



BANK OF FINLAND

Monthly Bulletin

Finland's foreign trade

The Finnish basic pensions schemes

Finland's balance of payments

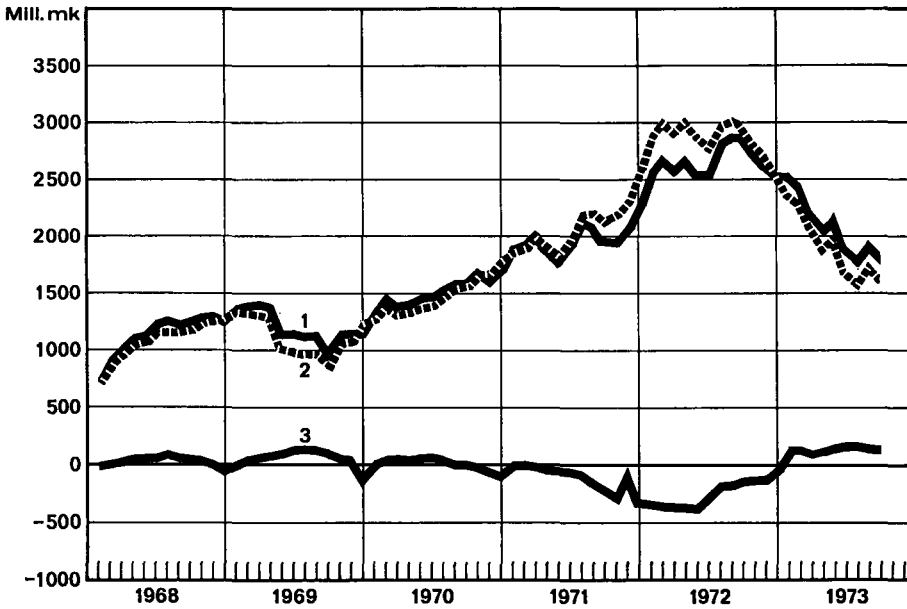
January—June 1973

National income

NOVEMBER 1973

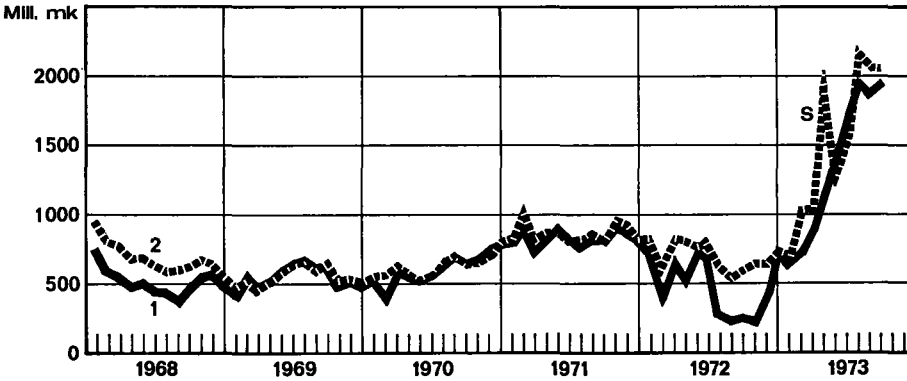
Vol. 47 No. 11

Bank of Finland foreign exchange reserve, 1968 - 1973



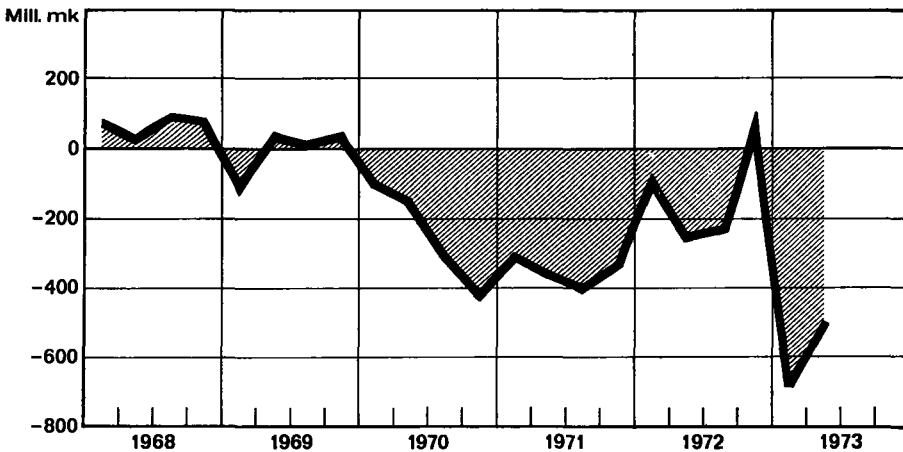
- 1. Total gold and foreign exchange
- 2. Gold and convertible currencies
- 3. Other currencies

Bank of Finland's position in regard to the banks, 1968 - 1973



- 1. Net claims on the banks
 - 2. Discounted and rediscounted bills
- Seasonally adjusted end-of-month figures

Balance of payments current account surplus / deficit, 1968 - 1973



Seasonally adjusted quarterly figures

FINLAND'S FOREIGN TRADE

The growth of total production in the OECD countries most important for Finnish exports exceeded its long-term average in the latter half of last year and further accelerated in the first half of this year. Markets for Finnish exports have thus expanded substantially. However, the boom has meant a shortage of labour and capacity in a number of industries and has thus limited the growth of exports and led to a strong increase in imports. As imports grew much more rapidly than exports, the trade deficit for the first three quarters of the year totalled 1 600 million marks. The present cyclical position makes it likely that imports will continue to exceed exports in the near future. However, the measures taken to prevent the overheating of the economy are expected to curb the excessive growth in demand, especially next year.

EXPORTS

The recovery of international economic activity produced a 15 per cent rise in the volume of Finnish exports last year, and sizeable gains in market shares were recorded. In spite of the competitiveness of Finnish exports and the strong expansion of export markets, exporters are not able to fully benefit from the growth of markets this year because of production bottlenecks. Capacity constraints in the wood-processing industries and a shortage of skilled labour in the metal and engineering industries have proved to be the major obstacles to greater export expansion.

The strong demand for wood and paper products in world markets has been reflected in considerable price increase. Consequently more than three-quarters of the 16 per cent growth in the value of commodity exports

during the first nine months of the current year was based on rises in export prices. The value of exports increased by a third in the wood industry and by a fifth in the paper industry. In order to reduce inflationary pressures and to offset the easing of the financial markets resulting from the growth of advance payments on wood industry exports, the Bank of Finland introduced a deposit scheme for these payments in September. The volume of metal and engineering industry exports has declined temporarily because of the timing of deliveries. The value of exports of other industrial products has grown by a fifth, while exports of agricultural products have remained about on the same level as last year. Exports of metal and engineering industry products are expected to pick up in the coming months, and the volume of total exports for the year as a whole should increase in spite of production bottlenecks.

The share of exports to EFTA countries has declined by three percentage units during the year, largely as a result of a fall in exports to Sweden. During the same period, the share of exports to the EEC countries has increased by the same amount. The individual countries most important for Finland's exports were the United Kingdom, Sweden, the Soviet Union and the Federal Republic of Germany.

IMPORTS

Last year the use of stocks of raw materials and the sluggishness of investment activity kept the growth of imports down to only three per cent in volume terms notwithstanding real growth in GDP of nearly seven per cent. This year imports have grown sharply. During the first three quarters of the year, the growth in value was as much

as 25 per cent, of which about a half was a consequence of price rises.

The strong growth of domestic production, the accumulation of stocks and the steep rise in world commodity prices have increased the value of raw material imports by a quarter. However, the devaluation of the dollar in February has held the price of fuels down, and the value of this category of imports has grown more slowly than the value of total imports. The recovery in investment activity has boosted the value of investment good imports by a fifth. Apart from increased consumption demand, appreciable stock-building has been the main reason for the continuation of the rapid growth in imports of consumer goods and passenger cars during the first half of the year. In June the Bank of Finland introduced a number of monetary policy measures to curb the cyclical upswing (see

Bulletin No. 8, 1973). Among these was a cash payment system for imports of consumer goods, according to which short-term import credits can no longer be used to finance purchases of these goods abroad. Furthermore, at the end of August the Finnish Government brought in a temporary system of import licensing for some consumer durables. The authorities have permitted imports of these goods to continue on the same scale as in the past two years and have thus prevented further speculative stock-building of these goods.

There has not been much change in the breakdown of imports by various groups of countries. As in the past the Federal Republic of Germany, Sweden, the Soviet Union and the United Kingdom provided the bulk of Finnish imports.

October 25, 1973

BANK OF FINLAND

Mill. mk

	1972		1973			
	Oct. 31	Dec. 29	Oct. 8	Oct. 15	Oct. 23	Oct. 31
Assets						
Gold and other foreign assets	3 093	2 912	2 223	2 222	2 194	2 099
Gold	205	205	205	205	205	205
Special drawing rights	283	283	285	285	285	285
IMF gold tranche	268	268	268	268	268	268
Foreign exchange	2 125	1 929	1 231	1 228	1 198	1 103
Foreign bills	104	110	98	98	100	100
Foreign bonds	108	117	136	138	138	138
Claims on domestic banks	783	758	2 132	2 070	2 170	2 417
Discounted bills	753	752	2 052	1 995	2 107	2 363
Rediscounted bills	1	1	—	—	—	—
Cheque accounts	29	5	80	75	63	54
Other lending	321	316	344	352	353	352
Inland bills discounted						
In foreign currency	—	—	—	—	—	—
In Finnish marks	65	44	54	54	55	57
Loans	256	272	290	298	298	295
Other assets	733	607	803	817	819	805
Finnish bonds	166	47	231	246	246	232
Finnish coin	31	25	34	34	35	36
Currency subscription to Finland's quota						
in the IMF	530	530	530	530	530	530
Other claims	6	5	8	7	8	7
Total	4 930	4 593	5 502	5 461	5 536	5 673
Liabilities						
Notes in circulation	1 507	1 730	1 697	1 709	1 654	1 683
Liabilities payable on demand	696	136	361	295	429	557
Foreign exchange accounts	105	78	127	127	124	117
Mark accounts of holders abroad	29	43	51	54	51	52
Cheque accounts						
Treasury	43	1	47	48	50	49
Post Office Bank	507	2	110	45	176	320
Private banks	—	—	—	—	—	—
Other	1	1	3	3	3	2
Other sight liabilities	11	11	23	18	25	17
Term liabilities	939	899	1 717	1 716	1 714	1 712
Foreign	—	—	—	—	—	—
Domestic	939	899	1 717	1 716	1 714	1 712
IMF mark accounts	530	530	530	530	530	530
Allocations of special drawing rights	258	258	258	258	258	258
Equalization accounts	265	286	181	193	191	171
Bank's own funds	735	754	758	760	760	762
Capital	600	600	600	600	600	600
Reserve fund	74	74	114	114	114	114
Profits undisposed	—	—	—	—	—	—
Earnings less expenses (Dec. 31, Net profit)	61	80	44	46	46	48
Total	4 930	4 593	5 502	5 461	5 536	5 673

End of year and month	Gold and foreign accounts					Treasury			
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7-8)
	1	2	3	4	5	6	7	8	9
1966	556	61	495	81	101	475	10	40	- 30
1967	701	75	626	98	354	370	- 7	4	- 11
1968	1 353	62	1 291	125	34	1 382	-354	3	-357
1969	1 268	92	1 176	517	360	1 333	-196	4	-200
1970	1 844	106	1 738	639	518	1 859	-118	2	-120
1971	2 620	327	2 293	686	530	2 449	- 15	2	- 17
1972	2 685	121	2 564	757	530	2 791	- 2	1	- 3
1972									
Aug.	3 073	175	2 898	743	530	3 111	- 3	43	- 46
Sept.	3 034	137	2 897	741	530	3 108	- 2	48	- 50
Oct.	2 881	134	2 747	742	530	2 959	- 2	43	- 45
Nov.	2 791	146	2 645	740	530	2 855	- 2	47	- 49
Dec.	2 685	121	2 564	757	530	2 791	- 2	1	- 3
1973									
Jan.	2 629	70	2 559	748	530	2 777	- 2	43	- 45
Feb.	2 530	70	2 460	740	530	2 670	- 2	47	- 49
March	2 287	75	2 212	737	530	2 419	- 2	41	- 43
April	2 177	73	2 104	752	530	2 326	- 2	46	- 48
May	2 280	90	2 190	762	530	2 422	- 1	41	- 42
June	1 985	75	1 910	771	530	2 151	- 1	5	- 6
July	1 931	96	1 835	791	530	2 096	- 1	44	- 45
Aug.	2 113	156	1 957	777	530	2 204	- 1	29	- 30
Sept.	2 020	176	1 844	763	530	2 077	- 1	50	- 51
Oct.	1 861	169	1 692	768	530	1 930	- 1	49	- 50

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1972			Net holdings, Sept. 30, 1973			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Sept.	Jan.-Sept.
Cold	205	—	205	205	—	205	—	—
Special drawing rights	283	—	283	285	—	285	—	+2
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 814	463	2 277	910	278	1 188	-95	-1 089
Other currencies	— 6	— 3	— 9	176	-18	158	-12	+167
Total	2 564	460	3 024	1 844	260	2 104	-107	-920

BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks						Other					Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts ¹	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)		
				Private banks ²	Post Office Bank ²							
1	2	3	4	5	6	7	8	9	10	11		
1966	—	915	—	14	17	884	180	85	72	193	1 106	
1967	—	868	—	155	35	678	197	383	56	524	1 052	
1968	—	618	107	163	16	546	186	195	43	338	1 160	
1969	—	550	87	93	12	532	192	269	25	436	1 298	
1970	827	9	3	1	4	834	137	246	528	-145	1 344	
1971	848	1	—	9	2	838	121	234	908	-553	1 479	
1972	752	1	5	—	2	756	44	277	909	-588	1 730	
1972												
Aug.	488	1	5	—	249	245	63	256	1 057	-738	1 474	
Sept.	661	1	15	—	388	289	63	248	977	-666	1 557	
Oct.	753	1	29	—	507	276	65	262	949	-622	1 507	
Nov.	787	1	17	—	312	493	57	265	937	-615	1 556	
Dec.	752	1	5	—	2	756	44	277	909	-588	1 730	
1973												
Jan.	621	1	9	—	18	613	40	273	911	-598	1 497	
Feb.	828	1	56	—	162	723	40	275	900	-585	1 521	
March	986	1	17	—	16	988	41	291	891	-559	1 562	
April	2 036	1	—	3	768	1 266	43	293	1 033	-697	1 937	
May	1 363	1	—	4	22	1 338	47	297	1 030	-686	1 795	
June	1 696	1	25	—	1	1 721	50	301	1 211	-860	1 829	
July	2 060	0	60	—	156	1 964	51	297	1 477	-1 129	1 695	
Aug.	1 776	0	8	—	5	1 779	52	295	1 646	-1 299	1 693	
Sept.	2 221	—	22	—	199	2 044	54	296	1 739	-1 389	1 773	
Oct.	2 363	—	54	—	320	2 097	57	302	1 730	-1 371	1 683	

¹ Including special index accounts² Including cash reserve accounts.

SELLING RATES FOR FOREIGN EXCHANGE

Mk

October 25, 1973

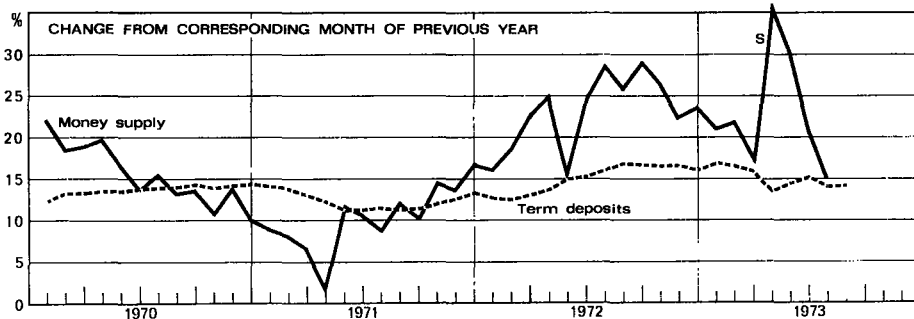
New York ¹	1 \$	3.686	Frankfurt o. M.	100 DM	153.50	Vienna	100 S	20.81
Montreal	1 \$	3.705	Amsterdam	100 Fl	149.70	Lisbon	100 Esc	16.04
London	1 £	9.000	Brussels ²	100 Fr		Reykjavik	100 Kr	4.41
Stockholm	100 Kr	89.30	Zurich	100 Fr	122.00	Madrid	100 Pta	6.51
Oslo	100 Kr	68.15	Paris ³	100 FF		Moscow ⁵	1 Rbl	5.203
Copenhagen	100 Kr	66.10	Rome ⁴	100 Lit	0.6530			

¹ As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.² 10.210 commercial rate; 10.150 financial rate.³ 88.40 commercial rate; 86.50 financial rate.⁴ Clearing account: also Bucharest.

DEPOSITS BY THE PUBLIC

Mill. mk

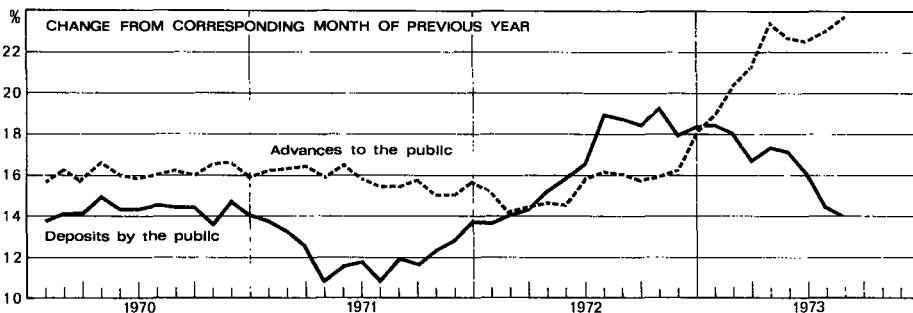
End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1966	639.8	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970	1 142.7	1 507.7	603.3	6 098.7	4 846.9	3 458.4	1 287.6	574.2	16 265.8	18 376.8
1971	1 343.2	1 733.5	754.4	6 961.4	5 446.4	3 876.6	1 491.4	642.3	18 418.1	20 906.0
1972*	1 851.2	2 371.9	979.2	8 095.8	6 232.1	4 499.2	1 805.6	720.0	21 352.7	24 703.8
1972*										
Aug.	1 637.3	2 078.4	793.6	7 418.0	5 813.8	4 218.5	1 634.3	678.4	19 763.0	22 635.0
Sept.	1 568.9	2 009.4	852.1	7 491.7	5 882.5	4 270.0	1 669.2	695.4	20 008.8	22 870.3
Oct.	1 735.6	2 181.9	793.0	7 567.4	5 934.6	4 311.5	1 693.8	697.2	20 204.5	23 179.4
Nov.	1 689.1	2 140.7	797.0	7 658.3	6 018.3	4 396.2	1 727.8	700.9	20 501.5	23 439.2
Dec.	1 851.2	2 371.9	979.2	8 095.8	6 232.1	4 499.2	1 805.6	720.0	21 352.7	24 703.8
1973*										
Jan.	1 849.2	2 315.5	944.6	8 190.6	6 327.8	4 583.8	1 839.0	729.6	21 670.8	24 930.9
Feb.	1 796.9	2 261.8	1 047.7	8 221.3	6 399.2	4 655.8	1 866.7	737.5	21 880.5	25 190.0
March	1 649.4	2 132.3	989.5	8 197.1	6 412.9	4 672.2	1 869.7	742.3	21 894.2	25 016.0
April	1 660.4	2 144.0	1 488.1	8 028.9	6 325.3	4 647.3	1 892.5	747.5	21 641.5	25 273.6
May	1 919.5	2 512.9	1 037.9	8 259.6	6 462.6	4 712.7	1 893.8	753.0	22 081.7	25 632.5
June	1 816.1	2 292.4	1 092.5	8 345.6	6 490.8	4 699.2	1 926.3	752.0	22 213.9	25 598.8
July	1 754.2	2 236.9	1 041.5	8 326.0	6 506.9	4 735.7	1 950.5	757.7	22 276.8	25 555.2
Aug.	1 677.3	2 192.3	1 025.7	8 401.2	6 610.8	4 831.8	1 874.3	763.4	22 581.5	25 799.5
Sept.	1 630.7	2 155.5	1 098.0	8 442.8	6 689.7	4 924.3	1 994.5	783.9	22 835.2	26 088.7



ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Co-op. banks	Post Office Bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1966	5 205.4	2 951.4	2 261.0	779.6	908.8	11 618.1	488.1	12 106.2	2 181
1967	5 558.9	3 247.7	2 424.3	864.9	1 026.9	12 583.8	538.9	13 122.7	2 146
1968	5 865.5	3 448.4	2 600.5	927.9	1 053.0	13 392.0	503.3	13 895.3	2 642
1969	6 892.2	3 802.8	2 922.1	1 039.8	1 290.4	15 354.4	592.9	15 947.3	3 126
1970	7 963.5	4 342.1	3 403.8	1 341.9	1 454.0	17 814.9	690.4	18 505.3	3 445
1971	9 233.7	4 795.6	3 834.0	1 746.6	1 799.1	20 639.8	769.2	21 409.0	4 025
1972*	10 667.3	5 505.6	4 482.2	2 244.8	2 374.4	24 475.0	799.3	25 274.3	4 959
1972*									
Aug.	9 865.5	5 167.3	4 187.4	2 022.3	2 103.7	22 540.1	806.1	23 346.2	4 268
Sept.	10 038.7	5 253.3	4 269.7	2 095.4	2 135.6	22 957.3	835.4	23 792.7	4 408
Oct.	10 214.8	5 335.2	4 357.3	2 087.0	2 171.6	23 370.8	795.1	24 165.9	4 422
Nov.	10 386.3	5 429.3	4 417.6	2 107.8	2 229.2	23 758.6	811.6	24 570.2	4 418
Dec.	10 667.3	5 505.6	4 482.2	2 244.8	2 374.4	24 475.0	799.3	25 274.3	4 959
1973*									
Jan.	10 788.6	5 590.5	4 525.4	2 344.4	2 438.0	24 878.1	808.8	25 686.9	4 627
Feb.	11 007.4	5 659.5	4 593.6	2 399.7	2 446.4	25 249.9	856.7	26 106.6	4 757
March	11 284.3	5 732.6	4 626.6	2 538.3	2 450.7	25 699.4	933.1	26 632.5	4 644
April	11 839.6	5 829.5	4 681.0	2 648.4	2 490.1	26 490.4	998.2	27 488.6	5 584
May	11 805.2	5 876.4	4 730.2	2 777.4	2 486.8	26 806.2	869.8	27 676.0	5 225
June	12 074.3	5 954.0	4 788.3	2 790.3	2 510.9	27 180.8	937.0	28 117.8	5 170
July	12 238.0	6 005.7	4 833.9	2 854.7	2 547.8	27 520.3	959.8	28 480.1	4 883
Aug.	12 419.3	6 096.5	4 908.2	2 915.1	2 565.5	27 928.1	976.5	28 904.6	4 791
Sept.	12 702.8	6 202.6	5 009.5	3 023.8	2 573.6	28 451.7	1 060.6	29 512.3	..



STATE FINANCES

Mill. mk

Revenue	Jan.—Aug.		Expenditure	Jan.—Aug.	
	1972	1973		1972	1973
Income and property tax (net)	2 962	3 851	Wages, salaries, pensions etc.	1 529	1 747
Gross receipts	(6 262)	(7 774)	Repair and maintenance	224	230
Refunds & local authorities	(—3 300)	(—3 923)	Other consumption expenditure	651	751
Other taxes on income and property	60	78	Total consumption expenditure	2 404	2 728
Employers' child allowance payments	289	334	State aid to local authorities	1 241	1 567
Sales tax	2 357	2 731	State aid to industries	1 001	1 021
Revenue from Alcohol Monopoly	535	650	of which: agric. price subsidies	(737)	(684)
Customs duties & import charges	276	374	Child allowances	243	219
Counter-cyclical tax	3	—	Share in national pensions and health insurance	168	156
Excise duty on tobacco	324	316	Other transfer expenditure	1 057	1 232
» » on liquid fuel	506	544	Total transfer expenditure	3 710	4 195
Other excise duties	222	266	Machinery and equipment	320	336
Tax on autom. and motor cycles	272	459	House construction	194	207
Stamp duties	176	228	Land and waterway construction	597	674
Special diesel etc. vehicles tax	39	39	Total real investment	1 111	1 217
Other taxes and similar revenue ¹	185	237	Interest on State debt	180	196
Total taxes	8 206	10 107	Index compensations	19	20
Miscellaneous revenue	699	580	Net deficit of State enterprises	94	113
Interest, dividends etc.	209	229	Other expenditure	11	11
Sales and depreciation of property	—	2	Total other expenditure	304	340
Redemptions of loans granted	138	150	Increase in inventories	+87	—21
Total revenue	9 252	11 068	Lending	634	852
Foreign borrowing	141	11	Other financial investment	170	192
Domestic borrowing	331	190	Total expenditure	8 420	9 503
Total borrowing	472	201	Redemption of foreign loans	106	115
Deficit (+) or surplus (—)	—843	—1 079	Redemption of domestic loans	355	572
			Total redemptions	461	687
Total	8 881	10 190	Total	8 881	10 190

¹ Including supplementary turnover tax and import-equalization tax from June 1971.

State debt	1969	1970	1971	1972	1973		
	Dec.	Dec.	Dec.	Dec.	July	August	Sept.
Foreign debt	1 656	1 557	1 524	1 517	1 539	1 513	1 486
Lonas	2 316	2 437	2 467	2 268	1 929	1 928	1 921
Compensatory obligations	4	3	2	2	1	1	1
Short-term credit	158	46	61	56	38	39	..
Cash debt (net)	—217	—284	—528	—488	—525	—478	..
Domestic debt	2 261	2 202	2 002	1 838	1 443	1 495	..
Total State debt	3 917	3 759	3 526	3 355	2 982	3 008	..
Total debt, mill \$	933	900	849	804	821	819	..

FOREIGN TRADE

Mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1967	5 231	5 794	- 563
1968	6 874	6 711	+ 163
1969	8 345	8 505	- 160
1970	9 687	11 071	-1 384
1971	9 897	11 734	-1 837
1972*	12 082	13 107	-1 025

1972*			
Oct.	1 019	1 215	-196
Nov.	1 135	1 257	-122
Dec.	1 175	1 207	- 32

1973*			
Jan.	1 074	1 391	- 317
Feb.	1 079	1 104	- 25
March	1 167	1 384	- 217
April	938	1 287	- 349
May	1 336	1 461	- 125
June	925	1 107	- 182
July	1 094	1 207	- 113
Aug.	1 218	1 404	- 186

Jan.-Aug.			
1972*	7 582	8 336	- 754
1973*	8 831	10 345	-1 514

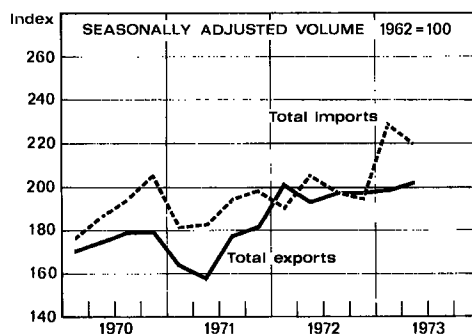
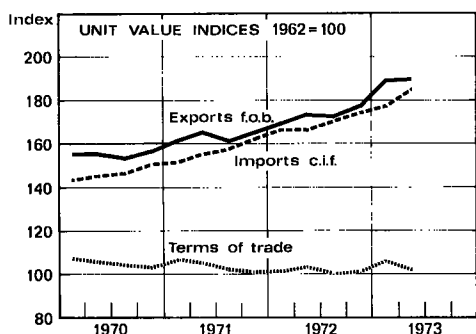
Period	Indices of exports and imports 1962 = 100				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
1967	129	135	115	110	105
1968	143	129	136	132	103
1969	167	160	141	135	104
1970	176	192	156	147	106
1971	171	190	164	157	104
1972*	197	196	174	170	102

1971					
Jan.-Mar.	152	169	162	152	107
Apr.-June	157	182	166	156	106
July-Sept.	176	184	162	158	103
Oct.-Dec.	198	223	166	163	102

1972					
Jan.-Mar.	192	179	170	167	102
Apr.-June	187	200	174	167	104
July-Sept.	197	190	173	171	101
Oct.-Dec.	212	215	178	175	102

1973 ¹					
Jan.-Mar.	197	222	190	178	107
Apr.-June	190	211	191	186	103

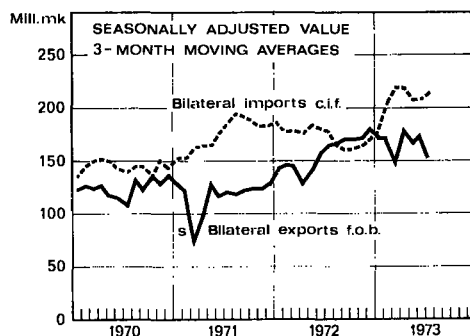
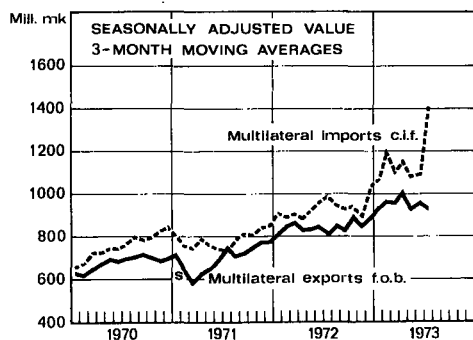
¹ The 1973 figures have been calculated by converting the final 1972 Fisher index with the percentage change in the 1973-1972 Laspeyres index.



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1967	261	54	866	2 384	1 081	585	2 546	668	1 463	1 117
1968	327	56	1 158	2 994	1 566	773	3 023	874	1 525	1 289
1969	360	72	1 400	3 374	2 012	1 127	3 693	949	2 229	1 634
1970	426	88	1 544	3 789	2 437	1 403	4 918	1 243	2 906	2 004
1971	547	89	1 653	3 721	2 323	1 564	4 639	1 557	3 427	2 111
1972*	634	56	1 824	4 253	3 246	2 069	5 238	1 626	3 586	2 657
1972*										
Oct.	45	4	170	343	257	200	480	167	309	259
Nov.	41	9	189	380	310	206	508	162	313	274
Dec.	72	3	186	438	281	195	523	139	303	242
1973*										
Jan.	89	6	175	359	279	166	556	164	364	307
Feb.	24	6	159	398	308	184	444	86	311	263
March	83	3	166	424	271	220	532	101	415	336
April	49	5	142	350	219	173	501	125	344	317
May	71	6	202	463	388	206	580	117	458	306
June	34	3	103	249	369	167	454	123	308	222
July	30	4	193	412	296	159	474	174	343	216
Aug.	34	7	273	510	204	190	587	186	369	262
Jan.-Aug.										
1972*	421	33	1 080	2 672	2 150	1 226	3 276	1 015	2 392	1 653
1973*	414	40	1 413	3 165	2 334	1 465	4 128	1 076	2 912	2 229



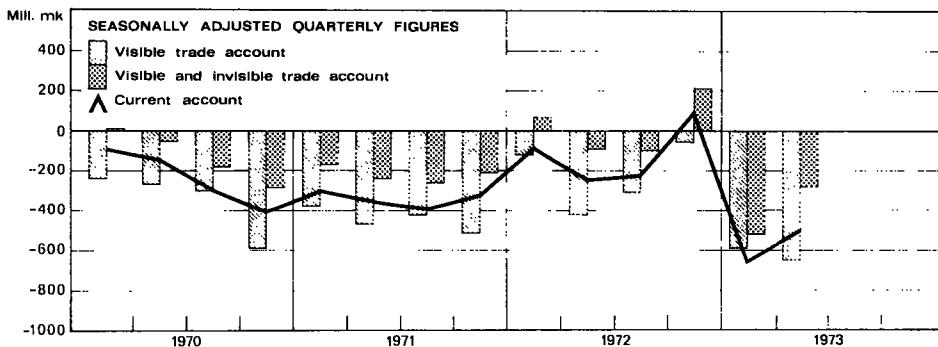
FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—August				January—August			
	1972*		1973*		1972*		1973*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	72.0	5 462	71.3	6 293	74.4	6 204	73.8	7 637
Austria	0.9	70	1.1	99	1.5	130	1.7	176
Belgium-Luxembourg	1.9	146	1.8	160	1.8	153	2.3	234
Denmark	3.7	280	4.3	382	3.1	259	3.5	363
France	3.9	295	4.2	367	3.9	323	3.5	359
Federal Republic of Germany	10.4	792	10.9	962	18.1	1 506	19.0	1 964
Italy	1.6	118	1.7	151	2.1	171	1.9	199
Netherlands	3.6	273	4.0	351	3.5	293	3.4	354
Norway	3.9	295	3.7	327	3.0	252	2.6	267
Portugal	0.3	21	0.4	33	0.7	62	0.8	87
Spain	1.0	76	1.1	97	0.6	48	0.6	67
Sweden	18.5	1 402	14.9	1 315	18.4	1 532	19.0	1 971
Switzerland	2.0	153	2.1	187	3.4	284	3.3	339
United Kingdom	17.6	1 335	19.5	1 720	14.0	1 165	11.6	1 196
Other	2.7	206	1.6	142	0.3	26	0.6	61
OECD countries outside Europe	6.9	524	6.7	593	6.6	554	7.9	818
Canada	0.8	61	0.6	51	0.3	23	0.3	28
Japan	0.4	34	0.6	58	1.9	158	2.4	254
United States	5.0	380	4.7	413	4.2	352	5.1	525
Other	0.7	49	0.8	71	0.2	21	0.1	11
CMEA countries	14.4	1 091	14.0	1 236	15.4	1 279	14.8	1 531
Czechoslovakia	0.5	40	0.4	33	0.5	42	0.6	56
Democratic Republic of Germany	0.5	35	0.5	50	0.6	50	0.5	52
Poland	0.8	60	1.2	104	1.2	97	1.2	128
Soviet Union	11.8	895	11.1	980	12.1	1 005	11.5	1 191
Other	0.8	61	0.8	69	1.0	85	1.0	104
Latin America	2.0	151	2.1	186	1.6	137	1.5	148
Argentina	0.4	30	0.4	37	0.1	11	0.0	4
Brazil	0.7	57	0.7	63	0.5	42	0.5	48
Colombia	0.2	12	0.1	11	0.5	41	0.5	48
Other	0.7	52	0.9	75	0.5	43	0.5	48
Other	4.7	354	5.9	523	2.0	162	2.0	211
GRAND TOTAL	100.0	7 582	100.0	8 831	100.0	8 336	100.0	10 345
of which								
EFTA countries	25.8	1 953	22.4	1 982	27.2	2 270	27.7	2 861
EEC countries	43.5	3 301	47.1	4 158	46.5	3 875	45.4	4 697
OECD countries	78.9	5 986	78.0	6 886	81.0	6 758	81.7	8 455

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	Transfer payments, net	Current account
1970	9 634	11 099	-1 465	+716	+142	+17	-590	-397	-18	-1 005
1971	9 845	11 762	-1 917	+660	+247	+66	-944	-477	-1	-1 422
1972	12 012	13 087	-1 075	+731	+335	+72	+ 63	-586	+43	- 480
Jan.-Mar										
1970 ^f	2 074	2 309	-235	+192	- 9	- 3	- 55	- 86	-11	-152
1971 ^f	2 168	2 536	-368	+208	- 13	+19	-154	-135	- 1	-290
1972	2 870	2 960	- 90	+217	+ 3	+ 1	+131	-142	-22	- 33
1973*	3 301	3 888	-587	+225	- 5	+10	-357	-150	-14	-521
Apr.-June										
1970 ^f	2 429	2 721	-292	+180	+ 10	+ 0	-102	- 96	+ 1	-197
1971 ^f	2 291	2 797	-506	+141	+ 47	+21	-297	-118	- 1	-416
1972	2 856	3 298	-442	+162	+ 57	+46	-177	-155	- 8	-340
1973*	3 182	3 822	-640	+200	+ 48	+10	-382	-199	-23	-604
July-Sept.										
1970 ^f	2 469	2 690	-221	+180	+109	- 4	+ 64	-110	- 1	- 47
1971 ^f	2 501	2 864	-363	+159	+166	+16	- 22	-119	- 4	-145
1972	2 978	3 195	-217	+170	+191	+19	+163	-140	+20	+ 43
Oct.-Dec.										
1970 ^f	2 662	3 379	-717	+164	+ 32	+24	-497	-105	- 7	-609
1971 ^f	2 885	3 565	-680	+152	+ 47	+10	-471	-105	+ 5	-571
1972	3 308	3 634	-326	+182	+ 84	+ 6	-54	-149	+53	-150

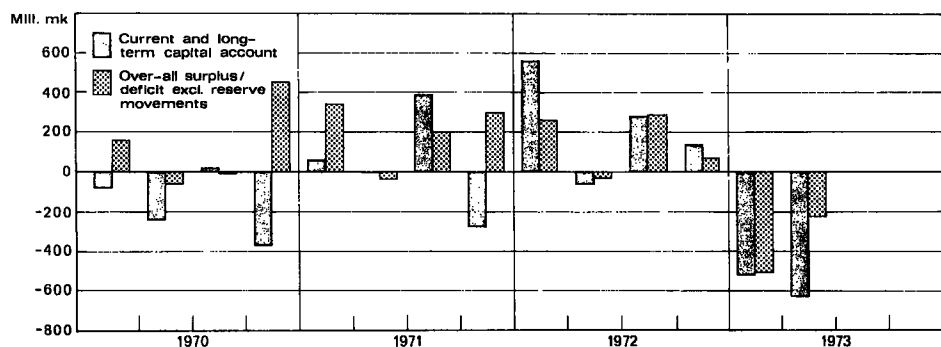


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+1 479	-694	-253	-202	+330	-675	+751	+237	+232 ²	+545	-563	+ 18
+2 730	-855	-208	- 85	+1 582	+160	+387	+197	+ 62 ²	+806	-555	-251
+3 014	-1 228	-376	-106	+1 304	+824	+104	- 90	-247 ²	+591	-271	-320
+ 278	-158	- 51	+ 1	+ 70	- 82	- 9	+225	+ 23	+157	-240	+ 83
+ 609	-228	- 5	-17	+359	+ 69	+ 21	+329	- 77	+342	-314	- 28
+ 968	-273	-115	+17	+597	+564	-152	- 27	-124 ²	+261	-327	+ 66
+ 379	-392	+ 34	-24	- 3	-524	+ 35	+ 7	- 25	-507	+353	+154
+ 220	-191	- 69	- 4	- 44	-241	+142	+ 42	- 4	- 61	- 86	+147
+ 596	-201	- 11	-30	+354	- 62	-140	+146	+ 19	- 37	+ 99	- 62
+ 655	-180	-192	- 5	+278	- 62	+ 92	+ 25	- 84	- 29	+ 37	- 8
+ 308	-277	- 48	-10	- 27	-631	+110	+323	- 29	-227	+301	- 74
+ 359	-175	- 60	-58	+ 66	+ 19	+ 87	+ 5	-119	- 8	-116	+124
+ 869	-252	- 89	+ 5	+533	+388	- 60	+ 21	-150	+199	- 35	-164
+ 628	-327	- 41	-25	+235	+278	+265	-124	-131	+288	-314	+ 26
+ 622	-170	- 73	-141	+238	-371	+531	- 35	+332	+457	-121	-336
+ 656	-174	-103	- 43	+336	-235	+566	-299	+270	+302	-305	+ 3
+ 763	-448	- 28	- 93	+194	+ 44	-101	+ 36	+ 92	+ 71	+333	-404

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

¹ Including Direct investment, net.

² Including Allocations of special drawing rights 88 million in 1970, 85 million in 1971 and 85 million in 1972.



PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1970	297	300	286	299	317	290	329	290	283	138	146	126
1971	312	315	302	309	361	304	346	295	303	149	162	134
1972	338	342	325	330	400	334	370	318	332	161	182	141
1973												
Jan.	363	365	352	356	413	359	401	345	352	168	190	147
Feb.	367	370	357	361	413	364	403	351	356	169	190	149
March	372	374	365	367	429	365	405	358	362	171	190	152
April	374	376	369	369	430	367	403	362	365	175	191	160
May	382	383	375	379	438	372	407	377	369	180	191	170
June	389	391	380	390	441	374	415	390	372	183	191	176
July	404	408	390	406	456	389	439	406	382	192	213	179
Aug.	408	412	391	414	456	388	440	414	384	198	213	188
Sept.	421	426	401	437	466	388	466	425	391	202	213	194

Period	Consumer prices 1967 = 100											
	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Total	Food	Bever- ages and tobacco	Clothing and foot- wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1970	223	175	115	116	115	109	115	121	115	113	113	115
1971	237	186	122	121	119	112	125	141	119	125	119	125
1972	254	199	131	133	125	118	131	147	126	135	128	135
1973												
Jan.	265	208	136	140	130	124	135	149	131	141	131	141
Feb.	267	210	138	141	131	126	136	151	132	142	132	142
March	269	211	139	142	132	126	137	153	133	142	133	143
April	272	214	140	143	137	127	140	155	135	143	136	145
May	277	218	143	147	137	128	142	157	135	147	137	147
June	280	220	144	150	137	128	143	158	136	148	139	150
July	288	226	148	152	138	128	161	158	137	152	139	151
Aug.	292	229	151	154	138	131	164	159	139	155	141	152
Sept.	295	231	152	156	135	133	167	162	140	154	142	153

WAGES

Index of salary and wage earnings 1964 = 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	Manufacturing	Construction							
1970	181	170	170	164	161	165	164	157	169	164
1971	210	195	195	180	176	178	188	171	195	185
1972*	254	222	222	197	189	196	212	189	220	206
1971										
Oct.-Dec.	219	205	207	185	181	184	196	177	204	192
1972*										
Jan.-Mar.	236	207	206	186	179	186	197	178	205	193
Apr.-June	251	225	219	198	191	194	215	191	223	209
July-Sept.	256	227	228	202	194	201	219	193	229	213
Oct.-Dec.	272	230	235	203	193	202	220	193	229	213
1973*										
Jan.-Mar.	286	231	237	206	198	206	221	195	231	216
Apr.-June	314	245	248	222	213	222	239	213	249	233

PRODUCTION

Volume indices of production 1964 = 100

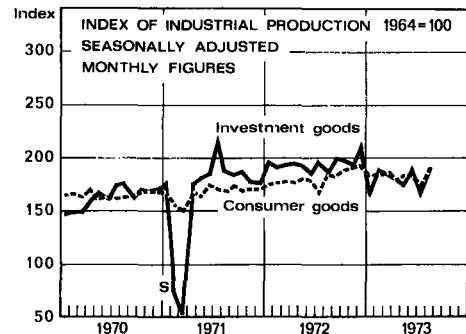
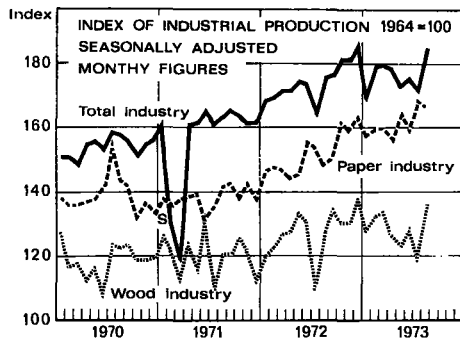
Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1970	132	154	96	111	141	98	132	132	129	128	134
1971	136	157	98	106	138	99	134	140	135	135	140
1972*	145	176	95	95	149	103	144	154	142	140	148
1972*											
Jan.-Mar.	142	181	60	132	106	103	132	145	140	138	147
Apr.-June	143	172	86	108	143	106	146	149	141	139	148
July-Sept.	144	157	172	51	169	102	150	152	142	140	148
Oct.-Dec.	151	194	62	90	177	101	150	170	145	141	150
1973*											
Jan.-Mar.	149	195	52	128	119	106	143	161	146	140	154
Apr.-June	149	185	82	118	136	101	153	160	147	144	155

PRODUCTION

Index of industrial production 1970 = 100¹

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1971	101	103	102	102	104	103	100	116	105	100	102
1972*	114	120	113	111	110	110	110	137	113	118	113
1972*											
Feb.	114	129	114	110	96	113	110	135	100	124	110
March	123	138	122	120	107	121	116	147	108	134	111
April	112	124	110	112	104	118	94	137	104	120	111
May	116	125	114	116	120	130	100	133	106	125	113
June	110	117	108	110	117	116	97	134	104	114	113
July	78	62	83	69	103	63	107	105	87	61	108
Aug.	114	109	111	118	120	98	111	136	129	110	114
Sept.	115	124	114	113	108	112	109	126	130	122	115
Oct.	126	133	126	123	126	119	124	152	135	132	118
Nov.	125	131	123	125	118	111	121	148	131	132	118
Dec.	116	119	117	111	104	104	111	149	120	122	121
1973*											
Jan.	123	123	125	120	98	126	123	156	128	126	111
Feb.	116	121	117	112	96	117	115	139	122	123	117
March	129	132	130	127	108	132	126	152	138	138	117
April	112	112	111	113	103	111	99	145	124	115	116
May	123	125	120	126	126	132	122	140	96	131	113
June	106	114	103	109	108	111	94	121	70	117	114
July	83	56	88	72	109	65	118	105	109	57	112
Aug.	118	109	116	121	129	105	124	134	138	116	120

¹ New series, see explanations on page 18.



LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Unemployed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100	Indicator of traffic activity 1964 = 100
1968	2 188	2 100	88	4.0	31 859	100	100	106
1969	2 189	2 127	62	2.8	35 338	108	117	118
1970	2 194	2 153	41	1.9	39 267	114	130	125
1971	2 199	2 150	49	2.2	36 238	118	137	122
1972*	2 206	2 149	57	2.6	31 441	128	151	132
1972*								
Oct.	2 194	2 148	46	2.1	2 092	134	164	143
Nov.	2 190	2 142	50	2.3	2 367	134	169	147
Dec.	2 187	2 132	55	2.5	3 328	177	173	138
1973 ¹								
Jan.	2 127	2 055	72	3.4	3 257	116	140	141
Feb.	2 116	2 047	69	3.3	3 529	117	153	123
March	2 111	2 048	63	3.0	4 175	132	176	137
April	2 120	2 060	60	2.8	4 088	125	160	..
May	2 177	2 128	49	2.3	2 446	131	174	..
June	2 365	2 315	50	2.1	1 461	139	151	..
July	2 379	2 333	46	1.9	818

¹ See explanations on page 18.

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											
1970	41.42	17.96	3.72	15.56	2.36	38.55	16.41	4.29	12.59	3.35	36.56
1971*	42.63	19.54	3.10	15.18	2.60	37.35	15.79	3.16	13.88	2.91	37.64
1972*	47.73	20.56	3.08	17.04	4.28	39.72	18.02	2.81	14.13	2.96	39.29
1972*											
Jan.-Mar.	7.31	2.73	0.55	3.20	0.48	7.95	3.23	0.33	3.44	0.75	34.34
Apr.-June	13.52	6.22	1.55	3.91	0.85	8.02	4.08	0.35	2.56	0.65	38.57
July-Sept.	13.44	6.11	0.55	4.89	1.17	9.90	4.49	0.83	3.18	0.75	40.93
Oct.-Dec.	13.46	5.50	0.43	4.88	1.78	13.32	5.94	1.26	4.83	0.77	39.29
1973*											
Jan.-Mar.	10.62	3.99	0.80	4.85	0.50	8.07	3.71	0.42	3.17	0.51	38.39

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 4. Since Dec. 31, 1969. *Gold and foreign exchange* = Gold (valued on basis of the value of the mark) + Special drawing rights + IMF gold tranche + Foreign exchange. *Liabilities on foreign exchange and mark accounts* = Foreign exchange accounts + Mark account of holders abroad. *Other foreign assets* = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF. *Other foreign liabilities* = Foreign term liabilities + IMF mark accounts. *Claims on Treasury* = Treasury bills covering certain IMF and IBRD accounts + Advances for stand-by stocks — Export levies (net). *Foreign exchange situation*: Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.

Page 5. *Other advances* = Inland bills discounted in foreign currency + Loans + Other claims (excl. Treasury's IMF and IBRD bills and Advances for stand by stocks). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities — Cash reserve accounts — Export levies (net).

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

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

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks and co-operative banks.

Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public.

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. 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. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Bank less cash holdings (net) of State departments and funds.

FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9): The indices are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indices corresponds to the annual level of the Fisher index formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): imports by countries of purchase, exports by countries of sale.

BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude steve-

doring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office. Page 16. *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. Commodities according to use: investment goods weight 7.0, other producer goods weight 67.0 and consumer goods weight 26.0. The weights for the special manufacturing indices are food manufacturing (SIC 311-2) 9.8, manufacture of wood, and wood and cork products (SIC 311-2) 8.0, manufacture of paper and paper products (SIC 341) 15.2, manufacture of industrial chemicals (SIC 351-2) 5.2, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.6 and metal industry (SIC 37-38) 25.9.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — CONSTRUCTION OF BUILDINGS

Page 17. *Labour* figures supplied by the Central Statistical Office. As of the beginning of 1973, the figures for the labour force, the employed labour force and the rate of unemployment are not fully comparable to the previous figures. The sample population used in the Labour Force Sample Survey was changed to accord with the data provided by the demographic forecast made in 1973. In January 1973, the labour force was estimated to be about 30 000 persons smaller, and the seasonally unadjusted rate of unemployment about 0.1 percentage point lower, than the corresponding figures derived with the aid of the former sample population.

Commercial timber fellings compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *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

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 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 period, March 1, 1968, to March 1, 1978, is Urho Kekkonen.

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 1972 is as follows: Social Democrats 56, People's Democrats 37, Centre Party 35, Conservatives 34, Finnish People's Unification Party 13, Swedish Party 10, Liberal Party 6, Finnish Farmers' Party 5 and Christian League 4.

INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1958, IDA 1960, EFTA 1961, ADB 1966 and OECD 1969.

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) 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 (1972): 4.6 million. Sweden 8.1, Switzerland 6.4, Denmark 5.0 and Norway 3.9 million.

DENSITY OF POPULATION (1972): In South Finland 44.4 in East and Central Finland 14.0, in North Finland 4.0 and in the whole country an average of 15.2 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1972): 55 % of the population inhabit the rural areas, 45 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 507 700 inhabitants, Tampere (Tammerfors) 162 800, Turku (Åbo) 158 300.

EMPLOYMENT (1972): Agriculture and forestry 19 %, industry and construction 35 %, commerce 15 %, transport and communications 7 %, services 24 %.

LANGUAGE (1970): Finnish speaking 93.2 %, Swedish speaking 6.6 %, others 0.2 %.

EDUCATION (1972): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 11 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1972): births 12.7 ‰, deaths 9.6 ‰, change + 4.3 ‰, net immigration 1.2 ‰. Deaths in France 10.6 ‰ and Great Britain 11.9 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1972, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 225 (7 %), forestry and fishing 2 721 (6 %), manufacturing 15 147 (31 %),

construction 4 703 (10 %), transport and communication 4 750 (10 %), commerce, banking and insurance 6 174 (13 %), public administration 2 191 (4 %), ownership of dwellings 2 538 (5 %), services 6 891 (14 %), total 48 340. Index of real domestic product 143 (1964 = 100).

FOREST RESOURCES (1971). The growing stock comprised 1 448 million of solid cu. m incl. bark (51 135 million cu. ft), of which pine 44 % and spruce 37 %, the remaining 19 % being broad-leaf-trees, chiefly birch. Of the growing stock 17 386 million cu. ft, 48 % of them pine, was up to the standard required for logs. The annual growth is 47.6 million solid cu. m green wood excl. bark (1 681 mill. cu. ft). The total removal calculated according to the use of wood was 48.4 million cu. m excl. bark (1 709 million cu. ft).

AGRICULTURE (1972): Cultivated land 2.7 million hectares. Number of holdings 286 500, of which 189 100 are of more than 5 ha. Measure of self-sufficiency in bread cereals 105 % in the crop year 1972/73.

INDUSTRY (1971): Gross value of industrial production 38 005 mill. marks, number of workers 395 501, salaried employees 105 915, motive power (1971) 5.5 mill. kW. Index of industrial production 101 for 1971 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1973): Length 5 887 km.

MERCHANT FLEET (Sept. 30, 1973): Steamers 31 (31 500 gross reg. tons), motor vessels 386 (768 300 gross reg. tons), tankers 58 (744 300 gross reg. tons), sailing vessels with auxiliary engines 3 (500 gross reg. tons). Total 478 (1 544 600 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1972): Passenger cars 818 000, lorries and vans 116 100, buses 8 400, others 5 400. Total 947 900.

FINNISH AIRLINES (March 31, 1973): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-6s, 8 Super Caravelles 8 DC-9s and 5 Convair Metropolitan. Companies have scheduled traffic outside of Finland to 25 airports and to 18 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). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar). Since Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar has been applied.

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, 1972). There are two big and five small commercial banks with in all 837 offices, 302 savings banks, 406 co-operative banks, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-nine private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1973). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ¼ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ and 10 ½ %. Other credit institutions: term deposits 5 ¾ %, 6 month deposits 6 ¼ %, 12 month deposits 6 ¾ %, 24 month deposits 7 ¾ %, and sight deposits 1 ½ %; highest lending rate 12 ½ %.

THE FINNISH BASIC PENSIONS SCHEMES

by Heikki Kaitaranta, M.Pol.Sc.

The Social Insurance Institution

INTRODUCTION

In Finland there are two types of pension security schemes with quite different but complementary functions: the basic pensions schemes and the employment pensions schemes. The former provide basic security to all pensioners while the latter, aiming at maintaining the standard of living of the persons covered, provide additional earnings-related benefits to those who have been gainfully employed during their active years. As the employment pensions schemes are relatively young, they cover only a fraction of those who are at present within the basic pensions schemes.

The basic pensions schemes are administered by the authorities who deal with the sickness insurance scheme, another universal plan covering every resident of Finland. It provides compensation for the costs of out-patient care and for the loss of earnings due to short-term disabilities. The present article deals only with the basic pensions schemes; separate articles describing the employment pensions schemes and the sickness insurance scheme will be published subsequently in the Bulletin. This series of articles will touch upon almost all social insurance in Finland.

As indicated, the main function of the basic pensions schemes is to secure a minimum but adequate level of living for the aged, disabled, widowed, etc. All persons aged sixteen and over are insured, and the entitlement to and the size of the pensions do not depend on contributions or past income. Instead, the pensions are partly flat-rate and partly inversely related to the pensioner's income or property, although this relationship is not complete. In connection with the basic pension, the pensioner may receive a broad range of other benefits within the basic pensions schemes.

HISTORY

The first universal basic pensions scheme for the aged and disabled came into force in 1939 after the enactment of the National Pensions Act in 1937. The scheme was based on the banking and funding principle: the insured had to deposit their contributions on personal accounts for financing their pensions after retirement. Since this system was slow to bring full coverage to all and otherwise restricted the availability and size of pensions, it was frequently amended and at last totally revised by a new act in 1956. The revision meant the abandonment of the funding principle and the introduction of the pay-as-you-go principle in the financing system along with a considerable increase in the benefit level. This scheme has subsequently been developed through a number of revisions, the latest of which was made in July, 1973.

In the course of this development the coverage and standard of basic pensions insurance were further extended by new acts. In 1969 the Survivors' Pensions Act, the Assistance Supplements and Housing Allowances Act and the Child Care Allowances Act were passed. In 1971 the Front-Veterans Pensions Act was approved by Parliament. The schemes set up by these acts are closely linked to the national pensions scheme and are all administered by a common agency. Today, the number of beneficiaries covered by the basic pensions schemes exceeds 800 000, which is over 17 per cent of the total population.

ADMINISTRATION

The basic pensions schemes are administered through central organization, the Social Insurance Institution (SII), which was established in 1937 to implement the first basic pensions

scheme. As it also administers the universal sickness insurance scheme, the SII is the major social security agency in Finland and is responsible for a third of all social expenditures.

The SII is financially and administratively an autonomous institution acting under the supervision of Parliament. The managing bodies are the Board and the Enlarged Board, the former taking care of the general management and the latter dealing with such matters as investments and questions of principle. Members of the Board — the Director-General and five Directors — are appointed by the President of Finland while members of the Enlarged Board — other than the Directors — are appointed by the Government. The other main administrative bodies are the Commissioners and the Auditors, the former being appointed to supervise the activities and management of the SII and to present an annual report to Parliament.

The SII is divided into ten departments and has two dense networks of local offices, one for pensions insurance and the other for sickness insurance. However, it has recently been decided to co-ordinate the services at the local level. The SII employs about 4 600 persons and has an large data processing centre with diverse registers and programmes for its accounting and paying operations, as well as a data bank with information about every citizen in Finland.

BENEFITS

There are five classes of benefits in the national pensions programme: invalidity pensions, old-age pensions, unemployment pensions, old age assistance and burial grants. The invalidity pension is payable to those between 16 and 64 who, on account of an illness, defect or injury, are incapable of doing their usual work or taking up another comparable job which, considering their age, occupational skill, and other circumstances, is deemed to be suitable and which will provide them with a reasonable living. The old age pension is payable to everyone 65 years of

age and over. Old age assistance is payable to unmarried women of limited means aged between 60 and 64. The unemployment pension is provided to persons between 60 and 64 after a prolonged period of unemployment. A burial grant is payable to the spouse or the estate of the deceased.

The national pension, whether old age or invalidity, never falls below a basic amount, and may include an assistance amount, an assistance supplement, a housing allowance and a helplessness supplement. The basic amount is a flat-rate benefit. The assistance amount is income- or means-tested, i.e. dependent on the pensioner's income and property. It is payable in addition to the basic amount either in full or at a reduced rate depending on whether and to what extent the income from other sources and the value of property exceed certain limits. However, there are some so-called privileged sources of income which do not affect the assistance amount. The assistance supplement is payable in addition to the full assistance amount after a similar but more rigorous means-test.

The housing allowance is granted to reimburse pensioners for housing costs. It is also means-tested and depends on housing costs within a certain range of costs and certain standards of housing. The helplessness supplement is a flat-rate benefit payable to pensioners who cannot get along without the help of other people, e.g., the blind and those unable to move by themselves. The helplessness supplement is also given to everyone 80 years of age or over.

As indicated earlier, the benefits paid under the survivors' pensions scheme and the front-veterans' pensions scheme are to a great extent similar to those of the national pensions scheme (old age and invalidity). In addition to different components of the national pension, the widow may also receive a training allowance. The newest benefit is the child care allowance, a flat-rate benefit payable to the guardian of a child between three and fifteen who is suffering from prolonged illness.

TABLE 1. REVENUE AND EXPENDITURE UNDER THE SII PENSIONS SCHEMES 1965—1972**Revenue** (excl. transfers of funds)

Sources of revenue	1965		1966		1967		1968		1969		1970		1971		1972	
	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent
The insured	190	23.7	202	22.8	218	22.2	240	21.8	265	21.5	344	23.5	396	22.7	439	21.8
Employers	174	21.7	196	22.1	241	24.5	273	24.8	300	34.3	390	26.7	839	48.1	1 004	49.8
State	250	31.2	275	31.1	305	31.0	344	31.3	390	31.6	452	30.9	220	12.6	282	14.0
Municipalities	73	9.1	81	9.2	89	9.0	100	9.1	109	8.8	130	8.9	146	8.4	161	8.0
Yield on assets and other income	114	14.2	131	14.8	131	13.3	142	12.9	171	13.8	146	10.0	144	8.3	132	6.5
Total revenue	801	99.9	885	100.0	984	100.0	1 099	99.9	1 235	100.0	1 462	100.0	1 745	100.1	2 018	100.1

Expenditure (excl. transfers of funds)

	1965		1966		1967		1968		1969		1970		1971		1972	
	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent	Mill. mk	Per cent
Old-age pensions	498	72.1	631	72.3	722	71.1	797	70.2	859	69.3	930	65.4	1 121	64.4	1 234	61.5
Invalidity pensions	171	24.7	216	24.7	261	25.7	301	26.5	329	26.6	379	26.7	473	27.2	544	27.1
Other benefits	6	0.9	7	0.8	8	0.8	10	0.9	20	1.6	76	5.3	104	6.0	179	8.9
Administration and other	16	2.3	19	2.2	24	2.4	27	2.4	31	2.5	36	2.5	42	2.4	50	2.5
Total expenditure	691	100.0	873	100.0	1 015	100.0	1 135	100.0	1 239	100.0	1 421	99.9	1 740	100.0	2 007	100.0

Besides pension benefits the SII also provides services designed to prevent invalidity and to restore working ability. The services include examinations, medical care, rehabilitation, and re-education. These activities have increased considerably during the past three years. The foundation of the SII Rehabilitation Examination Centre in 1972 has facilitated the provision of these services.

The flat-rate basic amount is usually rather small in relation to the supplementary amounts. Since pensions are largely means-tested, the level of the pension tends to rise as incomes from other sources fall. Today, the full basic

pension, payable to a pensioner with very limited means, falls somewhat below the minimum wage. Pensions are increased as the price level rises so that they will not lose their purchasing power. The threshold for this adjustment is a three per cent rise in the cost of living index. All basic pensions and sickness insurance benefits are tax-free.

FINANCING

As was stated above, the financing of the basic pensions schemes is based on the pay-as-you-go principle, which roughly means that the benefits paid during a year are financed by

TABLE 2. BASIC PENSION EXPENDITURES IN RELATION TO DIFFERENT COMPONENTS OF NATIONAL INCOME AND SOCIAL EXPENDITURE

		1965	1966	1967	1968	1969	1970	1971	1972
All benefits ¹ paid under the pensions schemes of the SII	Per cent of private consumption expenditures	4.51	5.38	5.77	5.93	5.75	6.05	6.82	6.90
	Per cent of the total amount of wages and salaries	6.06	6.99	7.47	7.51	7.35	7.47	8.17	8.25
	Per cent of all social expenditures ⁴	23.18	25.13	25.05	23.49	22.60	22.20	22.88	23.86
Total budget ² (all expenditures incl. administration and transfers of funds) for the pensions schemes of the SII	Per cent of NDP at factor cost	3.87	4.17	4.45	4.42	4.27	4.25	4.60	4.70
	Per cent of all social expenditures ⁴	27.51	27.19	26.92	25.23	24.53	23.43	23.51	24.61
	Per cent of the total budget of the SII ³	81.71	80.84	75.59	74.89	74.87	74.44	73.23	71.31
¹ All benefits (pensions), mill. mk		675	854	991	1 108	1 208	1 385	1 698	1 957
² Total budget (pensions), mill. mk		800	924	1 065	1 190	1 311	1 462	1 745	2 018
³ Total budget of the SII, mill. mk		979	1 143	1 409	1 589	1 751	1 964	2 383	2 830
⁴ All social security in Finland, mill. mk		2 912	3 398	3 956	4 717	5 345	6 239	7 422	8 200

the contributions collected in the same year. In more general terms, the responsibility for the basic social security of today's pensioners lies with the present working generation. Funds are built up only to the extent necessary for maintaining liquidity. The insured, the employers, the State, and the municipalities all participate in the financing.

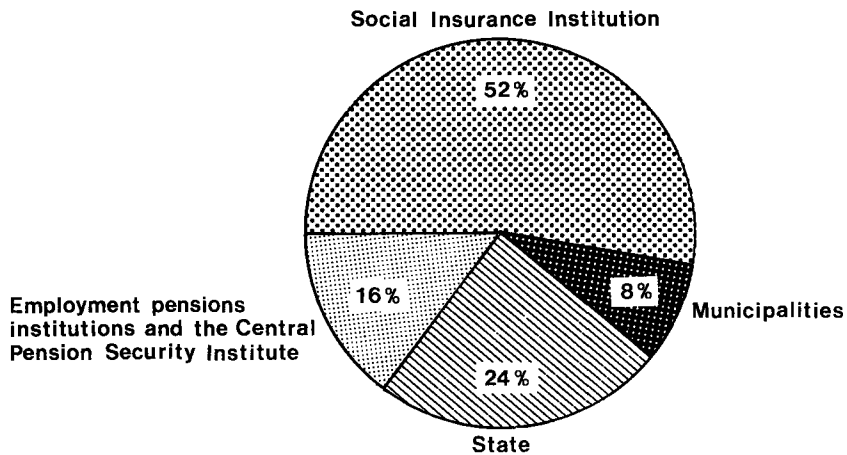
The insured between the ages of 16 and 64 pay two per cent of their income liable to municipal taxation. Employers used to pay a fixed percentage of their payroll, but since April 1, 1973, the percentage has been graduated according to the capital intensity of the enterprise: if depreciation of capital used in the production process (machines, etc.) is less than 50 000 marks, the percentage is 4.25; if depreciation exceeds 50 000 marks and is between 10 and 30 per cent of the payroll, the percentage is 4.75; and if depreciation exceeds 50 000 marks and amounts to more than 30 per cent of the payroll, the payment is 5.25 per cent of wages and salaries. This graduation, which has no parallel in other countries, was adopted in order to reduce the relatively high financing burden borne by labour-intensive firms.

Generally speaking, the State and the municipalities are responsible for the part of the expenditure that is not covered by contributions from the insured and the employers. However, the public sector's share is also fixed at a certain percentage of expenditure on specific benefits. The SII also contributes to the financing with the earnings on its pensions fund.

DEVELOPMENT OF REVENUE AND EXPENDITURE WITHIN THE SII PENSIONS SCHEMES

The rapid development of basic pensions security in Finland during the past few years is reflected in the SII pensions budget figures for the years between 1965 and 1972 (See Table 1). Total revenue and expenditure for the different years are quite close to each other as a consequence of the pay-as-you-go financing system. Both of these totals have grown at a rather steady rate during the past few years, the annual average increase being close to 11.5 per cent. Table 1 also shows the break down of revenue by source and the distribution of expenditure, mainly by type of benefits. In broad terms, there have been no

SOURCES OF FUNDS USED TO PAY PENSIONS IN 1972



major changes between 1965 and 1972. However, the employers' share jumped — and correspondingly the State's share fell — from 1970 to 1971. This is because of a shift in the employers' share in social security financing. From 1971 the basic pensions schemes have been financed primarily from employers' and employees' contributions: they account for more than 70 per cent of revenue in 1972.

An examination of long-term changes in the distribution of expenditures indicates a decline in the share of old age pensions. This has resulted from the introduction of new pensions schemes and the relatively rapid rise in the number of invalidity pensions, which is partly due to a relaxation in the definition of invalidity. However, the old age and invalidity pensions still account for nearly 90 per cent of all expenditures within the basic pensions schemes. In 1972 both revenue and expenditure exceeded 2 000 000 000 marks for the first time.

THE IMPACT OF THE SII PENSIONS SCHEMES ON THE FINNISH ECONOMY

Table 2 gives an idea of the impact of the basic pensions schemes on the Finnish economy and of their contribution to social security. Expenditure is related to different components of national income or product and to total social security expenditure in the years from 1965 to 1972. The figures indicate that

the basic pensions schemes have redistributed income significantly. This effect has become stronger in the course of recent years. In 1972 the benefits paid under the basic pensions schemes made up nearly seven per cent of all private consumption expenditure and clearly over eight per cent of total wages and salaries. Consequently, the basic pensions benefits are an important factor in the efforts which are being made to provide a more even distribution of income.

In Finland, as in other countries, social security expenditures tend to increase more quickly than national income. The share of basic pensions in total social security expenditure remained quite constant from 1965 to 1972, accounting for about a quarter of all social expenditure in Finland.

However, when examined in the light of the total social security budget of the SII, the share of the basic pensions schemes is seen to have decreased continuously from 82 per cent in 1965 to 71 per cent in 1972. This relative decrease has, of course, been a result of the rapid growth of other schemes administered by the SII, the major one being the universal sickness insurance scheme. In fact, total SII expenditure has increased more rapidly than social security expenditure taken as a whole, which means that the SII is playing a rôle of growing importance in the provision of social security.

As the chart indicates, the SII disbursed in 1972 over one half of all pensions paid in Finland.

FUNDS AND INVESTMENTS

As was stated earlier, funds are created only to maintain liquidity, i.e. to serve as a safe-guard. This is why the assets of the SII do not play as an important rôle in the economy as do the assets of other credit institutions. However, the SII is obliged by law to invest the assets it has in production, and its credits have greatly helped certain industrial branches, such as construction and power generation. The investments of the SII pension fund totalled about 1 200 million marks at the end of 1972, and were distributed as follows:

	Mill. mk	Per cent
Power stations	571.10	49
Manufacturing	368.90	32
Local authorities	117.66	10
State	15.90	1
Commerce and transport	39.63	3
Electricity	10.56	1
Other goals	9.84	1
Short-term loans	37.10	3
Total	1 170.69	100

In 1972 the total value of the SII's investments fell by 82 million marks as funds were used to make short-term loans. Investment has tended to decline over the past few years, and it is expected that this trend will continue unless the financing capacity of the SII rises to meet the annual growth of expenditure on pensions benefits.

FUTURE PROSPECTS

The July 1, 1973 amendment to the basic pensions schemes greatly increased the number of pensioners qualifying for supplementary benefits. This along with the rapid growth in the number of people of retirement age will ensure a high rate of increase in expenditures during the coming years. It is estimated that by 1977 or 1978 expenditures within the basic pensions schemes will have doubled. This development will mean that much attention will have to be devoted to finding new forms of financing. Another acute problem will be the co-ordination of Finland's rather complex pensions security systems.

ITEMS

Finland's balance of payments January—June 1973. According to preliminary figures of the Bank of Finland, the current account deficit amounted to 1 125 million marks during the first half of the current year. The current account deficit for the second quarter of the year slightly exceeded the deficit for the first quarter. The country's long-term foreign debt did not grow during the first half of the year, as uncertainty prevailing in foreign exchange markets held back drawings of foreign loans. The current account deficit was thus mainly financed by drawing upon foreign exchange reserves. As a result of the net inflow of short-term foreign capital which took place towards the end of the spring,

the decline in the foreign exchange reserves in the second quarter of the year was 50 per cent smaller than in the first quarter.

The development of the balance of trade during the first half of the year is a clear sign of overheating in the economy. The value of imports grew by 24 per cent compared with the first half of 1972, whereas the value of exports rose by only 13 per cent. The growth of imports was primarily affected by a general revival in economic activity, the sharp rise in the international price level and by uncertainty about the international foreign exchange situation. On the other hand, the development of exports was held back by

a high rate of capacity utilization and a shortage of labour.

Net income from trade in services covered about 40 per cent of the trade deficit in January—June. The need for foreign exchange caused by net investment expenditure and transfer payments abroad increased somewhat during the second quarter of the year. The current account showed a 1 125 million mark deficit, which was about 12 per cent of total current account expenditure.

Drawings of long-term foreign loans during the first half of the year were 1 000 million marks smaller than in January—June 1972. The willingness to borrow abroad has weakened as a result of the instability on international foreign exchange markets and the rise in the overall interest rate level. When amortizations are taken into account, the net inflow of long-term capital was not significant. Developments in other long-term capital flows, i. e. export credits granted to foreign customers and direct investment, have not essentially changed the country's foreign indebtedness. Short-term foreign liabilities grew only slightly in January—March, but in the second quarter of the year the inflow of short-term capital in the form of trade credits came to more than 400 million marks. However, the cash payment system for imports, which was introduced in the middle of June, clearly reduced short-term import credits.

As net long-term and short-term foreign indebtedness increased by nearly 400 million marks during the first half of the year, the current account deficit was chiefly financed through the use of foreign exchange reserves. The gold and foreign exchange reserves of the Bank of Finland declined by 654 million marks, while the net foreign exchange assets of other foreign exchange holders fell by 80 million marks. The country's total foreign exchange reserves thus declined by 734 million marks.

**MAJOR BALANCE OF PAYMENTS ITEMS,
MILL. MK**

	January—June	
	1973	1972
Trade account	—1 227	—532
Service account	488	486
Visible and invisible trade	— 739	— 46
Other current account items	— 386	—327
Current account	—1 125	—373
Long-term capital	— 30	875
Short-term capital	421	—270
Capital inflows	391	+605
Change in foreign exchange reserves	— 734	232

National income. The Central Statistical Office has recently published the provisional figures for national income in 1972. The following tables indicate the developments of certain items of national income in the period 1969—1972.

Table 1. Distribution of the national income, mill. mk

	1969	1970	1971	1972*
Compensation of employees	19 115.0	21 656.0	24 697.1	28 717.1
Income from unincorporated enterprises	4 526.1	4 936.8	5 339.4	5 714.5
Household income from property	3 574.5	3 826.4	4 185.0	4 673.2
General government income from property and entrepreneurial activities	1 128.4	1 264.9	1 341.4	1 513.4
Corporate saving	1 668.1	1 967.9	1 261.1	2 124.2
Direct taxes on corporations	867.8	897.0	953.4	1 003.6
Less interest on the public debt	416.6	422.2	438.6	435.1
Less interest on consumers' debt	110.1	141.3	164.3	186.0
National income	30 353.2	33 985.5	37 174.5	43 124.9
Net factor income from abroad	323.1	397.1	476.9	585.8
Net domestic product at factor cost	30 676.3	34 382.6	37 651.4	43 710.7

Table 2. Disposable income, consumption and saving, mill. mk

	1969	1970	1971	1972*
Households:				
Disposable income	23 965.2	26 114.8	29 323.1	33 128.5
Consumption	20 998.1	22 901.7	24 941.1	28 668.1
Saving	2 967.1	3 213.1	4 382.0	4 460.4
Corporations:				
Disposable income (= saving)	1 668.1	1 967.9	1 261.1	2 124.2
General government:				
Disposable income	9 124.2	10 569.8	12 029.3	14 149.1
Consumption	6 212.2	6 914.0	7 936.7	9 171.4
Saving	2 912.0	3 655.8	4 092.6	4 977.7
Total:				
Disposable income	34 757.5	38 652.5	42 613.5	49 401.8
Consumption	27 210.3	29 815.7	32 877.8	37 839.5
Saving	7 547.2	8 836.8	9 735.7	11 562.3

Table 3. Expenditure on gross national product, mill. mk

	1969	1970	1971	1972*
Private consumption expenditure	20 998.1	22 901.7	24 941.1	28 668.1
General government consumption expenditure	6 212.2	6 914.0	7 936.7	9 171.4
Gross private capital formation	7 226.6	9 347.5	10 837.4	12 213.1
Gross general governmental capital formation	1 944.4	1 914.8	2 139.7	2 665.3
Increase in stocks and statistical error	2 293.4	3 102.6	2 749.6	2 310.3
Exports of goods and services	10 096.4	11 966.3	12 454.9	15 157.7
Less imports of goods and services	9 758.5	12 554.9	13 398.6	15 094.2
Expenditure on gross domestic product	39 012.6	43 592.0	47 660.8	55 091.7
Net factor income from abroad	-323.1	-397.1	-476.9	-585.8
Expenditure on gross national product	38 689.5	43 194.9	47 183.9	54 505.9

Table 4. Annual changes in the volume of fixed capital formation, per cent

	1969	1970	1971	1972*
Construction of buildings	+15	+17	-1	+9
Dwellings	+13	+19	+2	+15
Other	+18	+14	-5	+2
Road and waterway construction	-8	-3	+7	+5
Machinery and equipment	+22	+17	+8	-1
Volume of fixed capital formation	+12	+13	+4	+5

BANK OF FINLAND

Board of Management

Mauno Koivisto

Governor

A. Simonen

Deputy Governor

Ahti Karjalainen

*Absent as a Member
of Government*

Heikki Valvanne

Jaakko Lassila

Päiviö Hetemäki

Timo Helelä

ad int.

Directors

Jouko J. Voutilainen

Timo Helelä

Jorma Aranko

Pertti Tammivuori

Markku Puntila

Senior officials

Pertti Kukkonen

Director, ADP-planning

Pauli Kanerva

Administration

K. Ignatius

Personnel

Antti Lehtinen

*Domestic Financial
Operations*

Helge Lindström

Credits and Securities

Kalle Koski

Capital Transfers

Kari Nars

Foreign Exchange Policy

Raili Nuortila

Eastern Trade

J. Ojala

Foreign Exchange Control

Kari Puumanen

Economics Dept., ad int.

Henri J. Vartiainen

Research Dept.

Stig Törnroth

Cash

K. Eirola

Automatic Data Processing

A. Nenonen

Foreign Correspondence

Väinö Heiskanen

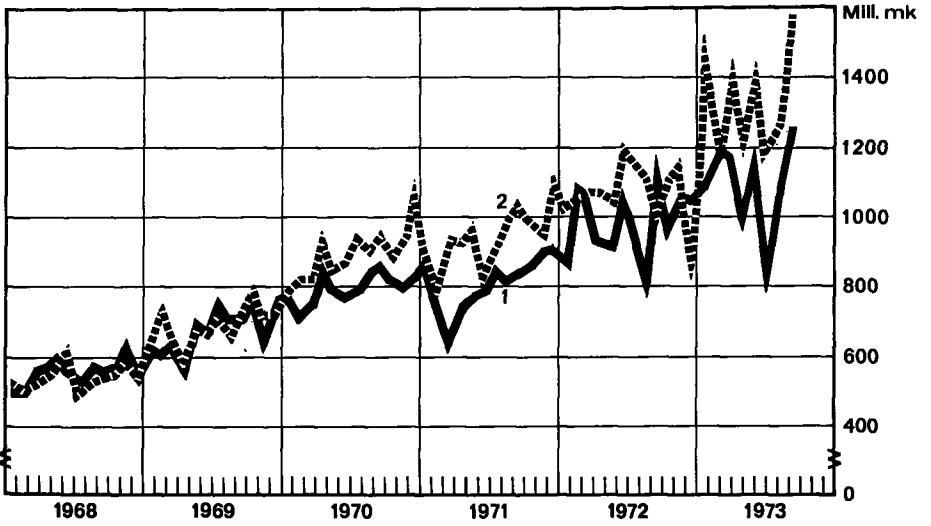
Banking Services

Eino Suomela

Internal Audit

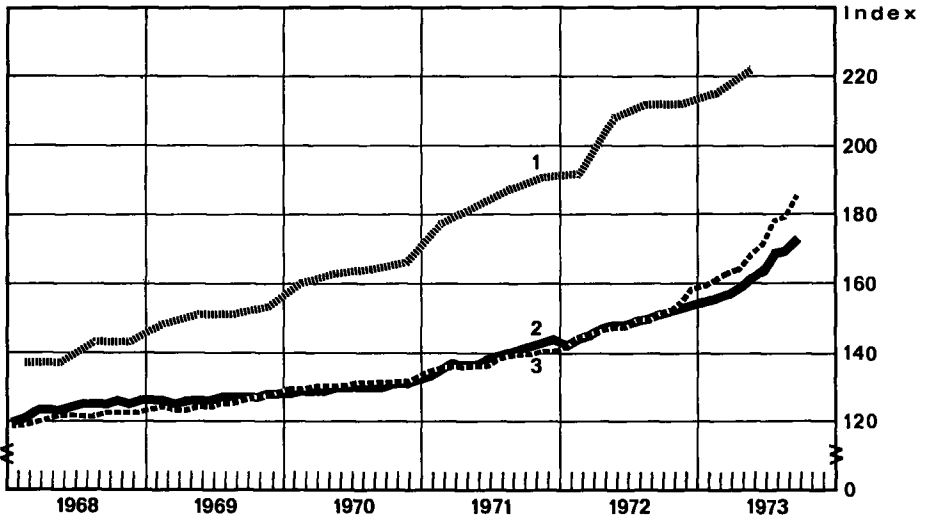
Foreign trade, 1968-1973

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



Prices and wages, 1968-1973

- 1. Index of salary and wage earnings 1964 = 100, quarterly
- 2. Cost of living index 1964 = 100, monthly
- 3. Wholesale price index 1964 = 100, monthly



Production, 1968-1973

- 1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures
- 2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures

