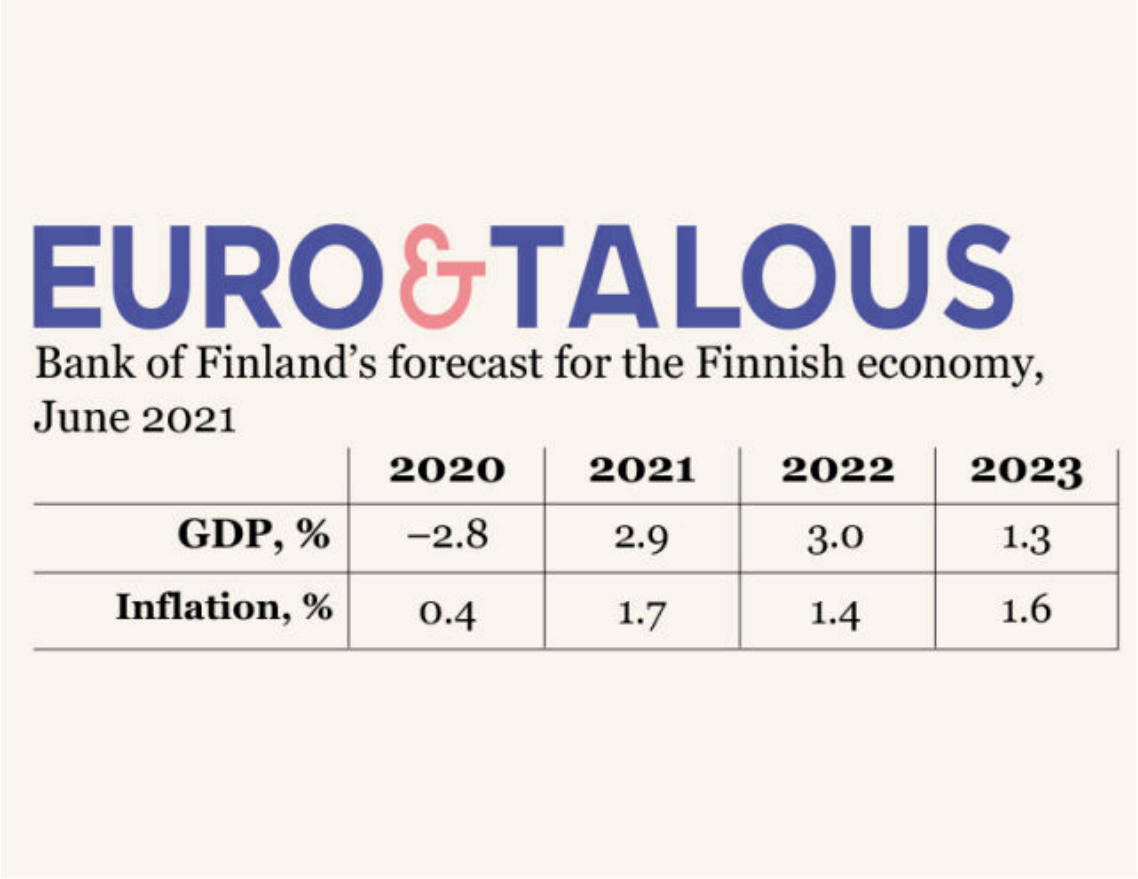
Forecast

Forecast tables for 2021–2023 (June 2021)

Finnish economy | 15 June 2021

The Finnish economy will grow 2.9% in 2021 and 3.0% in 2022. This fast pace of growth will, however, be only temporary, and in 2023, GDP growth will slow to 1.3%.



1. BALANCE OF SUPPLY AND DEMAND, VOLUMES, AT REFERENCE YEAR 2015 PRICES				
Volume, % change on previous year				
	2019	**2020**	**2021^{e}**	**2022^{e}**
GDP at market prices	1.3	-2.8	2.9	3.0
Imports of goods and services	2.2	-6.6	5.4	5.3

Sources: Bank of Finland and Statistics Finland.

1. BALANCE OF SUPPLY AND DEMAND, VOLUMES, AT REFERENCE YEAR 2015 PRICES				
Exports of goods and services	6.7	-6.6	5.9	5.5
Private consumption	0.7	-4.9	3.3	4.6
Public consumption	2.0	2.3	2.4	-0.9
Private fixed investment	-1.6	-4.6	1.3	3.7
Public fixed investment	2.3	3.4	2.7	1.5

Sources: Bank of Finland and Statistics Finland.

2. CONTRIBUTIONS TO GROWTH[1]				
	2019	**2020**	**2021[e]**	**2022**
GDP, % change	1.3	-2.8	2.9	3.0
Net exports	1.7	0.0	0.2	0.1
Domestic demand excl. inventory change	0.6	-2.8	2.6	2.9
of which Consumption	0.8	-2.0	2.3	2.1
Investment	-0.2	-0.7	0.4	0.8
Inventory change + statistical discrepancy	-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 weight

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS				
Index 2015 = 100. and % change on previous year				
	2019	**2020**	**2021[e]**	**2022[e]**
GDP at market prices	116.9	118.8	120.6	122.3
	1.5	1.7	1.5	1.4

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS				
Imports of goods and services	105.5	99.9	104.3	106.4
	0	-5.3	4.4	2.0
Exports of goods and services	106.7	101.8	105.8	107.4
	-0.3	-4.6	3.9	1.5
Private consumption	114.4	114.9	116.8	118.5
	1.0	0.4	1.7	1.4
Public consumption	116.2	118.4	120.8	122.8
	2.2	1.9	2.0	1.7
Private fixed investment	120.1	121.4	123.1	125.5
	3.2	1.1	1.4	1.9
Public fixed investment	118.2	118.6	119.3	120.9
	2.8	0.3	0.6	1.3
Terms of trade (goods and services)	101.1	101.8	101.4	100.9
	-0.7	0.7	-0.4	-0.5

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES				
EUR million and % change on previous year				
	2019	**2020**	**2021[e]**	**2022[e]**
GDP at market prices	240,261	237,467	247,914	258,850
	2.8	-1.2	4.4	4.4
Imports of goods and services	95,200	84,240	92,682	99,509
	2.6	-11.5	10.0	7.4

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES				
Total supply	335,461	321,707	340,596	358,359
	2.8	-4.1	5.9	5.2
Exports of goods and services	95,568	85,157	93,763	100,438
	6.4	-10.9	10.1	7.1
Consumption	181,701	178,373	187,102	195,247
	2.5	-1.8	4.9	4.4
Private	125,944	120,263	126,368	134,068
	1.7	-4.5	5.1	6.1
Public	55,757	58,110	60,734	61,179
	4.2	4.2	4.5	0.7
Fixed investment	57,318	56,041	57,606	60,549
	2.2	-2.2	2.8	5.1
Private	46,836	45,164	46,368	48,988
	1.5	-3.6	2.7	5.7
Public	10,482	10,877	11,238	11,561
	5.2	3.8	3.3	2.9
Inventory change + statistical discrepancy	874	2,136	2,125	2,125
% of previous year's total demand	-0.7	0.4	0.0	0.0
Total demand	335,461	321,707	340,596	358,359
	2.8	-4.1	5.9	5.2
Total domestic demand	239,893	236,550	246,833	257,921
	1.4	-1.4	4.3	4.5

Sources: Bank of Finland and Statistics Finland.

5. BALANCE OF SUPPLY AND DEMAND

% in proportion to GDP at current prices

	2019	2020	2021[e]	2022
GDP at market prices	100.0	100.0	100.0	100.0
Imports of goods and services	39.6	35.5	37.4	38.4
Exports of goods and services	39.8	35.9	37.8	38.8
Consumption	75.6	75.1	75.5	75.4
Private	52.4	50.6	51.0	51.8
Public	23.2	24.5	24.5	23.6
Fixed investment	23.9	23.6	23.2	23.4
Private	19.5	19.0	18.7	18.9
Public	4.4	4.6	4.5	4.5
Inventory change + statistical discrepancy	0.4	0.9	0.9	0.8
Total demand	139.6	135.5	137.4	138.4
Total domestic demand	99.8	99.6	99.6	99.6

Sources: Bank of Finland and Statistics Finland.

6. PRICES

Index 2015 = 100, and % change on previous year

	2019	2020	2021[e]	2022[e]
Harmonised index of consumer prices	103.6	104.0	105.8	107.2
	1.1	0.4	1.7	1.4
Consumer price index	103.3	103.5	105.3	106.8
	1.0	0.3	1.7	1.4

Sources: Bank of Finland and Statistics Finland.

6. PRICES				
Private consumption deflator	114.4	114.9	116.8	118.5
	1.0	0.4	1.7	1.4
Private investment deflator	120.1	121.4	123.1	125.5
	3.2	1.1	1.4	1.9
Exports of goods and services deflator	106.7	101.8	105.8	107.4
	-0.3	-4.6	3.9	1.5
Imports of goods and services deflator	105.5	99.9	104.3	106.4
	0.4	-5.3	4.4	2.0
Value-added deflators				
Value-added, gross at basic prices	116.9	119.0	120.7	122.4
	1.5	1.8	1.5	1.4
Private sector	104.9	106.3	107.8	109.2
	1.3	1.4	1.4	1.3
Public sector	117.5	121.8	124.1	126.1
	2.6	3.6	1.9	1.7

Sources: Bank of Finland and Statistics Finland.

7. WAGES AND PRODUCTIVITY				
% change on previous year				
	2019	**2020**	**2021[e]**	**2022**
Whole economy				
Index of wage and salary earnings	2.1	1.8	2.3	2.0
Compensation per employee	1.3	-0.1	4.2	2.3

Sources: Bank of Finland and Statistics Finland.

7. WAGES AND PRODUCTIVITY				
Unit labour costs	1.1	1.1	2.2	0.
Labour productivity per employed person	0.2	-1.3	2.0	2.

Sources: Bank of Finland and Statistics Finland.

8. LABOUR MARKET				
1,000 persons and % change on previous year				
	2019	**2020**	**2021[e]**	**2022**
Labour force survey (15–74-year-olds)				
Employed persons	2,534	2,495	2,517	2,54
	1.1	-1.5	0.9	1.
Unemployed persons	183	209	209	19
	-9.0	14.0	-0.1	-9.
Labour force	2,717	2,704	2,725	2,73
	0.3	-0.5	0.8	0.
Working-age population (15–64-year-olds)	3,428	3,421	3,416	3,41
	-0.3	-0.2	-0.1	-0.
Labour force participation rate, %	65.8	65.4	66.1	66.
Unemployment rate, %	6.7	7.7	7.7	6.
Employment rate (15–64-year-olds), %	71.6	70.7	71.4	72.

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE. EXPENDITURE. BALANCE AND DEBT				
	2019	**2020**	**2021[e]**	**2022**
% of GDP				

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE. EXPENDITURE. BALANCE AND DEBT				
General government revenue	52.2	51.2	51.6	51.3
General government expenditure	53.2	56.7	55.9	53.8
General government primary expenditure	52.4	56.0	55.3	53.2
General government interest expenditure	0.8	0.7	0.6	0.6
General government net lending	-1.0	-5.4	-4.4	-2.5
Central government net lending	-1.1	-5.6	-4.6	-2.7
Local government net lending	-1.3	0.1	-0.6	-0.6
Social security funds	1.4	0.1	0.8	0.8
General government primary balance	-0.2	-4.8	-3.7	-1.9
General government debt (consolidated. EDP)	59.5	69.2	71.4	71.6
Central government debt	44.3	52.6	55.2	55.7
Tax ratio	42.2	41.7	42.3	42.1
Current prices, EUR billion				
General government net lending	-2,393	-12,924	-10,800	-6,489
Central government net lending	-2,703	-13,370	-11,456	-6,939
Local government net lending	-3,013	175	-1,441	-1,523
Social security funds	3,323	271	2,096	1,973
General government debt (consolidated. EDP)	142,874	164,266	176,972	185,305

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS
EUR billion

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS

	2019	2020	2021[e]	20
Exports of goods and services (SNA)	95.6	85.2	93.8	10
Imports of goods and services (SNA)	95.2	84.2	92.7	9
Goods and services account (SNA)	0.4	0.9	1.1	
% to GDP	0.2	0.4	0.4	
Investment income and other items, net (+ statistical discrepancy)	1.2	2.6	1.5	
Current transfers, net	-2.3	-2.8	-2.7	
Current account, net	-0.8	7.2	-0.1	
Net lending, % to GDP				
Private sector	0.7	5.7	4.3	
Public sector	-1.0	-5.4	-4.4	
Current account, % to GDP	-0.3	0.3	-0.1	

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES

%

	2019	2020	2021[e]	2022
3-month Euribor[1]	-0.4	-0.4	-0.5	-0.
Average interest rate on new loan drawdowns[2]	1.6	1.5	1.6	1.
Average interest rate on the stock of loans[2]	1.3	1.3	1.2	1.
Average interest rate on the stock of deposits[3]	0.1	0.0	0.0	0.

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES				
Yield on Finnish 10-year government bonds[1]	0.1	-0.2	0.1	0.

[1] Technical assumption derived from market expectations.
[2] Finnish credit institutions' loans to households and non-financial corporations (excl. overdrafts and credit card cred agreements and non-recourse factoring).
[3] Finnish credit institutions' deposits from households and non-financial corporations.

Sources: Bank of Finland and Statistics Finland.

12. INTERNATIONAL ENVIRONMENT				
The Eurosystem staff projections				
	2019	**2020**	**2021[e]**	**20**
Real GDP, volume, % change on previous year				
World	2.7	-2.9	6.0	
USA	2.2	-3.5	6.6	
Euro area	1.3	-6.8	4.6	
Japan	0.0	-4.7	2.4	
Real imports, volume, % change on previous year				
World	0.8	-8.7	10.0	
USA	1.1	-9.3	13.6	
Euro area	3.8	-9.3	8.3	
Japan	1.1	-7.3	6.4	
Index, 2015 = 100, and % change on previous year				
Import volume in Finnish export markets	115.0	105.2	114.4	1
	1.5	-8.6	8.7	
Export prices of Finland's competitors (excl. oil), in national currencies	107.1	105.4	111.2	1

Sources: Bank of Finland and Statistics Finland.

12. INTERNATIONAL ENVIRONMENT				
	0.9	-1.6	5.5	
Export prices of Finland's industrial competitors (excl. oil), in euro	101.0	97.0	101.0	1
	1.6	-4.0	4.1	
Industrial raw materials (excl. energy), HWWA index, in US dollars	119.0	121.2	179.9	1
	-5.3	1.8	48.4	
Oil price, USD per barrel[1]	64.0	42.3	65.8	
	-9.9	-33.9	55.6	
Finland's nominal competitiveness indicator[2]	93.8	91.6	90.4	
	-0.7	2.5	1.3	
US dollar value of one euro[3]	1.12	1.14	1.21	
	-5.2	2.0	5.8	

[1] Technical assumption derived from market expectations.

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

[3] Exchange rates assumed stable during the forecast period.

Sources: Bank of Finland and Statistics Finland.

13. CURRENT AND DECEMBER 2020 FORECAST				
	2019	**2020**	**2021[e]**	**2022**
GDP, % change	1.3	-2.8	2.9	3.0
December 2020	1.1	-3.8	2.2	2.5
Inflation (HICP), %	1.1	0.4	1.7	1.4
December 2020	1.1	0.4	0.9	1.2
Current account, % to GDP	-0.3	0.3	-0.1	-0.1

Sources: Bank of Finland and Statistics Finland.

13. CURRENT AND DECEMBER 2020 FORECAST				
December 2020	-0.2	-0.7	-0.3	-0.4
General government net lending, % to GDP	-1.0	-5.4	-4.4	-2.5
December 2020	-1.0	-7.1	-4.7	-3.2
General government debt (EDP), % to GDP	59.5	69.2	71.4	71.6
December 2020	59.3	68.4	71.3	72.6
Unemployment rate, %	6.7	7.7	7.7	6.9
December 2020	6.7	7.8	8.3	7.7
Employment rate, 15–64-year-olds, %	71.6	70.7	71.4	72.2
December 2020	72.5	71.6	71.8	72.7

Sources: Bank of Finland and Statistics Finland.

Keywords

COVID-19, COVID-19 pandemic, economic forecast, economic outlook, economic situation, forecast, indicators