Forecast

Forecast tables for 2022–2024 (June 2022)

Finnish economy | 21 June 2022

The Finnish economy will grow 1.7% in 2022 and 0.5% in 2023.

EURO&TALOUS

Bank of Finland's forecast for the Finnish economy, June 2022

	2021	2022	2023	2024
GDP, %	3.5	1.7	0.5	1.5
Inflation, %	2.1	5.6	2.4	1.8

1.BALANCE OF SUPPLY AND DEMAND AT REFERENCE YEAR 2015 PRICES

% change on previous year

	2020	2021	2022[f]	2023[f]	2024[f]
GDP at market prices	-2.3	3.5	1.7	0.5	1.5
Imports of goods and services	-6.6	5.3	3.5	1.0	1.8

Sources: Bank of Finland and Statistics Finland.

1.BALANCE OF SUPPLY AND DEMAND AT REFERENCE YEAR 2015 PRICES					
Exports of goods and services	-7.5	4.7	1.5	2.1	3.5
Private consumption	-4.1	3.1	1.7	0.6	1.0
Public consumption	0.4	3.2	1.8	-0.3	0.5
Private fixed investment	-2.9	4.6	4.7	-1.3	0.5
Public fixed investment	11.2	-12.0	6.9	2.0	2.5
[f]=forecast					

Sources: Bank of Finland and Statistics Finland.

2. CONTRIBUTIONS TO GROWTH[1]					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
GDP, % change	-2.3	3.5	1.7	0.5	1.5
Net exports	-0.3	-0.2	-0.8	0.5	0.7
Domestic demand excl. inventory change	-2.1	2.7	2.5	0.1	0.8
of which Consumption	-2.1	2.4	1.3	0.2	0.6
Investment	-0.1	0.3	1.2	-0.2	0.2
Inventory change + statistical discrepancy	0.2	1.0	0.0	0.0	0.0
[1]Bank of Finland calculations. Annual growth rates using the previous year's GDP shares at current prices as weights.					

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS
Index 2015 = 100, and % change on previous year

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
GDP at market prices	106.1	109.0	115.2	117.9	120.3
	1.6	2.7	5.7	2.4	2.0
Imports of goods and services	99.7	109.5	124.3	126.8	127.7
	-5.1	9.8	13.5	2.0	0.7
Exports of goods and services	100.4	110.8	125.4	128.1	129.2
	-3.9	10.4	13.2	2.1	0.9
Private consumption	104.1	106.1	112.0	114.6	116.7
	0.5	2.0	5.6	2.3	1.8
Public consumption	106.2	108.5	112.4	115.0	117.2
	3.5	2.1	3.6	2.4	1.9
Private fixed investment	111.1	112.5	117.0	120.2	123.3
	1.3	1.3	3.9	2.8	2.6
Public fixed investment	107.5	109.6	114.6	117.2	119.3
	0.2	2.0	4.6	2.2	1.9
Terms of trade (goods and services)	100.7	101.3	100.9	101.0	101.1
	1.3	0.6	-0.4	0.1	0.2

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
EUR million and % change on previous year					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
GDP at market prices	238,079	253,023	272,018	279,970	289,963
	-0.8	6.3	7.5	2.9	3.6
Imports of goods and services	84,537	97,881	114,764	118,254	121,196
	-11.3	15.8	17.2	3.0	2.5
Total supply	322,532	350,815	386,685	398,124	411,056
	-3.8	8.8	10.2	3.0	3.2
Exports of goods and services	85,104	98,474	112,888	117,738	122,877
	-11.0	15.7	14.6	4.3	4.4
Consumption	179,310	188,751	201,513	206,877	212,482
	-1.3	5.3	6.8	2.7	2.7
Private	121,502	127,838	137,272	141,282	145,261
	-3.6	5.2	7.4	2.9	2.8
Public	57,808	60,913	64,241	65,595	67,221
	3.9	5.4	5.5	2.1	2.5
Fixed investment	57,553	59,070	64,580	65,809	68,000
	0.8	2.6	9.3	1.9	3.3
Private	45,875	48,591	52,862	53,593	55,253
	-1.6	5.9	8.8	1.4	3.1
Public	11,678	10,479	11,718	12,216	12,747
	11.4	-10.3	11.8	4.2	4.4
Inventory change + statistical discrepancy	565	4,520	7,704	7,701	7,697
% of previous year's total	0.0	1.2	0.9	0.0	0.0

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES					
demand					
Total demand	322,532	350,815	386,685	398,124	411,056
	-3.8	8.8	10.2	3.0	3.2
Total domestic demand	237,428	252,341	273,797	280,386	288,179
	-0.9	6.3	8.5	2.4	2.8

Sources: Bank of Finland and Statistics Finland.

5. BALANCE OF SUPPLY AND DEMAND					
% in proportion to GDP at current prices					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	35.5	38.7	42.2	42.3	41.8
Exports of goods and services	35.8	38.9	41.5	42.1	42.4
Consumption	75.3	74.6	74.1	73.9	73.3
Private	51.1	50.5	50.5	50.5	50.1
Public	24.3	24.1	23.6	23.4	23.2
Fixed investment	24.2	23.4	23.7	23.5	23.5
Private	19.3	19.2	19.4	19.1	19.1
Public	4.9	4.1	4.3	4.4	4.4
Inventory change + statistical discrepancy,	0.2	1.8	2.8	2.8	2.7
Total demand	135.5	138.7	142.2	142.3	141.8
Total domestic demand	99.8	99.8	100.7	100.2	99.4

Sources: Bank of Finland and Statistics Finland.

6. PRICES					
Index 2015 = 100, and % change on previous year					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
Harmonised index of consumer prices, 2005=100	104.0	106.1	112.1	114.7	116.8
	0.4	2.1	5.6	2.4	1.8
Consumer price index, 2005=100	103.5	105.8	111.5	114.1	116.1
	0.3	2.2	5.4	2.3	1.8
Private consumption deflator	104.1	106.1	112.0	114.6	116.7
	0.5	2.0	5.5	2.3	1.8
Private investment deflator	111.1	112.5	117.0	120.2	123.3
	1.3	1.3	3.9	2.8	2.6
Exports of goods and services deflator	100.4	110.8	125.4	128.1	129.2
	-3.9	10.4	13.2	2.1	0.9
Imports of goods and services deflator	99.7	109.5	124.3	126.8	127.7
	-5.1	9.8	13.5	2.0	0.7
Value-added deflators					
Value-added, gross at basic prices	106.4	109.5	115.2	117.8	120.2
	1.8	3.0	5.2	2.2	2.0
Private sector	106.3	109.8	115.9	118.5	121.0
	1.2	3.3	5.6	2.3	2.1
Public sector	106.8	108.3	112.1	114.1	116.2

Sources: Bank of Finland and Statistics Finland.

6. PRICES					
	4.7	1.4	3.5	1.8	1.8

Sources: Bank of Finland and Statistics Finland.

7. WAGES AND PRODUCTIVITY					
% change on previous year					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
Whole economy					
Index of wage and salary earnings	1.9	2.3	2.8	3.0	2.4
Compensation per employee	0.4	4.4	3.4	3.8	3.0
Unit labour costs	0.7	3.6	4.1	3.3	2.0
Labour productivity per employed person	-0.3	0.8	-0.7	0.5	0.9

Sources: Bank of Finland and Statistics Finland.

8. LABOUR MARKET					
1,000 persons and % change on previous year					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
Labour force survey (15–74-year-olds)					
Employed persons	2,482	2,547	2,610	2,611	2,627
	-2.0	2.6	2.4	0.1	0.6
Unemployed persons	208	210	182	183	181
	14.7	0.7	-13.5	0.7	-0.9
Labour force	2,691	2,757	2,791	2,794	2,808

Sources: Bank of Finland and Statistics Finland.

8. LABOUR MARKET					
	-1.0	2.5	1.2	0.1	0.5
Working-age population (15–64-year-olds)	3,421	3,417	3,418	3,417	3,416
	-0.2	-0.1	0.0	0.0	0.0
Labour force participation rate, %	65.1	66.9	67.8	68.0	68.5
Unemployment rate, %	7.8	7.6	6.5	6.5	6.4
Employment rate (15–64-year-olds), %	70.7	72.2	73.7	73.8	74.3

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT					
% relative to GDP					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
General government revenue	51.5	52.3	51.1	51.2	50.8
General government expenditure	57.0	54.9	53.1	52.9	52.4
General government primary expenditure	56.4	54.4	52.6	52.4	51.8
General government interest expenditure	0.7	0.5	0.5	0.5	0.6
General government net lending	-5.5	-2.6	-1.9	-1.8	-1.6
Central government	-5.5	-3.2	-2.5	-2.0	-1.9
Local government	-0.1	-0.3	-0.7	-0.8	-0.8
Social security funds	0.0	1.0	1.2	1.0	1.1

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT					
General government primary balance	-4.9	-2.1	-1.5	-1.2	-1.0
General government structural balance[1]	-4.3	-2.0	-2.0	-1.7	-1.6
General government debt (EDP)	69.0	65.8	64.4	65.4	66.1
Central government debt	52.5	50.9	50.1	51.0	51.7
Tax ratio	41.8	42.7	41.3	41.3	41.1
Current prices, EUR billion					
General government net lending	-13.1	-6.5	-5.3	-4.9	-4.7
Central government	-13.1	-8.1	-6.7	-5.6	-5.5
Local government	-0.1	-0.8	-1.9	-2.2	-2.3
Social security funds	0.1	2.4	3.3	2.9	3.1
General government debt (EDP)	164.2	166.4	175.0	182.9	191.6

[1] Based on the cyclical adjustment method used by the European System of Central Banks.

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS					
EUR billion					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
Exports of goods and services (SNA)	85.1	98.5	112.9	117.7	122.9
Imports of goods and services	84.5	97.9	114.8	118.3	121.2

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS					
(SNA)					
Goods and services account (SNA)	0.6	0.6	-1.9	-0.5	1.7
% to GDP	0.2	0.2	-0.7	-0.2	0.6
Investment income and other items, net (+ statistical discrepancy)	4.0	4.3	1.7	1.7	1.7
Current transfers, net	-2.9	-3.1	-2.6	-2.7	-3.1
Current account, net	1.7	1.8	-2.8	-1.5	0.3
Net lending, % to GDP					
Private sector	6.2	3.3	0.9	1.2	1.7
Public sector	-5.5	-2.6	-2.0	-1.8	-1.6
Current account, % to GDP	0.7	0.7	-1.0	-0.6	0.1

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES					
%					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
3-month Euribor[1]	-0.4	-0.5	0.0	1.3	1.6
Average interest rate on new loan drawdowns[2]	1.5	1.5	1.9	2.7	3.0
Average interest rate on the stock of loans[2]	1.3	1.2	1.5	2.6	2.8
Average interest rate on the stock of deposits[3]	0.0	0.0	0.2	1.0	1.1
Yield on Finnish 10-year	1.4	-0.1	1.2	1.7	1.8

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES					
government bonds[1]					

[1]Technical assumption derived from market expectations.

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

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

Sources: Bank of Finland and Statistics Finland.

12. INTERNATIONAL ENVIRONMENT					
The Eurosystem staff projections					
	2020	**2021**	**2022[f]**	**2023[f]**	**2024[f]**
GDP, % change on previous year					
World	-2.8	6.3	3.0	3.3	3.4
USA	-3.4	5.7	2.5	1.9	2.0
Euro area	-6.5	5.4	2.8	2.1	2.1
Japan	-4.7	1.7	1.7	1.9	1.1
Imports, % change on previous year					
World	-8.3	11.4	4.3	3.2	3.6
USA	-8.9	14.0	9.0	2.0	3.2
Euro area	-9.3	8.8	4.1	3.5	3.4
Japan	-7.3	5.1	5.1	4.2	4.2
Index, 2015 = 100, and % change on previous year					
Import volume in Finnish export markets	105.9	117.0	119.3	122.0	126.2
	-8.3	10.5	2.0	2.2	3.5

Sources: Bank of Finland and Statistics Finland.

12. INTERNATIONAL ENVIRONMENT					
Export prices (excl. oil) of Finland's trading partners, national currencies	105.5	116.6	133.2	136.1	137.1
	-1.4	10.6	14.2	2.2	0.8
Export prices (excl. oil) of Finland's trading partners, in euro	97.1	106.6	124.7	128.3	129.3
	-3.8	9.8	16.9	2.9	0.8
Industrial raw materials (excl. energy), HWWA index, in US dollars	119.9	173.7	184.4	173.5	166.5
	1.2	44.9	6.2	-5.9	-4.0
Oil price, USD per barrel[1]	41.5	71.1	105.8	93.4	84.3
	-33.9	66.5	49.1	-11.7	-9.8
Finland's nominal competitiveness indicator[2]	109.2	109.9	107.4	106.6	106.6
	2.5	0.7	-2.3	-0.8	0.0
US dollar value of one euro[1]	1.14	1.18	1.07	1.05	1.05
	2.0	3.5	-9.5	-1.8	0.0

[1]Technical assumption derived from market expectations.
[2]Narrow plus euro area, 1999Q1 = 100

Sources: Bank of Finland and Statistics Finland.

13. Current and December 2021 forecast				
	2021	**2022[f]**	**2023[f]**	**2024[f]**
GDP, % change	3.5	1.7	0.5	1.5
December 2021	3.5	2.6	1.5	1.3
Inflation (HICP), %	2.1	5.6	2.4	1.8

Source: Bank of Finland.

13. Current and December 2021 forecast				
December 2021	2.1	2.0	1.6	1.8
Employment rate, %	72.2	73.7	73.8	74.3
December 2021	72.0	72.8	73.3	73.6
Unemployment rate, %	7.6	6.5	6.5	6.4
December 2021	7.7	7.1	6.6	6.6
Current account, % to GDP	0.7	-1.0	-0.6	0.1
December 2021	1.5	0.0	0.1	0.1
General government net lending, % to GDP	-2.6	-1.9	-1.8	-1.6
December 2021	-2.9	-1.9	-1.3	-1.2
General government debt (EDP), % to GDP	65.8	64.4	65.4	66.1
December 2021	66.9	66.5	67.1	67.5

Source: Bank of Finland.

Keywords

economic development, economic forecast, economic outlook, forecast, indicators