

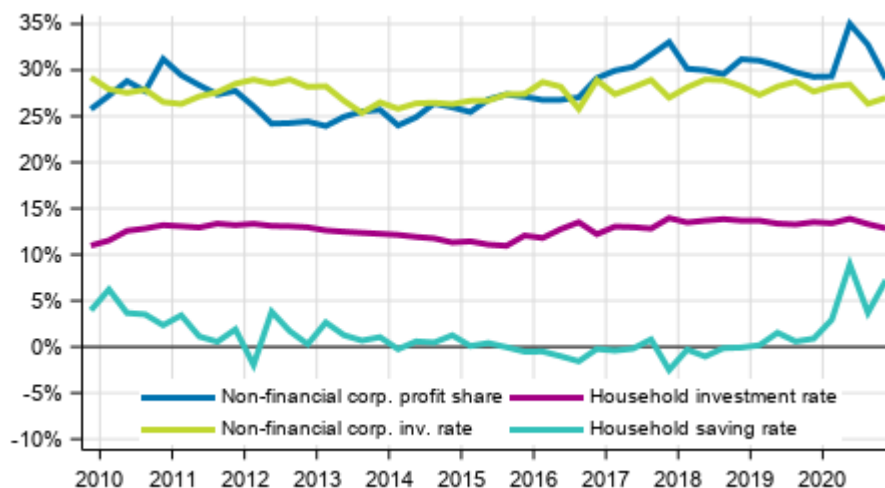
Quarterly sector accounts

2020, 4th quarter

Households' saving rate grew in the fourth quarter

In October to December, households' saving rate grew clearly from the previous quarter and was still positive. Households' disposable income grew, and consumption expenditure decreased compared with the previous quarter. The investment rate of households fell slightly from the previous quarter. The value added of non-financial corporations fell from the previous quarter, making the profit share also fall. The investment rate of the non-financial corporations sector grew moderately. These data derive from Statistics Finland's quarterly sector accounts.

Key indicators for households and non-financial corporations, seasonally adjusted



The key figures were calculated from seasonally adjusted time series. Sector accounts are calculated only at current prices. However, an indicator describing the development adjusted for price changes is calculated for households' adjusted disposable income. The profit share, saving rate and investment rate are calculated from net figures, from which consumption of capital is removed. Households do not include non-profit institutions serving households.

The data of quarterly sector accounts will become revised as source data are updated. Despite the coronavirus pandemic, the source data normally used in the compilation of the statistics were also now all available

and no exceptional deficiencies related to the data were detected. Seasonally adjusted figures and trend series are more prone than usual to revisions in future releases.

Households

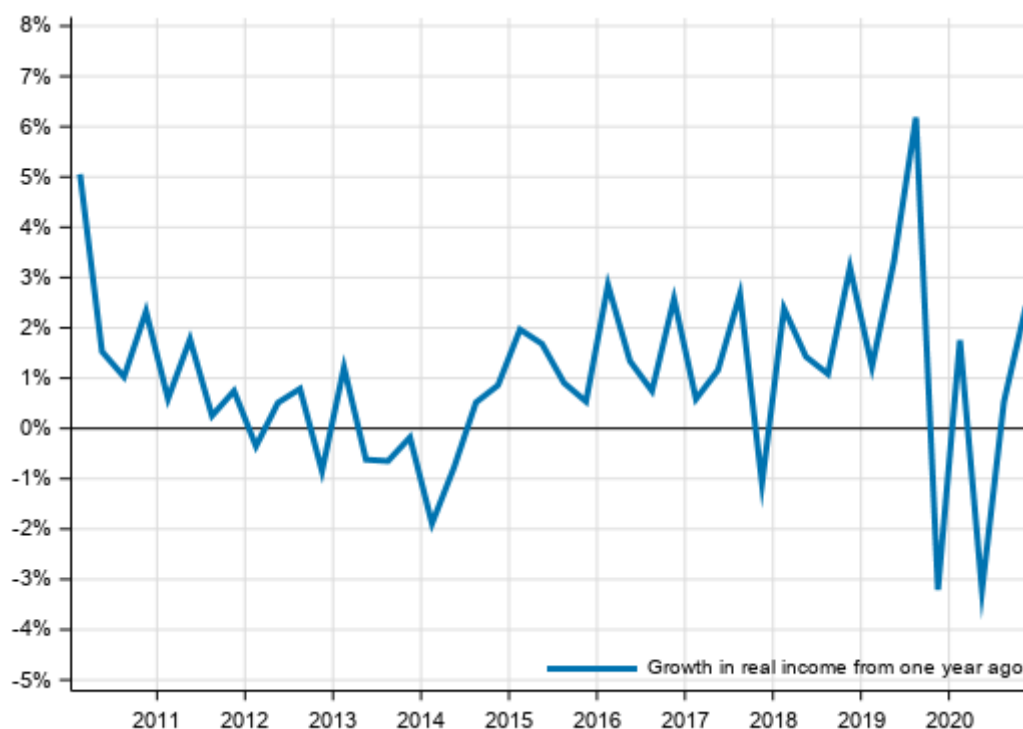
Households' seasonally adjusted saving rate grew clearly from the data of the previous quarter and stood at 7.2 per cent in October to December. The saving is derived by deducting consumption expenditure from disposable income. The saving is positive if households' disposable income is greater than households' consumption expenditure. The saving rate refers to the share of households' savings in disposable income. In the fourth quarter of 2020, households' disposable income increased slightly from the previous quarter and as consumption expenditure diminished, the saving rate grew compared with the previous quarter.

Households' seasonally adjusted investment rate fell slightly from the previous quarter and now stood at 12.8 per cent. The investment rate is the ratio of households' investments to disposable income. Most of households' investments were investments in dwellings. Households' investments remained in practice almost on level with the previous quarter, but as disposable income increased, the investment rate decreased compared with the previous quarter.

In the fourth quarter of 2020, households' disposable income grew at current prices by 1.9 per cent, that is, by nearly EUR 600 million from the corresponding quarter of the year before. The key components of disposable income on the income side are wages and salaries received, entrepreneurial and property income, and social benefits received. The biggest expense items are taxes paid and social contributions. In the fourth quarter of 2020, received wages and salaries and entrepreneurial income remained on level with the previous year, received property income grew slightly and received social benefits increased by around EUR 600 million compared with the figures one year ago. On the expense side, taxes paid decreased by just under EUR 300 million and social contributions paid decreased by close on EUR 500 million compared with the corresponding period of the previous year.

When individual services produced by the public sector and non-profit institutions, such as educational, health and social services, are added to disposable income, the concept of adjusted disposable income can be attained. Adjusted disposable income is the indicator recommended by the OECD for evaluating the economic well-being of households. In the fourth quarter of 2020, households' adjusted disposable income grew at current prices by 2.8 per cent and adjusted for price changes by 2.4 per cent from the corresponding quarter of the year before. The indicator describing the development of adjusted disposable income adjusted for price changes can be found in Appendix table 3 of this publication.

Volume development of households' adjusted disposable income



Compensation of employees paid by non-profit institutions serving households decreased by 1.8 per cent compared with the quarter of one year ago. In both sport and culture, the activity of many associations started to recover slightly in the latter half of the year, but it did not recover to its full extent.

In these statistics, the households sector only covers the actual households sector S14. Sector S15, non-profit institutions serving households, is calculated and published separately. The households sector in Eurostat's publications also includes the data for sector S15. Another difference to Eurostat's publication is in how consumption of fixed capital is taken into account. Eurostat publishes investment and saving rates as gross figures, i.e. including consumption of fixed capital. Net data are used in these statistics, that is, when consumption of fixed capital is taken into account, saving and investment rates decrease.

Profit share of non-financial enterprises fell from the previous quarter

In the fourth quarter of 2020, the seasonally adjusted profit share of non-financial corporations fell by 3.8 percentage points to 29.0 per cent. The profit share refers to the share of the operating surplus in value added. Both the operating surplus and value added fell, but the fall in the operating surplus was stronger. The operating surplus is calculated by deducting from value added compensation of employees paid and other taxes on production and by adding to it received subsidies on production. In the last quarter, non-financial corporations received slightly less subsidies on production than in the previous quarter and at the same time compensation of employees paid by non-financial corporations remained on level with the previous quarter.

The investment rate of non-financial corporations, or the proportion of fixed capital investments in value added grew by 0.6 percentage points to 27.0 per cent. Seasonally adjusted investments fell less than value added.

Profits of financial and insurance corporations grew

Seasonally adjusted value added in financial and insurance corporations grew by 8.7 per cent from the previous year's corresponding quarter. Output went up by 4.2 per cent and intermediate consumption by

0.6 per cent. The operating surplus describing profits in the sector was EUR 0.6 billion in the last quarter and it grew by 8.6 per cent. Compensations of employees paid, in turn, grew by 10.2 percentage points from one year ago.

Property income and expenditure fell from the respective quarter of the year before. The property expenditure of financial and insurance corporations amounted to EUR 0.8 billion, or 27.2 per cent less than in the corresponding quarter of the year before. In turn, property income declined by 16.0 per cent to EUR 0.5 billion. Property income includes dividends, interests and reinvested earnings. Of income and expenditure items, interest received and paid by monetary financial institutions particularly went down. Dividends received and paid by the sector also fell from one year ago.

Value added and operating surplus describe the income that is generated from providing financial services to the public. They do not include property income or holding gains of securities.

Financial position of general government weakened from a year ago

Consolidated total general government revenue fell and consolidated total expenditure grew from the quarter one year ago. The difference between revenue and expenditure, that is, the financial position of general government weakened by EUR 2.9 billion from the year before and was EUR 4.0 billion in deficit.

The statistics on quarterly sector accounts examine general government as a whole. More detailed information on quarterly sector accounts of general government can be found in the statistics on general government revenue and expenditure where the sub-sectors are specified:

http://www.stat.fi/til/jtume/index_en.html

International trade in goods and services strongly in surplus in the last quarter of 2020

Exports of goods abroad from Finland amounted to EUR 16.7 billion in the last quarter of 2020. The decrease from the quarter one year back was EUR 0.4 billion (2.6 per cent). Exports of services amounted to EUR 7.3 billion, which was 10.4 per cent less than one year ago. Imports of goods to Finland amounted to EUR 14.4 billion. Compared to one year ago, the value of imports of goods decreased by EUR 1.2 billion (7.7 per cent). Imports of services amounted to EUR 7.0 billion, which was 20.5 per cent less than one year ago. The balance of goods and services showed a surplus of EUR 2.6 billion in the last quarter of 2020.

In 2020, the surplus of goods and services totalled EUR 0.9 billion, while one year earlier the surplus was EUR 0.4 billion.

Property income received from abroad was around EUR 1.2 billion higher than property income paid abroad. Property income includes dividends, interests and reinvested earnings. Current transfers paid abroad from Finland were around EUR 0.5 billion higher than current transfers paid from abroad to Finland. The most significant current transfer item is the GNI payment paid by the state to the EU. The current account was EUR 3.3 billion in surplus in the last quarter of 2020.

In 2020, the current account in total showed a surplus of EUR 0.7 billion. One year before the current account deficit was 0.8 billion.

Data and methods used

The quarterly data become revised as source data are updated. The biggest revisions take place for the last two to three years, because the data in the annual accounts are still preliminary. The data in the publication are based on the data sources available by 1 March 2021. The data for 1999 to 2019 mainly correspond with the annual sector accounts of the National Accounts.

The saving rate, profit share and investment rate in the quarterly publication of sector accounts are net amounts, i.e. consumption of fixed capital has been removed from the figures. In addition, financial accounts data on the stock of households' loan debts are used in calculating households' indebtedness rate. The indebtedness rate is presented adjusted and non-adjusted for seasonal variation in the database table of sector accounts. The indebtedness rate from figures non-adjusted for seasonal variation is published by financial accounts. The key indicators in these statistics were calculated as follows:

$$\text{Households' saving rate} = B8N / (B6N+D8R)$$

$$\text{Households' investment rate} = P51K / (B6N+D8R)$$

$$\text{Households' indebtedness rate} = F4 / B6N$$

$$\text{Profit share of non-financial corporations} = B2N / B1NPH$$

$$\text{Investment rate of non-financial corporations} = P51K / B1NPH$$

The indicator of households' adjusted disposable income is calculated using the price data of the statistics on quarterly national accounts, with which the components of adjusted disposable income are deflated. Households' disposable income is deflated with the implicit price index of household consumption expenditure. Price data are also available for the consumption of non-profit institutions serving households. As a methodological shortcoming, general government individual consumption expenditure has to be deflated with the total general government consumption expenditure for lack of more accurate data. The volume time series was formed with the annual overlap method.

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Appendix tables

Appendix table 1. Key indicators from sector accounts (time series unadjusted for seasonal variation)

| | Non-financial corporations (S11) profit share, % | Non-financial corporations (S11) investment rate, % | Household (S14) saving rate, % | Household (S14) investment rate, % | Household (S14) indebtedness ratio, % |
|--------|--|---|--------------------------------|------------------------------------|---------------------------------------|
| 2011Q1 | 26.1 | 25.2 | 0.0 | 11.8 | 110.8 |
| 2011Q2 | 28.4 | 26.7 | 6.5 | 12.2 | 111.3 |
| 2011Q3 | 22.7 | 28.8 | -1.0 | 15.6 | 112.1 |
| 2011Q4 | 34.8 | 28.7 | 0.9 | 13.0 | 112.3 |
| 2012Q1 | 22.3 | 27.8 | -6.8 | 12.2 | 113.0 |
| 2012Q2 | 23.8 | 28.1 | 9.1 | 12.6 | 114.0 |
| 2012Q3 | 20.0 | 30.2 | 0.6 | 15.3 | 114.5 |
| 2012Q4 | 32.0 | 28.6 | -0.4 | 12.4 | 114.9 |
| 2013Q1 | 20.4 | 27.1 | -1.5 | 11.4 | 114.8 |
| 2013Q2 | 24.3 | 26.4 | 6.6 | 12.2 | 114.9 |
| 2013Q3 | 21.6 | 26.3 | -0.4 | 14.5 | 115.3 |
| 2013Q4 | 32.8 | 27.0 | 0.3 | 11.6 | 115.1 |
| 2014Q1 | 20.6 | 24.7 | -4.4 | 10.9 | 116.1 |
| 2014Q2 | 24.1 | 26.0 | 5.7 | 11.9 | 117.0 |
| 2014Q3 | 22.7 | 27.3 | -0.7 | 13.7 | 117.6 |
| 2014Q4 | 32.8 | 26.8 | 0.7 | 10.6 | 117.5 |
| 2015Q1 | 22.0 | 25.4 | -3.6 | 10.3 | 117.4 |
| 2015Q2 | 26.0 | 26.4 | 5.1 | 11.5 | 118.2 |
| 2015Q3 | 23.7 | 28.2 | -1.2 | 12.9 | 118.9 |
| 2015Q4 | 34.0 | 28.0 | -1.0 | 10.8 | 119.7 |
| 2016Q1 | 22.5 | 27.6 | -2.5 | 10.3 | 119.5 |
| 2016Q2 | 27.4 | 27.4 | 3.7 | 13.3 | 121.0 |
| 2016Q3 | 23.9 | 26.4 | -3.3 | 16.0 | 122.2 |
| 2016Q4 | 34.8 | 30.0 | -1.6 | 10.6 | 122.4 |
| 2017Q1 | 27.3 | 25.6 | -2.9 | 11.5 | 122.9 |
| 2017Q2 | 30.7 | 27.4 | 5.1 | 13.4 | 123.6 |
| 2017Q3 | 28.6 | 29.9 | -0.8 | 14.9 | 124.3 |
| 2017Q4 | 37.6 | 28.3 | -4.1 | 12.8 | 125.4 |
| 2018Q1 | 27.3 | 26.3 | -2.0 | 12.5 | 125.6 |
| 2018Q2 | 29.9 | 28.4 | 3.4 | 14.0 | 126.6 |
| 2018Q3 | 27.2 | 29.7 | -1.8 | 15.4 | 127.7 |
| 2018Q4 | 35.8 | 29.6 | -1.4 | 12.8 | 127.0 |
| 2019Q1 | 27.1 | 25.9 | -2.1 | 12.9 | 127.6 |
| 2019Q2 | 29.9 | 27.9 | 7.1 | 13.6 | 127.6 |
| 2019Q3 | 27.5 | 29.7 | 3.5 | 13.9 | 126.3 |
| 2019Q4 | 35.5 | 28.4 | -6.4 | 13.4 | 128.6 |
| 2020Q1 | 26.2 | 26.6 | 0.5 | 12.8 | 128.5 |
| 2020Q2 | 33.8 | 28.4 | 13.9 | 14.3 | 130.9 |
| 2020Q3 | 28.6 | 28.1 | 7.3 | 13.7 | 132.2 |
| 2020Q4 | 37.0 | 27.0 | 0.2 | 12.5 | 132.7 |

Appendix table 2. Key indicators from sector accounts (seasonally adjusted)

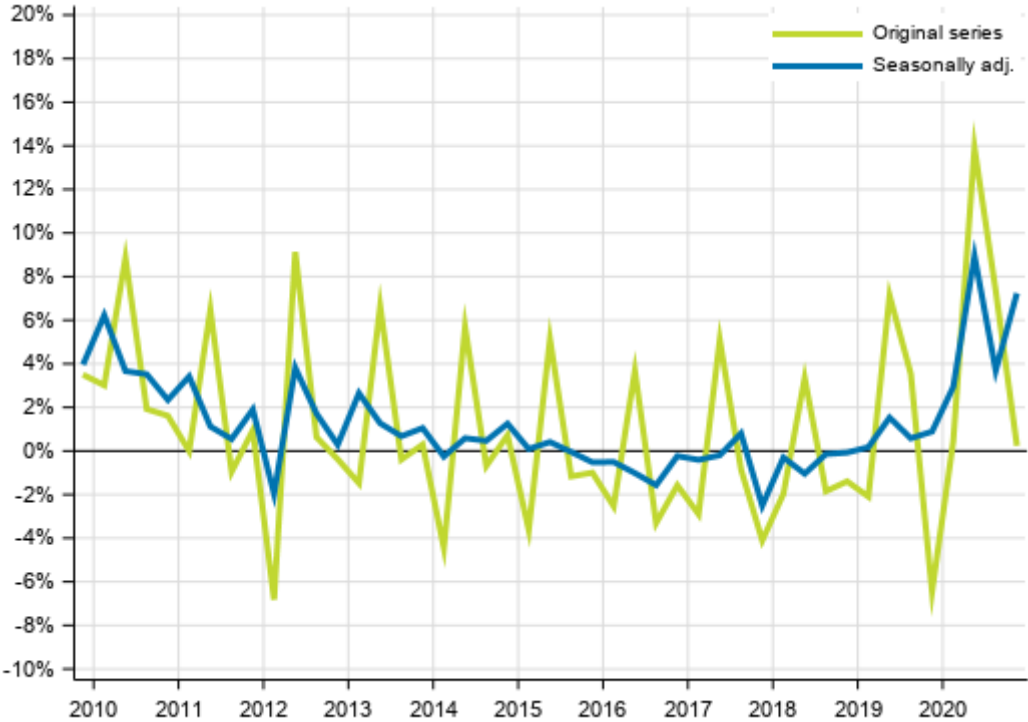
| | Non-financial corporations (S11) profit share, % | Non-financial corporations (S11) investment rate, % | Household (S14) saving rate, % | Household (S14) investment rate, % | Household (S14) indebtedness ratio, % |
|--------|--|---|--------------------------------|------------------------------------|---------------------------------------|
| 2011Q1 | 29.4 | 26.3 | 3.4 | 13.1 | 111.1 |
| 2011Q2 | 28.4 | 27.2 | 1.1 | 12.9 | 111.2 |
| 2011Q3 | 27.4 | 27.6 | 0.5 | 13.4 | 111.8 |
| 2011Q4 | 27.7 | 28.5 | 1.9 | 13.2 | 112.2 |
| 2012Q1 | 26.1 | 29.0 | -2.0 | 13.3 | 113.0 |
| 2012Q2 | 24.2 | 28.5 | 3.8 | 13.1 | 113.7 |
| 2012Q3 | 24.3 | 29.0 | 1.7 | 13.1 | 114.1 |
| 2012Q4 | 24.4 | 28.2 | 0.3 | 13.0 | 114.9 |
| 2013Q1 | 23.9 | 28.2 | 2.7 | 12.6 | 115.1 |
| 2013Q2 | 24.9 | 26.7 | 1.3 | 12.5 | 114.9 |
| 2013Q3 | 25.5 | 25.4 | 0.7 | 12.4 | 115.1 |
| 2013Q4 | 25.7 | 26.5 | 1.1 | 12.3 | 115.2 |
| 2014Q1 | 24.0 | 25.8 | -0.3 | 12.1 | 116.4 |
| 2014Q2 | 24.9 | 26.4 | 0.6 | 11.9 | 116.9 |
| 2014Q3 | 26.4 | 26.5 | 0.5 | 11.8 | 117.3 |
| 2014Q4 | 26.0 | 26.3 | 1.3 | 11.3 | 117.6 |
| 2015Q1 | 25.5 | 26.7 | 0.1 | 11.4 | 117.7 |
| 2015Q2 | 26.8 | 26.7 | 0.4 | 11.1 | 118.2 |
| 2015Q3 | 27.4 | 27.4 | 0.0 | 10.9 | 118.7 |
| 2015Q4 | 27.1 | 27.4 | -0.5 | 12.1 | 119.7 |
| 2016Q1 | 26.8 | 28.7 | -0.5 | 11.8 | 120.0 |
| 2016Q2 | 26.8 | 28.2 | -1.0 | 12.8 | 121.3 |
| 2016Q3 | 27.0 | 25.8 | -1.6 | 13.5 | 122.2 |
| 2016Q4 | 29.1 | 28.9 | -0.2 | 12.2 | 122.4 |
| 2017Q1 | 29.9 | 27.4 | -0.4 | 13.0 | 123.1 |
| 2017Q2 | 30.3 | 28.1 | -0.2 | 13.0 | 123.6 |
| 2017Q3 | 31.7 | 28.9 | 0.8 | 12.8 | 124.0 |
| 2017Q4 | 33.0 | 27.0 | -2.5 | 14.0 | 125.4 |
| 2018Q1 | 30.1 | 28.1 | -0.3 | 13.5 | 125.8 |
| 2018Q2 | 30.0 | 29.0 | -1.0 | 13.7 | 126.5 |
| 2018Q3 | 29.6 | 28.9 | -0.1 | 13.8 | 127.4 |
| 2018Q4 | 31.2 | 28.2 | -0.1 | 13.7 | 127.0 |
| 2019Q1 | 31.0 | 27.3 | 0.2 | 13.7 | 127.9 |
| 2019Q2 | 30.5 | 28.2 | 1.5 | 13.4 | 127.9 |
| 2019Q3 | 29.8 | 28.7 | 0.6 | 13.3 | 127.9 |
| 2019Q4 | 29.3 | 27.7 | 0.9 | 13.5 | 128.6 |
| 2020Q1 | 29.3 | 28.2 | 2.9 | 13.4 | 128.7 |
| 2020Q2 | 35.0 | 28.4 | 8.9 | 13.9 | 130.7 |
| 2020Q3 | 32.8 | 26.4 | 3.7 | 13.3 | 132.0 |
| 2020Q4 | 29.0 | 27.0 | 7.2 | 12.8 | 132.7 |

Appendix table 3. Development of household adjusted disposable real income

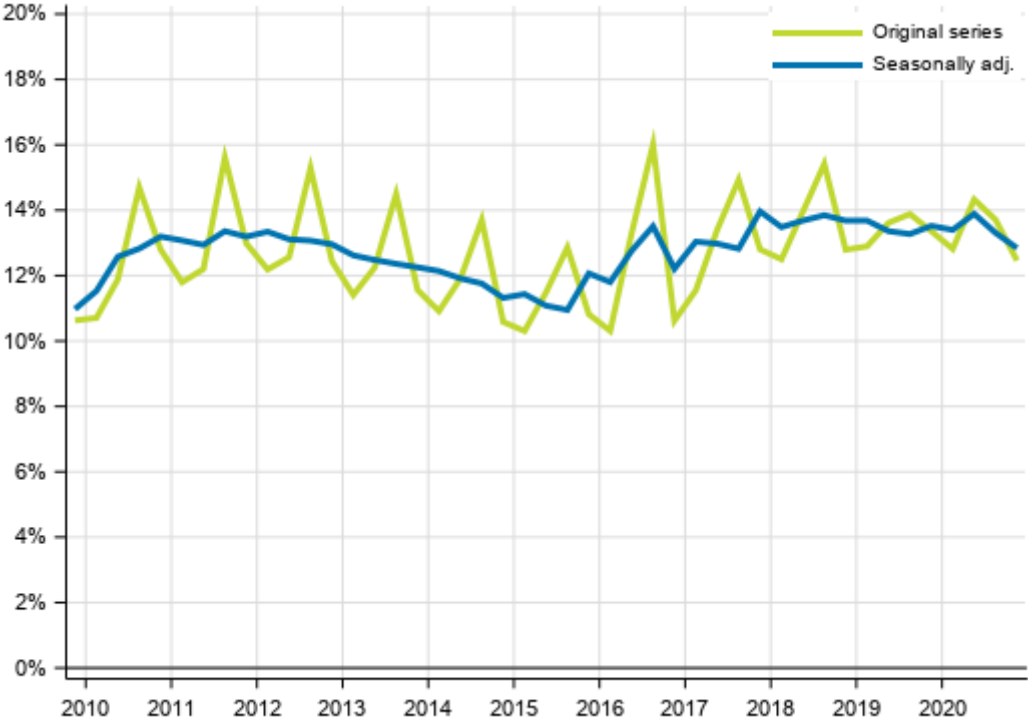
| | Household adjusted disposable income, EUR bil. | Change in value from one year ago, % | Volume indicator (1999=100) | Change in real income from one year ago, % |
|--------|--|--------------------------------------|-----------------------------|--|
| 2011Q1 | 31.6 | 3.7 | 122.8 | 0.6 |
| 2011Q2 | 36.2 | 5.3 | 139.6 | 1.8 |
| 2011Q3 | 33.6 | 4.0 | 129.0 | 0.3 |
| 2011Q4 | 35.9 | 4.3 | 136.9 | 0.7 |
| 2012Q1 | 32.5 | 2.8 | 122.4 | -0.4 |
| 2012Q2 | 37.6 | 3.8 | 140.3 | 0.5 |
| 2012Q3 | 34.9 | 4.1 | 130.0 | 0.8 |
| 2012Q4 | 36.6 | 2.0 | 135.8 | -0.8 |
| 2013Q1 | 33.7 | 3.9 | 123.9 | 1.2 |
| 2013Q2 | 38.2 | 1.7 | 139.4 | -0.6 |
| 2013Q3 | 35.5 | 1.6 | 129.1 | -0.6 |
| 2013Q4 | 37.4 | 2.2 | 135.5 | -0.2 |
| 2014Q1 | 33.7 | -0.1 | 121.5 | -1.9 |
| 2014Q2 | 38.4 | 0.5 | 138.3 | -0.8 |
| 2014Q3 | 36.1 | 1.7 | 129.8 | 0.5 |
| 2014Q4 | 38.1 | 1.9 | 136.7 | 0.9 |
| 2015Q1 | 34.5 | 2.5 | 123.9 | 2.0 |
| 2015Q2 | 39.3 | 2.3 | 140.6 | 1.7 |
| 2015Q3 | 36.6 | 1.3 | 131.0 | 0.9 |
| 2015Q4 | 38.5 | 0.9 | 137.4 | 0.5 |
| 2016Q1 | 35.4 | 2.6 | 127.5 | 2.9 |
| 2016Q2 | 39.8 | 1.4 | 142.5 | 1.3 |
| 2016Q3 | 36.9 | 0.8 | 131.9 | 0.7 |
| 2016Q4 | 39.4 | 2.5 | 141.0 | 2.6 |
| 2017Q1 | 36.0 | 1.5 | 128.2 | 0.6 |
| 2017Q2 | 40.6 | 1.9 | 144.2 | 1.2 |
| 2017Q3 | 38.1 | 3.4 | 135.5 | 2.7 |
| 2017Q4 | 39.3 | -0.2 | 139.4 | -1.1 |
| 2018Q1 | 37.1 | 3.3 | 131.3 | 2.4 |
| 2018Q2 | 41.6 | 2.5 | 146.2 | 1.4 |
| 2018Q3 | 39.1 | 2.6 | 136.9 | 1.1 |
| 2018Q4 | 41.2 | 4.8 | 143.9 | 3.2 |
| 2019Q1 | 38.1 | 2.7 | 132.9 | 1.2 |
| 2019Q2 | 43.6 | 4.8 | 151.1 | 3.3 |
| 2019Q3 | 42.0 | 7.3 | 145.4 | 6.2 |
| 2019Q4 | 40.3 | -2.2 | 139.3 | -3.2 |
| 2020Q1 | 39.2 | 2.9 | 135.2 | 1.8 |
| 2020Q2 | 42.5 | -2.6 | 146.2 | -3.2 |
| 2020Q3 | 42.5 | 1.4 | 146.2 | 0.5 |
| 2020Q4 | 41.4 | 2.8 | 142.6 | 2.4 |

Appendix figures

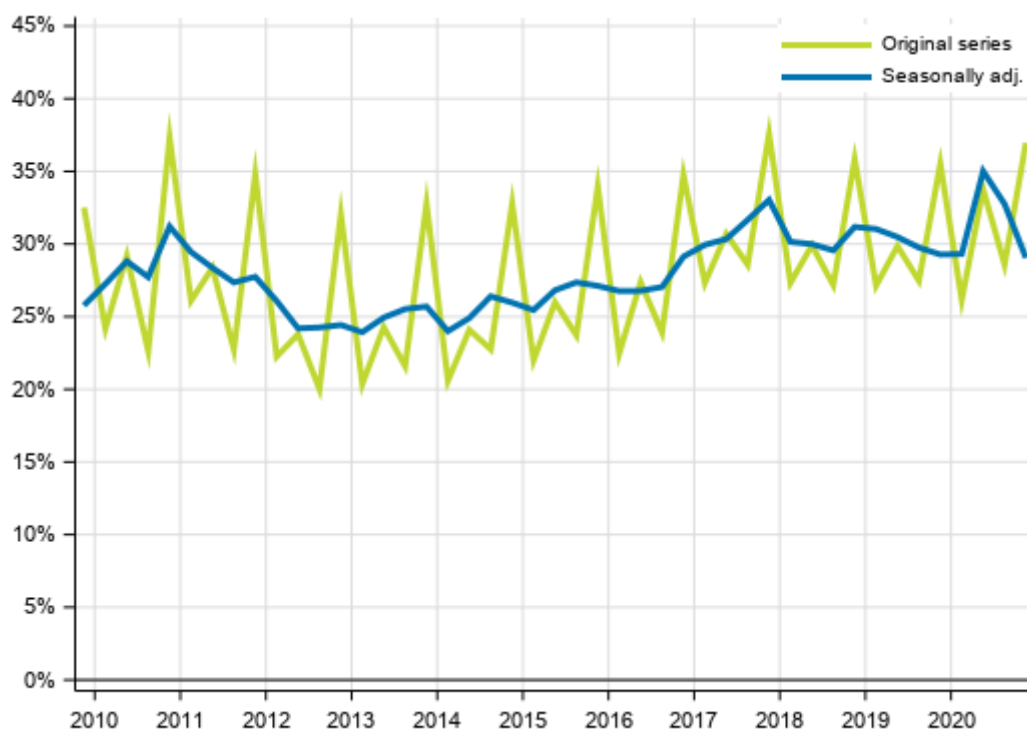
Appendix figure 1. Households' saving rate



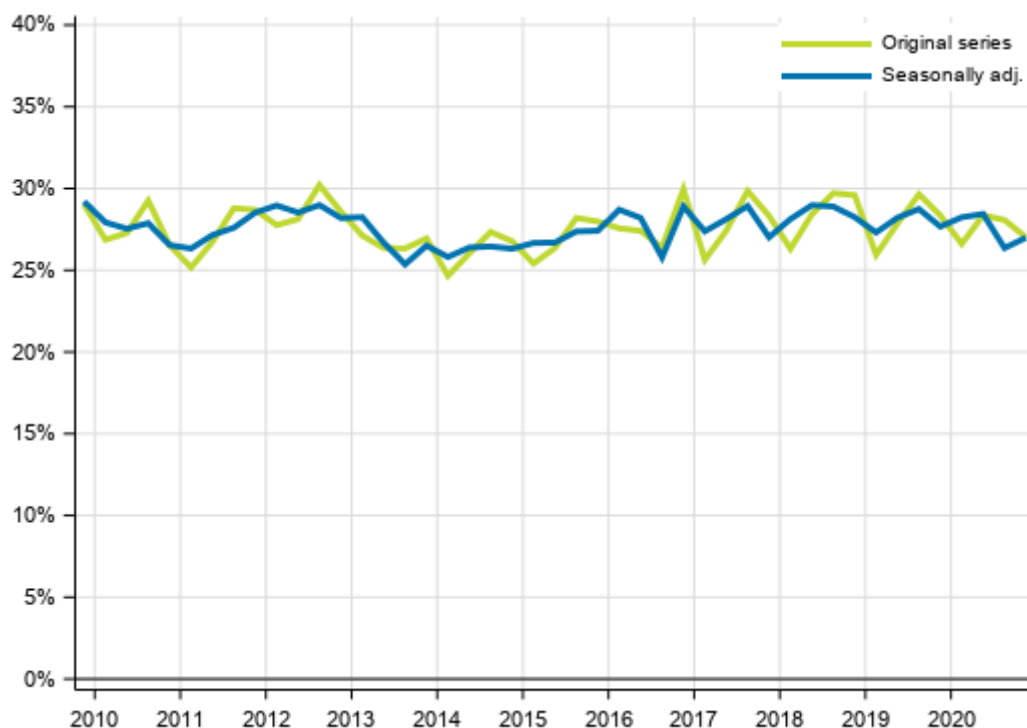
Appendix figure 2. Households' investment rate



Appendix figure 3. Non-financial corporations' profit share



Appendix figure 4. Non-financial corporations' investment rate



Revisions in these statistics

Revisions to the latest quarters' seasonally adjusted key indicators since their initial publications.

| | | 1st release (%) | Latest release (15.3.2021) (%) | Revision (% pts) |
|--|--------|-----------------|--------------------------------|------------------|
| Non-financial corporations (S11) profit share | 2019Q4 | 30.4 | 29.3 | -1.1 |
| | 2020Q1 | 28.9 | 29.3 | 0.4 |
| | 2020Q2 | 33.2 | 35.0 | 1.8 |
| | 2020Q3 | 31.8 | 32.8 | 1.0 |
| Non-financial corporations (S11) investment rate | 2019Q4 | 27.7 | 27.7 | 0.0 |
| | 2020Q1 | 28.1 | 28.2 | 0.1 |
| | 2020Q2 | 28.6 | 28.4 | -0.2 |
| | 2020Q3 | 26.7 | 26.4 | -0.3 |
| Household (S14) saving rate | 2019Q4 | 1.1 | 0.9 | -0.2 |
| | 2020Q1 | 3.4 | 2.9 | -0.5 |
| | 2020Q2 | 9.7 | 8.9 | -0.8 |
| | 2020Q3 | 3.5 | 3.7 | 0.2 |
| Household (S14) investment rate, | 2019Q4 | 13.2 | 13.5 | 0.3 |
| | 2020Q1 | 13.9 | 13.4 | -0.5 |
| | 2020Q2 | 14.5 | 13.9 | -0.6 |
| | 2020Q3 | 13.6 | 13.3 | -0.3 |

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Source: Sector accounts, Statistics Finland