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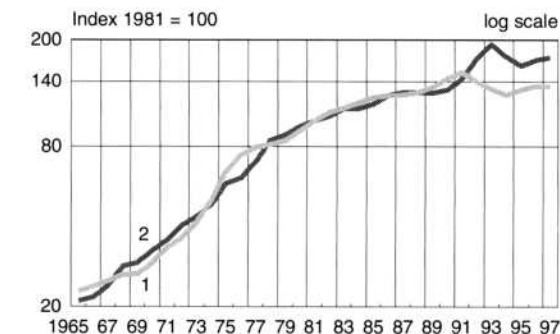
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Have the dynamics of  
Finnish inflation changed?

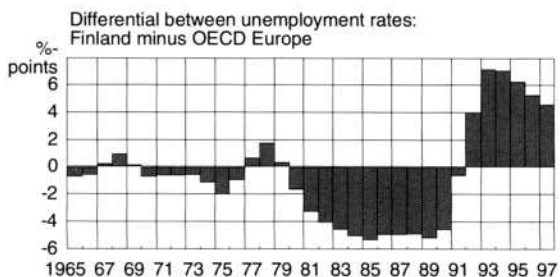
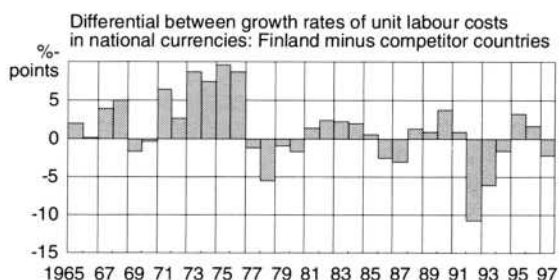
The development of the Finnish  
forward exchange market

**Chart 1.**

**Unit labour costs in manufacturing, in common currency**



1. Finland  
2. Competitor countries



grew dramatically. At the same time, uncertainties related to exchange rates and inflation pushed up interest rates in Finland. As interest rates were also high internationally, the debt servicing costs for Finland soared in the early 1990s. In order to reduce its current level of indebtedness, Finland must maintain a clearly positive balance of trade and levels of competitiveness well above its historical average for years to come.

Importantly, the pass-through mechanism did not work as before when the external value of the markka depreciated drastically in 1992 and 1993. Instead, foreign producers took the depressed market situation in Finland into account in their pricing. After the markka was floated, they seem to have predicted that the markka would not stay at its low level for long. Patience regarding changes in the markka's external value has also been manifested on later occasions.

In other respects, however, cogent evidence of a change in the pass-through of changes in import prices and exchange rates to domestic prices is scarce. The profit margins of Finnish firms have slowly narrowed since the early 1980s, probably due to ever-intensifying competition. Their further narrowing in the 1990s can be seen most likely just as a continuation of this trend.

**Inflation expectations**

Under the devaluation cycle regime, the hefty depreciation of the markka in 1991 and 1992 would have meant a new round of inflation shortly thereafter. Indeed, this assumption was widely included in economic forecasts of the period.<sup>1</sup> Most forecast errors for 1993 and 1994 reflected erroneous exchange rate expectations, assuming wrongly that the markka would stay at the weak level it had reached at the beginning of 1993. Additionally, Finnish forecasting institutions displayed an almost universal tendency to underestimate the impact of economic recession on wage developments, which in turn caused further overestimation of future inflation.

Learning to cope with these new circumstances was slow. Many observers continued to expect that the effects of devaluation would pass through to domestic prices and wages – even though achieving low inflation had already become a cornerstone in international economic policies, and even though the Bank of Finland had announced in early 1993 an inflation target of around 2 per cent annually. From today's perspective, it is striking that inflation expectations tended to exceed actual inflation for so long, given that the central bank had made it clear that it preferred adjustments through appreciation of the markka rather than higher inflation.

<sup>1</sup> Hukkinen and Suvanto (1997) have surveyed Finnish inflation forecasts and forecast errors of the 1990s.

Towards mid-1993, the markka started to appreciate. The floating exchange rate and market-driven financial system had created a new framework for interaction between the external value of the markka and domestic interest rates.

Inflation forecasts also overshoot actual inflation in 1995 and 1996, but not because of misprediction of exchange rate developments as before. Import prices rose slower than expected and Finland's membership in the EU reduced food prices more than anticipated, but the largest errors appear to have been made in the estimation of wage developments. Expectations related to future wage inflation were raised by the outcome of wage negotiations at the end of 1994 and rhetoric used in the labour market at that time. Contracts for 1995 signed at industry level raised labour costs far more than might be expected in an environment of mass unemployment (Chart 2). This apparently fuelled inflation expectations and led forecasters to predict a rise in inflation rates.

Given the worrying inflation signals, the central bank tightened its monetary stance between December 1994 and June 1995. Although the bank's decisions did not have a large effect on interest rates as a whole, the publicity surrounding the decisions helped assure financial markets and labour market participants that the bank was serious in its efforts to curb any acceleration of inflation. The Bank of Finland's new policy, introduced in 1993, of stating an explicit inflation target helped to calm inflation expectations.

Given the improved credibility of the central bank's monetary stance, market confidence was boosted by low inflation internationally and, in particular, the new government's avowed commitment to budgetary consolidation and low inflation. Once the government had received support of the trade unions for its policy, the moderate wage settlement of autumn 1995 (valid until the beginning of 1998) was what dealt the decisive blow to inflation expectations. Thereafter, subdued inflation expectations could clearly be seen in business surveys and in the pricing of money-market instruments.

### **Wage flexibility and unemployment**

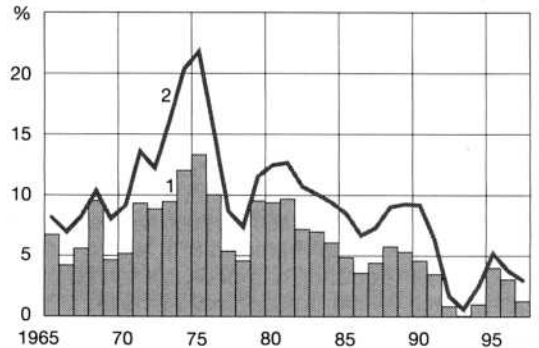
Should the current trend of moderate growth of labour cost continue, it would mean a remarkable and important change from past decades has taken place. And, as noted above, it would also mean an end to devaluation cycles.

On the other hand, if, and to the extent that, today's moderate wage demands are due to high unemployment, why should we expect such moderation to persist when unemployment falls? Could there be a scramble for higher wages when those with jobs, the 'insiders', feel secure enough to start pushing demands that are excessive from the standpoint of national interest? We don't know for sure.

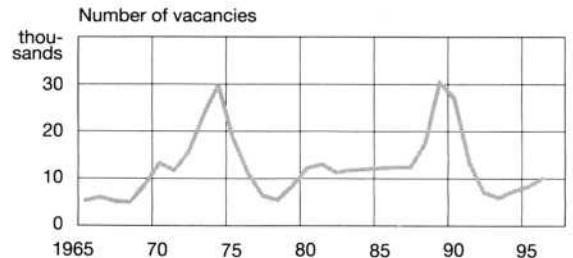
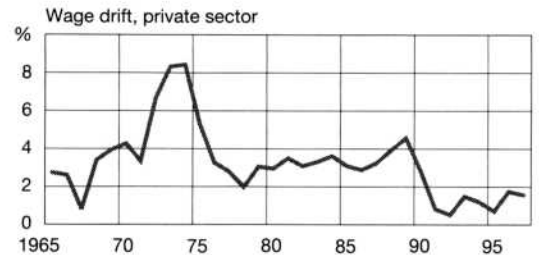
What we do know is that labour costs measured in national currencies fell in relation to competitor

**Chart 2.**

### **Wages and demand for labour in Finland**



1. Contract wages, private sector
2. Total wages, private sector



countries in particular in 1992–1994, ie the period when the traditionally low unemployment in Finland rocketed to levels above those of competitor countries (Chart 1). Thereafter, the rise in unit labour costs has been by and large the same for Finland as it has been for competitor countries. Will an upward shift in wage inflation take place when a decline in unemployment is achieved? Given the structural change that has already taken place and the ever-increasing degree of competition, it is not straightforward to consider it as major risk.

A word of caution is, however, needed: The traditional institutional framework of wage formation from earlier decades has been preserved more or less intact, so the preconditions for insider behaviour<sup>2</sup> have not changed much. An important implication for Finland's current economic debate is that insider behaviour could also undercut the efficacy of measures such as tax relief. If the desired wage moderation is not produced, the resulting improvements in employment will not take place. After all, Finland has still done little to change the structures which define the rules determining the behaviour of various agents in its labour market.

Certain traditional features in the Finnish system of collective agreements have made the country particularly inflation prone. These features still exist, and may cause problems in the new environment of low inflation.

In particular, the collective practices followed in Finland allow for what have been called *multiplication* and *springboard* mechanisms in wage setting. A multiplication mechanism is invoked in contract situations where all employees get a general pay rise on the basis of the overall productivity growth of the national economy or the industry concerned. Such increases are paid irrespective of whether the individual's own productivity has increased or if a person's work is directly tied to a productivity enhancement. Further, structural wage drift occurs as a result of local pay increases which compensate, for example, for rises in educational levels and transfer of employees to more demanding tasks. Of course, part of the general increase in productivity rewarded with the across-the-board raise is specifically due to factors such as those mentioned above. What happens, thus, is that many employees are rewarded twice for the increased productivity; first with a general pay rise, then with a personal raise.

A springboard mechanism, by contrast, means that an across-the-board increase at company level is only used as a starting point in local negotiations. Firm-specific arrangements contribute to wage drift which is paid on top of the collective settlement.

For decades, wage setting characterized by multiplication and springboard effects have fostered labour cost growth in Finland at rates unsus-

tainable in an environment of low inflation. However, we have seen an encouraging shift in wage discussions in recent years. With the exception of the 1995 industry-specific settlements, whose effects can be clearly seen in both the 1995 and 1996 figures (Chart 2), realism and moderation in wage demands have so far predominated. Wage drift, too, has remained quite low. Thus, if inflation expectations of all relevant parties remain in check and uniform, it is quite conceivable that balanced development in Finnish wage formation can be achieved. It will be all the easier, the less the favourable trend in interest rates, as well as the production and productivity growth supported by low rates, is tested by excessive branch-specific wage demands that could raise inflation fears.

### **Wage-wage links**

Over the long haul, sound structural development of a national economy requires that changes in wage structure keep pace with changes in other structures in the economy so that the balance of labour supply and demand is maintained. Wage inflation may result as a byproduct of attempts to interfere with this natural adjustment process of the wage structure.

Finnish wage paths have been strikingly similar in all industries. Wage-wage links in manufacturing have been so strong that, on average, wages in high-paying industries and low-paying industries have risen by approximately equal amounts over the long run. Whenever there have been attempts to bolster the relative position of low-paying industries through national income policies, the wage reaction in high-paying industries has quickly restored the earlier wage structure. In other words, attempts to compress wage differentials through institutional decisions have repeatedly triggered swift reactions by both trade unions and employers in powerful industries to nullify the change. The reaction process has been so rapid that it obviously has occurred through additional wage drift (Tyrväinen 1996).

Thus, attempts to narrow wage differentials by means of collective incomes policy have merely accelerated inflation. The original wage structure has been restored so quickly that the only quantifiable effect of 'solidaristic' wage policies was impairment of Finland's international competitiveness. In fact, these frequent attempts to compress wage structures through incomes policy were part of the behaviour that fuelled domestic inflation and led to repeated devaluations. Although empirical estimates indicate that the process seems to have changed after 1991, it is still premature to conclude that the driving force of wage-wage competition has weakened permanently.

### **Asset prices and inflation**

In the past, shifts in housing prices, share prices and stumpage prices gave early warnings of gen-

<sup>2</sup> Insider behaviour occurs when employed 'insiders' do not take interests of unemployed 'outsiders' into account (in their wage demands).

eral changes in inflationary pressures (Pikkarainen and Ripatti 1995). Of the three prices mentioned, stumpage prices, according to the historical record, were the best leading indicator of future changes in consumer price trends. By raising stumpage prices, forest owners sought to extract their share of the higher profitability conferred on forest products producers through devaluations. Very quickly, expectations of a recovery drove up prices for shares and housing. Thereafter, inflationary expectations became contagious, 'infecting' all sectors, one after the other.

Low inflation policy that makes price stability the norm for economic agents, steers expectations and prevents price disturbances from spreading from one industry to another. The success of such policies may explain why recent, sometimes significant, changes in asset prices have not been reflected in the general inflation climate. For example, the rapid rise in stumpage prices, before their reversal in early 1995, was not reflected in the general inflation picture. Nor have the recent brisk rises in share and housing prices triggered a general inflation psychosis<sup>3</sup>. This is behaviour truly different from what Finns are accustomed to.

### The road ahead

In our current boom, the mechanisms that drove the traditional devaluation cycle in Finland have not functioned as they did previously. In fact, it would be impossible to recreate past behaviour patterns given the present freedom of financial markets and capital. Additionally, the mechanism that determines inflation expectations has itself changed – partly because of the reason above. In both price setting and wage formation, inflation now plays a smaller role than at any time since the end of the second world war. This shift in domestic inflation expectations has been encouraged by the fact that inflation is now low throughout the industrialized world. In Europe, the expectation that EMU will be realized also helps keep inflation expectations in check.

When union leaders and rank-and-file membership accept low inflation as a lasting phenomenon, wage negotiations can focus on real wage developments. This supports moderate wage claims and makes it less straightforward to interpret impulses from specific markets as early indications of a general acceleration in inflation.

<sup>3</sup> Due to an exceptional technical feature of the consumer price index as calculated by Statistics Finland, changes in house prices have an impact on the index even when they do not influence wage earners' purchasing power. Because wage demands have regularly been based specifically on the rise in the CPI, there is a risk that rises in house prices may increase compensation pressures in the future, if the labour market parties cannot take the role of house prices properly into account.

<sup>4</sup> The structural unemployment rate refers to that rate on both sides of which unemployment varies at the various stages of economic cycles. Structural unemployment can be lowered only by changing the labour market structures (Tyrväinen 1995).

Although structural unemployment<sup>4</sup> in Finland is high (Tyrväinen 1996a), the greatest risk of acceleration in domestic inflation probably lies in labour market behaviour. This risk would materialize, for example, if employed insiders chose to work for their own group interests and ignore the interests of unemployed 'outsiders'. The conditions that encourage such insider behaviour would, however, be weakened through structural reforms in the labour market that were designed to reduce structural unemployment. The importance of such reforms is further enhanced by the fact that they also reduce the risk that an acceleration in inflation would harm efforts to lower unemployment.

While Finland's participation in EMU would increase confidence in sustained low inflation, today's need for price stability as such is not linked to the EMU decision.<sup>5</sup> Rather, that need reflects the low inflation environment internationally which has been forged through increasingly intense global competition and commitments on the part of major industrialized nations to policies geared towards international economic stability.

7 August 1997

<sup>5</sup> See also the report of the EMU expert group 1997.

- Key words: inflation, inflation expectations, competition

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# The development of the Finnish forward exchange market

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**T**he forward exchange contract is the most commonly used instrument among Finnish companies for hedging against exchange rate risk. The bulk of forward exchange contracts are used to eliminate exchange rate risks associated with companies' trade credits. Exporters and importers make up the foundation of the forward market for the markka. Other companies and financial institutions also operate in the forward market for the markka for the purpose of covering their foreign currency-denominated liabilities. Finnish banks enter into forward exchange contracts with both domestic companies and foreign customers. The foreign counterparty is often the bank's own foreign subsidiary or branch, either of which would be regarded as a nonresident under balance of payments definitions.

It was not until April 1980 that a genuine forward exchange market started to operate in Finland<sup>1</sup>. The forward market of the 1980s was however subject to various restrictions based on exchange controls, the most significant of which was that forward contracts had to be based on commercial background. However, in practice the commercial background requirement was not applied to foreign customers. Consequently, in the 1980s forward purchases of markkaa provided foreign investors with a flexible instrument for making markka investments, as the use of all other instruments was prohibited by the foreign exchange controls.

A deregulated forward exchange market has operated in Finland only since the start of 1991. Since the liberalization of the forward exchange market, domestic companies operating in the closed sector as well as cities and other local governments have hedged their foreign currency-denominated liabilities in the forward market. The devaluation of the markka in 1991 was particularly significant in raising the level of interest in forward exchange contracts, as many companies and local

governments that had obtained foreign currency-denominated loans had incurred substantial exchange rate losses owing to the devaluation.

## **Volume of business in the forward exchange market**

Since the start of the 1980s, the volume of business in the forward exchange market has continued to increase, fluctuating in accord with the level of activity in the money and foreign exchange markets (Chart 1). Until the start of the 1990s, Finnish banks purchased more forward exchange from foreign banks than from domestic counterparties. In the 1990s the situation has reversed and presently domestic companies constitute the most important counterparties for banks' forward purchases of foreign currency, as measured by volume of business. As regards sales of forward currency, the share of foreign counterparties has almost continuously been larger than that of domestic counterparties. In the 1990s the share of domestic counterparties has increased but at its peak has only amounted to about 50 per cent of the total volume of banks' forward sales contracts. The Bank of Finland has operated in the forward market both as buyer and seller but only to a limited extent.

The maturities of forward exchange contracts between banks and domestic companies have been on average longer than those of contracts between banks and foreign customers. In forward contracts with foreign customers, the counterparty is usually another bank, and forward transactions between banks focus on shorter maturities.

The countercurrency in forward contracts involving the markka has most often been the US dollar or the Deutschemerk. Forward rates on these currencies have usually been higher than spot rates, ie they have had a forward premium against the Finnish markka (Chart 2). The speculative situations in the foreign exchange market in 1986, 1991 and 1992 were marked by substantially higher-than-normal forward premia on the dollar. However, as a result of the decline in the level of Finnish interest rates, forward rates on many foreign currencies have fallen below corresponding spot rates, and thus there has been some switching from forward premia to forward discounts in recent years.

This article is based on a study on the operation of the forward exchange market in Finland, 'Valuuttatermiinimarkkinoiden toiminta Suomessa' (in Finnish) by Jorma Hietalahti and Harri Kuussaari, Bank of Finland Discussion Paper 10/97.

<sup>1</sup> Tom Nordman: Forward exchange markets in Finland. Bank of Finland Monthly Bulletin, April 1980.

## The net forward position of the banking system

The gross amounts of banks' forward exchange sales and purchases reflect the volume of business in the market. However, these gross figures are sometimes boosted by offsetting forward contracts entered into by banks' customers, for instance when their exchange rate expectations change. By deducting banks' gross forward exchange sales from their gross forward exchange purchases, one obtains the banks' net forward position, which reflects banks' customers' genuine need to hedge through forward exchange contracts.

A bank will hedge a net open forward position against exchange rate risk via offsetting capital flows, ie by entering into offsetting transactions with foreign counterparties. If a bank's net forward position is positive, ie the value of forward exchange purchases exceeds the value of forward exchange sales, the bank usually hedges its position via foreign currency-denominated borrowing. If forward sales exceed forward purchases, ie the net forward position is negative, the bank will hedge via foreign investments.

Banks' net forward position is also influenced by the Bank of Finland's interventions in the forward exchange market, which are sometimes effected in order to dampen gyrations in reserve assets and in money market liquidity. Otherwise-immediately-visible changes in reserve assets can be postponed via interventions in the forward exchange market. Nonetheless, the Bank of Finland's interventions in foreign exchange markets are more often spot transactions.

In speculative situations, banks' net forward exchange position will often reflect not only the commercial background but also views as to the external value of the markka. From the standpoint of exchange rate expectations, if a market participant has a positive net forward position, this means that he expects the markka to strengthen. Correspondingly, a negative net forward exchange position often points to expectations of markka depreciation.

## Period of exchange control: 1980-1990

Banks' positive net forward position vs their domestic customers began to grow right at the onset of the 1980s, with the birth of the Finnish forward exchange market (Chart 3). The differential between domestic and foreign interest rates was exploited mainly by export companies. A hike in the Bank of Finland's call money credit rate in 1983 was the major impetus for export companies' forward sales of foreign currency. Consequently, banks' positive net forward position vs their domestic customers increased by about FIM 14 billion between 1981 and 1985. The Bank of Finland nonetheless intervened in order to curb the increase in reserve assets and liquidity, especially in 1984.

Chart 1.

### Banks' outstanding forward contracts by counterparty

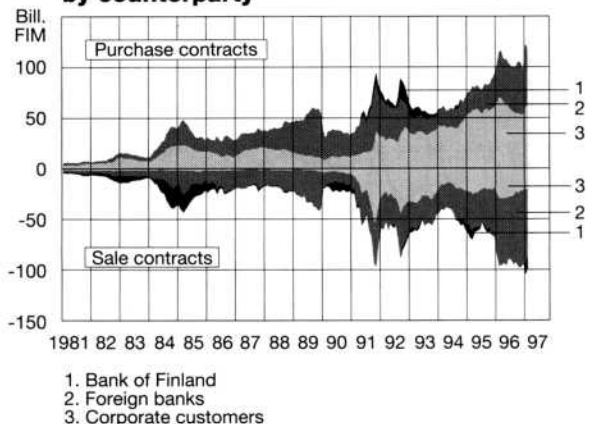
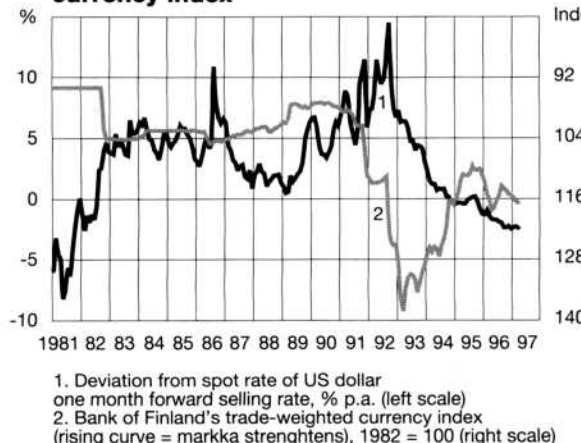


Chart 2.

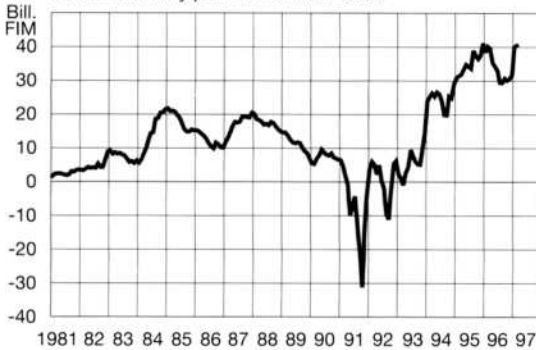
### US dollar forward vs spot rates and currency index



**Chart 3.**

**Banks' net forward position vs Finnish customers**

Banks' currency purchases minus sales



**Chart 4.**

**Banks' net forward position vs foreign customers**

Banks' currency purchases minus sales



The interest rate differential during the first half of the 1980s also attracted foreign investors. Banks' net forward position vs foreign customers however remained small, as forward sales and purchases of markkaa were of roughly the same magnitude (Chart 4). Offsetting forward contracts, ie sales of markkaa by foreign customers, derived mainly from the need of foreign investors to hedge their markka-denominated bond portfolios against exchange rate risk.

From 1985 to 1990 nonresidents were prohibited from investing in markka-denominated bonds because of concerns related to liquidity management. The forward exchange market provided investors with an alternative form of benefiting from high interest rates on the markka. In the latter half of the 1980s, banks' positive net forward position vs foreign customers grew by about FIM 10 billion, peaking in 1990 at about FIM 16 billion.

Between 1985 and 1990, net capital inflows for covering forward contracts were however very small, as the increase in purchases of forward markkaa by foreign investors was offset by domestic companies' unwinding of forward contracts entered into at the onset of the 1980s. Banks' positive net forward position vs domestic customers decreased by about FIM 9 billion between 1985 and 1990. One of the main reasons for this was the companies' growing expectations of markka weakening.

Banks' positive net forward position vs domestic customers grew substantially in the 1980s, although because of exchange control banks' domestic customers were limited to export and import companies. Export companies in particular took advantage of the wide differential between domestic and foreign interest rates. Owing to exchange control, foreign investors became increasingly active in the forward market, especially between 1985 and 1990. This was a period during which markka investments in other instruments were prohibited. Purchases of forward markkaa became a substitute for investments in markka bonds, and this was reflected in rapid growth in banks' net forward position vs foreign customers.

**Devaluation expectations in 1991 and 1992**

The forward exchange market was deregulated at the start of 1991. During the same year there were serious market disturbances in the money and foreign exchange markets, which were clearly reflected in the forward exchange market (Chart 5).

Expectations of a devaluation of the markka started to strengthen already in spring 1991. Discussion about the exchange rate at which the markka should be linked to the ECU fostered uncertainty as to whether the markka's exchange rate would hold. This was reflected in Finnish companies' forward purchases of foreign currency, which amounted to about FIM 16 billion in January-May.



In the early months of the year, foreign investors also reduced their forward purchases of markkaa, when confidence in the stability of the markka's exchange rate started to waver.

In autumn 1991 economic policy credibility was undermined by the slow progress of wage negotiations. Rumours of impending devaluation strengthened and domestic companies increasingly lost confidence in the markka. This was reflected in their forward purchases of foreign currency, which amounted to FIM 27 billion in August–October. On 15 November 1991 the external value of the markka was lowered by 12.3 per cent.

Before the devaluation, banks' negative net forward position vs domestic customers was almost FIM 40 billion more against the markka than at the start of 1991. Foreign investors' confidence in the markka lasted considerably longer than that of domestic companies. Before the devaluation, banks' positive net forward position vs foreign customers was almost the same as at the end of July 1991.

In November 1991, immediately after the devaluation, domestic companies sold foreign currency worth FIM 18 billion in the forward market, which means that a notable share of the foreign currency purchased before the devaluation was converted back into markkaa at the favourable post-devaluation exchange rate. However, banks' net forward position vs foreign customers did not return to its pre-devaluation level by the end of the year.

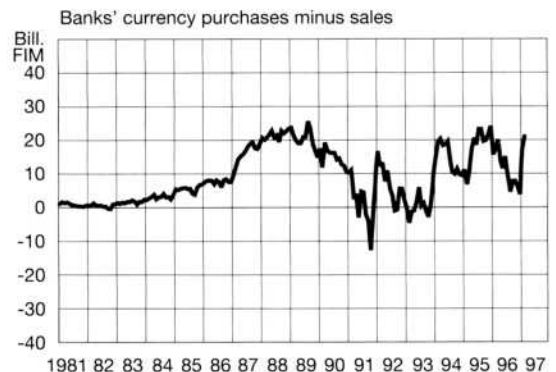
Sustainable confidence in the external value of the markka was not restored by the 1991 devaluation. In the forward exchange market, signs of a lack of confidence in the markka started to appear in spring 1992. In April–August, forward purchases of foreign currency amounted to about FIM 23 billion.

In the first week of September 1992, the situation came to a head. During one week, banks sold foreign currency worth about FIM 20 billion in net terms, of which amount net forward sales of foreign currency accounted for FIM 15 billion. However, the Bank of Finland's forward interventions during the same period amounted to FIM 12 billion. The markka was allowed to float on 8 September 1992, as there were no signs of a calming of conditions in the domestic money market.

After the float had begun, banks' domestic customers started to repatriate their foreign currency receivables and convert the foreign currency back into markkaa. In the latter half of the year, domestic customers sold FIM 26 billion worth of foreign currency in the forward market. Despite the devaluation, foreign currency purchased before the floating of the markka was not converted back into markkaa; instead, companies and banks used it to repay their foreign currency liabilities. As a result, Finland's foreign reserve assets increased slowly toward yearend. By contrast, foreign customers continued to sell markkaa. Their forward sales of markkaa amounted to about FIM 6 billion between the start of the float and the end of 1992.

**Chart 5.**

**Banks' net forward position vs all customers**



In 1991 forward purchases of foreign currency were made almost exclusively by large export companies. However, when the 1992 speculation started, also companies operating in the sheltered sector joined in, covering their foreign currency liabilities and import-related trade credit liabilities. Local governments also started to hedge their foreign currency liabilities more actively. Several sheltered-sector companies as well as local governments had suffered considerable exchange rate losses in connection with the 1991 devaluation, as they had neglected to hedge their foreign currency liabilities.

**Period of the float and the ERM linkup**

In the liberalized market conditions of the 1990s, the volume of forward contracts entered into by banks' domestic customers has increased notably (Chart 3). At the end of 1995 banks' positive net forward position vs domestic customers reached a record high, about FIM 41 billion. A major factor contributing to this development has been the rapid growth of exports and export receivables. In 1996 banks' net forward position vs domestic customers decreased by almost FIM 10 billion, partly as a result of strengthening expectations of the markka's linkup with the exchange rate mechanism of the European Union (ERM). When expectations of the ERM linkup began to strengthen the markka toward yearend, export companies did not roll over all of their forward contracts.

Between 1991 and 1996 companies' forward sales of foreign currency increased twice as fast as export credits, despite the rapid growth of exports. At the end of 1996 the stock of forward contracts sold by banks to companies was almost twice as large as import credits.

Since the markka was floated, banks' net forward position vs foreign customers has moved in the opposite direction compared with domestic customers. At the end of 1996 banks' negative net forward position vs foreign customers amounted to about FIM 29 billion (Chart 4). The increase in the negative net forward position has been largely the result of a rapid contraction in banks' foreign currency liabilities in the last few years. The meltdown of foreign liabilities has meant that foreign currency-denominated liabilities have no longer been used as counteritems for banks' currency positions. Banks have fulfilled their currency position requirements by increasing their forward exchange liabilities, mostly with their own foreign branches.

In January 1997 the markka became subject to intense upward pressure. Investors (mostly foreign) purchased markkaa to the total amount of about FIM 30 billion during a period of about one week. This pressure exceeded the devaluation pressures experienced in 1991 and 1992. It must however be noted that the speculation of January 1997 was caused by upward pressure on the markka, not downward pressure as in 1991 and 1992, and these pressures turned out to be relatively short-lived. Another important difference was that the speculators now consisted almost exclusively of foreign investors. Of the markka investments made by foreign investors, about FIM 17 billion worth comprised forward contracts.

27 June 1997

- Key words: forward exchange contracts, foreign exchange markets, capital flows

## Item

### **Two new currencies added to the Bank of Finland currency index**

On 1 July 1997, two currencies were added to the Bank of Finland trade-weighted currency index: the Estonian kroon (EEK) and the Republic of Korea (South Korea) won (KRW). After the change, the currency index includes 16 currencies and covers about 75 per cent of Finland's foreign trade. The index weight of the kroon is 2.6 per cent and that of the won 1.4 per cent. The new weight structure of the currency index is as follows:

	%
Deutschemark (DEM)	18.8
Swedish krona (SEK)	14.9
Pound sterling (GBP)	12.7
US dollar (USD)	9.5
French franc (FRF)	5.9
Japanese yen (JPY)	5.5
Dutch guilder (NLG)	5.4
Norwegian krone (NOK)	4.8
Italian lira (ITL)	4.6
Danish krone (DKK)	4.3
Belgian franc (BEF)	3.8
Estonian kroon (EEK)	2.6
Spanish peseta (ESP)	2.5
Swiss franc (CHF)	1.9
Austrian schilling (ATS)	1.4
Republic of Korea won (KRW)	1.4
	100.0

# Measures concerning monetary and foreign exchange policy and the financial markets

1996

## FEBRUARY

**Base rate.** The Parliamentary Supervisory Council lowers the Bank of Finland's base rate from 4.75 per cent to 4.50 per cent with effect from 1 February.

## MARCH

**Tender rate.** On 13 March, the Bank of Finland lowers its tender rate from 4.25 per cent to 3.75 per cent. In addition, the interest rate on banks' excess reserves is cut from 2.25 per cent to 1.75 per cent.

## MAY

**The Government Guarantee Fund moves to the Ministry of Finance.** On 1 May, the Government Guarantee Fund ceases to operate as a separate unit and its employment contracts are allowed to expire. The Fund, which was previously subordinate to Parliament, is made subordinate to the Council of State, operating in connection with the Ministry of Finance. Fund personnel are also transferred to the Ministry.

**The Government takes over Sponda.** On 23 May, the Finnish Government purchases the entire share capital of Sponda Oy at a purchase price of FIM 1 232 million. The Bank of Finland originally set up Sponda Oy in 1991 to manage the real estate and equity assets transferred from Skopbank after the bank ran into severe liquidity and solvency problems.

## JUNE

**Currency Act amended.** On 10 June, the amendments to the Currency Act enter into force. The amendments enable the joining of the markka to the EU Exchange Rate Mechanism (ERM).

**Tender rate.** On 14 June, the Bank of Finland lowers its tender rate from 3.75 per cent to 3.60 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.75 per cent to 1.60 per cent.

## JULY

**Tender rate.** On 5 July, the Bank of Finland lowers its tender rate from 3.60 per cent to 3.50 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.60 per cent to 1.50 per cent.

## AUGUST

**Bank of Finland's guidelines for credit institutions.** On 1 August, the Bank of Finland issues its monetary policy-related guidelines for credit institutions as a complete set. The contents remain essentially unchanged.

**Tender rate.** On 23 August, the Bank of Finland lowers its tender rate from 3.50 per cent to 3.25 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.50 per cent to 1.25 per cent.

## SEPTEMBER

**Base rate.** The Parliamentary Supervisory Council lowers the Bank of Finland's base rate from 4.50 per cent to 4.00 per cent with effect from 16 September.

**Tender rate.** On 18 September, the Bank of Finland lowers its tender rate from 3.25 per cent to 3.10 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.25 per cent to 1.10 per cent.

## OCTOBER

**Tender rate.** On 9 October, the Bank of Finland lowers its tender rate from 3.10 per cent to 3.00 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.10 per cent to 1.00 per cent.

**Finland joins the ERM.** Finland joins the EU Exchange Rate Mechanism (ERM) as of 14 October 1996.

# 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 Russia in the east and has a coastline bordered by the Baltic Sea in the south and west. Agricultural land accounts for 8 % of the total area, forest and other wooded land for 68 % 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 21° C (70° F) in July and -3° C (25° F) in February.

Finland has a population of 5 132 320 (31 December 1996) and an average population density of 17 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 532 053 inhabitants, Espoo (Esbo) 196 260, Tampere (Tammerfors) 186 026, Vantaa (Vanda) 168 778 and Turku (Åbo) 166 929.

There are two official languages: 93 % of the population speaks Finnish as its mother tongue and 5.7 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

## Form of government

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

The legislative power of the country is exercised by Parliament and the President of the Republic. The supreme executive power is vested in the President, who is elected for a period of six years. The President for the current term, 1 March 1994 to 1 March 2000, is Mr Martti Ahtisaari.

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1995, the seats of the various parties in Parliament are distributed as follows:

Social Democratic Party 63; Centre Party 44; National Coalition Party 39; Left Wing Alliance 22; Swedish People's Party 12; Green League 9; Christian League 7; Progressive Finnish Party 2; Rural Party 1; and Ecological Party 1.

Of the 18 ministerial posts in the present Government appointed in April 1995, 7 are held by the Social Democratic Party, 5 by the National Coalition Party, 2 by the Left Wing Alliance, 2 by the Swedish People's Party, 1 by the Green League and 1 by an expert with no party affiliation. The Prime Minister is Mr Paavo Lipponen of the Social Democratic Party.

Finland is divided into 452 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of four years.

## International relations

Finland became a member of the BIS in 1930, the IMF in 1948, the IBRD in 1948, GATT in 1950, the UN in 1955, the Nordic Council in 1955, the IFC in 1956, IDA in 1960, EFTA in 1961, the ADB in 1966, the OECD in 1969, the IDB in 1977, the AfDB in 1982, the MIGA in 1988, the Council of Europe in 1989, the EBRD in 1991 and the EU in 1995.

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. The agreement on the European Economic Area (EEA) between the member countries of EFTA and the European Union came into effect at the beginning of 1994. Finland's negotiations to join the European Union were concluded in spring 1994. The accession treaty was signed in Corfu in June. In autumn 1994, a consultative referendum was held in which the majority of the voters (56.9 %) were in favour of membership. The Finnish Parliament ratified the accession treaty in November. The accession treaty having been ratified by each Member State, Finland became a member of the European Union on 1 January 1995. Citizens of the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, have enjoyed a common labour market, a passport union and reciprocal social security benefits since the mid-1950s.

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

## The economy

**Output and employment.** Of the gross domestic product of FIM 500 billion in basic values in 1996, 2 % was generated in agriculture and fishing, 2 % in forestry, 26 % in industry, 6 % in construction, 11 % in trade, restaurants and hotels, 9 % in transport and communications, 4 % in finance and insurance, 21 % in other private services and 19 % by producers of government services. Of total employment of 2.1 million persons in 1996, 7.1 % were engaged in primary production, 27.6 % in industry and construction and 65.3 % in services.

In 1996, expenditure on the gross domestic product in purchasers' values amounted to FIM 574 billion and was distributed as follows: net exports 8 % (exports 38 %, imports -30 %), gross fixed capital formation 16 %, private consumption 54 % and government consumption 22 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 48.2 per cent, which is somewhat below the average for the Nordic 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 3.6 % in 1950-96. Finland's GDP per capita in 1996 was USD 22 000.

**Foreign trade.** EU countries absorb the bulk of Finnish merchandise exports. In 1992-1996 their average share was 51.7 %. Over the same period, Finland's exports to other European countries (including Russia) accounted for 23.4 % and to the rest of the world for 24.9 %. The regional distribution of Finland's merchandise imports in the same period has been quite similar to that of exports: EU countries accounted for 51.4 %, other European countries for 24.7 % and the rest of the world for 23.9 %.

In 1996, the share of forest industry products in total merchandise exports was 30 %, the share of metal and engineering products 40 % and the share of other goods 30 %. Raw materials and intermediate goods (incl. crude oil) accounted for 59 % of merchandise imports, fuels for 5 %, investment goods for 15 % and consumption goods for 21 %.

**Forest resources.** Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1 887 million cubic metres, of which 46 % is pine, 36 % spruce and 18 % broad-leaved species, chiefly birch.

The annual growth increment totals 77 million cubic metres and the total drain was about 62 million cubic metres in 1995.

## Finance and banking

**Currency.** Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 1 November 1977 to 7 June 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from 30 November 1988 the range was 6 percentage points). From 7 June 1991 to 7 September 1992, the markka was pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was first 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. On 8 September 1992, the fluctuation limits of the markka were abandoned and the markka was allowed to float. On 14 October 1996, the markka was joined to the Exchange Rate Mechanism (ERM) of the European Monetary System (EMS) at the central rate of 5.80661 per ECU. As from 25 November 1996 the ECU central rate is FIM 5.85424.

**The Central Bank.** The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Council, 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 are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Council, including the terms of banks' central bank finance and open market operations in the money and foreign exchange market. 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 4 branch offices in other towns.

**Other banks** (31 December 1996). Finland has three major groups of deposit banks with a total of 1 447 offices. There are two big commercial banks with national branch networks and five smaller ones. The commercial banks have a total of 14 foreign branches, subsidiaries and associate banks and 18 representative offices abroad. There are 40 savings banks and 298 cooperative banks with their own extensive branch networks. In addition, four foreign banks have branches in Finland and nine foreign banks have representative offices.

**Financial market.** Of the total stock of FIM 685 billion in outstanding domestic credit at the end of September 1996, 49 % was provided by deposit banks, 5 % by insurance companies, 23 % by pension insurance institutions, 12 % by other credit institutions and 11 % by state and 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 135 billion at end-1996, were bank certificates of deposit (including central bank paper). Other negotiable money market instruments consist of Treasury bills, commercial paper and local authority paper.

There are 71 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 285 billion (at end-1996). Domestic bonds and debentures in circulation at end-1996 totalled FIM 254 billion; government bonds made up 71 % of the total. Turnover on the Stock Exchange in 1996 amounted to FIM 102 billion; the share of shares and subscription rights in the total was approximately 99 %.

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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

	1996		1997			
	31 Dec.	8 July	15 July	23 July	31 July	
<b>ASSETS</b>						
<b>Reserve assets</b>	36 397	60 275	61 899	64 019	64 475	
Gold	1 742	1 742	1 742	1 742	1 742	
Special drawing rights	1 344	1 284	1 373	1 736	1 557	
IMF reserve tranche	1 953	1 981	1 997	1 999	2 023	
ECU-claim on the European Monetary Institute	2 541	3 990	3 939	3 937	3 965	
Foreign exchange assets	28 817	51 278	52 848	54 604	55 189	
<b>Other foreign claims</b>	3 853	4 243	4 243	4 243	4 243	
Markka subscription to Finland's quota in the IMF	3 794	4 183	4 183	4 183	4 183	
Share in the European Monetary Institute	59	60	59	59	60	
<b>Claims on financial institutions</b>	13 497	11 435	11 673	13 327	13 327	
Liquidity credits	—	—	—	—	—	
Securities with repurchase commitments	11 626	8 679	8 921	10 575	10 575	
Term credits	—	—	—	—	—	
Bonds	196	152	152	152	152	
Other claims on financial institutions	1 676	2 604	2 600	2 600	2 600	
<b>Claims on the public sector</b>	1 906	1 921	1 921	1 921	1 921	
Treasury bills	—	—	—	—	—	
Bonds	—	—	—	—	—	
Total coinage	1 906	1 921	1 921	1 921	1 921	
Other claims on the public sector	—	—	—	—	—	
<b>Claims on corporations</b>	2 266	1 908	1 908	1 908	1 908	
Financing of domestic deliveries (KTR)	70	42	42	42	42	
Other claims on corporations	2 197	1 866	1 866	1 866	1 866	
<b>Other assets</b>	598	1 190	1 165	905	1 000	
Accrued items	490	1 071	1 047	800	895	
Other assets	108	119	119	105	105	
<b>Valuation account</b>	—	—	—	—	—	
<b>Total</b>	<b>58 518</b>	<b>80 972</b>	<b>82 809</b>	<b>86 322</b>	<b>86 874</b>	
<b>LIABILITIES</b>						
<b>Foreign liabilities</b>	5 680	5 645	5 657	5 741	5 776	
Allocations of special drawing rights	951	1 033	1 041	1 042	1 055	
IMF markka accounts	3 794	4 184	4 184	4 183	4 183	
Other foreign liabilities	934	429	433	515	537	
<b>Notes and coin in circulation</b>	16 891	16 313	16 327	16 287	16 359	
Notes	15 076	14 502	14 512	14 468	14 536	
Coin	1 815	1 811	1 815	1 819	1 823	
<b>Certificates of deposit</b>	15 530	32 760	32 760	36 480	40 170	
<b>Liabilities to financial institutions</b>	8 329	8 998	10 479	9 729	6 151	
Reserve deposits	6 829	6 498	7 979	7 229	3 651	
Term deposits	—	—	—	—	—	
Other liabilities to financial institutions	1 500	2 500	2 500	2 500	2 500	
<b>Liabilities to the public sector</b>	—	—	—	—	—	
Current accounts	—	—	—	—	—	
Other liabilities to the public sector	—	—	—	—	—	
<b>Liabilities to corporations</b>	574	169	165	156	154	
Deposits for investment and ship purchase	574	169	165	156	154	
Other liabilities to corporations	—	—	—	—	—	
<b>Other liabilities</b>	220	98	87	89	81	
Accrued items	193	56	56	56	52	
Other liabilities	27	42	31	32	29	
<b>Valuation account</b>	260	5 955	6 300	6 807	7 150	
<b>Provisions</b>	5 270	5 270	5 270	5 270	5 270	
Pension provision	1 516	1 516	1 516	1 516	1 516	
Other provisions	3 754	3 754	3 754	3 754	3 754	
<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	
Net earnings	—	—	—	—	—	
<b>Total</b>	<b>58 518</b>	<b>80 972</b>	<b>82 809</b>	<b>86 322</b>	<b>86 874</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	ECU-claim on the European Monetary Institute	Foreign exchange assets	Reserve assets (1+2+3+4+5)	Other claims, net	Net claims (6+7)	Claims	Liabilities	Net claims (9-10)
	1	2	3	4	5	6	7	8	9	10	11
1992	2 180	564	1 732	.	25 041	29 517	-2 998	26 519	2 446	90	2 356
1993	2 180	664	1 747	.	28 882	33 473	-1 324	32 148	1 788	784	1 004
1994	2 180	1 537	1 354	.	47 672	52 743	-1 114	51 629	1 806	93	1 713
1995	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
1996	1 742	1 344	1 953	2 541	28 817	36 397	-1 826	34 571	1 906	-	1 906
1996											
July	1 742	1 187	1 880	2 642	26 402	33 854	-2 066	31 788	6 460	-	6 460
Aug.	1 742	1 186	1 909	2 613	27 139	34 590	-2 588	32 002	6 297	-	6 297
Sept.	1 742	1 412	1 928	2 614	27 619	35 315	-1 774	33 541	5 998	-	5 998
Oct.	1 742	1 017	1 915	2 519	29 510	36 703	-1 863	34 840	5 982	-	5 982
Nov.	1 742	1 044	1 945	2 541	29 713	36 985	-2 088	34 897	5 987	-	5 987
Dec.	1 742	1 344	1 953	2 541	28 817	36 397	-1 826	34 571	1 906	-	1 906
1997											
Jan.	1 742	1 370	1 937	2 528	54 432	62 009	-1 292	60 717	1 907	-	1 907
Feb.	1 742	1 544	1 983	2 544	54 189	62 002	-1 370	60 632	1 907	-	1 907
March	1 742	1 514	1 930	2 532	51 982	59 700	-1 268	58 432	1 907	-	1 907
April	1 742	1 186	1 986	4 011	49 851	58 775	-1 227	57 548	1 904	-	1 904
May	1 742	1 121	1 998	4 000	49 607	58 468	-1 267	57 201	1 908	-	1 908
June	1 742	1 100	1 963	3 984	50 322	59 111	-1 397	57 714	1 921	-	1 921
July	1 742	1 557	2 023	3 965	55 189	64 475	-1 533	62 942	1 921	-	1 921

End of period	Domestic financial sector				Corporate sector			Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	Term claims on deposit banks, net	Reserve deposits of deposit banks'	Other claims on financial institutions, net	Net claims (12+13+14)	Claims in the form of special financing	Special deposits and other items, net	Net claims (16+17)		
	12	13	14	15	16	17	18	19	20
1992	3 738	-13 165	4 022	-5 405	747	-2 651	-1 904	14 508	4 880
1993	7 337	-6 398	-463	476	496	720	1 216	14 994	14 837
1994	1 480	-6 526	-347	-5 392	316	1 285	1 601	14 315	35 236
1995	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090
1996	11 626	-6 829	372	5 169	70	1 623	1 692	16 891	15 530
1996									
July	6 540	-7 203	487	-176	117	1 581	1 698	15 251	16 445
Aug.	9 988	-5 400	472	5 060	108	1 592	1 700	15 201	21 920
Sept.	10 147	-3 676	443	6 914	102	1 630	1 732	15 331	24 650
Oct.	10 683	-5 131	394	5 946	92	1 662	1 754	15 296	24 920
Nov.	7 041	-4 145	1 100	3 996	74	1 591	1 665	15 449	22 160
Dec.	11 626	-6 829	372	5 169	70	1 623	1 692	16 891	15 530
1997									
Jan.	14 277	-5 082	336	9 531	68	1 797	1 865	15 659	47 370
Feb.	12 104	-1 404	324	11 024	63	1 856	1 918	15 590	47 520
March	18 158	-10 649	319	7 828	59	1 919	1 978	16 131	41 950
April	17 070	-6 717	294	10 647	50	1 784	1 834	16 064	41 700
May	12 568	-8 091	283	4 760	42	1 669	1 712	16 068	34 760
June	9 558	-10 397	258	-581	42	1 695	1 738	16 315	29 110
July	10 575	-3 651	252	7 176	42	1 712	1 754	16 359	40 170



## 2. The Bank of Finland's operations in the money and foreign exchange markets and the banks' forward exchange position

### 2.1 The Bank of Finland's minimum reserve system and standing facilities

	Reserve requirement			Required reserves <sup>1</sup> , mill. FIM	Excess reserves, mill. FIM	Total reserves, mill. FIM (4+5)	Liquidity credits, mill. FIM
	On deposits payable on demand, %	On other deposits, %	On other items, %				
	1	2	3	4	5	6	7
1993	2.0	1.5	1.0	6 398	.	.	440
1994	2.0	1.5	1.0	6 526	.	.	14
1995	2.0	1.5	1.0	6 557	.	.	123
1996	I-IX	2.0	1.5	6 530	616	7 146	37
	X-XII	2.0	1.5	6 652	440	7 092	121
1996							
July	2.0	1.5	1.0	6 728	139	6 868	-
Aug.	2.0	1.5	1.0	6 672	308	6 981	544
Sept.	2.0	1.5	1.0	6 636	1 634	8 270	-
Oct.	2.0	1.5	1.0	6 703	631	7 334	-
Nov.	2.0	1.5	1.0	6 596	136	6 732	233
Dec.	2.0	1.5	1.0	6 578	992	7 570	186
1997							
Jan.	2.0	1.5	1.0	6 560	423	6 983	-
Feb.	2.0	1.5	1.0	6 590	992	7 582	-
March	2.0	1.5	1.0	6 582	1 478	8 060	-
April	2.0	1.5	1.0	6 589	566	7 156	18
May	2.0	1.5	1.0	6 623	598	7 221	-
June	2.0	1.5	1.0	6 612	1 165	7 777	-
July	2.0	1.5	1.0	6 786	378	7 164	-

<sup>1</sup> As of 2 October 1995, the minimum reserve requirement is fulfilled on an averaging basis; until 2 October 1995, end of month figures.

### 2.2 The Bank of Finland's money market transactions, mill. FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Money market transactions, net (1-2-3)
	1	2	3	4
1992	76 230	137 940	-60 417	-1 293
1993	86 521	146 899	-50 486	-9 892
1994	35 540	351 820	-295 165	-21 115
1995	50 435	434 810	-393 930	9 555
1996	94 080	250 980	-190 562	33 662
1996				
July	6 700	16 450	-13 510	3 760
Aug.	14 800	21 920	-9 892	2 772
Sept.	11 900	24 650	-15 530	2 780
Oct.	10 600	24 920	-12 030	-2 290
Nov.	7 900	19 340	-23 630	12 190
Dec.	12 650	15 530	-6 430	3 550
1997				
Jan.	17 100	47 370	-2 780	-27 490
Feb.	15 500	47 520	-28 660	-3 360
March	1 450	41 950	-47 030	6 530
April	24 200	41 700	-13 630	-3 870
May	5 700	34 760	-34 700	5 640
June	9 600	32 760	-22 160	-1 000
July	10 420	36 520	-22 950	-3 150

### 2.3 The Bank of Finland's transactions in convertible currencies, mill. FIM

During period	Intervention in the foreign exchange market			Spot transactions related to forward contracts, net	Central government's foreign exchange transactions, net
	Spot purchases	Spot sales	Forward exchange intervention = change in forward exchange position		
	1	2	3	4	5
1992	20 050	-70 640	-1 650	390	45 060
1993	25 120	-45 080	7 460	-6 910	33 240
1994	20 930	-12 900	9 060	-8 930	24 660
1995	4 910	-5 470	-6 170	9 170	-10 135
1996	7 360	-7 320	-	-	-13 868
1996					
June	240	-	-	-	-720
July	60	-	-	-	-50
Aug.	1 350	-	-	-	-658
Sept.	2 310	-	-	-	-2 210
Oct.	2 200	-	-	-	-690
Nov.	-	-480	-	-	30
Dec.	-	-	-	-	-950
1997					
Jan.	38 340	-	12 620	-12 260	-250
Feb.	-	-	430	-	-1 660
March	1 460	-720	-2 610	2 540	-3 490
April	-	-690	-4 240	3 070	-8 160
May	-	-60	-100	-	-930
June	2 880	-	70	-	-870

### 2.4 Forward exchange contracts between Finnish markka and other currencies, mill. FIM

Stock at end of period	Finnish banks' forward contracts						Non-residents' forward contracts with Finnish customers (excl. Finnish banks)			The Bank of Finland's forward contracts	
	With Finnish customers (excl. Finnish banks)			With foreign customers			Total				
	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Currency purchases from foreign customers	Currency sales to foreign customers	Net	Net	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Net currency sales
1	2	3	4	5	6	7	8	9	10	11	
1992	39 195	32 939	6 256	21 142	32 339	-11 197	-4 941	1 614	1 929	-315	7 133
1993	38 373	23 721	14 652	14 346	21 895	-7 548	7 104	11 632	2 173	9 459	1 939
1994	51 096	22 093	29 003	19 236	32 791	-13 555	15 448	18 372	4 780	13 592	-6 080
1995	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	-
1996	53 520	21 793	31 726	44 068	72 021	-27 953	3 773	15 871	6 908	8 963	-
1996											
June	60 709	27 714	32 995	43 406	61 302	-17 896	15 099	16 731	8 494	8 237	-
July	57 388	27 873	29 514	42 949	62 681	-19 733	9 781	16 977	8 127	8 849	-
Aug.	56 042	26 638	29 404	43 992	68 884	-24 891	4 513	17 407	7 513	9 894	-
Sept.	54 160	23 422	30 738	46 476	69 507	-23 031	7 707	18 761	7 536	11 225	-
Oct.	54 587	24 466	30 120	50 823	73 163	-22 341	7 779	18 988	6 902	12 085	-
Nov.	53 072	22 459	30 614	51 554	76 001	-24 446	6 168	18 476	7 649	10 827	-
Dec.	53 520	21 793	31 726	44 068	72 021	-27 953	3 773	15 871	6 908	8 963	-
1997											
Jan.	61 066	21 103	39 964	61 130	72 501	-11 371	28 593	18 219	5 597	12 622	-12 185
Feb.	60 646	20 139	40 507	58 008	66 207	-8 199	32 308	18 779	5 040	13 740	-12 185
March	62 218	23 415	38 803	57 783	85 313	-27 530	11 273	18 160	5 138	13 023	-9 924
April	65 819	25 160	40 659	59 142	84 411	-25 268	15 391	20 854	10 927	9 927	-5 589
May	65 324	25 735	39 588	53 735	82 076	-28 340	11 248	22 115	9 477	12 638	-5 589
June	65 886	30 056	35 830	58 688	83 157	-24 468	11 362	24 007	12 681	11 326	-5 589

### 3. Rates of interest

#### 3.1 Money market rates and rates applied by the Bank of Finland, per cent

Average of daily observations	Interbank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate <sup>1</sup>	Excess-reserve rate <sup>2</sup>	Base rate
	1	2	3	4	5	6	7	8
1992	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
1993	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
1994	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
1995	5.26	5.63	5.76	5.97	6.34	7.63	3.63	5.20
1996	3.66	3.58	3.63	3.74	3.99	5.57	1.57	4.38
1996								
July	3.48	3.54	3.63	3.78	4.07	5.52	1.52	4.50
Aug.	3.94	3.45	3.54	3.70	4.00	5.43	1.43	4.50
Sept.	3.16	3.19	3.28	3.43	3.67	5.19	1.19	4.25
Oct.	3.11	3.04	3.10	3.20	3.40	5.03	1.03	4.00
Nov.	3.29	3.02	3.08	3.21	3.46	5.00	1.00	4.00
Dec.	3.11	3.02	3.08	3.20	3.40	5.00	1.00	4.00
1997								
Jan.	2.68	3.02	3.07	3.16	3.34	5.00	1.00	4.00
Feb.	2.85	3.01	3.07	3.17	3.34	5.00	1.00	4.00
March	2.51	3.01	3.07	3.18	3.42	5.00	1.00	4.00
April	3.24	3.02	3.08	3.21	3.48	5.00	1.00	4.00
May	2.51	3.01	3.08	3.19	3.40	5.00	1.00	4.00
June	2.76	3.00	3.07	3.19	3.42	5.00	1.00	4.00
July	2.85	3.00	3.08	3.22	3.50	5.00	1.00	4.00

<sup>1</sup> Call money credit rate until 2 July 1992.

<sup>2</sup> Call money deposit rate until 2 October 1995.

#### 3.2 The Bank of Finland's liquidity facility

The Bank of Finland's tender rate, %	Liquidity credit: interest rate margin, %-points	Liquidity credit: maturity, days	Call money deposits: interest rate margin, %-points	Excess-reserve rate		
1	2	3	4	5		
1992 <sup>1</sup>	13.85	1992	+1.00	7	-3.00	.
1993	7.87	1993	+2.00	7	-2.00	.
1994	5.11	1994	+2.00	7	-2.00	.
1995	5.63	1995	+2.00	7	.	2.25
1996	3.57	1996	+2.00	7	.	1.00
1996		1996				
July	3.52	July	+2.00	7	.	1.50
Aug.	3.43	Aug.	+2.00	7	.	1.25
Sept.	3.19	Sept.	+2.00	7	.	1.10
Oct.	3.03	Oct.	+2.00	7	.	1.00
Nov.	3.00	Nov.	+2.00	7	.	1.00
Dec.	3.00	Dec.	+2.00	7	.	1.00
1997		1997				
Jan.	3.00	Jan.	+2.00	7	.	1.00
Feb.	3.00	Feb.	+2.00	7	.	1.00
March	3.00	March	+2.00	7	.	1.00
April	3.00	April	+2.00	7	.	1.00
May	3.00	May	+2.00	7	.	1.00
June	3.00	June	+2.00	7	.	1.00
July	3.00	July	+2.00	7	.	1.00
13.3.1996	3.75	13.3.1996				1.75
14.6.1996	3.60	14.6.1996				1.60
5.7.1996	3.50	5.7.1996				1.50
23.8.1996	3.25	23.8.1996				1.25
18.9.1996	3.10	18.9.1996				1.10
9.10.1996	3.00	9.10.1996				1.00

<sup>1</sup> July-December.

#### 3.3 Weighted Eurorates and commercial ECU interest rate, per cent

Average of daily observations	ECU	3 currencies	Commercial ECU
	3 months		
	1	2	3
1992	10.4	7.8	10.6
1993	8.0	5.9	8.1
1994	5.9	5.2	6.1
1995	5.9	5.2	6.0
1996	4.4	4.3	4.4
1996			
July	4.3	4.3	4.5
Aug.	4.3	4.2	4.4
Sept.	4.2	4.1	4.3
Oct.	4.1	4.1	4.2
Nov.	4.1	4.2	4.2
Dec.	4.1	4.3	4.2
1997			
Jan.	4.2	4.3	4.3
Feb.	4.1	4.4	4.2
March	4.1	4.3	4.2
April	4.1	4.3	4.2
May	4.2	4.3	4.2
June	4.1	4.3	4.2
July	4.2	4.3	4.2

### 3.4 Rates of interest applied by banks, per cent

Average for period	Lending					Markka deposits and other markka funding						
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits <sup>1</sup>	36-month tax-exempt deposits <sup>1</sup>	Other tax-exempt deposits, max. rate of interest <sup>1</sup>	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total								
1	2	3	4	5	6	7	8	9	10	11	12	
1992	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
1993	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
1994	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
1995	7.85	11.33	7.30	7.46	8.04	7.75	2.75	3.75	2.00	3.13	6.29	4.08
1996	5.61	9.61	5.31	5.43	6.49	6.15	2.00	3.00	2.00	2.15	4.31	2.78
1996												
June	5.31	10.66	5.35	5.44	6.55	6.20	2.50	3.50	2.00	2.23	4.10	2.79
July	6.26	9.78	5.48	5.63	6.48	6.12	2.50	3.50	2.00	2.21	4.29	2.81
Aug.	6.19	9.74	5.51	5.66	6.42	6.04	2.50	3.50	2.00	2.07	4.09	2.71
Sept.	6.24	9.95	4.92	5.06	6.23	5.87	2.00	3.00	2.00	1.93	3.92	2.52
Oct.	5.63	9.73	4.90	5.04	5.99	5.67	2.00	3.00	2.00	1.84	3.72	2.39
Nov.	5.12	9.58	4.87	4.98	5.94	5.62	2.00	3.00	2.00	1.80	3.77	2.38
Dec.	5.21	9.04	4.38	4.48	5.83	5.48	2.00	3.00	2.00	1.73	3.92	2.35
1997												
Jan.	4.03	9.99	4.63	4.65	5.75	5.39	2.00	..	2.00	1.69	..	..
Feb.	5.59	10.01	4.67	4.79	5.70	5.35	2.00	..	2.00	1.61	..	..
March	5.51	9.97	4.78	4.91	5.67	5.32	2.00	..	2.00	1.48	..	..
April	6.03	9.68	4.53	4.64	5.65	5.29	2.00	..	2.00	1.47	..	..
May	5.25	9.83	4.85	4.96	5.62	5.27	2.00	..	2.00	1.45	..	..
June	5.46	9.31	4.84	4.93	5.59	5.24	2.00	..	2.00	1.43	..	..

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

### 3.5 Yields on bonds and shares, per cent

Period	Bonds				Shares
	Reference rates calculated by the Bank of Finland		Taxable government bonds		Share yield
	3 years	5 years	5 years	10 years	
1	2	3	4	5	
1992	13.1	13.0	12.0	11.5 <sup>1</sup>	2.5
1993	8.5	8.9	8.2	8.8	1.2
1994	8.5	9.3	8.4	9.1	1.0
1995	8.2	8.9	7.9	8.8	2.4
1996	5.8	6.8	6.0	7.1	2.1
1996					
June	6.0	7.2	6.3	7.2	1.9
July	5.9	6.9	6.2	7.1	1.9
Aug.	5.8	6.9	6.1	7.2	1.8
Sept.	5.4	6.5	5.6	6.9	2.4
Oct.	5.0	5.9	5.1	6.5	2.4
Nov.	5.0	5.9	5.1	6.5	2.3
Dec.	5.0	5.9	5.0	6.3	2.2
1997					
Jan.	4.8	5.7	4.8	6.1	2.2
Feb.	4.7	5.5	4.6	5.9	1.8
March	4.8	5.6	4.8	6.1	2.1
April	5.0	5.8	5.0	6.4	2.3
May	4.9	5.7	4.8	6.2	2.2
June	4.9	5.7	4.8	6.1	2.1

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

## 4. Rates of exchange

### 4.1 Middle rates, FIM

Average of daily quotations	New York 1 USD	Montreal 1 CAD	London 1 GBP	Dublin 1 IEP	Stockholm 1 SEK	Oslo 1 NOK	Copenhagen 1 DKK	Reykjavik 1 ISK	Frankfurt am Main 1 DEM	Amsterdam 1 NLG	Brussels 1 BEF	Zurich 1 CHF
	1	2	3	4	5	6	7	8	9	10	11	12
1992	4.4835	3.706	7.875	7.636	0.7714	0.7222	0.7444	0.0778	2.8769	2.5552	0.1397	3.2000
1993	5.7189	4.434	8.582	8.371	0.7350	0.8059	0.8822	0.0846	3.4584	3.0787	0.1655	3.8706
1994	5.2184	3.824	7.982	7.799	0.6758	0.7393	0.8207	0.0745	3.2169	2.8684	0.1561	3.8179
1995	4.3658	3.181	6.891	6.999	0.6123	0.6889	0.7790	0.0674	3.0471	2.7202	0.1481	3.6941
1996	4.5905	3.367	7.164	7.345	0.6847	0.7111	0.7921	0.0689	3.0530	2.7247	0.1484	3.7211
1996												
July	4.5888	3.352	7.128	7.354	0.6909	0.7113	0.7910	0.0687	3.0495	2.7171	0.1480	3.7178
Aug.	4.4777	3.263	6.941	7.215	0.6765	0.6986	0.7816	0.0676	3.0210	2.6932	0.1466	3.7227
Sept.	4.5383	3.313	7.075	7.309	0.6834	0.7029	0.7826	0.0680	3.0145	2.6889	0.1464	3.6860
Oct.	4.5714	3.383	7.245	7.352	0.6925	0.7049	0.7803	0.0681	2.9918	2.6669	0.1452	3.6337
Nov.	4.5500	3.400	7.571	7.576	0.6869	0.7162	0.7839	0.0687	3.0106	2.6843	0.1461	3.5703
Dec.	4.6398	3.409	7.726	7.709	0.6799	0.7173	0.7809	0.0692	2.9883	2.6635	0.1450	3.4927
1997												
Jan.	4.7765	3.541	7.924	7.791	0.6764	0.7408	0.7803	0.0700	2.9754	2.6498	0.1443	3.4297
Feb.	4.9757	3.672	8.089	7.898	0.6720	0.7508	0.7794	0.0707	2.9729	2.6468	0.1441	3.4264
March	5.0716	3.702	8.141	7.932	0.6622	0.7448	0.7834	0.0713	2.9886	2.6558	0.1448	3.4601
April	5.1307	3.681	8.360	7.965	0.6678	0.7360	0.7876	0.0721	3.0003	2.6680	0.1454	3.5109
May	5.1337	3.722	8.382	7.780	0.6694	0.7271	0.7922	0.0729	3.0169	2.6825	0.1462	3.5903
June	5.1732	3.737	8.503	7.797	0.6680	0.7177	0.7869	0.0735	2.9966	2.6637	0.1452	3.5881
July	5.3051	3.854	8.869	7.942	0.6793	0.7134	0.7783	0.0747	2.9641	2.6325	0.1436	3.5832

Average of daily quotations	Paris 1 FRF	Rome 1 ITL	Vienna 1 ATS	Lisbon 1 PTE	Madrid 1 ESP	Athens 1 GRD	Tallinn 1 EEK	Tokyo 1 JPY	Melbourne 1 AUD	Seoul 1 KRW	ECU Commercial 1 XEU	SDR 1 XDR
	13	14	15	16	17	18	19	20	21	22	23	24
1992	0.8486	0.00364	0.4088	0.0332	0.0438	0.024	0.4060	0.03546	3.289	..	5.798	6.31546
1993	1.0096	0.00364	0.4916	0.0356	0.0451	0.025	0.4323	0.05168	3.885	..	6.685	7.98671
1994	0.9406	0.00324	0.4573	0.0314	0.0390	0.0215	0.4021	0.05106	3.814	..	6.175	7.46629
1995	0.8748	0.00268	0.4331	0.0291	0.0350	0.0189	0.3809	0.04663	3.238	..	5.644	6.61879
1996	0.8978	0.00298	0.4340	0.0298	0.0363	0.0191	0.3816	0.04225	3.593	..	5.751	6.66357
1996												
July	0.9006	0.00301	0.4334	0.0297	0.0361	0.0193	0.3812	0.04200	3.622	..	5.762	6.65070
Aug.	0.8848	0.00295	0.4293	0.0294	0.0356	0.0189	0.3776	0.04153	3.506	..	5.683	6.52988
Sept.	0.8854	0.00299	0.4284	0.0295	0.0358	0.0190	0.3768	0.04132	3.598	..	5.714	6.57191
Oct.	0.8846	0.00300	0.4253	0.0296	0.0355	0.0191	0.3740	0.04071	3.620	..	5.731	6.58126
Nov.	0.8898	0.00301	0.4279	0.0298	0.0358	0.0191	0.3763	0.04052	3.625	..	5.782	6.60942
Dec.	0.8845	0.00304	0.4247	0.0296	0.0355	0.0189	0.3735	0.04075	3.702	..	5.767	6.67218
1997												
Jan.	0.8817	0.00305	0.4229	0.0298	0.0355	0.0190	0.3719	0.04051	3.712	..	5.777	6.75569
Feb.	0.8806	0.00301	0.4225	0.0296	0.0351	0.0190	0.3716	0.04048	3.818	..	5.771	6.88718
March	0.8859	0.00299	0.4246	0.0297	0.0352	0.0190	0.3736	0.04138	3.998	..	5.801	6.98562
April	0.8908	0.00303	0.4263	0.0299	0.0356	0.0190	0.3750	0.04086	3.997	..	5.853	7.03636
May	0.8945	0.00305	0.4286	0.0299	0.0357	0.0189	0.3771	0.04335	3.975	..	5.880	7.12016
June	0.8878	0.00305	0.4258	0.0297	0.0355	0.0189	0.3745	0.04527	3.902	..	5.855	7.19320
July	0.8785	0.00304	0.4213	0.0293	0.0351	0.0189	0.3705	0.04609	3.939	0.00596	5.846	7.30859

## 4.2 Markka value of the ECU and currency indices

Average of daily observations	Markka value of the ECU FIM/ECU	Currency indices, 1982=100	
		Trade-weighted currency index	Payments currency index
	1	2	3
1992	5.80140	116.4	115.7
1993	6.69420	132.4	136.0
1994	6.19108	123.2	125.5
1995	5.70936	111.6	111.6
1996	5.83028	115.3	115.8
1996			
July	5.82763	115.3	115.8
Aug.	5.74674	113.5	113.6
Sept.	5.76093	114.0	114.5
Oct.	5.75237	114.3	114.9
Nov.	5.81220	115.1	115.2
Dec.	5.79898	115.2	115.9
1997			
Jan.	5.80159	115.8	117.4
Feb.	5.80357	116.4	119.4
March	5.82954	116.8	120.5
April	5.87626	117.8	121.6
May	5.90366	118.6	122.1
June	5.88180	118.7	122.4
July	5.86447	119.0	123.8

## 4.3 Deviations of ERM currencies' markka rates from central rates, per cent

Average of daily observations	ECU	DEM	FRF	NLG	DKK	BEF	ESP	ATS	PTE	IEP	ITL
Central rate as of											
25 Nov. 1996	5.85424	3.04000	0.906422	2.69806	0.796976	0.147391	0.0357345	0.432094	0.029657	7.32960	0.00307071
	1	2	3	4	5	6	7	8	9	10	11
1995	-1.69	0.23	-3.48	0.82	-2.25	0.49	-2.02	0.24	-1.84	-4.52	..
1996	0.30	0.43	-0.95	0.99	-0.61	0.65	1.49	0.44	0.40	0.21	-3.07
1996											
July	0.36	0.31	-0.64	0.71	-0.76	0.42	1.05	0.31	0.01	0.34	-2.08
Aug.	-1.03	-0.63	-2.38	-0.18	-1.93	-0.53	-0.34	-0.64	-0.79	-1.56	-3.83
Sept.	-0.79	-0.84	-2.32	-0.34	-1.80	-0.66	0.10	-0.85	-0.48	-0.28	-2.75
Oct.	-0.93	-1.58	-2.40	-1.16	-2.09	-1.46	-0.56	-1.58	-0.18	0.31	-2.35
Nov.	-0.10	-0.97	-1.84	-0.51	-1.64	-0.87	0.10	-0.98	0.43	3.36	-2.10
Dec.	-0.94	-1.70	-2.42	-1.28	-2.02	-1.63	-0.70	-1.71	-0.14	5.17	-1.16
1997											
Jan.	-0.90	-2.13	-2.73	-1.79	-2.10	-2.07	-0.78	-2.12	0.39	6.29	-0.74
Feb.	-0.87	-2.21	-2.85	-1.90	-2.20	-2.26	-1.79	-2.23	-0.21	7.76	-2.04
March	-0.42	-1.69	-2.27	-1.57	-1.70	-1.73	-1.45	-1.73	0.29	8.22	-2.53
April	0.38	-1.31	-1.73	-1.12	-1.18	-1.34	-0.52	-1.34	0.88	8.67	-1.31
May	0.84	-0.76	-1.31	-0.58	-0.60	-0.84	0.02	-0.80	0.97	6.14	-0.53
June	0.47	-1.43	-2.06	-1.27	-1.26	-1.49	-0.74	-1.45	0.01	6.37	-0.61
July	0.17	-2.50	-3.08	-2.43	-2.35	-2.58	-1.65	-2.50	-1.04	8.36	-0.86

## 5. Other domestic financing

### 5.1 Bank funding from the public, mill. FIM

End of period	Cheque and giro deposits	Trans-action 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
1992	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
1993	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994	41 200	99 691	108 922	19 838	269 650	12 774	282 424	44 228	326 651
1995	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
1996	58 016	131 632	49 827	45 963	285 438	12 358	297 796	40 315	338 111
1995 Dec.	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
1996 Jan.	49 611	112 796	95 511	25 399	283 316	13 011	296 327	50 008	346 335
Feb.	50 458	114 837	92 259	24 321	281 875	14 184	296 059	38 431	334 490
March	47 744	117 393	88 832	24 956	278 925	13 951	292 876	41 906	334 782
April	48 998	118 926	85 803	25 557	279 285	14 896	294 182	43 472	337 653
May	49 759	120 368	82 956	26 065	279 148	15 399	294 547	46 802	341 349
June	50 372	123 941	77 448	29 039	280 800	13 816	294 617	43 867	338 483
July	49 770	123 827	74 304	31 319	279 221	13 735	292 955	42 524	335 479
Aug.	49 632	124 983	71 631	32 613	278 859	12 857	291 717	47 258	338 975
Sept.	51 578	124 477	67 805	33 601	277 462	13 706	291 168	53 697	344 865
Oct.	53 460	127 084	63 616	34 720	278 880	12 938	291 818	48 272	340 090
Nov.	52 682	128 841	59 728	35 853	277 104	12 050	289 154	47 988	337 142
Dec.	58 016	131 632	49 827	45 963	285 438	12 358	297 796	40 315	338 111

### 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
1992	16 045	3 335	252 163	271 544	95 168	366 712
1993	14 217	2 223	248 406	264 846	66 931	331 777
1994	13 241	1 301	242 417	256 958	45 138	302 096
1995	12 348	901	235 074	248 323	32 252	280 575
1996	11 712	628	238 839	251 179	23 302	274 481
1995 Dec.	12 348	901	235 074	248 323	32 252	280 575
1996 Jan.	12 150	792	234 104	247 046	32 406	279 452
Feb.	12 182	853	235 211	248 246	31 240	279 486
March	12 262	835	235 623	248 719	30 734	279 453
April	12 142	834	235 029	248 005	31 704	279 709
May	12 117	763	235 306	248 187	29 035	277 221
June	11 936	747	237 366	250 049	29 206	279 255
July	11 722	698	236 967	249 387	27 516	276 903
Aug.	11 872	685	237 913	250 471	26 540	277 011
Sept.	11 803	659	237 999	250 462	26 131	276 593
Oct.	11 522	640	238 811	250 974	25 311	276 285
Nov.	11 725	616	239 174	251 515	24 736	276 251
Dec.	11 712	628	238 839	251 179	23 302	274 481

### 5.3 Money supply, mill. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	Monetary aggregates		
		Claims on the central government	Claims on the public	Total (2+3)		M <sub>1</sub>	M <sub>2</sub> (1+4+5)	M <sub>3</sub>
	1	2	3	4	5	6	7	8
1992	-68 099	81	439 937	440 018	-97 909	134 829	274 011	310 733
1993	-25 989	1 848	403 742	405 589	-100 006	141 759	279 595	322 408
1994	12 844	6 092	365 712	371 804	-97 953	154 357	286 696	328 509
1995	25 481	19 837	353 340	373 177	-94 870	175 921	303 788	329 820
1996 *	40 638	12 821	350 230	363 052	-106 399	204 834	297 291	325 473
1996 *								
June	28 625	23 209	351 923	375 131	-108 995	189 332	294 761	328 990
July	36 492	24 318	349 162	373 481	-118 138	188 023	291 834	327 935
Aug.	34 402	25 936	349 733	375 669	-117 975	189 292	292 096	325 470
Sept.	33 218	15 243	349 521	364 764	-106 967	190 781	291 016	329 848
Oct.	31 312	17 873	349 742	367 615	-105 768	195 621	293 160	332 372
Nov.	36 768	16 834	350 532	367 366	-111 862	196 631	292 273	326 535
Dec.	40 638	12 821	350 230	363 052	-106 399	204 834	297 291	325 473
1997*								
Jan.	53 240	14 975	335 976	350 951	-105 893	206 956	298 298	339 801
Feb.	56 614	9 887	338 163	348 050	-111 763	200 605	292 901	328 095
March	56 842	10 209	337 213	347 421	-105 201	206 040	299 062	338 407
April	58 658	14 411	337 724	352 134	-115 138	202 323	295 654	340 840
May	63 106	16 769	338 988	355 757	-118 574	206 912	300 289	349 620
June	..	..	..	..	..	209 080	301 894	350 332

### 5.4 Liabilities and assets of the central government, mill. FIM

End of period	Foreign currency-denominated debt			Markka-denominated debt					Total central government debt (3+8)	Out-standing	Cash funds
	Bonds	Other debt	Total (1+2)	Public bonds	Other long-term liabilities	Treasury notes and bills	Miscellaneous items	Total (4+5+6+7)			
	1	2	3	4	5	6	7	8	9	10	11
1992	100 244	6 143	106 387	40 578	13 555	14 762	.	68 895	175 282	61 671	19 781
1993	142 824	12 753	155 577	71 082	16 060	22 824	.	109 966	265 543	66 439	36 487
1994	160 587	15 975	176 562	93 008	17 100	33 153	-5 945	137 316	313 878	67 658	43 012
1995	158 545	13 756	172 301	143 948	17 492	37 864	-5 609	193 695	365 996	66 855	41 878
1996	158 847	16 161	175 008	177 700	17 187	37 620	-5 354	227 425	402 433	64 316	38 369
1996											
June	159 874	15 192	175 066	166 921	17 359	46 102	-5 324	225 176	400 242	66 754	48 626
July	158 676	15 699	174 375	171 787	17 220	44 668	-5 367	228 426	402 801	66 824	50 441
Aug.	156 801	15 491	172 292	177 586	17 220	45 698	-5 405	235 236	407 528	67 027	55 516
Sept.	156 467	15 694	172 161	167 234	17 219	46 627	-5 408	225 851	398 012	64 300	44 278
Oct.	157 132	15 908	173 040	172 555	17 219	40 147	-5 454	224 666	397 706	64 438	38 903
Nov.	159 449	16 292	175 741	174 696	17 198	36 909	-5 459	223 597	399 338	63 764	42 220
Dec.	158 847	16 161	175 008	177 700	17 187	37 620	-5 354	227 425	402 433	64 316	38 369
1997											
Jan.	159 222	20 920	180 142	180 261	17 187	40 506	-5 405	232 821	412 963	67 176	38 322
Feb.	162 085	21 502	183 587	183 752	17 187	43 932	-5 417	239 652	423 239	67 496	51 137
March	158 001	21 195	179 196	187 972	17 149	43 821	-5 440	243 739	422 935	67 635	44 839
April	155 575	21 828	177 403	192 178	16 865	43 658	-5 107	247 781	425 184	69 018	41 543
May	155 880	23 054	178 934	194 126	16 865	44 045	-5 114	250 109	429 043	..	46 841
June	159 454	24 635	184 089	186 952	16 581	42 797	-5 115	241 433	425 522	..	..



## 5.5 Markka bond market

### A) Issues, mill. FIM

During period	Corporations	Financial institutions	Central government	Local government	Others	Total (1+2+3+4+5)
	1	2	3	4	5	6
1992	6 984	15 043	12 965	2 674	4	37 671
1993	11 691	10 481	36 512	2 235	63	60 981
1994	4 053	9 899	31 553	593	-	46 099
1995	643	4 487	66 557	26	-	71 713
1996*	3 213	9 074	62 139	20	-	74 447
1996*						
June	-	522	3 847	20	-	4 390
July	-	-	4 876	-	-	4 876
Aug.	-	306	9 671	-	-	9 977
Sept.	20	770	5 373	-	-	6 163
Oct.	600	600	6 976	-	-	8 176
Nov.	1 109	1 392	2 656	-	-	5 157
Dec.	63	1 412	3 538	-	-	5 013
1997*						
Jan.	-	377	4 608	-	-	4 985
Feb.	417	432	4 836	-	-	5 685
March	75	1 380	4 660	-	-	6 115
April	6	988	4 258	-	-	5 252
May	-	1 071	2 831	-	-	3 902
June	451	289	5 472	-	-	6 212

### B) Stock, mill. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1992	26 624	82 153	44 005	5 238	3 358	89 382	13 918	58 078	161 378
1993	32 459	73 893	73 682	6 884	2 009	119 552	10 391	58 984	188 927
1994	30 179	66 467	94 865	6 981	953	141 935	7 581	49 929	199 445
1995	26 480	55 223	145 177	5 814	357	186 799	5 034	41 218	233 051
1996*	25 245	44 656	179 419	4 362	140	219 863	2 956	31 003	253 822
1996*									
June	25 534	50 254	168 139	4 647	149	209 581	3 622	35 520	248 723
July	25 016	49 375	173 505	4 646	148	213 605	3 617	35 468	252 690
Aug.	24 756	49 075	179 304	4 638	148	219 241	3 360	35 320	257 921
Sept.	24 649	48 067	168 951	4 652	148	208 317	3 113	35 037	246 467
Oct.	25 184	46 793	174 273	4 642	145	213 851	2 974	34 212	251 037
Nov.	25 641	47 288	176 414	4 641	142	217 494	2 962	33 670	254 126
Dec.	25 245	44 656	179 419	4 362	140	219 863	2 956	31 003	253 822
1997*									
Jan.	25 091	43 814	181 980	4 357	140	222 769	2 614	29 999	255 382
Feb.	24 727	41 827	185 472	4 302	140	226 058	2 393	28 017	256 468
March	25 514	43 257	189 688	4 126	99	231 672	2 118	28 894	262 684
April	25 462	44 214	193 517	4 126	99	236 936	2 107	28 375	267 418
May	24 336	43 819	195 466	3 977	93	238 090	1 842	27 759	267 691
June	23 872	42 300	188 292	3 943	91	229 911	1 833	26 754	258 498

C) *Turnover, mill. FIM*

During period	Interbank transactions	Transactions between banks and customers	Primary dealers' transactions in benchmark government bonds		
			Purchases from other primary dealers	Purchases from others	Sales to others
	1	2	3	4	5
1992	18 383	58 757	10 744	12 156	13 354
1993	47 803	246 104	42 945	95 647	117 489
1994	184 599	359 697	173 096	150 908	176 647
1995	147 037	436 052	133 357	190 069	215 879
1996	207 230	496 383	201 528	222 584	242 310
1996					
July	13 411	26 745	12 763	10 069	12 616
Aug.	13 452	50 597	12 908	22 320	22 356
Sept.	20 933	58 941	20 680	26 345	29 739
Oct.	26 602	52 158	26 298	25 293	26 064
Nov.	13 084	37 331	12 545	16 312	20 612
Dec.	9 524	27 581	9 510	12 084	14 868
1997					
Jan.	26 179	47 138	25 954	23 993	23 081
Feb.	12 722	32 173	12 586	13 762	18 477
March	25 187	44 696	24 965	20 852	24 048
April	18 713	37 831	18 425	17 110	21 183
May	14 413	37 556	14 193	16 206	21 661
June	16 305	43 520	15 845	20 927	23 502
July	17 893	51 233	17 873	23 428	27 905

5.6 *Helsinki Stock Exchange*

Average of daily observations	Share prices										Turnover <sup>1</sup> , mill. FIM		
	HEX index (28 Dec 1990=1000)										Shares and subscription rights	Bonds and debentures	Total
	All-share index	Banks and finance	Insurance	Trade	Construction	Forest industries	Metal and engineering	Telecommunications and electronics	Chemicals	Conglomerates			
1	2	3	4	5	6	7	8	9	10	11	12	13	
1992	772	425	467	-	-	1 123	1 206	-	-	890	10 277	15 377	25 654
1993	1 240	608	644	-	-	1 695	1 749	-	-	1 751	46 337	59 977	106 314
1994	1 847	719	802	-	-	2 284	2 675	-	-	3 068	68 671	2 147	70 818
1995	1 918	500	638	-	-	2 062	2 255	-	-	4 251	83 019	1 075	84 094
1996	2 032	460	820	-	-	2 040	2 564	-	-	5 681	101 265	541	101 806
1996													
July	2 002	400	779	-	-	2 174	2 588	-	-	5 815	5 885	17	5 902
Aug.	2 082	407	805	-	-	2 240	2 732	-	-	6 175	6 995	44	7 039
Sept.	2 131	401	862	-	-	2 188	2 778	-	-	6 125	7 204	49	7 253
Oct.	2 217	520	967	-	-	2 087	2 764	-	-	6 367	10 410	53	10 463
Nov.	2 317	573	977	-	-	2 017	2 744	-	-	6 442	10 676	39	10 715
Dec.	2 446	588	1 006	-	-	2 131	2 850	-	-	6 692	10 379	60	10 438
1997													
Jan.	2 674	633	1 183	2 047	1 001	2 241	2 984	1 107	834	6 605	16 271	95	16 366
Feb.	2 850	714	1 384	2 180	1 021	2 349	3 232	1 151	894	6 862	15 554	43	15 597
March	2 907	723	1 365	2 215	1 041	2 521	3 336	1 140	891	7 228	10 786	26	10 811
April	2 826	654	1 357	2 200	1 017	2 487	3 276	1 100	877	7 148	12 401	43	12 444
May	3 045	705	1 420	2 272	1 015	2 713	3 481	1 241	922	7 887	12 254	24	12 278
June	3 135	679	1 442	2 362	1 031	2 732	3 574	1 334	926	7 927	14 405	28	14 433
July	3 432	839	1 590	2 361	1 064	2 919	3 768	1 565	929	7 849	15 708	28	15 736

<sup>1</sup> During period.

## 6. Balance of payments, foreign liabilities and assets

### 6.1 Current account, mill. FIM

During period	Exports of goods, fob	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, cif	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1992	105 809	8 643	6 089	7 730	22 462	128 272	6 423	5 920	140 614	93 187	4 360	10 962	13 369
1993	132 550	10 430	7 079	9 379	26 888	159 438	6 137	6 506	172 080	101 559	5 646	9 237	17 008
1994	152 022	11 385	7 314	11 808	30 508	182 530	9 617	4 919	197 067	118 684	5 862	8 697	16 800
1995*	172 820	11 900	7 536	14 986	34 422	207 242	12 929	8 596	228 767	125 450	6 029	10 450	19 150
1996*	182 302	12 404	7 338	15 315	35 057	217 359	15 629	7 698	240 686	138 339	5 529	10 559	16 921
1994 IV	41 832	2 728	1 700	3 360	7 788	49 620	3 025	1 260	53 905	35 716	1 563	2 291	4 721
1995* I	41 131	2 971	1 499	3 827	8 297	49 428	3 085	1 543	54 056	29 895	1 479	2 326	5 039
II	45 919	2 977	1 891	3 571	8 439	54 358	3 246	1 549	59 153	31 773	1 572	2 639	4 825
III	39 617	2 976	2 243	3 718	8 937	48 554	2 707	2 143	53 404	29 856	1 498	2 707	4 349
IV	46 154	2 976	1 903	3 870	8 749	54 903	3 892	3 360	62 155	33 926	1 481	2 779	4 937
1996* I	42 610	2 997	1 677	3 473	8 146	50 756	4 263	1 446	56 466	33 495	1 382	2 615	4 299
II	48 105	3 128	1 873	3 729	8 730	56 835	4 617	2 076	63 528	34 752	1 367	2 678	4 088
III	41 904	3 252	2 065	4 158	9 474	51 378	3 183	1 339	55 900	31 989	1 402	2 571	3 994
IV	49 683	3 027	1 724	3 955	8 706	58 389	3 566	2 837	64 792	38 102	1 377	2 696	4 540
1997* I	45 726	3 317	1 518	3 509	8 344	54 069	3 393	1 990	59 452	35 288	1 659	2 369	4 524

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 (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)=
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1992	28 690	121 878	30 424	10 347	162 649	12 622	4 283	-4 873	-5 639	-6 228	6 394	-24 001	-4 428	-22 035
1993	31 891	133 450	34 580	10 390	178 421	30 991	4 784	-2 159	-7 629	-5 004	25 988	-28 443	-3 885	-6 340
1994	31 359	150 043	31 801	8 596	190 440	33 339	5 523	-1 382	-4 992	-851	32 487	-22 184	-3 676	6 627
1995*	35 629	161 080	32 529	12 627	206 237	47 370	5 870	-2 914	-4 164	-1 207	46 162	-19 600	-4 032	22 531
1996*	33 009	171 348	32 783	14 520	218 651	43 963	6 875	-3 221	-1 606	2 048	46 011	-17 154	-6 821	22 035
1994 IV	8 575	44 291	7 399	1 984	53 673	6 117	1 166	-591	-1 361	-787	5 330	-4 375	-724	231
1995* I	8 844	38 739	9 295	2 825	50 858	11 235	1 492	-827	-1 212	-546	10 689	-6 209	-1 282	3 198
II	9 036	40 809	10 067	3 191	54 067	14 145	1 406	-748	-1 254	-597	13 549	-6 822	-1 641	5 086
III	8 554	38 410	6 630	3 205	48 244	9 761	1 478	-464	-631	383	10 144	-3 923	-1 061	5 160
IV	9 196	43 122	6 538	3 407	53 067	12 228	1 494	-875	-1 066	-447	11 781	-2 646	-47	9 087
1996* I	8 296	41 792	8 530	4 010	54 332	9 115	1 614	-938	-827	-151	8 964	-4 267	-2 563	2 134
II	8 133	42 885	10 925	3 862	57 672	13 353	1 761	-805	-358	598	13 950	-6 308	-1 786	5 857
III	7 966	39 956	6 621	3 055	49 632	9 915	1 850	-506	164	1 508	11 423	-3 439	-1 716	6 267
IV	8 613	46 715	6 707	3 593	57 015	11 581	1 650	-972	-585	93	11 674	-3 141	-756	7 777
1997* I	8 552	43 840	8 317	4 183	56 340	10 438	1 657	-851	-1 015	-208	10 229	-4 923	-2 194	3 112

## 6.2 Capital and financial account, mill. FIM

During period	Capital account, imports of capital	Financial account											Total (2+8+12)
		Direct investment in Finland	Portfolio investment in Finland					Other investment in Finland					
			Shares	Bonds	Of which: markka-denominated bonds	Money market instruments	Financial derivatives	Total (3+4+6+7)	Trade credits	Loans	Other capital	Total (9+10+11)	
1	2	3	4	5	6	7	8	9	10	11	12	13	
1992	0	1 822	397	39 309	-5 312	-1 791	..	37 915	3 639	2	-15 725	-12 084	27 653
1993	0	4 945	12 748	30 353	3 616	-4 382	..	38 719	4 467	5 457	-29 801	-19 877	23 787
1994	0	8 240	13 400	21 977	-5 783	-2 134	59	33 302	3 107	647	-1 392	2 361	43 903
1995*	487	4 642	8 734	-17 868	-3 634	1 421	2 588	-5 126	-1 216	-6 985	8 376	176	-307
1996*	596	5 596	8 937	-4 582	6 288	808	1 501	6 664	-3 329	12 775	-1 346	8 100	20 360
1994													
IV	0	-1 005	1 426	-4 562	-3 283	-1 614	20	-4 729	4 366	4 678	545	9 589	3 855
1995*													
I	0	2 625	392	150	-1 423	-1 889	146	-1 200	-2 601	-333	8 549	5 615	7 040
II	0	-1 243	3 482	-9 335	-3 501	-974	523	-6 303	865	-3 206	-2 136	-4 477	-12 023
III	0	151	2 940	-2 503	933	1 618	1 079	3 134	-1 089	-3 192	-744	-5 025	-1 740
IV	487	3 109	1 920	-6 181	358	2 666	839	-756	1 609	-254	2 707	4 063	6 416
1996*													
I	0	1 743	1 216	2 635	1 155	502	1 119	5 472	-3 502	4 632	-552	578	7 793
II	0	709	6 143	-5 152	2 554	363	754	2 108	-702	4 717	-3 119	896	3 712
III	0	2 652	374	-4 841	277	-254	-180	-4 902	-86	2 516	4 371	6 800	4 550
IV	596	492	1 204	2 777	2 303	198	-192	3 987	961	911	-2 047	-174	4 304
1997*													
I	0	2 002	5 121	4 000	846	1 584	-86	10 618	-907	6 549	16 218	21 860	34 480

During period	Capital account, exports of capital	Financial account											Errors and omissions	
		Direct investment abroad	Portfolio investment abroad					Other investment abroad				Total (15+20+24)		Change in central bank's reserve assets (increase -)
			Shares	Bonds	Money market instruments	Financial derivatives	Total (16+17+18+19)	Trade credits	Loans	Other capital	Total (21+22+23)			
14	15	16	17	18	19	20	21	22	23	24	25	26	27	
1992	0	-3 372	46	321	2 748	..	3 115	3 634	3 409	7 720	14 763	14 506	9 180	-293
1993	0	8 050	873	767	1 932	..	3 571	1 923	-839	9 576	10 660	22 282	-1 219	6 055
1994	0	22 447	434	-4 294	-855	-279	-4 994	1 213	-7 460	9 762	3 516	20 968	-25 504	-4 058
1995*	206	7 339	892	3 685	-5 492	-168	-1 084	3 839	-2 712	11 750	12 877	19 132	1 480	-4 852
1996*	340	16 309	3 278	15 424	364	-172	18 895	389	4 281	15 704	20 375	55 579	14 075	-1 145
1994														
IV	0	7 341	19	768	2 956	2	3 745	1 724	-2 734	-3 522	-4 532	6 555	-1 132	3 600
1995*														
I	0	2 212	-128	1 757	-2 249	-48	-668	660	-1 234	9 695	9 121	10 665	-1 691	2 118
II	104	1 490	375	104	-2 798	31	-2 288	2 379	-150	-7 809	-5 580	-6 377	1 288	-624
III	0	1 027	461	28	521	-37	973	-132	1 044	3 431	4 343	6 343	1 592	1 331
IV	102	2 610	184	1 797	-967	-115	899	933	-2 373	6 433	4 993	8 502	291	-7 678
1996*														
I	61	5 391	577	4 019	2 424	-26	6 993	-605	2 416	6 458	8 269	20 654	7 254	3 534
II	0	6 670	1 041	3 041	162	71	4 315	716	-2 064	4 830	3 483	14 468	8 457	-3 558
III	0	3 751	729	4 169	-2 457	-51	2 389	-818	1 565	1 924	2 671	8 811	-1 132	-872
IV	279	497	932	4 195	235	-165	5 197	1 097	2 364	2 491	5 952	11 646	-505	-248
1997*														
I	0	2 507	847	4 504	4 250	-30	9 571	877	3 248	-3 905	220	12 298	-22 134	-3 160

### 6.3 Finland's international investment position, mill. FIM

Position at end of period	Liabilities												Total liabilities (1+7+12)
	Direct investment in Finland	Portfolio investment					Total (2+3+5+6)	Other investment				Total (8+9+10+11)	
		Shares	Bonds	Of which: markka-denominated bonds	Money market instruments	Financial derivatives		Trade credits	Loans	Currency and deposits	Other		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1992	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 881	78 804	182 320	437 557
1993	24 391	30 375	266 269	27 402	14 995	-6 103	305 536	18 206	90 825	4 025	54 188	167 243	497 170
1994	31 846	60 558	258 823	22 285	10 309	-5 179	324 511	19 852	82 649	3 430	46 566	152 498	508 855
1995*	36 894	63 746	228 676	19 638	10 099	1 545	304 066	18 540	69 249	2 568	53 557	143 914	484 874
1996*	42 536	108 932	230 147	26 497	10 689	3 634	353 401	15 100	83 373	1 733	53 745	153 952	549 889
1994 IV	31 846	60 558	258 823	22 285	10 309	-5 179	324 511	19 852	82 649	3 430	46 566	152 498	508 855
1995* I	34 509	53 488	254 534	21 434	7 065	-5 996	309 092	17 218	79 143	3 369	53 433	153 163	496 764
1995* II	33 386	79 430	243 399	18 054	5 577	-6 768	321 638	18 049	75 411	2 580	51 169	147 208	502 233
1995* III	33 665	93 020	233 054	20 230	7 262	-520	332 815	16 930	68 882	2 364	50 032	138 208	504 688
1995* IV	36 894	63 746	228 676	19 638	10 099	1 545	304 066	18 540	69 249	2 568	53 557	143 914	484 874
1996* I	38 701	68 674	241 179	20 771	11 192	2 424	323 468	14 975	77 934	1 518	55 412	149 838	512 007
1996* II	39 414	80 962	234 442	23 965	11 126	3 099	329 629	14 344	81 836	1 939	51 588	149 707	518 750
1996* III	42 030	91 198	225 433	23 766	11 286	2 948	330 865	14 024	82 365	1 742	55 621	153 752	526 647
1996* IV	42 536	108 932	230 147	26 497	10 689	3 634	353 401	15 100	83 373	1 733	53 745	153 952	549 889
1997* I	44 533	129 824	240 786	27 707	11 972	2 816	385 398	13 687	90 798	2 677	70 762	177 924	607 855

Position at end of period	Assets											Total assets (14+19+24)	
	Direct investment abroad	Portfolio investment					Total (15+16+17+18)	Other investment					Total (20+21+22+23)
		Shares	Bonds	Money market instruments	Financial derivatives	Trade credits		Loans	Currency and deposits	Other			
14	15	16	17	18	19	20	21	22	23	24	25		
1992	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	78 257	147 562	209 565	
1993	53 090	1 783	10 709	11 030	447	23 968	26 256	35 981	5 799	91 127	159 162	236 221	
1994	59 451	1 984	5 109	9 115	488	16 696	25 500	24 847	8 257	109 847	168 451	244 598	
1995*	66 150	3 216	9 619	2 736	177	15 748	28 358	20 381	7 290	115 543	171 571	253 469	
1996*	82 802	7 147	25 041	3 478	-21	35 645	29 482	25 826	5 908	124 017	185 233	303 680	
1994 IV	59 451	1 984	5 109	9 115	488	16 696	25 500	24 847	8 257	109 847	168 451	244 598	
1995* I	60 274	1 751	6 557	5 835	157	14 300	25 254	22 668	6 352	118 897	173 172	247 746	
1995* II	61 007	2 158	6 930	2 977	115	12 180	27 440	22 142	5 915	108 686	164 183	237 370	
1995* III	61 479	2 661	6 870	3 503	200	13 233	27 092	22 978	6 397	108 057	164 524	239 236	
1995* IV	66 150	3 216	9 619	2 736	177	15 748	28 358	20 381	7 290	115 543	171 571	253 469	
1996* I	74 293	3 994	14 063	5 670	169	23 896	28 205	23 594	5 435	121 308	178 542	276 731	
1996* II	79 836	5 009	16 834	5 842	93	27 778	29 053	21 499	5 523	118 075	174 150	281 765	
1996* III	82 040	5 845	20 610	3 176	48	29 679	28 034	22 902	6 488	119 331	176 754	288 474	
1996* IV	82 802	7 147	25 041	3 478	-21	35 645	29 482	25 826	5 908	124 017	185 233	303 680	
1997* I	86 246	8 577	30 418	7 556	130	46 681	26 330	29 438	5 979	146 220	207 966	340 894	

6.4 Finland's net international investment position (liabilities less assets), by sector, mill. FIM

Position at end of period	Corporate sector	Households and nonprofit institutions	Banks	Bank of Finland	Other financial institutions	Central government	Local government	Net (1+2+3+4+5+6+7)	Net interest and dividend expenditure	Net interest and dividend expenditure in relation to current account receipts, %
	1	2	3	4	5	6	7	8	9	10
1992	33 761	-3 260	82 343	-27 546	28 283	112 064	2 347	227 992	19 011	13.5
1993	54 315	-3 436	45 658	-33 279	29 737	164 892	3 062	260 949	21 897	12.7
1994	82 428	-3 503	33 800	-52 606	21 931	179 113	3 093	264 257	20 296	10.3
1995*	71 574	-2 293	18 970	-47 708	13 297	174 481	3 085	231 405	18 290	8.0
1996*	109 492	-1 142	-13 719	-35 521	912	183 737	2 451	246 209	15 154	6.3
1994										
IV	82 428	-3 503	33 800	-52 606	21 931	179 113	3 093	264 257	3 903	7.2
1995*										
I	73 872	-3 359	23 396	-53 298	19 524	185 724	3 159	249 018	5 881	10.9
II	94 745	-3 495	27 092	-50 742	18 024	175 932	3 305	264 861	6 495	11.0
III	103 212	-3 599	20 558	-47 488	17 173	172 368	3 227	265 451	3 596	6.7
IV	71 574	-2 293	18 970	-47 708	13 297	174 481	3 085	231 405	2 318	3.7
1996*										
I	74 977	-2 512	4 719	-42 679	9 483	188 118	3 169	235 276	3 772	6.7
II	83 898	-2 605	-4 356	-33 647	5 394	185 184	3 118	236 986	5 813	9.1
III	93 174	-1 114	-5 707	-34 482	1 421	182 336	2 545	238 173	2 944	5.3
IV	109 492	-1 142	-13 719	-35 521	912	183 737	2 451	246 209	2 626	4.1
1997*										
I	131 761	-1 251	5 398	-59 420	-1 065	189 139	2 399	266 961	4 818	8.1

## 7. Foreign trade

### 7.1 Exports, imports and the trade balance, mill. FIM

During period	Exports, fob	Imports, cif	Balance (1-2)
	1	2	3
1992	107 463	94 947	12 516
1993	134 114	103 165	30 949
1994	154 164	120 612	33 552
1995	176 021	128 556	47 465
1996*	185 798	140 996	44 802
1996*			
May	16 184	12 010	4 174
June	17 158	11 659	5 499
July	13 347	10 126	3 221
Aug.	14 381	10 750	3 631
Sept.	15 172	12 017	3 155
Oct.	17 008	13 391	3 617
Nov.	18 977	12 646	6 331
Dec.	14 744	12 968	1 776
1997*			
Jan.	15 242	11 363	3 879
Feb.	14 969	11 914	3 055
March	16 548	12 968	3 580
April	18 207	13 925	4 282
May	16 700	12 000	4 700

### 7.2 Foreign trade: indices of volume, prices and terms of trade, 1990=100

Period	Volume (seasonally adjusted)		Prices		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	
1992	102.7	84.7	103.1	108.6	95.0
1993	120.6	83.6	109.7	119.6	91.7
1994	136.5	98.0	111.4	119.3	93.3
1995	145.7	104.6	119.2	119.2	100.0
1996*	152.7	112.9	120.2	121.1	99.3
1996*					
May	153.8	113.1	121.8	121.8	100.0
June	165.9	113.8	121.3	121.6	99.8
July	141.0	106.6	119.6	121.8	98.2
Aug.	155.6	108.0	118.2	120.9	97.8
Sept.	152.9	116.7	117.6	121.6	96.7
Oct.	163.0	120.6	118.0	122.3	96.5
Nov.	178.6	116.4	117.8	120.8	97.5
Dec.	150.5	120.2	116.7	120.8	96.6
1997*					
Jan.	161.6	116.6	116.6	121.6	95.9
Feb.	159.0	117.9	115.9	121.3	95.5
March	166.5	119.5	115.5	121.1	95.4
April	179.5	127.8	116.2	120.8	96.2
May	166.8	113.2	116.2	122.3	95.0

### 7.3 Foreign trade by main groups, mill. FIM

During period	Exports by industries, fob					Imports by use of goods, cif				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
	1	2	3	4	5	6	7	8	9	10
1992	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514
1993	10 910	37 430	14 205	48 158	23 411	54 792	10 904	15 396	21 066	1 007
1994	14 198	41 249	15 725	55 895	27 097	66 156	11 687	17 227	24 684	858
1995	13 451	48 754	15 877	69 336	28 603	71 397	9 685	19 660	25 514	2 300
1996*	12 256	43 385	18 005	74 884	37 268	70 783	12 570	21 058	29 886	6 699
1996*										
April	1 136	3 794	1 558	6 686	2 585	6 168	1 069	1 894	2 642	214
May	1 203	3 821	1 897	6 293	2 970	6 455	1 102	1 756	2 471	226
June	1 086	3 571	1 515	8 299	2 687	6 262	831	1 954	2 340	272
July	844	3 576	1 466	5 256	2 205	5 051	1 166	1 260	2 443	206
Aug.	899	3 670	1 659	5 503	2 650	5 617	1 017	1 541	2 398	177
Sept.	1 050	3 513	1 495	6 475	2 639	6 150	1 242	1 733	2 683	209
Oct.	1 263	4 098	1 728	6 982	2 937	6 683	1 402	2 167	2 911	228
Nov.	1 278	3 764	1 710	9 336	2 889	6 383	1 398	2 012	2 650	203
Dec.	977	3 445	1 403	6 599	2 320	6 063	1 413	2 325	2 564	603
1997*										
Jan.	1 103	3 802	1 544	6 035	2 758	5 619	1 304	1 696	2 540	204
Feb.	1 126	3 600	1 700	5 814	2 729	6 073	992	1 625	2 755	469
March	1 244	3 747	1 510	6 903	3 144	6 722	743	1 892	2 906	705
April	1 221	4 193	1 874	7 953	2 966	7 508	941	1 948	3 027	501

## 7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1996*		April 1996 – March 1997		1996*		April 1996 – March 1997	
	Mill. FIM	Percentage share	Mill. FIM	12-month change calculated from 12-month moving total	Mill. FIM	Percentage share	Mill. FIM	12-month change calculated from 12-month moving total
	1	2	3	4	5	6	7	8
<b>European Union <sup>1</sup></b>	101 490	54.5	102 685	1.9	85 511	60.2	85 557	8.8
Austria	1 614	0.9	1 689	12.9	1 560	1.1	1 487	-11.2
Belgium and Luxembourg	4 692	2.5	4 800	-2.7	4 146	2.9	4 119	10.4
Denmark	5 652	3.0	5 656	0.4	4 964	3.5	4 944	15.9
France	7 863	4.2	7 871	-2.1	6 366	4.5	6 475	19.4
Germany	22 516	12.1	22 521	-2.0	21 344	15.0	21 278	5.3
Greece	963	0.5	1 022	11.1	367	0.3	369	9.3
Ireland	1 096	0.6	1 187	19.6	1 157	0.8	1 150	4.2
Italy	4 772	2.6	5 009	0.9	5 762	4.1	5 691	5.9
Netherlands	7 377	4.0	7 631	5.4	5 074	3.6	5 276	8.7
Portugal	914	0.5	931	8.7	1 035	0.7	1 011	-4.1
Spain	3 979	2.1	4 195	0.0	1 963	1.4	1 961	12.3
Sweden	19 937	10.7	19 956	7.4	16 911	11.9	16 965	10.1
United Kingdom	19 010	10.2	19 101	4.1	12 540	8.8	12 433	11.7
<b>Rest of Europe</b>	33 415	17.9	34 229	18.3	23 871	16.8	24 922	13.1
Of which:								
Estonia	5 097	2.7	5 276	22.5	1 672	1.2	1 723	6.4
Norway	5 322	2.9	5 307	0.0	5 952	4.2	6 120	14.0
Poland	2 713	1.5	3 038	40.1	1 305	0.9	1 408	2.1
Russia	11 373	6.1	11 731	28.6	10 280	7.2	10 947	17.8
Switzerland	2 099	1.1	2 016	-11.2	2 434	1.7	2 437	8.7
<b>Non-European industrialized countries <sup>2</sup></b>	23 030	12.4	21 952	3.2	19 833	14.0	19 361	-5.3
Of which:								
Australia	2 045	1.1	2 078	-10.0	1 239	0.9	1 146	12.0
Japan	4 844	2.6	4 529	-6.5	7 311	5.2	7 330	-10.8
U.S.A.	14 761	7.9	13 888	9.4	10 387	7.3	9 975	-3.1
<b>Dynamic Asian economies <sup>3</sup></b>	13 833	7.4	14 086	15.1	6 514	4.6	6 566	0.3
Of which:								
China	2 707	1.5	2 866	15.6	2 088	1.5	2 243	23.0
Hong Kong	3 037	1.6	3 005	21.0	693	0.5	705	8.2
South Korea	2 723	1.5	2 675	15.6	792	0.6	738	-26.8
<b>Other countries</b>	14 568	7.8	15 835	9.6	6 224	4.4	6 732	45.4
<b>TOTAL</b>	186 336	100.0	188 786	6.2	141 953	100.0	143 138	8.2
Of which:								
Africa	2 554	1.4	2 642	0.5	937	0.7	948	47.3
Asia	27 484	14.7	28 616	16.9	16 196	11.4	16 596	1.8
Central and South America	3 075	1.7	3 052	-62.4	2 750	1.9	2 873	42.3
North America	15 825	8.5	15 017	8.4	11 229	7.9	10 823	-2.9
Europe	134 906	72.4	136 914	5.5	109 383	77.1	110 479	9.8
Oceania	2 491	1.3	2 543	-1.5	1 457	1.0	1 418	24.4

<sup>1</sup> Including exports / imports to EU unspecified by country.

<sup>2</sup> Australia, Canada, Japan, New Zealand, United States.

<sup>3</sup> China, Hong Kong, Malaysia, Singapore, South Korea, Taiwan, Thailand.



## 8. Domestic economic developments

### 8.1 Supply and use of resources, mill. FIM, 1990 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					
1992	247 363	108 799	75 338	16 899	4 534	452 933	122 059	112 989	462 003
1993	240 177	103 028	60 638	13 890	10 221	427 954	142 459	113 842	456 571
1994	244 761	102 728	60 543	14 107	22 236	444 375	161 376	128 411	477 340
1995	255 968	104 645	69 718	13 338	20 568	464 237	174 580	137 327	501 490
1996*	264 595	107 258	75 685	14 259	18 308	480 105	181 334	143 497	517 942
1994 IV	62 105	25 938	15 931	3 552	8 189	115 715	41 978	35 948	121 745
1995 I	63 164	25 610	17 416	3 416	4 626	114 232	44 154	33 693	124 693
II	64 188	26 199	17 183	3 329	4 401	115 300	44 505	34 171	125 634
III	64 076	26 292	18 134	3 246	6 166	117 914	42 428	34 674	125 668
IV	64 540	26 544	16 985	3 347	5 375	116 791	43 493	34 789	125 495
1996* I	65 631	26 503	18 088	3 416	6 134	119 772	43 056	36 071	126 757
II	65 565	26 788	18 333	3 585	3 813	118 084	45 048	35 265	127 867
III	66 266	26 899	19 703	3 653	4 330	120 851	45 434	35 415	130 870
IV	67 133	27 068	19 561	3 605	4 031	121 398	47 796	36 746	132 448
1997* I	67 368	27 026	18 552	3 788	4 350	121 084	47 286	36 531	131 839

### 8.2 Volume of industrial production, 1990=100 (seasonally adjusted figures)

Period	Total industry (100.0)	Mining and quarrying (1.3)	Manu- facturing (89.6)	Wood and paper industries (16.8)	Metal and engineering industries (31.3)	Other manu- facturing (41.5)	Energy and water supply (9.1)
	1	2	3	4	5	6	7
1992	92.4	88.4	91.4	94.6	91.1	90.2	103.0
1993	97.4	86.1	96.4	104.5	99.7	90.8	107.9
1994	108.5	96.2	108.1	117.0	119.5	95.8	114.3
1995	117.0	93.9	117.8	117.4	145.7	96.9	112.4
1996*	121.4	87.2	121.7	114.6	155.1	99.3	123.3
1996* May	120.4	81.9	120.6	110.1	153.5	98.9	126.9
June	121.9	80.7	122.4	111.2	155.4	100.2	121.8
July	120.6	55.5	121.3	115.4	152.8	100.6	123.1
Aug.	120.4	150.9	120.4	116.6	153.7	99.5	122.6
Sept.	124.0	84.8	124.1	119.4	157.5	100.3	126.9
Oct.	124.5	85.4	124.5	120.1	159.4	100.2	128.5
Nov.	126.1	84.6	126.8	123.3	162.1	100.4	121.0
Dec.	127.7	78.7	128.3	120.2	163.7	101.8	125.6
1997* Jan.	126.1	84.8	126.3	126.0	162.1	101.5	130.8
Feb.	125.7	89.2	126.5	125.2	162.3	102.1	125.6
March	128.9	94.9	129.8	127.4	165.6	102.4	124.2
April	128.2	93.4	129.2	127.9	166.4	101.6	124.8
May	128.3	80.8	129.9	130.4	166.5	101.8	121.8

### 8.3 Indicators of domestic supply and demand, 1990=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 GDP indicator
				Residential buildings	Industrial buildings		
	1	2	3	4	5	6	7
1992	72.7	83.0	59.9	57.3	44.8	78.1	91.1
1993	68.5	78.1	46.9	47.2	35.6	72.9	89.9
1994	73.0	79.7	42.2	45.1	35.2	84.4	93.7
1995	76.2	82.6	42.0	41.1	49.9	88.5	97.7
1996*	77.8	86.0	43.9	38.5	55.6	102.8	100.6
1996*							
May	85.9	77.5	42.6	38.7	52.6	102.9	100.0
June	82.7	72.9	42.9	36.8	50.3	104.6	99.8
July	87.3	79.4	43.9	35.4	51.8	105.7	100.9
Aug.	86.8	75.3	43.7	33.1	52.2	100.2	100.8
Sept.	85.1	76.9	45.3	35.0	52.1	109.2	102.1
Oct.	89.3	81.3	45.7	37.7	51.5	114.4	103.4
Nov.	88.3	77.7	46.3	41.4	51.6	108.2	103.0
Dec.	88.2	79.7	47.8	45.9	53.3	112.1	104.0
1997*							
Jan.	89.7	81.8	47.8	48.7	55.2	109.3	104.2
Feb.	86.3	78.5	48.7	51.0	56.8	111.2	103.7
March	84.0	73.7	49.1	52.7	57.3	108.1	104.5
April	90.2	88.7	50.6	55.2	58.0	117.4	106.2
May	88.2	78.3	51.8	54.0	60.1	..	105.2

## 8.4 Wages and prices, 1990=100

Period	Index of wage and salary earnings	By sectors			Consumer price index	Indicator of underlying inflation	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private	Of which: Manufacturing (SIC 3)	Public				Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1992	108.4	108.1	108.3	109.0	107.4	107.1	101.4	99.5	108.5	101.6	102.7	101.1	100.4
1993	109.2	108.8	110.0	110.1	109.7	109.9	104.8	100.8	119.3	105.5	109.2	103.9	100.7
1994	111.4	111.6	115.0	111.1	110.9	111.4	106.2	102.8	118.7	107.1	110.2	105.8	102.2
1995	116.6	117.4	123.1	114.7	112.0	111.3	106.9	103.8	118.5	110.8	118.0	107.7	103.5
1996 <sup>1</sup>	121.1	121.8	127.5	119.2	112.6	111.4	105.9	102.0	120.1	110.9	118.5	107.6	102.7
1996													
June	..	..	..	..	112.9	111.7	105.5	101.4	120.9	110.8	119.5	107.1	102.7
July	..	..	..	..	112.8	111.5	105.5	101.2	121.0	110.2	117.8	106.9	102.8
Aug.	..	..	..	..	112.6	111.1	105.4	101.3	120.2	109.7	116.4	106.8	103.1
Sept.	..	..	..	..	112.8	111.5	105.9	101.9	120.8	109.8	115.8	107.2	103.0
Oct.	..	..	..	..	113.0	111.7	106.4	102.5	120.8	110.2	116.2	107.6	103.1
Nov.	..	..	..	..	112.7	111.5	105.9	102.3	119.3	110.0	116.0	107.4	103.3
Dec.	..	..	..	..	112.7	111.5	106.3	102.7	119.3	110.1	115.5	107.8	103.4
1996 <sup>1</sup>													
I	120.3	121.1	126.8	118.3	112.3	111.3	106.1	102.3	118.9	112.2	121.2	108.4	102.0
II	120.6	121.4	127.1	118.6	112.8	111.6	105.8	101.7	121.1	111.3	120.0	107.6	102.4
III	120.7	121.4	127.0	118.9	112.7	111.3	105.6	101.5	120.7	109.9	116.7	107.0	103.0
IV	123.1	123.9	130.3	121.4	112.8	111.6	106.2	102.5	119.8	110.1	115.9	107.6	103.3
1997													
Jan.	..	..	..	..	112.6	111.1	106.5	102.6	120.1	110.1	115.3	107.7	103.7
Feb.	..	..	..	..	112.8	111.3	106.7	103.2	119.8	110.2	115.0	108.1	103.7
March	..	..	..	..	113.2	111.7	106.7	103.2	119.6	110.2	114.5	108.3	104.1
April	..	..	..	..	113.8	112.0	106.6	103.2	119.3	110.4	115.2	108.4	104.4
May	..	..	..	..	114.0	112.3	107.3	103.6	120.8	110.7	115.2	108.7	104.8
June	..	..	..	..	114.2	..	107.4	103.9	120.5	111.0	115.4	109.1	105.2
1997 <sup>1</sup>													
I	123.5	124.3	130.8	121.7	112.9	111.4	106.6	103.0	119.8	110.2	114.9	108.0	103.8

<sup>1</sup> Preliminary figures for columns 1-4.

## 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)	By industrial status			By industry			Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agriculture, forestry and fishing	Mining, manufacturing and energy supply	Other industries			
									1000 persons		
%											
1000 persons											
	1	2	3	4	5	6	7	8	9	10	
1992	66.1	2 502	2 174	325	1 849	187	453	1 534	328	13.1	
1993	65.3	2 484	2 041	312	1 729	173	424	1 444	444	17.9	
1994	64.8	2 480	2 024	312	1 712	167	426	1 430	456	18.4	
1995	65.1	2 497	2 068	304	1 764	158	456	1 454	430	17.2	
1996*	65.0	2 503	2 096	302	1 794	148	459	1 489	408	16.3	
1996*											
June	64.7	2 518	2 102	316	1 786	176	455	1 471	416	16.6	
July	64.8	2 524	2 124	331	1 794	168	467	1 489	400	15.8	
Aug.	65.5	2 546	2 135	332	1 803	164	456	1 515	411	16.2	
Sept.	64.6	2 513	2 120	313	1 807	169	441	1 510	393	15.5	
Oct.	65.0	2 528	2 134	316	1 818	166	469	1 499	395	15.5	
Nov.	65.6	2 550	2 149	326	1 823	165	469	1 514	402	15.8	
Dec.	65.1	2 531	2 139	323	1 816	161	453	1 525	391	15.4	
1997*											
Jan.	65.4	2 528	2 133	314	1 820	158	460	1 516	395	15.6	
Feb.	66.0	2 549	2 154	326	1 828	157	469	1 527	395	15.4	
March	66.1	2 554	2 155	319	1 836	154	456	1 545	399	15.7	
April	66.5	2 566	2 159	330	1 829	151	458	1 550	407	15.9	
May	66.7	2 577	2 172	328	1 844	146	462	1 564	406	15.9	
June	66.6	2 573	2 182	332	1 850	144	456	1 581	391	15.3	

## 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
1992	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
1993	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
1994	34 588	68 124	1 792	24 095	128 599	7 308	135 900	48 750	108 155	40 388	65 519
1995	40 092	66 902	1 720	35 837	144 550	7 923	152 473	51 446	113 644	39 481	67 514
1996	48 357	73 943	1 947	39 778	164 024	9 893	173 918	53 696	110 039	33 199	69 533
1996											
April	3 590	5 237	58	4 006	12 891	3 469	16 360	4 154	9 517	2 945	5 752
May	3 016	5 805	75	2 979	11 876	843	12 719	4 095	8 753	2 996	5 189
June	3 435	5 863	72	5 222	14 592	850	15 443	5 032	8 952	2 863	5 459
July	3 817	6 187	59	2 003	12 067	323	12 390	5 036	8 707	2 891	5 151
Aug.	3 766	6 125	59	2 483	12 433	219	12 652	3 913	6 090	1 476	4 505
Sept.	3 481	6 391	57	2 526	12 455	3 261	15 716	4 579	8 030	2 747	4 913
Oct.	3 590	6 542	58	3 602	13 792	329	14 121	4 205	10 912	2 995	7 040
Nov.	4 260	6 049	91	3 216	13 616	1 113	14 729	4 068	7 922	2 301	5 158
Dec.	6 515	5 228	69	4 324	16 136	-1 050	15 087	6 133	11 691	2 698	8 599
1997											
Jan.	3 070	6 448	121	3 151	12 790	48	12 839	3 875	11 713	3 518	6 429
Feb.	3 984	5 292	63	3 363	12 702	37	12 739	3 649	8 393	3 467	4 437
March	6 173	8 768	353	2 692	17 986	213	18 199	4 753	8 779	3 719	4 702
April	3 808	5 040	219	3 072	12 139	3 262	15 401	4 102	10 571	4 062	5 786

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)
1992	5 042	8 499	168 016	35 501	203 516	-41 400	-71 847	70 691	-1 155
1993	4 306	18 076	177 870	19 753	197 623	-48 646	-61 030	84 036	23 009
1994	3 737	22 281	182 923	17 886	200 760	-54 324	-64 860	73 193	8 336
1995	3 208	26 336	194 635	16 765	211 399	-50 085	-58 926	54 071	-4 854
1996	3 325	29 911	196 972	13 756	210 747	-32 947	-36 828	33 845	-2 983
1996									
April	175	2 759	16 605	3 605	20 210	-3 714	-3 850	6 544	2 694
May	207	1 291	14 346	770	15 117	-2 470	-2 398	2 496	98
June	219	3 060	17 262	2 075	19 338	-2 670	-3 895	3 503	-392
July	316	1 154	15 214	437	15 651	-3 147	-3 261	3 900	639
Aug.	334	1 090	11 427	457	11 884	1 006	768	6 829	7 597
Sept.	290	4 787	17 686	586	18 272	-5 231	-2 556	-10 228	-12 784
Oct.	369	1 832	17 318	489	17 807	-3 526	-3 686	-258	-3 943
Nov.	260	963	13 213	479	13 693	403	1 036	-191	846
Dec.	560	1 637	20 021	3 388	23 426	-3 885	-8 339	3 375	-4 965
1997									
Jan.	131	5 180	20 899	538	21 437	-8 109	-8 598	9 507	909
Feb.	221	663	12 926	421	13 347	-224	-608	7 344	6 736
March	164	4 660	18 356	425	18 780	-370	-581	1 203	622
April	193	3 094	17 960	4 670	22 630	-5 821	-7 229	-2 609	-9 837

# Notes and explanations to the statistical section

## General

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

### Symbols used

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

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

## Notes and explanations to tables

### 1 The balance sheet of the Bank of Finland

**Table 1.2** Domestic financial sector. Term claims on deposit banks, net (Column 12) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments + term credits - term deposits. Other claims on financial institutions, net (Column 14) = till-money credits to deposit banks (until May 1993) + bonds + other claims on financial institutions + liquidity credits - call money deposits (until September 1995) - other liabilities to financial institutions.

### 2 The Bank of Finland's operations in the money and foreign exchange markets and the banks' forward exchange position

**Table 2.1** From 2 October 1995, banks fulfil their minimum reserve requirement as a monthly average of deposits. From October 1995, the requirement and deposits are shown for the month during which the requirement is to be fulfilled. Before deposits were shown for the previous month, because deposits were matched with the requirement on the last banking day of that month. The requirement is determined on the basis of the reserve base two months earlier (up to September 1995 one month earlier). The reserve base was changed on 31 March 1995 to comply with the new balance sheet format. Liquidity credits (Column 7): see explanations, Table 3.2.

**Table 2.2** Money market instruments are the instruments used by the Bank of Finland in its money market operations. Matured money market instruments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

**Table 2.3** Foreign exchange transactions are recorded according to trade dates. In addition to spot transactions (Columns 1, 2, 4 and 5) the Bank of Finland's foreign exchange reserves are affected by interest payment and by changes in both the prices of securities and exchange rates. Spot transactions related to forward contracts (Column 4) refer to the combined effects on the foreign

exchange reserves of forward transactions in the form of swaps and maturing forward transactions. The central government's foreign exchange transactions (Column 5) comprise transactions related to drawings and redemptions of government loans and associated interest payments.

**Table 2.4** The markka value of forward contracts is given.

## 3 Rates of interest

**Table 3.1** The interbank overnight rate (Column 1) is weighted using amounts of interbank deposits as weights. Since 1 June 1995, HELIBOR rates (Helsinki Interbank Offered Rate) (Columns 2-5) have been calculated on the basis of the bid rates (offered rates for funds) quoted for their own certificates of deposit by all the banks that have been accepted by the Bank of Finland as counterparties in money market operations. An additional condition is that a bank gives regular quotations. The highest and lowest rates quoted for each maturity are omitted and an arithmetic average calculated for the remaining rates. The quotations are taken daily at 1 p.m.

**Table 3.2** The Bank of Finland's tender rate (Column 1) is determined in tenders held by the Bank of Finland, in which the banks are asked to make bids or offers for money market instruments with a maturity of one month. The tender rate is the weighted average of accepted bids or offers, expressed as a simple annual interest rate. If, when requesting bids or offers, the Bank of Finland announces an acceptable interest rate (fixed-rate tender), the tender rate is the same as the rate announced by the Bank. The monthly and annual values for the tender rate are the arithmetic means of calendar day figures.

Credit institutions which are subject to the minimum reserve requirement and maintain a current account with the Bank of Finland may obtain liquidity credit to cover overdrafts and to fulfil their minimum reserve requirement. They can obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity of liquidity credit is determined by the Bank of Finland. The rate of interest on liquidity credit is obtained by adding together the Bank of Finland's tender rate and the interest rate margin for liquidity credit. The call money deposit rate in use prior to October 1995 was obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. Since 2 October 1995, the monthly average of a bank's call money deposits exceeding the minimum reserve requirement has been treated as excess reserve. The interest rate paid on excess reserves is determined separately by the Bank of Finland. The values for maturity and interest rate margins are the last values recorded in each period.

**Table 3.3** The rates shown are based on the lending rates quoted for the respective currencies in the Euro-market. ECU (Column 1): the weights of the ECU basket. 3 currencies (Column 2): DEM 60, USD 30 and GBP 10 per cent.

**Table 3.4** Lending. New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic average of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by

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

**Table 3.5** Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. The yields on five-year and ten-year government bonds (Columns 3 and 4) are calculated by the Bank of Finland as averages of the bid rates quoted daily by the primary dealers. The five-year yield is based on quotations for a fixed-rate bullet serial bond (1/94, 15 September 1994 – 15 September 2001). As from 9 August 1996 the ten-year yield is based on quotations for a fixed-rate bullet serial bond (1/96, 18 Apr 1996–2006). The share yield (Column 5) is the weighted effective yield on shares quoted on the Helsinki Stock Exchange. Source: Statistics Finland.

#### 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 quoted daily at noon Finnish time. The markka was floated on 8 September 1992, continuing until 14 October 1996, when it was joined to the EU's Exchange Rate Mechanism (ERM) at the central rate of 5.80661 per ECU. As from 25 November 1996 the ECU central rate is FIM 5.85424. Trade-weighted currency index (Column 2): The weights are moving averages of the shares of (currently) 16 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 3): The weights are moving averages of shares of payments currencies (16 convertible currencies) in Finland's foreign trade.

**Table 4.3** The table shows the deviations of the markka's market exchange rate (markka value of the foreign currency) as a percentage of the ERM central rate for each currency. A plus (+) indicates that the markka is weaker than its central rate value against the other currency; the intervention limit is (central rate) +16.121 per cent. A minus (-) indicates that the markka is stronger than its central rate value against the other currency; the intervention limit is (central rate) -13.881 per cent.

#### 5 Other domestic financing

**Table 5.1** Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises

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

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

**Table 5.3** Foreign assets, net (Column 1) = the Bank of Finland's foreign claims + banks' foreign claims (incl. foreign claims of banks' foreign branches) – the Bank of Finland's foreign liabilities – banks' foreign liabilities (incl. foreign liabilities of banks' foreign branches). *Domestic credit*. Claims on the central government, net (Column 2) = the Bank of Finland's claims on the central government + banks' claims on the central government – the central government's deposits with the Bank of Finland and Postipankki – loans granted from state funds through banks. Claims on the public (incl. local government), (Column 3) = the Bank of Finland's claims on the private sector + banks' claims on the private sector (loans to the public, bonds and debentures (excl. government bonds and bank debentures), claims on other financial institutions, shares held by banks). Other items, net (Column 5) = capital accounts and other items of the Bank of Finland (incl. private sector time deposits with the Bank of Finland) + capital accounts of deposit banks + unclassified assets and liabilities of deposit banks, net (bank debentures, bank CDs held by the public, other market funding and foreign currency deposits by the public).  $M_1$  (Column 6) = currency in circulation – banks' till money + markka cheque and postal giro account deposits and transactions account deposits held by the public.  $M_2$  (Column 7) =  $M_1$  + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland).  $M_3$  (Column 8) =  $M_2$  + bank CDs held by the public.

**Table 5.4** Source: State Treasury Office. Other foreign currency-denominated debt (Column 2) consists of other bonds and debentures and long-term promissory notes. Other bonds and debentures are so-called private placings; long-term promissory notes are bank loans. Miscellaneous items (Column 7) include, inter alia, the liability for coinage (total coinage), promissory notes given to international financial organizations and, as a minus item, the liability to the State Pension Fund. 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.

**Table 5.5** Source: Table A: Financial Supervision from the beginning of 1994. Table B: Statistics Finland from the beginning of 1991. Tables A and B include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. Table C includes transactions in markka-denominat-

ed bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by primary dealers and banks entitled to central bank financing. As from 14 July 1995 the following act as primary dealers: Alfred Berg Pankkiiriliike Oy, Evli Fixed Income Securities, Goldman Sachs International, Merita Bank, Okobank, Postipankki, Skandinaviska Enskilda Banken, Svenska Handelsbanken AB (publ), Branch Operation in Finland and Unibank A/S. Purchases from and sales to others (Columns 4 and 5) consist of transactions in benchmark government bonds between primary dealers and other parties. Other parties refer to all parties that are not primary dealers. Bank of Finland releases data daily (page SPFI on Reuters and page 20981 on Telerate) on the trading in benchmark government bonds among primary dealers and between primary dealers and their customers.

**Table 5.6** Source: The Helsinki Stock Exchange. The table has been expanded to take into account the change in the Helsinki Stock Exchange classification of listed companies as from the start of 1997. Column 3 now includes only insurance.

## 6 Balance of payments, foreign liabilities and assets

**Table 6.1** The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts. The trade figures for 1995 have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The official foreign trade statistics published by the Board of Customs are delayed owing to changes in statistical systems caused by Finland's entry into the EU. The figures for investment income and expenditure (Columns 7 and 16) include reinvested earnings on direct investment. Preliminary data on reinvested earnings in the previous year have been included in the current account figures. (The annual figure is divided evenly between quarterly figures.)

**Tables 6.2–6.4** Since the beginning of 1994, the former capital account of Finland's balance of payments has been compiled according to the IMF's new recommendations (IMF Balance of Payments Manual, Fifth Edition, 1993).

**Table 6.2** The capital account (Columns 1 and 14) reflects unrequited capital transfers such as forgiven debts and aid from EU funds. Financial derivatives include payments arising from currency and interest rate swaps related to loans, ie outstanding loans are recorded according to the original loan contract. Medium-term notes (MTNs) are included under bonds (Columns 4 and 17). The category other investment (Columns 9–12 and 21–24) covers transactions related to trade credits, loans, currency and deposits and other assets and liabilities. Transactions in assets and liabilities related to short- and long-term supplier credits and advance payments related to imports and exports are recorded under trade credits (Columns 9 and 21). The item 'Other capital' (Columns 11 and 23) includes transactions in currency and deposits and short- and long-term assets and liabilities of different sectors not covered by any of the items above. In addition, this cate-

gory includes changes in the central government's subscriptions to and quotas in international organizations as well as transactions in the Bank of Finland's short- and long-term assets and liabilities (excl. reserve items). The most important sub-item under the item 'other capital' comprises banks' other short-term assets and liabilities (in practice interbank deposits). The central bank's reserve assets (Column 26) comprise gold, special drawing rights (SDRs), the reserve position in the IMF, ECU-claim on the EMI and foreign exchange assets. A negative figure implies an increase in reserves.

**Table 6.3** The data are classified as in Table 6.2. The items 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** This contains data on Finland's net international investment position (liabilities less assets) classified by sector.

## 7 Foreign trade

Source: The National Board of Customs (except for table 7.2). All tables refer to foreign trade in goods.

**Table 7.2** The volume indices (Columns 1 and 2) are calculated from the export and the import values, deflated by the price indices (Columns 3 and 4). Deflation and seasonal adjustments are carried out by the Bank of Finland. The export and the import price indices are provided by Statistics Finland. The terms of trade (Column 5) is the ratio of the export price index to the import price index, multiplied by 100.

**Table 7.4** In addition to all EU countries, those countries are listed whose shares of Finland's exports are at least 1 per cent.

## 8 Domestic economic developments

**Tables 8.1–8.5** Source: Statistics Finland. Seasonal adjustment is done by the Bank of Finland.

**Table 8.2** The indices of industrial production are adjusted for the number of working days in each month. This causes in small differences the annual averages from the corresponding unadjusted figures. For this reason the indices for 1990 also differ marginally from conventional base-year figures, ie 100.0.

**Table 8.3** The indices of wholesale and retail trade (Columns 1 and 2) are seasonally adjusted by Statistics Finland. The monthly GDP indicator (Column 7) is a weighted index of 11 readily available output indicators for various industries.

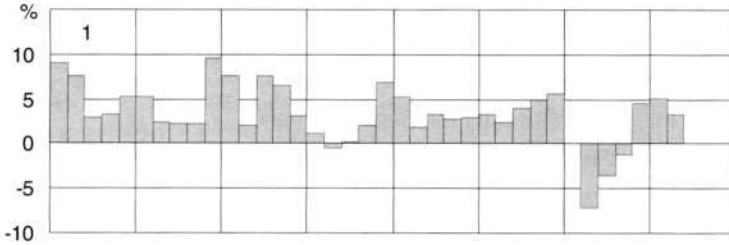
**Table 8.4** The indicator of underlying inflation (Column 6) is the consumer price index from which the effect of indirect taxes, subsidies and housing-related capital costs (house prices and mortgage interest payments) has been removed (see the article by Pentti Pikkarainen and Timo Tyrväinen in the June – July 1993 issue of the Bulletin). Statistics Finland calculates the indicator and publishes it together with the consumer price index on the 15th of every month (or the next business day). It is lagged by one month in comparison with the consumer price index.

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

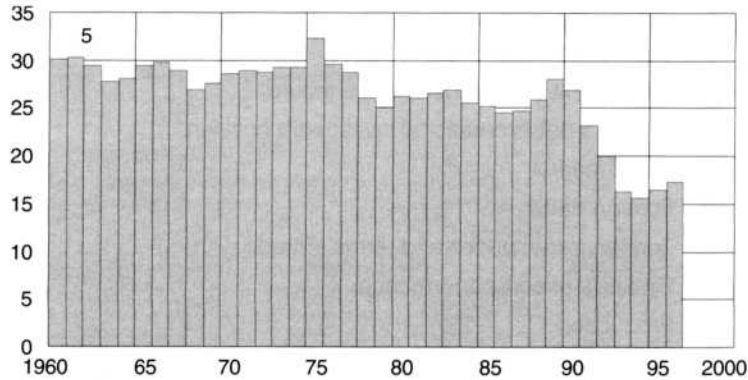
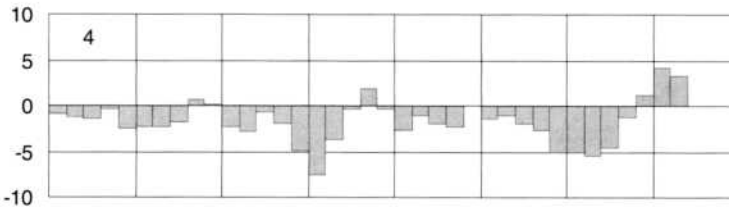
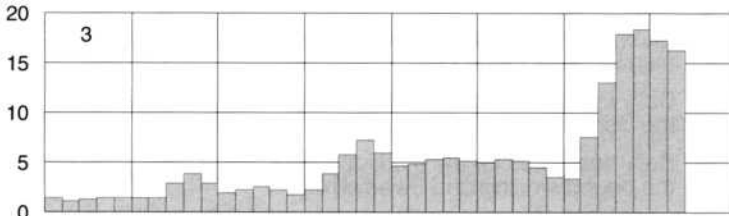
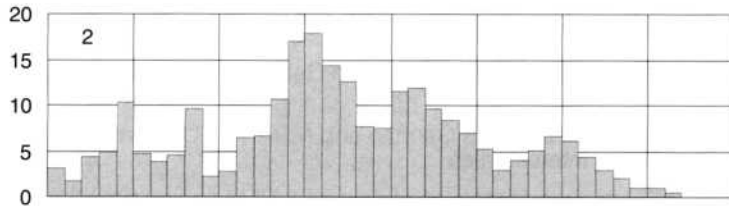


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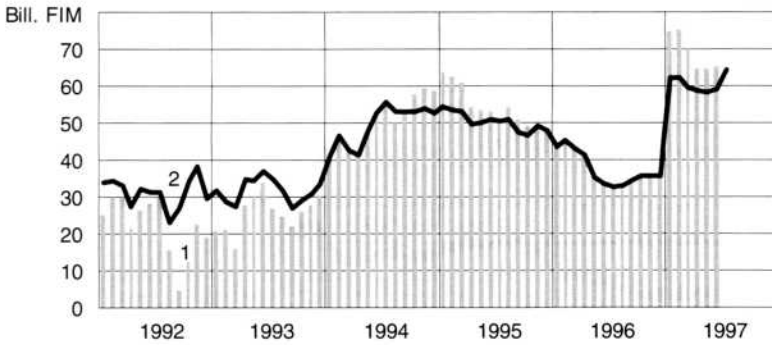
# 1. Long-term indicators



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

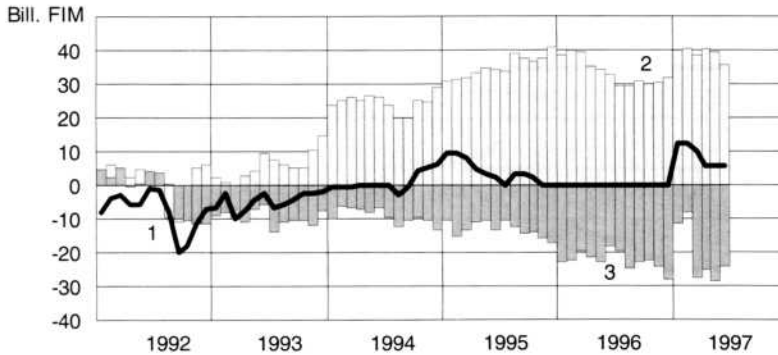


## 2. The Bank of Finland's foreign exchange reserves and forward position



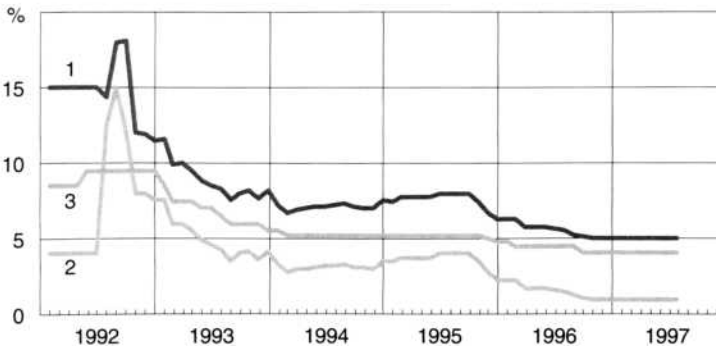
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

## 3. Forward market



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

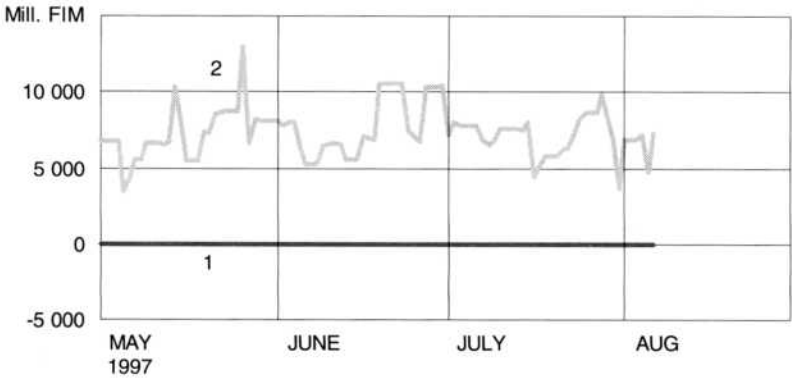
## 4. Rates of interest set by the Bank of Finland



1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Excess-reserve rate (call money deposit rate until 2 October 1995)
3. Base rate

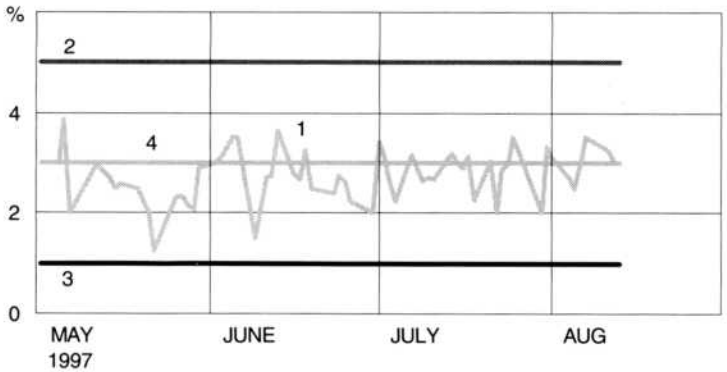
End-of-month observations

### 5. Banks' liquidity position at the Bank of Finland



1. Liquidity credits (-)
2. Reserve deposits

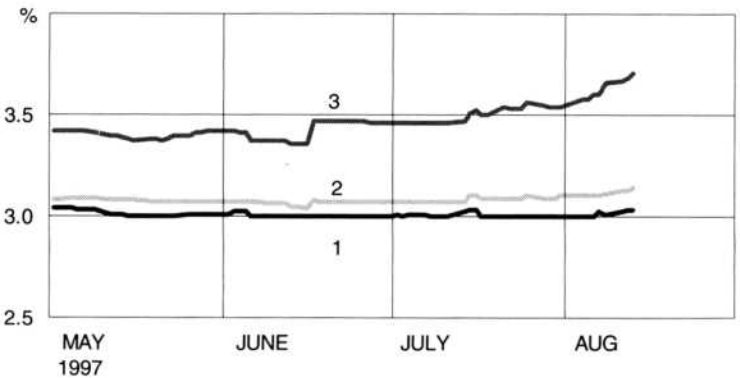
### 6. Liquidity management interest rates



1. Inter-bank overnight rate
2. Liquidity credit rate
3. Excess-reserve rate
4. Tender rate

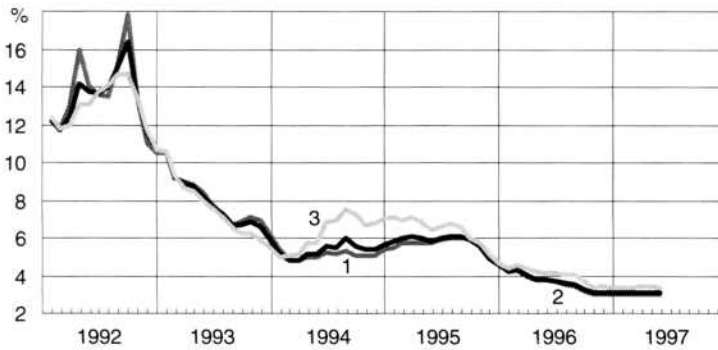
Daily observations

### 7. HELIBOR interest rates, daily



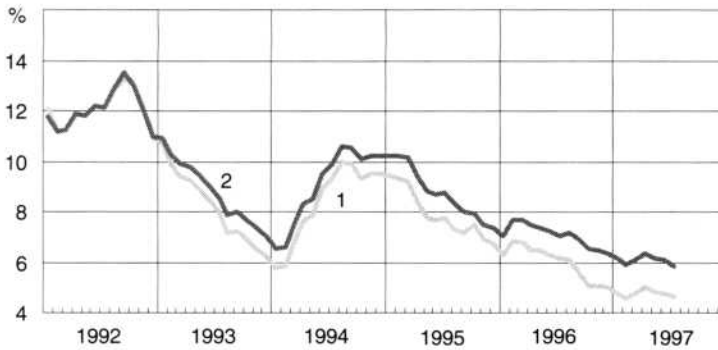
1. 1-month HELIBOR
2. 3-month HELIBOR
3. 12-month HELIBOR

## 8. HELIBOR interest rates, monthly



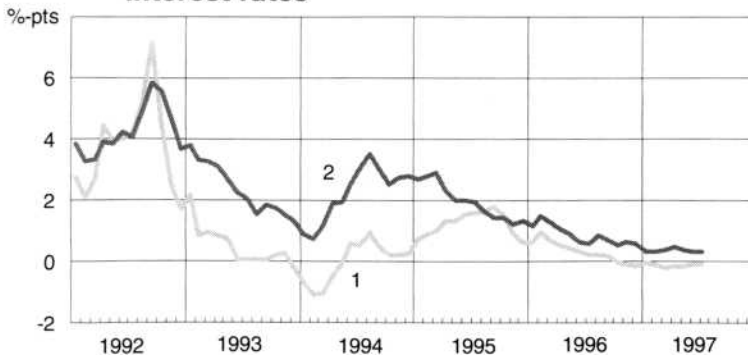
1. 1-month HELIBOR
2. 3-month HELIBOR
3. 12-month HELIBOR

## 9. Bond yields



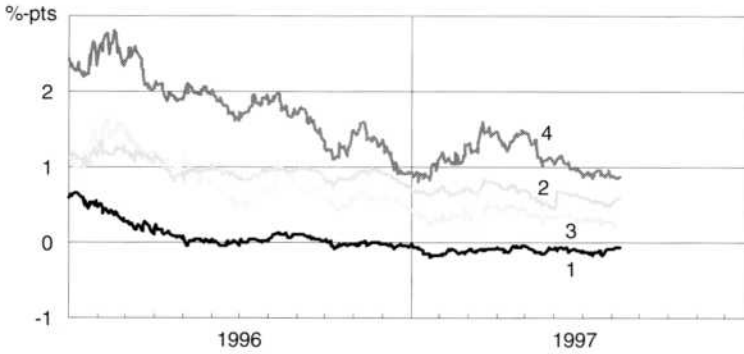
1. Yield on 5-year government bonds
2. Yield on 10-year government bonds

## 10. Differential between Finnish and German interest rates



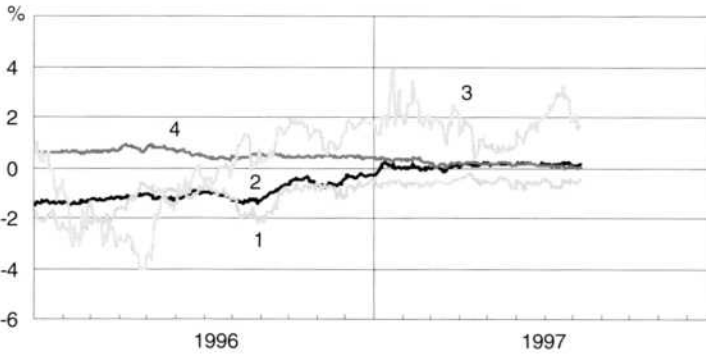
1. 3-month HELIBOR minus 3-month DEM eurorate
2. 10-year Finnish government bond yield minus 10-year German government bond yield

### 11. Differential between German and selected EU-countries' 10-year interest rates



1. France
2. Denmark
3. Finland
4. Sweden

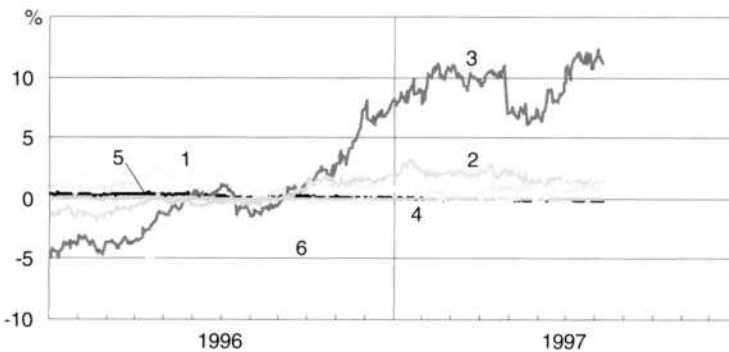
### 12. ERM exchange rates: deviation from DEM central parity



1. FRF
2. DKK
3. FIM
4. NLG

Rising curve means appreciation against the DEM

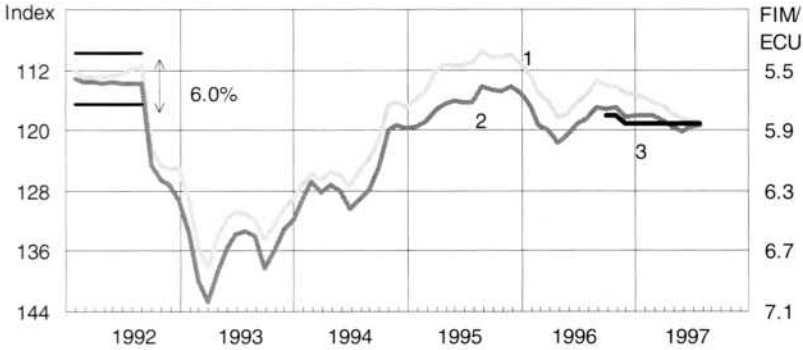
### 13. ERM exchange rates: deviation from DEM central parity



1. ESP
2. PTE
3. IEP
4. ATS
5. BEF
6. ITL

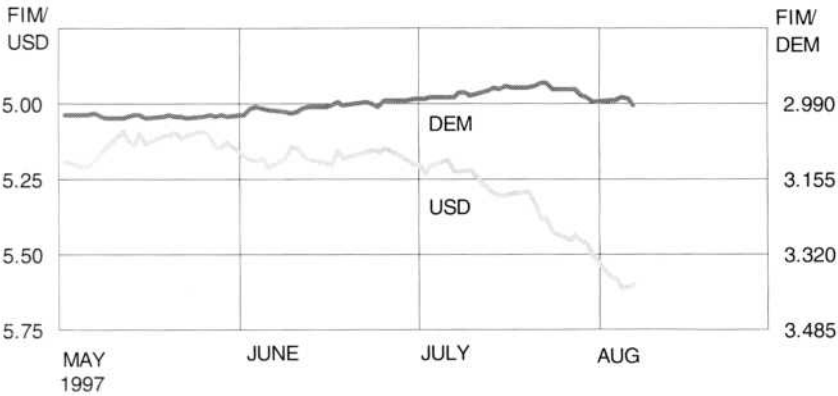
Rising curve means appreciation against the DEM

### 14. Bank of Finland currency index and markka value of the ECU



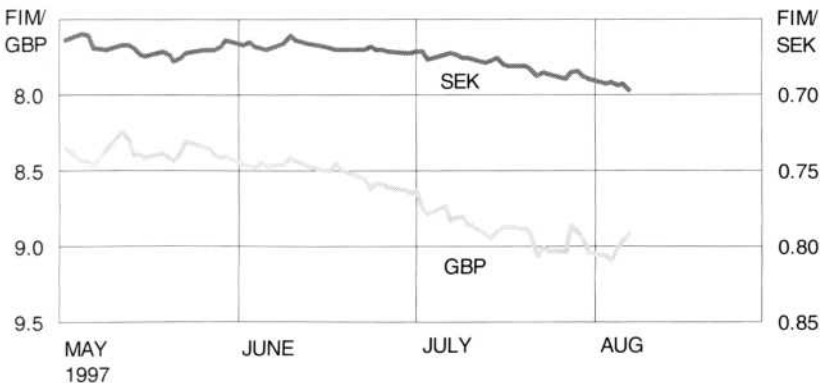
1. Bank of Finland currency index, 1982 = 100 (left scale)
2. Markka value of the ECU from 7 June 1991 (right scale)
3. ECU central rate from 14 October 1996 (right scale)

### 15. Daily spot rates for the markka against the Deutschemark and US dollar



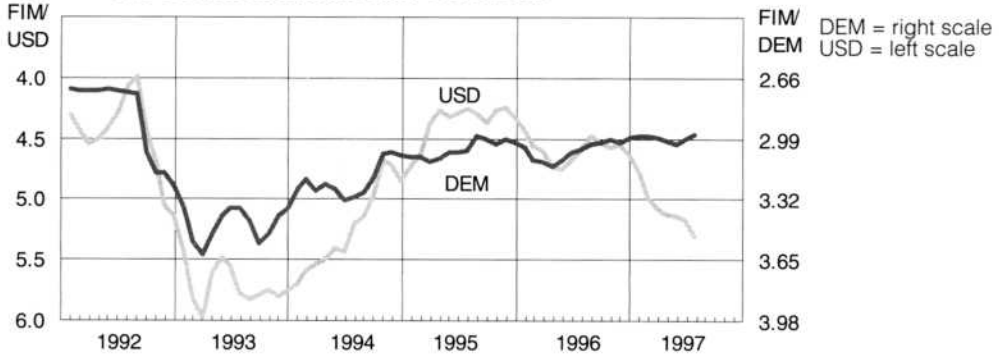
- Middle rates  
 DEM = right scale  
 USD = left scale

### 16. Daily spot rates for the markka against the pound sterling and Swedish krona

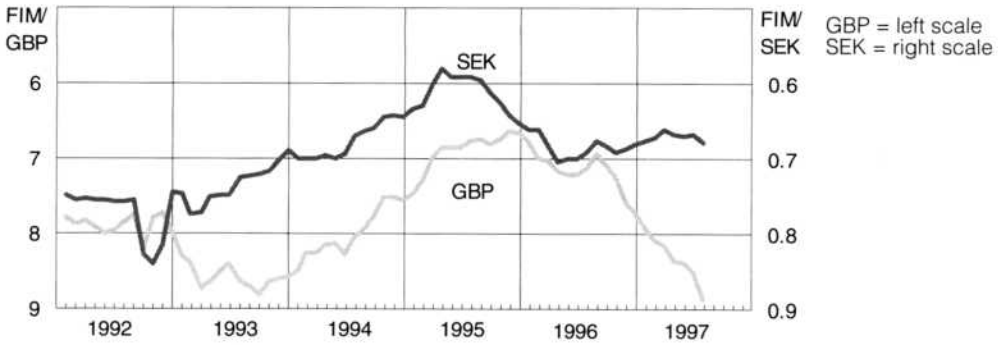


- Middle rates  
 GBP = left scale  
 SEK = right scale

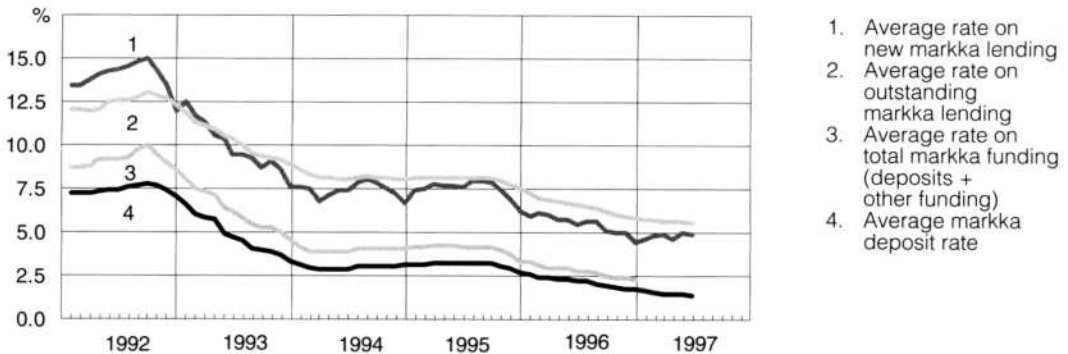
### 17. Monthly spot rates for the markka against the Deutschemark and US dollar



### 18. Monthly spot rates for the markka against the pound sterling and Swedish krona

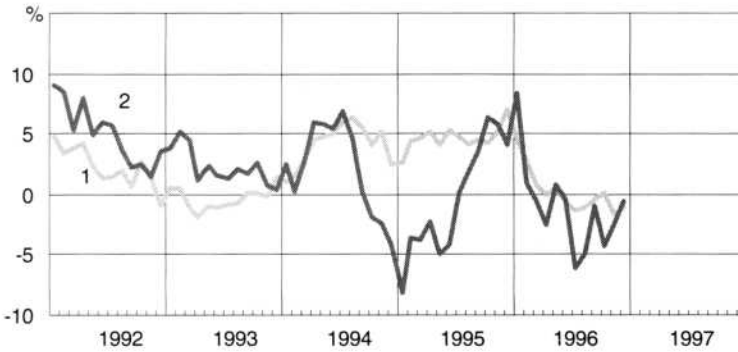


### 19. Banks' markka lending rates and markka funding rates





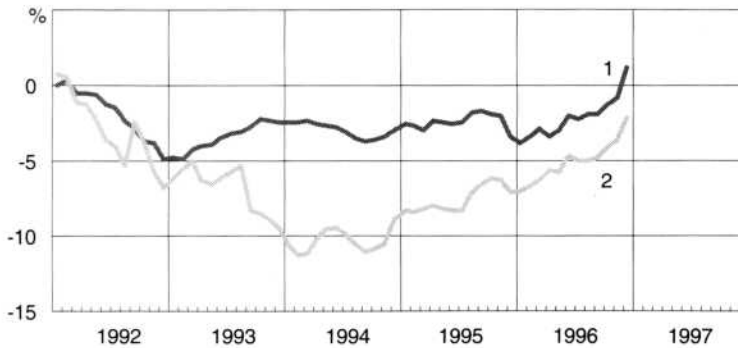
## 20. Bank funding from the public



1. Markka deposits
2. Total funding

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

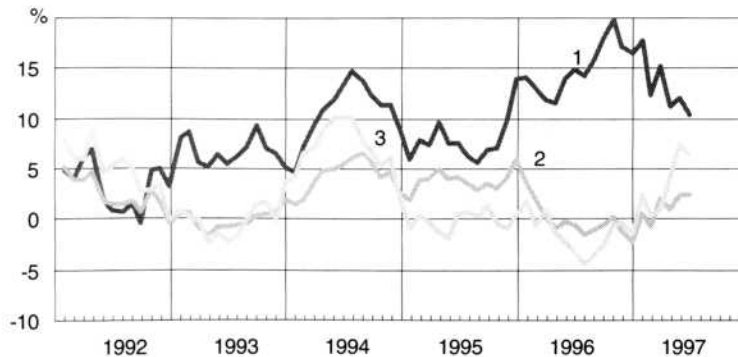
## 21. Bank lending to the public



1. Markka lending
2. Total lending

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

## 22. Money supply

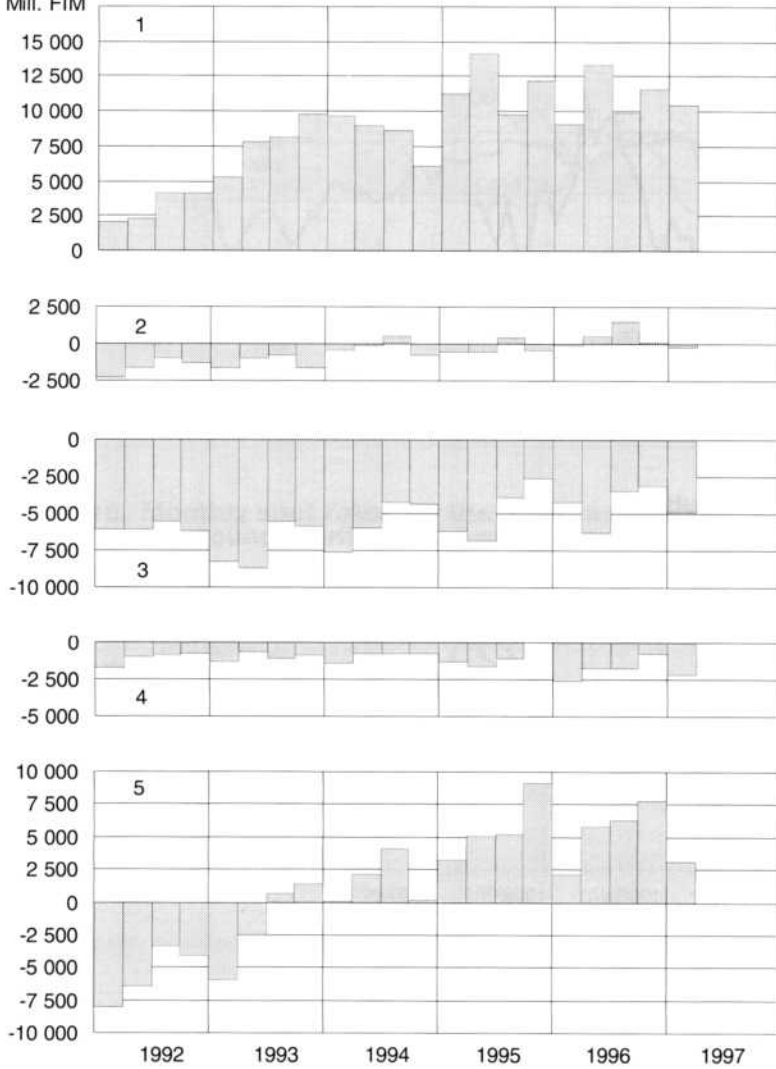


1. Narrow money (M1)
2. Broad money (M2)
3. M2 + bank CDs held by the public (M3)

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

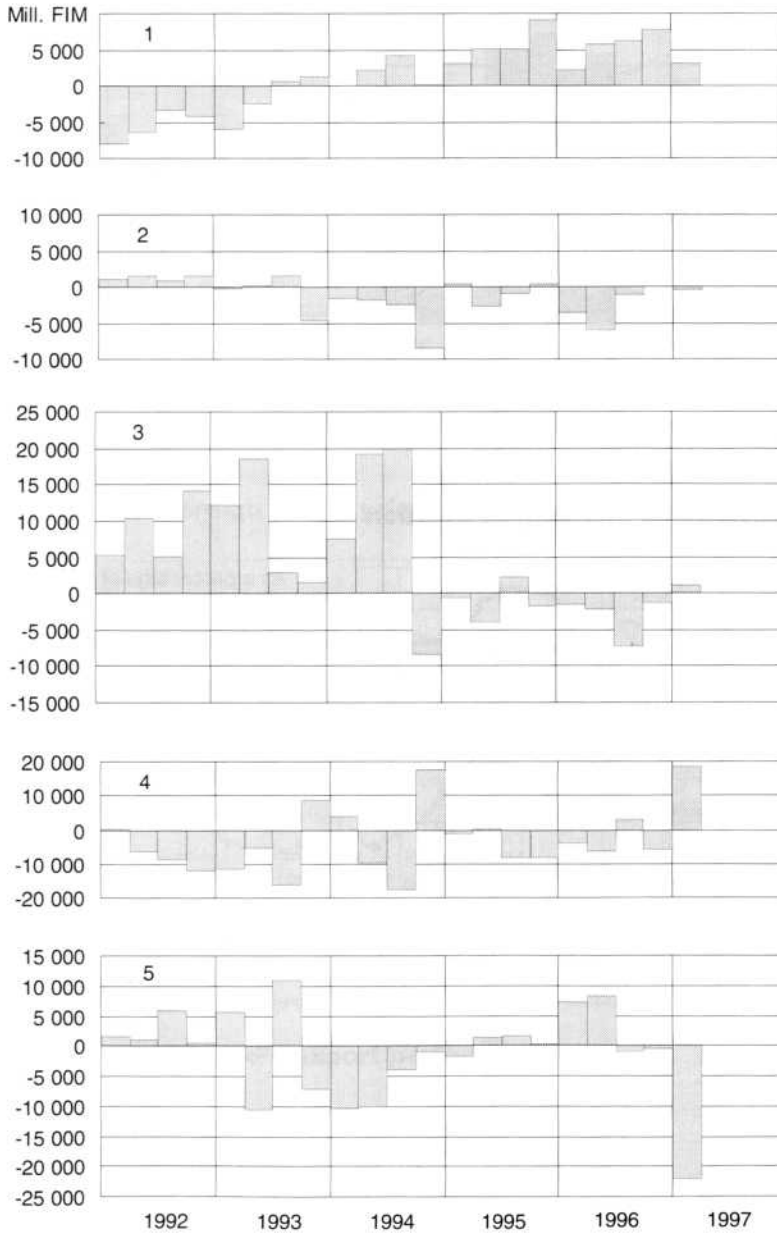
## 23. Current account

Mill. FIM



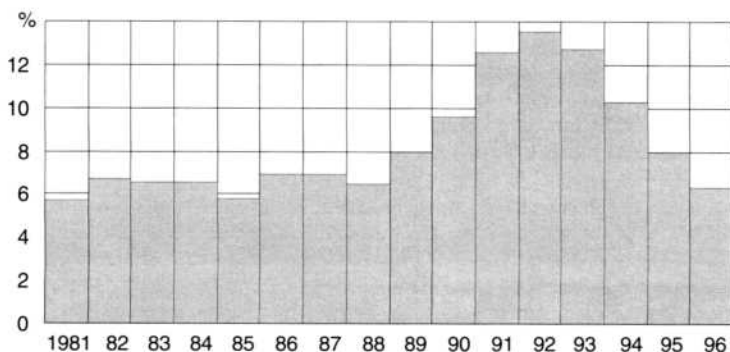
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

## 24. Balance of payments



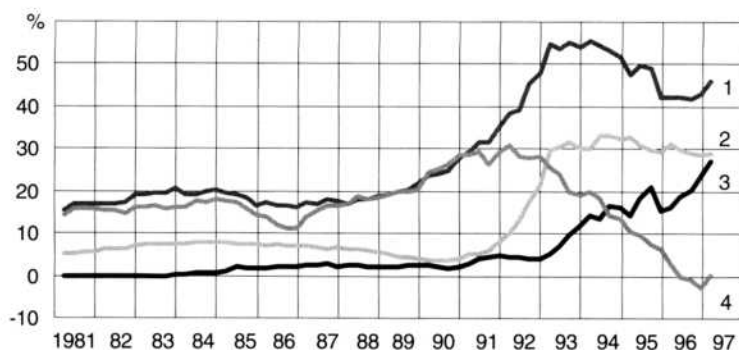
1. Current account
2. Direct investment
3. Portfolio investment
4. Other investment
5. Change in central bank's reserve assets (increase = -)

## 25. Net interest and dividend expenditure



As percentage of current account receipts

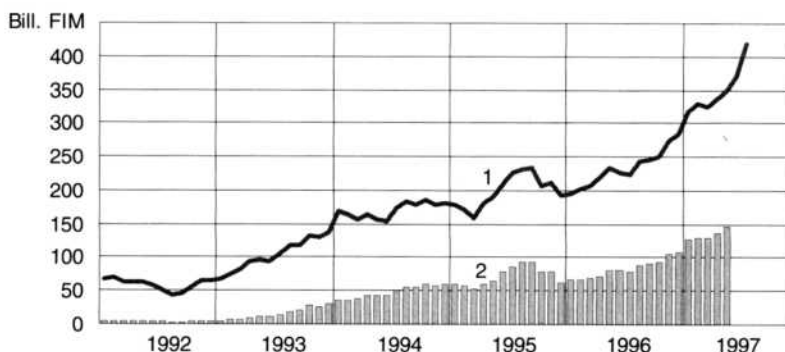
## 26. Finland's net international investment position



As a percentage of GDP

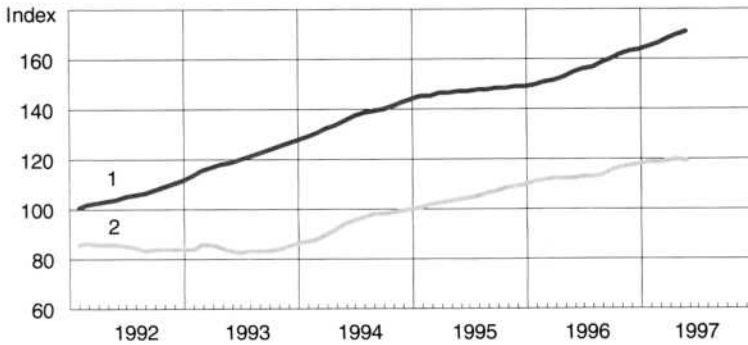
1. Total net debt
2. Central government (in foreign currencies)
3. Markka-denominated securities
4. Other, net (excl. Bank of Finland's foreign exchange)

## 27. Share market



1. Market capitalization of listed shares
2. Non-residents' holdings of Finnish shares

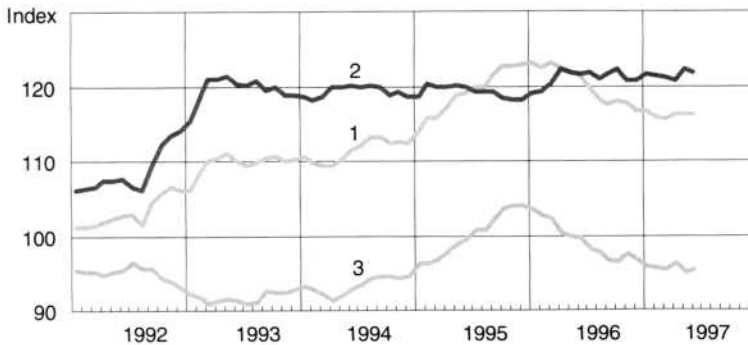
## 28. Foreign trade



1. Exports of goods
2. Imports of goods

Volume index, 1990 = 100, trend

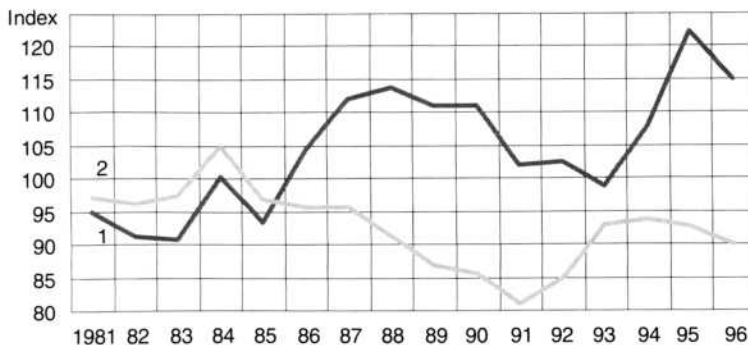
## 29. Foreign trade: prices and terms of trade



1. Export prices
2. Import prices
3. Terms of trade

Index 1990 = 100

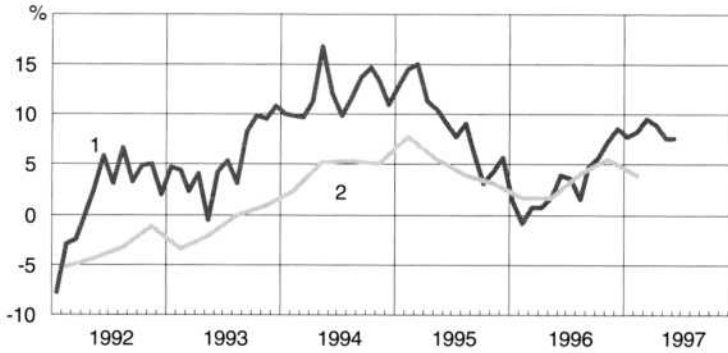
## 30. Finland's export performance



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

### 31. Production

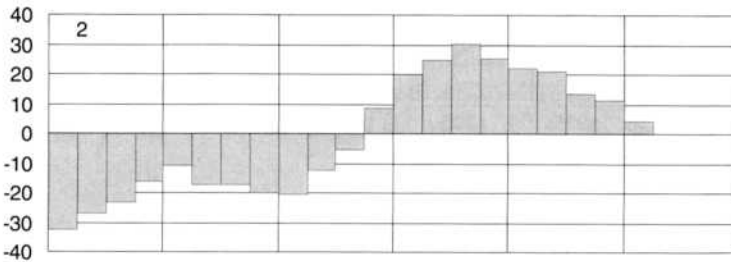


1. Industrial production, change in volume from the corresponding month of the previous year, per cent
2. GDP, change in volume from the corresponding quarter of the previous year, per cent

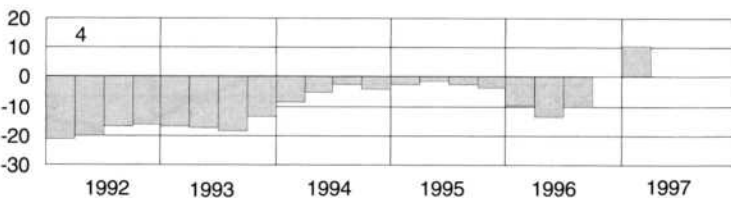
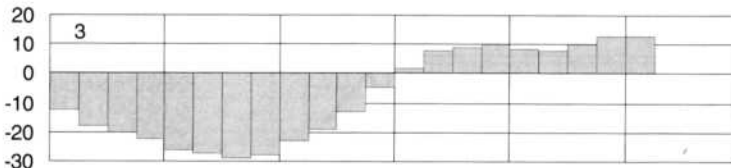
### 32. Fixed investment



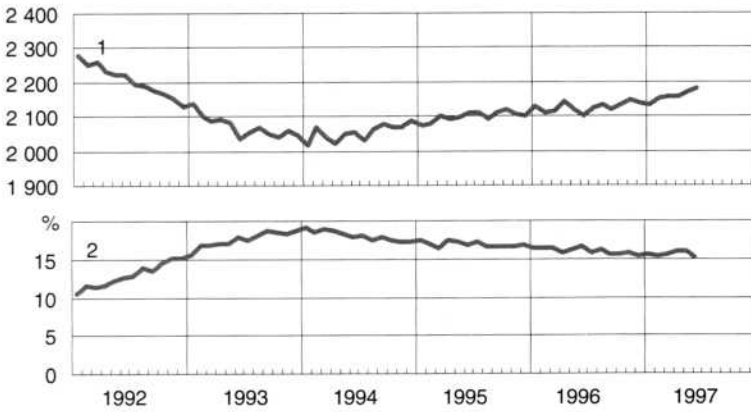
1. Total fixed investment
2. Investment in machinery and equipment
3. Building investment, excl. residential buildings
4. Residential buildings



Four-quarter volume change calculated from four-quarter moving totals and plotted at the last quarter, per cent

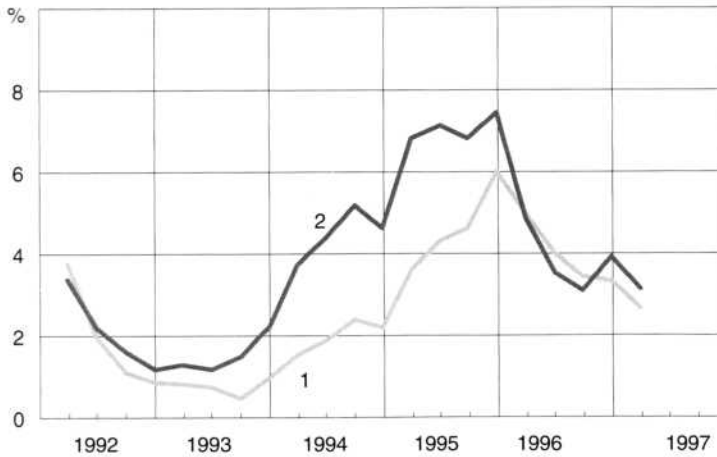


### 33. Employment and the unemployment rate



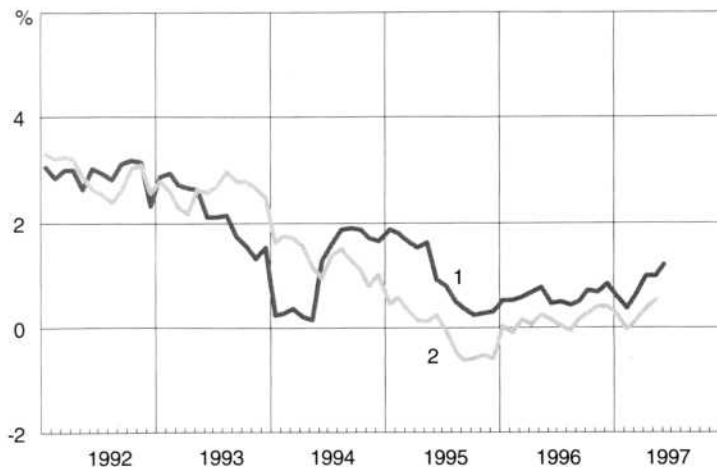
1. Employment, 1000 persons
2. Unemployment rate, per cent

### 34. Prices and wages



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

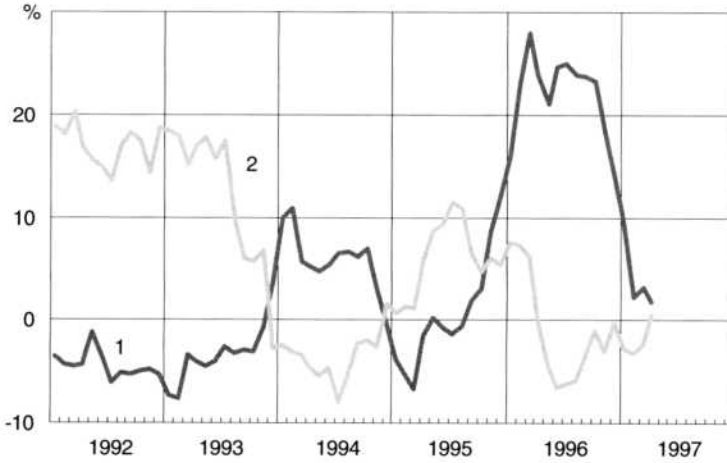
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Indicator of underlying inflation

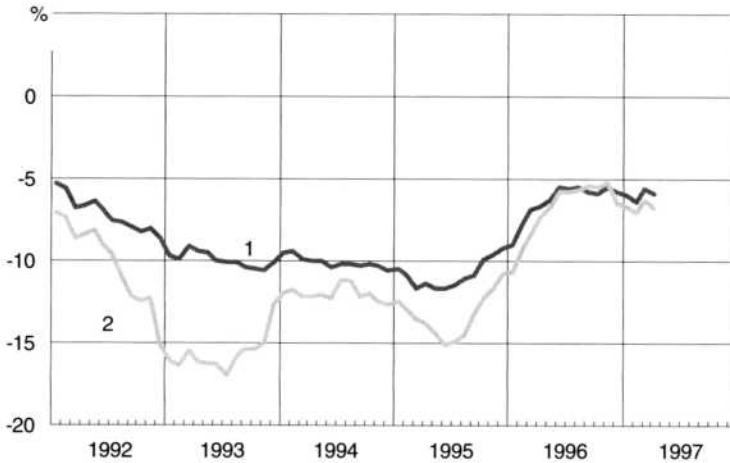
Change from the corresponding month of the previous year, per cent

### 35. Central government finances



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

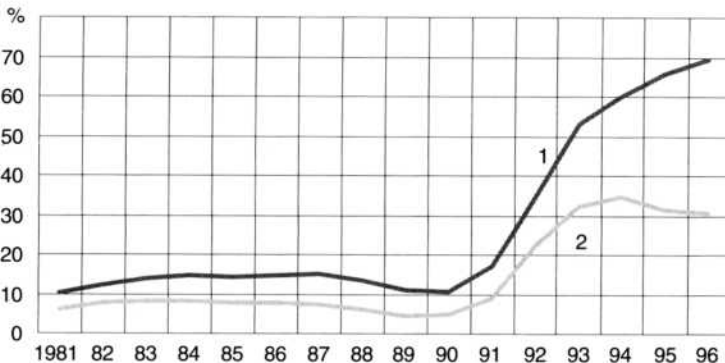
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



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

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

### 36. Central government debt



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

As a percentage of GDP