



# BULLETIN

BANK OF FINLAND

March 1993 Vol. 67 No. 3

Estonia's Currency Reform  
of 1992

Large Banknotes Dominate  
Currency Demand

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## PUBLISHER

**SUOMEN PANKKI  
FINLANDS BANK**

P.O.Box 160,  
FIN-00101 HELSINKI,  
FINLAND

Telephone:  
National (90) 1831  
International + 358 0 1831

Telex: 121224 SPFB SF  
Telefax: 174872  
Cables: SUOMENPANKKI

**Editor-in-Chief**  
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ISSN 0784-6509

Printed by Uusimaa Oy,  
Porvoo 1993

## ESTONIA'S CURRENCY REFORM OF 1992

by **Siim Kallas**, President of the Bank of Estonia  
and **Mart Sõrg**, Professor of Money and Banking, Tartu University

In June 1992, Estonia became the first of the newly independent Baltic states to introduce its own currency – the Estonian kroon (EEK). The experience gained so far suggests that the reform can be considered a success. This can be attributed to a long period of preparatory work, to the confidence shown by the population and the Government in the new currency and to international support.

### THE IDEA OF A NATIONAL CURRENCY TAKES SHAPE

All the time that Estonia was part of the Soviet Union, the Estonian people never ceased dreaming about regaining independence. With the onset of *perestroika*, initiated by the Soviet central authorities in 1985, these ideas could be discussed openly. It all started in 1987, when four Estonian social scientists put forward a proposal for Estonian economic autonomy, which also stressed the need for an independent monetary system. Quite by chance, among the persons involved in formulating the proposal were Siim Kallas, the current President of the Bank of Estonia (Eesti Pank), and Edgar Savisaar, a former Prime Minister and a current Vice Chairman of Parliament (Riigikogu).

Estonia's Moscow-minded leadership responded by ordering the publication of articles that tried to prove the impossibility of economic autonomy, but this only added fuel to the debate. Different groups emerged with opposing views about the feasibility of introducing a national currency. But accelerating inflation and the acute cash crisis it gave rise to, together

with the fact that the rouble was increasingly being displaced by foreign currencies, only served to strengthen the case for Estonia having its own currency. In 1988, the Estonian Government had to give in to the pressure, and official working groups were set up to elaborate the concept of economic independence, including the introduction of a national currency.

The long preparatory period leading up to the reform, in which both supporters and opponents of the idea participated, enabled those concerned to thoroughly assess all the arguments and consider ways in which economic autonomy might be implemented. Thus, the theoretical grounding was very thorough. In addition, the discussions helped to increase the public's understanding of money, finance and monetary policy in society. As a small state which simultaneously aspired to regain economic independence and transform its socialist command economy into a market economy Estonia was also in a unique position as regards currency reform. No examples of how such a reform should be carried out were to be found from history. During the discussions it became clear that a number of questions could not be adequately answered, either on the basis of theory, analogical experience or calculations. Consequently, there would have to be reliance on intuition and risks would have to be taken.

### PREPARING FOR THE TRANSITION TO AN INDEPENDENT MONETARY SYSTEM

The cornerstone of an independent monetary system is the existence of an independent banking system. The foundations for the latter were laid by the USSR's bank reform of 1988 by which a two-tier bank system was introduced. The State Bank of the USSR (Gosbank) was transformed into a central bank. It ceased rendering services to customers and five specialized banks with a network of branches covering the entire country were established. However, the expected transformation of the specialized banks into commercial banks did not occur, and Gosbank allowed independent commercial and cooperative banks to be established alongside the existing banks. Estonia was eager to take advantage of this possibility and, as early as September 1988, Tartu Commercial Bank was registered as the USSR's first commercial bank. In 1990, other commercial banks followed, and by the end of that year there were already twelve such banks, accounting for more than 25 per cent of total outstanding bank credit.

Moscow's compliance with the Baltic states' aspirations for increasing economic independence paved the way for the foundation of Estonia's own central bank in December 1989 and the adoption of its own banking law. As a result of negotiations with the government of the USSR and Gosbank, the Estonian branches of the Soviet specialized banks were allowed to reorganize as independent units.

The banking law enacted in the USSR in November 1990 3

and the subsequent dissolution of the USSR enabled Estonia to terminate the activities of the Estonian office of Gosbank, which was responsible for, among other things, the rouble note issue. The corresponding functions were transferred to the Bank of Estonia. Prior to this, the Tallinn department of the USSR Bank for Foreign Exchange Affairs (Vneshekonombank) had been handed over to the Bank of Estonia.

The second important element of the preparatory work was the formulation of a scientific basis for implementing the currency reform and for the subsequent successful functioning of the monetary system. These issues were investigated separately by the Bank of Estonia and the Government. The opinions of the two groups largely coincided, but, partly due to personal reasons, their differences were accentuated. Their reports, which were ready at the end of 1990, did not therefore meet with the approval of either side. A way out was found in the form of international expertise. The problem had attracted international interest and a group of foreign scientists comprising Professor Lars Jonung from Sweden and Professor Steve H. Hanke and Mr Kurt Schuler from the United States put forward their own proposal for a monetary system. The nucleus of their recommendation was the idea of a fixed exchange rate and a currency board, some elements of which were eventually adopted in connection with the reform.

In order to provide the reformers with the necessary legislative power, ability to operate and confidentiality, a three-member currency reform committee was set up. The Prime Minister and the President of the Bank of Estonia were members of the Committee by virtue of their office, while the third member was an independent expert. Initially, Siim Kallas was appointed as the independent expert, but after his appointment to the post of President of the Bank

4 of Estonia, Rudolf Jalakas, a

Swedish banker of Estonian origin, acted as the expert. The currency reform committee was granted extensive powers in preparing and implementing the reform. Under its guidance, a comprehensive package of laws, necessary for the transition, was framed and the logistic preparations were also made. The currency reform committee had the right to issue decrees, which were considered to have the same status as decisions of Parliament. To ensure the ability of the committee to operate in the event of a crisis – also during the first stages of the reform – the powers of the committee were to remain in force until 25 June 1995. Prior to the currency reform, the Supreme Council<sup>1</sup> approved three laws in May 1992: the currency law, the foreign exchange law and the law on backing the Estonian kroon.

As regards technical matters relating to the transition to the new monetary system, the necessary amount of banknotes had to be printed and coins minted, funds for backing the currency in circulation had to be built up and the actual cash exchange be organized. These activities got under way at an early date. Already in 1990, a tender for the design of the banknotes was organized. It was won by Vladimir Taiger, who skilfully portrayed prominent figures from the period of Estonia's national awakening and the period of independence from 1918 to 1940. Given the low level of foreign exchange reserves, it was decided to have the banknotes printed as cheaply as possible. Initially, the banknotes were ordered from the US Banknote Company, but as this company was in no rush to fulfill the order, a new order was placed with the British company Thomas De La Rue and Co Ltd. So, the 1 and 2 kroon banknotes were printed by the former company and the

5, 10, 25, 100 and 500 kroon banknotes by the latter. The coins were struck by the Tallinn Jewel Factory using blanks purchased from Finland. It was originally planned that the banknotes should be printed by the autumn of 1990, but in the event they were not available until spring 1992.

In order to obtain backing for the currency, negotiations regarding the return of the gold and foreign exchange deposited with foreign banks before the 1940 occupation were commenced soon after Estonia regained its independence. The Bank of Estonia laid claim to these reserves as the legal successor to the central bank existing up to 1940. Before the occupation, Estonia's largest gold reserves were held in the United Kingdom (4.8 tonnes), Sweden (2.9 tonnes) and Switzerland (3.3 tonnes with the Bank for International Settlements). Part of these reserves had been handed over to the Soviet Union, part was blocked. As a result of the negotiations, Estonia regained possession of the gold.

The gold reserves fully backed the amount of currency it was planned to put into circulation. As the future accumulation of foreign reserves was unclear, part of the country's forests – 150 000 cubic metres of standing timber – was placed at the disposal of the Bank of Estonia by a decision of the Supreme Council to be used to support the kroon. The imputed value of the wood was USD 150 million. The Bank of Estonia had also built up foreign exchange reserves to some extent. All in all, the security for backing the currency amounted to approximately USD 120 million (excluding the forests), which was considered sufficient to fully back the notes and coin in circulation.

Another important part of the last stage of the preparations was the logistics of the cash exchange. For that purpose, 726 cash exchange offices were set up and the necessary staff – managers, exchange officers, security guards – hired and

<sup>1</sup> Parliament was called the Supreme Council until the parliamentary election held in September 1992.

trained. Lists of residents who had the right to exchange cash were compiled and people were asked to check their names on the lists. Of the 1 554 200 persons included on the lists, 90.1 per cent checked their names during the designated period from 2 to 22 May. Those who failed to do so forfeited the right to exchange cash.

### **MAIN FEATURES OF THE CURRENCY REFORM**

The most important stage of the currency reform – the withdrawal of roubles from circulation and their replacement with the new currency – took place in June 1992. In the decree concerning the implementation of the currency reform issued by the currency reform committee on 17 June 1992 it was laid down that the Estonian kroon would be the sole legal tender in Estonia with effect from 4 am on 20 June 1992. It was further ordained that each resident whose name was on the list could exchange up to 1 500 roubles at the rate of 10 roubles to 1 kroon within three days starting from 20 June. Cash roubles exceeding this amount could be exchanged up to 1 July at the rate of 50 roubles to 1 kroon.

It was also stated that the financial obligations and claims outstanding at the time of the currency reform would remain valid and be redenominated in kroons at the rate of 10 roubles to 1 kroon while the settlement of existing obligations and claims would be extended until 28 June. Rouble savings held in bank accounts and cheques were converted into kroon at the rate of 10 roubles to 1 kroon. Cash roubles held by corporate entities were accepted by banks until 10.00 am on 20 June. Therefore, only roubles in the accounts of corporate entities were exchanged at the rate of 10 roubles to 1 kroon. Corporate entities were, however, given enough time to dispose of their cash holdings and individuals time to go to the currency exchange offices.

As the exchange rate was favourable, precautions had to be taken to prevent the risk of roubles flowing into Estonia from other rouble area states. Under the decree, deposits of more than 50 000 roubles made by individuals after 1 May and deposits of 1 million roubles or over made by corporate entities after 19 May were blocked until their origin had been ascertained.

According to official figures, a total of 1 096 706 people exchanged cash roubles for kroons and EEK 672 million (part of it exchanged for hard currency) was put into circulation.

Under the currency law approved on 20 May, the kroon had been proclaimed the sole legal tender in Estonia with effect from the start of the currency reform. In the foreign exchange law it was stipulated that foreign exchange could be used only in international operations and that the settlement of transactions in foreign currency required a licence issued by the Bank of Estonia. In order to build up foreign exchange reserves with the Bank of Estonia, enterprises were required to sell their foreign currency earnings to the central bank within two months (the Government and government institutions within seven days). Foreign exchange could be repurchased, if needed, without restrictions. There were no restrictions on individuals holding foreign currency accounts either in Estonia or abroad; however, the export of foreign currency cash exceeding the equivalent of DEM 1000 had to be declared. Individuals were allowed to freely exchange foreign currency cash in all currency exchange offices.

The kroon's exchange rate against the deutschmark was fixed at EEK 8 = DEM 1, and the Bank of Estonia undertook only to exchange kroons for deutschmark and vice versa. Free convertibility of other foreign currencies for residents was guaranteed by commercial banks and their currency exchange offices.

In order to secure a balanced state budget, which was necessary for maintaining the stability of the kroon, the currency reform committee issued a decree establishing new tax rates. The value-added tax rate for goods and services was raised from 10 to 18 per cent. The corporate tax rate was fixed at 35 per cent (previously the maximum rate) and for personal incomes in excess of ten times the minimum monthly wage, a top rate of 50 per cent was introduced (compared with a previous maximum of 33 per cent).

In order to limit the amount of cash in circulation, the Bank of Estonia raised the reserve requirements for commercial banks and the procedure for issuing licences to banks was tightened.

In conjunction with the currency reform the Government made several decisions aimed at speeding up and deepening structural reform in the economy.

All in all, the currency reform of June 1992 can be said to have been very moderate as far as residents were concerned. This was due to the fact that inflation and a spending boom prior to the reform had greatly reduced the value of the amount of money in circulation. The currency reform was also designed to be very simple, taking into consideration the rudimentary state of the country's monetary system and the low level of training and reliability of the people employed in the currency exchange offices. The reform also aimed to promote the confidence of the public in their own currency. This is indicated, for example, by the requirement for the kroon to be fully backed and by the fact that the Bank of Estonia lacks the right to devalue the kroon (only Parliament has this right). It has been claimed by some that the kroon was initially undervalued because the exchange rate was determined on the basis of the deutschmark's current exchange rate against the rouble (1:80), which had been influenced by the restric-

tions on currency exchange as well as by the profusion of shops selling goods for hard currency only.

### INITIAL RESULTS OF THE CURRENCY REFORM

The currency law brought the system of hard currency shops to an end as these shops were henceforth required to sell goods for kroons. Thus, these goods now became available for everybody but, against all expectations, total sales of imported goods fell significantly, because of the large difference in prices between imported and local goods. This enabled Estonian producers to raise their prices to a certain extent and forced traders to reduce the prices of imported goods. Gradually, the shortage of goods started to disappear. Thus, while surveys conducted among shop assistants in 1991 and the first quarter of 1992 showed that the vast majority of them thought that there were not enough goods to satisfy demand, in the third quarter of 1992 the number who were still of this opinion was equal to those who felt that demand was now being satisfied.

After the kroon was decoupled from the rouble area, it was no longer directly influenced by inflation in the CIS countries. As a result, the kroon's exchange rate against the rouble started to rise. Whereas the rouble's exchange rate against the US dollar has fallen continuously, the kroon's exchange rate against the dollar has hardly changed at all in the period since the reform.

As the kroon, by being pegged to the deutschmark, does not fluctuate significantly and its convertibility has been maintained, banks in a number of countries have started to exchange kroons. Initially, this was done only by the other Baltic states (Latvia and Lithuania) but now also banks in Russia and some in Finland and Sweden have followed suit.

Whereas before the currency reform it was common to change foreign currency in the street, this practice has gradually died out because banks can now satisfy the demand for currency exchange. By 20 January this year, 39 banks had received a licence to engage in currency exchange and they have established 258 currency exchange offices. Some of them are situat-

ed in hotels and the bigger department stores. Daily turnover of the currency exchanges had reached EEK 10-12 million by the end of November, which is equivalent to 20 per cent of the daily turnover of cash in kroons.

One of the most important consequences of the currency reform was the restoration of confidence in the local currency (the rouble had ceased to enjoy it). This was reflected in the fact that, in spite of the negative real rate of interest, the deposits of the population in the accounts of the Savings Bank began to grow.

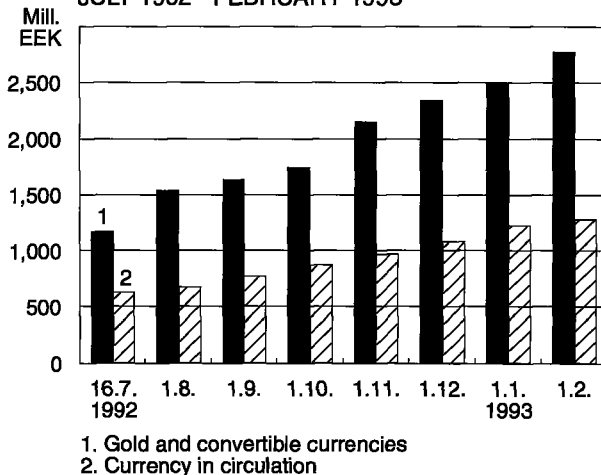
It is estimated that, in the third quarter of 1992, savings increased by 25 per cent compared to the period before the currency reform. At the same time, the inflow of foreign currency cash into banks increased, and what is especially important, its accumulation in the central bank increased. Immediately after the currency reform the foreign exchange reserves of Estonian banks totalled EEK 2 377.5 million, of which 31 per cent was with the central bank. They amounted to EEK 3 743.58 million on 1 December 1992, of which as much as 62.6 per cent was held by the central bank (Chart). The inflow can be assumed to be due to both the transfer of part of the savings held abroad to Estonia and the expansion of exports. Estonia's trade balance, which has traditionally shown a large deficit, has either been in surplus or only slightly in deficit in the months since the currency reform was effected.

### OUTLOOK

Although more than six months have now elapsed since the start of the currency reform, the Estonian kroon shows no signs of weakening, viewed in terms of exchange rates. But the economy continues to be characterized by a number of unfavourable developments. The decline in production has not been reversed; over the past few months both industrial and

### CHART.

GOLD AND CONVERTIBLE CURRENCY RESERVES AND CURRENCY IN CIRCULATION, JULY 1992 - FEBRUARY 1993\*



1. Gold and convertible currencies  
2. Currency in circulation

\* According to the Bank of Estonia's balance sheet

agricultural production have decreased. Although some enterprises did increase production in September, privatization has made little progress, and bankruptcy proceedings for insolvent enterprises have been initiated in only a few cases. When bankruptcy proceedings are initiated on a large scale, new disturbances in payments and production can be expected.

The second unfavourable development is that inflation has not been contained. Although the monthly inflation rate eased for a time (July 21.0 per cent, August 16.7 per cent, September 6.6 per cent), it subsequently re-accelerated (October 7.7 per cent, November 9.5 per cent) but has since slowed again (December 3.3 per cent, January 3.4 per cent). Inflation was partly due to the actions of some state-owned enterprises, which, because of their high costs of production, kept goods off the market in attempt to push prices higher. On the other hand, prices of energy and raw materials imported from Russia have been rising constantly and the share of expensive raw materials and goods imported from the West has been increasing.

For example, the prices of flour products sold in Estonia have risen more than twofold and the price of imported fuel is now at the world market level. Higher import prices have, in turn, led to an increase in the production of local goods and forced the state to raise subsidies, allowances and grants.

Domestic developments have also been influenced to some extent by the difficulties of Russian enterprises in making payments – due to lack of hard currency – and the difficulties of some Estonian banks in recovering loans extended to CIS countries before the currency reform.

However, it can be concluded that, in spite of the moderateness of the measures taken and the adverse consequences for the economy, the currency reform has been a success. During the months since the reform, the position of the kroon seems to have strengthened, but as the economic reform has not been completed and some of the unfavourable developments in the economy (delays in payment, unemployment, inflation) have even intensified, the final victory has not been won yet.

The confidence of Estonians in their currency and their desire to protect it as a symbol of independence and a better future have helped to maintain the external value of the kroon, contrary to the predictions of theory. It can be assumed that our countrymen will not give us such a favourable opportunity again.

The Bank of Estonia is aware of the difficulties and dangers that lie ahead. It has drawn up a crisis programme in the event that the position of the kroon becomes critical. The present Government has also made a commitment in its programme to keeping the kroon stable and it cooperates with the Bank of Estonia on several important monetary policy issues. All this gives cause for optimism about the future.

19 February 1993

# LARGE BANKNOTES DOMINATE CURRENCY DEMAND

by **Matti Virén\***, Professor of Economics  
University of Turku

**T**his article considers currency demand, in particular demand for different denominations. It makes use of both international comparisons and evidence from recent Finnish survey studies. The international comparisons indicate that the demand for the highest denomination banknotes is very high in almost all industrialized countries, including Finland. The survey studies try to shed some light on this puzzling re-

sult. Somewhat surprisingly, they reveal that the pattern of households' demand corresponds rather well with the observed shares of different denominations in total currency in circulation. The overall level of demand is, however, somewhat problematic: only one-third of currency demand can be explained by households' demand.

## INTRODUCTION

The demand for currency has undergone many changes in recent years. Debit and credit cards have crowded out part of currency demand while the use of cash dispensers and automated teller machines (ATMs) has affected both the level of demand and demand patterns.<sup>1</sup> It is interesting to note that at the same time currency demand itself has also changed. Demand has focused increasingly on large denomination notes, which suggests that the reasons for holding currency have changed significantly in recent years. In particular, it suggests that money hoarding has become more important. It may also reflect the increasing importance of the "shadow economy" and tax evasion in the industrialized countries.

This article does not try to explain the observed change in the denomination pattern of currency demand (see Boeschoten and Fase, 1992, for an attempt to measure the demand motives). Rather, it is limited to a descriptive analysis, presenting some recent cross-country data on currency demand with a special emphasis on the structure of demand, ie demand for notes of different denominations. Finland is examined in more detail as a separate case.

TABLE 1. SELECTED INDICATORS OF CURRENCY DEMAND IN DIFFERENT COUNTRIES IN 1991

	Share in the total value of notes in circulation, %		Value in US dollars			
	Highest denomination	Two highest denominations	Highest denomination	Second highest denomination	Notes in circulation/GDP	Notes and coin outside banks/GDP
Australia	43.9	81.6	76	157	4.0	4.0
Austria	18.0	77.8	468	94	6.6	5.9
Belgium	69.0	93.9	160	32	6.3	6.0
Canada	6.2	40.8	865	87	3.6	3.2
Finland	24.4	43.9	242	121	2.5	1.5
France	50.8	77.4	97	39	3.9	3.8
Denmark	55.2	40.3	169	85	3.1	2.9
Germany	25.9	37.7	659	329	7.0	6.6
Ireland	11.0	75.4	87	35	5.6	5.4
Italy	70.3	92.8	87	43	5.7	5.4
Japan	87.2	91.8	80	40	8.8	8.4
Netherlands	41.6	52.9	585	146	7.0	6.9
New Zealand	15.1	47.4	55	27	1.6	1.4
Norway	68.4	71.3	167	84	4.2	4.6
Portugal	29.5	84.5	75	37	8.6	8.0
Spain	39.4	85.8	103	52	10.6	10.2
Sweden	56.2	76.4	181	90	5.1	4.5
Switzerland	34.4	58.8	738	369	8.8	9.4
United Kingdom	15.6	48.4	88	35	2.8	2.9
USA	54.5	66.9	100	50	5.1	4.8
Unweighted mean	43.3	69.3	254	97	5.4	5.3
8 Median	42.8	73.8	132	68	5.4	5.1

\* Professor Virén is a former research supervisor at the Bank of Finland. He currently serves as a research consultant for some of the Bank's research projects.

<sup>1</sup> See Boeschoten (1992) for a thorough analysis of currency demand patterns in different countries. See also Virén (1992) for some recent Finnish evidence on the determinants of currency demand.



## SOME INTERNATIONAL EVIDENCE

The data for the comparative cross-country analysis were derived from the annual reports of central banks. In several cases, the data were obtained directly from the respective central bank. The gross domestic product (GDP) data for 1991 were taken from the IMF's International Financial Statistics. All figures correspond to the situation on 31 December 1991. Although the data were basically well-defined, several problems were encountered in determining what is in fact the highest denomination note. For instance, in Sweden, the United Kingdom and the United States there are high denomination notes in circulation which have not been issued for years, or which are used only in transferring money between financial institutions. These have been excluded from the analysis.

The data are presented in Charts 1 and 2. Chart 1 gives the USD values of the smallest and largest denomination notes in 20 OECD countries. Chart 2 shows the distribution of notes by denominations in these countries. The data are also tabulated in Table 1, together with data for the currency/GDP ratios.

Given the data in the charts and the tables, one can immediately conclude that a very high portion of currency demand is in the form of demand for the highest denomination note(s).<sup>2</sup> Because the value of the highest denomination note is typically too high for daily transactions, one may presume that such notes are used for other purposes: as a store of value, as gifts, in small business transactions and so on. However, it is also obvious that the highest denomination

<sup>2</sup> Boeschoten and Fase (1992) point out that, in general, the values of the high denomination notes have not been increased in line with inflation. Thus, the real value of the highest denomination notes is currently lower than the corresponding value 10 or 20 years ago. Obviously, this shows up in increased demand for the highest denomination notes.

notes are used in illegal transactions (tax evasion, in markets for stolen goods and in the drug trade). The figures presented above are so high that it would be worth devoting some effort to analyzing the payment and hoarding patterns connected with the latter activities.<sup>3</sup>

As far as the smallest denomination notes are concerned, one can note first of all that they are very small indeed, equivalent on average to only USD 2. This may reflect the fact that it is not easy to replace the smallest denomination note by a coin of the same denomination. This may be due to practical (discontinuity) problems or to problems in dividing the sei-

<sup>3</sup> Boeschoten and Fase (1984) represents a good starting point in this respect.

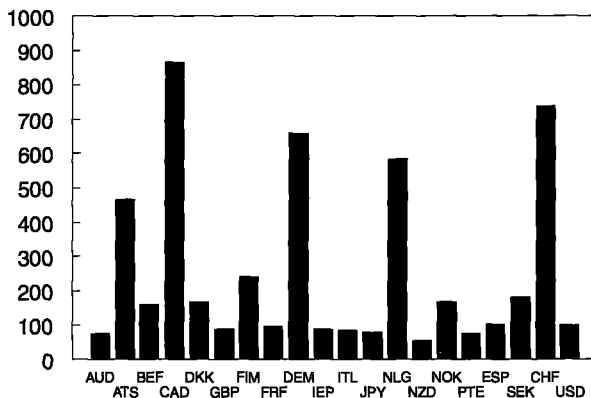
gniorage income between the central bank and the state, or it may simply reflect prestige considerations.<sup>4</sup> There are also some data problems here. In some cases the smallest denomination note may not actually be used although it appears in the central bank's balance sheet. For instance, in Finland the FIM 1 and FIM 5 notes still appear in the statistics (and they are still legal tender) despite the fact that they have not been issued since 1984 and are not used in transactions.

Finally, some comments on the currency/GDP ratios merit

<sup>4</sup> In Finland, the FIM 10 note will be replaced by a coin of the same denomination this year. Against this background it is interesting to note that the FIM 10 note is not particularly small by international standards. It should also be noted that, a new FIM 20 note will be issued at the same time.

CHART 1.

VALUE OF THE HIGHEST DENOMINATION NOTE, USD



VALUE OF THE SMALLEST DENOMINATION NOTE, USD

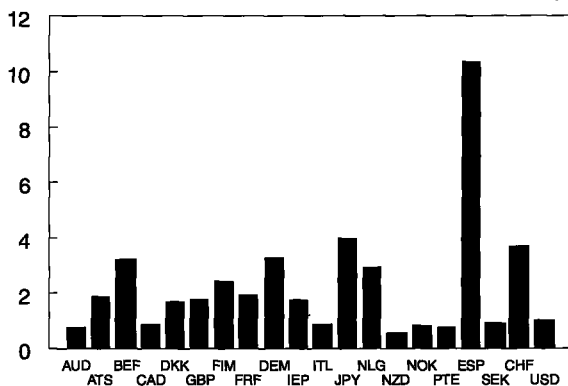
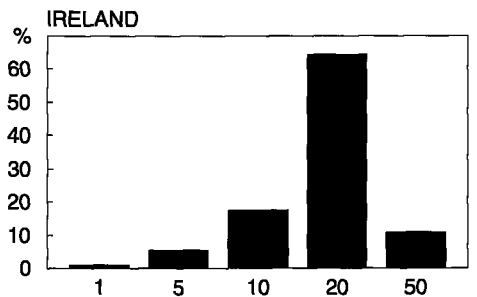
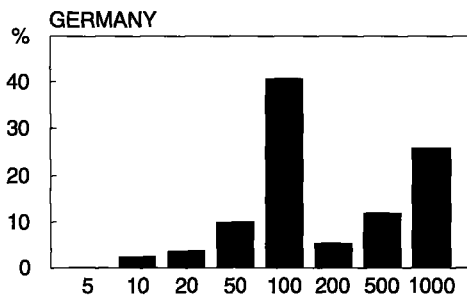
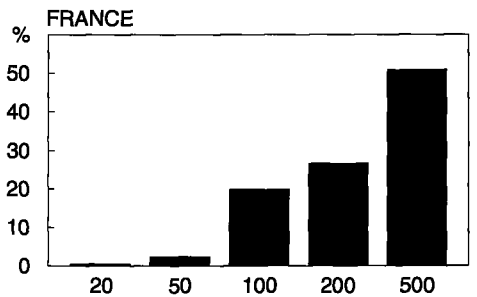
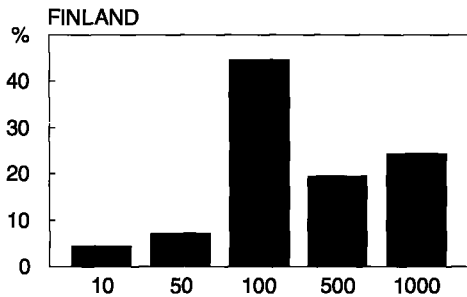
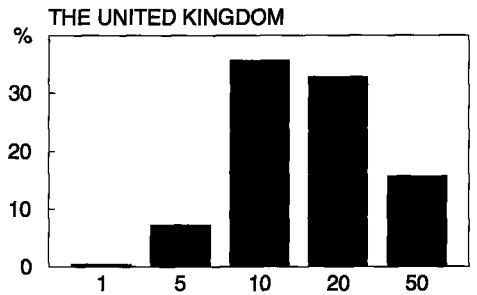
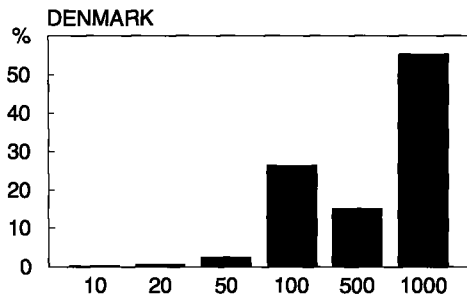
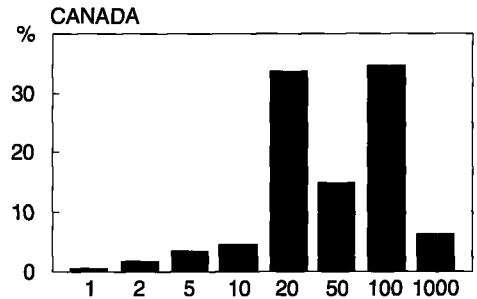
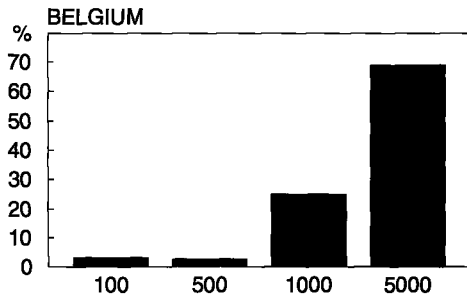
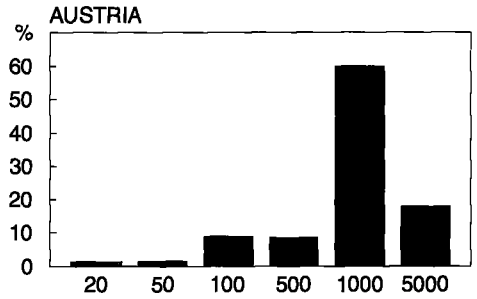
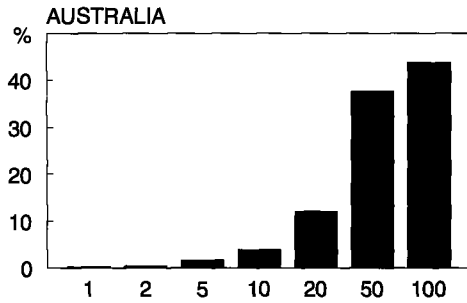
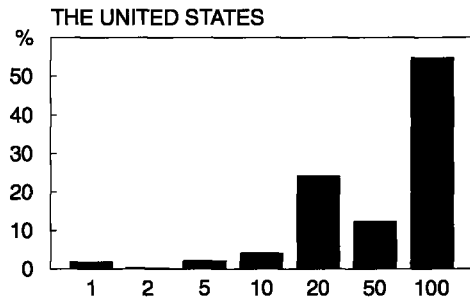
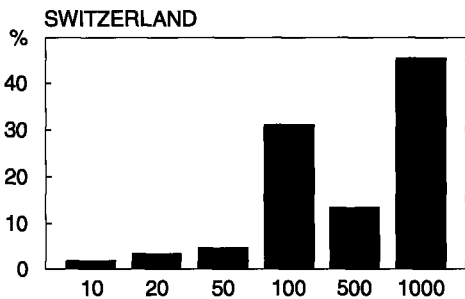
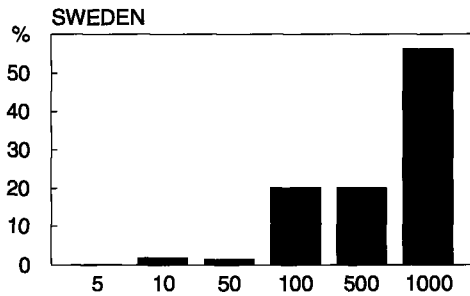
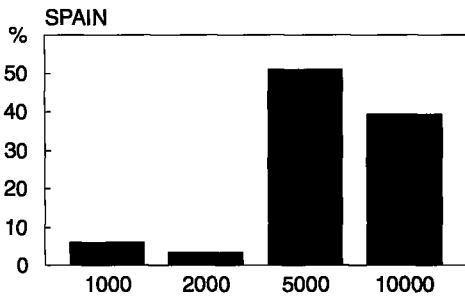
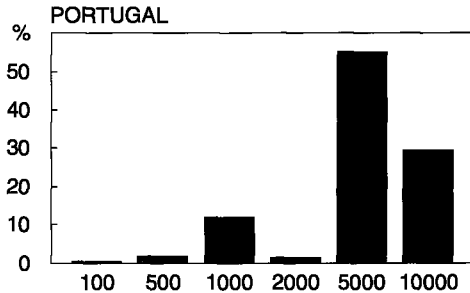
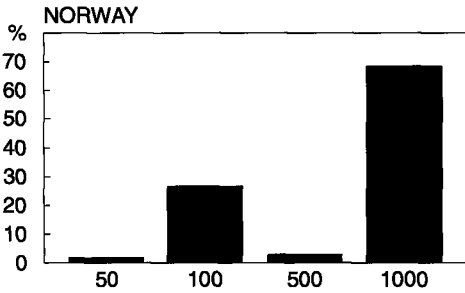
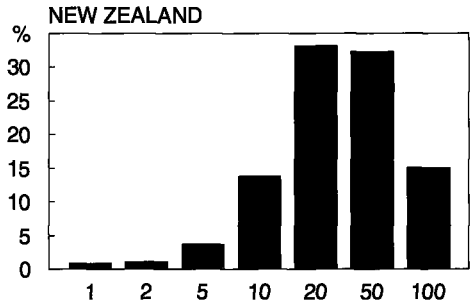
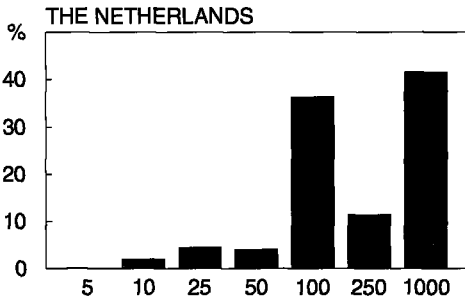
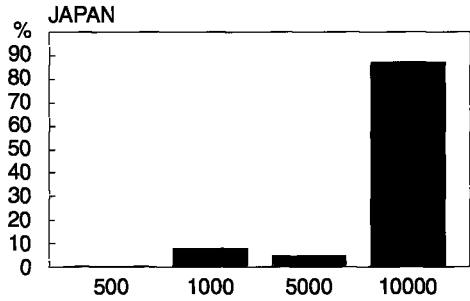
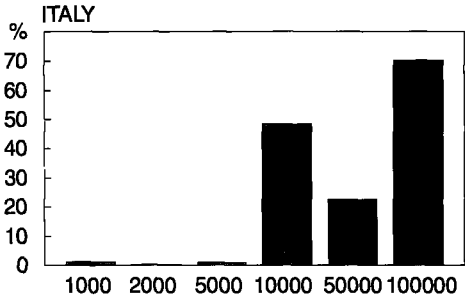


CHART 2.

PERCENTAGE SHARES OF NOTES OF DIFFERENT DENOMINATION IN THE TOTAL VALUE OF NOTES IN CIRCULATION





note. As can be seen from Table 1, both the total amount of notes in circulation and the total amount of notes and coin outside banks represent about 5 per cent of gross domestic product on average. There is, however, considerable variability in these ratios over countries. Thus, the highest value (Spain) exceeds 10 per cent while the lowest values (New Zealand and Finland) are about 1½ per cent. These ratios undoubtedly reflect the level of development of the payment system, but probably also the level of tariffs, interest rates, inflation and other related variables. It is less obvious whether the ratios reflect the value distribution of notes of different denominations. This factor is probably not very important. This conclusion is suggested by the fact that the USD value of the highest denomination

note is not correlated with the two currency ratios.

### SOME FINNISH EVIDENCE

We turn now to consider Finnish evidence obtained from two inquiries which were recently arranged by the Bank of Finland. First, a sample of 571 individuals working for (or retired from) the Bank of Finland, the security printing house Setec Oy (wholly owned by the Bank of Finland) and the State Mint were interviewed on two occasions, 15 October and 15 November 1992. On the basis of these interviews we obtained data for currency demand by denominations; the figures are reported in Table 2. In addition, another interview was arranged for control purposes on 15 November 1992. This interview was carried out using the Gallup-Kanava

sample of households, the number of respondents being 714. This latter sample is presumably more representative in terms of Finland's total population but the data may not be strictly comparable; the results obtained with this data are also reported in Table 2. To provide some point of reference for all these figures, we report the official figures for total currency per capita from the Bank of Finland's balance sheet on 30 October 1992. The balance sheet figures are not, of course, "true" figures since they also include lost notes and coins, which represent a non-trivial part of the total, especially in the case of small denominations. Another important point concerns the sectoral distribution of currency. The balance sheet figures include households, non-financial firms and financial institutions, the entire public sector as well as cash holdings of foreigners. There is no guarantee that the distribution of money holdings by denominations is the same for all these sectors.

On the basis of the figures in Table 2, one can readily conclude that the survey figures for percentage shares of different denominations correspond surprisingly well with the balance sheet figures. True, there are some differences – particularly as regards the FIM 1000 note – but these differences may be due to seasonality in terms of weekdays (15 October was a Wednesday, 30 October was a Friday while 15 November was a Sunday).

While the value shares correspond rather well with each other, the same cannot be said about the average money holdings. If the balance sheet figure (minus banks' currency holdings) is divided by the adult population we arrive at the figure FIM 2257. This is almost three times higher than the survey figure for 15 October. The difference is very large. Even if we take account of the fact that non-financial firms' money holdings are not included in the survey figures, the difference is unintui-

TABLE 2. PERCENTAGE SHARES OF NOTES AND COINS OF DIFFERENT DENOMINATIONS IN TOTAL CURRENCY IN CIRCULATION IN FINLAND

		According to			
		Bank of Finland's balance sheet, 30 Oct. 1992	Bank of Finland's interview		Gallup-Kanava data 15 Nov. 1992
			15 Oct. 1992	15 Nov. 1992	
<b>Notes</b>					
1000	markkaa	23.0	20.0	8.6	22.8
500	"	17.3	17.7	17.9	17.8
100	"	40.6	47.1	54.7	35.1
50	"	6.3	5.5	7.0	9.1
10	"	4.1	4.9	5.9	6.7
<b>Coins</b>					
5	markkaa	2.8	2.0	2.4	4.2
1	"	2.8	1.8	2.4	2.5
50	penniä	0.9	0.5	0.6	1.2
10	"	0.6	0.4	0.5	0.6
Total amount of currency FIM per capita		2 257	806	571	627

Data sources are explained in the text. The figures do not add up to 100 per cent because of rounding and the existence of old notes and coins. The Bank of Finland's balance sheet figure for total money holdings per capita is computed by dividing the total currency outside banks (note that the other figures in this column correspond to total currency in circulation) by the adult ( $n \geq 16$ ) population.

tively large, suggesting that either money holdings of foreigners or money holdings within the shadow economy are non-trivial components of Finnish currency demand. One must, however, be cautious about drawing this conclusion. The figures for percentage shares of different denominations do, in fact, imply that currency demand patterns are the same for households and the rest of the private economy. If the shadow economy is very important, one might expect these two sets of figures to differ considerably.

On the other hand, the observed demand share of households (about one-third) is still relatively high by international standards. A number of surveys conducted in the Netherlands and the United States have lo-

cated only about 15 per cent of the cash holdings outside banks with households. The figure we have obtained for Finland is at least twice as high, suggesting that the missing money paradox is not of the same importance as in many other countries. This finding is obviously in accordance with the very low value of the currency/GDP ratio for Finland (cf. Table 1). Still, it would be interesting to better locate total cash holdings in Finland. Accordingly, some inquiries will be carried out by Bank of Finland in the near future to gain more information about this puzzle.

5 March 1993

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**FINNISH STATE  
GUARANTEES BANKS'  
OPERATIONS UNDER  
ALL CIRCUMSTANCES**

On 23 February 1993, Parliament unanimously approved a resolution requiring the Finnish State to guarantee that Finnish banks meet their commitments under all circumstances. At the same time, Parliament undertook to grant the Government whatever funds and powers might be necessary for this purpose.

The resolution reads as follows: "Parliament requires the State to guarantee that Finnish banks are able to meet their commitments on time under all circumstances. Whenever necessary, Parliament shall grant sufficient appropriations and powers to be used by the Government for meeting such commitments".

**AMENDMENT TO THE  
ACT ON THE  
GOVERNMENT  
GUARANTEE FUND**

The internal organization of the Government Guarantee Fund, which was established in 1992 to safeguard the stability of the banking sector and the claims of depositors, was changed on 11 March 1993. The changes are designed to improve the Fund's prerequisites for providing bank support.

The main changes are summarized below:

- The board of management of the Fund comprises at most five members, at least one of whom represents the Ministry of Finance. The law no longer includes provisions concerning represen-

tation by other public authorities on the board of management. The Parliamentary Supervisory Board of the Bank of Finland continues to function as the Fund's supervisory body and it appoints the members of the board. On 12 March, Mr Pekka Laajanen, Legislative Director, from the Ministry of Finance, was appointed chairman of the board of management and Mr Matti Vuoria, Secretary General, from the Ministry of Trade and Industry, vice-chairman of the board; Professors Veikko Jääskeläinen, Pentti Talonen and Pertti Kettunen were appointed members of the board. Dr Peter Nyberg, Adviser, from the Bank of Finland, and Mr Jorma Aranko, Director General, from the Banking Supervision Office, were appointed the board's permanent experts.

- The Government Guarantee Fund has a full-time manager and other necessary full-time staff. On 12 March, Ms Liisa Halme, Head of office, from the Bank of Finland, was appointed acting manager of the Fund.
- The Government Guarantee 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 decides on such support measures.

In the same context, the Deposit Bank Act was amended to allow the banks' own guarantee funds to transfer their resources to the Government Guarantee Fund.

**SUPPLEMENTARY  
BUDGET**

The second supplementary budget for 1993 was approved by Parliament in March. It includes modest measures for stimulating the economy and additional borrowing to make up the shortfall in budgeted revenue caused by the recession. It provides for a net increase in outlays totalling FIM 1.7 billion. More than FIM 1 billion has been set aside for various measures supporting investment, including an increase in the equity capital of state-owned companies, regional support for enterprises, appropriations for research and development and energy investments. A sum of FIM 0.6 billion has been earmarked for various forms of financial support for small and medium-sized companies and for heavily indebted households. Total budgeted central government expenditure now amounts to FIM 192 billion, of which FIM 15 billion represents additional financial support for the banking sector approved in the first supplementary budget for this year.<sup>1</sup>

Owing to a greater-than-expected fall in domestic demand and higher unemployment, the tax base has eroded more than originally envisaged. Direct tax receipts are estimated to fall short of the budgeted level by FIM 2.7 billion and indirect tax receipts by about FIM 3 billion. Extra borrowing totalling FIM 7.4 billion will be required to finance the supplementary budget. Net borrowing totalling some FIM 70 billion has now been budgeted to cover the gap between revenue and expenditure this year.

<sup>1</sup> See the item in the February 1993 issue of the Bulletin.

## **PUBLICATIONS OF THE BANK OF FINLAND**

The Bank of Finland's publication "Finnish Bond Issues 1992" has been published. The book contains data in Finnish, Swedish and English on all markka and foreign currency bonds issued by Finnish borrowers in 1992. In addition, there are summary tables on all bonds issued.

Altogether, 349 bonds were registered in 1992. They had a combined value of FIM 98.4 billion, an increase of about 23 per cent on the previous year. Markka-denominated bonds were issued to the value of FIM 37.7 billion and bonds denominated in foreign currencies to the value of FIM 60.7 billion. Markka-denominated issues decreased by about one-fifth compared with 1991 while issues in foreign currencies nearly doubled.

Helsinki 1993. 66 pp. ISBN 951-686-361-2. ISSN 0781-4437.

\* \* \*

The publication "The Russian Economy in Crisis and Transition" has appeared in English in the Bank of Finland Publication Series A (A:86).

The publication consists of seven articles prepared in the Bank's Unit for Eastern European Economies in 1992. The articles have been written by the unit's own researchers and by Dr Sergei Alexashenko of the Russian League of Scientific and Industrial Associations whilst he was a visiting researcher in the unit. It is hoped that the articles in this volume will contribute to discussion in Finland and abroad on the transition now under way in the Russian economy. The publication has been edited by Dr Pekka Sutela.

The articles give a detailed account of the situation following the collapse of the Soviet Union and the economic policy pursued by the Russian Government. The articles also shed light on the reasons why the core

of economic policy, economic stabilization and restoration of macroeconomic balance, failed. In addition, some conclusions concerning the implications of failure are presented.

The year 1992 was not, however, merely one of crisis but also one of transition to a market economy. It is from this viewpoint that the volume examines changes in Russia's banking and financial system, privatization policy and the changes in trading practices with the West. The old centrally controlled system is definitely dead, and there can be no return to it. On the other hand, markets and new institutions are functioning imperfectly and giving rise to results that were not intended by political decision-makers.

The publication also analyzes Russia's foreign debt and questions related to income distribution.

Helsinki 1993. 192 pp. ISBN 951-686-362-0. ISSN 0355-6034.

# MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM APRIL 1992 TO MARCH 1993

1992

## APRIL

**Interest on cash reserve deposits.** As part of the financial support package for the banking sector, the Parliamentary Supervisory Board raises the rate of interest payable on the banks' cash reserve deposits at the Bank of Finland by one percentage point with effect from 1 April. The new rate is 3-month HELIBOR less two percentage points, not however less than 8 per cent.

**Call money credit rate.** On 5 April, the Parliamentary Supervisory Board extends the powers of the Bank of Finland to set interest rates. The maximum call money credit rate is raised from 50 per cent to 80 per cent.

**The Government Guarantee Fund.** The law establishing the Government Guarantee Fund is approved by Parliament on 30 April. The purpose of the fund is to help ensure the stability of deposit banking and secure depositors' claims. The fund is authorized to use up to FIM 20 billion for these purposes. Decisions on possible support measures by the fund are taken by the representatives of the Ministry of Finance, the Banking Supervision Office and the Bank of Finland on the board of the fund.

## MAY

**Base rate.** As part of the financial support package for the banking sector, the Parliamentary Supervisory Board raises the Bank of Finland's base rate by one percentage point to 9.5 per cent 16 with effect from 1 May. As a

result of this decision, the banks are allowed to raise the rate of interest on loans that are tied to the base rate by one percentage point, but the Bank of Finland recommends that the rise should not be applied to rates that are already 12 per cent or more. Owing to an amendment to the law on the tax relief of deposits and bonds, the base-rate rise does not apply to interest rates on tax-exempt deposits.

## 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 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 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.



## 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 (Vanča) 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 43 million cubic metres in 1991.

**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 1991). Finland has three major groups of deposit banks with a total of more than 3 000 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 32 foreign branches, subsidiaries and associate banks and 27 representative offices abroad. There are 86 savings banks and 328 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 Feb.	15 Feb.	23 Feb.	26 Feb.
<b>ASSETS</b>					
<b>Gold and foreign currency claims</b>	29 517	31 068	30 710	28 474	28 776
Gold	2 180	2 180	2 180	2 180	2 180
Special drawing rights	564	605	630	656	655
IMF reserve tranche	1 732	1 858	1 937	1 960	1 972
Convertible currencies	25 041	26 426	25 963	23 678	23 969
<b>Other foreign claims</b>	4 867	4 906	4 923	4 915	4 922
Markka subscription to Finland's IMF quota	4 464	4 464	4 464	4 464	4 464
Term credit	404	442	459	452	458
<b>Claims on financial institutions</b>	14 595	11 383	12 036	11 680	12 598
Liquidity credits	1585	—	1	—	—
Certificates of deposit	3 930	3 363	3 363	3 008	2 393
Securities with repurchase commitments	4 408	3 344	4 008	4 008	5 055
Term credits	100	—	—	—	—
Till-money credits	2 872	3 023	3 023	3 023	3 511
Bonds	1 462	1 413	1 402	1 402	1 402
Other claims on financial institutions	238	238	238	238	238
<b>Claims on the public sector</b>	2 446	2 454	2 454	2 954	2 121
Loans to the Government Guarantee Fund	1 000	1 000	1 000	1 500	668
Total coinage	1 446	1 454	1 454	1 454	1 453
<b>Claims on corporations</b>	1 458	1 437	1 427	1 421	1 421
Financing of domestic deliveries (KTR)	747	726	716	710	710
Other claims on corporations	711	711	711	711	711
<b>Other assets</b>	10 925	9 618	9 618	9 618	9 621
Loans for stabilizing the money market	9 474	9 474	9 474	9 474	9 474
Accrued items	1 298	—	—	—	—
Other assets	153	144	144	144	147
<b>Capitalized expenditures and losses due to safeguarding the stability of the money market</b>	1 700	1 700	1 700	1 700	1 700
<b>Total</b>	65 509	62 565	62 868	60 763	61 159
<b>LIABILITIES</b>					
<b>Foreign currency liabilities</b>	101	170	175	174	191
Convertible currencies	101	170	175	174	191
<b>Other foreign liabilities</b>	7 764	5 564	5 611	5 625	5 632
IMF markka accounts	4 464	4 464	4 464	4 464	4 464
Allocations of special drawing rights	1 026	1 100	1 147	1 161	1 168
Other foreign liabilities	2 274	—	—	—	—
<b>Notes and coin in circulation</b>	14 508	14 467	14 156	13 883	13 840
Notes	13 209	13 182	12 873	12 597	12 555
Coin	1 299	1 285	1 282	1 286	1 285
<b>Certificates of deposit</b>	4 880	9 300	8 530	7 240	7 220
<b>Liabilities to financial institutions</b>	20 000	15 069	15 051	14 814	15 496
Call money deposits	2 135	335	316	80	690
Term deposits	4 700	—	—	—	—
Cash reserve deposits	13 165	14 734	14 734	14 734	14 806
Other liabilities to financial institutions	—	1	1	0	1
<b>Liabilities to the public sector</b>	90	91	90	90	90
Cheque accounts	72	4	4	4	4
Deposits of the Government Guarantee Fund	18	87	87	87	87
Other liabilities to the public sector	—	—	—	—	—
<b>Liabilities to corporations</b>	3 362	2 707	2 694	2 637	2 626
Deposits for investment and ship purchase	3 362	2 707	2 694	2 637	2 626
<b>Other liabilities</b>	4 399	166	157	156	157
Accrued items	4 242	—	—	—	—
Other liabilities	156	166	157	156	157
<b>Valuation account and reserves</b>	4 642	9 268	10 640	10 379	10 143
<b>Capital accounts</b>	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Profit/loss for the accounting year	—	—	—	—	—
<b>Total</b>	65 509	62 565	62 868	60 763	61 159



## 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
<b>1988</b>	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	-775
<b>1989</b>	2 179	966	950	18 780	22 875	-564	22 312	440	22 752	1 137	5 325	-4 188
<b>1990</b>	2 180	791	783	33 451	37 205	-882	36 324	-364	35 960	1 314	1 321	-7
<b>1991</b>	2 180	932	1 136	29 336	33 584	33	33 616	-412	33 204	1 375	3	1 372
<b>1992</b>	2 180	564	1 732	24 940	29 416	-7	29 416	-2 897	26 519	2 446	90	2 356
<b>1992</b>												
<b>Feb.</b>	2 180	1 070	1 232	29 834	34 316	27	34 343	-490	33 853	1 382	4	1 378
<b>March</b>	2 180	1 198	1 201	28 522	33 101	24	33 124	-532	32 592	1 383	4	1 379
<b>April</b>	2 180	1 199	1 242	22 981	27 602	21	27 622	-540	27 082	1 387	4	1 383
<b>May</b>	2 180	1 045	1 235	27 547	32 007	17	32 025	-545	31 480	1 397	4	1 393
<b>June</b>	2 180	1 007	1 200	26 724	31 111	14	31 125	-538	30 587	2 920	4	2 916
<b>July</b>	2 180	942	1 280	27 033	31 435	8	31 443	-526	30 917	2 904	4	2 900
<b>Aug.</b>	2 180	861	1 195	18 830	23 066	0	23 066	-2 449	20 617	4 404	4	4 400
<b>Sept.</b>	2 180	1 001	1 328	22 470	26 979	-7	26 970	-11 206	15 764	8 480	38	8 442
<b>Oct.</b>	2 180	1 025	1 360	29 610	34 175	-	34 175	-11 797	22 378	8 507	51	8 456
<b>Nov.</b>	2 180	552	1 908	33 474	38 114	-	38 114	-2 858	35 256	1 466	6 173	-4 707
<b>Dec.</b>	2 180	564	1 732	24 940	29 416	-	29 416	-2 897	26 519	2 446	90	2 356
<b>1993</b>												
<b>Jan.</b>	2 180	595	1 829	27 247	31 851	-	31 852	-661	31 191	2 449	92	2 357
<b>Feb.</b>	2 180	655	1 972	23 778	28 585	-	28 585	-710	27 875	2 121	90	2 031

End of period	Domestic financial sector						Corporate sector				
	Term claims on deposit banks	Liquidity position of deposit banks, net <sup>1</sup>	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
<b>1988</b>	7 187	335	-19 039	2 920	3 733	-4 864	2 823	-6 579	-3 756	11 550	1 130
<b>1989</b>	33 230	-531	-25 506	3 310	2 248	12 751	2 000	-10 604	-8 604	13 129	-
<b>1990</b>	9 411	-418	-17 401	3 427	2 317	-2 664	1 477	-9 724	-8 247	14 555	-
<b>1991</b>	11 882	-2 206	-10 361	3 528	2 003	4 846	1 086	-6 854	-5 768	14 528	8 880
<b>1992</b>	3 738	-550	-13 165	2 872	1 700	-5 405	747	-2 651	-1 904	14 508	4 880
<b>1992</b>											
<b>Feb.</b>	2 982	468	-9 891	3 869	1 935	-637	1 030	-5 535	-4 505	13 271	11 110
<b>March</b>	3 508	-219	-9 783	3 521	1 925	-1 048	995	-5 287	-4 292	14 243	13 030
<b>April</b>	11 306	-1 997	-9 856	3 917	1 899	5 269	967	-4 513	-3 546	13 822	16 450
<b>May</b>	8 562	-750	-9 851	3 709	1 923	3 593	946	-3 775	-2 829	13 787	20 600
<b>June</b>	10 380	-152	-9 773	3 483	1 882	5 820	904	-4 022	-3 118	13 896	21 790
<b>July</b>	14 304	-7 507	-9 812	3 654	1 818	2 457	882	-3 851	-2 969	13 790	19 350
<b>Aug.</b>	15 914	-13 405	-9 772	3 534	1 794	-1 935	861	-3 527	-2 666	13 562	6 930
<b>Sept.</b>	13 354	-811	-9 762	3 450	1 758	7 989	832	-3 412	-2 580	13 459	13 720
<b>Oct.</b>	5 520	-219	-10 421	3 432	1 748	60	807	-3 315	-2 508	13 493	12 540
<b>Nov.</b>	9 211	1 875	-11 900	2 778	1 737	3 701	787	-3 238	-2 451	14 062	14 885
<b>Dec.</b>	3 738	-550	-13 165	2 872	1 700	-5 405	747	-2 651	-1 904	14 508	4 880
<b>1993</b>											
<b>Jan.</b>	6 804	-3 732	-14 734	3 023	1 665	-6 974	728	-2 072	-1 344	14 906	6 710
<b>Feb.</b>	7 448	-690	-14 806	3 511	1 639	-2 898	710	-1 915	-1 205	13 840	7 220

<sup>1</sup> 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'	Liquidity position, net <sup>1</sup> (1-2)
	1	2	3
<b>1988</b>	621	127	494
<b>1989</b>	416	369	47
<b>1990</b>	806	132	674
<b>1991</b>	881	985	-103
<b>1992</b>	2 103	437	1 666
<b>1992</b>			
<b>Feb.</b>	572	42	530
<b>March</b>	327	102	225
<b>April</b>	1 008	1 323	-315
<b>May</b>	486	141	345
<b>June</b>	715	45	669
<b>July</b>	3 540	26	3 514
<b>Aug.</b>	8 895	0	8 894
<b>Sept.</b>	3 974	1 687	2 287
<b>Oct.</b>	2 191	876	1 314
<b>Nov.</b>	1 512	296	1 215
<b>Dec.</b>	1 193	640	553
<b>1993</b>			
<b>Jan.</b>	1 511	594	917
<b>Feb.</b>	1 305	23	1 282

<sup>1</sup> Call money credits and call money position until 2 July 1992.

### 2.2 THE BANK OF FINLAND'S CASH RESERVE SYSTEM

End of period	Cash reserve deposits	of which: additional deposits	Ordinary cash reserve requirement	Additional requirement
	mill. FIM		%	
	1	2	3	4
<b>1988</b>	19 039	.	7.6	.
<b>1989</b>	25 506	3 159	8.0	1.1
<b>1990</b>	17 401	.	7.0	.
<b>1991</b>	10 361	.	4.0	.
<b>1992</b>	13 165	.	5.0	.
<b>1992</b>				
<b>March</b>	9 783	.	3.7	.
<b>April</b>	9 856	.	3.7	.
<b>May</b>	9 851	.	3.7	.
<b>June</b>	9 773	.	3.7	.
<b>July</b>	9 812	.	3.7	.
<b>Aug.</b>	9 772	.	3.7	.
<b>Sept.</b>	9 762	.	3.7	.
<b>Oct.</b>	10 421	.	4.0	.
<b>Nov.</b>	11 900	.	4.5	.
<b>Dec.</b>	13 165	.	5.0	.
<b>1993</b>				
<b>Jan.</b>	14 734	.	5.5	.
<b>Feb.</b>	14 806	.	5.5	.
<b>March</b>	..	.	5.5	.

### 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
<b>1988</b>	13 840	19 190	-16 850	11 500
<b>1989</b>	131 110	3 855	99 245	28 010
<b>1990</b>	163 326	26 379	160 797	-23 850
<b>1991</b>	109 568	30 380	81 969	-2 781
<b>1992</b>	76 230	137 940	-49 457	-12 253
<b>1992</b>				
<b>Feb.</b>	1 710	8 460	1 170	-7 920
<b>March</b>	2 000	9 420	-5 290	-2 130
<b>April</b>	11 310	17 310	-9 200	3 200
<b>May</b>	6 630	15 240	1 930	-10 540
<b>June</b>	8 200	14 860	-6 600	-60
<b>July</b>	11 700	13 300	-9 798	8 198
<b>Aug.</b>	6 520	7 650	-14 659	13 529
<b>Sept.</b>	4 300	19 920	-5 930	-9 690
<b>Oct.</b>	1 760	10 740	-2 060	-6 920
<b>Nov.</b>	8 030	7 570	-1 980	2 440
<b>Dec.</b>	12 070	5 680	3 040	3 350
<b>1993</b>				
<b>Jan.</b>	5 490	5 400	3 890	-3 800
<b>Feb.</b>	6 500	8 340	-260	-1 580

## 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
<b>1991</b>	35 120	-69 940	-14 820	12 820	12 260
<b>1992</b>	20 050	-70 640	-1 650	390	45 060
<b>1992</b>					
<b>Jan.</b>	710	-	190	-730	-740
<b>Feb.</b>	-	-4 000	4 280	-4 240	7 150
<b>March</b>	50	-250	1 200	-1 200	1 250
<b>April</b>	2 960	-16 650	-2 790	1 650	6 040
<b>May</b>	3 870	-	500	-320	930
<b>June</b>	1 480	-2 380	2 530	3 390	5 370
<b>July</b>	470	-5 790	1 450	-1 590	3 760
<b>Aug.</b>	110	-17 700	-6 110	6 350	3 170
<b>Sept.</b>	-	-20 880	-14 860	11 610	2 800
<b>Oct.</b>	5 870	-	670	-2 210	3 510
<b>Nov.</b>	4 530	-	6 190	-6 610	13 020
<b>Dec.</b>	-	-2 990	5 100	-5 710	-1 200
<b>1993</b>					
<b>Jan.</b>	-	-9 390	-440	-580	12 660

## 2.5 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					Total, net (3+4+5)
	Domestic companies			Foreign banks, net	Bank of Finland, net	
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
	1	2	3	4	5	6
<b>1988</b>	16 488	1 543	14 946	9 086	-377	23 654
<b>1989</b>	10 531	3 563	6 967	8 031	205	15 204
<b>1990</b>	11 609	4 979	6 631	10 100	-6 098	10 633
<b>1991</b>	33 004	36 352	-3 348	2 550	8 953	8 155
<b>1992</b>	39 195	32 939	6 256	-11 197	7 133	2 192
<b>1992</b>						
<b>Jan.</b>	31 732	27 973	3 759	4 673	8 276	16 708
<b>Feb.</b>	31 502	25 516	5 987	2 441	3 774	12 202
<b>March</b>	27 850	22 720	5 130	5 216	2 937	13 283
<b>April</b>	29 812	27 586	2 227	-423	5 815	7 619
<b>May</b>	29 457	24 458	4 999	408	5 531	10 938
<b>June</b>	28 942	28 750	192	4 412	807	5 411
<b>July</b>	27 567	29 494	-1 927	4 013	1 328	3 414
<b>Aug.</b>	25 399	34 767	-9 368	421	7 933	-1 014
<b>Sept.</b>	34 168	45 232	-11 065	-9 827	20 158	-734
<b>Oct.</b>	37 048	38 820	-1 771	-10 681	17 921	5 469
<b>Nov.</b>	40 986	35 550	5 436	-11 623	11 617	5 430
<b>Dec.</b>	39 195	32 939	6 256	-11 197	7 133	2 192
<b>1993</b>						
<b>Jan.</b>	35 125	32 711	2 414	-9 056	6 433	-209

### 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 <sup>1</sup>	Call money deposit rate	Base rate
	1	2	3	4	5	6	7	8
<b>1988</b>	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63
<b>1989</b>	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67
<b>1990</b>	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50
<b>1991</b>	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
<b>1992</b>	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
<b>1992</b>								
<b>Feb.</b>	10.74	11.78	11.74	11.74	11.75	15.00	4.00	8.50
<b>March</b>	14.27	12.95	12.38	12.08	11.99	15.00	4.00	8.50
<b>April</b>	17.24	15.94	14.21	13.38	13.04	15.00	4.00	8.50
<b>May</b>	14.39	14.05	13.73	13.28	13.10	15.00	4.00	9.50
<b>June</b>	13.58	13.58	13.70	13.83	13.76	15.00	4.00	9.50
<b>July</b>	13.47	13.45	13.96	14.19	14.07	14.37	12.13	9.50
<b>Aug.</b>	15.02	15.25	15.09	14.97	14.69	16.84	14.65	9.50
<b>Sept.</b>	16.65	17.79	16.41	15.29	14.71	19.15	13.43	9.50
<b>Oct.</b>	12.23	13.34	13.37	13.32	13.39	14.69	8.96	9.50
<b>Nov.</b>	10.66	11.04	11.50	11.63	11.72	12.03	8.03	9.50
<b>Dec.</b>	10.20	10.55	10.68	10.70	10.70	11.69	7.69	9.50
<b>1993</b>								
<b>Jan.</b>	10.20	10.53	10.64	10.63	10.57	11.49	7.49	8.50
<b>Feb.</b>	8.47	9.16	9.19	9.22	9.30	10.34	6.34	8.00

<sup>1</sup> 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	Average of daily observations	ECU AND COMMERCIAL ECU INTEREST RATE, PER CENT		
					ECU	3 currencies	Commercial ECU
1	2	3	4	1	2	3	
<b>1992</b>							
<b>July</b>	13.37	<b>July</b>	+1.00	7	-1.00		
<b>Aug.</b>	15.84	<b>Aug.</b>	+1.00	14	-2.00		
<b>Sept.</b>	18.15	<b>Sept.</b>	+1.00	14	-5.00		
<b>Oct.</b>	13.69	<b>Oct.</b>	+1.00	7	-3.00		
<b>Nov.</b>	11.03	<b>Nov.</b>	+1.00	7	-3.00		
<b>Dec.</b>	10.69	<b>Dec.</b>	+1.00	7	-3.00		
<b>1993</b>							
<b>Jan.</b>	10.49	<b>Jan.</b>	+1.00	7	-3.00		
<b>Feb.</b>	9.34	<b>Feb.</b>	+1.00	7	-3.00		
4 Feb.	10.22						
5 Feb.	9.40						
8 Feb.	9.28						
9 Feb.	9.10						
16 Feb.	9.00						
22 Feb.	8.94						

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

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

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

Average for period	Lending						Markka deposits and other markka funding					
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits <sup>1</sup>	36-month tax-exempt deposits <sup>1</sup>	Other tax-exempt deposits, on max. rate of interest <sup>1</sup>	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total								
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1988</b>	10.22	12.27	10.50	10.72	9.88	9.74	8.00	.	3.75	5.24	9.80	6.20
<b>1989</b>	12.97	13.47	11.58	12.07	10.56	10.40	7.50	.	4.50	5.67	11.92	7.37
<b>1990</b>	13.24	15.62	13.33	13.85	11.84	11.61	7.50	.	4.50	6.43	13.55	8.41
<b>1991</b>	13.63	15.88	13.40	13.84	12.08	11.80	7.50	.	4.50	7.10	13.22	8.97
<b>1992</b>	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
<b>1992</b>												
<b>Jan.</b>	12.52	15.42	13.14	13.41	12.06	11.76	7.50	.	4.50	7.19	12.29	8.66
<b>Feb.</b>	13.79	15.58	12.96	13.47	12.00	11.76	7.50	.	4.50	7.21	12.15	8.67
<b>March</b>	14.21	15.73	13.36	13.81	11.97	11.70	7.50	.	4.50	7.23	12.32	8.77
<b>April</b>	12.31	16.24	13.75	14.06	12.08	11.76	7.50	.	4.50	7.33	13.09	9.16
<b>May</b>	15.34	15.59	13.82	14.22	12.50	12.21	7.50	.	4.50	7.42	12.95	9.12
<b>June</b>	15.17	15.47	14.04	14.39	12.61	12.29	7.50	.	4.50	7.42	12.94	9.15
<b>July</b>	15.96	16.19	14.06	14.56	12.63	12.29	7.50	.	4.50	7.55	12.94	9.26
<b>Aug.</b>	16.21	16.56	14.33	14.81	12.81	12.52	7.50	.	4.50	7.71	13.64	9.68
<b>Sept.</b>	16.56	16.94	14.52	15.00	13.01	12.72	7.50	8.50	4.50	7.80	14.39	10.03
<b>Oct.</b>	16.70	16.29	13.76	14.29	12.87	12.43	7.50	8.50	4.50	7.66	13.11	9.41
<b>Nov.</b>	14.18	15.74	13.10	13.47	12.70	12.26	7.50	8.50	4.50	7.41	12.26	8.99
<b>Dec.</b>	12.63	14.99	11.64	11.98	12.34	11.93	7.50	8.50	4.50	7.06	11.78	8.62
<b>1993</b>												
<b>Jan.*</b>	12.12 <sup>2</sup>	15.35 <sup>2</sup>	12.22 <sup>2</sup>	12.35 <sup>2</sup>	11.90	11.70	6.50	7.50	4.50	6.58	11.22	8.07

<sup>1</sup> End of period.

<sup>2</sup> The January 1993 figures for new credits are affected by the fact that loans transferred from STS-Bank Ltd to Kansallis-Osake-Pankki were booked as new lending.

### 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
<b>1988</b>	10.7	10.8	10.6	.	10.6	7.8
<b>1989</b>	12.2	12.0	12.1	.	11.9	8.1
<b>1990</b>	13.7	13.5	13.2	.	13.3	9.2
<b>1991</b>	12.3	12.2	11.9	.	12.6	10.0
<b>1992</b>	13.1	13.0	12.1 <sup>r</sup>	11.5 <sup>1</sup>	13.8	9.9
<b>1992</b>						
<b>Jan.</b>	12.5	12.5	12.3	.	13.0	10.0
<b>Feb.</b>	12.1	12.0	11.2	.	12.7	9.8
<b>March</b>	12.1	12.1	11.3	.	12.4	9.8
<b>April</b>	12.8	12.7	11.9	.	12.8	9.8
<b>May</b>	13.0	12.9	11.8	.	13.0	9.8
<b>June</b>	13.3	13.2	12.2	.	14.2	10.2
<b>July</b>	13.6	13.3	12.1	.	14.1	10.5
<b>Aug.</b>	14.3	14.0	12.8	.	14.5	10.4
<b>Sept.</b>	15.0	14.7	13.3	.	15.3	10.1
<b>Oct.</b>	14.3	14.2	13.0	.	15.3	9.9
<b>Nov.</b>	12.8	12.9	12.0	12.0	14.7	9.4
<b>Dec.</b>	11.7	11.8	10.9	11.0	13.2	9.5
<b>1993</b>						
<b>Jan.</b>	11.4	11.6	10.7	10.9	12.2	8.6

<sup>1</sup> November and December only.

## 4. RATES OF EXCHANGE

### 4.1 MIDDLE RATES, FIM

Average of daily quotations	New York 1 USD	Montreal 1 CAD	London 1 GBP	Dublin 1 IEP	Stockholm 1 SEK	Oso 1 NOK	Copen- hagen 1 DKK	Frankfurt aM 1 DEM	Amster- dam 1 NLG	Brussels 1 BEF	Zurich 1 CHF	Paris 1 FRF
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1988</b>	4.187	3.405	7.446	6.377	0.6829	0.6424	0.6220	2.3842	2.1185	0.11390	2.8631	0.7029
<b>1989</b>	4.290	3.624	7.032	6.082	0.6654	0.6213	0.5869	2.2818	2.0226	0.10890	2.6243	0.6725
<b>1990</b>	3.823	3.277	6.808	6.325	0.6459	0.6110	0.6181	2.3664	2.1002	0.11447	2.7576	0.7024
<b>1991</b>	4.046	3.533	7.131	6.511	0.6684	0.6236	0.6322	2.4380	2.1634	0.11841	2.8208	0.7169
<b>1992</b>	4.483	3.706	7.875	7.636	0.7714	0.7222	0.7444	2.8769	2.5552	0.13973	3.2000	0.8486
<b>1992</b>												
<b>Feb.</b>	4.423	3.741	7.856	7.289	0.7523	0.6966	0.7046	2.7304	2.4267	0.13259	3.0375	0.8021
<b>March</b>	4.533	3.802	7.814	7.278	0.7522	0.6954	0.7032	2.7279	2.4236	0.13256	3.0051	0.8036
<b>April</b>	4.495	3.783	7.895	7.270	0.7538	0.6962	0.7039	2.7280	2.4233	0.13258	2.9655	0.8066
<b>May</b>	4.402	3.672	7.975	7.256	0.7540	0.6962	0.7033	2.7162	2.4129	0.13196	2.9529	0.8079
<b>June</b>	4.290	3.587	7.945	7.269	0.7544	0.6967	0.7069	2.7238	2.4178	0.13235	3.0051	0.8091
<b>July</b>	4.077	3.420	7.824	7.292	0.7545	0.6966	0.7107	2.7356	2.4261	0.13279	3.0576	0.8106
<b>Aug.</b>	3.985	3.350	7.734	7.289	0.7540	0.6962	0.7120	2.7462	2.4358	0.13328	3.0659	0.8096
<b>Sept.</b>	4.439	3.635	8.209	8.066	0.8271	0.7653	0.7904	3.0602	2.7170	0.14848	3.4724	0.8993
<b>Oct.</b>	4.695	3.771	7.791	8.340	0.8410	0.7774	0.8218	3.1725	2.8180	0.15398	3.5775	0.9350
<b>Nov.</b>	5.048	3.982	7.714	8.394	0.8140	0.7805	0.8263	3.1812	2.8281	0.15465	3.5330	0.9404
<b>Dec.</b>	5.136	4.034	7.969	8.570	0.7457	0.7710	0.8395	3.2477	2.8890	0.15784	3.6137	0.9526
<b>1993</b>												
<b>Jan.</b>	5.419	4.242	8.304	8.863	0.7475	0.7885	0.8699	3.3561	2.9850	0.16307	3.6685	0.9899
<b>Feb.</b>	5.830	4.622	8.387	8.641	0.7747	0.8352	0.9247	3.5526	3.1565	0.17228	3.8416	1.0488

Average of daily quotations	Rome 1 ITL	Vienna 1 ATS	Lisbon 1 PTE	Reykjavik 1 ISK	Madrid 1 ESP	Athens 1 GRD	Tallinn 1 EEK	Tokyo 1 JPY	Mel- bourne 1 AUD	ECU Commer- cial 1 XEU	SDR 1 XDR
	13	14	15	16	17	18	19	20	21	22	23
<b>1988</b>	0.00322	0.3391	0.0291	0.0980	0.0359	..	..	0.03266	3.288	4.944	5.61826
<b>1989</b>	0.00313	0.3242	0.0273	0.0758	0.0362	..	..	0.03116	3.398	4.719	5.49375
<b>1990</b>	0.00319	0.3363	0.0268	0.0656	0.0375	..	..	0.02647	2.988	4.864	5.18345
<b>1991</b>	0.00326	0.3464	0.0280	0.0684	0.0389	0.0224	..	0.03008	3.152	5.003	5.53082
<b>1992</b>	0.00364	0.4088	0.0332	0.0778	0.0438	0.0235	0.4060	0.03546	3.289	5.798	6.31247
<b>1992</b>											
<b>Feb.</b>	0.00364	0.3883	0.0317	0.0758	0.0435	0.0240	..	0.03467	3.325	5.584	6.14937
<b>March</b>	0.00363	0.3877	0.0317	0.0760	0.0432	0.0239	..	0.03412	3.438	5.580	6.19184
<b>April</b>	0.00362	0.3875	0.0320	0.0759	0.0433	0.0231	..	0.03368	3.428	5.586	6.16396
<b>May</b>	0.00361	0.3860	0.0326	0.0755	0.0434	0.0230	..	0.03369	3.328	5.581	6.11371
<b>June</b>	0.00360	0.3869	0.0328	0.0752	0.0433	0.0224	..	0.03381	3.246	5.583	6.05642
<b>July</b>	0.00361	0.3888	0.0323	0.0744	0.0430	0.0220	..	0.03245	3.039	5.585	5.88609
<b>Aug.</b>	0.00362	0.3901	0.0318	0.0739	0.0428	0.0220	..	0.03155	2.890	5.582	5.80390
<b>Sept.</b>	0.00380	0.4346	0.0348	0.0819	0.0455	0.0244	..	0.03620	3.208	6.092	6.46534
<b>Oct.</b>	0.00358	0.4509	0.0356	0.0838	0.0446	0.0243	..	0.03876	3.359	6.197	6.73373
<b>Nov.</b>	0.00370	0.4522	0.0357	0.0840	0.0444	0.0244	..	0.04075	3.483	6.247	7.00171
<b>Dec.</b>	0.00364	0.4615	0.0362	0.0817	0.0455	0.0246	0.4060	0.04141	3.542	6.359	7.13363
<b>1993</b>											
<b>Jan.</b>	0.00364	0.4771	0.0373	0.0849	0.0473	0.0251	0.4195	0.04333	3.652	6.576	7.46369
<b>Feb.</b>	0.00377	0.5049	0.0390	0.0898	0.0497	0.0267	0.4441	0.04824	3.970	6.904	7.99711

## 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		
		Bank of Finland's trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4
<b>1988</b>	4.96108	102.0	101.7	104.7
<b>1989</b>	4.73670	98.4	99.1	102.8
<b>1990</b>	4.85697	97.3	96.8	97.3
<b>1991</b>	5.00580	101.4	101.4	102.8
<b>1992</b>	5.80140	116.4	115.7	117.3
<b>1992</b>				
<b>Feb.</b>	5.58207	112.9	112.5	114.4
<b>March</b>	5.57515	112.9	113.2	115.0
<b>April</b>	5.58563	112.9	113.0	114.5
<b>May</b>	5.58167	112.7	112.2	113.6
<b>June</b>	5.58600	112.6	111.4 <sup>r</sup>	112.8
<b>July</b>	5.58744	111.9	109.6 <sup>r</sup>	110.3
<b>Aug.</b>	5.58723	111.5	108.8	109.1
<b>Sept.</b>	6.13433	122.6	120.0	120.8
<b>Oct.</b>	6.22713	124.6	123.6 <sup>r</sup>	125.3
<b>Nov.</b>	6.25533	125.2	126.2 <sup>r</sup>	129.2
<b>Dec.</b>	6.36242	125.0	126.8 <sup>r</sup>	129.8
<b>1993</b>				
<b>Jan.</b>	6.57212	128.9	131.3 <sup>r</sup>	134.7
<b>Feb.</b>	6.89952	135.6	138.8	143.9

## 5. OTHER DOMESTIC FINANCING

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

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
<b>1987</b>	21 327	76 160	83 248		180 735	3 923	184 658	17 892	202 550
<b>1988</b>	25 473	76 958	121 670		224 102	4 643	228 745	28 844	257 589
<b>1989</b>	28 942	85 396	125 748		240 085	7 358	247 444	35 298	282 742
<b>1990</b>	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
<b>1991</b>	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
<b>1991</b>									
<b>Nov.</b>	28 911	83 328	121 547	18 277	252 063	16 779	268 841	58 774	327 615
<b>Dec.</b>	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
<b>1992</b>									
<b>Jan.</b>	32 780	84 701	123 513	19 094	260 087	12 274	272 361	54 706	327 068
<b>Feb.</b>	29 417	86 031	123 652	18 666	257 767	12 350	270 117	56 202	326 319
<b>March</b>	30 899	87 563	123 296	18 185	259 943	11 805	271 748	54 436	326 184
<b>April</b>	30 762	86 090	124 087	18 119	259 058	12 665	271 722	59 353	331 076
<b>May</b>	30 791	84 805	123 555	17 922	257 073	11 441	268 514	60 635	329 148
<b>June</b>	33 330	84 552	122 504	17 714	258 101	10 418	268 519	62 836	331 355
<b>July</b>	32 419	83 953	122 788	18 003	257 163	10 665	267 828	62 293	330 121
<b>Aug.</b>	33 067	83 283	122 056	17 976	256 381	11 525	267 906	60 054	327 961
<b>Sept.</b>	30 779	82 078	120 918	18 662	252 436	15 698	268 134	61 377	329 510
<b>Oct.</b>	34 447	82 734	119 726	19 659	256 566	15 429	271 995	59 666	331 661
<b>Nov.</b>	34 675	82 763	118 536	19 613	255 587	14 807	270 394	61 800	332 194

### 5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
<b>1987</b>	8 507	5 177	180 360	194 044	36 954	230 998
<b>1988</b>	11 358	5 920	234 268	251 545	50 235	301 780
<b>1989</b>	15 270	5 650	257 768	278 688	73 176	351 864
<b>1990</b>	19 152	5 777	260 790	285 720	103 134	388 853
<b>1991</b>	18 037	4 712	262 859	285 609	107 714	393 323
<b>1991</b>						
<b>Nov.</b>	17 978	4 576	262 685	285 239	113 156	398 395
<b>Dec.</b>	18 037	4 712	262 859	285 609	107 714	393 323
<b>1992</b>						
<b>Jan.</b>	17 450	4 167	262 309	283 926	107 075	391 001
<b>Feb.</b>	17 650	4 099	262 813	284 563	105 703	390 266
<b>March</b>	17 215	3 996	260 983	282 194	102 701	384 895
<b>April</b>	17 407	3 927	259 782	281 116	101 104	382 220
<b>May</b>	17 403	3 916	259 295	280 613	99 035	379 649
<b>June</b>	17 344	3 899	257 990	279 234	96 635	375 869
<b>July</b>	16 959	3 848	257 777	278 583	95 334	373 917
<b>Aug.</b>	17 249	3 719	256 976	277 944	92 605	370 550
<b>Sept.</b>	17 366	3 610	256 359	277 335	103 654	380 989
<b>Oct.</b>	16 738	3 538	255 133	275 409	100 976	376 385
<b>Nov.</b>	16 545	3 449	254 411	274 405	101 162	375 567



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

End of period	Foreign assets, net	Domestic credit			Other items, net	M <sub>1</sub>	M <sub>2</sub> (1+4+5)	M <sub>3</sub>
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
<b>1988</b>	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
<b>1989</b>	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
<b>1990</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1991</b>	-86 555	-6 516	470 852	464 336	-102 540	130 644	275 241	310 924
<b>1992*</b>	..	..	..	..	..	134 792	274 012	310 734
<b>1992*</b>								
<b>Jan.</b>	-92 949	-5 295	471 797	466 502	-99 040	128 325	274 513	312 534
<b>Feb.</b>	-86 492	-4 895	470 980	466 085	-108 021	125 875	271 572	306 696
<b>March</b>	-87 007	-5 201	467 987	462 785	-102 093	128 701	273 685	311 738
<b>April</b>	-83 331	-4 726	465 590	460 864	-104 416	127 554	273 117	315 983
<b>May</b>	-83 053	-4 327	463 477	459 151	-104 706	126 652	271 391	311 877
<b>June</b>	-75 847	-2 899	459 867	456 968	-108 783	128 496	272 338	314 149
<b>July</b>	-70 776	-3 718	457 463	453 745	-111 703	127 189	271 265	314 330
<b>Aug.</b>	-65 517	-1 835	456 178	454 342	-118 708	126 771	270 118	311 644
<b>Sept.</b>	-70 526	4 256	454 777	459 032	-122 318	123 157	266 188	307 307
<b>Oct.</b>	-66 406	5 737	451 432	457 170	-119 914	128 012	270 850	313 340
<b>Nov.</b>	-65 532	-8 253	448 726	440 473	-105 066	128 610	269 875	312 343
<b>Dec.</b>	..	..	..	..	..	134 792	274 012	310 734
<b>1993*</b>								
<b>Jan.</b>	..	..	..	..	..	138 846	275 995	315 224

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

End of period	Foreign currency-denominated debt				Markka-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
<b>1988</b>	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	41 011	15 858
<b>1989</b>	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	43 499	21 248
<b>1990</b>	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	48 121	23 114
<b>1991</b>	38 703	2 437	2 506	43 646	31 018	12 208	5 180	48 406	92 052	55 165	15 956
<b>1992</b>	100 244	3 669	2 474	106 387	40 578	13 555	14 762	68 895	175 282	..	..
<b>1992</b>											
<b>Jan.</b>	38 613	2 525	2 500	43 638	31 064	12 205	6 881	50 150	93 788	55 840	11 536
<b>Feb.</b>	45 885	2 904	2 466	51 255	32 232	12 205	6 430	50 867	102 122	56 567	17 967
<b>March</b>	47 575	2 843	2 401	52 819	32 629	12 199	7 201	52 029	104 848	57 571	18 423
<b>April</b>	53 972	2 837	2 383	59 192	32 814	11 614	7 257	51 685	110 877	58 103	17 029
<b>May</b>	55 006	2 861	2 376	60 243	33 881	11 460	8 257	53 598	113 841	58 649	21 068
<b>June</b>	60 146	3 099	2 166	65 411	34 316	11 460	10 384	56 160	121 571	59 244	20 284
<b>July</b>	63 957	3 063	1 641	68 661	35 193	11 460	10 658	57 311	125 972	59 810	22 293
<b>Aug.</b>	66 790	3 050	1 630	71 470	34 862	11 460	11 901	58 223	129 693	60 172	20 510
<b>Sept.</b>	79 848	3 579	2 209	85 636	36 152	11 460	12 193	59 805	145 441	60 940	21 269
<b>Oct.</b>	84 008	3 599	2 549	90 156	37 427	11 460	14 533	63 420	153 576	61 672	22 952
<b>Nov.</b>	85 971	3 704	2 599	92 274	38 928	11 460	14 716	65 104	157 378	61 743	22 448
<b>Dec.</b>	100 244	3 669	2 474	106 387	40 578	13 555	14 762	68 895	175 282	..	..
<b>1993</b>											
<b>Jan.</b>	116 428	7 343	2 607	126 378	41 597	13 555	16 900	72 052	198 430	..	..

## 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
<b>1988</b>	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
<b>1989</b>	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
<b>1990</b>	4 640	17 891	4 420	490	1 007	17 234	607	10 607	28 447
<b>1991</b>	7 277	25 737	11 073	1 320	-	30 160	-	15 247	45 407
<b>1992*</b>	6 984	15 122	12 965	2 674	4	23 936	-	13 812	37 749
<b>1992*</b>									
<b>Jan.</b>	396	846	5 030	70	-	5 925	-	417	6 342
<b>Feb.</b>	770	1 455	-	450	-	1 405	-	1 270	2 675
<b>March</b>	442	953	235	310	-	1 445	-	494	1 940
<b>April</b>	53	1 318	-	570	4	144	-	1 801	1 945
<b>May</b>	1 087	598	3 724	121	-	4 565	-	966	5 531
<b>June</b>	1 242	726	215	42	-	1 071	-	1 154	2 225
<b>July</b>	399	10	-	86	-	50	-	445	495
<b>Aug.</b>	18	1 445	175	20	-	1 620	-	38	1 657
<b>Sept.</b>	2	964	190	77	-	231	-	1 002	1 233
<b>Oct.</b>	1 371	692	2 966	208	-	3 307	-	1 930	5 237
<b>Nov.</b>	140	1 556	430	120	-	1 996	-	250	2 246
<b>Dec.</b>	1 065	4 559	-	600	-	2 178	-	4 046	6 224
<b>1993*</b>									
<b>Jan.</b>	624	1 050	1 766	276	-	2 776	-	940	3 716

### 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
<b>1988</b>	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
<b>1989</b>	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
<b>1990</b>	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
<b>1991</b>	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
<b>1992*</b>	26 617	82 319	44 005	5 237	3 358	89 534	13 917	58 085	161 536
<b>1991</b>									
<b>IV</b>	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
<b>1992*</b>									
<b>I</b>	26 650	77 864	36 796	3 555	3 724	80 892	15 977	51 720	148 589
<b>II</b>	26 383	80 295	37 744	4 306	3 721	83 427	15 314	53 707	152 449
<b>III</b>	26 079	80 658	39 579	4 457	3 720	86 058	14 329	54 106	154 493
<b>IV</b>	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
<b>1988</b>	..	..	.	.	.
<b>1989</b>	6 500	9 660	.	.	.
<b>1990</b>	5 401	6 058	.	.	.
<b>1991</b>	3 343	29 134	.	.	.
<b>1992</b>	18 221	58 829	10 744	12 156	13 589
<b>1992</b>					
<b>Feb.</b>	820	3 922	.	.	.
<b>March</b>	636	3 608	.	.	.
<b>April</b>	2 480	2 493	.	.	.
<b>May</b>	360	1 618	.	.	.
<b>June</b>	846	1 848	.	.	.
<b>July</b>	859	2 604	.	.	.
<b>Aug.</b>	3 756	5 058	3 574	2 130	1 798
<b>Sept.</b>	3 272	7 360	2 930	2 566	2 218
<b>Oct.</b>	1 918	9 049	1 600	2 059	3 286
<b>Nov.</b>	1 481	8 762	1 270	2 469	3 321
<b>Dec.</b>	1 460	8 073	1 370	2 932	2 966
<b>1993</b>					
<b>Jan.</b>	2 566	10 760	2 350	3 889	4 923
<b>Feb.</b>	2 762	14 290	2 690	4 909	7 933

## 5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices									Turnover <sup>1</sup> , mill. FIM		
	HEX index (28 Dec., 1990=1000)									Shares and subscription rights	Bonds and debentures	Total
	All-share index	By ownership		By industry					Of which:			
		Restricted	Non-restricted	Banks and finance	Insurance and investment	Manufacturing	Forest industries	Metal and engineering				
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1988</b>	1 692	1 727	1 473	1 825	1 371	1 705	1 591	1 629	2 013	31 734	5 718	37 452
<b>1989</b>	1 827	1 850	1 689	1 958	1 528	1 818	1 728	1 748	2 061	33 160	7 375	40 536
<b>1990</b>	1 330	1 322	1 393	1 260	1 182	1 374	1 435	1 281	1 472	15 521	4 550	20 071
<b>1991</b>	962	949	1 062	901	898	1 003	1 075	1 076	1 020	6 339	1 315	7 655
<b>1992</b>	772	759	868	425	467	942	1 123	1 206	890	10 277	15 377	25 654
<b>1992</b>												
<b>Feb.</b>	904	889	1 011	649	653	1 040	1 252	1 244	990	648	65	712
<b>March</b>	858	845	959	595	612	991	1 159	1 204	941	581	41	622
<b>April</b>	805	791	907	530	552	941	1 124	1 171	878	418	23	441
<b>May</b>	849	838	929	542	538	1 014	1 202	1 317	950	674	104	778
<b>June</b>	788	776	877	411	474	972	1 182	1 298	904	606	511	1 118
<b>July</b>	722	710	811	345	425	901	1 082	1 210	835	406	902	1 308
<b>Aug.</b>	639	628	719	286	343	803	969	1 120	728	313	898	1 211
<b>Sept.</b>	576	564	667	205	250	750	944	1 085	653	614	1 449	2 062
<b>Oct.</b>	651	637	747	227	289	852	1 017	1 184	791	1 233	2 208	3 441
<b>Nov.</b>	809	796	905	344	429	1 033	1 184	1 311	1 012	1 474	2 562	4 037
<b>Dec.</b>	845	829	959	329	424	1 096	1 203	1 296	1 127	2 521	6 543	9 064
<b>1993</b>												
<b>Jan.</b>	875	.	.	314	422	1 143	1 158	1 331	1 214	1 803	4 114	5 917
<b>Feb.</b>	913	.	.	348	449	1 187	1 246	1 378	1 250	2 268	4 461	6 730

<sup>1</sup> During period.

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

### 6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, fob	Trans- port receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Invest- ment income	Trans- fers and other income	Current account receipts (6+7+8)	Imports of goods, cif	Trans- port ex- penditure	Travel ex- penditure	Other services ex- penditure	
	1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>1988</b>	91 313	7 026	4 280	6 132	17 438	108 750	9 377	4 415	122 543	91 232	3 338	7 907	7 390	
<b>1989</b>	98 265	7 662	4 497	6 277	18 436	116 701	10 212	3 652	130 565	104 400	3 869	8 969	8 759	
<b>1990</b>	99 750	8 347	4 650	6 081	19 077	118 827	12 739	4 461	136 027	101 967	4 363	10 766	9 503	
<b>1991*</b>	91 100	7 508	5 044	5 636	18 189	109 289	10 003	5 120	124 412	86 348	3 974	11 089	11 011	
<b>1992*</b>	105 583	8 402	5 894	7 268	21 564	127 147	6 771	5 606	139 525	93 422	4 217	10 772	13 044	
<b>1990</b>														
<b>III</b>	22 902	2 189	1 598	1 186	4 973	27 875	2 607	1 104	31 587	23 063	1 054	2 912	2 089	
<b>IV</b>	26 010	2 078	1 188	1 728	4 994	31 004	3 642	1 130	35 776	26 765	1 277	2 760	2 974	
<b>1991*</b>														
<b>I</b>	21 947	1 759	915	1 462	4 136	26 084	3 022	1 242	30 348	22 015	968	2 592	2 833	
<b>II</b>	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	
<b>III</b>	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	
<b>IV</b>	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	
<b>1992*</b>														
<b>I</b>	24 738	1 902	1 136	1 718	4 756	29 494	2 494	1 305	33 293	22 755	1 045	2 703	3 400	
<b>II</b>	26 409	2 111	1 470	1 595	5 175	31 585	1 487	1 329	34 400	24 222	1 078	2 793	2 966	
<b>III</b>	24 804	2 319	1 937	1 744	6 001	30 805	1 375	1 423	33 603	20 755	1 063	2 835	3 148	
<b>IV</b>	29 632	2 070	1 351	2 212	5 633	35 265	1 415	1 549	38 229	25 690	1 031	2 441	3 529	
During period	Services ex- penditure total (11+12 +13)	Imports of goods and services (10+14)	Invest- ment ex- penditure	Trans- fers and other ex- penditure	Current account ex- penditure (15+16 +17)	Trade account (1-10)	Trans- port (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21 +22)	Goods and services account (19+23)	Invest- ment, net (7-16)	Trans- fers and others, net (8-17)	Current account (24+25 +26)= (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
<b>1988</b>	18 634	109 866	17 033	6 975	133 874	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 656	-2 560	-11 331
<b>1989</b>	21 596	125 996	21 882	7 561	155 439	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-11 670	-3 910	-24 874
<b>1990</b>	24 632	126 599	26 973	8 967	162 540	-2 218	3 984	-6 117	-3 422	-5 555	-7 772	-14 234	-4 506	-26 513
<b>1991*</b>	26 074	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
<b>1992*</b>	28 033	121 455	30 582	10 265	162 302	12 161	4 185	-4 878	-5 775	-6 468	5 693	-23 810	-4 659	-22 777
<b>1990</b>														
<b>III</b>	6 054	29 117	6 415	2 132	37 665	-161	1 136	-1 314	-903	-1 082	-1 243	-3 808	-1 028	-6 078
<b>IV</b>	7 011	33 776	7 141	2 289	43 206	-755	801	-1 572	-1 246	-2 017	-2 772	-3 499	-1 159	-7 430
<b>1991*</b>														
<b>I</b>	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
<b>II</b>	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
<b>III</b>	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
<b>IV</b>	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
<b>1992*</b>														
<b>I</b>	7 148	29 904	8 357	3 164	41 425	1 982	857	-1 567	-1 682	-2 393	-410	-5 864	-1 859	-8 133
<b>II</b>	6 837	31 059	7 661	2 417	41 136	2 188	1 033	-1 323	-1 372	-1 662	526	-6 174	-1 088	-6 736
<b>III</b>	7 046	27 801	6 909	2 420	37 130	4 049	1 256	-898	-1 404	-1 045	3 004	-5 534	-997	-3 528
<b>IV</b>	7 001	32 691	7 654	2 264	42 610	3 942	1 039	-1 090	-1 318	-1 368	2 573	-6 239	-715	-4 381

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

During period	Imports of long-term capital					Exports of long-term capital					Long-term capital account (5-10)	Basic balance
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)		
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1988</b>	2 218	14 355	3 062	85	19 720	10 919	1 248	3 931	292	16 390	3 331	- 8 001
<b>1989</b>	2 095	14 756	8 608	79	25 538	13 327	180	5 323	273	19 103	6 435	- 18 439
<b>1990</b>	3 010	22 656	19 674	169	45 509	12 471	577	- 499	294	12 843	32 666	6 153
<b>1991*</b>	- 997	38 004	12 945	561	50 512	4 303	- 371	838	101	4 871	45 641	18 945
<b>1992*</b>	807	36 954	4 333	- 157	41 937	4 369	189	2 065	344	6 967	34 970	12 193
<b>1990</b>												
<b>III</b>	85	6 702	2 518	- 26	9 279	2 640	284	- 2 963	10	- 29	9 308	3 230
<b>IV</b>	2 024	6 330	3 261	103	11 718	5 054	416	- 1 348	128	4 250	7 468	38
<b>1991*</b>												
<b>I</b>	116	7 776	3 602	- 267	11 228	1 199	- 16	17	165	1 365	9 863	1 188
<b>II</b>	99	16 668	3 779	484	21 030	1 171	- 434	589	- 19	1 307	19 723	11 952
<b>III</b>	- 435	10 402	2 775	- 61	12 681	1 330	434	- 520	- 2	1 242	11 440	7 121
<b>IV</b>	- 777	3 157	2 788	404	5 573	603	- 354	753	- 44	957	4 615	- 1 316
<b>1992*</b>												
<b>I</b>	464	3 923	- 979	794	4 202	1 613	186	302	273	2 374	1 829	- 6 304
<b>II</b>	35	12 917	487	- 392	13 047	156	1 144	- 266	29	1 062	11 985	5 249
<b>III</b>	- 49	5 336	771	- 1	6 056	1 018	- 997	1 008	80	1 109	4 947	1 419
<b>IV</b>	357	14 777	4 054	- 557	18 631	1 582	- 143	1 020	- 36	2 422	16 209	11 829

During period	Imports of short-term capital				Exports of short-term capital				Errors and omissions	Short-term capital account (16-20+21)	Overall balance excl. reserve movements (12+22)	Change in central bank's foreign exchange reserves
	Short-term capital imports of authorized banks	Trade credits	Other short-term capital	Total (13+14+15)	Short-term capital exports of authorized banks	Trade credits	Other short-term capital	Total (17+18+19)				
	13	14	15	16	17	18	19	20	21	22	23	24
<b>1988</b>	10 950	- 399	- 811	9 740	2 331	644	1 995	4 971	3 415	8 183	183	- 183
<b>1989</b>	4 285	1 627	3 679	9 592	1 462	475	710	2 647	5 533	12 478	- 5 961	5 961
<b>1990</b>	16 258	1 119	- 1 357	16 020	- 2 290	- 1 254	1 244	- 2 300	- 9 381	8 939	15 092	- 15 092
<b>1991*</b>	- 13 133	817	- 1 301	- 13 617	6 261	957	3 285	10 503	- 1 229	- 25 349	- 6 404	6 404
<b>1992*</b>	- 28 341	8 967	11 116	- 8 259	- 504	4 362	5 665	9 524	- 3 659	- 21 442	- 9 249	9 249
<b>1990</b>												
<b>III</b>	- 1 155	- 201	517	- 838	- 729	- 34	238	- 525	- 857	- 1 170	2 059	- 2 059
<b>IV</b>	- 11 196	- 6	- 1 088	- 12 290	- 13 404	- 34	- 467	- 13 905	- 241	1 374	1 412	- 1 412
<b>1991*</b>												
<b>I</b>	18 038	- 1 035	2 367	19 370	22 472	- 602	3 978	25 847	2 187	- 4 290	- 3 102	3 102
<b>II</b>	- 10 815	3	- 605	- 11 416	515	- 516	1 972	1 971	- 786	- 14 173	- 2 221	2 221
<b>III</b>	- 16 261	392	- 583	- 16 453	- 3 091	1 048	1 869	- 174	2 252	- 14 026	- 6 905	6 905
<b>IV</b>	- 4 094	1 456	- 2 481	- 5 118	- 13 635	1 027	- 4 534	- 17 141	- 4 883	7 140	5 824	- 5 824
<b>1992*</b>												
<b>I</b>	- 2 010	306	3 490	1 786	- 4 134	959	1 720	- 1 455	1 422	4 663	- 1 641	1 641
<b>II</b>	- 9 527	4 056	416	- 5 056	- 1 612	1 198	- 3 259	- 3 674	- 4 916	- 6 298	- 1 049	1 049
<b>III</b>	- 11 092	1 556	12 295	2 759	6 064	336	322	6 722	- 3 621	- 7 585	- 6 165	6 165
<b>IV</b>	- 5 712	3 049	- 5 085	- 7 748	- 822	1 870	6 881	7 930	3 456	- 12 222	- 394	394

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

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

End of period	Long-term liabilities					Long-term assets					Long-term debt, net (5-10)
	Direct investment in Finland	Portfolio investment in Finland	Loans	Other long-term capital	Total (1+2+3+4)	Direct investment abroad	Portfolio investment abroad	Loans	Other long-term capital	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
<b>1988</b>	12 673	68 957	33 117	915	115 662	24 199	8 223	19 417	2 484	54 323	61 339
<b>1989</b>	16 093	82 313	40 110	994	139 510	33 234	7 680	24 572	2 757	68 243	71 267
<b>1990</b>	18 651	98 399	51 744	4 630	173 424	43 931	7 184	25 595	5 487	82 196	91 228
<b>1991*</b>	17 443	148 446	69 681	5 427	240 997	53 285	7 561	27 707	6 161	94 713	146 283
<b>1992*</b>	18 250	214 180	85 050	6 347	323 827	65 840	9 108	33 400	7 629	115 976	207 851
<b>1990</b>											
<b>III</b>	16 741	90 866	54 362	1 060	163 029	39 321	7 330	24 996	2 923	74 570	88 459
<b>IV</b>	18 651	98 399	51 744	4 630	173 424	43 931	7 184	25 595	5 487	82 196	91 228
<b>1991*</b>											
<b>I</b>	18 714	113 555	56 270	4 234	192 773	45 383	7 307	25 856	5 914	84 459	108 313
<b>II</b>	18 760	130 670	61 363	4 741	215 534	46 808	6 917	26 904	6 061	86 690	128 844
<b>III</b>	18 273	136 365	63 708	4 718	223 064	48 391	7 385	25 837	5 934	87 547	135 517
<b>IV</b>	17 443	148 446	69 681	5 427	240 997	53 285	7 561	27 707	6 161	94 713	146 283
<b>1992*</b>											
<b>I</b>	17 907	155 836	70 591	6 513	250 847	54 898	8 053	28 992	6 738	98 681	152 166
<b>II</b>	17 942	164 855	69 038	6 061	257 896	55 054	9 242	27 836	6 503	98 635	159 261
<b>III</b>	17 893	188 562	77 476	6 652	290 584	64 258	8 654	30 798	7 109	110 818	179 765
<b>IV</b>	18 250	214 180	85 050	6 347	323 827	65 840	9 108	33 400	7 629	115 976	207 851

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+22)	Net interest and dividend expenditure	Net interest and dividend expenditure in relation to current account receipts
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits	Other short-term liabilities	Total (12+13+14+15)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits	Other short-term assets	Total (17+18+19+20)				
	12	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>1988</b>	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
<b>1989</b>	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
<b>1990</b>	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
<b>1991*</b>	3 149	100 837	14 233	14 703	132 921	35 922	36 727	15 845	10 578	99 072	33 849	180 132	15 734	12.7
<b>1992*</b>	7 849	86 864	23 207	22 653	140 573	33 966	43 603	20 717	15 464	113 751	26 822	234 673	20 210	14.5
<b>1990</b>														
<b>III</b>	4 071	117 679	13 468	12 544	147 763	38 454	44 683	15 297	7 325	105 759	42 004	130 463	3 532	11.2
<b>IV</b>	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
<b>1991*</b>														
<b>I</b>	3 399	127 305	12 323	17 232	160 259	37 748	48 792	13 766	11 366	111 672	48 587	156 901	3 886	12.8
<b>II</b>	2 889	117 997	12 318	17 498	150 702	36 023	50 406	13 271	13 753	113 453	37 249	166 092	4 695	16.0
<b>III</b>	2 826	100 908	12 710	16 703	133 147	29 006	47 064	14 326	15 153	105 549	27 599	163 116	3 424	10.9
<b>IV</b>	3 149	100 837	14 233	14 703	132 921	35 922	36 727	15 845	10 578	99 072	33 849	180 132	3 729	11.2
<b>1992*</b>														
<b>I</b>	3 185	102 919	14 506	18 439	139 048	35 429	32 960	16 974	12 796	98 158	40 890	193 056	4 964	14.9
<b>II</b>	3 242	91 661	18 587	18 157	131 646	33 516	32 786	18 120	9 106	93 528	38 118	197 379	5 274	15.3
<b>III</b>	14 067	88 898	20 166	21 248	144 379	29 484	43 316	18 946	9 907	101 652	42 727	222 492	4 634	13.8
<b>IV</b>	7 849	86 864	23 207	22 653	140 573	33 966	43 603	20 717	15 464	113 751	26 822	234 673	5 339	14.0

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

End of period	Long-term liabilities					Long-term assets					Long-term liabilities, net (6-12)		
	Corporate sector	Banks	Other financial institutions	Central government	Other	Total (1+2+3+4+5)	Corporate sector	Banks	Other financial institutions	Central government		Other	Total (7+8+9+10+11)
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>1988</b>	46 471	27 427	14 339	26 926	499	115 662	25 093	21 607	3 573	3 101	949	54 323	61 339
<b>1989</b>	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
<b>1990</b>	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
<b>1991*</b>	79 266	69 014	35 626	56 377	713	240 997	57 457	27 619	2 092	4 752	2 794	94 713	146 283
<b>1992*</b>	87 108	68 054	48 523	118 081	2 061	323 827	72 817	30 708	3 122	6 034	3 296	115 976	207 851
<b>1990</b>													
<b>III</b>	62 837	54 562	21 377	23 580	673	163 029	39 882	27 193	1 763	3 772	1 960	74 570	88 459
<b>IV</b>	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
<b>1991*</b>													
<b>I</b>	71 346	58 048	26 532	36 123	724	192 773	47 427	28 015	2 114	4 651	2 252	84 459	108 313
<b>II</b>	77 127	65 685	33 213	38 814	696	215 534	49 671	27 523	2 093	5 040	2 362	86 690	128 844
<b>III</b>	77 071	66 742	34 196	44 332	723	223 064	51 407	26 843	2 109	4 655	2 534	87 547	135 517
<b>IV</b>	79 266	69 014	35 626	56 377	713	240 997	57 457	27 619	2 092	4 752	2 794	94 713	146 283
<b>1992*</b>													
<b>I</b>	80 395	67 432	36 032	65 370	1 617	250 847	59 636	28 516	2 271	5 367	2 890	98 681	152 166
<b>II</b>	78 074	61 908	37 685	78 534	1 695	257 896	60 153	28 119	2 265	5 147	2 951	98 635	159 261
<b>III</b>	84 246	66 370	39 131	98 824	2 012	290 584	69 216	30 385	2 422	5 528	3 268	110 818	179 765
<b>IV</b>	87 108	68 054	48 523	118 081	2 061	323 827	72 817	30 708	3 122	6 034	3 296	115 976	207 851

## 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
<b>1988</b>	92 902	92 118	784
<b>1989</b>	99 784	105 516	-5 732
<b>1990</b>	101 327	103 027	-1 700
<b>1991*</b>	92 842	87 744	5 098
<b>1992*</b>	107 471	94 988	12 483
<b>1992*</b>			
<b>Jan.</b>	7 585	7 218	367
<b>Feb.</b>	8 282	7 769	513
<b>March</b>	9 327	8 155	1 172
<b>April</b>	8 742	8 432	310
<b>May</b>	9 098	8 094	1 004
<b>June</b>	9 019	8 097	922
<b>July</b>	7 972	6 754	1 218
<b>Aug.</b>	7 615	6 871	744
<b>Sept.</b>	9 658	7 489	2 169
<b>Oct.</b>	10 200	8 756	1 444
<b>Nov.</b>	10 532	8 740	1 792
<b>Dec.</b>	9 441	8 613	828
<b>1993*</b>			
<b>Jan.</b>	9 242	6 566	2 676

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

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
<b>1988</b>	121	130	145	122	119
<b>1989</b>	121	144	156	126	123
<b>1990</b>	125	138	154	128	120
<b>1991*</b>	114	115	154	131	118
<b>1992*</b>	124	112	164	145	113
<b>1992*</b>					
<b>III</b>	114	124	155	129	120
<b>IV</b>	130	139	154	133	116
<b>1991*</b>					
<b>I</b>	110	117	154	131	118
<b>II</b>	107	112	153	130	118
<b>III</b>	113	109	156	132	119
<b>IV</b>	124	118	157	135	116
<b>1992*</b>					
<b>I</b>	118	112	162	142	114
<b>II</b>	125	118	162	143	113
<b>III</b>	117	102	163	142	115
<b>IV</b>	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
<b>1988</b>	7 567	30 474	8 450	29 225	17 186	45 791	7 533	17 274	20 828	692
<b>1989</b>	7 416	32 513	8 844	32 682	18 329	51 786	8 310	20 606	24 055	759
<b>1990</b>	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
<b>1991*</b>	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672
<b>1992*</b>	7 892	32 587	12 172	35 741	19 079	49 514	9 745	13 348	20 826	1 555
<b>1992*</b>										
<b>Jan.</b>	528	2 446	987	2 197	1 427	3 580	682	1 094	1 747	115
<b>Feb.</b>	641	2 589	1 089	2 302	1 661	3 864	608	1 285	1 894	118
<b>March</b>	654	2 756	1 179	3 091	1 647	4 265	660	1 055	2 077	98
<b>April</b>	746	2 798	1 068	2 571	1 559	4 300	710	1 401	1 902	119
<b>May</b>	712	2 567	1 074	3 183	1 562	4 118	909	1 429	1 610	28
<b>June</b>	679	2 643	967	3 155	1 575	4 548	742	1 162	1 538	107
<b>July</b>	504	2 393	761	3 122	1 192	3 463	776	907	1 538	70
<b>Aug.</b>	530	2 336	919	2 335	1 495	3 660	690	752	1 552	217
<b>Sept.</b>	687	2 914	1 026	3 244	1 787	4 129	546	903	1 789	122
<b>Oct.</b>	797	3 186	1 027	3 331	1 859	4 498	1 064	1 199	1 890	105
<b>Nov.</b>	770	3 010	1 205	3 789	1 758	4 809	1 058	1 039	1 755	79
<b>Dec.</b>	644	2 949	870	3 421	1 557	4 280	1 300	1 122	1 534	377
<b>1993*</b>										
<b>Jan.</b>	706	2 677	1 048	3 253	1 558	3 683	547	884	1 390	62



## 7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, fob				Imports, cif			
	1991*		1992*		1991*		1992*	
	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
<b>All OECD countries</b>	75 795	81.6	88 347	16.6	70 023	79.8	75 180	7.4
<b>OECD Europe</b>	67 025	72.2	78 566	17.2	57 776	65.8	62 972	9.0
Of which:								
Austria	1 227	1.3	1 368	11.5	1 054	1.2	1 162	10.2
Belgium and Luxembourg	2 403	2.6	2 785	15.9	2 252	2.6	2 688	19.3
Denmark	3 445	3.7	3 858	12.0	2 993	3.4	3 192	6.7
France	5 492	5.9	7 204	31.2	3 673	4.2	4 382	19.3
Germany	14 331	15.4	16 806	17.3	14 834	16.9	16 085	8.4
Italy	3 303	3.6	4 302	30.2	3 661	4.2	3 425	- 6.5
Netherlands	4 653	5.0	5 628	20.9	2 974	3.4	3 458	16.3
Norway	3 079	3.3	3 775	22.6	3 978	4.5	3 825	- 3.8
Spain	2 534	2.7	2 842	12.2	1 008	1.1	1 167	15.8
Sweden	12 884	13.9	13 771	6.9	10 806	12.3	11 133	3.0
Switzerland	1 813	2.0	1 921	5.9	1 573	1.8	1 842	17.1
United Kingdom	9 613	10.4	11 519	19.8	6 739	7.7	8 213	21.9
<b>Other OECD</b>	8 770	9.4	9 781	11.5	12 247	14.0	12 209	- 0.3
Of which:								
Canada	720	0.8	751	4.3	547	0.6	616	12.5
Japan	1 393	1.5	1 370	- 1.6	5 287	6.0	5 202	- 1.6
United States	5 648	6.1	6 365	12.7	6 032	6.9	5 792	- 4.0
<b>Non-OECD European countries</b>	6 531	7.0	7 310	11.9	9 577	10.9	9 681	1.1
Of which:								
Russia <sup>1</sup>	4 521	4.9	3 020	..	7 455	8.5	6 725	..
<b>Other countries</b>	10 516	11.3	11 814	12.1	8 141	9.3	10 127	24.7
Of which:								
<b>OPEC countries</b>	1 977	2.1	1 927	- 2.5	1 306	1.5	1 497	14.6
<b>TOTAL</b>	92 842	100.0	107 471	15.7	87 741	100.0	94 988	8.3
Of which:								
<b>EC countries</b>	47 567	51.2	57 150	20.1	40 224	45.8	44 801	11.4
<b>EFTA countries</b>	19 113	20.6	20 959	9.7	17 447	19.9	18 033	3.4

<sup>1</sup> Until the end of 1991, the Soviet Union; figures for Estonia, Latvia and Lithuania were included in those for the Soviet Union until October 1991.

## 8. DOMESTIC ECONOMIC DEVELOPMENTS

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

(seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4					
<b>1987</b>	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
<b>1988</b>	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
<b>1989</b>	218 775	77 117	95 178	11 234	14 056	416 360	107 552	128 834	395 078
<b>1990</b>	219 293	80 525	88 429	12 720	13 992	414 959	109 236	127 735	396 460
<b>1991*</b>	211 181	82 338	68 465	12 701	6 723	381 408	101 932	112 277	371 063
<b>1990</b>									
<b>II</b>	55 368	20 075	22 277	3 257	4 605	105 583	29 140	34 271	100 452
<b>III</b>	54 718	20 205	21 286	3 092	3 705	103 006	26 511	30 355	99 163
<b>IV</b>	54 290	20 307	20 973	3 201	3 436	102 206	26 349	30 943	97 613
<b>1991*</b>									
<b>I</b>	53 303	20 435	19 371	3 138	2 735	98 981	25 267	29 503	94 745
<b>II</b>	52 902	20 539	17 216	3 525	1 652	95 834	24 280	27 145	92 969
<b>III</b>	53 818	20 638	16 478	3 167	- 143	93 957	26 685	28 160	92 483
<b>IV</b>	52 158	20 726	15 400	2 871	1 479	92 636	25 700	27 470	90 866
<b>1992*</b>									
<b>I</b>	51 316	20 353	15 624	2 947	1 970	92 209	27 168	28 634	90 743
<b>II</b>	49 881	20 431	15 857	2 907	2 920	91 995	28 259	29 229	91 026
<b>III</b>	49 420	20 497	15 350	2 857	3 081	91 206	27 302	27 411	91 097

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

(seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manufacturing	Wood and paper industries	Metal and engineering industries	Other manufacturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.5)	(38.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
<b>1988</b>	110.9	108.8	111.0	113.1	114.5	107.6	110.1
<b>1989</b>	114.6	117.9	115.0	116.6	121.5	109.6	110.5
<b>1990</b>	114.2	115.7	114.4	114.6	122.0	108.7	112.9
<b>1991*</b>	104.1	106.4	102.4	104.7	104.9	99.7	117.6
<b>1992*</b>	107.5	115.9	106.1	109.6	115.7	97.7	117.4
<b>1991*</b>							
<b>Dec.</b>	102.9	107.6	101.1	107.1	102.9	98.0	115.0
<b>1992*</b>							
<b>Jan.</b>	103.1	109.0	101.2	105.0	104.6	96.7	116.1
<b>Feb.</b>	104.6	112.3	103.3	110.8	108.4	95.8	114.7
<b>March</b>	106.3	120.9	105.2	108.9	114.2	97.1	115.9
<b>April</b>	107.9	114.4	106.8	107.3	117.7	98.9	118.2
<b>May</b>	108.0	139.7	106.9	110.5	116.4	98.4	112.9
<b>June</b>	110.5	173.2	108.9	109.2	119.1	99.1	111.4
<b>July</b>	108.7	117.3	108.1	103.6	123.3	100.8	109.8
<b>Aug.</b>	109.3	106.3	108.7	110.4	123.1	97.9	112.6
<b>Sept.</b>	105.6	106.8	105.7	112.2	113.2	96.2	115.3
<b>Oct.</b>	109.5	91.6	107.3	112.8	117.1	98.5	127.8
<b>Nov.</b>	108.8	106.7	106.2	112.9	116.0	96.5	129.4
<b>Dec.</b>	107.5	92.8	105.5	111.6	115.8	96.1	124.8

### 8.3 INDICATORS OF DOMESTIC SUPPLY AND DEMAND, 1985=100

(seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
<b>1987</b>	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.9
<b>1988</b>	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.6
<b>1989</b>	124.2	117.0	130.3	132.9	137.6	125.2	161.4	115.3
<b>1990</b>	119.9	111.7	127.3	124.8	161.7	122.1	144.6	116.5
<b>1991*</b>	101.2	103.9	103.9	94.4	127.7	109.9	102.1	110.9
<b>1991*</b>								
<b>Nov.</b>	95.0	102.5	..	..	..	..	..	108.5
<b>Dec.</b>	95.5	100.4	..	..	..	..	..	109.3
<b>III</b>	101.7	104.9	98.8	89.3	89.6	110.8	85.9	110.8
<b>IV</b>	95.4	102.0	89.9	78.2	97.9	97.0	110.6	108.9
<b>1992*</b>								
<b>Jan.</b>	96.5	104.1	..	..	..	..	..	108.1
<b>Feb.</b>	88.6	98.9	..	..	..	..	..	108.6
<b>March</b>	91.5	97.1	..	..	..	..	..	110.1
<b>April</b>	88.9	96.0	..	..	..	..	..	109.0
<b>May</b>	83.0	92.8	..	..	..	..	..	108.4
<b>June</b>	94.6	93.8	..	..	..	..	..	109.8
<b>July</b>	93.7	92.5	..	..	..	..	..	110.2
<b>Aug.</b>	80.4	88.4	..	..	..	..	..	109.1
<b>Sept.</b>	89.1	96.3	..	..	..	..	..	109.3
<b>Oct.</b>	84.8	92.9	..	..	..	..	..	108.7
<b>Nov.</b>	80.6	84.2	..	..	..	..	..	108.8
<b>I</b>	92.2	100.1	88.1	82.8	92.7	96.1	87.4	108.9
<b>II</b>	88.8	94.2	84.1	81.9	77.8	96.1	106.2	109.1
<b>III</b>	87.7	92.4	80.3	74.2	85.3	80.2	63.9	109.5

## 8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (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
<b>1988</b>	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
<b>1989</b>	135.7	136.5	133.8	137.4	132.1	137.1	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
<b>1990</b>	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
<b>1991<sup>1</sup></b>	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
<b>1992<sup>1</sup></b>	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
<b>1991<sup>1</sup></b>														
<b>IV</b>	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
<b>1992<sup>1</sup></b>														
<b>Jan.</b>	..	..	..	..	..	..	134.7	111.8	115.4	98.4	111.1	111.4	111.0	136.5
<b>Feb.</b>	..	..	..	..	..	..	135.0	112.0	115.6	99.0	111.4	111.6	111.3	136.5
<b>March</b>	..	..	..	..	..	..	135.4	112.1	115.6	99.2	111.5	111.7	111.4	136.5
<b>April</b>	..	..	..	..	..	..	135.9	112.3	115.8	99.8	112.0	112.0	112.0	135.5
<b>May</b>	..	..	..	..	..	..	136.0	112.3	115.7	99.9	112.5	112.6	112.4	134.8
<b>June</b>	..	..	..	..	..	..	136.3	112.3	115.7	100.0	112.8	113.2	112.6	133.7
<b>July</b>	..	..	..	..	..	..	136.1	112.2	115.9	99.0	112.9	113.2	112.8	134.0
<b>Aug.</b>	..	..	..	..	..	..	135.9	112.0	115.7	98.6	112.4	111.8	112.7	133.7
<b>Sept.</b>	..	..	..	..	..	..	136.4	112.2	115.2	101.3	113.2	115.0	112.3	134.5
<b>Oct.</b>	..	..	..	..	..	..	136.9	113.3	115.7	104.3	113.8	115.9	112.8	134.7
<b>Nov.</b>	..	..	..	..	..	..	137.1	113.4	115.5	105.5	114.1	116.7	112.8	134.4
<b>Dec.</b>	..	..	..	..	..	..	136.8	113.4	115.5	105.9	114.0	115.9	113.0	134.0
<b>I</b>	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
<b>II</b>	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
<b>III</b>	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
<b>IV</b>	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
<b>1993<sup>1</sup></b>														
<b>Jan.</b>	..	..	..	..	..	..	138.2	113.9	115.8	107.1	114.4	116.5	113.4	134.9

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

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

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status		By industry			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
<b>1988</b>	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6	
<b>1989</b>	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5	
<b>1990</b>	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4	
<b>1991</b>	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6	
<b>1992</b>	66.1	2 502	2 174	325	1 849	188	454	150	1 382	328	13.1	
<b>1992</b>												
<b>Jan.</b>	66.4	2 509	2 237	331	1 906	195	466	157	1 419	273	10.9	
<b>Feb.</b>	66.7	2 519	2 227	326	1 900	193	468	181	1 385	292	11.6	
<b>March</b>	66.5	2 515	2 222	328	1 893	197	461	153	1 410	293	11.7	
<b>April</b>	65.8	2 486	2 193	327	1 866	186	457	150	1 400	294	11.8	
<b>May</b>	66.1	2 502	2 192	332	1 859	189	452	154	1 395	310	12.4	
<b>June</b>	66.3	2 509	2 188	331	1 857	191	453	156	1 387	321	12.8	
<b>July</b>	65.9	2 492	2 164	326	1 837	186	453	146	1 379	328	13.2	
<b>Aug.</b>	66.5	2 517	2 163	330	1 832	187	446	150	1 379	355	14.1	
<b>Sept.</b>	65.7	2 488	2 145	321	1 824	186	456	150	1 353	343	13.8	
<b>Oct.</b>	66.0	2 499	2 135	320	1 815	182	454	132	1 367	365	14.6	
<b>Nov.</b>	66.2	2 508	2 125	315	1 811	177	441	141	1 366	383	15.3	
<b>Dec.</b>	65.3	2 477	2 095	309	1 786	181	435	134	1 344	382	15.4	
<b>1993</b>												
<b>Jan.</b>	65.7	2 493	2 092	302	1 790	177	437	124	1 354	401	16.1	

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

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
<b>1988</b>	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
<b>1989</b>	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
<b>1990</b>	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
<b>1991</b>	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
<b>1991</b>											
<b>Nov.</b>	3 296	6 173	229	1 763	11 461	711	12 172	3 728	10 423	4 263	5 979
<b>Dec.</b>	3 876	6 691	66	2 636	13 270	418	13 688	3 927	10 463	3 857	5 844
<b>1992</b>											
<b>Jan.</b>	2 963	5 805	98	867	9 733	10	9 743	4 311	8 447	3 360	4 963
<b>Feb.</b>	2 854	6 461	84	1 098	10 497	7	10 504	4 000	8 004	3 387	4 449
<b>March</b>	- 420	5 048	227	2 355	7 210	2 041	9 251	3 889	9 055	3 808	4 542
<b>April</b>	4 629	5 583	119	2 373	12 704	83	12 787	4 022	9 590	3 818	5 394
<b>May</b>	3 068	5 722	131	2 012	10 933	32	10 965	3 782	9 010	3 658	5 183
<b>June</b>	4 310	5 615	135	2 097	12 157	339	12 496	4 390	8 760	4 005	4 514
<b>July</b>	3 662	6 074	275	1 234	11 245	78	11 323	5 073	7 975	3 469	4 319
<b>Aug.</b>	3 422	5 938	130	1 528	11 018	393	11 411	3 483	8 170	3 413	4 553
<b>Sept.</b>	3 091	5 663	117	1 510	10 381	137	10 517	3 887	8 179	3 440	4 575
<b>Oct.</b>	2 896	5 336	136	1 448	9 816	187	10 003	4 169	9 599	3 498	5 933
<b>Nov.</b>	2 984	5 925	110	1 751	10 770	704	11 474	3 806	9 072	3 463	5 492

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
<b>1987</b>	7 089	4 732	100 738	5 672	106 410	- 1 090	- 4 280	7 604	3 324
<b>1988</b>	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287
<b>1989</b>	8 393	5 343	120 826	7 566	128 390	11 490	7 851	- 4 009	3 842
<b>1990</b>	5 962	4 927	133 614	9 319	142 934	5 737	678	1 201	1 879
<b>1991</b>	5 370	6 368	158 044	13 328	171 372	- 23 420	- 32 304	25 659	- 6 645
<b>1991</b>									
<b>Nov.</b>	458	327	14 936	1 012	15 947	- 3 475	- 3 775	5 865	2 089
<b>Dec.</b>	526	892	15 809	798	16 607	- 2 539	- 2 920	- 211	- 3 131
<b>1992</b>									
<b>Jan.</b>	340	846	13 944	792	14 737	- 4 211	- 4 994	1 161	- 3 833
<b>Feb.</b>	314	1 168	12 486	839	13 324	- 1 989	- 2 820	7 885	5 065
<b>March</b>	378	1 355	14 677	3 305	17 981	- 7 467	- 8 730	3 545	- 5 185
<b>April</b>	394	684	14 690	683	15 374	- 1 986	- 2 587	5 474	2 887
<b>May</b>	400	366	13 558	826	14 385	- 2 625	- 3 420	3 216	- 203
<b>June</b>	476	1 006	14 632	2 574	17 205	- 2 475	- 4 709	8 162	3 453
<b>July</b>	398	479	13 925	683	14 608	- 2 680	- 3 285	5 185	1 900
<b>Aug.</b>	387	331	12 371	7 005	19 375	- 1 353	- 7 964	4 133	- 3 831
<b>Sept.</b>	442	816	13 324	4 950	18 275	- 2 943	- 7 758	5 267	- 2 491
<b>Oct.</b>	439	1 229	15 436	937	16 373	- 5 620	- 6 370	8 365	1 995
<b>Nov.</b>	410	1 02	13 390	1 010	14 400	- 2 620	- 2 926	15 124	12 199

# 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. A supplementary cash reserve agreement was applied from April 1989 to end-1990. The (non-interest-bearing) additional deposits made under this agreement varied according to the bank or group of banks concerned, the amounts being based on the rate of growth in lending.

**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): 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 set at 4.5 per cent. 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. 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 and other bonds (excl. zero coupon \$25

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 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 (Column 2) 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  $\pm 3$  per cent around the midpoint. Since 8 September 1992 the markka has been floating. The Bank of Finland's trade-weighted currency index (Column 3): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 4): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade. The MERM index (Column 5): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; 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 (Column 5) are mainly granted by commercial banks and Postipankki.

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

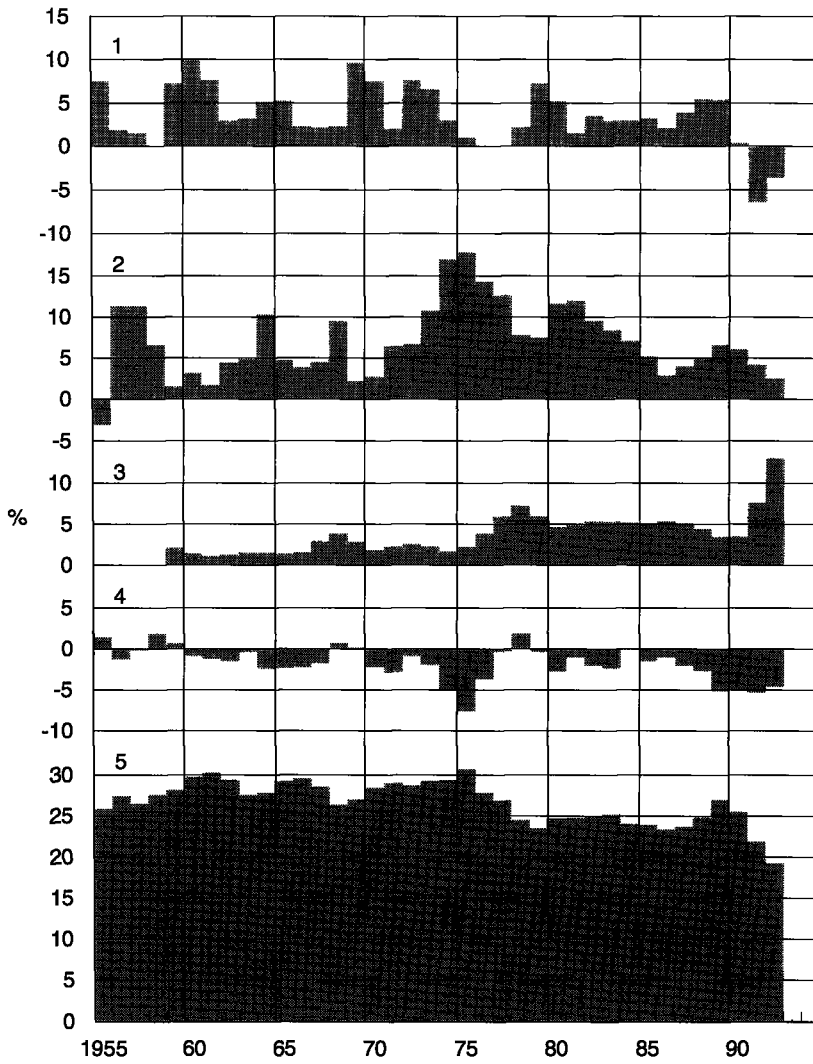
**Table 8.3** The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

**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.

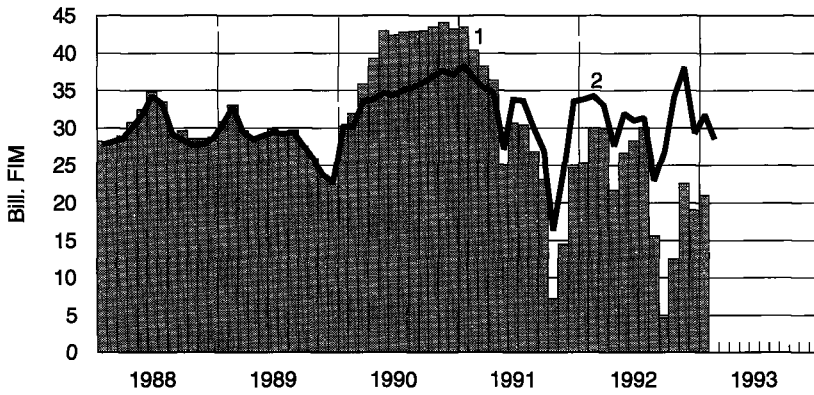
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Rates of interest applied by the Bank of Finland	S29
5. Banks' liquidity position with the Bank of Finland	S30
6. Liquidity management interest rates	S30
7. HELIBOR rates of interest, daily	S30
8. HELIBOR rates of interest, monthly	S31
9. Differential between Finnish and German interest rates	S31
10. Yields on bonds	S31
11. Bank of Finland currency index and the markka value of the ECU	S32
12. Daily spot rates for the markka against the Deutschmark and the US dollar	S32
13. Daily spot rates for the markka against the pound sterling and the Swedish krona	S32
14. Monthly spot rates for the markka against the Deutschmark and the US dollar	S33
15. Monthly spot rates for the markka against the pound sterling and the Swedish krona	S33
16. Banks' markka lending rates and markka funding rates	S33
17. Bank funding from the public	S34
18. Bank lending to the public	S34
19. Money supply	S34
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21. Net interest and dividend expenditure	S35
22. Balance of payments	S36
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28. Fixed investment	S38
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30. Prices and wages	S39
31. Central government finances	S40

# 1. LONG-TERM INDICATORS



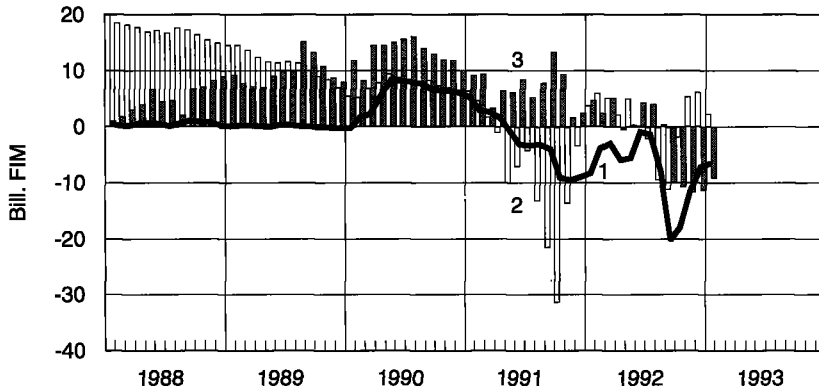
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



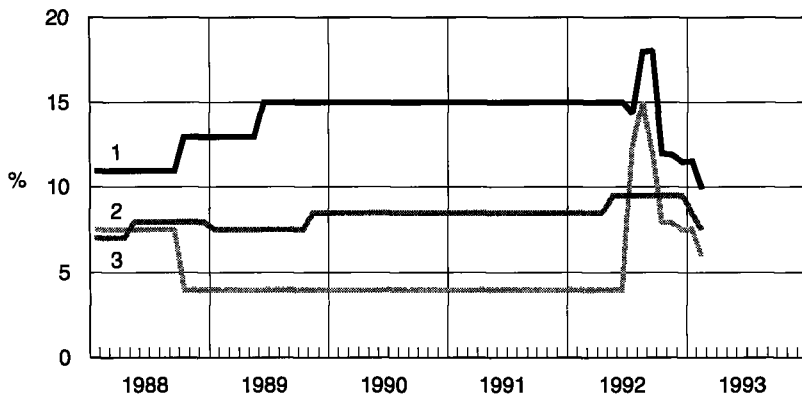
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

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

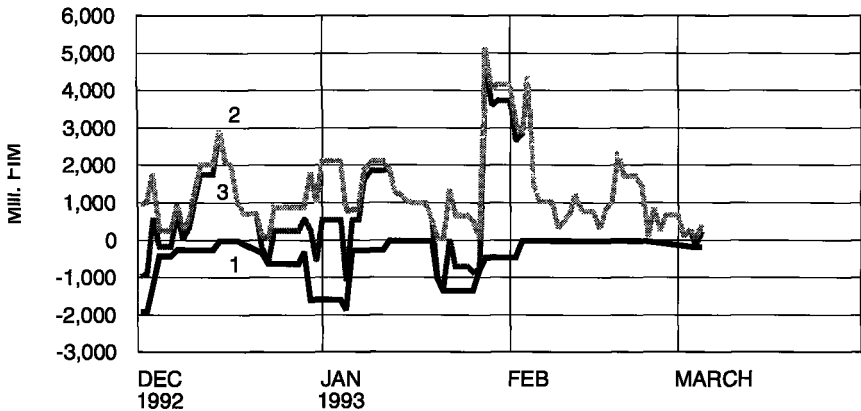
4. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



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

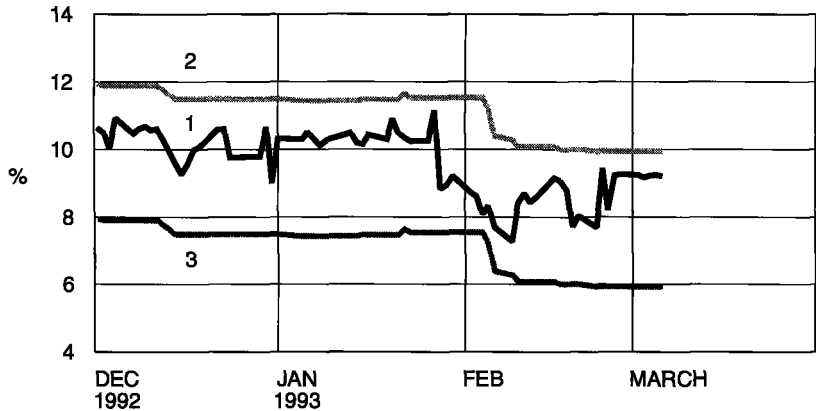
End-of-month observations

5. BANKS' LIQUIDITY POSITION WITH THE BANK OF FINLAND



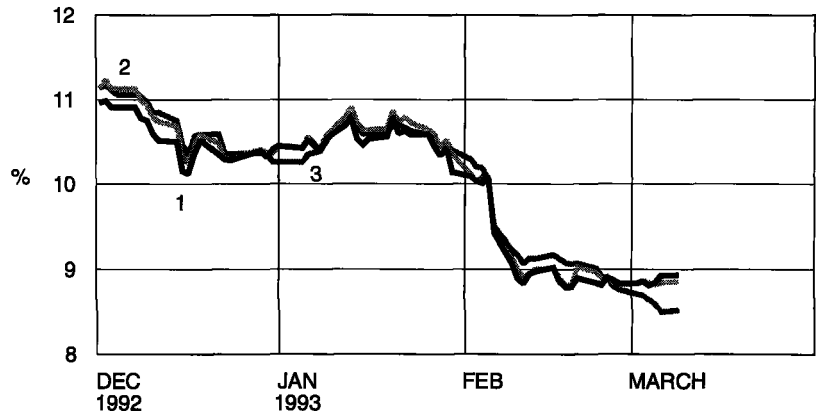
- 1. Liquidity credits (-)
- 2. Call money deposits
- 3. Net

6. LIQUIDITY MANAGEMENT INTEREST RATES



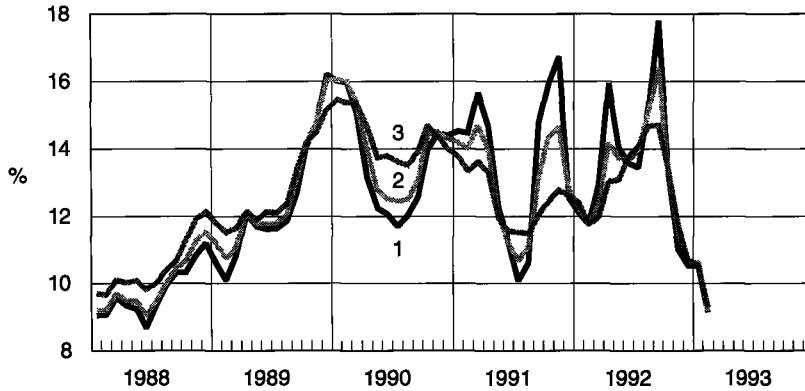
- 1. Inter-bank overnight rate
  - 2. Liquidity credit rate
  - 3. Call money deposit rate
- Daily observations

7. HELIBOR RATES OF INTEREST, DAILY



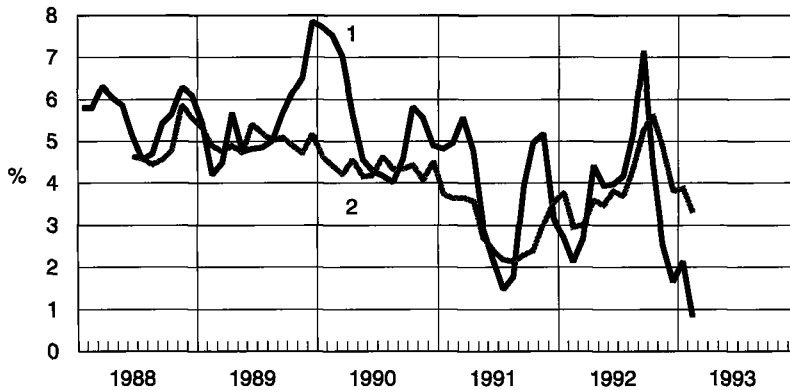
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

8. HELIBOR RATES OF INTEREST, MONTHLY



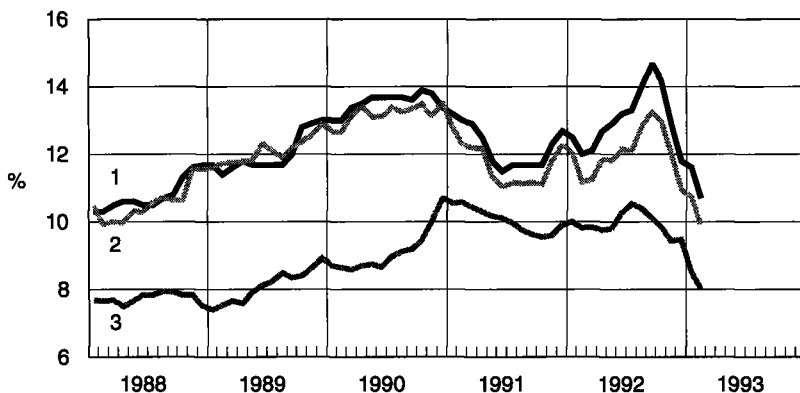
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. DIFFERENTIAL BETWEEN FINNISH AND GERMAN INTEREST RATES



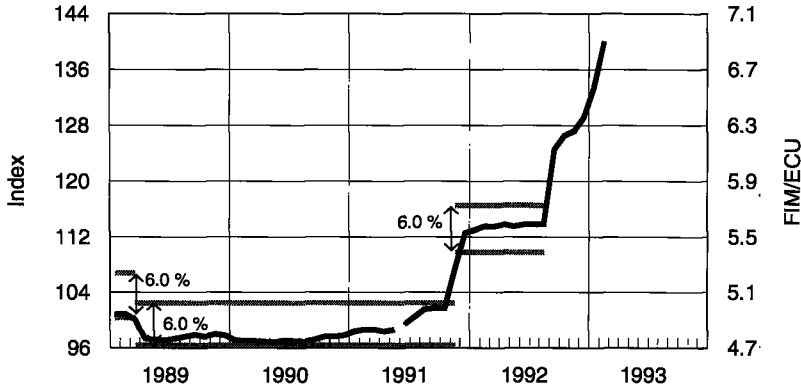
- 1. 3-month HELIBOR *minus* 3-month DEM eurorate
- 2. 5-year Finnish government bond yield *minus* 5-year German government bond yield

10. YIELDS ON BONDS



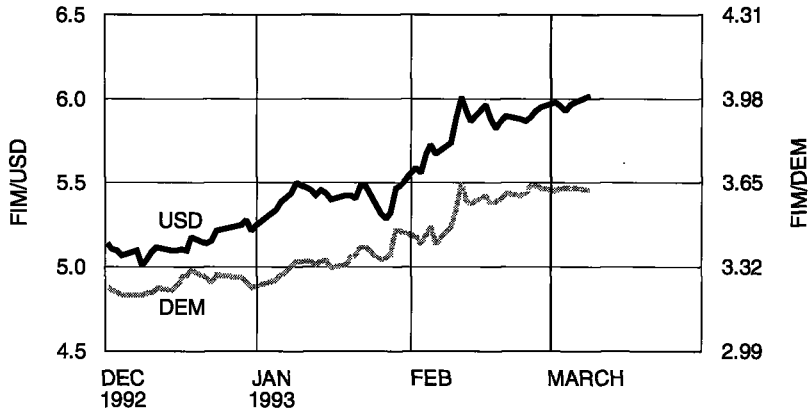
- 1. Bank of Finland's 5-year reference rate
- 2. Until April 1991, yield on (4-5 year) taxable government bonds  
Since May 1991, yield on government bond due on 15 March 1996, coupon rate 11.75 per cent
- 3. Yield on (4-5 year) tax-free government bonds

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



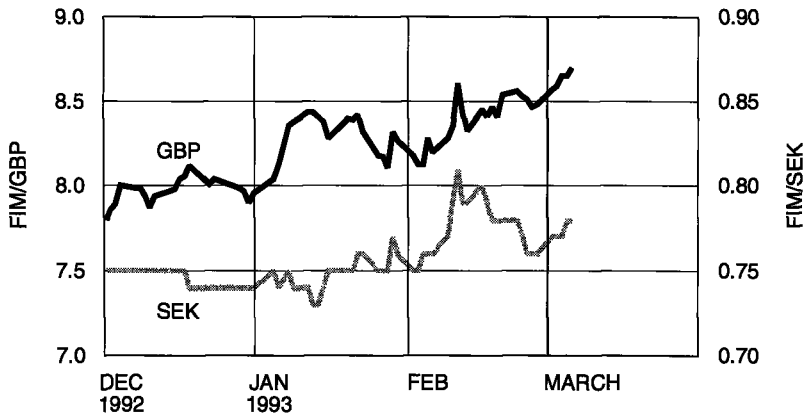
Until 7 June 1991, the Bank of Finland currency index. From 7 June 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953-5.02207 in the period 7 June - 14 November 1991, and 5.39166-5.72516 in the period 15 November 1991 - 7 September 1992. Since 8 September 1992,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

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



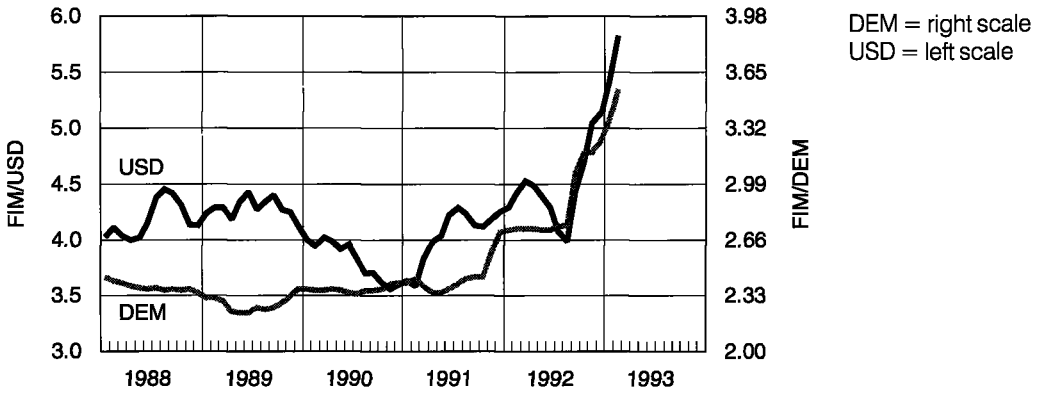
Middle rates  
DEM = right scale  
USD = left scale

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

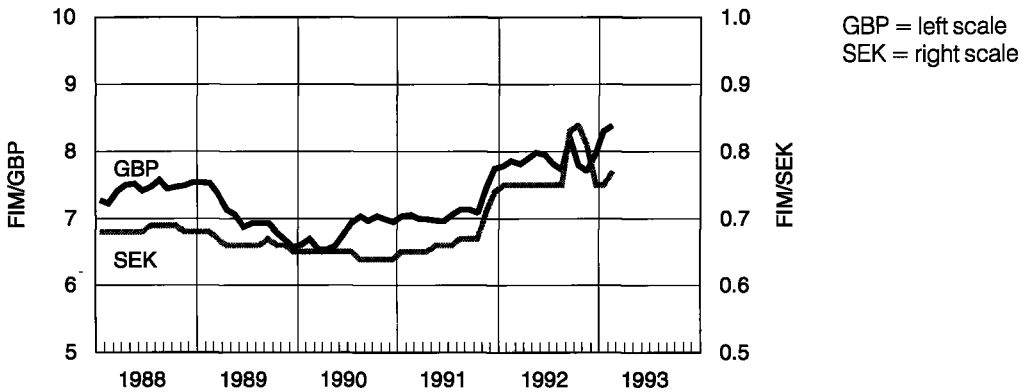


Middle rates  
GBP = left scale  
SEK = right scale

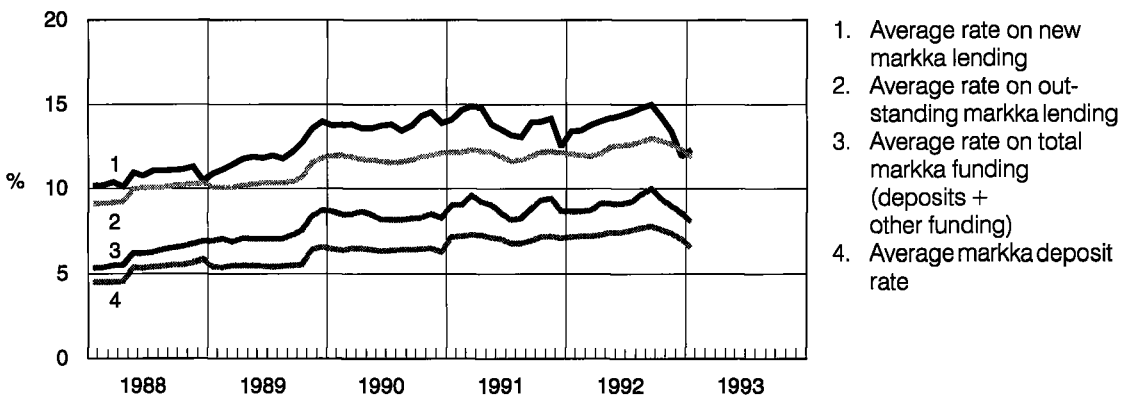
14. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



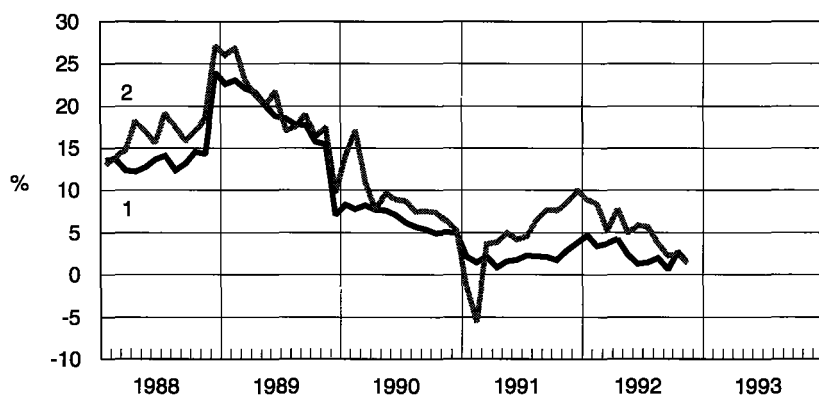
15. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



16. BANKS' MARKKA LENDING RATES AND MARKKA FUNDING RATES



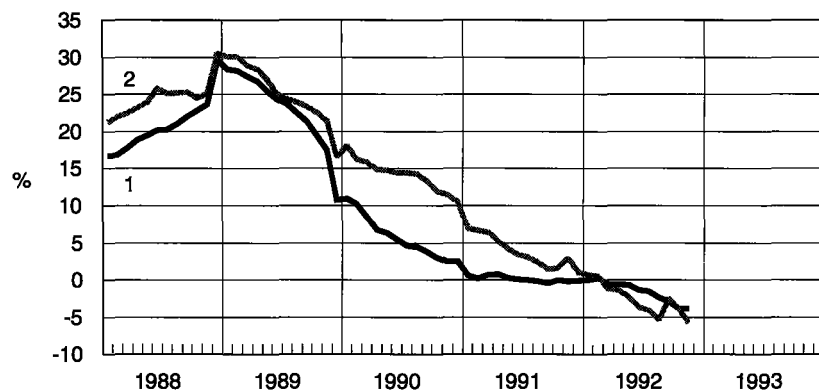
### 17. BANK FUNDING FROM THE PUBLIC



1. Markka deposits
2. Total funding

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

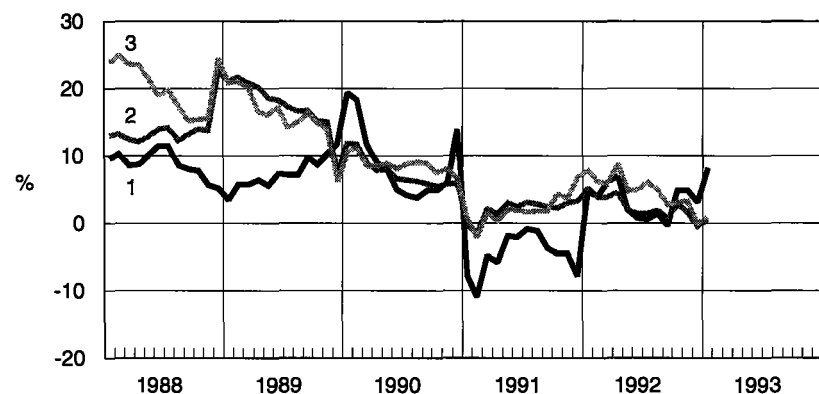
### 18. BANK LENDING TO THE PUBLIC



1. Markka lending
2. Total lending

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

### 19. MONEY SUPPLY

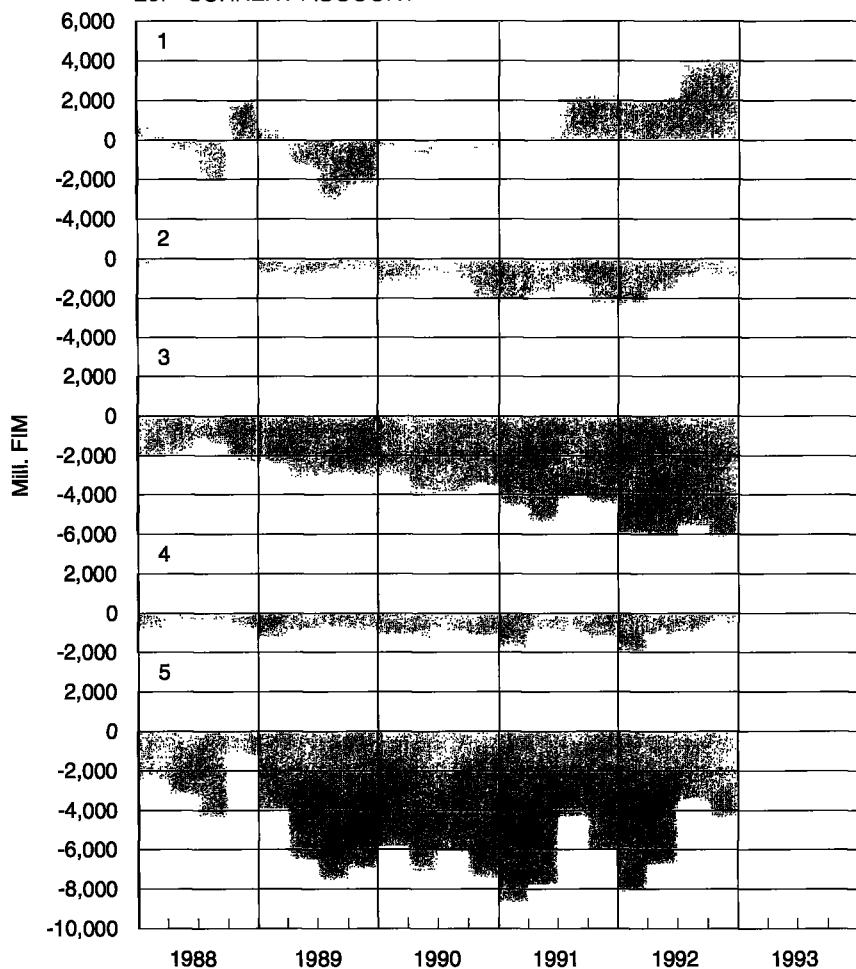


1. Narrow money (M1)
2. Broad money (M2)
3. M2 + bank CDs held by the public (M3)

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

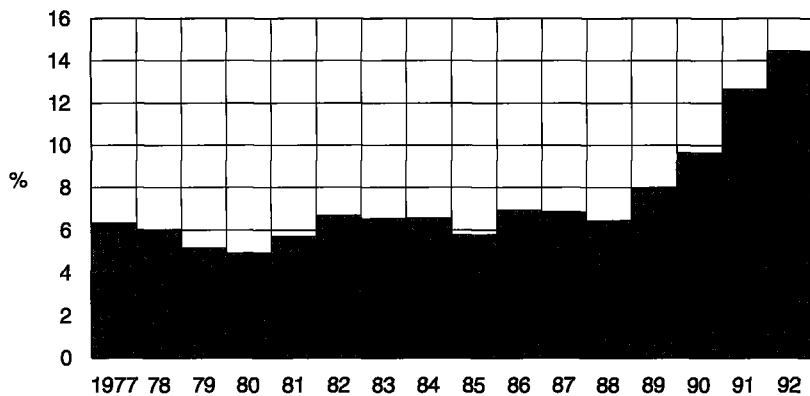


## 20. CURRENT ACCOUNT



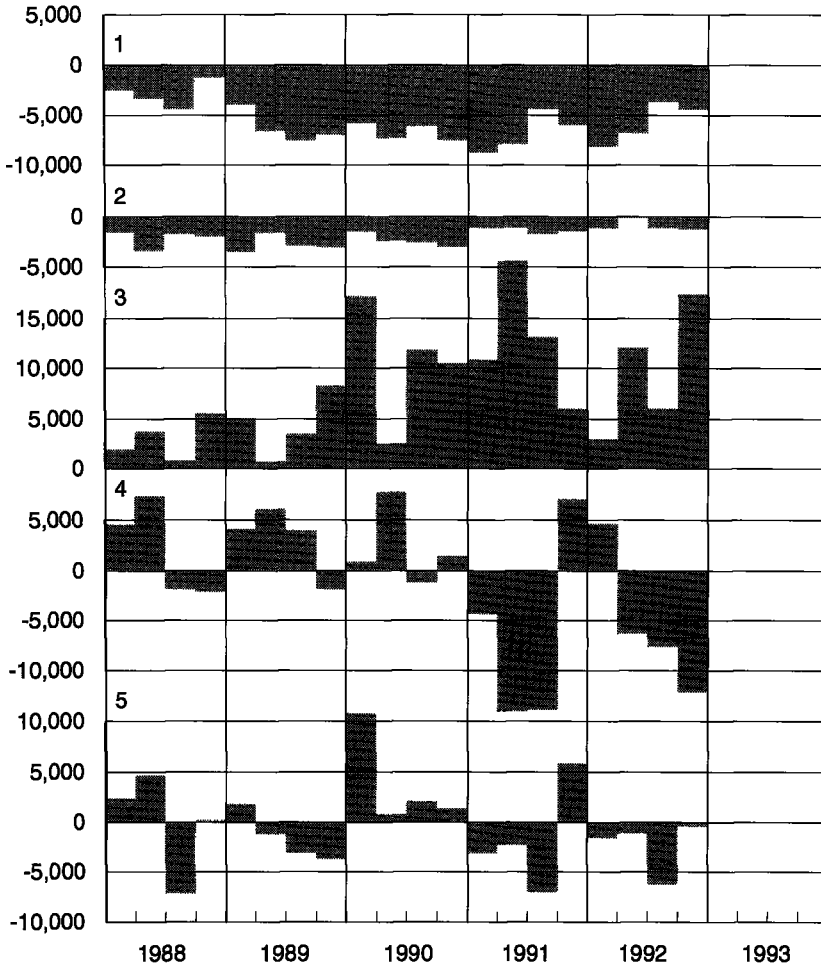
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

## 21. NET INTEREST AND DIVIDEND EXPENDITURE



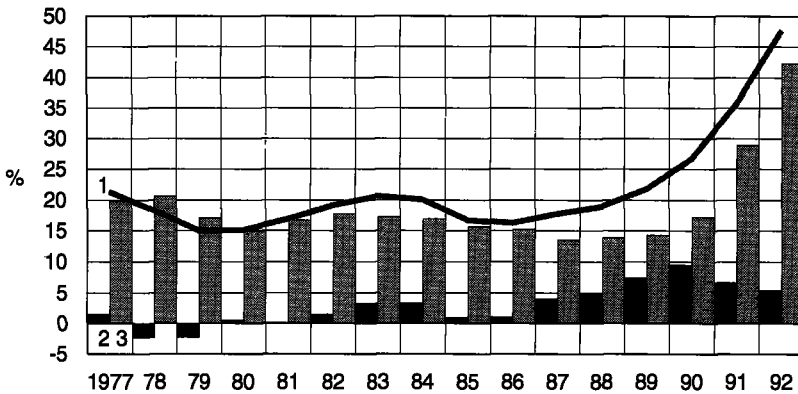
As a percentage of current account receipts

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

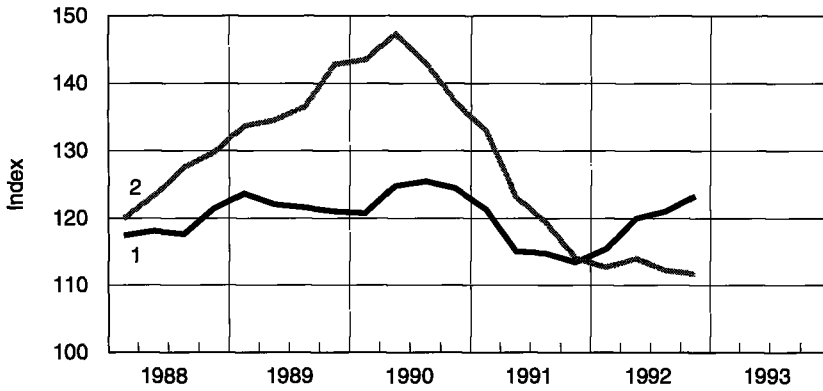
23. FOREIGN DEBT



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

As a percentage of GDP

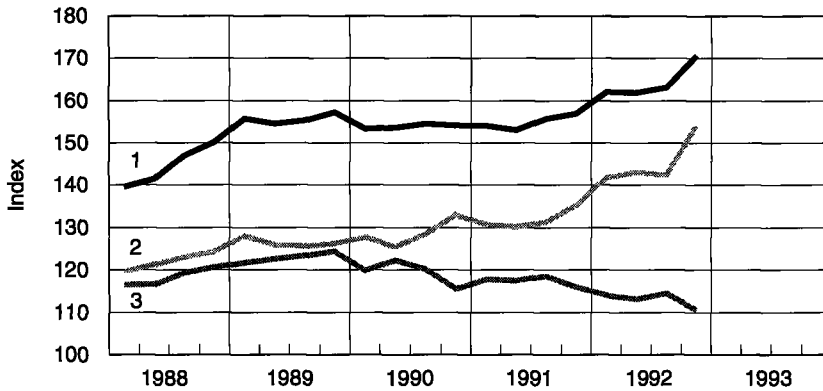
24. FOREIGN TRADE



1. Total exports
2. Total imports

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

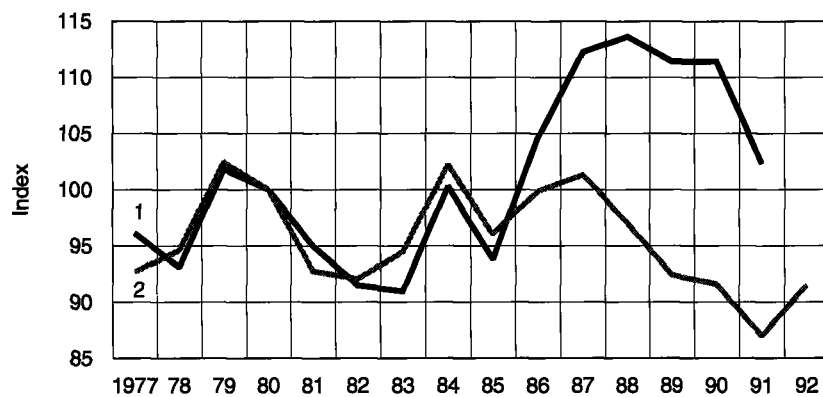
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



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

1980 = 100

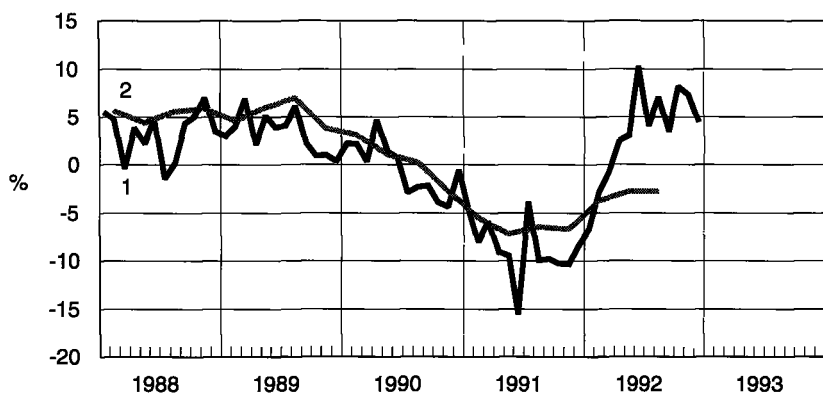
26. FINLAND'S EXPORT PERFORMANCE



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

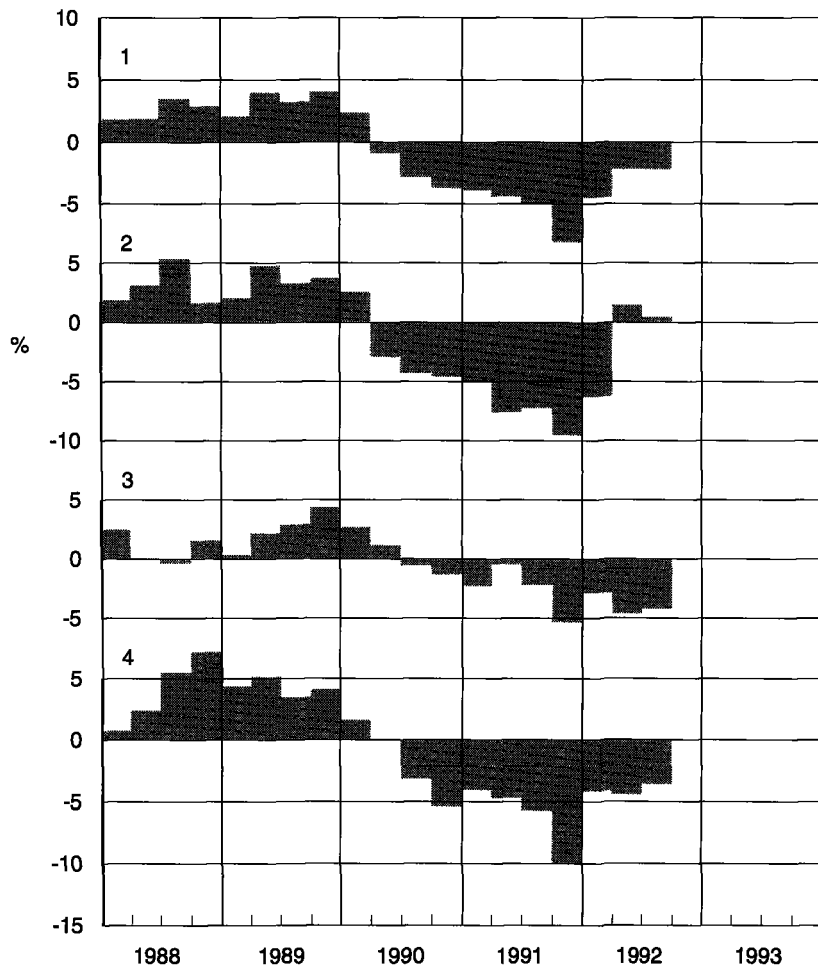
1980 = 100

### 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

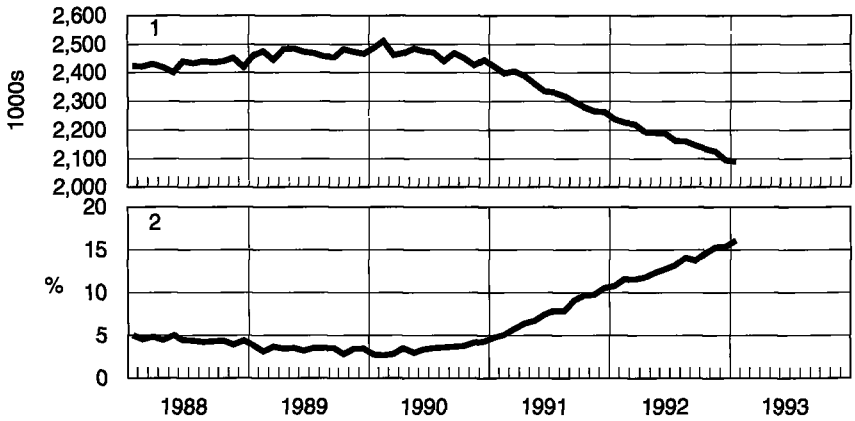
### 28. FIXED INVESTMENT



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

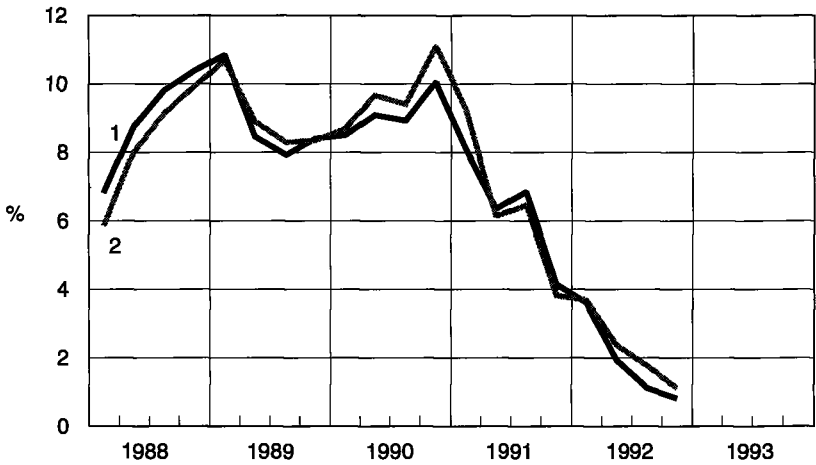
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



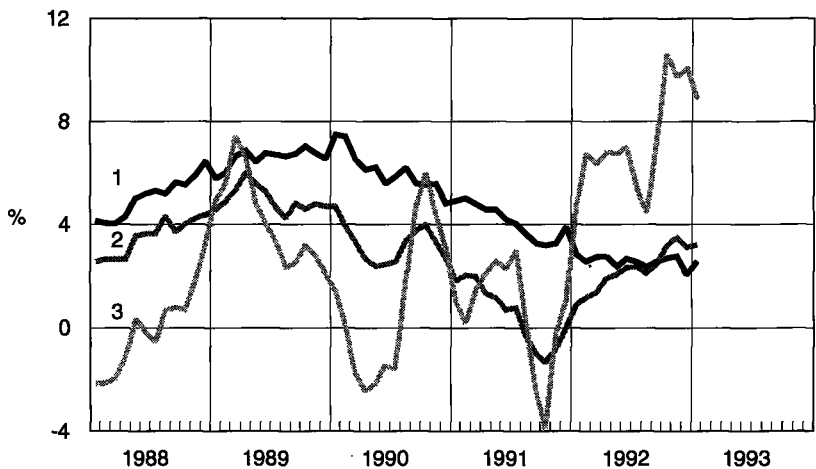
- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

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

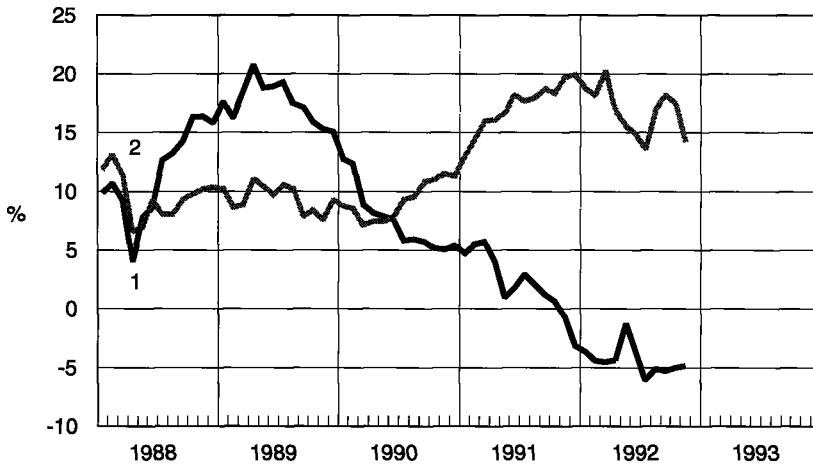
Change from the corresponding quarter of the previous year, per cent



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

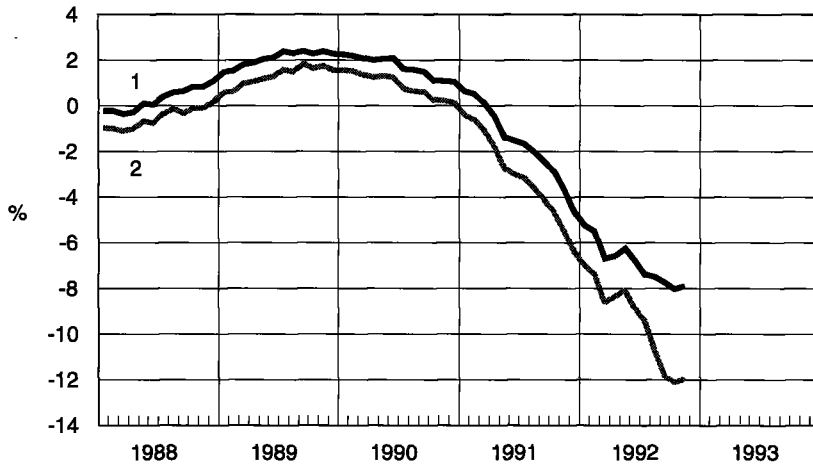
Change from the corresponding month of the previous year, per cent

### 31. CENTRAL GOVERNMENT FINANCES



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

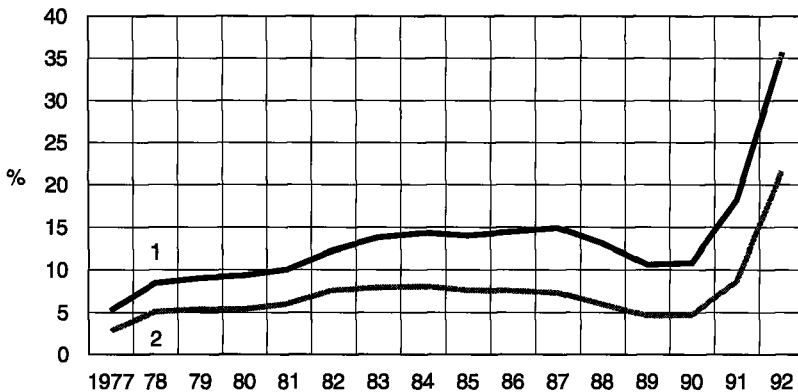
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



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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## THE PARLIAMENTARY SUPERVISORY BOARD

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JUSSI RANTA, Vice Chairman  
SEPPO KÄÄRIÄINEN

ANNELI JÄÄTTEENMÄKI  
TUULIKKI HÄMÄLÄINEN

ESKO SEPPÄNEN  
MAURI MIETTINEN

JÖRN DONNER  
KALEVI MATTILA

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## THE BOARD OF MANAGEMENT

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SIRKKA HÄMÄLÄINEN, Chairman

HARRI HOLKERI

KALEVI SORSA

ESKO OLLILA

MATTI VANHALA

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## DIRECTOR

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PENTTI KOVIKKO

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## UNITS

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Accounting Department OSSI LEPPÄNEN

Administration Department URPO LEVO,  
Building Manager BENGT PALMROOS

Central Bank Policy Department JOHNNY ÅKERHOLM

Data Processing Department RIITTA JOKINEN

Economics Department KARI PUUMANEN

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

Information ANTTI JUUSELA

Internal Audit Department TIMO MÄNNISTÖ

Legal Affairs ARNO LINDGREN

Market Operations Department MARKUS FOGELHOLM

Payments and Settlement Department RAIMO HYVÄRINEN

Payment Instruments Department ANTTI HEINONEN

Personnel Department ANTON MÄKELÄ,  
Project Manager ANNELI SOINI

Publication Services ANTERO ARIMO (acting head)

Research Department HEIKKI KOSKENKYLÄ

Security JYRKI AHVONEN

Statistical Services Department ESA OJANEN

Unit for Eastern European Economies KARI PEKONEN

---

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

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## BRANCH OFFICES

---

8 branches: Jyväskylä, Kotka, Kuopio, Lahti, Oulu, Tampere, Turku, Vaasa

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## SETEC OY

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VELI TARVAINEN, Managing Director

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