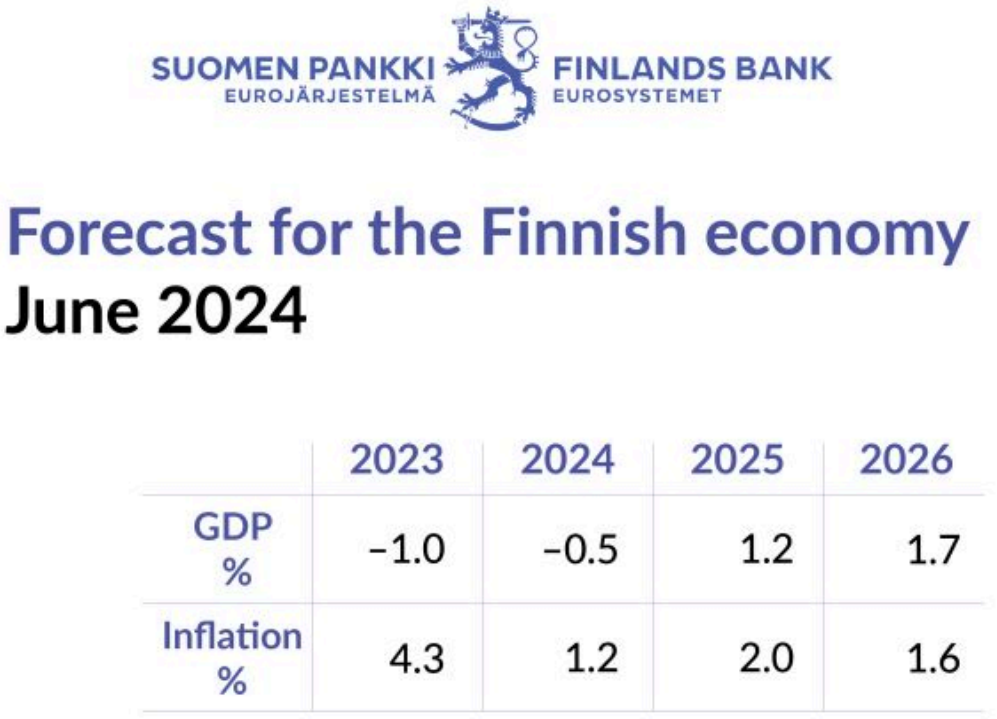
Forecast

Forecast tables for 2024–2026 (June 2024)

Finnish economy | 11 June 2024

The Finnish economy is recovering from the recession. The move out of recession will be slow, and the output of the Finnish economy in 2024 will in fact be below the level of the previous year.



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

% change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
GDP at market prices	1.3	-1.0	-0.5	1.2	1.7
Imports of goods and services	8.4	-7.1	-2.0	2.8	2.7

[f] *=forecast.*

Sources: Bank of Finland and Statistics Finland.

% change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
Exports of goods and services	3.6	-1.7	-1.7	2.8	3.0
Private consumption	1.8	0.4	0.6	0.7	1.3
Public consumption	-1.0	4.5	-0.0	-0.5	0.6
Private fixed investment	2.7	-4.1	-5.0	2.3	4.2
Public fixed investment	1.3	-4.3	9.2	11.8	-1.6

[f]=forecast.

Sources: Bank of Finland and Statistics Finland.

2. CONTRIBUTIONS TO GROWTH[1]

	2022	2023	2024[f]	2025[f]	2026[f]
GDP, % change	1.3	-1.0	-0.5	1.2	1.7
Net exports	-1.9	2.6	0.2	-0.0	0.1
Domestic demand excl. inventory change	1.3	0.3	-0.3	1.2	1.5
of which Consumption	0.7	1.3	0.3	0.2	0.9
Investment	0.6	-1.0	-0.6	0.9	0.7
Inventory change + statistical discrepancy	1.9	-3.9	-0.3	0.0	0.0

[1] Bank of Finland calculations. Annual growth rates using the previous year's GDP shares at current prices as weights.

[f]=forecast.

Sources: Bank of Finland and Statistics Finland.

3. BALANCE OF SUPPLY AND DEMAND, PRICE DEFLATORS

Index 2015 = 100, and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
GDP at market prices	114.6	120.1	121.1	123.2	125.4
	5.4	4.8	0.9	1.7	1.8
Imports of goods and services	130.6	126.2	127.4	130.2	132.7
	19.6	-3.3	0.9	2.2	1.9
Exports of goods and services	130.7	124.5	125.6	128.4	131.1
	18.7	-4.8	0.9	2.2	2.1
Private consumption	112.8	117.7	119.3	121.4	123.2
	6.2	4.4	1.3	1.8	1.5
Public consumption	114.1	118.8	121.9	125.5	128.2
	5.3	4.2	2.6	3.0	2.2
Private fixed investment	121.3	127.1	127.6	129.0	131.0
	6.7	4.8	0.4	1.0	1.6
Public fixed investment	117.7	122.2	122.9	124.1	126.0
	6.1	3.9	0.5	1.0	1.5
Terms of trade (goods and services)	100.1	98.6	98.6	98.6	98.8
	-0.8	-1.5	0.0	-0.0	0.2

f=forecast.

Sources: Bank of Finland and Statistics Finland.

4. BALANCE OF SUPPLY AND DEMAND, AT CURRENT PRICES

EUR million and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
GDP at market prices	267,683	277,625	278,807	287,023	297,005
	6.8	3.7	0.4	2.9	3.5
Imports of goods and services	127,979	114,890	113,585	119,348	124,950
	29.4	-10.2	-1.1	5.1	4.7
Total supply	395,662	392,515	392,392	406,370	421,955
	13.2	-0.8	-0.0	3.6	3.8
Exports of goods and services	121,574	113,728	112,846	118,517	124,627
	22.9	-6.5	-0.8	5.0	5.2
Consumption	203,230	215,563	220,193	225,591	231,967
	6.9	6.1	2.1	2.5	2.8
Private	138,961	145,660	148,464	152,100	156,399
	8.1	4.8	1.9	2.4	2.8
Public	64,269	69,903	71,728	73,492	75,568
	4.2	8.8	2.6	2.5	2.8
Fixed investment	64,639	64,836	63,454	66,772	69,841
	9.2	0.3	-2.1	5.2	4.6
Private	53,382	53,628	51,160	52,888	55,972
	9.6	0.5	-4.6	3.4	5.8
Public	11,257	11,208	12,294	13,884	13,869

f=forecast.

Sources: Bank of Finland and Statistics Finland.

EUR million and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
	7.4	-0.4	9.7	12.9	-0.1
Inventory change + statistical discrepancy	6,219	-1,612	-4,100	-4,510	-4,480
% of previous year's total demand	1.4	-2.0	-0.6	-0.1	0.0
Total demand	395,662	392,515	392,392	406,370	421,955
	13.2	-0.8	-0.0	3.6	3.8
Total domestic demand	274,088	278,787	279,546	287,853	297,328
	9.4	1.7	0.3	3.0	3.3

f=forecast.

Sources: Bank of Finland and Statistics Finland.

5. BALANCE OF SUPPLY AND DEMAND

% in proportion to GDP at current prices	2022	2023	2024[f]	2025[f]	2026[f]
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Imports of goods and services	47.8	41.4	40.7	41.6	42.1
Exports of goods and services	45.4	41.0	40.5	41.3	42.0
Consumption	75.9	77.6	79.0	78.6	78.1
Private	51.9	52.5	53.2	53.0	52.7
Public	24.0	25.2	25.7	25.6	25.4
Fixed investment	24.1	23.4	22.8	23.3	23.5
Private	19.9	19.3	18.3	18.4	18.8
Public	4.2	4.0	4.4	4.8	4.7

f=forecast.

Sources: Bank of Finland and Statistics Finland.

% in proportion to GDP at current prices	2022	2023	2024[f]	2025[f]	2026[f]
Inventory change + statistical discrepancy,	2.3	-0.6	-1.5	-1.6	-1.5
Total demand	147.8	141.4	140.7	141.6	142.1
Total domestic demand	102.4	100.4	100.3	100.3	100.1

f=forecast.

Sources: Bank of Finland and Statistics Finland.

6. PRICES

Index 2015 = 100, and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
Harmonised index of consumer prices, 2005=100	113.7	118.7	120.1	122.4	124.3
	7.2	4.3	1.2	2.0	1.6
Consumer price index, 2005=100	113.4	120.5	122.6	124.3	125.8
	7.1	6.3	1.8	1.4	1.3
Private consumption deflator	112.8	117.7	119.3	121.4	123.2
	6.2	4.4	1.3	1.8	1.5
Private investment deflator	121.3	127.1	127.6	129.0	131.0
	6.7	4.8	0.4	1.0	1.6
Exports of goods and services deflator	130.7	124.5	125.6	128.4	131.1
	18.7	-4.8	0.9	2.2	2.1
Imports of goods and services deflator	130.6	126.2	127.4	130.2	132.7
	19.6	-3.3	0.9	2.2	1.9
Value-added deflators					

f=forecast.

Sources: Bank of Finland and Statistics Finland.

Index 2015 = 100, and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
Value-added, gross at basic prices	114.3	120.1	121.1	123.2	125.4
	5.1	5.0	0.9	1.7	1.8

f=forecast.

Sources: Bank of Finland and Statistics Finland.

7. WAGES AND PRODUCTIVITY

% change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
Whole economy					
Index of wage and salary earnings	2.4	4.2	3.4	2.9	2.6
Compensation per employee	2.4	3.5	1.4	2.8	2.9
Unit labour costs	3.9	5.1	1.2	1.9	1.7
Labour productivity per employed person	-1.4	-1.6	0.2	0.9	1.1

f=forecast.

Sources: Bank of Finland and Statistics Finland.

8. LABOUR MARKET

1,000 persons and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
Labour force survey (15–74-year-olds)					
Employed persons	2,618	2,632	2,616	2,624	2,638
	2.8	0.5	-0.6	0.3	0.5
Unemployed persons	191	206	232	223	217
	-9.3	7.7	12.6	-3.6	-2.7

f=forecast.

Sources: Bank of Finland and Statistics Finland.

1,000 persons and % change on previous year	2022	2023	2024[f]	2025[f]	2026[f]
Labour force	2,809	2,838	2,848	2,848	2,856
	1.8	1.0	0.3	0.0	0.3
Working-age population (15–64-year-olds)	3,421	3,442	3,468	3,469	3,467
	0.1	0.6	0.7	0.0	-0.1
Labour force participation rate, %	68	69	69	69	69
Unemployment rate, %	6.8	7.2	8.1	7.8	7.6
Employment rate (20–64-year-olds), %	78	78	77	77	78

f=forecast.

Sources: Bank of Finland and Statistics Finland.

9. GENERAL GOVERNMENT REVENUE, EXPENDITURE, BALANCE AND DEBT

	2022	2023	2024[f]	2025[f]	2026[f]
% relative to GDP					
General government revenue	53.0	53.0	53.6	53.9	53.5
General government expenditure	53.4	55.6	57.3	57.2	56.4
General government primary expenditure	52.8	54.5	56.0	55.6	54.7
General government interest expenditure	0.6	1.1	1.4	1.6	1.7
General government net lending	-0.4	-2.7	-3.8	-3.3	-2.9
Central government	-1.6	-3.0	-3.3	-3.3	-3.0

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

f=forecast.

Sources: Bank of Finland and Statistics Finland.

	2022	2023	2024[f]	2025[f]	2026[f]
Local government	-0.2	-1.1	-1.1	-0.7	-0.8
Social security funds	1.2	1.5	0.6	0.8	0.9
General government primary balance	0.2	-1.6	-2.4	-1.7	-1.2
General government structural balance[1]	-2.0	-0.8	-1.6	-2.2	-3.2
General government debt (EDP)	73.5	75.8	80.5	82.6	83.5
Central government debt	52.9	56.3	60.1	62.2	63.1
Tax ratio	43.0	41.9	42.0	42.2	41.9
Current prices, EUR billion					
General government net lending	-1.0	-7.4	-10.5	-9.4	-8.6
Central government	-4.2	-8.2	-9.1	-9.6	-9.0
Local government	-0.4	-3.0	-3.2	-2.1	-2.2
Social security funds	3.2	4.2	1.8	2.2	2.6
General government debt (EDP)	196.8	210.5	224.6	237.1	248.1

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

f=forecast.

Sources: Bank of Finland and Statistics Finland.

10. BALANCE OF PAYMENTS

EUR billion	2022	2023	2024[f]	2025[f]	2026[f]
Exports of goods and services (SNA)	121.6	113.7	112.8	118.5	124.6
Imports of goods and services (SNA)	128.0	114.9	113.6	119.3	124.9
Goods and services account (SNA)	-6.4	-1.2	-0.7	-0.8	-0.3
% to GDP	-2.4	-0.4	-0.3	-0.3	-0.1

f=forecast.

Sources: Bank of Finland and Statistics Finland.

EUR billion	2022	2023	2024[f]	2025[f]	2026[f]
Investment income and other items, net (+ statistical discrepancy)	2.4	-0.5	1.0	1.0	1.0
Current transfers, net	-2.6	-2.3	-1.8	-1.7	-2.1
Current account, net	-6.5	-4.0	-1.5	-1.5	-1.5
Net lending, % to GDP					
Private sector	-1.9	1.1	3.2	2.8	2.4
Public sector	-0.5	-2.5	-3.8	-3.3	-2.9
Current account, % to GDP	-2.4	-1.4	-0.6	-0.5	-0.5

f=forecast.

Sources: Bank of Finland and Statistics Finland.

11. INTEREST RATES

%	2022	2023	2024[f]	2025[f]	2026[f]
3-month Euribor[1]	0.3	3.4	3.6	2.8	2.5
Yield on Finnish 10-year government bonds[1]	1.7	3.0	2.9	2.9	3.0

[1] *Technical assumption derived from market expectations.*

f=forecast.

Sources: ECB and Bank of Finland.

12. INTERNATIONAL ENVIRONMENT

The Eurosystem staff projections	2022	2023	2024[f]	2025[f]	2026[f]
GDP, % change on previous year					
World (excl. euro area)	6.4	3.3	2.6	3.1	3.3
USA	5.9	1.9	0.6	0.9	1.8
Euro area	5.2	3.4	0.5	1.9	1.8
Japan	1.7	1.5	1.4	1.3	1.3
Imports, % change on previous year					
World (excl. euro area)	12.6	5.6	1.9	3.3	3.3
USA	14.1	8.2	-1.1	2.4	2.9
Euro area	8.2	7.9	3.1	3.3	3.4
Japan	5.1	7.6	3.3	2.4	2.4
Index, 2015 = 100, and % change on previous year					
Import volume in Finnish export markets	117.8	124.8	126.1	130.0	134.0
	10.9	6.0	1.0	3.1	3.1
Export prices of Finland's trading partners, national currencies	116.6	135.3	136.5	140.0	143.3
	10.6	16.0	0.9	2.6	2.3
Export prices of Finland's trading partners, in euro	106.6	126.9	124.5	127.5	130.5
	9.9	19.0	-1.9	2.4	2.3

[1] Technical assumption derived from market expectations.

[2] Broad nominal effective exchange rate, January – March 2015 = 100. The index rises as the currency depreciates. Assuming no changes in the exchange rate.

[3] Assuming no changes in the exchange rate.

[f] =forecast.

Sources: ECB and Bank of Finland.

The Eurosystem staff projections	2022	2023	2024[f]	2025[f]	2026[f]
Industrial raw materials (excl. energy), HWWA index, in US dollars	152.9	162.9	144.1	141.3	143.1
	42.1	6.6	-11.5	-2.0	1.3
Oil price, USD per barrel[1]	71.1	103.7	78.0	72.6	70.4
	71.3	45.8	-24.7	-7.0	-3.1
Finland's nominal effective exchange rate [2]	109.4	106.6	109.6	109.8	109.8
	-0.7	2.6	-2.7	-0.2	0.0
US dollar value of one euro[3]	1.2	1.1	1.1	1.1	1.1
	3.7	-11.0	2.9	0.2	0.0

[1] *Technical assumption derived from market expectations.*

[2] *Broad nominal effective exchange rate, January – March 2015 = 100. The index rises as the currency depreciates. Assuming no changes in the exchange rate.*

[3] *Assuming no changes in the exchange rate.*

[f] *=forecast.*

Sources: ECB and Bank of Finland.

13. Current and December 2023 forecast

GDP, % change	2022	2023[f]	2024[f]	2025[f]	2026[f]
December 2023	2.1	-0.4	0.9	1.5	#N/A
Inflation (HICP), %	7.2	4.3	1.2	2.0	1.6
December 2023	7.2	4.5	1.3	1.6	#N/A
Employment rate (20–64-year-olds), %	78.1	78.0	77.0	77.2	77.7
December 2023	78.1	78.0	78.2	78.5	#N/A
Unemployment rate, %	6.8	7.2	8.1	7.8	7.6

f=forecast.

Sources: Bank of Finland and Statistics Finland.

GDP, % change	2022	2023[f]	2024[f]	2025[f]	2026[f]
December 2023	6.8	7.2	7.1	7.0	#N/A
Current account, % to GDP	-2.4	-1.4	-0.6	-0.5	-0.5
December 2023	-3.9	-1.4	-0.6	-0.5	-0.5
General government net lending, % to GDP	-0.4	-2.7	-3.8	-3.3	-2.9
December 2023	-0.8	-2.2	-2.9	-3.6	#N/A
General government debt (EDP), % to GDP	73.5	75.8	80.5	82.6	83.5
December 2023	72.8	73.9	78.5	81.3	84.0

f=forecast.

Sources: Bank of Finland and Statistics Finland.

Keywords

economic forecast, forecast, GDP, indicators, inflation