



# **BANK OF FINLAND BULLETIN**

**BANK OF FINLAND ARTICLES ON THE ECONOMY**

# Table of Contents

---

Forecast tables

3

---

## FORECAST TABLES

# Forecast for 2016–2018

9 JUN 2016 11:00 AM • BANK OF FINLAND BULLETIN 3/2016 • ECONOMIC OUTLOOK

## June 2016

### 1. Balance of supply and demand, at reference year 2010 prices

% change on previous year

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP at market prices	-0.7	0.5	1.1	1.1	1.0
Imports of goods and services	0.0	-0.4	2.7	2.5	2.0
Exports of goods and services	-0.9	0.6	0.7	2.4	2.5
Private consumption	0.6	1.4	1.6	0.6	0.7
Public consumption	-0.3	-0.9	0.6	0.3	0.2
Private fixed investment	-3.1	-1.0	4.7	3.6	2.6
Public fixed investment	-0.6	-1.2	2.3	1.6	-0.5

Source: Bank of Finland forecast June 2016.

---

## 2. Contributions to growth<sup>1</sup>

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP, % change	-0.7	0.5	1.1	1.1	1.0
Net exports	-0.4	0.4	-0.7	-0.1	0.2
Domestic demand excl. inventory change	-0.3	0.4	1.9	1.1	0.9
of which Consumption	0.2	0.6	1.0	0.4	0.4
Investment	-0.6	-0.2	0.9	0.7	0.4
Inventory change + statistical discrepancy	0.0	-0.2	0.0	0.0	0.0

---

<sup>1</sup> Bank of Finland calculations. Annual growth rates using the previous year's GDP shares at current prices as weights.

---

Source: Bank of Finland forecast June 2016.

---

---

### 3. Balance of supply and demand, price deflators

---

Index, 2010 = 100 and % change on previous year

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP at market prices	110.1	110.5	110.6	111.4	112.5
	1.7	0.4	0.1	0.7	1.0
Imports of goods and services	104.8	101.5	100.3	103.1	105.4
	-1.6	-3.2	-1.2	2.7	2.3
Exports of goods and services	103.6	102.6	101.5	103.8	105.9
	-0.8	-1.0	-1.1	2.3	2.0
Private consumption	110.5	110.7	111.2	111.8	112.8
	1.6	0.2	0.4	0.6	0.8
Public consumption	112.3	113.5	114.7	115.8	117.3
	1.2	1.1	1.0	1.0	1.3
Private fixed investment	108.9	110.2	111.8	113.3	115.3
	0.5	1.2	1.4	1.4	1.8
Public fixed investment	110.2	109.6	111.2	112.7	114.0
	0.9	-0.5	1.4	1.3	1.2
Terms of trade (goods and services)	98.8	101.1	101.1	100.7	100.4
	0.8	2.3	0.0	-0.4	-0.3

---

Source: Bank of Finland forecast June 2016.

---

#### 4. Balance of supply and demand, at current prices

EUR million and % change on previous year

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP at market prices	205,268	207,220	209,694	213,359	217,806
	0.9	1.0	1.2	1.7	2.1
Imports of goods and services	79,462	76,627	77,796	81,958	85,546
	-1.6	-3.6	1.5	5.3	4.4
Total supply	284,730	283,847	287,491	295,317	303,352
	0.2	-0.3	1.3	2.7	2.7
Exports of goods and services	77,600	77,284	76,939	80,624	84,285
	-1.7	-0.4	-0.4	4.8	4.5
Consumption	164,471	166,507	169,606	171,696	174,350
	1.8	1.2	1.9	1.2	1.5
Private	113,690	115,592	117,898	119,318	121,187
	2.2	1.7	2.0	1.2	1.6
Public	50,781	50,915	51,708	52,378	53,163
	0.9	0.3	1.6	1.3	1.5
Fixed investment	42,197	42,115	44,516	46,558	48,276
	-2.1	-0.2	5.7	4.6	3.7
Private	33,729	33,790	35,874	37,656	39,310
	-2.6	0.2	6.2	5.0	4.4
Public	8,468	8,325	8,642	8,902	8,966
	0.3	-1.7	3.8	3.0	0.7
Inventory change + statistical discrepancy	462	-2,059	-3,570	-3,560	-3,560

Source: Bank of Finland forecast June 2016.

#### 4. Balance of supply and demand, at current prices

% of previous year's total demand	0.0	-0.9	-0.5	0.0	0.0
Total demand	284,730	283,847	287,491	295,317	303,352
	0.2	-0.3	1.3	2.7	2.7
Total domestic demand	207,130	206,563	210,552	214,694	219,066
	1.0	-0.3	1.9	2.0	2.0

Source: Bank of Finland forecast June 2016.

#### 5. Balance of supply and demand

% of GDP at current prices

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	38.7	37.0	37.1	38.4	39.3
Exports of goods and services	37.8	37.3	36.7	37.8	38.7
Consumption	80.1	80.4	80.9	80.5	80.0
Private	55.4	55.8	56.2	55.9	55.6
Public	24.7	24.6	24.7	24.5	24.4
Fixed investment	20.6	20.3	21.2	21.8	22.2
Private	16.4	16.3	17.1	17.6	18.0
Public	4.1	4.0	4.1	4.2	4.1
Inventory change + statistical discrepancy,	0.2	-1.0	-1.7	-1.7	-1.6
Total demand	138.7	137.0	137.1	138.4	139.3
Total domestic demand	100.9	99.7	100.4	100.6	100.6

Source: Bank of Finland forecast June 2016.

---

## 6. Prices

---

Index, 2010 = 100, and % change on previous year

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
Harmonised index of consumer prices, 2005=100	121.8	121.6	121.9	122.9	124.1
	1.2	-0.2	0.2	0.8	1.0
Consumer price index, 2005=100	119.6	119.3	119.4	120.2	121.5
	1.0	-0.2	0.0	0.7	1.0
Private consumption deflator	110.5	110.7	111.2	111.8	112.8
	1.6	0.2	0.4	0.6	0.8
Private investment deflator	108.9	110.2	111.8	113.3	115.3
	0.5	1.2	1.4	1.4	1.8
Exports of goods and services deflator	103.6	102.6	101.5	103.8	105.9
	-0.8	-1.0	-1.1	2.3	2.0
Imports of goods and services deflator	104.8	101.5	100.3	103.1	105.4
	-1.6	-3.2	-1.2	2.7	2.3
Value-added deflators					
Value-added, gross at basic prices	109.9	110.2	111.0	111.7	112.8
	1.8	0.3	0.7	0.7	0.9
Private sector	108.8	109.0	109.6	110.2	111.1
	1.8	0.2	0.6	0.5	0.8
Public sector	114.2	115.4	116.5	117.8	119.5
	1.6	1.1	1.0	1.1	1.5

Source: Bank of Finland forecast June 2016.

---



---

## 7. Wages and productivity

---

% change on previous year

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
Whole economy					
Index of wage and salary earnings	1.4	1.2	1.3	0.8	1.2
Compensation per employee	1.3	1.6	1.2	0.9	1.3
Unit labour costs	1.7	0.7	0.5	0.6	0.8
Labour productivity per employed person	-0.3	1.0	0.7	0.4	0.5

---

Source: Bank of Finland forecast June 2016.

---

%MCEPASTEBIN%

---

## 8. Labour market

---

1,000 persons and % change on previous year

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
Labour force survey (15–74-year-olds)					
Employed persons	2,447	2,437	2,447	2,463	2,477
	-0.4	-0.4	0.4	0.7	0.6
Unemployed persons	232	252	247	244	241
	5.8	8.7	-2.0	-1.1	-1.6
Labour force	2,679	2,690	2,694	2,708	2,718
	0.1	0.4	0.2	0.5	0.4
Working-age population (15–64-year-olds)	3,491	3,476	3,465	3,453	3,445
	-0.5	-0.4	-0.3	-0.3	-0.2
Labour force participation rate, %	65.4	65.6	65.6	65.7	65.8
Unemployment rate, %	8.7	9.4	9.2	9.0	8.9
Employment rate (15–64-year-olds), %	68.3	68.1	68.4	68.8	69.1

Source: Bank of Finland forecast June 2016.

---

---

## 9. General government revenue, expenditure, balance and debt

---

% of GDP

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
General government revenue	54.9	55.5	55.9	56.0	55.9
General government expenditure	58.1	58.3	58.5	58.4	58.2
General government primary expenditure	56.9	57.0	57.4	57.2	57.0
General government interest expenditure	1.2	1.2	1.1	1.1	1.1
General government net lending	-3.2	-2.7	-2.6	-2.4	-2.3
Central government	-3.8	-3.1	-3.0	-2.9	-2.5
Local government	-0.8	-0.7	-0.7	-0.7	-0.8
Social security funds	1.3	1.0	1.2	1.2	1.0
General government primary balance	-1.9	-1.5	-1.4	-1.3	-1.2
General government debt (EDP)	59.3	63.1	66.0	68.4	70.2
Central government debt	46.3	48.2	50.6	52.6	54.1
Tax ratio	43.9	44.5	45.0	45.0	45.0

---

Source: Bank of Finland forecast June 2016.

---

---

## 10. Balance of payments

---

EUR million

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
Exports of goods and services (SNA)	77,600	77,284	76,939	80,624	84,285
Imports of goods and services (SNA)	79,462	76,627	77,796	81,958	85,546
Goods and services account (SNA)	-1,862	657	-858	-1,334	-1,261
% of GDP	-0.9	0.3	-0.4	-0.6	-0.6
Investment income and other items, net (+ statistical discrepancy)	2,335	1,777	2,268	2,638	2,660
Current transfers, net	-2,406	-2,147	-1,882	-1,921	-1,965
Current account, net	-1,932	287	-1,262	-1,649	-1,513
Net lending, % of GDP					
Private sector	2.2	2.9	2.0	1.6	1.6
Public sector	-3.2	-2.7	-2.6	-2.4	-2.3
Current account, % of GDP	-0.9	0.1	-0.6	-0.8	-0.7

---

Source: Bank of Finland forecast June 2016.

---

---

## 11. Interest rates

---

%

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
3-month Euribor <sup>1</sup>	0.2	0.0	-0.3	-0.3	-0.3
Average interest rate on new loan drawdowns <sup>2</sup>	2.4	2.4	1.8	1.8	1.8
Average interest rate on the stock of loans <sup>2</sup>	1.8	1.6	1.5	1.4	1.4
Average interest rate on the stock of deposits <sup>3</sup>	0.4	0.3	0.2	0.1	0.1
Yield on Finnish 10-year government bonds <sup>1</sup>	1.4	0.7	0.5	0.6	0.9

---

<sup>1</sup> Technical assumption derived from market expectations.

---

<sup>2</sup> Finnish credit institutions' loans to households and non-financial corporations (excl. overdrafts, credit card credits and repurchase agreements).

---

<sup>3</sup> Finnish credit institutions' deposits from households and non-financial corporations.

---

Source: Bank of Finland forecast June 2016.

---

---

## 12. International environment

---

Eurosystem staff projections

---

	2014	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP, % change on previous year					
World	3.3	2.9	2.9	3.4	3.5
USA	2.4	2.4	1.9	2.5	2.3
Euro area	0.9	1.6	1.6	1.6	1.7
Japan	-0.1	0.5	-0.1	0.4	0.4
Imports, % change on previous year					
World	3.5	1.9	2.5	4.0	4.3
USA	3.8	4.9	2.0	5.0	5.2
Euro area	4.5	6.0	4.7	4.7	4.7
Japan	7.2	0.2	0.8	2.5	2.8
Index, 2010 = 100, and % change on previous year					
Import volume in Finnish export markets	113.0	113.1	115.7	120.0	124.9
	2.7	0.1	2.3	3.6	4.1
Export prices (excl. oil) of Finland's trading partners, national currencies	102.8	102.3	101.7	104.9	107.5
	0.5	-0.5	-0.6	3.1	2.5
Export prices (excl. oil) of Finland's trading partners, in euro	104.5	108.6	107.3	110.5	113.3
	-0.3	3.9	-1.2	3.0	2.5
Industrial raw materials (excl. energy), HWWA index, in US dollars	89.0	70.0	66.4	68.6	71.9
	-4.9	-21.3	-5.2	3.4	4.7
Oil price, USD per barrel <sup>1</sup>	98.9	52.4	42.5	48.0	50.3

Source: Bank of Finland forecast June 2016.

---

---

## 12. International environment

---

	-9.1	-47.1	-18.8	12.9	4.6
Finland's nominal competitiveness indicator <sup>1,2</sup>	102.2	97.8	98.4	98.5	98.5
	0.9	-4.3	0.6	0.1	0.0
US dollar value of one euro <sup>1</sup>	1.33	1.11	1.13	1.14	1.14
	0.0	-16.5	2.1	1.0	0.0

---

<sup>1</sup> Technical assumption derived from market expectations.

---

<sup>2</sup> Narrow plus euro area, 1999Q1 = 100

---

Source: Bank of Finland forecast June 2016.

---

---

## 13. Current and December 2015 forecast

---

	2015	2016 <sup>f</sup>	2017 <sup>f</sup>	2018 <sup>f</sup>
GDP, % change	0.5	1.1	1.1	1.0
December 2015	-0.1	0.7	1.0	
Inflation (HICP), %	-0.2	0.2	0.8	1.0
December 2015	-0.1	0.3	1.0	
Current account, % of GDP	0.1	-0.6	-0.8	-0.7
December 2015	-0.1	-0.2	-0.3	
General government net lending, % of GDP	-2.7	-2.6	-2.4	-2.3
December 2015	-3.2	-2.9	-2.7	
General government debt (EDP), % of GDP	63.1	66.0	68.4	70.2
December 2015	62.8	65.7	68.1	
Unemployment rate, %	9.4	9.2	9.0	8.9
December 2015	9.4	9.2	9.1	

---

Source: Bank of Finland forecast June 2016.

---

## Tags

- [indicators](#)
- [economic situation](#)
- [forecast](#)