

FORECAST TABLES

Forecast for the Finnish economy in 2015–2017

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December 2015

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

% change on previous year

| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|-------------------------------|------|------|-------------------|-------------------|-------------------|
| GDP at market prices | -1.1 | -0.4 | -0.1 | 0.7 | 1.0 |
| Imports of goods and services | 0.0 | 0.0 | -2.8 | 3.2 | 2.8 |
| Exports of goods and services | 1.1 | -0.7 | 0.1 | 2.1 | 2.7 |
| Private consumption | -0.3 | 0.5 | 0.5 | 0.6 | 0.6 |
| Public consumption | 0.8 | -0.2 | -0.1 | 0.6 | 0.6 |
| Private fixed investment | -7.1 | -3.9 | -1.1 | 3.3 | 2.8 |
| Public fixed investment | 3.5 | -0.9 | -2.3 | 1.3 | 1.4 |

Source: Bank of Finland forecast December 2015.

2. Contributions to growth¹

| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|--|------|------|-------------------|-------------------|-------------------|
| GDP, % change | -1.1 | -0.4 | -0.1 | 0.7 | 1.0 |
| Net exports | 0.4 | -0.3 | 1.1 | -0.4 | 0.0 |
| Domestic demand excl. inventory change | -1.1 | -0.5 | 0.0 | 1.1 | 1.0 |
| of which Consumption | 0.0 | 0.2 | 0.3 | 0.5 | 0.5 |
| Investment | -1.2 | -0.7 | -0.3 | 0.6 | 0.5 |
| Inventory change + statistical discrepancy | -0.4 | 0.4 | -1.2 | 0.1 | 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 forecast December 2015.

3. Balance of supply and demand, price deflators

Index, 2010 = 100 and % change on previous year

| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|-------------------------------------|-------|-------|-------------------|-------------------|-------------------|
| GDP at market prices | 108.4 | 110.1 | 110.7 | 111.8 | 112.9 |
| | 2.6 | 1.6 | 0.5 | 1.0 | 1.0 |
| Imports of goods and services | 106.8 | 105.2 | 103.3 | 104.6 | 107.0 |
| | -1.4 | -1.6 | -1.8 | 1.2 | 2.3 |
| Exports of goods and services | 104.5 | 103.7 | 103.0 | 104.5 | 106.9 |
| | -1.0 | -0.7 | -0.7 | 1.5 | 2.3 |
| Private consumption | 108.6 | 110.3 | 110.5 | 111.0 | 112.0 |
| | 2.3 | 1.6 | 0.2 | 0.4 | 1.0 |
| Public consumption | 111.2 | 112.7 | 114.1 | 115.2 | 116.6 |
| | 2.5 | 1.3 | 1.2 | 0.9 | 1.3 |
| Private fixed investment | 108.2 | 108.8 | 109.7 | 110.4 | 111.1 |
| | 1.4 | 0.5 | 0.8 | 0.7 | 0.7 |
| Public fixed investment | 109.3 | 110.1 | 110.0 | 111.1 | 112.6 |
| | 2.0 | 0.8 | -0.1 | 1.0 | 1.3 |
| Terms of trade (goods and services) | 97.8 | 98.6 | 99.7 | 99.9 | 99.9 |
| | 0.4 | 0.8 | 1.1 | 0.3 | -0.1 |

Source: Bank of Finland forecast December 2015.

4. Balance of supply and demand, at current prices

EUR million and % change on previous year

| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|--|---------|---------|-------------------|-------------------|-------------------|
| GDP at market prices | 202,743 | 205,178 | 206,014 | 209,474 | 213,586 |
| | 1.5 | 1.2 | 0.4 | 1.7 | 2.0 |
| Imports of goods and services | 80,624 | 79,392 | 75,839 | 79,262 | 83,369 |
| | -1.4 | -1.5 | -4.5 | 4.5 | 5.2 |
| Total supply | 283,367 | 284,570 | 281,852 | 288,735 | 296,955 |
| | 0.6 | 0.4 | -1.0 | 2.4 | 2.8 |
| Exports of goods and services | 78,979 | 77,810 | 77,326 | 80,106 | 84,145 |
| | 0.1 | -1.5 | -0.6 | 3.6 | 5.0 |
| Consumption | 161,622 | 164,523 | 165,883 | 167,831 | 170,597 |
| | 2.4 | 1.8 | 0.8 | 1.2 | 1.6 |
| Private | 111,311 | 113,621 | 114,384 | 115,551 | 117,355 |
| | 2.0 | 2.1 | 0.7 | 1.0 | 1.6 |
| Public | 50,311 | 50,902 | 51,499 | 52,280 | 53,242 |
| | 3.3 | 1.2 | 1.2 | 1.5 | 1.8 |
| Fixed investment | 42,805 | 41,608 | 41,307 | 42,828 | 44,252 |
| | -3.8 | -2.8 | -0.7 | 3.7 | 3.3 |
| Private | 34,415 | 33,225 | 33,124 | 34,457 | 35,654 |
| | -5.8 | -3.5 | -0.3 | 4.0 | 3.5 |
| Public | 8,390 | 8,383 | 8,183 | 8,371 | 8,598 |
| | 5.5 | -0.1 | -2.4 | 2.3 | 2.7 |
| Inventory change + statistical discrepancy | -39 | 629 | -2,664 | -2,030 | -2,040 |
| % of previous year's total demand | -0.2 | 0.2 | -1.2 | 0.2 | 0.0 |
| Total demand | 283,367 | 284,570 | 281,852 | 288,735 | 296,955 |
| | 0.6 | 0.4 | -1.0 | 2.4 | 2.8 |
| Total domestic demand | 204,388 | 206,760 | 204,526 | 208,629 | 212,809 |
| | 0.8 | 1.2 | -1.1 | 2.0 | 2.0 |

Source: Bank of Finland forecast December 2015.

5. Balance of supply and demand

| % of GDP at current prices | | | | | |
|---|-------|-------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
| GDP at market prices | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Imports of goods and services | 39.8 | 38.7 | 36.8 | 37.8 | 39.0 |
| Exports of goods and services | 39.0 | 37.9 | 37.5 | 38.2 | 39.4 |
| Consumption | 79.7 | 80.2 | 80.5 | 80.1 | 79.9 |
| Private | 54.9 | 55.4 | 55.5 | 55.2 | 54.9 |
| Public | 24.8 | 24.8 | 25.0 | 25.0 | 24.9 |
| Fixed investment | 21.1 | 20.3 | 20.1 | 20.4 | 20.7 |
| Private | 17.0 | 16.2 | 16.1 | 16.4 | 16.7 |
| Public | 4.1 | 4.1 | 4.0 | 4.0 | 4.0 |
| Inventory change + statistical discrepancy, | 0.0 | 0.3 | -1.3 | -1.0 | -1.0 |
| Total demand | 139.8 | 138.7 | 136.8 | 137.8 | 139.0 |
| Total domestic demand | 100.8 | 100.8 | 99.3 | 99.6 | 99.6 |

Source: Bank of Finland forecast December 2015.

6. Prices

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

| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|--|-------|-------|-------------------|-------------------|-------------------|
| Harmonised index of consumer prices, 2005=100 | 120.4 | 121.8 | 121.7 | 122.0 | 123.2 |
| | 2.2 | 1.2 | -0.1 | 0.3 | 1.0 |
| Consumer price index, 2005=100 | 118.3 | 119.6 | 119.3 | 119.6 | 120.8 |
| | 1.5 | 1.0 | -0.2 | 0.2 | 1.0 |
| Private consumption deflator | 108.6 | 110.3 | 110.5 | 111.0 | 112.0 |
| | 2.3 | 1.6 | 0.2 | 0.4 | 1.0 |
| Private investment deflator | 108.2 | 108.8 | 109.7 | 110.4 | 111.1 |
| | 1.4 | 0.5 | 0.8 | 0.7 | 0.7 |
| Exports of goods and services deflator | 104.5 | 103.7 | 103.0 | 104.5 | 106.9 |
| | -1.0 | -0.7 | -0.7 | 1.5 | 2.3 |
| Imports of goods and services deflator | 106.8 | 105.2 | 103.3 | 104.6 | 107.0 |
| | -1.4 | -1.6 | -1.8 | 1.2 | 2.3 |
| Value-added deflators | | | | | |
| Value-added, gross at basic prices | 108.0 | 109.9 | 110.4 | 111.2 | 112.6 |
| | 2.5 | 1.7 | 0.4 | 0.8 | 1.2 |
| Private sector | 106.9 | 108.7 | 108.9 | 109.7 | 111.1 |
| | 2.4 | 1.7 | 0.2 | 0.8 | 1.2 |
| Public sector | 112.8 | 114.8 | 116.4 | 117.3 | 118.8 |
| | 2.8 | 1.7 | 1.4 | 0.8 | 1.3 |

Source: Bank of Finland forecast December 2015.

7. Wages and productivity

| % change on previous year | | | | | |
|---|------|------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
| Whole economy | | | | | |
| Index of wage and salary earnings | 2.1 | 1.4 | 1.1 | 1.1 | 1.3 |
| Compensation per employee | 1.4 | 1.4 | 1.8 | 1.4 | 1.5 |
| Unit labour costs | 1.4 | 1.4 | 1.7 | 1.1 | 1.0 |
| Labour productivity per employed person | -0.1 | 0.0 | 0.2 | 0.3 | 0.5 |

Source: Bank of Finland forecast December 2015.

8. Labour market

| 1,000 persons and % change on previous year | | | | | |
|---|-------|-------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
| Labour force survey (15–74-year-olds) | | | | | |
| Employed persons | 2,457 | 2,447 | 2,440 | 2,450 | 2,461 |
| | -1.1 | -0.4 | -0.3 | 0.4 | 0.4 |
| Unemployed persons | 219 | 232 | 252 | 247 | 245 |
| | 6.1 | 5.8 | 8.6 | -2.0 | -0.6 |
| Labour force | 2,676 | 2,679 | 2,692 | 2,697 | 2,706 |
| | -0.5 | 0.1 | 0.5 | 0.2 | 0.3 |
| Working-age population (15–64-year-olds) | 3,508 | 3,491 | 3,477 | 3,475 | 3,470 |
| | -0.5 | -0.5 | -0.4 | -0.1 | -0.1 |
| Labour force participation rate, % | 65.5 | 65.4 | 65.6 | 65.6 | 65.4 |
| Unemployment rate, % | 8.2 | 8.7 | 9.4 | 9.2 | 9.1 |
| Employment rate (15–64-year-olds), % | 68.5 | 68.3 | 68.2 | 68.5 | 68.9 |

Source: Bank of Finland forecast December 2015.

9. General government revenue, expenditure, balance and debt

% of GDP

| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|---|------|------|-------------------|-------------------|-------------------|
| General government revenue | 55.0 | 54.9 | 55.6 | 55.7 | 55.8 |
| General government expenditure | 57.6 | 58.3 | 58.8 | 58.6 | 58.6 |
| General government primary expenditure | 56.3 | 57.0 | 57.6 | 57.5 | 57.5 |
| General government interest expenditure | 1.3 | 1.2 | 1.2 | 1.1 | 1.1 |
| General government net lending | -2.5 | -3.3 | -3.2 | -2.9 | -2.7 |
| Central government | -3.6 | -3.9 | -3.2 | -3.1 | -3.0 |
| Local government | -0.7 | -0.8 | -0.8 | -0.9 | -0.8 |
| Social security funds | 1.8 | 1.3 | 0.9 | 1.1 | 1.1 |
| General government primary balance | -1.3 | -2.1 | -2.0 | -1.8 | -1.6 |
| General government debt (EDP) | 55.6 | 59.3 | 62.8 | 65.7 | 68.1 |
| Central government debt | 44.3 | 46.4 | 49.2 | 51.5 | 53.6 |
| Tax ratio | 43.8 | 43.9 | 44.5 | 44.7 | 44.8 |

Source: Bank of Finland forecast December 2015.

10. Balance of payments

| EUR million | | | | | |
|---|--------|--------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
| Exports of goods and services (SNA) | 78,979 | 77,810 | 77,326 | 80,106 | 84,145 |
| Imports of goods and services (SNA) | 80,624 | 79,392 | 75,839 | 79,262 | 83,369 |
| Goods and services account (SNA) | -1,645 | -1,582 | 1,488 | 844 | 776 |
| % of GDP | -0.8 | -0.8 | 0.7 | 0.4 | 0.4 |
| Investment income and other items, net (+ statistical discrepancy) | 664 | 2,055 | 452 | 672 | 742 |
| Current transfers, net | -2,381 | -2,406 | -2,233 | -2,038 | -2,083 |
| Current account, net | -3,363 | -1,932 | -293 | -522 | -564 |
| Net lending, % of GDP | | | | | |
| Private sector | 0.9 | 2.4 | 3.1 | 2.6 | 2.5 |
| Public sector | -2.5 | -3.3 | -3.2 | -2.9 | -2.7 |
| Current account, % of GDP | -1.7 | -0.9 | -0.1 | -0.2 | -0.3 |

Source: Bank of Finland forecast December 2015.

11. Interest rates

| % | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|--|------|------|-------------------|-------------------|-------------------|
| 3-month Euribor ¹ | 0.2 | 0.2 | 0.0 | -0.2 | -0.1 |
| Average interest rate on new loan drawdowns ² | 2.3 | 2.4 | 2.1 | 1.9 | 2.0 |
| Average interest rate on the stock of loans ² | 1.8 | 1.8 | 1.6 | 1.5 | 1.5 |
| Average interest rate on the stock of deposits ³ | 0.5 | 0.4 | 0.3 | 0.2 | 0.2 |
| Yield on Finnish 10-year government bonds ¹ | 1.9 | 1.4 | 0.7 | 1.0 | 1.3 |

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 forecast December 2015.

12. International environment

| Eurosysteem staff projections | | | | | |
|--|-------|-------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
| GDP, % change on previous year | | | | | |
| World | 3.2 | 3.4 | 2.9 | 3.4 | 3.7 |
| USA | 1.5 | 2.4 | 2.4 | 2.7 | 2.6 |
| Euro area | -0.3 | 0.9 | 1.5 | 1.7 | 1.9 |
| Japan | 1.6 | -0.1 | 0.5 | 0.8 | 0.6 |
| Imports, % change on previous year | | | | | |
| World | 2.5 | 3.5 | 1.5 | 3.5 | 4.2 |
| USA | 1.1 | 3.8 | 5.1 | 4.3 | 4.6 |
| Euro area | 1.4 | 4.5 | 5.3 | 4.8 | 5.3 |
| Japan | 3.0 | 7.3 | 1.3 | 2.5 | 1.8 |
| Index, 2010 = 100, and % change on previous year | | | | | |
| Import volume in Finnish export markets | 113.1 | 116.1 | 116.2 | 119.5 | 124.2 |
| | 2.4 | 2.7 | 0.1 | 2.8 | 3.9 |
| Export prices (excl. oil) of Finland's trading partners, national currencies | 102.2 | 103.0 | 103.4 | 105.5 | 108.5 |
| | -1.0 | 0.7 | 0.4 | 2.0 | 2.9 |
| Export prices (excl. oil) of Finland's trading partners, in euro | 104.8 | 104.7 | 109.4 | 112.3 | 115.5 |
| | -2.9 | -0.1 | 4.5 | 2.6 | 2.9 |
| Industrial raw materials (excl. energy), HWWA index, in US dollars | 93.6 | 89.0 | 71.1 | 61.6 | 64.4 |
| | -2.7 | -4.9 | -20.1 | -13.3 | 4.5 |
| Oil price, USD per barrel ¹ | 108.8 | 98.9 | 53.8 | 52.2 | 57.5 |
| | -2.8 | -9.1 | -45.6 | -2.9 | 10.1 |
| Finland's nominal competitiveness indicator ^{1,2} | 101.3 | 102.2 | 98.2 | 97.5 | 97.5 |
| | 1.5 | 0.9 | -3.9 | -0.6 | 0.0 |
| US dollar value of one euro ¹ | 1.33 | 1.33 | 1.11 | 1.09 | 1.09 |
| | 3.4 | 0.0 | -16.8 | -1.6 | 0.0 |

Source: Bank of Finland forecast December 2015.

12. International environment

¹ Technical assumption derived from market expectations.

² Narrow plus euro area, 1999Q1 = 100

Source: Bank of Finland forecast December 2015.

13. Current and June 2015 forecast

| | 2014 | 2015 ^f | 2016 ^f | 2017 ^f |
|--|------|-------------------|-------------------|-------------------|
| GDP, % change | -0.4 | -0.1 | 0.7 | 1.0 |
| June 2015 | -0.1 | 0.2 | 1.2 | 1.3 |
| Inflation (HICP), % | 1.2 | -0.1 | 0.3 | 1.0 |
| June 2015 | 1.2 | 0.2 | 1.0 | 1.5 |
| Current account, % of GDP | -0.9 | -0.1 | -0.2 | -0.3 |
| June 2015 | -1.1 | -1.1 | -0.8 | -0.6 |
| General government net lending, % of GDP | -3.3 | -3.2 | -2.9 | -2.7 |
| June 2015 | -3.2 | -3.1 | -3.1 | -3.0 |
| General government debt (EDP), % of GDP | 59.3 | 62.8 | 65.7 | 68.1 |
| June 2015 | 59.3 | 62.5 | 65.1 | 67.3 |
| Unemployment rate, % | 8.7 | 9.4 | 9.2 | 9.1 |
| June 2015 | 8.7 | 9.1 | 8.9 | 8.6 |

Source: Bank of Finland forecast December 2015.

Tags

forecast, Finland, economic situation