Analysis

National accounts for the third quarter of 2015

Finnish economy | 18 December 2015

On 4 December 2015, Statistics Finland published advance quarterly national accounts data containing the latest statistical data on Finnish economic developments in the third quarter of 2015.



The Bank of Finland's macroeconomic forecast presented in this publication was prepared before the release of the quarterly data by Statistics Finland. The forecast is based on the quarterly national accounts published by Statistics Finland in September, a flash estimate for the third quarter released in November and extensive indicator data on economic developments.

According to the flash estimate published in November, real GDP in the third quarter was 0.8% lower year-on-year and 0.6% lower quarter on quarter.

The most recent quarterly national accounts data signal a slightly more favourable development in real GDP for 2015 than the data previously published. However, economic growth has not returned to a clear upward trajectory during the year. Growth in domestic demand continues to be weak, and export performance has not returned clearly to growth.

According to the most recent quarterly national accounts, real GDP in the third quarter of 2015 declined by 0.2% year on year and 0.5% quarter on quarter. At the same time, real GDP growth for the second quarter was revised upwards. In response, real GDP for the first half of 2015 is higher than the September estimate.

The rate of private consumption growth in the first half of 2015 was higher than previously estimated. Private investment contracted in the first half of the year in year-on-year terms, but the level of investment was slightly higher than in earlier accounts. Export growth was weaker in both the first and the second quarter than previously estimated.

Of demand components, lower net exports and a contraction in investment eroded GDP growth in the third quarter. Exports were 0.7% down on the previous quarter and 3.4% down year-on-year. Both goods and services exports declined year-on-year. Imports, in turn, were up 1.8% quarter-on-quarter, but down 3.4% year-on-year.

Private investment contracted 1.4% quarter-on-quarter and 3.6% year-on-year. The contraction in investment was broadly based, with the exception of investment in soil and water engineering. Investment in machinery and equipment was 1.5% down quarter-on-quarter and 5.2% year-on-year, while investment in housing construction was 0.4% down on the previous quarter. By contrast, investment in other civil engineering projects rose 6.3% year-on-year.

Private consumption grew 0.8% quarter-on-quarter, with consumption of consumer durables and services notably increasing from the previous quarter.

Value added at basic prices recorded a quarter-on-quarter decline of 0.4% in the third quarter. Output contracted particularly in electrical engineering and electronics. Value added in services was 0.1% down on the previous quarter, with business services and ICT business posting growth. Output in construction increased by 0.1%.

Work input grew. The number of people in employment rose by 0.1%, while the number of hours worked increased by 0.9% quarter-on-quarter. The wage bill was 0.5% up on the previous quarter.

Keywords

exports, gross domestic product, private consumption , quarterly national accounts