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Payment methods in Finland and
selected EU countries: electronic
banking and other developments

Fiscal policy and private consumption

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Payment methods in Finland and selected EU countries: electronic banking and other developments

by Tuula Hatakka, Economist
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The total value of payments transmitted via banks' funds transfer systems is huge. In 1995 the aggregate value of cashless payments (credit transfers, cheques and payment cards¹) in the EU amounted to almost 45 times the combined GDP of EU countries and to more than twenty times the aggregate balance sheet total for EU banks². The combined ECU value of these payments grew by more than 50 per cent on 1990, compared to some 40 per cent growth in banks' balance sheets over the same period. Hence it is clear that funds transfers have increased more rapidly than banks' on-balance sheet business.

In Finland cashless payments in 1996 amounted to about 16 times the banks' aggregate balance sheet total. Cover for domestic interbank payments is transmitted via the Bank of Finland interbank funds transfer system, and actual payment data is exchanged between banks without resort to a centralized clearing facility. In the other comparison countries included in this survey³ there are several automated clearing houses that hold accounts with their national central banks for the purpose of transferring cover. These clearing houses often handle only certain types of payment orders, eg cheques or direct debits.

The number of cashless payments varies across the EU region (Chart 1). In 1996 there were 146 cashless payment transactions per capita in Finland, compared to the EU average of 111. There are also marked differences between Finland and the other comparison countries in the frequencies of different payment types (Chart 2). In Finland, Sweden, Germany and the Netherlands, the bulk of cashless

payment transactions are credit transfers, whereas in France and the UK cheques are still widely used.

Credit transfers

In Finland 60 per cent of cashless payment transactions in 1996 were credit transfers (Chart 2). Of these, 70 per cent were transmitted to banks electronically. Instructions for credit transfer payments are submitted to banks either on paper as payment orders or electronically as reference or message giros. In the case of a message giro, the payer composes the payment message that is sent to the payee. With a reference giro, the only payment information that the payee receives is a reference number that he himself has submitted for ID purposes, the payer's name and the amount.

In Finland companies handle a large portion of their payments electronically, and private persons are doing the same to an increasing extent. Special ATMs with funds transfer facility are available for paying invoices⁴. Whereas in 1990 there were 0.44 credit transfers per capita effected via ATMs, the corresponding figure for 1996 was already 13. Credit transfers via ATMs with funds transfer facility accounted for 20 per cent of total credit transfer transactions sent to banks electronically in 1996. Payment of invoices via home banking terminals and telephones has also increased.

In Sweden credit transfers accounted for 80 per cent of cashless payment transactions in 1996 (Chart 2). Of these, 69 per cent were transmitted to banks electronically. In the Netherlands credit transfers accounted for about 60 per cent of cashless payment transactions and in Germany 50 per cent.

In the comparison countries, including Sweden, only companies normally have the possibility of handling payment-related matters electronically. Credit transfers by private persons usually involve paper-form payment orders; payment of invoices via home banking terminals, for example, has not yet become widespread. In most countries, the use of self-service ATMs is confined mainly to cash withdrawals. More extensive use of self-service facilities in connection with retail payments would re-

¹ Includes debit cards (known in Finland as bank cards) and credit cards. Accordingly, cashless payments include transactions in credit card accounts.

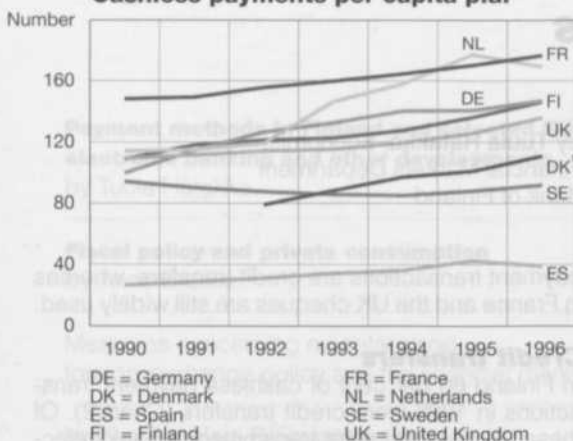
² The value of these payments has been converted into ECU, using average daily quotations for the entire year. Banks' balance sheets in are in ECU; Source: Annual Reports of European Banking Associations. GDP figures for EU countries are from EUROSTAT.

³ In addition to Finland, Germany, Denmark, Spain, France, the Netherlands, Sweden and the UK. A more comprehensive study of country-specific differences in payment methods, banks' distribution networks and electronic funds transfer is contained in the author's publication 'Methods of Payment and Payment Systems in the EU: A Comparison Between Finland and Selected EU Countries', Bank of Finland Discussion Papers 19/97 (in Finnish with English abstract).

⁴ There are two kinds of ATMs in Finland: cash dispensers and ATMs with funds transfer facility. The latter are also equipped with bar code readers, as credit transfer forms often include bar codes.

Chart 1.

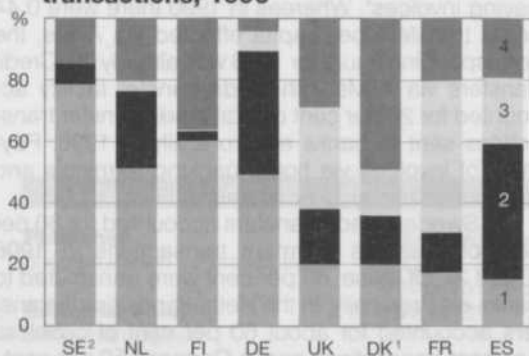
Cashless payments per capita p.a.



¹ Credit transfers include only bank giros (not postal giros).

Chart 2.

Breakdown of cashless payment transactions, 1996



1. Credit transfers
2. Direct debits
3. Cheques
4. Payment cards

¹ Credit transfers include only bank giros (not postal giros).
² Cheques not included.

quire cash dispensers, or special ATMs, with funds transfer facility. Examples of new technologies that could replace ATMs with funds transfer facility in the payment of invoices include Internet, home banking terminals and mobile phones.

Direct debiting

Direct debiting refers to an agreement between the payer and his bank on automatic debiting in respect of specified payments as they fall due. Direct debiting completely automatizes the payment of invoices. The average value of direct debit transactions in Finland and the other comparison countries amounts to about ECU 350.

In Finland the portion of direct debit transactions in total cashless payments has not increased significantly in recent years. In 1996 there were only five direct debit orders per capita (Chart 3), the lowest figure for the comparison countries. The prime obstacle to the spread of direct debiting in Finland is the existence of well-established payment modes. Finns are accustomed to paying invoices via banks' payment service or self-service facilities.

Of the countries where credit transfers are widely used, direct debit agreements are also rare in Sweden, which recorded only six direct debit transactions per capita in 1996 (Chart 3). Wider use of direct debiting in the comparison countries would improve efficiency, especially as regards banks' payment transactions, because in these countries payment orders are often submitted to banks on paper rather than electronically. Germany recorded the highest number of direct debit transactions per capita, which accounted for 40 per cent of cashless payment transactions. Direct debiting is used there in payment inter alia of taxes, public service fees and magazine subscriptions. In the German statistics, interbank transfers of cover are treated as direct debit transactions when Eurocheque cards are used to obtain funds from another bank's ATM. In Spain direct debiting is the most widely used cashless payment instrument, in terms of number of transactions (Chart 2). However, Spain is a very cash-oriented country: cash held by the public amounted to 10.8 per cent of GDP in 1996. Cashless payment transactions per capita are also the lowest in Spain (Chart 1). Denmark recorded almost as many direct debit orders per capita as Spain in 1996, but the average value of an order was almost double that in Spain. Direct debiting has increased steadily in France, the UK and the Netherlands (Chart 3).

Cheques

In Finland cheques have virtually disappeared as a means of payment in retail trade. As early as 1987 the number of debit card purchases exceeded that of cheques, and in 1996 only 3.7 million payments were made by cheque in Finland (Chart 4). The average value of a cheque was quite high compared to

other cashless payment instruments, ECU 46 000. Nowadays, cheques are typically used for such purposes as large interbank cover transfers and payments related to securities trades.

Even in the traditional cheque-oriented countries, France and the UK, the use of cheques has declined. The banks would like to see the gradual replacement of cheques by payment cards and direct debiting. In the UK the number of cheques in use has stopped rising and has actually reversed course. In 1990 there were 56 cheque payments per capita and in 1996 only 45 (Chart 4). In 1996 direct debit and payment card transactions per capita in the UK, 64, exceeded that for cheques. The corresponding figures in France were 85 for cheque payments and 59 for direct debit and payment card transactions. The use of cheques has declined rapidly in countries where cheque pricing covers the main costs involved.

Payments by debit and credit cards

In countries where payment cards are widely used, the amount of cash held by the public is low relative to GDP (Chart 5). The ratio is actually lowest for Finland, some 2.2 per cent. Wages in Finland have been paid directly to bank accounts since the 1960s and so Finns have over the decades gotten used to paying bills via bank accounts. In Finland there were ten retail EFTPOS terminals per thousand inhabitants in 1996, and the usage efficiency of these terminals was second to that in Denmark (Chart 6). In the same year Finland recorded 4 600 transactions per EFTPOS terminal (6 500 in Denmark). The average amount of an EFTPOS terminal transaction in Finland was ECU 43 in 1996 vs the EU average of ECU 66.

Also in the other comparison countries, the number of purchases by payment card has increased along with the number of retail EFTPOS terminals (Chart 6). Spain has the most dense network of EFTPOS terminals, but the usage rate is much lower than in Finland. The inefficient use of EFTPOS terminals in Spain probably derives from tourism. EFTPOS terminals are needed for the tourists, but their use may be seasonal. In the UK the number of EFTPOS terminals has increased rapidly. This strong growth stems partly from competition among three debit card schemes.

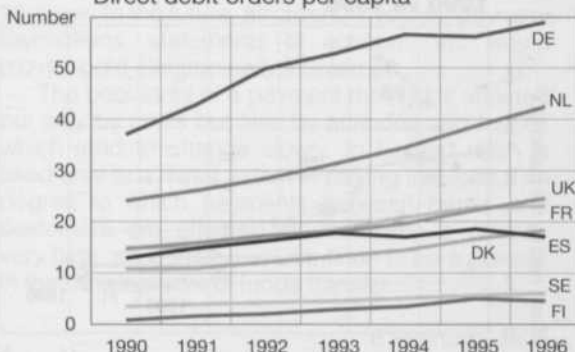
At some UK retail stores with access to EFTPOS terminals, one can make a cash withdrawal at the counter using a debit card. The number of such withdrawals was estimated at 75 million in 1994, which means that on average two or three withdrawals are made per debit card p.a. In 1994 there were 1.3 billion withdrawals from cash dispensers in the UK (1.6 billion in 1996); hence withdrawals via store terminals represented almost 6 per cent of the total number of cash withdrawals.

It is possible that Finnish retailers will begin to provide facilities for customers to make cash withdrawals from bank accounts using store terminals

Chart 3.

Direct debiting

Direct debit orders per capita



Average value of direct debit transactions

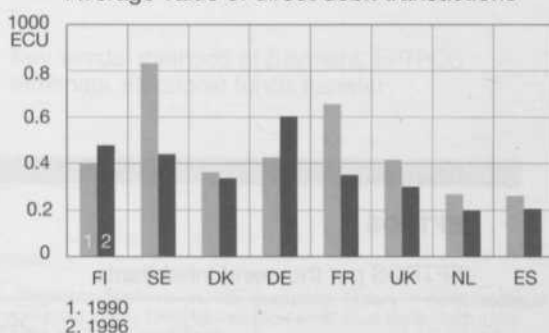


Chart 4.

Cheques per capita p.a.



Chart 5.

Cash held by the public and card payments relative to GDP, 1990 vs 1996

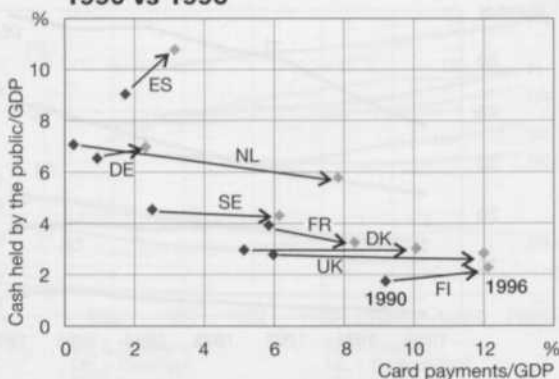
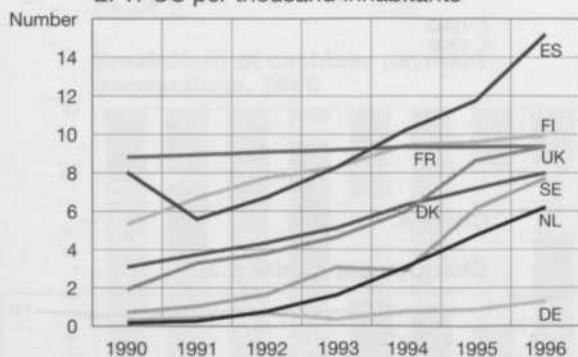


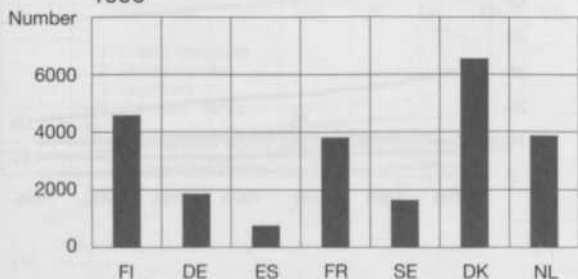
Chart 6.

EFTPOS

EFTPOS per thousand inhabitants



Card transactions per EFTPOS terminal, 1996



in connection with purchases paid for using debit cards. This procedure requires on-line connections between retail EFTPOS terminals and banks' accounting systems that enable verification of cover. Queues at store counters may lengthen if the system gets overloaded. But an advantage of more frequent withdrawals would be higher rates of stores' cash turnover. The advantage to the customer of being able to make cash withdrawals at store counters in connection with purchases would be a reduced need to make separate ATM withdrawals. This would in turn eliminate the need for additional cash dispensers. However, expansion of this type of service would require a consensus among retailers and banks as to its profitability.

Electronic funds transfer

As electronic funds transfers become more common, banks will have less need to maintain large branches. In the future, individual banking services will be required relatively more e.g. in connection with borrowing and investment than in routine execution of payment transactions. Increasing use of home banking, Internet and telephone connections in making payments will increase the portion of electronically effected payments.

In Finland 77 per cent of cashless payment transactions in 1996 were transmitted electronically, as compared to 70-75 per cent in Sweden, depending on the number of cheque transactions (there are no reliable statistics available). Corresponding ratios in France, the Netherlands and Germany were in the range of 35-40 per cent, if payment card and direct debit transactions are included. In Spain electronic transfers accounted for 65-75 per cent of the total, but this figure is not very significant owing to the paucity of cashless payments. Countries other than Finland and Sweden do not provide statistics on the ratio of credit transfer orders submitted to banks on paper to those submitted electronically. Nor has the UK provided data on the share of electronically transmitted payment card transactions⁵.

The number of Finnish private customers' home and telephone banking agreements increased fifteenfold between 1990 and 1996. Home banking offers the benefit of eliminating the customer's need to queue or observe banking hours. In Finland the practice of accepting an account statement (in paper or electronic form) as a receipt has prompted the

⁵ Comparisons are complicated by the lack of data on credit transfers that are effected completely electronically for countries other than Finland and Sweden. In Finland and Sweden, the concept of electronic banking differs from EMI Blue Book standards. According to the Blue Book, the distinction between paper-based and paperless (electronic) credit transfers is based on the mode of exchange between or within banks: credit transfer orders that are exchanged on a paperless basis between (or within) banks are considered paperless even if the originator submitted an order on paper. In Finland and Sweden, the distinction is based on the originator's submission of the credit transfer order to the bank: if he submits the order on paper, it is considered paper-based; if submitted electronically, it is considered paperless.

spread of corporate customers' agreements on electronic transfers. A statement includes all the information formerly contained in the bank's paper documents, thus eliminating the need for such documents.

The outlook

The electronic transfer of funds will expand as paper-based payment instructions are increasingly replaced by electronically transmitted orders. Several EU countries are developing, and some have already introduced, electronic money for circulation alongside conventional payment means, such as cash and payment cards. Uniform statistics are not yet available on transactions settled via electronic money or on the amount of electronic money in circulation, which makes it impossible at this stage to make cross-country comparisons on the prevalence of electronic money.

The spread of electronic funds transfer will reduce banks' need for local presence, and competition in the transmission of payments will intensify, possibly in the cross-border context as well. In Finland electronic payment by private persons is based on sophisticated self-services, and the course of development has been steered by transactions pricing that strongly favours self-service and electronic media. More cost-effective pricing of payment services would probably mean more incentive for private persons to shift from customer services and ATMs with funds transfer facility to home banking terminals and Internet connections. Inter-

net provides new developmental potential for banking services and is likely to increase the number of electronic payments. As its popularity grows, Internet may induce a real cultural shift in funds transfer services. In the future, all orders, invoices, payment instructions, statements of account, etc would move about electronically in Internet.

The popularity of a payment method is affected not only by costs but also by attitudes and habits, which tend to change slowly. In Finland cash is used only to a minor extent in paying invoices. The degree to which payments between banks and customers are effected electronically is already very high, and Finland will continue to be a pioneer in the development of funds transfer.

6 February 1998

- Key words: methods of payment, EFTPOS terminals, electronic funds transfer

Sources:

EMI, Payment Systems in the European Union – Addendum Incorporating 1995, 1996 figures (so-called Blue Book, with 1995 and 1996 statistical updating).

Fiscal policy and private consumption¹

by Anne Brunila, Head of Project Office
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During the last decade, growth of public sector debt and nearly chronic budget deficits have emerged as key policy issues in many industrial countries. As a result of the debt problem, the traditional stabilization role of fiscal policy has faded somewhat while issues pertaining to sustainability of public sector finances have taken precedence in economic policy. Today, there is wide agreement that persistent budget deficits lead to unsustainable fiscal positions and that highly indebted countries must consolidate their finances by raising taxes and/or cutting public expenditures. On the other hand, there is little agreement on the effects of different policy measures on economic growth and employment.

In Europe the EMU process has added to the pressure to reduce public sector debts and deficits. Despite the different views on fiscal policy effects, nearly all the EU countries have been obliged to cut public expenditures and raise taxes in order to meet the deficit and debt convergence criteria for Stage Three of EMU. However, it is clear that problems related to sustainability of public finances would have driven many EU countries to take similar fiscal action irrespective of the EMU process, albeit they would have been undertaken over a longer time span.

Measures aimed at reducing government deficits have almost without exception met with harsh criticism from the general public, but many economists have also raised the possibility that the tight fiscal policies of recent years have been detrimental to economic growth and employment in Europe. Similar criticism has been raised in discussions on the desirability of the additional discipline imposed on fiscal policy by the Stability and Growth Pact, in light of the fact that in the EMU fiscal policy will be the only policy tool left for stabilization purposes. It has in fact been argued that the government's room for manoeuvre should not be restricted but rather given greater flexibility to parry asymmetric shocks.

In Finland too, fiscal consolidation has been a prime objective of economic policy in recent years. Besides economists and decisionmakers, the media and public at large have during the recession years become increasingly aware of fiscal problems and the need to run tight fiscal policies. Earlier, these is-

ssues did not excite wide interest, largely because up until the start of the 1990s the Finnish central government budget was generally in balance, income transfers to the private sector were increasing, and welfare services were expanding. In Finland public sector indebtedness became a problem relatively late compared to many other EU countries.

Particularly heavy criticism was levelled at Finland's economic policy of the early 1990s. Sizable budget cuts and the 'unemployment taxes' initiated in the midst of the century's deepest recession generally went against the grain of Keynesian teachings on economic policy. Some economists felt that the government should have more aggressively taken on debt in order to build a bridge to the future that would have enabled us to get over the recession at lower costs in terms of forgone growth and unemployment. Others instead emphasized the interest-rate and exchange-rate problems stemming from spiralling budget deficits, which would offset the possible expansionary effects of deficits. Thus Finland would have ended up with an even larger debt and meanwhile things would not have been any better in terms of growth and employment.

Keynes or Ricardo?

Economic theory does not give us clear-cut answers as to the possibilities of using fiscal policy for stabilization purposes or the effects of a deficit reduction on aggregate demand. Classical theory favoured cameralism, according to which the state's budget should always be in balance because that was a mark of good financial management. Keynesian doctrine claimed that budget deficits can be used as a contracyclical tool because a deficit, created by a cut in taxes or an increase in income transfers, boosts private consumption and aggregate demand. The short-term expansionary effects are however offset at least partially by the negative long-term effects caused by a declining savings ratio, rising interest rates, and declining investment. Contractive measures, ie tax increases and public expenditure cuts, of course have similar effects with opposite sign.

The Keynesian view of public deficits was dominant up until the 1970s, when Robert Barro published an article on the effects of government financing decisions on private consumption. The

¹ This article is based on the author's lectio praecursoria in defence of her doctoral thesis, 28 Nov 1997.

central ideas of the article, now known as the Ricardian equivalence or debt neutrality hypothesis, were originally introduced by David Ricardo in 1821. According to this hypothesis, tax cuts that are financed by budget deficits have no impact on private consumption, not even in the short term, because private sector saving will increase one-to-one with an increase in the budget deficit. Hence, the government's financing decisions have no impact on the aggregate savings ratio, interest rates, investment or employment, and so attempts to stabilize economic fluctuations via budget deficits are futile. Moreover, deficit reductions that are not based on permanent cuts in government expenditure correspondingly have no effect on the economy.

The key difference between Keynesian and Ricardian views is in the role of consumers' expectations in their consumption and saving decisions. According to basic Keynesian macrotheory, expectations are of no consequence for private consumption, which is determined largely by current disposable income. In contrast, Ricardian equivalence assumes that private consumption and saving are determined by consumers' expectations regarding their lifetime wealth, ie their life-cycle/permanent income. In other words, expectations as to future incomes, taxes, income transfers and public consumption are crucial determinants of private consumption. Because the financing of a tax cut by budget deficits will be viewed only as a temporary phenomenon stemming from the timing of taxes, consumers do not increase their consumption but instead increase their saving in anticipation of a tax hike that will be needed to repay the new debt.

The equivalence hypothesis holds literally only under fairly strong assumptions. Of these assumptions, perhaps the most heavily criticized in the literature are those concerning the length of consumers' planning horizon and perfect capital markets. In order for Ricardian equivalence to hold, consumers' planning horizon must be as long as it takes to levy the taxes associated with the debt service. If consumers are short-sighted or anticipate that part of the debt will be passed on to future generations, the hypothesis will not hold. In the extreme case in which consumers anticipate that the entire current government debt will be passed on to future generations, the effects of fiscal policy are the same in both the Keynesian and Ricardian frameworks.

Capital market imperfections in turn may restrict consumers' borrowing possibilities at times when current incomes are small relative to expected wealth. In this case consumption will be determined by current disposable income rather than by expectations as to future income and fiscal policy. As a result of binding credit constraints, the impact of taxation and income transfers on aggregate demand may tend to be more Keynesian than Ricardian.

Economic theory also suggests that government consumption may have varying effects on private consumption and aggregate demand. Accord-

ing to the Keynesian approach, changes in government consumption affect private consumption only to the extent that the resulting changes in aggregate demand affect disposable income. On the other hand, in Ricardian thinking government and private consumption are viewed as substitutes and hence private consumption contracts in response to an increase in government consumption. This occurs because government consumption expenditure, whether financed by taxes or debt, implies absorption of real resources by the public sector. As a result, aggregate demand increases by less than the increase in government consumption.

Empirical findings

There is little reason to believe that the Ricardian hypothesis holds exactly in the real world. However, in evaluating the effects of fiscal policy, this is not the key issue. Instead, the important question is whether there are significant departures from it. From this perspective, the equivalence proposition is a useful benchmark, the validity of which can then be empirically assessed.

The overwhelming body of empirical evidence on the effects of fiscal policy in general and of budget deficits in particular concern the United States. Since the findings are to a large extent controversial, they are not very useful in assessing the impact of fiscal variables on other economies. A lack of studies applying the same approach, the same empirical methodology and comparable data for a larger set of countries is also a shortcoming.

The aim of this doctoral thesis² is to produce new information on the effects of government deficits and debts on private consumption in ten EU countries. Besides Finland, the countries included are Austria, Belgium, France, Germany, Greece, Italy, the Netherlands, Sweden, and the United Kingdom. Time series data are employed, covering the period from the start of the 1960s to the mid-1990s.

The theoretical basis for the study is a stochastic model of intertemporal optimization in which private consumption is affected not only by current disposable income but also by expectations as to future income and fiscal policy. In this model, the impact of public sector financing decisions (taxes vs budget deficits) on private consumption depends on the length of the consumers' planning horizon and the fraction of credit-constrained rule-of-thumb consumers who consume their current disposable income rather than their permanent income. The model can thus be used to evaluate whether the effects of fiscal policy are more in line with traditional Keynesian thinking or Ricardian equivalence in the EU countries studied.

The empirical results do not support the Ricardian equivalence hypothesis for the majority of countries studied. The findings show that only a

² 'Fiscal Policy and Private Consumption-Saving Decisions: European Evidence', Bank of Finland Studies E:8, 1997.

fraction of consumers behave in accord with equivalence hypothesis and take into account the future implications of current financing decisions of the government in a way that effectively mitigates any intentions of the government to stabilize economic fluctuations via the timing of taxes. As a large fraction of consumers is shown to behave like simple Keynesian rule-of-thumb consumers, budget deficits have expansionary effects on the economy. In fact over 40 per cent (in some countries even 70 per cent) of private consumption appears to be determined by current disposable income rather than expectations as to income or fiscal policy. A possible explanation for the finding is the existence of credit constraints related to capital market regulations, which began to be gradually lifted only in the mid-1980s. The expansive effects of budget deficits have not however been as powerful as in the pure Keynesian case because a significant part of aggregate consumption appears to be determined in accord with the equivalence proposition.

In contrast to other EU countries, in Finland, the Netherlands and Sweden, the modest expansive effect of budget deficits seems to stem from consumers' short-sightedness rather than from the existence of credit constraints. Nonetheless, the consumers' planning horizon in these three countries does not appear to differ essentially from that entailed in the equivalence hypothesis. In this light, the effects of fiscal policy on private consumption and saving seem to be more Ricardian than Keynesian. In respect to Finland and Sweden, this conclusion must however be taken with a grain of salt because the deep recession of the 1990s and households' heavy indebtedness could have affected the results.

Nor do the results on the effects of government consumption support the equivalence hypothesis. They suggest that in Belgium, Italy and the UK, changes in government consumption have no effect on private consumption, whereas in Germany, Greece and the Netherlands, an increase in government consumption seems to have a positive effect on private consumption. The results for Finland and Sweden were somewhat mixed. In some of the estimations the impact of government consumption on private consumption was found to be negative for these two countries.

The extent to which consumers in different countries behave in accord with the equivalence hypothesis vs traditional Keynesian thinking does not appear to be related to the degree of government indebtedness. During 1960–1994 the average ratio of government gross debt to GDP varied significantly across countries, from 21 per cent in Finland to 93 per cent in Belgium. Nor do the cross-country differences in the effects of government consumption appear to be related to the size of the public sector. Government consumption generally accounted on average for 15–17 per cent of GDP in the EU countries during 1960–1994.

Concluding remarks

The question of the necessity and importance of the Stability and Growth Pact to the EMU depends essentially on whether fiscal policy effects are by nature Ricardian or Keynesian. As the findings of the study suggest that there are large and significant deviations from the Ricardian equivalence hypothesis, fiscal policy is likely to have a marked impact on private consumption and saving. The analysis does not however tell us anything about the principles by which fiscal policy should be implemented. It should also be noted that according to the findings of the study, the possibilities of using fiscal policy as a contracyclical tool are almost without exception weaker than in the pure Keynesian case.

From the standpoint of economic policy the findings imply that, contrary to the Ricardian implication, policymakers should pay attention to budget deficits in assessing economic stability. Hence, in the world as it appears to be according to the study, the kind of fiscal policy discipline envisaged by the Stability and Growth Pact can be justified on the ground that in the monetary union the absence of such a mechanism might tempt participating countries to run overly expansionary fiscal policies, which in turn necessitate a tighter monetary policy stance than would otherwise be needed. By contrast, if the equivalence hypothesis were true, constraints on budget deficits would be unnecessary because the fiscal balance has no effect on the real economy or on interest rates. By the same token, fiscal consolidation would not entail any detrimental effects with respect to aggregate demand or employment.

Finally, it is possible that Ricardian effects will strengthen in the future so that debt-financed fiscal stimulation could lead to less-than-expected expansion and larger government deficits. This view gains support from the fact that public discussions in recent years concerning government deficits and debts, as well as expenditure cuts and tax hikes effected in order to reduce them, have increased the awareness of the private sector in European countries of how past fiscal measures affect present and future fiscal policy decisions. Moreover, the liberalization of financial markets has reduced credit constraints, which – at least in principle – should weaken the dependency of private consumption on current disposable income.

16 January 1998

- Key words: private consumption, fiscal policy, planning horizon

Measures concerning monetary and foreign exchange policy and the financial markets

BANK OF FINLAND

1997

SEPTEMBER

Tender rate. On 15 September, the Bank of Finland raises its tender rate from 3.00 per cent to 3.25 per cent. In addition, the interest rate on banks' excess reserves is raised from 1.00 per cent to 1.25 per cent.

NOVEMBER

Money market tenders. As at 3 November, the Bank of Finland shortens the maturity applied in its money market tenders from one month to two weeks. The normal settlement day for these tenders will be the banking day following the trade day.

Liquidity credit. As at 3 November, the Bank of Finland shortens the maturity applied in its liquidity credit from seven days to one day. The Bank of Finland also abolishes the limits on collateralized liquidity credit.

1998

JANUARY

Finnish deposit guarantee scheme revised.

The Finnish deposit guarantee scheme is revised as from the start of 1998 by amendment and extension of the Act on Credit Institutions (1229/97). All deposit banks must now belong to a common deposit guarantee fund. Instead of the previous full coverage, the guarantee is now limited to a maximum of FIM 150 000 per depositor/bank.

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VISITING SCHOLARS PROGRAMME

BANK OF FINLAND

The Bank of Finland, the central bank, has 750 employees, some 30 of whom are involved in research. The Bank is located in Helsinki.

The Bank of Finland welcomes applications from foreign scholars for a post under the Bank's Visiting Scholars Programme at the Research Department. Scholarships for six months are available for faculty or post-doctoral level research projects in two main research areas:

- (1) The modelling of monetary policy
- (2) The future of the financial services sector.

In the area of monetary policy modelling, we are especially interested in incorporating the analysis of credibility and policy uncertainty in applied models that could be used to analyze monetary policy in practice. The second area aims at illuminating the ongoing structural transformation of the global financial services industry, as driven by electronification and increased competition in particular. This area of interest includes stability and other public policy aspects of this transformation.

A visiting scholar will be expected to conduct research based on a mutually agreed research plan. Articles stemming from the research are expected to be included in the Bank's Discussion Papers and may be published elsewhere as well.

A visiting scholar should normally also give a lecture at the Bank to an audience of economists on his or her research topic as well as interact with other researchers engaged in projects in the same area.

Remuneration for visiting scholars will be commensurate with their research experience.

Persons interested in applying are invited to send

- a brief research proposal concerning either of the two areas
- a CV specifying the applicant's academic and research background, with the names of two or three referees

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Finland in brief

Land, climate and population

Finland covers an area of more than 338 000 square kilometres. The total area is slowly increasing because of the steady uplift of the land since the last glacial era. The country shares frontiers with Sweden in the west, Norway in the north and Russia in the east and has a coastline bordered by the Baltic Sea in the south and west. Agricultural land accounts for 8 % of the total area, forest and other wooded land for 68 % and inland waters for 10 %. Located between latitudes 60° and 70° north, Finland has warm summers and cold winters. Helsinki on the south coast has an average maximum temperature of 21° C (70° F) in July and -3° C (25° F) in February.

Finland has a population of 5 132 320 (31 December 1996) and an average population density of 17 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 532 053 inhabitants, Espoo (Esbo) 196 260, Tampere (Tammerfors) 186 026, Vantaa (Vanda) 168 778 and Turku (Åbo) 166 929.

There are two official languages: 93 % of the population speaks Finnish as its mother tongue and 5.7 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

Form of government

Finland is a parliamentary democracy with a republican constitution. From the twelfth century to 1809 Finland was part of the Kingdom of Sweden. In 1809, Finland was annexed to Russia as an autonomous Grand Duchy with the Tsar as Grand Duke. On 6 December 1917 Finland declared her independence. The republican constitution adopted in 1919 remains essentially unchanged today.

The legislative power of the country is exercised by Parliament and the President of the Republic. The supreme executive power is vested in the President, who is elected for a period of six years. The President for the current term, 1 March 1994 to 1 March 2000, is Mr Martti Ahtisaari.

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1995, the seats of the various parties in Parliament are distributed as follows:

Social Democratic Party 63; Centre Party 44; National Coalition Party 39; Left Wing Alliance 22; Swedish People's Party 12; Green League 9; Christian League 7; Progressive Finnish Party 2; Rural Party 1; and Ecological Party 1.

Of the 18 ministerial posts in the present Government appointed in April 1995, 7 are held by the Social Democratic Party, 5 by the National Coalition Party, 2 by the Left Wing Alliance, 2 by the Swedish People's Party, 1 by the Green League and 1 by an expert with no party affiliation. The Prime Minister is Mr Paavo Lipponen of the Social Democratic Party.

Finland is divided into 452 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of four years.

International relations

Finland became a member of the BIS in 1930, the IMF in 1948, the IBRD in 1948, GATT in 1950, the UN in 1955, the Nordic Council in 1955, the IFC in 1956, IDA in 1960, EFTA in 1961, the ADB in 1966, the OECD in 1969, the IDB in 1977, the AfDB in 1982, the MIGA in 1988, the Council of Europe in 1989, the EBRD in 1991 and the EU in 1995.

Having abolished most quantitative restrictions on foreign trade in 1957, Finland first took part in European free trade arrangements under the auspices of EFTA in 1961. Imports from the USSR were also progressively freed from customs duties. Finland's free trade agreement with the EEC entered into force in 1974 and agreements for the removal of trade barriers were concluded with several eastern European countries as well. The agreement on the European Economic Area (EEA) between the member countries of EFTA and the European Union came into effect at the beginning of 1994. Finland's negotiations to join the European Union were concluded in spring 1994. The accession treaty was signed in Corfu in June. In autumn 1994, a consultative referendum was held in which the majority of the voters (56.9 %) were in favour of membership. The Finnish Parliament ratified the accession treaty in November. The accession treaty having been ratified by each Member State, Finland became a member of the European Union on 1 January 1995. Citizens of the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, have enjoyed a common labour market, a passport union and reciprocal social security benefits since the mid-1950s.

Finland's development cooperation programmes channel assistance via international organizations and, bilaterally, to a number of African, Asian and Latin American countries.

The economy

Output and employment. Of the gross domestic product of FIM 500 billion in basic values in 1996, 2 % was generated in agriculture and fishing, 2 % in forestry, 26 % in industry, 6 % in construction, 11 % in trade, restaurants and hotels, 9 % in transport and communications, 4 % in finance and insurance, 21 % in other private services and 19 % by producers of government services. Of total employment of 2.1 million persons in 1996, 7.1 % were engaged in primary production, 27.6 % in industry and construction and 65.3 % in services.

In 1996, expenditure on the gross domestic product in purchasers' values amounted to FIM 574 billion and was distributed as follows: net exports 8 % (exports 38 %, imports -30 %), gross fixed capital formation 16 %, private consumption 54 % and government consumption 22 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 48.2 per cent, which is somewhat below the average for the Nordic countries.

Average annual (compounded) growth of real GDP was 4.7 % in the period 1950-59, 5.0 % in 1960-69,

3.7 % in 1970-79, 3.7 % in 1980-89 and 3.6 % in 1990-96. Finland's GDP per capita in 1996 was USD 24 400.

Foreign trade. EU countries absorb the bulk of Finnish merchandise exports. In 1992-1996 their average share was 51.7 %. Over the same period, Finland's exports to other European countries (including Russia) accounted for 23.4 % and to the rest of the world for 24.9 %. The regional distribution of Finland's merchandise imports in the same period has been quite similar to that of exports: EU countries accounted for 51.4 %, other European countries for 24.7 % and the rest of the world for 23.9 %.

In 1996, the share of forest industry products in total merchandise exports was 30 %, the share of metal and engineering products 40 % and the share of other goods 30 %. Raw materials and intermediate goods (incl. crude oil) accounted for 59 % of merchandise imports, fuels for 5 %, investment goods for 15 % and consumption goods for 21 %.

Forest resources. Finland has fairly abundant forest resources but only limited amounts of other raw materials. The growing stock comprises 1 973 million cubic metres, of which 46 % is pine, 36 % spruce, 15 % birch and 3 % other broad-leaved species.

The annual growth increment totals 75.4 million cubic metres and the total drain was about 59 million cubic metres in 1996.

Finance and banking

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 1 November 1977 to 7 June 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from 30 November 1988 the range was 6 percentage points). From 7 June 1991 to 7 September 1992, the markka was pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was first 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. On 8 September 1992, the fluctuation limits of the markka were abandoned and the markka was allowed to float. On 14 October 1996, the markka was joined to the Exchange Rate Mechanism (ERM) of the European Monetary System (EMS) at the central rate of 5.80661 per ECU. As from 25 November 1996 the ECU central rate is FIM 5.85424.

The Central Bank. The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Council, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Council, including the terms of banks' central bank finance and open market operations in the money and foreign exchange market. The powers vested in the Bank and its independence of the Government make the Bank of Finland one of the world's stronger central banks. In practice, the Bank liaises closely with the Government, so as to coordinate economic policy. The Bank of Finland has a head office in Helsinki and 4 branch offices in other towns.

Other banks (31 December 1996). Finland has three major groups of deposit banks with a total of 1 447 offices. There are two big commercial banks with national branch networks and five smaller ones. The commercial banks have a total of 14 foreign branches, subsidiaries and associate banks and 18 representative offices abroad. There are 40 savings banks and 298 cooperative banks with their own extensive branch networks. In addition, four foreign banks have branches in Finland and nine foreign banks have representative offices.

Financial markets. Of the total stock of FIM 712 billion in outstanding domestic credit at end-June 1997, 48 % was accounted for by deposit banks, 6 % by insurance companies, 23 % by pension insurance institutions, 12 % by other credit institutions and 11 % by state and local authorities and social security funds.

In the money market, 68 % of the instruments, which totalled approximately FIM 165 billion at end-June 1997, were bank certificates of deposit (including central bank paper). Other negotiable money market instruments consist of Treasury bills, commercial paper and local authority paper.

There are 75 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 371 billion (at end-June 1997). Domestic bonds and debentures in circulation at end-June 1997 totalled FIM 259 billion; government bonds made up 73 % of the total. Turnover on the Stock Exchange in 1996 amounted to FIM 102 billion; the share of shares and subscription rights in the total was about 99 %. In January-June 1997 share turnover amounted to FIM 82 billion.

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1. The balance sheet of the Bank of Finland

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

	1997		1998		
	31 Dec	8 Jan	15 Jan	23 Jan	30 Jan
ASSETS					
Reserve assets	51 455	51 742	50 591	50 540	49 709
Gold	1 742	1 742	1 742	1 742	1 742
Special drawing rights	1 772	1 785	1 348	1 341	1 323
IMF reserve tranche	3 036	3 059	3 061	3 058	3 065
ECU-claim on the European Monetary Institute	4 078	4 078	3 312	3 308	3 310
Foreign exchange assets	40 827	41 078	41 127	41 091	40 268
Other foreign claims	3 342	3 342	3 342	3 342	3 342
Markka subscription to Finland's quota in the IMF	3 281	3 281	3 281	3 281	3 281
Share in the European Monetary Institute	61	61	61	61	61
Claims on financial institutions	2 951	2 951	3 297	4 226	2 085
Liquidity credits	-	-	-	-	-
Securities with repurchase commitments	-	-	-	1 929	1 929
Term credits	-	-	-	-	-
Bonds	114	114	99	99	99
Other claims on financial institutions	2 837	2 837	3 198	2 198	58
Claims on the public sector	2 015	2 015	2 015	2 018	2 019
Treasury bills	-	-	-	-	-
Bonds	-	-	-	-	-
Total coinage	2 015	2 015	2 015	2 018	2 019
Other claims on the public sector	-	-	-	-	-
Claims on corporations	1 762	1 762	1 762	1 762	1 762
Financing of domestic deliveries (KTR)	26	26	26	26	26
Other claims on corporations	1 736	1 736	1 736	1 736	1 736
Other assets	635	633	534	566	616
Accrued items	528	530	436	468	513
Other assets	107	103	98	98	102
Valuation account	-	-	-	-	-
Total	62 159	62 445	61 541	62 454	59 532
LIABILITIES					
Foreign liabilities	4 911	4 688	4 678	4 761	4 731
Allocations of special drawing rights	1 046	1 054	1 055	1 054	1 056
IMF markka accounts	3 281	3 281	3 281	3 281	3 281
Other foreign liabilities	584	353	342	426	394
Notes and coin in circulation	17 817	17 194	16 669	16 468	16 416
Notes	15 923	15 305	14 798	14 609	14 564
Coin	1 894	1 889	1 872	1 859	1 852
Certificates of deposit	10 500	9 000	11 980	12 170	13 740
Liabilities to financial institutions	10 681	13 021	9 662	10 495	5 642
Reserve deposits	7 911	10 251	6 522	8 354	5 642
Term deposits	-	-	-	-	-
Other liabilities to financial institutions	2 770	2 770	3 141	2 141	0
Liabilities to the public sector	-	-	-	-	-
Current accounts	-	-	-	-	-
Other liabilities to the public sector	-	-	-	-	-
Liabilities to corporations	32	30	28	25	23
Deposits for investment and ship purchase	32	30	28	25	23
Other liabilities to corporations	-	-	-	-	-
Other liabilities	55	47	43	86	45
Accrued items	23	4	13	55	14
Other liabilities	32	43	31	31	31
Valuation account	258	560	575	545	1 030
Provisions	12 140	12 140	12 140	12 140	12 140
Pension provision	1 601	1 601	1 601	1 601	1 601
Other provisions	10 540	10 540	10 540	10 540	10 540
Capital accounts	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000
Reserve fund	764	764	764	764	764
Net earnings	-	-	-	-	-
Total	62 159	62 445	61 541	62 454	59 532

1.2 Time series for the balance sheet items of the Bank of Finland, mill. FIM

End of period	Foreign sector							Public sector			
	Gold	Special drawing rights	IMF reserve tranche	ECU-claim on the European Monetary Institute	Foreign exchange assets	Reserve assets (1+2+3+4+5)	Other claims, net	Net claims (6+7)	Claims	Liabilities	Net claims (9-10)
	1	2	3	4	5	6	7	8	9	10	11
1993	2 180	664	1 747		28 882	33 473	-1 324	32 148	1 788	784	1 004
1994	2 180	1 537	1 354		47 672	52 743	-1 114	51 629	1 806	93	1 713
1995	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
1996	1 742	1 344	1 953	2 541	28 817	36 397	-1 826	34 571	1 906	-	1 906
1997	1 742	1 772	3 036	4 078	40 827	51 455	-1 569	49 886	2 015	-	2 015
1997											
Jan	1 742	1 370	1 937	2 528	54 432	62 009	-1 292	60 717	1 907	-	1 907
Feb	1 742	1 544	1 983	2 544	54 189	62 002	-1 370	60 632	1 907	-	1 907
Mar	1 742	1 514	1 930	2 532	51 982	59 700	-1 268	58 432	1 907	-	1 907
Apr	1 742	1 186	1 986	4 011	49 851	58 775	-1 227	57 548	1 904	-	1 904
May	1 742	1 121	1 998	4 000	49 607	58 468	-1 267	57 201	1 908	-	1 908
Jun	1 742	1 100	1 963	3 984	50 322	59 111	-1 397	57 714	1 921	-	1 921
Jul	1 742	1 557	2 023	3 965	55 189	64 475	-1 533	62 942	1 921	-	1 921
Aug	1 742	1 711	2 031	3 978	54 008	63 470	-1 622	61 848	1 926	-	1 926
Sep	1 742	1 588	2 081	3 958	52 686	62 055	-1 750	60 305	1 939	-	1 939
Oct	1 742	1 489	2 068	4 031	54 754	64 085	-1 941	62 144	1 947	-	1 947
Nov	1 742	1 234	2 271	4 071	41 920	51 238	-2 256	48 982	1 955	-	1 955
Dec	1 742	1 772	3 036	4 078	40 827	51 455	-1 569	49 886	2 015	-	2 015
1998											
Jan	1 742	1 323	3 065	3 310	40 268	49 709	-1 389	48 320	2 019	-	2 019

End of period	Domestic financial sector				Corporate sector				
	Term claims on deposit banks, net	Reserve deposits of deposit banks ¹	Other claims on financial institutions, net	Net claims (12+13+14)	Claims in the form of special financing	Special deposits and other items, net	Net claims (16+17)	Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	12	13	14	15	16	17	18	19	20
1993	7 337	-6 398	-463	476	496	720	1 216	14 994	14 837
1994	1 480	-6 526	-347	-5 392	316	1 285	1 601	14 315	35 236
1995	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090
1996	11 626	-6 829	372	5 169	70	1 623	1 692	16 891	15 530
1997	-	-7 911	181	-7 730	26	1 704	1 730	17 817	10 500
1997									
Jan	14 277	-5 082	336	9 531	68	1 797	1 865	15 659	47 370
Feb	12 104	-1 404	324	11 024	63	1 856	1 918	15 590	47 520
Mar	18 158	-10 649	319	7 828	59	1 919	1 978	16 131	41 950
Apr	17 070	-6 717	294	10 647	50	1 784	1 834	16 064	41 700
May	12 568	-8 091	283	4 760	42	1 669	1 712	16 068	34 760
Jun	9 558	-10 397	258	-581	42	1 695	1 738	16 315	29 110
Jul	10 575	-3 651	252	7 176	42	1 712	1 754	16 359	40 170
Aug	8 225	-12 522	252	-4 045	37	1 748	1 785	16 287	28 440
Sep	9 214	-4 458	226	4 982	33	1 767	1 800	16 046	36 760
Oct	15 103	-13 983	188	1 308	26	1 792	1 819	16 144	34 900
Nov	4 411	-11 612	184	-7 017	26	1 684	1 710	16 381	12 200
Dec	-	-7 911	181	-7 730	26	1 704	1 730	17 817	10 500
1998									
Jan	1 929	-5 642	157	-3 556	26	1 713	1 739	16 416	13 740

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

2.1 The Bank of Finland's minimum reserve system and standing facilities

	Reserve requirement			Required reserves ¹ , mill. FIM	Excess reserves, mill. FIM	Total reserves, mill. FIM (4+5)	Liquidity credits, mill. FIM
	On deposits payable on demand, %	On other deposits, %	On other items, %				
	1	2	3	4	5	6	7
1993	2.0	1.5	1.0	6 398			440
1994	2.0	1.5	1.0	6 526			14
1995	2.0	1.5	1.0	6 557			123
I-IX	2.0	1.5	1.0	6 530	616	7146	37
X-XII	2.0	1.5	1.0	6 652	440	7092	121
1996	2.0	1.5	1.0	6 717	747	7464	1
1997							
Jan	2.0	1.5	1.0	6 560	423	6983	-
Feb	2.0	1.5	1.0	6 590	992	7582	-
Mar	2.0	1.5	1.0	6 582	1478	8060	-
Apr	2.0	1.5	1.0	6 589	566	7156	18
May	2.0	1.5	1.0	6 623	598	7221	-
Jun	2.0	1.5	1.0	6 602	1165	7767	-
Jul	2.0	1.5	1.0	6 777	378	7155	-
Aug	2.0	1.5	1.0	6 803	626	7429	-
Sep	2.0	1.5	1.0	6 769	521	7290	-
Oct	2.0	1.5	1.0	6 799	1020	7818	-
Nov	2.0	1.5	1.0	6 911	892	7803	-
Dec	2.0	1.5	1.0	6 999	310	7309	-
1998							
Jan	2.0	1.5	1.0	6 995	321	7317	-

¹ As of 2 October 1995, the minimum reserve requirement is fulfilled on an averaging basis; until 2 October 1995, end of month figures.

2.2 The Bank of Finland's money market transactions, mill. FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Money market transactions, net (1-2-3)
	1	2	3	4
1993	86 521	146 899	-50 486	-9 892
1994	35 540	351 820	-295 165	-21 115
1995	50 435	434 810	-393 930	9 555
1996	94 080	250 980	-190 562	33 662
1997	128 220	422 500	-294 770	490
1997				
Jan	17 100	47 370	-2 780	-27 490
Feb	15 500	47 520	-28 660	-3 360
Mar	1 450	41 950	-47 030	6 530
Apr	24 200	41 700	-13 630	-3 870
May	5 700	34 760	-34 700	5 640
Jun	9 600	32 760	-22 160	-1 000
Jul	10 420	36 520	-22 950	-3 150
Aug	8 350	30 260	-26 320	4 410
Sep	12 300	34 630	-23 120	790
Oct	12 200	36 900	-28 830	4 130
Nov	11 400	15 700	-18 480	14 180
Dec	0	22 430	-26 110	3 680
1998				
Jan	2 000	30 040	-27 770	-270

2.3 The Bank of Finland's transactions in foreign currencies and the stock of reserve assets, mill FIM

During period	Intervention in the foreign exchange market			Spot transactions related to forward contracts, net	Central government's foreign exchange transactions, net	Reserve assets (end of period)	
	Spot purchases	Spot sales	Forward exchange intervention = change in forward exchange position			mill. FIM	mill. USD
	1	2	3	4	5	6	7
1993	25 120	-45 080	7 460	-6 910	33 240	29 517	5 628
1994	20 930	-12 900	9 060	-8 930	24 660	33 473	5 787
1995	4 910	-5 470	-6 170	9 170	-10 135	52 743	11 120
1996	7 360	-7 320	-	-	-13 868	48 865	11 211
1997	47 620	-1 470	-	4 310	-37 540	36 397	7 838
1997							
Jan	38 340	-	12 620	-12 260	-250	62 009	12 722
Feb	-	-	430	-	-1 660	62 002	12 304
Mar	1 460	-720	-2 610	2 540	-3 490	59 700	11 953
Apr	-	-690	-4 240	3 070	-8 160	58 775	11 285
May	-	-60	-100	-	-930	58 468	11 407
Jun	2 880	-	70	-	-870	59 111	11 392
Jul	4 940	-	-1 310	6 300	-3 560	64 475	11 807
Aug	-	-	-70	-	-670	63 470	11 784
Sep	-	-	-70	-	-1 240	62 055	11 707
Oct	-	-	-3 160	3 100	-800	64 085	12 342
Nov	-	-	-1 560	1 560	-15 300	51 238	9 602
Dec	-	-	-	-	-610	51 455	9 492
1998							
Jan						49 709	8 974

2.4 Forward exchange contracts between Finnish markka and other currencies, mill. FIM

Stock at end of period	Finnish banks' forward contracts						Non-residents' forward contracts with Finnish customers (excl. Finnish banks)			The Bank of Finland's forward contracts	
	With Finnish customers (excl. Finnish banks)			With foreign customers			Total	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Net currency sales
	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net	Currency purchases from foreign customers	Currency sales to foreign customers	Net					
	1	2	3	4	5	6	7	8	9	10	11
1993	38 373	23 721	14 652	14 346	21 895	-7 548	7 104	11 632	2 173	9 459	1 939
1994	51 096	22 093	29 003	19 236	32 791	-13 555	15 448	18 372	4 780	13 592	-6 080
1995	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	0
1996	53 520	21 793	31 726	44 068	72 021	-27 953	3 773	15 871	6 908	8 963	-
1997	66 649	37 507	29 142	105 128	127 793	-22 665	6 477	23 490	14 552	8 938	-
1996											
Dec	53 520	21 793	31 726	44 068	72 021	-27 953	3 773	15 871	6 908	8 963	-
1997											
Jan	61 066	21 103	39 964	61 130	72 501	-11 371	28 593	18 219	5 597	12 622	-12 185
Feb	60 646	20 139	40 507	58 008	66 207	-8 199	32 308	18 779	5 040	13 740	-12 185
Mar	62 218	23 415	38 803	57 783	85 313	-27 530	11 273	18 160	5 138	13 023	-9 924
Apr	65 819	25 160	40 659	59 142	84 411	-25 268	15 391	20 854	10 927	9 927	-5 589
May	65 324	25 735	39 588	53 735	82 076	-28 340	11 248	22 115	9 477	12 638	-5 589
Jun	65 886	30 056	35 830	58 688	83 157	-24 468	11 362	24 007	12 681	11 326	-5 589
Jul	71 933	31 074	40 859	55 146	83 978	-28 831	12 028	30 797	14 976	15 821	-4 690
Aug	74 387	33 124	41 263	60 935	99 872	-38 936	2 327	28 558	17 323	11 235	-4 690
Sep	69 721	36 411	33 310	68 654	93 287	-24 632	8 678	24 439	16 998	7 441	-4 690
Oct	68 258	37 917	30 340	92 393	116 191	-23 798	6 542	24 034	19 297	4 737	-1 578
Nov	68 813	36 778	32 035	93 566	115 303	-21 737	10 298	28 528	17 234	11 294	-
Dec	66 649	37 507	29 142	105 128	127 793	-22 665	6 477	23 490	14 552	8 938	-

3. Rates of interest

3.1 Money market rates and rates applied by the Bank of Finland, per cent

Average of daily observations	Interbank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate	Excess-reserve rate ¹	Base rate
		1	2	3	4	5	6	7	8
1993	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
1994	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
1995	5.26	5.63	5.76	5.97	6.34	7.63	3.63	5.20
1996	3.66	3.58	3.63	3.74	3.99	5.57	1.57	4.38
1997	2.87	3.10	3.23	3.41	3.69	5.07	1.07	4.00
1997								
Jan	2.68	3.02	3.07	3.16	3.34	5.00	1.00	4.00
Feb	2.85	3.01	3.07	3.17	3.34	5.00	1.00	4.00
Mar	2.51	3.01	3.07	3.18	3.42	5.00	1.00	4.00
Apr	3.24	3.02	3.08	3.21	3.48	5.00	1.00	4.00
May	2.51	3.01	3.08	3.19	3.40	5.00	1.00	4.00
Jun	2.76	3.00	3.07	3.19	3.42	5.00	1.00	4.00
Jul	2.85	3.00	3.08	3.22	3.50	5.00	1.00	4.00
Aug	3.02	3.01	3.13	3.31	3.68	5.00	1.00	4.00
Sep	3.06	3.15	3.31	3.52	3.89	5.14	1.14	4.00
Oct	2.75	3.29	3.57	3.91	4.26	5.25	1.25	4.00
Nov	2.90	3.35	3.65	4.00	4.32	5.25	1.25	4.00
Dec	3.20	3.31	3.60	3.87	4.18	5.25	1.25	4.00
1998								
Jan	2.80	3.30	3.48	3.63	3.86	5.25	1.25	4.00

¹ Call money deposit rate until 2 October 1995.

3.2 The Bank of Finland's liquidity facility

The Bank of Finland's tender rate, %	Liquidity credit: interest rate margin, %-points	Liquidity credit: maturity, days	Call money deposits: interest rate margin, %-points	Excess-reserve rate		
1	2	3	4	5		
1993	7.87	1993	+2.00	7	-2.00	
1994	5.11	1994	+2.00	7	-2.00	
1995	5.63	1995	+2.00	7		2.25
1996	3.57	1996	+2.00	7		1.00
1997	3.07	1997	+2.00	1		1.25
1997		1997				
Jan	3.00	Jan	+2.00	7		1.00
Feb	3.00	Feb	+2.00	7		1.00
Mar	3.00	Mar	+2.00	7		1.00
Apr	3.00	Apr	+2.00	7		1.00
May	3.00	May	+2.00	7		1.00
Jun	3.00	Jun	+2.00	7		1.00
Jul	3.00	Jul	+2.00	7		1.00
Aug	3.00	Aug	+2.00	7		1.00
Sep	3.14	Sep	+2.00	7		1.25
Oct	3.25	Oct	+2.00	7		1.25
Nov	3.25	Nov	+2.00	1		1.25
Dec	3.25	Dec	+2.00	1		1.25
1998		1998				
Jan	3.25	Jan	+2.00	1		1.25
13.3.1996	3.75	13.3.1996				1.75
14.6.1996	3.60	14.6.1996				1.60
5.7.1996	3.50	5.7.1996				1.50
23.8.1996	3.25	23.8.1996				1.25
18.9.1996	3.10	18.9.1996				1.10
9.10.1996	3.00	9.10.1996				1.00
15.9.1997	3.25	15.9.1997				1.25

3.3 Weighted Eurorates and commercial ECU interest rate, per cent

Average of daily observations	ECU	3 currencies	Commercial ECU
	3 months		
	1	2	3
1993	8.0	5.9	8.1
1994	5.9	5.2	6.1
1995	5.9	5.2	6.0
1996	4.4	4.3	4.4
1997	4.3	4.4	4.3
1997			
Jan	4.1	4.2	4.1
Feb	4.1	4.2	4.1
Mar	4.2	4.3	4.3
Apr	4.1	4.4	4.2
May	4.1	4.3	4.2
Jun	4.1	4.3	4.2
Jul	4.2	4.3	4.2
Aug	4.3	4.4	4.4
Sep	4.3	4.5	4.3
Oct	4.5	4.6	4.5
Nov	4.6	4.8	4.6
Dec	4.5	4.8	4.5
1998			
Jan	4.4	4.6	4.3

3.4 Rates of interest applied by banks, per cent

Average for period	Lending						Markka deposits and other markka funding					
	New credits				Average lending rate	Of which: Commercial banks	24-month tax-exempt deposits ¹	36-month tax-exempt deposits ¹	Other tax-exempt deposits, max. rate of interest ¹	Average rate of interest on deposits	Average rate of interest on other funding	Average rate of interest on markka funding
	Cheque account and postal giro credits	Bills of exchange	Loans	New lending, total								
	1	2	3	4	5	6	7	8	9	10	11	12
1993	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
1994	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
1995	7.85	11.33	7.30	7.46	8.04	7.75	2.75	3.75	2.00	3.13	6.29	4.08
1996	5.61	9.61	5.31	5.43	6.49	6.15	2.00	3.00	2.00	2.15	4.31	2.78
1997	4.83	9.66	4.73	4.81	5.64	5.29	.	.	2.00	1.47	..	..
1996 Dec	5.21	9.04	4.38	4.48	5.83	5.48	2.00	3.00	2.00	1.73	3.92	2.35
1997 Jan	4.03	9.99	4.63	4.65	5.75	5.39	2.00	.	2.00	1.69	..	..
Feb	5.59	10.01	4.67	4.79	5.70	5.35	2.00	.	2.00	1.61	..	..
Mar	5.51	9.97	4.78	4.91	5.67	5.32	2.00	.	2.00	1.48	..	..
Apr	6.03	9.68	4.53	4.64	5.65	5.29	2.00	.	2.00	1.47	..	..
May	5.25	9.83	4.85	4.96	5.62	5.27	2.00	.	2.00	1.45	..	..
Jun	5.46	9.31	4.84	4.93	5.59	5.24	2.00	.	2.00	1.43	..	..
Jul	5.45	9.69	4.43	4.53	5.57	5.21	2.00	.	2.00	1.42	..	..
Aug	4.17	9.77	4.75	4.80	5.54	5.18	2.00	.	2.00	1.42	..	..
Sep	4.99	9.42	4.69	4.77	5.57	5.22	2.00	.	2.00	1.42	..	..
Oct	4.09	9.70	4.95	4.97	5.61	5.27	2.00	.	2.00	1.44	..	..
Nov	6.06	9.52	4.98	5.08	5.67	5.35	2.00	.	2.00	1.43	..	..
Dec	6.07	9.21	4.74	4.83	5.74	5.43	.	.	2.00	1.44	..	..

¹ End of period.

3.5 Yields on bonds and shares, per cent

Period	Bonds				Shares
	Reference rates calculated by the Bank of Finland		Taxable government bonds		Share yield
	3 years	5 years	5 years	10 years	
	1	2	3	4	5
1993	8.5	8.9	8.2	8.8	1.2
1994	8.5	9.3	8.4	9.1	1.0
1995	8.2	8.9	7.9	8.8	2.4
1996	5.8	6.8	6.0	7.1	2.1
1997	5.0	5.7	4.9	6.0	2.0
1996 Dec	5.0	5.9	5.0	6.3	2.2
1997 Jan	4.8	5.7	4.8	6.1	2.2
Feb	4.7	5.5	4.6	5.9	1.8
Mar	4.8	5.6	4.8	6.1	2.1
Apr	5.0	5.8	5.0	6.4	2.3
May	4.9	5.7	4.8	6.2	2.2
Jun	4.9	5.7	4.8	6.1	2.1
Jul	4.9	5.6	4.7	5.9	2.0
Aug	5.0	5.7	4.9	5.9	2.0
Sep	5.2	5.8	4.9	5.8	2.0
Oct	5.3	5.9	5.1	5.7	1.9
Nov	5.4	5.9	5.1	5.8	2.0
Dec	5.2	5.8	4.8	5.6	2.0

4. Rates of exchange

4.1 Middle rates, FIM

Average of daily quotations	New York 1 USD	Montreal 1 CAD	London 1 GBP	Dublin 1 IEP	Stockholm 1 SEK	Oslo 1 NOK	Copenhagen 1 DKK	Reykjavik 1 ISK	Frankfurt am Main 1 DEM	Amsterdam 1 NLG	Brussels 1 BEF	Zurich 1 CHF
	1	2	3	4	5	6	7	8	9	10	11	12
1993	5.7189	4.434	8.582	8.371	0.7350	0.8059	0.8822	0.0846	3.4584	3.0787	0.1655	3.8706
1994	5.2184	3.824	7.982	7.799	0.6758	0.7393	0.8207	0.0745	3.2169	2.8684	0.1561	3.8179
1995	4.3658	3.181	6.891	6.999	0.6123	0.6889	0.7790	0.0674	3.0471	2.7202	0.1481	3.6941
1996	4.5905	3.367	7.164	7.345	0.6847	0.7111	0.7921	0.0689	3.0530	2.7247	0.1484	3.7211
1997	5.1944	3.753	8.506	7.871	0.6799	0.7339	0.7859	0.0732	2.9939	2.6603	0.1451	3.5785
1997												
Jan	4.7765	3.541	7.924	7.791	0.6764	0.7408	0.7803	0.0700	2.9754	2.6498	0.1443	3.4297
Feb	4.9757	3.672	8.089	7.898	0.6720	0.7508	0.7794	0.0707	2.9729	2.6468	0.1441	3.4264
Mar	5.0716	3.702	8.141	7.932	0.6622	0.7448	0.7834	0.0713	2.9886	2.6558	0.1448	3.4601
Apr	5.1307	3.681	8.360	7.965	0.6678	0.7360	0.7876	0.0721	3.0003	2.6680	0.1454	3.5109
May	5.1337	3.722	8.382	7.780	0.6694	0.7271	0.7922	0.0729	3.0169	2.6825	0.1462	3.5903
Jun	5.1732	3.737	8.503	7.797	0.6680	0.7177	0.7869	0.0735	2.9961	2.6637	0.1452	3.5881
Jul	5.3051	3.854	8.869	7.942	0.6793	0.7134	0.7783	0.0747	2.9641	2.6325	0.1436	3.5832
Aug	5.5097	3.967	8.838	8.004	0.6891	0.7221	0.7850	0.0759	2.9903	2.6550	0.1448	3.6380
Sep	5.3561	3.862	8.571	7.931	0.6954	0.7318	0.7862	0.0747	2.9932	2.6579	0.1450	3.6364
Oct	5.2695	3.803	8.595	7.730	0.6958	0.7444	0.7874	0.0737	2.9981	2.6613	0.1454	3.6278
Nov	5.2205	3.696	8.809	7.844	0.6902	0.7395	0.7916	0.0735	3.0130	2.6731	0.1461	3.7093
Dec	5.3714	3.768	8.925	7.830	0.6899	0.7413	0.7934	0.0749	3.0220	2.6817	0.1465	3.7327
1998												
Jan	5.4948	3.815	8.988	7.599	0.6858	0.7333	0.7946	0.0755	3.0268	2.6859	0.1467	3.7261

Average of daily quotations	Paris 1 FRF	Rome 1 ITL	Vienna 1 ATS	Lisbon 1 PTE	Madrid 1 ESP	Athens 1 GRD	Tallinn 1 EEK	Tokyo 1 JPY	Melbourne 1 AUD	Seoul 1 KRW	ECU Commercial 1 XEU	SDR 1 XDR
	13	14	15	16	17	18	19	20	21	22	23	24
1993	1.0096	0.00364	0.4916	0.0356	0.0451	0.025	0.4323	0.05168	3.885		6.685	7.98671
1994	0.9406	0.00324	0.4573	0.0314	0.0390	0.0215	0.4021	0.05106	3.814		6.175	7.46629
1995	0.8748	0.00268	0.4331	0.0291	0.0350	0.0189	0.3809	0.04663	3.238		5.644	6.61879
1996	0.8978	0.00298	0.4340	0.0298	0.0363	0.0191	0.3816	0.04225	3.593		5.751	6.66357
1997	0.8894	0.00305	0.4255	0.0296	0.0355	0.0190	0.3742	0.04303	3.859		5.864	7.14420
1997												
Jan	0.8817	0.00305	0.4229	0.0298	0.0355	0.0190	0.3719	0.04051	3.712		5.777	6.75569
Feb	0.8806	0.00301	0.4225	0.0296	0.0351	0.0190	0.3716	0.04048	3.818		5.771	6.88718
Mar	0.8859	0.00299	0.4246	0.0297	0.0352	0.0190	0.3736	0.04138	3.998		5.801	6.98562
Apr	0.8908	0.00303	0.4263	0.0299	0.0356	0.0190	0.3750	0.04086	3.997		5.853	7.03636
May	0.8945	0.00305	0.4286	0.0299	0.0357	0.0189	0.3771	0.04335	3.975		5.880	7.12016
Jun	0.8878	0.00305	0.4258	0.0297	0.0355	0.0189	0.3745	0.04527	3.902		5.855	7.19320
Jul	0.8785	0.00304	0.4213	0.0293	0.0351	0.0189	0.3705	0.04609	3.939	0.00596	5.846	7.30859
Aug	0.8873	0.00306	0.4250	0.0295	0.0354	0.0191	0.3738	0.04672	4.085	0.00614	5.886	7.45951
Sep	0.8904	0.00307	0.4254	0.0295	0.0355	0.0190	0.3741	0.04434	3.876	0.00589	5.872	7.28131
Oct	0.8936	0.00306	0.4260	0.0294	0.0355	0.0190	0.3748	0.04355	3.800	0.00569	5.891	7.21962
Nov	0.9000	0.00308	0.4281	0.0295	0.0357	0.0192	0.3766	0.04172	3.630	0.00507	5.961	7.17348
Dec	0.9028	0.00308	0.4295	0.0296	0.0357	0.0192	0.3777	0.04152	3.562	0.00368	5.980	7.27353
1998												
Jan	0.9038	0.00308	0.4303	0.0296	0.0357	0.0192	0.3784	0.04253	3.611	0.00325	5.978	7.38238

4.2 Markka value of the ECU and currency indices

Average of daily observations	Markka value of the ECU FIM/ECU	Currency indices, 1982=100	
		Trade-weighted currency index	Payments currency index
	1	2	3
1993	6.69420	132.4	136.0
1994	6.19108	123.2	125.5
1995	5.70936	111.6	111.6
1996	5.83028	115.3	115.8
1997	5.88125	118.4	122.6
1997			
Jan	5.80159	115.8	117.4
Feb	5.80357	116.4	119.4
Mar	5.82954	116.8	120.5
Apr	5.87626	117.8	121.5
May	5.90366	118.6	122.1
Jun	5.88180	118.7	122.4
Jul	5.86447	119.0	123.8
Aug	5.90587	120.4	126.4
Sep	5.89038	119.5	124.7
Oct	5.89974	119.4	123.9
Nov	5.94676	119.4	123.7
Dec	5.97130	119.5	125.4
1998			
Jan	5.98008	120.1	126.7

4.3 Deviations of ERM currencies' markka rates from central rates, per cent

Average of daily observations	ECU	DEM	FRF	NLG	DKK	BEF	ESP	ATS	PTE	IEP	ITL
Central rate as of 25 Nov. 1996	5.85424	3.04000	0.906422	2.69806	0.796976	0.147391	0.0357345	0.432094	0.029657	7.32960	0.00307071
	1	2	3	4	5	6	7	8	9	10	11
1995	-1.69	0.23	-3.48	0.82	-2.25	0.49	-2.02	0.24	-1.84	-4.52	..
1996	0.30	0.43	-0.95	0.99	-0.61	0.65	1.49	0.44	0.40	0.21	-3.07
1997	0.46	-1.52	-1.88	-1.40	-1.39	-1.56	-0.78	-1.53	-0.12	7.38	-0.72
1997											
Jan	-0.90	-2.13	-2.73	-1.79	-2.10	-2.07	-0.78	-2.12	0.39	6.29	-0.74
Feb	-0.87	-2.21	-2.85	-1.90	-2.20	-2.26	-1.79	-2.23	-0.21	7.76	-2.04
Mar	-0.42	-1.69	-2.27	-1.57	-1.70	-1.73	-1.45	-1.73	0.29	8.22	-2.53
Apr	0.38	-1.31	-1.73	-1.12	-1.18	-1.34	-0.52	-1.34	0.88	8.67	-1.31
May	0.84	-0.76	-1.31	-0.58	-0.60	-0.84	0.02	-0.80	0.97	6.14	-0.53
Jun	0.47	-1.44	-2.06	-1.27	-1.26	-1.49	-0.74	-1.45	0.01	6.37	-0.61
Jul	0.17	-2.50	-3.08	-2.43	-2.35	-2.58	-1.65	-2.50	-1.04	8.36	-0.86
Aug	0.88	-1.64	-2.11	-1.60	-1.50	-1.74	-0.92	-1.65	-0.47	9.20	-0.30
Sep	0.62	-1.54	-1.77	-1.49	-1.36	-1.62	-0.73	-1.56	-0.59	8.20	-0.11
Oct	0.78	-1.38	-1.41	-1.36	-1.20	-1.38	-0.63	-1.40	-0.75	5.47	-0.29
Nov	1.58	-0.89	-0.71	-0.92	-0.67	-0.89	-0.18	-0.92	-0.46	7.02	0.14
Dec	2.00	-0.59	-0.40	-0.61	-0.45	-0.62	0.03	-0.59	-0.26	6.83	0.40
1998											
Jan	2.15	-0.43	-0.28	-0.45	-0.29	-0.45	-0.07	-0.42	-0.21	3.68	0.16

5. Financial markets and money supply

5.1 Bank funding from the public, mill. FIM

End of period	Tax-exempt			Subject to withholding tax			Other taxable			Markka deposits, total	Foreign currency deposits	Other markka funding	Total funding	
	Cheque and transactions accounts	Time deposits	Other deposits	Total	Cheque and transactions accounts	Other deposits	Total	Cheque and transactions accounts	Other deposits					Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1993	88 881	66 361	1 457	156 699	10 360	51 943	62 303	32 098	17 664	49 762	268 764	15 788	62 599	347 151
1994	96 796	63 329	1 895	162 021	9 467	47 908	57 375	37 279	18 739	56 018	275 414	13 332	58 067	346 813
1995	106 997	63 599	2 611	173 207	10 916	45 529	56 445	45 558	16 163	61 721	291 373	14 843	50 675	356 891
1996	132 113	<u>29 672</u>	<u>27 140</u>	188 926	10 746	25 207	35 953	48 329	10 438	58 767	283 646	12 495	55 046	351 187
1997*	140 891	46 976	19 119	206 985	7 883	14 446	22 329	52 472	9 293	61 765	291 079	12 272	74 141	377 491
1996														
Dec	132 113	<u>29 672</u>	<u>27 140</u>	188 926	10 746	25 207	35 953	48 329	10 438	58 767	283 646	12 495	55 046	351 187
1997*														
Jan	132 906	45 917	12 758	191 581	11 730	21 897	33 627	49 009	10 769	59 778	284 986	12 234	55 065	352 284
Feb	131 106	48 529	13 234	192 869	11 273	20 165	31 438	44 822	10 368	55 189	279 497	12 043	60 346	351 885
Mar	132 054	50 024	13 824	195 902	11 512	19 201	30 713	48 803	9 973	58 775	285 390	11 876	66 039	363 306
Apr	133 313	50 984	15 063	199 360	8 525	16 990	25 515	46 969	10 294	57 263	282 139	10 794	66 369	359 302
May	134 300	51 556	15 254	201 111	8 771	16 450	25 222	50 048	10 116	60 164	286 497	11 900	69 938	368 335
Jun	134 432	52 104	15 364	201 900	8 548	15 788	24 336	52 499	9 558	62 057	288 293	11 743	63 526	363 561
Jul	135 230	52 563	15 484	203 277	8 252	15 059	23 311	49 515	9 541	59 056	285 645	11 480	74 487	371 612
Aug	136 678	52 854	15 575	205 107	8 207	14 379	22 586	48 581	9 569	58 150	285 843	11 434	73 195	370 472
Sep	134 963	53 793	14 845	203 602	8 277	14 162	22 439	49 347	9 239	58 587	284 627	12 458	77 982	375 067
Oct	135 800	51 832	16 358	203 990	8 482	14 102	22 584	51 018	9 275	60 293	286 867	12 254	82 490	381 611
Nov	137 885	50 911	16 516	205 312	7 798	14 078	21 876	51 174	9 123	60 297	287 485	12 079	66 002	365 566
Dec	140 891	46 976	19 119	206 985	7 883	14 446	22 329	52 472	9 293	61 765	291 079	12 272	74 141	377 491

5.2 Bank lending to the public, mill. FIM

End of period	Non-financial corporations	Financial and insurance institutions (excl. banks)	General government (excl. central government)	Non-profit institutions	Households	Foreign sector	Markka-lending, total (1+2+3+4+5+6)	Foreign currency lending	Total lending (7+8)
1993	83 285	9 304	4 036	12 802	171 540	103	281 070	69 819	350 889
1994	81 130	11 121	3 367	13 016	162 913	124	271 670	47 078	318 748
1995	78 601	13 045	2 918	12 645	155 990	253	263 452	33 124	296 575
1996	<u>82 894</u>	<u>18 554</u>	<u>3 052</u>	<u>13 088</u>	<u>152 594</u>	<u>119</u>	<u>270 301</u>	<u>24 130</u>	<u>294 430</u>
1997*	77 351	21 257	3 241	13 453	155 388	.	270 691	16 252	286 943
1996									
Dec	<u>82 894</u>	<u>18 554</u>	<u>3 052</u>	<u>13 088</u>	<u>152 594</u>	<u>119</u>	<u>270 301</u>	<u>24 130</u>	<u>294 430</u>
1997*									
Jan	77 954	14 434	2 946	13 132	151 419	.	259 885	19 284	279 169
Feb	79 050	15 224	3 014	13 197	151 542	.	262 027	20 276	282 303
Mar	79 043	15 757	2 956	13 160	151 711	.	262 627	18 834	281 461
Apr	79 582	16 409	2 979	13 213	151 866	.	264 049	18 707	282 756
May	79 532	17 233	3 031	13 154	152 515	.	265 466	18 491	283 956
Jun	79 240	17 409	2 973	13 214	152 671	.	265 507	17 709	283 215
Jul	78 977	17 866	2 964	13 294	153 460	.	266 562	17 318	283 879
Aug	78 637	19 006	2 976	13 467	154 484	.	268 570	16 802	285 371
Sep	78 597	19 613	3 071	13 617	155 001	.	269 898	16 378	286 276
Oct	78 392	20 566	3 055	13 573	155 563	.	271 147	18 314	289 461
Nov	76 557	21 218	3 215	13 709	156 001	.	270 699	16 928	287 627
Dec	77 351	21 257	3 241	13 453	155 388	.	270 691	16 252	286 943

5.3 Money supply, mill. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	Monetary aggregates		
		Claims on the central government	Claims on the public	Total (2+3)		M ₁	M ₂ (1+4+5)	M ₃
	1	2	3	4	5	6	7	8
1992	-68 099	81	439 937	440 018	-97 909	134 829	274 011	310 733
1993	-25 989	1 848	403 742	405 589	-100 006	141 759	279 595	322 408
1994	12 844	6 092	365 712	371 804	-97 953	154 357	286 696	328 509
1995	25 481	19 837	353 340	373 177	-94 870	175 921	303 788	329 820
1996	40 638	12 821	350 230	363 052	-106 399	204 834	297 291	325 473
1996 Dec	40 638	12 821	350 230	363 052	-106 399	204 834	297 291	325 473
1997*								
Jan	53 178	14 975	335 976	350 951	-105 831	206 956	298 298	339 801
Feb	56 559	9 887	338 163	348 050	-111 708	200 605	292 901	328 095
Mar	56 787	10 209	337 213	347 421	-105 146	206 040	299 062	338 407
Apr	58 607	14 411	337 724	352 134	-115 087	202 323	295 654	340 840
May	63 055	16 769	338 988	355 757	-118 523	206 912	300 289	349 640
Jun	73 732	3 256	337 432	340 689	-112 526	209 080	301 894	350 332
Jul	73 618	6 226	337 876	344 102	-118 445	206 628	299 276	353 820
Aug	72 388	5 162	339 432	344 594	-117 141	207 465	299 841	348 202
Sep	87 246	3 686	340 221	343 906	-133 023	206 090	298 129	350 548
Oct	83 239	5 621	342 934	348 555	-131 049	209 178	300 745	353 649
Nov	71 167	9 482	340 584	350 067	-119 673	210 932	301 561	345 464
Dec	..	..	..	..	..	215 763	305 596	353 735

5.4 Liabilities and assets of the central government, mill. FIM

End of period	Foreign currency-denominated debt			Markka-denominated debt					Central government debt (3+8)	Out-standing lending	Cash funds
	Bonds	Other debt	Total (1+2)	Public bonds	Other long-term liabilities	Treasury notes and bills	Miscellaneous items	Total (4+5+6+7)			
	1	2	3	4	5	6	7	8	9	10	11
1993	142 824	12 753	155 577	71 082	16 060	22 824	-9 700	100 266	255 843	66 439	36 487
1994	160 587	15 975	176 562	93 008	17 100	33 153	-12 300	130 961	307 523	67 658	43 012
1995	158 545	13 756	172 301	143 948	17 492	37 864	-12 300	187 004	359 305	66 855	41 878
1996	158 847	16 161	175 008	177 700	17 187	37 620	-12 300	220 479	395 487	64 316	38 369
1997	142 717	25 839	168 556	214 876	16 545	30 388	-12 300	249 745	418 301	..	..
1997											
Jan	159 222	20 920	180 142	180 261	17 187	40 506	-12 300	225 926	406 068	64 637	38 322
Feb	162 085	21 502	183 587	183 752	17 187	43 932	-12 300	232 769	416 356	64 957	51 137
Mar	158 001	21 195	179 196	187 972	17 149	43 821	-12 300	236 879	416 075	65 096	44 839
Apr	155 575	21 828	177 403	192 178	16 865	43 658	-12 300	240 588	417 991	66 479	41 543
May	155 880	23 054	178 934	194 126	16 865	44 045	-12 300	242 923	421 857	65 951	46 841
Jun	159 454	24 635	184 089	186 952	16 581	42 797	-12 300	234 248	418 337	65 979	37 376
Jul	156 183	25 261	181 444	190 450	16 574	44 522	-12 300	239 533	420 977	65 569	37 195
Aug	155 814	24 994	180 808	192 441	16 574	41 545	-12 300	238 547	419 355	65 716	37 233
Sep	154 425	25 586	180 011	202 789	16 573	39 063	-12 417	246 215	426 226	66 004	48 389
Oct	154 826	25 462	180 288	204 172	16 573	34 599	-12 417	243 193	423 481	66 151	48 685
Nov	141 898	25 597	167 495	216 455	16 557	34 458	-12 417	255 279	422 774	65 837	42 539
Dec	142 717	25 839	168 556	214 876	16 545	30 388	-12 417	249 628	418 184	..	..
1998											
Jan	143 626	26 312	169 938	214 642	16 545	31 081	-12 417	250 047	419 985	..	..

5.5 Markka bond market

A) Issues, mill. FIM

During period	Corporations	Financial institutions	Central government	Local government	Others	Total (1+2+3+4+5)
	1	2	3	4	5	6
1993	11 691	10 481	36 512	2 235	63	60 981
1994	4 053	9 899	31 553	593	-	46 099
1995	643	4 487	66 557	26	-	71 713
1996*	3 213	9 074	62 139	20	-	74 447
1997*	2 633	9 476	57 165	-	-	69 274
1996*						
Dec	63	1 412	3 538	-	-	5 013
1997*						
Jan	-	377	4 608	-	-	4 985
Feb	417	432	4 836	-	-	5 685
Mar	75	1 380	4 660	-	-	6 115
Apr	6	988	4 258	-	-	5 252
May	-	1 071	2 201	-	-	3 272
Jun	451	289	5 472	-	-	6 212
Jul	-	-	3 508	-	-	3 508
Aug	-	425	3 375	-	-	3 800
Sep	1 070	1 454	10 431	-	-	12 955
Oct	1	650	7 424	-	-	8 074
Nov	553	1 446	6 393	-	-	8 392
Dec	60	963	-	-	-	1 023

B) Stock, mill. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placings	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1993	32 459	73 893	73 682	6 884	2 009	119 552	10 391	58 984	188 927
1994	30 179	66 467	94 865	6 981	953	141 935	7 581	49 929	199 445
1995	26 480	55 223	145 177	5 814	357	186 799	5 034	41 218	233 051
1996*	25 245	44 656	179 419	4 362	140	219 863	2 956	31 003	253 822
1997*	23 327	43 881	216 215	3 648	84	261 316	1 345	24 494	287 155
1996*									
Dec	25 245	44 656	179 419	4 362	140	219 863	2 956	31 003	253 822
1997*									
Jan	25 091	43 814	181 980	4 357	140	222 769	2 614	29 999	255 382
Feb	24 727	41 827	185 472	4 302	140	226 058	2 393	28 017	256 468
Mar	25 514	43 257	189 688	4 126	99	231 672	2 118	28 894	262 684
Apr	25 462	44 214	193 517	4 126	99	236 936	2 107	28 375	267 418
May	24 336	43 819	195 466	3 977	93	238 090	1 842	27 759	267 691
Jun	23 872	42 300	188 292	3 943	91	229 911	1 833	26 754	258 498
Jul	23 402	41 461	191 789	3 932	91	232 715	1 829	26 131	260 675
Aug	23 103	41 564	193 780	3 924	91	234 752	1 663	26 047	262 462
Sep	23 844	42 915	204 128	3 918	90	247 500	1 477	25 918	274 895
Oct	23 433	43 068	211 426	3 910	88	254 735	1 366	25 824	281 925
Nov	23 709	44 123	217 794	3 860	86	262 709	1 349	25 514	289 572
Dec	23 327	43 881	216 215	3 648	84	261 316	1 345	24 494	287 155

C) Turnover, mill. FIM

During period	Primary dealers' transactions in benchmark government bonds		
	Purchases from other primary dealers	Purchases from customers	Sales to customers
	1	2	3
1993	42 945	95 647	117 489
1994	173 096	150 908	176 647
1995	133 357	190 069	215 879
1996	201 528	222 584	242 310
1997	258 634	264 994	291 056
1997			
Jan	25 954	23 993	23 081
Feb	12 586	13 762	18 477
Mar	24 965	20 852	24 048
Apr	18 425	17 110	21 183
May	14 193	16 206	21 661
Jun	15 845	20 317	23 502
Jul	17 873	23 428	27 905
Aug	21 752	25 146	25 637
Sep	28 032	34 507	37 825
Oct	40 705	33 503	31 670
Nov	17 106	19 655	19 411
Dec	21 198	16 515	16 656
1998			
Jan	22 397	23 508	25 746

5.6 Helsinki Stock Exchange

Average of daily observations	Share prices										Turnover ¹ , mill. FIM		
	HEX index (28 Dec 1990=1000)										Shares and subscription rights	Bonds and debentures	Total
	All-share index	Banks and finance	Insurance	Trade	Construction	Forest industries	Metal and engineering	Telecommunications and electronics	Chemicals	Conglomerates			
1	2	3	4	5	6	7	8	9	10	11	12	13	
1993	1 240	608	644	-	-	1 695	1 749	-	-	1 751	46 337	59 977	106 314
1994	1 847	719	802	-	-	2 284	2 675	-	-	3 068	68 671	2 147	70 818
1995	1 918	500	638	-	-	2 062	2 255	-	-	4 251	83 019	1 075	84 094
1996	2 032	460	820	-	-	2 040	2 564	-	-	5 681	101 265	541	101 806
1997	3 207	822	1 576	2 255	1 006	2 712	3 408	1 416	900	7 477	186 088	488	186 576
1997													
Jan	2 674	633	1 183	2 047	1 001	2 241	2 984	1 107	834	6 605	16 271	95	16 366
Feb	2 850	714	1 384	2 180	1 021	2 349	3 232	1 151	894	6 862	15 554	43	15 597
Mar	2 907	723	1 365	2 215	1 041	2 521	3 336	1 140	891	7 228	10 786	26	10 811
Apr	2 826	654	1 357	2 200	1 017	2 487	3 276	1 100	877	7 148	12 401	43	12 444
May	3 045	705	1 420	2 272	1 015	2 713	3 481	1 241	922	7 887	12 254	24	12 278
Jun	3 135	679	1 442	2 362	1 031	2 732	3 574	1 334	926	7 927	14 405	28	14 433
Jul	3 432	839	1 590	2 361	1 064	2 919	3 768	1 565	929	7 849	15 708	28	15 736
Aug	3 530	898	1 581	2 301	1 022	3 001	3 692	1 672	913	7 705	15 325	46	15 371
Sep	3 480	883	1 627	2 209	989	3 001	3 543	1 662	885	7 445	15 719	43	15 762
Oct	3 733	1 016	1 921	2 268	994	3 204	3 607	1 833	926	7 689	24 739	33	24 772
Nov	3 448	1 022	1 925	2 279	946	2 737	3 231	1 631	901	7 593	15 163	27	15 190
Dec	3 303	1 080	2 105	2 370	926	2 508	3 065	1 449	900	7 757	17 764	53	17 817
1998													
Jan	3 430	1 136	2 128	2 526	956	2 589	3 045	1 499	933	8 324	15 485	53	15 538

¹ During period.

6. Balance of payments, foreign liabilities and assets

6.1 Current account, mill. FIM

During period	Exports of goods, fob	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, cif	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1992	105 809	8 643	6 089	7 730	22 462	128 272	6 423	5 920	140 614	93 187	4 360	10 962	13 369
1993	132 550	10 430	7 079	9 379	26 888	159 438	6 137	6 506	172 080	101 559	5 646	9 237	17 008
1994	152 022	11 385	7 314	11 808	30 508	182 530	9 617	4 919	197 067	118 684	5 862	8 697	16 800
1995	172 820	11 900	7 536	14 986	34 422	207 242	12 929	8 596	228 767	125 450	6 029	10 450	19 150
1996*	182 436	12 404	7 338	15 315	35 057	217 493	15 375	7 698	240 566	138 106	5 529	10 559	16 921
1995													
I	41 131	2 971	1 499	3 827	8 297	49 428	3 085	1 543	54 056	29 895	1 479	2 326	5 039
II	45 919	2 977	1 891	3 571	8 439	54 358	3 246	1 549	59 153	31 773	1 572	2 639	4 825
III	39 617	2 976	2 243	3 718	8 937	48 554	2 707	2 143	53 404	29 856	1 498	2 707	4 349
IV	46 154	2 976	1 903	3 870	8 749	54 903	3 892	3 360	62 155	33 926	1 481	2 779	4 937
1996*													
I	42 631	2 997	1 677	3 473	8 146	50 777	4 242	1 446	56 466	33 495	1 382	2 615	4 299
II	48 126	3 128	1 873	3 729	8 730	56 856	4 511	2 076	63 443	34 519	1 367	2 678	4 088
III	41 925	3 252	2 065	4 158	9 474	51 399	3 110	1 339	55 848	31 989	1 402	2 571	3 994
IV	49 754	3 027	1 724	3 955	8 706	58 460	3 512	2 837	64 809	38 102	1 377	2 696	4 540
1997*													
I	46 194	3 183	1 589	3 358	8 130	54 323	3 494	2 127	59 945	35 755	1 500	2 471	4 214
II	52 561	3 324	2 047	4 043	9 414	61 975	5 125	2 482	69 582	39 305	1 482	2 744	4 281
III	52 240	3 456	2 296	3 950	9 702	61 942	4 872	1 876	68 690	38 167	1 521	2 645	3 861

During period	Services expenditure, total (11+12 +13)	Imports of goods and services (10+14)	Investment expenditure	Transfers and other expenditure	Current account expenditure (15+16 +17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account (20+21 +22)	Goods and services account (19+23)	Investment income, net (7-16)	Transfers and others, net (8-17)	Current account (24+25 +26) (9-18)
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1992	28 690	121 878	30 424	10 347	162 649	12 622	4 283	-4 873	-5 639	-6 228	6 394	-24 001	-4 428	-22 035
1993	31 891	133 450	34 580	10 390	178 421	30 991	4 784	-2 159	-7 629	-5 004	25 988	-28 443	-3 885	-6 340
1994	31 359	150 043	31 801	8 596	190 440	33 339	5 523	-1 382	-4 992	-851	32 487	-22 184	-3 676	6 627
1995	35 629	161 080	32 529	12 627	206 237	47 370	5 870	-2 914	-4 164	-1 207	46 162	-19 600	-4 032	22 531
1996*	33 009	171 115	32 900	14 520	218 535	44 330	6 875	-3 221	-1 606	2 048	46 378	-17 525	-6 821	22 031
1995														
I	8 844	38 739	9 295	2 825	50 858	11 235	1 492	-827	-1 212	-546	10 689	-6 209	-1 282	3 198
II	9 036	40 809	10 067	3 191	54 067	14 145	1 406	-748	-1 254	-597	13 549	-6 822	-1 641	5 086
III	8 554	38 410	6 630	3 205	48 244	9 761	1 478	-464	-631	383	10 144	-3 923	-1 061	5 160
IV	9 196	43 122	6 538	3 407	53 067	12 228	1 494	-875	-1 066	-447	11 781	-2 646	-47	9 087
1996*														
I	8 296	41 792	8 529	4 010	54 331	9 136	1 614	-938	-827	-151	8 985	-4 287	-2 563	2 135
II	8 133	42 652	10 773	3 862	57 287	13 607	1 761	-805	-358	598	14 204	-6 262	-1 786	6 157
III	7 966	39 956	6 556	3 055	49 567	9 936	1 850	-506	164	1 508	11 444	-3 447	-1 716	6 280
IV	8 613	46 715	7 042	3 593	57 350	11 652	1 650	-972	-585	93	11 745	-3 530	-756	7 459
1997*														
I	8 185	43 940	8 409	4 381	56 731	10 439	1 683	-883	-855	-55	10 383	-4 915	-2 254	3 214
II	8 507	47 812	10 431	3 373	61 617	13 256	1 842	-697	-238	907	14 163	-5 306	-891	7 965
III	8 027	46 194	7 221	3 693	57 108	14 073	1 935	-349	89	1 675	15 748	-2 349	-1 817	11 581

6.2 Capital and financial account, mill. FIM

During period	Capital account, imports of capital	Financial account											Total (2+8+12)
		Direct investment in Finland	Portfolio investment in Finland						Other investment in Finland				
			Shares	Bonds	Of which: markka denominated bonds	Money market instruments	Financial derivatives	Total (3+4+6+7)	Trade credits	Loans	Other capital	Total (9+10+11)	
1	2	3	4	5	6	7	8	9	10	11	12	13	
1992	0	1 822	397	39 309	-5 312	-1 791	..	37 915	3 639	2	-15 725	-12 084	27 653
1993	0	4 945	12 748	30 353	3 616	-4 382	..	38 719	4 467	5 457	-29 801	-19 877	23 787
1994	0	8 240	13 400	21 977	-5 783	-2 134	59	33 302	3 107	647	-1 392	2 361	43 903
1995	487	4 642	8 734	-17 868	-3 634	1 421	2 588	-5 125	-1 216	-6 985	8 376	176	-307
1996*	596	5 093	8 937	-4 624	6 250	1 016	1 501	6 830	-3 383	12 737	-1 347	8 006	19 929
1995													
I	0	2 625	392	150	-1 423	-1 889	146	-1 200	-2 601	-333	8 549	5 615	7 040
II	0	-1 243	3 482	-9 335	-3 501	-974	523	-6 303	865	-3 206	-2 136	-4 477	-12 023
III	0	151	2 940	-2 503	932	1 618	1 079	3 134	-1 089	-3 192	-744	-5 025	-1 740
IV	487	3 109	1 920	-6 181	358	2 666	839	-756	1 609	-254	2 707	4 063	6 416
1996*													
I	0	1 759	1 216	2 635	1 155	502	1 119	5 472	-3 416	4 632	-552	665	7 895
II	0	486	6 143	-5 184	2 516	363	754	2 076	-735	4 717	-3 119	863	3 425
III	0	2 522	374	-4 841	277	-254	-180	-4 902	-42	2 516	4 371	6 844	4 463
IV	596	326	1 204	2 766	2 303	406	-192	4 185	809	872	-2 048	-366	4 145
1997*													
I	0	2 336	5 121	4 146	972	1 919	-94	11 091	-822	6 608	16 033	21 819	35 246
II	0	2 638	7 579	5 234	9 562	-1 551	28	11 291	-1 731	3 193	-7 089	-5 627	8 302
III	0	567	3 460	328	7 497	-1 437	438	2 788	851	5 026	5 264	11 142	14 497

During period	Capital account, exports of capital	Financial account											Errors and omissions		
		Direct investment abroad	Portfolio investment abroad						Other investment abroad					Total (15+20+24)	Change in central bank's reserve assets (increase -)
			Shares	Bonds	Money market instruments	Financial derivatives	Total (16+17+18+19)	Trade credits	Loans	Other capital	Total (21+22+23)				
14	15	16	17	18	19	20	21	22	23	24	25	26	27		
1992	0	-3 372	46	321	2 748	..	3 115	3 634	3 409	7 720	14 763	14 506	9 180	-293	
1993	0	8 050	873	767	1 932	..	3 571	1 923	-839	9 576	10 660	22 282	-1 219	6 055	
1994	0	22 447	434	-4 294	-855	-279	-4 994	1 213	-7 460	9 762	3 516	20 968	-25 504	-4 058	
1995	206	6 539	892	3 685	-5 492	-168	-1 084	3 839	-2 712	11 750	12 877	18 332	1 480	-5 652	
1996*	340	16 516	3 250	15 455	364	-172	18 897	982	4 523	15 927	21 431	56 845	14 075	554	
1995															
I	0	2 012	-128	1 757	-2 249	-48	-668	660	-1 234	9 695	9 121	10 465	-1 691	1 918	
II	104	1 290	375	104	-2 798	31	-2 288	2 379	-150	-7 809	-5 580	-6 577	1 288	-824	
III	0	827	461	28	521	-37	973	-132	1 044	3 431	4 343	6 143	1 592	1 131	
IV	102	2 410	184	1 797	-967	-115	899	933	-2 373	6 433	4 993	8 302	291	-7 878	
1996*															
I	61	5 508	567	4 019	2 424	-26	6 983	-670	2 416	6 458	8 205	20 696	7 254	3 473	
II	0	6 798	1 041	3 041	162	71	4 315	779	-2 064	4 834	3 549	14 662	8 457	-3 377	
III	0	3 793	728	4 179	-2 457	-51	2 399	-792	1 565	1 927	2 700	8 892	-1 132	-721	
IV	279	417	914	4 216	235	-166	5 200	1 665	2 606	2 708	6 979	12 595	-505	1 179	
1997*															
I	0	2 363	847	4 504	4 250	-30	9 571	918	3 245	-3 259	904	12 838	-22 134	-3 489	
II	0	6 076	1 979	4 847	-2 650	230	4 406	189	1 127	7 425	8 741	19 223	3 031	-74	
III	0	3 557	1 287	611	-3 004	52	-1 054	886	13 980	5 450	20 316	22 819	-2 968	-291	

6.3 Finland's international investment position, mill. FIM

Position at end of period	Liabilities												Total liabilities (1+7+12)
	Direct investment in Finland	Portfolio investment					Other investment						
		Shares	Bonds	Of which: markka denominated bonds	Money market instruments	Financial derivatives	Total (2+3+5+6)	Trade credits	Loans	Currency and deposits	Other	Total (8+9+10+11)	
1	2	3	4	5	6	7	8	9	10	11	12	13	
1992	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 881	78 804	182 320	437 557
1993	24 391	30 375	266 269	27 402	14 995	-6 103	305 536	18 206	90 825	4 025	54 188	167 243	497 170
1994	31 846	60 558	258 823	22 285	10 309	-5 179	324 511	19 852	82 649	3 430	46 566	152 498	508 855
1995	36 894	63 746	228 676	19 638	10 099	1 545	304 066	18 540	69 249	2 568	53 557	143 914	484 874
1996*	40 854	108 932	229 919	26 284	10 888	3 634	353 373	14 863	83 295	1 733	53 745	153 636	547 863
1995													
I	34 509	53 488	254 534	21 434	7 065	-5 996	309 092	17 218	79 143	3 369	53 433	153 163	496 764
II	33 386	79 430	243 399	18 054	5 577	-6 768	321 638	18 049	75 411	2 580	51 169	147 208	502 233
III	33 665	93 020	233 054	20 230	7 262	-520	332 815	16 930	68 882	2 364	50 032	138 208	504 688
IV	36 894	63 746	228 676	19 638	10 099	1 545	304 066	18 540	69 249	2 568	53 557	143 914	484 874
1996*													
I	38 422	68 674	241 085	20 699	11 192	2 424	323 375	14 873	77 934	1 518	55 412	149 737	511 533
II	38 616	80 962	234 317	23 855	11 126	3 099	329 504	14 214	81 836	1 939	51 588	149 577	517 697
III	40 808	91 198	225 308	23 656	11 286	2 948	330 740	13 940	82 365	1 742	55 621	153 668	525 216
IV	40 854	108 932	229 919	26 284	10 888	3 634	353 373	14 863	83 295	1 733	53 745	153 636	547 863
1997*													
I	43 185	129 824	240 686	27 607	12 751	2 789	386 050	13 794	90 724	2 624	70 541	177 683	606 918
II	45 859	162 713	254 126	37 564	11 501	1 003	429 343	12 092	97 074	2 870	64 439	176 475	651 678
III	46 423	201 959	255 444	45 286	9 196	2 637	469 236	12 962	102 165	2 737	69 819	187 683	703 342

Position at end of period	Assets											Total assets (14+19+24)
	Direct investment abroad	Portfolio investment					Other investment					
		Shares	Bonds	Money market instruments	Financial derivatives	Total (15+16+17+18)	Trade credits	Loans	Currency and deposits	Other	Total (20+21+22+23)	
14	15	16	17	18	19	20	21	22	23	24	25	
1992	44 921	469	8 697	7 917	..	17 083	21 389	35 251	12 665	78 257	147 562	209 565
1993	53 090	1 783	10 709	11 030	447	23 968	26 256	35 981	5 799	91 127	159 162	236 221
1994	59 451	1 984	5 109	9 115	488	16 696	25 500	24 847	8 257	109 847	168 451	244 598
1995	65 350	3 216	9 619	2 736	177	15 748	28 358	20 381	7 290	115 543	171 571	252 669
1996*	82 038	7 124	25 077	3 478	-21	35 657	29 929	25 438	5 895	124 523	185 785	303 480
1995												
I	60 074	1 751	6 557	5 835	157	14 300	25 254	22 668	6 352	118 897	173 172	247 546
II	60 607	2 158	6 930	2 977	115	12 180	27 440	22 142	5 915	108 686	164 183	236 971
III	60 880	2 661	6 870	3 503	200	13 233	27 092	22 978	6 397	108 057	164 524	238 637
IV	65 350	3 216	9 619	2 736	177	15 748	28 358	20 381	7 290	115 543	171 571	252 669
1996*												
I	73 551	3 984	14 063	5 670	169	23 886	27 980	23 594	5 435	121 308	178 317	275 754
II	79 164	4 999	16 834	5 842	93	27 768	28 892	21 499	5 523	118 075	173 989	280 922
III	81 377	5 835	20 620	3 176	48	29 679	27 902	22 873	6 488	119 331	176 594	287 650
IV	82 038	7 124	25 077	3 478	-21	35 657	29 929	25 438	5 895	124 523	185 785	303 480
1997*												
I	85 335	8 543	30 418	7 556	128	46 645	26 384	29 411	6 060	147 402	209 257	341 237
II	93 336	11 548	36 412	5 173	522	53 655	26 969	31 180	7 010	155 538	220 696	367 687
III	98 182	13 269	37 226	2 303	725	53 522	28 010	45 410	5 473	166 399	245 292	396 997

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

Position at end of period	Corporate sector	Households and nonprofit institutions	Banks	Bank of Finland	Other financial institutions	Central government	Local government	Net (1+2+3+4+5+6+7)	Net interest and dividend expenditure	Net interest and dividend expenditure in relation to current account receipts, %
	1	2	3	4	5	6	7	8	9	10
1992	33 761	-3 260	82 343	-27 546	28 283	112 064	2 347	227 992	19 011	13.5
1993	54 315	-3 436	45 658	-33 279	29 737	164 892	3 062	260 949	21 897	12.7
1994	82 428	-3 503	33 800	-52 606	21 931	179 113	3 093	264 257	20 296	10.3
1995	72 374	-2 293	18 970	-47 708	13 297	174 481	3 085	232 205	17 490	7.6
1996*	107 522	-1 132	-14 420	-35 522	1 785	183 703	2 448	244 382	16 477	6.8
1995										
I	74 072	-3 359	23 396	-53 298	19 524	185 724	3 159	249 218	5 681	10.5
II	95 145	-3 495	27 092	-50 742	18 024	175 932	3 305	265 261	6 295	10.6
III	103 812	-3 599	20 558	-47 488	17 173	172 368	3 227	266 051	3 396	6.4
IV	72 374	-2 293	18 970	-47 708	13 297	174 481	3 085	232 205	2 118	3.4
1996*										
I	75 429	-2 502	4 613	-42 679	9 630	188 118	3 169	235 779	4 025	7.1
II	83 595	-2 595	-4 569	-33 647	5 689	185 184	3 118	236 776	6 000	9.5
III	92 415	-1 104	-6 027	-34 482	1 893	182 336	2 535	237 566	3 185	5.7
IV	107 522	-1 132	-14 420	-35 522	1 785	183 703	2 448	244 382	3 268	5.0
1997*										
I	130 496	-1 241	4 389	-59 120	-242	189 002	2 396	265 681	4 810	8.0
II	159 260	-1 283	-12 481	-58 737	-4 144	198 979	2 396	283 991	5 201	7.5
III	192 102	-1 480	-19 818	-61 333	-5 573	199 993	2 456	306 346	2 244	3.3

7. Foreign trade

7.1 Exports, imports and the trade balance, mill. FIM

During period	Exports, fob	Imports, cif	Balance (1-2)
	1	2	3
1992	107 463	94 947	12 516
1993	134 114	103 165	30 949
1994	154 164	120 612	33 552
1995	176 021	128 556	47 465
1996*	185 798	140 996	44 802
1996*			
Nov	18 977	12 646	6 331
Dec	14 744	12 968	1 776
1997*			
Jan	15 378	11 471	3 907
Feb	15 025	11 986	3 039
Mar	16 664	13 128	3 536
Apr	18 796	14 276	4 520
May	17 382	12 679	4 703
Jun	17 295	13 244	4 051
Jul	18 164	12 235	5 929
Aug	16 296	12 157	4 139
Sep	18 959	14 634	4 325
Oct	20 415	15 073	5 342
Nov	18 785	13 603	5 182

7.2 Foreign trade: indices of volume, prices and terms of trade, 1990=100

Period	Volume (seasonally adjusted)		Prices		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	
1992	102.7	84.7	103.1	108.6	95.0
1993	120.6	83.6	109.7	119.6	91.7
1994	136.5	98.0	111.4	119.3	93.3
1995	145.7	104.6	119.2	119.2	100.0
1996*	152.7	112.9	120.2	121.1	99.3
1996*					
Nov	180.2	117.4	117.8	120.8	97.5
Dec	150.7	120.6	116.7	120.8	96.6
1997*					
Jan	163.2	118.3	116.6	121.6	95.9
Feb	160.5	119.5	115.9	121.3	95.5
Mar	169.1	121.5	115.5	121.1	95.4
Apr	186.7	131.4	116.2	120.8	96.2
May	174.5	119.5	116.2	122.3	95.0
Jun	175.4	128.3	116.3	121.9	95.4
Jul	190.0	125.8	117.2	123.6	94.8
Aug	175.0	121.4	118.5	123.5	96.0
Sep	186.4	136.6	118.7	123.3	96.3
Oct	188.3	131.5	120.7	123.8	97.5
Nov	176.0	124.5	120.1	123.2	97.5

7.3 Foreign trade by main groups, mill. FIM

During period	Exports by industries, fob					Imports by use of goods, cif				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
	1	2	3	4	5	6	7	8	9	10
1992	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514
1993	10 910	37 430	14 205	48 158	23 411	54 792	10 904	15 396	21 066	1 007
1994	14 198	41 249	15 725	55 895	27 097	66 156	11 687	17 227	24 684	858
1995	13 451	48 754	15 877	69 336	28 603	71 397	9 685	19 660	25 514	2 300
1996*	12 256	43 385	18 005	74 884	37 268	70 783	12 570	21 058	29 886	6 699
1996*										
Nov	1 278	3 764	1 710	9 336	2 889	6 383	1 398	2 012	2 650	203
Dec	977	3 445	1 403	6 599	2 320	6 063	1 413	2 325	2 564	603
1997*										
Jan	1 118	3 808	1 557	6 197	2 698	5 706	1 306	1 720	2 579	160
Feb	1 133	3 610	1 716	5 950	2 616	6 233	1 044	1 657	2 836	216
Mar	1 258	3 851	1 552	7 313	2 690	6 967	805	1 993	2 995	368
Apr	1 352	4 220	1 917	8 263	3 044	7 620	941	2 070	3 112	533
May	1 439	4 159	1 786	6 962	3 036	6 939	1 067	1 766	2 688	219
Jun	1 294	3 695	1 692	7 746	2 868	7 346	1 051	1 932	2 631	284
Jul	1 194	4 299	1 656	8 560	2 455	6 381	1 151	1 713	2 801	189
Aug	933	4 281	1 736	6 643	2 703	6 863	767	1 685	2 640	202
Sep	1 451	4 407	1 690	8 254	3 157	7 607	1 059	2 234	3 161	573
Oct	1 656	4 842	1 997	8 684	3 236	7 767	1 344	2 388	3 371	203
Nov	1 342	4 231	1 836	8 543	2 833	7 314	1 077	2 168	2 841	203

7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1996*		Nov 1996 – Oct 1997		1996*		Nov 1996 – Oct 1997	
	Mill. FIM	Percentage share	Mill. FIM	12-month change calculated from 12-month moving total	Mill. FIM	Percentage share	Mill. FIM	12-month change calculated from 12-month moving total
	1	2	3	4	5	6	7	8
European Union ¹	101 490	54.5	109 608	7.7	85 511	60.3	91 653	9.1
Austria	1 614	0.9	1 904	22.1	1 560	1.1	1 627	3.0
Belgium and Luxembourg	4 692	2.5	4 764	0.5	4 146	2.9	4 102	2.2
Denmark	5 652	3.0	6 385	12.5	4 964	3.5	5 264	11.7
France	7 863	4.2	8 553	9.3	6 366	4.5	7 563	26.0
Germany	22 516	12.1	22 652	-1.1	21 344	15.1	22 755	9.7
Greece	963	0.5	1 117	14.4	367	0.3	387	5.0
Ireland	1 096	0.6	1 503	43.0	1 157	0.8	1 214	2.6
Italy	4 772	2.6	6 032	25.3	5 762	4.1	6 230	10.6
Netherlands	7 377	4.0	8 480	15.4	5 074	3.6	5 947	18.1
Portugal	914	0.5	1 159	35.2	1 035	0.7	1 171	9.5
Spain	3 979	2.1	4 441	11.1	1 963	1.4	2 117	10.0
Sweden	19 937	10.7	20 544	3.3	16 911	11.9	18 701	12.6
United Kingdom	19 010	10.2	20 849	10.4	12 540	8.8	12 198	-3.9
Rest of Europe	33 415	17.9	40 302	24.7	23 702	16.7	27 745	24.1
Of which:								
Estonia	5 097	2.7	6 324	28.1	1 672	1.2	2 095	28.3
Norway	5 322	2.9	6 169	18.3	5 783	4.1	6 337	18.8
Poland	2 713	1.5	3 563	39.9	1 305	0.9	1 799	48.1
Russia	11 373	6.1	14 319	31.7	10 280	7.3	12 426	29.7
Switzerland	2 099	1.1	2 057	-3.4	2 434	1.7	2 576	6.2
Non-European industrialized countries ²	23 030	12.4	24 990	17.4	19 826	14.0	21 608	5.9
Of which:								
Australia	2 045	1.1	2 654	33.1	1 239	0.9	1 047	-9.0
Japan	4 844	2.6	4 208	-15.1	7 311	5.2	8 315	10.9
U.S.A.	14 761	7.9	15 810	22.2	10 380	7.3	11 201	3.3
Dynamic Asian economies ³	13 833	7.4	15 793	17.9	6 514	4.6	7 002	7.8
Of which:								
China	2 707	1.5	3 582	42.1	2 088	1.5	2 716	32.8
Hong Kong	3 037	1.6	3 430	20.6	693	0.5	612	-11.2
South Korea	2 723	1.5	2 477	-10.1	792	0.6	690	-16.5
Other countries	14 568	7.8	17 227	13.7	6 166	4.4	8 507	48.1
TOTAL	186 336	100.0	207 921	13.0	141 720	100.0	156 514	12.6
Of which:								
Africa	2 554	1.4	2 958	12.7	937	0.7	1 284	54.1
Asia	27 484	14.7	30 114	10.8	16 139	11.4	18 357	14.6
Central and South America	3 075	1.7	3 515	-24.2	2 750	1.9	3 388	49.5
North America	15 825	8.5	17 751	26.7	11 222	7.9	12 173	4.0
Europe	134 906	72.4	149 910	11.8	109 214	77.1	119 398	12.3
Oceania	2 491	1.3	3 051	25.0	1 457	1.0	1 296	-6.2

¹ Including exports / imports to EU unspecified by country.

² Australia, Canada, Japan, New Zealand, United States.

³ China, Hong Kong, Malaysia, Singapore, South Korea, Taiwan, Thailand.

8. Domestic economic developments

8.1 Supply and use of resources, mill. FIM, 1990 prices (seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4					
1992	247 363	108 799	75 338	16 899	4 534	452 933	122 059	112 989	462 003
1993	240 177	103 028	60 638	13 890	10 221	427 954	142 459	113 842	456 571
1994	244 761	102 728	60 543	14 107	22 236	444 375	161 376	128 411	477 340
1995	255 968	104 645	69 718	13 338	20 568	464 237	174 580	137 327	501 490
1996*	265 673	108 272	75 262	14 742	17 399	481 348	181 447	143 300	519 495
1995*									
I	63 337	25 582	17 455	3 451	4 843	114 668	44 212	33 793	125 087
II	64 142	26 203	17 195	3 299	4 159	114 998	44 501	34 113	125 386
III	63 962	26 276	17 985	3 222	6 250	117 695	42 343	34 586	125 452
IV	64 527	26 584	17 083	3 366	5 316	116 876	43 524	34 835	125 565
1996*									
I	66 070	26 634	18 097	3 559	6 265	120 625	43 156	36 220	127 561
II	65 805	27 081	18 271	3 659	3 082	117 898	45 073	34 989	127 982
III	66 405	27 169	19 327	3 769	4 316	120 986	45 301	35 292	130 995
IV	67 393	27 388	19 567	3 755	3 736	121 839	47 917	36 799	132 957
1997*									
I	67 179	26 675	18 992	3 754	4 739	121 339	48 085	37 352	132 072
II	67 641	27 084	20 515	4 049	6 247	125 536	50 294	39 129	136 701
III	68 292	27 162	21 420	3 934	5 025	125 833	52 763	39 841	138 755

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

Period	Total industry	Mining and quarrying	Manu- facturing	Wood and paper industries	Metal and engineering industries	Other manu- facturing	Energy and water supply
	(100.0)	(1.3)	(89.6)	(16.8)	(31.3)	(41.5)	(9.1)
	1	2	3	4	5	6	7
1992	92.4	88.4	91.4	94.6	91.1	90.2	103.0
1993	97.4	86.1	96.4	104.5	99.7	90.8	107.9
1994	108.5	96.2	108.1	117.0	119.5	95.8	114.3
1995	117.0	93.9	117.8	117.4	145.7	96.9	112.4
1996*	121.4	87.2	121.7	114.6	155.1	99.3	123.3
1996*							
Nov	125.1	85.1	125.8	122.8	160.9	99.7	120.2
Dec	127.6	79.3	128.2	120.2	163.3	101.7	125.4
1997*							
Jan	126.1	86.2	126.4	125.9	162.2	101.5	130.5
Feb	125.9	90.0	126.8	125.2	162.9	102.1	125.3
Mar	129.0	96.0	129.9	127.4	166.2	102.4	123.8
Apr	128.5	94.6	129.5	128.0	167.5	101.6	124.3
May	128.5	81.7	130.0	130.9	167.8	101.6	121.0
Jun	130.6	123.9	132.0	130.4	170.7	102.3	117.0
Jul	132.0	125.9	133.3	130.8	173.0	103.9	120.4
Aug	130.7	120.1	132.4	135.4	174.0	101.9	121.5
Sep	130.8	103.2	132.5	133.7	176.1	99.7	117.1
Oct	133.6	96.3	135.2	134.3	179.1	102.3	121.1
Nov	137.4	97.2	138.8	137.4	182.4	104.4	124.0

8.3 Indicators of domestic supply and demand, 1990=100 (seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:		Imports of investment goods	Monthly GDP indicator
				Residential buildings	Industrial buildings		
	1	2	3	4	5	6	7
1992	72.7	83.0	59.9	57.3	44.8	78.1	91.1
1993	68.5	78.1	46.9	47.2	35.6	72.9	89.9
1994	73.0	79.7	42.2	45.1	35.2	84.4	93.7
1995	76.2	82.6	42.0	41.1	49.9	88.5	97.7
1996*	77.8	86.0	43.9	38.5	55.6	102.8	100.6
1996*							
Nov	87.9	77.4	46.0	41.3	51.9	108.5	102.9
Dec	87.4	78.9	47.6	45.7	53.6	111.7	103.9
1997*							
Jan	88.5	80.3	48.6	49.6	58.3	109.9	104.0
Feb	87.0	78.6	49.5	51.9	59.6	114.3	103.5
Mar	85.9	77.1	49.9	53.2	60.7	112.5	104.3
Apr	89.4	84.9	52.0	54.8	61.7	120.2	106.2
May	88.4	79.9	52.2	53.0	63.2	112.2	105.2
Jun	89.3	83.5	53.2	53.2	61.7	116.4	106.4
Jul	91.3	86.2	54.8	52.8	63.2	119.7	107.6
Aug	89.2	78.8	56.4	53.3	64.3	108.6	107.0
Sep	91.9	88.0	58.1	55.1	64.2	125.3	108.1
Oct	94.1	88.4	58.7	56.4	64.3	128.9	108.7
Nov	85.6	80.5	58.2	57.6	64.0	..	109.2

8.4 Wages and prices, 1990=100

Period	Index of wage and salary earnings	By sectors			Consumer price index	Indicator of underlying inflation	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private	Of which: Manufacturing (SIC 3)	Public				Domes- tic goods	Import- ed goods		Export- ed goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1992	108.4	108.1	108.3	109.0	107.4	107.1	101.4	99.5	108.5	101.6	102.7	101.1	100.4
1993	109.2	108.8	110.0	110.1	109.7	109.9	104.8	100.8	119.3	105.5	109.2	103.9	100.7
1994	111.4	111.6	115.0	111.1	110.9	111.4	106.2	102.8	118.7	107.1	110.2	105.8	102.2
1995	116.6	117.4	123.1	114.7	112.0	111.3	106.9	103.8	118.5	110.8	118.0	107.7	103.5
1996 ¹	121.1	121.8	127.5	119.2	112.6	111.4	105.9	102.0	120.1	110.9	118.5	107.6	102.7
1996 Dec	..	..	..	..	112.7	111.5	106.3	102.7	119.3	110.1	115.5	107.8	103.4
1996 ¹ III	120.7	121.4	127.0	118.9	112.7	111.3	105.6	101.5	120.7	109.9	116.7	107.0	103.0
IV	123.2	123.9	130.3	121.4	112.8	111.6	106.2	102.5	119.8	110.1	115.9	107.6	103.3
1997 Jan	..	..	..	..	112.6	111.1	106.5	102.6	120.1	110.1	115.3	107.7	103.7
Feb	..	..	..	..	112.8	111.3	106.7	103.2	119.8	110.2	115.0	108.1	103.7
Mar	..	..	..	..	113.2	111.7	106.7	103.2	119.6	110.2	114.5	108.3	104.1
Apr	..	..	..	..	113.8	112.0	106.6	103.2	119.3	110.4	115.2	108.4	104.4
May	..	..	..	..	114.0	112.3	107.3	103.6	120.8	110.7	115.2	108.7	104.8
Jun	..	..	..	..	114.2	112.5	107.4	103.9	120.5	111.0	115.4	109.1	105.2
Jul	..	..	..	..	114.2	112.3	107.9	104.1	122.1	111.4	116.3	109.3	105.5
Aug	..	..	..	..	114.4	112.5	108.2	104.5	122.0	112.2	117.6	109.9	106.0
Sep	..	..	..	..	114.6	112.8	108.4	104.8	121.8	112.3	117.8	110.0	106.1
Oct	..	..	..	..	114.9	113.1	108.7	105.0	122.3	113.0	119.8	110.0	106.3
Nov	..	..	..	..	114.8	112.9	108.5	104.9	121.7	112.8	119.2	110.0	106.2
Dec	..	..	..	..	114.8	..	108.2	104.8	121.0	112.8	119.9	109.7	106.3
1997 ¹ I	123.5	124.3	130.8	121.7	112.9	111.4	106.6	103.0	119.8	110.2	114.9	108.0	103.8
II	123.5	124.3	130.7	121.8	114.0	112.2	107.1	103.6	120.2	110.7	115.3	108.7	104.8
III	123.6	124.3	130.6	122.1	114.4	112.5	108.2	104.5	122.0	112.0	117.2	109.7	105.9

¹ Preliminary figures for columns 1-4.

8.5 Labour, employment and unemployment *(seasonally adjusted figures)*

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8)	By industrial status			By industry			Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agriculture, forestry and fishing	Mining, manufacturing and energy supply	Other industries			
									1000 persons		
%											%
	1	2	3	4	5	6	7	8	9	10	
1993	65.3	2 484	2 041	312	1 729	173	424	1 444	444	17.9	
1994	64.8	2 480	2 024	312	1 712	167	426	1 430	456	18.4	
1995	65.1	2 497	2 068	304	1 764	158	456	1 454	430	17.2	
1996*	65.0	2 503	2 096	302	1 794	148	459	1 489	408	16.3	
1997*	65.7	2 537	2 170	325	1 845	153	463	1 554	367	14.5	
1996*											
Dec	65.5	2 522	2 134	324	1 810	155	448	1 530	388	15.3	
1997*											
Jan	65.4	2 523	2 133	314	1 819	153	461	1 519	391	15.4	
Feb	65.8	2 542	2 153	327	1 826	160	469	1 524	389	15.3	
Mar	65.9	2 542	2 154	320	1 835	150	457	1 548	388	15.3	
Apr	65.7	2 546	2 158	327	1 831	160	460	1 537	388	15.4	
May	66.4	2 551	2 170	323	1 847	153	462	1 555	381	15.1	
Jun	66.1	2 549	2 178	331	1 848	157	455	1 566	371	14.6	
Jul	65.0	2 524	2 168	327	1 841	155	462	1 551	357	13.9	
Aug	65.5	2 535	2 178	329	1 849	149	476	1 553	357	14.1	
Sep	65.6	2 535	2 177	319	1 858	144	461	1 572	358	14.1	
Oct	65.3	2 522	2 174	326	1 848	155	456	1 562	348	13.7	
Nov	65.7	2 531	2 190	331	1 859	147	441	1 602	341	13.4	
Dec	65.8	2 546	2 209	329	1 881	151	471	1 588	337	13.2	

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

mill FIM, cash flow basis

During period	Revenue						Expenditure				
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1992	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
1993	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
1994	34 588	68 124	1 792	24 095	128 599	7 308	135 900	48 750	108 155	40 388	65 519
1995	40 092	66 902	1 720	35 837	144 550	7 923	152 473	51 446	113 644	39 481	67 514
1996	48 357	73 943	1 947	39 778	164 024	9 893	173 918	53 696	110 039	33 199	69 533
1996											
Nov	4 260	6 049	91	3 216	13 616	1 113	14 729	4 068	7 922	2 301	5 158
Dec	6 515	5 228	69	4 324	16 136	-1 050	15 087	6 133	11 691	2 698	8 599
1997											
Jan	3 070	6 448	121	3 151	12 790	48	12 839	3 875	11 713	3 518	6 429
Feb	3 984	5 292	63	3 363	12 702	37	12 739	3 649	8 393	3 467	4 437
Mar	6 173	8 768	353	2 692	17 986	213	18 199	4 753	8 779	3 719	4 702
Apr	3 808	5 040	219	3 072	12 139	3 262	15 401	4 102	10 571	4 062	5 786
May	5 929	6 399	179	4 036	16 543	1 030	17 573	4 199	8 482	3 687	4 223
Jun	3 928	6 110	260	2 619	12 917	551	13 468	5 440	9 483	3 447	5 304
Jul	4 133	6 519	273	1 522	12 447	1 270	13 717	4 888	1 531	-2 955	3 794
Aug	4 034	6 841	181	1 590	12 646	339	12 985	3 975	6 801	1 363	4 855
Sep	3 869	6 859	178	3 857	14 763	251	15 014	4 611	7 596	2 413	4 575
Oct	3 744	6 392	1 407	1 839	13 382	506	13 888	4 037	9 934	2 409	6 971
Nov	5 733	6 835	201	5 057	17 826	878	18 704	4 616	7 271	2 501	4 507

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (18+19)
1992	5 042	8 499	168 016	35 501	203 516	-41 400	-71 847	70 691	-1 155
1993	4 306	18 076	177 870	19 753	197 623	-48 646	-61 030	84 036	23 009
1994	3 737	22 281	182 923	17 886	200 760	-54 324	-64 860	73 193	8 336
1995	3 208	26 336	194 635	16 765	211 399	-50 085	-58 926	54 071	-4 854
1996	3 325	29 911	196 972	13 756	210 747	-32 947	-36 828	33 845	-2 983
1996									
Nov	260	963	13 213	479	13 693	403	1 036	-191	846
Dec	560	1 637	20 021	3 388	23 426	-3 885	-8 339	3 375	-4 965
1997									
Jan	131	5 180	20 899	538	21 437	-8 109	-8 598	9 507	909
Feb	221	663	12 926	421	13 347	-224	-608	7 344	6 736
Mar	164	4 660	18 356	425	18 780	-370	-581	1 203	622
Apr	193	3 094	17 960	4 670	22 630	-5 821	-7 229	-2 609	-9 837
May	377	752	13 810	739	14 549	2 733	3 024	3 167	6 191
Jun	203	2 121	17 247	708	17 954	-4 330	-4 486	-3 959	-8 445
Jul	328	1 750	8 497	921	9 417	3 950	4 300	209	4 509
Aug	253	286	11 315	494	11 809	1 331	1 176	-987	189
Sep	326	2 860	15 393	641	16 034	-630	-1 020	8 777	7 757
Oct	297	1 957	16 225	682	16 906	-2 843	-3 018	-3 021	-6 039
Nov	234	734	12 855	589	13 444	4 971	5 260	-3 608	1 651

Notes and explanations to the statistical section

General

Source

Unless otherwise stated, the source or compiler of figures is the Bank of Finland.

Symbols used

*	Preliminary
r	Revised
0	Less than half the final digit shown
.	Logically impossible
..	Data not available
-	Nil
S	Affected by strike
-	Break in series

Owing to rounding of figures, the sum of the individual items in the tables may differ from the total shown.

Notes and explanations to tables

1 The balance sheet of the Bank of Finland

Table 1.2 Domestic financial sector. Term claims on deposit banks, net (Column 12) = bank certificates of deposit held by the Bank of Finland + securities with repurchase commitments + term credits - term deposits. Other claims on financial institutions, net (Column 14) = till-money credits to deposit banks (until May 1993) + bonds + other claims on financial institutions + liquidity credits - call money deposits (until September 1995) - other liabilities to financial institutions.

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

Table 2.1 From 2 October 1995, banks fulfil their minimum reserve requirement as a monthly average of deposits. From October 1995, the requirement and deposits are shown for the month during which the requirement is to be fulfilled. Before deposits were shown for the previous month, because deposits were matched with the requirement on the last banking day of that month. The requirement is determined on the basis of the reserve base two months earlier (up to September 1995 one month earlier). The reserve base was changed on 31 March 1995 to comply with the new balance sheet format. Liquidity credits (Column 7): see explanations, Table 3.2.

Table 2.2 Money market instruments are the instruments used by the Bank of Finland in its money market operations. Matured money market instruments, net, comprise both instruments purchased and sold. Money market transactions are recorded according to trade dates.

Table 2.3 Foreign exchange transactions are recorded according to trade dates. In addition to spot transactions (Columns 1, 2, 4 and 5) the Bank of Finland's foreign exchange reserves are affected by interest payment and by changes in both the prices of securities and exchange rates. Spot transactions related to forward contracts (Column 4) refer to the combined effects on the foreign

exchange reserves of forward transactions in the form of swaps and maturing forward transactions. The central government's foreign exchange transactions (Column 5) comprise transactions related to drawings and redemptions of government loans and associated interest payments.

Table 2.4 The markka value of forward contracts is given.

3 Rates of interest

Table 3.1 The interbank overnight rate (Column 1) is weighted using amounts of interbank deposits as weights. Since 1 June 1995, HELIBOR rates (Helsinki Interbank Offered Rate) (Columns 2-5) have been calculated on the basis of the bid rates (offered rates for funds) quoted for their own certificates of deposit by all the banks that have been accepted by the Bank of Finland as counterparties in money market operations. An additional condition is that a bank gives regular quotations. The highest and lowest rates quoted for each maturity are omitted and an arithmetic average calculated for the remaining rates. The quotations are taken daily at 1 p.m.

Table 3.2 The Bank of Finland's tender rate (Column 1) is determined in tenders held by the Bank of Finland, in which the banks are asked to make bids or offers for money market instruments with a maturity of one month. The tender rate is the weighted average of accepted bids or offers, expressed as a simple annual interest rate. If, when requesting bids or offers, the Bank of Finland announces an acceptable interest rate (fixed-rate tender), the tender rate is the same as the rate announced by the Bank. The monthly and annual values for the tender rate are the arithmetic means of calendar day figures.

Credit institutions which are subject to the minimum reserve requirement and maintain a current account with the Bank of Finland may obtain liquidity credit to cover overdrafts and to fulfil their minimum reserve requirement. They can obtain liquidity credit with a maturity of 1 day, 7 days, 14 days, 21 days or 28 days. The maturity of liquidity credit is determined by the Bank of Finland. The rate of interest on liquidity credit is obtained by adding together the Bank of Finland's tender rate and the interest rate margin for liquidity credit. The call money deposit rate in use prior to October 1995 was obtained by subtracting the interest rate margin for call money deposits from the Bank of Finland's tender rate. Since 2 October 1995, the monthly average of a bank's call money deposits exceeding the minimum reserve requirement has been treated as excess reserve. The interest rate paid on excess reserves is determined separately by the Bank of Finland. The values for maturity and interest rate margins are the last values recorded in each period.

Table 3.3 The rates shown are based on the lending rates quoted for the respective currencies in the Euro-market. ECU (Column 1): the weights of the ECU basket. 3 currencies (Column 2): DEM 60, USD 30 and GBP 10 per cent.

Table 3.4 Lending. New credits (Columns 1-4): rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts. Annual rates are arithmetic average of monthly observations until 1987 after which they are weighted by loan amounts. Average lending rates (Columns 5 and 6) are all weighted by

loan amounts. As from January 1989, the loans of Postipankki Ltd have been included in the commercial banks' outstanding stock of loans. **Deposits.** 24-month and 36-month tax-exempt deposits (Columns 7 and 8): from May (September) 1992, 24-month (36-month) deposits are tax-exempt if they carry a rate of interest which is at most the Bank of Finland's base rate less two percentage points (one percentage point). In the period from January 1989 to April 1992, 24-month deposits (Column 7) were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less one percentage point. Other tax-exempt deposits (Column 9): in the period from January 1989 to April 1992, deposits other than 24-month deposits were tax-exempt if they carried a rate of interest which was at most the Bank of Finland's base rate less 4 percentage points. From May 1992, deposits other than 24-month or 36-month deposits are tax-exempt if they carry a maximum rate of interest as prescribed by law. The maximum rate was first set at 4.5 per cent. From 6 May 1993 it has been 2.5 per cent. All markka deposits (Column 10): the stock of deposits comprises all markka deposits by the public. The monthly and annual average rates of interest are weighted by deposit amounts. Other funding (Column 11): CDs outstanding + promissory notes + bonds. The average rate of interest is weighted by amounts. Total markka funding (Column 12); markka deposits by the public + banks' other markka funding. The rate of interest is weighted by amounts.

Table 3.5 Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered rates for taxable, fixed-rate bonds quoted daily by the five largest banks. The yields on five-year and ten-year government bonds (Columns 3 and 4) are calculated by the Bank of Finland as averages of the bid rates quoted daily by the primary dealers. The five-year yield is based on quotations for a fixed-rate bullet serial bond (1/94, 15 Sep 1994 – 15 Sep 2001). As from 24 November 1997 the ten-year yield is based on quotations for a fixed-rate bullet serial bond (1/97, 25 Apr 1997–2008). The share yield (Column 5) is the weighted effective yield on shares quoted on the Helsinki Stock Exchange. Source: Statistics Finland.

4 Rates of exchange

Table 4.2 FIM/ECU (Column 1): The markka value of the ECU is calculated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates quoted daily at noon Finnish time. The markka was floated on 8 September 1992, continuing until 14 October 1996, when it was joined to the EU's Exchange Rate Mechanism (ERM) at the central rate of 5.80661 per ECU. As from 25 November 1996 the ECU central rate is FIM 5.85424. Trade-weighted currency index (Column 2): The weights are moving averages of the shares of (currently) 16 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 3): The weights are moving averages of shares of payments currencies (16 convertible currencies) in Finland's foreign trade.

Table 4.3 The table shows the deviations of the markka's market exchange rate (markka value of the foreign currency) as a percentage of the ERM central rate for each currency. A plus (+) indicates that the markka is weaker than its central rate value against the other currency; the intervention limit is (central rate) +16.121 per cent. A minus (-) indicates that the markka is stronger than its central rate value against the other currency; the intervention limit is (central rate) -13.881 per cent.

5 Financial markets and money supply

Table 5.1 The public comprises all entities except the central government, deposit banks and the Bank of Fin-

land. Markka deposits are classified according to tax treatment. The tax status (exempt vs subject to withholding tax) of deposits held by households and estates is determined by the rate of interest. Time deposits that are tax-exempt under income tax law (maximum interest rate: 2 per cent) were transferred in connection with a statistical revision from other deposits (column 3) to time deposits (column 2) at the start of 1997. The remaining traditional 24- and 36-month tax-exempt deposits matured in 1996 and 1997 as the law on deposits tax relief expired. The withholding tax is a final tax collected at source by banks in connection with the payment of interest. Deposits under 'Other taxable' (columns 8–10) are held by entities other than households and estates, i.e. mostly by enterprises and local governments, and interest earned on them is taxed as ordinary income. Other markka funding (column 13) comprises CDs issued by banks, money market promissory notes and repo sales. The figures for bank CDs include only CDs held by entities other than banks, the Bank of Finland and the central government.

Table 5.2 The public comprises all entities except the central government, deposit banks and the Bank of Finland. Loans granted from central government funds are not included in markka lending. Banks' markka lending to the foreign sector (column 6) comprises foreign economic units located in Finland, eg foreign embassies, consulates and units of international organizations. As from 1 Jan 1997 lending to these entities is no longer included in domestic lending, pursuant to the new classification of institutional sectors. The breaks in series at end-1996 are due to the statistical revision. Since the revision, these columns do not include lending by foreign branches of Finnish deposit banks nor do columns 1–7 and 9 any longer include bonds, debentures and other bearer instruments held by banks and classified as investment assets.

Table 5.3 Foreign assets, net (Column 1) = the Bank of Finland's foreign claims + banks' foreign claims (incl. foreign claims of banks' foreign branches) – the Bank of Finland's foreign liabilities – banks' foreign liabilities (incl. foreign liabilities of banks' foreign branches). *Domestic credit.* Claims on the central government, net (Column 2) = the Bank of Finland's claims on the central government + banks' claims on the central government – the central government's deposits with the Bank of Finland and Postipankki – loans granted from state funds through banks. Claims on the public (incl. local government), (Column 3) = the Bank of Finland's claims on the private sector + banks' claims on the private sector (loans to the public, bonds and debentures (excl. government bonds and bank debentures), claims on other financial institutions, shares held by banks). Other items, net (Column 5) = capital accounts and other items of the Bank of Finland (incl. private sector time deposits with the Bank of Finland) + capital accounts of deposit banks + unclassified assets and liabilities of deposit banks, net (bank debentures, bank CDs held by the public, other market funding and foreign currency deposits by the public). M_1 (Column 6) = currency in circulation – banks' till money + markka cheque and postal giro account deposits and transactions account deposits held by the public. M_2 (Column 7) = M_1 + quasi-money (markka time deposits held by the public, excl. deposits with the Bank of Finland). M_3 (Column 8) = M_2 + bank CDs held by the public.

Table 5.4 Source: State Treasury Office. Other foreign currency-denominated debt (Column 2) consists of other bonds and debentures and long-term promissory notes. Other bonds and debentures are so-called private placings; long-term promissory notes are bank loans. Miscellaneous items (Column 7) consist of two minus items, the liability to the State Pension Fund and the liability to the State Fund for Nuclear Waste Disposal, which are

intragovernmental debts. In the September 1997 issue of the Bulletin, columns 7, 8 and 9 were retroactively revised for the whole period shown. Outstanding lending (Column 10) comprises the stock of loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years.

Table 5.5 Sources: Table A: Financial Supervision from the beginning of 1994, Table B: Statistics Finland. Table C: Finnish Central Securities Depository from 1 August 1997. Tables A and B include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. As from 15 January 1997 the following act as primary dealers: Alfred Berg Finland, Den Danske Bank, Evli Fixed Income Securities, Goldman Sachs International, Merita Bank, Okobank, Postipankki, Skandinaviska Enskilda Banken, Svenska Handelsbanken AB (publ) and Unibank A/S. Customers include all parties other than primary dealers.

Table 5.6 Source: The Helsinki Stock Exchange. The table has been expanded to take into account the change in the Helsinki Stock Exchange classification of listed companies as from the start of 1997. Column 3 now includes only insurance.

6 Balance of payments, foreign liabilities and assets

Table 6.1 The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts. The trade figures for 1995 have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The official foreign trade statistics published by the Board of Customs are delayed owing to changes in statistical systems caused by Finland's entry into the EU. The figures for investment income and expenditure (Columns 7 and 16) include reinvested earnings on direct investment. Preliminary data on reinvested earnings in the previous year have been included in the current account figures. (The annual figure is divided evenly between quarterly figures.)

Tables 6.2-6.4 Since the beginning of 1994, the former capital account of Finland's balance of payments has been compiled according to the IMF's new recommendations (IMF Balance of Payments Manual, Fifth Edition, 1993).

Table 6.2 The capital account (Columns 1 and 14) reflects non-requited capital transfers such as forgiven debts and aid from EU funds. Financial derivatives include payments arising from currency and interest rate swaps related to loans, ie outstanding loans are recorded according to the original loan contract. Medium-term notes (MTNs) are included under bonds (Columns 4 and 17). The category other investment (Columns 9-12 and 21-24) covers transactions related to trade credits, loans, currency and deposits and other assets and liabilities. Transactions in assets and liabilities related to short- and long-term supplier credits and advance payments related to imports and exports are recorded under trade credits (Columns 9 and 21). The item 'Other capital' (Columns 11 and 23) in-

cludes transactions in currency and deposits and short- and long-term assets and liabilities of different sectors not covered by any of the items above. In addition, this category includes changes in the central government's subscriptions to and quotas in international organizations as well as transactions in the Bank of Finland's short- and long-term assets and liabilities (excl. reserve items). The most important sub-item under the item 'other capital' comprises banks' other short-term assets and liabilities (in practice interbank deposits). The central bank's reserve assets (Column 26) comprise gold, special drawing rights (SDRs), the reserve position in the IMF, ECU-claim on the EMI and foreign exchange assets. A negative figure implies an increase in reserves.

Table 6.3 The data are classified as in Table 6.2. The items have been translated into markkaa using the spot rates for each date; thus the figures include the impact of changes in exchange rates.

Table 6.4 This contains data on Finland's net international investment position (liabilities less assets) classified by sector.

7 Foreign trade

Source: The National Board of Customs (except for table 7.2). All tables refer to foreign trade in goods.

Table 7.2 The volume indices (Columns 1 and 2) are calculated from the export and the import values, deflated by the price indices (Columns 3 and 4). Deflation and seasonal adjustments are carried out by the Bank of Finland. The export and the import price indices are provided by Statistics Finland. The terms of trade (Column 5) is the ratio of the export price index to the import price index, multiplied by 100.

Table 7.4 In addition to all EU countries, those countries are listed whose shares of Finland's exports are at least 1 per cent.

8 Domestic economic developments

Tables 8.1-8.5 Source: Statistics Finland. Seasonal adjustment is done by the Bank of Finland.

Table 8.2 The indices of industrial production are adjusted for the number of working days in each month. This causes in small differences the annual averages from the corresponding unadjusted figures. For this reason the indices for 1990 also differ marginally from conventional base-year figures, ie 100.0.

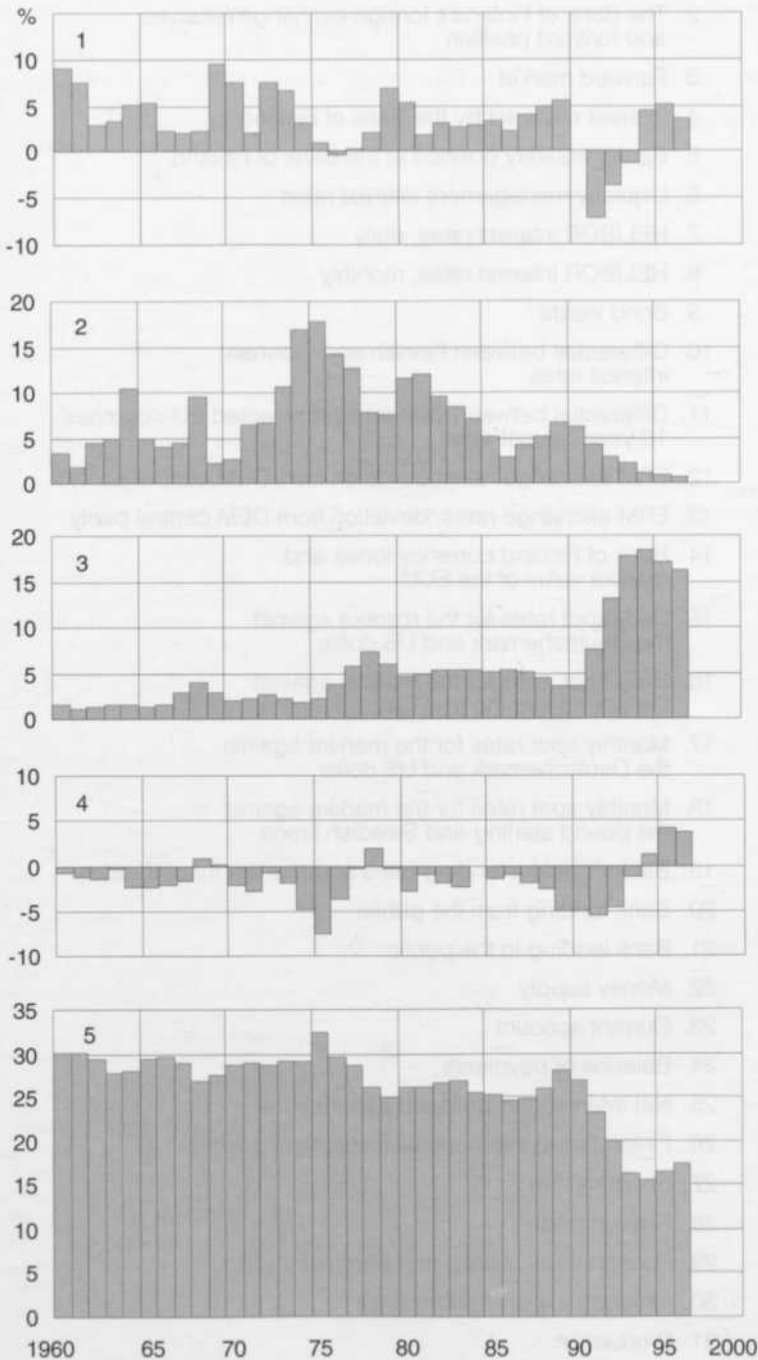
Table 8.3 The indices of wholesale and retail trade (Columns 1 and 2) are seasonally adjusted by Statistics Finland. The monthly GDP indicator (Column 7) is a weighted index of 11 readily available output indicators for various industries.

Table 8.4 The indicator of underlying inflation (Column 6) is the consumer price index from which the effect of indirect taxes, subsidies and housing-related capital costs (house prices and mortgage interest payments) has been removed (see the article by Pentti Pikkarainen and Timo Tyrväinen in the June - July 1993 issue of the Bulletin). Statistics Finland calculates the indicator and publishes it together with the consumer price index on the 15th of every month (or the next business day). It is lagged by one month in comparison with the consumer price index.

Table 8.6 Source: Ministry of Finance.

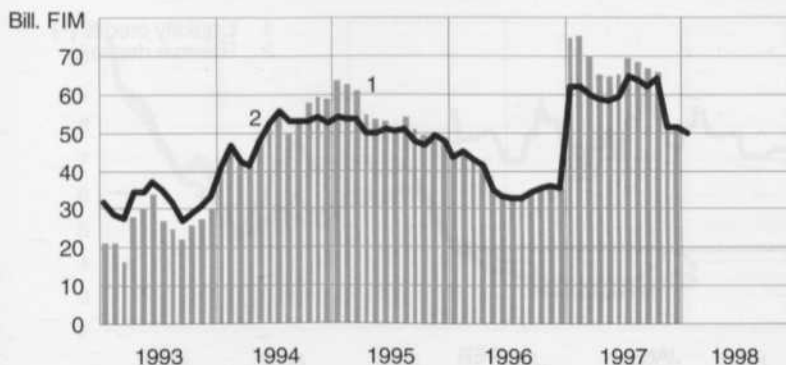
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1. Long-term indicators



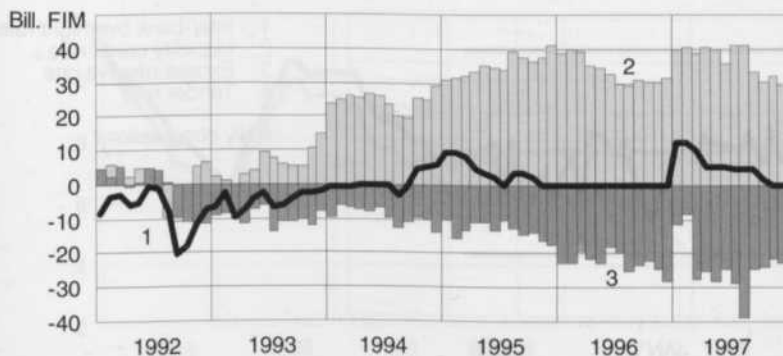
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

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



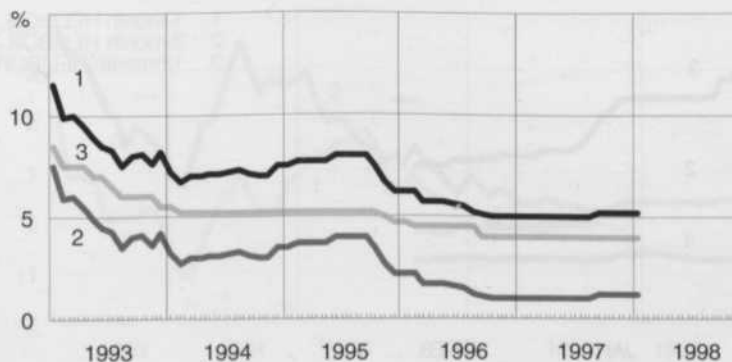
1. Foreign exchange reserves plus forward position
2. Foreign exchange reserves

3. Forward market



1. Forward exchange purchased by the Bank of Finland
2. Forward exchange sold to banks by domestic customers
3. Forward exchange sold to banks by foreign customers

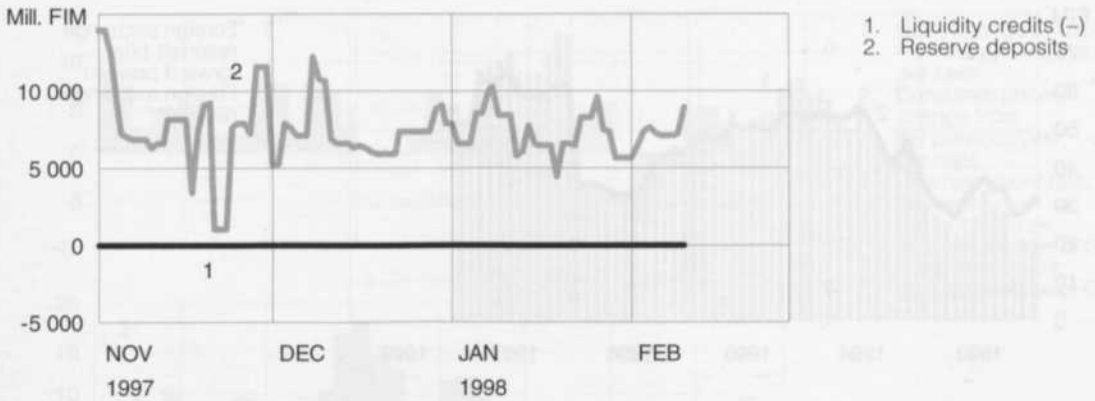
4. Rates of interest set by the Bank of Finland



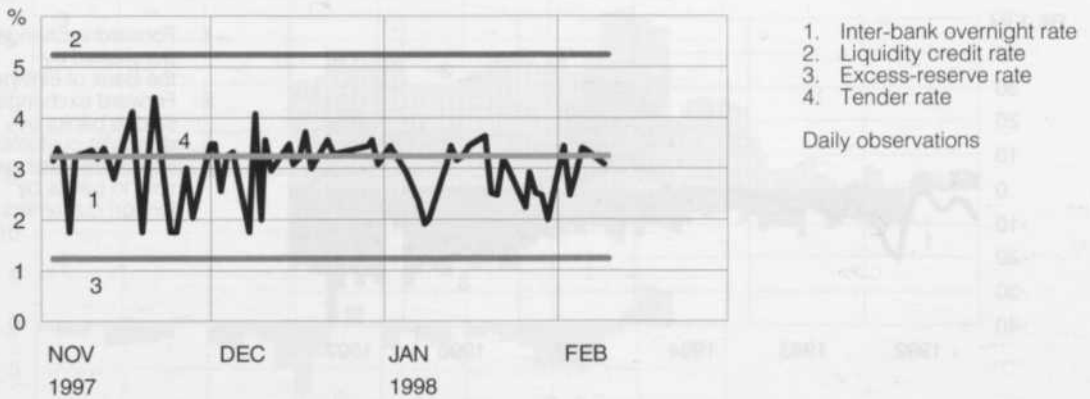
1. Liquidity credit rate (up to 2 July 1992 call money credit rate)
2. Excess-reserve rate (call money deposit rate until 2 October 1995)
3. Base rate

End-of-month observations

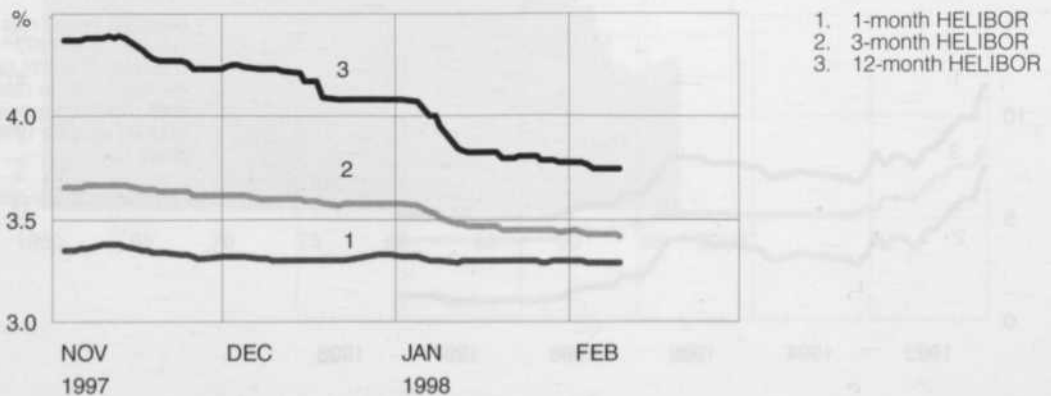
5. Banks' liquidity position at the Bank of Finland



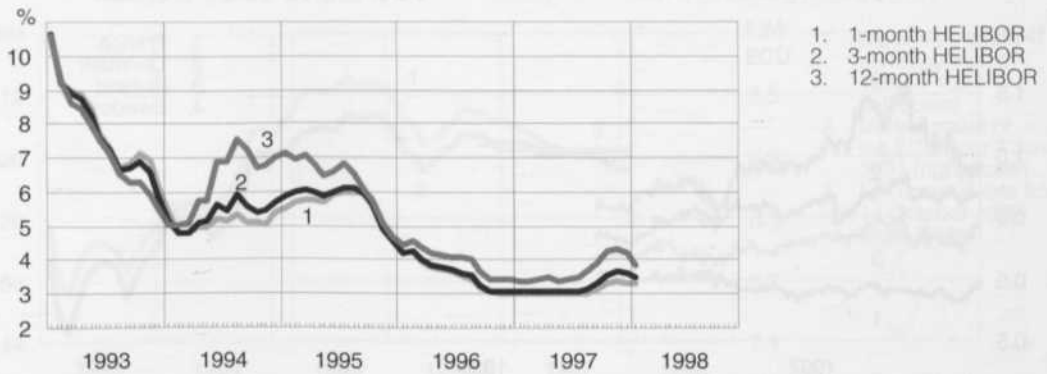
6. Liquidity management interest rates



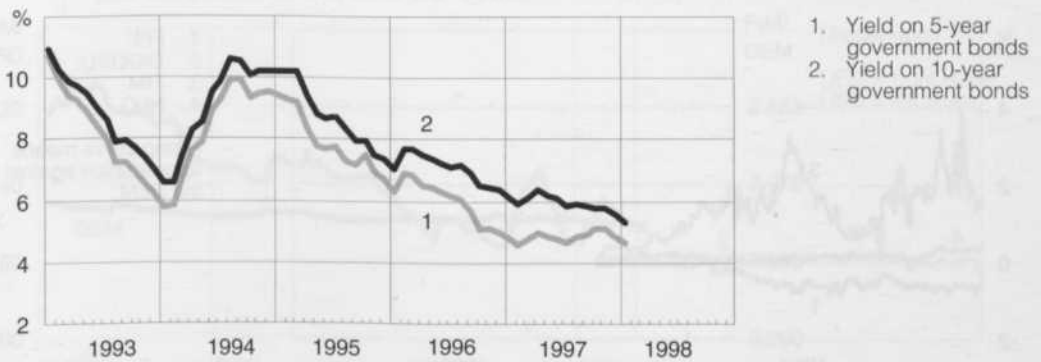
7. HELIBOR interest rates, daily



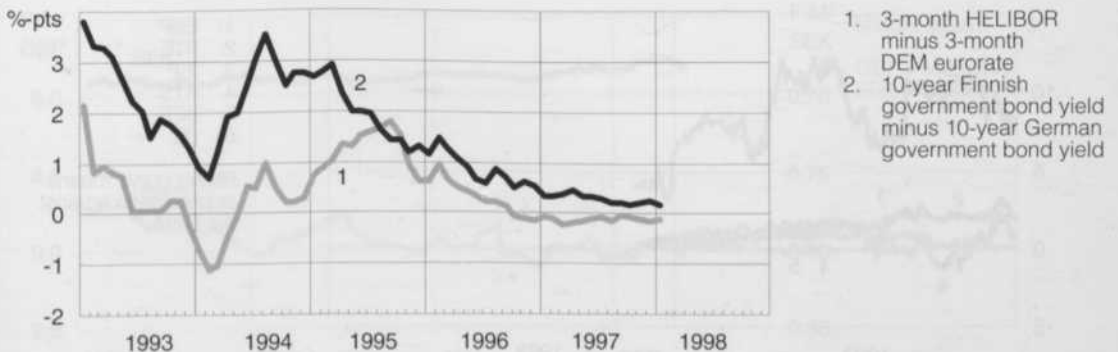
8. HELIBOR interest rates, monthly



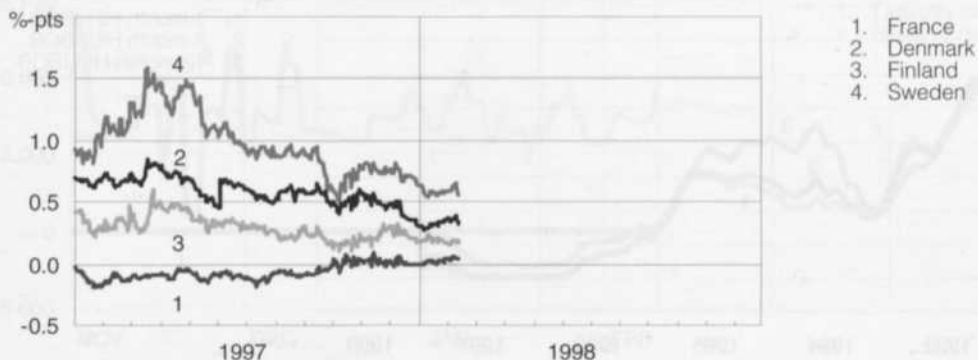
9. Bond yields



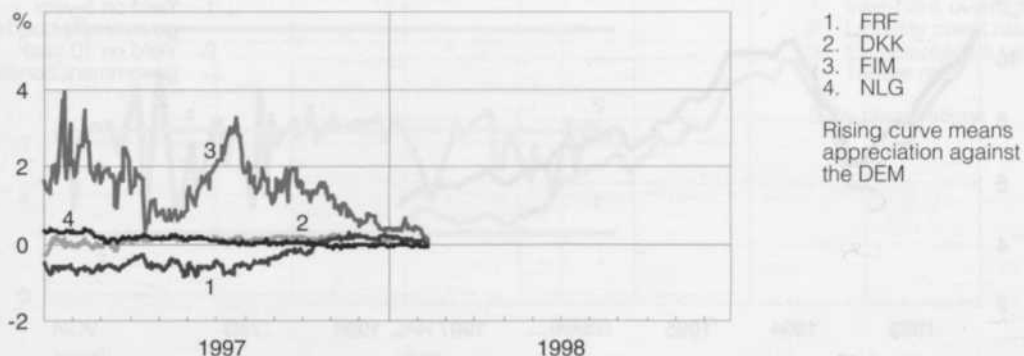
10. Differential between Finnish and German interest rates



11. Differential between German and selected EU-countries' 10-year interest rates



12. ERM exchange rates: deviation from DEM central parity



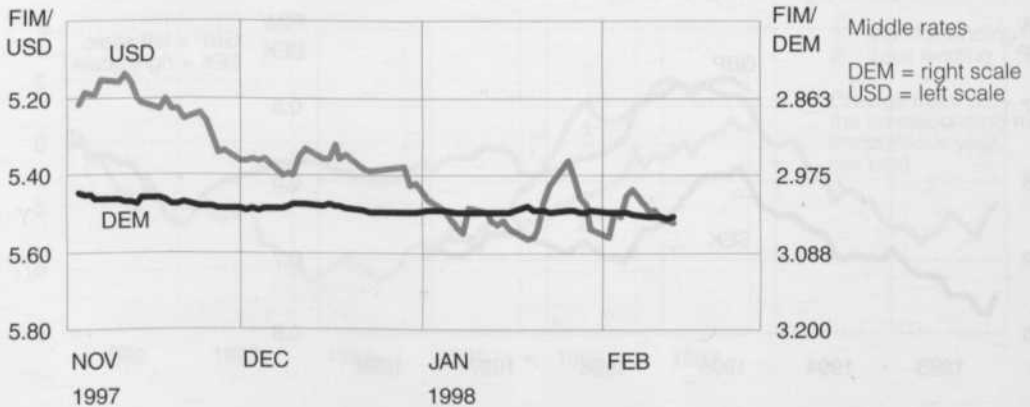
13. ERM exchange rates: deviation from DEM central parity



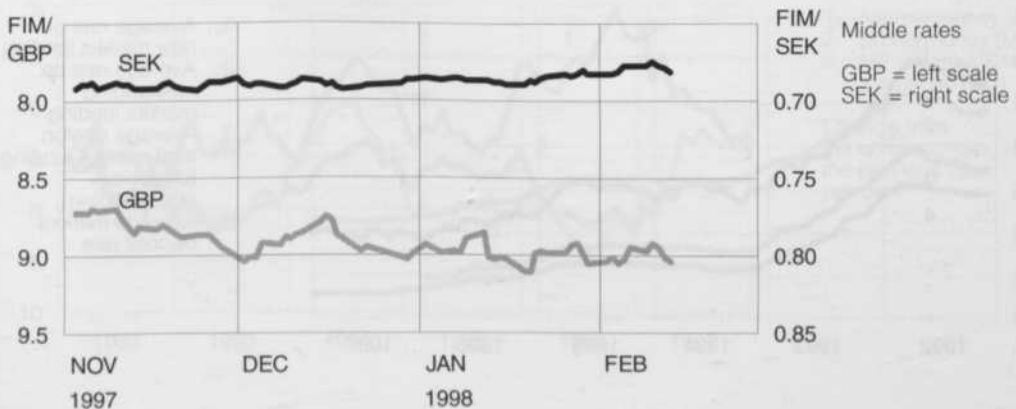
14. Bank of Finland currency index and markka value of the ECU



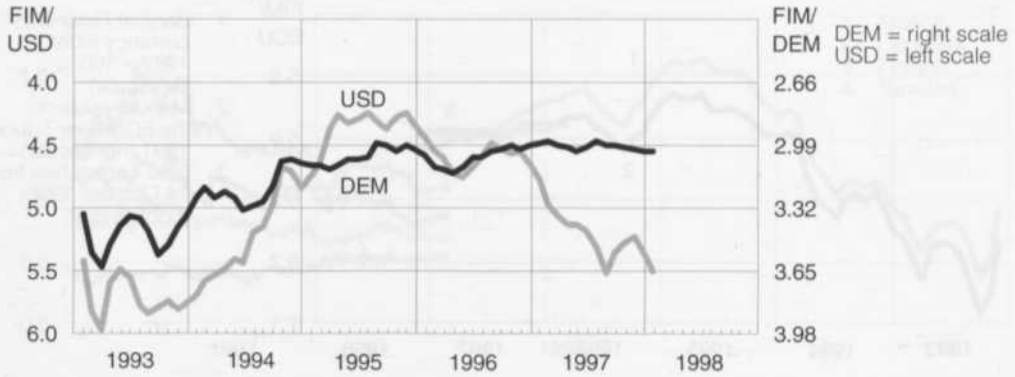
15. Daily spot rates for the markka against the Deutschmark and US dollar



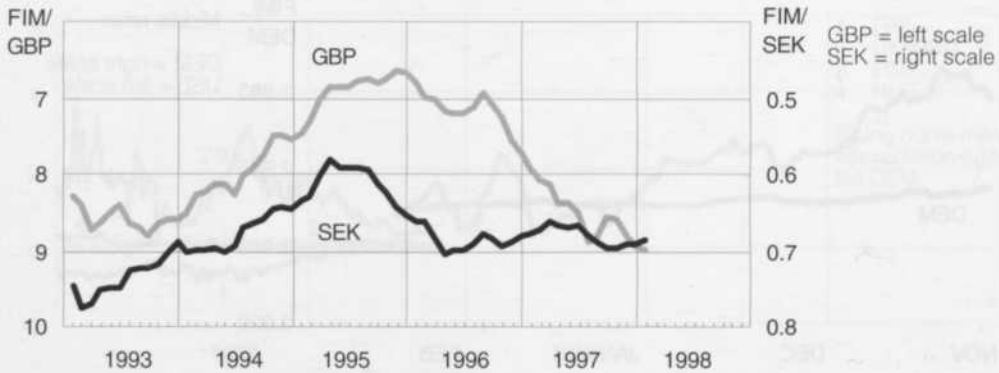
16. Daily spot rates for the markka against the pound sterling and Swedish krona



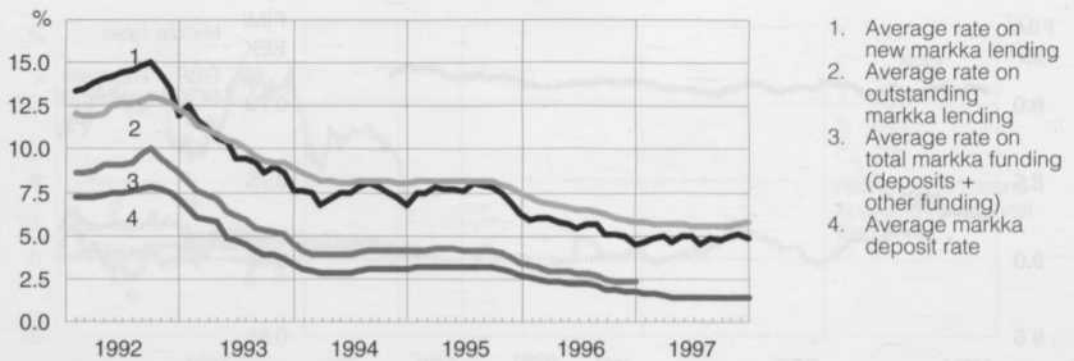
17. Monthly spot rates for the markka against the Deutschmark and US dollar



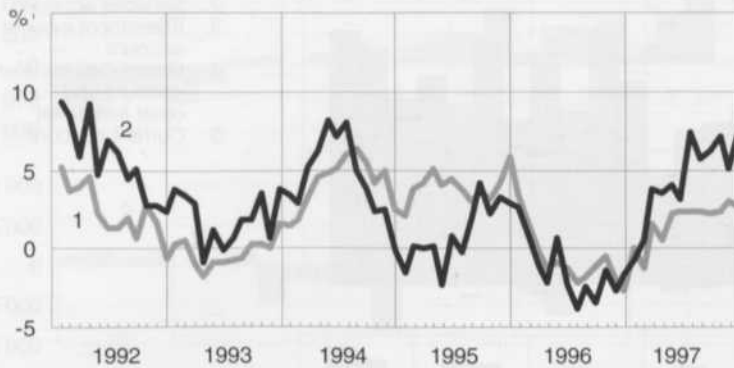
18. Monthly spot rates for the markka against the pound sterling and Swedish krona



19. Banks' markka lending rates and markka funding rates



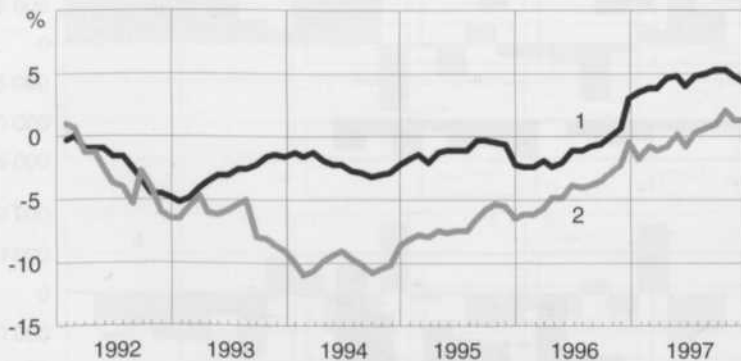
20. Bank funding from the public



1. Markka deposits
2. Total funding

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

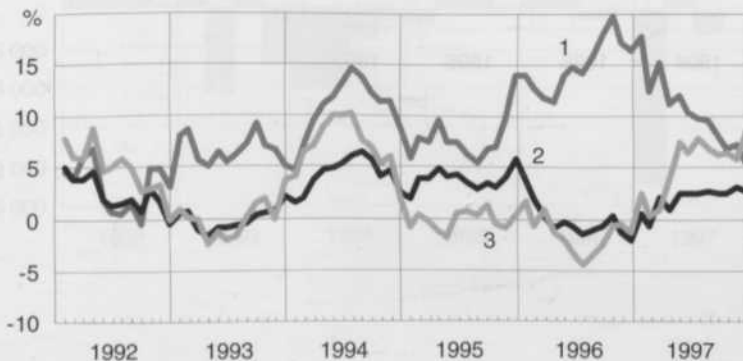
21. Bank lending to the public



1. Markka lending
2. Total lending

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

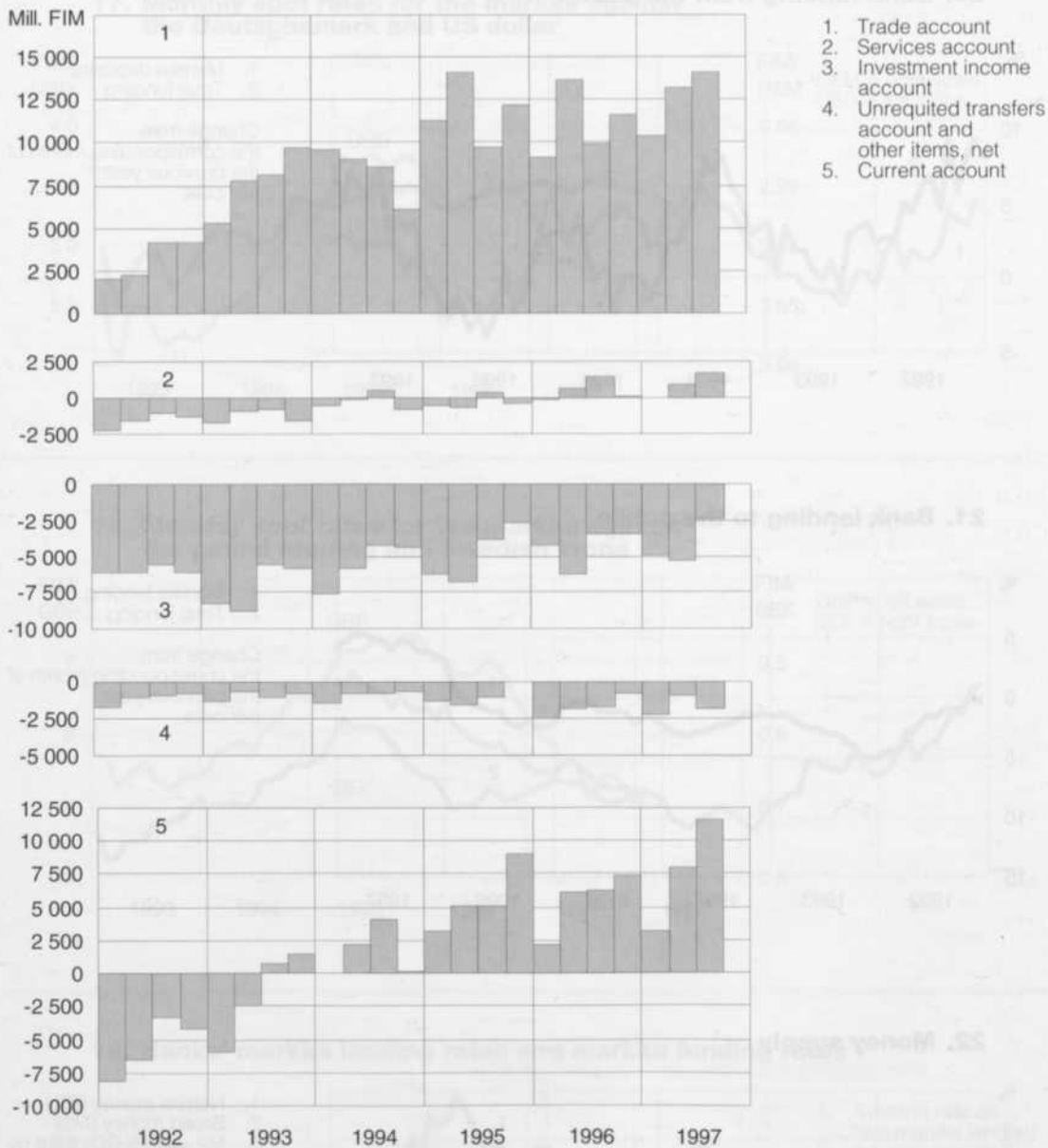
22. Money supply



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

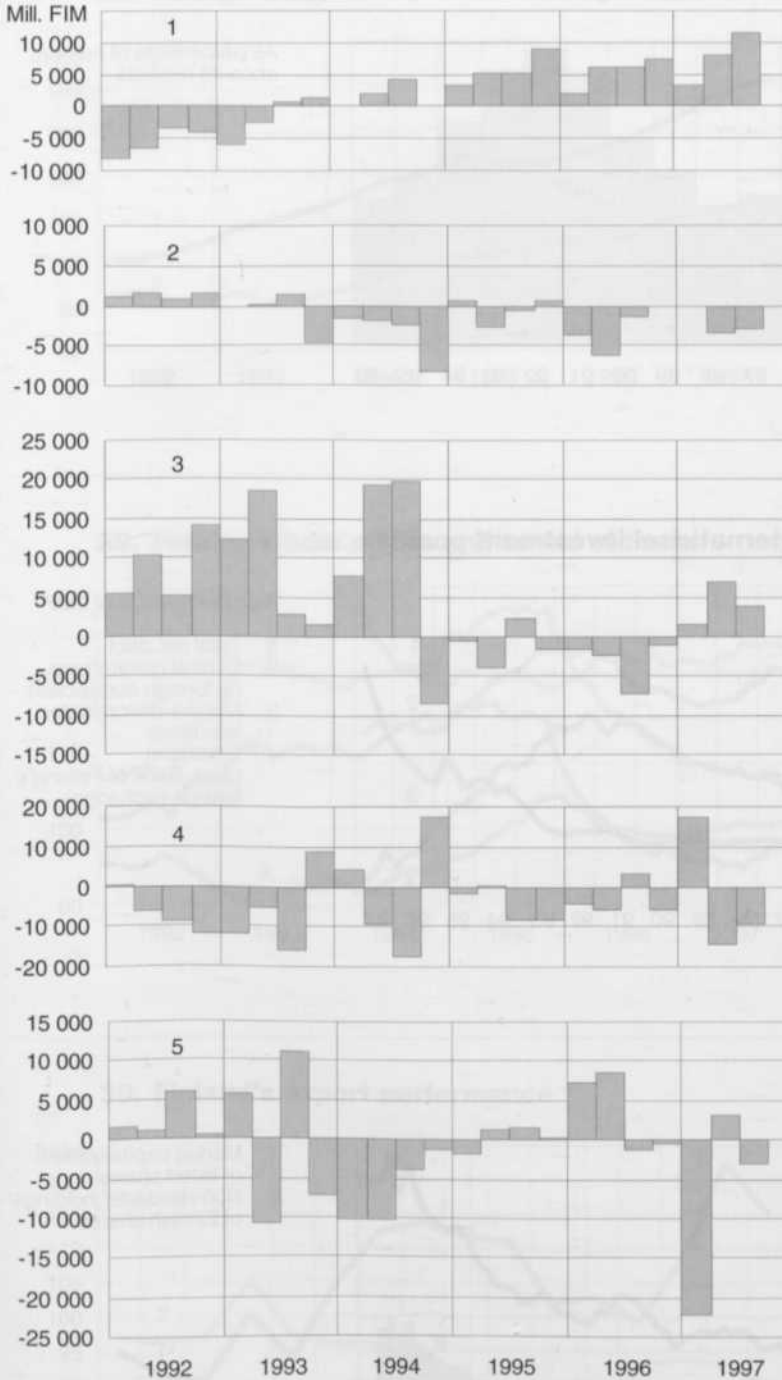
Change from the corresponding month of the previous year, per cent

23. Current account



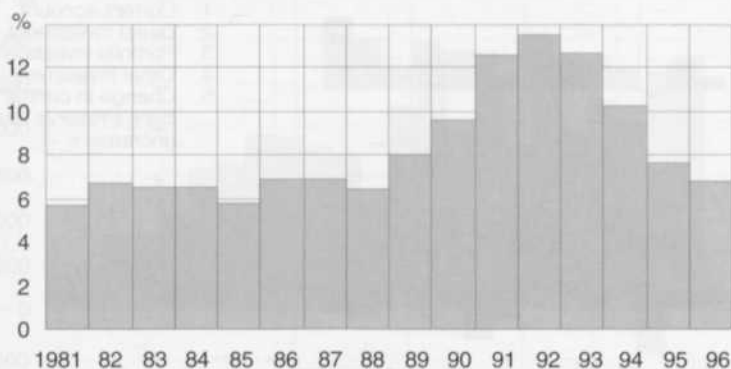
24. Balance of payments

Mill. FIM



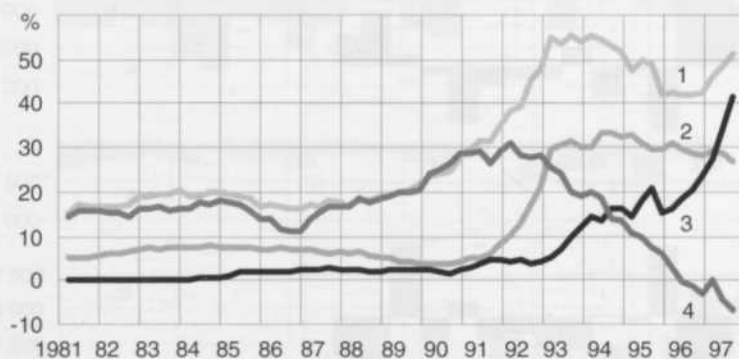
1. Current account
2. Direct investment
3. Portfolio investment
4. Other investment
5. Change in central bank's reserve assets (increase = -)

25. Net interest and dividend expenditure



As percentage of current account receipts

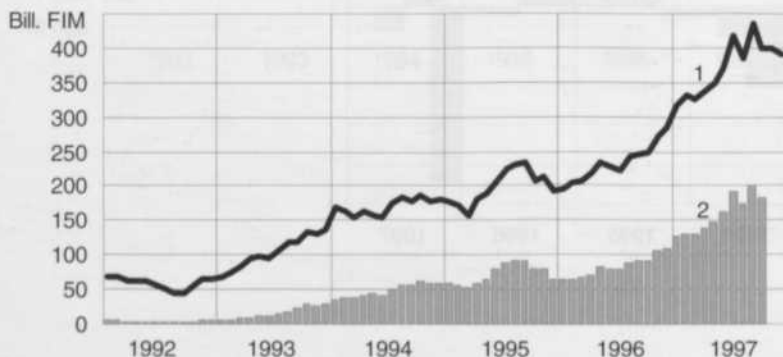
26. Finland's net international investment position



As a percentage of GDP

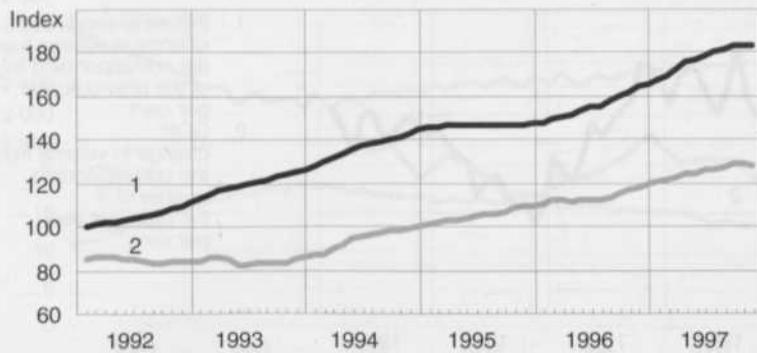
1. Total net debt
2. Central government (in foreign currencies)
3. Markka-denominated securities
4. Other, net (excl. Bank of Finland's foreign exchange)

27. Share market



1. Market capitalization of listed shares
2. Non-residents' holdings of Finnish shares

28. Foreign trade



1. Exports of goods
2. Imports of goods

Volume index, 1990 = 100, trend

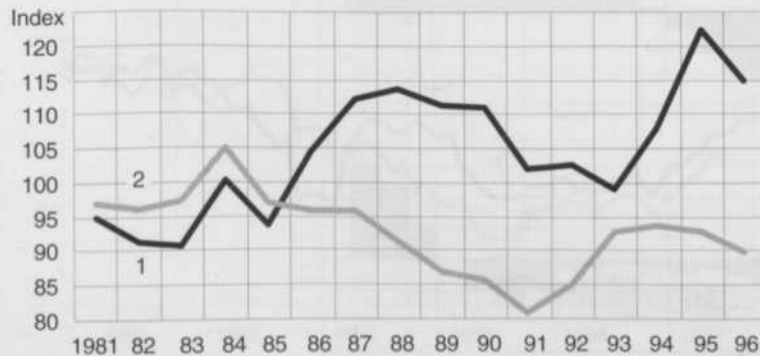
29. Foreign trade: prices and terms of trade



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

Index 1990 = 100

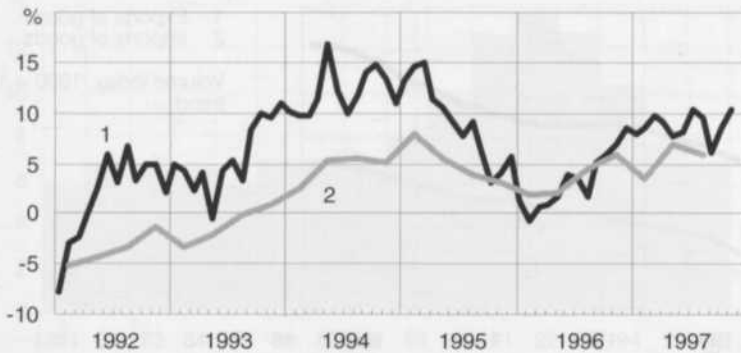
30. Finland's export performance



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

1980 = 100

31. Production



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

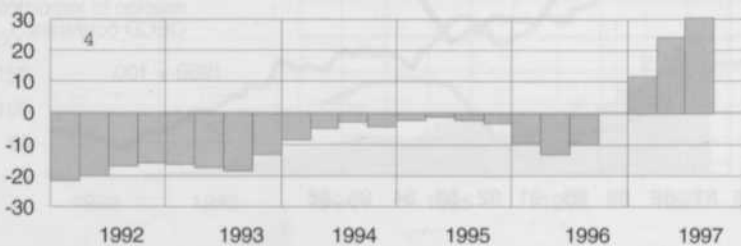
32. Fixed investment



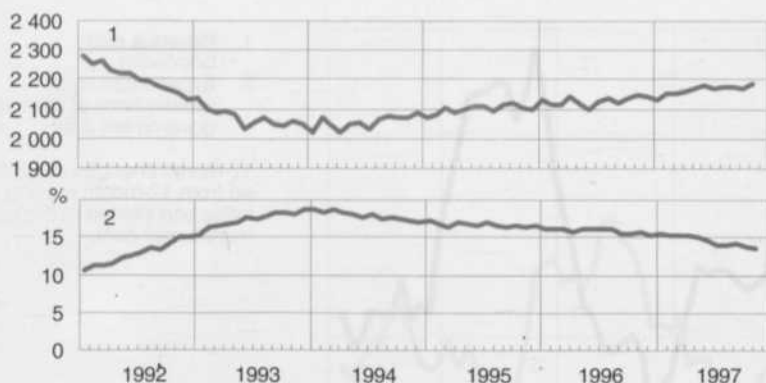
1. Total fixed investment
2. Investment in machinery and equipment
3. Building investment, excl. residential buildings
4. Residential buildings



Four-quarter volume change calculated from four-quarter moving totals and plotted at the last quarter, per cent



33. Employment and the unemployment rate



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

34. Prices and wages



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

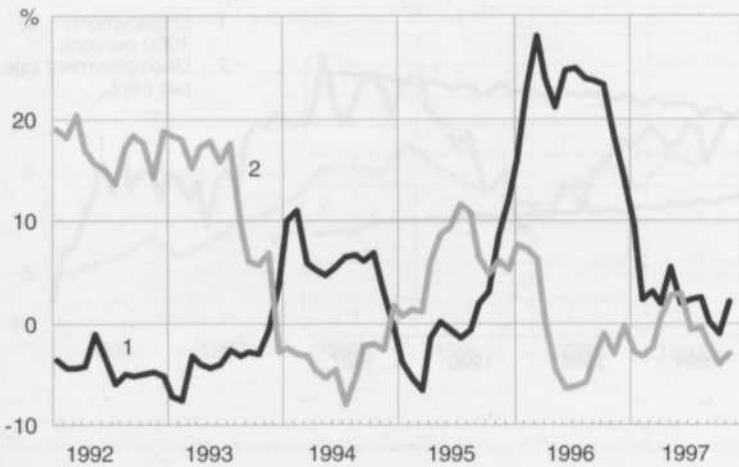
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Indicator of underlying inflation

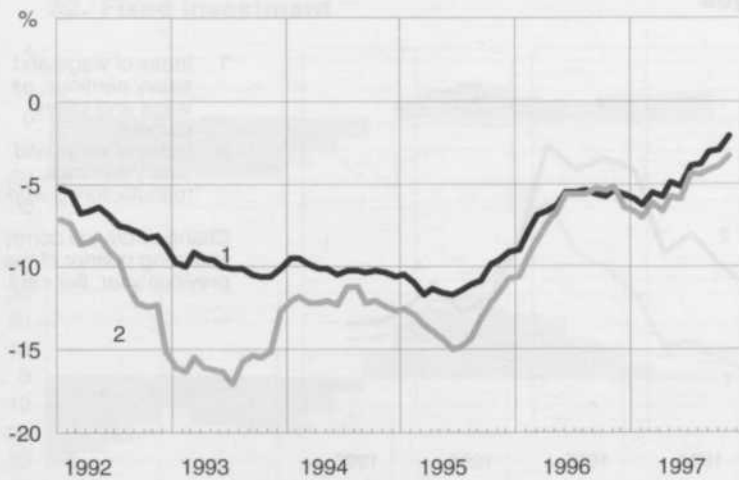
Change from the corresponding month of the previous year, per cent

35. Central government finances



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

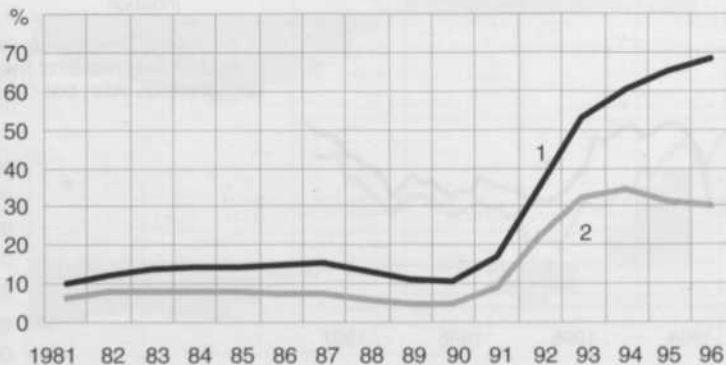
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



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

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

36. Central government debt



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

As a percentage of GDP