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CENTRAL GOVERNMENT BUDGET PROPOSAL FOR 1991

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When the budget proposal for 1991 was under preparation last summer, the economy was already slowing down after a three-year long boom. In the economic forecast on which the budget was based, the Ministry of Finance estimated that growth of GDP would decelerate to 2½ per cent this year and amount to only ½ per cent in 1991.

Later in the autumn, after the budget proposal had been presented to Parliament, the Ministry of Finance revised the annual growth figures downwards by half a percentage point for both years. It was assumed that the price of oil would remain at a higher level in 1991 — 35 dollars per barrel — than originally forecast.

According to the budget proposal, the current account deficit continues to be the most serious imbalance in the economy. The current account deficit is forecast to total FIM 24 billion this year (about 4.5 per cent of GDP). The external balance is expected to weaken slightly further in 1991 because of adverse terms-of-trade developments, a fall in exports to the Soviet Union and increasing interest payments abroad.

Inflation is not likely to slow down to any significant extent in 1991, and oil prices will exert considerable cost pressures. On the other hand, the fall in the prices of dwellings is expected to continue and the growth of labour costs to level off. The Ministry of Finance estimates that the CPI will rise by 6 per cent, on average, both in 1990 and 1991.

The nominal tax base is expected to grow by considerably less than in the past few years. According to estimates by the Ministry of Finance, the wage and salary bill will grow by 5 per cent in 1991 compared with an annual average of 9.7 per cent for the period 1987—90. The index of wage and salary earnings is estimated to rise by about 6 per cent on average in 1991. Households' real disposable income is forecast to grow by approximately 1½ per cent. Domestic demand is expected to stay at the same level as this year in real terms.

BUDGETARY INCOME

Total budgeted central government income (excl. net borrowing) amounts to FIM 157.7 billion in the budget proposal. In nominal terms, this represents an increase of 15 per cent compared with the cash revenue estimate for the current year. When adjusted for the effect of transfers from extra-budgetary funds, the growth figure is about 11.5 per cent.

In keeping with the targets set for the comprehensive income tax reform, personal income taxation will be alleviated further in 1991 and the emphasis of taxation shifted towards indirect taxation. Personal income tax schedules and most deductions will be adjusted by 4 per cent for inflation. In addition, marginal income tax rates will be reduced by between 2 and 4 percentage points, depending on the income bracket. The Ministry of Finance estimates

that these changes will reduce personal income tax revenue by FIM 5.8 billion compared to the outcome if the 1990 tax rates were also to be applied in 1991.

Withholding rates in personal income taxation will, however, be lowered to the level corresponding to final taxation in 1991 only from the beginning of July. This measure is designed to curb private consumption and to keep the rise in wage and salary earners' income within the limits set for the growth of employees' purchasing power in the comprehensive pay agreement. About half of the alleviation in personal income taxation will be postponed until the end of 1992.

Proceeds from income and wealth tax are estimated to reach FIM 41.6 billion, an increase of less than 1 per cent on the cash estimate for this year. The Government proposes that a withholding, or source, tax of 10 per cent be imposed on interest income from the beginning of next year. It is further planned that the possibility of making tax-exempt deposits be abolished as from the beginning of 1992.

In business taxation, the corporate tax rate is to be cut by 2 percentage points to 23 per cent. Corporate income tax receipts are nevertheless expected to increase as the *avoir fiscal* system shifts the tax burden from dividend earners to companies. The sales tax rate will be raised from 17 per cent to 17.5 per cent (of a commodity's taxable price) on January 1, 1991. With effect

from the same date, the sales tax deduction allowed in respect of purchases of machinery and equipment for manufacturing purposes will be increased from 90 per cent to 100 per cent. The sales tax reform to be implemented on October 1, 1991 will develop the sales tax system in Finland further towards a value added tax system. The reform will reduce annual sales tax proceeds by an estimated FIM 3.6 billion but by only a fraction of this amount in 1991. In the original budget proposal, sales tax proceeds were estimated to total FIM 54.3 billion, which is about 15 per cent more than the cash estimate for this year. Excise taxes on gasoline and other fuels will be raised substantially in order to curb consumption and thereby limit pollution.

BUDGETARY EXPENDITURE

In the original budget proposal for 1991, budgeted expenditure, excluding net repayments of central government debt, amounted to FIM 157.6 billion, a rise of 12½ per cent on the cash estimate for this year. Owing to various structural changes, however, this figure is not comparable with the corresponding figures for this year. When adjusted for the structural changes the nominal growth of budgetary expenditure is 10 per cent and real growth 4 per cent compared with the cash estimate for this year.

FIM 50.8 billion has been allocated for consumption expenditure, a rise of 22 per cent on the cash estimate for the current year. About half of this increase is due to the reform of the central government pension system. As a result of the shift from a pay-as-you-go system to funding, 25 per cent of the wage bill will be paid into an extra-budgetary pension fund from the beginning of 1991. If this expenditure item is excluded, the growth of con-

sumption outlays is 11 per cent up on the cash estimate for the current year. Outlays for maintenance and upkeep of machinery and buildings, for public roads and for purchases of equipment by the Defence Forces are set to grow by about 12 per cent. Other consumption outlays (36 per cent of total consumption) will increase by about 28 per cent. In addition to the pension system reform, the comparability of different consumption outlays has worsened because of other changes in the budgetary system.

Transfer expenditure totals FIM 94 billion and exceeds the cash estimate for this year by nearly 10 per cent. Transfers to extra-budgetary funds belonging to the central government sector amount to FIM 8.5 billion. Of this amount, FIM 2.7 billion is earmarked for the extra-budgetary housing fund, double the appropriation for 1990. The system of central government housing loans is to be changed so that the share financed by the state will be raised substantially. The total amount of government housing loans is estimated to reach FIM 6.8 billion in 1991, an increase of 50 per cent.

Transfers to households total FIM 22.3 billion. This represents a rise of about 18 per cent as compared with the estimate for the outturn in 1990. Among the factors contributing to the increase are a rise in the child allowance, increased appropriations for unemployment benefits as a result of higher unemployment and additional outlays for the development of education.

THE GOVERNMENT REVISES THE BUDGET PROPOSAL IN NOVEMBER

Owing to the sharp slowdown in economic activity in autumn 1990, the Government made certain changes to the budget proposal in November. In order to sustain employment and reduce cost pressures,

the Government proposed a one percentage point cut in the private employers' social security contribution rate for the period January—September 1991. Transfers to the Social Insurance Institution will be increased to compensate for the fall in employers' contributions. Cuts were proposed in several other expenditure items with the aim of checking the growth of central government expenditure.

The economic downturn has hit particularly those components of demand which are important sources of central government tax revenue. In November 1990, the Ministry of Finance estimated that receipts from sales tax, stamp duty and car and motorcycle tax could be FIM 4—4.5 billion lower than estimated in the budget proposal in September. The extra financing requirement will mainly be covered by borrowing.

CENTRAL GOVERNMENT'S FINANCIAL POSITION

The central government's financial position (including extra-budgetary funds) improved in 1988 and 1989. In 1990, the surplus of income over expenditure, is estimated to diminish to FIM 6½ billion, about 1.2 per cent of GDP.

In the original budget proposal for 1991, it was envisaged that the central government revenue surplus (including extra-budgetary funds) would amount to FIM 8½ billion. Taking into account the Government's latest proposals, including the revised estimates for tax revenues, the budgeted revenue surplus is now expected to reach about FIM 4 billion. In spite of the cuts in expenditure, extra borrowing will be needed to cover the loss of income. The net borrowing requirement (including financial transactions) is estimated to amount to less than 1 per cent of GDP in 1991. Central government debt has fallen over the period 1988—

1990 to about 10 per cent of GDP in the current year. In 1991, the debt will grow somewhat but will still be at a moderate level — less than 11 per cent of GDP.

The public sector impact on the economy in 1991 is estimated to be clearly expansionary, mainly because of the automatic stabilizer effect as the economy moves into recession.

November 30, 1990

NEW FRAMEWORK FOR TRADE BETWEEN FINLAND AND THE SOVIET UNION

by **Terhi Kivilahti**, Head of Office and
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CHANGING CONDITIONS OF FINNISH-SOVIET TRADE

The process of reform which the Soviet economic system is currently undergoing has important implications for the trade and payments arrangements applied between Finland and the Soviet Union. The bilateral trade and clearing system still in operation today is well suited to trade with a country which has a centrally planned economy. But it is poorly suited, if at all, to a Soviet system in the process of transformation and decentralization, where the significance of the central authorities is diminishing rapidly and trade decisions are increasingly being made at the enterprise and republic level.

Under the bilateral trade system, the exchange of goods is fixed by an annual agreement, implementation of which is monitored by the trade authorities of the two countries. In the case of the Soviet Union, this has involved setting aside certain products for export to Finland in the foreign trade plan. Thus in principle it has been possible to plan for the importation from Finland of merchandise of an equivalent value. Payments between the two countries have been effected through centralized clearing accounts so that in practice export earnings have only been used to pay for goods and services purchased from the other party. It is now highly uncertain whether the Soviet Union will be able to make its agreed deliveries, at least while the economy is in its current tran-

sitional stage and particularly if transactions are settled in clearing rather than convertible currencies.

Besides the reform process, the deteriorating state of the Soviet economy constitutes a major source of uncertainty as regards the prospects for trade. The payment difficulties experienced by Soviet enterprises are one indication of these uncertainties. It has also become clear that Soviet enterprises do not always have access to their foreign currency earnings because the country faces a shortage of foreign exchange. One reason for this could be the presence of uncertainty concerning the new foreign trade system and its implementation. As, moreover, the rouble has lost much of its value in domestic transactions, it is possible that exporters equate clearing roubles with domestic roubles.

The uncertainty surrounding the clearing currency and trade was further increased by the change made in the Soviet Union's exchange rate system at the beginning of November when a commercial rate of exchange for the rouble was introduced. The change brought payments between the two countries to a standstill for almost a week and added to general uncertainty, but it is not, however, expected to hamper the implementation of trade and payments for 1990.

FINAL STAGE IN THE DISMANTLING OF THE CLEARING SYSTEM

With the exception of the payments arrangements with the Soviet Union, Finland has dismantled the bilateral clear-

ing payments arrangements it maintained with other (CMEA) countries in the 1980s. This is largely due to the fact that the east European CMEA countries have joined the IMF, which does not permit the type of exchange restrictions inherent in a clearing system in trade between Fund members.

At the beginning of 1990, the clearing payments arrangement between Finland and the Soviet Union, underwent major change. Now, when the outstanding balance on the clearing account exceeds the SUR 200 million (USD 360 million) credit limit, the debtor country pays off the excess each quarter in convertible currencies. Interest is paid on any debit balance in excess of SUR 100 million (USD 180 million). Hence the accumulation, as was common in the 1980s, of huge clearing account claims, which actually constituted an automatic source of interest-free credit to the opposite party, is no longer possible. Since the beginning of 1989, the clearing account balance has been protected from possible changes in the external value of the rouble. In the same context, it was agreed to permit the use of credits for financing Finland's exports to the Soviet Union.

The result of these changes has been that the administration of the bilateral clearing accounts has become easier, and Finland's virtually chronic credit balance of the 1980s has changed into a debit balance.

On several occasions in the course of this year, the Soviet authorities have proposed that

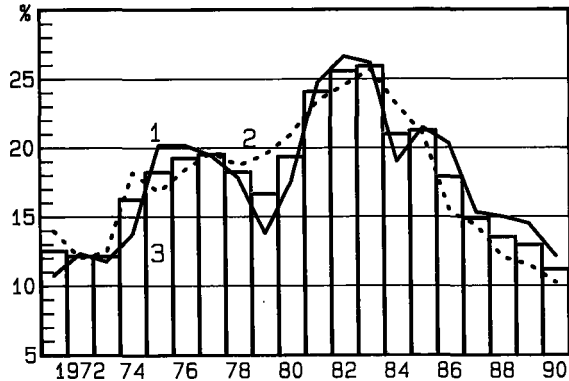
the clearing arrangement be dismantled from the beginning of 1991. The reason given is concern over whether it will be possible to continue operating the system in view of the Soviet Union's economic reforms. But as of the end of November, it was still not clear as to the kind of payments framework within which trade would be conducted in 1991. It can nevertheless be presumed that the new arrangement will essentially involve a changeover to trade based on convertible currencies.

CHANGES IN THE OPERATING ENVIRONMENT ALREADY REFLECTED IN FINLAND'S EXPORTS

The decline in the value of the dollar that began in the mid-1980s and the sharp drop in the world price of oil, together with the onset of economic reform in the Soviet Union, marked a turning point in Finnish-Soviet trade. This was evident not only in the changes in the payments arrangement but also very clearly in the trade statistics.

Between the middle of the decade and the end of 1989, Finland's exports to the Soviet Union fell by about one-fifth in value and by considerably more in volume. This was despite the fact that the Soviet Union purchased substantial quantities of goods outside the normal bilateral trade framework, paying for them largely with revenue from exports of trading oil to third countries. In recent years, the share of Finnish exports to the Soviet Union paid for by receipts from trading oil has been about one-fifth. The year 1989 represented some kind of turning point in that the value of Soviet purchases from Finland paid for in convertible currencies nearly tripled. In the first ten months of this year, purchases in convertible currencies accounted for about a quarter of Finland's total exports to the Soviet Union.

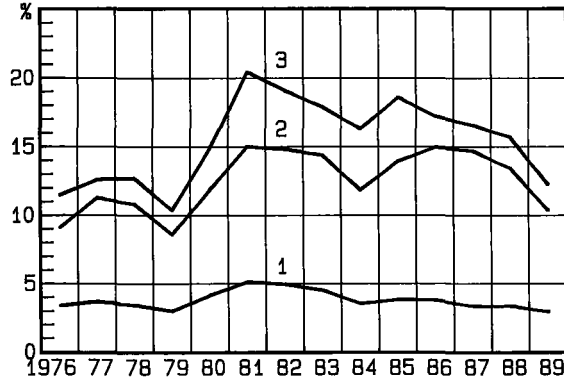
CHART 1.
SOVIET UNION'S SHARE IN FINLAND'S FOREIGN TRADE 1971 - 1990*



1. Share of exports to the Soviet Union in total exports
2. Share of imports from the Soviet Union in total imports
3. Share of Soviet Union in total foreign trade (imports + exports)

*January - September 1990

CHART 2.
SHARE OF IMPORTS FROM FINLAND IN SOVIET FOREIGN TRADE 1976 - 1989



1. Share of imports from Finland in total imports
2. Share of imports from Finland in imports from western countries
3. Share of imports from Finland in imports from western countries excl. cereal imports

As a result of the decline in trade with the Soviet Union and expansion of trade with western countries, the share of Finland's total trade accounted for by the Soviet Union has diminished (Chart 1); exports to the Soviet Union accounted for some 12 per cent of Finland's total exports in the first ten months of this year.

The biggest change in the structure of trade has only be-

come apparent in the course of this year, with the collapse in the value of Finland's ship exports to the Soviet Union. Nor are any major ship deliveries scheduled for 1991. As no significant changes have occurred in the structure of imports, the value of Finland's imports still depends largely on energy prices and the value of the oil-pricing currency, i.e. the dollar.

The second half of the 1980s was also a turning point with respect to Finland's relative position in the Soviet Union's imports from the west, as its market share fell from 15 per cent to 10 per cent. It should be pointed out, however, that, according to Soviet statistics, Finland's share of total Soviet imports has decreased only slightly because the share of imports from the west in total Soviet imports has been growing since 1987 at the expense of the market share of CMEA countries (Chart 2).

UNCERTAINTIES CLOUD TRADE OUTLOOK

At the moment, the outlook for Finland's exports to the Soviet Union is exceptionally uncertain, both for a period of one to two years ahead as well as over the longer term. This is because the fundamental factors affecting trade are undergoing major change. In the coming years, trade will be particularly affected by changes in the payments system and in the Soviet Union's export earnings, i.e. in its ability to pay for imports. The latter will depend to a large extent on developments in energy prices and on the Soviet Union's ability to deliver energy. In evaluating Finland's longer-term export prospects in the Soviet Union special attention needs to be placed on the redistribution of market shares in the Soviet economy and on developments in the Soviet Union's non-oil-based purchasing power.

It is clear that in the past the clearing arrangement has given Finnish companies a competitive advantage relative to their counterparts in other western countries as regards marketing, financing and pricing. The system provided Soviet officials with a means of administratively directing economic resources into exports to Finland. Analysis of the various factors contributing to this

competitive advantage is, however, highly speculative because of the great difficulty in obtaining information on the operation of the clearing system from the Soviet perspective. In the short run, a change in the payments arrangement will probably weaken Finland's competitiveness. This, together with the chaotic state of the Soviet economy, points to weakening prospects for Finnish exports in the years ahead. These prospects are further worsened by the likelihood that the Soviet Union will not use as much of its oil export earnings as before to finance imports from Finland.

In considering the future, it seems evident that Finland will suffer some loss of market share to other western countries, but in terms of the volume of Finnish exports, however, the key factor will be the growth of the Soviet Union's total demand for imports and developments in Finland's market share within that context. As the Soviet Union is endeavouring to abandon clearing arrangements with all countries and to generally depoliticise foreign trade, it appears probable that the market share of CMEA countries in Soviet imports and exports will diminish. From the Finnish perspective, the pertinent question is whether Finland can offset the loss of its share in Soviet markets to other western countries with market share gains *vis-à-vis* CMEA countries.

Limiting the scope for expanding Soviet imports from the west is, however, the fact that the changeover to convertible currencies in trade with CMEA countries will not necessarily bring about a rapid increase in its convertible currency earnings, because these countries are unlikely to be able to pay immediately for all their energy and raw materials imports in convertible currencies. Indeed, it is likely that these countries will continue to

trade under some kind of barter arrangement. The Soviet Union's efforts to acquire foreign exchange are also being hampered by difficulties encountered in its oil production. Moreover, it is hard to imagine that in the short run the Soviet Union will be able to redirect its exports of products other than oil and raw materials from CMEA countries to western countries with the necessary means to pay, if only because of differences in standards and quality requirements.

If and when economic decision-making in the Soviet Union is decentralized to the republic level, the evaluation of Finland's export prospects should focus particularly on markets in nearby areas. As regards the overall prospects for exports, however, the Russian Soviet Federative Socialist Republic will continue to play a central role. Overall, the outlook is bleak; it seems increasingly clear that the Soviet economy is likely to experience an even deeper crisis before there is any hope of recovery.

EFFECTS OF CHANGE ON THE FINNISH ECONOMY

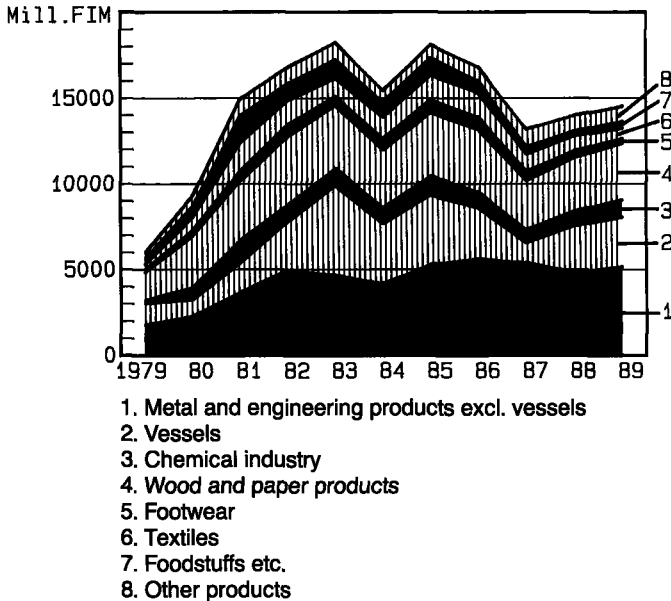
The Soviet-Union-based trade with the Soviet Union helped Finland to get through two oil crises relatively unscathed, as it was possible to compensate for the reductions in domestic demand and in exports to the west that resulted from the rise in the price of oil by expanding exports to the Soviet Union (Chart 3). The export capacity created in Finland as a result of the growth in exports to the east turned out to be uncompetitive in the second half of the 1980s. This is reflected, for example, in the bankruptcies experienced in certain sectors. It should, however, be borne in mind that the vast bulk of the investments made in connection with Soviet trade have paid for themselves, and hence in this respect it is not always a question of bad investments.

CHART 3.
FINLAND'S FOREIGN TRADE 1971 - 1990*,
PERCENTAGE CHANGE FROM PREVIOUS YEAR



*January - September 1990

CHART 4.
STRUCTURE OF FINLAND'S EXPORTS TO
THE SOVIET UNION 1979 - 1989



(Source: Statistics compiled by the Commercial Department of the Ministry of Commerce and Industry)

At least in the period of changeover to trade based on convertible currencies, some exporting firms involved in Soviet trade are likely to run into difficulties, but adjustment should be facilitated by the fact that in several sectors the adjustment of exports has

already taken place as a result of a marked cutback in trade with the Soviet Union in recent years (Chart 4). This year ship exports will amount to only something less than one-fifth of the total for the peak year of 1985, exports of the clothing and textiles industry have

fallen to less than half the level of the mid-1980s and the majority of food industry exports are already based on payments in convertible currencies.

With the switch to convertible currencies, the biggest question mark will concern the competitiveness of metal and engineering exports, which include a large amount of capital goods, whose export often requires financing arrangements. It is clear that Finland, as a capital importing country, has limited opportunities of financing exports, and it could prove difficult to significantly increase long-term exports credits granted to the Soviet Union from their current level of approximately FIM 4 billion (including trade receivables and banks' claims, Finland currently has total claims of some FIM 7 billion on the Soviet Union). Adjustment problems will also be faced by certain subcontractors, because the domestic content requirements in exports to the Soviet Union have probably led to the development of subcontracting networks that are unlikely to be able to compete with foreigners.

Though the changeover to trade based on convertible currencies will pose threats to the Finnish economy, it will also be associated with many positive factors. The use of convertible currencies will make it possible to deregulate the importation of energy products because they will no longer be tied to exports through clearing agreements. This will help to promote competition in domestic markets, particularly in oil products, and it is clear that an increasing share of oil imports will come from areas other than the Soviet Union. There is also reason to believe that the increased potential for competition resulting from the dismantling of the clearing arrangement will enhance the efficiency of import activities and

thereby reduce import prices. On the basis of data furnished by companies, it appears that many export sectors will also benefit from the switch to convertible currencies, because of the elimination of domestic content requirements, among other things.

**OVERALL PROCESS
OF CHANGE IN THE
SOVIET UNION MORE
IMPORTANT THAN
THE PAYMENTS
SYSTEM**

Developments within the Soviet Union and in its international relations have led to a situation where continuation of the clearing system is no longer a political necessity nor even a practical alternative for the Soviet Union. For some time now there has not been any real economic justification from the Soviet point of view for conducting trade with Finland on a clearing basis. In Finland, continuation of the clearing system has been favoured as a

means of maintaining a high level of trade and because of the fear that its termination would cause adjustment problems for the export industries and for the economy as a whole. There are, however, forces at work that counter these fears and threats; the changes taking place in Soviet markets offer new opportunities and hence market shares, and direct and indirect benefits will derive from conducting trade in convertible currencies. When, moreover, the decrease that has occurred in the Soviet Union's share in Finland's total foreign trade in recent years is taken into consideration, it seems unlikely that the change-over to convertible currencies alone will have any dramatic consequences for the Finnish economy.

The fundamental question as regards economic relations between Finland and the Soviet Union then is not what kind of payments arrangements are applied but rather how the re-

organization of the Soviet economy and decision-making apparatus, as well as general developments in the Soviet Union, will proceed. The overall process of change taking place in the Soviet economy is essentially dramatic, and its effects cannot but be reflected also in Finland.

November 29, 1990

On December 10, after the above article had been prepared, it was announced that the Soviet Union had decided to dismantle the bilateral trade and clearing system by the end of the year. As a result, trade between Finland and the Soviet Union will be conducted on the basis of convertible currencies from the beginning of 1991.

THE BANK OF FINLAND TO START USING REPURCHASE AGREEMENTS

Repos, or repurchase agreements, will be introduced in money market dealings between the Bank of Finland and the banks from the beginning of 1991. This new type of transaction will complement the present system of central bank financing, which is mainly based on direct dealings in certificates of deposits.

In connection with the introduction of repurchase agreements, the range of securities used in central bank financing will be increased. Markka-denominated bills, notes and bonds issued by the government as well as markka-denominated certificates of deposit and bonds issued by banks with access to central bank financing will be accepted as securities that can be used in agreements. Banks may not, however, use their own certificates of deposit or bonds in these agreements.

The Bank of Finland is prepared to extend the range of markka-denominated securities to be used in repurchase agreements to include local authority paper, mortgage institutions' bonds and housing bonds as soon as reliable market quotations become available for these securities. In addition, commercial paper and certificates of deposit issued by banks which do not have access to central bank financing will be acceptable as instruments in repo transactions as soon as an impartial and reliable risk classification becomes available for them.

TILL-MONEY CREDITS

The agreement whereby the Bank of Finland grants interest-free till-money credits to deposit banks was revised as from November 30, 1990. Under the revised agreement, credit is extended for one month at a time in an amount which is equivalent to the average of a bank's till-money holdings in the previous month, less the base amount — the share of a bank's till-money holdings which is not financed by the Bank of Finland. Previously, till-money credit was granted daily on the basis of a bank's cash holdings (excl. the base amount) on the same day. Till-money credit was granted for the first time under the terms of the new agreement on the last day of November for the month of December, the amounts being determined on the basis of banks' cash holdings in October. The credit amounts will be reviewed monthly in connection with the review of banks' cash reserve deposits.

In the same context, banks' base amounts were raised in proportion to the increase in notes and coin held by the public. As from November 30, 1990, the combined total of banks' base amounts is FIM 1 243 million. The base amounts, which are raised once a year, were last raised in April 1989.

FINLAND'S BALANCE OF PAYMENTS IN JANUARY—SEPTEMBER 1990 **Current account**

The current account showed a deficit of FIM 18.4 billion in the first three quarters of this year,

an increase of FIM 1.4 billion from the same period in 1989. During the third quarter, however, the deficit narrowed markedly. The trade deficit for the first three quarters of 1990 was down FIM 2.6 billion from the same period a year earlier.

Goods. The volume of commodity exports grew by 5 per cent during the first three quarters of this year as compared with the same period in 1989. The volume of imports was broadly unchanged on the corresponding period last year. There was a substantial increase in exports of metal and engineering industry products, whereas exports of forest industry products decreased. The fastest growth in import volumes was recorded for raw materials and fuels. Developments in foreign trade prices have for long been very quiet, and there were no major price movements in the third quarter.

Services. The deficit on the services account widened further. The deficit on the travel account increased most; expenditure rose by one-quarter and receipts by some 10 per cent. By contrast, the transport account improved slightly as compared with the January—September period last year. On the other services account, expenditure grew faster than receipts.

Investment income. The largest item on this account consists of interest payments on foreign debt, which have risen rapidly with the accumulation of current account deficits. Interest payments abroad totalled FIM 19 365 million, representing an annual growth rate of about 30 per cent. Finland's interest income on its foreign assets accounted for only half of interest

payments abroad. (The current account is calculated according to National Accounts definitions, and it does not include reinvested earnings of direct investment enterprises which showed a net deficit of FIM 1.5 billion in 1989.)

Capital account

Imports of long- and short-term capital amounted to FIM 32.1 billion in net terms in the first three quarters of the year, more than twice as much as in the corresponding period in 1989. There were particularly heavy inflows of long-term capital, mainly in the first quarter. As the inflow of capital exceeded the current account deficit, the Bank of Finland's foreign exchange reserves grew by FIM 13.7 billion.

Loans. Drawings of long-term loans in the form of promissory notes and private placement-type bonds totalled FIM 21.7 billion. These funds were raised almost exclusively by companies and financial institutions. Repayments amounted to FIM 5.1 billion. Drawings of export credits granted to foreign customers amounted to FIM 1.0 billion and repayments of outstanding export credits to FIM 1.3 billion.

Direct investment. Finnish companies continued to expand their international operations at a rapid pace. Finnish direct investment abroad totalled FIM 7.8 billion in net terms and foreign direct investment in Finland FIM 1.2 billion.

Portfolio investment. Net imports of capital in the form of portfolio investment amounted to FIM 15.7 billion.¹ The inflow of capital was almost entirely due to large sales of Finnish bonds abroad. Portfolio invest-

ment abroad by Finnish investors remained modest.

Short-term capital. The net inflow of short-term trade-related capital amounted to an estimated FIM 2.6 billion. The net liabilities of authorized banks grew by FIM 10.9 billion.

Foreign exchange reserves. The convertible foreign exchange reserves of the Bank of Finland grew by FIM 14 192 million and net tied currency liabilities by FIM 512 million. At the end of September, the convertible foreign exchange reserves of the Bank of Finland stood at FIM 36 179 million and net tied currency liabilities at FIM 1 059 million.

Net foreign debt

At the end of September, Finland's net foreign debt totalled FIM 112 722 million; the net long-term debt amounted to FIM 96 793 million and the net short-term debt to FIM 15 929 million. The central government's share of net foreign debt was FIM 17 609 million.

SECOND YEAR OF THE TWO-YEAR COMPREHENSIVE WAGE SETTLEMENT

On November 15, the central labour market organizations accepted the proposal of the state mediator concerning the second year of the comprehensive settlement for the years 1990—1991.² The agreement covers about three-quarters of all employees and provides for an increase in contract wages of 1½ per cent on average in May 1991. Pay agreements also include a sector-specific earnings guarantee, compensating for wage drift in sectors where drift is low. The size of this guarantee is 4 per cent over the two-year period. As recent wage drift in the private sector has been greater than expected, the guarantee for

the first year has been raised from 2 per cent to 2.75 per cent. This mainly affects the public sector, where 1 per cent of the guarantee was already paid in October 1990. The second part of the guarantee will be paid in May 1991.

The agreement also includes an index clause. If the consumer price index rises by more than 5.6 per cent between December 1990 and December 1991, there will be additional pay increases to compensate for the amount in excess of the threshold. The index will be adjusted by one-quarter of the change in the terms of trade, where the change will be measured by comparing the average for the period September—December 1991 with that for April—July 1990.

The rate of wage inflation will decelerate markedly in Finland during the year to come. In manufacturing, the growth of unit labour costs will be almost halved compared to 1990, when social security contributions also increased. In 1991, unit labour costs are expected to rise at the same rate as in Finland's competitor countries.

THE SECURITY PRINTING HOUSE BECOMES A LIMITED COMPANY

The Bank of Finland's Security Printing House will become a limited company as from the beginning of 1991. The name of the new limited company is Setec Oy and its entire share capital is owned by the Bank of Finland.

Forming the Security Printing House into a company has become expedient because the emphasis of its operations has increasingly shifted from note manufacture to other product areas. Banknotes nowadays account for only just over one-quarter of the company's turnover of about FIM 140 million.

¹The definition of portfolio investments has been changed so as to correspond to the IMF recommendation on balance-of-payments compilation. As a result, bonds and debentures have been transferred from long-term loans to portfolio investment. The revision concerns both assets and liabilities.

²See the item in the December 1989 issue of the Bulletin.

MAJOR BALANCE OF PAYMENTS ITEMS
IN JANUARY—SEPTEMBER 1990, MILLION FIM¹

	Receipts	Expenditure	Net
Trade (exports f.o.b., imports c.i.f.)	74 956	75 956	-1 000
Adjustment items	-1 154	-839	-316
Trade account	73 802	75 117	-1 316
Transport	6 391	3 136	3 255
Travel	3 786	8 196	-4 410
Other services	3 994	6 730	-2 736
Services account	14 171	18 062	-3 891
 GOODS AND SERVICES ACCOUNT	 87 972	 93 179	 -5 207
Investment income, net	9 556	19 365	-9 809
Unrequited transfers	716	3 547	-2 831
Other	2 000	2 609	-609
 A. CURRENT ACCOUNT	 100 245	 118 699	 -18 455
	Change in assets	Change in liabilities	Net
Long-term financial loans and suppliers' credits: ²			
drawings	-1 030	22 046	21 016
redemptions	1 322	-5 386	-4 064
Direct investment	-7 825	1 243	-6 582
Portfolio investment	-118	15 806	15 688
Other long-term capital	-44	66	22
 B. LONG-TERM CAPITAL ACCOUNT	 -7 695	 33 775	 26 080
BASIC BALANCE (A+B)			7 625
Prepayments and liabilities related to imports			540
Prepayments and receivables related to exports			2 010
Short-term capital of authorized banks			10 900
Other short-term capital			-1 817
Errors and omissions			-5 578
 C. SHORT-TERM CAPITAL ACCOUNT			 6 054
 D. ALLOCATIONS OF SDRs OVERALL BALANCE (A + B + C + D)			 — 13 680
Change in the foreign exchange reserves of the Bank of Finland			-13 680

Assets: increase —, decrease +

Liabilities: increase +, decrease —

¹ Preliminary figures.

² Assets include export credits only.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM NOVEMBER 1989 TO JANUARY 1991

1989

NOVEMBER

Base rate. The Bank of Finland raises the base rate from 7.5 per cent to 8.5 per cent as from November 1.

Call money market. With effect from November 6, 1989, the Bank of Finland amends the terms of the call money credit system so that the 5-day moving average of a bank's position may be negative but in this case the call money credit rate will be charged at double the normal rate. It was a condition of the revision of June 1989 that the moving average of a bank's 5-day call money position should not be negative. The call money credit rate remains unchanged at 15 per cent and the call money deposit rate at 4 per cent.

Cash reserve requirement. The Bank of Finland raises the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 9.1 per cent of the cash reserve base in October.

DECEMBER

Cash reserve requirement. The Bank of Finland adjusts the cash reserve requirement for certain banks and groups of banks. Together with the current 8 per cent ratio, the banks' average deposit requirement now amounts to about 9.1 per cent of the cash reserve base in November.

1990

JANUARY

Prime rates. The Bank of Finland complements its recommendations on reference rates to banks by permitting them to apply their own prime rates in all their lending and deposit-taking, with effect from January 1, 1990.

Money market operations. As from January 1, 1990, only CDs issued by banks which meet the following requirements can be accepted for use in money market dealings: the bank's capitalization exceeds the minimum amount set by the Bank of Finland, the bank meets the minimum capital adequacy requirements set by the BIS and operates as a market maker in the CD market. These banks may at the same time act as the Bank of Finland's market counterparties and may be granted access to call money credit. As a rule, a one-year transition period will be applied in the introduction of the new requirements for banks which are already entitled to call money credit and in whose CDs the Bank of Finland deals.

Cash reserve requirement. The Bank of Finland adjusts the cash reserve requirement for certain banks. Together with the current 8 per cent ratio, the banks' average deposit requirement remains at about 9.1 per cent of the cash reserve base in December. Provided bank lending does not accelerate sharply in

January-February 1990, the collection of additional deposits under the supplementary cash reserve agreement will be discontinued. The non-interest-bearing additional deposits collected on the basis of the lending growth figures at the end of December 1989 will remain at the Bank of Finland and be refunded at the latest in July-December of the current year in six equal instalments at the end of each month.

FEBRUARY

Foreign Exchange Regulations. The Bank of Finland allows the sale abroad of new markka-denominated bonds of over one year's maturity as from February 1, 1990, with the exception of bonds issued by housing and real estate companies. The present ban on cross-border sales remains in force for bonds issued previously. Effective the same date, non-residents will be allowed to issue markka-denominated bonds in Finland.

With effect from the beginning of February, the Bank of Finland also decides to exempt Finnish companies' share issues abroad from the requirement of prior authorization. Starting from this date, the Bank of Finland no longer requires quotation by the Helsinki Stock Exchange or the OTC market as a condition for the issue of foreign securities in Finland. Similarly, it is no longer necessary for non-residents purchasing Finnish

securities to effect their purchases through the Helsinki Stock Exchange or the OTC market.

MARCH

Finance companies accorded the right to intermediate foreign finance.

The Bank of Finland decides that, with effect from March 1, 1990, finance companies may apply for the right to intermediate and raise foreign loans to the extent permitted by the limits on their foreign currency positions. Previously only deposit banks were accorded this right.

APRIL

Cash reserve agreement.

The Bank of Finland signs a new cash reserve agreement with the deposit banks on April 26, 1990. According to the new agreement, the cash reserve base comprises domestic deposits by the public and the rate of interest payable on cash reserve deposits is the 3-month HELIBOR rate less three percentage points, not however less than 8 per cent. The new cash reserve base is applied for the first time to deposits in April and interest will be paid at the new rate with effect from May 1, 1990.

MAY

Cash reserve requirement.

The cash reserve requirement corresponding to the new cash reserve agreement amounts to 8 per cent of the cash reserve base at the end of April.

JULY

Foreign Exchange Regulations.

The Bank of Finland allows private persons to undertake foreign investments and grant loans of over one year's maturity

to non-residents without upper limit as from July 1, 1990. This liberalization measure also applies to corporate entities, such as housing and real estate companies, considered comparable to private persons. Furthermore, local authorities are allowed to make foreign investments, grant loans of over one year's maturity to non-residents and raise foreign loans of over one year's maturity for financing their own operations.

The Bank of Finland also increases the opportunities of financial sector enterprises to engage in foreign operations. In addition to banks, mortgage banks and credit companies are, with effect from July 1, 1990, able to apply for the right to intermediate and raise foreign loans and the right to make foreign investments within the limits of their foreign currency positions. Finance companies have been able to apply for the right to intermediate foreign loans since March 1, 1990.

Investment reserves. On July 12, the Government decides to release, as from January 1, 1991, companies' investment reserves set up in respect of profits earned in 1985-1987. These reserves are to be used by the end of 1992.

SEPTEMBER

Foreign Exchange Regulations.

By decision of the Bank of Finland, derivative instruments based on Finnish shares and warrants carrying the right to purchase restricted shares may be sold to non-residents as from September 1, 1990. However, legislation restricting foreigners' ownership rights prohibits the transfer of restricted shares underlying derivative contracts and warrants to non-residents.

The decision applies to all standardized and unstandardized options and futures based on Finnish shares and other contracts of a similar nature. The Bank of Finland further decides that residents may, without restriction, buy and sell derivative instruments based on foreign shares as from September 1, 1990.

NOVEMBER

Till-money credits. The agreement under which the Bank of Finland grants non-interest till-money credits to deposit banks is revised as from November 30. In the same context, banks' base amounts are raised in proportion to the increase in notes and coin held by the public.

DECEMBER

Cash reserve deposits.

The Bank of Finland decides to lower the cash reserve requirement from 8.0 per cent to 7.0 per cent by the end of the year. The reduction will be carried out in weekly steps of 0.2 percentage point as from November 30.

1991

JANUARY

Repurchase agreements.

Repurchase agreements are introduced in money market dealings between the Bank of Finland and the banks from the beginning of 1991. This new type of transaction complements the present system of central bank financing.

Foreign Exchange Regulations.

By decision of the Bank of Finland, all remaining foreign exchange regulations, except those regarding the raising of loans abroad by private individuals and comparable corporate entities, are rescinded, as from January 1, 1991.

FINLAND IN BRIEF

LAND, CLIMATE AND POPULATION

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

Finland has a population of 4 969 200 (Dec. 31, 1989) and an average population density of 16.3 per square kilometre. The largest towns are Helsinki (Helsingfors), the capital, with 490 800 inhabitants, Tampere (Tammerfors) 171 300, Espoo (Esbo) 169 400, Turku (Åbo) 158 900 and Vantaa (Vanda) 152 500.

There are two official languages: 93.6% of the population speaks Finnish as its mother tongue and 6.0% Swedish. There is a small Lapp population in the north. Finnish is a member of the small Finno-Ugrian group of languages, which also includes Estonian and Hungarian.

FORM OF GOVERNMENT

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

The legislative power of the country is exercised by Parliament and the President of the Republic. The supreme executive power is vested in the President, who is elected for a period of six years. The President for the current term, March 1, 1988 to March 1, 1994, is Dr. Mauno Koivisto.

Parliament, comprising 200 members, is elected by universal suffrage for a period of four years. Following the parliamentary elections of 1987, the seats of the various parties in Parliament are distributed as follows:

Social Democratic Party 56; National Coalition Party 53; Centre Party 40; Left-Wing Alliance 20; Swedish People's Party 13; Rural Party 9; Christian League 5; and the Greens 4.

Of the 18 ministerial posts in the present government appointed in May 1987, 8 are held by Social Democrats, 7 by the National Coalition Party, 2 by the Swedish People's Party and 1 by the Rural Party. The Prime Minister is Mr. Harri Holkeri of the National Coalition Party.

Finland is divided into 461 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of four years.

INTERNATIONAL RELATIONS

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

Having abolished most quantitative restrictions on foreign trade in 1957, Finland first took part in European free trade arrangements under the auspices of EFTA in 1961. Imports from the USSR were also progressively freed from customs duties. Finland's free trade agreement with the EEC entered into force in 1974 and agreements for the removal of trade barriers were concluded with several eastern European countries as well. Citizens of the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, have enjoyed a common labour market, a passport union and reciprocal social security benefits since the mid-1950s.

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

THE ECONOMY

Output and employment. The Finnish economy is essentially based on private enterprise, with over 80% of manufacturing output and some 90% of banking services produced by private companies. Of the gross domestic

product of FIM 431 billion in basic values in 1989, 3% was generated in agriculture and fishing, 3% in forestry, 25% in industry, 9% in construction, 11% in trade, restaurants and hotels, 8% in transport and communications, 4% in finance and insurance, 19% in other private services and 17% by producers of government services. Of total employment of 2.5 million persons in 1989, 9% were engaged in primary production, 31% in industry and construction and 60% in services.

In 1989, expenditure on the gross domestic product in purchasers' values amounted to FIM 495 billion and was distributed as follows: net exports -1.7% (exports 23.6%, imports -25.3%), gross fixed capital formation 27%, private consumption 52% and government consumption 20%. Finland's gross tax ratio (gross taxes in relation to GDP) was 37% and the net tax ratio (net taxes in relation to GDP) 25%, which is about the average for OECD countries.

Average annual (compounded) growth of real GDP was 4.7% in the period 1950-59, 5.0% in 1960-69, 3.7% in 1970-79, 3.6% in 1980-89 and 4.3% in 1950-89. Finland's GDP per capita in 1989 was USD 23 200. According to preliminary data, this put Finland in second place after Switzerland among the 24 member countries of the OECD.

Foreign trade. OECD countries absorb the bulk of Finnish merchandise exports. In 1985-89, their share was, on average, 72.4 per cent, of which the share of EC countries was 40.8 percentage points and that of EFTA countries 21.1 percentage points. Over the same period, Finland's exports to East European countries (including the Soviet Union) accounted for 19.1 per cent and the rest of the world for 8.5 per cent. The regional distribution of Finland's merchandise imports has been quite similar to that of exports.

In 1989, the share of forest industry products in total merchandise exports was 40%, the share of metal and engineering products 42% and the share of other goods 18%. Raw materials and intermediate goods (incl. crude oil) accounted for 54% of merchandise imports, fuels for 3%, investment goods for 19% and consumption goods for 23%.

Forest resources. Finland has fairly abundant forest resources, but

only limited amounts of other raw materials. The growing stock comprises 1 660 million cubic metres, of which 45 % is pine, 37 % spruce and 18 % broad-leaved species, chiefly birch. The annual growth increment totals 68 million cubic metres and the total drain calculated on the basis of commercial fellings was 59 million cubic metres in 1989.

Energy. In 1989, gross consumption of primary energy amounted to 30 Mtoe, of which industry accounted for 46 %, heating for 21 %, transportation for 14 % and other purposes for 19 %. The sources of primary energy in 1988 were as follows: oil 31 %, coal 11 %, nuclear power 15 %, hydro-electric power, peat and other indigenous sources 29 %, others 14 %. Compared internationally (1988), Finland's consumption of 6.0 toe per capita was 1.8 times higher than the average in European OECD countries. The self-sufficiency rate (OECD definition, including nuclear power) in Finland was 42 %, as compared with 62 % in western Europe on average.

FINANCE AND BANKING

Currency. Since 1865 Finland has had its own monetary system. The currency unit is the markka (plural: markkaa), abbreviation FIM, which is divided into 100 penniä (singular: penni). Since Nov. 1, 1977 the external value of the markka has been officially expressed in terms of a trade-weighted currency index. As from Jan. 1, 1984 only convertible currencies have been included in the index. Since November 30, 1988, the index has been permitted to fluctuate within a range of 6 percentage points (previously 4.5). The range is defined by fluctuation limits which are set by the Government at the proposal of the Bank of Finland. Since March 17, 1989, the fluctuation limits have been 96.5 and 102.5 (1982 = 100), where the lower limit means the highest permissible value for the markka and the upper limit the lowest permissible value.

International payments.

Though the use of the markka in foreign trade and as a eurocurrency has increased, most international payments are effected in other currencies. Finland adopted Article VIII status at the International Monetary Fund in 1979. There are no restrictions concerning payments for merchandise or invisibles, and short-term trade finance may be acquired whenever exporters and importers see fit. The remaining exchange controls apply mainly to short-term financial transactions.

Outward direct investment is permitted without the Bank of Finland's authorization except for direct investments in the Soviet Union and Bulgaria. Similarly, inward direct investment is permitted without the Bank of Finland's authorization except for direct investments in enterprises in the financial sector and direct investments by the

Soviet Union and Bulgaria. Foreign investors may also buy Finnish shares and markka-denominated bonds. Finnish companies may freely raise foreign credits of over one year's maturity and grant credits of over one year's maturity to non-residents. Finnish residents may invest freely in foreign securities and real estate.

Commercial payments with the Soviet Union and Bulgaria are carried out mainly on a bilateral basis and are effected through clearing accounts. The necessary licencing of trade for maintaining balance in bilateral trade is carried out by the Export and Import Permits Office; the scope for suppliers' credits is also limited.

The Central Bank. The Bank of Finland (Suomen Pankki - Finlands Bank), founded in 1811, operates under the supervision of the Parliamentary Supervisory Board, the nine members of which are entrusted with overall supervision of the Bank and certain specific decisions such as fixing the Bank's base rate and the limits for other rates. The Governor and a maximum of five other Members of the Board of Management are appointed by the President of the Republic. The Board manages all affairs not expressly entrusted to the Parliamentary Supervisory Board, including the terms of banks' central bank finance, open market operations, intervention in the foreign exchange market, determination of the external value of the currency within the fluctuation limits, direct lending and permits for international capital transactions. The powers vested in the Bank and its independence of the Government make the Bank of Finland one of the world's stronger central banks. In practice, the Bank liaises closely with the Government, so as to coordinate economic policy. The Bank of Finland has a head office in Helsinki and 12 branch offices in other towns.

Other banks (Dec. 31, 1989). Finland has four major groups of deposit banks with a total of more than 3 500 offices. There are two big commercial banks with national branch networks and eight smaller ones, four of which are foreign-owned. The commercial banks have a total of 33 foreign branches, subsidiaries and associate banks and 26 representative offices abroad. There are 178 savings banks and 360 cooperative banks with their own extensive branch networks. The government-owned Postipankki has 67 branches and also offers basic services in post offices. In addition, foreign banks have 9 representative offices in Finland.

Financial markets. Of the total stock of FIM 669 billion in outstanding domestic credit at the end of 1989, 65 % was provided by deposit banks, 3 % by private mortgage banks, 15 % by insurance companies, 5 % by other private credit institutions, 4 % by public financial institutions and 8 % by the state, local authorities and social security funds. There are no quantitative

restrictions or interest rate limitations on lending. Regulation of bank lending rates was progressively relaxed earlier in the 1980s and finally abolished in 1986.

In the money market, 71 % of the instruments, which totalled approximately FIM 150 billion at end-1989, were negotiable instruments such as bank certificates of deposit, commercial paper, Treasury notes and local authority paper. Funds intermediated through bank trust departments and non-negotiable bank debt instruments make up the bulk of non-negotiable instruments. In its open market operations, the Bank of Finland deals in bank certificates of deposit and also issues its own certificates of deposit.

There are 83 listed companies on the Helsinki Stock Exchange, with a market capitalization value of FIM 125 billion (at end-1989). Four foreign companies are also quoted. Domestic bonds and debentures in circulation at end-1989 totalled FIM 105 billion; government bonds made up 28 % of the total. Turnover on the Stock Exchange in 1989 amounted to FIM 41 billion; the share of shares and subscription rights in the total was approximately 82 %.



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1. THE BALANCE SHEET OF THE BANK OF FINLAND

1.1 THE BALANCE SHEET OF THE BANK OF FINLAND, MILL. FIM

	1989		1990			
	Nov. 30	Dec. 31	Nov. 8	Nov. 15	Nov. 23	Nov. 30
ASSETS						
Gold and foreign currency claims	23 873	23 009	36 991	37 059	37 510	37 851
Gold	2 129	2 179	2 180	2 180	2 180	2 180
Special drawing rights	851	966	773	783	786	783
IMF reserve tranche	967	950	819	818	777	774
Convertible currencies	19 846	18 822	33 125	33 185	33 686	34 035
Tied currencies	80	92	93	93	81	79
Other foreign claims	3 687	3 300	2 529	2 529	2 573	2 572
Markka subscription to Finland's IMF quota	2 146	2 103	2 154	2 154	2 197	2 197
Term credit	1 541	1 198	375	375	376	375
Claims on financial institutions	35 390	39 054	20 240	19 502	18 900	18 371
Call money credits	513	38	11	30	162	—
Certificates of deposit	29 475	33 230	14 068	13 436	13 127	12 709
Term credits	—	—	—	—	—	—
Till-money credits	2 925	3 310	3 799	3 682	3 257	3 307
Bonds	2 239	2 238	2 123	2 116	2 116	2 116
Other claims on financial institutions	238	238	238	238	238	238
Claims on the public sector	1 126	1 137	1 329	1 327	1 327	1 322
Treasury notes and bills	—	—	—	—	—	—
Bonds	8	8	0	0	0	—
Total coinage	1 118	1 129	1 329	1 327	1 327	1 322
Other claims on the public sector	—	—	—	—	—	—
Claims on corporations	2 273	2 207	1 753	1 741	1 733	1 728
Financing of exports	4	1	0	0	0	0
Financing of domestic deliveries (KTR)	1 754	1 697	1 285	1 276	1 268	1 265
Bonds: KTR credits	308	302	265	262	261	261
Bonds: Other	21	21	10	10	10	8
Other claims on corporations	186	186	193	193	193	193
Other assets	105	571	111	111	111	117
Accrued items	—	464	—	—	—	—
Other assets	105	107	111	111	111	117
Total	66 455	69 279	62 952	62 268	62 154	61 961
LIABILITIES						
Foreign currency liabilities	481	697	1 254	1 434	1 540	1 361
Convertible currencies	20	42	41	41	27	20
Tied currencies	461	656	1 213	1 393	1 513	1 342
Other foreign liabilities	2 918	2 860	2 888	2 886	2 931	2 929
IMF markka accounts	2 146	2 103	2 154	2 154	2 197	2 197
Allocations of special drawing rights	772	758	734	733	735	732
Notes and coin in circulation	11 895	13 129	13 540	13 491	13 386	13 467
Notes	10 867	12 073	12 410	12 363	12 259	12 336
Coin	1 027	1 056	1 130	1 128	1 127	1 131
Certificates of deposit	—	—	—	—	—	—
Liabilities to financial institutions	26 141	26 303	21 413	21 097	21 060	21 655
Call money deposits	252	569	501	186	152	1 746
Term deposits	—	—	—	—	—	—
Cash reserve deposits	25 581	25 506	20 877	20 877	20 877	19 878
Capital import deposits	270	190	—	—	—	—
Other liabilities to financial institutions	37	38	35	34	32	30
Liabilities to the public sector	4 150	5 325	3 461	2 912	2 658	1 832
Cheque accounts	1	0	1	0	0	0
Cash fund deposits	2 610	3 770	—	—	—	—
Pension fund deposits	—	—	1 846	1 591	1 336	511
Counter-cyclical deposits	1 319	1 319	1 318	1 318	1 318	1 318
Export deposits	219	235	292	—	—	—
Other liabilities to the public sector	1	1	4	4	4	3
Liabilities to corporations	10 797	10 810	10 025	10 019	10 015	10 003
Deposits for investment and ship purchase	10 212	10 228	10 025	10 019	10 015	10 003
Capital import deposits	585	583	—	—	—	—
Other liabilities to corporations	0	—	—	—	—	—
Other liabilities	58	1 294	66	59	59	59
Accrued items	—	1 241	—	—	—	—
Other liabilities	58	53	66	59	59	59
Valuation account and reserves	4 180	2 696	4 143	4 205	4 341	4 491
SITRA's capital	400	400	400	400	400	400
Capital accounts	5 436	5 764	5 764	5 764	5 764	5 764
Primary capital	5 000	5 000	5 000	5 000	5 000	5 000
Reserve fund	436	436	764	764	764	764
Profit/loss for the accounting year	—	328	—	—	—	—
Total	66 455	69 279	62 952	62 268	62 154	61 961

1.2 TIME SERIES FOR THE BALANCE SHEET ITEMS OF THE BANK OF FINLAND,

MILL. FIM

End of period	Foreign sector									Public sector		
	Gold	Special drawing rights	IMF reserve tranche	Convertible currencies, net	Convertible reserves, total (1+2+3+4)	Tied currencies, net	Foreign exchange reserves, total (5+6)	Other claims, net	Net claims (7+8)	Claims	Liabilities	Net liabilities (11-10)
	1	2	3	4	5	6	7	8	9	10	11	12
1985	2 081	931	775	18 572	22 359	-285	22 074	-849	21 225	1 023	4 300	3 277
1986	2 081	983	793	6 778	10 635	3 421	14 056	-838	13 218	1 002	2 001	999
1987	2 128	899	793	23 571	27 391	1 212	28 603	1 131	29 734	977	901	-76
1988	2 128	1 120	940	24 373	28 561	945	29 506	1 117	30 623	1 128	1 903	775
1989	2 179	966	950	18 780	22 875	-564	22 311	440	22 751	1 137	5 325	4 188
1989												
Nov.	2 129	851	967	19 826	23 773	-381	23 392	769	24 161	1 126	4 150	3 024
Dec.	2 179	966	950	18 780	22 875	-564	22 311	440	22 751	1 137	5 325	4 188
1990												
Jan.	2 179	900	954	26 179	30 212	-584	29 628	432	30 060	1 168	6 384	5 216
Feb.	2 179	846	913	26 289	30 227	-311	29 916	433	30 349	1 185	6 523	5 338
March	2 180	791	910	29 685	33 566	-962	32 604	273	32 877	1 203	6 655	5 452
April	2 180	779	899	30 034	33 892	-920	32 972	-40	32 932	1 217	6 950	5 733
May	2 180	796	902	30 875	34 753	-1 163	33 590	-39	33 551	1 229	7 205	5 976
June	2 180	778	865	30 550	34 373	-1 065	33 308	-40	33 268	1 285	7 205	5 920
July	2 180	771	858	31 272	35 081	-694	34 387	-43	34 344	1 266	6 635	5 369
Aug.	2 180	780	813	31 799	35 572	-684	34 888	-352	34 536	1 281	5 685	4 404
Sept.	2 180	790	823	32 386	36 179	-1 059	35 120	-358	34 762	1 358	4 925	3 567
Oct.	2 180	792	825	33 191	36 988	-1 022	35 966	-363	35 603	1 329	3 970	2 641
Nov.	2 180	783	774	34 015	37 753	-1 263	36 489	-357	36 132	1 322	1 832	510

End of period	Domestic financial sector						Corporate sector			Notes and coin in circulation	Out-standing CDs issued by the Bank of Finland
	Term claims on deposit banks	Call money claims on deposit banks, net	Cash reserve deposits of deposit banks	Till-money credits to deposit banks	Other liabilities to financial institutions, net	Net claims (13+14-15+16-17)	Claims in the form of special financing	Special deposits and other items, net	Net claims (19-20)		
	13	14	15	16	17	18	19	20	21	22	23
1985		4 014	10 222	1 925	-1 386	-2 897	4 525	4 113	412	8 072	.
1986	2 381	6 687	9 270	2 305	-2 240	4 343	4 581	4 757	-176	8 668	.
1987	-	-757	10 941	2 730	-2 350	-6 618	3 449	4 782	-1 333	9 990	4 970
1988	7 187	335	19 039	2 920	-3 733	-4 864	2 823	6 579	-3 756	11 550	1 130
1989	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	-
1989											
Nov.	29 475	261	25 581	2 925	-2 170	9 250	2 066	10 590	-8 524	11 894	-
Dec.	33 230	-531	25 506	3 310	-2 248	12 751	2 000	10 604	-8 604	13 129	-
1990											
Jan.	34 050	-3 243	25 441	8 099	-2 377	15 842	1 950	10 453	-8 503	22 760	-
Feb.	33 720	-1 367	26 068	7 677	-2 378	16 340	1 919	10 460	-8 541	23 178	-
March	25 994	696	26 465	4 002	-2 397	6 624	1 857	10 415	-8 558	14 782	1 050
April	24 818	855	26 069	3 770	-2 374	5 748	1 809	10 480	-8 671	13 762	690
May	23 498	-1 008	22 855	3 627	-2 357	5 619	1 761	10 388	-8 627	13 501	630
June	22 911	-480	22 750	3 207	-2 310	5 198	1 706	10 226	-8 520	13 655	40
July	20 057	-485	22 679	3 752	-2 416	3 061	1 662	10 165	-8 503	13 592	40
Aug.	19 123	-787	21 999	3 196	-2 394	1 927	1 632	10 259	-8 627	13 314	40
Sept.	17 754	-527	21 395	3 186	-2 357	1 375	1 588	10 235	-8 647	13 418	-
Oct.	14 501	-236	20 877	3 695	-2 334	-583	1 548	9 902	-8 354	13 392	-
Nov.	12 709	-1 746	19 878	3 307	-2 324	-3 284	1 526	9 802	-8 276	13 467	-

2. THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD MARKET

2.1 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE CALL MONEY MARKET, MILL. FIM

During period	Purchases of money market instruments	Sales of money market instruments	Matured money market instruments, net	Impact on liquidity (1-2-3)	Call money credits	Call money deposits	Total net change (4+5-6)
	1	2	3	4	5	6	7
1985	.	.	.	.	201	-1 011	1 212
1986	.	.	.	.	1 599	-1 074	2 673
1987	1 263	23 658	-17 520	-4 875	-6 818	626	-12 319
1988	13 840	19 190	-16 850	11 500	463	-629	12 592
1989	131 110	3 855	99 245	28 010	-425	441	27 144
1989							
Nov.	18 220	350	13 560	4 310	510	-170	4 990
Dec.	10 850	530	6 770	3 550	-475	317	2 758
1990							
Jan.	18 660	4 710	13 750	200	14	2 726	-2 512
Feb.	31 775	14 350	18 020	-595	-46	-1 922	1 281
March	24 811	4 739	27 905	-7 833	698	-1 365	-5 770
April	16 470	150	16 762	-442	305	146	-283
May	15 510	1 610	16 250	-2 350	-998	865	-4 213
June	15 310	250	13 570	1 490	-8	-536	2 018
July	7 290	—	11 600	-4 310	7	12	-4 315
Aug.	10 230	20	10 780	-570	4	306	-872
Sept.	11 110	100	11 890	-880	0	-260	-620
Oct.	4 850	50	8 470	-3 670	1	-290	-3 379
Nov.	4 160	50	5 800	-1 690	-15	1 495	-3 200

2.2 FORWARD EXCHANGE MARKET, MILL. FIM

End of period	Banks' forward positions with					
	Domestic companies			Foreign banks, net	Bank of Finland, net	Total, net (3+4+5)
	Forward exchange bought by banks	Forward exchange sold by banks	Net (1-2)			
	1	2	3	4	5	6
1985	16 982	1 733	15 249	708	-9 005	6 951
1986	11 446	1 319	10 127	-2 461	-92	7 574
1987	21 671	1 158	20 513	-233	-1 287	18 994
1988	16 488	1 543	14 946	9 086	-377	23 654
1989	<u>10 531</u>	<u>3 563</u>	<u>6 967</u>	<u>8 031</u>	<u>205</u>	<u>15 204</u>
1989						
Oct.	11 323	2 260	9 063	10 774	—	19 836
Nov.	11 487	2 934	8 552	8 784	—	17 336
Dec.	<u>10 531</u>	<u>3 563</u>	<u>6 967</u>	<u>8 031</u>	<u>205</u>	<u>15 204</u>
1990						
Jan.	9 339	3 793	5 545	11 854	125	17 524
Feb.	9 073	3 764	5 309	8 215	-1 741	11 783
March	10 328	3 418	6 910	14 739	-2 323	19 326
April	11 327	3 403	7 924	14 493	-5 546	16 871
May	12 591	3 029	9 562	15 073	-8 339	16 296
June	11 858	3 140	8 718	15 692	-8 229	16 181
July	11 694	3 567	8 126	16 094	-8 013	16 207
Aug.	11 504	3 659	7 845	14 059	-7 745	14 159
Sept.	12 407	3 978	8 429	13 037	-6 922	14 544
Oct.	12 136	4 829	7 307	12 719	-6 633	13 393

2.3 BANKS' CENTRAL BANK POSITION, MILL. FIM

Average of daily observations	Call money credits	Bank CDs held by the Bank of Finland	Gross debt to the Bank of Finland (1+2)	Call money deposits	Holdings of CDs issued by the Bank of Finland	Cash reserve deposits	Gross claim on the Bank of Finland (4+5+6)	Net position (3-7)
	1	2	3	4	5	6	7	8
1985	5 812	.	5 812	4 527	.	9 578	14 105	-8 293
1986	7 117	120	7 237	1 256	.	9 189	10 445	-3 208
1987	481	1 581	2 062	703	4 705	10 092	15 501	-13 439
1988	128	2 190	2 319	621	5 044	15 159	20 824	-18 505
1989	373	15 146	15 519	403	465	23 035	23 903	-8 384
1989								
Nov.	360	26 702	27 062	363	—	25 384	25 747	1 315
Dec.	328	31 497	31 824	462	—	25 574	26 036	5 788
1990								
Jan.	308	34 151	34 459	1 200	860	25 504	27 564	6 895
Feb.	367	43 675	44 043	1 017	12 978	25 463	39 459	4 584
March	131	36 855	36 987	1 885	7 299	26 094	35 278	1 709
April	222	26 291	26 513	406	908	26 452	27 766	-1 254
May	175	26 112	26 287	700	654	25 965	27 319	-1 032
June	79	22 624	22 703	534	290	22 848	23 671	-969
July	3	21 435	21 438	542	40	22 748	23 330	-1 892
Aug.	35	19 648	19 683	615	40	22 657	23 312	-3 629
Sept.	18	18 165	18 184	584	17	21 939	22 539	-4 356
Oct.	14	15 893	15 906	974	—	21 378	22 352	-6 445
Nov.	167	13 511	13 678	327	—	20 843	21 170	-7 492

3. RATES OF INTEREST

3.1 MONEY MARKET RATES AND RATES APPLIED BY THE BANK OF FINLAND, PER CENT

Average of daily observations	Inter-bank overnight rate	HELIBOR				Bank of Finland rates			Cash reserve requirement	
		1 month	3 months	6 months	12 months	Call money credit rate	Call money deposit rate	Base rate	Ordinary	Additional (average)
	1	2	3	4	5	6	7	8	9	10
1985	..	..	..	..	..	13.37	13.37	9.04	5.6	.
1986	11.87	..	..	..	..	13.43	11.34	7.46	4.8	.
1987	9.16	9.90	10.02	10.14	10.40	11.71	7.78	7.00	4.8	.
1988	8.47	9.77	9.97	10.16	10.50	11.50	7.04	7.63	6.5	.
1989	10.21	12.32	12.53	12.61	12.72	13.40	4.00	7.67	8.0	0.5
1989										
Nov.	12.78	14.78	14.77	14.66	14.51	15.00	4.00	8.50	8.0	1.1
Dec.	15.03	16.23	16.08	15.56	15.17	15.00	4.00	8.50	8.0	1.1
1990										
Jan.	S	16.01	16.05	15.73	15.45	15.00	4.00	8.50	8.0	1.1
Feb.	S	16.01	16.01	15.73	15.39	15.00	4.00	8.50	8.0	.
March	8.97	15.08	15.38	15.40	15.37	15.00	4.00	8.50	8.0	.
April	8.86	13.16	13.94	14.33	14.70	15.00	4.00	8.50	8.0	.
May	9.47	12.25	12.77	13.17	13.74	15.00	4.00	8.50	8.0	.
June	8.22	12.07	12.52	13.17	13.79	15.00	4.00	8.50	8.0	.
July	8.23	11.69	12.45	13.01	13.63	15.00	4.00	8.50	8.0	.
Aug.	8.76	12.03	12.51	12.94	13.52	15.00	4.00	8.50	8.0	.
Sept.	9.62	12.59	13.09	13.46	13.93	15.00	4.00	8.50	8.0	.
Oct.	12.48	13.97	14.41	14.57	14.72	15.00	4.00	8.50	8.0	.
Nov.	15.19	14.48	14.53	14.40	14.38	15.00	4.00	8.50	7.8	.

3.2 WEIGHTED EURORATE (3 AND 12 CURRENCIES), PER CENT

Average of daily observations	3 currencies ¹				12 currencies ²			
	1 month	3 months	6 months	12 months	1 month	3 months	6 months	12 months
	1	2	3	4	5	6	7	8
1985	6.8	6.9	7.0	7.2	..	..	..	..
1986	5.9	5.9	5.9	5.8	..	..	..	..
1987	5.4	5.6	5.7	5.8	7.9	8.0	8.1	8.2
1988	5.9	6.0	6.2	6.4	7.8	8.0	8.1	8.3
1989	8.3	8.4	8.5	8.5	9.7	9.8	9.9	9.9
1989								
Nov.	8.8	9.0	9.0	8.9	10.5	10.7	10.7	10.7
Dec.	9.0	9.0	9.0	8.9	10.8	10.9	10.9	10.9
1990								
Jan.	8.8	9.0	9.2	9.2	10.8	11.0	11.2	11.3
Feb.	8.9	9.1	9.3	9.6	11.1	11.3	11.5	11.7
March	8.9	9.1	9.4	9.7	11.2	11.4	11.6	11.8
April	8.8	9.1	9.3	9.7	10.9	11.1	11.3	11.6
May	8.8	9.0	9.2	9.5	10.6	10.7	10.9	11.2
June	8.8	8.9	9.1	9.4	10.5	10.6	10.8	11.0
July	8.9	8.9	9.1	9.2	10.4	10.6	10.7	10.9
Aug.	8.9	9.0	9.2	9.3	10.5	10.7	10.9	11.1
Sept.	8.9	9.0	9.2	9.4	10.5	10.8	11.0	11.2
Oct.	8.8	9.0	9.1	9.2	10.8	10.9	10.9	11.1
Nov.	8.9	9.2	9.2	9.2	11.0	11.1	11.0	11.0

3.3 COVERED EURO-DOLLAR RATE, PER CENT

Average of daily observations	1 month	3 months	6 months	12 months
	1	2	3	4
1985	12.9	12.8	12.8	12.6
1986	12.1	11.7	11.5	11.1
1987	9.8	9.9	9.9	10.1
1988	9.6	9.8	10.0	10.3
1989	11.8	12.1	12.1	12.2
1989				
Nov.	14.2	14.3	14.3	14.1
Dec.	15.7	15.6	15.2	14.9
1990				
Jan.	14.9	15.4	15.1	15.0
Feb.	15.0	15.0	14.9	14.7
March	14.3	14.7	14.8	14.7
April	12.7	13.6	13.9	14.4
May	12.1	12.8	13.2	13.8
June	11.8 ^r	12.5	13.0 ^r	13.6 ^r
July	11.5 ^r	12.3 ^r	12.9 ^r	13.5 ^r
Aug.	11.9	12.4 ^r	12.8 ^r	13.4
Sept.	12.4 ^r	13.1	13.3 ^r	13.7 ^r
Oct.	13.8 ^r	14.3 ^r	14.4 ^r	14.5 ^r
Nov.	14.3	14.4	14.2	14.1

¹ DEM 60 per cent, USD 30 per cent, GBP 10 per cent.

² Weighted according to their relative shares in the Bank of Finland currency index. Since March 1989, the index has consisted of 14 currencies.

3.4 RATES OF INTEREST APPLIED BY BANKS, PER CENT

End of period	Lending						Deposits					
	New credits ¹				Average lending rate	Of which: Commercial banks	Savings accounts and ordinary deposit accounts	12-month time deposits	24-month time deposits	Average rate of interest on regulated deposits	Average rate of interest on unregulated deposits	Average rate of interest on total deposits
	Cheque account and post-office giro credits	Bills of exchange	Loans	New lending, total								
	1	2	3	4	5	6	7	8	9	10	11	12
1985	12.04	12.94	10.62	11.55	10.37	10.37	4.75	7.50	8.75	5.91	13.24	6.81
1986	10.89	12.30	9.76	10.64	8.82	8.81	2.75	5.75	7.00	4.43	11.84	5.35
1987	10.50	12.31	10.01	10.62	9.12	8.99	2.75	5.75	7.00	4.56	10.13	5.29
1988	10.22	12.27	10.50	10.72	10.37	10.25	3.75	6.75	8.00	5.87	9.80	6.20
1989	12.97	13.47	11.58	12.07	11.86	11.80	4.50	.	7.50	6.60	11.92	7.37
1989												
Oct.	14.08	14.12	12.09	12.72	10.72	10.59	3.50	.	5.50	5.57	12.56	7.56
Nov.	14.99	14.77	12.90	13.58	11.60	11.44	4.50	.	6.50	6.40	13.27	8.35
Dec.	16.36	15.37	13.28	14.02	11.86	11.80	4.50	.	7.50	6.60	14.18	8.77
1990*												
Jan.	13.55	15.71	13.02	13.73	11.99	11.91	4.50	.	7.50	6.45	14.40	8.66
Feb.	S	S	S	S	12.00	11.89	4.50	.	7.50	6.36	14.35	8.50
March	14.71	15.64	12.99	13.84	11.94	11.76	4.50	.	7.50	6.52	14.52	8.53
April	11.92	15.56	13.29	13.61	11.77	11.53	4.50	.	7.50	6.49	14.05	8.66
May	12.86	15.40	13.17	13.61	11.71	11.44	4.50	.	7.50	6.40	13.60	8.50
June	13.25	15.36	13.19	13.73	11.66	11.41	4.50	.	7.50	6.34	13.01	8.26
July	12.73	15.43	13.35	13.84	11.60	11.30	4.50	.	7.50	6.39	12.94	8.22
Aug.	11.33	15.39	13.24	13.46	11.63	11.34	4.50	.	7.50	6.42	12.78	8.22
Sept.	12.05	15.51	13.50	13.73	11.70	11.39	4.50	.	7.50	6.44	12.82	8.28
Oct.	14.78	15.86	13.71	14.36	11.91	11.69	4.50	.	7.50	6.48	12.92	8.32

¹ Average rate of interest for period.

3.5 YIELDS ON BONDS AND DEBENTURES, PER CENT

Period	Secondary market yields							Offer yield on taxable public issues
	Reference rates calculated by the Bank of Finland		Taxable government bonds	Taxable public issues	Issued by:		Taxfree public issues	
	3 years	5 years			Financial institutions	Corporations		
	1	2	3	4	5	6	7	8
1985	..	..	.	12.7	..	..	10.1	12.7
1986	..	..	.	11.7	..	..	8.3	11.3
1987	..	..	.	11.2	11.1	11.2	8.1	10.7
1988	10.7	10.8	10.6	10.6	10.6	10.6	7.8	10.4
1989	12.2	12.0	12.1	11.9	12.0	12.0	8.1	11.7
1989								
Oct.	13.3	12.8	12.4	12.4	12.6	12.3	8.4	11.9
Nov.	13.3	12.9	12.6	12.4	12.2	12.6	8.7	12.2
Dec.	13.5	13.0	12.9	12.4	12.1	12.6	8.9	12.5
1990								
Jan.	13.5	13.0	12.7	12.7	12.9	12.4	8.7	11.3
Feb.	13.5	13.0	S	S	S	S	S	12.9
March	13.8	13.4	13.2	13.2	13.3	13.1	8.6	13.0
April	13.8	13.5	13.4	13.3	13.5	13.1	8.7	12.7
May	13.8	13.7	13.1	13.5	13.6	13.5	8.8	13.3
June	13.8	13.7	13.1	13.3	13.3	13.6	8.7	13.1
July	13.8	13.7	13.4	13.3	13.5	13.1	9.0	13.2
Aug.	13.7	13.7	13.2	13.3	13.5	13.1	9.1	13.1
Sept.	13.7	13.6	13.4	13.3	13.4	13.1	9.2	13.0
Oct.	14.0	13.9	13.5	13.7	13.5	14.0	9.5	13.5

4. RATES OF EXCHANGE

4.1 AVERAGE SPOT SELLING RATES, FIM

Average of daily quotations	New York	Montreal	London	Dublin	Stockholm	Oso	Copenhagen	Frankfurt a.M.	Amsterdam	Brussels	Zurich
	1 USD	1 CAD	1 GBP	1 IEP	1 SEK	1 NOK	1 DKK	1 DEM	1 NLG	1 BEF	1 CHF
	1	2	3	4	5	6	7	8	9	10	11
1985	6.206	4.554	8.000	6.590	0.7222	0.7231	0.5871	2.1142	1.8745	0.10483	2.5360
1986	5.077	3.659	7.459	6.816	0.7138	0.6882	0.6290	2.3454	2.0789	0.11399	2.8349
1987	4.404	3.325	7.213	6.556	0.6952	0.6547	0.6444	2.4514	2.1755	0.11806	2.9563
1988	4.191	3.412	7.466	6.397	0.6848	0.6444	0.6235	2.3895	2.1233	0.11421	2.8700
1989	4.295	3.632	7.051	6.104	0.6673	0.6234	0.5886	2.2879	2.0281	0.10925	2.6306
1989											
Nov.	4.262	3.649	6.715	6.180	0.6644	0.6190	0.6001	2.3302	2.0648	0.11108	2.6348
Dec.	4.125	3.556	6.597	6.262	0.6569	0.6167	0.6107	2.3725	2.1016	0.11294	2.6339
1990											
Jan.	4.010	3.431	6.632	6.270	0.6508	0.6139	0.6117	2.3708	2.1018	0.11317	2.6457
Feb.	3.960	3.315	6.724	6.277	0.6482	0.6129	0.6128	2.3635	2.0966	0.11322	2.6625
March	4.030	3.416	6.561	6.308	0.6548	0.6125	0.6177	2.3648	2.1001	0.11399	2.6677
April	4.000	3.439	6.557	6.362	0.6546	0.6117	0.6217	2.3704	2.1060	0.11472	2.6899
May	3.931	3.351	6.612	6.351	0.6503	0.6111	0.6213	2.3666	2.1041	0.11469	2.7738
June	3.966	3.385	6.780	6.318	0.6516	0.6133	0.6186	2.3540	2.0913	0.11461	2.7822
July	3.848	3.328	6.959	6.300	0.6473	0.6112	0.6166	2.3463	2.0824	0.11404	2.7628
Aug.	3.710	3.245	7.061	6.346	0.6431	0.6106	0.6182	2.3628	2.0973	0.11495	2.8338
Sept.	3.715	3.212	6.993	6.358	0.6451	0.6125	0.6200	2.3667	2.1000	0.11514	2.8450
Oct.	3.627	3.133	7.060	6.386	0.6434	0.6135	0.6235	2.3785	2.1100	0.11559	2.8302
Nov.	3.569	3.072	7.015	6.433	0.6420	0.6155	0.6264	2.4006	2.1285	0.11645	2.8394

Average of daily quotations	Paris	Rome	Vienna	Lisbon	Reykjavik	Madrid	Tokyo	Moscow	Melbourne	ECU	SDR
	1 FRF	1 ITL	1 ATS	1 PTE	1 ISK	1 ESP	1 JPY	1 SUR	1 AUD	1 XEU	1 XDR
	12	13	14	15	16	17	18	19	20	21	22
1985	0.6940	0.00327	0.3012	0.0367	0.1520	0.0366	0.02610	7.419	..	..	6.27879
1986	0.7355	0.00343	0.3339	0.0343	0.1259	0.0364	0.03028	7.228	..	..	5.94432
1987	0.7345	0.00341	0.3488	0.0315	0.1163	0.0358	0.03050	6.965	3.106	5.075	5.68010
1988	0.7060	0.00324	0.3401	0.0294	0.1006	0.0361	0.03273	6.891	3.309	4.954	5.61826
1989	0.6757	0.00315	0.3254	0.0276	0.0782	0.0364	0.03122	6.817	3.423	4.731	5.49375
1989											
Nov.	0.6868	0.00319	0.3312	0.0273	0.0705	0.0367	0.02971	6.799	3.359	4.765	5.43347
Dec.	0.6959	0.00321	0.3371	0.0273	0.0691	0.0369	0.02872	6.716	3.263	4.810	5.35882
1990											
Jan.	0.6980	0.00319	0.3371	0.0272	0.0684	0.0367	0.02768	6.640	3.159	4.812	5.27623
Feb.	0.6975	0.00320	0.3359	0.0271	0.0684	0.0367	0.02723	6.591	3.029	4.829	5.24250
March	0.7021	0.00322	0.3362	0.0270	0.0682	0.0370	0.02634	6.610	3.067	4.827	5.23570
April	0.7072	0.00324	0.3372	0.0270	0.0680	0.0375	0.02528	6.582	3.075	4.847	5.19392
May	0.7044	0.00323	0.3366	0.0270	0.0679	0.0380	0.02562	6.575	3.017	4.849	5.17416
June	0.7011	0.00322	0.3348	0.0271	0.0683	0.0382	0.02582	6.620	3.105	4.850	5.20247
July	0.7009	0.00322	0.3338	0.0270	0.0680	0.0384	0.02581	6.549	3.068	4.856	5.16136
Aug.	0.7057	0.00322	0.3361	0.0270	0.0677	0.0384	0.02519	6.480	3.020	4.899	5.09787
Sept.	0.7081	0.00318	0.3367	0.0270	0.0680	0.0378	0.02681	6.523	3.083	4.898	5.15451
Oct.	0.7117	0.00319	0.3384	0.0272	0.0681	0.0380	0.02794	6.500	2.933	4.919	5.16932
Nov.	0.7146	0.00321	0.3416	0.0275	0.0680	0.0381	0.02770	6.465	2.782	4.949	5.14440

4.2 CURRENCY INDICES, 1982=100

Average of daily observations	Bank of Finland currency index	Other currency indices		Currency	Weights of the Bank of Finland currency index As from October 8, 1990
		Payments currency index	MERM index		
	1	2	3		4
1985	102.5	109.4	112.5	USD	8.7
1986	103.9	106.3	110.4	GBP	12.9
1987	103.3	103.2	106.1	SEK	19.0
1988	102.0	101.1	104.7	NOK	4.0
1989	98.4	98.4	102.8	DKK	4.5
				DEM	19.1
1989				NLG	4.8
Nov.	98.1	98.2	102.1	BEF	3.1
Dec.	97.9	97.6	100.9	CHF	2.4
				FRF	6.8
1990				ITL	5.1
Jan.	97.2	96.7	99.2	ATS	1.6
Feb.	97.1	96.4	98.4	ESP	2.0
March	97.0	96.7	98.7	JPY	6.0
April	97.0	96.6	98.0		
May	96.9	96.2	97.5		
June	97.2	96.6	97.9		
July	97.1	95.9	96.9		
Aug.	97.0	95.4	95.7		
Sept.	97.3	95.6	96.6		
Oct.	97.7	95.3	96.6		
Nov.	97.7	95.2	96.2		

5. OTHER DOMESTIC FINANCING

5.1 BANK DEPOSITS BY THE PUBLIC, MILL. FIM

End of period	Demand deposits	Time deposits	Investment accounts	Markka deposits, total (1+2+3)	Foreign currency deposits	Unregulated deposits	Total deposits (4+5+6)
	1	2	3	4	5	6	7
1985	19 268	125 366	1 781	146 415	6 184	13 998	166 597
1986	18 393	137 521	3 423	159 337	4 259	17 271	180 866
1987	20 377	155 115	5 243	180 735	3 915	17 892	202 542
1988*	24 831	194 181	5 089	224 102	4 561	41 028	269 690
1989*	28 503	201 392	10 176	240 071	7 133	75 522	322 725
1989*							
Sept.	27 588	196 169	9 219	232 975	6 235	67 515	306 724
Oct.	28 296	195 743	9 667	233 706	6 591	71 727	312 023
Nov.	27 687	195 226	9 913	232 825	6 504	80 414	319 743
Dec.	28 503	201 392	10 176	240 071	7 133	75 522	322 725
1990*							
Jan.	32 618	199 773	10 692	243 084	10 487	82 920	336 492
Feb.	33 833	201 002	10 645	245 480	10 439	5	5
March	29 236	205 151	10 687	245 073	9 300	73 595	327 968
April	29 354	205 732	11 005	246 091	7 571	72 984	326 646
May	29 857	205 719	11 293	246 869	8 694	73 082	328 645
June	30 140	208 628	11 214	249 982	8 435	71 385	329 803
July	29 209	207 022	11 440	247 671	7 970	69 537	325 178
Aug.	27 561	206 562	11 729	245 852	7 032	70 060	322 944
Sept.	26 962	206 521	12 119	245 603	7 217	71 367	324 187

5.2 BANK LENDING TO THE PUBLIC, MILL. FIM

End of period	Cheque account and postal giro credits	Bills of exchange	Loans	Markka lending, total (1+2+3)	Foreign currency credits	Total lending (4+5)
	1	2	3	4	5	6
1985	6 313	7 471	132 668	146 451	24 236	170 687
1986	7 542	6 354	152 335	166 231	24 450	190 681
1987	8 507	5 177	178 698	192 382	36 475	228 857
1988*	11 358	5 920	234 268	251 545	49 910	301 455
1989*	15 270	5 651	255 410	276 331	71 323	347 654
1989*						
Sept.	14 691	5 436	256 014	276 141	62 836	338 978
Oct.	15 190	5 471	256 958	277 619	65 326	342 945
Nov.	15 584	5 465	257 252	278 300	67 947	346 246
Dec.	15 270	5 651	255 410	276 331	71 323	347 654
1990*						
Jan.	17 098	5 545	257 211	279 853	79 984	359 837
Feb.	17 489	5 528	257 444	280 460	78 896	359 357
March	16 766	5 629	256 786	279 181	82 101	361 282
April	17 095	5 666	255 254	278 014	85 607	363 621
May	17 429	5 809	252 263	275 501	90 326	365 827
June	17 659	5 887	258 422	281 968	93 398	375 366
July	17 458	5 842	258 684	281 984	93 461	375 445
Aug.	18 440	5 886	260 023	284 349	95 234	379 583
Sept.	19 260	5 863	263 147	288 270	98 093	386 363

5.3 MONEY SUPPLY AND MONETARY AGGREGATES, MILL. FIM

End of period	Foreign assets, net	Domestic credit			Other items, net	M ₁	M ₂ (1+4+5)
		Claims on the central government	Claims on the public	Total (2+3)			
	1	2	3	4	5	6	7
1985	-6 641	-8 694	209 231	200 537	-27 244	27 694	166 652
1986	-16 784	-13 884	237 514	223 630	-27 522	27 838	179 324
1987	-25 484	-14 977	277 068	262 090	-36 145	30 342	200 461
1988	-40 670	-15 356	353 681	338 325	-51 616	35 232	246 039
1989*	-59 049	-18 868	407 433	388 565	-58 985	41 444	270 531
1989*							
Sept.	-53 458	-15 232	399 970	384 738	-69 970	39 625	261 310
Oct.	-55 551	-15 419	403 374	387 955	-70 384	40 176	262 020
Nov.	-57 974	-18 617	407 598	388 981	-69 635	39 730	261 372
Dec.	-59 049	-18 868	407 433	388 565	-58 985	41 444	270 531
1990*							
Jan.	-55 383	-16 776	420 643	403 866	-64 208	54 151	284 275
Feb.	-55 962	-18 534	421 808	403 274	-60 253	56 924	287 060
March	-62 202	-19 004	424 958	405 954	-65 532	44 397	278 220
April	-66 857	-16 136	426 742	410 606	-67 451	43 428	276 298
May	-66 737	-15 311	431 336	416 026	-70 695	44 844	278 594
June	-69 256	-15 410	435 821	420 412	-69 296	44 996	281 860
July	-68 930	-17 378	437 063	419 685	-72 538	43 347	278 218
Aug.	-71 996	-17 092	440 238	423 146	-75 164	41 367	275 986
Sept.	-75 962	-16 321	448 600	432 279	-79 976	40 603	276 342

5.4 LIABILITIES AND ASSETS OF THE CENTRAL GOVERNMENT, MILL. FIM

End of period	Foreign debt			Domestic debt				Total central government debt (4+8)	Out-standing lending	Cash funds	
	Bonds	Other bonds and debentures	Long-term promissory notes	Total (1+2+3)	Public bonds	Other long-term liabilities	Treasury notes and bills				Total (5+6+7)
	1	2	3	4	5	6	7	8	9	10	11
1985	17 316	2 703	5 658	25 677	14 994	4 107	2 203	21 304	46 981	36 032	6 383
1986	17 905	3 038	6 038	26 981	18 059	4 481	2 474	25 013	51 994	38 028	11 686
1987	20 407	2 697	5 576	28 680	22 121	4 692	3 018	29 831	58 511	40 035	11 553
1988	20 202	1 804	4 273	26 279	24 243	5 272	2 290	31 805	58 084	42 990	15 858
1989	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	45 356	21 248
1989											
Oct.	18 591	1 138	3 385	23 114	23 998	4 801	250	29 049	52 163	45 371	17 788
Nov.	18 601	853	3 319	22 773	23 988	4 798	250	29 036	51 809	45 471	21 445
Dec.	18 505	852	3 429	22 786	24 126	5 750	250	30 126	52 912	45 356	21 248
1990											
Jan.	18 353	851	3 350	22 554	23 172	5 747	100	29 019	51 573	45 808	19 182
Feb.	18 322	729	3 303	22 354	23 122	5 728	—	28 850	51 204	46 061	20 715
March	18 310	663	3 155	22 128	22 403	5 723	—	28 126	50 254	46 432	22 657
April	17 508	666	3 143	21 317	22 136	5 360	—	27 496	48 813	46 854	18 457
May	17 501	503	3 122	21 126	21 734	5 185	—	26 919	48 045	47 207	17 268
June	17 537	502	3 061	21 100	21 827	5 182	—	27 009	48 109	47 559	16 764
July	18 482	499	3 185	22 166	22 061	5 182	—	27 243	49 409	48 008	19 082
Aug.	18 515	501	3 180	22 196	21 978	5 182	120	27 280	49 476	48 224	18 948
Sept.	18 590	502	3 190	22 282	22 126	5 182	300	27 608	49 890	48 160	18 903
Oct.	19 325	330	3 181	22 836	22 404	5 182	—	27 586	50 422	..	18 034

5.5 MARKKA BOND MARKET

A) ISSUES, MILL. FIM

During period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1985	4 799	9 112	5 994	435	33	8 070	6 394	5 909	20 373
1986	4 976	10 638	6 532	422	105	5 987	7 487	9 199	22 674
1987	4 477	9 510	8 119	206	69	9 409	8 830	4 142	22 380
1988	3 027	8 418	6 889	268	61	7 861	6 522	4 280	18 663
1989	4 204	11 022	5 717	233	13	11 146	2 997	7 046	21 189
1989									
Oct.	72	1 040	160	8	7	974	—	313	1 287
Nov.	150	875	—	23	—	761	—	288	1 048
Dec.	258	850	—	9	—	665	—	452	1 117
1990*									
Jan.	399	818	—	—	—	110	—	1 107	1 217
Feb.	437	2 888	—	—	—	1 976	357	992	3 325
March	602	2 242	—	—	—	980	—	1 864	2 844
April	162	730	—	—	—	620	—	272	892
May	350	631	1 400	340	8	2 198	—	531	2 729
June	273	1 436	—	—	500	1 140	—	1 069	2 209
July	200	550	—	—	150	570	—	330	900
Aug.	431	1 804	270	—	200	2 234	—	471	2 705
Sept.	44	1 865	150	—	—	1 700	250	109	2 059
Oct.	842	600	2 465	—	—	3 040	—	867	3 907

B) STOCK, MILL. FIM

End of period	By sector					By type of loan			Total (1+2+3+4+5) = (6+7+8)
	Corporations	Financial institutions	Central government	Local government	Others	Public issues		Private placements	
						Taxable	Taxfree		
	1	2	3	4	5	6	7	8	9
1985	10 482	26 173	18 575	661	56	10 967	19 002	25 977	55 947
1986	14 075	31 902	22 091	1 042	177	16 432	23 314	29 541	69 287
1987	17 509	36 773	26 518	1 200	232	24 831	28 229	29 172	82 232
1988*	19 195	42 892	28 953	1 413	292	32 028	30 054	30 663	92 745
1989*	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
1989*									
II	20 841	48 406	28 843	1 519	283	38 183	28 877	32 831	99 892
III	21 537	48 392	28 714	1 539	288	39 154	28 279	33 036	100 470
IV	21 463	50 216	29 381	1 555	290	41 162	27 742	34 001	102 906
1990*									
I	21 865	55 500	27 631	1 531	296	43 578	25 730	37 515	106 823
II	21 283	54 539	27 461	1 803	954	44 521	23 698	37 820	106 039

5.6 HELSINKI STOCK EXCHANGE

During period	Turnover, mill.FIM			Share prices Unitas index ¹ , 1975 = 100		
	Shares and subscription rights	Bonds and debentures	Total (1+2)	Banks	Industry	Overall index
	1	2	3	4	5	6
1985	3 114	9 046	12 160	184	234	229
1986	9 488	6 479	15 968	254	357	350
1987	26 641	4 604	31 245	319	603	546
1988	31 734	5 718	37 452	404	734	677
1989	33 160	7 375	40 536	441	793	742
1989						
Nov.	1 081	876	1 957	369	674	627
Dec.	2 929	1 471	4 400	354	669	619
1990						
Jan.	4 475	709	5 184	332	701	633
Feb.	1 324	15	1 339	319	745	661
March	1 520	599	2 120	320	715	638
April	850	250	1 100	314	660	594
May	1 199	632	1 831	308	632	572
June	804	341	1 145	306	628	567
July	468	216	684	291	598	538
Aug.	870	145	1 015	280	594	532
Sept.	544	172	716	241	520	468
Oct.	680	427	1 107	233	455	417
Nov.	1 727	233	1 960	230	449	410

¹ Average of daily observations.

6. BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

6.1 CURRENT ACCOUNT, MILL. FIM

During period	Exports of goods, f.o.b.	Transport receipts	Travel receipts	Other services receipts	Services receipts, total (2+3+4)	Exports of goods and services (1+5)	Investment income ¹	Transfers and other income	Current account receipts (6+7+8)	Imports of goods, c.i.f.	Transport expenditure	Travel expenditure	Other services expenditure
	1	2	3	4	5	6	7	8	9	10	11	12	13
1985	82 475	6 216	3 258	6 224	15 698	98 173	5 847	3 791	107 811	80 764	2 545	5 031	6 554
1986	81 066	5 757	3 195	5 616	14 568	95 634	4 510	3 609	103 752	76 736	2 160	5 587	5 415
1987	83 826	6 370	3 736	6 099	16 204	100 030	5 075	3 231	108 336	81 867	2 610	6 811	6 488
1988	91 313	7 026	4 280	6 132	17 438	108 750	7 836	4 415	121 002	91 232	3 338	7 907	7 390
1989*	98 265	7 662	4 497	6 277	18 436	116 701	10 646	3 652	130 999	104 400	3 869	8 969	8 759
1988													
I	20 516	1 623	776	1 583	3 982	24 498	1 863	1 083	27 443	19 684	671	1 829	2 011
II	22 569	1 752	1 041	1 379	4 172	26 740	1 890	1 119	29 750	23 184	780	1 916	1 730
III	21 621	1 880	1 486	1 264	4 631	26 251	1 978	1 133	29 363	23 767	943	2 210	1 789
IV	26 608	1 771	977	1 905	4 653	31 261	2 105	1 080	34 446	24 597	944	1 951	1 860
1989*													
I	24 944	1 853	869	1 322	4 044	28 988	2 057	851	31 896	24 292	820	1 922	2 170
II	23 370	1 948	1 078	1 376	4 401	27 771	2 793	930	31 494	24 762	947	2 170	2 234
III	22 534	1 982	1 421	1 466	4 869	27 403	2 476	927	30 806	25 637	1 022	2 431	2 070
IV	27 418	1 879	1 129	2 114	5 122	32 540	3 320	944	36 803	29 708	1 080	2 446	2 285
1990*													
I	24 418	2 053	806	1 515	4 374	28 792	3 056	820	32 667	24 697	968	2 461	2 288
II	26 480	2 142	1 145	1 290	4 576	31 057	3 332	967	35 356	27 572	1 060	2 697	2 292
III	22 904	2 195	1 835	1 190	5 220	28 124	3 169	929	32 222	22 848	1 108	3 038	2 150

During period	Services expenditure, total (11+12 services +13)	Imports of goods and services (10+14)	Investment expenditure ¹	Transfers and other expenditure	Current account expenditure (15+16 +17)	Trade account (1-10)	Transport (2-11)	Travel (3-12)	Other services (4-13)	Services account and services (20+21 +22)	Goods and services account net (19+23)(7-16)	Transfers and others, net (8-17)	Current account (24+25 +26)=
	14	15	16	17	18	19	20	21	22	23	24	25	26
1985	14 130	94 893	12 134	5 300	112 327	1 711	3 671	-1 773	-330	1 568	3 279	-6 287	-1 509
1986	13 162	89 898	11 719	5 964	107 580	4 329	3 597	-2 392	201	1 406	5 735	-7 209	-2 355
1987	15 909	97 775	12 617	5 860	116 251	1 960	3 760	-3 075	-390	296	2 255	-7 542	-2 629
1988	18 634	109 866	15 769	6 975	132 610	80	3 689	-3 627	-1 258	-1 196	-1 116	-7 933	-2 560
1989*	21 596	125 996	21 099	7 561	154 656	-6 134	3 793	-4 471	-2 482	-3 160	-9 294	-10 453	-3 910
1988													
I	4 510	24 194	3 882	1 974	30 050	832	952	-1 053	-428	-529	303	-2 019	-891
II	4 426	27 610	3 863	1 556	33 029	-616	972	-875	-351	-254	-870	-1 972	-437
III	4 942	28 709	3 511	1 558	33 778	-2 146	937	-723	-525	-311	-2 457	-1 533	-424
IV	4 756	29 353	4 514	1 888	35 754	2 010	827	-975	45	-102	1 908	-2 409	-808
1989*													
I	4 911	29 203	4 169	2 120	35 492	652	1 034	-1 053	-848	-867	-215	-2 112	-1 269
II	5 351	30 114	5 691	1 884	37 689	-1 393	1 001	-1 092	-858	-950	-2 343	-2 898	-954
III	5 522	31 160	5 137	1 730	38 027	-3 103	960	-1 010	-604	-654	-3 757	-2 661	-804
IV	5 811	35 519	6 102	1 827	43 448	-2 291	799	-1 316	-171	-689	-2 980	-2 782	-883
1990*													
I	5 717	30 414	5 895	1 927	38 236	-279	1 085	-1 655	-774	-1 343	-1 622	-2 839	-1 107
II	6 049	33 621	6 974	2 235	42 830	-1 092	1 082	-1 553	-1 002	-1 473	-2 565	-3 642	-1 268
III	6 295	29 144	6 496	1 993	37 633	55	1 088	-1 203	-960	-1 075	-1 020	-3 327	-1 064

¹Excluding for the time being reinvested earnings of direct investment enterprises; see also the item on direct investment in the October 1990 issue of the Bulletin.

6.2 CAPITAL ACCOUNT¹, MILL. FIM

During period	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Imports of other long-term capital	Imports of long-term capital (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Exports of other long-term capital	Exports of long-term capital (9+10+11+12)	Long-term capital account (8-13)
			Central government	Author-ized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1985	392	9 507	-66	-12	-1 678	-1 756	140	8 283	2 073	1 329	-1 313	1 026	3 115	5 168
1986	1 627	9 301	-240	31	-3 056	-3 265	87	7 750	3 641	2 592	-381	457	6 309	1 441
1987	424	9 319	-556	1 823	103	1 370	91	11 204	3 741	3 029	158	2 508	9 436	1 768
1988	1 164	14 457	-1 892	2 304	2 548	2 960	85	18 666	7 935	2 492	1 369	753	12 550	6 117
1989*	1 353	14 756	-1 638	4 152	6 094	8 608	79	24 796	11 793	887	2 934	78	15 692	9 104
1988														
I	63	2 080	-422	355	1 069	1 002	89	3 234	1 113	1 200	8	272	2 593	642
II	313	5 204	-310	139	-219	-390	-42	5 085	2 972	439	218	132	3 761	1 324
III	107	1 274	-382	953	503	1 074	-19	2 436	1 677	415	67	134	2 293	143
IV	681	5 899	-778	857	1 195	1 274	57	7 911	2 173	438	1 076	215	3 902	4 009
1989*														
I	-165	7 696	-761	1 033	456	728	42	8 301	3 173	328	1 395	357	5 253	3 048
II	176	1 415	-403	397	1 082	1 076	-22	2 645	1 785	430	543	160	2 918	-273
III	484	2 841	-113	563	1 031	1 481	-16	4 790	3 237	333	225	158	3 953	837
IV	858	2 804	-361	2 159	3 525	5 323	75	9 060	3 598	-204	771	-597	3 568	5 492
1990*														
I	563	6 709	-310	2 125	10 482	12 297	126	19 695	2 285	295	101	357	3 038	16 657
II	531	2 646	-234	449	1 647	1 862	-34	5 005	2 910	-342	-1	-163	2 404	2 601
III	149	6 451	-201	1 145	1 557	2 501	-26	9 075	2 630	165	-392	-151	2 252	6 823

During period	Basic balance	Short-term capital imports of au- thorized banks	Import liabilities and prepay- ments related to ex- ports	Imports of short-term capital (16+17)	Short-term capital exports of au- thorized banks	Export receipts and prepay- ments related to imports	Exports of short-term capital (19+20)	Other short-term capital incl. errors and omissions	Short-term capital account (18-21+22)	Overall balance excl. reserve movements (15+23)	Change in central bank's foreign ex- change reserves (26+27)	Of which:	
												Convertible reserves	Tied reserves
	15	16	17	18	19	20	21	22	23	24	25	26	27
1985	651	6 890	350	7 240	323	1 732	2 055	-2 092	3 093	3 744	-3 744	-3 729	-15
1986	-2 387	6 019	-3 796	2 222	9 933	-92	9 841	2 075	-5 544	-7 930	7 930	11 678	-3 748
1987	-6 147	19 324	-665	18 659	-7 343	-183	-7 526	-4 302	21 883	15 736	-15 736	-17 817	2 081
1988	-5 492	10 950	-399	10 551	5 970	644	6 614	1 737	5 674	183	-183	-517	334
1989*	-14 553	4 284	1 627	5 912	2 641	475	3 116	5 796	8 592	-5 961	5 961	4 455	1 506
1988													
I	-1 965	6 244	-1 632	4 612	2 966	-692	2 274	1 968	4 305	2 341	-2 341	-1 295	-1 046
II	-1 955	13 610	484	14 094	4 363	-692	3 671	-3 750	6 673	4 718	-4 718	-4 662	-57
III	-4 272	-142	1 411	1 269	3 405	1 014	4 419	334	-2 816	-7 088	7 088	6 337	751
IV	2 700	-8 761	-663	-9 424	-4 764	1 014	-3 750	3 185	-2 488	212	-212	-897	685
1989*													
I	-548	5 699	-287	5 412	4 685	214	4 899	1 855	2 368	1 820	-1 820	-1 372	-449
II	-6 468	10 761	-2 108	8 653	4 648	214	4 861	1 502	5 293	-1 174	1 174	152	1 022
III	-6 384	4 244	1 107	5 351	4 747	24	4 771	2 818	3 398	-2 987	2 987	1 802	1 185
IV	-1 153	-16 419	2 915	-13 505	-11 439	24	-11 415	-378	-2 467	-3 620	3 620	3 873	-253
1990*													
I	11 088	18 613	782	19 394	11 407	-593	10 814	-8 822	-242	10 847	-10 847	-11 254	408
II	-4 874	9 581	793	10 374	5 901	-593	5 309	582	5 648	774	-774	-873	100
III	1 411	-3 315	-571	-3 886	-3 330	-360	-3 690	844	648	2 059	-2 059	-2 064	5

¹ The definition of portfolio investment has been changed to meet recommendations by the IMF. As a result, marketable bonds and debentures have been transferred from long-term credits (columns 3-6 and 12) to portfolio investment (columns 2 and 10). The change has been made to both flows and stocks of liabilities and assets from 1985 onwards.

6.3 FINLAND'S FOREIGN LIABILITIES AND ASSETS¹, MILL. FIM

End of period	Long-term liabilities								Long-term assets				Long-term debt, net (8-13)	
	Direct investment in Finland	Portfolio investment in Finland	Long-term credits				Other long-term capital	Total (1+2+6+7)	Direct investment abroad	Portfolio investment abroad	Long-term export credits	Other long-term capital		Total (9+10+11+12)
			Central government	Author-ized banks	Others	Total (3+4+5)								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1985	7 386	37 932	8 341	1 701	24 703	34 745	652	80 715	10 516	2 370	6 539	3 033	22 458	58 257
1986	8 173	48 039	8 598	1 780	19 905	30 283	739	87 234	11 819	4 962	5 649	3 420	25 850	61 384
1987	10 459	54 317	8 242	3 471	18 666	30 379	830	95 985	17 793	7 991	5 240	5 747	36 771	59 214
1988	12 652	68 957	6 054	5 910	21 153	33 117	915	115 641	22 376	10 483	6 686	6 538	46 083	69 558
1989*	16 247	82 313	4 127	9 977	26 153	40 257	994	139 811	31 500	11 370	9 469	6 464	58 803	81 008
1988														
I	10 779	56 565	7 607	3 823	19 525	30 955	919	99 218	18 068	9 191	5 248	6 011	38 518	60 700
II	11 350	62 476	7 282	4 055	19 742	31 079	877	105 782	20 202	9 630	5 685	6 241	41 758	64 024
III	11 714	63 202	6 875	5 038	20 377	32 290	858	108 064	21 041	10 045	5 787	6 406	43 279	64 785
IV	12 652	68 957	6 054	5 910	21 153	33 117	915	115 641	22 376	10 483	6 686	6 538	46 083	69 558
1989*														
I	13 046	75 798	5 117	7 171	20 844	33 132	957	122 933	24 833	10 811	7 972	6 872	50 488	72 445
II	13 783	77 417	4 629	7 213	22 276	34 118	935	126 253	26 000	11 241	8 932	7 106	53 279	72 974
III	14 828	79 950	4 521	7 703	23 194	35 418	919	131 115	28 570	11 574	9 155	7 246	56 545	74 570
IV	16 247	82 313	4 127	9 977	26 153	40 257	994	139 811	31 500	11 370	9 469	6 464	58 803	81 008
1990*														
I	16 810	85 070	3 663	12 113	35 218	50 994	1 120	153 994	33 785	11 665	9 366	6 785	61 601	92 393
II	17 341	86 352	3 455	12 666	36 533	52 654	1 086	157 433	36 695	11 323	9 321	6 623	63 962	93 471
III	17 490	89 561	3 323	13 744	37 686	54 753	1 060	162 864	39 325	11 483	8 798	6 465	66 071	96 793

End of period	Short-term liabilities				Short-term assets				Short-term liabilities, net (18-22)	Debt, net (14+23)	Debt service payments	Of which: repayments	Debt service ratio
	Bank of Finland's short-term liabilities	Short-term liabilities of authorized banks	Trade credits and other liabilities	Total (15+16+17)	Bank of Finland's short-term assets	Short-term assets of authorized banks	Trade credits and other assets	Total (19+20+21)					
1985	4 070	51 374	17 474	72 918	25 183	36 208	18 450	79 841	-6 922	51 335	11 287	4 808	10.5
1986	3 455	56 881	14 483	74 819	16 613	46 141	19 279	82 034	-7 215	54 169	13 462	6 018	13.0
1987	3 362	73 132	16 898	93 392	31 134	38 798	18 060	87 993	5 400	64 614	14 203	6 516	13.1
1988	3 341	83 828	15 919	103 088	32 037	44 768	20 830	97 635	5 452	75 010	11 760	3 750	9.7
1989*	3 558	88 750	19 541	111 849	25 113	47 410	22 183	94 705	17 144	98 152	11 804	1 255	9.0
1988													
I	3 467	79 633	14 053	97 153	33 515	41 764	18 861	94 140	3 013	63 713	2 416	378	8.8
II	3 177	91 364	14 577	109 118	39 025	46 127	17 560	102 711	6 407	70 431	2 779	788	9.3
III	3 539	90 827	17 297	111 663	32 750	49 532	20 090	102 372	9 291	74 076	3 812	2 260	13.0
IV	3 341	83 828	15 919	103 088	32 037	44 768	20 830	97 635	5 452	75 010	2 752	324	8.0
1989*													
I	3 278	90 535	16 748	110 560	33 376	49 453	21 047	103 877	6 684	79 129	2 874	738	9.0
II	3 136	100 323	15 475	118 934	32 142	54 101	22 433	108 676	10 258	83 232	4 435	1 513	14.1
III	3 919	104 952	16 706	125 577	29 839	58 848	22 704	111 391	14 186	88 756	3 341	656	10.8
IV	3 558	88 750	19 541	111 849	25 113	47 410	22 183	94 705	17 144	98 152	1 154	-1 652	3.1
1990*													
I	4 036	107 362	21 491	132 889	35 895	58 817	23 142	117 854	15 036	107 429	5 356	2 493	16.4
II	4 195	116 943	21 081	142 219	36 764	64 718	22 457	123 939	18 279	111 750	6 899	3 233	19.5
III	4 071	113 628	20 859	138 558	38 454	61 388	22 787	122 629	15 929	112 722	5 927	2 576	18.4

¹ Stock data on direct investment (columns 1 and 9) have been changed to correspond to survey data based on companies' financial statements from 1985 onwards; see also footnote 1 in Table 6.1. For portfolio investment, see footnote 1 in Table 6.2.

6.4 FINLAND'S LONG-TERM FOREIGN LIABILITIES AND ASSETS, BY SECTOR¹, MILL. FIM

End of period	Long-term liabilities					Long-term assets					Long-term liabilities, net (5-10)
	Corporate sector	Financial institutions	Central government	Local government	Total (1+2+3+4)	Corporate sector	Financial institutions	Central government	Other	Total (6+7+8+9)	
	1	2	3	4	5	6	7	8	9	10	11
1985	39 821	13 980	26 330	585	80 715	17 094	3 131	1 955	279	22 458	58 257
1986	39 524	20 169	27 031	509	87 234	17 301	5 721	2 309	520	25 850	61 384
1987	40 050	26 734	28 691	511	95 985	23 659	9 740	2 653	719	36 771	59 214
1988	47 089	41 127	26 926	499	115 641	28 982	12 977	3 101	1 024	46 083	69 558
1989*	59 382	56 791	23 063	575	139 811	37 774	15 140	3 517	2 372	58 803	81 008
1988											
I	43 062	28 095	27 556	506	99 218	24 146	10 716	2 851	806	38 518	60 700
II	44 542	31 463	29 267	513	105 782	26 516	11 455	2 887	901	41 758	64 024
III	44 006	35 695	27 849	516	108 064	27 543	11 830	2 938	968	43 279	64 785
IV	47 089	41 127	26 926	499	115 641	28 982	12 977	3 101	1 024	46 083	69 558
1989*											
I	48 466	47 919	26 033	515	122 933	31 265	14 658	3 299	1 266	50 488	72 445
II	50 234	51 262	24 257	500	126 253	32 743	15 805	3 329	1 402	53 279	72 974
III	53 499	53 342	23 783	491	131 115	35 417	15 972	3 374	1 782	56 545	74 570
IV	59 382	56 791	23 063	575	139 811	37 774	15 140	3 517	2 372	58 803	81 008
1990*											
I	69 214	62 176	21 999	604	153 994	40 046	15 179	3 699	2 677	61 601	92 393
II	70 662	65 314	20 879	579	157 433	43 079	14 153	3 734	2 996	63 962	93 471
III	69 535	71 060	21 661	608	162 864	45 428	13 449	3 772	3 422	66 071	96 793

¹For changes in columns 1, 5, 6 and 11, see footnote 1 in Table 6.3.

7. FOREIGN TRADE

7.1 EXPORTS, IMPORTS AND THE TRADE BALANCE, MILL. FIM

During period	Exports, f.o.b.	Imports, c.i.f.	Balance (1-2)
	1	2	3
1985	84 028	81 520	2 508
1986	82 579	77 601	4 978
1987	85 516	82 807	2 709
1988	92 902	92 118	784
1989¹	99 794	105 288	-5 494
1989*			
Oct.	10 384	10 897	-513
Nov.	9 431	9 920	-489
Dec.	7 978	9 018	-1 040
1990*			
Jan.	8 531	8 323	208
Feb.	8 035	8 104	-69
March	8 207	8 559	-352
April	9 077	9 912	-835
May	9 034	9 460	-426
June	8 773	8 421	352
July	7 143	7 691	-548
Aug.	7 659	8 077	-418
Sept.	8 517	7 389	1 128
Oct.	8 985	10 161	-1 176

¹ Owing to certain technical difficulties during the summer months 1989 the figures for individual months of the foreign trade statistics compiled by the Board of Customs may contain inaccuracies. However, the cumulative total for 1989 should not be unduly affected.

7.2 FOREIGN TRADE: INDICES OF VOLUME, UNIT VALUE AND TERMS OF TRADE, 1980=100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1985	115	104	138	135	102
1986	116	110	135	121	111
1987	118	119	138	119	116
1988	121	130	145	122	119
1989*	121	144	156	126	123
1989*					
I	114	116	140	120	117
II	123	133	141	121	117
III	113	134	147	123	119
IV	136	137	150	124	121
1989*					
I	123	132	156	128	122
II	116	136	155	126	123
III	112	141	155	126	124
IV	134	163	157	126	125
1990*					
I	122	134	154	128	120
II	132	152	157	126	125

7.3 FOREIGN TRADE BY MAIN GROUPS, MILL. FIM

During period	Exports by industries, f.o.b.					Imports by use of goods, c.i.f.				
	Wood industry products	Paper industry products	Chemical industry products	Metal and engineering industry products	Other goods	Raw materials (excl. crude oil)	Crude oil, fuels and lubricants	Finished goods		Other goods
	1	2	3	4	5	6	7	8	9	10
1985	6 728	25 030	9 803	24 412	18 055	38 676	17 770	11 675	12 967	432
1986	6 947	24 600	7 858	26 115	17 059	39 292	10 070	12 898	15 069	272
1987	7 470	27 058	7 770	26 230	16 988	41 174	9 406	14 138	17 478	611
1988	7 567	30 474	8 450	29 225	17 186	45 790	7 533	17 274	20 828	693
1989²	7 418	32 520	8 843	32 684	18 329	51 726	8 283	20 462	24 056	761
1989*										
Oct.	719	2 913	967	3 863	1 922	5 463	733	2 055	2 546	100
Nov.	700	2 859	844	3 318	1 710	4 697	903	1 996	2 284	40
Dec.	618	2 552	684	2 805	1 319	4 326	796	1 867	1 963	66
1990*										
Jan.	617	2 324	824	3 426	1 340	4 031	534	1 778	1 951	29
Feb.	666	2 447	829	2 596	1 497	4 053	428	1 576	1 979	68
March	622	2 784	753	2 614	1 434	4 200	478	1 665	2 177	39
April	681	2 815	803	3 303	1 475	4 594	718	2 007	2 403	190
May	849	2 828	810	3 077	1 470	4 645	760	1 780	2 192	83
June	740	2 593	744	3 308	1 388	4 119	811	1 613	1 832	46
July	492	2 425	624	2 492	1 110	3 682	552	1 473	1 899	85
Aug.	515	2 766	826	2 305	1 247	3 859	751	1 504	1 942	21
Sept.	645	2 528	871	2 941	1 532	3 497	989	1 205	1 669	29
Oct.	694	2 872	849	3 005	1 565	4 604	1 791	1 569	2 183	14

7.4 FOREIGN TRADE BY REGIONS AND COUNTRIES

Region and country	Exports, f.o.b.				Imports, c.i.f.			
	1989*		1990*		1989*		1990*	
	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period on the previous year	Mill. FIM	Percentage share	Mill. FIM	Percentage change from the corresponding period of the previous year
	1	2	3	4	5	6	7	8
All OECD countries	75 493	75.6	64 856	3.5	82 767	78.6	68 624	1.1
OECD Europe	64 393	64.5	56 590	5.6	67 056	63.7	56 367	2.7
Of which:								
Austria	1 175	1.2	946	-3.5	1 295	1.2	1 169	10.3
Belgium and Luxembourg	1 947	2.0	1 821	12.6	2 932	2.8	2 400	-0.4
Denmark	3 257	3.3	2 936	8.4	3 290	3.1	2 873	6.8
France	5 453	5.5	5 253	17.8	4 418	4.2	3 796	7.2
Federal Republic of Germany	10 785	10.8	10 098	12.6	18 234	17.3	14 794	-1.4
Italy	2 989	3.0	2 686	7.7	4 900	4.7	4 067	0.0
Netherlands	3 961	4.0	3 611	10.3	3 416	3.2	2 706	-1.3
Norway	2 920	2.9	2 549	5.2	2 457	2.3	2 716	32.4
Spain	1 831	1.8	1 809	21.5	1 129	1.1	939	3.4
Sweden	14 314	14.3	12 249	3.9	14 314	13.6	11 105	-4.9
Switzerland	1 680	1.7	1 532	11.0	1 829	1.7	1 481	0.5
United Kingdom	11 958	12.0	9 157	-10.9	6 898	6.6	6 362	13.2
Other OECD	11 100	11.1	8 266	-9.1	15 711	14.9	12 257	-5.7
Of which:								
Canada	1 359	1.4	1 011	-9.4	919	0.9	697	-14.4
Japan	2 033	2.0	1 194	-29.3	7 695	7.3	5 665	-10.8
United States	6 388	6.4	5 154	-0.6	6 669	6.3	5 605	2.1
CMEA countries	16 248	16.3	11 543	-12.4	14 907	14.2	11 102	-6.9
Of which:								
Soviet Union	14 496	14.5	10 240	-12.8	12 152	11.5	8 877	-8.0
Developing countries	7 224	7.2	6 595	12.4	6 612	6.3	5 528	-0.6
OPEC countries	1 558	1.6	1 278	3.9	680	0.6	759	43.7
Other	5 666	5.7	5 317	14.7	5 932	5.6	4 768	-5.2
Other countries	829	0.8	968	44.1	1 002	1.0	844	13.7
TOTAL	99 794	100.0	83 961	1.9	105 288	100.0	86 097	0.0
Of which:								
EEC countries	43 869	44.0	38 948	6.2	46 903	44.5	39 707	3.4
EFTA countries	20 195	20.2	17 354	4.2	20 006	19.0	16 537	1.1

8. DOMESTIC ECONOMIC DEVELOPMENTS

8.1 SUPPLY AND USE OF RESOURCES, MILL. FIM, 1985 PRICES

(seasonally adjusted figures)

Period	Consumption expenditure		Fixed investment		Change in stocks, incl. statistical discrepancy	Domestic demand (1+2+3+4+5)	Exports	Imports	GDP (6+7-8)
	Private	Public	Private	Public					
	1	2	3	4	5	6	7	8	9
1985	181 664	68 218	69 599	10 453	1 772	331 706	98 173	94 893	334 986
1986	189 113	70 325	69 328	10 738	810	340 314	99 498	97 795	342 017
1987	199 981	73 458	72 761	11 654	2 246	360 100	102 127	106 568	355 659
1988*	209 956	75 190	81 839	11 446	9 062	387 493	105 897	118 405	374 985
1989*	218 243	77 255	93 766	11 174	14 533	414 971	107 815	128 440	394 346
1988*									
I	52 067	18 583	19 747	2 872	1 301	94 570	25 520	28 027	92 063
II	51 661	18 726	19 981	2 723	3 226	96 317	26 483	29 627	93 172
III	52 766	18 875	21 024	3 002	2 310	97 976	26 237	30 790	93 424
IV	53 462	19 007	21 087	2 849	2 225	98 630	27 657	29 961	96 325
1989*									
I	53 997	19 127	21 736	2 744	2 996	100 600	27 795	31 718	96 677
II	54 492	19 232	23 338	2 773	2 516	102 351	26 012	30 276	98 086
III	54 851	19 368	23 890	2 761	3 814	104 682	26 549	31 875	99 357
IV	54 903	19 528	24 802	2 897	5 207	107 338	27 459	34 571	100 226
1990*									
I	54 471	19 735	23 982	2 965	3 061	104 214	27 086	32 536	98 764
II	55 168	19 850	23 166	3 033	3 667	104 884	29 138	34 176	99 847

8.2 VOLUME OF INDUSTRIAL PRODUCTION, 1985 = 100

(seasonally adjusted figures)

Period	Total industry	Mining and quarrying	Manufacturing	Wood and paper industries	Metal and engineering industries	Other manufacturing	Energy and water supply
	(100.0)	(1.6)	(87.9)	(16.5)	(30.0)	(41.4)	(10.5)
	1	2	3	4	5	6	7
1985	100.4	99.8	100.4	100.1	100.6	100.3	100.2
1986	101.9	102.8	102.0	102.3	103.0	101.2	100.4
1987	107.2	99.9	107.2	106.5	110.2	105.4	107.8
1988*	110.9	108.8	111.0	113.1	114.5	107.6	110.1
1989*	113.8	117.2	114.1	115.9	120.7	108.6	110.2
1989*							
Sept.	113.8	113.3	114.7	116.2	122.2	108.9	105.9
Oct.	113.2	120.2	113.8	113.6	121.7	108.1	107.5
Nov.	113.9	118.7	114.0	115.6	120.3	108.8	112.1
Dec.	113.0	116.8	112.6	111.0	121.1	106.6	115.8
1990*							
Jan.	114.7	115.8	114.0	115.6	120.9	108.2	118.9
Feb.	114.8	118.8	115.1	116.5	123.9	107.1	115.3
March	114.3	110.9	114.7	117.3	120.2	108.0	114.5
April	116.4	116.7	115.5	117.5	124.0	110.5	114.3
May	114.9	142.8	115.0	114.5	121.2	109.7	111.8
June	115.0	130.5	115.7	123.1	122.6	107.4	106.1
July	109.7	73.3	111.1	112.6	116.8	106.5	114.0
Aug.	111.4	134.0	111.9	111.3	120.9	106.3	103.5
Sept.	110.4	119.6	110.5	113.5	117.2	104.9	107.4

8.3 INDICATORS OF DOMESTIC SUPPLY AND DEMAND, 1985=100 (seasonally adjusted figures)

Period	Volume of wholesale trade	Volume of retail trade	Volume of construction of buildings	Of which:			Imports of investment goods	Monthly indicator of GDP
				Residential buildings	Industrial buildings	Other buildings		
	1	2	3	4	5	6	7	8
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	104.7	102.5	94.0	88.4	99.9	99.5	105.2	102.1
1987	111.3	107.7	95.6	89.0	101.0	102.6	114.3	106.8
1988*	116.7	113.0	108.6	106.0	113.4	110.6	135.0	110.5
1989*	124.2	117.0	130.3	132.9	137.6	125.2	160.3	114.7
1989*								
Aug.	126.9	117.0	..	..	..	..	..	115.5
Sept.	125.1	117.3	..	..	..	..	..	115.2
Oct.	130.2	116.0	..	..	..	..	..	115.7
Nov.	130.4	117.9	..	..	..	..	..	116.3
Dec.	120.8	112.9	..	..	..	..	..	115.1
II	123.8	118.5	131.7	132.6	144.1	121.8	167.4	114.6
III	124.3	116.9	133.1	133.3	132.6	135.0	151.7	115.1
IV	127.1	115.6	135.3	142.3	138.7	133.2	189.8	115.7
1990*								
Jan.	125.7	113.1	..	..	..	..	..	116.4
Feb.	121.8	103.0	..	..	..	..	..	115.4
March	125.2	119.7	..	..	..	..	..	117.2
April	123.4	115.7	..	..	..	..	..	117.3
May	124.2	113.6	..	..	..	..	..	117.6
June	119.1	112.4	..	..	..	..	..	116.4
July	122.2	114.3	..	..	..	..	..	116.9
Aug.	123.5	113.3	..	..	..	..	..	116.7
I	124.2	111.9	138.4	134.8	157.7	134.4	148.1	116.3
II	122.2	113.9	133.6	129.5	173.5	120.4	167.4	117.1

8.4 WAGES AND PRICES, 1985=100

Period	Index of wage and salary earnings	By sectors					Consumer price index	Basic price index for domestic supply	By origin		Producer price index for manufacturing	By marketing area		Building cost index
		Private Total	Of which Manufacturing (SIC 3)	Central government	Local government	Non-profit institutions			Domes- tic goods	Import- ed goods		Expert- ed goods	Home market goods	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	106.9	106.6	106.2	106.6	107.8	107.2	102.9	97.0	98.6	91.0	96.5	96.7	96.4	104.3
1987	114.4	114.5	113.4	115.7	113.3	115.2	107.2	97.9	100.2	89.3	97.3	98.1	96.8	109.1
1988	124.7	124.6	122.7	128.8	122.0	128.0	112.6	101.5	104.9	89.1	101.7	103.8	100.7	116.3
1989¹	135.7	136.5	133.8	137.4	132.1	137.0	120.0	107.3	111.3	92.6	107.8	110.5	106.4	125.5
1989¹														
Oct.	..	..	..	..	..	..	122.4	108.7	113.2	92.5	109.2	111.7	108.0	128.2
Nov.	..	..	..	..	..	..	122.3	108.9	113.5	92.3	109.1	111.2	108.0	128.6
Dec.	..	..	..	..	..	..	123.0	109.0	113.6	92.4	109.3	111.5	108.2	129.8
II	135.8	136.9	134.3	137.0	131.3	137.0	119.7	107.3	111.1	93.1	107.6	110.1	106.4	124.6
III	136.2	137.3	134.3	137.5	131.5	137.1	121.0	107.7	111.9	92.4	108.4	110.8	107.3	126.1
IV	139.2	140.1	137.2	140.0	135.8	139.2	122.5	108.9	113.4	92.4	109.2	111.5	108.1	128.9
1990¹														
Jan.	..	..	..	..	..	..	124.8	109.4	113.9	93.0	109.4	111.5	108.4	130.4
Feb.	..	..	..	..	..	..	125.3	109.2	113.8	92.5	108.9	110.2	108.2	130.8
March	..	..	..	..	..	..	125.7	109.3	114.1	91.9	109.0	110.1	108.5	131.7
April	..	..	..	..	..	..	126.4	109.7	114.7	91.4	109.6	110.4	109.2	134.7
May	..	..	..	..	..	..	127.0	110.5	115.8	91.2	109.8	110.6	109.5	135.0
June	..	..	..	..	..	..	127.3	110.5	115.8	91.3	109.9	110.4	109.6	135.2
July	..	..	..	..	..	..	127.5	110.5	115.8	91.2	110.1	110.6	109.8	135.3
Aug.	..	..	..	..	..	..	128.1	111.5	116.3	94.1	110.4	110.2	110.6	135.4
Sept.	..	..	..	..	..	..	128.8	112.3	116.6	96.5	110.7	110.4	110.8	135.7
Oct.	..	..	..	..	..	..	129.2	113.2	117.3	98.0	111.4	110.6	111.7	136.8
I	142.7	143.3	140.5	145.7	138.7	144.5	125.2	109.3	113.9	92.5	109.1	110.6	108.4	131.0
II	147.6	148.6	147.2	149.4	143.2	148.3	126.9	110.2	115.4	91.3	109.8	110.5	109.4	135.0

¹ Preliminary figures for columns 1—6.

8.5 LABOUR, EMPLOYMENT AND UNEMPLOYMENT (seasonally adjusted figures)

Period	Labour force participation rate among 15-74 year olds	Labour force	Total employment (4+5) = (6+7+8+9)	By industrial status		By industry				Unemployed	Unemployment rate
				Self-employed	Wage and salary earners	Agriculture and forestry	Industry	Construction	Service industries		
	%			1000 persons							%
	1	2	3	4	5	6	7	8	9	10	11
1985	69.2	2 566	2 437	361	2 076	280	597	178	1 380	129	5.0
1986	69.1	2 569	2 431	359	2 071	266	589	185	1 391	138	5.4
1987	68.6	2 554	2 423	372	2 051	251	569	184	1 419	130	5.1
1988	68.4	2 546	2 431	368	2 062	238	553	188	1 452	116	4.6
1989	68.7	2 559	2 470	367	2 104	218	561	199	1 492	89	3.5
1989											
Sept.	68.3	2 545	2 457	362	2 095	215	572	203	1 467	88	3.4
Oct.	68.6	2 557	2 484	378	2 105	218	557	202	1 508	73	2.9
Nov.	68.6	2 559	2 471	371	2 100	211	562	194	1 504	88	3.4
Dec.	68.8	2 566	2 475	367	2 109	212	566	208	1 490	90	3.5
1990											
Jan.	68.6	2 559	2 488	377	2 112	220	564	201	1 503	70	2.7
Feb.	69.1	2 575	2 493	369	2 124	215	561	211	1 505	82	3.2
March	68.4	2 552	2 477	358	2 120	211	552	206	1 508	74	2.9
April	68.6	2 559	2 470	362	2 107	211	562	201	1 495	90	3.5
May	68.6	2 559	2 481	359	2 122	202	551	215	1 513	78	3.0
June	68.6	2 561	2 473	351	2 121	200	561	209	1 503	89	3.5
July	68.5	2 560	2 471	358	2 113	207	563	205	1 496	89	3.5
Aug.	67.9	2 537	2 451	348	2 103	200	553	202	1 495	87	3.4
Sept.	68.4	2 562	2 472	358	2 115	199	552	209	1 512	89	3.5

8.6 CENTRAL GOVERNMENT FINANCES: REVENUE, EXPENDITURE AND FINANCIAL BALANCE, MILL. FIM, CASH FLOW BASIS

During period	Revenue						Expenditure				
	Direct taxes	Indirect taxes	Other taxes and similar revenue	Other revenue	Revenue before financial transactions (1+2+3+4)	Redemptions of loans granted by the state	Revenue before borrowing (5+6)	Consumption	Transfers and subsidies	Of which:	
										Local government	Other domestic sectors
	1	2	3	4	5	6	7	8	9	10	11
1985	25 750	47 578	546	10 415	84 290	2 071	86 361	24 835	49 269	21 183	26 866
1986	28 079	51 733	323	11 640	91 774	2 209	93 983	26 354	52 845	23 215	28 131
1987	29 454	57 312	491	12 391	99 648	2 482	102 129	29 419	59 498	26 456	30 964
1988	35 339	66 348	473	13 629	115 789	2 557	118 346	32 266	65 502	29 757	33 108
1989	39 397	76 458	471	15 990	132 316	3 926	136 241	35 082	72 008	33 244	35 715
1989											
Sept.	3 172	5 474	46	1 354	10 046	210	10 256	2 792	5 100	2 659	2 312
Oct.	3 108	6 457	46	969	10 581	101	10 682	2 950	6 203	3 001	3 058
Nov.	3 199	7 013	47	1 396	11 655	391	12 045	2 942	6 912	2 817	3 944
Dec.	3 518	7 813	-60	2 471	13 742	209	13 951	2 877	7 315	2 752	3 831
1990											
Jan.	3 134	6 036	76	1 244	10 490	4	10 494	3 290	5 810	2 890	2 813
Feb.	3 287	5 579	50	908	9 824	49	9 873	3 170	6 209	2 717	3 181
March	3 073	6 407	50	1 151	10 681	87	10 768	3 274	6 215	3 084	2 937
April	4 165	5 511	53	2 051	11 780	1 567	13 347	3 412	6 995	3 337	3 129
May	3 107	7 593	62	1 650	12 412	337	12 749	3 547	6 974	2 982	3 718
June	3 374	6 942	44	1 278	11 638	142	11 781	3 470	6 329	3 644	2 544
July	4 052	6 763	76	1 294	12 185	14	12 200	4 131	6 660	2 985	3 340
Aug.	3 390	6 584	84	1 337	11 395	297	11 692	3 225	6 222	2 965	3 057
Sept.	3 273	5 540	83	1 746	10 642	565	11 208	3 274	6 238	2 993	3 109

During period	Expenditure					Financial balance			
	Fixed investment	Other expenditure	Expenditure before financial transactions (8+9+12+13)	Lending and other financial investment	Expenditure before redemptions of state debt (14+15)	Revenue surplus (5-14)	Net borrowing requirement (7-16)	Net borrowing	Cash surplus (15+19)
1985	5 700	4 936	84 739	4 982	89 722	-449	-3 361	3 506	145
1986	6 111	5 058	90 368	4 913	95 281	1 406	-1 298	4 203	2 905
1987	7 089	4 732	100 738	5 672	106 410	-1 090	-4 280	7 604	3 324
1988	7 565	5 614	110 946	6 529	117 476	4 842	870	2 417	3 287
1989	8 393	5 343	120 826	7 566	128 390	11 490	7 851	-4 009	3 842
1989									
Sept.	740	649	9 282	470	9 752	765	505	-75	429
Oct.	779	671	10 604	617	11 221	-23	-539	-532	-1 072
Nov.	758	193	10 805	503	11 308	850	737	-387	351
Dec.	1 107	-41	11 258	479	11 736	2 484	2 215	1 063	3 277
1990									
Jan.	371	590	10 061	673	10 735	429	-241	-1 141	-1 382
Feb.	361	150	9 890	382	10 272	-66	-399	-365	-763
March	377	537	10 403	504	10 907	278	-139	-949	-1 088
April	392	639	11 438	2 021	13 459	342	-112	-1 216	-1 328
May	501	930	11 952	772	12 724	460	25	-802	-777
June	536	288	10 623	760	11 382	1 015	399	-16	383
July	487	114	11 392	589	11 981	793	219	1 341	1 560
Aug.	529	322	10 298	557	10 856	1 097	836	95	931
Sept.	523	274	10 309	538	10 848	333	360	-63	298

NOTES AND EXPLANATIONS TO THE STATISTICAL SECTION

GENERAL

Source

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

Symbols used

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

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

NOTES AND EXPLANATIONS TO TABLES

1 THE BALANCE SHEET OF THE BANK OF FINLAND

Table 1.2 *Domestic financial sector.* Term claim on deposit banks (Column 13) = term credits (from December 1986 to July 1987) + bank certificates of deposit held by the Bank of Finland (since March 1987). Other liabilities to financial institutions, net (Column 17) = capital import deposits + other liabilities to financial institutions - bonds and debentures - other claims on financial institutions. *Corporate sector.* Claims in the form of special financing (Column 19) = export bills + new-export credits + financing of domestic deliveries. Special deposits, net (Column 20) = deposits for investment and ship purchase + capital import deposits + export deposits + other liabilities to corporations - bonds - other claims on corporations.

2 THE BANK OF FINLAND'S MONEY MARKET OPERATIONS AND THE FORWARD EXCHANGE MARKET

Table 2.1 Money market instruments (Columns 1-3) denote bank certificates of deposit, Treasury bills and banks' fixed-term deposits with the Bank of Finland. Matured money market instruments, net, comprise both purchased and sold instruments.

Table 2.2 As from the beginning of 1990, the statistics on the forward exchange market are based on data on individual contracts against the Finnish markka as reported by banks (excluding Columns 5 and 6). The new statistical system covers all authorized banks and contracts. The rates of ex-

change used in the statistics are the forward rates on the contract date.

Table 2.3 Bank CDs held by the Bank of Finland (Column 2) include term credits. Holdings of CDs issued by the Bank of Finland (Column 5) include term liabilities.

3 RATES OF INTEREST

Table 3.1 HELIBOR (Helsinki Interbank Offered Rate) (Columns 2-5): The HELIBOR rate for each maturity is calculated by the Bank of Finland as the average of the offered rates for certificates of deposit quoted daily at 1 p.m. by the five largest banks.

Table 3.2 The rates shown are based on the lending rates quoted for the respective currencies in the Euromarket.

Table 3.3 The covered Eurodollar rate is a computed rate of interest for the markka obtained by adding the difference between the forward selling rate and the spot selling rate for the U.S. dollar expressed as an annual rate of interest to the Eurodeposit rate for the dollar. The rates shown are based on daily quotations at noon by two banks.

Table 3.4 *Lending.* New credits (Columns 1-4): the rates of interest on new credits drawn during the month are average monthly rates weighted by loan amounts, whereas annual rates are arithmetic averages of monthly observations. As from January 1989, Postipankki Oy has been included in the calculation of the average rate on the commercial banks' outstanding stock of loans. *Deposits.* The rates of interest applied to deposit accounts (Columns 7-9) are the rates of interest applied to standard tax-exempt deposit accounts as agreed upon between banks. The average rate of interest on the stock of regulated deposits (Column 10) is the average rate of interest weighted by the deposit amounts at the end of period, where the stock of deposits comprises cheque accounts, postal giro accounts, deposit accounts with a cheque facility, savings and ordinary deposit accounts, other time deposit accounts and taxable investment accounts. The average rate of interest on unregulated deposits (Column 11) is the average rate of interest weighted by the amounts in the period. Unregulated deposits include, inter alia, sales of certificates of deposit, promissory notes and bonds as well as corporate deposits at market rates.

Table 3.5 *Secondary market yields.* Reference rates (Columns 1 and 2) are calculated by the Bank of Finland as the monthly averages of the offered

rates for taxable, fixed-rate bonds quoted by the five largest banks. The yield on taxable government bonds (Column 3) is the effective annual yield, calculated as the arithmetic mean, on fixed-rate government bonds with a remaining maturity of between 4 and 5 years. The yield on taxable public issues (Column 4) is calculated as the arithmetic mean of yields on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued by all issuers except the central government with a remaining maturity of between 3 and 6 years. Financial institutions (Column 5); as in Column 4 for issues by financial institutions incl. banks. Corporations (Column 6); as in Column 4 for issues by non-financial corporations. The yield on taxfree public issues (Column 7) is calculated as the arithmetic mean of yields on fixed-rate public bonds with a remaining maturity of between 4 and 5 years. The Bank of Finland calculates the yields for columns 3-7 once a week on the basis of the trading quotations of the Helsinki Stock Exchange. Monthly observations are the averages of weekly observations and annual observations the averages of monthly observations. *The offer yield on fixed-rate taxable public bonds and debentures* (Column 8) is the average yield weighted by issue amounts - in the case of government bonds by amounts sold - on fixed-rate ordinary bonds, debentures and other bonds (excl. zero coupon loans, bonds with equity warrants and convertible debentures) issued during the period.

4 RATES OF EXCHANGE

Table 4.1 The quotation of the noncommercial rate for the Belgian franc, BEL, was terminated on March 2, 1990. Since then there has been only one rate for the Belgian franc. As from the beginning of May 1990 the standard abbreviation is BEF. Prior to that date, the quotations given in Column 10 are those of BEC (the commercial rate). The time series for BEC and BEL are shown separately for the last time in the May 1990 issue of the Bulletin.

Table 4.2 The weights of the Bank of Finland currency index (Column 1) are moving averages of the shares of countries in Finland's merchandise export and import trade. The index comprises 14 convertible currencies. The index values are based on the Bank of Finland's daily quotations at noon. The weights of the payments currency index (Column 2) are moving averages of the shares of payments currencies in Finland's trade. The index comprises

14 convertible currencies. The weights of the MERM index (Column 3) are fixed 1977 weights computed on the basis of the IMF's world trade model. Fourteen currencies are included in this index.

5 OTHER DOMESTIC FINANCING

Table 5.1 Source: The Central Statistical Office of Finland. The public comprises households and non-profit institutions, enterprises (excl. financial institutions) and local government. Domestic foreign-currency deposits are included in the figures. Time deposits (Column 2) consist of tax-exempt time deposits held by the public. Investment accounts (Column 3) are taxable time deposits held by the public. For the definition of unregulated deposits (Column 6), see the explanation under Table 3.4. Since the beginning of 1987, the figures for banks' holdings of certificates of deposit issued by other banks have been netted out. Netting out is done by the Bank of Finland.

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

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

Table 5.4 Source: State Treasury Office. *Foreign debt*. Other bonds and debentures (Column 2) are so-called private placings. Long-term promissory notes (Column 3) are bank loans. Outstanding lending (Column 10)

comprises the stock of central loans granted from the central government budget and from extra-budgetary funds. Cash funds (Column 11) comprise the cash funds held in central government accounting offices, funds held in cheque and postal giro accounts, as well as placements of central government cash funds. The main part of the latter is reserved for covering transferable allocations budgeted in previous years (for details, see the article "State Borrowing and Cash Management" by Pekka Laajanen and Pekka Saarinen in the August 1987 issue of the Bulletin). Transferable allocations amounted to FIM 8.1 billion at the end of 1988.

Table 5.5 Tables A and B on the markka bond market include markka-denominated bonds issued by Finnish issuers in Finland and abroad as well as those issued by foreign issuers in Finland.

Table 5.6 *Turnover*. Source: The Helsinki Stock Exchange. *Share prices*. Source: Union Bank of Finland Ltd.

6 BALANCE OF PAYMENTS, FOREIGN LIABILITIES AND ASSETS

Table 6.1 The figures for the trade and goods and services accounts are compiled in accordance with the System of National Accounts.

Table 6.2 Columns 1-8: Net change in long-term liabilities. Columns 9-13: Net change in long-term assets. Portfolio investment in Finland (Column 2) and abroad (Column 10) (marketable instruments): Primary and secondary market transactions in securities. Long-term credits (Columns 3-6) (non-marketable instruments): Financial loans, import credits and leasing credits. Others (Column 5): Long-term credits of enterprises, financial institutions other than authorized banks and local government. Imports of other long-term capital (Column 7): Finland's subscriptions to international financial institutions paid in the form of promissory notes. Exports of other long-term capital (Column 12) = financial loans abroad + development credits + purchases of real estate and other acquisitions by private persons + Finland's subscriptions to international financial institutions.

Table 6.3 Net foreign debt (Columns 1-24) at the end of a period is classified in the same way as the corresponding data on changes in the capital account (Table 6.2). The items included in net foreign debt have been translated into markkaa using the spot rates for each date. Thus the figures include the impact of changes in exchange rates. Debt service payments (Column 25): the total of net payments of interest, dividends and remunerations relating to long- and short-term foreign liabilities and assets plus net repayments relating to long-term foreign liabilities and assets. Repayments do not include early repayments of loans, repatriations of equity

capital included under direct investment, repurchases of shares included under portfolio investment (since 1986), repayments of the Bank of Finland's reserve tranche and oil facility credits, or repayments of rouble-denominated assets included under loan assets. The debt-service ratio (Column 27) = service charges on net foreign debt as a percentage of current account earnings.

Table 6.4 All direct investments have been placed under the corporate sector (Columns 1 and 6). Other (Column 9) consists mainly of long-term assets of private persons.

The sectoral figures for short-term foreign liabilities and assets correspond to the figures shown in Columns 15-23 of Table 6.3.

7 FOREIGN TRADE

Source: The National Board of Customs. All tables refer to foreign trade in goods.

Table 7.2 The volume indices (Columns 1 and 2) are calculated according to the Paasche formula and the unit value indices (Columns 3 and 4) according to the Laspeyres formula. The terms of trade (Column 5) is the ratio of the export unit value index to the import unit value index multiplied by one hundred.

Table 7.4 The regional and country grouping is based on the classification according to Finnish Official Statistics I A.

8 DOMESTIC ECONOMIC DEVELOPMENTS

Tables 8.1-8.5 Source: Central Statistical Office of Finland. Seasonal adjustment is carried out by the Bank of Finland.

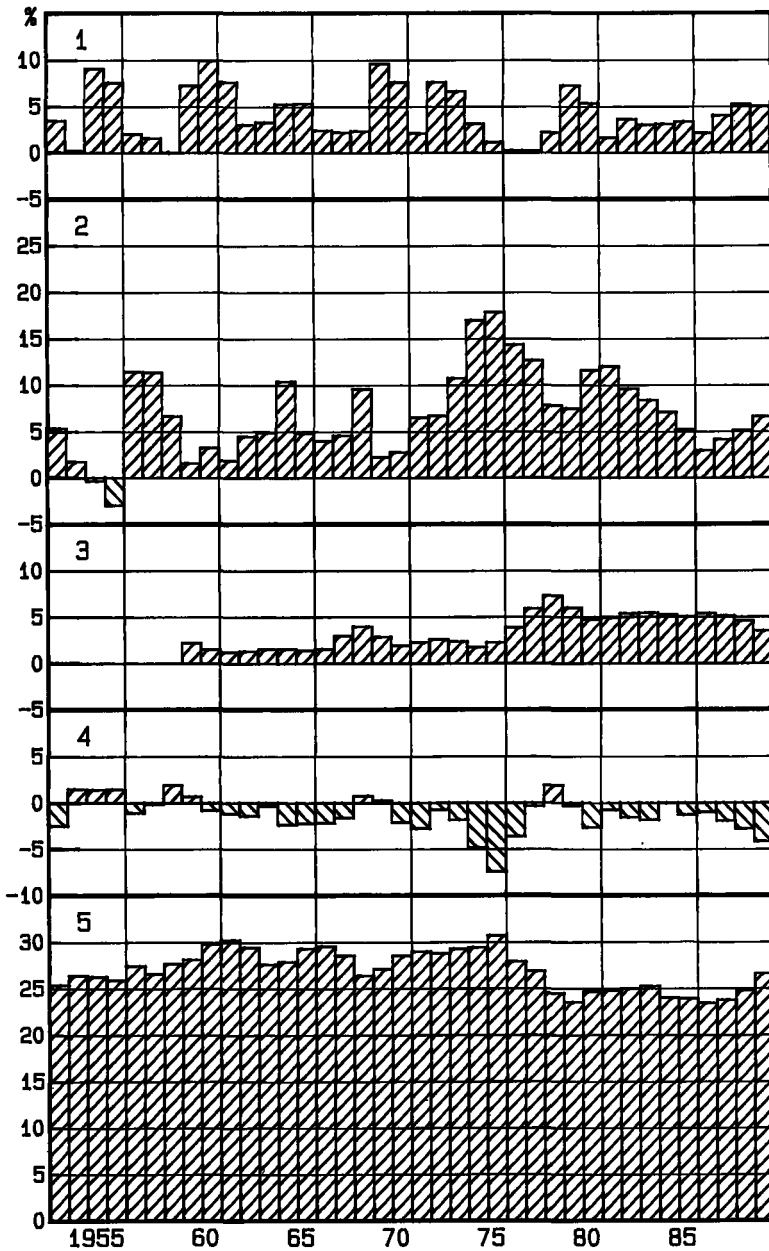
Table 8.3 The monthly indicator of GDP (Column 8) is weighted together from 11 readily available indicators of developments in output in various industries.

Table 8.4 The consumer price index (Column 7) was revised as from January 1988. Both the weights and the methods of calculation were changed (see the item in the March 1988 issue of the Bulletin). The base year of the new CPI is 1985, while the base year of the index shown until end-1984 is 1981.

Table 8.6 Source: Ministry of Finance.

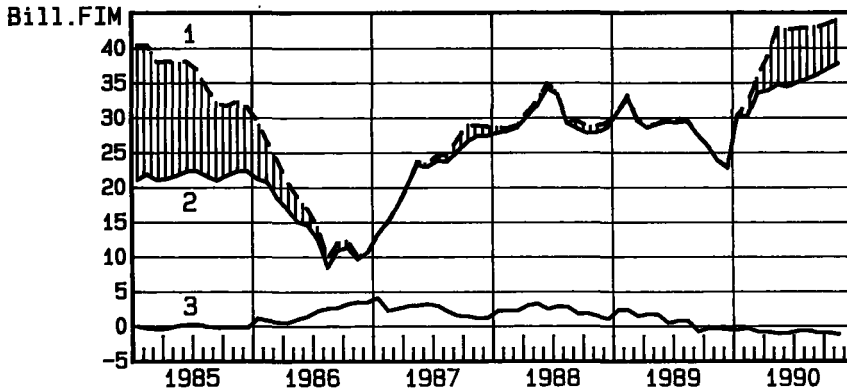
1. Long-term indicators	S28
2. The Bank of Finland's foreign exchange reserves and forward position	S29
3. Forward market	S29
4. Items affecting domestic liquidity	S29
5. Overnight rates	S30
6. HELIBOR rates of interest (daily)	S30
7. HELIBOR rates of interest (monthly)	S30
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10. Rates on bonds and debentures	S31
11. Bank of Finland currency index (monthly)	S32
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15. Bank deposits from the public	S33
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17. Money supply	S34
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19. Central government debt	S34
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27. Production	S38
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29. Employment and unemployment rate	S39
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31. Central government finances	S40

1. LONG-TERM INDICATORS



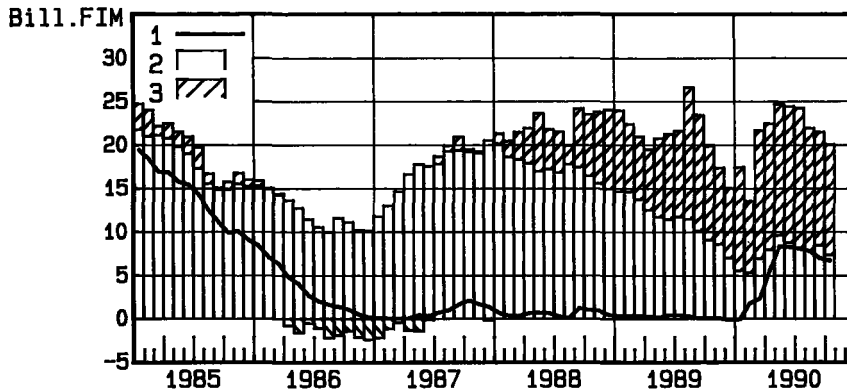
1. GDP, change in volume from the previous year, per cent
2. Consumer prices, change from the previous year, per cent
3. Unemployment rate, per cent
4. Current account, as a percentage of GDP
5. Fixed investment, as a percentage of GDP

2. THE BANK OF FINLAND'S FOREIGN EXCHANGE RESERVES AND FORWARD POSITION



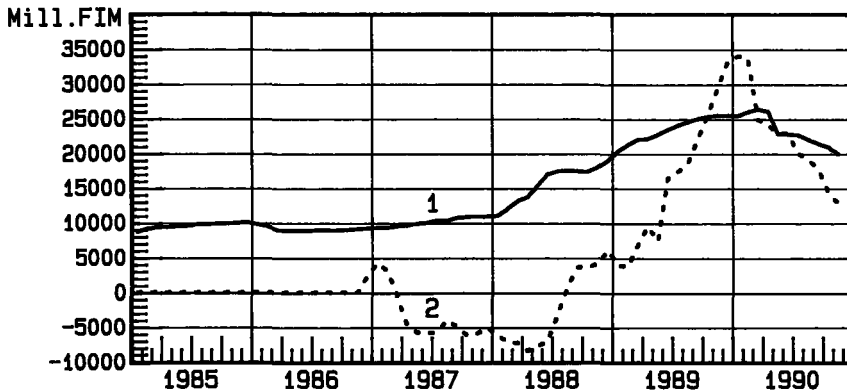
1. Convertible foreign exchange reserves plus forward position
2. Convertible foreign exchange reserves
3. Tied currencies

3. FORWARD MARKET



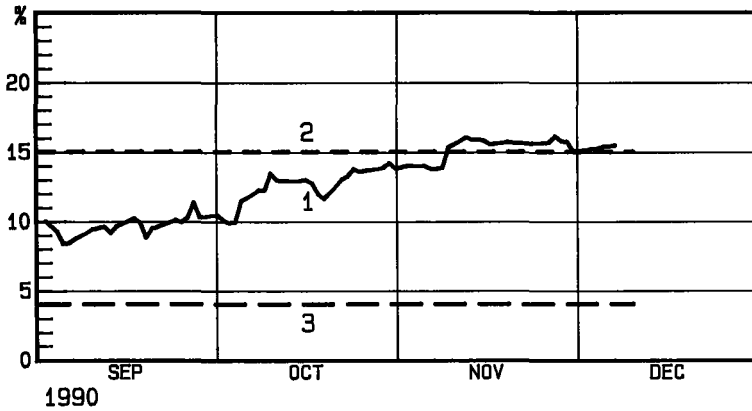
1. Forward exchange purchased by the Bank of Finland from banks
2. Forward exchange sold by companies to banks
3. Forward exchange sold by foreign banks to banks

4. ITEMS AFFECTING DOMESTIC LIQUIDITY



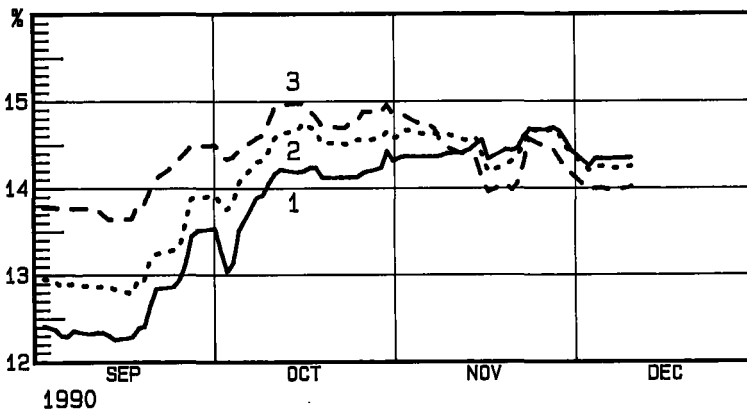
1. Cash reserve deposits
2. Bank of Finland's holdings of money market instruments, net

5. OVERNIGHT RATES



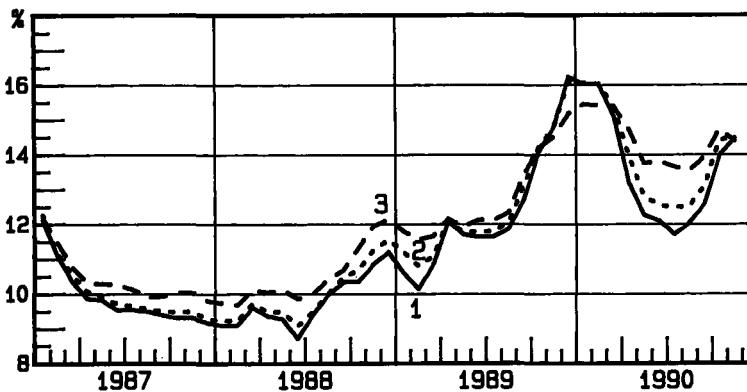
- 1. Inter-bank overnight rate
 - 2. Call money credit rate
 - 3. Call money deposit rate
- Daily observations

6. HELIBOR RATES OF INTEREST



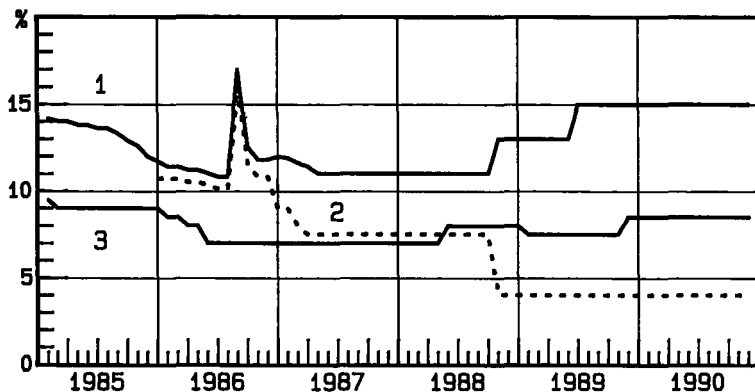
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Daily observations

7. HELIBOR RATES OF INTEREST



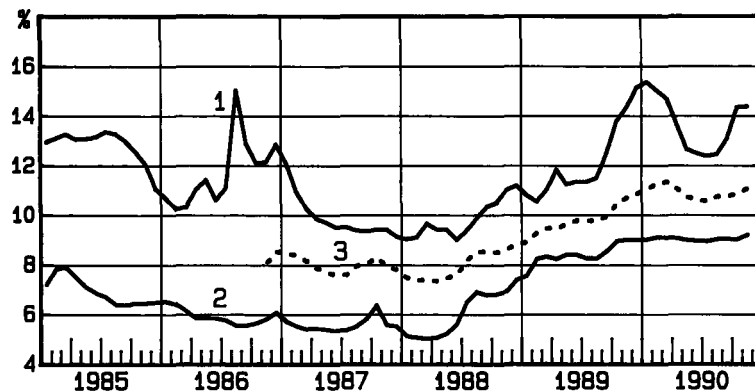
- 1. 1-month HELIBOR
 - 2. 3-month HELIBOR
 - 3. 12-month HELIBOR
- Monthly averages

8. RATES OF INTEREST APPLIED BY THE BANK OF FINLAND



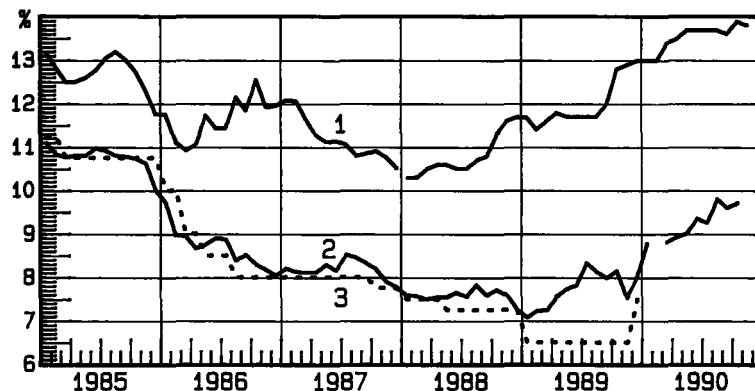
- 1. Call money credit rate
 - 2. Call money deposit rate
 - 3. Base rate
- End-of-month observations

9. 3-MONTH COVERED EURODOLLAR RATE AND 3-MONTH CURRENCY BASKET RATES



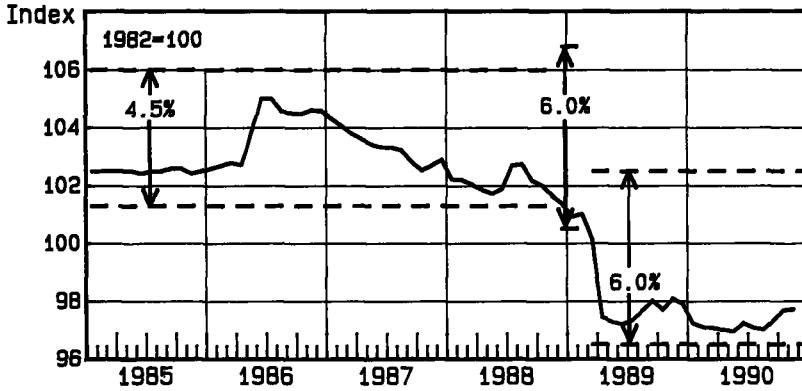
- 1. Covered Eurodollar rate
- 2. 3-currency basket rate (DEM 60 %, USD 30 %, GBP 10 %)
- 3. 14-currency basket rate (Bank of Finland currency index weights)

10. RATES ON BONDS AND DEBENTURES



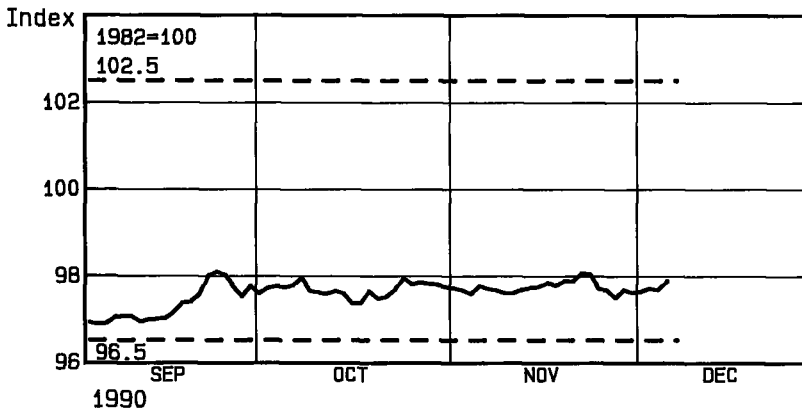
- 1. Long-term (5-year) market rate (before 1988 rate on (3-6 year) fixed-rate debentures)
- 2. Rate on (9-10 year) tax-free government bonds
- 3. Rate at issue on new 10-year taxfree government bonds

11. BANK OF FINLAND CURRENCY INDEX



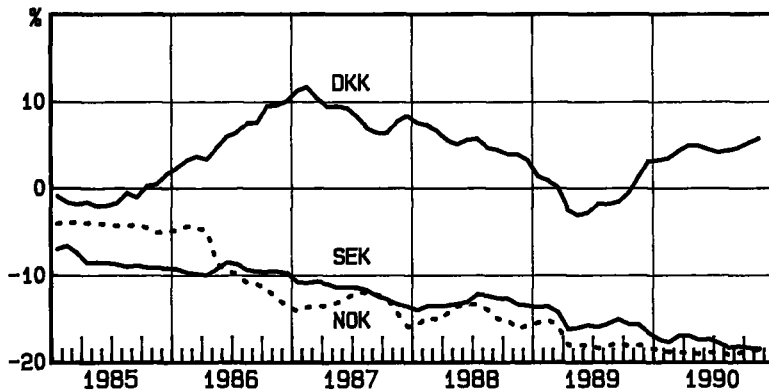
4.5 % and 6.0 % = fluctuation range of the index
Monthly averages

12. BANK OF FINLAND CURRENCY INDEX



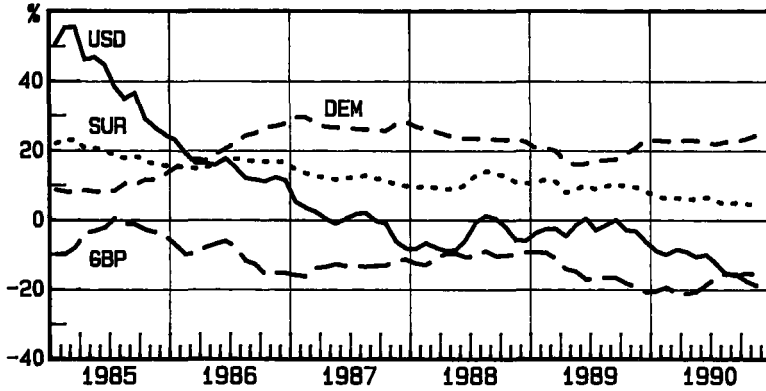
Daily observations

13. CHANGES IN THE EXCHANGE RATES OF SELECTED NORDIC CURRENCIES



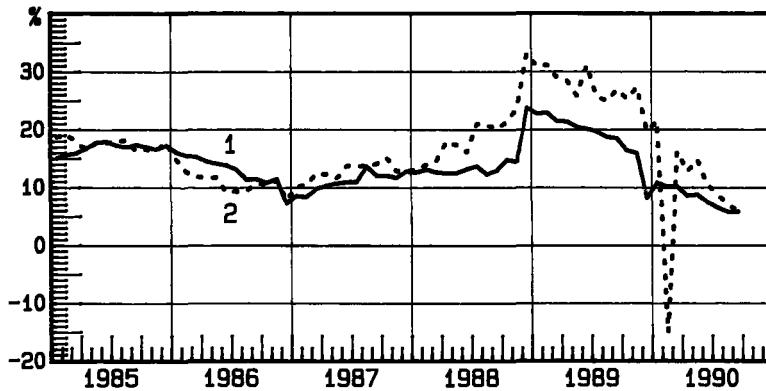
Monthly changes in markka selling rates calculated from the average rates for January 1982

14. CHANGES IN THE EXCHANGE RATES OF SELECTED MAJOR CURRENCIES



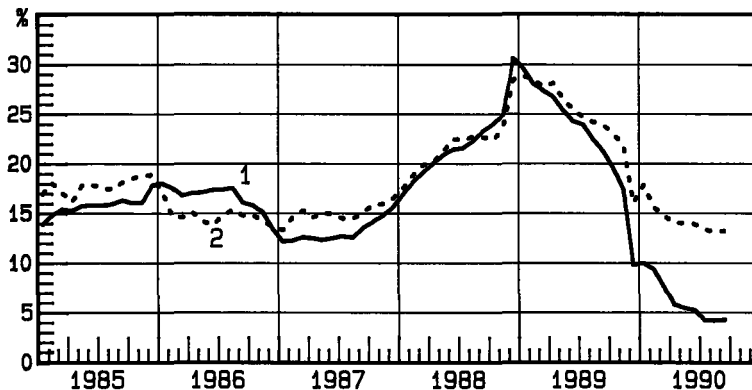
Monthly changes in markka selling rates calculated from the average rates for January 1982

15. BANK DEPOSITS FROM THE PUBLIC



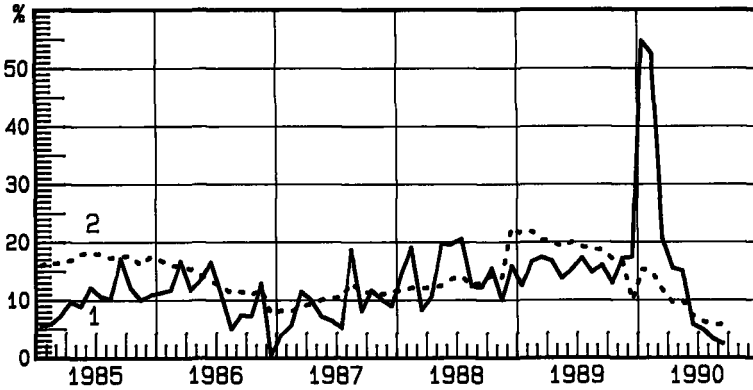
1. Regulated deposits
2. Total deposits
Change from the corresponding month of the previous year, per cent

16. BANK LENDING TO THE PUBLIC



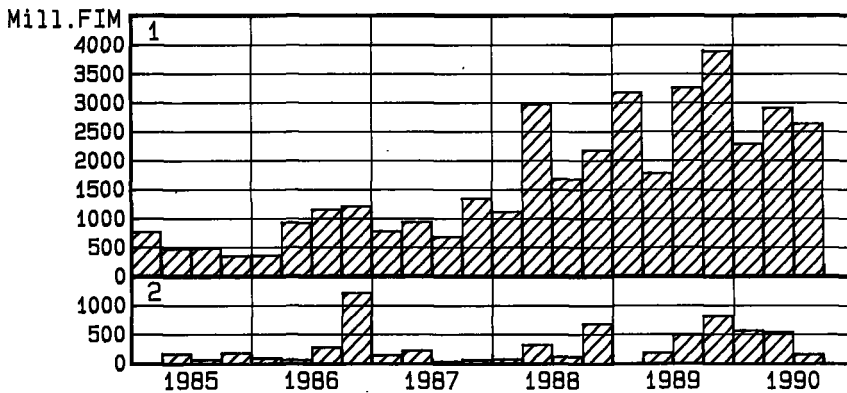
1. Markka lending
2. Total lending
Change from the corresponding month of the previous year, per cent

17. MONEY SUPPLY



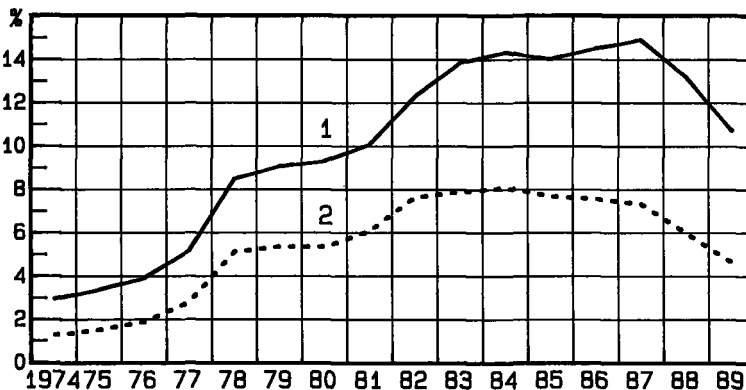
1. Narrow money supply (M1)
 2. Broad money supply (M2)
- Change from the corresponding month of the previous year, per cent

18. DIRECT INVESTMENT



1. Finnish direct investment abroad, net
2. Foreign direct investment in Finland, net

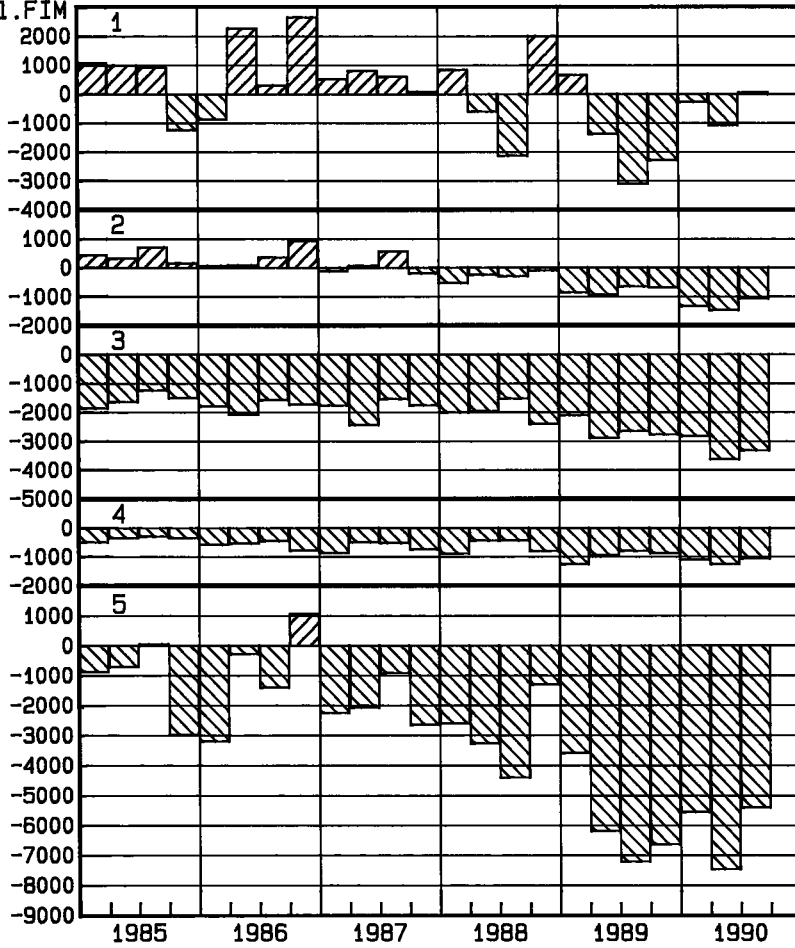
19. CENTRAL GOVERNMENT DEBT



1. Total debt
 2. Of which: foreign debt
- As a percentage of GDP

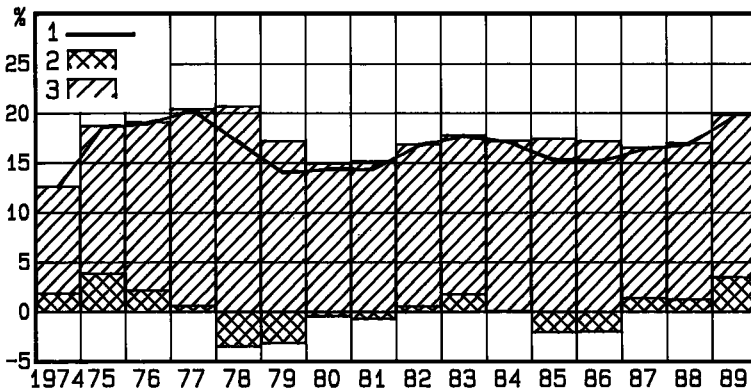
20. CURRENT ACCOUNT

Mill. FIM



1. Trade account
2. Services account
3. Investment income account
4. Unrequited transfers account and other items, net
5. Current account

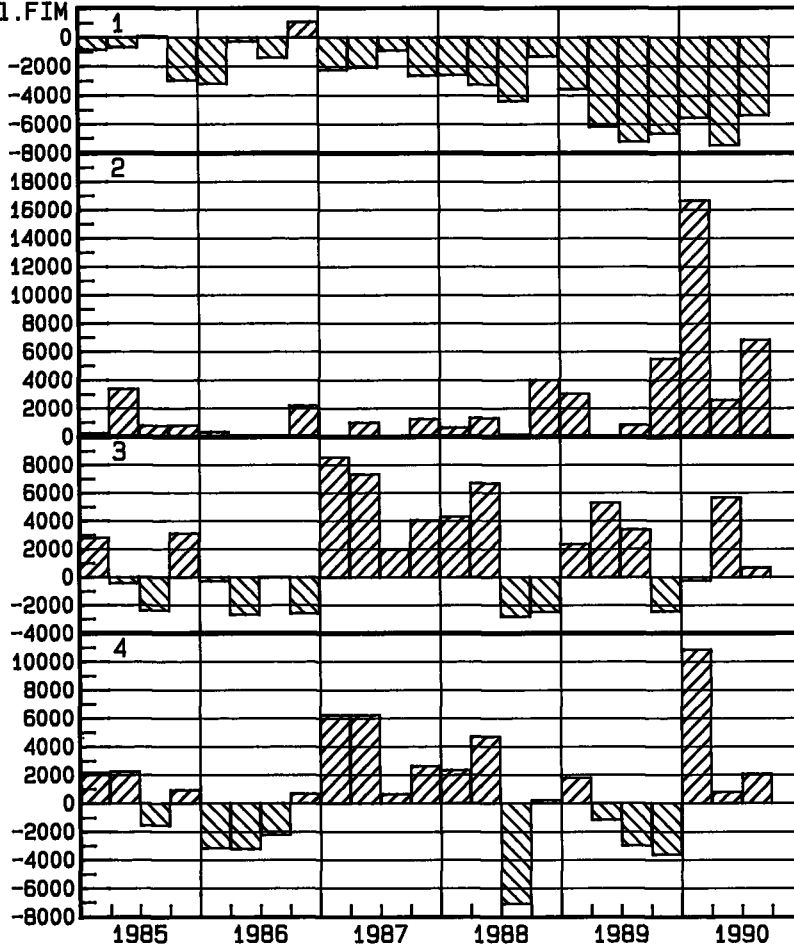
21. FOREIGN DEBT



1. Total foreign net debt
 2. Short-term net debt
 3. Long-term net debt
- As a percentage of GDP

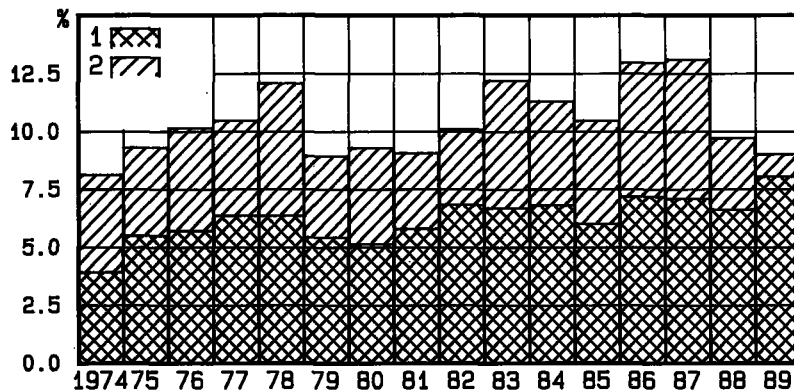
22. BALANCE OF PAYMENTS

Mill. FIM



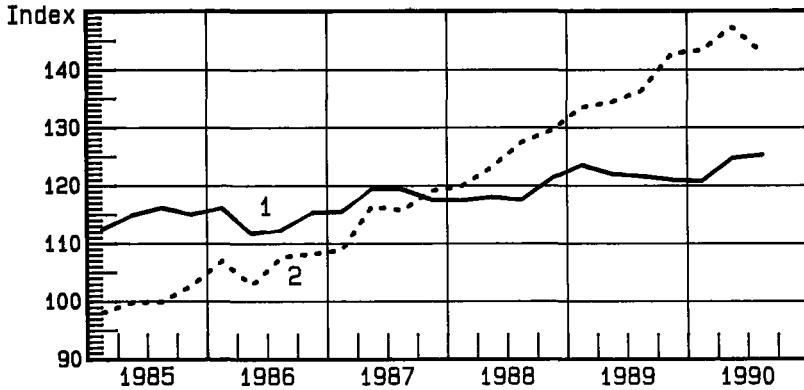
1. Current account
2. Long-term capital account
3. Short-term capital account
4. Overall balance=change in the foreign exchange reserves of the Bank of Finland

23. DEBT SERVICE RATIO



1. Interest payments
 2. Redemptions
- As a percentage of current account earnings

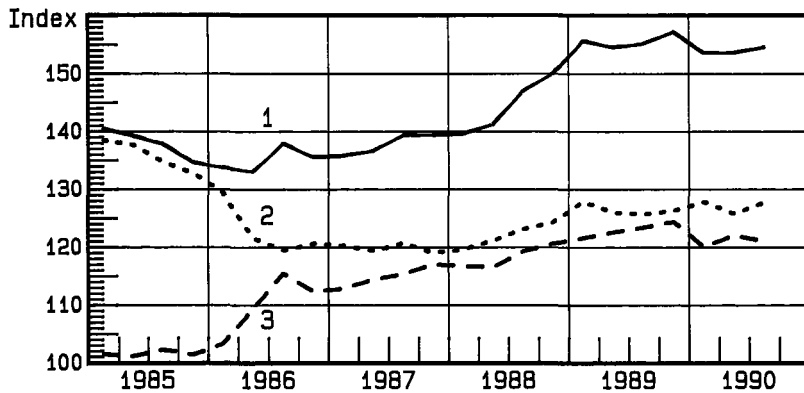
24. FOREIGN TRADE



1. Total exports
2. Total imports

Volume index, 1980 = 100, four-quarter moving average shown as at the last quarter

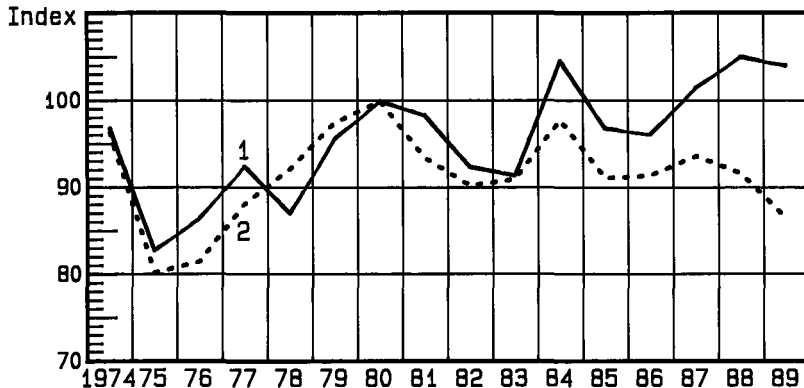
25. FOREIGN TRADE: PRICES AND TERMS OF TRADE



1. Unit value index of exports
2. Unit value index of imports
3. Terms of trade

1980 = 100

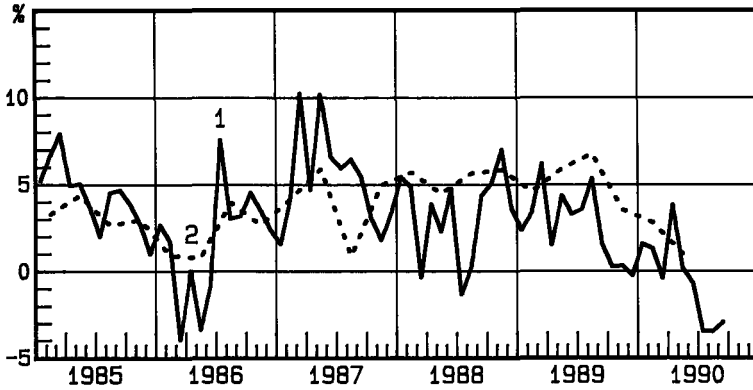
26. FINLAND'S EXPORT PERFORMANCE



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

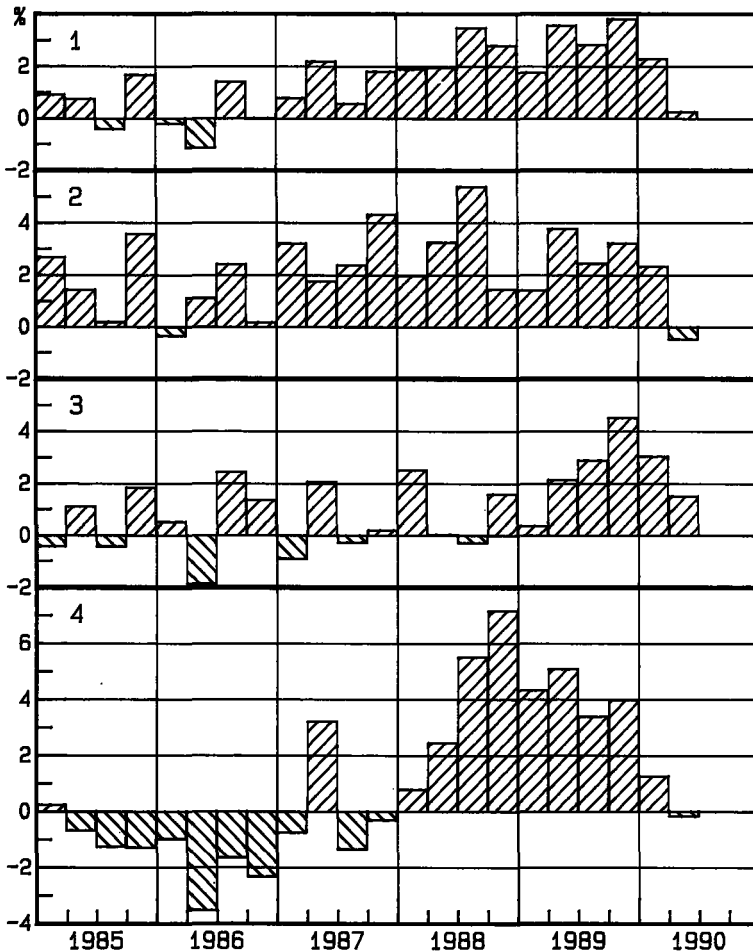
1980 = 100

27. PRODUCTION



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

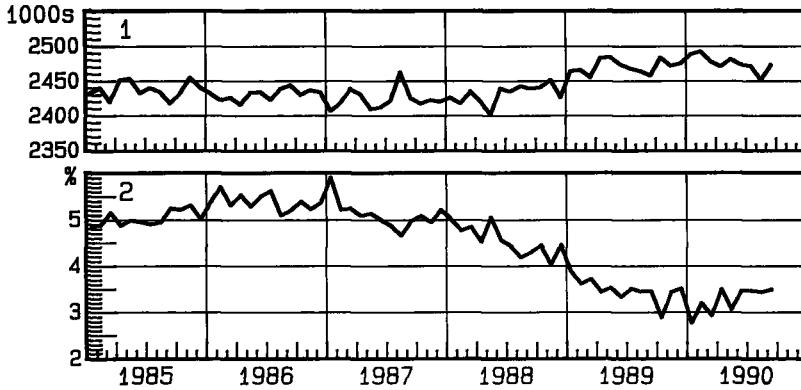
28. FIXED INVESTMENT



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

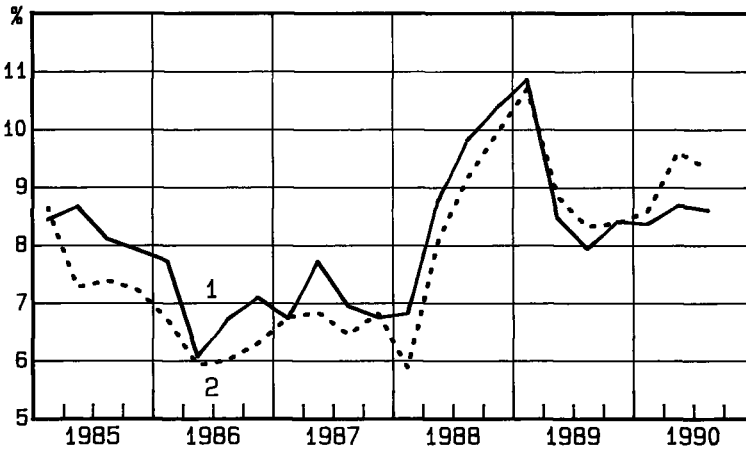
Volume changes calculated from four-quarter moving totals and shown as at the last quarter, per cent

29. EMPLOYMENT AND THE UNEMPLOYMENT RATE



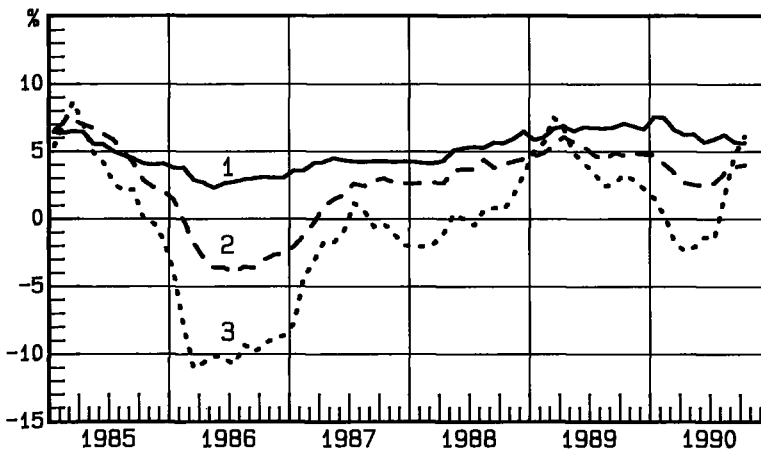
1. Employment, 1000 persons
2. Unemployment rate, per cent

30. PRICES AND WAGES



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

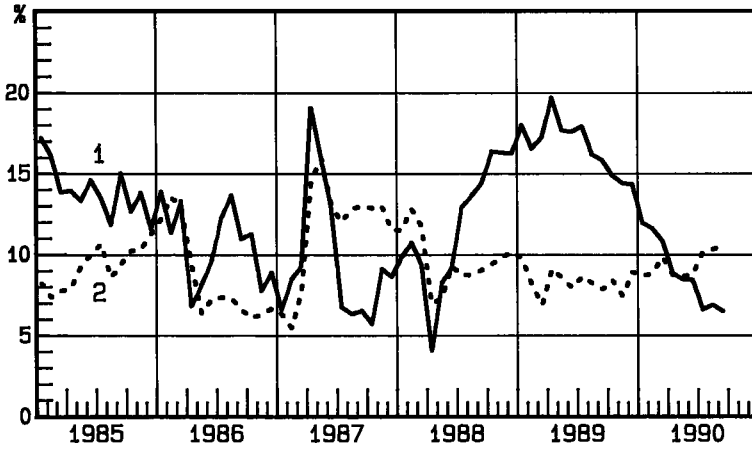
Change from the corresponding quarter of the previous year, per cent



1. Consumer price index
2. Wholesale price index
3. Import price index

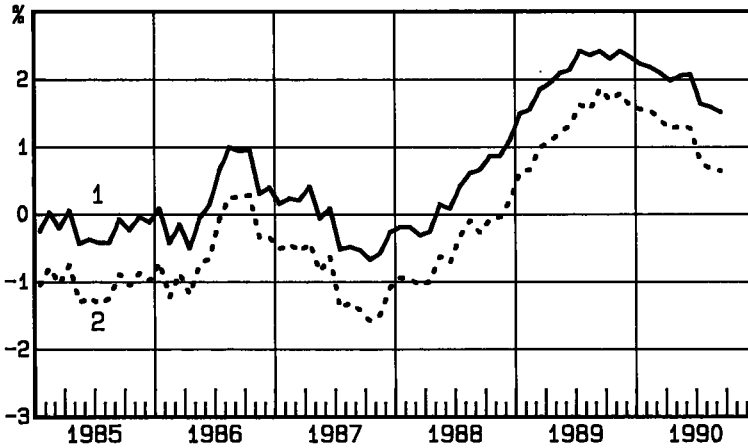
Change from the corresponding month of the previous year

31. CENTRAL GOVERNMENT FINANCES



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

Changes calculated from 12-month moving totals and shown as at the last month, per cent



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

12-month moving total shown as at the last month and as a percentage of GDP

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