

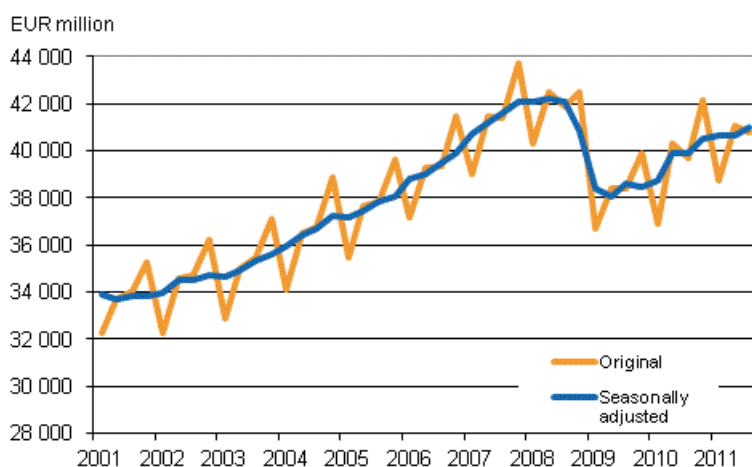
Quarterly national accounts

2011, 3rd quarter

Gross domestic product grew by 0.9 per cent from the previous quarter and by 2.7 per cent year-on-year

According to preliminary data of Statistics Finland, in the July to September period of 2011 the volume of Finland's gross domestic product increased by 0.9 per cent from the previous quarter. Compared to the third quarter of 2010, working-day adjusted GDP grew by 2.7 per cent. The third quarter of 2011 had the same number of working days as twelve months before.

Gross domestic product by quarter at reference year 2000 prices



Revisions put the change in the volume of GDP in the second quarter of 2011 at +0.1 per cent from the previous quarter (was +0.6%) and at +1.9 per cent from twelve months back (was +2.9%). The downwards revision of GDP in the second quarter was mainly due to the revisions in the value added of the electrical and electronics industry. Corrections had to be exceptionally made in the electrical and electronics industry (26-27) to the erroneous basic data originally supplied to Statistics Finland concerning the second quarter. These corrections also had an effect on the upwards revision of exports of services in the second quarter. The data of the seasonally adjusted and trend series always become revised as new observations become available. Revisions especially at turning points of economic trends may be significant, which should be taken into consideration when using seasonally adjusted and trend data.

In the third quarter, the volume of exports grew by 2.4 per cent from the previous quarter but contracted by 2.7 per cent from twelve months back. Imports decreased by 1.7 per cent from the previous quarter and by 7.1 per cent year-on-year.

In the third quarter, the volume of private consumption grew by 0.5 per cent from the previous quarter and by 3.2 per cent from twelve months back. Investments went up by 1.6 per cent from the previous quarter and by 4.2 per cent year-on-year.

The new standard industrial classification TOL2008 was adopted in National Accounts in July 2011. As a rule, Eurostat's A11 industrial breakdown (11 industries) is used in quarterly national accounts publications. Data on value added are published in quarterly national accounts with a more detailed division of 22 industries (including the A11 industries).

Volume refers to data adjusted for price changes. Volumes at reference year 2000 prices are expressed relative to the 2000 level at current prices (in EUR). Change percentages from the quarter of the previous year have been calculated from time series adjusted for working days, and change percentages from the previous quarter from seasonally adjusted time series.

Contents

1. Private services increased gross domestic product in the third quarter,	4
1.1. Production.....	4
1.2. Imports, exports, consumption and investments.....	5
1.3. Employment, wages and salaries and national income.....	5
1.4. The available data.....	6

Tables

Appendix tables

Appendix table 1. Revision of volume changes in GDP.....	7
Appendix table 2. Revision of volume changes in export.....	7
Appendix table 3. Revision of volume changes in import.....	7

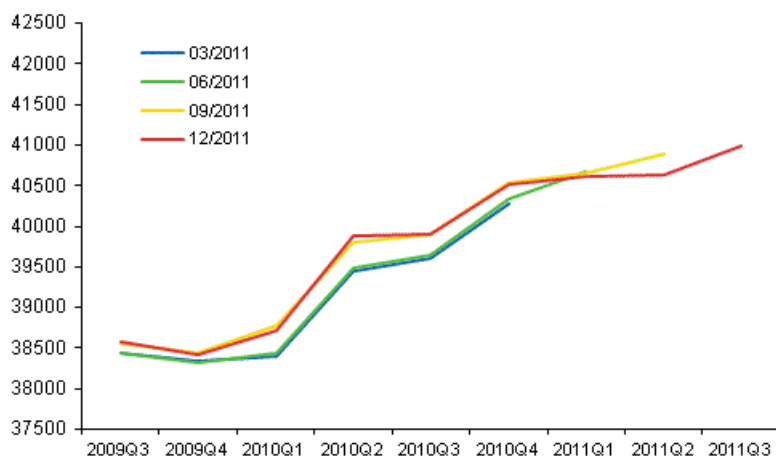
Figures

Figure 1. Revisions - seasonally adjusted volume of GDP by release.....	4
Figure 2. GDP and expenditure components, change from previous quarter (seasonally adjusted, at current prices).	5

1. Private services increased gross domestic product in the third quarter, production in the electrical and electronics industry fallen

In the third quarter, the volume of Finland's GDP increased by 0.9 per cent from the previous quarter. Adjusted for working days, gross domestic product was 2.7 per cent up on the third quarter of 2010. Calculated at current prices, GDP adjusted for working days grew by six per cent year-on-year.

Figure 1. Revisions - seasonally adjusted volume of GDP by release



According to preliminary data compiled by Eurostat, in the second quarter of 2011 GDP in the EU-27 area went up by 0.2 per cent from the previous quarter.

1.1. Production

In primary production, that is, agriculture, forestry and fishing, the volume of value added was in the third quarter 4.4 per cent higher than in the previous quarter and 13.7 per cent higher than one year earlier. In 2011 the grain crop was good and according to preliminary data from the Ministry of Agriculture and Forestry, it increased by one quarter from the previous year.

Production in manufacturing (industries B-E) fell slightly in the third quarter. Its value added was 0.6 per cent down on the previous quarter and 0.2 per cent down on the respective quarter twelve months back. In the forest industry, value added went down by 1.1 per cent from the previous quarter and by 3.4 per cent from the previous year.

In the metal industry (excl. electrical and electronics industry), value added increased by 3.1 per cent from the previous quarter and by 7.6 per cent from twelve months back. Production in the electrical and electronics industry has diminished considerably this year: in the third quarter, value added was 6.9 per cent lower than in the previous quarter and 15.9 per cent lower than one year ago.

In the July to September period, output in construction grew by 1.6 per cent from the previous quarter and by 3.6 per cent from one year back.

Value added in services went up by 0.8 per cent from the previous quarter and by three per cent year-on-year. Especially private services, such as trade, information and communication (industry J) and business-to-business services (industries M and N) have grown fairly evenly this year. In the third quarter, value added in private services grew by 1.1 per cent from the previous quarter and by 3.9 per cent from twelve months back.

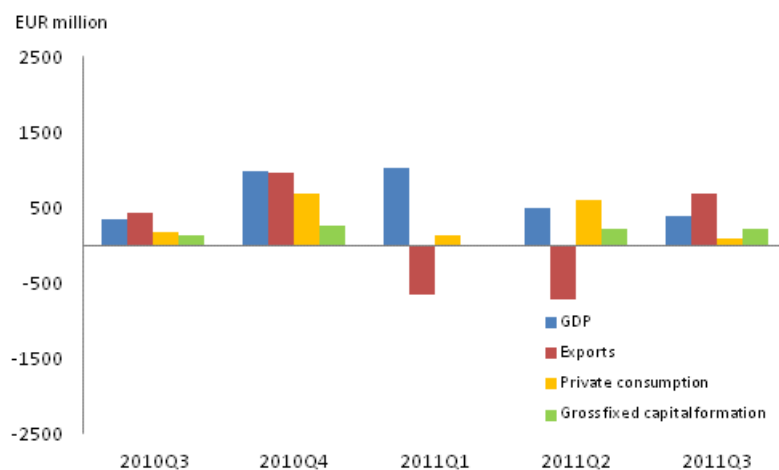
In trade, value added was 1.6 per cent up on the previous quarter and 5.2 per cent up year-on-year.

The volume of total value added generated by all industries grew by 0.8 per cent from the previous quarter and by 2.6 per cent from twelve months back.

1.2. Imports, exports, consumption and investments

In the third quarter, total demand decreased by 0.1 per cent from the previous quarter but increased by 0.5 per cent year-on-year. Private consumption, exports and investments increased demand, but public consumption expenditure decreased.

Figure 2. GDP and expenditure components, change from previous quarter (seasonally adjusted, at current prices)



In the July to September period, the volume of exports grew by 2.4 per cent from the previous quarter, but was 2.7 per cent down year-on-year. Exports of goods grew by 3.5 per cent and those of services by 2.7 per cent from the previous quarter. The volume of imports fell by 1.7 per cent from the previous quarter and was 7.1 per cent smaller than twelve months back. Imports of goods decreased by 1.5 per cent and imports of services by 1.8 per cent from the previous quarter.

The volume of private consumption grew by 0.5 per cent from the previous quarter and by 3.2 per cent from twelve months back. The volume of public consumption expenditure went down by 0.5 per cent from the previous quarter and was on level with twelve months back.

In the third quarter, the volume of investments increased by 1.6 per cent from the quarter before and by 4.2 per cent year-on-year. Construction investments remained on level with the previous quarter and grew by 0.2 per cent year-on-year. The volume of investments in machinery, equipment and transport equipment increased by 4.5 per cent from the previous quarter and by 19.8 per cent year-on-year. Private investments went up by 2.3 per cent, but public investments fell by 3.3 per cent from the quarter before.

1.3. Employment, wages and salaries and national income

In the third quarter, the number of employed persons went down by 0.2 per cent from the previous quarter, but the total number of employed was 1.3 per cent higher than one year previously. The number of hours worked in the national economy went down by 1.1 per cent from the previous quarter, but grew by 1.6 per cent from one year back.

According to Statistics Finland's Labour Force Survey, the rate of unemployment for the July to September period was 6.8 per cent. In the corresponding period of 2010 it stood at 7.3 per cent.

In the July to September period, the nominal wages and salaries bill (excluding incentive stock options) of the national economy grew by 1.2 per cent from the previous quarter and by 5.2 per cent year-on-year.

In QNA data on compensations of employees the distribution of holiday bonus into different quarters was revised with regard to the whole time series. Previously, holiday bonuses were mainly recorded in the second and third quarters, according to the time of payment. Now holiday bonuses are allocated on an accrual basis, whereby they are divided more evenly into different quarters of the year. The change was made to the whole time series and it has an effect on the quarterly distributions of industry-specific wages and salaries (D11) and employers' social contributions (D12). The revision does not influence the annual levels.

The operating surplus (net), which in business bookkeeping corresponds roughly with business profit, grew by 6.8 per cent at current prices from twelve months back. Gross national income calculated at current prices was 5.9 per cent higher than one year previously.

1.4. The available data

These preliminary data on the third quarter of 2011 are based on the source information on economic development that had become available by 28 November 2011.

The annual level data for 1990 to 2010 correspond with the National Accounts data released on 14 July 2011. Data concerning the last quarter of 2011 will be released on 2 March 2012, when the data for earlier quarters will also be revised.

Due to the benchmarking and seasonal adjustment methods, quarterly data may be slightly revised as regards the whole time series in connection with each release. Major revisions take place, however, during the next two to three years following the release on the quarter, because final annual accounts data are published at a lag of around two years from the end of the statistical reference year. Seasonally adjusted and trend time series always become revised against new observations irrespective of whether the original time series becomes revised or not.

Methodological description of Quarterly National Accounts: http://tilastokeskus.fi/til/ntp/men_en.html

Appendix tables

Appendix table 1. Revision of volume changes in GDP

		2010 4th quarter	2011 1st quarter	2011 2nd quarter	2011 3rd quarter
Seasonally adjusted quarter-on-quarter change, %	5 September 2011	1,6	0,3	0,6	.
	5 December 2011	1,5	0,2	0,1	0,9
Working day adjusted year-on-year change, %	5 September 2011	5,6	4,8	2,9	.
	5 December 2011	5,6	5,0	1,9	2,7

Appendix table 2. Revision of volume changes in export

		2010 4th quarter	2011 1st quarter	2011 2nd quarter	2011 3rd quarter
Seasonally adjusted quarter-on-quarter change, %	5 September 2011	5,9	-5,1	-7,1	.
	5 December 2011	6,0	-4,8	-6,1	2,4
Working day adjusted year-on-year change, %	5 September 2011	10,2	13,3	-6,8	.
	5 December 2011	10,2	13,6	-5,6	-2,7

Appendix table 3. Revision of volume changes in import

		2010 4th quarter	2011 1st quarter	2011 2nd quarter	2011 3rd quarter
Seasonally adjusted quarter-on-quarter change, %	5 September 2011	-0,6	-4,0	-0,0	.
	5 December 2011	-0,6	-3,8	-1,0	-1,7
Working day adjusted year-on-year change, %	5 September 2011	12,6	8,7	1,1	.
	5 December 2011	12,6	8,9	0,3	-7,1

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Source: National Accounts 2011, 3rd quarter. Statistics Finland