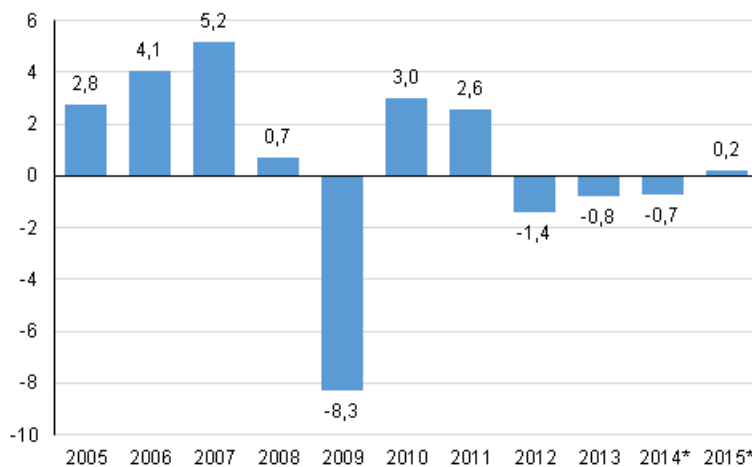


National Accounts 2015

Gross domestic product grew by 0.2 per cent last year

According to Statistics Finland's revised preliminary data, the volume of Finland's GDP grew by 0.2 per cent in 2015. The initial preliminary data released in March put the rate of growth at 0.5 per cent. The GDP became revised as new data on intermediate goods used as production inputs in various industries in particular became available. Gross domestic product, or the value added created in the production of goods and services, amounted to EUR 209 billion.

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



Viewed by current price, value added increased most in computer and related services, the chemical industry, the forest industry and in some metal product sectors, business activities, water and air transport, and hotel and restaurant activities, and real estate activities. Value added decreased considerably in agriculture and insurance activities.

The volume of value added increased most in computer and related services, business activities and in the manufacture of basic metals. The volume of value added contracted considerably in insurance activities and in some sectors of manufacturing and transport.

Households' consumption helped maintain demand

Demand in the national economy was mainly maintained by consumption; the volume of which grew by 1.1 per cent. The volume of private consumption grew by 1.5 per cent and the volume of public consumption expenditure by 0.4 per cent.

The volume of investments increased by 0.7 per cent. Private investments grew by 2.2 per cent but public investments decreased by 5.1 per cent. Especially investments in machinery and equipment increased. By contrast, investments in research and development and in software decreased.

The volume of exports shrunk by 0.2 per cent in 2015 and that of imports grew by 1.9 per cent. Because import prices declined by clearly more than export prices, imports at current prices contracted more than exports. The value of goods exports and imports decreased but the imports and exports of services increased.

Last year, net national income grew by 1.7 per cent in real terms, which was clearly more than the gross domestic product because the terms of trade or the ratio between export and import prices improved considerably.

Non-financial corporations' profits grew

Non-financial corporations' operating surplus describing profits from their actual operations went up by eight per cent from the previous year. Non-financial corporations' entrepreneurial income increased more, by 17 per cent, because dividend income increased and interest expenses decreased. Entrepreneurial income also takes into consideration property income and paid interests and rents, and corresponds roughly with profit before payment of taxes and dividends.

Non-financial corporations' net lending, or financial position, showed a surplus of EUR 7.4 billion. The financial position weakened slightly despite the increase in profits because non-financial corporations' investments and inventories increased.

General government's net lending, or financial position, showed a deficit of EUR 5.8 billion, while the deficit was EUR 6.5 billion in the previous year. Last year, the deficit was 2.8 per cent relative to GDP, which was below the three per cent reference value of the European Union unlike in 2014.

Last year, the financial position of central government showed a notable deficit for the seventh successive year, EUR 6.3 billion. The deficit of local government (municipalities and joint municipal boards, etc.) was EUR 1.3 billion. The surplus of occupational pension funds diminished to EUR 2.7 billion from the previous year. 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.

The size of the public economy is described by general government's share of the gross value added, which was 20.4 per cent in 2015, having been 20.9 per cent one year earlier.

Households' disposable income grew by 1.0 per cent in real terms. Households' adjusted disposable income grew by 0.9 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.

Households' wage and salary income went up by 1.0 per cent and social benefits by 3.2 per cent. The wage and salary income 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 went up by 1.2 per cent.

[National Accounts 2005 to 2015*, tables, PDF](#)

Contents

1. Gross domestic product grew by 0.2 per cent last year.....	4
1.1 Production development varied by industry.....	4
1.2 Households' consumption helped maintain demand	5
1.3 Work input almost unchanged last year.....	5
1.4 Prices went up a little.....	5
1.5 National income grew by 1.7 per cent in real terms.....	6
1.6 Non-financial corporations' profits grew	6
1.7. General government deficit 2.8 per cent of GDP.....	7
1.8. Households' real income grew by one per cent.....	8
1.9 Current account deficit EUR 1.8 billion.....	9
1.10 Next revision in January 2017.....	9

Tables

Appendix tables

Appendix table 1. Gross domestic product (GDP) at market prices 1975-2015*.....	10
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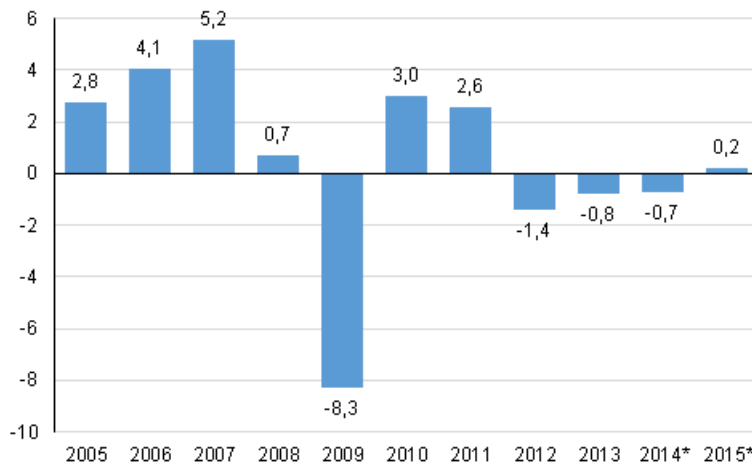
Figures

Figure 1. Annual change in the volume of gross domestic product, per cent.....	4
Figure 2. Change in value added at current prices in 2015, per cent.....	5
Figure 3. Non-financial corporations, operating profit from the operations proper and net saving, EUR billion.....	6
Figure 4. General government surplus/deficit, per cent of GDP.....	7
Figure 5. Annual change in households' disposable real income) and household's adjusted real income, per cent....	8
Revisions on these statistics.....	11

1. Gross domestic product grew by 0.2 per cent last year

According to Statistics Finland's revised preliminary data, the volume of Finland's GDP increased by 0.2 per cent in 2015. The initial preliminary data released in March put the rate of growth at 0.5 per cent. The GDP became revised as new data on intermediate goods used as production inputs in various industries in particular became available. In 2015, Finland's national economy grew slightly after three years of downturn. The national accounts for 2014 were also revised but the changes were minimal.

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



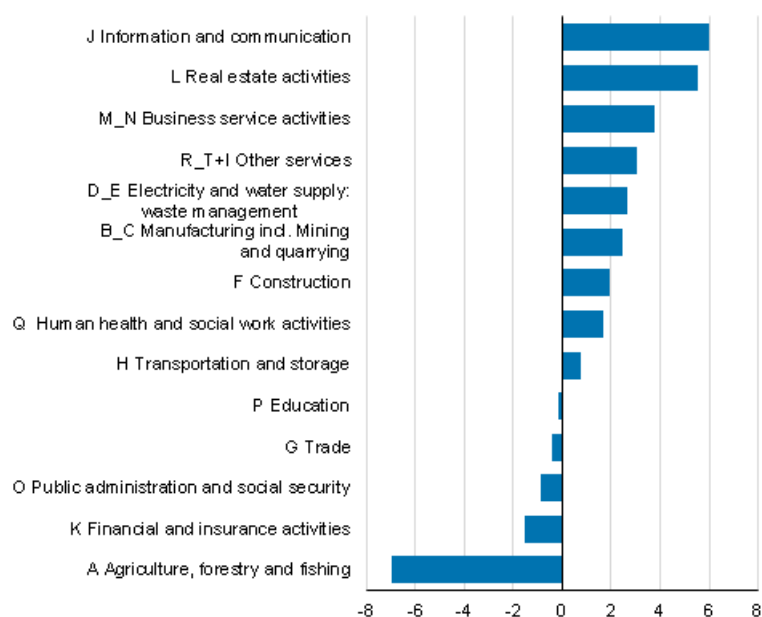
Gross domestic product, or the value added created in the production of goods and services, amounted to EUR 209 billion in 2015 at current prices. GDP per capita was EUR 38,200.

Households' adjusted disposable income describing their economic well-being increased by 0.9 per cent in real terms in 2015. In addition to net income, adjusted income also takes into consideration welfare services produced by the public sector and organisations for households, such as educational, health and social services.

1.1 Production development varied by industry

Viewed by current price, value added increased most in computer and related services, the chemical industry, the forest industry and in some metal product sectors, business activities, water and air transport, and hotel and restaurant activities, and real estate activities, which also includes imputed letting of dwellings. Value added decreased considerably in agriculture and insurance activities.

Figure 2. Change in value added at current prices in 2015, per cent



The volume of value added increased most in computer and related services, business activities and in the manufacture of basic metals. The volume of value added contracted considerably in insurance activities and in some sectors of manufacturing and transport.

1.2 Households' consumption helped maintain demand

Demand in the national economy was mainly maintained by consumption; the volume of which grew by 1.1 per cent. The volume of private consumption grew by 1.5 per cent and the volume of public consumption expenditure by 0.4 per cent. The proportion of consumption expenditure to GDP was 79.7 per cent.

The volume of investments increased by 0.7 per cent. Private investments grew by 2.2 per cent but public investments decreased by 5.1 per cent. Especially investments in machinery and equipment increased. By contrast, investments in research and development and in computer software decreased. The investment rate or the proportion of investments of gross domestic product fell to 20.4 per cent.

The volume of exports shrunk by 0.2 per cent in 2015 and that of imports grew by 1.9 per cent. Because import prices declined by clearly more than export prices, imports at current prices contracted more than exports. The value of goods exports and imports decreased but the imports and exports of services increased clearly. The share of exports of gross domestic product decreased to 36.6 per cent and the share of imports to 37.1 per cent.

1.3 Work input almost unchanged last year

According to the National Accounts, the number of employed persons declined by 10,000 or 0.4 per cent last year. Jobs decreased most in trade, manufacturing, public administration, agriculture and forestry. Jobs increased primarily in business activities, construction and computer and related services. Hours worked diminished by 4 million hours or 0.1 per cent.

The productivity of labour in the whole national economy, i.e. gross value added at constant prices divided by number of hours worked improved by 0.2 per cent last year.

1.4 Prices went up a little

The economy's overall price level rose by 1.6 per cent last year as measured by the GDP price index. By contrast, price changes in individual products may have been large.

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 0.4 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 by 3.3 per cent because import prices decreased by 4.0 per cent but export prices only by 0.9 per cent.

1.5 National income grew by 1.7 per cent in real terms

Net national income grew by 2.0 per cent in nominal terms last year, and stood at EUR 31,200 per capita. In real terms, net national income grew by 1.7 per cent, which was clearly more than the gross domestic product because the terms of trade improved considerably. Finland's gross national income amounted to EUR 211 billion last year. It was slightly higher than gross domestic product because property income from abroad was higher than property expenditure to abroad.

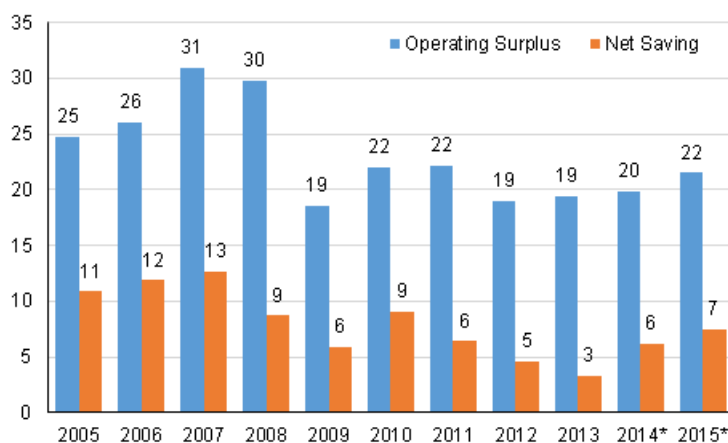
Households' wage and salary income increased by 1.0 per cent and employers' social insurance contributions by 1.4 per cent in 2015. In all, the share of compensation of employees of national income was 60.0 per cent. The respective proportion in the previous year was 60.5 per cent. Property and entrepreneurial income in the national economy increased by 5.7 per cent and its share of the national income rose to 24.3 per cent. The respective proportion in the previous year was 23.5 per cent.

1.6 Non-financial corporations' profits grew

Non-financial corporations' operating surplus describing profits from their actual operations went up by eight per cent from the previous year. Non-financial corporations' entrepreneurial income increased more, by 17 per cent, because dividend income increased and interest expenses decreased. Entrepreneurial income also takes into consideration property income and paid interests and rents, and corresponds roughly with profit before payment of taxes and dividends.

Non-financial corporations paid 15 per cent more direct taxes last year than in the previous year. Non-financial corporations are estimated to have paid two per cent more dividends. The net saving of non-financial corporations increased by EUR 1.2 billion from the previous year.

Figure 3. Non-financial corporations, operating profit from the operations proper and net saving, EUR billion



Non-financial corporations' net lending, or financial position, showed a surplus of EUR 7.4 billion, as against EUR 7.7 billion in the previous year. The financial position weakened slightly despite the increase in profits because non-financial corporations' investments and inventories increased.

The financial position of financial and insurance corporations showed a surplus of EUR 0.1 billion. Financial corporations' commission income grew by six per cent and interest income (financial intermediation services indirectly measured) by close on two per cent. The growth in commission income was mainly a result of increased commission income from asset management services. The operating surplus of financial corporations grew by EUR 0.2 billion, which was partially affected by payments related to the bank tax that was abolished in 2015. Even though the value added of financial corporations increased, the value added of insurance corporations decreased correspondingly so the operating surplus of financial and insurance corporations remained at last year's level. The interest rate level continued decreasing.

1.7. General government deficit 2.8 per cent of GDP

General government's net lending, or financial position, showed a deficit of EUR 5.8 billion, while the deficit was EUR 6.5 billion in the previous year. Last year, the deficit was 2.8 per cent relative to GDP, which was below the three per cent reference value of the European Union unlike in 2014.

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.

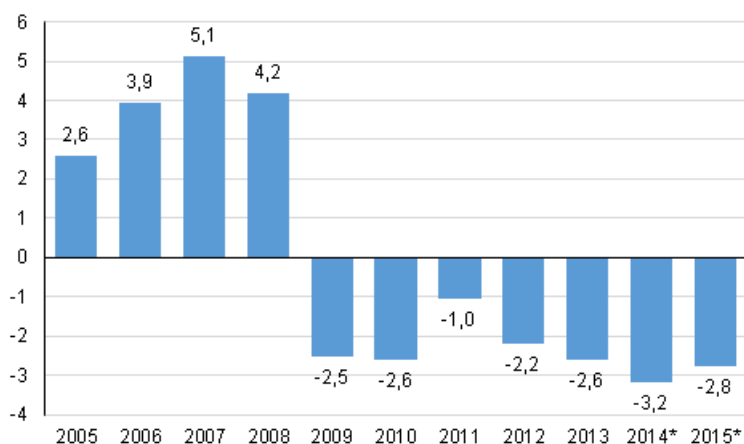
State revenues from taxes went up by 1.5 per cent. Revenues from communities' income taxes, energy taxes, inheritance tax, death duty and gift tax, and tobacco tax increased most. Tax revenues decreased as a result of the abolition of the bank tax.

Current transfers to local government (incl. repayments of value added tax) declined by 1.2 per cent. Current transfers to social security funds, in turn, grew by one per cent. Central government's consumption expenditure fell by 0.4 per cent and investments by 7.4 per cent.

The deficit or net borrowing of local government (municipalities and joint municipal authorities, etc.) was EUR 1.3 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 0.9 per cent in nominal terms mainly due to purchasing of services but gross fixed capital formation is estimated to have declined by 1.5 per cent.

The surplus of employment pension schemes decreased from the previous year. The surplus was now EUR 2.7 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 deficit. The surplus does not include holding gains in assets. Revenues from pension contributions grew by 2.4 per cent and employment pensions paid by employment pension funds went up by 3.7 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 4. General government surplus/deficit, per cent of GDP



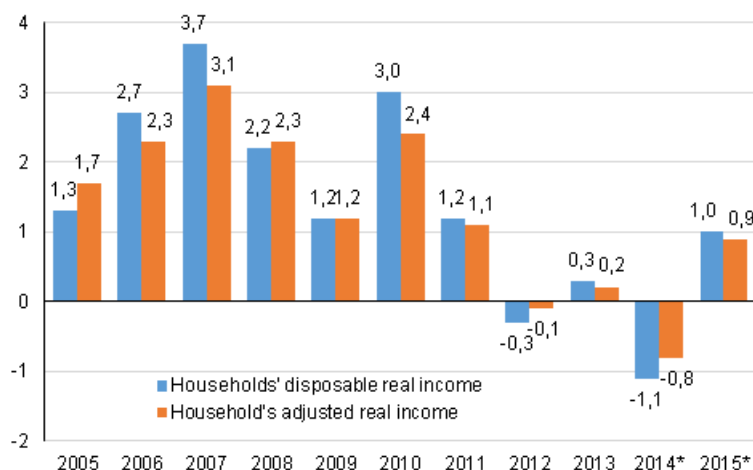
The size of the public economy is described by general government's share of the gross value added, which was 20.4 per cent in 2015, having been 20.9 per cent one year earlier. The proportion of total public expenditure to GDP dropped to 57.7 per cent. In the previous year, the proportion was 58.1 per 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 per cent last year. The tax ratio increased by 0.2 percentage points from the previous year.

1.8. Households' real income grew by one per cent

In 2015, households' disposable income increased by 1.4 per cent in nominal terms and by 1.0 per cent in real terms. Households' adjusted disposable income increased by 1.3 per cent in nominal terms and by 0.9 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 5. Annual change in households' disposable real income) and household's adjusted real income, per cent



Households' wage and salary income went up by 1.0 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 went up by 1.2 per cent. Direct taxes paid by households and compulsory social security contributions increased by 2.2 per cent.

In 2015, households' consumption expenditure increased by 1.9 per cent in nominal terms and by 1.5 per cent in real terms. Share of housing of the consumption expenditure grew further to 28.2 per cent. Households' savings rate, i.e. the ratio of savings to disposable income, was marginally positive in 2015, at 0.1 per cent.

Households' fixed investments primarily in dwellings declined by 2.9 per cent in nominal terms. The financial position of households showed a deficit of EUR 3.6 billion, while the deficit in the previous year was EUR 3.3 billion.

Households' indebtedness ratio grew further and stood at 124.5 per cent at the end of 2015, which was 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.

1.9 Current account deficit EUR 1.8 billion

Last year, Finland's current account was EUR 1.8 billion in deficit deviating from earlier preliminary data. 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 1.1 billion. However, the balance of services trade showed a deficit of EUR 2 billion.

EUR 1.1 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. Data on property income and expenditure are still extremely preliminary.

1.10 Next revision in January 2017

National Accounts for 2014 and 2015 will next be revised in January 2017.

These revised preliminary data are based on the information on economic development that was available by 8 July 2016. More information on the national accounts methods can be found on Statistics Finland's website at: http://tilastokeskus.fi/til/vtp/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*	205 364	186 409	1,0	-0,7	1,7	37 595
2015*	209 149	186 801	1,8	0,2	1,6	38 162

Revisions on these statistics

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	0,5
	Latest release	4,1	5,2	0,7	-8,3	3,0	2,6	-1,4	-0,8	-0,7	0,2
	Revision, %-points (latest minus first)	-1,4	0,8	-0,2	-0,5	-0,1	-0,3	-1,2	0,6	-0,6	-0,2
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	-0,4
	Latest release	6,7	7,4	7,9	-16,9	6,5	6,0	1,6	0,5	-0,2	1,9
	Revision, %-points (latest minus first)	1,3	3,3	9,2	5,4	3,9	5,9	5,3	2,3	1,2	3,1
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	0,6
	Latest release	10,1	9,1	6,6	-20,1	6,2	2,0	1,2	1,1	-1,7	-0,2
	Revision, %-points (latest minus first)	-0,6	4,3	7,7	4,2	1,1	2,8	2,6	0,8	-1,3	-0,6
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	0,7
	Latest release	3,2	2,8	2,0	-1,4	2,1	2,0	0,4	0,0	0,3	1,1
	Revision, %-points (latest minus first)	0,9	0,0	0,1	-0,1	0,2	-0,6	-1,0	0,3	0,4	0,3
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	-2,5	0,7
	Revision, %-points (latest minus first)	-3,8	2,4	-0,7	0,9	0,3	-0,5	1,0	-0,3	2,6	1,8

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Source: National Accounts.