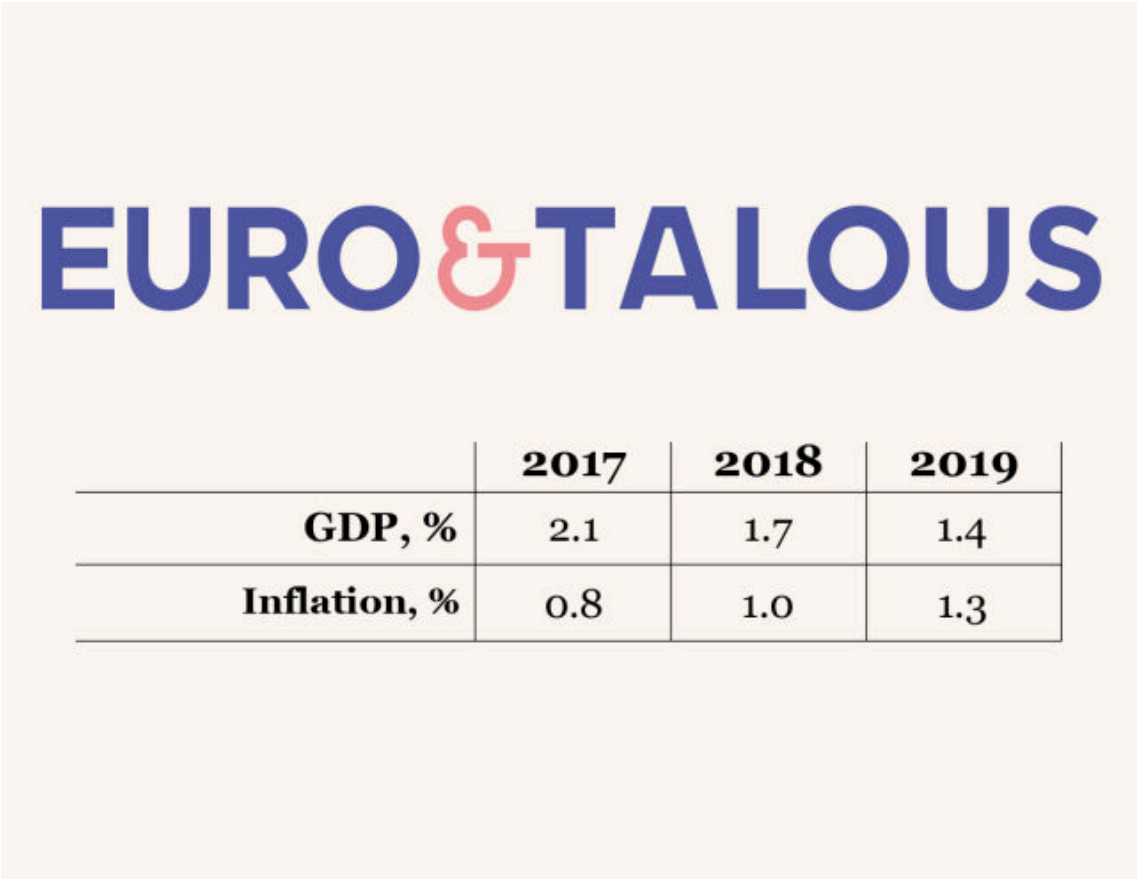
Forecast

Forecast tables for 2017–2019 (June 2017)

Finnish economy | 13 June 2017

See forecast tables for the Finnish economy in 2017–2019 (June 2017).



June 2017

1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES					
% change on previous year					
	2015	*2016*	*2017f*	*2018f*	*2019f*
GDP at market prices	0.3	1.4	2.1	1.7	1.4

1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES					
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 GROWTH[1]					
	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]*

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS					
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

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
	–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
	1.2	1.7	3.5	3.5	3.2
Total domestic demand	210,135	216,647	222,134	227,981	233,963

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
	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***	***2017f***	***2018f***	***2019f***
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***	***2017f***	***2018f***	***2019f***

6. PRICES					
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}***

7. WAGES AND PRODUCTIVITY					
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*	*2017f*	*2018f*	*2019f*
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]*
Exports of goods and services (SNA)	77,186	75,677	80,386	85,094
Imports of goods and services (SNA)	77,810	78,262	82,738	86,868
Goods and services account (SNA)	−624	−2,585	−2,352	−1,774

10. BALANCE OF PAYMENTS				
% of GDP	–0.3	–1.2	–1.1	–0.8
Investment income and other items, net (+ statistical discrepancy)	1,701	2,246	1,774	1,760
Current transfers, net	–2,321	–1,951	–2,007	–2,073
Current account, net	–1,244	–2,290	–2,585	–2,087
Net lending, % of GDP				
Private sector	2.1	0.8	1.3	1.3
Public sector	–2.7	–1.9	–2.5	–2.2
Current account, % of GDP	–0.6	–1.1	–1.2	–0.9
Source: Bank of Finland.				

11. INTEREST RATES				
%				
	2015	***2016***	***2017[f]***	***2018[f]***
3-month Euribor[1]	0.0	–0.3	–0.3	–0.2
Average interest rate on new loan drawdowns[2]	2.1	1.9	1.8	1.9
Average interest rate on the stock of loans[2]	1.6	1.5	1.4	1.4
Average interest rate on the stock of deposits[3]	0.3	0.2	0.1	0.1
Yield on Finnish 10-year government bonds[1]	0.7	0.4	0.6	0.9
[1] Technical assumption derived from market expectations.				
[2] Finnish credit institutions' loans to households and non-financial corporations (excl. overdrafts, credit card credits repurchase agreements).				
[3] Finnish credit institutions' deposits from households and non-financial corporations.				

11. INTEREST RATES
Source: Bank of Finland.

12. INTERNATIONAL ENVIRONMENT				
The Eurosystem staff projections				
	2015	***2016***	***2017f***	
GDP, % change on previous year				
World	3.3	3.0	3.3	
USA	2.6	1.6	2.2	
Euro area	1.9	1.7	1.9	
Japan	0.6	1.0	1.3	
Imports, % change on previous year				
World	1.9	1.5	4.5	
USA	4.6	1.1	4.2	
Euro area	6.3	4.0	5.2	
Japan	0.4	–1.7	2.5	
Index, 2010 = 100, and % change on previous year				
Import volume in Finnish export markets	117.3	119.5	124.5	
	–0.2	1.9	4.2	
Export prices (excl. oil) of Finland's trading partners, national currencies	109.1	106.7	111.1	
	–0.3	–2.2	4.1	
Export prices (excl. oil) of Finland's trading partners, in euro	106.1	101.0	106.9	
	0.3	–4.8	5.8	
Industrial raw materials (excl. energy), HWWA index, in US dollars	100.1	97.3	116.3	
	–26.0	–2.8	19.6	

12. INTERNATIONAL ENVIRONMENT				
Oil price, USD per barrel[1]	52.4	44.0	51.6	
	–47.1	–15.9	17.1	
Finland's nominal competitiveness indicator[1, 2]	102.8	105.6	103.9	
	–0.5	2.7	–1.6	
US dollar value of one euro[1]	1.11	1.11	1.08	
	–16.5	–0.2	–2.1	
[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

13. Current and march 2017 forecast				
March 2017	8.8	8.6	8.3	8.1
Source: Bank of Finland.				

Keywords

economic situation, forecast, indicators