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of monetary policy with  
a floating markka

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# Some perspectives on the principles of monetary policy with a floating markka

by Pentti Pikkarainen, Head of Department  
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This article considers the experience that has been gained while the markka has been floating, with special emphasis on monetary policy strategy and tactics.<sup>1</sup>

When the markka was floated in September 1992, the exchange rate lost its role as an intermediate monetary policy target and nominal anchor for the economy. In February 1993 the Bank of Finland stated its intent to target price stability directly. At the same time, the Bank announced that the design of monetary policy would rely on several economic indicators and that it was not possible to single out a particular intermediate target.

## Interpretation of the inflation target

The price stability objective has been specified in somewhat different ways by different central banks. The Bank of Finland announced that it was targeting an average annual inflation rate of about 2 per cent as measured by the so-called indicator of underlying inflation.<sup>2</sup>

The inflation target is regarded as a medium-term target. Essentially, the Bank of Finland's specific target means that if for some reason inflation were to deviate from the approximate 2 per cent level – ie if the economy were to be hit by an inflationary or deflationary shock – then monetary policy would be recalibrated in an effort to hit a level of about 2 per cent over the medium term. If inflationary and deflationary shocks are roughly symmetrical, inflation will remain at the level of about 2 per cent on average in the long run.

Some central banks have announced inflation targets expressed as target ranges. Finland has not resorted to a target range, partly because a range can be confusing to the financial markets and to the general public. One may well question whether the midpoint or possibly the upper limit of the range is actually the target. Especially in a country with a poor inflation track record, the public

might well consider the upper limit to be the target. Should this happen, uncertainty would arise concerning the operational guideline and objectives for monetary policy and tensions would build up between the central bank and other economic agents.

A central bank's credibility may suffer substantially if inflation slips even temporarily outside of the range. If inflation is about to overshoot the upper limit, this may prompt a very pronounced tightening of monetary policy in an effort to keep inflation within the specific target range. Similarly, if inflation happens to be temporarily below the lower limit, the pressure for monetary easing may increase substantially.

Monetary policy should of course not be expected to react to minor temporary changes in inflation. It instead determines the economy's inflation rate over the longer term. Monetary policy is simply not equipped to eliminate all the inflationary and deflationary impulses that beset the economy. Common sense also says that monetary policy should not respond to itself (chase its own tail). This is why the effect of interest costs on housing loans has been eliminated from Statistics Finland's indicator of underlying inflation – which is the inflation measure targeted by the Bank of Finland.<sup>3</sup> Thus the central bank has good grounds for trying to influence the economy's 'core' or 'underlying' inflation rather than fretting about all the impulses that show up for example in consumer prices.

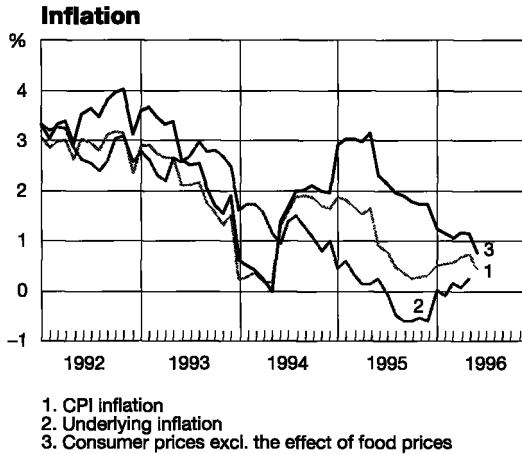
Of course, the proposed approach is not without its own problems. There is no simple and straightforward way to measure underlying inflation. Problems may also arise eg from the fact that decisions affecting wage determination may be based on the CPI rather than on the underlying inflation. Although an appropriately defined measure of underlying inflation will closely track CPI inflation over the long run, the two may temporarily deviate by as much as several percentage points, even when inflation is subdued (Chart 1). Thus one could just as well argue that in setting a specific inflation target the CPI (rather than some indicator of underlying inflation) could be used to measure inflation.

<sup>1</sup> Finland's macroeconomic developments in 1992–1996, though interesting in themselves, are not specifically treated in this article. For detailed discussion, see the Bank of Finland's annual reports and Åkerholm (1994). Nor does this article discuss the Bank of Finland's foreign exchange interventions for the period during which the markka has been floating.

<sup>2</sup> For a more detailed definition and argument, see Pikkarainen and Tyrväinen (1993) and Tyrväinen (1996).

<sup>3</sup> Indirect taxes and subsidies are excluded from the indicator of underlying inflation.

**Chart 1.**



An appropriately defined indicator of underlying inflation would exclude 'correctly defined' temporary factors, which would thus not affect the conduct of monetary policy. On the other hand, if the factors judged to be temporary can be accurately identified, it should be possible to justify the same monetary policy stance by pointing out the exceptional factors that impact the course of consumer prices but to which monetary policy should not respond.

Ideally, there is no difference between the two approaches; both should work equally well. In practice, it is not easy to identify and justify policy measures on the basis of exceptional factors. Situations often arise in which one approach clearly outperforms the other or neither approach performs as desired.

A good example of such a situation is the inflation impact of Finland's entry into the EU. As a consequence of Finland's membership, food prices fell by about 10 per cent. The effect of this on inflation was more likely temporary rather than permanent. The price decline was reflected in inflation as measured by both the CPI and the indicator of underlying inflation. Measured by the indicator of the underlying inflation, the twelve-month rate of inflation actually fell below zero for the period July 1995 – February 1996.<sup>4</sup> Although the Bank of Finland pointed out that the slowdown was partly due to this ex-

ceptional factor, the message does not seem to have got through very well. At least the pressure for monetary easing increased markedly at the time.

It is indeed possible that the fall in food prices will have an impact on inflation even over the medium term. It is almost certain that this was taken into account in the wage and salary agreements concluded in autumn 1995 covering a period of more than two years. In addition, when relative prices change, the optimal output structure of the economy also changes. This signals the need for a reallocation of resources between sectors, which does not happen immediately or without cost. Reaching a new equilibrium vis-à-vis sectoral output and employment may thus involve some elements of deflation.

### **Indicators are useful in communicating policy**

When a central bank bases its monetary policy strategy specifically on an inflation target, the determination of the stance of monetary policy can be based on a number of economic indicators, such as output gap, monetary and credit aggregates, exchange rates and the yield curve. The central bank's inflation forecast can also be considered one of these indicators. Despite much effort, it does not generally entail all the available information.

When Finland moved to a floating exchange regime, the role and relative information value of the various indicators were not clearly understood. On the basis of subsequent research carried out at the Bank, a much better understanding of the role of different indicators and the inflation transmission process in Finland has now been acquired (for a summary, see Pikkarainen and Ripatti 1995). We have made use of these findings while the markka has been floating, both in assessing the stance of monetary policy and in communicating interest rate policy decisions.

However, the role of the different indicators has varied in the explanations of monetary policy settings. When the tender rate was raised from 5 per cent to 6 per cent in three stages from December 1994 to June 1995, the justification referred to changes in certain indicators – export prices, domestic costs (wages and stumpage prices), monetary aggregates and inflation expectations – and not to the Bank's inflation forecast. But when the tender rate was cut four times in fairly rapid succession from 6 per cent to 4.25 per cent between October 1995 and December 1995 the reasons given referred solely to the Bank's inflation forecast. Moreover, the forecast was published in fairly precise terms when the tender rate was cut for the first time. The inflation forecast was also made public in March 1996 when the tender rate was cut from 4.25 per cent to 3.75 per cent.

This change in emphasis also underlines the fact that in the context of a direct inflation target the different indicators complement each other. In any particular situation, the central bank must assess

<sup>4</sup> The recent situation looks different if one looks at the annualised changes over the three or six-month horizon.

the relative importance of the different indicators in respect of the inflation outlook from the standpoints of both determining the stance of monetary policy and the explanation of such decisions. The indicator approach is more flexible than monetary targeting, which means that the formulation and justification of monetary policy must rely on and be strongly tied to one particular indicator – the chosen monetary aggregate.

It is difficult to assess which approach is preferable from the viewpoint of monetary policy credibility: a direct inflation target or the use of a monetary aggregate as an intermediate policy target. In the end, the answer depends on how well the ultimate objective is attained and how the public reacts to the explanations given for the conduct of monetary policy.

### **The role of the tender rate is crucial in signalling the stance of monetary policy**

Earlier, under the fixed exchange rate regime, the Bank of Finland's tender rate was partly determined by market forces in that the Bank conducted interest-rate tenders. The Bank also intervened at different maturities, mostly one- and occasionally three-month maturities and in exceptional circumstances even at the twelve-month maturity. In the early stages of the float, the Bank of Finland operated in the money market much as it had under the fixed exchange rate regime, although it did steer interest rates to a somewhat greater extent than before.

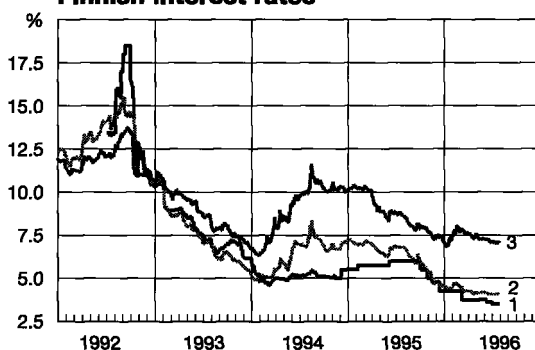
In order to improve its communication of monetary policy, the Bank of Finland in autumn 1994 gradually changed its intervention procedure by starting to reduce the size of fluctuations in the tender rate. This strategic change was effected without informing the markets, and market participants did not clearly perceive the change until the Bank of Finland began to actively tighten monetary policy in December 1994. The tightening was implemented by raising the tender rate via a volume tender, in which the central bank sets the tender rate (Chart 2).

Volume tenders are indeed well-suited to the floating exchange rate regime: the central bank sets the tender rate according to its longer-term inflation forecast and thus sends a clear message to the markets and to the general public as to what level of short-term interest rates it considers to be in harmony with the inflation target. This forces the central bank to be transparent in stating the grounds for its conduct of monetary policy. Indeed, in this sense the volume tender technique has worked out very well.

A more flexible use of auction procedures – and especially the use of interest-rate tenders – might have been preferable from the viewpoint of managing bank liquidity. However, the Bank of Finland has since December 1994 relied on the volume tender procedure in an effort to improve its communication

**Chart 2.**

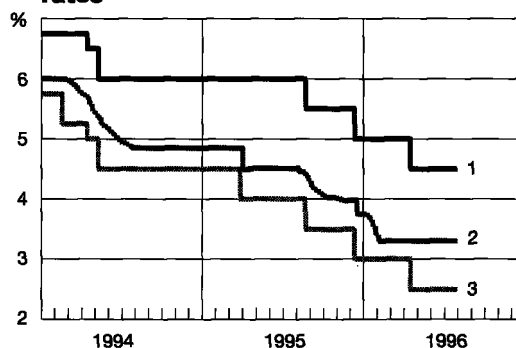
**Finnish interest rates**



1. Tender rate
2. 12-month HELIBOR
3. Long-term (10-yr) rate

**Chart 3.**

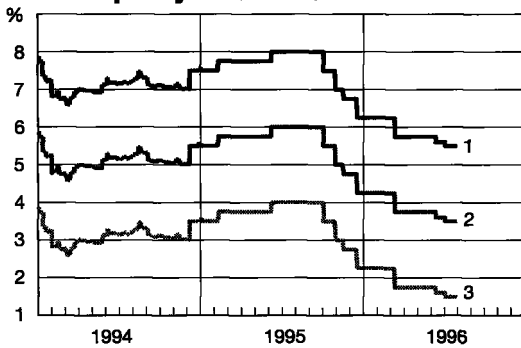
**Germany: repo, discount and Lombard rates**



1. Lombard rate
2. Repo rate
3. Discount rate

**Chart 4.**

**Finland: tender rate, excess reserve rate and liquidity credit rate**



1. Liquidity credit rate
2. Tender rate
3. Excess reserve rate (call money deposit rate prior to 2 October 1995)

of monetary policy. As this has resulted in a notable improvement in communication and has thus reduced uncertainty as to the stance of monetary policy, it has probably reduced the risk premium contained in market interest rates and thus the level of market rates.

It is worth noting that in this respect the Bank of Finland's monetary policy instruments differ from

those used eg by the Bundesbank. The Bundesbank's marginal lending rates – the discount rate and the Lombard rate – are not mechanically tied to the repo rate (Chart 3). In Finland the liquidity credit rate is tied to the tender rate, and although the excess reserve rate is currently set separately by the Bank of Finland, it is in effect also tied to the tender rate (Chart 4). The Bundesbank uses the discount, Lombard and repo rates to communicate its monetary policy stance to the markets. Thus minor changes in the repo rate – which may simply reflect bank liquidity – do not cause uncertainty as to the stance of monetary policy.

2 August 1996

- Key words: inflation target, monetary policy indicators, tender rate

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# Amendments to the Currency Act

by **Heikki T. Hämäläinen**, Secretary to the Board  
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Bank of Finland

On 15 March 1996, the Government introduced a Bill (HE 9/1996) to Parliament to amend the Currency Act (358/93). It was passed by Parliament with some minor revisions on 4 June 1996. The President of the Republic confirmed the Act on the amendment of the Currency Act (379/96) on 7 June 1996 and it entered into force on 10 June 1996.

The amendments to the Currency Act concern the exchange rate regime and the process by which the external value of the markka is determined.

## Previous provisions

Under section 3 of the Currency Act (358/93), which was in force before the Act was amended, the external value of the markka was determined on the basis of the exchange rates of the currencies of the European Community member states. According to Section 1 of the Decision of the Council of State on the external value of the markka (882/91), the external value of the markka was defined in terms of the markka value of the ECU, the currency unit of the European Communities. Paragraph 2 of that Section stated that the ECU is composed of fixed amounts of the national currencies of the EC member states and that the value of the ECU is calculated on the basis of these amounts and the market exchange rates of the respective currencies. The currency amounts correspond to the amounts specified in the decision of the Council of the European Communities in effect at any given time. Under paragraph 3 of Section 1 of the Decision, the markka value of the ECU was to be calculated on the basis of market quotations for the exchange rates of the currencies referred to in paragraph 2.

According to paragraph 1 of Section 4 of the previous Currency Act, the decisionmaking procedure was as follows: the Council of State confirmed the basis for calculating the external value of the markka and the limits on its range of fluctuation on the proposal of the Bank of Finland. On the basis of a proposal by the Board of the Bank of Finland, the Parliamentary Supervisory Board decided on the submission of the proposal of the Bank of Finland to the Council of State.

According to paragraph 2 of Section 4 of the previous Currency Act, the Bank of Finland was

also responsible for ensuring that the external value of the markka remained within the limits of the range of fluctuation confirmed by the Council of State. However, the Bank of Finland was entitled to temporarily disregard the limits on the range of fluctuation if a serious disturbance occurred in the foreign exchange markets. On 8 September 1992, the markka had to be floated; at the same time measures were taken to amend the Currency Act. The Act was amended so that the Council of State could allow the Bank of Finland to disregard the limits of the range of fluctuation until further notice, i.e. to allow the markka to float for a lengthy period of time. Thus, even though the markka's external value was based on a fixed exchange rate regime, the Bank of Finland had the right to deviate from it until further notice on the basis of law and an explicit decision of the Council of State.

In addition, under paragraph 3 of Section 4 of the Act, the Council of State could, on its own initiative and taking into account the conditions prevailing in the money and foreign exchange markets and after requesting the Bank of Finland's opinion on the matter, cancel the right to disregard the limits on the range of fluctuation until further notice.

## Required amendments

When Finland joined the European Union, Parliament ratified the Treaty establishing the European Community, which includes *inter alia* provisions concerning Economic and Monetary Union (EMU). When the member states' economic performance is assessed with a view to their participation in Stage Three of EMU, one of the convergence criteria of Article 109j of the Treaty is that the member state has observed the normal fluctuation margins provided for by the Exchange Rate Mechanism (ERM) of the European Monetary System (EMS), for at least two years, without devaluing its currency, on its own initiative, against the currency of any other member state.

According to the proposal on the Government Bill, the Currency Act needed to be amended to provide the legislative basis for Finland's participation in the ERM or another exchange rate mechanism at such time when conditions permit the fixing of the markka's exchange rate. The proposal further states that, according to Section 3 of the Currency

Act, the external value of the markka is determined on the basis of the exchange rates of the currencies of the EC member states and that this provision does not apply to the determination of the markka's external value in the ERM since participation in the ERM is different from a unilateral linking of the markka to the exchange rates of the currencies of the EC member states. In addition, the proposal states that a unilateral linking of the markka to the currencies of the EC member states is considered an exchange rate regime as laid down in the Currency Act and that the float is to be considered a temporary arrangement. It would have been possible to reinstate such linkage by means of the ordinary procedure laid down in the Currency Act. The same procedure however cannot be used to link the markka to the ERM because the statutory exchange rate regime is not an ERM linkage but rather a unilateral linking of the markka to the currencies of the EC member states as referred to in the argumentation for Section 3 of the Currency Act.

The Bill proposal further underlines the fact that the decisionmaking procedure laid down in Section 4 of the previous Currency Act is inadequate in the new circumstances, which require rapid decision-making. Participation in the decisionmaking procedure within the ERM requires a new authorization procedure which provides adequate powers at all times for all the relevant decisionmaking entities.

### **Enactment procedure – a crucial issue**

When the Bill was considered by Parliament, the question arose as to whether it could be passed according to the ordinary enactment procedure or whether the procedure for the enactment of constitutional legislation would be required. According to Section 72 of the Constitution for Finland, the method for determining the external value of the markka is prescribed by law. In its statement (PeVL 17/1990 vp), the Committee for Constitutional Law established that the Section does not apply to cases in which the external value of the markka would be decided by a supranational body. When the Bill was considered by Parliament, the question arose as to whether entry into the ERM would imply the transfer of decisionmaking power to a supranational body and whether the arrangement would in any other respect conflict with the provisions of Sections 1 and 2 of the Constitution for Finland concerning Finland's sovereignty.

In its statement concerning the Bill (7/1996 vp), the Committee for Constitutional Law affirms that from the standpoint of constitutional law the ERM implies a *de facto* linking of a national decision on the markka's external value to monetary cooperation among ERM countries and a restriction on national decisionmaking. Nonetheless, from the legal standpoint, decisionmaking on the markka's external value still rests with the Council of State be-

cause consensus reached within the ERM on the markka's external value does not constitute a decision as such; it is only after a decision has been taken by Finnish authorities following an ERM consensus that the markka's external value is determined in a legally effective manner.

The Committee also considers that as decisions taken within the framework of the ERM always require consensus and as the State genuinely has the alternative of leaving the ERM, the restrictive implications of the ERM linking in respect of decision-making are of a relative rather than absolute nature. On these grounds and as the ultimate decision-making as to the markka's external value remains with the Finnish authorities, the Committee did not consider that entry into the ERM would imply a transfer of decisionmaking power to a supranational decisionmaking body nor that such entry would otherwise be in conflict with the sovereignty provisions of the Constitution for Finland. Thus the Committee concluded that the Bill can be dealt with according to the ordinary enactment procedure.

### **How was the Currency Act amended?**

The amended Currency Act provides the legislative basis for Finland's participation in the ERM at such time when the fixing of the markka's external value is considered timely. A major change is that the exchange rate regime is no longer determined by law. As a result, Section 3 of the Currency Act, which prescribed that the external value of the markka was determined on the basis of the exchange rates of the currencies of EC member states, was revoked. According to Section 72 of the Constitution for Finland (1077/91), it is only the decisionmaking procedure for determining the markka's external value that must be prescribed by law. Under paragraph 1 of Section 4 of the Currency Act, decisions on the markka's external value are taken by the Council of State on the proposal of the Bank of Finland. Proposals of the Bank of Finland must be adopted or rejected as such, without amendment. The Parliamentary Supervisory Board decides on the making of such a proposal to the Council of State on the basis of a proposal of the Board of the Bank of Finland. This provision corresponds to the present division of authority between the Council of State and the Bank of Finland, according to which the ultimate decision-making power as regards the determination of the external value of the markka is vested in the Council of State. Thus it is the Council of State that also decides on the applicable exchange rate regime.

Under paragraph 3 of Section 4 of the Currency Act, which will not enter into force until Finland has entered the ERM, the Council of State may, in individual cases and on conditions that it has laid down and on a proposal of the Bank of Finland, authorize the Ministry of Finance to decide on changes in the



external value of the markka and the limits of the fluctuation range, within the framework of the ERM. The Bank of Finland's proposal may consist merely of a central (target) rate recommendation or it may specify limits of the range of fluctuation to serve as a basis for negotiations in case Finland's proposal is not adopted as such. The relationship between the authorization granted by the Council of State and the proposal of the Bank of Finland rests on Section 5 of the Currency Act, according to which the Bank of Finland's proposals must be adopted or rejected as such, without amendment.

Participation in the ERM entails unanimous agreement among participating countries on exchange rate realignments. The European Council resolution requires that central rate adjustments be made by joint decision. All ERM countries and the Commission participate in the negotiations, and discussions are also carried out with EU countries that are not in the ERM. The actual decision is made at a joint meeting of Ministers of Finance and central bank governors or, more commonly, at a meeting of their representatives on the Monetary Committee. A similar decisionmaking procedure is followed when a new member state wishes to join the ERM. Since decisions on exchange rate adjustments are made unanimously at joint meetings, the member states' representatives must have sufficient prior authorization to negotiate or they must be able to obtain such authorization during the negotiations. Normally the meetings are convened at very short notice, often on a weekend. Therefore it was considered necessary to include an authorization procedure in the decisionmaking procedure.

According to paragraph 2 of Section 4 of the Currency Act, the Bank of Finland ensures that the markka's external value remains within the fluctuation range (if such a range has been prescribed). In case of a serious disturbance in the foreign exchange markets, the Bank of Finland is entitled to temporarily disregard the limits on the fluctuation range. The proposal on the Government Bill states that in this context 'temporarily' refers to a very short period during which the exchange rate may deviate from the limits of the fluctuation range. If the disturbance in the foreign exchange market persists and conditions do not permit a return to the prescribed fluctuation range, the Bank of Finland must without delay submit a proposal to the Council of State calling for a new decision on the external value of the markka.

On account of the transition provisions included in the Act, the amendments do not prohibit a continuation of the present float of the markka. Entry into the ERM will require a separate decision of the Council of State as well as a proposal by the Bank of Finland.

### **Joining the ERM**

ERM participation would mean that a fixed central rate would be set for the markka against the ECU

and, on this basis, bilateral rates would be determined for the other currencies. It would also mean keeping the markka within the agreed fluctuation limits, being subject to reciprocal intervention agreements with other central banks, and participating in certain financing mechanisms.

The ERM exchange rate regime is one of fixed-but-adjustable rates. Each ERM currency has a prescribed central rate against the ECU and bilateral central rates derived from its ECU central rate. The central rates are fixed but they can be adjusted as needed.

By virtue of paragraph 1 of Section 4 of the Currency Act, the Council of State would decide on Finland's entry into the ERM on a proposal of the Bank of Finland. The Bank of Finland's proposal would be presented by the Parliamentary Supervisory Board on a proposal of the Board of the Bank of Finland. The Bank of Finland's proposal would include a proposal for the central rate against the ECU and its grounds for the proposal. Subsequently, the Council of State in plenary session would decide that Finland should undertake negotiations on entry into the ERM at a specified central rate for the markka and that the Minister of Finance should be authorized to present the matter.

Negotiations would begin after the Minister of Finance had so informed the other member states' counterpart ministers and the concerned member of the Commission. The Minister submits the proposal for the central rate against the ECU and presents the grounds for the proposal. The Monetary Committee does the initial preparatory work. If the Monetary Committee is unanimous on the matter, the representatives of Ministers of Finance and central bank governors decide on the matter. If the Monetary Committee has difficulty in reaching unanimity or if the matter is considered to be of special importance, the Ministers of Finance and central bank governors will convene to decide on it.

A unanimous decision is announced in a joint communique of the ministers and central bank governors. The communique covers the ECU and bilateral central rates as well as a request that the central banks announce the bilateral rates and intervention limits before the markets open. Finland would, in addition, make a national decision on the markka's external value at a plenary session of the Council of State in accordance with paragraph 1 of Section 4 of the Currency Act.

### **Exchange rate changes in the ERM**

The national decisionmaking procedure concerning the external value of the markka is similar to the procedure for joining the ERM with the exception of the authorization procedure contained in paragraph 3 of Section 4. According to the latter procedure, the Council of State may, in individual cases and on conditions that it has laid down and on a proposal of the Bank of Finland, authorize the

Ministry of Finance to decide on changes in the external value of the markka and the fluctuation range, within the framework of the ERM. In such a situation, the decision on the external value of the markka, which would be published in Finland's statute book, would be taken by the Ministry of Finance. Once the decision on authorization as laid down in paragraph 3 of Section 4 is made, the relationship between the decision of the plenary session of the Council of State and the proposal of the

Bank of Finland is as prescribed in Section 5 of the Currency Act.

31 July 1996

- Key words: the Currency Act, exchange rate regime, ERM

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

1995

## OCTOBER

**The minimum reserve system.** The Bank of Finland decides to revise the banks' minimum reserve system as from 2 October so that the minimum reserve requirement is henceforth based on a monthly average.

**Tender rate.** On 5 October, the Bank of Finland lowers its tender rate from 6.0 per cent to 5.5 per cent. In addition, the interest rate on banks' excess reserves is cut from 4.0 per cent to 3.5 per cent.

## NOVEMBER

**Base rate.** The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 5.25 per cent to 5.00 per cent with effect from 1 November.

**Tender rate.** The Bank of Finland lowers its tender rate from 5.50 per cent to 5.00 per cent on 1 November and from 5.00 per cent to 4.75 per cent on 20 November. In addition, the interest rate on banks' excess reserves is cut from 3.50 per cent to 3.00 per cent on 1 November and from 3.00 per cent to 2.75 per cent on 20 November.

**The Savings Bank of Finland – SBF and Siltapankki become asset management companies.** The Ministry of Finance revokes the authorization of the Savings Bank of Finland and Siltapankki as from 30 November. In addition, Siltapankki is transferred to the Arsenal Group.

## DECEMBER

**Base rate.** The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 5.00 per cent to 4.75 per cent with effect from 15 December.

**Tender rate.** On 19 December, the Bank of Finland lowers its tender rate from 4.75 per cent to 4.25 per cent. In addition, the interest rate on banks' excess reserves is cut from 2.75 per cent to 2.25 per cent.

1996

## JANUARY

**Reorganization of the responsibilities of the government and the Bank of Finland.** On 9 January, the Cabinet Economic Policy Committee took the following decisions in principle:

– responsibility for the Sponda group, which is owned by the Bank of Finland and which was set up to manage Skopbank's assets (real estate and shares), will be transferred to the Council of State

– the government will settle its coinage-related debt to the Bank of Finland in the amount of some FIM 2 billion.

The required measures will be prepared in connection with the first supplementary budget for 1996.

**The Government Guarantee Fund.** On 9 January, the Cabinet Economic Policy Committee decides to propose that the Government Guarantee Fund be transferred to the authority of the Council of State as from the beginning of April.

## FEBRUARY

**Base rate.** The Parliamentary Supervisory Board 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 ceased to operate as a separate unit and its employment contracts were allowed to expire. The Fund, which was previously subordinate to Parliament was made subordinate to the Government, operating in connection with the

Ministry of Finance. Fund personnel were also transferred to the Ministry.

**The Government takes over Sponda.** On 23 May, the Finnish Government bought the entire share capital of Sponda Oy at a purchase price of FIM 1 248 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.

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## JUNE

**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.

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## 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.



# 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 69 % and inland waters for 10 %. Located between latitudes 60° and 70° north, Finland has warm summers and cold winters. Helsinki on the south coast has an average maximum temperature of 22° C (72° F) in July and -4° C (25° F) in February.

Finland has a population of 5 116 800 (31 December 1995) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 525 000 inhabitants, Espoo (Esbo) 191 200, Tampere (Tammerfors) 182 700, Vantaa (Vanda) 166 500 and Turku (Åbo) 164 700.

There are two official languages: 92.9 % of the population speaks Finnish as its mother tongue and 5.8 % 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 455 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 478 billion in basic values in 1995, 2 % was generated in agriculture and fishing, 3 % in forestry, 29 % in industry, 5 % in construction, 11 % in trade, restaurants and hotels, 8 % in transport and communications, 3 % in finance and insurance, 20 % in other private services and 19 % by producers of government services. Of total employment of 2.1 million persons in 1995, 7.6 % were engaged in primary production, 27.8 % in industry and construction and 64.6 % in services.

In 1995, expenditure on the gross domestic product in purchasers' values amounted to FIM 546 billion and was distributed as follows: net exports 9 % (exports 38 %, imports -29 %), gross fixed capital formation 15 %, private consumption 54 % and government consumption 22 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 46.5 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 1990–95. Finland's GDP per capita in 1995 was USD 24 500.

**Foreign trade.** OECD countries absorb the bulk of Finnish merchandise exports. In 1990–94, their share was, on average, 78.3 %, of which the share of EC countries was 48.8 percentage points and that of EFTA countries 18.8 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union/Russia) accounted for 9.9 % and the rest of the world for 11.8 %. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1995, the share of forest industry products in total merchandise exports was 36 %, the share of metal and engineering products 36 % and the share of other goods 28 %. Raw materials and intermediate goods (incl. crude oil) accounted for 60 % of merchandise imports, fuels for 5 %, investment goods for 14 % and consumption goods for 20 %.

**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 15 % 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 Bank of Finland decided to temporarily abandon the limits of the fluctuation range and allow the markka to float. On 13 November 1992, the Government, on the basis of the amended Currency Act, authorized the Bank of Finland to float the markka for an indefinite period.

**The Central Bank.** The Bank of Finland (Suomen Pankki – Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance 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 1995). Finland has three major groups of deposit banks with a total of 1 953 offices. There are two big commercial banks with national branch networks and five smaller ones. The commercial banks have a total of 19 foreign branches, subsidiaries and associate banks and 21 representative offices abroad. There are 40 savings banks and 301 cooperative banks with their own extensive branch networks. In addition, foreign banks have four branches and nine representative offices in Finland.

**Financial market.** Of the total stock of FIM 679 billion in outstanding domestic credit at the end of September 1995, 50 % was provided by deposit banks, 26 % by insurance companies, 5 % by other private credit institutions, 6 % by public financial institutions and 12 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 69 % of the instruments, which totalled approximately FIM 142 billion at end-1995, 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 73 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 191 billion (at end-1995). Domestic bonds and debentures in circulation at end-1995 totalled FIM 234 billion; government bonds made up 62 % of the total. Turnover on the Stock Exchange in 1995 amounted to FIM 84 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

	1995		1996		
	31 Dec.	8 July	15 July	23 July	31 July
<b>ASSETS</b>					
<b>Gold and foreign currency claims</b>	48 865	34 475	34 494	33 745	33 854
Gold	1 742	1 742	1 742	1 742	1 742
Special drawing rights	1 569	1 377	1 307	1 269	1 187
IMF reserve tranche	1 685	1 915	1 913	1 883	1 880
ECU-claim on the European Monetary Institute	3 363	2 970	2 662	2 640	2 642
Foreign currency claims	40 506	26 470	26 870	26 210	26 402
<b>Other foreign claims</b>	3 969	4 103	4 103	4 102	4 102
Markka subscription to Finland's quota in the IMF	3 911	4 043	4 043	4 043	4 043
Share in the European Monetary Institute	58	59	59	59	59
<b>Claims on financial institutions</b>	8 831	9 882	9 874	9 874	8 527
Liquidity credits	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Securities with repurchase commitments	7 076	7 887	7 887	7 887	6 540
Term credits	-	-	-	-	-
Bonds	417	258	249	249	249
Other claims on financial institutions	1 339	1 738	1 738	1 738	1 738
<b>Claims on the public sector</b>	1 882	6 460	6 460	6 460	6 460
Treasury bills	-	-	-	-	-
Total coinage	1 882	1 880	1 880	1 880	1 880
Loans for stabilizing the money market	-	3 732	3 732	3 732	3 732
<b>Claims on corporations</b>	2 886	2 448	2 448	2 448	2 444
Financing of domestic deliveries (KTR)	185	121	121	121	117
Other claims on corporations	2 700	2 327	2 327	2 327	2 327
<b>Other assets</b>	5 645	662	618	644	597
Loans for stabilizing the money market	4 532	-	-	-	-
Accrued items	972	525	480	510	470
Other assets	141	137	138	134	127
<b>Valuation account</b>	643	-	-	-	-
<b>Capitalized expenditures and losses due to safeguarding the stability of the money market</b>	1 400	1 400	1 400	1 400	1 400
<b>Total</b>	<b>74 121</b>	<b>59 429</b>	<b>59 397</b>	<b>58 672</b>	<b>57 384</b>
<b>LIABILITIES</b>					
<b>Foreign currency liabilities</b>	1 214	1 165	1 118	1 184	1 184
<b>Other foreign liabilities</b>	4 837	5 002	5 002	4 986	4 984
IMF markka accounts	3 911	4 044	4 044	4 043	4 043
Allocations of special drawing rights	927	958	958	942	941
Other foreign liabilities	-	-	-	-	-
<b>Notes and coin in circulation</b>	15 611	15 484	15 497	15 300	15 251
Notes	13 868	13 743	13 752	13 550	13 499
Coin	1 743	1 741	1 745	1 750	1 752
<b>Certificates of deposit</b>	27 090	18 265	17 855	16 515	16 445
<b>Liabilities to financial institutions</b>	16 777	8 257	8 720	9 941	8 703
Reserve deposits	15 676	6 756	7 219	8 408	7 203
Term deposits	-	-	-	-	-
Other liabilities to financial institutions	1 101	1 500	1 500	1 533	1 500
<b>Liabilities to the public sector</b>	75	0	0	0	-
Cheque accounts	0	0	0	0	-
Deposits of the Government Guarantee Fund	75	-	-	-	-
Other liabilities to the public sector	-	-	-	-	-
<b>Liabilities to corporations</b>	994	761	758	753	746
Deposits for investment and ship purchase	994	761	758	753	746
<b>Other liabilities</b>	327	267	257	267	267
Accrued items	300	227	229	237	239
Other liabilities	27	40	28	30	28
<b>Valuation account</b>	-	3 033	2 995	2 531	2 608
<b>Provisions</b>	1 431	1 431	1 431	1 431	1 431
Pension provision	1 431	1 431	1 431	1 431	1 431
Other provisions	-	-	-	-	-
<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>74 121</b>	<b>59 429</b>	<b>59 397</b>	<b>58 672</b>	<b>57 384</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 currency claims	Foreign exchange reserves (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
<b>1991</b>	2 180	932	1 136	.	29 381	33 629	- 424	33 204	1 375	3	1 372
<b>1992</b>	2 180	564	1 732	.	25 041	29 517	-2 998	26 519	2 446	90	2 356
<b>1993</b>	2 180	664	1 747	.	28 882	33 473	-1 324	32 148	1 788	784	1 004
<b>1994</b>	2 180	1 537	1 354	.	47 672	52 743	-1 114	51 629	1 806	93	1 713
<b>1995</b>	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
<b>1995</b>											
<b>July</b>	1 742	1 383	1 518	3 361	43 659	51 662	-1 945	49 717	1 797	53	1 744
<b>Aug.</b>	1 742	1 275	1 584	3 333	43 816	51 750	-1 902	49 848	1 804	56	1 748
<b>Sept.</b>	1 742	1 457	1 579	3 323	40 294	48 395	-1 829	46 566	1 797	76	1 721
<b>Oct.</b>	1 742	1 385	1 671	3 315	39 624	47 738	-1 954	45 784	1 801	76	1 725
<b>Nov.</b>	1 742	1 421	1 666	3 279	42 396	50 503	-2 113	48 390	1 819	75	1 744
<b>Dec.</b>	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
<b>1996</b>											
<b>Jan.</b>	1 742	1 174	1 716	3 337	36 023	43 993	-1 378	42 615	1 879	132	1 747
<b>Feb.</b>	1 742	1 061	1 767	3 376	37 832	45 778	-1 484	44 294	1 880	54	1 826
<b>March</b>	1 742	1 165	1 802	3 435	35 330	43 475	-1 364	42 111	1 874	40	1 834
<b>April</b>	1 742	1 401	1 864	3 070	33 986	42 063	-1 481	40 582	1 873	342	1 531
<b>May</b>	1 742	1 474	1 953	3 002	27 814	35 985	-1 725	34 260	6 670	0	6 670
<b>June</b>	1 742	1 243	1 908	2 964	26 851	34 707	-2 015	32 692	6 460	0	6 460
<b>July</b>	1 742	1 187	1 880	2 642	26 402	33 854	-2 066	31 788	6 460	0	6 460
End of period	Domestic financial sector				Corporate sector						
	Term claims on deposit banks, net	Reserve deposits of deposit banks <sup>a</sup>	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)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland		
	12	13	14	15	16	17	18	19	20		
<b>1991</b>	11 882	-10 361	3 325	4 846	1 086	-6 854	-5 768	14 528	8 880		
<b>1992</b>	3 738	-13 165	4 022	-5 405	747	-2 651	-1 904	14 508	4 880		
<b>1993</b>	7 337	-6 398	-463	476	496	720	1 216	14 994	14 837		
<b>1994</b>	1 480	-6 526	-347	-5 392	316	1 285	1 601	14 315	35 236		
<b>1995</b>	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090		
<b>1995</b>											
<b>July</b>	3 425	-6 765	304	-3 037	235	1 653	1 888	14 544	36 982		
<b>Aug.</b>	3 053	-6 574	199	-3 322	224	1 669	1 893	14 325	36 809		
<b>Sept.</b>	6 261	-6 557	107	-189	217	1 692	1 909	14 229	37 321		
<b>Oct.</b>	6 178	-5 768	728	1 138	202	1 752	1 954	14 129	37 596		
<b>Nov.</b>	5 409	-7 011	711	-891	192	1 631	1 823	14 321	38 082		
<b>Dec.</b>	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090		
<b>1996</b>											
<b>Jan.</b>	3 182	-18 155	624	-14 349	170	1 756	1 926	14 293	16 743		
<b>Feb.</b>	2 095	-8 092	2 046	-3 951	159	1 808	1 968	14 428	28 325		
<b>March</b>	2 244	-6 564	598	-3 722	153	1 825	1 978	14 448	25 426		
<b>April</b>	3 430	-8 831	304	-5 097	138	1 628	1 767	14 759	20 350		
<b>May</b>	10 237	-8 790	527	1 974	129	1 541	1 670	14 967	20 700		
<b>June</b>	7 887	-4 191	498	4 194	124	1 560	1 685	15 275	21 420		
<b>July</b>	6 540	-7 203	487	-176	117	1 581	1 698	15 251	16 445		

## 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 I-IX	2.0	1.5	1.0	6 557	.	.	123
X-XII	2.0	1.5	1.0	6 530	616	7 146	37
1995							
July	2.0	1.5	1.0	6 765	.	.	0
Aug.	2.0	1.5	1.0	6 574	.	.	212
Sept.	2.0	1.5	1.0	6 557	.	.	857
Oct.	2.0	1.5	1.0	6 557	140	6 697	0
Nov.	2.0	1.5	1.0	6 545	196	6 741	112
Dec.	2.0	1.5	1.0	6 487	1 512	7 999	0
1996							
Jan.	2.0	1.5	1.0	6 541	217	6 758	0
Feb.	2.0	1.5	1.0	6 681	251	6 932	50
March	2.0	1.5	1.0	6 699	240	6 939	278
April	2.0	1.5	1.0	6 672	148	6 821	153
May	2.0	1.5	1.0	6 624	105	6 730	0
June	2.0	1.5	1.0	6 689	481	7 171	0
July	2.0	1.5	1.0	6 728	139	6 868	0

<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
1991	109 568	30 380	81 969	-2 781
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
1995				
July	3 385	36 980	-32 530	-1 065
Aug.	3 040	36 810	-33 550	- 220
Sept.	9 350	37 350	-33 740	5 740
Oct.	5 380	37 610	-28 110	-4 120
Nov.	4 680	38 080	-30 380	-3 020
Dec.	5 100	31 240	-37 290	11 150
1996				
Jan.	3 250	26 000	-22 850	100
Feb.	2 100	27 420	-24 080	-1 240
March	2 280	24 350	-21 300	- 770
April	3 500	16 320	-26 040	13 220
May	10 500	20 060	-12 880	3 320
June	7 900	14 020	-2 390	-3 730
July	6 700	16 450	-13 510	3 760

### 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
1991	35 120	-69 940	-14 820	12 820	12 260
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
1995					
June	-	-	-1 120	1 110	- 813
July	-	-	-2 470	2 450	-2 072
Aug.	4 000	- 780	3 510	-3 410	-70
Sept.	450	-1 970	- 100	-	-2 640
Oct.	-	- 180	- 830	860	- 330
Nov.	60	-	-2 580	2 570	120
Dec.	-	- 820	-	-	-2 310
1996					
Jan.	-	-3 970	-	-	-1 150
Feb.	-	-1 330	-	-	2 440
March	-	- 440	-	-	-1 970
April	-	-1 100	-	-	-1 710
May	1 200	-	-	-	-6 230
June	240	-	-	-	- 720

### 2.4 Forward exchange contracts between Finnish markkaa 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 (1-2)	Currency purchases from foreign customers	Currency sales to foreign customers	Net (4-5)	Net (3+6)	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net (8-9)	Net currency sales
1	2	3	4	5	6	7	8	9	10	11	
1991	33 004	36 352	-3 348	40 056	37 505	2 550	- 798	1 404	645	759	8 953
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	0
1995											
June	56 010	21 745	34 265	22 744	36 052	-13 308	20 957	17 184	5 360	11 824	-2 461
July	54 311	20 649	33 662	22 825	33 288	-10 463	23 199	16 028	4 688	11 340	0
Aug.	58 236	19 237	39 000	24 721	37 101	-12 379	26 621	16 288	5 142	11 146	-3 416
Sept.	58 838	21 341	37 497	23 891	38 339	-14 448	23 049	13 741	6 046	7 695	-3 416
Oct.	56 689	20 187	36 503	25 509	39 525	-14 015	22 488	14 986	6 228	8 758	-2 572
Nov.	58 789	21 279	37 510	29 384	45 295	-15 911	21 599	15 154	6 539	8 615	0
Dec.	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	0
1996											
Jan.	62 881	24 416	38 465	38 155	61 008	-22 854	15 611	15 426	9 221	6 205	0
Feb.	69 329	29 225	40 105	44 599	67 131	-22 532	17 573	16 168	9 036	7 132	0
March	69 288	29 810	39 478	47 057	66 398	-19 341	20 137	15 413	8 400	7 013	0
April	65 120	29 781	35 340	42 328	63 860	-21 532	13 808	15 326	8 836	6 490	0
May	63 924	29 718	34 206	43 553	66 290	-22 737	11 469	17 851	8 327	9 525	0
June	60 709	27 714	32 995	43 406	61 302	-17 896	15 099	16 731	8 494	8 237	0

### 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
<b>1991</b>	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
<b>1992</b>	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
<b>1993</b>	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
<b>1994</b>	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
<b>1995</b>	5.26	5.63	5.76	5.97	6.34	7.63	3.63	5.20
<b>1995</b>								
<b>July</b>	5.40	5.97	6.13	6.40	6.80	8.00	4.00	5.25
<b>Aug.</b>	6.04	5.99	6.08	6.25	6.56	8.00	4.00	5.25
<b>Sept.</b>	6.20	5.97	5.95	5.97	6.04	8.00	4.00	5.25
<b>Oct.</b>	5.61	5.58	5.61	5.65	5.76	7.57	3.57	5.25
<b>Nov.</b>	4.90	4.90	4.93	4.99	5.11	6.90	2.90	5.00
<b>Dec.</b>	4.60	4.56	4.54	4.57	4.66	6.56	2.56	4.86
<b>1996</b>								
<b>Jan.</b>	4.30	4.21	4.20	4.24	4.41	6.25	2.25	4.75
<b>Feb.</b>	4.05	4.27	4.28	4.33	4.58	6.25	2.25	4.50
<b>March</b>	3.83	3.95	4.01	4.12	4.36	5.94	1.94	4.50
<b>April</b>	3.91	3.76	3.82	3.95	4.21	5.75	1.75	4.50
<b>May</b>	4.01	3.75	3.76	3.86	4.16	5.75	1.75	4.50
<b>June</b>	3.38	3.67	3.72	3.84	4.11	5.67	1.67	4.50
<b>July</b>	3.48	3.54	3.63	3.78	4.07	5.52	1.52	4.50

<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
<b>1992<sup>1</sup></b>	13.85	<b>1992</b> +1.00	7	-3.00	.
<b>1993</b>	7.87	<b>1993</b> +2.00	7	-2.00	.
<b>1994</b>	5.11	<b>1994</b> +2.00	7	-2.00	.
<b>1995</b>	5.63	<b>1995</b> +2.00	7	.	2.25
<b>1995</b>		<b>1995</b>			
<b>July</b>	6.00	<b>July</b> +2.00	7	-2.00	.
<b>Aug.</b>	6.00	<b>Aug.</b> +2.00	7	-2.00	.
<b>Sept.</b>	6.00	<b>Sept.</b> +2.00	7	-2.00	.
<b>Oct.</b>	5.57	<b>Oct.</b> +2.00	7	.	3.50
<b>Nov.</b>	4.90	<b>Nov.</b> +2.00	7	.	2.75
<b>Dec.</b>	4.56	<b>Dec.</b> +2.00	7	.	2.25
<b>1996</b>		<b>1996</b>			
<b>Jan.</b>	4.25	<b>Jan.</b> +2.00	7	.	2.25
<b>Feb.</b>	4.25	<b>Feb.</b> +2.00	7	.	2.25
<b>March</b>	3.94	<b>March</b> +2.00	7	.	1.75
<b>April</b>	3.75	<b>April</b> +2.00	7	.	1.75
<b>May</b>	3.75	<b>May</b> +2.00	7	.	1.75
<b>June</b>	3.67	<b>June</b> +2.00	7	.	1.60
<b>July</b>	3.52	<b>July</b> +2.00	7	.	1.50
19.12.1995	4.25	19.12.1995			2.25
13.03.1996	3.75	13.03.1996			1.75
14.06.1996	3.60	14.06.1996			1.60
05.07.1996	3.50	05.07.1996			1.50

<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
<b>1991</b>	10.1	8.5	9.9
<b>1992</b>	10.4	7.8	10.6
<b>1993</b>	8.0	6.0	8.1
<b>1994</b>	5.9	5.2	6.1
<b>1995</b>	5.9	5.2	6.0
<b>1995</b>			
<b>July</b>	5.9	5.2	6.1
<b>Aug.</b>	5.7	5.1	5.9
<b>Sept.</b>	5.6	4.9	5.6
<b>Oct.</b>	5.7	4.9	5.8
<b>Nov.</b>	5.5	4.8	5.5
<b>Dec.</b>	5.3	4.7	5.3
<b>1996</b>			
<b>Jan.</b>	4.8	4.5	4.9
<b>Feb.</b>	4.6	4.2	4.7
<b>March</b>	4.6	4.3	4.7
<b>April</b>	4.4	4.2	4.5
<b>May</b>	4.3	4.3	4.4
<b>June</b>	4.4	4.3	4.5
<b>July</b>	4.3	4.3	4.5

### 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	
<b>1991</b>	13.63	15.88	13.40	13.84	12.08	11.80	7.50	.	4.50	7.10	13.22	8.97
<b>1992</b>	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
<b>1993</b>	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
<b>1994</b>	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
<b>1995</b>	7.85	11.33	7.30	7.46	8.04	7.75	2.75	3.75	2.00	3.13	6.29	4.08
<b>1995</b>												
<b>June</b>	8.13	11.61	7.43	7.60	8.14	7.85	3.25	4.25	2.00	3.21	6.53	4.13
<b>July</b>	9.68	11.63	7.81	8.00	8.16	7.87	3.25	4.25	2.00	3.22	6.54	4.15
<b>Aug.</b>	8.98	11.58	7.80	7.98	8.14	7.84	3.25	4.25	2.00	3.21	6.52	4.16
<b>Sept.</b>	8.46	11.63	7.68	7.86	8.11	7.82	3.25	4.25	2.00	3.20	6.35	4.14
<b>Oct.</b>	7.73	11.56	7.28	7.43	7.98	7.68	3.25	4.25	2.00	3.09	6.19	4.03
<b>Nov.</b>	6.86	11.48	6.80	6.92	7.78	7.45	3.00	4.00	2.00	2.92	6.04	3.81
<b>Dec.</b>	6.53	9.30	6.10	6.21	7.46	7.13	2.75	3.75	2.00	2.69	5.27	3.38
<b>1996</b>												
<b>Jan.</b>	6.30	11.05	5.81	5.94	7.18	6.88	2.75	3.75	2.00	2.55	5.17	3.29
<b>Feb.</b>	5.79	9.32	6.04	6.08	6.99	6.70	2.50	3.50	2.00	2.44	4.98	3.15
<b>March</b>	5.13	10.78	5.93	5.99	6.88	6.57	2.50	3.50	2.00	2.37	4.63	3.00
<b>April</b>	4.83	8.19	5.71	5.75	6.77	6.43	2.50	3.50	2.00	2.32	4.71	2.99
<b>May</b>	5.96	9.19	5.59	5.73	6.64	6.30	2.50	3.50	2.00	2.27	4.59	2.97
<b>June</b>	5.31	10.66	5.35	5.44	6.55	6.20	2.50	3.48	2.00	2.23	4.10	2.79

<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
<b>1991</b>	12.3	12.2	11.8		3.9
<b>1992</b>	13.1	13.0	12.0	11.5 <sup>1</sup>	3.1
<b>1993</b>	8.5	8.9	8.2	8.8	1.8
<b>1994</b>	8.5	9.3	8.4	9.0	1.4
<b>1995</b>	8.2	8.9	7.9	8.8	2.6
<b>1995</b>					
<b>June</b>	8.3	8.9	7.7	8.7	3.1
<b>July</b>	8.5	9.0	7.8	8.7	2.8
<b>Aug.</b>	8.1	8.6	7.3	8.3	2.7
<b>Sept.</b>	7.6	8.1	7.2	8.0	2.6
<b>Oct.</b>	7.4	8.0	7.5	7.9	2.6
<b>Nov.</b>	6.7	7.5	7.0	7.5	3.1
<b>Dec.</b>	6.5	7.3	6.7	7.4	3.5
<b>1996</b>					
<b>Jan.</b>	6.1	6.9	6.3	7.0	2.2
<b>Feb.</b>	6.4	7.3	6.9	7.7	2.1
<b>March</b>	6.4	7.5	6.8	7.7	3.0
<b>April</b>	6.1	7.2	6.5	7.5	3.0
<b>May</b>	6.1	7.4	6.5	7.4	2.4
<b>June</b>	6.0	7.2	6.3	7.2	2.4

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

## 4. Rates of exchange

### 4.1 Middle rates, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stock-holm	Oslo	Copen-hagen	Reykja-vik	Frankfurt am Main	Amster-dam	Brussels	Zurich
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 ISK	1 DEM	1 NLG	1 BEF	1 CHF
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1991</b>	4.0457	3.533	7.131	6.511	0.6684	0.6236	0.6322	0.0684	2.4380	2.1634	0.1184	2.8208
<b>1992</b>	4.4835	3.706	7.875	7.636	0.7714	0.7222	0.7444	0.0778	2.8769	2.5552	0.1397	3.2000
<b>1993</b>	5.7189	4.434	8.582	8.371	0.7350	0.8059	0.8822	0.0846	3.4584	3.0787	0.1655	3.8706
<b>1994</b>	5.2184	3.824	7.982	7.799	0.6758	0.7393	0.8207	0.0745	3.2169	2.8684	0.1561	3.8179
<b>1995</b>	4.3658	3.181	6.891	6.999	0.6123	0.6889	0.7790	0.0674	3.0471	2.7202	0.1481	3.6941
<b>1995</b>												
<b>July</b>	4.2488	3.121	6.776	6.968	0.5917	0.6882	0.7852	0.0674	3.0587	2.7305	0.1488	3.6755
<b>Aug.</b>	4.3000	3.173	6.743	6.902	0.5949	0.6784	0.7680	0.0666	2.9773	2.6583	0.1448	3.5959
<b>Sept.</b>	4.3717	3.240	6.810	6.953	0.6127	0.6829	0.7710	0.0665	2.9902	2.6693	0.1454	3.6750
<b>Oct.</b>	4.2696	3.174	6.738	6.890	0.6248	0.6845	0.7776	0.0661	3.0188	2.6953	0.1468	3.7265
<b>Nov.</b>	4.2400	3.134	6.629	6.814	0.6427	0.6785	0.7724	0.0656	2.9934	2.6724	0.1456	3.7109
<b>Dec.</b>	4.3351	3.165	6.669	6.893	0.6531	0.6822	0.7766	0.0663	3.0083	2.6866	0.1464	3.7246
<b>1996</b>												
<b>Jan.</b>	4.4425	3.251	6.797	7.032	0.6608	0.6923	0.7859	0.0673	3.0398	2.7145	0.1479	3.7670
<b>Feb.</b>	4.5520	3.309	6.991	7.200	0.6611	0.7107	0.8026	0.0687	3.1048	2.7725	0.1510	3.8076
<b>March</b>	4.6019	3.370	7.026	7.234	0.6836	0.7158	0.8062	0.0694	3.1140	2.7818	0.1515	3.8459
<b>April</b>	4.7313	3.482	7.169	7.402	0.7040	0.7285	0.8147	0.0709	3.1434	2.8109	0.1530	3.8805
<b>May</b>	4.7568	3.475	7.207	7.437	0.6996	0.7233	0.8038	0.0706	3.1028	2.7755	0.1509	3.7924
<b>June</b>	4.6713	3.420	7.204	7.398	0.6991	0.7153	0.7933	0.0695	3.0590	2.7310	0.1487	3.7172
<b>July</b>	4.5888	3.352	7.128	7.354	0.6909	0.7113	0.7910	0.0687	3.0495	2.7171	0.1480	3.7178

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Madrid	Athens	Tallinn	Tokyo	Mel-bourne	ECU Commer-cial	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ESP	1 GRD	1 EEK	1 JPY	1 AUD	1 XEU	1 XDR
	13	14	15	16	17	18	19	20	21	22	23
<b>1991</b>	0.7169	0.00326	0.3464	0.0280	0.0389	0.022		0.03008	3.152	5.003	5.52771
<b>1992</b>	0.8486	0.00364	0.4088	0.0332	0.0438	0.024	0.4060	0.03546	3.289	5.798	6.31546
<b>1993</b>	1.0096	0.00364	0.4916	0.0356	0.0451	0.025	0.4323	0.05168	3.885	6.685	7.98641
<b>1994</b>	0.9406	0.00324	0.4573	0.0314	0.0390	0.0215	0.4021	0.05106	3.814	6.175	7.46629
<b>1995</b>	0.8748	0.00268	0.4331	0.0291	0.0350	0.0189	0.3809	0.04663	3.238	5.644	6.61196
<b>1995</b>											
<b>July</b>	0.8788	0.00264	0.4349	0.0291	0.0355	0.0189	0.3823	0.04871	3.088	5.662	6.61807
<b>Aug.</b>	0.8654	0.00268	0.4234	0.0287	0.0349	0.0185	0.3722	0.04547	3.186	5.569	6.49492
<b>Sept.</b>	0.8670	0.00271	0.4251	0.0287	0.0348	0.0186	0.3738	0.04353	3.298	5.580	6.40629
<b>Oct.</b>	0.8643	0.00266	0.4290	0.0287	0.0349	0.0184	0.3773	0.04242	3.237	5.546	6.39697
<b>Nov.</b>	0.8677	0.00266	0.4255	0.0285	0.0348	0.0181	0.3742	0.04162	3.160	5.496	6.33703
<b>Dec.</b>	0.8733	0.00272	0.4276	0.0287	0.0354	0.0182	0.3760	0.04258	3.213	5.530	6.43793
<b>1996</b>											
<b>Jan.</b>	0.8878	0.00281	0.4323	0.0293	0.0361	0.0185	0.3800	0.04206	3.293	5.609	6.51994
<b>Feb.</b>	0.9028	0.00289	0.4414	0.0299	0.0368	0.0188	0.3881	0.04305	3.439	5.704	6.67427
<b>March</b>	0.9095	0.00294	0.4427	0.0301	0.0370	0.0190	0.3892	0.04346	3.549	5.772	6.72716
<b>April</b>	0.9262	0.00302	0.4470	0.0306	0.0377	0.0195	0.3929	0.04411	3.719	5.882	6.86087
<b>May</b>	0.9170	0.00306	0.4412	0.0302	0.0372	0.0196	0.3878	0.04474	3.790	5.844	6.87179
<b>June</b>	0.9026	0.00303	0.4348	0.0297	0.0363	0.0193	0.3824	0.04292	3.698	5.787	6.74035
<b>July</b>	0.9006	0.00301	0.4334	0.0297	0.0361	0.0193	0.3812	0.04200	3.622	5.762	6.65070



## 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
<b>1991</b>	5.00580	101.4	101.4
<b>1992</b>	5.80140	116.4	115.7
<b>1993</b>	6.69420	132.4	136.0
<b>1994</b>	6.19108	123.2	125.5
<b>1995</b>	5.70936	111.6	111.6 <sup>r</sup>
<b>1995</b>			
July	5.71263	110.9	110.3 <sup>r</sup>
Aug.	5.60862	109.4	109.5 <sup>r</sup>
Sept.	5.63392	110.3	110.6
Oct.	5.64587	110.4	110.0
Nov.	5.61404	110.0	109.5
Dec.	5.65470	111.2	111.0
<b>1996</b>			
Jan.	5.73809	112.7	112.9
Feb.	5.86385	115.0	115.3
March	5.89568	116.2	116.4
April	5.98143	118.3	118.8
May	5.93160	117.8	118.5
June	5.85380	116.3	116.8
July	5.82763	115.3	115.6

## 5. Other domestic financing

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

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
<b>1991</b>	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
<b>1992</b>	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
<b>1993</b>	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
<b>1994</b>	41 200	99 691	108 922	19 838	269 650	12 774	282 424	44 228	326 651
<b>1995</b>	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
<b>1995</b>									
<b>March</b>	43 698	104 071	108 784	20 259	276 812	12 769	289 581	47 289	336 870
<b>April</b>	45 487	104 920	108 622	20 467	279 495	11 987	291 483	55 118	346 601
<b>May</b>	45 373	103 337	108 316	20 671	277 697	12 264	289 961	48 998	338 959
<b>June</b>	47 640	105 219	108 954	20 606	282 418	12 759	295 177	44 648	339 825
<b>July</b>	48 359	105 161	108 755	20 811	283 087	12 420	295 507	62 174	357 681
<b>Aug.</b>	46 983	105 397	108 792	20 795	281 966	12 488	294 454	62 337	356 791
<b>Sept.</b>	44 089	105 789	108 047	20 852	278 776	12 165	290 941	57 174	348 115
<b>Oct.</b>	47 040	104 602	105 406	21 553	278 602	12 247	290 849	64 497	355 346
<b>Nov.</b>	48 730	107 047	104 174	21 797	281 748	13 250	294 998	50 785	345 784
<b>Dec.</b>	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
<b>1996</b>									
<b>Jan.</b>	50 193	112 802	95 502	24 819	283 316	13 011	296 327	50 008	346 335
<b>Feb.</b>	51 099	114 843	92 250	23 683	281 875	14 184	296 059	38 431	334 490
<b>March</b>	47 991	117 400	88 821	24 714	278 925	13 951	292 876	41 906	334 782

### 5.2 Bank lending to the public, mill. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
<b>1991</b>	18 037	4 712	262 859	285 609	107 714	393 323
<b>1992</b>	16 045	3 335	252 163	271 544	95 168	366 712
<b>1993</b>	14 217	2 223	248 406	264 846	66 931	331 777
<b>1994</b>	13 241	1 301	242 417	256 958	45 138	302 096
<b>1995</b>	12 348	901	235 074	248 323	32 252	280 575
<b>1995</b>						
<b>March</b>	12 797	1 157	242 000	255 954	42 316	298 270
<b>April</b>	12 657	1 159	242 911	256 727	39 550	296 277
<b>May</b>	12 448	1 145	242 338	255 930	38 260	294 190
<b>June</b>	12 216	1 070	241 834	255 120	37 831	292 951
<b>July</b>	11 845	1 074	242 045	254 963	36 353	291 316
<b>Aug.</b>	11 860	1 058	242 323	255 242	36 230	291 472
<b>Sept.</b>	12 317	1 004	241 909	255 230	35 166	290 396
<b>Oct.</b>	12 180	992	241 103	254 275	34 006	288 281
<b>Nov.</b>	12 283	943	240 328	253 554	32 926	286 480
<b>Dec.</b>	12 348	901	235 074	248 323	32 252	280 575
<b>1996</b>						
<b>Jan.</b>	12 013	792	234 240	247 046	32 406	279 452
<b>Feb.</b>	12 114	853	235 279	248 246	31 240	279 486
<b>March</b>	12 189	835	235 696	248 719	30 734	279 453

### 5.3 Money supply and monetary aggregates, mill. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M <sub>1</sub>	M <sub>2</sub> (1+4+5)	M <sub>3</sub>
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
1991	-86 555	-6 516	470 852	464 336	-102 540	130 644	275 241	310 924
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
1995*								
June	16 161	14 503	371 622	386 125	-105 731	164 865	296 555	340 057
July	20 128	15 931	370 015	385 946	-109 760	164 621	296 313	342 997
Aug.	22 843	15 953	369 481	385 434	-113 050	163 475	295 227	337 391
Sept.	25 915	18 486	367 613	386 098	-119 347	161 659	292 667	338 041
Oct.	28 085	20 208	365 657	385 865	-121 619	163 287	292 331	334 378
Nov.	26 219	16 770	363 830	380 600	-110 948	167 812	295 871	328 102
Dec.	25 481	19 837	353 340	373 177	-94 870	175 921	303 788	329 820
1996*								
Jan.	21 471	12 339	352 779	365 118	-89 982	175 684	296 607	331 664
Feb.	29 249	11 358	352 817	364 176	-98 374	178 534	295 050	326 921
March	29 809	12 658	352 935	365 593	-102 425	178 909	292 976	335 117
April	25 644	18 817	353 520	372 337	-105 104	181 793	292 878	327 421
May	24 810	19 008	351 202	370 211	-101 886	184 723	293 135	325 514
June	..	..	..	..	..	189 156	294 612	328 841

### 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 lending	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
1991	38 703	4 943	43 646	31 018	12 208	5 180	.	48 406	92 052	55 165	15 956
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
1995											
July	160 563	14 192	174 755	122 953	15 781	35 526	-5 627	168 633	343 388	68 755	30 029
Aug.	159 404	13 799	173 203	129 417	17 531	34 804	-5 641	176 111	349 314	68 779	31 864
Sept.	159 093	13 532	172 625	134 142	17 530	31 525	-5 649	177 552	350 177	69 233	35 250
Oct.	158 207	14 100	172 307	134 673	17 530	34 287	-5 692	180 798	353 105	69 390	32 117
Nov.	156 263	14 145	170 408	139 244	17 503	38 769	-5 675	189 841	360 249	67 749	45 082
Dec.	158 545	13 756	172 301	143 948	17 492	37 864	-5 609	193 695	365 996	66 855	41 878
1996											
Jan.	159 917	13 867	173 784	148 462	17 437	40 160	-5 670	200 389	374 173	67 195	38 351
Feb.	167 905	14 099	182 004	150 312	17 437	42 259	-5 682	204 326	386 330	67 258	53 668
March	168 150	14 304	182 454	150 650	17 909	44 939	-5 697	207 998	390 452	67 471	45 117
April	172 009	15 082	187 091	158 510	17 369	43 946	-5 298	214 724	401 815	67 576	48 628
May	162 738	14 670	177 408	163 861	17 369	46 049	-5 294	222 182	399 590	..	48 909
June	159 874	15 192	175 066	166 921	17 359	46 102	-5 324	225 176	400 242	..	48 626
July	158 676	15 699	174 375	171 787	17 220	44 668	-5 367	228 426	402 801	..	..

## 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
1991	7 277	25 737	11 073	1 320	-	45 407
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	5 075	66 557	26	-	72 301
1995*						
June	100	1 115	2 329	-	-	3 544
July	2	-	505	-	-	507
Aug.	1	105	6 796	-	-	6 902
Sept.	110	1 890	9 752	-	-	11 751
Oct.	-	150	5 020	-	-	5 170
Nov.	-	204	4 761	-	-	4 965
Dec.	-	410	4 717	-	-	5 126
1996*						
Jan.	-	-	6 405	-	-	6 405
Feb.	-	150	1 899	-	-	2 049
March	-	525	2 661	-	-	3 186
April	850	-	7 887	-	-	8 737
May	640	3 150	6 351	-	-	10 141
June	-	550	3 847	-	-	4 397

### B) Stock, mill. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1991	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
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	26 468	55 166	145 177	6 914	357	187 830	5 034	41 218	234 082
1995									
June	28 448	61 539	123 685	6 439	916	169 327	5 877	45 823	221 027
July	27 777	60 876	124 177	6 387	666	169 253	5 873	44 757	219 889
Aug.	27 557	59 771	130 640	6 378	666	174 867	5 545	44 600	225 012
Sept.	27 635	60 015	135 365	7 372	665	181 295	5 251	44 506	231 052
Oct.	27 602	59 561	135 897	7 463	363	181 435	5 058	44 393	230 886
Nov.	27 233	57 647	140 404	7 462	359	184 619	4 976	43 510	233 105
Dec.	26 468	55 166	145 177	6 914	357	187 830	5 034	41 218	234 082
1996									
Jan.	26 029	53 447	149 692	5 814	357	190 638	4 521	40 180	235 339
Feb.	25 942	52 473	151 541	5 679	357	191 868	4 290	39 834	235 992
March	25 636	51 586	151 876	5 619	355	191 786	3 910	39 376	235 072
April	26 394	50 926	159 228	5 612	355	200 094	3 899	38 522	242 515
May	25 973	52 620	164 580	5 558	150	207 706	3 636	37 539	248 881
June	25 534	50 489	167 639	4 647	149	209 816	3 622	35 020	248 458

### 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
<b>1991</b>	3 343	29 134			
<b>1992</b>	18 383	58 757	10 744	12 156	13 354
<b>1993</b>	47 803	246 104	42 945	95 647	117 489
<b>1994</b>	184 599	359 697	173 096	150 908	176 647
<b>1995</b>	147 037	436 052	133 357	190 069	215 879
<b>1995</b>					
<b>July</b>	5 792	17 266	5 681	7 115	9 607
<b>Aug.</b>	11 210	42 367	10 698	20 105	20 057
<b>Sept.</b>	19 708	50 201	18 676	22 799	24 815
<b>Oct.</b>	11 843	40 102	11 615	17 944	21 776
<b>Nov.</b>	10 782	40 739	10 060	18 386	21 090
<b>Dec.</b>	11 970	44 723	11 387	21 621	21 833
<b>1996</b>					
<b>Jan.</b>	22 987	59 858	22 069	26 431	29 781
<b>Feb.</b>	28 639	49 337	28 117	23 641	24 870
<b>March</b>	21 686	47 221	21 298	22 895	23 603
<b>April</b>	12 424	35 405	12 336	15 989	15 769
<b>May</b>	13 809	27 849	13 505	12 223	11 995
<b>June</b>	10 679	23 361	9 499	8 982	10 037
<b>July</b>	13 411	26 745	12 763	10 069	12 616

### 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 sub- scrip- tion rights	Bonds and debentures	Total	
	All-share index	By industry								
		Banks and finance	Insurance and investment	Manu- facturing	Of which:					
				Forest industries	Metal and engineering	Conglom- erates				
	1	2	3	4	5	6	7	8	9	10
<b>1991</b>	962	901	898	1 003	1 075	1 076	1 021	6 339	1 315	7 655
<b>1992</b>	772	425	467	943	1 123	1 206	890	10 277	15 377	25 654
<b>1993</b>	1 240	608	644	1 601	1 695	1 749	1 751	46 337	59 977	106 314
<b>1994</b>	1 847	719	802	2 464	2 284	2 675	3 068	68 671	2 147	70 818
<b>1995</b>	1 918	500	638	2 741	2 062	2 255	4 251	83 019	1 075	84 094
<b>1995</b>										
<b>July</b>	2 107	526	694	3 066	2 289	2 346	4 858	7 114	24	7 138
<b>Aug.</b>	2 155	506	709	3 149	2 218	2 443	4 832	7 010	56	7 066
<b>Sept.</b>	2 231	504	751	3 276	2 176	2 492	5 045	8 649	59	8 708
<b>Oct.</b>	2 031	455	688	2 955	1 967	2 309	4 716	8 721	60	8 781
<b>Nov.</b>	1 887	417	657	2 708	1 807	2 105	4 478	6 942	132	7 074
<b>Dec.</b>	1 769	437	635	2 496	1 740	2 109	4 448	7 515	126	7 641
<b>1996</b>										
<b>Jan.</b>	1 710	476	671	2 363	1 686	2 116	4 452	7 241	62	7 302
<b>Feb.</b>	1 810	472	735	2 507	1 796	2 267	4 798	8 238	51	8 289
<b>March</b>	1 851	458	776	2 568	1 951	2 330	5 051	7 758	54	7 812
<b>April</b>	1 867	412	747	2 618	2 040	2 399	5 188	7 940	32	7 972
<b>May</b>	1 995	418	754	2 820	2 095	2 622	5 532	10 860	42	10 902
<b>June</b>	2 019	408	787	2 851	2 079	2 616	5 627	7 681	36	7 717
<b>July</b>	2 002	400	779	2 819	2 174	2 588	5 815	5 885	17	5 902

<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
1991	91 100	7 508	5 044	5 636	18 189	109 289	10 003	5 336	124 628	86 348	3 974	11 089	11 011
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*	172 728	11 890	7 536	15 366	34 793	207 521	13 106	8 659	229 286	124 512	6 027	10 450	19 150
<b>1994*</b>													
I	34 382	2 663	1 524	2 839	7 026	41 408	1 764	1 289	44 462	24 767	1 295	1 998	4 213
II	38 486	2 902	1 860	2 649	7 411	45 897	2 802	1 190	49 889	29 458	1 455	2 151	3 967
III	37 322	3 092	2 230	2 960	8 282	45 604	2 027	1 180	48 811	28 743	1 549	2 256	3 899
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
<b>1995*</b>													
I	41 156	2 949	1 499	3 956	8 405	49 561	3 298	1 499	54 358	29 708	1 462	2 326	5 039
II	45 973	3 005	1 891	3 654	8 550	54 523	3 435	1 505	59 463	31 724	1 548	2 639	4 825
III	39 599	3 014	2 243	3 802	9 059	48 658	2 891	2 099	53 647	29 547	1 581	2 707	4 349
IV	46 000	2 922	1 903	3 954	8 779	54 779	3 483	3 555	61 817	33 533	1 437	2 779	4 937
<b>1996*</b>													
I	40 742	2 895	1 679	3 539	8 112	48 854	3 920	1 634	54 409	31 402	1 521	2 590	4 314
II	47 600	3 121	1 983	3 535	8 638	56 238	3 221	1 846	61 306	32 000	1 587	2 834	3 935

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)= (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1991	26 074	112 421	28 674	10 229	151 325	4 752	3 534	-6 044	-5 374	-7 885	-3 132	-18 671	-4 893	-26 696
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*	35 628	160 140	32 080	12 606	204 826	48 216	5 863	-2 914	-3 784	-835	47 381	-18 974	-3 947	24 460
<b>1994*</b>														
I	7 506	32 274	9 423	2 683	44 380	9 614	1 368	-474	-1 374	-480	9 134	-7 659	-1 393	82
II	7 573	37 031	8 733	1 959	47 722	9 028	1 447	-291	-1 318	-162	8 866	-5 930	-769	2 167
III	7 704	36 447	6 246	1 971	44 664	8 580	1 542	-26	-939	578	9 157	-4 220	-791	4 147
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
<b>1995*</b>														
I	8 827	38 535	9 205	2 814	50 554	11 448	1 487	-827	-1 082	-422	11 026	-5 906	-1 316	3 804
II	9 012	40 736	9 972	3 180	53 888	14 249	1 458	-748	-1 171	-461	13 788	-6 538	-1 675	5 575
III	8 637	38 184	6 536	3 194	47 914	10 052	1 433	-464	-548	422	10 474	-3 645	-1 095	5 734
IV	9 152	42 685	6 368	3 417	52 470	12 467	1 485	-875	-983	-373	12 094	-2 885	138	9 347
<b>1996*</b>														
I	8 426	39 827	8 034	4 204	52 065	9 341	1 373	-911	-776	-313	9 027	-4 113	-2 570	2 344
II	8 356	40 356	10 213	4 093	54 661	15 600	1 534	-851	-400	282	15 882	-6 992	-2 246	6 645

## 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: market-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	
1991	0	-997	47	38 751	11 786	-4 511	..	34 287	-3 987	7 496	-9 606	-6 098	27 192
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	-65	33 179	2 732	647	-1 392	1 987	43 405
1995*	300	4 006	8 734	-17 868	-3 634	1 421	2 357	-5 357	-1 370	-6 985	8 376	22	-1 329
1994*													
I	0	3 844	4 389	4 669	526	-1 665	31	7 423	-908	-3 980	7 459	2 572	13 839
II	0	3 029	2 404	5 341	-3 808	3 264	268	11 278	-868	1 312	-4 826	-4 383	9 924
III	0	2 372	5 181	16 528	783	-2 119	-383	19 207	177	-1 363	-4 571	-5 756	15 823
IV	0	-1 005	1 426	-4 562	-3 283	-1 614	20	-4 729	4 330	4 678	545	9 554	3 819
1995*													
I	0	2 516	392	150	-1 423	-1 889	146	-1 200	-2 623	-333	8 549	5 593	6 908
II	0	-1 330	3 482	-9 335	-3 501	-974	523	-6 303	844	-3 206	-2 136	-4 498	-12 131
III	0	88	2 940	-2 503	932	1 618	1 079	3 134	-1 025	-3 192	-744	-4 961	-1 738
IV	300	2 732	1 920	-6 181	358	2 666	608	-987	1 434	-254	2 707	3 888	5 633
1996*													
I	0	1 670	1 216	2 777	1 297	452	974	5 419	-3 781	4 742	-716	246	7 334
II	0	978	6 113	-4 920	2 816	354	754	2 301	-813	3 778	-2 698	267	3 547

During period	Capital account, exports of capital	Financial account											Errors and omissions	Change in central bank's reserve assets (increase -)
		Direct investment abroad	Portfolio investment abroad					Other investment abroad				Total (15+20+24)		
			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	
1991	299	-501	-369	-3	1 499	..	1 128	-726	2 341	7 570	9 184	9 810	2 239	7 375
1992	0	-3 372	46	321	2 748	..	3 115	3 634	3 409	7 720	14 763	14 506	-293	9 180
1993	0	8 050	873	767	1 932	..	3 571	1 923	-839	9 576	10 660	22 282	6 055	-1 219
1994*	0	22 447	291	-4 625	-855	-279	-5 469	1 213	-7 460	9 762	3 516	20 494	-4 034	-25 504
1995*	206	6 624	521	2 994	-5 492	-165	-2 143	2 766	-2 712	11 750	11 804	16 285	-8 420	1 480
1994*														
I	0	5 401	356	-558	215	-202	-188	-1 958	-1 849	-2 327	-6 135	-922	-4 563	-10 279
II	0	4 808	-41	-3 337	-4 448	-27	-7 854	1 600	-2 625	6 080	5 055	2 009	91	-10 172
III	0	4 897	-45	-1 166	422	-53	-842	-153	-251	9 532	9 127	13 182	-2 867	-3 921
IV	0	7 341	20	437	2 956	2	3 415	1 724	-2 734	-3 522	-4 532	6 225	3 305	-1 132
1995*														
I	0	2 147	-139	1 472	-2 249	-45	-961	700	-1 234	9 695	9 161	10 347	1 325	-1 691
II	104	1 309	106	-80	-2 798	31	-2 741	2 419	-150	-7 809	-5 540	-6 971	-1 599	1 288
III	0	1 086	443	-108	521	-37	819	-174	1 044	3 431	4 301	6 206	618	1 592
IV	102	2 082	111	1 711	-967	-115	740	-179	-2 373	6 433	3 882	6 704	-8 764	291
1996*														
I	0	4 966	550	3 731	2 424	-26	6 679	-551	2 416	6 050	7 916	19 561	2 628	7 254
II	0	5 319	941	2 424	-21	71	3 415	504	-2 008	6 057	4 554	13 288	-5 360	8 457

### 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					
		Shares	Bonds	Of which: marka denominated bonds	Money market instruments	Financial derivatives		Trade credits	Loans	Currency and deposits	Other	Total (8+9+10+11)	
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>1991</b>	17 443	4 149	141 055	19 036	22 079	..	167 283	9 532	68 892	8 555	84 036	171 015	355 741
<b>1992</b>	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 880	78 804	182 320	437 557
<b>1993</b>	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
<b>1994*</b>	31 846	60 558	258 823	22 285	10 309	-6 877	322 814	20 465	82 649	3 430	46 566	153 111	507 771
<b>1995*</b>	35 666	63 746	228 676	19 638	10 099	1 368	303 889	18 931	69 249	2 568	53 557	144 305	483 861
<b>1994*</b>													
<b>I</b>	27 918	39 079	269 077	30 065	12 245	-8 855	311 546	17 029	85 196	4 724	58 746	165 694	505 158
<b>II</b>	30 846	42 719	272 094	23 945	15 286	-8 809	321 290	16 143	86 412	2 964	55 420	160 939	513 075
<b>III</b>	33 010	56 036	272 306	26 009	11 864	-7 591	332 615	16 190	79 730	3 752	47 152	146 825	512 449
<b>IV</b>	31 846	60 558	258 823	22 285	10 309	-6 877	322 814	20 465	82 649	3 430	46 566	153 111	507 771
<b>1995*</b>													
<b>I</b>	34 243	53 488	254 534	21 433	7 065	-5 996	309 092	17 766	79 143	3 369	53 433	153 711	497 046
<b>II</b>	32 873	79 430	243 399	18 054	5 577	-6 768	321 638	18 578	75 411	2 580	51 169	147 738	502 249
<b>III</b>	32 931	93 020	233 054	20 230	7 262	-520	332 815	17 506	68 882	2 364	50 032	138 784	504 530
<b>IV</b>	35 666	63 746	228 676	19 638	10 099	1 368	303 889	18 931	69 249	2 568	53 557	144 305	483 861
<b>1996*</b>													
<b>I</b>	37 398	68 674	241 179	20 771	11 192	2 115	323 159	15 316	78 043	1 518	55 503	150 380	510 937
<b>II</b>	38 382	80 962	234 498	24 015	11 125	2 848	329 434	14 563	81 024	1 939	52 193	149 718	517 534

Position at end of period	Assets											Total assets (14+19+24)	
	Direct investment abroad	Portfolio investment					Total (15+16+17+18)	Other investment					
		Shares	Bonds	Money market instruments	Financial derivatives	Trade credits		Loans	Currency and deposits	Other	Total (20+21+22+23)		
14	15	16	17	18	19	20	21	22	23	24	25		
<b>1991</b>	44 823	426	7 004	4 154	..	11 584	16 388	28 504	7 647	73 392	125 931	182 338	
<b>1992</b>	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	78 257	147 562	209 565	
<b>1993</b>	53 090	1 783	10 709	11 030	447	23 968	26 256	35 981	5 799	91 127	159 162	236 221	
<b>1994*</b>	59 451	1 866	4 778	9 115	488	16 246	25 500	24 847	8 257	109 847	168 451	244 148	
<b>1995*</b>	64 756	2 638	8 489	2 736	180	14 043	27 923	20 974	7 290	115 606	171 793	250 592	
<b>1994*</b>													
<b>I</b>	54 424	2 047	9 576	10 911	622	23 156	23 989	32 788	8 842	93 378	158 996	236 575	
<b>II</b>	58 238	1 984	5 961	6 339	550	14 834	25 551	29 981	8 300	108 953	172 785	245 857	
<b>III</b>	58 314	1 866	4 319	6 087	561	12 833	24 158	28 350	7 493	115 752	175 753	246 900	
<b>IV</b>	59 451	1 866	4 778	9 115	488	16 246	25 500	24 847	8 257	109 847	168 451	244 148	
<b>1995*</b>													
<b>I</b>	60 188	1 581	5 868	5 835	160	13 444	25 960	22 668	6 352	118 897	173 878	247 510	
<b>II</b>	60 718	1 704	6 057	2 977	118	10 857	28 185	22 142	5 915	108 686	164 929	236 503	
<b>III</b>	61 224	2 175	5 826	3 503	203	11 706	27 797	22 978	6 397	108 057	165 228	238 158	
<b>IV</b>	64 756	2 638	8 489	2 736	180	14 043	27 923	20 974	7 290	115 606	171 793	250 592	
<b>1996*</b>													
<b>I</b>	72 395	3 351	12 645	5 670	172	21 838	28 016	24 224	5 347	120 945	178 532	272 766	
<b>II</b>	76 655	4 259	14 804	5 660	96	24 819	28 717	22 159	5 458	118 307	174 642	276 117	



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
<b>1991</b>	31 277	-2 794	107 434	-34 046	18 960	51 854	719	173 403	15 671	12.7
<b>1992</b>	33 761	-3 260	82 343	-27 546	28 283	112 064	2 347	227 992	19 011	13.6
<b>1993</b>	54 315	-3 436	45 658	-33 279	29 737	164 892	3 062	260 949	21 897	12.8
<b>1994*</b>	81 344	-3 503	33 800	-52 606	22 381	179 113	3 093	263 623	20 296	10.5
<b>1995*</b>	74 033	-2 296	17 576	-47 708	14 098	174 481	3 085	233 269	18 074	7.9
<b>1994*</b>										
<b>I</b>	64 119	-3 692	52 014	-42 504	28 987	166 321	3 339	268 583	7 187	16.2
<b>II</b>	64 536	-3 781	51 328	-52 617	26 252	178 145	3 354	267 218	5 458	10.9
<b>III</b>	76 665	-3 564	34 039	-52 998	25 117	183 115	3 175	265 550	3 748	7.7
<b>IV</b>	81 344	-3 503	33 800	-52 606	22 381	179 113	3 093	263 623	3 903	7.2
<b>1995*</b>										
<b>I</b>	74 056	-3 362	23 055	-53 298	20 202	185 724	3 159	249 536	5 681	10.5
<b>II</b>	95 345	-3 498	26 416	-50 742	18 988	175 932	3 305	265 746	6 313	10.6
<b>III</b>	104 168	-3 602	19 542	-47 488	18 156	172 368	3 227	266 372	3 420	6.4
<b>IV</b>	74 033	-2 296	17 576	-47 708	14 098	174 481	3 085	233 269	2 660	4.3
<b>1996*</b>										
<b>I</b>	77 974	-2 510	3 108	-42 679	10 470	188 489	3 318	238 171	3 663	6.7
<b>II</b>	87 761	-2 604	-6 180	-33 647	7 264	185 555	3 268	241 417	6 542	10.7

## 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
1991	92 842	87 744	5 098
1992	107 463	94 947	12 516
1993	134 114	103 165	30 949
1994	154 164	120 547	33 617
1995*	174 660	126 330	48 330
1995*			
June	16 964	10 382	6 582
July	11 641	9 419	2 222
Aug.	13 408	10 134	3 274
Sept.	15 033	10 447	4 586
Oct.	15 553	11 628	3 925
Nov.	15 848	11 734	4 114
Dec.	15 082	10 630	4 452
1996* <sup>1</sup>			
Jan.	12 395	9 423	2 972
Feb.	14 308	10 661	3 647
March	14 153	10 725	3 428
April	14 500	11 300	3 200
May	15 500	10 900	4 600
June	17 600	9 800	7 800

### 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	
1991	93.1	84.4	98.5	100.9	97.6
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*	144.5	102.7	119.2	119.2	100.0
1995*					
June	169.7	104.5	119.1	119.8	99.4
July	119.4	99.3	120.0	119.2	100.7
Aug.	142.1	101.6	120.0	119.2	100.7
Sept.	145.6	103.7	121.6	119.2	102.0
Oct.	143.1	108.7	122.6	118.4	103.5
Nov.	146.0	108.8	122.7	118.1	103.9
Dec.	141.8	100.8	123.0	118.2	104.1
1996*					
Jan.	121.4	100.2	123.2	119.1	103.4
Feb.	143.4	108.4	122.4	119.3	102.6
March	134.0	99.8	123.2	120.4	102.3
April	140.1	103.4	122.5	122.2	100.2
May	148.5	100.9	121.8	121.8	100.0
June	172.9	97.7	121.3	121.6	99.8

<sup>1</sup> See Notes and explanations to the statistical section.

### 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	Investment goods	Consumer goods	8	9
1991	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736	
1992	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672	
1993	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514	
1994	10 910	37 430	14 205	48 158	23 411	54 792	10 904	15 396	21 066	1 007	
1995*	14 198	41 249	15 725	55 895	27 097	66 156	11 687	17 227	24 649	828	
1995*											
March	1 314	4 188	1 498	5 737	2 553	6 339	585	1 518	2 417	247	
April	1 261	4 021	1 247	5 829	2 263	5 931	1 167	1 412	2 062	257	
May	1 199	4 117	1 357	5 899	2 299	6 234	800	1 601	1 990	341	
June	1 252	4 181	1 659	7 066	2 806	6 119	605	1 392	1 924	342	
July	735	3 941	1 184	3 846	1 935	5 067	787	1 222	1 845	498	
Aug.	890	4 206	1 223	4 503	2 586	5 580	740	1 315	1 996	503	
Sept.	1 063	4 263	1 370	5 503	2 834	6 060	642	1 385	2 080	280	
Oct.	1 079	3 991	1 735	6 469	2 279	6 214	839	1 720	2 239	616	
Nov.	1 079	3 984	1 244	6 755	2 786	5 710	819	1 896	2 206	1 103	
Dec.	897	3 663	1 234	7 059	2 229	5 439	913	2 044	1 954	280	
1996*											
Jan.	916	3 472	1 236	4 382	2 389	5 191	686	1 365	2 025	156	
Feb.	904	3 614	1 174	6 198	2 418	5 270	872	1 883	2 432	204	
March	984	4 130	1 372	5 122	2 545	5 679	693	1 547	2 598	208	

## 7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1995*		April 1995–March 1996*		1995*		April 1995–March 1996*	
	Mill. FIM	Percentage share	Mill. FIM	Year-on-year change calculated from 12-month moving total	Mill. FIM	Percentage share	Mill. FIM	Year-on-year change calculated from 12-month moving total
	1	2	3	4	5	6	7	8
<b>All OECD countries</b>	127 724	73.1	128 488	6.1	99 982	79.1	104 377	7.0
<b>EU</b>	100 511	57.5	98 541	5.0	75 614	59.9	75 614	9.8
Austria	1 495	0.9	1 448	-11.6	1 550	1.2	1 559	10.8
Belgium and Luxembourg	5 189	3.0	4 894	22.3	3 719	2.9	3 689	3.4
Denmark	5 564	3.2	5 496	3.1	4 100	3.2	4 210	7.2
France	7 970	4.6	7 950	0.3	5 151	4.1	5 323	3.6
Germany	23 491	13.4	22 675	4.2	19 718	15.6	19 788	5.2
Greece	944	0.5	906	2.8	342	0.3	339	-2.2
Ireland	864	0.5	907	29.5	1 072	0.8	1 092	13.7
Italy	4 934	2.8	4 560	-8.6	5 090	4.0	5 277	8.7
Netherlands	7 376	4.2	7 056	-11.2	4 791	3.8	4 700	1.3
Portugal	869	0.5	839	-4.3	1 052	0.8	1 048	-5.3
Spain	4 395	2.5	4 144	8.7	1 652	1.3	1 739	10.3
Sweden	17 694	10.1	18 047	4.8	14 755	11.7	15 086	12.0
United Kingdom	18 169	10.4	18 022	7.7	10 515	8.3	10 843	5.0
<b>Other OECD countries</b>	27 213	15.6	29 947	15.7	24 368	19.3	28 763	-12.8
Of which:								
Australia	2 330	1.3	2 303	9.9	930	0.7	1 022	29.6
Canada	1 223	0.7	1 148	1.8	810	0.6	831	-2.2
Japan	4 495	2.6	4 830	36.7	7 939	6.3	7 874	-2.0
Norway	5 229	3.0	5 235	3.4	5 236	4.1	5 085	-9.4
Switzerland	2 277	1.3	2 234	-4.9	2 142	1.7	2 185	1.8
United States	11 664	6.7	12 631	9.6	8 976	7.1	9 918	7.4
<b>Other countries</b>	46 936	26.9	46 126	15.9	26 348	20.9	24 372	-12.8
Of which:								
Estonia	4 117	2.4	4 256	17.8	1 535	1.2	1 578	23.6
Czech Republic	774	0.4	867	0.2	458	0.4	463	0.5
Hungary	799	0.5	759	-35.4	337	0.3	345	-15.7
Poland	2 251	1.3	2 159	-17.8	1 366	1.1	1 365	-12.9
Russia	8 441	4.8	8 996	13.5	9 013	7.1	8 975	-19.4
China	2 602	1.5	2 465	-2.8	1 702	1.3	1 788	-2.5
Hongkong	2 434	1.4	2 476	22.6	699	0.6	634	-26.6
Korea	2 251	1.3	2 288	3.3	962	0.8	985	5.5
Malaysia	994	0.6	942	25.0	837	0.7	722	-25.0
Singapore	1 438	0.8	1 670	18.4	572	0.5	532	-16.6
Thailand	1 640	0.9	1 434	2.0	486	0.4	549	5.7
Taiwan	903	0.5	893	8.6	1 098	0.9	1 154	-1.4
Brazil	829	0.5	786	14.6	491	0.4	519	-38.1
<b>TOTAL</b>	174 660	100.0	174 614	8.5	126 330	100.0	128 749	2.6
Of which:								
Africa	2 761	1.6	2 609	10.2	600	0.5	619	-21.6
The Americas	17 354	9.9	18 176	18.8	12 098	9.6	13 026	-0.3
Asia	23 694	13.6	24 153	23.9	15 665	12.4	15 739	-4.6
Europe	128 236	73.4	127 101	4.9	96 967	76.8	98 270	4.3
Oceania	2 615	1.5	2 576	10.2	1 001	0.8	1 095	17.4

## 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	5	6	7	8	9
1991	260 031	111 256	93 722	17 243	-2 451	479 801	110 965	111 755	479 011
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	21 555	443 694	161 376	128 411	476 659
1995*	254 112	104 059	67 120	13 253	20 109	458 653	174 773	136 520	496 906
1993 IV	60 730	25 438	14 532	3 411	2 998	107 109	37 245	28 399	115 955
1994*									
I	61 103	25 554	14 418	3 492	1 608	106 175	37 982	28 594	115 563
II	60 303	25 678	14 705	3 541	5 448	109 675	40 131	31 042	118 764
III	61 200	25 618	15 498	3 525	6 456	112 297	41 054	32 754	120 597
IV	62 155	25 878	15 922	3 549	8 043	115 547	42 209	36 021	121 735
1995*									
I	62 992	25 486	16 972	3 369	4 890	113 709	44 000	33 837	123 872
II	63 641	26 111	16 455	3 345	3 348	112 900	45 302	33 986	124 216
III	63 435	26 118	17 626	3 256	6 516	116 951	41 783	34 135	124 599
IV	64 044	26 344	16 067	3 283	5 355	115 093	43 688	34 562	124 219
1996*									
I	64 935	26 028	16 487	3 522	7 119	118 091	42 267	35 290	125 068

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

Period	Total Industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.3)	(89.6)	(16.8)	(31.3)	(41.5)	(9.1)
	1	2	3	4	5	6	7
1991	91.2	91.3	89.9	91.5	85.6	92.6	103.6
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	116.6	95.7	117.5	118.0	143.8	97.4	111.1
1995							
May	117.0	75.1	118.2	120.4	144.4	96.8	111.4
June	117.4	93.2	118.3	121.1	143.3	98.3	111.7
July	115.7	91.7	116.3	123.2	130.7	98.4	111.8
Aug.	116.8	127.2	117.1	120.7	145.0	97.0	109.9
Sept.	117.7	96.3	118.7	117.3	148.8	96.6	109.3
Oct.	116.2	100.1	117.4	112.7	147.7	97.0	106.4
Nov.	117.4	96.8	118.5	110.4	152.2	96.3	109.2
Dec.	117.5	89.9	118.3	102.5	154.7	96.3	114.1
1996							
Jan.	115.4	87.4	115.9	110.7	146.2	96.8	117.7
Feb.	115.1	83.0	115.2	109.1	145.4	96.3	123.2
March	118.2	81.3	118.6	110.3	149.2	97.7	119.5
April	117.8	90.4	118.1	111.2	148.3	98.7	118.7
May	120.4	91.1	120.3	109.8	152.5	99.2	124.0

### 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 indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
<b>1991</b>	82.9	92.6	81.6	75.6	79.0	90.0	86.1	93.9
<b>1992</b>	72.7	83.2	62.5	59.1	47.1	71.7	78.1	91.1
<b>1993</b>	68.8	78.4	46.7	48.5	32.7	48.9	72.9	89.8
<b>1994</b>	73.0	79.9	42.0	45.5	35.4	39.8	84.4	93.7
<b>1995*</b>	76.2	82.6	39.9	39.7	52.6	36.1	85.2	97.7
<b>1994</b> <b>IV</b>	80.7	75.2	42.4	43.5	43.9	40.2	97.4	95.8
<b>1995*</b>								
<b>May</b>	76.8	83.6	..	..	..	..	..	97.3
<b>June</b>	75.4	82.5	..	..	..	..	..	96.9
<b>July</b>	76.3	80.5	..	..	..	..	..	96.5
<b>Aug.</b>	78.1	81.6	..	..	..	..	..	98.0
<b>Sept.</b>	75.4	83.2	..	..	..	..	..	97.9
<b>Oct.</b>	77.3	81.8	..	..	..	..	..	97.9
<b>Nov.</b>	78.1	83.9	..	..	..	..	..	98.6
<b>Dec.</b>	77.5	85.0	..	..	..	..	..	98.0
<b>1995*</b>								
<b>I</b>	75.5	82.4	41.0	44.1	47.9	35.3	83.8	97.7
<b>II</b>	75.2	82.7	41.3	42.6	57.4	36.4	83.9	97.3
<b>III</b>	76.6	81.7	39.5	37.9	53.3	37.4	84.2	97.5
<b>IV</b>	77.6	83.6	37.9	34.1	51.6	35.4	88.9	98.2
<b>1996*</b>								
<b>Jan.</b>	81.3	88.0	..	..	..	..	..	116.0
<b>Feb.</b>	81.2	85.4	..	..	..	..	..	115.6
<b>March</b>	71.6	80.9	..	..	..	..	..	114.6
<b>April</b>	81.2	85.4	..	..	..	..	..	115.8
<b>May</b>	77.8	86.6	..	..	..	..	..	116.9

## 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
<b>1991</b>	106.4	106.4	106.1	106.4	104.3	104.1	100.0	99.8	100.8	99.4	98.5	99.8	102.2
<b>1992</b>	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
<b>1993</b>	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
<b>1994</b>	111.4	111.6	115.0	111.1	110.9	111.4	106.2	102.8	118.7	107.1	110.1	105.8	102.2
<b>1995<sup>1</sup></b>	116.7	117.4	123.1	115.0	112.0	111.3	106.9	103.8	118.5	110.8	118.0	107.7	103.5
<b>1995</b>													
June	..	..	..	..	112.4	111.5	108.1	105.2	119.1	110.8	117.9	107.8	103.5
July	..	..	..	..	112.3	111.4	107.8	104.9	118.5	110.9	118.7	107.6	103.6
Aug.	..	..	..	..	112.1	111.2	105.8	102.4	118.5	111.1	118.9	107.8	103.6
Sept.	..	..	..	..	112.2	111.3	106.0	102.7	118.4	111.8	120.4	108.1	103.7
Oct.	..	..	..	..	112.2	111.4	105.9	102.7	117.7	112.1	121.3	108.1	103.4
Nov.	..	..	..	..	111.9	111.1	105.7	102.5	117.4	111.9	121.4	107.9	103.2
Dec.	..	..	..	..	111.8	111.0	105.7	102.5	117.4	112.1	121.5	108.1	103.2
<b>1995<sup>1</sup></b>													
I	114.6	115.6	120.9	112.6	111.7	111.2	107.3	104.2	118.8	109.3	114.2	107.2	103.4
II	116.0	116.8	122.8	114.4	112.1	111.5	108.1	105.1	119.3	110.6	117.2	107.7	103.6
III	116.7	117.5	123.2	115.2	112.2	111.3	106.5	103.3	118.5	111.3	119.3	107.8	103.6
IV	119.3	120.0	125.4	117.8	112.0	111.2	105.8	102.6	117.5	112.0	121.4	108.0	103.3
<b>1996</b>													
Jan.	..	..	..	..	112.0	110.8	106.2	102.0	118.4	112.4	121.6	108.5	102.1
Feb.	..	..	..	..	112.4	111.4	106.1	102.7	118.6	112.3	120.7	108.7	101.9
March	..	..	..	..	112.5	111.6	106.0	102.2	119.7	112.0	121.3	108.0	102.0
April	..	..	..	..	112.7	111.6	106.1	102.0	121.5	111.7	120.6	107.9	102.1
May	..	..	..	..	112.9	111.7	105.9	101.7	121.0	111.4	120.0	107.7	102.4
June	..	..	..	..	112.9	..	105.5	101.4	120.9	110.8	119.5	107.1	102.7
<b>1996<sup>1</sup></b>													
I	120.4	121.1	126.7	118.9	112.3	111.3	106.1	102.3	118.9	112.2	121.2	108.4	102.0

<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						%
	1	2	3	4	5	6	7	8	9	10
<b>1991</b>	67.4	2 533	2 340	340	2 000	197	502	1 640	193	7.6
<b>1992</b>	66.1	2 502	2 174	325	1 849	188	454	1 533	328	13.1
<b>1993</b>	65.3	2 484	2 041	312	1 729	173	423	1 444	444	17.9
<b>1994</b>	64.8	2 480	2 024	312	1 712	167	426	1 430	456	18.4
<b>1995</b>	65.1	2 497	2 068	304	1 764	158	456	1 454	430	17.2
<b>1995</b>										
<b>June</b>	65.4	2 510	2 075	308	1 766	166	464	1 444	434	17.1
<b>July</b>	65.3	2 517	2 079	307	1 772	142	468	1 469	455	17.6
<b>Aug.</b>	64.8	2 486	2 065	311	1 754	160	448	1 457	420	16.8
<b>Sept.</b>	65.0	2 496	2 076	303	1 773	158	446	1 472	416	16.8
<b>Oct.</b>	65.3	2 509	2 087	306	1 781	155	487	1 445	418	16.7
<b>Nov.</b>	65.1	2 499	2 078	307	1 771	156	453	1 469	419	16.9
<b>Dec.</b>	64.8	2 491	2 070	295	1 775	151	460	1 460	421	17.1
<b>1996</b>										
<b>Jan.</b>	65.3	2 511	2 094	305	1 790	152	470	1 472	417	16.9
<b>Feb.</b>	65.2	2 504	2 089	308	1 780	154	456	1 478	415	16.8
<b>March</b>	65.1	2 502	2 082	298	1 784	149	461	1 472	413	16.6
<b>April</b>	65.5	2 519	2 105	307	1 798	153	471	1 482	408	16.2
<b>May</b>	65.1	2 507	2 086	301	1 786	149	450	1 486	426	16.9
<b>June</b>	64.8	2 492	2 070	292	1 778	141	453	1 476	424	16.8

## 8.6 Central government finances: revenue, expenditure and financial balance,

mill FIM, cash flow basis

During period	Revenue							Expenditure			
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
<b>1991</b>	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
<b>1992</b>	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
<b>1993</b>	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
<b>1994</b>	34 588	68 124	1 792	24 095	128 599	7 308	135 900	48 750	108 155	40 388	65 519
<b>1995</b>	40 092	66 902	1 720	35 837	144 550	7 923	152 473	51 446	113 644	39 481	67 514
<b>1995</b>											
<b>June</b>	3 068	4 755	958	2 619	11 400	87	11 486	4 581	10 309	3 382	6 293
<b>July</b>	3 579	5 996	52	1 851	11 477	481	11 958	4 686	7 838	3 104	4 126
<b>Aug.</b>	3 365	6 294	142	2 654	12 455	173	12 628	3 668	6 995	2 256	4 254
<b>Sept.</b>	3 015	5 826	63	3 228	12 131	299	12 431	3 732	8 566	3 104	4 942
<b>Oct.</b>	3 237	5 825	51	2 752	11 865	405	12 270	4 090	8 265	3 110	4 484
<b>Nov.</b>	4 994	5 973	74	2 838	13 879	2 165	16 044	4 514	9 696	2 768	6 481
<b>Dec.</b>	5 347	5 549	60	5 700	16 657	598	17 254	5 846	10 189	3 292	6 954
<b>1996</b>											
<b>Jan.</b>	3 735	7 181	110	3 792	14 818	165	14 983	3 930	12 283	2 974	7 881
<b>Feb.</b>	3 693	7 341	1 089	3 784	15 907	233	16 141	4 064	7 922	2 839	4 692
<b>March</b>	5 458	5 992	150	1 841	13 441	137	13 578	4 486	9 261	3 475	5 194
<b>April</b>	3 590	5 237	58	4 298	13 183	3 469	16 653	4 154	9 517	2 945	5 752
<b>May</b>	3 017	5 805	75	2 979	11 876	843	12 719	4 095	8 753	2 996	5 189
<b>June</b>	3 435	5 863	72	5 222	14 592	850	15 443	5 032	8 952	2 863	5 460
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)		
	12	13	14	15	16	17	18	19	20		
<b>1991</b>	5 370	6 368	158 044	13 328	171 372	-23 420	-32 304	25 659	-6 645		
<b>1992</b>	5 042	8 499	168 016	35 501	203 516	-41 400	-71 847	70 691	-1 155		
<b>1993</b>	4 306	18 076	177 870	19 753	197 623	-48 646	-61 030	84 036	23 009		
<b>1994</b>	3 737	22 358	183 000	17 886	200 760	-54 401	-64 860	73 193	8 336		
<b>1995</b>	3 208	26 336	194 635	16 765	211 399	-50 085	-58 926	54 071	-4 854		
<b>1995</b>											
<b>June</b>	262	3 222	18 374	2 487	20 861	-6 974	-9 375	-3 851	-13 226		
<b>July</b>	258	1 361	14 143	707	14 851	-2 666	-2 892	-1 344	-4 236		
<b>Aug.</b>	223	784	11 671	469	12 140	784	488	5 741	6 230		
<b>Sept.</b>	227	3 574	16 100	813	16 913	-3 968	-4 483	1 450	-3 033		
<b>Oct.</b>	332	1 755	14 442	613	15 056	-2 578	-2 786	2 191	-595		
<b>Nov.</b>	315	1 113	15 638	590	16 228	-1 759	-184	8 689	8 505		
<b>Dec.</b>	603	2 089	18 726	-159	18 567	-2 070	-1 313	1 905	593		
<b>1996</b>											
<b>Jan.</b>	151	5 235	21 599	623	22 221	-6 781	-7 238	6 755	-484		
<b>Feb.</b>	260	1 544	13 790	453	14 243	2 117	1 898	10 359	12 256		
<b>March</b>	185	4 560	18 492	393	18 884	-5 051	-5 306	760	-4 546		
<b>April</b>	175	2 759	16 605	3 605	20 210	-3 422	-3 557	6 544	2 987		
<b>May</b>	207	1 291	14 346	770	15 117	-2 470	-2 398	2 496	98		
<b>June</b>	219	3 060	17 263	2 076	19 338	-2 671	-3 895	3 503	-392		



# 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). The ten-year yield is based on quotations for a fixed-rate bullet housing bond (1/92, 15 March 1992 – 15 March 2002). As from 1 June 1993, the ten-year yield is based on quotations for a fixed-rate bullet serial bond (1/93, 15 March 1993 – 15 March 2004). 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, for which daily quotations at noon Finnish time are used. Since 8 September 1992 the markka has been floating. Trade-weighted currency index (Column 2): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 3): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade.

#### 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 placements; 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-denominated bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by 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.

## **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 category 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 27) comprise gold, special drawing rights

(SDRs), the reserve position in the IMF and convertible currency claims. 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 7.1** The trade figures for April–June 1996 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.

**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 combined shares of Finland's exports and imports are at least 1 per cent.

## **8 Domestic economic developments**

**Tables 8.1–8.5** Source: Statistics Finland. Seasonal adjustment is carried out 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 monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

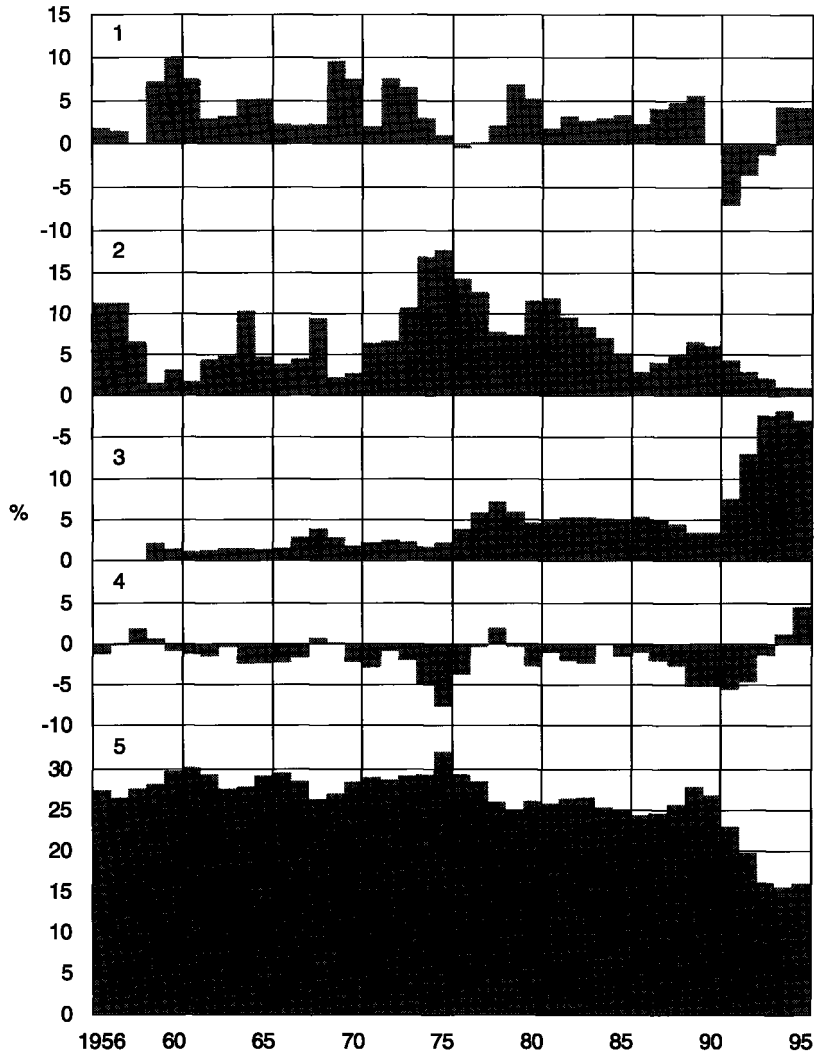
**Table 8.4** The indicator of underlying inflation (Column 6) is the consumer price index from which the effect of indirect taxes, subsidies and housing-related capital costs (house prices and mortgage interest payments) has been removed (see the article by Pentti Pikkarainen and Timo Tyrväinen in the 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.



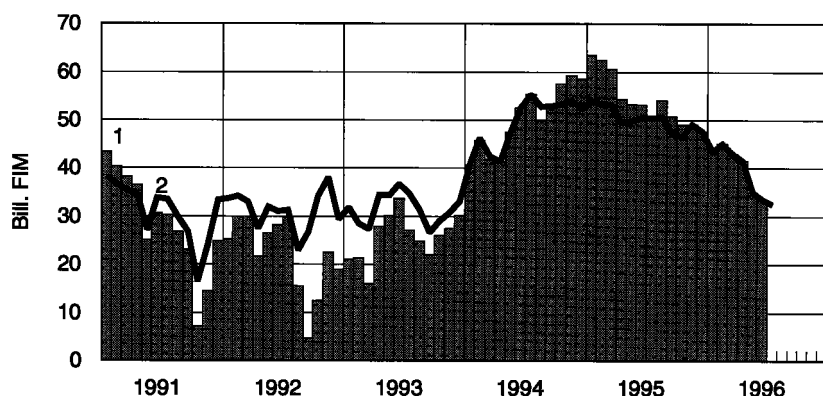
1. Long-term indicators	S30
2. The Bank of Finland's foreign exchange reserves and forward position	S31
3. Forward market	S31
4. Rates of interest set by the Bank of Finland	S31
5. Banks' liquidity position at the Bank of Finland	S32
6. Liquidity management interest rates	S32
7. HELIBOR rates of interest, daily	S32
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9. Differential between Finnish and German interest rates	S33
10. Bond yields	S33
11. Bank of Finland currency index and the markka value of the ECU	S34
12. Daily spot rates for the markka against the Deutschemark and the US dollar	S34
13. Daily spot rates for the markka against the pound sterling and the Swedish krona	S34
14. Monthly spot rates for the markka against the Deutschemark and the US dollar	S35
15. Monthly spot rates for the markka against the pound sterling and the Swedish krona	S35
16. Banks' markka lending rates and markka funding rates	S35
17. Bank funding from the public	S36
18. Bank lending to the public	S36
19. Money supply	S36
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24. Foreign trade	S39
25. Foreign trade: prices and terms of trade	S39
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27. Production	S40
28. Fixed investment	S40
29. Employment and the unemployment rate	S41
30. Prices and wages	S41
31. Central government finances	S42
32. Central government debt	S42

## 1. Long-term indicators



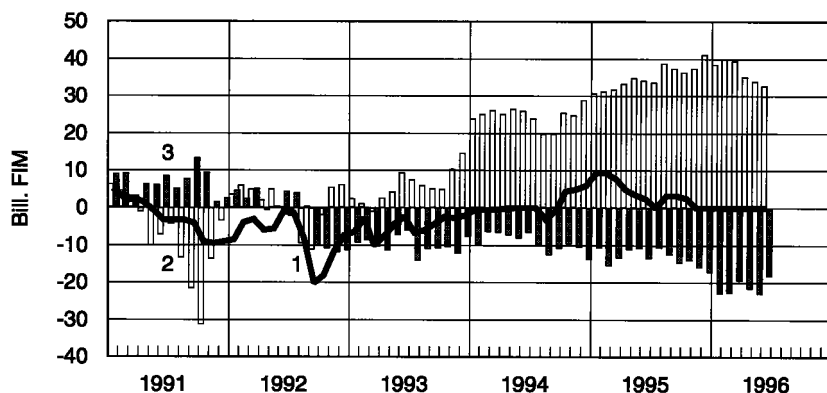
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



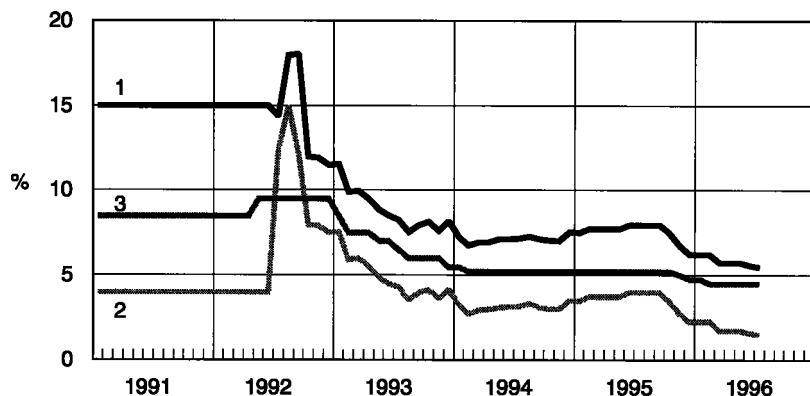
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

## 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

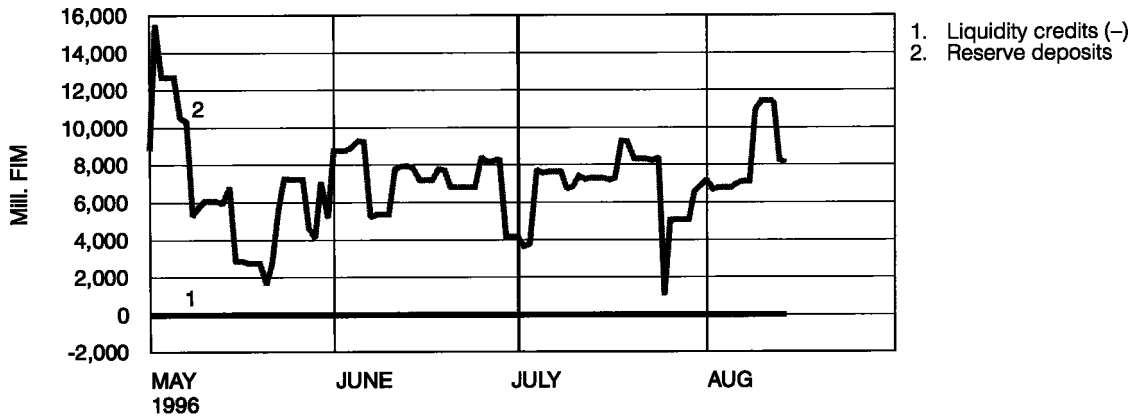
## 4. Rates of interest set by the Bank of Finland



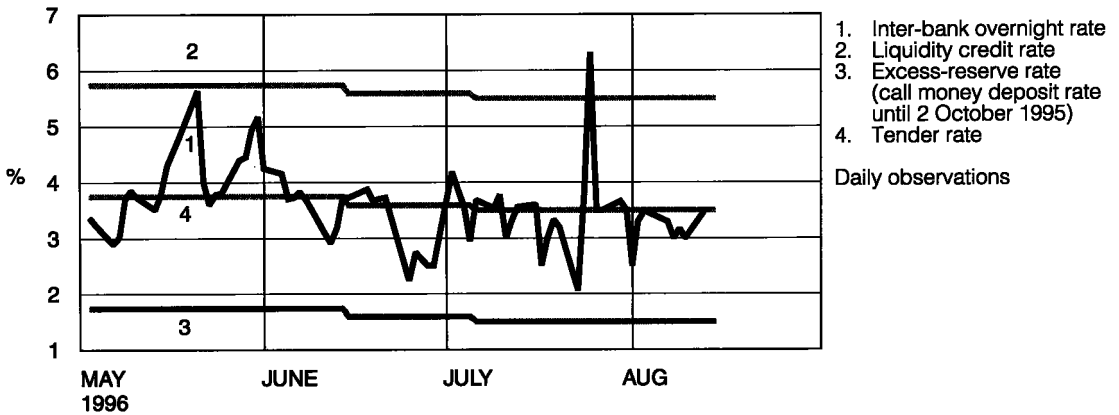
1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Excess-reserve rate (call money deposit rate until 2 October 1995)
3. Base rate

End-of-month observations

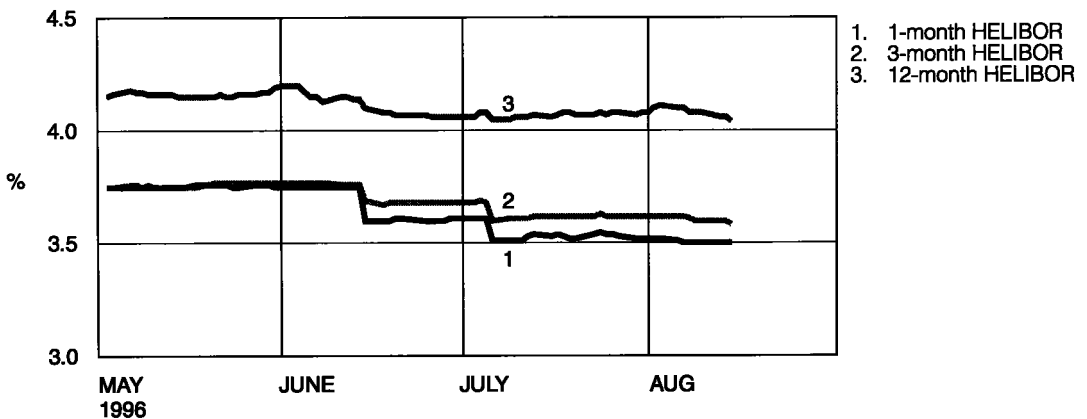
### 5. Banks' liquidity position at the Bank of Finland



### 6. Liquidity management interest rates

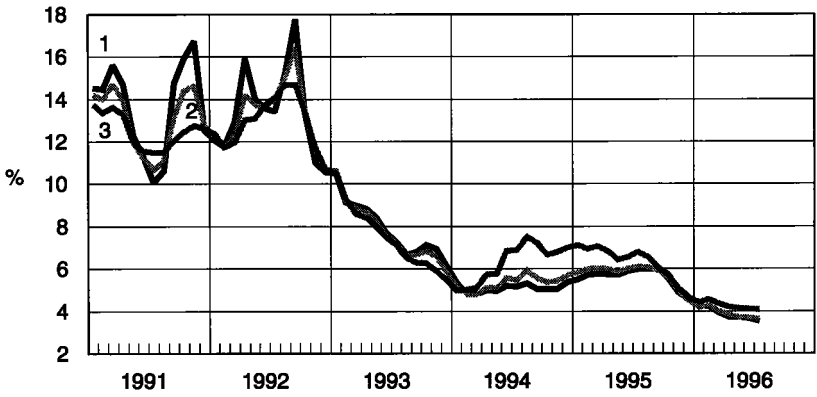


### 7. HELIBOR rates of interest, daily



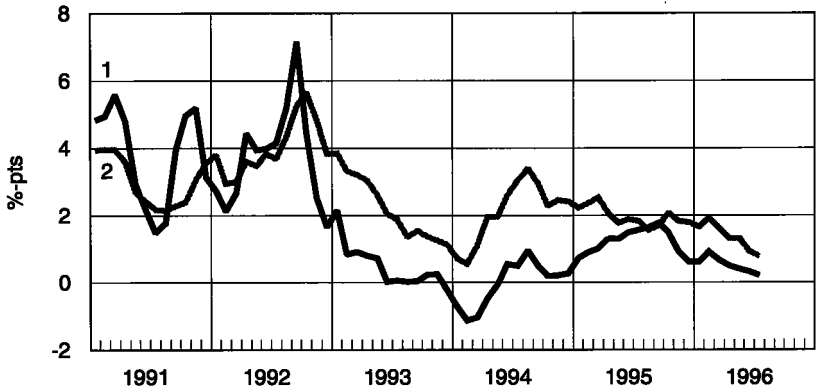


### 8. HELIBOR rates of interest, monthly



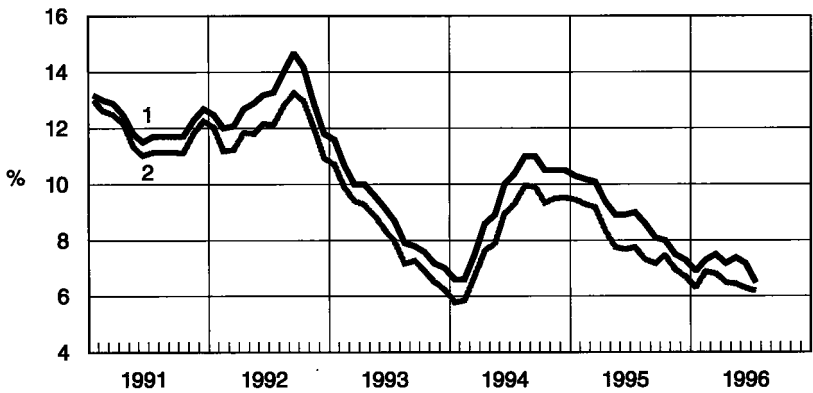
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

### 9. Differential between Finnish and German interest rates



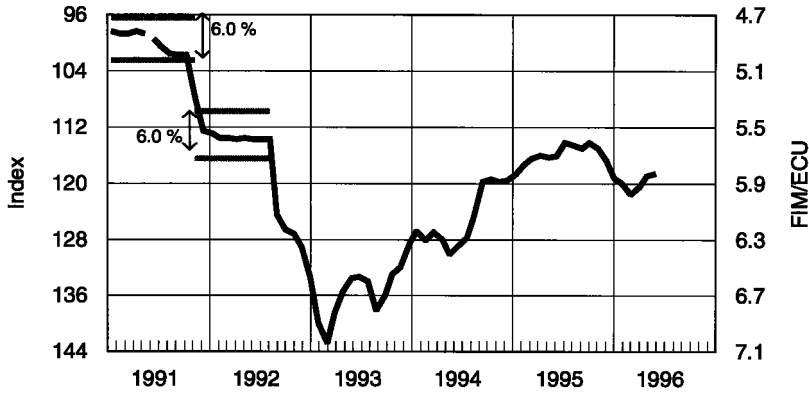
- 1. 3-month HELIBOR minus 3-month DEM eurorate
- 2. 5-year Finnish government bond yield minus 5-year German government bond yield

### 10. Bond yields



- 1. Bank of Finland's 5-year reference rate
- 2. Yield on (4-5 year) taxable government bonds

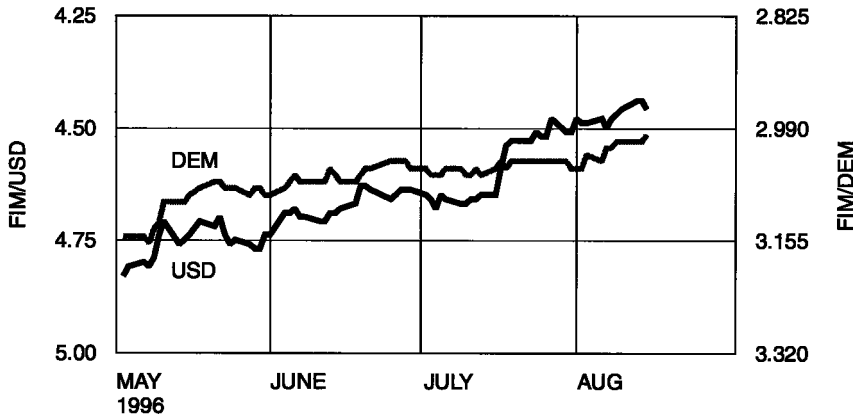
### 11. Bank of Finland currency index and the markka value of the ECU



Until 7 June 1991, the Bank of Finland currency index. From 7 June 1991, the markka's exchange rate against the ECU.

Monthly averages

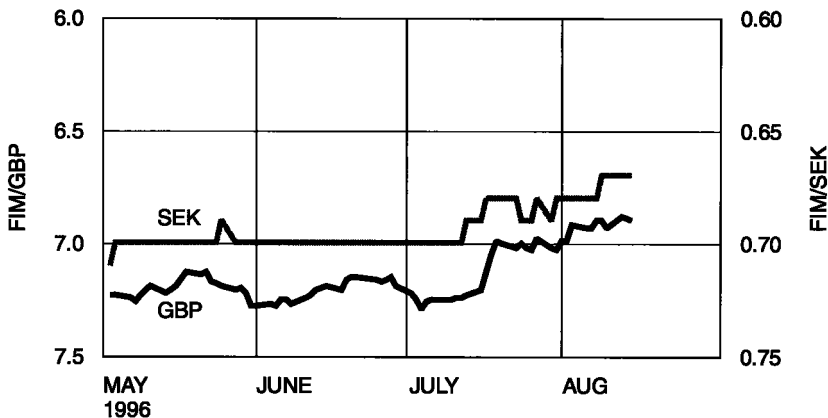
### 12. Daily spot rates for the markka against the Deutschemark and the US dollar



Middle rates

DEM = right scale  
USD = left scale

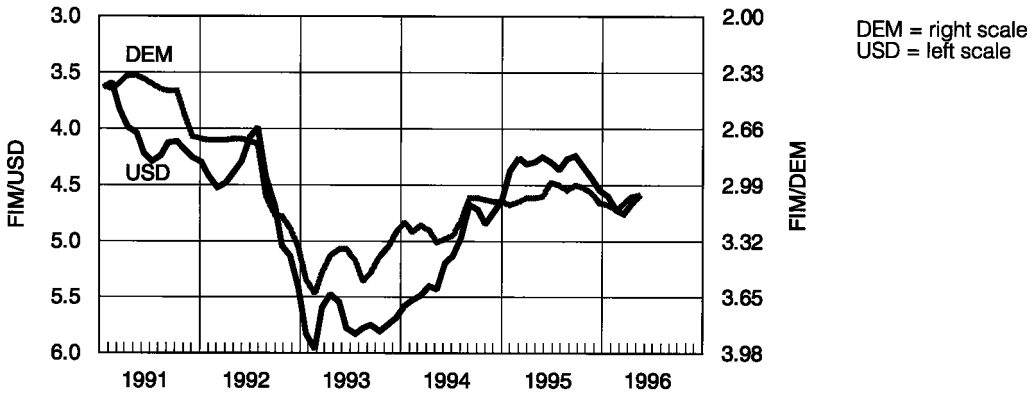
### 13. Daily spot rates for the markka against the pound sterling and the Swedish krona



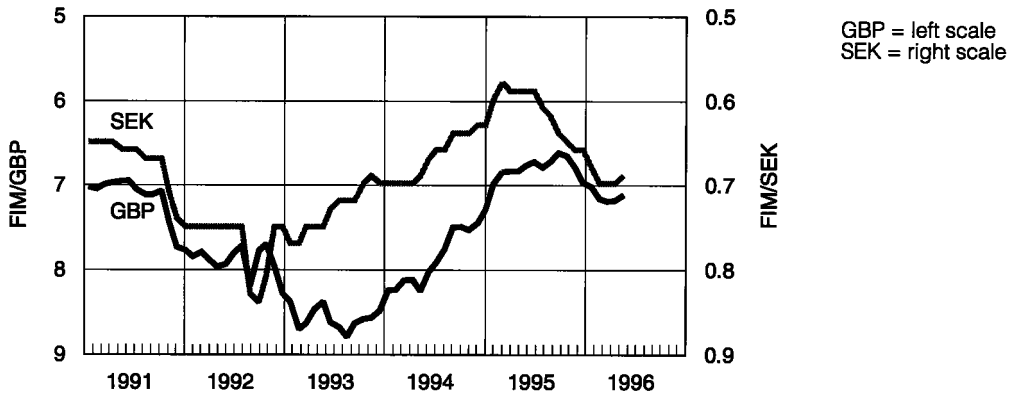
Middle rates

GBP = left scale  
SEK = right scale

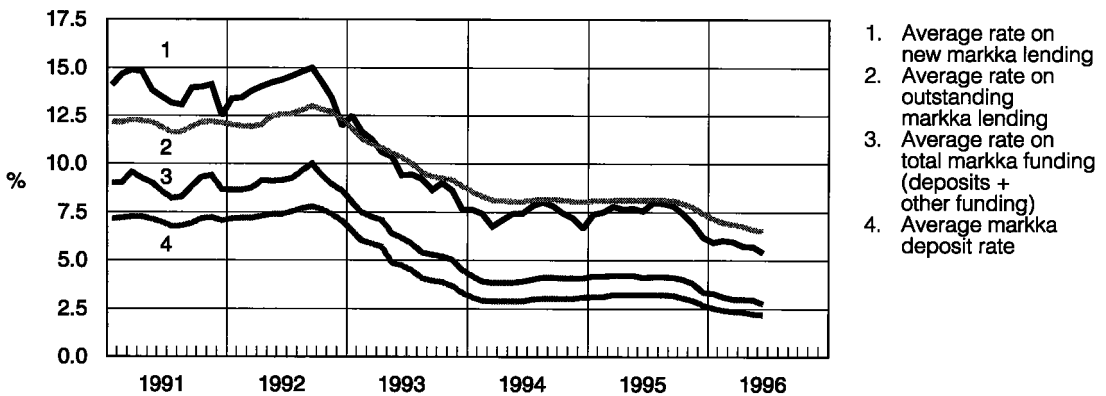
**14. Monthly spot rates for the markka against the Deutschemark and the US dollar**



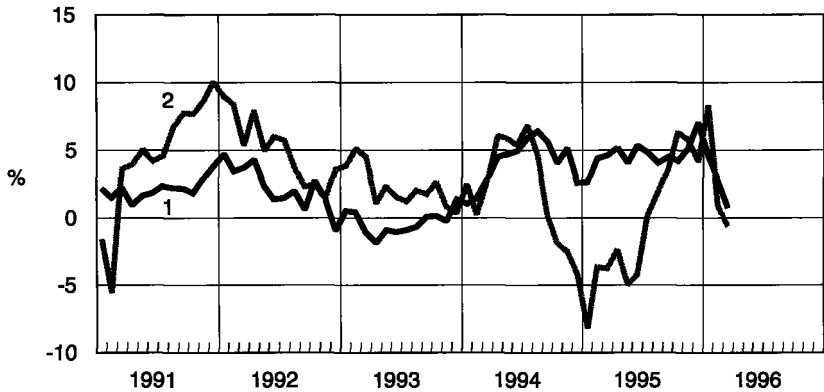
**15. Monthly spot rates for the markka against the pound sterling and the Swedish krona**



**16. Banks' markka lending rates and markka funding rates**



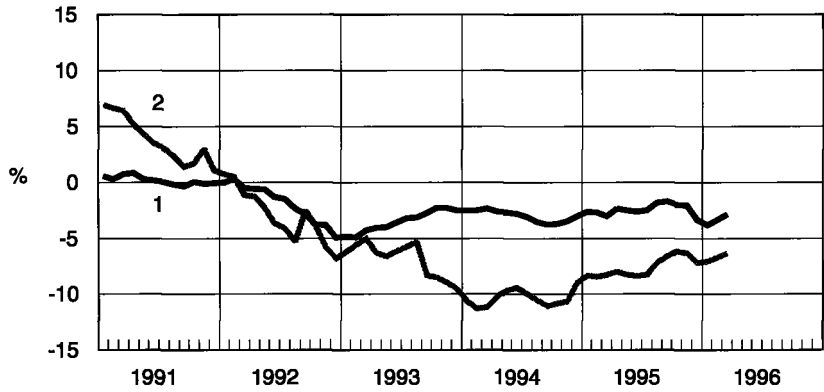
### 17. Bank funding from the public



- 1. Markka deposits
- 2. Total funding

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

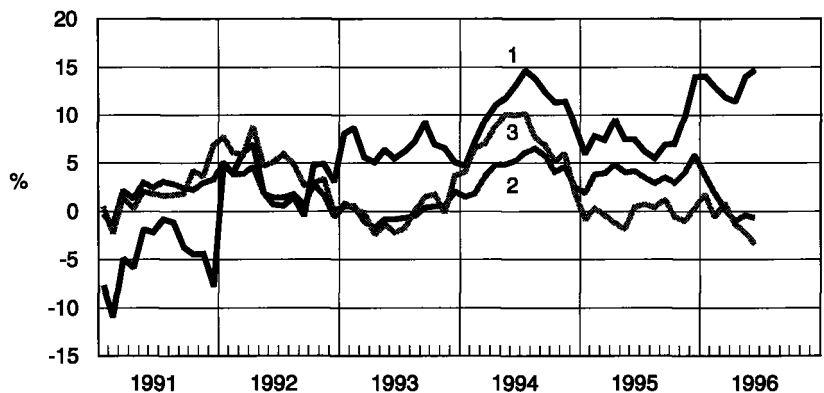
### 18. Bank lending to the public



- 1. Markka lending
- 2. Total lending

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

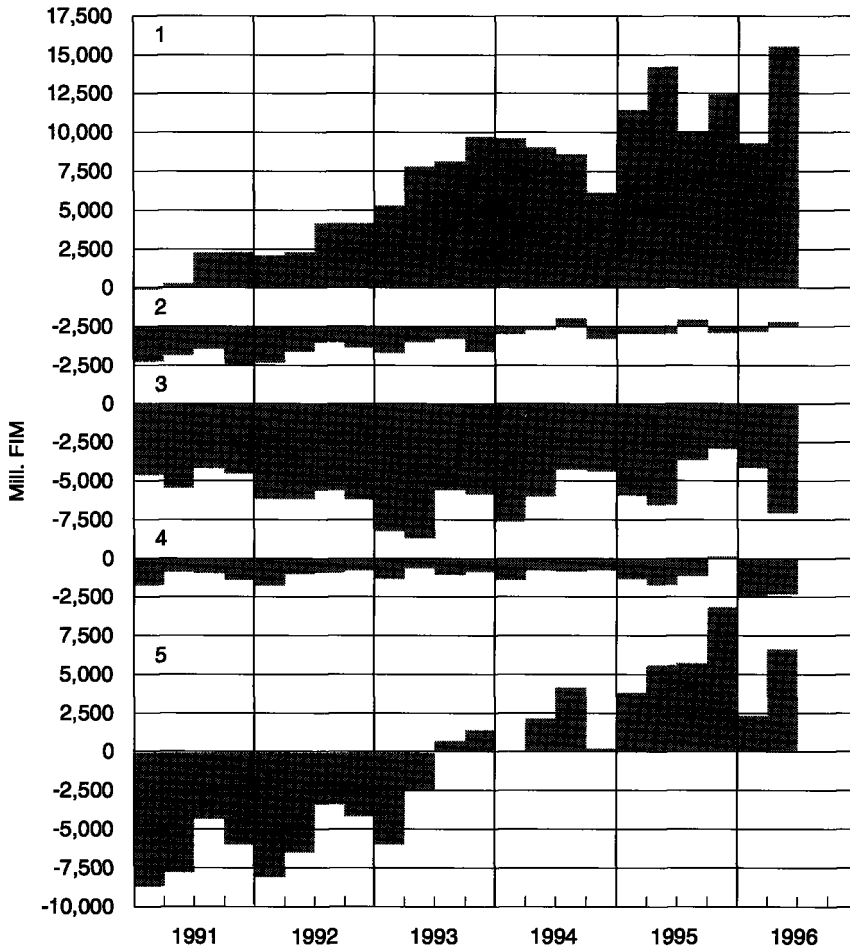
### 19. Money supply



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

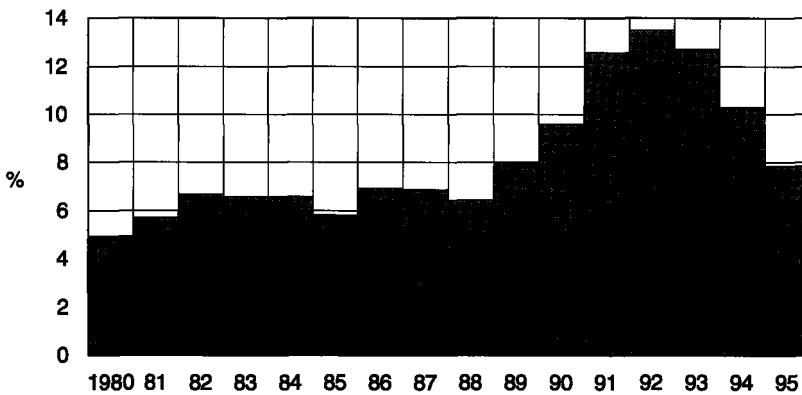
Change from the corresponding month of the previous year, per cent

## 20. Current account



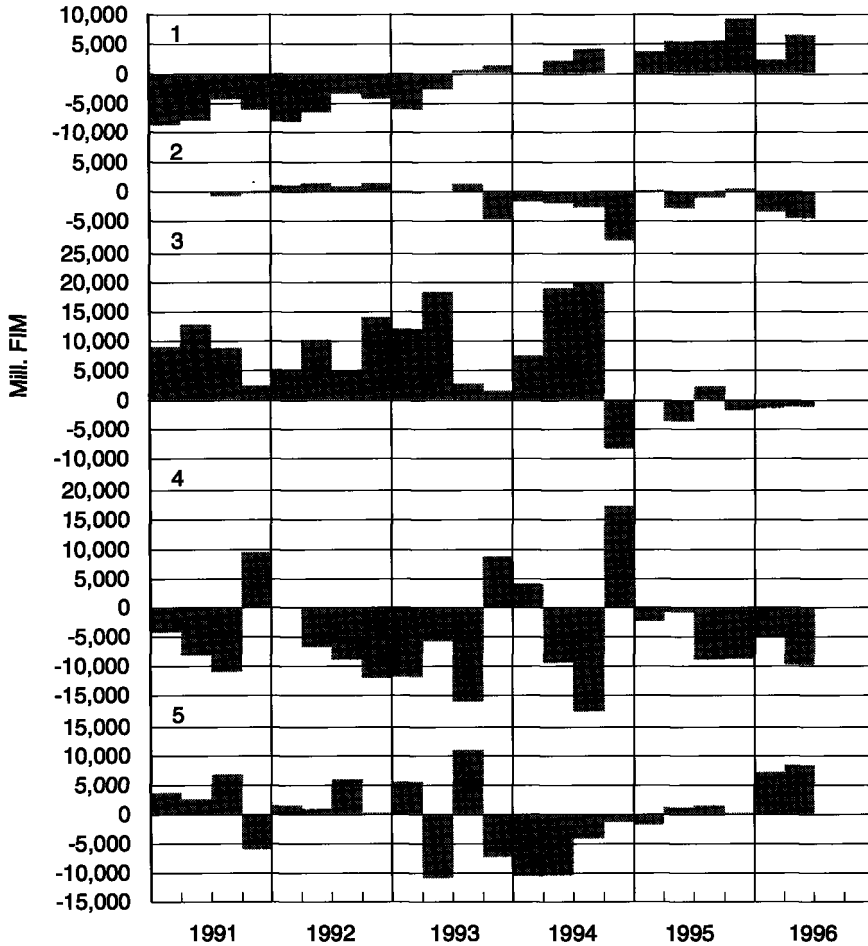
1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

## 21. Net interest and dividend expenditure



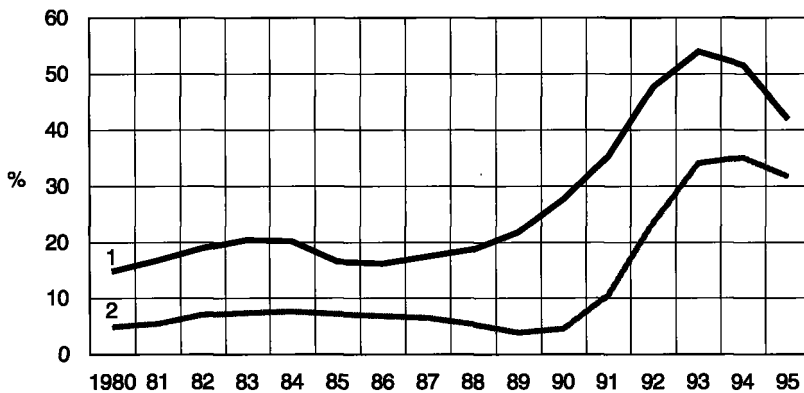
As percentage of current account receipts

## 22. Balance of payments



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

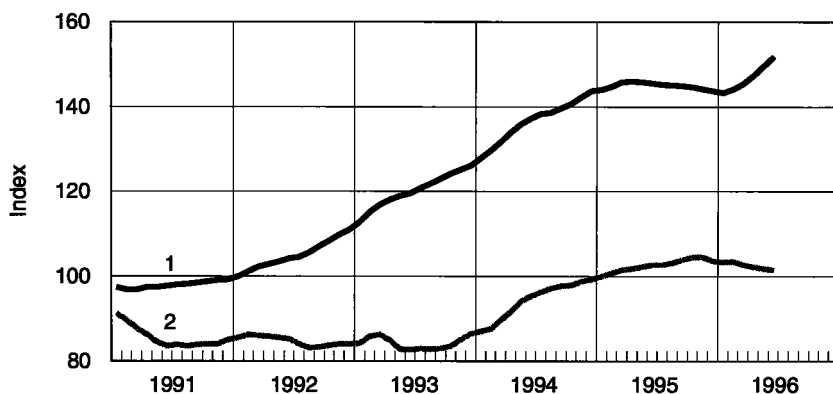
## 23. Finland's net international investment position



1. Total
2. Of which: central government

The stock of external liabilities minus the stock of external assets, as a percentage of GDP

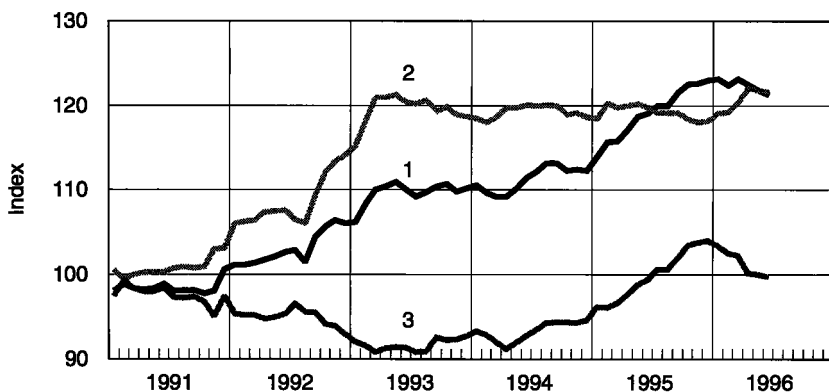
## 24. Foreign trade



1. Exports of goods
2. Imports of goods

Volume index, 1990 = 100, trend

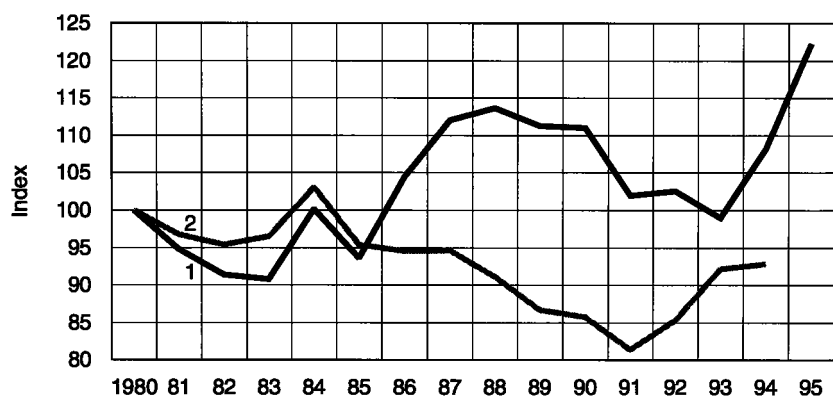
## 25. Foreign trade: prices and terms of trade



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

Index 1990 = 100

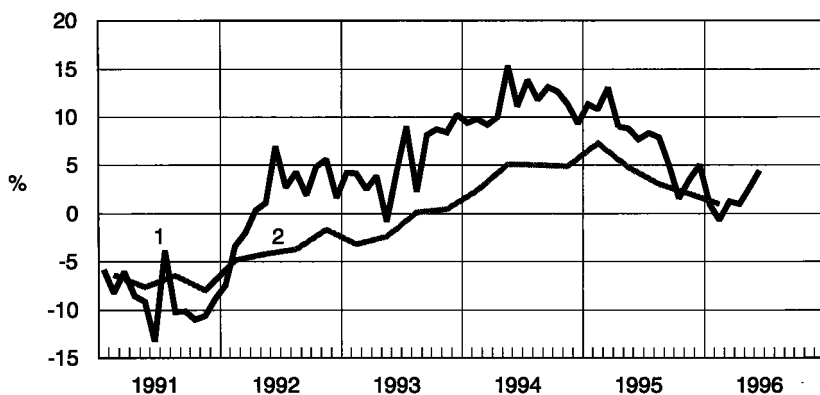
## 26. Finland's export performance



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

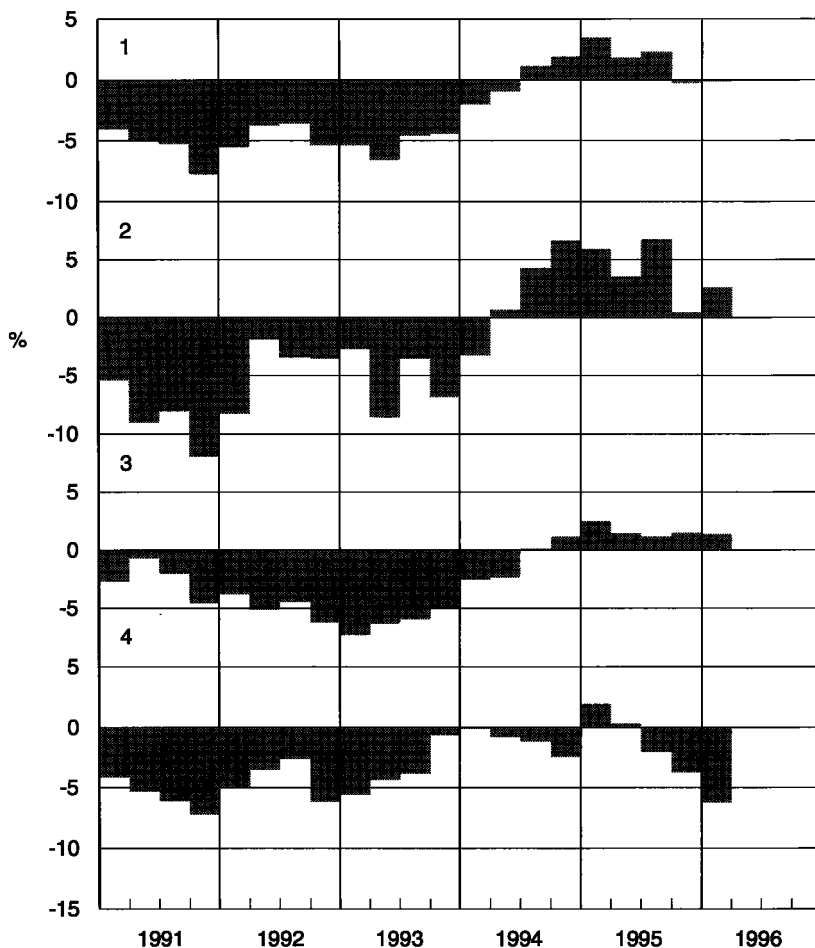
1980 = 100

## 27. Production



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

## 28. Fixed investment

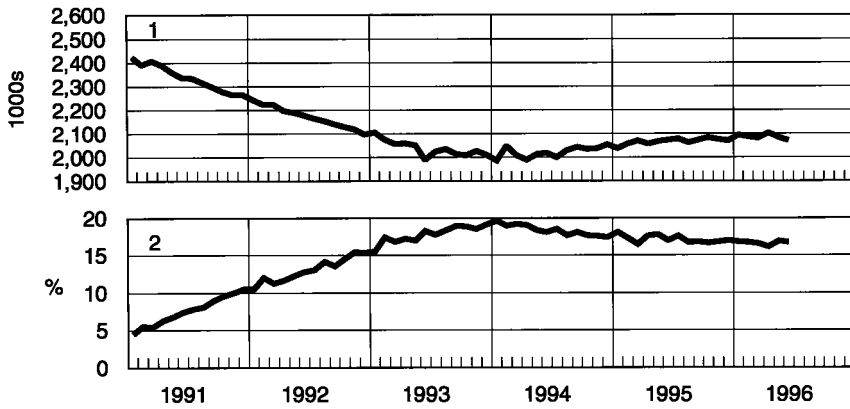


1. Total fixed investment
2. Investment in machinery and equipment
3. Building investment, excl. residential buildings
4. Residential buildings

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

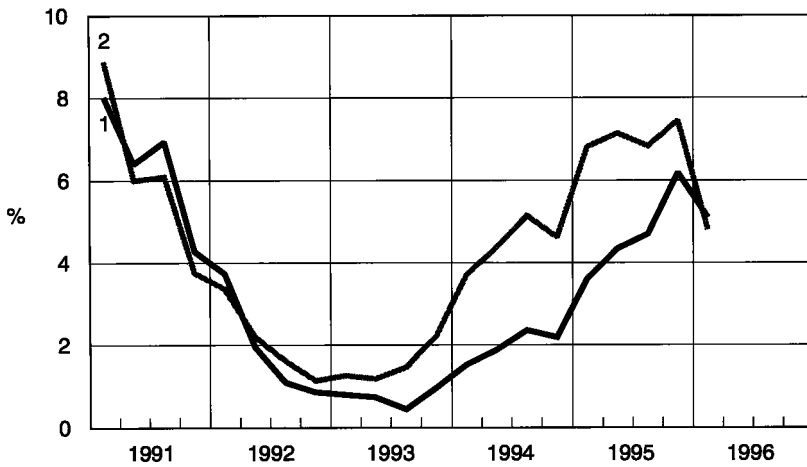


## 29. Employment and unemployment rate



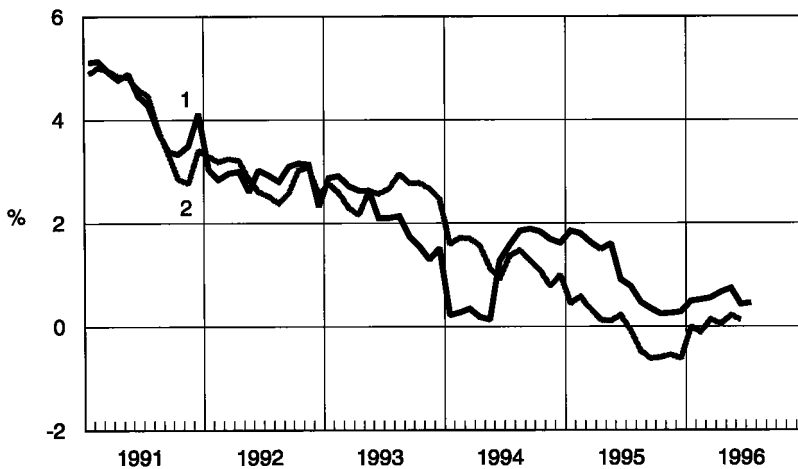
1. Employment, 1000 persons
2. Unemployment rate, per cent

## 30. Prices and wages



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

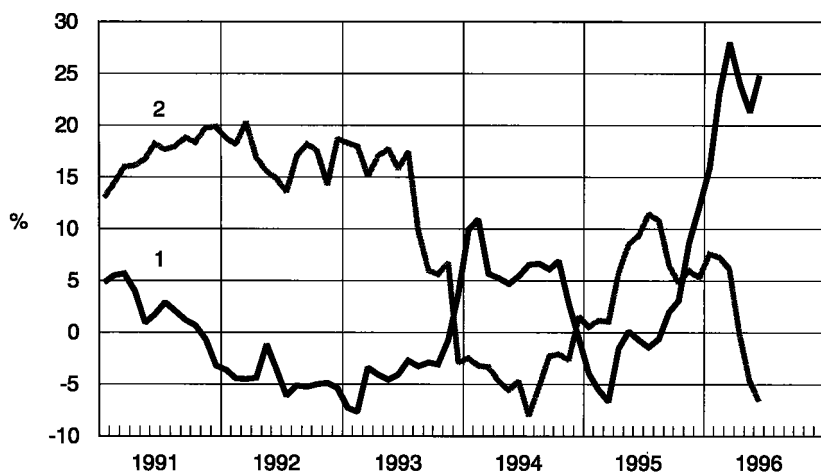
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Indicator of underlying inflation

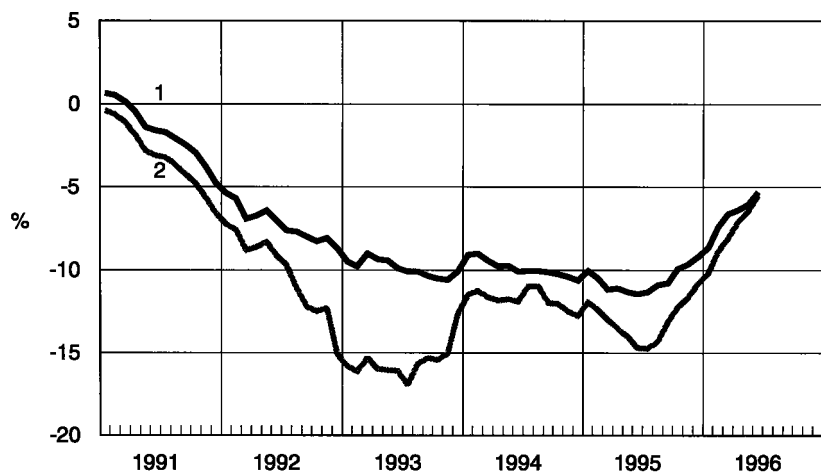
Change from the corresponding month of the previous year, per cent

### 31. Central government finances



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

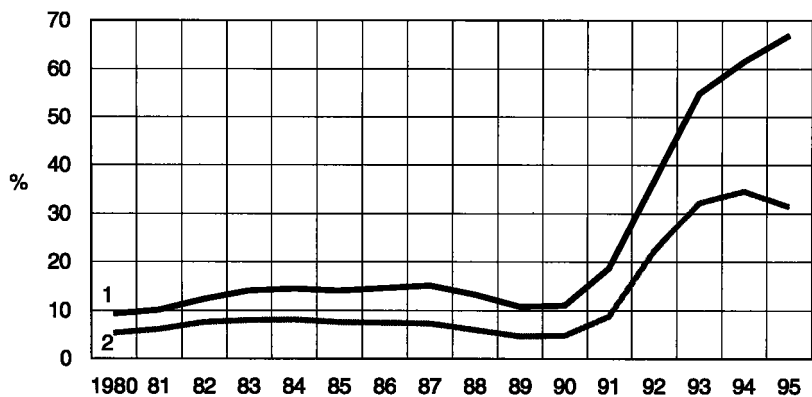
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



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

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

### 32. Central government debt



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

As a percentage of GDP

# BANK OF FINLAND

15 July 1996

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PERTTI PAASIO, Vice Chairman  
OLAVI ALA-NISSILÄ

KIMMO SASI  
TUULIKKI HÄMÄLÄINEN  
MAURI PEKKARINEN

JOHANNES KOSKINEN  
ESKO SEPPÄNEN  
ANNELI JÄÄTTEENMÄKI

ANTON MÄKELÄ, Secretary to the Parliamentary Supervisory Board

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ESKO OLLILA

MATTI VANHALA  
MATTI LOUEKOSKI

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## DIRECTOR

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PENTTI KOIVIKKO

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Market Operations MARKUS FOGELHOLM

Administration URPO LEVO

Monetary Policy PENTTI PIKKARAINEN

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Kuopio, Oulu, Tampere, Turku

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VELI TARVAINEN, Managing Director

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**FINANCIAL SUPERVISION AUTHORITY** (functions as an independent body in connection with the Bank of Finland; it has its own organization chart)

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KAARLO JÄNNÄRI, Director General

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