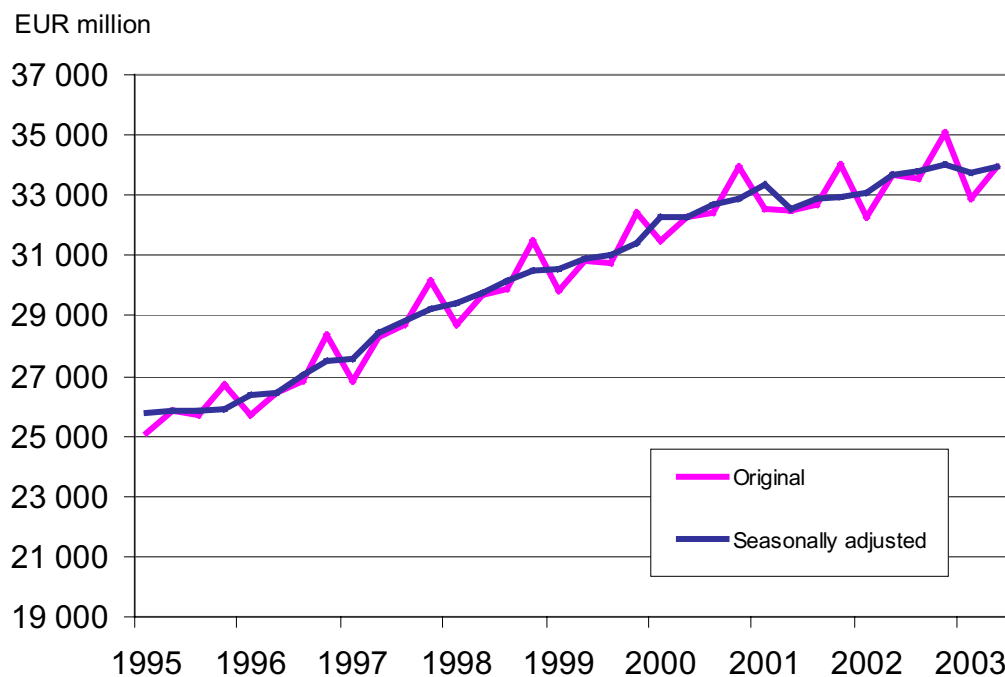


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Gross domestic product grew in the second quarter of the year

In the second quarter of 2003, the volume of Finland's gross domestic product grew by 0.6 per cent from the previous quarter. Compared with the second quarter of 2002, GDP was up by 0.7 per cent. According to revised data, GDP increased by 1.8 per cent in the January to March period compared to the corresponding period of 2002, and in the early part of the year GDP was altogether 1.3 per cent higher than one year previously. This is indicated by the preliminary National Accounts data compiled by Statistics Finland.

Gross domestic product at market prices by quarter, calculated at 2000 prices



The development of the national economy was slowed by reduction in investments. The modest growth has thus hinged on households' consumption. In the April to June period investments decreased by nearly 6 per cent from one year previously. The volume of exports did not grow and imports decreased by 2 per cent. Households' consumption expenditure rose by nearly 4 per cent. Purchases of durable consumer goods, such as motor vehicles, were still particularly numerous.

The service industries grew by one per cent and primary production by 6 per cent due to increased fellings. Output in the processing industries contracted by 2 per cent from the year before. Output in the metal industry diminished by 5 per cent in the second quarter of the year. In the wood and paper industry, output rose by 2 per cent. Construction declined by 3 per cent, only housing construction being greater than the year before.

In the second quarter, the wages and salaries bill of the national economy was 3.3 per cent higher than one year previously. Operating surplus, which in business bookkeeping roughly corresponds to business profit and households' entrepreneurial income, went down by one per cent in the corresponding period.

According to preliminary data compiled by Eurostat, the Statistical Office of the European Communities, GDP grew in the EU area by 0.6 per cent in the second quarter of 2003 compared with the corresponding quarter of 2002, but remained on level with the first quarter.

Demand and supply of national economy 2003, 2nd quarter, changes in volume from previous year's corresponding quarter and from previous quarter, per cent

	Change from previous year's corresponding quarter, %	Change from previous quarter, %
Gross domestic product	+0.7	+0.6
Imports	-1.6	-0.5
Exports	+0.3	+2.5
Consumption	+2.8	+0.7
Investments	-5.6	-2.2

Gross domestic product includes all the goods and services produced during the quarter concerned. Change in the amount, or volume of the GDP refers to a value from which the effect of deterioration in the value of money, i.e. inflation, has been removed. Change from the previous quarter is calculated from seasonally adjusted data.

Seasonally adjusted GDP refers to a value from which the effect of annually occurring regular seasonal variation caused e.g. by holiday periods or seasonal weather has been removed. Seasonally adjusted series become revised as new observations become available. The data in the last quarter, in particular, should be viewed with caution, as new observations especially at turning points of economic development may alter seasonally adjusted figures significantly.

Previous quarters are also revised against the available new and revised statistical data. The total annual levels are revised to correspond to the data of the most recent annual accounts. The final data are published with a delay of approximately two years.

Source: National Accounts 2003, 2nd quarter. Statistics Finland