



BULLETIN

BANK OF FINLAND

February 1991 Vol. 65 No. 2

Recent Financial Market Developments
and Monetary Policy

HEX: The Helsinki Stock Exchange's
New Index

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ISSN 0784-6509

RECENT FINANCIAL MARKET DEVELOPMENTS AND MONETARY POLICY

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The rate of growth of the Finnish economy slowed more than expected in 1990. GDP fell in the fourth quarter and, according to preliminary data, it grew by about half a per cent for the year as a whole.

The weakening of economic activity in 1990 was largely due to a deceleration in the growth of domestic demand. Private investment decreased by 3 per cent and private consumption rose by only about half a per cent. With the slackening of domestic demand, imports also fell, and the trade account started to move towards balance in the last months of the year. For the year as a whole, the trade account showed a deficit of FIM 2.1 billion, which was FIM 4 billion less than in 1989.

Also contributing to the improvement in the trade account was a 5 per cent increase in the volume of exports to western markets. In contrast, problems encountered in Finland's trade with the Soviet Union curbed the growth of total exports. The terms of trade weakened by nearly 3 per cent in 1990. The current account deficit amounted to FIM 25.5 billion, which was just under 5 per cent of GDP, i.e. the same as in 1989.

Finland's inflation rate slowed appreciably in the second half of 1990. In December the twelve-month rise in the consumer price index was 4.9 per cent or slightly lower than the average for the currency-basket countries. The incomes agreement reached by the central employee and employer organizations on No-

vember 15, 1990 will slow the rise in labour costs significantly this year.

Household saving has also increased, the savings ratio having risen to about 3 1/2 per cent last year, according to preliminary estimates. Thus some of the imbalances in the economy, which had been exacerbated by overheating during the boom, are now being rectified.

The rapid deterioration of economic conditions has, however, led to the emergence of new imbalances. Unemployment has risen steeply and the seasonally adjusted number of unemployed is expected to exceed 5 per cent of the labour force this winter. Estimates of central government revenue for 1991 have been revised sharply downwards; whereas a budget surplus was originally envisaged, a deficit equivalent to about 1 per cent of GDP is now projected.

MONEY MARKET RATES FALL

Conditions were quiet in the money market during the last months of the year. Market interest rates had been climbing since the onset of the Gulf crisis, but the moderate incomes agreement reached in mid-November, coupled with data showing an improvement in the trade balance and a slowdown in inflation, finally brought the rise to a halt. Three-month HELIBOR stabilized at just over 14 per cent in the final quarter of the year (Chart 1).

The differential between three-month HELIBOR and the

average interest rate for the currency-basket countries widened to 3 1/2 percentage points from the gap of almost 2 percentage points that had prevailed in the summer.

The rise in interest rates in the autumn was confined almost entirely to rates of one year and less, which had been lower than long-term rates in early autumn. With the fall in long-term rates and rise in short-term rates, the yield curve became downward sloping in the last months of the year. There were also expectations of falling interest rates in the FRA market.

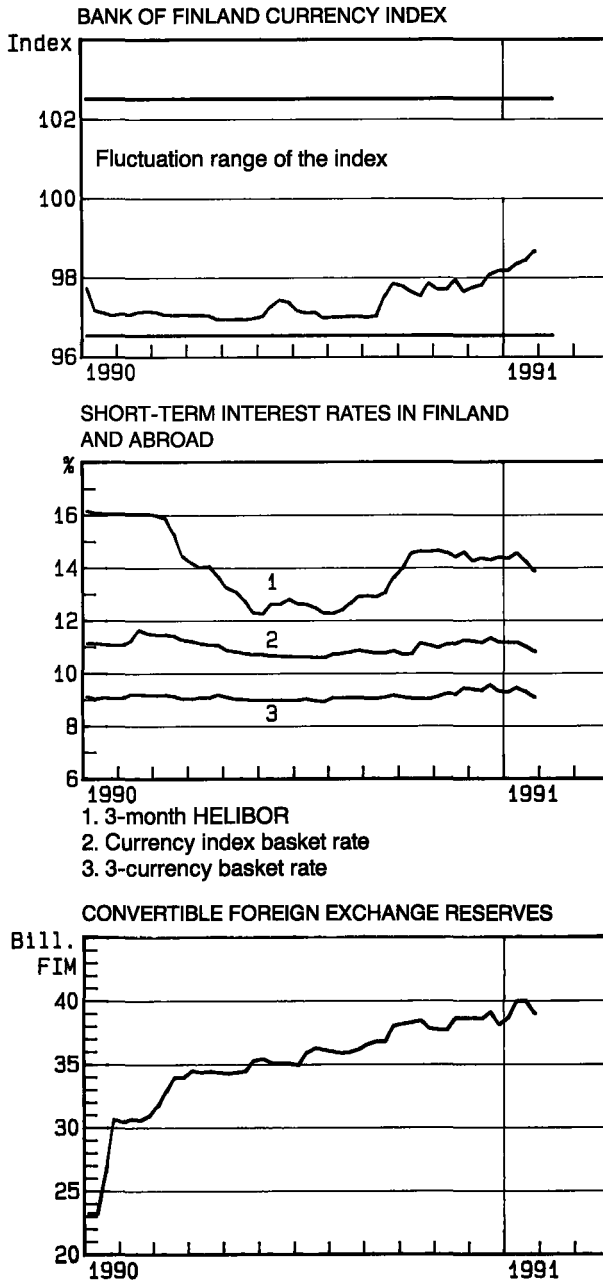
Money market interest rates, however, resumed their upward climb in the early weeks of January when tension rose in the Baltic states and the Persian Gulf. Since the outbreak of the Gulf war money market rates have fallen significantly. The decline has been most pronounced in the longer-term maturities, which have fallen by more than one percentage point since mid-January.

CAPITAL INFLOW SLACKENS

In the final days of 1990 and in January of this year, the Bank of Finland sold foreign currency totalling the equivalent of more than FIM 4 billion in the spot exchange market in support of the markka. The pressure on the markka was nevertheless allowed to weaken the exchange rate by about half a per cent in terms of the currency index, which rose from 98 to almost 99 in January.

The level of convertible foreign exchange reserves has,

**CHART 1.
MAIN INDICATORS OF MONETARY POLICY**



however, remained fairly constant during recent months as central government borrowing abroad, changes in exchange rates and a reduction in the Bank of Finland's forward position have added some FIM 4 billion to the reserves.

In order to offset the tightening effects of intervention in the foreign exchange market on liquidity, the Bank of Finland bought some FIM 1 billion worth of bank CDs at the end of December. The net amount of liquidity injected into the banking system through direct dealings in CDs was less in 1990 than in the previous year; liquidity was otherwise provided by the increase in foreign exchange reserves and the release of cash reserve deposits. The Bank of Finland's CD claims decreased from FIM 23 billion to less than FIM 10 billion during the last six months of the year. At the end of the year, the Bank of Finland held some 13.6 per cent of total bank CDs outstanding.

The inflow of capital eased in the second half of 1990. In the period from July to December, it amounted to FIM 16.5 billion or FIM 2 billion more than was needed to finance the current account deficit. For the year as a whole, net capital imports totalled FIM 40.6 billion. Long-term capital inflows, which increased four-fold from the previous year to a total of FIM 33.1 billion, were particularly heavy. As capital inflows exceeded the current account deficit, the Bank of Finland's foreign exchange reserves grew by FIM 15.1 billion.

Net capital imports in the form of portfolio investment totalled FIM 22.5 billion. Foreigners purchased FIM 23 billion worth of Finnish securities. Bond sales abroad were brisk, whereas sales of Finnish shares were negligible. Finns purchased FIM 0.5 billion worth of foreign securities.

Net investment by Finnish companies in subsidiaries and associates abroad totalled FIM 13 billion in 1990, which is equivalent to nearly 20 per cent of the business sector's fixed investment in Finland. Foreign direct investment in Finland amounted to FIM 3.6 billion last year, an almost threefold increase from the previous year.¹

At the end of 1990, Finland's foreign debt stood at FIM 114 billion, or some 22 per cent of GDP. This represents an increase of about FIM 14 billion from the end of the previous year, when net foreign debt in relation to GDP was 20 per cent. The central government's share of net foreign debt was FIM 20 billion.

GROWTH OF LENDING CHECKED

The slackening in economic activity and high real interest rates, together with the heavy indebtedness of households, brought the growth of lending to almost a complete halt in the final months of 1990. The three-month growth rate for total bank lending fell from 25 per cent to some 5 per cent during the course of the year. New markka lending actually decreased by some FIM 1.2 billion from October to November (Chart 2).

There was no increase in the total amount of consumer credit outstanding in 1990, and the stock of housing loans increased only slightly. Companies' credit needs were satisfied primarily by raising foreign currency loans, which increased by some 50 per cent in 1990.

The average rate of interest on new markka loans to households rose by about one percentage point during the year to 14.5 per cent. The average rate on households' total markka credit outstanding was 12 per cent in December. As inflation subsided in the course of the year, the real rate of interest on new loans rose to a record level of some 9 per cent (before tax deductions) by the end of the year.

BANK PROFITABILITY WEAKENS

Although an increasingly large share of new lending in 1990 was tied to market interest rates, about 60 per cent of the stock of outstanding loans is still linked to the Bank of Finland's base rate. The base rate remained at 8.5 per cent throughout the year, that is about five percentage points below market rates.

The base rate is an administrative interest rate, which has traditionally been the most im-

portant reference rate of interest to which rates on tax-exempt deposits and most bank loans have been linked. The fact that the ultimate decisions on changes in the base rate are made by the Bank's Parliamentary Supervisory Board helps explain its upward rigidity.

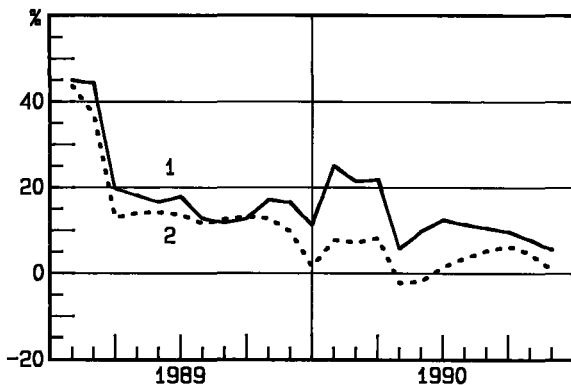
With the rise in the share of bank funding at market rates, loans tied to the low and relatively rigid base rate have become increasingly burdensome to the banks. The Board of Management of the Bank of Finland would have been amenable to a rise in the base rate but has refrained from making a formal proposal because approval by the Parliamentary Supervisory Board would appear to be politically impossible.

At the start of this year taxable bank deposits became competitive with tax-exempt fixed-term deposits tied to the base rate with the entry into force of a one-year law providing for a final 10 per cent tax at source on interest earned by resident private individuals on deposits and bonds.

In fact, fierce competition for deposits broke out among the banks in December, when FIM 32 billion worth of tax-exempt fixed-term deposits matured; rates of interest of as much as 11 to 13 per cent were offered on short-term high-yield deposits. It is estimated that two-thirds of these funds ended up in taxable high-yield deposit accounts.

Bank profitability was further weakened in 1990 by increased credit losses and particularly by the sharp decline in the value of shares that had been used as collateral. The Unitas index of share prices on the Helsinki Stock Exchange fell by 35 per cent last year, and turnover on the exchange was about FIM 20 billion, down by half from the previous year. Shares accounted for FIM 15.5 billion of the total turnover. In 1989, share prices had fallen by 16 per cent.

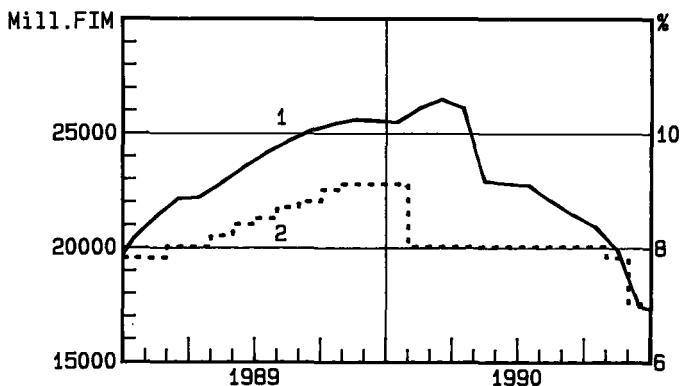
CHART 2.
BANK LENDING TO THE PUBLIC



3-month percentage change at annual rate
1. Markka and foreign currency lending
2. Markka lending

¹See also the item in this issue of the Bulletin.

**CHART 3.
CASH RESERVE DEPOSITS AND THE CASH
RESERVE REQUIREMENT**



1. Banks' cash reserve deposits (left scale)
2. Cash reserve requirement (right scale)

CASH RESERVE REQUIREMENT LOWERED

As the outlook for bank profitability worsened, the Bank of Finland had to pay special attention to the maintenance of stability in the financial markets. Up till October, the banks' cash reserve requirement was at the maximum level permitted under the current agreement, i.e. 8 per cent.

When, towards the end of the year, the difficulties faced by banks became increasingly evident, the Bank of Finland began to progressively cut the cash reserve requirement from the end of November, so that by the end of the year it stood at 7 per cent. The requirement for January was lowered further to 6.7 per cent and that for February to 6.2 per cent (Chart 3).

In addition, the FIM 3 billion worth of supplementary cash reserve deposits that had been collected in 1989 in order to curb excessive lending was released to the banks in the second half of 1990.

OPERATIONAL CHANGES

The Bank of Finland dismantled most of the remaining exchange controls by liberalizing firms' short-term borrowing abroad and foreigners' markka investments as from the beginning of the year. The decision is not expected to have a significant impact on capital flows, as short-term capital was already able to move fairly freely under the old regulations. Exchange control now applies only to foreign borrowing by private individuals and comparable corporate entities.

In December, the Bank of Finland decided to introduce repurchase agreements (repos) in its money market transactions with the banks as from the beginning of 1991. The purpose of this step was to complement the Bank's open market operations, which have been based largely on outright operations in the CD market.

February 6, 1991

HEX: THE HELSINKI STOCK EXCHANGE'S NEW INDEX

by **Hannu Hernesniemi**, Head of Research
Finnish Options Market

The Helsinki Stock Exchange has begun to compile its own share price and total return indices in order to provide investors with up-to-date, reliable and impartial information on share price movements. Calculation of the HEX share price index began on June 1, 1990 and that of the total return index on January 1, 1991. The latter takes into account dividends as well as changes in share prices.

The decision of the Exchange to compile its own index was prompted by the fact that the share indices compiled by Kansallis-Osake-Pankki (KOP) and Unitas Ltd often gave a conflicting picture of share price movements. An impartial compiler was needed. There was also a clear need for an index that would show intraday price movements. The KOP and Unitas indices are calculated once a day, whereas the HEX index is calculated every two minutes.

The Helsinki Stock Exchange commissioned The Research Institute of the Finnish Economy to design the HEX index. This was a suitable undertaking for the Institute as it had carried out a considerable amount of research on the theory of index numbers. The planning work was supervised by a support group that also included representatives of the private index compilers, i.e. Kansallis-Osake-Pankki and Unitas Ltd.

As the HEX index quickly gained wide acceptance, Kansallis-Osake-Pankki decided to cease compiling its own index at the end of 1990. The KOP index had served the needs of investors for 13 years.

Unitas Ltd will continue to compile its index for the time being. The Unitas index has long traditions, having been compiled since 1923. The calculation of the index was last revised in 1977, when the index was rebased with the base year 1975.

CONFLICTING PICTURE OF PRICE CHANGES

Investors' uncertainty about share price developments in Finland has been increased by the conflicting picture given by the two general indices previously available (Table). The picture is particularly mixed for 1988, when the KOP and Unitas indices diverged significantly. According to the KOP index, prices rose by 49.2 per cent while the Unitas index showed an increase of 31.7 per cent.

The two indices differ for the following reasons:

Prices used

The Unitas index uses bid prices of shares, whereas the KOP index is calculated on the basis of actual trading (transaction) prices. This results in daily differences in price movements but not in differences over the long term, because trading and bid prices are closely related.

Share issue adjustments

Share issues cause discontinuities in share price series, and volumes of outstanding shares before and after an issue are not directly comparable with each other. The adjustment methods used to achieve comparability of share prices in the KOP and Unitas indices are different.

Dividend smoothing

Both the KOP and Unitas indices are smoothed out for dividend payments. In the KOP index, the dividend that has accumulated since the previous dividend payment is subtracted from the price of the respective share. By contrast, in the Unitas index, the entire dividend is added to the share price on the dividend payment date and a progressively diminishing portion of it thereafter. Thus neither index falls when dividends are paid, but during other parts of the year they give a gloomier picture of price developments than actual prices would warrant.

Weighting

In the KOP index the weights used are based on par values for the constituent share series. The weights change whenever changes in share

TABLE.
PRICE MOVEMENTS ON THE HELSINKI STOCK EXCHANGE AS MEASURED BY DIFFERENT INDICES (LOCAL CURRENCY INDICES)

	1987	1988	1989	1990
KOP general index	27.3	49.2	-19.3	-33.2
Unitas general index	30.7	31.7	-16.8	-34.9
The Finnish Options Index	31.4	27.2	-19.1	-34.1
FT-Actuaries WI	..	20.4	- 1.1	-30.6
Morgan Stanley CI	..	18.1	-13.8	-40.2
Morgan Stanley CI, free shares	..	21.9	8.0	-38.1

The Finnish Options Index measures price movements for the 25 most actively traded shares. The FT-World index includes 26 nonrestricted Finnish shares. The Morgan Stanley CI index includes 23 Finnish shares, 12 of which are nonrestricted. These 12 nonrestricted shares also comprise the Morgan Stanley CI free shares index for Finland.

capital occur. In the Unitas index the weights are fixed. They are determined by the geometric mean of market capitalizations and trading volumes in the period 1974—1976.

Formulas

The Unitas index most closely resembles a Laspeyres index. The arithmetic mean is calculated from the price ratios of the respective shares using base period weights. The KOP index, in contrast, can be regarded as a Palgrave-type index in which the arithmetic mean is calculated from the respective price ratios using current weights.

The choice of weights for an index is determined by what the index is supposed to measure. Once the purpose of the index has been determined, the choice of a formula must be made with great care. Study of the KOP and Unitas indices revealed that the differences in formulas and weights were significant factors behind the differences in the index values generated by the indices.

PURPOSE OF THE HEX INDEX

The purpose for which a share index is designed is determined by what its users are trying to track. An individual investor, whose equity investments are marginal relative to the total market, is likely to consider all shares equally important when it comes to making an investment decision. He might well compare the return on his investment with an index that gives equal weight to every constituent share. Investors as a group, however, are compelled to consider differences in the economic significance of different shares. The economic significance of any particular share is best reflected by a weighting system based on market capitalizations.

The purpose of the HEX all-share index was defined as to chart the overall progress of a portfolio comprising all the

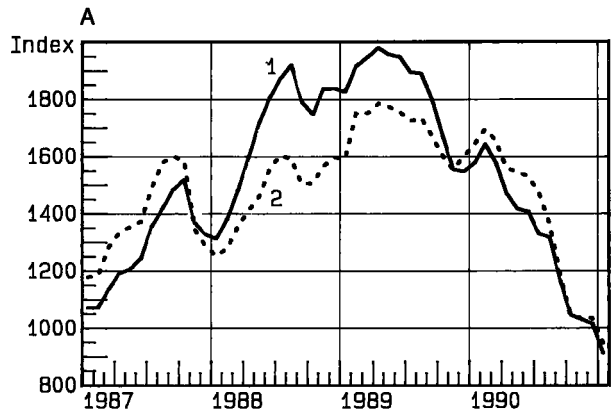
shares quoted on the Helsinki Stock Exchange, that is the average price performance of a portfolio of such shares. The weight used for changes in the price of a constituent share is the market capitalization of the constituent share as a proportion of the total market capitalization of all the constituents.

In addition to the share price index, it was decided to calculate a HEX total return index. This index measures the total return (change in price plus dividends) on a portfolio comprising all the shares quoted on the Helsinki Stock Exchange. On the day dividends are paid, the dividend is added

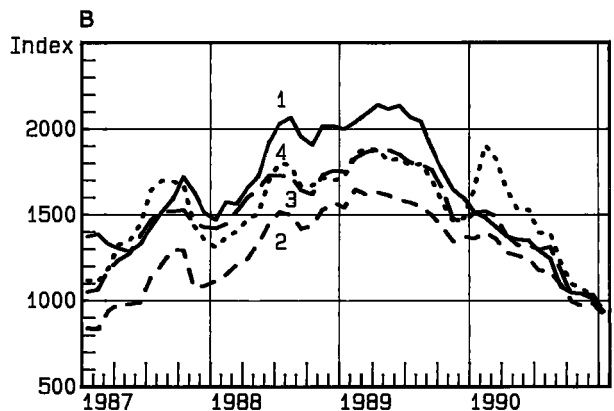
to the price of the share for that day. The price index, on the other hand, only takes share prices into account in the index calculation. Thus, the price index, unlike the total return index, falls as a result of the distribution of dividends, and the two indices diverge from each other. The total return index does not take taxes into account.

Besides the all-share index, sectoral indices are compiled for the services sector as a whole (41.1 per cent) and for its sub-sectors, i.e. banking and finance (15.6 per cent), insurance and investment (12.0 per cent), and other ser-

CHART 1.
HEX SHARE INDICES, DECEMBER 28, 1990 = 1000



1. All-share index
2. Nonrestricted share index



1. Banking and finance
2. Insurance and investment
3. Metal and engineering
4. Forest industries

vices (13.5 per cent). Similar indices are calculated for manufacturing (58.9 per cent) and its sub-sectors, i.e. metal and engineering (12.5 per cent), forest industries (16.9 per cent), conglomerates (21.0 per cent) and miscellaneous (8.4 per cent). The figures in brackets show the market capitalization of the sector concerned as a percentage of total market capitalization and hence the respective sector's weight in the all-share index as of December 28, 1990.

Separate indices are also compiled for nonrestricted, or free, shares (12.3 per cent), i.e. shares in which foreigners may freely invest, and restricted shares (87.7 per cent), between which there is a sizeable premium on the Helsinki Stock Exchange (Chart 1). In addition, an index is compiled for the 20 most-traded shares, with the restriction that no more than one category of shares is included for any single company.

CALCULATION OF THE HEX INDEX

Share price indices which use market capitalizations as weights are often calculated by dividing the total market capitalization of the constituents on a given date by the market capitalization at base

date. The market capitalization of a constituent is simply the product of the number of shares and the current share price.

Adjustments for share issues are made to the market capitalization at base date by adding a corresponding amount to the base capitalization or by multiplying the base capitalization by an adjustment coefficient. The effect of the adjustment is to increase the base capitalization in the same proportion as the current market capitalization increases as a result of the share issue. Any remaining change (rise or fall) in price is considered to be due to an actual change in the price of the share concerned.

The calculation of the HEX index is carried out in two steps (Chart 2). First, adjustments are made for share issues, splits and any other such discontinuities in share prices and quantities. This results in prices and quantities that are consistent over time. At the same time, the problem of missing price observations, which is discussed below, is dealt with. After these adjustments, the index can be calculated on the basis of any index formula.

The two-step nature of the index calculation has two

major advantages. The quality adjustments result in price and quantity series adjusted for share issues for all the constituents of the index. Such series are invaluable to investors and listed companies alike. Secondly, the chosen index formula can be easily changed, if necessary, or index numbers can be calculated using alternative weighting systems.

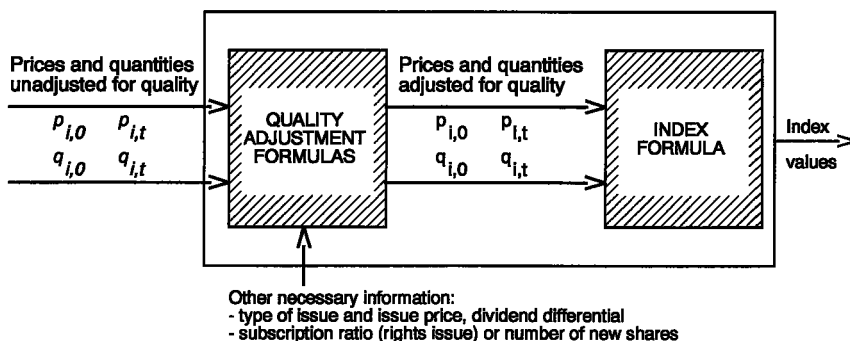
CHOICE OF INDEX FORMULA

Special attention was paid to the choice of formula. On the one hand, consideration was given to the 'good' theoretical properties of an index, which were spelled out as early as 1922 by Irving Fisher in his work, *The Making of Index Numbers*. In addition, a 'good' index should permit a clear economic interpretation.

The frequently used Laspeyres and Paasche index formulas permit a clear economic interpretation. If market capitalizations are used as weights in a share price index, these formulas can be interpreted as follows: a Laspeyres index measures price movements in a base-weighted portfolio; while a Paasche index measures price movements in a current-weighted portfolio.

In terms of their theoretical index number properties,

CHART 2.
PROCEDURE FOR CALCULATING THE HEX SHARE INDEX



certain 'exact' index numbers, such as the Fisher, Diewert and Törqvist indices, are more advanced than the Laspeyres and Paasche indices, but they lack clear economic interpretations.

Hence, a key concern in testing different indices was to find a formula whose economic interpretation was clear and which generated values that were the same or nearly the same as those generated by exact index formulas.

For testing purposes, price movements on the Helsinki Stock Exchange were calculated using nine classical index formulas for the years 1987 and 1988. It turned out that virtually the same numbers were generated by the Laspeyres and Paasche formulas as by the exact formulas. The Paasche formula, which depicts price movements in a current-weighted portfolio, was chosen for the HEX index.

The tests also revealed an enormous dispersion in the numbers generated by different formulas. The Palgrave and Harmonic Laspeyres indices yielded extreme values. According to the Palgrave index, prices rose by 15.5 percentage points more than indicated by Fisher's ideal index over the two-year test period. According to the Harmonic Laspeyres index, prices rose by 13.3 percentage points less than shown by the Fisher index. Hence the choice of formula is of crucial importance as regards the information available on share markets.

In the testing, the indices were calculated using daily, weekly, monthly and yearly price changes in the "chain linking". In addition, the indices were calculated in respect to a fixed base date, December 12, 1986, the share prices for each day being compared to the base-date prices. As the length of the "chain linking" period increased, the dispersion among the indices calculated

according to different formulas diminished somewhat; on the other hand, the Laspeyres and Paasche indices also diverged from the exact indices.

MISSING PRICE OBSERVATIONS

A serious problem encountered on small stock exchanges, as also on large ones with respect to thinly-traded shares, is that of missing price observations. Frequently, this problem is dealt with by simply using the latest actual trading price, even if it is several days old.

In the calculation of the HEX index, the latest available trading price is used, provided it is for the same day. It represents the buyer's and seller's most recent assessment of the value of the share in question. But if no business is done in a particular share on the current date, additional information provided by bid and offer prices is used to determine the price of the share in the following way:

- 1 If the latest available trading price for a date prior to the current date is the same as or between the current bid and offer prices, the trading price is used.
- 2 If the current bid price exceeds the latest available trading price, the bid price is used.
- 3 If the current offer price is less than the latest available trading price, the offer price is used.

Thus in determining a substitute price for a share when no business has been done in that share on the current date the trading rule according to which bid and offer quotes are binding is observed. For this reason, these quotes also determine a share's maximum and minimum values. However, it is difficult for the index compiler to take a view on the change in the value of a share when the latest trading price is within the current bid-offer spread.

The use of bid and offer quotes increases the sensitivity of an index. If no trades are done, they offer a means of predicting price trends. In testing the above trading rule, it was found that bid-offer quotes correctly predicted the direction of price movements 80 per cent of the time.

ASSESSMENT OF THE HEX INDEX

In developing the HEX index, it was endeavoured to make extensive use of index number theory. This can be seen, for example, in the two-step procedure applied in calculating the index, i.e. quality adjustments and the carefully chosen index formula used in the calculation. All too often, share price indices are based largely on the practical intuition of those operating in the stock market as to how share price movements should be measured.

On the other hand, it is fairly easy to show that many index formulas that use market capitalizations as weights implicitly contain a certain form of quality adjustments referred to as share issue adjustments. Moreover, they contain some classical index formula, usually a Laspeyres or Paasche index. Practical intuition has dealt successfully with the problems caused by index commodities and changes in quality and has led to the use of formulas that, according to our test results, appear to be suitable indicators of share prices.

The HEX index was designed to measure price movements in a stock variable, i.e. the overall portfolio. An interesting task for future index development would be to measure price movements in a flow variable, i.e. stock exchange turnover. Active international share investors, in particular, would benefit from indices that break down turnover on different exchanges into the following components:

changes in the volume of turnover, changes in prices and a residual component consisting of changes in the composition of the stock exchange list. They would provide investors with indicators for different stock exchanges on actual movements in the prices of traded shares and the actual quantities of shares traded.

APPENDIX

Calculation of the HEX index Quality adjustments

The quality of a share changes when a share issue or split takes place. Let a share that exists prior to an issue be called an old-quality share. The number of new shares issued can be expressed in terms of old-quality shares by dividing the issue price pe_t by the price of an old-quality share p_{t-1} and multiplying the quotient by the number of new shares subscribed in an issue Δq_t . The number of shares outstanding q_t for a given share series subsequent to the issue may thus be expressed in terms of old-quality shares by means of the following formula:

$$q_t = q_{t-1} + \frac{pe_t}{p_{t-1}} * \Delta q_t$$

The market capitalization, v_t , of a particular share series is the same whether expressed in terms of old-quality shares ($p_t * q_t$) or new-quality shares ($p_t * q_t$), i.e. $p_t * q_t = v_t = p_t * q_t$. Hence the price of an old-quality share after an issue is:

$$p_t = \frac{v_t}{q_t}$$

In calculating the HEX index, the share prices and share quantities obtained daily from the stock exchange are adjusted for quality by expressing them in terms of base-date prices and quantities. If the quotation of a particular category of shares has started subsequent to the base date, the prices and quantities of these shares are expressed in terms of their initial issue-date prices and quantities.

With regard to the quality adjustment formula, the issue price, pe_t , varies according to type of issue. In the case of a rights issue, the issue price plus any dividend difference between the old and new shares is used. In the case of a placing or a tender issue, the stock exchange value of the share is used. The difference between the effective and nominal issue prices is assumed to be paid by the subscribers to the shares to the issuing company in some other form.

Index formula

Once share prices and quantities have been adjusted for quality, the share indices may be calculated using whatever index formula is desired. The HEX index is a Paasche index in which daily price changes are chain linked. The formula is:

$$I_t = \frac{\sum p_{it} q_{it}}{\sum p_{i,t-1} q_{it}} * I_{t-1}$$

where

- I_t = index number at time of calculation on day t
- p_{it} = last quality-adjusted share price for share series i at time of calculation on day t
- q_{it} = quality-adjusted quantity of shares for share i at time of calculation on day t
- $p_{i,t-1}$ = last quality-adjusted share price for share series i on day t-1
- I_{t-1} = closing index number on day t-1.

February 4, 1991

FINLAND'S BALANCE OF PAYMENTS IN 1990

Current account

The weakening in the external balance of the economy came to an end in 1990. The current account deficit ceased growing in relation to total output, since commodity imports fell as a result of the stagnation of domestic demand.

According to the Bank of Finland's preliminary figures for 1990, the current account showed a deficit of FIM 25.5 billion, equivalent to almost 5 per cent of nominal GDP. In 1989, the current account had registered a deficit of FIM 23.7 billion. In the last few months of the year, particularly commodity trade moved towards balance.

Goods. Compiled on a balance-of-payments basis, the trade account registered a deficit of FIM 2.1 billion, FIM 4 billion less than in the previous years. The value of commodity exports grew by 2 per cent. The fastest growth in the value of exports was recorded for metal and engineering industry products. Exports of forest industry products were roughly the same as in 1989. The value of imports fell by 2 per cent, investments goods showing the sharpest decline. The terms of trade deteriorated last year.

Services. The deficit on the services account grew further. The deficit on the travel account increased most; expenditure rose by one-quarter and receipts by some 10 per cent. In contrast, the transport account improved slightly. On the other services account, expenditure

MAJOR BALANCE OF PAYMENTS ITEMS IN 1990, MILLION FIM¹

	Receipts	Expenditure	Net
Trade (exports f.o.b., imports c.i.f.)	101 331	103 028	-1 697
Adjustment items	-1 531	-1 128	-403
Trade account	99 800	101 900	-2 100
Transport	8 450	4 300	4 150
Travel	5 000	11 200	-6 200
Other services	6 250	9 400	-3 150
Services account	19 700	24 900	-5 200
GOODS AND SERVICES ACCOUNT	119 500	126 800	-7 300
Investment income, net	13 900	27 100	-13 200
Unrequited transfers	950	5 050	-4 100
Other	2 550	3 450	-900
A. CURRENT ACCOUNT	136 900	162 400	-25 500
	Change in assets	Change in liabilities	Net
Long-term financial loans and suppliers' credits: ²			
drawings	-1 430	27 132	25 702
redemptions	1 839	-7 458	-5 619
Direct investment	-13 049	3 647	-9 402
Portfolio investment	-515	23 042	22 527
Other long-term capital	-296	169	-127
B. LONG-TERM CAPITAL ACCOUNT	-13 451	46 532	33 081
BASIC BALANCE (A+B)			7 581
Prepayments and liabilities related to imports			600
Prepayments and receivables related to exports	822	178	1 000
Short-term capital of authorized banks			11 500
Other short-term capital			-5 590
Errors and omissions			
C. SHORT-TERM CAPITAL ACCOUNT			7 510
D. ALLOCATIONS OF SDRs OVERALL BALANCE (A + B + C + D)			15 092
Change in the foreign exchange reserves of the Bank of Finland			-15 092
Assets: increase —, decrease +			
Liabilities: increase +, decrease —			

¹ Preliminary figures.

² Assets include export credits only.

grew while receipts remained at about the same level as in 1989.

Investment income. The largest item on this account consists of interest payments on foreign debt, which have risen rapidly with the accumulation of current account deficits. Interest payments abroad totalled FIM 27.1 billion, about 30 per cent more than in the previous year. Finland's interest income on its foreign assets accounted for only half of interest payments abroad.

Capital account

Imports of long- and short-term capital amounted to FIM 40.6 billion in net terms in 1990. There were particularly heavy inflows of long-term capital; the net figure of FIM 33.1 billion was more than four times higher than in 1989. As the inflow of capital exceeded the current account deficit, the Bank of Finland's foreign exchange reserves grew by FIM 15.1 billion.

Loans. Drawings of long-term loans in the form of promissory notes and private placement-type bonds totalled FIM 26.7 billion. These funds were raised mainly by the private sector. Repayments amounted to FIM 7.1 billion. Drawings of export credits granted to foreign customers amounted to FIM 1.4 billion and repayments of outstanding export credits to FIM 1.8 billion.

Direct investment. Finnish direct investment abroad totalled FIM 13.0 billion, up slightly from 1989. Foreign direct investment in Finland amounted to FIM 3.6 billion.

Portfolio investment. Net imports of capital in the form of portfolio investment amounted to FIM 22.5 billion. Of this amount, net sales of Finnish securities abroad accounted for FIM 23.0 billion. Sales of Finnish bonds abroad were brisk, whereas sales of Finnish shares abroad were negligible. Purchases of foreign securities by Finnish investors amounted to FIM 0.5 billion.

Short-term capital. The net inflow of short-term capital amounted to FIM 7.5 billion. Net imports of short-term capital by authorized banks totalled FIM 11.5 billion. Banks' reduced their forward cover financing by FIM 3.7 billion. Hence, their imports of other short-term capital exceeded their exports of other short-term capital by a substantial margin. Net exports of short-term capital by other sectors (incl. trade credits) totalled FIM 4.0 billion.

Foreign exchange reserves. The Bank of Finland's convertible foreign exchange reserves grew by FIM 15 432 million and net tied currency liabilities by FIM 340 million. At the end of the year, the convertible foreign exchange reserves stood at FIM 37 205 million and net tied currency liabilities at FIM 881 million.

Net foreign debt

At the end of 1990, Finland's net foreign debt totalled FIM 113.7 billion, or 22 per cent of GDP. Net long-term debt amounted to FIM 101.6 billion and net short-term debt to FIM 12.1 billion. The central government's share of net foreign debt was FIM 19.7 billion.

FINNISH DIRECT INVESTMENT ABROAD AND FOREIGN DIRECT INVESTMENT IN FINLAND IN 1990

Finnish direct investment abroad. In 1990, the net direct investment outflow remained at the same level as in the previous year. Net direct investment by Finnish companies in subsidiaries and associates abroad totalled FIM 13 049 million. This was equivalent to just over 2 per cent of GDP and to about 20 per cent of companies' fixed investment in Finland.

Forty-six per cent of net direct investment abroad went to EC countries, 26 per cent to EFTA countries and 16 per cent to North America.

Foreign direct investment in Finland. In 1990, the net direct investment inflow nearly tripled from the previous year. Net direct investment by foreign companies in subsidiaries and associates in Finland totalled FIM 3 647 million.

In net terms, 70 per cent of the direct investment capital inflow came from EFTA countries and 22 per cent from EC countries. Direct investment by North American companies accounted for 7 per cent of the total net capital inflow.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM JANUARY 1990 TO APRIL 1991

1990

JANUARY

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

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

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

Provided bank lending does not accelerate sharply in January-February 1990,

the collection of additional deposits under the supplementary cash reserve agreement will be discontinued. The non-interest-bearing additional deposits collected on the basis of the lending growth figures at the end of December 1989 will remain at the Bank of Finland and be refunded at the latest in July-December of the current year in six equal instalments at the end of each month.

FEBRUARY

Foreign Exchange Regulations. The Bank of Finland allows the sale abroad of new markka-denominated bonds of over one year's maturity as from February 1, 1990, with the exception of bonds issued by housing and real estate companies. The present ban on cross-border sales remains in force for bonds issued previously. Effective the same date, non-residents will be allowed to issue markka-denominated bonds in Finland. With effect from the beginning of February, the Bank of Finland also decides to exempt Finnish companies' share issues abroad from the requirement of prior authorization. Starting from this date, the Bank of Finland no longer requires quotation by the Helsinki Stock Exchange or the OTC market as a condition for the issue of foreign securities in Finland. Similarly, it is no longer necessary for non-residents purchasing Finnish securities to effect their purchases through the

Helsinki Stock Exchange or the OTC market.

MARCH

Finance companies accorded the right to act as an intermediary in the provision of foreign financing. The Bank of Finland decides that, with effect from March 1, 1990, finance companies may apply for the right to act as an intermediary in foreign loan transactions and raise foreign loans to the extent permitted by the limits on their foreign currency positions. Previously only deposit banks were accorded this right.

APRIL

Cash reserve agreement. The Bank of Finland signs a new cash reserve agreement with the deposit banks on April 26, 1990. According to the new agreement, the cash reserve base comprises domestic deposits by the public and the rate of interest payable on cash reserve deposits is the 3-month HELIBOR rate less three percentage points, not however less than 8 per cent. The new cash reserve base is applied for the first time to deposits in April and interest will be paid at the new rate with effect from May 1, 1990.

MAY

Cash reserve requirement. The cash reserve requirement corresponding to the new cash reserve agreement amounts to 8 per cent of the cash reserve base at end-April.

JULY

Foreign Exchange Regulations.

The Bank of Finland allows private persons to undertake foreign investments and grant loans of over one year's maturity to non-residents without upper limit as from July 1, 1990. This liberalization measure also applies to corporate entities, such as housing and real estate companies, considered comparable to private persons. Furthermore, local authorities are allowed to make foreign investments, grant loans of over one year's maturity to non-residents and raise foreign loans of over one year's maturity for financing their own operations.

The Bank of Finland also increases the opportunities of financial sector enterprises to engage in foreign operations. In addition to banks, mortgage banks and credit companies are, with effect from July 1, 1990, able to apply for the right to act as an intermediary in foreign loan transactions and raise foreign loans and the right to make foreign investments within the limits of their foreign currency positions. Finance companies have been able to apply for the right to act as an intermediary in foreign loan transactions since March 1, 1990.

Investment reserves. On July 12, the Government decides to release, as from January 1, 1991, companies' investment reserves set up in respect of profits earned in 1985-1987. These reserves are to be used by the end of 1992.

SEPTEMBER

Foreign Exchange Regulations.

By decision of the Bank of Finland, derivative instruments based on Finnish shares and warrants carrying the right to purchase restricted shares

may be sold to non-residents as from September 1, 1990. However, legislation restricting foreigners' ownership rights prohibits the transfer of restricted shares underlying derivative contracts and warrants to non-residents.

The decision applies to all standardized and unstandardized options and futures based on Finnish shares and other contracts of a similar nature.

The Bank of Finland further decides that residents may, without restriction, buy and sell derivative instruments based on foreign shares as from September 1, 1990.

NOVEMBER

Till-money credits. The agreement under which the Bank of Finland grants non-interest 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.

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 4 969 200 (Dec. 31, 1989) and an average population density of 16.3 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 490 800 inhabitants, Tampere (Tammerfors) 171 300, Espoo (Esbo) 169 400, Turku (Åbo) 158 900 and Vantaa (Vanda) 152 500.

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

FORM OF GOVERNMENT

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

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

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

Social Democratic Party 56; National Coalition Party 53; Centre Party 40; Left-Wing Alliance 20; Swedish People's Party 13; Rural Party 9; Christian League 5; and the Greens 4.

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

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

INTERNATIONAL RELATIONS

Finland pursues a policy of neutrality in foreign affairs. 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 431 billion in basic values in 1989, 3% was generated in agriculture and fishing, 3% in forestry, 25% in industry, 9% in construction, 11% in trade, restaurants and hotels, 8% in transport and communications, 4% in finance and insurance, 19% in other private services and 17% by producers of government services. Of total employment of 2.5 million persons in 1989, 9% were engaged in primary production, 31% in industry and construction and 60% in services.

In 1989, expenditure on the gross domestic product in purchasers' values amounted to FIM 495 billion and was distributed as follows: net exports -1.7% (exports 23.6%, imports -25.3%), gross fixed capital formation 27%, private consumption 52% and government consumption 20%. Finland's gross tax ratio (gross taxes in relation to GDP) was 37% 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, 3.6% in 1980-89 and 4.3% in 1990-89. Finland's GDP per capita in 1989 was USD 23 200. According to preliminary data, this put Finland in second place after Switzerland among the 24 member countries of the OECD.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1985-89, their share was, on average, 72.4 per cent, of which the share of EC countries was 40.8 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 19.1 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 1989, the share of forest industry products in total merchandise exports was 40%, the share of metal and engineering products 42% 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 1 660 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch. The annual growth increment totals 68 million cubic metres and the total drain calculated on the basis of commercial fellings was 59 million cubic metres in 1989.

Energy. In 1989, gross consumption of primary energy amounted to 30 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 31 %, coal 11 %, nuclear power 15 %, hydro-electric power, peat and other indigenous sources 29 %, others 14 %. Compared internationally (1988), Finland's consumption of 6.0 toe per capita was 1.8 times higher than the average in European OECD countries. The self-sufficiency rate (OECD definition, including nuclear power) in Finland was 42 %, as compared with 62 % in western Europe on average.

FINANCE AND BANKING

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

International payments.

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 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 payments arrangement between Finland and Bulgaria is still on a bilateral basis.

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, 1989).

Finland has four major groups of deposit banks with a total of more than 3 500 offices. There are two big commercial banks with national branch networks and eight smaller ones, four of which are foreign-owned. The commercial banks have a total of 33 foreign branches, subsidiaries and associate banks and 26 representative offices abroad. There are 178 savings banks and 360 cooperative banks with their own extensive branch networks. The government-owned Postipankki has 67 branches and also offers basic services in post offices. In addition, foreign banks have 9 representative offices in Finland.

Financial markets. Of the total stock of FIM 669 billion in outstanding domestic credit at the end of 1989, 65 % was provided by deposit banks, 3 % by private mortgage banks, 15 % by insurance companies, 5 % 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, 71 % of the instruments, which totalled approximately FIM 150 billion at end-1989, 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 83 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 125 billion (at end-1989). Four foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1989 totalled FIM 105 billion; government bonds made up 28 % of the total. Turnover on the Stock Exchange in 1989 amounted to FIM 41 billion; the share of shares and subscription rights in the total was approximately 82 %.



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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			
	Jan. 31	Dec. 31	Jan. 8	Jan. 15	Jan. 23	Jan. 31
ASSETS						
Gold and foreign currency claims	30 340	37 307	37 840	39 395	38 277	38 476
Gold	2 179	2 180	2 180	2 180	2 180	2 180
Special drawing rights	900	791	789	786	1 087	1 027
IMF reserve tranche	954	783	781	772	879	881
Convertible currencies	26 196	33 478	34 015	35 579	34 060	34 318
Tied currencies	112	75	76	78	71	70
Other foreign claims	3 267	2 574	2 578	2 597	2 475	2 476
Markka subscription to Finland's IMF quota	2 087	2 198	2 198	2 214	2 098	2 098
Term credit	1 180	376	380	382	376	378
Claims on financial institutions	49 508	15 190	14 214	11 906	13 380	12 847
Call money credits	52	—	2	1	0	—
Certificates of deposit	25 780	9 411	8 432	6 193	7 588	6 791
Securities with repurchase commitments	—	—	—	—	79	157
Term credits	12 980	—	—	—	—	—
Till-money credits	8 099	3 427	3 427	3 427	3 427	3 614
Bonds	2 360	2 115	2 115	2 048	2 048	2 047
Other claims on financial institutions	238	238	238	238	238	238
Claims on the public sector	1 168	1 314	1 326	1 329	1 338	1 339
Bonds	7	0	0	0	0	0
Total coinage	1 161	1 314	1 326	1 329	1 338	1 339
Claims on corporations	2 157	1 678	1 670	1 663	1 656	1 649
Financing of exports	1	—	—	—	—	—
Financing of domestic deliveries (KTR)	1 654	1 223	1 218	1 210	1 203	1 200
Bonds: KTR credits	295	254	251	251	251	248
Bonds: Other	21	8	8	8	8	8
Other claims on corporations	186	193	193	193	193	193
Other assets	103	900	112	113	113	118
Accrued items	—	770	—	—	—	—
Other assets	103	131	112	113	113	118
Total	86 543	58 964	57 740	57 002	57 239	56 906
LIABILITIES						
Foreign currency liabilities	713	983	499	363	316	381
Convertible currencies	17	27	126	36	28	23
Tied currencies	696	957	373	327	288	358
Other foreign liabilities	2 835	2 938	2 937	2 960	2 836	2 838
IMF markka accounts	2 087	2 198	2 198	2 214	2 098	2 098
Allocations of special drawing rights	748	740	738	745	738	740
Notes and coin in circulation	22 760	14 555	14 107	13 784	13 505	13 397
Notes	21 672	13 399	12 957	12 641	12 370	12 268
Coin	1 088	1 156	1 150	1 143	1 135	1 129
Certificates of deposit	—	—	640	640	640	640
Liabilities to financial institutions	33 667	17 855	18 167	17 558	18 579	18 538
Call money deposits	3 295	418	765	157	1 177	1 300
Term deposits	4 710	—	—	—	—	—
Cash reserve deposits	25 441	17 401	17 401	17 401	17 401	17 215
Capital import deposits	180	—	—	—	—	—
Other liabilities to financial institutions	41	36	1	1	1	23
Liabilities to the public sector	6 384	1 321	1 321	1 322	1 322	1 321
Cheque accounts	0	1	0	1	0	1
Cash fund deposits	4 525	—	—	—	—	—
Pension fund deposits	285	—	—	—	—	—
Counter-cyclical deposits	1 319	1 317	1 317	1 317	1 317	1 317
Export deposits	251	—	—	—	—	—
Other liabilities to the public sector	4	3	3	4	4	3
Liabilities to corporations	10 661	9 925	9 841	9 807	9 768	9 531
Deposits for investment and ship purchase	10 104	9 925	9 841	9 807	9 768	9 531
Capital import deposits	556	—	—	—	—	—
Other liabilities to corporations	—	—	—	—	—	—
Other liabilities	70	1 774	108	103	100	100
Accrued items	—	1 718	—	—	—	—
Other liabilities	70	56	108	103	100	100
Valuation account and reserves	3 290	3 448	4 356	4 702	4 410	4 396
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	86 543	58 964	57 740	57 002	57 239	56 906

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												
Jan.	2 179	900	954	26 179	30 212	-584	29 628	432	30 060	1 168	6 384	5 216
Feb.	2 179	846	913	26 289	30 227	-311	29 916	433	30 349	1 185	6 523	5 338
March	2 180	791	910	29 685	33 566	-962	32 604	273	32 877	1 203	6 655	5 452
April	2 180	779	899	30 034	33 892	-920	32 972	-40	32 932	1 217	6 950	5 733
May	2 180	796	902	30 875	34 753	-1 163	33 590	-39	33 551	1 229	7 205	5 976
June	2 180	778	865	30 550	34 373	-1 065	33 308	-40	33 268	1 285	7 205	5 920
July	2 180	771	858	31 272	35 081	-694	34 387	-43	34 344	1 266	6 635	5 369
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

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											
Jan.	34 050	-3 243	25 441	8 099	-2 377	15 842	1 950	10 453	-8 503	22 760	-
Feb.	33 720	-1 367	26 068	7 677	-2 378	16 340	1 919	10 460	-8 541	23 178	-
March	25 994	696	26 465	4 002	-2 397	6 624	1 857	10 415	-8 558	14 782	1 050
April	24 818	855	26 069	3 770	-2 374	5 748	1 809	10 480	-8 671	13 762	690
May	23 498	-1 008	22 855	3 627	-2 357	5 619	1 761	10 388	-8 627	13 501	630
June	22 911	-480	22 750	3 207	-2 310	5 198	1 706	10 226	-8 520	13 655	40
July	20 057	-485	22 679	3 752	-2 416	3 061	1 662	10 165	-8 503	13 592	40
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

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							
Jan.	18 660	4 710	13 630	320	14	2 726	-2 392
Feb.	31 775	14 350	18 650	-1 225	-46	-1 922	651
March	24 811	4 739	27 435	-7 363	698	-1 365	-5 300
April	16 470	150	17 452	-1 132	305	146	-973
May	15 510	1 610	15 130	-1 230	-998	865	-3 093
June	15 310	250	14 220	840	-8	-536	1 368
July	7 290	—	10 970	-3 680	7	12	-3 685
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

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	11 627	5 130	6 497	10 767	-6 098	11 166
1989						
Dec.	<u>10 531</u>	<u>3 563</u>	<u>6 967</u>	<u>8 031</u>	<u>205</u>	<u>15 204</u>
1990						
Jan.	9 339	3 793	5 545	11 854	125	17 524
Feb.	9 073	3 764	5 309	8 215	-1 741	11 783
March	10 328	3 418	6 910	14 739	-2 323	19 326
April	11 327	3 403	7 924	14 493	-5 546	16 871
May	12 591	3 029	9 562	15 073	-8 339	16 296
June	11 858	3 140	8 718	15 692	-8 229	16 181
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.	12 136	4 829	7 307	12 719	-6 633	13 393
Nov.	12 305	5 369	6 936	12 561	-6 492	13 005
Dec.	11 627	5 130	6 497	10 767	-6 098	11 166

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								
Jan.	308	34 151	34 459	1 200	860	25 504	27 564	6 895
Feb.	367	43 675	44 043	1 017	12 978	25 463	39 459	4 584
March	131	36 855	36 987	1 885	7 299	26 094	35 278	1 709
April	222	26 291	26 513	406	908	26 452	27 766	-1 254
May	175	26 112	26 287	700	654	25 965	27 319	-1 032
June	79	22 624	22 703	534	290	22 848	23 671	-969
July	3	21 435	21 438	542	40	22 748	23 330	-1 892
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

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										
Jan.	S	16.01	16.05	15.73	15.45	15.00	4.00	8.50	8.0	1.1
Feb.	S	16.01	16.01	15.73	15.39	15.00	4.00	8.50	8.0	.
March	8.97	15.08	15.38	15.40	15.37	15.00	4.00	8.50	8.0	.
April	8.86	13.16	13.94	14.33	14.70	15.00	4.00	8.50	8.0	.
May	9.47	12.25	12.77	13.17	13.74	15.00	4.00	8.50	8.0	.
June	8.22	12.07	12.52	13.17	13.79	15.00	4.00	8.50	8.0	.
July	8.23	11.69	12.45	13.01	13.63	15.00	4.00	8.50	8.0	.
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	.

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

Average of daily observations	3 currencies ¹				12 currencies ²			
	1 month	3 months	6 months	12 months	1 month	3 months	6 months	12 months
	1	2	3	4	5	6	7	8
1986	5.9	5.9	5.9	5.8	..	..	..	..
1987	5.4	5.6	5.7	5.8	7.9	8.0	8.1	8.2
1988	5.9	6.0	6.2	6.4	7.8	8.0	8.1	8.3
1989	8.3	8.4	8.5	8.5	9.7	9.8	9.9	9.9
1990	8.9	9.1	9.2	9.4	10.8	10.9	11.1	11.2
1990								
Jan.	8.8	9.0	9.2	9.2	10.8	11.0	11.2	11.3
Feb.	8.9	9.1	9.3	9.6	11.1	11.3	11.5	11.7
March	8.9	9.1	9.4	9.7	11.2	11.4	11.6	11.8
April	8.8	9.1	9.3	9.7	10.9	11.1	11.3	11.6
May	8.8	9.0	9.2	9.5	10.6	10.7	10.9	11.2
June	8.8	8.9	9.1	9.4	10.5	10.6	10.8	11.0
July	8.9	8.9	9.1	9.2	10.4	10.6	10.7	10.9
Aug.	8.9	9.0	9.2	9.3	10.5	10.7	10.9	11.1
Sept.	8.9	9.0	9.2	9.4	10.5	10.8	11.0	11.2
Oct.	8.8	9.0	9.1	9.2	10.8	10.9	10.9	11.1
Nov.	8.9	9.2	9.2	9.2	11.0	11.1	11.0	11.0
Dec.	9.5	9.4	9.3	9.2	11.2	11.2	11.1	11.0
1991								
Jan.	9.0	9.2	9.3	9.3	10.9	11.0	10.9	10.9

3.3 COVERED EURO-DOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
1986	12.0	11.6	11.5	11.1
1987	9.8	9.9	9.9	10.1
1988	9.5	9.7	9.9	10.2
1989	11.8	12.0	12.1	12.1
1990	13.2	13.7	13.9	14.1
1990				
Jan.	14.9	15.4	15.1	15.0
Feb.	15.0	15.0	14.9	14.7
March	14.3	14.7	14.8	14.7
April	12.7	13.6	13.9	14.4
May	12.1	12.8	13.2	13.8
June	11.8	12.5	13.0	13.6
July	11.5	12.3	12.9	13.5
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

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

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

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

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*	13.25	15.62	13.33	13.85	11.84	11.61	7.50	4.50	..	..	..
1989											
Dec.	16.36	15.37	13.28	14.02	11.86	11.80	7.50	4.50	6.60	14.18	8.77
1990*											
Jan.	13.55	15.71	13.02	13.73	11.99	11.91	7.50	4.50	6.45	14.40	8.66
Feb.	S	S	S	S	12.00	11.89	7.50	4.50	6.36	14.35	8.50
March	14.71	15.64	12.99	13.84	11.94	11.76	7.50	4.50	6.52	14.52	8.53
April	11.92	15.56	13.29	13.61	11.77	11.53	7.50	4.50	6.49	14.05	8.66
May	12.86	15.40	13.17	13.61	11.71	11.44	7.50	4.50	6.40	13.60	8.50
June	13.25	15.36	13.19	13.73	11.66	11.41	7.50	4.50	6.34	13.01	8.26
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.	14.57	15.94	13.26	13.94	12.14	11.93	7.50	4.50	..	..	..

¹ End 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
1989								
Dec.	13.5	13.0	12.9	12.4	12.1	12.6	8.9	12.5
1990								
Jan.	13.5	13.0	12.7	12.7	12.9	12.4	8.7	11.3
Feb.	13.5	13.0	S	S	S	S	S	12.9
March	13.8	13.4	13.2	13.2	13.3	13.1	8.6	13.0
April	13.8	13.5	13.4	13.3	13.5	13.1	8.7	12.7
May	13.8	13.7	13.1	13.5	13.6	13.5	8.8	13.3
June	13.8	13.7	13.1	13.3	13.3	13.6	8.7	13.1
July	13.8	13.7	13.4	13.3	13.5	13.1	9.0	13.2
Aug.	13.7	13.7	13.2	13.3	13.5	13.1	9.1	13.1
Sept.	13.7	13.6	13.4	13.3	13.4	13.1	9.2	13.0
Oct.	14.0	13.9	13.5	13.7	13.5	14.0	9.5	13.5
Nov.	13.9	13.8	13.1	13.4	13.3	13.5	10.0	13.6
Dec.	13.5	13.4	13.5	13.2	13.2	12.9	10.7	13.3

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											
Jan.	4.010	3.431	6.632	6.270	0.6508	0.6139	0.6117	2.3708	2.1018	0.11317	2.6457
Feb.	3.960	3.315	6.724	6.277	0.6482	0.6129	0.6128	2.3635	2.0966	0.11322	2.6625
March	4.030	3.416	6.561	6.308	0.6548	0.6125	0.6177	2.3648	2.1001	0.11399	2.6677
April	4.000	3.439	6.557	6.362	0.6546	0.6117	0.6217	2.3704	2.1060	0.11472	2.6899
May	3.931	3.351	6.612	6.351	0.6503	0.6111	0.6213	2.3666	2.1041	0.11469	2.7738
June	3.966	3.385	6.780	6.318	0.6516	0.6133	0.6186	2.3540	2.0913	0.11461	2.7822
July	3.848	3.328	6.959	6.300	0.6473	0.6112	0.6166	2.3463	2.0824	0.11404	2.7628
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

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Tokyo	Moscow	Melbourne	ECU	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 JPY	1 SUR	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22
1986	0.7355	0.00343	0.3339	0.0343	0.1259	0.0364	0.03028	7.228	..	..	5.94432
1987	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	0.03050	6.965	3.106	5.075	5.68010
1988	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	0.03273	6.891	3.309	4.954	5.61826
1989	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	0.03122	6.817	3.423	4.731	5.49375
1990	0.7054	0.00321	0.3374	0.0271	0.0681	0.0377	0.02654	6.553	3.011	4.875	5.18345
1990											
Jan.	0.6980	0.00319	0.3371	0.0272	0.0684	0.0367	0.02768	6.640	3.159	4.812	5.27623
Feb.	0.6975	0.00320	0.3359	0.0271	0.0684	0.0367	0.02723	6.591	3.029	4.829	5.24250
March	0.7021	0.00322	0.3362	0.0270	0.0682	0.0370	0.02634	6.610	3.067	4.827	5.23570
April	0.7072	0.00324	0.3372	0.0270	0.0680	0.0375	0.02528	6.582	3.075	4.847	5.19392
May	0.7044	0.00323	0.3366	0.0270	0.0679	0.0380	0.02562	6.575	3.017	4.849	5.17416
June	0.7011	0.00322	0.3348	0.0271	0.0683	0.0382	0.02582	6.620	3.105	4.850	5.20247
July	0.7009	0.00322	0.3338	0.0270	0.0680	0.0384	0.02581	6.549	3.068	4.856	5.16136
Aug.	0.7057	0.00322	0.3361	0.0270	0.0677	0.0384	0.02519	6.480	3.020	4.899	5.09787
Sept.	0.7081	0.00318	0.3367	0.0270	0.0680	0.0378	0.02681	6.523	3.083	4.898	5.15451
Oct.	0.7117	0.00319	0.3384	0.0272	0.0681	0.0380	0.02794	6.500	2.933	4.919	5.16932
Nov.	0.7146	0.00321	0.3416	0.0275	0.0680	0.0381	0.02770	6.465	2.782	4.949	5.14440
Dec.	0.7142	0.00322	0.3443	0.0276	0.0681	0.0381	0.02706	6.504	2.799	4.963	5.14894
1991											
Jan.	0.7131	0.00323	0.3438	0.0274	0.0685	0.0385	0.02729	6.553	2.863	4.981	5.18185

4.2 CURRENCY INDICES, 1982=100

Average of daily observations	Bank of Finland currency index	Other currency indices		Currency	Weights of the Bank of Finland currency Index As from January 2, 1991
		Payments currency index	MERM index		
	1	2	3		4
1986	103.9	106.3	110.4	USD	8.8
1987	103.3	103.2	106.1	GBP	12.3
1988	102.0	101.1	104.7	SEK	18.9
1989	98.4	98.4	102.8	NOK	3.8
1990	97.3	96.1 ^f	97.3	DKK	4.5
				DEM	19.2
1990				NLG	5.0
Jan.	97.2	96.8 ^f	99.2	BEF	3.3
Feb.	97.1	96.5 ^f	98.4	CHF	2.4
March	97.0	96.8 ^f	98.7	FRF	6.9
April	97.0	96.7 ^f	98.0	ITL	5.2
May	96.9	96.3 ^f	97.5	ATS	1.7
June	97.2	96.7 ^f	97.9	ESP	2.1
July	97.1	96.0 ^f	96.9	JPY	5.9
Aug.	97.0	95.5 ^f	95.7		
Sept.	97.3	95.6	96.6		
Oct.	97.7	95.4 ^f	96.6		
Nov.	97.7	95.3 ^f	96.2		
Dec.	97.9	95.7 ^f	96.4		
1991					
Jan.	98.4	96.3 ^f	97.0		

5. OTHER DOMESTIC FINANCING

5.1 BANK DEPOSITS BY THE PUBLIC, MILL. FIM

End of period	Demand deposits	Time deposits	Investment accounts	Markka deposits, total (1+2+3)	Foreign currency deposits	Unregulated deposits	Total deposits (4+5+6)
	1	2	3	4	5	6	7
1985	19 268	125 366	1 781	146 415	6 184	13 998	166 597
1986	18 393	137 521	3 423	159 337	4 259	17 271	180 866
1987	20 377	155 115	5 243	180 735	3 915	17 892	202 542
1988*	24 831	194 181	5 089	224 102	4 561	41 028	269 690
1989*	28 503	201 392	10 176	240 071	7 133	75 522	322 725
1989*							
Nov.	27 687	195 226	9 913	232 825	6 504	80 414	319 743
Dec.	28 503	201 392	10 176	240 071	7 133	75 522	322 725
1990*							
Jan.	32 618	199 773	10 692	243 084	10 487	82 920	336 492
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	7 412	69 584	321 824

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
1985	6 313	7 471	132 668	146 451	24 236	170 687
1986	7 542	6 354	152 335	166 231	24 450	190 681
1987	8 507	5 177	178 698	192 382	36 475	228 857
1988*	11 358	5 920	234 268	251 545	49 910	301 455
1989*	15 270	5 651	255 410	276 331	71 323	347 654
1989*						
Nov.	15 584	5 465	257 252	278 300	67 947	346 246
Dec.	15 270	5 651	255 410	276 331	71 323	347 654
1990*						
Jan.	17 098	5 545	257 211	279 853	79 984	359 837
Feb.	17 489	5 528	257 444	280 460	78 896	359 357
March	16 766	5 629	256 786	279 181	82 101	361 282
April	17 095	5 666	255 254	278 014	85 607	363 621
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

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
1985	-6 641	-8 694	209 231	200 537	-38 684	93 215	155 212	156 560
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	-18 868	407 433	388 565	-77 997	124 295	251 519	272 603
1989*								
Nov.	-57 974	-18 617	407 598	388 981	-87 669	120 848	243 339	269 405
Dec.	-59 049	-18 868	407 433	388 565	-77 997	124 295	251 519	272 603
1990*								
Jan.	-55 383	-16 776	420 643	403 866	-86 645	132 626	261 839	288 245
Feb.	-55 962	-18 534	421 808	403 274	-81 927	135 906	265 385	295 331
March	-62 202	-19 004	424 958	405 954	-85 956	127 499	257 796	289 726
April	-66 857	-16 136	426 742	410 606	-86 245	126 520	257 504	289 429
May	-66 737	-15 311	431 336	416 026	-90 636	126 524	258 653	291 815
June	-69 256	-15 410	435 821	420 412	-89 111	130 169	262 044	293 491
July	-68 930	-17 378	437 063	419 685	-91 585	127 416	259 171	291 732
Aug.	-71 996	-17 092	440 238	423 146	-93 279	126 332	257 870	291 948
Sept.	-75 962	-16 321	448 600	432 279	-98 417	128 399	257 900	293 609
Oct.	-76 332	-15 619	448 359	432 739	-98 971	127 713	257 436	291 707
Nov.	-80 013	-16 454	451 262	434 807	-97 051	128 127	257 744	291 414

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	..	..
1989											
Dec.	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	45 356	21 248
1990											
Jan.	18 353	851	3 350	22 554	23 172	5 747	100	29 019	51 573	45 807	19 182
Feb.	18 322	729	3 303	22 354	23 122	5 728	—	28 850	51 204	46 060	20 715
March	18 310	663	3 155	22 128	22 403	5 723	—	28 126	50 254	46 432	22 657
April	17 508	666	3 143	21 317	22 136	5 360	—	27 496	48 813	46 853	18 457
May	17 501	503	3 122	21 126	21 734	5 185	—	26 919	48 045	47 206	17 268
June	17 537	502	3 061	21 100	21 827	5 182	—	27 009	48 109	47 558	16 764
July	18 482	499	3 185	22 166	22 061	5 182	—	27 243	49 409	48 006	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	..	..

5.5 MARKKA BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private 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	18 448	4 420	490	1 007	17 791	607	10 607	29 004
1989									
Dec.	258	850	—	9	—	665	—	452	1 117
1990*									
Jan.	399	818	—	—	—	110	—	1 107	1 217
Feb.	437	2 888	—	—	—	1 976	357	992	3 325
March	602	2 242	—	—	—	980	—	1 864	2 844
April	162	730	—	—	—	620	—	272	892
May	350	481	1 373	340	157	2 170	—	531	2 701
June	273	1 436	—	—	500	1 140	—	1 069	2 209
July	200	550	—	—	150	570	—	330	900
Aug.	431	1 804	270	—	200	2 234	—	471	2 705
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	3 990	150	150	—	3 140	—	1 986	5 126

B) STOCK, MILL. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1985	10 482	26 173	18 575	661	56	10 967	19 002	25 977	55 947
1986	14 075	31 902	22 091	1 042	177	16 432	23 314	29 541	69 287
1987	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
1988*	19 195	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
1989*									
III	21 537	48 392	28 714	1 539	288	39 154	28 279	33 036	100 470
IV	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
1990*									
I	21 865	55 500	27 631	1 531	296	43 578	25 730	37 515	106 823
II	21 283	54 539	27 461	1 803	954	44 521	23 698	37 820	106 039
III	22 386	56 723	26 998	1 691	1 303	47 524	23 614	37 963	109 101

5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices										Turnover ¹ , mill. FIM					
	HEX index (Dec. 28, 1990 = 1000)										Units index, 1975 = 100			Shares and subscription rights	Bonds and debentures	Total
	All-share index	By ownership		By industry						All-share index	Banks	Industry				
		Re-stricted	Non-re-stricted	Banks and finance	Insurance and investment	Manu-facturing	Of which									
	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																
Jan.	1 574	1 567	1 640	1 509	1 355	1 624	1 649	1 506	1 814	633	332	701	4 475	709	5 184	
Feb.	1 640	1 636	1 693	1 473	1 393	1 733	1 904	1 515	1 909	661	319	745	1 324	15	1 339	
March	1 577	1 569	1 653	1 423	1 354	1 658	1 821	1 483	1 779	638	320	715	1 520	599	2 120	
April	1 465	1 455	1 554	1 366	1 271	1 525	1 639	1 370	1 632	594	314	660	850	250	1 100	
May	1 413	1 396	1 541	1 348	1 254	1 452	1 523	1 314	1 581	572	308	632	1 199	632	1 876	
June	1 404	1 388	1 527	1 341	1 237	1 449	1 521	1 314	1 578	567	306	628	804	341	1 101	
July	1 326	1 308	1 468	1 283	1 167	1 380	1 387	1 289	1 511	538	291	598	468	216	684	
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	

¹ During period.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Trans- port receipts	Travel receipts	Other services receipts	Services receipts, of total (2+3+4)	Exports of goods and services (1+5)	Invest- ment income ¹	Trans- fers and other income	Current account of receipts (6+7+8)	Imports of goods, c.i.f.	Trans- port ex- penditure	Travel ex- penditure	Other services ex- penditure
	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	4 510	3 609	103 752	76 736	2 160	5 587	5 415
1987	83 826	6 370	3 736	6 099	16 204	100 030	5 075	3 231	108 336	81 867	2 610	6 811	6 488
1988	91 313	7 026	4 280	6 132	17 438	108 750	7 836	4 415	121 002	91 232	3 338	7 907	7 390
1989*	98 265	7 662	4 497	6 277	18 436	116 701	10 646	3 652	130 999	104 400	3 869	8 969	8 759
1990*	99 800	8 450	5 000	6 250	19 700	119 500	13 900	3 500	136 900	101 900	4 300	11 200	9 400
1988													
III	21 621	1 880	1 486	1 264	4 631	26 251	1 978	1 133	29 363	23 767	943	2 210	1 789
IV	26 608	1 771	977	1 905	4 653	31 261	2 105	1 080	34 446	24 597	944	1 951	1 860
1989*													
I	24 944	1 853	869	1 322	4 044	28 988	2 057	851	31 896	24 292	820	1 922	2 170
II	23 370	1 948	1 078	1 376	4 401	27 771	2 793	930	31 494	24 762	947	2 170	2 234
III	22 534	1 982	1 421	1 466	4 869	27 403	2 476	927	30 806	25 637	1 022	2 431	2 070
IV	27 418	1 879	1 129	2 114	5 122	32 540	3 320	944	36 803	29 708	1 080	2 446	2 285
1990*													
I	24 418	2 053	806	1 530	4 389	28 807	3 056	805	32 667	24 697	968	2 461	2 288
II	26 480	2 142	1 145	1 305	4 591	31 072	3 332	952	35 356	27 572	1 060	2 697	2 292
III	22 904	2 195	1 835	1 555	5 585	28 489	3 169	914	32 572	22 848	1 108	3 038	2 150
IV	25 998	2 059	1 214	1 861	5 134	31 133	4 344	829	36 306	26 783	1 164	3 004	2 670

During period	Services ex- penditure, total (11+12+13)	Imports of goods and services (10+14)	Invest- ment ex- penditure ¹	Trans- fers and other ex- penditure	Current account ex- penditure (15+16+17)	Trade account (1-10)	Trans- port (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21+22)	Goods and services account net (19+23)	Invest- ment income, net (7-16)	Trans- fers and others, net (8-17)	Current account (24+25+26) =
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1986	13 162	89 898	11 719	5 964	107 580	4 329	3 597	-2 392	201	1 406	5 735	-7 209	-2 355	-3 828
1987	15 909	97 775	12 617	5 860	116 251	1 960	3 760	-3 075	-390	296	2 255	-7 542	-2 629	-7 915
1988	18 634	109 866	15 769	6 975	132 610	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 933	-2 560	-11 608
1989*	21 596	125 996	21 099	7 561	154 656	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-10 453	-3 910	-23 657
1990*	24 900	126 800	27 100	8 500	162 400	-2 100	4 150	-6 200	-3 150	-5 200	-7 300	-13 200	-5 000	-25 500
1988														
III	4 942	28 709	3 511	1 558	33 778	-2 146	937	-723	-525	-311	-2 457	-1 533	-424	-4 415
IV	4 756	29 353	4 514	1 888	35 754	2 010	827	-975	45	-102	1 908	-2 409	-808	-1 308
1989*														
I	4 911	29 203	4 169	2 120	35 492	652	1 034	-1 053	-848	-867	-215	-2 112	-1 269	-3 596
II	5 351	30 114	5 691	1 884	37 689	-1 393	1 001	-1 092	-858	-950	-2 343	-2 898	-954	-6 195
III	5 522	31 160	5 137	1 730	38 027	-3 103	960	-1 010	-604	-654	-3 757	-2 661	-804	-7 221
IV	5 811	35 519	6 102	1 827	43 448	-2 291	799	-1 316	-171	-689	-2 980	-2 782	-883	-6 645
1990*														
I	5 717	30 414	5 895	1 926	38 235	-279	1 085	-1 655	-759	-1 328	-1 607	-2 839	-1 121	-5 568
II	6 049	33 621	6 974	2 202	42 797	-1 092	1 082	-1 553	-987	-1 458	-2 550	-3 642	-1 250	-7 442
III	6 295	29 144	6 496	2 140	37 780	55	1 088	-1 203	-595	-710	-655	-3 327	-1 226	-5 209
IV	6 838	33 621	7 735	2 231	43 587	-784	895	-1 790	-809	-1 704	-2 488	-3 391	-1 402	-7 282

S14 ¹ Excluding for the time being reinvested earnings of direct investment enterprises; see also the item on direct investment in the October 1990 issue of the Bulletin.

6.2 CAPITAL ACCOUNT, MILL. FIM

During period	Direct investment in Finland	Port-folio investment in Finland	Long-term credits				Imports of other long-term capital	Imports of long-term capital (1+2+6+7)	Direct investment abroad	Port-folio investment abroad	Long-term export credits	Exports of other long-term capital	Exports of long-term capital (9+10+11+12)	Long-term capital account (8-13)
			Central government	Author-ized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1986	1 627	9 301	-240	31	-3 056	-3 265	87	7 750	3 641	2 592	-381	457	6 309	1 441
1987	424	9 319	-556	1 823	103	1 370	91	11 204	3 741	3 029	158	2 508	9 436	1 768
1988	1 164	14 457	-1 892	2 304	2 548	2 960	85	18 666	7 935	2 492	1 369	753	12 550	6 117
1989*	1 312	14 756	-1 638	4 403	5 843	8 608	79	24 755	12 795	887	2 934	78	16 694	8 061
1990*	3 647	23 042	-666	3 898	16 442	19 674	169	46 532	13 049	515	-409	296	13 451	33 081
1988														
III	107	1 274	-382	953	503	1 074	-19	2 436	1 677	415	67	134	2 293	143
IV	681	5 899	-778	857	1 195	1 274	57	7 911	2 173	438	1 076	215	3 902	4 009
1989*														
I	-165	7 696	-761	1 031	458	728	42	8 301	3 173	328	1 395	357	5 253	3 048
II	176	1 415	-403	421	1 058	1 076	-22	2 645	1 969	430	543	160	3 102	-457
III	486	2 841	-113	708	886	1 481	-16	4 792	3 611	333	225	158	4 327	465
IV	815	2 804	-361	2 243	3 441	5 323	75	9 017	4 042	-204	771	-597	4 012	5 005
1990*														
I	592	6 709	-310	2 125	10 423	12 238	126	19 665	2 348	295	102	357	3 102	16 563
II	627	2 646	-234	448	1 443	1 657	-34	4 896	3 072	-342	17	-163	2 584	2 312
III	244	6 997	-201	1 146	1 573	2 518	-26	9 733	2 900	166	-220	-151	2 695	7 038
IV	2 184	6 690	79	179	3 003	3 261	103	12 238	4 729	396	-308	252	5 069	7 169

During period	Basic balance	Short-term capital imports of au- thorized banks	Import liabilities and prepay- ments related to ex- ports	Imports of short-term capital (16+17)	Short-term capital exports of au- thorized banks	Export receiv- ables and prepay- ments related to imports	Exports of short-term capital (19+20)	Other short-term capital incl. errors and omissions	Short-term capital account (18-21+22)	Overall balance excl. reserve movements (15+23)	Change in central bank's foreign ex- change reserves (26+27)	Of which:	
												Convertible reserves	Tied reserves
	15	16	17	18	19	20	21	22	23	24	25	26	27
1986	-2 387	6 019	-3 796	2 222	9 933	-92	9 841	2 075	-5 544	-7 930	7 930	11 678	-3 748
1987	-6 147	19 324	-665	18 659	-7 343	-183	-7 526	-4 302	21 883	15 736	-15 736	-17 817	2 081
1988	-5 492	10 950	-399	10 551	5 970	644	6 614	1 737	5 674	183	-183	-517	334
1989*	-15 596	4 285	1 627	5 912	3 895	475	4 370	8 093	9 635	-5 961	5 961	4 455	1 506
1990*	7 581	23 274	778	24 052	11 774	-822	10 952	-5 589	7 510	15 092	-15 092	-15 432	340
1988													
III	-4 272	-142	1 411	1 269	3 405	1 014	4 419	334	-2 816	-7 088	7 088	6 337	751
IV	2 700	-8 761	-663	-9 424	-4 764	1 014	-3 750	3 185	-2 488	212	-212	-897	685
1989*													
I	-548	5 699	-287	5 412	6 508	214	6 721	3 677	2 368	1 820	-1 820	-1 372	-449
II	-6 652	10 783	-2 108	8 675	4 470	214	4 684	1 486	5 477	-1 174	1 174	152	1 022
III	-6 756	4 047	1 107	5 154	4 552	24	4 576	3 192	3 770	-2 987	2 987	1 802	1 185
IV	-1 640	-16 243	2 915	-13 329	-11 635	24	-11 611	-263	-1 980	-3 620	3 620	3 873	-253
1990*													
I	10 995	19 913	735	20 648	11 359	-593	10 766	-10 030	-149	10 847	-10 847	-11 254	408
II	-5 130	9 456	793	10 250	5 853	-593	5 261	915	5 904	774	-774	-873	100
III	1 829	-1 611	-802	-2 413	-2 967	-360	-3 327	-685	230	2 059	-2 059	-2 064	5
IV	-113	-4 484	51	-4 433	-2 471	723	-1 748	4 211	1 525	1 412	-1 412	-1 240	-172

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

End of period	Long-term liabilities								Long-term assets					Long-term debt, net (8-13)
	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Other long-term capital	Total (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Other long-term capital	Total (9+10+11+12)	
			Central government	Authorized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1986	8 173	48 039	8 596	1 728	19 959	30 283	739	87 234	11 819	4 962	5 649	3 420	25 850	61 384
1987	10 459	54 317	8 247	3 507	18 625	30 379	830	95 985	17 793	7 991	5 240	5 747	36 771	59 214
1988	12 652	68 957	6 081	5 910	21 126	33 117	915	115 641	22 376	10 483	6 686	6 538	46 083	69 558
1989*	16 247	82 313	4 127	9 967	26 016	40 110	994	139 664	31 500	11 365	9 469	6 469	58 803	80 861
1990*	19 894	95 135	3 401	13 817	39 993	57 211	1 163	173 403	44 549	11 880	8 621	6 713	71 763	101 640
1988														
III	11 714	63 202	6 880	5 048	20 362	32 290	858	108 064	21 041	10 045	5 787	6 406	43 279	64 785
IV	12 652	68 957	6 081	5 910	21 126	33 117	915	115 641	22 376	10 483	6 686	6 538	46 083	69 558
1989*														
I	13 046	75 798	5 117	6 843	21 172	33 132	957	122 933	24 833	10 811	7 972	6 872	50 488	72 445
II	13 783	77 417	4 629	7 231	22 258	34 118	935	126 253	26 000	11 241	8 932	7 106	53 279	72 974
III	14 828	79 950	4 520	7 878	23 020	35 418	919	131 115	28 570	11 569	9 155	7 251	56 545	74 570
IV	16 247	82 313	4 127	9 967	26 016	40 110	994	139 664	31 500	11 365	9 469	6 469	58 803	80 861
1990*														
I	16 839	85 070	3 662	11 883	35 245	50 790	1 120	153 819	33 848	11 659	9 366	6 790	61 663	92 156
II	17 466	85 823	3 454	12 655	36 138	52 247	1 086	156 622	36 920	11 317	9 339	6 628	64 204	92 418
III	17 710	89 560	3 322	13 734	37 306	54 362	1 060	162 692	39 820	11 481	8 987	6 465	66 753	95 939
IV	19 894	95 135	3 401	13 817	39 993	57 211	1 163	173 403	44 549	11 880	8 621	6 713	71 763	101 640

End of period	Short-term liabilities				Short-term assets				Short-term liabilities, net (18-22)	Debt, net (14+23)	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 and other liabilities	Total (15+16+17)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits and other assets	Total (19+20+21)				
	15	16	17	18	19	20	21	22	23	24	25	26
1986	3 455	56 881	14 483	74 819	16 613	46 141	19 279	82 034	-7 215	54 169	7 209	6.9
1987	3 362	73 132	16 898	93 392	31 134	38 798	18 060	87 993	5 400	64 614	7 542	7.0
1988	3 341	83 828	15 919	103 088	32 037	42 037	20 830	94 904	8 184	77 742	7 933	6.6
1989*	3 558	88 751	19 541	111 850	25 113	45 932	22 183	93 227	18 623	99 484	10 453	8.0
1990*	3 922	112 025	18 541	134 488	39 506	57 706	25 191	122 403	12 085	113 725	13 200	9.6
1988												
III	3 539	90 827	17 297	111 663	32 750	49 532	20 090	102 372	9 291	74 076	1 533	5.2
IV	3 341	83 828	15 919	103 088	32 037	42 037	20 830	94 904	8 184	77 742	2 409	7.0
1989*												
I	3 278	90 535	16 748	110 560	33 376	48 545	21 047	102 968	7 592	80 037	2 112	6.6
II	3 136	100 345	15 475	118 956	32 142	53 015	22 433	107 590	11 366	84 340	2 898	9.2
III	3 919	104 777	16 706	125 402	29 839	57 567	22 704	110 110	15 292	89 862	2 661	8.6
IV	3 558	88 751	19 541	111 850	25 113	45 932	22 183	93 227	18 623	99 484	2 782	7.6
1990*												
I	4 036	108 663	21 444	134 144	35 895	57 290	23 142	116 327	17 816	109 972	2 839	8.7
II	4 195	118 120	21 034	143 349	36 764	63 144	22 457	122 365	20 983	113 401	3 642	10.3
III	4 071	116 509	20 404	140 984	38 454	60 177	22 296	120 927	20 057	115 996	3 327	10.2
IV	3 922	112 025	18 541	134 488	39 506	57 706	25 191	122 403	12 085	113 725	3 391	9.3

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

End of period	Long-term liabilities					Long-term assets					Long-term liabilities, net (5-10)
	Corporate sector	Financial institutions	Central government	Local government	Total (1+2+3+4)	Corporate sector	Financial institutions	Central government	Other	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1986	39 524	20 169	27 031	509	87 234	17 301	5 721	2 309	520	25 850	61 384
1987	40 050	26 734	28 691	511	95 985	23 659	9 740	2 653	719	36 771	59 214
1988	47 089	41 127	26 926	499	115 641	28 982	12 977	3 101	1 024	46 083	69 558
1989*	59 246	56 781	23 063	575	139 664	37 774	15 140	3 517	2 372	58 803	80 861
1990*	73 920	74 962	23 900	621	173 403	50 613	13 375	3 937	3 838	71 763	101 640
1988											
III	44 006	35 695	27 849	516	108 064	27 543	11 830	2 938	968	43 279	64 785
IV	47 089	41 127	26 926	499	115 641	28 982	12 977	3 101	1 024	46 083	69 558
1989*											
I	48 466	47 919	26 033	515	122 933	31 265	14 658	3 299	1 266	50 488	72 445
II	50 234	51 262	24 257	500	126 253	32 743	15 805	3 329	1 402	53 279	72 974
III	53 499	53 342	23 783	491	131 115	35 417	15 972	3 374	1 782	56 545	74 570
IV	59 246	56 781	23 063	575	139 664	37 774	15 140	3 517	2 372	58 803	80 861
1990*											
I	69 051	62 166	21 998	604	153 819	40 108	15 180	3 699	2 677	61 663	92 156
II	69 864	65 304	20 878	579	156 622	43 318	14 157	3 734	2 996	64 204	92 418
III	69 374	71 050	21 661	608	162 692	46 087	13 445	3 772	3 452	66 753	95 939
IV	73 920	74 962	23 900	621	173 403	50 613	13 375	3 937	3 838	71 763	101 640

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
1989¹	99 782	105 516	-5 734
1990*	101 338	103 018	-1 680
1989			
Dec.	7 978	9 165	-1 187
1990*			
Jan.	8 523	8 320	203
Feb.	8 028	8 107	-79
March	8 207	8 565	-358
April	9 076	9 916	-840
May	9 034	9 458	-424
June	8 773	8 367	406
July	7 134	7 715	-581
Aug.	7 655	8 185	-530
Sept.	8 514	7 369	1 145
Oct.	8 987	10 107	-1 120
Nov.	8 963	8 379	584
Dec.	8 444	8 530	-86

¹ Owing to certain technical difficulties during the summer months 1989 the figures for individual months of the foreign trade statistics compiled by the Board of Customs may contain inaccuracies. However, the cumulative total for 1989 should not be unduly affected.

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

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
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
1988					
III	113	134	147	123	119
IV	136	137	150	124	121
1989					
I	123	132	156	128	122
II	116	136	155	126	123
III	112	141	155	126	124
IV	134	163	157	126	125
1990*					
I	122	134	154	128	120
II	132	152	154	126	122
III	114	124	155	128	121
IV	130	140	154	133	116

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
1989										
Dec.	618	2 551	684	2 805	1 320	4 327	850	1 961	1 963	64
1990*										
Jan.	617	2 324	830	3 420	1 332	4 025	534	1 781	1 951	29
Feb.	666	2 447	830	2 594	1 491	4 054	428	1 577	1 979	69
March	622	2 784	758	2 609	1 434	4 205	478	1 666	2 177	39
April	681	2 815	805	3 301	1 474	4 593	718	2 012	2 403	190
May	849	2 828	812	3 075	1 470	4 641	760	1 782	2 192	83
June	740	2 592	746	3 306	1 389	4 110	768	1 614	1 830	45
July	494	2 423	632	2 478	1 107	3 692	557	1 482	1 899	85
Aug.	514	2 766	824	2 304	1 247	3 902	815	1 502	1 942	23
Sept.	645	2 525	877	2 938	1 529	3 487	974	1 207	1 669	32
Oct.	693	2 871	854	3 008	1 561	4 600	1 743	1 569	2 181	14
Nov.	696	2 849	826	3 095	1 497	4 049	825	1 494	1 951	60
Dec.	594	2 449	746	3 365	1 290	3 824	1 248	1 682	1 715	61

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1989		1990*		1989		1990*	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period on the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	75 493	75.7	77 535	2.7	82 765	78.4	82 370	-0.5
OECD Europe	64 393	64.5	68 003	5.6	67 055	63.5	67 618	0.8
Of which:								
Austria	1 175	1.2	1 117	-4.9	1 295	1.2	1 401	8.2
Belgium and Luxembourg	1 947	2.0	2 248	15.5	2 932	2.8	2 838	-3.2
Denmark	3 257	3.3	3 538	8.6	3 290	3.1	3 369	2.4
France	5 453	5.5	6 237	14.4	4 417	4.2	4 427	0.2
Federal Republic of Germany	10 785	10.8	12 568	16.5	18 233	17.3	17 513	-4.0
Italy	2 989	3.0	3 228	8.0	4 900	4.6	4 765	-2.8
Netherlands	3 961	4.0	4 348	9.8	3 416	3.2	3 275	-4.1
Norway	2 920	2.9	3 067	5.1	2 457	2.3	3 515	43.1
Spain	1 831	1.8	2 210	20.7	1 129	1.1	1 159	2.7
Sweden	14 314	14.3	14 455	1.0	14 314	13.6	13 389	-6.5
Switzerland	1 680	1.7	1 806	7.5	1 829	1.7	1 804	-1.4
United Kingdom	11 958	12.0	10 724	-10.3	6 898	6.5	7 849	13.8
Other OECD	11 100	11.1	9 531	-14.1	15 711	14.9	14 752	-6.1
Of which:								
Canada	1 359	1.4	1 124	-17.3	919	0.9	809	-12.0
Japan	2 033	2.0	1 445	-28.9	7 695	7.3	6 628	-13.9
United States	6 388	6.4	5 898	-7.7	6 669	6.3	6 976	4.6
CMEA countries	16 248	16.3	14 385	-11.5	14 907	14.1	12 729	-14.6
Of which:								
Soviet Union	14 496	14.5	12 888	-11.1	12 152	11.5	10 196	-16.1
Developing countries	7 224	7.2	8 227	13.9	6 612	6.3	6 861	3.8
OPEC countries	1 558	1.6	1 728	10.9	680	0.6	928	36.6
Other	5 666	5.7	6 498	14.7	5 932	5.6	5 932	0.0
Other countries	817	0.8	1 192	42.9	1 233	1.2	1 059	3.8
TOTAL	99 782	100.0	101 338	1.5	105 516	100.0	103 018	-2.2
Of which:								
EEC countries	43 868	44.0	47 080	7.3	46 902	44.5	47 295	0.8
EFTA countries	20 195	20.2	20 540	1.7	20 006	19.0	20 179	0.9

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
1985	181 664	68 218	69 599	10 453	1 772	331 706	98 173	94 893	334 986
1986	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
1987	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
1988*	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
1989*	218 243	77 389	94 252	11 257	14 694	415 835	107 551	128 834	394 552
1988*									
II	51 660	18 730	19 976	2 696	2 991	96 053	26 539	29 452	93 140
III	52 836	18 870	21 094	3 030	2 283	98 113	26 545	31 166	93 492
IV	53 442	19 009	21 120	2 855	2 443	98 869	27 321	29 902	96 288
1989*									
I	53 903	19 149	21 638	2 744	2 978	100 413	27 705	31 411	96 706
II	54 502	19 276	23 465	2 749	2 223	102 215	25 894	30 030	98 079
III	54 968	19 397	24 161	2 839	4 185	105 549	26 713	32 736	99 527
IV	54 871	19 566	24 988	2 925	5 307	107 658	27 238	34 657	100 239
1990*									
I	54 564	19 812	23 903	2 968	2 751	103 998	27 032	32 213	98 816
II	55 116	19 951	22 675	3 090	3 828	104 660	28 951	33 794	99 818
III	55 008	20 069	21 927	2 911	1 574	101 490	27 488	29 867	99 111

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
1985	100.4	99.8	100.4	100.1	100.6	100.3	100.2
1986	101.9	102.8	102.0	102.3	103.0	101.2	100.4
1987	107.2	99.9	107.2	106.5	110.2	105.4	107.8
1988*	110.9	108.8	111.0	113.1	114.5	107.6	110.1
1989*	113.8	117.2	114.1	115.9	120.7	108.6	110.2
1989*							
Nov.	113.9	118.7	114.0	115.6	120.3	108.8	112.1
Dec.	113.0	116.8	112.6	111.0	121.1	106.6	115.8
1990*							
Jan.	114.6	115.8	113.4	113.3	120.9	108.0	118.9
Feb.	114.8	118.8	115.2	116.6	123.9	107.2	115.3
March	114.3	110.9	114.7	117.3	120.2	107.9	114.5
April	116.4	116.7	115.4	117.5	124.0	110.4	114.3
May	114.9	142.8	115.2	114.5	121.7	109.8	111.8
June	115.0	130.5	116.0	123.2	123.3	107.4	106.1
July	109.8	73.3	110.7	112.6	115.1	106.7	114.0
Aug.	111.4	134.0	112.1	111.9	121.2	106.2	103.5
Sept.	110.6	119.6	110.3	112.7	117.3	104.7	107.4
Oct.	107.6	109.3	107.0	110.0	113.5	101.3	112.5
Nov.	108.2	99.6	107.7	110.9	113.1	102.4	113.2

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
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	104.7	102.5	94.0	88.4	99.9	99.5	105.2	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	114.8
1989*								
Oct.	130.2	116.0	..	..	..	..	..	115.8
Nov.	130.4	117.9	..	..	..	..	..	116.4
Dec.	120.8	112.9	..	..	..	..	..	115.2
III	124.3	116.9	133.1	133.2	132.8	135.3	151.7	115.2
IV	127.1	115.6	135.4	142.5	138.4	133.8	194.7	115.8
1990*								
Jan.	125.7	113.1	..	..	..	..	..	116.4
Feb.	121.8	103.0	..	..	..	..	..	115.4
March	125.2	119.7	..	..	..	..	..	117.2
April	123.4	115.7	..	..	..	..	..	117.3
May	124.2	113.6	..	..	..	..	..	117.6
June	119.1	112.4	..	..	..	..	..	116.4
July	122.2	114.3	..	..	..	..	..	116.9
Aug.	123.5	113.3	..	..	..	..	..	117.0
Sept.	114.5	105.8	..	..	..	..	..	115.7
Oct.	124.6	112.1	..	..	..	..	..	115.4
I	124.2	111.9	138.6	135.0	157.0	134.5	148.3	116.3
II	122.2	113.9	134.4	130.9	169.0	126.4	167.6	117.1
III	120.1	111.1	115.2	113.0	172.1	102.4	122.4	116.5

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
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	106.9	106.6	106.2	106.6	107.8	107.2	102.9	97.0	98.6	91.0	96.5	96.7	96.4	104.3
1987	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
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	137.0	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
1989¹														
Dec.	..	..	..	..	..	..	123.0	109.0	113.6	92.4	109.3	111.5	108.2	129.8
III	136.2	137.3	134.3	137.5	131.5	137.1	121.0	107.7	111.9	92.4	108.4	110.8	107.3	126.1
IV	139.2	140.1	137.2	140.0	135.8	139.2	122.5	108.9	113.4	92.4	109.2	111.5	108.1	128.9
1990¹														
Jan.	..	..	..	..	..	..	124.8	109.4	113.9	93.0	109.4	111.5	108.4	130.4
Feb.	..	..	..	..	..	..	125.3	109.2	113.8	92.5	108.9	110.2	108.2	130.8
March	..	..	..	..	..	..	125.7	109.3	114.1	91.9	109.0	110.1	108.5	131.7
April	..	..	..	..	..	..	126.4	109.7	114.7	91.4	109.6	110.4	109.2	134.7
May	..	..	..	..	..	..	127.0	110.5	115.8	91.2	109.8	110.6	109.5	135.0
June	..	..	..	..	..	..	127.3	110.5	115.8	91.3	109.9	110.4	109.6	135.2
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	142.7	143.3	140.5	145.7	138.7	144.5	125.2	109.3	113.9	92.5	109.1	110.6	108.4	131.0
II	147.6	148.6	147.2	149.4	143.2	148.3	126.9	110.2	115.4	91.3	109.8	110.5	109.4	135.0
III	147.9	149.0	146.8	149.6	143.4	148.4	128.1	111.4	116.2	93.9	110.4	110.4	110.4	135.5

¹Preliminary figures for columns 1—6.

8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status			By industry			Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agri-culture and forestry	Industry	Con-struction	Service industries		
				1000 persons							
	1	2	3	4	5	6	7	8	9	10	11
1985	69.2	2 566	2 437	361	2 076	280	597	178	1 380	129	5.0
1986	69.1	2 569	2 431	359	2 071	266	589	185	1 391	138	5.4
1987	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1
1988	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6
1989	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5
1989											
Nov.	68.8	2 566	2 481	371	2 110	212	564	194	1 510	86	3.3
Dec.	68.8	2 566	2 476	366	2 110	212	566	208	1 490	90	3.5
1990											
Jan.	68.6	2 558	2 487	377	2 111	220	563	201	1 503	70	2.7
Feb.	69.0	2 573	2 491	369	2 122	215	560	211	1 505	82	3.2
March	68.4	2 550	2 476	359	2 117	211	551	206	1 508	74	2.9
April	68.6	2 558	2 468	363	2 105	211	561	200	1 495	89	3.5
May	68.5	2 556	2 478	359	2 118	202	550	214	1 512	78	3.1
June	68.5	2 558	2 468	352	2 117	200	560	208	1 501	89	3.5
July	68.4	2 556	2 467	358	2 109	208	562	204	1 493	89	3.5
Aug.	67.8	2 535	2 447	348	2 099	201	552	202	1 492	88	3.5
Sept.	68.4	2 561	2 470	358	2 112	201	550	209	1 510	91	3.6
Oct.	68.2	2 553	2 453	354	2 099	205	550	200	1 497	100	3.9
Nov.	67.8	2 539	2 437	359	2 077	207	546	201	1 482	102	4.0

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:	
	1	2	3	4	5	6	7	8	9	10	11
1985	25 750	47 578	546	10 415	84 290	2 071	86 361	24 835	49 269	21 183	26 866
1986	28 079	51 733	323	11 640	91 774	2 209	93 983	26 354	52 845	23 215	28 131
1987	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
1988	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
1989	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
1989											
Nov.	3 199	7 013	47	1 396	11 655	391	12 045	2 942	6 912	2 817	3 944
Dec.	3 518	7 813	-60	2 471	13 742	209	13 951	2 877	7 315	2 752	3 831
1990											
Jan.	3 134	6 035	76	1 244	10 490	4	10 494	3 290	5 810	2 890	2 813
Feb.	3 287	5 580	50	908	9 825	49	9 873	3 170	6 209	2 717	3 181
March	3 073	6 407	50	1 151	10 681	87	10 768	3 274	6 215	3 084	2 937
April	4 165	5 512	53	2 051	11 780	1 567	13 347	3 412	6 995	3 337	3 129
May	3 107	7 592	62	1 650	12 412	337	12 749	3 547	6 974	2 982	3 718
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	4 142
Nov.	4 576	5 868	77	1 871	12 393	701	13 094	3 493	7 574	3 212	4 192

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)
	12	13	14	15	16	17	18	19	20
1985	5 700	4 936	84 739	4 982	89 722	-449	-3 361	3 506	145
1986	6 111	5 058	90 368	4 913	95 281	1 406	-1 298	4 203	2 905
1987	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324
1988	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287
1989	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842
1989									
Nov.	758	193	10 805	503	11 308	850	737	-387	351
Dec.	1 107	-41	11 258	479	11 736	2 484	2 215	1 063	3 277
1990									
Jan.	371	591	10 062	672	10 735	427	-241	-1 141	-1 382
Feb.	361	150	9 890	382	10 272	-65	-398	-365	-763
March	377	537	10 402	505	10 907	279	-139	-949	-1 088
April	392	639	11 438	2 022	13 459	342	-111	-1 216	-1 328
May	501	929	11 952	772	12 724	461	25	-802	-777
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

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 Euromarket.

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

Table 3.4 *Lending.* New credits (Columns 1-4): 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 markka 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 by the five largest banks. The yield on taxable government bonds (Column 3) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The 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 4.1 The quotation of the noncommercial rate for the Belgian franc, BEL, was terminated on March 2, 1990. Since then there has been only one rate for the Belgian franc. As from the beginning of May 1990 the standard abbreviation is BEF. Prior to that date, the quotations given in Column 10 are those of BEC (the commercial rate). The time series for BEC and BEL are shown separately for the last time in the May 1990 issue of the Bulletin.

Table 4.2 The weights of the Bank of Finland currency index (Column 1) are moving averages of the shares of countries in Finland's merchandise export and import trade. The index comprises 14 convertible currencies. The index values are based on the Bank of

Finland's daily quotations at noon. The weights of the payments currency index (Column 2) are moving averages of the shares of payments currencies in Finland's trade. The index comprises 14 convertible currencies. The weights of the MERM index (Column 3) are fixed 1977 weights computed on the basis of the IMF's world trade model. Fourteen currencies are included in this index.

5 OTHER DOMESTIC FINANCING

Table 5.1 Source: The Central Statistical Office of Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Domestic foreign-currency deposits are included in the figures. Time deposits (Column 2) consist of tax-exempt time deposits held by the public. Investment accounts (Column 3) are taxable time deposits held by the public. For the definition of unregulated deposits (Column 6), see the explanation under Table 3.4. Since the beginning of 1987, the figures for banks' holdings of certificates of deposit issued by other banks have been netted out. Netting out is done by the Bank of Finland.

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

Table 5.3 Foreign assets, net (Column 1) = the Bank of Finland's foreign claims + banks' foreign claims (incl. 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_1 (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_1 + quasi-money (mark-

ka 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 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 *Share prices*. Sources: The Helsinki Stock Exchange and Union Bank of Finland Ltd. *Turnover*. 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 1-8: Net change in long-term liabilities. Columns 9-13: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 10) (marketable instruments): Primary and secondary market transactions in securities. Long-term credits (Columns 3-6) (non-marketable instruments): Financial loans, import credits and leasing credits. Others (Column 5): Long-term credits of enterprises, financial institutions other than authorized banks and local government. Imports of other long-term capital (Column 7): Finland's subscriptions to international financial institutions paid in the form of promissory notes. Exports of other long-term capital (Column 12) = financial loans abroad + development credits + purchases of real estate and other acquisitions by private persons + Finland's subscriptions to international financial institutions.

Table 6.3 Net foreign debt (Columns 1-24) at the end of a period is classified in the same way as the corresponding data on changes in the capital account (Table 6.2). The items included in net foreign debt have been translated

into markkaa using the spot rates for each date. Thus the figures include the impact of changes in exchange rates.

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

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

7 FOREIGN TRADE

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

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

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

8 DOMESTIC ECONOMIC DEVELOPMENTS

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

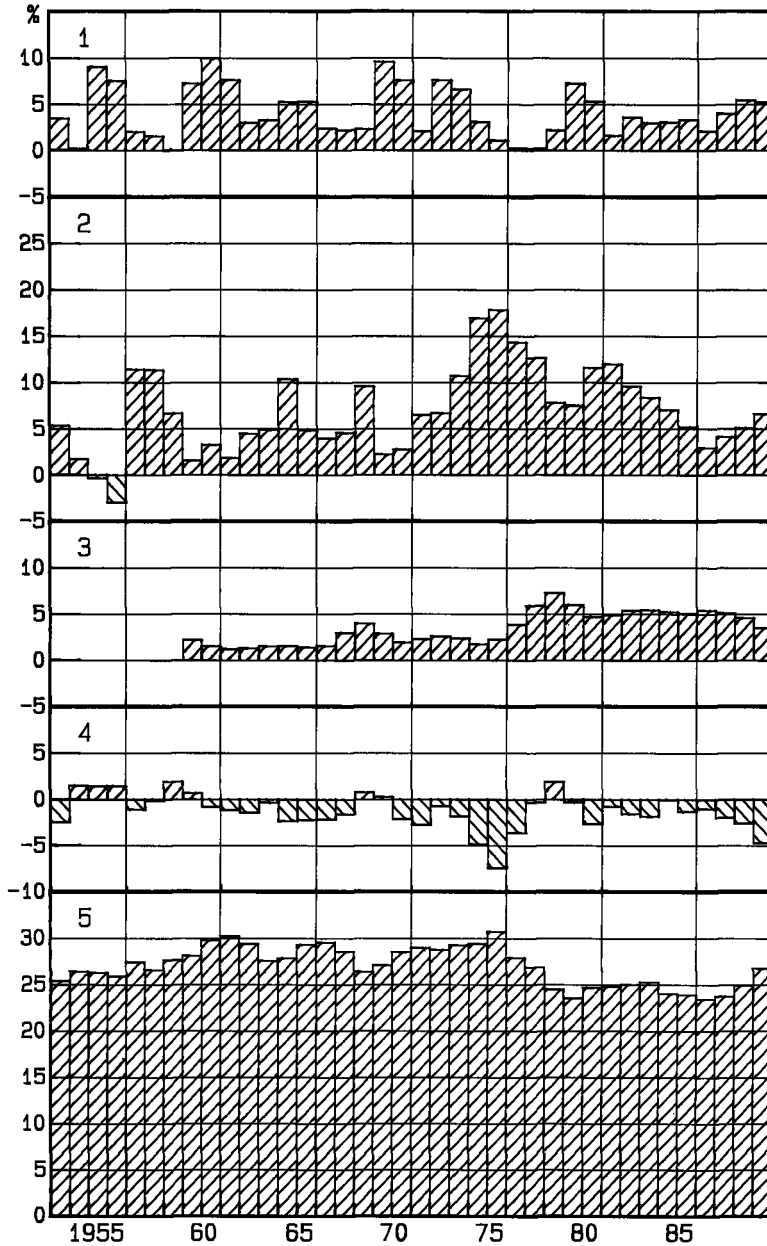
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

Table 8.6 Source: Ministry of Finance.

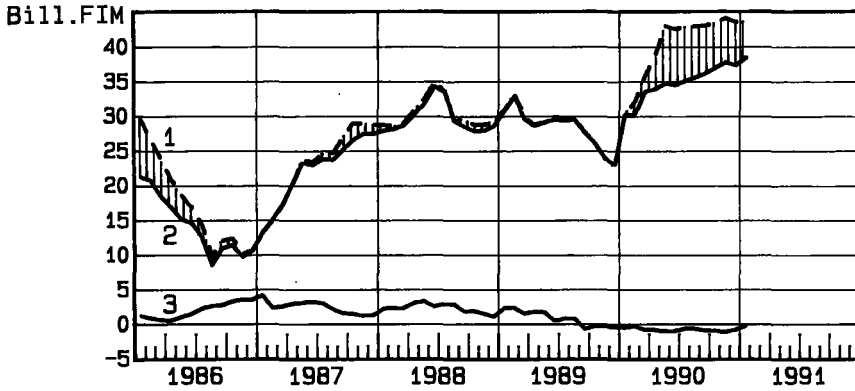
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15. Bank deposits from the public	S33
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17. Money supply	S34
18. Direct investment	S34
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28. Fixed investment	S38
29. Employment and unemployment rate	S39
30. Prices and wages	S39
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1. LONG-TERM INDICATORS



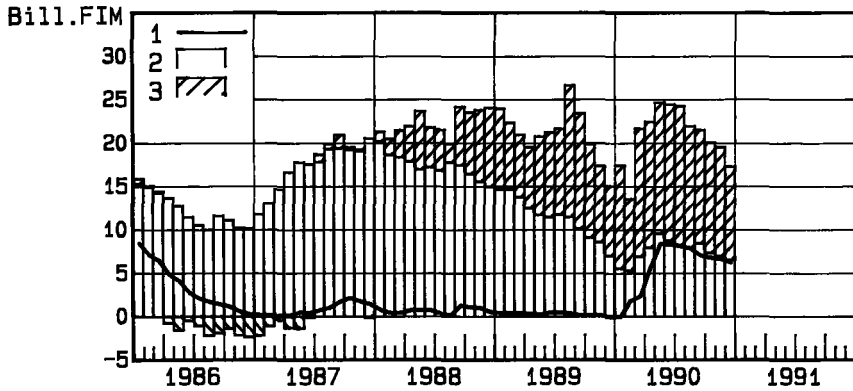
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



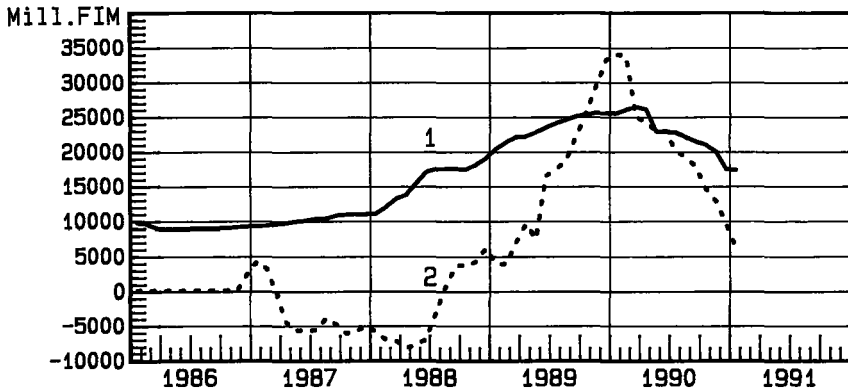
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves
3. Tied currencies

3. FORWARD MARKET



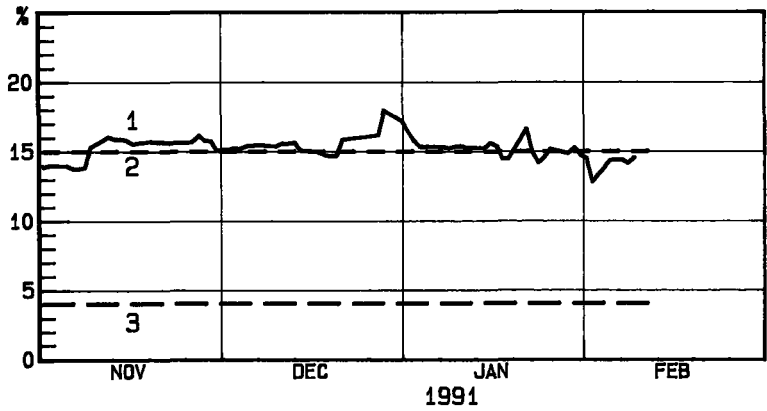
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

4. ITEMS AFFECTING DOMESTIC LIQUIDITY



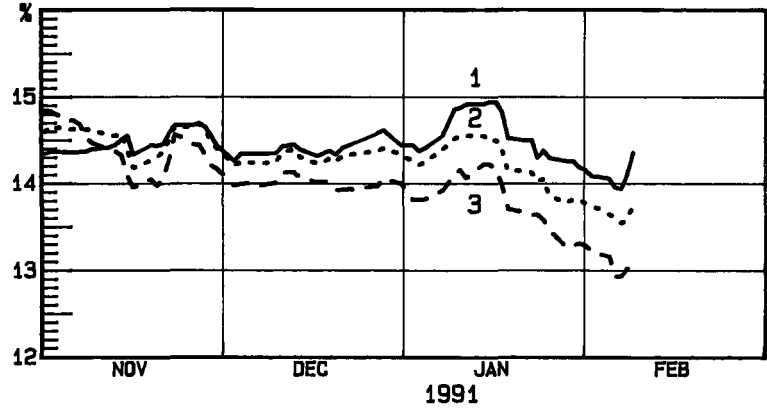
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



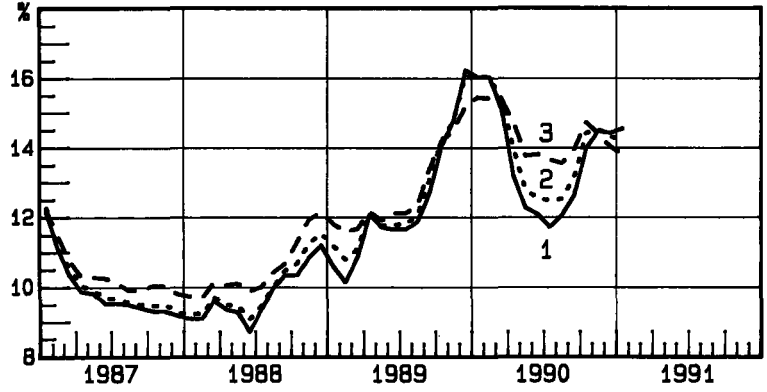
- 1. Inter-bank overnight rate
 - 2. Call money credit rate
 - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



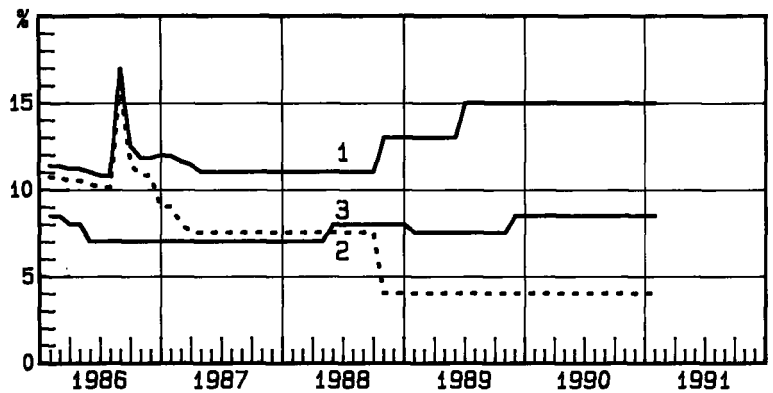
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



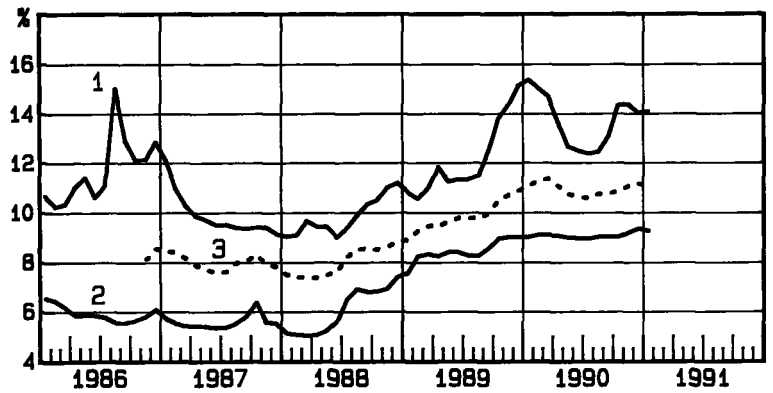
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



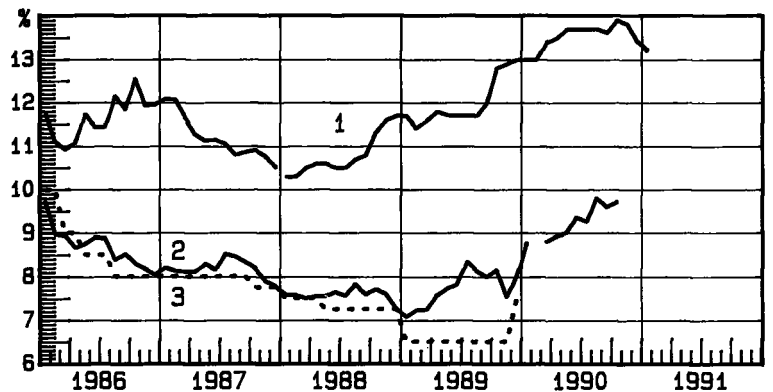
- 1. Call money credit rate
 - 2. Call money deposit rate
 - 3. Base rate
- End-of-month observations

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



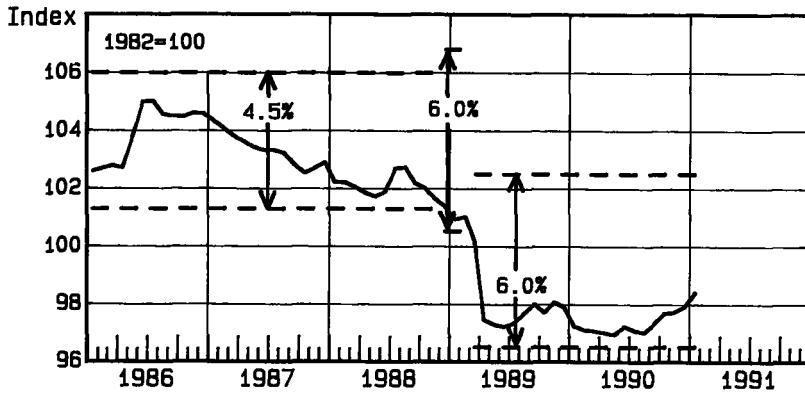
- 1. Covered Eurodollar rate
- 2. 3-currency basket rate (DEM 60 %, USD 30 %, GBP 10 %)
- 3. 14-currency basket rate (Bank of Finland currency index weights)

10. RATES ON BONDS AND DEBENTURES



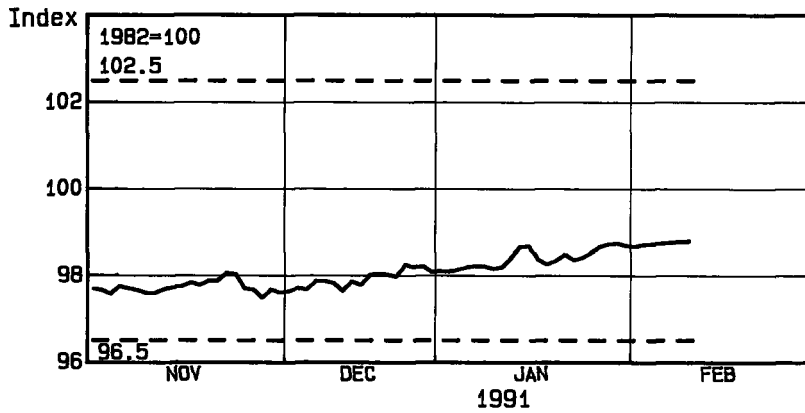
- 1. Long-term (5-year) market rate (before 1988 rate on (3-6 year) fixed-rate debentures)
- 2. Rate on (9-10 year) tax-free government bonds
- 3. Rate at issue on new 10-year taxfree government bonds

11. BANK OF FINLAND CURRENCY INDEX



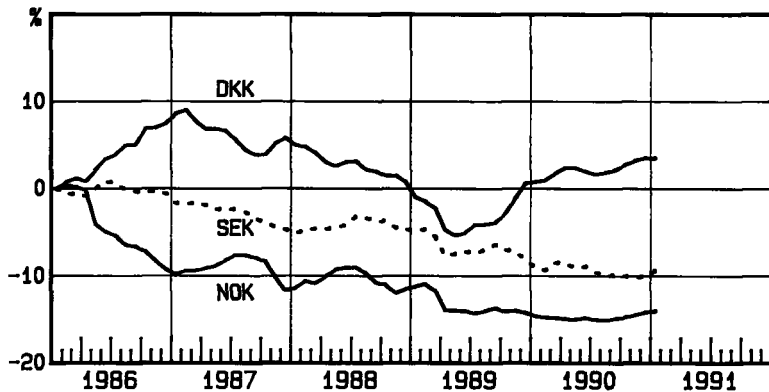
4.5 % and 6.0 % = fluctuation range of the index
Monthly averages

12. BANK OF FINLAND CURRENCY INDEX



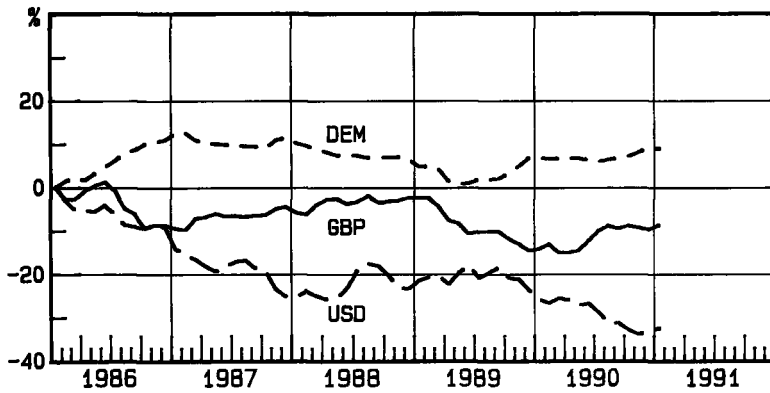
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



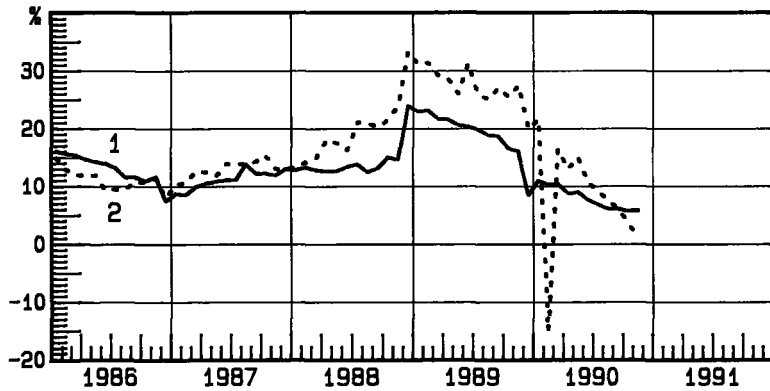
Monthly changes in markka selling rates calculated from the average rates for January 1986

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



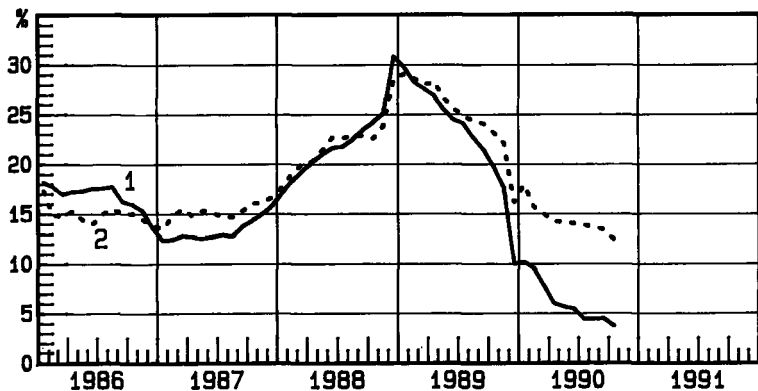
Monthly changes in markka selling rates calculated from the average rates for January 1986

15. BANK DEPOSITS FROM THE PUBLIC



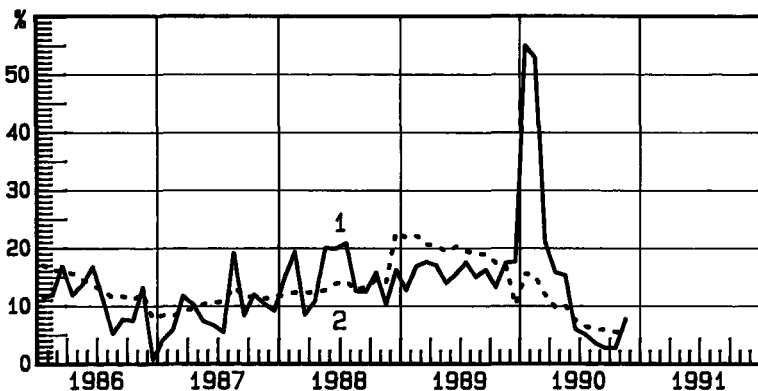
1. Regulated deposits
2. Total deposits
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



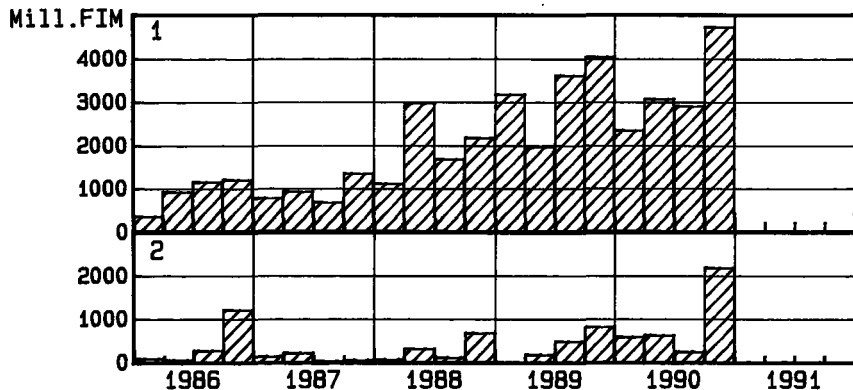
1. Markka lending
2. Total lending
Change from the corresponding month of the previous year, per cent

17. MONEY SUPPLY



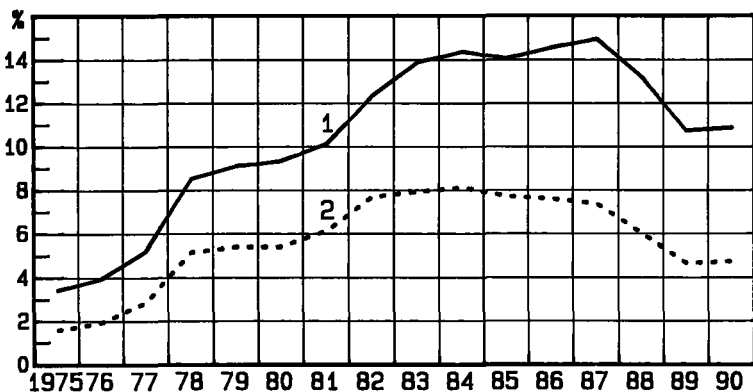
1. Narrow money supply (M1)
 2. Broad money supply (M2)
- Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



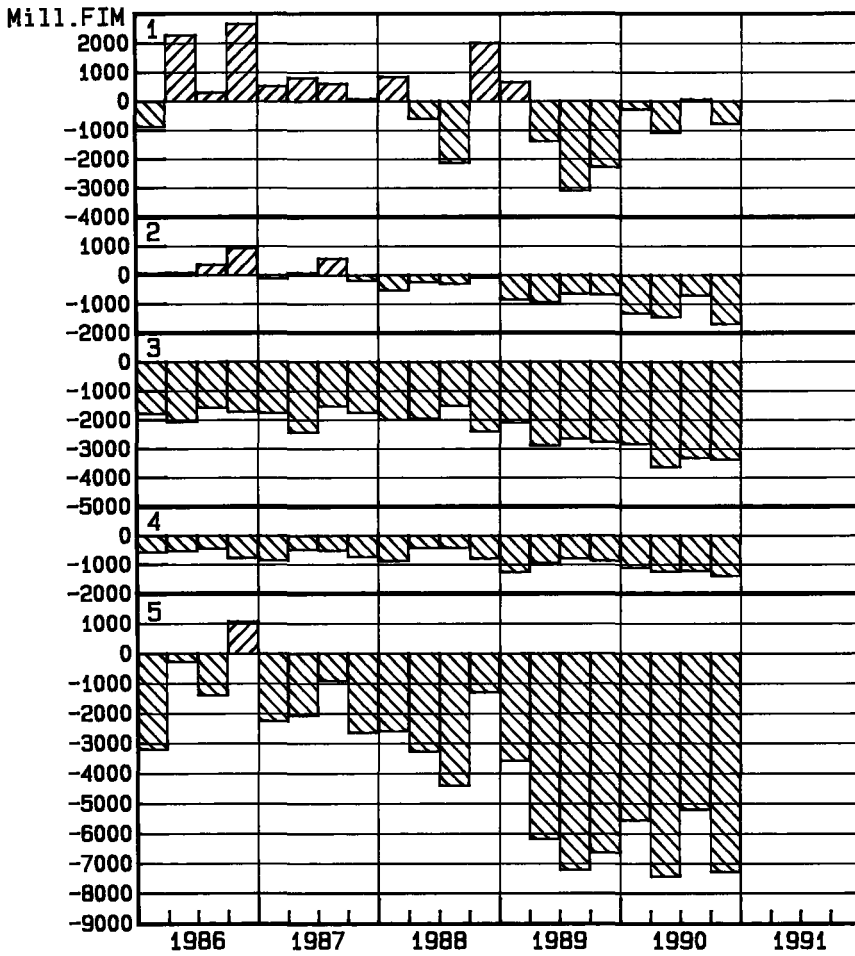
1. Finnish direct investment abroad, net
2. Foreign direct investment in Finland, net

19. CENTRAL GOVERNMENT DEBT



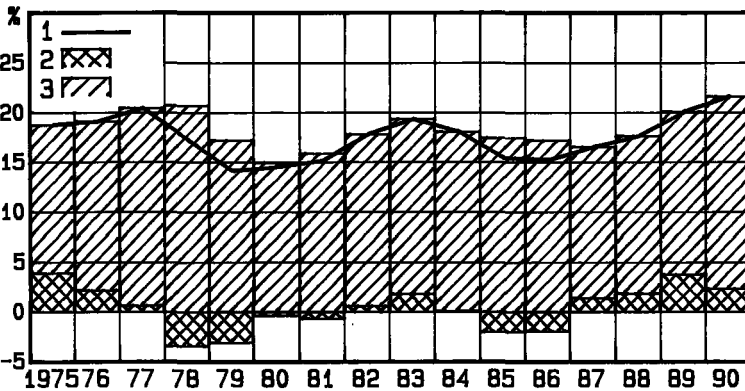
1. Total debt
 2. Of which: foreign debt
- As a percentage of GDP

20. CURRENT ACCOUNT



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

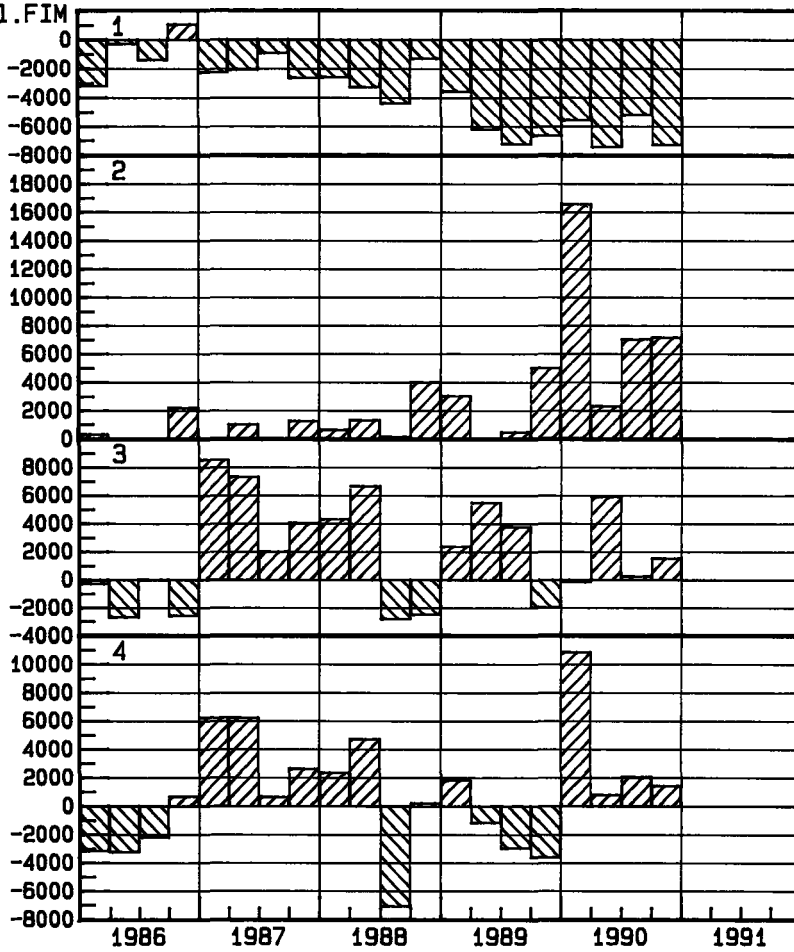
21. FOREIGN DEBT



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

22. BALANCE OF PAYMENTS

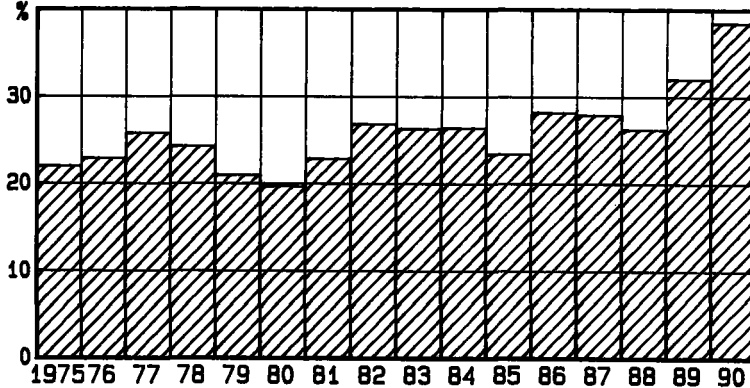
Mill.FIM



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

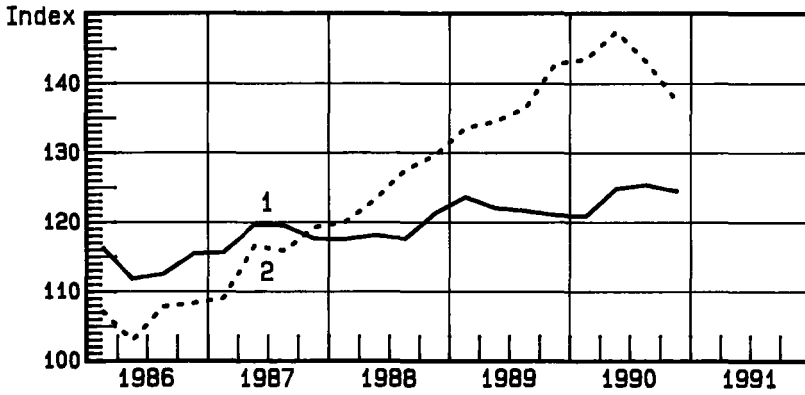
23. NET INVESTMENT EXPENDITURE

%



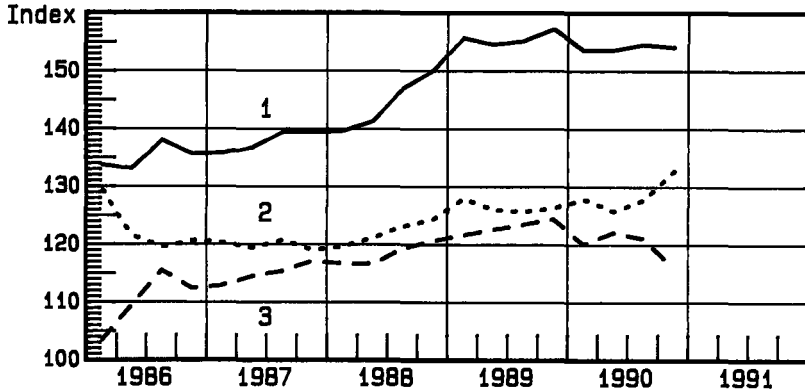
As a percentage of current account receipts

24. FOREIGN TRADE



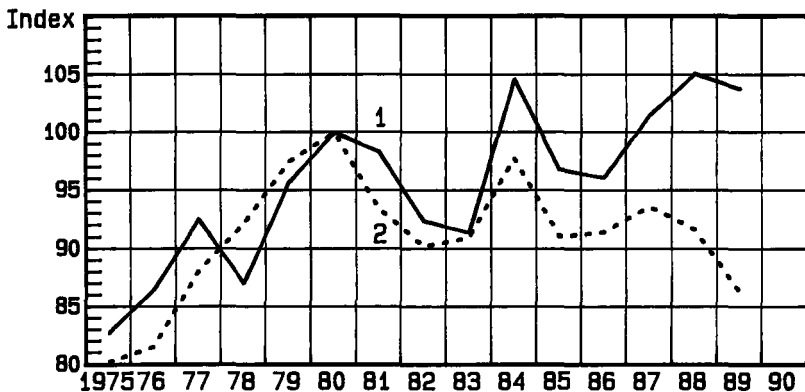
1. Total exports
 2. Total imports
 Volume index, 1980 = 100, four-quarter moving average shown as at the last quarter

25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



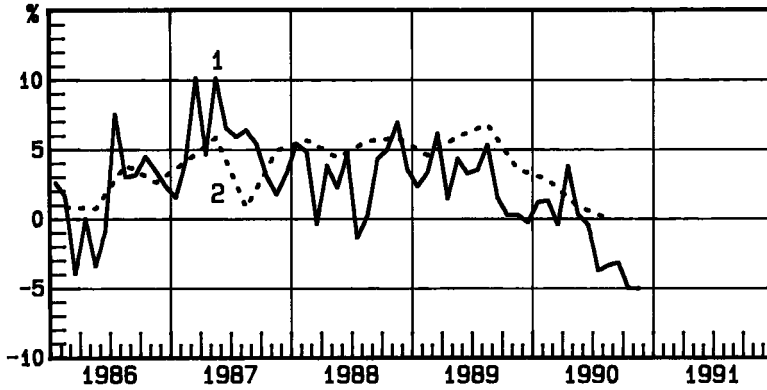
1. Unit value index of exports
 2. Unit value index of imports
 3. Terms of trade
 1980 = 100

26. FINLAND'S EXPORT PERFORMANCE



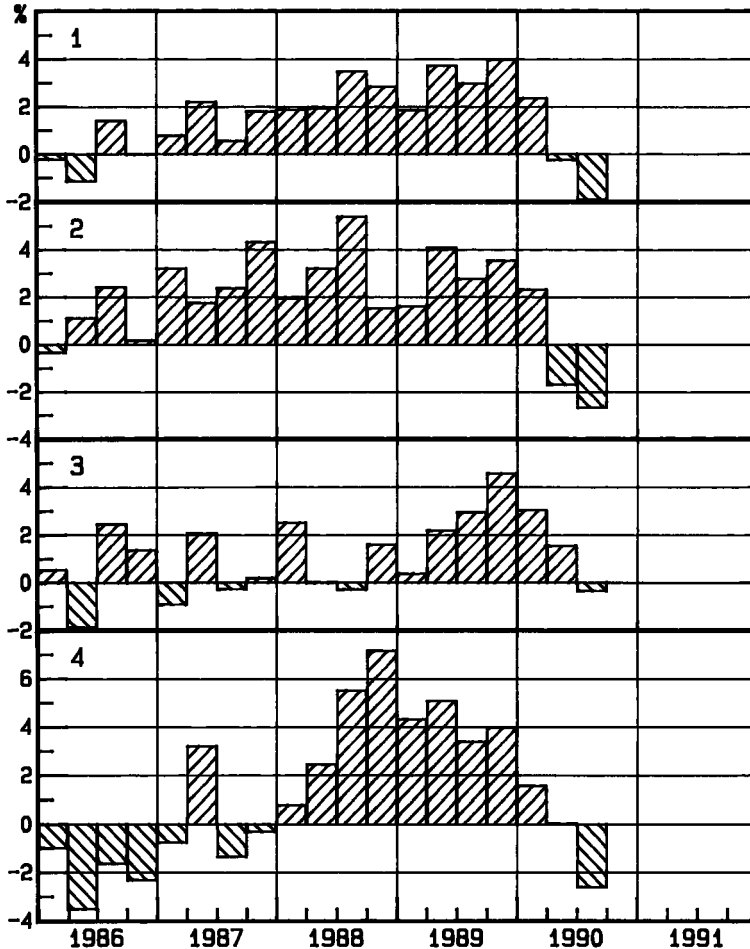
1. Value of exports to western countries in relation to exports of OECD Europe
 2. Volume of western exports in relation to exports of OECD Europe
 1980 = 100

27. PRODUCTION



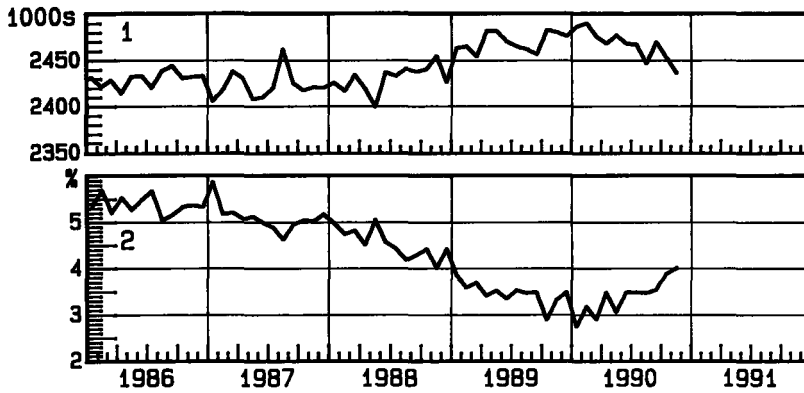
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

28. FIXED INVESTMENT



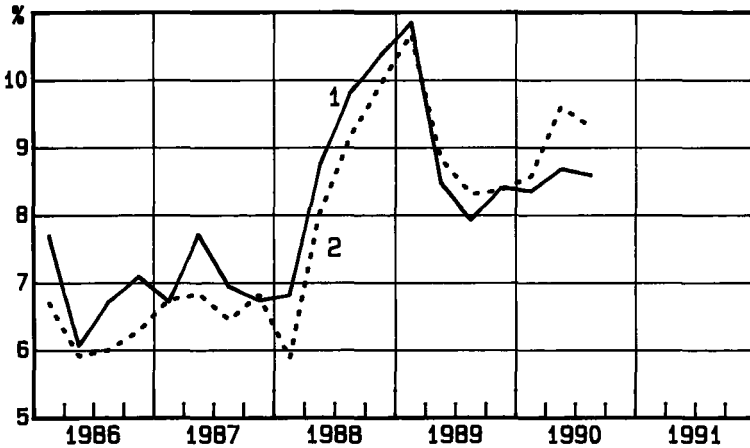
1. Total fixed investment
 2. Investment in machinery and equipment
 3. Building investment, excl. residential buildings
 4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE

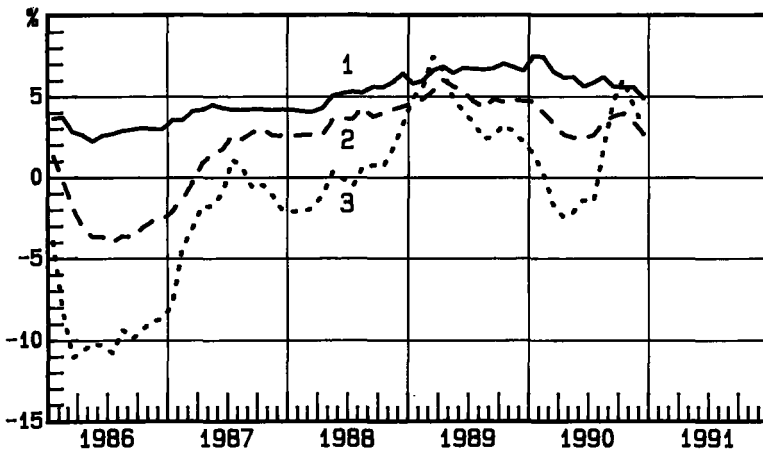


- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES

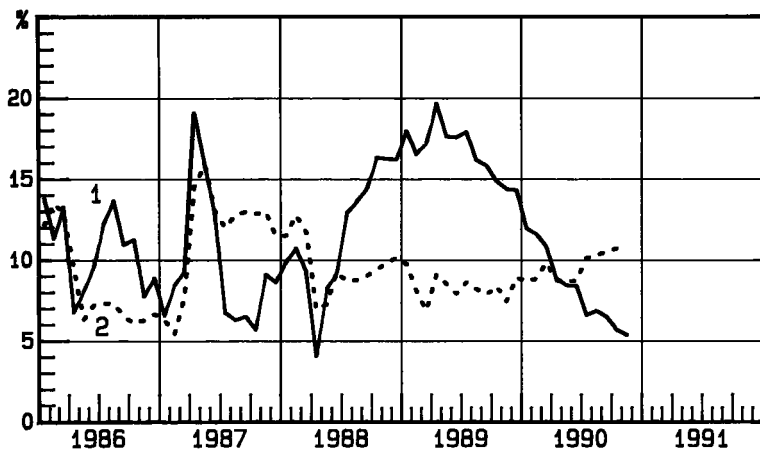


- 1. Index of wage and salary earnings, all wage and salary earners
 - 2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



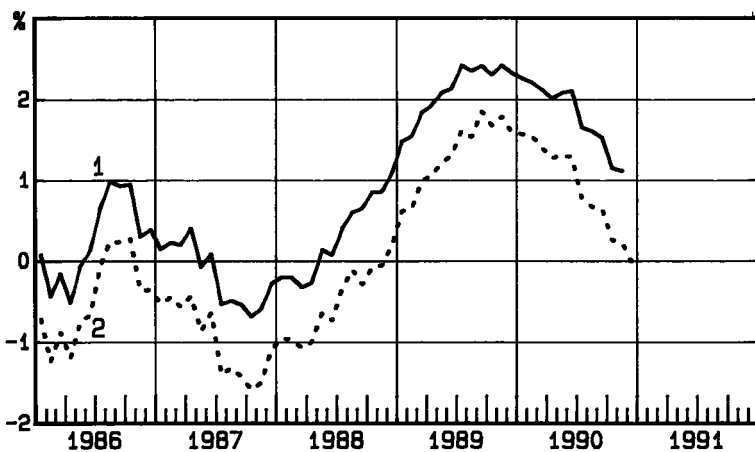
- 1. Consumer price index
 - 2. Wholesale price index
 - 3. Import price index
- Change from the corresponding month of the previous year

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

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Secretary to the Parliamentary Supervisory
Board and the Board of Management

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SETEC OY

VELI TARVAINEN, Managing Director
