

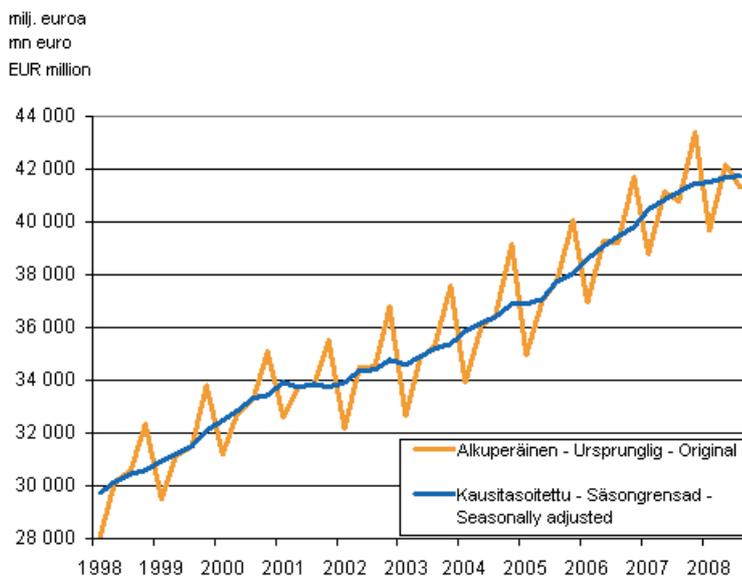
Quarterly national accounts 2008

Gross domestic product grew by 1.3 per cent in the third quarter

According to preliminary data of Statistics Finland, in the third quarter of 2008 the volume of Finland's GDP increased by 0.1 per cent from the previous quarter. Compared to the third quarter of 2007, GDP grew by 1.3 per cent. The third quarter of 2008 had one more working day than twelve months previously.

Revisions put the growth in GDP in the second quarter at 2.5 per cent from twelve months back and at 0.5 per cent from the previous quarter.

Gross domestic product by quarter at reference year 2000 prices



The volume of exports contracted by 2.7 per cent and that of imports by 0.2 per cent year-on-year. The volume of private consumption grew by 1.8 per cent and investments increased by 4.2 per cent in the third quarter.

Volume refers to value data adjusted for price changes. Volumes at reference year 2000 prices are expressed relative to the 2000 level in euros.

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Growth of GDP almost halted, exports turned to decline

In the July to September period of 2008, the volume of Finland's GDP increased by only 0.1 per cent from the previous quarter. Compared to the third quarter of 2007, GDP was up by 1.3 per cent. The seasonally adjusted change in the volume was +1.4 per cent from the year before. Calculated at current prices, GDP grew by 3.8 per cent year-on-year.

Revisions put the growth in the volume of GDP in the second quarter of 2008 at 2.5 per cent from the year before and at 0.5 per cent from the previous quarter, whereas the respective growth rates published in September were +2.8 and + 0.8 per cent. The downwards revision was mainly due to changes in the source data on the metal industry.

In 2007, GDP grew by 4.5 per cent. Thus, economic growth appears to have slowed down clearly from last year and is now falling below its long-term average of 2.7 per cent.

According to Eurostat's flash estimate, in the third quarter of 2008 GDP contracted in the EU area by 0.2 per cent from the previous quarter but was 0.8 per cent higher than one year earlier.

Output

In primary production, the volume of value added was 6.1 per cent lower in the third quarter than twelve months earlier. In agriculture, value added grew by 3.5 per cent. In forestry, the decline which started already in the first quarter continued and value added contracted by 12.6 per cent.

The volume of value added in secondary production, that is manufacturing and construction, grew by 2.1 per cent in the third quarter. In manufacturing, value added was 2.4 per cent higher than one year previously. Value added in the wood and paper industry continued to contract and the fall now amounted to 3.5 per cent from twelve months back. In the metal industry (incl. electronics industry), value added increased by 6.3 per cent from one year ago. The second quarter growth of volume in the metal industry became revised downwards due to corrections to source data. The new growth figure was 4.4 per cent instead of the 7.2 per cent estimated in September. Value added in other manufacturing diminished by 0.5 per cent in the third quarter. In construction, the volume of value added grew by 0.6 per cent year-on-year in the third quarter but contracted by 1.1 per cent from the previous quarter.

In service industries, the volume of value added was one per cent greater than in the third quarter of 2007. The volume of value added in trade grew by 4.6 per cent from one year back. The biggest growth was recorded in the sale of motor vehicles, obviously still in consequence of the vehicle tax revision that entered into force at the beginning of the year. By contrast, the growth in the volume of retail trade failed to reach one per cent and when compared to the previous quarter the volume actually diminished slightly. Transport, storage and communications contracted by 0.6 per cent. In the early part of the year growth in this industry was slowed down by weak development of telecommunications but growth now also petered out in actual transport activity. Real estate and business activities grew by 2 per cent year-on-year, but in this industry, too, the volume of value added failed to reach the figure of the previous quarter.

The volume of total value added generated by all industries grew by 1.2 per cent year-on-year and by 0.1 per cent from the previous quarter.

Imports, exports, consumption and investments

Total demand was mainly pushed up in the third quarter by investments in machinery and equipment, and public investments. Growth in consumption remained minor while exports actually decreased.

In the third quarter the volume of exports decreased by 2.7 per cent from twelve months back and by 3.4 per cent from the quarter before. Exports of goods decreased by 0.1 per cent and those of services by 11.6 per cent year-on-year. The volume of imports contracted by 0.2 per cent from twelve months back and by 2.1 per cent from the previous quarter. Imports of goods grew by 0.9 per cent but imports of services decreased by 4.2 per cent from one year ago. Data on imports and exports may become substantially revised. The year-on-year

growth in imports (goods and services together) in the second quarter became revised to +3 per cent from the +1.9 per cent indicated by the June data. The growth in the volume of exports in the second quarter became revised in to 6.3 per cent from the June figure of 6.5 per cent.

In the third quarter, the volume of private consumption grew by 1.8 per cent from one year before but remained on level with the previous quarter. The growth in households' consumption expenditure has slowed down clearly from its four per cent rate in the early part of the year and the volume of consumption of non-durable goods, including food, electricity and fuels, even contracted slightly in the third quarter. The volume of consumption of durable consumer goods also diminished from the previous quarter but still grew when compared to twelve months back. Fallen sales of motor vehicles from the second quarter was among the reasons for this development. The volume of government consumption expenditure grew by 0.3 per cent from twelve months back.

The volume of investments went up by 4.2 per cent in the third quarter from one year ago. However, investments in construction decreased by 0.3 per cent. Investments in residential buildings have been falling throughout the year but growth in building investments in office premises now also came to a halt. Only investments in civil engineering still continued to show growth even from the quarter before. The volume of investments in machinery, equipment and transport equipment grew by 18.8 per cent. In the third quarter, private investments increased by 4.2 per cent and public investments by 4.1 per cent.

Employment, wages and salaries and national income

Employment improved slightly in the third quarter of 2008. The number of employed persons went up by 0.8 per cent from one year previously. However, the number of employed persons no longer grew from the previous quarter. The number of hours worked in the national economy went up by 4.7 per cent from one year before. This quarter had one more working day than the respective quarter one year ago, which partly explains the large increase in the number of hours worked. Adjusted for working days the change in hours worked was +4.2 per cent. According to Statistics Finland's Labour Force Survey, the proportion of persons employed part-time has also gone down slightly among employed persons, which means that the number of hours worked can show growth even though no similar growth is observable in employment.

According to Statistics Finland's Labour Force Survey, the rate of unemployment for the July to September period was 5.6 per cent. In the corresponding period of 2007 it stood at 6.1 per cent.

In the third quarter of 2008, the nominal wages and salaries bill (excluding incentive stock options) of the national economy grew by 7.2 per cent. The operating surplus (net), which in business bookkeeping corresponds roughly with business profit, decreased by 4.3 per cent calculated at current prices. The operating surplus of the national economy last diminished in 2005. National income (net) calculated at current prices was 3.3 per cent higher than in the previous year.

The available data

These preliminary data on the third quarter of 2008 are based on the information on economic development available by 27 November 2008. 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 10 July 2008.

Data concerning the last quarter of 2008 will be released on 27 February 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.

The data on 2006 and 2007 are preliminary. The data on 2007 will become revised in connection with the next annual accounts release in January 2009.

Detailed information on the revision of National Accounts can be found on Statistics Finland's website at: http://tilastokeskus.fi/til/ntp/2007/ntp_2007_2007-12-17_men_001.html.

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