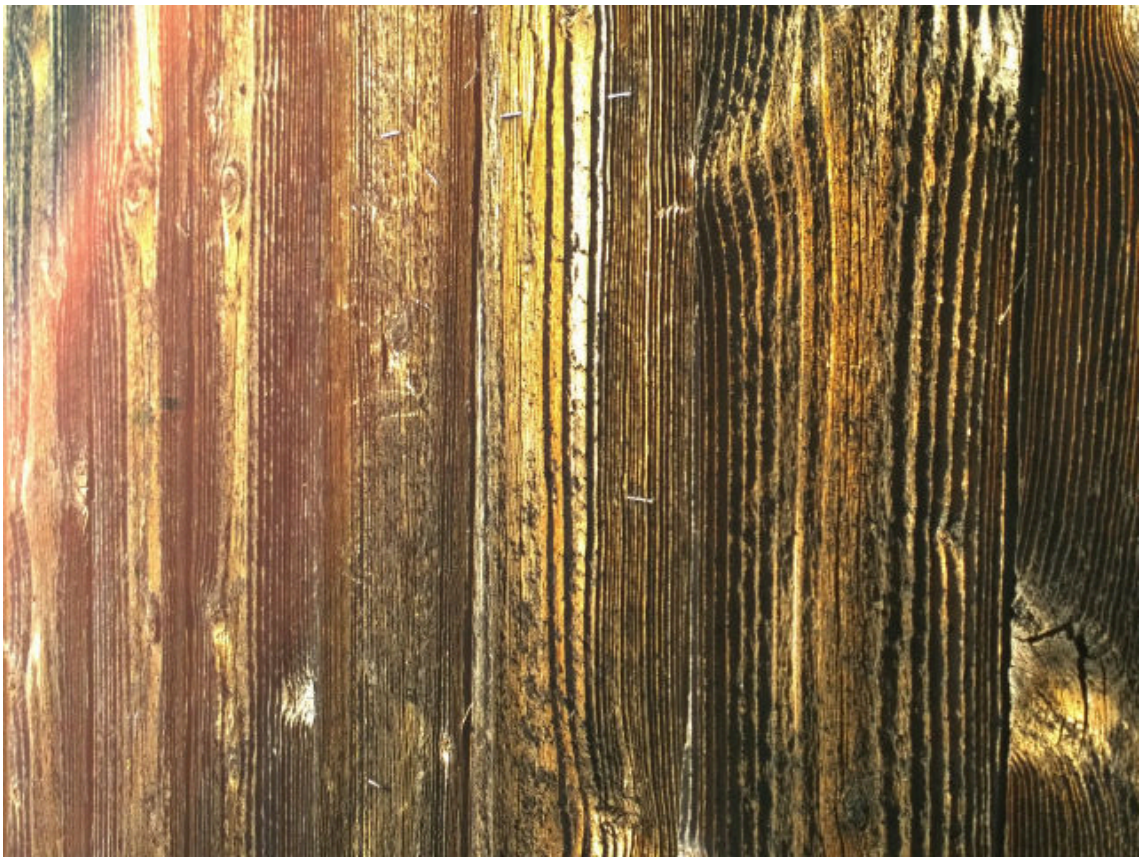
Analysis

# National Accounts for the first quarter of 2016

Finnish economy | 23 June 2016

According to the most recent quarterly national accounts, real GDP in the first quarter of 2016 grew by 0.6% quarter on quarter and 1.6% year on year. The latest quarterly national accounts data signal similar economic developments for early 2016 than the data previously published, i.e. economic growth continued, supported by private investments and private consumption. Real GDP growth in the first quarter was slightly stronger than suggested by preliminary data. The figures for the fourth quarter of 2015 were also revised upward. The economy has now grown for two consecutive quarters.



On 3 June 2016, Statistics Finland published preliminary quarterly national accounts data containing the latest statistical data on Finnish economic developments in the first quarter of 2016 and revised data on quarterly developments in 2015.

The Bank of Finland's macroeconomic forecast presented in this publication is based on the quarterly national accounts published by Statistics Finland in March, its flash estimate for the first quarter released in May, and extensive indicator data on economic developments.

According to the most recent quarterly national accounts, real GDP in the first quarter of 2016 grew by 0.6% quarter on quarter and 1.6% year on year. According to the flash estimate published in May, real GDP growth in the first quarter was 1% year on year and 0.4% quarter on quarter.

GDP growth figures for the last quarter of 2015 were revised upward markedly, i.e. by 0.4 of a percentage point, from the previous estimate. Hence, real GDP grew in the fourth quarter of 2015 by 0.5% on the previous quarter.

## Private consumption and private investment on the increase, exports contracted

Private consumption grew in the first quarter of 2016 by 0.6% on the previous quarter and 1.7% on a year earlier. Private investment increased by 0.9% quarter on quarter and 1% year on year. Public consumption (–0.3%) and public investment (–0.8%) were both down on the previous quarter. The contribution of private consumption and private investment on real GDP growth was 0.5 of a percentage point.

Foreign trade developments were weak in early 2016, as both exports and imports contracted. Exports in the first quarter of 2016 were 1.1% down on the previous quarter. Exports of goods, in particular, decreased on the previous quarter. Imports fell by 1.8%.

## Industrial production contracted, construction supported growth

Growth in construction value added was robust in the first quarter of 2016. Construction grew by 2.7% on the previous quarter and 0.8% on the previous year. Value added in industry, in turn, contracted by 0.4% quarter on quarter. Of the industrial sub-sectors, production in electrical engineering and electronics decreased markedly. Production in the metal industry decreased, too. Of the industrial sub-sectors, growth was recorded in the forest industry and the chemical industry.

Labour input increased at the beginning of the year. According to the national accounts data, the number of employees increased by 0.4% in the first quarter, while the number of hours worked increased by 2.1% on the previous year. Growth in the wage bill picked up to 1.5% year on year.

The latest quarterly national accounts data signal similar economic developments for early 2016 than the data previously published, i.e. economic growth continued, supported by private investments and private consumption. Export developments have been weak. Quarterly GDP growth was slightly stronger than suggested by the flash estimate published in May. Quarterly GDP growth for the last quarter of 2015, in turn, was revised upward markedly.

## Keywords

exports, gross domestic product, private consumption , quarterly national accounts