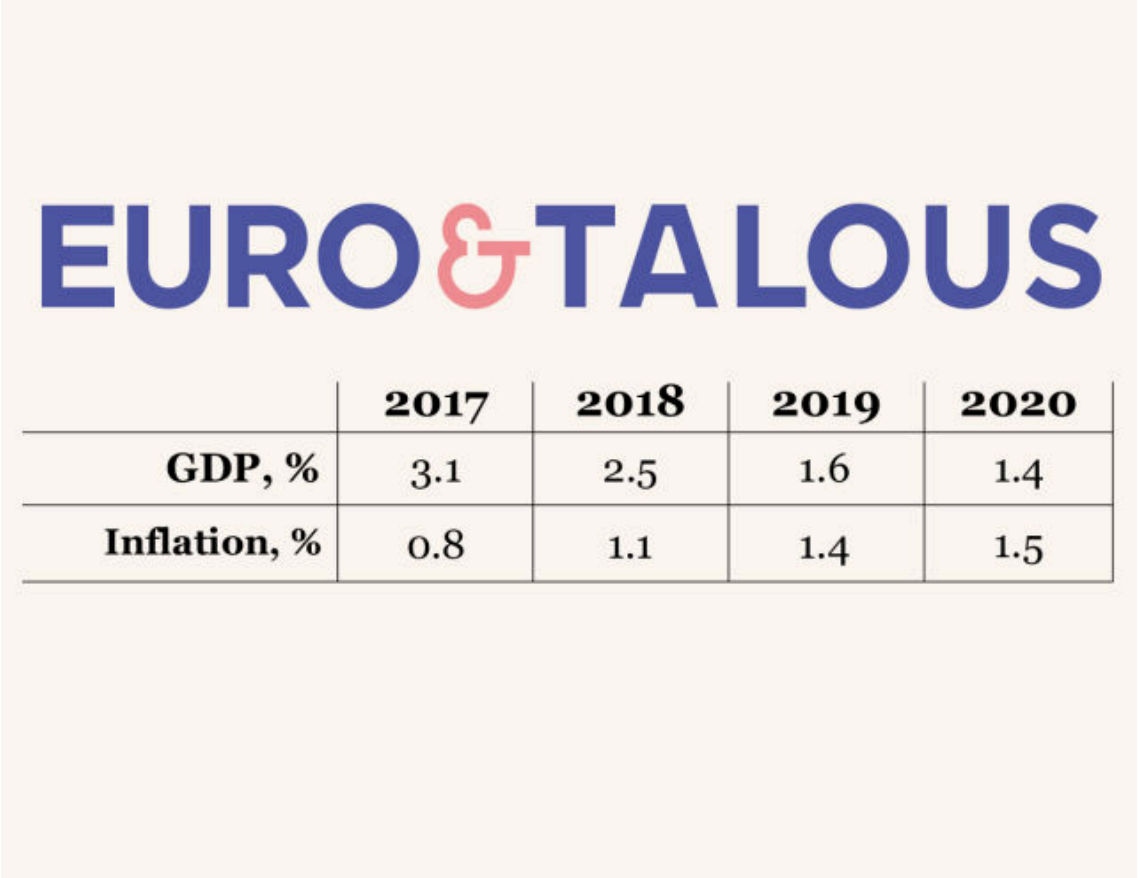
Forecast

Forecast tables for 2017–2020 (December 2017)

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See forecast tables for the Finnish economy in 2017–2020 (December 2017).



December 2017

1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES					
% change on previous year					
	2016	*2017f*	*2018f*	*2019f*	*2020f*
GDP at market prices	1.9	3.1	2.5	1.6	1.4

1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES					
Imports of goods and services	4.4	2.2	3.4	2.9	2.7
Exports of goods and services	1.3	8.4	3.8	3.5	3.0
Private consumption	1.8	1.9	1.8	1.3	1.2
Public consumption	1.2	0.5	0.7	0.1	0.4
Private fixed investment	7.9	11.2	5.8	3.2	2.5
Public fixed investment	3.9	−1.1	3.3	−0.5	1.2
Source: Bank of Finland.					

2. CONTRIBUTIONS TO GROWTH[1]					
	2016	*2017[f]*	*2018[f]*	*2019[f]*	*2020[f]*
GDP, % change	1.9	3.1	2.5	1.6	1.4
Net exports	−1.2	2.2	0.2	0.2	0.1
Domestic demand excl. inventory change	2.8	3.1	2.4	1.3	1.3
of which Consumption	1.3	1.2	1.1	0.7	0.7
Investment	1.5	1.9	1.2	0.6	0.6
Inventory change + statistical discrepancy	0.4	−2.2	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					
	2016	*2017[f]*	*2018[f]*	*2019[f]*	*2020[f]*

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS					
GDP at market prices	113.4	114.9	116.9	118.5	120.8
	0.9	1.3	1.8	1.4	1.9
Imports of goods and services	97.6	101.3	103.6	105.9	107.8
	−2.8	3.8	2.2	2.2	1.8
Exports of goods and services	101.2	104.2	107.1	109.0	111.1
	−1.9	3.0	2.8	1.8	1.9
Private consumption	111.5	112.4	113.8	115.5	117.3
	0.9	0.8	1.2	1.5	1.5
Public consumption	113.3	111.5	113.1	114.7	117.7
	0.0	−1.6	1.5	1.4	2.6
Private fixed investment	111.1	113.4	115.8	117.9	120.4
	1.5	2.0	2.1	1.8	2.2
Public fixed investment	111.5	113.5	116.0	118.5	121.1
	1.1	1.8	2.2	2.2	2.1
Terms of trade (goods and services)	103.7	102.9	103.4	103.0	103.0
	1.0	−0.8	0.5	−0.5	0.1
Source: Bank of Finland.					

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
EUR million and % change on previous year					
	2016	*2017f*	*2018f*	*2019f*	*2020f*
GDP at market prices	215,615	225,200	235,104	242,162	250,380
	2.9	4.4	4.4	3.0	3.4
Imports of goods and services	78,616	83,412	88,165	92,788	97,059

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
	1.5	6.1	5.7	5.2	4.6
Total supply	294,231	308,612	323,269	334,950	347,439
	2.5	4.9	4.7	3.6	3.7
Exports of goods and services	75,967	84,847	90,473	95,293	99,995
	−0.6	11.7	6.6	5.3	4.9
Consumption	170,771	173,468	178,307	182,671	187,819
	2.3	1.6	2.8	2.4	2.8
Private	119,056	122,327	126,050	129,625	133,192
	2.8	2.7	3.0	2.8	2.8
Public	51,715	51,141	52,257	53,046	54,626
	1.2	−1.1	2.2	1.5	3.0
Fixed investment	46,423	51,577	55,519	58,007	60,633
	8.7	11.1	7.6	4.5	4.5
Private	37,860	42,955	46,423	48,753	51,070
	9.5	13.5	8.1	5.0	4.8
Public	8,563	8,623	9,096	9,254	9,563
	5.1	0.7	5.5	1.7	3.3
Inventory change + statistical discrepancy	1,070	−1,280	−1,031	−1,021	−1,008
% of previous year's total demand	0.0	−0.8	0.1	0.0	0.0
Total demand	294,231	308,612	323,269	334,950	347,439
	2.5	4.9	4.7	3.6	3.7
Total domestic demand	218,264	223,765	232,796	239,657	247,443

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
	3.6	2.5	4.0	2.9	3.2
Source: Bank of Finland.					

5. BALANCE OF SUPPLY AND DEMAND					
% of GDP at current prices					
	2016	*2017f*	*2018f*	*2019f*	*2020f*
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	36.5	37.0	37.5	38.3	38.8
Exports of goods and services	35.2	37.7	38.5	39.4	39.9
Consumption	79.2	77.0	75.8	75.4	75.0
Private	55.2	54.3	53.6	53.5	53.2
Public	24.0	22.7	22.2	21.9	21.8
Fixed investment	21.5	22.9	23.6	24.0	24.2
Private	17.6	19.1	19.7	20.1	20.4
Public	4.0	3.8	3.9	3.8	3.8
Inventory change + statistical discrepancy,	0.5	–0.6	–0.4	–0.4	–0.4
Total demand	136.5	137.0	137.5	138.3	138.8
Total domestic demand	101.2	99.4	99.0	99.0	98.8
Source: Bank of Finland.					

6. PRICES
Index 2010 = 100, and % change on previous year

6. PRICES					
	2016	*2017f*	*2018f*	*2019f*	*2020f*
Harmonised index of consumer prices, 2005=100	100.4	101.2	102.3	103.8	105.3
	0.4	0.8	1.1	1.4	1.5
Consumer price index, 2005=100	100.4	101.1	102.1	103.5	105.0
	0.4	0.7	1.0	1.3	1.5
Private consumption deflator	111.5	112.4	113.8	115.5	117.3
	0.9	0.8	1.2	1.5	1.5
Private investment deflator	111.1	113.4	115.8	117.9	120.4
	1.5	2.0	2.1	1.8	2.2
Exports of goods and services deflator	101.2	104.2	107.1	109.0	111.1
	–1.9	3.0	2.8	1.8	1.9
Imports of goods and services deflator	97.6	101.3	103.6	105.9	107.8
	–2.8	3.8	2.2	2.2	1.8
Value-added deflators					
Value-added, gross at basic prices	113.3	113.8	115.5	117.1	119.0
	1.0	0.4	1.5	1.4	1.6
Private sector	112.8	113.7	115.4	117.0	118.7
	1.3	0.8	1.5	1.4	1.4
Public sector	115.3	113.9	115.6	117.2	120.3
	–0.3	–1.2	1.5	1.4	2.6
Source: Bank of Finland.					

7. WAGES AND PRODUCTIVITY
% change on previous year

7. WAGES AND PRODUCTIVITY					
	2016	*2017f*	*2018f*	*2019f*	*2020f*
Whole economy					
Index of wage and salary earnings	0.9	0.2	2.3	2.3	2.4
Compensation per employee	1.0	–0.6	1.3	2.0	2.8
Unit labour costs	–0.5	–2.8	–0.4	1.0	1.7
Labour productivity per employed person	1.5	2.3	1.8	1.1	1.1
Source: Bank of Finland.					

8. LABOUR MARKET					
1,000 persons and % change on previous year					
	2016	*2017f*	*2018f*	*2019f*	*2020f*
Labour force survey (15–74-year-olds)					
Employed persons	2,447	2,466	2,485	2,498	2,507
	0.4	0.8	0.8	0.5	0.4
Unemployed persons	236	232	220	214	206
	–6.4	–1.8	–4.8	–3.0	–3.5
Labour force	2,683	2,698	2,705	2,712	2,713
	–0.2	0.5	0.3	0.3	0.0
Working–age population (15–64-year-olds)	3,463	3,452	3,445	3,438	3,432
	–0.4	–0.3	–0.2	–0.2	–0.2
Labour force participation rate, %	65.3	65.5	65.5	65.5	65.6
Unemployment rate, %	8.8	8.6	8.2	7.9	7.6
Employment rate (15–64-year-olds), %	68.7	69.3	69.9	70.4	70.7

8. LABOUR MARKET

Source: Bank of Finland.

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT

% OF GDP

	2016	*2017[f]*	*2018[f]*	*2019[f]*
General government revenue	54.0	52.3	50.9	50.7
General government expenditure	55.8	53.4	52.3	51.7
General government primary expenditure	54.7	52.5	51.5	50.9
General government interest expenditure	1.1	0.9	0.9	0.8
General government net lending	−1.8	−1.1	−1.4	−1.0
Central government	−2.7	−2.1	−2.0	−1.3
Local government	−0.4	−0.2	−0.5	−0.6
Social security funds	1.3	1.2	1.1	0.9
General government primary balance	−0.7	−0.2	−0.6	−0.2
General government debt (EDP)	63.1	61.8	61.3	61.4
Central government debt	47.5	46.9	46.9	46.8
Tax ratio	44.1	42.9	41.7	41.6
Current prices, EUR billion				
General government net lending	−3.8	−2.6	−3.4	−2.5
Central government	−5.8	−4.8	−4.8	−3.2
Local government	−0.9	−0.5	−1.1	−1.4
Social security funds	2.9	2.7	2.5	2.2
General government debt (EDP)	136.0	139.2	144.5	148.7

Source: Bank of Finland.

10. BALANCE OF PAYMENTS

EUR billion

	2016	*2017f*	*2018f*	*2019f*
Exports of goods and services (SNA)	76.0	84.8	90.5	95.3
Imports of goods and services (SNA)	78.6	83.4	88.2	92.8
Goods and services account (SNA)	−2.6	1.4	2.3	2.5
% of GDP	−1.2	0.6	1.0	1.0
Investment income and other items, net (+ statistical discrepancy)	2.2	1.2	0.4	0.4
Current transfers, net	−2.5	−2.6	−2.8	−2.8
Current account, net	−3.0	−0.3	0.0	0.1
Net lending, % of GDP				
Private sector	0.4	1.1	1.4	1.1
Public sector	−1.8	−1.1	−1.4	−1.0
Current account, % of GDP	−1.4	0.0	0.0	0.0

Source: Bank of Finland.

11. INTEREST RATES

%

	2016	*2017f*	*2018f*	*2019f*
3–month Euribor[1]	−0.3	−0.3	−0.3	−0.1
Average interest rate on new loan drawdowns[2]	1.9	1.8	1.9	2.0
Average interest rate on the stock of loans[2]	1.5	1.4	1.4	1.5
Average interest rate on the stock of deposits[3]	0.2	0.1	0.1	0.2
Yield on Finnish 10-year government bonds[1]	0.4	0.5	0.7	0.9

11. INTEREST RATES

[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.

Source: Bank of Finland.

12. INTERNATIONAL ENVIRONMENT

The Eurosystem staff projections

	2016	*2017f*	*2018f*
GDP, % change on previous year			
World	3.0	3.6	3.6
USA	1.5	2.3	2.5
Euro area	1.8	2.4	2.3
Japan	1.0	1.5	1.0
Imports, % change on previous year			
World	2.0	5.5	4.5
USA	1.3	3.5	4.8
Euro area	4.7	5.1	5.2
Japan	–2.3	2.6	3.0
Index, 2010 = 100, and % change on previous year			
Import volume in Finnish export markets	120.9	127.1	132.4
	2.3	5.1	4.2
Export prices of Finland's trading competitors (excl. oil), national currencies	105.9	110.5	113.5
	–2.1	4.3	2.8

12. INTERNATIONAL ENVIRONMENT			
Export prices of Finland's trading partners (excl. oil), in euro	100.3	106.4	109.3
	–4.7	6.1	2.7
Industrial raw materials (excl. energy), HWWA index, in US dollars	97.3	118.3	120.8
	–2.8	21.6	2.1
Oil price, USD per barrel[1]	44.0	54.3	61.6
	–15.9	23.3	13.4
Finland's nominal competitiveness indicator[1,2]	104.1	102.3	102.3
	2.7	–1.7	0.0
US dollar value of one euro[1]	1.11	1.13	1.17
	–0.2	1.9	4.1
[1] Technical assumption derived from market expectations.			
[2] Narrow plus euro area, 1999Q1 = 100			
Source: Bank of Finland.			

13. Current and June 2017 forecast			
	2017[f]	*2018[f]*	*2019[f]*
GDP, % change	3.1	2.5	1.6
June 2017	2.1	1.7	1.4
Inflation (HICP), %	0.8	1.1	1.4
June 2017	0.8	1.0	1.3
Current account, % of GDP	0.0	0.0	0.0
June 2017	–1.2	–0.9	–0.8
General government net lending, % of GDP	–1.1	–1.4	–1.0

June 2017	−2.4	−2.2	−2.0	
General government debt (EDP), % of GDP	61.8	61.3	61.4	
June 2017	65.1	66.1	66.8	
Unemployment rate, %	8.6	8.2	7.9	
June 2017	8.6	8.2	8.1	
Source: Bank of Finland.				

Keywords

economic situation, forecast, indicators