

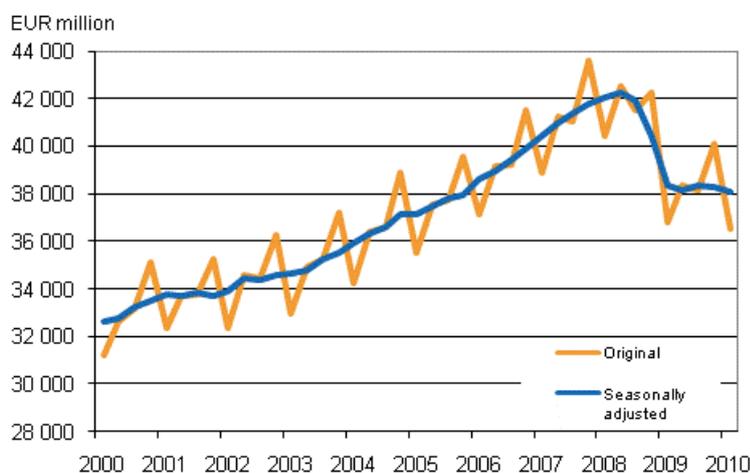
Quarterly national accounts

2010, 1st quarter

Gross domestic product contracted by 0.4 per cent from previous quarter and by 0.8 per cent year-on-year

According to preliminary data of Statistics Finland, in the first quarter of 2010 the volume of Finland's GDP contracted by 0.4 per cent from the previous quarter. Compared to the first quarter of 2009, working-day adjusted GDP contracted by 0.8 per cent. The first quarter of 2010 had the same number of working days as twelve months earlier.

Gross domestic product by quarter at reference year 2000 prices



Revisions put the change in the volume of GDP in the last quarter of 2009 at -0.2 per cent from the previous quarter (previously -0.0%) and at -5.2 per cent from twelve months back (previously -5.1%). The data of the seasonally adjusted and trend series always become revised as new observations become available. Revisions especially at turning points of economic trends may be significant, which should be taken into consideration when using seasonally adjusted and trend data.

The volume of exports fell by 11 per cent from the previous quarter and by 2.2 per cent year-on-year. The cruise ship delivery that took place in the last quarter of 2009 lowers the calculated percentage of change from the previous quarter. Imports diminished by 2.7 per cent from the previous quarter and by 4.5 per cent year-on-year. In the first quarter, the volume of private consumption decreased by 0.5 per cent from

the previous quarter but increased by 1.1 per cent from twelve months back. Investments diminished by 0.9 per cent from the previous quarter and by 5.6 per cent year-on-year.

Revisions have been made to the compilation methods of quarterly national accounts in connection with this release. All time series have been recompiled starting from the first quarter of 1990. The new methods are elaborated on in a separate methodological release: http://tilastokeskus.fi/til/ntp/men_en.html

Information on seasonal adjustment method: http://www.tilastokeskus.fi/til/tramo_seats_en.html

Volume refers to data adjusted for price changes. Volumes at reference year 2000 prices are expressed relative to the 2000 level at current prices (in EUR). Change percentages from the respective quarter twelve months back have been calculated from time series adjusted for working days, and change percentages from the previous quarter from seasonally adjusted time series.

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1. Finland's economy showed no growth in the first quarter, weak demand for exports continued

Corrected on 9 June 2010 at 14.00. The correction is indicated in red. Was previously **contracted**.

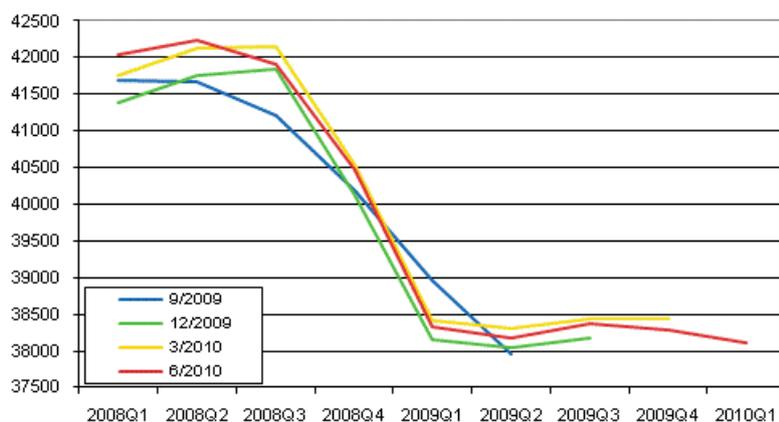
In the first quarter of 2010, the volume of Finland's gross domestic product decreased by 0.4 per cent from the previous quarter. Adjusted for working days, gross domestic product was 0.8 per cent down on the first quarter of 2009. Calculated at current prices, GDP adjusted for working days contracted by 0.1 per cent year-on-year.

Revisions put the change in the volume of GDP in the last quarter of 2009 at -0.2 per cent from the previous quarter and at -5.2 per cent from the year before, while the respective change percentages published in the previous release were 0.0% and -5.1%.

According to the revised time series, the volume of seasonally adjusted GDP peaked in the second quarter of 2008 whereafter it fell very rapidly especially in the last quarter of 2008 and the first quarter of 2009. Since then output has remained on level with the first quarter of 2009.

In the current economic downturn Finland's economy has contracted by relatively more than economy in the EU area on the whole. According to the preliminary data compiled by Eurostat, in the first quarter of the year GDP **increased** in the EU area by 0.2 per cent from the previous quarter and by 0.3 per cent year-on-year.

Revision of seasonally adjusted volume of GDP in quarterly national accounts publications



1.1. Output

In primary production, the volume of value added was 3 per cent higher in the first quarter than in the previous quarter and 1.4 per cent higher than one year earlier. In agriculture value added went up clearly year-on-year but output in forestry declined.

Manufacturing output fell slightly in the first quarter. Its value added was 1.2 per cent down on the previous quarter but 1.9 per cent up on the respective quarter twelve months back. In the wood and paper industry value added diminished by 7.4 per cent from the previous quarter but increased by 5.4 per cent year-on-year. In the metal industry (incl. electrical and electronics industry) value added decreased by 3.2 per cent from the previous quarter and by 0.2 per cent from twelve months back. In other manufacturing value added declined by 0.4 per cent from the quarter before and by 0.9 per cent year-on-year.

In construction the volume of value added has been falling steadily since the first quarter of 2008 and no change in the direction could be seen now either. In January to March its output declined by one per cent from the previous quarter and by 6.7 per cent from one year back.

In service industries value added remained on level with the previous quarter but fell by 1.3 per cent year-on-year. In trade value added stayed at the same level as in previous quarter and twelve months back. Transport, storage and communications contracted by 0.9 per cent from the previous quarter and by 2 per cent from one year back. In real estate and business activities value added remained on level with the previous quarter but fell by 2.6 per cent year-on-year

The added up volume of value added of all industries shrunk by 0.3 per cent from the quarter before and by one per cent from the year before.

1.2. Imports, exports, consumption and investments

Total demand diminished by 1.7 per cent from the previous quarter and by 1.4 per cent from one year back. Demand was brought down especially by exports, and investments in machinery, equipment and transport equipment. Foreign trade was impeded by a labour dispute in stevedoring in March.

In January to March, the volume of exports fell by 11 per cent from the previous quarter and was 2.2 per cent lower than twelve months earlier. Comparison with the previous quarter is made difficult by a cruise ship delivery that took place in October 2009. However, even if this vessel delivery worth a billion euros is taken into account seasonally adjusted export at current prices remains slightly lower in the first quarter than in the previous quarter. Exports of goods diminished by 9.4 per cent and those of services by 12.2 per cent from the previous quarter. The volume of imports fell by 2.7 per cent from the previous quarter and was 4.5 per cent smaller than twelve months ago. Imports of goods decreased by 3.8 per cent but those of services grew by 1.4 per cent from the previous quarter.

Revisions put the change in imports (goods and services together) in the fourth quarter at -1.4 per cent from the previous quarter and at -16.9 per cent from twelve months back whereas in the previous release the respective figures were +0.7% and -16.5%. The change in the volume of exports in the fourth quarter became revised to +10.1 per cent from the previous quarter and to -12.2 per cent from the year before, while the respective change percentages published in the previous release were +7.4% and -13.8%. Data on imports and exports may become substantially revised.

In the first quarter of the year, the volume of private consumption contracted by 0.5 per cent from the previous quarter but grew by 1.1 per cent from twelve months back. The impact of the harsh winter is seen in the consumption of non-durable goods (e.g. electricity, fuels) which went up by 1.3 per cent from the previous quarter. The volume of public consumption expenditure grew by 0.6 per cent when compared both with the previous quarter and the same quarter twelve months back.

In the first quarter the volume of investments decreased by 0.9 per cent from the quarter before and by 5.6 per cent from twelve months back. Construction investments diminished by 0.5 per cent from the previous quarter and by 5.6 per cent year-on-year. However, investments in residential building are showing clear signs of picking up from the previous weak year as their volume grew by 8.7 per cent from the previous quarter and by 15.9 per cent from one year ago. The volume of investments in machinery, equipment and transport equipment contracted by 6.2 per cent from the previous quarter and by 3.6 per cent year-on-year. Private investments decreased by 1.2 per cent but public investments grew by 0.6 per cent from the quarter before.

1.3. Employment, wages and salaries and national income

No essential changes took place in the employment situation in the first quarter. The number of employed persons went up by 0.5 per cent from the previous quarter but was 2.4 per cent lower than one year earlier. The number of hours worked in the national economy increased by 1.1 per cent from the previous quarter and by 0.9 per cent from one year back. The quarter contained the same number of working days as the corresponding quarter of the year before.

According to Statistics Finland's Labour Force Survey, the rate of unemployment in the January to March period was 9.3 per cent. In the corresponding period of last year it stood at 7.6 per cent.

In the January to March period the nominal wages and salaries bill (excluding incentive stock options) of the national economy diminished by 0.2 per cent from the previous quarter and by 0.6 per cent year-on-year.

The operating surplus (net), which in business bookkeeping corresponds roughly with business profit, grew by 14.2 per cent at current prices from twelve months back. Gross national income calculated at current prices was 0.3 per cent higher than one year previously.

1.4. The available data

These preliminary data on the first quarter of 2010 are based on the information on economic development that had become available by 28 May 2010. The changes concerning the data providers' reporting frequencies made to the Tax Administration's OIVA database at the beginning of 2010 have at least temporarily impaired the coverage of the source data for value added and gross domestic product in particular. For this reason the estimate of GDP for the first quarter of 2010 may become revised by more than usual in the next release.

Data at the annual level correspond with the National Accounts data released on 29 January 2010. Annual data for the years 2007 to 2009 will next become revised in connection with the release of annual accounts on 15 July 2010. Data concerning the second quarter of 2010 will be released on 8 September 2010, 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. Seasonally adjusted time series always become revised against new observations irrespective of whether the original time series become revised or not.

The release of the Trend Indicator of Output on 13 August 2010 will for the first time also include a flash estimate of GDP for the second quarter of the year.

The revised compilation methods of quarterly national accounts are elaborated on in a separate methodological release: http://tilastokeskus.fi/til/ntp/men_en.html

Appendix tables

1. Revision of volume changes in GDP

		2009Q2	2009Q3	2009Q4	2010Q1
Seasonally adjusted quarter-on-quarter change, %	1 March 2010	-0.3	0.3	0.0	.
	9 May 2010	-0.4	0.5	-0.2	-0.4
Working day adjusted year-on-year change, %	1 March 2010	-9.1	-8.9	-5.1	.
	9 May 2010	-9.8	-8.2	-5.2	-0.8

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