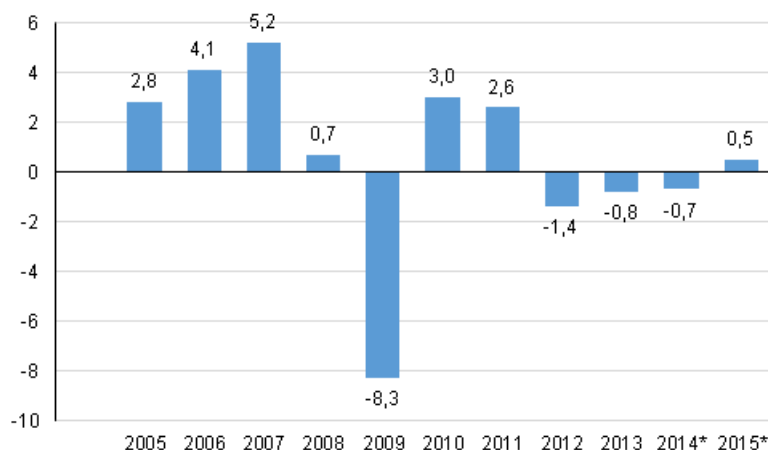


National Accounts 2015

Gross domestic product grew by 0.5 per cent last year

According to Statistics Finland's preliminary data, the volume of Finland's GDP grew by 0.5 per cent in 2015. The growth rate became slightly revised from the data on quarterly national accounts published at the end of February (was 0.4 per cent). Last year, GDP that describes the output of the national economy stood at EUR 207 billion. National income describing the income of the national economy went up by 1.6 per cent in real terms.

Annual change in the volume of gross domestic product, per cent



Total manufacturing contracted by 0.6 per cent. Value added fell most in the manufacture of electrical and electronics industry, by 2.6 per cent. Service industries grew as a whole by 0.9 per cent. Private services grew by 1.8 per cent but public services decreased by 1.1 per cent. Growth was biggest in information and communication activities, 4.9 per cent and in financial and insurance activities, 3.8 per cent.

Despite the slight growth in production, the demand of the national economy decreased by 0.4 per cent last year. Demand was depressed by lower investments, public consumption and inventories. Investments decreased by 1.1 per cent. Public consumption contracted by 0.9 per cent but the volume of private consumption went up by 1.4 per cent. The volume of exports grew by 0.6 per cent and that of imports fell by 0.4 per cent.

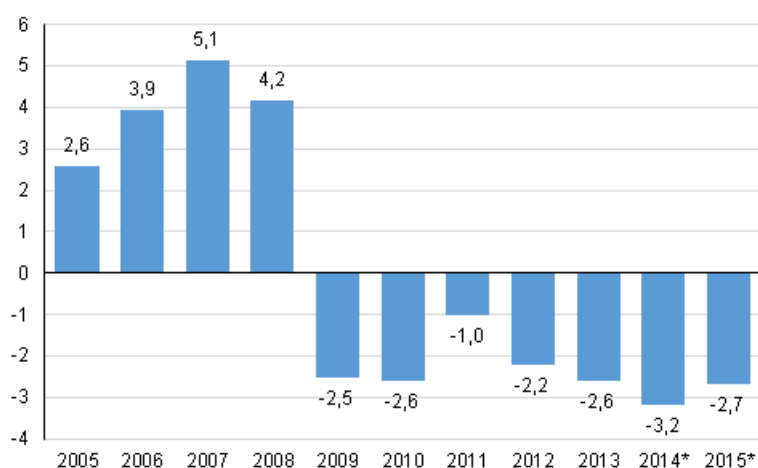
Non-financial corporations' operating surplus describing profits from their actual operations contracted by one per cent. By contrast, entrepreneurial income that describes the profit before payment of taxes and dividends grew by four per cent. It is estimated that non-financial corporations paid eight per cent less dividends and 14 per cent more direct taxes than in the year before. Non-financial corporations' financial position showed a surplus of EUR 9.2 billion. The financial position improved thanks to a reduction in inventories.

The financial position of financial and insurance corporations showed a surplus of EUR 0.5 billion. Financial corporations' commission income grew by four per cent but interest income (financial intermediation services indirectly measured) remained almost unchanged.

General government deficit 2.7 per cent of GDP

The financial position of general government, i.e. net lending, was in deficit for the seventh successive year, EUR 5.7 billion. In the previous year, the deficit was EUR 6.5 billion. The deficit was 2.7 per cent relative to GDP, which was below the three per cent reference value of the European Union unlike in 2014. Statistics Finland will publish the deficit and debt data that must be reported to the European Commission on 31 March 2016. The deficit data published here may become revised in that connection.

General government surplus / deficit relative to GDP, per cent



The deficit of central government was EUR 6.3 billion, while one year before it was EUR 7.7 billion. One of the reasons for the contraction of the deficit was a 1.7 per cent growth in tax revenues. The deficit or net borrowing of local government (municipalities and joint municipal authorities, etc.) contracted to EUR 1.4 billion according to preliminary data, having been EUR 1.6 billion in the year before.

The surplus of employment pension funds decreased from EUR 3.4 billion to EUR 2.9 billion. The State Pension Fund's higher than usual income recognition to the state lowered the deficit. The surplus does not include holding gains in assets. Other social security funds were EUR 0.8 billion in deficit mainly due to increased unemployment expenses.

General government's share of the gross value added was 20.7 per cent in 2015, which was 0.1 percentage points lower than in 2014.

Households' real income grew by one per cent

Households' real income grew by one per cent. Households' adjusted real income grew by 0.6 per cent. Adjusted income also takes into consideration welfare services, i.e. the individual services that general government and organisations produce for households, such as educational, health and social services.

Wage and salary income grew by 0.8 per cent in nominal terms. Social security benefits went up by 3.2 per cent, as the number of pensioners and unemployed increased. By contrast, property income and entrepreneurial income decreased by 0.1 per cent.

Direct taxes paid by households and compulsory social security contributions increased by 2.1 per cent. In nominal terms, final consumption expenditure grew by 1.8 per cent but investments, mainly in dwelling, decreased by 0.8 per cent.

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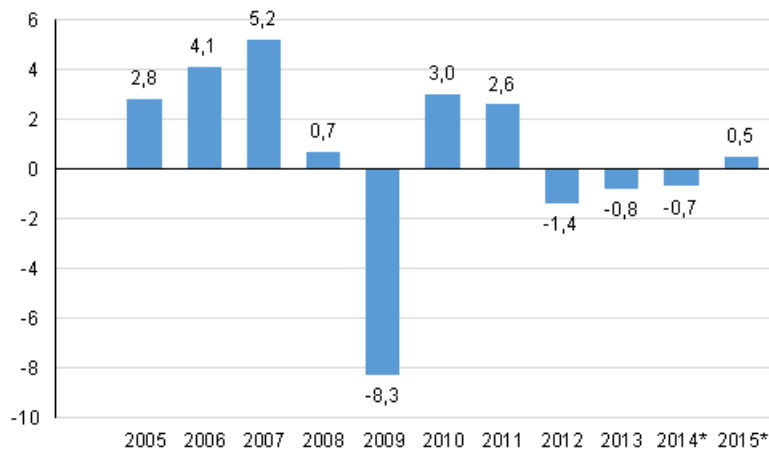
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1. Gross domestic product grew by 0.5 per cent in 2015

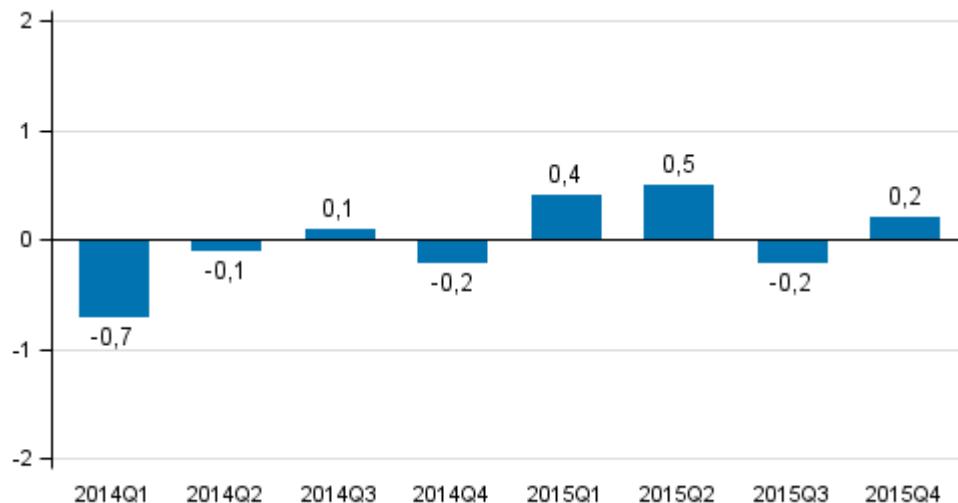
The volume of GDP grew by 0.5 per cent last year. The growth rate became slightly revised from the figure published at the end of February, which was 0.4 per cent.

Figure 1. Annual change in the volume of gross domestic product, per cent



In 2015, Finland's national economy grew after three years of downturn. The growth was biggest in the second quarter, when GDP grew by 0.5 per cent from the previous quarter, in the other quarters, growth was close to zero. Employment declined during the year.

Figure 2. Volume change of GDP from the previous quarter, seasonally adjusted, per cent



In the first half of 2015, GDP grew as a result of improved exports and consumption. In the third quarter, a decline in exports and investments turned the growth in GDP negative, but in the last quarter, GDP again made an upturn as investments grew clearly, and exports as well as private consumption expenditure increased somewhat.

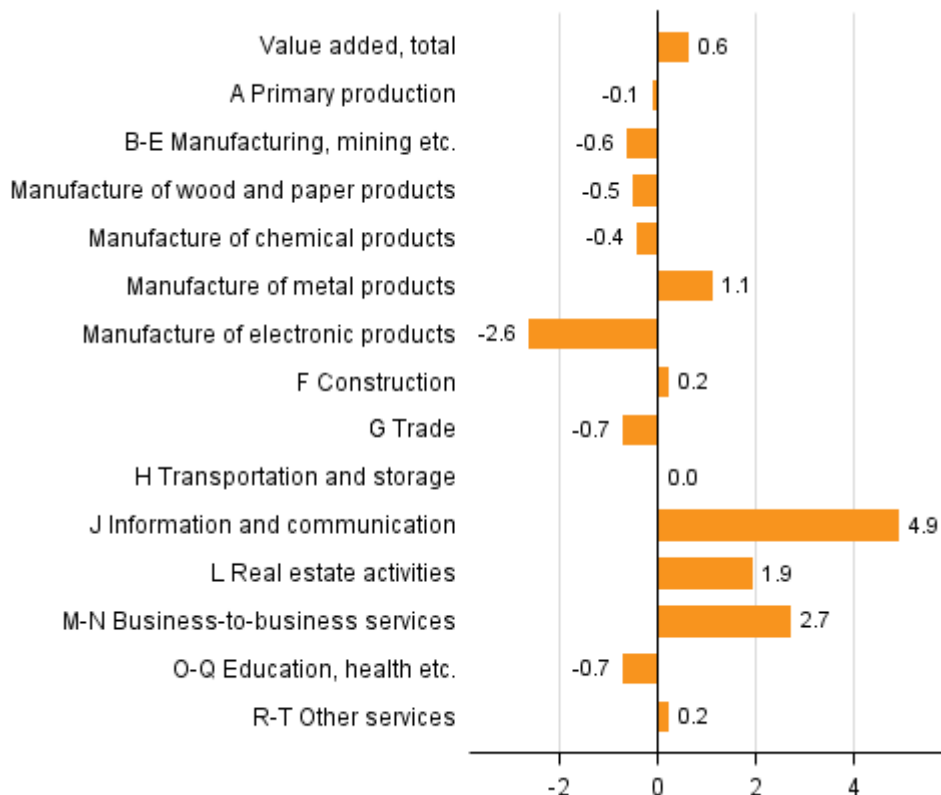
According to preliminary data compiled by Eurostat, GDP in the EU-28 area grew by 0.4 per cent in the fourth quarter of 2015 compared to the previous quarter. In the whole year 2015, GDP in the EU area increased by 1.9 per cent.

1.1 Output by industry

In the last quarter, the combined volume of value added in the national economy decreased by 0.1 per cent from the previous quarter. In the whole of 2015, value added was 0.6 per cent higher than in 2014.

Measured in euros, value added increased mainly in private services. Among the manufacturing industries, value added calculated at current prices was bigger than in 2014 only in the forest industry and the metal industry (excl. the electrical and electronics industry).

Figure 3. Annual change in value added generated by industries in 2015, per cent



The volume of value added in primary production, that is, agriculture, forestry and fishery, went down by 0.1 per cent in October to December from the previous quarter.

In the whole year, primary production decreased by 0.1 per cent. Production in agriculture grew by 2.0 per cent measured by volume but fell by 1.0 per cent in forestry. Examined at current prices, value added in agriculture also decreased considerably as a result of lower prices.

In the last quarter, the volume of total manufacturing (industries B to E) went up by 0.1 per cent from the previous quarter.

Total manufacturing contracted by 0.6 per cent in the whole of 2015. Value added fell most in the manufacture of electrical and electronics industry, by 2.6 per cent. By contrast, output in other metal industry grew by 1.1 per cent. In other manufacturing industries, the volume of output decreased.

From October to December, the volume of value added in construction increased by 0.5 per cent from the previous quarter.

The volume of construction went up slightly, by 0.2 per cent, in the whole of 2015. Building construction declined slightly but civil engineering increased clearly.

From October to December, the volume of value added in service industries decreased by 0.2 per cent.

Over the whole year 2015, service industries as a whole grew by 0.9 per cent. Private services grew by 1.8 per cent but public services decreased by 1.1 per cent. Growth was biggest in information and

communication activities, 4.9 per cent and in financial and insurance activities, 3.8 per cent. Value added decreased most in public administration and education and in human health and social work activities, by 0.7 per cent. The value added of trade also declined despite the pickup in motor vehicle trade.

1.2 Imports, exports, consumption and gross fixed capital formation

In 2015, total demand in the national economy decreased further, by 0.4 per cent from the previous year. Demand decreased as investments contracted by 1.1 per cent and inventories in manufacturing shrunk considerably after the growth seen in 2014.

Figure 4. Annual changes in the volume of main supply and demand items in 2015, per cent



The volume of exports grew by 0.6 per cent and that of imports by 2.2 per cent in October to December from the previous quarter.

The volume of exports increased by 0.6 per cent over 2015. Exports of goods diminished but exports of services increased clearly. The volume of imports, in turn, went down by 0.4 per cent. Goods imports diminished but imports of services increased.

In the last quarter, the volume of private consumption went up by 0.2 per cent from the previous quarter. The volume of public consumption expenditure grew by 0.6 per cent.

Over the year 2015, the volume of private consumption expenditure grew by 1.4 per cent. Especially consumption of durable goods increased, as did consumption of services. The volume of public consumption expenditure contracted by 0.9 per cent.

In the last quarter, the volume of investments grew by 1.7 per cent from the previous quarter. Investments in civil engineering and other structures grew by 5.6 per cent and machinery, equipment and transport equipment investments by 10.8 per cent year-on-year.

In the whole year 2015, investments decreased for the fourth year in succession, by 1.1 per cent. Especially building construction investments declined by 2.9 per cent and investments in intellectual property products like research and development fell by 4.8 per cent. By contrast, investments in civil engineering grew by 6.6 per cent and machinery and equipment investments by 3.3 per cent.

1.3 Employment weakened

The number of employed persons fell by 0.3 per cent and that of hours worked by 0.1 per cent last year. According to Statistics Finland's Labour Force Survey, the rate of unemployment grew to 9.4 per cent, while in 2014 it was 8.7 per cent.

Labour productivity, or the volume of gross value added per hour worked, grew by 0.7 per cent last year.

1.4. Price level almost unchanged

The economy's overall price level is estimated to have risen by 0.4 per cent last year as measured by the GDP price index.

Last year, the Consumer Price Index declined by 0.2 per cent, but the price index of household consumption expenditure in National Accounts went up by 0.2 per cent. In National Accounts, the prices of housing services are measured with changes in market rents, whereas the Consumer Price Index also takes into consideration the expenditure on owner-occupied housing. The methods used in National Accounts and in the Consumer Price Index for measuring development in the prices of insurance and financial intermediation services also deviate from each other.

The terms of trade improved because export prices decreased by 1.0 per cent but import prices by 3.2 per cent.

1.5 National income increased in real terms

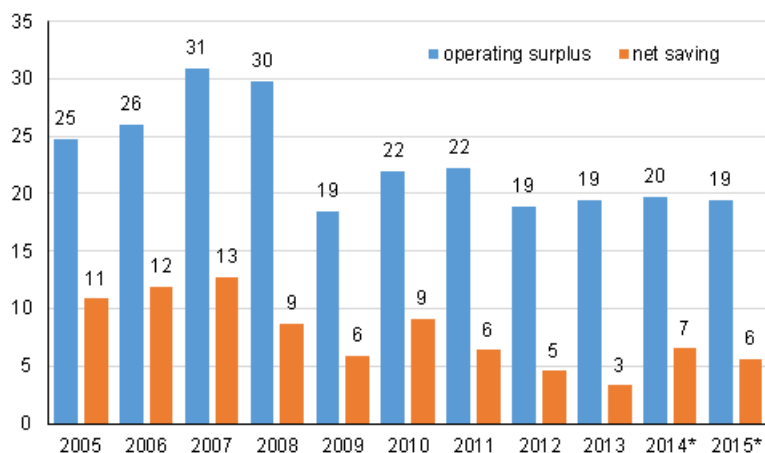
Net national income grew by 0.9 per cent in nominal terms but by 1.6 per cent in real terms last year because the terms of trade improved. National income per capita was EUR 31,000. Finland's gross national income amounted to EUR 209 billion last year. Gross national income grew by 1.4 per cent in real terms.

Households' wage and salary income went up by 0.8 per cent and employers' social insurance contributions by 1.9 per cent. In all, the share of compensation of employees in national income was 60.4 per cent, or the same as last year. Property income and entrepreneurial income in the national economy increased by 0.8 per cent and their share of the national income contracted slightly to 23.6 per cent.

1.6. Enterprises' financial position improved

Non-financial corporations' operating surplus describing profits from their actual operations went down by one per cent from the previous year. By contrast, non-financial corporations' entrepreneurial income increased by four per cent because property income received by non-financial corporations grew by ten per cent from the year before. Entrepreneurial income also takes into consideration property income and paid interests and rents, and corresponds roughly with profit before payment of taxes and dividends.

Figure 5. Non-financial corporations, operating profit from the operations proper before payment of taxes and dividends, etc. and after EUR billion



Non-financial corporations paid 14 per cent more direct taxes last year than in the previous year. Non-financial corporations are estimated to have paid eight per cent less dividends. Non-financial corporations' net lending, or financial position, showed a surplus of EUR 9.2 billion, as against EUR 7.1 billion in the previous year. Net lending improved thanks to a reduction in inventories.

The financial position of financial and insurance corporations showed a surplus of EUR 0.5 billion while it was EUR 0.1 billion in the previous year. Financial corporations' commission income grew by four per cent but interest income (financial intermediation services indirectly measured) remained almost unchanged. Because income grew by more than compensation of employees and the bank tax was removed, the operating surplus of financial corporations grew by 14 per cent.

1.7 General government deficit 2.7 per cent of GDP

General government's net lending, or financial position, showed a deficit of EUR 5.7 billion, while the deficit was EUR 6.5 billion in the previous year. The deficit amounted to 2.7 per cent relative to GDP. In the previous year the deficit amounted to 3.2 per cent of GDP.

Last year, the financial position of central government showed a notable deficit for the seventh successive year. The deficit (net borrowing) was EUR 6.3 billion, while one year before it was EUR 7.7 billion.

State revenues from taxes went up by 1.7 per cent. Revenues from corporation taxes, energy taxes, inheritance and gift tax, and tobacco tax increased most. Tax revenues decreased as a result of the abolition of the bank tax.

Current transfers to local government (incl. repayments of value added tax) declined by 1.1 per cent.

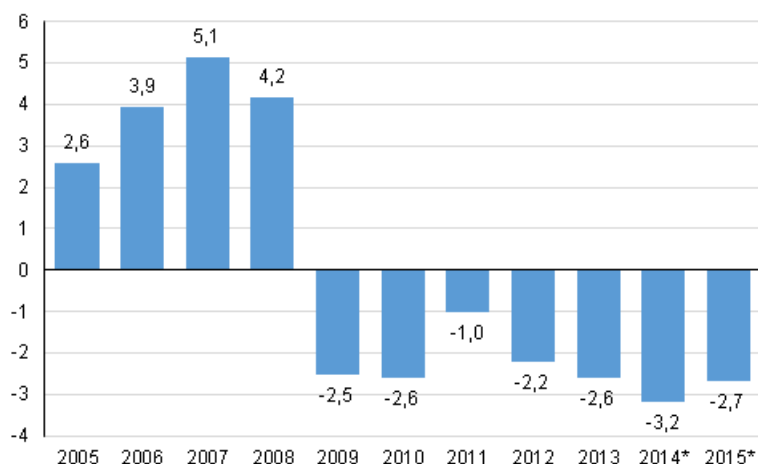
Current transfers to social security funds, in turn, grew by 1.2 per cent. Central government's consumption expenditure fell by 1.5 per cent and investments by 1.3 per cent.

The deficit or net borrowing of local government (municipalities and joint municipal authorities, etc.) was EUR 1.4 billion, having been EUR 1.6 billion in the year before. Municipalities' tax revenues increased by 3.3 per cent as corporation tax, real estate tax and municipal tax grew. Consumption expenditure went up by 0.8 per cent in nominal terms mainly due to purchasing of services but gross fixed capital formation is estimated to have declined by 0.5 per cent.

The surplus of employment pension schemes decreased from the previous year. The surplus was now EUR 2.9 billion, while one year before it was EUR 3.4 billion. For example, the State Pension Fund's higher than usual income recognition to the state lowered the surplus. The surplus does not include holding gains in assets. Revenues from pension contributions grew by 2.7 per cent and employment pensions paid by employment pension funds went up by 3.8 per cent mainly as a result of an increase in

the number of pensioners. Other social security funds were EUR 0.8 billion in deficit mainly due to increased unemployment expenses.

Figure 6. General government surplus/deficit, per cent of GDP



The so-called EDP debt, or consolidated gross debt, of general government grew to EUR 131 billion. Relative to GDP, it increased to 63,1 per cent, i.e. by 3,8 percentage points. Statistics Finland will publish the deficit and debt data that must be reported to the European Commission on 31 March 2016. The deficit and debt data published here may become revised in that connection.

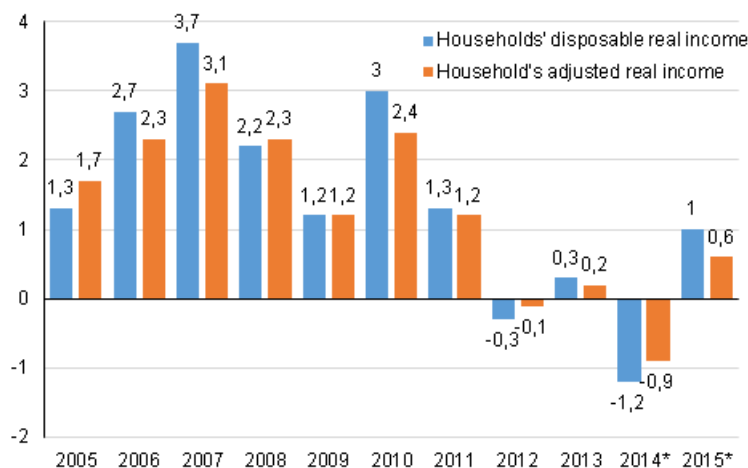
General government's share of the gross value added was 20.7 per cent, having been 20.8 per cent one year earlier. The proportion of total public expenditure to GDP grew to 58.3 per cent. In the previous year, the proportion was 58.1 per cent. Total public expenditure includes a notable amount of internal public sector expenses that are included in the calculations twice.

The tax ratio, or the proportion of taxes and statutory social security contributions of GDP, was 44.5 per cent last year. The tax ratio increased by 0.6 percentage points from the previous year.

1.8 Households' real income grew by one per cent

In 2015, households' disposable income increased by 1.2 per cent in nominal terms and by 1.0 per cent in real terms. Households' adjusted disposable income increased by 1.0 per cent in nominal terms and by 0.6 per cent in real terms. Adjusted income also takes into consideration welfare services, i.e. the individual services that general government and organisations produce for households, such as educational, health and social services.

Figure 7. Annual change in households' disposable real income and household's adjusted real income, per cent



Wages and salaries received by households went up by 0.8 per cent and social benefits by 3.2 per cent. The wages and salaries sum went up due to the risen level of earnings as employment weakened at the same time. Social benefits increased because the number of pensioners and unemployed grew. Households' property and entrepreneurial income decreased by 0.1 per cent.

Direct taxes paid by households and compulsory social security contributions increased by 2.1 per cent. Final consumption expenditure grew by 1.8 per cent in nominal terms. The savings rate, i.e. the ratio of savings to disposable income, turned marginally negative in 2015, to -0.1 per cent.

Households' fixed investments primarily in dwellings declined by 0.8 per cent in nominal terms. The financial position of households showed a deficit of EUR 3.8 billion, while the deficit in the previous year was EUR 3.4 billion.

Households' indebtedness ratio grew further and stood at 124.9 per cent at the end of 2015, which was 3.3 percentage points higher than one year earlier. The indebtedness rate expresses the ratio between the loans and annual disposable net income in accordance with financial accounts. Annual financial accounts data on the situation at the end of the year are preliminary assessments.

1.9 Current account slightly in surplus

Last year, Finland's current account was EUR 0.3 billion in surplus after four years of being in deficit. When imports are also valued at FOB price (at the border of the exporting country) and not at CIF price (at the border of the importing country), as is done in the foreign trade statistics of Finnish Customs, the goods trade showed a surplus of EUR 2.5 billion. However, the balance of services trade showed a deficit of EUR 1.9 billion.

EUR 1.3 billion more property income was received from the rest of the world than was paid to it. The current transfer outflow was clearly higher than the received income transfers.

The data on property items and international trade in services are very preliminary.

1.10 Next revisions in June and July 2016

National accounts data concerning the first quarter of 2016 will be released on 3 June 2016. National Accounts for 2015 with more detailed data contents will be released on 14 July 2016.

These preliminary data are based on the information on economic development available by 9 March 2016. Methodological descriptions of National Accounts can be found on Statistics Finland's website at: <http://tilastokeskus.fi/til/vtp/men.html> and http://tilastokeskus.fi/til/ntp/men_en.html

Appendix tables

Appendix table 1. Gross domestic product (GDP) at market prices 1975-2015*

Year	At current prices, million EUR	At reference year 2010 prices, million EUR	Change in value, %	Change in volume, %	Change in prices, %	GDP per capita, EUR
1975	18 154	78 581	.	.	.	3 853
1976	20 615	78 988	13,6	0,5	13,0	4 362
1977	22 627	79 268	9,8	0,4	9,4	4 775
1978	25 065	81 759	10,8	3,1	7,4	5 274
1979	29 070	87 630	16,0	7,2	8,2	6 101
1980	33 682	92 601	15,9	5,7	9,6	7 047
1981	38 094	93 799	13,1	1,3	11,7	7 936
1982	42 831	96 695	12,4	3,1	9,1	8 873
1983	47 790	99 714	11,6	3,1	8,2	9 842
1984	53 498	102 918	11,9	3,2	8,5	10 959
1985	58 285	106 558	8,9	3,5	5,2	11 890
1986	62 740	109 463	7,6	2,7	4,8	12 757
1987	67 751	113 359	8,0	3,6	4,3	13 737
1988	76 754	119 265	13,3	5,2	7,7	15 517
1989	85 929	125 333	12,0	5,1	6,5	17 309
1990	91 010	126 181	5,9	0,7	5,2	18 252
1991	86 962	118 717	-4,4	-5,9	1,6	17 345
1992	84 852	114 771	-2,4	-3,3	0,9	16 829
1993	85 748	113 928	1,1	-0,7	1,8	16 925
1994	90 768	118 416	5,9	3,9	1,8	17 839
1995	98 556	123 399	8,6	4,2	4,2	19 295
1996	102 060	127 913	3,6	3,7	-0,1	19 916
1997	110 738	135 911	8,5	6,3	2,1	21 545
1998	120 382	143 288	8,7	5,4	3,1	23 359
1999	126 923	149 656	5,4	4,4	0,9	24 571
2000	136 261	158 089	7,4	5,6	1,6	26 325
2001	144 437	162 170	6,0	2,6	3,3	27 841
2002	148 289	164 895	2,7	1,7	1,0	28 514
2003	151 569	168 183	2,2	2,0	0,2	29 075
2004	158 477	174 786	4,6	3,9	0,6	30 312
2005	164 387	179 646	3,7	2,8	0,9	31 335
2006	172 614	186 930	5,0	4,1	0,9	32 777
2007	186 584	196 623	8,1	5,2	2,8	35 280
2008	193 711	198 040	3,8	0,7	3,1	36 457
2009	181 029	181 664	-6,5	-8,3	1,9	33 908
2010	187 100	187 100	3,4	3,0	0,4	34 885
2011	196 869	191 910	5,2	2,6	2,6	36 536
2012	199 793	189 173	1,5	-1,4	3,0	36 903
2013	203 338	187 738	1,8	-0,8	2,6	37 385
2014*	205 268	186 427	0,9	-0,7	1,7	37 576
2015*	207 220	187 445	1,0	0,5	0,4	37 819

Appendix table 2. Revision of annual volume change, %

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross domestic product	1. release	5,5	4,4	0,9	-7,8	3,1	2,9	-0,2	-1,4	-0,1	0,4
	Previous release	4,1	5,2	0,7	-8,3	3,0	2,6	-1,4	-0,8	-0,7	0,4
	Latest release	4,1	5,2	0,7	-8,3	3,0	2,6	-1,4	-0,8	-0,7	0,5
	Revision, %-points (latest minus first)	-1,4	0,8	-0,2	-0,5	-0,1	-0,3	-1,2	0,6	-0,6	0,1
Imports	1. release	5,4	4,1	-1,3	-22,3	2,6	0,1	-3,7	-1,8	-1,4	-1,2
	Previous release	6,7	7,4	7,9	-16,9	6,5	6,0	1,6	0,5	0,0	-1,2
	Latest release	6,7	7,4	7,9	-16,9	6,5	6,0	1,6	0,5	0,0	-0,4
	Revision, %-points (latest minus first)	1,3	3,3	9,2	5,4	3,9	5,9	5,3	2,3	1,4	0,8
Exports	1. release	10,7	4,8	-1,1	-24,3	5,1	-0,8	-1,4	0,3	-0,4	0,4
	Previous release	10,1	9,1	6,6	-20,1	6,2	2,0	1,2	1,1	-0,9	0,4
	Latest release	10,1	9,1	6,6	-20,1	6,2	2,0	1,2	1,1	-0,9	0,6
	Revision, %-points (latest minus first)	-0,6	4,3	7,7	4,2	1,1	2,8	2,6	0,8	-0,5	0,2
Final consumption expenditure	1. release	2,3	2,8	1,9	-1,3	1,9	2,6	1,4	-0,3	-0,1	0,8
	Previous release	3,2	2,8	2,0	-1,4	2,1	2,0	0,4	0,0	0,3	0,8
	Latest release	3,2	2,8	2,0	-1,4	2,1	2,0	0,4	0,0	0,3	0,7
	Revision, %-points (latest minus first)	0,9	0,0	0,1	-0,1	0,2	-0,6	-1,0	0,3	0,4	-0,1
Gross fixed capital formation	1. release	5,1	7,6	1,0	-13,4	0,8	4,6	-2,9	-4,6	-5,1	-1,1
	Previous release	1,3	10,0	0,3	-12,5	1,1	4,1	-1,9	-4,9	-2,6	-1,1
	Latest release	1,3	10,0	0,3	-12,5	1,1	4,1	-1,9	-4,9	-2,6	-1,1
	Revision, %-points (latest minus first)	-3,8	2,4	-0,7	0,9	0,3	-0,5	1,0	-0,3	2,5	0,0

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Source: National Accounts 2015, preliminary data. Statistics Finland