



BANK OF FINLAND BULLETIN

BANK OF FINLAND ARTICLES ON THE ECONOMY

Table of Contents

Forecast tables for 2019–2022 (December)

3

FORECAST TABLES

Forecast tables for 2019–2022 (December 2019)

17 DEC 2019 10:00 AM • BANK OF FINLAND BULLETIN 5/2019 • ECONOMIC OUTLOOK

See forecast tables for the Finnish economy in 2019–2022 (Dec 2019).

December 2019

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

% change on previous year

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP at market prices	1.7	1.3	0.9	1.1	1.3
Imports of goods and services	5.0	0.7	1.3	1.8	2.5
Exports of goods and services	2.2	4.0	0.9	2.2	2.6
Private consumption	1.8	0.7	1.3	1.2	1.2
Public consumption	1.5	1.6	1.3	0.5	0.8
Private fixed investment	2.8	1.1	-0.3	0.8	2.1
Public fixed investment	5.3	1.5	5.1	-0.2	1.9

Sources: Bank of Finland and Statistics Finland.

2. CONTRIBUTIONS TO GROWTH¹

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP, % change	1.7	1.3	0.9	1.1	1.3
Net exports	-1.0	1.3	-0.2	0.2	0.0
Domestic demand excl. inventory change	2.1	1.0	1.1	0.9	1.3
of which Consumption	1.4	0.7	1.0	0.7	0.8
Investment	0.8	0.3	0.2	0.1	0.5
Inventory change + statistical discrepancy	0.6	-1.0	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.

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND. PRICE DEFLATORS

Index 2010 = 100. and % change on previous year

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP at market prices	115.4	117.6	119.9	121.8	124.2
	2.1	1.9	1.9	1.6	1.9
Imports of goods and services	105.4	108.1	108.3	109.6	111.4
	3.4	2.6	0.2	1.2	1.6
Exports of goods and services	106.9	106.9	107.0	108.5	110.5
	4.0	0.0	0.1	1.4	1.9
Private consumption	112.7	114.1	115.4	116.9	118.8
	1.1	1.2	1.2	1.3	1.6
Public consumption	112.8	115.5	118.6	121.2	124.6
	1.6	2.4	2.7	2.2	2.9
Private fixed investment	116.4	119.2	120.8	122.6	124.5
	2.4	2.4	1.3	1.4	1.6
Public fixed investment	114.8	117.1	121.4	123.8	125.3
	1.7	2.0	3.6	1.9	1.3
Terms of trade (goods and services)	101.4	98.9	98.8	99.0	99.2
	0.5	-2.5	-0.1	0.2	0.2

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

EUR million and % change on previous year

	2018 ^f	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP at market prices	234 453	242 161	249 078	255 742	264 195
	3.8	3.3	2.9	2.7	3.3
Imports of goods and services	92 124	95 117	96 582	99 453	103 604
	8.6	3.2	1.5	3.0	4.2
Total supply	326 577	337 279	345 660	355 195	367 799
	5.1	3.3	2.5	2.8	3.5
Exports of goods and services	90 408	94 058	94 930	98 385	102 859
	6.3	4.0	0.9	3.6	4.5
Consumption	176 835	181 353	186 704	191 514	197 436
	3.0	2.6	3.0	2.6	3.1
Private	123 702	126 077	129 226	132 484	136 227
	3.0	1.9	2.5	2.5	2.8
Public	53 133	55 276	57 478	59 030	61 209
	3.2	4.0	4.0	2.7	3.7
Fixed investment	55 456	57 402	58 829	60 062	62 225
	5.7	3.5	2.5	2.1	3.6
Private	45 584	47 178	47 688	48 732	50 539
	5.3	3.5	1.1	2.2	3.7
Public	9 872	10 224	11 141	11 329	11 686
	7.1	3.6	9.0	1.7	3.1
Inventory change + statistical discrepancy	3 878	4 466	5 197	5 235	5 278
% of previous year's total demand	0.8	0.2	0.2	0.0	0.0

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

Total demand	326 577	337 279	345 660	355 195	367 799
	5.1	3.3	2.5	2.8	3.5
Total domestic demand	236 169	243 221	250 730	256 810	264 940
	4.7	3.0	3.1	2.4	3.2

Sources: Bank of Finland and Statistics Finland.

5. BALANCE OF SUPPLY AND DEMAND

% of GDP at current prices

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	39.3	39.3	38.8	38.9	39.2
Exports of goods and services	38.6	38.8	38.1	38.5	38.9
Consumption	75.4	74.9	75.0	74.9	74.7
Private	52.8	52.1	51.9	51.8	51.6
Public	22.7	22.8	23.1	23.1	23.2
Fixed investment	23.7	23.7	23.6	23.5	23.6
Private	19.4	19.5	19.1	19.1	19.1
Public	4.2	4.2	4.5	4.4	4.4
Inventory change + statistical discrepancy	1.7	1.8	2.1	2.0	2.0
Total demand	139.3	139.3	138.8	138.9	139.2
Total domestic demand	100.7	100.4	100.7	100.4	200.3

Sources: Bank of Finland and Statistics Finland.

6. PRICES

Index 2010 = 100, and % change on previous year

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
Harmonised index of consumer prices, 2015 = 100	102.4	103.6	104.8	106.3	108.0
	1.2	1.2	1.2	1.4	1.6
Consumer price index, 2015 = 100	102.2	103.3	104.6	106.0	107.6
	1.1	1.1	1.2	1.3	1.6
Private consumption deflator	112.7	114.1	115.4	116.9	118.8
	1.1	1.2	1.2	1.3	1.6
Private investment deflator	116.4	119.2	120.8	122.6	124.5
	2.4	2.4	1.3	1.4	1.6
Exports of goods and services deflator	106.9	106.9	107.0	108.5	110.5
	4.0	0.0	0.1	1.4	1.9
Imports of goods and services deflator	105.4	108.1	108.3	109.6	111.4
	3.4	2.6	0.2	1.2	1.6
Value-added deflators					
Value-added, gross at basic prices	115.2	117.5	119.9	121.8	124.1
	2.1	2.0	2.0	1.7	1.9
Private sector	115.6	117.7	119.9	121.8	123.8
	2.1	1.9	1.8	1.5	1.7
Public sector	114.7	117.9	121.0	123.7	127.2
	2.1	2.8	2.7	2.2	2.9

Sources: Bank of Finland and Statistics Finland.

7. WAGES AND PRODUCTIVITY

% change on previous year

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
Whole economy					
Index of wage and salary earnings	1.7	2.5	2.5	2.2	2.5
Compensation per employee	0.8	1.8	2.5	2.2	2.4
Unit labour costs	1.8	1.4	1.5	1.4	1.5
Labour productivity per employed person	-1.0	0.3	1.0	0.8	0.9

Sources: Bank of Finland and Statistics Finland.

8. LABOUR MARKET

1,000 persons and % change on previous year

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
Labour force survey (15–74-year-olds)					
Employed persons	2 539	2 564	2 563	2 570	2 581
	2.7	1.0	0.0	0.3	0.4
Unemployed persons	202	183	185	182	177
	-13.7	-9.2	1.0	-1.8	-2.5
Labour force	2 740	2 747	2 748	2 752	2 758
	1.2	0.3	0.0	0.1	0.2
Working-age population (15–64-year-olds)	3 439	3 427	3 420	3 413	3 409
	-0.4	-0.3	-0.2	-0.2	-0.1
Labour force participation rate, %	66.4	66.6	66.7	66.9	67.3
Unemployment rate, %	7.4	6.7	6.7	6.6	6.4
Employment rate (15–64-year-olds), %	71.7	72.5	72.7	73.0	73.4

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE. EXPENDITURE. BALANCE AND DEBT

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
% of GDP					
General government revenue	52.3	51.7	51.7	51.6	51.4
General government expenditure	53.1	52.6	53.1	53.1	52.9
General government primary expenditure	52.2	51.9	52.5	52.5	52.4
General government interest expenditure	0.9	0.7	0.6	0.6	0.5
General government net lending	-0.8	-1.0	-1.5	-1.5	-1.5
Central government net lending	-1.2	-0.8	-1.3	-1.2	-1.0
Local government net lending	-0.9	-1.2	-1.1	-1.1	-1.2
Social security funds	1.3	1.1	0.9	0.8	0.8
General government primary balance	0.1	-0.2	-0.9	-0.9	-1.0
General government structural balance ¹	-0.8	-1.2	-1.5	-1.4	-1.4
General government debt (consolidated. EDP)	59.0	58.8	59.1	60.1	60.8
Central government debt	44.8	43.8	43.4	43.8	43.7
Tax ratio	42.3	42.0	42.1	42.0	41.9
Current prices, EUR billion					
General government net lending	-1.9	-2.3	-3.7	-3.8	-3.9
Central government net lending	-2.8	-1.9	-3.3	-3.1	-2.8
Local government net lending	-2.1	-3.0	-2.7	-2.9	-3.2
Social security funds	2.9	2.6	2.3	2.2	2.0
General government debt (consolidated. EDP)	138.4	142.5	147.3	153.8	160.5

¹Calculated by the Bank of Finland under the ESCB methodology for estimating the output gap.

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS

EUR billion

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
Exports of goods and services (SNA)	90.4	94.1	94.9	98.4	102.9
Imports of goods and services (SNA)	92.1	95.1	96.6	99.5	103.6
Goods and services account (SNA)	-1.7	-1.1	-1.7	-1.1	-0.7
% of GDP	-0.7	-0.4	-0.7	-0.4	-0.3
Investment income and other items, net (+ statistical discrepancy)	0.9	0.5	1.0	1.0	1.0
Current transfers, net	-2.4	-2.5	-2.6	-2.7	-2.8
Current account, net	-3.2	-31.3	-3.2	-2.7	-2.5
Net lending, % of GDP					
Private sector	-0.5	-0.3	0.2	0.4	0.5
Public sector	-0.8	-1.0	-1.5	-1.5	-1.5
Current account, % of GDP	-1.4	-1.3	-1.3	-1.1	-0.9

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES

%

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
3-month Euribor ¹	-0.3	-0.4	-0.4	-0.4	-0.3
Average interest rate on new loan drawdowns ²	1.8	1.8	1.8	1.8	1.9
Average interest rate on the stock of loans ²	1.3	1.3	1.3	1.3	1.4
Average interest rate on the stock of deposits ³	0.1	0.1	0.1	0.1	0.1
Yield on Finnish 10-year government bonds ¹	0.7	0.1	0.0	0.1	0.3

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

	2018	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP, % change on previous year					
World	3.6	2.7	2.9	3.1	3.1
USA	2.9	2.3	2.0	1.8	1.7
Euro area	1.9	1.2	1.1	1.4	1.4
Japan	0.8	0.9	0.2	0.6	0.5
Imports, % change on previous year					
World	4.2	0.6	1.4	2.6	2.9
USA	4.4	1.6	0.8	1.6	1.8
Euro area	2.7	3.1	2.5	2.8	2.8
Japan	3.3	-0.5	0.9	1.8	1.3
Index, 2010 = 100, and % change on previous year					
Import volume in Finnish export markets	112.9	114.6	116.6	119.5	122.7
	3.6	1.6	1.7	2.5	2.7
Export prices of Finland's competitors (excl. oil), in national currencies	106.3	108.2	110.1	112.6	115.1
	5.2	1.7	1.8	2.2	2.2
Export prices of Finland's industrial competitors (excl. oil), in euro	99.6	101.7	104.0	106.3	108.7
	1.4	2.2	2.2	2.2	2.2
Industrial raw materials (excl. energy), HWWA index, in US dollars	124.8	125.0	126.7	129.8	132.7
	5.6	0.2	1.4	2.4	2.3
Oil price, USD per barrel ¹	108.1	97.1	90.6	87.4	86.4
	30.6	-10.2	-6.6	-3.6	-1.1

12. INTERNATIONAL ENVIRONMENT

Finland's nominal competitiveness indicator ²	107.5	107.1	106.6	106.6	106.6
	3.8	-0.4	-0.4	0.0	0.0
US dollar value of one euro ¹	1.18	1.12	1.10	1.10	1.10
	4.5	-5.2	-1.3	0.0	0.0

¹ Technical assumption derived from market expectations.

² Narrow, supplemented with euro area countries, January–March 1999 = 100.

Sources: Bank of Finland and European Central Bank.

13. CURRENT AND JUNE 2019 FORECAST

	2019 ^f	2020 ^f	2021 ^f	2022 ^f
GDP, % change	1.3	0.9	1.1	1.3
June 2019	1.6	1.5	1.3	
Inflation (HICP), %	1.2	1.2	1.4	1.6
June 2019	1.3	1.4	1.6	
Current account, % of GDP	-1.3	-1.3	-1.1	-0.9
June 2019	-0.7	-0.7	-0.6	
General government net lending, % of GDP	-1.0	-1.5	-1.5	-1.5
June 2019	-0.5	-0.2	-0.3	
General government debt (EDP), % of GDP	58.8	59.1	60.1	60.8
June 2019	58.5	57.9	57.2	
Unemployment rate, %	6.7	6.7	6.6	6.4
June 2019	6.5	6.4	6.3	
Employment rate, 15–64-year-olds, %	72.5	72.7	73.0	73.4
June 2019	72.5	72.9	73.3	

Source: Bank of Finland.

Tags

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