

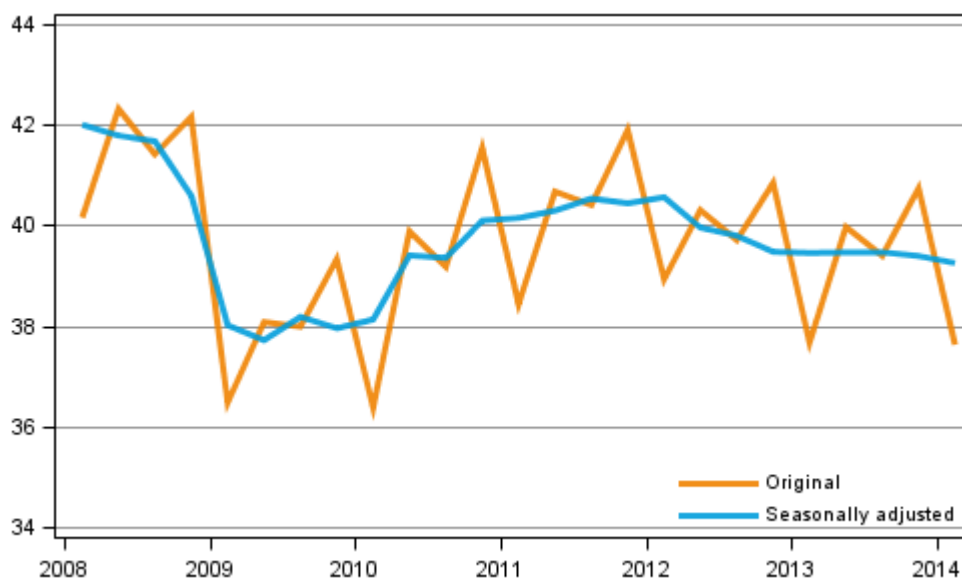
Quarterly national accounts

2014, 1st quarter

Gross domestic product fell by 0.4 per cent

According to Statistics Finland's preliminary data, the volume of Finland's gross domestic product decreased in January to March by 0.4 per cent from the previous quarter. Compared with the first quarter of 2013, GDP adjusted for working days contracted by 0.6 per cent.

Gross domestic product by quarter at reference year 2000 prices (EUR billion)



Revisions put the change in the volume of GDP in the fourth quarter of 2013 at -0.2 per cent from the previous quarter (was -0.3%) and at -0.2 per cent from twelve months back (was -0.6%).

In the first quarter, the volume of exports declined by 1.9 per cent from the previous quarter and by 3 per cent year-on-year. Imports decreased by 2.9 per cent from the previous quarter and by 0.8 per cent year-on-year.

In the first quarter, the volume of private consumption grew by 1.1 per cent from the previous quarter and by 0.5 per cent from twelve months back. Gross fixed capital formation diminished by 0.3 per cent from the previous quarter and by 5 per cent year-on-year.

A correction that applies to insurance services has been made in imports and exports of services, this lowers the levels of imports and exports slightly starting from 2013. The data on value added for financial and insurance activities (K) for the first quarter of 2014 may become more revised than normal in the next release due to a delay in source data caused by the FINREP renewal.

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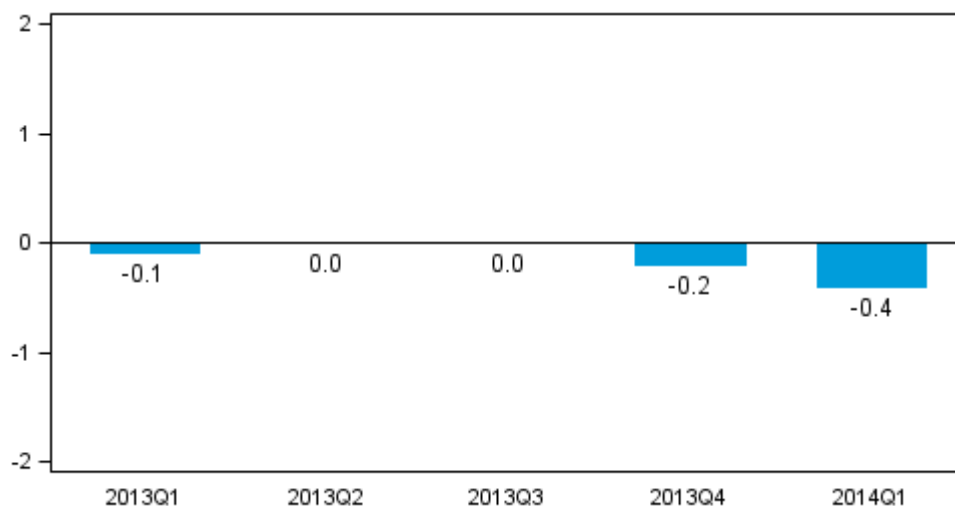
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1. Finland's gross domestic product continues declining, industrial output made a downturn again

In the first quarter of 2014, the seasonally adjusted volume of Finland's gross domestic product decreased by 0.4 per cent from the previous quarter. Adjusted for working days, gross domestic product was 0.6 per cent down on the first quarter of 2013. Calculated at current prices, gross domestic product adjusted for working days was 0.9 per cent higher than one year ago.

Figure 1. Volume change of GDP from the previous quarter, seasonally adjusted, per cent



The recession in the Finnish economy that started two years ago continued in the first quarter. This period of recession is the longest since the recession of the early 1990s, when the economy contracted for approximately three years in 1990 to 1993.

However, the descent in the economy has been gentler in this recession than in the plunge seen in the 1990s or in 2008 to 2009. Therefore, the volume of the gross domestic product has remained higher than in the economic crisis in 2009 and is now roughly at the same level as in 2006 and 2010.

According to preliminary data compiled by Eurostat, GDP in the EU-28 area grew by 0.3 per cent in the first quarter of 2014 compared to the previous quarter.

1.1. Production

The volume of total value added generated by all industries remained at the same level as in the previous quarter but diminished by 0.4 per cent from twelve months back.

Figure 2. Changes in the volume of value added generated by industries in the first quarter of 2014 compared to one year ago (working day adjusted, per cent)

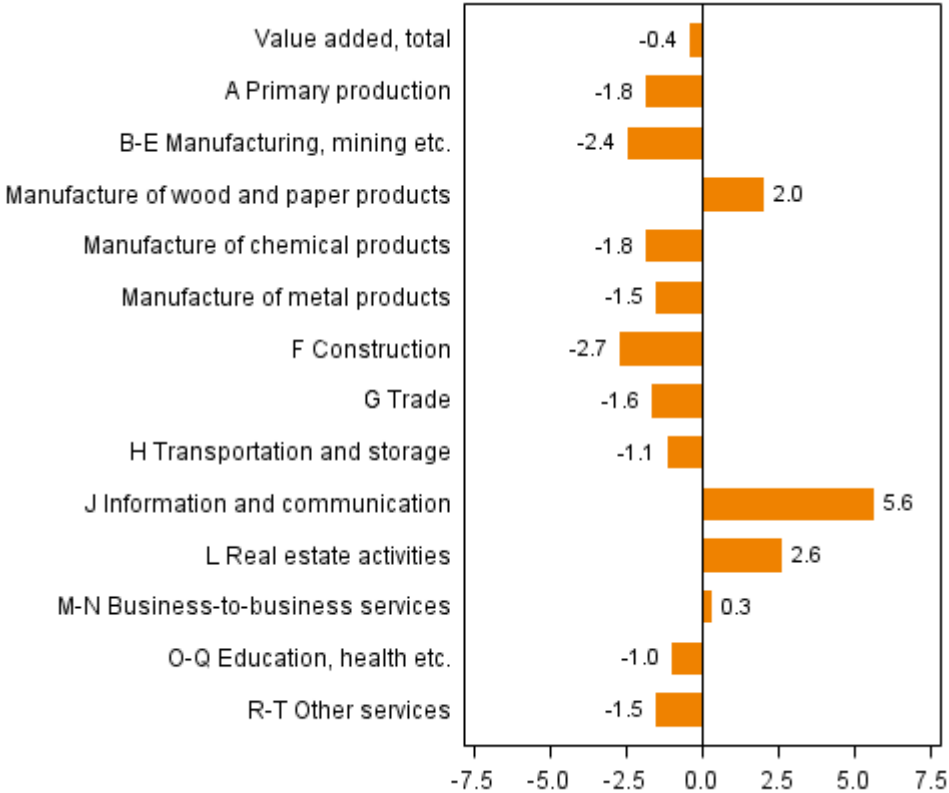
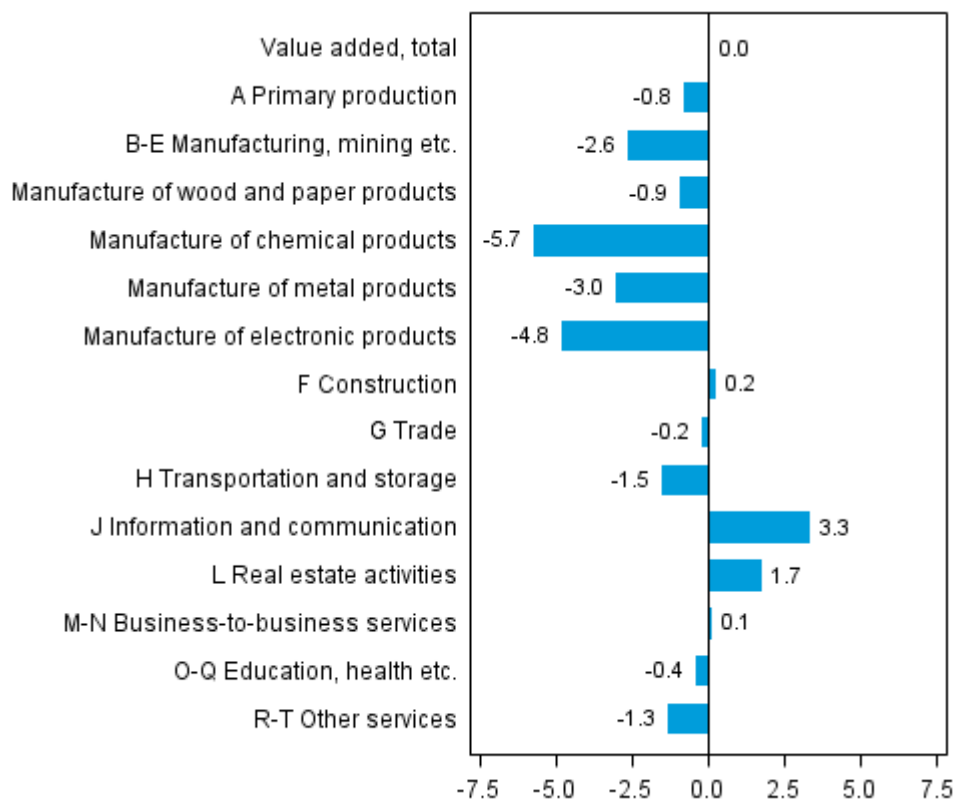


Figure 3. Changes in the volume of value added generated by industries in the first quarter of 2014 compared to the previous quarter (seasonally adjusted, per cent)



In primary production, that is, agriculture, forestry and fishing, the volume of value added contracted in the first quarter by 0.8 per cent from the previous quarter and by 1.8 per cent from one year previously.

Industrial output contracted in January to March. The value added of industries B to E was 2.6 per cent down on the previous quarter and 2.4 per cent down on the respective quarter twelve months back. Output of manufacturing industries C declined from the previous quarter by 2.4 per cent. Manufacturing was 1.4 per cent lower than one year before.

Output in construction increased by 0.2 per cent in January to March from the previous quarter but decreased by 2.7 per cent year-on-year.

In service industries, value added increased by 0.1 per cent from the previous quarter and by 0.2 per cent year-on-year. Compared with the previous quarter, value added in private services decreased by 0.1 per cent and value added in public services fell by 0.2 per cent.

Value added in trade was 0.2 per cent lower than in the previous quarter and 1.6 per cent lower than in the first quarter of 2013.

1.2. Imports, exports, consumption and gross fixed capital formation

In the first quarter of 2014, total demand declined by 0.9 per cent from the previous quarter and by 1.6 per cent from twelve months back. Contraction of exports and gross fixed capital formation lowered demand in the national economy.

Figure 4. Changes in the volume of main supply and demand items in the first quarter of 2014 compared to one year ago (working day adjusted, per cent)

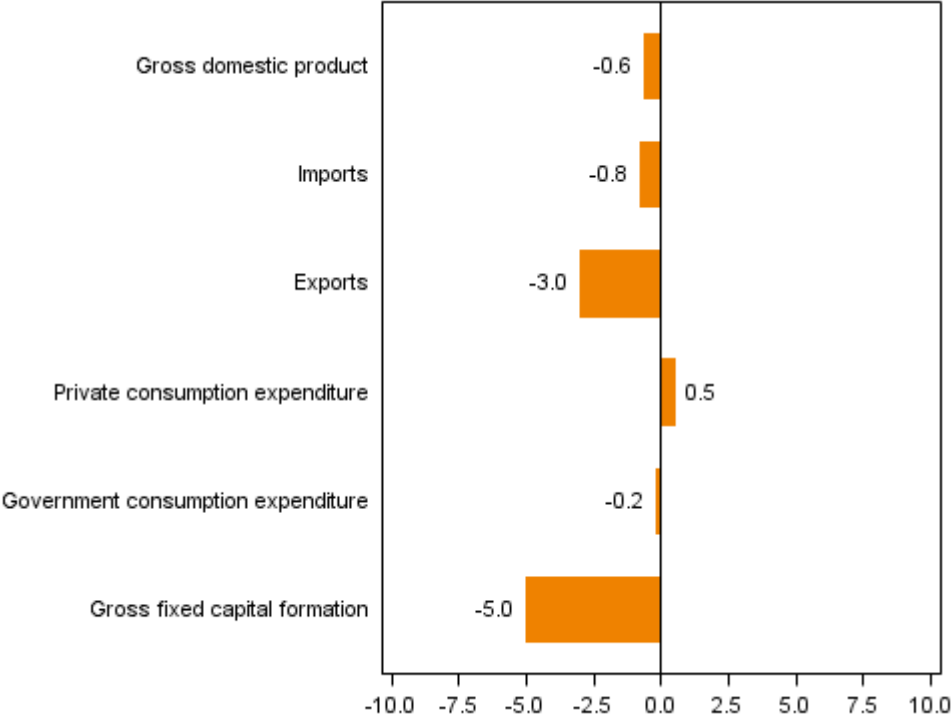
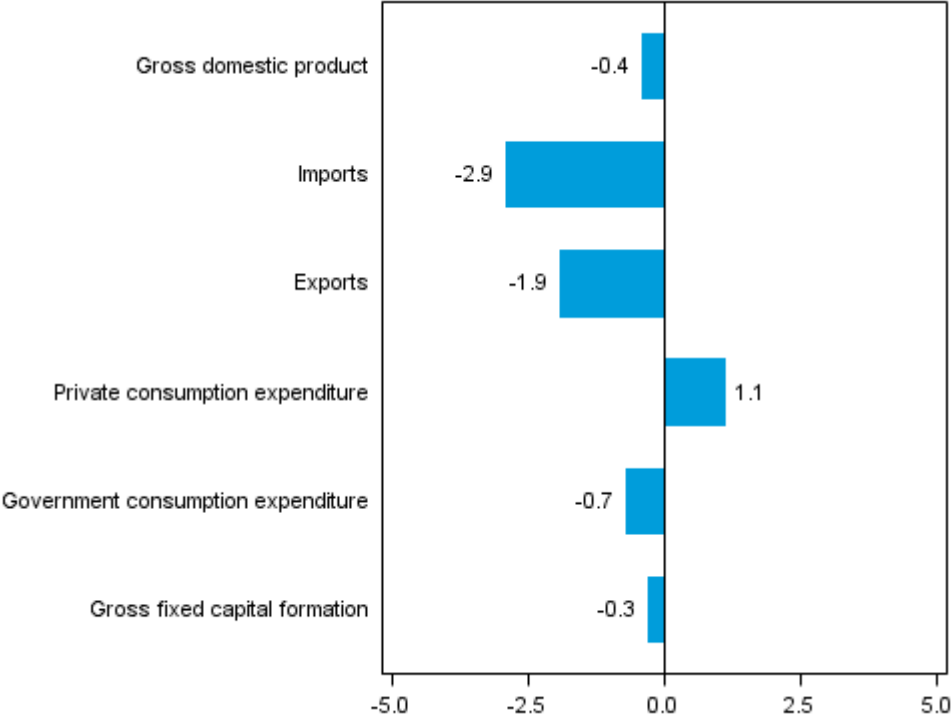


Figure 5. Changes in the volume of main supply and demand items in the first quarter of 2014 compared to the previous quarter (seasonally adjusted, per cent)



The volume of exports decreased by 1.9 per cent from the previous quarter. Compared with the volume one year ago, the volume of exports contracted by 3 per cent in January to March. Exports of goods decreased by 2.6 per cent and those of services by 3.8 per cent year-on-year.

Imports decreased by 2.9 per cent from the previous quarter and by 0.8 per cent year-on-year. Imports of goods declined by 2.5 per cent but those of services grew by 4.3 per cent year-on-year.

In the first quarter, the volume of private consumption grew by 1.1 per cent from the previous quarter and by 0.5 per cent from twelve months back. Public consumption expenditure decreased by 0.7 per cent from the previous quarter and by 0.2 per cent from the corresponding quarter last year.

Gross fixed capital formation fell by 0.3 per cent from the previous quarter and by 5 per cent year-on-year. Gross fixed capital formation in construction diminished by 1.1 per cent from the previous quarter and by 4.8 per cent year-on-year. The volume of gross fixed capital formation in machinery, equipment and transport equipment increased by 2.9 per cent from the previous quarter but decreased by 8.9 per cent year-on-year.

1.3. Employment, wages and salaries and national income

In the first quarter, the number of employed persons contracted by 0.2 per cent from the previous quarter. The number of employed persons was 0.5 per cent lower than one year earlier. The number of hours worked in the national economy decreased by 0.7 per cent from the previous quarter and by 2.3 per cent from one year back.

According to Statistics Finland's Labour Force Survey, the rate of unemployment in the January to March period was 9.0 per cent. In the corresponding period of last year it stood at 8.8 per cent.

In January to March, the nominal wages and salaries bill of the national economy stayed at the level of the previous quarter but increased by 0.6 per cent year-on-year. Social contributions paid by employers grew by 2.5 per cent from last year.

The operating surplus (net), which in business bookkeeping corresponds roughly with operating profit, grew by 0.6 per cent from twelve months back. Gross national income calculated at current prices was 1.1 per cent higher one year previously.

1.4. The available data

These preliminary data on the first quarter of 2014 are based on the source information on economic development that had become available by 27 May 2014.

The annual level data for 1990 to 2012 correspond with the National Accounts data released on 31 January 2014, except for those on the rest of the world sector (imports, exports, primary income from/to the rest of the world), which may have become revised.

The new ESA2010 time series for 1990Q1-2014Q1 will be released on 11 July 2014. National Accounts data concerning the second quarter of 2014 will be released on 5 September 2014, when the data for previous quarters will also be revised. A flash estimate on GDP development for April to June will be released in connection with the [Trend Indicator of Output](#) on 14 August 2014.

Due to the benchmarking and seasonal adjustment methods, quarterly data in the entire time series may become slightly revised in connection with each release. However, the largest revisions take place during the two to three years following the release on a quarter, because final annual accounts data are published at a lag of around two years from the end of the statistical reference year. Seasonally adjusted and trend time series always become revised against new observations irrespective of whether the original time series becomes revised or not.

[Methodological description of Quarterly National Accounts.](#)

Revisions on these statistics

Revision of volume changes in GDP

		1. release	Previous release	Latest release	Revision, %-points
Seasonally adjusted quarter-on-quarter change, %	2013Q1	-0,1	-0,2	-0,1	0,0
	2013Q2	0,2	0,0	0,0	-0,2
	2013Q3	-0,0	0,0	0,0	0,0
	2013Q4	-0,3	-0,3	-0,2	0,1
Working day adjusted year-on-year change, %	2013Q1	-2,1	-2,8	-2,8	-0,7
	2013Q2	-1,2	-1,4	-1,3	-0,1
	2013Q3	-1,0	-0,8	-0,8	0,2
	2013Q4	-0,6	-0,6	-0,2	0,4

Revision of volume changes in export

		1. release	Previous release	Latest release	Revision, %-points
Seasonally adjusted quarter-on-quarter change, %	2013Q1	0,9	1,9	0,8	-0,1
	2013Q2	-0,1	-0,8	-1,0	-0,9
	2013Q3	1,5	1,4	1,1	-0,4
	2013Q4	-0,6	-0,6	-0,9	-0,3
Working day adjusted year-on-year change, %	2013Q1	-4,0	-0,9	-2,5	1,5
	2013Q2	-2,3	-0,8	-2,3	0,0
	2013Q3	0,4	1,0	-0,6	-1,0
	2013Q4	1,9	1,9	0,0	-1,9

Revision of volume changes in import

		1. release	Previous release	Latest release	Revision, %-points
Seasonally adjusted quarter-on-quarter change, %	2013Q1	-3,0	-2,2	-2,8	0,2
	2013Q2	0,3	-0,6	-0,9	-1,2
	2013Q3	5,1	5,5	5,2	0,1
	2013Q4	-1,0	-1,0	-2,0	-1,0
Working day adjusted year-on-year change, %	2013Q1	-7,9	-7,4	-8,6	-0,7
	2013Q2	-7,2	-4,9	-6,1	1,1
	2013Q3	2,0	3,9	2,5	0,5
	2013Q4	1,6	1,6	-0,6	-2,2

GDP at reference year 2000 prices, average revision starting from 2010Q1, %-points

	Average revision (absolute values)	Average revision
Seasonally adjusted quarter-on-quarter change	0,4	-0,1
Working day adjusted year-on-year change	0,5	-0,2

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National Accounts 2014

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Source: National Accounts 2014, 1st quarter. Statistics Finland