	-1 994	-2 569	937	-1 632
Nov.	565	114	11 745	804	12 549	648	545	1 492	2 038
Dec.	738	370	12 939	926	13 866	2 400	1 750	4 738	6 489
1991									
Jan.	340	612	11 468	916	12 383	-1 023	-1 931	2 173	242
Feb.	333	288	11 351	774	12 125	-698	-1 350	-152	-1 502
March	380	641	11 692	958	12 649	-1 716	-2 609	4 634	2 025
April	418	1 050	13 832	2 893	16 725	-2 641	-3 763	-17	-3 780
May	505	891	13 344	1 051	14 394	-4 132	-4 841	1 080	-3 760
June	450	311	13 172	1 429	14 601	125	-804	492	312

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 2.2 As from the beginning of 1990, the statistics on the forward exchange market are based on data on individual contracts against the Finnish markka as reported by banks (excluding Columns 5 and 6). The new statistical system covers all authorized banks and contracts. The rates of exchange used in the statistics are the forward rates on the contract date.

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 Euro-market. ECU (Column 1); the weights of the ECU basket. 3 currencies (Column 2): DEM 60. USD 30 and GBP 10 per cent. 14 currencies (Column 3); weighted according to the relative shares of the respective countries in Finland's foreign trade (= weights of the Bank of Finland's trade-weighted currency index = the old Bank of Finland currency index). Until March 1989, the index consisted of 12 currencies.

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): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic averages of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans. *Deposits.* 24-month tax-exempt deposits (Column 7): 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 1 percentage point (since December 1989). Other tax-exempt deposits (Column 8): Deposits other than 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 4 percentage points (since January 1989). Up till December 1988, the figures for tax-exempt deposits (Columns 7 and 8) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. All mark-

ka deposits (Column 9); the stock of deposits comprises all markka deposits by the public. The monthly and annual average rates of interest are weighted by deposit amounts. Other funding (Column 10): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 11); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

Table 3.5 *Secondary market yields.* Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. From June 1990 onwards, the yield on taxable government bonds (Column 3) is calculated by the Bank of Finland as the monthly average of the offered rates quoted daily by the five largest banks. The yield is calculated on a bullet bond due on March 15, 1994 with a coupon rate of 13 per cent. The annual figure for 1990 is calculated as the arithmetic mean of yields on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The yield on taxable public issues (Column 4) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures and 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 yield on taxfree public issues (Column 7) is calculated as the arithmetic mean of yields 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. *The offer yield* on fixed-rate taxable public bonds and debentures (Column 8) is the average yield weighted by issue amounts - in the case of government bonds by amounts sold - on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued during the period.

4 RATES OF EXCHANGE

Table 4.2 FIM/ECU (Column 1): The markka value of the ECU is calcu-

lated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates, for which daily quotations at noon Finnish time are used. FIM/ECU index (Column 2): 100 equals the midpoint of the fluctuation range of ± 3 per cent, or FIM 4,87580, which was defined on June 7, 1991 on the basis of the exchange rates confirmed by the EC on June 6, 1991 at 3.15 pm (Finnish time). The Bank of Finland's trade-weighted currency index (Column 3): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 4): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERM index (Column 5): The weights 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. foreign claims of banks' foreign branches) - the Bank of Finland's foreign liabilities - banks' foreign liabilities (incl. foreign liabilities of 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 granted from state funds through banks. 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 (incl. private sector time deposits with the Bank of Finland) + capital accounts of deposit banks + unclassified assets and liabilities of deposit banks, net (bank debentures, bank CDs held by the public, other market funding and foreign currency deposits by the public). M. (Column 6) = currency in circulation - banks' till money + markka cheque and postal giro account deposits and transactions account deposits held by the public. M_2 (Column 7) = M. + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland). M_3 (Column 8) = M_2 + bank CDs held by the public.

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 5.5 Source: Table B: Central Statistical Office of Finland from the beginning of 1991. Tables A and B on the markka bond market include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland.

Table 5.6 Source: The Helsinki Stock Exchange.

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 1-5: Net change in long-term liabilities. Columns 6-10: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 7) (marketable instruments): Primary and secondary market transactions in securities. Loans (Column 3) (non-marketable instruments): Financial loans, import credits, prepayments related to exports and leasing credits. Other long-term capital (Column 4): Finland's subscriptions to international financial institutions paid in the form of promissory notes + long-term deposit liabil-

ities of banks + other long-term liabilities of central government, banks and other financial institutions. Loans (Column 8): Financial loans, development credits, export credits, prepayments related to imports and leasing credits. Other long-term capital (Column 9): Finland's subscriptions to international financial institutions + long-term deposits of banks + other long-term assets of central government, banks and other financial institutions.

Table 6.3 Net foreign debt (Columns 1-23) 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.

Table 6.4 The sectoral figures for short-term foreign liabilities and assets correspond to the figures shown in Columns 12-22 of Table 6.3.

7 FOREIGN TRADE

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

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

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

8 DOMESTIC ECONOMIC DEVELOPMENTS

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

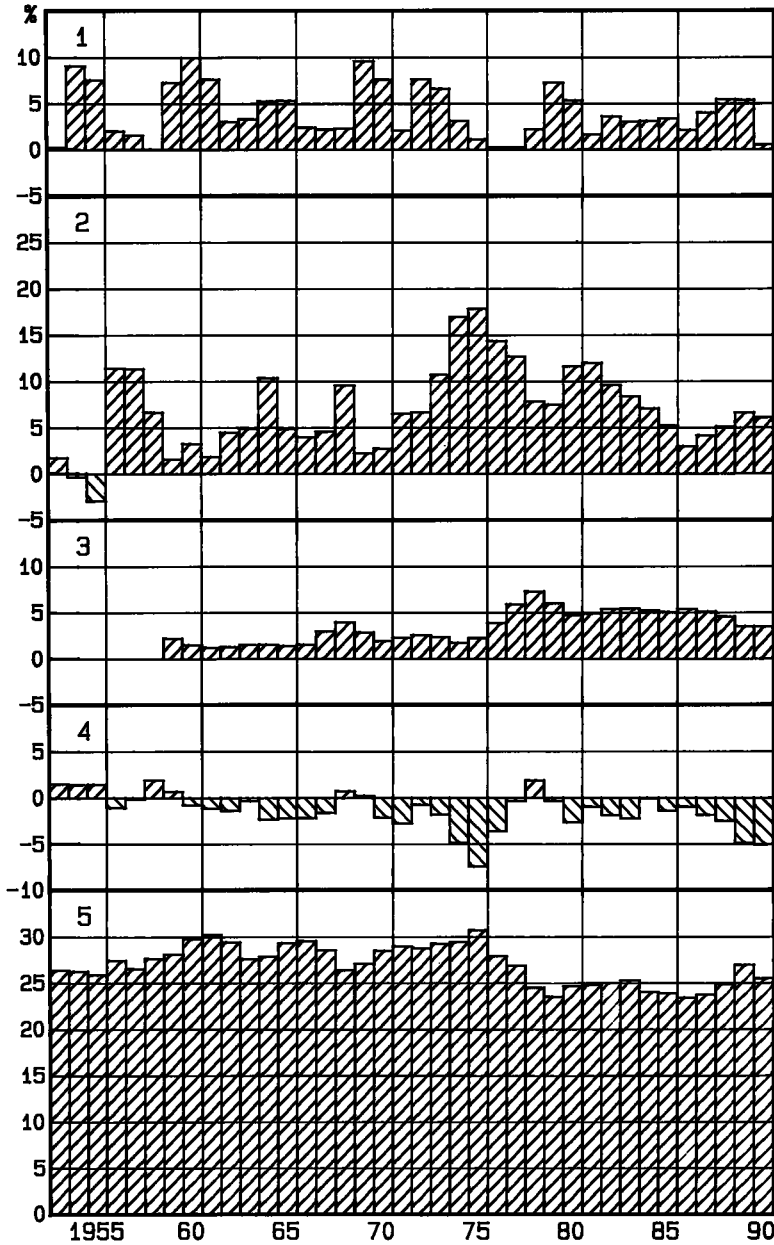
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

Table 8.6 Source: Ministry of Finance.

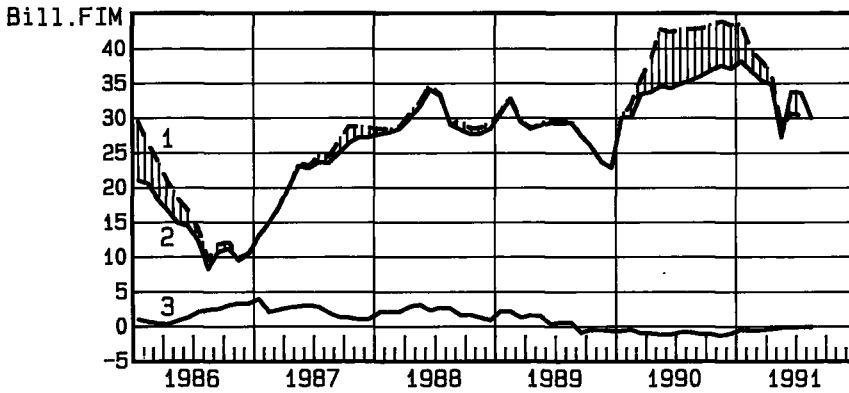
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Items affecting domestic liquidity	S29
5. Overnight rates	S30
6. HELIBOR rates of interest (daily)	S30
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15. Bank deposits from the public	S33
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18. Direct investment	S34
19. Central government debt	S34
20. Current account	S35
21. Foreign debt	S35
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27. Production	S38
28. Fixed investment	S38
29. Employment and unemployment rate	S39
30. Prices and wages	S39
31. Central government finances	S40

1. LONG-TERM INDICATORS



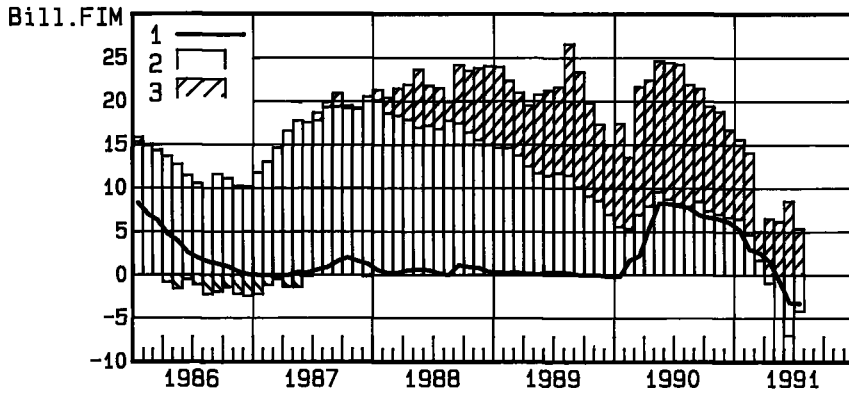
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



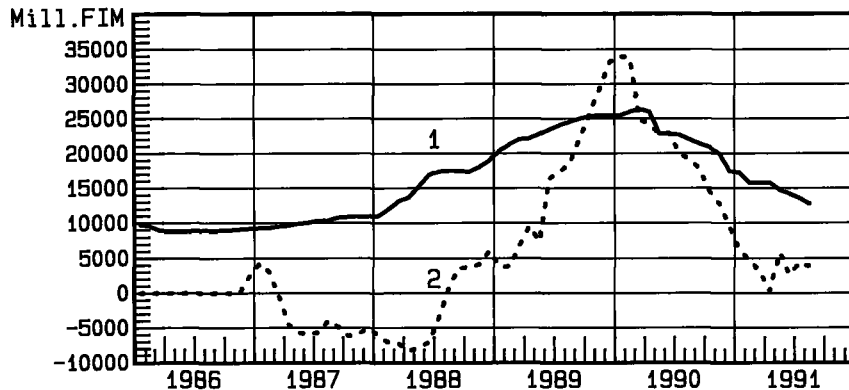
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves
3. Tied currencies

3. FORWARD MARKET



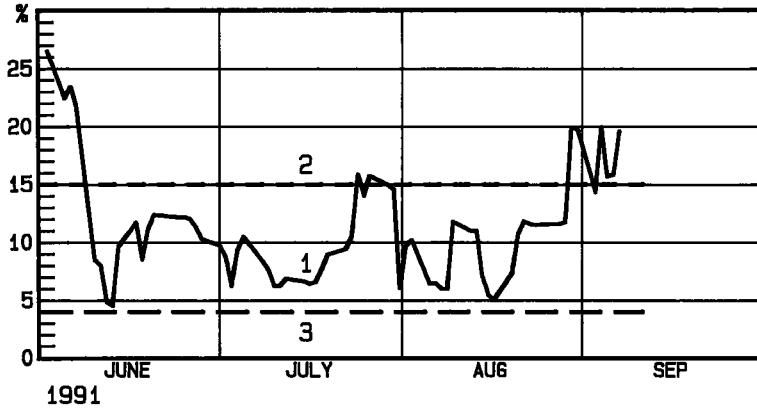
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

4. ITEMS AFFECTING DOMESTIC LIQUIDITY



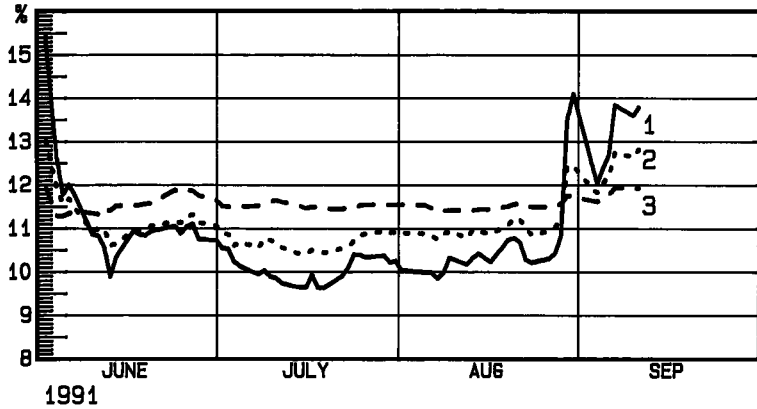
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



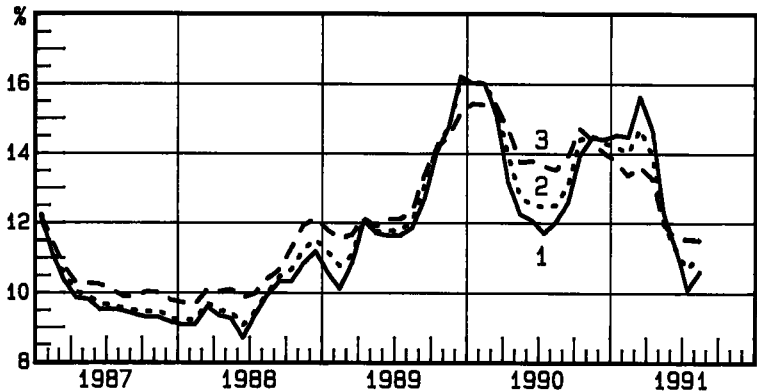
- 1. Inter-bank overnight rate
 - 2. Call money credit rate
 - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



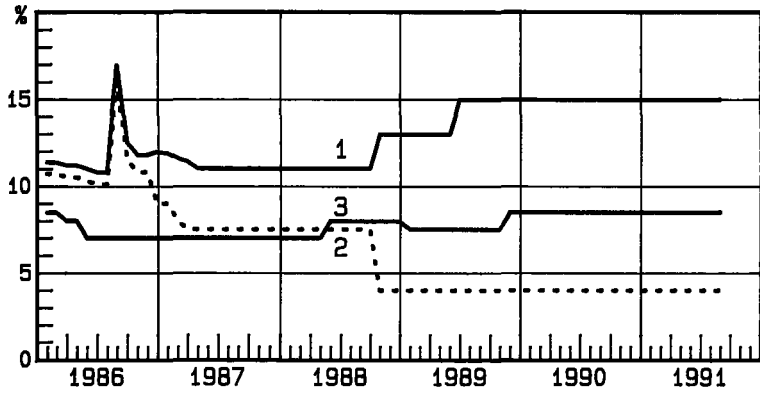
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



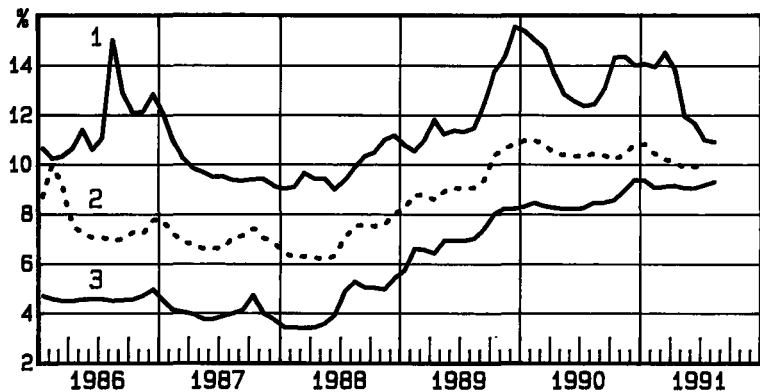
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



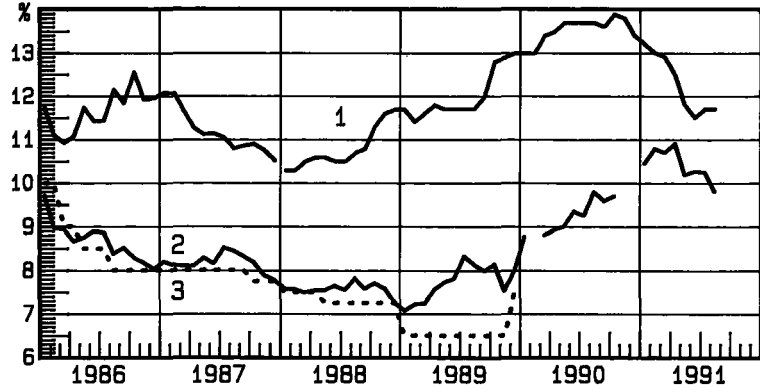
- 1. Call money credit rate
 - 2. Call money deposit rate
 - 3. Base rate
- End-of-month observations

9. 3-MONTH COVERED EURODOLLAR RATE AND 3-MONTH EURORATES



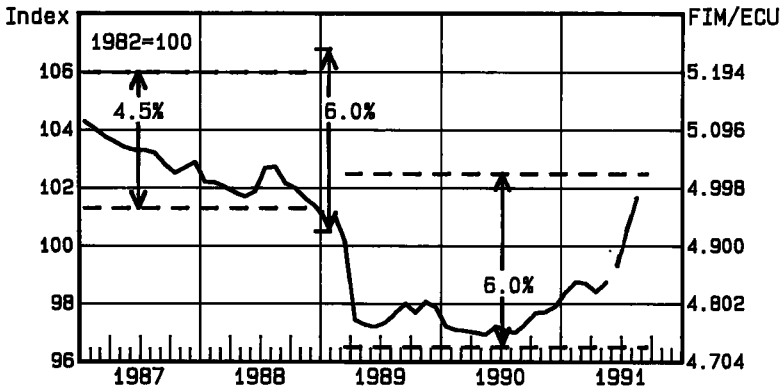
- 1. Covered Eurodollar rate
- 2. ECU rate
- 3. DEM Eurorate

10. RATES ON BONDS AND DEBENTURES



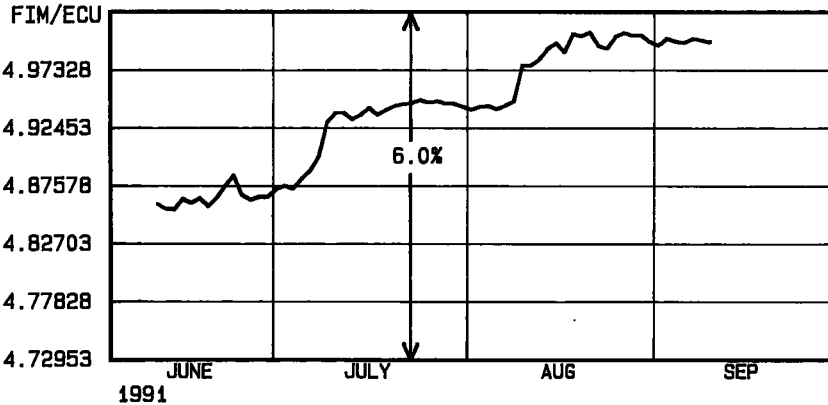
- 1. Long-term (5-year) market rate (before 1988 rate on (3-6 year) fixed-rate debentures)
- 2. Rate on (9-10 year) tax-free government bonds
- 3. Rate at issue on new 10-year taxfree government bonds

11. BANK OF FINLAND CURRENCY INDEX AND THE MARKKA VALUE OF THE ECU



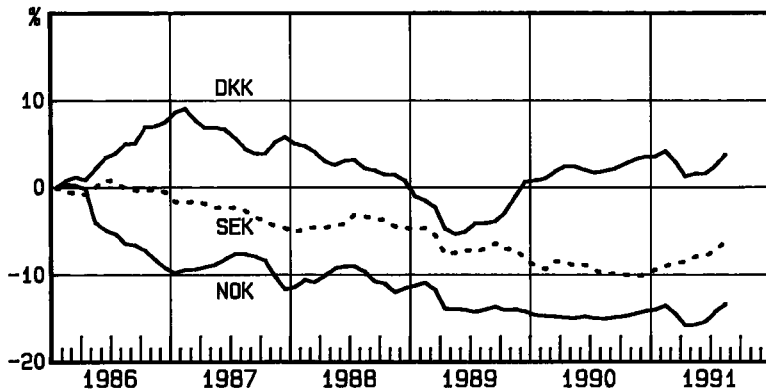
Until June 7, 1991, the Bank of Finland currency index, the fluctuation limits of which were 96.5 - 102.5. From June 7, 1991, the markka's exchange rate against the ECU, the fluctuation limits of which are 4.72953 - 5.02207. Monthly averages

12. MARKKA VALUE OF THE ECU



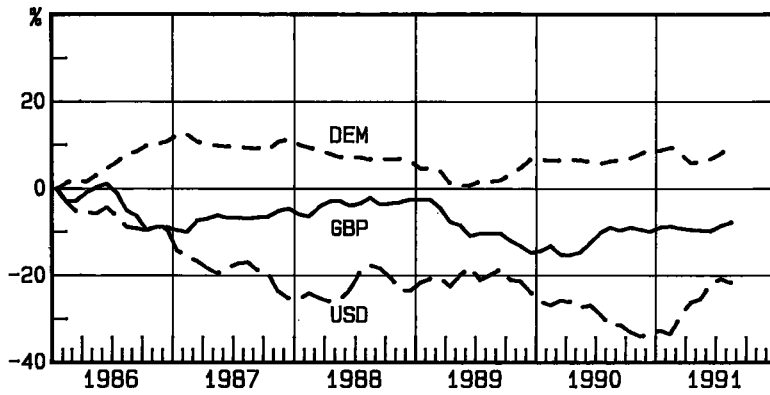
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



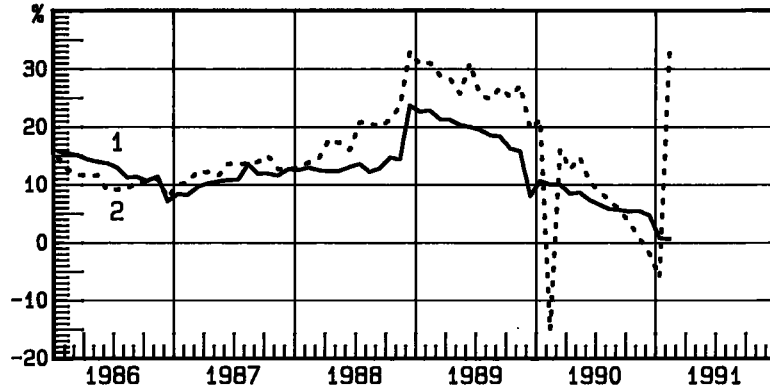
Monthly changes in markka selling rates calculated from the average rates for January 1986

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



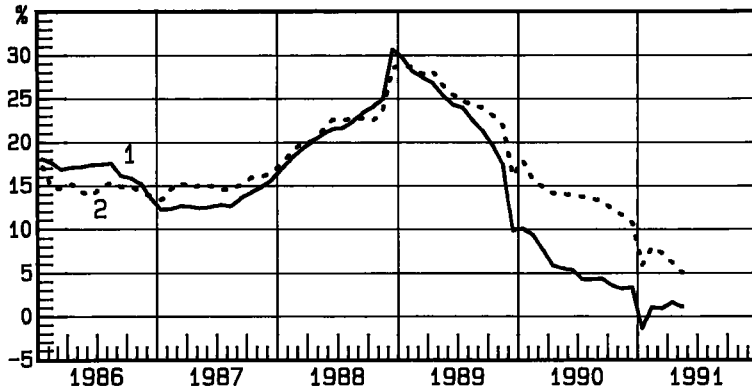
Monthly changes in markka selling rates calculated from the average rates for January 1986

15. BANK DEPOSITS FROM THE PUBLIC



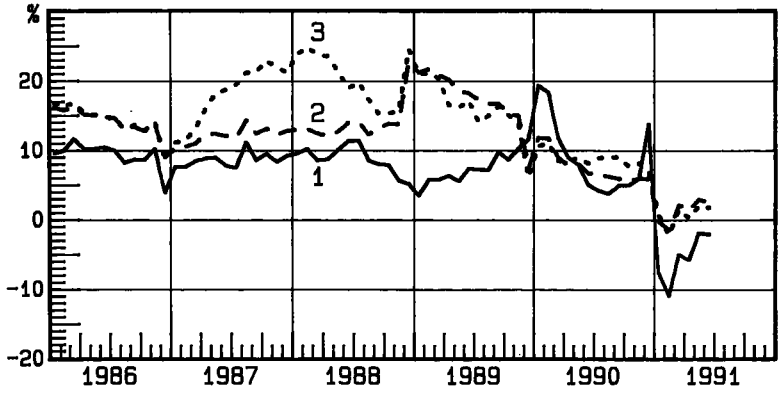
1. Regulated deposits
2. Total deposits
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



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

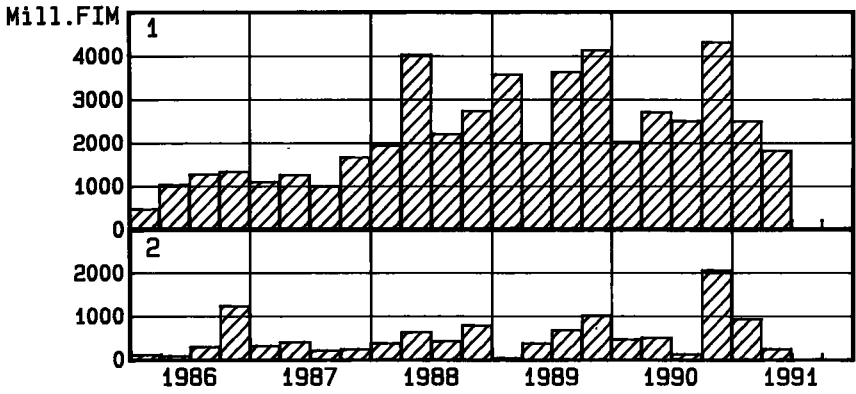
17. MONEY SUPPLY



- 1. Narrow money supply (M1)
- 2. Broad money supply (M2)
- 3. M2 + bank CDs held by the public (M3)

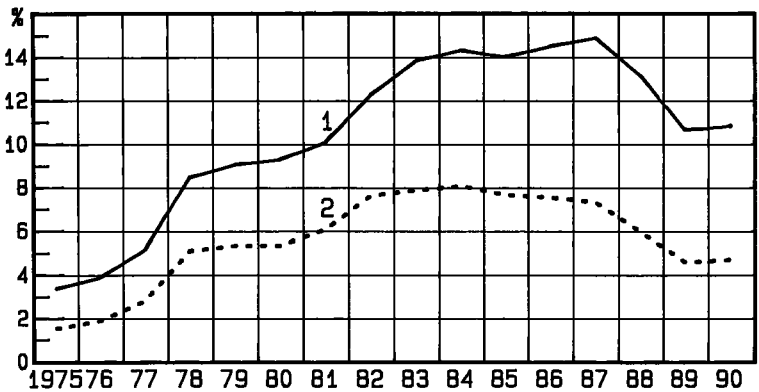
Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



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

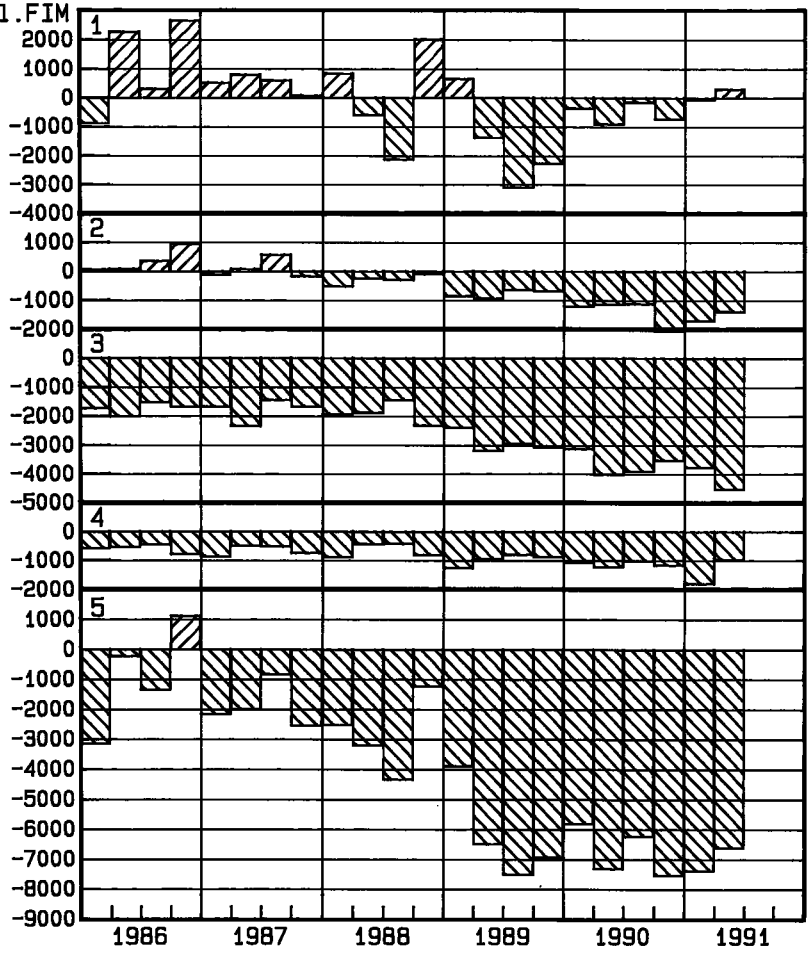
19. CENTRAL GOVERNMENT DEBT



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

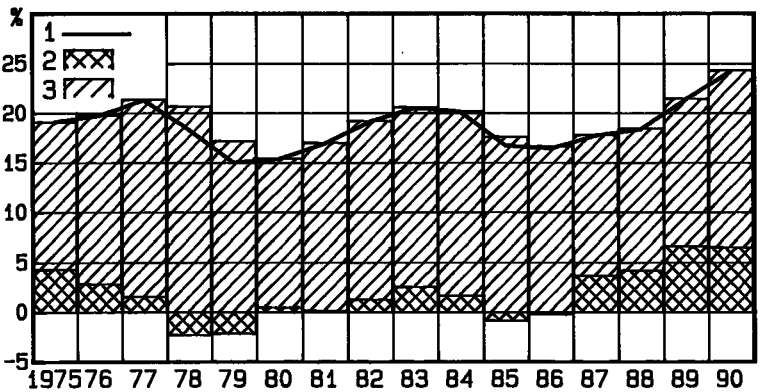
20. CURRENT ACCOUNT

Mill. FIM



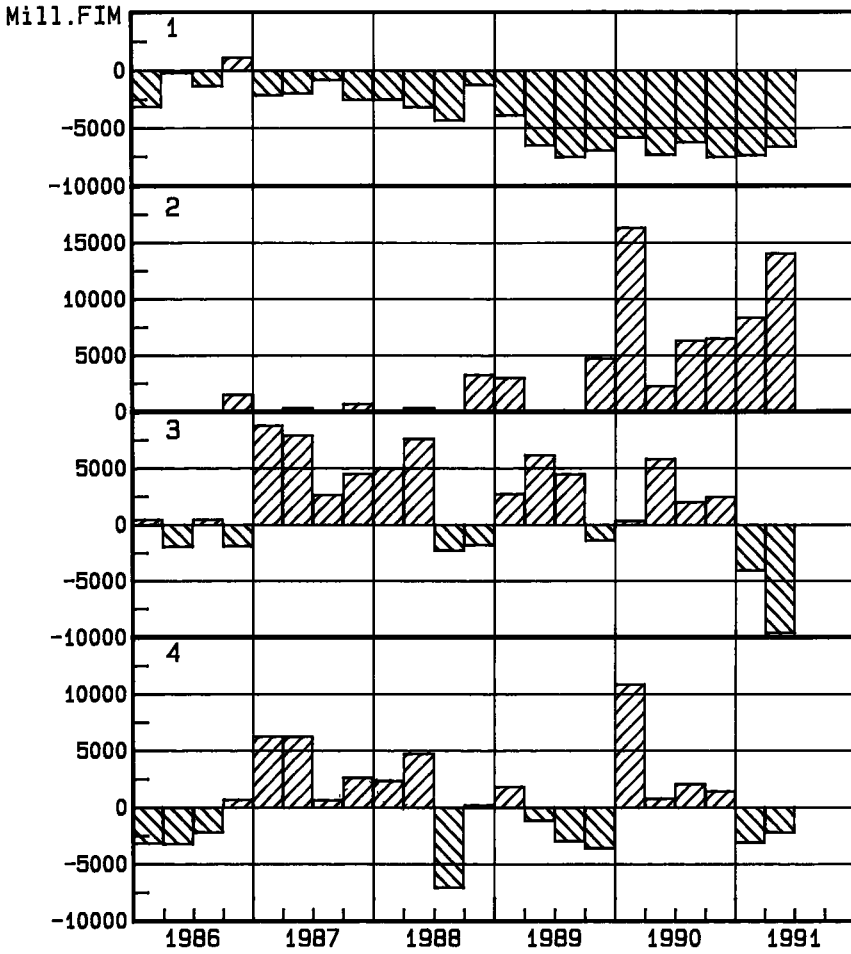
- 1. Trade account
- 2. Services account
- 3. Investment income account
- 4. Unrequited transfers account and other items, net
- 5. Current account

21. FOREIGN DEBT



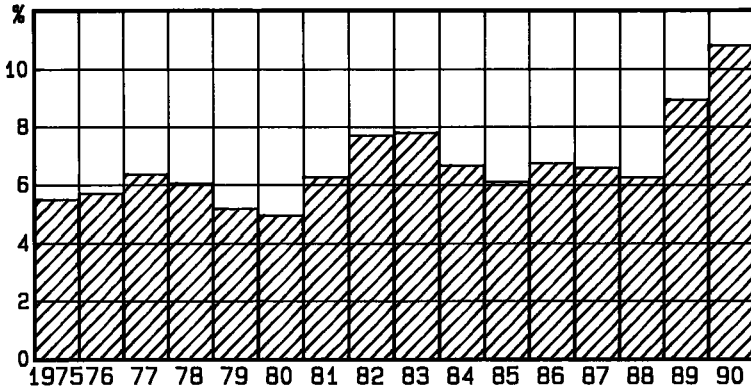
- 1. Total foreign net debt
 - 2. Short-term net debt
 - 3. Long-term net debt
- As a percentage of GDP

22. BALANCE OF PAYMENTS



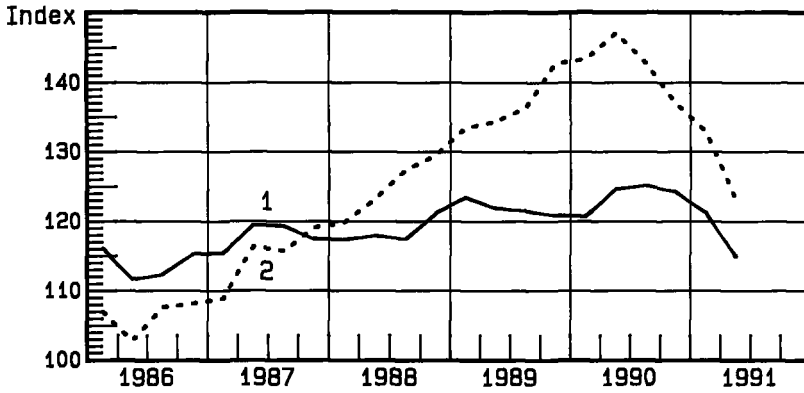
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance=change in the foreign exchange reserves of the Bank of Finland

23. NET INVESTMENT EXPENDITURE



As a percentage of current account receipts

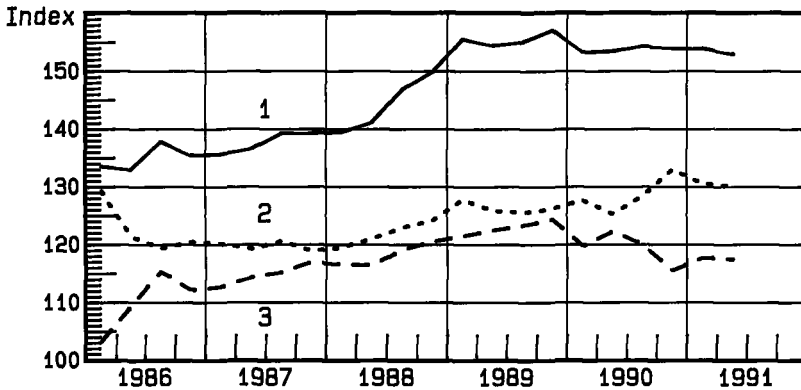
24. FOREIGN TRADE



1. Total exports
2. Total imports

Volume index, 1980 = 100, four-quarter moving average shown as at the last quarter

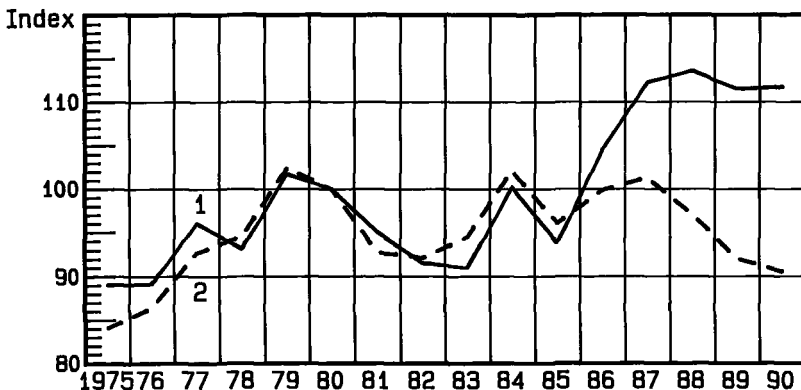
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



1. Unit value index of exports
2. Unit value index of imports
3. Terms of trade

1980 = 100

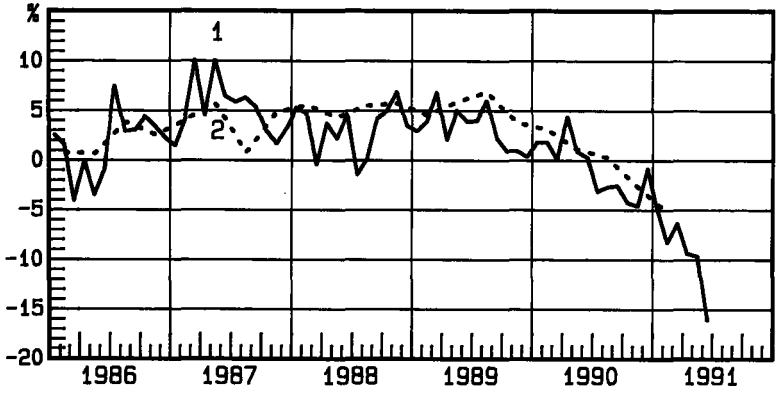
26. FINLAND'S EXPORT PERFORMANCE



1. Value of exports to OECD countries in relation to imports of OECD countries
2. Volume of exports to OECD countries in relation to imports of OECD countries

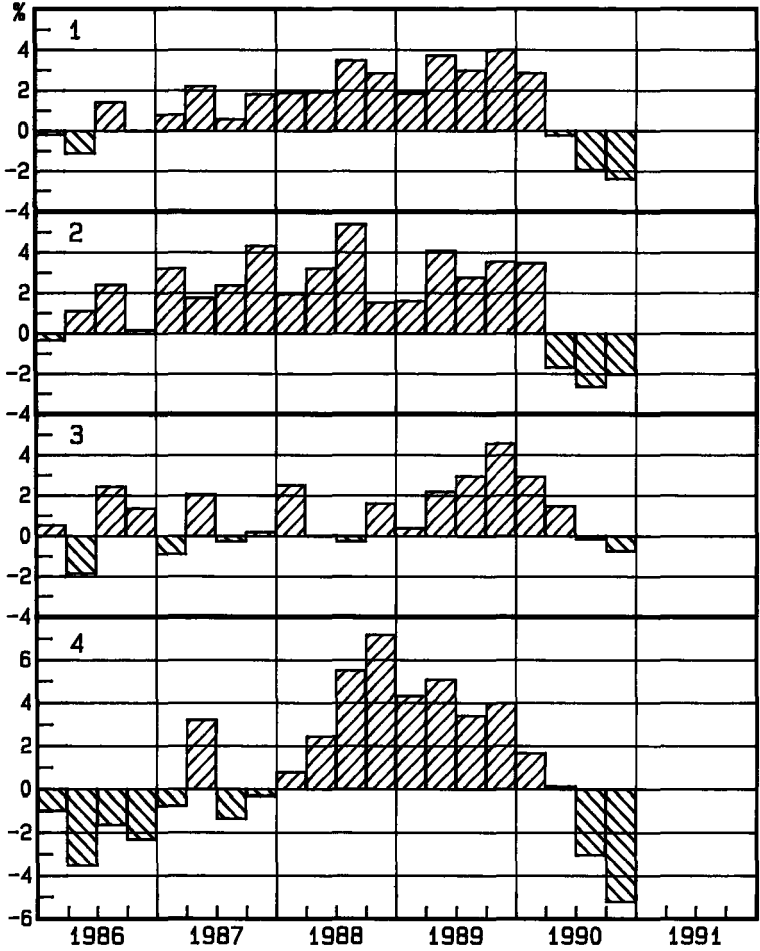
1980 = 100

27. PRODUCTION



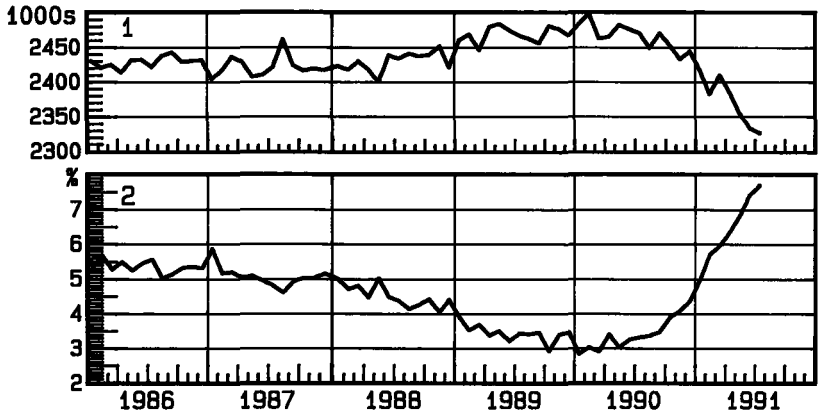
- 1. Industrial production, change in volume from the corresponding month of the previous year, per cent
- 2. GDP, change in volume from the corresponding quarter of the previous year, per cent

28. FIXED INVESTMENT



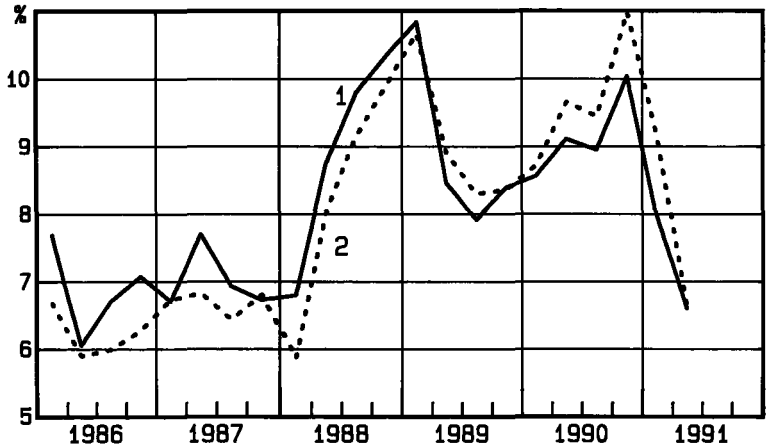
- 1. Total fixed investment
 - 2. Investment in machinery and equipment
 - 3. Building investment, excl. residential buildings
 - 4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE

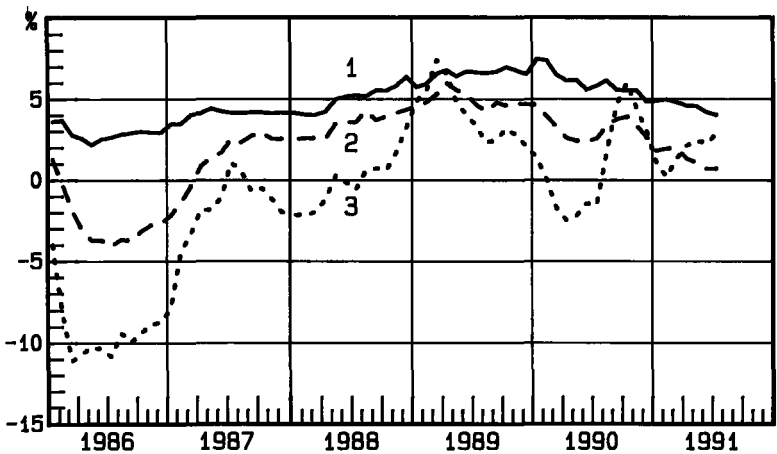


- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES

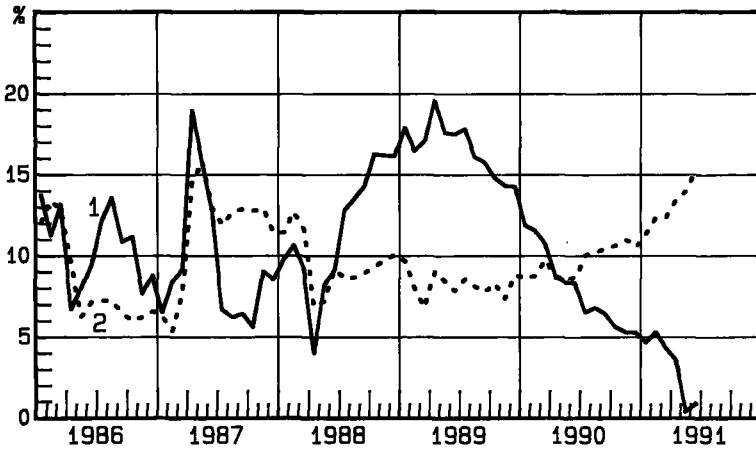


- 1. Index of wage and salary earnings, all wage and salary earners
 - 2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



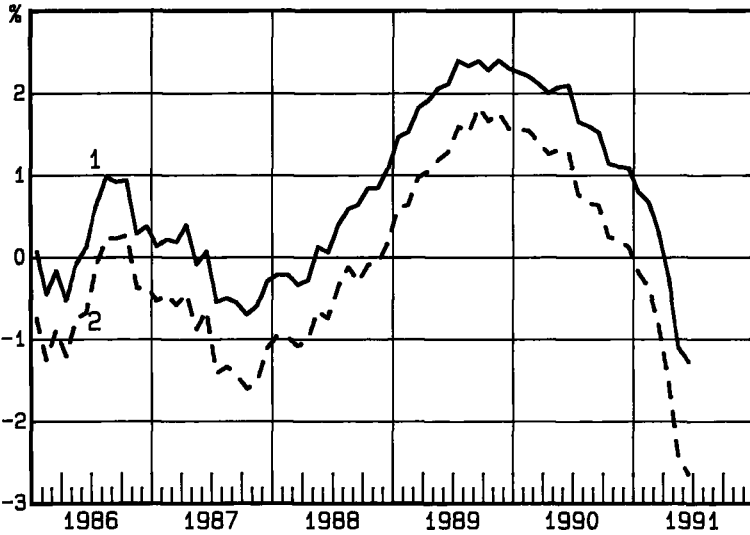
- 1. Consumer price index
 - 2. Wholesale price index
 - 3. Import price index
- Change from the corresponding month of the previous year

31. 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

BANK OF FINLAND

September 1, 1991

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JUSSI RANTA, Vice Chairman
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ANNELI JÄÄTTEENMÄKI

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MAURI MIETTINEN
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THE BOARD OF MANAGEMENT

ROLF KULLBERG, Chairman

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Payment Instruments Department REIJO MÄKINEN
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TOM NORDMAN (Acting Head)
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Internal Audit Department TIMO MÄNNISTÖ

Management Secretarial Staff HEIKKI T. HÄMÄLÄINEN,
Secretary to the Parliamentary Supervisory
Board and the Board of Management

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SETEC OY

VELI TARVAINEN, Managing Director
