



BANK OF FINLAND

Monthly Bulletin

Housing

**Balance of payments — trends and
short-term prospects**

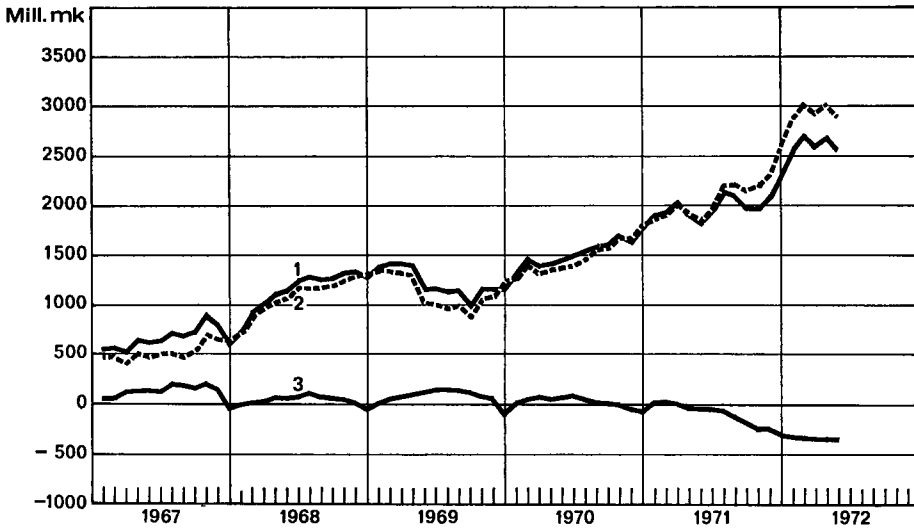
Finland's balance of payments January—
March 1972

Finland's travel account in January—
March 1972

JULY 1972

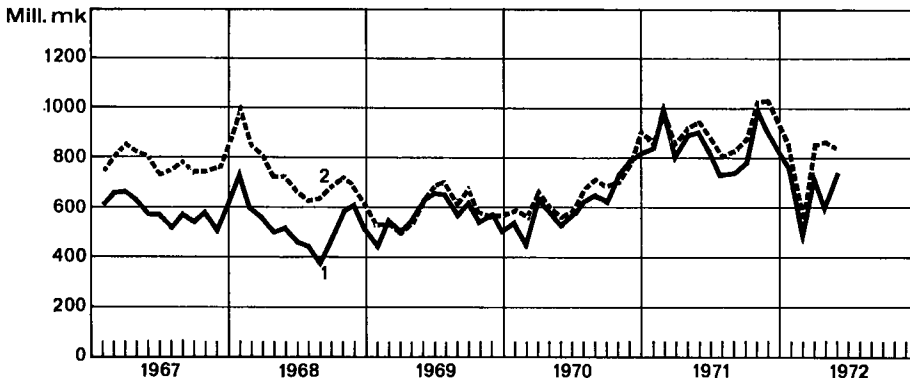
Vol. 46 No. 7

Bank of Finland foreign exchange reserve, 1967-1972



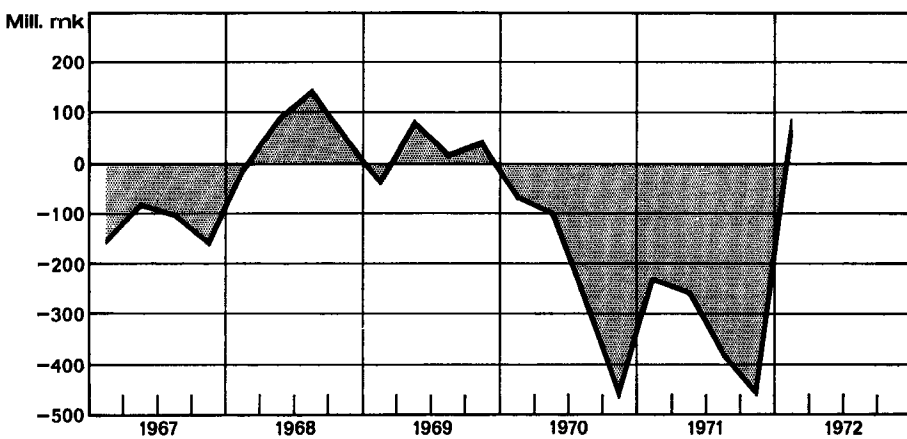
- 1. Total gold and foreign exchange
- 2. Gold and convertible currencies
- 3. Other currencies

Bank of Finland's position in regard to the banks, 1967-1972



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

Balance of payments current account surplus/deficit, 1967-1972



Seasonally adjusted quarterly figures

HOUSING

In the 1950's and 1960's state support for housing was mainly given in the form of tax concessions granted to the private sector. In the last few years it has taken place primarily through long-term, low-interest state loans as appropriations for this purpose have been considerably increased. The last law on tax concessions was passed in 1962; it has been applied to buildings started before the end of 1966 and will lapse at the end of 1972. This legislation provided for full tax exemption, for both the capital value of dwellings and rent income on them. It was discontinued mainly because of the distortions it had on income distribution.

At the beginning of 1972 a new law came into force, which makes receipts from the sale of an owner-occupied dwelling tax-exempt, provided the owner has lived in it for at least a year and buys a new dwelling for himself within a year of the sale. The purpose of this measure is to accelerate the exchange of dwellings and thus to increase residential building.

Definite efforts have been made since the middle of the 1960's to increase the central government's share in the total financing of residential building.

In 1971, a total of 3 000 million marks was used to finance residential building. Of this 580 million marks was provided by state appropriations for housing. In addition, 75 million marks was granted from receipts from the counter-cyclical tax. The share of the central government has been nearly one fifth of total housing expenditure in the last few years.

Apart from providing financial support, efforts have been made to increase efficiency in the

construction of housing, e.g., greater use is made of industrial production methods. Research and development of inexpensive production methods to reduce the cost of residential building has been intensified by the National Housing Board.

DEVELOPMENT OF THE VOLUME OF HOUSING

There were 1.21 million dwellings in Finland at the end of 1960 and, according to preliminary census figures, 1.46 million at the end of 1970. This means that the average annual rate of growth in the stock of housing was about 2 per cent. At the same time the number of new dwellings completed annually has increased by 5 per cent on average.

The following table shows the development of the volume of housing since the beginning of the 1960's:

Year	Total volume of residential building 1 000 dwellings	Volume of housing provided with state support			
		All dwellings		Rental houses	
		1 000 dwellings	Per cent of total production	1 000 dwellings	Per cent of total state-supported production
1960	31.5	13.2	41.9	2.1	15.9
1961	37.3	13.3	35.7	3.1	23.3
1962	37.4	10.5	28.0	3.4	32.4
1963	44.1	11.1	25.2	2.7	24.3
1964	35.4	11.7	33.1	2.9	24.8
1965	36.7	11.6	31.9	3.5	30.2
1966	36.5	13.1	35.9	4.0	30.5
1967	38.7	14.2	36.7	4.2	29.6
1968	36.0	15.8	43.9	4.1	25.9
1969	40.5	19.2	47.4	7.5	39.1
1970	49.7	19.9	40.0	8.6	43.2
1971	50.5	21.9	43.4	10.6	48.4
1972 ^t	52 ^t	30 ^t	58 ^t	18.5 ^t	62 ^t

At the beginning of the 1960's the share of housing built without state support was considerable; it was at its largest in 1963 when it reached 75 per cent, mainly as a result of the extensive tax concessions. Since 1966 the share of houses built with state support has been growing. Central government loans have increasingly been channelled to the building of rental housing.

The average size of a new dwelling increased steadily throughout the 1960's. In 1961 it was 58 sq.m., and in 1970 it exceeded 70 sq.m. The share of family dwellings (at least three rooms and a kitchen) in total construction has been more than 50 per cent in the last few years as against 36 in 1961. The number of persons per room has fallen from 1.3 at the beginning of the decade to almost one.

June 29, 1972

BANK OF FINLAND

Mill. mk

	1971		1972				
	June 30	Dec. 31	June 8	June 15	June 22	June 30	
Assets							
Gold and other foreign assets	2 138	2 776	3 073	3 047	3 057	3 067	
Gold	121	205	205	205	205	205	
Special drawing rights	193	197	283	283	283	283	
IMF gold tranche	272	268	268	268	268	268	
Foreign exchange	1 425	1 950	2 128	2 095	2 111	2 109	
Foreign bills	91	119	109	110	111	113	
Foreign bonds	36	37	80	86	79	89	
Claims on domestic banks	894	849	736	646	918	861	
Discounted bills	877	848	721	642	908	860	
Rediscounted bills	1	1	1	1	1	1	
Cheque accounts	16	—	14	3	9	—	
Other lending	347	340	316	307	306	311	
Inland bills discounted							
In foreign currency	—	—	—	—	—	—	
In Finnish marks	209	121	79	70	70	67	
Loans	138	219	237	237	236	244	
Other assets	762	597	658	724	733	700	
Finnish bonds	191	38	83	148	157	124	
Finnish coin	19	14	29	30	29	29	
Currency subscription to Finland's quota in the IMF	526	530	530	530	530	530	
Other claims	26	15	16	16	17	17	
	Total	4 141	4 562	4 783	4 724	5 014	4 939
Liabilities							
Notes in circulation	1 355	1 479	1 428	1 452	1 579	1 555	
Liabilities payable on demand	141	358	455	304	473	500	
Foreign exchange accounts	50	267	313	246	243	245	
Mark accounts of holders abroad	9	30	37	37	36	37	
Cheque accounts							
Treasury	23	2	37	3	43	36	
Post Office Bank	44	2	50	—	133	154	
Private banks	—	9	—	—	—	6	
Other	4	3	3	3	1	2	
Other sight liabilities	11	15	15	15	17	20	
Term liabilities	852	905	1 024	1 114	1 103	1 077	
Foreign	—	—	—	—	—	—	
Domestic	852	905	1 024	1 114	1 103	1 077	
IMF mark accounts	526	530	530	530	530	530	
Allocations of special drawing rights	173	174	258	258	258	258	
Equalization accounts	432	400	335	311	314	302	
Bank's own funds	662	716	753	755	757	717	
Capital	600	600	600	600	600	600	
Reserve fund	32	32	74	74	74	74	
Profits undisposed	—	—	42	42	42	—	
Earnings less expenses (Dec. 31, Net profit)	30	84	37	39	41	43	
	Total	4 141	4 562	4 783	4 724	5 014	4 939

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1—2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4—5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7—8)
	1	2	3	4	5	6	7	8	9
1965	861	45	816	84	57	843	— 1	1	— 2
1966	556	61	495	81	101	475	10	40	— 30
1967	701	75	626	98	354	370	— 7	4	— 11
1968	1 353	62	1 291	125	34	1 382	—354	3	—357
1969	1 268	92	1 176	517	360	1 333	—196	4	—200
1970	1 844	106	1 738	639	518	1 859	—118	2	—120
1971	2 620	327	2 293	686	530	2 449	— 15	2	— 17
1971									
April	2 010	87	1 923	647	526	2 044	—115	2	—117
May	1 888	56	1 832	650	526	1 956	—108	1	—109
June	2 011	59	1 952	653	526	2 079	—107	23	—130
July	2 246	81	2 165	658	530	2 293	—100	43	—143
Aug.	2 250	142	2 108	652	530	2 230	— 98	14	—112
Sept.	2 180	192	1 988	661	530	2 119	— 96	0	— 96
Oct.	2 227	246	1 981	664	530	2 115	— 92	22	—114
Nov.	2 364	261	2 103	668	530	2 241	— 90	39	—129
Dec.	2 620	327	2 293	686	530	2 449	— 15	2	— 17
1972									
Jan.	2 935	349	2 586	682	530	2 738	— 15	17	— 32
Feb.	3 080	360	2 720	695	530	2 885	— 3	26	— 29
March	2 991	370	2 621	708	530	2 799	— 3	30	— 33
April	3 079	372	2 707	707	530	2 884	— 3	37	— 40
May	2 941	370	2 571	725	530	2 766	— 3	32	— 35
June	2 865	282	2 583	732	530	2 785	— 3	36	— 39

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1971			Net holdings, May 31, 1972			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	May	Jan.—May
	Gold	205	—	205	205	—	205	—
Special drawing rights	197	—	197	283	—	283	+ 1	+86
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 920	143	2 063	2 152	—59	2 093	—162	+30
Other currencies	—297	— 3	—300	—336	—14	—350	— 8	—50
Total	2 293	140	2 433	2 572	—73	2 499	—169	+66

End of year and month	Domestic banks					Other					Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts ¹	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)	
				Private banks ²	Post Office Bank ²						
1	2	3	4	5	6	7	8	9	10	11	
1965	—	641	—	12	8	621	76	72	32	116	1 029
1966	—	915	—	14	17	884	180	85	72	193	1 106
1967	—	868	—	155	35	678	197	383	56	524	1 052
1968	—	618	107	163	16	546	186	195	43	338	1 160
1969	—	550	87	93	12	532	192	269	25	436	1 298
1970	827	9	3	1	4	834	137	246	528	-145	1 344
1971	848	1	—	9	2	838	121	234	908	-553	1 479
1971											
April	856	1	7	—	0	864	93	155	662	-414	1 259
May	893	1	4	—	0	898	164	155	597	-278	1 360
June	877	1	16	—	44	850	209	164	760	-387	1 355
July	821	1	7	—	62	767	221	186	870	-463	1 341
Aug.	785	—	15	—	11	789	214	185	912	-513	1 307
Sept.	866	1	15	—	0	882	180	208	918	-530	1 322
Oct.	1 097	1	5	—	79	1 024	188	207	950	-555	1 373
Nov.	1 109	1	19	—	162	967	152	206	929	-571	1 396
Dec.	848	1	—	9	2	838	121	234	908	-553	1 479
1972											
Jan.	714	1	22	—	71	666	117	226	1 002	-659	1 369
Feb.	522	1	18	—	101	440	116	238	977	-623	1 377
March	786	1	—	5	48	734	89	242	1 110	-779	1 423
April	807	1	5	—	207	606	85	249	1 087	-753	1 451
May	796	1	6	—	74	729	79	254	1 067	-734	1 450
June	860	1	—	6	154	701	67	261	1 096	-768	1 555

¹ Including special index accounts.

² Including cash reserve accounts.

SELLING RATES FOR FOREIGN EXCHANGE¹

Mk

June 30, 1972

New York ²	1 \$	4.140	Frankfurt o. M.	100 DM	131.15	Vienna	100 S	18.10
Montreal	1 \$	4.206	Amsterdam	100 FI	130.55	Lisbon	100 Esc	15.55
London	1 £	10.155	Brussels	100 Fr	9.445	Reykjavik	100 Kr	4.75
Stockholm	100 Kr	87.90	Zurich	100 Fr	110.60	Madrid	100 Pta	6.53
Oslo	100 Kr	63.60	Paris ³	100 FF		Moscow ⁴	1 Rbl	4.960
Copenhagen	100 Kr	59.60	Rome	100 Lit	0.7135			

¹ Rates for New York and Moscow are official, others unofficial.

² As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.

³ 82.75 commercial rate; 87.40 financial rate.

⁴ Clearing account; also Bucharest.

DEPOSITS BY THE PUBLIC

Mill. mk

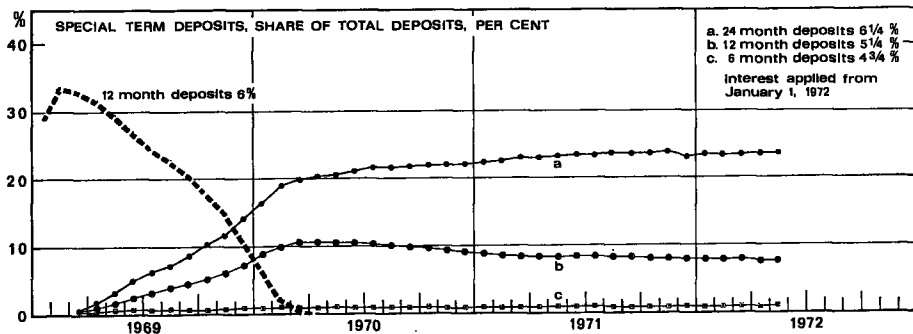
End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1965	676.9	843.7	309.4	3 182.6	2 954.4	1 931.0	773.2	357.2	9 198.6	10 351.7
1966	639.8	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970	1 142.7	1 507.7	603.3	6 098.7	4 846.9	3 458.4	1 287.6	574.2	16 265.8	18 376.8
1971*	1 343.2	1 732.7	754.4	6 961.4	5 447.0	3 876.2	1 491.4	642.3	18 418.3	20 905.4

1971*

April	1 096.9	1 397.0	570.7	6 215.1	4 986.3	3 611.2	1 343.2	594.6	16 750.4	18 718.1
May	1 227.5	1 540.2	616.6	6 226.3	4 994.8	3 608.6	1 330.7	591.7	16 752.1	18 908.9
June	1 244.2	1 583.8	626.2	6 243.7	4 983.9	3 575.0	1 338.8	589.0	16 730.4	18 940.4
July	1 119.7	1 426.6	555.4	6 277.7	5 015.8	3 593.7	1 324.8	588.8	16 818.8	18 800.8
Aug.	1 201.2	1 542.6	610.4	6 284.1	5 061.4	3 626.3	1 359.5	590.2	16 921.5	19 074.5
Sept.	1 195.8	1 553.2	637.4	6 361.7	5 119.9	3 676.7	1 371.0	608.3	17 137.6	19 328.2
Oct.	1 175.9	1 514.0	612.2	6 425.4	5 177.3	3 720.5	1 390.6	617.8	17 331.6	19 457.8
Nov.	1 322.4	1 663.1	624.3	6 534.2	5 252.3	3 774.1	1 418.9	619.4	17 598.9	19 886.3
Dec.	1 343.5	1 732.7	754.4	6 961.4	5 447.0	3 876.2	1 491.4	642.3	18 418.3	20 905.4

1972*

Jan.	1 456.2	1 805.2	721.2	6 970.3	5 480.9	3 930.1	1 520.8	648.4	18 550.5	21 076.9
Feb.	1 456.3	1 820.1	772.5	7 021.9	5 540.5	4 008.4	1 548.9	658.5	18 778.2	21 370.8
March	1 421.2	1 767.8	782.6	7 052.8	5 572.5	4 040.8	1 566.2	663.4	18 895.7	21 446.1
April	1 374.8	1 714.7	798.0	7 112.5	5 611.9	4 080.0	1 577.5	670.2	19 052.1	21 564.8
May	1 497.3	1 882.8	763.6	7 206.3	5 662.4	4 133.3	1 586.1	674.5	19 262.6	21 909.0

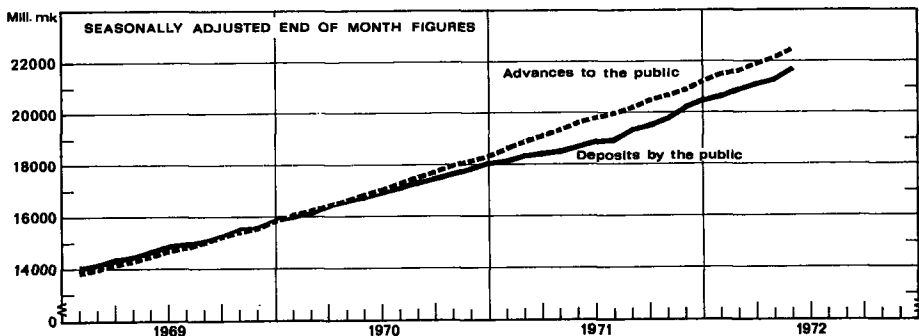


ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances			Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Co-op. banks	Post Office Bank ¹	Mortgage banks	Loans & Bills	Cheque credits			
	1	2	3	4	5	6	7	8	9	
1965	4 597.4	2 609.2	2 030.6	707.4	899.4	10 420.4	423.6	10 844.0	2 074	
1966	5 205.4	2 951.4	2 261.0	779.6	908.8	11 618.1	488.1	12 106.2	2 181	
1967	5 558.9	3 247.7	2 424.3	864.9	1 026.9	12 583.8	538.9	13 122.7	2 146	
1968	5 865.5	3 448.4	2 600.5	927.9	1 053.0	13 392.0	503.3	13 895.3	2 642	
1969	6 892.2	3 802.8	2 922.1	1 039.8	1 290.4	15 354.4	592.9	15 947.3	3 126	
1970	7 963.5	4 342.1	3 403.8	1 341.9	1 454.0	17 814.9	690.4	18 505.3	3 445	
1971*	9 233.7	4 796.2	3 836.0	1 746.6	1 799.1	20 643.2	768.4	21 411.6	3 975	
1971										
April	8 373.9	4 486.8	3 533.8	1 486.3	1 536.2	18 622.3	794.7	19 417.0	3 168	
May	8 429.1	4 547.2	3 570.6	1 538.5	1 589.4	18 896.2	778.6	19 674.8	3 467	
June	8 452.4	4 544.1	3 574.2	1 570.8	1 640.2	19 023.2	758.5	19 781.7	3 423	
July	8 477.7	4 569.8	3 608.1	1 602.3	1 658.7	19 146.5	770.1	19 916.6	3 298	
Aug.	8 539.0	4 604.7	3 631.4	1 668.0	1 660.1	19 327.4	775.8	20 103.2	3 384	
Sept.	8 811.6	4 655.6	3 686.1	1 742.1	1 657.0	19 747.3	805.1	20 552.4	3 415	
Oct.	8 956.0	4 712.2	3 739.1	1 755.6	1 662.5	20 026.2	799.2	20 825.4	3 495	
Nov.	9 071.0	4 770.5	3 793.6	1 737.0	1 760.3	20 352.2	780.2	21 132.4	3 606	
Dec.	9 233.7	4 796.2	3 836.0	1 746.6	1 799.1	20 643.2	768.4	21 411.6	3 975	
1972*										
Jan.	9 262.7	4 851.8	3 884.0	1 782.7	1 808.1	20 838.9	750.4	21 589.3	3 819	
Feb.	9 283.7	4 874.0	3 895.8	1 813.6	1 795.0	20 903.2	758.9	21 662.1	3 928	
March	9 417.3	4 912.2	3 941.0	1 838.6	1 831.1	21 144.3	795.9	21 940.2	3 947	
April	9 583.6	4 954.0	3 976.1	1 879.5	1 869.7	21 432.3	830.6	22 262.9	3 962	
May	9 671.5	5 011.3	4 034.2	1 918.8	1 908.3	21 725.5	818.6	22 544.1	..	

¹ New series.



STATE FINANCES

Mill. mk

Revenue	Jan.—Apr.		Expenditure	Jan.—Apr.	
	1971	1972		1971	1972
Income and property tax (net)	1 268	1 463	Wages, salaries, pensions etc.	658	727
Gross receipts	(2 777)	(3 092)	Repair and maintenance	79	77
Refunds & local authorities	—(1 511)	—(1 629)	Other consumption expenditure	319	360
Other taxes on income and property	34	33	Total consumption expenditure	1 056	1 164
Employers' child allowance payments	144	135	State aid to local authorities	584	629
Sales tax	951	1 114	State aid to industries	443	477
Revenue from Alcohol Monopoly	233	250	of which: agric. price subsidies	(347)	(360)
Customs duties & import charges	126	116	Child allowances	88	93
Counter-cyclical tax	—	2	Share in national pensions and health insurance	75	76
Excise duty on tobacco	127	146	Other transfer expenditure	390	543
» » on liquid fuel	210	233	Total transfer expenditure	1 580	1 818
Other excise duties	84	92	Machinery and equipment	103	161
Tax on autom. and motor cycles	110	102	House construction	70	89
Stamp duties	75	88	Land and waterway construction	190	288
Special diesel etc. vehicles tax	19	21	Total real investment	363	538
Other taxes and similar revenue ¹	35	88	Interest on State debt	86	88
Total taxes	3 414	3 883	Index compensations	11	12
Miscellaneous revenue	209	417	Net deficit of State enterprises	66	40
Interest, dividends etc.	52	80	Other expenditure	2	4
Sales and depreciation of property	31	—	Total other expenditure	165	144
Redemptions of loans granted	45	44	Increase in inventories	+11	+19
Total revenue	3 751	4 424	Lending	179	235
Foreign borrowing	0	133	Other financial investment	181	57
Domestic borrowing	190	183	Total expenditure	3 535	3 975
Total borrowing	190	316	Redemption of foreign loans	41	45
Deficit (+) or surplus (—)	—202	—522	Redemption of domestic loans	163	198
			Total redemptions	204	243
Total	3 739	4 218	Total	3 739	4 218

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

State debt	1969	1970	1971	1972			
	Dec.	Dec.	Dec.	Feb.	Mar.	Apr.	May
Foreign debt	1 656	1 557	1 524	1 524	1 511	1 631	1 615
Loans	2 316	2 437	2 467	2 471	2 449	2 451	2 441
Compensatory obligations	4	3	2	2	2	2	2
Short-term credit	158	46	61	60	61	60	..
Cash debt (net)	— 217	— 284	—528	—547	—514	—485	..
Domestic debt	2 261	2 202	2 002	1 986	1 998	2 028	..
Total State debt	3 917	3 759	3 526	3 510	3 509	3 659	..
Total debt, mill \$	933	900	849	847	847	884	..

FOREIGN TRADE

Mill. mk

Value mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1966	4 816.9	5 524.4	-707.5
1967	5 231.2	5 794.4	-563.2
1968	6 874.2	6 710.9	+163.3
1969	8 344.7	8 504.8	-160.1
1970	9 686.7	11 071.4	-1 384.7
1971*	9 897.2	11 738.2	-1 841.0

1971*			
Period	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
June	830.6	807.9	+ 22.7
July	846.5	868.5	- 22.0
Aug.	809.6	881.2	- 71.6
Sept.	858.1	1 108.9	-250.8
Oct.	921.1	1 074.5	-153.4
Nov.	961.2	1 024.0	- 62.8
Dec.	1 017.6	1 462.2	-444.6

1972*			
Period	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
Jan.	872.3	957.5	- 85.2
Feb.	963.2	958.7	+ 4.5
March	1 049.9	1 036.1	+ 13.8
April	856.9	1 092.6	-235.7

Jan.-Apr.			
Period	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1971*	2 870.9	3 488.2	-617.3
1972*	3 742.3	4 044.9	-302.6

* The 1972 figures have been calculated by converting the final 1971 Fisher index with the percentage change in the 1972-1971 Laspeyres Index.

Indices of exports and imports 1962 = 100

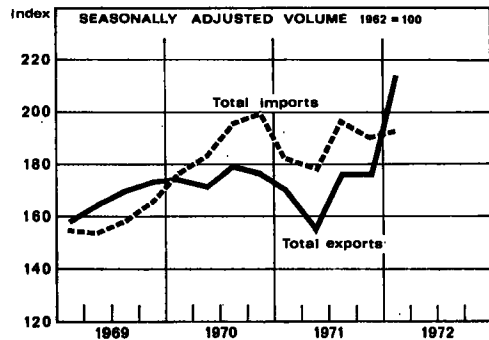
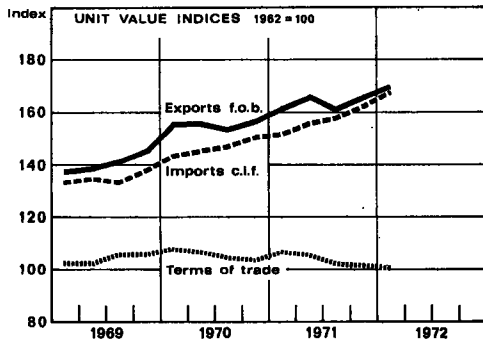
Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1966	122	135	112	
1967	129	135	115	110	105
1968	143	129	136	132	103
1969	167	160	141	135	104
1970	176	192	156	147	106
1971	171	190	164	157	104

1969					
Period	Volume Exports	Volume Imports	Unit value Exports	Unit value Imports	Terms of trade
Oct.-Dec.	190	187	146	138	106

1970					
Period	Volume Exports	Volume Imports	Unit value Exports	Unit value Imports	Terms of trade
Jan.-Mar.	152	162	156	144	108
Apr.-June	178	189	156	146	107
July-Sept.	182	186	154	147	105
Oct.-Dec.	193	228	157	151	104

1971					
Period	Volume Exports	Volume Imports	Unit value Exports	Unit value Imports	Terms of trade
Jan.-Mar.	152	169	162	152	107
Apr.-June	157	182	166	156	106
July-Sept.	176	184	162	158	103
Oct.-Dec.	198	223	166	163	102

1972 ¹	192	179	170	168	101
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FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1966	264.0	59.0	863.5	2 297.0	877.2	456.2	2 450.5	589.8	1 448.5	1 035.6
1967	261.4	54.3	865.7	2 384.5	1 080.6	584.7	2 545.9	668.2	1 462.8	1 117.5
1968	327.1	55.5	1 157.7	2 994.0	1 566.4	773.5	3 023.1	874.0	1 524.2	1 289.6
1969	360.2	71.9	1 400.4	3 373.9	2 011.8	1 126.5	3 692.9	948.6	2 229.4	1 633.9
1970	426.3	88.0	1 544.0	3 789.4	2 437.2	1 401.8	4 918.2	1 243.4	2 905.5	2 004.3
1971*	546.8	88.5	1 653.3	3 720.7	2 323.0	1 564.9	4 638.5	1 560.9	3 428.0	2 110.8

1971*

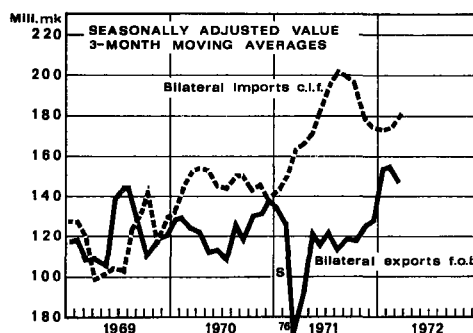
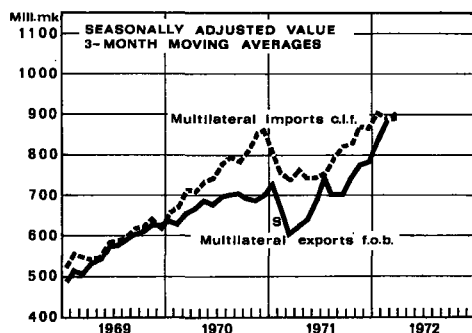
June	28.3	13.7	155.1	298.3	208.0	127.2	314.6	128.4	220.9	144.0
July	33.0	9.0	159.9	287.8	271.9	84.9	356.4	136.9	224.8	150.4
Aug.	37.9	13.7	148.5	287.5	187.6	134.4	345.0	171.7	213.9	150.6
Sept.	47.5	7.4	149.2	305.6	187.5	160.9	460.0	163.8	278.0	207.1
Oct.	45.0	8.0	166.1	351.0	196.4	154.6	434.3	142.3	317.2	180.7
Nov.	47.3	7.3	165.5	322.5	255.3	163.3	412.3	133.9	291.7	186.1
Dec.	74.5	6.6	168.6	359.5	254.8	153.6	601.6	179.3	430.7	250.6

1972*

Jan.	72.8	3.2	132.7	320.7	226.5	116.4	360.9	136.6	294.3	165.7
Feb.	38.5	3.9	115.4	341.4	312.3	151.7	387.3	84.5	290.8	196.1
March	88.3	0.7	114.3	377.9	287.4	181.3	439.7	76.7	279.6	240.1
April	32.6	3.4	118.5	309.8	235.5	157.1	395.4	104.7	364.7	227.8

Jan.-Apr.

1971*	169.2	10.7	407.1	1 210.9	597.7	475.3	1 362.9	342.3	1 098.0	685.0
1972*	232.2	11.2	480.9	1 349.8	1 061.7	606.5	1 583.3	402.5	1 229.4	829.7



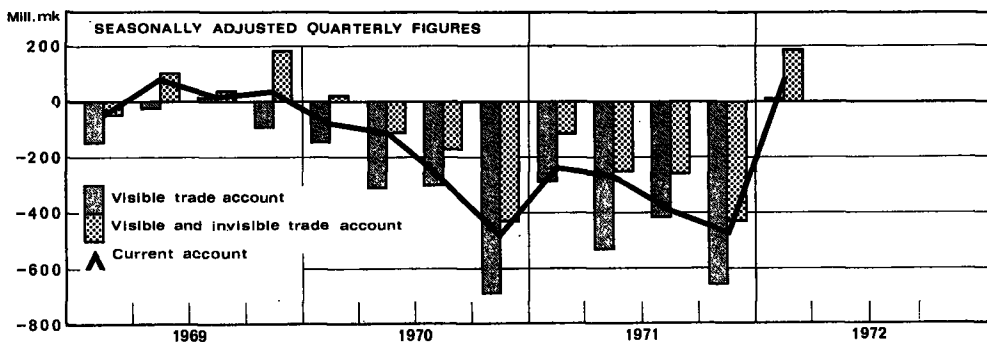
FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January — April				January — April			
	1971*		1972*		1971*		1972*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	71.8	2 063.8	72.7	2 719.2	75.9	2 645.6	76.2	3 082.0
Austria	1.0	28.0	0.9	34.5	1.7	57.8	1.5	59.9
Belgium-Luxembourg	1.8	53.0	1.6	59.8	1.7	60.8	1.9	76.0
Denmark	3.9	112.6	3.6	134.5	3.7	127.7	3.1	125.4
France	3.9	112.0	3.9	146.7	3.5	120.2	4.6	186.4
Federal Republic of Germany	10.6	305.1	9.6	360.4	16.8	586.8	19.0	766.4
Italy	2.0	57.7	1.7	61.9	2.2	76.3	2.2	88.8
Netherlands	4.4	125.6	3.5	129.7	3.6	126.9	3.8	151.9
Norway	3.8	109.3	3.1	115.3	2.7	95.6	2.4	98.3
Portugal	0.3	8.3	0.2	9.2	0.7	23.2	0.7	29.4
Spain	0.9	26.8	1.0	36.8	0.9	30.6	0.5	20.1
Sweden	15.7	449.7	20.5	766.8	19.2	669.5	18.3	739.9
Switzerland	2.0	58.0	2.2	83.0	3.8	132.7	3.4	138.7
United Kingdom	19.5	560.7	18.3	684.0	15.1	526.8	14.5	588.0
Other	2.0	57.0	2.6	96.6	0.3	10.7	0.3	12.8
OECD countries outside Europe	6.3	181.3	7.0	261.9	7.0	245.4	5.7	228.9
Canada	0.8	22.5	1.0	37.8	0.2	8.5	0.3	10.5
Japan	0.1	4.5	0.5	16.7	2.5	87.8	1.7	67.1
United States	5.4	154.3	5.5	207.4	4.3	149.1	3.7	151.3
Eastern Bloc	13.2	380.7	13.7	512.2	14.9	521.0	15.0	605.7
Czechoslovakia	0.5	14.3	0.5	18.1	0.5	16.6	0.5	19.5
Democratic Republic of Germany	0.5	16.0	0.4	14.4	0.5	18.8	0.6	22.5
People's Republic of China	0.3	9.3	0.3	12.9	0.5	16.1	0.3	14.0
Poland	1.2	33.6	0.9	34.1	1.6	54.5	0.6	23.9
Soviet Union	9.9	284.9	10.9	406.4	11.3	396.0	11.8	475.9
Other	0.8	22.6	0.7	26.3	0.5	19.0	1.2	49.9
Latin America	2.8	78.9	1.8	67.3	0.6	21.6	1.6	65.1
Argentina	1.0	28.4	0.3	12.7	0.1	4.3	0.1	3.1
Brazil	0.7	18.7	0.7	23.9	0.0	0.4	0.5	20.2
Colombia	0.3	7.8	0.1	4.5	0.0	0.1	0.6	24.7
Other	0.8	24.0	0.7	26.2	0.5	16.8	0.4	17.1
Other	5.9	169.2	4.8	181.7	1.6	54.7	1.5	63.1
GRAND TOTAL	100.0	2 873.9	100.0	3 742.3	100.0	3 488.3	100.0	4 044.8
of which								
EFTA countries	46.3	1 330.9	49.0	1 832.7	47.0	1 639.9	44.1	1 784.3
EEC countries	22.7	653.4	20.3	758.5	27.8	971.0	31.4	1 269.5
OECD countries	78.1	2 245.1	79.7	2 981.1	82.9	2 891.0	81.9	3 310.9

BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1969	8 296	8 528	-232	+579	+ 4	-13	+338	-323	+72	+ 87
1970	9 634	11 099	-1 465	+716	+142	+17	-590	-397	-18	-1 005
1971	9 845	11 762	-1 917	+660	+247	+66	-944	-477	- 1	-1 422
Jan.-Mar										
1969	1 696	1 944	-248	+128	- 20	-11	-151	- 57	+80	-128
1970 ^f	2 074	2 309	-235	+192	- 9	- 3	- 55	- 86	-11	-152
1971	2 168	2 536	-368	+198	- 13	+19	-164	-135	- 1	-300
1972*	2 871	2 959	- 88	+219	+ 3	+ 6	+140	-144	-23	- 27
Apr.-June										
1969	2 002	2 008	- 6	+140	- 17	- 6	+111	- 84	- 7	+ 20
1970 ^f	2 429	2 721	-292	+180	+ 10	+ 0	-102	- 96	+ 1	-197
1971*	2 291	2 777	-486	+175	+ 47	+21	-243	-118	- 1	-362
July-Sept.										
1969	2 168	2 022	+146	+116	+ 38	-14	+286	- 80	+ 1	+207
1970 ^f	2 469	2 690	-221	+180	+109	- 4	+ 64	-110	- 1	- 47
1971	2 502	2 883	-381	+178	+166	+16	- 21	-120	- 4	-145
Oct.-Dec.										
1969	2 430	2 554	-124	+195	+ 3	+18	+ 92	-102	- 2	- 12
1970 ^f	2 662	3 379	-717	+164	+ 32	+24	-497	-105	- 7	-609
1971	2 884	3 566	-682	+109	+ 47	+10	-516	-104	+ 5	-615

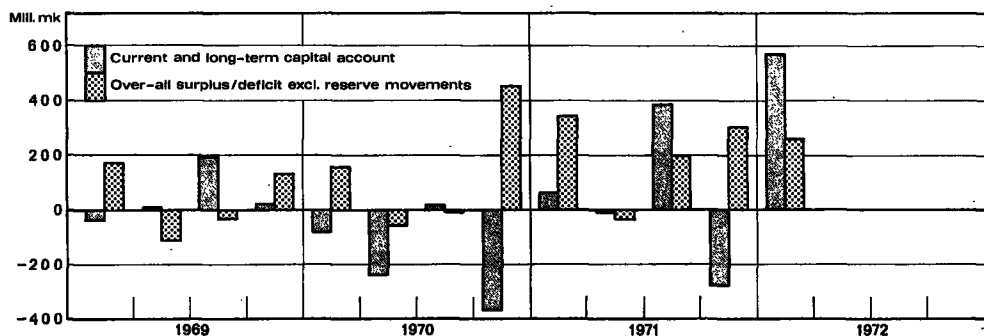


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+1 055	-723	-180	-51	+101	+188	+284	-311	- 6	+155	+115	-270
+1 479	-694	-253	-202	+330	-675	+751	+237	+232 ²	+545	-563	+ 18
+2 730	-855	-208	- 85	+1 582	+160	+387	+197	+ 62 ²	+806	-555	-251
+ 311	-201	- 8	-15	+ 87	- 41	+112	+147	- 46	+172	-135	- 37
+ 278	-158	- 51	+ 1	+ 70	- 82	- 9	+225	+ 23	+157	-240	+ 83
+ 610	-228	- 5	-18	+359	+ 59	+ 20	+329	- 66	+342	-314	- 28
+ 968	-273	-115	+17	+597	+570	-152	- 27	-130 ²	+261	-327	+ 66
+ 279	-155	- 98	-39	- 13	+ 7	- 23	- 92	- 6	-114	+252	-138
+ 220	-191	- 69	- 4	- 44	-241	+142	+ 42	- 4	- 61	- 86	+147
+ 595	-200	- 11	-29	+355	- 7	-157	+144	- 17	- 37	+ 99	- 62
+ 146	-146	- 17	+ 6	- 11	+196	+ 34	-284	+ 19	- 35	+151	-116
+ 359	-175	- 60	-58	+ 66	+ 19	+ 87	+ 5	-119	- 8	-116	+124
+ 868	-252	- 89	+ 5	+532	+387	- 40	+ 21	-169	+199	- 35	-164
+ 319	-221	- 57	- 3	+ 38	+ 26	+161	- 82	+ 27	+132	-153	+ 21
+ 622	-170	- 73	-141	+238	-371	+531	- 35	+332	+457	-121	-336
+ 657	-175	-103	- 43	+336	-279	+564	-297	+314	+302	-305	+ 3

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

¹ Including Direct investment, net.

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



PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1969	285	288	271	283	291	285	313	276	273	131	139	119
1970	297	300	286	299	317	290	329	290	283	138	146	126
1971	312	315	302	309	361	304	346	295	303	149	162	134
1971												
Sept.	317	319	307	312	374	309	350	299	309	153	170	136
Oct.	317	320	306	312	375	309	349	299	310	153	170	136
Nov.	319	322	308	314	377	312	354	299	312	153	170	137
Dec.	319	322	307	314	378	309	352	299	312	154	170	137
1972												
Jan.	323	325	315	317	390	312	352	302	318	154	170	137
Feb.	328	331	319	320	394	323	357	306	326	154	170	137
March	330	334	317	321	394	326	360	309	326	154	170	137
April	334	337	321	324	395	330	364	313	329	157	174	140
May	335	338	322	326	397	329	365	313	330	162	187	140
Consumer prices 1967 = 100												
Period	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Total	Food	Bever- ages and tobacco	Clothing and foot- wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1969	217	170	112	115	111	108	111	109	110	110	110	112
1970	223	175	115	116	115	109	115	121	115	113	113	115
1971	237	186	122	121	119	112	125	141	119	125	119	125
1971												
Sept.	243	190	125	125	120	113	130	143	122	129	121	126
Oct.	243	191	125	124	120	114	130	144	123	129	121	126
Nov.	244	192	126	124	120	114	131	144	124	131	123	127
Dec.	245	192	126	124	120	114	131	144	124	132	123	128
1972												
Jan.	242	190	125	124	120	115	126	145	121	128	125	128
Feb.	245	192	126	126	120	115	126	147	122	131	126	129
March	247	194	127	127	120	116	126	147	122	133	127	131
April	251	197	129	131	126	117	128	148	123	133	127	133
May	253	199	130	131	126	117	131	147	125	134	129	135

WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agriculture	Manufacturing	Construction							
1969	162	154	149	155	151	158	150	149	153	151
1970	181	170	170	164	161	165	164	157	169	164
1971*	215	194	193	180	177	179	187	172	194	185
1970										
Jan.-Mar.	181	166	161	162	160	164	160	156	164	160
Apr.-June	180	169	168	163	162	165	165	157	170	164
July-Sept.	180	171	172	164	162	165	166	158	171	165
Oct.-Dec.	187	175	179	165	162	165	168	158	174	167
1971*										
Jan.-Mar.	200	183	184	176	174	176	180	169	185	178
Apr.-June	206	194	193	177	176	177	187	170	196	184
July-Sept.	219	197	196	180	178	180	189	173	197	186
Oct.-Dec.	226	203	200	185	181	184	194	177	201	191

PRODUCTION

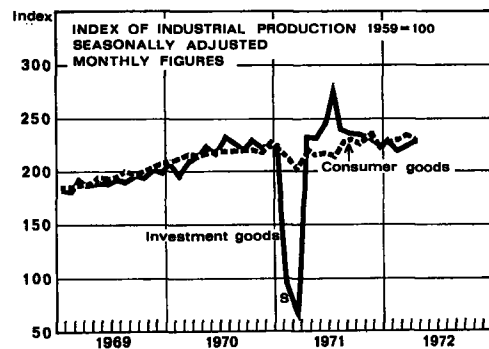
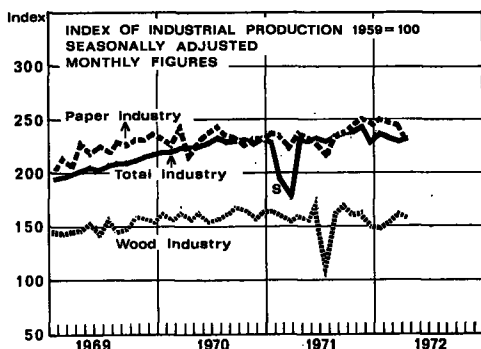
Volume indices of production 1964 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	House construction	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1969	123	138	97	102	123	104	124	123	123	123	127
1970	132	153	95	111	140	98	132	133	129	128	134
1971*	133	151	95	106	138	97	134	139	136	132	140
1971*											
Jan.-Mar.	127	142	57	158	93	93	126	131	133	131	139
Apr.-June	134	154	80	119	129	98	135	142	134	131	140
July-Sept.	135	143	175	55	160	100	138	135	135	132	140
Oct.-Dec.	138	166	66	90	168	97	138	149	140	134	142
1972*											
Jan.-Mar.	135	169	58	119	93	99	131	136	140	135	146

PRODUCTION

Index of industrial production 1959 = 100

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1968	182	175	191	164	163	132	202	253	240	177	181
1969	207	194	214	196	173	151	223	285	281	199	207
1970*	228	222	232	220	190	162	234	328	328	226	228
1971*	227	208	231	223	190	161	237	351	314	211	227
1971*											
Feb.	196	102	202	207	162	166	231	328	315	109	195
March	207	83	212	231	180	187	256	346	318	90	183
April	234	237	233	233	185	175	218	396	296	235	233
May	233	231	236	225	186	170	229	372	319	234	232
June	226	238	223	226	204	172	203	336	321	244	234
July	175	153	186	154	175	104	222	300	283	140	231
Aug.	231	218	229	236	190	134	247	320	333	221	235
Sept.	245	250	245	241	190	166	246	362	330	253	239
Oct.	251	255	256	237	226	169	256	362	344	258	240
Nov.	256	255	261	244	231	162	257	376	323	258	245
Dec.	239	241	242	230	186	155	229	362	267	248	232
1972*											
Jan.	245	253	250	228	169	160	262	404	272	253	238
Feb.	245	248	249	234	173	167	251	388	283	249	235
March	263	260	266	256	187	183	268	413	328	261	232
April	241	240	240	244	181	176	223	373	307	244	234



LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Unemployed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100	Indicator of traffic activity 1964 = 100
1968	2 188	2 100	88	4.0	31 859	100	100	106
1969	2 189	2 127	62	2.8	35 338	108	117	118
1970	2 194	2 153	41	1.9	39 267	114	130	125
1971*	2 199	2 150	49	2.2	36 238	118	137	122
1971*								
March	2 122	2 060	62	2.9	5 067	110	138	120
April	2 130	2 073	57	2.7	4 163	119	140	125
May	2 185	2 135	50	2.3	3 157	135	149	119
June	2 347	2 308	39	1.7	2 408	118	133	124
July	2 360	2 315	45	1.9	1 092	129	139	127
Aug.	2 285	2 243	42	1.8	1 290	124	160	130
Sept.	2 194	2 154	40	1.8	1 794	115	149	124
Oct.	2 179	2 138	41	1.9	2 274	120	142	128
Nov.	2 177	2 131	47	2.2	2 616	117	144	123
Dec.	2 175	2 122	53	2.4	3 233	156	155	121
1972*								
Jan.	2 134	2 063	71	3.3	3 009	110	126	121
Feb.	2 128	2 055	73	3.4	3 927	110	137	116
March	2 126	2 053	73	3.4	4 658	119	152	125
April	2 142	2 078	64	3.0	3 774

CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1969	38.95	15.38	3.88	15.29	2.12	32.03	12.85	3.15	10.95	3.32	36.40
1970	41.42	17.96	3.72	15.56	23.6	38.55	16.41	4.29	12.59	3.35	36.56
1971*	42.63	19.54	3.10	15.18	26.0	37.00	15.67	3.12	13.71	2.91	37.34
1970*											
Oct.-Dec.	9.07	4.23	0.44	3.24	0.78	14.62	5.79	1.79	5.24	1.23	36.56
1971*											
Jan.-Mar.	6.52	2.86	0.52	2.45	0.33	6.55	3.00	0.49	2.19	0.72	32.98
Apr.-June	13.59	5.54	1.59	5.06	0.58	7.89	3.23	0.38	3.46	0.50	37.90
July-Sept.	12.90	6.66	0.61	4.18	0.89	8.78	3.65	1.01	2.64	0.84	41.76
Oct.-Dec.	9.62	4.48	0.38	3.49	0.80	12.67	5.35	1.12	5.03	0.76	37.34

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

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

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

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

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

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

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

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Bank less cash holdings (net) of State departments and funds.

FOREIGN TRADE

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

BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude storing expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

PRICE INDICES

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

WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office. Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: food industry ISIC no. 20, weight 11.2, wood industry no. 25, weight 6.6, paper industry no. 27, weight 13.1, chemical industry no. 31, weight 5.2, non-metallic mineral industry no. 33, weight 3.6 and metal industry nos. 34—38, weight 23.5.

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

Page 17. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED

- Preliminary
- Revised
- 0 Less than half the final digit shown
- . Logically impossible
- . . Not available
- Nil
- S affected by strike

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden and was raised in 1556 to the dignity of a Grand Duchy. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current period, March 1, 1968, to March 1, 1974, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1972 were as follows: Social Democrats 55, People's Democrats 37, Centre Party 35, Conservatives 34, Finnish Farmers' Party 18, Swedish Party 10, Liberal Party 7 and Christian League 4.

INTERNATIONAL ORGANIZATIONS

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

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4%. On an average 15.8% of the land in the South of Finland is cultivated (1960), 2.3% in the North and 9.2% of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.3%, are covered by forests.

OWNERSHIP OF LAND (1960): The total land area was distributed among different classes of owners approximately as follows: private 60.9%, State 31.8%, joint stock companies etc. 5.6%, municipalities and parishes 1.7%.

POPULATION

NUMBER OF INHABITANTS (1970): 4.6 million. Sweden 8.0, Switzerland 6.3, Denmark 4.9 and Norway 3.9 million.

DENSITY OF POPULATION (1970): In South Finland 43.5, in East and Central Finland 14.2, in North Finland 4.0 and in the whole country an average of 15.1 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1970): 51% of the population inhabit the rural areas, 49% towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 517 000 inhabitants, Tampere (Tammerfors) 156 400, Turku (Åbo) 153 300.

EMPLOYMENT (1970): Agriculture and forestry 23%, industry and construction 35%, commerce 15%, transport and communications 7%, services 20%.

LANGUAGE (1960): Finnish speaking 92.4%, Swedish speaking 7.4%, others 0.2%.

EDUCATION (1970): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 8 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1970): births 14.0 ‰, deaths 9.6 ‰, change — 3.7 ‰, net emigration 8.0 ‰. Deaths in France 10.6 ‰ and Great Britain 11.8 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1970, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 2 727 (7%),

forestry and fishing 2 683 (7%), manufacturing 11 643 (30%), construction 3 667 (10%) transport and communication 3 719 (10%), commerce, banking and insurance 4 733 (12%), public administration 2 228 (6%), ownership of dwellings 1 694 (4%), services 5 328 (14%), total 38 422. Index of real domestic product 131 (1964 = 100).

FOREST RESOURCES (1970). The growing stock comprised 1 450 million of solid cu. m incl. bark (51 210 million cu.ft), of which pine 43% and spruce 38%, the remaining 19% being broad-leaf-trees, chiefly birch. Of the growing stock 17 411 million cu. ft, 48% of them pine, was up to the standard required for logs. The annual growth is 47 million solid cu. m green wood excl. bark (1 660 mill. cu. ft). The total removal calculated according to the use of wood was 50,7 million cu. m excl. bark (1 791 million cu. ft).

AGRICULTURE (1970): Cultivated land 2.7 million hectares. Number of holdings 297 300, of which 188 400 are of more than 5 ha. Measure of self-sufficiency in bread cereals 123% in the crop year 1969/70.

INDUSTRY (1969): Gross value of industrial production 30 676 mill. marks, number of workers 375 063, salaried employees 95 910, motive power (1968) 4.7 mill. kW. Index of industrial production 227 for 1971 (1959 = 100).

STATE RAILWAYS (Jan. 1, 1972): Length 5 874 km.

MERCHANT FLEET (April 30, 1972): Steamers 41 (43 908 gross reg. tons), motor vessels 384 (786 615 gross reg. tons), tankers 59 (733 446 gross reg. tons), sailing vessels with auxiliary engines 4 (566 gross reg. tons). Total 488 (1 564 535 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1971): Passenger cars 753 000, orries and vans 113 600, buses 8 200, others 5 200. Total 880 000.

FINNISH AIRCRAFT (May 1972): Finnish Airlines, Finnair and Kar-Air have in use 3 DC-8-62s, 2 DC-6s, 8 Super Caravelles 8 DC-9s and 7 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 24 airports and to 17 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar). Since Dec. 20, 1971 a temporary central rate of 4.10 marks to one U.S. dollar has been applied.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1971). There are two big and five small commercial banks with in all 833 offices. 306 savings banks, 424 co-operative banks, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The National Pension Institute and fifty-nine private insurance companies also grant credits.

RATES OF INTEREST (Jan. 1, 1972). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 7 3/4 ‰. The range of rates for other credits granted by the Bank of Finland is between 6 and 9 ‰. Other credit institutions: term deposits 4 1/4 ‰, 6 month deposits 4 3/4 ‰, 12 month deposits 5 1/4 ‰, 24 month deposits 6 1/4 ‰; highest lending rate 11 ‰.

BALANCE OF PAYMENTS — TRENDS AND SHORT-TERM PROSPECTS

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GENERAL PATTERN

Throughout the 1960's the balance of payments of Finland was, as a rule, in deficit on current account. The relatively large trade deficit was not fully made up by growing net invisible earnings. As net capital imports have generally more than offset the current deficit, foreign exchange reserves have been accumulated, and in the past two years this tendency has accelerated, despite sizeable current account deficits.

Yearly fluctuations in the current account balance are largely determined by the relative cyclical position of the Finnish economy (Chart 1). But the underlying current account deficits — about 6 per cent of current payments in the 1960's — were the natural consequence of a policy to accelerate structural changes in the economy.

The recent transformation process has required heavy infrastructural and productive investments. As the saving ratio of the Finnish economy is relatively high and could not be raised easily, a policy of long-term capital import was adopted to fill the gap between investment and domestic saving.

Long-term borrowing covered three-quarters of the difference between the aggregate current deficits and the increase in reserves, while short-term commercial credits primarily covered

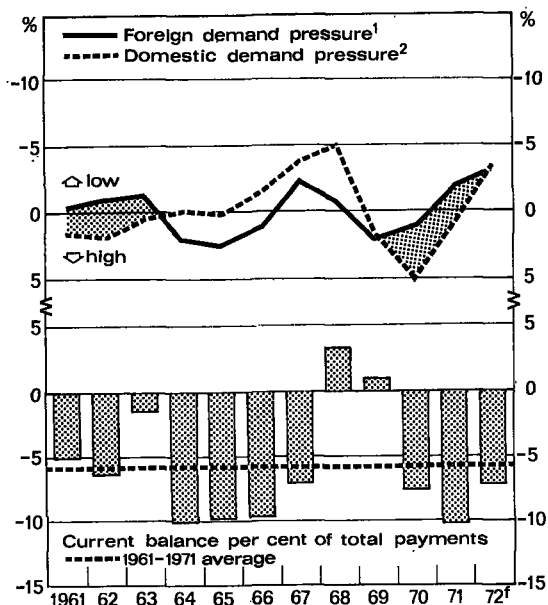
the remainder. Furthermore, in the past two years Finland has increased her foreign indebtedness by considerably more than in the entire preceding decade. Net import of foreign long-term capital has risen to nearly 4 per cent of GDP, which is still fairly moderate in comparison with other countries. At the same time the reserves have reached the level, where they, as such, would suffice to finance for five years a deficit equivalent to the average current deficit of the period 1961—1971.

EXPORTS

During the past two years the growth of the Finnish economy was restrained appreciably by the weakness of foreign demand. Following the upswing of the late 1960's the rate of activity in the OECD countries most important for Finnish exports declined distinctly faster than during previous cyclical downturns. In 1971 the average growth rate in these countries was lower than in any year since 1958. The weak demand situation was accompanied last year by a further obstacle for the growth of trade, substantial unrest in foreign currency markets.

The volume of Finnish commodity exports fell last year by some 3 per cent. As the average rate of growth during the 1960's was almost 8 per cent, the figure for 1971 was very far

CHART 1. CURRENT ACCOUNT AND RELATIVE CYCLICAL DEVELOPMENT



¹ Percentage deviation from the trend of industrial production in counties important for Finnish exports.
² Percentage deviation from the trend of adjusted industrial production in Finland.

below the trend. Such unfavourable performance was mainly the result of sluggish foreign demand, but also due to some special factors at work during the year. In addition the structure of Finnish exports contributed to the unsatisfactory development. Concentration on the export of wood-based products to slow-growing markets has clearly hampered export expansion and past experience indicates that the composition of commodity exports tends to strengthen the impact of international business cycles on the Finnish economy. During an upswing, demand for the products concerned seems to grow rather vigorously, only to fall sharply during the recession. This pattern was felt last year when the demand for wood-based products weakened more sharply than demand in general. The situation was aggravated when the two countries most important for Finnish exports — the United Kingdom and Sweden — grew more slowly than other OECD countries.

Although Finnish exports are still largely wood-based they are being diversified rather rapidly. Since the late 1950's the range of

commodities exported and their degree of processing have increased substantially. Many industries which traditionally served only the home market have extended their activities to foreign markets as well. This process was speeded up by Finland's association with EFTA and the general liberalization of trade during the period. The share of wood-based products in Finnish exports has declined steadily from about 75 per cent in the early 1960's and they are expected to make up less than half of all commodity exports in the near future. In spite of the rapid structural change, Finnish exports still remain highly sensitive to fluctuations in foreign demand.

The considerable changes in the regional pattern of Finnish exports in the course of the last decade were connected partly with the process of diversification. The share of EFTA countries in Finnish exports increased while that of EEC countries declined. Also exports to the socialist countries fell somewhat in relative importance. The most striking feature was the rapid intensification of trade with other Nordic countries, primarily Sweden.

Finnish export performance in western markets was relatively good during the 1960's, if the impact of the geographic and commodity patterns is disregarded. During most of the decade Finnish exporters were able to maintain their market shares, and towards the end of the period there was a significant increase in the shares. This favourable trend shows some signs of weakening in the early 1970's (Chart 2). In the markets of the socialist countries Finnish exporters do not seem to have performed quite as well. Finland's market shares fell somewhat during the last decade partly because of increasing competition in these markets.

A comparison between relative cost developments and market gains or losses clearly indicates that relative costs are one major determinant of Finnish export growth (Chart 2). The cost indicators are here expressed in U.S. dollars to take account of the advantages or disadvantages created by the exchange rate

adjustments, which have been so important during recent years. Generally there seems to be a lag of about one year between changes in relative costs and changes in market shares. Having been almost unchanged in the early 1960's, relative costs turned clearly unfavourable to Finland in 1963—1964. In the mid-1960's cost increases were more or less in line with the rate of inflation in the main competitor countries. Consequently, market shares could be maintained practically unchanged. Following the devaluation of 1967 and the stabilization measures which followed it, price-competitiveness of exports improved significantly. Low demand pressure at home at the time of the early upswing abroad (Chart 1) helped foster rather encouraging export performance. However, the promising trend lost momentum somewhat in the early 1970's, when relative cost developments proved less satisfactory and the high level of domestic activity held back exports.

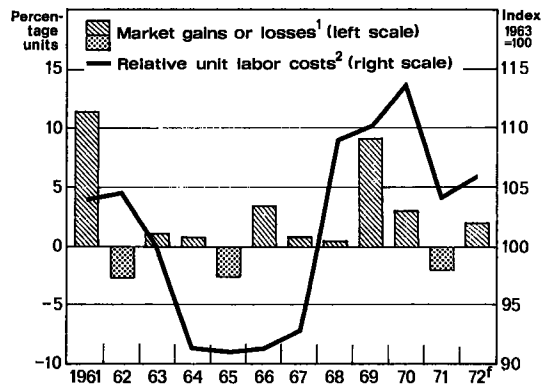
Current forecasts indicate that Finland will regain some markets this year after the slight loss of 1971. The recent effective depreciation of the mark against the currencies of Finland's main trading partners will improve somewhat the underlying trend in relative costs. Currently, there is unused capacity in the export industries so that the growth of markets and Finland's favourable competitive position can be exploited.

IMPORTS

Finland's dependence on imports is relatively great. The average share of imports in the total supply has been some 20 per cent and although the share has fluctuated with domestic cycles, it has shown a tendency to rise during the last decade. Relative import substitution has taken place only in years of economic recession when the volume of imports has fallen and that of GDP grown slightly.

Fluctuations in imports have followed cyclical developments fairly regularly, but the amplitude of variations in imports has been twice as large

CHART 2. EXPORT PERFORMANCE AND RELATIVE COST DEVELOPMENTS



¹ The difference between the growth rates of exports and markets (13 OECD countries most important for Finnish exports).

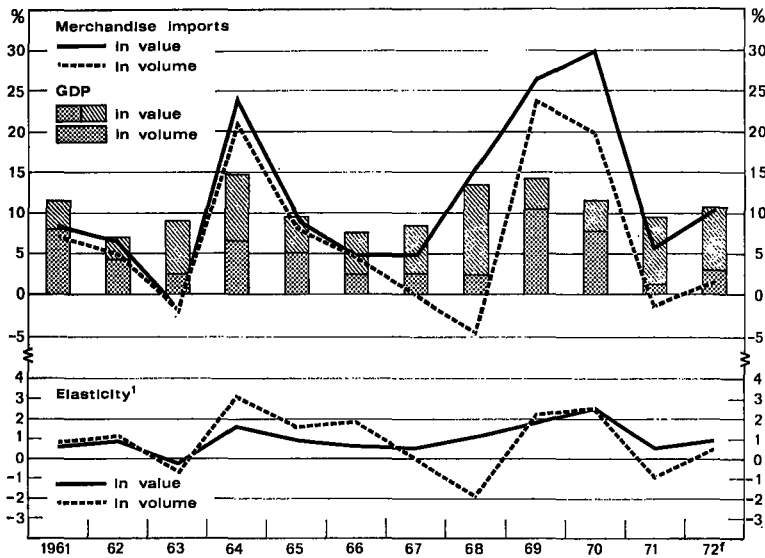
² Ratio of unit labour costs in competing countries to unit labour costs in Finland, in U.S. dollars. If the ratio had been weighted by the shares of market countries in exports, the competitive position would appear more favourable for Finland in 1971.

as that of GDP (Chart 3). At times of strong demand pressure as in 1969 and 1970 domestic supply has been able to satisfy a smaller share of demand than usual. The spill-over into imports has been marked and further strengthened by stockbuilding. During cyclical downswings, the volume of imports decreases as a result of weakening total demand and the running down of stocks. This pattern clearly reflected in the behaviour of imports in 1971.

A comparison of the cycle of 1967—1971 with the previous one, shows that the annual rate of growth in the value of imports accelerated from 8 ½ per cent to 16 ½ per cent while the annual rate of growth in the value of GDP increased only slightly, i.e. from 9 ½ to 11 ½ per cent. Most of the acceleration in trade values between the two cycles was accounted for by faster rises in import prices. The growth rate in the volume of imports as well as the volume of GDP remained fairly stable between the two periods. This clearly seems to imply some changes in trade elasticities.

The income elasticity of imports in volume terms did not change much between the cycles, although within the cycles it varied with clear regularity (Chart 3). In 1971 the income elasticity fell notably below its average

CHART 3. IMPORTS AND GDP, ANNUAL PERCENTAGE CHANGE



¹ The ratio of the percentage change in imports to the percentage change in GDP.

level owing to the economic downturn. However, between the two cycles, the average income elasticity in value terms was pushed up from 0.9 to 1.5 by increased inflation abroad. The corresponding elasticities of the OECD area as a whole have been somewhat higher.

In first part of the 1960's the rise in import prices expressed in domestic currency was fairly moderate, but in the latter part of the decade it even exceeded the rise in import volume. Until 1967 import prices rose by only one or two per cent a year, but as a consequence of the devaluation of 1967 and the inflationary boom abroad during 1969—1970, the rise in import prices was nearly four times the average annual increase of the early 1960's. Last year import prices rose as a result of disturbances in international foreign exchange markets and inflation. This development is expected to continue this year.

The commodity structure of Finnish imports has not undergone marked changes. Imports of raw materials and semimanufactures, including fuels, represent the most important item in Finnish purchases abroad, although their share in total value has been falling slightly, presumably as a result of shifts in domestic

activity towards less raw-material-intensive production. On the other hand investment goods and notably consumer goods have increased in importance, but here again shifts have been relatively small. Imports of investment goods are most sensitive to business cycles. This year their share is estimated to fall clearly owing to the recession in investment activity, whereas the share of non-productive imports, e.g. consumption goods and passenger cars, is expected to increase somewhat after the abolition of the supplementary turnover tax.

After Finland's association with EFTA in 1961 and the consequent trade liberalization, the share of imports from EFTA countries increased quite rapidly while that of EEC countries declined. In addition the share of the socialist countries fell somewhat during the 1960's. In 1971 the countries most important for Finnish imports were Sweden, the Federal Republic of Germany, the Soviet Union and the United Kingdom.

INVISIBLES

Invisible transactions (i.e. services, investment income and transfer payments) form a con-

siderable part of the Finnish current account; in 1971 their share was almost 20 per cent of current receipts and payments.

During the 1960's receipts from services grew slightly faster than the value of commodity exports, whereas payments for services grew at much the same rate as commodity imports. In 1971 the growth rate of receipts was less than half that of the preceding year but still remained higher than the growth rate of commodity exports. This slow growth in invisible receipts was mainly a result of a deterioration in the transportation balance, which gives rise to a major part of the total invisible account. With increasing receipts from both transportation and travel, the balance of services is expected to improve this year.

Transportation receipts consist mainly of freight earnings and therefore tend to follow the trend and fluctuations in both merchandise trade and shipping costs. In 1971 the volume of trade declined considerably and freight rates fell to an exceptionally low level as a result of the international shipping recession and substantial unused tonnage. Consequently, total transport receipts decreased. Continuing growth in port disbursements increased transportation payments somewhat. Because of unused capacity, freight earnings are not expected to rise very rapidly in spite of growth in trade. Yet shipping costs will still rise considerably and thus increase transportation payments.

Last year travel receipts continued to grow at the rapid pace of the late 1960's. The growth rate of travel expenditures accelerated clearly. However, the surplus of travel account was almost double that of the previous year. The recent favourable balance on travel account is partly a result of extensive border trade which is influenced by Finland's relative price advantage over Sweden. It is evident that the growth of receipts on travel account also reflects travel expenditures by Finns working permanently in Sweden but spending their holidays in their home country. The turn-about in the travel balance from an annual deficit of some 100

million marks in the 1960's to a surplus of 247 million marks in 1971 cannot thus be explained merely by increased earnings from tourism.

Throughout the past decade Finland, a net importer of foreign capital, has increased her net interest payments. In 1971 foreign long-term borrowing was almost twice that of the previous year, and debt servicing costs rose to some 10 per cent of current receipts. Although a simultaneous increase in foreign exchange holdings led to substantial increases in foreign investment income, net investment income was clearly in deficit. Transfer payments and receipts, which are of minor importance in total current transactions, were roughly in balance last year.

THE CURRENT BALANCE

Finland's current account was in deficit throughout the 1960's, except in the post-devaluation years of 1968 and 1969. In the early 1970's the deficit deepened considerably, largely for cyclical and exceptional reasons. In the course of the two latest business cycles the average annual deficit has been about 500 million marks (Table). The deficits of the last two years, both in excess of 1 000 million marks, appear rather large against this background. The current balance should, however, be evaluated in relation to a quantity such as current payments or GDP which gives some indication of its relative size.

The deficit on current account has been on average slightly less than 6 per cent of current payments since the early 1960's (Chart 1). There is a clear difference between the average relative size of the deficit during the first business cycle, when it was 7.5 per cent of current payments, and the deficit during the second cycle, when it was 4 per cent. Furthermore, the deficit of 1971 which appears rather large in absolute terms does not exceed those of the mid-1960's in relative terms. A gradual improvement in the current balance is expected during this year and the next.

BALANCE OF PAYMENTS, BASIC TRENDS
MILLION MARKS

	1962—66	1967—71	1971	1972
	Annual average			First quarter
Exports f.o.b.	4 121	7 960	9 845	2 871
Imports c.i.f.	4 697	8 787	11 762	2 959
TRADE BALANCE	—576	—827	—1 917	—88
Services, net	242	642	973	228
BALANCE OF GOODS AND SERVICES	—334	—185	—944	140
Investment income & transfer payments	—99	—327	—478	—167
CURRENT BALANCE	—433	—512	—1 422	—27
Long-term loans, net	286	775	1 875	695
Other long-term capital	—46	—250	—293	—98
BASIC BALANCE	—193	13	160	570
Short-term trade credits	8	310	584	—179
Other short-term capital	107	76	62	—130
OVER-ALL BALANCE	—78	399	806	261
Reserve movements:				
Bank of Finland	55	—317	—555	—327
Other foreign ex- change holders	23	—82	—251	66

Differences in the timing and magnitude of relative demand pressures at home and abroad have a central position in the short-term development of Finland's current account. In general, weak domestic demand pressure and a high level of foreign activity can be expected to strengthen the current account. Performance on current account is, of course, further affected by the competitiveness of the economy. In addition, during the 1960's there has been a slow rise in the Finnish terms-of-trade. As for economic policies, there has been a clear tendency to counteract large deficits primarily with monetary, but also with fiscal measures. In mid-1960's and again in the last few years such measures were adopted to curb imports either directly or through total demand.

In the mid-1960's despite appreciably greater activity abroad than at home, considerable deficits were recorded. A partial explanation for this is the unfavorable development of

relative costs in the early 1960's (Chart 2). After 1967 the price-competitiveness improved. In addition, the domestic rate of activity was low, and thus neither restricted exports nor boosted imports. Foreign demand was growing and made it possible to achieve a current surplus in two years. However foreign demand lost momentum quite early, while domestic demand pressure remained high until the early 1970's and led to the deterioration of the current balance. In the near future, decreased domestic activity should allow improvement in the current balance along the upswing of foreign demand. Current economic policies aim to strengthen the expected export-led upturn (see Bulletin No. 6/1972).

In order to draw reliable conclusions about the medium-term outlook for the country's external position, allowance should be made for the influence of cyclical and exceptional factors on current transactions. The tentative results of such an undertaking reveal that a major part of the deficits of 1970 and 1971 were the result of cyclical, and especially during the latter year, exceptional factors. The early downturn of foreign demand coupled with continuing strong domestic activity were the main reasons for the deficits. Last year the six-week strike in the metal industry, sluggish development of bilateral exports, and rapid increases in fuel prices as well as wide-spread inflation throughout the world were factors leading to the deterioration of the current account.

CAPITAL FLOWS AND RESERVE POSITION

Since 1960 Finland has been a net importer of capital (Chart 4). In recent years the inflow of capital has been facilitated by the increased availability of medium and long-term funds at reasonable terms in the Euro-currency and other financial markets. A major part of the capital acquired has been channelled directly to enterprises; state borrowing does not play a major role, although customarily a good number of foreign loans are guaranteed by the state.

Foreign indebtedness, although rising continuously, has not reached a level which would give rise to concern, particularly as the average life of the loans has been slightly prolonged. At the end of 1971 outstanding long-term foreign loans stood at about 15 per cent of the GDP. In the past decade the net import of long-term capital was on average about 1 per cent of GDP per annum. Last year a heavy inflow coincided with a very low growth of output. The cost of servicing foreign debt currently presents no problem nor will it in the near future.

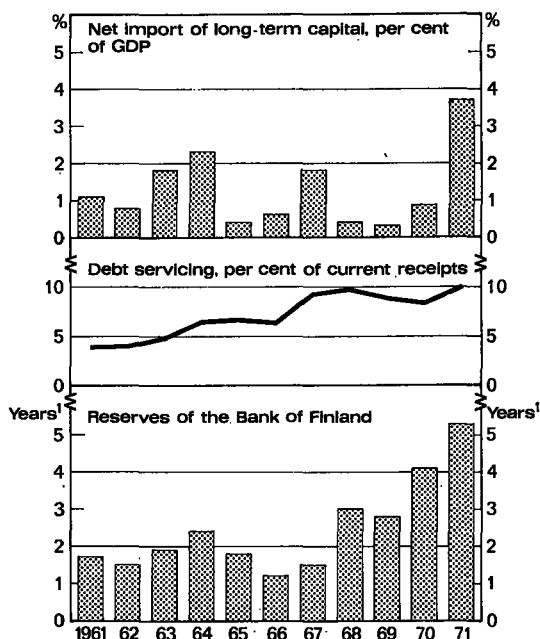
A noticeable shift in the structure of Finland's foreign debt has taken place since the mid-1960's. Loans from foreign governments and international financial institutions have diminished greatly, while the volume of bond loans and other financial credits has increased. As the resources of international financial organizations are not easily available, Finland must now rely mainly on international markets to satisfy her needs for capital imports.

Direct investment into and out of Finland has not reached any substantial proportions. Cumulative total direct investment abroad by Finnish firms since 1963 amounts to somewhat more than 700 million marks, while foreign investment in Finland has been slightly less. Paper and metal industries account for the majority of Finnish investments abroad.

The development of trade credits naturally follows the course of imports and exports but also reacts to changes in interest rate differentials and expected changes in exchange rates. Tightness in the domestic financial market is also reflected in the volume of trade credits, especially in 1970.

When considering the relation between the import of foreign capital and the domestic investment-saving gap, attention is generally paid to the fairly high level of domestic saving. However, the capital-output ratio is also high, it is therefore believed that structural changes

CHART 4. LONG-TERM CAPITAL FLOWS AND RESERVE POSITIONS



¹ Length of time end-of-year reserves would suffice to finance the average current deficit of the period 1961—1971.

in the Finnish economy can be facilitated by the import of foreign capital. The criteria used in allocating these capital resources include not only efficiency but also the effect on the balance of payments; e.g. an investment may aid modernization of an export industry or help create a new industry designed to reduce reliance on imports.

As Finland is running a current account deficit, the question of the adequacy of the nation's foreign exchange reserves is naturally a matter of great concern. The situation is indicated in Chart 4 in which the end-of-year reserves of the Bank of Finland have been divided by the average current deficit — Fmk. 450 million — of the period 1961—1971. The reserves have grown still further since the end of 1971 and thus the present situation can be regarded as quite satisfactory, although the current deficit in 1972 is still expected to be quite substantial, even if noticeably less than in 1971.

ITEMS

Finland's balance of payments January—March 1972. According to preliminary figures of the Bank of Finland, total revenue on current account was 3 569 million marks and total expenditure 3 596 million marks in the first quarter of 1972. Thus there was a 27 million mark current account deficit as against a 300 million mark deficit one year earlier.

The trade deficit, including adjustment items, amounted to 88 million marks in January—March 1972, which was 280 million marks less than in the first quarter of 1971. The value of commodity imports grew by 17 per cent on the first quarter of 1971 and totalled 2 952 million marks. The value of commodity exports increased by 32 per cent and amounted to 2 885 million marks. The trade account, especially through exports, was affected by the postponement of deliveries of the metal industry into 1972 as a result of the strike in 1971 as well as by some other exceptional factors influencing the timing of export deliveries. When comparisons are made with the previous year's figures, the impact of the 1971 strikes should be taken into account.

The surplus in trade in invisibles totalled 228 million marks. On travel account there was a surplus of 3 million marks, and net income from transport was estimated to total 219 million marks. As other services yielded a surplus of 6 million marks, there was a total surplus of 140 million marks on visible and invisible trade account. As net investment expenditure and transfer payments abroad totalled 167 million marks, the current account showed the above-mentioned 27 million mark deficit.

The large inflow of long-term capital continued in the first quarter of 1972. The drawings on long-term loans amounted to 968 million marks

and amortizations to 273 million marks. A total of 149 million marks was granted as long-term export credits while corresponding repayments totalled 34 million. There was an outflow of 45 million marks in the form of direct investment and loans resulting from this; the corresponding inflow of capital was 52 million marks. The net inflow of long-term foreign capital was 597 million marks, i.e. 238 million marks more than in the same period of the previous year.

A net outflow of 179 million marks took place in the form of short-term trade credits, and the country's short-term foreign liabilities thus declined by this amount. The total export of short-term capital amounted to 394 million marks. When the special drawing rights allocated to Finland by the IMF at the beginning of 1972, totalling 85 million marks, are taken into account, an overall surplus of 261 million marks is obtained. This figure equals the growth in the country's foreign exchange reserves in the first quarter of 1972. The gold and foreign exchange reserves of the Bank of Finland increased by 327 million marks whereas the net foreign exchange assets of other foreign exchange holders declined by 66 million marks.

Finland's travel account in January—March 1972. According to preliminary figures of the Bank of Finland, total revenue from tourism increased by 28 per cent on the first quarter of 1971 and totalled 126 million marks at the end of March. Travel expenditure grew by 10 per cent and totalled 123 million marks. Thus the surplus on the travel account amounted to 3 million marks in the first quarter of 1972 as against a deficit of 13 million in the corresponding period in 1971.

BANK OF FINLAND

Board of Management

Mauno Koivisto

*Governor, absent as
a Member of Government*

A. Simonen	Ahti Karjalainen
<i>Deputy Governor, Acting Governor</i>	
Heikki Valvanne	Jaakko Lassila
Päiviö Hetemäki	Timo Helelä
	<i>ad int.</i>

Directors

Jouko J. Voutilainen	Timo Helelä
Jorma Aranko	Pertti Tammivuori
Markku Puntila	

Heads of Department

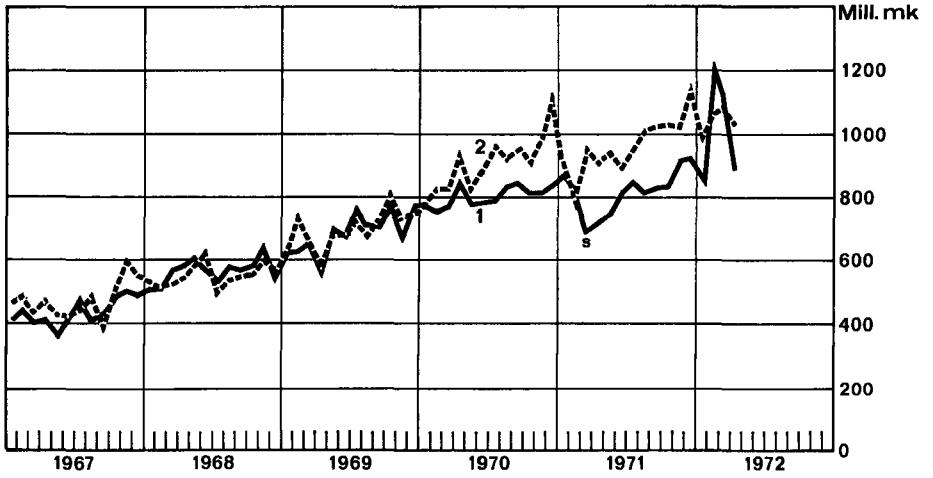
Pauli Kanerva	K. Ignatius
<i>Administration</i>	<i>Personnel</i>
Antti Lehtinen	Helge Lindström
<i>Domestic financial operations</i>	<i>Credits and securities</i>
Kalle Koski	P.-E. Österlund
<i>Foreign credits</i>	<i>Direct investments and capital transfers</i>
Kari Nars	Leo Lindström
<i>Special offices for international matters</i>	<i>Foreign exchange control</i>
Stig Törnroth	K. Eirola
<i>Cash</i>	<i>Automatic Data Processing</i>
A. Nenonen	Väinö Heiskanen
<i>Foreign correspondence</i>	<i>Banking services</i>
Eino Suomela	
<i>Internal Audit</i>	

Institute for Economic Research

Pertti Kukkonen
Director

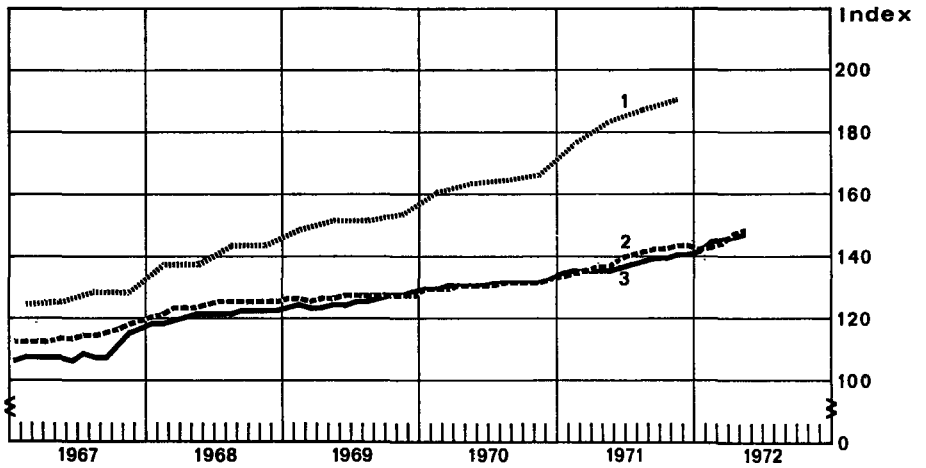
Foreign trade, 1967 - 1972

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



Prices and wages, 1967 - 1972

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



Production, 1967 - 1972

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

