



BANK OF FINLAND

Monthly Bulletin

Finland's foreign debt

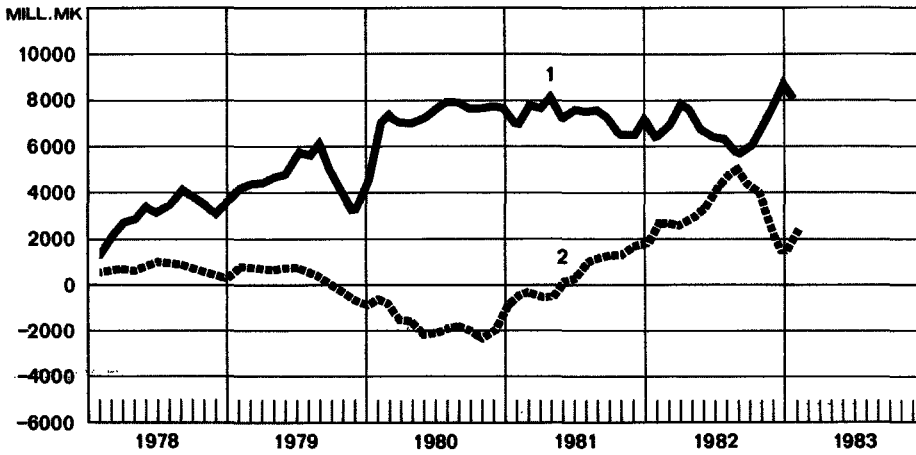
**The balance of payments and
foreign exchange policy in 1982**

**Foreign direct investment in Finland
and Finnish direct investment abroad
in 1982**

MARCH 1983

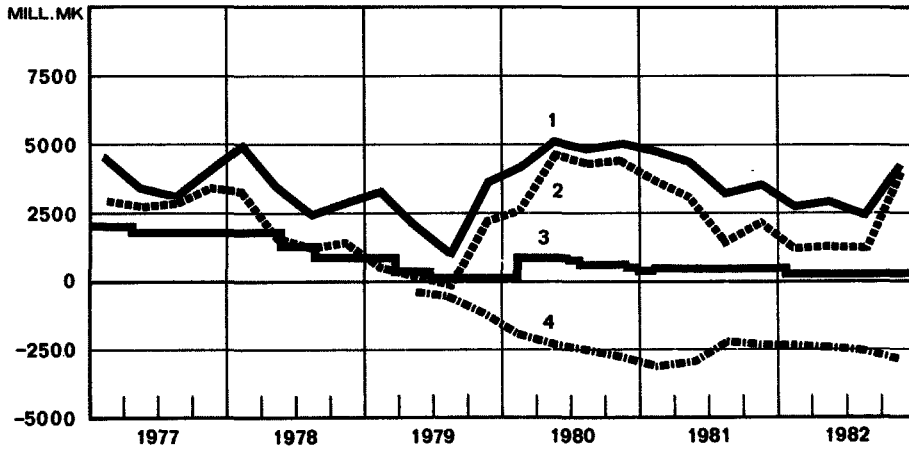
Vol. 57 No. 3

BANK OF FINLAND'S CONVERTIBLE AND TIED FOREIGN EXCHANGE RESERVES, 1978 - 83



- 1. Gold and convertible currencies
- 2. Tied currencies

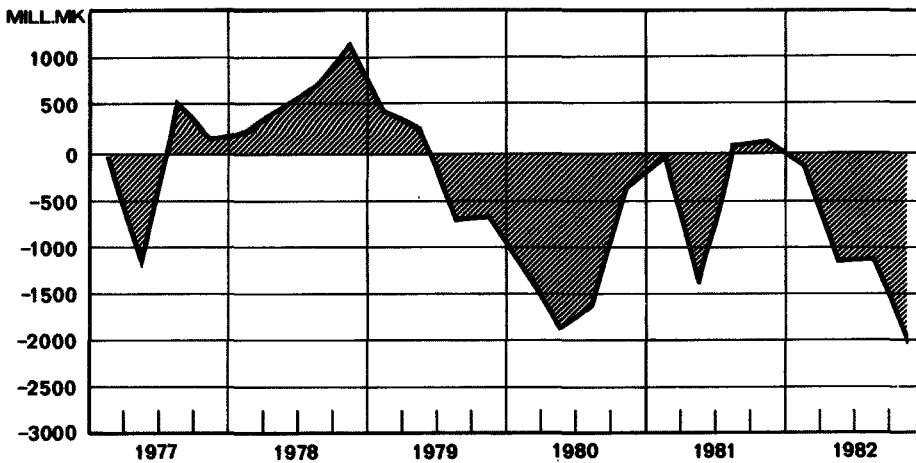
COMMERCIAL BANKS' CENTRAL BANK POSITION, 1977-1982



- 1. Total central bank debt
- 2. Actual central bank debt
- 3. The quotas
- 4. Cash reserve deposits

Quarterly average of daily amounts (1, 2 and 4)

BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS/DEFICIT, 1977-82



Seasonally adjusted quarterly figures

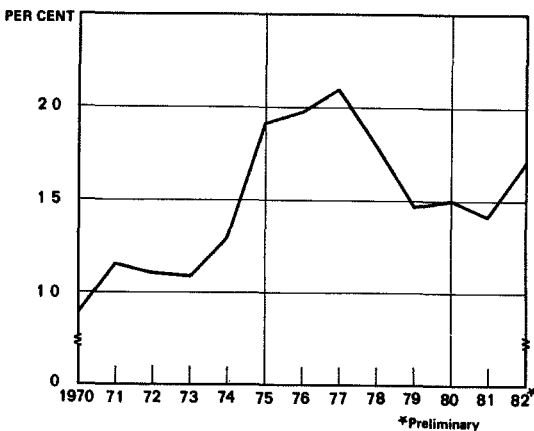
FINLAND'S FOREIGN DEBT

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Finland's external indebtedness increased in 1982 on account of two factors. First, there was a deficit on the current account of 4.5 billion marks, up from 1.3 billion in 1981.¹ Secondly, the devaluation of the Finnish mark as well as the strength of the key borrowing currencies increased the mark value of Finland's net foreign debt by an estimated 5.5 billion marks. Thus Finland's net foreign debt at the end of 1982 amounted to 40.0 billion marks, as against 30.0 billion one year earlier. Net long-term debt grew by 6.9 billion marks to 40.1 billion marks and net short-term assets decreased by 3.1 billion marks to 0.1 billion. The ratio of net foreign debt to GDP rose by 3 percentage points and stood at 17 per cent at the end of the year. Finland's creditworthiness on international financial markets remained good.

CHART 1. FINLAND'S NET FOREIGN DEBT AS A PERCENTAGE OF GDP.



¹ For an analysis of balance of payments developments, see the back article of this Bulletin.

Finland's gross long-term debt grew by 12.6 billion marks and totalled 55.1 billion marks at the end of the year. The two devaluations of the mark increased the debt by 7.0 billion marks. Forty-six per cent of Finland's gross long-term debt was denominated in U.S. dollars, 12 per cent in deutschemarks, 10 per cent in Swiss francs and 9 per cent in Japanese yen. The remainder of the debt was distributed among 21 other currencies.

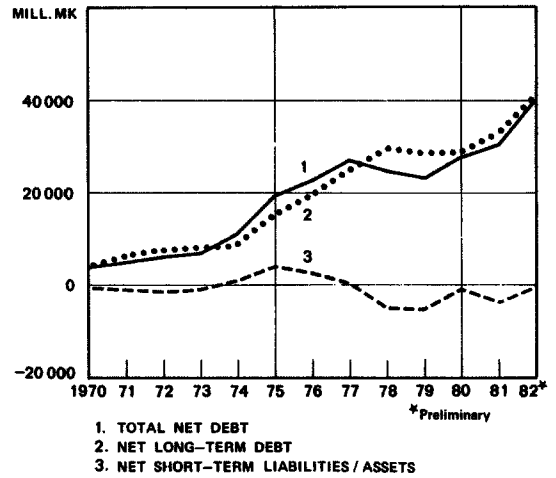
The gross long-term foreign debt of enterprises and financial institutions went up by 2.4 billion marks. Of this increase, part was attributable to financial institutions' conversion of short-term credits into long-term loans. About half of the corporate sector's imports of capital was related to investment activity in the forest and metal industries. The forest industry enterprises, in particular, used a substantial proportion of their foreign capital for financing projects started in earlier years.

The gross foreign debt of the central government grew by 3.1 billion marks, which was about one billion marks more than the increase in 1981. The central government's gross foreign debt rose to 18.4 billion marks at the end of the year, representing some 8 per cent of GDP.

Drawings of long-term foreign loans amounted to 10.7 billion marks, or 2.0 billion marks more than in the previous year. Euro-currency loans accounted for 4.2 billion marks and bonds for 3.1 billion marks. The following 15 issues were floated abroad in 1982:

Republic of Finland	150 million DEM
Republic of Finland	75 million USD
Republic of Finland	100 million NLG
Republic of Finland	20 billion JPY
Republic of Finland	100 million USD
Republic of Finland	15 billion JPY
Enso-Gutzeit Oy	5 million KWD
City of Helsinki	50 million DEM
Imatran Voima Oy	10 billion JPY
Kansallis-Osake-Pankki	50 million USD
Land and Industrial Mortgage Bank Ltd	} 60 million DEM
Finnish Real Estate Bank Ltd	
Industrial Bank of Finland Ltd	} 15 million GBP
Mortgage Bank of Finland Ltd	
Postipankki	50 million CHF
Finnish Export Credit Ltd	75 million USD
Industrialization Fund of Finland Ltd	30 million CHF

CHART 2. STRUCTURE OF FINLAND'S NET FOREIGN DEBT



At the end of 1982, the total value of the stock of foreign direct investment in Finland stood at 2.2 billion marks, or the same amount as one year earlier; both drawings and redemptions amounted to 0.3 billion marks. There were 985 firms in Finland which were more than 20 per cent foreign-owned.

Direct investment abroad by Finnish enterprises continued to grow in 1982, amounting, in net terms, to about one third, or 1.1 billion marks, more than in 1981. At the end of the year, the total value of the stock of Finnish direct investment abroad was 4.6 billion marks, there being 1 167 firms operating abroad which were more than 20 per cent Finnish-owned.

February 21, 1983

	1982		1983			
	Feb. 26	Dec. 31	Feb. 8	Feb. 15	Feb. 23	Feb. 28
Assets						
Gold and foreign exchange receivables	10 014	10 552	10 474	10 271	10 244	10 096
Gold	1 382	1 382	1 382	1 382	1 382	1 382
Special drawing rights	595	609	569	568	567	568
IMF reserve tranche	394	453	456	454	454	455
Foreign bonds	1 096	765	510	543	542	600
Convertible currencies	3 682	5 813	4 841	4 552	4 418	4 143
Tied currencies	2 865	1 530	2 716	2 772	2 881	2 948
Other foreign receivables	1 606	3 963	3 982	3 976	3 985	3 985
Mark subscription to Finland's IMF quota	1 606	1 843	1 843	1 843	1 843	1 843
Term receivables	—	2 120	2 139	2 133	2 142	2 142
Receivables from financial institutions	3 696	5 409	3 437	4 802	4 004	3 583
Banks' cheque accounts	388	169	376	477	345	241
Call money market advances	1 972	3 126	850	2 181	1 495	1 151
Till-money credits	678	889	900	846	873	913
Bonds	625	1 179	1 258	1 264	1 267	1 253
Other financial institution receivables	33	46	53	34	24	25
Receivables from the public sector	970	1 040	1 152	1 192	1 200	1 209
Bonds	441	435	541	575	586	599
Total coinage	516	559	574	575	576	576
Other public sector receivables	13	46	37	42	38	34
Receivables from corporations	4 649	4 990	5 004	5 012	5 096	5 050
Financing of exports	1 694	1 788	1 735	1 725	1 801	1 758
Financing of domestic deliveries	2 234	2 514	2 580	2 597	2 605	2 602
Bonds	196	163	160	160	160	160
Other corporate receivables	525	525	529	530	530	530
Other assets	90	99	99	99	100	99
Total	21 025	26 053	24 148	25 352	24 629	24 022
Liabilities						
Foreign exchange liabilities	70	22	44	53	51	60
Convertible accounts	65	17	24	30	26	34
Tied accounts	5	5	20	23	25	26
Other foreign liabilities	3 244	5 410	3 810	3 796	3 805	3 805
IMF mark accounts	1 835	1 927	1 890	1 890	1 890	1 890
Allocations of special drawing rights	726	833	839	837	836	837
Term liabilities	683	2 650	1 081	1 069	1 079	1 078
Notes and coins in circulation	5 272	6 062	5 624	5 626	5 669	5 803
Notes	4 830	5 572	5 144	5 146	5 188	5 321
Coins	442	490	480	480	481	482
Deposit certificates in circulation	400	1 700	2 300	3 300	3 300	1 650
Claims of financial institutions	4 923	4 791	4 131	4 394	3 601	4 562
Banks' cheque accounts	0	6	4	4	14	43
Call money market deposits	2 020	1 470	785	1 060	274	1 140
Cash reserve deposits	2 638	3 132	3 254	3 221	3 221	3 294
Capital import deposits	239	177	68	68	68	60
Other financial institution claims	26	6	20	41	24	25
Claims of the public sector	435	50	0	1	0	0
Cheque accounts	0	1	0	1	0	0
Counter-cyclical reserves	387	—	—	—	—	—
Counter-cyclical deposits	3	—	—	—	—	—
Capital import deposits	44	49	—	—	—	—
Other public sector claims	1	0	0	0	0	0
Claims of corporations	1 589	1 687	1 654	1 610	1 564	1 561
Deposits for investment and ship purchase	1 392	1 416	1 379	1 371	1 325	1 323
Capital import deposits	188	265	267	231	231	230
Other corporate claims	9	6	8	8	8	8
Other liabilities	14	23	17	14	14	14
Equalization accounts	744	1 609	1 829	1 814	1 871	1 803
Capital accounts	4 334	4 699	4 739	4 744	4 754	4 764
Primary capital	3 000	3 000	3 000	3 000	3 000	3 000
Reserve fund	1 032	1 032	1 365	1 365	1 365	1 365
Undisposed profits	281	—	334	334	334	334
Net earnings	21	667	40	45	55	65
Total	21 025	26 053	24 148	25 352	24 629	24 022

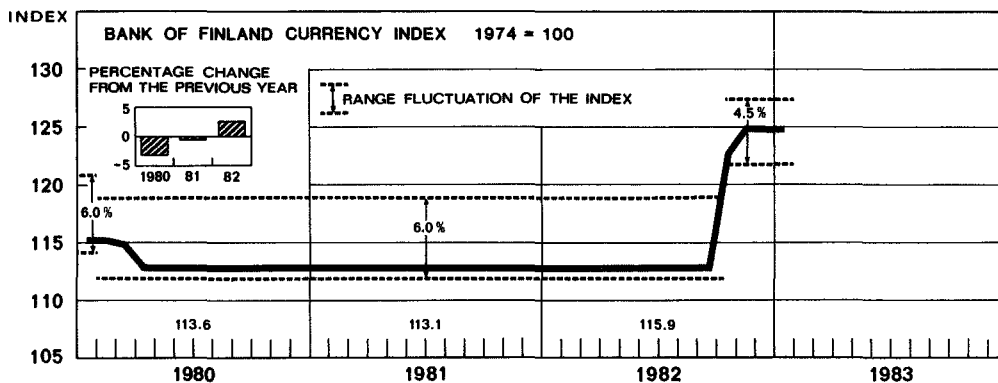
End of year or month	Foreign sector							Public sector				Deposit certificates in circulation
	Gold SDRs, IMF reserve tranche	Foreign bonds	Convertible currencies, net	Total convertible reserves (1+2+3)	Tied currencies, net	Other receivables, net	Net receivables (4+5+6)	Receivables	Liabilities	Net liabilities (9-8)		
	1	2	3	4	5	6	7	8	9	10	11	
1977	337	543	1 212	2 092	496	-2 031	557	391	328	- 63	200	
1978	728	872	3 080	4 680	471	-1 099	4 052	633	114	-519	1 090	
1979	1 728	1 749	2 964	6 441	-678	-764	4 999	884	387	-497	1 700	
1980	1 850	2 125	3 823	7 798	-757	-890	6 151	1 225	591	-634	1 900	
1981	2 408	1 405	3 645	7 458	1 909	-991	8 376	1 236	578	-658	1 600	
1982	2 444	765	5 796	9 005	1 525	-1 447	9 083	1 040	50	-990	1 700	
1982												
Feb.	2 371	1 096	3 617	7 084	2 860	-1 638	8 306	970	435	-535	400	
March	2 343	1 125	4 597	8 065	2 718	-1 627	9 156	971	211	-760	2 300	
April	2 343	1 117	4 267	7 727	3 084	-1 612	9 199	965	195	-770	2 150	
May	2 305	1 064	3 498	6 867	3 456	-1 581	8 742	964	171	-793	2 000	
June	2 286	910	3 335	6 531	4 314	-1 583	9 262	977	143	-834	2 200	
July	2 286	899	3 280	6 465	4 909	-1 583	9 791	987	163	-824	2 000	
Aug.	2 348	851	2 657	5 856	5 207	-1 555	9 508	985	147	-838	1 600	
Sept.	2 348	857	2 920	6 125	4 306	-2 537	7 894	973	107	-866	2 000	
Oct.	2 348	709	4 042	7 099	4 128	-4 427	6 800	986	112	-874	2 000	
Nov.	2 310	752	4 946	8 008	2 697	-3 295	7 410	978	50	-928	2 800	
Dec.	2 444	765	5 796	9 005	1 525	-1 447	9 083	1 040	50	-990	1 700	
1983												
Jan.	2 450	523	5 142	8 115	2 488	121	10 724	1 113	0	-1 113	1 580	
Feb.	2 405	600	4 109	7 114	2 922	180	10 216	1 209	0	-1 209	1 650	

FOREIGN EXCHANGE POSITION

Mill. mk

	Net holdings, Dec. 31, 1981			Net holdings Dec. 31, 1982			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Dec.	Jan.-Dec.
	Gold	1 382	—	1 382	1 382	—	1 382	—
Special drawing rights	632	—	632	609	—	609	+78	-23
IMF reserve tranche	394	—	394	453	—	453	+56	+59
Foreign bonds	1 405	—	1 405	764	—	764	+12	-641
Convertible currencies	3 646	-7 748	-4 102	5 796	-11 049	-5 253	-1 615	-1 151
Total	7 459	-7 748	-289	9 004	-11 049	-2 045	-1 469	-1 756
Tied currencies	1 909	-122	1 787	1 526	-215	1 311	-1 203	-476
Grand total	9 368	-7 870	1 498	10 530	-11 264	-734	-2 672	-2 232

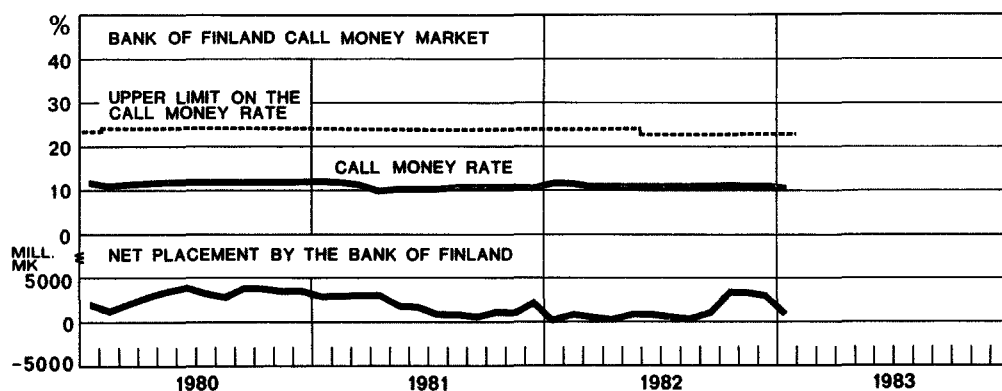
End of year or month	Domestic financial sector							Corporate sector			Notes and coins in circulation
	Discounted and rediscounted bills	Cheque account receivables, net	Demand for call money by deposit banks	Supply of call money by deposit banks	Cash reserve deposits	Other liabilities, net	Net receivables (1+2+3-4-5-6)	Permanent special financing schemes	Liabilities net	Net receivables (8-9)	
	1	2	3	4	5	6	7	8	9	10	11
1977	3 091	107	1 804	850	—	-74	4 226	1 416	242	1 174	3 167
1978	970	136	2 213	2 075	—	69	1 175	1 948	356	1 592	3 822
1979	—	229	3 870	1 131	1 764	-291	1 495	2 182	65	2 117	4 375
1980	—	480	3 674	290	3 317	-1 064	1 611	3 063	642	2 421	4 954
1981	—	495	1 796	1 080	2 492	-1 174	-107	3 865	749	3 116	5 595
1982	—	163	3 126	1 470	3 132	-1 931	618	4 302	999	3 303	6 062
1982											
Feb.	—	388	1 972	2 020	2 638	-1 071	-1 227	3 928	868	3 060	5 272
March	—	379	2 032	1 590	2 644	-1 161	-662	3 989	719	3 270	5 175
April	—	305	2 069	1 600	2 644	-1 360	-510	3 955	752	3 203	5 383
May	—	511	1 888	1 420	2 707	-1 510	-218	4 058	684	3 374	5 534
June	—	429	2 006	1 640	2 732	-1 568	-369	4 118	929	3 189	5 752
July	—	290	1 223	1 042	2 777	-1 467	-839	4 084	1 136	2 948	5 706
Aug.	—	435	929	1 260	2 783	-1 461	-1 218	4 117	983	3 134	5 557
Sept.	—	351	2 409	290	3 095	-1 537	912	4 156	982	3 174	5 616
Oct.	—	328	3 867	39	3 105	-1 530	2 581	4 415	977	3 438	5 670
Nov.	—	311	3 902	—	3 128	-1 690	2 775	4 404	973	3 431	5 663
Dec.	—	163	3 126	1 470	3 132	-1 931	618	4 302	999	3 303	6 062
1983											
Jan.	—	347	708	1 308	3 254	-2 075	-1 432	4 331	994	3 337	5 711
Feb.	—	198	1 151	1 140	3 294	-2 106	-979	4 360	871	3 489	5 803



MONETARY POLICY INDICATORS

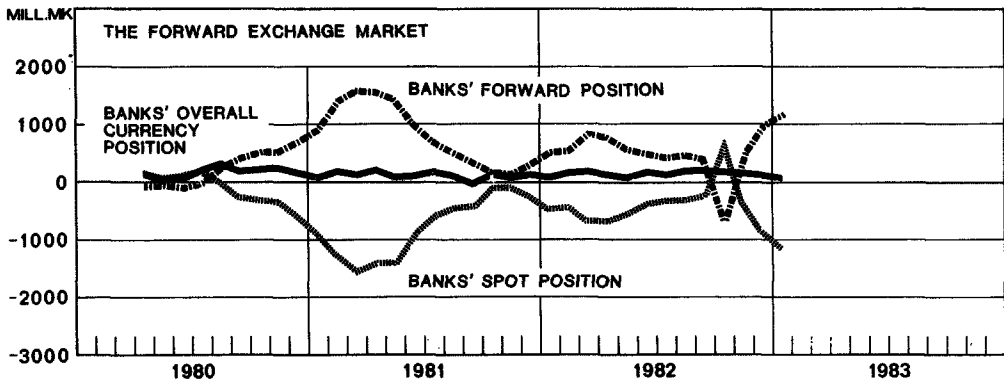
Average for period	Total central bank debt of the commercial banks, mill. mk	Actual central bank debt of the commercial banks, mill. mk	Credit quotas of the commercial banks at the Bank of Finland, mill. mk	Cash reserve deposits of the deposit banks mill. mk	Cash reserve deposits of the commercial banks mill. mk	Bank of Finland placements in the call money market, mill. mk	Base rate %	Call money interest rate %	Average cost of total central bank debt %	Average lending rate of the commercial banks ¹ %
	1	2	3	4	5	6	7	8	9	10
1976	4 001	3 345	2 400	—	—	79	9.25	18.40	12.38	9.69
1977	3 914	3 094	1 967	—	—	149	9.00	17.20	11.82	9.54
1978	3 573	2 070	1 475	—	—	90	7.58	11.99	8.88	8.22
1979	2 629	820	475	447	389	321	7.46	9.74	8.99	8.03
1980	4 963	4 097	783	2 542	2 220	3 313	9.20	12.38	12.37	9.77
1981	4 087	2 754	595	2 795	2 442	2 161	9.25	11.48	11.61	9.84
1982	3 166	1 985	417	2 777	2 426	1 571	8.81	11.64	11.99	9.33
1982										
Feb.	2 760	1 518	400	2 603	2 286	1 121	9.25	12.45	11.95	9.84
March	3 059	1 305	400	2 630	2 290	906	9.25	11.56	11.72	9.79
April	3 049	1 062	400	2 637	2 299	664	9.25	11.50	11.51	9.78
May	2 908	1 429	400	2 645	2 313	1 034	9.25	11.50	11.64	9.77
June	3 090	1 528	400	2 706	2 356	1 134	8.50	11.50	11.42	9.06
July	2 686	1 213	400	2 731	2 386	814	8.50	11.50	11.09	9.04
Aug.	2 312 ^f	1 010	400	2 771	2 418	611	8.50	11.50	10.63	8.99
Sept.	2 703	1 597	400	2 794	2 439	1 198	8.50	11.45	11.25	8.97
Oct.	4 412	4 148	400	3 091	2 699	3 750	8.50	11.70	13.08	8.97
Nov.	4 247	4 088	400	3 100	2 714	3 690	8.50	11.50	13.24	8.95
Dec.	4 242	3 765	400	3 119	2 723	3 367	8.50	11.50	13.30	8.95
1983										
Jan.	2 963	1 410	400	3 135	2 751	1 011	8.50	11.00	12.10	..
Feb.	1 853	870	400	3 240	2 853	475	8.50	12.00

¹ End of period.



FORWARD EXCHANGE MARKETS IN FINLAND

Period	Banks' Forward Positions in mill. mk with						Banks' Forward Selling Rates for USD		
	Domestic Firms			Foreign Banks	Bank of Finland	Overall	Deviation from spot rate, per cent per annum		
	Assets	Liabilities	Net	Net	Net	Net	1 month	3 months	6 months
	1	2	3	4	5	6	7	8	9
1981	5 183.0	1 619.8	3 563.2	-581.0	-2 346.3	583.5	-4.4	-4.1	-3.6
1982	11 128.0	2 116.7	9 011.4	-865.1	-6 827.2	1 104.0	3.9	3.8	3.4
1981									
Sept.	5 012.2	1 905.0	3 107.2	-546.0	-2 030.9	380.9	-4.1	-4.6	-4.4
Oct.	4 776.6	1 847.5	2 929.1	-723.4	-1 812.7	301.7	-2.2	-2.2	-2.5
Nov.	5 267.6	1 788.5	3 479.2	-698.6	-2 424.4	291.7	-0.8	-0.7	-0.7
Dec.	5 183.0	1 619.8	3 563.2	-581.0	-2 346.3	583.5	0.1	0.3	-0.1
1982									
Jan.	4 984.2	1 581.2	3 402.9	-666.0	-2 242.9	607.4	-1.3	-0.7	-1.0
Feb.	5 054.0	1 666.4	3 387.6	-660.0	-2 081.1	666.8	-2.6	-2.3	-2.4
March	5 596.8	1 693.5	3 903.3	-522.1	-2 262.1	1 292.4	-1.3	-1.5	-1.7
April	5 936.4	1 596.8	4 339.6	-671.8	-2 879.4	666.5	-1.9	-1.9	-2.0
May	6 035.1	1 950.0	4 085.1	-486.4	-2 953.6	559.9	-1.3	-1.1	-1.1
June	5 942.0	1 703.4	4 238.6	-704.5	-2 797.7	637.3	-1.7	-1.7	-1.6
July	5 781.5	1 653.2	4 128.3	-871.0	-3 004.6	322.1	-0.6	-0.9	-1.3
Aug.	7 045.1	1 679.3	5 365.8	-854.4	-4 114.5	309.8	2.4	1.8	1.0
Sept.	6 618.6	2 282.4	4 336.1	-711.3	-3 947.8	-306.9	2.6	2.6	2.3
Oct.	6 898.2	2 557.1	4 341.1	-805.2	-3 937.2	-395.9	4.0	4.1	4.0
Nov.	8 921.5	2 199.9	6 721.6	-692.8	-5 027.6	917.4	4.7	4.6	4.5
Dec.	11 128.0	2 116.7	9 011.4	-865.1	-6 827.2	1 104.0	3.9	3.8	3.4
1983									
Jan.	11 271.6	2 189.0	9 082.6	-753.6	-6 643.2	1 515.5	3.8	3.9	3.7



FOREIGN EXCHANGE RATES

Average selling rates for foreign exchange, mk

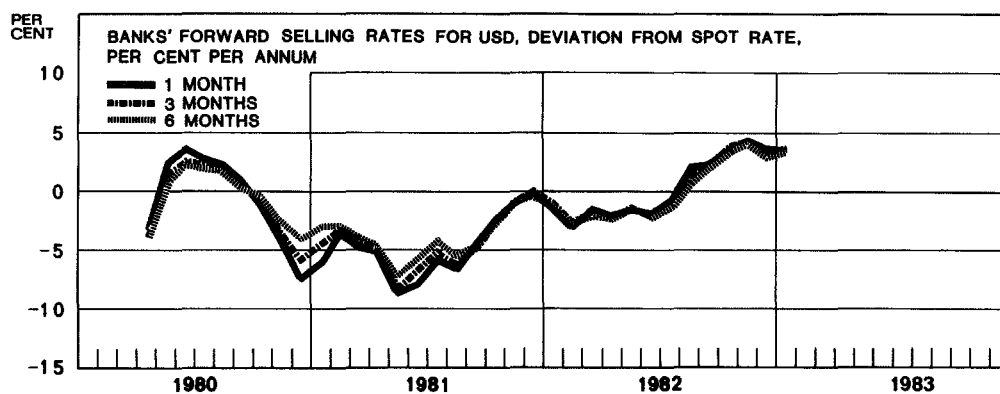
Period	New York 1 US \$ USD	Montreal 1 C \$ CAD	London 1 £ GBP	Dublin 1 Ir£ IEP	Stockholm 100 Skr SEK	Oslo 100 Nkr NOK	Copenhagen 100 Dkr DKK	Frankfurt 100 DM DEM	Amsterdam 100 Hfl NLG	Brussels 100 FB BEC	BEL
	1	2	3	4	5	6	7	8	9	10	11
1976	3.864	3.922	6.983		88.86	70.95	64.04	153.78	146.42	10.030	9.812
1977	4.029	3.791	7.042		90.21	75.83	67.23	174.15	164.59	11.277	11.267
1978	4.117	3.617	7.917		91.43	78.93	75.06	205.53	190.77	13.152	12.959
1979	3.896	3.330	8.275		91.12	77.22	74.38	212.75	194.43	13.338	12.979
1980	3.730	3.194	8.691	7.689	88.43	75.81	66.53	205.58	188.02	12.818	12.635
1981	4.315	3.602	8.731	6.976	85.74	75.54	60.96	191.31	173.43	11.688	11.095
1982	4.820	3.913	8.423	6.854	77.03	74.84	57.93	198.76	180.66	10.584	9.859

1982

Jan.	4.409	3.701	8.339	6.824	78.84	75.55	59.24	192.69	175.83	11.361	10.214
Feb.	4.515	3.726	8.352	6.739	78.49	75.76	58.02	191.07	174.23	11.024	10.014
March	4.574	3.751	8.275	6.751	78.51	76.01	57.01	192.48	174.93	10.334	9.346
April	4.613	3.772	8.179	6.675	78.12	75.94	56.66	192.74	173.74	10.214	9.228
May	4.512	3.664	8.180	6.767	78.12	75.72	57.60	195.56	176.05	10.361	9.477
June	4.678	3.681	8.237	6.669	77.88	75.76	56.23	193.17	174.76	10.164	9.271
July	4.735	3.729	8.224	6.624	77.56	74.65	55.57	192.36	174.14	10.086	9.376
Aug.	4.757	3.824	8.225	6.618	77.60	71.36	55.20	192.25	174.70	10.050	9.507
Sept.	4.806	3.897	8.247	6.595	77.34	69.80	54.73	192.36	175.57	9.993	9.602
Oct.	5.358	4.362	9.104	7.223	75.18	74.80	60.21	212.11	194.50	10.952	10.472
Nov.	5.534	4.519	9.045	7.371	73.82	76.51	61.85	216.80	198.78	11.168	10.823
Dec.	5.353	4.331	8.673	7.390	72.92	76.25	62.86	221.55	200.75	11.297	10.980

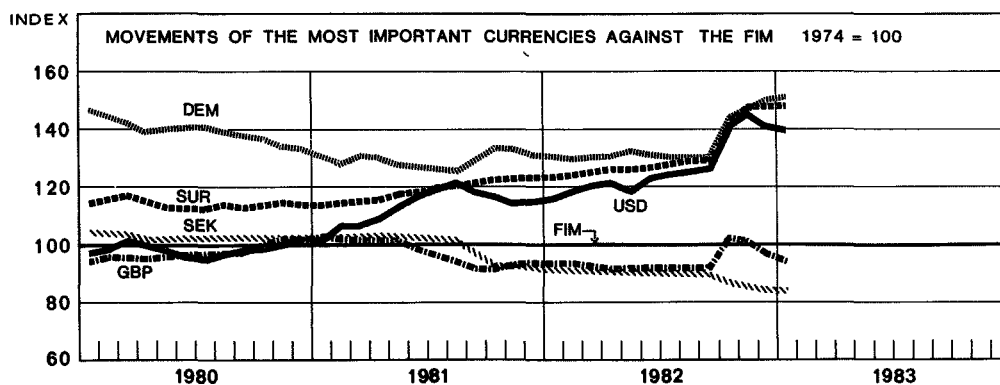
1983

Jan.	5.317	4.332	8.397	7.417	72.78	75.57	63.27	222.95	202.42	11.370	10.869
Feb.	5.389	4.395	8.270	7.391	72.62	75.88	62.91	222.26	201.55	11.314	10.898



Average selling rates for foreign exchange, mk

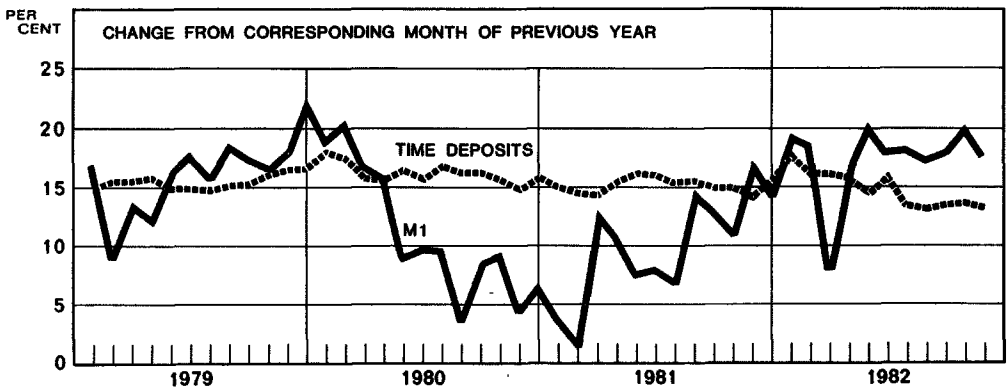
Zurich 100 Sfr CHF	Paris 100 FF FRF	Rome 100 Lit ITL	Vienna 100 ÖS ATS	Lisbon 100 Esc PTE	Reykjavik 100 Ikr ISK	Madrid 100 Ptas ESP	Tokyo 100 Y JPY	Moscow 1 Cl Rbl SUR	1 special drawing right SDR	Currency index 1974 = 100
12	13	14	15	16	17	18	19	20	21	22
154.86	81.09	0.468	21.59	12.89	2.14	5.80	1.307	5.125	4.450 99	99.9
168.70	82.16	0.459	24.47	10.65	2.04	5.37	1.512	5.475	4.695 56	106.1
231.83	91.77	0.489	28.45	9.55	1.57	5.42	1.983	6.037	5.136 33	117.2
234.36	91.88	0.473	29.19	8.13	1.14	5.84	1.797	5.941	5.016 78	117.3
222.87	88.65	0.440	28.90	7.60	0.81	5.25	1.662	5.741	4.842 55	113.6
220.34	79.92	0.385	27.17	7.17	60.35	4.72	1.967	5.986	5.071 40	113.1
237.79	73.65	0.358	28.31	6.13	40.79	4.41	1.943	6.624	5.305 63	115.9
239.40	76.09	0.364	27.52	6.79	50.06	4.53	1.974	6.215	5.074 63	113.1
239.02	75.25	0.358	27.27	6.58	47.75	4.50	1.922	6.265	5.106 00	113.1
242.70	74.70	0.355	27.43	6.53	45.94	4.40	1.904	6.307	5.129 23	113.1
235.81	74.09	0.351	27.45	6.42	44.99	4.37	1.896	6.378	5.138 80	113.1
231.86	75.17	0.353	27.79	6.44	42.99	4.39	1.910	6.353	5.107 78	113.1
225.93	71.66	0.347	27.44	6.07	42.20	4.31	1.870	6.397	5.147 87	113.1
226.29	69.30	0.344	27.36	5.66	40.60	4.26	1.862	6.458	5.159 48	113.1
226.15	68.97	0.344	27.38	5.59	36.89	4.26	1.844	6.498	5.160 27	113.1
225.33	68.26	0.343	27.40	5.53	33.51	4.27	1.834	6.522	5.179 44	113.1
247.28	75.17	0.374	30.21	6.02	35.48	4.67	1.983	7.219	5.724 37	122.8
252.26	76.87	0.378	30.92	6.07	34.70	4.67	2.096	7.434	5.896 66	125.1
261.40	78.33	0.385	31.52	5.90	32.80	4.27	2.217	7.446	5.847 79	125.0
270.53	78.77	0.389	31.79	5.79	29.19	4.21	2.289	7.450	5.837 67	125.0
267.72	78.50	0.387	31.66	5.90	28.34	4.17	2.287	7.506	5.865 42	125.1



DEPOSITS BY THE PUBLIC

Mill. mk

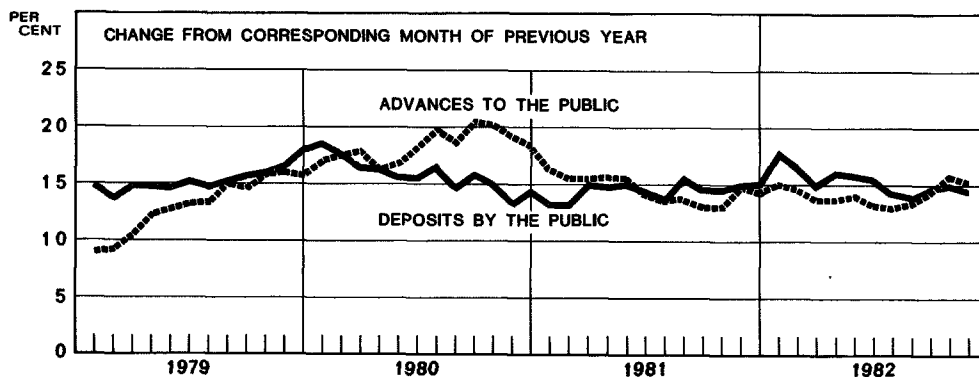
End of year and month	Demand deposits				Time deposits					Total (4+9)
	Commer- cial banks	Savings banks & Co-op. banks	Posti- pankki	All deposit banks	Commercial banks	Savings banks	Co-op. banks	Posti- pankki	All deposit banks	
	1	2	3	4	5	6	7	8	9	
1978	3 887	1 676	2 052	7 615	17 035	14 641	11 286	4 900	47 862	55 477
1979	4 697	2 255	2 714	9 666	19 794	17 177	13 348	5 599	55 918	65 584
1980	5 459	2 285	2 531	10 275	22 591	20 009	15 950	6 355	64 905	75 180
1981	5 791	2 879	2 952	11 622	26 094	22 937	18 598	7 448	75 077	86 699
1981										
Aug.	5 076	2 716	3 194	10 986	24 554	22 012	17 596	7 053	71 215	82 201
Sept.	5 070	2 804	3 226	11 100	24 239	22 056	17 723	7 058	71 076	82 176
Oct.	4 964	2 689	3 245	10 898	24 706	22 221	17 749	7 060	71 736	82 634
Nov.	5 386	2 689	3 115	11 190	24 732	22 280	17 892	7 080	71 984	83 174
Dec.	5 791	2 879	2 952	11 622	26 094	22 937	18 598	7 448	75 077	86 699
1982*										
Jan.	5 103	2 641	3 734	11 478	26 143	24 721	18 870	7 651	77 385	88 863
Feb.	4 614	2 544	3 527	10 685	26 472	23 673	19 275	7 779	77 199	87 884
March	5 156	2 617	3 443	11 216	26 601	23 537	19 176	7 604	76 918	88 134
April	5 098	2 768	4 023	11 889	27 175	23 891	19 511	7 678	78 255	90 144
May	5 528	2 933	3 593	12 054	27 129	24 095	19 700	7 961	78 885	90 939
June	5 992	3 208	3 786	12 986	27 406	24 403	19 858	8 057	79 724	92 710
July	5 573	3 252	3 668	12 493	27 395	24 709	20 058	8 096	80 258	92 751
Aug.	5 999	3 460	3 682	13 141	27 329	24 895	20 213	8 324	80 761	93 902
Sept.	6 439	3 525	3 480	13 444	27 382	24 950	20 270	8 280	80 882	94 326
Oct.	6 093	3 654	3 807	13 554	27 894	25 102	20 437	8 304	81 737	95 291
Nov.	6 742	3 599	3 325	13 666	27 782	25 111	20 417	8 390	81 700	95 366



ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by				Types of advances			Total (1 to 4) (5 to 7)	Money Supply	
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Loans & bills in domestic currency	Cheque credits	Domestic credits in foreign currency		M ₁	M ₁ +Quasi-Money
	1	2	3	4	5	6	7		8	9
1978	26 324	14 092	12 181	6 847	52 517	1 723	5 204	59 444	11 496	60 682
1979	29 844	16 535	14 258	8 299	60 971	1 955	6 010	68 936	14 087	71 157
1980	35 994	19 097	16 760	9 973	70 466	2 347	9 011	81 824	14 979	81 601
1981	40 462	22 009	20 059	11 135	80 817	2 877	9 971	93 665	17 186	94 577
1981										
Aug.	39 011	20 845	18 686	10 474	76 295	2 948	9 773	89 016	15 856	89 507
Sept.	39 325	21 199	19 079	10 773	77 556	3 128	9 692	90 376	16 045	89 787
Oct.	40 172	21 466	19 363	10 797	78 871	3 168	9 759	91 798	15 876	90 234
Nov.	41 040	21 732	19 730	11 129	80 208	3 495	9 928	93 631	16 128	90 514
Dec.	40 462	22 009	20 059	11 135	80 817	2 877	9 971	93 665	17 186	94 577
1982*										
Jan.	40 501	22 278	20 279	11 064	81 630	3 140	9 352	94 122	17 114	95 468
Feb.	40 908	22 451	20 436	10 966	82 174	3 483	9 104	94 761	16 205	95 993
March	41 214	22 698	20 636	10 761	82 807	3 762	8 740	95 309	16 353	95 919
April	41 818	22 974	20 916	10 835	83 816	3 821	8 906	96 543	17 340	98 004
May	42 625	23 297	21 293	10 905	85 079	3 851	9 190	98 120	17 615	98 886
June	42 925	23 586	21 628	11 125	86 150	3 548	9 566	99 264	18 664	100 998
July	43 078	23 861	21 935	11 290	86 835	3 763	9 566	100 164	18 339	101 351
Aug.	43 314	24 250	22 260	11 514	88 026	3 682	9 630	101 338	18 652	102 090
Sept.	44 472	24 674	22 611	11 887	89 645	3 881	10 118	103 644	18 958	102 482
Oct.	46 174	25 069	22 964	12 295	91 156	3 813	11 533	106 502	19 091	103 523
Nov.	47 033	25 408	23 252	12 485	92 269	3 927	11 982	108 178	18 982	103 579



STATE FINANCES

Mill. mk

Revenue	Jan.-Nov.		Expenditure	Jan.-Nov.	
	1981	1982		1981	1982
Income and wealth tax (net)	16 134	16 307	Wages, salaries, pensions etc.	8 353	9 654
Gross receipts	37 218	39 051	Repair and maintenance	1 074	1 162
Refunds & local authorities	-21 084	-22 744	Other consumption expenditure	4 748	5 741
Other taxes on income and wealth	281	379	Total consumption expenditure	14 175	16 557
Employers' child allowance payments	58	1	State aid to local authorities	10 661	12 240
Sales tax	12 484	14 017	State aid to industries	7 477	8 738
Customs duties and import charges and levies	1 292	1 483	of which: agric. price subsidies	3 245	3 694
Excise duties	9 117	10 414	Child allowances	1 668	1 611
Excise duty on alcoholic beverages	2 742	3 078	Share in national pensions and sickness insurance schemes	504	769
Excise duty on tobacco	1 141	1 297	Other transfer expenditure	6 420	7 667
Excise duty on liquid fuel	2 761	3 117	Total transfer expenditure	26 730	31 025
Other excise duties	2 473	2 922	Machinery and equipment	1 467	1 536
Tax on autom. and motor-cycles	1 517	1 732	Construction of buildings	703	790
Stamp duties	1 082	1 261	Land and waterway construction	1 841	2 042
Special diesel etc. vehicles tax	174	199	Total real investment	4 011	4 368
Other taxes and similar revenue	1 155	1 330	Interest on State debt	1 284	2 047
Total taxes	43 294	47 123	Net deficit of State enterprises	-128	-121
Miscellaneous revenue	3 105	3 456	Other expenditure	24	25
Interest, dividends etc.	977	1 439	Total other expenditure	1 180	1 951
Redemptions of loans granted	776	932	Increase in inventories	-122	-105
Total revenue	48 152	52 950	Lending	3 003	3 541
Foreign borrowing	2 635	3 304	Other financial investment	497	530
Domestic borrowing	2 409	4 186	Total expenditure	49 474	57 867
Total borrowing	5 044	7 490	Redemption of foreign loans	352	899
Deficit (+) or surplus (-)	-2 021	172	Redemption of domestic loans	1 349	1 846
Total	51 175	60 612	Total redemptions	1 701	2 745
			Total	51 175	60 612

State debt	1979	1980	1981 ¹	1982		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.
Foreign debt	8 964	10 341	13 331	16 331	18 339	18 302
Long-term debt	6 051	7 585	8 762	9 955	10 425	10 945
Short-term credit	174	40	9	62	73	90
Domestic debt	6 225	7 625	8 771	10 017	10 498	11 035
Total State debt	15 189	17 966	22 102	26 348	28 837	29 337
Total debt mill. \$	4 061	4 642	5 052	5 482	5 382	5 301

¹ Since December 1981 State debt has been expressed in gross terms. As a result cash assets are no longer deducted from domestic debt; foreign debt is unaffected by the change. The short-term debt of the State Granary is excluded from the figures.

FOREIGN TRADE

Mill. mk

Value, mill. mk

Period	Value, mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1977	30 931	30 708	+223
1978	35 206	32 338	+2 868
1979	43 430	44 222	-792
1980	52 795	58 250	-5 455
1981	60 308	61 269	-961
1982*	62 999	64 721	-1 722

1981			
Dec.	4 944	5 712	-768

1982*			
Jan.	5 330	5 004	+326
Feb.	5 472	4 786	+686
March	5 294	4 983	+311
April	5 079	5 381	-302
May	5 118	4 918	+200
June	5 416	4 984	+432
July	4 284	4 849	-565
Aug.	4 260	5 461	-1 201
Sept.	4 785	5 004	-219
Oct.	5 625	5 860	-235
Nov.	6 313	6 177	+136
Dec.	6 023	7 314	-1 291

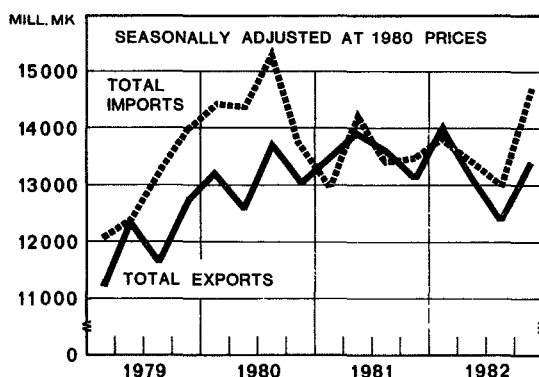
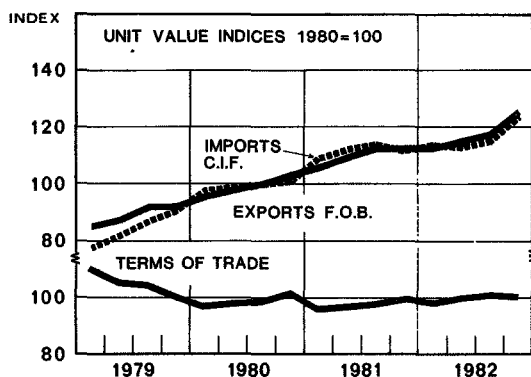
Indices of exports and imports
1980 = 100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1977	78	79	75	
1978	84	75	80	74	108
1979	92	89	90	86	105
1980	100	100	100	100	100
1981	103	94	111	112	99
1982*	101	95	118	117	101

1980					
July-Sept.	97	107	100	100	100
Oct.-Dec.	107	101	104	102	102

1981					
Jan.-March	102	84	107	110	97
Apr.-June	106	95	110	113	98
July-Sept.	95	94	113	115	99
Oct.-Dec.	108	100	114	113	100

1982*					
Jan.-March	106	88	114	115	99
Apr.-June	103	92	115	114	101
July-Sept.	86	91	118	116	102
Oct.-Dec.	108	107	126	124	102



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

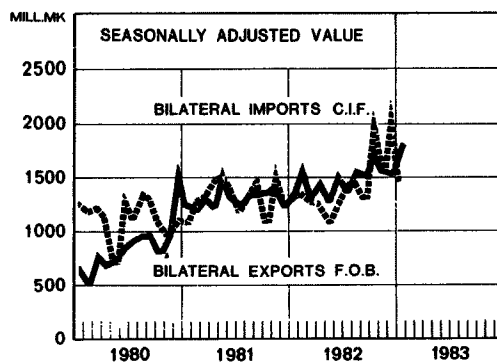
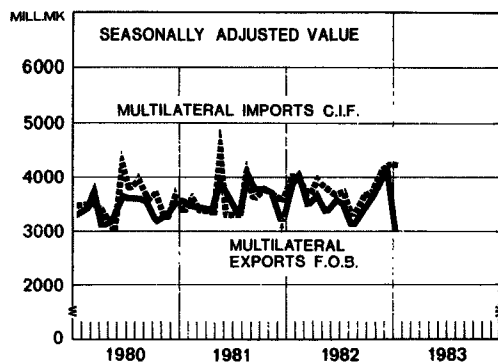
Period	Exports, f.o.b.					Imports, c.i.f.				
	Agricultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1977	1 087	3 854	8 798	9 184	8 008	19 128	2 066	4 828	4 603	83
1978	966	4 641	10 402	9 593	9 604	20 431	2 224	4 801	4 830	52
1979	1 366	6 073	12 992	10 342	12 657	28 878	3 401	5 719	6 133	91
1980	1 403	7 742	15 751	11 546	16 353	38 622	4 088	7 989	7 440	111
1981	2 036	6 852	17 127	14 858	19 435	39 156	5 115	8 877	8 015	106
1982*	1 676	6 278	17 504	18 883	18 658	41 117	4 867	9 196	9 128	413

1981

Dec.	325	538	1 400	1 217	1 464	3 818	426	825	632	11
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1982*

Jan.	60	460	1 546	1 427	1 837	3 153	224	991	631	5
Feb.	352	457	1 438	1 398	1 827	3 089	267	649	778	3
March	356	461	1 622	1 240	1 615	3 190	231	736	823	3
April	57	569	1 453	1 266	1 734	3 494	265	777	843	2
May	220	536	1 469	1 280	1 613	3 249	267	701	682	19
June	80	583	1 445	1 789	1 519	3 231	469	640	638	6
July	45	421	1 293	1 570	955	3 047	449	713	613	27
Aug.	58	481	1 398	1 029	1 294	3 583	499	626	728	25
Sept.	64	517	1 375	1 346	1 483	3 158	391	640	771	44
Oct.	62	566	1 586	1 724	1 687	3 609	559	764	845	83
Nov.	56	596	1 355	2 649	1 657	3 605	657	975	894	46
Dec.	266	631	1 524	2 165	1 437	4 709	589	984	882	150



FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—December				January—December			
	1981		1982*		1981		1982*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	56.7	34 194	55.2	34 760	50.5	30 920	52.1	33 711
Austria	0.6	370	0.7	422	1.2	718	1.3	807
Belgium and Luxembourg	1.5	910	1.4	869	1.7	1 051	1.8	1 148
Denmark	3.3	2 000	3.6	2 283	2.2	1 336	2.3	1 504
France	3.9	2 380	3.9	2 487	3.2	1 932	3.1	2 023
Federal Republic of Germany	9.1	5 510	9.1	5 700	12.1	7 442	13.3	8 586
Italy	1.9	1 169	1.8	1 134	2.2	1 380	2.6	1 708
Netherlands	3.4	2 050	3.1	1 926	2.6	1 607	2.6	1 715
Norway	4.7	2 840	4.9	3 059	2.5	1 529	2.1	1 386
Portugal	0.3	181	0.2	143	0.5	280	0.6	365
Spain	0.8	464	0.8	530	0.7	403	0.7	453
Sweden	13.4	8 059	12.0	7 546	11.3	6 920	12.2	7 870
Switzerland	1.4	816	1.3	839	1.7	1 024	1.6	1 059
United Kingdom	10.7	6 424	10.8	6 829	8.0	4 934	7.3	4 712
Other	1.7	1 021	1.6	993	0.6	364	0.6	375
OECD countries outside Europe	6.2	3 728	5.9	3 689	12.1	7 422	11.5	7 472
Canada	0.7	408	0.7	441	0.7	430	0.9	573
Japan	0.8	511	1.1	678	3.6	2 213	4.2	2 723
United States	3.7	2 230	3.2	2 008	7.5	4 578	6.1	3 949
Other	1.0	579	0.9	562	0.3	201	0.3	227
CMEA countries	26.5	15 986	28.8	18 147	26.9	16 475	28.0	18 092
Czechoslovakia	0.3	171	0.4	269	0.6	360	0.5	339
German Democratic Republic	0.7	405	0.5	337	0.6	379	0.6	387
Poland	0.1	79	0.1	86	1.2	762	1.5	938
Soviet Union	24.7	14 924	26.7	16 805	23.5	14 378	24.6	15 898
Other	0.7	407	1.1	650	1.0	596	0.8	530
Latin America	2.0	1 221	1.1	680	1.9	1 187	2.1	1 404
Argentina	0.3	207	0.2	90	0.1	71	0.1	83
Brazil	0.3	182	0.3	179	0.6	371	0.7	472
Colombia	0.1	84	0.1	80	0.5	293	0.5	329
Other	1.3	748	0.5	331	0.7	452	0.8	520
Other	8.6	5 179	9.0	5 723	8.6	5 265	6.3	4 042
GRAND TOTAL	100.0	60 308	100.0	62 999	100.0	61 269	100.0	64 721
of which								
EFTA countries	20.5	12 344	19.2	12 103	17.2	10 553	17.9	11 561
EEC countries	35.2	21 235	34.9	21 973	32.7	20 018	33.5	21 693
OECD countries	62.9	37 922	61.0	38 449	62.6	38 342	63.6	41 183

BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport. net	Travel. net	Other services, net	Visible and invisible trade account	Investment income net	Un-required transfers net	Other, net	Current account
1979	43 302	44 430	-1 128	+3 010	+157	+359	+2 398	-2 840	-430	+111	-761
1980	52 860	58 315	-5 455	+3 064	+320	+587	-1 484	-3 308	-454	+91	-5 155
1981*	60 260	61 688	-1 428	+3 367	+405	+1 104	+3 448	-4 359	-495	+134	-1 272
1982*	62 950	65 200	-2 250	+3 200	-350	+900	+1 500	-5 500	-600	+100	-4 500

1979

Oct.-Dec.	12 562	13 496	-934	+821	+5	+36	-72	-550	-84	+29	-677
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1980

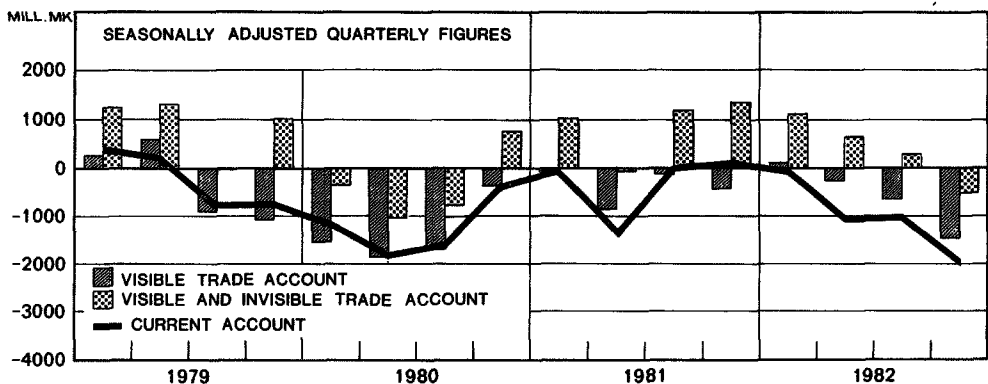
Jan.-March	12 788	13 608	-820	+878	-103	+338	+293	-787	-169	-5	-668
Apr.-June	12 470	14 029	-1 559	+567	+80	+83	-829	-723	-100	+55	-1 597
July-Sept.	12 864	15 643	-2 779	+855	+298	+100	-1 526	-765	-102	+34	-2 359
Oct.-Dec.	14 738	15 035	-297	+764	+45	+66	+578	-1 033	-83	+7	-531

1981*

Jan.-March	14 469	13 620	+849	+883	-87	+104	+1 749	-984	-129	+10	+646
Apr.-June	15 489	15 808	-319	+827	+78	-145	+441	-1 252	-127	+50	-888
July-Sept.	14 100	15 736	-1 636	+882	+443	+422	+111	-1 023	-108	+54	-966
Oct.-Dec.	16 202	16 524	-322	+775	-29	+723	+1 147	-1 100	-131	+20	-64

1982*

Jan.-March	16 089	14 895	+1 194	+803	-158	+282	+2 121	-1 097	-213	-2	+809
Apr.-June	15 592	15 421	+171	+870	-95	+97	+1 043	-1 643	-185	+60	-725
July-Sept.	13 318	15 447	-2 129	+864	+140	+263	-862	-1 290	-160	+70	-2 242
Oct.-Dec.	17 951	19 437	-1 486	+663	-237	+258	-802	-1 470	-42	-28	-2 342



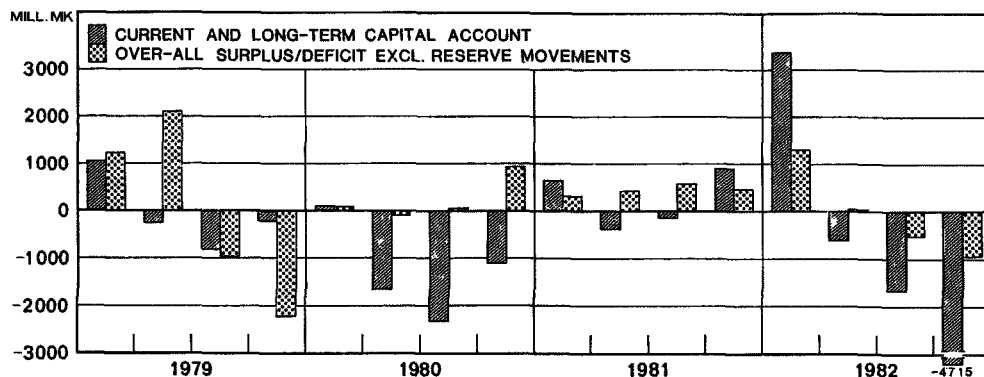
Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits; net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and prepayments, net	Short-term export credits and prepayments, net	Short-term capital of authorized banks, net ²	Miscellaneous, short-term capital terms, incl. errors and omissions ²	Over-all surplus deficit excl. reserve movements ²	Bank of Finland foreign exchange reserves
+6 230	-4 843	-541	-337	+509	-252	+831	-834	+1 211	-834	+122	-122
+5 183	-4 140	-433	-428	+182	-4 973	+3 255	-967	+3 930	-250	+995	-995
+8 312	-4 643	-518	-826	+2 325	+1 053	-1 067	+437	-406	+1 786	+1 803	-1 803
+10 213	-4 712	-1 000	-3 601	+900	-3 600	-700	0	+1 900	+2 274	-126	+126
+1 503	-872	+21	-187	+465	-212	+389	-355	-474	-1 573	-2 225	+2 225
+2 108	-1 113	-171	-65	+759	+91	+302	-31	+518	-797 ³	+83	-83
+1 076	-997	-39	-86	-46	-1 643	+1 498	-32	+1 666	-1 584	-95	+95
+1 126	-913	-36	-146	+31	-2 328	+711	-452	+1 189	+934	+54	-54
+873	-1 117	-187	-131	-562	-1 093	+744	-452	+557	+1 197	+953	-953
+1 404	-955	-227	-235	-13	+633	-473	+789	-163	-477 ³	+309	-309
+1 948	-1 213	+11	-233	+513	-375	+867	+790	-21	-831	+430	-430
+1 932	-797	-91	-200	+844	-122	+95	-571	-822	+2 008	+588	-588
+3 028	-1 678	-211	-158	+981	+917	-1 556	-571	+600	+1 086	+476	-476
+3 637	-806	-114	-166	+2 551	+3 360	-971	+569	-1 509	-137	+1 312	-1 312
+2 332	-1 555	-328	-323	+126	-599	-30	+571	+108	-5	+45	-45
+1 859	-883	-127	-253	+596	-1 646	-632	+507	-516	+1 743	-544	+544
+2 385	-1 468	-431	-2 859	-2 373	-4 715	+933	-1 647	+3 817	+673	-939	+939

Assets: increase —, decrease +. Liabilities: increase +, decrease —

¹ Including direct investment, net.

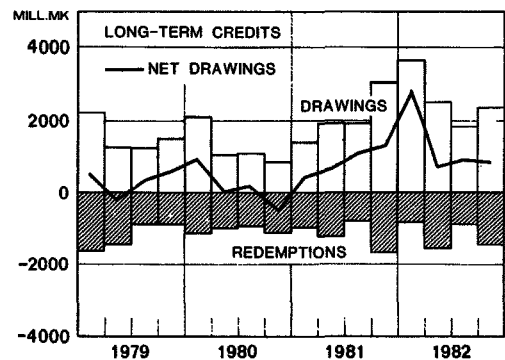
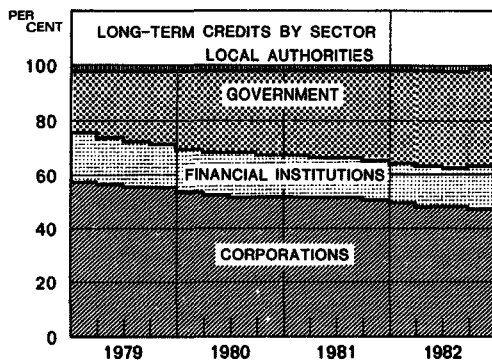
² Reserve movements of other foreign exchange holders have been transferred to the short-term capital account. The short-term capital of the authorized banks is shown separately.

³ Including allocations of special drawing rights: 139 million in 1979, 133 million in 1980 and 131 million in 1981.

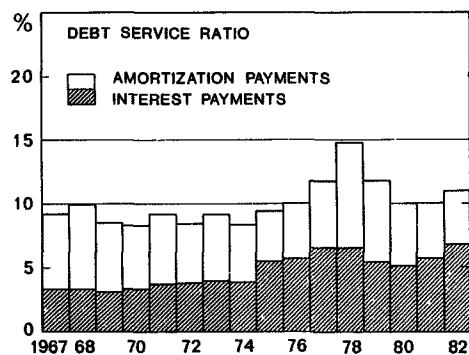
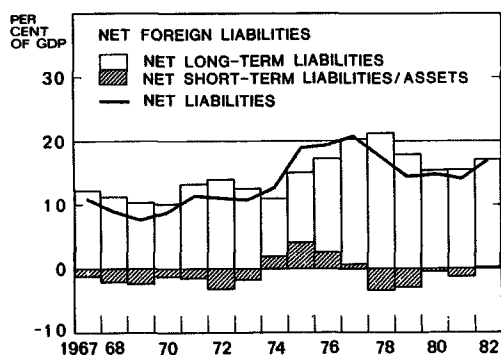


FINLAND'S FOREIGN ASSETS AND LIABILITIES

End of year and month	Long-term assets				Long-term liabilities					Net long-term liabilities (9-4)
	Export credits	Direct investment	Other	Total (1 to 3)	Financial loans	Import credits	Direct investment	Other	Total (5 to 8)	
	1	2	3	4	5	6	7	8	9	10
1979	3 389	2 324	983	6 696	28 194	4 898	1 979	300	35 371	28 675
1980	3 872	2 806	1 051	7 729	29 730	4 377	2 075	340	36 522	28 793
1981	4 673	3 426	1 317	9 416	35 536	4 444	2 183	391	42 554	33 138
1982*	6 628	4 626	3 796	15 050	47 547	4 608	2 223	752	55 130	40 080
1980										
March	3 625	2 456	932	7 013	29 122	4 692	1 971	288	36 073	29 060
June	3 534	2 539	967	7 040	28 887	4 517	1 990	268	35 662	28 622
Sept.	3 594	2 649	972	7 215	29 251	4 482	2 029	278	36 040	28 825
Dec.	3 872	2 806	1 051	7 729	29 730	4 377	2 075	340	36 522	28 793
1981										
March	4 254	2 945	1 229	8 428	30 523	4 455	2 138	442	37 558	29 130
June	4 473	3 161	1 278	8 912	32 814	4 467	2 180	406	39 867	30 955
Sept.	4 559	3 329	1 282	9 170	34 414	4 377	2 168	392	41 351	32 181
Dec.	4 673	3 426	1 317	9 416	35 536	4 444	2 183	391	42 554	33 138
1982*										
March	4 960	3 616	1 415	9 991	38 669	4 623	2 263	709	46 264	36 273
June	5 361	3 741	1 471	10 573	39 847	4 456	2 313	696	47 312	36 739
Sept.	5 556	4 084	1 466	11 106	41 198	4 515	2 345	687	48 745	37 639
Dec.	6 628	4 626	3 796	15 050	47 547	4 608	2 223	752	55 130	40 080



Short-term assets				Short-term liabilities				Net short-term liabilities (18-14)	Net liabilities (10+19)	Debt service, flow	Of which amortization payments, flow
Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (11 to 13)	Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (15 to 17)				
11	12	13	14	15	16	17	18	19	20	21	22
7 918	6 579	9 970	24 467	2 340	9 333	7 816	19 489	-4 978	23 697	6 457	3 472
9 895	9 560	12 532	31 987	3 089	16 240	11 849	31 178	-809	27 984	6 716	3 274
11 362	13 749	14 176	39 287	2 427	20 218	13 538	36 183	-3 104	30 034	7 930	3 494
12 749	20 600	14 601	47 950	5 348	29 800	12 722	47 870	-80	40 000	8 800	3 300
8 708	6 936	10 224	25 868	3 113	10 179	7 865	21 157	-4 711	24 349	1 756	937
9 279	7 133	10 509	26 921	3 727	11 970	9 545	25 242	-1 679	26 943	1 518	730
9 250	7 478	11 469	28 197	3 605	13 539	10 567	27 711	-486	28 339	1 554	761
9 895	9 560	12 532	31 987	3 089	16 240	11 849	31 178	-809	27 984	1 888	846
9 701	10 149	12 357	32 207	2 680	16 543	12 409	31 632	-575	28 555	1 735	732
10 125	11 464	12 299	33 888	2 437	18 080	14 102	34 619	731	31 686	2 170	897
10 817	12 627	13 152	36 596	2 403	18 487	14 690	35 580	-1 016	31 165	1 638	595
11 362	13 749	14 176	39 287	2 427	20 218	13 538	36 183	-3 104	30 034	2 387	1 270
12 795	13 614	13 583	39 992	3 074	18 592	12 318	33 984	-6 008	30 265	1 776	600
12 846	14 322	13 118	40 286	3 077	19 349	12 530	34 956	-5 330	31 409	2 691	1 017
12 456	17 078	12 512	42 046	4 097	21 737	12 068	37 902	-4 144	33 495	1 843	542
12 749	20 600	14 601	47 950	5 348	29 800	12 722	47 870	-80	40 000	2 490	1 141



PRICE INDICES

Period	Wholesale price index 1949 = 100	Basic price index for domestic supply 1975 = 100						Building costs 1980 = 100		
		Total	Origin		Purpose			Total	Wages in building trade	Building materials
			Domestic goods	Imported goods	Raw materials	Consumer goods	Investment goods			
1980	919	160.7	156.6	175.0	160.1	167.7	155.9	100.0	100.0	100.0
1981	1 044	182.4	178.6	196.0	185.3	185.3	173.3	110.1	109.6	110.0
1982	1 122	196.2	194.0	203.6	197.9	202.7	186.6	117.7	116.8	117.8

1982

June	1 120	195.6	194.4	199.9	197.5	201.9	186.1	117.5	116.1	117.5
July	1 120	195.8	194.4	200.7	196.8	203.7	186.8	117.4	116.1	117.7
Aug.	1 118	195.4	194.1	200.2	195.6	204.3	187.7	118.1	116.1	118.6
Sept.	1 124	196.4	194.9	201.6	196.5	205.6	188.6	118.6	116.1	119.2
Oct.	1 150	200.9	196.4	216.8	202.6	208.5	190.4	120.7	120.4	120.7
Nov.	1 157	202.2	197.2	219.9	203.8	209.2	192.5	121.2	120.4	121.6
Dec.	1 163	203.3	199.3	217.4	205.2	209.6	193.4	121.5	120.4	122.0

1983

Jan.	1 169	204.4	200.9	216.7	205.9	211.9	194.3	123.3	118.9	123.9
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Consumer prices 1977 = 100

Period	Total	Food	Beverages and tobacco	Clothing and footwear	Rent	Heating and lighting	Household goods and services	Health and medical services	Transport and communication	Education and recreation	Other goods and services
1980	129.3	122.8	140.9	131.9	122.4	141.1	127.4	137.6	136.4	123.4	132.6
1981	144.8	138.9	157.4	146.6	140.4	168.1	138.0	150.1	148.9	136.3	150.8
1982	158.3	155.7	177.7	156.0	155.1	181.0	146.7	164.7	158.8	146.2	165.3

1982

June	158.9	157.3	176.4	156.0	159.2	178.4	146.4	167.1	157.6	145.8	164.9
July	160.1	161.1	176.5	154.7	159.2	178.4	147.8	167.1	158.9	146.1	166.1
Aug.	159.7	157.6	176.4	156.2	159.2	178.8	148.3	166.3	158.5	148.2	167.7
Sept.	160.1	158.0	176.6	159.4	158.3	179.4	148.8	166.3	158.8	149.0	167.9
Oct.	160.7	158.8	176.6	160.4	158.3	182.8	149.3	165.1	159.9	148.9	168.7
Nov.	161.3	159.6	176.6	161.8	158.3	181.6	149.6	166.4	160.4	150.3	169.5
Dec.	163.4	157.7	190.2	161.4	158.4	188.9	149.7	166.4	166.5	150.6	171.6

1983

Jan	164.8	158.7	190.3	157.6	158.4	190.1	152.4	176.5	170.4	152.6	174.1
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WAGES

Index of wage and salary earnings 1975 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agriculture	Industry	Construction							
1980	179.3	170.5	146.1	166.0	162.2	156.8	169.8	166.2	167.6	166.9
1981	201.3	192.5	165.6	186.1	182.7	174.8	191.9	187.4	188.9	188.2
1981										
Apr.-June	199.5	194.3	163.9	185.0	182.2	174.1	192.0	186.8	189.3	188.0
July-Sept.	201.0	193.7	166.9	187.7	184.0	175.7	193.8	189.2	190.6	189.8
Oct.-Dec.	210.9	198.9	173.6	192.3	187.5	179.3	199.0	193.8	195.3	194.5
1982*										
Jan.-March	215.1	206.7	176.7	197.3	193.0	185.0	204.1	198.6	201.1	199.8
Apr.-June	223.3	214.2	179.0	206.8	201.2	195.3	212.2	207.3	209.1	208.2
July-Sept.	224.7	212.2	181.1	207.2	201.3	195.4	211.8	207.7	208.3	208.0

PRODUCTION

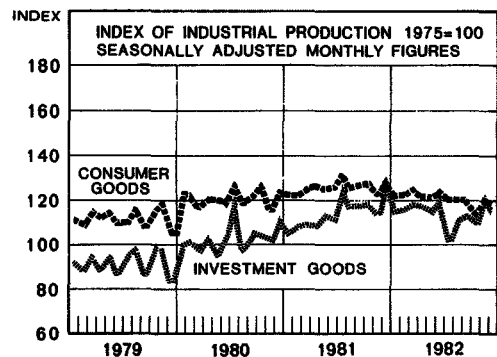
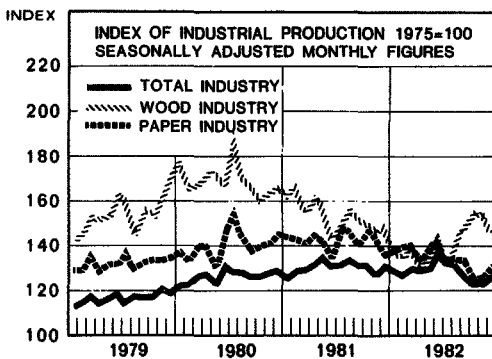
Volume indices of production 1975 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communication	Commerce	Public sector services	Others
1980										
July-Sept.	117	116	193	96	111	90	123	107	125	114
Oct.-Dec.	126	136	84	168	121	92	131	114	127	120
1981*										
Jan.-March	114	129	73	143	79	89	111	95	129	116
Apr.-June	118	132	90	155	76	93	119	107	129	121
July-Sept.	116	119	160	80	100	91	124	108	130	117
Oct.-Dec.	128	141	80	149	122	96	134	116	132	124
1982*										
Jan.-March	114	129	70	135	74	88	113	96	134	119
Apr.-June	119	131	80	138	73	92	122	108	134	125
July-Sept.	117	115	193	66	100	93	122	110	136	121

PRODUCTION

Index of industrial production 1975 = 100

Period	Total	Investment goods	Consumer goods	Other producer goods	Special indices of manufacturing						Total adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industries	Non-metallic mineral industry	Metal industry	
1978	107.0	85.6	108.1	111.9	103.9	130.3	118.2	109.6	93.5	99.6	108.2
1979	118.3	93.7	113.7	127.0	110.8	155.6	134.0	123.7	102.3	110.3	119.0
1980	127.5	105.0	122.9	135.7	117.2	170.6	142.6	135.3	117.6	123.3	127.8
1981*	131.6	115.9	127.1	138.0	123.3	154.8	144.4	144.2	117.8	131.6	131.9
1982*	129.9	116.2	122.0	137.4	121.6	143.0	136.2	133.4	115.1	132.4	130.1
1981*											
Dec.	134.4	132.8	132.7	135.6	125.8	133.1	130.7	124.4	108.9	146.3	132.1
1982*											
Jan.	130.7	115.8	125.6	137.3	108.1	120.6	145.8	134.8	98.2	134.5	130.1
Feb.	125.6	117.3	119.9	130.5	100.9	129.2	135.2	129.6	96.5	133.5	128.5
March	142.9	128.6	136.9	149.7	122.8	167.3	150.4	155.7	118.0	147.4	131.0
April	128.0	117.4	123.5	133.0	113.0	146.8	120.6	146.9	109.8	136.2	130.4
May	135.8	124.6	127.5	142.8	119.8	164.4	139.6	149.8	117.5	145.2	131.0
June	134.6	130.9	123.1	141.0	122.4	156.6	124.9	129.4	119.1	144.6	139.5
July	88.0	50.6	75.9	104.0	108.8	56.5	137.1	81.1	71.6	55.0	134.0
Aug.	131.9	107.6	121.4	143.6	121.4	138.3	147.3	136.5	125.8	124.6	131.4
Sept.	136.3	125.1	127.1	143.7	128.1	173.2	137.5	137.6	144.3	141.8	127.5
Oct.	133.7	119.9	126.9	140.6	141.3	167.3	134.1	134.7	133.5	136.7	124.1
Nov.	139.3	134.2	132.0	144.0	146.1	166.7	135.1	137.2	125.8	148.2	124.1
Dec.	130.1	118.4	123.2	136.6	126.4	129.5	126.9	127.7	120.9	136.9	127.8



LABOUR—TIMBER FELLINGS—INTERNAL TRADE

Period	Population of working age, 1 000 persons	Total labour force, 1 000 persons	Employed, 1 000 persons	Un-employed, 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings, 1 000 solid cu. m	Retail sales volume index 1972 = 100	Wholesale volume index 1972 = 100
1978	3 578	2 253	2 084	169	7.5	32 280 ^r	110	120
1979	3 593	2 223	2 134	139	6.1	44 020 ^r	117	135
1980	3 606	2 315	2 203	112	4.8	47 840 ^r	119	141
1981	3 629	2 369	2 244	125	5.3	44 360 ^r	125	141

1982*

Jan.	3 648	2 376	2 204	172	7.2	3 278	108	115
Feb.	3 649	2 378	2 219	159	6.9	4 260	107	126
March	3 654	2 335	2 175	160	6.9	5 781	120	148
April	3 656	2 363	2 201	162	6.8	5 243	125	142
May	3 655	2 406	2 276	130	5.4	3 564	125	142
June	3 659	2 574	2 436	138	5.4	2 582	131	144
July	3 659	2 586	2 441	145	5.6	1 167	136	123
Aug.	3 659	2 512	2 368	144	5.8	1 383	130	145
Sept.	3 663	2 436	2 295	141	5.8	2 401	130	156
Oct.	3 667	2 399	2 255	144	6.0	3 164	140	160
Nov.	3 667	2 401	2 255	146	6.1	4 165	137	160
Dec.	3 669	2 388	2 231	157	6.6	4 793

CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building-works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1979	48.64	19.83	6.34	16.46	3.46	38.30	17.49	4.39	11.76	2.75	47.62
1980	50.53	20.71	5.49	17.69	3.55	42.11	18.04	4.82	13.94	3.26	49.57
1981	44.92	18.76	5.78	14.65	2.75	41.08	17.20	4.39	14.35	3.01	47.14
1981											
Apr.-June	16.95	7.85	2.79	4.74	0.65	8.04	3.91	0.58	2.64	0.52	50.83
July-Sept.	10.77	4.64	1.16	3.37	0.72	9.50	3.69	1.40	2.93	0.82	53.71
Oct.-Dec.	9.95	3.20	0.89	4.23	0.92	14.89	5.78	1.83	5.72	0.87	47.14
1982*											
Jan.-March	8.53	3.16	1.27	3.01	0.69	6.80	3.11	0.59	2.45	0.27	46.13
Apr.-June	18.46	7.66	3.09	5.78	0.74	8.45	3.71	0.60	2.91	0.74	50.72
July-Sept.	12.35	4.41	1.35	4.53	1.03	8.33	3.41	1.44	2.11	0.84	56.60

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 4. *Public sector:* Receivables = Government promissory notes + Bonds + Total coinage + Other public sector receivables. Liabilities = Cheque accounts + Counter-cyclical reserves + Counter-cyclical deposits + Capital import deposits + Other public sector claims.

Deposit certificates are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

Page 5. *Domestic financial sector:* Other liabilities, net = Capital import deposits + Other financial institution claims — Till-money credits — Bonds — Other financial institution receivables.

Corporate sector: Permanent special financing schemes = Foreign bills + New export bills + Financing of suppliers credits. Liabilities, net = Deposits for investment and ship purchase + Counter-cyclical withholdings + Capital import deposits + Import levy deposits + Export deposits + Other corporate claims — Bonds — Other corporate receivables.

MONETARY POLICY INDICATORS

Page 6. All the figures except the Average lending rate of the commercial banks are mean values of daily figures for the month or year in question. The Average lending rate of the commercial banks is the mean value of end of the month lending rates weighted by credit outstanding. The annual figure of the Average lending rate is an unweighted average of the weighted average monthly rates.

Total central bank debt of the commercial banks = Discounted and rediscounted bills (until 30. 6. 1979, subsequently the banks have not been allowed to discount or rediscount bills) + net cheque account receivables from the commercial banks + call money debt + bond transactions with repurchase obligation — call money deposits by the commercial banks.

Actual central bank debt of the commercial banks = Total central bank debt — Postipankki's call money placements (or + Postipankki's call money overdrafts). Postipankki accounts for the bulk of the supply of call money from the deposit banks (supply of call money, see column 4 on page 5).

Credit quotas of the commercial banks at the Bank of Finland are the sum of individual quotas specifying the amount each bank eligible for central bank credit can borrow at the base rate. Before July 1979, a progressively rising interest rate was charged on credit in excess of the quota up to an absolute ceiling on quota-related debt. From July 1979, no bank may exceed its quota on average over the month. On any given day quota-related borrowing may not exceed 1.3 times the quota. The interest on this borrowing is the base rate.

Bank of Finland placements in the call money market = Demand for call money by the deposit banks — Supply of call money by the deposit banks. Average cost of the total central bank debt of the commercial banks: Net costs paid to the Bank of Finland by the commercial banks, as a percentage of their total central bank debt, per annum.

FORWARD EXCHANGE MARKETS IN FINLAND

Page 7. The figures for columns 1—6 are calculated by the Bank of Finland on the basis of monthly reports from the banks on their outstanding forward exchange positions at the end of each month. The figures for columns 7—9 are based on monthly averages of daily representative quotations, as reported by the banks to the Bank of Finland.

The banks' foreign currency positions shown in the chart at the bottom of page 7 are monthly averages of daily spot and forward positions vis-à-vis the Finnish mark as reported by the commercial banks to the Bank of Finland. The spot position includes all foreign currency-denominated assets and liabilities of the banks, excluding their outstanding forward contracts.

FOREIGN EXCHANGE RATES

Pages 8—9 *Exchange rates* are annual and monthly averages of the Bank of Finland's daily quotations. *Currency index* is annual and monthly average of daily index numbers. The chart at the bottom of page 8 shows the banks' forward selling rates for the US dollar as deviations from the spot rate.

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

Figures for deposits and advances are supplied by the Central Statistical Office.

Page 10. *Deposits by the public.* The central government and the financial institutions are mainly excluded from the public. From 1974 deposits include domestic deposits denominated in foreign currency.

Page 11. *Advances to the public.* The central government and the financial institutions are not included in the public. Postipankki's advances do not include loans granted by the State Investment Fund (INRA). Domestic credits in foreign currency are mainly granted by the commercial banks and the rest by Postipankki.

Money Supply M₁ = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Demand deposits held by the public (incl. Demand deposits at the Bank of Finland). Quasi-Money = Time deposits held by the public (incl. Time deposits at the Bank of Finland). Note: Domestic deposits in foreign currency included in money supply since 1974. In the money supply the public includes non-monetary financial institutions.

STATE FINANCES

Page 12. Official figures computed by the Economics Department of the Ministry of Finance. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations.

FOREIGN TRADE

Pages 13—15. Figures supplied by the Board of Customs *Indices* (p. 13): The volume indices are calculated according to the Paasche formula and the unit value indices according to the Laspeyres formula. *Terms of trade:* the ratio of export indices to import indices. *Foreign trade by countries:* (p. 15): from January 1980 indices by countries of origin exports by countries of consignment.

BALANCE OF PAYMENTS

Pages 16—17. Figures are calculated by the Bank of Finland. In the current account, the figures for visible and invisible trade have been revised from 1970 so that they are in accordance with the revised System of National Accounts. In addition to the Board of Customs figures, exports include fuel for carriers but exclude stevedoring expenses and imports include seamen's duty-free imports, fuel for carriers and adjusted allowance for smuggling. On Jan. 1, 1980, foreign bonds were included in the convertible foreign exchange reserves of the Bank of Finland and not in the short-term capital account as earlier. The figures for other years have also been revised accordingly.

FOREIGN ASSETS AND LIABILITIES

Pages 18—19. Figures calculated by the Bank of Finland. Long-term assets: Other = financial loans development credits + Finland's subscriptions to international financial institutions. Long-term liabilities: Other = Leasing credits + subscriptions to international financial institutions paid in the form of bonds. Short-term assets: From 1978 the Bank of Finland's foreign bills are included in financing of exports and reclassified under the corporate sector.

Column 21. Debt service = Net investment income of short-term and long-term assets and liabilities + net amortisation payment of long-term foreign assets and liabilities, excl. amortisation payments of the Bank of Finland's reserves and oil credits.

Columns 21 and 22 during the year and the quarter.

Chart Debt service ratio: Debt service as a per cent of current account earnings. 1978 and 1979 debt service does not include amortisation of the Bank of Finland's reserve and oil credits.

PRICE INDICES

Page 20. All indices calculated by the Central Statistical Office.

WAGES — PRODUCTION

Pages 21—22. Figures supplied by the Central Statistical Office. Page 22. *Index of industrial production* calculated by the Central Statistical Office. The grouping, by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — CONSTRUCTION OF BUILDINGS

Page 23. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Forest Research Institute, *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED: * Preliminary, r Revised, 0 Less than half the final digit shown, . Logically impossible, .. Not available, — Nil S affected by strike — Break in series.

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1 155 to 1 809 Finland formed a part of the kingdom of Sweden. Connected from 1 809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current term, January 27, 1982, to March 1, 1988, is Mauno Koivisto.

Parliament, comprising 200 members is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1979 is as follows: Social Democratic Party of Finland 52, National Coalition Party 47, Centre Party 36, Democratic League of the People of Finland 35, Swedish Party 10, Christian League of Finland 10 Finnish Rural Party 6 and Liberal Party 4.

INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966, OECD 1969, IDB 1977 and AfDB 1982.

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 244 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4%. Of the land area (1980) 2.5 mill. ha (8.2%) are cultivated and 19.7 mill. ha (64.5%) are covered by forests.

OWNERSHIP OF LAND (1970). The total land area was distributed among different classes of owners approximately as follows: private 60.7%, State 29.4%, joint stock companies etc. 8.0%, municipalities and parishes 1.9%.

POPULATION

NUMBER OF INHABITANTS (1980): 4.8 million. Sweden 8.3, Switzerland 6.4, Denmark 5.1, and Norway 4.1 million.

DENSITY OF POPULATION (1980): In South Finland 46.8, in East and Central Finland 14.0, in North Finland 4.1 and in the whole country an average of 15.7 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1980): 40% of the population inhabit the rural areas, 60% towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital, 483 036 inhabitants, Tampere (Tammerfors) 166 228, Turku (Åbo) 163 680.

EMPLOYMENT (1981): Agriculture and forestry 11%, industry and construction 35%, commerce 14%, transport and communication 8%, financing, insurance, real estate and business services 6%, community and personal services 26%.

LANGUAGE (1980): Finnish speaking 93.5%, Swedish speaking 6.3%, others 0.2%.

EDUCATION (1981): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1 640) and 14 colleges of university standard.

CHANGE OF POPULATION (1980): births 13.2‰, deaths 9.3‰, change + 2.8‰, net immigration - 0.3‰. Deaths in France 10.1‰ and Great Britain 11.8‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1981), in million marks: Gross domestic product at factor cost by industrial origin: agriculture 6 758 (4%), forestry and fishing 9 590 (5%), manufacturing 60 991 (33%), construction 13 447 (7%), trade, restaurants and hotels 21 508 (11%), transport and communication 15 358 (8%), banking and insurance 7 816 (4%), ownership of dwellings 13 066 (7%), other services 40 280 (21%), total 188 814. Index of real domestic product 121 (1975 = 100).

FOREST RESOURCES (1980). The growing stock comprised of 1 631 million m³ (solid volume with bark) of which 44% was pine and 38% spruce the remaining 18% being broad-leaved trees chiefly birch. Of the growing stock 690 million m³ was up to the standard required for logs, 56% of these being pine. The annual growth was 65 million m³ and the total drain calculated on the basis of roundwood consumption was 59 million m³.

AGRICULTURE (1980). Cultivated land 2.3 million hectares. Number of holdings 224 721 of which 155 277 are of more than 5 ha. Measure of self-sufficiency in bread cereals 70%.

INDUSTRY (1981). Gross value of industrial production 193 314 mill. marks number of workers 419 443, salaried employees 144 692, motive power 8.0 mill. kW. Index of industrial production 132 for 1981 (1975 = 100).

STATE RAILWAYS (Dec. 31, 1981): Length 6 976 km.

MERCHANT FLEET (Dec. 31, 1982): Passenger vessels 153 (257 015 gross reg. tons), tankers 45 (1 094 675 gross reg. tons), dry cargo vessels 188 (842 959 gross reg. tons), other vessels 97 (15 146 gross reg. tons), total 483 (2 209 795 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1981): Passenger cars 1 279 192, lorries and vans 155 001, buses 9 054, others 9 384, total 1 452 631.

FINNISH AIRLINES (April 1, 1982): Finnair and Kar-Air have in use 2 DC-8, 1 DC-6-ST, 3 Super Caravelles, 9 DC-9-14/15, 5 DC-9-41, 12 DC-9-51, 3 DC-10-30, 2 Fokker F-27 and 2 Embraer Bandeirante. Companies have scheduled traffic outside of Finland to 38 airports and to 20 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). The last par value of the mark was set on Oct. 12, 1967 and was 0.21159 grams of fine gold per mark (equivalent, at the time, to 4.20 marks per U.S. dollar). Since Nov. 1, 1977 the external value of the mark has been officially expressed in terms of a currency index. This index is trade-weighted and indicates the average change in the currencies which are important in Finnish foreign trade. The present currency weights are Rbl 23.5, Skr 16.6, £ 13.1, DM 13.2, \$ 9.6, other currencies 24.1. The permissible range of fluctuation is about 2.25 per cent of either side of the arithmetic mean. The fluctuation limits are 127.5 and 121.9.

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1981). There are two big and five small commercial banks with in all 891 offices, 274 savings banks, 371 co-operative banks, five mortgage banks, Posti-pankki and three development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-five private insurance companies also grant credits.

RATES OF INTEREST (June 1, 1982). The base rate applied by the Bank of Finland on credit extended to the banks in the context of the quota facility is 8 ½%. The range of rates for other credits granted by the Bank of Finland is between 6% and 11%. Other credit institutions: time deposits 4 ¼%; 6 month deposits 5 ½%; 12 month deposits 7%; 24 month deposits 8 ¼% and sight deposits 1 ¼%. The highest lending rate 12 ½%.

THE BALANCE OF PAYMENTS AND FOREIGN EXCHANGE POLICY IN 1982

by Esko Aurikko, Lic.Pol.Sc.
and Timo Taivalaho, M.Pol.Sc.

Bank of Finland

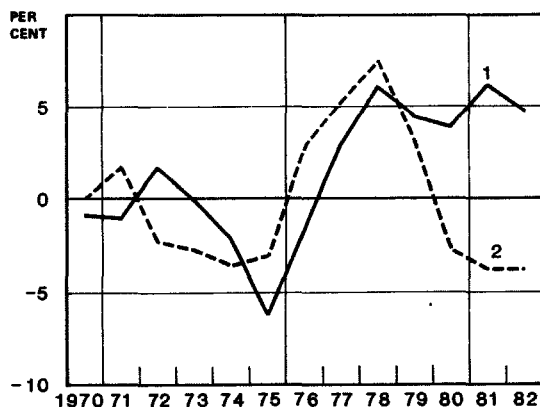
In view of the exceptionally weak demand conditions prevailing in Finland's main markets, the widening of the current account deficit from 0.7 per cent of GDP in 1981 to about 2 per cent in 1982 is not in itself a cause for alarm. In fact, since the mid-1970s, Finland has only had a substantial current account deficit in 1980, and that was mainly attributable to higher energy prices. Underlying soundness in the external balance shows a certain maturing of the economy to a stage at which domestic saving is sufficient to finance most of the investments undertaken. However, it should not be forgotten that the apparently reasonable balance is in part also a reflection of slow growth and a slackening of investment activity in the domestic economy.

Given the prevailing international environment, the maintenance of output and employment has relied on domestic economic policy. Indeed, Finland has been one of the few countries to have pursued expansive fiscal and monetary policies. In consequence, underutilization of the productive capacity of the economy has not been as large in Finland as in the majority of other industrial countries. From the policy viewpoint it has been fortunate that policy options have not been restricted by balance of payments considerations as was the case in the not too distant past. Chart 1 illustrates the improved trade-off between Finland's relative cyclical position and the external balance.

The current account deficit in 1982 amounted to 4.5 billion marks, compared with 1.3 billion in the preceding year. As a consequence of a substantial increase in long-term assets, net

imports of long-term capital totalled only 0.9 billion marks. Short-term capital movements were volatile, especially prior to the devaluations of the Finnish mark and the Swedish krona in October, but for the year as a whole there was a net inflow of short-term capital of the order of 3.5 billion marks, including credit line facilities of 2.5 billion drawn by the Bank of Finland to support the foreign exchange reserves against speculation. There was a deficit of 0.1 billion marks in the overall balance. At 9 billion marks in December the convertible reserves of the Bank of Finland were 1.5 billion higher than at the end 1981. Holdings of tied currencies increased, but the portion included in reserves decreased from 1.9 billion to 1.5 billion marks. The current account deficit, together with exchange rate

CHART 1. RELATIVE CYCLICAL POSITION AND REAL EXTERNAL BALANCE



1. FINLAND'S BALANCE OF GOODS AND SERVICES, PER CENT OF GDP, 1975 PRICES
2. RELATIVE ACTIVITY: MAIN TRADING PARTNERS VIS-A-VIS FINLAND (GDP DEVIATION FROM TREND IN FINLAND'S MAIN TRADING PARTNERS MINUS GDP DEVIATION FROM TREND IN FINLAND)

changes, raised Finland's external indebtedness ratio from 14.2 per cent of GDP in 1981 to about 17 per cent at the end of 1982.

COMMODITY TRADE

Weak demand characterised Finland's major western markets throughout last year. At the same time, the growing surplus on the bilateral clearing accounts diminished the scope for further exports to the Soviet Union. Overall, the volume of commodity exports decreased by 2 per cent, after an increase of 3.3 per cent in 1981. Measured in terms of import volumes, Finland's western markets expanded by 2.5 per cent while Finnish exports to these markets fell by 2.6 per cent. The loss of market shares can be partly ascribed to the commodity structure of Finnish exports; for instance, fluctuations in forest industry exports are usually much larger than variations in world trade in general. However, it also reflected a modest decline in the international competitiveness of the Finnish economy during the preceding two years (see Chart 5 and the last section below).

Export volumes decreased in nearly all major branches of industry, with the notable exception of engineering. Forest industry exports fell by 5 per cent in all. Wood industry exports declined for the second year running, this time by 8 per cent, and exports of sawngoods, in particular, were a third below their record level in 1980. The pulp and paper industry recorded a 4 per cent decline in export deliveries, wood pulp suffering more than paper, board and related products. After several years of rapid expansion, chemical industry exports shrank by some 6 per cent. For many consumer goods industries the declines were even more pronounced. In contrast, exports of metal products and machinery and equipment rose by 11 per cent in volume, as last year witnessed the delivery of a considerable number of ships and other large items.

The volume of commodity imports increased by 1 per cent after a 6 per cent fall in the

previous year. Particularly noteworthy was a 6 per cent increase in imports of raw materials (excluding oil) and intermediate goods, which account for nearly half of Finland's total imports. At a time when industrial production was declining, the increase can largely be ascribed to easy domestic financial conditions and expectations of coming price rises. The strength of private consumption was reflected in an 8 per cent increase in imports of consumer goods. Semi-durables and durables increased most strongly, passenger cars by as much as 17 per cent.

In line with the slight contraction in investment activity, the volume of investment goods imports fell by 2 per cent. There was a substantial decline in energy imports. At 9.7 million tonnes, crude oil imports were down by 10 per cent on the previous year and a quarter below the level of 1980. Coal imports fell by nearly a fifth and there was also a small fall in imports of liquid fuels. The overall decline in energy imports was attributable to decreased energy use and the increasing share of domestically-produced energy, notably the high share of nuclear power in electricity production. If nuclear power is included in domestic energy sources, Finland's self-sufficiency ratio last year amounted to about 50 per cent of total energy requirements.

FOREIGN TRADE PRICES AND THE TERMS OF TRADE

In the wake of the continuing international recession there was a further decline in world-market prices of raw materials at a time when intense competition also held the prices of finished products in check. Although a large proportion of Finland's exports are of the raw-material type, the expansion of engineering industry exports helped improve Finland's terms of trade by some 2 per cent for 1982 as a whole. As a consequence of the October devaluation, the terms of trade weakened marginally in the final quarter.¹ Expressed in Finnish marks, export prices rose by close to

¹ See chart on page 13.

7 per cent last year and import prices by a little over 4 per cent. As exchange rates in 1982 were on average 2 per cent higher than in the previous year, export prices in terms of foreign currencies rose by about 5 per cent and import prices by less than 3 per cent.

In the forest-based industries, sawmills, already badly hit by the recession, experienced particularly sharp price declines, as, too, did pulp. By contrast, paper and board fared somewhat better. The 14 per cent increase in export prices of metal products and machinery was partly explained by the strength of the key invoicing currencies. Prices of imported raw materials and producer goods as well as of crude oil and fuels and lubricants rose by about 4 per cent, while prices of investment and consumer goods went up by 5—6 per cent on average, those of passenger cars by even more.

STRUCTURAL AND REGIONAL DISTRIBUTION OF FOREIGN TRADE ²

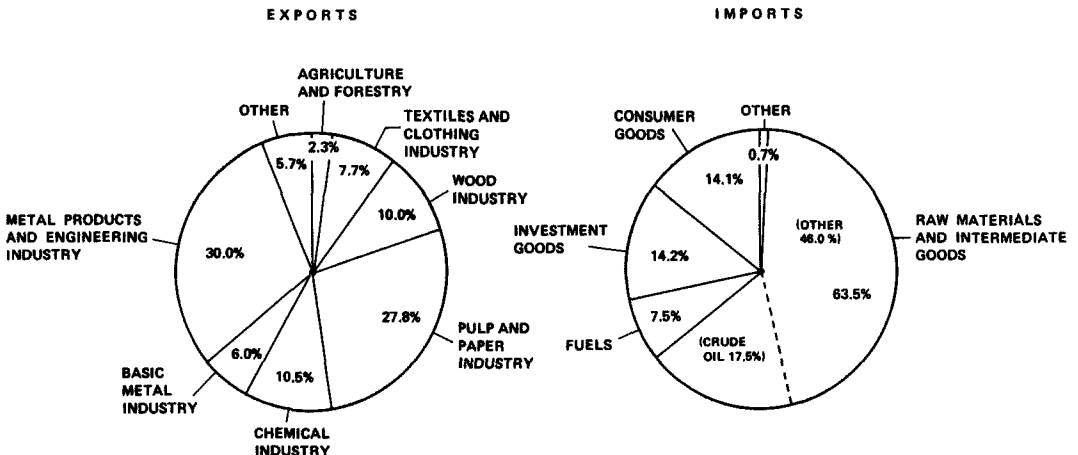
A striking feature of the structure of merchandise exports in 1982 was the increase in the share of the metal and engineering industry in the total value of exports by 4.0 percentage points to 36.0 per cent (Chart 2). In contrast,

² See also tables on pages 14—15. In the import figures on page 14, crude oil is included under »Raw materials and producer goods».

the share of the forest industries dropped by 2 percentage points to 37.8 per cent, its lowest level ever. In the regional distribution of exports, the share of the EEC was, at 34.9 per cent, practically unchanged from 1981, whereas there were small declines in the shares of EFTA countries, the developing countries and the group of other countries. The 13 per cent increase in the value of exports to the Soviet Union raised the share of European CMEA countries in Finnish exports to 28.8 per cent (Chart 3).

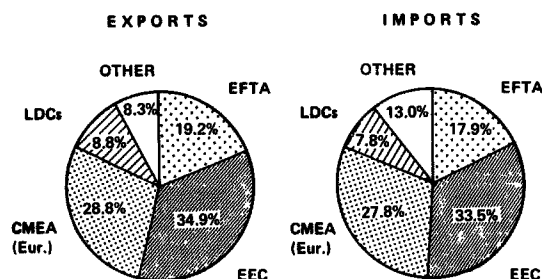
The structure of Finnish imports was clearly influenced by the cutbacks in imports of energy. The fall in the share of crude oil and fuels by 3.6 percentage points to 25.0 per cent of the total value of commodity imports (Chart 2) also influenced the regional distribution of imports. Since the bulk of Finland's oil requirements is purchased from the USSR under long-term contracts, imports from OPEC were directly affected by reduced demand. Thus, while imports from non-oil developing countries actually grew slightly faster than imports from developed areas, the share of the developing countries taken together in Finnish imports fell marginally to 8.8 per cent in 1982 (Chart 3). Although energy imports decreased, the share of raw materials and intermediate goods grew by 2.4 percentage points to 46 per cent of total imports. The combined share

CHART 2. FOREIGN TRADE BY MAIN CATEGORIES OF GOODS IN 1982 ¹



¹ Exports by industries, imports by use of goods.

CHART 3. FOREIGN TRADE BY AREAS IN 1982



of finished goods rose only slightly to 28.3 per cent, as the increase in consumer goods was partially offset by a small decrease in the share of investment goods.

Finland actually had a trade surplus with all the European trading areas covered by free-trade agreements (EFTA, EEC, CMEA) as well as a surplus with OPEC countries. On the other hand, there were sizable deficits in the trade with the United States and Japan.

THE CURRENT ACCOUNT

Having been in surplus for the first half of the year, the trade account swung into deficit in the last six months, and for 1982 as a whole there was a trade deficit of 2.3 billion marks as against a deficit of 1.4 billion marks in 1981. The surplus on the services account shrank by 1.1 billion to 3.8 billion in 1982. Stagnating trade and weak freight rates combined to keep transport earnings at the 1981 level. Travel receipts declined by 7 per cent and travel expenditures went up by a fifth to give a 0.3 billion mark surplus on the travel account after a surplus of similar magnitude in the previous year. Furthermore, net earnings from other services, largely construction projects abroad, fell from 1.1 billion marks in 1981 to about 0.9 billion in 1982.

Interest payments on Finland's foreign debt and related expenditure rose by a fifth to 8.5 billion marks. The increase was due to growing debt combined with high interest rates, and to some extent also to the devaluation of the

TABLE 1. BALANCE OF PAYMENTS, MILLION MARKS

	1980	1981	1982 ¹
Commodity exports ²	52 850	60 260	62 950
Commodity imports ²	58 315	61 688	65 200
TRADE BALANCE	-5 455	-1 428	-2 250
Services, net	3 958	4 876	3 750
BALANCE ON GOODS AND SERVICES	-1 497	3 448	1 500
Investment income & transfer payments	-3 689	-4 720	-6 000
CURRENT ACCOUNT	-5 186	-1 272	-4 500
Long-term capital, net	182	2 325	900
BASIC BALANCE	-5 004	1 053	-3 600
Trade credits	2 288	-630	-700
Short-term capital of authorized banks	3 930	-406	1 900
Other short-term capital	-219	1 786	2 274
OVERALL BALANCE	995	1 803	-126
Bank of Finland foreign exchange reserves (increase —)	-995	-1 803	126

¹ Preliminary. For further details, see pages 16 and 17.

² Balance of payments basis. See page 13 for customs figures.

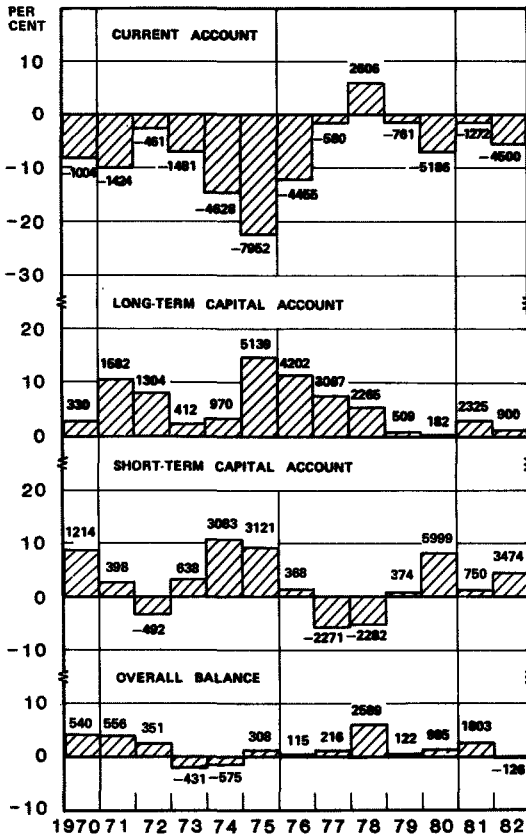
mark, which made the servicing of foreign loans more costly. As earnings from foreign assets totalled 3.0 billion marks, the deficit on the investment income account rose to 5.5 billion marks, an increase of 1.1 billion over 1981.

Table 1 summarizes the main balance of payments components. All in all, the current account recorded a deficit of 4.5 billion marks, as against 1.3 billion in 1981. The current account in convertible currencies showed a deficit of roughly 7 billion marks, while there was a current surplus of 2.5 billion in bilateral transactions.³

The increase in the deficit on current account reflected the fact that domestic saving declined more than domestic investment. There was a marked deterioration in the financial position of the public sector, which was due to efforts to sustain domestic demand and reflected in active government borrowing in international markets.

³ In addition to the Soviet Union, clearing accounts are used in transactions with the German Democratic Republic, Hungary, Bulgaria, and, until the end of 1982, the People's Republic of China.

CHART 4. PRINCIPAL BALANCE OF PAYMENTS COMPONENTS AS A PERCENTAGE OF CURRENT PAYMENTS AND IN MILLIONS OF MARKS



CAPITAL FLOWS ⁴

In examining capital movements in Finland's balance of payments in 1982 two features in particular stand out. Long-term borrowing from abroad increased, but as this was accompanied by a marked expansion of Finland's long-term assets net imports of long-term capital amounted to only 0.9 billion marks. Short-term capital flows were highly volatile, but the short-term capital account displayed a distinctly positive trend towards the end of the year.

Gross long-term borrowing from abroad grew by a fifth to 10.2 billion marks. As redemptions increased only marginally to 4.7 billion, net borrowing totalled 5.5 billion marks. Net borrowing by the public sector (nearly all central

government loans) amounted to 3.2 billion marks, while the remainder was divided between financial institutions and corporations. Whereas borrowing by the government and financial institutions increased, there was some decline in borrowing by the corporate sector. Besides stagnation of investment activity, this was attributable to the easy availability of credit in domestic markets at a fairly low cost compared to foreign loans.

Finland's long-term assets increased by 4.6 billion marks, as against 1.5 billion in the previous year. Of the increase, 2.1 billion marks was due to a special arrangement with the Soviet Foreign Trade Bank whereby part of Finland's reserves of tied currencies was transferred to an interest-bearing term account to be used in 1984—1986. By this arrangement it was possible to keep the balance in the clearing account within the agreed limits — which had earlier been raised — and hence to reduce obstacles to a further rise in Finnish exports to the USSR; the balancing of trade can now take place over a longer time span. The rapid growth of engineering industry exports brought with it an increase in long-term export credits, granted mostly to other OECD countries. Furthermore, capital exports in the form of Finnish direct investment abroad continued to increase and amounted to over 1.1 billion marks; there was little change in the stock of foreign direct investment in Finland.

Considerable fluctuations took place in short-term capital flows in the course of the year. Easy domestic financial conditions coupled with high interest rates abroad (and a trade surplus in the first half of the year) encouraged capital outflows. In the autumn, exchange rate expectations led to a further substantial outflow, estimated to have reached some 3 billion marks. This induced a tightening in the domestic financial markets and subsequently, as confidence in the value of the Finnish mark was restored after the October devaluation, there were large inflows of short-term capital in the last months of the year. Apart from the fall in international interest rates and the emergence of the trade deficit, this seems to

⁴ See the front article of this Bulletin for more detailed information.

have also been influenced by expectations of a fall in the value of the US dollar.

For 1982 as a whole, there was a surplus of 3.5 billion marks on the short-term capital account. Stand-by credits drawn by the Bank of Finland made up 2.5 billion marks of the total, while autonomous short-term capital inflows were slightly more than 1 billion marks.

RESERVE MOVEMENTS AND FOREIGN DEBT

As the current account deficit was marginally larger than net capital imports, there was a deficit of 0.1 billion marks in the overall balance, implying an equivalent decline in the total foreign exchange reserves of the Bank of Finland. Balance of payments transactions, again including drawings of credit facilities, resulted in an increase of 1.1 billion marks in the convertible reserves of the Bank of Finland. Including exchange rate adjustments, convertible reserves rose from 7.5 billion marks in December 1981 to 9 billion at the end of 1982, corresponding to about two months' multilateral imports, as was the case a year earlier. Tied currency reserves increased substantially in the course of the year, but due to the transfer to the term account described above, tied reserves at the end of the year were 1.5 billion marks, 0.4 billion marks below the level of the previous year.

According to preliminary figures, Finland's net foreign debt increased by 10 billion marks in 1982. Given the current account deficit of 4.5 billion marks, most of the increase was due to exchange rate changes; in addition to the devaluation of the Finnish mark, the high international value of the US dollar was also a contributory factor. At the end of 1982 Finland's net external debt was 40 billion marks, or about 17 per cent of GDP. Finland's external indebtedness ratio peaked in 1977 at over 21 per cent GDP before falling to 14.2 per cent in 1981. At 17 per cent, Finland's external indebtedness ratio is the lowest among the five Nordic countries.

At the end of 1982, net long-term debt amounted to 39.7 billion marks while net short-term liabilities were equivalent to 0.3 billion marks. The net foreign debt of the central government totalled 17.7 billion marks. Although total government debt in Finland is low by international standards — gross state debt stood at some 13 per cent of GDP at the end of 1982 — more than half of this is made up of foreign loans, since the government has resorted to foreign borrowing, in part so as not to crowd out the corporate sector in the relatively low-cost domestic financial markets.

Interest and amortization payments on Finland's net external debt in relation to current receipts edged up slightly from 10.1 per cent of current receipts in 1981 to about 11 per cent in 1982.⁵

FOREIGN EXCHANGE POLICY

International foreign exchange markets continued to be turbulent in 1982, as witnessed by large movements in the exchange rates of major currencies. The volatility was attributable to the downward trend in the interest rates of the most important currencies, although political and economic developments as well as the difficulties experienced in the international banking system also played a part.

Foreign exchange rate markets in Finland were comparatively calm during the first few months of 1982. From the spring of 1982 onwards, however, they became increasingly unstable under the influence of exchange rate expectations. The international price competitiveness of Finnish industry, as measured by relative unit labour costs, had deteriorated during the preceding two years (Chart 5). This had largely been due to the depreciation of the European currencies important in Finland's trade against the US dollar, but the rise in the level of domestic costs had also been a contributory factor. In particular, profitability in the forest industries had fallen to rather low levels

⁵ See chart on page 19 and definitions on page 24.

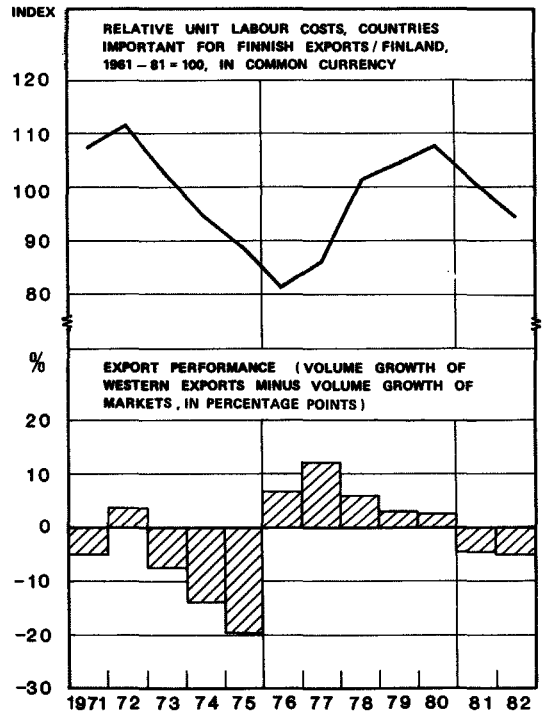
over the previous two years because of the small rise in export prices relative to the increase in domestic costs. The effects of the weakening in competitiveness were accentuated by the prolongation of the international recession. Instability intensified in the early autumn when there were strong outflows of short-term capital. The convertible foreign exchange reserves of the Bank of Finland decreased from a high of 8 billion marks in March to 5.5 billion in October, despite sizable drawings of foreign credits and forward sales to banks (see chart inside the front cover).

To support competitiveness and external liquidity, the Board of Management of the Bank of Finland decided, on October 6, to raise the currency index, which had been unchanged since March 1980, by about 4 per cent within the permitted range of fluctuation of the index.

When, on October 8, the Swedish krona was devalued by 16 per cent, a second devaluation of the Finnish mark was deemed appropriate in view of the changed economic policy circumstances. In setting the size of the mark's devaluation, the principal concern was to foster competitiveness and employment without engendering unnecessary inflationary pressures. On the proposal of the Bank of Finland, the Council of State decided on October 10 to alter the fluctuation limits of the currency index. Effective October 11 the fluctuation limits were raised to 121.9 and 127.5 compared with the old limits of 112.0 and 119.0, the base year of the index being 1974. At the same time, the fluctuation range of the currency index was reduced from 6 per cent to 4.5 per cent. Also effective October 11 the Board of Management of the Bank of Finland raised the index by a further 6 per cent. In all, the currency index rose by about 10 ½ per cent, implying a fall of 9 ½ per cent in the external value of the mark (see chart on page 5).

The second devaluation of the mark was accompanied by an economic policy package, including fiscal measures aimed at curbing cost developments in the corporate sector. In addition, monetary policy was tightened so as

CHART 5. COMPETITIVENESS AND EXPORT PERFORMANCE



to reduce pressures stemming from expectations. Following the devaluations, calm returned to the foreign exchange markets towards the end of the year and the convertible exchange reserves of the Bank of Finland increased appreciably.

Reflecting the large movements in exchange rates between the major currencies and the devaluation of the Finnish mark, the rates quoted by the Bank of Finland changed considerably during 1982. The average selling rate for the US dollar increased by 21.4 per cent, that for the rouble by 20.0 per cent, and those for the deutschemark and pound sterling by 14.6 per cent and 2.2 per cent, respectively. In contrast, the selling rate of the Swedish krona fell by 8.2 per cent on account of the krona's devaluation in October (see chart on page 9).

In 1982 the Bank of Finland intervened on two occasions in the forward markets for convertible currencies to engage in forward transactions with the banks. In January the

Bank undertook some fairly small transactions, and in August—September it sold forward dollars to the banks to support the convertible reserves. The forward markets were stable until early autumn when the net foreign assets of the banks swung into net forward liabilities. Following the exchange rate decisions, the banks' forward positions were restored to broadly what they had been during the earlier part of the year.

The Bank of Finland utilized some of its stand-by credit facilities with foreign banks in

1982 in order to support the convertible reserves and to facilitate the management of external liquidity. At the end of the year 500 million dollars worth of the Bank's total credit line facilities of 1 500 million dollars were in use. Most of the amounts drawn were repaid in early 1983. In 1982 the Bank of Finland signed a revolving credit facility agreement for 600 million dollars with an international bank consortium. The new credit facility arrangement replaced an earlier agreement for an equivalent amount concluded in 1980.

ITEMS

Foreign direct investment in Finland and Finnish direct investment abroad in 1982

Overall position at end-1982. The nominal value of the stock of investment by foreign companies in subsidiaries and associated companies operating in Finland stood at 2.2 billion marks at the end of 1982. Of this sum, 1.8 billion marks represented equity capital and 0.4 billion marks loans to subsidiaries and associated companies.

The nominal value of the stock of investment by Finnish companies in subsidiaries and associated companies operating abroad amounted to 4.6 billion marks. Of this sum, 3.8 billion marks was invested as equity capital and 0.8 billion marks as loans to subsidiaries and associated companies.

At the end of 1982, there were 985 foreign-owned companies in Finland.¹ Of these, 204 were manufacturing firms. During the year, foreign companies became shareholders in 62 companies operating in Finland² and relinquished ownership in 37.

At the end of 1982, there were 1 167 Finnish-owned companies³ abroad, of which 114 were manufacturing firms. During the year, Finnish companies acquired shareholdings in 123 firms abroad and relinquished ownership in 54.

Foreign direct investment in Finland in 1982. New foreign direct investment in companies in Finland in the form of equity capital (excluding bonus issues)⁴ totalled 192 million marks in 1982. As capital repatriated from these companies amounted to 216 million

marks, there was a net outflow of equity capital of 24 million marks.

Loans granted by foreign companies to subsidiaries and associated companies in Finland totalled 36 million marks in 1982. Redemptions of loans amounted to 79 million marks, giving rise to a 43 million mark net outflow of loans to subsidiaries and associated companies.

Hence, foreign direct investment in Finland showed a net outflow of 67 million marks last year. The reversal in the direction of the net flow of foreign direct investment in Finland was attributable to the relinquishment of certain exceptionally large investments.

There was a net inflow of investment capital to Finland from EFTA countries of 88 million marks in 1982. The positive direction of the flow was due to the fact that Swedish investment in Finland amounted to 92 million marks in net terms. Of this amount, over 80 per cent was invested in manufacturing companies in Finland.

In contrast to previous years, there was a net outflow of 195 million marks in direct investment by EEC countries in Finland. Of this amount, manufacturing firms accounted for 139 million marks.

In addition, foreign firms operating in Finland transferred 301 million marks in dividends to their investor companies and paid 28 million marks in interest on loans granted by these companies. Capital charges thus totalled 329 million marks.

Finnish direct investment abroad in 1982. Finnish direct investment abroad in the form of equity capital (excluding bonus issues) amounted to 848 million marks⁵ in 1982.

¹ Companies in which direct foreign ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

² A new company was established or a shareholding purchased.

³ Companies in which direct Finnish ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

⁴ According to information received by the Bank of Finland, bonus issues amounted to 65 million marks in 1982.

⁵ According to information received by the Bank of Finland, bonus issues in 1982 amounted to 22 million marks.

TABLE 1. FOREIGN DIRECT INVESTMENT IN FINLAND AND PAYMENTS OF DIVIDENDS AND INTEREST, MILL. MK ¹

	Equity capital ²	Repatriation	Equity capital, net	Drawings of loans to subsidiaries and associates	Redemptions of loans to subsidiaries and associates	Loans to subsidiaries and associates net	Total net investment	Payments of dividends	Interest expenses	Total capital charges
1973	67	70	—3	87	24	63	60	69	5	74
1974	116	15	101	68	13	55	156	67	9	76
1975	160	16	144	129	22	107	251	96	11	107
1976	156	3	153	85	15	70	223	115	16	131
1977	122	14	108	129	49	80	188	188	31	219
1978	155	29	126	43	28	15	141	130	29	159
1979	211	25	186	60	140	—80	106	163	30	193
1980	165	20	145	28	69	—41	104	181	25	206
1981	182	32	150	49	124	—75	75	245	25	270
1982	192	216	—24	36	79	—43	—67	301	28	329

¹ Companies in which direct foreign ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

² Figures include bonus issues up to 1981.

TABLE 2. FINNISH DIRECT INVESTMENT ABROAD AND DIVIDEND AND INTEREST EARNINGS, MILL. MK ¹

	Equity capital ²	Repatriation	Equity capital, net	Drawings of loans to subsidiaries and associates	Redemptions of loans to subsidiaries and associates	Loans to subsidiaries and associates net	Total net investment	Dividend earnings	Interest earnings	Total capital earnings
1973	106	81	25	92	29	63	88	1	0	1
1974	59	9	50	42	10	32	82	3	0	3
1975	159	3	156	46	106	—60	96	13	0	13
1976	110	11	99	29	10	19	118	4	—	4
1977	459	2	457	31	195	—164	293	3	3	6
1978	243	2	241	17	1	16	257	14	1	15
1979	440	1	439	50	2	48	487	4	3	7
1980	427	4	423	75	11	64	487	0	0	0
1981	631	31	600	98	86	12	612	11	0	11
1982	848	11	837	338	50	288	1 125	2	11	13

¹ Companies in which direct Finnish ownership accounts for more than 20 per cent of the nominal value of the share capital, the co-operative capital or similar basic capital.

² Figures include bonus issues up to 1981.

As capital repatriated to Finland amounted to 11 million marks, there was a net outflow of equity capital of 837 million marks.

Capital outflows in the form of loans to subsidiaries and associated companies totalled 338 million marks. Redemptions of loans amounted to 50 million marks to give a 288 million mark net outflow of loans to subsidiaries and associated companies. Hence, Finnish direct investment abroad in 1982 showed a net outflow of 1 125 million marks, about

twice the amount in the preceding year in nominal terms.

One fifth of the net outflow of investment capital, 263 million marks, went to EFTA countries; more than half of that amount was invested in manufacturing companies. Most of the net investment, 228 million marks, went to Sweden.

In net terms, investment in EEC countries accounted for nearly 40 per cent, or 430

million marks, of the outflow of investment capital, more than half of which was invested in manufacturing companies.

The net outflow of investment to North America amounted to 289 million marks, two thirds of which was invested in manufacturing firms.

Finnish net direct investment in developing countries amounted to 97 million marks, which in nominal terms was twice the value of the preceding year. One third of the investment was in manufacturing companies.

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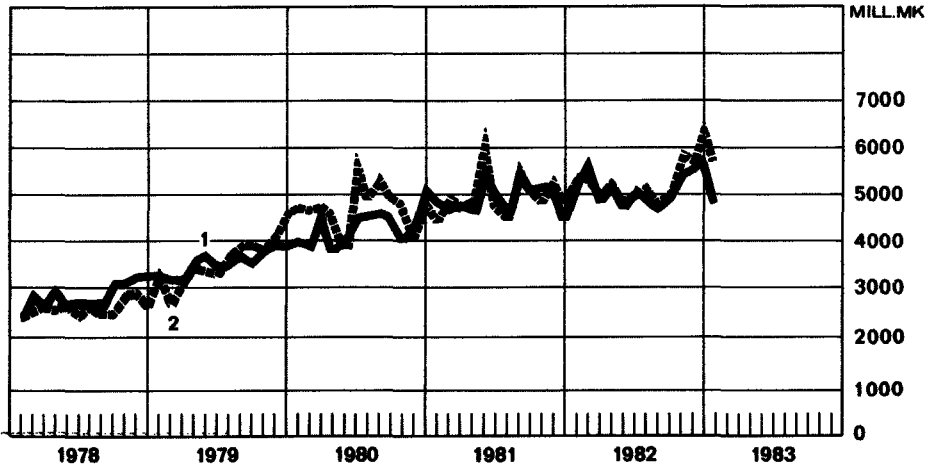
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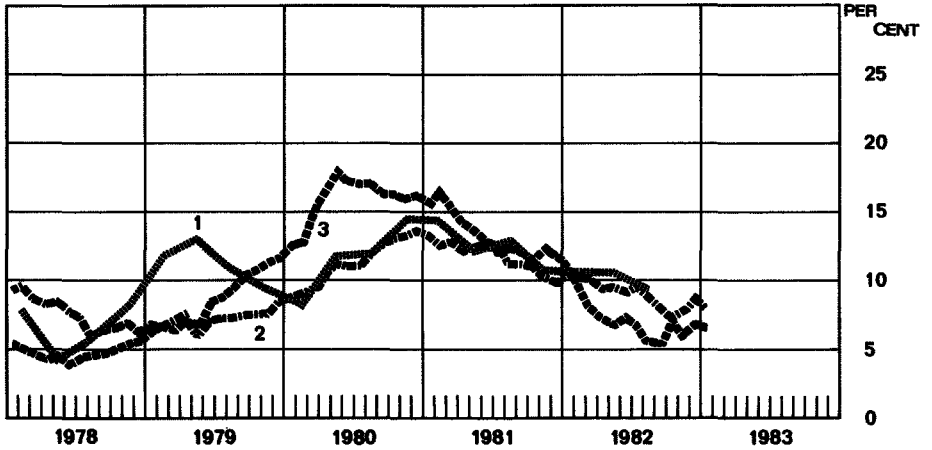
FOREIGN TRADE, 1978-83

- 1. Exports f.o.b.
 - 2. Imports c.i.f.
- Seasonally adjusted monthly figures



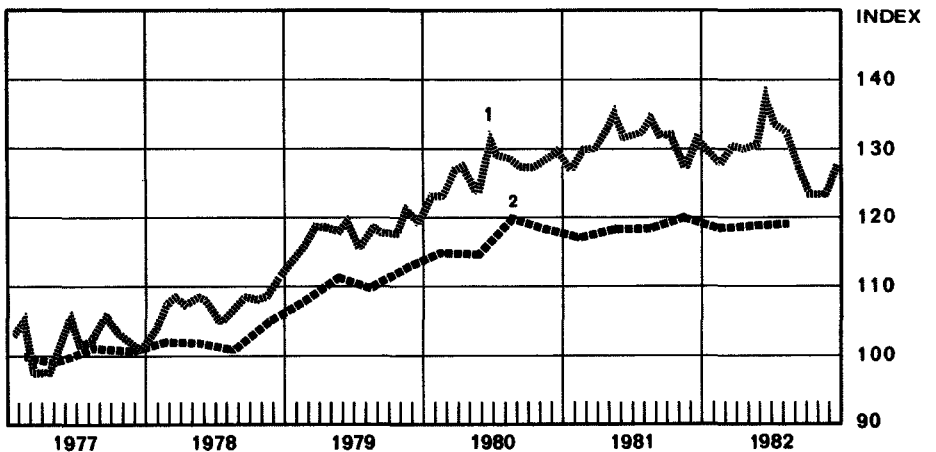
PRICES AND WAGES, 1978 - 83

- 1. Index of wage and salary earnings 1975 = 100, quarterly figures
 - 2. Consumer price index 1977 = 100, monthly figures
 - 3. Basic price index for domestic supply 1975 = 100, monthly figures
- Percentage change on previous year



PRODUCTION, 1977-82

- 1. Total index of industrial production 1975 = 100, seasonally adjusted monthly figures
- 2. Volume index of gross domestic product 1975 = 100, seasonally adjusted quarterly figures



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