Forecast

Forecast tables for 2024–2027 (December 2024)

Finnish economy | 17 December 2024

Finland is moving on from the recession in its economy. Growth will be slow initially but will gradually pick up. Inflation will no longer be erod-ing the increase in earnings, and the reduction in interest rates will fuel investment and consumption.

SUOMEN PANKKI EUROJÄRJESTELMÄ FINLANDS BANK EUROSYSTEMET

Forecast for the Finnish economy
December 2024

	2024	2025	2026	2027
GDP %	–0.5	0.8	1.8	1.3
Inflation %	1.0	1.9	1.5	1.7

1. BALANCE OF SUPPLY AND DEMAND AT REFERENCE YEAR 2015 PRICES

% change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP at market prices	-1.2	-0.5	0.8	1.8	1.3
Imports of goods and services	-6.6	-1.1	2.2	3.5	3.0
Exports of goods and services	0.2	-0.3	2.7	2.7	2.9
Private consumption	0.3	-0.3	0.5	1.5	1.2
Public consumption	3.4	0.2	-0.4	0.3	-0.0
Private fixed investment	-10.1	-10.6	0.9	6.7	4.6
Public fixed investment	-3.6	7.1	13.3	4.2	-1.3

[f] *=forecast.*

Sources: Bank of Finland and Statistics Finland.

2. CONTRIBUTIONS TO GROWTH[1]

	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP, % change	-1.2	-0.5	0.8	1.8	1.3
Net exports	3.2	0.3	0.2	-0.3	-0.1
Domestic demand excl. inventory change	-1.3	-1.8	0.9	2.2	1.4
of which Consumption	1.0	-0.1	0.1	0.8	0.6
Investment	-2.2	-1.7	0.7	1.3	0.8
Inventory change + statistical discrepancy	-3.1	1.0	-0.3	0.0	-0.0

[1] *Bank of Finland calculations. Annual growth rates using the previous year's GDP shares at current prices as weights.*

[f] *=forecast.*

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS

Index 2015 = 100, and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP at market prices	119.1	120.4	122.2	124.4	126.9
	3.9	1.1	1.5	1.7	2.0
Imports of goods and services	126.5	125.4	125.6	126.9	128.3
	-2.7	-0.8	0.1	1.1	1.1
Exports of goods and services	124.4	121.5	121.9	123.2	124.5
	-4.7	-2.3	0.3	1.1	1.1
Private consumption	118.0	119.2	121.4	123.3	125.5
	4.6	1.0	1.9	1.6	1.8
Public consumption	120.9	123.6	127.4	130.1	133.2
	6.0	2.2	3.1	2.1	2.4
Private fixed investment	127.3	127.2	127.9	130.0	132.6
	4.9	-0.1	0.5	1.7	2.0
Public fixed investment	122.6	123.0	124.0	126.3	129.1
	4.0	0.3	0.8	1.9	2.2
Terms of trade (goods and services)	98.4	96.9	97.1	97.1	97.1
	-2.1	-1.5	0.2	-0.0	0.0

f=forecast.

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

EUR million and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP at market prices	273,320	274,927	281,223	291,372	301,170
	2.7	0.6	2.3	3.6	3.4
Imports of goods and services	116,211	113,949	116,650	122,043	127,092
	-9.1	-1.9	2.4	4.6	4.1
Total supply	389,531	388,875	397,873	413,416	428,262
	-1.1	-0.2	2.3	3.9	3.6
Exports of goods and services	117,023	113,944	117,350	121,818	126,703
	-4.6	-2.6	3.0	3.8	4.0
Consumption	211,757	214,587	219,845	226,064	232,434
	6.4	1.3	2.5	2.8	2.8
Private	141,309	142,403	145,707	150,180	154,753
	4.9	0.8	2.3	3.1	3.0
Public	70,448	72,184	74,138	75,885	77,681
	9.6	2.5	2.7	2.4	2.4
Fixed investment	63,293	58,533	60,912	65,741	69,334
	-4.6	-7.5	4.1	7.9	5.5
Private	52,224	46,647	47,326	51,329	54,789
	-5.6	-10.7	1.5	8.5	6.7
Public	11,069	11,886	13,586	14,413	14,545

f=forecast.

Sources: Bank of Finland and Statistics Finland.

EUR million and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
	0.5	7.4	14.3	6.1	0.9
Inventory change + statistical discrepancy	-2,542	1,811	-235	-208	-208
% of previous year's total demand	-2.2	1.1	-0.5	0.0	0.0
Total demand	389,531	388,875	397,873	413,416	428,262
	-1.1	-0.2	2.3	3.9	3.6
Total domestic demand	272,508	274,932	280,523	291,597	301,560
	0.4	0.9	2.0	3.9	3.4

f=forecast.

Sources: Bank of Finland and Statistics Finland.

5. BALANCE OF SUPPLY AND DEMAND

% in proportion to GDP at current prices	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	42.5	41.4	41.5	41.9	42.2
Exports of goods and services	42.8	41.4	41.7	41.8	42.1
Consumption	77.5	78.1	78.2	77.6	77.2
Private	51.7	51.8	51.8	51.5	51.4
Public	25.8	26.3	26.4	26.0	25.8
Fixed investment	23.2	21.3	21.7	22.6	23.0
Private	19.1	17.0	16.8	17.6	18.2
Public	4.0	4.3	4.8	4.9	4.8

f=forecast.

Sources: Bank of Finland and Statistics Finland.

% in proportion to GDP at current prices	2023	2024[f]	2025[f]	2026[f]	2027[f]
Inventory change + statistical discrepancy,	-0.9	0.7	-0.1	-0.1	-0.1
Total demand	142.5	141.4	141.5	141.9	142.2
Total domestic demand	99.7	100.0	99.8	100.1	100.1

f=forecast.

Sources: Bank of Finland and Statistics Finland.

6. PRICES

Index 2015 = 100, and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
Harmonised index of consumer prices, 2015=100	118.7	119.9	122.2	123.9	126.0
	4.3	1.0	1.9	1.5	1.7
Harmonised index of consumer prices, 2015=100	112.5	115.0	117.8	119.6	121.5
	4.1	2.2	2.5	1.5	1.6
Consumer price index, 2005=100	120.5	122.4	123.4	124.6	126.8
	6.3	1.6	0.8	1.0	1.7
Private consumption deflator	118.0	119.2	121.4	123.3	125.5
	4.6	1.0	1.9	1.6	1.8
Private investment deflator	127.3	127.2	127.9	130.0	132.6
	4.9	-0.1	0.5	1.7	2.0
Exports of goods and services deflator	124.4	121.5	121.9	123.2	124.5
	-4.7	-2.3	0.3	1.1	1.1

f=forecast.

Sources: Bank of Finland and Statistics Finland.

Index 2015 = 100, and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
Imports of goods and services deflator	126.5	125.4	125.6	126.9	128.3
	-2.7	-0.8	0.1	1.1	1.1
Value-added deflators					
Value-added, gross at basic prices	119.1	121.2	123.0	125.1	127.6
	4.1	1.7	1.5	1.7	2.0

f=forecast.

Sources: Bank of Finland and Statistics Finland.

7. WAGES AND PRODUCTIVITY

% change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
Whole economy					
Index of wage and salary earnings	4.2	3.1	3.0	2.6	2.6
Compensation per employee	3.5	-0.1	3.5	2.7	2.5
Unit labour costs	5.3	-0.6	2.5	1.7	1.8
Labour productivity per employed person	-1.7	0.5	1.0	1.0	0.7

f=forecast.

Sources: Bank of Finland and Statistics Finland.

8. LABOUR MARKET

1,000 persons and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
Labour force survey (15–74-year-olds)					
Employed persons	2,632	2,605	2,600	2,621	2,639

f=forecast.

Sources: Bank of Finland and Statistics Finland.

1,000 persons and % change on previous year	2023	2024[f]	2025[f]	2026[f]	2027[f]
	0.5	-1.0	-0.2	0.8	0.7
Unemployed persons	206	237	246	234	221
	7.7	15.1	4.1	-5.0	-5.5
Labour force	2,838	2,842	2,847	2,855	2,860
	1.0	0.1	0.2	0.3	0.2
Working-age population (15–64-year-olds)	3,442	3,473	3,491	3,510	3,529
	0.6	0.9	0.5	0.5	0.5
Labour force participation rate, %	68.7	68.4	68.3	68.2	68.1
Unemployment rate, %	7.2	8.3	8.7	8.2	7.7
Employment rate (20–64-year-olds), %	77.9	76.7	76.3	76.5	76.6

f=forecast.

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT

	2023	2024[f]	2025[f]	2026[f]	2027[f]
% relative to GDP					
General government revenue	52.7	53.3	53.9	53.5	53.3
General government expenditure	55.7	57.3	57.7	56.8	56.2
General government primary expenditure	54.6	55.9	56.1	55.1	54.3
General government interest	1.2	1.4	1.6	1.7	1.9

[1]*Based on the cyclical adjustment method used by the European System of Central Banks.*

f=forecast.

Sources: Bank of Finland and Statistics Finland.

	2023	2024[f]	2025[f]	2026[f]	2027[f]
expenditure					
General government net lending	-3.0	-4.0	-3.7	-3.3	-2.9
Central government	-3.3	-3.2	-3.6	-3.3	-3.2
Local government	-1.1	-1.1	-0.8	-1.0	-1.0
Social security funds	1.4	0.2	0.7	1.0	1.2
General government primary balance	-1.8	-2.7	-2.2	-1.6	-1.1
General government structural balance[1]	-2.5	-2.7	-2.3	-2.4	-2.4
General government debt (EDP)	77.1	81.7	84.6	85.9	87.3
Central government debt	57.1	61.4	64.2	65.4	66.5
Tax ratio	42.5	42.5	42.9	42.6	42.3
Current prices, EUR billion					
General government net lending	-8.2	-11.1	-10.5	-9.7	-8.9
Central government	-8.9	-8.8	-10.2	-9.7	-9.6
Local government	-3.0	-2.9	-2.1	-2.8	-2.9
Social security funds	3.7	0.6	1.8	2.9	3.7
General government debt (EDP)	210.9	224.7	237.9	250.4	262.8

[1] *Based on the cyclical adjustment method used by the European System of Central Banks.*

f=forecast.

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS

EUR billion	2023	2024[f]	2025[f]	2026[f]	2027[f]
Exports of goods and services (SNA)	117.0	113.9	117.4	121.8	126.7

f=forecast.

Sources: Bank of Finland and Statistics Finland.

EUR billion	2023	2024[f]	2025[f]	2026[f]	2027[f]
Imports of goods and services (SNA)	116.2	113.9	116.6	122.0	127.1
Goods and services account (SNA)	0.8	-0.0	0.7	-0.2	-0.4
% to GDP	0.3	-0.0	0.2	-0.1	-0.1
Investment income and other items, net (+ statistical discrepancy)	0.7	2.1	1.0	1.0	1.0
Current transfers, net	-2.1	-1.7	-1.5	-2.0	-2.2
Current account, net	-1.1	1.2	0.2	-1.2	-1.6
Net lending, % to GDP					
Private sector	2.6	4.5	3.8	2.9	2.4
Public sector	-3.0	-4.0	-3.7	-3.3	-2.9
Current account, % to GDP	-0.4	0.5	0.1	-0.4	-0.5

f=forecast.

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES

%	2023	2024[f]	2025[f]	2026[f]	2027[f]
3-month Euribor[1]	3.4	3.6	2.1	2.0	2.2
Yield on Finnish 10-year government bonds[1]	3.0	2.8	2.9	3.0	3.1

[1] *Technical assumption derived from market expectations.*

f=forecast.

Sources: ECB and Bank of Finland.

12. INTERNATIONAL ENVIRONMENT

The Eurosystem staff projections	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP, % change on previous year					
World (excl. euro area)	3.2	3.1	3.2	3.1	3.0
USA	2.9	2.8	2.2	1.8	1.8
Euro area	0.5	0.7	1.1	1.4	1.3
Japan	1.7	-0.1	1.5	0.8	0.8
Imports, % change on previous year					
World (excl. euro area)	0.5	3.0	3.3	3.3	3.2
USA	-1.2	5.6	4.0	2.6	2.9
Euro area	-0.7	0.1	2.3	3.1	2.9
Japan	-1.5	2.0	3.1	2.5	2.5
Index, 2015 = 100, and % change on previous year					
Import volume in Finnish export markets	118.6	120.5	124.0	127.8	131.5
	-0.2	1.7	2.9	3.0	2.9
Export prices of Finland's trading partners, national currencies	126.7	128.6	130.9	133.7	136.5
	-1.3	1.5	1.8	2.2	2.0
Export prices of Finland's trading partners, in euro	124.8	125.1	127.6	130.4	133.1
	-4.6	0.2	2.0	2.2	2.0

[1] Technical assumption derived from market expectations.

[2] Broad nominal effective exchange rate, January – March 2015 = 100. The index rises as the currency depreciates. Assuming no changes in the exchange rate.

[3] Assuming no changes in the exchange rate.

[f] =forecast.

Sources: ECB and Bank of Finland.

The Eurosystem staff projections	2023	2024[f]	2025[f]	2026[f]	2027[f]
Industrial raw materials (excl. energy), HWWA index, in US dollars	139.3	151.7	160.5	159.8	157.2
	-12.5	8.9	5.8	-0.4	-1.7
Oil price, USD per barrel[1]	83.7	81.8	71.8	70.1	69.2
	-19.2	-2.3	-12.3	-2.3	-1.3
Finland's nominal effective exchange rate [2]	101.5	102.8	102.5	102.5	102.5
	-3.4	-1.2	0.2	0.0	0.0
US dollar value of one euro[3]	1.1	1.1	1.1	1.1	1.1
	2.6	0.2	-1.9	0.0	0.0

[1] *Technical assumption derived from market expectations.*

[2] *Broad nominal effective exchange rate, January – March 2015 = 100. The index rises as the currency depreciates. Assuming no changes in the exchange rate.*

[3] *Assuming no changes in the exchange rate.*

[f] *=forecast.*

Sources: ECB and Bank of Finland.

13. Current and June 2024 forecast

	2023	2024[f]	2025[f]	2026[f]	2027[f]
GDP, % change	-1.2	-0.5	0.8	1.8	1.3
June 2024	-1.0	-0.5	1.2	1.7	
Inflation (HICP), %	4.3	1.0	1.9	1.5	1.7
June 2024	4.3	1.2	2.0	1.6	
Employment rate (20–64-year-olds), %	77.9	76.7	76.3	76.5	76.6
June 2024	78.0	77.0	77.2	77.7	

f=forecast.

Sources: Bank of Finland and Statistics Finland.

	2023	2024[f]	2025[f]	2026[f]	2027[f]
Unemployment rate, %	7.2	8.3	8.7	8.2	7.7
June 2024	7.2	8.1	7.8	7.6	
Current account, % to GDP	-0.4	0.5	0.1	-0.4	-0.5
June 2024	-1.4	-0.6	-0.5	-0.5	
General government net lending, % to GDP	-3.0	-4.0	-3.7	-3.3	-2.9
June 2024	-2.7	-3.8	-3.3	-2.9	
General government debt (EDP), % to GDP	77.1	81.7	84.6	85.9	87.3
June 2024	75.8	80.5	82.6	83.5	

f=forecast.

Sources: Bank of Finland and Statistics Finland.

Keywords

forecast, GDP, indicators, indicators, inflation