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Instruments of Central Bank
Policy in Finland

Developments in Finnish Debt

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INSTRUMENTS OF CENTRAL BANK POLICY IN FINLAND

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Despite the change in the exchange rate regime from fixed to floating exchange rates, the Bank of Finland's system of monetary control has remained intact. The Bank uses the instruments at its disposal to regulate the day-to-day liquidity of the banking system and to set the terms on which banks can obtain marginal financing from the central bank or on which they are required to deposit their surplus liquidity at the central bank.

CHANGES IN BANK LIQUIDITY SHOW UP IN THE CENTRAL BANK'S BALANCE SHEET

Bank liquidity changes as a result of the measures taken by the central bank. Stylized and simplified balance sheets for the central bank and the consolidated banking sector are shown in the accompanying table. Those balance-sheet items that affect the banks' day-to-day liquidity appear separately; the other items contain all those balance-sheet items that remain essentially unchanged from one day to the next.

The liabilities side of the Bank of Finland's balance sheet includes the monetary base, i.e. currency (notes and coin) in circulation plus the banks' reserves. The banks' reserves, in turn, consist of cash in their vaults, cash reserve deposits and call money deposits. Currency in circulation and the banks' cash reserve deposits are relatively stable components whereas the amounts of certificates of deposit, call money deposits and liquidity credits fluctuate from day to day.

When banks close their books at the end of the business day this is ultimately achieved

in one of two ways: if the bank's assets exceed its liabilities, the liquidity surplus must be deposited at the Bank of Finland; if the bank's liabilities exceed its assets then the liquidity shortfall is covered by borrowing from the central bank. Thus the banks are dependent on the Bank of Finland. The combined sum of the differences between the banks' assets and liabilities describes the liquidity position of the entire banking sector.

The liquidity position of the entire banking sector can to a large extent be determined by the Bank of Finland; that is, it can determine to what degree the banking system has to borrow from or deposit funds with the central bank. The banks' liquidity position affects interest rates and exchange rates in the short term. The longer the time horizon, the more also expectations about the future course of eco-

nomical development are reflected in interest rates and exchange rates.

The Bank of Finland can influence the banks' liquidity needs through two different channels: the cash reserve deposit scheme and market operations. Under the cash reserve deposit scheme, the Bank of Finland collects deposits from the banks. Market operations involve the purchase or sale of either money market instruments or foreign exchange. By utilizing these techniques, the Bank of Finland determines to what extent the banks have to resort to the Bank of Finland's liquidity system.

The Bank of Finland sets the terms applied in the liquidity system such that the rate of interest charged on liquidity credit is higher and the rate of interest payable on call money deposits lower than market rates of inter-

BALANCE SHEETS FOR THE BANK OF FINLAND AND THE CONSOLIDATED BANKING SECTOR

Bank of Finland's Balance Sheet

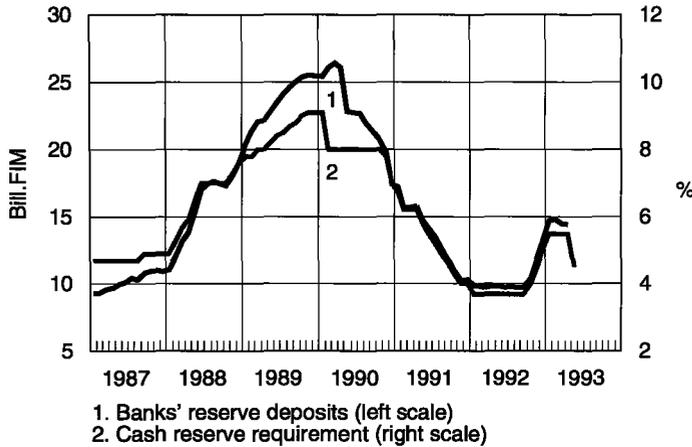
| Assets | Liabilities |
|---------------------------|---|
| Foreign exchange reserves | Currency in circulation |
| Claims on banks: | Liabilities to banks: |
| - certificates of deposit | - cash reserve deposits |
| - liquidity credits | - certificates of deposit issued by the Bank of Finland |
| Other | - call money deposits |
| <i>Total</i> | Other |
| | <i>Total</i> |

Banks' Balance Sheet

| Assets | Liabilities |
|---|-------------------------------------|
| Claims on the Bank of Finland: | Liabilities to the Bank of Finland: |
| - cash reserve deposits at the Bank of Finland | - certificates of deposit |
| - certificates of deposit issued by the Bank of Finland | - liquidity credits |
| - call money deposits at the Bank of Finland | Deposits from the public |
| Loans to the public | Other |
| Other | <i>Total</i> |
| <i>Total</i> | |

CHART 1.

CASH RESERVE DEPOSITS AND
CASH RESERVE REQUIREMENT



est. This creates an incentive for the banks to avoid recourse to the facility. The search for other sources of finance affects their market behaviour. Thus a tightening of liquidity tends to raise the level of interest rates and an easing of liquidity to lower it.

**UP-TO-DATE
LIQUIDITY
FORECASTING**

The central bank's control of day-to-day liquidity is based on a forecast of the liquidity of the banking system as a whole, ie the banks' combined daily position vis-à-vis the central bank. The banks' liquidity position is affected by maturing money market and forward exchange deals, by changes in the amount of currency in circulation, by the government's foreign payments, by changes in cash reserve deposits, companies' investment deposits and the government's special deposits.

The daily forecast covers a period of two weeks; particularly the forecast for the next two days is very accurate. Uncertainty attaches mainly to changes in the public's holdings of notes and coin. Such changes are usually only minor and hence of limited significance for the accuracy of the liquidity forecast. However, in exceptional cases, for example in connection with

4

significant. In addition, weekly forecasts are made covering a period of four weeks. Estimates for longer time horizons are based on the Bank of Finland's macroeconomic forecasts.

In many countries the central bank handles the government's payment flows, which can vary considerably for seasonal or other reasons, thus hampering the task of liquidity forecasting. This problem does not arise in Finland as the government's payments are handled by commercial banks rather than by the central bank.

Every morning, the Bank of Finland publishes an estimate of the banks' liquidity position on the previous banking day, together with a forecast for the value date, on the electronic information systems of Reuters (SPFH) and Telerate (8607). The value date, which is the date on which deals contracted today are settled, is two business days after the contract date.

**CASH RESERVE DEPOSIT
SYSTEM AFFECTS
LIQUIDITY SLOWLY**

Under the cash reserve deposit agreement between the Bank of Finland and the banks, the Bank of Finland can require the banks to deposit a certain percentage of their domestic deposits at the central bank (Chart 1). An increase in the de-

posit requirement or an enlargement of the cash reserve base tightens liquidity. Conversely, a decrease in the deposit requirement or a reduction in the cash reserve base increases liquidity. The amount of cash reserve deposits varies automatically along with changes in the banks' domestic deposits.

The board of management of the Bank of Finland can raise the deposit requirement only once a month and then by only 0.6 percentage point at a time. The maximum permissible percentage is 7 per cent of the cash reserve base.

The Bank of Finland pays interest on cash reserve deposits at a rate which is three percentage points below three-month HELIBOR, but not less than 8 per cent.

**MARKET OPERATIONS
IN SECURITIES ...**

The central bank buys and sells securities in the money market through open market operations. The purchase of securities increases the liquidity of the banking system whereas the sale of securities reduces it (Chart 2). An increase in liquidity raises the level of interest rates while a tightening lowers it.

The Bank of Finland undertakes most of its open market operations in the form of dealings in certificates of deposit issued by banks. CDs are negotiable promissory notes with a maturity in the range of one to 12 months. The yield is expressed as a discount rate. Similar negotiable instruments can be issued by companies, local authorities or the central government. In most other countries open market operations are conducted in government paper. In Finland, however, dealings in government paper have been of only minor significance until recent times.

Securities deals are made either directly with individual banks or simultaneously with all counterparties in tenders held by the Bank of Finland. In the case of direct, or outright, deals all counterparties are asked to quote two-way binding prices,

ie bid and offer rates. The standard amount for CD deals is FIM 20 million and the value date two business days ahead. In tenders the amounts vary and are often larger than in outright deals.

When liquidity is increased by means of a tender, CDs are bought under repurchase agreements ('repos'), whereby the seller undertakes to buy back the security at an agreed date in the future. In securities deals involving repurchase agreements, both ownership and possession are transferred to the buyer, ie lender, for the duration of the loan and consequently the credit risk diminishes.

Normally, the tenders held by the Bank of Finland are variable-rate tenders, in which the counterparties are requested to make bids or offers in terms of both prices and amounts for a given maturity, usually one month. When the Bank of Finland has received all the bids or offers, it accepts that amount which corresponds to the targets set for the interest rate and/or the amount in the tender.

The Bank of Finland's tender rate, which is the reference rate used in the liquidity system, is the weighted average of the bids or offers accepted in tenders for one-month period, expressed as an annual interest rate. When the maturity of the instrument in the tender is other than one month, the Bank of Finland's tender rate does not change.

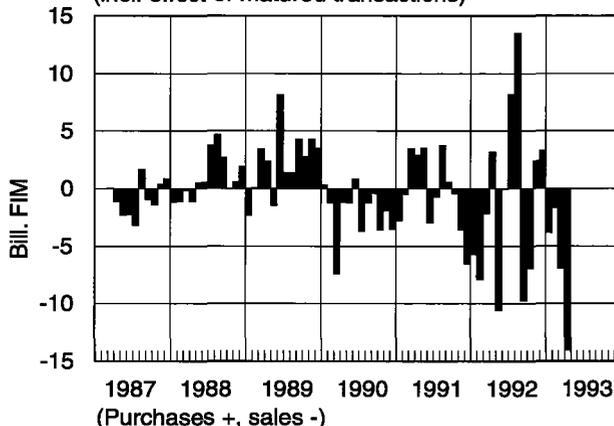
A competitive tender can also be held in the form of a fixed-rate tender, in which case the Bank of Finland sets an acceptable interest rate in advance and requests the counterparties to tender for amounts only. In a fixed-rate tender, the tender rate is the interest rate announced by the Bank of Finland. The tender rate and the total amount of accepted bids or offers are published on Reuters (SPFB, SPFH) and Telerate (8607) as soon as the results of the tender are known.

The Bank of Finland has also occasionally undertaken money market transactions in the wholesale market for deposits

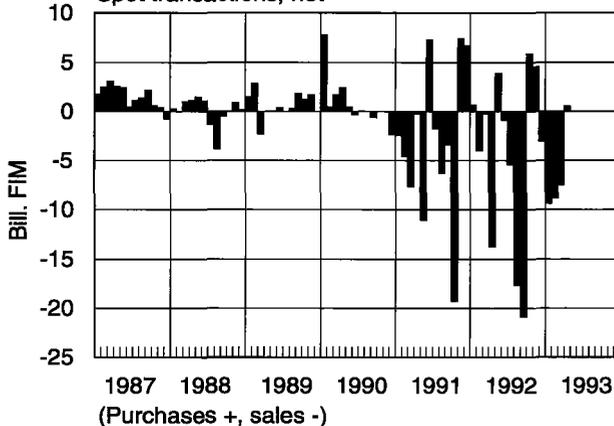
CHART 2.

THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND INTERVENTION IN THE FOREIGN EXCHANGE MARKET

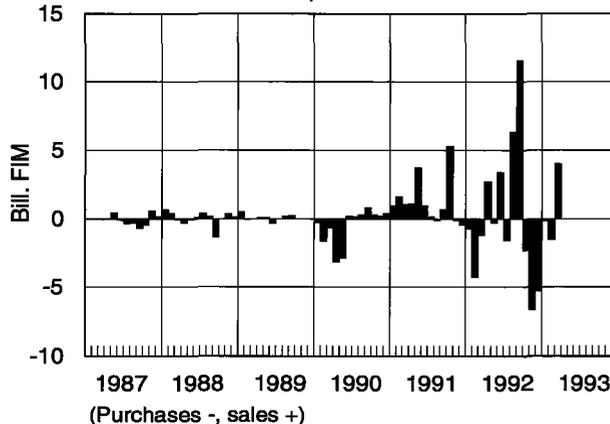
Money market operations, net
(incl. effect of matured transactions)



Spot transactions, net



Forward transactions, net



or credits with maturities of one week or two weeks.

Short-term money market rates or HELIBOR (Helsinki Interbank Offered Rate) rates are determined in the CD market. They are calculated by the Bank of Finland as the averages of the bid rates quoted daily at 1.00 pm by the five largest commercial banks (Kansallis-Osake-Pankki, Union Bank of Finland, Okobank, Skopbank and Postipankki). The HELIBOR rates are also published on Reuters (SPFB) and Telerate (8607).

The Bank of Finland approves the counterparties with which it is prepared to undertake money market dealings. The criterion for acceptance is that the bank or intermediary is able to act as a market maker. This requires that the counterparty is able to quote two-way prices for traded amounts of at least FIM 10 million in all maturities and to deliver the relevant securities on the value date. So far, only banks have been accepted as counterparties.

The Bank of Finland is prepared, on request, to accept as instruments used in money market dealings CDs issued by banks whose capital is at least FIM 200 million and whose solvency meets the capital adequacy requirements set by the Bank for International Settlements (BIS)¹ and which are able to act as market makers. An additional requirement is that the Bank of Finland monitors the risks of these banks.

...AND IN FOREIGN CURRENCIES

The Bank of Finland no longer regulates the import and export of foreign exchange.² Although the Finnish markka has

¹ According to the BIS standard, a bank's capital ratio, ie the ratio of its capital to the sum of its risk-weighted assets, investments and off-balance sheet commitments, should be at least 8 per cent.

² The last remaining foreign exchange controls were abolished with effect from 1 October 1991. The only requirements now relate to controlling risks associated with the foreign activities of financial institutions, and the provision of information for balance of payments purposes.

been floating since September 1992 the Bank of Finland has occasionally influenced developments in the exchange rate in order to dampen fluctuations. By intervening in the foreign exchange market, the Bank of Finland also affects the liquidity of the banking system: when the Bank sells foreign exchange, the country's foreign exchange reserves decrease and market liquidity tightens; when it purchases foreign exchange, the country's foreign exchange reserves grow and liquidity increases. In Finland, the government's foreign transactions take place through the balance sheet of the Bank of Finland. Consequently, the government's foreign borrowing increases foreign exchange reserves, whereas repayments of principal and interest payments on foreign loans decrease it.

The Bank of Finland's foreign exchange intervention can take the form of spot transactions, in which case the effects on liquidity and foreign exchange reserves become apparent on the value date – ie in two business days' time – or forward transactions, in which case the effects are postponed until some specified date in the future.

Foreign exchange deals are entered into on a bilateral basis but with all counterparties at the same time. In spot deals, the standard amount is nowadays the equivalent of DEM 10 million; in forward deals, the amounts vary.

Although the central bank's foreign exchange intervention affects market liquidity, the immediate aim of such operations is usually to influence the markka's exchange rate. The scale of foreign exchange intervention has varied greatly in recent years, depending on the pressure to which the markka's value has been exposed.

Every business day at noon Finnish time, the Bank of Finland calculates and publishes exchange rates for 22 currencies.³ These quotations are middle rates, calculated as the averages of the buying and selling rates

prevailing in the market at that moment. It is customary to regard the Bank of Finland's quotations as 'official' exchange rates, although the Bank is not obliged to do foreign exchange deals at these rates. The commercial banks nevertheless use them as reference rates for transactions involving low-value payments.

THE BANK OF FINLAND'S LIQUIDITY SYSTEM

The banks have to close their books at the end of each business day. At about 3.30 pm in the afternoon the banks' claims and liabilities in respect of each other as well as inter-bank business transactions are cleared and settled across accounts maintained at the Bank of Finland. Immediately after this, trading in the overnight market begins. This is the market where banks seek to eliminate their liquidity surpluses or deficits. The overnight interest rate is determined as a result of these transactions.

After the overnight market closes at 4.00 pm, a bank's liquidity position for the day is the balance on its current account at the Bank of Finland. The sum of these balances represents the liquidity position of the entire banking system. If it shows a surplus, this means that one or more banks currently has call money deposits at the Bank of Finland. If, on the other hand, it shows a deficit, then one or more banks has to obtain liquidity credit from the Bank of Finland. There are no quantitative limits on either call money deposits or liquidity credit. Liquidity credit is not automatically overnight credit, however. Rather, the maturity can be 1, 7, 14, 21 or 28 days, as determined by the Bank of Finland (Chart 3). A maturity which is longer than overnight increases the cost of

³ The middle rates calculated by the Bank of Finland are notified daily to Reuters, Telerate, Startel, the Finnish News Agency, the Finnish Broadcasting Company's teletext service and Post and Communications. The quotations are also recorded on the Bank of Finland's telephone answering machine.

liquidity credit and thus acts as an inducement to the banks to smooth out fluctuations in their liquidity in the interbank market.

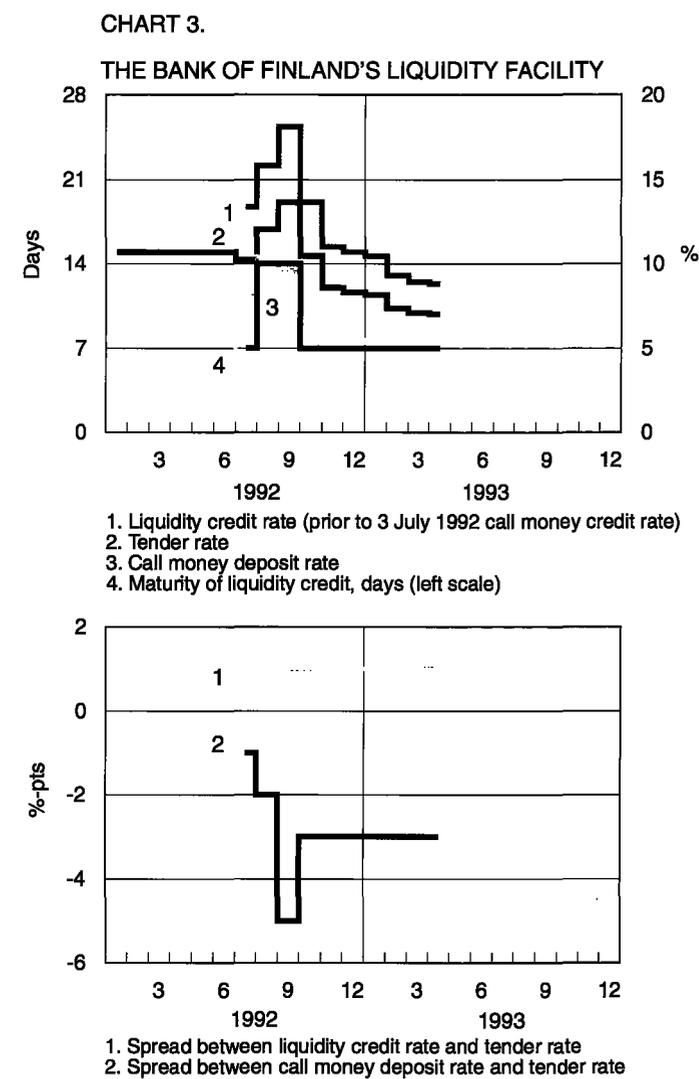
Both the interest rate payable on call money deposits and that charged on liquidity credit are tied to the tender rate for one-month period. The tender rate is based on the last tender held by the Bank of Finland. The Bank of Finland determines the spreads for call money deposits and liquidity credit in relation to the tender rate. The interest rate spreads and the maturity for liquidity credit are displayed continuously on Reuters and Telerate.

The current liquidity system was introduced at the beginning of July 1992. In the same context, the rate of interest paid on call money deposits was raised, which increased the banks' incentive to hold call money deposits ('free reserves') at the Bank of Finland. In addition, large fluctuations in the overnight rate were reduced by narrowing the spread between the call money deposit rate and the liquidity credit rate.

The Bank of Finland's arrangements for controlling bank liquidity have been developed at different times to serve different purposes. As a result, there is some overlapping between the schemes, which gives rise to unnecessary complexity. The present cash reserve system differs considerably from reserve systems widely applied in other countries. Indeed, a future aim is to convert the existing cash reserve deposit system into a more uniform reserve system.

BASE RATE A REMNANT OF THE ERA OF REGULATION

The Bank of Finland's base rate is an administered interest rate set by the Parliamentary Supervisory Board. Its importance has diminished along with the development of markets in Finland, and, for example, the Bank of Finland has not extended central bank financing linked to the base rate for many years. Nonetheless the base rate is still of importance as a fairly large



proportion of deposits and outstanding loans are tied to it, and these rates are adjusted whenever there is a change in the base rate. It is also mentioned in more than 40 different laws and regulations. The decline in the significance of the base rate has been retarded by the fact that rates on tax-exempt time deposits are linked to it.

7 May 1993

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DEVELOPMENTS IN FINNISH DEBT

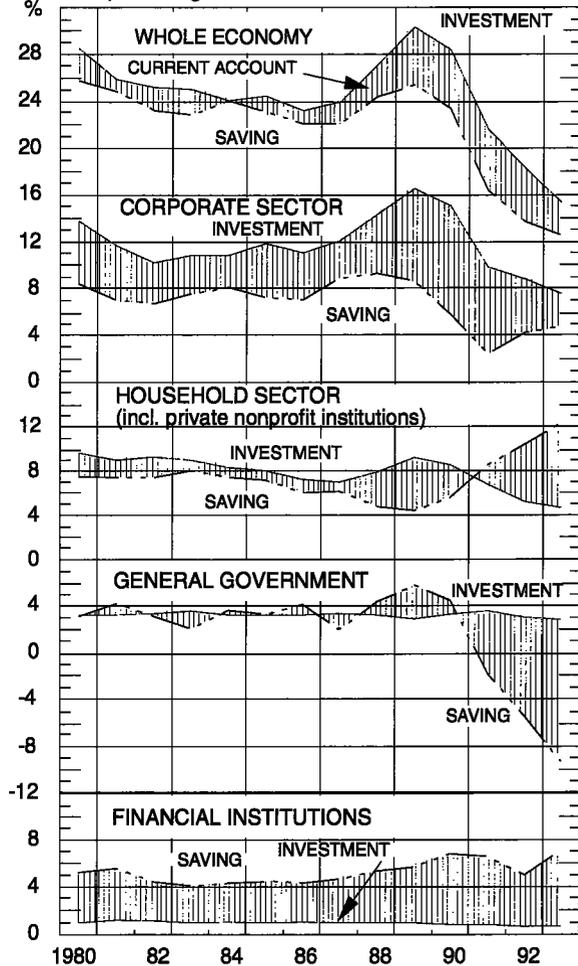
by Anne Brunila, Lic Sc (Econ),
Martti Lehtonen, Head of Office, Economics Department
 and **Helvi Kinnunen**, M Pol Sc, Statistical Services Department,
 Bank of Finland

A distinctive feature of the current recession in Finland has been the high indebtedness of both the private and public sectors, combined with high real interest rates and declining real income. Net foreign debt, which in relation to GDP has more than doubled in the space of a few years, represents a serious constraint for economic policy. As adjustment and balance-sheet restructuring are being undertaken by all sectors simultaneously, domestic demand has weakened, which, in turn, has exacerbated the adjustment process. However, an improvement in the current account has been under way since the second half of 1992 and the ratio of Finland's net foreign debt to exports has begun to decrease.

As in many other countries, the indebtedness of the private sector increased rapidly in Finland in the latter half of the 1980s. In Finland this development was due to a combination of factors operating in the same direction. A prolonged period of rapid economic growth, exceptionally favourable terms of trade and improved income expectations generated strong investment demand. At the same time, deregulation of capital movements and bank lending rates eased access to credit. Borrowing was further fuelled by soaring asset prices, notably real estate and equity prices. In these circumstances banks were able to expand lending without having to worry about solvency problems. The resultant credit boom gave a strong boost to Finnish economic growth via domestic demand.

The period of rapid credit expansion and overheated economic conditions ended abruptly

CHART 1.
 SAVING AND INVESTMENT BY SECTOR
 Gross saving and gross investment
 as a percentage of GDP



ly at the turn of the decade. Economic growth came to a halt in 1990 and the Finnish economy entered an exceptionally severe recession in 1991, characterized by sharply declining real income and falling asset prices. Altogether, real GDP declined by 10 per cent in 1991-92.

Though inflation has decelerated, the upward trend in nominal interest rates continued until autumn 1992, resulting in a substantial increase in the debt service burden.

**DOMESTIC BOOM
DEEPENED THE
CURRENT ACCOUNT
DEFICIT IN THE LATE
1980s**

The external balance started to deteriorate towards the end of the 1980s. From an average of 1.3 per cent of GDP in the period 1981–85, the current account deficit widened to about 5.0 per cent in 1989–90. The trade account deficit had its origins mainly in domestic factors. In the late 1980s, the boom in domestic demand and erosion of price competitiveness crowded out exports and induced higher imports. In 1991, the rapid deterioration in Finland's external environment aggravated the adjustment of the current account. The Soviet trade collapsed and demand in western markets stagnated, exerting a strong deflationary impact on the economy.

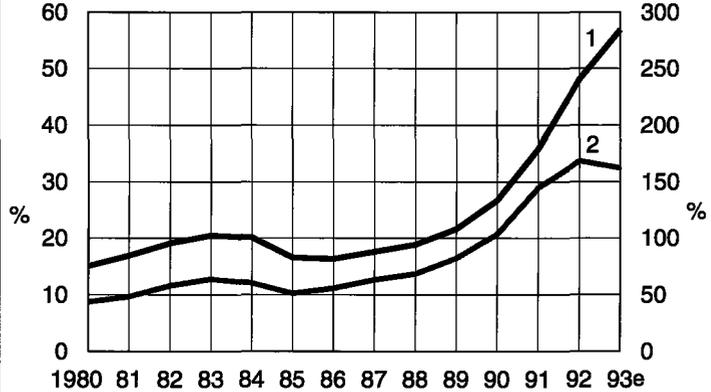
In the framework of sectoral income and demand, the weakening of the financial balance of the economy in the latter half of the 1980s can be viewed as a consequence of increased investment and sharply lower saving in the private sector (Chart 1).

A succession of large current account deficits has led to a rapid rise in Finland's external debt. In relation to GDP, net foreign debt increased from about 20 per cent in 1988 to 48 per cent in 1992 (Chart 2). Also contributing to the sharp increase in indebtedness was the depreciation of the markka, which in 1991–92 raised the markka value of Finland's net foreign debt by the equivalent of almost 8 per cent of GDP.

The recession has had a significant impact on sectoral financial balances. In spite of weak income developments, the financial balance of the private sector moved into surplus in 1992 because of sharp declines in consumption and investment. The counterpart to this adjustment was, however, a substantial increase in the financial deficit of the public sector (see Chart 1). The recent devel-

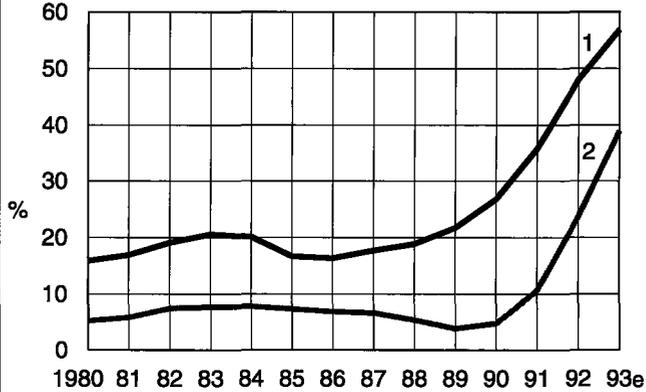
CHART 2.

**NET FOREIGN DEBT
Total**



1. As a percentage of GDP (left scale)
2. As a percentage of current account receipts (right scale)

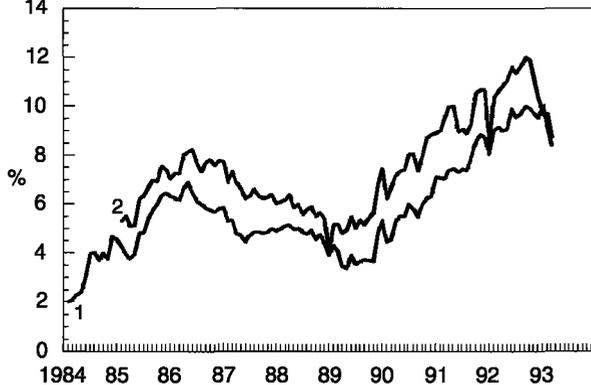
By sector, as a percentage of GDP



1. Total debt
2. General government debt

CHART 3.

DOMESTIC REAL INTEREST RATES

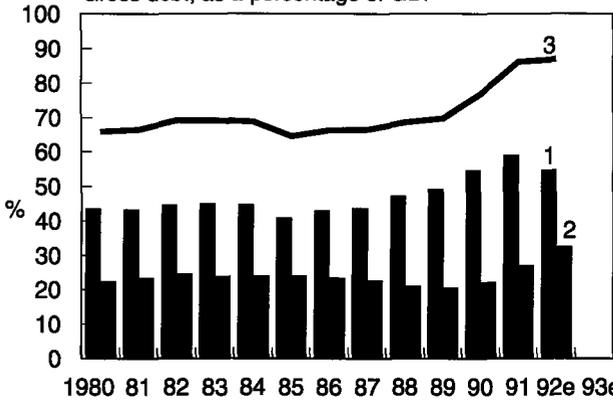


1. Average rate on outstanding markka loans
2. Average rate on new markka loans

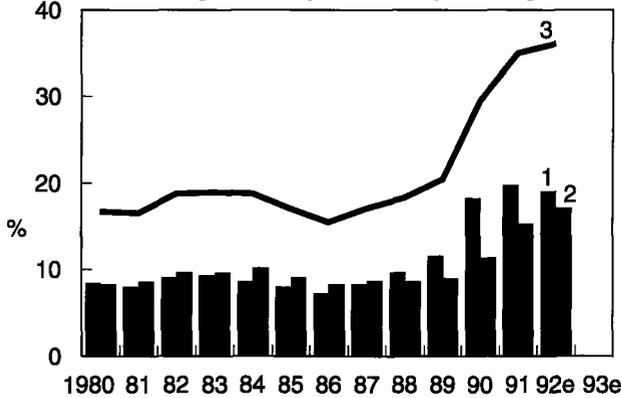
CHART 4.

CORPORATE SECTOR¹

Gross debt, as a percentage of GDP

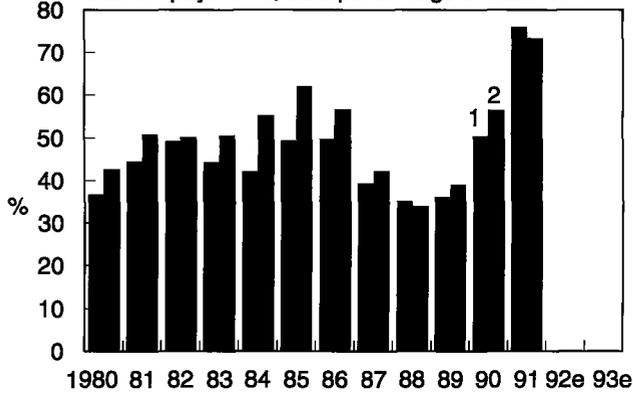


Gross foreign currency debt, as a percentage of GDP



- 1. Domestic sector
- 2. Open sector
- 3. Total corporate sector

Interest payments, as a percentage of cash flow



- 1. Manufacturing firms
- 2. Wholesale and retail trade

¹Including unincorporated enterprises

opments in sectoral financial balances have also been reflected in the sectoral distribution of net foreign debt, with a fall in the share of the private sector and a rapid rise in the share of the public sector, notably the state.

The trade balance turned into a surplus towards the end of 1991 and remained in surplus in 1992. By contrast, the deficit on the investment income account has deepened as a result of the growth of interest payments on foreign debt and negative reinvested earnings from direct investment, thus slowing the improvement in the external balance. The deficit on current account stopped growing in 1991 and began to shrink in 1992.

RECESSION AND DEPRECIATION OF THE MARKKA WORSENE CORPORATE INDEBTEDNESS

Historically, capital-intensive export firms have had relatively high leverage levels, partly because of the favourable tax treatment of debt financing.¹ However, in the wake of financial liberalization, the economic environment of firms has undergone major change, which has increased the financial vulnerability of highly leveraged firms. Regulated interest rates have been replaced by market-determined rates, which are dependent on developments in international interest rates. Consequently, domestic nominal and real interest rates rose along with international interest rates in the late 1980s and early 1990s (Chart 3).

In connection with financial deregulation firms substantially increased their debt financing, a growing share of which consisted of loans denominated in foreign currency (Chart 4). Foreign currency loans gained popularity because of the existence of a relatively large differential be-

¹Capital and corporate taxation have undergone major reform since the 1980s. At the beginning of 1993, the capital tax rate was lowered to 25 per cent, thus reducing non-neutrality between different sources of finance.

tween domestic and foreign interest rates. During the late 1980s, more than half of all new corporate debt denominated in foreign currency was raised by firms in the domestic sector.

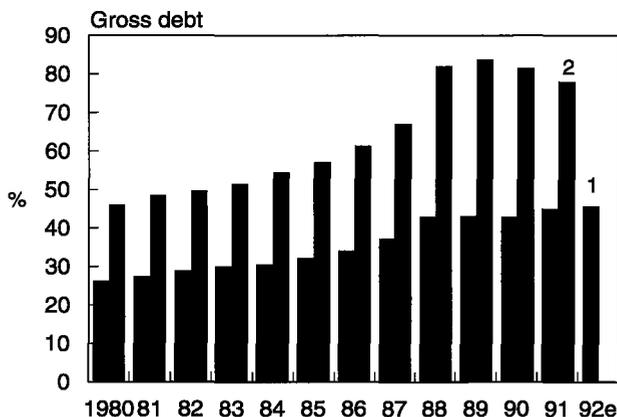
The indebtedness of Finnish firms did not become a major problem until 1990-91, because increases in corporate earnings and asset values kept abreast of debt growth in the second half of the 1980s. Since 1991 the deterioration of corporate financial conditions has been rapid, reflecting higher interest rates and a sharp decline in both earnings and the market value of assets.

Although the sizable depreciation of the markka since November 1991 has boosted export earnings, the financial position of the corporate sector has remained weak. Whereas the leverage of export firms has gradually started to level off, the financial difficulties of firms in the domestic sector have intensified.² The main reasons for this unusually difficult situation are to be found in the investment boom that took place in the second half of the 1980s and in the increased foreign currency borrowing of firms in the domestic sector. Most of this investment occurred in those industries that were subsequently hit hard by the recession, eg residential and non-residential construction, real estate and services. As domestic demand fell by 13 per cent in 1991-92, a large part of these investments has turned out to be superfluous and unprofitable.

As a consequence of the high level of foreign debt, the depreciation of the markka since 1991 has substantially increased the leverage of firms in the domestic sector by boosting the markka value of their foreign currency loans. As the exchange rate risks have materialized, firms' willingness to hold foreign currency debt has di-

² This is reflected, among other things, in banks' credit losses, the majority of which are attributable to firms in the domestic sector.

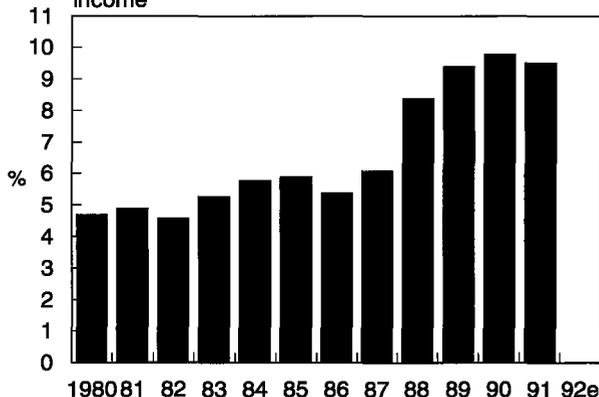
CHART 5.
HOUSEHOLD SECTOR¹



1. As a percentage of GDP

2. As a percentage of net disposable income

Interest payments, as a percentage of net disposable income



¹Including unincorporated enterprises and excluding non-profit institutions

minished. In dollar terms, the gross foreign currency debt of the corporate sector decreased from about USD 53 billion at the end of 1990 to USD 42 billion at the end of 1992. This trend was maintained during the first quarter of the current year.

The problems of debt overhang in the corporate sector and high levels of real interest rates have been compounded by the heavy debt servicing burden resulting from a combination of high real interest rates and low or even negative corporate earnings (Chart 4). Real interest rates have been at historically very high levels over the past two years. The recent fall in interest rates will ease debt ser-

ving burdens to some degree. Furthermore, firms have initiated a major cost and debt adjustment involving labour shedding, cutbacks in spending on investment and a reduction in inventory levels. Improved cash flows have been redirected towards repaying outstanding debt.

HOUSEHOLD INDEBTEDNESS HAS STOPPED GROWING BUT IS STILL AT A HIGH LEVEL

Favourable economic development also encouraged households to incur debt. Household borrowing started to rise sharply in the late 1980s following the abolition of lending rate regulations and down payment 11

CHART 6.

GENERAL GOVERNMENT REVENUE AND OUTLAY
As a percentage of GDP

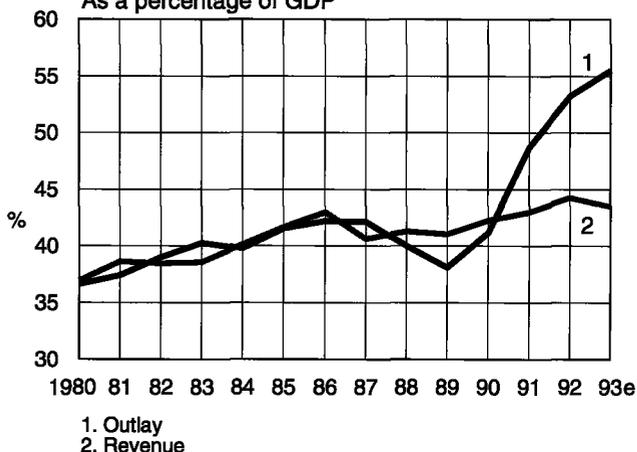
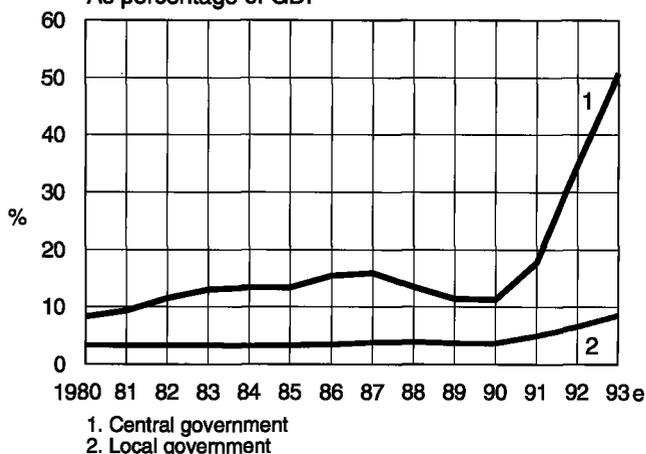


CHART 7.

PUBLIC SECTOR DEBT
As a percentage of GDP



requirements for housing and other personal loans. As a consequence, the household saving ratio fell to an exceptionally low level. Despite increasing levels of indebtedness, buoyant house prices increased household net wealth and hence borrowing capacity. The high level of debt was not perceived to be a problem as a fall in asset prices was considered to be most unlikely. These expectations were largely based on the experience of the inflationary years of 12 the 1970s and early 1980s,

which led to underestimation of the debt burden incurred.

When economic conditions started to deteriorate in 1990, the growth of personal income slowed and later even became negative, and unemployment soared. Existing debt levels became unsustainable, prompting the need for financial consolidation. Consequently, household borrowing slowed down sharply and the saving ratio rose.

Household debt has accounted for a relatively small proportion of banks' credit loss-

es.³ The situation remains fragile, however, as the household debt burden is still high. Real interest rates are high, real disposable income is declining and asset and house prices are at very low levels. Household indebtedness has clearly increased in relation to household wealth. Nominal house prices have fallen by 50 per cent from their peak in 1989. At their peak in 1990-91, interest payments accounted for about 10 per cent of disposable income compared to roughly 5 per cent at the beginning of 1980s (Chart 5). The recent fall in interest rates will reduce the debt service burden of the household sector to some degree, however.

RECESSION CAUSED A SHARP RISE IN GOVERNMENT DEBT

The financial position of the general government sector remained healthy throughout the 1980s, in large part because of favourable economic performance. Though the ratio of general government outlays (public demand and transfer payments) to GDP exhibited an upward trend for almost the entire decade, revenue also grew in relation to GDP. The shift in production toward the labour-intensive service sectors, together with the rapid growth of domestic demand in the latter years of the decade, served to broaden the tax base (Chart 6).

Central government debt, which in Finland makes up most of general government debt, rose slightly in relation to GDP until the final years of the 1980s, before declining markedly during the economic boom. By international standards, central government debt remained small, as too did other components of general government debt, primarily local government debt. Debt financing plays a minor role in local government largely because of legal limita-

³ Households have accounted for about 20 per cent of the banking sector's non-performing loans and 6-7 per cent of its credit losses.

TABLE. FINANCIAL ASSETS AND LIABILITIES BY SECTOR

| Billion FIM | 1988 | 1989 | 1990 | 1991 | 1992 |
|-------------------------------|------|------|------|------|------|
| Public sector | | | | | |
| Financial assets | 65 | 73 | 82 | 83 | 111 |
| Financial liabilities | 77 | 76 | 79 | 115 | 204 |
| Household sector ¹ | | | | | |
| Financial assets | 238 | 254 | 266 | 270 | 272 |
| Financial liabilities | 220 | 251 | 267 | 278 | 276 |
| Corporate sector | | | | | |
| Financial assets | 117 | 151 | 157 | 174 | 200 |
| Financial liabilities | 320 | 376 | 428 | 458 | 461 |

¹ Including non-profit institutions.

tions and the significant share of state-aids in financing local government spending.

Following the onset of economic recession in Finland, the financial position of the public sector has deteriorated sharply since 1991. General government outlays, especially those of the central government sector, have risen sharply as a result of the recession. Expenditure related to unemployment has soared in response to a fourfold rise in the unemployment rate from 4.2 per cent at the end of 1990. Another large component of central government expenditure that is related to the recession is the capital support provided by way of loans to banks. The third component of outlays contributing to the increased expenditure of central and local government is related to interest payments on outstanding debt, which have grown at an accelerating pace because of both the rapid growth of debt and the high level of interest rates. On the revenue side the slump has caused a general erosion of the tax base and, in addition, the shifts in demand have resulted in a decrease in tax revenue.

Whereas the general government sector still recorded a revenue surplus (revenue less expenditure before financial transactions) in 1990, a deficit amounting to 9 per cent of GDP had emerged by 1992. The bulk of this deficit – 7 percentage points – is attributable to the central government. Another factor contributing to the growth of central government debt has been the expansion of financial investments referred to above. Central government debt, which

amounted to only 11.3 per cent of GDP at the end of 1990, had reached 34.9 per cent by the end of 1992 (Chart 7).

The share of borrowing abroad in the financing of the central government deficit has increased. This shift is also connected with a change in the sectoral distribution of capital imports. As a result of the efforts by the private sector to consolidate its debt, the net foreign debt of this sector has recently started to decline.

Of the central government's net borrowing in 1991 and 1992, over 50 per cent was denominated in foreign currency. This has increased the central government's exposure to exchange rate risk. By March 1993, the weakening of the markka had increased the markka value of central government debt in relation to GDP by some 6 percentage points compared with the situation prior to the devaluation of November 1991.

**PRIVATE SECTOR'S
FINANCIAL BALANCE
IMPROVING, PRIORITY
GIVEN TO ADJUSTMENT
IN THE PUBLIC SECTOR,
EXTERNAL BALANCE
STRENGTHENING**

Adjustment towards better financial balance in the private sector is expected to continue in the near term. Cautious income expectations should keep the household sector's saving propensity at a high level and channel savings into debt repayment and the accumulation of financial assets. In the corporate sector intense efforts are being made to restore indebtedness to more sustainable levels. Owing to low levels of capacity utili-

zation investment demand is not expected to pick up significantly. In the public sector, however, the financial deficit is likely to deepen further in 1993.

The unexpectedly rapid build-up in central government debt has focused attention in fiscal policy on the urgency of halting the continued rise in indebtedness. Cutting public deficits is considered essential for an improvement in the economy's external balance. Fiscal consolidation is also regarded as a precondition for lower domestic interest rates and for curbing pressures for higher taxation.

The Government has made a reduction in the size of the public sector the prime objective of fiscal policy. In order to achieve this objective, the Government has adopted a medium-term budgetary framework aimed at reducing real central government outlays to their 1991 level by 1995. The first cuts were included in the 1992 budget while the budget for 1993 provided for substantially larger spending cuts, amounting to over 4 per cent of GDP. In October last year and again in March this year, the Government announced additional savings measures to be taken in 1994–96. In March, the Government also set explicit targets for the consolidation of central government finances. The aim is to halt the rise in the level of central government indebtedness so that by 1997 the ratio of debt to gross domestic product would be no more 70 per cent.

The improvement in the current account position is expected to continue over the next two years. The current account is forecast to move into surplus in the course of next year and to remain in surplus in 1995. This development implies a clear turnaround in net foreign debt in relation to export earnings in 1993 and later also a halt in the upward trend in the outstanding value of debt.

14 May 1993

ITEMS

FINLAND'S BALANCE OF PAYMENTS, JANUARY-MARCH 1993

Current account

The current account showed a deficit of FIM 6.2 billion in January-March of this year, FIM 1.9 billion less than in the corresponding period a year ago. The main contributions to the improvement came from an increase in the trade surplus and a decrease in the deficit on the services account. The improvement in the external balance was, however, partially offset by a rise in net interest expenditure.

Goods. Compiled on a balance-of-payments basis, the trade account posted a surplus of FIM 5.3 billion, FIM 3.3 billion more than for the first quarter of 1992. The value of exports grew by 24 per cent. The sharpest increase was registered for the exports of the paper and basic metals industries. The value of imports rose by 12 per cent. Imports of raw materials and intermediate goods grew by 11 per cent, whereas imports of consumer goods fell by 10 per cent.

Services. The deficit on the services account totalled FIM 1.7 billion, down by FIM 0.7 billion from the corresponding period a year ago. The surplus on the transport account grew slightly. The services account improved substantially as a result of a marked narrowing of the deficit on the travel account; this was mainly due to a fall of 19 per cent in travel expenditure. There was no further increase in the deficit on the other services account.

Investment income. Investment expenditure abroad 14 amounted to FIM 10.3 billion,

MAJOR BALANCE OF PAYMENTS ITEMS, JANUARY-MARCH 1993, MILLION FIM¹

| | Receipts | Expenditure | Net |
|--|------------------|-----------------------|----------------|
| Trade (exports fob, imports cif) | 31 312 | 25 962 | 5 350 |
| Adjustment items | -468 | -393 | -75 |
| Trade account | 30 844 | 25 569 | 5 275 |
| Transport | 2 007 | 1 018 | 989 |
| Travel | 1 211 | 2 198 | -988 |
| Other services | 2 502 | 4 195 | -1 693 |
| Services account | 5 720 | 7 412 | -1 692 |
| GOODS AND SERVICES ACCOUNT | 36 564 | 32 981 | 3 583 |
| Investment income | 2 098 | 10 326 | -8 228 |
| Unrequited transfers | 471 | 1 761 | -1 290 |
| Other | 1 126 | 1 406 | -280 |
| A. CURRENT ACCOUNT | 40 259 | 46 475 | -6 216 |
| | Change in assets | Change in liabilities | Net |
| Loans | 692 | 9 232 | 9 924 |
| Direct investment | -1 497 | 151 | -1 346 |
| Portfolio investment | -2 915 | 16 270 | 13 355 |
| Other long-term capital | 106 | -384 | -278 |
| B. LONG-TERM CAPITAL ACCOUNT | -3 614 | 25 269 | 21 655 |
| BASIC BALANCE (A+B) | | | 15 439 |
| Trade credits | -1 376 | 265 | -1 111 |
| Short-term capital of banks | -18 341 | -3 922 | -22 263 |
| Other short-term capital | 1 256 | -5 922 | -4 666 |
| Errors and omissions | | | 6 907 |
| C. SHORT-TERM CAPITAL ACCOUNT | | | -21 133 |
| OVERALL BALANCE (A+B+C) | | | -5 694 |
| Change in the foreign exchange reserves of the Bank of Finland | | | 5 694 |

Assets: increase -, decrease +
Liabilities: increase +, decrease -

¹ Preliminary figures.

while investment income from abroad totalled FIM 2.1 billion. Interest payments abroad totalled FIM 8.2 billion, FIM 2.3 billion more than a year earlier.¹

¹ Current account data include estimated reinvested earnings from direct investment, ie the combined income of direct investment enterprises after payment of dividends. In previous years, the current account was not adjusted for this item until later.

Capital account

There were heavy capital movements during the first quarter of the year, although net imports of capital totalled only FIM 0.5 billion. Net exports of capital by the private sector amounted to FIM 26.2 billion, while net imports of capital by the central government totalled FIM 29.1 billion. As the net inflow of capital was not sufficient to cover the current account deficit, the Bank of Finland's foreign exchange reserves decreased by FIM 5.7 billion. At the end of March, the Bank of Finland's foreign exchange reserves stood at FIM 27.3 billion.

Direct investment. Finnish direct investment abroad totalled FIM 1.5 billion in net terms, approximately the same as in January–March last year. Net foreign direct investment in Finland amounted to only FIM 0.2 billion.

Portfolio investment. Net capital imports in the form of portfolio investment amounted to FIM 13.4 billion. Net sales of Finnish bonds abroad totalled FIM 15.0 billion. Sales of Finnish

shares abroad amounted to FIM 1.3 billion, approximately FIM 1 billion more than a year ago. A major factor contributing to this development was the lifting of the restrictions on foreign ownership of Finnish shares from the beginning of the year. Finnish investment in foreign bonds amounted to FIM 2.9 billion.

Short-term capital. Net exports of short-term capital amounted to FIM 21.1 billion, a large part of which was due to an increase in the banks' short-term claims. In January, the Bank of Finland repaid the remaining amount, FIM 2.4 billion in all, of the currency support credits which the Bank had drawn in autumn 1992. Short-term liabilities related to imports grew by FIM 0.4 billion and prepayments and receivables related to exports by FIM 1.5 billion.

Net foreign debt

According to preliminary data, Finland's net foreign debt amounted to FIM 263.4 billion at the end of March. Net long-term debt accounted for 261.4

billion and net short-term debt for FIM 2.0 billion. Exchange rate changes and other valuation items² increased Finland's net debt by some FIM 28 billion in the first quarter of the year. The central government's share of total net foreign debt was FIM 156.8 billion.

PUBLICATION OF THE BANK OF FINLAND

The Bank of Finland Year Book for 1992 has been published. The Year Book includes the Governor's review, a review of central bank policy and other central bank activities in 1992 as well as the financial statements and accompanying notes. Various banking transactions undertaken by the Bank during the year under review are included in a statistical appendix. Helsinki 1993. 85 pp. ISSN 0081-9468.

² In addition to exchange rate changes, the amount of outstanding liabilities and assets is affected, *inter alia*, by changes in prices of securities and by credit losses.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM JUNE 1992 TO MAY 1993

1992

JUNE

Government Guarantee Fund becomes new owner of Skopbank.

On 12 June, the Parliamentary Supervisory Board approves a deal whereby Scopulus Oy, owned by the Bank of Finland, sells its holdings of Skopbank shares and preferred capital certificates to the Government Guarantee Fund.

Government offer of capital for banks.

Based on the decision by the Government in March to make available FIM 8 billion for investment in banks' core capital, the Government makes a formal offer of investment to the banks on 17 June. Capital will be offered to Finnish deposit banks according to their size, as measured by risk-weighted assets and off-balance-sheet commitments calculated according to BIS standards. The capital will be available at two dates, either in August or in December, depending on the preference of the bank.

Government Guarantee Fund supports the Savings Bank of Finland.

On 26 June, the Government Guarantee Fund decides to grant capital support amounting to FIM 5.5 billion and a guarantee of FIM 1.7 billion to the Savings Bank of Finland. The latter will be established in autumn 1992 by merging 41 savings banks.

JULY

The system for regulating bank liquidity changes.

The Bank of Finland decides to replace the existing call money

16 facility by a new system for

regulating the supply of bank liquidity with effect from 1 July. The new system differs from that applied hitherto in that deposit and borrowing rates are closer to market interest rates and move in line with changes in market rates. In addition, the Bank of Finland may, at its discretion, extend the maturity of liquidity credit from one day up to four weeks.

Central banks of Finland and EC countries

strengthen cooperation. The central banks of the European Communities and the Bank of Finland decide on 15 July to strengthen their monetary cooperation. The primary means of achieving this is a network of credits available whenever necessary to support the foreign exchange reserves.

AUGUST

Government offer of capital.

Fifty-three savings banks and four commercial banks (Kansallis-Osake-Pankki, Postipankki, Skopbank and STS-Bank) accept, by 14 August, the offer of capital made by the Government. The total amount of capital raised is FIM 4.6 billion.

SEPTEMBER

Floating of the markka. On 8 September, the Bank of Finland decides to temporarily float the markka because of continuing pressure against the currency in the foreign exchange market. The decision is taken with the consent of the Government in accordance with the Currency Act.

OCTOBER

Tax-exempt deposits. On 16 October, the law on the tax relief of deposits and bonds is amended to grant tax-exempt status to 36-month fixed-rate deposits providing the interest rate on them is not more than the Bank of Finland's base rate less one percentage point and they are made between 1 September 1992 and 31 December 1993.

The tax-exempt status of 24-month deposits is extended to apply to deposits made up to the end of 1994.

Cash reserve requirement.

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

Termination of payments agreement.

The payments agreement between Finland and Bulgaria is terminated on 16 October. Immediately after this, the effecting of clearing payments is discontinued, the clearing accounts are closed and there is a changeover to the use of convertible currencies in trade between the two countries.

NOVEMBER

Amendment to the Currency Act.

On 13 November, section 2 of the Currency Act is amended so as to enable the Government, on the basis of a proposal of the Bank of Finland, to authorize the Bank to abandon the limits on the markka's range of fluctuation for an indefinite period. In addition, the Government can cancel such authorization, after taking into consideration the conditions prevailing in the money and foreign exchange markets. Prior to making the

decision, the Government must request the opinion of the Bank of Finland on the matter.

Decision to continue the floating of the markka. On 13 November, the Government, in accordance with the amendment to the Currency Act, decides to authorize the Bank of Finland to continue the floating of the markka.

Letter of intent between the Government Guarantee Fund and Kansallis-Osake-Pankki.

On 24 November, Kansallis-Osake-Pankki buys the majority shareholding in STS-Bank Ltd from the STS Foundation. On the same date, the Government Guarantee Fund and Kansallis-Osake-Pankki sign a letter of intent on the establishment of an asset management company ("bad bank") for the management of STS-Bank's bad loans. The agreement is conditional on the Act on the Government Guarantee Fund being amended to permit the establishment of such a company.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 4.0 per cent to 4.5 per cent of the cash reserve base at end-October.

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 raised to 20 per cent of currency in circulation with the public. The combined total of the banks' base amounts rises by FIM 597 million and amounts to FIM 1 791 million as from the last business day in November.

DECEMBER

Government offer of capital to banks. Two commercial banks (Union Bank of Finland and Okobank), 14 savings banks and 57 cooperative banks accept, by 16 December, the offer of capital made by the

Government. The total amount of capital raised in this context is FIM 3.3 billion.

Government Guarantee Fund grants support to Skopbank and the Savings Bank of Finland.

The Government Guarantee Fund decides, on 22 December, to grant capital support totalling FIM 1.5 billion to Skopbank and, on 30 December, to grant capital support totalling FIM 4.7 billion to the Savings Bank of Finland.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 4.5 per cent to 5.0 per cent of the cash reserve base at end-November.

1993

JANUARY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 9.5 per cent to 8.5 per cent with effect from 1 January.

Cash reserve requirement. The Bank of Finland raises the banks' cash reserve requirement from 5.0 per cent to 5.5 per cent of the cash reserve base at end-December.

Interest on cash reserve deposits. The Bank of Finland decides to lower the rate of interest paid on cash reserve deposits as from 1 January in accordance with the current cash reserve agreement. The new interest rate will be 3 percentage points below three-month HELIBOR, however not less than 8 per cent.

Swap agreement between the Nordic central banks.

The Nordic central banks decide to revise and substantially enlarge their agreement on short-term currency support, which has been in force since 1 January 1984. The revised agreement enters into force on 1 January for an indefinite period.

New legislation on foreign ownership. The 1939 Restriction Act is repealed at the end of December, and new

legislation lifting the restrictions on foreign ownership of Finnish companies enters into force on 1 January. The new legislation also liberalizes the acquisition of real estate by foreigners.

FEBRUARY

Monetary policy. The Bank of Finland specifies the guidelines in accordance with which monetary policy will be conducted over the next few years. The aim is to stabilize the rate of inflation, measured by the annual rise in consumer prices, permanently at two per cent by 1995. Inflation will be measured by the consumer price index; however, changes due to public charges, taxes and developments in housing prices will not be taken into account in monetary policy.

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 8.5 per cent to 7.5 per cent with effect from 15 February.

Finnish State guarantees banks' operations. On 23 February, Parliament unanimously approves a resolution requiring the Finnish State to guarantee that Finnish banks meet their commitments under all circumstances. At the same time, Parliament undertakes to grant the Government whatever funds and powers might be necessary for this purpose.

MARCH

Organization of the Government Guarantee Fund.

The internal organization of the Government Guarantee Fund is changed on 11 March. The changes are designed to improve the Fund's prerequisites for providing bank support. The main changes are: (1) the board of management of the Fund comprises at most five members, at least one of whom represents the Ministry of Finance; the Parliamentary Supervisory Board of the Bank of Finland continues to function as

the Fund's supervisory body and eg appoints the members of the board; (2) the Fund has a full-time manager and other necessary full-time staff; and (3) the Fund assists the Ministry of Finance in the preparation of decisions concerning the use of funds set aside for bank support in the state budget; the Government makes decisions on support measures.

MAY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 7.5 per cent to 7.0 per cent with effect from 17 May.

Cash reserve requirement. The Bank of Finland lowers the banks' cash reserve requirement from 5.5 per cent to 4.5 per cent of the cash reserve base at end-April.

Maximum interest rate on transaction accounts. Under the amendment to the law on income and wealth taxation, the maximum annual rate of interest payable on tax-exempt transaction accounts is lowered from 4.5 per cent to 2.5 per cent with effect from 6 May.



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 Russia 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 5 055 700 (1 January 1993) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 502 000 inhabitants, Espoo (Esbo) 178 850, Tampere (Tammerfors) 175 300, Turku (Åbo) 160 200 and Vantaa (Vanda) 159 300.

There are two official languages: 93.4 % of the population speaks Finnish as its mother tongue and 5.9 % 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 6 December 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, 1 March 1988 to 1 March 1994, is Dr Mauno Koivisto.

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

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

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

Of the 17 ministerial posts in the present Government appointed in April 1991, 8 are held by the Centre Party, 6 by the National Coalition Party, 2 by the Swedish 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 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. In spring 1992, Finland signed the agreement on the European Economic Area (EEA) between the member countries of EFTA and the European Community, and submitted her application for membership of the European Community. 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. Of the gross domestic product of FIM 440 billion in basic values in 1991, 3 % was generated in agriculture and fishing, 2 % in forestry, 21 % in industry, 8 % in construction, 10 % in trade, restaurants and hotels, 8 % in transport and communications, 4 % in finance and insurance, 22 % in other private services and 21 % by producers of government services. Of total employment of 2.3 million persons in 1991, 8 % were

engaged in primary production, 29 % in industry and construction and 63% in services.

In 1991, expenditure on the gross domestic product in purchasers' values amounted to FIM 503 billion and was distributed as follows: net exports -0.6 % (exports 21.8 %, imports -22.4 %), gross fixed capital formation 23 %, private consumption 55 % and government consumption 24 %. Finland's gross tax ratio (gross taxes in relation to GDP) was 37 % and the net tax ratio (net taxes in relation to GDP) 20 %, 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 4.0 % in 1990-91. Finland's GDP per capita in 1991 was USD 24 800.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1988-92, their share was, on average, 78.1 per cent, of which the share of EC countries was 47.7 percentage points and that of EFTA countries 20.2 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union) accounted for 14.4 per cent and the rest of the world for 9.6 per cent. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1992, the share of forest industry products in total merchandise exports was 38 %, the share of metal and engineering products 43 % and the share of other goods 19 %. Raw materials and intermediate goods (incl. crude oil) accounted for 62 % of merchandise imports, fuels for 4 %, investment goods for 14 % and consumption goods for 22 %.

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 38 million cubic metres in 1992.

Energy. In 1991, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 44 %, heating for 22 %, transportation for 14 % and other purposes for 20 %. The sources of primary energy in 1991 were as follows: oil 29 %, coal 12 %, nuclear power 15 %, hydro-electric power, peat and other indigenous

sources 30 %, others 14 %. Compared internationally (1990), 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 39 %, 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 1 November 1977 to 7 June 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 30 November 1988 the range was 6 percentage points). From 7 June 1991 to 7 September 1992, the markka was 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 first 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. On 8 September 1992, the Bank of Finland decided to temporarily abandon the limits of the fluctuation range and allow the markka to float. On 13 November 1992, the Government, on the basis of the amended Currency Act, authorized the Bank of Finland to float the markka for an indefinite period.

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 and determination of the external value of the currency within the fluctuation limits.* 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 8 branch offices in other towns.

Other banks (31 December 1992). Finland has three major groups of deposit banks with a total of about 2 700 offices. There are three big commercial banks with national branch networks and ten smaller ones, two of which are foreign-owned. The commercial banks have a total of 29 foreign branches, subsidiaries and associate banks and 31 representative offices abroad. There are 41 savings banks and 310 cooperative banks with their own extensive branch networks. In addition, foreign banks have three branches and eight representative offices in Finland.

Financial market. Of the total stock of FIM 776 billion in outstanding domestic credit at the end of 1991, 62 % was provided by deposit banks 3 % by private mortgage banks, 17 % by insurance companies, 4 % by other private credit institutions, 4 % by public financial institutions and 9 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 75 % of the instruments, which totalled approximately FIM 158 billion at end-1992, 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 63 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 64 billion (at end-1992). Two foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1992 totalled FIM 162 billion; government bonds made up 27 % of the total. Turnover on the Stock Exchange in 1992 amounted to FIM 26 billion; the share of shares and subscription rights in the total was approximately 40 %.



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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

| | 1992 | 1993 | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 31 Dec. | 8 April | 15 April | 23 April | 30 April |
| ASSETS | | | | | |
| Gold and foreign currency claims | 29 517 | 29 703 | 28 100 | 35 302 | 34 900 |
| Gold | 2 180 | 2 180 | 2 180 | 2 180 | 2 180 |
| Special drawing rights | 564 | 653 | 627 | 627 | 615 |
| IMF reserve tranche | 1 732 | 1 956 | 1 878 | 1 879 | 1 842 |
| Convertible currencies | 25 041 | 24 914 | 23 415 | 30 616 | 30 262 |
| Other foreign claims | 4 867 | 4 923 | 4 904 | 4 899 | 4 895 |
| Markka subscription to Finland's IMF quota | 4 464 | 4 476 | 4 476 | 4 476 | 4 476 |
| Term credit | 404 | 447 | 428 | 423 | 419 |
| Claims on financial institutions | 14 595 | 11 396 | 11 121 | 11 528 | 7 348 |
| Liquidity credits | 1 585 | 360 | 138 | 693 | 305 |
| Certificates of deposit | 3 930 | 1 160 | 1 110 | 961 | 1 543 |
| Securities with repurchase commitments | 4 408 | 5 263 | 5 270 | 5 270 | 1 145 |
| Term credits | 100 | — | — | — | — |
| Till-money credits | 2 872 | 2 994 | 2 994 | 2 994 | 2 747 |
| Bonds | 1 462 | 1 382 | 1 371 | 1 371 | 1 371 |
| Other claims on financial institutions | 238 | 238 | 238 | 238 | 238 |
| Claims on the public sector | 2 446 | 1 954 | 1 954 | 1 953 | 2 639 |
| Loans to the Government Guarantee Fund | 1 000 | 500 | 500 | 500 | 1 200 |
| Total coinage | 1 446 | 1 454 | 1 454 | 1 453 | 1 439 |
| Claims on corporations | 1 458 | 1 393 | 1 400 | 1 393 | 1 384 |
| Financing of domestic deliveries (KTR) | 747 | 682 | 678 | 671 | 662 |
| Other claims on corporations | 711 | 711 | 722 | 722 | 722 |
| Other assets | 10 925 | 9 613 | 9 614 | 9 613 | 9 618 |
| Loans for stabilizing the money market | 9 474 | 9 474 | 9 474 | 9 474 | 9 474 |
| Accrued items | 1 298 | — | — | — | — |
| Other assets | 153 | 139 | 140 | 139 | 144 |
| Capitalized expenditures and losses due to safeguarding the stability of the money market | 1 700 | 1 700 | 1 700 | 1 700 | 1 700 |
| Total | 65 509 | 60 682 | 58 792 | 66 388 | 62 483 |
| LIABILITIES | | | | | |
| Foreign currency liabilities | 101 | 297 | 275 | 281 | 276 |
| Convertible currencies | 101 | 297 | 275 | 281 | 276 |
| Other foreign liabilities | 7 764 | 5 641 | 5 594 | 5 595 | 5 573 |
| IMF markka accounts | 4 464 | 4 476 | 4 476 | 4 476 | 4 476 |
| Allocations of special drawing rights | 1 026 | 1 165 | 1 119 | 1 119 | 1 098 |
| Other foreign liabilities | 2 274 | — | — | — | — |
| Notes and coin in circulation | 14 508 | 13 998 | 13 921 | 13 693 | 13 834 |
| Notes | 13 209 | 12 707 | 12 629 | 12 405 | 12 545 |
| Coin | 1 299 | 1 290 | 1 291 | 1 288 | 1 289 |
| Certificates of deposit | 4 880 | 9 530 | 9 540 | 13 760 | 13 490 |
| Liabilities to financial institutions | 20 000 | 16 217 | 15 205 | 18 899 | 15 719 |
| Call money deposits | 2 135 | 1 519 | 506 | 650 | 1 120 |
| Term deposits | 4 700 | — | — | 3 550 | — |
| Cash reserve deposits | 13 165 | 14 698 | 14 698 | 14 698 | 14 599 |
| Other liabilities to financial institutions | — | 0 | 0 | 1 | 1 |
| Liabilities to the public sector | 90 | 303 | 444 | 459 | 59 |
| Cheque accounts | 72 | 92 | 123 | 1 | 1 |
| Deposits of the Government Guarantee Fund | 18 | 210 | 321 | 458 | 58 |
| Other liabilities to the public sector | — | — | — | — | — |
| Liabilities to corporations | 3 362 | 2 502 | 2 493 | 2 483 | 2 466 |
| Deposits for investment and ship purchase | 3 362 | 2 502 | 2 493 | 2 483 | 2 466 |
| Other liabilities | 4 399 | 163 | 158 | 157 | 153 |
| Accrued items | 4 242 | — | — | — | — |
| Other liabilities | 156 | 163 | 158 | 157 | 153 |
| Valuation account and reserves | 4 642 | 6 266 | 5 398 | 5 297 | 5 150 |
| Capital accounts | 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 | — | — | — | — | — |
| Total | 65 509 | 60 682 | 58 792 | 66 388 | 62 483 |

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 claims (10-11) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1988 | 2 128 | 1 120 | 940 | 24 373 | 28 561 | 945 | 29 506 | 1 117 | 30 623 | 1 128 | 1 903 | -775 |
| 1989 | 2 179 | 966 | 950 | 18 780 | 22 875 | -564 | 22 312 | 440 | 22 752 | 1 137 | 5 325 | -4 188 |
| 1990 | 2 180 | 791 | 783 | 33 451 | 37 205 | -882 | 36 324 | -364 | 35 960 | 1 314 | 1 321 | -7 |
| 1991 | 2 180 | 932 | 1 136 | 29 336 | 33 584 | 33 | 33 616 | -412 | 33 204 | 1 375 | 3 | 1 372 |
| 1992 | 2 180 | 564 | 1 732 | 24 940 | 29 416 | - | 29 416 | -2 897 | 26 519 | 2 446 | 90 | 2 356 |
| 1992 | | | | | | | | | | | | |
| April | 2 180 | 1 199 | 1 242 | 22 981 | 27 602 | 21 | 27 622 | -540 | 27 082 | 1 387 | 4 | 1 383 |
| May | 2 180 | 1 045 | 1 235 | 27 547 | 32 007 | 17 | 32 025 | -545 | 31 480 | 1 397 | 4 | 1 393 |
| June | 2 180 | 1 007 | 1 200 | 26 724 | 31 111 | 14 | 31 125 | -538 | 30 587 | 2 920 | 4 | 2 916 |
| July | 2 180 | 942 | 1 280 | 27 033 | 31 435 | 8 | 31 443 | -526 | 30 917 | 2 904 | 4 | 2 900 |
| Aug. | 2 180 | 861 | 1 195 | 18 830 | 23 066 | 0 | 23 066 | -2 449 | 20 617 | 4 404 | 4 | 4 400 |
| Sept. | 2 180 | 1 001 | 1 328 | 22 470 | 26 979 | -7 | 26 970 | -11 206 | 15 764 | 8 480 | 38 | 8 442 |
| Oct. | 2 180 | 1 025 | 1 360 | 29 610 | 34 175 | - | 34 175 | -11 797 | 22 378 | 8 507 | 51 | 8 456 |
| Nov. | 2 180 | 552 | 1 908 | 33 474 | 38 114 | - | 38 114 | -2 858 | 35 256 | 1 466 | 6 173 | -4 707 |
| Dec. | 2 180 | 564 | 1 732 | 24 940 | 29 416 | - | 29 416 | -2 897 | 26 519 | 2 446 | 90 | 2 356 |
| 1993 | | | | | | | | | | | | |
| Jan. | 2 180 | 595 | 1 829 | 27 247 | 31 851 | - | 31 852 | -661 | 31 191 | 2 449 | 92 | 2 357 |
| Feb. | 2 180 | 655 | 1 972 | 23 778 | 28 585 | - | 28 585 | -710 | 27 875 | 2 121 | 90 | 2 031 |
| March | 2 180 | 655 | 1 974 | 22 521 | 27 330 | - | 27 330 | -716 | 26 614 | 1 954 | 102 | 1 852 |
| April | 2 180 | 615 | 1 842 | 29 986 | 34 623 | - | 34 624 | -678 | 33 946 | 2 639 | 59 | 2 580 |

| End of period | Domestic financial sector | | | | | Corporate sector | | | | | |
|---------------|------------------------------|---|--|-------------------------------------|---|-----------------------------|---|---------------------------------------|--------------------|-------------------------------|--|
| | Term claims on deposit banks | Liquidity position of deposit banks, net ¹ | Cash reserve deposits of deposit banks | Till-money credits to deposit banks | Other claims on 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 |
| 1988 | 7 187 | 335 | -19 039 | 2 920 | 3 733 | -4 864 | 2 823 | -6 579 | -3 756 | 11 550 | 1 130 |
| 1989 | 33 230 | -531 | -25 506 | 3 310 | 2 248 | 12 751 | 2 000 | -10 604 | -8 604 | 13 129 | - |
| 1990 | 9 411 | -418 | -17 401 | 3 427 | 2 317 | -2 664 | 1 477 | -9 724 | -8 247 | 14 555 | - |
| 1991 | 11 882 | -2 206 | -10 361 | 3 528 | 2 003 | 4 846 | 1 086 | -6 854 | -5 768 | 14 528 | 8 880 |
| 1992 | 3 738 | -550 | -13 165 | 2 872 | 1 700 | -5 405 | 747 | -2 651 | -1 904 | 14 508 | 4 880 |
| 1992 | | | | | | | | | | | |
| April | 11 306 | -1 997 | -9 856 | 3 917 | 1 899 | 5 269 | 967 | -4 513 | -3 546 | 13 822 | 16 450 |
| May | 8 562 | -750 | -9 851 | 3 709 | 1 923 | 3 593 | 946 | -3 775 | -2 829 | 13 787 | 20 600 |
| June | 10 380 | -152 | -9 773 | 3 483 | 1 882 | 5 820 | 904 | -4 022 | -3 118 | 13 896 | 21 790 |
| July | 14 304 | -7 507 | -9 812 | 3 654 | 1 818 | 2 457 | 882 | -3 851 | -2 969 | 13 790 | 19 350 |
| Aug. | 15 914 | -13 405 | -9 772 | 3 534 | 1 794 | -1 935 | 861 | -3 527 | -2 666 | 13 562 | 6 930 |
| Sept. | 13 354 | -811 | -9 762 | 3 450 | 1 758 | 7 989 | 832 | -3 412 | -2 580 | 13 459 | 13 720 |
| Oct. | 5 520 | -219 | -10 421 | 3 432 | 1 748 | 60 | 807 | -3 315 | -2 508 | 13 493 | 12 540 |
| Nov. | 9 211 | 1 875 | -11 900 | 2 778 | 1 737 | 3 701 | 787 | -3 238 | -2 451 | 14 062 | 14 885 |
| Dec. | 3 738 | -550 | -13 165 | 2 872 | 1 700 | -5 405 | 747 | -2 651 | -1 904 | 14 508 | 4 880 |
| 1993 | | | | | | | | | | | |
| Jan. | 6 804 | -3 732 | -14 734 | 3 023 | 1 665 | -6 974 | 728 | -2 072 | -1 344 | 14 906 | 6 710 |
| Feb. | 7 448 | -690 | -14 806 | 3 511 | 1 639 | -2 898 | 710 | -1 915 | -1 205 | 13 840 | 7 220 |
| March | 8 069 | 142 | -14 698 | 2 994 | 1 626 | -1 867 | 686 | -1 808 | -1 122 | 13 720 | 10 270 |
| April | 2 688 | -815 | -14 599 | 2 747 | 1 608 | -8 371 | 662 | -1 744 | -1 082 | 13 834 | 13 490 |

¹ Call money claims on deposit banks, net, until 2 July 1992.

2. THE BANK OF FINLAND'S OPERATIONS IN THE MONEY AND FOREIGN EXCHANGE MARKETS AND THE BANKS' FORWARD EXCHANGE POSITION

2.1 BANKS' LIQUIDITY POSITION

AT THE BANK OF FINLAND, MILL. FIM

| Average of daily observations | Call money deposits | Liquidity credits ¹ | Liquidity position, net ¹ (1-2) |
|-------------------------------|---------------------|--------------------------------|--|
| | 1 | 2 | 3 |
| 1988 | 621 | 127 | 494 |
| 1989 | 416 | 369 | 47 |
| 1990 | 806 | 132 | 674 |
| 1991 | 881 | 985 | -103 |
| 1992 | 2 103 | 437 | 1 666 |
| 1992 | | | |
| April | 1 008 | 1 323 | -315 |
| May | 486 | 141 | 345 |
| June | 715 | 45 | 669 |
| July | 3 540 | 26 | 3 514 |
| Aug. | 8 895 | 0 | 8 894 |
| Sept. | 3 974 | 1 687 | 2 287 |
| Oct. | 2 191 | 876 | 1 314 |
| Nov. | 1 512 | 296 | 1 215 |
| Dec. | 1 193 | 640 | 553 |
| 1993 | | | |
| Jan. | 1 511 | 594 | 917 |
| Feb. | 1 305 | 23 | 1 282 |
| March | 416 | 1 008 | -592 |
| April | 629 | 390 | 239 |

2.2 THE BANK OF FINLAND'S CASH RESERVE SYSTEM

| End of period | Cash reserve requirement, % | Deposits, mill. FIM | Average rate of interest on deposits, during period, % |
|---------------|-----------------------------|---------------------|--|
| | 1 | 2 | 3 |
| 1988 | 7.6 | 19 039 | 7.38 |
| 1989 | 9.1 | 25 506 | 7.00 |
| 1990 | 7.0 | 17 401 | 8.73 |
| 1991 | 4.0 | 10 361 | 10.11 |
| 1992 | 5.0 | 13 165 | 11.00 |
| 1992 | | | |
| May | 3.7 | 9 851 | 11.75 |
| June | 3.7 | 9 773 | 11.74 |
| July | 3.7 | 9 812 | 11.92 |
| Aug. | 3.7 | 9 772 | 13.09 |
| Sept. | 3.7 | 9 762 | 14.43 |
| Oct. | 4.0 | 10 421 | 11.38 |
| Nov. | 4.5 | 11 900 | 9.47 |
| Dec. | 5.0 | 13 165 | 8.66 |
| 1993 | | | |
| Jan. | 5.5 | 14 734 | 8.00 |
| Feb. | 5.5 | 14 806 | 8.00 |
| March | 5.5 | 14 698 | 8.00 |
| April | 5.5 | 14 599 | 8.00 |
| May | 4.5 | .. | .. |

¹ Call money credits and call money position until 2 July 1992.

2.3 THE BANK OF FINLAND'S MONEY MARKET TRANSACTIONS, MILL. FIM

| During period | Purchases of money market instruments | Sales of money market instruments | Matured money market instruments, net | Money market transactions, net (1-2-3) |
|---------------|---------------------------------------|-----------------------------------|---------------------------------------|--|
| | 1 | 2 | 3 | 4 |
| 1988 | 13 840 | 19 190 | -16 850 | 11 500 |
| 1989 | 131 110 | 3 855 | 99 245 | 28 010 |
| 1990 | 163 326 | 26 379 | 160 797 | -23 850 |
| 1991 | 109 568 | 30 380 | 81 969 | -2 781 |
| 1992 | 76 230 | 137 940 | -49 457 | -12 253 |
| 1992 | | | | |
| April | 11 310 | 17 310 | -9 200 | 3 200 |
| May | 6 630 | 15 240 | 1 930 | -10 540 |
| June | 8 200 | 14 860 | -6 600 | -60 |
| July | 11 700 | 13 300 | -9 798 | 8 198 |
| Aug. | 6 520 | 7 650 | -14 659 | 13 529 |
| Sept. | 4 300 | 19 920 | -5 930 | -9 690 |
| Oct. | 1 760 | 10 740 | -2 060 | -6 920 |
| Nov. | 8 030 | 7 570 | -1 980 | 2 440 |
| Dec. | 12 070 | 5 680 | 3 040 | 3 350 |
| 1993 | | | | |
| Jan. | 5 490 | 5 400 | 3 890 | -3 800 |
| Feb. | 6 500 | 8 340 | -260 | -1 580 |
| March | 10 470 | 12 750 | 4 660 | -6 940 |
| April | 5 870 | 11 310 | 8 550 | -13 990 |

2.4 THE BANK OF FINLAND'S TRANSACTIONS IN CONVERTIBLE CURRENCIES, MILL. FIM

| During period | Intervention in the foreign exchange market | | | Spot transactions related to forward contracts, net | Central government's foreign exchange transactions, net |
|---------------|---|------------|---|---|---|
| | Spot purchases | Spot sales | Forward exchange intervention = change in forward exchange position | | |
| | 1 | 2 | 3 | 4 | 5 |
| 1991 | 35 120 | -69 940 | -14 820 | 12 820 | 12 260 |
| 1992 | 20 050 | -70 640 | -1 650 | 390 | 45 060 |
| 1992 | | | | | |
| March | 50 | -250 | 1 200 | -1 200 | 1 250 |
| April | 2 960 | -16 650 | -2 790 | 1 650 | 6 040 |
| May | 3 870 | - | 500 | -320 | 930 |
| June | 1 480 | -2 380 | 2 530 | 3 390 | 5 370 |
| July | 470 | -5 790 | 1 450 | -1 590 | 3 760 |
| Aug. | 110 | -17 700 | -6 110 | 6 350 | 3 170 |
| Sept. | - | -20 880 | -14 860 | 11 610 | 2 800 |
| Oct. | 5 870 | - | 670 | -2 210 | 3 510 |
| Nov. | 4 530 | - | 6 190 | -6 610 | 13 020 |
| Dec. | - | -2 990 | 5 100 | -5 710 | -1 200 |
| 1993 | | | | | |
| Jan. | - | -9 390 | -440 | -580 | 12 660 |
| Feb. | - | -8 830 | 3 600 | -2 000 | 7 870 |
| March | - | -7 470 | -3 920 | 4 030 | 2 690 |

2.5 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 |
| 1988 | 16 488 | 1 543 | 14 946 | 9 086 | -377 | 23 654 |
| 1989 | 10 531 | 3 563 | 6 967 | 8 031 | 205 | 15 204 |
| 1990 | 11 609 | 4 979 | 6 631 | 10 100 | -6 098 | 10 633 |
| 1991 | 33 004 | 36 352 | -3 348 | 2 550 | 8 953 | 8 155 |
| 1992 | 39 195 | 32 939 | 6 256 | -11 197 | 7 133 | 2 192 |
| 1992 | | | | | | |
| March | 27 850 | 22 720 | 5 130 | 5 216 | 2 937 | 13 283 |
| April | 29 812 | 27 586 | 2 227 | -423 | 5 815 | 7 619 |
| May | 29 457 | 24 458 | 4 999 | 408 | 5 531 | 10 938 |
| June | 28 942 | 28 750 | 192 | 4 412 | 807 | 5 411 |
| July | 27 567 | 29 494 | -1 927 | 4 013 | 1 328 | 3 414 |
| Aug. | 25 399 | 34 767 | -9 368 | 421 | 7 933 | -1 014 |
| Sept. | 34 168 | 45 232 | -11 065 | -9 827 | 20 158 | -734 |
| Oct. | 37 048 | 38 820 | -1 771 | -10 681 | 17 921 | 5 469 |
| Nov. | 40 986 | 35 550 | 5 436 | -11 623 | 11 617 | 5 430 |
| Dec. | 39 195 | 32 939 | 6 256 | -11 197 | 7 133 | 2 192 |
| 1993 | | | | | | |
| Jan. | 35 125 | 32 711 | 2 414 | -9 056 | 6 433 | -209 |
| Feb. | 33 968 | 32 896 | 1 072 | -8 308 | 2 585 | -4 651 |
| March | 33 115 | 34 059 | -944 | -10 187 | 9 815 | -1 316 |

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 | | |
|-------------------------------|---------------------------|---------|----------|----------|-----------|------------------------------------|-------------------------|-----------|
| | | 1 month | 3 months | 6 months | 12 months | Liquidity credit rate ¹ | Call money deposit rate | Base rate |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1988 | 8.47 | 9.77 | 9.97 | 10.16 | 10.50 | 11.50 | 7.04 | 7.63 |
| 1989 | 10.21 | 12.32 | 12.53 | 12.61 | 12.72 | 13.40 | 4.00 | 7.67 |
| 1990 | 10.57 | 13.63 | 13.99 | 14.16 | 14.39 | 15.00 | 4.00 | 8.50 |
| 1991 | 14.89 | 13.64 | 13.07 | 12.69 | 12.53 | 15.48 | 4.00 | 8.50 |
| 1992 | 13.32 | 13.49 | 13.27 | 13.08 | 12.96 | 14.90 | 7.41 | 9.17 |
| 1992 | | | | | | | | |
| April | 17.24 | 15.94 | 14.21 | 13.38 | 13.04 | 15.00 | 4.00 | 8.50 |
| May | 14.39 | 14.05 | 13.73 | 13.28 | 13.10 | 15.00 | 4.00 | 9.50 |
| June | 13.58 | 13.58 | 13.70 | 13.83 | 13.76 | 15.00 | 4.00 | 9.50 |
| July | 13.47 | 13.45 | 13.96 | 14.19 | 14.07 | 14.37 | 12.13 | 9.50 |
| Aug. | 15.02 | 15.25 | 15.09 | 14.97 | 14.69 | 16.84 | 14.65 | 9.50 |
| Sept. | 16.65 | 17.79 | 16.41 | 15.29 | 14.71 | 19.15 | 13.43 | 9.50 |
| Oct. | 12.23 | 13.34 | 13.37 | 13.32 | 13.39 | 14.69 | 8.96 | 9.50 |
| Nov. | 10.66 | 11.04 | 11.50 | 11.63 | 11.72 | 12.03 | 8.03 | 9.50 |
| Dec. | 10.20 | 10.55 | 10.68 | 10.70 | 10.70 | 11.69 | 7.69 | 9.50 |
| 1993 | | | | | | | | |
| Jan. | 10.20 | 10.53 | 10.64 | 10.63 | 10.57 | 11.49 | 7.49 | 8.50 |
| Feb. | 8.47 | 9.16 | 9.19 | 9.22 | 9.30 | 10.34 | 6.34 | 8.00 |
| March | 9.13 | 8.99 | 8.90 | 8.69 | 8.62 | 9.96 | 5.96 | 7.50 |
| April | 8.93 | 8.85 | 8.73 | 8.57 | 8.44 | 9.85 | 5.85 | 7.50 |

¹ Call money credit rate until 2 July 1992.

3.2 THE BANK OF FINLAND'S LIQUIDITY FACILITY

| | The Bank of Finland's tender rate, % | Liquidity credit: interest rate margin, %-points | Liquidity credit: maturity, days | Call money deposits: interest rate margin, %-points |
|--------------|--------------------------------------|--|----------------------------------|---|
| | 1 | 2 | 3 | 4 |
| 1992 | | | | |
| July | 13.37 | July +1.00 | 7 | -1.00 |
| Aug. | 15.84 | Aug. +1.00 | 14 | -2.00 |
| Sept. | 18.15 | Sept. +1.00 | 14 | -5.00 |
| Oct. | 13.69 | Oct. +1.00 | 7 | -3.00 |
| Nov. | 11.03 | Nov. +1.00 | 7 | -3.00 |
| Dec. | 10.69 | Dec. +1.00 | 7 | -3.00 |
| 1993 | | | | |
| Jan. | 10.49 | Jan. +1.00 | 7 | -3.00 |
| Feb. | 9.34 | Feb. +1.00 | 7 | -3.00 |
| March | 8.96 | March +1.00 | 7 | -3.00 |
| April | 8.85 | April +1.00 | 7 | -3.00 |
| 5 April | 9.04 | | | |
| 15 April | 8.90 | | | |
| 20 April | 8.75 | | | |
| 28 April | 8.58 | | | |
| 30 April | 8.52 | | | |

3.3 WEIGHTED EURORATES AND COMMERCIAL ECU INTEREST RATE, PER CENT

| Average of daily observations | ECU | 3 currencies | Commercial ECU |
|-------------------------------|----------|--------------|----------------|
| | 3 months | | |
| | 1 | 2 | 3 |
| 1988 | 6.9 | 6.0 | 6.9 |
| 1989 | 9.3 | 8.4 | 9.3 |
| 1990 | 10.5 | 9.1 | 10.4 |
| 1991 | 10.1 | 8.5 | 9.9 |
| 1992 | 10.4 | 7.8 | 10.6 |
| 1992 | | | |
| April | 10.3 | 8.2 | 10.2 |
| May | 10.2 | 8.1 | 10.2 |
| June | 10.4 | 8.0 | 10.5 |
| July | 10.7 | 7.9 | 10.8 |
| Aug. | 10.9 | 8.0 | 11.1 |
| Sept. | 11.0 | 7.5 | 11.6 |
| Oct. | 10.3 | 7.2 | 11.1 |
| Nov. | 9.9 | 7.3 | 10.4 |
| Dec. | 10.3 | 7.2 | 10.9 |
| 1993 | | | |
| Jan. | 9.9 | 6.8 | 10.1 |
| Feb. | 9.9 | 6.6 | 9.6 |
| March | 9.3 | 6.4 | 9.2 |
| April | 8.6 | 6.3 | 8.9 |

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

| Average for period | Lending | | | | | | Markka deposits and other markka funding | | | | | |
|--------------------|--|-------------------|-------|--------------------|----------------------|----------------------------|---|---|---|--------------------------------------|---|--|
| | New credits | | | | Average lending rate | Of which: Commercial banks | 24-month tax-exempt deposits ¹ | 36-month tax-exempt deposits ¹ | Other tax-exempt deposits, max. rate of interest ¹ | Average rate of interest on deposits | Average rate of interest on other funding | Average rate of interest on markka funding |
| | Cheque account and postal giro credits | Bills of exchange | Loans | New lending, total | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1988 | 10.22 | 12.27 | 10.50 | 10.72 | 9.88 | 9.74 | 8.00 | . | 3.75 | 5.24 | 9.80 | 6.20 |
| 1989 | 12.97 | 13.47 | 11.58 | 12.07 | 10.56 | 10.40 | 7.50 | . | 4.50 | 5.67 | 11.92 | 7.37 |
| 1990 | 13.24 | 15.62 | 13.33 | 13.85 | 11.84 | 11.61 | 7.50 | . | 4.50 | 6.43 | 13.55 | 8.41 |
| 1991 | 13.63 | 15.88 | 13.40 | 13.84 | 12.08 | 11.80 | 7.50 | . | 4.50 | 7.10 | 13.22 | 8.97 |
| 1992 | 14.04 | 15.86 | 13.32 | 13.75 | 12.46 | 12.13 | 7.50 | 8.50 | 4.50 | 7.41 | 12.84 | 9.14 |
| 1992 | | | | | | | | | | | | |
| March | 14.21 | 15.73 | 13.36 | 13.81 | 11.97 | 11.70 | 7.50 | . | 4.50 | 7.23 | 12.32 | 8.77 |
| April | 12.31 | 16.24 | 13.75 | 14.06 | 12.08 | 11.76 | 7.50 | . | 4.50 | 7.33 | 13.09 | 9.16 |
| May | 15.34 | 15.59 | 13.82 | 14.22 | 12.50 | 12.21 | 7.50 | . | 4.50 | 7.42 | 12.95 | 9.12 |
| June | 15.17 | 15.47 | 14.04 | 14.39 | 12.61 | 12.29 | 7.50 | . | 4.50 | 7.42 | 12.94 | 9.15 |
| July | 15.96 | 16.19 | 14.06 | 14.56 | 12.63 | 12.29 | 7.50 | . | 4.50 | 7.55 | 12.94 | 9.26 |
| Aug. | 16.21 | 16.56 | 14.33 | 14.81 | 12.81 | 12.52 | 7.50 | . | 4.50 | 7.71 | 13.64 | 9.68 |
| Sept. | 16.56 | 16.94 | 14.52 | 15.00 | 13.01 | 12.72 | 7.50 | 8.50 | 4.50 | 7.80 | 14.39 | 10.03 |
| Oct. | 16.70 | 16.29 | 13.76 | 14.29 | 12.87 | 12.43 | 7.50 | 8.50 | 4.50 | 7.66 | 13.11 | 9.41 |
| Nov. | 14.18 | 15.74 | 13.10 | 13.47 | 12.70 | 12.26 | 7.50 | 8.50 | 4.50 | 7.41 | 12.26 | 8.99 |
| Dec. | 12.63 | 14.99 | 11.64 | 11.98 | 12.34 | 11.93 | 7.50 | 8.50 | 4.50 | 7.06 | 11.78 | 8.62 |
| 1993 | | | | | | | | | | | | |
| Jan. | 11.87 | 15.36 | 12.32 | 12.53 | 11.89 | 11.68 | 6.50 | 7.50 | 4.50 | 6.56 | 11.18 | 8.04 |
| Feb. | 12.07 | 14.78 | 11.34 | 11.68 | 11.33 | 11.15 | 5.50 | 6.50 | 4.50 | 6.05 | 10.51 | 7.53 |
| March | 11.35 | 14.50 | 10.93 | 11.29 | 11.07 | 10.84 | 5.50 | 6.50 | 4.50 | 5.87 | 10.04 | 7.30 |

¹ End of period.

3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

| Period | Reference rates calculated by the Bank of Finland | | Taxable government bonds | | Taxable public issues | Taxfree public issues |
|--------------|---|---------|--------------------------|-------------------|-----------------------|-----------------------|
| | 3 years | 5 years | 5 years | 10 years | | |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 1988 | 10.7 | 10.8 | 10.6 | . | 10.6 | 7.8 |
| 1989 | 12.2 | 12.0 | 12.1 | . | 11.9 | 8.1 |
| 1990 | 13.7 | 13.5 | 13.2 | . | 13.3 | 9.2 |
| 1991 | 12.3 | 12.2 | 11.9 | . | 12.6 | 10.0 |
| 1992 | 13.1 | 13.0 | 12.1 | 11.5 ¹ | 13.8 | 9.9 |
| 1992 | | | | | | |
| March | 12.1 | 12.1 | 11.3 | . | 12.4 | 9.8 |
| April | 12.8 | 12.7 | 11.9 | . | 12.8 | 9.8 |
| May | 13.0 | 12.9 | 11.8 | . | 13.0 | 9.8 |
| June | 13.3 | 13.2 | 12.2 | . | 14.2 | 10.2 |
| July | 13.6 | 13.3 | 12.1 | . | 14.1 | 10.5 |
| Aug. | 14.3 | 14.0 | 12.8 | . | 14.5 | 10.4 |
| Sept. | 15.0 | 14.7 | 13.3 | . | 15.3 | 10.1 |
| Oct. | 14.3 | 14.2 | 13.0 | . | 15.3 | 9.9 |
| Nov. | 12.8 | 12.9 | 12.0 | 12.0 | 14.7 | 9.4 |
| Dec. | 11.7 | 11.8 | 10.9 | 11.0 | 13.2 | 9.5 |
| 1993 | | | | | | |
| Jan. | 11.4 | 11.6 | 10.7 | 10.9 | 12.2 | 8.6 |
| Feb. | 10.5 | 10.7 | 9.9 | 10.3 | 12.1 | 8.0 |
| March | 9.7 | 10.0 | 9.4 | 9.9 | 11.4 | 7.6 |

¹ November and December only.

4. RATES OF EXCHANGE

4.1 MIDDLE RATES, FIM

| Average of daily quotations | New York | Montreal | London | Dublin | Stockholm | Oslo | Copenhagen | Frankfurt aM | Amsterdam | Brussels | Zürich | Paris |
|-----------------------------|----------|----------|--------|--------|-----------|--------|------------|--------------|-----------|----------|--------|--------|
| | 1 USD | 1 CAD | 1 GBP | 1 IEP | 1 SEK | 1 NOK | 1 DKK | 1 DEM | 1 NLG | 1 BEF | 1 CHF | 1 FRF |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1988 | 4.187 | 3.405 | 7.446 | 6.377 | 0.6829 | 0.6424 | 0.6220 | 2.3842 | 2.1185 | 0.11390 | 2.8631 | 0.7029 |
| 1989 | 4.290 | 3.624 | 7.032 | 6.082 | 0.6654 | 0.6213 | 0.5869 | 2.2818 | 2.0226 | 0.10890 | 2.6243 | 0.6725 |
| 1990 | 3.823 | 3.277 | 6.808 | 6.325 | 0.6459 | 0.6110 | 0.6181 | 2.3664 | 2.1002 | 0.11447 | 2.7576 | 0.7024 |
| 1991 | 4.046 | 3.533 | 7.131 | 6.511 | 0.6684 | 0.6236 | 0.6322 | 2.4380 | 2.1634 | 0.11841 | 2.8208 | 0.7169 |
| 1992 | 4.483 | 3.706 | 7.875 | 7.636 | 0.7714 | 0.7222 | 0.7444 | 2.8769 | 2.5552 | 0.13973 | 3.2000 | 0.8486 |
| 1992 | | | | | | | | | | | | |
| April | 4.495 | 3.783 | 7.895 | 7.270 | 0.7538 | 0.6962 | 0.7039 | 2.7280 | 2.4233 | 0.13258 | 2.9655 | 0.8066 |
| May | 4.402 | 3.672 | 7.975 | 7.256 | 0.7540 | 0.6962 | 0.7033 | 2.7162 | 2.4129 | 0.13196 | 2.9529 | 0.8079 |
| June | 4.290 | 3.587 | 7.945 | 7.269 | 0.7544 | 0.6967 | 0.7069 | 2.7238 | 2.4178 | 0.13235 | 3.0051 | 0.8091 |
| July | 4.077 | 3.420 | 7.824 | 7.292 | 0.7545 | 0.6966 | 0.7107 | 2.7356 | 2.4261 | 0.13279 | 3.0576 | 0.8106 |
| Aug. | 3.985 | 3.350 | 7.734 | 7.289 | 0.7540 | 0.6962 | 0.7120 | 2.7462 | 2.4358 | 0.13328 | 3.0659 | 0.8096 |
| Sept. | 4.439 | 3.635 | 8.209 | 8.066 | 0.8271 | 0.7653 | 0.7904 | 3.0602 | 2.7170 | 0.14848 | 3.4724 | 0.8993 |
| Oct. | 4.695 | 3.771 | 7.791 | 8.340 | 0.8410 | 0.7774 | 0.8218 | 3.1725 | 2.8180 | 0.15398 | 3.5775 | 0.9350 |
| Nov. | 5.048 | 3.982 | 7.714 | 8.394 | 0.8140 | 0.7805 | 0.8263 | 3.1812 | 2.8281 | 0.15465 | 3.5330 | 0.9404 |
| Dec. | 5.136 | 4.034 | 7.969 | 8.570 | 0.7457 | 0.7710 | 0.8395 | 3.2477 | 2.8890 | 0.15784 | 3.6137 | 0.9526 |
| 1993 | | | | | | | | | | | | |
| Jan. | 5.419 | 4.242 | 8.304 | 8.863 | 0.7475 | 0.7885 | 0.8699 | 3.3561 | 2.9850 | 0.16307 | 3.6685 | 0.9899 |
| Feb. | 5.830 | 4.622 | 8.387 | 8.641 | 0.7747 | 0.8352 | 0.9247 | 3.5526 | 3.1565 | 0.17228 | 3.8416 | 1.0488 |
| March | 5.972 | 4.790 | 8.716 | 8.810 | 0.7720 | 0.8527 | 0.9441 | 3.6258 | 3.2254 | 0.17604 | 3.9274 | 1.0673 |
| April | 5.597 | 4.435 | 8.646 | 8.551 | 0.7519 | 0.8268 | 0.9131 | 3.5076 | 3.1212 | 0.17038 | 3.8346 | 1.0371 |

| Average of daily quotations | Rome | Vienna | Lisbon | Reykjavik | Madrid | Athens | Tallinn | Tokyo | Melbourne | ECU Commercial | SDR |
|-----------------------------|---------|--------|--------|-----------|--------|--------|---------|---------|-----------|----------------|---------|
| | 1 ITL | 1 ATS | 1 PTE | 1 ISK | 1 ESP | 1 ORD | 1 EEK | 1 JPY | 1 AUD | 1 XEU | 1 XDR |
| | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 1988 | 0.00322 | 0.3391 | 0.0291 | 0.0980 | 0.0359 | .. | .. | 0.03266 | 3.288 | 4.944 | 5.61826 |
| 1989 | 0.00313 | 0.3242 | 0.0273 | 0.0758 | 0.0362 | .. | .. | 0.03116 | 3.398 | 4.719 | 5.49375 |
| 1990 | 0.00319 | 0.3363 | 0.0268 | 0.0656 | 0.0375 | .. | .. | 0.02647 | 2.988 | 4.864 | 5.18345 |
| 1991 | 0.00326 | 0.3464 | 0.0280 | 0.0684 | 0.0389 | 0.0224 | .. | 0.03008 | 3.152 | 5.003 | 5.53082 |
| 1992 | 0.00364 | 0.4088 | 0.0332 | 0.0778 | 0.0438 | 0.0235 | 0.4060 | 0.03546 | 3.289 | 5.798 | 6.31247 |
| 1992 | | | | | | | | | | | |
| April | 0.00362 | 0.3875 | 0.0320 | 0.0759 | 0.0433 | 0.0231 | .. | 0.03368 | 3.428 | 5.586 | 6.16396 |
| May | 0.00361 | 0.3860 | 0.0326 | 0.0755 | 0.0434 | 0.0230 | .. | 0.03369 | 3.328 | 5.581 | 6.11371 |
| June | 0.00360 | 0.3869 | 0.0328 | 0.0752 | 0.0433 | 0.0224 | .. | 0.03381 | 3.246 | 5.583 | 6.05642 |
| July | 0.00361 | 0.3888 | 0.0323 | 0.0744 | 0.0430 | 0.0220 | .. | 0.03245 | 3.039 | 5.585 | 5.88609 |
| Aug. | 0.00362 | 0.3901 | 0.0318 | 0.0739 | 0.0428 | 0.0220 | .. | 0.03155 | 2.890 | 5.582 | 5.80390 |
| Sept. | 0.00380 | 0.4346 | 0.0348 | 0.0819 | 0.0455 | 0.0244 | .. | 0.03620 | 3.208 | 6.092 | 6.46534 |
| Oct. | 0.00358 | 0.4509 | 0.0356 | 0.0838 | 0.0446 | 0.0243 | .. | 0.03876 | 3.359 | 6.197 | 6.73373 |
| Nov. | 0.00370 | 0.4522 | 0.0357 | 0.0840 | 0.0444 | 0.0244 | .. | 0.04075 | 3.483 | 6.247 | 7.00171 |
| Dec. | 0.00364 | 0.4615 | 0.0362 | 0.0817 | 0.0455 | 0.0246 | 0.4060 | 0.04141 | 3.542 | 6.359 | 7.13363 |
| 1993 | | | | | | | | | | | |
| Jan. | 0.00364 | 0.4771 | 0.0373 | 0.0849 | 0.0473 | 0.0251 | 0.4195 | 0.04333 | 3.652 | 6.576 | 7.46369 |
| Feb. | 0.00377 | 0.5049 | 0.0390 | 0.0898 | 0.0497 | 0.0267 | 0.4441 | 0.04824 | 3.970 | 6.904 | 7.99711 |
| March | 0.00375 | 0.5153 | 0.0392 | 0.0918 | 0.0507 | 0.0270 | 0.4532 | 0.05103 | 4.225 | 7.034 | 8.24353 |
| April | 0.00364 | 0.4985 | 0.0378 | 0.0886 | 0.0484 | 0.0256 | 0.4384 | 0.04982 | 3.985 | 6.830 | 7.90874 |

4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

| Average of daily observations | Markka value of the ECU FIM/ECU | Currency indices, 1982 = 100 | | |
|-------------------------------|------------------------------------|----------------------------------|-------------------------------|---------------|
| | | Trade-weighted currency index | Payments currency index | MERM index |
| | 1 | 2 | 3 | 4 |
| 1988 | 4.96108 | 102.0 | 101.7 | 104.7 |
| 1989 | 4.73670 | 98.4 | 99.1 | 102.8 |
| 1990 | 4.85697 | 97.3 | 96.8 | 97.3 |
| 1991 | 5.00580 | 101.4 | 101.4 | 102.8 |
| 1992 | 5.80140 | 116.4 | 115.7 | 117.3 |
| 1992 | | | | |
| April | 5.58563 | 112.9 | 113.0 | 114.5 |
| May | 5.58167 | 112.7 | 112.2 | 113.6 |
| June | 5.58600 | 112.6 | 111.4 | 112.8 |
| July | 5.58744 | 111.9 | 109.6 | 110.3 |
| Aug. | 5.58723 | 111.5 | 108.8 | 109.1 |
| Sept. | 6.13433 | 122.6 | 120.0 | 120.8 |
| Oct. | 6.22713 | 124.6 | 123.6 | 125.3 |
| Nov. | 6.25533 | 125.2 | 126.2 | 129.2 |
| Dec. | 6.36242 | 125.0 | 126.8 | 129.8 |
| 1993 | | | | |
| Jan. | 6.57212 | 128.9 | 131.3 | 134.7 |
| Feb. | 6.89952 | 135.6 | 138.8 | 143.9 |
| March | 7.03656 | 138.2 | 141.6 | 147.4 |
| April | 6.83031 | 134.0 | 136.2 | 141.6 |

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 | Markku 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 |
| 1988 | 25 473 | 76 958 | 121 670 | | 224 102 | 4 643 | 228 745 | 28 844 | 257 589 |
| 1989 | 28 942 | 85 396 | 125 748 | | 240 085 | 7 358 | 247 444 | 35 298 | 282 742 |
| 1990 | 30 953 | 96 176 | 124 930 | | 252 058 | 6 818 | 258 876 | 38 835 | 297 711 |
| 1991 | 33 619 | 86 442 | 122 126 | 19 615 | 261 802 | 13 151 | 274 953 | 52 760 | 327 713 |
| 1992 | 34 832 | 88 526 | 114 771 | 21 218 | 259 347 | 14 626 | 273 973 | 65 557 | 339 530 |
| 1992 | | | | | | | | | |
| Jan. | 32 780 | 84 701 | 123 513 | 19 094 | 260 087 | 12 274 | 272 361 | 54 706 | 327 068 |
| Feb. | 29 417 | 86 031 | 123 652 | 18 666 | 257 767 | 12 350 | 270 117 | 56 202 | 326 319 |
| March | 30 899 | 87 563 | 123 296 | 18 185 | 259 943 | 11 805 | 271 748 | 54 436 | 326 184 |
| April | 30 762 | 86 090 | 124 087 | 18 119 | 259 058 | 12 665 | 271 722 | 59 353 | 331 076 |
| May | 30 791 | 84 805 | 123 555 | 17 922 | 257 073 | 11 441 | 268 514 | 60 635 | 329 148 |
| June | 33 330 | 84 552 | 122 504 | 17 714 | 258 101 | 10 418 | 268 519 | 62 836 | 331 355 |
| July | 32 419 | 83 953 | 122 788 | 18 003 | 257 163 | 10 665 | 267 828 | 62 293 | 330 121 |
| Aug. | 33 067 | 83 283 | 122 056 | 17 976 | 256 381 | 11 525 | 267 906 | 60 054 | 327 961 |
| Sept. | 30 779 | 82 078 | 120 918 | 18 662 | 252 436 | 15 698 | 268 134 | 61 377 | 329 510 |
| Oct. | 34 447 | 82 734 | 119 726 | 19 659 | 256 566 | 15 429 | 271 995 | 59 666 | 331 661 |
| Nov. | 34 675 | 82 763 | 118 536 | 19 613 | 255 587 | 14 807 | 270 394 | 61 800 | 332 194 |
| Dec. | 34 832 | 88 526 | 114 771 | 21 218 | 259 347 | 14 626 | 273 973 | 65 557 | 339 530 |
| 1993 | | | | | | | | | |
| Jan. | 36 386 | 90 643 | 112 861 | 21 500 | 261 390 | 15 643 | 277 033 | 62 723 | 339 757 |

5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

| End of period | Cheque account and postal giro credits | Bills of exchange | Loans | Markku lending, total (1+2+3) | Foreign currency credits | Total lending (4+5) |
|-----------------|--|-------------------|---------|-------------------------------|--------------------------|---------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 1988 | 11 358 | 5 920 | 234 268 | 251 545 | 50 235 | 301 780 |
| 1989 | 15 270 | 5 650 | 257 768 | 278 688 | 73 176 | 351 864 |
| 1990 | 19 152 | 5 777 | 260 790 | 285 720 | 103 134 | 388 853 |
| 1991 | 18 037 | 4 712 | 262 859 | 285 609 | 107 714 | 393 323 |
| 1992 | 16 045 | 3 335 | 252 163 | 271 544 | 95 168 | 366 712 |
| 1992 | | | | | | |
| Jan. | 17 450 | 4 167 | 262 309 | 283 926 | 107 075 | 391 001 |
| Feb. | 17 650 | 4 099 | 262 813 | 284 563 | 105 703 | 390 266 |
| March | 17 215 | 3 996 | 260 983 | 282 194 | 102 701 | 384 895 |
| April | 17 407 | 3 927 | 259 782 | 281 116 | 101 104 | 382 220 |
| May | 17 403 | 3 916 | 259 295 | 280 613 | 99 035 | 379 649 |
| June | 17 344 | 3 899 | 257 990 | 279 234 | 96 635 | 375 869 |
| July | 16 959 | 3 848 | 257 777 | 278 583 | 95 334 | 373 917 |
| Aug. | 17 249 | 3 719 | 256 976 | 277 944 | 92 605 | 370 550 |
| Sept. | 17 366 | 3 610 | 256 359 | 277 335 | 103 654 | 380 989 |
| Oct. | 16 738 | 3 538 | 255 133 | 275 409 | 100 976 | 376 385 |
| Nov. | 16 545 | 3 449 | 254 411 | 274 405 | 101 162 | 375 567 |
| Dec. | 16 045 | 3 335 | 252 163 | 271 544 | 95 168 | 366 712 |
| 1993 | | | | | | |
| S10 Jan. | 15 948 | 3 017 | 251 227 | 270 192 | 96 543 | 366 735 |

5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL.FIM

| End of period | Foreign assets, net | Domestic credit | | | Other items, net | M ₁ | M ₂ (1+4+5) | M ₃ |
|---------------|---------------------|----------------------------------|----------------------|-------------|------------------|----------------|---------------------------|----------------|
| | | Claims on the central government | Claims on the public | Total (2+3) | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1988 | -40 670 | -15 356 | 353 681 | 338 325 | -63 387 | 111 259 | 234 268 | 256 947 |
| 1989 | -59 049 | -18 691 | 408 344 | 389 653 | -79 084 | 124 295 | 251 519 | 272 603 |
| 1990 | -82 881 | -19 072 | 453 720 | 434 648 | -85 385 | 141 524 | 266 383 | 291 045 |
| 1991 | -86 555 | -6 516 | 470 852 | 464 336 | -102 540 | 130 644 | 275 241 | 310 924 |
| 1992* | -68 099 | 81 | 439 937 | 440 018 | -97 909 | 134 829 | 274 011 | 310 733 |
| 1992* | | | | | | | | |
| March | -87 007 | -5 201 | 467 987 | 462 785 | -102 093 | 128 701 | 273 685 | 311 738 |
| April | -83 331 | -4 726 | 465 590 | 460 864 | -104 416 | 127 554 | 273 117 | 315 983 |
| May | -83 053 | -4 327 | 463 477 | 459 151 | -104 706 | 126 652 | 271 391 | 311 877 |
| June | -75 847 | -2 899 | 459 867 | 456 968 | -108 783 | 128 496 | 272 338 | 314 149 |
| July | -70 776 | -3 718 | 457 463 | 453 745 | -111 703 | 127 189 | 271 265 | 314 330 |
| Aug. | -65 517 | -1 835 | 456 178 | 454 342 | -118 708 | 126 771 | 270 118 | 311 644 |
| Sept. | -70 526 | 4 256 | 454 777 | 459 032 | -122 318 | 123 157 | 266 188 | 307 307 |
| Oct. | -66 406 | 5 737 | 451 432 | 457 170 | -119 914 | 128 012 | 270 850 | 313 340 |
| Nov. | -65 532 | -8 253 | 448 726 | 440 473 | -105 066 | 128 610 | 269 875 | 312 343 |
| Dec. | -68 099 | 81 | 439 937 | 440 018 | -97 909 | 134 829 | 274 011 | 310 733 |
| 1993* | | | | | | | | |
| Jan. | .. | .. | .. | .. | .. | 138 722 | 276 026 | 315 321 |
| Feb. | .. | .. | .. | .. | .. | 136 775 | 273 288 | 307 345 |
| March | .. | .. | .. | .. | .. | 135 987 | 270 830 | 311 142 |

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

| End of period | Foreign currency-denominated debt | | | | Markku-denominated 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 |
| 1988 | 20 202 | 1 804 | 4 273 | 26 279 | 24 243 | 5 272 | 2 290 | 31 805 | 58 084 | 41 011 | 15 858 |
| 1989 | 18 505 | 852 | 3 429 | 22 786 | 24 126 | 5 750 | 250 | 30 126 | 52 912 | 43 499 | 21 248 |
| 1990 | 20 917 | 732 | 3 144 | 24 793 | 23 982 | 8 263 | - | 32 245 | 57 038 | 48 121 | 23 114 |
| 1991 | 38 703 | 2 437 | 2 506 | 43 646 | 31 018 | 12 208 | 5 180 | 48 406 | 92 052 | 55 165 | 15 956 |
| 1992 | 100 244 | 3 669 | 2 474 | 106 387 | 40 578 | 13 555 | 14 762 | 68 895 | 175 282 | 63 517 | 19 781 |
| 1992 | | | | | | | | | | | |
| March | 47 575 | 2 843 | 2 401 | 52 819 | 32 629 | 12 199 | 7 201 | 52 029 | 104 848 | 57 571 | 18 423 |
| April | 53 972 | 2 837 | 2 383 | 59 192 | 32 814 | 11 614 | 7 257 | 51 685 | 110 877 | 58 103 | 17 029 |
| May | 55 006 | 2 861 | 2 376 | 60 243 | 33 881 | 11 460 | 8 257 | 53 598 | 113 841 | 58 649 | 21 068 |
| June | 60 146 | 3 099 | 2 166 | 65 411 | 34 316 | 11 460 | 10 384 | 56 160 | 121 571 | 59 244 | 20 284 |
| July | 63 957 | 3 063 | 1 641 | 68 661 | 35 193 | 11 460 | 10 658 | 57 311 | 125 972 | 59 810 | 22 293 |
| Aug. | 66 790 | 3 050 | 1 630 | 71 470 | 34 862 | 11 460 | 11 901 | 58 223 | 129 693 | 60 172 | 20 510 |
| Sept. | 79 848 | 3 579 | 2 209 | 85 636 | 36 152 | 11 460 | 12 193 | 59 805 | 145 441 | 60 940 | 21 269 |
| Oct. | 84 008 | 3 599 | 2 549 | 90 156 | 37 427 | 11 460 | 14 533 | 63 420 | 153 576 | 61 672 | 22 952 |
| Nov. | 85 971 | 3 704 | 2 599 | 92 274 | 38 928 | 11 460 | 14 716 | 65 104 | 157 378 | 61 743 | 22 448 |
| Dec. | 100 244 | 3 669 | 2 474 | 106 387 | 40 578 | 13 555 | 14 762 | 68 895 | 175 282 | 63 517 | 19 781 |
| 1993 | | | | | | | | | | | |
| Jan. | 116 428 | 7 343 | 2 607 | 126 378 | 41 597 | 13 555 | 16 900 | 72 052 | 198 430 | .. | .. |
| Feb. | 130 937 | 8 155 | 4 440 | 143 532 | 44 537 | 13 598 | 20 397 | 78 532 | 222 064 | .. | .. |
| March | 135 192 | 8 185 | 4 422 | 147 799 | 47 824 | 13 593 | 22 315 | 83 732 | 231 531 | .. | .. |

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 placements | |
| | | | | | | Taxable | Taxfree | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1988 | 3 027 | 8 418 | 6 889 | 268 | 61 | 7 861 | 6 522 | 4 280 | 18 663 |
| 1989 | 4 204 | 11 022 | 5 717 | 233 | 13 | 11 146 | 2 997 | 7 046 | 21 189 |
| 1990 | 4 640 | 17 891 | 4 420 | 490 | 1 007 | 17 234 | 607 | 10 607 | 28 447 |
| 1991 | 7 277 | 25 737 | 11 073 | 1 320 | - | 30 160 | - | 15 247 | 45 407 |
| 1992* | 6 984 | 15 122 | 12 965 | 2 674 | 4 | 23 936 | - | 13 812 | 37 749 |
| 1992* | | | | | | | | | |
| March | 442 | 953 | 235 | 310 | - | 1 445 | - | 494 | 1 940 |
| April | 53 | 1 318 | - | 570 | 4 | 144 | - | 1 801 | 1 945 |
| May | 1 087 | 598 | 3 724 | 121 | - | 4 565 | - | 966 | 5 531 |
| June | 1 242 | 726 | 215 | 42 | - | 1 071 | - | 1 154 | 2 225 |
| July | 399 | 10 | - | 86 | - | 50 | - | 445 | 495 |
| Aug. | 18 | 1 445 | 175 | 20 | - | 1 620 | - | 38 | 1 657 |
| Sept. | 2 | 964 | 190 | 77 | - | 231 | - | 1 002 | 1 233 |
| Oct. | 1 371 | 692 | 2 966 | 208 | - | 3 307 | - | 1 930 | 5 237 |
| Nov. | 140 | 1 556 | 430 | 120 | - | 1 996 | - | 250 | 2 246 |
| Dec. | 1 065 | 4 559 | - | 600 | - | 2 178 | - | 4 046 | 6 224 |
| 1993* | | | | | | | | | |
| Jan. | 624 | 747 | 1 766 | 276 | - | 2 473 | - | 940 | 3 412 |
| Feb. | 471 | 1 178 | 3 480 | 283 | - | 4 760 | - | 652 | 5 412 |
| March | 871 | 944 | 3 944 | 656 | 13 | 5 278 | - | 1 149 | 6 427 |

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 placements | |
| | | | | | | Taxable | Taxfree | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1988 | 19 195 | 42 892 | 28 953 | 1 413 | 292 | 32 028 | 30 054 | 30 663 | 92 745 |
| 1989 | 21 463 | 50 216 | 29 381 | 1 555 | 290 | 41 162 | 27 742 | 34 001 | 102 906 |
| 1990 | 23 522 | 59 756 | 28 812 | 1 756 | 1 298 | 52 273 | 22 970 | 39 902 | 115 145 |
| 1991 | 26 632 | 76 701 | 35 195 | 2 766 | 3 726 | 76 346 | 18 096 | 50 578 | 145 020 |
| 1992* | 26 617 | 82 319 | 44 005 | 5 237 | 3 358 | 89 534 | 13 917 | 58 085 | 161 536 |
| 1991 | | | | | | | | | |
| IV | 26 632 | 76 701 | 35 195 | 2 766 | 3 726 | 76 346 | 18 096 | 50 578 | 145 020 |
| 1992* | | | | | | | | | |
| I | 26 650 | 77 864 | 36 796 | 3 555 | 3 724 | 80 892 | 15 977 | 51 720 | 148 589 |
| II | 26 383 | 80 295 | 37 744 | 4 306 | 3 721 | 83 427 | 15 314 | 53 707 | 152 449 |
| III | 26 079 | 80 658 | 39 579 | 4 457 | 3 720 | 86 058 | 14 329 | 54 106 | 154 493 |
| IV | 26 617 | 82 319 | 44 005 | 5 237 | 3 358 | 89 534 | 13 917 | 58 085 | 161 536 |

C) TURNOVER, MILL. FIM

| During period | Interbank | Between banks and customers | Primary dealers' transactions in benchmark government bonds | | |
|---------------|-----------|-----------------------------|---|-----------------------|-----------------|
| | | | Purchases from other primary dealers | Purchases from others | Sales to others |
| | 1 | 2 | 3 | 4 | 5 |
| 1988 | .. | .. | . | . | . |
| 1989 | 6 500 | 9 660 | . | . | . |
| 1990 | 5 401 | 6 058 | . | . | . |
| 1991 | 3 343 | 29 134 | . | . | . |
| 1992 | 18 221 | 58 594 | 10 744 | 12 156 | 13 354 |
| 1992 | | | | | |
| April | 2 480 | 2 493 | . | . | . |
| May | 360 | 1 618 | . | . | . |
| June | 846 | 1 848 | . | . | . |
| July | 859 | 2 604 | . | . | . |
| Aug. | 3 756 | 5 058 | 3 574 | 2 130 | 1 798 |
| Sept. | 3 272 | 7 360 | 2 930 | 2 566 | 2 218 |
| Oct. | 1 918 | 8 934 | 1 600 | 2 059 | 3 171 |
| Nov. | 1 481 | 8 642 | 1 270 | 2 469 | 3 201 |
| Dec. | 1 460 | 8 073 | 1 370 | 2 932 | 2 966 |
| 1993 | | | | | |
| Jan. | 2 566 | 10 760 | 2 350 | 3 889 | 4 923 |
| Feb. | 2 762 | 14 290 | 2 690 | 4 909 | 7 933 |
| March | 3 760 | 15 481 | 3 400 | 5 482 | 8 300 |
| April | 2 073 | 12 289 | 1 840 | 4 409 | 7 048 |

5.6 HELSINKI STOCK EXCHANGE

| Average of daily observations | Share prices | | | | | | | | | Turnover', mill. FIM | | |
|-------------------------------|--------------------------------|---------------|----------------|-------------------|--------------------------|-------------------|-----------------------|---------------|-------|--------------------------------|----------------------|--------|
| | HEX Index (28 Dec., 1990=1000) | | | | | | | | | Shares and subscription rights | Bonds and debentures | Total |
| | All-share index | By ownership | | By industry | | | | | | | | |
| | | Re-restricted | Non-restricted | Banks and finance | Insurance and investment | Manufacturing | Of which: | | | | | |
| | | | | | | Forest industries | Metal and engineering | Conglomerates | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1988 | 1 692 | 1 727 | 1 473 | 1 825 | 1 371 | 1 705 | 1 591 | 1 629 | 2 013 | 31 734 | 5 718 | 37 452 |
| 1989 | 1 827 | 1 850 | 1 689 | 1 958 | 1 528 | 1 818 | 1 728 | 1 748 | 2 061 | 33 160 | 7 375 | 40 536 |
| 1990 | 1 330 | 1 322 | 1 393 | 1 260 | 1 182 | 1 374 | 1 435 | 1 281 | 1 472 | 15 521 | 4 550 | 20 071 |
| 1991 | 962 | 949 | 1 062 | 901 | 898 | 1 003 | 1 075 | 1 076 | 1 020 | 6 339 | 1 315 | 7 655 |
| 1992 | 772 | 759 | 868 | 425 | 467 | 942 | 1 123 | 1 206 | 890 | 10 277 | 15 377 | 25 654 |
| 1992 | | | | | | | | | | | | |
| April | 805 | 791 | 907 | 530 | 552 | 941 | 1 124 | 1 171 | 878 | 418 | 23 | 441 |
| May | 849 | 838 | 929 | 542 | 538 | 1 014 | 1 202 | 1 317 | 950 | 674 | 104 | 778 |
| June | 788 | 776 | 877 | 411 | 474 | 972 | 1 182 | 1 298 | 904 | 606 | 511 | 1 118 |
| July | 722 | 710 | 811 | 345 | 425 | 901 | 1 082 | 1 210 | 835 | 406 | 902 | 1 308 |
| Aug. | 639 | 628 | 719 | 286 | 343 | 803 | 969 | 1 120 | 728 | 313 | 898 | 1 211 |
| Sept. | 576 | 564 | 667 | 205 | 250 | 750 | 944 | 1 085 | 653 | 614 | 1 449 | 2 062 |
| Oct. | 651 | 637 | 747 | 227 | 289 | 852 | 1 017 | 1 184 | 791 | 1 233 | 2 208 | 3 441 |
| Nov. | 809 | 796 | 905 | 344 | 429 | 1 033 | 1 184 | 1 311 | 1 012 | 1 474 | 2 562 | 4 037 |
| Dec. | 845 | 829 | 959 | 329 | 424 | 1 096 | 1 203 | 1 296 | 1 127 | 2 521 | 6 543 | 9 064 |
| 1993 | | | | | | | | | | | | |
| Jan. | 875 | . | . | 314 | 422 | 1 143 | 1 158 | 1 331 | 1 214 | 1 803 | 4 114 | 5 917 |
| Feb. | 913 | . | . | 348 | 449 | 1 187 | 1 246 | 1 378 | 1 250 | 2 268 | 4 461 | 6 730 |
| March | 994 | . | . | 429 | 483 | 1 295 | 1 437 | 1 417 | 1 371 | 3 019 | 5 354 | 8 374 |
| April | 1 091 | . | . | 464 | 551 | 1 419 | 1 478 | 1 566 | 1 535 | 3 019 | 3 260 | 6 279 |

¹ During period.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

| During period | Exports of goods, feb | Transport receipts | Travel receipts | Other services receipts | Services receipts, total (2+3+4) | Exports of goods and services (1+5) | Investment income | Transfers and other income | Current account receipts (6+7+8) | Imports of goods, dif | Transport expenditure | Travel expenditure | Other services expenditure |
|---------------|-----------------------|--------------------|-----------------|-------------------------|----------------------------------|-------------------------------------|-------------------|----------------------------|----------------------------------|-----------------------|-----------------------|--------------------|----------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 1988 | 91 313 | 7 026 | 4 280 | 6 132 | 17 438 | 108 750 | 9 377 | 4 415 | 122 543 | 91 232 | 3 338 | 7 907 | 7 390 |
| 1989 | 98 265 | 7 662 | 4 497 | 6 277 | 18 436 | 116 701 | 10 212 | 3 652 | 130 565 | 104 400 | 3 869 | 8 969 | 8 759 |
| 1990 | 99 750 | 8 347 | 4 650 | 6 081 | 19 077 | 118 827 | 12 739 | 4 461 | 136 027 | 101 967 | 4 363 | 10 766 | 9 503 |
| 1991* | 91 100 | 7 508 | 5 044 | 5 636 | 18 189 | 109 289 | 10 003 | 5 120 | 124 412 | 86 348 | 3 974 | 11 089 | 11 011 |
| 1992* | 105 627 | 8 134 | 6 087 | 7 735 | 21 956 | 127 583 | 6 994 | 5 640 | 140 217 | 93 478 | 4 173 | 10 962 | 13 325 |
| 1990 | | | | | | | | | | | | | |
| IV | 26 010 | 2 078 | 1 188 | 1 728 | 4 994 | 31 004 | 3 642 | 1 130 | 35 776 | 26 765 | 1 277 | 2 760 | 2 974 |
| 1991* | | | | | | | | | | | | | |
| I | 21 947 | 1 759 | 915 | 1 462 | 4 136 | 26 084 | 3 022 | 1 242 | 30 348 | 22 015 | 968 | 2 592 | 2 833 |
| II | 21 204 | 1 850 | 1 256 | 1 282 | 4 389 | 25 593 | 2 376 | 1 323 | 29 293 | 20 895 | 1 019 | 2 583 | 2 599 |
| III | 22 749 | 2 030 | 1 629 | 1 274 | 4 932 | 27 681 | 2 557 | 1 233 | 31 471 | 20 526 | 1 020 | 2 899 | 2 439 |
| IV | 25 199 | 1 869 | 1 244 | 1 618 | 4 731 | 29 931 | 2 047 | 1 322 | 33 300 | 22 912 | 967 | 3 014 | 3 139 |
| 1992* | | | | | | | | | | | | | |
| I | 24 736 | 1 836 | 1 159 | 1 791 | 4 786 | 29 522 | 2 494 | 1 329 | 33 345 | 22 760 | 1 000 | 2 725 | 3 427 |
| II | 26 404 | 2 045 | 1 492 | 1 782 | 5 319 | 31 723 | 1 484 | 1 332 | 34 539 | 24 239 | 1 033 | 2 813 | 3 027 |
| III | 24 774 | 2 253 | 1 957 | 1 873 | 6 083 | 30 857 | 1 405 | 1 427 | 33 689 | 20 736 | 1 069 | 2 853 | 3 223 |
| IV | 29 713 | 2 000 | 1 479 | 2 290 | 5 769 | 35 482 | 1 611 | 1 552 | 38 645 | 25 743 | 1 071 | 2 571 | 3 648 |
| 1993* | | | | | | | | | | | | | |
| I | 30 844 | 2 007 | 1 211 | 2 502 | 5 720 | 36 564 | 2 098 | 1 597 | 40 259 | 25 569 | 1 018 | 2 198 | 4 195 |

| During period | Services expenditure, total (11+12 +13) | Imports of goods and services (10+14) | Investment expenditure (15+16 +17) | Transfers and other expenditure | Current account expenditure (15+16 +17) | Trade account (1-10) | Transport (2-11) | Travel (3-12) | Other services (4-13) | Services account and services (20+21 +22) | Goods and services account (19+23) | Investment income, net (7-16) | Transfers 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 |
| 1988 | 18 634 | 109 866 | 17 033 | 6 975 | 133 874 | 80 | 3 689 | -3 627 | -1 258 | -1 196 | -1 116 | -7 656 | -2 560 | -11 331 |
| 1989 | 21 596 | 125 996 | 21 882 | 7 561 | 155 439 | -6 134 | 3 793 | -4 471 | -2 482 | -3 160 | -9 294 | -11 670 | -3 910 | -24 874 |
| 1990 | 24 632 | 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 |
| 1991* | 26 074 | 112 421 | 28 674 | 10 013 | 151 108 | 4 752 | 3 534 | -6 044 | -5 374 | -7 885 | -3 132 | -18 671 | -4 893 | -26 696 |
| 1992* | 28 459 | 121 938 | 30 763 | 10 292 | 162 994 | 12 149 | 3 961 | -4 875 | -5 590 | -6 503 | 5 646 | -23 770 | -4 653 | -22 777 |
| 1990 | | | | | | | | | | | | | | |
| IV | 7 011 | 33 776 | 7 141 | 2 289 | 43 206 | -755 | 801 | -1 572 | -1 246 | -2 017 | -2 772 | -3 499 | -1 159 | -7 430 |
| 1991* | | | | | | | | | | | | | | |
| I | 6 394 | 28 408 | 7 642 | 2 973 | 39 023 | -67 | 791 | -1 677 | -1 371 | -2 257 | -2 325 | -4 620 | -1 731 | -8 676 |
| II | 6 201 | 27 096 | 7 805 | 2 161 | 37 063 | 309 | 831 | -1 326 | -1 317 | -1 812 | -1 503 | -5 429 | -838 | -7 771 |
| III | 6 358 | 26 884 | 6 716 | 2 190 | 35 790 | 2 223 | 1 010 | -1 270 | -1 165 | -1 425 | 797 | -4 159 | -957 | -4 319 |
| IV | 7 121 | 30 033 | 6 510 | 2 689 | 39 232 | 2 288 | 902 | -1 770 | -1 521 | -2 389 | -102 | -4 463 | -1 367 | -5 931 |
| 1992* | | | | | | | | | | | | | | |
| I | 7 152 | 29 912 | 8 357 | 3 167 | 41 437 | 1 975 | 836 | -1 566 | -1 636 | -2 366 | -391 | -5 864 | -1 837 | -8 092 |
| II | 6 872 | 31 111 | 7 661 | 2 418 | 41 190 | 2 166 | 1 012 | -1 320 | -1 245 | -1 553 | 612 | -6 177 | -1 086 | -6 651 |
| III | 7 145 | 27 881 | 6 914 | 2 421 | 37 215 | 4 038 | 1 184 | -896 | -1 350 | -1 062 | 2 976 | -5 508 | -994 | -3 526 |
| IV | 7 290 | 33 034 | 7 831 | 2 288 | 43 152 | 3 970 | 929 | -1 092 | -1 359 | -1 521 | 2 448 | -6 220 | -736 | -4 508 |
| 1993* | | | | | | | | | | | | | | |
| I | 7 412 | 32 981 | 10 326 | 3 167 | 46 475 | 5 275 | 989 | -988 | -1 693 | -1 692 | 3 583 | -8 228 | -1 570 | -6 216 |

6.2 CAPITAL ACCOUNT¹, MILL. FIM

| During period | Imports of long-term capital | | | | | Exports of long-term capital | | | | | Long-term capital account (5-10) | Basic balance |
|---------------|------------------------------|---------------------------------|--------|-------------------------|-----------------|------------------------------|-----------------------------|---------|-------------------------|-----------------|----------------------------------|---------------|
| | Direct investment in Finland | Portfolio investment in Finland | Loans | Other long-term capital | Total (1+2+3+4) | Direct investment abroad | Portfolio investment abroad | Loans | Other long-term capital | Total (6+7+8+9) | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1988 | 2 218 | 14 355 | 3 062 | 85 | 19 720 | 10 919 | 1 248 | 3 931 | 292 | 16 390 | 3 331 | - 8 001 |
| 1989 | 2 095 | 14 756 | 8 608 | 79 | 25 538 | 13 327 | 180 | 5 323 | 273 | 19 103 | 6 435 | - 18 439 |
| 1990 | 3 010 | 22 656 | 19 674 | 169 | 45 509 | 12 471 | 577 | - 499 | 294 | 12 843 | 32 666 | 6 153 |
| 1991* | - 997 | 37 285 | 14 883 | 521 | 51 692 | 4 303 | - 372 | 815 | 101 | 4 847 | 46 846 | 20 149 |
| 1992* | 807 | 36 618 | 5 951 | - 233 | 43 143 | 4 369 | 221 | 3 472 | 304 | 8 366 | 34 777 | 12 000 |
| 1990 | | | | | | | | | | | | |
| IV | 2 024 | 6 330 | 3 261 | 103 | 11 718 | 5 054 | 416 | - 1 348 | 128 | 4 250 | 7 468 | 38 |
| 1991* | | | | | | | | | | | | |
| I | 116 | 7 883 | 3 994 | - 258 | 11 735 | 1 199 | - 16 | 33 | 165 | 1 380 | 10 355 | 1 679 |
| II | 99 | 16 050 | 4 888 | 481 | 21 518 | 1 171 | - 433 | 556 | - 19 | 1 275 | 20 243 | 12 472 |
| III | - 435 | 10 416 | 2 747 | - 32 | 12 697 | 1 330 | 434 | - 521 | - 2 | 1 242 | 11 455 | 7 136 |
| IV | - 777 | 2 937 | 3 253 | 330 | 5 743 | 603 | - 356 | 747 | - 44 | 950 | 4 793 | - 1 138 |
| 1992* | | | | | | | | | | | | |
| I | 464 | 4 023 | - 160 | 263 | 4 590 | 1 613 | 182 | 615 | 273 | 2 683 | 1 907 | - 6 185 |
| II | 35 | 12 934 | 428 | - 321 | 13 076 | 156 | 1 142 | 123 | 187 | 1 608 | 11 468 | 4 817 |
| III | - 49 | 5 306 | 726 | 139 | 6 122 | 1 018 | - 968 | 1 121 | 182 | 1 353 | 4 770 | 1 243 |
| IV | 357 | 14 354 | 4 957 | - 314 | 19 354 | 1 582 | - 134 | 1 612 | - 337 | 2 722 | 16 632 | 12 124 |
| 1993* | | | | | | | | | | | | |
| I | 151 | 16 270 | 9 232 | - 384 | 25 269 | 1 497 | 2 915 | - 692 | - 106 | 3 614 | 21 655 | 15 439 |

| 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 |
| 1988 | 10 950 | - 399 | - 811 | 9 740 | 2 331 | 644 | 1 995 | 4 971 | 3 415 | 8 183 | 183 | - 183 |
| 1989 | 4 285 | 1 627 | 3 679 | 9 592 | 1 462 | 475 | 710 | 2 647 | 5 533 | 12 478 | - 5 961 | 5 961 |
| 1990 | 16 258 | 1 119 | - 1 357 | 16 020 | - 2 290 | - 1 254 | 1 244 | - 2 300 | - 9 381 | 8 939 | 15 092 | - 15 092 |
| 1991* | - 13 133 | 817 | - 1 301 | - 13 617 | 6 261 | 981 | 3 285 | 10 527 | - 2 410 | - 26 553 | - 6 404 | 6 404 |
| 1992* | - 28 310 | 8 198 | 10 454 | - 9 659 | - 567 | 4 232 | 6 593 | 10 258 | - 1 332 | - 21 249 | - 9 249 | 9 249 |
| 1990 | | | | | | | | | | | | |
| IV | - 11 196 | - 6 | - 1 088 | - 12 290 | - 13 404 | - 34 | - 467 | - 13 905 | - 241 | 1 374 | 1 412 | - 1 412 |
| 1991* | | | | | | | | | | | | |
| I | 18 038 | - 1 035 | 2 367 | 19 370 | 22 472 | - 618 | 3 978 | 25 831 | 1 680 | - 4 781 | - 3 102 | 3 102 |
| II | - 10 815 | 3 | - 605 | - 11 416 | 515 | - 482 | 1 970 | 2 003 | - 1 274 | - 14 693 | - 2 221 | 2 221 |
| III | - 16 261 | 392 | - 583 | - 16 453 | - 3 091 | 1 049 | 1 869 | - 174 | 2 237 | - 14 042 | - 6 905 | 6 905 |
| IV | - 4 094 | 1 456 | - 2 481 | - 5 118 | - 13 635 | 1 033 | - 4 531 | - 17 133 | - 5 053 | 6 962 | 5 824 | - 5 824 |
| 1992* | | | | | | | | | | | | |
| I | - 2 010 | 306 | 3 490 | 1 786 | - 4 134 | 975 | 1 723 | - 1 435 | 1 323 | 4 543 | - 1 641 | 1 641 |
| II | - 9 527 | 4 056 | 416 | - 5 056 | - 1 612 | 1 192 | - 3 403 | - 3 823 | - 4 634 | - 5 866 | - 1 049 | 1 049 |
| III | - 11 092 | 1 537 | 12 295 | 2 740 | 6 064 | 305 | 176 | 6 545 | - 3 603 | - 7 409 | - 6 165 | 6 165 |
| IV | - 5 681 | 2 299 | - 5 747 | - 9 129 | - 885 | 1 761 | 8 096 | 8 972 | 5 583 | - 12 518 | - 394 | 394 |
| 1993* | | | | | | | | | | | | |
| I | - 3 922 | 265 | - 5 922 | - 9 579 | 18 341 | 1 376 | - 1 256 | 18 461 | 6 907 | - 21 133 | - 5 694 | 5 694 |

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

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

| End of period | Long-term liabilities | | | | | Long-term assets | | | | | Long-term debt, net (5-10) |
|---------------|------------------------------|---------------------------------|---------|-------------------------|-----------------|--------------------------|-----------------------------|--------|-------------------------|-----------------|----------------------------|
| | Direct investment in Finland | Portfolio investment in Finland | Loans | Other long-term capital | Total (1+2+3+4) | Direct investment abroad | Portfolio investment abroad | Loans | Other long-term capital | Total (6+7+8+9) | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1988 | 12 673 | 68 957 | 33 117 | 915 | 115 662 | 24 199 | 8 223 | 19 417 | 2 484 | 54 323 | 61 339 |
| 1989 | 16 093 | 82 313 | 40 110 | 994 | 139 510 | 33 234 | 7 680 | 24 572 | 2 757 | 68 243 | 71 267 |
| 1990 | 18 651 | 98 399 | 51 744 | 4 630 | 173 424 | 43 931 | 7 184 | 25 595 | 5 487 | 82 196 | 91 228 |
| 1991* | 17 443 | 143 668 | 75 794 | 4 492 | 241 398 | 53 285 | 7 451 | 27 612 | 6 161 | 94 509 | 146 889 |
| 1992* | 18 250 | 209 627 | 94 948 | 5 277 | 328 101 | 65 840 | 9 050 | 33 754 | 7 649 | 116 293 | 211 808 |
| 1990 | | | | | | | | | | | |
| IV | 18 651 | 98 399 | 51 744 | 4 630 | 173 424 | 43 931 | 7 184 | 25 595 | 5 487 | 82 196 | 91 228 |
| 1991* | | | | | | | | | | | |
| I | 18 714 | 110 275 | 60 239 | 3 411 | 192 639 | 45 383 | 7 333 | 25 798 | 5 914 | 84 428 | 108 211 |
| II | 18 760 | 126 771 | 66 420 | 3 916 | 215 867 | 46 808 | 6 945 | 26 813 | 6 061 | 86 628 | 129 239 |
| III | 18 273 | 132 480 | 68 747 | 3 922 | 223 422 | 48 391 | 7 414 | 25 747 | 5 934 | 87 486 | 135 935 |
| IV | 17 443 | 143 668 | 75 794 | 4 492 | 241 398 | 53 285 | 7 451 | 27 612 | 6 161 | 94 509 | 146 889 |
| 1992* | | | | | | | | | | | |
| I | 17 907 | 150 914 | 77 893 | 4 810 | 251 524 | 54 898 | 7 922 | 28 885 | 6 738 | 98 444 | 153 080 |
| II | 17 942 | 160 361 | 76 151 | 4 427 | 258 880 | 55 054 | 9 110 | 27 736 | 6 648 | 98 548 | 160 333 |
| III | 17 893 | 183 761 | 85 221 | 5 039 | 291 913 | 64 258 | 8 553 | 30 709 | 7 397 | 110 917 | 180 996 |
| IV | 18 250 | 209 627 | 94 948 | 5 277 | 328 101 | 65 840 | 9 050 | 33 754 | 7 649 | 116 293 | 211 808 |
| 1993* | | | | | | | | | | | |
| I | 18 401 | 252 938 | 114 726 | 5 277 | 391 342 | 73 981 | 12 295 | 35 310 | 8 323 | 129 909 | 261 433 |

| End of period | Short-term liabilities | | | | | Short-term assets | | | | | Short-term liabilities, net (16-21) | Debt, net (11+22) | Net interest and dividend expenditure (24) | Net interest and dividend expenditure in relation to current account receipts (25) |
|---------------|--|--|---------------|------------------------------|---------------------|-------------------------------------|---------------------------------------|---------------|-------------------------|---------------------|-------------------------------------|-------------------|--|--|
| | 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 |
| 1988 | 3 341 | 83 828 | 11 070 | 9 039 | 107 278 | 32 037 | 32 108 | 16 041 | 4 789 | 84 975 | 22 303 | 83 642 | 7 933 | 6.5 |
| 1989 | 3 558 | 88 751 | 12 697 | 12 883 | 117 889 | 25 113 | 33 569 | 16 516 | 5 666 | 80 864 | 37 024 | 108 291 | 10 453 | 8.0 |
| 1990 | 3 922 | 106 548 | 13 466 | 13 864 | 137 801 | 39 506 | 27 190 | 14 372 | 6 608 | 87 676 | 50 125 | 141 353 | 13 130 | 9.7 |
| 1991* | 3 149 | 100 837 | 14 233 | 14 703 | 132 921 | 35 922 | 36 727 | 15 940 | 10 545 | 99 134 | 33 787 | 180 675 | 15 734 | 12.7 |
| 1992* | 7 849 | 86 895 | 22 549 | 22 254 | 139 546 | 33 966 | 43 534 | 21 229 | 16 698 | 115 427 | 24 119 | 235 926 | 20 170 | 14.4 |
| 1990 | | | | | | | | | | | | | | |
| IV | 3 922 | 106 548 | 13 466 | 13 864 | 137 801 | 39 506 | 27 190 | 14 372 | 6 608 | 87 676 | 50 125 | 141 353 | 3 223 | 9.0 |
| 1991* | | | | | | | | | | | | | | |
| I | 3 399 | 127 305 | 12 323 | 17 232 | 160 259 | 37 748 | 48 792 | 13 824 | 11 336 | 111 700 | 48 559 | 156 770 | 3 886 | 12.8 |
| II | 2 889 | 117 997 | 12 318 | 17 498 | 150 702 | 36 023 | 50 406 | 13 362 | 13 721 | 113 513 | 37 189 | 166 429 | 4 695 | 16.0 |
| III | 2 826 | 100 908 | 12 710 | 16 703 | 133 147 | 29 006 | 47 064 | 14 416 | 15 121 | 105 606 | 27 541 | 163 477 | 3 424 | 10.9 |
| IV | 3 149 | 100 837 | 14 233 | 14 703 | 132 921 | 35 922 | 36 727 | 15 940 | 10 545 | 99 134 | 33 787 | 180 675 | 3 729 | 11.2 |
| 1992* | | | | | | | | | | | | | | |
| I | 3 185 | 102 919 | 14 506 | 18 439 | 139 048 | 35 429 | 32 960 | 17 080 | 12 765 | 98 234 | 40 814 | 193 894 | 4 964 | 14.9 |
| II | 3 242 | 91 661 | 18 587 | 18 157 | 131 646 | 33 516 | 32 786 | 18 221 | 8 932 | 93 455 | 38 192 | 198 524 | 5 277 | 15.3 |
| III | 14 067 | 88 898 | 20 147 | 21 248 | 144 360 | 29 484 | 43 316 | 19 015 | 9 585 | 101 400 | 42 959 | 223 956 | 4 608 | 13.7 |
| IV | 7 849 | 86 895 | 22 549 | 22 254 | 139 546 | 33 966 | 43 534 | 21 229 | 16 698 | 115 427 | 24 119 | 235 926 | 5 320 | 13.8 |
| 1993* | | | | | | | | | | | | | | |
| I | 5 836 | 88 666 | 22 791 | 19 607 | 136 901 | 31 998 | 63 292 | 23 282 | 16 337 | 134 909 | 1 992 | 263 425 | 7 328 | 18.2 |

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 |
| 1988 | 46 471 | 27 427 | 14 339 | 26 926 | 499 | 115 662 | 25 093 | 21 607 | 3 573 | 3 101 | 949 | 54 323 | 61 339 |
| 1989 | 58 009 | 40 199 | 17 665 | 23 063 | 574 | 139 510 | 34 828 | 26 048 | 2 313 | 3 517 | 1 537 | 68 243 | 71 267 |
| 1990 | 65 553 | 56 394 | 21 694 | 29 174 | 610 | 173 424 | 45 372 | 28 423 | 2 075 | 4 279 | 2 047 | 82 196 | 91 228 |
| 1991* | 79 217 | 69 460 | 35 623 | 56 377 | 721 | 241 398 | 57 223 | 27 619 | 2 121 | 4 752 | 2 794 | 94 509 | 146 889 |
| 1992* | 90 956 | 67 611 | 49 135 | 118 081 | 2 319 | 328 101 | 73 583 | 30 708 | 3 079 | 5 627 | 3 296 | 116 293 | 211 808 |
| 1990 | | | | | | | | | | | | | |
| IV | 65 553 | 56 394 | 21 694 | 29 174 | 610 | 173 424 | 45 372 | 28 423 | 2 075 | 4 279 | 2 047 | 82 196 | 91 228 |
| 1991* | | | | | | | | | | | | | |
| I | 71 192 | 58 071 | 26 529 | 36 123 | 724 | 192 639 | 47 370 | 28 015 | 2 140 | 4 651 | 2 252 | 84 428 | 108 211 |
| II | 76 952 | 66 196 | 33 210 | 38 814 | 696 | 215 867 | 49 580 | 27 523 | 2 122 | 5 040 | 2 362 | 86 628 | 129 239 |
| III | 76 907 | 67 268 | 34 193 | 44 332 | 723 | 223 422 | 51 317 | 26 843 | 2 138 | 4 655 | 2 534 | 87 486 | 135 935 |
| IV | 79 217 | 69 460 | 35 623 | 56 377 | 721 | 241 398 | 57 223 | 27 619 | 2 121 | 4 752 | 2 794 | 94 509 | 146 889 |
| 1992* | | | | | | | | | | | | | |
| I | 80 758 | 67 742 | 36 029 | 65 370 | 1 624 | 251 524 | 59 372 | 28 516 | 2 298 | 5 367 | 2 890 | 98 444 | 153 080 |
| II | 78 744 | 62 218 | 37 681 | 78 534 | 1 703 | 258 880 | 60 041 | 28 119 | 2 290 | 5 147 | 2 951 | 98 548 | 160 333 |
| III | 85 291 | 66 652 | 39 127 | 98 824 | 2 020 | 291 913 | 69 286 | 30 385 | 2 451 | 5 528 | 3 268 | 110 917 | 180 996 |
| IV | 90 956 | 67 611 | 49 135 | 118 081 | 2 319 | 328 101 | 73 583 | 30 708 | 3 079 | 5 627 | 3 296 | 116 293 | 211 808 |
| 1993* | | | | | | | | | | | | | |
| I | 101 643 | 70 232 | 54 493 | 162 000 | 2 974 | 391 342 | 81 592 | 35 165 | 3 179 | 6 259 | 3 714 | 129 909 | 261 433 |

7. FOREIGN TRADE

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

| During period | Exports, feb | Imports, cif | Balance (1-2) |
|---------------|--------------|--------------|---------------|
| | 1 | 2 | 3 |
| 1988 | 92 902 | 92 118 | 784 |
| 1989 | 99 784 | 105 516 | - 5 732 |
| 1990 | 101 327 | 103 027 | - 1 700 |
| 1991 | 92 842 | 87 744 | 5 098 |
| 1992* | 107 471 | 94 988 | 12 483 |
| 1992* | | | |
| March | 9 327 | 8 155 | 1 172 |
| April | 8 742 | 8 432 | 310 |
| May | 9 098 | 8 094 | 1 004 |
| June | 9 019 | 8 097 | 922 |
| July | 7 972 | 6 754 | 1 218 |
| Aug. | 7 615 | 6 871 | 744 |
| Sept. | 9 658 | 7 489 | 2 169 |
| Oct. | 10 200 | 8 756 | 1 444 |
| Nov. | 10 532 | 8 740 | 1 792 |
| Dec. | 9 441 | 8 613 | 828 |
| 1993* | | | |
| Jan. | 9 433 | 6 564 | 2 870 |
| Feb. | 10 434 | 9 031 | 1 404 |
| March | 11 445 | 10 368 | 1 077 |

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 |
| 1988 | 121 | 130 | 145 | 122 | 119 |
| 1989 | 121 | 144 | 156 | 126 | 123 |
| 1990 | 125 | 138 | 154 | 128 | 120 |
| 1991 | 114 | 115 | 154 | 131 | 118 |
| 1992* | 124 | 112 | 164 | 145 | 113 |
| 1992* | | | | | |
| 1990 | | | | | |
| III | 114 | 124 | 155 | 129 | 120 |
| IV | 130 | 139 | 154 | 133 | 116 |
| 1991* | | | | | |
| I | 110 | 117 | 154 | 131 | 118 |
| II | 107 | 112 | 153 | 130 | 118 |
| III | 113 | 109 | 156 | 132 | 119 |
| IV | 124 | 118 | 157 | 135 | 116 |
| 1992* | | | | | |
| I | 118 | 112 | 162 | 142 | 114 |
| II | 125 | 118 | 162 | 143 | 113 |
| III | 117 | 102 | 163 | 142 | 115 |
| IV | 133 | 116 | 171 | 154 | 111 |

7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

| During period | Exports by industries, feb | | | | | Imports by use of goods, cif | | | | |
|---------------|----------------------------|-------------------------|----------------------------|---|-------------|---------------------------------|---------------------------------|----------------|--------|-------------|
| | Wood industry products | Paper industry products | Chemical industry products | Metal and engineering industry products | Other goods | Raw materials (excl. crude oil) | Crude oil, fuels and lubricants | Finished goods | | Other goods |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1988 | 7 567 | 30 474 | 8 450 | 29 225 | 17 186 | 45 791 | 7 533 | 17 274 | 20 828 | 692 |
| 1989 | 7 416 | 32 513 | 8 844 | 32 682 | 18 329 | 51 786 | 8 310 | 20 606 | 24 055 | 759 |
| 1990 | 7 811 | 31 658 | 9 540 | 35 493 | 16 825 | 49 210 | 9 829 | 19 364 | 23 888 | 736 |
| 1991 | 6 984 | 29 695 | 10 539 | 29 188 | 16 436 | 42 505 | 9 399 | 13 973 | 21 195 | 672 |
| 1992* | 7 892 | 32 587 | 12 172 | 35 741 | 19 079 | 49 514 | 9 745 | 13 348 | 20 826 | 1 555 |
| 1992* | | | | | | | | | | |
| March | 654 | 2 756 | 1 179 | 3 091 | 1 647 | 4 265 | 660 | 1 055 | 2 077 | 98 |
| April | 746 | 2 798 | 1 068 | 2 571 | 1 559 | 4 300 | 710 | 1 401 | 1 902 | 119 |
| May | 712 | 2 567 | 1 074 | 3 183 | 1 562 | 4 118 | 909 | 1 429 | 1 610 | 28 |
| June | 679 | 2 643 | 967 | 3 155 | 1 575 | 4 548 | 742 | 1 162 | 1 538 | 107 |
| July | 504 | 2 393 | 761 | 3 122 | 1 192 | 3 463 | 776 | 907 | 1 538 | 70 |
| Aug. | 530 | 2 336 | 919 | 2 335 | 1 495 | 3 660 | 690 | 752 | 1 552 | 217 |
| Sept. | 687 | 2 914 | 1 026 | 3 244 | 1 787 | 4 129 | 546 | 903 | 1 789 | 122 |
| Oct. | 797 | 3 186 | 1 027 | 3 331 | 1 859 | 4 498 | 1 064 | 1 199 | 1 890 | 105 |
| Nov. | 770 | 3 010 | 1 205 | 3 789 | 1 758 | 4 809 | 1 058 | 1 039 | 1 755 | 79 |
| Dec. | 644 | 2 949 | 870 | 3 421 | 1 557 | 4 280 | 1 300 | 1 122 | 1 534 | 377 |
| 1993* | | | | | | | | | | |
| Jan. | 706 | 2 677 | 1 048 | 3 253 | 1 749 | 3 683 | 547 | 884 | 1 390 | 60 |
| Feb. | 776 | 3 069 | 1 134 | 3 259 | 2 196 | 4 347 | 1 095 | 1 661 | 1 850 | 78 |
| March | 898 | 3 438 | 1 213 | 3 914 | 1 982 | 4 650 | 889 | 2 841 | 1 917 | 71 |

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

| Region and country | Exports, feb | | | | Imports, cff | | | |
|------------------------------------|--------------|------------------|-----------|--|--------------|------------------|-----------|--|
| | 1992 * | | 1993 * | | 1992 * | | 1993 * | |
| | Mill. FIM | Percentage share | Mill. FIM | Percentage change from the corresponding period of the previous year | Mill. FIM | Percentage share | Mill. FIM | Percentage change from the corresponding period of the previous year |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| All OECD countries | 88 347 | 82.2 | 14 974 | 13.8 | 75 180 | 79.1 | 12 214 | 1.7 |
| OECD Europe | 78 566 | 73.1 | 13 129 | 10.1 | 62 972 | 66.3 | 9 542 | - 4.5 |
| Of which: | | | | | | | | |
| Austria | 1 368 | 1.3 | 212 | - 3.1 | 1 162 | 1.2 | 144 | - 15.4 |
| Belgium and Luxembourg | 2 785 | 2.6 | 483 | 5.7 | 2 688 | 2.8 | 386 | - 4.1 |
| Denmark | 3 858 | 3.6 | 663 | 5.0 | 3 192 | 3.4 | 429 | - 15.4 |
| France | 7 204 | 6.7 | 1 079 | 3.5 | 4 382 | 4.6 | 661 | - 4.3 |
| Germany | 16 806 | 15.6 | 2 762 | 2.3 | 16 085 | 16.9 | 2 261 | - 6.0 |
| Italy | 4 302 | 4.0 | 794 | 30.3 | 3 425 | 3.6 | 539 | - 2.2 |
| Netherlands | 5 628 | 5.2 | 1 048 | 26.5 | 3 458 | 3.6 | 559 | 1.2 |
| Norway | 3 775 | 3.5 | 592 | 19.5 | 3 825 | 4.0 | 898 | 52.1 |
| Spain | 2 842 | 2.6 | 441 | - 0.8 | 1 167 | 1.2 | 215 | - 14.2 |
| Sweden | 13 771 | 12.8 | 2 265 | 5.4 | 11 133 | 11.7 | 1 514 | - 18.1 |
| Switzerland | 1 921 | 1.8 | 306 | - 1.5 | 1 842 | 1.9 | 285 | - 9.3 |
| United Kingdom | 11 519 | 10.7 | 1 952 | 18.9 | 8 213 | 8.6 | 1 256 | - 4.1 |
| Other OECD | 9 781 | 9.1 | 1 845 | 49.7 | 12 209 | 12.9 | 2 672 | 32.5 |
| Of which: | | | | | | | | |
| Canada | 751 | 0.7 | 159 | 107.6 | 616 | 0.6 | 95 | 6.7 |
| Japan | 1 370 | 1.3 | 232 | - 12.2 | 5 202 | 5.5 | 884 | 4.8 |
| United States | 6 365 | 5.9 | 1 175 | 62.4 | 5 792 | 6.1 | 1 631 | 59.7 |
| Non-OECD European countries | 7 310 | 6.8 | 1 420 | 28.0 | 9 681 | 10.2 | 1 807 | 36.0 |
| Of which: | | | | | | | | |
| Russia | 3 020 | 2.8 | 645 | .. | 6 725 | 7.1 | 1 398 | .. |
| Other countries | 11 814 | 11.0 | 3 473 | 117.0 | 10 127 | 10.7 | 1 573 | - 4.6 |
| Of which: | | | | | | | | |
| OPEC countries | 1 927 | 1.8 | 392 | 60.1 | 1 497 | 1.6 | 47 | - 68.4 |
| TOTAL | 107 471 | 100.0 | 19 867 | 25.2 | 94 988 | 100.0 | 15 594 | 4.1 |
| Of which: | | | | | | | | |
| EC countries | 57 150 | 53.2 | 9 586 | 10.6 | 44 801 | 47.2 | 6 668 | - 5.3 |
| EFTA countries | 20 959 | 19.5 | 3 390 | 6.2 | 18 033 | 19.0 | 2 847 | - 2.9 |

8. DOMESTIC ECONOMIC DEVELOPMENTS

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

(seasonally adjusted figures)

| Period | Consumption expenditure | | Fixed investment | | Change in stocks, incl. statistical discrepancy | Domestic demand (1+2+3+4+5) | Exports | Imports | GDP (6+7-8) |
|--------------|-------------------------|--------|------------------|--------|---|-----------------------------|---------|---------|-------------|
| | Private | Public | Private | Public | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1988 | 209 956 | 75 190 | 81 839 | 11 446 | 9 062 | 387 493 | 105 897 | 118 405 | 374 985 |
| 1989 | 218 775 | 77 117 | 95 178 | 11 234 | 14 056 | 416 360 | 107 552 | 128 834 | 395 078 |
| 1990 | 219 293 | 80 525 | 88 429 | 12 720 | 13 992 | 414 959 | 109 236 | 127 735 | 396 460 |
| 1991* | 211 181 | 82 338 | 68 465 | 12 701 | 6 723 | 381 408 | 101 932 | 112 277 | 371 063 |
| 1992* | 199 052 | 82 250 | 57 944 | 11 533 | 8 486 | 359 265 | 111 186 | 112 755 | 357 696 |
| 1990 | | | | | | | | | |
| III | 54 798 | 20 203 | 21 081 | 3 123 | 3 569 | 102 774 | 26 534 | 30 373 | 98 935 |
| IV | 54 187 | 20 314 | 21 187 | 3 183 | 3 409 | 102 281 | 26 327 | 30 909 | 97 699 |
| 1991* | | | | | | | | | |
| I | 53 328 | 20 426 | 19 487 | 3 150 | 2 829 | 99 220 | 25 261 | 29 529 | 94 951 |
| II | 52 957 | 20 540 | 17 089 | 3 526 | 1 685 | 95 796 | 24 272 | 27 117 | 92 951 |
| III | 52 830 | 20 637 | 16 181 | 3 181 | 784 | 93 613 | 26 721 | 28 182 | 92 152 |
| IV | 52 067 | 20 735 | 15 708 | 2 845 | 1 424 | 92 778 | 25 678 | 27 448 | 91 009 |
| 1992* | | | | | | | | | |
| I | 51 229 | 20 444 | 15 375 | 2 995 | 1 557 | 91 601 | 27 243 | 28 675 | 90 170 |
| II | 49 790 | 20 533 | 15 203 | 2 995 | 2 132 | 90 653 | 28 296 | 29 126 | 89 822 |
| III | 49 442 | 20 600 | 14 411 | 2 746 | 2 232 | 89 430 | 27 406 | 27 392 | 89 443 |
| IV | 48 591 | 20 674 | 12 955 | 2 797 | 2 565 | 87 582 | 28 241 | 27 562 | 88 261 |

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1990=100

(seasonally adjusted figures)

| Period | Total industry | Mining and quarrying | Manu- facturing | Wood and paper industries | Metal and engineering industries | Other manu- facturing | Energy and water supply |
|--------------|----------------|----------------------|--------------------|---------------------------------|--|-----------------------------|-------------------------------|
| | (100.0) | (1.3) | (89.6) | (16.8) | (31.3) | (41.5) | (9.1) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1988 | 97.1 | 94.1 | 97.1 | 98.7 | 93.8 | 99.0 | 97.5 |
| 1989 | 100.3 | 101.9 | 100.5 | 102.3 | 99.6 | 100.8 | 97.9 |
| 1990 | 100.2 | 99.8 | 100.2 | 100.1 | 100.4 | 100.1 | 100.0 |
| 1991* | 90.4 | 90.6 | 89.1 | 90.6 | 85.0 | 91.5 | 103.7 |
| 1992* | 92.5 | 100.9 | 91.2 | 94.3 | 91.0 | 90.1 | 103.6 |
| 1992* | | | | | | | |
| Feb. | 90.5 | 93.5 | 89.6 | 93.1 | 86.8 | 88.7 | 100.8 |
| March | 92.2 | 99.0 | 91.0 | 94.7 | 91.6 | 89.3 | 102.7 |
| April | 93.1 | 96.4 | 91.8 | 91.8 | 92.9 | 90.9 | 104.3 |
| May | 93.4 | 124.6 | 92.2 | 96.7 | 90.9 | 91.4 | 97.2 |
| June | 95.6 | 168.7 | 93.6 | 95.4 | 94.3 | 91.4 | 99.8 |
| July | 93.6 | 103.0 | 94.8 | 90.8 | 97.5 | 92.8 | 97.4 |
| Aug. | 93.7 | 89.6 | 92.9 | 96.3 | 95.7 | 90.2 | 99.8 |
| Sept. | 92.2 | 96.2 | 91.0 | 96.5 | 89.8 | 89.3 | 102.3 |
| Oct. | 93.1 | 80.7 | 91.1 | 95.4 | 89.7 | 91.6 | 112.4 |
| Nov. | 93.0 | 88.3 | 90.9 | 96.8 | 89.2 | 89.5 | 113.8 |
| Dec. | 90.3 | 77.5 | 88.3 | 94.9 | 87.6 | 87.8 | 110.8 |
| 1993 | | | | | | | |
| Jan. | 93.7 | 88.7 | 92.6 | 105.6 | 93.8 | 86.8 | 105.2 |
| Feb. | 94.5 | 83.6 | 93.6 | 97.4 | 96.4 | 87.9 | 105.0 |

8.3 INDICATORS OF DOMESTIC SUPPLY AND DEMAND, 1985=100

(seasonally adjusted figures)

| Period | Volume of wholesale trade | Volume of retail trade | Volume of construction of buildings | Of which: | | | Imports of investment goods | Monthly indicator of GDP |
|--------------|---------------------------------|------------------------------|---|--------------------------|-------------------------|--------------------|-----------------------------------|--------------------------------|
| | | | | Residential buildings | Industrial buildings | Other buildings | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1988 | 116.7 | 113.0 | 108.6 | 106.0 | 113.4 | 110.6 | 135.0 | 110.6 |
| 1989 | 124.2 | 117.0 | 130.3 | 132.9 | 137.6 | 125.2 | 161.4 | 115.3 |
| 1990 | 119.9 | 111.7 | 127.3 | 124.8 | 161.7 | 122.1 | 144.6 | 116.5 |
| 1991* | 101.2 | 103.9 | 103.9 | 94.4 | 127.7 | 109.9 | 102.1 | 110.7 |
| 1992* | 87.9 | 93.8 | 79.5 | 72.9 | 76.9 | 86.6 | 84.3 | 108.1 |
| 1991* | | | | | | | | |
| IV | 95.3 | 101.9 | 89.9 | 78.2 | 97.7 | 100.8 | 110.6 | 108.8 |
| 1992* | | | | | | | | |
| Jan. | 97.0 | 104.4 | .. | .. | .. | .. | .. | 108.2 |
| Feb. | 88.6 | 98.9 | .. | .. | .. | .. | .. | 108.2 |
| March | 91.9 | 97.2 | .. | .. | .. | .. | .. | 109.6 |
| April | 89.4 | 96.4 | .. | .. | .. | .. | .. | 108.2 |
| May | 83.5 | 93.2 | .. | .. | .. | .. | .. | 107.5 |
| June | 95.3 | 94.4 | .. | .. | .. | .. | .. | 109.0 |
| July | 89.9 | 92.0 | .. | .. | .. | .. | .. | 108.9 |
| Aug. | 83.1 | 89.5 | .. | .. | .. | .. | .. | 107.3 |
| Sept. | 87.2 | 93.4 | .. | .. | .. | .. | .. | 107.8 |
| Oct. | 84.8 | 91.2 | .. | .. | .. | .. | .. | 107.0 |
| Nov. | 81.4 | 85.8 | .. | .. | .. | .. | .. | 107.6 |
| Dec. | 82.2 | 89.3 | .. | .. | .. | .. | .. | 107.5 |
| I | 92.5 | 100.2 | 88.2 | 82.9 | 92.5 | 96.5 | 87.4 | 108.7 |
| II | 89.4 | 94.7 | 83.9 | 81.7 | 78.1 | 91.6 | 106.2 | 108.2 |
| III | 86.7 | 91.6 | 82.0 | 75.0 | 85.0 | 83.5 | 63.9 | 108.0 |
| IV | 82.8 | 88.8 | 67.9 | 53.9 | 52.3 | 74.7 | 79.6 | 107.4 |
| 1993* | | | | | | | | |
| Jan. | 74.5 | 86.6 | .. | .. | .. | .. | .. | 107.4 |

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 (SIC3) | Central government | Local government | | | Non-profit institutions | Domestic goods | | Imported goods | Exported goods | | Home market goods |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 1988 | 124.7 | 124.6 | 122.7 | 128.8 | 122.0 | 128.0 | 112.6 | 101.5 | 104.9 | 89.1 | 101.7 | 103.8 | 100.7 | 116.3 |
| 1989 | 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 |
| 1990 | 148.2 | 148.8 | 146.8 | 149.8 | 144.7 | 150.0 | 127.3 | 110.9 | 115.7 | 93.6 | 110.0 | 110.4 | 109.8 | 134.5 |
| 1991¹ | 157.6 | 158.3 | 156.2 | 157.9 | 154.8 | 158.9 | 132.6 | 111.2 | 115.8 | 94.2 | 109.9 | 108.7 | 110.4 | 137.3 |
| 1992¹ | 160.5 | 160.8 | 159.7 | 161.1 | 158.6 | 162.4 | 136.0 | 112.4 | 115.6 | 100.9 | 112.6 | 113.4 | 112.3 | 134.9 |
| 1991¹ | | | | | | | | | | | | | | |
| IV | 159.6 | 160.1 | 158.3 | 159.9 | 157.3 | 161.4 | 133.6 | 111.1 | 115.4 | 95.6 | 110.3 | 109.0 | 110.8 | 137.3 |
| 1992¹ | | | | | | | | | | | | | | |
| March | .. | .. | .. | .. | .. | .. | 135.4 | 112.1 | 115.6 | 99.2 | 111.5 | 111.7 | 111.4 | 136.5 |
| April | .. | .. | .. | .. | .. | .. | 135.9 | 112.3 | 115.8 | 99.8 | 112.0 | 112.0 | 112.0 | 135.5 |
| May | .. | .. | .. | .. | .. | .. | 136.0 | 112.3 | 115.7 | 99.9 | 112.5 | 112.6 | 112.4 | 134.8 |
| June | .. | .. | .. | .. | .. | .. | 136.3 | 112.3 | 115.7 | 100.0 | 112.8 | 113.2 | 112.6 | 133.7 |
| July | .. | .. | .. | .. | .. | .. | 136.1 | 112.2 | 115.9 | 99.0 | 112.9 | 113.2 | 112.8 | 134.0 |
| Aug. | .. | .. | .. | .. | .. | .. | 135.9 | 112.0 | 115.7 | 98.6 | 112.4 | 111.8 | 112.7 | 133.7 |
| Sept. | .. | .. | .. | .. | .. | .. | 136.4 | 112.2 | 115.2 | 101.3 | 113.2 | 115.0 | 112.3 | 134.5 |
| Oct. | .. | .. | .. | .. | .. | .. | 136.9 | 113.3 | 115.7 | 104.3 | 113.8 | 115.9 | 112.8 | 134.7 |
| Nov. | .. | .. | .. | .. | .. | .. | 137.1 | 113.4 | 115.5 | 105.5 | 114.1 | 116.7 | 112.8 | 134.4 |
| Dec. | .. | .. | .. | .. | .. | .. | 136.8 | 113.4 | 115.5 | 105.9 | 114.0 | 115.9 | 113.0 | 134.0 |
| I | 160.0 | 160.5 | 159.3 | 160.5 | 158.0 | 161.8 | 135.0 | 111.9 | 115.5 | 98.9 | 111.3 | 111.6 | 111.2 | 136.5 |
| II | 160.6 | 161.1 | 160.2 | 160.9 | 158.4 | 162.3 | 136.1 | 112.3 | 115.7 | 99.9 | 112.4 | 112.6 | 112.3 | 134.7 |
| III | 160.3 | 160.6 | 159.2 | 161.3 | 158.6 | 162.6 | 136.2 | 112.2 | 115.6 | 99.6 | 112.8 | 113.3 | 112.6 | 134.0 |
| IV | 160.9 | 161.1 | 160.0 | 161.6 | 159.5 | 163.0 | 136.9 | 113.4 | 115.6 | 105.2 | 113.9 | 116.2 | 112.9 | 134.3 |
| 1993¹ | | | | | | | | | | | | | | |
| Jan. | .. | .. | .. | .. | .. | .. | 138.2 | 113.9 | 115.8 | 107.1 | 114.4 | 116.5 | 113.4 | 134.7 |
| Feb. | .. | .. | .. | .. | .. | .. | 138.6 | 115.3 | 116.6 | 109.8 | 115.9 | 118.9 | 114.5 | 134.8 |
| March | .. | .. | .. | .. | .. | .. | 138.8 | 116.2 | 117.1 | 112.4 | 116.9 | 120.5 | 115.2 | 134.7 |

¹ Preliminary figures for columns 1—6.

8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

| Period | Labour force participation rate among 15-74 year olds | Labour force | Total employment (4+5) = (6+7+8+9) | By industrial status | | By industry | | | Unemployed | Unemployment rate | | |
|--------------|---|--------------|------------------------------------|----------------------|-------------------------|--------------------------|----------|--------------|------------|-------------------|--------------------|----|
| | | | | Self-employed | Wage and salary earners | Agriculture and forestry | Industry | Construction | | | Service industries | |
| | | 1000 persons | | | | | | | | | % | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1988 | 68.4 | 2 546 | 2 431 | 368 | 2 062 | 238 | 553 | 188 | 1 452 | 116 | 4.6 | |
| 1989 | 68.7 | 2 559 | 2 470 | 367 | 2 104 | 218 | 561 | 199 | 1 492 | 89 | 3.5 | |
| 1990 | 68.4 | 2 556 | 2 467 | 360 | 2 108 | 207 | 556 | 205 | 1 500 | 88 | 3.4 | |
| 1991 | 67.4 | 2 533 | 2 340 | 340 | 2 000 | 197 | 502 | 179 | 1 461 | 193 | 7.6 | |
| 1992 | 66.1 | 2 502 | 2 174 | 325 | 1 849 | 188 | 454 | 150 | 1 382 | 328 | 13.1 | |
| 1992 | | | | | | | | | | | | |
| March | 66.7 | 2 521 | 2 228 | 329 | 1 900 | 194 | 460 | 151 | 1 423 | 293 | 11.6 | |
| April | 65.8 | 2 486 | 2 193 | 326 | 1 866 | 186 | 457 | 151 | 1 399 | 293 | 11.8 | |
| May | 66.1 | 2 501 | 2 192 | 332 | 1 860 | 189 | 453 | 154 | 1 395 | 310 | 12.4 | |
| June | 66.3 | 2 509 | 2 188 | 331 | 1 857 | 191 | 454 | 156 | 1 387 | 321 | 12.8 | |
| July | 65.8 | 2 492 | 2 164 | 326 | 1 838 | 185 | 453 | 146 | 1 380 | 327 | 13.1 | |
| Aug. | 66.5 | 2 518 | 2 164 | 330 | 1 834 | 187 | 445 | 150 | 1 382 | 354 | 14.1 | |
| Sept. | 65.6 | 2 488 | 2 145 | 321 | 1 824 | 186 | 456 | 150 | 1 353 | 343 | 13.8 | |
| Oct. | 66.0 | 2 499 | 2 134 | 319 | 1 814 | 181 | 453 | 132 | 1 367 | 366 | 14.6 | |
| Nov. | 66.2 | 2 508 | 2 123 | 315 | 1 809 | 177 | 440 | 141 | 1 365 | 385 | 15.3 | |
| Dec. | 65.3 | 2 477 | 2 093 | 310 | 1 783 | 181 | 435 | 135 | 1 342 | 384 | 15.5 | |
| 1993 | | | | | | | | | | | | |
| Jan. | 65.7 | 2 492 | 2 089 | 305 | 1 784 | 178 | 436 | 125 | 1 350 | 404 | 16.2 | |
| Feb. | 65.7 | 2 493 | 2 074 | 314 | 1 759 | 171 | 422 | 129 | 1 352 | 420 | 16.8 | |
| March | 65.2 | 2 474 | 2 049 | 309 | 1 740 | 180 | 428 | 130 | 1 310 | 426 | 17.2 | |

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 |
| 1988 | 35 339 | 66 348 | 473 | 13 629 | 115 789 | 2 557 | 118 346 | 32 266 | 65 502 | 29 757 | 33 108 |
| 1989 | 39 397 | 76 458 | 471 | 15 990 | 132 316 | 3 926 | 136 241 | 35 082 | 72 008 | 33 244 | 35 715 |
| 1990 | 42 611 | 77 364 | 953 | 18 423 | 139 351 | 4 260 | 143 611 | 41 535 | 81 190 | 37 646 | 40 313 |
| 1991 | 41 054 | 73 251 | 1 136 | 19 182 | 134 624 | 4 442 | 139 069 | 45 085 | 101 220 | 42 297 | 55 160 |
| 1992 | 34 312 | 69 541 | 1 512 | 21 251 | 126 616 | 5 054 | 131 669 | 49 207 | 105 184 | 42 990 | 59 180 |
| 1991 | | | | | | | | | | | |
| Dec. | 3 876 | 6 691 | 66 | 2 636 | 13 270 | 418 | 13 688 | 3 927 | 10 463 | 3 857 | 5 844 |
| 1992 | | | | | | | | | | | |
| Jan. | 2 963 | 5 805 | 98 | 867 | 9 733 | 10 | 9 743 | 4 311 | 8 447 | 3 360 | 4 963 |
| Feb. | 2 854 | 6 461 | 84 | 1 098 | 10 497 | 7 | 10 504 | 4 000 | 8 004 | 3 387 | 4 449 |
| March | -420 | 5 048 | 227 | 2 355 | 7 210 | 2 041 | 9 251 | 3 889 | 9 055 | 3 808 | 4 542 |
| April | 4 629 | 5 583 | 119 | 2 373 | 12 704 | 83 | 12 787 | 4 022 | 9 590 | 3 818 | 5 394 |
| May | 3 068 | 5 722 | 131 | 2 012 | 10 933 | 32 | 10 965 | 3 782 | 9 010 | 3 658 | 5 183 |
| June | 4 310 | 5 615 | 135 | 2 097 | 12 157 | 339 | 12 496 | 4 390 | 8 760 | 4 005 | 4 514 |
| July | 3 662 | 6 074 | 275 | 1 234 | 11 245 | 78 | 11 323 | 5 073 | 7 975 | 3 469 | 4 319 |
| Aug. | 3 422 | 5 938 | 130 | 1 528 | 11 018 | 393 | 11 411 | 3 483 | 8 170 | 3 413 | 4 553 |
| Sept. | 3 091 | 5 663 | 117 | 1 510 | 10 381 | 137 | 10 517 | 3 887 | 8 179 | 3 440 | 4 575 |
| Oct. | 2 896 | 5 336 | 136 | 1 448 | 9 816 | 187 | 10 003 | 4 169 | 9 599 | 3 498 | 5 933 |
| Nov. | 2 984 | 5 925 | 110 | 1 751 | 10 770 | 704 | 11 474 | 3 806 | 9 072 | 3 463 | 5 492 |
| Dec. | 853 | 6 371 | -50 | 2 978 | 10 152 | 1 043 | 11 195 | 4 395 | 9 323 | 3 671 | 5 263 |

| 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 (4-14) | Net borrowing requirement (7-16) | Net borrowing | Cash surplus (18+19) |
| | | | | | | | | | |
| 1988 | 7 565 | 5 614 | 110 946 | 6 529 | 117 476 | 4 842 | 870 | 2 417 | 3 287 |
| 1989 | 8 393 | 5 343 | 120 825 | 7 566 | 128 390 | 11 491 | 7 851 | -4 009 | 3 842 |
| 1990 | 5 962 | 4 927 | 133 614 | 9 319 | 142 934 | 5 737 | 678 | 1 201 | 1 879 |
| 1991 | 5 370 | 6 368 | 158 044 | 13 328 | 171 372 | -23 420 | -32 304 | 25 659 | -6 645 |
| 1992 | 5 042 | 8 755 | 167 932 | 35 501 | 203 433 | -41 316 | -71 764 | 70 691 | -1 071 |
| 1991 | | | | | | | | | |
| Dec. | 526 | 892 | 15 809 | 798 | 16 607 | -2 539 | -2 920 | -211 | -3 131 |
| 1992 | | | | | | | | | |
| Jan. | 340 | 846 | 13 945 | 792 | 14 737 | -4 212 | -4 994 | 1 161 | -3 833 |
| Feb. | 314 | 168 | 12 485 | 839 | 13 324 | -1 988 | -2 820 | 7 885 | 5 065 |
| March | 378 | 1 355 | 14 676 | 3 305 | 17 981 | -7 466 | -8 730 | 3 545 | -5 185 |
| April | 394 | 684 | 14 691 | 683 | 15 374 | -1 987 | -2 587 | 5 474 | 2 887 |
| May | 400 | 366 | 13 559 | 826 | 14 385 | -2 626 | -3 420 | 3 216 | -203 |
| June | 476 | 1 006 | 14 631 | 2 574 | 17 205 | -2 474 | -4 709 | 8 162 | 3 453 |
| July | 398 | 479 | 13 925 | 683 | 14 608 | -2 680 | -3 285 | 5 185 | 1 900 |
| Aug. | 387 | 331 | 12 370 | 7 005 | 19 375 | -1 352 | -7 964 | 4 133 | -3 831 |
| Sept. | 442 | 816 | 13 325 | 4 950 | 18 275 | -2 944 | -7 758 | 5 267 | -2 491 |
| Oct. | 439 | 1 229 | 15 436 | 937 | 16 373 | -5 620 | -6 370 | 8 365 | 1 995 |
| Nov. | 410 | 102 | 13 390 | 1 010 | 14 400 | -2 620 | -2 926 | 15 124 | 12 199 |
| Dec. | 664 | 1 373 | 15 499 | 11 897 | 27 396 | -5 347 | -16 201 | 3 174 | -13 027 |

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 claims on deposit banks (Column 13) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments. Liquidity position of deposit banks, net (Column 14): see explanation to Table 2.1. Other claims on financial institutions, net (Column 17) = bonds + other claims on financial institutions - other liabilities to financial institutions. *Corporate sector.* Special deposits and other items, net (Column 20) = bonds: other + other claims on corporations - deposits for investment and ship purchase - other liabilities to corporations.

2 THE BANK OF FINLAND'S OPERATIONS IN THE MONEY AND FOREIGN EXCHANGE MARKETS AND THE BANKS' FORWARD EXCHANGE POSITION

Table 2.1 Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. They can also obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity is determined by the Bank of Finland.

Table 2.2 The cash reserve requirement is reported for the month by the end of which the deposit must be made with the Bank of Finland. The requirement is announced at the end of the previous month and is determined on the basis of the cash reserve base for that month. The rate of interest paid on cash reserve deposits is 3 percentage points less than three-month HELIBOR (from April to December 1992 2 percentage points) but at least 8 per cent. The figures for 1989 include the additional deposit requirement of 1.1 per cent under the supplementary cash reserve agreement in force at the time, together with the corresponding non-interest-bearing deposits of FIM 3 159 million.

Table 2.3 Money market instruments are the instruments used by the Bank of Finland in its money market opera-

tions. Matured money market instruments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

Table 2.4 Foreign exchange transactions are recorded according to trade dates. In addition to spot transactions (Columns 1, 2, 4 and 5) the Bank of Finland's foreign exchange reserves are affected by interest payments and by changes in both the prices of securities and exchange rates. Spot transactions related to forward contracts (Column 4) refer to the combined effects on the foreign exchange reserves of forward transactions in the form of swaps and maturing forward transactions. The central government's foreign exchange transactions (Column 5) comprise transactions related to drawings and redemptions of government loans and associated interest payments.

Table 2.5 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 statistics cover all authorized banks and contracts. The rates of exchange used in the statistics are the forward rates on the contract date.

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 Bank of Finland's tender rate (column 1) is determined in tenders held by the Bank of Finland, in which the banks are asked to make bids or offers for money market instruments with a maturity of one month. The tender rate is the weighted average of accepted bids or offers, expressed as a simple annual interest rate. If, when requesting bids or offers, the Bank of Finland announces an acceptable interest rate (fixed-rate tender), the tender rate is the same as the rate announced by the Bank. The monthly figure for the tender rate is the arithmetic average of calendar day figures.

Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. In addition, they can obtain liquidity credit from the Bank of Finland with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity of liquidity credit is determined by the Bank of Finland. The rate of interest on liquidity credit is obtained by adding together the Bank of Finland's tender rate and the interest rate margin for liquidity credit. The call money deposit rate is obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. The monthly figures for maturity and interest rate margins are those prevailing at the end of the month.

Table 3.3 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.

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 and 36-month tax-exempt deposits (Columns 7 and 8): from May (September) 1992, 24-month (36-month) deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less two percentage points (one percentage point). In the period from January 1989 to April 1992, 24-month deposits (Column 7) were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less one percentage point. Other tax-exempt deposits (Column 9): in the period from January 1989 to April 1992, deposits other than 24-month deposits were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less 4 percentage points. From May 1992, deposits other than 24-month or 36-month deposits are tax-exempt if they carry a maximum rate of interest as prescribed by law. The maximum rate was first set at 4.5 per cent. From 6 May 1993 it has been 2.5 per cent. All markka deposits (Column 10): 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 11): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 12); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

Table 3.5 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. Yields on taxable government bonds (Columns 3 and 4) are calculated by the Bank of Finland in a similar fashion. Until January 1992, the yield on 5-year taxable government bonds (Column 3) was calculated on a bullet bond due on 15 March 1994 with a coupon rate of 13 per cent. From February 1992 onwards the yield is calculated on a bullet bond due on 15 January 1999 with a coupon rate of 11 per cent. The yield on 10-year taxable government bonds (Column 4) is calculated on a housing bond (bullet) due on 15 March 2002 with a coupon rate of 10.75 per cent. The yield on taxable public issues (Column 5) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures S25

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. The yield on taxfree public issues (Column 6) 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 5 and 6 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 are the averages of monthly observations.

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 was FIM 4.87580 from 7 June to 14 November 1991, and FIM 5.55841 from 15 November 1991 to 7 September 1992, and the fluctuation limits were ± 3 per cent around the midpoint. Since 8 September 1992 the markka has been floating. Trade-weighted currency index (Column 2): 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 3): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERIM index (Column 4): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; 14 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. 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 (Col-

umn 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 public, excl. deposits with the Bank of Finland). M_3 (Column 8) = M_2 + bank CDs held by the public.

Table 5.4 Source: State Treasury Office. 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 include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. Table C includes transactions in markka-denominated bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by the banks entitled to central bank financing. The State Treasury and, at this stage, the five largest banks (Kansallis-Osake-Pankki, Okobank, Postipankki, Skopbank and

Union Bank of Finland) have agreed on a market making arrangement for benchmark government bonds with effect from 1 August 1992. Transactions (purchases) between primary dealers (Column 3) comprise transactions in benchmark government bonds between the banks that have signed the market making agreement. Purchases and sales between banks and others (Columns 4 and 5) consist of transactions in benchmark government bonds between primary dealers and other parties. Other parties refer to all parties that are not primary dealers.

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. The figures for investment income and expenditure (Columns 7 and 16) include reinvested earnings on direct investment. Preliminary data on reinvested earnings in the previous year have been included in the current account figures annually from the September issue of the Bulletin. (The annual figure is divided evenly between quarterly figures.)

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.

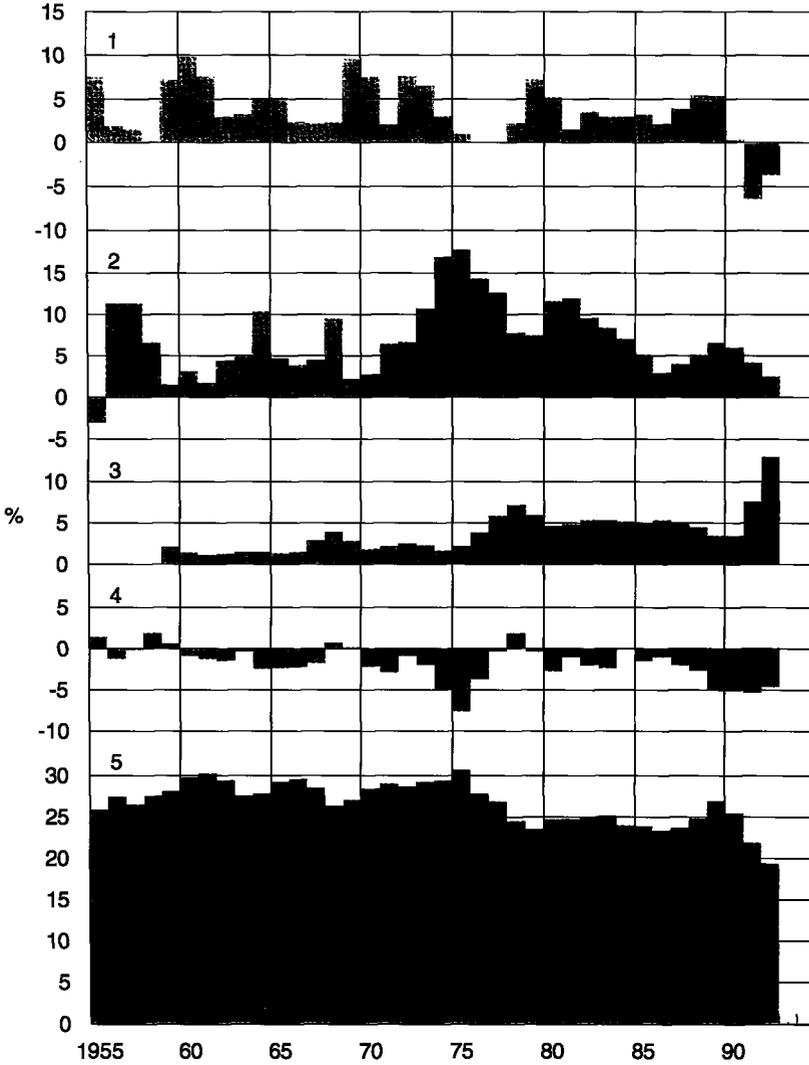
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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 is 1985.

Table 8.6 Source: Ministry of Finance.

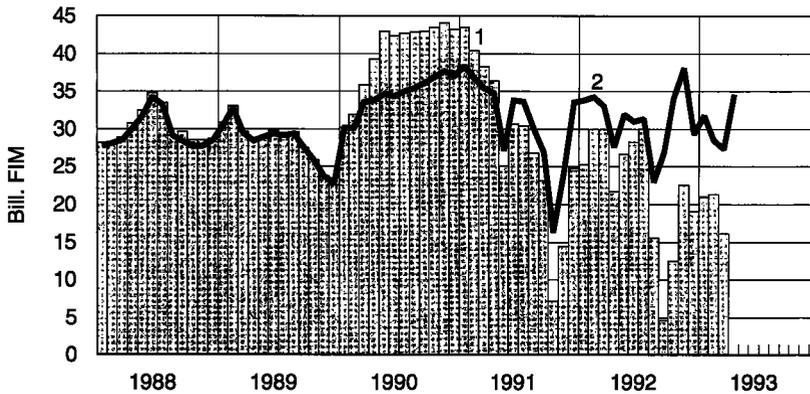
| | |
|--|-----|
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1. LONG-TERM INDICATORS



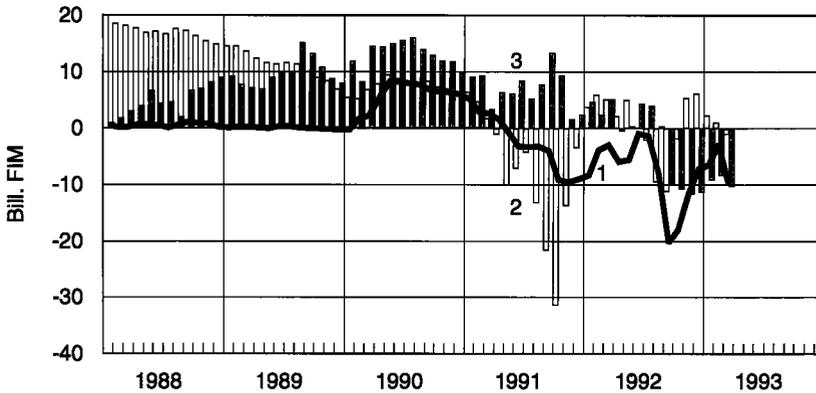
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



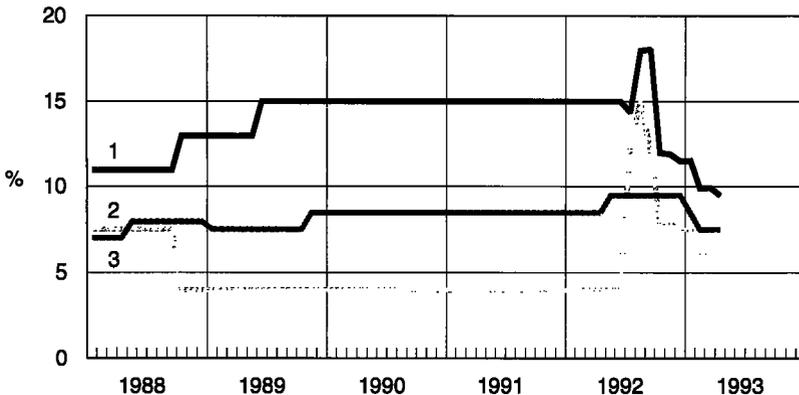
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

3. FORWARD MARKET



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

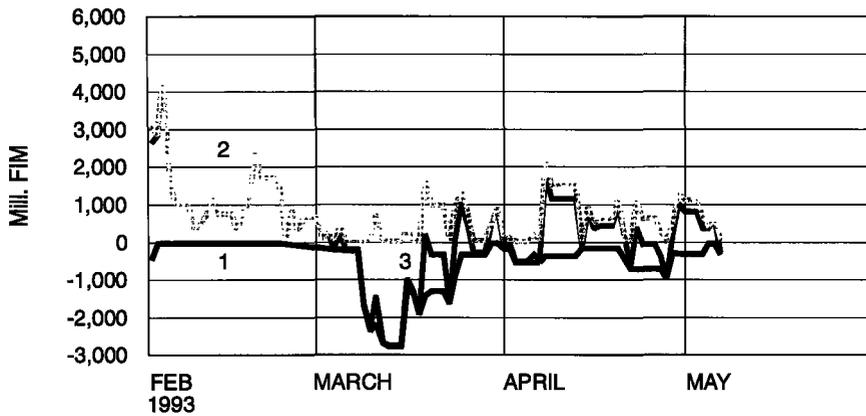
4. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Call money deposit rate
3. Base rate

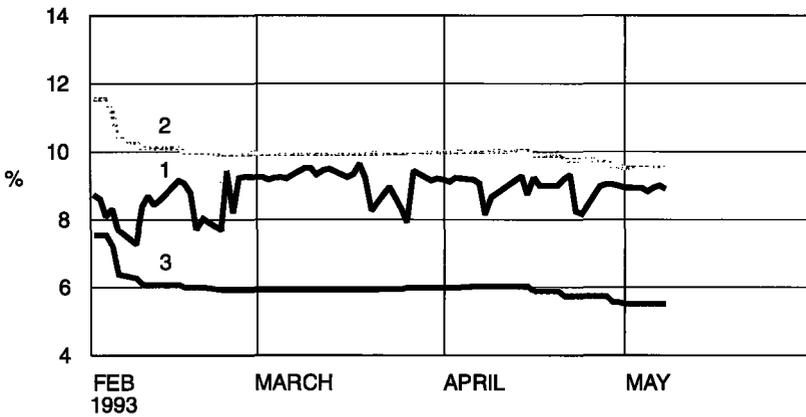
End-of-month observations

5. BANKS' LIQUIDITY POSITION WITH THE BANK OF FINLAND



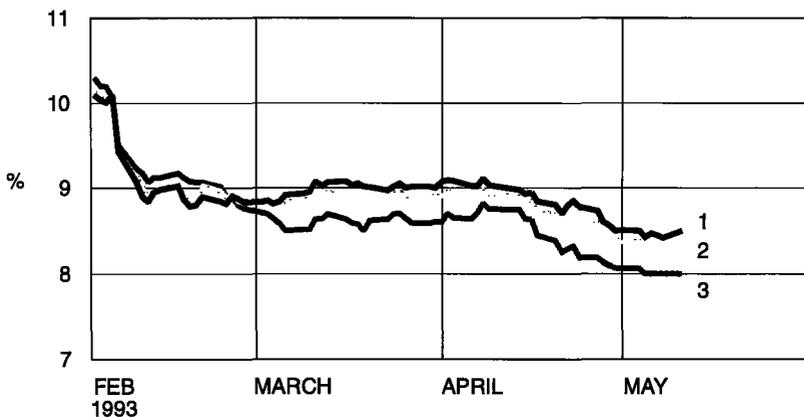
- 1. Liquidity credits (-)
- 2. Call money deposits
- 3. Net

6. LIQUIDITY MANAGEMENT INTEREST RATES



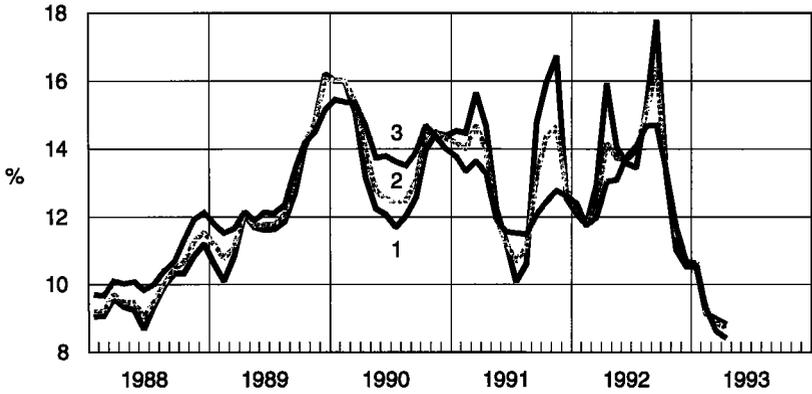
- 1. Inter-bank overnight rate
 - 2. Liquidity credit rate
 - 3. Call money deposit rate
- Daily observations

7. HELIBOR RATES OF INTEREST, DAILY



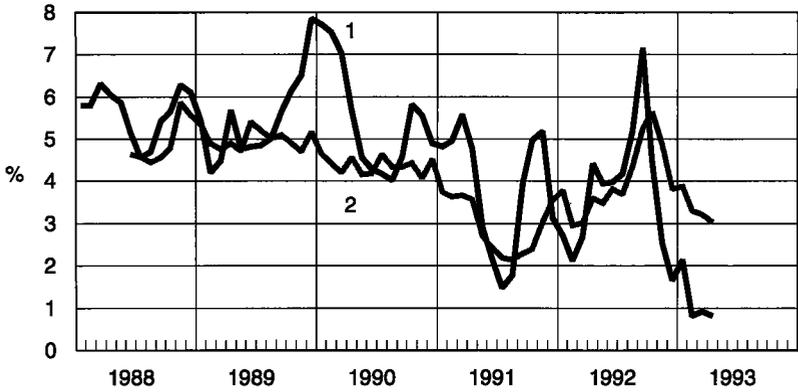
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

8. HELIBOR RATES OF INTEREST, MONTHLY



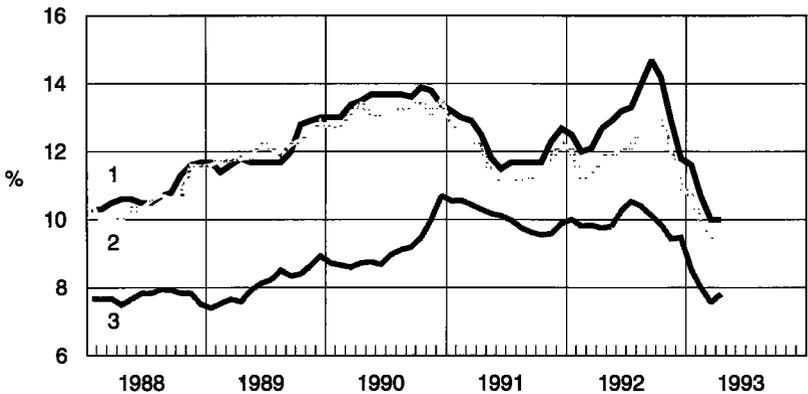
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. DIFFERENTIAL BETWEEN FINNISH AND GERMAN INTEREST RATES



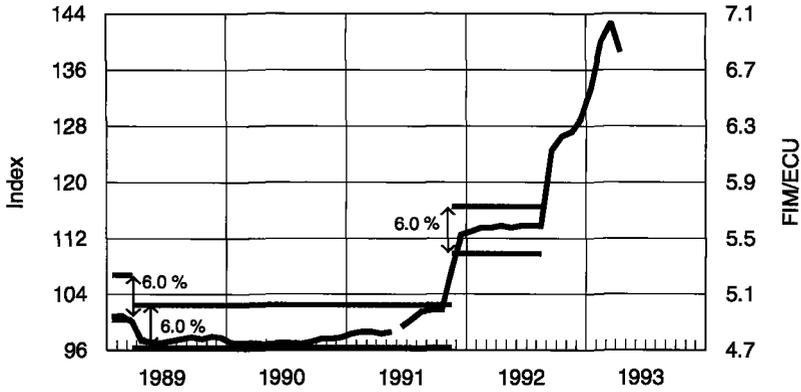
- 1. 3-month HELIBOR *minus* 3-month DEM eurorate
- 2. 5-year Finnish government bond yield *minus* 5-year German government bond yield

10. YIELDS ON BONDS



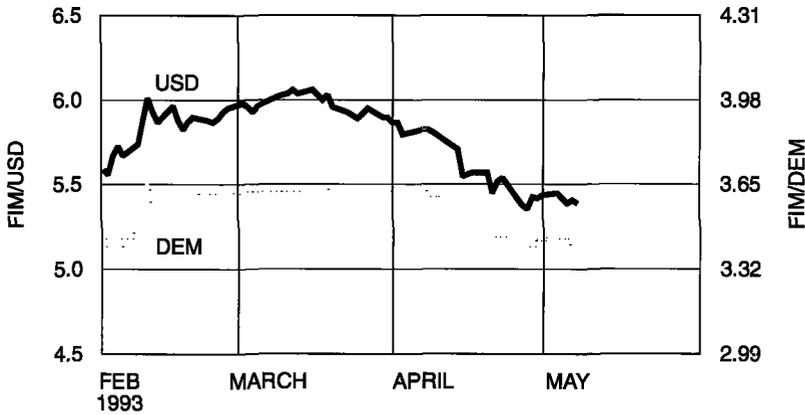
- 1. Bank of Finland's 5-year reference rate
- 2. Until April 1991, yield on (4-5 year) taxable government bonds
Since May 1991, yield on government bond due on 15 March 1996, coupon rate 11.75 per cent
- 3. Yield on (4-5 year) tax-free government bonds

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



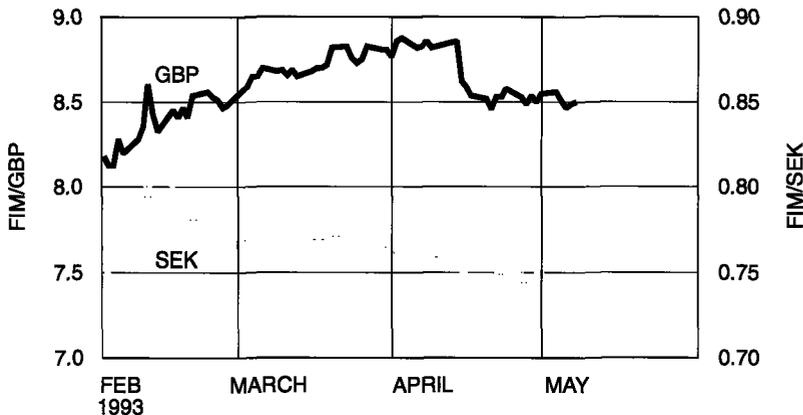
Until 7 June 1991, the Bank of Finland currency index. From 7 June 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953–5.02207 in the period 7 June – 14 November 1991, and 5.39166–5.72516 in the period 15 November 1991 – 7 September 1992. Since 8 September 1992, the limits have been temporarily abandoned.
Monthly averages

12. DAILY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



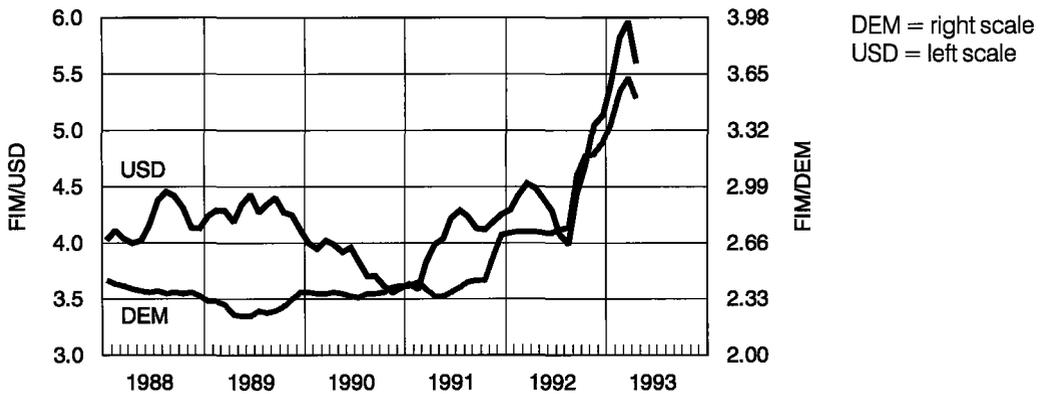
Middle rates
DEM = right scale
USD = left scale

13. DAILY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA

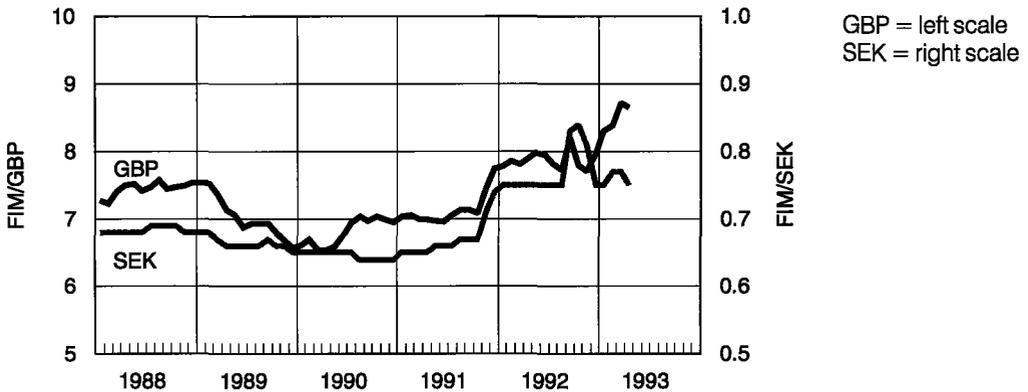


Middle rates
GBP = left scale
SEK = right scale

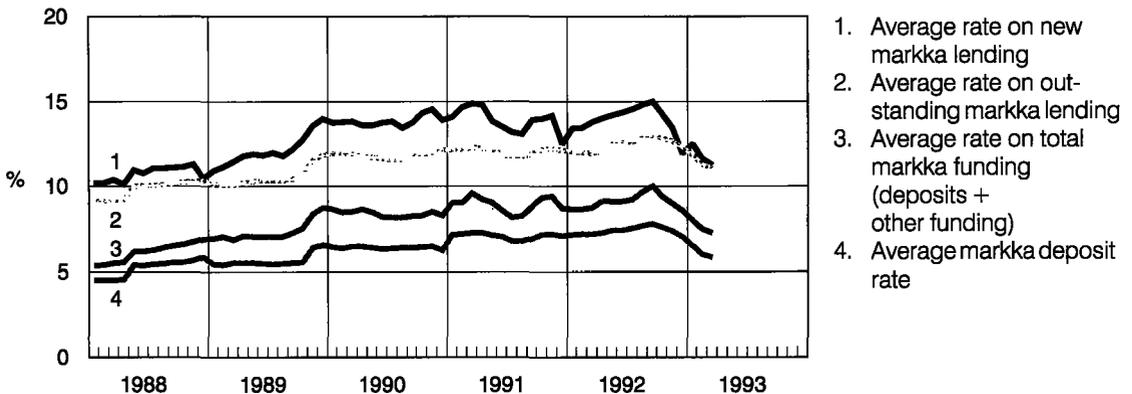
14. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



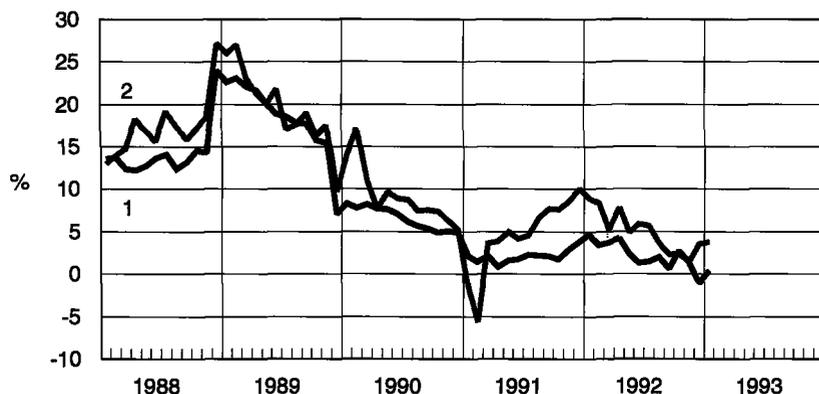
15. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



16. BANKS' MARKKA LENDING RATES AND MARKKA FUNDING RATES



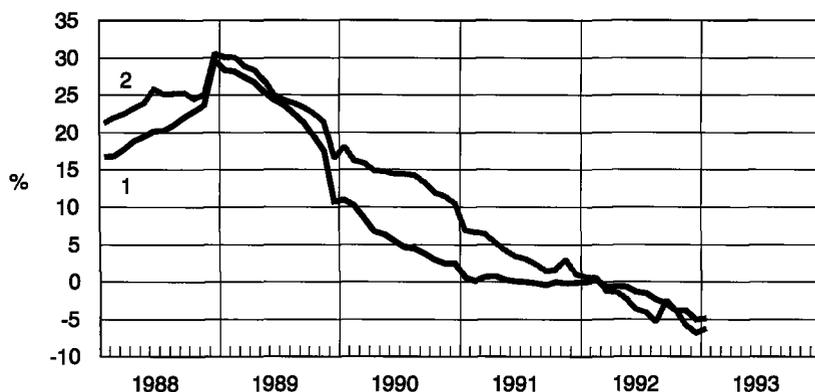
17. BANK FUNDING FROM THE PUBLIC



- 1. Markka deposits
- 2. Total funding

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

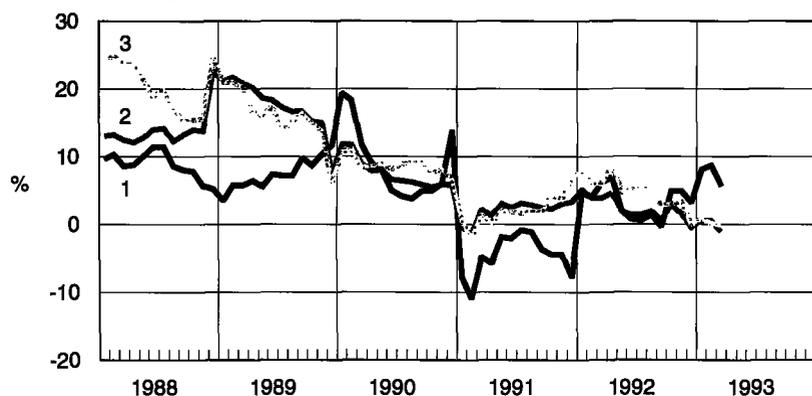
18. BANK LENDING TO THE PUBLIC



- 1. Markka lending
- 2. Total lending

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

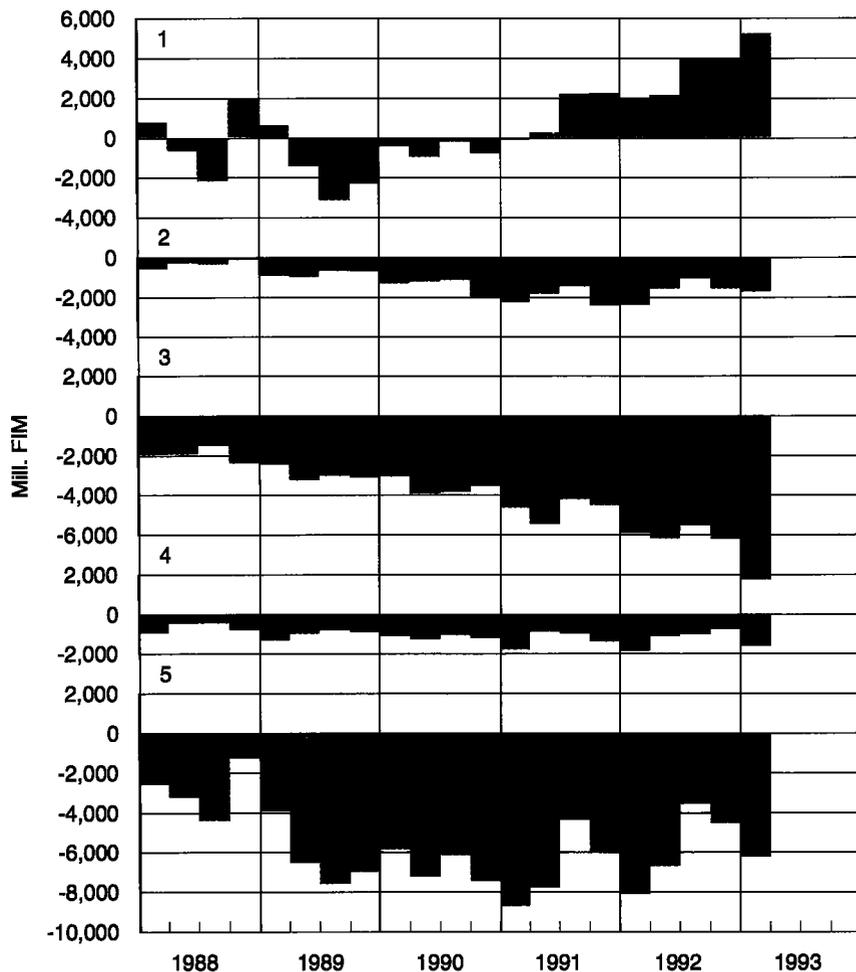
19. MONEY SUPPLY



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

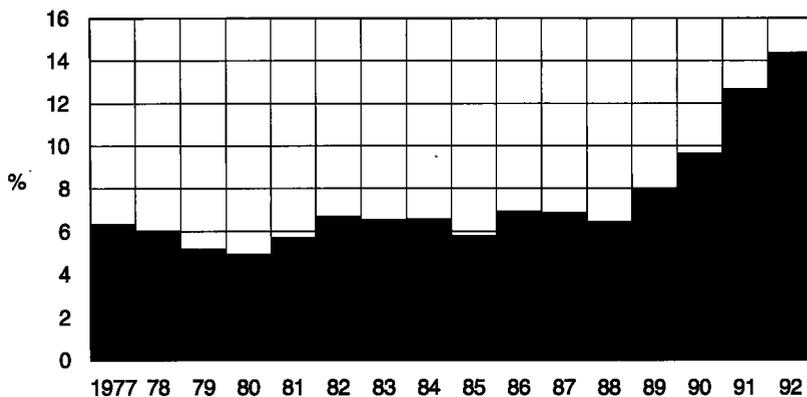
Change from the corresponding month of the previous year, per cent

20. CURRENT ACCOUNT



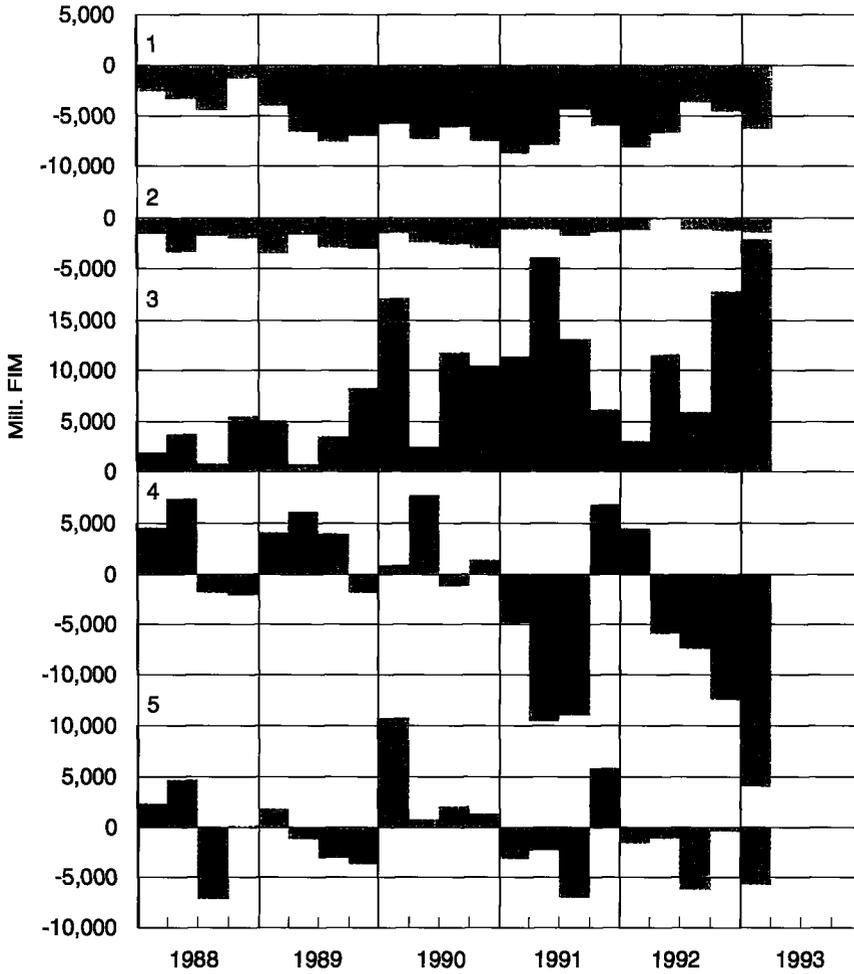
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

21. NET INTEREST AND DIVIDEND EXPENDITURE



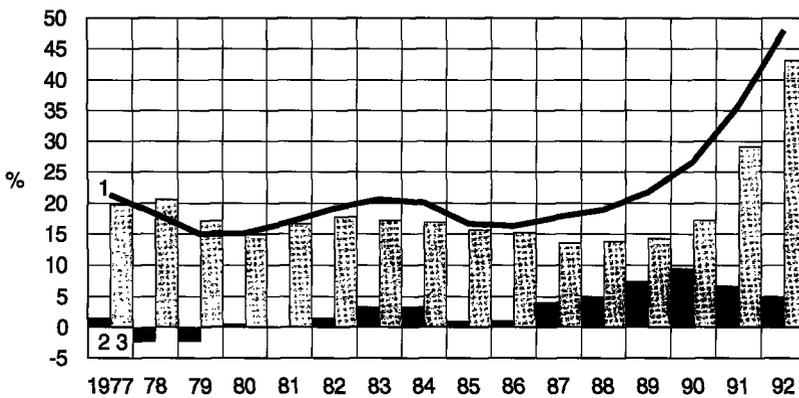
As a percentage of current account receipts

22. BALANCE OF PAYMENTS



1. Current account
2. Direct investment
3. Other long-term capital account
4. Short-term capital account
5. Overall balance = change in the foreign exchange reserves of the Bank of Finland

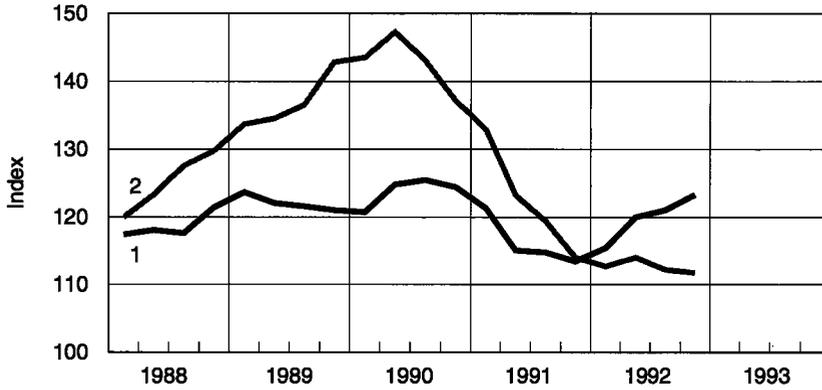
23. FOREIGN DEBT



1. Total foreign net debt
2. Short-term net debt
3. Long-term net debt

As a percentage of GDP

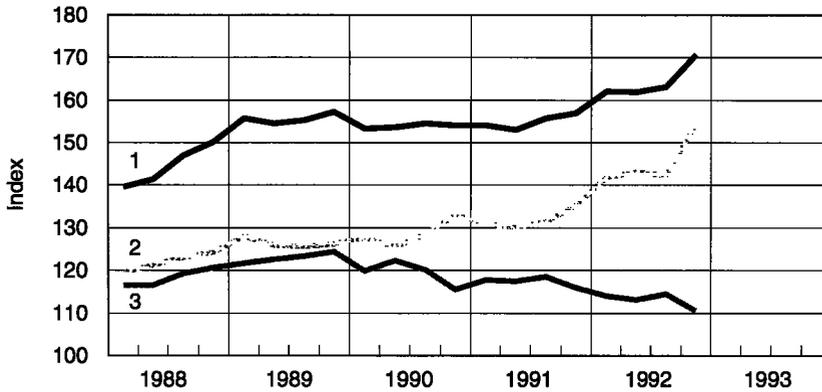
24. FOREIGN TRADE



1. Total exports
2. Total imports

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

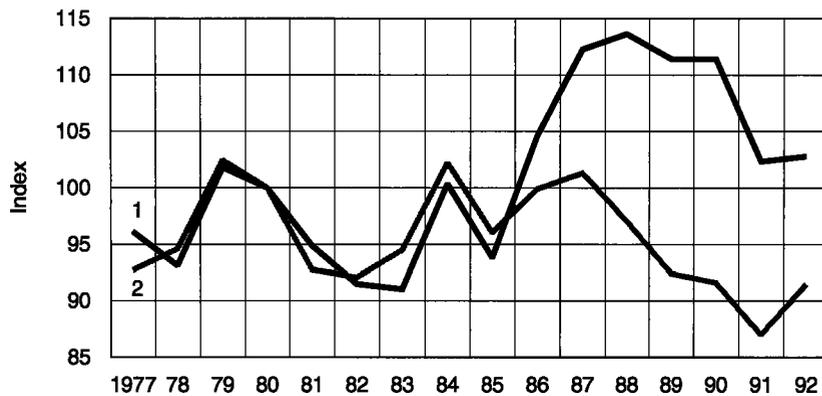
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



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

1980 = 100

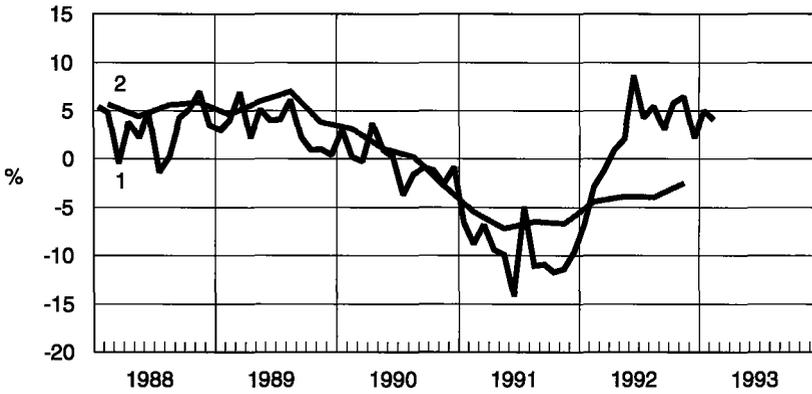
26. FINLAND'S EXPORT PERFORMANCE



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

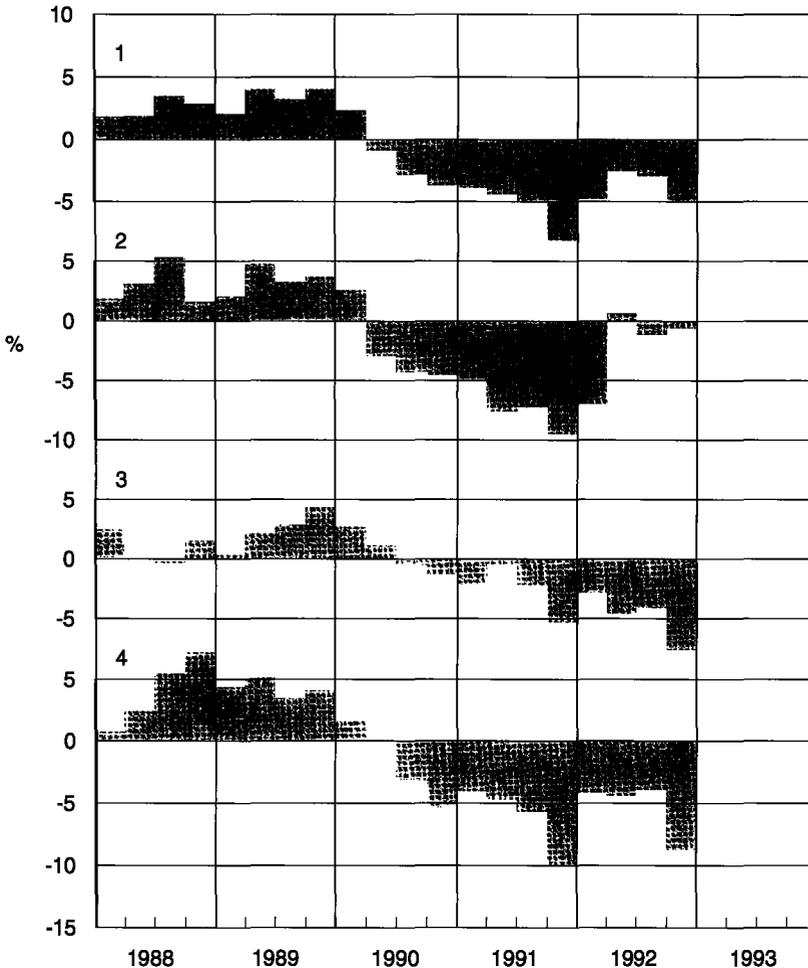
1980 = 100

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

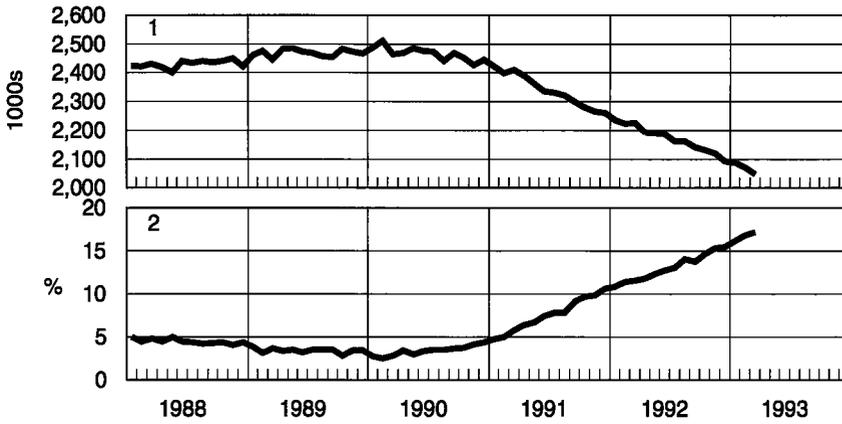
28. FIXED INVESTMENT



1. Total fixed investment
2. Investment in machinery and equipment
3. Building investment, excl. residential buildings
4. Residential buildings

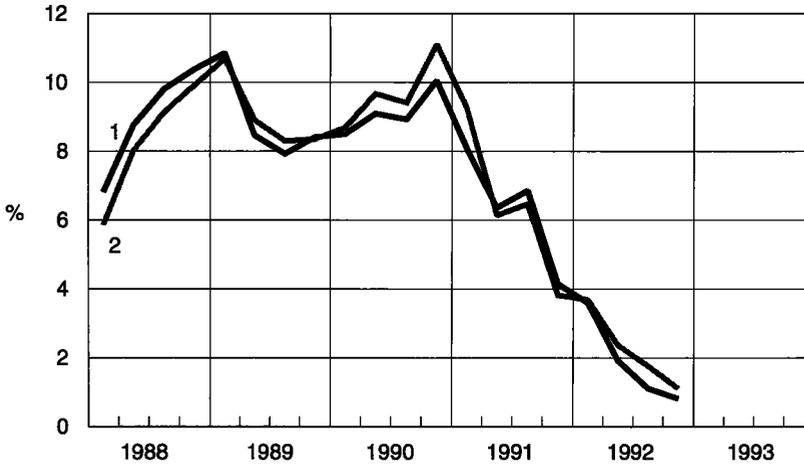
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



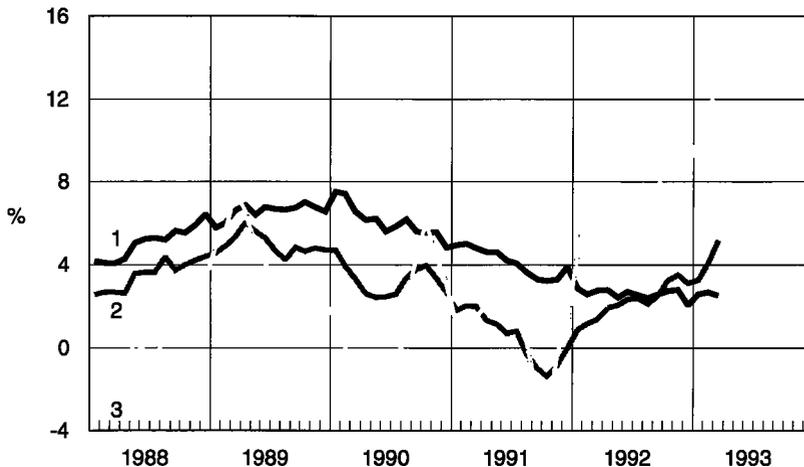
- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

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

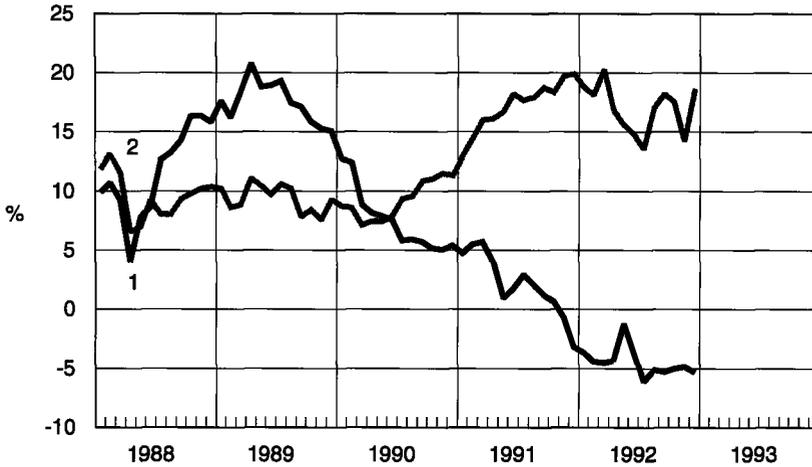
Change from the corresponding quarter of the previous year, per cent



- 1. Consumer price index
- 2. Wholesale price index
- 3. Import price index

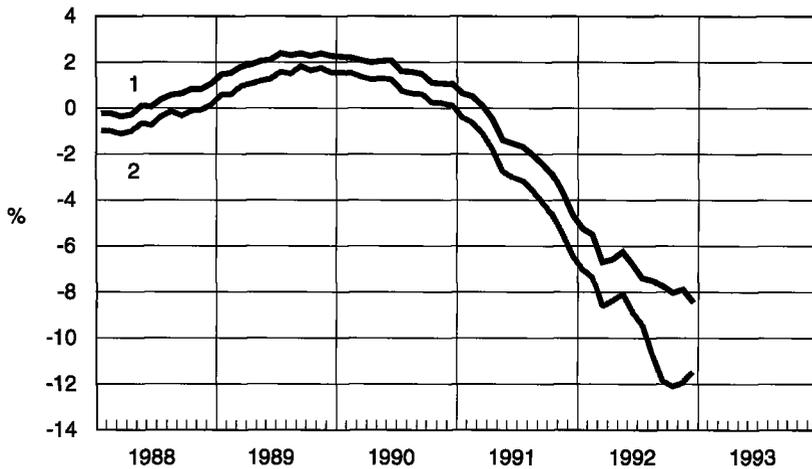
Change from the corresponding month of the previous year, per cent

31. CENTRAL GOVERNMENT FINANCES



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

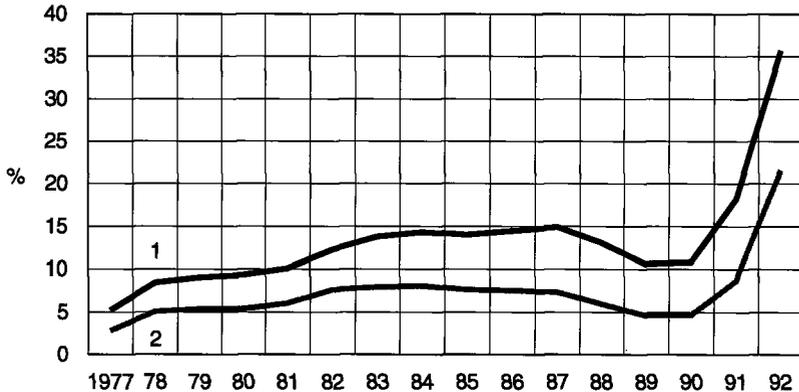
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



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

12-month moving total as a percentage of GDP, plotted at the last month

32. CENTRAL GOVERNMENT DEBT



1. Total debt
2. Of which: foreign currency-denominated debt

As a percentage of GDP

BANK OF FINLAND

1 March 1993

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JUSSI RANTA, Vice Chairman
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Data Processing Department JUHANI RAPELI
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Economics Department KARI PUUMANEN

Financial Markets Department
KAJU KALLIO (ad interim),
Advisers: PETER NYBERG, RALF PAULI

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Secretary to the Parliamentary Supervisory
Board and the Board of Management

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SETEC OY

VELI TARVAINEN, Managing Director
