



EUROJÄRJESTELMÄ
EUROSYSTEMET

BANK OF FINLAND
Monetary Policy and Research Department

Outlook for the Finnish Economy 2008 – 2010

Forecast tables

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1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2000 PRICES

% change on previous year

	2007	f 2008	f 2009	f 2010
GDP at market prices	4.5	2.1	-0.5	0.7
Imports of goods and services	6.6	0.4	-2.1	2.6
Exports of goods and services	8.2	3.9	-3.3	1.0
Private consumption	3.2	3.1	0.7	1.9
Public consumption	1.3	1.3	1.9	1.6
Private fixed investment	8.3	0.4	-6.4	-1.1
Public fixed investment	9.4	-0.4	4.8	4.5

2. CONTRIBUTIONS TO GROWTH *

	2007	f 2008	f 2009	f 2010
GDP, % change	4.5	2.1	-0.5	0.7
Net exports	1.1	1.6	-0.7	-0.6
Domestic demand excl. inventory change	3.5	1.9	-0.3	1.3
of which Consumption	1.9	1.8	0.8	1.4
Investment	1.6	0.1	-0.1	-0.1
Inventory change + statistical discrepancy	-0.2	-1.3	0.5	0.0

* Bank of Finland calculations. Annual growth rates using the previous year's GDP shares at current prices as weights.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS

Index 2000 = 100, and % change on previous year

	2007	f 2008	f 2009	f 2010
GDP at market prices	109.5	112.7	113.9	114.4
	2.9	3.0	1.0	0.5
Imports of goods and services	109.0	113.5	114.9	117.5
	2.1	4.1	1.2	2.3
Exports of goods and services	98.5	99.9	98.3	97.4
	0.7	1.4	-1.7	-0.9
Private consumption	110.1	113.2	115.3	117.1
	2.2	2.8	1.9	1.6
Public consumption	127.3	134.1	139.3	143.4
	3.4	5.3	3.9	3.0
Private fixed investment	110.1	115.9	117.9	119.6
	4.4	5.2	1.8	1.4
Public fixed investment	118.4	126.3	130.2	131.9
	5.4	6.7	3.1	1.3
Terms of trade (goods and services)	90.4	88.1	85.5	82.9
	-1.4	-2.6	-2.9	-3.0

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

EUR million and % change on previous year

	2007	f 2008	f 2009	f 2010
GDP at market prices	179 734	189 028	190 074	192 333
	7.6	5.2	0.6	1.2
Imports of goods and services	73 102	76 429	75 784	79 522
	8.8	4.6	-0.8	4.9
Total supply	252 836	265 457	265 857	271 854
	7.9	5.0	0.2	2.3
Exports of goods and services	82 228	86 623	82 350	82 420
	8.9	5.3	-4.9	0.1
Consumption	128 764	136 689	141 553	147 062
	5.3	6.2	3.6	3.9
Private	90 610	95 979	98 463	101 962
	5.5	5.9	2.6	3.6
Public	38 154	40 710	43 090	45 100
	4.8	6.7	5.8	4.7
Fixed investment	36 517	38 582	37 373	37 779
	13.4	5.7	-3.1	1.1
Private	31 870	33 643	32 040	32 133
	13.1	5.6	-4.8	0.3
Public	4 647	4 938	5 333	5 646
	15.3	6.3	8.0	5.9
Inventory change + statistical discrepancy	5 327	3 564	4 582	4 594
% of previous year's total demand	0.5	-0.7	0.4	0.0
Total demand	252 836	265 457	265 857	271 854
	7.9	5.0	0.2	2.3
Total domestic demand	170 608	178 834	183 508	189 435
	7.5	4.8	2.6	3.2

5. BALANCE OF SUPPLY AND DEMAND

% of GDP at current prices

	2007	f 2008	f 2009	f 2010
GDP at market prices	100.0	100.0	100.0	100.0
Imports of goods and services	40.7	40.4	39.9	41.3
Exports of goods and services	45.7	45.8	43.3	42.9
Consumption	71.6	72.3	74.5	76.5
Private	50.4	50.8	51.8	53.0
Public	21.2	21.5	22.7	23.4
Fixed investment	20.3	20.4	19.7	19.6
Private	17.7	17.8	16.9	16.7
Public	2.6	2.6	2.8	2.9
Inventory change + statistical discrepancy,	3.0	1.9	2.4	2.4
Total demand	140.7	140.4	139.9	141.3
Total domestic demand	94.9	94.6	96.5	98.5

6. PRICES

Index 2000 = 100, and % change on previous year

	2007	f 2008	f 2009	f 2010
Consumer price index, 2005=100	104.1	108.4	110.4	112.2
	2.5	4.1	1.8	1.7
Harmonised index of consumer prices, 2005=100	102.9	107.0	109.2	111.0
	1.6	4.0	2.1	1.6
Private consumption deflator	110.1	113.2	115.3	117.1
	2.2	2.8	1.9	1.6
Private investment deflator	110.1	115.9	117.9	119.6
	4.4	5.2	1.8	1.4
Exports of goods and services deflator	98.5	99.9	98.3	97.4
	0.7	1.4	-1.7	-0.9
Imports of goods and services deflator	109.0	113.5	114.9	117.5
	2.1	4.1	1.2	2.3
Value-added deflators				
Value-added, gross at basic prices	110.5	114.0	115.3	115.8
	3.2	3.2	1.1	0.5
Private sector	105.6	108.6	109.1	108.8
	2.7	2.9	0.4	-0.3
Public sector	135.6	141.8	148.1	153.5
	4.1	4.6	4.4	3.6

7. WAGES AND PRODUCTIVITY

% change on previous year

	2007	f 2008	f 2009	f 2010
Whole economy				
Index of wage and salary earnings	3.4	5.4	3.9	2.7
Compensation per employee	3.5	5.5	3.9	2.7
Unit labour costs	1.0	4.6	2.5	1.0
Labour productivity per employed person	2.5	0.8	1.4	1.7

8. LABOUR MARKET

1000 persons and % change on previous year

	2007	f 2008	f 2009	f 2010
Labour force survey (15–74-year-olds)				
Employed persons	2 494	2 527	2 480	2 456
	2.1	1.3	-1.8	-1.0
Unemployed persons	183	171	194	206
	-10.1	-6.9	13.5	6.3
Labour force	2 677	2 698	2 674	2 662
	1.1	0.8	-0.9	-0.5
Working-age population (15–64-year-olds)	3 517	3 535	3 542	3 533
	0.3	0.5	0.2	-0.3
Labour force participation rate, %	67.2	67.4	66.5	66.0
Unemployment rate, %	6.9	6.3	7.2	7.7
Employment rate (15–64-year-olds), %	69.9	70.6	69.2	68.7

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT

% OF GDP

	2007	f 2008	f 2009	f 2010
General government revenue	52.6	52.2	52.1	52.6
General government expenditure	47.3	47.7	50.1	51.9
General government primary expenditure	45.8	46.2	48.6	50.4
General government interest expenditure	1.4	1.5	1.4	1.5
General government net lending	5.3	4.5	2.0	0.7
Central government	2.1	1.2	-0.6	-1.2
Local government	-0.1	0.1	-0.1	-0.4
Social security funds	3.3	3.2	2.8	2.3
General government primary balance	6.8	6.0	3.4	2.2
General government debt	35.1	32.6	33.6	35.4
Central government debt	31.2	29.0	29.9	31.3
Tax ratio	42.8	42.8	42.5	42.7

10. BALANCE OF PAYMENTS

EUR million

	2007	f 2008	f 2009	f 2010
Exports of goods and services (SNA)	82 228	86 623	82 350	82 420
Imports of goods and services (SNA)	73 102	76 429	75 784	79 522
Goods and services account (SNA)	9 126	10 193	6 566	2 898
% of GDP	5.1	5.4	3.5	1.5
Investment income and other items, net (+ statistical discrepancy)	-442	-1 624	-722	-416
Current transfers, net	-1383	-1301	-1145	-1172
Current account, net	7 302	7 268	4 699	1 310
Net lending, % of GDP				
Private sector	-1.3	-0.7	0.4	0.0
Public sector	5.3	4.5	2.0	0.7
Current account, % of GDP	4.1	3.8	2.5	0.7

11. INTEREST RATES

%

	2007	f 2008	f 2009	f 2010
3-month Euribor ¹	4.3	4.7	2.8	3.2
Avg interest rate on new loans	5.9	6.3	4.7	5.1
Average rate of interest on deposits	2.2	3.0	2.2	1.9
Bank lending rate, average	4.9	5.4	4.2	4.1
Yield on Finnish 10-year government bonds ¹	4.3	4.3	4.3	4.6

¹ Technical assumption derived from market expectations.

12. INTERNATIONAL ENVIRONMENT

	2007	f 2008	f 2009	f 2010
GDP, % change on previous year				
World excl. Euro area	5.1	3.9	2.4	3.6
USA	2.0	1.4	-0.7	0.9
Euro area	2.6	0.8 - 1.2	-1.0 - 0.0	0.5 - 1.5
Japan	2.0	0.5	-0.2	1.1
Imports, % change on previous year				
World excl. Euro area	6.9	5.0	3.1	5.7
USA	2.2	-2.3	-1.4	2.6
Japan	1.7	0.2	0.3	1.8
Index, 2000 = 100, and % change on previous year				
Import volume in Finnish export markets	158.8	168.8	172.8	181.1
	8.7	6.3	2.3	4.8
Export prices (excl. oil) of Finland's trading partners, national currencies	109.7	115.1	119.9	121.5
	2.5	5.0	4.1	1.4
Export prices (excl. oil) of Finland's trading partners, in euro	96.2	97.4	102.5	103.9
	0.2	1.3	5.3	1.4
Industrial raw materials (excl. energy), HWWA index, in US dollars	224.6	240.5	186.7	196.9
	15.3	7.1	-22.3	5.4
Oil price, USD per barrel	72.7	100.2	66.8	76.1
	11.2	37.9	-33.4	13.9
Finland's nominal competitiveness indicator ^{1,2}	104.0	107.8	106.6	106.6
	2.1	3.7	-1.1	0.0
US dollar value of one euro ¹	1.37	1.46	1.27	1.27
	9.1	6.9	-13.0	0.0

¹ Technical assumption derived from market expectations.

² Narrow plus euro area, 1999Q1 = 100

