



# BANK OF FINLAND

*Monthly Bulletin*

The long-term programme for  
co-operation between Finland and  
the U.S.S.R. until 1990

The outlook for energy demand,  
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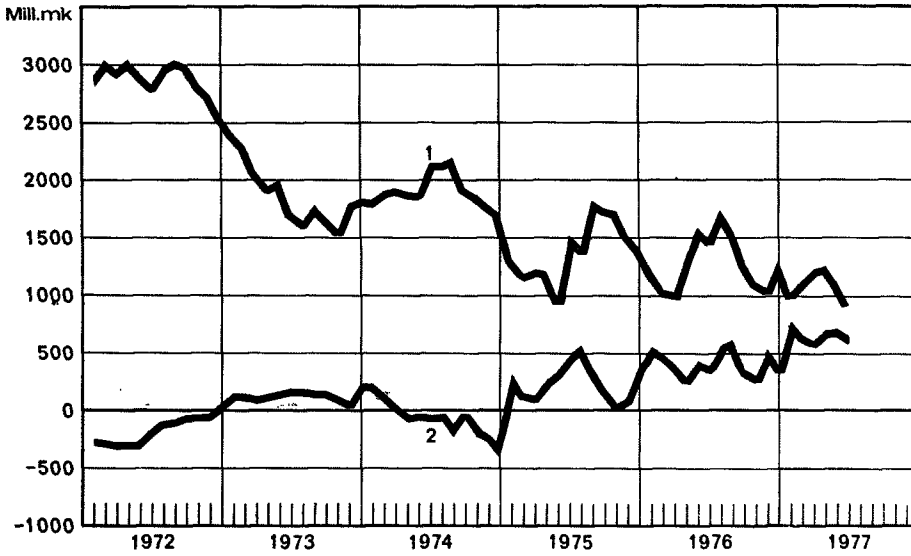
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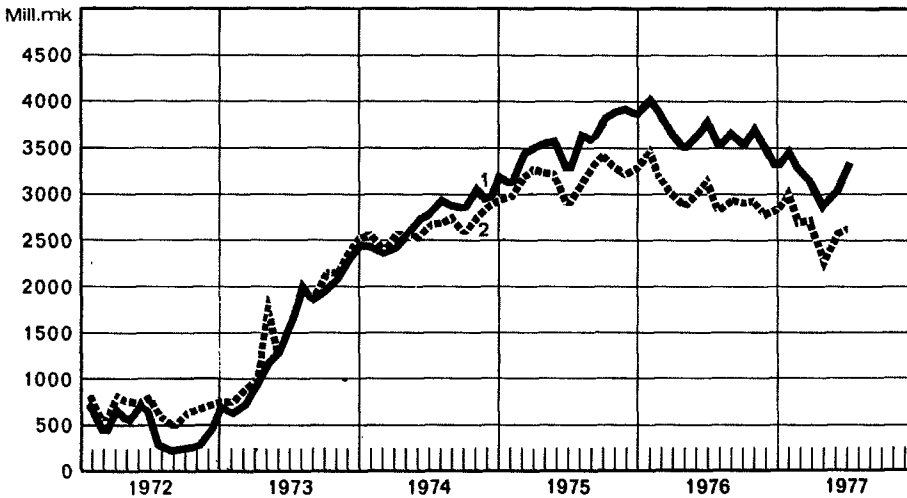
Vol. 51 No. 8

**BANK OF FINLAND'S CONVERTIBLE AND NON-CONVERTIBLE FOREIGN EXCHANGE RESERVES, 1972 - 1977**



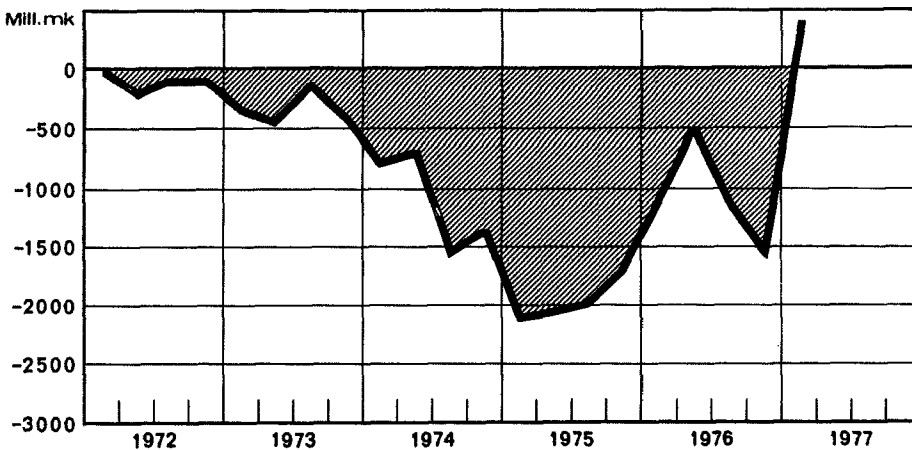
- 1. Gold and convertible currencies
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**BANK OF FINLAND'S POSITION WITH REGARD TO THE DOMESTIC FINANCIAL SECTOR, 1972 - 1977**



- 1. Net receivables from the domestic financial sector
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**BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS / DEFICIT, 1972 - 1977**



Seasonally adjusted quarterly figures

# THE LONG-TERM PROGRAMME FOR CO-OPERATION BETWEEN FINLAND AND THE U.S.S.R. UNTIL 1990

On May 18, 1977, a Long-Term Programme for the Development and Intensification of Economic, Commercial, Industrial, Scientific and Technical Co-operation until 1990 was signed in Moscow between Finland and the U.S.S.R.. Like the economic agreements previously concluded between the two countries, this programme is the first of its kind to have been concluded between a market economy and a Socialist country.

The Long-Term Programme for Co-operation constitutes a very weighty document, covering ten different fields. Co-operation between the two countries will be pursued in the following fields: development of trade; implementation of industrial and similar projects, including projects carried out on a compensatory basis; industrial co-operation and specialization; science and technology; energy supply; transport and telecommunications; environmental protection; geology; payments and credit relations and taxation; and the service sector and Customs practices. The extensive coverage of the Programme is also reflected by the fact that the negotiations preparatory to it took a total of two years.

It is typical of almost all the subjects dealt with in the agreement that co-operation has already been taking place between the two countries and that the basic agreements outlining the framework of co-operation have already been concluded. For these fields, the Long-Term Programme thus provides guide-lines for future co-operation. This Programme is particularly interesting, because not even the planned economy of the U.S.S.R. has any development programmes extending until 1990 which would provide guide-lines on foreign trade and economic co-operation with other countries as concrete as those described in certain sections of the present Programme for Co-operation between Finland and the U.S.S.R..

Essentially, however, this Programme is a basic programme primarily setting out the ways in which commercial, economic, industrial, scientific and technical co-operation should be developed between Finland and the U.S.S.R. It has also been possible to include concrete development targets in certain sections of the basic programme. The setting of such fixed targets has been possible mainly in the fields of traditional trade exchange and project co-operation, which represent the most advanced co-operation in economic relations between Finland and the U.S.S.R. so far. The Programme also includes an extensive Annex on Industrial Co-operation and Specialization in which the development fields for the engineering industry are specified.

Of all the co-operation items included in the Programme, the development of trade between Finland and the U.S.S.R. has been dealt with the most thoroughly. According to the Programme, there will not be any great changes in the commodity structure of trade. Finnish exports to the U.S.S.R. will continue to consist mainly of highly-processed industrial products, such as ships, machinery and equipment. In addition, wood and paper products, agricultural produce, chemical manufactures and consumer goods will continue to play an important role in Finnish exports. Trade between the border regions will also be developed further.

Although crude oil deliveries and imports of oil products and other energy will make up the majority of Finnish imports from the U.S.S.R. even in the future, the Programme aims substantially to increase imports of machinery and equipment, to two or even three times the present level by 1990.

The Programme states that the clearing payments system is continuing to play a positive

role in the development of commercial and economic relations between the two countries. In addition, however, it is deemed necessary to develop further mutual payments arrangements, modes of payment and credit relations, and provided that each Party is interested, to examine the possibilities of shifting over to payments in convertible currencies.

According to the Programme, the need for planning periods longer than five years in certain fields of trade exchange between Finland and the U.S.S.R. has been one of the reasons for preparing the Long-Term Programme for Co-operation. Furthermore, it has been considered necessary to link the five-year agreement periods more flexibly together and hence to draw the broad outline of the development of trade until 1990.

In addition to the general guidelines included in the Long-Term Programme, five-year Agreements on the Exchange of Goods and Payments and annual Protocols on the Exchange of Goods are still being concluded between the two countries. Moreover, the Long-Term Programme for Co-operation will be revised and supplemented when the five-year Agreement on the Exchange of Goods and Payments are being prepared. The Parties then outline the prospects for commercial, economic, industrial, scientific and technical co-operation, set targets for these and extend the programme for another five-year period. Thus the Long-Term Programme is a programme on co-operation which, in practice, is always in force for more than ten years ahead.

July 20, 1977

## BANK OF FINLAND

Mill. mk

	1976		1977			
	July 30	Dec. 31	July 8	July 15	July 22	July 29
<b>Assets</b>						
Gold and foreign exchange receivables	2 347	1 801	1 793	1 795	1 783	1 629
Gold	121	121	127	127	127	127
Special drawing rights	265	236	206	206	206	206
Convertible currencies	1 414	1 004	751	746	727	522
Tied currencies	547	440	709	716	723	774
Other foreign receivables	1 483	1 660	1 882	1 884	1 870	1 874
Foreign bills	288	436	451	453	439	443
Foreign bonds	368	397	497	497	497	497
Currency subscription to Finland's quota in the IMF	827	827	934	934	934	934
Receivables from financial institutions	4 128	4 674	4 003	4 072	4 450	4 209
Cheque accounts of the commercial banks	164	174	160	149	155	116
Discounted bills	2 775	2 920	2 650	2 499	2 639	2 773
Bonds	356	332	355	524	386	361
Call money market advances	794	1 204	810	878	1 243	914
Other financial institution receivables	39	44	28	22	27	45
Receivables from the public sector	361	447	365	363	364	364
Bonds	72	67	66	65	65	65
Total coinage	272	279	295	296	296	296
Other public sector receivables	17	101	4	2	3	3
Receivables from corporations	1 284	1 400	1 470	1 468	1 504	1 498
New export bills	143	165	191	189	192	192
Financing of suppliers' credits	484	554	675	672	672	679
Bonds	206	198	181	181	181	181
Other corporate receivables	451	483	423	426	459	446
Other assets	48	53	73	73	75	75
<b>Total</b>	<b>9 651</b>	<b>10 035</b>	<b>9 586</b>	<b>9 655</b>	<b>10 046</b>	<b>9 649</b>
<b>Liabilities</b>						
Foreign exchange liabilities	102	101	90	102	99	108
Convertible accounts	62	50	47	57	49	56
Tied accounts	40	51	43	45	50	52
Other foreign liabilities	1 923	1 923	2 030	2 030	2 030	2 030
IMF mark accounts	1 665	1 665	1 772	1 772	1 772	1 772
Allocations of special drawing rights	258	258	258	258	258	258
Notes and coins in circulation	2 895	2 885	3 177	3 152	3 142	3 157
Notes	2 652	2 635	2 917	2 892	2 880	2 895
Coins	243	250	260	260	262	262
Deposit certificates in circulation	—	—	180	180	180	180
Claims of financial institutions	796	1 143	753	879	1 238	802
Cheque account of Postipankki	0	2	1	0	0	0
Cheque accounts of the commercial banks	3	2	2	1	1	5
Call money market deposits	790	1 137	667	800	1 136	706
Other financial institution claims	3	2	83	78	101	91
Claims of the public sector	1 227	1 133	407	376	395	389
Cheque accounts	0	2	1	0	0	0
Counter-cyclical reserves	55	59	34	34	34	34
Import deposits	1 115	937	71	44	14	7
Other public sector claims	57	99	301	298	347	348
Claims of corporations	374	308	228	227	228	232
Investment deposits	63	58	48	47	47	48
Capital import deposits	302	242	171	171	170	171
Import levy deposits	2	6	9	9	11	12
Other corporate claims	7	2	0	0	0	1
Other liabilities	13	13	17	16	15	16
Equalization accounts	462	592	801	785	808	820
Capital accounts	1 859	1 937	1 903	1 908	1 911	1 915
Primary capital	1 400	1 400	1 400	1 400	1 400	1 400
Reserve fund	334	334	436	436	436	436
Undisposed profits	—	—	—	—	—	—
Net earnings	125	203	67	72	75	79
<b>Total</b>	<b>9 651</b>	<b>10 035</b>	<b>9 586</b>	<b>9 655</b>	<b>10 046</b>	<b>9 649</b>

End of year and month	Foreign sector						Public sector			Deposit certificates in circulation	
	Gold and convertible exchange receivables	Convertible exchange liabilities	Gold and convertible exchange reserve (1—2)	Non-convertible exchange reserve	Other receivables	Other liabilities	Net receivables (3+4+5—6)	Receivables	Liabilities		Net liabilities (9—8)
	1	2	3	4	5	6	7	8	9	10	11
1970	1 812	11	1 801	— 63	639	606	1 771	119	121	2	203
1971	2 620	30	2 590	—297	686	704	2 275	148	140	— 8	400
1972	2 613	43	2 570	— 6	757	788	2 533	175	49	—126	790
1973	1 928	65	1 863	210	803	788	2 088	200	534	334	1 450
1974	1 784	62	1 722	—388	1 123	788	1 669	302	560	258	1 040
1975	1 488	78	1 410	368	1 274	1 385	1 667	339	1 301	962	250
1976	1 361	50	1 311	389	1 660	1 923	1 437	447	1 133	686	—
1976											
June	1 546	48	1 498	392	1 456	1 923	1 423	350	1 320	970	—
July	1 800	62	1 738	507	1 483	1 923	1 805	361	1 227	866	—
Aug.	1 670	123	1 547	620	1 503	1 923	1 747	388	1 263	875	—
Sept.	1 414	142	1 272	355	1 533	1 923	1 237	415	1 188	773	—
Oct.	1 257	134	1 123	304	1 560	1 923	1 064	421	1 130	709	—
Nov.	1 197	123	1 074	529	1 595	1 923	1 275	432	1 215	783	—
Dec.	1 361	50	1 311	389	1 660	1 923	1 437	447	1 133	686	—
1977											
Jan.	1 074	53	1 021	768	1 636	1 923	1 502	440	979	539	—
Feb.	1 180	49	1 131	654	1 637	1 923	1 499	426	873	447	—
March	1 292	60	1 232	608	1 692	1 923	1 609	433	739	306	180
April	1 324	65	1 259	697	1 733	1 923	1 766	407	512	105	180
May	1 152	39	1 113	714	1 851	2 030	1 648	377	581	204	180
June	965	48	917	652	1 855	2 030	1 394	362	430	68	180
July	855	56	799	722	1 874	2 030	1 365	364	389	25	180

<sup>1</sup> The balance sheet of the Bank of Finland was revised in Dec. 1974. See explanations on page 18.

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1976			Net holdings, June 30, 1977			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	June	Jan.—June
Gold	121	—	121	127	—	127	—	+ 6
Special drawing rights	236	—	236	206	—	206	—	— 30
IMF gold tranche	—	—	—	—	—	—	—	—
Convertible currencies	954	—1 783	—829	584	—3 242	—2 658	— 5	—1 829
Total	1 311	—1 783	—472	917	—3 242	—2 325	— 5	—1 853
Non-convertible currencies	389	—27	362	652	— 19	633	—30	+ 271

End of year and month	Domestic financial sector						Corporate sector			Notes and coins in circulation	
	Dis-counted and redis-counted bills	Cheque account receiv-ables <sup>2</sup>	Other receiv-ables	Cheque account liabilities to the commer-cial banks <sup>3</sup>	Cheque account liabilities to Posti-pankki <sup>3</sup>	Other liabili-ties	Net receiv-ables (1+2+3-4-5-6)	Receiv-ables	Liabili-ties		Net receiv-ables (8-9)
	1	2	3	4	5	6	7	8	9	10	11
1970	836	3	—	1	4	—	834	383	324	59	1 455
1971	849	—	—	9	2	—	838	355	385	— 30	1 413
1972	753	5	—	—	2	—	756	321	73	248	1 879
1973	2 556	61	—	—	2	—	2 615	372	259	113	2 082
1974	3 034	114	266	4	4	1	3 405	631	195	436	2 462
1975	3 385	133	646	3	1	25	4 135	933	539	394	2 855
1976	2 920	174	1 580	2	2	1 139	3 531	1 400	308	1 092	2 885

1976											
June	3 358	196	1 111	1	0	685	3 979	1 215	413	802	2 969
July	2 775	164	1 189	3	0	793	3 332	1 284	374	910	2 895
Aug.	2 749	169	926	3	0	531	3 310	1 297	301	996	2 858
Sept.	3 031	185	1 153	2	0	783	3 584	1 342	189	1 153	2 840
Oct.	3 148	164	1 566	3	0	1 005	3 870	1 356	297	1 059	2 882
Nov.	3 036	178	1 401	5	1	785	3 824	1 315	352	963	2 839
Dec.	2 920	174	1 580	2	2	1 139	3 531	1 400	308	1 092	2 885

1977											
Jan.	2 729	119	2 095	2	0	1 673	3 268	1 308	244	1 064	2 758
Feb.	2 604	176	2 405	1	1	1 865	3 318	1 306	353	953	2 790
March	2 769	123	1 690	2	0	1 322	3 258	1 321	307	1 014	2 845
April.	2 460	152	1 480	3	1	1 061	3 027	1 398	272	1 126	2 924
May	2 749	110	1 193	2	0	832	3 218	1 437	263	1 174	2 932
June	2 768	128	1 305	5	0	768	3 428	1 459	230	1 229	3 154
July	2 773	116	1 320	5	0	797	3 407	1 498	232	1 266	3 157

<sup>1</sup> The balance sheet of the Bank of Finland was revised in Dec. 1974. See explanations on page 18.

<sup>2</sup> Including special index accounts.

<sup>3</sup> Including cash reserve accounts.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

July 29, 1977

New York <sup>1</sup>	1 \$	4.033	Frankfurt o. M.	100 DM	177.10	Vienna	100 S	24.93
Montreal	1 \$	3.780	Amsterdam	100 Fl	165.80	Lisbon	100 Esc	10.50
London	1 £	7.010	Brussels <sup>2</sup>	100 Fr		Madrid	100 Pta	4.77
Stockholm	100 Kr	92.70	Zurich	100 Fr	168.10	Tokyo	100 Y	1.517
Oslo	100 Kr	76.80	Paris	100 FF	83.00	Reykjavik	100 Kr	2.05
Copenhagen	100 Kr	67.60	Rome	100 Lit	0.460	Moscow <sup>3</sup>	1 Rbl	5.495

<sup>1</sup> As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.

<sup>2</sup> 11.480 commercial rate; 11.380 financial rate.

<sup>3</sup> Clearing account: also Bucharest.

# DEPOSITS BY THE PUBLIC

Mill. mk

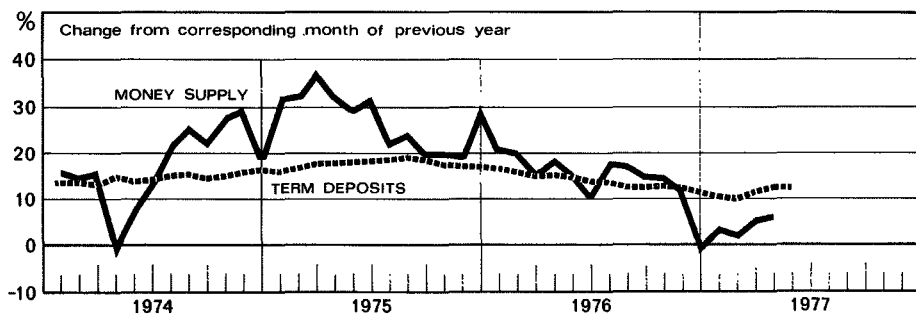
End of year and month	Sight deposits			Term deposits						Total (2 + 3 + 9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1970	1 143	1 508	603	6 099	4 847	3 458	1 288	574	16 266	18 377
1971	1 343	1 734	754	6 962	5 446	3 877	1 491	642	18 418	20 906
1972	1 851	2 371	979	8 096	6 232	4 500	1 805	720	21 353	24 703
1973	2 144	2 892	1 360	8 989	7 109	5 237	2 159	805	24 299	28 551
1974	2 551	3 478	1 638	10 213	8 288	6 308	2 641	921	28 371	33 487
1975	3 447	4 642	2 301	11 764	9 751	7 538	3 170	1 094	33 317	40 260
1976*	3 028	4 386	2 332	12 789	11 066	8 622	3 578	1 255	37 310	44 028

## 1976\*

June	3 004	4 222	1 865	11 963	10 279	7 971	3 332	1 167	34 712	40 799
July	2 985	4 176	1 951	11 966	10 389	8 064	3 390	1 184	34 993	41 120
Aug.	3 102	4 375	1 968	11 988	10 531	8 216	3 423	1 194	35 352	41 695
Sept.	2 856	4 094	1 935	11 896	10 545	8 286	3 426	1 213	35 366	41 395
Oct.	2 715	3 930	1 948	11 986	10 599	8 341	3 465	1 231	35 622	41 500
Nov.	2 933	4 170	1 913	12 031	10 769	8 477	3 480	1 248	36 005	42 088
Dec.	3 028	4 386	2 332	12 789	11 066	8 622	3 578	1 255	37 310	44 028

## 1977\*

Jan.	2 969	4 190	2 370	12 718	11 166	8 721	3 616	1 282	37 503	44 063
Feb.	2 827	4 103	2 495	12 719	11 273	8 821	3 673	1 296	37 782	44 380
March	2 911	4 265	2 346	12 783	11 362	8 885	3 737	1 307	38 074	44 685
April	2 923	4 234	2 382	12 988	11 443	9 183	3 758	1 324	38 696	45 312
May	3 163	4 536	2 221	13 108	11 597	9 081	3 787	1 331	38 904	45 661
June	3 199	4 617	2 219	13 222	11 826	9 219	3 822	1 337	39 426	46 262





ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

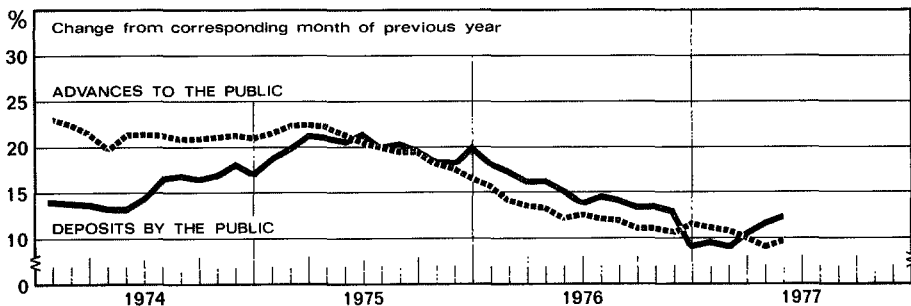
End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1970	7 963	4 342	3 404	1 342	1 454	17 815	690	18 505	3 445
1971	9 234	4 795	3 834	1 747	1 799	20 640	769	21 409	4 025
1972	10 667	5 503	4 483	2 245	2 374	24 473	799	25 272	4 959
1973	13 365	6 497	5 302	3 399	2 696	30 286	973	31 259	6 115
1974	15 869	7 716	6 456	4 617	3 264	36 782	1 140	37 922	7 283
1975	17 773	9 108	7 798	5 488	4 129	43 002	1 294	44 296	9 450
1976*	19 090	10 616	9 256	6 012	4 582	47 965	1 591	49 556	9 268

1976\*

June	18 396	9 728	8 279	5 779	4 409	45 121	1 470	46 591	8 652
July	18 212	9 831	8 376	5 844	4 479	45 365	1 377	46 742	8 665
Aug.	18 309	9 965	8 505	5 885	4 507	45 652	1 519	47 171	8 830
Sept.	18 453	10 148	8 683	5 937	4 470	46 092	1 599	47 691	8 504
Oct.	18 658	10 279	8 855	5 939	4 475	46 617	1 589	48 206	8 422
Nov.	18 791	10 418	9 000	6 046	4 494	47 168	1 581	48 749	8 565
Dec.	19 090	10 616	9 256	6 012	4 582	47 965	1 591	49 556	9 268

1977\*

Jan.	19 176	10 683	9 271	6 044	4 625	48 168	1 631	49 799	8 960
Feb.	19 204	10 762	9 276	6 071	4 619	48 281	1 651	49 932	9 001
March	19 208	10 804	9 279	6 095	4 589	48 330	1 645	49 975	9 076
April	19 296	10 888	9 296	6 078	4 642	48 624	1 576	50 200	9 177
May	19 332	11 057	9 404	6 197	4 673	49 091	1 572	50 663	..
June	19 514	11 145	9 539	6 196	4 760	..	..	51 154	..



# STATE FINANCES

Revenue	Jan.—May		Expenditure	Jan.—May	
	1976	1977		1976	1977
Income and property tax (net)	4 711	3 928	Wages, salaries, pensions etc.	2 049	2 253
Gross receipts	(9 722)	(11 208)	Repair and maintenance	241	277
Refunds & local authorities	(—5 011)	(—7 280)	Other consumption expenditure	940	1 140
Other taxes on income and property	101	111	<b>Total consumption expenditure</b>	<b>3 230</b>	<b>3 670</b>
Employers' child allowance payments	366	403	State aid to local authorities	2 376	2 840
Sales tax	2 455	2 928	State aid to industries	1 698	1 872
Revenue from Alcohol Monopoly	612	580	of which: agric. price subsidies	(944)	(1 060)
Customs duties & import charge	232	247	Child allowances	352	514
Counter-cyclical tax	—	—	Share in national pensions and health insurance	107	121
Excise duty on tobacco	284	307	Other transfer expenditure	1 394	1 669
»  »  on liquid fuel	521	674	<b>Total transfer expenditure</b>	<b>5 927</b>	<b>7 016</b>
Other excise duties	261	572	Machinery and equipment	438	496
Tax on autom. and motor cycles	295	314	House construction	199	220
Stamp duties	245	284	Land and waterway construction	643	580
Special diesel etc. vehicles tax	29	53	<b>Total real investment</b>	<b>1 280</b>	<b>1 296</b>
Other taxes and similar revenue <sup>1</sup>	283	342	Interest on State debt	97	181
<b>Total taxes</b>	<b>10 395</b>	<b>10 743</b>	Index compensations	20	17
Miscellaneous revenue	740	753	Net deficit of State enterprises	86	—30
Interest, dividends etc.	146	218	Other expenditure	15	18
Sales and depreciation of property	3	3	<b>Total other expenditure</b>	<b>218</b>	<b>186</b>
Redemptions of loans granted	163	96	Increase in inventories	—42	13
<b>Total revenue</b>	<b>11 447</b>	<b>11 813</b>	Lending	887	1 142
Foreign borrowing	167	—	Other financial investment	270	244
Domestic borrowing	383	436	<b>Total expenditure</b>	<b>11 770</b>	<b>13 567</b>
<b>Total borrowing</b>	<b>550</b>	<b>436</b>	Redemption of foreign loans	43	44
<b>Deficit (+) or surplus (—)</b>	<b>(—5)</b>	<b>(+1 579)</b>	Redemption of domestic loans	179	217
			<b>Total redemptions</b>	<b>222</b>	<b>261</b>
			<b>Total</b>	<b>11 992</b>	<b>13 828</b>

<sup>1</sup> Including supplementary turnover tax and import-equalization tax from June 1971.

State debt	1975	1976	1977		
	Dec.	Dec.	March	April	May
<b>Foreign debt</b>	1 603	2 248	2 229	2 377	2 384
Loans	1 645	2 175	2 289	2 314	2 371
Compensatory obligations	1	1	1	1	1
Short-term credit	85	287	296	196	202
Cash debt (net)	—242	—643	—351	—303	37
<b>Domestic debt</b>	<b>1 489</b>	<b>1 820</b>	<b>2 235</b>	<b>2 208</b>	<b>2 611</b>
<b>Total State debt</b>	<b>3 092</b>	<b>4 068</b>	<b>4 464</b>	<b>4 585</b>	<b>4 995</b>
Total debt, mill \$	798	1 069	1 171	1 136	1 223

# FOREIGN TRADE

Mill. mk

Value mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1971	9 897	11 734	-1 837
1972	12 082	13 107	-1 025
1973	14 605	16 599	-1 994
1974	20 687	25 666	-4 979
1975	20 247	28 002	-7 755
1976	24 505	28 555	-4 050

1976			
March	1 967	2 246	- 279
April	1 452	1 851	- 399
May	2 212	1 956	+ 256
June	2 232	2 441	- 209
July	2 256	2 543	- 287
Aug.	1 758	2 357	- 599
Sept.	2 119	2 632	- 513
Oct.	2 395	2 361	+ 34
Nov.	2 463	2 783	- 320
Dec.	2 610	3 305	- 695

1977*			
Jan.	2 469	2 389	+ 80
Feb.	1 917	1 992	-75
March	2 621	2 403	+ 218
April	2 085	2 170	- 85
May	2 233	2 422	- 189

Jan.-May			
1976	8 672	10 133	-1 461
1977*	11 325	11 376	- 51

Indices of exports and  
imports 1969 = 100

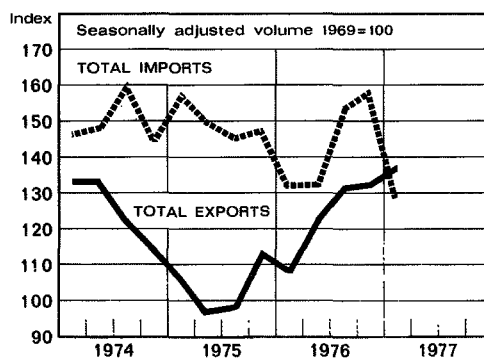
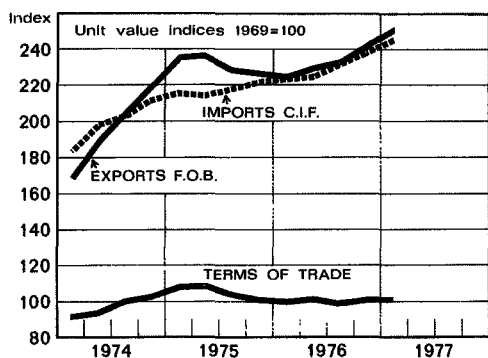
Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
1972	118	124	123	125	98
1973	127	141	138	139	99
1974	126	151	196	200	98
1975	105	151	232	218	106
1976	126	148	234	228	103

1974					
July-Sept.	119	158	206	204	101
Oct.-Dec.	125	152	221	213	104

1975					
Jan.-Mar.	104	160	237	217	109
Apr.-June	95	146	238	216	110
July-Sept.	94	143	230	220	105
Oct.-Dec.	124	153	228	223	102

1976					
Jan.-Mar.	106	134	226	224	101
Apr.-June	122	130	231	226	102
July-Sept.	125	152	234	232	101
Oct.-Dec.	147	165	244	241	101

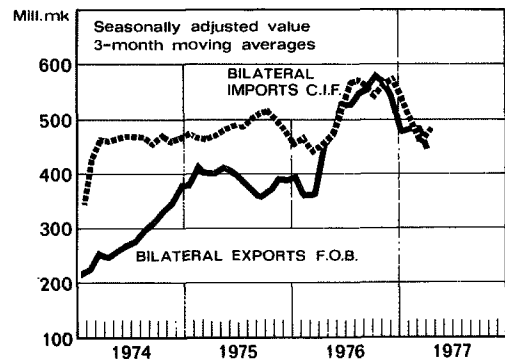
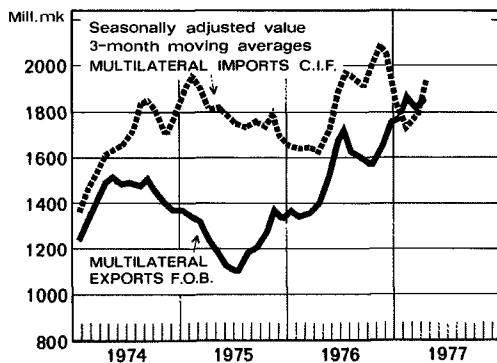
1977*					
Jan.-Mar.	133	129	253	247	102



# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agricultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1971	313	1 643	3 797	1 764	2 380	7 037	570	2 333	1 746	48
1972	346	1 809	4 376	2 547	3 004	7 842	609	2 354	2 250	52
1973	432	2 458	5 266	2 921	3 528	9 916	729	2 919	2 968	67
1974	464	3 153	7 872	4 245	4 953	16 525	1 978	3 857	3 282	24
1975	449	2 177	7 225	5 357	5 039	17 058	1 670	5 222	3 989	63
1976	804	2 892	7 860	6 891	6 058	17 828	1 581	4 966	4 103	77
1976										
March	125	214	780	338	510	1 339	91	458	353	5
April	19	140	397	475	421	1 034	66	433	318	0
May	78	158	601	837	538	1 236	106	291	316	7
June	38	302	804	529	559	1 604	100	390	347	0
July	29	320	693	739	475	1 725	164	342	307	5
Aug.	42	257	645	324	490	1 483	163	381	308	22
Sept.	47	276	665	554	577	1 564	166	515	386	1
Oct.	71	255	741	749	579	1 448	177	380	346	10
Nov.	66	273	724	826	574	1 849	157	371	397	9
Dec.	161	311	741	797	600	2 145	144	583	422	11
1977*										
Jan.	204	286	655	748	576	1 384	144	546	308	7
Feb.	45	232	625	476	539	1 297	102	271	320	2
March	181	261	802	692	685	1 487	85	381	448	2
April	54	246	630	600	555	1 278	107	373	405	7
May	106	350	681	435	661	1 452	148	370	441	11
Jan.-May										
1976	350	898	2 847	2 373	2 204	6 010	510	2 004	1 590	19
1977*	590	1 375	3 393	2 951	3 016	6 898	586	1 949	1 922	29



## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—May				January—May			
	1976*		1977*		1976*		1977*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	65.0	5 632	68.0	7 699	68.1	6 897	68.7	7 816
Austria	0.7	57	0.8	88	1.5	155	1.4	164
Belgium-Luxembourg	1.5	128	1.8	201	1.9	191	2.0	223
Denmark	3.8	326	3.9	437	3.1	313	3.2	360
France	3.8	327	3.6	410	2.9	292	3.1	356
Federal Republic of Germany	9.7	841	11.5	1 306	16.5	1 672	16.6	1 889
Italy	1.7	148	1.3	149	2.2	221	2.1	238
Netherlands	2.9	254	3.7	421	3.0	308	3.5	397
Norway	4.0	344	4.6	516	3.7	371	3.0	341
Portugal	0.4	37	0.2	26	0.3	33	0.4	48
Spain	0.9	81	0.9	106	1.1	113	1.6	184
Sweden	18.5	1 605	18.4	2 082	19.7	1 992	18.2	2 066
Switzerland	1.8	160	2.1	238	3.5	359	3.6	414
United Kingdom	14.2	1 227	12.9	1 463	8.4	848	9.6	1 095
Other	1.1	97	2.3	256	0.3	29	0.4	41
<b>OECD countries outside Europe</b>	4.9	428	6.4	725	7.2	736	6.5	747
Canada	0.7	59	0.7	79	0.4	39	0.3	39
Japan	0.7	64	0.7	72	1.6	165	2.2	248
United States	2.9	250	4.3	492	5.2	530	4.0	457
Other	0.6	55	0.7	82	0.0	2	0.0	3
<b>CMEA countries</b>	22.2	1 929	18.2	2 065	20.7	2 095	20.1	2 282
Czechoslovakia	0.6	50	0.5	54	0.6	56	0.5	54
Democratic Republic of Germany	0.6	55	1.1	130	0.4	44	0.6	67
Poland	1.2	108	0.8	87	1.4	140	1.7	194
Soviet Union	19.0	1 651	15.0	1 697	17.4	1 769	16.7	1 899
Other	0.8	65	0.8	97	0.9	86	0.6	68
<b>Latin America</b>	2.1	180	1.5	173	1.8	181	2.4	270
Argentina	0.3	27	0.2	23	0.1	8	0.1	7
Brazil	0.5	43	0.5	57	0.6	65	0.3	31
Colombia	0.1	6	0.1	8	0.6	59	1.2	136
Other	1.2	104	0.7	85	0.5	49	0.8	96
<b>Other</b>	5.8	503	5.9	663	2.2	224	2.3	261
<b>GRAND TOTAL</b>	100.0	8 672	100.0	11 325	100.0	10 133	100.0	11 376
of which								
<b>EFTA countries</b>	25.5	2 212	26.2	2 965	28.8	2 922	26.8	3 052
<b>EEC countries</b>	38.0	3 295	39.3	4 452	37.8	3 833	40.1	4 572
<b>OECD countries</b>	69.9	6 060	74.4	8 424	75.3	7 633	75.2	8 563

# BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport. net	Travel net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1974 r	20 605	25 598	-4 993	+1 075	+326	+105	-3 487	-1 006	-69	-4 562
1975	20 181	27 939	-7 758	+ 984	+105	+217	-6 452	-1 414	-108	-7 974
1976	24 372	28 472	-4 100	+1 193	+ 22	+245	-2 640	-1 749	-118	-4 507

1974

July-Sept.	5 104	6 838	-1 734	+251	+243	-36	-1 276	-243	- 4	-1 523
Oct.-Dec.	5 753	6 879	-1 126	+204	- 1	+89	- 834	-291	-29	-1 154

1975

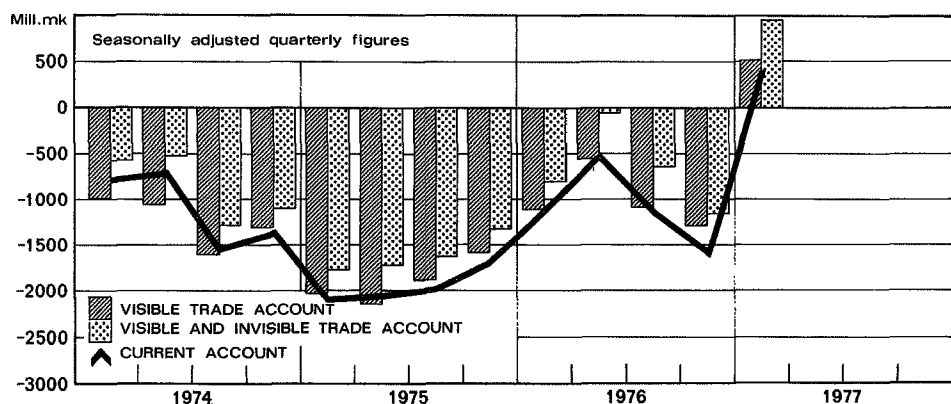
Jan.-March	5 143	7 368	-2 225	+292	- 43	- 44	-2 020	-316	-57	-2 393
Apr.-June	4 695	6 688	-1 993	+221	+ 13	- 2	-1 761	-379	-15	-2 155
July-Sept.	4 482	6 649	-2 167	+237	+142	+ 57	-1 731	-308	- 6	-2 045
Oct.-Dec.	5 861	7 234	-1 373	+234	- 7	+206	- 940	-411	-30	-1 381

1976

Jan.-March	4 987	6 307	-1 320	+252	- 50	+ 65	+1 053	-347	-35	-1 435
Apr.-June	5 864	6 224	- 360	+252	+ 49	+ 26	- 33	-485	-26	- 544
July-Sept.	6 098	7 515	-1 417	+365	+ 62	+110	- 880	-434	-17	-1 331
Oct.-Dec.	7 423	8 426	-1 003	+324	- 39	+ 44	- 674	-483	-40	-1 197

1977\*

Jan.-March	6 982	6 737	+ 245	+348	- 83	+ 73	+ 583	-509	-46	+ 28
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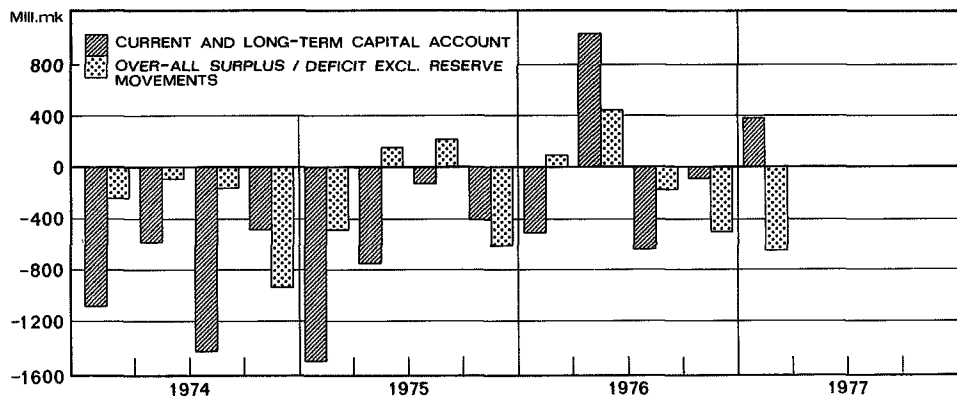


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and prepayments, net	Short-term export credits and prepayments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+2 730	-1 537	-223	- 23	+ 947	-3 615	+930	+337	+ 873	-1 475	+739	+ 736
+6 729	-1 445	-214	+ 62	+5 132	-2 842	+638	+1 449	+ 8	- 747	-444	+1 191
+6 130	-1 785	-191	+ 48	+4 202	- 305	+138	-1 288	+1 327	- 128	+ 78	+ 50
+549	-379	- 61	-25	+ 84	-1 439	+502	+312	+462	-163	+202	- 39
+942	-274	- 24	+15	+659	- 495	-209	-157	- 86	-947	+498	+449
+1 206	-310	- 24	+11	+ 883	-1 510	+310	+758	- 35	-477	- 32	+509
+1 870	-433	- 48	+ 9	+1 398	-757	-140	+758	+296	+157	-668	+511
+2 121	-287	- 3	+57	+1 888	-157	+131	- 34	+265	+205	+ 91	-296
+1 532	-415	-139	-15	+ 963	-418	+337	- 33	-518	-632	+165	+467
+1 404	-374	+ 5	+11	+1 046	- 389	-628	+119	+996	+ 98	+373	-471
+2 096	-394	- 95	- 7	+1 600	+1 056	-158	+120	-560	+458	-485	+ 27
+1 239	-568	- 11	-25	+ 635	- 696	+565	-764	+722	-173	+263	- 90
+1 391	-449	- 90	+69	+ 921	- 276	+359	-763	+169	-511	- 73	+584
+1 022	-550	-115	- 5	+ 352	+ 380	-829	-291	+100	-640	-140	+780

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

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

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



# PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1973 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes-tic goods	Im-ported goods	Pro-ducer goods	Machinery & transport equipm.	Con-sumer goods	Raw materials and com-modities	Simply pro-cessed goods	More elab-orately processed goods			
1975	562	575	513	570	637	532	629	536	539	139	131	142
1976	626	646	548	614	707	621	679	594	614	152	142	154
1976												
Sept.	648	670	565	640	721	640	700	623	633	157	146	160
Oct.	650	671	567	642	726	640	699	624	637	158	146	161
Nov.	656	678	570	646	727	651	706	627	645	159	146	163
Dec.	659	681	573	647	738	654	710	627	649	160	146	164
1977												
Jan.	669	692	584	653	770	665	710	629	672	165	149	169
Feb.	676	698	588	658	781	672	718	635	677	166	149	171
March.	682	706	591	660	777	687	727	645	680	167	149	172
April	686	708	601	665	790	688	730	646	686	168	149	173
May	688	709	607	666	795	690	727	648	691	169	150	174
June	692	714	610	667	802	698	725	659	694	172	158	176

Period	Consumer prices 1972 = 100											
	Cost of living Oct. 1951 = 100	Con-sumer prices Oct.—Dec. 1957 = 100	Total	Food	Bever-ages and tobacco	Clothing and foot-wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1975	392	308	153	157	135	150	162	184	150	145	144	156
1976	449	352	174	182	164	166	171	200	164	174	162	185
1976												
Sept.	460	361	179	193	169	168	171	202	166	177	162	190
Oct.	465	365	181	192	168	173	174	208	167	178	167	194
Nov.	468	367	182	194	168	173	174	209	170	180	169	194
Dec.	469	368	182	195	168	173	174	209	170	181	171	195
1977												
Jan.	476	374	185	196	174	173	174	210	174	185	179	198
Feb.	482	378	187	200	174	176	175	210	176	187	180	201
March.	489	384	190	207	174	179	175	214	177	190	182	202
April	493	387	192	209	174	180	175	215	179	193	183	203
May	500	392	194	212	174	182	181	218	180	196	184	205
June	506	397	197	219	174	182	181	222	181	197	184	209



# WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agriculture	Industry	Construction							
1975	508	383	389	313	312	307	362	300	384	347
1976*	597	441	427	360	361	353	417	346	441	399
1975										
July-Sept.	514	390	395	319	322	311	374	308	396	358
Oct.-Dec.	559	399	405	335	334	332	380	318	404	366
1976*										
Jan.-March	584	416	411	351	349	347	396	337	417	382
Apr.-June	591	448	427	362	364	355	422	348	448	404
July-Sept.	600	447	434	362	365	355	425	349	451	406
Oct.-Dec.	608	453	437	363	365	356	427	351	453	408
1977*										
Jan.-March	626	456	441	370	376	364	431	356	459	414

# PRODUCTION

Volume indices of production 1964 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1974	160	197	90	96	168	103	163	179	158	159	165
1975*	160	189	99	83	170	105	158	188	166	168	169
1976*	162	194	107	79	148	103	160	188	173	174	173
1975*											
July-Sept.	157	164	180	48	178	103	155	184	166	168	170
Oct.-Dec.	162	200	81	64	180	103	158	198	170	170	171
1976*											
Jan.-March	155	198	63	84	115	103	147	182	171	172	171
Apr.-June	162	193	104	91	148	106	158	185	172	173	172
July-Sept.	161	170	185	55	160	101	163	185	173	175	172
Oct.-Dec.	170	216	75	86	167	103	171	201	177	177	176
1977*											
Jan.-March	160	202	61	108	117	101	156	180	179	176	174

# PRODUCTION

Index of industrial production 1970 = 100

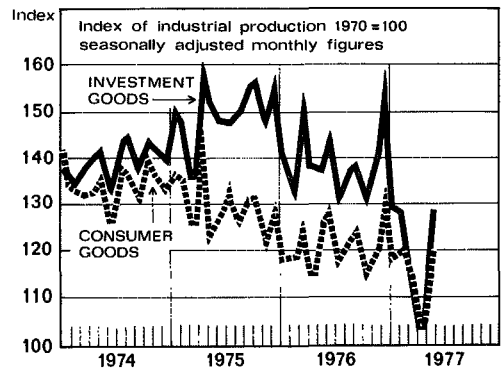
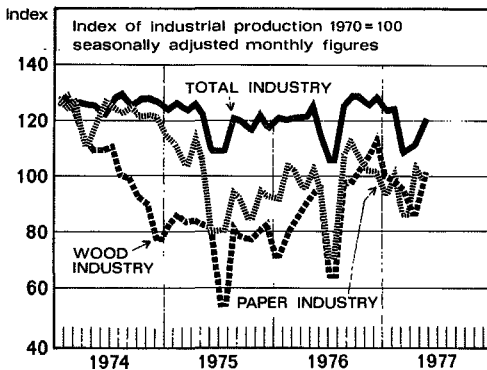
Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1974	127	141	122	135	112	107	124	154	136	141	127
1975*	121	151	111	132	112	81	99	136	123	145	120
1976*	124	144	121	123	118	94	102	120	114	142	123

1976\*

March	138	168	135	135	107	104	115	134	115	165	120
April	123	155	119	119	103	107	84	133	99	150	123
May	133	152	130	132	128	115	115	130	120	150	126
June	118	150	110	127	132	103	74	91	120	147	121
July	68	57	68	74	114	37	71	74	61	56	100
Aug.	123	133	120	126	124	85	113	116	118	133	123
Sept.	135	151	133	135	129	101	116	136	139	155	131
Oct.	136	151	135	132	126	102	121	119	133	153	128
Nov.	137	160	135	133	129	117	109	106	133	159	126
Dec.	132	152	130	130	112	104	97	143	120	154	129

1977\*

Jan.	129	144	129	120	104	97	98	150	124	146	125
Feb.	125	138	126	119	98	101	102	136	108	143	125
March	124	127	125	120	108	116	96	123	110	138	110
April	114	118	114	110	105	106	92	114	93	126	112
May	129	143	128	126	122	131	104	111	123	148	121



# LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

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	Retailers' sales volume index 1972 = 100	Wholesalers' volume index 1972 = 100
1974	3 483	2 268	2 229	39	1.7	34 457	114	114
1975	3 513	2 272	2 221	51	2.2	29 133	118	119
1976*	3 530	2 244	2 158	86	3.8	27 305	110	120
1976*								
May	3 531	2 224	2 151	73	3.3	2 735	111	116
June	3 533	2 396	2 320	76	3.2	1 821	114	124
July <sup>1</sup>	3 532	2 416	2 317	99	4.1	1 047	114	106
Aug.	3 531	2 352	2 253	99	4.2	1 155	106	121
Sept.	3 533	2 215	2 144	71	3.2	1 839	109	133
Oct.	3 532	2 183	2 111	72	3.3	2 293	111	125
Nov.	3 534	2 183	2 099	84	3.8	2 787	102	125
Dec.	3 535	2 186	2 085	101	4.6	3 126	143	147
1977*								
Jan.	3 524	2 181	2 053	128	5.9	2 455	84	91
Feb.	3 528	2 163	2 032	131	6.1	2 934	87	103
March	3 527	2 161	2 030	131	6.1	3 564	99	120
April	3 524	2 152	2 016	136	6.2	3 227	101	113
May	3 523	2 186	2 054	132	6.1	2 856	..	..

<sup>1</sup> Revised figures since July 1976.

## CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Buildings-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											
1974	53.23	22.35	3.26	21.30	3.52	46.50	21.54	2.75	17.04	3.14	52.84
1975	51.42	19.65	3.79	21.62	3.39	47.85	20.59	2.80	18.68	3.64	52.45
1976*	46.90	19.95	3.93	15.81	3.83	40.95	17.60	3.12	15.32	2.58	52.48
1976*											
Jan.-March	8.52	3.04	0.73	3.29	0.86	8.40	3.70	0.53	3.53	0.34	48.82
Apr.-June	14.00	7.39	1.80	2.81	0.55	9.59	3.60	0.35	4.45	0.78	51.30
July-Sept.	12.42	5.43	0.71	4.44	0.97	8.89	3.59	0.97	2.95	0.67	54.82
Oct.-Dec.	11.96	4.09	0.69	5.12	1.45	12.85	6.16	1.15	3.94	0.80	52.48
1977*											
Jan.-March	6.73	2.92	0.66	1.91	0.83	9.08	3.50	0.45	4.33	0.54	48.54

# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

The balance sheet of the Bank of Finland was revised on Dec. 31, 1974 in connection with the revision of accounting legislation. New series have been built according to the revision. When the figures are not fully comparable to the previous ones, the series is broken by a line.

Page 4. *Foreign sector*: Gold and convertible exchange receivables = Gold + Special drawing rights + IMF gold tranche + Convertible currencies.

Gold and convertible exchange reserve = Gold and convertible exchange receivables — Liabilities in convertible currencies.

Non-convertible exchange reserve = Receivables in tied currencies — Liabilities in tied currencies.

Other receivables = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF.

Other liabilities = IMF mark accounts + Allocations of special drawing rights.

*Public sector*: Receivables = Total coinage + Other public sector receivables + Bonds.

Liabilities = Cheque accounts + Counter-cyclical reserves + Import deposits + Other public sector liabilities.

Deposit certificates are interest bearing, freely transferable, term liabilities of the Bank of Finland. Their maturities range from one week to one year.

Page 5. *Domestic financial sector*: Other receivables = Call money market advances + Bonds + Other financial institution receivables. Other liabilities = Call money market deposits + Other financial institution claims.

*Corporate sector*: Receivables = New export bills + Financing of suppliers' credits + Other corporate receivables + Bonds.

Liabilities = Investment deposits + Counter-cyclical withholdings + Capital import deposits + Import levy deposits + Other corporate claims.

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

Figures for deposits and advances are supplied by the Central Statistical Office. From the beginning of 1974 the figures include deposits by and advances to other credit institutions.

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

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

From 1974 the money supply includes estimates of Finnish notes and coins held by the savings and co-operative banks. Exact figures are not available.

## STATE FINANCES

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

## FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9). The 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. 11): imports by countries of purchase exports by countries of sale.

## BALANCE OF PAYMENTS

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

## PRICE INDICES

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

## WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office. Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: Investment goods weight 7.0, other producer goods weight 67.0 and consumer goods weight 26.0. The weights for the special manufacturing indices are food manufacturing (SIC 311-2) 9.8, manufacture of wood, and wood and cork products (SIC 311-2) 8.0, manufacture of paper and paper products (SIC 341) 15.2, manufacture of industrial chemicals (SIC 351-2) 5.2, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.6 and metal industry (SIC 37-38) 25.9.

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

Page 17. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Ministry of Labour. *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

# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. Mr. Urho Kekkonen has been President for three 6-year periods. His last term of office was extended by four years and will end on March 1, 1978.

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 1975 is as follows: Social Democrats 54, People's Democrats 40, Centre Party 40, Conservatives 35, Swedish Party 10, Liberal Party 9, Christian League 9, Finnish Farmers Party 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, and IDB 1977.

## LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) are covered by forests.

OWNERSHIP OF LAND (1970): The total land area was distributed among different classes of owners approximately as follows: private 60.7 %, State 29.4 %, joint stock companies etc. 8.0 %, municipalities and parishes 1.9 %.

## POPULATION

NUMBER OF INHABITANTS (1975): 4.7 million. Sweden 8.2, Switzerland 6.4, Denmark 5.1 and Norway 4.0 million.

DENSITY OF POPULATION (1975:.) In South Finland 46.1, in East and Central Finland 13.3, in North Finland 4.0 and in the whole country an average of 15.5 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1975): 41 % of the population inhabit the rural areas, 59 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 496 872 inhabitants. Tampere (Tammerfors) 165 928, Turku (Åbo) 163 981.

EMPLOYMENT (1975): Agriculture and forestry 15 %, industry and construction 36 %, commerce 16 %, transport and communications 7 %, services 26 %.

LANGUAGE (1974): Finnish speaking 93.3 %, Swedish speaking 6.5 %, others 0.2 %.

EDUCATION (1976): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) and 12 colleges of university standard.

CHANGE OF POPULATION (1975): births 14.1 ‰, deaths 9.4 ‰, change + 3.8 ‰, net emigration 0.9 ‰. Deaths in France 10.4 ‰ and Great Britain 11.9 ‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1976, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 6 407 (6 %), forestry and fishing 4 950 (5 %), manufacturing 31 509 (31 %),

construction 9 233 (9 %), transport and communication 10 849 (11 %), commerce, banking and insurance 13 585 (14 %), public administration 5 264 (5 %), ownership of dwellings 3 639 (4 %), services 15 581 (15 %), total 101 017. Index of real domestic product 162 (1964 = 100).

FOREST RESOURCES (1975): The growing stock comprised of 1 513 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, 656 million m<sup>3</sup> was up to the standard required for logs. 55 % of these being pine. The annual growth was 57.5 million m<sup>3</sup> and the total removal, calculated on the basis of roundwood consumption, was 40.1 million m<sup>3</sup>.

AGRICULTURE (1975): Cultivated land 2.5 million hectares. Number of holdings 248 700, of which 167 800 are of more than 5 ha. Measure of self-sufficiency in bread cereals 133 % in the crop year 1975/76.

INDUSTRY (1975): Gross value of industrial production 89 210 mill. marks, number of workers 410 181, salaried employees 132 074, motive power (1975) 6.7 mill. kW. Index of industrial production 127 for 1975 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1977): Length 5 920 km.

MERCHANT FLEET (June 30, 1977): Passenger vessels 118 (197 669 gross reg. tons), tankers 53 (1 159 495 gross reg. tons), dry cargo vessels 207 (845 343 gross reg. tons), other vessels 62 (9 863 gross reg. tons), total 440 (2 212 370 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1976): Passenger cars 1 032 900, lorries and vans 132 700, buses 8 800, others 7 100, total 1 181 500.

FINNISH AIRLINES (April 1, 1977): Finnair and Kar-Air have in use 4 DC-8, 1 DC-6-ST, 8 Super Caravelles, 9 DC-9s, 5 DC-9-51s, 2 DC-10-30 and 5 Convair Metropol-tans. Companies have scheduled traffic outside of Finland to 32 airports and to 20 domestic airports.

## FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per one SDR). On Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar was set, and since June 4, 1973 the mark has been allowed to float.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1976). There are two big and five small commercial banks with in all 856 offices, 280 savings banks 380 co-operative banks, six mortgage banks. Postipankki and five development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-nine private insurance companies also grant credits.

RATES OF INTEREST (Jan. 1, 1975). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ¼ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ % and 10 ½ %. Other credit institutions: term deposits 5 ¾ %; 6 month deposits 6 ¼ %; 12 month deposits 6 ¾ %; 24 month deposits 7 ¾ %; 36 month deposits 9 % + savings premium; 36 month deposits 8 ¼ % + tax concession and sight deposits 1 ½ %; highest lending rate 12 ½ %.

# THE OUTLOOK FOR ENERGY DEMAND, SUPPLY AND INVESTMENT IN FINLAND UP TO 1985<sup>1</sup>

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The sharp rise in the price of energy and worldwide concern about the supply of energy are reflected in the goals of Finland's energy policy. One of its principal aims is to safeguard the supply of energy in both the short and long run. With this end in mind, long-term trade agreements have been negotiated to make sure that certain energy imports will be available, and the use of competitive indigenous sources of energy is being promoted. Moreover, efforts are being made to maintain sufficient domestic capacity for energy conversion and transport, and to economize on and improve the efficiency of energy use. In this way it should be possible to reduce the burden placed on the balance of payments by energy imports and to lower the share of resources devoted to the production of energy.

The steep rise in the price of oil and of alternative sources of energy concentrated attention on the impact which the consumption and provision of energy has on the balance of payments, investment and finance. In Finland, the share of gross domestic product going to satisfy energy requirements is today roughly twice as large as it was before the energy crisis of 1973. Energy policy decisions have thus come to have a greater impact on the distribution of national economic resources at the same time as it has become increasingly difficult to determine how much energy production capacity is required to satisfy consumption requirements. The long lag between energy policy decisions and the time that it takes for energy production facilities to come on line has been lengthened by the advent of nuclear energy and by the growing size of the economically optimal production unit. Most energy

investment decisions must therefore be made on the basis of forecasts covering a five-to-ten year horizon. There is considerable uncertainty surrounding such forecasts in an open economy like Finland's which is heavily dependent on economic developments abroad.

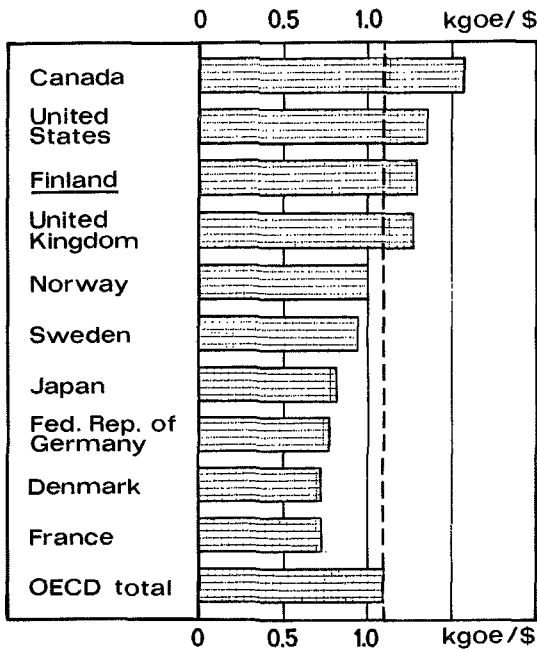
## ENERGY CONSUMPTION

In Finland energy intensity, or the ratio of energy use to GDP, is quite high compared to other OECD countries. In terms of total energy consumption per unit of GDP, Finland ranked third behind Canada and the United States in 1973 (Chart 1). One important reason for the high level of energy consumption in Finland is the country's geographical location. The heating of buildings accounts for about 30 per cent of primary energy consumption, and long distances in this fairly sparsely populated country increase the need for energy in transport. The country's industrial structure is another factor contributing to Finland's high energy intensity. Manufacturing is responsible for nearly 50 per cent of total consumption of primary energy, and the pulp and paper industries alone account for about 60 per cent of this. The chemical, basic metal and building material industries are other major energy-intensive branches in Finland.

Not only has the level of energy consumption been high, but the growth of energy consumption relative to the growth of GDP has also been more rapid in Finland than in the OECD area on average (Table 1). In Finland total energy consumption grew 1.2 times faster and consumption of electricity 1.9 times faster than GDP between 1960 and 1973. During the same period, manufacturing output grew 1.4 times

<sup>1</sup> This article is based mainly on the work of the Finnish Energy Policy Commission, which in 1975 and 1976 prepared a prognosis of energy consumption and guidelines for energy policy up to 1985.

**CHART 1. RATIO OF TOTAL PRIMARY ENERGY CONSUMPTION TO GROSS DOMESTIC PRODUCT IN SELECTED OECD-COUNTRIES IN 1973, KGOE<sup>1</sup>/\$**



Source: OECD, Energy Balances 1960—1974, National Accounts 1975.

<sup>1</sup> Different Sources of primary energy were transformed into oil equivalents (kg).

faster than GDP. Moreover, production in the more energy intensive sectors expanded more rapidly than total manufacturing output.

**TABLE 1. RATIO OF THE AVERAGE GROWTH OF TOTAL CONSUMPTION OF PRIMARY ENERGY TO THE AVERAGE VOLUME GROWTH OF GDP IN SELECTED OECD COUNTRIES IN 1961—1973**

Country	Percentage growth of total primary energy consumption/the percentage growth of the volume of GDP
Canada	1.0
United States	1.1
<b>Finland</b>	1.2
United Kingdom	0.7
Norway	1.3
Sweden	1.1
Japan	1.0
Fed. Rep. of Germany	1.0
Denmark	1.4
France	1.0
OECD total	1.0

Source: OECD, Energy Balances 1960—1974, National Accounts 1975.

The forecasts for the consumption of energy up to 1985 which were made in 1975—76 were based on the assumption that the growth of GDP in that ten-year period would be perceptibly slower than in the past. Because of the exceptional length of the present recession, GDP is forecast to grow by only 3 per cent per annum between 1974 and 1980. The forecast or the beginning of the 1980s is an annual average of 4 per cent. It is expected that manufacturing output will increase 1.3—1.4 times faster than GDP. However, the forecast implies that in 1985 the structure of industrial production will be less energy intensive than in 1961—1973.

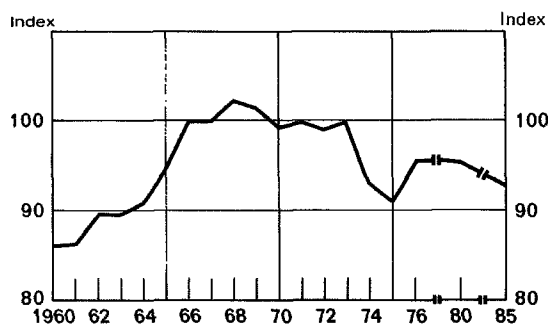
The forecast assumes that the price of all types of primary energy except nuclear energy will remain at the 1975 level in real terms. The price of nuclear fuel is expected to more or less double by 1985, partly because the cost of uranium ore is forecast to treble by this date.

Thanks to changes in the structure of production, increased efficiency of energy use and measures designed to economize on energy use, the ratio of energy consumption to GDP is expected to grow more slowly than in 1961—1973, and by the mid-1980s the growth in total energy consumption should be slightly slower than the growth of GDP. The increase in the consumption of electricity is, however, forecast to remain considerably above of the growth of GDP (Table 2 and Chart 2).

**TABLE 2. GROWTH OF THE VOLUME OF GDP AND OF ENERGY CONSUMPTION IN FINLAND IN 1961—1974 AND FORECASTS FOR 1975—1985**

Average annual growth, per cent	1961—1973	1974	1975—1980	1981—1985
GDP	5.2	4.3	3.0	4.0
Primary energy consumption	6.1	-4.4	3.6	3.5
Electricity consumption	9.7	1.4	5.9	6.3
Growth rate ratios	1961—1973	1974	1975—1980	1981—1985
Primary energy consumption/GDP	1.2	..	1.2	0.9
Electricity consumption/GDP	1.9	0.3	2.0	1.6

**CHART 2. PRIMARY ENERGY REQUIREMENTS PER UNIT OF GROSS DOMESTIC PRODUCT IN FINLAND IN 1960—1976 AND FORECAST FOR 1980 AND 1985, INDEX 1973 = 100**



Industrial consumption of energy is expected to continue to expand faster than total consumption of energy in the period extending up to 1985. The growth in the number of private cars should mean that the share of transport in total energy consumption will increase slightly. A fairly large fall in the share of energy consumption accounted for by buildings is anticipated because the stock of buildings is forecast to increase much more slowly than GDP and because the measures designed to save energy are expected to have a major impact in this sector. The share of other consumption should increase, largely as a result of further rapid growth in the consumption of electricity by households and the service sector. (Table 3).

**TABLE 3. BREAKDOWN OF TOTAL PRIMARY ENERGY CONSUMPTION IN FINLAND IN 1960, 1973 AND FORECAST FOR 1985, PER CENT OF TOTAL**

	1960	1973	1985
Industry	43	46	49
Transport	11	13	14
Heating of buildings <sup>1</sup>	38	30	22
Other consumption <sup>2</sup>	8	11	15
Total	100	100	100

<sup>1</sup> Energy used to heat industrial buildings is included in 'industry'.

<sup>2</sup> 'Other consumption' includes energy used for purposes other than heating by households, the service sector, agriculture and construction.

## ENERGY CONSERVATION

Because of Finland's substantial energy requirements and dependency on energy imports,

there has long been concern about efficient and economical production and use of energy. For example, in process industries the efficiency of the use of primary energy is quite high owing to rather extensive combined generation of heat and electric energy. Moreover, the use of waste (industrial liquors, wood waste, recovered heat and blast furnace gases) as a source of primary energy is of economic significance. Industrial and other waste covered about ten per cent of the country's primary energy needs in 1973. Other examples of efficiency in energy provision are heating of buildings with heat energy produced in the course of generating electricity and the extensive network of district heating plants. In 1973 these sources provided about 15 per cent of the heat energy used in buildings. By 1985, the corresponding figure is forecast to rise above 40 per cent.

The sharp rise in the price of energy has increased the importance of efforts to economize on energy use. The rise in the price of oil led almost immediately to investment designed to improve the efficiency of energy use in energy-intensive activities, especially in wood processing industries. It is estimated that energy-saving investment undertaken in 1974 and 1975 will lead to a reduction of roughly five per cent in the consumption of energy in manufacturing compared with 1973. As new investment leads to the embodiment of energy-saving technology, the energy intensity of industry should decline. It is forecast that the efficiency of energy use in manufacturing will improve in Finland by about ten per cent by 1985.

There is also considerable scope for further economies in the heating of buildings in Finland, and it is estimated that by 1985 the cost of heating buildings can be reduced by 10 per cent from the 1973 level. Building norms for State-financed dwellings were modified immediately after the energy crisis to increase heating efficiency. When deciding upon measures designed to alleviate unemployment in June 1977, the Government initiated a programme to improve thermal insulation and



temperature control in the existing stock of dwellings and in public buildings.

Energy can be conserved in transportation by encouraging the use of means of transport where the energy intensity is low. Public transport should be favoured and goods should be transported by rail or water. However, changes in the relative shares of different modes of transport would have to be substantial before they had any meaningful impact on the consumption of energy in transportation.

## ENERGY SUPPLIES

The energy policy decisions already made will determine the energy production pattern well into the next decade. Present domestic oil refining capacity should suffice to satisfy domestic demand up through the mid-1980s. Power stations which were already in use, under construction or on order in 1975 should account for about 90 per cent of electricity generating capacity in 1985.

The share of indigenous sources of primary energy in total energy production can be expected to continue to decline. At the beginning of the 1960s, the share of indigenous primary energy in total energy consumption was 58 per cent and the share of hydroelectric power in the total generation of electricity was 59 per cent, but by 1973 these figures had fallen to 29 per cent and 36 per cent respectively. By 1985 indigenous sources are forecast to account for only 23 per cent of total consumption of primary energy. Since there are no important sources of hydroelectric power which have not already been harnessed, the share of this source in total electricity generation can be expected to drop to about 20 per cent. Peat is the only indigenous source of energy that can be exploited more intensively, but its share in the total supply of energy will presumably remain rather small, because the high cost of transporting and storing peat make it economical only to use it in power plants located near peat land.

Nuclear energy should be one of the most rapidly expanding sources of primary energy. Finland's first nuclear power station came on line in March 1977, and by 1981 the three nuclear power stations now under construction should be completed. In 1985, nuclear power should supply about 25 per cent of the country's electricity requirements.

At the end of the 1960s and the beginning of the 1970s, a fairly large proportion of total demand for electricity was satisfied by importing it from other Nordic countries. But by the end of the current decade, electricity energy imports will not be noteworthy. However, Finland has agreed to import annually 4 TWh ( $10^9$  kilowatthours) from the Soviet Union in the 1980s, which should correspond to about seven per cent of the total supply of electricity and three per cent of the total consumption of primary energy in 1985. (Table 4).

**TABLE 4. SOURCES OF PRIMARY ENERGY AND TOTAL PRIMARY ENERGY CONSUMPTION**

Energy Source	Percentage share		
	1960	1973	1985
Oil	23	57	47
Coal	18	9	8
Gas	—	—	4
Nuclear energy	—	—	15
Imported electricity	1	5	3
Total foreign supply	42	71	77
Hydropower	12	11	9
Peat	0	0	3
Other domestic <sup>1</sup>	46	18	11
Total domestic supply	58	29	23
Total consumption of primary energy, mtoe <sup>2</sup>	10.5	22.6	32

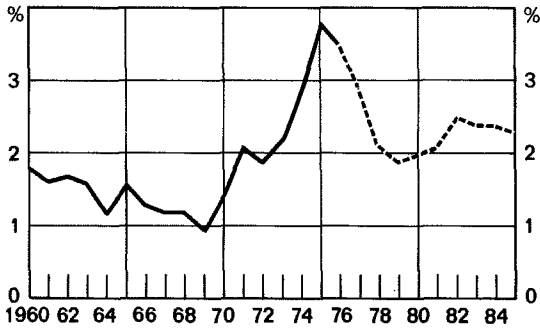
<sup>1</sup> Includes fuel wood, industrial liquors, wood waste, recovered heat and blast furnace gases.

<sup>2</sup> Million tons oil equivalent.

## ENERGY INVESTMENT AND FINANCING

In the 1960s, energy investment accounted for about five per cent of total fixed capital formation and about 1.5 per cent of GDP. However, its share increased sharply at the beginning of the 1970s. Substantial conventional electricity generating capacity was built at the same time as the construction of nuclear

**CHART 3. THE RATIO OF ENERGY INVESTMENTS TO GROSS DOMESTIC PRODUCT IN FINLAND IN 1960—1976 AND FORECAST UP TO 1985, PER CENT**



power stations began and domestic oil refining capacity was increased. The advent of nuclear power entailed a clear shift towards higher capital costs. In 1975, energy investment amounted to nearly four per cent of GDP and about 13 per cent of fixed capital formation. However, the growth in energy consumption has been slower than expected with the result that capacity can be expected to exceed demand up until the beginning of the 1980s. At the end of this decade and in the 1980s, the share of energy investment in GDP should fall back to an average of about two per cent of GDP. When adjustments are made of the increased capital intensity of energy supply, this figure corresponds to the one for the 1960s. (Chart 3).

In the period 1975—1985, nearly half of total energy investment will go into electrical generating plants, with nuclear power stations accounting for about a fourth of the total. Roughly a fifth will be devoted to the extension and development of electricity transmission and distribution lines. Oil transport, refining and distribution will account for most of the remainder.

Investment in so many energy projects at the same time has led to financing difficulties which have been exacerbated by the long recession currently being experienced. Since the growth of demand for energy has been slower than anticipated, the energy companies' flow of internal finance has not been as strong

as expected, which has meant that they have had to rely on external finance to a greater degree than originally envisaged. As the supply of domestic finance has weakened in this period, it has been necessary to borrow abroad fairly extensively to finance energy investment. In 1975 this source of funds accounted for about a half of the total financial needs of the energy sector and in 1976 for about a third. Financial difficulties have meant that some investment schedules have had to be slowed down. A decline in the volume of energy investment and the reduction in production costs resulting from the opening of nuclear power stations should improve energy investment financing in the near future.

#### IMPACT ON THE BALANCE OF PAYMENTS

The imports required to satisfy Finland's energy requirements constitute a considerable burden on the balance of payments. Imports of fuels and electricity amounted to between 10 and 12 per cent of total commodity imports in 1965—1973. The steep rise in the price of energy boosted this figure to 21 per cent in 1974, but it fell below a fifth in 1975 and 1976 owing to a decline in the relative price of energy. These statistics do not include imports required for energy investment. About one third of the cost of a conventional power station is accounted for by imports, while the corresponding figure for a nuclear power station is between 40 and 50 per cent. As energy capacity has been expanded rapidly over the past few years, the burden on the balance of payments has been particularly heavy.

Despite the growth of the share of imported energy in the total supply of primary energy, the share of imports used to satisfy energy needs in total commodity imports is estimated to fall to about 15 or 16 per cent by 1985. This decline is principally a result of the fact that the import cost of nuclear fuel is substantially less than the cost of imports of conventional fuels required to produce the same amount of energy. In the next few years the burden placed on the balance of payments by

the need to satisfy energy requirements will be somewhat larger than these figures suggest because interest payments on funds borrowed abroad to finance energy investment will amount to about one per cent of current account revenue.

## SUMMARY

Finland's capacity to satisfy her energy requirements should remain abundant up through the early 1980s largely as a result of the completion of many investment projects in a period when economic growth will presumably stay below the long-term trend. The forecast decline in the energy intensity of the economy should mean that the consumption of primary energy will grow about as fast as GDP up through 1985.

In addition to substantial uncertainty surrounding today's forecasts of GDP and of the structure of production, the lack of sufficient knowledge about the long-run impact of the rise in the price of energy on consumption make it particularly difficult to prognosticate the demand for energy. In the long-term, energy will

be saved as new technology is introduced and as demand for final products adjusts to new relative prices. Improving the efficiency of energy use in the existing capital stock depends mainly on the availability of finance required for the investment which this presupposes. Although specific quantitative estimates are necessarily quite uncertain, it should be possible to make a saving of about 10 per cent in the key energy using sectors, industry and the heating of buildings.

Attempts have long been made to safeguard the continuity of the supply of electricity by encouraging electricity suppliers to co-operate with one another both across Nordic frontiers and in Finland itself. In the future, efforts will be concentrated on the co-ordination of electricity generation in order to minimize costs. Parliament is now considering a bill in which special attention is given to factors affecting the economy of electricity production. According to this bill, a permit will be required for all large-scale investment in power stations, and energy producers and distributors will be under the obligation to prepare regional plans for energy supply.

## ITEMS

**Credit facility agreement.** The Bank of Finland and 18 leading American and Canadian banks signed on 30th June 1977 a credit facility agreement amounting to US\$ 300 million. The duration of this credit facility is 7 years. The full amount is available during the first three years, whereafter it decreases evenly by equal semiannual amounts.

The credit facility now concluded replaces two credit agreements, one in the amount of US\$ 100 million signed in 1974 with Bank of America National Trust & Savings Association and Morgan Guaranty Trust Company of New York, and one in the amount of US\$ 190 million concluded in 1973 with a bank consortium led by First Boston (Europe) Limited. Consequently, by the end of August the total amount of credit facility arrangements available for the support of the foreign exchange reserve position of the Bank of Finland will increase from US\$ 690 million to US\$ 700 million or to approximately Fmk 2 860 million.

The Bank Supervisors delegated by Parliament have authorized the Board of Management of the Bank of Finland to conclude credit facility arrangements of this type for the safeguarding of Finland's external liquidity position. It has been considered appropriate to maintain the total amount of these credit facilities close to their current level in order to retain their significance in relation to Finland's foreign payment transactions.

**Amendments to foreign exchange regulations.** The Bank of Finland has made certain amendments to its Foreign Exchange Regulations. These amendments came into effect on July 1, 1977.

The cash payment requirement applied to certain imported goods has been relaxed by revising some of the tariff headings on the list of goods subject to the requirement. Several basic raw materials and supplies used in manufacturing have been removed from the

list, while a number of new tariff headings have been added to it in order to improve the technical consistency of the scheme. The net result of these revisions is to remove from the cash payment scheme imports worth about 100 million marks a year. Since the revision, the scheme now covers about 30 per cent of all commodity imports.

In addition, the Bank of Finland has relaxed its Foreign Exchange Regulations by extending the authorized banks' right to surrender foreign exchange. This amendment concerns the maximum amounts of foreign exchange that can be granted for personal payments, such as gifts and contributions, pensions and charges for studies abroad. Certain new headings have also been added to the List of Authorized Payments which specifies the purposes for which authorized banks can surrender foreign exchange without needing the specific approval of the Bank of Finland.

**Supplementary budget.** The first supplementary budget for 1977 was approved by Parliament in June. It involved a 217 million mark rise in revenue and a 1 179 million mark rise in expenditure, the main part of which was earmarked for the maintenance of employment, for assistance to the unemployed and for subsidies to agriculture.

The employment situation has remained quite difficult due to the unexpectedly slow rise in exports and the decline in investment activity. A total of 511 million marks was set aside in the supplementary budget for supporting employment primarily through the safeguarding of already-existing jobs; the state's current financial position limits its ability to create new vacancies by increasing expenditure. A sum of 175 million marks was earmarked for direct assistance to the unemployed.

In the ordinary budget for 1977, a sum of 50 million marks was set aside for subscribing to new share capital for the state-owned Imatran

Voima Oy. However, as it is proving quite difficult to finance through borrowing the investment projects now being carried out and as the financial structure of the firm needs improving, an additional 200 million marks has been earmarked for new capital for the company.

To finance the purchase and exporting of what remains of last year's harvest, the Government decided to issue farmers with obligations which will be met at the beginning of 1979. The marketing of some 300 million kilogrammes of cereals will be financed in this way. The supplementary budget also includes a 58 million mark increase in direct price subsidies for agricultural produce as a result of the agreement on farmers' income concluded in February between the Council of State and the central organisations of agricultural producers.

On the revenue side, the largest item was revenue from the tax on automobiles and motor cycles, which is now expected to accrue more rapidly than was thought when the ordinary budget for 1977 was being prepared. The main part of the expenditure in the supplementary budget is expected to be covered by revenues accruing in excess of those already budgeted. The Government has also carried out several measures by which other expenditure will be cut or postponed so as to improve the State's financial position.

**Publications of the Bank of Finland.** In Series A, the following publications have appeared: A 42 Heikki Koskenkylä — Ilmo Pyyhtiä, *Kokonaistaloudellisten ja liiketaloudellisten investointikriteerien merkitys kasvu- ja rakennepolitiikassa* (The Significance of Macroeconomic and Microeconomic Criteria for Growth and Structural Policy), in Finnish with a summary in English, 1976, 67 pp. ISBN 951-686-034-6; A 43 Tapio Peura, *Suomen ulkomaankaupan hinnat vuosina 1950—1974* (Finnish Export and Import Prices in 1950—1974), in Finnish, 1977, 87 pp. ISBN 951-686-037-0, ISSN 0355-6034; and A 44 Terhi Kivilahti, *Suomen kaupasta ja maksujärjestelmästä muiden itäryhmän maiden kuin SNTL:n kanssa* (Finland's Trade with Socialist Countries, excluding the USSR, and the Payment Systems Applied), in Finnish with a summary in English, 1977, 126 pp. ISBN 951-686-038-9, ISSN 0355-6034.

Finnish Bond Issues 1976 has been published in an edition with text and explanatory notes in Finnish, Swedish and English. It gives a detailed description of the 42 loans issued in 1976, including the 9 denominated in foreign currency and floated abroad. In addition the introduction includes statistics on domestic and foreign bonds outstanding at the end of the 1966—1976 period, and on sales of domestic bonds in 1966—1976.

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# BANK OF FINLAND

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## Board of Management

Mauno Koivisto

*Governor*

Ahti Karjalainen

Päiviö Hetemäki

Pentti Uusivirta

Rolf Kullberg

Ele Alenius

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## Directors

Jouko J. Voutilainen

Markku Puntila

Seppo Lindblom

Eino Helenius

Pentti Koivikko

Kari Nars

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## Senior officials

Pertti Kukkonen

*Director, ADP-planning*

Reino Airikkala

*Monetary Policy*

Pekka Tukiainen

*Domestic Financial  
Operations*

Kari Pekonen

*Foreign Exchange Policy*

Raine Panula

*Foreign Exchange*

Raili Nuortila

*Eastern Trade*

Antti Lehtinen

*Capital Transfers*

J. Ojala

*Foreign Exchange Control*

Kari Puumanen

*Economics Dept.*

Heikki Koskenkylä

*Research Dept.*

Markku Pietinen

*Information and Publications*

Heikki T. Hämäläinen

*Administration and Legal Affairs*

Antti Saarlo

*Foreign Correspondence*

Eino Suomela

*Internal Audit*

K. Eirola

*Automatic Data Processing*

Pauli Kanerva

*Personnel Administration and  
General Affairs*

Stig G Björklund

*Banking Services*

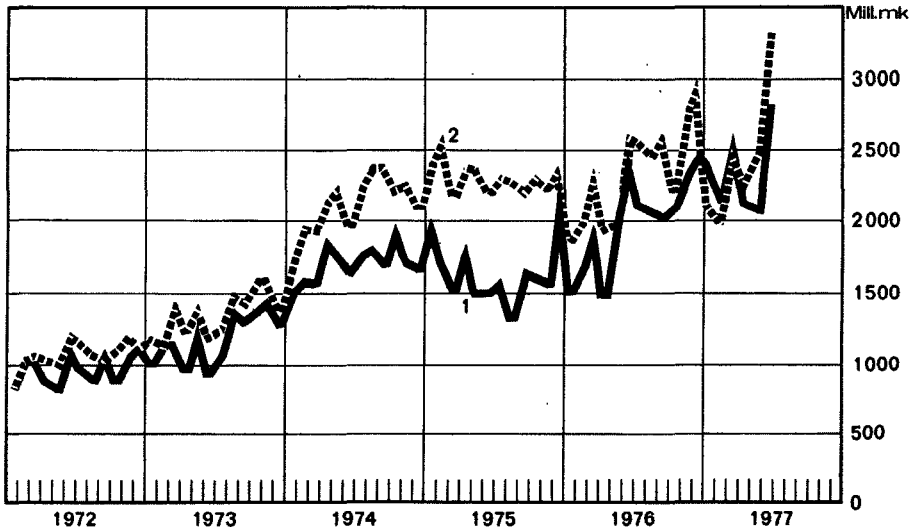
Antti Luukka

*Cash*

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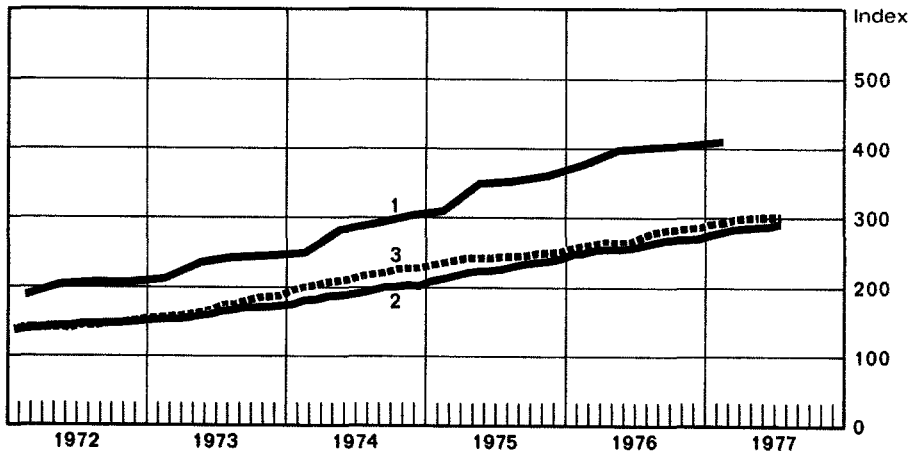
FOREIGN TRADE, 1972 - 1977

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



PRICES AND WAGES, 1972 - 1977

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



PRODUCTION, 1972 - 1977

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

