

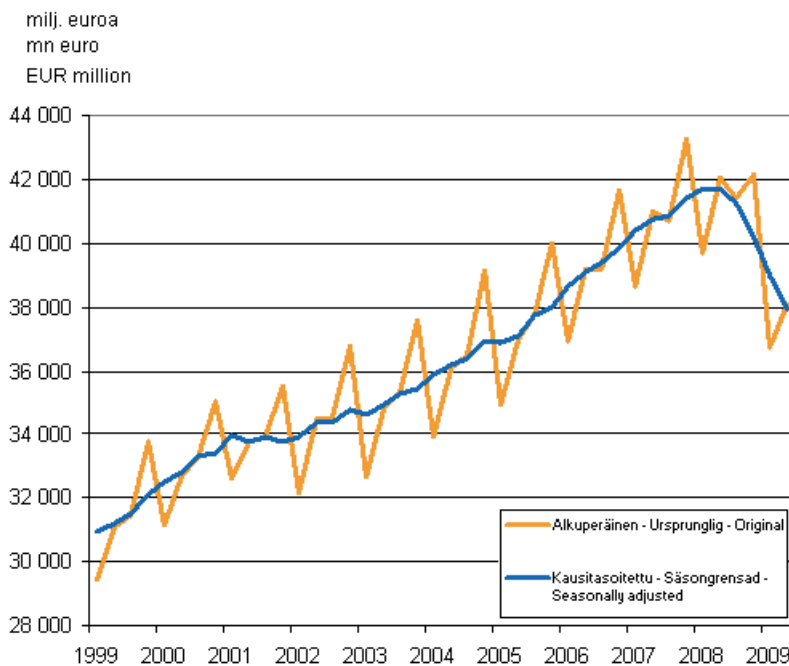
## Quarterly national accounts 2009

### *Gross domestic product fell by 9.4 per cent year-on-year and by 2.6 per cent from the first quarter of the year*

According to preliminary data of Statistics Finland, the volume of Finland's GDP fell by 2.6 per cent from the previous quarter in the April to June period of 2009. Compared with the second quarter of 2008, GDP adjusted for working days contracted by 9.4 per cent. The second quarter of 2009 had three working days less than the same quarter of the year before.

Revisions kept the change in GDP in the first quarter of 2009 at -7.6 per cent from twelve months back, but put it up to -3.0 per cent from the previous quarter from the -2.7 per cent indicated by the data released in June.

#### Gross domestic product by quarter at reference year 2000 prices



The volume of exports contracted by 30.2 per cent and that of imports by 27.7 per cent year-on-year. In the second quarter, the volume of private consumption contracted by 3.4 per cent and investments decreased by 11.7 per cent from one year back.

Volume refers to data adjusted for price changes. Volumes at reference year 2000 prices are expressed relative to the 2000 level at current prices (in EUR). Change percentages from the respective quarter of the year before

$(N/(N-4))$  are calculated from time series adjusted for working days and change percentages from the previous quarter  $(N/(N-1))$  from seasonally adjusted time series.

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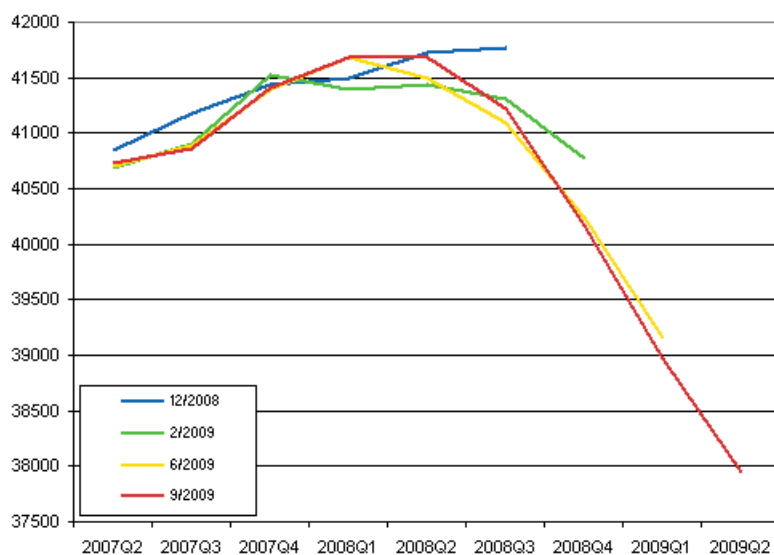
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## *Strong decline in gross domestic product continued in the second quarter, growth of public investments and consumption expenditure slowed down contraction of total demand*

In the second quarter of 2009 the volume of Finland's gross domestic product fell by 2.6 per cent from the previous quarter. Compared with the second quarter of 2008, working-day adjusted GDP was down by 9.4 per cent. Calculated at current prices, GDP adjusted for working days contracted by 8.0 per cent year-on-year.

Revisions put the change in the volume of GDP in the first quarter of 2009 at -7.6 per cent from the year before and at -3.0 per cent from the previous quarter, while the respective change percentages published in June were -7.6 per cent and -2.7 per cent. Seasonally adjusted time series always become revised when new observations become available irrespective of whether the original time series becomes revised or not.

### **Revision of seasonally adjusted volume of GDP in quarterly national accounts publications**



Seasonally adjusted GDP was at its highest in the first half of 2008, but has since fallen very rapidly. In the first half of this year, Finland's economy contracted as strongly as it did early on during the recession of the 1990s when the biggest single drop in GDP, which occurred in the first quarter of 1991, was -2.7 per cent (from the previous quarter). The biggest year-on-year drop in the 1990s was -8.0 per cent during the last quarter of 1991.

Finland's economy is currently also contracting clearly faster than economy in the EU area taken as a whole. According to preliminary data compiled by Eurostat, in the second quarter of 2009 GDP in the EU area contracted by 0.2 per cent from the previous quarter.

### **Output**

In primary production, the volume of value added was 6.7 per cent smaller in the second quarter than one year earlier. Value added went up by 13.2 per cent in agriculture but fell by 10.6 per cent in forestry. The volume of market fellings of timber was record low in the second quarter.

In secondary production, that is manufacturing and construction, the volume of value added contracted by 21.6 per cent in the second quarter. Strong decline continued in manufacturing: value added was 23.8 per cent lower than one year earlier and 6.4 per cent lower than in the previous quarter. The downhill continued in the wood and paper industry where value added contracted by 27.3 per cent year-on-year and by 9.3 per cent from the

quarter before. In the metal industry (incl. electronics industry) value added fell by 26.9 per cent from twelve months back and by 4.2 per cent from the previous quarter. In other manufacturing value added diminished by 18.3 per cent in the second quarter.

The volume of value added in construction contracted by 14 per cent in the April to June period from twelve months back and by 4.1 per cent from the previous quarter.

In service industries, the volume of value added was 4.5 per cent lower than in the second quarter of 2008. The volume of value added in trade diminished by 14.4 per cent from twelve months back and by 4.7 per cent from the previous quarter. Over the past twelve months, wholesale trade and the sale of motor vehicles, being the most sensitive activities to economic trends, have contracted notably more strongly than retail trade where the year-on-year reduction in value added has amounted to only 3.3 per cent. Transport, storage and communications contracted by 10 per cent from the year before and by 3.1 per cent from the previous quarter. The fall in real estate and business activities amounted to 2.9 per cent year-on-year and to 0.7 per cent from the quarter before.

The volume of total value added generated by all industries contracted by 10.2 per cent year-on-year and by 2.8 per cent from the previous quarter.

### ***Imports, exports, consumption and investments***

Almost all demand components contributed to the fall in total demand during the second quarter. Only public investments and public consumption expenditure grew.

In the April to June period, the volume of exports shrunk by 30.2 per cent from twelve months back, but by only 0.7 per cent compared with the previous quarter. Exports of goods decreased by 31.7 per cent and those of services by 24.7 per cent year-on-year. The volume of imports contracted by 27.7 per cent from twelve months back and by 6 per cent from the previous quarter. Imports of goods decreased by 31.9 per cent and those of services by 14.3 per cent year-on-year. Data on imports and exports may become substantially revised. The year-on-year change in imports (goods and services together) in the first quarter became revised to -21.5 per cent, whereas the June data indicated a -19.4 per cent change. The change in the volume of exports in the first quarter became revised in to -27.4 per cent from the June figure of -25.5 per cent.

The volume of private consumption diminished by 3.4 per cent year-on-year in the second quarter and by 0.7 per cent from the previous quarter. The volume of consumption of durable consumer goods contracted most, not only due to the slowdown of the motor vehicle trade but also to fallen demand for consumer electronics. Households' consumption of other goods and services was also on the decline. The volume of government consumption expenditure grew by 2.5 per cent from twelve months back.

In the second quarter the volume of investments decreased by 11.7 per cent from twelve months back and by 5.3 per cent from the quarter before. Construction investments decreased by 13.9 per cent from one year back and by 4.3 per cent from the previous quarter. Investments in residential buildings were showing signs of an end to the long downhill as their volume grew slightly from the previous quarter. The volume of investments in machinery, equipment and transport equipment contracted by 9.5 per cent year-on-year and by 2.4 per cent from the previous quarter. In the second quarter of 2009, private investments diminished by 14.3 per cent, but public investments grew by 6.2 per cent year-on-year.

### ***Employment, wages and salaries and national income***

The employment situation worsened in the second quarter of 2009 as the number of employed persons fell by 3 per cent from one year back. From the previous quarter, the number of employed persons decreased by 1.2 per cent. Adjusted for working days, the number of hours worked in the national economy fell by 7.5 per cent from one year back. The second quarter of this year had three working days less than the same quarter of the year before.

According to Statistics Finland's Labour Force Survey, the unemployment rate for the April to June period was 9.6 per cent. In the corresponding period of 2008 it stood at 7.3 per cent.

The nominal wages and salaries bill (excluding incentive stock options) of the national economy diminished by 0.5 per cent year-on-year in the April to June period. The operating surplus (net), which in business bookkeeping corresponds roughly with business profit, decreased by 31.7 per cent calculated at current prices. GDP calculated at current prices and adjusted for working days was 6.4 per cent lower than one year previously.

### *The available data*

These preliminary data on the second quarter of 2009 are based on the information on economic development available by 28 August 2009. The quality description is available on Statistics Finland's Internet pages at <http://www.tilastokeskus.fi/til/ntp/laa.html>. (In Finnish only.)

The annual data in this release correspond to the National Accounts data released on 9 July 2009.

Data on the third quarter of 2009 will be released on 8 December 2009, when the data for previous quarters will also be revised. Quarterly data continue to be revised until final annual accounts data are published at the lag of around two years. Seasonally adjusted time series always become revised as new observations become available irrespective of whether the original time series becomes revised or not.

The data on 2006, 2007 and 2008 are preliminary. The data on 2008 will become revised in connection with the next annual accounts release in January 2010.

More detailed information on National Accounts methodologies is available in the methodological description at [http://www.tilastokeskus.fi/til/ntp/2008/03/ntp\\_2008\\_03\\_2008-12-08\\_men\\_001\\_en.html](http://www.tilastokeskus.fi/til/ntp/2008/03/ntp_2008_03_2008-12-08_men_001_en.html)

## Appendix tables

### Revision of volume changes in GDP

|  |                  | 2008Q3 | 2008Q4 | 2009Q1 | 2009Q2 |
|--|------------------|--------|--------|--------|--------|
| Seasonally adjusted quarter-on-quarter change, % | 9 June 2009      | -1.0   | -2.1   | -2.7   | .      |
|  | 8 September 2009 | -1.1   | -2.5   | -3.0   | -2.6   |
| Working day adjusted year-on-year change, %      | 9 June 2009      | 1.4    | -2.4   | -7.6   | .      |
|  | 8 September 2009 | 1.7    | -2.6   | -7.6   | -9.4   |

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*National Accounts 2009*

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