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Economic developments,
inflation and monetary policy

Mutual funds in Finland

Economic developments, inflation and monetary policy	3
<hr/>	
Mutual funds in Finland	
by Mikko Niskanen and Pertti Pylkkönen	8
<hr/>	
Items: Counterparties in the Bank of Finland's money market operations and the instruments employed	
Survey on the financing conditions in the service industries	12
<hr/>	
Measures concerning monetary and foreign exchange policy and the financial markets	14
<hr/>	
Finland in brief	16
<hr/>	
Statistics • List of tables on page	S1
<hr/>	
Charts • List of charts on page	S29
<hr/>	

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Economic developments, inflation and monetary policy

The Finnish economy is pulling out of the recession and almost all sectors of the economy have seen an upturn. Confidence in the future is being restored and surveys show that both enterprises and households are clearly more optimistic than they were a year ago. The policy of low inflation and consolidation of central government finances has met with ever widening approval. As a result, the markka's exchange rate has remained stable and even strengthened at times, and long-term interest rates have clearly come down despite the instability of the international financial markets. The restoration of the external value of the markka has supported favourable developments in the domestic market and reversed the dichotomous trend in the economy (Chart 1).

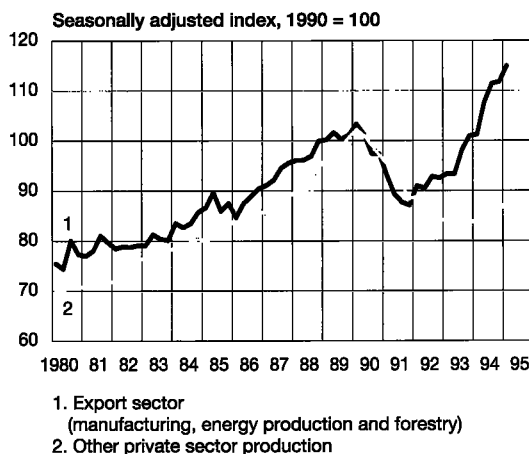
Export earnings have continued to grow throughout the spring months, although the growth has been increasingly fuelled by rising prices. Paper prices, for instance, have risen considerably owing to supply shortfalls. Production in the export sector continues to grow at a relatively rapid pace, but most companies in the forest industries are running at nearly full capacity. Consequently, further increases in export volume will be held back largely by the shortage of production capacity rather than by weaker price competitiveness owing to the depreciation of the US dollar and the Swedish krona.

The recovery of the domestic market, which started at the end of last year, has continued and in some respects strengthened in the early months of this year. The strengthening of the markka has been a contributory factor in the recovery. Decreasing unemployment and easing fears of job loss have bolstered consumer demand. The political consensus on the need to consolidate public finances has also reduced uncertainty about the future.

Indicators point to accelerating growth in retail trade, compared with both the year-earlier period and the end of last year. Registration of new passenger cars was also brisk in the early months of the year. According to a survey of consumer confidence carried out by Statistics Finland, households' purchases will concentrate on durable goods rather than on housing. Investment has also picked up considerably during the spring. On the basis of building permit data, expansion projects in manufacturing, in particular, are increasing. Invest-

Chart 1.

Volume of output



ment in commercial construction is also recovering despite the still-high vacancy rate. By contrast, construction activity in the housing sector remains sluggish.

According to the monthly indicator, total output in January-March had increased by almost 7 per cent compared with the year-earlier period. Besides in manufacturing, growth has also clearly accelerated in the services and construction sectors. The active timber trade last autumn has significantly increased felling for trading purposes. Thus the recovery in Finland is continuing at a more rapid pace than elsewhere in Europe.

The number of jobs in manufacturing has increased, and with the pick-up in consumption the demand for labour has also increased in other sectors. In April, the number of employed persons was about 70 000 higher than a year earlier, according to a labour force survey conducted by Statistics Finland. In the course of spring, the seasonally adjusted rate of unemployment has decreased notably, to 17 per cent. However, the level of unemployment is still too high.

On the basis of various indicators, it seems that economic activity will continue at a brisk pace in the near future. The fall in interest rates and in-

creasing confidence in economic policy will continue to promote domestic demand. The improving employment situation will also help to boost income.

Current account and central government finances

The current account has remained in surplus¹ despite increasing domestic demand and capacity constraints in the export industries. In January-April, the surplus on current account amounted to FIM 1.3 billion. Imports have increased owing to the growth in industrial output and investment in machinery and equipment, as well as an emphasis on durable goods replacement in private consumption expenditures. The current account has also been burdened by the fact that the bulk of Finland's payments to the EU take place in the first half of the year whereas subsidies from the EU will be received towards the end of the year. Similarly, the government's interest payments on foreign debt are largely concentrated in the early months of the year. The current account is expected to remain clearly in surplus in the near future, because the rise in export prices should compensate for the increase in imports.

The central government's net borrowing requirement in January-March amounted to FIM 22.9 billion, which is somewhat more than a year ago. Payments to the EU and certain temporary factors have increased the borrowing requirement. Consequently, the recovery of domestic demand has not been sufficient to reduce the central government deficit, which has been exacerbated by burgeoning interest payments. The spending cuts to be implemented by the new Government, totalling about FIM 20 billion for the four-year election interim, will only gradually start to slow the growth of central government debt.

Inflationary pressures lower owing to the strengthening of the markka

In April, consumer prices were at the same level as they were six months earlier. However, prices have risen at an annualized rate of 1.8 per cent since January. The increase in consumer prices over the last few months has been accelerated by higher indirect taxes and the end of the winter discount sales. The strengthening of the markka has lowered import prices, which has clearly dampened the rate of increase in consumer prices (Table).

For underlying inflation, which excludes the effect of the increase in indirect taxes, the 12-month change was 0.3 per cent in March. Compared with both December and October, the indicator of

underlying inflation has fallen slightly. Underlying inflation is clearly below the 2 per cent target set by the Bank of Finland, but it should be noted that the rise in prices is being restrained to some extent by temporary factors.

The strengthening of the markka has clearly curbed the rate of producer price inflation, despite considerable rises in the prices of certain raw materials. In April, the 12-month rise in wholesale prices was only 1 per cent. Import prices were at almost the same level as a year earlier. By contrast, the 12-month rise in export prices in April was 7.2 per cent owing to increases in the prices of papers and basic metals. Especially the producer prices and wholesale prices of consumer goods have fallen in the early months of the year. The world market prices of several raw materials have turned down in the last few months. This will probably also alleviate price pressures in Finland.

The regional timber sale agreements made in February raised stumpage (standing timber) prices considerably. Subsequently, the world market prices of sawn timber have fallen and the markka has strengthened. Since the agreement on timber prices, the supply of raw wood has been strong. This suggests that stumpage prices are not likely to move up soon from their present level.

Although the housing market has been fairly active, house prices have continued to fall gradually until quite recently. According to the house price index for the entire country, it seems that the downward trend in prices has now been reversed. The decrease in interest rates is stabilizing the level of house prices.

In the first quarter of this year, the index of wage and salary earnings rose by 3.6 per cent compared with the year-earlier period. Also in the first quarter, negotiated pay increases amounted to 2.4 per cent. Wage drift has increased gradually in manufacturing. Owing to this and the considerable pay increases, the wage level in manufacturing has risen by 7½ per cent in the first quarter. On the basis of developments so far this year and the future pay increases already agreed, it is estimated that hourly wages will rise this year by 5 per cent on average. This exceeds the estimated increase in labour

Table. Inflation and interest rates

	1993	1994	1995			
			Jan.	Feb.	March	April
Inflation*	2.2	1.1	1.9	1.8	1.6	1.5
Underlying inflation*	2.6	1.3	0.4	0.6	0.3	..
Change in import prices*	10.1	-0.2	0.0	1.9	0.9	0.2
Yield on 10-year government bonds	8.8	9.1	10.2	10.2	10.2	9.4
Average interest rate on new markka loans	9.9	7.4	7.4	7.5	7.8	7.7

* change from the corresponding month of the preceding year

¹ A delay in the publication of the Board of Customs trade figures has made it difficult to analyze developments in Finland's foreign trade. The trade figures have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The survey data is not fully comprehensive and cannot be used for the purpose of estimating the sub-items in foreign trade.

productivity by 2 percentage points. In the light of the present data, the labour cost carry-over for next year will amount to approximately one per cent.

The rise in consumer prices will remain subdued in the near future. The 12-month rise in consumer prices will slow to about one per cent, when the effect of the VAT reform on last year's figures drops out of the comparison. By next winter, the rate of price increase will accelerate to about 2 per cent, however, as prices begin slowly to reflect the increase in labour costs.

The 12-month rate of underlying inflation is also expected to remain low in the months ahead. It is estimated that the 12-month rate of underlying inflation will still be below one per cent in the autumn. If the markka remains at its present level, the anti-inflationary effect of the exchange rate will gradually start to wear off. After the turn of the year, underlying inflation is likely to exceed 2 per cent, at least temporarily.

The projected development seems to be in harmony with households' inflation expectations. According to a consumer survey, households' inflation expectations have continued to abate compared with the latter half of 1994 (Chart 2). Companies have long expected the rate of inflation to be clearly higher than what the actual rate has been. However, according to the latest survey of business confidence, companies have started to moderate their inflation expectations, although they still expect inflation to accelerate in the future.

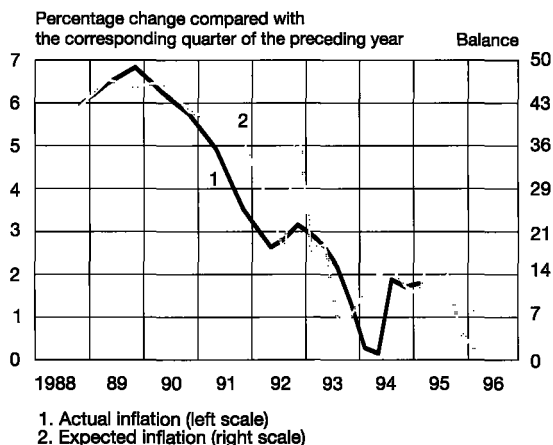
Strengthened credibility

Throughout the spring, the international currency markets have been disturbed by the weakening of the US dollar, affected at first by the difficult trade negotiations between Japan and the United States and, subsequently, by the slower-than-expected growth of the US economy. The weak dollar has also been reflected in the exchange rates of the European currencies, because the deutschmark, along with the yen, has strengthened to counterbalance the fall of the dollar. The disturbances in the European Exchange Rate Mechanism in March were also reflected in the Swedish krona, but not to any large extent in the Finnish markka. This can be interpreted as a sign of increasing confidence in the Finnish economy and economic policy.

In early April, the external value of the markka appreciated and long-term interest rates started to fall, following the publication of the new Government's programme, which contained a promise to conduct a tight fiscal policy in order to consolidate central government finances. Confidence in a continued moderate rate of inflation was further promoted by the Government's clear support of the price stability objective and by signs that the labour market organizations were lining up behind the anti-inflationary policy. At the same time, many economic indicators, such as output growth and current account balance, pointed towards increasing-

Chart 2.

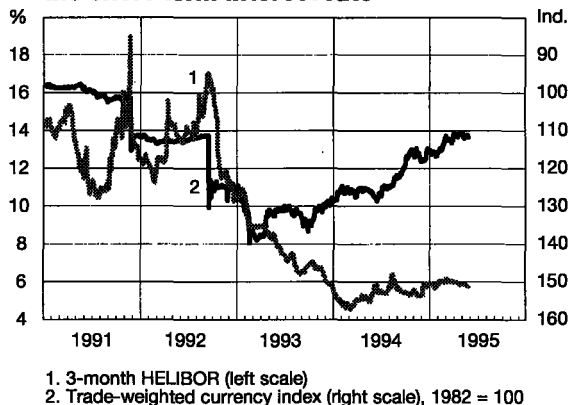
Actual and expected inflation¹



¹ See also Mika Kuismanen and Mikko Spolander, "Inflation expectations in Finnish survey data", Bank of Finland Bulletin, March 1995, Vol. 69 No. 3.

Chart 3.

External value of the markka and the short-term interest rate

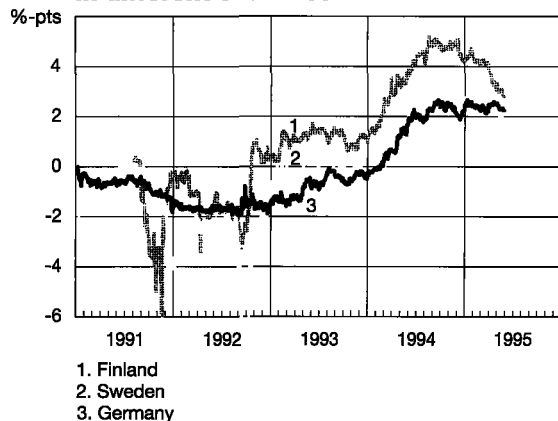


ly favourable developments. The combination of these factors led to a strengthening of the markka vis-à-vis almost all other currencies, even against the deutschmark.

In terms of the geographical distribution of foreign trade, the markka is already stronger than it was in the days immediately following the devaluation in 1991 (Chart 3). Besides the strengthening of the markka, this is also largely due to the weakening of the Swedish krona and US dollar. The Swedish krona has depreciated clearly below its level preceding the devaluation in autumn 1991. Owing to the weakening of the dollar, the markka rate on the dollar has fallen approximately to the level pre-

Chart 4.

Differential between 10-year and 3-month interest rates in different countries



ceding the markka's devaluation in 1991. However, the markka rate on the deutschmark is still 25 per cent higher than it was before the 1991 devaluation.

The external value of the markka has been determined by the free interplay of market forces, as the Bank of Finland has intervened only to a very minor extent in the foreign exchange market. In the last few months, the foreign exchange reserves have declined, mainly because of repayments of the government's foreign currency-denominated debt. At the beginning of June, the foreign exchange reserves amounted to FIM 51 billion. The reduction in the foreign exchange reserves has enabled the Bank of Finland to reduce the amount of its CDs in circulation, which were originally issued by the Bank in order to absorb the extra liquidity that was generated by the central government's capital imports.

Throughout the spring, Finnish companies have prepared for the strengthening of the markka by hedging their export earnings in the forward markets. In January-April, companies' forward currency sales increased by a total of FIM 5 billion. At the end of April, companies' forward position with Finnish banks was a record high FIM 33 billion, which indicates not only an increase in hedging operations but also an increase in export earnings to be repatriated.

Narrowed interest rate differential vis-à-vis the German long-term rate

The strengthening of confidence in economic policy pushed long-term interest rates down in April. In the early months of the year, the international markets did not exert pressure on interest rates. The longest-term interest rate in Finland (currently the 9-year rate) declined by about one percentage

point between the pre-Easter period and the beginning of June.

The strengthening of the markka prevented foreign price pressures from spilling over into the domestic price level during the spring. The Bank of Finland kept its tender rate fixed after the February increase up until 9 June, when the rate was raised to 6 per cent. Short-term market rates, which are largely determined by the level of the tender rate, had remained almost unchanged from mid-March until the tender rate was raised. The positive atmosphere created by the sharp fall in long-term interest rates had also had a slight easing effect on short-term interest rates. On 9 June, the 3-month HELIBOR was 6 per cent, ie the same as in mid-March. Forward rate agreements imply that expected short-term interest rates have fallen from what they were only a few months ago.

The interest rate differential between German and Finnish long-term interest rates has narrowed but the differential between short-term rates has increased. At the beginning of June, the Finnish three-month rate was about 1.5 percentage points higher and the long-term rate about 2 percentage points higher than the corresponding German rates. Compared with early March, the slope of the Finnish yield curve has clearly flattened out thus approaching the slope of the German yield curve (Chart 4). The Swedish short-term market rate is 3 percentage points higher and the long-term rate almost 2 percentage points higher than the corresponding Finnish rates.

In April, the Bank of Finland recommended that the banks abandon the use of the three-year and five-year reference rates in their lending because of the thinness of the markets for the bonds on which these reference rates are based. This recommendation is likely to lead to a wider use of prime rates, as all major banks already have their own prime rates. Some of the banks announced that they will lower their prime rates from the beginning of June owing to the decrease in the general level of interest rates.

Demand for loans showing no signs of a pick-up

Liquidity has remained good in the money market. Deposits from the public have increased, especially on transaction accounts, one reason for this being the payment of tax refunds in February. Consequently, the narrow money stock (M1) has grown fastest of all the monetary aggregates during the last few months; in April, its annualized growth rate was over 9 per cent. The contraction in outstanding debt is reflected in the slower rate of increase, 5 per cent, recorded by the broad money stock (M2). The broadest monetary aggregate (M3) – which includes, besides cash held by the public and deposits, also bank CDs held by the public – has remained unchanged or slightly below its level of a year ago. M3 tends to be more volatile than the

other aggregates because it is influenced by the amount of bank CDs held by the government. One of the reasons for the recent contraction in M3 has been the conversion of CDs issued by the Savings Bank of Finland Ltd into debt obligations of the asset management company Arsenal, which has reduced the outstanding stock of bank CDs.

According to a survey carried out by the Finnish Bankers' Association in March, more than half of small and medium-sized enterprises intend to invest within a year, but two-thirds of them intend to finance their investments for the most part internally. Also taking into account the depressed state of demand for housing loans, the volume of bank lending does not appear likely to grow in the near future. Large companies can also obtain external financing from the securities markets.

Average interest rates on new bank loans rose slightly in the first quarter of this year, reflecting both the rise in short-term market rates and the February increases in the prime rates of some of the banks. In April, a fall in market rates led to a fall in average interest rates on new loans, to 9.9 per cent on consumer loans and 8.5 per cent on housing loans. Banks' interest rate margins have stopped narrowing at slightly less than 5 percentage points, as both deposit and lending rates have risen in step during the early months of the year. Interest rates on deposits subject to withholding tax have clearly turned up, but their relative share in the deposit stock has decreased as the share of tax-exempt transaction accounts has grown.

Interest rate developments will be determined largely by cost developments in the latter half of the year

The operating environment for monetary policy has become slightly more favourable in the course of the spring. The credibility of economic policy has increased, exchange rate development has been stable after the markka strengthened and long-term interest rates have fallen. The commitment to low inflation has clearly been strengthened by the

Government's programme and statements issued by the labour market organizations.

Despite the modest trend in inflation, a certain degree of pressure is being exerted on the price level. Sharp rises in export prices, especially in the paper and pulp industries, could jeopardize price stability over the long term. By raising the tender rate in early June, the Bank of Finland has taken pre-emptive action to avert a build-up of inflationary pressures, because the lag between a monetary policy measure and its impact on the economy is a long one.

Finland has a good opportunity to keep its rate of inflation at about 2 per cent next year also. However, to achieve this, the present favourable attitude to low inflation must be reflected in considerably more modest pay increases than those set in the previous round of wage agreements. New jobs cannot be created in the private sector unless the income distribution continues to favour companies over the next few years. Furthermore, in order to keep the existing jobs, companies must maintain their solvency, which means that the scope for pay increases remains modest despite the current strong growth in national income. Moderate wage settlements, low inflation and the resulting low rates of interest can provide a window of opportunity for a surge of new jobs creation over the next few years. The maintenance of strong competitiveness is vital in order to ensure peak performance by the Finnish economy even as international business conditions eventually turn for the worse.

It is clear that tranquillity will be preserved in the money and foreign exchange markets only if definite signs soon appear pointing to moderate settlements in the coming autumn wage round.

9 June 1995

Mutual funds in Finland¹

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During the 1980s, the Finnish financial markets underwent major changes. With the end of interest rate controls, the money market started up in the latter half of the 1980s, and the equity markets also saw substantial growth. The financial derivatives markets began to function in the latter part of the decade. In addition, collective investment modes, such as investment companies and mutual funds, also came on the scene. The first investment companies were established in 1984, and mutual funds got started in October 1987.

This article focuses on the activities and importance of mutual funds in Finland. In Finland mutual funds are not independent legal persons but are instead administered by management companies and owned jointly by shareholders. Finnish legislation does not recognize undertakings for collective investment of the "unit trust" type or "investment companies with variable capital".²

In Finland the operating framework for mutual funds differs substantially from that of investment companies. Mutual funds are covered by a special act and their investment activity is regulated and supervised, whereas investment companies are limited companies and their activity falls within the scope of the Companies Act. The basic principles of the special legislation concerning mutual funds comply with the principles laid down in the EC Council directive on undertakings for collective investment in transferable securities (UCITS) of 1985. Investment companies' activities are substantially less restricted than those of mutual funds. A few investment companies are currently listed on the stock exchange, some of which focus on real estate investments and others on the securities markets.

Legislative developments

The law on mutual funds entered into force on 1 September 1987 and has subsequently been

amended. The original act prohibited foreigners from owning shares of Finnish mutual funds; this provision was repealed at the beginning of 1992. The law on mutual funds was amended again at the beginning of 1994 because of the Agreement on the European Economic Area, according to which Finland was committed to harmonizing the Finnish law on mutual funds with the EC Council Directive on UCITS in transferable securities. According to the amended law, foreign mutual funds are granted the right to sell their shares in Finland.

According to Finnish legislation, a mutual fund is a fund consisting mainly of securities and owned by shareholders. A mutual fund is administered by a management company, which acts on the fund's behalf. Mutual fund activities can only be carried out by a management company authorized by the Ministry of Finance; the management company can establish one or more mutual funds, raise funds from the public and invest those funds in securities or deposits.

Unless the management company is granted an exemption, it cannot pursue any activity other than that of a mutual fund.

The share capital of a management company must be at least FIM 1 million and at least one per cent of the total assets managed by the company. The assets of the management company must be kept separate from the assets of the mutual fund.

The management company represents shareholders in its own name, acts on their behalf in matters concerning the fund and exercises the rights attached to the fund's assets.

The management company must draw up annual and quarterly reports. The activities of a management company are supervised by the Financial Supervision Authority, which also maintains a public list of mutual funds. The rules of a mutual fund and any amendments thereto require the confirmation of the Financial Supervision Authority.

The assets of a mutual fund must be held in custody by one or more custodians, which can be deposit banks or securities broking firms.

The rules of a mutual fund specify, inter alia, the fund's investment policy and the fees payable to the management company and custodian.

¹ In this article we use the terms "mutual fund" and "shareholder", which are more familiar to the general public than the terms "common fund" and "unit-holder", which are used in legislation. Shareholder here does not refer to stockholder but rather to an owner of shares or units of the fund itself.

² Finnish mutual funds differ from unit trusts, based on the British concept of trusts, which entails dual ownership, and from SICAVs, which are investment companies with variable capital and are common in France.

Investment activities of a management company

Generally speaking, the assets of a mutual fund operating in Finland can be invested in securities listed on a stock exchange or traded in another regulated market either in Finland or in other countries.

Mutual funds may also invest in assets which are not securities. The maximum amount of these assets must not exceed 10 per cent of the total value of the fund.

Securities issued by a single issuer may not account for more than one-tenth of the fund's value, and the total of single-issuer investments each of which accounts for at least one-twentieth of the fund's value may not exceed 40 per cent of the value of the mutual fund.

However, the law is more lenient as regards bond investments. For example, if the issuer or guarantor is an EU country or a public sector entity operating in an EU country, 35 % of the fund's value can be invested in bonds of the single issuer.

No more than 25 per cent of a mutual fund's assets may be invested in bonds issued by a single deposit bank or other credit institution, and such investments, *in toto*, may not exceed 80 per cent of the fund's assets.

In addition, some fixed income funds have been set up in Finland under an exemption granted by the Financial Supervision Authority. These funds have the right to concentrate solely on bonds issued by the Finnish government.

Another restriction on the investment activity of a mutual fund is that it may invest in the shares of a single limited company only up to the amount which corresponds to 10 per cent of the company's total share capital and 5 per cent of the total voting rights attached to those shares.

In order to enhance their portfolio management, mutual funds may also invest their assets in standardized derivative instruments, subject to conditions laid down by the Financial Supervision Authority.

Initial stages of mutual fund activities

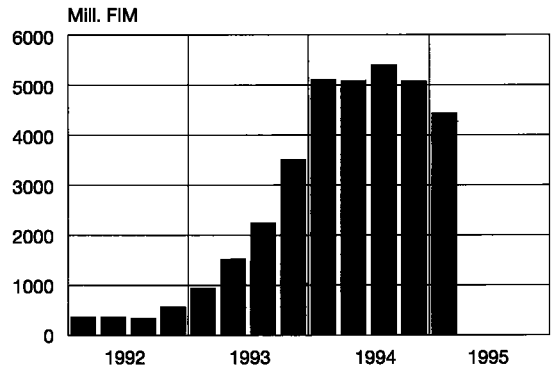
Mutual funds commenced their operations in Finland in autumn 1987 under very unfavourable conditions. The fall in equity prices in October dampened investors' interest in securities. Mutual funds had barely got started and were concentrating their investments in listed shares. Then as a result of the stock market crash, the value of mutual funds fell roughly in line with the market.

Since their investment policy was tightly regulated by legislation, mutual funds were unable to reallocate their portfolios, for example, from equities to interest rate instruments. The funds were also unable to use derivatives to hedge their investments against falling share prices because the use of derivatives was still prohibited at that time.

Subsequently, the assets of mutual funds grew only very slowly for a long time (Chart 1). In addition to the unfavourable starting conditions, several

Chart.

Fund capital of domestic mutual funds



other factors have slowed the growth of mutual funds in Finland. Financial market activities in Finland were formerly dominated by the banks and this, together with tax reliefs on deposits and earlier on bonds, had drawn household savings into banks and tax-exempt government and mortgage-bank bonds. Moreover, bank deposits are fully guaranteed, and this has also discouraged the reallocation of savings into mutual funds.

In Finland, pension insurance savings are channelled mainly into corporate debt, via the statutory employment pension scheme, and, more recently, increasingly into government bonds. Thus pension insurance payments have not gone into mutual funds at all, nor have pension insurance institutions invested their funds in mutual funds.

The 1987 legislation was considered one of the factors restricting the expansion of these funds because of the tight regulations the law imposed on investment activity. For example, the law did not allow the establishment of pure fixed income funds. The law also for a long time prohibited foreigners from acquiring shares in Finnish mutual funds.

At the end of the 1980s, mutual fund activities slowly expanded. By the end of 1988, six management companies had been set up in Finland, administering a total of 11 mutual funds. The funds' assets were just over FIM 400 million at that time. Management companies' share capital amounted to FIM 48 million.

Developments in the 1990s

By the end of 1991, only a couple of new management companies had been established and the number of mutual funds had remained fairly stable. For many years, mutual fund activity was concen-

trated in the sense that the funds were linked to deposit banks. The first mutual fund set up by a securities house started operations in 1990.

In autumn 1992, the downward trend in Finnish share prices was reversed and share prices started to rise rapidly. This was reflected in a rapid expansion of mutual funds' activities in the following year. Several new mutual funds, established by banks and now also by securities houses, emerged on the market. The number of management companies also increased.

At the end of 1994, there was a total of 16 management companies actively operating in Finland. These companies controlled more than 40 mutual funds. Finnish banks and securities houses have also established numerous mutual funds abroad, mainly in Luxembourg, which are marketed in Finland.

The growth of mutual funds, which started in 1993, was boosted at the beginning of 1994 when the amendments to the legislation on mutual funds took effect. According to the amended legislation, a mutual fund can freely invest its assets in Finnish and foreign securities which are publicly traded in Finland or in a comparable trading system abroad.

New types of funds emerging on the scene

Once the new legislation allowed the establishment of fixed income funds and equity funds, new funds soon emerged.

However, money market funds are still not allowed. This is due to the authorities' view that money market instruments are not publicly traded securities. Money market funds which invest in Finland and are marketed in Finland are generally registered in Luxembourg.

The growth of fixed income funds has got off to a fairly slow start. In February 1995, the assets of fixed income funds amounted to just under FIM 1 billion, while the total assets of mutual funds registered in Finland amounted to over FIM 5 billion.

In early 1994, long-term interest rates rose by several percentage points, which has caused large losses to bond investors. This has hampered the growth of fixed income funds and limited their income earnings.

In recent months, equity funds' earnings have also been low. This has dampened investors' interest and consequently equity fund assets were redeemed on net during the initial months of 1995.

The framework imposed by the law on mutual funds regarding their investment activities has contributed to the fact that the returns on several equity funds registered in Finland have recently been lower than those of the HEX index, which is typically used as a benchmark for reference purposes. For a long time Nokia, whose market capitalization is the largest on the Helsinki Stock Exchange, has accounted for some 25-30 per cent of the weight of the HEX index and therefore, due to legislative restrictions, the

funds have found it increasingly difficult to replicate the HEX.

Almost two-thirds of mutual funds' investment assets are held by households. Many companies have also made use of mutual funds for cash management purposes.

At the end of March 1995, Finnish mutual funds had some 67 000 shareholders with an average investment of about FIM 75 000. The number of mutual funds registered in Finland exceeded 40 at that time. The market share of mutual funds administered by management companies which are wholly or partly owned by banks was more than 50 per cent. Mutual funds administered by securities houses included a number of very small funds each with only a few dozen shareholders.

Mutual funds registered in Finland generally invest in securities issued by companies. For example, at the end of 1994, company issues accounted for 76 per cent of the combined portfolios and government bonds for just under 13 per cent. The banking crisis dampened mutual funds' interest in bank shares. At the end of 1994, securities issued by banks and other financial institutions accounted for 7 per cent of the combined portfolios.

The amended legislation allows funds to use standardized derivative instruments to hedge their portfolios. Consequently, several funds have revised their rules so that they can use derivatives under the supervision of the authorities. On permission granted by the Financial Supervision Authority, even OTC derivatives can be used for investment purposes.

The amended law introduced new possibilities for treating fund profits. One major change allows for the establishment of growth funds, which do not distribute any profits on fund investments to the shareholders. Previously, funds were by necessity income funds, which distribute at least half of their unrestricted share capital as capital gains to shareholders.

Some sector funds have also been established in Finland. Their operating potential is restricted in the sense that the number of listed companies and listed bonds is small for most industries. This means that sector funds must diversify their investments widely and must include foreign investments in their portfolios.

At present, funds investing in real estate, commodities or bullion cannot be established in Finland. The same is true of closed-end funds which do not stand ready to purchase their own shares whenever an owner decides to sell and whose maximum size is limited in advance.

Taxation

The earnings on an investment in a mutual fund do not receive special tax treatment. The earnings of a natural person are subject to the regular capital income taxation, ie at a rate of 25 per cent. Moreover, the shares of a mutual fund are subject to the wealth tax.

Indeed, the fact that investments in mutual funds are not accorded special tax treatment may have had a curbing effect on the growth of mutual fund activities in Finland as compared to their growth in other countries.

Mutual funds are tax-exempt corporations, which do not pay income or wealth taxes. Hence, dividends paid by mutual funds are not included in the avoiron fiscal system.

Pending reforms

The law on mutual funds is currently being revised. The changes stem mainly from the intent to prepare for changes which will be made to the EU council directive on collective investment. Preparatory work to broaden the directive has been going on in various EU bodies for some time now.

The main objective is to extend the scope of application of the directive on collective investment. While the current directive applies only to mutual funds investing in transferable securities, the EU member states want the directive to be extended to apply to money market funds, cash funds (which invest in bank deposits), funds of funds (which invest in other funds) and master-feeder funds (a structure whereby feeder funds raise funds in various countries and transmit them wholly into a master fund which operates in one country).

As far as Finland is concerned, the inclusion of money market funds within the scope of the directive is of particular importance. However, as the required consensus on the revision has been elusive, the revised directive is not expected to be ready in the very near future.

The future role of money market funds

The start-up of money market funds in Finland is not dependent on the revision of the directive. Work has been going on for some time on changes in financial markets legislation which will make it possible for money market funds to operate here.

In recent years, money market funds have become increasingly common in many countries. Their main function is to more effectively balance the demand for and supply of short-term capital. This has led to a narrowing of interest rate differentials, lower costs on short-term financing and higher yields on short-term investments.

As far as the public in general is concerned, money market funds provide an alternative to bank deposits. Compared with fixed-term bank deposits, shares of money market funds are more readily convertible into cash and usually offer higher yields, but they are not covered by traditional depositor protection.

It is difficult to assess the potential popularity of money market funds should they be allowed in Fin-

land. For example, in France and the United States, their growth in popularity was tied to the regulation of interest rates on bank deposits at the time. In some other countries, the popularity of money market funds has been linked to differences in the tax treatment of different types of investments.

At present, nothing of a similar nature obtains in Finland that could lead to a sudden increase in the popularity of money market funds. Thus their success will depend on how competitive an alternative they offer to bank deposits, in particular.

Future prospects

By international standards, mutual funds are still of exceptionally minor importance for the Finnish financial markets. For instance, mutual fund assets amount to only some 2 per cent of bank deposits; likewise, equity funds amount to only 3 per cent of the total market capitalization of the Helsinki Stock Exchange.

However, the importance of mutual funds can be expected to grow in the future. As depositor protection is downgraded, shares in mutual funds will become a more competitive alternative for many investors. For small investors mutual funds provide a low-cost investment form which effectively diversifies risks and which may replace traditional investments in shares and other securities. Moreover, on the basis of other countries' experiences, the popularity of mutual funds can be expected to grow among institutional investors.

Channelling financial surpluses into mutual funds will radically change the operating environment of the Finnish securities markets. Investment activity will become increasingly professional and intra-institutional. Because it is easy to convert their shares into cash on short notice, mutual funds will become increasingly important in the maintenance of stability in the financial markets.

The legislation on mutual funds will require some changes. With continuing developments in the structure of the markets and a stream of financial innovations, new types of mutual funds, operating under novel principles, will be emerging on the scene. Thus authorities must be ready to react both in drafting new legislation and in supervising the activities of mutual funds.

5 June 1995

Items

Counterparties in the Bank of Finland's money market operations and the instruments employed

As from 1 June 1995, the Bank of Finland revises the criteria applied in the selection of counterparties for its money market operations and changes its policy regarding the instruments used.

Counterparties in money market operations.

The revision makes the selection criteria for money market counterparties consistent with other control mechanisms applied in the conduct of monetary policy. It does not immediately change the composition of the Bank of Finland's counterparties for money market operations but will make it possible to expand the group when necessary.

The Bank of Finland grants approval to institutions which are subject to the Bank of Finland's minimum reserve requirements and able to function as counterparties. A counterparty is required to have a current account at the Bank of Finland, to have the appropriate technical facilities and to be an active and important participant in the money market. In addition, counterparties in direct bilateral trades are required to be market makers for key money market instruments and to observe the codes of conduct pertaining to the money market. Money market participants other than credit institutions subject to the minimum reserve requirement may also be accepted as counterparties at the discretion of the Bank of Finland.

Instruments used in money market operations. Certificates of deposit (CD) issued by banks have been the main instrument used in money market operations both in direct trades and in repurchase (repo) agreements. The present revision is aimed at reducing the importance of bank CDs in this context; under normal circumstances, bank CDs will no longer be used in direct money market trades and will be undervalued in repo deals.

Normally, only Treasury bills and CDs issued by the Bank of Finland will be used in direct money market trades. The instruments now approved for repo deals in money market operations are: markka-denominated Treasury bills and benchmark bonds, Bank of Finland CDs, government backed paper and bank CDs that were approved prior to 1 June 1995 for use in money market operations. In repo deals, the securities are undervalued by 0 or 5


per cent according to issuer and maturity. At the Bank of Finland's discretion, other markka-denominated securities can also be accepted for use in repo deals at such time when a functioning market emerges for them.

Survey on the financing conditions in the service industries

In March-April 1995 the Bank of Finland and the Ministry of Trade and Industry conducted their second comprehensive biannual survey on financing conditions within the service industries operating mainly in the domestic market. Over 800 service firms, divided into three size classes and representing all the major service industries, were interviewed. The firms were also asked about their business prospects, future investments and changes in personnel, as well as about their expectations regarding prices, wages, interest rates and the exchange rate.

The most important finding was that the financing problems of firms in this sector are by and large disappearing. Large firms in particular did not experience difficulties in raising new financing during the 6-month period preceding the survey. Moreover, a shortage of financing had very seldom interrupted firms' investment plans. The lack of collateral needed for new borrowing was the most important financing problem that surfaced. Relatively few firms had raised new external financing (e.g. bank loans) during the period, although business conditions have improved significantly over the past 12 months or so and firms generally expect a considerable increase in profitability in the near term. It appears that the demand for bank loans in Finland will remain slack for some time. Plans by service sector firms to acquire new financing, and bank loans in particular, actually contracted as compared to the autumn 1994 survey. Widespread incentive among service firms to improve their financial position and increased tax neutrality with respect to the various forms of financing seem to have reduced firms' willingness to raise new debt.

Service sector firms as a whole expect that the current rapid growth in turnover will continue over the next 12 months. However, they are still quite cautious in their investment and employment plans.



Their expectations regarding inflation did not change much from autumn 1994: they still foresee a slight increase in consumer price inflation, to an annual rate of 2.8 per cent one year from now.

Firms anticipate a clear rise in wages and a moderate rise in short-term interest rates. Further, they expect a slight depreciation in the external value of the markka.

Measures concerning monetary and foreign exchange policy and the financial markets

1994

SEPTEMBER

Increase in the capital of Asset Management Company Arsenal Ltd. On 8 September, the Government decides to raise the share capital of Asset Management Company Arsenal Ltd by FIM 6 billion. The capital injection is necessary to cover losses incurred during the year.

NOVEMBER

Banks' access to the Bank of Finland's current account and liquidity credit facilities. At the beginning of November, the Bank of Finland modifies the conditions governing access by banks and other credit institutions to current account and liquidity credit facilities at the central bank. In addition, the partial collateralization requirement previously imposed on intraday credit limits is replaced by the requirement of full collateralization.

Tax-exempt deposits. On 18 November, Parliament approves an amendment of the law on the tax relief of deposits and bonds whereby the tax-exempt status of 24-month deposits is extended to apply to deposits made up to the end of 1995.

The Bank of Finland decides to sign the EMS agreement without entry into the ERM. On 23 November, the Bank of Finland decides to sign the agreements between the central banks of the EU member states on the European Monetary System (EMS) and Short-Term Monetary Support (STMS). The agreements will enter into force as of the date Finland's membership of the EU becomes effective. The Board of the Bank of Finland also decides to propose to the central banks of the EU member states that the existing bilateral swap agreements with EU central banks be terminated with effect from the date of entry into force of the EMS and STMS agreements.

DECEMBER

Tender rate. On 9 December, the Bank of Finland raises its tender rate from 5.0 per cent to 5.5 per cent. The tender rate serves as a benchmark for short-term money market rates.

Support to Skopbank. On 21 December, the Government grants capital support to Skopbank by purchasing preferred capital certificates issued by Skopbank to the total value of FIM 450 million.

1995

FEBRUARY

Tender rate. On 10 February, the Bank of Finland raises its tender rate from 5.5 per cent to 5.75 per cent.

MARCH

Increase in the capital of Asset Management Company Arsenal Ltd. On 23 March, the Government decides to raise the share capital of Asset Management Company Arsenal Ltd by FIM 8 billion. The capital injection is necessary to cover losses incurred during the year.

APRIL

Long-term reference rates. On 21 April, the Bank of Finland recommends that the three- and five-year reference rates calculated by it should no longer be used as reference rates for new loans.

JUNE

HELIBOR rates. As from 1 June, the method of calculating the HELIBOR rates is revised. As a rule, all the banks which have been accepted by the Bank of Finland as counterparties in its money market operations are taken into account in the calculation; the highest and lowest rates quoted for each maturity are omitted.

Counterparties in the Bank of Finland's money market operations and the instruments employed. On 1 June 1995, the Bank of Finland revises the criteria applied in the selection of counterparties for its money market operations and accords priority status to risk-free securities.

Weekly repo auctions discontinued. On 1 June 1995, the Bank of Finland discontinues the weekly tenders (repo auctions) which it arranges for market makers in government benchmark bonds.

Skopbank to be sold to Svenska Handelsbanken. On the proposal of the Government Guarantee Fund, the Government approves on 2 June 1995 an arrangement whereby the sound parts of Skopbank will be sold to the Swedish bank Svenska Handelsbanken. The deal involves mainly the parent Skopbank's good loans and guarantees as well as the share capital of Industrialization Fund of Finland Ltd and SKOP Finance Ltd., which are part of the Skopbank group. Also included in the deal are Skopbank subsidiaries Finnish Real Estate Bank Ltd and the credit card company Aktiiviraha Oy.

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 5 098 427 (31 December 1994) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 516 100 inhabitants, Espoo (Esbo) 186 600, Tampere (Tammerfors) 179 300, Vantaa (Vanda) 164 600 and Turku (Åbo) 162 300.

There are two official languages: 93.1 % 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 418 billion in basic values in 1993, 3 % was generated in agriculture and fishing, 2 % in forestry, 26.5 % in industry, 4.5 % in construction, 11 % in trade, restaurants and hotels, 8.5 % in transport and communications, 4 % in finance and insurance, 20.5 % in other private services and 20 % by producers of government services. Of total employment of 2.0 million persons in 1993, 8 % were engaged in primary production, 27 % in industry and construction and 65 % in services.

In 1993, expenditure on the gross domestic product in purchasers' values amounted to FIM 479 billion and was distributed as follows: net exports 5.5 % (exports 33.3 %, imports -27.8 %), gross fixed capital formation 15 %, private consumption 56.5 % and government consumption 23.5 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 47 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 1990-93. Finland's GDP per capita in 1993 was USD 16 500.

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 1994, the share of forest industry products in total merchandise exports was 36%, the share of metal and engineering products 44% and the share of other goods 20%. 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 1 910 million cubic metres, of which 45% is pine, 37% spruce and 18% broad-leaved species, chiefly birch.

The annual growth increment totals 78 million cubic metres and the total drain was about 62 million cubic metres in 1994.

Energy. In 1993, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 45%, heating for 22%, transportation for 13% and other purposes for 20%. The sources of primary energy in 1993 were as follows: oil 28%, coal 11%, nuclear power 15%, hydro-electric power, peat and other indigenous sources 32%, others 14%. Compared internationally (1992), Finland's consumption of 5.6 toe (OECD definition) per capita was 1.7 times higher than the average in European OECD countries. The self-sufficiency rate (including nuclear power) in Finland was 42%, as compared with 61% in western Europe on average.

Finance and banking

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 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 1994). Finland has three major groups of deposit banks with a total of about 2 149 offices. There are three big commercial banks with national branch networks and ten smaller ones. The commercial banks have a total of 27 foreign branches, subsidiaries and associate banks and 31 representative offices abroad. There are 40 savings banks and 302 cooperative banks with their own extensive branch networks. In addition, foreign banks have four branches and eight representative offices in Finland.

Financial market. Of the total stock of FIM 683 billion in outstanding domestic credit at the end of September 1994, 53% was provided by deposit banks, 23% by insurance companies, 5% by other private credit institutions, 7% 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, 77% of the instruments, which totalled approximately FIM 174 billion at end-1994, 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 66 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 181 billion (at end-1994). Domestic bonds and debentures in circulation at end-1994 totalled FIM 200 billion; government bonds made up 47% of the total. Turnover on the Stock Exchange in 1994 amounted to FIM 71 billion; the share of shares and subscription rights in the total was approximately 97%.

1. The balance sheet of the Bank of Finland	S2
1.1 The balance sheet of the Bank of Finland	S2
1.2 Time series for the balance sheet items of the Bank of Finland	S3
2. The Bank of Finland's operations in the money and foreign exchange markets and the banks' forward exchange position	S4
2.1 Banks' liquidity position at the Bank of Finland	S4
2.2 The Bank of Finland's minimum reserve system	S4
2.3 The Bank of Finland's money market transactions	S4
2.4 The Bank of Finland's transactions in convertible currencies	S5
2.5 Forward exchange contracts	S5
3. Rates of interest	S6
3.1 Money market rates and rates applied by the Bank of Finland	S6
3.2 The Bank of Finland's liquidity facility	S6
3.3 Weighted Eurorates and commercial ECU interest rate	S6
3.4 Rates of interest applied by banks	S7
3.5 Yields on bonds and shares	S7
4. Rates of exchange	S8
4.1 Middle rates	S8
4.2 Markka value of the ECU and currency indices	S9
5. Other domestic financing	S10
5.1 Bank funding from the public	S10
5.2 Bank lending to the public	S10
5.3 Money supply and monetary aggregates	S11
5.4 Liabilities and assets of the central government	S11
5.5 Markka bond market	S12
a) Issues	S12
b) Stock	S12
c) Turnover	S13
5.6 Helsinki Stock Exchange	S13
6. Balance of payments, foreign liabilities and assets	S14
6.1 Current account	S14
6.2 Capital and financial account	S15
6.3 Finland's international investment position	S16
6.4 Finland's net international investment position (liabilities less assets), by sector	S17
7. Foreign trade	S18
7.1 Exports, imports and the trade balance	S18
7.2 Foreign trade: indices of volume, unit value and terms of trade	S18
7.3 Foreign trade by main groups	S18
7.4 Foreign trade by regions and countries	S19
8. Domestic economic developments	S20
8.1 Supply and use of resources	S20
8.2 Volume of industrial production	S20
8.3 Indicators of domestic supply and demand	S21
8.4 Wages and prices	S22
8.5 Labour, employment and unemployment	S23
8.6 Central government finances: revenue, expenditure and financial balance	S24
Notes and explanations to the statistical section	S25

1. The balance sheet of the Bank of Finland

1.1 The balance sheet of the Bank of Finland, mill. FIM

	1994		1995		
	31 Dec.	8 May	15 May	23 May	31 May
ASSETS					
Gold and foreign currency claims	52 743	49 595	50 136	49 622	50 536
Gold	2 180	1 742	1 742	1 742	1 742
Special drawing rights	1 537	1 070	1 018	1 031	1 028
IMF reserve tranche	1 354	1 286	1 312	1 306	1 437
ECU-claim on the European Monetary Institute	—	3 457	3 463	3 452	3 481
Foreign currency claims	47 672	42 040	42 601	42 091	42 847
Other foreign claims	4 595	4 673	4 673	4 673	4 384
Markka subscription to Finland's quota in the IMF	4 595	4 615	4 615	4 615	4 326
Share in the European Monetary Institute	—	58	58	58	58
Claims on financial institutions	2 520	3 540	3 600	3 627	3 128
Liquidity credits	—	—	10	—	—
Certificates of deposit	443	—	—	—	—
Securities with repurchase commitments	1 037	2 644	2 705	2 741	2 242
Term credits	—	—	—	—	—
Bonds	802	658	648	648	648
Other claims on financial institutions	238	238	238	238	238
Claims on the public sector	1 806	1 774	1 774	1 774	1 772
Treasury bills	—	—	—	—	—
Total coinage	1 806	1 774	1 774	1 774	1 772
Claims on corporations	3 149	3 120	3 114	3 110	3 109
Financing of domestic deliveries (KTR)	316	269	264	259	259
Other claims on corporations	2 833	2 851	2 851	2 851	2 851
Other assets	6 524	6 029	6 080	6 094	6 051
Loans for stabilizing the money market	4 532	4 532	4 532	4 532	4 532
Accrued items	1 832	1 336	1 387	1 399	1 350
Other assets	159	162	161	163	169
Valuation account	—	2 059	1 124	1 167	1 266
Capitalized expenditures and losses due to safeguarding the stability of the money market	1 400	1 400	1 400	1 400	1 400
Total	72 737	72 190	71 901	71 467	71 646
LIABILITIES					
Foreign currency liabilities	130	599	620	738	740
Other foreign liabilities	5 579	5 565	5 584	5 580	5 288
IMF markka accounts	4 595	4 615	4 615	4 615	4 326
Allocations of special drawing rights	985	950	969	965	962
Other foreign liabilities	—	—	—	—	—
Notes and coin in circulation	14 315	14 148	14 143	14 377	14 270
Notes	12 675	12 495	12 494	12 723	12 613
Coin	1 640	1 653	1 649	1 654	1 657
Certificates of deposit	35 236	34 955	34 592	34 196	34 742
Liabilities to financial institutions	7 912	7 592	7 363	7 306	7 317
Call money deposits	1 387	793	565	507	794
Term deposits	—	—	—	—	—
Minimum reserve deposits	6 526	6 798	6 798	6 798	6 523
Other liabilities to financial institutions	—	0	0	—	—
Liabilities to the public sector	93	111	475	157	194
Cheque accounts	0	0	11	1	3
Deposits of the Government Guarantee Fund	93	111	464	156	191
Other liabilities to the public sector	—	—	—	—	—
Liabilities to corporations	1 548	1 285	1 279	1 269	1 252
Deposits for investment and ship purchase	1 548	1 285	1 279	1 269	1 252
Other liabilities	461	473	383	383	383
Accrued items	437	438	356	356	347
Other liabilities	24	35	27	26	36
Valuation account	—	—	—	—	—
Provisions	1 698	1 698	1 698	1 698	1 698
Pension provision	1 329	1 329	1 329	1 329	1 329
Other provisions	369	369	369	369	369
Capital accounts	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	—	—	—	—	—
Total	72 737	72 190	71 901	71 467	71 646

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
1990	2 180	791	783	.	33 478	37 232	- 1 273	35 960	1 314	1 321	- 7
1991	2 180	932	1 136	.	29 381	33 629	- 424	33 204	1 375	3	1 372
1992	2 180	564	1 732	.	25 041	29 517	- 2 998	26 519	2 446	90	2 356
1993	2 180	664	1 747	.	28 882	33 473	- 1 324	32 148	1 788	784	1 004
1994	2 180	1 537	1 354	.	47 672	52 743	- 1 114	51 629	1 806	93	1 713
1994											
May	2 180	654	1 591	.	43 303	47 728	- 1 207	46 521	1 827	61	1 766
June	2 180	650	1 514	.	48 364	52 708	- 1 176	51 532	1 819	526	1 293
July	2 180	645	1 480	.	51 329	55 634	- 1 261	54 373	1 823	84	1 739
Aug.	2 180	636	1 447	.	48 794	53 058	- 1 249	51 809	1 817	71	1 746
Sept.	2 180	618	1 407	.	48 947	53 153	- 1 178	51 975	1 847	60	1 787
Oct.	2 180	1 249	1 338	.	48 610	53 377	- 1 139	52 238	1 864	115	1 749
Nov.	2 180	1 461	1 388	.	49 154	54 184	- 1 121	53 063	1 872	51	1 821
Dec.	2 180	1 537	1 354	.	47 672	52 743	- 1 114	51 629	1 806	93	1 713
1995											
Jan.	1 742	1 370	1 366	3 700	46 627	54 805	- 1 490	53 315	1 767	184	1 583
Feb.	1 742	1 775	1 326	3 606	45 608	54 058	- 1 544	52 514	1 765	68	1 697
March	1 742	1 616	1 329	3 619	45 185	53 492	- 1 149	52 343	1 763	68	1 695
April	1 742	1 295	1 290	3 460	42 535	50 321	- 1 583	48 738	1 773	101	1 672
May	1 742	1 028	1 437	3 481	42 847	50 536	- 1 644	48 892	1 772	194	1 578

End of period	Domestic financial sector					Corporate sector				
	Term claims on deposit banks, net	Liquidity position of deposit banks ¹	Minimum reserve deposits of deposit banks ²	Other claims on financial institutions, net	Net claims (12+13+14+15)	Claims in the form of special financing	Special deposits and other items, net	Net claims (17+18)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	12	13	14	15	16	17	18	19	20	21
1990	9 411	- 418	- 17 401	5 744	- 2 665	1 477	- 9 724	- 8 247	14 555	0
1991	11 882	- 2 206	- 10 361	5 531	4 846	1 086	- 6 854	- 5 768	14 528	8 880
1992	3 738	- 550	- 13 165	4 572	- 5 405	747	- 2 651	- 1 904	14 508	4 880
1993	7 337	- 1 802	- 6 398	1 339	476	496	720	1 216	14 994	14 837
1994	1 480	- 1 387	- 6 526	1 040	- 5 392	316	1 285	1 601	14 315	35 236
1994										
May	3 208	- 485	- 6 360	1 197	- 2 441	413	1 034	1 447	14 164	28 412
June	2 684	- 536	- 6 446	1 162	- 3 137	397	1 066	1 463	14 355	32 108
July	2 488	- 796	- 6 467	1 126	- 3 649	386	1 081	1 467	14 176	35 985
Aug.	4 557	- 2 252	- 6 602	1 120	- 3 177	374	1 104	1 478	13 922	35 040
Sept.	3 485	- 1 421	- 6 550	1 173	- 3 313	360	1 124	1 484	13 906	36 856
Oct.	1 829	- 945	- 7 029	1 111	- 5 034	345	1 186	1 531	13 900	36 948
Nov.	492	- 2 026	- 6 674	1 094	- 7 113	331	1 222	1 553	13 776	34 406
Dec.	1 480	- 1 387	- 6 526	1 040	- 5 392	316	1 285	1 601	14 315	35 236
1995										
Jan.	944	- 719	- 6 511	1 003	- 5 284	307	1 354	1 661	13 592	36 282
Feb.	2 328	- 1 618	- 6 521	947	- 4 863	295	1 447	1 742	14 087	36 943
March	2 701	- 1 048	- 6 516	937	- 3 926	285	1 501	1 786	13 846	37 991
April	2 922	- 1 124	- 6 798	906	- 4 094	273	1 561	1 834	14 121	35 448
May	2 242	- 794	- 6 523	886	- 4 189	259	1 599	1 858	14 270	34 742

¹ Call money claims on deposit banks, net, until 2 July 1992.

² Cash reserve deposits prior to 1 July 1993.

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

2.1 Banks' liquidity position at the Bank of Finland, mill. FIM

Average of daily observations	Call money deposits	Liquidity credits'	Liquidity position, net' (1-2)
	1	2	3
1990	806	132	674
1991	881	985	- 103
1992	2 103	437	1 666
1993	831	425	407
1994	1 393	10	1 383
1994			
May	891	16	875
June	1 821	0	1 821
July	1 014	0	1 014
Aug.	2 575	0	2 575
Sept.	2 089	0	2 089
Oct.	1 442	0	1 442
Nov.	2 038	0	2 038
Dec.	1 160	0	1 160
1995			
Jan.	1 196	0	1 196
Feb.	1 210	4	1 206
March	1 750	0	1 750
April	853	0	853
May	833	2	831

2.2 The Bank of Finland's minimum reserve system²

End of period	Reserve requirement			Cash reserve requirement, %	Deposits, mill. FIM Total
	On deposits payable on demand, %	On other deposits, %	On other items, %		
	1	2	3	4	5
1990	.	.	.	7.0	17 401
1991	.	.	.	4.0	10 361
1992	.	.	.	5.0	13 165
1993	2.0	1.5	1.0	.	6 398
1994	2.0	1.5	1.0	.	6 526
1994					
May	2.0	1.5	1.0	.	6 360
June	2.0	1.5	1.0	.	6 446
July	2.0	1.5	1.0	.	6 467
Aug.	2.0	1.5	1.0	.	6 602
Sept.	2.0	1.5	1.0	.	6 550
Oct.	2.0	1.5	1.0	.	7 029
Nov.	2.0	1.5	1.0	.	6 674
Dec.	2.0	1.5	1.0	.	6 526
1995					
Jan.	2.0	1.5	1.0	.	6 511
Feb.	2.0	1.5	1.0	.	6 521
March	2.0	1.5	1.0	.	6 516
April	2.0	1.5	1.0	.	6 798
May	2.0	1.5	1.0	.	6 523

¹ Call money credits and call money position until 2 July 1992.

² Cash reserve system prior to 1 July 1993.

2.3 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
1990	163 326	26 379	160 797	- 23 850
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
1994				
May	2 000	27 940	- 20 790	- 5 150
June	2 870	32 690	- 24 980	- 4 840
July	2 000	34 770	- 29 180	- 3 590
Aug.	5 140	35 040	- 32 970	3 070
Sept.	590	36 860	- 33 510	- 2 760
Oct.	330	38 290	- 36 210	- 1 750
Nov.	1 630	35 210	- 34 400	820
Dec.	1 470	34 680	- 34 790	1 580
1995				
Jan.	2 580	36 050	- 31 590	- 1 880
Feb.	3 490	36 940	- 34 710	1 260
March	4 260	40 440	- 35 360	- 820
April	2 400	34 970	- 35 680	3 110
May	3 710	32 780	- 28 590	- 480

2.4 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
1994					
April	-	-	330	- 330	- 700
May	-	- 920	110	- 110	6 810
June	-	- 1 350	-	-	6 360
July	-	- 930	-	-	4 610
Aug.	-	- 4 270	- 2 960	2 990	- 530
Sept.	-	- 1 440	2 420	- 2 340	5 350
Oct.	5 110	- 220	5 070	- 5 090	2 280
Nov.	210	- 520	770	- 530	60
Dec.	1 750	- 300	870	- 1 120	- 960
1995					
Jan.	-	- 190	3 290	- 3 260	4 360
Feb.	-	- 90	- 280	- 90	720
March	-	- 1 440	- 1 710	1 350	- 50
April	400	- 490	- 2 650	6 290	- 5 520

2.5 Forward exchange contracts between Finnish markkaa and other currencies, mill. FIM

Stock at end of period	Finnish banks' forward contracts						Total	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				Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Net	Net
	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)							(3+6)	(8-9)	Net	Net
1	2	3	4	5	6	7	8	9	10	11		
1990	11 609	4 979	6 631	21 179	11 079	10 100	16 731	237	55	183	- 6 098	
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	
1994												
April	40 494	15 128	25 366	15 807	22 872	- 7 065	18 301	16 236	4 104	12 133	135	
May	40 529	13 887	26 643	17 151	25 046	- 7 894	18 749	15 321	3 859	11 462	0	
June	41 191	15 124	26 067	18 939	25 421	- 6 481	19 586	15 155	4 417	10 739	0	
July	40 536	16 619	23 917	17 436	27 166	- 9 730	14 187	14 746	4 000	10 746	0	
Aug.	39 846	19 930	19 916	19 572	32 036	- 12 464	7 452	14 542	3 735	10 807	3 002	
Sept.	40 197	20 368	19 829	18 637	29 261	- 10 624	9 205	14 177	3 389	10 788	671	
Oct.	44 821	19 418	25 403	20 662	30 252	- 9 589	15 814	14 945	2 659	12 286	- 4 436	
Nov.	46 460	21 508	24 952	18 515	28 808	- 10 293	14 659	16 058	4 036	12 023	- 5 075	
Dec.	51 096	22 093	29 003	19 236	32 791	- 13 555	15 448	18 372	4 780	13 592	- 6 080	
1995												
Jan.	53 808	22 928	30 880	21 342	31 748	- 10 407	20 473	19 972	4 698	15 274	- 9 436	
Feb.	54 500	23 006	31 494	21 161	36 433	- 15 273	16 221	20 618	3 533	17 086	- 9 485	
March	57 611	25 712	31 899	23 283	36 466	- 13 182	18 717	20 806	4 775	16 030	- 8 055	
April	57 779	24 331	33 447	22 063	33 135	- 11 073	22 374	19 221	5 194	14 027	- 4 909	

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 ¹	Call money deposit rate	Base rate
	1	2	3	4	5	6	7	8
1990	10.57	13.63	13.99	14.16	14.39	15.00	4.00	8.50
1991	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
1992	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
1993	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
1994	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
1994								
May	4.29	4.97	5.14	5.46	5.78	6.97	2.97	5.25
June	3.93	5.20	5.61	6.24	6.86	7.18	3.18	5.25
July	4.61	5.17	5.46	6.13	6.91	7.17	3.17	5.25
Aug.	3.91	5.35	5.96	6.77	7.54	7.32	3.32	5.25
Sept.	4.07	5.07	5.57	6.36	7.25	7.13	3.13	5.25
Oct.	4.10	5.07	5.39	5.82	6.69	7.08	3.08	5.25
Nov.	4.30	5.07	5.43	6.05	6.79	7.06	3.06	5.25
Dec.	4.57	5.41	5.70	6.18	7.02	7.38	3.38	5.25
1995								
Jan.	4.43	5.50	5.85	6.32	7.14	7.50	3.50	5.25
Feb.	5.27	5.71	5.99	6.32	6.97	7.66	3.66	5.25
March	4.66	5.78	6.06	6.48	7.07	7.75	3.75	5.25
April	5.00	5.75	5.97	6.31	6.82	7.75	3.75	5.25
May	5.06	5.72	5.87	6.06	6.45	7.75	3.75	5.25

¹ Call money credit rate until 2 July 1992.

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
1	2	3	4
1992 ¹			
1992	+1.00	7	-3.00
1993	+2.00	7	-2.00
1994	+2.00	7	-2.00
1994			
May	+2.00	7	-2.00
June	+2.00	7	-2.00
July	+2.00	7	-2.00
Aug.	+2.00	7	-2.00
Sept.	+2.00	7	-2.00
Oct.	+2.00	7	-2.00
Nov.	+2.00	7	-2.00
Dec.	+2.00	7	-2.00
1995			
Jan.	+2.00	7	-2.00
Feb.	+2.00	7	-2.00
March	+2.00	7	-2.00
April	+2.00	7	-2.00
May	+2.00	7	-2.00
02.05.1995	5.75		

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
1990	10.5	9.1	10.4
1991	10.1	8.5	9.9
1992	10.4	7.8	10.6
1993	8.0	6.0	8.1
1994	5.9	5.2	6.1
1994			
May	5.7	5.0	5.9
June	5.6	4.9	6.0
July	5.6	5.0	6.0
Aug.	5.7	5.0	6.0
Sept.	5.8	5.2	5.9
Oct.	5.8	5.4	6.0
Nov.	5.8	5.5	5.9
Dec.	6.1	5.8	6.3
1995			
Jan.	6.0	5.6	6.3
Feb.	6.0	5.6	6.1
March	6.7	5.6	6.9
April	6.3	5.3	6.4
May	6.2	5.2	6.3

¹ July - December.

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 ¹	36-month tax-exempt deposits ¹	Other tax-exempt deposits, max. rate of interest ¹	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
1990	13.24	15.62	13.33	13.85	11.84	11.61	7.50	.	4.50	6.43	13.55	8.41
1991	13.63	15.88	13.40	13.84	12.08	11.80	7.50	.	4.50	7.10	13.22	8.97
1992	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
1993	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
1994	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
1994												
April	7.29	11.68	6.87	7.10	8.12	7.91	3.25	4.25	2.00	2.88	5.79	3.85
May	7.63	11.66	7.18	7.43	8.08	7.87	3.25	4.25	2.00	2.88	5.67	3.86
June	7.19	11.70	7.25	7.44	8.09	7.88	3.25	4.25	2.00	2.89	5.77	3.92
July	8.25	11.76	7.58	7.86	8.14	7.90	3.25	4.25	2.00	3.01	5.85	4.03
Aug.	8.37	11.80	7.81	8.04	8.20	7.97	3.25	4.25	2.00	3.05	5.98	4.11
Sept.	7.61	11.75	7.66	7.86	8.19	7.96	3.25	4.25	2.00	3.04	5.99	4.11
Oct.	8.26	11.61	7.28	7.49	8.15	7.91	3.25	4.25	2.00	3.05	6.10	4.10
Nov.	7.75	11.72	7.01	7.21	8.09	7.83	3.25	4.25	2.00	3.04	6.09	4.08
Dec.	7.62	10.69	6.44	6.71	8.05	7.76	3.25	4.25	2.00	3.11	6.17	4.10
1995												
Jan.	7.79	11.55	7.22	7.40	8.11	7.84	3.25	4.25	2.00	3.15	6.27	4.18
Feb.	8.46	11.54	7.29	7.50	8.11	7.83	3.25	4.25	2.00	3.17	6.33	4.18
March	8.40	11.58	7.62	7.80	8.16	7.89	3.25	4.25	2.00	3.22	6.41	4.22
April	7.80	11.39	7.54	7.68	8.17	7.90	3.25	4.25	2.00	3.23	6.45	4.23

¹ 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
1990	13.7	13.5	13.3	.	4.0
1991	12.3	12.2	11.8	.	3.9
1992	13.1	13.0	12.0	11.5 ¹	3.1
1993	8.5	8.9	8.2	8.8	1.8
1994	8.5	9.3	8.4	9.0	1.4
1994					
April	7.7	8.6	7.6	8.3	1.4
May	7.9	8.9	7.9	8.5	1.4
June	9.1	10.0	9.0	9.5	1.5
July	9.7	10.4	9.3	9.9	1.5
Aug.	10.3	11.0	10.0	10.6	1.4
Sept.	10.2	11.0	9.9	10.5	1.4
Oct.	9.5	10.5	9.4	10.1	1.5
Nov.	9.6	10.5	9.5	10.2	1.5
Dec.	9.6	10.5	9.5	10.2	1.7
1995					
Jan.	9.5	10.3	9.4	10.2	1.3
Feb.	9.3	10.2	9.3	10.2	1.5
March	9.2	10.1	9.2	10.2	2.3
April	8.7	9.4	8.4	9.4	2.6

¹ November and December only.

4. Rates of exchange

4.1 Middle rates, FIM

Average of daily quotations	New York 1 USD	Montreal 1 CAD	London 1 GBP	Dublin 1 IEP	Stockholm 1 SEK	Oslø 1 NOK	Copen- hagen 1 DKK	Frankfurt am 1 DEM	Amster- dam 1 NLG	Brussels 1 BEF	Zürich 1 CHF	Paris 1 FRF
	1	2	3	4	5	6	7	8	9	10	11	12
1990	3.8233	3.277	6.808	6.325	0.6459	0.6110	0.6181	2.3664	2.1002	0.1145	2.7576	0.7024
1991	4.0457	3.533	7.131	6.511	0.6684	0.6236	0.6322	2.4380	2.1634	0.1184	2.8208	0.7169
1992	4.4835	3.706	7.875	7.636	0.7714	0.7222	0.7444	2.8769	2.5552	0.1397	3.2000	0.8486
1993	5.7189	4.434	8.582	8.371	0.7350	0.8059	0.8822	3.4584	3.0787	0.1655	3.8706	1.0096
1994	5.2184	3.824	7.982	7.799	0.6758	0.7393	0.8207	3.2169	2.8684	0.1561	3.8179	0.9406
1994												
May	5.4072	3.918	8.134	7.956	0.7008	0.7529	0.8335	3.2629	2.9075	0.1585	3.8275	0.9531
June	5.4276	3.925	8.267	8.102	0.6945	0.7660	0.8486	3.3262	2.9676	0.1615	3.9399	0.9737
July	5.2014	3.762	8.036	7.939	0.6695	0.7573	0.8430	3.3120	2.9526	0.1607	3.9249	0.9666
Aug.	5.1384	3.728	7.927	7.826	0.6640	0.7490	0.8310	3.2852	2.9259	0.1594	3.8980	0.9589
Sept.	4.9691	3.669	7.767	7.667	0.6591	0.7303	0.8128	3.2038	2.8578	0.1557	3.8447	0.9367
Oct.	4.6761	3.464	7.506	7.416	0.6440	0.7061	0.7855	3.0745	2.7443	0.1494	3.6959	0.8983
Nov.	4.7172	3.458	7.500	7.385	0.6418	0.7015	0.7833	3.0659	2.7353	0.1490	3.6448	0.8930
Dec.	4.8455	3.488	7.554	7.435	0.6447	0.7068	0.7864	3.0823	2.7528	0.1499	3.6450	0.8949
1995												
Jan.	4.7358	3.352	7.458	7.375	0.6344	0.7071	0.7851	3.0930	2.7591	0.1501	3.6782	0.8946
Feb.	4.6433	3.315	7.300	7.256	0.6288	0.7041	0.7832	3.0913	2.7576	0.1501	3.6526	0.8889
March	4.3769	3.111	7.004	6.993	0.6021	0.6979	0.7770	3.1138	2.7768	0.1509	3.7378	0.8790
April	4.2650	3.096	6.862	6.948	0.5810	0.6889	0.7855	3.0947	2.7641	0.1505	3.7580	0.8814
May	4.3155	3.172	6.854	6.999	0.5919	0.6860	0.7832	3.0663	2.7390	0.1490	3.6980	0.8670

Average of daily quotations	Rome 1 ITL	Vienna 1 ATS	Lisbon 1 PTE	Reykjavik 1 ISK	Madrid 1 ESP	Athens 1 GRD	Tallinn 1 EEK	Tokyo 1 JPY	Mel- bourne 1 AUD	ECU Commer- cial 1 XEU	SDR 1 XDR
	13	14	15	16	17	18	19	20	21	22	23
1990	0.00319	0.3363	0.0268	0.0656	0.0375	..	..	0.02647	2.988	4.864	5.18322
1991	0.00326	0.3464	0.0280	0.0684	0.0389	0.022	..	0.03008	3.152	5.003	5.52771
1992	0.00364	0.4088	0.0332	0.0778	0.0438	0.024	0.4060	0.03546	3.289	5.798	6.31546
1993	0.00364	0.4916	0.0356	0.0846	0.0451	0.025	0.4323	0.05168	3.885	6.685	7.98641
1994	0.00324	0.4573	0.0314	0.0745	0.0390	0.021	0.4021	0.05106	3.814	6.175	7.46629
1994											
May	0.00339	0.4639	0.0316	0.0762	0.0396	0.022	0.4079	0.05215	3.916	6.288	7.65245
June	0.00340	0.4729	0.0321	0.0772	0.0404	0.0221	0.4158	0.05281	3.981	6.398	7.74158
July	0.00332	0.4708	0.0322	0.0759	0.0401	0.0219	0.4140	0.05276	3.821	6.329	7.57829
Aug.	0.00325	0.4669	0.0322	0.0749	0.0396	0.0217	0.4107	0.05147	3.805	6.261	7.47292
Sept.	0.00317	0.4552	0.0314	0.0731	0.0386	0.0211	0.4005	0.05029	3.684	6.113	7.27337
Oct.	0.00302	0.4369	0.0301	0.0697	0.0370	0.0201	0.3843	0.04747	3.452	5.865	6.90651
Nov.	0.00298	0.4355	0.0300	0.0699	0.0368	0.0199	0.3832	0.04813	3.559	5.838	6.93950
Dec.	0.00297	0.4379	0.0301	0.0704	0.0366	0.0199	0.3853	0.04838	3.752	5.874	7.03528
1995											
Jan.	0.00294	0.4396	0.0300	0.0698	0.0357	0.0199	0.3866	0.04752	3.625	5.859	6.94337
Feb.	0.00287	0.4393	0.0299	0.0697	0.0356	0.0197	0.3864	0.04725	3.460	5.811	6.86328
March	0.00259	0.4424	0.0296	0.0680	0.0341	0.0192	0.3892	0.04833	3.216	5.700	6.72357
April	0.00249	0.4398	0.0293	0.0676	0.0343	0.0190	0.3868	0.05101	3.139	5.671	6.71986
May	0.00261	0.4360	0.0291	0.0673	0.0350	0.0189	0.3833	0.05078	3.143	5.647	6.72395

4.2 Markka value of the ECU and currency indices

Average of daily observations	Markka value of the ECU	Currency indices, 1982=100		
	FIM/ECU	Trade-weighted currency index	Payments currency index	MERM index
	1	2	3	4
1990	4.85697	97.3	96.8	97.3
1991	5.00580	101.4	101.4	102.8
1992	5.80140	116.4	115.7	117.3
1993	6.69420	132.4	136.1	141.8
1994	6.19108	123.2	125.8	131.8
1994				
May	6.29981	125.9	129.0	135.3
June	6.41394	127.4	130.3	136.6
July	6.35263	125.2	127.2	133.6
Aug.	6.28705	123.8	125.8	131.9
Sept.	6.13918	121.3	122.7	128.7
Oct.	5.89314	116.5	117.2	122.6
Nov.	5.86886	116.3	117.3	122.9
Dec.	5.89101	117.0	118.8	124.2
1995				
Jan.	5.87972	115.9	117.5	122.6
Feb.	5.84352	114.9	116.2	121.3
March	5.76731	112.4	112.9	118.2
April	5.72937	111.2	111.1	117.4
May	5.70402	111.3	111.5	118.0

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
1990	30 953	96 176	124 930		252 058	6 818	258 876	38 835	297 711
1991	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
1992	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
1993	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994	41 200	99 691	108 922	19 838	269 650	12 774	282 424	44 228	326 651
1993									
Dec.	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994									
Jan.	38 657	94 042	108 694	22 740	264 133	14 050	278 183	70 115	348 298
Feb.	37 462	96 507	106 185	22 548	262 702	12 324	275 027	68 874	343 901
March	38 058	97 847	105 867	22 734	264 506	13 201	277 708	72 348	350 056
April	38 242	98 146	106 551	22 748	265 687	13 574	279 261	75 636	354 897
May	41 132	97 145	106 163	22 337	266 778	14 281	281 059	75 753	356 811
June	42 094	98 377	105 973	21 679	268 123	14 353	282 476	72 209	354 685
July	43 391	98 775	106 511	21 391	270 067	16 517	286 584	70 634	357 218
Aug.	44 503	97 970	107 529	20 969	270 970	14 957	285 927	64 382	350 309
Sept.	40 588	97 976	107 427	20 722	266 712	12 839	279 551	56 424	335 974
Oct.	41 393	98 519	107 168	20 272	267 352	14 479	281 832	52 354	334 186
Nov.	42 319	98 059	107 511	20 141	268 030	11 895	279 925	46 810	326 735
Dec.	41 200	99 691	108 922	19 838	269 650	12 774	282 424	44 228	326 651

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
1990	19 152	5 777	260 790	285 720	103 134	388 853
1991	18 037	4 712	262 859	285 609	107 714	393 323
1992	16 045	3 335	252 163	271 544	95 168	366 712
1993	14 217	2 223	248 406	264 846	66 931	331 777
1994	13 241	1 301	242 417	256 958	45 138	302 096
1993						
Dec.	14 217	2 223	248 406	264 846	66 931	331 777
1994						
Jan.	14 081	2 248	247 259	263 587	64 220	327 807
Feb.	14 120	2 008	247 884	264 012	63 158	327 170
March	14 125	1 942	247 795	263 862	61 114	324 976
April	13 971	1 759	247 095	262 825	59 077	321 902
May	14 079	1 736	246 531	262 345	58 233	320 578
June	14 139	1 763	245 939	261 841	57 756	319 597
July	14 061	1 733	245 591	261 386	56 128	317 513
Aug.	13 859	1 680	244 474	260 013	53 977	313 990
Sept.	14 068	1 642	243 874	259 584	51 258	310 842
Oct.	13 583	1 594	244 191	259 368	47 775	307 143
Nov.	13 274	1 522	244 044	258 840	46 902	305 742
Dec.	13 241	1 301	242 417	256 958	45 138	302 096

5.3 Money supply and monetary aggregates, mill. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)	M ₃
		Claims on the central government	Claims on the public	Total (2+3)				
	1	2	3	4	5	6	7	8
1990	- 82 881	- 19 072	453 720	434 648	- 85 385	141 524	266 383	291 045
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*	14 047	3 394	365 836	369 230	- 96 581	154 357	286 696	328 509
1994*								
April	- 23 247	3 499	392 564	396 063	- 91 234	148 783	281 582	335 879
May	- 14 545	5 940	391 346	397 286	- 100 115	150 750	282 626	338 847
June	- 6 902	2 244	389 636	391 880	- 100 498	153 365	284 480	338 345
July	7 521	- 880	387 027	386 147	- 107 408	155 001	286 260	340 445
Aug.	4 260	655	383 389	384 044	- 101 500	154 836	286 804	336 027
Sept.	12 224	- 2 345	374 845	372 501	- 102 004	151 193	282 721	333 572
Oct.	12 826	3 250	370 923	374 174	- 103 332	152 568	283 668	335 896
Nov.	12 535	3 611	369 603	373 214	- 101 461	152 745	284 288	331 096
Dec.	14 047	3 394	365 836	369 230	- 96 581	154 357	286 696	328 509
1995*								
Jan.	..	..	..	..	..	153 970	285 767	325 740
Feb.	..	..	..	..	..	158 086	289 244	328 803
March	..	..	..	..	..	159 896	292 198	332 226
April	..	..	..	..	..	163 078	295 576	331 879

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
1990	20 917	3 876	24 793	23 982	8 263	-	.	32 245	57 038	48 121	23 114
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	66 851	43 012
1994											
April	146 940	10 891	157 831	76 001	17 541	18 625	- 5 384	106 943	264 774	68 013	18 547
May	156 684	11 106	167 790	76 282	17 442	19 704	- 5 379	108 049	275 839	68 206	22 405
June	163 930	11 658	175 588	77 129	16 901	24 915	- 5 410	113 535	289 123	67 212	30 119
July	169 523	11 952	181 475	78 286	16 891	30 159	- 5 440	119 896	301 371	66 642	41 465
Aug.	165 170	11 698	176 868	79 587	16 870	28 551	- 5 485	119 523	296 391	66 903	37 525
Sept.	167 196	12 111	179 307	82 349	16 865	31 514	- 5 455	125 273	304 580	67 284	41 848
Oct.	160 626	15 042	175 668	84 786	16 865	31 666	- 5 487	127 830	303 498	67 459	39 910
Nov.	163 035	16 371	179 406	88 690	16 794	32 656	- 5 479	132 661	312 067	66 924	42 051
Dec.	160 587	15 975	176 562	93 008	17 100	33 153	- 5 945	137 316	313 878	66 851	43 012
1995											
Jan.	167 765	16 137	183 902	96 649	17 080	38 658	- 6 019	146 368	330 270	67 186	52 460
Feb.	165 516	15 884	181 400	105 442	17 080	37 320	- 6 039	153 803	335 203	67 382	54 954
March	166 342	17 306	183 648	115 230	17 053	38 990	- 6 041	165 232	348 880	67 593	47 978
April	163 779	14 335	178 114	119 148	16 433	41 596	- 5 599	171 578	349 692	-	47 895

5.5 Markka bond market

A) ISSUES, mill. FIM

During period	Corpo- rations	Financial institutions	Central government	Local government	Others	Total (1+2+3+4+5)
	1	2	3	4	5	6
1990	4 640	17 891	4 420	490	1 007	28 447
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
1994*						
April	100	510	942	—	—	1 552
May	181	1 270	1 348	30	—	2 829
June	500	160	2 673	48	—	3 380
July	2	207	1 171	—	—	1 380
Aug.	—	1 721	2 410	—	—	4 131
Sept.	—	356	4 173	—	—	4 530
Oct.	—	1 042	3 044	—	—	4 087
Nov.	400	891	4 137	—	—	5 428
Dec.	—	663	4 525	—	—	5 187
1995*						
Jan.	100	333	5 109	—	—	5 542
Feb.	53	244	9 230	—	—	9 526
March	354	474	10 543	26	—	11 397
April	1	120	3 943	—	—	4 064

B) Stock, mill. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corpo- rations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1990	23 522	59 756	28 812	1 756	1 298	52 273	22 970	39 902	115 145
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
1994*									
April	33 638	71 401	77 951	7 235	973	126 375	8 889	55 934	191 198
May	33 383	71 528	78 144	7 237	966	127 092	8 575	55 591	191 258
June	33 100	68 984	78 990	7 273	964	127 695	8 559	53 057	189 311
July	33 060	68 596	80 148	7 270	964	128 767	8 555	52 716	190 038
Aug.	32 156	69 291	81 448	7 126	964	130 413	8 190	52 382	190 985
Sept.	31 217	68 312	84 211	7 120	963	132 507	7 848	51 468	191 823
Oct.	30 278	68 293	86 648	7 110	953	134 732	7 616	50 934	193 282
Nov.	30 505	67 586	90 548	7 030	950	138 626	7 588	50 405	196 619
Dec.	30 179	66 467	94 865	6 981	953	141 935	7 581	49 929	199 445
1995*									
Jan.	29 808	66 232	98 507	6 879	953	145 960	6 946	49 473	202 379
Feb.	29 569	63 960	107 300	6 841	933	153 390	6 715	48 498	208 603
March	29 286	62 318	117 085	6 849	926	162 634	6 234	47 596	216 464
April	29 110	61 849	120 406	6 841	925	166 375	6 223	46 533	219 131

C) Turnover, mill. FIM

During period	Interbank	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
1990	5 401	6 058	.	.	.
1991	3 343	29 134	.	.	.
1992	18 383	58 757	10 744	12 156	13 354
1993	47 803	246 104	42 945	95 647	117 489
1994	184 599	359 697	173 096	150 908	176 647
1994					
May	10 772	21 650	9 731	8 753	10 958
June	14 719	21 105	14 132	8 225	11 496
July	5 247	13 956	5 081	4 961	7 745
Aug.	23 000	22 271	22 791	10 728	10 987
Sept.	12 393	24 397	12 307	9 424	13 922
Oct.	13 514	29 003	13 361	12 045	14 624
Nov.	12 351	24 444	11 742	9 818	13 363
Dec.	7 842	17 304	7 531	6 784	9 281
1995					
Jan.	8 855	30 706	8 481	12 246	16 423
Feb.	7 716	28 452	7 287	10 833	14 291
March	14 858	35 736	11 622	14 835	19 126
April	16 904	32 257	14 802	12 917	15 353
May	12 869	39 905	10 693	16 951	17 208

5.6 Helsinki Stock Exchange

Average of daily observations	Share prices						Turnover ¹ , mill. FIM			
	All-share index	HEX index (28 Dec., 1990=1000)					Shares and subscription rights	Bonds and debentures	Total	
		Banks and finance	Insurance and investment	Manufacturing	Of which:					
					Forest industries	Metal and engineering				Conglomerates
1	2	3	4	5	6	7	8	9	10	
1990	1 332	1 263	1 185	1 376	1 436	1 282	1 474	15 521	4 550	20 071
1991	962	901	898	1 003	1 075	1 076	1 021	6 339	1 315	7 655
1992	772	425	467	943	1 123	1 206	890	10 277	15 377	25 654
1993	1 240	608	644	1 601	1 695	1 749	1 751	46 337	59 977	106 314
1994	1 847	719	802	2 464	2 284	2 675	3 068	68 671	2 147	70 818
1994										
May	1 839	749	862	2 427	2 207	2 723	2 891	4 035	71	4 105
June	1 708	676	726	2 271	2 113	2 526	2 732	3 719	49	3 768
July	1 776	688	727	2 377	2 253	2 503	2 987	3 891	99	3 990
Aug.	1 877	647	759	2 536	2 405	2 742	3 185	6 594	134	6 728
Sept.	1 908	652	697	2 601	2 513	2 738	3 336	4 856	132	4 988
Oct.	1 917	645	714	2 612	2 351	2 657	3 512	7 761	216	7 977
Nov.	1 908	604	694	2 617	2 207	2 568	3 672	5 629	102	5 731
Dec.	1 832	576	640	2 524	2 128	2 375	3 589	5 100	70	5 170
1995										
Jan.	1 869	524	598	2 616	2 224	2 381	3 788	5 582	130	5 712
Feb.	1 802	543	577	2 512	2 146	2 240	3 645	7 016	132	7 148
March	1 648	509	533	2 292	1 905	2 038	3 343	5 464	76	5 540
April	1 688	497	556	2 365	2 040	2 138	3 408	5 340	92	5 432
May	1 829	516	613	2 587	2 072	2 259	3 896	5 823	122	5 946

¹ 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
1990	99 750	8 347	4 650	6 081	19 077	118 827	12 739	4 601	136 166	101 967	4 363	10 766	9 503
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	7 624	6 506	173 567	101 559	5 537	9 237	17 008
1994*	152 192	11 414	6 811	10 802	29 027	181 219	8 700	5 715	195 634	118 638	5 884	8 189	17 116
1992													
IV	29 754	2 167	1 480	2 424	6 071	35 825	1 649	1 699	39 173	25 632	1 176	2 572	3 666
1993*													
I	31 016	2 366	1 351	2 778	6 495	37 511	2 233	1 470	41 215	25 715	1 279	2 401	4 445
II	32 625	2 646	1 763	2 281	6 690	39 315	2 125	1 756	43 196	24 818	1 325	2 276	4 015
III	32 116	2 832	2 203	2 102	7 138	39 253	1 622	1 584	42 460	23 992	1 444	2 242	4 206
IV	36 793	2 586	1 761	2 218	6 565	43 358	1 643	1 695	46 696	27 034	1 489	2 319	4 341
1994*													
I	34 536	2 602	1 425	2 587	6 614	41 150	1 382	1 469	44 001	24 852	1 314	1 899	4 234
II	38 519	2 923	1 747	2 380	7 049	45 569	3 031	1 370	49 970	29 488	1 483	2 038	3 994
III	37 405	3 127	2 075	2 789	7 991	45 396	1 721	1 372	48 490	28 866	1 525	2 101	4 130
IV	41 732	2 763	1 563	3 046	7 372	49 105	2 565	1 503	53 173	35 433	1 562	2 151	4 758
1995*													
I	41 400	2 763	1 384	3 353	7 501	48 901	3 537	2 047	54 484	31 900	1 377	2 258	4 607

During period	Services expenditure, total (11+12+13)	Imports of goods and services (10+14)	Investment expenditure (15+16)	Transfers and other expenditure (17)	Current account expenditure (15+16+17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account and services (20+21+22)	Goods account (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account (24+25) = (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1990	24 632	126 599	26 973	9 107	162 680	-2 218	3 984	-6 117	-3 422	-5 555	-7 772	-14 234	-4 506	-26 513
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*	31 782	133 341	34 580	10 390	178 311	30 991	4 893	-2 159	-7 629	-4 894	26 097	-26 956	-3 885	-4 744
1994*	31 189	149 827	31 007	9 222	190 056	33 554	5 530	-1 378	-6 314	-2 162	31 392	-22 307	-3 507	5 578
1992														
IV	7 413	33 045	7 824	2 440	43 309	4 122	991	-1 092	-1 241	-1 342	2 780	-6 174	-741	-4 136
1993*														
I	8 125	33 840	10 137	2 808	46 785	5 301	1 087	-1 049	-1 667	-1 630	3 672	-7 904	-1 338	-5 570
II	7 616	32 434	10 493	2 393	45 321	7 806	1 322	-512	-1 735	-926	6 881	-8 368	-637	-2 124
III	7 892	31 884	6 805	2 640	41 330	8 124	1 388	-39	-2 104	-755	7 369	-5 183	-1 055	1 131
IV	8 149	35 183	7 145	2 549	44 876	9 760	1 097	-558	-2 123	-1 584	8 175	-5 502	-854	1 820
1994*														
I	7 447	32 298	9 163	2 834	44 295	9 684	1 288	-474	-1 646	-833	8 851	-7 781	-1 365	-294
II	7 516	37 004	8 521	2 110	47 634	9 031	1 439	-291	-1 614	-466	8 565	-5 490	-739	2 336
III	7 756	36 622	6 141	2 119	44 882	8 539	1 602	-25	-1 342	235	8 775	-4 420	-747	3 607
IV	8 471	43 904	7 181	2 160	53 245	6 300	1 200	-587	-1 712	-1 099	5 201	-4 616	-656	-72
1995*														
I	8 243	40 143	9 795	3 972	53 910	9 500	1 386	-873	-1 254	-742	8 758	-6 258	-1 926	574

6.2 Capital and financial account, mill.FIM

During period	Imports of capital												Total (1+7+12)
	Direct investment in Finland	Portfolio investment					Total (2+3+5+6)	Other investment				Total (8+9+10+11)	
		Shares	Bonds	Of which: market-denominated bonds	Money market instruments	Financial derivatives		Trade credits	Loans	Currency and deposits	Other		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1990	3 010	376	22 280	1 440	- 923	..	21 733	1 156	16 635	- 725	17 307	34 372	59 115
1991	- 997	47	38 751	11 786	- 4 511	..	34 287	- 3 987	7 496	131	- 9 737	- 6 098	27 192
1992	1 822	397	39 309	- 5 312	- 1 791	..	37 915	3 639	2	1 690	- 17 415	- 12 084	27 653
1993*	4 945	12 748	30 353	3 616	- 4 382	..	38 719	4 467	5 357	- 5 347	- 24 454	- 19 977	23 687
1994*	7 703	13 400	18 057	- 9 703	- 1 565	- 65	29 828	2 722	455	- 232	- 1 160	1 785	39 316
1992													
IV	845	47	16 710	- 1 169	629	..	17 386	1 178	270	1 110	- 13 544	- 10 986	7 244
1993*													
I	439	1 405	15 542	320	- 2 314	..	14 632	1 900	7 326	901	- 8 593	1 533	16 604
II	927	1 515	16 269	3 420	- 1 348	..	16 435	- 196	815	- 1 268	- 6 612	- 7 261	10 101
III	631	6 529	2 267	2 523	- 2 755	..	6 041	- 836	- 1 495	1 671	- 8 143	- 8 803	- 2 131
IV	2 948	3 300	- 3 725	- 2 646	2 036	..	1 611	3 599	- 1 289	- 6 650	- 1 106	- 5 446	- 887
1994*													
I	3 718	4 389	3 637	- 506	- 1 587	31	6 469	- 908	- 3 980	772	6 687	2 572	12 759
II	2 886	2 404	4 453	- 4 696	3 118	268	10 244	- 868	1 312	- 1 748	- 3 078	- 4 383	8 747
III	2 187	5 181	14 528	- 1 217	- 2 253	- 383	17 073	177	- 1 363	964	- 5 534	- 5 756	13 504
IV	- 1 088	1 426	- 4 562	- 3 283	- 843	20	- 3 958	4 321	4 487	- 220	765	9 352	4 306
1995*													
I	2 515	406	- 1 534	- 3 112	- 1 976	234	- 2 870	- 2 199	- 1 002	9	7 942	4 750	4 395

During period	Exports of capital												Errors and omissions	Change in central bank's reserve assets (increase-)
	Direct investment abroad	Portfolio investment					Trade credits	Other investment				Total (14+19+24)		
		Shares	Bonds	Money market instruments	Financial derivatives	Total (15+16+17+18)		Loans	Currency and deposits	Other	Total (20+21+22+23)			
14	15	16	17	18	19	20	21	22	23	24	25	26	27	
1990	10 353	2	575	1 171	..	1 748	- 1 565	2 953	935	- 3 480	- 1 157	10 944	- 6 240	- 15 417
1991	- 501	- 369	- 3	1 499	..	1 128	- 726	2 341	1 054	6 587	9 256	9 883	2 012	7 375
1992	- 3 372	46	321	2 748	..	3 115	3 634	3 409	3 745	3 259	14 048	13 790	- 1 008	9 180
1993*	9 537	873	767	1 932	..	3 571	1 923	- 839	- 6 063	14 698	9 720	22 828	5 104	- 1 219
1994*	19 687	- 43	- 4 702	- 859	- 276	- 5 881	2 435	- 7 348	1 856	5 826	2 769	16 575	- 2 814	- 25 504
1992														
IV	- 695	25	- 100	3 361	..	3 286	1 799	2 435	- 1 924	4 276	6 586	9 177	5 577	492
1993*														
I	985	158	2 823	- 577	..	2 404	1 623	- 726	- 1 516	15 515	14 896	18 285	1 665	5 586
II	1 081	2	- 1 095	- 972	..	- 2 065	518	- 185	247	- 3 766	- 3 186	- 4 171	- 1 464	- 10 684
III	- 473	77	- 841	3 975	..	3 211	- 190	- 1 008	1 514	9 514	9 829	12 567	2 549	11 019
IV	7 944	636	- 120	- 494	..	21	- 28	1 081	- 6 308	- 6 564	- 11 819	- 3 854	2 354	- 7 141
1994*														
I	5 078	43	- 662	211	- 201	- 609	- 1 294	- 1 849	2 612	- 5 814	- 6 345	- 1 876	- 4 062	- 10 279
II	5 206	- 68	- 3 273	- 4 446	- 27	- 7 814	1 735	- 2 625	- 460	6 191	4 841	2 233	1 322	- 10 172
III	4 200	- 18	- 1 173	420	- 52	- 824	- 414	- 251	- 268	9 847	8 914	12 290	- 900	- 3 921
IV	5 203	0	407	2 956	4	3 367	2 408	- 2 622	- 28	- 4 399	- 4 641	3 928	826	- 1 132
1995*														
I	515	- 218	1 608	- 2 244	- 98	- 951	926	- 726	- 2 185	10 953	8 967	8 532	5 254	- 1 691

6.3 Finland's international investment position, mill. FIM

Position at end of period	Liabilities												
	Direct investment in Finland	Portfolio investment					Other investment					Total liabilities (1+7+12)	
		Shares	Bonds	Of which: market denominated bonds	Money market instruments	Financial derivatives	Total (2+3+5+6)	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	
1990	18 651	5 052	95 530	6 385	23 856	..	124 438	13 915	51 937	7 969	89 662	163 483	306 572
1991	17 443	4 149	141 055	19 036	22 079	..	167 283	9 532	68 892	8 555	84 036	171 015	355 741
1992	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 880	78 804	182 320	437 557
1993*	24 391	30 375	265 610	26 288	14 995	-6 103	304 877	18 206	91 378	4 025	55 478	169 087	498 354
1994*	31 473	60 558	254 035	18 788	10 450	-6 877	318 166	20 527	84 629	3 430	46 566	155 153	504 792
1992													
IV	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 880	78 804	182 320	437 557
1993*													
I	19 812	8 121	253 159	16 281	17 007	..	278 287	15 193	96 786	13 135	76 093	201 207	499 306
II	20 763	11 901	254 886	21 118	15 573	..	282 360	14 897	93 408	11 461	67 494	187 260	490 383
III	21 418	22 725	265 540	23 460	13 090	..	301 355	14 091	95 327	13 276	61 106	183 799	506 573
IV	24 391	30 375	265 610	26 288	14 995	-6 103	304 877	18 206	91 378	4 025	55 478	169 087	498 354
1994*													
I	27 616	39 079	263 325	25 603	12 244	-8 855	305 793	17 116	87 372	4 724	58 746	167 958	501 367
II	30 514	42 719	269 410	21 962	15 286	-8 809	318 606	16 230	88 589	2 964	55 420	163 203	512 323
III	32 606	56 036	267 942	22 936	11 909	-7 591	328 296	16 277	81 907	3 752	47 152	149 088	509 990
IV	31 473	60 558	254 035	18 788	10 450	-6 877	318 166	20 527	84 629	3 430	46 566	155 153	504 792
1995*													
I	33 868	53 380	251 597	17 888	7 222	-7 497	304 702	18 195	80 823	3 369	54 173	156 560	495 130

Position at end of period	Assets											
	Direct investment abroad	Portfolio investment					Other investment					Total assets (14+19+24)
		Shares	Bonds	Money market instruments	Financial derivatives	Total (15+16+17+18)	Trade credits	Loans	Currency and deposits	Other	Total (20+21+22+23)	
14	15	16	17	18	19	20	21	22	23	24	25	
1990	40 800	762	6 447	2 173	..	9 383	16 549	24 825	5 726	65 754	112 854	163 037
1991	44 823	426	7 004	4 154	..	11 584	16 388	28 504	7 647	72 498	125 037	181 444
1992	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	76 647	145 952	207 955
1993*	54 577	1 285	10 706	11 028	446	23 465	26 350	34 018	5 701	89 301	155 370	233 412
1994*	69 601	1 034	4 751	9 115	487	15 388	26 678	24 959	7 055	106 465	165 158	250 146
1992												
IV	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	76 647	145 952	207 955
1993*												
I	51 946	676	11 952	7 766	..	20 394	23 664	36 976	12 275	92 392	165 307	237 648
II	48 465	671	10 801	6 627	..	18 099	23 888	34 148	12 159	97 321	167 516	234 080
III	49 447	759	10 074	10 689	..	21 522	23 857	34 208	13 929	98 044	170 039	241 008
IV	54 577	1 285	10 706	11 028	446	23 465	26 350	34 018	5 701	89 301	155 370	233 412
1994*												
I	59 112	1 236	9 576	10 910	622	22 343	24 718	32 788	8 107	90 621	156 234	237 689
II	64 465	1 146	5 953	6 338	550	13 987	26 392	29 981	7 449	105 988	169 811	248 263
III	65 838	1 055	4 311	6 087	561	12 014	24 682	28 350	6 955	112 579	172 566	250 418
IV	69 601	1 034	4 751	9 115	487	15 388	26 678	24 959	7 055	106 465	165 158	250 146
1995*												
I	70 151	673	5 486	5 768	119	12 046	27 522	22 424	4 977	115 619	170 541	252 738

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

Position at end of period	Corporate sector	Banks	Bank of Finland	Other financial institutions	Central government	Local government	Net (1+2+3+4+5+6)	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
1990	34 853	110 111	- 36 700	9 910	24 751	610	143 535	13 130	9.7
1991	28 483	107 434	- 34 046	18 960	52 748	719	174 298	15 671	12.7
1992	30 501	82 343	- 27 546	28 283	113 674	2 347	229 602	19 011	13.6
1993*	49 895	48 189	- 33 279	29 737	167 444	2 956	264 942	21 897	12.7
1994*	71 641	31 917	- 52 606	21 194	179 512	2 987	254 646	19 907	10.4
1992									
IV	30 501	82 343	- 27 546	28 283	113 674	2 347	229 602	4 926	12.6
1993*									
I	34 830	65 514	- 27 782	29 660	156 500	2 937	261 658	6 640	16.1
II	36 841	61 511	- 37 288	27 269	165 160	2 810	256 303	7 103	16.4
III	44 736	44 622	- 27 318	27 224	173 332	2 967	265 565	3 918	9.2
IV	49 895	48 189	- 33 279	29 737	167 444	2 956	264 942	4 237	9.1
1994*									
I	58 437	51 321	- 42 504	27 617	165 574	3 233	263 678	7 181	16.3
II	57 349	50 997	- 52 617	24 973	180 109	3 248	264 060	4 890	9.8
III	69 264	32 687	- 52 998	23 923	183 627	3 069	259 572	3 820	7.9
IV	71 641	31 917	- 52 606	21 194	179 512	2 987	254 646	4 016	7.6
1995*									
I	63 916	22 697	- 53 298	20 023	186 010	3 043	242 392	5 958	10.9

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
1990	101 327	103 027	- 1 700
1991	92 842	87 744	5 098
1992	107 463	94 947	12 516
1993*	134 112	103 167	30 945
1994*	153 859	120 200	33 659
1994*			
April	12 343	9 415	2 928
May	13 357	10 929	2 428
June	13 305	9 599	3 706
July	13 131	9 179	3 952
Aug.	11 557	9 884	1 673
Sept.	13 165	10 162	3 003
Oct.	13 397	10 087	3 310
Nov.	13 982	10 968	3 014
Dec.¹	14 713	14 757	- 44
1995**			
Jan.	12 400	9 800	2 600
Feb.	13 700	10 400	3 300
March	15 300	11 700	3 600
April	15 000	10 600	4 400

7.2 Foreign trade: indices of volume, unit value and terms of trade, 1980=100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1990	125	138	154	128	120
1991	114	115	154	131	118
1992	124	112	164	145	113
1993	147	109	172	163	106
1994*	166	130	175	158	111
1992					
III	117	102	163	142	115
IV	133	116	171	154	111
1993					
I	135	108	176	165	106
II	143	105	174	165	105
III	141	101	174	165	105
IV	165	116	170	161	105
1994*					
I	155	107	170	161	106
II	168	129	175	158	111
III	161	124	178	161	111
IV	180	156	176	158	112

¹ 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	8	9	10
1990	7 811	31 658	9 540	35 493	16 825	49 210	9 829	19 364	23 888	736
1991	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672
1992	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514
1993*	10 910	37 430	14 205	48 158	23 409	54 792	10 904	15 396	21 066	1 009
1994*	14 114	41 300	15 639	55 558	27 248	65 899	11 628	17 147	24 606	920
1993*										
Dec.	968	2 963	1 074	3 799	2 076	5 027	1 099	1 356	1 895	96
1994*										
Jan.	978	3 009	1 282	4 272	2 340	4 537	693	1 206	1 820	61
Feb.	1 018	3 060	1 060	3 741	2 029	4 229	608	925	1 621	33
March	1 026	3 623	1 248	4 061	2 166	5 198	752	1 314	2 206	45
April	1 165	3 487	1 156	4 338	2 197	4 823	968	1 662	1 913	49
May	1 431	3 506	1 511	4 538	2 380	6 075	1 290	1 317	2 232	15
June	1 318	3 358	1 289	4 882	2 458	5 513	867	1 192	1 950	77
July	1 015	3 287	1 315	5 802	1 712	4 823	955	1 227	1 792	377
Aug.	935	3 437	1 258	3 816	2 111	5 419	1 029	1 386	2 031	18
Sept.	1 313	3 586	1 354	4 320	2 592	5 656	1 054	1 384	2 027	25
Oct.	1 268	3 566	1 313	4 937	2 313	5 645	803	1 485	2 051	101
Nov.	1 357	3 719	1 453	4 968	2 485	6 191	1 012	1 557	2 180	14
Dec.	1 290	3 662	1 400	5 883	2 464	7 790	1 597	2 492	2 783	104

7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1993*		1994* January - December		1993*		1994* January - December	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	102 135	76.3	115 277	12.9	81 607	79.2	93 014	14.0
OECD Europe	86 513	64.6	97 873	13.1	66 956	65.0	74 466	11.2
Of which:								
Austria	1 427	1.1	1 597	11.9	1 179	1.1	1 347	14.3
Belgium and Luxembourg	2 955	2.2	3 457	17.0	3 008	2.9	3 284	9.2
Denmark	4 479	3.3	5 283	17.9	3 231	3.1	3 661	13.3
France	7 114	5.3	7 774	9.3	4 716	4.6	4 902	3.9
Germany	17 628	13.2	20 662	17.2	16 901	16.4	17 713	4.8
Italy	4 350	3.2	4 591	5.5	3 811	3.7	4 660	22.3
Netherlands	6 729	5.0	7 866	16.9	3 847	3.7	4 339	12.8
Norway	4 277	3.2	4 862	13.7	5 010	4.9	5 745	14.7
Spain	3 263	2.4	3 547	8.7	1 245	1.2	1 576	26.6
Sweden	14 855	11.1	16 818	13.2	10 531	10.2	12 522	18.9
Switzerland	2 111	1.6	2 325	10.1	2 044	2.0	2 105	3.0
United Kingdom	14 020	10.5	15 907	13.5	9 160	8.9	10 004	9.2
Other OECD	15 622	11.7	17 404	11.4	14 651	14.2	18 548	26.6
Of which:								
Canada	1 075	0.8	1 031	-4.0	724	0.7	837	15.7
Japan	2 187	1.6	3 174	45.1	5 958	5.8	7 809	31.1
United States	10 506	7.8	11 033	5.0	7 498	7.3	9 163	22.2
Non-OECD European countries	12 679	9.5	18 428	45.3	11 207	10.9	14 970	33.6
Of which:								
Russia	6 051	4.5	7 994	32.1	7 813	7.6	10 661	36.5
Other countries	19 113	14.3	20 153	5.4	10 264	10.0	12 215	19.0
Of which:								
OPEC countries	3 266	2.4	2 446	-25.1	542	0.5	590	9.0
TOTAL	133 927	100.0	153 858	14.9	103 078	100.0	120 199	16.6
Of which:								
EC countries	62 850	46.9	71 489	13.7	47 974	46.5	52 447	9.3
EFTA countries	22 799	17.0	25 725	12.8	18 831	18.3	21 812	15.8

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
1990	269 754	108 535	121 858	17 286	5 769	523 202	118 828	126 600	515 430
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*	237 793	103 004	61 105	13 959	10 064	425 925	142 459	113 752	454 632
1994*	242 502	102 577	64 398	12 779	17 818	440 074	160 294	128 104	472 264
1992									
III	61 578	27 181	17 901	4 110	1 052	111 822	30 543	27 599	114 766
IV	60 978	27 001	16 419	4 280	2 344	111 022	31 512	27 924	114 610
1993*									
I	59 876	25 911	16 073	3 628	2 747	108 235	34 825	29 902	113 158
II	59 245	25 819	15 487	3 399	1 047	104 997	34 421	26 776	112 642
III	59 109	25 776	14 823	3 581	3 320	106 609	36 186	28 610	114 185
IV	59 563	25 498	14 722	3 351	2 950	106 084	37 027	28 464	114 647
1994*									
I	60 854	25 412	15 160	3 317	1 410	106 153	37 892	28 527	115 518
II	60 098	25 578	15 354	3 254	4 337	108 621	40 016	30 895	117 742
III	60 461	25 570	16 773	3 108	5 412	111 324	40 932	32 900	119 356
IV	61 089	26 017	17 111	3 100	6 659	113 976	41 454	35 782	119 648

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

Period	Total industry	Mining and quarrying	Manufacturing	Wood and paper industries	Metal and engineering industries	Other manufacturing	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
1990	100.2	99.8	100.2	100.1	100.4	100.1	100.0
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*	97.1	85.8	96.2	104.3	99.4	90.4	107.9
1994*	107.9	111.9	107.1	114.4	118.5	95.4	115.6
1994*							
March	103.1	91.9	102.1	111.5	111.5	88.8	115.9
April	105.1	100.7	104.4	112.6	111.2	95.9	114.5
May	108.0	101.6	106.0	114.0	115.7	96.6	116.3
June	107.9	120.7	107.2	115.0	116.0	97.0	118.0
July	108.5	182.1	106.6	117.3	113.6	96.7	114.7
Aug.	109.0	166.7	107.2	115.2	118.8	95.6	122.6
Sept.	111.4	123.8	111.0	116.0	129.6	96.7	117.5
Oct.	112.6	104.8	112.7	116.7	131.1	97.4	113.8
Nov.	112.5	99.9	112.9	114.9	133.7	97.5	110.7
Dec.	111.5	86.6	111.7	118.2	129.0	95.7	112.9
1995*							
Jan.	113.1	77.0	113.3	117.2	130.8	96.8	115.3
Feb.	113.7	85.0	115.1	119.5	133.9	99.4	106.9
March	116.6	93.5	117.6	119.1	136.6	100.0	112.4

8.3 Indicators of domestic supply and demand, 1985=100 (seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1990	119.9	111.6	127.3	124.8	161.7	122.1	144.6	117.5
1991	99.4	103.5	103.9	94.4	127.7	109.9	102.1	110.3
1992	87.2	92.9	79.5	73.8	76.2	87.5	84.5	107.0
1993*	82.5	87.6	59.5	60.5	52.9	59.8	83.2	105.5
1994*	87.6	89.3	52.6	55.1	56.2	47.6	97.3	109.9
1993*								
IV	82.8	87.3	57.1	57.7	62.9	52.5	79.1	106.9
1994*								
Feb.	83.7	88.3	..	..	..	..	..	107.7
March	84.2	91.6	..	..	..	..	..	108.6
April	82.5	86.8	..	..	..	..	..	109.6
May	89.5	90.2	..	..	..	..	..	110.5
June	88.0	89.4	..	..	..	..	..	109.4
July	87.0	86.9	..	..	..	..	..	109.6
Aug.	90.8	89.2	..	..	..	..	..	110.0
Sept.	90.8	90.9	..	..	..	..	..	110.7
Oct.	89.3	88.9	..	..	..	..	..	111.8
Nov.	91.8	89.7	..	..	..	..	..	111.7
Dec.	90.4	91.1	..	..	..	..	..	112.4
1994*								
I	83.5	89.3	53.9	59.1	40.3	50.4	73.8	107.6
II	86.7	88.8	50.2	54.5	51.1	44.4	97.8	109.8
III	89.5	89.0	53.4	52.2	66.8	47.6	84.4	110.1
IV	90.5	89.9	52.7	48.9	66.4	48.2	132.9	112.0
1995*								
Jan.	110.7	93.4	..	..	..	..	..	114.5
Feb.	91.1	93.4	..	..	..	..	..	114.3

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				Domes-tic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	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
1992	108.4	108.1	108.3	109.0	107.4	107.1	101.4	99.5	108.5	101.6	102.7	101.1	100.4
1993¹	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
1994¹	111.5	111.6	115.0	111.4	110.9	111.4	106.2	102.8	118.7	107.1	110.1	105.8	102.2
1994													
April	..	..	..	..	110.2	111.3	105.8	102.1	119.2	105.8	108.0	104.8	101.7
May	..	..	..	..	110.3	111.3	105.8	102.2	119.1	106.4	109.0	105.2	101.9
June	..	..	..	..	111.3	111.3	106.1	102.5	119.5	107.0	110.3	105.6	102.2
July	..	..	..	..	111.4	111.5	106.6	103.1	119.3	107.7	110.9	106.3	102.1
Aug.	..	..	..	..	111.6	111.7	106.8	103.3	119.5	108.2	112.0	106.5	102.4
Sept.	..	..	..	..	111.8	112.0	107.0	103.7	119.3	108.4	112.0	106.8	102.5
Oct.	..	..	..	..	111.9	112.1	107.1	104.0	118.2	108.4	111.0	107.3	102.9
Nov.	..	..	..	..	111.6	111.7	107.1	104.1	118.5	108.4	111.3	107.2	102.9
Dec.	..	..	..	..	111.5	111.7	107.2	104.3	118.0	108.7	111.5	107.4	102.8
1994¹													
I	110.6	110.5	113.2	110.9	109.7	110.7	105.1	101.6	117.8	105.6	108.6	104.3	101.6
II	111.2	111.3	114.6	111.2	110.6	111.3	105.9	102.3	119.3	106.4	109.1	105.2	101.9
III	111.6	111.7	115.3	111.4	111.6	111.7	106.8	103.4	119.4	108.1	111.6	106.5	102.3
IV	112.5	112.9	116.9	111.9	111.7	111.8	107.1	104.1	118.2	108.5	111.3	107.3	102.9
1995													
Jan.	..	..	..	..	111.4	110.8	107.0	104.1	117.8	109.1	113.2	107.3	103.2
Feb.	..	..	..	..	111.8	111.5	107.5	104.2	119.5	109.5	114.7	107.2	103.6
March	..	..	..	..	111.8	111.4	107.5	104.4	119.1	109.4	114.6	107.1	103.5
April	..	..	..	..	111.9	..	108.0	104.9	119.2	110.1	116.0	107.5	103.7
1995¹													
I	114.6	115.7	121.8	113.0	111.7	111.2	107.3	104.2	118.8	109.3	114.2	107.2	103.4

¹ 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+9)	By industrial status		By industry			Unem-ployed	Unem-employment rate	
				Self-employed	Wage and salary earners	Agri-culture and forestry	Industry	Con-struction			Service industries
1000 persons											
	%									%	
	1	2	3	4	5	6	7	8	9	10	11
1990	68.4	2 556	2 467	360	2 108	207	556	205	1 500	88	3.4
1991	67.4	2 533	2 340	340	2 000	197	502	179	1 461	193	7.6
1992	66.1	2 502	2 174	325	1 849	188	454	150	1 382	328	13.1
1993	65.3	2 484	2 041	312	1 729	173	423	124	1 319	444	17.9
1994	64.8	2 480	2 024	312	1 712	167	426	113	1 317	456	18.4
1994											
April	64.4	2 462	2 000	311	1 689	165	418	111	1 306	461	18.7
May	64.9	2 483	2 017	313	1 704	167	420	114	1 316	465	18.7
June	64.9	2 483	2 026	313	1 713	173	423	106	1 324	457	18.4
July	64.5	2 470	2 007	300	1 707	164	423	119	1 301	463	18.8
Aug.	64.6	2 472	2 027	308	1 719	168	431	114	1 314	445	18.0
Sept.	65.1	2 492	2 042	317	1 724	171	439	114	1 317	451	18.1
Oct.	64.8	2 482	2 041	308	1 733	159	435	121	1 325	441	17.8
Nov.	64.6	2 474	2 038	312	1 725	168	433	112	1 324	436	17.6
Dec.	64.8	2 484	2 050	311	1 739	164	438	119	1 330	434	17.5
1995											
Jan.	64.8	2 482	2 046	310	1 736	162	444	123	1 317	436	17.6
Feb.	64.4	2 470	2 049	297	1 751	164	434	120	1 331	421	17.0
March	64.8	2 485	2 070	299	1 771	160	453	124	1 332	415	16.7
April	65.2	2 500	2 069	292	1 778	160	457	124	1 329	430	17.2

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
1990	42 611	77 364	953	18 423	139 351	4 260	143 611	41 535	81 190	37 646	40 313
1991	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
1992	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
1993	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
1994	34 588	68 124	1 792	24 095	128 599	7 308	135 900	48 750	108 155	40 388	65 519
1994											
March	3 774	4 727	100	2 283	10 884	2 382	13 265	4 097	9 474	3 521	5 820
April	2 374	5 134	100	1 945	9 553	208	9 759	3 320	9 049	3 849	5 068
May	2 567	5 970	98	2 717	11 352	241	11 592	3 633	8 999	3 684	5 166
June	2 786	5 511	524	1 977	10 798	1 503	12 300	4 654	9 930	3 725	6 028
July	3 059	5 980	237	1 756	11 032	898	11 929	4 200	8 475	3 195	5 083
Aug.	2 915	6 837	138	1 336	11 226	198	11 424	3 046	8 170	3 115	4 806
Sept.	2 671	5 289	127	1 489	9 576	81	9 658	3 866	8 399	3 147	5 182
Oct.	2 736	5 834	101	1 243	9 914	228	10 141	3 859	11 109	3 138	7 867
Nov.	2 632	5 608	72	1 956	10 268	975	11 243	4 013	8 368	3 164	5 009
Dec.	3 490	5 710	113	3 766	13 079	484	13 563	7 273	7 912	3 648	3 942
1995											
Jan.	2 850	6 369	80	1 059	10 358	31	10 388	3 190	9 872	3 099	5 712
Feb.	- 924	6 038	93	3 238	8 445	62	8 507	4 109	7 744	3 020	4 092
March	4 153	3 485	30	2 688	10 356	171	10 528	4 627	11 724	3 410	8 061

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)
1990	5 962	4 927	133 614	9 319	142 934	5 737	678	1 201	1 879
1991	5 370	6 368	158 044	13 328	171 372	- 23 420	- 32 304	25 659	- 6 645
1992	5 042	8 499	168 016	35 501	203 516	- 41 400	- 71 847	70 691	- 1 155
1993	4 306	18 076	177 870	19 753	197 623	- 48 646	- 61 030	84 036	23 009
1994	3 737	22 229	182 871	17 886	200 760	- 54 272	- 64 860	73 193	8 336
1994									
March	245	3 120	16 936	3 111	20 047	- 6 052	- 6 782	- 41	- 6 823
April	227	2 081	14 677	1 434	16 112	- 5 124	- 6 353	789	- 5 563
May	257	1 438	14 327	717	15 045	- 2 975	- 3 453	9 209	5 756
June	342	2 424	17 350	663	18 013	- 6 552	- 5 713	13 429	7 716
July	353	1 181	14 209	365	14 575	- 3 177	- 2 646	14 635	11 990
Aug.	298	1 216	12 730	633	13 363	- 1 504	- 1 939	- 1 348	- 3 287
Sept.	321	1 748	14 334	6 490	20 824	- 4 758	- 11 166	13 203	2 037
Oct.	314	1 705	16 987	555	17 541	- 7 073	- 7 400	4 430	- 2 969
Nov.	344	1 060	13 785	587	14 372	- 3 517	- 3 129	5 473	2 344
Dec.	625	1 718	17 528	2 155	19 683	- 4 449	- 6 120	5 236	- 884
1995									
Jan.	180	4 018	17 260	407	17 668	- 6 902	- 7 280	13 669	6 389
Feb.	244	1 367	13 464	647	14 111	- 5 019	- 5 604	9 435	3 832
March	187	3 601	20 139	443	20 583	- 9 783	- 10 055	12 242	2 186

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. Liquidity position of deposit banks (Column 13): see explanation to Table 2.1. Other claims on financial institutions, net (Column 15) = till-money credits to deposit banks (until May 1993) + bonds + other claims on financial institutions – 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 Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. They can also obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity is determined by the Bank of Finland.

Table 2.2 The minimum reserve requirement is reported for the month by the end of which the deposit must be made with the Bank of Finland. The requirement is determined on the basis of the reserve base for the previous month. No interest is paid on minimum reserve deposits.

Table 2.3 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 2.4 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 2.5 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. HELIBOR (Helsinki Interbank Offered Rate) (Columns 2–5): The HELIBOR rate for each maturity is calculated by the Bank of Finland as the average of the offered rates for certificates of deposit quoted daily at 1 p.m. by the five largest banks.

Table 3.2 The 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.

Banks with access to central bank financing can make call money deposits with the Bank of Finland without limit. In addition, they can obtain liquidity credit from the Bank of Finland 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 is obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. The monthly and annual values for maturity and interest rate margins are the last values recorded in each month or year.

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. Yields on taxable government bonds (Columns 3 and 4) are calculated by the Bank of Finland in a similar fashion. Until January 1992, the yield on 5-year taxable government bonds (Column 3) was calculated on a bullet bond due on 15 March 1994 with a coupon rate of 13 per cent. From February 1992 onwards the yield is calculated on a bullet bond due on 15 January 1999 with a coupon rate of 11 per cent. Until June 1993, the yield on 10-year taxable government bonds (Column 4) is calculated on a housing bond (bullet) due on 15 March 2002 with a coupon rate of 10.75 per cent. From July 1993 onwards the yield is calculated on a bullet bond due on 15 March 2004 with a coupon rate of 9.50 per cent. 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. The MERM index (Column 4): The weights are fixed 1977 weights computed on the basis of the IMF's world trade model; 14 currencies are included in this index.

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 (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

Table 5.5 Source: Table B: 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 the banks entitled to central bank financing. As from 10 October 1994 the following act as primary dealers: Alfred Berg Pankkiiriliike, Evli Fixed Income Securities, Goldman Sachs International, Handelsbanken Finland, Kansallis-Osake-Pankki, Okobank, Postipankki, Skopbank, Union Bank of Finland and Unibors Securities. The primary dealers' quotes are published daily (page JVKD on Reuters). 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.

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). As a result of the new classification, the contents of many of the items in the capital and financial account have been revised to some extent. In the same context, a number of other revisions and clarifications have been made. The main changes are listed below.

Table 6.2 Short-term foreign exchange transfers related to cash management flows between direct investors and their direct investment enterprises are classified as direct investment (Columns 1 and 14). Loans received by resident direct investors from group 'in-house' finance companies located abroad (intra-group loans) are also classified as direct investment (Column 14). Money market instruments are classified as portfolio investment (Columns 5 and 17). Premiums and margin payments arising from transactions in financial derivatives are included as a new item under portfolio investment (Columns 6 and 18). Financial derivatives also 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 3 and 16). The category other investment (Columns 8–12 and 20–24) 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 8 and 20). The item 'Other' (Columns 11 and 23) includes transactions in 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' comprises banks' other short-term assets and liabilities (in practice interbank deposits). The central bank's reserve assets (Column 27) comprise gold, special drawings 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. All tables refer to foreign trade in goods.

Table 7.1 The exceptionally large foreign trade figures for December 1994 are largely due to a one-off timing change in the compilation of foreign trade statistics caused by Finland's entry into the EU. This increased the value of imports by some FIM 3 billion and the value of exports by just under FIM 1 billion.

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.

Table 7.2 The volume indices (Columns 1 and 2) are calculated according to the Paasche formula and the unit value indices (Columns 3 and 4) according to the Laspeyres formula. The terms of trade (Column 5) is the ratio of the export unit value index to the import unit value index multiplied by one hundred.

Table 7.4 The regional and country grouping is based on the classification according to Finnish Official Statistics I A.

8 Domestic economic developments

Tables 8.1–8.5 Source: 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.

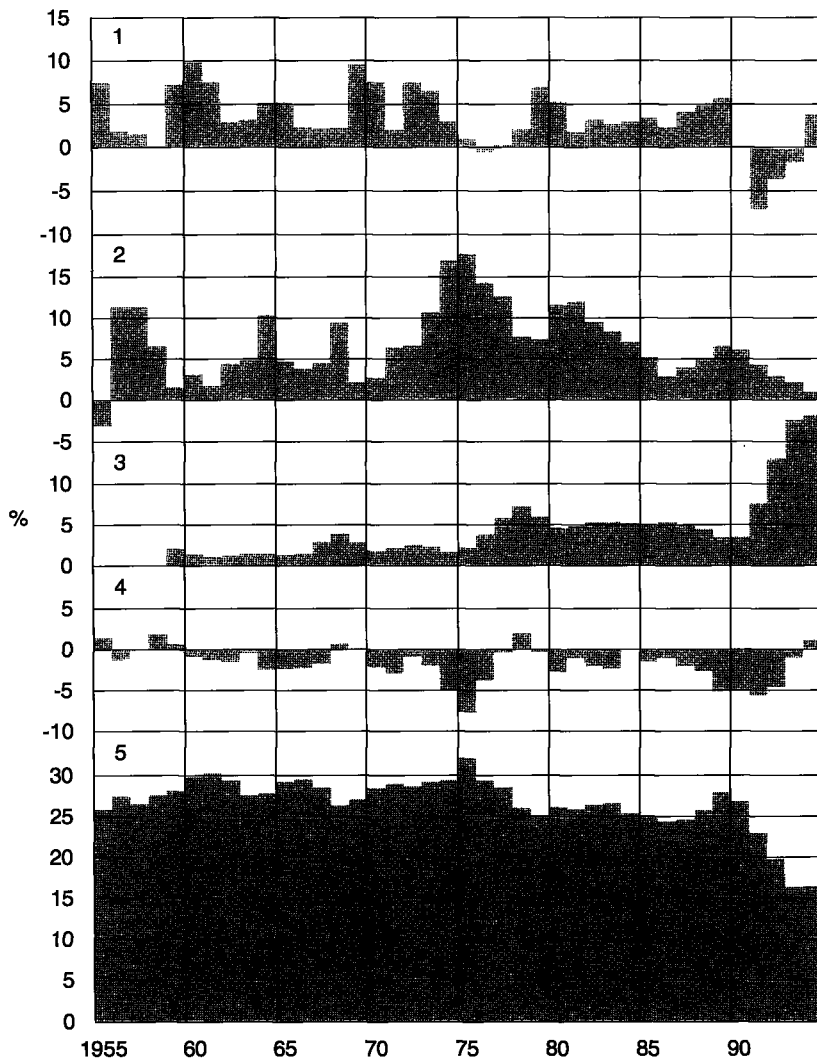
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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.

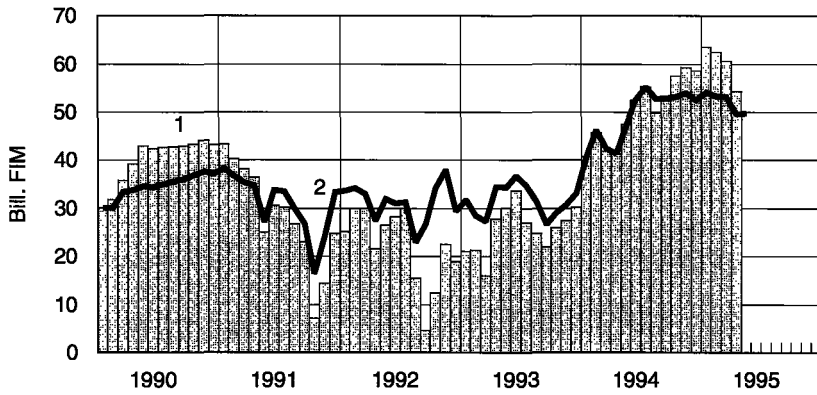
1. Long-term indicators	S30
2. The Bank of Finland's foreign exchange reserves and forward position	S31
3. Forward market	S31
4. Rates of interest set by the Bank of Finland	S31
5. Banks' liquidity position with the Bank of Finland	S32
6. Liquidity management interest rates	S32
7. HELIBOR rates of interest, daily	S32
8. HELIBOR rates of interest, monthly	S33
9. Differential between Finnish and German interest rates	S33
10. Yields on bonds	S33
11. Bank of Finland currency index and the markka value of the ECU	S34
12. Daily spot rates for the markka against the Deutschmark 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 Deutschmark 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
20. Current account	S37
21. Net interest and dividend expenditure	S37
22. Balance of payments	S38
23. Finland's net international investment position	S38
24. Foreign trade	S39
25. Foreign trade: prices and terms of trade	S39
26. Finland's export performance	S39
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



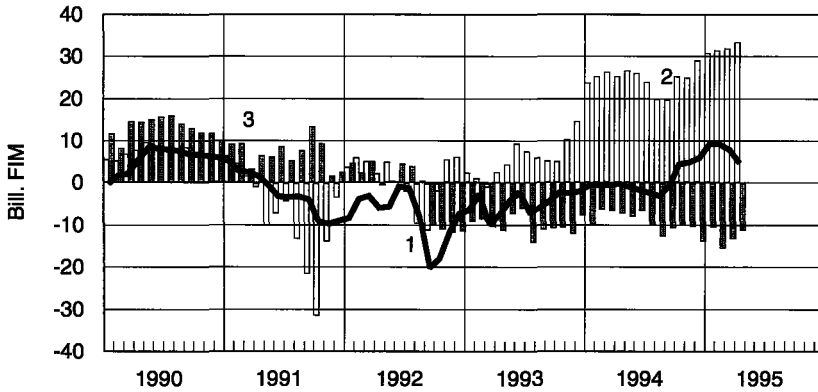
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



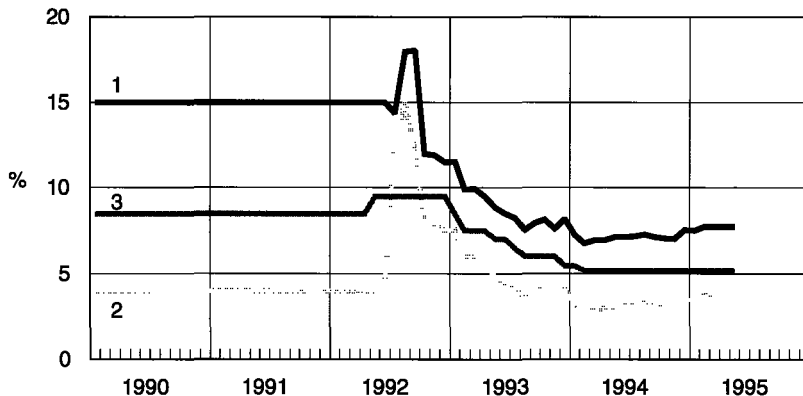
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

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

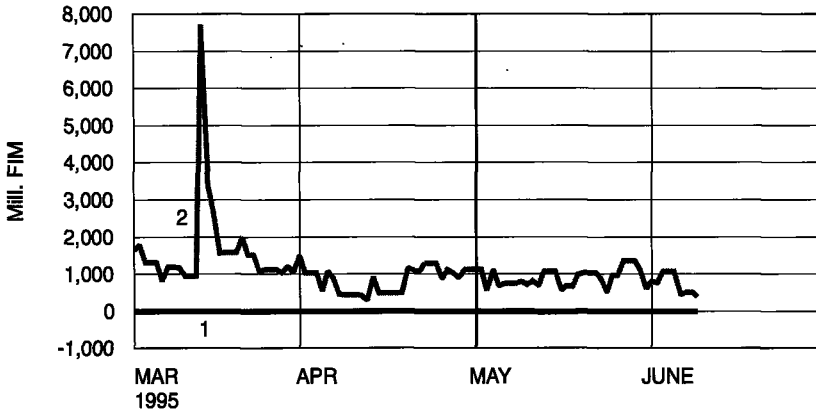
4. RATES OF INTEREST SET BY THE BANK OF FINLAND



1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Call money deposit rate
3. Base rate

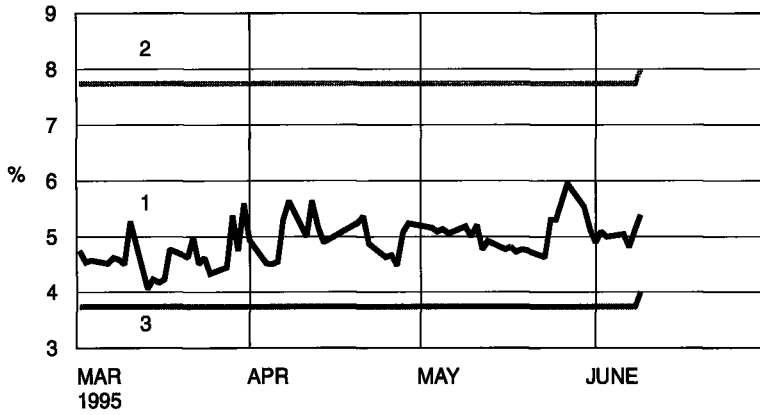
End-of-month observations

5. BANKS' LIQUIDITY POSITION WITH THE BANK OF FINLAND



- 1. Liquidity credits (-)
- 2. Call money deposits

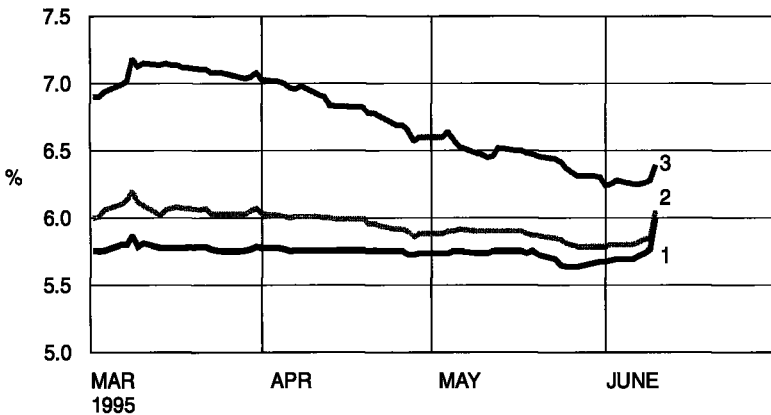
6. LIQUIDITY MANAGEMENT INTEREST RATES



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

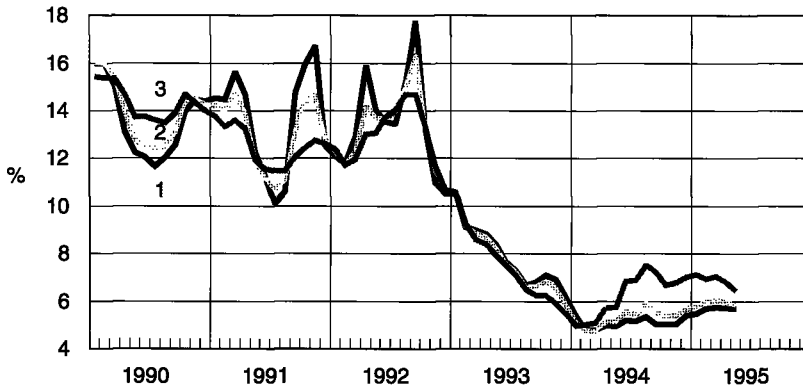
Daily observations

7. HELIBOR RATES OF INTEREST, DAILY



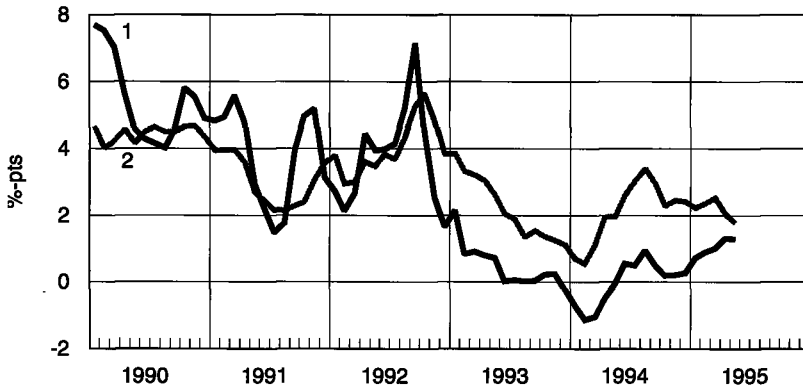
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

8. HELIBOR RATES OF INTEREST, MONTHLY



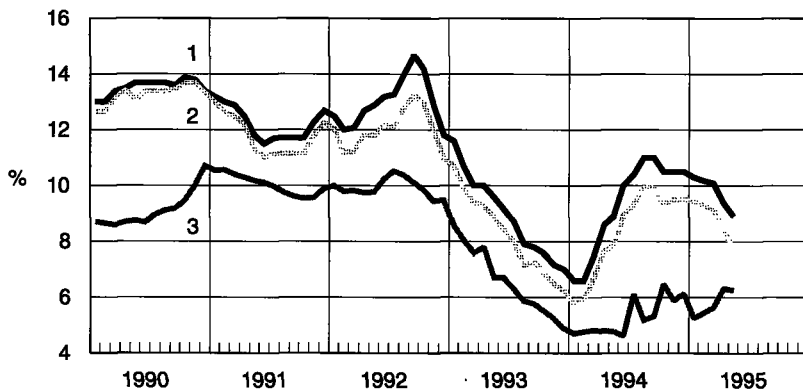
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. DIFFERENTIAL BETWEEN FINNISH AND GERMAN INTEREST RATES



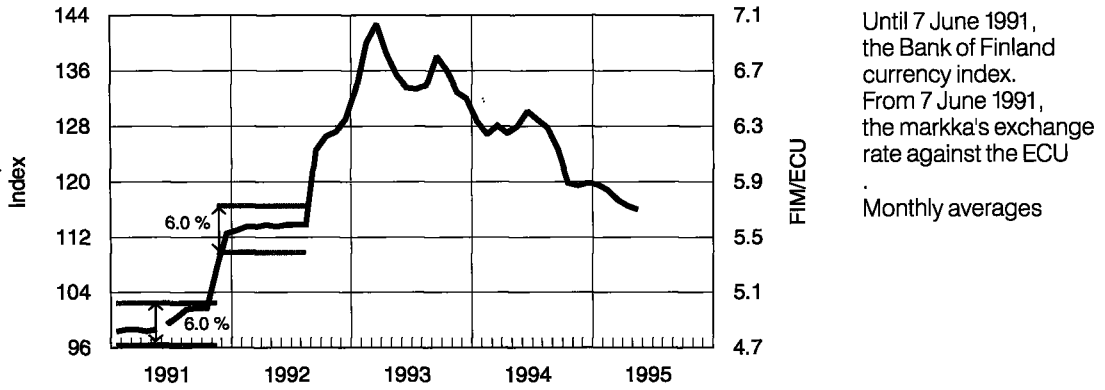
- 1. 3-month HELIBOR *minus* 3-month DEM eurorate
- 2. 5-year Finnish government bond yield *minus* 5-year German government bond yield

10. YIELDS ON BONDS

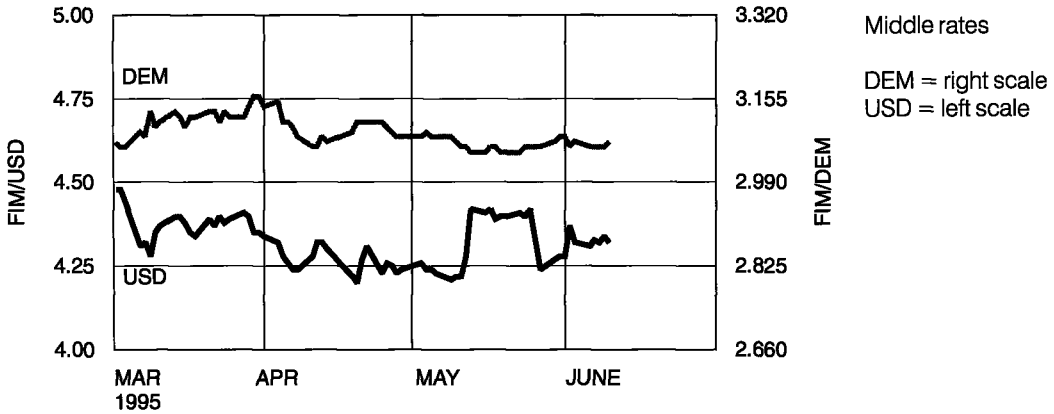


- 1. Bank of Finland's 5-year reference rate
- 2. Yield on (4-5 year) taxable government bonds
- 3. Yield on (4-5 year) taxfree government bonds

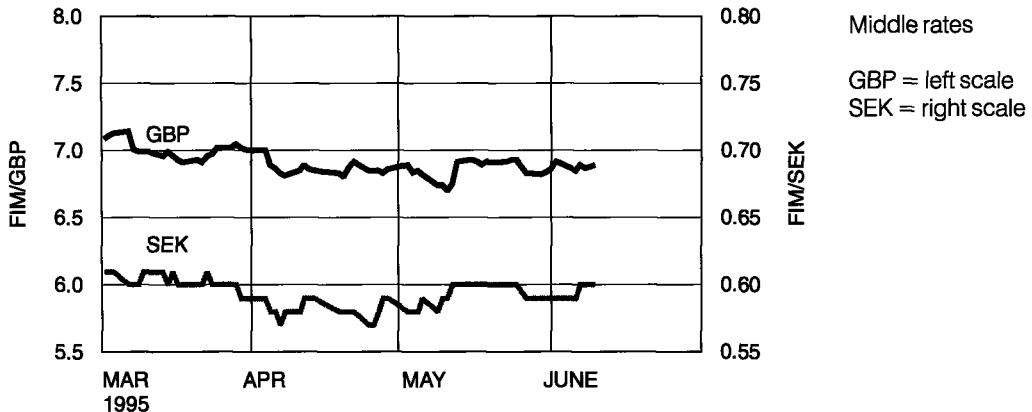
11. BANK OF FINLAND CURRENCY INDEX AND THE MARKKA VALUE OF THE ECU



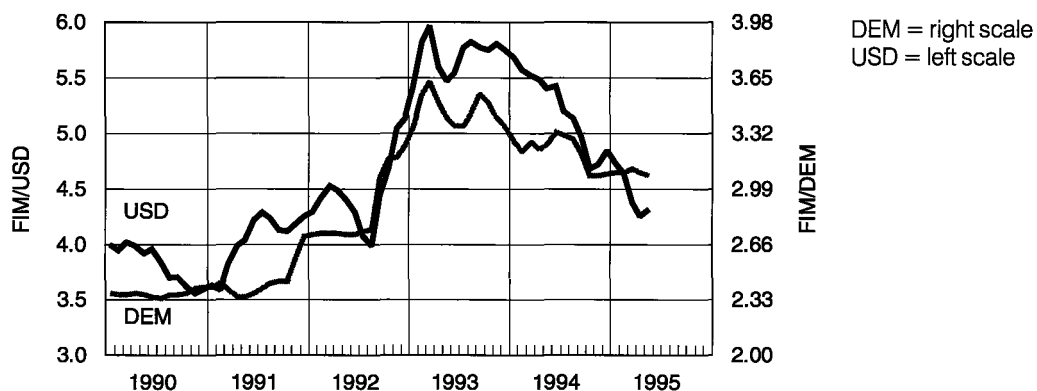
12. DAILY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



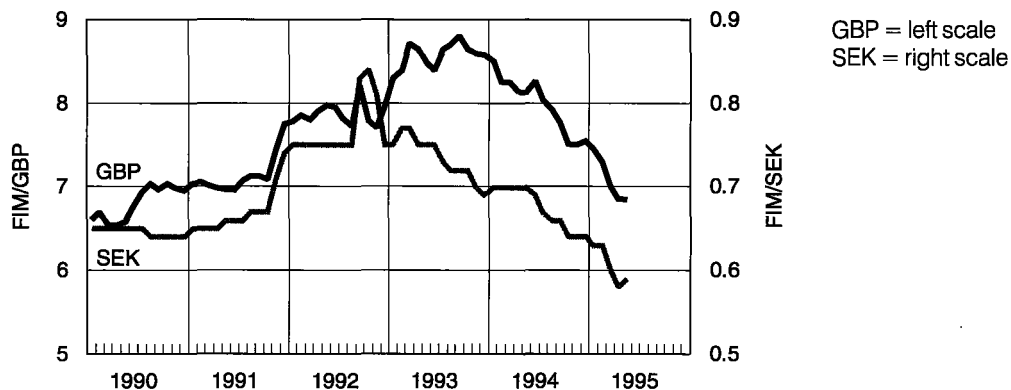
13. DAILY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



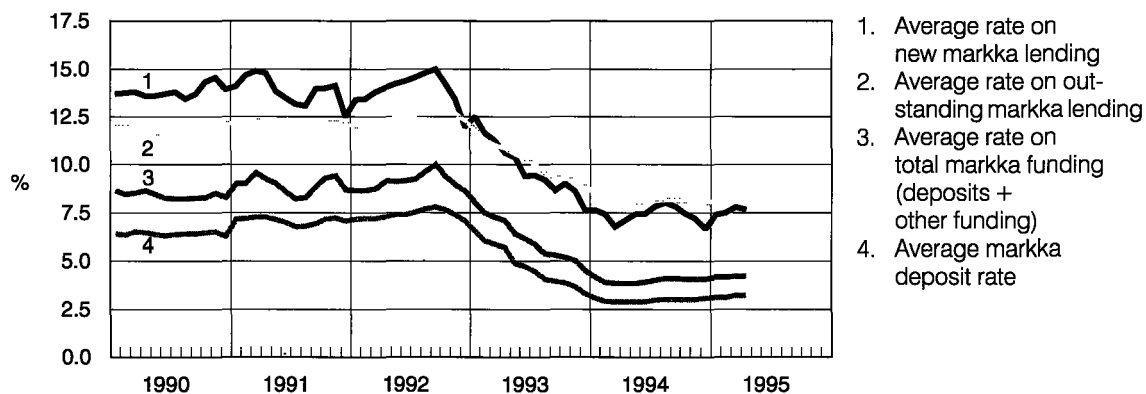
14. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE DEUTSCHMARK AND THE US DOLLAR



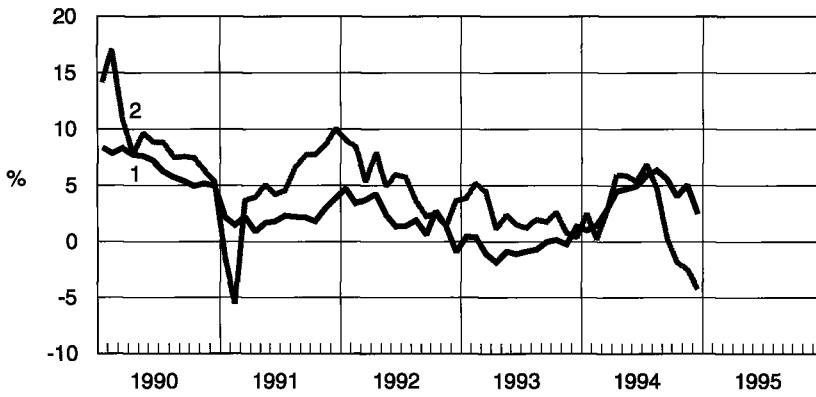
15. MONTHLY SPOT RATES FOR THE MARKKA AGAINST THE POUND STERLING AND THE SWEDISH KRONA



16. BANKS' MARKKA LENDING RATES AND MARKKA FUNDING RATES



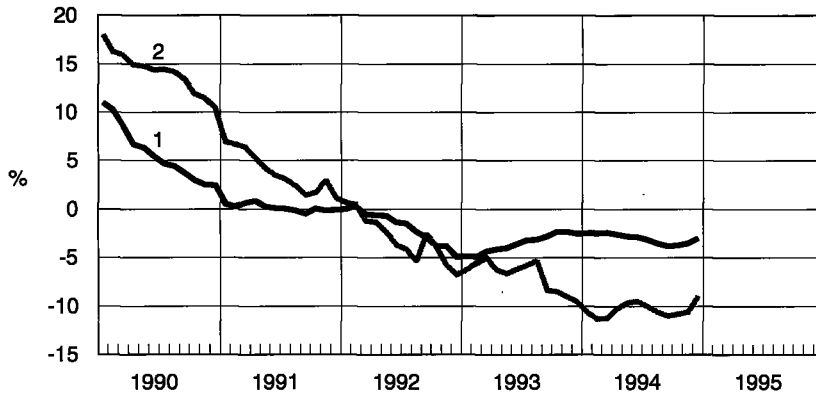
17. BANK FUNDING FROM THE PUBLIC



- 1. Markka deposits
- 2. Total funding

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

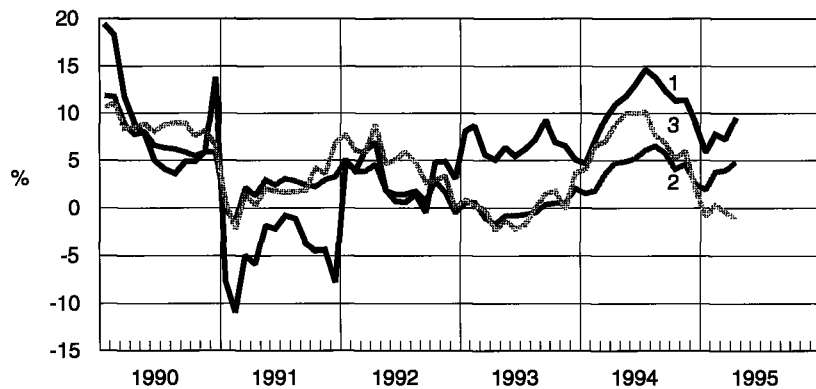
18. BANK LENDING TO THE PUBLIC



- 1. Markka lending
- 2. Total lending

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

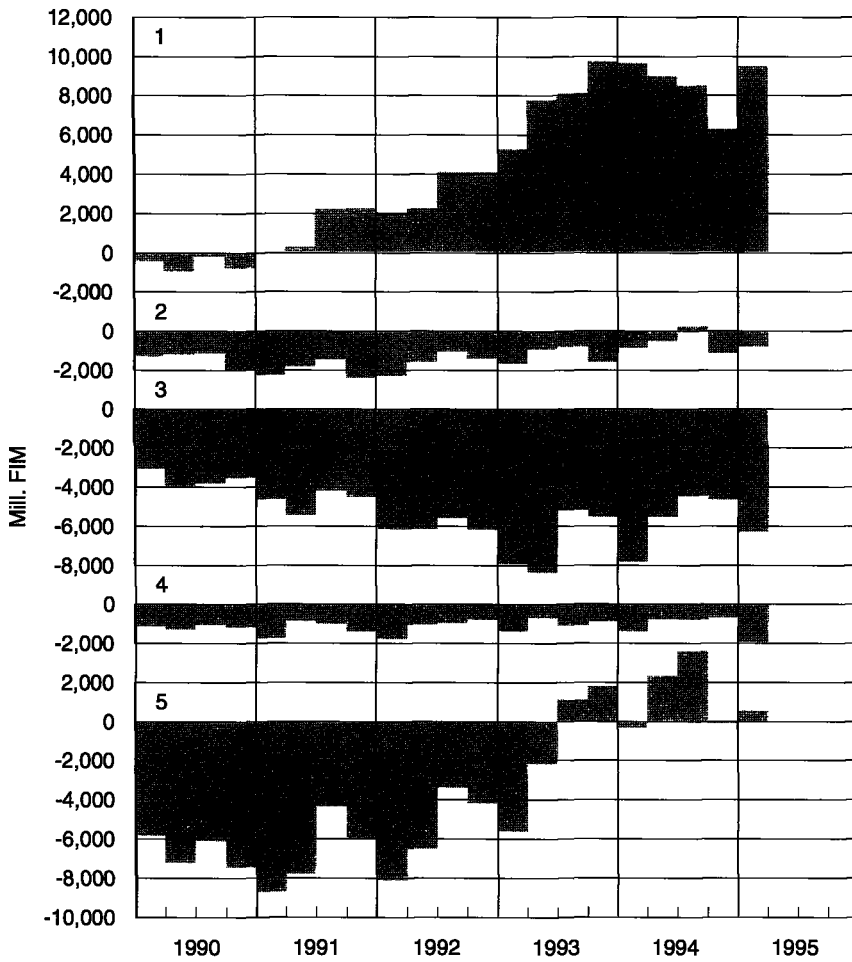
19. MONEY SUPPLY



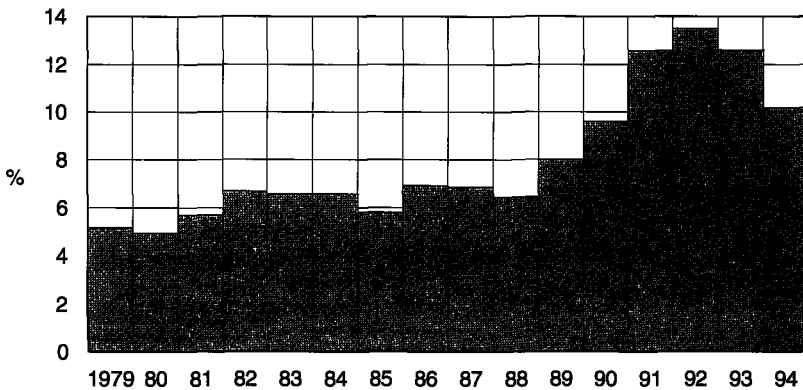
- 1. Narrow money (M1)
- 2. Broad money (M2)
- 3. M2 + bank CDs held by the public (M3)

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

20. CURRENT ACCOUNT

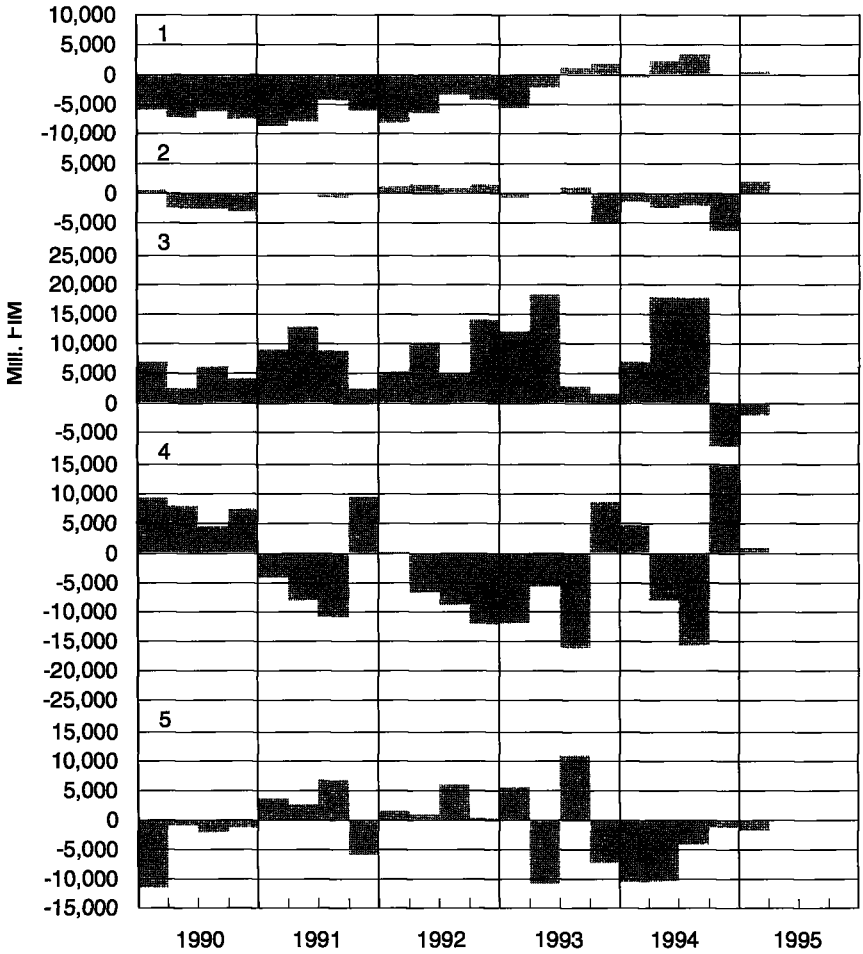


21. NET INTEREST AND DIVIDEND EXPENDITURE



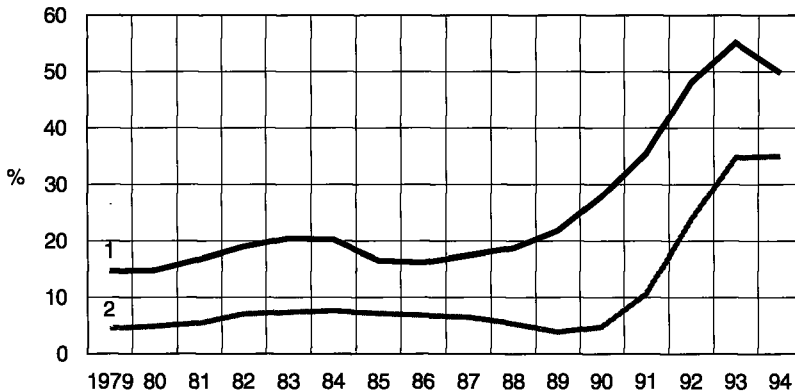
As a percentage of current account receipts

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 = -)

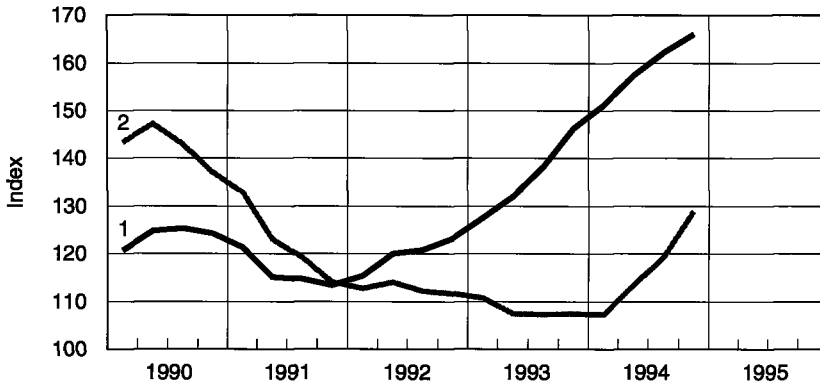
23. FINLAND'S NET INTERNATIONAL INVESTMENT POSITION



1. Total
2. Of which:
central government

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

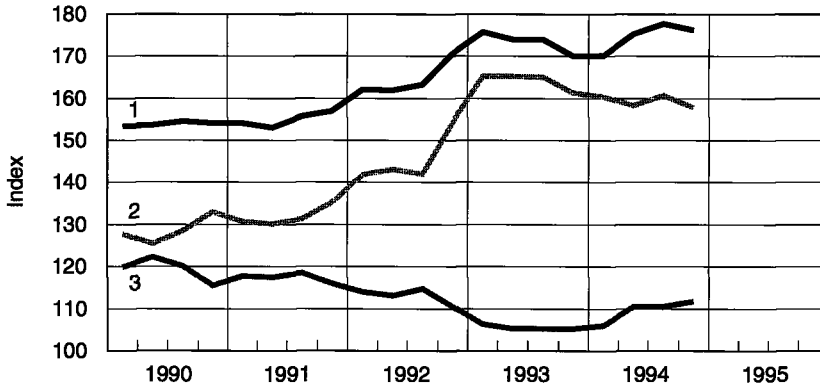
24. FOREIGN TRADE



- 1. Total exports
- 2. Total imports

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

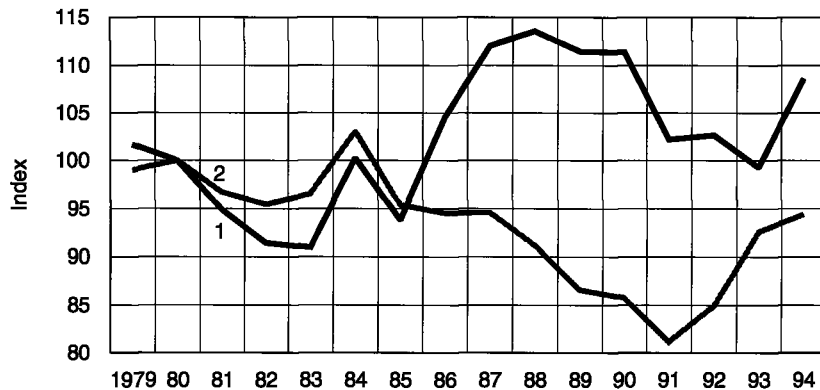
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



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

1980 = 100

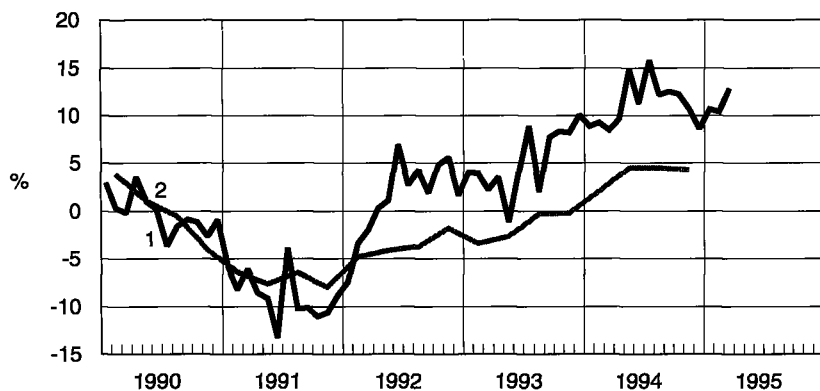
26. FINLAND'S EXPORT PERFORMANCE



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

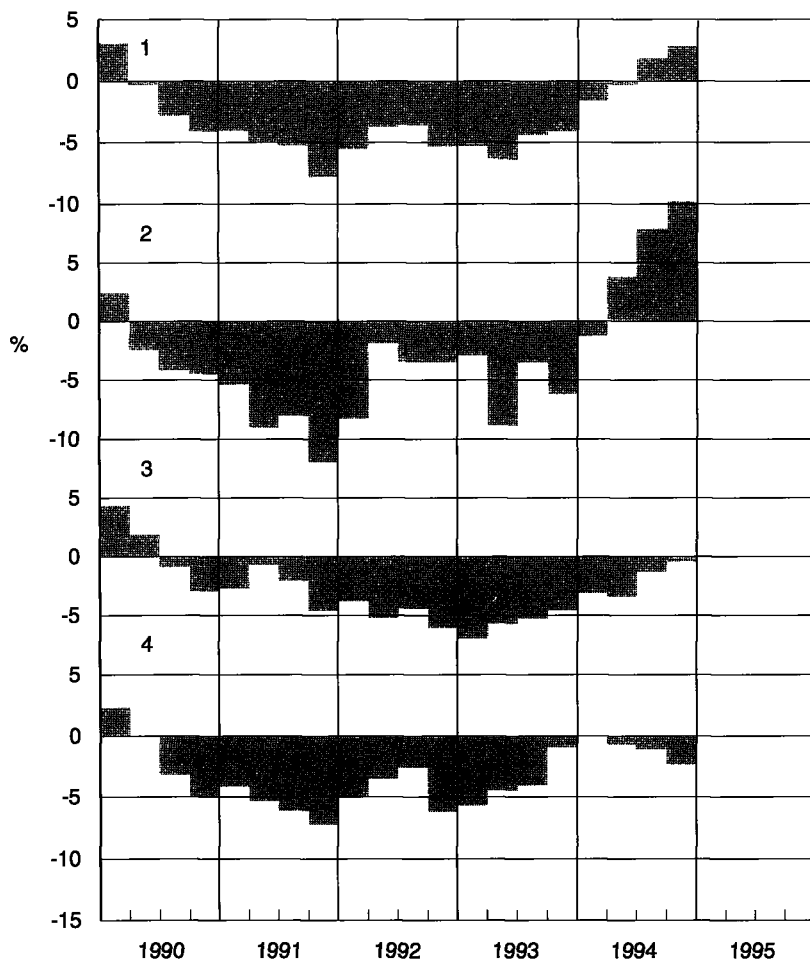
1980 = 100

27. PRODUCTION



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

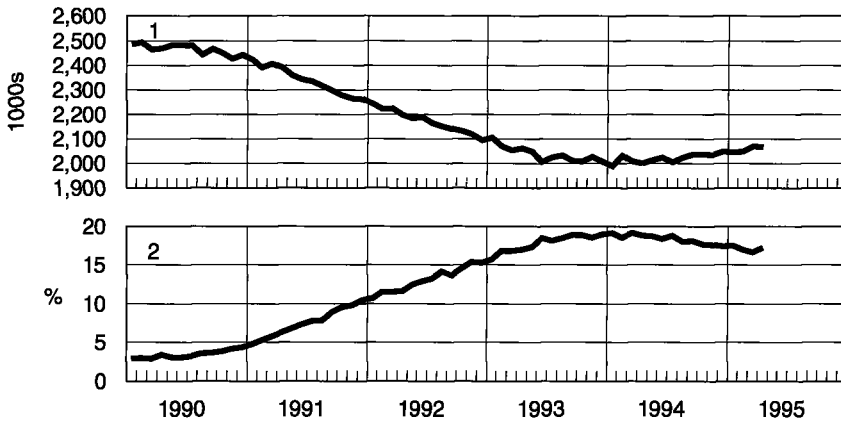
28. FIXED INVESTMENT



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

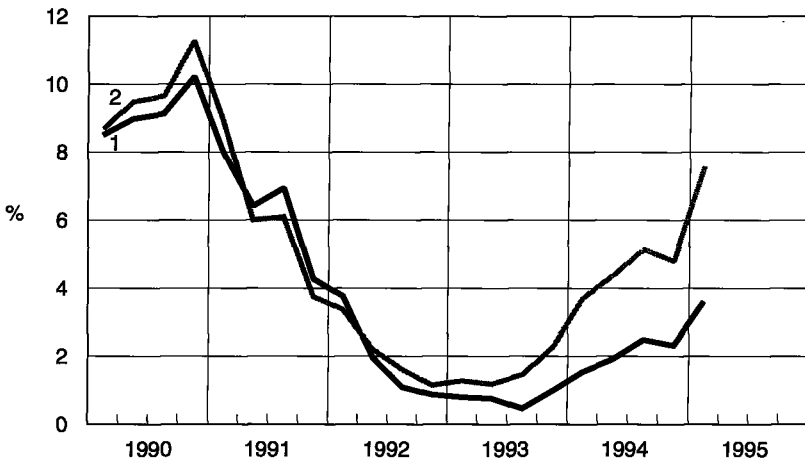
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



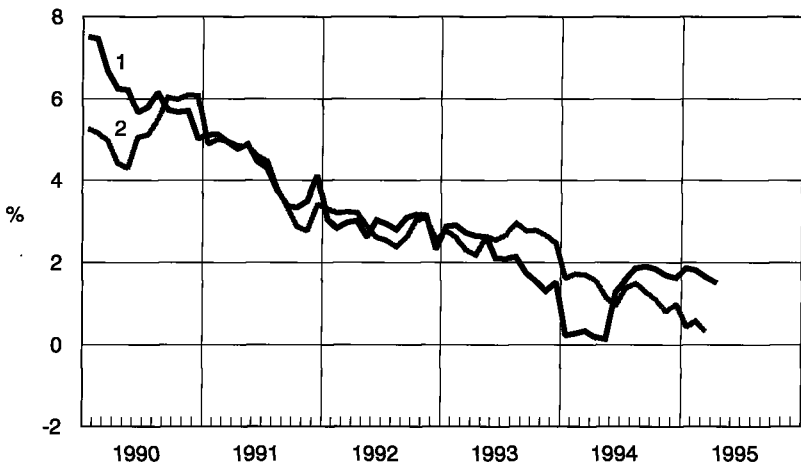
- 1. Employment, 1000 persons
- 2. Unemployment rate, per cent

30. PRICES AND WAGES



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

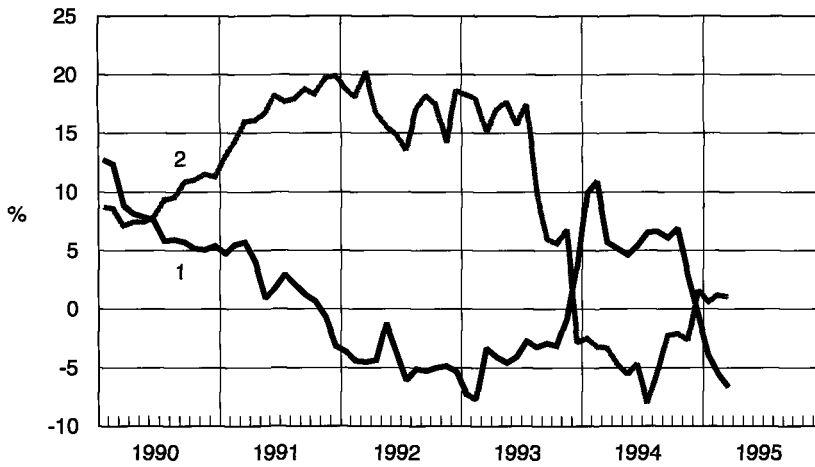
Change from the corresponding quarter of the previous year, per cent



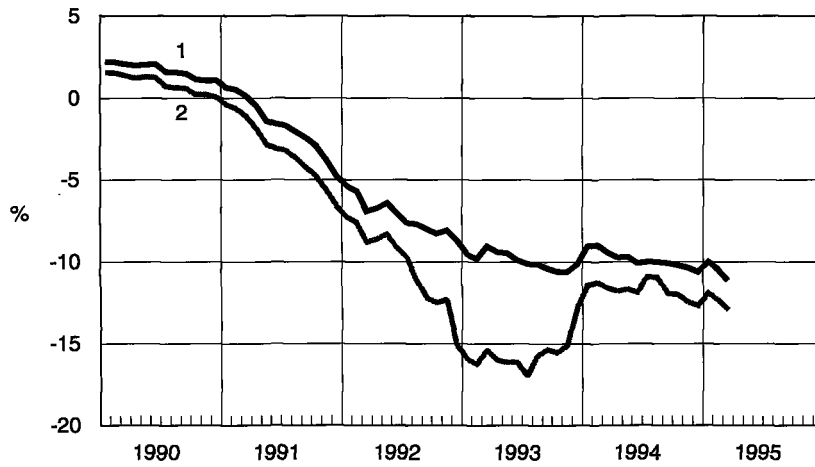
- 1. Consumer price index
- 2. Indicator of underlying inflation

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

31. CENTRAL GOVERNMENT FINANCES

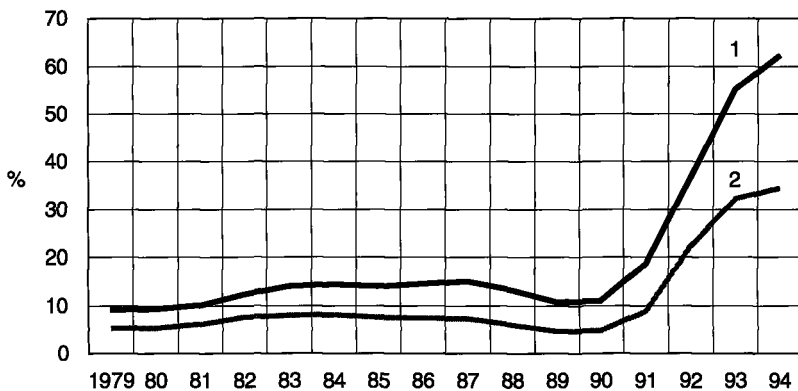


1. Revenue excl. borrowing
2. Expenditure excl. redemptions of central government debt



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

32. CENTRAL GOVERNMENT DEBT



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

BANK OF FINLAND

28 April 1995

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