



# BANK OF FINLAND

*Monthly Bulletin*

Investment activity

Finland's currency index system and  
its development

Monetary and foreign exchange policy  
measures from January 1, 1983 to  
January 1, 1984

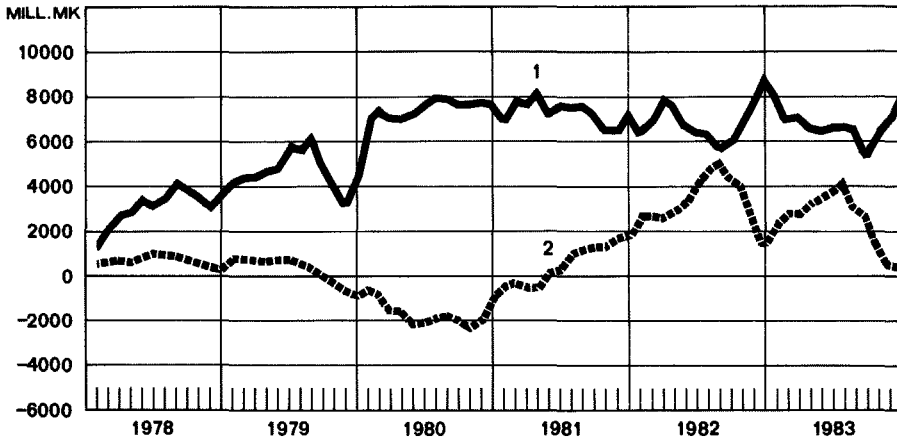
Revised Nordic agreement on short-  
term foreign exchange support

Bank of Finland to cease  
manufacturing the five mark note

**FEBRUARY 1984**

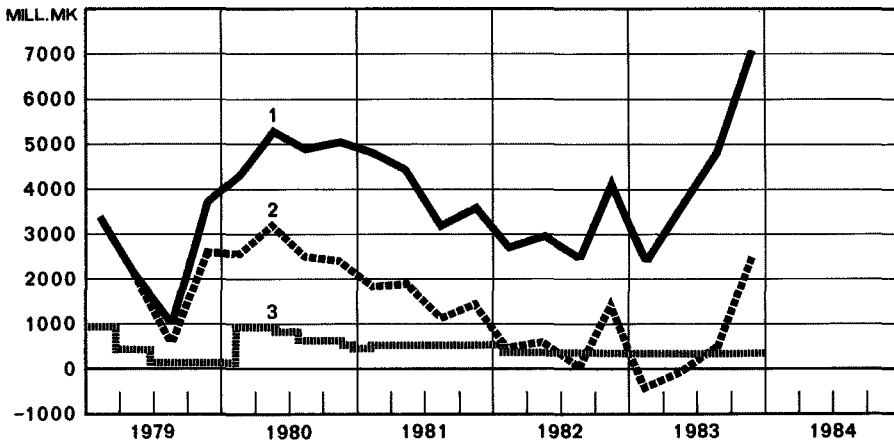
**Vol. 58 No. 2**

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



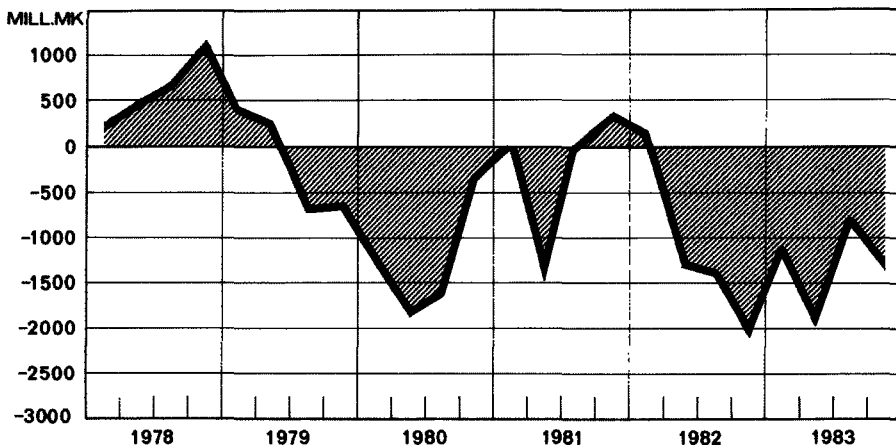
- 1. Gold and convertible currencies
- 2. Tied currencies

**COMMERCIAL BANKS' CENTRAL BANK POSITION, 1979 - 84**



- 1. Total central bank debt
  - 2. Actual central bank debt
  - 3. The quotas
  - 4. Cash reserve deposits
- Quarterly average of daily amounts (1, 2 and 4)

**BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS/DEFICIT, 1978 - 83**



Seasonally adjusted quarterly figures

# INVESTMENT ACTIVITY

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The Finnish economy started to recover in the second half of 1982 after what by international standards was a comparatively mild recession. The revival in domestic demand, which got under way before a turnaround in exports, was largely attributable to the expansive fiscal and monetary policies pursued since 1981. Investment activity continued to expand during 1983. Volume outlays in the service sectors grew fairly strongly, and industrial investment maintained its level for the third year in succession. Public sector investment rose somewhat, as did investment in the household sector. According to preliminary estimates, the volume of total fixed investment grew by some 5 per cent last year. Stockbuilding, although partly discouraged by high international interest rates and the relatively slow rise in raw material prices, showed a moderate increase as a result of the improved financial position of the corporate sector.

During the past recession average industrial capacity utilization remained at a noticeably higher level than in 1976–1978. In industrial production, the trough was reached in the second half of 1982, and capacity utilization started to rise in the course of 1983. This, together with policy measures, created favourable conditions for the development of profitability in the corporate sector.

In December 1981, the Government decided to activate investment reserves by releasing the major part of these funds as from the beginning of 1982, and subsequently the period in which they could be utilized was extended to the end of 1983. In connection with the devaluation of the Finnish markka in the autumn of 1982, investment activity was supported by increasing the sales tax concession on indus-

trial machinery and equipment from 33.3 to 80 per cent as from November 1982; at the same time, both it and the exemption from sales tax of new industrial buildings were made permanent. In addition, free depreciation has been allowed for investment in industrial buildings and associated machinery and equipment.

According to the Bank of Finland investment inquiry carried out in November, the total volume of industrial<sup>1</sup> investment remained approximately unchanged in 1983. Investment in the forest industries continued to decline, whereas investment in the metal industry and in several other sectors of manufacturing, notably the printing and publishing industries, increased as compared with the previous year.

## THE BANK OF FINLAND INVESTMENT INQUIRY OF NOVEMBER 1983<sup>2</sup>. ANNUAL CHANGES IN THE VOLUME OF INDUSTRIAL FIXED INVESTMENT IN 1982 AND 1983 AND PLANNED CHANGES FOR 1984, BY SECTOR AND TYPE OF INVESTMENT, PER CENT

<i>Sector</i>	1982	1983	1984 <sup>3</sup>
Forest industries	-12	-6	7
Metal industry	4	6	6
Other manufacturing	10	4	-6
<hr/>			
Total manufacturing	0	1	1
Electricity, gas and water	31	-1	-17
<hr/>			
Total industry	5	0	-3
<hr/>			
<i>Type of investment</i>			
Building investment	8	-3	-11
Investment in machinery and equipment	3	1	0

<sup>1</sup> In addition to manufacturing industries, industry includes mining and quarrying as well as electricity, gas and water supply.

<sup>2</sup> The results of the inquiry have been adjusted to take account of an exceptionally large investment project of a medium-sized firm not originally included in the sample.

<sup>3</sup> Evidence from earlier inquiries suggests that future investment generally tends to be clearly underestimated.

Analysed by size of firm, investment activity has been most buoyant among small and medium-sized enterprises. Smaller firms in both the metal industry and other manufacturing reported a marked increase in volume outlays in 1983 as compared with the previous year, which was due in large part to the policy measures effected.

Examined by kind of capital good, the Bank of Finland investment inquiry suggests that expenditure on machinery and equipment maintained its 1982 level, while industrial construction declined. This does not quite tally with data on building permits and starts, which suggest that construction has also been brisk in the open sector.

In the private service sector and especially in trade, transport and financing services, investment activity has remained at a relatively high level since the abolition of the special investment tax imposed on less essential construction projects in November 1980. In the greater Helsinki area, where the tax was removed in February 1982, the implementation of a substantial number of large-scale building projects in the service sector has accentuated the shortage of skilled labour. In 1983, local government authorities in Helsinki and the

neighbouring municipalities reached agreement with representatives of the biggest construction companies on joint measures to prevent overheating in the branch through the re-scheduling or postponement of certain projects.

The ready availability of finance and the fairly favourable growth of household income have sustained housing investment. The rapid growth of residential construction, which started in 1982, slackened in 1983, but the number of new dwellings completed last year was still somewhat larger than in the previous year.

The modest recovery in Finland's western export markets has begun to be felt in industrial production. This is also reflected in firms' investment plans for 1984, which have been revised upwards considerably since last spring. According to the Bank of Finland inquiry, projected outlays in both the metal and forest industries will clearly increase this year. As, moreover, the growth of service sector investment is also expected to continue, investment activity should be quite brisk this year. Growth will centre mainly on expenditure on machinery and equipment, whereas investment in construction is likely to taper off.

January 23, 1984

	1983		1984			
	Jan. 31	Dec. 31	Jan. 6	Jan. 13	Jan. 23	Jan. 31
<b>Assets</b>						
Gold and foreign currency claims	10 644	8 779	9 325	9 226	9 429	10 177
Gold	1 382	1 383	1 383	1 383	1 383	1 383
Special drawing rights	613	226	227	228	226	227
IMF reserve tranche	455	751	754	758	754	756
Foreign bonds	523	685	689	753	1 017	924
Convertible currencies	5 169	5 184	5 851	5 278	5 167	5 961
Tied currencies	2 502	550	421	826	882	926
Other foreign claims	3 970	4 876	4 882	4 886	4 877	4 876
Mark subscription to Finland's IMF quota	1 843	2 762	2 762	2 762	2 762	2 762
Term credits	2 127	2 114	2 120	2 124	2 115	2 114
Claims on financial institutions	3 274	8 788	9 838	10 734	9 270	6 831
Banks' cheque accounts	379	445	48	51	32	68
Call money market advances	708	5 785	7 172	8 134	6 519	4 087
Till-money credits	899	942	1 003	905	1 081	1 038
Bonds	1 232	1 546	1 550	1 582	1 586	1 593
Other claims on financial institutions	56	70	65	62	52	45
Claims on the public sector	1 113	2 178	2 186	2 163	2 117	2 136
Government promissory notes	—	1 000	1 000	1 000	1 000	1 000
Bonds	504	449	455	426	393	411
Total coinage	572	710	710	711	712	713
Other claims on the public sector	37	19	21	26	12	12
Claims on corporations	5 015	5 079	5 005	5 053	5 079	5 122
Financing of exports	1 764	1 867	1 795	1 835	1 842	1 879
Financing of domestic deliveries	2 567	2 662	2 661	2 668	2 688	2 693
Bonds	159	134	133	133	130	130
Other claims on corporations	525	416	416	417	419	420
Other assets	101	105	105	108	106	106
<b>Total</b>	<b>24 117</b>	<b>29 805</b>	<b>31 341</b>	<b>32 170</b>	<b>30 878</b>	<b>29 248</b>
<b>Liabilities</b>						
Foreign currency liabilities	41	34	34	32	30	30
Convertible accounts	27	34	33	31	30	30
Tied accounts	14	0	1	1	0	0
Other foreign liabilities	3 849	5 670	5 718	5 736	5 719	5 722
IMF mark accounts	1 927	2 762	2 762	2 762	2 762	2 762
Allocations of special drawing rights	839	872	875	879	875	877
Term liabilities	1 083	2 036	2 081	2 095	2 082	2 083
Notes and coin in circulation	5 711	6 574	6 437	6 324	6 253	6 195
Notes	5 230	6 029	5 896	5 786	5 715	5 658
Coin	481	545	541	538	538	537
Certificates of deposit in circulation	1 580	—	—	—	—	—
Liabilities to financial institutions	4 706	5 712	7 772	7 805	6 797	8 182
Banks' cheque accounts	32	2	60	15	42	6
Call money market deposits	1 308	610	2 624	2 700	1 690	2 907
Cash reserve deposits	3 254	5 039	5 039	5 039	5 038	5 250
Capital import deposits	69	35	36	36	14	12
Other liabilities to financial institutions	43	26	13	15	13	7
Liabilities to the public sector	0	3 000	2 501	3 401	3 413	512
Cheque accounts	0	0	1	1	1	0
Government deposit account	—	3 000	2 500	3 400	3 400	500
Capital import deposits	—	—	—	—	—	—
Other liabilities to the public sector	0	0	0	0	12	12
Liabilities to corporations	1 678	1 832	1 837	1 807	1 666	1 656
Deposits for investment and ship purchase	1 381	1 290	1 286	1 258	1 248	1 239
Capital import deposits	267	531	537	537	403	402
Other liabilities to corporations	30	11	14	12	15	15
Other liabilities	15	15	22	17	15	16
Equalization accounts	1 803	2 057	2 099	2 119	2 053	2 003
Capital accounts	4 734	4 911	4 921	4 929	4 932	4 932
Primary capital	3 000	3 000	3 000	3 000	3 000	3 000
Reserve fund	1 365	1 365	1 638	1 638	1 638	1 638
Undisposed profits	334	—	273	273	273	273
Net earnings	35	546	10	18	21	21
<b>Total</b>	<b>24 117</b>	<b>29 805</b>	<b>31 341</b>	<b>32 170</b>	<b>30 878</b>	<b>29 248</b>

End of year or month	Foreign sector						Public sector				
	Gold, SDRs, IMF reserve tranche	Foreign bonds	Convertible currencies, net	Total convertible reserves (1+2+3)	Tied currencies, net	Other claims	Net claims (4+5+6)	Claims	Certificates of deposit and deposit account	Other liabilities	Net liabilities (9-8+10)
	1	2	3	4	5	6	7	8	9	10	11
1980	1 850	2 125	3 823	7 798	-757	-890	6 151	1 225	1 900	591	1 266
1981	2 408	1 405	3 645	7 458	1 909	-991	8 376	1 236	1 600	578	942
1982	2 444	765	5 796	9 005	1 525	-1 447	9 083	1 040	1 700	50	710
1983	2 360	685	5 150	8 195	550	-794	7 951	2 178	3 000	0	822
1983											
Jan.	2 450	523	5 142	8 115	2 488	121	10 724	1 113	1 580	0	467
Feb.	2 405	600	4 109	7 114	2 922	180	10 216	1 209	1 650	0	441
March	2 408	278	4 560	7 246	2 919	-664	9 501	1 555	1 800	1	246
April	2 407	232	4 068	6 707	3 380	-654	9 433	1 477	1 650	1	174
May	2 368	379	3 842	6 589	3 575	-618	9 546	1 401	950	1	-450
June	2 362	181	4 166	6 709	3 927	-636	10 000	1 663	750	1	-912
July	2 368	214	4 206	6 788	4 330	-668	10 450	1 662	1 400	1	-261
Aug.	2 376	232	4 090	6 698	3 193	-722	9 169	1 697	800	1	-896
Sept.	2 374	268	3 000	5 642	2 762	-701	7 703	1 905	800	1	-1 104
Oct.	2 377	302	3 948	6 592	1 546	-726	7 412	1 839	950	0	-889
Nov.	2 393	425	4 341	7 159	681	-772	7 068	1 880	2 500	1	621
Dec.	2 360	685	5 150	8 195	550	-794	7 951	2 178	3 000	0	822
1984											
Jan.	2 366	924	5 931	9 221	926	-846	9 301	2 136	500	12	-1 624

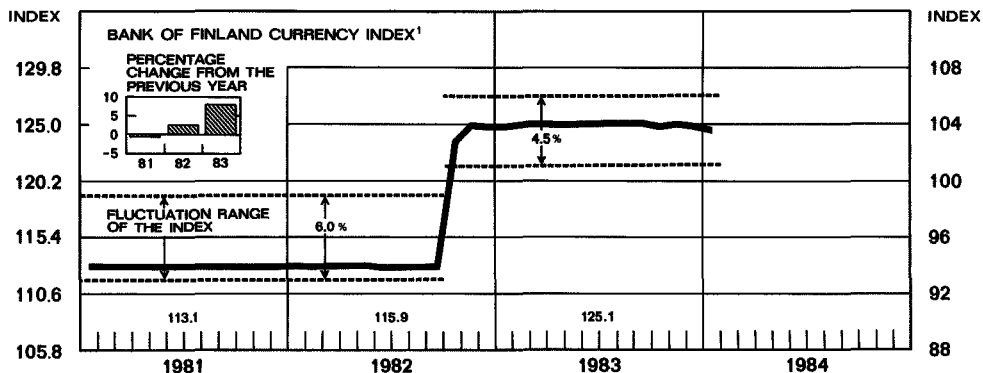
## FOREIGN EXCHANGE POSITION

Mill. mk

	Net holdings, Dec. 31, 1982			Net holdings Nov. 30, 1983			Change		
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Nov.	Jan.-Nov.	
Gold		1 382	-	1 382	1 383	-	1 383	-	+1
Special drawing rights		609	-	609	539	-	539	+10	-70
IMF reserve tranche		453	-	453	471	-	471	+6	+18
Foreign bonds		764	-	764	425	-	425	+123	-339
Convertible currencies		5 796	-11 049	-5 253	4 340	-13 200	-8 860	-407	-3 607
Total		9 004	-11 049	-2 045	7 158	-13 200	-6 042	-268	-3 997
Tied currencies		1 526	-215	1 311	681	-256	425	-936	-886
Grand total		10 530	-11 264	-734	7 839	-13 456	-5 617	-1 204	-4 883

End of year or month	Domestic financial sector						Corporate sector				Notes and coin in circulation
	Till-money credits	Claims on cheque accounts, net	Demand for call money by deposit banks	Supply of call money by deposit banks	Cash reserve deposits	Other liabilities, net	Net claims (1+2+3-4-5-6)	Permanent special financing schemes	Liabilities, net	Net claims (8-9)	
	1	2	3	4	5	6	7	8	9	10	11
1980	643	480	3 674	290	3 317	-421	1 611	3 063	642	2 421	4 954
1981	768	495	1 796	1 080	2 492	-406	-107	3 865	749	3 116	5 595
1982	889	163	3 126	1 470	3 132	-1 042	618	4 302	999	3 303	6 062
1983	942	443	5 785	610	5 039	-1 555	3 076	4 529	1 282	3 247	6 574
1983											
Jan.	899	347	708	1 308	3 254	-1 176	-1 432	4 331	994	3 337	5 711
Feb.	913	198	1 151	1 140	3 294	-1 193	-979	4 360	871	3 489	5 803
March	802	262	2 106	710	3 727	-1 233	-34	4 418	1 135	3 283	5 966
April	801	355	2 510	740	4 128	-1 221	19	4 474	1 108	3 366	5 984
May	953	356	2 919	1 071	4 772	-1 068	-547	4 452	1 086	3 366	6 042
June	998	451	2 853	1 432	4 889	-1 153	-866	4 374	1 249	3 125	6 353
July	879	317	2 984	1 383	4 948	-1 282	-869	4 369	1 337	3 032	6 301
Aug.	956	297	3 227	1 205	4 948	-1 427	-246	4 314	1 383	2 931	6 085
Sept.	852	274	5 812	2 294	4 994	-1 482	1 132	4 334	1 389	2 945	6 209
Oct.	1 032	298	5 876	2 226	5 015	-1 461	1 426	4 535	1 382	3 153	6 159
Nov.	953	322	6 565	997	5 053	-1 507	3 297	4 610	1 361	3 249	6 179
Dec.	942	443	5 785	610	5 039	-1 555	3 076	4 529	1 282	3 247	6 574
1984											
Jan.	1 038	62	4 087	2 907	5 250	-1 619	-1 351	4 572	1 106	3 466	6 195

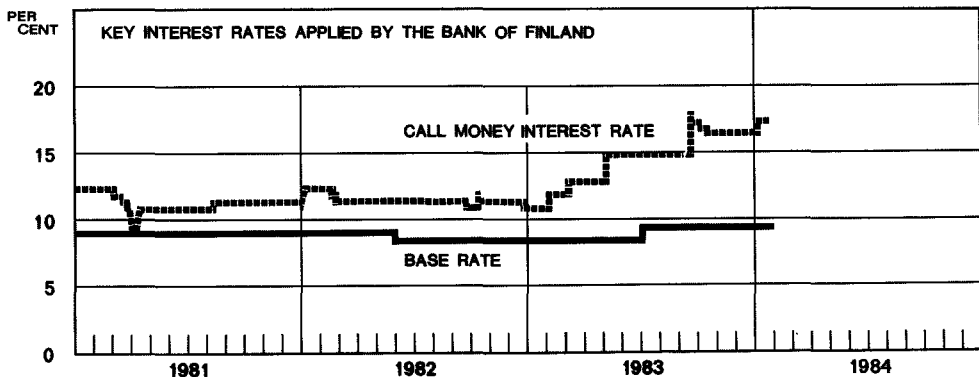
<sup>1</sup> The left-hand scale depicts movements in the external value of the markka under the index in use until December 31, 1983 (1974 = 100), and the right-hand scale movements in the external value of the markka under the revised index introduced on January 1, 1984 (1982 = 100).



# MONETARY POLICY INDICATORS

Average for period	Gross central bank debt of the deposit banks mill. mk	Net central bank debt of the deposit banks mill. mk	Cash reserve deposits of the deposit banks mill. mk	Cash reserve requirement %	Call money credit extended by the Bank of Finland	Call money interest rate %	Average cost of gross central bank debt %	Base rate %	Average lending rate of the commercial banks <sup>1</sup> %
	1	2	3	4	5	6	7	8	9
1979	2 769	372	447	1.0	321	9.74	9.11	7.46	8.03
1980	4 971	1 560	2 542	3.8	3 313	12.38	12.37	9.20	9.77
1981	4 095	-33	2 795	3.5	2 161	11.48	11.61	9.25	9.84
1982	3 201	-783	2 777	3.1	1 571	11.64	11.98	8.81	9.33
1983	4 539	-1 213	4 345	4.3	2 724	15.37	15.13	9.00	..
1982									
Nov.	4 384	998	3 100	3.3	3 690	11.50	13.19	8.50	8.95
Dec.	4 307	655	3 119	3.3	3 367	11.50	13.27	8.50	8.95
1983									
Jan.	2 996	-1 716	3 135	3.3	1 011	11.00	12.09	8.50	8.99
Feb.	1 879	-2 360	3 240	3.3	475	12.00	11.71	8.50	8.97
March	2 741	-1 492	3 308	3.7	1 408	13.00	13.60	8.50	8.95
April	3 271	-1 678	3 753	4.1	1 666	13.00	13.69	8.50	8.97
May	4 019	-1 473	4 149	4.7	2 271	15.00	14.54	8.50	9.00
June	3 873	-2 053	4 770	4.7	2 308	15.00	14.32	8.50	9.07
July	4 477	-1 856	4 889	4.7	2 627	15.00	14.67	9.50	10.09
Aug.	4 634	-1 972	4 920	4.7	2 541	15.00	14.68	9.50	10.10
Sept.	5 523	- 912	4 945	4.7	3 627	16.67	16.13	9.50	10.16
Oct.	6 972	74	4 984	4.7	4 651	16.95	16.74	9.50	10.14
Nov.	7 075	238	5 008	4.7	4 837	16.70	16.27	9.50	10.15
Dec.	7 007	646	5 039	4.7	5 269	16.70	16.49	9.50	..
1984									
Jan.	6 781	-458	5 045	4.7	4 588	17.50	17.50	9.50	..

<sup>1</sup> End of period.



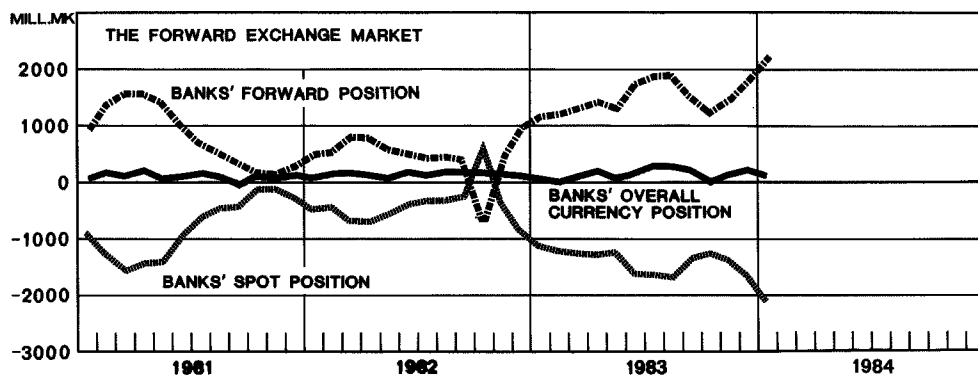


# FORWARD EXCHANGE MARKETS IN FINLAND

Period	Banks' forward positions in mill. mk with						Banks' forward selling rates for USD		
	Domestic firms			Foreign banks	Bank of Finland	Overall	Deviation from spot rate, per cent per annum		
	Assets	Liabilities	Net	Net	Net	Net	1 month	3 months	6 months
	1	2	3	4	5	6	7	8	9
1982	11 128.0	2 116.7	9 011.4	-865.1	-6 827.2	1 104.0	3.9	3.8	3.4
1983	7 434.6	1 333.4	6 101.2	-1 483.0	-2 063.1	2 390.5	5.6	5.3	4.8

1982									
Period	Assets	Liabilities	Net	Net	Net	Net	1 month	3 months	6 months
	1	2	3	4	5	6	7	8	9
July	5 781.5	1 653.2	4 128.3	-871.0	-3 004.6	322.1	-0.6	-0.9	-1.3
Aug.	7 045.1	1 679.3	5 365.8	-854.4	-4 114.5	309.8	2.4	1.8	1.0
Sept.	6 618.6	2 282.4	4 336.1	-711.3	-3 947.8	-306.9	2.6	2.6	2.3
Oct.	6 898.2	2 557.1	4 341.1	-805.2	-3 937.2	-395.9	4.0	4.1	4.0
Nov.	8 921.5	2 199.9	6 721.6	-692.8	-5 027.6	917.4	4.7	4.6	4.5
Dec.	11 128.0	2 116.7	9 011.4	-865.1	-6 827.2	1 104.0	3.9	3.8	3.4

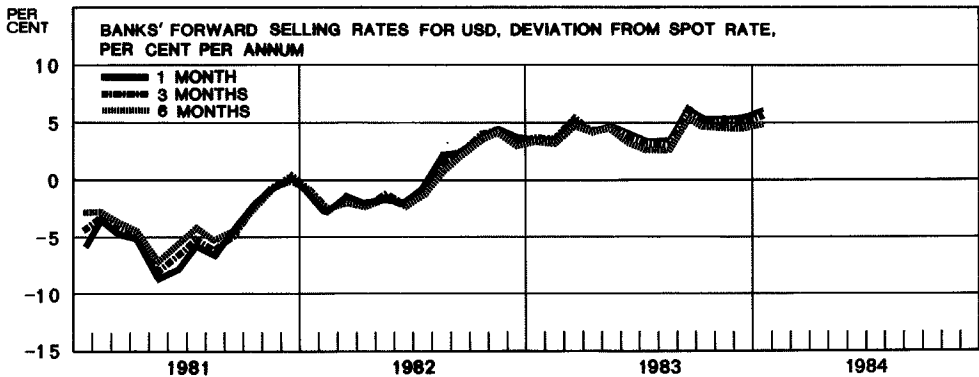
1983 <sup>r</sup>									
Period	Assets	Liabilities	Net	Net	Net	Net	1 month	3 months	6 months
	1	2	3	4	5	6	7	8	9
Jan.	11 278.4	2 201.3	9 077.1	-732.6	-6 643.3	1 544.4	3.8	3.9	3.7
Feb.	10 442.1	2 156.4	8 285.8	-947.4	-6 006.7	1 232.6	3.7	3.8	3.4
March	10 556.9	2 088.0	8 468.9	-713.5	-5 915.7	1 761.7	5.4	5.4	5.0
April	10 064.2	2 007.9	8 056.3	-718.9	-5 591.5	1 573.1	4.3	4.4	4.3
May	9 943.9	1 993.5	7 950.4	-677.3	-5 378.1	1 782.3	4.9	4.8	4.7
June	9 466.8	1 811.0	7 655.8	-1 048.1	-4 590.2	1 744.6	4.3	4.1	3.5
July	9 149.7	1 808.8	7 341.0	-1 156.7	-3 938.6	1 813.6	3.7	3.6	2.9
Aug.	8 487.6	1 913.7	6 573.9	-996.4	-3 511.9	1 500.6	3.6	3.3	2.8
Sept.	7 697.4	2 072.6	5 624.8	-1 231.8	-3 084.1	941.0	6.5	6.1	5.7
Oct.	7 964.3	2 064.2	5 900.1	-1 291.5	-2 540.6	1 715.5	5.5	5.2	4.8
Nov.	7 398.6	2 001.9	5 396.6	-1 201.3	-2 186.5	1 670.0	5.4	5.3	4.8
Dec.	7 434.6	1 333.4	6 101.2	-1 483.0	-2 063.1	2 390.5	5.6	5.3	4.8



# FOREIGN EXCHANGE RATES

Average selling rates for foreign exchange, mk

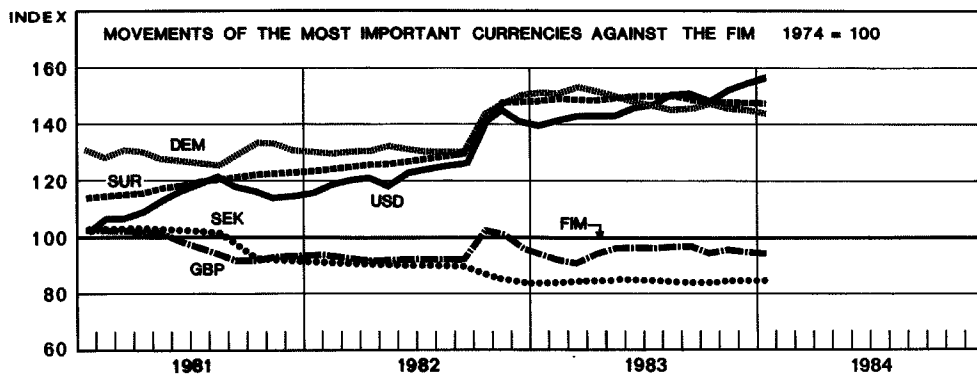
Period	New York 1 US \$ USD	Montreal 1 C \$ CAD	London 1 £ GBP	Dublin 1 Ir£ IEP	Stockholm 100 Skr SEK	Oslo 100 Nkr NOK	Copenhagen 100 Dkr DKK	Frankfurt 100 DM DEM	Amsterdam 100 Hfl NLG	Brussels 100 FB BEC BEL	
	1	2	3	4	5	6	7	8	9	10	11
1979	3.896	3.330	8.275		91.12	77.22	74.38	212.75	194.43	13.338	12.979
1980	3.730	3.194	8.691	7.689	88.43	75.81	66.53	205.58	188.02	12.818	12.635
1981	4.315	3.602	8.731	6.976	85.74	75.54	60.96	191.31	173.43	11.688	11.095
1982	4.820	3.913	8.423	6.854	77.03	74.84	57.93	198.76	180.66	10.584	9.859
1983	5.570	4.524	8.456	6.957	72.75	76.44	61.07	218.61	195.66	10.934	10.742
1982											
Dec.	5.353	4.331	8.673	7.390	72.92	76.25	62.86	221.55	200.75	11.297	10.980
1983											
Jan.	5.317	4.332	8.397	7.417	72.78	75.57	63.27	222.95	202.42	11.370	10.869
Feb.	5.389	4.395	8.270	7.391	72.62	75.88	62.91	222.26	201.55	11.314	10.898
March	5.429	4.433	8.112	7.362	72.75	75.80	63.08	225.76	202.86	11.475	10.886
April	5.436	4.417	8.389	7.061	72.74	76.28	62.87	223.29	198.24	11.212	11.103
May	5.445	4.433	8.579	6.985	72.74	76.65	61.92	220.91	196.45	11.070	11.041
June	5.546	4.503	8.608	6.878	72.72	76.46	60.84	217.76	194.30	10.902	10.866
July	5.592	4.544	8.558	6.840	72.80	76.47	60.25	216.44	193.48	10.816	10.762
Aug.	5.714	4.637	8.590	6.753	72.82	76.70	59.45	213.97	191.29	10.678	10.631
Sept.	5.713	4.642	8.575	6.727	72.65	77.04	59.64	214.38	191.70	10.632	10.513
Oct.	5.646	4.589	8.465	6.742	72.68	77.24	60.06	217.30	193.69	10.670	10.509
Nov.	5.754	4.661	8.511	6.686	72.83	77.19	59.56	214.73	191.61	10.574	10.474
Dec.	5.860	4.706	8.414	6.639	72.84	76.01	58.99	213.55	190.33	10.500	10.357
1984											
Jan.	5.940	4.764	8.389	6.579	72.85	75.65	58.56	211.96	188.64	10.395	10.225



## Average selling rates for foreign exchange, mk

Zurich 100 Sfr CHF	Paris 100 FF FRF	Rome 100 Lit ITL	Vienna 100 OS ATS	Lisbon 100 Esc PTE	Reykjavik 100 lkr ISK	Madrid 100 Ptas ESP	Tokyo 100 Y JPY	Moscow 1 Cl Rbl SUR	I special drawing right SDR	Currency index <sup>1</sup>
12	13	14	15	16	17	18	19	20	21	22
234.36	91.88	0.473	29.19	8.13	1.14	5.84	1.797	5.941	5.016 78	117.3
222.87	88.65	0.440	28.90	7.60	0.81	5.25	1.662	5.741	4.842 55	113.6
220.34	79.92	0.385	27.17	7.17	60.35	4.72	1.967	5.986	5.071 40	113.1
237.79	73.65	0.358	28.31	6.13	40.79	4.41	1.943	6.624	5.305 63	115.9
265.70	73.53	0.369	31.11	5.14	23.25	3.91	2.351	7.491	5.943 25	125.1
261.40	78.33	0.385	31.52	5.90	32.80	4.27	2.217	7.446	5.847 79	125.0
270.53	78.77	0.389	31.79	5.79	29.19	4.21	2.289	7.450	5.839 47 <sup>r</sup>	125.0
267.72	78.50	0.387	31.66	5.90	28.34	4.17	2.287	7.506	5.865 51 <sup>r</sup>	125.1
263.75	77.75	0.383	32.13	5.82	26.65	4.09	2.287	7.498	5.884 85 <sup>r</sup>	125.2
264.97	74.60	0.376	31.78	5.59	25.76	4.02	2.294	7.489	5.876 34 <sup>r</sup>	125.2
264.63	73.58	0.373	31.41	5.56	24.71	3.97	2.321	7.496	5.885 82 <sup>r</sup>	125.2
262.74	72.53	0.368	30.93	5.29	20.55	3.89	2.313	7.529	5.915 65 <sup>r</sup>	125.2
264.53	72.13	0.367	30.80	4.76	20.49	3.80	2.331	7.550	5.934 78 <sup>r</sup>	125.3
264.52	71.24	0.361	30.47	4.69	20.67	3.79	2.342	7.559	5.991 35 <sup>r</sup>	125.2
264.40	71.10	0.358	30.53	4.64	20.63	3.77	2.359	7.507	5.995 33 <sup>r</sup>	125.2
267.91	71.25	0.359	30.93	4.59	20.49	3.75	2.430	7.439	5.989 58	125.0
265.52	70.72	0.355	30.53	4.55	20.72	3.74	2.452	7.438	6.043 58	125.1
267.20	70.15	0.353	30.33	4.49	20.76	3.73	2.506	7.439	6.101 77	125.0
266.26	69.47	0.350	30.10	4.41	20.58	3.74	2.547	7.425	6.145 38	103.8

<sup>1</sup> Until December 31, 1983 the base year was 1974 = 100.  
Since January 1, 1984 the base year has been 1982 = 100.



# DEPOSITS BY THE PUBLIC

Mill. mk

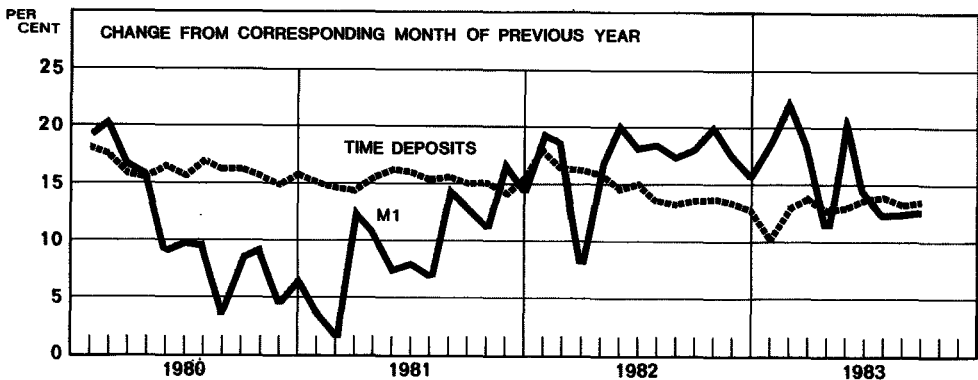
End of year and month	Demand deposits				Time deposits					Total (4+9)
	Commercial banks	Savings banks & Co-op. banks	Posti-pankki	All deposit banks	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	All deposit banks	
	1	2	3	4	5	6	7	8	9	
1979	4 697	2 255	2 714	9 666	19 794	17 177	13 348	5 599	55 918	65 584
1980	5 459	2 285	2 531	10 275	22 591	20 009	15 950	6 355	64 905	75 180
1981	5 791	2 879	2 952	11 622	26 094	22 937	18 598	7 448	75 077	86 699
1982*	7 155	3 874	3 049	14 078	29 260	25 833	21 040	8 665	84 798	98 876

1982\*

Sept.	6 439	3 525	3 480	13 444	27 382	24 950	20 270	8 280	80 882	94 326
Oct.	6 093	3 654	3 807	13 554	27 894	25 102	20 437	8 304	81 737	95 291
Nov.	6 742	3 599	3 325	13 666	27 782	25 111	20 417	8 390	81 700	95 366
Dec.	7 155	3 874	3 049	14 078	29 260	25 833	21 040	8 665	84 798	98 876

1983\*

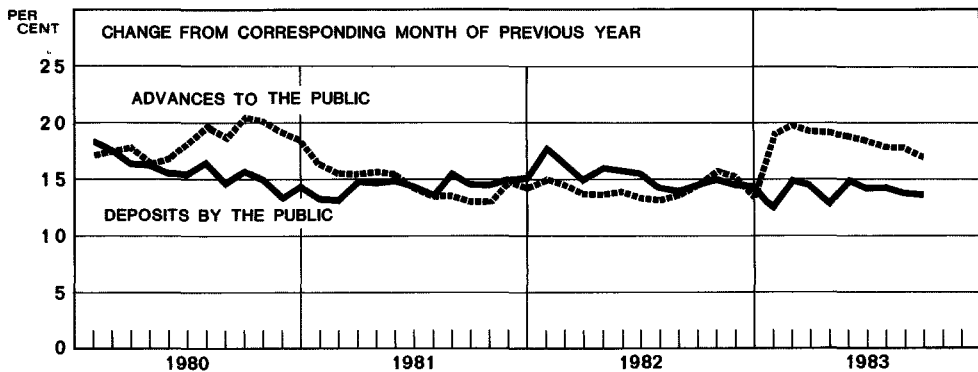
Jan.	7 118	3 749	3 919	14 786	29 243	26 185	21 402	8 707	85 537	100 323
Feb.	6 394	3 700	3 914	14 008	29 953	26 624	21 920	8 781	87 278	101 286
March	6 333	3 696	3 384	13 413	30 144	26 684	22 029	8 865	87 722	101 135
April	5 918	3 788	3 917	13 623	30 469	26 945	22 163	8 840	88 417	102 040
May	7 315	4 088	4 037	15 440	30 895	27 180	22 264	8 985	89 324	104 764
June	7 126	3 998	4 150	15 274	31 388	27 685	22 650	9 071	90 794	106 068
July	6 194	4 084	4 346	14 624	31 400	27 999	22 899	9 304	91 602	106 226
Aug.	6 974	4 128	4 331	15 433	31 181	28 135	23 013	9 293	91 622	107 055
Sept.	6 959	4 185	4 324	15 468	31 167	28 230	23 194	9 387	91 978	107 446
Oct.	7 264	4 270	4 529	16 063	31 288	28 298	23 285	9 365	92 236	108 299



# ADVANCES TO THE PUBLIC – MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by				Types of advances			Total (1 to 4) (5 to 7)	Money Supply	
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Loans & bills in domestic currency	Cheque credits	Domestic credits in foreign currency		M <sub>1</sub>	M <sub>1</sub> + Quasi-Money
	1	2	3	4	5	6	7		8	9
1979	29 844	16 535	14 258	8 299	60 971	1 955	6 010	68 936	14 087	71 157
1980	35 994	19 097	16 760	9 973	70 466	2 347	9 011	81 824	14 979	81 601
1981	40 462	22 009	20 059	11 135	80 817	2 877	9 971	93 665	17 186	94 577
1982*	48 282	25 682	23 601	12 683	93 011	3 467	13 770	110 248	19 917	107 549
1982*										
Sept.	44 472	24 674	22 611	11 887	89 645	3 881	10 118	103 644	18 958	102 482
Oct.	46 174	25 069	22 964	12 295	91 156	3 813	11 533	106 502	19 091	103 523
Nov.	47 033	25 408	23 252	12 485	92 269	3 927	11 982	108 178	18 982	103 579
Dec.	48 282	25 682	23 601	12 683	93 011	3 467	13 770	110 248	19 917	107 549
1983*										
Jan.	49 470	25 964	23 797	13 038	93 890	4 250	14 129	112 269	20 333	108 488
Feb.	50 391	26 216	23 998	13 093	94 894	4 495	14 309	113 698	19 861	109 709
March	50 364	26 474	24 262	12 766	95 658	4 569	13 639	113 866	19 401	110 101
April	51 368	26 685	24 415	12 842	96 653	4 744	13 913	115 310	19 374	110 890
May	52 093	27 075	24 733	12 909	97 926	4 451	14 433	116 810	21 325	113 729
June	52 244	27 460	25 095	13 072	98 918	4 699	14 254	117 871	21 362	115 242
July	52 034	27 711	25 371	13 193	99 492	4 666	14 151	118 309	20 634	115 283
Aug.	52 299	28 101	25 787	13 348	100 310	4 761	14 464	119 535	21 011	115 625
Sept.	53 190	28 594	26 228	13 456	102 157	4 898	14 413	121 468	21 403	116 469
Oct.	54 005	28 821	26 529	13 543	103 055	4 793	15 050	122 898	21 772	116 992



## STATE FINANCES

Mill. mk

Revenue	Jan.-Nov.		Expenditure	Jan.-Nov.	
	1982	1983		1982	1983
Income and wealth tax (net)	16 307	19 127	Wages, salaries, pensions etc.	9 654	10 935
Gross receipts	39 051	45 237	Repair and maintenance	1 162	1 383
Refunds & local authorities	-22 744	-26 110	Other consumption expenditure	5 741	6 646
Other taxes on income and wealth	379	439	Total consumption expenditure	16 557	18 964
Employers' child allowance payments	1	1	State aid to local authorities	12 240	14 126
Sales tax	14 017	15 861	State aid to industries	8 738	7 350
of which: agric. price subsidies			of which: agric. price subsidies	3 694	3 601
Customs duties and import charges and levies	1 483	1 419	Child allowances	1 611	2 228
Excise duties	10 414	9 404	Share in national pensions and sickness insurance schemes	769	2 272
Excise duty on alcoholic bevs.	3 078	3 420	Deficit of State enterprises	1 070	1 155
Excise duty on tobacco	1 297	1 437	Other transfer expenditure	7 667	8 771
Excise duty on liquid fuel	3 117	3 300	Total transfer expenditure	32 095	35 902
Other excise duties	2 922	1 247	Machinery and equipment	1 536	1 556
Tax on autom. and motor-cycles	1 732	2 054	Construction of buildings	789	1 014
Stamp duties	1 261	1 546	Land and waterway construction	2 042	2 196
Special diesel etc. vehicles tax	199	240	Total real investment	4,367	4 766
Other taxes and similar revenue	1 330	1 607	Interest on State debt	2 047	2 931
Total taxes	47 123	51 698	Other expenditure	25	10
Miscellaneous revenue	3 456	4 151	Total other expenditure	2 072	2 941
Interest, dividends etc.	1 439	1 669	Increase in inventories	-105	828
Surplus of state enterprises	1 191	1 641	Lending	3 541	3 997
Redemptions of loans granted	932	1 561	Other financial investment	530	596
<b>Total revenue</b>	<b>54 141</b>	<b>60 720</b>	<b>Total expenditure</b>	<b>59 057</b>	<b>67 994</b>
Foreign borrowing	3 304	4 073	Redemption of foreign loans	900	2 166
Domestic borrowing	4 186	5 630	Redemption of domestic loans	1 846	1 552
<b>Total borrowing</b>	<b>7 490</b>	<b>9 703</b>	<b>Total redemptions</b>	<b>2 746</b>	<b>3 718</b>
<b>Deficit (+) or surplus (-)</b>	<b>172</b>	<b>1 289</b>			
Total	<b>61 803</b>	<b>71 712</b>	Total	<b>61 803</b>	<b>71 712</b>

State debt	1981	1982	1983			
	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.
<b>Foreign debt</b>	13 331	18 807	21 024	21 515	21 626	21 723 <sup>1</sup>
Long-term debt	8 762	11 378	15 202	15 467	15 744	16 383
Short-term credit	9	63	155	167	81	18
<b>Domestic debt</b>	8 771	11 441	15 357	15 634	15 825	16 401
<b>Total State debt</b>	<b>22 102</b>	<b>30 248</b>	<b>36 381</b>	<b>37 149</b>	<b>37 451</b>	<b>38 124</b>
Total debt mill. \$	5 052	5 651	6 368	6 580	6 509	6 506

<sup>1</sup> Includes only long-term debt.

# FOREIGN TRADE

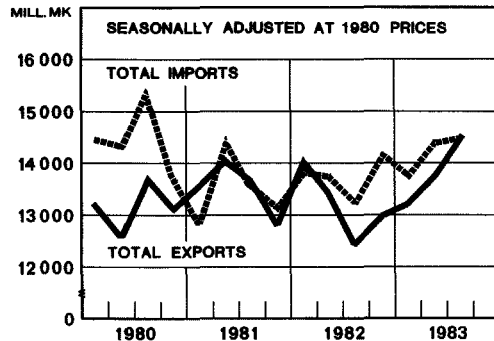
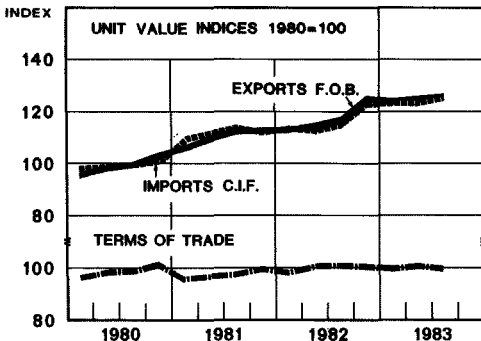
Mill. mk

Value, mill. mk

Period	Value, mill. mk		
	Exports f.o.b	Imports c.i.f.	Surplus of exports (+) or imports (-)
1978	35 206	32 338	+2 868
1979	43 430	44 222	-792
1980	52 795	58 250	-5 455
1981	60 308	61 269	-961
1982	63 026	64 751	-1 725
1982			
Nov.	6 338	6 174	+164
Dec.	6 025	7 351	-1 326
1983*			
Jan.	5 025	5 551	-526
Feb.	5 573	5 073	+500
March	6 215	5 730	+485
April	5 736	5 705	+31
May	6 154	6 245	-91
June	5 291	5 340	-49
July	5 681	5 800	-119
Aug.	5 128	5 513	-385
Sept.	5 478	6 533	-1 055
Oct.	6 095	6 557	-462
Nov.	6 518	6 373	+145
Jan.-Nov.			
1982	57 001	57 400	-399
1983*	62 894	64 420	-1 526

Indices of exports and imports  
1980 = 100

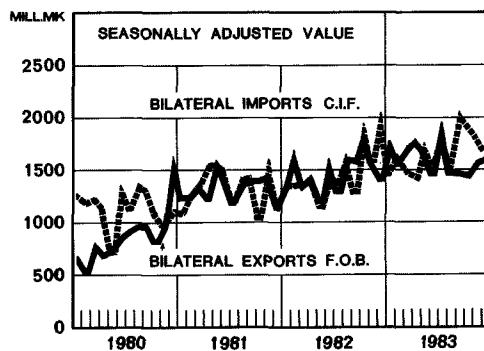
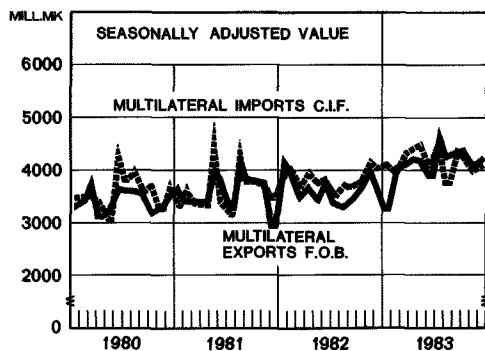
Period	Indices of exports and imports 1980 = 100				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
1978	84	75	80	74	108
1979	92	89	90	86	105
1980	100	100	100	100	100
1981	103	94	111	112	99
1982	101	95	118	117	101
1981					
July-Sept.	95	94	113	115	99
Oct.-Dec.	108	100	114	113	100
1982					
Jan.-March	107	88	114	115	99
Apr.-June	102	92	116	114	101
July-Sept.	86	90	118	116	101
Oct.-Dec.	108	107	126	125	101
1983*					
Jan.-March	102	90	125	125	100
Apr.-June	104	96	126	124	101
July-Sept.	98	97	127	126	100



# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agri-cultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and intermediate goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1978	966	4 641	10 402	9 593	9 604	20 431	2 224	4 801	4 830	52
1979	1 366	6 073	12 992	10 342	12 657	28 878	3 401	5 719	6 133	91
1980	1 403	7 742	15 751	11 546	16 353	38 622	4 088	7 989	7 440	111
1981	2 036	6 852	17 127	14 858	19 435	39 156	5 115	8 877	8 015	106
1982	1 676	6 278	17 502	18 908	18 662	41 144	4 869	9 195	9 130	413
1982										
Nov.	56	596	1 355	2 674	1 657	3 602	657	975	895	45
Dec.	266	631	1 522	2 165	1 441	4 744	590	984	882	151
1983*										
Jan.	59	466	1 313	1 719	1 468	3 411	348	825	921	46
Feb.	337	563	1 421	1 504	1 748	3 216	248	665	901	43
March	317	579	1 668	1 885	1 766	3 526	227	1 016	947	14
April	78	595	1 547	1 546	1 970	3 369	270	1 010	1 046	10
May	258	655	1 469	1 942	1 830	3 976	323	976	959	11
June	67	575	1 493	1 608	1 548	3 277	440	842	728	53
July	68	562	1 571	1 826	1 654	3 459	561	1 021	703	56
Aug.	58	492	1 669	1 123	1 786	3 512	440	685	833	43
Sept.	41	534	1 746	1 499	1 658	4 122	700	853	848	10
Oct.	124	623	1 765	1 574	2 009	4 247	578	816	892	24
Nov.	78	643	1 851	2 057	1 889	4 117	435	935	869	17
Jan.-Nov.										
1982	1 410	5 647	15 980	16 743	17 221	36 400	4 279	8 211	8 248	262
1983*	1 485	6 287	17 513	18 283	19 326	40 232	4 570	9 644	9 647	327





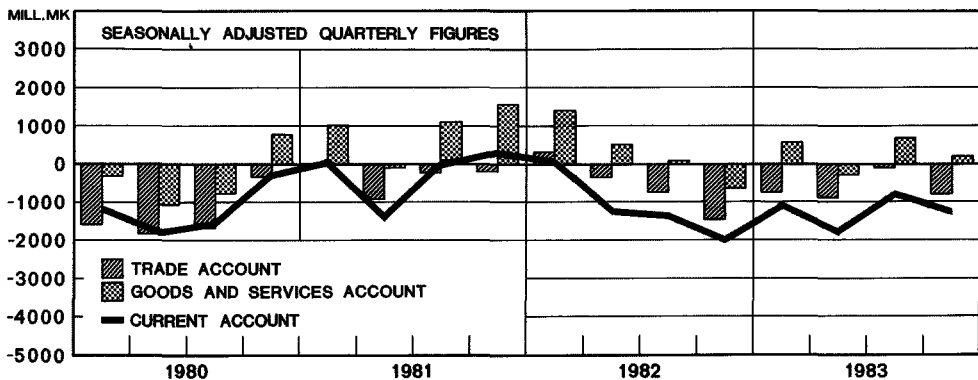
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January–November				January–November			
	1982*		1983*		1982*		1983*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	55.3	31 538	55.2	34 702	52.7	30 238	51.7	33 273
Austria	0.7	382	0.7	471	1.3	732	1.2	775
Belgium and Luxembourg	1.4	776	1.6	982	1.8	1 020	1.8	1 149
Denmark	3.7	2 120	3.6	2 238	2.4	1 357	2.4	1 576
France	4.0	2 283	4.1	2 595	3.2	1 823	3.3	2 104
Federal Republic of Germany	9.2	5 261	9.6	6 061	13.3	7 635	13.3	8 538
Italy	1.8	1 029	1.9	1 186	2.6	1 505	3.0	1 961
Netherlands	3.1	1 761	4.0	2 541	2.7	1 564	2.7	1 728
Norway	5.1	2 936	3.5	2 190	2.2	1 245	2.3	1 509
Portugal	0.2	127	0.2	133	0.6	340	0.6	400
Spain	0.8	444	0.7	463	0.7	392	0.8	492
Sweden	12.1	6 922	12.1	7 583	12.4	7 111	11.2	7 206
Switzerland	1.3	751	1.4	865	1.7	958	1.7	1 082
United Kingdom	10.3	5 837	10.5	6 573	7.3	4 213	6.7	4 333
Other	1.6	909	1.3	821	0.5	343	0.7	420
<b>OECD countries outside Europe</b>	5.8	3 309	6.7	4 238	11.8	6 798	12.5	8 040
Canada	0.7	403	0.6	381	0.9	520	0.8	485
Japan	1.0	596	1.1	720	4.3	2 462	5.6	3 578
United States	3.1	1 765	4.0	2 542	6.3	3 620	5.7	3 682
Other	1.0	545	1.0	595	0.3	196	0.4	295
<b>CMEA countries</b>	29.1	16 574	28.2	17 712	27.4	15 709	28.5	18 371
Czechoslovakia	0.4	230	0.4	255	0.5	311	0.4	288
German Democratic Republic	0.5	304	0.5	331	0.6	354	0.6	384
Poland	0.1	76	0.2	97	1.6	890	1.3	812
Soviet Union	27.0	15 351	26.6	16 711	23.8	13 653	25.6	16 491
Other	1.1	613	0.5	318	0.9	501	0.6	396
<b>Latin America</b>	1.1	612	1.8	1 118	2.2	1 295	2.3	1 505
Argentina	0.2	86	0.1	71	0.1	80	0.1	81
Brazil	0.3	156	0.3	175	0.8	437	0.7	444
Colombia	0.1	73	0.1	89	0.5	305	0.4	286
Other	0.5	297	1.3	783	0.8	473	1.1	694
<b>Other</b>	8.7	4 968	8.1	5 124	5.9	3 360	5.0	3 231
<b>GRAND TOTAL</b>	100.0	57 001	100.0	62 894	100.0	57 400	100.0	64 420
of which								
<b>EFTA countries</b>	19.6	11 203	18.0	11 323	18.2	10 455	17.1	11 016
<b>EEC countries</b>	34.7	19 742	36.3	22 825	33.8	19 392	33.8	21 773
<b>OECD countries</b>	61.1	34 847	61.9	38 939	64.5	37 036	64.1	41 313

# BALANCE OF PAYMENTS

Period	Exports f.o.b.	Imports c.i.f.	Trade account	Transport, net	Travel, net	Other services, net	Goods and services account	Invest- ment income, net	Un- requited transfers, net	Other, net	Current account
1980	52 860	58 315	-5 455	+3 064	+320	+587	-1 484	-3 308	-454	+91	-5 155
1981	60 260	61 697	-1 437	+3 261	+405	+1 286	+3 515	-4 359	-499	+132	-1 211
1982*	62 943	65 168	-2 225	+2 934	-286	+811	+1 234	-5 446	-626	+140	-4 698
1983*	69 650	72 100	-2 450	+3 200	-750	+1 000	+1 000	-5 800	-700	+200	-5 300
1981*											
Jan.-March	14 469	13 623	+846	+857	-87	+150	+1 766	-984	-130	+9	+661
Apr.-June	15 489	15 810	-321	+801	+78	-100	+458	-1 252	-127	+48	-873
July-Sept.	14 100	15 737	-1 637	+856	+443	+466	+128	-1 023	-109	+53	-951
Oct.-Dec.	16 202	16 527	-325	+747	-29	+770	+1 163	-1 100	-133	+22	-48
1982*											
Jan.-March	16 082	14 858	+1 224	+703	-156	+350	+2 121	-1 083	-182	-11	+845
Apr.-June	15 587	15 390	+197	+719	-85	+181	+1 012	-1 688	-163	+44	-795
July-Sept.	13 311	15 420	-2 109	+773	+149	+327	-860	-1 357	-135	+61	-2 291
Oct.-Dec.	17 963	19 500	-1 537	+739	-194	-47	-1 039	-1 318	-146	+46	-2 457
1983*											
Jan.-March	16 860	16 463	+397	+768	-290	+649	+1 524	-1 553	-217	-26	-272
Apr.-June	17 158	17 535	-377	+808	-227	+76	+280	-1 482	-148	+19	-1 331
July-Sept.	16 273	17 929	-1 656	+853	+41	+328	-434	-1 438	-112	+27	-1 957
Oct.-Dec.	19 359	20 173	-814	+771	-274	-53	-370	-1 327	-223	+180	-1 740



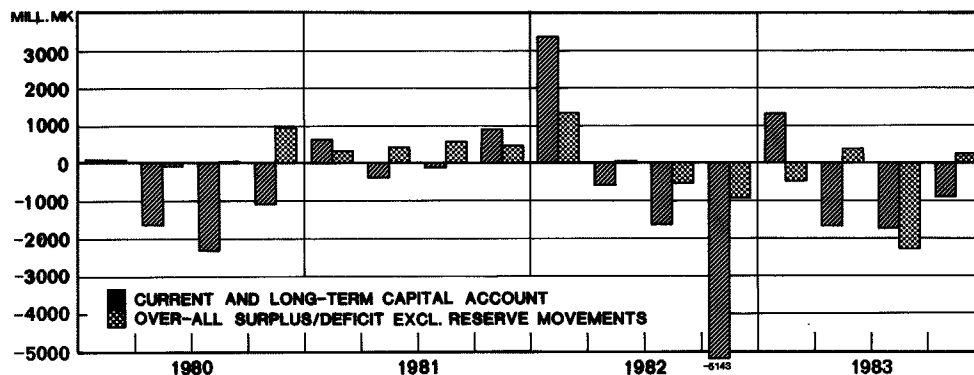
Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Prepayments and liabilities related to imports	Prepayments and receivables related to exports	Short-term capital of authorized banks, net <sup>2</sup>	Miscellaneous, short-term capital terms, incl. errors and omissions <sup>2</sup>	Over-all surplus deficit excl. reserve movements <sup>2</sup>	Bank of Finland foreign exchange reserves
+5 183	-4 140	-433	-428	+182	-4 973	+3 255	-967	+3 930	-250 <sup>3</sup>	+995	-995
+8 312	-4 643	-518	-826	+2 325	+1 114	-1 067	+437	-406	+1 725 <sup>3</sup>	+1 803	-1 803
+10 213	-4 721	-1 239	-3 634	+619	-4 079	-2 003	+1 235	+1 798	+2 923	-126	+126
+10 112	-7 273	+450	-989	+2 300	-3 000	+2 300	-1 900	+1 000	-562	-2 162	+2 162
+1 404	-955	-227	-235	-13	+648	-473	+789	-163	-492 <sup>3</sup>	+309	-309
+1 948	-1 213	+11	-233	+513	-360	+867	+790	-21	-846	+430	-430
+1 932	-797	-91	-200	+844	-107	+95	-571	-822	+1 993	+588	-588
+3 028	-1 678	-211	-158	+981	+933	-1 556	-571	+600	+1 070	+476	-476
+3 637	-806	-114	-165	+2 552	+3 397	-898	+569	-1 509	-247	+1 312	-1 312
+2 332	-1 555	-328	-298	+151	-644	+134	+571	+108	-124	+45	-45
+1 859	-883	-127	-247	+602	-1 689	-586	+48	-516	+2 199	-544	+544
+2 385	-1 477	-670	-2 924	-2 686	-5 143	-653	+47	+3 715	+1 095	-939	+939
+2 985	-1 271	+100	-182	+1 632	+1 360	-535	-188	-1 214	+95	-482	+482
+2 435	-2 895	+273	-200	-387	-1 718	+815	-188	+699	+789	+397	-397
+1 479	-1 269	+142	-138	+214	-1 743	+725	-851	-593	+149	-2 313	+2 313
+3 213	-1 838	-65	-469	+841	-899	+1 295	-673	+2 108	-1 595	+236	-236

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

<sup>1</sup> Including direct investment, net.

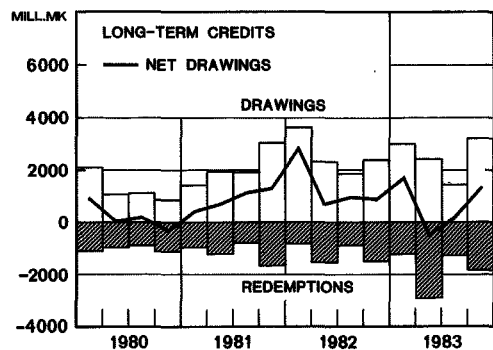
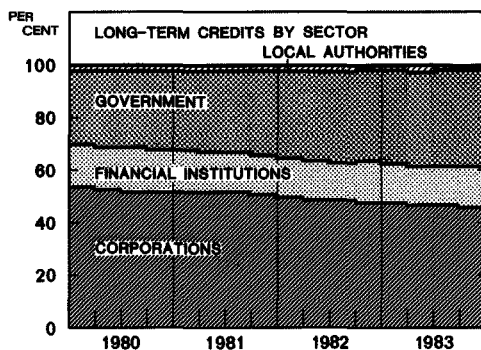
<sup>2</sup> Reserve movements of other foreign exchange holders have been transferred to the short-term capital account. The short-term capital of the authorized banks is shown separately.

<sup>3</sup> Including allocations of special drawing rights: 133 million in 1980 and 131 million in 1981.

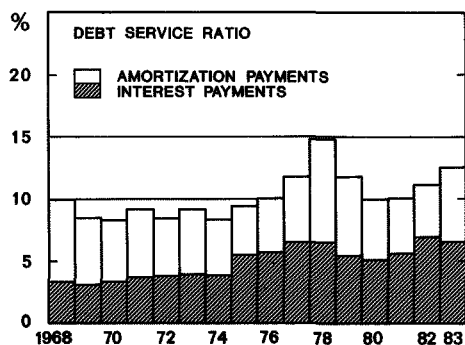
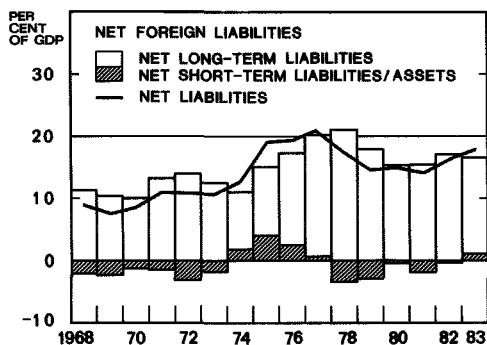


# FINLAND'S FOREIGN ASSETS AND LIABILITIES

End of year and month	Long-term assets				Long-term liabilities					Net long-term liabilities (9-4)
	Export credits	Direct investment	Other	Total (1 to 3)	Financial loans	Import credits	Direct investment	Other	Total (5 to 8)	
	1	2	3	4	5	6	7	8	9	10
1980	3 872	2 806	1 051	7 729	29 730	4 377	2 075	340	36 522	28 793
1981	4 673	3 426	1 317	9 416	35 536	4 444	2 183	391	42 554	33 138
1982*	6 628	4 626	3 796	15 050	47 547	4 608	2 223	752	55 130	40 080
1983*	6 600	6 166	3 929	16 695	53 118	4 472	2 317	763	60 670	43 975
1981										
June	4 473	3 161	1 278	8 912	32 814	4 467	2 180	406	39 867	30 955
Sept.	4 559	3 329	1 282	9 170	34 414	4 377	2 168	392	41 351	32 181
Dec.	4 673	3 426	1 317	9 416	35 536	4 444	2 183	391	42 554	33 138
1982*										
March	4 960	3 616	1 415	9 991	38 669	4 623	2 263	709	46 264	36 273
June	5 361	3 741	1 471	10 573	39 847	4 456	2 313	696	47 312	36 739
Sept.	5 556	4 084	1 466	11 106	41 198	4 515	2 345	687	48 745	37 639
Dec.	6 628	4 626	3 796	15 050	47 547	4 608	2 223	752	55 130	40 080
1983*										
March	6 672	5 003	3 892	15 567	49 897	4 759	2 288	846	57 790	42 223
June	6 458	4 998	3 956	15 412	49 921	4 462	2 306	812	57 501	42 089
Sept.	6 411	5 392	3 935	15 738	50 705	4 566	2 303	798	58 372	42 634
Dec.	6 600	6 166	3 929	16 695	53 118	4 472	2 317	763	60 670	43 975



Short-term assets				Short-term liabilities				Net short-term liabilities (18-14)	Net liabilities (10+19)	Debt service, flow	Of which amortization payments, flow
Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (11 to 13)	Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (15 to 17)				
11	12	13	14	15	16	17	18	19	20	21	22
9 895	9 560	12 532	31 987	3 089	16 240	11 849	31 178	-809	27 984	6 716	3 274
11 362	13 749	14 176	39 287	2 427	20 218	13 538	36 183	-3 104	30 034	7 930	3 494
12 737	22 562	13 498	48 797	5 348	31 331	11 593	48 272	-525	39 555	9 068	3 464
11 842	28 950	15 883	56 675	5 705	38 700	15 295	59 700	3 025	47 000	11 333	5 382
10 125	11 464	12 299	33 888	2 437	18 080	14 102	34 619	731	31 686	2 170	897
10 817	12 627	13 152	36 596	2 403	18 487	14 690	35 580	-1 016	31 165	1 638	595
11 362	13 749	14 176	39 287	2 427	20 218	13 538	36 183	-3 104	30 034	2 387	1 270
12 795	13 614	13 581	39 990	3 074	18 592	12 390	34 056	-5 934	30 339	1 761	600
12 846	14 322	13 118	40 286	3 077	19 349	12 767	35 193	-5 093	31 646	2 736	1 017
12 456	17 151	13 142	42 749	4 097	21 737	12 490	38 324	-4 425	33 214	2 038	662
12 737	22 562	13 498	48 797	5 348	31 331	11 593	48 272	-525	39 555	2 533	1 185
12 365	22 166	14 247	48 778	4 637	29 530	11 687	45 854	-2 924	39 299	2 531	942
12 905	23 008	14 570	50 483	4 705	31 137	12 872	48 714	-1 769	40 320	3 778	2 243
10 556	23 605	15 759	49 920	4 737	31 289	13 726	49 752	-168	42 466	2 517	1 049
11 842	28 950	15 883	56 675	5 705	38 700	15 295	59 700	3 025	47 000	2 507	1 148



# PRICE INDICES

Period	Wholesale price index 1949 = 100	Basic price index for domestic supply 1980 = 100 <sup>1</sup>						Building costs 1980 = 100		
		Total	Origin		Purpose			Total	Wages in building trade	Building materials
			Domestic goods	Imported goods	Raw materials	Consumer goods	Investment goods			
1982	1 122	120.8	122.1	116.7	120.8	122.4	119.0	117.7	116.8	117.8
1983	1 189	127.6	128.8	124.2	125.9	130.8	128.5	128.7	124.4	129.3
1983										
Jan.	1 169	125.7	126.1	124.3	125.3	128.1	124.0	123.3	118.9	123.9
Feb.	1 170	125.4	126.5	122.2	124.4	128.8	124.3	123.8	118.9	124.6
March	1 166	125.4	126.8	121.2	123.7	129.3	125.4	124.5	118.9	125.6
April	1 169	126.0	127.6	121.2	124.0	130.3	126.1	125.9	122.0	126.5
May	1 172	126.7	128.2	122.2	125.0	130.3	127.1	127.1	125.1	127.0
June	1 185	126.9	128.3	122.7	125.1	130.0	128.2	129.7	125.8	130.4
July	1 193	127.7	128.8	124.1	125.6	130.7	129.7	130.1	125.8	130.7
Aug.	1 195	128.2	129.2	125.2	126.2	130.8	130.5	130.7	125.8	131.3
Sept.	1 204	129.1	130.1	126.1	127.5	131.3	130.7	131.2	125.8	132.0
Oct.	1 210	129.7	130.8	126.3	127.8	133.0	131.2	132.6	128.8	132.8
Nov.	1 215	130.2	131.3	127.0	128.2	133.3	132.0	132.8	128.8	133.0
Dec.	1 219	130.6	131.7	127.3	128.6	133.7	132.6	133.0	128.8	133.1

<sup>1</sup> New series calculated by the Central Statistical Office.

Period	Consumer prices 1981 = 100 <sup>1</sup>									
	Total	Food	Beverages and tobacco	Clothing and footwear	Rent, heating and lighting	Household goods and services	Health and medical services	Transport and communication	Education and recreation	Other goods and services
1982	109.6	112.3	112.9	105.3	111.7	105.9	110.2	106.8	106.0	109.6
1983	118.7	120.0	125.1	112.8	118.4	114.3	126.6	117.4	116.9	120.7
1983										
Jan.	113.9	114.1	120.9	106.9	113.8	109.6	117.4	114.6	111.5	116.1
Feb.	114.4	115.3	120.9	108.6	113.8	110.2	117.4	114.9	111.6	116.4
March	115.4	117.4	121.5	110.0	114.2	110.8	117.4	115.4	111.8	117.3
April	116.3	120.0	121.6	111.4	114.2	111.9	118.1	115.0	113.2	118.4
May	118.2	120.4	121.7	112.0	120.4	113.2	120.6	116.0	114.4	119.4
June	119.5	122.0	126.1	112.7	120.4	114.3	123.2	117.6	115.6	120.9
July	120.0	121.5	126.1	111.8	120.4	115.3	132.3	118.1	118.3	121.4
Aug.	120.1	120.7	126.1	112.9	120.4	116.0	132.4	118.2	119.9	121.8
Sept.	121.0	121.4	126.2	115.2	120.8	116.8	132.4	119.6	120.9	122.4
Oct.	121.3	122.1	126.2	116.8	120.6	117.3	135.2	119.3	121.1	123.1
Nov.	122.4	123.1	132.1	117.4	120.6	118.0	136.3	119.3	122.1	125.4
Dec.	122.3	121.5	132.1	117.5	120.8	118.4	136.3	120.3	122.3	125.6

<sup>1</sup> New series calculated by the Central Statistical Office.

# WAGES

Index of wage and salary earnings 1975 = 100

Period	By industries				By institutional sectors			All salary earners	All wage earners	All employees
	Wage earners in			Employees in services	State employees	Municipal employees	Employees in private sector			
	Agriculture	Industry	Construction							
1980	179.3	170.4	146.3	166.0	161.9	156.8	169.8	166.3	167.5	166.8
1981	201.3	192.5	165.6	186.1	182.2	174.8	191.9	187.4	188.8	188.1
1982*	225.7	213.5	181.8	207.3	201.1	195.7	212.0	207.4	208.9	208.1
1982*										
July-Sept.	226.3	211.6	181.4	207.5	200.7	195.6	211.7	207.6	208.1	207.9
Oct.-Dec.	234.9	221.7	189.9	216.9	211.1	206.0	220.4	216.6	217.5	217.0
1983*										
Jan.-March	240.2	224.3	194.0	218.2	214.4	206.9	222.9	219.0	219.8	219.4
Apr.-June	247.1	236.7	201.0	228.4	222.2	215.2	233.8	228.7	230.4	229.5
July-Sept.	253.1	234.7	203.0	229.7	222.2	217.9	233.9	229.5	230.6	230.0

# PRODUCTION

Volume indices of production 1975 = 100

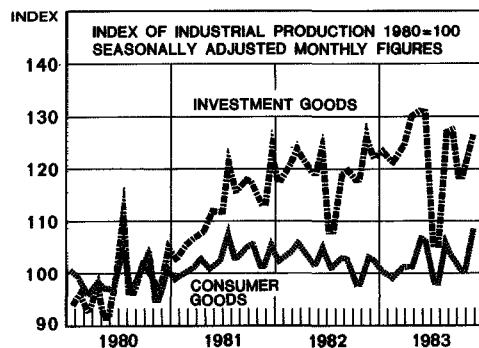
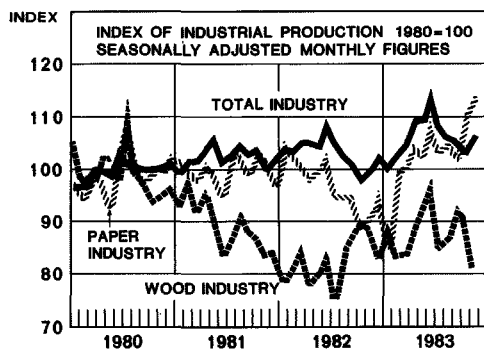
Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communication	Commerce	Public sector services	Others
1981										
July-Sept.	116	119	160	80	100	92	125	108	130	117
Oct.-Dec.	129	143	80	149	121	97	135	116	132	124
1982										
Jan.-March	115	133	70	134	72	89	113	96	133	120
Apr.-June	121	136	82	135	80	94	122	109	133	125
July-Sept.	120	121	197	64	106	95	123	111	135	121
Oct.-Dec.	133	144	91	154	135	100	136	127	137	129
1983*										
Jan.-March	119	131	83	141	81	86	115	100	138	123
Apr.-June	125	143	89	126	87	94	124	114	138	129
July-Sept.	125	126	233	57	111	94	127	111	140	125

# PRODUCTION

Index of industrial production 1980 = 100<sup>1</sup>

Period	Total	Investment goods	Consumer goods	Other producer goods	Special indices of manufacturing						Total adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industries	Non-metallic mineral industry	Metal industry	
1981	102.6	114.1	103.4	100.1	104.0	89.6	100.8	103.0	101.2	106.9	102.9
1982*	103.7	121.0	103.4	100.6	106.4	83.5	96.1	98.1	108.4	114.0	103.8
1982*											
Nov.	112.1	139.5	112.9	106.6	127.8	97.3	95.3	101.3	118.5	128.1	100.2
Dec.	104.7	125.8	104.9	100.8	110.6	75.6	89.5	95.8	114.0	118.9	103.2
1983*											
Jan.	103.6	124.6	101.6	100.7	94.0	82.4	87.8	91.0	114.0	118.0	101.0
Feb.	99.5	121.0	95.7	97.4	85.9	76.6	96.5	88.8	97.3	113.4	103.3
March	113.6	135.0	111.1	110.9	107.2	96.1	107.5	115.7	114.6	125.8	105.0
April	106.1	132.9	101.4	103.6	100.5	96.0	93.8	107.2	103.9	122.7	109.6
May	116.3	144.6	112.7	113.0	112.7	115.0	103.3	102.2	119.3	134.1	109.8
June	112.0	145.2	103.2	110.2	104.6	107.1	98.9	105.7	121.9	129.5	115.3
July	67.5	49.3	63.6	72.6	90.6	35.1	106.3	66.9	67.0	51.2	108.8
Aug.	111.3	118.8	108.0	111.5	113.2	86.5	115.4	113.4	122.5	113.9	106.7
Sept.	114.3	138.3	109.8	112.2	111.1	107.3	104.7	112.6	140.9	129.4	105.8
Oct.	112.8	126.0	111.3	111.2	125.2	100.1	115.9	114.3	130.0	119.3	104.0
Nov.	118.3	138.1	117.8	115.0	127.5	88.7	117.4	118.8	112.4	129.7	106.7

<sup>1</sup> New series calculated by the Central Statistical Office





# LABOUR<sup>1</sup> – TIMBER FELLINGS – INTERNAL TRADE

Period	Population of working age, 1 000 persons	Total labour force, 1 000 persons	Employed, 1 000 persons	Un-employed, 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings, 1 000 solid cu. m	Retail sales volume index 1980 = 100 <sup>2</sup>	Wholesale volume index 1980 = 100 <sup>2</sup>
1982*	3 658	2 530	2 380	150	5.9	41 435	106	109
1982*								
Aug.	3 662	2 619	2 475	143	5.5	1 383	106	107
Sept.	3 664	2 542	2 401	141	5.6	2 401	106	119
Oct.	3 663	2 517	2 365	152	6.0	3 164	114	120
Nov.	3 664	2 482	2 343	139	5.6	4 165	110	120
Dec.	3 663	2 492	2 345	147	5.9	4 793	136	127
1983*								
Jan.	3 670	2 469	2 289	180	7.3	3 728	93	89
Feb.	3 672	2 479	2 314	165	6.7	4 545	92	96
March	3 674	2 497	2 333	164	6.6	5 963	106	116
April	3 677	2 482	2 315	167	6.8	5 227	102	112
May	3 676	2 528	2 383	145	5.7	3 067	123	135
June	3 678	2 715	2 549	166	6.1	2 089	100	95
July	3 682	2 730	2 577	153	5.6	1 084	104	85
Aug.	3 682	2 555	2 426	128	5.0	1 303	105	113
Sept.	3 682	2 540	2 397	143	5.6	2 153	107	119
Oct.	3 687	2 520	2 369	151	6.0	2 860	106	116
Nov.	3 695	2 507	2 355	152	6.1	3 391	..	..

<sup>1</sup> Revised figures, see item in August number.

<sup>2</sup> New series calculated by the Central Statistical Office.

## CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building-works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1981	44.92	18.76	5.78	14.65	2.75	41.08	17.20	4.39	14.35	3.01	47.14
1982*	51.83	19.23	6.71	18.93	3.46	41.80	17.32	5.72	13.61	2.64	50.48
1982*											
Apr.-June	19.17	7.96	3.15	6.05	0.78	10.09	4.44	0.85	3.29	0.80	51.52
July-Sept.	12.80	4.59	1.38	4.73	1.03	9.58	3.93	1.69	2.49	0.87	56.52
Oct.-Dec.	10.63	3.29	0.88	4.75	0.93	15.37	5.83	2.62	5.33	0.69	50.48
1983*											
Jan.-March	9.77	4.14	1.27	3.20	0.72	9.87	3.88	1.08	3.66	0.66	45.37
Apr.-June	18.94	7.91	3.12	5.35	0.99	10.31	4.17	0.82	3.62	0.95	53.37
July-Sept.	12.48	3.97	1.04	5.55	0.89	9.43	3.42	1.61	2.92	0.83	56.70

# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

Page 4. *Public sector*: Claims = Government promissory notes + Bonds + Total coinage + Other claims on the public sector. Other liabilities = Cheque accounts + Counter cyclical reserves + Counter-cyclical deposits + Capital import deposits + Other liabilities to the public sector. Certificates of deposit are interest bearing, freely transferable term liabilities of the Bank of Finland sold to the government. Their maturities range from one week to one year. As from November 1, 1983, certificates of deposit were replaced by the government deposit account.

Page 5. *Domestic financial sector*: Other liabilities, net = Capital import deposits + Other liabilities to financial institutions - Bonds - Other claims on financial institutions.

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

## MONETARY POLICY INDICATORS

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

Gross central bank debt of the deposit banks = The commercial banks' and Postipankki's cheque account overdrafts + Call money credit. Prior to January 1984 the average monthly amount of cheque account overdrafts at base rate was restricted by the quota granted to each bank. The banks could obtain central bank credit in excess of the quota by borrowing on the Bank of Finland's call money market. As from January 1984, the quotas were abolished and the only source of central bank debt is now the call money market. There is no longer any absolute ceiling on call money credit. However, banks' borrowing is monitored and a bank whose borrowing exceeds a certain limit comes under the special surveillance of the central bank. The interest charged on call money credit, the call money rate, is adjusted by the central bank in line with monetary policy objectives at the time.

Net central bank debt of the deposit banks = Gross central bank debt of the deposit banks - The commercial banks' and Postipankki's deposits on the call money market - All deposit banks' cash reserve deposits at the Bank of Finland.

Cash reserve deposits of the deposit banks equal the total amount of cash reserve deposits at the Bank of Finland made by the deposit banks under the Cash Reserve Agreement of March 8, 1983. The deposit banks consist of the commercial banks, co-operative banks, savings banks and Postipankki.

The cash reserve requirement is set each month by the Bank of Finland as the percentage of each bank's stock of deposits which must be deposited at the central bank. Deposits are to be made one month after the close of the month to which the coefficient applies.

Call money credit extended by the Bank of Finland = Demand for call money by the deposit banks - Supply of call money by the deposit banks.

Average cost of gross central bank debt = Costs of borrowing paid to the Bank of Finland by the deposit banks, as a percentage of their gross central bank debt, per annum.

## FORWARD EXCHANGE MARKETS IN FINLAND

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

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

## FOREIGN EXCHANGE RATES

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

## DEPOSITS BY THE PUBLIC - ADVANCES TO THE PUBLIC - MONEY SUPPLY

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

Page 10. *Deposits by the public*. The central government and the financial institutions are mainly excluded from the public.

From 1974 deposits include domestic deposits denominated in foreign currency.

Page 11. *Advances to the public*. The central government and the financial institutions are not included in the public.

Postipankki's advances do not include loans granted by the State Investment Fund (INRA). Domestic credits in foreign currency are mainly granted by the commercial banks and the rest by Postipankki.

*Money Supply M<sub>1</sub>* = Finnish notes and coins in circulation - Finnish notes and coins held by the banks + Demand deposits held by the public (incl. Demand deposits at the Bank of Finland). *Quasi-Money* = Time deposits held by the public (incl. Time deposits at the Bank of Finland).

Note: Domestic deposits in foreign currency included in money supply since 1974. In the money supply the public includes non-monetary financial institutions.

## STATE FINANCES

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

## FOREIGN TRADE

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

## BALANCE OF PAYMENTS

Pages 16-17. Figures are calculated by the Bank of Finland. In the current account, the figures for trade- and goods and services account have been revised from 1970 so that they are in accordance with the revised System of National Accounts. In addition to the Board of Customs figures, exports include fuel for carriers but exclude stevedoring expenses and imports include seamen's duty-free imports, fuel for carriers and adjusted allowance for smuggling.

On Jan. 1, 1980, foreign bonds were included in the convertible foreign exchange reserves of the Bank of Finland and not in the short-term capital account as earlier. The figures for other years have also been revised accordingly.

## FOREIGN ASSETS AND LIABILITIES

Pages 18-19. Figures calculated by the Bank of Finland.

Long-term assets: Other = financial loans + development credits + Finland's subscriptions to international financial institutions. Long-term liabilities: Other = Leasing credits + subscriptions to international financial institutions paid in the form of bonds.

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

Columns 21 and 22 during the year and the quarter.

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

## PRICE INDICES

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

## WAGES - PRODUCTION

Pages 21-22. Figures supplied by the Central Statistical Office.

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

## LABOUR - TIMBER FELLINGS - INTERNAL TRADE - CONSTRUCTION OF BUILDINGS

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

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

# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

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

Parliament, comprising 200 members is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1983 is as follows: Social Democratic Party of Finland 57, National Coalition Party 44, Centre Party 38, Democratic League of the People of Finland 27, Finnish Rural Party 17, Swedish People's Party 11, Christian League of Finland 3, The Greens 2 and Finnish People's Constitutional Party 1.

## INTERNATIONAL ORGANIZATIONS

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

## LAND

THE AREA is 338 000 square kilometres (Great Britain's area is 244 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1980) 2.5 mill. ha (8.2 %) are cultivated and 19.7 mill. ha (64.5 %) are covered by forests.

OWNERSHIP OF LAND (1979). The total land area was distributed among different classes of owners approximately as follows: private 58.7 %, State 31.4 %, joint stock companies etc. 7.4 %, municipalities and parishes 2.5 %.

## POPULATION

NUMBER OF INHABITANTS (1981): 4.8 million. Sweden 8.3, Switzerland 6.4, Denmark 5.1, and Norway 4.1 million.

DENSITY OF POPULATION (1981): In South Finland 47.0, in East and Central Finland 14.1, in North Finland 4.1 and in the whole country an average of 15.8 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1981): 40 % of the population inhabit the rural areas, 60 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital, 483 051 inhabitants, Tampere (Tammerfors) 167 028, Turku (Åbo) 163 526.

EMPLOYMENT (1982): Agriculture and forestry 13 %, industry and construction 34 %, commerce 14 %, transport and communication 7 %, financing, insurance, real estate and business services 6 %, community and personal services 26 %.

LANGUAGE (1981): Finnish speaking 93.5 %, Swedish speaking 6.3 %, others 0.2 %.

EDUCATION (1982): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) and 14 colleges of university standard.

CHANGE OF POPULATION (1981): births 13.2 ‰, deaths 9.2 ‰, change + 5.2 ‰, net immigration + 1.2 ‰. Deaths in France 10.3 ‰ and Great Britain 11.8 ‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1982), in million marks: Gross domestic product at factor cost by industrial origin: agriculture 8 993 (4 %) forestry and fishing 9 729 (5 %), manufacturing 64 416 (31 %), construction 15 271 (7 %), trade, restaurants and hotels 24 017 (11 %), transport and communication 17 052 (8 %), banking and insurance 8 633 (4 %), ownership of dwellings 15 009 (7 %) other services 47 323 (23 %), total 210 443. Index of real domestic product 124 (1975 = 100).

FOREST RESOURCES (1981). The growing stock comprised of 1 638 million m<sup>3</sup> (solid volume with bark) of which 44 % was pine and 38 % spruce the remaining 18 % being broad-leaved trees chiefly birch. Of the growing stock 674 million m<sup>3</sup> was up to the standard required for logs, 52 % of these being pine. The annual growth was 66 million m<sup>3</sup> and the total drain calculated on the basis of roundwood consumption was 56 million m<sup>3</sup>.

AGRICULTURE (1981). Cultivated land 2.4 million hectares. Number of holdings 218 904 of which 151 956 are of more than 5 ha. Measure of self-sufficiency in bread cereals (1982) 56 %.

INDUSTRY (1982). Gross value of industrial production 203 910 mill. marks number of workers 405 013, salaried employees 144 435, motive power 8.3 mill. kW. Index of industrial production 103.7 for 1982 (1980 = 100).

STATE RAILWAYS (Dec. 31, 1982): Length 6 071 km.

MERCHANT FLEET (Dec. 31, 1983): Passenger vessels 157 (252 102 gross reg. tons), tankers 47 (1 257 860 gross reg. tons), dry cargo vessels 180 (835 836 gross reg. tons), other vessels 100 (13 951 gross reg. tons), total 484 (2 359 749 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1982): Passenger cars 1 352 055, lorries and vans 161 680, buses 9 066, others 9 896, total 1 532 697.

FINNISH AIRLINES (May 1, 1983): Finnair has in use 1 DC-8, 8 DC-9-10, 6 DC-9-41, 12 DC-9-51, 3 DC-10-30, 3 DC-9 Super 82 and 2 Fokker F-27. Company has scheduled traffic outside of Finland to 38 airports and to 21 domestic airports.

## FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). The last par value of the mark was set on Oct. 12, 1967 and was 0.21159 grams of fine gold per mark (equivalent, at the time, to 4.20 marks per U.S. dollar). Since Nov. 1, 1977 the external value of the mark has been officially expressed in terms of a currency index. This index is trade-weighted and as from Jan. 1, 1984 indicates the average change in the convertible currencies which are important in Finnish foreign trade. The present currency weights are Skr 19.6, DM 18.9, £ 15.0, \$ 10.6, other currencies 35.9. The permissible range of fluctuation is about 2.25 per cent on either side of the theoretical arithmetic mean. The fluctuation limits are 106.0 and 101.3.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1982). There are two big and five small commercial banks with in all 900 offices, 272 savings banks, 371 co-operative banks, five mortgage banks, Postipankki and three development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-four private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1983). The base rate applied by the Bank of Finland on credit extended to the banks in the context of the quota facility is 9 ½ %. The range of rates for other credits granted by the Bank of Finland is between 7 % and 12 %. Other credit institutions: time deposits 5 ½ %; 6 month deposits 6 ½ %; 12 month deposits 8 %; 24 month deposits 9 ½ % and sight deposits 2 ½ %. The highest lending rate 14 %.

# FINLAND'S CURRENCY INDEX SYSTEM AND ITS DEVELOPMENT

by Ilkka Puro, M.Pol.Sc.

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## INTRODUCTION OF THE CURRENCY INDEX

Following the breakdown in the early 1970s of the international monetary system based on fixed exchange rates, the need arose for a new means of measuring the international value of the Finnish markka. At about this time, the Bank of Finland started to measure the external value of the markka in terms of a currency index. Initially, the index was used at the Bank for internal monitoring purposes and for guidance in exchange rate policy decision-making.

With the gradual establishment of the system of floating exchange rates, the Articles of Agreement of the International Monetary Fund were revised to conform with the new exchange rate environment. When, towards the end of 1977, the implementation of the reform of the IMF Articles was imminent, the time was deemed appropriate to make the currency index official. The necessary legislative changes were embodied in the Amendment of § 2 of the Currency Act, which, having been passed by Parliament, entered into force on November 1, 1977.

## THE CURRENCY ACT REFORM OF 1977

According to the 1977 amendment of the Currency Act, the external value of the markka was to be expressed in terms of a currency index number reflecting the average change in the exchange rates of the currencies most important in Finland's foreign trade. The Act stipulates that the Council of State (Cabinet) confirms the basis for calculating the index

number and also sets the fluctuation limits of the index number. Both decisions are made on the proposal of the Bank of Finland. The decision to submit the proposal to the Council of State is made by the Bank Supervisors of Parliament. The Council of State may either approve the proposal of the Bank of Finland as it stands or reject it.

According to the Currency Act, the Bank of Finland is responsible for ensuring that the currency index number remains within the permissible range of fluctuation. In the event of a severe disturbance in the foreign exchange markets, however, the Bank of Finland is entitled to temporarily disregard the fluctuation limits of the index. Such a step must be referred to the Council of State as soon as possible. In practice, though, recourse to such action has not been necessary during the time the index has been in use.

## THE COUNCIL OF STATE DECISION ON THE CURRENCY ACT

In connection with the amendment of the Currency Act in 1977, the Council of State also decided on the application of the Act. According to this decision, the currency index was to be calculated on the basis of the currencies of those countries which, in each of the preceding three full calendar years, accounted for not less than one per cent of the total value of Finnish commodity trade. This provision was intended to ensure that the currency index would have good coverage and that temporary changes in the trade shares of individual countries would be prevented from adversely affecting the index.

When the currency index was introduced in 1977, 18 countries were included in the calculations of the index, their share in Finland's foreign trade amounting to 86 per cent. Subsequently, the number of countries satisfying the one per cent rule gradually declined. In 1983, the currencies of only 13 countries remained in the index. However, its coverage of Finland's foreign trade was practically unchanged.

The exchange rates used for calculating the currency index number are the selling rates quoted by the Bank of Finland. The Decision of the Council of State also allows for the possibility that the Bank of Finland does not quote a selling rate for a certain currency and that the currency is not generally used in trade between Finland and the country concerned. In such cases, the currency included in the index is the one quoted by the Bank of Finland which is most commonly used in that trade. This practice has been applied to the trade shares of Iran, Poland and Saudi-Arabia. In consequence, the weight of the US dollar in the index has, at times, been raised by as much as three per cent.

The weights were determined as the arithmetic means of the shares for the base year 1974 and the last four full quarters. The formula selected for calculating the currency index was the arithmetic mean of Laspeyres' and Palgrave's index formulas. The ratio between the current exchange rate and the base period rate was calculated for each currency included in the index and these ratios were then weighted together by the respective countries' shares in Finland's foreign trade.

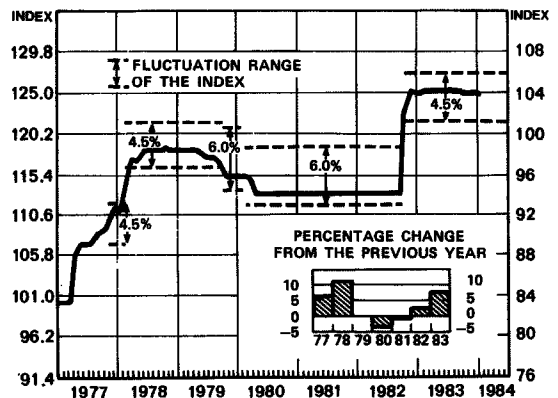
The Council of State also fixed the fluctuation limits of the currency index. The permissible range of fluctuation was set at 2.25 per cent on either side of the theoretical arithmetic mean, the same as was applied between the markka and the US dollar under the central rate system. This range of fluctuation was felt to offer the Bank of Finland sufficient leeway for the day-to-day conduct of its exchange rate policy.

## EXPERIENCE OF THE CURRENCY INDEX

The international foreign exchange markets have been marked by continued instability during the six years in which the currency index has been applied in Finland. Major international foreign exchange crises have, nevertheless, been averted. On the other hand, efforts have been made to counter destabilizing swings in international exchange rates through, for example, the operation of the European Monetary System and periodic intervention in the markets by the central banks of the major industrial countries. Finland's Nordic neighbours, Sweden and Norway, have adopted currency indices which are broadly similar to that used in Finland.

Technically, the Bank of Finland currency index has operated as expected. Likewise, the decision-making procedure has functioned fairly smoothly. Since 1977, the fluctuation limits of the index have been altered four times: in connection with the devaluations in 1978 and 1982 and the revaluations in 1979-80 (see Figure 1). When the fluctuation limits of the index were changed in 1979, the range of fluctuation was also widened from 4.5 to 6 per cent. In 1982, however, the original fluctuation range of 4.5 per cent was restored.

FIGURE 1. BANK OF FINLAND CURRENCY INDEX<sup>1</sup>



<sup>1</sup> The left-hand scale depicts movements in the external value of the markka under the index in use until December 31, 1983 (1974 = 100), and the right-hand scale movements in the external value of the markka under the revised index introduced on January 1, 1984, (1982 = 100).

A question which has come to the fore from time to time regarding the theoretical properties of indices is whether foreign trade shares constitute the most suitable weights for an official currency index. Adding to the interest in this question in Finland has been the fact that the dollar's weight in a currency index based on foreign trade shares is relatively small. The weight of the dollar would be appreciably larger in an index in which the weights are based on, for example, invoicing currencies or currencies of settlement.

Although many types of currency indices have been constructed over the years, there seem to be no clear-cut and objective grounds in economic theory for favouring one particular weighting structure to the exclusion of all others. After all, the weighting structure adopted has to coincide with the objectives of economic policy. On the other hand, exchange rate policy decisions cannot be based on one index or indicator alone, since a wide range of economic policy objectives must be taken into account.

Some practical advantages attach to using foreign trade weights in a currency index. The trade weights are derived from statistics which are unambiguous, official and compiled fairly quickly. Foreign trade weights are also used by most other countries which express the external value of their currency in terms of an index. Similarly, trade-weighted indices are used by many international organizations for comparing developments in the effective exchange rates of different countries.

#### TECHNICAL PROBLEMS RELATING TO THE INDEX

Although the currency index of 1977 functioned well in general, certain problems arose in the course of time. One of these was the fact that the Soviet rouble was included in the calculation of the index. With the expansion of trade between Finland and the Soviet Union, largely as a result of the oil price shocks, the weight of the rouble in the index gradually rose to almost 25 per cent.

Since the rouble is not a convertible currency, its markka rate is determined differently from those of other currencies, which are based on quotations reflecting supply and demand in the international exchange markets. As a rule, the rouble's markka rate has been determined as a function of, on the one hand, the dollar quotation in Helsinki and, on the other hand, the rouble rate for the dollar as quoted, usually twice a month, by the State Bank of the USSR.

Hence, changes in the international value of the rouble automatically affected the markka rates for the other currencies in the index. This strengthened the fluctuations of the markka rates for convertible currencies and caused changes in Finland's competitive position in its western trade. To avoid these problems it seemed expedient to exclude the rouble from the calculation of the index.

Another problem was that the formula used for calculating the index is not classified as superlative in index theory; it gives results which have a slight upward bias in comparison to superlative indices. The differences are minimal and of no significance for exchange rate policy. Nevertheless, from the point of view of theoretical and econometric research, it is desirable that the currency index should be calculated by a formula which, as far as possible, is ideal in terms of index number theory.

In calculating the currency index, the exchange rates at the time of observation were compared with the exchange rates in the base year. The drawback of this method, which is commonly used in index calculations, is that with the passage of time it becomes increasingly difficult to compare conditions in the period of observation with those prevailing in the base year, so that ultimately the base year has to be changed.

An alternative to regularly altering the base year is to compare the exchange rates at the time of observation with some variable reference period quite close in time to the present.

It was judged that the introduction of such a system would further increase the reliability of the *currency index*.

## REMOVAL OF THE ROUBLE FROM THE INDEX

In view of the problems connected with the existing index, a decision was made to revise it.

In late 1983, Parliament passed an amendment to the Currency Act, which became effective on January 1, 1984. According to the amended Act, the external value of the Finnish markka is now expressed as a currency index number showing the average change in the exchange rates for the *convertible currencies* most important in Finland's foreign trade. By this revision, the rouble was removed from the currency index.

In practice, the removal of the rouble from the index meant that its weight was re-allocated among the 12 convertible currencies included in the index. As a result, the weights of the major currencies increased by several percentage points. The largest weights in the new index (see Table) are those of the Swedish krona (19.6 %), the Deutsche mark (18.9 %), the pound sterling (15.0 %) and the US dollar (10.6 %). All in all, the countries whose

**TABLE. WEIGHTS OF CURRENCIES IN THE CURRENCY INDEX**

Currency	Weight in the currency index	
	As at Dec. 31, 1983 %	As at Jan. 1, 1984 %
USD	8.6	10.6
GBP	13.2	15.0
SEK	15.9	19.6
NOK	3.9	5.8
DKK	3.6	5.0
DEM	13.1	18.9
NLG	3.8	5.1
BEC	2.2	2.7
CHF	1.9	2.5
FRF	4.1	6.0
ITL	2.4	3.9
JPY	2.7	4.9
SUR	24.6	—

currencies are included in the index account for 84 per cent of Finland's western trade.

The removal of the rouble from the currency index had no effect on its quotation in Finland. As before, the Bank of Finland quotes the markka rate for the rouble on a daily basis, using the rouble rate for the dollar set by the Soviet authorities as one point of reference. Quoting the rouble independently of the currency index also reflects the bilateral nature of the trade between Finland and the Soviet Union.

## REVISION OF THE FORMULA FOR CALCULATING THE CURRENCY INDEX

In connection with the confirmation of the amendment of the Currency Act, the formula for calculating the currency index was revised by a Decision of the Council of State. The old formula was replaced by one of the superlative index formulas, Törnqvist's index formula (see appendix). It uses the geometric mean for weighting the changes in exchange rates, as compared with the arithmetic mean in the previous formula.

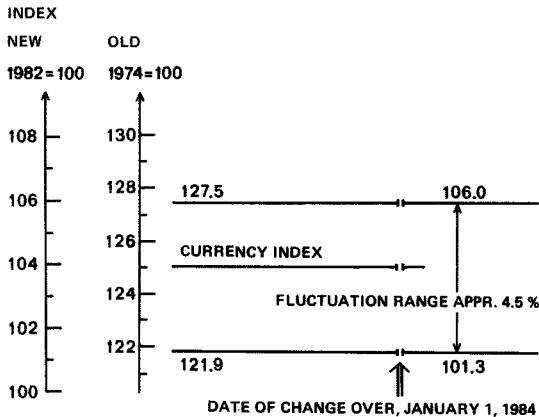
In the same context, it was also decided to adopt a moving reference year instead of the fixed base period used in the old index. Thus, the base year 1982 in the new index, for which the index number is set at 100, merely acts as a benchmark for the index number.

## IMPLEMENTATION OF THE INDEX REFORM

The removal of the Soviet rouble from the currency index and the revision of the formula for calculating the index as from beginning of 1984 did not, as such, cause any changes in the markka rates of the currencies. The index number 125, which expressed the external value of the markka at the end of December 1983 under the old index, is equivalent to 104 in the new index (see Figure 2).

In its Decision, the Council of State confirmed the permissible range of fluctuation for the

**FIGURE 2. THE BANK OF FINLAND'S OLD AND NEW CURRENCY INDICES**



new currency index. The fluctuation limits of the old index, 127.5 and 121.9, correspond to 106.0 and 101.3 in the new index, the fluctuation range being unchanged at 4.5 per cent.

In conjunction with the introduction of the revised currency index, it was decided to publish the index number daily instead of as a monthly average as before. The object of this change was to increase the information made available to the public and thus facilitate the possibilities of following developments in the external value of the markka.

**APPENDIX**

**METHOD OF CALCULATING THE CURRENCY INDEX**

The currency index number at the time of calculation is calculated by multiplying the index number for the reference year by the average change in exchange rates.

$$I_p = E_p^k \times I_k, \text{ where}$$

$I_p$  = the index number at the time of calculation  $p$

$E_p^k$  = the average change in exchange rates at the time of calculation  $p$  in relation to the reference year  $k$

$I_k$  = the index number for the reference year

The following formula is used for calculating the average change in exchange rates:

$$E_p^k = \exp \left[ \sum_i (A_o^i + A_i^i) \log(R_p^i / R_o^i) \right], \text{ where}$$

$R_p^i$  = the selling rate for the currency of country  $i$  quoted by the Bank of Finland at the time of calculation  $p$

$R_o^i$  = the average selling rate for the currency of country  $i$  quoted by the Bank of Finland in the reference year

$$A_o^i = \frac{1}{2} \left[ \frac{X_o^i}{\sum_i X_o^i} + \frac{M_o^i}{\sum_i M_o^i} \right], \text{ where}$$

$X_o^i$  = the markka value of exports (fob) to country  $i$  in the reference year according to country of destination

$M_o^i$  = the markka value of imports (cif) from country  $i$  in the reference year according to country of origin

$$A_i^i = \frac{1}{2} \left[ \frac{X_t^i + X_{t-1}^i + X_{t-2}^i + X_{t-3}^i}{\sum_i (X_t^i + X_{t-1}^i + X_{t-2}^i + X_{t-3}^i)} + \frac{M_t^i + M_{t-1}^i + M_{t-2}^i + M_{t-3}^i}{\sum_i (M_t^i + M_{t-1}^i + M_{t-2}^i + M_{t-3}^i)} \right]$$

where

$X_t^i, X_{t-1}^i, X_{t-2}^i, X_{t-3}^i$  = Finland's exports to country  $i$  in quarter  $t$  and the preceding three quarters. Sub-index  $t$  denotes the last quarter for which data on export values are available in the Monthly Review of Finland's Foreign Trade.

$M_t^i, M_{t-1}^i, M_{t-2}^i, M_{t-3}^i$  = Finland's imports from country  $i$  in quarter  $t$  and the preceding three quarters.

The index number for the reference year is calculated on the basis of the ratios between the average rates of exchange in the reference year and in the preceding year. The weighted geometric mean is calculated on the basis of these ratios. The weights are calculated as the arithmetic means of the foreign trade shares for the reference year and the preceding year. The index number for the reference year is the product of the mean of the ratios between the average rates of exchange and the index number for the preceding year calculated by the same method.



# MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM JANUARY 1, 1983 TO JANUARY 1, 1984

## January

*Call money market.* The Bank of Finland abolishes the system of interest rate equalization on January 1. In the same context, the call money rate is lowered from 11.5 to 11.0 per cent.

*Termination of the clearing agreement between Finland and the People's Republic of China.* As from January 1, convertible currencies are used instead of clearing marks in trade payments between the two countries.

## February

*Call money market.* The Bank of Finland lowers the commercial banks' call money tranche at call rate from a total of 1 600 million marks to 800 million marks on February 1. In addition, the 4 per cent supplementary charge is lowered to 2 per cent.

As from the same date, the Bank of Finland raises the call money rate from 11.0 to 12.0 per cent.

*Cash reserve requirement.* At the end of February, the Bank of Finland raises the reserve requirement from 3.3 to 3.7 per cent.

## March

*Call money market.* The Bank of Finland raises the call money rate from 12.0 to 13.0 per cent on March 1.

*Cash reserve requirement.* At the end of March, the Bank of Finland raises the reserve requirement from 3.7 to 4.1 per cent.

## April

*Financing of saw mill investment.* On April 6, the Bank of Finland decides that it will not, for the time being, participate in the financing of saw mill investment by granting domestic suppliers' credits for this purpose, nor grant permits for raising loans abroad for the financing of such investment.

*Cash reserve requirement.* At the end of April, the Bank of Finland raises the reserve requirement from 4.1 to 4.7 per cent.

## May

*Regulation of average lending rates.* As from May 1, the banks are permitted by the Bank of Finland to pass on in their lending rates part of the cost of their borrowing on the unregulated money market. The proportion to be passed on is a maximum of 40 per cent of interest expenses on specified funding at rates above the 1984 ceiling on the average lending rate.

In the same context, the maximum lending rate is raised from 12.5 to 13.0 per cent and the recommendations on lending rate differentiation are cancelled.

*Call money market.* On May 1, the Bank of Finland abolishes the system of supplementary charges on call money overdrafts and raises the call money rate from 13 to 15 per cent.

*Arrangement for financing domestic suppliers' credits.* On May 11, the Bank of Finland lowers its share of domestic suppliers' credits from 50 to 40 per cent.

*Forward exchange market.* On May 27, the Bank of Finland ceases quoting forward rates for roubles and participating in forward deals conducted in roubles.

## July

*Interest rate policy.* On July 1, the Bank of Finland raises the base rate from 8.5 to 9.5 per cent, whereby the banks' lending and deposit rates also rise by an average of one percentage point. In addition, the upper limit on lending rates is raised from 13 to 14 per cent.

*Financial futures agreements.* As from July 1, the Finnish banks are permitted by the Bank of Finland to participate in financial futures markets either on their own or their customers' behalf.

## September

*Credits for the financing of imports.* As from September 1, the Bank of Finland extends the maximum period of import credits granted by the authorized banks from 3 to 6 months on certain conditions.

*Changes in the payments agreement between Finland and the German Democratic Republic.* An agreement between the two countries, involving a changeover to the use of Finnish marks as the clearing currency instead of US dollars, enters into force on September 1. On the same date, the credit limit on the clearing account is raised to 70 million marks.

*Call money market.* The Bank of Finland raises the call money rate from 15.0 to 18.0 per cent on September 15 and lowers it to 17.5 per cent on September 23.

## October

*Regulation of average lending rates.* On October 1, the Bank of Finland raises the proportion of the cost of borrowing on the unregulated money market which the banks may pass on in their lending rates from 40 to 50 per cent.

*Call money market.* The Bank of Finland lowers the call money rate from 17.5 to 17.1 per cent on October 6, to 17.0 per cent on October 12 and to 16.7 per cent on October 17.

## November

*Government deposit account/certificates of deposit.* On the proposal of the Board of Management, the Bank Supervisors of Parliament decide that the Bank of Finland may pay interest on a deposit account opened by the government up to a rate which is half a percentage point below the base rate. The deposit account replaces the earlier transactions with the government in certificates of deposits, the interest payment permit for which is to terminate at the end of 1983.

## 1984

### January

*Quotas at base rate.* The commercial banks' central bank quotas at base rate are abolished as from January 1.

*Call money market.* Foreign-owned banks are extended the same rights as the domestic banks to participate in the call money market as from January 1. At the same time, an upper limit is imposed on call money deposits of 20 per cent of each bank's balance sheet total.

The Bank of Finland raises the call money rate from 16.7 to 17.5 per cent on January 1.

*Regulation of average lending rates.* On January 1, the Bank of Finland raises the proportion of the banks' funding costs in the unregulated money market which they may pass on in their lending rates from 50 to 60 per cent. In the same context, the 14 per cent upper limit on the banks' lending rates is abolished for credit extended to corporations in the form of cheque account overdrafts and bills.

*Currency index.* As from January 1, only the convertible currencies most important for Finland's foreign trade are taken into account when calculating the currency index number expressing the external value of the markka.

*Revised Nordic agreement on short-term foreign exchange support.* According to the revised swap agreement entering into force on January 1, the central banks of Denmark, Finland, Norway and Sweden are each entitled to receive credit up to a maximum of SDR 150 million. In addition, each bank is required to extend credit up to a maximum of SDR 100 million. In the case of the central bank of Iceland, the right to credit is SDR 30 million and the lending requirement SDR 20 million.

*Liberalization of Foreign Exchange Regulations.* The provision prohibiting the export and import of 500 markka banknotes is cancelled on January 1.

As from the same date, most of the upper limits on the markka amounts specified in the Foreign Exchange Regulations are raised by slightly more than an adjustment for inflation requires. For example, the maximum value of the means of payment that may be freely exported from the country is raised from FIM 5 000 to FIM 10 000 per person per journey.

**Revised Nordic agreement on short-term foreign exchange support.** The Nordic central banks have decided to raise the credit limits in the Nordic agreement on short-term foreign exchange support. According to the revised swap agreement which entered into force at the beginning of 1984, the central banks of Denmark, Finland, Norway and Sweden are each entitled to receive credit up to a maximum of SDR 150 million (approx. FIM 920 million). In addition, each bank is required to extend credit up to a maximum of SDR 100 million (approx. FIM 610 million). In the case of the central bank of Iceland, the right to credit is SDR 30 million (approx. FIM 180 million) and the lending requirement SDR 20 million (approx. FIM 120 million).

As before, a central bank may have access to credit under the agreement only when the country's foreign exchange reserves have been used to a reasonable extent. The credit transactions are effected in a foreign currency accepted by both parties. The loan period is generally not more than six months.

The agreement made in 1962 was subsequently revised in 1967 and 1976. The present

amendment represents a substantial increase in the credit amounts. Under the 1976 agreement, both the right to credit and the lending requirement amounted to SDR 60 million (approx. FIM 365 million) for Denmark, Finland, Norway and Sweden and to SDR 10 million (approx. FIM 60 million) for Iceland.

**The Bank of Finland to cease manufacturing the five mark note.** The Bank of Finland will continue issuing five mark notes as usual until April 30, 1984. After that date mainly five mark coins will be put into circulation. The five mark notes will be withdrawn from circulation as they are returned to the Bank. The note will, however, remain legal tender.

The changeover to coins is justified among other things by the increased demand for coins of higher denomination than one mark for use in public telephones, stamp vending machines and parking meters.

The five mark coin was first issued in 1972 and was redesigned in 1979 to facilitate identification.



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# BANK OF FINLAND

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## Board of Management

Rolf Kullberg

*Chairman*

Pentti Uusivirta

Ele Alenius

Harri Holkeri

Seppo Lindblom

*Absent as Minister  
of Trade and Industry*

Esko Ollila

Markku Puntila

*Acting Member of the Board*

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## Directors

Markku Puntila

Eino Helenius

Pentti Koivikko

Sirkka Hämäläinen

Matti Vanhala

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## Senior officials

Timo Männistö

*Internal Audit*

Ralf Pauli

*Monetary Policy*

Raimo Hyvärinen

*Domestic Financing*

Stig G. Björklund

*Payments*

H.T. Hämäläinen

*Administration*

U. Levo

*International Legal Affairs*

Ossi Leppänen

*Accounting*

Anton Mäkelä

*Personnel*

Reijo Mäkinen

*Cash*

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*Research Dept.*

Johnny Åkerholm

*Exchange Policy*

Kari Pekonen

*Foreign Exchange*

Kari Holopainen

*Bilateral Trade*

Pekka Tukiainen

*Foreign Financing*

J. Ojala

*Exchange Control*

Seppo Kostiainen

*Deputy, Economics Dept.*

Markku Pietinen

*Information*

Erkki Vehkamäki

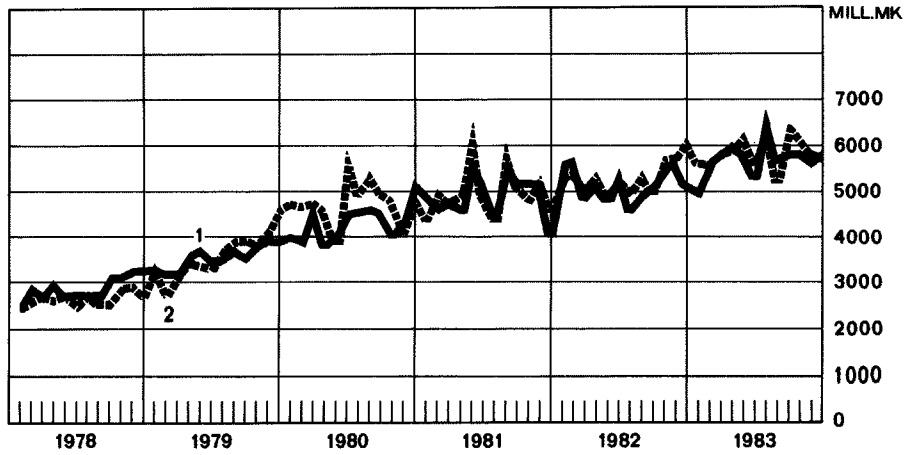
*Data Processing*

### FOREIGN TRADE, 1978-83

1. Exports f.o.b.

2. Imports c.i.f.

Seasonally adjusted monthly figures



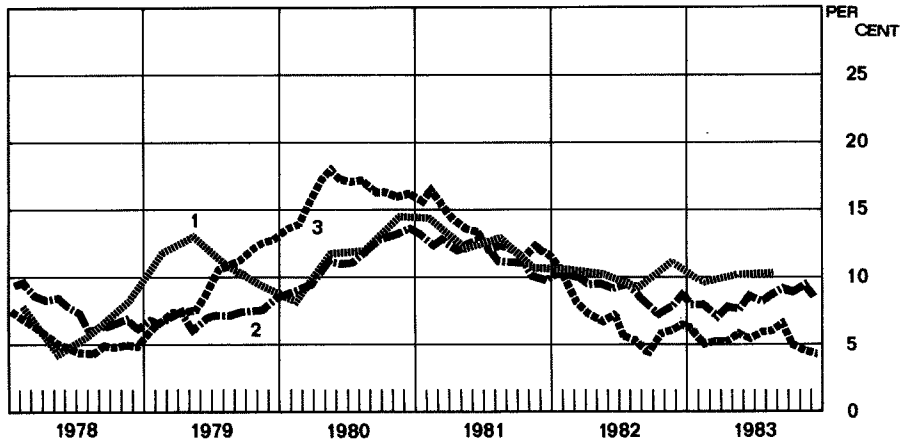
### PRICES AND WAGES, 1978 - 83

1. Index of wage and salary earnings 1975 = 100, quarterly figures

2. Consumer price index 1981 = 100, monthly figures

3. Basic price index for domestic supply 1980 = 100, monthly figures

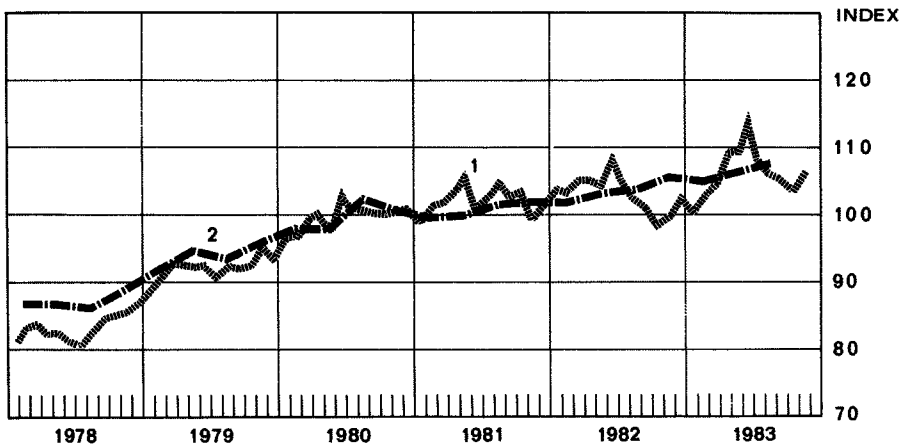
Percentage change on previous year



### PRODUCTION, 1978 - 83

1. Total index of industrial production 1980 = 100, seasonally adjusted monthly figures

2. Volume index of gross domestic product 1980 = 100, seasonally adjusted quarterly figures



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