Forecast

# Forecast tables for 2019–2021 (June 2019)

Finnish economy | 11 June 2019

See forecast tables for the Finnish economy in 2019–2021.

EURO&TALOUS

Bank of Finland's forecast for the Finnish economy, June 2019

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| GDP, % | 2.3 | 1.6 | 1.5 | 1.3 |
| Inflation, % | 1.2 | 1.3 | 1.4 | 1.6 |

## June 2019

| 1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES | | | | | |
|---|---|---|---|---|---|
| **% change on previous year** | | | | | |
| | *2017* | *2018* | *2019$^f$* | *2020$^f$* | *2021$^f$* |
| GDP at market prices | 2.7 | 2.3 | 1.6 | 1.5 | 1.3 |

| 1. BALANCE OF SUPPLY AND DEMAND, AT REFERENCE YEAR 2010 PRICES | | | | | |
|---|---|---|---|---|---|
| Imports of goods and services | 3.8 | 4.2 | 1.9 | 1.8 | 2.6 |
| Exports of goods and services | 7.7 | 1.5 | 2.8 | 2.1 | 2.8 |
| Private consumption | 1.5 | 1.4 | 1.3 | 1.4 | 1.4 |
| Public consumption | -0.4 | 1.4 | 0.4 | 0.6 | 0.1 |
| Private fixed investment | 4.8 | 3.3 | 2.2 | 2.0 | 2.0 |
| Public fixed investment | 2.4 | 3.0 | 0.3 | 0.1 | 1.5 |
| **Source: Bank of Finland.** | | | | | |

| 2. CONTRIBUTIONS TO GROWTH[1] | | | | | |
|---|---|---|---|---|---|
| | *2017* | *2018* | *2019[f]* | *2020[f]* | *2021[f]* |
| GDP, % change | 2.7 | 2.3 | 1.6 | 1.5 | 1.3 |
| Net exports | 1.4 | -1.0 | 0.3 | 0.1 | 0.1 |
| Domestic demand excl. inventory change | 1.7 | 1.8 | 1.2 | 1.2 | 1.2 |
| of which Consumption | 0.7 | 1.1 | 0.8 | 0.9 | 0.8 |
| Investment | 0.9 | 0.7 | 0.4 | 0.4 | 0.4 |
| Inventory change + statistical discrepancy | -0.4 | 1.6 | 0.0 | 0.1 | 0.0 |
| [1] Bank of Finland calculations. Annual growth rates using the previous year's GDP shares at current prices as weights. | | | | | |
| **Source: Bank of Finland.** | | | | | |

| 3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS | | |
|---|---|---|
| **Index 2010 = 100, and % change on previous year** | | |

| 3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS | | | | | |
|---|---|---|---|---|---|
| | *2017* | *2018* | *2019$^{f}$* | *2020$^{f}$* | *2021$^{f}$* |
| GDP at market prices | 113.2 | 115.4 | 117.5 | 119.6 | 122.1 |
| | 0.9 | 1.9 | 1.8 | 1.8 | 2.1 |
| Imports of goods and services | 101.8 | 105.4 | 105.6 | 108.0 | 110.1 |
| | 3.4 | 3.5 | 0,2 | 2.2 | 2.0 |
| Exports of goods and services | 104.4 | 108.6 | 109.2 | 111.5 | 113.7 |
| | 3.3 | 4.0 | 0.6 | 2.1 | 2.0 |
| Private consumption | 111.8 | 113.3 | 114.7 | 116.1 | 118.0 |
| | 0.6 | 1.3 | 1.2 | 1.3 | 1.6 |
| Public consumption | 112.3 | 114.1 | 116.8 | 120.4 | 124.6 |
| | 0.3 | 1.6 | 2.4 | 3.1 | 3.4 |
| Private fixed investment | 112.4 | 115.4 | 118.1 | 120.6 | 122.9 |
| | 1.6 | 2.7 | 2.3 | 2.1 | 1.9 |
| Public fixed investment | 112.1 | 115.6 | 117.4 | 120.3 | 122.5 |
| | 1.0 | 3.1 | 1.6 | 2.5 | 1.8 |
| Terms of trade (goods and services) | 102.5 | 103.0 | 103.4 | 103.3 | 103.3 |
| | -0.1 | 0.4 | 0.4 | -0.1 | 0.0 |
| **Source: Bank of Finland.** | | | | | |

| 4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES | | | | | |
|---|---|---|---|---|---|
| **EUR million and % change on previous year** | | | | | |
| | *2017* | *2018* | *2019$^{f}$* | *2020$^{f}$* | *2021$^{f}$* |
| GDP at market prices | 223,892 | 233,555 | 241,574 | 249,589 | 258,088 |

| 4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES | | | | | |
|---|---|---|---|---|---|
| | 3.6 | 4.3 | 3.4 | 3.3 | 3.4 |
| Imports of goods and services | 85,577 | 92,329 | 94,303 | 98,091 | 102,606 |
| | 7.3 | 7.9 | 2.1 | 4.0 | 4.6 |
| Total supply | 309,469 | 325,884 | 335,877 | 347,680 | 360,694 |
| | 4.6 | 5.3 | 3.1 | 3.5 | 3.7 |
| Exports of goods and services | 86,228 | 91,005 | 94,095 | 98,041 | 102,735 |
| | 11.3 | 5.5 | 3.4 | 4.2 | 4.8 |
| Consumption | 172,992 | 177,888 | 182,562 | 188,001 | 194,047 |
| | 1.4 | 2.8 | 2.6 | 3.0 | 3.2 |
| Private | 121,513 | 124,844 | 128,037 | 131,461 | 135,491 |
| | 2.1 | 2.7 | 2.6 | 2.7 | 3.1 |
| Public | 51,479 | 53,044 | 54,525 | 56,540 | 58,556 |
| | -0.1 | 3.0 | 2.8 | 3.7 | 3.6 |
| Fixed investment | 49,591 | 52,603 | 54,740 | 56,838 | 59,011 |
| | 5.9 | 6.1 | 4.1 | 3.8 | 3.8 |
| Private | 40,434 | 42,880 | 44,834 | 46,682 | 48,514 |
| | 6.4 | 6.0 | 4.6 | 4.1 | 3.9 |
| Public | 9,157 | 9,723 | 9,906 | 10,156 | 10,498 |
| | 3.5 | 6.2 | 1.9 | 2.5 | 3.4 |
| Inventory change + statistical discrepancy | 658 | 4,388 | 4,480 | 4,800 | 4,900 |
| % of previous year's total demand | -0.1 | 1.2 | 0.0 | 0.1 | 0.0 |
| Total demand | 309,469 | 325,884 | 335,877 | 347,680 | 360,694 |
| | 4.6 | 5.3 | 3.1 | 3.5 | 3.7 |

| 4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES | | | | | |
|---|---|---|---|---|---|
| Total domestic demand | 223,241 | 234,879 | 241,782 | 249,639 | 257,959 |
| | 2.3 | 5.2 | 2.9 | 3.2 | 3.3 |
| **Source: Bank of Finland.** | | | | | |

| 5. BALANCE OF SUPPLY AND DEMAND | | | | | |
|---|---|---|---|---|---|
| **% of GDP at current prices** | | | | | |
| | ***2017*** | ***2018*** | ***2019$^{f}$*** | ***2020$^{f}$*** | ***2021$^{f}$*** |
| GDP at market prices | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Imports of goods and services | 38.2 | 39.5 | | 39.3 | 39.8 |
| Exports of goods and services | 38.5 | 39.0 | 39.0 | 39.3 | 39.8 |
| Consumption | 77.3 | 76.2 | 39.0 | 75.3 | 75.2 |
| Private | 54.3 | 53.5 | 75.6 | 52.7 | 52.5 |
| Public | 23.0 | 22.7 | 53.0 | 22.7 | 22.7 |
| Fixed investment | 22.1 | 22.5 | 22.6 | 22.8 | 22.9 |
| Private | 18.1 | 18.4 | 22.7 | 18.7 | 18.8 |
| Public | 4.1 | 4.2 | 18.6 | 4.1 | 4.1 |
| Inventory change + statistical discrepancy | 0.3 | 1.9 | 4.1 | 1.9 | 1.9 |
| Total demand | 138.2 | 139.5 | 1.9 | 139.3 | 139.8 |
| Total domestic demand | 99.7 | 100.6 | 139.0 | 100.0 | 99.9 |
| **Source: Bank of Finland.** | | | | | |

| 6. PRICES |
|---|
| **Index 2010 = 100, and % change on previous year** |

| 6. PRICES | | | | | |
|---|---|---|---|---|---|
| | *2017* | *2018* | *2019[f]* | *2020[f]* | *2021[f]* |
| Harmonised index of consumer prices, 2005 = 100 | 101.2 | 102.4 | 103.8 | 105.2 | 106.8 |
| | 0.8 | 1.2 | 1.3 | 1.4 | 1.6 |
| Consumer price index, 2005 = 100 | 101.1 | 102.3 | 103.6 | 105.1 | 106.7 |
| | 0.8 | 1.1 | 1.3 | 1.4 | 1.6 |
| Private consumption deflator | 111.8 | 113.3 | 114.7 | 116.1 | 118.0 |
| | 0.6 | 1.3 | 1.2 | 1.3 | 1.6 |
| Private investment deflator | 112.4 | 115.4 | 118.1 | 120.6 | 122.9 |
| | 1.6 | 2.7 | 2.3 | 2.1 | 1.9 |
| Exports of goods and services deflator | 104.4 | 108.6 | 109.2 | 111.5 | 113.7 |
| | 3.3 | 4,0 | 0.6 | 2.1 | 2.0 |
| Imports of goods and services deflator | 101.8 | 105.4 | 105.6 | 108.0 | 110.1 |
| | 3.4 | 3.5 | 0.2 | 2.2 | 2.0 |
| Value-added deflators | | | | | |
| Value-added, gross at basic prices | 113.5 | 116.0 | 118.0 | 120.7 | 123.4 |
| | 1.2 | 2.2 | 1.7 | 2.3 | 2.2 |
| **Source: Bank of Finland.** | | | | | |

| 7. WAGES AND PRODUCTIVITY | | | | | |
|---|---|---|---|---|---|
| **% change on previous year** | | | | | |
| | *2017* | *2018* | *2019[f]* | *2020[f]* | *2021[f]* |
| Whole economy | | | | | |
| Index of wage and salary earnings | 0.2 | 1.7 | 2.4 | 2.8 | 2.4 |

| 7. WAGES AND PRODUCTIVITY | | | | | |
|---|---|---|---|---|---|
| Compensation per employee | -1.2 | 1.3 | 1.5 | 2.9 | 2.3 |
| Unit labour costs | -2.7 | 1.6 | 0.7 | 1.8 | 1.4 |
| Labour productivity per employed person | 1.5 | -0.3 | 0.7 | 1.1 | 0.9 |
| **Source: Bank of Finland.** | | | | | |

| 8. LABOUR MARKET | | | | | |
|---|---|---|---|---|---|
| **1,000 persons and % change on previous year** | | | | | |
| | *2017* | *2018* | *2019$^{f}$* | *2020$^{f}$* | *2021$^{f}$* |
| Labour force survey (15–74-year-olds) | | | | | |
| Employed persons | 2,474 | 2,538 | 2,560 | 2,570 | 2,582 |
| | 1.1 | 2.6 | 0.9 | 0.4 | 0.4 |
| Unemployed persons | 234 | 202 | 177 | 175 | 173 |
| | -0.9 | -13.8 | -12.2 | -1.3 | -1.3 |
| Labour force | 2,708 | 2,740 | 2,737 | 2,745 | 2,754 |
| | 0.9 | 1.2 | -0.1 | 0.3 | 0.3 |
| Working-age population (15–64-year-olds) | 3,451 | 3,439 | 3,431 | 3,423 | 3,417 |
| | -0.3 | -0.4 | -0.2 | -0.2 | -0.2 |
| Labour force participation rate, % | 65.8 | 66.4 | 66.3 | 66.6 | 67.0 |
| Unemployment rate, % | 8.6 | 7.4 | 6.5 | 6.4 | 6.3 |
| Employment rate (15–64-year-olds), % | 69.6 | 71.7 | 72.5 | 72.9 | 73.3 |
| **Source: Bank of Finland.** | | | | | |

| 9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT | | | | | |
|---|---|---|---|---|---|
| | *2017* | *2018* | *2019f* | *2020f* | *2021f* |
| **% of GDP** | | | | | |
| General government revenue | 53.4 | 52.5 | 51.9 | 52.0 | 51.8 |
| General government expenditure | 54.2 | 53.1 | 52.4 | 52.3 | 52.1 |
| General government primary expenditure | 53.2 | 52.2 | 51.7 | 51.6 | 51.5 |
| General government interest expenditure | 1.0 | 0.9 | 0.7 | 0.6 | 0.6 |
| General government net lending | -0.8 | -0.7 | -0.5 | -0.2 | -0.3 |
| Central government | -1.8 | -1.2 | -0.8 | -0.7 | -0.6 |
| Local government | -0.2 | -0.8 | -0.8 | -0.7 | -0.7 |
| Social security funds | 1.2 | 1.3 | 1.1 | 1.1 | 0.9 |
| General government primary balance | 0.2 | 0.3 | 0.2 | 0.4 | 0.2 |
| General government structural balance[1] | -0.7 | -0.8 | -0.9 | -0.4 | -0.5 |
| General government debt (consolidated, EDP) | 61.3 | 58.9 | 58.5 | 57.9 | 57.2 |
| Central government debt | 47.2 | 44.9 | 44.3 | 43.5 | 42.6 |
| Tax ratio | 43.3 | 42.3 | 42.0 | 42.2 | 41.9 |
| **Current prices, EUR billion** | | | | | |
| General government net lending | -1.8 | -1.3 | -1,2 | -0.5 | -0.9 |
| Central government | -4.1 | -2.7 | -1,9 | -1.6 | -1.4 |
| Local government | -0.4 | -1.8 | -2.0 | -1.6 | -1.7 |
| Social security funds | 2.7 | 3.2 | 2.7 | 2.7 | 2.3 |
| General government debt | 137.3 | 137.5 | 141.4 | 144.6 | 147.7 |

| 9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT | | | | | |
|---|---|---|---|---|---|
| (consolidated, EDP) | | | | | |
| [1]The structural balance has been calculated using the methodology of the European Commission. | | | | | |
| **Source: Bank of Finland.** | | | | | |

| 10. BALANCE OF PAYMENTS | | | | |
|---|---|---|---|---|
| **EUR billion** | | | | |
| | ***2017*** | ***2018*** | ***2019[f]*** | ***2020[f]*** |
| Exports of goods and services (SNA) | 86.2 | 91.0 | 94.1 | 98.0 |
| Imports of goods and services (SNA) | 85.6 | 92.3 | 94.3 | 98.1 |
| Goods and services account (SNA) | 0.7 | -1.3 | -0.2 | -0.1 |
| % of GDP | 0.3 | -0.6 | -0.1 | 0.0 |
| Investment income and other items, net (+ statistical discrepancy) | 0.7 | -0.7 | 1.0 | 1.0 |
| Current transfers, net | -2.1 | -2.4 | -2.5 | -2.6 |
| Current account, net | -0.7 | -43.6 | -1.7 | -1.6 |
| Net lending, % of GDP | | | | |
| Private sector | 0.5 | -1.3 | -0.2 | -0.4 |
| Public sector | -0.8 | -0.6 | -0.5 | -0.2 |
| Current account, % of GDP | -0.3 | -1.9 | -0.7 | -0.7 |
| **Source: Bank of Finland.** | | | | |

| 11. INTEREST RATES | | | | |
|---|---|---|---|---|
| **%** | | | | |
| | ***2017*** | ***2018*** | ***2019[f]*** | ***2020[f]*** |

| 11. INTEREST RATES | | | | |
|---|---|---|---|---|
| 3-month Euribor[1] | -0.3 | -0.3 | -0.3 | -0.3 |
| Average interest rate on new loan drawdowns[2] | 1.8 | 1.8 | 1.8 | 1.8 |
| Average interest rate on the stock of loans[2] | 1.4 | 1.3 | 1.3 | 1.4 |
| Average interest rate on the stock of deposits[3] | 0.1 | 0.1 | 0.1 | 0.1 |
| Yield on Finnish 10-year government bonds[1] | 0.5 | 0.7 | 0.3 | 0.5 |

[1] Tehnical assumption derived from market expectations.

[2] Finnish credit institutions' loans to households and non-financial corporations (excl. overdrafts, credit card credits repurchase agreements).

[3] Finnish credit institutions' deposits from households and non-financial corporations.

**Source: Bank of Finland.**

| 12. INTERNATIONAL ENVIRONMENT | | | | |
|---|---|---|---|---|
| **The Eurosystem staff projections** | | | | |
| | *2017* | *2018* | *2019[f]* | *2020[f]* |
| **GDP, % change on previous year** | | | | |
| World | 3.6 | 3.6 | 3.3 | 3.4 |
| USA | 2.2 | 2.9 | 2.5 | 2.0 |
| Euro area | 2.5 | 1.9 | 1.7 | 1.7 |
| Japan | 1.7 | 0.9 | 1.0 | 0.1 |
| **Imports, % change on previous year** | | | | |
| World | 5.2 | 4.7 | 3.7 | 3.7 |
| USA | 4.6 | 4.7 | 4.1 | 3.2 |
| Euro area | 4.1 | 2.7 | 4.2 | 4.2 |

| 12. INTERNATIONAL ENVIRONMENT | | | | |
|---|---|---|---|---|
| Japan | 3.5 | 2.7 | 2.3 | 1.8 |
| **Index, 2010 = 100, and % change on previous year** | | | | |
| Import volume in Finnish export markets | 128.6 | 133.0 | 135.5 | 139.3 |
| | 5.9 | 3.5 | 1.9 | 2.8 |
| Export prices of Finland's competitors (excl. oil), in national currencies | 109.7 | 115.4 | 119.0 | 122.2 |
| | 3.3 | 5.2 | 3.1 | 2.7 |
| Export prices of Finland's industrial competitors (excl. oil), in euro | 104.9 | 106.3 | 110.0 | 112.8 |
| | 2.9 | 1.4 | 3.4 | 2.6 |
| Industrial raw materials (excl. energy), HWWA index, in US dollars | 118.2 | 124.8 | 117.6 | 119.5 |
| | 21.5 | 5.6 | -5.8 | 1.6 |
| Oil price, USD per barrel[1] | 54.4 | 71.1 | 68.1 | 65.7 |
| | 23.5 | 30.6 | -4.2 | -3.5 |
| Finland's nominal competitiveness indicator[2] | 103.6 | 107.5 | 107.2 | 107.3 |
| | 0.3 | 3.8 | -0.3 | 0.1 |
| US dollar value of one euro | 1.13 | 1.18 | 1.12 | 1.12 |
| | 2.1 | 4.5 | -4.8 | -0.4 |
| [1] Technical assumption derived from market expectations. | | | | |
| [2] Narrow, supplemented with euro area countries, January–March 1999 = 100. | | | | |
| **Source: Bank of Finland.** | | | | |

| 13. CURRENT AND DECEMBER 2018 FORECAST | | | | |
|---|---|---|---|---|
| | *2018* | *2019[f]* | *2020[f]* | *2021[f]* |

| 13. CURRENT AND DECEMBER 2018 FORECAST | | | | |
|---|---|---|---|---|
| GDP, % change | 2.3 | 1.6 | 1.5 | 1.3 |
| December 2018 | 2.7 | 1.9 | 1.7 | 1,4 |
| Inflation (HICP), % | 1.2 | 1.3 | 1.4 | 1.6 |
| December 2018 | 1.2 | 1.3 | 1.6 | 1.7 |
| Current account, % of GDP | -1.9 | -0.7 | -0.7 | -0.6 |
| December 2018 | -0.9 | 0.0 | 0.1 | 0.1 |
| General government net lending, % of GDP | -0.7 | -0.5 | -0.2 | -0.3 |
| December 2018 | -0.9 | -0.7 | -0.3 | -0.3 |
| General government debt (EDP), % of GDP | 58.9 | 58.5 | 57.9 | 57.2 |
| December 2018 | 59.4 | 59.0 | 57.9 | 57.1 |
| Unemployment rate, % | 7.4 | 6.5 | 6.4 | 6.3 |
| December 2018 | 7.6 | 7.2 | 7.1 | 7.0 |
| **Source: Bank of Finland.** | | | | |


## Keywords

economic situation, forecast, indicators