



BANK OF FINLAND BULLETIN

BANK OF FINLAND ARTICLES ON THE ECONOMY

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FORECAST TABLES

Forecast for 2017–2019

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June 2017

1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES

% change on previous year

	2015	2016	2017 ^f	2018 ^f	2019 ^f
GDP at market prices	0.3	1.4	2.1	1.7	1.4
Imports of goods and services	3.1	2.5	2.7	2.3	2.1
Exports of goods and services	2.0	0.5	3.9	3.4	2.9
Private consumption	1.5	2.0	1.3	1.3	1.2
Public consumption	0.1	0.5	-0.2	0.1	-0.2
Private fixed investment	2.6	6.1	5.2	3.0	2.8
Public fixed investment	-4.9	1.4	2.4	0.2	-0.1

Source: Bank of Finland.

2. CONTRIBUTIONS TO GROWTH¹

	2015	2016	2017 ^f	2018 ^f	2019 ^f
GDP, % change	0.3	1.4	2.1	1.7	1.4
Net exports	-0.4	-0.7	0.4	0.4	0.3
Domestic demand excl. inventory change	1.1	2.3	1.7	1.3	1.1
of which Consumption	0.8	1.2	0.7	0.7	0.6
Investment	0.2	1.1	1.0	0.6	0.5
Inventory change + statistical discrepancy	-0.3	-0.2	0.0	0.0	0.0

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

Source: Bank of Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS

Index 2010 = 100, and % change on previous year

	2015	2016	2017 ^f	2018 ^f	2019 ^f
GDP at market prices	112.0	112.9	113.5	115.0	116.5
	1.7	0.8	0.6	1.2	1.4
Imports of goods and services	100.9	99.0	101.9	104.6	107.0
	-3.7	-1.8	2.9	2.6	2.2
Exports of goods and services	103.0	100.5	102.7	105.1	107.1
	-1.1	-2.4	2.2	2.3	1.9
Private consumption	110.6	111.3	112.2	113.6	115.3
	0.4	0.6	0.8	1.3	1.5
Public consumption	113.1	114.3	114.1	115.5	116.9
	0.7	1.0	-0.1	1.2	1.2
Private fixed investment	109.5	111.4	113.8	115.9	117.8
	0.5	1.8	2.2	1.8	1.7
Public fixed investment	110.2	110.7	112.6	114.1	117.3
	0.0	0.4	1.8	1.3	2.8
Terms of trade (goods and services)	102.1	101.5	100.7	100.4	100.1
	2.8	-0.6	-0.7	-0.3	-0.3

Source: Bank of Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

EUR million and % change on previous year

	2015	2016	2017 ^f	2018 ^f	2019 ^f
GDP at market prices	209,511	214,062	219,782	226,207	232,535
	2.0	2.2	2.7	2.9	2.8
Imports of goods and services	77,810	78,262	82,738	86,868	90,680
	-0.7	0.6	5.7	5.0	4.4
Total supply	287,321	292,324	302,520	313,075	323,216
	1.2	1.7	3.5	3.5	3.2
Exports of goods and services	77,186	75,677	80,386	85,094	89,253
	0.9	-2.0	6.2	5.9	4.9
Consumption	166,847	170,671	173,056	176,834	180,652
	1.5	2.3	1.4	2.2	2.2
Private	115,761	118,811	121,381	124,454	127,795
	1.9	2.6	2.2	2.5	2.7
Public	51,086	51,860	51,676	52,380	52,857
	0.7	1.5	-0.4	1.4	0.9
Fixed investment	42,867	45,792	48,930	50,999	53,163
	1.5	6.8	6.9	4.2	4.2
Private	34,694	37,467	40,258	42,196	44,120
	3.1	8.0	7.4	4.8	4.6
Public	8,173	8,325	8,672	8,803	9,043
	-4.9	1.9	4.2	1.5	2.7
Inventory change + statistical discrepancy	421	184	148	148	148
% of previous year's total demand	-0.1	-0.1	0.0	0.0	0.0
Total demand	287,321	292,324	302,520	313,075	323,216

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

	1.2	1.7	3.5	3.5	3.2
Total domestic demand	210,135	216,647	222,134	227,981	233,963
	1.3	3.1	2.5	2.6	2.6

Source: Bank of Finland.

5. BALANCE OF SUPPLY AND DEMAND

% of GDP at current prices

	2015	2016	2017 ^f	2018 ^f	2019 ^f
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	37.1	36.6	37.6	38.4	39.0
Exports of goods and services	36.8	35.4	36.6	37.6	38.4
Consumption	79.6	79.7	78.7	78.2	77.7
Private	55.3	55.5	55.2	55.0	55.0
Public	24.4	24.2	23.5	23.2	22.7
Fixed investment	20.5	21.4	22.3	22.5	22.9
Private	16.6	17.5	18.3	18.7	19.0
Public	3.9	3.9	3.9	3.9	3.9
Inventory change + statistical discrepancy,	0.2	0.1	0.1	0.1	0.1
Total demand	137.1	136.6	137.6	138.4	139.0
Total domestic demand	100.3	101.2	101.1	100.8	100.6

Source: Bank of Finland.

6. PRICES

Index 2010 = 100, and % change on previous year

	2015	2016	2017 ^f	2018 ^f	2019 ^f
Harmonised index of consumer prices, 2005=100	100.0	100.4	101.2	102.2	103.4
	-0.2	0.4	0.8	1.0	1.3
Consumer price index, 2005=100	119.3	119.7	120.4	121.5	123.2
	-0.2	0.4	0.6	0.9	1.4
Private consumption deflator	110.6	111.3	112.2	113.6	115.3
	0.4	0.6	0.8	1.3	1.5
Private investment deflator	109.5	111.4	113.8	115.9	117.8
	0.5	1.8	2.2	1.8	1.7
Exports of goods and services deflator	103.0	100.5	102.7	105.1	107.1
	-1.1	-2.4	2.2	2.3	1.9
Imports of goods and services deflator	100.9	99.0	101.9	104.6	107.0
	-3.7	-1.8	2.9	2.6	2.2
Value-added deflators					
Value-added, gross at basic prices	111.8	112.7	113.2	114.5	115.9
	1.8	0.7	0.4	1.2	1.3
Private sector	110.9	111.8	112.4	113.7	115.1
	2.0	0.8	0.5	1.2	1.3
Public sector	115.5	116.2	116.4	117.8	119.2
	1.1	0.6	0.2	1.2	1.2

Source: Bank of Finland.

7. WAGES AND PRODUCTIVITY

% change on previous year

	2015	2016	2017 ^f	2018 ^f	2019 ^f
Whole economy					
Index of wage and salary earnings	1.4	1.2	0.7	1.5	1.8
Compensation per employee	1.6	1.1	-0.3	1.1	1.4
Unit labour costs	0.9	0.1	-1.8	0.2	0.5
Labour productivity per employed person	0.7	1.0	1.5	1.0	1.0

Source: Bank of Finland.

8. LABOUR MARKET

1,000 persons and % change on previous year

	2015	2016	2017 ^f	2018 ^f	2019 ^f
Labour force survey (15–74-year-olds)					
Employed persons	2,437	2,448	2,461	2,477	2,489
	-0.4	0.4	0.5	0.7	0.5
Unemployed persons	252	236	230	222	220
	8.7	-6.4	-2.4	-3.4	-1.1
Labour force	2,690	2,683	2,691	2,700	2,709
	0.4	-0.2	0.3	0.3	0.3
Working-age population (15–64-year-olds)	3,476	3,463	3,453	3,445	3,438
	-0.4	-0.4	-0.3	-0.2	-0.2
Labour force participation rate, %	65.6	65.3	65.3	65.3	65.4
Unemployment rate, %	9.4	8.8	8.6	8.2	8.1
Employment rate (15–64-year-olds), %	68.1	68.7	69.3	69.9	70.3

Source: Bank of Finland.

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT

% OF GDP

	2015	2016	2017 ^f	2018 ^f	2019 ^f
General government revenue	54.2	54.2	52.8	52.3	51.8
General government expenditure	57.0	56.1	55.2	54.5	53.9
General government primary expenditure	55.8	55.1	54.2	53.5	53.0
General government interest expenditure	1.2	1.1	1.0	0.9	0.9
General government net lending	-2.7	-1.9	-2.4	-2.2	-2.0
Central government	-3.0	-2.7	-2.8	-2.4	-1.9
Local government	-0.6	-0.5	-0.6	-0.6	-0.6
Social security funds	0.9	1.3	0.9	0.8	0.5
General government primary balance	-1.6	-0.9	-1.5	-1.3	-1.1
General government debt (EDP)	63.7	63.6	65.1	66.1	66.8
Central government debt	47.6	47.8	49.3	50.2	50.7
Tax ratio	44.0	44.1	43.2	42.8	42.6

Source: Bank of Finland.

10. BALANCE OF PAYMENTS

EUR million

	2015	2016	2017 ^f	2018 ^f	2019 ^f
Exports of goods and services (SNA)	77,186	75,677	80,386	85,094	89,253
Imports of goods and services (SNA)	77,810	78,262	82,738	86,868	90,680
Goods and services account (SNA)	-624	-2,585	-2,352	-1,774	-1,427
% of GDP	-0.3	-1.2	-1.1	-0.8	-0.6
Investment income and other items, net (+ statistical discrepancy)	1,701	2,246	1,774	1,760	1,746
Current transfers, net	-2,321	-1,951	-2,007	-2,073	-2,139
Current account, net	-1,244	-2,290	-2,585	-2,087	-1,820
Net lending, % of GDP					
Private sector	2.1	0.8	1.3	1.3	1.3
Public sector	-2.7	-1.9	-2.5	-2.2	-2.0
Current account, % of GDP	-0.6	-1.1	-1.2	-0.9	-0.8

Source: Bank of Finland.

11. INTEREST RATES

%

	2015	2016	2017 ^f	2018 ^f	2019 ^f
3-month Euribor ¹	0.0	-0.3	-0.3	-0.2	0.0
Average interest rate on new loan drawdowns ²	2.1	1.9	1.8	1.9	2.0
Average interest rate on the stock of loans ²	1.6	1.5	1.4	1.4	1.5
Average interest rate on the stock of deposits ³	0.3	0.2	0.1	0.1	0.2
Yield on Finnish 10-year government bonds ¹	0.7	0.4	0.6	0.9	1.1

¹ Technical assumption derived from market expectations.

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

³ Finnish credit institutions' deposits from households and non-financial corporations.

Source: Bank of Finland.

12. INTERNATIONAL ENVIRONMENT

The Eurosystem staff projections

	2015	2016	2017 ^f	2018 ^f	2019 ^f
GDP, % change on previous year					
World	3.3	3.0	3.3	3.6	3.5
USA	2.6	1.6	2.2	2.5	2.3
Euro area	1.9	1.7	1.9	1.8	1.7
Japan	0.6	1.0	1.3	0.7	0.6
Imports, % change on previous year					
World	1.9	1.5	4.5	3.9	4.0
USA	4.6	1.1	4.2	4.5	5.0
Euro area	6.3	4.0	5.2	4.6	4.3
Japan	0.4	-1.7	2.5	2.6	3.1
Index, 2010 = 100, and % change on previous year					
Import volume in Finnish export markets	117.3	119.5	124.5	129.2	133.9
	-0.2	1.9	4.2	3.7	3.7
Export prices (excl. oil) of Finland's trading partners, national currencies	109.1	106.7	111.1	113.9	116.5
	-0.3	-2.2	4.1	2.6	2.3
Export prices (excl. oil) of Finland's trading partners, in euro	106.1	101.0	106.9	109.3	111.8
	0.3	-4.8	5.8	2.3	2.3
Industrial raw materials (excl. energy), HWWA index, in US dollars	100.1	97.3	116.3	116.7	121.9
	-26.0	-2.8	19.6	0.3	4.5
Oil price, USD per barrel ¹	52.4	44.0	51.6	51.4	51.5
	-47.1	-15.9	17.1	-0.4	0.3

12. INTERNATIONAL ENVIRONMENT

Finland's nominal competitiveness indicator ^{1, 2}	102.8	105.6	103.9	104.3	104.3
	-0.5	2.7	-1.6	0.3	0.0
US dollar value of one euro ¹	1.11	1.11	1.08	1.09	1.09
	-16.5	-0.2	-2.1	0.8	0.0

¹ Technical assumption derived from market expectations.

² Broad nominal effective exchange rate.

Source: Bank of Finland.

13. Current and march 2017 forecast

	2016	2017 ^f	2018 ^f	2019 ^f
GDP, % change	1.4	2.1	1.7	1.4
March 2017	1.6	1.6	1.5	1.3
Inflation (HICP), %	0.4	0.8	1.0	1.3
March 2017	0.4	1.0	1.0	1.3
Current account, % of GDP	-1.1	-1.2	-0.9	-0.8
March 2017	-0.8	-1.4	-0.7	-0.5
General government net lending, % of GDP	-1.9	-2.4	-2.2	-2.0
March 2017	-2.0	-2.1	-1.9	-1.7
General government debt (EDP), % of GDP	63.6	65.1	66.1	66.8
March 2017	63.5	64.9	65.8	66.2
Unemployment rate, %	8.8	8.6	8.2	8.1
March 2017	8.8	8.6	8.3	8.1

Source: Bank of Finland.

Tags

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