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# FINLAND AND THE OECD CODES OF LIBERALIZATION

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One of the main tasks of the OECD since its inception in 1961 has been to encourage its member countries to promote liberalization of international trade in goods and services and the freedom of capital movements. The instrument to this end has been the "twin Codes", i.e. the Code of Liberalization of Capital Movements and the Code of Liberalization of Current Invisible Operations.

After several years of investigation and negotiation, a major amendment to the Codes was adopted in May 1989. The revised Codes now cover virtually all aspects of banking and financial services. The revised Codes became legally binding on member countries at the end of February 1992, when the OECD Council endorsed the final document (including country reservations) amending the two Codes.

Finland adhered to the Codes of Liberalization when she joined the OECD in 1968. The fairly large number of reservations that Finland originally lodged to the Codes has been reduced over the years, and only a small number were added to the new Code obligations.

## OECD CODES OF LIBERALIZATION

The aim of the OECD Codes of Liberalization is to encourage member countries to participate in a process of voluntary liberalization by undertaking to remove restrictions on specified lists of current invisible operations and capital movements. The Codes have the status of OECD decisions, which means that they are legally binding on member countries.

Even before its enlargement, the Code of Liberalization of

Capital Movements included most medium- and longer-term financial transactions, such as operations in securities, commercial and financial credits, personal capital movements and direct investments.

Prior to the 1989 amendments, the Code of Liberalization of Current Invisible Operations covered service sectors such as insurance, transport, tourism as well as some other operations, notably those directly related to international trade. Now it also applies to banking and financial services.

Member countries may freely choose how and at what pace they wish to implement the liberalization process. Those countries who are not in a position to liberalize immediately can lodge reservations on particular operations, and thus pursue a path of progressive liberalization over time. Once removed, however, reservations cannot (in most cases) be lodged again.

A safeguard clause, or derogation, may be invoked by a member country facing severe economic and financial disturbances or difficulties in the development of the balance of payments. This can, however, be done only for limited periods and is subject to rigorous review. Finland had to invoke the derogation clause in 1985 when the sale to non-residents of markka-denominated bonds was restricted. The derogation was finally dropped at the end of 1990.

## ENLARGING THE CODE OBLIGATIONS

The 1980s were a period of unprecedented change in the banking and financial services sector, and both domestic and international financial markets expanded and diversified at a

truly rapid pace. The need to update the Codes arose partly from the development of new means of payment, new financial instruments and new types of operations, partly from a desire to extend the coverage of the Codes to include certain operations not previously subject to liberalization obligations.

In many OECD countries attitudes towards regulation had also undergone a change. Governments became aware of the fact that it was difficult, if not impossible, to enforce an effective system of capital controls. The growing sophistication of both actors and instruments on the financial markets made it increasingly easy and profitable to legally circumvent existing regulations. Many countries also wanted to improve the functioning of domestic financial markets by broadening the financing alternatives available to the public and thus to increase competition and efficiency.

In 1984, the Committee on Capital Movements and Invisible Transactions (CMIT) and the Committee on Financial Markets (CMF) launched a major work programme aimed at reviewing and strengthening the obligations of OECD member countries to liberalize international capital movements and trade in banking and other financial services.

The new provisions adopted by the OECD Council in May 1989 cover three main activities: capital movements, cross-border financial services and the right to establish in the banking and financial services sector.

Under the revised Code of Liberalization of Capital Movements, virtually all international capital movements, both long-term and short-term, are now covered. The only significant ex-

ceptions are mortgage credit, consumer credit and operations by governments on their own account.

The most important of the new items not previously dealt with in the Code are:

- money market operations;
- short-term financial credits and loans;
- foreign exchange operations;
- swaps, options, futures and other innovative instruments; and
- deposit accounts in foreign currency.

The liberalization of capital movements as implied by the new Code goes a long way towards giving all parties complete freedom in the use and provision of banking and financial services across national boundaries. But, as restrictions on the provision of such services and on access to suppliers might still exist, a new section was added to the Code of Liberalization of Current Invisible Operations dealing with cross-border services.

Banking and financial services provided to residents by non-resident suppliers on a cross-border basis had not hitherto been covered by the Code. The new section sets out obligations concerning:

- payment services, including the issue and use of cheques, traveller's cheques, cash and credit cards;
- banking and investment services;
- settlement, clearing, custodial and depository services;
- asset management; and
- advisory and agency services.

The liberalization obligations regarding cross-border banking and financial services are qualified so as not to undermine the regulatory responsibilities of national governments. Member countries are not, however, allowed to require non-resident suppliers of services to establish themselves in the country concerned, and domestic regulations have to be applied in a non-discriminatory manner.

Even before the new provisions were adopted the Capital

member countries to remove all obstacles to the establishment of subsidiaries, branches and representative offices by non-resident financial institutions. The new obligations deal with the conditions of establishment for branches, agencies and the like. According to the OECD National Treatment instrument, treatment of foreign-owned enterprises, once they have established themselves, should be equivalent to that of national ones.

The revised Code of Liberalization of Current Invisible Operations lays down that branches etc should not be subject to more burdensome requirements than domestic enterprises. In addition to this general obligation, the revised Code contains specific provisions covering authorization procedures, representation, representative offices, self-employed intermediaries, restrictions imposed by private associations and self-regulatory bodies as well as prudential considerations and requirements for establishment.

#### **FINLAND'S POSITION UNDER THE CODES**

The Finnish authorities had chosen to pursue a policy of slow and stepwise relaxation of controls on international capital movements in the 1970s and early 1980s, and it was not until the latter half of the 1980s that deregulation proper gathered momentum in Finland.

This was also reflected in the reservations Finland lodged to the Codes; there were still as many as eighteen of them (eleven of which were limited<sup>1</sup>) in 1984. Gradually, their number and scope were reduced, so that by the end of 1991 Finland had only eight limited reservations left regarding the Capital Movements Code, most of which pertained to establishment laws.<sup>2</sup>

<sup>1</sup> A "full reservation" covers a whole item in the Codes while a "limited reservation" covers only a specified part of an item.

<sup>2</sup> The establishment of a company by foreign nationals, foreign companies or foreign-controlled enterprises requires prior authorization by the Government; a company in which foreign participation exceeds 20 per cent may not own real estate without Government permission.

After the adoption in May 1989 of the expanded obligations, the work of the CMIT/CMF Joint Working Group focused on the reservations to the new obligations that member countries had proposed to lodge.

Finland proposed five limited reservations to the enlarged Capital Movements Code. Operations in securities on capital markets, in collective investment securities, on money markets and other operations in negotiable instruments are allowed with the sole exception that mutual funds (unit trusts) are not permitted to hold more than 20 per cent of their portfolios in foreign securities. This accounts for four of the limited reservations.

The fifth limited reservation concerns operations in securities on capital markets: the purchase of shares and other securities of a participating nature may be adversely affected by laws restricting foreign ownership in Finland.

Finland has lodged four limited reservations in the new section of the Code of Liberalization of Current Invisible Operations. Finnish legislation does not at present allow the provision of broker/dealer services, investment advice services and certain asset management services on a cross-border basis; only residents are allowed to provide portfolio management services and to engage in the management of the property of a collective investment fund or of mandatory pension fund schemes.

For the time being, the conditions laid down in the new Code regarding establishment and operations apply only to banking branches of foreign credit institutions engaged in banking business in Finland. Other kinds of financial institutions are not yet allowed to set up branches.

Establishment of representative offices by non-resident financial institutions is subject to authorization and the right to act as market makers and intermediaries on a "derivatives" exchange is restricted to nationals of Finland; these restrictions give rise to limited reservations.

Reservations are also needed in respect of the items concerning self-employed intermediaries and the membership of associations or regulatory bodies. The reservations apply to legal persons who have included in their rules the provision that the membership of foreigners may be restricted.

In addition, a general reservation is necessary to take into account the autonomous status of the province of Åland. This is reflected in the footnotes to the Finnish entries in Annex B of the Codes<sup>3</sup>. The coverage of the new

obligations may later be extended, depending on Åland's own decisions.

In recent years, major changes have taken place in the rules and regulations governing the Finnish financial markets. The agreement on a European Economic Area<sup>4</sup>, which is expected to enter into force at the beginning of next year, requires that financial legislation in Finland (with a few minor exceptions) be in all essential respects identical to that in the EC by January 1, 1993.

The legislative work that is still needed to bring Finnish legislation into line with that in the European Community is well under way. When this process has been completed, several of the reservations Finland now has lodged to the revised Codes of Liberalization are likely to become unnecessary.

March 2, 1992

<sup>3</sup> The provisions of the Revised Capital Movements Code and the Revised Current Invisibles Code do not apply for the time being to the Åland Islands, which accordingly have neither rights nor obligations under these items.<sup>11</sup>

<sup>4</sup> For a discussion of the EEA agreement, see the article by Peter Nyberg in the February 1992 issue of the Bulletin.

# EXPERIENCES OF FINNISH-SOVIET JOINT VENTURES'

by **Juhani Laurila**, Project Supervisor  
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## INTRODUCTION

The bilateral trade and clearing payments system maintained between Finland and the USSR was terminated at the end of 1990. Since then, the level of Finnish-Soviet trade has plummeted; in 1991, trade was down by more than 50 per cent from the previous year and the share of Soviet trade in Finland's total trade shrank to less than 5 per cent as against a peak figure of 26 per cent in 1985. Though the ending of the bilateral trade arrangement may have hastened the collapse of trade, it certainly was not the major cause. A sharp contraction in trade was more or less inevitable in view of the economic and social problems faced by the Soviet Union.

The bilateral trade clearing arrangement, like similar ones Finland later established with other CMEA countries, was well suited to carrying on trade with a centrally planned economy. While conducting trade with her western partners on a multilateral basis, Finland had to resort to special arrangements to match the planning practices and bureaucratic procedures of the centrally planned economies. A hierarchical system of agreements was developed and a special bureaucracy was created to prepare, negotiate and monitor trade within this framework. A system of licensing was applied to help keep the trade balanced whilst payments were funnelled through centralized clearing accounts.

<sup>1</sup> This review covers the period from 1987 to the end of March 1991. Therefore the area making up the former USSR is referred to simply as the USSR or Soviet Union and St. Petersburg as Leningrad; Estonia is treated as a republic of the USSR.

However, as soon as firms can trade freely with each other, the advantages of intergovernmental clearing are bound to diminish and ultimately to become counterproductive. In Finland, this was manifested in the emergence of chronic imbalances in bilateral trade and the clearing accounts in the 1970s and particularly in the 1980s. The imbalances were caused mainly by a combination of fluctuations in exchange rates for the US dollar and swings in oil prices, which affected the value of dollar-priced oil imports from the Soviet Union.

By the late 1980s, certain intrinsic features of the clearing system, such as bilateralism and preclusion of the use of credits for financing trade, rendered it inadequate in comparison with the benefits that free trade had to offer. When Finland liberalized foreign payments and capital movements, the attractiveness and manageability of bilateral clearing trade were reduced.<sup>2</sup>

The Finnish-Soviet clearing system tended to favour large firms, often simply in the interest of administrative expediency. Large orders from the Soviet Union were placed with capital-intensive industries. The demand for consumer goods and services never exceeded one-fifth of Finland's total exports to the Soviet Union. Small and medium-sized firms could participate as sub-contractors to major Finnish

<sup>2</sup> For a full account of recent developments, see the article "New Framework for Trade between Finland and the Soviet Union" by Terhi Kivilahti and Jouko Rautava in the December 1990 issue of the Bulletin. See also Pekka Sutela: "Exporting to the Soviet Union: Microeconomic Aspects for Finland", *Osteuropa, Wirtschaft*, 4/91, and Ilkka Kajaste: "Soviet Trade and the Finnish Economy", Discussion Paper No. 33, Ministry of Finance, Economics Department, 1992.

exporters or within the framework of cross-border trade, which, however, never attained major proportions.

The possibility to enter into joint ventures with Soviet enterprises put Finnish firms on a more equal footing. The pioneers in joint venture operations were firms with a long tradition of trade with the Soviet Union, but they were soon joined by new entrepreneurs with little or no previous experience in this trade. From 1987 to 1990, Finnish participation in joint-venture undertakings was authorized within the framework of the clearing system. The real drawback of this system as far as Finnish-Soviet joint ventures were concerned was that payments for products exported back to Finland had to pass through the clearing accounts and hence there was no opportunity for earning hard currency from the host country.

The new trade created by joint ventures could not, however, compensate for the overall reduction in the trade between the two countries. The scale of operation of joint ventures in relation to total trade was simply too small.

## WHAT ARE JOINT VENTURES?

The first joint ventures with foreign partners were established in the Soviet Union as far back as the 1920s during the period of Lenin's New Economic Policy. They ceased operating in the early 1930s and were not re-introduced until the onset of *perestroika* in 1987. A decision of the USSR Council of Ministers in 1987 allowed joint ventures to be set up for the purpose of supplementing industrial production and the supply of raw materials and foodstuffs, introducing ad-

vanced technologies, management and vocational training, developing the country's export base and engaging in import-substituting activities.

Unlike in many other countries, there was no company law in the Soviet Union. Soviet joint ventures were governed by contract law under the civil code, which did not lay down rules regulating the rights of ownership. The model agreements provided by the Soviet authorities to prospective joint venture partners omitted all reference to such aspects. However, to avoid the possibility of conflicts arising later on, the partners frequently included ownership stipulations defining property rights in the founding documents.

The authorization procedures aimed at keeping the clearing accounts balanced probably also contributed to the introduction of the property right stipulations in the founding documents of Finnish-Soviet joint ventures. By requiring Finnish partners in joint ventures to obtain prior authorization, the Bank of Finland sought to ensure that dividends and other assets generated by convertible-currency participation would not be repatriated through the clearing account. As a by-product of this requirement, the central elements of property rights had to be incorporated in most of the Finnish-Soviet joint venture charters.

At first, the Soviet authorities limited foreign participation to a maximum of 49 per cent of the initial capital so as to keep the decision making power in the hands of the Soviet party. Dissatisfied with the meagre inflow of foreign investment capital and the appearance of small joint ventures – "adventurers" – that openly attempted to exploit price distortions, the Soviet authorities then opted for a policy of trying to attract as much foreign capital as possible. Under a new decree issued in 1988, the upper limit of 49 per cent on foreign participation was abolished and tax holidays were allowed for ventures with foreign ownership exceeding 30 per cent.

A major source of frustration for Finnish joint venture partners has been the frequent changes in the proliferation of contradictory laws, decrees and decisions issued by different authorities, such as ministries, other governmental organs, banks and committees, and at different levels, i.e. at the central, republican, regional and local levels. The frustration is further compounded by the slow and cumbersome bureaucratic procedures and excessive latitude for interpreting the often conflicting legislation.

Being outside the planning system, joint ventures have also been excluded from the procurement of raw materials and other inputs. In a survey on Finnish-Soviet joint ventures conducted by the Bank of Finland in April 1991, many of the Finnish partners underlined the importance of having a partner who not only shares the same business ideas but also knows how to pull the right strings in the Soviet bureaucracy.

### **UPSURGE IN FINNISH-SOVIET JOINT VENTURES**

The very first joint venture to be registered by the USSR Ministry of Finance in the *perestroika* era was a Hungarian-Soviet venture, "Littar-Volanpak", in the wood and paper sector in 1987. It was soon followed by the first joint venture with a partner from a capitalist country, the Finnish-Soviet undertaking "Kati-Myynti". After that the pace of registration of new Finnish-Soviet joint ventures picked up dramatically. In 1987, the Bank of Finland authorized Finnish firms or individuals to participate in four Soviet-Finnish joint ventures; the figure was 31 in 1988, 119 in 1989 and 116 in 1990.

According to official Soviet statistics, at the end of March 1991 there were 3400 registered joint ventures in the Soviet Union, of which 1188 had started operations. Of these, 948, or 28 per cent of all those registered, were actually producing goods or services. Most foreign partners originated from Germany and the

United States, with Finland occupying third place.<sup>3</sup>

The results of the Bank of Finland's survey (covering participants in 320 Soviet – Finnish joint ventures) showed that, at the end of March 1991, 137 of the 225 joint ventures on which information was obtained were fully operational in their main area of economic activity. Of the remaining number, 70 were still in the process of starting operations, plans for 14 others had been abandoned and 4 had ceased operating. The total number of Finnish participants in those joint ventures was 261.

The Bank of Finland dismantled the authorization procedures at the end of 1990. At that time, the number of authorized Finnish-Soviet joint ventures was 266.

### **WHERE AND WHY**

Geographically, Finnish-Soviet joint ventures seem to be concentrated in the largest cities and in Estonia (Table 1). The reasons are quite obvious: the largest cities are able to offer joint ventures the best services, connections and communications. Easy access to decisionmakers, bureaucrats and other "key persons" in the central and republican administration has also been an important factor.

The concentration of Finnish-Soviet joint ventures in Estonia is explained by geographical and cultural proximity. The languages are closely related, many Estonians speak Finnish, and the two countries share the Lutheran religion and even the same national anthem. Moreover, the Estonian economy was one of the most developed within the USSR, which gave an extra impetus to Estonians to seek business contacts with Finnish partners as soon as circumstances permitted.

There are some marked differences between Finnish-Estonian and other Finnish-Soviet

<sup>3</sup> The source (Quarterly Statistical Bulletin of Goskomstat USSR, 7/91) fails to report the number of Finnish – Soviet joint ventures registered by the Ministry of Finance of the USSR at the end of March 1991. This figure was probably in the region of 350.

TABLE 1. GEOGRAPHICAL DISTRIBUTION OF FINNISH-SOVIET JOINT VENTURES OPERATING OR ABOUT TO START OPERATING AS AT MARCH 31, 1991

	Number	%
Russia	96	46
of which: Moscow	46	22
Leningrad	33	16
Viborg	3	1
Estonia	91	44
of which: Tallinn	75	36
Latvia and Lithuania	4	2
Karelia	16	8
Total	207	100

Source: Bank of Finland's survey on joint ventures.

TABLE 2. SALES OF GOODS AND SERVICES BY FINNISH-SOVIET JOINT VENTURES, 1990, SUR MILLION<sup>1</sup>

	USSR	Finland	Third countries	Total
Joint ventures in USSR, excl. Estonia	222	6	15	243
In convertible currencies	190	0	15	205
In non-convertible currencies	32	6	0	38
Joint ventures in Estonia	38	3	2	43
In convertible currencies	9	0	2	11
In non-convertible currencies	29	3	0	32
Joint ventures, total	260	9	17	286
In convertible currencies	199	0	17	216
In non-convertible currencies	61	9	0	70

Source: Bank of Finland's survey on joint ventures.

<sup>1</sup> To facilitate comparison, values are expressed in roubles. SUR 1 is equal, on average, to FIM 2.40 and USD 0.60. These are commercial rates introduced by the State Bank of the USSR (Gosbank) in 1990.

TABLE 3. DISTRIBUTION OF FINNISH-SOVIET JOINT VENTURES BY INDUSTRIAL ACTIVITY AS AT MARCH 31, 1991

	Number	%
Production	112	55
Metal and engineering	28	14
Construction, energy	28	14
Textiles, clothing, food	9	4
Conglomerates	12	6
Miscellaneous	35	17
Services	95	45
Technical and business services	33	16
Trade	17	8
Restaurants and hotels	17	8
Transport	9	4
Miscellaneous	19	9
Total	207	100

Source: Bank of Finland's survey on joint ventures.

joint ventures. The most striking difference between Estonia and the rest of the USSR is in the distribution of sales between convertible and non-convertible currencies (Table 2). In Estonia, the relative shares of convertible and non-convertible currencies in sales were 26 per cent and 74 per cent, respectively, while for the non-Estonian area the corresponding figures were 84 per cent and 16 per cent. In Moscow and Leningrad, in particular, a market has sprung up between joint ventures in which they buy

and sell western quality goods and services in convertible currencies.

The joint ventures in Estonia with Finnish involvement are typically "small and smart" service enterprises: the average size of the initial capital of joint ventures in Estonia (SUR 0.9 million roubles) is below the average for those located in Russia (SUR 1.4 million). There are relatively more investments in the services sector in Estonia – 50 per cent of all joint ventures compared to 46 per cent in the USSR as a whole

(Table 3). Also, the size of the Finnish stake is smaller – only SUR 0.4 million on average compared to SUR 2.7 million roubles in the rest of the country. The small size of investment is partly explained by the fact that the Finnish partners are mostly small or medium-sized firms. Finally, the small size of the Estonian market also favours small-scale production.

## CONFLICTING EXPECTATIONS

From the very start, the expectations of western investors and the Soviet authorities have been very much at variance with each other. Western investors were attracted by new market opportunities and the availability of cheap labour and raw materials. By contrast, the Soviet authorities expected that the establishment of joint ventures would be accompanied by an inflow of convertible currencies, western technology and managerial know-how and by an improvement in the quality and range of consumer goods and services.

With the sole exception of imports of western computers, the results have been disappointing for the Soviet authorities. The joint ventures with high export earnings have typically also been those which import heavily and earn little in the way of convertible currencies. Similarly, the small injections of initial capital have fallen short of Soviet expectations.

The Soviet press has often seen joint ventures as exploiters, rather than contributors to economic well-being. As they have easier access to foreign exchange, joint ventures can afford to pay much higher salaries in order to attract the best local staff. The cumbersome foreign exchange rate system, the absence of proper market pricing and monopolistic "special arrangements" with local authorities may indeed have led to a predatory type of profiteering and excessive exploitation of natural resources, raw materials and semi-manufactured goods. For their Soviet managers joint ventures often seem to represent



a short cut to acquiring western cars, travelling abroad and other luxuries. The privileges and incentives accorded to foreign entrepreneurs have evoked widespread frustration and resentment in the Soviet Union. This criticism fails, however, to take into account the difficult conditions in which many joint ventures have to operate.

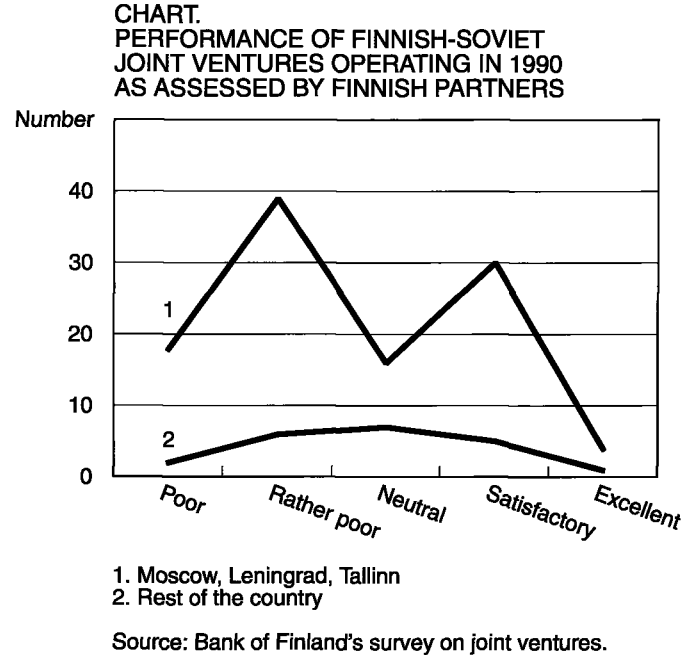
From the viewpoint of western investors, the natural response to the difficult conditions in the Soviet Union has been caution. This cautious approach was reflected in the results of the survey. The average equity capital pledged to joint ventures by Finnish partners is, on average, 40 per cent of the total equity capital; the paid-up share is only 19 per cent.

An additional reason why foreigners have been reluctant to acquire a majority interest in Soviet joint ventures is the fact that minority interests are at least protected by the principle that issues of fundamental importance must be decided on by a unanimous vote of all members of the board. This principle is included in the Soviet decree of 1987 as well as in the stipulations of the founding documents of most Finnish-Soviet joint ventures.

### CONCLUSIONS

The emergence of over 1000 operative joint ventures in the USSR within the space of just four years amidst the general turmoil and decline of the Soviet economy deserves special attention because it illustrates the viability of the new business sector that has come into being in the USSR. The participation, as indicated by the survey, of over 260 Finnish partners in some 207 ventures already operating or about to start operations can be considered remarkable given the relatively small size of the Finnish economy.

A closer analysis, based on the results of the survey, does not necessarily support much of the criticism that is levelled at joint ventures, either in western countries or the Soviet Union. Critics often seem, unreasonably, to ex-



pect too much, too soon. For example, by April 1991, most of the Finnish-Soviet joint ventures had been operating for only 1-1½ years. For joint ventures engaged in production, 54 per cent in the survey, it takes at least 3 to 5 years from start-up before they can really stand on their own feet. Similarly, for many joint ventures in services, an incubation period of 1 to 2 years is far too short.

Furthermore, the criticism has tended to rely on macroeconomic criteria which are too general or microeconomic criteria which are too narrow and specific to properly describe the performance of joint venture operations in the non-market conditions peculiar to the former Soviet Union. In view of the severity of the current situation and the gloomy prospects for the transition period, the joint ventures operating in the newly-formed Commonwealth of Independent States cannot alone be expected to work economic wonders overnight. Individual indicators such as the repatriation of dividends, volume of exports, sales or production grossly understate the significance of joint venture operations. At any rate, it still remains

to be seen what other mode of financing or measures would be better suited to creating a genuine private enterprise sector in the CIS.

To gain a broader view, the Finnish partners were asked to assess the performance of the Finnish-Soviet joint ventures in which they were involved according to how well they had achieved the objectives originally set for them (Chart). The largest group (approx. one-third) described it as rather poor and the second-largest group (approx. one-quarter) as satisfactory, the entire distribution being skewed somewhat towards the poor side. The results of the survey nevertheless indicate that the Finnish partners are fairly optimistic about the prospects for the future – three-quarters of them expect their operating conditions to either remain unchanged or improve. Considering the circumstances, the results are rather encouraging.

March 9, 1992

### **PUBLICATION OF THE BANK OF FINLAND**

The Bank of Finland's publication "Finnish Bond Issues 1991" has been published. The book contains data in Finnish, Swedish and English on all markka and foreign currency bonds issued by Finnish borrowers in 1991. In addition, there are summary tables on all bonds issued.

Altogether, 436 bonds were registered in 1991. They had a combined value of FIM 79.9 bil-

lion, an increase of about 26 per cent on the previous year. Markka-denominated bonds were issued to the value of FIM 46.8 billion and bonds denominated in foreign currencies to the value of FIM 33.1 billion. Markka-denominated issues increased by 61 per cent compared with 1990 and issues in foreign currencies decreased by 3 per cent.

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# MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM FEBRUARY 1991 TO JANUARY 1992

1991

## FEBRUARY

### **Cash reserve requirement.**

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

## APRIL

### **Counter-cyclical deposits.**

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

## MAY

### **Cash reserve requirement.**

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

## JUNE

### **Cash reserve requirement.**

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

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

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

The amendment does not involve any change in the fluctuation range of the markka. The new fluctuation margins and the midpoint are set so as to correspond with the fluctuation margins and midpoint applied to the old currency index. The midpoint is defined on the basis of the exchange rates confirmed by the EC on June 6, 1991 at 3.15 pm (Finnish time). The new midpoint is 4.87580 (FIM/ECU). The markka may fluctuate within margins of 3 per cent on either side of the midpoint, i.e. between FIM 4.72953 and FIM 5.02207.

### **Foreign Exchange**

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

## JULY

### **Cash reserve requirement.**

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

## AUGUST

### **Cash reserve requirement.**

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

## SEPTEMBER

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.9 per cent to 4.6 per cent

of the cash reserve base at end-August 1991.

**Skopbank.** On September 19, 1991, the Bank of Finland decides to take control of Skopbank so as to restore confidence in the bank's activities and states that it will ensure Skopbank's solvency and liquidity under all circumstances.

## OCTOBER

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.6 per cent to 4.3 per cent of the cash reserve base at end-September 1991.

**Call money credit rate.** On October 23, 1991, the Bank of Finland temporarily ceases to apply the 30 per cent penalty rate on call money credit.

**The Bank of Finland's borrowing powers.** On October 25, 1991, the Parliamentary Supervisory Board decides to raise the Bank's foreign borrowing powers from USD 1.5 billion to USD 5 billion; the previous borrowing powers dated from 1980.

## NOVEMBER

### **Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.3 per cent to 4.0 per cent of the cash reserve base at end-October 1991.

**Call money credit rate.** On November 8, 1991, the Bank of Finland reinstates the 30 per cent penalty rate on call money credit.

On November 14, 1991, the Parliamentary Supervisory Board of the Bank of Finland extends the authority of the Bank of Finland to set interest rates. 11

The maximum call money credit rate is raised from 30 per cent to 50 per cent. The Bank of Finland raises the interest rate on call money credit from 15 per cent to 20 per cent, implying a penalty rate of 40 per cent.

On November 19, 1991, the Bank of Finland lowers the interest rate on call money credit to 15 per cent again, implying a 30 per cent penalty rate.

**Devaluation of the markka.**

On November 14, 1991, the Bank of Finland decides to allow the markka's exchange rate to float temporarily. The next day, November 15, the Government decides, on the basis of a

proposal by the Parliamentary Supervisory Board, to raise the limits of the markka's fluctuation range against the ECU by 14 per cent, implying a 12.3 per cent fall in the external value of the markka. The new midpoint is 5.55841 (FIM/ECU) and the limits are 5.39166 and 5.72516.

**Till-money credits.** The Bank of Finland revises the base amounts, the share of banks' till-money holdings which is not financed by the Bank of Finland under the till-money credit arrangement. The combined total of base amounts is kept unchanged in proportion to currency in circulation with the

public. Owing to a reduction in currency in circulation with the public, the combined total of the banks' base amounts falls by FIM 49 million and amounts to FIM 1 194 million as from the last business day in November.

1992

**JANUARY**

**Cash reserve requirement.**

The Bank of Finland lowers the banks' cash reserve requirement from 4.0 per cent to 3.7 per cent of the cash reserve base at end-December.



## LAND, CLIMATE AND POPULATION

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

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

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

## FORM OF GOVERNMENT

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

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

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1991, the seats of the various parties in Parliament are distributed as follows:

Centre Party 55; Social Democratic Party 48; National Coalition Party 40; Left-Wing Alliance 19; Swedish 14 People's Party 12; The Greens 10;

Christian League 8; Rural Party 7; and Liberal Party of Finland 1.

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

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

## INTERNATIONAL RELATIONS

Finland pursues a policy of neutrality in foreign affairs. Finland became a member of the BIS in 1930, the IMF in 1948, the IBRD in 1948, GATT in 1950, the UN in 1955, the Nordic Council in 1955, the IFC in 1956, IDA in 1960, EFTA in 1961, the ADB in 1966, the OECD in 1969, the IDB in 1977, the AfDB in 1982, the MIGA in 1988 and the Council of Europe in 1989.

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

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

## THE ECONOMY

**Output and employment.** The Finnish economy is essentially based on private enterprise, with over 80 % of manufacturing output and some 90 % of banking services produced by private companies. Of the gross domestic product of FIM 458 billion in basic values in 1990, 3 % was generated in agriculture and fishing, 3 % in forestry, 23 % in industry, 9 % in construction, 11 % in trade, restaurants and hotels, 8 % in transport and communications, 5 % in finance and insurance, 20 % in other private services and 18 % by producers of government services. Of total employment of 2.5 million persons in 1990, 8 % were

engaged in primary production, 31 % in industry and construction and 61% in services.

In 1990, expenditure on the gross domestic product in purchasers' values amounted to FIM 525 billion and was distributed as follows: net exports -1.4 % (exports 22.7 %, imports -24.1 %), gross fixed capital formation 26 %, private consumption 52 % and government consumption 21 %. Finland's gross tax ratio (gross taxes in relation to GDP) was 38 % and the net tax ratio (net taxes in relation to GDP) 25 %, which is about the average for OECD countries.

Average annual (compounded) growth of real GDP was 4.7 % in the period 1950-59, 5.0 % in 1960-69, 3.7 % in 1970-79, 3.7 % in 1980-89 and 4.3 % in 1990-89. Finland's GDP per capita in 1990 was USD 27 500.

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

In 1990, the share of forest industry products in total merchandise exports was 39 %, the share of metal and engineering products 43 % and the share of other goods 18 %. Raw materials and intermediate goods (incl. crude oil) accounted for 54 % of merchandise imports, fuels for 3 %, investment goods for 19 % and consumption goods for 23 %.

**Forest resources.** Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1880 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch.

The annual growth increment totals 79 million cubic metres and the total drain calculated on the basis of commercial fellings was 43 million cubic metres in 1991.

**Energy.** In 1990, gross consumption of primary energy amounted to 31 Mtoe, of which industry accounted for 46 %, heating for 21 %, transportation for 14 % and other purposes for 19 %. The sources of primary energy in 1988 were as follows: oil 30 %, coal 12 %, nuclear power 14 %, hydro-electric power, peat and other indigenous

sources 29 %, others 15 %. Compared internationally (1989), Finland's consumption of 5.8 toe (OECD definition) per capita was 1.8 times higher than the average in European OECD countries: The self-sufficiency rate (including nuclear power) in Finland was 40 %, as compared with 60 % in western Europe on average.

## FINANCE AND BANKING

**Currency.** Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From November 1, 1977 to June 7, 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from November 30, 1988 the range was 6 percentage points). Since June 7, 1991, the markka has been pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was 4.87580 (FIM/ECU). Since the devaluation of the markka on November 15, 1991, the midpoint has been 5.55841 and the fluctuation limits FIM 5.39166 and FIM 5.72516, where the lower limit means the highest permissible value for the markka and the upper limit the lowest permissible value. Under the Currency Act, the fluctuations limits are set by the Government on the proposal of the Bank of Finland.

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

The remaining exchange controls were dismantled as from October 1, 1991.

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

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

**The Central Bank.** The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other

rates. The Governor and a maximum of five other Members of the Board of Management are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance, open market operations, intervention in the foreign exchange market, determination of the external value of the currency within the fluctuation limits, direct lending and permits for international capital transactions. The powers vested in the Bank and its independence of the Government make the Bank of Finland one of the world's stronger central banks. In practice, the Bank liaises closely with the Government, so as to coordinate economic policy. The Bank of Finland has a head office in Helsinki and 12 branch offices in other towns.

**Other banks** (Dec. 31, 1990). Finland has three major groups of deposit banks with a total of more than 3 500 offices. There are three big commercial banks with national branch networks and ten smaller ones, four of which are foreign-owned. The commercial banks have a total of 28 foreign branches, subsidiaries and associate banks and 25 representative offices abroad. There are 150 savings banks and 338 cooperative banks with their own extensive branch networks. In addition, foreign banks have 8 representative offices in Finland.

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

**Financial market.** Of the total stock of FIM 733 billion in outstanding domestic credit at the end of 1990, 64 % was provided by deposit banks, 3 % by private mortgage banks, 16 % by insurance companies, 4 % by other private credit institutions, 4 % by public financial institutions and 8 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 67 % of the instruments, which totalled approximately FIM 150 billion at end-1990, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds raised through bank trust departments and non-negotiable bank debt instruments make up the bulk of non-negotiable instruments. In its open market operations, the Bank of Finland deals in bank certificates of deposit and also issues its own certificates of deposit.

There are 74 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 85 billion (at end-1990). Four foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1990 totalled FIM 116 billion; government bonds made up 25 % of the total. Turnover on the Stock Exchange in 1990

amounted to FIM 20 billion; the share of shares and subscription rights in the total was approximately 77 %.





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# 1. THE BALANCE SHEET OF THE BANK OF FINLAND

## 1.1 THE BALANCE SHEET OF THE BANK OF FINLAND,

MILL.FIM

	1991		1992		
	Dec. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
<b>ASSETS</b>					
<b>Gold and foreign currency claims</b>	33 662	33 286	33 631	35 432	34 486
Gold	2 180	2 180	2 180	2 180	2 180
Special drawing rights	932	1 047	1 068	1 073	1 070
IMF reserve tranche	1 136	1 201	1 208	1 235	1 232
Convertible currencies	29 381	28 827	29 146	30 915	29 976
Tied currencies	34	30	30	29	28
<b>Other foreign claims</b>	2 690	2 616	2 616	2 616	2 623
Markka subscription to Finland's IMF quota	2 260	2 225	2 225	2 225	2 225
Term credit	430	391	391	391	398
<b>Claims on financial institutions</b>	17 413	11 422	9 480	9 375	9 267
Call money credits	—	0	55	0	479
Certificates of deposit	9 157	4 107	2 207	2 156	2 058
Securities with repurchase commitments	2 725	1 575	1 477	1 477	924
Till-money credits	3 528	3 806	3 806	3 806	3 869
Bonds	1 765	1 696	1 696	1 698	1 698
Other claims on financial institutions	238	238	238	238	238
<b>Claims on the public sector</b>	1 375	1 383	1 382	1 382	1 382
Bonds	3	3	3	3	3
Total coinage	1 372	1 380	1 379	1 379	1 379
<b>Claims on corporations</b>	1 288	1 251	1 245	1 240	1 233
Financing of domestic deliveries (KTR)	879	848	841	836	829
Bonds: KTR credits	207	201	201	201	201
Bonds: Other	2	2	2	2	2
Other claims on corporations	201	201	201	201	201
<b>Other assets</b>	2 916	6 331	7 456	7 456	7 460
Loans for stabilizing the money market	1 730	6 182	7 307	7 307	7 307
Accrued items	1 034	—	—	—	—
Other assets	153	149	149	149	153
<b>Total</b>	<b>59 346</b>	<b>56 289</b>	<b>55 810</b>	<b>57 501</b>	<b>56 451</b>
<b>LIABILITIES</b>					
Foreign currency liabilities	46	124	127	120	143
Convertible currencies	45	123	125	118	142
Tied currencies	1	1	1	1	1
<b>Other foreign liabilities</b>	3 102	3 090	3 095	3 114	3 113
IMF markka accounts	2 260	2 225	2 225	2 225	2 225
Allocations of special drawing rights	843	865	870	889	887
<b>Notes and coin in circulation</b>	14 528	13 280	13 265	13 222	13 271
Notes	13 306	12 086	12 071	12 030	12 077
Coin	1 222	1 194	1 194	1 192	1 195
<b>Certificates of deposit</b>	8 880	10 340	10 520	11 440	11 110
<b>Liabilities to financial institutions</b>	12 567	10 815	9 945	10 596	9 902
Call money deposits	2 206	887	17	667	11
Cash reserve deposits	10 361	9 928	9 928	9 928	9 891
Other liabilities to financial institutions	0	1	0	1	1
<b>Liabilities to the public sector</b>	3	4	4	4	4
Cheque accounts	—	—	—	—	—
Other liabilities to the public sector	3	4	4	4	4
<b>Liabilities to corporations</b>	7 057	6 015	5 931	5 790	5 738
Deposits for investment and ship purchase	7 057	6 015	5 931	5 790	5 738
Other liabilities to corporations	—	—	—	—	—
<b>Other liabilities</b>	1 682	104	98	99	99
Accrued items	1 584	—	—	—	—
Other liabilities	98	104	98	99	99
<b>Valuation account and reserves</b>	5 715	6 753	7 061	7 351	7 307
<b>Capital accounts</b>	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Profit/loss for the accounting year	—	—	—	—	—
<b>Total</b>	<b>59 346</b>	<b>56 289</b>	<b>55 810</b>	<b>57 501</b>	<b>56 451</b>

## 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
<b>1987</b>	2 128	899	793	23 571	27 391	1 212	28 603	1 131	29 734	977	901	-76
<b>1988</b>	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
<b>1989</b>	2 179	966	950	18 780	22 875	-564	22 311	440	22 751	1 137	5 325	4 188
<b>1990</b>	2 180	791	783	33 451	37 205	-882	36 323	-364	35 959	1 314	1 321	7
<b>1991</b>	2 180	932	1 136	29 336	33 584	33	33 617	-412	33 205	1 375	3	-1 372
<b>1991</b>												
<b>Feb.</b>	2 180	968	863	32 839	36 850	-526	36 324	-365	35 959	1 354	1 323	-31
<b>March</b>	2 180	1 001	892	31 441	35 514	-397	35 117	-376	34 741	1 388	1 320	-68
<b>April</b>	2 180	945	1 065	30 681	34 871	-260	34 611	-386	34 225	1 388	3	-1 385
<b>May</b>	2 180	833	1 091	23 154	27 258	-17	27 241	-387	26 854	1 405	4	-1 401
<b>June</b>	2 180	1 021	1 115	29 588	33 904	29	33 933	-394	33 539	1 411	4	-1 407
<b>July</b>	2 180	853	1 111	29 535	33 679	56	33 735	-399	33 336	1 391	4	-1 387
<b>Aug.</b>	2 180	875	1 086	25 966	30 107	55	30 162	-401	29 761	1 382	3	-1 379
<b>Sept.</b>	2 180	863	1 142	22 743	26 928	49	26 977	-400	26 577	1 398	3	-1 395
<b>Oct.</b>	2 180	868	1 145	12 242	16 435	42	16 477	-404	16 073	1 375	3	-1 372
<b>Nov.</b>	2 180	954	1 193	19 868	24 195	38	24 233	-419	23 814	1 388	3	-1 385
<b>Dec.</b>	2 180	932	1 136	29 336	33 584	33	33 617	-412	33 205	1 375	3	-1 372
<b>1992</b>												
<b>Jan.</b>	2 180	946	1 234	29 512	33 872	30	33 902	-482	33 420	1 379	4	-1 375
<b>Feb.</b>	2 180	1 070	1 232	29 834	34 316	27	34 343	-490	33 853	1 382	4	-1 378

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
<b>1987</b>	-	-757	10 941	2 730	-2 350	-6 618	3 449	4 782	-1 333	9 990	4 970
<b>1988</b>	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
<b>1989</b>	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	-
<b>1990</b>	9 411	-418	17 401	3 427	-2 317	-2 664	1 477	9 724	-8 247	14 555	-
<b>1991</b>	11 882	-2 206	10 361	3 528	-2 003	4 846	1 086	6 854	-5 768	14 528	8 880
<b>1991</b>											
<b>Feb.</b>	8 171	-1 601	15 682	3 926	-2 239	-2 947	1 419	9 226	-7 807	13 170	1 430
<b>March</b>	11 829	350	15 740	3 535	-2 234	2 208	1 374	8 974	-7 600	13 412	3 770
<b>April</b>	11 193	-441	15 845	3 429	-2 169	505	1 336	8 587	-7 251	13 244	3 280
<b>May</b>	16 252	1 282	14 700	3 442	-2 181	8 457	1 310	8 076	-6 766	14 406	2 380
<b>June</b>	12 715	-1 996	14 161	3 786	-2 164	2 508	1 273	8 190	-6 917	13 972	2 850
<b>July</b>	10 515	-1 877	13 546	3 740	-2 127	959	1 236	8 074	-6 838	13 841	1 090
<b>Aug.</b>	12 159	-1 078	12 707	3 631	-2 133	4 138	1 212	7 993	-6 781	13 613	370
<b>Sept.</b>	13 289	285	11 842	3 542	-2 105	7 379	1 172	7 973	-6 801	13 621	610
<b>Oct.</b>	13 587	13 383	11 047	3 471	-2 066	21 460	1 143	7 896	-6 753	13 500	4 090
<b>Nov.</b>	20 743	-1 580	10 276	3 519	-2 064	14 470	1 120	7 457	-6 337	13 490	6 650
<b>Dec.</b>	11 882	-2 206	10 361	3 528	-2 003	4 846	1 086	6 854	-5 768	14 528	8 880
<b>1992</b>											
<b>Jan.</b>	7 136	-651	9 928	3 806	-1 947	2 310	1 053	5 974	-4 921	13 323	10 640
<b>Feb.</b>	2 982	468	9 891	3 869	-1 935	-637	1 030	5 535	-4 505	13 271	11 110

## 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
<b>1987</b>	1 263	23 658	-17 520	-4 875	-6 818	626	-12 319
<b>1988</b>	13 840	19 190	-16 850	11 500	463	-629	12 592
<b>1989</b>	131 110	3 855	99 245	28 010	-425	441	27 144
<b>1990</b>	163 326	26 379	160 797	-23 850	-38	-151	-23 737
<b>1991</b>	109 568	30 380	81 969	-2 781	-	1 788	-4 569
<b>1991</b>							
<b>Feb.</b>	3 810	1 760	2 480	-430	6	307	-731
<b>March</b>	9 600	1 790	4 360	3 450	756	-1 195	5 401
<b>April</b>	13 060	1 200	8 990	2 870	-752	39	2 079
<b>May</b>	12 670	1 180	7 950	3 540	1 366	-357	5 263
<b>June</b>	9 603	2 980	9 493	-2 870	-1 305	1 973	-6 148
<b>July</b>	6 865	160	7 366	-661	-71	-190	-542
<b>Aug.</b>	11 430	280	7 380	3 770	21	-778	4 569
<b>Sept.</b>	11 670	680	10 360	630	277	-1 086	1 993
<b>Oct.</b>	15 350	6 710	8 990	-350	13 086	-12	12 748
<b>Nov.</b>	9 850	6 340	7 020	-3 510	-13 371	1 592	-18 473
<b>Dec.</b>	2 430	6 660	2 260	-6 490	-13	613	-7 116
<b>1992</b>							
<b>Jan.</b>	2 000	7 790	-80	-5 710	3	-1 552	-4 155
<b>Feb.</b>	1 710	8 460	1 170	-7 920	476	-643	-6 801

## 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
<b>1987</b>	21 671	1 158	20 513	-233	-1 287	18 994
<b>1988</b>	16 488	1 543	14 946	9 086	-377	23 654
<b>1989</b>	10 531	3 563	6 967	8 031	205	15 204
<b>1990</b>	11 609	4 979	6 631	10 100	-6 098	10 633
<b>1991</b>	33 004	36 352	-3 348	2 550	8 953	8 155
<b>1991</b>						
<b>Jan.</b>	13 191	6 724	6 467	9 165	-5 260	10 372
<b>Feb.</b>	12 545	7 871	4 673	9 413	-3 028	11 058
<b>March</b>	13 919	12 231	1 688	3 336	-2 593	2 431
<b>April</b>	14 088	15 045	-957	6 496	-1 568	3 971
<b>May</b>	15 130	25 075	-9 945	6 181	663	-3 101
<b>June</b>	16 144	23 123	-6 980	8 500	3 159	4 679
<b>July</b>	16 228	20 422	-4 194	5 350	3 257	4 413
<b>Aug.</b>	16 961	30 053	-13 092	7 757	3 187	-2 148
<b>Sept.</b>	17 020	38 496	-21 477	13 454	3 947	-4 076
<b>Oct.</b>	22 174	53 395	-31 222	9 433	9 034	-12 755
<b>Nov.</b>	37 546	51 191	-13 645	1 551	9 601	-2 493
<b>Dec.</b>	33 004	36 352	-3 348	2 550	8 953	8 155
<b>1992</b>						
<b>Jan.</b>	31 732	27 973	3 759	4 673	8 276	16 708

## 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
<b>1987</b>	481	1 581	2 062	703	4 705	10 092	15 501	-13 439
<b>1988</b>	128	2 190	2 319	621	5 044	15 159	20 824	-18 505
<b>1989</b>	373	15 146	15 519	403	465	23 035	23 903	-8 384
<b>1990</b>	142	24 056	24 198	790	1 924	23 406	26 120	-1 922
<b>1991</b>	936	12 293	13 229	868	2 728	14 154	17 749	-4 520
<b>1991</b>								
<b>Feb.</b>	128	7 368	7 496	420	1 260	17 160	18 840	-11 344
<b>March</b>	474	9 094	9 568	535	3 253	15 690	19 477	-9 909
<b>April</b>	49	12 235	12 284	999	3 288	15 743	20 030	-7 746
<b>May</b>	148	11 837	11 985	1 319	2 504	15 808	19 631	-7 645
<b>June</b>	535	15 926	16 461	2 332	2 469	14 646	19 447	-2 986
<b>July</b>	34	10 038	10 073	1 132	1 856	14 142	17 130	-7 057
<b>Aug.</b>	24	10 002	10 026	865	683	13 492	15 040	-5 014
<b>Sept.</b>	219	14 983	15 202	418	412	12 678	13 508	1 694
<b>Oct.</b>	5 126	12 287	17 413	405	2 094	11 817	14 316	3 098
<b>Nov.</b>	4 422	20 294	24 716	429	4 043	10 996	15 468	9 248
<b>Dec.</b>	36	15 685	15 721	743	10 325	10 279	21 347	-5 626
<b>1992</b>								
<b>Jan.</b>	33	9 212	9 246	937	9 728	10 347	21 012	-11 766
<b>Feb.</b>	50	4 521	4 571	548	10 951	9 925	21 424	-16 853

### 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
<b>1987</b>	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8	.
<b>1988</b>	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63	6.5	.
<b>1989</b>	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67	8.0	0.5
<b>1990</b>	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50	7.9	.
<b>1991</b>	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50	5.3	.
<b>1991</b>										
<b>Feb.</b>	14.91	14.48	14.02	13.66	13.36	15.00	4.00	8.50	6.2	.
<b>March</b>	18.90	15.66	14.72	14.10	13.64	15.00	4.00	8.50	6.2	.
<b>April</b>	16.33	14.69	13.97	13.52	13.28	15.00	4.00	8.50	6.2	.
<b>May</b>	13.12	12.25	11.98	11.94	11.95	15.00	4.00	8.50	5.8	.
<b>June</b>	13.45	11.29	11.25	11.41	11.56	15.00	4.00	8.50	5.5	.
<b>July</b>	9.48	10.09	10.69	11.19	11.52	15.00	4.00	8.50	5.2	.
<b>Aug.</b>	10.20	10.62	11.09	11.28	11.50	15.00	4.00	8.50	4.9	.
<b>Sept.</b>	19.84	14.80	13.20	12.45	12.07	15.00	4.00	8.50	4.6	.
<b>Oct.</b>	15.72	15.95	14.38	13.01	12.46	15.00	4.00	8.50	4.3	.
<b>Nov.</b>	20.94	16.75	14.66	13.25	12.77	16.23	4.00	8.50	4.0	.
<b>Dec.</b>	10.89	12.55	12.78	12.71	12.63	15.00	4.00	8.50	4.0	.
<b>1992</b>										
<b>Jan.</b>	11.41	12.09	12.26	12.33	12.39	15.00	4.00	8.50	3.7	.
<b>Feb.</b>	10.74	11.78	11.74	11.74	11.75	15.00	4.00	8.50	3.7	.

#### 3.2 WEIGHTED EURORATES AND COMMERCIAL ECU INTEREST RATE, PER CENT

Average of daily observations	ECU	3 currencies	14 currencies	Commercial ECU
	1	2	3	4
<b>1987</b>	7.0	5.6	8.0	7.1
<b>1988</b>	6.9	6.0	8.0	6.9
<b>1989</b>	9.3	8.4	9.9	9.3
<b>1990</b>	10.5	9.1	10.9	10.4
<b>1991</b>	10.1	8.5	9.9	9.9
<b>1991</b>				
<b>Feb.</b>	10.5	8.8	10.4	9.8
<b>March</b>	10.2	8.7	10.2	9.5
<b>April</b>	10.1	8.6	10.1	9.4
<b>May</b>	9.9	8.4	9.8	9.7
<b>June</b>	9.9	8.4	9.6	10.1
<b>July</b>	10.0	8.5	9.6	10.0
<b>Aug.</b>	10.0	8.4	9.6	9.9
<b>Sept.</b>	9.8	8.3	9.4	9.8
<b>Oct.</b>	9.9	8.3	9.5	9.9
<b>Nov.</b>	10.0	8.2	9.5	10.0
<b>Dec.</b>	10.4	8.2	10.1	10.6
<b>1992</b>				
<b>Jan.</b>	10.2	8.0	9.8	10.4
<b>Feb.</b>	10.2	8.1	9.7	10.3

#### 3.3 COVERED EURODOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
<b>1987</b>	9.8	9.9	9.9	10.1
<b>1988</b>	9.5	9.8	9.9	10.2
<b>1989</b>	11.8	12.1	12.1	12.1
<b>1990</b>	13.2	13.7	13.9	14.1
<b>1991</b>	13.5	13.0	12.6	12.4
<b>1991</b>				
<b>Feb.</b>	14.2	13.9	13.4	13.1
<b>March</b>	15.3	14.5	13.8	13.3
<b>April</b>	14.5	13.8	13.3	13.0
<b>May</b>	12.1	11.9	11.9	11.8
<b>June</b>	11.7	11.7	11.5	11.6
<b>July</b>	10.3	11.0	11.4	11.6
<b>Aug.</b>	11.1	10.9	11.3	11.5
<b>Sept.</b>	14.9	13.4	12.5	12.0
<b>Oct.</b>	15.7	14.4	13.0	12.3
<b>Nov.</b>	16.3	14.3	13.1	12.6
<b>Dec.</b>	11.9	12.4	12.3	12.3
<b>1992</b>				
<b>Jan.</b>	11.7	12.0	12.0	12.1
<b>Feb.</b>	11.5	11.5	11.5	11.5

### 3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

Average for period	Lending						Markka deposits and other markka funding				
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits <sup>1</sup>	Other tax-exempt deposits, on max. rate of interest <sup>1</sup>	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
<b>1987</b>	10.50	12.31	10.01	10.62	8.99	8.91	7.00	2.75	4.47	10.13	5.29
<b>1988</b>	10.22	12.27	10.50	10.72	9.88	9.74	8.00	3.75	5.24	9.80	6.20
<b>1989</b>	12.97	13.47	11.58	12.07	10.56	10.40	7.50	4.50	5.67	11.92	7.37
<b>1990</b>	13.24	15.62	13.33	13.85	11.84	11.61	7.50	4.50	6.43	13.55	8.41
<b>1991</b>	13.63	15.88	13.40	13.84	12.08	11.80	7.50	4.50	7.10	13.22	8.97
<b>1990</b>											
<b>Dec.</b>	14.47	15.94	13.29	13.94	12.14	11.94	7.50	4.50	6.30	13.84	8.31
<b>1991</b>											
<b>Jan.</b>	15.00	16.40	13.39	14.11	12.18	11.97	7.50	4.50	7.20	13.91	9.04
<b>Feb.</b>	15.45	16.36	14.01	14.69	12.18	11.96	7.50	4.50	7.23	13.83	9.06
<b>March</b>	14.99	16.45	14.44	14.91	12.31	12.16	7.50	4.50	7.29	15.07	9.62
<b>April</b>	15.85	16.45	14.17	14.80	12.25	11.99	7.50	4.50	7.29	13.93	9.26
<b>May</b>	15.50	15.05	13.37	13.85	12.20	11.96	7.50	4.50	7.14	13.25	9.03
<b>June</b>	13.98	15.55	13.02	13.54	11.91	11.56	7.50	4.50	7.05	12.35	8.61
<b>July</b>	12.00	15.54	12.80	13.19	11.67	11.28	7.50	4.50	6.79	11.69	8.21
<b>Aug.</b>	12.54	15.35	12.70	13.09	11.70	11.38	7.50	4.50	6.82	11.73	8.29
<b>Sept.</b>	12.81	15.74	13.78	13.96	11.96	11.76	7.50	4.50	6.95	12.95	8.87
<b>Oct.</b>	12.48	16.07	13.83	14.01	12.19	11.96	7.50	4.50	7.18	13.63	9.36
<b>Nov.</b>	14.19	16.29	13.71	14.16	12.21	11.87	7.50	4.50	7.24	13.63	9.48
<b>Dec.</b>	10.15	15.25	12.35	12.51	12.15	11.79	7.50	4.50	7.08	12.63	8.80

<sup>1</sup> 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	
<b>1987</b>	..	..	.	11.2	11.1	11.2	8.1	10.7
<b>1988</b>	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4
<b>1989</b>	12.2	12.0	12.1	11.9	12.0	12.0	8.1	11.7
<b>1990</b>	13.7	13.5	13.2	13.3	13.3	13.2	9.2	13.0
<b>1991</b>	12.3	12.2	12.4	12.6	12.5	13.0	10.0	11.7
<b>1991</b>								
<b>Jan.</b>	13.2	13.2	13.0	13.4	13.3	13.2	10.6	13.1
<b>Feb.</b>	13.0	13.0	12.6	13.3	13.4	13.4	10.6	12.7
<b>March</b>	13.0	12.9	12.5	13.2	13.1	13.8	10.4	12.4
<b>April</b>	12.7	12.5	12.2	13.0	11.8	14.1	10.3	12.1
<b>May</b>	11.9	11.8	11.5	12.4	12.1	12.5	10.2	11.2
<b>June</b>	11.5	11.5	11.1	11.7	11.5	12.7	10.1	11.1
<b>July</b>	11.8	11.7	11.2	12.4	12.2	12.6	10.0	10.8
<b>Aug.</b>	11.7	11.7	11.2	11.9	11.9	12.3	9.8	11.2
<b>Sept.</b>	11.7	11.7	11.3	12.2	12.0	12.7	9.6	11.3
<b>Oct.</b>	11.8	11.7	11.4	12.2	12.2	12.7	9.6	11.1
<b>Nov.</b>	12.4	12.3	12.1	12.5	12.5	12.5	9.6	11.2
<b>Dec.</b>	12.7	12.7	12.4	13.6	13.6	13.1	9.9	12.2
<b>1992</b>								
<b>Jan.</b>	12.5	12.5	12.3	13.0	12.9	13.1	10.0	11.9

## 4. RATES OF EXCHANGE

### 4.1 AVERAGE SPOT SELLING RATES, FIM

Average New York of daily quotations	Montreal	London	Dublin	Stockholm	Oslø	Copen- hagen	Frankfurt a.M.	Amster- dam	Brussels	Zurich	
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DEM	1 NLG	1 BEF	1 CHF	
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	2.9563
<b>1988</b>	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	2.8700
<b>1989</b>	4.295	3.632	7.051	6.104	0.6673	0.6234	0.5886	2.2879	2.0281	0.10925	2.6306
<b>1990</b>	3.831	3.287	6.827	6.347	0.6479	0.6130	0.6197	2.3721	2.1053	0.11480	2.7635
<b>1991</b>	4.053	3.543	7.159	6.540	0.6713	0.6264	0.6345	2.4464	2.1709	0.11887	2.8300
<b>1991</b>											
<b>Feb.</b>	3.597	3.119	7.082	6.478	0.6508	0.6224	0.6324	2.4324	2.1583	0.11821	2.8434
<b>March</b>	3.835	3.319	7.035	6.398	0.6535	0.6152	0.6248	2.3990	2.1284	0.11651	2.7770
<b>April</b>	4.001	3.473	7.007	6.292	0.6547	0.6051	0.6141	2.3506	2.0858	0.11431	2.7796
<b>May</b>	4.047	3.525	6.992	6.320	0.6587	0.6061	0.6164	2.3578	2.0922	0.11469	2.7824
<b>June</b>	4.228	3.699	6.983	6.355	0.6592	0.6088	0.6163	2.3737	2.1072	0.11539	2.7662
<b>July</b>	4.298	3.745	7.087	6.434	0.6647	0.6169	0.6217	2.4030	2.1332	0.11679	2.7733
<b>Aug.</b>	4.245	3.710	7.148	6.509	0.6705	0.6232	0.6292	2.4323	2.1582	0.11820	2.7906
<b>Sept.</b>	4.143	3.646	7.148	6.530	0.6711	0.6244	0.6323	2.4405	2.1656	0.11853	2.7910
<b>Oct.</b>	4.127	3.661	7.113	6.534	0.6706	0.6243	0.6323	2.4413	2.1667	0.11863	2.7910
<b>Nov.</b>	4.202	3.722	7.475	6.920	0.7091	0.6600	0.6670	2.5893	2.2979	0.12575	2.9249
<b>Dec.</b>	4.266	3.732	7.774	7.249	0.7440	0.6912	0.6989	2.7192	2.4131	0.13206	3.0708
<b>1992</b>											
<b>Jan.</b>	4.305	3.725	7.796	7.266	0.7496	0.6946	0.7031	2.7270	2.4215	0.13248	3.0696
<b>Feb.</b>	4.431	3.751	7.877	7.309	0.7543	0.6986	0.7061	2.7354	2.4312	0.13289	3.0435

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Athens	Tokyo	Mel- bourne	ECU Commercial	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 JPY	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22
<b>1987</b>	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	..	0.03050	3.106	5.075	5.68010
<b>1988</b>	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	..	0.03273	3.309	4.954	5.61826
<b>1989</b>	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	..	0.03122	3.423	4.731	5.49375
<b>1990</b>	0.7054	0.00321	0.3374	0.0271	0.0681	0.0377	..	0.02654	3.011	4.875	5.18345
<b>1991</b>	0.7208	0.00328	0.3479	0.0283	0.0710	0.0392	0.0234	0.03016	3.176	5.019	5.53082
<b>1991</b>											
<b>Feb.</b>	0.7162	0.00325	0.3461	0.0279	0.0686	0.0390	..	0.02761	2.840	5.002	5.17020
<b>March</b>	0.7063	0.00323	0.3412	0.0278	0.0690	0.0387	..	0.02802	2.980	4.927	5.29584
<b>April</b>	0.6969	0.00318	0.3342	0.0273	0.0692	0.0382	..	0.02921	3.138	4.844	5.39487
<b>May</b>	0.6969	0.00319	0.3354	0.0273	0.0694	0.0382	..	0.02932	3.151	4.847	5.42606
<b>June</b>	0.7013	0.00321	0.3376	0.0273	0.0702	0.0382	0.0230	0.03024	3.231	4.879	5.56841
<b>July</b>	0.7095	0.00324	0.3417	0.0281	0.0711	0.0385	0.0230	0.03117	3.331	4.938	5.66884
<b>Aug.</b>	0.7172	0.00327	0.3459	0.0286	0.0715	0.0391	0.0230	0.03103	3.338	4.992	5.65829
<b>Sept.</b>	0.7186	0.00328	0.3471	0.0287	0.0713	0.0390	0.0230	0.03080	3.304	5.002	5.59644
<b>Oct.</b>	0.7177	0.00328	0.3472	0.0286	0.0713	0.0388	0.0230	0.03158	3.291	5.000	5.61024
<b>Nov.</b>	0.7593	0.00345	0.3681	0.0299	0.0743	0.0410	0.0241	0.03243	3.324	5.285	5.80952
<b>Dec.</b>	0.7973	0.00361	0.3865	0.0309	0.0771	0.0427	0.0250	0.03329	3.317	5.530	5.98926
<b>1992</b>											
<b>Jan.</b>	0.8011	0.00363	0.3877	0.0317	0.0777	0.0432	0.0250	0.03439	3.237	5.560	6.04989
<b>Feb.</b>	0.8051	0.00366	0.3893	0.0320	0.0783	0.0437	0.0250	0.03474	3.350	5.594	6.14937



## 4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

Average of daily observations	Markka value of the ECU		Currency indices, 1982=100		
	FIM/ECU	Deviation from the midpoint, %	Bank of Finland's trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4	5
<b>1987</b>	5.08273	.	103.3	103.2	106.1
<b>1988</b>	4.96108	.	102.0	101.1	104.7
<b>1989</b>	4.73670	.	98.4	98.4	102.8
<b>1990</b>	4.85697	.	97.3	96.1	97.3
<b>1991</b>	5.00580	.	101.4	100.1	102.8
<b>1991</b>					
<b>Feb.</b>	4.97232	.	98.8	96.3	97.0
<b>March</b>	4.91308	.	98.7	97.2	98.8
<b>April</b>	4.83628	.	98.4	97.4	100.2
<b>May</b>	4.84342	.	98.7	97.9	100.8
<b>June</b>	4.86741	-0.2	99.6	99.2	103.0
<b>July</b>	4.92615	1.0	100.8	100.5	104.6
<b>Aug.</b>	4.98131	2.2	101.6	101.0	104.7
<b>Sept.</b>	4.99324	2.4	101.5	100.5	103.9
<b>Oct.</b>	4.98879	2.3	101.5	100.4	104.2
<b>Nov.</b>	5.27668	0.9	106.8	105.2	108.3
<b>Dec.</b>	5.52866	-0.5	111.5	109.4	111.9
<b>1992</b>					
<b>Jan.</b>	5.55238	-0.1	112.1	110.0	113.0
<b>Feb.</b>	5.58207	0.4	112.9	111.2	114.4

## 5. OTHER DOMESTIC FINANCING

### 5.1 BANK FUNDING FROM THE PUBLIC, MILL. FIM

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
<b>1986</b>	19 368	69 887	70 082		159 337	4 259	163 596	15 888	179 484
<b>1987</b>	21 320	76 160	83 742		181 222	3 915	185 137	17 892	203 029
<b>1988</b>	25 473	76 958	121 658		224 089	4 561	228 650	28 844	257 494
<b>1989</b>	28 942	85 396	125 748		240 086	7 358	247 444	35 298	282 742
<b>1990</b>	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
<b>1990</b>									
<b>Nov.</b>	28 249	87 218	129 357		244 824	7 925	252 749	48 882	301 631
<b>Dec.</b>	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
<b>1991</b>									
<b>Jan.</b>	27 951	82 243	138 181		248 374	7 828	256 202	43 928	300 130
<b>Feb.</b>	27 148	82 061	140 027		249 237	8 618	257 855	43 071	300 926
<b>March</b>	26 116	85 099	123 080	16 205	250 500	10 568	261 068	48 606	309 674
<b>April</b>	26 204	83 128	120 397	18 693	248 422	10 264	258 686	47 977	306 663
<b>May</b>	27 279	84 918	120 217	18 685	251 098	10 137	261 235	52 377	313 612
<b>June</b>	29 916	86 765	118 644	19 341	254 667	10 448	265 114	47 550	312 665
<b>July</b>	29 535	86 235	118 362	19 368	253 500	9 746	263 245	49 001	312 246
<b>Aug.</b>	27 517	86 732	118 573	18 569	251 391	11 633	263 024	53 386	316 410
<b>Sept.</b>	28 607	84 769	119 427	18 087	250 890	12 476	263 366	58 761	322 127
<b>Oct.</b>	28 160	83 526	120 091	17 992	249 769	15 774	265 543	58 038	323 582
<b>Nov.</b>	28 911	83 328	121 547	18 277	252 063	16 779	268 841	58 774	327 615

### 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
<b>1986</b>	7 542	6 354	152 335	166 231	24 450	190 681
<b>1987</b>	8 507	5 177	178 698	192 382	36 475	228 857
<b>1988</b>	11 358	5 920	234 268	251 546	49 910	301 456
<b>1989</b>	15 270	5 650	257 768	278 688	73 176	351 864
<b>1990</b>	19 152	5 777	260 790	285 720	103 134	388 854
<b>1990</b>						
<b>Nov.</b>	19 156	5 724	260 635	285 516	101 185	386 701
<b>Dec.</b>	19 152	5 777	260 790	285 720	103 134	388 854
<b>1991</b>						
<b>Jan.</b>	18 897	5 549	259 464	283 910	104 329	388 239
<b>Feb.</b>	18 653	5 491	259 415	283 559	104 691	388 250
<b>March</b>	18 428	5 410	259 775	283 612	105 706	389 319
<b>April</b>	18 292	5 416	259 028	282 736	104 407	387 143
<b>May</b>	17 798	5 271	259 334	282 404	106 066	388 470
<b>June</b>	17 947	5 190	259 851	282 988	106 895	389 884
<b>July</b>	17 787	5 021	259 880	282 687	107 005	389 693
<b>Aug.</b>	18 679	4 925	260 927	284 531	106 764	391 295
<b>Sept.</b>	18 677	4 823	262 019	285 519	105 186	390 704
<b>Oct.</b>	18 419	4 714	263 042	286 175	105 113	391 288
<b>Nov.</b>	17 978	4 576	262 685	285 239	113 156	398 395

### 5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL.FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M <sub>1</sub>	M <sub>2</sub> (1+4+5)	M <sub>3</sub>
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
<b>1986</b>	-16 784	-13 884	237 514	223 630	-37 751	96 874	169 095	170 076
<b>1987</b>	-25 484	-14 977	277 068	262 090	-45 769	105 829	190 837	206 175
<b>1988</b>	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
<b>1989</b>	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
<b>1990*</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1990*</b>								
<b>Nov.</b>	-80 013	-16 483	452 668	436 185	-98 428	128 127	257 744	291 414
<b>Dec.</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1991*</b>								
<b>Jan.</b>	-83 269	-15 187	457 639	442 452	-98 044	122 453	261 139	289 898
<b>Feb.</b>	-86 676	-11 118	458 501	447 383	-99 285	121 053	261 423	288 823
<b>March</b>	-81 750	-7 736	454 073	446 337	-101 181	121 271	263 406	294 244
<b>April</b>	-81 026	-9 236	451 259	442 023	-99 964	119 229	261 033	290 233
<b>May</b>	-81 899	-9 355	452 770	443 415	-95 112	124 190	266 403	297 849
<b>June</b>	-79 812	-9 512	454 529	445 017	-96 677	127 454	268 528	298 899
<b>July</b>	-84 565	-9 819	460 838	451 019	-99 124	126 403	267 329	296 597
<b>Aug.</b>	-79 060	-9 209	462 953	453 743	-109 459	124 941	265 224	296 956
<b>Sept.</b>	-75 824	-12 356	463 583	451 227	-111 093	123 637	264 310	299 216
<b>Oct.</b>	-76 079	-11 646	464 834	453 188	-113 816	122 012	263 293	304 260
<b>Nov.</b>	-85 011	-10 502	478 032	467 530	-117 926	121 627	264 592	301 299

### 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
<b>1987</b>	20 407	2 697	5 576	28 680	22 121	4 692	3 018	29 831	58 511	38 436	11 553
<b>1988</b>	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	41 011	15 858
<b>1989</b>	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	43 499	21 248
<b>1990</b>	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	48 121	23 114
<b>1991</b>	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	..	..
<b>1991</b>											
<b>Jan.</b>	21 876	1 290	2 978	26 144	23 483	8 261	285	32 029	58 173	48 819	26 381
<b>Feb.</b>	21 486	1 697	2 941	26 124	24 102	8 261	825	33 188	59 312	49 416	18 467
<b>March</b>	25 405	1 736	2 910	30 051	24 769	8 256	925	33 950	64 001	50 215	20 871
<b>April</b>	24 784	1 759	2 675	29 218	25 082	7 783	1 725	34 590	63 808	51 235	24 167
<b>May</b>	25 174	1 779	2 711	29 664	25 994	7 608	2 125	35 727	65 391	51 629	19 794
<b>June</b>	24 909	1 828	2 669	29 406	26 754	7 608	2 330	36 692	66 098	52 139	17 306
<b>July</b>	25 760	1 813	2 689	30 262	27 122	9 008	2 330	38 460	68 722	52 706	17 215
<b>Aug.</b>	26 028	1 837	2 633	30 498	28 315	9 008	2 330	39 653	70 151	53 330	15 108
<b>Sept.</b>	28 417	1 817	2 350	32 584	29 058	9 008	2 530	40 595	73 179	53 998	16 859
<b>Oct.</b>	32 338	1 848	2 362	36 548	30 070	9 008	2 670	41 748	78 296	54 858	17 991
<b>Nov.</b>	37 875	2 014	2 601	42 490	30 825	10 408	4 180	45 413	87 903	55 105	16 909
<b>Dec.</b>	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	..	..
<b>1992</b>											
<b>Jan.</b>	38 613	2 525	2 500	43 638	31 064	12 205	6 881	50 150	93 788	..	..

## 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
<b>1987</b>	4 477	9 510	8 119	206	69	9 409	8 830	4 142	22 380
<b>1988</b>	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
<b>1989</b>	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
<b>1990</b>	4 640	17 917	4 420	490	1 007	17 260	607	10 607	28 473
<b>1991*</b>	7 252	27 138	11 073	1 320	-	31 442	-	15 341	46 783
<b>1991*</b>									
<b>Jan.</b>	1 054	3 058	2 000	-	-	4 356	-	1 756	6 111
<b>Feb.</b>	272	485	-	-	-	435	-	322	757
<b>March</b>	271	1 015	500	29	-	1 267	-	548	1 815
<b>April</b>	161	1 457	1 800	-	-	2 487	-	931	3 418
<b>May</b>	613	2 030	1 475	50	-	3 488	-	680	4 167
<b>June</b>	880	3 207	-	315	-	2 355	-	2 047	4 401
<b>July</b>	1 592	2 107	-	-	-	1 515	-	2 184	3 699
<b>Aug.</b>	275	817	4 693	50	-	5 680	-	155	5 835
<b>Sept.</b>	449	1 468	300	250	-	2 318	-	149	2 467
<b>Oct.</b>	327	1 302	205	403	-	624	-	1 612	2 236
<b>Nov.</b>	1 117	2 646	100	223	-	1 613	-	2 472	4 086
<b>Dec.</b>	244	7 548	-	-	-	5 305	-	2 486	7 791
<b>1992*</b>									
<b>Jan.</b>	662	1 056	4 465	70	-	5 570	-	683	6 253

### 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
<b>1987</b>	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
<b>1988</b>	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
<b>1989</b>	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
<b>1990</b>	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
<b>1991*</b>	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
<b>1990</b>									
<b>IV</b>	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
<b>1991*</b>									
<b>I</b>	24 169	62 451	29 594	1 466	4 006	58 366	20 638	42 680	121 684
<b>II</b>	23 269	67 588	30 932	1 760	4 395	63 588	19 971	44 384	127 943
<b>III</b>	25 034	69 492	33 235	2 037	3 744	70 002	18 614	44 926	133 542
<b>IV</b>	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020

## 5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices											Turnover <sup>2</sup> , mill. FIM				
	HEX index (Dec. 28, 1990=1000)										Unitas index <sup>1</sup> , 1978=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	Insur-ance and invest-ment	Manu-facturing	Of which									
							Forest industries	Metal and engi-neering	Con-glom-erates							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>1987</b>	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	
<b>1988</b>	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	
<b>1989</b>	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	
<b>1990</b>	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	
<b>1991</b>	962	949	1 062	901	898	1 003	1 075	1 076	1 020	367	206	400	6 339	1 315	7 655	
<b>1991</b>																
<b>Feb.</b>	951	940	1 025	959	930	955	1 032	1 028	941	377	210	412	535	204	739	
<b>March</b>	1 092	1 077	1 198	1 075	971	1 135	1 235	1 241	1 150	.	.	.	953	141	1 094	
<b>April</b>	1 138	1 123	1 243	1 060	993	1 210	1 279	1 263	1 273	.	.	.	607	117	724	
<b>May</b>	1 071	1 051	1 210	1 001	1 000	1 123	1 169	1 171	1 179	.	.	.	692	62	754	
<b>June</b>	1 031	1 010	1 184	977	963	1 076	1 089	1 128	1 139	.	.	.	710	111	821	
<b>July</b>	983	971	1 076	912	942	1 023	1 032	1 094	1 076	.	.	.	307	51	358	
<b>Aug.</b>	986	971	1 095	915	950	1 025	1 049	1 098	1 073	.	.	.	324	58	382	
<b>Sept.</b>	914	897	1 032	829	904	948	1 007	1 037	974	.	.	.	373	61	433	
<b>Oct.</b>	846	833	945	755	807	891	988	994	889	.	.	.	447	40	487	
<b>Nov.</b>	831	819	927	727	745	884	1 038	978	856	.	.	.	406	36	442	
<b>Dec.</b>	787	779	853	664	618	857	1 060	955	807	.	.	.	487	125	612	
<b>1992</b>																
<b>Jan.</b>	852	837	961	681	646	950	1 187	1 056	909	.	.	.	790	69	859	
<b>Feb.</b>	904	889	1 011	649	653	1 040	1 252	1 244	990	.	.	.	648	65	712	

<sup>1</sup> The calculation of the Unitas index was discontinued as from March 1991.

<sup>2</sup> During period.

## 6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

### 6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, i.e.b.	Trans- port receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Invest- ment income	Trans- fers and other income	Current account receipts (6+7+8)	Imports of goods, c.i.f.	Trans- port ex- pend- iture	Travel ex- pend- iture	Other services ex- pend- iture
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>1987</b>	83 826	6 387	3 736	6 099	16 222	100 048	6 162	3 231	109 441	81 867	2 610	6 811	6 488
<b>1988</b>	91 313	7 026	4 280	6 132	17 438	108 750	9 377	4 415	122 543	91 232	3 338	7 907	7 390
<b>1989</b>	98 265	7 662	4 497	6 277	18 436	116 701	10 212	3 652	130 565	104 400	3 869	8 969	8 759
<b>1990*</b>	99 750	8 347	4 650	6 081	19 077	118 827	12 739	4 461	136 027	101 967	4 363	10 766	9 503
<b>1991*</b>	91 260	8 037	5 000	5 986	19 023	110 283	13 776	4 601	128 660	86 678	4 442	11 100	10 547
<b>1989</b>													
<b>III</b>	22 534	1 982	1 421	1 466	4 869	27 403	2 368	927	30 698	25 637	1 022	2 431	2 070
<b>IV</b>	27 418	1 879	1 129	2 114	5 122	32 540	3 211	944	36 694	29 708	1 080	2 446	2 285
<b>1990*</b>													
<b>I</b>	24 356	1 984	794	1 621	4 399	28 755	3 190	1 084	33 028	24 732	928	2 514	2 250
<b>II</b>	26 481	2 096	1 070	1 546	4 712	31 193	3 299	1 142	35 634	27 406	1 104	2 581	2 190
<b>III</b>	22 902	2 189	1 598	1 186	4 973	27 875	2 607	1 104	31 587	23 063	1 054	2 912	2 089
<b>IV</b>	26 011	2 078	1 188	1 728	4 994	31 005	3 642	1 130	35 777	26 766	1 277	2 760	2 974
<b>1991*</b>													
<b>I</b>	21 987	1 912	933	1 646	4 492	26 479	3 802	1 104	31 385	22 083	973	2 612	2 727
<b>II</b>	21 255	1 996	1 275	1 410	4 680	25 935	3 169	1 189	30 293	20 975	1 133	2 602	2 486
<b>III</b>	22 793	2 106	1 645	1 385	5 136	27 928	3 618	1 092	32 639	20 600	1 063	2 918	2 460
<b>IV</b>	25 225	2 023	1 146	1 546	4 715	29 940	3 187	1 215	34 343	23 020	1 273	2 968	2 874

During period	Services ex- pend- iture, total (11+12 +13)	Imports of goods and services (10+14)	Invest- ment ex- pend- iture	Trans- fers and other ex- pend- iture	Current account ex- pen- diture (15+16 +17)	Trade account (1-10)	Trans- port (2-11)	Travel (3-12)	Other services (4-13)	Services account and (20+21 +22)	Goods and services account (19+23)	Invest- ment income, net (7-16)	Trans- fers and others, net (8-17)	Current account (24+25 +26)= (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
<b>1987</b>	15 909	97 775	13 356	5 860	116 990	1 960	3 778	-3 075	-390	313	2 273	-7 194	-2 629	-7 550
<b>1988</b>	18 634	109 866	17 033	6 975	133 874	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 656	-2 560	-11 331
<b>1989</b>	21 596	125 996	21 882	7 561	155 439	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-11 670	-3 910	-24 874
<b>1990*</b>	24 632	126 599	26 973	8 967	162 540	-2 218	3 984	-6 117	-3 422	-5 555	-7 772	-14 234	-4 506	-26 513
<b>1991*</b>	26 089	112 767	29 934	9 378	152 080	4 582	3 595	-6 100	-4 562	-7 067	-2 485	-16 158	-4 777	-23 420
<b>1989</b>														
<b>III</b>	5 522	31 160	5 332	1 730	38 222	-3 103	960	-1 010	-604	-654	-3 757	-2 964	-804	-7 524
<b>IV</b>	5 811	35 519	6 299	1 827	43 645	-2 291	799	-1 316	-171	-689	-2 980	-3 088	-883	-6 951
<b>1990*</b>														
<b>I</b>	5 693	30 425	6 218	2 167	38 810	-377	1 056	-1 720	-629	-1 293	-1 670	-3 028	-1 084	-5 782
<b>II</b>	5 874	33 281	7 198	2 378	42 857	-925	992	-1 511	-644	-1 163	-2 087	-3 899	-1 236	-7 223
<b>III</b>	6 054	29 117	6 415	2 132	37 665	-161	1 136	-1 314	-903	-1 082	-1 243	-3 808	-1 028	-6 078
<b>IV</b>	7 011	33 777	7 141	2 289	43 207	-755	801	-1 572	-1 246	-2 017	-2 772	-3 499	-1 159	-7 430
<b>1991*</b>														
<b>I</b>	6 312	28 395	7 826	2 834	39 055	-96	939	-1 678	-1 081	-1 821	-1 916	-4 024	-1 729	-7 670
<b>II</b>	6 222	27 197	7 933	2 043	37 173	281	863	-1 328	-1 077	-1 542	-1 261	-4 765	-854	-6 880
<b>III</b>	6 440	27 040	6 881	2 024	35 945	2 192	1 043	-1 272	-1 075	-1 304	888	-3 262	-932	-3 306
<b>IV</b>	7 115	30 136	7 294	2 477	39 907	2 205	750	-1 822	-1 329	-2 400	-195	-4 107	-1 262	-5 564

## 6.2 CAPITAL ACCOUNT<sup>1</sup>, MILL. FIM

During period	Imports of long-term capital					Exports of long-term capital					Long-term capital account (5-10)	Basic balance
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)		
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1987</b>	1 165	9 319	1 370	91	11 945	5 015	2 285	4 927	272	12 499	-554	-8 104
<b>1988</b>	2 218	14 457	2 960	85	19 720	10 919	1 248	4 249	292	16 708	3 013	-8 319
<b>1989</b>	2 095	14 756	8 608	79	25 538	13 327	180	4 747	273	18 527	7 011	-17 863
<b>1990*</b>	3 023	22 656	19 674	169	45 522	12 548	546	1 807	294	15 195	30 327	3 814
<b>1991*</b>	131	34 876	12 293	561	47 861	8 501	-590	905	87	8 902	38 958	15 538
<b>1989</b>												
<b>III</b>	681	2 841	1 481	-16	4 987	3 626	338	935	12	4 911	76	-7 448
<b>IV</b>	1 012	2 804	5 323	75	9 214	4 136	-190	416	102	4 464	4 750	-2 201
<b>1990*</b>												
<b>I</b>	574	6 788	12 238	126	19 726	2 055	302	807	156	3 320	16 406	10 624
<b>II</b>	272	2 836	1 657	-34	4 731	2 928	-425	395	0	2 898	1 833	-5 390
<b>III</b>	84	6 702	2 518	-26	9 278	2 658	284	195	10	3 147	6 131	53
<b>IV</b>	2 093	6 330	3 261	103	11 787	4 907	385	410	128	5 830	5 957	-1 473
<b>1991*</b>												
<b>I</b>	549	8 008	3 402	-267	11 693	2 090	4	18	165	2 278	9 416	1 746
<b>II</b>	358	14 185	3 758	484	18 784	1 697	-368	643	-19	1 953	16 832	9 952
<b>III</b>	-269	9 243	2 752	-61	11 665	1 966	402	-527	-2	1 839	9 826	6 520
<b>IV</b>	-507	3 440	2 381	404	5 718	2 748	-628	771	-58	2 833	2 885	-2 679

During period	Imports of short-term capital				Exports of short-term capital				Errors and omissions	Short-term capital account (16-20+21)	Overall balance excl. reserve movements (12+22)	Change in central bank's foreign exchange reserves
	Short-term capital imports of authorized banks	Trade credits	Other short-term capital	Total (13+14+15)	Short-term capital exports of authorized banks	Trade credits	Other short-term capital	Total (17+18+19)				
	13	14	15	16	17	18	19	20	21	22	23	24
<b>1987</b>	19 324	-665	3 835	22 494	-9 346	-183	1 268	-8 261	-6 915	23 839	15 736	-15 736
<b>1988</b>	10 950	-399	-811	9 740	1 754	644	1 995	4 393	3 155	8 501	183	-183
<b>1989</b>	4 285	1 627	3 679	9 592	1 873	475	710	3 058	5 368	11 902	-5 961	5 961
<b>1990*</b>	12 352	1 471	-1 822	12 000	-4 318	-864	814	-4 368	-5 091	11 278	15 092	-15 092
<b>1991*</b>	-15 246	1 534	-985	-14 697	3 654	1 662	3 223	8 540	1 294	-21 942	-6 404	6 404
<b>1989</b>												
<b>III</b>	4 047	1 107	537	5 690	3 860	24	264	4 148	2 919	4 462	-2 987	2 987
<b>IV</b>	-16 243	2 915	-148	-13 476	-12 331	24	-615	-12 922	-865	-1 419	-3 620	3 620
<b>1990*</b>												
<b>I</b>	19 514	735	956	21 205	10 570	-593	1 575	11 552	-9 430	222	10 847	-10 847
<b>II</b>	9 095	793	-1 742	8 146	5 078	-593	-103	4 382	2 400	6 164	774	-774
<b>III</b>	-2 325	-351	517	-2 158	-3 743	-58	238	-3 563	602	2 007	2 059	-2 059
<b>IV</b>	-13 932	293	-1 554	-15 192	-16 223	379	-896	-16 740	1 338	2 885	1 412	-1 412
<b>1991*</b>												
<b>I</b>	14 459	-679	2 412	16 192	22 260	-247	3 978	25 991	4 952	-4 848	-3 102	3 102
<b>II</b>	-7 077	-674	-588	-8 339	1 197	-1 193	1 972	1 976	-1 857	-12 172	-2 221	2 221
<b>III</b>	-16 120	1 380	-337	-15 077	-5 103	2 036	1 873	-1 194	458	-13 425	-6 905	6 905
<b>IV</b>	-6 508	1 508	-2 472	-7 472	-14 700	1 066	-4 599	-18 233	-2 258	8 503	5 824	-5 824

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

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

End of period	Long-term liabilities					Long-term assets					Long-term debt, net (5-10)
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	10 339	54 317	30 379	830	95 865	17 892	6 975	13 638	2 192	40 697	55 168
<b>1988</b>	12 673	68 957	33 117	915	115 662	24 199	8 223	18 002	2 484	52 908	62 754
<b>1989</b>	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
<b>1990*</b>	17 896	96 543	54 846	4 630	173 915	42 868	7 184	25 595	5 487	81 133	92 782
<b>1991*</b>	18 027	143 769	74 609	5 427	241 832	56 339	7 139	27 919	6 122	97 518	144 314
<b>1989</b>											
<b>III</b>	15 205	79 950	35 418	919	131 492	30 172	8 392	22 317	2 655	63 536	67 956
<b>IV</b>	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
<b>1990*</b>											
<b>I</b>	16 812	85 070	50 790	1 120	153 792	34 561	8 113	23 149	2 913	68 736	85 056
<b>II</b>	16 629	85 823	52 247	1 086	155 785	36 760	7 715	23 501	2 913	70 889	84 896
<b>III</b>	16 258	89 500	54 362	1 060	161 180	38 690	7 631	23 553	2 923	72 797	88 383
<b>IV</b>	17 896	96 543	54 846	4 630	173 915	42 868	7 184	25 595	5 487	81 133	92 782
<b>1991*</b>											
<b>I</b>	18 445	111 430	59 579	4 234	193 687	44 958	7 214	25 982	5 917	84 072	109 615
<b>II</b>	18 803	125 488	64 991	4 741	214 023	46 655	6 885	27 086	6 061	86 687	127 335
<b>III</b>	18 534	130 483	67 136	4 718	220 871	48 621	7 302	26 013	5 934	87 870	133 001
<b>IV</b>	18 027	143 769	74 609	5 427	241 832	56 339	7 139	27 919	6 122	97 518	144 314

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+22)	Net investment expenditure	Net investment expenditure in relation to current account receipts
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits	Other short-term liabilities	Total (12+13+14+15)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits	Other short-term assets	Total (17+18+19+20)				
	12	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>1987</b>	3 362	73 132	11 470	9 691	97 654	31 134	34 043	15 397	2 663	83 238	14 417	69 585	7 194	6.6
<b>1988</b>	3 341	83 828	11 070	9 039	107 278	32 037	35 797	16 041	4 789	88 664	18 614	81 367	7 656	6.2
<b>1989</b>	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	11 670	9.0
<b>1990*</b>	3 922	104 087	13 859	13 650	135 518	39 506	31 626	14 764	6 608	92 504	43 014	135 796	14 234	10.5
<b>1991*</b>	3 149	100 636	15 316	14 481	133 582	35 922	35 610	16 891	10 523	98 946	34 635	178 949	16 158	12.6
<b>1989</b>														
<b>III</b>	3 919	104 777	9 783	12 965	131 443	29 839	50 001	16 492	6 212	102 544	28 899	96 855	2 964	9.7
<b>IV</b>	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	3 088	8.4
<b>1990*</b>														
<b>I</b>	4 036	108 663	13 432	13 808	139 940	35 895	48 239	15 924	7 218	107 276	32 663	117 719	3 028	9.2
<b>II</b>	4 195	118 120	14 226	12 066	148 607	36 764	53 318	15 331	7 126	112 539	36 067	120 963	3 899	10.9
<b>III</b>	4 071	116 509	13 521	12 544	146 645	38 454	49 575	15 273	7 325	110 627	36 019	124 402	3 808	12.1
<b>IV</b>	3 922	104 087	13 859	13 650	135 518	39 506	31 626	14 764	6 608	92 504	43 014	135 796	3 499	9.8
<b>1991*</b>														
<b>I</b>	3 399	119 227	13 071	17 102	152 798	37 748	52 566	14 514	11 366	116 194	36 605	146 220	4 024	12.8
<b>II</b>	2 889	113 157	12 388	17 386	145 820	36 023	53 362	13 342	13 753	116 480	29 340	156 675	4 765	15.7
<b>III</b>	2 826	100 119	13 768	16 837	133 551	29 006	47 502	15 385	15 153	107 045	26 506	159 507	3 262	10.0
<b>IV</b>	3 149	100 636	15 316	14 481	133 582	35 922	35 610	16 891	10 523	98 946	34 635	178 949	4 107	12.0



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

End of period	Long-term liabilities					Total (1+2+3+4+5)	Long-term assets					Long-term liabilities, net (6-12)	
	Corporate sector	Banks	Other financial institutions	Central government	Other		Corporate sector	Banks	Other financial institutions	Central government	Other		Total (7+8+9+10+11)
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>1987</b>	39 522	17 365	9 777	28 691	509	95 865	19 493	14 509	3 403	2 653	639	40 697	55 168
<b>1988</b>	46 471	27 427	14 339	26 926	499	115 662	25 093	20 192	3 573	3 101	949	52 908	62 754
<b>1989</b>	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
<b>1990*</b>	67 585	56 394	21 680	27 635	621	173 915	44 579	28 153	2 075	4 279	2 047	81 133	92 782
<b>1991*</b>	83 478	69 325	31 672	56 537	820	241 832	58 818	29 286	2 065	4 752	2 597	97 518	144 314
<b>1989</b>													
<b>III</b>	52 901	36 375	17 942	23 783	491	131 492	31 816	23 317	3 695	3 374	1 334	63 536	67 956
<b>IV</b>	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
<b>1990*</b>													
<b>I</b>	63 700	47 491	19 518	22 478	604	153 792	35 917	25 018	2 388	3 699	1 714	68 736	85 056
<b>II</b>	62 810	50 028	20 722	21 588	636	155 785	38 010	25 172	2 118	3 734	1 855	70 889	84 896
<b>III</b>	62 359	54 380	21 121	22 647	673	161 180	39 755	25 547	1 763	3 772	1 960	72 797	88 383
<b>IV</b>	67 585	56 394	21 680	27 635	621	173 915	44 579	28 153	2 075	4 279	2 047	81 133	92 782
<b>1991*</b>													
<b>I</b>	72 749	58 297	25 781	36 123	737	193 687	47 197	27 857	2 114	4 651	2 252	84 072	109 615
<b>II</b>	78 621	65 895	29 985	38 814	708	214 023	49 433	27 758	2 093	5 040	2 362	86 687	127 335
<b>III</b>	78 706	66 897	30 201	44 332	735	220 871	51 286	27 286	2 109	4 655	2 534	87 870	133 001
<b>IV</b>	83 478	69 325	31 672	56 537	820	241 832	58 818	29 286	2 065	4 752	2 597	97 518	144 314

## 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
<b>1987</b>	85 516	82 807	2 709
<b>1988</b>	92 902	92 118	784
<b>1989</b>	99 784	105 516	-5 732
<b>1990*</b>	101 327	103 027	-1 700
<b>1991*</b>	92 876	87 720	5 156
<b>1991*</b>			
<b>Jan.</b>	7 692	7 501	191
<b>Feb.</b>	6 946	7 224	-278
<b>March</b>	7 665	7 546	119
<b>April</b>	8 704	7 871	833
<b>May</b>	7 651	7 184	467
<b>June</b>	5 294	6 202	-908
<b>July</b>	8 026	7 069	957
<b>Aug.</b>	7 057	6 706	351
<b>Sept.</b>	8 156	7 139	1 017
<b>Oct.</b>	8 495	7 833	662
<b>Nov.</b>	8 973	7 281	1 692
<b>Dec.</b>	8 209	8 164	45
<b>1992*</b>			
<b>Jan.</b>	7 582	7 226	356

### 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
<b>1987</b>	118	119	138	119	116
<b>1988</b>	121	130	145	122	119
<b>1989</b>	121	144	156	126	123
<b>1990*</b>	125	138	154	128	120
<b>1991*</b>	114	115	154	131	118
<b>1989</b>					
<b>III</b>	112	141	155	126	124
<b>IV</b>	134	163	157	126	125
<b>1990*</b>					
<b>I</b>	122	134	153	128	120
<b>II</b>	132	151	154	126	122
<b>III</b>	114	124	155	129	120
<b>IV</b>	130	139	154	133	116
<b>1991*</b>					
<b>I</b>	110	117	154	131	118
<b>II</b>	107	112	153	130	118
<b>III</b>	113	109	156	132	119
<b>IV</b>	124	118	156	135	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
<b>1987</b>	7 470	27 058	7 770	26 230	16 988	41 175	9 406	14 138	17 478	610
<b>1988</b>	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
<b>1989</b>	7 416	32 513	8 844	32 682	18 329	51 786	8 310	20 606	24 055	759
<b>1990*</b>	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
<b>1991*</b>	7 009	29 699	10 538	29 163	16 467	42 440	9 445	14 009	21 205	621
<b>1991*</b>										
<b>Jan.</b>	597	2 394	897	2 412	1 392	3 536	781	1 292	1 810	82
<b>Feb.</b>	555	2 394	821	1 920	1 256	3 654	427	1 221	1 916	6
<b>March</b>	571	2 616	902	2 260	1 316	3 668	527	1 174	2 168	9
<b>April</b>	578	2 577	896	3 297	1 356	3 912	600	1 326	1 998	35
<b>May</b>	592	2 454	835	2 396	1 374	3 774	700	1 091	1 612	7
<b>June</b>	283	1 009	804	2 035	1 163	3 005	905	957	1 299	36
<b>July</b>	705	3 277	693	2 135	1 216	3 453	670	1 109	1 833	4
<b>Aug.</b>	572	2 587	733	1 854	1 311	3 225	806	992	1 650	33
<b>Sept.</b>	643	2 442	955	2 548	1 568	3 534	854	1 015	1 734	2
<b>Oct.</b>	655	2 681	965	2 630	1 564	3 567	1 205	1 128	1 803	130
<b>Nov.</b>	680	2 835	1 062	2 880	1 516	3 544	979	1 003	1 732	23
<b>Dec.</b>	576	2 429	976	2 795	1 433	3 610	991	1 658	1 651	254
<b>1992*</b>										
<b>Jan.</b>	528	2 444	986	2 197	1 427	3 573	700	1 090	1 747	116

## 7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1990		1991*		1990		1991*	
	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
<b>All OECD countries</b>	77 533	76.5	75 815	-2.2	82 355	79.9	70 038	-15.0
<b>OECD Europe</b>	68 001	67.1	67 045	-1.4	67 601	65.6	57 797	-14.5
Of which:								
Austria	1 117	1.1	1 227	9.9	1 401	1.4	1 054	-24.8
Belgium and Luxembourg	2 247	2.2	2 404	7.0	2 839	2.8	2 252	-20.7
Denmark	3 538	3.5	3 446	-2.6	3 369	3.3	3 006	-10.8
France	6 237	6.2	5 449	-11.8	4 427	4.3	3 673	-17.0
Federal Republic of Germany <sup>1</sup>	13 003	12.8	14 333	10.2	17 897	17.4	14 835	-17.1
Italy	3 227	3.2	3 304	2.4	4 766	4.6	3 661	-23.2
Netherlands	4 347	4.3	4 655	7.1	3 276	3.2	2 968	-9.4
Norway	3 067	3.0	3 080	0.4	3 512	3.4	3 991	13.7
Spain	2 210	2.2	2 534	14.6	1 159	1.1	1 008	-13.0
Sweden	14 456	14.3	12 886	-10.9	13 407	13.0	10 797	-19.5
Switzerland	1 806	1.8	1 813	0.4	1 804	1.8	1 573	-12.8
United Kingdom	10 724	10.6	9 617	-10.3	7 822	7.6	6 749	-13.7
<b>Other OECD</b>	9 532	9.4	8 770	-8.0	14 754	14.3	12 241	-17.0
Of which:								
Canada	1 124	1.1	720	-35.9	810	0.8	547	-32.4
Japan	1 445	1.4	1 393	-3.6	6 628	6.4	5 287	-20.2
United States	5 898	5.8	5 648	-4.2	6 974	6.8	6 026	-13.6
<b>Non-OECD European countries</b>	13 888	13.7	6 357	-55.0	12 266	11.9	9 496	-23.7
Of which:								
Soviet Union	12 884	12.7	4 522	-64.9	10 202	9.9	7 461	-26.9
<b>Other countries</b>	9 906	9.8	10 704	10.5	8 406	8.2	8 187	-0.5
Of which:								
<b>OPEC countries</b>	1 727	1.7	1 977	14.5	935	0.9	1 302	39.2
<b>TOTAL</b>	101 327	100.0	92 876	-8.4	103 027	100.0	87 720	-14.8
Of which:								
<b>EEC countries</b>	47 078	46.5	47 585	0.2	47 263	45.9	40 240	-15.6
<b>EFTA countries</b>	20 540	20.3	19 115	-6.9	20 195	19.6	17 452	-13.6

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

## 8. DOMESTIC ECONOMIC DEVELOPMENTS

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

(seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4					
<b>1986</b>	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
<b>1987</b>	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
<b>1988</b>	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
<b>1989</b>	218 775	77 117	95 178	11 234	14 056	416 360	107 552	128 834	395 078
<b>1990*</b>	219 654	80 600	88 534	12 691	13 675	415 154	109 236	127 735	396 655
<b>1989</b>									
<b>II</b>	54 628	19 200	24 002	2 629	2 231	102 691	25 920	30 315	98 297
<b>III</b>	54 931	19 318	24 631	2 859	4 199	105 937	26 318	32 815	99 441
<b>IV</b>	55 065	19 472	24 967	2 976	4 836	107 316	27 366	34 237	100 445
<b>1990*</b>									
<b>I</b>	54 989	19 919	23 655	3 135	3 038	104 735	27 383	32 618	99 500
<b>II</b>	55 407	20 079	22 289	3 306	4 465	105 546	29 134	34 284	100 397
<b>III</b>	54 974	20 224	21 504	3 127	2 911	102 741	26 724	30 242	99 223
<b>IV</b>	54 284	20 378	21 085	3 123	3 261	102 131	25 995	30 591	97 535
<b>1991*</b>									
<b>I</b>	53 015	20 123	20 223	3 030	2 430	98 821	25 741	29 585	94 978
<b>II</b>	52 383	20 278	18 644	3 242	676	95 224	24 430	26 565	93 089
<b>III</b>	52 465	20 408	17 291	3 186	-283	93 068	27 060	27 524	92 603

### 8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985=100

(seasonally adjusted figures)

Period	Total industry (100.0)	Mining and quarrying (1.6)	Manu- facturing (87.9)	Wood and paper industries (16.5)	Metal and engineering industries (30.0)	Other manu- facturing (41.4)	Energy and water supply (10.5)
	1	2	3	4	5	6	7
<b>1987</b>	107.2	99.9	107.2	106.5	110.2	105.4	107.8
<b>1988</b>	110.9	108.8	111.0	113.1	114.5	107.6	110.1
<b>1989</b>	114.6	117.9	115.0	116.6	121.5	109.6	110.5
<b>1990*</b>	113.9	115.5	114.0	114.6	121.8	108.0	112.9
<b>1991*</b>	104.2	101.4	102.4	103.9	107.7	97.8	119.6
<b>1990*</b>							
<b>Dec.</b>	111.3	113.0	110.9	111.3	119.6	103.6	114.5
<b>1991*</b>							
<b>Jan.</b>	109.5	113.6	108.7	107.1	118.0	102.4	116.8
<b>Feb.</b>	107.1	108.4	105.1	105.1	111.9	100.0	123.4
<b>March</b>	107.9	107.5	107.2	107.8	115.2	100.9	116.8
<b>April</b>	105.6	100.4	104.4	107.2	110.3	99.8	119.8
<b>May</b>	104.5	90.2	103.3	106.7	111.3	96.2	124.1
<b>June</b>	99.7	79.7	98.9	90.4	103.0	97.3	115.2
<b>July</b>	106.0	101.8	104.5	105.4	110.0	101.0	122.2
<b>Aug.</b>	101.9	111.7	100.0	102.4	103.0	97.0	120.9
<b>Sept.</b>	101.6	103.9	99.1	103.4	102.0	95.3	125.7
<b>Oct.</b>	100.4	101.4	98.1	103.3	101.6	93.5	123.1
<b>Nov.</b>	100.3	95.9	98.5	103.4	101.2	94.3	114.9
<b>Dec.</b>	102.1	101.6	100.7	104.2	104.7	96.4	112.1

### 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
<b>1986</b>	104.7	102.5	94.0	88.4	99.9	99.5	105.2	102.1
<b>1987</b>	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.9
<b>1988</b>	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.7
<b>1989</b>	124.2	117.0	130.3	132.9	137.6	125.2	161.4	115.4
<b>1990*</b>	119.9	111.7	127.3	124.8	161.7	122.1	144.6	116.6
<b>1990*</b>								
<b>Nov.</b>	111.1	109.3	..	..	..	..	..	114.9
<b>Dec.</b>	108.1	106.5	..	..	..	..	..	113.9
<b>III</b>	119.8	111.6	119.8	120.5	162.6	111.4	121.1	116.5
<b>IV</b>	112.5	108.9	117.5	109.8	165.9	115.6	144.1	114.8
<b>1991*</b>								
<b>Jan.</b>	110.3	103.8	..	..	..	..	..	113.8
<b>Feb.</b>	107.3	103.1	..	..	..	..	..	112.2
<b>March</b>	98.3	101.3	..	..	..	..	..	111.2
<b>April</b>	107.3	105.2	..	..	..	..	..	111.9
<b>May</b>	100.6	104.3	..	..	..	..	..	110.7
<b>June</b>	96.8	103.7	..	..	..	..	..	108.5
<b>July</b>	112.4	110.0	..	..	..	..	..	112.3
<b>Aug.</b>	99.7	105.1	..	..	..	..	..	109.7
<b>Sept.</b>	100.0	102.4	..	..	..	..	..	109.8
<b>Oct.</b>	94.6	102.9	..	..	..	..	..	108.7
<b>Nov.</b>	93.9	102.6	..	..	..	..	..	108.5
<b>I</b>	105.3	102.7	112.2	109.6	156.0	108.5	110.0	112.4
<b>II</b>	101.6	104.4	114.9	105.3	158.9	122.8	100.4	110.4
<b>III</b>	104.1	105.8	96.3	88.3	83.4	103.8	86.3	110.6

## 8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SIC 3)	Central government	Local government	Non-profit institutions			Domes-tic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>1986</b>	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
<b>1987</b>	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
<b>1988</b>	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
<b>1989</b>	135.7	136.5	133.8	137.4	132.1	137.1	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
<b>1990<sup>1</sup></b>	148.2	148.9	146.9	149.8	144.8	150.1	127.3	110.9	115.7	93.6	110.0	110.4	109.8	134.5
<b>1990<sup>1</sup></b>														
<b>III</b>	148.4	149.1	147.0	150.2	144.8	150.4	128.1	111.4	116.2	93.9	110.4	110.4	110.4	135.5
<b>IV</b>	153.3	154.1	152.5	153.9	150.0	154.0	129.1	112.6	117.0	96.6	110.9	110.3	111.2	136.8
<b>1991</b>														
<b>Jan.</b>	..	..	..	..	..	..	130.9	111.9	116.7	94.0	110.2	108.9	110.8	137.1
<b>Feb.</b>	..	..	..	..	..	..	131.6	111.6	116.7	92.8	110.2	109.2	110.7	136.8
<b>March</b>	..	..	..	..	..	..	131.7	111.5	116.5	93.3	109.8	108.6	110.4	137.4
<b>April</b>	..	..	..	..	..	..	132.2	111.2	116.0	93.5	109.5	108.7	109.9	137.4
<b>May</b>	..	..	..	..	..	..	132.8	111.2	116.0	93.6	109.4	108.4	109.9	137.4
<b>June</b>	..	..	..	..	..	..	132.7	111.1	116.0	93.5	109.8	109.0	110.2	137.2
<b>July</b>	..	..	..	..	..	..	132.7	111.0	115.6	94.0	109.6	108.3	110.2	137.8
<b>Aug.</b>	..	..	..	..	..	..	132.8	110.8	115.2	94.5	109.4	108.2	110.1	137.5
<b>Sept.</b>	..	..	..	..	..	..	133.0	110.8	115.3	94.4	109.7	108.5	110.3	137.8
<b>Oct.</b>	..	..	..	..	..	..	133.3	111.0	115.6	94.4	109.8	108.0	110.7	137.5
<b>Nov.</b>	..	..	..	..	..	..	133.4	111.2	115.3	96.1	110.1	108.4	110.9	137.4
<b>Dec.</b>	..	..	..	..	..	..	134.0	111.3	115.4	96.3	110.8	110.7	110.9	137.1
<b>1991<sup>1</sup></b>														
<b>I</b>	154.5	155.5	153.7	154.6	150.8	154.3	131.4	111.6	116.6	93.4	110.1	108.9	110.6	137.1
<b>II</b>	157.4	158.3	156.1	158.2	153.9	158.2	132.6	111.1	116.0	93.5	109.6	108.7	110.0	137.3
<b>III</b>	158.4	158.8	156.0	159.9	155.9	159.9	132.8	110.8	115.4	94.3	109.6	108.3	110.2	137.7
<b>1992</b>														
<b>Jan.</b>	..	..	..	..	..	..	134.7	111.8	115.4	98.4	111.1	111.4	111.0	136.5

<sup>1</sup> Preliminary figures for columns 1—6.

## 8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status			By industry			Unem-ployed	Unem-employment 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
<b>1987</b>	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1
<b>1988</b>	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6
<b>1989</b>	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5
<b>1990</b>	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4
<b>1991</b>	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6
<b>1990</b>											
<b>Dec.</b>	68.2	2 558	2 446	353	2 093	198	548	200	1 499	112	4.4
<b>1991</b>											
<b>Jan.</b>	67.8	2 544	2 420	344	2 076	202	531	201	1 486	125	4.9
<b>Feb.</b>	67.4	2 528	2 386	348	2 038	198	524	194	1 470	142	5.6
<b>March</b>	68.3	2 564	2 415	359	2 056	200	527	188	1 500	150	5.8
<b>April</b>	67.9	2 548	2 389	344	2 045	198	514	193	1 484	159	6.2
<b>May</b>	67.4	2 530	2 360	342	2 018	197	516	186	1 461	170	6.7
<b>June</b>	67.2	2 524	2 337	345	1 992	193	510	179	1 455	187	7.4
<b>July</b>	67.2	2 526	2 330	330	2 000	196	498	181	1 455	196	7.8
<b>Aug.</b>	67.2	2 529	2 327	340	1 987	205	494	181	1 447	202	8.0
<b>Sept.</b>	67.0	2 522	2 298	327	1 971	189	485	164	1 459	224	8.9
<b>Oct.</b>	67.0	2 526	2 283	330	1 953	198	481	159	1 446	243	9.6
<b>Nov.</b>	66.9	2 525	2 276	338	1 938	196	473	166	1 441	250	9.9
<b>Dec.</b>	67.0	2 529	2 260	332	1 928	197	473	158	1 433	268	10.6

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

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
<b>1986</b>	28 079	51 733	323	11 640	91 774	2 209	93 983	26 354	52 845	23 215	28 131
<b>1987</b>	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
<b>1988</b>	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
<b>1989</b>	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
<b>1990</b>	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
<b>1990</b>											
<b>Nov.</b>	4 576	5 868	77	1 871	12 393	701	13 094	3 493	7 574	3 212	4 192
<b>Dec.</b>	4 045	8 332	222	2 740	15 339	278	15 616	3 730	8 101	3 311	4 150
<b>1991</b>											
<b>Jan.</b>	2 877	6 212	229	1 127	10 445	7	10 452	3 947	7 435	3 102	4 188
<b>Feb.</b>	2 995	6 373	111	1 174	10 653	121	10 775	3 421	7 309	3 079	3 422
<b>March</b>	2 876	5 452	126	1 522	9 976	64	10 040	3 453	7 218	3 431	3 667
<b>April</b>	2 954	5 586	44	2 607	11 191	1 771	12 962	3 638	8 726	3 286	5 333
<b>May</b>	1 575	6 096	70	1 471	9 212	341	9 553	3 784	8 164	3 600	4 278
<b>June</b>	5 619	6 144	-81	1 615	13 297	499	13 797	3 789	8 622	4 041	4 109
<b>July</b>	5 450	6 176	97	1 794	13 517	144	13 661	4 778	7 889	3 360	4 290
<b>Aug.</b>	3 120	6 425	77	1 020	10 642	157	10 799	3 247	7 817	3 387	4 205
<b>Sept.</b>	3 336	6 164	69	1 303	10 872	124	10 996	3 610	7 895	3 458	4 271
<b>Oct.</b>	3 080	5 759	99	1 150	10 088	85	10 174	3 763	9 259	3 433	5 574
<b>Nov.</b>	3 296	6 173	229	1 763	11 461	711	12 172	3 728	10 423	4 263	5 979

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
<b>1986</b>	6 111	5 058	90 368	4 913	95 281	1 406	-1 298	4 203	2 905	
<b>1987</b>	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324	
<b>1988</b>	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287	
<b>1989</b>	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842	
<b>1990</b>	5 962	4 927	133 614	9 319	142 934	5 737	678	4 202	4 880	
<b>1990</b>										
<b>Nov.</b>	565	114	11 745	804	12 549	648	545	1 492	2 038	
<b>Dec.</b>	738	370	12 939	926	13 866	2 400	1 750	4 738	6 489	
<b>1991</b>										
<b>Jan.</b>	359	612	12 353	918	13 272	-1 908	-2 820	2 173	-647	
<b>Feb.</b>	333	288	11 351	774	12 125	-698	-1 350	-152	-1 502	
<b>March</b>	380	641	11 692	958	12 649	-1 716	-2 609	4 634	2 025	
<b>April</b>	418	1 050	13 832	2 893	16 725	-2 641	-3 763	-17	-3 780	
<b>May</b>	505	891	13 344	1 051	14 394	-4 132	-4 841	1 080	-3 760	
<b>June</b>	450	311	13 172	1 429	14 601	125	-804	492	-312	
<b>July</b>	460	187	13 314	847	14 162	203	-501	2 382	1 881	
<b>Aug.</b>	416	-67	11 413	826	12 240	-771	-1 441	1 180	-261	
<b>Sept.</b>	498	523	12 526	829	13 355	-1 654	-2 359	3 242	883	
<b>Oct.</b>	567	713	14 302	993	15 295	-4 214	-5 121	4 991	-130	
<b>Nov.</b>	458	327	14 936	1 012	15 947	-3 475	-3 775	5 865	2 089	



# NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION

## GENERAL

### Source

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

### Symbols used

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

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

## NOTES AND EXPLANATIONS TO TABLES

### 1 THE BALANCE SHEET OF THE BANK OF FINLAND

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

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

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

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

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

## 3 RATES OF INTEREST

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

**Table 3.2** The rates shown are based on the lending rates quoted for the respective currencies in the Euro-market. ECU (Column 1): the weights of the ECU basket. 3 currencies (Column 2): DEM 60, USD 30 and GBP 10 per cent. 14 currencies (Column 3): weighted according to the relative shares of the respective countries in Finland's foreign trade (= weights of the Bank of Finland's trade-weighted currency index = the old Bank of Finland currency index). Until March 1989, the index consisted of 12 currencies.

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

**Table 3.4** **Lending.** New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic averages of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans. **Deposits.** 24-month tax-exempt deposits (Column 7): 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 1 percentage point (since December 1989). Other tax-exempt deposits (Column 8): Deposits other than 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 4 percentage points (since January 1989). Up till December 1988, the figures for tax-exempt deposits (Columns 7 and 8) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. All 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 daily by the five largest banks. From June 1990 onwards, the yield on taxable government bonds (Column 3) is calculated by the Bank of Finland as the monthly average of the offered rates quoted daily by the five largest banks. The yield is calculated on a bullet bond due on March 15, 1994 with a coupon rate of 13 per cent. The annual figure for 1990 is calculated as the arithmetic mean of yields on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The yield on taxable public issues (Column 4) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued by all issuers except the central government with a remaining maturity of between 3 and 6 years. Financial institutions (Column 5): as in Column 4 for issues by financial institutions incl. banks. Corporations (Column 6): as in Column 4 for issues by non-financial corporations. The yield on taxfree public issues (Column 7) is calculated as the arithmetic mean of yields on fixed-rate public bonds with a remaining maturity of between 4 and 5 years. The Bank of Finland calculates the yields for columns 3-7 once a week on the basis of the trading quotations of the Helsinki Stock Exchange. Monthly observations are the averages of weekly observations and annual observations the averages of monthly observations. **The offer yield on fixed-rate taxable public bonds and debentures (Column 8)** is the average yield weighted by issue amounts - in the case of government bonds by amounts sold - on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued during the period.

## 4 RATES OF EXCHANGE

**Table 4.2** FIM/ECU (Column 1): The markka value of the ECU is calculated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates, for which daily quotations at noon Finnish time are used. The midpoint (Column 2) was FIM 4.87580 from June 7 to November 14, 1991, and has been FIM 5.55841 since November 15, 1991. The markka may fluctuate  $\pm 3$  per cent around the midpoint. The Bank of Finland's trade-weighted currency index (Column 3): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 4): The weights are moving averages of S25

shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERM index (Column 5): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; fourteen currencies are included in this index.

## 5 OTHER DOMESTIC FINANCING

**Table 5.1** Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and the local government sector. The table is based on new classifications of Statistics Finland applied since March 1991. Series before March 1991 have been reclassified by the Bank of Finland to conform with the present table, except for columns 3 and 4 where disaggregation was not possible and combined figures are shown. Time deposits (Column 3) consist of all fixed-term deposits. Other deposits (Column 4) include mainly investment accounts with no specific time-period. Other funding (Column 8) comprises CDs, promissory notes and bonds. Since the beginning of 1987, the figures for banks' holdings of CDs issued by other banks, as well as the CD holdings of the Bank of Finland and the central government have been netted out; netting out is done by the Bank of Finland. Hence, this column includes some liabilities held by entities not covered by the above definition of the public.

**Table 5.2** Source: Statistics 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 (markka time deposits held by the pub-

lic, 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 loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

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

**Table 5.6** Source: The Helsinki Stock Exchange.

## 6 BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

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

**Table 6.2** Columns 1-5: Net change in long-term liabilities. Columns 6-10: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 7) (marketable instruments): Primary and secondary market transactions in securities. Loans (Column 3) (non-marketable instruments): Financial loans, import credits, prepayments related to exports and leasing credits. Other long-term capital (Column 4): Finland's subscriptions to international financial institutions paid in the form of promissory notes + long-term deposit liabilities of banks + other long-term liabilities of central government, banks and other financial institutions. Loans (Column 8): Financial loans, development credits, export credits, prepayments related to imports and leasing credits. Other long-term capital (Column 9): Finland's subscriptions to international financial institutions + long-term deposits of banks + other long-term assets of central government, banks and other financial institutions.

**Table 6.3** Net foreign debt (Columns 1-23) at the end of a period is classified in the same way as the corresponding data on changes in the capital account (Table 6.2). The items included in net foreign debt have been translated into markkaa using the spot rates for each date. Thus the figures include the impact of changes in exchange rates.

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

## 7 FOREIGN TRADE

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

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

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

## 8 DOMESTIC ECONOMIC DEVELOPMENTS

**Tables 8.1-8.5** Source: Statistics Finland. Seasonal adjustment is carried out by the Bank of Finland.

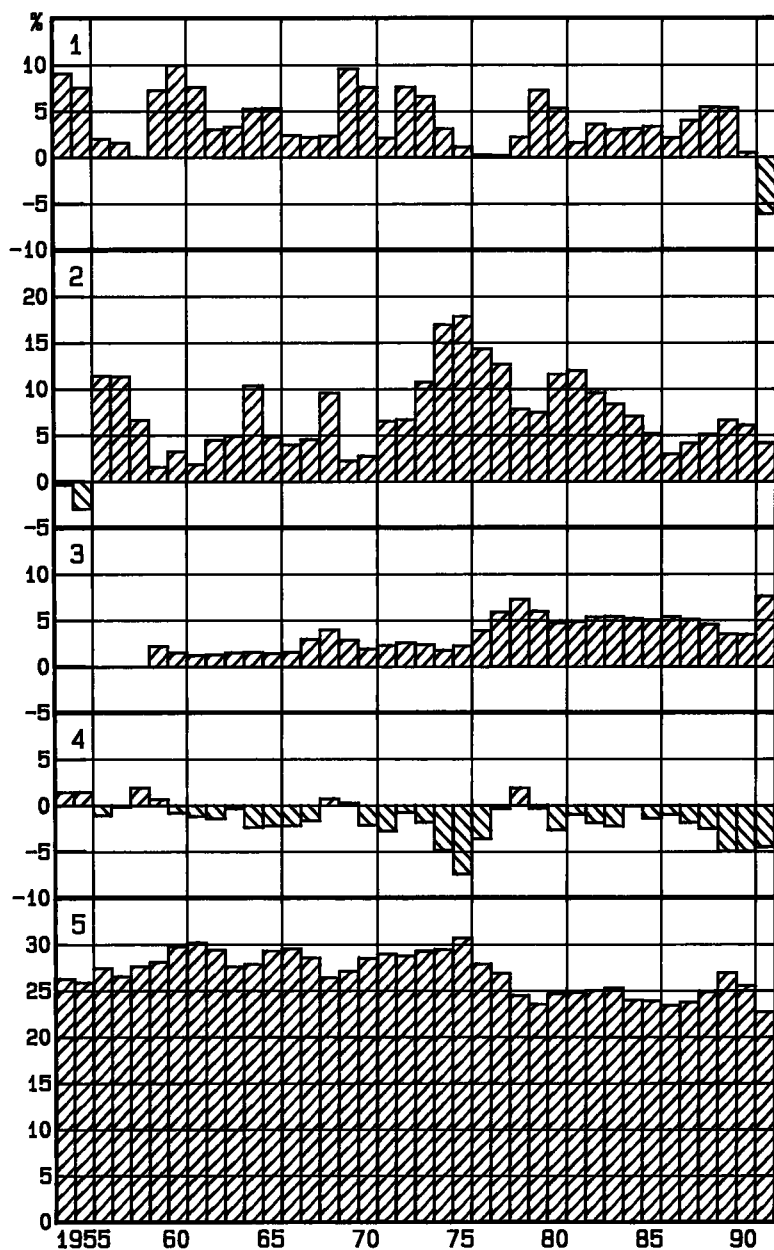
**Table 8.3** The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

**Table 8.6** Source: Ministry of Finance.

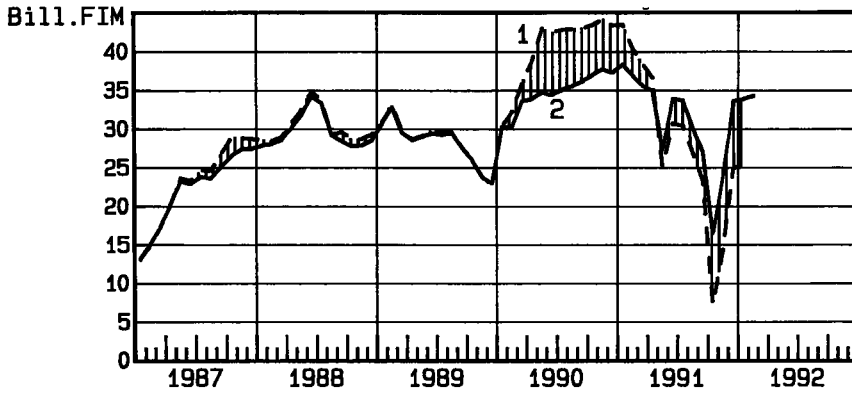
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Items affecting domestic liquidity	S29
5. Overnight rates	S30
6. HELIBOR rates of interest (daily)	S30
7. HELIBOR rates of interest (monthly)	S30
8. Rates of interest applied by the Bank of Finland	S31
9. 3-month covered Eurodollar rate and 3-month Eurorates	S31
10. Rates on bonds and debentures	S31
11. Bank of Finland currency index and the markka value of the ECU	S32
12. Markka value of the ECU	S32
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14. Changes in the exchange rates of selected major currencies	S33
15. Bank funding from the public	S33
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31. Central government finances	S40

### 1. LONG-TERM INDICATORS



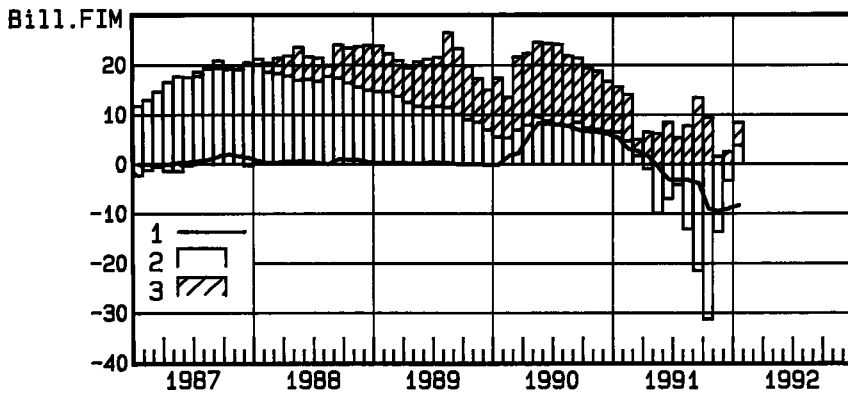
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



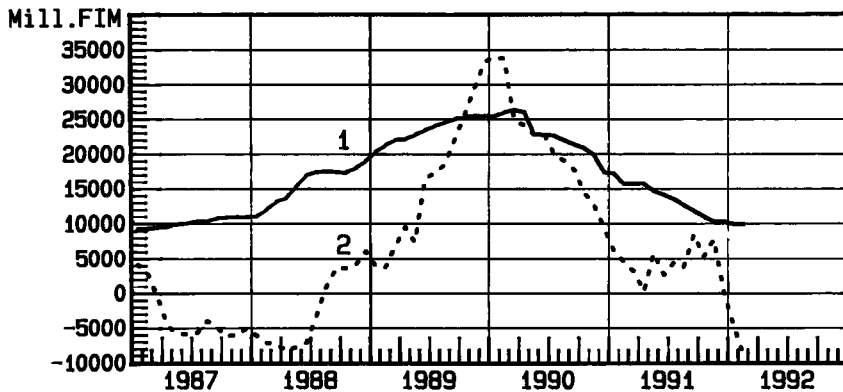
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves

## 3. FORWARD MARKET



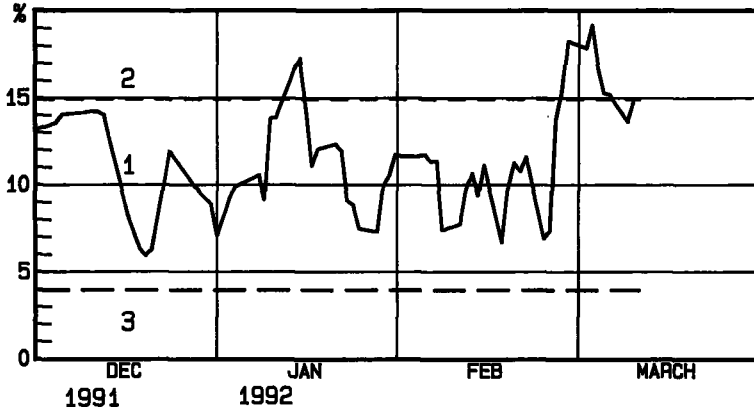
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

## 4. ITEMS AFFECTING DOMESTIC LIQUIDITY



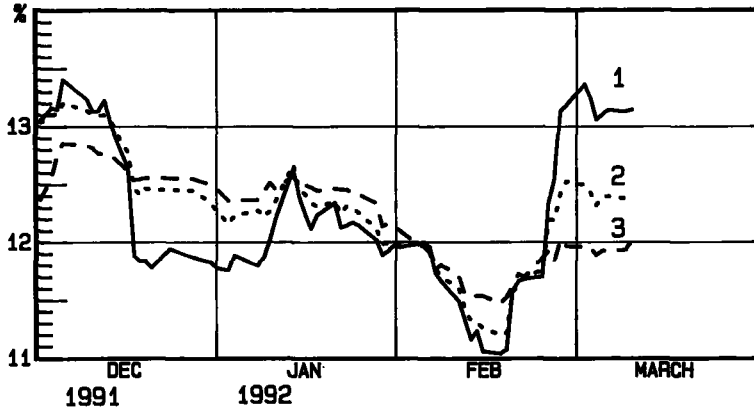
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



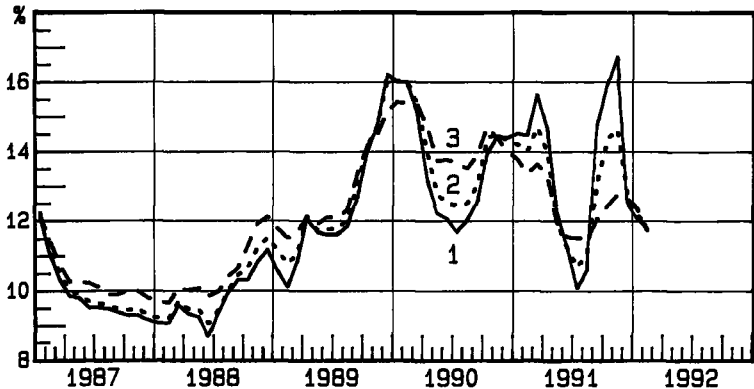
- 1. Inter-bank overnight rate
  - 2. Call money credit rate
  - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



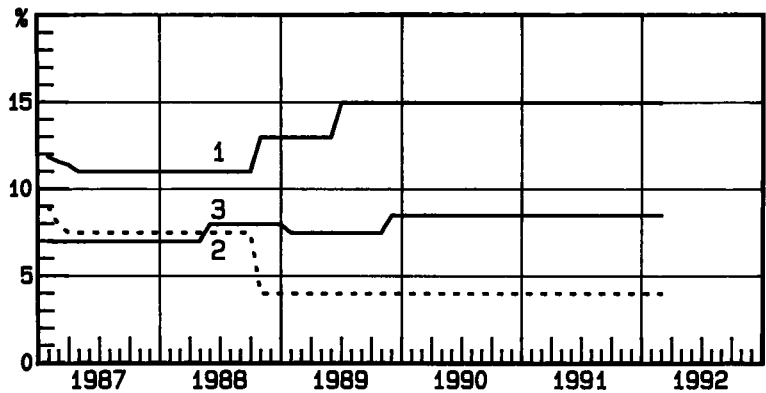
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



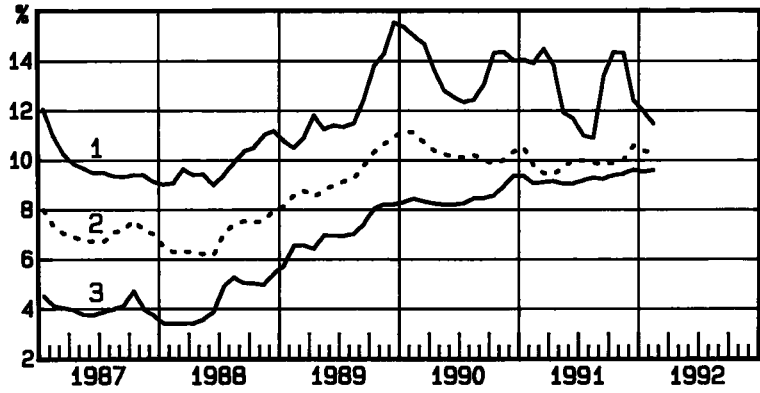
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



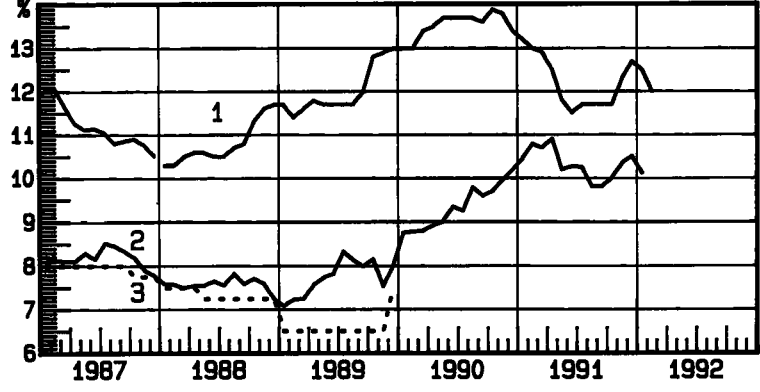
- 1. Call money credit rate
  - 2. Call money deposit rate
  - 3. Base rate
- End-of-month observations

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



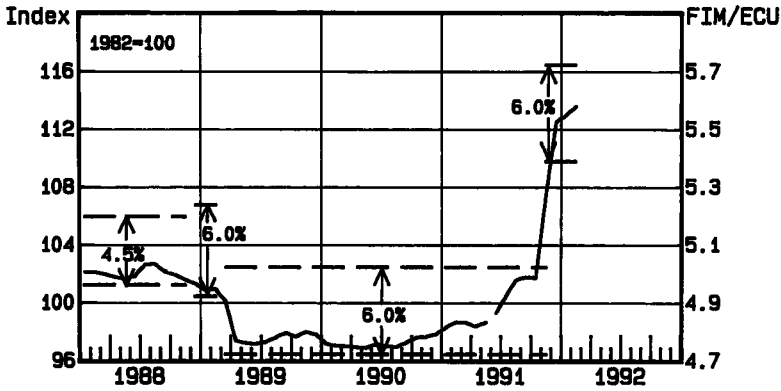
- 1. Covered Eurodollar rate
- 2. ECU rate
- 3. DEM Eurorate

10. RATES ON BONDS AND DEBENTURES



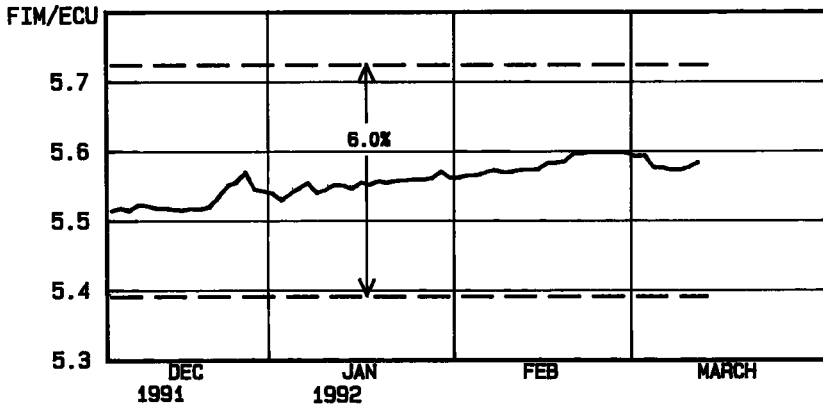
- 1. Long-term (5-year) market rate (before 1988 rate on (3-6 year) fixed-rate debentures)
- 2. Rate on (9-10 year) tax-free government bonds
- 3. Rate at issue on new 10-year taxfree government bonds

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



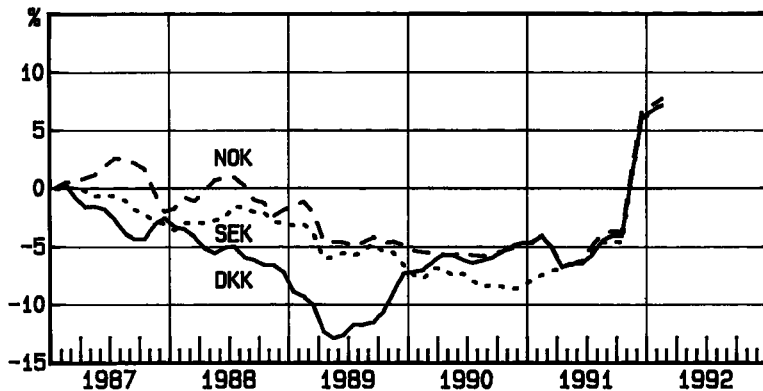
Until June 7, 1991, the Bank of Finland currency index. From June 7, 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953 - 5.02207 in the period June 7 - November 14, 1991, and have been 5.39166 - 5.72516 since November 15, 1991. Monthly averages

12. MARKKA VALUE OF THE ECU



Daily observations

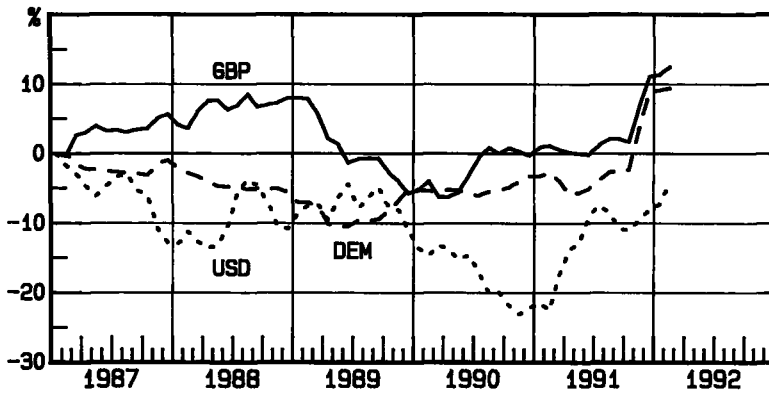
13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



Monthly changes in markka selling rates calculated from the average rates for January 1987

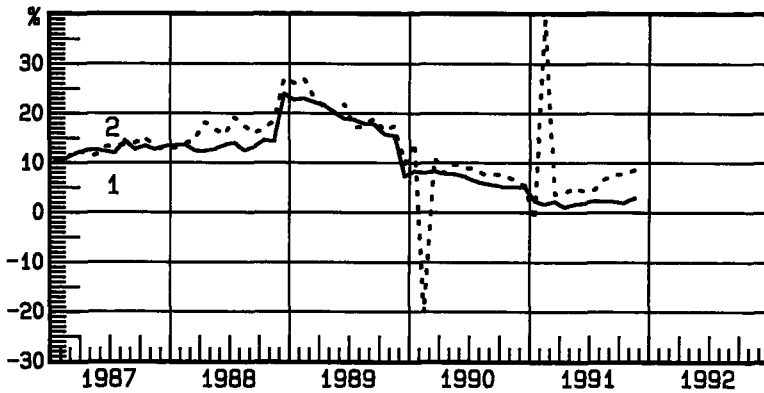


14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



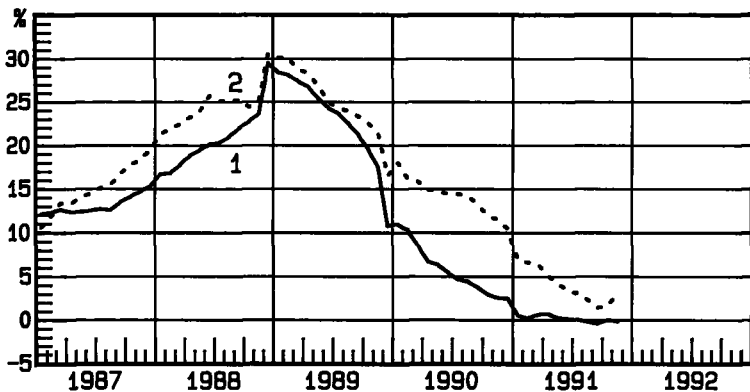
Monthly changes in markka selling rates calculated from the average rates for January 1987

15. BANK FUNDING FROM THE PUBLIC



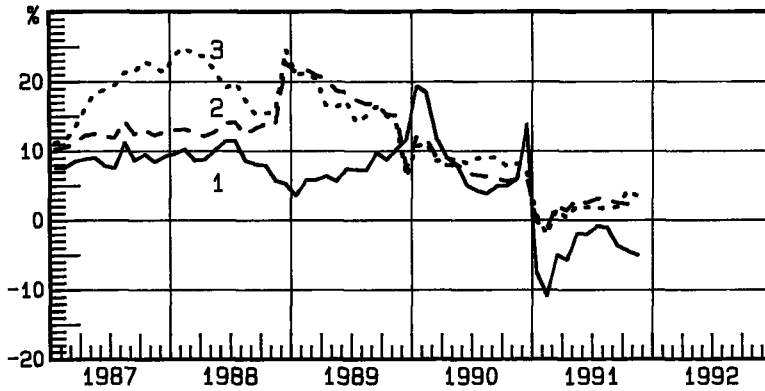
1. Markka deposits  
2. Total funding  
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



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

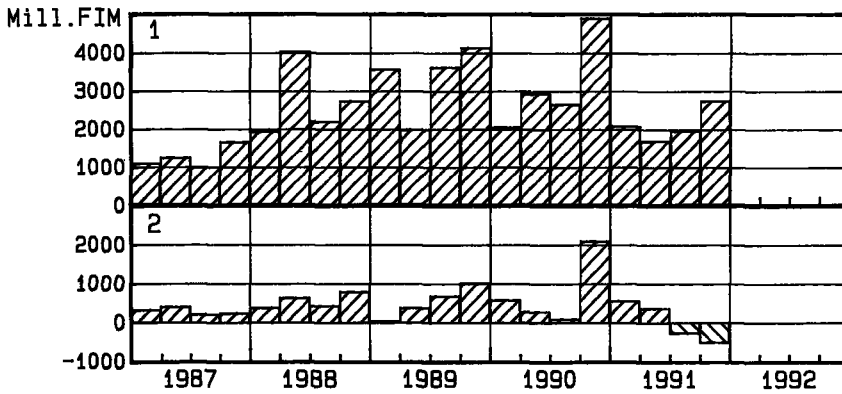
17. MONEY SUPPLY



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

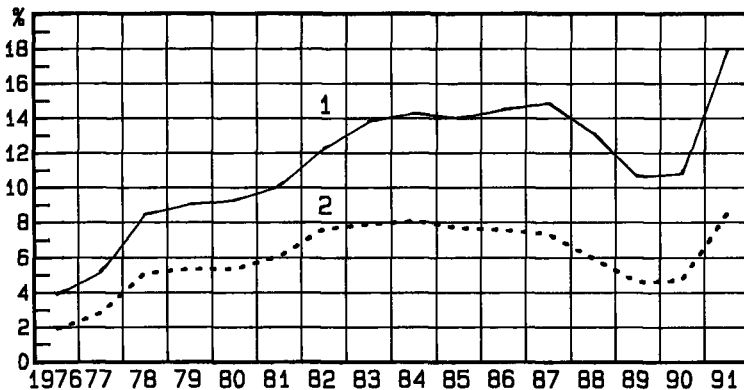
Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



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

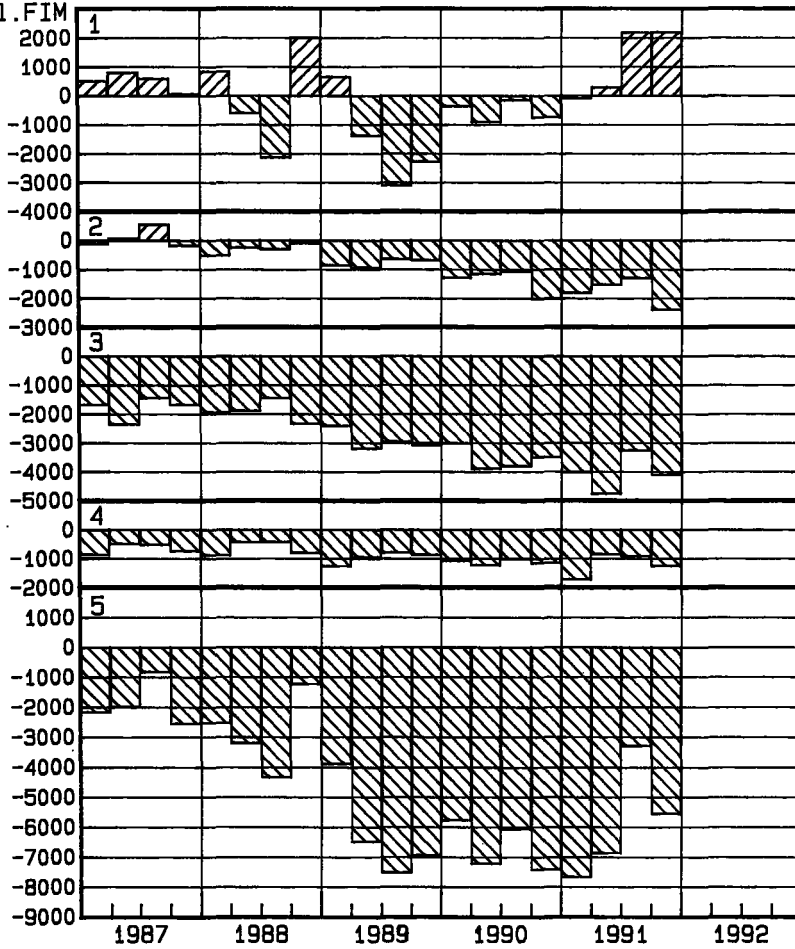
19. CENTRAL GOVERNMENT DEBT



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

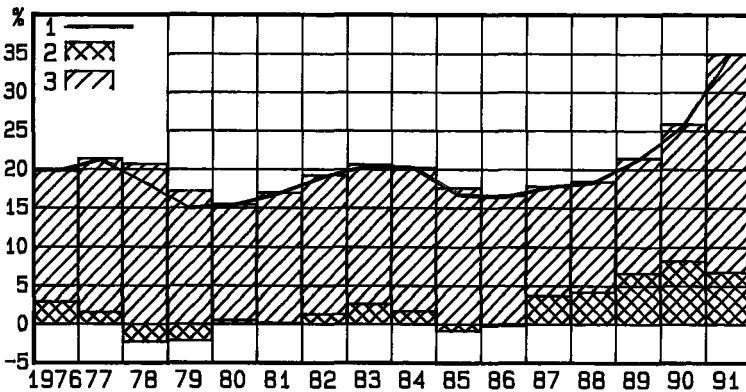
## 20. CURRENT ACCOUNT

Mill. FIM



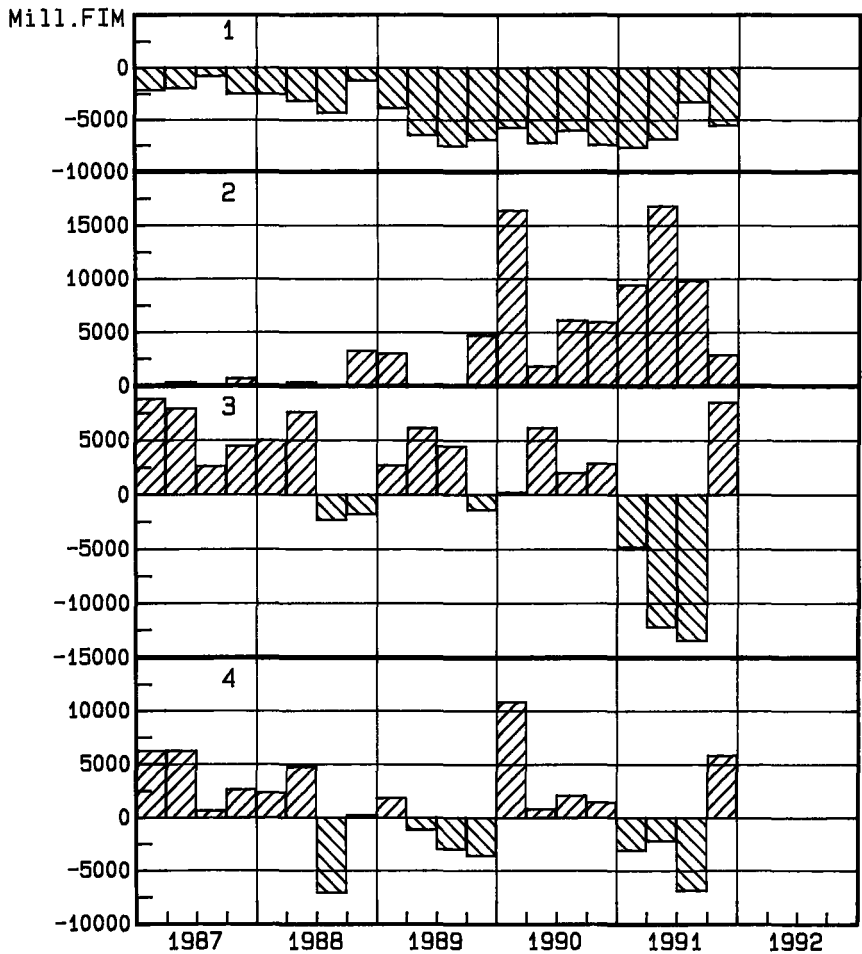
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

## 21. FOREIGN DEBT



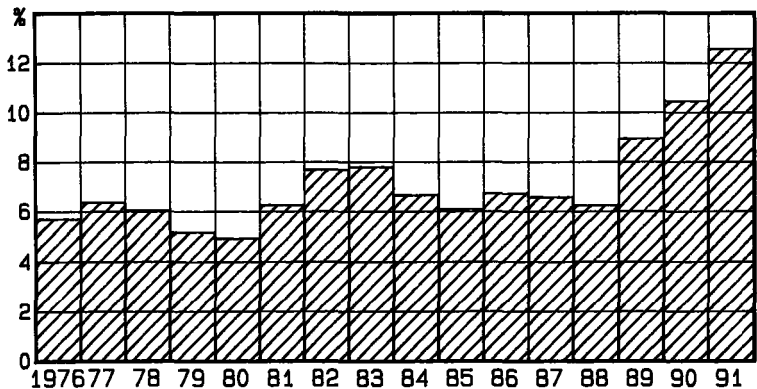
1. Total foreign net debt
  2. Short-term net debt
  3. Long-term net debt
- As a percentage of GDP

## 22. BALANCE OF PAYMENTS



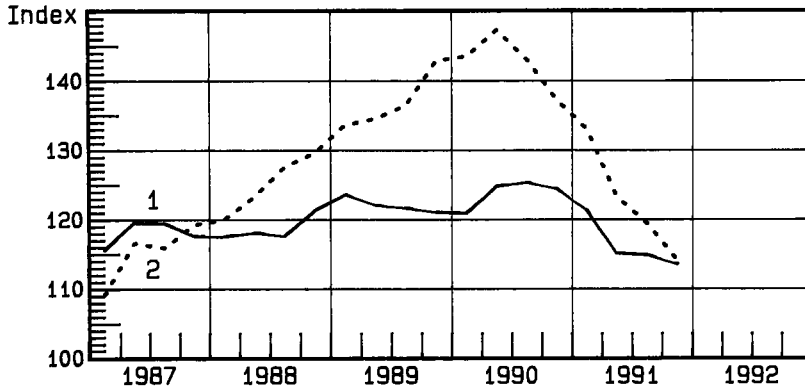
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance=change in the foreign exchange reserves of the Bank of Finland

## 23. NET INVESTMENT EXPENDITURE



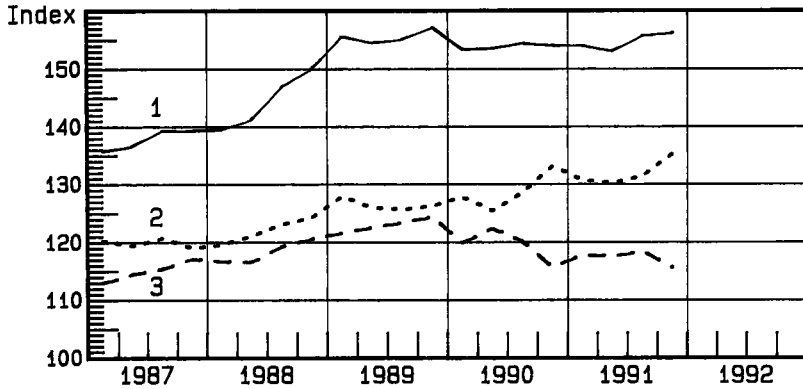
As a percentage of current account receipts

### 24. FOREIGN TRADE



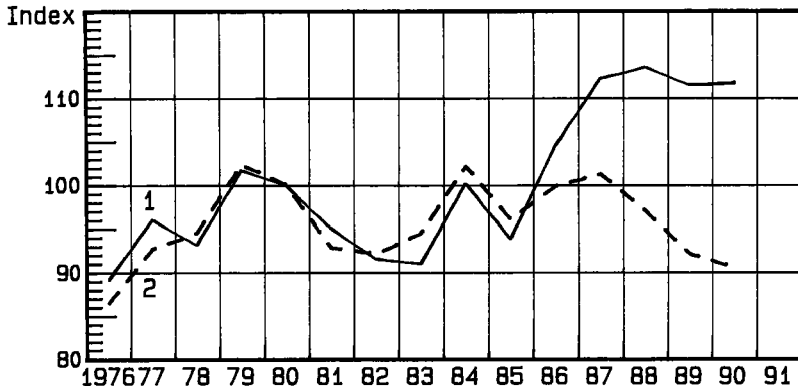
- 1. Total exports
  - 2. Total imports
- Volume index, 1980 = 100, four-quarter moving average shown as at the last quarter

### 25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



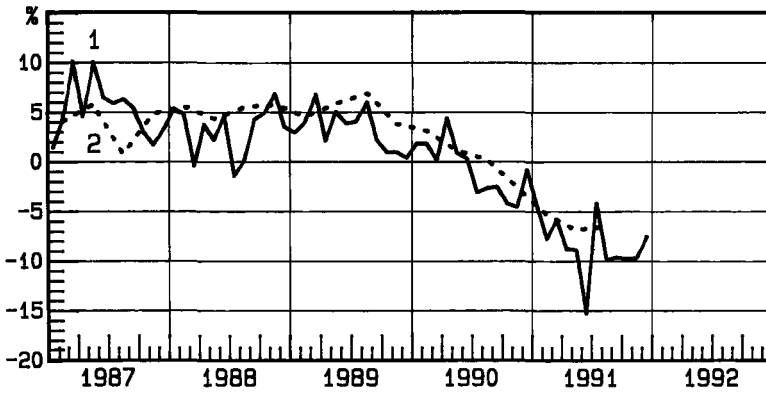
- 1. Unit value index of exports
  - 2. Unit value index of imports
  - 3. Terms of trade
- 1980 = 100

### 26. FINLAND'S EXPORT PERFORMANCE



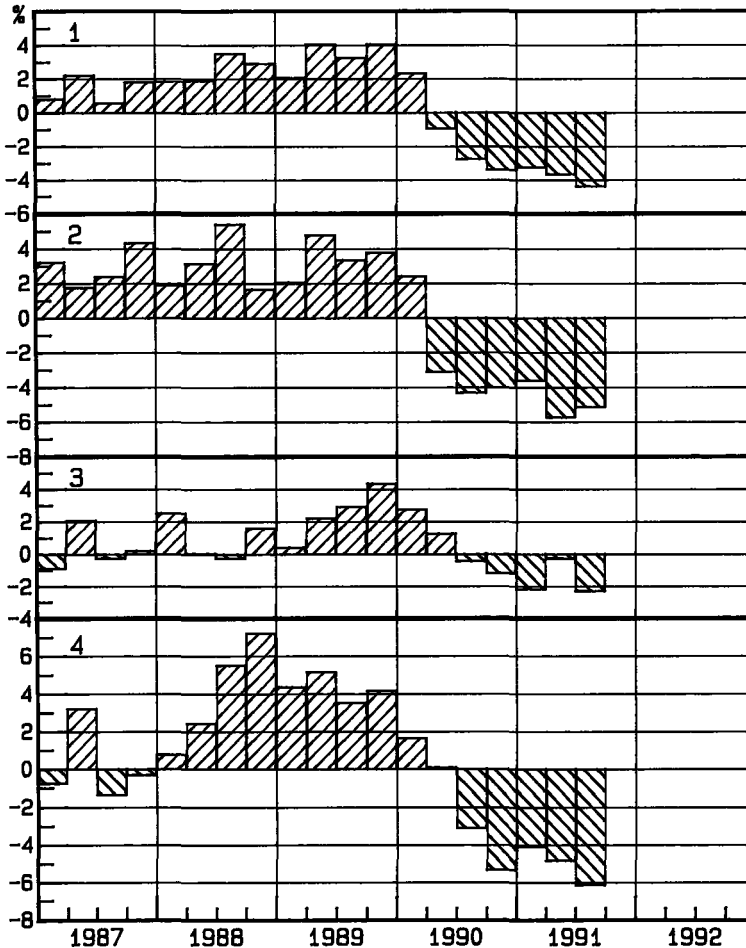
- 1. Value of exports to OECD countries in relation to imports of OECD countries
  - 2. Volume of exports to OECD countries in relation to imports of OECD countries
- 1980 = 100

27. PRODUCTION



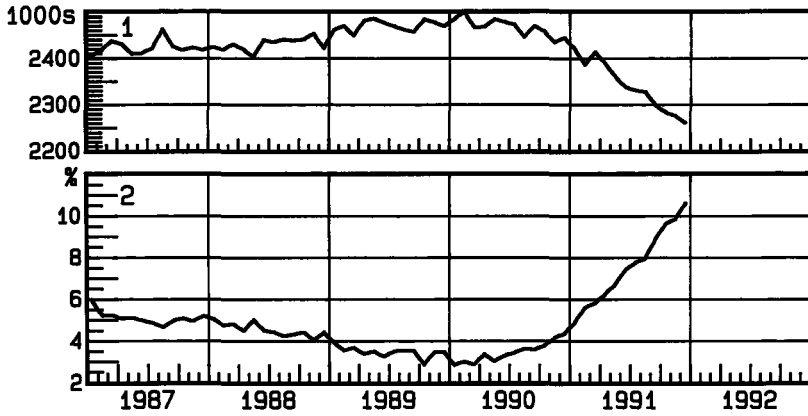
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

28. FIXED INVESTMENT



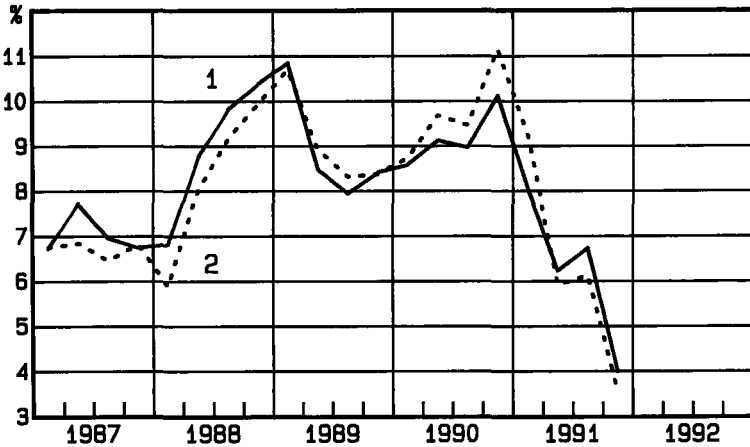
1. Total fixed investment
  2. Investment in machinery and equipment
  3. Building investment, excl. residential buildings
  4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE

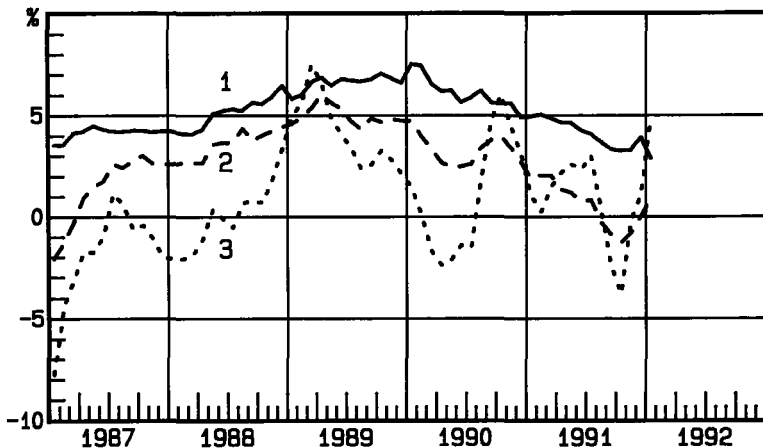


- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES

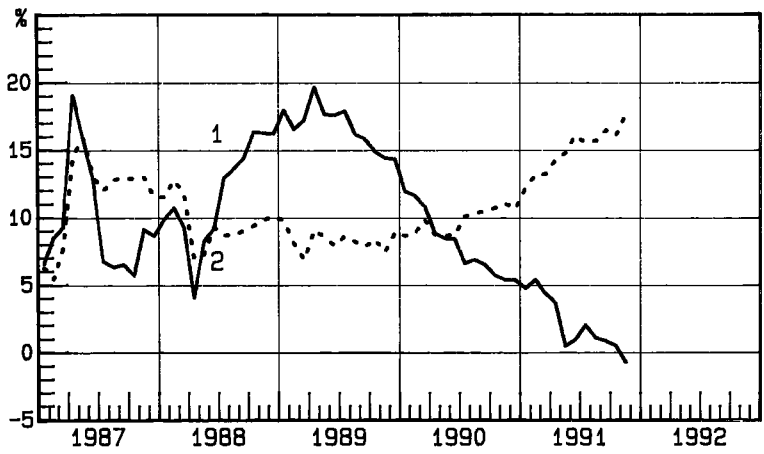


- 1. Index of wage and salary earnings, all wage and salary earners
  - 2. Index of wage and salary earnings, manufacturing workers
- Change from the corresponding quarter of the previous year, per cent



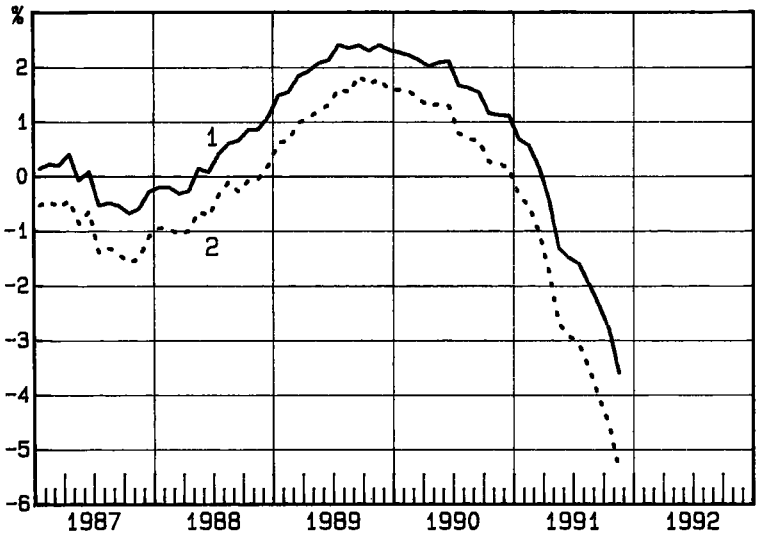
- 1. Consumer price index
  - 2. Wholesale price index
  - 3. Import price index
- Change from the corresponding month of the previous year, per cent

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

December 9, 1991

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## THE PARLIAMENTARY SUPERVISORY BOARD

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PENTTI MÄKI-HAKOLA, Chairman  
JUSSI RANTA, Vice Chairman  
SEPPO KÄÄRIÄINEN

HANNU TENHIÄLÄ  
ANNELI JÄÄTTEENMÄKI

TUULIKKI HÄMÄLÄINEN  
ESKO SEPPÄNEN

MAURI MIETTINEN  
JÖRN DONNER

---

## THE BOARD OF MANAGEMENT

---

ROLF KULLBERG, Chairman

ESKO OLLILA

ELE ALENIUS

KALEVI SORSA

HARRI HOLKERI

SIRKKA HÄMÄLÄINEN

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## DIRECTORS      UNITS

---

PENTTI KOIVIKKO

Accounting Department OSSI LEPPÄNEN  
Administration Department URPO LEVO  
Building Projects BENGT PALMROOS  
Data Processing Department RIITTA JOKINEN  
Legal Affairs ARNO LINDGREN

Payment Instruments Department REIJO MÄKINEN  
Personnel Department ANTON MÄKELÄ  
Personnel Projects ANNELI SOINI  
Security JYRKI AHVONEN  
Branches

—

Central Bank Policy Department  
(excl. International Office)  
JOHNNY ÅKERHOLM  
Economics Department KARI PUUMANEN  
Information Department ANTTI HEINONEN

Market Operations Department  
MARKUS FOGELHOLM  
Research Department HEIKKI KOSKENKYLÄ  
Statistical Services Department ESA OJANEN

MATTI VANHALA

Financial Markets Department  
KAIJU KALLIO (Acting Head), Advisers:  
RALF PAULI, PETER NYBERG  
International Office of the Central Bank Policy  
Department

Payments and Settlement Department  
RAIMO HYVÄRINEN  
Unit for Eastern European Economies  
KARI PEKONEN

---

Internal Audit Department TIMO MÄNNISTÖ

---

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

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## BRANCH OFFICES

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12 branches: Joensuu, Jyväskylä, Kotka, Kuopio, Lahti, Mikkeli, Oulu, Pori, Rovaniemi, Tampere, Turku, Vaasa

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## SETEC OY

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VELI TARVAINEN, Managing Director

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