



BANK OF FINLAND
Economics Department

Outlook for the Finnish Economy 2003 – 2005

Forecast tables and charts

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The forecast is based on data available at 8 Sept 2003.

1. KEY ECONOMIC INDICATORS

	2001	2002	f 2003	f 2004	f 2005
GDP, %-change	1.2	2.2	1.3	2.9	2.8
Employment, %-change	1.4	0.2	-0.3	0.2	0.6
Unemployment rate, %	9.1	9.1	9.3	9.2	9.0
Consumer price index, %-change	2.6	1.6	1.1	1.0	1.9
Dwelling price index, %-change	-0.8	7.4	5.4	3.1	3.9
Earnings, %-change	4.5	3.5	3.9	3.7	4.1
Real earnings, %-change	1.1	0.4	3.4	2.4	2.3
Labour productivity, %-change	0.7	2.3	1.2	2.3	2.6
Exports of goods, price deflator, %-change	-3.1	-5.1	-3.8	-0.4	0.5
Imports of goods, price deflator, %-change	-3.6	-2.7	1.1	0.6	1.1
Terms of trade, %-change	0.5	-2.5	-4.9	-1.1	-0.6
Bank loans to households and enterprises, %-change	6.5	10.3	11.1	7.1	5.7
Euribor 3 months	4.3	3.4	2.5	3.2	3.8
Taxable government bond yield, approx. 5 years	4.5	4.4	3.4	3.9	4.3
Ratio of taxes to GDP, %	45.7	45.8	44.9	44.4	44.5
Central government net lending, % of GDP	2.0	1.4	0.1	-0.5	-0.2
General government net lending, % of GDP	5.2	4.2	2.4	2.1	2.4
Current account, % of GDP	7.2	7.6	5.8	5.9	6.1
Saving ratio, household sector, %	-0.2	-0.3	-0.1	1.4	1.4
Capital income, private sector, % of value added	50.1	50.0	49.4	49.1	49.2

2. BALANCE OF DEMAND AND SUPPLY, VOLUMES AT 2000 PRICES
EUR billion, percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
GDP at market prices	131.7	134.6	136.4	140.3	144.2
	1.2	2.2	1.3	2.9	2.8
Imports of goods and services	44.0	44.6	45.0	47.7	50.8
	0.2	1.3	0.9	6.1	6.4
Total supply	175.7	179.2	181.3	188.0	195.0
	1.0	2.0	1.2	3.7	3.7
Exports of goods and services	55.5	58.2	59.0	62.8	66.4
	-0.8	4.9	1.4	6.3	5.8
Consumption	93.2	95.2	97.9	99.8	102.0
	2.0	2.2	2.8	1.9	2.2
Private	65.7	66.7	68.9	70.3	72.0
	2.0	1.5	3.4	2.1	2.4
Public	27.5	28.6	29.0	29.5	29.9
	2.2	4.0	1.4	1.6	1.6
Fixed investment	26.9	25.8	25.0	26.0	27.2
	4.3	-4.0	-3.0	4.2	4.6
Private	23.2	21.8	21.2	22.5	23.7
	3.7	-5.9	-2.9	5.9	5.7
Public	3.7	3.9	3.8	3.6	3.5
	8.1	8.0	-3.9	-5.5	-2.3
Changes in inventories and statistical discrepancy, 2000-EUR bill	.19	-.07	-.60	-.61	-.61
contribution, %-points	-0.5	-0.2	-0.3	0.0	0.0
Total demand	175.7	179.2	181.3	188.0	195.0
	1.0	2.0	1.2	3.7	3.7
Total domestic demand	120.2	121.0	122.3	125.2	128.6
	1.8	0.6	1.1	2.4	2.7

**3. BALANCE OF DEMAND AND SUPPLY, CURRENT PRICES,
EUR billion, percentage changes from previous year**

	2001	2002	f 2003	f 2004	f 2005
GDP at market prices	135.2	139.7	142.5	148.3	155.1
	3.9	3.3	2.0	4.0	4.6
Imports of goods and services	42.8	42.1	43.5	46.3	49.9
	-2.6	-1.7	3.4	6.5	7.8
Total supply	178.0	181.8	186.0	194.6	205.1
	2.3	2.1	2.3	4.6	5.4
Exports of goods and services	54.1	54.0	53.3	56.4	60.0
	-3.4	-0.1	-1.4	5.8	6.5
Consumption	96.4	101.4	105.5	109.6	114.5
	5.5	5.2	4.1	3.9	4.5
Private	68.0	71.1	73.9	76.3	79.6
	5.5	4.5	4.0	3.3	4.3
Public	28.4	30.3	31.7	33.3	35.0
	5.7	6.8	4.4	5.1	5.1
Fixed investment	27.8	26.4	25.7	27.8	30.0
	8.1	-5.0	-2.7	8.1	8.0
Private	24.1	22.4	21.7	23.9	26.1
	7.5	-7.1	-2.8	10.0	9.2
Public	3.8	4.1	4.0	3.9	3.9
	11.5	8.3	-2.4	-2.3	0.2
Changes in inventories and statistical discrepancy, EUR bill	-0.3	-0.1	1.5	.8	.5
contribution, %-points	-0.7	0.1	0.9	-0.4	-0.2
Total demand	178.0	181.8	186.0	194.6	205.1
	2.3	2.1	2.3	4.6	5.4
Total domestic demand	123.9	127.8	132.8	138.2	145.0
	4.9	3.1	3.9	4.1	4.9

**4. BALANCE OF DEMAND AND SUPPLY, PRICE-DEFLATORS,
Indices 2000=100 and percentage changes from previous year**

	2001	2002	f 2003	f 2004	f 2005
GDP at market prices	102.7	103.8	104.5	105.7	107.6
	2.7	1.1	0.7	1.1	1.8
Imports of goods and services	97.2	94.4	96.7	97.1	98.3
	-2.8	-2.9	2.5	0.3	1.3
Total supply	101.3	101.5	102.6	103.5	105.2
	1.3	0.2	1.1	0.9	1.6
Exports of goods and services	97.5	92.9	90.2	89.8	90.4
	-2.5	-4.7	-2.8	-0.5	0.7
Consumption	103.4	106.4	107.8	109.8	112.3
	3.4	2.9	1.3	1.9	2.3
Private	103.4	106.6	107.2	108.5	110.5
	3.4	3.0	0.6	1.2	1.8
Public	103.4	106.1	109.2	112.9	116.8
	3.4	2.6	3.0	3.4	3.4
Fixed investment	103.6	102.6	102.9	106.7	110.2
	3.6	-1.0	0.3	3.7	3.3
Private	103.7	102.4	102.5	106.4	110.0
	3.7	-1.2	0.1	3.8	3.4
Public	103.2	103.5	105.0	108.6	111.4
	3.1	0.3	1.5	3.4	2.6
Total demand	101.3	101.5	102.6	103.5	105.2
	1.3	0.2	1.1	0.9	1.6
Total domestic demand	103.1	105.6	108.6	110.4	112.8
	3.1	2.4	2.8	1.7	2.2

5. FOREIGN TRADE PRICES

Indices 2000=100 and percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Export prices					
Goods	96.9	91.9	88.4	88.0	88.4
	-3.1	-5.1	-3.8	-0.4	0.5
Services	102.6	100.6	106.2	105.5	107.8
	2.5	-1.9	5.5	-0.6	2.2
Goods and services	97.5	92.9	90.2	89.8	90.4
	-2.5	-4.7	-2.8	-0.5	0.7
Import prices					
Goods	96.3	93.7	94.8	95.4	96.5
	-3.6	-2.7	1.1	0.6	1.1
Services	100.7	97.2	105.0	104.3	106.4
	0.7	-3.5	8.1	-0.7	2.0
Goods and services	97.2	94.4	96.7	97.1	98.3
	-2.8	-2.9	2.5	0.3	1.3
Terms of trade					
	100.5	98.0	93.2	92.2	91.7
	0.5	-2.5	-4.9	-1.1	-0.6

6. FOREIGN TRADE, VOLUMES AT 2000 PRICES

Percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Exports					
Exports of goods	-0.2	4.2	2.3	6.3	6.0
Export of services	-5.5	10.6	-5.3	6.2	4.3
Exports of goods and services	-0.8	4.9	1.4	6.3	5.8
Imports					
Imports of goods	1.0	1.9	1.4	6.5	6.8
Imports of services	-2.9	-1.4	-1.2	4.5	4.7
Imports of goods and services	0.2	1.3	0.9	6.1	6.4
Imports of Finland's major export countries	1.5	1.7	3.7	5.3	6.9
Relative export price of goods in common currency, %	-0.4	-1.3	0.9	-2.8	-1.6
Relative export prices, index 2000=1	1.01	1.00	1.01	0.98	0.97

7. CONSUMPTION, VOLUMES AT 2000 PRICES
EUR billion and percentage changes from previous year
HOUSEHOLD SECTOR'S INCOME AND SAVING

	2001	2002	f 2003	f 2004	f 2005
Private consumption	65.7	66.7	68.9	70.3	72.0
	2.0	1.5	3.4	2.1	2.4
Public consumption	27.5	28.6	29.0	29.5	29.9
	2.2	4.0	1.4	1.6	1.6
Total consumption	93.2	95.2	97.9	99.8	102.0
	2.0	2.2	2.8	1.9	2.2
Household sector					
Disposable income	67.7	70.4	73.4	77.0	80.3
	5.4	4.0	4.3	4.9	4.2
Real disposable income	65.4	66.1	68.5	71.0	72.7
	1.9	1.0	3.7	3.6	2.4
Saving ratio, %	-0.2	-0.3	-0.1	1.4	1.4

8. FIXED INVESTMENT, VOLUMES AT 2000 PRICES
EUR billion and percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Private fixed investment	23.2	21.8	21.2	22.5	23.7
	3.7	-5.9	-2.9	5.9	5.7
Non residential investment	16.9	15.4	14.4	15.4	16.5
	10.3	-9.0	-6.4	7.0	6.7
Residential investment	6.3	6.4	6.8	7.0	7.3
	-10.6	2.3	5.6	3.5	3.4
Total public investment	3.7	3.9	3.8	3.6	3.5
	8.1	8.0	-3.9	-5.5	-2.3
Total fixed investment	26.9	25.8	25.0	26.0	27.2
	4.3	-4.0	-3.0	4.2	4.6

9. OUTPUT, VOLUMES AT 2000 PRICES

EUR billion and percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Private sector	94.1	96.1	96.8	99.9	103.2
	1.5	2.2	0.7	3.2	3.2
Public sector	20.5	20.9	21.1	21.4	21.5
	0.9	1.7	1.2	1.1	0.8
Value added, gross at basic prices	114.6	117.0	118.0	121.3	124.7
	1.4	2.1	0.8	2.8	2.8
Taxes on products less subsidies on products	17.1	17.6	18.4	19.0	19.5
	0.0	2.9	4.7	3.2	2.8
GDP at market prices	131.7	134.6	136.4	140.3	144.2
	1.2	2.2	1.3	2.9	2.8

10. LABOUR MARKET, 1000 persons and percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Labour force survey, 15–74 years of age					
Employment	2 367	2 373	2 365	2 371	2 386
	1.4	0.2	-0.3	0.2	0.6
Unemployment	238	237	242	241	236
	-6.1	-0.4	2.1	-0.1	-2.2
Labour force	2 605	2 609	2 607	2 612	2 622
	0.6	0.2	-0.1	0.2	0.4
Population of working age	3 909	3 918	3 926	3 935	3 945
	0.2	0.2	0.2	0.2	0.3
Labour force participation rate, %	66.6	66.6	66.4	66.4	66.5
Unemployment rate, %	9.1	9.1	9.3	9.2	9.0
Employment rate, 15–64 years of age, %	67.7	67.7	67.3	67.4	67.7

11. WAGES AND PRODUCTIVITY, percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Real earnings	1.1	0.4	3.4	2.4	2.3
Whole economy					
Earnings	4.5	3.5	3.9	3.7	4.1
Unit labour costs	5.2	0.7	2.3	2.0	2.0
Labour costs ¹	5.0	2.8	3.6	4.1	4.6
Labour productivity	0.7	2.3	1.2	2.3	2.6
Private sector					
Earnings	4.8	3.5	3.8	3.6	4.2
Average wage ²	5.4	2.5	4.0	4.1	4.6
Unit labour costs	5.8	-0.1	1.9	1.7	1.7
Labour costs ¹	5.7	2.6	3.6	4.1	4.7
Labour productivity	1.0	2.9	1.4	2.7	3.2
Labour productivity					
Whole economy	0.7	2.3	1.2	2.3	2.6
Private sector	1.0	2.9	1.4	2.7	3.2
Public sector	-0.4	0.1	0.5	0.2	0.1

¹ Labour costs = (wages and salaries + employers' social security contributions) / performed working hours, employees

² Average wage = wages and salaries / performed working hours, employees

12. PRICES, indices 2000=100 and percentage changes

	2001	2002	f 2003	f 2004	f 2005
Harmonized consumer price index (1996=100)	109.8	112.0	113.6	114.7	116.7
	2.7	2.0	1.4	1.0	1.8
Consumer price index	102.6	104.2	105.3	106.4	108.4
	2.6	1.6	1.1	1.0	1.9
Private consumption deflator	103.4	106.6	107.2	108.5	110.5
	3.4	3.0	0.6	1.2	1.8
Dwelling price index	99.2	106.6	112.3	115.9	120.4
	-0.8	7.4	5.4	3.1	3.9
Producer prices					
Private sector	100.9	100.6	99.8	101.1	102.8
	0.9	-0.4	-0.8	1.3	1.7
Foreign trade prices					
Export prices	97.5	92.9	90.2	89.8	90.4
	-2.5	-4.7	-2.8	-0.5	0.7
Import prices	97.2	94.4	96.7	97.1	98.3
	-2.8	-2.9	2.5	0.3	1.3
Value-added deflators					
Value-added, gross at basic prices	102.8	103.7	104.8	106.5	108.7
	2.9	0.9	1.0	1.6	2.0
Private sector	104.0	103.1	103.9	104.9	106.6
	4.0	-0.8	0.7	1.0	1.7
Public sector	103.6	106.6	109.0	114.2	118.4
	3.7	2.9	2.2	4.8	3.6

13. CORPORATE SECTOR

	2001	2002	f 2003	f 2004	f 2005
Private sector output, %-change, volume	1.5	2.2	0.7	3.2	3.2
Gross fixed capital, %-change, volume	10.3	-9.0	-6.4	7.0	6.7
Gross operating surplus, % of value added	49.4	50.0	49.4	49.1	49.2
Operating surplus, % of value added	21.2	21.8	21.4	21.3	21.4
Corporate liabilities, % of GDP	53.1	52.2	49.9	46.9	43.8
of which bank loans, % of GDP	14.6	15.6	16.5	16.9	17.1

14. HOUSEHOLD SECTOR'S INCOME, DEMAND AND SAVING

	2001	2002	f 2003	f 2004	f 2005
Real disposable income, %-change	1.9	1.0	3.7	3.6	2.4
Private consumption, %-change	2.0	1.5	3.4	2.1	2.4
Residential construction, %-change	-10.6	2.3	5.6	3.5	3.4
Bank loans to households, %-change	7.7	10.0	12.5	7.4	5.8
Households' saving ratio, %	-0.2	-0.3	-0.1	1.4	1.4
Bank loans to households, % of disposable income	61.1	64.6	69.8	71.5	72.5

15. CENTRAL GOVERNMENT FINANCIAL POSITION, EUR billion and percentage changes

	2001		2002		f 2003		f 2004		f 2005	
	EUR bill	%-change	EUR bill	%-change	EUR bill	%-change	EUR bill	%-change	EUR bill	%-change
RECEIPTS (ESA2000)	34.5	-3.7	36.1	4.7	35.9	-0.5	36.7	2.2	38.4	4.5
- direct taxes	12.7	-12.2	13.3	5.1	12.6	-5.5	13.0	3.8	14.0	6.9
- VAT	10.5	2.1	11.3	7.3	11.8	4.0	12.1	2.5	12.4	3.2
- other indirect taxes	7.5	1.1	7.9	5.0	8.0	2.1	7.9	-1.2	8.1	2.7
- interest income	1.0	0.9	0.8	-18.0	0.8	-6.2	0.8	2.7	0.8	3.9
EXPENDITURES (ESA2000)	31.8	1.3	34.1	7.1	35.8	4.9	37.4	4.6	38.6	3.2
- consumption	8.7	1.5	9.3	7.4	9.7	4.0	10.1	4.5	10.6	4.5
- transfers to social security funds	6.1	-0.2	6.7	9.4	7.0	4.8	7.2	2.3	7.2	0.1
- transfers to households	4.4	4.2	4.6	5.0	4.7	3.3	4.9	3.5	5.2	5.1
- transfers to local government	5.2	7.6	6.6	27.5	7.2	8.4	8.0	10.6	8.1	2.2
- subsidies	1.8	-0.8	1.8	-0.2	1.9	2.5	1.9	2.5	2.0	2.5
- interest payments	4.1	-7.9	3.2	-20.9	3.1	-3.4	3.1	-1.9	3.1	2.4
NET LENDING	2.7		2.0		0.2		-0.7		-0.3	
	2001		2002		f 2003		f 2004		f 2005	
	EUR bill	% of GDP	EUR bill	% of GDP	EUR bill	% of GDP	EUR bill	% of GDP	EUR bill	% of GDP
CASH POSITION	4.9		6.1		6.1		6.1		6.1	
CENTRAL GOVERNMENT DEBT	61.8	45.7	59.3	42.4	62.9	44.2	64.4	43.5	65.5	42.2

16. GENERAL GOVERNMENT FINANCIAL POSITION AND DEBT, per cent of GDP and EUR billion

	2001	2002	f 2003	f 2004	f 2005
Receipts, % of GDP	54.2	54.0	53.0	52.7	53.1
Expenditures	49.0	49.8	50.5	50.6	50.6
Primary expenditures	46.2	47.6	48.5	48.7	48.7
Interest payments	2.7	2.2	2.0	1.9	1.9
Net lending, % of GDP	5.2	4.2	2.4	2.1	2.4
Central government	2.0	1.4	0.1	-0.5	-0.2
Local government	-0.4	-0.3	-0.4	-0.3	-0.4
Social security funds	3.6	3.0	2.8	3.0	3.0
Primary deficit	8.0	6.4	4.4	4.0	4.3
Net lending, EUR bill	7.0	5.9	3.5	3.1	3.8
Central government	2.7	2.0	0.2	-0.7	-0.3
Local government	-0.5	-0.4	-0.6	-0.5	-0.6
Social security funds	4.9	4.2	4.0	4.4	4.6
General government Maastricht definition debt					
EUR bill	59.4	59.6	64.4	66.7	68.7
% of GDP	44.0	42.7	45.2	45.0	44.3
Central government debt					
EUR bill	61.8	59.3	62.9	64.4	65.5
% of GDP	45.7	42.4	44.2	43.5	42.2

17. NATIONAL INCOME, EUR billion and percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Wages and salaries	52.6	54.2	56.1	58.8	61.6
	6.5	3.0	3.5	4.8	4.8
+ Employers' social contributions	13.8	14.2	14.4	15.2	15.9
	7.0	2.2	2.0	5.1	5.1
+ Operating surplus / mixed income	30.5	31.8	31.9	33.2	34.8
	-1.7	4.4	0.1	4.0	4.9
= Domestic factor income	97.0	100.2	102.4	107.1	112.3
	3.9	3.4	2.2	4.6	4.9
+ Consumption of fixed capital	22.4	22.6	22.7	23.6	24.7
	5.5	1.1	0.2	4.1	4.7
= GDP at producer prices	119.3	122.8	125.1	130.7	137.0
	4.2	2.9	1.8	4.5	4.8
- Other subsidies	1.8	1.7	1.8	1.8	1.9
	-0.8	-1.5	2.3	2.3	2.4
+ Other taxes on production	.3	.3	.3	.3	.3
	10.4	4.0	3.2	3.4	3.7
= GDP at basic prices	117.9	121.4	123.6	129.2	135.5
	4.3	3.0	1.8	4.5	4.9
- Subsidies on production	1.1	1.1	1.1	1.1	1.2
	1.3	2.2	2.3	2.3	2.4
+ Taxes on production and imports	18.4	19.4	20.0	20.2	20.8
	1.6	5.2	3.2	1.0	3.0
= GDP at market prices	135.2	139.7	142.5	148.3	155.1
	3.9	3.3	2.0	4.0	4.6
+ Balance of primary incomes from the rest of the world, net	-1.0	-.3	-.7	-.3	.3
	-41.0	-65.9	109.5	-52.6	-202.7
= Gross national income	134.2	139.4	141.8	147.9	155.5
	4.5	3.8	1.7	4.3	5.1
- Consumption of fixed capital	22.4	22.6	22.7	23.6	24.7
	5.5	1.1	0.2	4.1	4.7
= Net national income	111.9	116.8	119.2	124.4	130.8
	4.3	4.4	2.0	4.4	5.2
+ Current transfers from the rest of the world, net	-.9	-1.1	-1.8	-1.9	-2.1
	-0.3	16.7	67.2	8.0	7.6
= Disposable income, net	111.0	115.7	117.4	122.4	128.7
	4.3	4.3	1.4	4.3	5.2
Households	67.7	70.4	73.4	77.0	80.3
	5.4	4.0	4.3	4.9	4.2
Public sector	36.0	36.8	35.6	36.7	38.9
	-1.1	2.3	-3.2	2.9	6.1
Corporate sector and financial institutions	7.3	8.5	8.3	8.8	9.6
	26.9	16.2	-2.1	5.1	9.2

18. TAXES AND SOCIAL CONTRIBUTIONS, per cent of GDP

	2001	2002	f 2003	f 2004	f 2005
General government					
Current taxes on income, wealth, etc.	19.6	19.4	18.3	18.1	18.3
Taxes on production and imports	13.3	13.7	13.9	13.5	13.3
Value added type taxes (VAT)	7.8	8.1	8.3	8.1	8.0
Other taxes on production and imports	5.5	5.6	5.6	5.3	5.2
Capital taxes	0.3	0.3	0.3	0.3	0.3
Compulsory social contributions	12.4	12.2	12.2	12.4	12.5
Employers' compulsory social contributions	9.2	9.2	9.2	9.3	9.4
Insured persons' compulsory social contributions	3.2	3.0	3.0	3.1	3.1
Voluntary social contributions	0.2	0.2	0.2	0.2	0.2
Employers' voluntary social contributions	0.1	0.1	0.1	0.1	0.0
Insured persons' voluntary social contributions	0.1	0.1	0.1	0.1	0.1
Total	45.7	45.8	44.9	44.4	44.5

19. BALANCE OF PAYMENTS, EUR billion

	2001	2002	f 2003	f 2004	f 2005
Exports of goods	48.0	47.4	46.7	49.4	52.6
Imports of goods	33.9	33.6	34.5	36.9	39.9
Trade account	14.1	13.9	12.2	12.5	12.8
Exports of services	6.1	6.6	6.6	6.9	7.4
Imports of services	8.9	8.5	9.1	9.4	10.0
Services account	-2.9	-1.9	-2.5	-2.5	-2.6
Goods and services account	11.3	12.0	9.8	10.1	10.1
Investment income and current transfers, net	-1.6	-1.4	-1.4	-1.3	-0.7
Current account	9.7	10.6	8.3	8.8	9.5
Net lending, % of GDP					
Households and non-profit institutions	-1.1	-1.0	-0.8	-0.2	-0.3
Corporate sector and financial institutions	3.0	4.4	4.2	4.0	4.0
General government	5.2	4.2	2.4	2.1	2.4
Current account, % of GDP	7.2	7.6	5.8	5.9	6.1

20. BALANCE SHEET OF THE BANKS
EUR billion and percentage changes from previous year

	2001	2002	f 2003	f 2004	f 2005
Bank loans to households and enterprises	61.1	67.3	74.8	80.1	84.7
	6.5	10.3	11.1	7.1	5.7
Bank loans to households	41.4	45.5	51.2	55.0	58.2
	7.7	10.0	12.5	7.4	5.8
Bank loans to enterprises	19.7	21.8	23.6	25.1	26.5
	3.9	10.9	8.0	6.5	5.6
Bank deposits by the public, euro-denominated	58.1	60.6	62.7	65.1	67.9
	6.2	4.3	3.5	3.7	4.3

21. INTEREST RATES, per cent

	2001	2002	f 2003	f 2004	f 2005
Euribor 3 months	4.3	3.4	2.5	3.2	3.8
Taxable government bond yield, approx. 5 years	4.5	4.4	3.4	3.9	4.3
Bank lending rate, average	5.8	4.8	4.1	4.7	5.4
Rate on banks' new lending, average	5.1	4.2	3.5	4.0	4.7
Average rate of interest on deposits	1.9	1.5	1.1	1.5	1.8

22. THE INTERNATIONAL ENVIRONMENT
Bank of Finland's Forecast

	2001	2002	f 2003	f 2004	f 2005
GDP, volume change, %					
Whole world	2.1	2.8	2.6	3.4	4.0
USA	0.3	2.4	2.1	2.9	2.8
Euro area	1.5	0.8	0.5	1.4	2.3
Japan	0.4	0.2	1.8	1.1	1.7
Imports, volume change, %					
Whole world	-0.1	2.3	3.8	5.2	7.0
USA	-2.9	3.7	3.4	3.4	5.0
Euro area	1.7	-0.4	2.8	4.5	5.9
Japan	0.1	2.0	3.8	2.2	4.1
Indices 2000=100 and percentage changes from previous year					
Imports of Finland's major export countries	101.5	103.3	107.1	112.8	120.7
	1.5	1.7	3.7	5.3	6.9
Competitors' prices on export markets, EUR	95.5	91.8	87.5	89.6	91.5
	-2.7	-3.9	-4.7	2.4	2.1
Competitors' prices of manufactured export goods, EUR	97.6	95.4	90.3	90.8	92.5
	-0.8	-2.3	-5.4	0.6	1.8
Crude oil price, USD per barrel	24.4	25.0	28.9	26.1	25.0
	-13.8	2.3	15.5	-9.4	-4.3
Finland's competitiveness indicator ¹ , 1999 Q1 = 100	94.4	95.5	99.8	100.0	100.2
	1.7	1.2	4.5	0.2	0.2
Exchange rate, USD/EUR	0.90	0.94	1.10	1.10	1.10
	-2.8	5.2	17.3	-0.3	0.2

¹ Narrow plus euro area

23. THE INTERNATIONAL ECONOMIC ENVIRONMENT

Forecasts of international organisations: April 2003

	2001	2002	f 2003	f 2004
Real GDP, annual %-change				
<i>Commission</i>				
Whole world	2.4	2.9	3.2	3.7
USA	0.3	2.4	2.4	2.5
Japan	0.4	0.3	1.5	1.3
Euro area	1.5	0.9	1.0	2.3
<i>OECD</i>				
Whole world	0.7	1.8	1.9	3.0
USA	0.3	2.4	2.5	4.0
Japan	-0.3	0.3	1.0	1.1
Euro area	1.5	0.9	1.0	2.4
<i>IMF</i>				
Whole world	2.3	3.0	3.2	4.1
USA	0.3	2.4	2.2	3.6
Japan	0.4	0.3	0.8	1.0
Euro area	1.4	0.8	1.1	2.3
Real imports of goods and services, annual %-change				
<i>Commission</i>				
Whole world (goods)	-0.5	2.6	5.4	6.6
<i>OECD</i>				
Whole world	0.0	3.6	5.9	8.8
USA	-2.9	3.7	6.4	7.8
Japan	0.1	2.0	3.6	4.2
<i>IMF</i>				
Whole world	0.1	2.9	4.3	6.1
USA	-2.9	3.7	4.6	6.6
Japan	0.1	2.0	8.1	4.7
Inflation, consumer price index, annual %-change				
<i>Commission</i>				
USA	2.8	1.6	2.0	1.7
Japan	-0.6	-0.9	-0.6	-0.7
Euro area	2.4	2.2	2.1	1.7
<i>OECD 1)</i>				
USA	2.8	1.6	2.4	1.7
Japan	-0.7	-0.9	-0.9	-1.0
Euro area	2.5	2.4	2.0	1.6
<i>IMF</i>				
USA	2.8	1.6	2.3	2.3
Japan	-0.7	-0.9	-0.7	-0.6
Euro area	2.6	2.3	2.0	1.5
Oil price in U.S. dollars, annual %-change				
<i>OECD 2)</i>	-15.8	2.4	7.8	-3.8
<i>IMF 3)</i>	-13.9	2.8	24.2	-19.4
Non-oil commodity prices in U.S. dollars, annual %-change				
<i>OECD 4)</i>	-8.6	-0.3	9.5	5.1
<i>IMF 5)</i>	-5.4	3.8	9.4	2.3

1) Private consumption deflator.

2) OECD import price (cif).

3) Average of spot prices of U.K. Brent, Dubai and West Texas Intermediate crude oil.

4) Total commodity price index excl. energy, HWWA.

5) All non-fuel commodities.

Charts

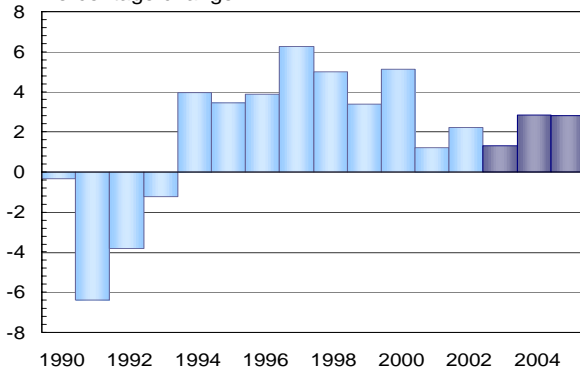
Chart 1.	Key economic indicators
Chart 2.	International economy and Finland
Chart 3.	International economy and Finland
Chart 4.	International economy and Finland
Chart 5.	Components of total demand and supply
Chart 6.	Output
Chart 7.	Employed labour force and unemployment rate
Chart 8.	Exports and imports
Chart 9.	Rates of exchange and foreign trade prices
Chart 10.	Terms of trade
Chart 11.	Fixed investment
Chart 12.	Investment ratio
Chart 13.	Household sector's income, expenditure and debt
Chart 14.	Corporate sector
Chart 15.	Public sector
Chart 16.	Costs and prices
Chart 17.	Wage and salary earnings of private sector
Chart 18.	Labour costs and prices
Chart 19.	External balance and net international investment position
Chart 20.	Saving and investment by sector
Chart 21.	Market rates
Chart 22.	Bank lending rates

Chart 1.

Key Economic Indicators

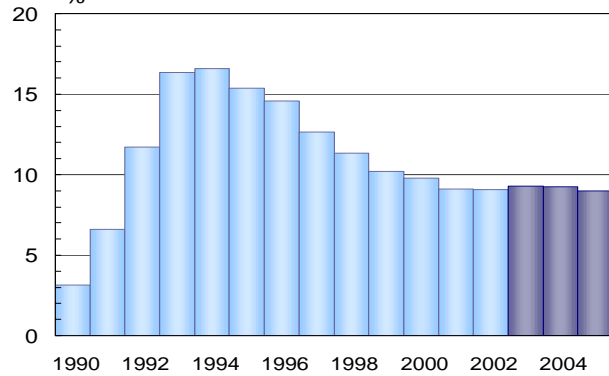
Gross domestic product

Percentage change



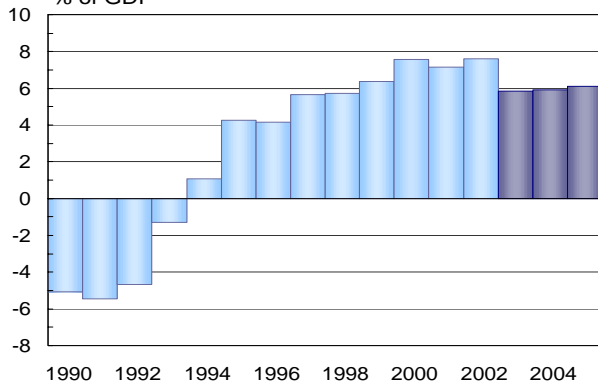
Unemployment rate

%



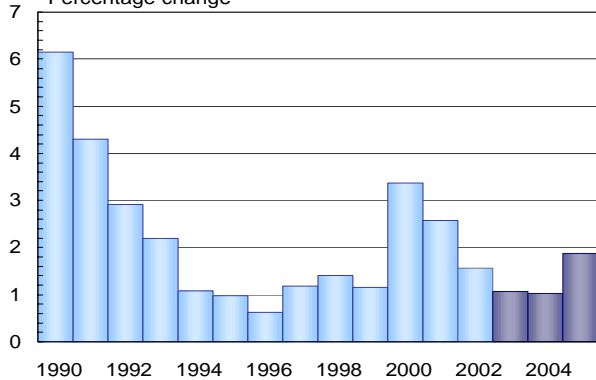
Current account

% of GDP



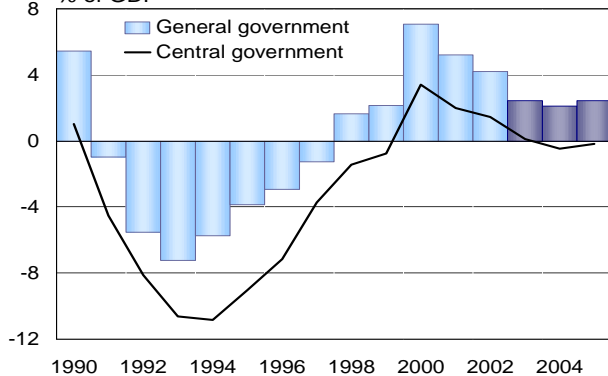
Inflation

Consumer price index
Percentage change



General government fiscal position (Maastricht definition)

% of GDP



General government debt (Maastricht definition)

% of GDP

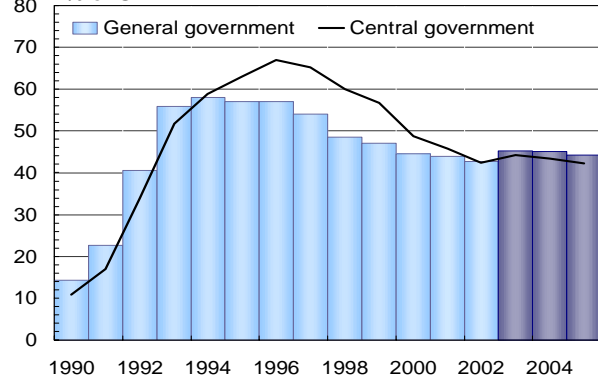
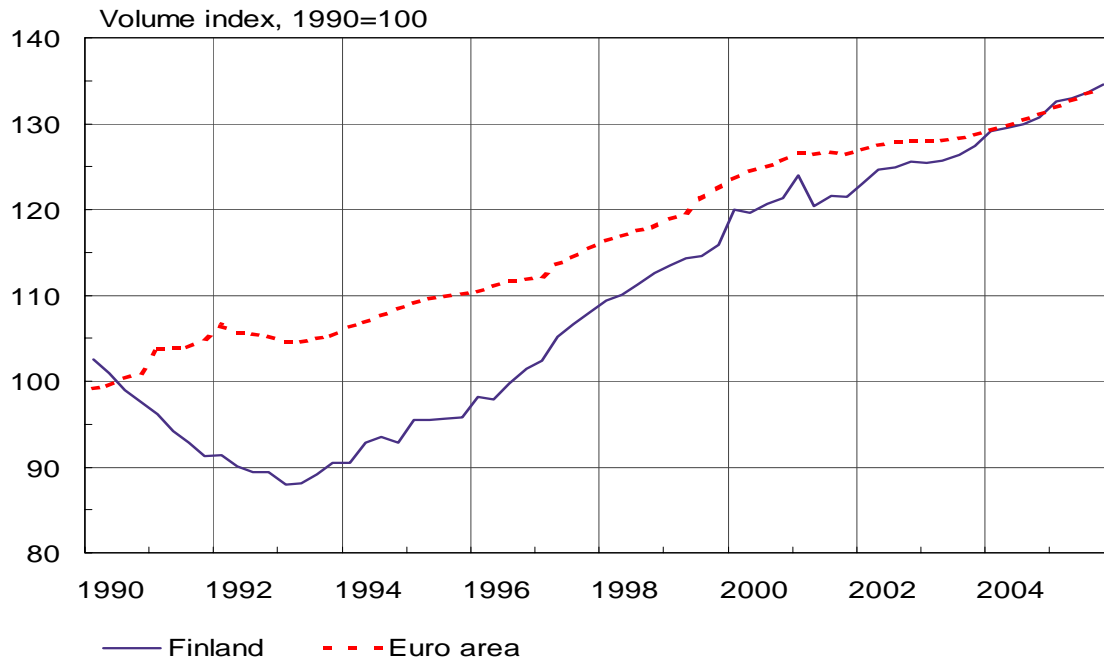
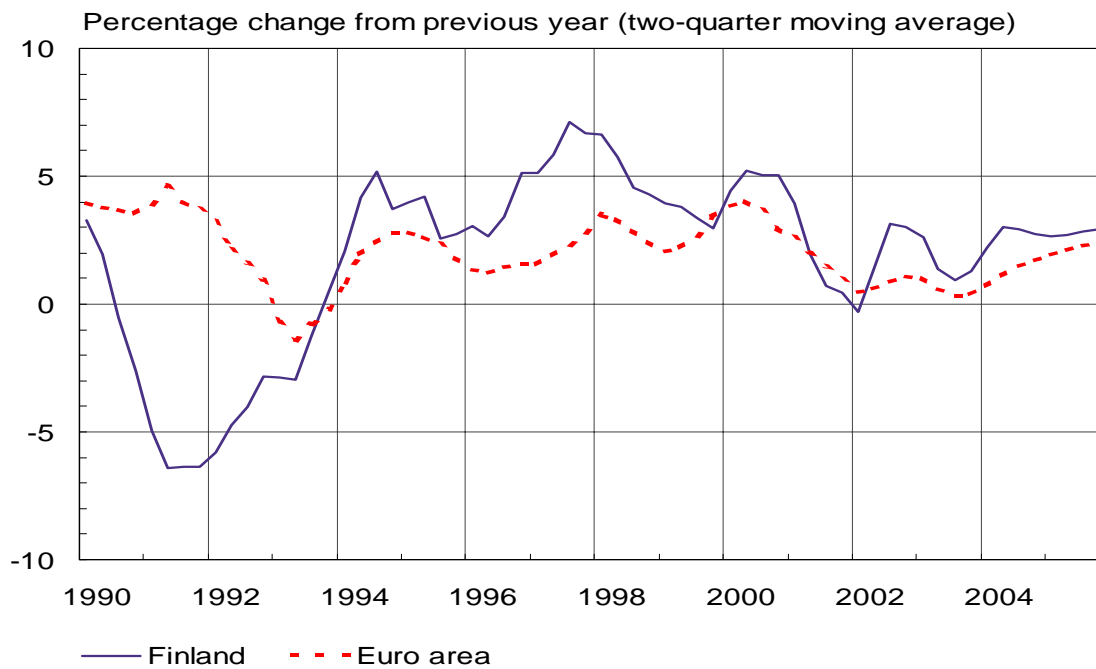


Chart 2.

International economy and Finland Gross Domestic Product



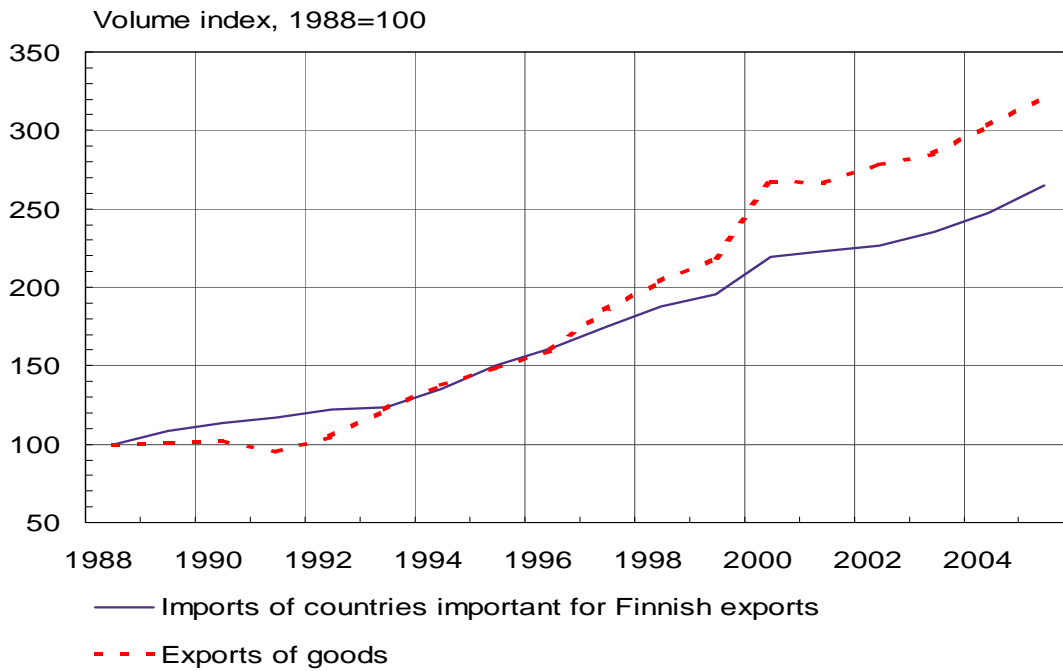
Gross Domestic Product



Euro area: EU-11 incl. Greece up to 31.12.2000 / EU-12 from 1.1.2001.

Chart 3.

International economy and Finland



Finland's export markets, volume of demand (=imports)

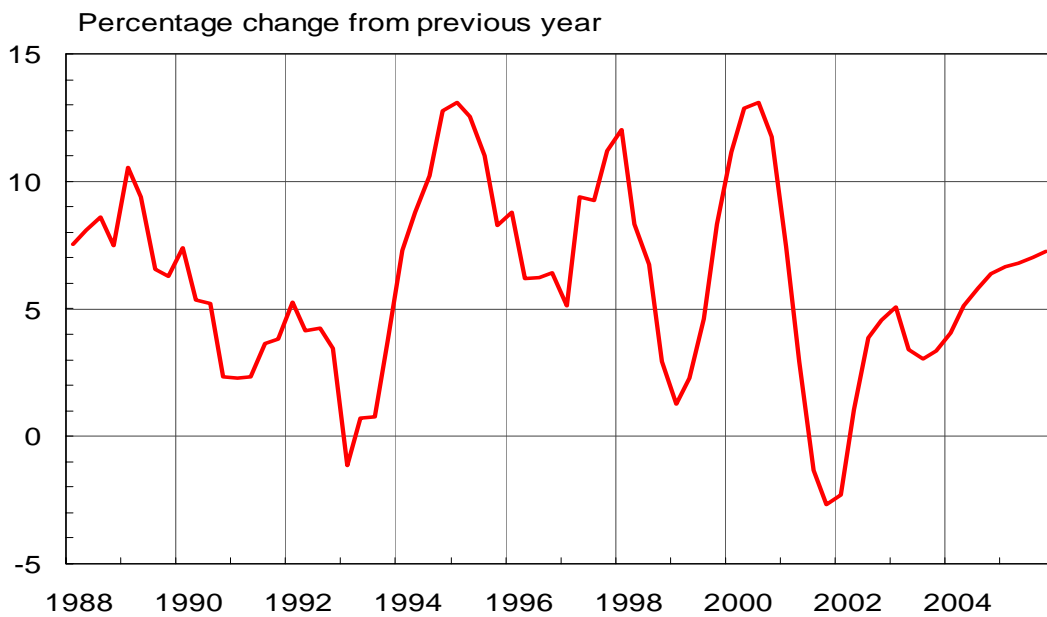
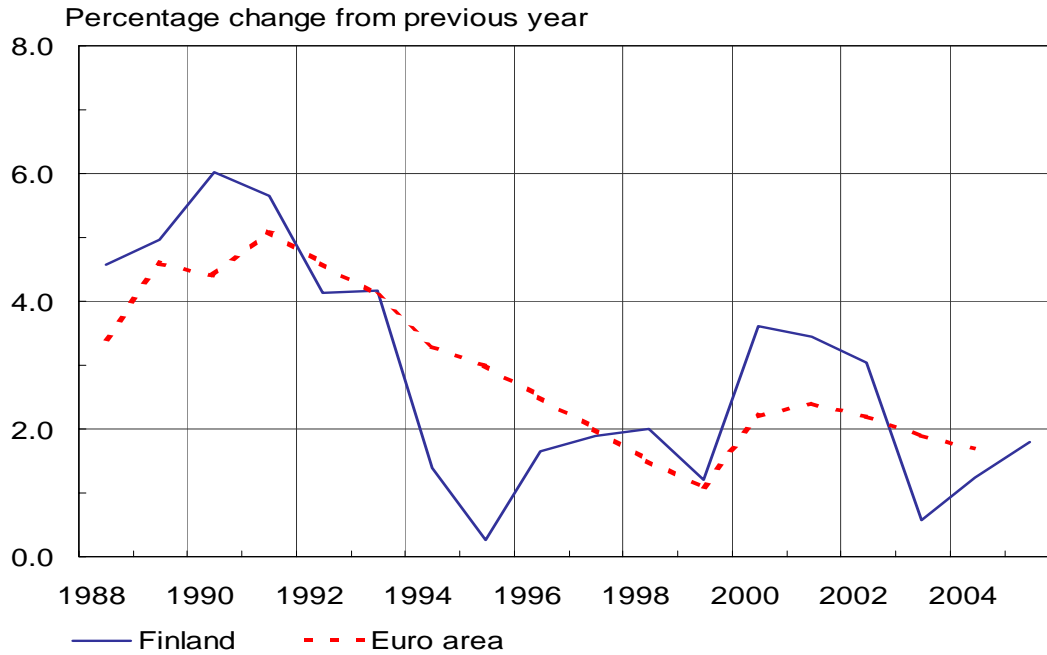


Chart 4.

International economy and Finland

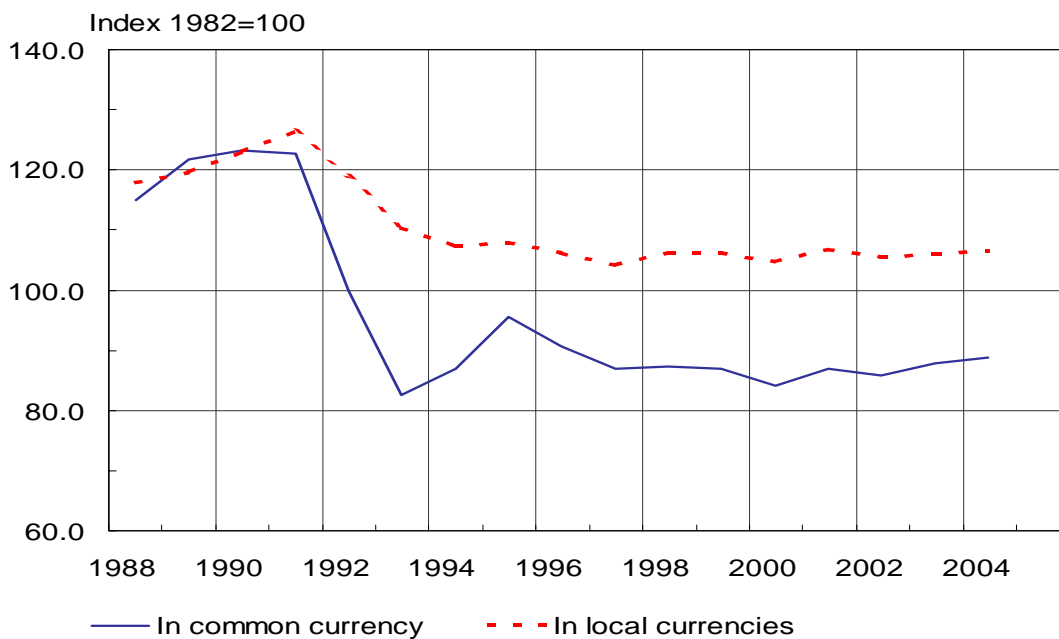
Private consumption deflator



Forecast for the euro area : European Commission, April 2003.

Relative unit labour costs, Finland/EU9

Whole economy, 1988 -2004



Forecast for EU9 : European Commission, April 2003.

Chart 5.

Components of demand and supply

Volume index 2000 = 100

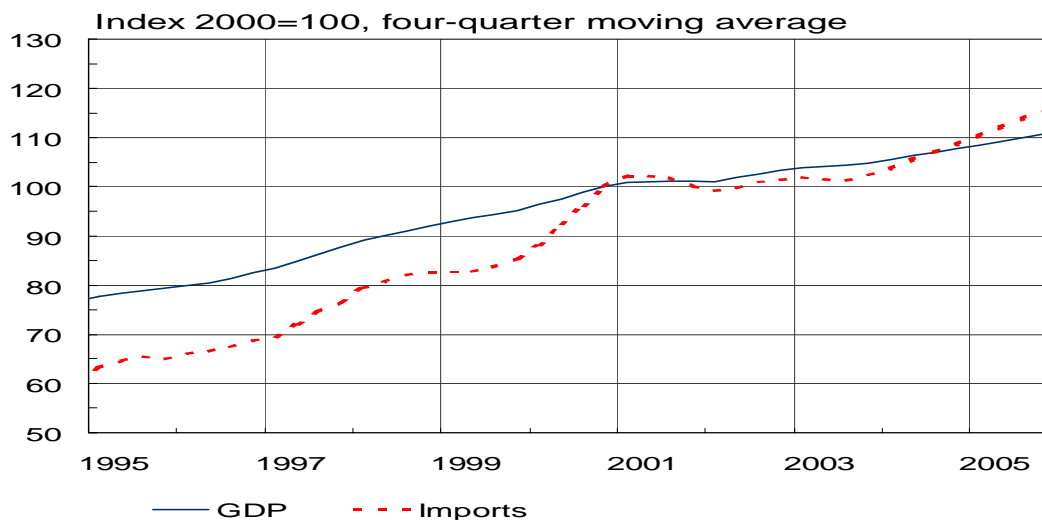
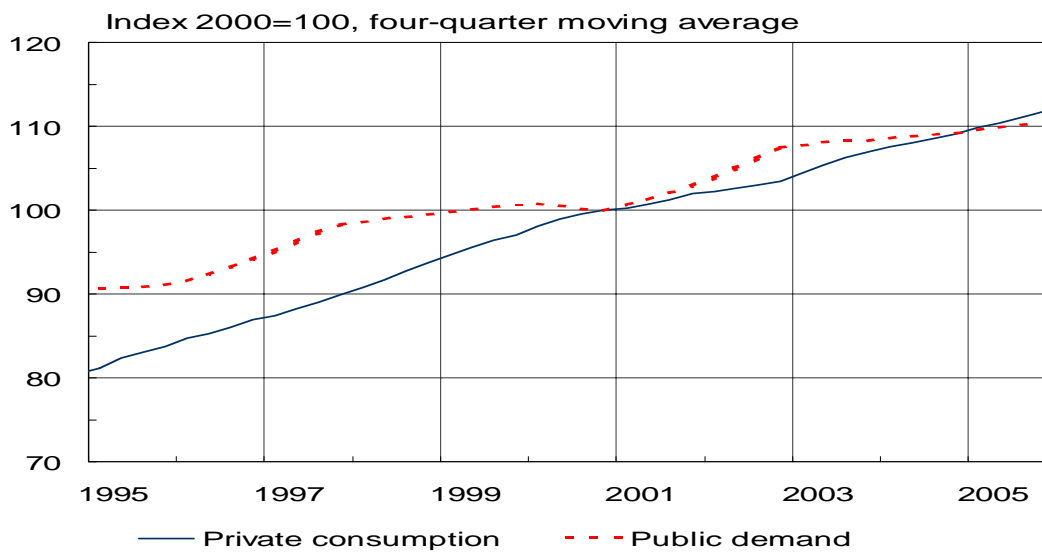
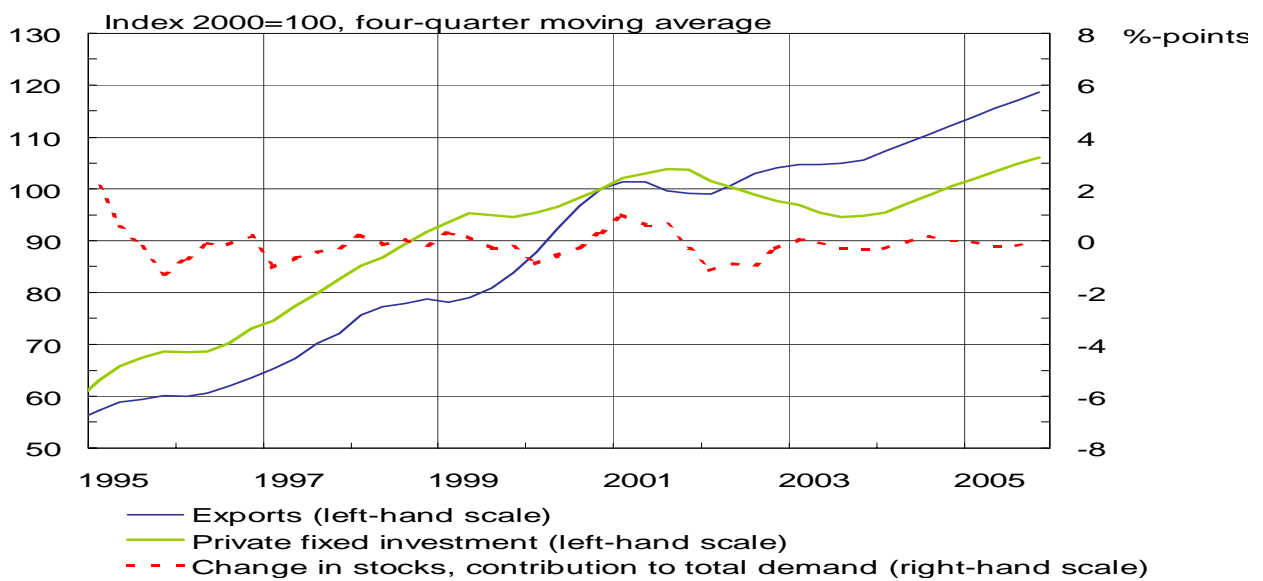


Chart 6.

Output by sector

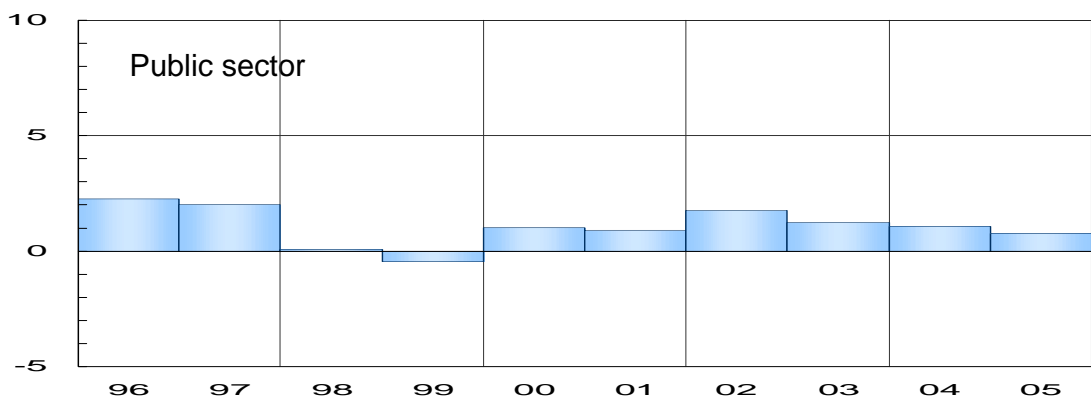
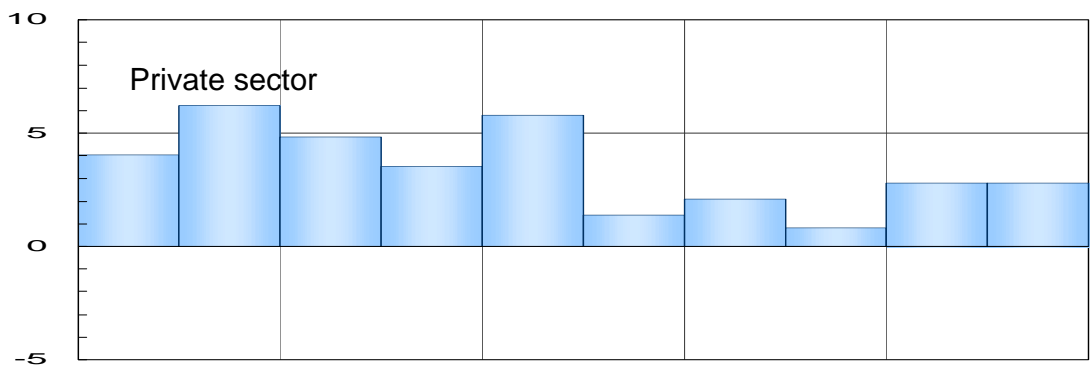
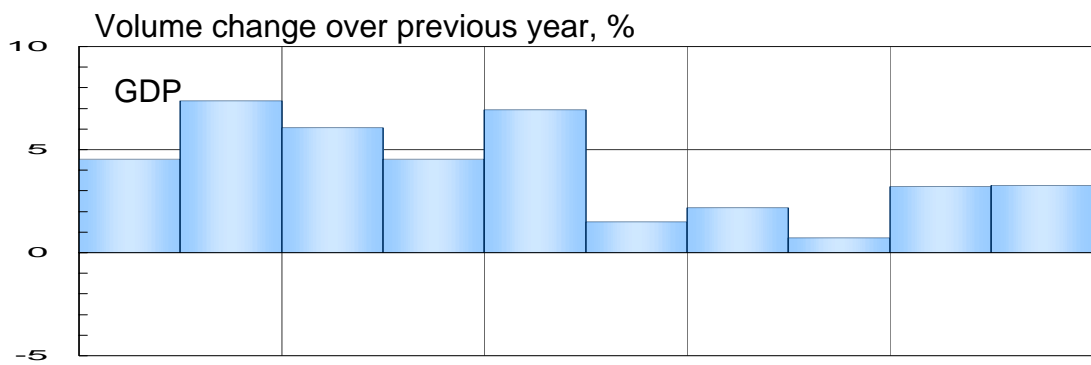
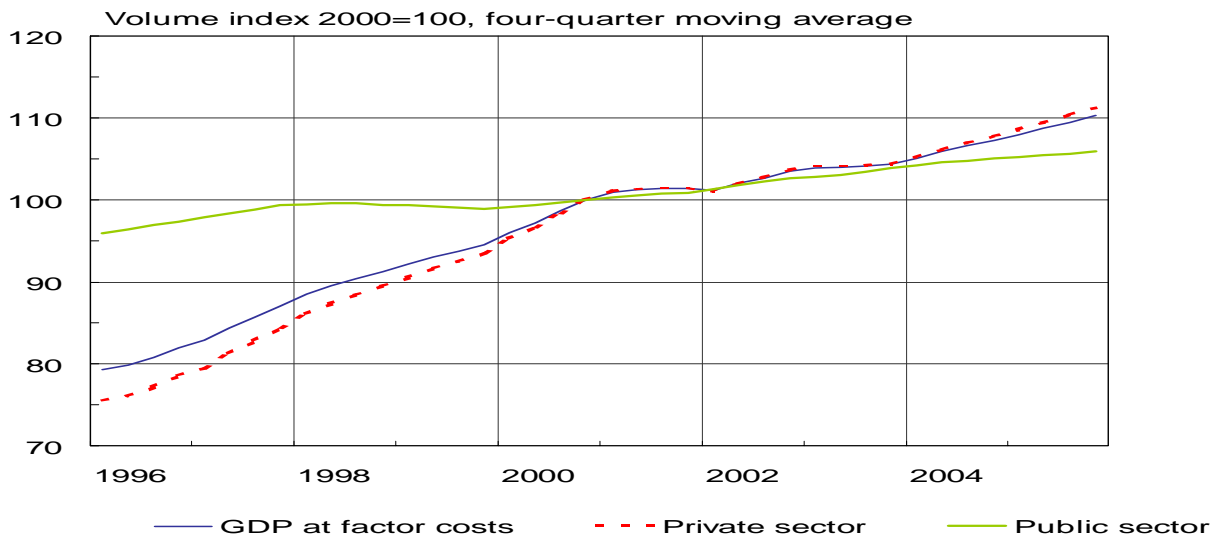
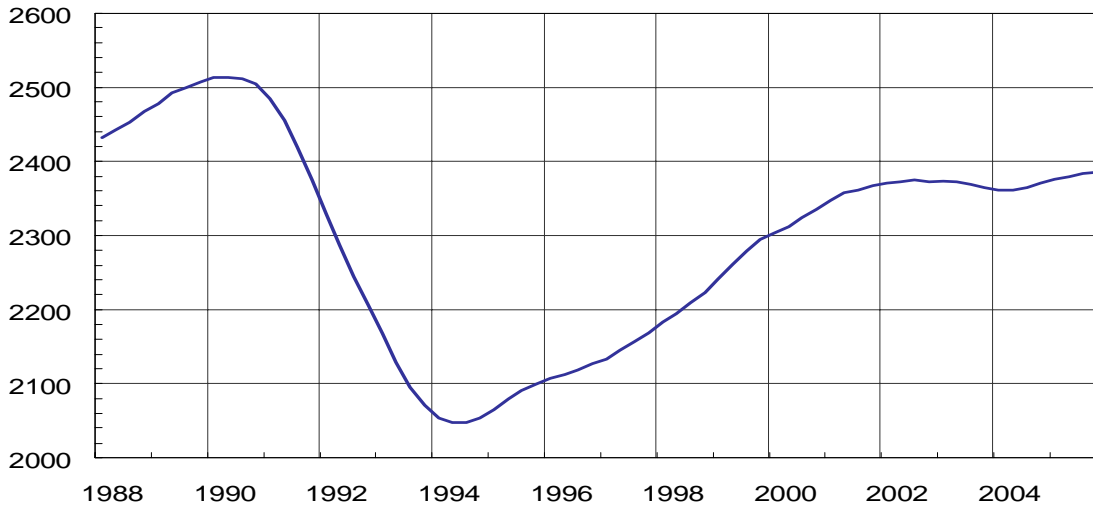


Chart 7.

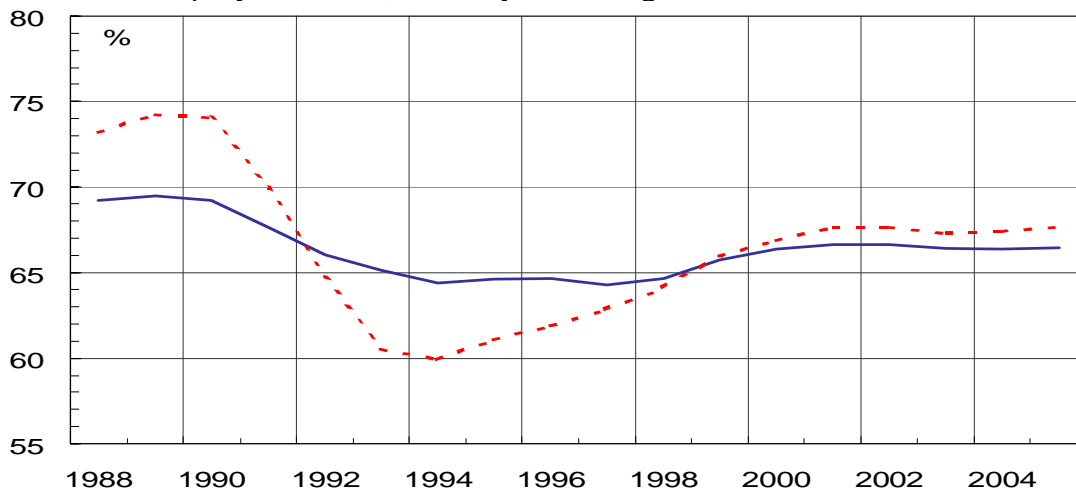
Employment, labour force and unemployment rate

Employed

1000 persons, four-quarter moving average



— Labour force participation rate
 - - - Employment rate, 15–64 years of age



Unemployment rate

%, four-quarter moving average

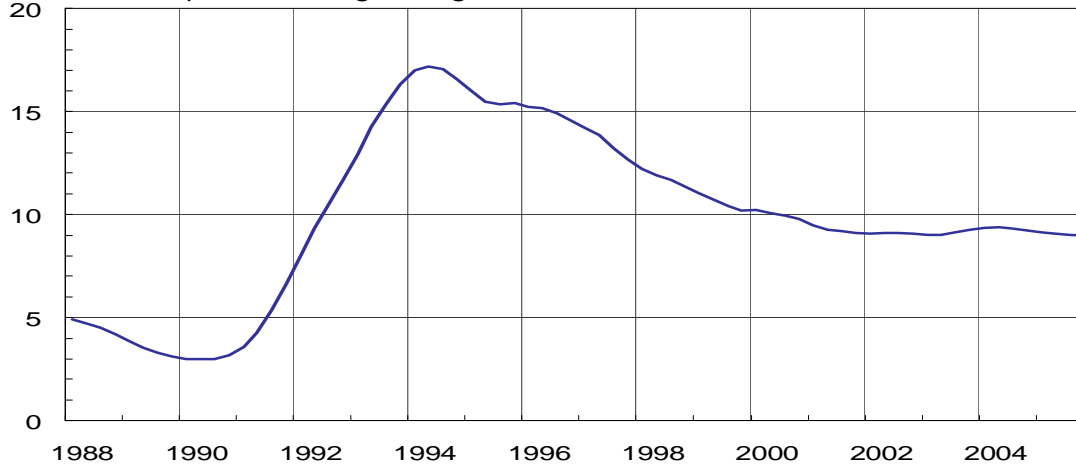
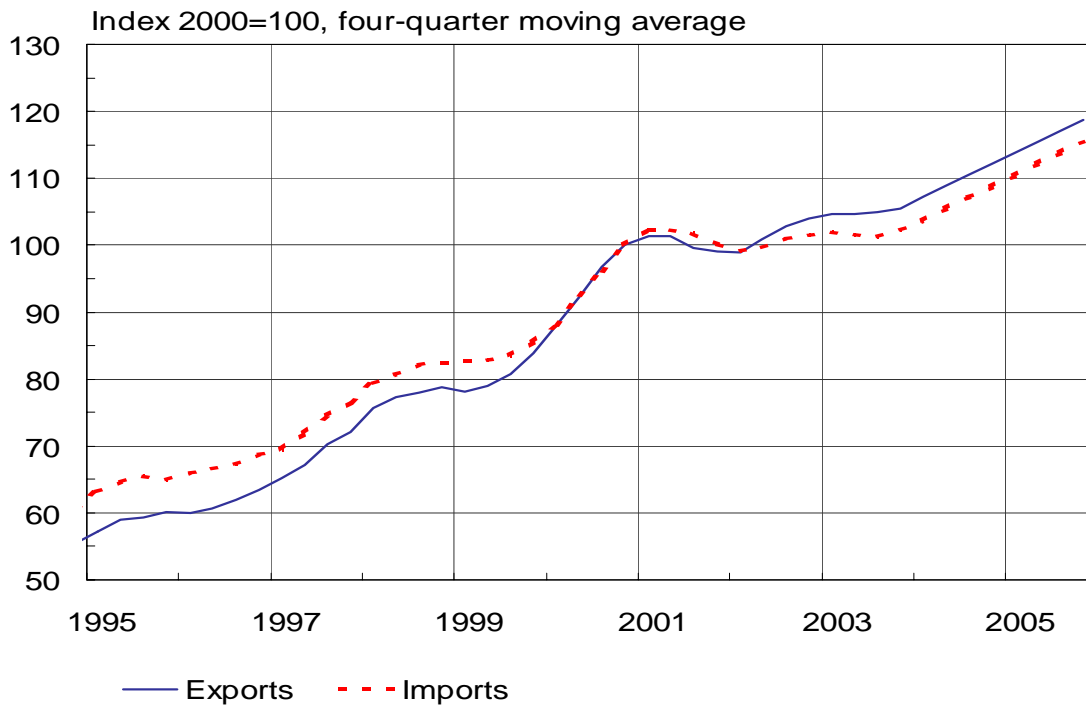


Chart 8.

Foreign trade

Exports and imports (goods and services), volume index



Exports and imports (goods and services), current prices, per cent of GDP

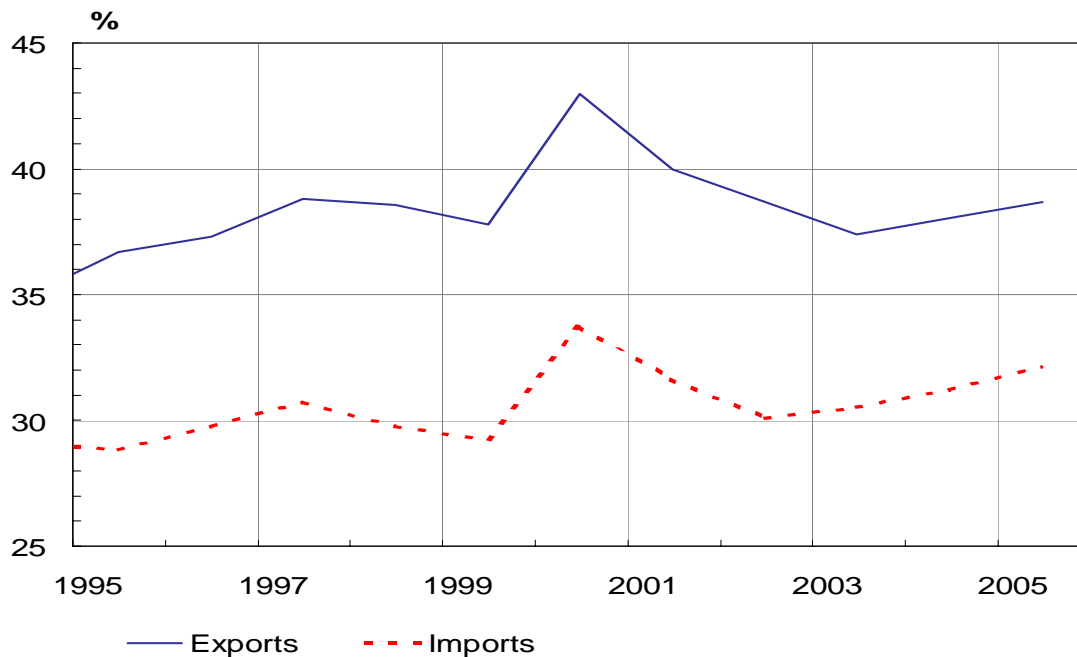


Chart 9.

Rates of exchange and foreign trade prices

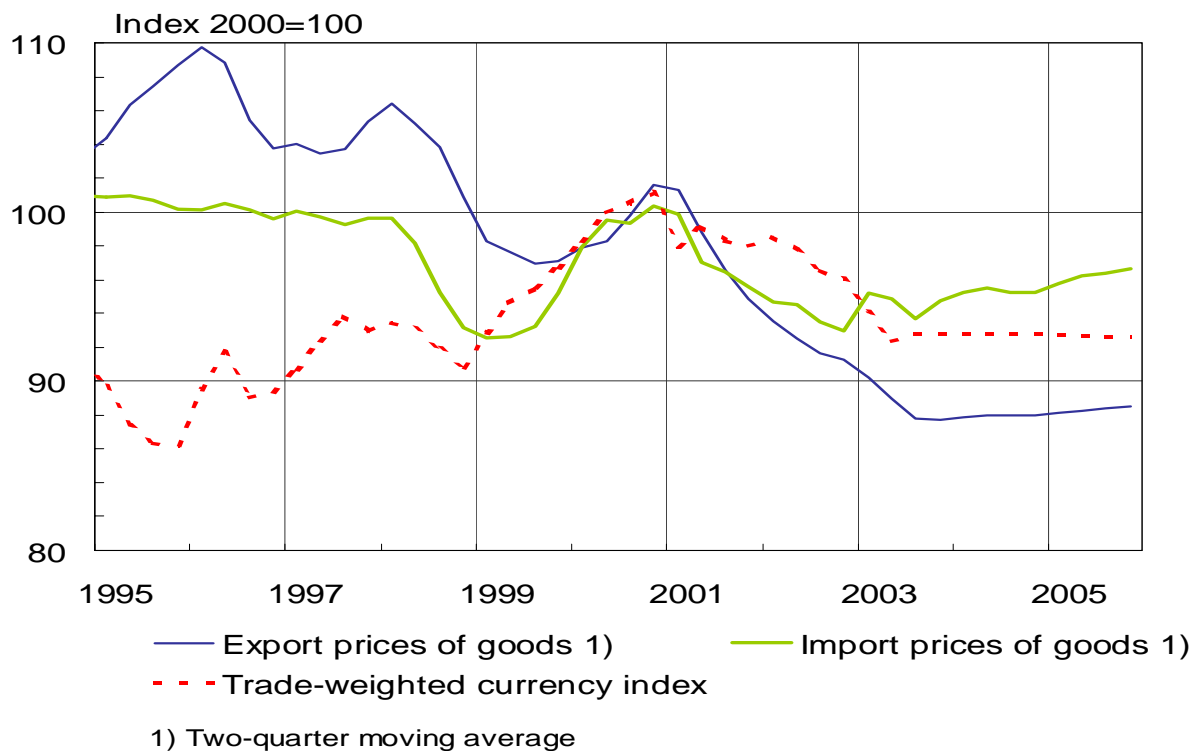


Chart 10.

Terms of trade

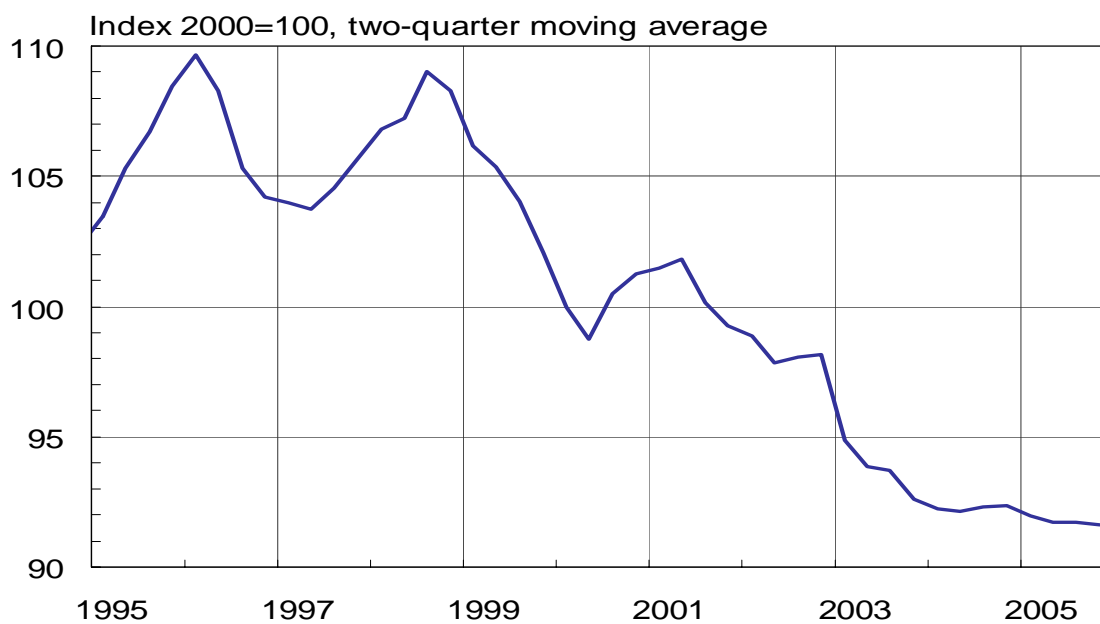


Chart 11.

Fixed investment

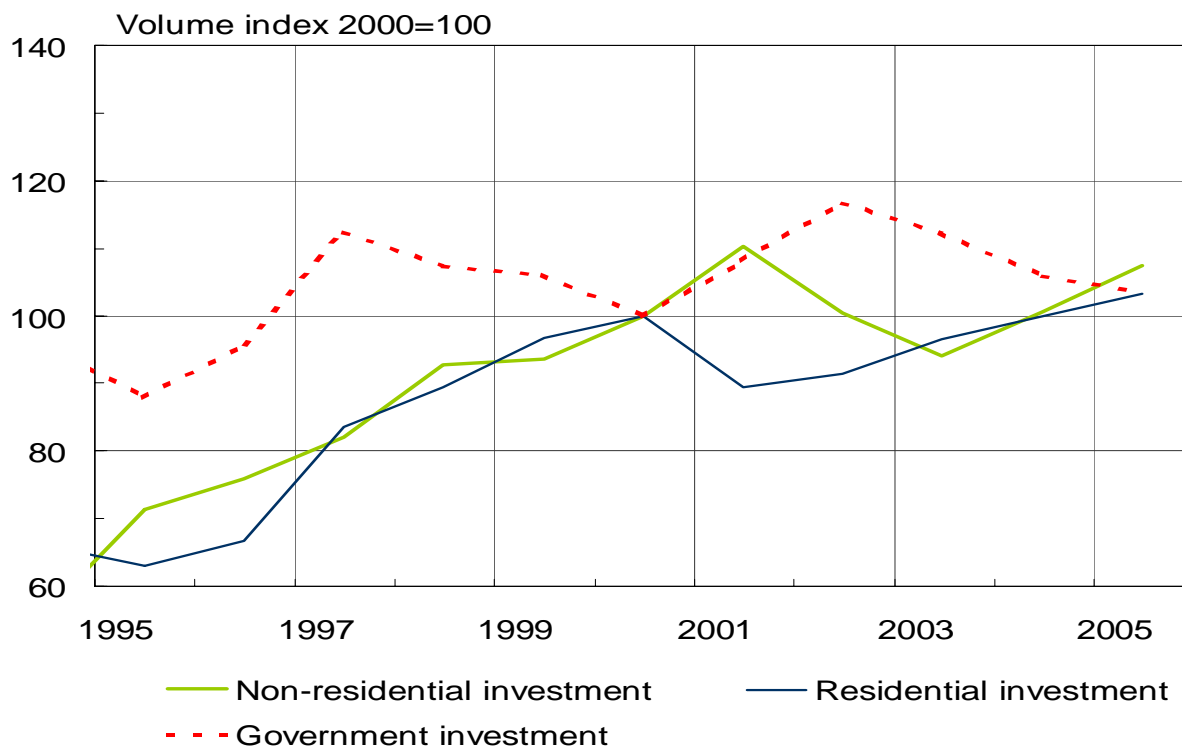


Chart 12.

Investment ratio

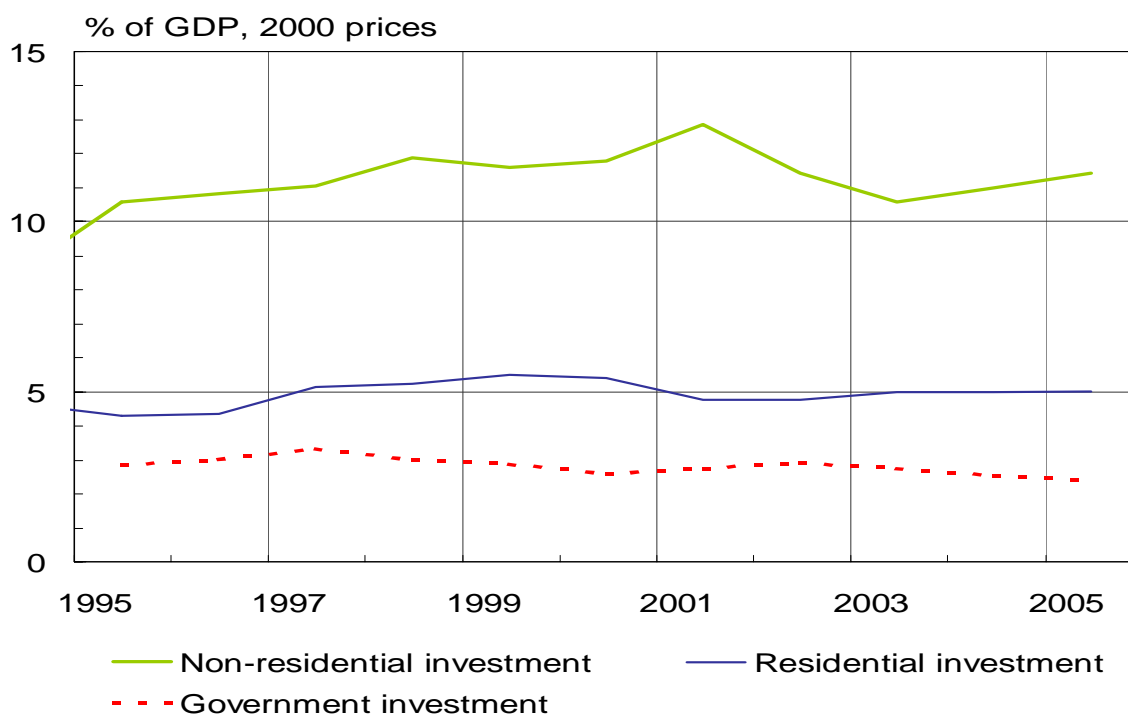


Chart 13.

Household sector's income, expenditure and debt

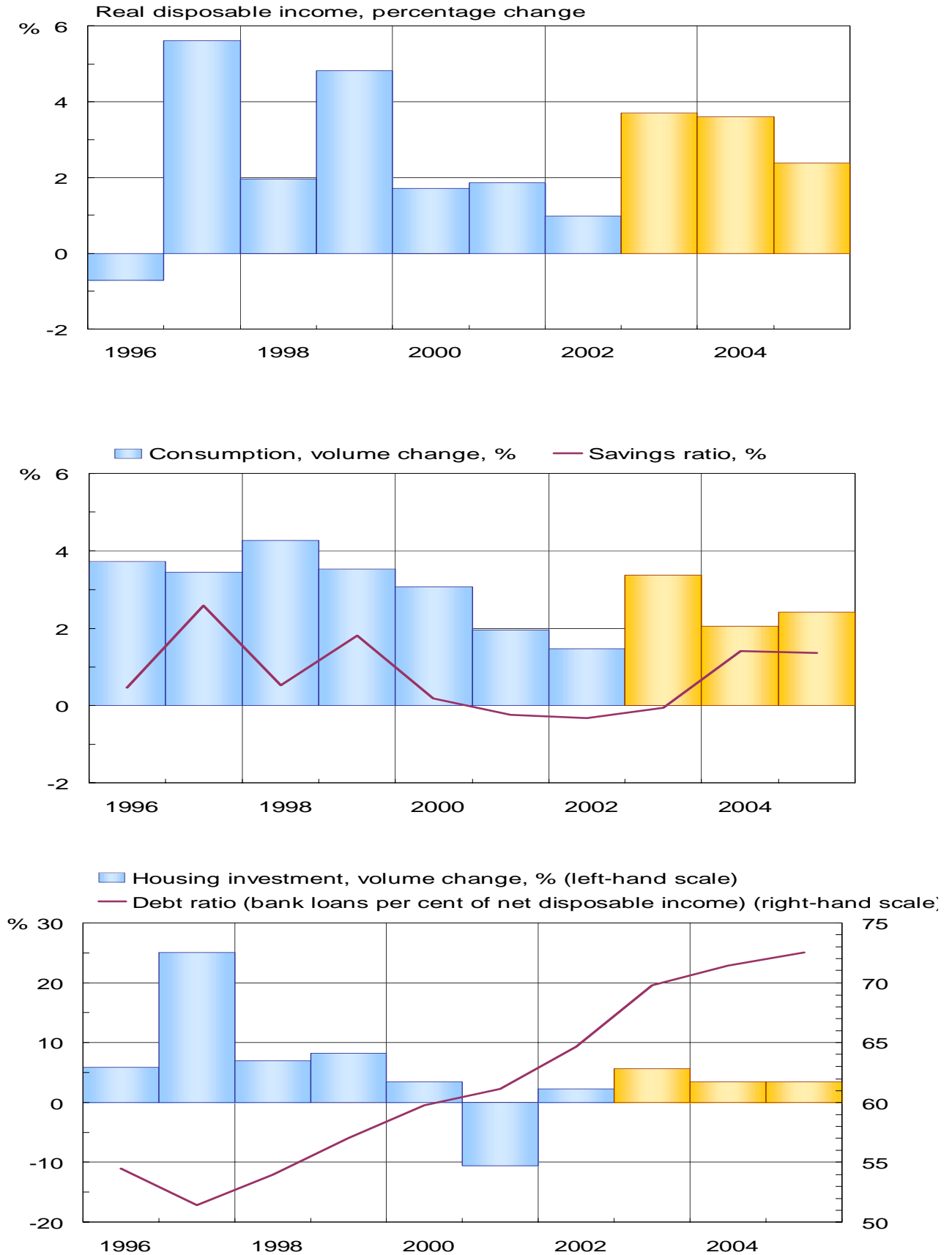
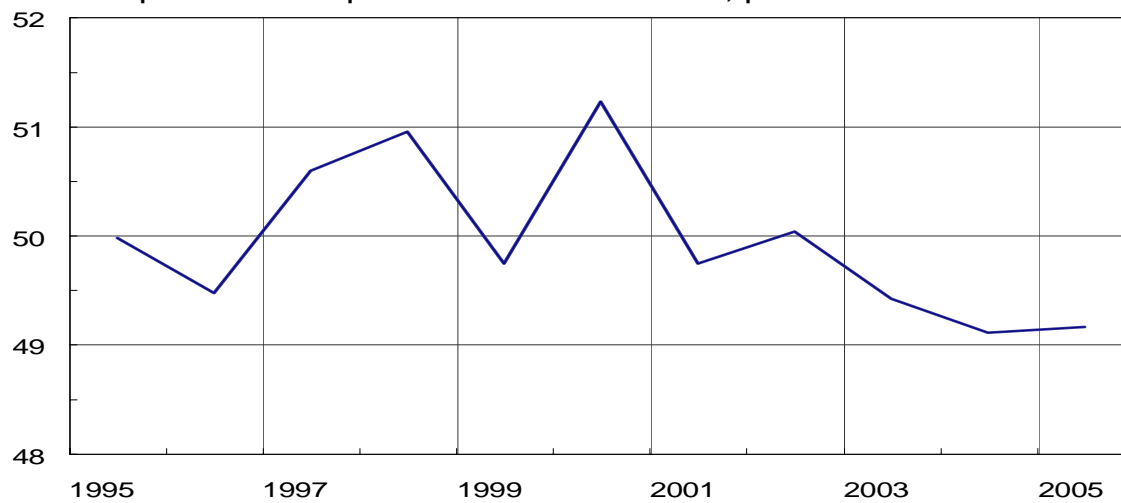


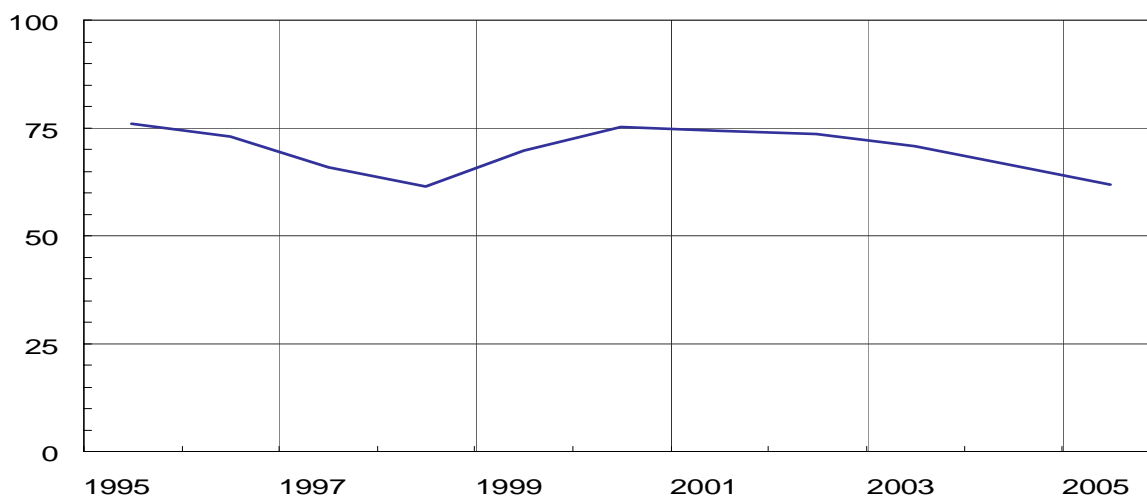
Chart 14.

Corporate sector

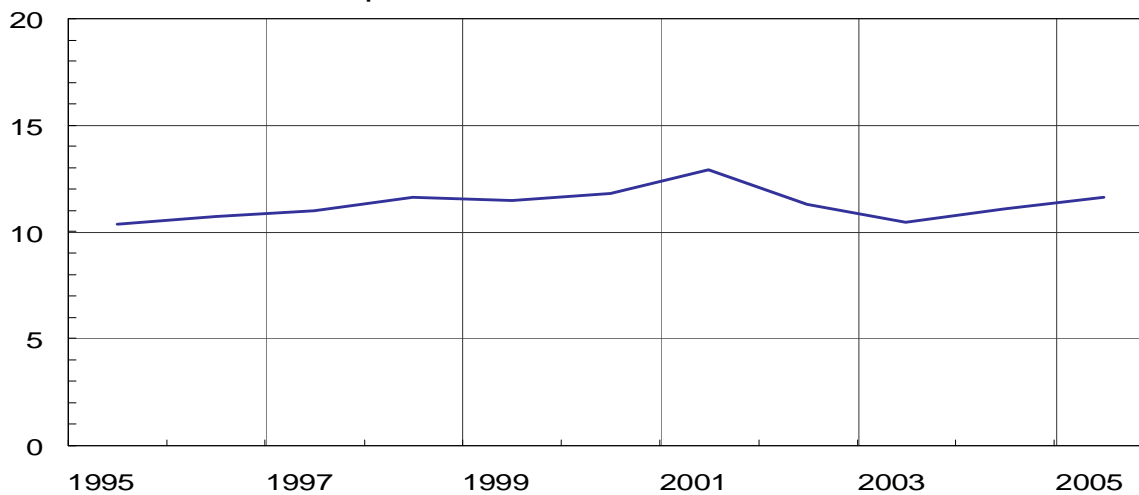
Capital income per cent of value added, private sector



Gross debt in proportion to value added, private sector



Fixed investment per cent of GDP

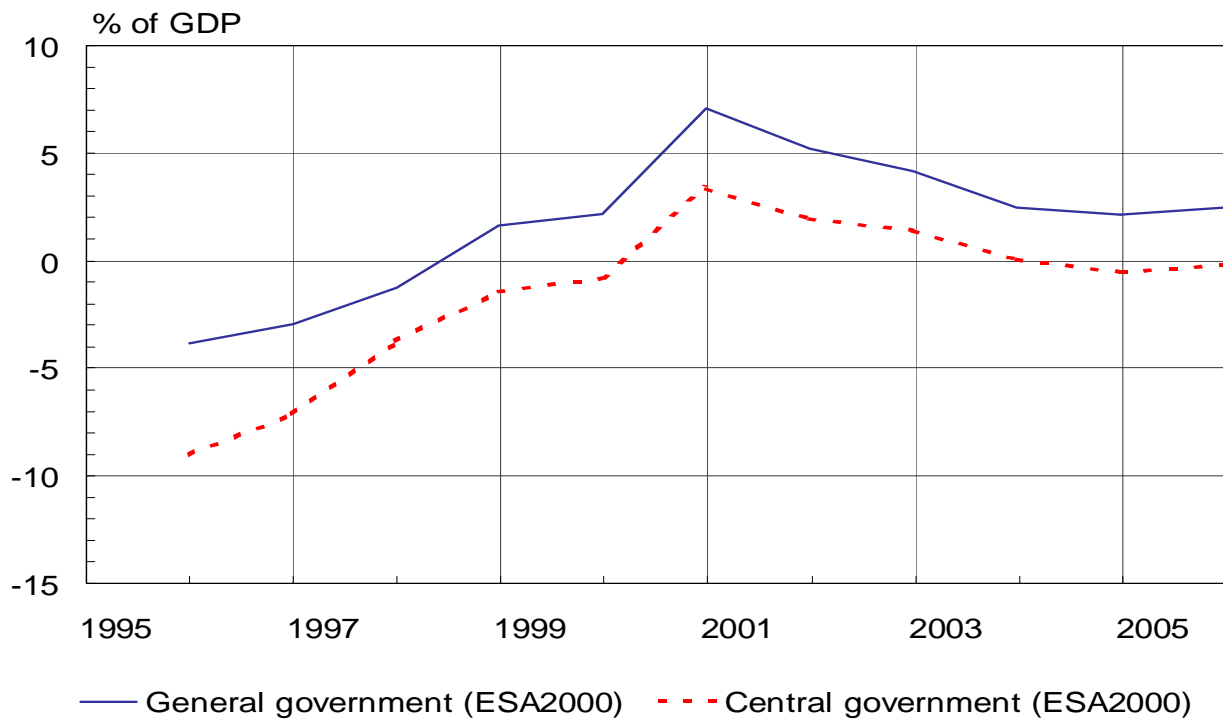


— Non-residential investment

Chart 15.

Public sector

Financial balance (net lending)



Debt

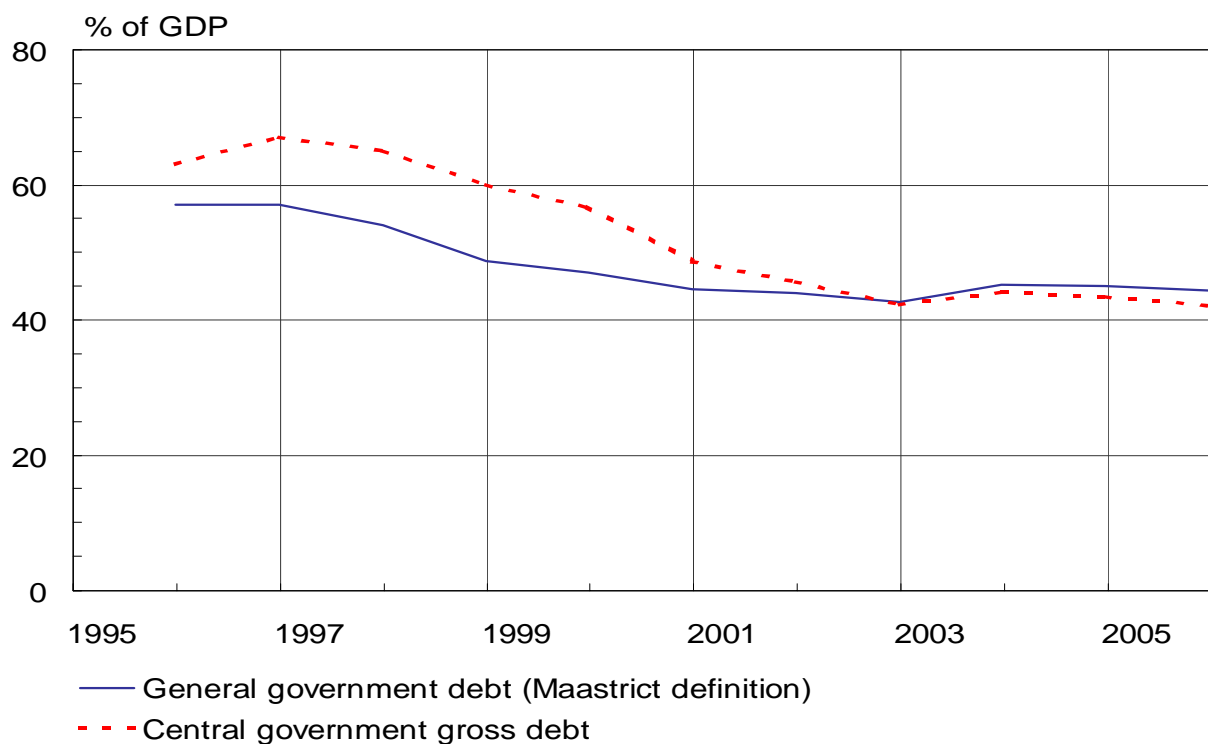
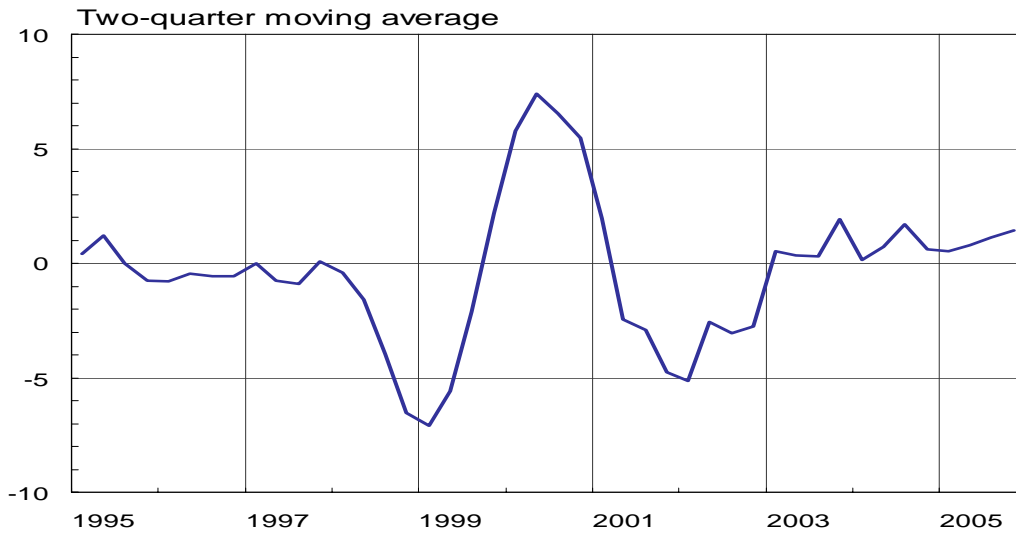


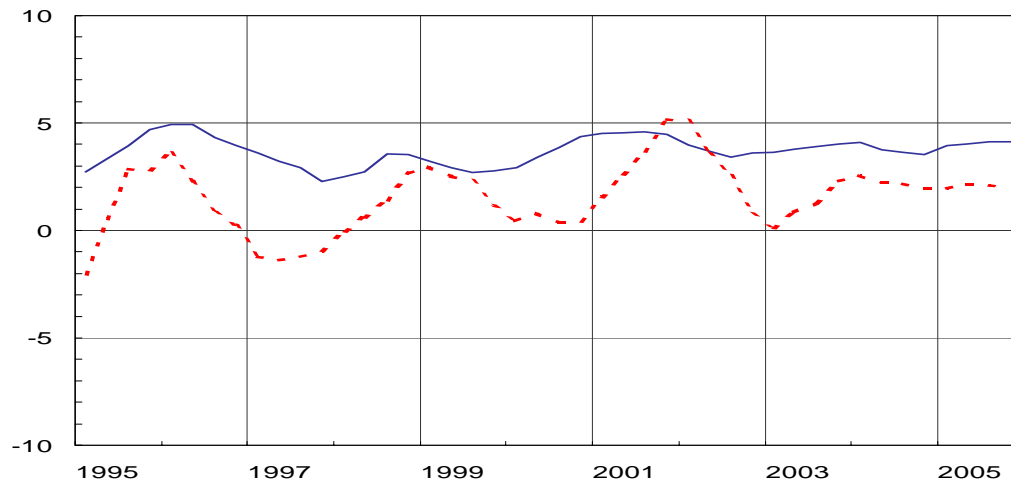
Chart 16.

Costs and prices

percentage change over previous year
 Import prices



— Index of wage and salary earnings, two-quarter moving average
 - - - Unit labour costs, four-quarter moving average



Consumer price index
 Two-quarter moving average

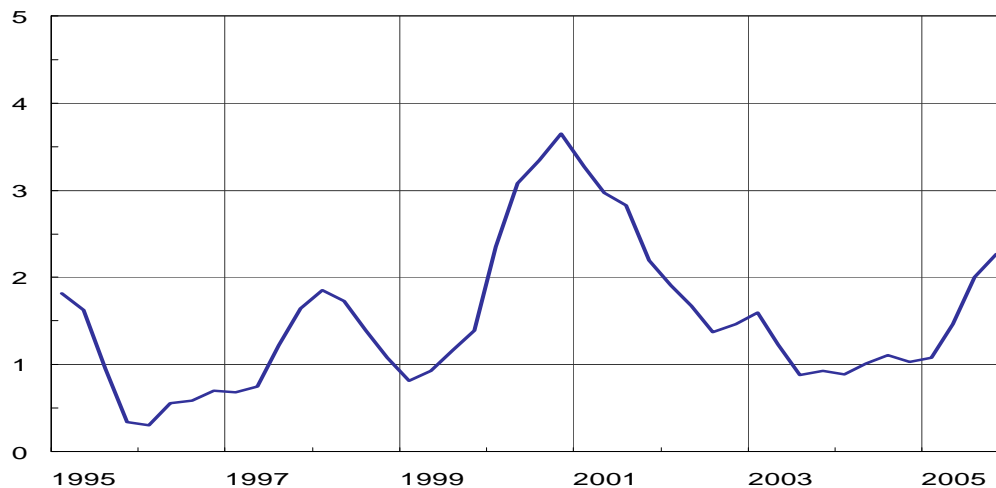
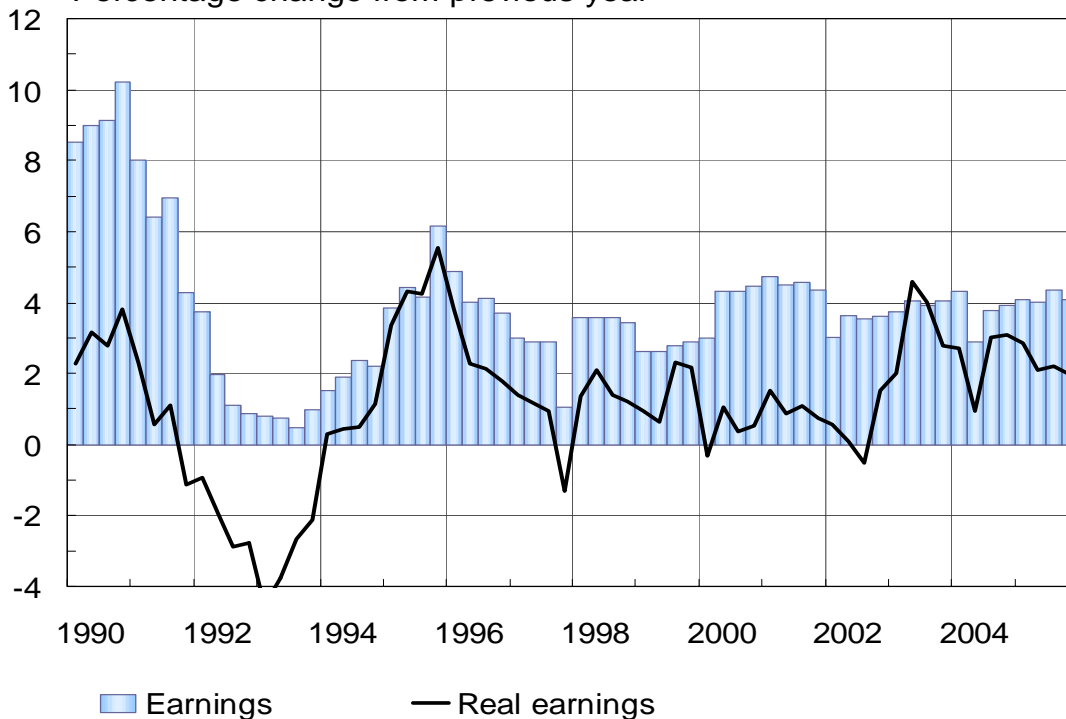


Chart 17.

Earnings

Percentage change from previous year



Four-quarter moving average, percentage change from previous year

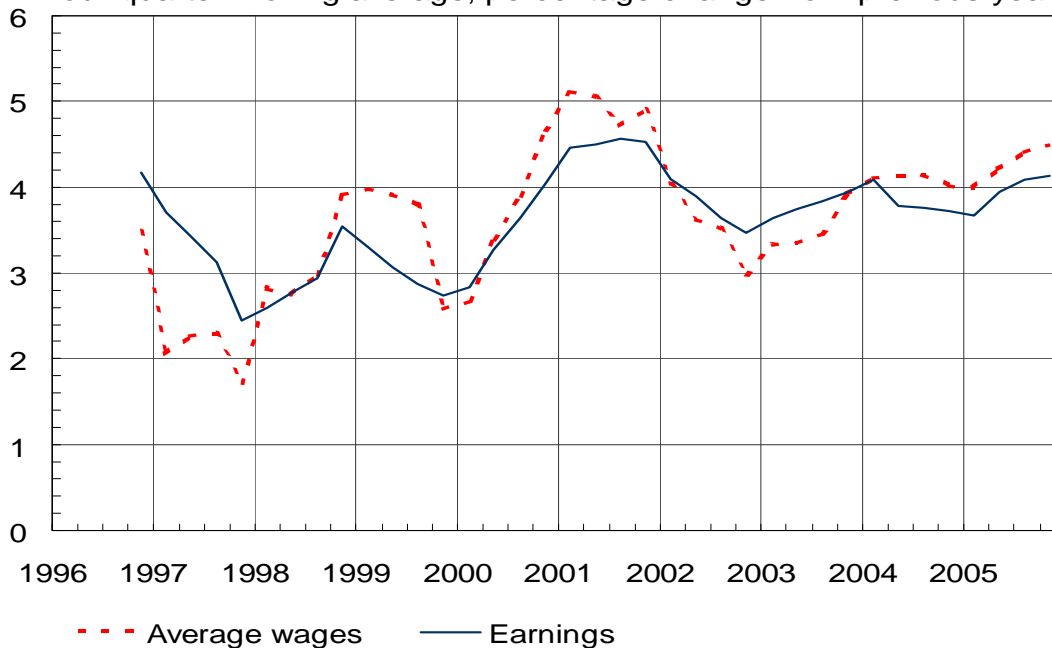
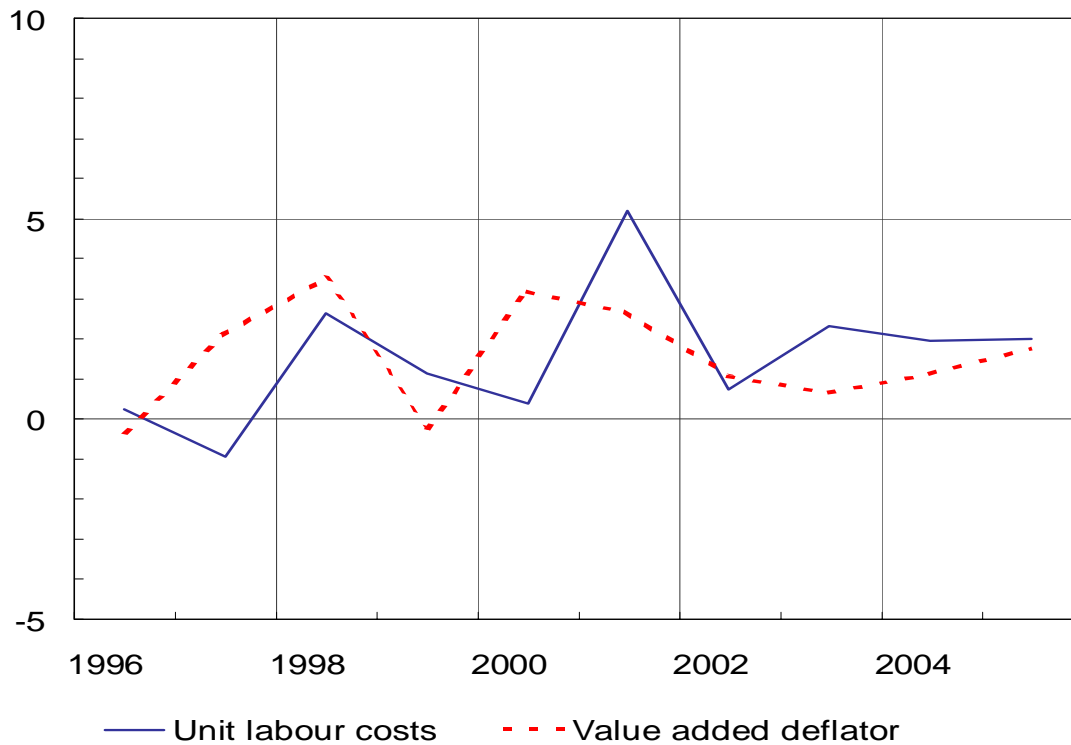


Chart 18.

Labour costs and prices

Whole economy

Percentage change from previous year



Private sector

Percentage change from previous year

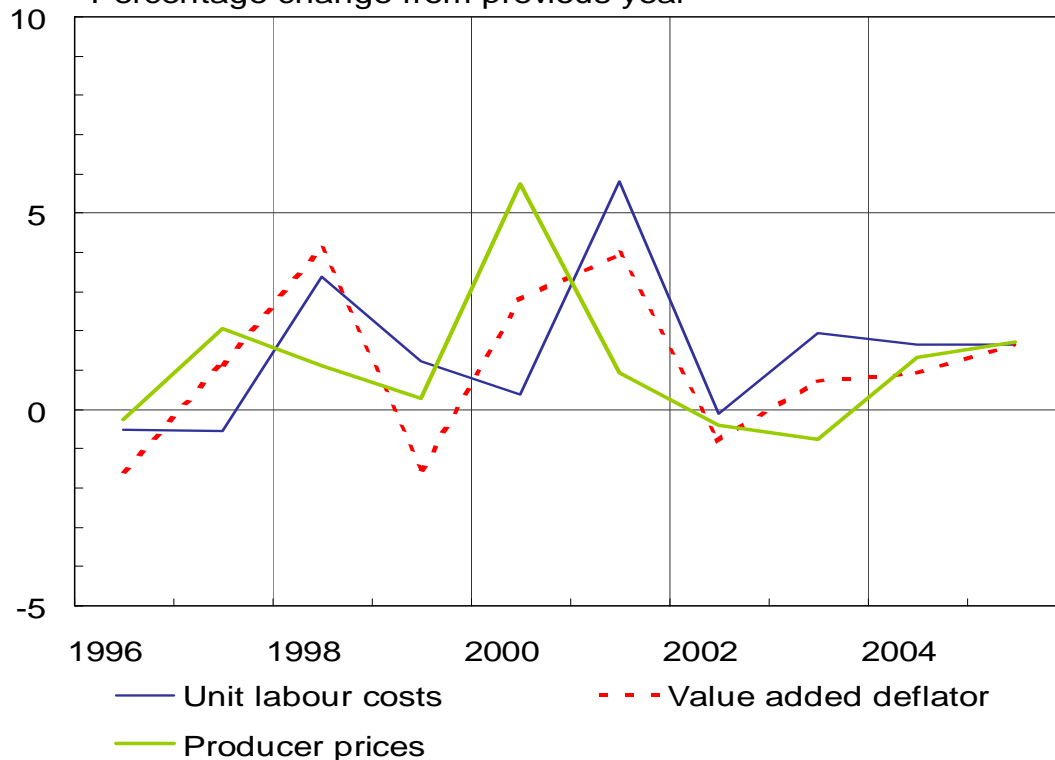
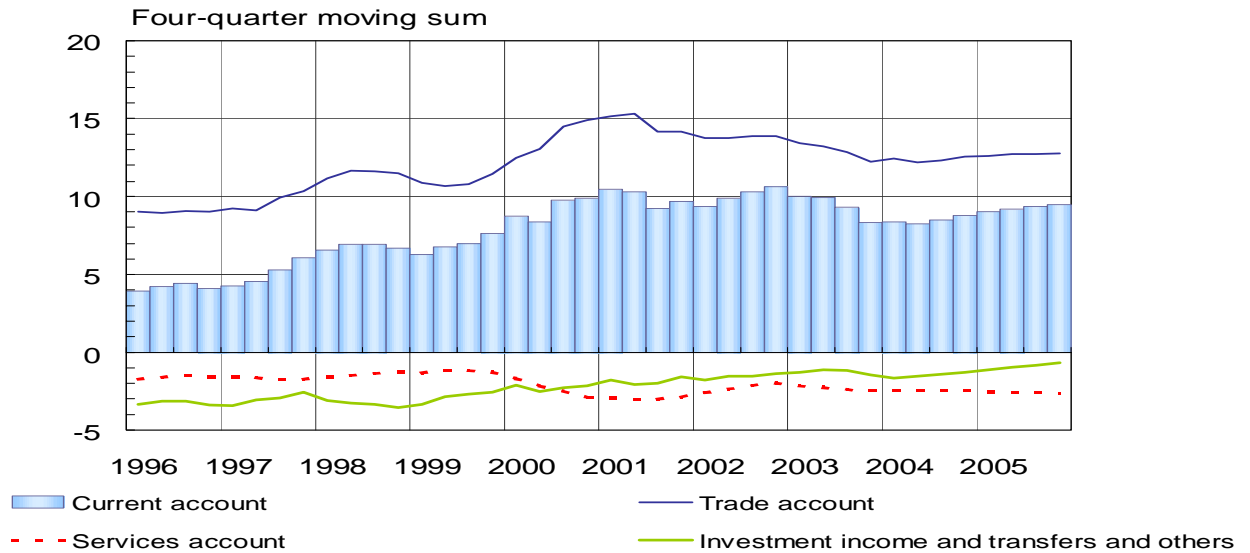


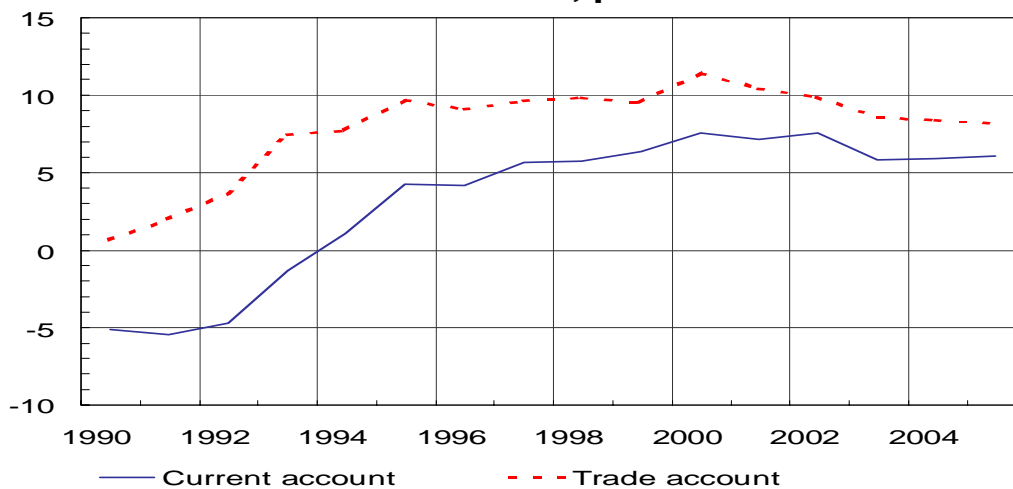
Chart 19.

External balance and net international investment position

Key items in the current account, EUR billions



Current and trade account, per cent of GDP



Net international investment position, per cent of GDP

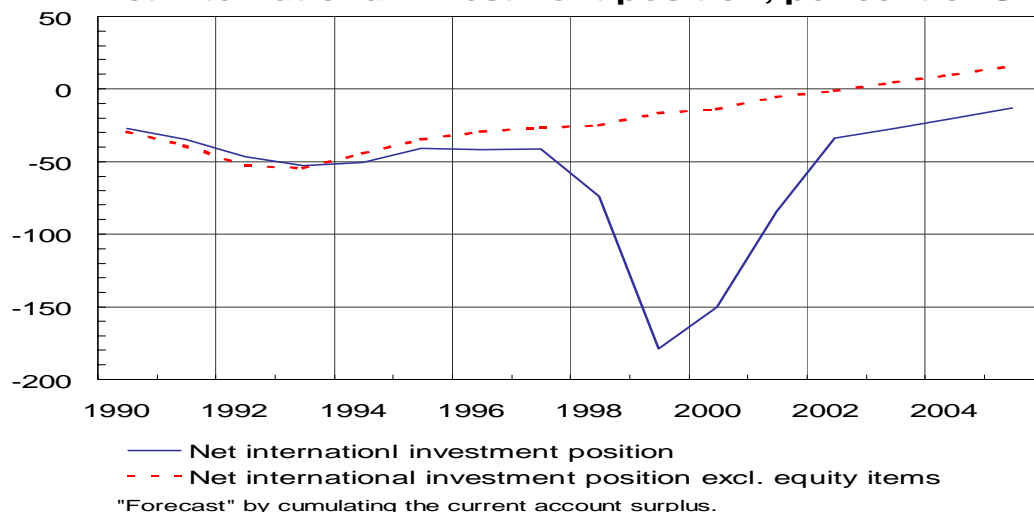


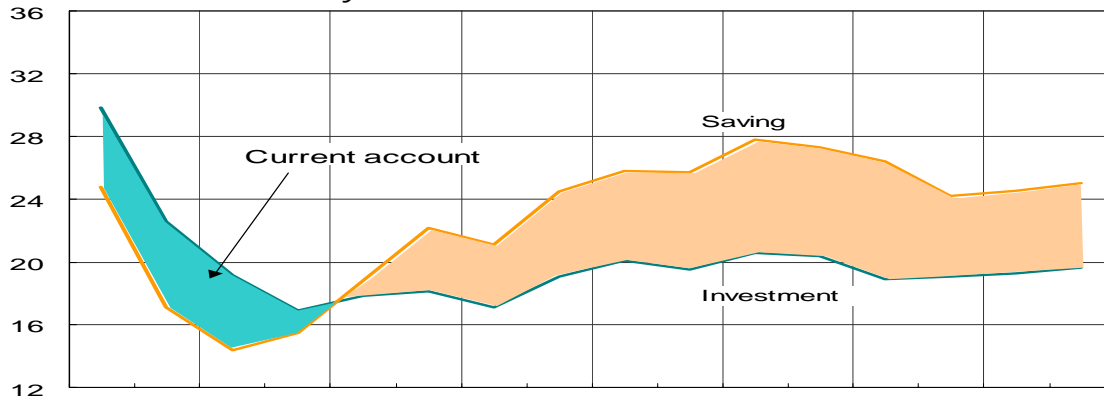
Chart 20.

Saving and investment by sector

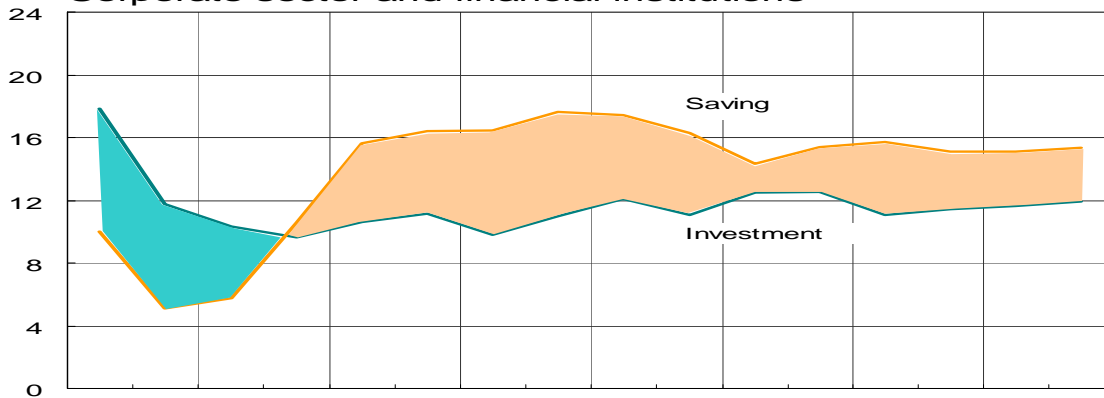
Gross saving and gross investment as percentage of GDP

Saving – Investment = Financial deficit

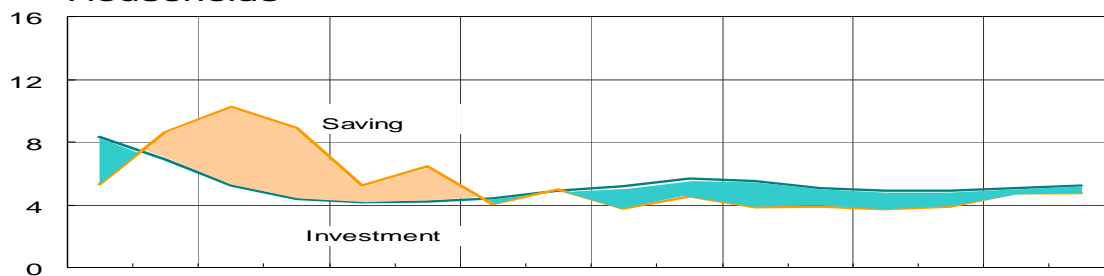
Whole economy



Corporate sector and financial institutions



Households



Public sector

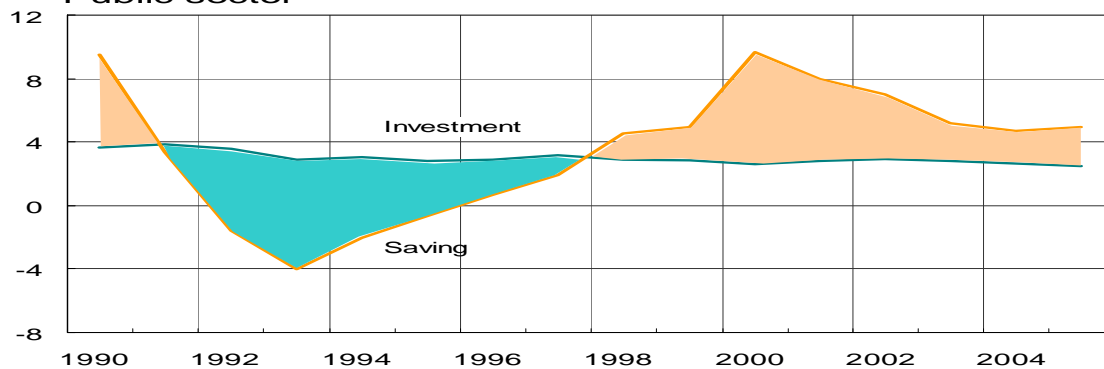


Chart 21.
Market rates

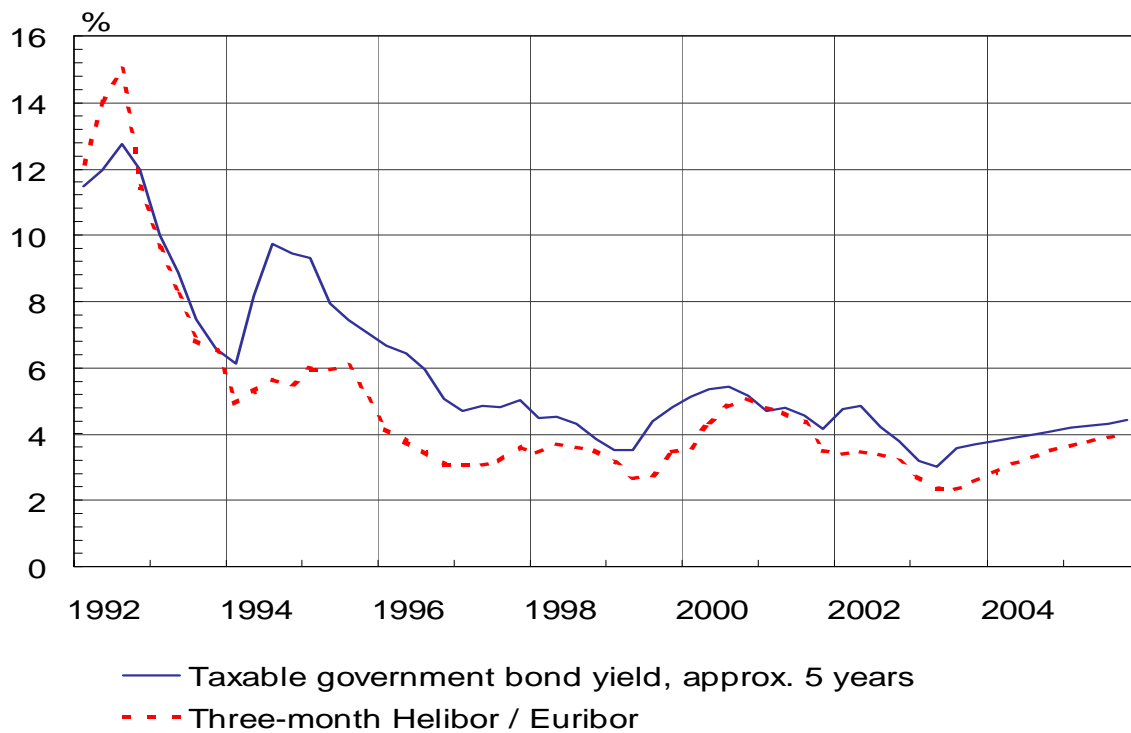


Chart 22.

Bank lending rates

