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Statement by Mr Rolf Kullberg,  
Governor of the Bank of Finland,  
on the Occasion of the Closing  
of the Accounts for 1991

Central Government Budget  
for 1992

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## **STATEMENT BY MR ROLF KULLBERG, GOVERNOR OF THE BANK OF FINLAND, ON THE OCCASION OF THE CLOSING OF THE ACCOUNTS FOR 1991**

The economic recession that started in 1990 deepened substantially in 1991. Total output fell by nearly 6 per cent from the previous year and industrial production by just under 10 per cent. Both external factors and the imbalances that emerged in the domestic economy in the late 1980s were major contributors to the slump in economic activity. The overheated economy left behind it weakened competitiveness, excessive capacity in the sheltered sector – which had been created on the basis of unsustainable growth prospects – and high levels of indebtedness among firms and households.

The collapse of the trade with the Soviet Union accounted for about half of the decline in GDP. Only a small part of the productive capacity thus freed could be used to increase sales in western markets and at home. Finding alternative outlets for exports was hampered by the contraction in demand in some important western markets and by Finland's weakened competitiveness.

As regards domestic demand, the downturn that had got under way in 1990 gained momentum; the volume of fixed investment fell by one-fifth and private consumption by nearly 5 per cent. The contraction in demand was amplified by the high level of indebtedness in the private sector. The growth of public spending accelerated sharply; among other things, expenditure was swelled by rising unemployment. As tax revenue decreased along with the decline in economic activity, the central government's financial balance deteriorated noticeably.

The prime objective of the Bank of Finland remained to

keep the value of money stable. This objective was also included in the programme of the new Government that took office in the spring. The chosen economic policy implied keeping the markka's exchange rate fixed and safeguarding competitiveness through the adjustment of domestic costs. In this way, it was sought to achieve a permanently low rate of inflation.

Wages and other domestic costs adjusted slowly, however. Pay increases were implemented under the current two-year incomes agreement as late as the spring, although the marked decline in real national income was already evident then. The contraction in output thus led to a sharp cut in companies' profits, an increase in bankruptcies and rising unemployment. The few positive developments – an improvement in the trade balance and slowing inflation – did not suffice to relieve the pessimism produced by the otherwise worsened economic situation. The deepening of the recession undermined the credibility of economic policy.

As the problems intensified, demands for restoring competitiveness through devaluation increased. Evidently, it was widely believed that devaluation offered a quick and easy means of putting the economy back on the growth path. Because of the lack of confidence shown towards the markka, it was not possible in the early part of the year to use the room for manoeuvre provided by the currency band to ease monetary policy, even though domestic demand had already fallen clearly. It was not until the markka was pegged to the ECU in early June that confidence in

the external value of the markka temporarily strengthened, and in the summer the Bank of Finland was able to allow the markka to depreciate by some three per cent, or close to the upper edge of the band.

The Government's budget proposal for 1992 – published in the autumn – did not strengthen the credibility of economic policy in the way hoped for. The passing of the "savings laws" designed to halt the growth of government spending was considered uncertain. Moreover, the pay negotiations – under way since the end of the summer – had made slow progress and there were doubts about the ability of the labour market organizations to adjust to the measures necessitated by the deterioration in economic conditions.

The currency outflow induced by this uncertainty accelerated in the course of the autumn. Reports that there was disagreement within the Government over economic policy, together with the great uncertainty surrounding pay agreements, triggered a massive currency outflow on October 21. The foreign exchange markets subsequently quietened for a while, after the central labour market organizations accepted the compromise proposal for lowering labour costs put forward by Mr Kalevi Sorsa, member of the board of management of the Bank of Finland. However, the basis for the pursuit of a stable exchange rate policy disintegrated in mid-November when the reaching of pay settlements at union level became increasingly uncertain. As the foreign exchange reserves, including the Bank of Finland's forward position, had practically

been depleted, the board of management of the Bank of Finland allowed the markka to float in the afternoon of November 14. The next day, the external value of the markka was lowered by 12.3 per cent by raising the limits of the fluctuation range of the markka's exchange rate against the ECU by 14 per cent.

Recurrent bouts of restlessness in the foreign exchange markets kept domestic interest rates very high throughout the year taking into account the depressed level of output. High market rates of interest, increased credit losses and the loss in interest income due to non-performing loans further squeezed bank profitability during the year. Banks' credit losses doubled from the previous year, as too did the number of bankruptcies. The Bank of Finland eased the banks' position by gradually lowering the banks' cash reserve requirement in the course of the year. In order to maintain the stability of the financial system, the Bank of Finland was forced to take control of Skopbank in the autumn. The aim of the Bank of Finland is to restore the solvency and liquidity of Skopbank and then find a new owner for it.

Bank funding at market rates of interest increased significantly during the year. This was partly because the banks increasingly had to compete for deposits by means of interest rates following the introduction of the withholding tax on interest income at the beginning of the year. The bulk of the banks' markka deposit-taking, as well as outstanding bank loans, was nevertheless still tied to the base rate. As a large part of the banks' outstanding deposit liabilities consists of short-term deposits whereas loans have fairly long maturities, the banks will have to bear a structural interest rate risk for some years to come.

Large credit losses and the growing amount of non-performing loans will also hamper the banks' position in the near term. The difficulties facing the banks

change in the sector. Falling profitability and the maintenance of adequate capital levels require that the restructuring and rationalization of banking are continued in the future as well.

The incomes agreement reached at the end of November, which, inter alia, provides for zero pay increases in 1992, will augment the beneficial impact of the devaluation on competitiveness. The Finnish economy should experience export-led growth in 1992, despite the relatively modest recovery forecast for the world economy. This will not be enough, however, to boost overall economic growth to any significant extent, and so the employment situation will remain difficult in 1992.

As a result of the economic policy measures taken and the rise in the price competitiveness of the open sector, the prerequisites for balanced macroeconomic development have improved. The trade surplus can be expected to increase appreciably in 1992. Further, the current account deficit is likely to shrink, in spite of the high level of interest payments abroad. Provided the necessary restraint is shown in the pay negotiations to be held towards the end of this year, the rise in prices will remain tolerable in the years ahead. There is, however, a danger that the high level of interest rates will impede the recovery of the economy. Long-term interest rates have already climbed. Restoring the confidence of international investors is of vital importance in this situation.

The current problems cannot be solved by any single economic policy measure. What is needed in the months ahead are, above all, actions that will help to restore the credibility of economic policy. Only by increasing confidence will it be possible to lower domestic interest rates in relation to foreign rates. The strengthening of credibility calls for the commitment to a medium-term economic strategy that demonstrates in a convincing fashion that there is a widespread intention and desire

to continue to adhere to a stable exchange rate policy.

An essential element of such a programme is to promote the structural strengthening of the economy, thereby creating conditions conducive to an improvement in employment. The restructuring of the public sector is one of the most pressing tasks. Lasting results can hardly be achieved other than by restricting public expenditure. Reducing the proneness of the economy to inflation requires the more extensive dismantling of barriers to international and domestic competition. By increasing competition and rectifying the economy's structural problems, it will be possible to create a basis for sustainable and balanced economic growth. Similarly, it is important in this context that the pay policy system be developed so that the labour market parties also bear a responsibility for preserving competitiveness and employment. The pay agreements to be concluded next autumn and thereafter will be crucial for the success of economic management in the post-devaluation period.

January 9, 1992

# CENTRAL GOVERNMENT BUDGET FOR 1992<sup>1</sup>

by **Chris-Marie Rasi**, M.Pol.Sc.  
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**E**conomic developments in 1991 turned out to be much weaker than forecast when the central government budget for last year was drawn up in autumn 1990. The budget for 1991 was based on projected zero GDP growth and a small revenue surplus. According to preliminary data, GDP fell by about 6 per cent last year.

The nominal decline in the tax base and the rapid rise in expenditure due to the operation of automatic stabilizers were the main factors contributing to a sharp deterioration in the financial positions of the central and local government sectors in 1991. According to latest estimates, the central government revenue deficit exceeds FIM 19 billion. This is 3  $\frac{3}{4}$  per cent in relation to nominal GDP, an exceptionally high figure by Finnish standards.

The budget for 1992 was drawn up under difficult economic circumstances. In the budget proposal submitted to Parliament in September the Government's economic policy objectives were to alleviate the imbalances in the economy and the public sector and to help return the economy to the growth path. The planned measures were aimed at reducing cost pressures, curbing inflation through increased competition and stopping the growth of real central government expenditure. As for the last-mentioned objective, the budget included a large number of savings measures providing for cuts in expenditure.

Reactions to the budget proposal were mixed. Industry felt that the budget did not go far

enough, both as regards the planned expenditure cuts and the measures designed to improve competitiveness. The trade unions, by contrast, were dissatisfied with the proposed cuts in social security benefits. It was also claimed that the planned fiscal tightening would undermine efforts to achieve an incomes policy agreement lowering labour costs. In the money market, there was scepticism about the Government's chances of getting the savings measures passed by Parliament with the required  $\frac{2}{3}$  majority. Money market interest rates rose and conditions in the market remained unsettled in September and October because of the slow progress in the incomes policy negotiations.

The continuing uncertainty over the outcome of the incomes policy negotiations led to a massive currency outflow and finally to a 12.3 per cent devaluation of the markka on November 15. Two weeks later, a comprehensive incomes policy agreement was reached and was also approved at union level. Under the agreement, there will be no wage increases in the period up till the end of January 1993. The agreement contains an index clause linked to consumer price increases and, in addition, provides for the introduction of employees' contributions to compulsory earnings-related pension schemes from the beginning of 1993.<sup>2</sup> Among the economic measures decided by the Government to support the incomes policy agreement was the withdrawal of some of the savings bills included in the original budget proposal.

Following the devaluation and the reaching of the incomes policy agreement, the outlook for 1992 is now slightly brighter. As a result of improved price competitiveness – in all, about 20 per cent in 1991 and 1992 – exports are forecast to grow by 7 to 8 per cent this year. Imports and domestic demand are expected to continue falling. Net exports, which have been a major factor behind the contraction in GDP, will start to make a positive growth contribution in 1992, although total output for the year as a whole is likely to remain at roughly last year's level. The trade balance surplus should show a clear increase and the current account deficit is forecast to narrow to about 3 per cent of GDP. The unemployment rate is, however, expected to exceed 10 per cent. Households' real disposable income is forecast to fall by 5 to 6 per cent this year and private consumption by a further few per cent. Consumer price inflation is expected to accelerate somewhat as a result of the devaluation.

## **NO INCREASE IN BUDGETED INCOME**

Total budgeted central government income (excl. net borrowing) amounts to FIM 138.3 billion, which is roughly the same figure as the cash estimate<sup>3</sup> for 1991. When adjusted for the effect of transfers from extra-budgetary funds, however, budgeted income is 4.4 per cent less than the 1991 cash estimate.

Central government receipts from income and wealth taxes are projected to fall about 13 per cent short of the cash estimate for 1991. The drop in revenue

<sup>1</sup> The budget is scheduled to be finally approved by Parliament on January 16. This article is based on information about the likely outcome available on January 9.

<sup>2</sup> For details of the agreement, see the item in the December 1991 issue of the Bulletin.

<sup>3</sup> The cash estimates for 1991 referred to in this article were published by the Ministry of Finance in December 1991 and are based on information for the period January – October.

mainly reflects the timing of tax refunds: the tax refund payments for the 1990 tax year have been postponed from 1991 to the spring of the current year while it is assumed that the exceptionally large refunds for the 1991 tax year will be paid according to the normal timetable before the end of this year. The refunds for 1991 include the repayment of excessive withholding taxes collected during the first half of 1991; though withholding rates in personal income taxation were cut from the beginning of the year the new rates were not applied until July 1991.

No inflation adjustments will be made to personal income tax rates or to deductions in 1992. On the contrary, the deduction for medical expenses is to be abolished and the maximum permissible deduction for interest payments will be lowered. The corporate income tax rate will be lowered further from 23 to 19 per cent. The withholding tax on interest income – a final tax – is to be raised from 10 to 15 per cent. All in all, these changes will increase the central government's income and wealth tax receipts by about FIM 1.1 billion.

Marked increases in the social security contribution rates of insured persons will tighten personal direct taxation this year. The sickness insurance contribution rate will be raised by 1.5 percentage points in respect of annual taxable income in excess of FIM 80 000. The national pension insurance contribution – 1.55 per cent, applicable to all taxable income – will also be levied on old age pensions. In addition, an extra 2 per cent contribution – called the "unemployment tax" – is to be imposed on all personal taxable income. The additional revenue accruing to the Social Insurance Institution will enable transfers from the government budget to be cut by a corresponding amount.

The sales tax reform, decided on earlier, entered into force on October 1, 1991. The reform brought the sales tax closer in line with a pure value added tax. The implied narrow-

ing of the tax base will reduce the yield of the tax by FIM 3 billion in 1992. On the same date, however, the sales tax rate was raised by 0.8 percentage point to 22 per cent of the pre-tax price. This will increase sales tax proceeds by almost FIM 2 billion. All in all, sales tax proceeds are projected to amount to FIM 46.7 billion, some FIM 1.7 billion more than the cash estimate for 1991. Excise taxes on petrol are to be raised, yielding an estimated FIM 0.4 billion in extra revenue. There will also be increases in some minor indirect tax items. Overall, the changes in indirect taxation are estimated to reduce the central government's tax revenue by about FIM 0.3 billion. Total tax revenue from all sources is budgeted to fall by more than 2 per cent compared with the cash estimate for last year.

#### **LITTLE GROWTH IN BUDGETED EXPENDITURE**

Budgeted expenditure (excl. repayments on central government debt) amounts to FIM 172.8 billion, a nominal rise of 4.3 per cent on the cash estimate for 1991. This is equivalent to real growth of 1 to 1 1/2 per cent.

About 40 "savings bills" designed to stop the growth in central government expenditure were presented to Parliament. Only part of these bills were passed, since their approval was conditional on their receiving a 2/3 majority and hence the backing of some of the opposition parties. Among the most important of the bills passed was an amendment to the Employment Act whereby the obligation of central and local government authorities to provide the long-term unemployed with employment was repealed. The earnings-related part of the unemployment benefit is to be reduced by 3 percentage points and the proportion of the expenditure of unemployment funds covered by the state by 0.5 percentage point. The daily sickness allowance will be cut by

5 percentage points. In addition, various laws concerning reductions in expenditure for agriculture are to be implemented. The proportion of the costs of exports of agricultural products payable by the state will be reduced and that payable by producers increased.

As a result of the Government's measures to promote the incomes policy agreement and negotiations with the opposition parties in Parliament, several of the bills were altered or withdrawn. It is estimated that the savings due to the bills amount to about FIM 4 billion compared with the target of FIM 10 billion originally proposed. But, because of the reduction in payments to the Social Security Institution mentioned above, budgeted expenditure is only FIM 2.6 billion higher than in the Government's original budget proposal.

A total of FIM 54.5 billion has been allocated for consumption expenditure, a rise of 7 1/2 per cent on the cash estimate for 1991. Purchases of equipment by the Defence Forces are set to grow by 11 per cent. The organizational changes in administration will continue. According to the personnel plans established by the Government, the total number of employees in the central government sector (excl. government enterprises) will be reduced by 1 1/2 per cent during 1992.

Transfer expenditure totals FIM 103 billion, a 2 per cent increase on the cash estimate for 1991. Transfers to the household sector are projected to grow by at least 15 per cent, mainly because of the rising level of unemployment benefits. Measures promoting employment and temporary vocational training serving manpower policy needs will be increased. Central government expenditure on employment is projected to grow by more than one-quarter despite the saving measures taken. The increase in child allowance which took effect in October 1991 will have its full effect of FIM 0.8 billion on this year's outlays.

About 27 100 new dwellings will be partly financed by the central government in 1992 in the form of housing loans and interest subsidy loans. This is more than in any year since 1980. Transfers to the extra-budgetary Housing Development Fund total FIM 2.7 billion. Transfers to the local government sector will grow by 6 per cent, partly because of the increase in the number of jobs in health care and social services administered by local authorities.

The appropriations for basic road maintenance and construction of new roads are roughly the same as for those in 1991. All in all, central government investment is set to fall by a few per cent in nominal terms from last year's cash estimate.

### **FURTHER DETERIORATION IN CENTRAL GOVERNMENT'S FINANCIAL POSITION**

With the onset of the economic recession, the central government's financial position started to deteriorate in 1990. In 1991, the budget deficit (incl. extra budgetary funds) is estimated to have been about 3 <sup>3</sup>/<sub>4</sub> per cent of GDP and the net financing requirement more than FIM 28 billion, or about 5 <sup>1</sup>/<sub>2</sub> per cent of GDP. In 1992, the deficit is projected to increase to FIM 28 billion while the net financing requirement will total nearly FIM 40 billion, or about 7 <sup>1</sup>/<sub>2</sub> per cent of GDP.

Because of the depth of the recession, part of the deficit has quickly become structural. Interest payments on central government debt are the fastest growing expenditure item, with growth approaching 40 per cent com-

pared with last year's cash estimate. Central government income has fallen sharply to a level dictated by the lower level of economic activity, and it is unlikely that the expected upswing will be strong enough to relieve the strain on central government finances. Unless new measures to curb the growth of expenditure are taken in 1993 and thereafter, the central government's financial balance will deteriorate further.

Over the period 1988 — 1990, central government debt fell to about 11 per cent of GDP. Last year, the debt soared to about 18 per cent and is forecast to reach 24 to 25 per cent this year. As in 1991, the public sector will have a clearly expansionary impact on the economy in the current year.

January 9, 1991

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

1991

## FEBRUARY

### Cash reserve requirement.

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

## APRIL

### Counter-cyclical deposits.

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

## MAY

### Cash reserve requirement.

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

## JUNE

### Cash reserve requirement.

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

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

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

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

### Foreign Exchange

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

## JULY

### Cash reserve requirement.

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

## AUGUST

### Cash reserve requirement.

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

## SEPTEMBER

### Cash reserve requirement.

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

of the cash reserve base at end-August 1991.

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

## OCTOBER

### Cash reserve requirement.

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

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

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

## NOVEMBER

### Cash reserve requirement.

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

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

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



The maximum call money credit rate is raised from 30 per cent to 50 per cent. The Bank of Finland raises the interest rate on call money credit from 15 per cent to 20 per cent, implying a penalty rate of 40 per cent. On November 19, 1991, the Bank of Finland lowers the interest rate on call money credit to 15 per cent again, implying a 30 per cent penalty rate.

**Devaluation of the markka.**

On November 14, 1991, the Bank of Finland decides to allow the markka's exchange rate to float temporarily. The next day, November 15, the Government decides, on the basis of a proposal by the Parliamentary Supervisory Board, to raise the limits of the markka's fluctuation range against the ECU by 14 per cent, implying a 12.3 per cent fall in the external value of the markka. The new midpoint is 5.55841 (FIM/ECU) and the limits are 5.39166 and 5.72516.

**Till-money credits.** The Bank of Finland revises the base amounts, the share of banks' till-money holdings which is not financed by the Bank of Finland under the till-money credit arrangement. The combined total of base amounts is kept unchanged in proportion to currency in circulation with the public. Owing to a reduction in currency in circulation with the public, the combined total of the banks' base amounts falls by FIM 49 million and amounts to FIM 1 194 million as from the last business day in November.

1992

**JANUARY**

**Cash reserve requirement.**

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

# FINLAND IN BRIEF

## LAND, CLIMATE AND POPULATION

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

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

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

## FORM OF GOVERNMENT

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

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

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

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

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

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

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

## INTERNATIONAL RELATIONS

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

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

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

## THE ECONOMY

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

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

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

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

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

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

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

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

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

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

## FINANCE AND BANKING

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

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

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

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

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

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

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

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

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

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

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

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

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



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# 1. THE BALANCE SHEET OF THE BANK OF FINLAND

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

MILL.FIM

	1990		1991		
	Dec. 31	Dec. 31	Dec. 13	Dec. 23	Dec. 31
<b>ASSETS</b>					
<b>Gold and foreign currency claims</b>	37 307	29 577	31 490	33 141	33 662
Gold	2 180	2 180	2 180	2 180	2 180
Special drawing rights	791	953	943	950	932
IMF reserve tranche	783	1 191	1 150	1 158	1 136
Convertible currencies	33 478	25 215	27 181	28 819	29 381
Tied currencies	75	38	37	35	34
<b>Other foreign claims</b>	2 574	2 490	2 519	2 519	2 690
Markka subscription to Finland's IMF quota	2 198	2 046	2 075	2 075	2 260
Term credit	376	44	444	444	430
<b>Claims on financial institutions</b>	15 190	24 279	21 555	19 133	17 413
Call money credits	—	3	—	63	—
Certificates of deposit	9 411	13 746	13 265	10 812	9 157
Securities with repurchase commitments	—	4 965	2 725	2 725	2 725
Till-money credits	3 427	3 519	3 519	3 519	3 528
Bonds	2 115	1 808	1 808	1 776	1 765
Other claims on financial institutions	238	238	238	238	238
<b>Claims on the public sector</b>	1 314	1 390	1 393	1 376	1 375
Bonds	0	3	3	3	3
Total coinage	1 314	1 387	1 390	1 372	1 372
<b>Claims on corporations</b>	1 678	1 319	1 311	1 312	1 288
Financing of domestic deliveries (KTR)	1 223	903	896	897	879
Bonds: KTR credits	254	213	213	213	207
Bonds: Other	8	2	2	2	2
Other claims on corporations	193	201	201	201	201
<b>Other assets</b>	900	1 878	1 879	1 879	2 916
Loans for stabilizing the money market	—	1 730	1 730	1 730	1 730
Accrued items	770	—	—	—	1 034
Other assets	131	148	149	149	153
<b>Total</b>	<b>58 964</b>	<b>60 933</b>	<b>60 147</b>	<b>59 359</b>	<b>59 346</b>
<b>LIABILITIES</b>					
Foreign currency liabilities	983	31	56	55	46
Convertible currencies	27	29	55	54	45
Tied currencies	957	1	1	1	1
<b>Other foreign liabilities</b>	2 938	2 908	2 928	2 934	3 102
IMF markka accounts	2 198	2 046	2 075	2 075	2 260
Allocations of special drawing rights	740	862	853	859	843
<b>Notes and coin in circulation</b>	14 555	13 757	13 856	14 891	14 528
Notes	13 399	12 560	12 651	13 664	13 306
Coin	1 156	1 197	1 205	1 226	1 222
<b>Certificates of deposit</b>	—	10 730	10 300	11 760	8 880
<b>Liabilities to financial institutions</b>	17 855	11 274	11 095	10 289	12 567
Call money deposits	418	997	819	12	2 206
Cash reserve deposits	17 401	10 276	10 276	10 276	10 361
Other liabilities to financial institutions	36	1	1	1	0
<b>Liabilities to the public sector</b>	1 321	3	3	3	3
Cheque accounts	1	—	—	—	—
Pension fund deposits	0	—	—	—	—
Counter-cyclical deposits	1 317	—	—	—	—
Other liabilities to the public sector	3	3	3	3	3
<b>Liabilities to corporations</b>	9 925	7 580	7 405	7 171	7 057
Deposits for investment and ship purchase	9 925	7 580	7 405	7 171	7 057
Other liabilities to corporations	—	—	—	—	—
<b>Other liabilities</b>	1 774	105	98	97	1 682
Accrued items	1 718	—	—	—	1 584
Other liabilities	56	105	98	97	98
<b>Valuation account and reserves</b>	3 448	8 780	8 641	6 395	5 715
<b>SITRA's capital</b>	400	—	—	—	—
<b>Capital accounts</b>	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Profit/loss for the accounting year	—	—	—	—	—
<b>Total</b>	<b>58 964</b>	<b>60 933</b>	<b>60 147</b>	<b>59 359</b>	<b>59 346</b>

## 1.2 TIME SERIES FOR THE BALANCE SHEET ITEMS OF THE BANK OF FINLAND,

MILL. FIM

End of period	Foreign sector									Public sector		
	Gold	Special drawing rights	IMF reserve tranche	Convertible currencies, net	Convertible reserves, total (1+2+3+4)	Tied currencies, net	Foreign exchange reserves, total (5+6)	Other claims, net	Net claims (7+8)	Claims	Liabilities	Net liabilities (11-10)
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1987</b>	2 128	899	793	2 3571	27 391	1 212	28 603	1 131	29 734	977	901	-76
<b>1988</b>	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
<b>1989</b>	2 179	966	950	18 780	22 875	-564	22 311	440	22 751	1 137	5 325	4 188
<b>1990</b>	2 180	791	783	33 451	37 205	-882	36 323	-364	35 959	1 314	1 321	7
<b>1991</b>	2 180	932	1 136	29 336	33 584	33	33 617	-412	33 205	1 375	3	-1 372
<b>1990</b>												
<b>Dec.</b>	2 180	791	783	33 451	37 205	-882	36 323	-364	35 959	1 314	1 321	7
<b>1991</b>												
<b>Jan.</b>	2 180	1 027	881	34 295	38 383	-288	38 095	-362	37 733	1 339	1 321	-18
<b>Feb.</b>	2 180	968	863	32 839	36 850	-526	36 324	-365	35 959	1 354	1 323	-31
<b>March</b>	2 180	1 001	892	31 441	35 514	-397	35 117	-376	34 741	1 388	1 320	-68
<b>April</b>	2 180	945	1 065	30 681	34 871	-260	34 611	-386	34 225	1 388	3	-1 385
<b>May</b>	2 180	833	1 091	23 154	27 258	-17	27 241	-387	26 854	1 405	4	-1 401
<b>June</b>	2 180	1 021	1 115	29 588	33 904	29	33 933	-394	33 539	1 411	4	-1 407
<b>July</b>	2 180	853	1 111	29 535	33 679	56	33 735	-399	33 336	1 391	4	-1 387
<b>Aug.</b>	2 180	875	1 086	25 966	30 107	55	30 162	-401	29 761	1 382	3	-1 379
<b>Sept.</b>	2 180	863	1 142	22 743	26 928	49	26 977	-400	26 577	1 398	3	-1 395
<b>Oct.</b>	2 180	868	1 145	12 242	16 435	42	16 477	-404	16 073	1 375	3	-1 372
<b>Nov.</b>	2 180	954	1 193	19 868	24 195	38	24 233	-419	23 814	1 388	3	-1 385
<b>Dec.</b>	2 180	932	1 136	29 336	33 584	33	33 617	-412	33 205	1 375	3	-1 372

End of period	Domestic financial sector					Corporate sector					
	Term claims on deposit banks	Call money claims on deposit banks, net	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other liabilities to financial institutions, net	Net claims (13+14-15+16-17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19-20)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	13	14	15	16	17	18	19	20	21	22	23
<b>1987</b>	-	-757	10 941	2 730	-2 350	-6 618	3 449	4 782	-1 333	9 990	4 970
<b>1988</b>	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
<b>1989</b>	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	-
<b>1990</b>	9 411	-418	17 401	3 427	-2 317	-2 664	1 477	9 724	-8 247	14 555	-
<b>1991</b>	11 882	-2 206	10 361	3 528	-2 003	4 846	1 086	6 854	-5 768	14 528	8 880
<b>1990</b>											
<b>Dec.</b>	9 411	-418	17 401	3 427	-2 317	-2 664	1 477	9 724	-8 247	14 555	-
<b>1991</b>											
<b>Jan.</b>	6 948	-1 300	17 215	3 614	-2 262	-5 691	1 448	9 330	-7 882	13 397	640
<b>Feb.</b>	8 171	-1 601	15 682	3 926	-2 239	-2 947	1 419	9 226	-7 807	13 170	1 430
<b>March</b>	11 829	350	15 740	3 535	-2 234	2 208	1 374	8 974	-7 600	13 412	3 770
<b>April</b>	11 193	-441	15 845	3 429	-2 169	505	1 336	8 587	-7 251	13 244	3 280
<b>May</b>	16 252	1 282	14 700	3 442	-2 181	8 457	1 310	8 076	-6 766	14 406	2 380
<b>June</b>	12 715	-1 996	14 161	3 786	-2 164	2 508	1 273	8 190	-6 917	13 972	2 850
<b>July</b>	10 515	-1 877	13 546	3 740	-2 127	959	1 236	8 074	-6 838	13 841	1 090
<b>Aug.</b>	12 159	-1 078	12 707	3 631	-2 133	4 138	1 212	7 993	-6 781	13 613	370
<b>Sept.</b>	13 289	285	11 842	3 542	-2 105	7 379	1 172	7 973	-6 801	13 621	610
<b>Oct.</b>	13 587	13 383	11 047	3 471	-2 066	21 460	1 143	7 896	-6 753	13 500	4 090
<b>Nov.</b>	20 743	-1 580	10 276	3 519	-2 064	14 470	1 120	7 457	-6 337	13 490	6 650
<b>Dec.</b>	11 882	-2 206	10 361	3 528	-2 003	4 846	1 086	6 854	-5 768	14 528	8 880

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

### 2.1 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE CALL MONEY MARKET, MILL.FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Impact on liquidity (1-2-3)	Call money credits	Call money deposits	Total net change (4+5-6)
	1	2	3	4	5	6	7
<b>1987</b>	1 263	23 658	-17 520	-4 875	-6 818	626	-12 319
<b>1988</b>	13 840	19 190	-16 850	11 500	463	-629	12 592
<b>1989</b>	131 110	3 855	99 245	28 010	-425	441	27 144
<b>1990</b>	163 326	26 379	160 797	-23 850	-38	-151	-23 737
<b>1991</b>	109 568	30 380	81 969	-2 781	-	1 788	-4 569
<b>1990</b>							
<b>Dec.</b>	3 150	350	6 250	-3 450	-	-1 328	-2 122
<b>1991</b>							
<b>Jan.</b>	3 230	640	5 320	-2 730	-	882	-3 612
<b>Feb.</b>	3 810	1 760	2 480	-430	6	307	-731
<b>March</b>	9 600	1 790	4 360	3 450	756	-1 195	5 401
<b>April</b>	13 060	1 200	8 990	2 870	-752	39	2 079
<b>May</b>	12 670	1 180	7 950	3 540	1 366	-357	5 263
<b>June</b>	9 603	2 980	9 493	-2 870	-1 305	1 973	-6 148
<b>July</b>	6 865	160	7 366	-661	-71	-190	-542
<b>Aug.</b>	11 430	280	7 380	3 770	21	-778	4 569
<b>Sept.</b>	11 670	680	10 360	630	277	-1 086	1 993
<b>Oct.</b>	15 350	6 710	8 990	-350	13 086	-12	12 748
<b>Nov.</b>	9 850	6 340	7 020	-3 510	-13 371	1 592	-18 473
<b>Dec.</b>	2 430	6 660	2 260	-6 490	-13	613	-7 116



## 2.2 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					
	Domestic companies			Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
1	2	3	4	5	6	
<b>1986</b>	11 446	1 319	10 127	-2 461	-92	7 574
<b>1987</b>	21 671	1 158	20 513	-233	-1 287	18 994
<b>1988</b>	16 488	1 543	14 946	9 086	-377	23 654
<b>1989</b>	<u>10 531</u>	<u>3 563</u>	<u>6 967</u>	<u>8 031</u>	<u>205</u>	<u>15 204</u>
<b>1990</b>	11 609	4 979	6 631	10 100	-6 098	10 633
<b>1990</b>						
<b>Nov.</b>	12 218	5 220	6 999	11 840	-6 492	12 347
<b>Dec.</b>	11 609	4 979	6 631	10 100	-6 098	10 633
<b>1991</b>						
<b>Jan.</b>	13 191	6 724	6 467	9 165	-5 260	10 372
<b>Feb.</b>	12 545	7 871	4 673	9 413	-3 028	11 058
<b>March</b>	13 919	12 231	1 688	3 336	-2 593	2 431
<b>April</b>	14 088	15 045	-957	6 496	-1 568	3 971
<b>May</b>	15 130	25 075	-9 945	6 181	663	-3 101
<b>June</b>	16 144	23 123	-6 980	8 500	3 159	4 679
<b>July</b>	16 228	20 422	-4 194	5 350	3 257	4 413
<b>Aug.</b>	16 961	30 053	-13 092	7 757	3 187	-2 148
<b>Sept.</b>	17 020	38 496	-21 477	13 454	3 947	-4 076
<b>Oct.</b>	22 174	53 395	-31 222	9 433	9 034	-12 755
<b>Nov.</b>	37 546	51 191	-13 645	1 551	9 601	-2 493

## 2.3 BANKS' CENTRAL BANK POSITION, MILL. FIM

Average of daily observations	Call money credits	Bank CDs held by the Bank of Finland	Gross debt to the Bank of Finland (1+2)	Call money deposits	Holdings of CDs issued by the Bank of Finland	Cash reserve deposits	Gross claim on the Bank of Finland (4+5+6)	Net position (3-7)
1	2	3	4	5	6	7	8	
<b>1987</b>	481	1 581	2 062	703	4 705	10 092	15 501	-13 439
<b>1988</b>	128	2 190	2 319	621	5 044	15 159	20 824	-18 505
<b>1989</b>	373	15 146	15 519	403	465	23 035	23 903	-8 384
<b>1990</b>	142	24 056	24 198	790	1 924	23 406	26 120	-1 922
<b>1991</b>	936	12 293	13 229	868	2 728	14 154	17 749	-4 520
<b>1990</b>								
<b>Dec.</b>	188	10 310	10 499	698	-	18 981	19 679	-9 181
<b>1991</b>								
<b>Jan.</b>	36	7 764	7 800	816	546	17 395	18 757	-10 957
<b>Feb.</b>	128	7 368	7 496	420	1 260	17 160	18 840	-11 344
<b>March</b>	474	9 094	9 568	535	3 253	15 690	19 477	-9 909
<b>April</b>	49	12 235	12 284	999	3 288	15 743	20 030	-7 746
<b>May</b>	148	11 837	11 985	1 319	2 504	15 808	19 631	-7 645
<b>June</b>	535	15 926	16 461	2 332	2 469	14 646	19 447	-2 986
<b>July</b>	34	10 038	10 073	1 132	1 856	14 142	17 130	-7 057
<b>Aug.</b>	24	10 002	10 026	865	683	13 492	15 040	-5 014
<b>Sept.</b>	219	14 983	15 202	418	412	12 678	13 508	1 694
<b>Oct.</b>	5 126	12 287	17 413	405	2 094	11 817	14 316	3 098
<b>Nov.</b>	4 422	20 294	24 716	429	4 043	10 996	15 468	9 248
<b>Dec.</b>	36	15 685	15 721	743	10 325	10 279	21 347	-5 626

### 3. RATES OF INTEREST

#### 3.1 MONEY MARKET RATES AND RATES APPLIED

BY THE BANK OF FINLAND, PER CENT

Average of daily observations	Inter-bank overnight rate	HELIBOR				Bank of Finland rates			Cash reserve requirement	
		1 month	3 months	6 months	12 months	Call money credit rate	Call money deposit rate	Base rate	Ordinary	Additional (average)
	1	2	3	4	5	6	7	8	9	10
<b>1987</b>	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8	.
<b>1988</b>	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63	6.5	.
<b>1989</b>	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67	8.0	0.5
<b>1990</b>	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50	7.9	.
<b>1991</b>	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50	5.3	.
<b>1990</b>										
<b>Dec.</b>	15.55	14.40	14.30	14.08	14.02	15.00	4.00	8.50	7.0	.
<b>1991</b>										
<b>Jan.</b>	15.10	14.55	14.21	13.96	13.78	15.00	4.00	8.50	6.7	.
<b>Feb.</b>	14.91	14.48	14.02	13.66	13.36	15.00	4.00	8.50	6.2	.
<b>March</b>	18.90	15.66	14.72	14.10	13.64	15.00	4.00	8.50	6.2	.
<b>April</b>	16.33	14.69	13.97	13.52	13.28	15.00	4.00	8.50	6.2	.
<b>May</b>	13.12	12.25	11.98	11.94	11.95	15.00	4.00	8.50	5.8	.
<b>June</b>	13.45	11.29	11.25	11.41	11.56	15.00	4.00	8.50	5.5	.
<b>July</b>	9.48	10.09	10.69	11.19	11.52	15.00	4.00	8.50	5.2	.
<b>Aug.</b>	10.20	10.62	11.09	11.28	11.50	15.00	4.00	8.50	4.9	.
<b>Sept.</b>	19.84	14.80	13.20	12.45	12.07	15.00	4.00	8.50	4.6	.
<b>Oct.</b>	15.72	15.95	14.38	13.01	12.46	15.00	4.00	8.50	4.3	.
<b>Nov.</b>	20.94	16.75	14.66	13.25	12.77	16.23	4.00	8.50	4.0	.
<b>Dec.</b>	10.89	12.55	12.78	12.71	12.63	15.00	4.00	8.50	4.0	.

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

Average of daily observations	ECU	3 currencies	14 currencies	Commercial ECU
	3 months			
	1	2	3	4
<b>1987</b>	7.0	5.6	8.0	7.1
<b>1988</b>	6.9	6.0	8.0	7.0
<b>1989</b>	9.3	8.4	9.8	9.3
<b>1990</b>	10.5	9.1	10.9	10.4
<b>1991</b>	10.1	8.5	9.9	9.9
<b>1990</b>				
<b>Dec.</b>	10.8	9.4	11.2	10.4
<b>1991</b>				
<b>Jan.</b>	10.8	9.2	11.0	10.5
<b>Feb.</b>	10.5	8.8	10.4	9.8
<b>March</b>	10.2	8.7	10.2	9.5
<b>April</b>	10.1	8.6	10.1	9.4
<b>May</b>	9.9	8.4	9.8	9.7
<b>June</b>	9.9	8.4	9.6	10.1
<b>July</b>	10.0	8.5	9.6	10.0
<b>Aug.</b>	10.0	8.4	9.6	9.9
<b>Sept.</b>	9.8	8.3	9.4	9.8
<b>Oct.</b>	9.9	8.3	9.5	9.9
<b>Nov.</b>	10.0	8.2	9.5	10.0
<b>Dec.</b>	10.4	8.2	10.1	10.6

#### 3.3 COVERED EURODOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
<b>1987</b>	9.8	9.9	9.9	10.1
<b>1988</b>	9.5	9.8	9.9	10.2
<b>1989</b>	11.8	12.1	12.1	12.1
<b>1990</b>	13.2	13.7	13.9	14.1
<b>1991</b>	13.5	13.0	12.6	12.4
<b>1990</b>				
<b>Dec.</b>	14.1	14.0	13.8	13.7
<b>1991</b>				
<b>Jan.</b>	14.1	14.1	13.7	13.6
<b>Feb.</b>	14.2	13.9	13.4	13.1
<b>March</b>	15.3	14.5	13.8	13.3
<b>April</b>	14.5	13.8	13.3	13.0
<b>May</b>	12.1	11.9	11.9	11.8
<b>June</b>	11.7	11.7	11.5	11.6
<b>July</b>	10.3	11.0	11.4	11.6
<b>Aug.</b>	11.1	10.9	11.3	11.5
<b>Sept.</b>	14.9	13.4	12.5	12.0
<b>Oct.</b>	15.7	14.4	13.0	12.3
<b>Nov.</b>	16.3	14.3	13.1	12.6
<b>Dec.</b>	11.9	12.4	12.3	12.3

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

Average for period	Lending						Markka deposits and other markka funding				
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits <sup>1</sup>	Other tax-exempt deposits, on max. rate of interest <sup>1</sup>	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total							
	1	2	3	4	5	6	7	8	9	10	11
<b>1986</b>	10.89	12.30	9.76	10.64	9.03	9.07	7.00	2.75	4.66	11.84	5.35
<b>1987</b>	10.50	12.31	10.01	10.62	8.99	8.91	7.00	2.75	4.47	10.13	5.29
<b>1988</b>	10.22	12.27	10.50	10.72	9.88	9.74	8.00	3.75	5.24	9.80	6.20
<b>1989</b>	12.97	13.47	11.58	12.07	10.56	10.40	7.50	4.50	5.67	11.92	7.37
<b>1990</b>	13.24	15.62	13.33	13.85	11.84	11.61	7.50	4.50	6.43	13.55	8.41
<b>1990</b>											
<b>Nov.</b>	14.38	15.99	14.11	14.57	12.02	11.79	7.50	4.50	6.52	13.60	8.53
<b>Dec.</b>	14.47	15.94	13.29	13.94	12.14	11.94	7.50	4.50	6.30	13.84	8.31
<b>1991</b>											
<b>Jan.</b>	15.00	16.40	13.39	14.11	12.18	11.97	7.50	4.50	7.20	13.91	9.04
<b>Feb.</b>	15.45	16.36	14.01	14.69	12.18	11.96	7.50	4.50	7.23	13.83	9.06
<b>March</b>	14.99	16.45	14.44	14.91	12.31	12.16	7.50	4.50	7.29	15.07	9.62
<b>April</b>	15.85	16.45	14.17	14.80	12.25	11.99	7.50	4.50	7.29	13.93	9.26
<b>May</b>	15.50	15.05	13.37	13.85	12.20	11.96	7.50	4.50	7.14	13.25	9.03
<b>June</b>	13.98	15.55	13.02	13.54	11.91	11.56	7.50	4.50	7.05	12.35	8.61
<b>July</b>	12.00	15.54	12.80	13.19	11.67	11.28	7.50	4.50	6.79	11.69	8.21
<b>Aug.</b>	12.54	15.35	12.70	13.09	11.70	11.38	7.50	4.50	6.82	11.73	8.29
<b>Sept.</b>	12.81	15.74	13.78	13.96	11.96	11.76	7.50	4.50	6.95	12.95	8.87
<b>Oct.</b>	12.48	16.07	13.83	14.01	12.19	11.96	7.50	4.50	7.18	13.63	9.36
<b>Nov.</b>	14.19	16.29	13.71	14.16	12.21	11.87	7.50	4.50	7.24	13.63	9.77

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

### 3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market yields							Offer yield on taxable public issues
	Reference rates calculated by the Bank of Finland		Taxable government bonds	Taxable public issues	Issued by:		Taxfree public issues	
	3 years	5 years			Financial institutions	Corporations		
	1	2	3	4	5	6	7	8
<b>1986</b>	..	..	.	11.7	..	..	8.3	11.3
<b>1987</b>	..	..	.	11.2	11.1	11.2	8.1	10.7
<b>1988</b>	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4
<b>1989</b>	12.2	12.0	12.1	11.9	12.0	12.0	8.1	11.7
<b>1990</b>	13.7	13.5	13.2	13.3	13.3	13.2	9.2	13.0
<b>1990</b>								
<b>Nov.</b>	13.9	13.8	13.7	13.4	13.3	13.5	10.0	13.6
<b>Dec.</b>	13.5	13.4	13.3	13.2	13.2	12.9	10.7	13.3
<b>1991</b>								
<b>Jan.</b>	13.2	13.2	13.0	13.4	13.3	13.2	10.6	13.1
<b>Feb.</b>	13.0	13.0	12.6	13.3	13.4	13.4	10.6	12.7
<b>March</b>	13.0	12.9	12.5	13.2	13.1	13.8	10.4	12.4
<b>April</b>	12.7	12.5	12.2	13.0	11.8	14.1	10.3	12.1
<b>May</b>	11.9	11.8	11.5	12.4	12.1	12.5	10.2	11.2
<b>June</b>	11.5	11.5	11.1	11.7	11.5	12.7	10.1	11.1
<b>July</b>	11.8	11.7	11.2	12.4	12.2	12.6	10.0	10.8
<b>Aug.</b>	11.7	11.7	11.2	11.9	11.9	12.3	9.8	11.2
<b>Sept.</b>	11.7	11.7	11.3	12.2	12.0	12.7	9.6	11.3
<b>Oct.</b>	11.8	11.7	11.4	12.2	12.2	12.7	9.6	11.1
<b>Nov.</b>	12.4	12.3	12.1	12.5	12.5	12.5	9.6	11.2

## 4. RATES OF EXCHANGE

### 4.1 AVERAGE SPOT SELLING RATES, FIM

Average New York of daily quo- tations	Montreal	London	Dublin	Stockholm	Oslø	Copen- hagen	Frankfurt a.M.	Amster- dam	Brussels	Zurich	
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF
	1	2	3	4	5	6	7	8	9	10	11
<b>1987</b>	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	2.9563
<b>1988</b>	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	2.8700
<b>1989</b>	4.295	3.632	7.051	6.104	0.6673	0.6234	0.5886	2.2879	2.0281	0.10925	2.6306
<b>1990</b>	3.831	3.287	6.827	6.347	0.6479	0.6130	0.6197	2.3721	2.1053	0.11480	2.7635
<b>1991</b>	4.053	3.543	7.159	6.540	0.6713	0.6264	0.6345	2.4464	2.1709	0.11887	2.8300
<b>1990</b>											
<b>Dec.</b>	3.611	3.117	6.974	6.449	0.6438	0.6177	0.6284	2.4197	2.1451	0.11699	2.8293
<b>1991</b>											
<b>Jan.</b>	3.650	3.162	7.064	6.457	0.6481	0.6188	0.6281	2.4171	2.1440	0.11737	2.8693
<b>Feb.</b>	3.597	3.119	7.082	6.478	0.6508	0.6224	0.6324	2.4324	2.1583	0.11821	2.8434
<b>March</b>	3.835	3.319	7.035	6.398	0.6535	0.6152	0.6248	2.3990	2.1284	0.11651	2.7770
<b>April</b>	4.001	3.473	7.007	6.292	0.6547	0.6051	0.6141	2.3506	2.0858	0.11431	2.7796
<b>May</b>	4.047	3.525	6.992	6.320	0.6587	0.6061	0.6164	2.3578	2.0922	0.11469	2.7824
<b>June</b>	4.228	3.699	6.983	6.355	0.6592	0.6088	0.6163	2.3737	2.1072	0.11539	2.7662
<b>July</b>	4.298	3.745	7.087	6.434	0.6647	0.6169	0.6217	2.4030	2.1332	0.11679	2.7733
<b>Aug.</b>	4.245	3.710	7.148	6.509	0.6705	0.6232	0.6292	2.4323	2.1582	0.11820	2.7906
<b>Sept.</b>	4.143	3.646	7.148	6.530	0.6711	0.6244	0.6323	2.4405	2.1656	0.11853	2.7910
<b>Oct.</b>	4.127	3.661	7.113	6.534	0.6706	0.6243	0.6323	2.4413	2.1667	0.11863	2.7910
<b>Nov.</b>	4.202	3.722	7.475	6.920	0.7091	0.6600	0.6670	2.5893	2.2979	0.12575	2.9249
<b>Dec.</b>	4.266	3.732	7.774	7.249	0.7440	0.6912	0.6989	2.7192	2.4131	0.13206	3.0708

Average of daily quo- tations	Paris	Rome	Vienne	Lisbon	Reykjavik	Madrid	Athens	Tokyo	Mel- bourne	ECU Commer- cial	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 GRD	1 JPY	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22
<b>1987</b>	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	..	0.03050	3.106	5.075	5.68010
<b>1988</b>	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	..	0.03273	3.309	4.954	5.61826
<b>1989</b>	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	..	0.03122	3.423	4.731	5.49375
<b>1990</b>	0.7054	0.00321	0.3374	0.0271	0.0681	0.0377	..	0.02654	3.011	4.875	5.18345
<b>1991</b>	0.7208	0.00328	0.3479	0.0283	0.0710	0.0392	0.0234	0.03016	3.176	5.019	5.53082
<b>1990</b>											
<b>Dec.</b>	0.7142	0.00322	0.3443	0.0276	0.0681	0.0381	..	0.02706	2.799	4.963	5.14894
<b>1991</b>											
<b>Jan.</b>	0.7131	0.00323	0.3438	0.0274	0.0685	0.0385	..	0.02729	2.863	4.981	5.18185
<b>Feb.</b>	0.7162	0.00325	0.3461	0.0279	0.0686	0.0390	..	0.02761	2.840	5.002	5.17020
<b>March</b>	0.7063	0.00323	0.3412	0.0278	0.0690	0.0387	..	0.02802	2.980	4.927	5.29584
<b>April</b>	0.6969	0.00318	0.3342	0.0273	0.0692	0.0382	..	0.02921	3.138	4.844	5.39487
<b>May</b>	0.6969	0.00319	0.3354	0.0273	0.0694	0.0382	..	0.02932	3.151	4.847	5.42606
<b>June</b>	0.7013	0.00321	0.3376	0.0273	0.0702	0.0382	0.0230	0.03024	3.231	4.879	5.56841
<b>July</b>	0.7095	0.00324	0.3417	0.0281	0.0711	0.0385	0.0230	0.03117	3.331	4.938	5.66884
<b>Aug.</b>	0.7172	0.00327	0.3459	0.0286	0.0715	0.0391	0.0230	0.03103	3.338	4.992	5.65829
<b>Sept.</b>	0.7186	0.00328	0.3471	0.0287	0.0713	0.0390	0.0230	0.03080	3.304	5.002	5.59644
<b>Oct.</b>	0.7177	0.00328	0.3472	0.0286	0.0713	0.0388	0.0230	0.03158	3.291	5.000	5.61024
<b>Nov.</b>	0.7593	0.00345	0.3681	0.0299	0.0743	0.0410	0.0241	0.03243	3.324	5.285	5.80952
<b>Dec.</b>	0.7973	0.00361	0.3865	0.0309	0.0771	0.0427	0.0250	0.03329	3.317	5.530	5.98926

## 4.2 MARKKA VALUE OF THE ECU AND CURRENCY INDICES

Average of daily observations	Markka value of the ECU		Currency indices, 1982=100		
	FIM/ECU	Deviation from the midpoint, %	Bank of Finland's trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4	5
<b>1987</b>	5.08273	.	103.3	103.2	106.1
<b>1988</b>	4.96108	.	102.0	101.1	104.7
<b>1989</b>	4.73670	.	98.4	98.4	102.8
<b>1990</b>	4.85697	.	97.3	96.1	97.3
<b>1991</b>	5.00580	.	101.4	100.1	102.8
<b>1990</b>					
<b>Dec.</b>	4.93315	.	97.9	95.7	96.4
<b>1991</b>					
<b>Jan.</b>	4.94224	.	98.4	96.3	97.0
<b>Feb.</b>	4.97232	.	98.8	96.3	97.0
<b>March</b>	4.91308	.	98.7	97.2	98.8
<b>April</b>	4.83628	.	98.4	97.4	100.2
<b>May</b>	4.84342	.	98.7	97.9	100.8
<b>June</b>	4.86741	-0.2	99.6	99.2	103.0
<b>July</b>	4.92615	1.0	100.8	100.5	104.6
<b>Aug.</b>	4.98131	2.2	101.6	101.0	104.7
<b>Sept.</b>	4.99324	2.4	101.5	100.5	103.9
<b>Oct.</b>	4.98879	2.3	101.5	100.4	104.2
<b>Nov.</b>	5.27668	0.9	106.8	105.2	108.3
<b>Dec.</b>	5.52866	-0.5	111.5	109.4	111.9

## 5. OTHER DOMESTIC FINANCING

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

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
<b>1986</b>	19 368	69 887	70 082		159 337	4 259	163 596	15 888	179 484
<b>1987</b>	21 320	76 160	83 742		181 222	3 915	185 137	17 892	203 029
<b>1988</b>	25 473	76 958	121 658		224 090	4 561	228 650	28 844	257 494
<b>1989*</b>	28 935	85 396	125 732		240 063	7 133	247 197	35 298	282 495
<b>1990*</b>	30 941	96 176	124 826		251 943	6 787	258 730	38 835	297 565
<b>1990*</b>									
<b>Oct.</b>	28 582	87 094	129 545		245 221	8 027	253 248	46 999	300 247
<b>Nov.</b>	28 246	87 218	129 197		244 662	7 885	252 547	48 882	301 428
<b>Dec.</b>	30 941	96 176	124 826		251 943	6 787	258 731	38 835	297 566
<b>1991*</b>									
<b>Jan.</b>	27 937	82 243	137 848		248 027	7 318	255 345	43 928	299 274
<b>Feb.</b>	27 134	82 061	139 773		248 968	8 376	257 344	43 071	300 415
<b>March</b>	26 108	85 091	124 425	14 571	250 196	10 514	260 710	48 606	309 316
<b>April</b>	26 206	83 128	120 375	18 715	248 424	10 189	258 613	47 977	306 590
<b>May</b>	27 362	84 933	120 227	18 685	251 207	10 083	261 290	52 377	313 667
<b>June</b>	29 915	86 765	118 641	19 342	254 663	10 408	265 071	47 550	312 621
<b>July</b>	29 535	86 235	118 359	19 372	253 500	9 701	263 201	49 001	312 202
<b>Aug.</b>	27 506	86 719	118 438	18 563	251 227	11 608	262 835	53 386	316 221
<b>Sept.</b>	28 602	84 754	119 298	18 087	250 742	12 453	263 194	58 761	321 956
<b>Oct.</b>	28 152	83 512	119 966	17 992	249 622	15 694	265 316	58 038	323 355

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

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
<b>1986</b>	7 542	6 354	152 335	166 231	24 450	190 681
<b>1987</b>	8 507	5 177	178 698	192 382	36 475	228 857
<b>1988</b>	11 358	5 920	234 268	251 545	49 910	301 455
<b>1989*</b>	15 270	5 651	255 410	276 331	71 323	347 654
<b>1990*</b>	19 152	5 777	260 790	285 720	102 595	388 314
<b>1990*</b>						
<b>Oct.</b>	16 655	5 735	262 920	285 310	98 118	383 428
<b>Nov.</b>	19 156	5 724	262 268	287 148	100 547	387 695
<b>Dec.</b>	19 152	5 777	260 790	285 720	102 595	388 314
<b>1991*</b>						
<b>Jan.</b>	18 897	5 549	259 464	283 910	104 010	387 920
<b>Feb.</b>	18 653	5 491	259 415	283 559	104 379	387 938
<b>March</b>	18 428	5 410	259 616	283 454	105 093	388 546
<b>April</b>	18 292	5 416	259 028	282 735	103 798	386 533
<b>May</b>	17 798	5 271	259 334	282 404	105 448	387 852
<b>June</b>	17 942	5 190	259 851	282 983	106 285	389 269
<b>July</b>	17 787	5 021	259 880	282 687	106 687	389 374
<b>Aug.</b>	18 679	4 925	260 927	284 531	106 508	391 039
<b>Sept.</b>	18 677	4 823	262 019	285 519	104 912	390 430
<b>Oct.</b>	18 419	4 714	262 973	286 105	104 837	390 943

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

End of period	Foreign assets, net	Domestic credit			Other items, net	M <sub>1</sub>	M <sub>2</sub> (1+4+5)	M <sub>3</sub>
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
<b>1986</b>	-16 784	-13 884	237 514	223 630	-37 751	96 874	169 095	170 076
<b>1987</b>	-25 484	-14 977	277 068	262 090	-45 769	105 829	190 837	206 175
<b>1988</b>	-40 670	-15 356	353 681	338 325	-63 387	111 259	234 268	256 947
<b>1989</b>	-59 049	-18 691	408 344	389 653	-79 084	124 295	251 519	272 603
<b>1990*</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1990*</b>								
<b>Oct.</b>	-76 332	-15 648	449 765	434 117	-100 348	127 713	257 436	291 707
<b>Nov.</b>	-80 013	-16 483	452 668	436 185	-98 428	128 127	257 744	291 414
<b>Dec.</b>	-82 881	-19 072	453 720	434 648	-85 385	141 524	266 383	291 045
<b>1991*</b>								
<b>Jan.</b>	-83 269	-15 187	457 639	442 452	-98 044	122 453	261 139	289 898
<b>Feb.</b>	-86 676	-11 118	458 501	447 383	-99 285	121 053	261 423	288 823
<b>March</b>	-81 750	-7 736	454 073	446 337	-101 181	121 271	263 406	294 244
<b>April</b>	-81 026	-9 236	451 259	442 023	-99 964	119 229	261 033	290 233
<b>May</b>	-81 899	-9 355	452 770	443 415	-95 112	124 190	266 403	297 849
<b>June</b>	-79 812	-9 512	454 529	445 017	-96 677	127 454	268 528	298 899
<b>July</b>	-84 565	-9 819	460 838	451 019	-99 124	126 403	267 329	296 597
<b>Aug.</b>	-79 060	-9 209	462 953	453 743	-109 459	124 941	265 224	296 956
<b>Sept.</b>	-75 824	-12 356	463 583	451 227	-111 093	123 637	264 310	299 216
<b>Oct.</b>	-76 079	-11 646	464 834	453 188	-113 816	122 012	263 293	304 260

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

End of period	Foreign debt			Domestic debt				Total central government debt (4+8)	Out-standing lending	Cash funds	
	Bonds	Other bonds and debentures	Long-term promissory notes	Total (1+2+3)	Public bonds	Other long-term liabilities	Treasury notes and bills				Total (5+6+7)
	1	2	3	4	5	6	7	8	9	10	11
<b>1986</b>	17 905	3 038	6 038	26 981	18 059	4 481	2 474	25 013	51 994	38 028	11 686
<b>1987</b>	20 407	2 697	5 576	28 680	22 121	4 692	3 018	29 831	58 511	38 436 <sup>r</sup>	11 553
<b>1988</b>	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	41 011 <sup>r</sup>	15 858
<b>1989</b>	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	43 499 <sup>r</sup>	21 248
<b>1990</b>	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	47 237 <sup>r</sup>	23 114
<b>1990</b>											
<b>Nov.</b>	19 832	330	3 183	23 345	23 363	5 182	-	28 545	51 890	46 868 <sup>r</sup>	19 035
<b>Dec.</b>	20 917	732	3 144	24 793	23 982	8 263	-	32 245	57 038	47 237 <sup>r</sup>	23 114
<b>1991</b>											
<b>Jan.</b>	21 876	1 290	2 978	26 144	23 483	8 261	285	32 029	58 173	47 935 <sup>r</sup>	26 381
<b>Feb.</b>	21 486	1 697	2 941	26 124	24 102	8 261	825	33 188	59 312	48 532 <sup>r</sup>	18 467
<b>March</b>	25 405	1 736	2 910	30 051	24 769	8 256	925	33 950	64 001	49 331 <sup>r</sup>	20 871
<b>April</b>	24 784	1 759	2 675	29 218	25 082	7 783	1 725	34 590	63 808	50 351 <sup>r</sup>	24 167
<b>May</b>	25 174	1 779	2 711	29 664	25 994	7 608	2 125	35 727	65 391	50 745 <sup>r</sup>	19 794
<b>June</b>	24 909	1 828	2 669	29 406	26 754	7 608	2 330	36 692	66 098	51 255 <sup>r</sup>	17 306
<b>July</b>	25 760	1 813	2 689	30 262	27 122	9 008	2 330	38 460	68 722	51 822 <sup>r</sup>	17 215
<b>Aug.</b>	26 028	1 837	2 633	30 498	28 315	9 008	2 330	39 653	70 151	52 446 <sup>r</sup>	15 108
<b>Sept.</b>	28 417	1 817	2 350	32 584	29 058	9 008	2 530	40 595	73 179	53 114 <sup>r</sup>	16 859
<b>Oct.</b>	32 338	1 848	2 362	36 548	30 070	9 008	2 670	41 748	78 296	53 974 <sup>r</sup>	17 991
<b>Nov.</b>	37 875	2 014	2 601	42 490	30 825	10 408	4 180	45 413	87 903	..	..

## 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>1986</b>	4 976	10 638	6 532	422	105	5 987	7 487	9 199	22 674
<b>1987</b>	4 477	9 510	8 119	206	69	9 409	8 830	4 142	22 380
<b>1988</b>	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
<b>1989</b>	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
<b>1990*</b>	4 640	17 917	4 420	490	1 007	17 260	607	10 607	28 473
<b>1990*</b>									
<b>Nov.</b>	64	1 215	165	-	-	435	-	1 009	1 444
<b>Dec.</b>	836	3 857	150	150	-	3 007	-	1 986	4 993
<b>1991*</b>									
<b>Jan.</b>	1 054	3 489	2 000	-	-	4 787	-	1 756	6 543
<b>Feb.</b>	272	733	-	-	-	683	-	322	1 004
<b>March</b>	271	1 015	500	29	-	1 267	-	548	1 815
<b>April</b>	161	1 988	1 800	-	-	3 018	-	931	3 949
<b>May</b>	815	2 030	1 475	50	-	3 488	-	882	4 369
<b>June</b>	880	3 220	-	315	-	2 368	-	2 047	4 415
<b>July</b>	1 592	2 113	-	-	-	1 521	-	2 184	3 705
<b>Aug.</b>	275	852	6 075	50	-	7 097	-	155	7 252
<b>Sept.</b>	449	1 535	300	250	-	2 385	-	149	2 534
<b>Oct.</b>	327	1 407	205	403	-	729	-	1 612	2 341
<b>Nov.</b>	1 117	2 703	100	223	-	1 671	-	2 472	4 143

### 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>1986</b>	14 075	31 902	22 091	1 042	177	16 432	23 314	29 541	69 287
<b>1987</b>	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
<b>1988</b>	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
<b>1989</b>	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
<b>1990*</b>	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
<b>1990*</b>									
<b>III</b>	22 386	56 266	26 997	1 691	1 303	47 058	23 623	37 962	108 643
<b>IV</b>	23 522	<u>59 756</u>	28 812	1 756	<u>1 298</u>	52 273	22 970	39 902	115 145
<b>1991*</b>									
<b>I</b>	24 169	62 451	29 594	1 466	4 006	58 366	20 638	42 680	121 684
<b>II</b>	23 269	67 588	30 932	1 760	4 395	63 588	19 971	44 384	127 943
<b>III</b>	25 034	69 492	33 235	2 037	3 744	70 002	18 614	44 926	133 542



## 5.6 HELSINKI STOCK EXCHANGE

Average of daily observations	Share prices										Turnover <sup>2</sup> , mill. FIM				
	HEX index (Dec. 28, 1990=1000)										Unitas index <sup>1</sup> , 1975=100		Shares and subscription rights	Bonds and debentures	Total
	All-share index	By ownership			By industry						All-share index	Banks industry			
		Re-stricted	Non-stricted	Banks and finance	Insurance and investment	Manufacturing	Of which								
							Forest industries	Metal and engineering	Con-glomerates						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>1987</b>	1 284	1 264	1 385	1 449	1 054	1 285	1 421	1 342	1 369	546	319	603	26 641	4 604	31 245
<b>1988</b>	1 692	1 727	1 473	1 825	1 371	1 705	1 591	1 629	2 013	677	404	734	31 734	5 718	37 452
<b>1989</b>	1 827	1 850	1 689	1 958	1 528	1 818	1 728	1 748	2 061	742	441	793	33 160	7 375	40 536
<b>1990</b>	1 332	1 324	1 395	1 263	1 185	1 376	1 436	1 282	1 474	536	283	595	15 521	4 550	20 071
<b>1991</b>	962	949	1 062	901	898	1 003	1 075	1 076	1 020	367	206	400	6 339	1 315	7 655
<b>1990</b>															
<b>Dec.</b>	1 012	1 009	1 030	1 003	977	1 019	1 018	1 025	1 031	404	223	444	1 058	810	1 869
<b>1991</b>															
<b>Jan.</b>	910	905	945	929	908	901	951	928	872	357	203	387	498	310	808
<b>Feb.</b>	951	940	1 025	959	930	955	1 032	1 028	941	377	210	412	535	204	739
<b>March</b>	1 092	1 077	1 198	1 075	971	1 135	1 235	1 241	1 150	.	.	.	953	141	1 094
<b>April</b>	1 138	1 123	1 243	1 060	993	1 210	1 279	1 263	1 273	.	.	.	607	117	724
<b>May</b>	1 071	1 051	1 210	1 001	1 000	1 123	1 169	1 171	1 179	.	.	.	692	62	754
<b>June</b>	1 031	1 010	1 184	977	963	1 076	1 089	1 128	1 139	.	.	.	710	111	821
<b>July</b>	983	971	1 076	912	942	1 023	1 032	1 094	1 076	.	.	.	307	51	358
<b>Aug.</b>	986	971	1 095	915	950	1 025	1 049	1 098	1 073	.	.	.	324	58	382
<b>Sept.</b>	914	897	1 032	829	904	948	1 007	1 037	974	.	.	.	373	61	433
<b>Oct.</b>	846	833	945	755	807	891	988	994	889	.	.	.	447	40	487
<b>Nov.</b>	831	819	927	727	745	884	1 038	978	856	.	.	.	406	36	442
<b>Dec.</b>	787	779	853	664	618	857	1 060	955	807	.	.	.	487	125	612

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

<sup>2</sup> During period.

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

### 6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Transport receipts	Travel receipts	Other services receipts	Services receipts total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, c.i.f.	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>1986</b>	81 066	5 757	3 195	5 616	14 568	95 634	4 808	3 609	104 050	76 736	2 160	5 587	5 415
<b>1987</b>	83 826	6 387	3 736	6 099	16 222	100 048	6 162	3 231	109 441	81 867	2 610	6 811	6 488
<b>1988</b>	91 313	7 026	4 280	6 132	17 438	108 750	9 377	4 415	122 543	91 232	3 338	7 907	7 390
<b>1989</b>	98 265	7 662	4 497	6 277	18 436	116 701	10 212	3 652	130 565	104 400	3 869	8 969	8 759
<b>1990*</b>	99 750	8 347	4 650	5 837	18 834	118 583	12 739	4 461	135 783	101 967	4 363	10 766	9 503
<b>1989</b>													
<b>I</b>	24 944	1 853	869	1 322	4 044	28 988	1 949	851	31 788	24 292	820	1 922	2 170
<b>II</b>	23 370	1 948	1 078	1 376	4 401	27 771	2 684	930	31 385	24 762	947	2 170	2 234
<b>III</b>	22 534	1 982	1 421	1 466	4 869	27 403	2 368	927	30 698	25 637	1 022	2 431	2 070
<b>IV</b>	27 418	1 879	1 129	2 114	5 122	32 540	3 211	944	36 694	29 708	1 080	2 446	2 285
<b>1990*</b>													
<b>I</b>	24 356	1 984	794	1 560	4 338	28 694	3 190	1 084	32 967	24 732	928	2 514	2 250
<b>II</b>	26 481	2 096	1 070	1 485	4 651	31 132	3 299	1 142	35 573	27 406	1 104	2 581	2 190
<b>III</b>	22 902	2 189	1 598	1 125	4 912	27 814	2 607	1 104	31 526	23 063	1 054	2 912	2 089
<b>IV</b>	26 011	2 078	1 188	1 667	4 933	30 944	3 642	1 130	35 716	26 766	1 277	2 760	2 974
<b>1991*</b>													
<b>I</b>	22 000	1 840	933	1 677	4 451	26 451	3 802	1 107	31 360	22 083	1 007	2 612	2 727
<b>II</b>	21 268	1 924	1 275	1 441	4 639	25 907	3 165	1 192	30 264	20 975	1 040	2 602	2 486
<b>III</b>	22 805	1 963	1 645	1 413	5 022	27 827	3 614	1 098	32 540	20 600	1 021	2 918	2 460

During period	Services expenditure, total (11+12+13)	Imports of goods and services (10+14)	Investment expenditure	Transfers and other expenditure	Current account expenditure (15+16+17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account and services account (20+21+22)	Goods and services account (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account (24+25+26) = (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
<b>1986</b>	13 162	89 898	11 814	5 964	107 675	4 329	3 597	-2 392	201	1 406	5 735	-7 006	-2 355	-3 625
<b>1987</b>	15 909	97 775	13 356	5 860	116 990	1 960	3 778	-3 075	-390	313	2 273	-7 194	-2 629	-7 550
<b>1988</b>	18 634	109 866	17 033	6 975	133 874	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 656	-2 560	-11 331
<b>1989</b>	21 596	125 996	21 882	7 561	155 439	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-11 670	-3 910	-24 874
<b>1990*</b>	24 632	126 599	26 973	8 724	162 296	-2 218	3 984	-6 117	-3 666	-5 798	-8 016	-14 234	-4 263	-26 513
<b>1989</b>														
<b>I</b>	4 911	29 203	4 364	2 120	35 687	652	1 034	-1 053	-848	-867	-215	-2 415	-1 269	-3 899
<b>II</b>	5 351	30 114	5 887	1 884	37 885	-1 393	1 001	-1 092	-858	-950	-2 343	-3 203	-954	-6 500
<b>III</b>	5 522	31 160	5 332	1 730	38 222	-3 103	960	-1 010	-604	-654	-3 757	-2 964	-804	-7 524
<b>IV</b>	5 811	35 519	6 299	1 827	43 645	-2 291	799	-1 316	-171	-689	-2 980	-3 088	-883	-6 951
<b>1990*</b>														
<b>I</b>	5 693	30 425	6 218	2 106	38 749	-377	1 056	-1 720	-690	-1 354	-1 731	-3 028	-1 023	-5 782
<b>II</b>	5 874	33 281	7 198	2 317	42 796	-925	992	-1 511	-705	-1 223	-2 148	-3 899	-1 175	-7 223
<b>III</b>	6 054	29 117	6 415	2 071	37 604	-161	1 136	-1 314	-964	-1 142	-1 304	-3 808	-967	-6 078
<b>IV</b>	7 011	33 777	7 141	2 229	43 147	-755	801	-1 572	-1 307	-2 078	-2 833	-3 499	-1 098	-7 430
<b>1990*</b>														
<b>I</b>	6 346	28 429	7 800	2 868	39 097	-83	833	-1 678	-1 050	-1 896	-1 979	-3 998	-1 761	-7 737
<b>II</b>	6 129	27 104	7 923	2 077	37 104	293	884	-1 328	-1 046	-1 490	-1 196	-4 759	-885	-6 840
<b>III</b>	6 399	26 999	6 857	2 058	35 914	2 205	942	-1 272	-1 047	-1 377	828	-3 242	-960	-3 374

## 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>1986</b>	1 722	9 301	-3 265	87	7 845	4 109	2 320	2 388	266	9 083	-1 238	-4 863
<b>1987</b>	1 165	9 319	1 370	91	11 945	5 015	2 285	4 927	272	12 499	-554	-8 104
<b>1988</b>	2 218	14 457	2 960	85	19 720	10 919	1 248	4 249	292	16 708	3 013	-8 319
<b>1989</b>	2 095	14 756	8 608	79	25 538	13 327	180	4 747	273	18 527	7 011	-17 863
<b>1990*</b>	2 969	22 656	19 674	169	45 468	11 854	546	1 807	294	14 501	30 967	4 454
<b>1989</b>												
<b>I</b>	30	7 696	728	42	8 496	3 575	-381	2 142	159	5 495	3001	-898
<b>II</b>	372	1 415	1 076	-22	2 841	1 990	413	1 254	0	3 657	-816	-7 316
<b>III</b>	681	2 841	1 481	-16	4 987	3 626	338	935	12	4 911	76	-7 448
<b>IV</b>	1 012	2 804	5 323	75	9 214	4 136	-190	416	102	4 464	4 750	-2 201
<b>1990*</b>												
<b>I</b>	423	6 788	12 238	126	19 575	2 099	302	807	156	3 364	16 211	10 429
<b>II</b>	457	2 836	1 657	-34	4 916	2 786	-425	395	0	2 756	2 160	-5 063
<b>III</b>	75	6 702	2 518	-26	9 269	2 579	284	195	10	3 068	6 201	122
<b>IV</b>	2 014	6 330	3 261	103	11 708	4 389	385	410	128	5 312	6 396	-1 034
<b>1991*</b>												
<b>I</b>	559	8 008	3 402	-267	11 703	2 226	4	20	184	2 434	9 269	1 532
<b>II</b>	344	14 449	3 539	484	18 816	1 796	-368	659	-61	2 025	16 791	9 950
<b>III</b>	-379	9 352	2 507	-61	11 419	1 784	331	-728	-7	1 380	10 039	6 664

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>1986</b>	6 019	-3 796	514	2 736	7 181	-92	955	8 043	2 240	-3 068	-7 930	7 930
<b>1987</b>	19 324	-665	3 835	22 494	-9 346	-183	1 268	-8 261	-6 915	23 839	15 736	-15 736
<b>1988</b>	10 950	-399	-811	9 740	1 754	644	1 995	4 393	3 155	8 501	183	-183
<b>1989</b>	4 285	1 627	3 679	9 592	1 873	475	710	3 058	5 368	11 902	-5 961	5 961
<b>1990*</b>	12 352	1 471	-1 822	12 000	-4 318	-864	814	-4 368	-5 731	10 638	15 092	-15 092
<b>1989</b>												
<b>I</b>	5 699	-287	1 686	7 098	6 536	214	25	6 774	2 395	2 718	1 820	-1 820
<b>II</b>	10 783	-2 108	1 604	10 280	3 808	214	1 036	5 058	920	6 141	-1 174	1 174
<b>III</b>	4 047	1 107	537	5 690	3 860	24	264	4 148	2 919	4 462	-2 987	2 987
<b>IV</b>	-16 243	2 915	-148	-13 476	-12 331	24	-615	-12 922	-865	-1 419	-3 620	3 620
<b>1990*</b>												
<b>I</b>	19 514	735	956	21 205	10 570	-593	1 575	11 552	-9 235	417	10 847	-10 847
<b>II</b>	9 095	793	-1 742	8 146	5 078	-593	-103	4 382	2 073	5 837	774	-774
<b>III</b>	-2 325	-351	517	-2 158	-3 743	-58	238	-3 563	532	1 937	2 059	-2 059
<b>IV</b>	-13 932	293	-1 554	-15 192	-16 223	379	-896	-16 740	899	2 447	1 412	-1 412
<b>1991*</b>												
<b>I</b>	14 459	-679	2 529	16 308	22 242	-247	4 007	26 002	5 061	-4 633	-3 102	3 102
<b>II</b>	-7 077	-674	-588	-8 339	1 240	-1 193	2 002	2 049	-1 783	-12 171	-2 221	2 221
<b>III</b>	-12 678	1 380	-488	-11 786	-1 059	2 092	1 439	2 472	688	-13 570	-6 905	6 905

<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	
<b>1986</b>	8 056	48 039	30 283	739	87 117	11 590	4 690	9 441	1 920	27 641	59 476
<b>1987</b>	10 339	54 317	30 379	830	95 865	17 892	6 975	13 638	2 192	40 697	55 168
<b>1988</b>	12 673	68 957	33 117	915	115 662	24 199	8 223	18 002	2 484	52 908	62 754
<b>1989</b>	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
<b>1990*</b>	17 896	96 543	54 858	4 630	173 926	42 868	7 184	25 749	5 487	81 288	92 639
<b>1989</b>											
<b>I</b>	13 186	75 798	33 132	957	123 073	26 702	7 798	20 067	2 643	57 210	65 863
<b>II</b>	14 041	77 417	34 118	935	126 511	27 619	8 287	21 469	2 643	60 018	66 494
<b>III</b>	15 205	79 950	35 418	919	131 492	30 172	8 392	22 317	2 655	63 536	67 956
<b>IV</b>	16 692	82 313	40 110	994	140 109	33 234	7 852	22 581	2 757	66 424	73 685
<b>1990*</b>											
<b>I</b>	16 674	85 070	50 790	1 120	153 654	34 778	8 113	23 149	2 913	68 953	84 701
<b>II</b>	16 690	85 823	52 247	1 086	155 846	37 010	7 715	23 501	2 913	71 139	84 707
<b>III</b>	16 324	89 500	54 362	1 060	161 246	39 034	7 631	23 553	2 923	73 141	88 105
<b>IV</b>	17 896	96 543	54 858	4 630	173 926	42 868	7 184	25 749	5 487	81 288	92 639
<b>1991*</b>											
<b>I</b>	18 455	111 430	59 590	4 234	193 708	45 094	7 214	26 139	5 925	84 372	109 336
<b>II</b>	18 799	125 751	64 739	4 741	214 030	46 890	6 885	27 259	6 027	87 061	126 969
<b>III</b>	18 420	130 844	66 607	4 718	220 589	48 674	7 241	26 144	5 879	87 938	132 651

End of period	Short-term liabilities					Short-term assets					Short-term liabilities, net (16-21)	Debt, net (11+22)	Net investment expenditure	Net investment expenditure in relation to current account receipts
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits	Other short-term liabilities	Total (12+13+14+15)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits	Other short-term assets	Total (17+18+19+20)				
	12	13	14	15	16	17	18	19	20	21				
<b>1986</b>	3 455	56 881	12 135	5 999	78 469	16 613	43 389	15 580	3 700	79 282	-813	58 663	7 006	6.7
<b>1987</b>	3 362	73 132	11 470	9 691	97 654	31 134	34 043	15 397	2 663	83 238	14 417	69 585	7 194	6.6
<b>1988</b>	3 341	83 828	11 070	9 039	107 278	32 037	35 797	16 041	4 789	88 664	18 614	81 367	7 656	6.2
<b>1989</b>	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	11 670	8.9
<b>1990*</b>	3 922	104 087	13 859	13 650	135 518	39 506	31 626	14 764	6 677	92 574	42 945	135 583	14 234	10.5
<b>1989</b>														
<b>I</b>	3 278	90 535	10 783	10 671	115 267	33 376	42 333	16 255	4 793	96 756	18 511	84 374	2 415	7.6
<b>II</b>	3 136	100 345	8 676	12 438	124 595	32 142	46 141	16 468	5 965	100 716	23 879	90 372	3 203	10.2
<b>III</b>	3 919	104 777	9 783	12 965	131 443	29 839	50 001	16 492	6 212	102 544	28 899	96 855	2 964	9.7
<b>IV</b>	3 558	88 751	12 697	12 883	117 889	25 113	37 670	16 516	5 666	84 965	32 924	106 609	3 088	8.4
<b>1990*</b>														
<b>I</b>	4 036	108 663	13 432	13 808	139 940	35 895	48 239	15 924	7 218	107 276	32 663	117 364	3 028	9.2
<b>II</b>	4 195	118 120	14 226	12 066	148 607	36 764	53 318	15 331	7 126	112 539	36 067	120 775	3 899	11.0
<b>III</b>	4 071	116 509	13 521	12 544	146 645	38 454	49 575	15 273	7 325	110 627	36 019	124 124	3 808	12.1
<b>IV</b>	3 922	104 087	13 859	13 650	135 518	39 506	31 626	14 764	6 677	92 574	42 945	135 583	3 499	9.8
<b>1991*</b>														
<b>I</b>	3 399	119 227	13 071	17 102	152 798	37 748	52 558	14 514	11 465	116 285	36 514	145 849	3 998	12.7
<b>II</b>	2 889	113 157	12 388	17 386	145 820	36 023	53 397	13 342	13 882	116 643	29 176	156 145	4 759	15.7
<b>III</b>	2 826	102 649	13 768	16 813	136 057	29 006	49 550	15 441	15 199	109 196	26 861	159 512	3 242	10.0

## 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>1986</b>	39 068	11 992	8 516	27 031	510	87 117	13 910	10 180	793	2 309	449	27 641	59 476
<b>1987</b>	39 522	17 365	9 777	28 691	509	95 865	19 493	14 509	3 403	2 653	639	40 697	55 168
<b>1988</b>	46 471	27 427	14 339	26 926	499	115 662	25 093	20 192	3 573	3 101	949	52 908	62 754
<b>1989</b>	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
<b>1990*</b>	67 809	56 394	21 467	27 635	621	173 926	44 292	28 594	2 075	4 280	2 047	81 288	92 639
<b>1989</b>													
<b>I</b>	47 855	32 799	15 871	26 033	515	123 073	28 466	20 772	3 592	3 299	1 081	57 210	65 863
<b>II</b>	49 629	34 075	18 050	24 257	500	126 511	29 563	22 107	3 807	3 329	1 212	60 018	66 494
<b>III</b>	52 901	36 375	17 942	23 783	491	131 492	31 816	23 317	3 695	3 374	1 334	63 536	67 956
<b>IV</b>	58 602	40 199	17 671	23 063	574	140 109	34 999	24 058	2 313	3 517	1 537	66 424	73 685
<b>1990*</b>													
<b>I</b>	63 692	47 491	19 388	22 478	604	153 654	35 982	25 170	2 388	3 699	1 714	68 953	84 701
<b>II</b>	62 978	50 028	20 615	21 588	636	155 846	37 768	25 664	2 118	3 734	1 855	71 139	84 707
<b>III</b>	62 508	54 380	21 038	22 647	673	161 246	39 084	26 562	1 763	3 772	1 960	73 141	88 105
<b>IV</b>	67 809	56 394	21 467	27 635	621	173 926	44 292	28 594	2 075	4 280	2 047	81 288	92 639
<b>1991*</b>													
<b>I</b>	72 742	58 297	25 809	36 123	737	193 708	46 777	28 578	2 114	4 651	2 252	84 372	109 336
<b>II</b>	78 601	65 895	30 012	38 814	708	214 030	48 958	28 607	2 093	5 040	2 362	87 061	126 969
<b>III</b>	78 576	66 702	30 243	44 332	735	220 589	50 580	28 055	2 115	4 655	2 533	87 938	132 651

## 7. FOREIGN TRADE

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

During period	Exports, f.o.b.	Imports, c.i.f.	Balance (1-2)
	1	2	3
<b>1986</b>	82 579	77 601	4 978
<b>1987</b>	85 516	82 807	2 709
<b>1988</b>	92 902	92 118	784
<b>1989</b>	99 782	105 516	-5 734
<b>1990*</b>	101 338	103 018	-1 680
<b>1990*</b>			
<b>Nov.</b>	8 960	8 381	579
<b>Dec.</b>	8 442	8 518	-76
<b>1991*</b>			
<b>Jan.</b>	7 692	7 501	191
<b>Feb.</b>	6 946	7 224	-278
<b>March</b>	7 665	7 570	95
<b>April</b>	8 704	7 872	832
<b>May</b>	7 651	7 183	468
<b>June</b>	5 294	6 199	-905
<b>July</b>	8 026	7 071	955
<b>Aug.</b>	7 063	6 698	365
<b>Sept.</b>	8 146	7 147	999
<b>Oct.</b>	8 499	7 834	665
<b>Nov.</b>	8 957	7 281	1 676

### 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>1986</b>	116	110	135	121	111
<b>1987</b>	118	119	138	119	116
<b>1988</b>	121	130	145	122	119
<b>1989</b>	121	144	156	126	123
<b>1990*</b>	125	138	154	128	120
<b>1989</b>					
<b>II</b>	116	136	155	126	123
<b>III</b>	112	141	155	126	124
<b>IV</b>	134	163	157	126	125
<b>1990*</b>					
<b>I</b>	122	134	153	128	120
<b>II</b>	132	151	154	126	122
<b>III</b>	114	124	155	129	120
<b>IV</b>	130	139	154	133	116
<b>1991*</b>					
<b>I</b>	110	117	154	131	118
<b>II</b>	107	112	153	130	118
<b>III</b>	113	109	156	132	119

### 7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, f.o.b.					Imports by use of goods, c.i.f.				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
	1	2	3	4	5	6	7	8	9	10
<b>1986</b>	6 947	24 600	7 858	26 115	17 059	39 236	10 126	12 898	15 069	272
<b>1987</b>	7 470	27 058	7 770	26 230	16 988	41 174	9 406	14 138	17 477	612
<b>1988</b>	7 567	30 474	8 450	29 225	17 186	45 790	7 533	17 274	20 828	693
<b>1989</b>	7 418	32 513	8 843	32 682	18 326	51 786	8 311	20 605	24 056	758
<b>1990*</b>	7 810	31 673	9 541	35 494	16 820	49 194	9 836	19 368	23 891	729
<b>1990*</b>										
<b>Nov.</b>	696	2 846	826	3 095	1 497	4 065	811	1 494	1 951	60
<b>Dec.</b>	594	2 447	746	3 365	1 290	3 821	1 239	1 682	1 715	61
<b>1991*</b>										
<b>Jan.</b>	597	2 394	897	2 409	1 395	3 536	781	1 292	1 810	82
<b>Feb.</b>	555	2 394	821	1 920	1 256	3 653	427	1 221	1 916	7
<b>March</b>	571	2 616	902	2 260	1 316	3 691	527	1 174	2 168	10
<b>April</b>	578	2 577	896	3 297	1 356	3 912	600	1 326	1 998	36
<b>May</b>	592	2 454	835	2 396	1 374	3 773	700	1 091	1 612	7
<b>June</b>	283	1 009	804	2 035	1 163	3 001	905	957	1 299	37
<b>July</b>	705	3 284	693	2 135	1 209	3 453	670	1 109	1 833	6
<b>Aug.</b>	572	2 590	733	1 857	1 311	3 225	796	992	1 650	35
<b>Sept.</b>	643	2 442	955	2 579	1 527	3 530	858	1 015	1 734	10
<b>Oct.</b>	655	2 681	965	2 631	1 567	3 567	1 205	1 128	1 803	131
<b>Nov.</b>	661	2 834	1 062	2 881	1 519	3 544	979	1 003	1 731	24

## 7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1990		1991*		1990		1991*	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period on the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
<b>All OECD countries</b>	77 533	76.5	69 642	-2.8	82 355	79.9	63 293	-16.3
<b>OECD Europe</b>	68 001	67.1	61 584	-1.8	67 601	65.6	52 372	-15.7
Of which:								
Austria	1 117	1.1	1 136	9.7	1 401	1.4	965	-25.9
Belgium and Luxembourg	2 247	2.2	2 208	7.8	2 839	2.8	2 020	-23.0
Denmark	3 538	3.5	3 201	-1.7	3 369	3.3	2 776	-10.7
France	6 237	6.2	5 029	-12.7	4 427	4.3	3 293	-20.3
Federal Republic of Germany <sup>1</sup>	13 003	12.8	13 200	11.6	17 897	17.4	13 446	-19.0
Italy	3 227	3.2	2 987	0.2	4 766	4.6	3 384	-23.8
Netherlands	4 347	4.3	4 273	6.8	3 276	3.2	2 748	-8.3
Norway	3 067	3.0	2 761	-1.7	3 512	3.4	3 619	17.2
Spain	2 210	2.2	2 253	11.1	1 159	1.1	909	-14.1
Sweden	14 456	14.3	11 887	-11.5	13 407	13.0	9 683	-21.3
Switzerland	1 806	1.8	1 672	-0.3	1 804	1.8	1 430	-13.8
United Kingdom	10 724	10.6	8 920	-11.0	7 822	7.6	6 032	-14.7
<b>Other OECD</b>	9 532	9.4	8 058	-9.9	14 754	14.3	10 921	-18.7
Of which:								
Canada	1 124	1.1	667	-37.5	810	0.8	509	-32.3
Japan	1 445	1.4	1 266	-5.7	6 628	6.4	4 842	-21.6
United States	5 898	5.8	5 203	-6.3	6 974	6.8	5 225	-15.6
<b>Non-OECD European countries</b>	13 888	13.7	5 613	-55.3	12 266	11.9	8 766	-24.2
Of which:								
Soviet Union	12 884	12.7	4 077	-64.4	10 202	9.9	6 874	-27.6
<b>Other countries</b>	9 917	9.8	9 388	7.9	8 397	8.2	7 521	2.5
Of which:								
<b>OPEC countries</b>	1 727	1.7	1 752	21.3	935	0.9	1 201	53.0
<b>TOTAL</b>	101 338	100.0	84 643	-8.9	103 018	100.0	79 580	-15.8
Of which:								
<b>EEC countries</b>	47 078	46.5	43 710	-0.1	47 263	45.9	36 543	-16.9
<b>EFTA countries</b>	20 540	20.3	17 558	-7.8	20 195	19.6	15 729	-14.6

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

## 8. DOMESTIC ECONOMIC DEVELOPMENTS

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

(seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4	5	6	7	8	9
<b>1986</b>	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
<b>1987</b>	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
<b>1988</b>	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
<b>1989</b>	218 775	77 117	95 178	11 234	14 056	416 360	107 552	128 834	395 078
<b>1990*</b>	219 654	80 600	88 534	12 691	13 675	415 154	109 236	127 735	396 655
<b>1989</b>									
<b>II</b>	54 628	19 200	24 002	2 629	2 575	103 035	25 920	30 315	98 640
<b>III</b>	54 931	19 318	24 631	2 859	4 549	106 287	26 318	32 815	99 791
<b>IV</b>	55 065	19 472	24 967	2 976	5 185	107 665	27 366	34 237	100 794
<b>1990*</b>									
<b>I</b>	54 989	19 919	23 655	3 135	3 381	105 078	27 383	32 618	99 843
<b>II</b>	55 407	20 079	22 289	3 306	4 854	105 936	29 134	34 284	100 787
<b>III</b>	54 974	20 224	21 504	3 127	3 215	103 045	26 724	30 242	99 527
<b>IV</b>	54 284	20 378	21 085	3 123	3 590	102 460	25 995	30 591	97 864
<b>1991*</b>									
<b>I</b>	53 016	20 124	20 223	3 030	2 761	99 154	25 742	29 585	95 310
<b>II</b>	52 383	20 279	18 644	3 242	935	95 484	24 430	26 565	93 348
<b>III</b>	52 465	20 409	17 291	3 186	28	93 379	27 060	27 524	92 915

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

(seasonally adjusted figures)

Period	Total industry (100.0)	Mining and quarrying (1.6)	Manufacturing (87.9)	Wood and paper industries (16.5)	Metal and engineering industries (30.0)	Other manufacturing (41.4)	Energy and water supply (10.5)
	1	2	3	4	5	6	7
<b>1986</b>	101.9	102.8	102.0	102.3	103.0	101.2	100.4
<b>1987</b>	107.2	99.9	107.2	106.5	110.2	105.4	107.8
<b>1988</b>	110.9	108.8	111.0	113.1	114.5	107.6	110.1
<b>1989</b>	114.6	117.9	115.0	116.6	121.5	109.6	110.5
<b>1990*</b>	113.9	115.5	114.0	114.6	121.8	108.0	112.9
<b>1990*</b>							
<b>Oct.</b>	110.8	110.0	110.3	111.4	117.6	104.9	114.6
<b>Nov.</b>	110.7	104.7	110.0	110.5	117.8	104.4	115.1
<b>Dec.</b>	112.6	117.8	112.2	112.0	121.5	105.5	113.2
<b>1991*</b>							
<b>Jan.</b>	110.0	116.3	108.8	106.8	118.1	102.3	118.0
<b>Feb.</b>	107.2	107.0	104.9	104.6	111.2	99.7	124.9
<b>March</b>	108.0	107.0	107.0	107.4	114.6	100.4	118.0
<b>April</b>	105.5	96.9	104.3	107.0	109.9	99.1	120.1
<b>May</b>	104.1	85.4	102.7	106.7	109.6	95.6	123.3
<b>June</b>	99.0	74.1	98.5	90.9	102.3	96.6	113.6
<b>July</b>	107.7	93.8	106.0	106.3	110.7	103.1	123.2
<b>Aug.</b>	101.7	128.4	99.6	101.2	101.5	97.5	119.5
<b>Sept.</b>	101.7	113.6	98.5	102.3	102.0	94.8	129.5
<b>Oct.</b>	99.7	106.1	96.5	102.5	99.7	92.4	127.3



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

(seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
<b>1986</b>	104.7	102.5	94.0	88.4	99.9	99.5	105.2	102.1
<b>1987</b>	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.9
<b>1988</b>	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.6
<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>1990*</b>								
<b>Sept.</b>	115.8	107.7	..	..	..	..	..	116.6
<b>Oct.</b>	118.3	110.9	..	..	..	..	..	115.5
<b>Nov.</b>	111.1	109.3	..	..	..	..	..	114.6
<b>Dec.</b>	108.1	106.5	..	..	..	..	..	113.8
<b>1990*</b>								
<b>III</b>	119.8	111.6	119.8	120.5	162.6	111.4	122.1	116.8
<b>IV</b>	112.5	108.9	117.5	109.8	165.9	115.6	145.2	114.6
<b>1991*</b>								
<b>Jan.</b>	110.3	103.8	..	..	..	..	..	113.7
<b>Feb.</b>	107.3	103.1	..	..	..	..	..	112.1
<b>March</b>	98.3	101.3	..	..	..	..	..	110.9
<b>April</b>	107.3	105.2	..	..	..	..	..	111.6
<b>May</b>	100.6	104.3	..	..	..	..	..	110.3
<b>June</b>	96.8	103.7	..	..	..	..	..	108.2
<b>July</b>	112.4	110.0	..	..	..	..	..	112.3
<b>Aug.</b>	99.7	105.1	..	..	..	..	..	110.0
<b>Sept.</b>	100.0	102.4	..	..	..	..	..	110.7
<b>1991*</b>								
<b>I</b>	105.3	102.7	113.1	110.0	156.0	108.5	110.7	112.3
<b>II</b>	101.6	104.4	116.0	105.4	159.9	122.8	100.9	110.0
<b>III</b>	104.1	105.8	96.7	88.7	83.4	103.8	86.5	111.0

## 8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which: Manufacturing (SIC 3)	Central government	Local government	Non-profit institutions			Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>1986</b>	106.9	106.6	106.2	106.6	107.8	107.2	102.9	97.0	98.6	91.0	96.5	96.7	96.4	104.3
<b>1987</b>	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
<b>1988</b>	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
<b>1989</b>	135.7	136.5	133.8	137.4	132.1	137.1	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
<b>1990</b>	148.2	148.9	146.9	149.8	144.8	150.1	127.3	110.9	115.7	93.6	110.0	110.4	109.8	134.5
<b>1990</b>														
<b>Nov.</b>	..	..	..	..	..	..	129.1	112.6	117.1	96.4	110.9	110.6	111.1	136.8
<b>Dec.</b>	..	..	..	..	..	..	129.0	112.1	116.7	95.3	110.4	109.6	110.9	136.8
<b>III</b>	148.4	149.1	147.0	150.2	144.8	150.4	128.1	111.4	116.2	93.9	110.4	110.4	110.4	135.5
<b>IV</b>	153.3	154.1	152.5	153.9	150.0	154.0	129.1	112.6	117.0	96.6	110.9	110.3	111.2	136.8
<b>1991</b>														
<b>Jan.</b>	..	..	..	..	..	..	130.9	111.9	116.7	94.0	110.2	108.9	110.8	137.1
<b>Feb.</b>	..	..	..	..	..	..	131.6	111.6	116.7	92.8	110.2	109.2	110.7	136.8
<b>March</b>	..	..	..	..	..	..	131.7	111.5	116.5	93.3	109.8	108.6	110.4	137.4
<b>April</b>	..	..	..	..	..	..	132.2	111.2	116.0	93.5	109.5	108.7	109.9	137.4
<b>May</b>	..	..	..	..	..	..	132.8	111.2	116.0	93.6	109.4	108.4	109.9	137.4
<b>June</b>	..	..	..	..	..	..	132.7	111.1	116.0	93.5	109.8	109.0	110.2	137.2
<b>July</b>	..	..	..	..	..	..	132.7	111.0	115.6	94.0	109.6	108.3	110.2	137.8
<b>Aug.</b>	..	..	..	..	..	..	132.8	110.8	115.2	94.5	109.4	108.2	110.1	137.5
<b>Sept.</b>	..	..	..	..	..	..	133.0	110.8	115.3	94.4	109.7	108.5	110.3	137.8
<b>Oct.</b>	..	..	..	..	..	..	133.3	111.0	115.6	94.4	109.8	108.0	110.7	137.5
<b>Nov.</b>	..	..	..	..	..	..	133.4	111.2	115.3	96.1	110.1	108.4	110.9	137.4
<b>I</b>	154.4	155.5	153.7	154.6	150.8	154.3	131.4	111.6	116.6	93.4	110.1	108.9	110.6	137.1
<b>II</b>	157.5	158.2	156.6	158.2	154.4	158.2	132.6	111.1	116.0	93.5	109.6	108.7	110.0	137.3
<b>III</b>	158.7	159.0	157.2	159.7	156.6	159.9	132.8	110.8	115.4	94.3	109.6	108.3	110.2	137.7

<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>1986</b>	69.1	2 569	2 431	359	2 071	266	589	185	1 391	138	5.4	
<b>1987</b>	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1	
<b>1988</b>	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6	
<b>1989</b>	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5	
<b>1990</b>	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4	
<b>1990</b>												
<b>Oct.</b>	68.3	2 556	2 462	356	2 106	206	550	205	1 501	93	3.7	
<b>Nov.</b>	67.8	2 539	2 435	356	2 078	205	546	202	1 483	105	4.1	
<b>Dec.</b>	68.3	2 559	2 447	350	2 097	199	549	200	1 498	113	4.4	
<b>1991</b>												
<b>Jan.</b>	67.8	2 544	2 418	344	2 074	203	530	200	1 486	126	5.0	
<b>Feb.</b>	67.4	2 527	2 384	348	2 036	198	522	194	1 470	143	5.7	
<b>March</b>	68.3	2 563	2 412	359	2 053	200	526	187	1 499	151	5.9	
<b>April</b>	67.8	2 547	2 385	344	2 041	198	511	193	1 482	162	6.4	
<b>May</b>	67.3	2 528	2 354	341	2 013	196	514	186	1 459	174	6.9	
<b>June</b>	67.1	2 522	2 332	344	1 988	192	509	178	1 453	190	7.5	
<b>July</b>	67.1	2 525	2 326	329	1 997	195	497	180	1 453	199	7.9	
<b>Aug.</b>	67.2	2 528	2 325	340	1 985	205	492	181	1 446	203	8.0	
<b>Sept.</b>	67.0	2 522	2 298	326	1 972	190	484	164	1 460	224	8.9	
<b>Oct.</b>	67.0	2 528	2 287	329	1 958	199	480	158	1 450	241	9.5	

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

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
<b>1986</b>	28 079	51 733	323	11 640	91 774	2 209	93 983	26 354	52 845	23 215	28 131
<b>1987</b>	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
<b>1988</b>	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
<b>1989</b>	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
<b>1990</b>	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
<b>1990</b>											
<b>Oct.</b>	3 135	6 208	75	1 151	10 569	218	10 787	3 520	7 862	3 526	4 143
<b>Nov.</b>	4 576	5 868	77	1 871	12 393	701	13 094	3 493	7 574	3 212	4 192
<b>Dec.</b>	4 045	8 332	222	2 740	15 339	278	15 616	3 730	8 101	3 311	4 150
<b>1991</b>											
<b>Jan.</b>	2 877	6 212	229	1 127	10 445	7	10 452	3 623	6 893	3 045	3 703
<b>Feb.</b>	2 995	6 373	111	1 174	10 653	121	10 775	3 421	7 309	3 079	3 422
<b>March</b>	2 876	5 452	126	1 522	9 976	64	10 040	3 453	7 218	3 431	3 667
<b>April</b>	2 954	5 586	44	2 607	11 191	1 771	12 962	3 638	8 726	3 286	5 333
<b>May</b>	1 575	6 096	70	1 471	9 212	341	9 553	3 784	8 164	3 600	4 278
<b>June</b>	5 619	6 144	-81	1 615	13 297	499	13 797	3 789	8 622	4 041	4 109
<b>July</b>	5 450	6 176	97	1 794	13 517	144	13 661	4 778	7 889	3 360	4 290
<b>Aug.</b>	3 120	6 425	77	1 020	10 642	157	10 799	3 247	7 817	3 387	4 205
<b>Sept.</b>	3 336	6 164	69	1 303	10 872	124	10 996	3 610	7 895	3 458	4 271
<b>Oct.</b>	3 080	5 759	99	1 150	10 088	85	10 174	3 763	9 259	3 433	5 574

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>1986</b>	6 111	5 058	90 368	4 913	95 281	1 406	-1 298	4 203	2 905
<b>1987</b>	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324
<b>1988</b>	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287
<b>1989</b>	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842
<b>1990</b>	5 962	4 927	133 614	9 319	142 934	5 737	678	4 202	4 880
<b>1990</b>									
<b>Oct.</b>	583	599	12 564	793	13 357	-1 994	-2 569	937	-1 632
<b>Nov.</b>	565	114	11 745	804	12 549	648	545	1 492	2 038
<b>Dec.</b>	738	370	12 939	926	13 866	2 400	1 750	4 738	6 489
<b>1991</b>									
<b>Jan.</b>	340	612	11 468	916	12 383	-1 023	-1 931	2 173	242
<b>Feb.</b>	333	288	11 351	774	12 125	-698	-1 350	-152	-1 502
<b>March</b>	380	641	11 692	958	12 649	-1 716	-2 609	4 634	2 025
<b>April</b>	418	1 050	13 832	2 893	16 725	-2 641	-3 763	-17	-3 780
<b>May</b>	505	891	13 344	1 051	14 394	-4 132	-4 841	1 080	-3 760
<b>June</b>	450	311	13 172	1 429	14 601	125	-804	492	-312
<b>July</b>	460	187	13 314	847	14 162	203	-501	2 382	1 881
<b>Aug.</b>	416	-67	11 413	826	12 240	-771	-1 441	1 180	-261
<b>Sept.</b>	498	523	12 526	829	13 355	-1 654	-2 359	3 242	883
<b>Oct.</b>	567	713	14 302	993	15 295	-4 214	-5 121	4 991	-130

# NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION

## GENERAL

### Source

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

### Symbols used

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

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

## NOTES AND EXPLANATIONS TO TABLES

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

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

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

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

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

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

## 3 RATES OF INTEREST

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

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

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

**Table 3.4 Lending.** New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic averages of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans.

**Deposits.** 24-month tax-exempt deposits (Column 7): 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 1 percentage point (since December 1989). Other tax-exempt deposits (Column 8): Deposits other than 24-month deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less 4 percentage points (since January 1989). Up till December 1988, the figures for tax-exempt deposits (Columns 7 and 8) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. All markka deposits (Column 9): the stock of deposits comprises all markka deposits by the public. The monthly and annual average rates of interest are weighted by deposit amounts. Other funding (Column 10): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 11); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

## Table 3.5 Secondary market yields.

Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. From June 1990 onwards, the yield on taxable government bonds (Column 3) is calculated by the Bank of Finland as the monthly average of the offered rates quoted daily by the five largest banks. The yield is calculated on a bullet bond due on March 15, 1994 with a coupon rate of 13 per cent. The annual figure for 1990 is calculated as the arithmetic mean of yields on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The yield on taxable public issues (Column 4) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued by all issuers except the central government with a remaining maturity of between 3 and 6 years. Financial institutions (Column 5): as in Column 4 for issues by financial institutions incl. banks. Corporations (Column 6): as in Column 4 for issues by non-financial corporations. The yield on taxfree public issues (Column 7) is calculated as the arithmetic mean of yields on fixed-rate public bonds with a remaining maturity of between 4 and 5 years. The Bank of Finland calculates the yields for columns 3-7 once a week on the basis of the trading quotations of the Helsinki Stock Exchange. Monthly observations are the averages of weekly observations and annual observations the averages of monthly observations. **The offer yield on fixed-rate taxable public bonds and debentures** (Column 8) is the average yield weighted by issue amounts - in the case of government bonds by amounts sold - on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued during the period.

## 4 RATES OF EXCHANGE

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

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

## 5 OTHER DOMESTIC FINANCING

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

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

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

$M_2$  (Column 7) =  $M_1$  + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland).  $M_3$  (Column 8) =  $M_2$  + bank CDs held by the public.

**Table 5.4** Source: State Treasury Office. **Foreign debt.** Other bonds and debentures (Column 2) are so-called private placings. Long-term promissory notes (Column 3) are bank loans. Outstanding lending (Column 10) comprises the stock of loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

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

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

## 6 BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

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

**Table 6.2** Columns 1-5: Net change in long-term liabilities. Columns 6-10: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 7) (marketable instruments): Primary and secondary market transactions in securities. Loans (Column 3) (non-marketable instruments): Financial loans, import credits, prepayments related to exports and leasing credits. Other long-term capital (Column 4): Finland's subscriptions to international financial institutions paid in the form of promissory notes + long-term deposit 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: Central Statistical Office of Finland. Seasonal adjustment is carried out by the Bank of Finland.

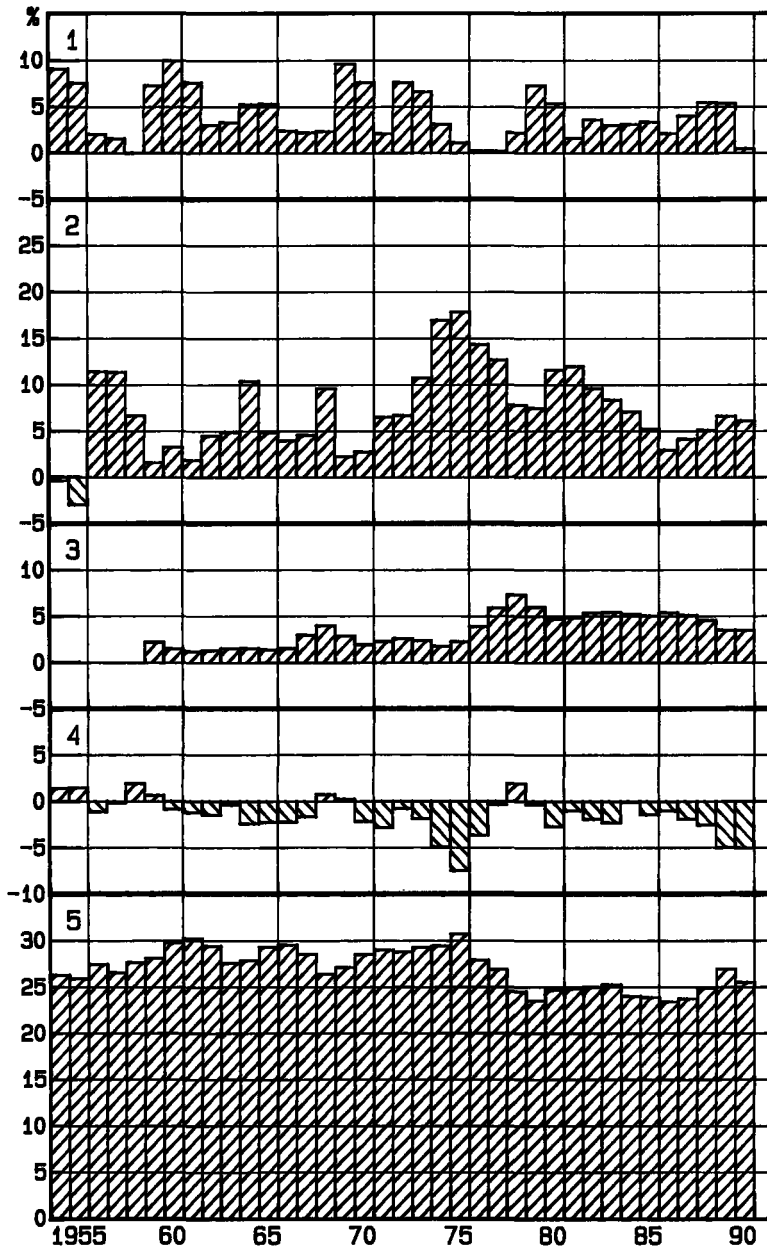
**Table 8.3** The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

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

1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Items affecting domestic liquidity	S29
5. Overnight rates	S30
6. HELIBOR rates of interest (daily)	S30
7. HELIBOR rates of interest (monthly)	S30
8. Rates of interest applied by the Bank of Finland	S31
9. 3-month covered Eurodollar rate and 3-month Eurorates	S31
10. Rates on bonds and debentures	S31
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12. Markka value of the ECU	S32
13. Changes in the exchange rates of selected Nordic currencies	S32
14. Changes in the exchange rates of selected major currencies	S33
15. Bank funding from the public	S33
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17. Money supply	S34
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23. Net investment expenditure	S36
24. Foreign trade	S37
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26. Finland's export performance	S37
27. Production	S38
28. Fixed investment	S38
29. Employment and unemployment rate	S39
30. Prices and wages	S39
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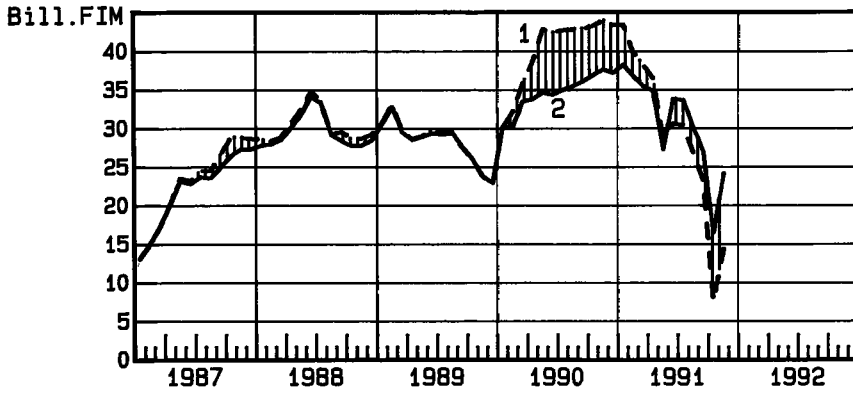
### 1. LONG-TERM INDICATORS



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

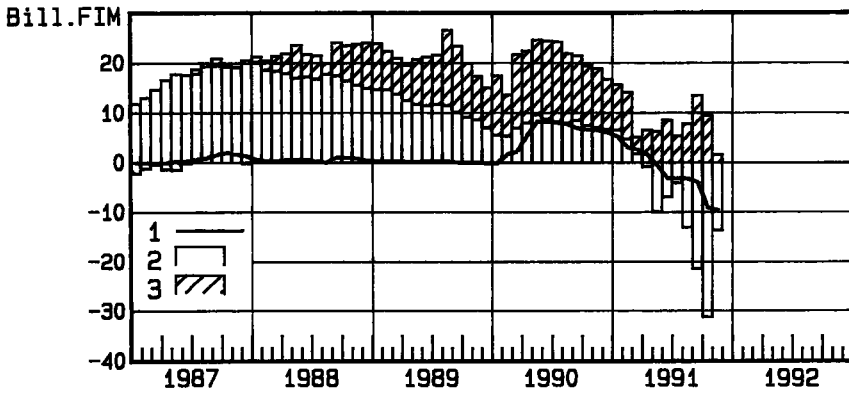


## 2. THE BANK OF FINLAND'S FOREIGN EXCHANGE RESERVES AND FORWARD POSITION



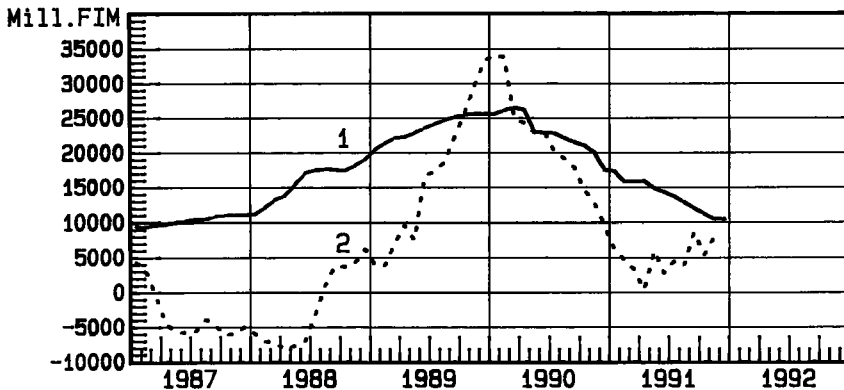
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves

## 3. FORWARD MARKET



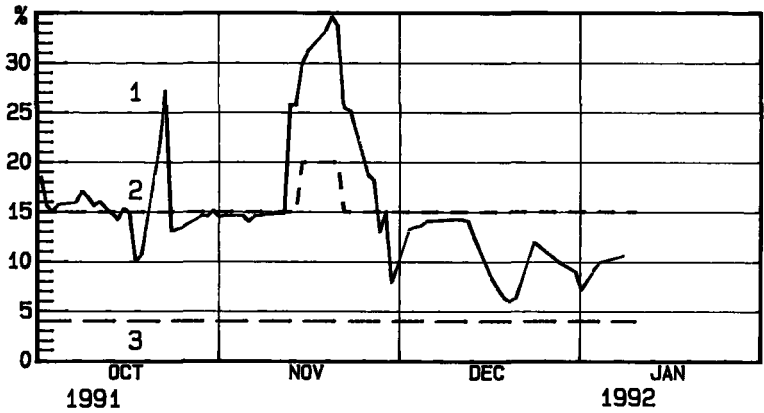
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

## 4. ITEMS AFFECTING DOMESTIC LIQUIDITY



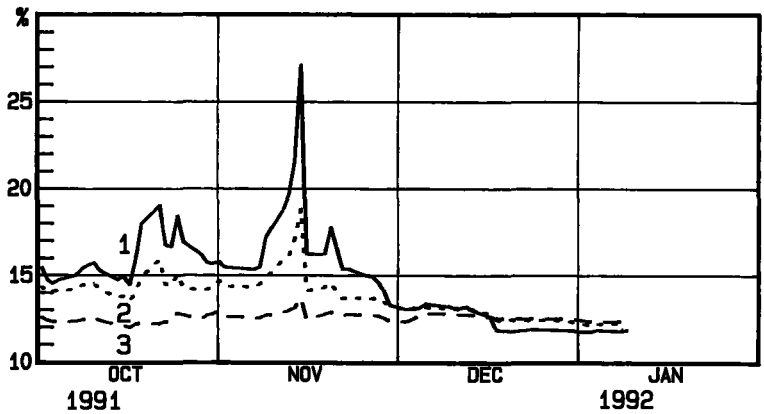
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



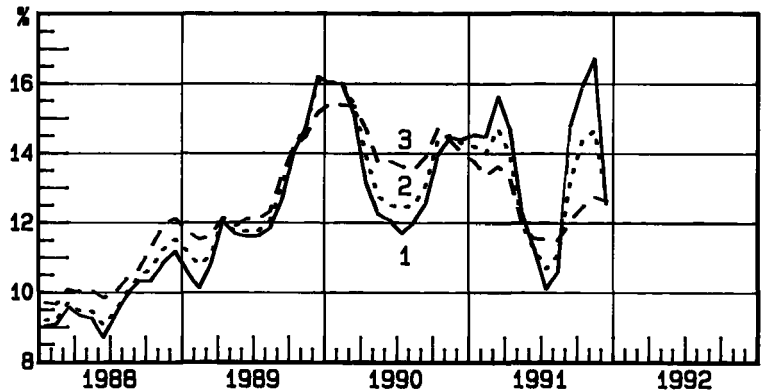
- 1. Inter-bank overnight rate
  - 2. Call money credit rate
  - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



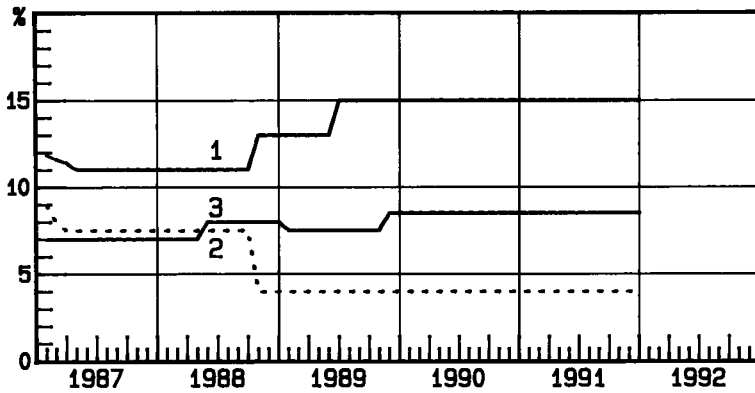
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



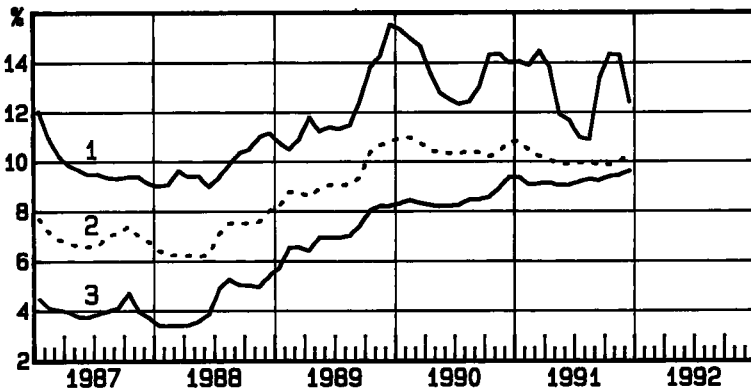
- 1. 1-month HELIBOR
  - 2. 3-month HELIBOR
  - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



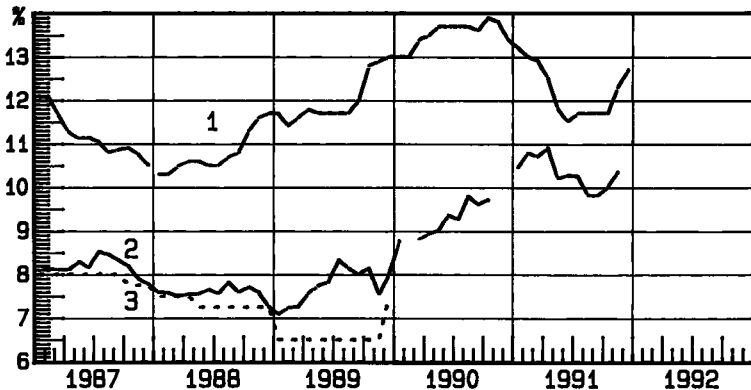
- 1. Call money credit rate
  - 2. Call money deposit rate
  - 3. Base rate
- End-of-month observations

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



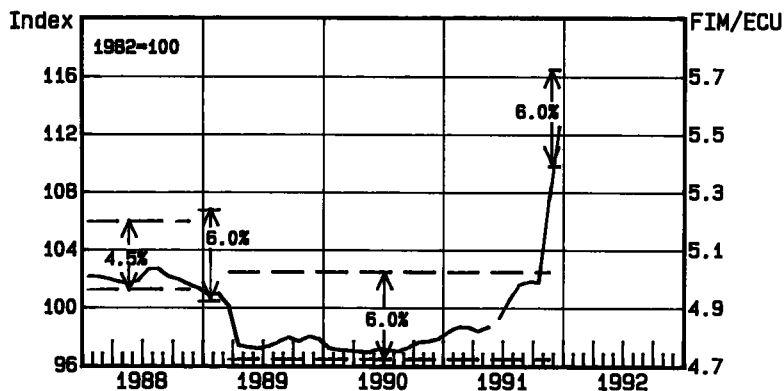
- 1. Covered Eurodollar rate
- 2. ECU rate
- 3. DEM Eurorate

10. RATES ON BONDS AND DEBENTURES



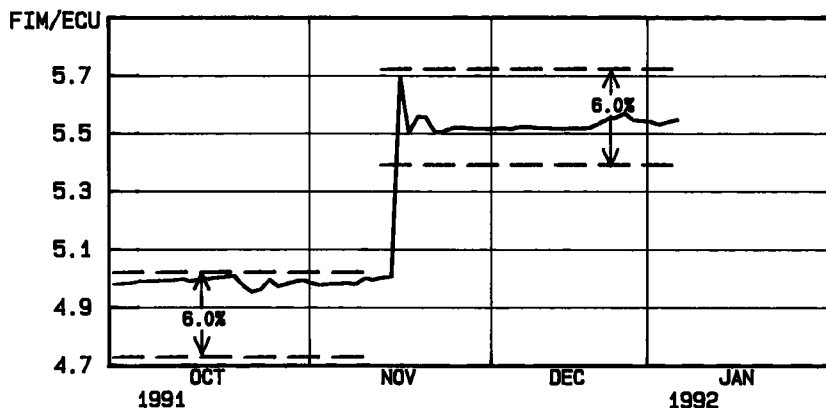
- 1. Long-term (5-year) market rate (before 1988 rate on (3-6 year) fixed-rate debentures)
- 2. Rate on (9-10 year) tax-free government bonds
- 3. Rate at issue on new 10-year taxfree government bonds

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



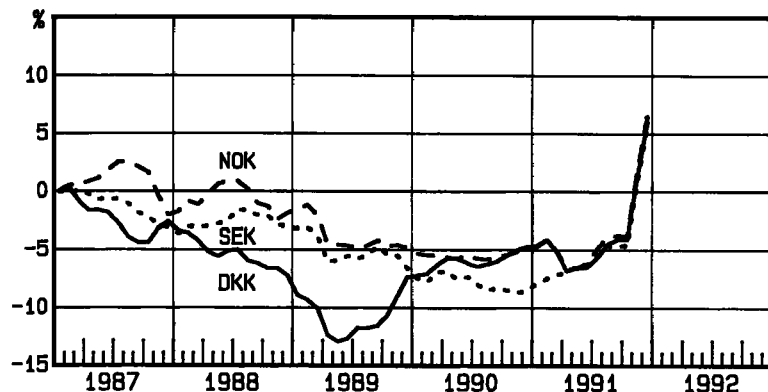
Until June 7, 1991, the Bank of Finland currency index. From June 7, 1991, the markka's exchange rate against the ECU, the fluctuation limits of which were 4.72953 - 5.02207 in the period June 7 - November 14, 1991, and have been 5.39166 - 5.72516 since November 15, 1991. Monthly averages

12. MARKKA VALUE OF THE ECU



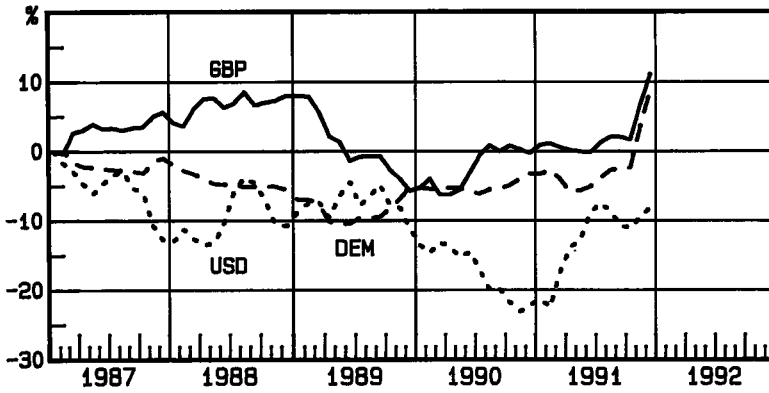
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



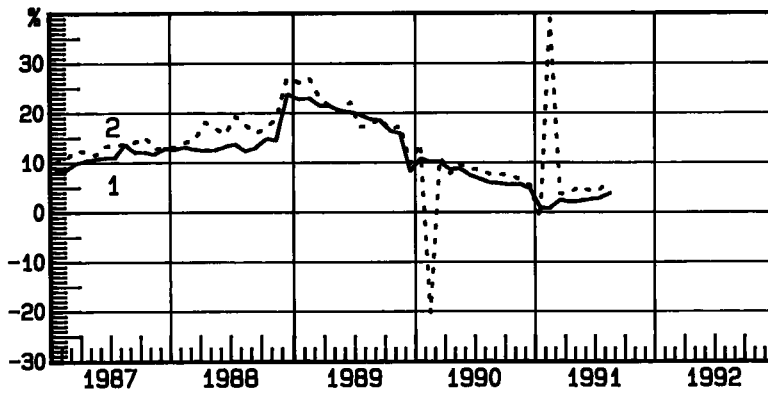
Monthly changes in markka selling rates calculated from the average rates for January 1987

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



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

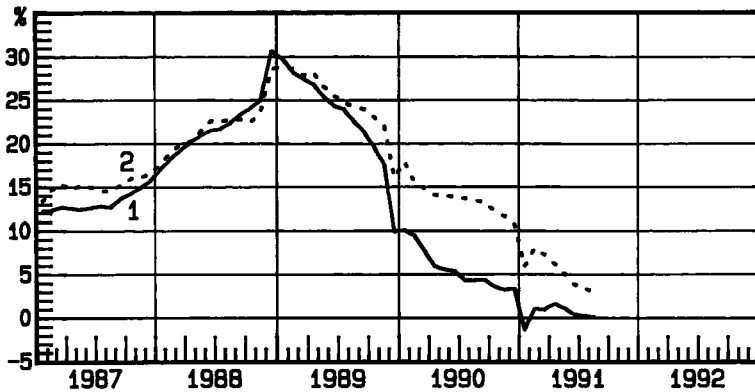
15. BANK FUNDING FROM THE PUBLIC



1. Markka deposits  
2. Total funding

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

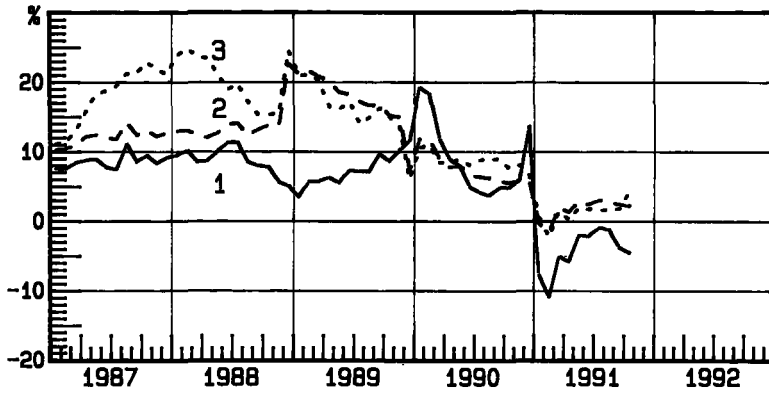
16. BANK LENDING TO THE PUBLIC



1. Markka lending  
2. Total lending

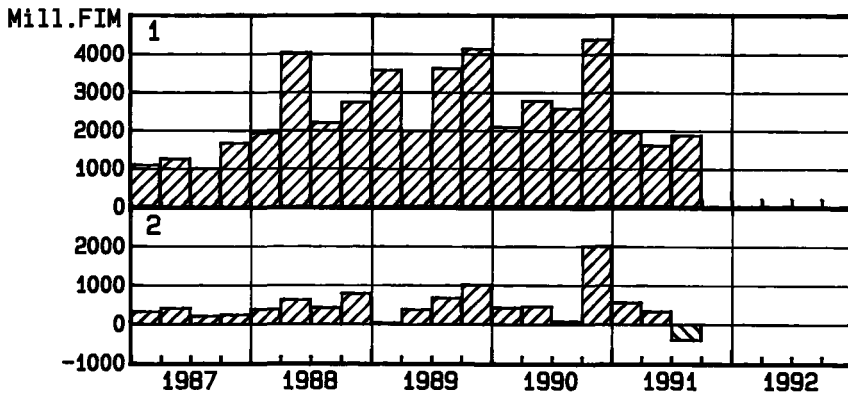
Change from the corresponding month of the previous year, per cent

17. MONEY SUPPLY



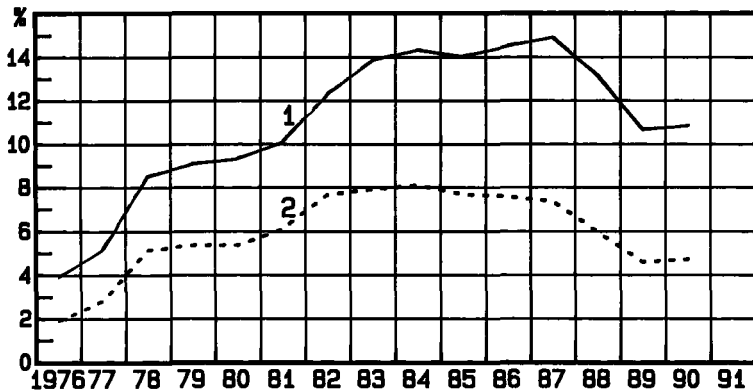
- 1. Narrow money supply (M1)
  - 2. Broad money supply (M2)
  - 3. M2 + bank CDs held by the public (M3)
- Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



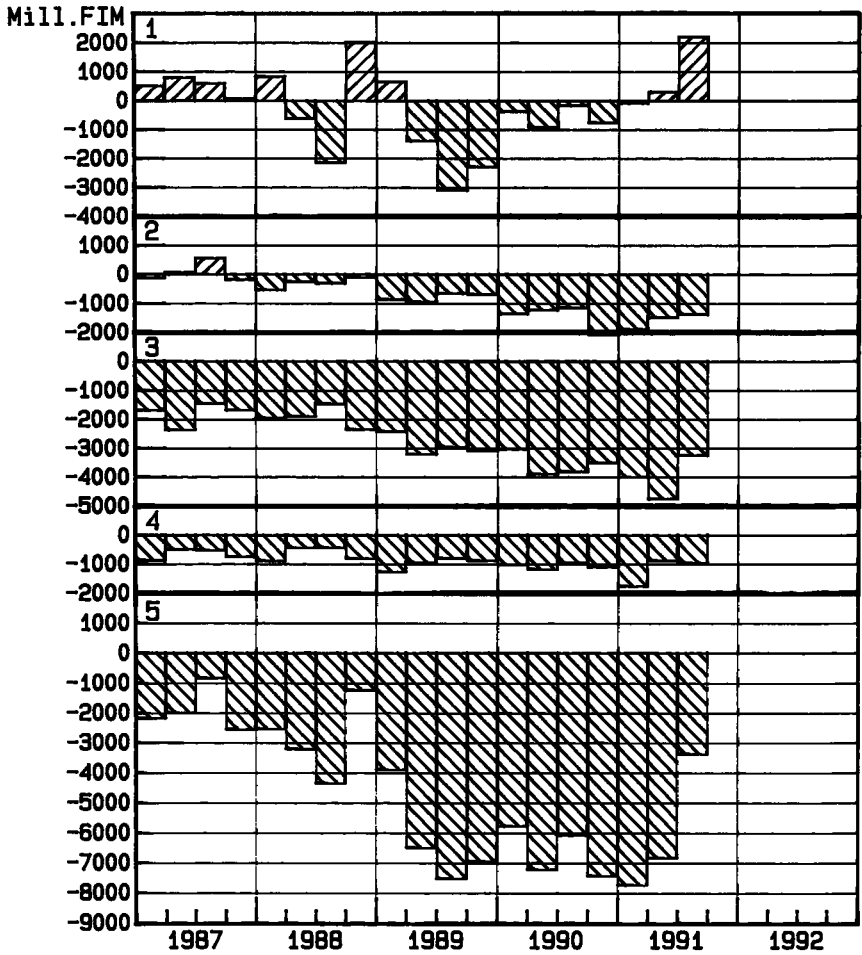
- 1. Finnish direct investment abroad, net
- 2. Foreign direct investment in Finland, net

19. CENTRAL GOVERNMENT DEBT



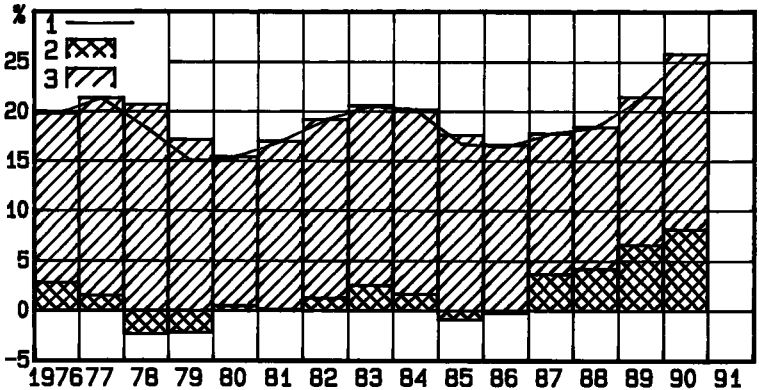
- 1. Total debt
  - 2. Of which: foreign debt
- As a percentage of GDP

20. CURRENT ACCOUNT



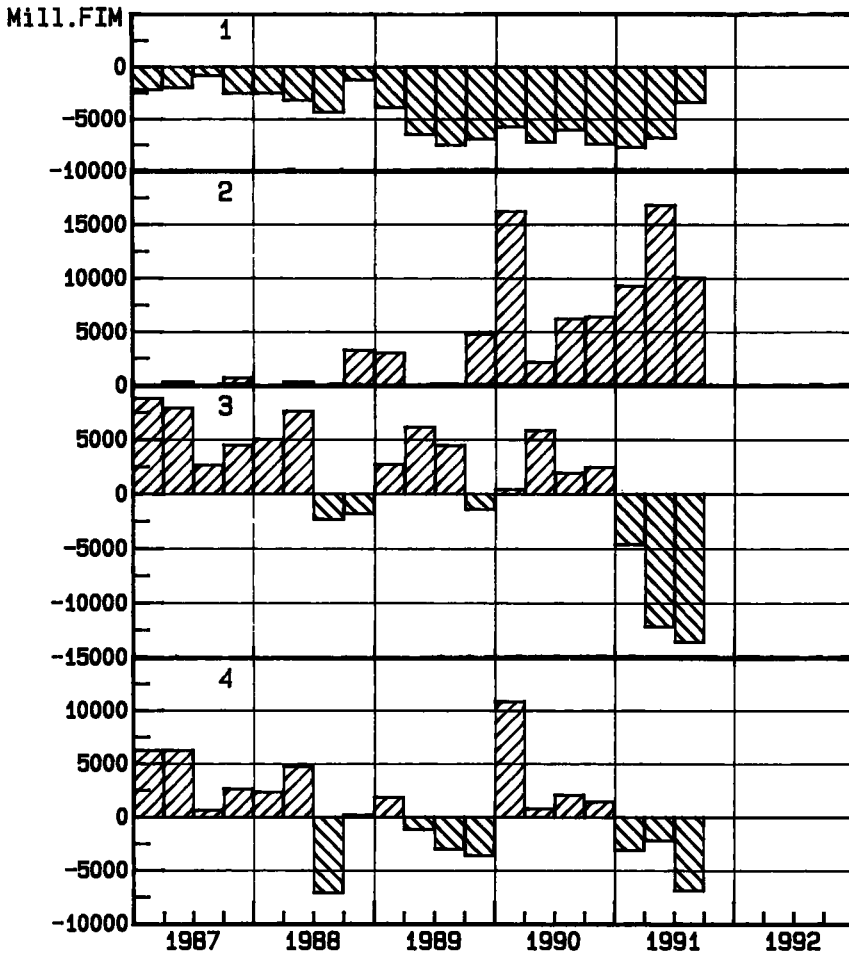
- 1. Trade account
- 2. Services account
- 3. Investment income account
- 4. Unrequited transfers account and other items, net
- 5. Current account

21. FOREIGN DEBT



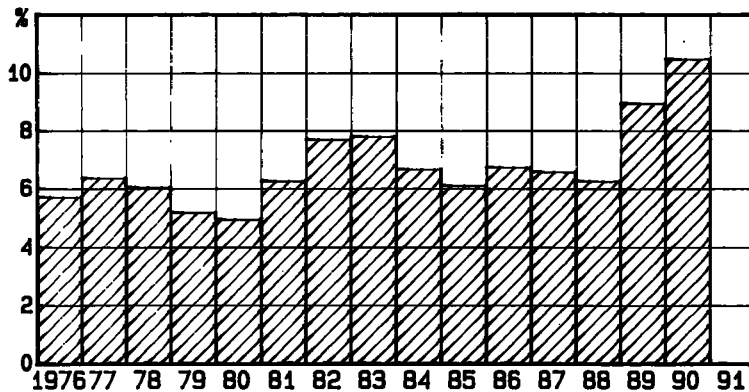
- 1. Total foreign net debt
  - 2. Short-term net debt
  - 3. Long-term net debt
- As a percentage of GDP

22. BALANCE OF PAYMENTS



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

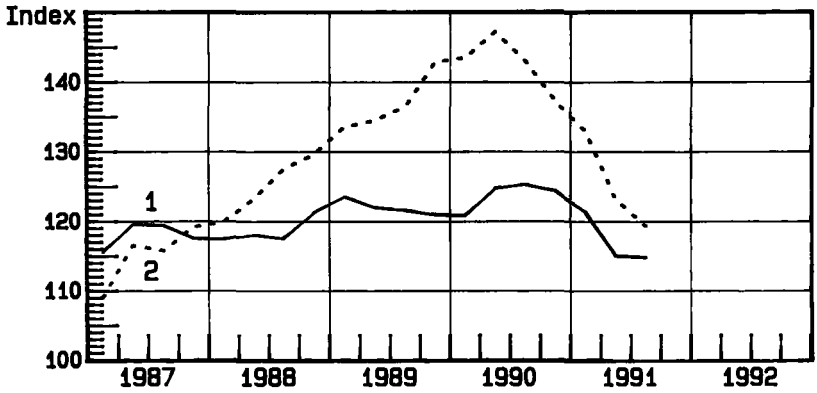
23. NET INVESTMENT EXPENDITURE



As a percentage of current account receipts



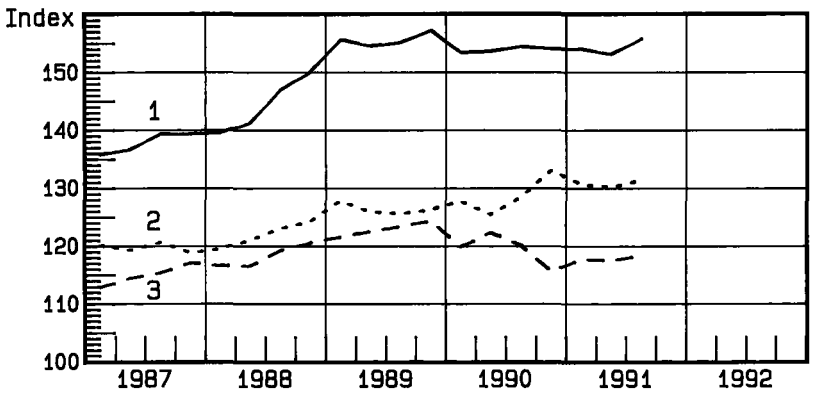
## 24. FOREIGN TRADE



1. Total exports
2. Total imports

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

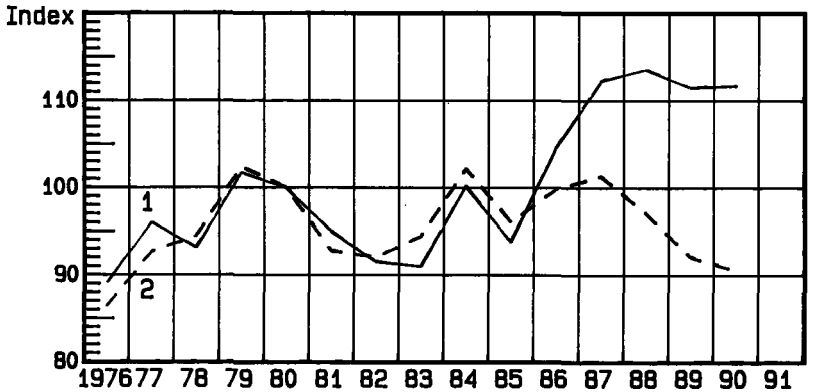
## 25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



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

1980 = 100

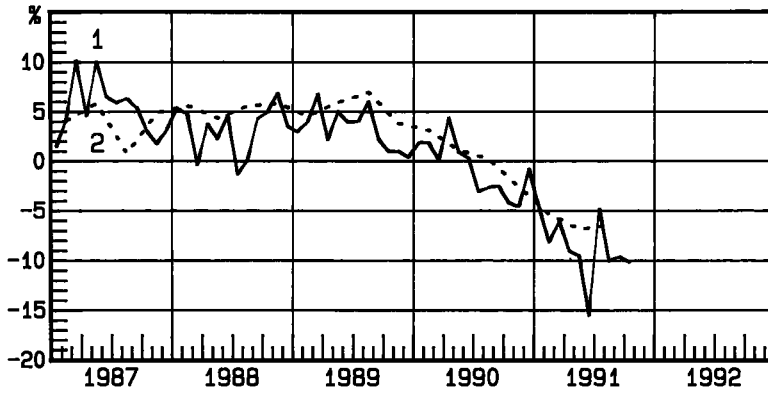
## 26. FINLAND'S EXPORT PERFORMANCE



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

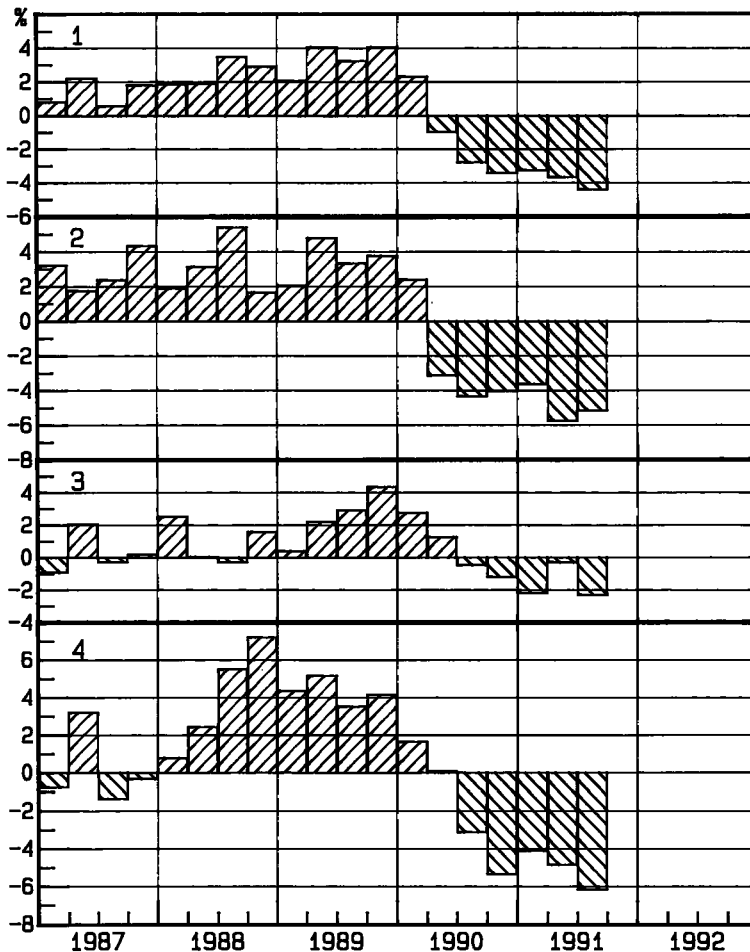
1980 = 100

27. PRODUCTION



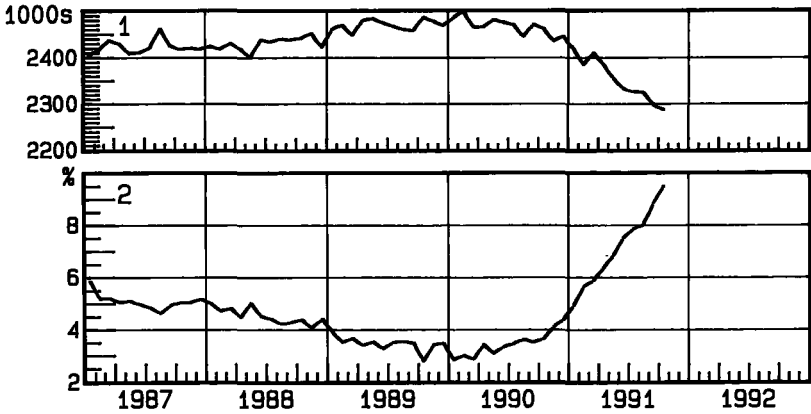
1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

28. FIXED INVESTMENT



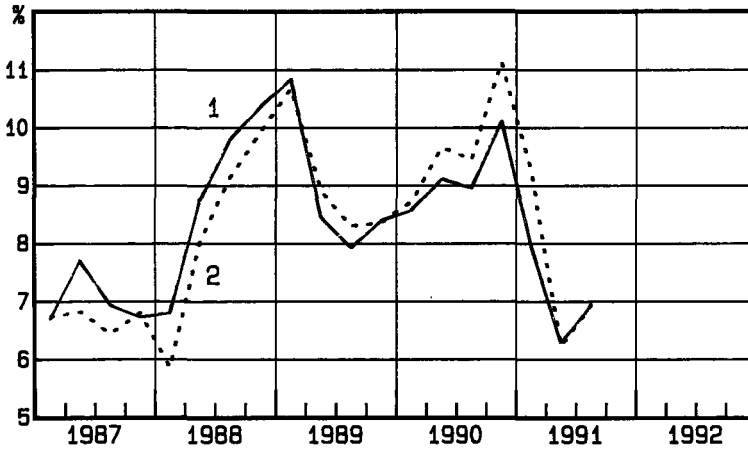
1. Total fixed investment
  2. Investment in machinery and equipment
  3. Building investment, excl. residential buildings
  4. Residential buildings
- Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



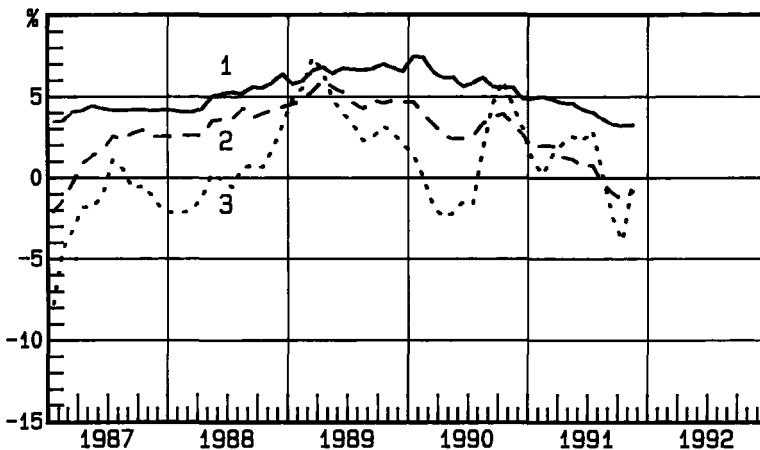
- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES



- 1. Index of wage and salary earnings, all wage and salary earners
- 2. Index of wage and salary earnings, manufacturing workers

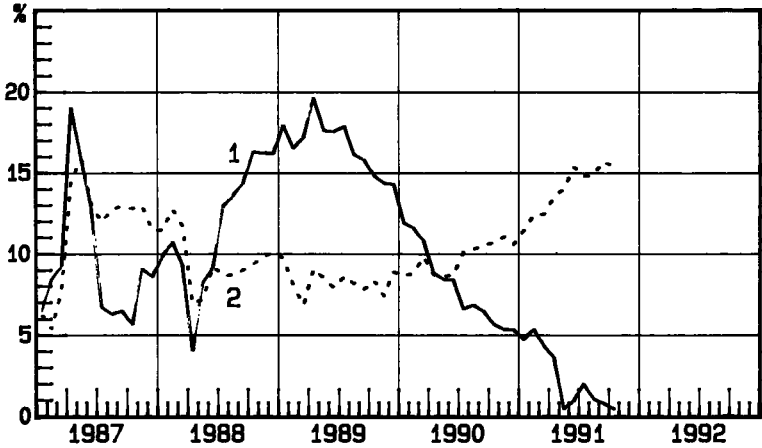
Change from the corresponding quarter of the previous year, per cent



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

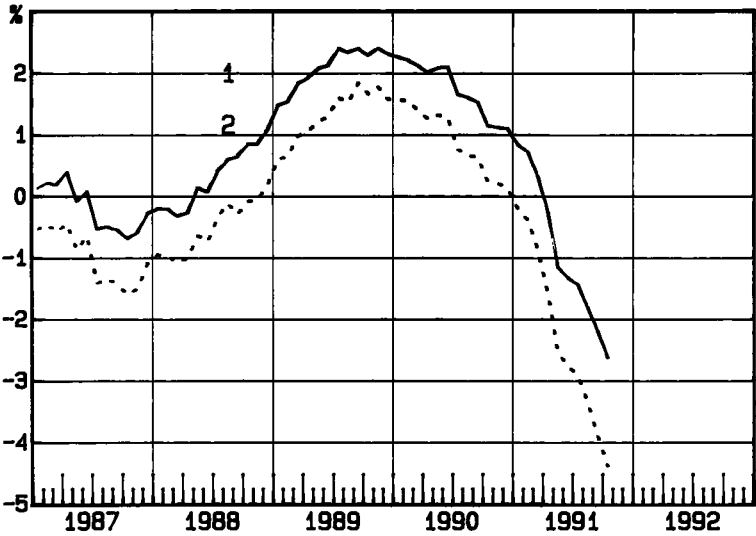
Change from the corresponding month of the previous year

31. CENTRAL GOVERNMENT FINANCES



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

Changes calculated from 12-month moving totals and shown as at the last month, per cent



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

12-month moving total shown as at the last month and as a percentage of GDP

# BANK OF FINLAND

December 9, 1991

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## THE PARLIAMENTARY SUPERVISORY BOARD

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JUSSI RANTA, Vice Chairman  
SEPPÖ KÄÄRIÄINEN

HANNU TENHIÄLÄ  
ANNELI JÄÄTTEENMÄKI

TUULIKKI HÄMÄLÄINEN  
ESKO SEPPÄNEN

MAURI MIETTINEN  
JÖRN DONNER

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## THE BOARD OF MANAGEMENT

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ROLF KULLBERG, Chairman

ESKO OLLILA

ELE ALENIUS

KALEVI SORSA

HARRI HOLKERI

SIRKKA HÄMÄLÄINEN

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

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Personnel Projects ANNELI SOINI  
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MATTI VANHALA

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KAIJU KALLIO (Acting Head), Advisers:  
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International Office of the Central Bank Policy  
Department

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

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Internal Audit Department TIMO MÄNNISTÖ

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

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

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## SETEC OY

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VELI TARVAINEN, Managing Director

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