



BULLETIN

BANK OF FINLAND

75
years

September 1996 Vol. 70 No. 9

Inflation, monetary policy and
economic performance

Bank of Finland Bulletin – 75 years

Inflation, monetary policy and economic performance	3
<hr/>	
Bank of Finland Bulletin – 75 years by Heikki Elonen	10
<hr/>	
Item: Bank of Finland goes on the Web	14
<hr/>	
Measures concerning monetary and foreign exchange policy and the financial markets	15
<hr/>	
Finland in brief	18
<hr/>	
Statistics • List of tables on page	S1
<hr/>	
Charts • List of charts on page	S29
<hr/>	

PUBLISHER

**SUOMEN PANKKI
FINLANDS BANK**

P.O.Box 160,
FIN-00101 HELSINKI,
FINLAND

Telephone:
National (09) 1831
International +358 9 1831

Telex: 121224 SPFBFI
Telefax: +358 9 174872
Cables: SUOMENPANKKI

Electronic mail:
X.400: S=PUBLICATIONS; A=MAILNET; P=BOFNET; C=FI
Internet: PUBLICATIONS@BOFNET.MAILNET.FI

Editor-in-Chief
Sirikka Hämäläinen

Edited
by the Bank of Finland's
Publication and Language
Services

The contents of the Bulletin
may be freely quoted,
but due acknowledgement
is requested.

ISSN 0784-6509

Printed by Libris Oy,
Helsinki 1996

Inflation, monetary policy and economic performance

During the summer months the markka appreciated while long-term interest rates continued their downward trend. This has been a result of improved prospects for economic growth, encouraging developments in the current account and further consolidation of public finances.

Inflation has remained subdued. Since the start of the current year consumer prices have risen at an annual rate of 1½ to 2 per cent. The decline in food prices came to a halt in the first half of the year, and housing prices have started to rise.

During the summer months, there has been some public discussion on the subject of deflation. Nonetheless, there are presently no signs pointing to a general decline in the level of prices. The deceleration in inflation that occurred in 1995 was exceptionally pronounced mainly because of a decline in the relative price of food following Finland's entry into the EU.

This year's rise in consumer prices is likely to be in the region of 1½ per cent. Both the rise in consumer prices and the underlying inflation rate are projected to remain slightly under 2 per cent in 1997.

Declining interest rates as well as positive news regarding economic performance in the second quarter have strengthened households' confidence in the future. Consequently, private consumption is forecast to continue growing vigorously in the final months of the year.

Although total output recovered already in late spring, economic growth in 1996 now appears likely to remain slightly weaker than forecast. There has also been some sectoral restructuring of the growth: export growth in the spring has been slower than forecast whereas domestic demand has grown slightly faster than expected.

Growth prospects for next year are good. Economic developments in Europe appear to have turned for the better. Moreover, the competitiveness of Finnish exports and profitability in the manufacturing sector are holding at a satisfactory level and domestic demand is forecast to continue to expand next year.

The public sector financial deficit has declined this year more rapidly than expected, and the decline should continue next year. This makes it highly likely that Finland will be able to meet the related EMU convergence criteria.

The restrictive effects of fiscal policy will not be very pronounced in 1997. The planned tax reduc-

tions will stimulate private consumption, offsetting by a clear margin the spending cuts that will affect households. The lightening of the tax burden will also help reduce structural unemployment.

The long-standing subdued trend in prices has made room for a substantial easing of monetary policy. Since October 1995 the tender rate has been lowered by a total of 2.75 percentage points. Interest rates on new bank lending have likewise clearly declined, and long-term interest rates have continued to recede. The differential against German interest rates has trended downward throughout the year, which is a reflection of market confidence in Finnish economic policy.

Despite the fact that the markka is floating, its external value has remained quite stable for two years. Continuing low inflation and a declining central government deficit are providing a foundation that will enable the markka's external value to remain stable over the coming years.

The decline in interest rates has played a role in the recovery of domestic demand. We have every reason to expect this trend, which also has a salutary effect on employment, to continue during the coming years. The continued stability of interest rates is one of the requisites for achieving balanced and sustainable economic growth. Nonetheless, the unemployment rate can decline substantially only if those structural changes that affect labour demand and supply conditions are continued and stepped up.

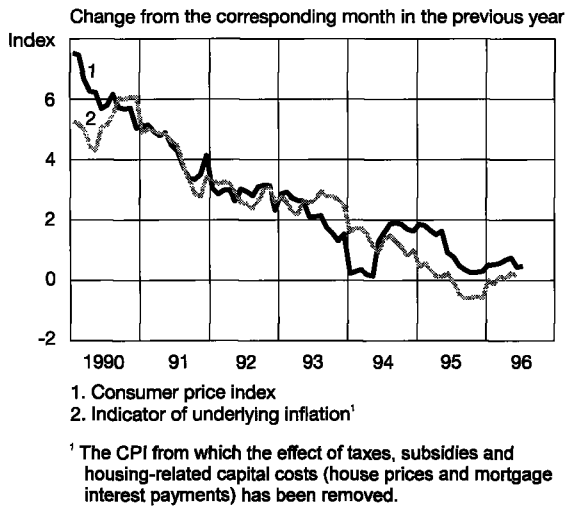
Inflation outlook very subdued

The rate of change of consumer prices seems to have slowed since the early part of the year. The price index has remained virtually unchanged since late spring, which is partly attributable to summer discount sales. By contrast, the six-month inflation rate has almost invariably shown signs of acceleration. Based on that rate, annual inflation should run close to 2 per cent. The underlying rate of inflation has been less than inflation as measured by other indices of consumer prices and somewhat lower than expected (Chart 1). The differences are mainly attributable to technical factors, largely related to the calculation of the tax rate index¹.

¹ For example, within EU countries cuts in agricultural income subsidies do not affect agricultural prices nor (hence) food prices.

Chart 1.

Consumer prices



Deflationary signs cannot be said to exist because price declines have been limited to specific product groups. In July the food price index was still below the figure for last summer but its notable rise this year indicates that the effect of Finland's entry into the EU has already disappeared. It is however noteworthy that changes in the prices of highly competitive commodities have been quite tightly constrained for some time now.

No such changes have taken place in factors affecting consumer prices as would cause substantial revision of earlier forecasts of price developments. Even with the brighter economic outlook, households' inflation expectations have remained subdued. Results from the latest (July) survey of business confidence also indicate a continuation of low inflation.

International inflation has remained fairly calm, eg producer prices have remained unchanged or have declined in many countries in the first half of the current year. This and the modesty of pay increases suggest that consumer price developments will remain subdued also in the near future. Cyclical asymmetries between the USA and Europe are however increasingly showing up in price trends. Prices of commodities included in the HWWA index, excluding energy, declined by 2.6 per cent in June–July. By contrast, the trend in the world market price of oil has been – possibly contrary to expectations – slightly upward.

Finland's markka-equivalent import prices rose 3 per cent between December 1995 and July 1996.

However, import prices have remained stable since May while the markka has been gaining strength. Import price developments are expected to remain fairly calm in the second half of the year because growth figures for the EU area have been revised downwards several times and because the revival of economic activity is likely to be postponed to the latter part of the year. Heightened competition in world trade is yet another factor curbing price pressures.

The decline in export prices of forest industry products has been the main single factor in the decline in merchandise export prices. In the period from December to July export prices declined by almost 3 per cent and the terms of trade weakened by 6 per cent. Future developments in export prices and the terms of trade will be strongly affected by the market situation in the forest industries, about which there has recently been some positive news. The order books of Finnish forest industry companies have grown and the decline in pulp prices has apparently come to a halt. By contrast, the decline in paper export prices has accelerated and no reversal is yet in sight.

The trend in producer prices has been slightly downward since February. As with export prices, this trend has recently been largely attributable to declining paper prices. Producer prices in the food industry have remained fairly stable in the first half of the current year. Thus the fairly rapid rise in consumer food prices in early 1996 is partly accounted for by the rise in food import prices and a likely widening of markups resulting from the revival of private consumption. According to the July survey on business confidence, manufacturing enterprises expected producer prices to continue to decline slowly in the third quarter.

Price stability has also been supported by a slowdown in the rise of domestic production costs, as a result inter alia of a moderate wage agreement concluded last autumn. In 1995 the increase in unit labour costs was considerably lower than anticipated. Labour productivity rose by more than forecast. As measured by the earnings level index, the rate of increase in wages and salaries fell to below 4 per cent in the second quarter of the current year compared with the corresponding quarter last year. As the increase in consumer prices will remain clearly below 2 per cent this year, the agreed index clause will not be triggered.

Wage drift continued to be relatively insignificant owing to declining inflation expectations. Cost drift is also expected to remain subdued in the near future because shortages of skilled labour and capacity have been reported only in the metal and engineering industries. In manufacturing an increase in capacity utilization has had a dampening effect on the rise in unit labour costs. Because producer prices have declined more rapidly than costs in the early part of this year, manufacturing companies' profitability has remained lower than a year ago.

Nevertheless, profitability is widely expected to improve in all the main sectors in the course of 1997.

Changes in asset prices are also pointing to very moderate price developments but certainly not to deflation. The decline in stumpage prices reversed course in June. By the end of August, new stumpage price agreements had been concluded for the Southern Finland and Lake District procurement areas. The agreements will keep stumpage prices at approximately the same level as in the second half of 1995. Uncertainty about the level of stumpage prices substantially restrained timber trade in the early part of the year. Now the trade is expected to pick up. Prices of old flats again recorded a clear rise throughout the country in the second quarter. Real prices of real estate are still very low and thus the price rise is not expected to strengthen inflation expectations.

Conditions for a continuation of subdued inflation in the coming years are still quite favourable, in line with earlier projections. Wage and salary developments are likely to remain fairly constrained until January 1998 in accordance with currently valid agreements. One of the factors that is reducing the risk of deflation is the rapid growth in private consumption; and there is a slight risk that markups will widen more than expected. On the basis of currently available data, the underlying rate of inflation is expected to remain below 2 per cent next year and there are no major inflationary pressures on the longer horizon.

Further easing of domestic interest rate policy

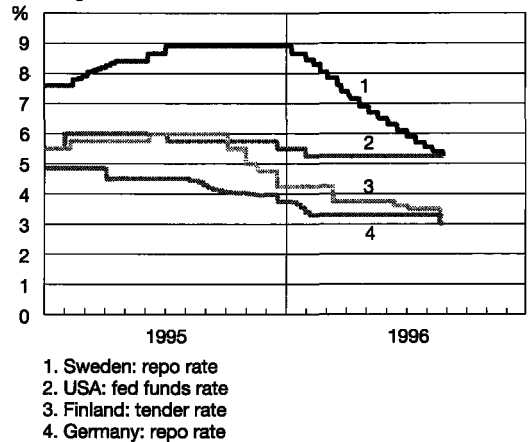
In the USA and Japan, the stance of monetary policy has not changed during the spring and summer. The markets have for some time been expecting the Federal Reserve to tighten monetary policy out of concern for inflation. Nonetheless, the key central bank (federal funds) rate has been kept unchanged with the economy continuing to grow at a rate commensurate with acceptably low inflation. Monetary tightening has also been expected in Japan due to an economic recovery that has been more rapid than expected.

In Germany fairly rapid growth of the monetary aggregate M3 in the early months of the year was one reason for the central bank's failure to cut the repo rate in spring or early summer. Later, M3 growth slowed to close to its target and in late August the Bundesbank lowered the repo rate from 3.30 per cent to a historic low of 3.00 per cent. Several central banks in ERM countries immediately followed suit.

As the view that inflation should continue at a subdued pace in the coming years strengthened over the course of the summer, the Bank of Finland cut the tender rate in three stages by a total of 0.50 percentage point to 3.25 per cent. The cuts did not surprise the markets. It was also decided at the end of August to lower the base rate from 4.50 per cent

Chart 2.

Key central bank rates



to 4.00 per cent, with effect from 16 September, in line with the decline in market rates.

In recent months, differentials have narrowed between the Finnish tender rate, the German repo rate and the key central bank rates in strong-currency European countries. The differential against the German repo rate is currently 0.25 percentage point compared to as much as 1.7 percentage points a year ago. Against the Swedish repo rate, the differential has this year narrowed by 2.7 percentage points, mainly because of rate declines in Sweden (Chart 2).

Market rates remain stable

In recent months, sentiment in the money and foreign exchange markets has been very positive, partly due to good inflation, current account and manufacturing output numbers. Market optimism has been bolstered by the latest results from surveys on business and consumer confidence. According to the surveys, confidence in economic recovery has strengthened in the manufacturing and consumer sectors.

The shortest market rates fell in line with the cuts in the tender rate. Minor changes in long-term rates in mid-summer were mainly attributable to movements in foreign interest rates. In August long-term interest rates declined, largely owing to domestic factors.

A government bond issued in the spring and maturing in 2006 was accorded benchmark status as of 12 August. The bond now serves as Finland's

10-year reference bond in international comparisons. At the end of August its yield was 7.14 per cent. The differential against the corresponding German bond was about 0.8 percentage point.

Decline in lending and deposit rates continues

The average rate on new markka loans has been declining in recent months as a result of the declining trend in market rates and in major banks' prime rates. In recent months, prime rates have declined roughly by the same amount as the longest (twelve-month) HELIBOR rate. Banks' rivalry for clients has also contributed to the decline in average rates on new loans, which have been at record low levels for several months now. Since last autumn, the average rate on new loans has declined by the same amount as the tender rate. This means that the interest rate easing has been fully passed through to lending rates.

In recent months, the average rate on the stock of outstanding lending has declined by more than the average deposit rate. This has narrowed the interest rate margin on banks' financial intermediation. At the end of July banks' interest rate margin was 4.3 percentage points compared to nearly 5 percentage points in the first half of last year.

The markka has appreciated

In the international currency markets, the US dollar has remained fairly stable during the summer months as against the major currencies although, in connection with a decline in US share prices, the dollar did depreciate somewhat in July against the Deutschemark and Japanese yen.

The Deutschemark strengthened vis-à-vis the majority of EU currencies in July and August. The appreciation has been particularly large against the currencies of Europe's high interest rate countries as investors have again started to place more weight on safety as opposed to high returns. This has been reflected in the weakening of the Swedish krona, Italian lira and Spanish peseta against the Deutschemark. The Swiss franc has also attracted more investment money and has in fact appreciated against the Deutschemark.

Unlike the other EU currencies, the markka appreciated against the Deutschemark in June–August, but over the longer period beginning in autumn 1994 the FIM:DEM rate has remained quite stable. Market confidence in Finland's economic policy and the salutary effects of positive economic news have been reflected in the markka's appreciation against the major currencies. At present, one Deutschemark costs about FIM 3.03, ie some 6 penniä less than at the end of May. Measured by the trade-weighted index, the markka appreciated by 3.6 per cent in June–August.

Commercial banks' net capital exports have been sizable this year. In fact, the banks in May achieved a historically significant reversal of their

net foreign debt position. The large size of these capital exports is a result of several years of client companies' repayment of foreign currency-denominated loans and, this year in particular, of a reduction in new net debt in connection with the hedging of forward contracts.

Banks have been taking on less net debt to hedge forward contracts because client companies have both reduced their sales of forward exchange and increased their purchases. This has reduced these companies' aggregate forward position, which tends to indicate a somewhat bearish outlook for the markka. It is also possible that the change in the commercial basis – ie the decrease in export receivables and increase in import liabilities – has been a factor in the contraction of the forward position. In any case, an important consideration is the fact that companies' net sales position in forward exchange also contracted in the summer while the markka was clearly appreciating.

Demand for credit is growing

The demand for credit has begun to show some signs of recovery. Both the stock of markka lending and the amount of new lending have grown since the beginning of the summer.

The volume of new housing loans increased in the early part of this year. New lending for housing was particularly brisk in May–July, reflecting a pick-up in housing market activity. This year's rise in house prices is yet another indication of enlivened activity in the housing market, as is the increase in the stock of housing loans which has occurred since early summer. Activity in the construction sector is also picking up, as evidenced by the fact that the number of building permits granted in January–May this year exceeded by about a third the number for the corresponding period last year.

Average rates on housing loans have followed the decline in the level of interest rates. The average rate on new housing loans was 6.5 per cent in July, which was 1 percentage point lower than in July last year. Presently, at the low rates now prevailing, the lending rate is apparently no longer a key criterion in borrowers' decisionmaking (Chart 3).

According to the latest survey of consumer confidence carried out by Statistics Finland, the number of persons planning to buy a dwelling is rising and an increasing number of them plan to finance the purchase with a bank loan. About six out of each 100 households are planning to purchase a dwelling within a year and a third of those plan to take a housing loan.

According to the survey, Finnish consumers' confidence in an economic recovery strengthened in July. Consumers found the time opportune for the acquisition eg of consumer durables. Possible purchases of larger items may be financed by savings. The pickup in the market could also reflect a view

that dwellings constitute an attractive investment alternative. Households may also be more prone to raise loans again because debts have diminished and disposable income has increased. In spite of a slight increase in the stock of housing loans, the total stock of loans to households has remained virtually unchanged in recent months because of the offsetting impact of a further contraction in the stock of consumer and study loans.

Companies have continued this year to finance their investments largely from retained earnings, although the use of bank loans for investment financing has also been trending slightly upward. In addition, there has been an increase from previous years in the amount of investment that is being financed by domestic bond issues or borrowing from abroad.

Non-inflationary developments in monetary aggregates

Two factors have this year had major effects on the growth of the monetary aggregates: a decline in the total stock of bank deposits and a change in the internal structure of deposit accounts.

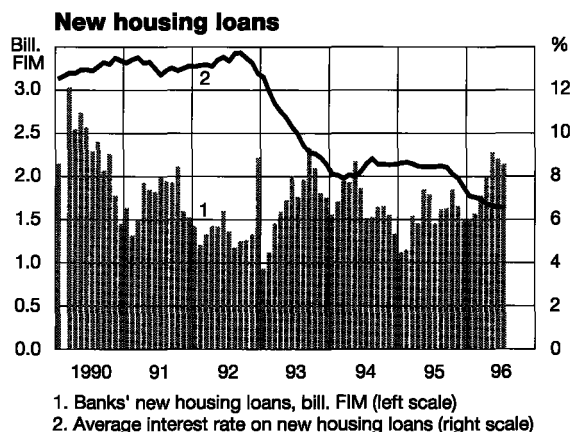
As from the beginning of this year, deposits can no longer be made in 24- or 36-month tax-exempt fixed-term accounts, which have been covered by a law on tax reliefs. Deposits maturing in such accounts in January–July amounted to FIM 19.2 billion. Transaction accounts have proven to be a more attractive alternative than other deposits because of their liquidity and return.

Nonetheless, the popularity of deposit accounts as an investment outlet may have suffered from the low interest rates on these accounts compared with competing outlets. In the period from January to July, markka deposits contracted by FIM 12.1 billion. Certain other investments have become more attractive or at least worth considering, including government 'yield' bonds. The stock of yield bonds grew by FIM 10.1 billion in the period from January to July.

Net purchases of mutual fund units grew by FIM 2.1 billion in the period from January to July. By the end of July capital invested in mutual funds amounted to FIM 8.1 billion, which reflected a rapid increase in net purchases thus far this year. The increase has been almost exclusively concentrated in bond and other debt-oriented funds.

The change in the internal structure of deposits has resulted in an increase this year in the monetary aggregate M1, which consists of transaction accounts and cash held by the public. By contrast, M2 has declined this year, mainly as a result of the maturing of fixed-term accounts. Nevertheless, the changes have been gradual and in line with expectations. These changes in recent months in the monetary aggregates do not portend inflationary pressures.

Chart 3.



Economic growth recovered already in the second quarter

Economic growth continued strong in the USA and Japan again in the second quarter. On the other hand, European economic performance has been fairly weak. In France, the economy actually contracted from the first quarter and in Germany too growth was modest, which has had an impact on other economies.

The EU Commission's business and consumer survey for July did not find a clear sign of economic recovery. In Germany and France, in particular, consumers' and companies' expectations regarding economic performance were modest, as was their level of confidence in economic recovery. This is primarily attributable to a poor employment performance and uncertainty as to the general government deficit problem. However, the latest indicator figures signalled a pickup in growth also in Central Europe.

In Finland first quarter growth in overall demand was based on domestic demand, mainly private consumption and corporate investment. By contrast, the volume of exports declined both from the level of a year ago and from the previous quarter. Cyclically sensitive Finnish exports have decreased as economic growth has come to a halt in the European markets. In addition, export performance has been hampered by the global inventory cycle in the forest industries.

An increase of some 6 per cent in revenue from the value added tax (excl. the effects of temporary

factors from 1995) and a rise in retail sales in the first half of the year suggests that the growth of private consumption continued in the second quarter. According to the latest indicators, growth should continue at a brisk pace in the latter half of the year. Similarly, indications of an upturn in housing investment have also strengthened. Although exports too have started to grow, they are estimated to have remained in the second quarter at about the year-earlier level. A clear pickup in growth is not expected until the end of the year. Because of the strong recovery of the domestic markets, future developments in exports are not expected to have a marked effect on households' expectations.

It is also worth noting that, according to the July survey, manufacturers continue to be cautious as regards their outlook for the future. They estimate their investments in one year's time to total slightly less than at present. A minor decline is expected in almost all sectors. Between January and June, investment activity was mainly based on large investment projects that had been launched earlier.

At the beginning of July, Statistics Finland published new preliminary data on the national accounts. According to the revised data, GDP growth in 1995 was slightly below the estimate based on preliminary data. The quarterly figures were also changed slightly. In light of the latest figures, the transitional effect on the growth rate for 1996 is virtually nil. According to February data, the rate was just under 0.4 percentage point. On this basis, growth for the current year could remain slightly below the previously projected figure.

During the spring, growth slowed particularly because of a sharp decline in commercial felling. The decline reflected a reduction in forest industry output and efforts of forest industry companies to reduce their raw materials inventories and push down the price of timber. However, in May the seasonally adjusted volume of total output was clearly above that of April. Manufacturing output also continued to grow fairly rapidly in June. The data suggest that economic growth strengthened already in the second quarter after having been virtually stagnant in the early part of the year. There have been hardly any adverse signs since April regarding the path of output, as we have also subsequently witnessed an acceleration in the growth of construction activity.

Nonetheless, we are well advised to avoid over-complacency, because eg industrial enterprises' order books are still thinner than usual as is their profitability compared to last year. For seasonal reasons alone, output growth is likely to remain fairly modest in the third quarter. If the acceleration in the growth of aggregate output occurs mainly in the latter half of the current year, this will create a strong foundation for growth in 1997. In that case, economic growth could then easily reach 3–4 per cent.

Data based on the labour survey by Statistics Finland indicate that employment growth came to a

halt in early summer. However, the (seasonally adjusted) average number of employed persons during January–July 1996 exceeded the figure for the year-earlier period by over 25 000. This in turn has had a positive effect on the expectations of households and companies, which has been reflected *inter alia* in stronger growth of private consumption.

Unemployment has decreased somewhat more slowly than expected. According to the latest survey on business confidence, industrial companies are planning considerable cutbacks in personnel in the third quarter. Of the different industries, only in construction are plans pointing to an aggregate increase in personnel. Nevertheless, the near future should bring further increases in employment and modest decreases in the unemployment rate.

Current account surplus close to the 1995 level

In the first half of the year, the twelve-month cumulative surplus on the current account was close to the end-1995 level. Exports grew considerably in the second quarter in comparison with the previous quarter, partly on account of factors relating to the timing of vessel deliveries. Import developments have been very moderate. The value of imports fell slightly from the corresponding quarter last year.

The current account surplus is expected to remain large in the remaining part of the year *inter alia* because interest payments fell due mainly in the first half of the year. Exports are also expected to pick up in the latter half of the year as recovery gets under way in the European economies. This development will be supported by the fact that inventory adjustments have come to a halt. With prices of forest industry products having risen, the deterioration of the terms of trade is also expected to slow down.

Faster-than-expected consolidation of public finances

Households' positive expectations and stronger confidence in the future have increased private consumption considerably. This has correspondingly reinforced the downward trend in the public sector deficit, unlike in other European economies. The central government deficit has contracted especially rapidly as a number of temporary factors in the first half of 1995 on both the revenue and expenditure sides tended to increase the deficit. In 1996 the public sector deficit is likely to diminish slightly faster than previously forecast. The mere fact that the social security funds' surplus for 1995 has been revised upward will have an impact to that effect.

In 1997 fiscal policy will be less restrictive than previously estimated. Nonetheless, spending cuts will be carried out as planned. By contrast, income taxation will be eased more than expected and this will more than compensate for the spending cuts that will affect households. This will considerably in-

crease potential consumption. The fairly rapid decrease in the central government deficit together with the social security funds' large surplus will suffice to reduce the public sector's financial deficit in 1997 to no more than 3 per cent of GDP, which is the maximum allowed under the Maastricht treaty. In the current year, this maximum is likely to be exceeded by a narrow margin. The continued consolidation of public finances is strengthening the credibility of economic policy, and this will enable inter-

est rates and exchange rates to continue along their present steady course.

4 September 1996

-
- Key words: inflation, monetary policy, economic performance

Bank of Finland Bulletin – 75 Years

by Heikki U. Elonen, Publications Specialist
Publication and Language Services
Bank of Finland

The first issue of the Bank of Finland Monthly Bulletin appeared 75 years ago, in September 1921. The current volume is however only the 70th, as the Bulletin was not published during the Second World War, from 1940 to 1945. At the beginning of 1988, the name of the publication was shortened to Bank of Finland Bulletin, but it continues to appear monthly.

The Bulletin is in essence an official publication. Whenever it deals with central bank monetary policy or with analyses of economic and financial developments, it reflects the view of the central bank even if the articles in question are published in the names of the respective writers, usually the Bank's economists.

Central banks use their economic bulletins both for distributing information and commenting on policy. Nowadays, the markets appear to be increasingly sensitive to all information on economic performance, which places demanding requirements regarding the consistency and quality of central bank publications. The fact that the present Editor-in-Chief of the Bulletin is the Governor of the Bank of Finland underlines the authoritativeness of the publication and increases the impact of its message.

Origins

Finland declared independence in December 1917. For the new state, the process of establishing itself as a member of the international community, the need to reorient foreign trade and a number of other factors called for measures that would make the country better known abroad. It might also be noted that the information on Finland that was published in the media of the time in various parts of the world was often incorrect or at least very inadequate.

It was for these reasons that the Bank of Finland – which had been established already in 1811, after Finland was annexed to the Russian Empire as an autonomous Grand Duchy – decided to start publishing a periodical intended mainly for foreign readers that would provide reliable and up-to-date information on the Finnish economy and on Finland in general. At that time, the number of media providing information and news was naturally far smaller than nowadays, and the Bulletin thus be-

came a significant source of general information, which is why the early issues of the Bulletin carried articles that dealt with a wide spectrum of issues relating to the Finnish economy and its prospects.

Structure of the Bulletin

Articles

The structure of the Bulletin remained almost unchanged for decades until 1987. The Bulletin would open with a two-page 'front article' which was unsigned and entitled 'The Finnish Market Review'. In 1955 the title of the front article was changed to 'Recent Developments'. In 1968 the titles of the front articles began to vary according to subject matter, but some of the titles took on more permanence and were used for several years running. From April 1980, the names of the writers were mentioned in connection with front articles.

Until 1988, when the Bulletin was revamped, the statistical section coming after the front article was followed by another, more extensive 'back article'. In the 1920s and 1930s and even in the years immediately following the war, there were usually two back articles. It became established practice that some of the back articles were regular articles, each of which developed a single theme and was published once a year, whereas the topics of other back articles were chosen separately for each issue. The regular articles dealt with the Bank of Finland, the Finnish commercial banks, foreign trade, balance of payments, central government finances and the overall performance of the Finnish economy. After 1988, the division into front and back articles was no longer relevant.

Statistical section

From the beginning, the front article in the Bulletin was followed by statistics which were mostly collected from outside the Bank. However, over the years, the Bank's own production of statistics expanded and diversified. At present, most of the statistics published in the Bulletin concentrate on the operations of the central bank: exchange rates, money and foreign exchange markets and balance of payments. Other aspects of the economy are illustrated with just a few key macroeconomic indicators.

Items

Almost from the beginning, the Bulletin has published small news items under the title 'Items'. These items have briefly mentioned various measures taken by the public authorities, international agreements and, especially during the early decades, numerous events in the political and business arenas. Measures taken by the Bank of Finland – if they have not required a separate article – have also been reported in this section of the Bulletin.

List of measures

From 1984, the Bulletin has included a chronological, monthly list of measures, for the most part taken by the Bank of Finland. It provides a ready reference for authorities and experts.

Article content over the decades

The interwar years

In the years preceding the Second World War, the articles in the Bulletin – aside from the regular articles – covered a wide assortment of subjects related to the Finnish economy. Many articles were submitted on request by outside experts. At that time, this was a natural and even necessary practice, because the Bank had only a few economists in its employ before the late 1930s. In this way, articles by experts from many different fields could be included, which may well have been a conscious tactic considering the objectives of the Bulletin in those days. Surveys on various sectors of the economy, very often on such industries as agriculture and forestry and transportation, were published regularly.

In the early 1920s, the stabilization of the markka's exchange value following the First World War was an important problem and goal of the Bank of Finland; the situation was evaluated in a number of articles. Preparations for the return to the gold standard and actual linkage were discussed in several articles and 'items'. The Bulletin also included Swedish experts' analyses on this topic. The matter was taken up again in autumn 1931, when the gold standard had to be abandoned owing to problems caused by worldwide depression.

According to law, the most important duty of the central bank has been to safeguard the value of money. This issue was especially acute before the stabilization of the markka in 1926 and after it was floated in 1931. This is why, in the 1920s and 1930s, the Bulletin carried numerous articles in which representatives of different statistical authorities explained the compilation of indicators of changes in the value of money, ie newly developed price indices, as well as price trends as shown by these indices. The Bank of Finland also made proposals to statistical authorities concerning the development of various statistics. A new consumer

price index, for instance, was developed under the auspices of the Bank of Finland; the new index was a catalyst to the development of index number theory, and an article on what is presently known as the Divisia-Törnqvist price index (1936) has been widely quoted in the literature on index number theory. During the Second World War, the Bank devised a new construction cost index. Over the years, the calculation of these and similar indices has been taken over by the statistical authorities.

Postwar decades:

Emphasis on the real economy

The editorial principles of the Bulletin remained more or less the same during the years following the war. A large part of the articles consisted of regular articles which were, year after year, written by the same experts. Topics of special emphasis during the post-war period included Finland's reparations and construction activity and issues related to transportation and energy supply. In the 1950s, current topics included housing and the labour force.

In the late 1950s, when economic integration became topical also from Finland's point of view, the first articles on economic integration in the Nordic countries and later on in Europe as a whole appeared in the Bulletins of the late 1950s and early 1960s.

In the 1960s, special attention was paid to structural problems in the economy, particularly in manufacturing. The central government prepared an increasing number of studies on medium-term prospects for the Finnish economy, and these studies were discussed in several articles over the years.

From the late 1950s, the statement of the Governor on the occasion of the closing of the accounts of the Bank of Finland was published in each year's first issue of the Bulletin.

Journal format adopted in 1970

At the beginning of 1970, the layout of the Bulletin was transformed: a completely new, blue and white cover was designed and a different font was introduced. The structure of the contents remained as before: front article, statistical section, back article, items.

The year 1970 marked the beginning of a series of articles on the financial markets in Finland, the Finnish banking system (by type of financial institution) as well as the central bank and its monetary policy. In 1972, when the series ended, the articles were compiled into a special issue of the Bulletin entitled 'Financial Markets in Finland'. This special issue was the first of several collections of articles that were subsequently published in the 1970s and 1980s on themes such as social insurance, Finnish industry, taxation, employment and foreign trade. The articles were first published in different issues of the Bulletin and then collected into special issues.

Since the first of these issues, three updated editions of 'Financial Markets in Finland' have been published, each with partly renewed contents. The latest of these issues appeared in 1991, and a new edition is currently being prepared.

The December 1987 issue of the Bulletin included an article summarizing an extensive research project on Finnish economic growth financed by the Bank of Finland. The project had produced long-run time series on the Finnish economy covering 125 years.

Bank of Finland Bulletin from 1988

The decade of the 1980s was a period of deregulation and rapid internationalization of Finnish financial markets. Due to deregulation of credit markets and foreign capital movements, the direct influence of the central bank on business decisions was greatly reduced. The Bank of Finland focused its activities on monetary control and related areas, a development which had parallels in many other central banks at the time. This was also reflected in the Bank's information and research policies and ultimately in the contents of the Bulletin.

Another development which prompted reconsideration of the emphasis of the Bulletin was the development of new channels through which information on the Finnish economy was disseminated to the international audience. Firms and financial institutions became more active in this area, as a result of the internationalization of the financial markets. The distribution of news and statistics through electronic networks was another and even more dramatic change.

In response to these developments, the Bulletin was reorganized in 1988. Part of the change was immediately visible. The covers were redesigned, and the word 'Monthly' was omitted from the title, although the Bulletin continued to appear monthly. Also, the different sections of the Bulletin were revamped by placing all the articles in the beginning, before the statistical tables and charts.

The most significant change was in the themes of the articles. The trend that had begun a few years earlier was further reinforced: the articles engaged increasingly in subjects closely related to the central bank: monetary policy and the financial and foreign exchange markets. Naturally, developments in the real economy and the external and internal balance – including balance of payments, price movements and employment – were also monitored closely but the vantage point was increasingly that of the central bank and its objectives. In other respects, the articles were to reflect the research and studies carried out at the Bank.

As a result of the shift of focus to subjects related to central bank operations, most of the articles are now written by the Bank's own experts, and only a few articles have been commissioned each year from outside experts.

The Finnish banking crisis of the early 1990s was a large-scale and unique shock, which was obviously of great interest to Bulletin readers. The de-

velopments of the banking sector and the authorities' handling of the crisis were reviewed in several of the articles of the period. Articles comparing the situation with other Nordic countries have provided useful evaluative standards, which have been applied frequently for analytical purposes.

One of the major recent developments in the information policies of central banks is the use of special publications (eg inflation reports) to help make monetary policy more transparent. The purpose is to strengthen the commitment of monetary policy to low inflation and thus to improve the credibility of the policy. This has happened especially in countries where monetary policy has been based on explicit inflation targets. The Bank of Finland is now using the Bulletin for this same purpose.

A quarterly review article, which is currently entitled 'Inflation, monetary policy and economic performance', has appeared in the Bulletin since it was revised in 1988. After the Finnish markka had been floated in September 1992, the Bank of Finland in February 1993 set an inflation target (about 2 per cent) as its main objective. Consequently, the monitoring of inflation and inflation expectations has constituted an important part of the quarterly review articles. Over the last few years, the 'official commentary' status of these reviews has been underlined and they have not been signed. The review articles comprise a very important part of the content of the Bulletin, and their message constitutes an integral part of the Bank's monetary policy by explaining the rationale behind the policy. The quarterly review articles correspond to the inflation reports published by several other central banks that have introduced an inflation target.

In conclusion

Three jubilee issues of the Bank of Finland (Monthly) Bulletin have appeared before this, in connection with the 125th, 150th and 175th anniversaries of the Bank of Finland in 1936, 1961 and 1986. Each of these issues has described the Bank's history and duties in light of the circumstances of the time. The current issue is, for the first time, the Bulletin's 'own' jubilee issue, reviewing the history and contents of the publication itself. The issue reflects the pride of the Bank of Finland in this publication, as well as a sense of confidence that the volumes of the Bulletin constitute a unique and appropriate starting point for anyone wishing to study the evolution of the Finnish economy.

For some time now, the Bank of Finland has placed increasing emphasis on communicating its monetary policy to the general public. In 1993 the Bank started to publish a quarterly bulletin in Finnish entitled 'Markka & talous'; its contents and editing are closely linked with the Bulletin. For instance, the quarterly review article on inflation and monetary policy mentioned above is published in Finnish in 'Markka & talous' at about the same time as it appears in the Bulletin.

In recent years, new electronic high-speed means of communication have appeared on the scene, both competing with the traditional printed publications and opening up totally new possibilities and modes of communication. This development is being actively followed at the Bank of Finland, and the Bank has decided to open its own Internet home page in connection with the 75th anniversary of the Bulletin (see item in this Bulletin). It is impossible to predict to what extent we will be moving over to the new electronic means of communication in the future. For the time being at least, the Bulletin will continue to appear as before,

and the Bank of Finland is confident that it constitutes a significant channel for the widespread dissemination of information about Finnish monetary policy and about conditions in the Finnish financial markets.

2 September 1996

- Key words: Bank of Finland Bulletin, Bank of Finland, Finland, central bank publications

Bank of Finland Goes on the Web

On 26 September, the Bank of Finland joins the ranks of about a dozen central banks in Europe which already have an on-line presence on the World Wide Web, that part of the Internet that permits transmission of information in multiple formats including text, video, still image and sound. The goal of the site is to provide up-to-date information about the Bank's decisions, policies, statistical data as well as economic analysis. Actively maintained and information-rich, the site's offerings will be in the two official languages of Finland (Finnish and Swedish) as well as the main language of the global Web-surfing community, English.

Initial postings will include information directed to the general public and researchers including such matters as the evolving role of the Bank and monetary policy, historical information about money and central banking in Finland, press releases, policy statements, statistical data presented in graph-

ic and table formats, and information from recent publications. Other specialist offerings include the Unit for Eastern European Economies' monitoring and analyses of recent economic developments in the transition economies of Eastern and Central Europe.

As for data, the site offerings cover balance of payments, financial markets, average daily markka exchange rates, and various time series, mostly in the 2- to 6-year range.

Strong efforts will be made to assure that postings are fresh and relevant so that users ranging from children in primary schools to economists and policy researchers will have good reason to visit us, and other Web sites will link up with us. Information at the site is part of the public domain.

We hope that Web users will actively use this fast and convenient way to learn more about us.

The Bank of Finland's web domain is <http://www.bof.fi>

Measures concerning monetary and foreign exchange policy and the financial markets

1995

OCTOBER

The minimum reserve system. The Bank of Finland decides to revise the banks' minimum reserve system as from 2 October so that the minimum reserve requirement is henceforth based on a monthly average.

Tender rate. On 5 October, the Bank of Finland lowers its tender rate from 6.0 per cent to 5.5 per cent. In addition, the interest rate on banks' excess reserves is cut from 4.0 per cent to 3.5 per cent.

NOVEMBER

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 5.25 per cent to 5.00 per cent with effect from 1 November.

Tender rate. The Bank of Finland lowers its tender rate from 5.50 per cent to 5.00 per cent on 1 November and from 5.00 per cent to 4.75 per cent on 20 November. In addition, the interest rate on banks' excess reserves is cut from 3.50 per cent to 3.00 per cent on 1 November and from 3.00 per cent to 2.75 per cent on 20 November.

The Savings Bank of Finland – SBF and Siltapankki become asset management companies. The Ministry of Finance revokes the authorization of the Savings Bank of Finland and Siltapankki as from 30 November. In addition, Siltapankki is transferred to the Arsenal Group.

DECEMBER

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 5.00 per cent to 4.75 per cent with effect from 15 December.

Tender rate. On 19 December, the Bank of Finland lowers its tender rate from 4.75 per cent to 4.25 per cent. In addition, the interest rate on banks' excess reserves is cut from 2.75 per cent to 2.25 per cent.

1996

JANUARY

Reorganization of the responsibilities of the government and the Bank of Finland. On 9 January, the Cabinet Economic Policy Committee took the following decisions in principle:

– responsibility for the Sponda group, which is owned by the Bank of Finland and which was set up to manage Skopbank's assets (real estate and shares), will be transferred to the Council of State

– the government will settle its coinage-related debt to the Bank of Finland in the amount of some FIM 2 billion.

The required measures will be prepared in connection with the first supplementary budget for 1996.

The Government Guarantee Fund. On 9 January, the Cabinet Economic Policy Committee decides to propose that the Government Guarantee Fund be transferred to the authority of the Council of State as from the beginning of April.

FEBRUARY

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 4.75 per cent to 4.50 per cent with effect from 1 February.

MARCH

Tender rate. On 13 March, the Bank of Finland lowers its tender rate from 4.25 per cent to 3.75 per cent. In addition, the interest rate on banks' excess reserves is cut from 2.25 per cent to 1.75 per cent.

MAY

The Government Guarantee Fund moves to the Ministry of Finance. On 1 May, the Government Guarantee Fund ceased to operate as a separate unit and its employment contracts were allowed to expire. The Fund, which was previously subordinate to Parliament was made subordinate to the Government, operating in connection with the

Ministry of Finance. Fund personnel were also transferred to the Ministry.

The Government takes over Sponda. On 23 May, the Finnish Government bought the entire share capital of Sponda Oy at a purchase price of FIM 1 248 million. The Bank of Finland originally set up Sponda Oy in 1991 to manage the real estate and equity assets transferred from Skopbank after the bank ran into severe liquidity and solvency problems.

JUNE

Tender rate. On 14 June, the Bank of Finland lowers its tender rate from 3.75 per cent to 3.60 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.75 per cent to 1.60 per cent.

JULY

Tender rate. On 5 July, the Bank of Finland lowers its tender rate from 3.60 per cent to 3.50 per cent.

In addition, the interest rate on banks' excess reserves is cut from 1.60 per cent to 1.50 per cent.

AUGUST

Bank of Finland's guidelines for credit institutions. On 1 August, the Bank of Finland issues its monetary policy-related guidelines for credit institutions as a complete set. The contents remain essentially unchanged.

Tender rate. On 23 August, the Bank of Finland lowers its tender rate from 3.50 per cent to 3.25 per cent. In addition, the interest rate on banks' excess reserves is cut from 1.50 per cent to 1.25 per cent.

SEPTEMBER

Base rate. The Parliamentary Supervisory Board lowers the Bank of Finland's base rate from 4.50 per cent to 4.00 per cent with effect from 16 September.

Finland in brief

Land, climate and population

Finland covers an area of more than 338 000 square kilometres. The total area is slowly increasing because of the steady uplift of the land since the last glacial era. The country shares frontiers with Sweden in the west, Norway in the north and Russia in the east and has a coastline bordered by the Baltic Sea in the south and west. Agricultural land accounts for 8 % of the total area, forest and other wooded land for 69 % and inland waters for 10 %. Located between latitudes 60° and 70° north, Finland has warm summers and cold winters. Helsinki on the south coast has an average maximum temperature of 22° C (72° F) in July and -4° C (25° F) in February.

Finland has a population of 5 116 800 (31 December 1995) and an average population density of 16.6 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 525 000 inhabitants, Espoo (Esbo) 191 200, Tampere (Tammerfors) 182 700, Vantaa (Vanda) 166 500 and Turku (Åbo) 164 700.

There are two official languages: 92.9 % of the population speaks Finnish as its mother tongue and 5.8 % Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

Form of government

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

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

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

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

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

Finland is divided into 455 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of four years.

International relations

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

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

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

The economy

Output and employment. Of the gross domestic product of FIM 478 billion in basic values in 1995, 2 % was generated in agriculture and fishing, 3 % in forestry, 29 % in industry, 5 % in construction, 11 % in trade, restaurants and hotels, 8 % in transport and communications, 3 % in finance and insurance, 20 % in other private services and 19 % by producers of government services. Of total employment of 2.1 million persons in 1995, 7.6 % were engaged in primary production, 27.8 % in industry and construction and 64.6 % in services.

In 1995, expenditure on the gross domestic product in purchasers' values amounted to FIM 546 billion and was distributed as follows: net exports 9 % (exports 38 %, imports -29 %), gross fixed capital formation 15 %, private consumption 54 % and government consumption 22 %. Finland's tax ratio (gross taxes including compulsory employment pension contributions relative to GDP) was 46.5 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 1990-95. Finland's GDP per capita in 1995 was USD 24 500.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1990-94, their share was, on average, 78.3 %, of which the share of EC countries was 48.8 percentage points and that of EFTA countries 18.8 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union/Russia) accounted for 9.9 % and the rest of the world for 11.8 %. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1995, the share of forest industry products in total merchandise exports was 36 %, the share of metal and engineering products 36 % and the share of other goods 28 %. Raw materials and intermediate goods (incl. crude oil) accounted for 60 % of merchandise imports, fuels for 5 %, investment goods for 14 % and consumption goods for 20 %.

Forest resources. Finland has fairly abundant forest resources, but only limited amounts of other raw materials. The growing stock comprises 1 887 million cubic metres, of which 46 % is pine, 36 % spruce and 15 % broad-leaved species, chiefly birch.

The annual growth increment totals 77 million cubic metres and the total drain was about 62 million cubic metres in 1995.

Finance and banking

Currency. Finland has had its own monetary system since 1865. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). From 1 November 1977 to 7 June 1991 the external value of the markka was officially expressed in terms of a trade-weighted currency index, which was permitted to fluctuate within a prescribed range (from 30 November 1988 the range was 6 percentage points). From 7 June 1991 to 7 September 1992, the markka was pegged to the European Currency Unit, the ECU. The fluctuation margins and the midpoint were set so as to correspond to the fluctuation margins and midpoint of the old currency index. The midpoint was first 4.87580 (FIM/ECU). Owing to the devaluation of the markka on 15 November 1991, the midpoint was increased to 5.55841 and the fluctuation limits to 5.39166 and 5.72516. On 8 September 1992, the Bank of Finland decided to temporarily abandon the limits of the fluctuation range and allow the markka to float. On 13 November 1992, the Government, on the basis of the amended Currency Act, authorized the Bank of Finland to float the markka for an indefinite period.

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

Other banks (31 December 1995). Finland has three major groups of deposit banks with a total of 1 953 offices. There are two big commercial banks with national branch networks and five smaller ones. The commercial banks have a total of 19 foreign branches, subsidiaries and associate banks and 21 representative offices abroad. There are 40 savings banks and 301 cooperative banks with their own extensive branch networks. In addition, foreign banks have four branches and nine representative offices in Finland.

Financial market. Of the total stock of FIM 679 billion in outstanding domestic credit at the end of September 1995, 50 % was provided by deposit banks, 26 % by insurance companies, 5 % by other private credit institutions, 6 % by public financial institutions and 12 % by the state, local authorities and social security funds. There are no quantitative restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 69 % of the instruments, which totalled approximately FIM 142 billion at end-1995, 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 73 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 191 billion (at end-1995). Domestic bonds and debentures in circulation at end-1995 totalled FIM 234 billion; government bonds made up 62 % of the total. Turnover on the Stock Exchange in 1995 amounted to FIM 84 billion; the share of shares and subscription rights in the total was approximately 99 %.

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

1. The balance sheet of the Bank of Finland

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

	1995		1996		
	31 Dec.	8 Aug.	15 Aug.	23 Aug.	31 Aug.
ASSETS					
Reserve assets	48 865	33 583	34 403	34 963	34 590
Gold	1 742	1 742	1 742	1 742	1 742
Special drawing rights	1 569	1 177	1 171	1 193	1 186
IMF reserve tranche	1 685	1 864	1 854	1 874	1 909
ECU-claim on the European Monetary Institute	3 363	2 607	2 602	2 630	2 613
Foreign exchange assets	40 506	26 192	27 035	27 523	27 139
Other foreign claims	3 969	4 101	4 101	4 100	4 054
Markka subscription to Finland's quota in the IMF	3 911	4 043	4 043	4 041	3 996
Share in the European Monetary Institute	58	58	58	59	58
Claims on financial institutions	8 831	8 527	8 512	11 967	11 961
Liquidity credits	-	-	-	2 411	-
Certificates of deposit	-	-	-	-	-
Securities with repurchase commitments	7 076	6 540	6 540	7 584	9 988
Term credits	-	-	-	-	-
Bonds	417	249	249	249	249
Other claims on financial institutions	1 339	1 738	1 723	1 723	1 723
Claims on the public sector	1 882	6 460	6 460	6 460	6 297
Treasury bills	-	-	-	-	-
Total coinage	1 882	1 880	1 880	1 880	1 877
Loans for stabilizing the money market	-	3 732	3 732	3 732	3 572
Claims on corporations	2 886	2 444	2 440	2 435	2 435
Financing of domestic deliveries (KTR)	185	117	113	108	108
Other claims on corporations	2 700	2 327	2 327	2 327	2 327
Other assets	5 645	605	577	568	549
Loans for stabilizing the money market	4 532	-	-	-	-
Accrued items	972	481	453	444	422
Other assets	141	124	124	123	127
Valuation account	643	-	-	-	-
Capitalized expenditures and losses due to safeguarding the stability of the money market	1 400	1 400	1 400	1 400	1 400
Total	74 121	57 120	57 893	61 892	61 285
LIABILITIES					
Foreign currency liabilities	1 214	1 587	1 631	1 715	1 707
Other foreign liabilities	4 837	4 976	4 970	4 978	4 927
IMF markka accounts	3 911	4 043	4 043	4 041	3 996
Allocations of special drawing rights	927	932	927	937	932
Other foreign liabilities	-	-	-	-	-
Notes and coin in circulation	15 611	15 352	15 269	15 162	15 201
Notes	13 868	13 600	13 515	13 408	13 451
Coin	1 743	1 752	1 754	1 753	1 751
Certificates of deposit	27 090	12 240	16 070	21 920	21 920
Liabilities to financial institutions	16 777	12 450	9 468	7 240	6 900
Reserve deposits	15 676	10 949	7 968	5 740	5 400
Term deposits	-	-	-	-	-
Other liabilities to financial institutions	1 101	1 500	1 500	1 500	1 500
Liabilities to the public sector	75	-	-	-	-
Cheque accounts	0	-	-	-	-
Deposits of the Government Guarantee Fund	75	-	-	-	-
Other liabilities to the public sector	-	-	-	-	-
Liabilities to corporations	994	745	743	741	735
Deposits for investment and ship purchase	994	745	743	741	735
Other liabilities	327	258	255	265	270
Accrued items	300	222	227	236	241
Other liabilities	27	36	28	29	29
Valuation account	-	2 317	2 292	2 675	2 429
Provisions	1 431	1 431	1 431	1 431	1 431
Pension provision	1 431	1 431	1 431	1 431	1 431
Other provisions	-	-	-	-	-
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	74 121	57 120	57 893	61 892	61 285

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
1991	2 180	932	1 136	.	29 381	33 629	- 424	33 204	1 375	3	1 372
1992	2 180	564	1 732	.	25 041	29 517	-2 998	26 519	2 446	90	2 356
1993	2 180	664	1 747	.	28 882	33 473	-1 324	32 148	1 788	784	1 004
1994	2 180	1 537	1 354	.	47 672	52 743	-1 114	51 629	1 806	93	1 713
1995	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
1995											
Aug.	1 742	1 275	1 584	3 333	43 816	51 750	-1 902	49 848	1 804	56	1 748
Sept.	1 742	1 457	1 579	3 323	40 294	48 395	-1 829	46 566	1 797	76	1 721
Oct.	1 742	1 385	1 671	3 315	39 624	47 738	-1 954	45 784	1 801	76	1 725
Nov.	1 742	1 421	1 666	3 279	42 396	50 503	-2 113	48 390	1 819	75	1 744
Dec.	1 742	1 569	1 685	3 363	40 506	48 865	-2 082	46 783	1 882	75	1 807
1996											
Jan.	1 742	1 174	1 716	3 337	36 023	43 993	-1 378	42 615	1 879	132	1 747
Feb.	1 742	1 061	1 767	3 376	37 832	45 778	-1 484	44 294	1 880	54	1 826
March	1 742	1 165	1 802	3 435	35 330	43 475	-1 364	42 111	1 874	40	1 834
April	1 742	1 401	1 864	3 070	33 986	42 063	-1 481	40 582	1 873	342	1 531
May	1 742	1 474	1 953	3 002	27 814	35 985	-1 725	34 260	6 670	0	6 670
June	1 742	1 243	1 908	2 964	26 851	34 707	-2 015	32 692	6 460	0	6 460
July	1 742	1 187	1 880	2 642	26 402	33 854	-2 066	31 788	6 460	0	6 460
Aug.	1 742	1 186	1 909	2 613	27 139	34 590	-2 588	32 002	6 297	-	6 297

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
1991	11 882	-10 361	3 325	4 846	1 086	-6 854	-5 768	14 528	8 880
1992	3 738	-13 165	4 022	-5 405	747	-2 651	-1 904	14 508	4 880
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
1995									
Aug.	3 053	-6 574	199	-3 322	224	1 669	1 893	14 325	36 809
Sept.	6 261	-6 557	107	-189	217	1 692	1 909	14 229	37 321
Oct.	6 178	-5 768	728	1 138	202	1 752	1 954	14 129	37 596
Nov.	5 409	-7 011	711	-891	192	1 631	1 823	14 321	38 082
Dec.	7 076	-15 676	655	-7 945	185	1 706	1 891	15 611	27 090
1996									
Jan.	3 182	-18 155	624	-14 349	170	1 756	1 926	14 293	16 743
Feb.	2 095	-8 092	2 046	-3 951	159	1 808	1 968	14 428	28 325
March	2 244	-6 564	598	-3 722	153	1 825	1 978	14 448	25 426
April	3 430	-8 831	304	-5 097	138	1 628	1 767	14 759	20 350
May	10 237	-8 790	527	1 974	129	1 541	1 670	14 967	20 700
June	7 887	-4 191	498	4 194	124	1 560	1 685	15 275	21 420
July	6 540	-7 203	487	-176	117	1 581	1 698	15 251	16 445
Aug.	9 988	-5 400	472	5 060	108	1 592	1 700	15 201	21 920

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 I-IX	2.0	1.5	1.0	6 557	.	.	123
X-XII	2.0	1.5	1.0	6 530	616	7 146	37
1995							
Aug.	2.0	1.5	1.0	6 574	.	.	212
Sept.	2.0	1.5	1.0	6 557	.	.	857
Oct.	2.0	1.5	1.0	6 557	140	6 697	0
Nov.	2.0	1.5	1.0	6 545	196	6 741	112
Dec.	2.0	1.5	1.0	6 487	1 512	7 999	0
1996							
Jan.	2.0	1.5	1.0	6 541	217	6 758	0
Feb.	2.0	1.5	1.0	6 681	251	6 932	50
March	2.0	1.5	1.0	6 699	240	6 939	278
April	2.0	1.5	1.0	6 672	148	6 821	153
May	2.0	1.5	1.0	6 624	105	6 730	0
June	2.0	1.5	1.0	6 689	481	7 171	0
July	2.0	1.5	1.0	6 728	139	6 868	0
Aug.	2.0	1.5	1.0	6 672	308	6 981	544

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
1991	109 568	30 380	81 969	-2 781
1992	76 230	137 940	-60 417	-1 293
1993	86 521	146 899	-50 486	-9 892
1994	35 540	351 820	-295 165	-21 115
1995	50 435	434 810	-393 930	9 555
1995				
Aug.	3 040	36 810	-33 550	- 220
Sept.	9 350	37 350	-33 740	5 740
Oct.	5 380	37 610	-28 110	-4 120
Nov.	4 680	38 080	-30 380	-3 020
Dec.	5 100	31 240	-37 290	11 150
1996				
Jan.	3 250	26 000	-22 850	100
Feb.	2 100	27 420	-24 080	-1 240
March	2 280	24 350	-21 300	- 770
April	3 500	16 320	-26 040	13 220
May	10 500	20 060	-12 880	3 320
June	7 900	14 020	-2 390	-3 730
July	6 700	16 450	-13 510	3 760
Aug.	14 800	21 920	-9 892	2 772

2.3 The Bank of Finland's transactions in convertible currencies, mill. FIM

During period	Intervention in the foreign exchange market			Spot transactions related to forward contracts, net	Central government's foreign exchange transactions, net
	Spot purchases	Spot sales	Forward exchange intervention = change in forward exchange position		
	1	2	3	4	5
1991	35 120	-69 940	-14 820	12 820	12 260
1992	20 050	-70 640	-1 650	390	45 060
1993	25 120	-45 080	7 460	-6 910	33 240
1994	20 930	-12 900	9 060	-8 930	24 660
1995	4 910	-5 470	-6 170	9 170	-10 135
1995					
July	-	-	-2 470	2 450	-2 072
Aug.	4 000	- 780	3 510	-3 410	-70
Sept.	450	-1 970	- 100	-	-2 640
Oct.	-	- 180	- 830	860	- 330
Nov.	60	-	-2 580	2 570	120
Dec.	-	- 820	-	-	-2 310
1996					
Jan.	-	-3 970	-	-	-1 150
Feb.	-	-1 330	-	-	2 440
March	-	- 440	-	-	-1 970
April	-	-1 100	-	-	-1 710
May	1 200	-	-	-	-6 230
June	240	-	-	-	- 720
July	60	-	-	-	-50

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 (8-9)	Net currency sales
	Currency purchases from Finnish customers	Currency sales to Finnish customers	Net (1-2)	Currency purchases from foreign customers	Currency sales to foreign customers	Net (4-5)	Net (3+6)				
	1	2	3	4	5	6	7	8	9	10	11
1991	33 004	36 352	-3 348	40 056	37 505	2 550	- 798	1 404	645	759	8 953
1992	39 195	32 939	6 256	21 142	32 339	-11 197	-4 941	1 614	1 929	- 315	7 133
1993	38 373	23 721	14 652	14 346	21 895	-7 548	7 104	11 632	2 173	9 459	1 939
1994	51 096	22 093	29 003	19 236	32 791	-13 555	15 448	18 372	4 780	13 592	-6 080
1995	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	0
1995											
July	54 311	20 649	33 662	22 825	33 288	-10 463	23 199	16 028	4 688	11 340	0
Aug.	58 236	19 237	39 000	24 721	37 101	-12 379	26 621	16 288	5 142	11 146	-3 416
Sept.	58 838	21 341	37 497	23 891	38 339	-14 448	23 049	13 741	6 046	7 695	-3 416
Oct.	56 689	20 187	36 503	25 509	39 525	-14 015	22 488	14 986	6 228	8 758	-2 572
Nov.	58 789	21 279	37 510	29 384	45 295	-15 911	21 599	15 154	6 539	8 615	0
Dec.	60 280	19 095	41 185	31 837	48 906	-17 069	24 116	12 829	6 871	5 957	0
1996											
Jan.	62 881	24 416	38 465	38 155	61 008	-22 854	15 611	15 426	9 221	6 205	0
Feb.	69 329	29 225	40 105	44 599	67 131	-22 532	17 573	16 168	9 036	7 132	0
March	69 288	29 810	39 478	47 057	66 398	-19 341	20 137	15 413	8 400	7 013	0
April	65 120	29 781	35 340	42 328	63 860	-21 532	13 808	15 326	8 836	6 490	0
May	63 924	29 718	34 206	43 553	66 290	-22 737	11 469	17 851	8 327	9 525	0
June	60 709	27 714	32 995	43 406	61 302	-17 896	15 099	16 731	8 494	8 237	0
July	57 388	27 873	29 514	42 949	62 681	-19 733	9 781	16 977	8 127	8 849	0

3. Rates of interest

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

Average of daily observations	Interbank overnight rate	HELIBOR				Bank of Finland rates		
		1 month	3 months	6 months	12 months	Liquidity credit rate ¹	Excess-reserve rate ²	Base rate
		1	2	3	4	5	6	7	8
1991	14.89	13.64	13.07	12.69	12.53	15.48	4.00	8.50
1992	13.32	13.49	13.27	13.08	12.96	14.90	7.41	9.17
1993	7.71	7.85	7.73	7.59	7.47	8.95	4.95	6.85
1994	4.38	5.11	5.35	5.78	6.33	7.11	3.11	5.27
1995	5.26	5.63	5.76	5.97	6.34	7.63	3.63	5.20
1995								
Aug.	6.04	5.99	6.08	6.25	6.56	8.00	4.00	5.25
Sept.	6.20	5.97	5.95	5.97	6.04	8.00	4.00	5.25
Oct.	5.61	5.58	5.61	5.65	5.76	7.57	3.57	5.25
Nov.	4.90	4.90	4.93	4.99	5.11	6.90	2.90	5.00
Dec.	4.60	4.56	4.54	4.57	4.66	6.56	2.56	4.86
1996								
Jan.	4.30	4.21	4.20	4.24	4.41	6.25	2.25	4.75
Feb.	4.05	4.27	4.28	4.33	4.58	6.25	2.25	4.50
March	3.83	3.95	4.01	4.12	4.36	5.94	1.94	4.50
April	3.91	3.76	3.82	3.95	4.21	5.75	1.75	4.50
May	4.01	3.75	3.76	3.86	4.16	5.75	1.75	4.50
June	3.38	3.67	3.72	3.84	4.11	5.67	1.67	4.50
July	3.48	3.54	3.63	3.78	4.07	5.52	1.52	4.50
Aug.	3.94	3.45	3.54	3.70	4.00	5.43	1.43	4.50

¹ Call money credit rate until 2 July 1992.

² 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		
1992¹	13.85	1992	+1.00	7	-3.00	.
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
1995		1995				
Aug.	6.00	Aug.	+2.00	7	-2.00	.
Sept.	6.00	Sept.	+2.00	7	-2.00	.
Oct.	5.57	Oct.	+2.00	7	.	3.50
Nov.	4.90	Nov.	+2.00	7	.	2.75
Dec.	4.56	Dec.	+2.00	7	.	2.25
1996		1996				
Jan.	4.25	Jan.	+2.00	7	.	2.25
Feb.	4.25	Feb.	+2.00	7	.	2.25
March	3.94	March	+2.00	7	.	1.75
April	3.75	April	+2.00	7	.	1.75
May	3.75	May	+2.00	7	.	1.75
June	3.67	June	+2.00	7	.	1.60
July	3.52	July	+2.00	7	.	1.50
Aug.	3.43	Aug.	+2.00	7	.	1.25
19.12.1995	4.25	19.12.1995				2.25
13.03.1996	3.75	13.03.1996				1.75
14.06.1996	3.60	14.06.1996				1.60
05.07.1996	3.50	05.07.1996				1.50
23.08.1996	3.25	23.08.1996				1.25

¹ July-December.

3.3 Weighted Eurorates and commercial ECU interest rate, per cent

Average of daily observations	3 months		
	ECU	3 currencies	Commercial ECU
	1	2	3
1991	10.1	8.5	9.9
1992	10.4	7.8	10.6
1993	8.0	5.9	8.1
1994	5.9	5.2	6.1
1995	5.9	5.2	6.0
1995			
Aug.	5.7	5.1	5.9
Sept.	5.6	4.9	5.6
Oct.	5.7	4.9	5.8
Nov.	5.5	4.8	5.5
Dec.	5.3	4.7	5.3
1996			
Jan.	4.8	4.5	4.9
Feb.	4.6	4.2	4.7
March	4.6	4.3	4.7
April	4.4	4.2	4.5
May	4.3	4.3	4.4
June	4.4	4.3	4.5
July	4.3	4.3	4.5
Aug.	4.3	4.2	4.4

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	
1991	13.63	15.88	13.40	13.84	12.08	11.80	7.50	.	4.50	7.10	13.22	8.97
1992	14.04	15.86	13.32	13.75	12.46	12.13	7.50	8.50	4.50	7.41	12.84	9.14
1993	9.69	13.55	9.40	9.75	10.20	9.92	3.50	4.50	2.00	4.78	8.86	6.15
1994	7.32	11.55	7.13	7.35	8.18	7.91	3.25	4.25	2.00	2.99	5.96	4.01
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
1995												
July	9.68	11.63	7.81	8.00	8.16	7.87	3.25	4.25	2.00	3.22	6.54	4.15
Aug.	8.98	11.58	7.80	7.98	8.14	7.84	3.25	4.25	2.00	3.21	6.52	4.16
Sept.	8.46	11.63	7.68	7.86	8.11	7.82	3.25	4.25	2.00	3.20	6.35	4.14
Oct.	7.73	11.56	7.28	7.43	7.98	7.68	3.25	4.25	2.00	3.09	6.19	4.03
Nov.	6.86	11.48	6.80	6.92	7.78	7.45	3.00	4.00	2.00	2.92	6.04	3.81
Dec.	6.53	9.30	6.10	6.21	7.46	7.13	2.75	3.75	2.00	2.69	5.27	3.38
1996												
Jan.	6.30	11.05	5.81	5.94	7.18	6.88	2.75	3.75	2.00	2.55	5.17	3.29
Feb.	5.79	9.32	6.04	6.08	6.99	6.70	2.50	3.50	2.00	2.44	4.98	3.15
March	5.13	10.78	5.93	5.99	6.88	6.57	2.50	3.50	2.00	2.37	4.63	3.00
April	4.83	8.19	5.71	5.75	6.77	6.43	2.50	3.50	2.00	2.32	4.71	2.99
May	5.96	9.19	5.59	5.73	6.64	6.30	2.50	3.50	2.00	2.27	4.59	2.97
June	5.31	10.66	5.35	5.44	6.55	6.20	2.50	3.50	2.00	2.23	4.10	2.79
July	6.26	9.78	5.48	5.63	6.48	6.12	2.50	3.50	2.00	2.21	4.29	2.81

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
1991	12.3	12.2	11.8	.	3.9
1992	13.1	13.0	12.0	11.5 ¹	3.1
1993	8.5	8.9	8.2	8.8	1.8
1994	8.5	9.3	8.4	9.0	1.4
1995	8.2	8.9	7.9	8.8	2.6
1995					
July	8.5	9.0	7.8	8.7	2.8
Aug.	8.1	8.6	7.3	8.3	2.7
Sept.	7.6	8.1	7.2	8.0	2.6
Oct.	7.4	8.0	7.5	7.9	2.6
Nov.	6.7	7.5	7.0	7.5	3.1
Dec.	6.5	7.3	6.7	7.4	3.5
1996					
Jan.	6.1	6.9	6.3	7.0	2.2
Feb.	6.4	7.3	6.9	7.7	2.1
March	6.4	7.5	6.8	7.7	3.0
April	6.1	7.2	6.5	7.5	3.0
May	6.1	7.4	6.5	7.4	2.4
June	6.0	7.2	6.3	7.2	2.4
July	5.9	6.9	6.2	7.1	2.4

¹ November and December only.

4. Rates of exchange

4.1 Middle rates, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oslo	Copenhagen	Reykjavik	Frankfurt am Main	Amsterdam	Brussels	Zurich
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 ISK	1 DEM	1 NLG	1 BEF	1 CHF
	1	2	3	4	5	6	7	8	9	10	11	12
1991	4.0457	3.533	7.131	6.511	0.6684	0.6236	0.6322	0.0684	2.4380	2.1634	0.1184	2.8208
1992	4.4835	3.706	7.875	7.636	0.7714	0.7222	0.7444	0.0778	2.8769	2.5552	0.1397	3.2000
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
1995												
Aug.	4.3000	3.173	6.743	6.902	0.5949	0.6784	0.7680	0.0666	2.9773	2.6583	0.1448	3.5959
Sept.	4.3717	3.240	6.810	6.953	0.6127	0.6829	0.7710	0.0665	2.9902	2.6693	0.1454	3.6750
Oct.	4.2696	3.174	6.738	6.890	0.6248	0.6845	0.7776	0.0661	3.0188	2.6953	0.1468	3.7265
Nov.	4.2400	3.134	6.629	6.814	0.6427	0.6785	0.7724	0.0656	2.9934	2.6724	0.1456	3.7109
Dec.	4.3351	3.165	6.669	6.893	0.6531	0.6822	0.7766	0.0663	3.0083	2.6866	0.1464	3.7246
1996												
Jan.	4.4425	3.251	6.797	7.032	0.6608	0.6923	0.7859	0.0673	3.0398	2.7145	0.1479	3.7670
Feb.	4.5520	3.309	6.991	7.200	0.6611	0.7107	0.8026	0.0687	3.1048	2.7725	0.1510	3.8076
March	4.6019	3.370	7.026	7.234	0.6836	0.7158	0.8062	0.0694	3.1140	2.7818	0.1515	3.8459
April	4.7313	3.482	7.169	7.402	0.7040	0.7285	0.8147	0.0709	3.1434	2.8109	0.1530	3.8805
May	4.7568	3.475	7.207	7.437	0.6996	0.7233	0.8038	0.0706	3.1028	2.7755	0.1509	3.7924
June	4.6713	3.420	7.204	7.398	0.6991	0.7153	0.7933	0.0695	3.0590	2.7310	0.1487	3.7172
July	4.5888	3.352	7.128	7.354	0.6909	0.7113	0.7910	0.0687	3.0495	2.7171	0.1480	3.7178
Aug.	4.4777	3.263	6.941	7.215	0.6765	0.6986	0.7816	0.0676	3.0210	2.6932	0.1466	3.7227

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Madrid	Athens	Tallinn	Tokyo	Melbourne	ECU Commercial	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ESP	1 GRD	1 EEK	1 JPY	1 AUD	1 XEU	1 XDR
	13	14	15	16	17	18	19	20	21	22	23
1991	0.7169	0.00326	0.3464	0.0280	0.0389	0.022		0.03008	3.152	5.003	5.52771
1992	0.8486	0.00364	0.4088	0.0332	0.0438	0.024	0.4060	0.03546	3.289	5.798	6.31546
1993	1.0096	0.00364	0.4916	0.0356	0.0451	0.025	0.4323	0.05168	3.885	6.685	7.98641
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	6.61196
1995											
Aug.	0.8654	0.00268	0.4234	0.0287	0.0349	0.0185	0.3722	0.04547	3.186	5.569	6.49492
Sept.	0.8670	0.00271	0.4251	0.0287	0.0348	0.0186	0.3738	0.04353	3.298	5.580	6.40629
Oct.	0.8643	0.00266	0.4290	0.0287	0.0349	0.0184	0.3773	0.04242	3.237	5.546	6.39697
Nov.	0.8677	0.00266	0.4255	0.0285	0.0348	0.0181	0.3742	0.04162	3.160	5.496	6.33703
Dec.	0.8733	0.00272	0.4276	0.0287	0.0354	0.0182	0.3760	0.04258	3.213	5.530	6.43793
1996											
Jan.	0.8878	0.00281	0.4323	0.0293	0.0361	0.0185	0.3800	0.04206	3.293	5.609	6.51994
Feb.	0.9028	0.00289	0.4414	0.0299	0.0368	0.0188	0.3881	0.04305	3.439	5.704	6.67427
March	0.9095	0.00294	0.4427	0.0301	0.0370	0.0190	0.3892	0.04346	3.549	5.772	6.72716
April	0.9262	0.00302	0.4470	0.0306	0.0377	0.0195	0.3929	0.04411	3.719	5.882	6.86087
May	0.9170	0.00306	0.4412	0.0302	0.0372	0.0196	0.3878	0.04474	3.790	5.844	6.87179
June	0.9026	0.00303	0.4348	0.0297	0.0363	0.0193	0.3824	0.04292	3.698	5.787	6.74035
July	0.9006	0.00301	0.4334	0.0297	0.0361	0.0193	0.3812	0.04200	3.622	5.762	6.65070
Aug.	0.8848	0.00295	0.4293	0.0294	0.0356	0.0189	0.3776	0.04153	3.506	5.683	6.52988

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
1991	5.00580	101.4	101.4
1992	5.80140	116.4	115.7
1993	6.69420	132.4	136.0
1994	6.19108	123.2	125.5
1995	5.70936	111.6	111.6
1995			
Aug.	5.60862	109.4	109.5
Sept.	5.63392	110.3	110.6
Oct.	5.64587	110.4	110.0
Nov.	5.61404	110.0	109.5
Dec.	5.65470	111.2	111.0
1996			
Jan.	5.73809	112.7	112.9
Feb.	5.86385	115.0	115.3
March	5.89568	116.2	116.4
April	5.98143	118.3	118.8
May	5.93160	117.8	118.5
June	5.85380	116.3	116.8
July	5.82763	115.3	115.6
Aug.	5.74674	113.5	113.5

5. Other domestic financing

5.1 Bank funding from the public, mill. FIM

End of period	Cheque and giro deposits	Transaction deposits	Time deposits	Other deposits	Markka deposits, total (1+2+3+4)	Foreign currency deposits	Total deposits (5+6)	Other funding	Total funding (7+8)
	1	2	3	4	5	6	7	8	9
1991	33 619	86 442	122 126	19 615	261 802	13 151	274 953	52 760	327 713
1992	34 832	88 526	114 771	21 218	259 347	14 626	273 973	65 557	339 530
1993	36 379	92 357	112 413	21 766	262 915	14 883	277 798	63 173	340 971
1994	41 200	99 691	108 922	19 838	269 650	12 774	282 424	44 228	326 651
1995	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
1995									
April	45 487	104 920	108 622	20 467	279 495	11 987	291 483	55 118	346 601
May	45 373	103 337	108 316	20 671	277 697	12 264	289 961	48 998	338 959
June	47 640	105 219	108 954	20 606	282 418	12 759	295 177	44 648	339 825
July	48 359	105 161	108 755	20 811	283 087	12 420	295 507	62 174	357 681
Aug.	46 983	105 397	108 792	20 795	281 966	12 488	294 454	62 337	356 791
Sept.	44 089	105 789	108 047	20 852	278 776	12 165	290 941	57 174	348 115
Oct.	47 040	104 602	105 406	21 553	278 602	12 247	290 849	64 497	355 346
Nov.	48 730	107 047	104 174	21 797	281 748	13 250	294 998	50 785	345 784
Dec.	52 496	110 455	103 573	22 166	288 689	13 679	302 369	37 851	340 220
1996									
Jan.	50 193	112 802	95 502	24 819	283 316	13 011	296 327	50 008	346 335
Feb.	51 099	114 843	92 250	23 683	281 875	14 184	296 059	38 431	334 490
March	47 991	117 400	88 821	24 714	278 925	13 951	292 876	41 906	334 782
April	49 678	118 933	85 792	24 883	279 285	14 896	294 181	43 472	337 653

5.2 Bank lending to the public, mill. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
1991	18 037	4 712	262 859	285 609	107 714	393 323
1992	16 045	3 335	252 163	271 544	95 168	366 712
1993	14 217	2 223	248 406	264 846	66 931	331 777
1994	13 241	1 301	242 417	256 958	45 138	302 096
1995	12 348	901	235 074	248 323	32 252	280 575
1995						
April	12 657	1 159	242 911	256 727	39 550	296 277
May	12 448	1 145	242 338	255 930	38 260	294 190
June	12 216	1 070	241 834	255 120	37 831	292 951
July	11 845	1 074	242 045	254 963	36 353	291 316
Aug.	11 860	1 058	242 323	255 242	36 230	291 472
Sept.	12 317	1 004	241 909	255 230	35 166	290 396
Oct.	12 180	992	241 103	254 275	34 006	288 281
Nov.	12 283	943	240 328	253 554	32 926	286 480
Dec.	12 348	901	235 074	248 323	32 252	280 575
1996						
Jan.	12 013	792	234 240	247 046	32 406	279 452
Feb.	12 114	853	235 279	248 246	31 240	279 486
March	12 189	835	235 696	248 720	30 734	279 453
April	12 042	834	235 129	248 005	31 704	279 709

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
1991	-86 555	-6 516	470 852	464 336	-102 540	130 644	275 241	310 924
1992	-68 099	81	439 937	440 018	-97 909	134 829	274 011	310 733
1993	-25 989	1 848	403 742	405 589	-100 006	141 759	279 595	322 408
1994	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
1995*								
July	20 128	15 931	370 015	385 946	-109 760	164 621	296 313	342 997
Aug.	22 843	15 953	369 481	385 434	-113 050	163 475	295 227	337 391
Sept.	25 915	18 486	367 613	386 098	-119 347	161 659	292 667	338 041
Oct.	28 085	20 208	365 657	385 865	-121 619	163 287	292 331	334 378
Nov.	26 219	16 770	363 830	380 600	-110 948	167 812	295 871	328 102
Dec.	25 481	19 837	353 340	373 177	-94 870	175 921	303 788	329 820
1996*								
Jan.	21 471	12 339	352 779	365 118	-89 982	175 684	296 607	331 664
Feb.	29 249	11 358	352 817	364 176	-98 374	178 534	295 050	326 921
March	29 809	12 658	352 935	365 593	-102 425	178 909	292 976	335 117
April	25 644	18 817	353 520	372 337	-105 118	181 799	292 864	327 546
May	24 810	19 008	351 202	370 211	-101 886	184 723	293 135	325 514
June	28 625	23 451	353 982	377 432	-111 296	189 305	294 761	328 990
July	..	..	..	..	..	187 996	291 835	327 936

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

End of period	Foreign currency-denominated debt			Markka-denominated debt					Total central government debt (3+8)	Out-standing lending	Cash funds
	Bonds	Other debt	Total (1+2)	Public bonds	Other long-term liabilities	Treasury notes and bills	Miscellaneous items	Total (4+5+6+7)			
	1	2	3	4	5	6	7	8	9	10	11
1991	38 703	4 943	43 646	31 018	12 208	5 180	.	48 406	92 052	55 165	15 956
1992	100 244	6 143	106 387	40 578	13 555	14 762	.	68 895	175 282	61 671	19 781
1993	142 824	12 753	155 577	71 082	16 060	22 824	.	109 966	265 543	66 439	36 487
1994	160 587	15 975	176 562	93 008	17 100	33 153	-5 945	137 316	313 878	67 658	43 012
1995	158 545	13 756	172 301	143 948	17 492	37 864	-5 609	193 695	365 996	66 855	41 878
1995											
July	160 563	14 192	174 755	122 953	15 781	35 526	-5 627	168 633	343 388	68 755	30 029
Aug.	159 404	13 799	173 203	129 417	17 531	34 804	-5 641	176 111	349 314	68 779	31 864
Sept.	159 093	13 532	172 625	134 142	17 530	31 529	-5 649	177 552	350 177	69 233	35 250
Oct.	158 207	14 100	172 307	134 673	17 530	34 287	-5 692	180 798	353 105	69 390	32 117
Nov.	156 263	14 145	170 408	139 244	17 503	38 769	-5 675	189 841	360 249	67 749	45 082
Dec.	158 545	13 756	172 301	143 948	17 492	37 864	-5 609	193 695	365 996	66 855	41 878
1996											
Jan.	159 917	13 867	173 784	148 462	17 437	40 160	-5 670	200 389	374 173	67 195	38 351
Feb.	167 905	14 099	182 004	150 312	17 437	42 259	-5 682	204 326	386 330	67 258	53 668
March	168 150	14 304	182 454	150 650	17 909	45 136 ^f	-5 697	207 998	390 452	67 471	45 117
April	172 009	15 082	187 091	158 510	17 369	44 143 ^f	-5 298	214 724	401 815	67 576	48 628
May	162 738	14 670	177 408	163 861	17 369	46 167 ^f	-5 294	222 182	399 590	67 076	48 909
June	159 874	15 192	175 066	166 921	17 359	46 220 ^f	-5 324	225 176	400 242	66 754	48 626
July	158 676	15 699	174 375	171 787	17 220	44 786 ^f	-5 367	228 426	402 801	..	50 441

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
1991	7 277	25 737	11 073	1 320	—	45 407
1992	6 984	15 043	12 965	2 674	4	37 671
1993	11 691	10 481	36 512	2 235	63	60 981
1994	4 053	9 899	31 553	593	—	46 099
1995*	643	5 075	66 557	26	—	72 301
1995*						
July	2	—	505	—	—	507
Aug.	1	105	6 796	—	—	6 902
Sept.	110	1 890	9 752	—	—	11 751
Oct.	—	150	5 020	—	—	5 170
Nov.	—	204	4 761	—	—	4 965
Dec.	—	410	4 717	—	—	5 126
1996*						
Jan.	—	—	6 405	—	—	6 405
Feb.	—	150	1 899	—	—	2 049
March	—	525	2 661	—	—	3 186
April	850	—	7 887	—	—	8 737
May	640	3 150	6 351	—	—	10 141
June	—	550	3 847	—	—	4 397
July	—	—	4 876	—	—	4 876

B) Stock, mill. FIM

During 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
1991	26 632	76 701	35 195	2 766	3 726	76 346	18 096	50 578	145 020
1992	26 624	82 153	44 005	5 238	3 358	89 382	13 918	58 078	161 378
1993	32 459	73 893	73 682	6 884	2 009	119 552	10 391	58 984	188 927
1994	30 179	66 467	94 865	6 981	953	141 935	7 581	49 929	199 445
1995	26 468	55 166	145 177	6 914	357	187 830	5 034	41 218	234 082
1995									
July	27 777	60 876	124 177	6 387	666	169 253	5 873	44 757	219 889
Aug.	27 557	59 771	130 640	6 378	666	174 867	5 545	44 600	225 012
Sept.	27 635	60 015	135 365	7 372	665	181 295	5 251	44 506	231 052
Oct.	27 602	59 561	135 897	7 463	363	181 435	5 058	44 393	230 886
Nov.	27 233	57 647	140 404	7 462	359	184 619	4 976	43 510	233 105
Dec.	26 468	55 166	145 177	6 914	357	187 830	5 034	41 218	234 082
1996									
Jan.	26 029	53 447	149 692	5 814	357	190 638	4 521	40 180	235 339
Feb.	25 942	52 473	151 541	5 679	357	191 868	4 290	39 834	235 992
March	25 636	51 586	151 876	5 619	355	191 786	3 910	39 376	235 072
April	26 394	50 926	159 228	5 612	355	200 094	3 899	38 522	242 515
May	25 973	52 620	164 580	5 558	150	207 706	3 636	37 539	248 881
June	25 534	50 489	167 639	4 647	149	209 816	3 622	35 020	248 458
July	25 016	49 621	173 505	4 646	148	213 851	3 617	35 468	252 936

C) *Turnover, mill. FIM*

During period	Interbank transactions	Transactions between banks and customers	Primary dealers' transactions in benchmark government bonds		
			Purchases from other primary dealers	Purchases from others	Sales to others
	1	2	3	4	5
1991	3 343	29 134			
1992	18 383	58 757	10 744	12 156	13 354
1993	47 803	246 104	42 945	95 647	117 489
1994	184 599	359 697	173 096	150 908	176 647
1995	147 037	436 052	133 357	190 069	215 879
1995					
Aug.	11 210	42 367	10 698	20 105	20 057
Sept.	19 708	50 201	18 676	22 799	24 815
Oct.	11 843	40 102	11 615	17 944	21 776
Nov.	10 782	40 739	10 060	18 386	21 090
Dec.	11 970	44 723	11 387	21 621	21 833
1996					
Jan.	22 987	59 858	22 069	26 431	29 781
Feb.	28 639	49 337	28 117	23 641	24 870
March	21 686	47 221	21 298	22 895	23 603
April	12 424	35 405	12 336	15 989	15 769
May	13 809	27 849	13 505	12 223	11 995
June	10 679	23 361	9 499	8 982	10 037
July	13 411	26 745	12 763	10 069	12 616
Aug.	13 452	50 597	12 908	22 320	22 356

5.6 *Helsinki Stock Exchange*

Average of daily observations	Share prices						Turnover ¹ , mill. FIM			
	HEX index (28 Dec., 1990=1000)						Shares and sub- scrip- tion rights	Bonds and debentures	Total	
	All-share index	By industry								
		Banks and finance	Insurance and investment	Manufacturing	Of which:					
				Forest industries	Metal and engineering	Conglomerates				
	1	2	3	4	5	6	7	8	9	10
1991	962	901	898	1 003	1 075	1 076	1 021	6 339	1 315	7 655
1992	772	425	467	943	1 123	1 206	890	10 277	15 377	25 654
1993	1 240	608	644	1 601	1 695	1 749	1 751	46 337	59 977	106 314
1994	1 847	719	802	2 464	2 284	2 675	3 068	68 671	2 147	70 818
1995	1 918	500	638	2 741	2 062	2 255	4 251	83 019	1 075	84 094
1995										
Aug.	2 155	506	709	3 149	2 218	2 443	4 832	7 010	56	7 066
Sept.	2 231	504	751	3 276	2 176	2 492	5 045	8 649	59	8 708
Oct.	2 031	455	688	2 955	1 967	2 309	4 716	8 721	60	8 781
Nov.	1 887	417	657	2 708	1 807	2 105	4 478	6 942	132	7 074
Dec.	1 769	437	635	2 496	1 740	2 109	4 448	7 515	126	7 641
1996										
Jan.	1 710	476	671	2 363	1 686	2 116	4 452	7 241	62	7 302
Feb.	1 810	472	735	2 507	1 796	2 267	4 798	8 238	51	8 289
March	1 851	458	776	2 568	1 951	2 330	5 051	7 758	54	7 812
April	1 867	412	747	2 618	2 040	2 399	5 188	7 940	32	7 972
May	1 995	418	754	2 820	2 095	2 622	5 532	10 860	42	10 902
June	2 019	408	787	2 851	2 079	2 616	5 627	7 681	36	7 717
July	2 002	400	779	2 819	2 174	2 588	5 815	5 885	17	5 902
Aug.	2 082	407	805	2 945	2 240	2 732	6 175	6 995	44	7 039

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 (8+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
1991	91 100	7 508	5 044	5 636	18 189	109 289	10 003	5 336	124 628	86 348	3 974	11 089	11 011
1992	105 809	8 643	6 089	7 730	22 462	128 272	6 423	5 920	140 614	93 187	4 360	10 962	13 369
1993	132 550	10 430	7 079	9 379	26 888	159 438	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*	172 728	11 890	7 536	15 366	34 793	207 521	13 106	8 659	229 286	124 512	6 027	10 450	19 150
1994*													
I	34 382	2 663	1 524	2 839	7 026	41 408	1 764	1 289	44 462	24 767	1 295	1 998	4 213
II	38 486	2 902	1 860	2 649	7 411	45 897	2 802	1 190	49 889	29 458	1 455	2 151	3 967
III	37 322	3 092	2 230	2 960	8 282	45 804	2 027	1 180	48 811	28 743	1 549	2 256	3 899
IV	41 832	2 728	1 700	3 360	7 788	49 620	3 025	1 260	53 905	35 716	1 563	2 291	4 721
1995*													
I	41 156	2 949	1 499	3 956	8 405	49 561	3 298	1 499	54 358	29 708	1 462	2 326	5 039
II	45 973	3 005	1 891	3 654	8 550	54 523	3 435	1 505	59 463	31 724	1 548	2 639	4 825
III	39 599	3 014	2 243	3 802	9 059	48 658	2 891	2 099	53 647	29 547	1 581	2 707	4 349
IV	46 000	2 922	1 903	3 954	8 779	54 779	3 483	3 555	61 817	33 533	1 437	2 779	4 937
1996*													
I	41 146	2 895	1 679	3 539	8 112	49 258	3 920	1 634	54 813	32 304	1 521	2 590	4 314
II	47 432	3 121	1 983	3 535	8 638	56 070	3 221	1 846	61 138	31 209	1 587	2 834	3 935

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
1991	26 074	112 421	28 674	10 229	151 325	4 752	3 534	-6 044	-5 374	-7 885	-3 132	-18 671	-4 893	-26 696
1992	28 690	121 878	30 424	10 347	162 649	12 622	4 283	-4 873	-5 639	-6 228	6 394	-24 001	-4 428	-22 035
1993	31 891	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*	35 628	160 140	32 080	12 606	204 826	48 216	5 863	-2 914	-3 784	-835	47 381	-18 974	-3 947	24 460
1994*														
I	7 506	32 274	9 423	2 683	44 380	9 614	1 368	-474	-1 374	-480	9 134	-7 659	-1 393	82
II	7 573	37 031	8 733	1 959	47 722	9 028	1 447	-291	-1 318	-162	8 866	-5 930	-769	2 167
III	7 704	36 447	6 246	1 971	44 664	8 580	1 542	-26	-939	578	9 157	-4 220	-791	4 147
IV	8 575	44 291	7 399	1 984	53 673	6 117	1 166	-591	-1 361	-787	5 330	-4 375	-724	231
1995*														
I	8 827	38 535	9 205	2 814	50 554	11 448	1 487	-827	-1 082	-422	11 026	-5 906	-1 316	3 804
II	9 012	40 736	9 972	3 180	53 888	14 249	1 458	-748	-1 171	-461	13 788	-6 538	-1 675	5 575
III	8 637	38 184	6 536	3 194	47 914	10 052	1 433	-464	-548	422	10 474	-3 645	-1 095	5 734
IV	9 152	42 685	6 368	3 417	52 470	12 467	1 485	-875	-983	-373	12 094	-2 885	138	9 347
1996*														
I	8 426	40 729	8 034	4 204	52 967	8 843	1 373	-911	-776	-313	8 529	-4 113	-2 570	1 846
II	8 356	39 564	10 213	4 093	53 870	16 224	1 534	-851	-400	282	16 506	-6 992	-2 246	7 268

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	
1991	0	-997	47	38 751	11 786	-4 511	..	34 287	-3 987	7 496	-9 606	-6 098	27 192
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	-65	33 179	2 732	647	-1 392	1 987	43 405
1995*	300	4 006	8 734	-17 868	-3 634	1 421	2 357	-5 357	-1 370	-6 985	8 376	22	-1 329
1994*													
I	0	3 844	4 389	4 669	526	-1 665	31	7 423	-908	-3 980	7 459	2 572	13 839
II	0	3 029	2 404	5 341	-3 808	3 264	268	11 278	-868	1 312	-4 826	-4 383	9 924
III	0	2 372	5 181	16 528	783	-2 119	-383	19 207	177	-1 363	-4 571	-5 756	15 823
IV	0	-1 005	1 426	-4 562	-3 283	-1 614	20	-4 729	4 330	4 678	545	9 554	3 819
1995*													
I	0	2 516	392	150	-1 423	-1 889	146	-1 200	-2 623	-333	8 549	5 593	6 908
II	0	-1 330	3 482	-9 335	-3 501	-974	523	-6 303	844	-3 206	-2 136	-4 498	-12 131
III	0	88	2 940	-2 503	932	1 618	1 079	3 134	-1 025	-3 192	-744	-4 961	-1 738
IV	300	2 732	1 920	-6 181	358	2 666	608	-987	1 434	-254	2 707	3 888	5 633
1996*													
I	0	1 670	1 216	2 777	1 297	452	974	5 419	-3 781	4 742	-716	246	7 334
II	0	978	6 113	-4 920	2 816	354	754	2 301	-813	3 778	-2 698	267	3 547

During period	Capital account, exports of capital	Financial account											Errors and omissions	Change in central bank's reserve assets (increase -)
		Direct investment abroad	Portfolio investment abroad					Other investment abroad						
			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	
1991	299	-501	-369	-3	1 499	..	1 128	-726	2 341	7 570	9 184	9 810	2 239	7 375
1992	0	-3 372	46	321	2 748	..	3 115	3 634	3 409	7 720	14 763	14 506	-293	9 180
1993	0	8 050	873	767	1 932	..	3 571	1 923	-839	9 576	10 660	22 282	6 055	-1 219
1994*	0	22 447	291	-4 625	-855	-279	-5 469	1 213	-7 460	9 762	3 516	20 494	-4 034	-25 504
1995*	206	6 624	521	2 994	-5 492	-165	-2 143	2 766	-2 712	11 750	11 804	16 285	-8 420	1 480
1994*														
I	0	5 401	356	-558	215	-202	-188	-1 958	-1 849	-2 327	-6 135	-922	-4 563	-10 279
II	0	4 808	-41	-3 337	-4 448	-27	-7 854	1 600	-2 625	6 080	5 055	2 009	91	-10 172
III	0	4 897	-45	-1 166	422	-53	-842	-153	-251	9 532	9 127	13 182	-2 867	-3 921
IV	0	7 341	20	437	2 956	2	3 415	1 724	-2 734	-3 522	-4 532	6 225	3 305	-1 132
1995*														
I	0	2 147	-139	1 472	-2 249	-45	-961	700	-1 234	9 695	9 161	10 347	1 325	-1 691
II	104	1 309	106	-80	-2 798	31	-2 741	2 419	-150	-7 809	-5 540	-6 971	-1 599	1 288
III	0	1 086	443	-108	521	-37	819	-174	1 044	3 431	4 301	6 206	618	1 592
IV	102	2 082	111	1 711	-967	-115	740	-179	-2 373	6 433	3 882	6 704	-8 764	291
1996*														
I	0	4 966	550	3 731	2 424	-26	6 679	-551	2 416	6 050	7 916	19 561	3 126	7 254
II	0	5 319	941	2 424	-21	71	3 415	504	-2 008	6 057	4 554	13 288	-5 984	8 457

6.3 Finland's international investment position, mill. FIM

Position at end of period	Liabilities												
	Direct investment in Finland	Portfolio investment					Total (2+3+5+6)	Trade credits	Other investment				Total liabilities (1+7+12)
		Shares	Bonds	Of which: markka-denominated bonds	Money market instruments	Financial derivatives			Loans	Currency and deposits	Other	Total (8+9+10+11)	
1	2	3	4	5	6	7	8	9	10	11	12	13	
1991	17 443	4 149	141 055	19 036	22 079	..	167 283	9 532	68 892	8 555	84 036	171 015	355 741
1992	19 348	5 138	211 361	14 366	19 391	..	235 889	13 305	78 330	11 880	78 804	182 320	437 557
1993	24 391	30 375	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	-6 877	322 814	20 465	82 649	3 430	46 566	153 111	507 771
1995*	35 666	63 746	228 676	19 638	10 099	1 368	303 889	18 931	69 249	2 568	53 557	144 305	483 861
1994*													
I	27 918	39 079	269 077	30 065	12 245	-8 855	311 546	17 029	85 196	4 724	58 746	165 694	505 158
II	30 846	42 719	272 094	23 945	15 286	-8 809	321 290	16 143	86 412	2 964	55 420	160 939	513 075
III	33 010	56 036	272 306	26 009	11 864	-7 591	332 615	16 190	79 730	3 752	47 152	146 825	512 449
IV	31 846	60 558	258 823	22 285	10 309	-6 877	322 814	20 465	82 649	3 430	46 566	153 111	507 771
1995*													
I	34 243	53 488	254 534	21 433	7 065	-5 996	309 092	17 766	79 143	3 369	53 433	153 711	497 046
II	32 873	79 430	243 399	18 054	5 577	-6 768	321 638	18 578	75 411	2 580	51 169	147 738	502 249
III	32 931	93 020	233 054	20 230	7 262	-520	332 815	17 506	68 882	2 364	50 032	138 784	504 530
IV	35 666	63 746	228 676	19 638	10 099	1 368	303 889	18 931	69 249	2 568	53 557	144 305	483 861
1996*													
I	37 398	68 674	241 179	20 771	11 192	2 115	323 159	15 316	78 043	1 518	55 503	150 380	510 937
II	38 382	80 962	234 498	24 015	11 125	2 848	329 434	14 563	81 024	1 939	52 193	149 718	517 534

Position at end of period	Assets												
	Direct investment abroad	Portfolio investment					Total (15+16+17+18)	Trade credits	Other investment				Total assets (14+19+24)
		Shares	Bonds	Money market instruments	Financial derivatives	Loans			Currency and deposits	Other	Total (20+21+22+23)		
14	15	16	17	18	19	20	21	22	23	24	25		
1991	44 823	426	7 004	4 154	..	11 584	16 388	28 504	7 647	73 392	125 931	182 338	
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	1 866	4 778	9 115	488	16 246	25 500	24 847	8 257	109 847	168 451	244 148	
1995*	64 756	2 638	8 489	2 736	180	14 043	27 923	20 974	7 290	115 606	171 793	250 592	
1994*													
I	54 424	2 047	9 576	10 911	622	23 156	23 989	32 788	8 842	93 378	158 996	236 575	
II	58 238	1 984	5 961	6 339	550	14 834	25 551	29 981	8 300	108 953	172 785	245 857	
III	58 314	1 866	4 319	6 087	561	12 833	24 158	28 350	7 493	115 752	175 753	246 900	
IV	59 451	1 866	4 778	9 115	488	16 246	25 500	24 847	8 257	109 847	168 451	244 148	
1995*													
I	60 188	1 581	5 868	5 835	160	13 444	25 960	22 668	6 352	118 897	173 878	247 510	
II	60 718	1 704	6 057	2 977	118	10 857	28 185	22 142	5 915	108 686	164 929	236 503	
III	61 224	2 175	5 826	3 503	203	11 706	27 797	22 978	6 397	108 057	165 228	238 158	
IV	64 756	2 638	8 489	2 736	180	14 043	27 923	20 974	7 290	115 606	171 793	250 592	
1996*													
I	72 395	3 351	12 645	5 670	172	21 838	28 016	24 224	5 347	120 945	178 532	272 766	
II	76 655	4 259	14 804	5 660	96	24 819	28 717	22 159	5 458	118 307	174 642	276 117	

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
1991	31 277	-2 794	107 434	-34 046	18 960	51 854	719	173 403	15 671	12.7
1992	33 761	-3 260	82 343	-27 546	28 283	112 064	2 347	227 992	19 011	13.6
1993	54 315	-3 436	45 658	-33 279	29 737	164 892	3 062	260 949	21 897	12.8
1994*	81 344	-3 503	33 800	-52 606	22 381	179 113	3 093	263 623	20 296	10.5
1995*	74 033	-2 296	17 576	-47 708	14 098	174 481	3 085	233 269	18 074	7.9
1994*										
I	64 119	-3 692	52 014	-42 504	28 987	166 321	3 339	268 583	7 187	16.2
II	64 536	-3 781	51 328	-52 617	26 252	178 145	3 354	267 218	5 458	10.9
III	76 665	-3 564	34 039	-52 998	25 117	183 115	3 175	265 550	3 748	7.7
IV	81 344	-3 503	33 800	-52 606	22 381	179 113	3 093	263 623	3 903	7.2
1995*										
I	74 056	-3 362	23 055	-53 298	20 202	185 724	3 159	249 536	5 681	10.5
II	95 345	-3 498	26 416	-50 742	18 988	175 932	3 305	265 746	6 313	10.6
III	104 168	-3 602	19 542	-47 488	18 156	172 368	3 227	266 372	3 420	6.4
IV	74 033	-2 296	17 576	-47 708	14 098	174 481	3 085	233 269	2 660	4.3
1996*										
I	77 974	-2 510	3 108	-42 679	10 470	188 489	3 318	238 171	3 663	6.7
II	87 761	-2 604	-6 180	-33 647	7 264	185 555	3 268	241 417	6 542	10.7

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
1991	92 842	87 744	5 098
1992	107 463	94 947	12 516
1993	134 114	103 165	30 949
1994	154 164	120 612	33 552
1995*	174 660	126 330	48 330
1995*			
July	11 641	9 419	2 222
Aug.	13 408	10 134	3 274
Sept.	15 033	10 447	4 586
Oct.	15 553	11 628	3 925
Nov.	15 848	11 734	4 114
Dec.	15 082	10 630	4 452
1996*1			
Jan.	12 758	10 074	2 684
Feb.	14 605	11 300	3 305
March	14 387	11 625	2 762
April	14 662	11 191	3 471
May	15 500	10 900	4 600
June	17 600	9 800	7 800
July	13 400	9 600	3 800

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	5
1991	93.1	84.4	98.5	100.9	97.6
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*	144.5	102.7	119.2	119.2	100.0
1995*					
July	119.4	99.3	120.0	119.2	100.7
Aug.	142.1	101.6	120.0	119.2	100.7
Sept.	145.6	103.7	121.6	119.2	102.0
Oct.	143.1	108.7	122.6	118.4	103.5
Nov.	146.0	108.8	122.7	118.1	103.9
Dec.	141.8	100.8	123.0	118.2	104.1
1996*					
Jan.	121.4	100.2	123.2	119.1	103.4
Feb.	143.4	108.4	122.4	119.3	102.6
March	134.0	99.8	123.2	120.4	102.3
April	141.6	103.1	122.5	122.2	100.2
May	148.4	101.2	121.8	121.8	100.0
June	172.8	98.1	121.3	121.6	99.8
July	137.8	99.8	119.6	121.8	98.2

¹ See Notes and explanations to the statistical section.

7.3 Foreign trade by main groups, mill. FIM

During period	Exports by industries, fob					Imports by use of goods, cif				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
	1	2	3	4	5	6	7	8	9	10
1991	6 984	29 695	10 539	29 188	16 436	42 505	9 399	13 973	21 195	672
1992	7 892	32 587	12 172	35 741	19 071	49 514	9 745	13 348	20 826	1 514
1993	10 910	37 430	14 205	48 158	23 411	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	793
1995*	13 221	47 941	16 233	68 346	28 919	69 608	9 121	19 322	25 182	3 097
1995*										
April	1 261	4 021	1 247	5 829	2 263	5 931	1 167	1 413	2 116	202
May	1 199	4 117	1 357	5 899	2 299	6 234	800	1 607	2 024	301
June	1 252	4 181	1 659	7 066	2 806	6 119	605	1 409	1 968	281
July	735	3 941	1 184	3 846	1 935	5 067	787	1 259	1 949	357
Aug.	890	4 206	1 223	4 503	2 586	5 580	740	1 365	2 020	429
Sept.	1 063	4 263	1 370	5 503	2 834	6 060	642	1 450	2 162	133
Oct.	1 079	3 991	1 735	6 469	2 279	6 214	839	2 079	2 391	105
Nov.	1 079	3 984	1 244	6 755	2 786	5 710	819	2 491	2 258	456
Dec.	897	3 663	1 234	7 059	2 229	5 439	913	2 044	1 954	280
1996*										
Jan.	916	3 472	1 236	4 382	2 752	5 191	686	1 442	2 199	556
Feb.	904	3 614	1 174	6 198	2 715	5 270	872	1 994	2 601	563
March	984	4 130	1 372	5 122	2 779	5 679	693	1 816	2 752	685
April	1 106	3 733	1 504	5 661	2 658	5 456	1 051	1 683	2 502	499

7.4 Foreign trade by regions and countries

Region and country	Exports, fob				Imports, cif			
	1995*		May 1995–April 1996*		1995*		May 1995–April 1996*	
	Mill. FIM	Percentage share	Mill. FIM	Year-on-year change calculated from 12-month moving total	Mill. FIM	Percentage share	Mill. FIM	Year-on-year change calculated from 12-month moving total
	1	2	3	4	5	6	7	8
All OECD countries	127 724	73.1	129 681	5.4	99 982	79.1	105 239	6.7
EU	100 511	57.5	98 467	4.4	75 614	59.9	77 769	9.4
Austria	1 495	0.9	1 421	-14.3	1 550	1.2	1 555	7.4
Belgium and Luxembourg	5 189	3.0	4 934	19.8	3 719	2.9	3 693	1.1
Denmark	5 564	3.2	5 492	3.0	4 100	3.2	4 380	11.3
France	7 970	4.6	7 940	0.3	5 151	4.1	5 424	5.7
Germany	23 491	13.4	22 555	3.0	19 718	15.6	19 616	1.8
Greece	944	0.5	914	5.3	342	0.3	352	1.2
Ireland	864	0.5	911	29.9	1 072	0.8	1 110	14.5
Italy	4 934	2.8	4 527	-10.3	5 090	4.0	5 370	9.1
Netherlands	7 376	4.2	7 019	-10.8	4 791	3.8	4 697	-0.1
Portugal	869	0.5	856	-1.6	1 052	0.8	1 032	-7.0
Spain	4 395	2.5	4 047	4.2	1 652	1.3	1 771	11.6
Sweden	17 694	10.1	18 234	5.6	14 755	11.7	15 352	11.9
United Kingdom	18 169	10.4	18 043	6.8	10 515	8.3	11 100	7.6
Other OECD countries	27 213	15.6	31 214	15.7	24 368	19.3	27 470	-14.1
Of which:								
Australia	2 330	1.3	2 240	5.5	930	0.7	1 075	45.3
Canada	1 223	0.7	1 182	3.0	810	0.6	825	-3.6
Japan	4 495	2.6	4 857	35.6	7 939	6.3	7 724	-5.5
Norway	5 229	3.0	5 226	2.9	5 236	4.1	5 081	-13.0
Switzerland	2 277	1.3	2 205	-7.2	2 142	1.7	2 259	4.3
United States	11 664	6.7	12 751	10.1	8 976	7.1	10 019	13.5
Other countries	46 936	26.9	46 291	15.9	26 348	20.9	24 291	-12.6
Of which:								
Estonia	4 117	2.4	4 297	15.8	1 535	1.2	1 579	20.1
Czech Republic	774	0.4	913	6.6	458	0.4	469	0.6
Hungary	799	0.5	744	-36.4	337	0.3	352	-15.5
Poland	2 251	1.3	2 100	-21.5	1 366	1.1	1 345	-14.1
Russia	8 441	4.8	9 246	16.5	9 013	7.1	8 825	-22.1
China	2 602	1.5	2 416	-3.2	1 702	1.3	1 818	-0.2
Hongkong	2 434	1.4	2 553	23.3	699	0.6	625	-27.9
Korea	2 251	1.3	2 342	5.4	962	0.8	953	0.3
Malaysia	994	0.6	910	12.7	837	0.7	687	-28.2
Singapore	1 438	0.8	1 674	11.8	572	0.5	512	-17.3
Thailand	1 640	0.9	1 403	-4.2	486	0.4	563	8.8
Taiwan	903	0.5	924	11.7	1 098	0.9	1 154	-1.6
Brazil	829	0.5	762	5.1	491	0.4	549	-32.5
TOTAL	174 660	100.0	174 812	8.6	126 330	100.0	129 530	2.1
Of which:								
Africa	2 761	1.6	2 576	6.3	600	0.5	657	-17.9
The Americas	17 354	9.9	17 314	5.4	12 098	9.6	13 192	3.9
Asia	23 694	13.6	25 116	26.9	15 665	12.4	15 589	-6.3
Europe	128 236	73.4	127 288	4.3	96 967	76.8	98 943	3.2
Oceania	2 615	1.5	2 517	6.3	1 001	0.8	1 150	30.3

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					
1991	260 031	111 256	93 722	17 243	-2 451	479 801	110 965	111 755	479 011
1992	247 363	108 799	75 338	16 899	4 534	452 933	122 059	112 989	462 003
1993	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	21 555	443 694	161 376	128 411	476 659
1995*	254 112	104 059	67 120	13 253	20 109	458 653	174 773	136 520	496 906
1993									
IV	60 730	25 438	14 532	3 411	2 998	107 109	37 245	28 399	115 955
1994*									
I	61 103	25 554	14 418	3 492	1 608	106 175	37 982	28 594	115 563
II	60 303	25 678	14 705	3 541	5 448	109 675	40 131	31 042	118 764
III	61 200	25 618	15 498	3 525	6 456	112 297	41 054	32 754	120 597
IV	62 155	25 878	15 922	3 549	8 043	115 547	42 209	36 021	121 735
1995*									
I	62 992	25 486	16 972	3 369	4 890	113 709	44 000	33 837	123 872
II	63 641	26 111	16 455	3 345	3 348	112 900	45 302	33 986	124 216
III	63 435	26 118	17 626	3 256	6 516	116 951	41 783	34 135	124 599
IV	64 044	26 344	16 067	3 283	5 355	115 093	43 688	34 562	124 219
1996*									
I	64 935	26 028	16 487	3 522	7 119	118 091	42 267	35 290	125 068

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
1991	91.2	91.3	89.9	91.5	85.6	92.6	103.6
1992	92.4	88.4	91.4	94.6	91.1	90.2	103.0
1993	97.4	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	116.6	95.7	117.5	118.0	143.8	97.4	111.1
1995							
June	117.0	82.7	117.7	120.9	142.3	97.7	111.7
July	115.7	114.7	116.2	123.2	130.6	98.3	108.1
Aug.	116.7	180.6	117.1	120.7	144.7	96.9	106.1
Sept.	117.7	91.1	118.6	117.3	148.8	96.7	107.2
Oct.	116.2	87.2	117.4	112.7	147.6	97.0	107.2
Nov.	117.4	89.6	118.5	110.4	152.4	96.4	110.2
Dec.	117.5	82.1	118.3	102.5	154.8	96.5	114.7
1996							
Jan.	115.7	89.0	116.1	110.7	146.2	97.4	119.1
Feb.	115.4	81.2	115.4	109.1	145.3	96.9	127.3
March	118.4	82.9	118.8	110.4	149.5	98.1	120.4
April	118.1	92.1	118.5	111.3	148.9	99.1	120.1
May	120.6	79.7	120.7	110.0	153.7	99.4	124.1
June	122.2	85.8	122.6	109.6	157.4	100.8	120.1

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 indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1991	82.9	92.6	81.6	75.6	79.0	90.0	86.1	93.9
1992	72.7	83.2	62.5	59.1	47.1	71.7	78.1	91.1
1993	68.8	78.4	46.7	48.5	32.7	48.9	72.9	89.8
1994	73.0	79.9	42.0	45.5	35.4	39.8	84.4	93.7
1995*	76.2	82.6	39.9	39.7	52.6	36.1	85.2	97.7
1994								
IV	80.7	75.2	42.4	43.5	43.9	40.2	97.4	95.7
1995*								
June	76.9	83.3	..	..	..	..	..	96.9
July	76.1	80.6	..	..	..	..	..	96.5
Aug.	78.2	81.9	..	..	..	..	..	98.0
Sept.	75.4	83.4	..	..	..	..	..	97.9
Oct.	77.5	82.1	..	..	..	..	..	97.9
Nov.	78.5	84.0	..	..	..	..	..	98.5
Dec.	77.4	84.8	..	..	..	..	..	97.9
1995*								
I	75.4	82.3	41.0	44.1	47.9	35.3	83.8	97.7
II	75.2	82.6	41.3	42.6	57.4	36.4	83.9	97.3
III	76.6	82.0	39.5	37.9	53.3	37.4	84.2	97.5
IV	77.8	83.6	37.9	34.1	51.6	35.4	88.9	98.1
1996*								
Jan.	80.0	86.4	..	..	..	..	..	98.6
Feb.	79.7	85.0	..	..	..	..	..	98.3
March	74.0	82.9	..	..	..	..	..	97.6
April	79.8	85.1	..	..	..	..	..	98.6
May	77.1	85.6	..	..	..	..	..	99.7
June	72.3	82.1	..	..	..	..	..	99.6

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 (SIC3)	Public				Domestic goods	Imported goods		Exported goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13
1991	106.4	106.4	106.1	106.4	104.3	104.1	100.0	99.8	100.8	99.4	98.5	99.8	102.2
1992	108.4	108.1	108.3	109.0	107.4	107.1	101.4	99.5	108.5	101.6	102.7	101.1	100.4
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	110.1	105.8	102.2
1995¹	116.6	117.5	123.1	114.7	112.0	111.3	106.9	103.8	118.5	110.8	118.0	107.7	103.5
1995													
July	..	..	..	..	112.3	111.4	107.8	104.9	118.5	110.9	118.7	107.6	103.6
Aug.	..	..	..	..	112.1	111.2	105.8	102.4	118.5	111.1	118.9	107.8	103.6
Sept.	..	..	..	..	112.2	111.3	106.0	102.7	118.4	111.8	120.4	108.1	103.7
Oct.	..	..	..	..	112.2	111.4	105.9	102.7	117.7	112.1	121.3	108.1	103.4
Nov.	..	..	..	..	111.9	111.1	105.7	102.5	117.4	111.9	121.4	107.9	103.2
Dec.	..	..	..	..	111.8	111.0	105.7	102.5	117.4	112.1	121.5	108.1	103.2
1995¹													
II	116.0	116.8	122.8	114.2	112.1	111.5	108.1	105.1	119.3	110.6	117.2	107.7	103.6
III	116.7	117.5	123.2	114.9	112.2	111.3	106.5	103.3	118.5	111.3	119.3	107.8	103.6
IV	119.1	119.9	125.4	117.2	112.0	111.2	105.8	102.6	117.5	112.0	121.4	108.0	103.3
1996													
Jan.	..	..	..	..	112.0	110.8	106.2	102.0	118.4	112.4	121.6	108.5	102.1
Feb.	..	..	..	..	112.4	111.4	106.1	102.7	118.6	112.3	120.7	108.7	101.9
March	..	..	..	..	112.5	111.6	106.0	102.2	119.7	112.0	121.3	108.0	102.0
April	..	..	..	..	112.7	111.6	106.1	102.0	121.5	111.7	120.6	107.9	102.1
May	..	..	..	..	112.9	111.7	105.9	101.7	121.0	111.4	120.0	107.7	102.4
June	..	..	..	..	112.9	111.7	105.5	101.4	120.9	110.8	119.5	107.1	102.7
July	..	..	..	..	112.8	..	105.5	101.2	121.0	110.2	117.8	106.9	102.8
1996¹													
I	120.3	121.1	126.7	118.3	112.3	111.3	106.1	102.3	118.9	112.2	121.2	108.4	102.0
II	120.5	121.3	127.1	118.4	112.8	111.6	105.8	101.7	121.1	111.3	120.0	107.6	102.4

¹ Preliminary figures for columns 1-4.

8.5 Labour, employment and unemployment (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8)	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
1991	67.4	2 533	2 340	340	2 000	197	502	1 640	193	7.6
1992	66.1	2 502	2 174	325	1 849	188	454	1 534	328	13.1
1993	65.3	2 484	2 041	312	1 729	173	423	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
1995										
July	65.5	2 520	2 077	305	1 772	143	465	1 469	456	17.6
Aug.	64.8	2 486	2 065	311	1 754	160	448	1 457	420	16.8
Sept.	65.0	2 496	2 076	303	1 773	158	446	1 471	416	16.8
Oct.	65.3	2 509	2 087	306	1 781	155	487	1 445	418	16.7
Nov.	65.1	2 499	2 078	306	1 772	156	453	1 469	419	16.9
Dec.	64.8	2 490	2 070	295	1 775	151	460	1 460	421	17.1
1996										
Jan.	65.3	2 511	2 095	305	1 790	152	469	1 473	418	16.9
Feb.	65.1	2 504	2 089	309	1 780	154	457	1 478	414	16.8
March	65.1	2 502	2 082	298	1 784	149	462	1 472	413	16.6
April	65.4	2 518	2 106	308	1 798	153	471	1 482	407	16.2
May	65.1	2 506	2 087	302	1 785	149	452	1 486	425	16.9
June	64.7	2 491	2 072	294	1 777	140	455	1 476	424	16.8
July	64.7	2 496	2 091	305	1 786	147	467	1 477	415	16.2

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
1991	41 054	73 251	1 136	19 182	134 624	4 442	139 069	45 085	101 220	42 297	55 160
1992	34 312	69 541	1 512	21 251	126 616	5 054	131 669	49 291	105 184	42 990	59 180
1993	31 667	67 291	1 443	28 823	129 224	7 366	136 593	46 880	108 608	42 720	63 535
1994	34 588	68 124	1 792	24 095	128 599	7 308	135 900	48 750	108 155	40 388	65 519
1995	40 092	66 902	1 720	35 837	144 550	7 923	152 473	51 446	113 644	39 481	67 514
1995											
June	3 068	4 755	958	2 619	11 400	87	11 486	4 581	10 309	3 382	6 293
July	3 579	5 996	52	1 851	11 477	481	11 958	4 686	7 838	3 104	4 126
Aug.	3 365	6 294	142	2 654	12 455	173	12 628	3 668	6 995	2 256	4 254
Sept.	3 015	5 826	63	3 228	12 131	299	12 431	3 732	8 566	3 104	4 942
Oct.	3 237	5 825	51	2 752	11 865	405	12 270	4 090	8 265	3 110	4 484
Nov.	4 994	5 973	74	2 838	13 879	2 165	16 044	4 514	9 696	2 768	6 481
Dec.	5 347	5 549	60	5 700	16 657	598	17 254	5 846	10 189	3 292	6 954
1996											
Jan.	3 735	7 182	110	3 792	14 818	165	14 983	3 930	12 283	2 974	7 880
Feb.	3 693	7 341	1 089	3 784	15 907	233	16 141	4 064	7 922	2 839	4 692
March	5 458	5 992	150	1 841	13 441	137	13 578	4 486	9 261	3 475	5 194
April	3 590	5 237	58	4 298	13 184	3 469	16 653	4 154	9 517	2 945	5 752
May	3 016	5 805	75	2 979	11 876	843	12 719	4 095	8 753	2 996	5 189
June	3 435	5 863	72	5 222	14 592	850	15 443	5 032	8 952	2 863	5 459

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)
1991	5 370	6 368	158 044	13 328	171 372	-23 420	-32 304	25 659	-6 645
1992	5 042	8 499	168 016	35 501	203 516	-41 400	-71 847	70 691	-1 155
1993	4 306	18 076	177 870	19 753	197 623	-48 646	-61 030	84 036	23 009
1994	3 737	22 358	183 000	17 886	200 760	-54 401	-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
1995									
June	262	3 222	18 374	2 487	20 861	-6 974	-9 375	-3 851	-13 226
July	258	1 361	14 143	707	14 851	-2 666	-2 892	-1 344	-4 236
Aug.	223	784	11 671	469	12 140	784	488	5 741	6 230
Sept.	227	3 574	16 100	813	16 913	-3 968	-4 483	1 450	-3 033
Oct.	332	1 755	14 442	613	15 056	-2 578	-2 786	2 191	-595
Nov.	315	1 113	15 638	590	16 228	-1 759	- 184	8 689	8 505
Dec.	603	2 089	18 726	- 159	18 567	-2 070	-1 313	1 905	593
1996									
Jan.	151	5 235	21 599	623	22 221	-6 781	-7 238	6 755	- 484
Feb.	260	1 544	13 790	454	14 243	2 117	1 897	10 359	12 256
March	185	4 560	18 491	393	18 884	-5 050	-5 306	760	-4 546
April	175	2 759	16 605	3 605	20 210	-3 421	-3 557	6 544	2 987
May	207	1 291	14 346	770	15 117	-2 470	-2 398	2 496	98
June	219	3 060	17 262	2 075	19 338	-2 670	-3 895	3 503	-392

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 September 1994 – 15 September 2001). The ten-year yield is based on quotations for a fixed-rate bullet housing bond (1/92, 15 March 1992 – 15 March 2002). As from 1 June 1993, the ten-year yield is based on quotations for a fixed-rate bullet serial bond (1/93, 15 March 1993 – 15 March 2004). The share yield (Column 5) is the weighted effective yield on shares quoted on the Helsinki Stock Exchange. Source: Statistics Finland.

4 Rates of exchange

Table 4.2 FIM/ECU (Column 1): The markka value of the ECU is calculated as the sum of the dollar amounts of the currencies in the ECU valued at current market rates, for which daily quotations at noon Finnish time are used. Since 8 September 1992 the markka has been floating. Trade-weighted currency index (Column 2): The weights are moving averages of the shares of (currently) 14 countries in Finland's foreign merchandise trade (only convertible currencies are included). The payments currency index (Column 3): The weights are moving averages of shares of payments currencies (14 convertible currencies) in Finland's foreign trade.

5 Other domestic financing

Table 5.1 Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and the local government sector. The table is based on new classifications of Statistics Finland applied since March 1991. Series before March 1991 have been reclassified by the Bank of Finland to conform with the present table, except for columns 3 and 4 where disaggregation was not possible and combined figures are shown. Time deposits (Column 3) consist of all fixed-term deposits. Other deposits (Column 4) include mainly investment accounts with no specific time-period.

Other funding (Column 8) comprises CDs, promissory notes and bonds. The figures for banks' holdings of CDs issued by other banks, as well as the CD holdings of the Bank of Finland and the central government have been netted out; netting out is done by the Bank of Finland. Hence, this column includes some liabilities held by entities not covered by the above definition of the public.

Table 5.2 Source: Statistics Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Foreign currency credits (Column 5) are mainly granted by commercial banks and Postipankki.

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

Table 5.4 Source: State Treasury Office. Other foreign currency-denominated debt (Column 2) consists of other bonds and debentures and long-term promissory notes. Other bonds and debentures are so-called private placings; long-term promissory notes are bank loans. Miscellaneous items (Column 7) include, inter alia, the liability for coinage (total coinage), promissory notes given to international financial organizations and, as a minus item, the liability to the State Pension Fund. Outstanding lending (Column 10) comprises the stock of loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years.

Table 5.5 Source: Table A: Financial Supervision from the beginning of 1994. Table B: Statistics Finland from the beginning of 1991. Tables A and B include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland. Table C includes transactions in markka-denominated bonds outside the Helsinki Stock Exchange. Interbank transactions (Column 1) and transactions (purchases and sales) between banks and customers (Column 2) are transactions by primary dealers and banks entitled to central bank financing. As from 14 July 1995 the following act as primary dealers: Alfred Berg Pankkiiriliike Oy, Evli Fixed Income Securities, Goldman Sachs International, Merita Bank, Okobank, Postipankki, Skandinaviska Enskilda Banken, Svenska Handelsbanken AB (publ), Branch

Operation in Finland and Unibank A/S. Purchases from and sales to others (Columns 4 and 5) consist of transactions in benchmark government bonds between primary dealers and other parties. Other parties refer to all parties that are not primary dealers. Bank of Finland releases data daily (page SPFI on Reuters and page 20981 on Telerate) on the trading in benchmark government bonds among primary dealers and between primary dealers and their customers.

Table 5.6 Source: The Helsinki Stock Exchange.

6 Balance of payments, foreign liabilities and assets

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

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

Table 6.2 The capital account (Columns 1 and 14) reflects unrequited 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) includes 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 27) comprise gold, special drawing rights

(SDRs), the reserve position in the IMF and convertible currency claims. A negative figure implies an increase in reserves.

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

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

7 Foreign trade

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

Table 7.1 The trade figures for May–July 1996 have been estimated on the basis of a survey of firms carried out by the Bank of Finland. The official foreign trade statistics published by the Board of Customs are delayed owing to changes in statistical systems caused by Finland's entry into the EU.

Table 7.2 The volume indices (Columns 1 and 2) are calculated 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 combined shares of Finland's exports and imports are at least 1 per cent.

8 Domestic economic developments

Tables 8.1–8.5 Source: Statistics Finland. Seasonal adjustment is carried out by the Bank of Finland.

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

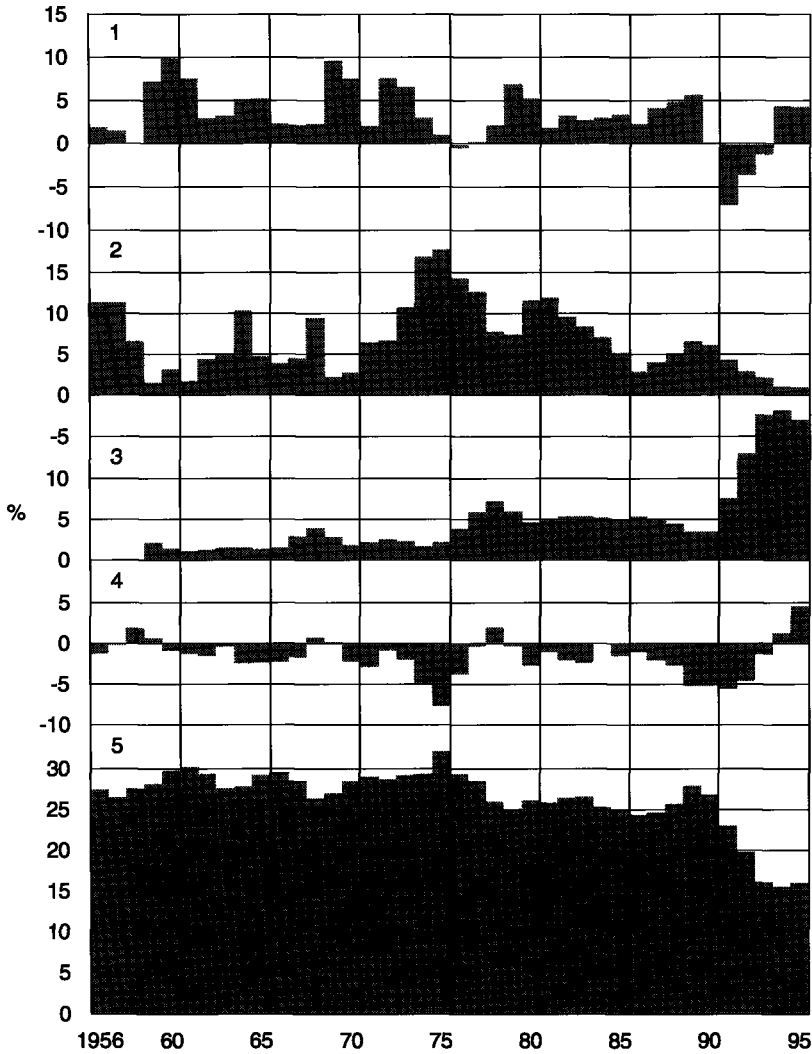
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

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

Table 8.6 Source: Ministry of Finance.

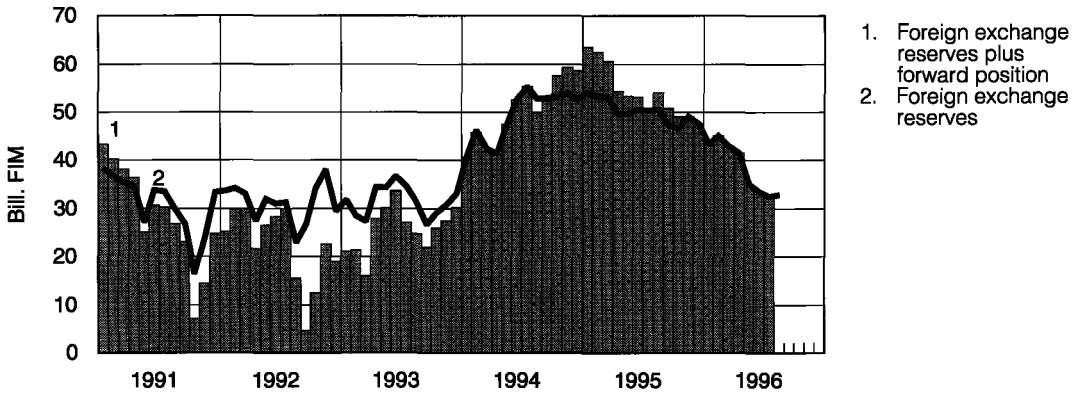
1. Long-term indicators	S30
2. The Bank of Finland's foreign exchange reserves and forward position	S31
3. Forward market	S31
4. Rates of interest set by the Bank of Finland	S31
5. Banks' liquidity position at the Bank of Finland	S32
6. Liquidity management interest rates	S32
7. HELIBOR rates of interest, daily	S32
8. HELIBOR rates of interest, monthly	S33
9. Differential between Finnish and German interest rates	S33
10. Bond yields	S33
11. Bank of Finland currency index and the markka value of the ECU	S34
12. Daily spot rates for the markka against the Deutschemark and the US dollar	S34
13. Daily spot rates for the markka against the pound sterling and the Swedish krona	S34
14. Monthly spot rates for the markka against the Deutschemark and the US dollar	S35
15. Monthly spot rates for the markka against the pound sterling and the Swedish krona	S35
16. Banks' markka lending rates and markka funding rates	S35
17. Bank funding from the public	S36
18. Bank lending to the public	S36
19. Money supply	S36
20. Current account	S37
21. Net interest and dividend expenditure	S37
22. Balance of payments	S38
23. Finland's net international investment position	S38
24. Foreign trade	S39
25. Foreign trade: prices and terms of trade	S39
26. Finland's export performance	S39
27. Production	S40
28. Fixed investment	S40
29. Employment and the unemployment rate	S41
30. Prices and wages	S41
31. Central government finances	S42
32. Central government debt	S42

1. Long-term indicators

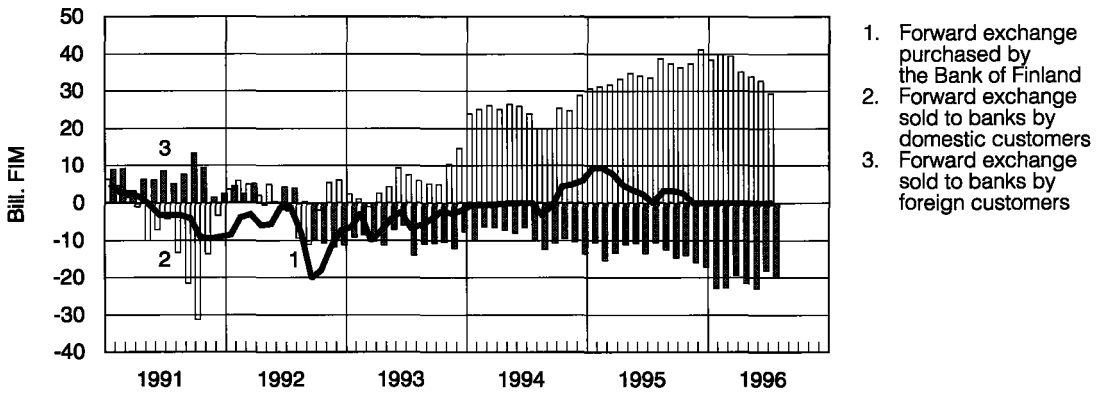


1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

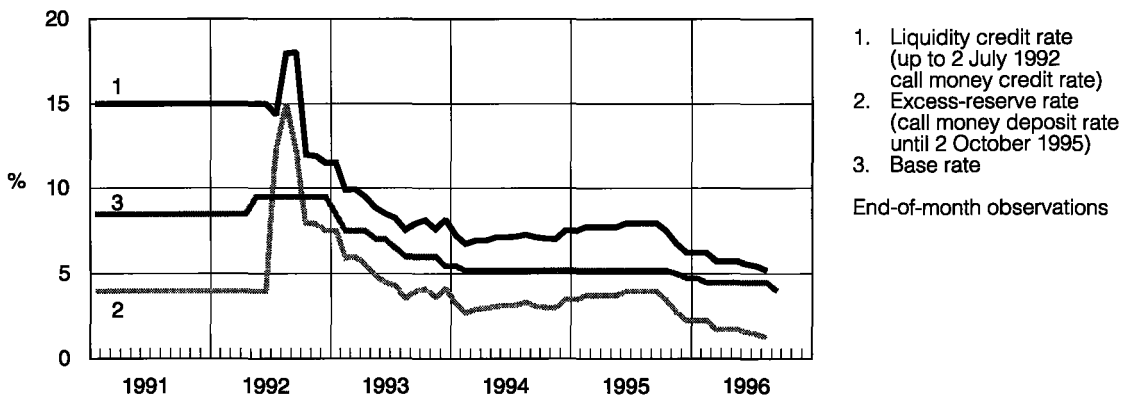
2. The Bank of Finland's foreign exchange reserves and forward position



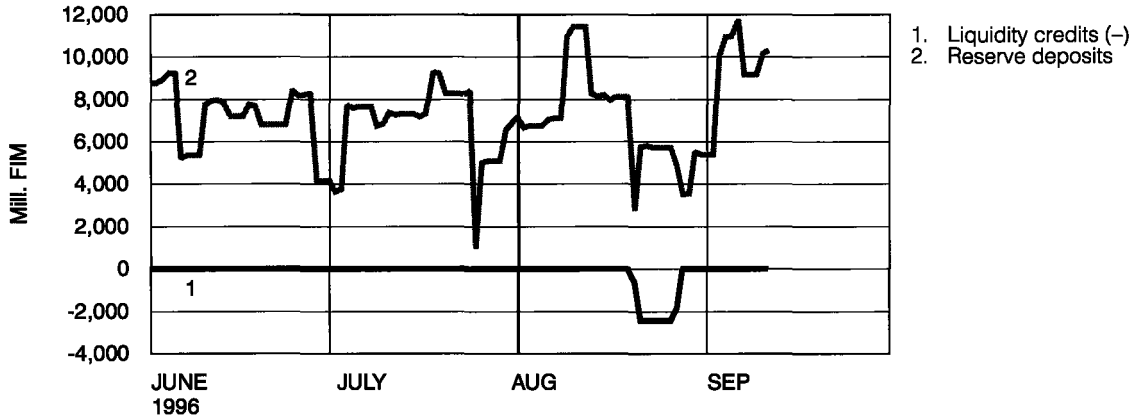
3. Forward market



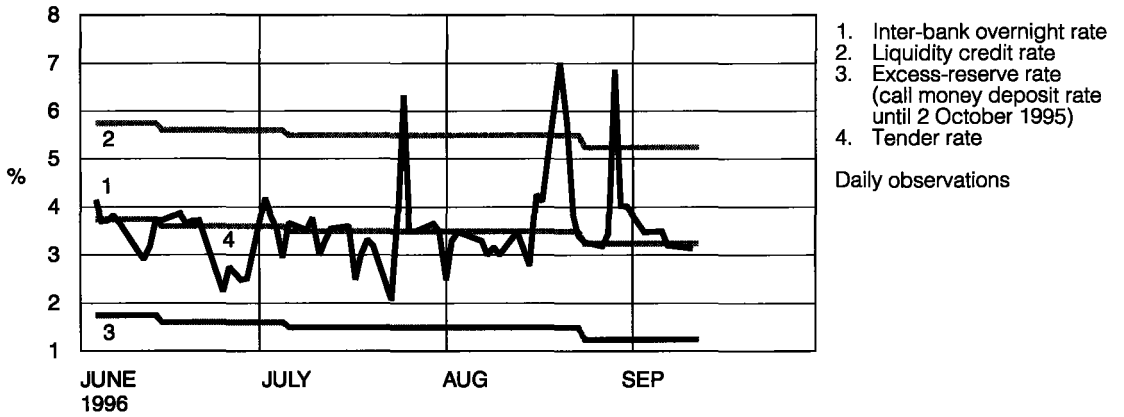
4. Rates of interest set by the Bank of Finland



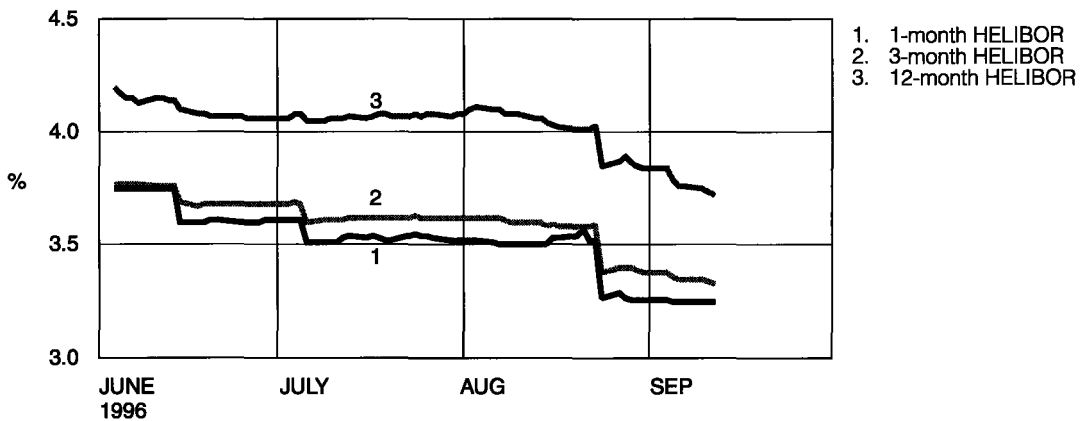
5. Banks' liquidity position at the Bank of Finland



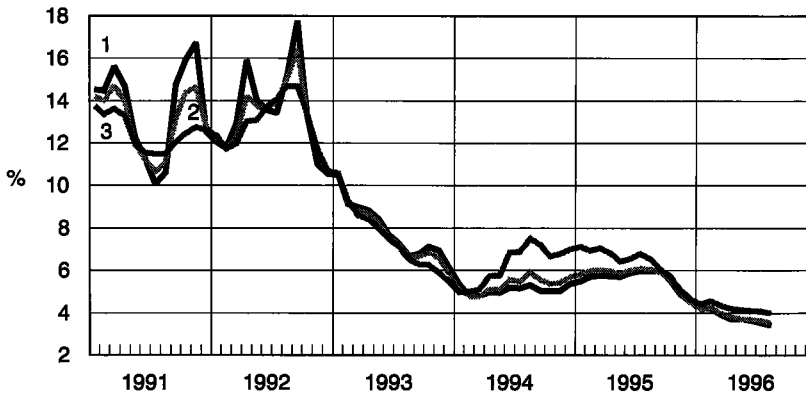
6. Liquidity management interest rates



7. HELIBOR rates of interest, daily

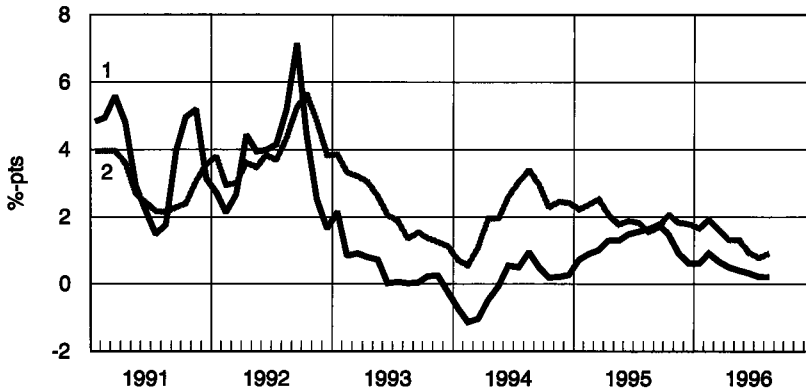


8. HELIBOR rates of interest, monthly



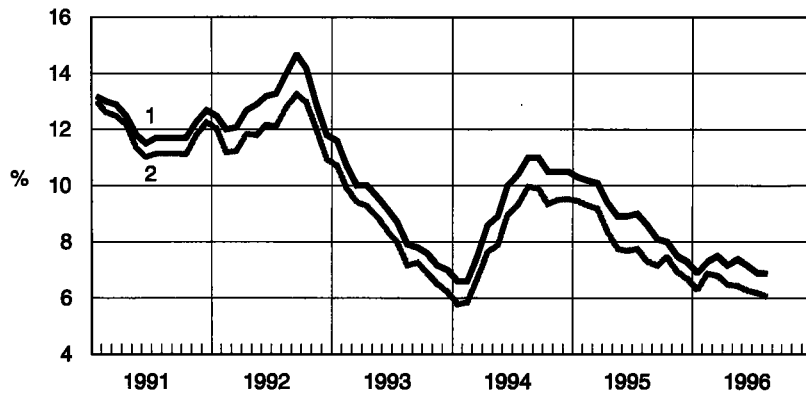
- 1. 1-month HELIBOR
- 2. 3-month HELIBOR
- 3. 12-month HELIBOR

9. Differential between Finnish and German interest rates



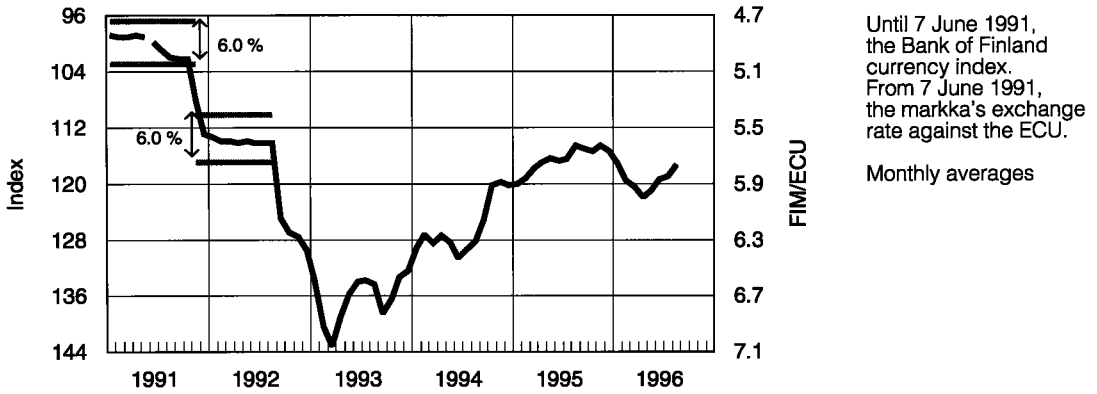
- 1. 3-month HELIBOR minus 3-month DEM eurorate
- 2. 5-year Finnish government bond yield minus 5-year German government bond yield

10. Bond yields

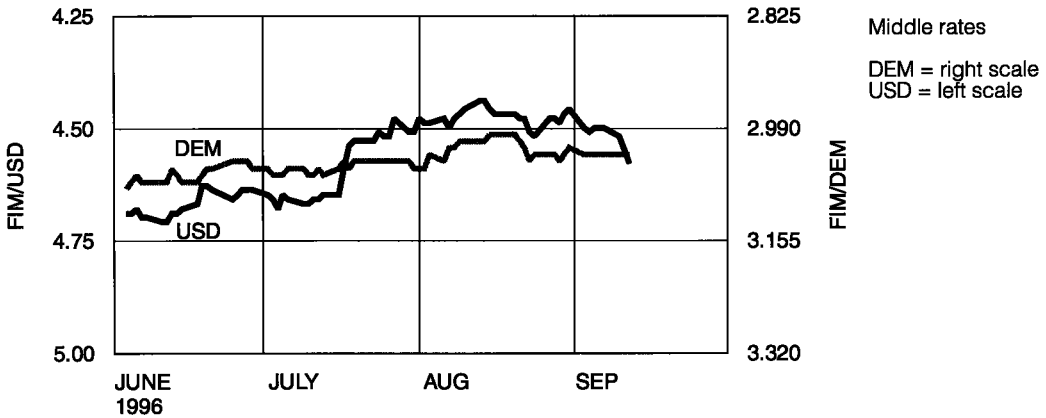


- 1. Bank of Finland's 5-year reference rate
- 2. Yield on (4-5 year) taxable government bonds

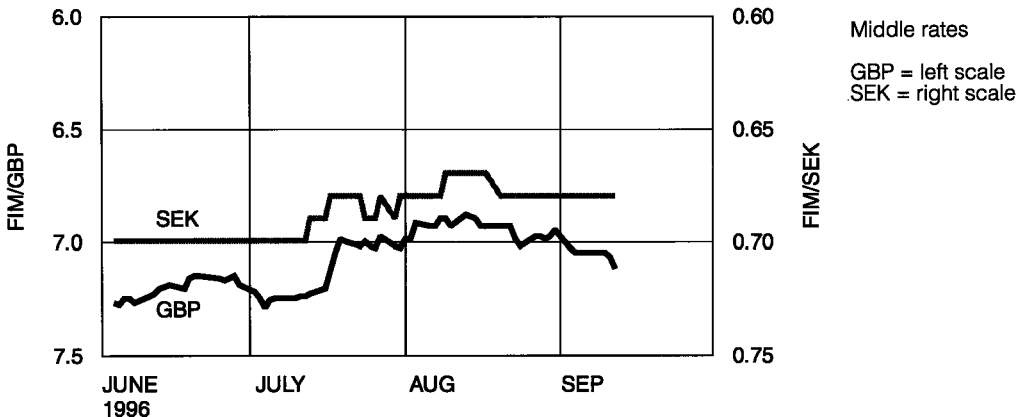
11. Bank of Finland currency index and the markka value of the ECU



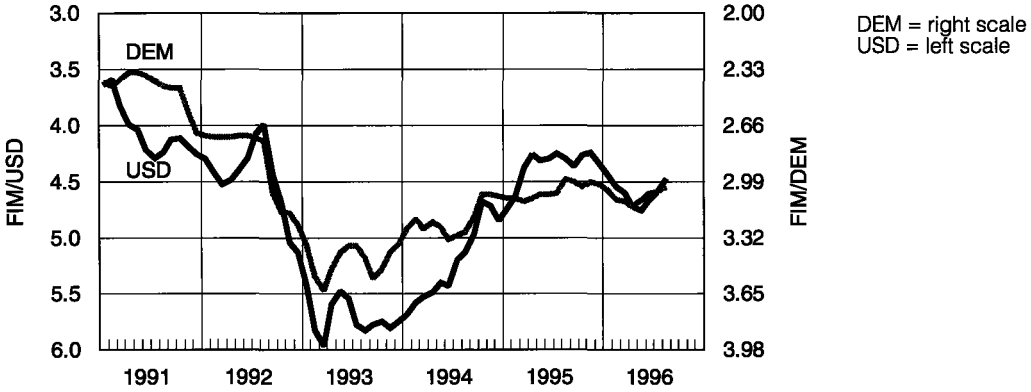
12. Daily spot rates for the markka against the Deutschemark and the US dollar



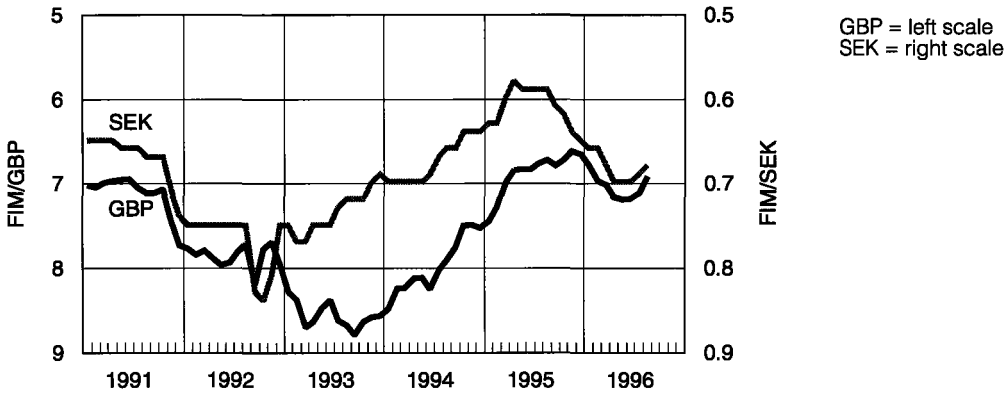
13. Daily spot rates for the markka against the pound sterling and the Swedish krona



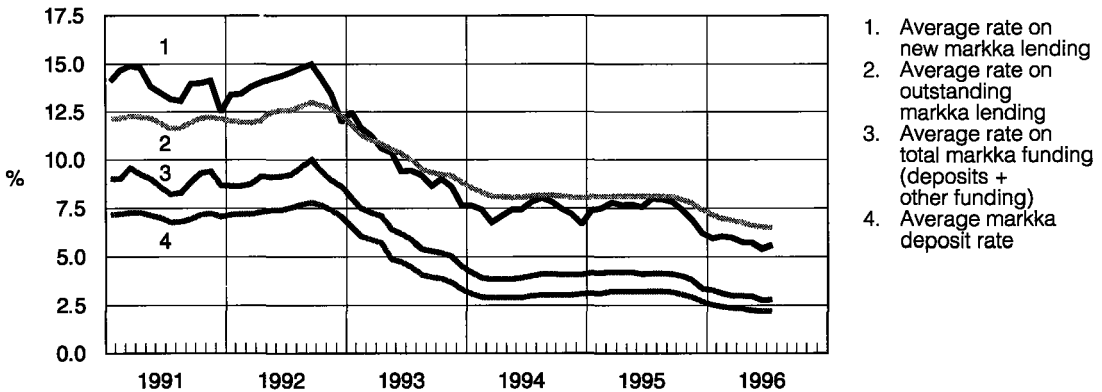
14. Monthly spot rates for the markka against the Deutschemark and the US dollar



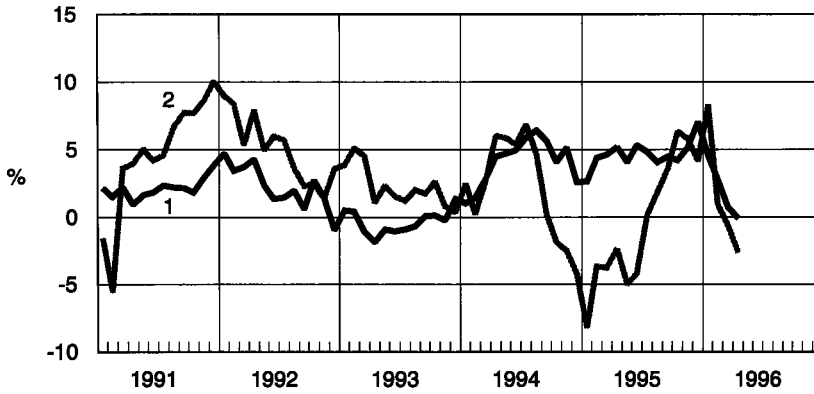
15. Monthly spot rates for the markka against the pound sterling and the Swedish krona



16. Banks' markka lending rates and markka funding rates



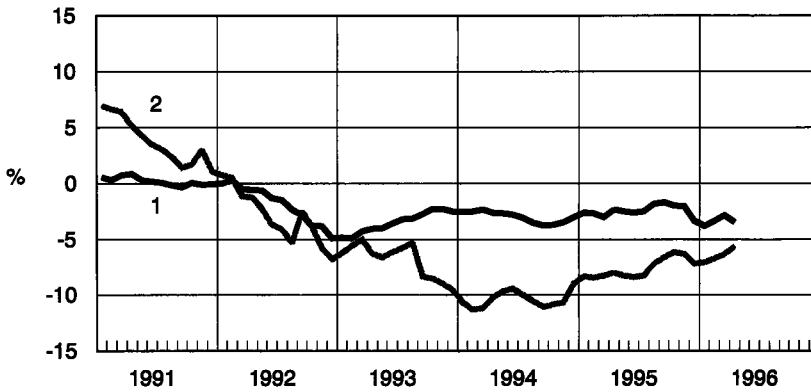
17. Bank funding from the public



- 1. Markka deposits
- 2. Total funding

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

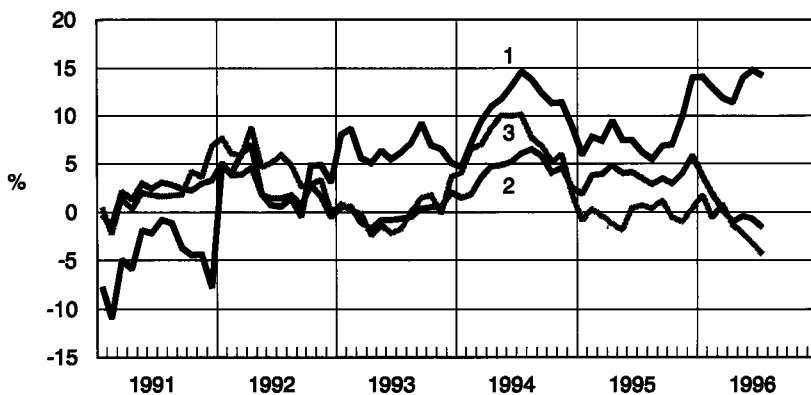
18. Bank lending to the public



- 1. Markka lending
- 2. Total lending

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

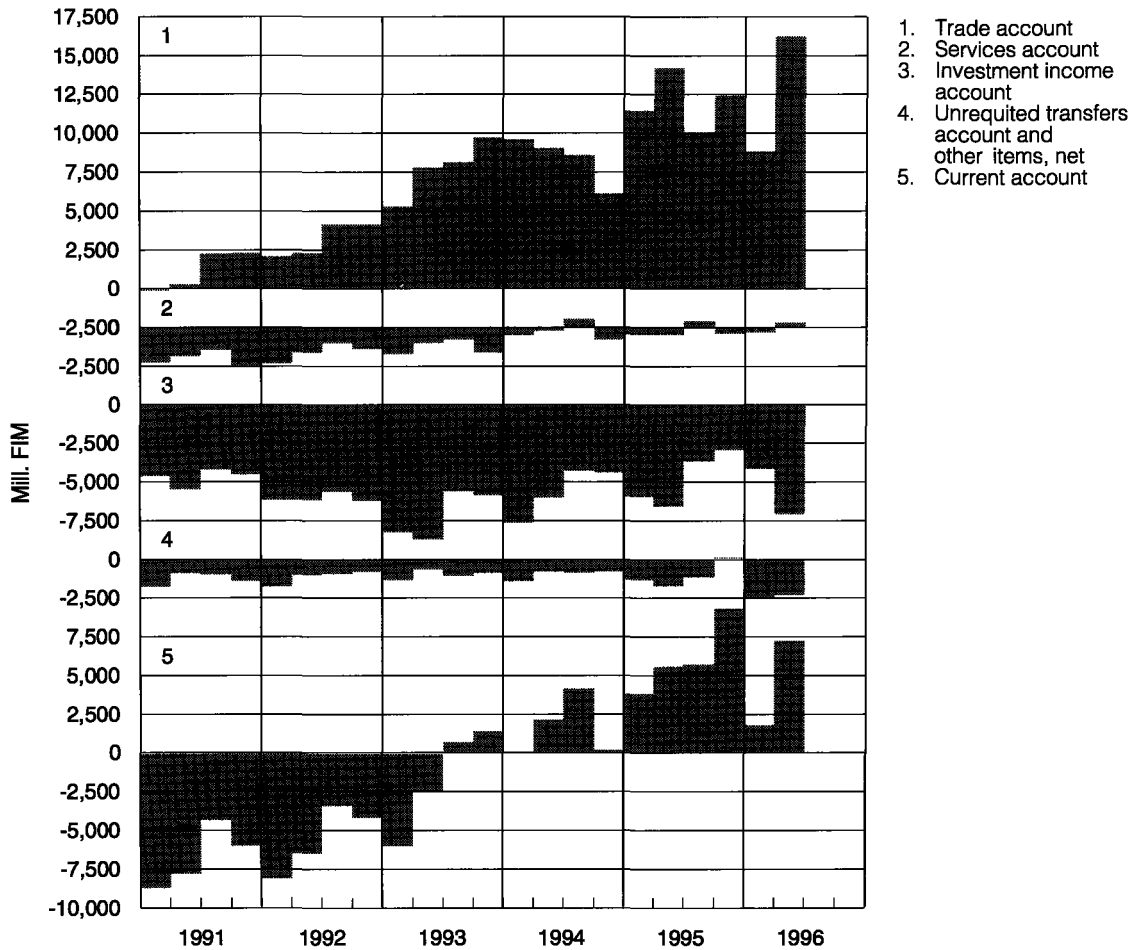
19. Money supply



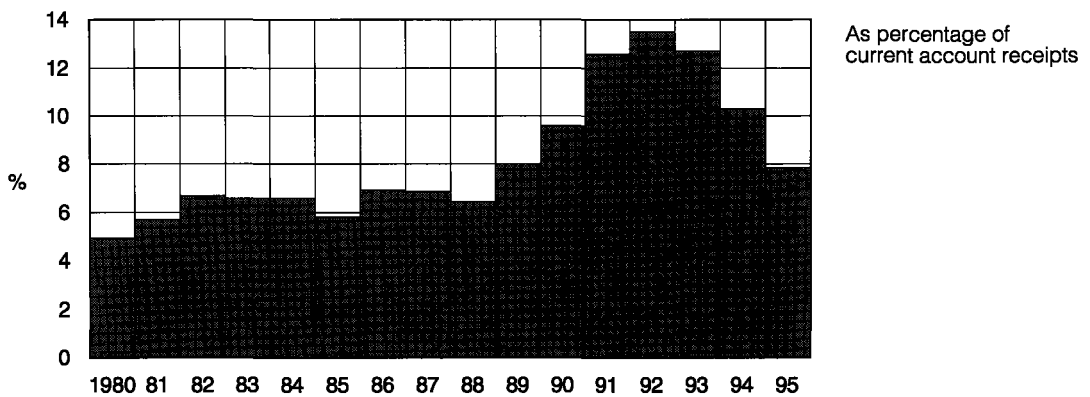
- 1. Narrow money (M1)
- 2. Broad money (M2)
- 3. M2 + bank CDs held by the public (M3)

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

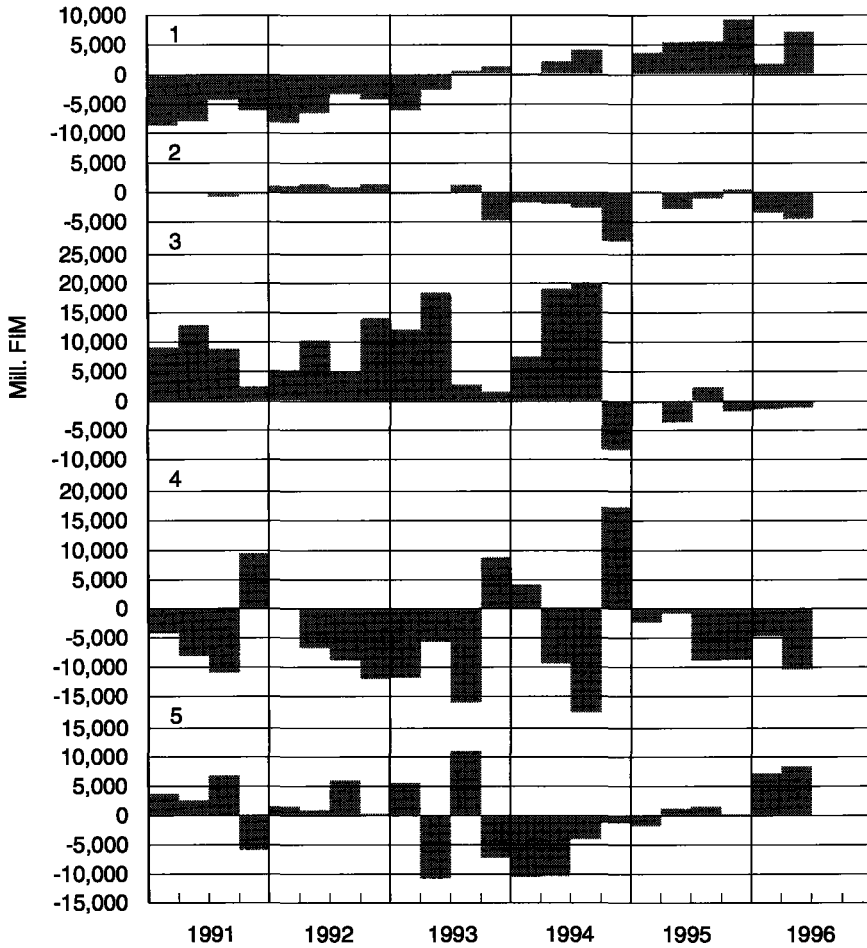
20. Current account



21. Net interest and dividend expenditure

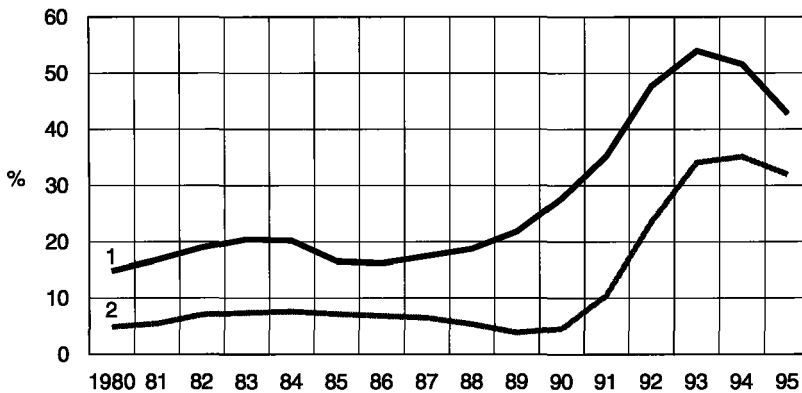


22. Balance of payments



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

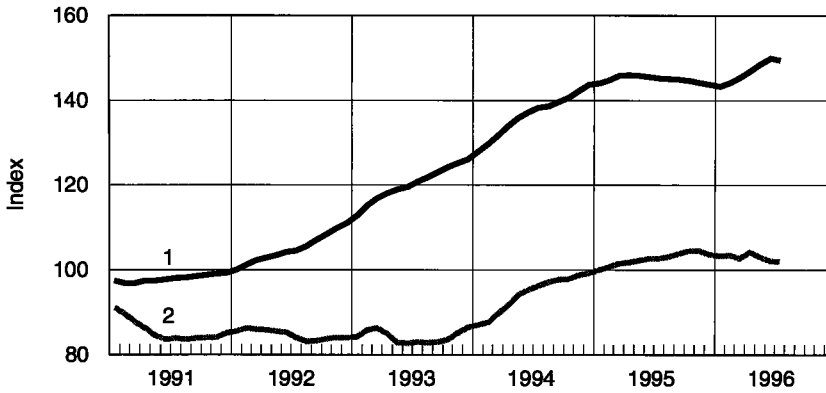
23. Finland's net international investment position



1. Total
2. Of which: central government

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

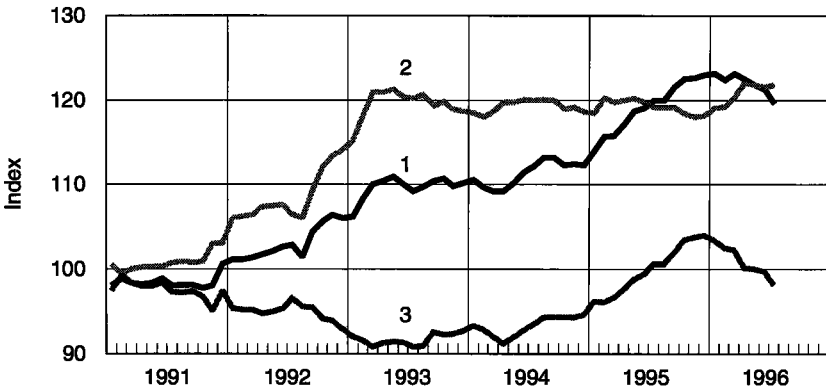
24. Foreign trade



1. Exports of goods
2. Imports of goods

Volume index, 1990 = 100, trend

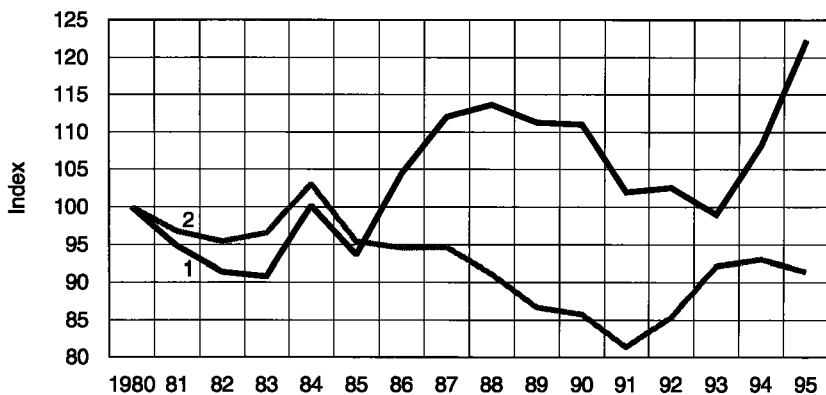
25. Foreign trade: prices and terms of trade



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

Index 1990 = 100

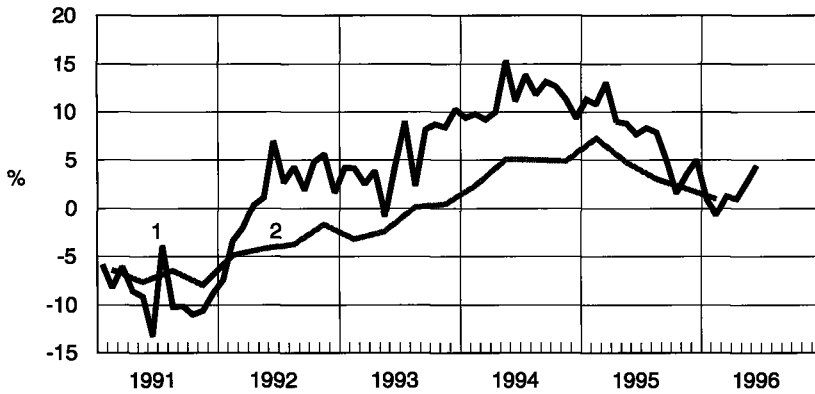
26. Finland's export performance



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

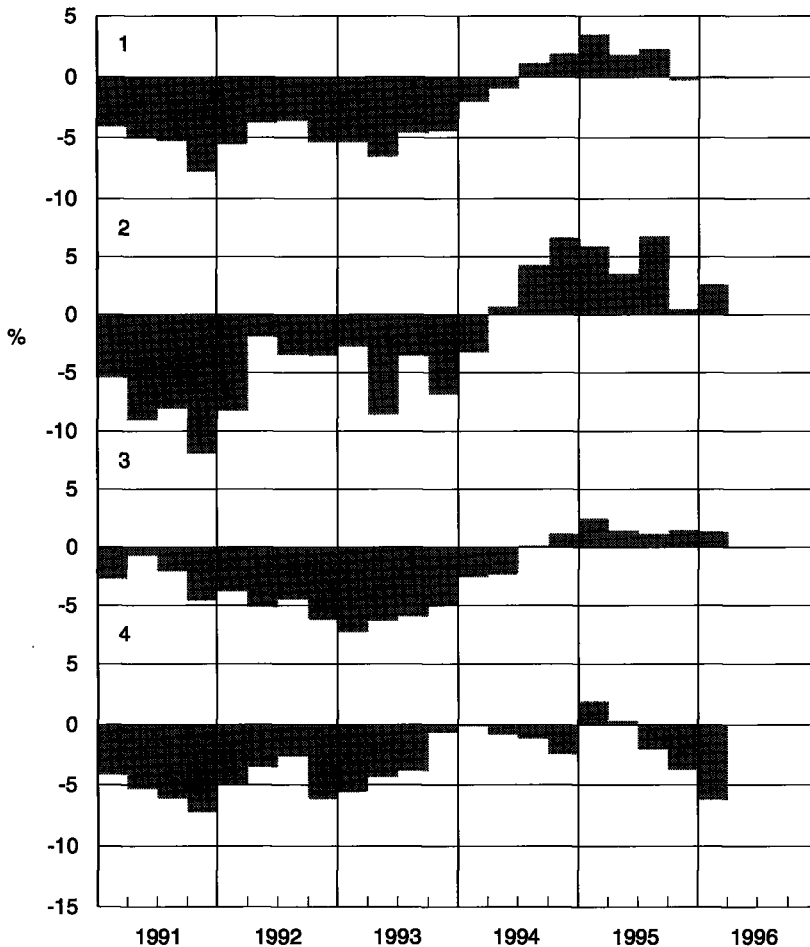
1980 = 100

27. Production



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

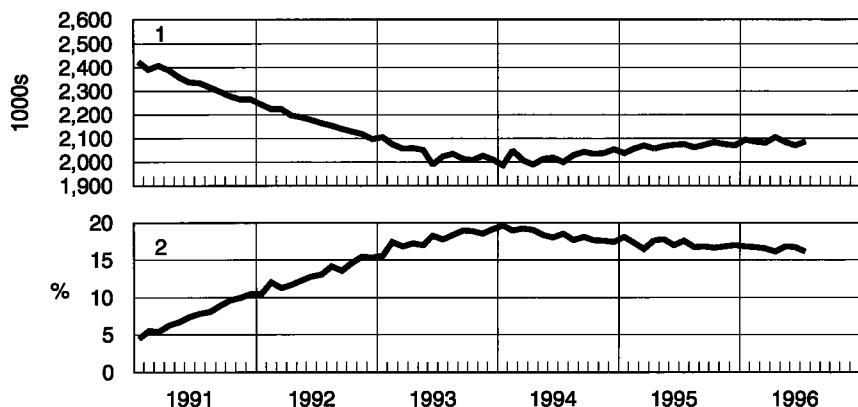
28. Fixed investment



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

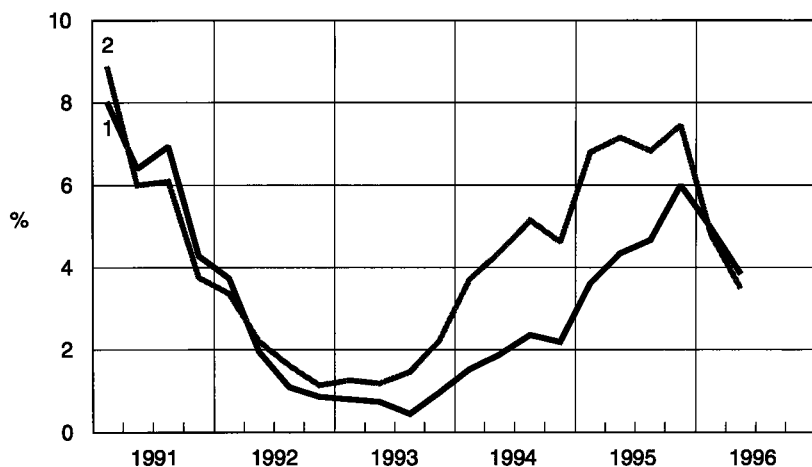
Volume changes calculated from four-quarter moving totals and plotted at the last quarter, per cent

29. Employment and unemployment rate



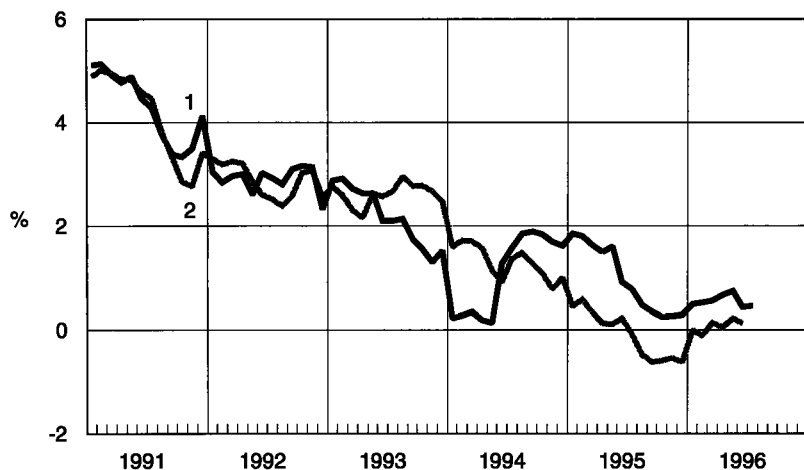
1. Employment, 1000 persons
2. Unemployment rate, per cent

30. Prices and wages



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

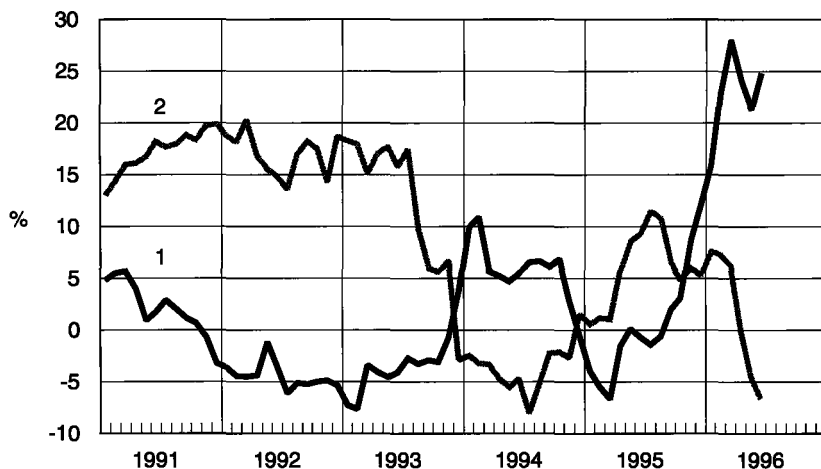
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Indicator of underlying inflation

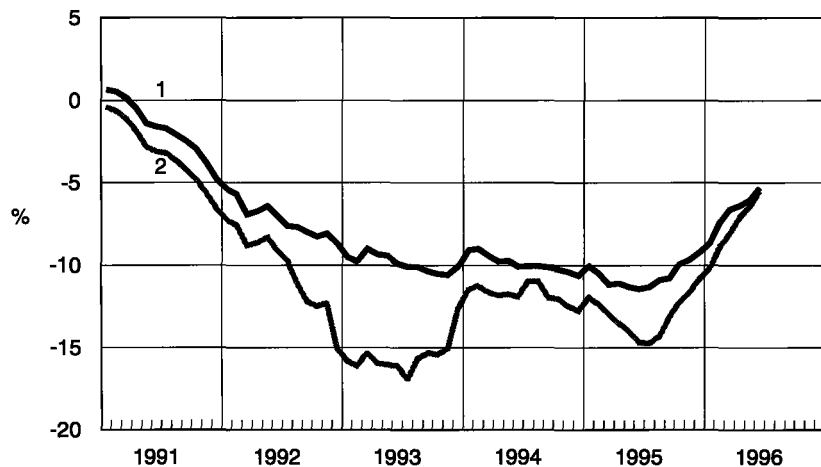
Change from the corresponding month of the previous year, per cent

31. Central government finances



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

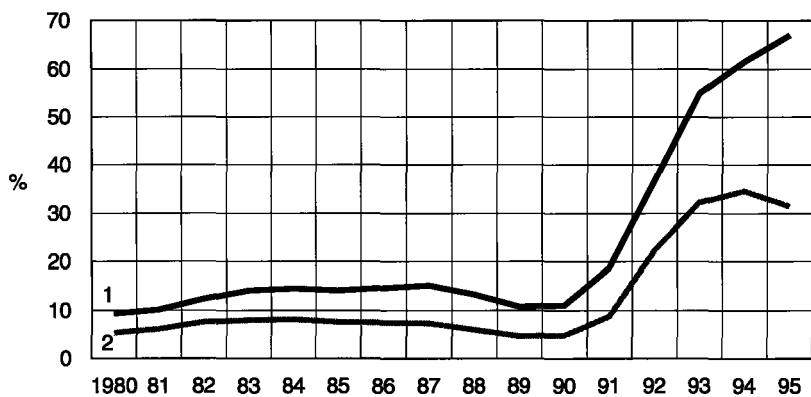
12-month changes calculated from 12-month moving totals and plotted at the last month, per cent



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

32. Central government debt



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

As a percentage of GDP

BANK OF FINLAND

1 September 1996

THE PARLIAMENTARY SUPERVISORY BOARD

ILKKA KANERVA, Chairman
PERTTI PAASIO, Vice Chairman
OLAVI ALA-NISSILÄ

KIMMO SASI
TUULIKKI HÄMÄLÄINEN
MAURI PEKKARINEN

JOHANNES KOSKINEN
ESKO SEPPÄNEN
ANNELI JÄÄTTENMÄKI

ANTON MÄKELÄ, Secretary to the Parliamentary Supervisory Board

THE BOARD

SIRKKA HÄMÄLÄINEN, Chairman
HARRI HOLKERI
ESKO OLLILA

MATTI VANHALA
MATTI LOUEKOSKI

HEIKKI T. HÄMÄLÄINEN, Secretary to the Board

DIRECTOR

PENTTI KOIVIKKO

DEPARTMENTS AND OTHER UNITS

Accounting OSSI LEPPÄNEN

Market Operations MARKUS FOGELHOLM

Administration URPO LEVO

Monetary Policy PENTTI PIKKARAINEN

Eastern European Economies KARI PEKONEN,
Adviser to the Board: PEKKA SUTELA

Organization and Management Development

Economics ANTTI SUVANTO

Financial Markets HEIKKI KOSKENKYLÄ,
Adviser to the Board: RALF PAULI

Payments and Settlement RAIMO HYVÄRINEN

Information ANTTI JUUSELA

Payment Instruments ANTTI HEINONEN

Information Services ESA OJANEN

Personnel AURA LAENTO,
Adviser to the Board: ANTON MÄKELÄ

Information Technology PERTTI SIMOLA

Internal Audit TIMO MÄNNISTÖ

Publication and Language Services ANTERO ARIMO

International Secretariat KJELL PETER SÖDERLUND,
Adviser to the Board: PETER NYBERG

Research JUHA TARKKA,
Adviser to the Board: KARI PUUMANEN

Legal Affairs ARNO LINDGREN

Management Secretarial Staff HEIKKI T. HÄMÄLÄINEN

Security JYRKI AHVONEN

BRANCH OFFICES

Kuopio, Oulu, Tampere, Turku

SETEC OY (security printing house fully owned by the Bank of Finland)

VELI TARVAINEN, Managing Director

FINANCIAL SUPERVISION AUTHORITY (functions as an independent body in connection with the Bank of Finland; it has its own organization chart)

KAARLO JÄNNÄRI, Director General
