

Quarterly national accounts

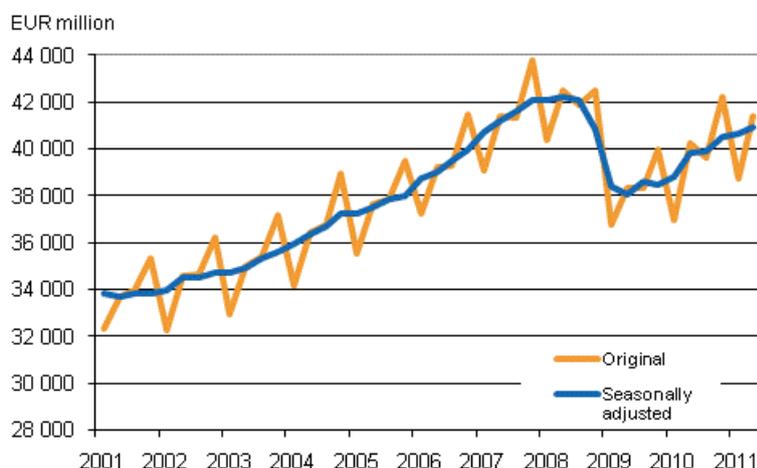
2011, 2nd quarter

Gross domestic product grew by 0.6 per cent from the previous quarter and by 2.9 per cent year-on-year

Corrected on 5 September 2011 at 10.30. The correction is indicated in red. Was previously second.

According to preliminary data of Statistics Finland, in the April to June period of 2011 the volume of Finland's gross domestic product increased by 0.6 per cent from the previous quarter. Compared to the second quarter of 2010, working-day adjusted GDP grew by 2.9 per cent. The second quarter 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 **first** quarter of 2011 at +0.3 per cent from the previous quarter (was +0.8 %) and at +4.8 per cent from twelve months back (was +5.5 %). 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.

The volume of exports fell by 7.1 per cent from the previous quarter and by 6.8 per cent year-on-year. Imports remained on level with the previous quarter but grew by 1.1 per cent year-on-year.

In the second quarter, the volume of private consumption grew by 1.4 per cent from the previous quarter and by 4.6 per cent from twelve months back. Investments went up by 2.1 per cent from the previous quarter and by 7.4 per cent year-on-year.

The new standard industrial classification TOL2008 was adopted in National Accounts in July 2011. The data for quarterly national accounts are now released for the first time with the TOL2008 classification. 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.

In July 2010, Statistics Finland started to produce three new indicators derived from the quarterly sector accounts of National Accounts: households' saving rate, non-financial corporations' investment rate and non-financial corporations' profit share. These time series can be viewed on Eurostat's website at: http://epp.eurostat.ec.europa.eu/portal/page/portal/sector_accounts/data/quarterly_data

Contents

1. Economic growth sustained by private consumption and investments in the second quarter, development of exports weak.....	4
1.1. Output.....	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

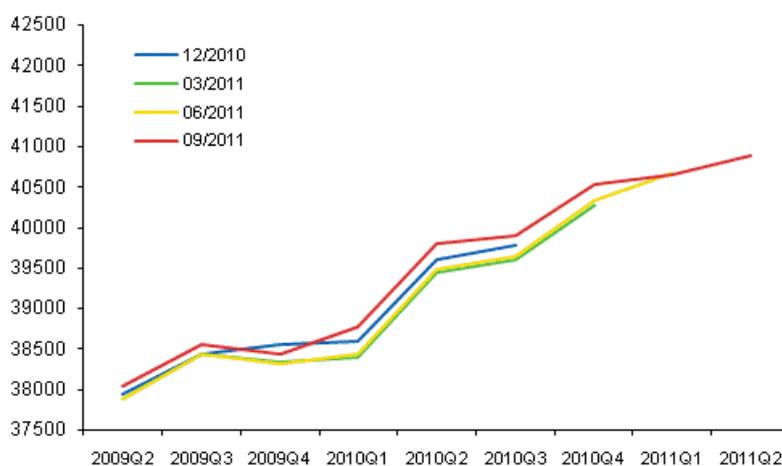
Figure 1. Revisions - seasonally adjusted volume of GDP by release.....	4
Figure 2. GDP and expenditure components, change from previous quarter (seasonally adjusted, at current prices).....	5

1. Economic growth sustained by private consumption and investments in the second quarter, development of exports weak

In the second quarter, the volume of Finland's gross domestic product grew by 0.6 per cent from the previous quarter. Adjusted for working days, gross domestic product was 2.9 per cent up on the second quarter of 2010. Calculated at current prices, GDP adjusted for working days grew by 7.3 per cent year-on-year.

In the annual accounts data released in July, the volume growth of GDP became revised to 3.6 per cent (was 3.1%). As a consequence, the change percentages of GDP in the first quarter of 2011 became revised slightly downwards: to +0.3 per cent from the previous quarter (was +0.8 %) and to +4.8 per cent from twelve months back (was +5.5 %).

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. Output

In primary production, that is, agriculture, forestry and fishing, the volume of value added was in the second quarter 2.8 per cent higher than in the previous quarter, but 2.6 per cent lower than one year previously.

Output in manufacturing grew slightly in the second quarter. Its value added was 0.4 per cent up on the previous quarter and 3.2 per cent up on the respective quarter twelve months back. In the wood and paper industry value added went up by 4.9 per cent from the previous quarter but decreased by 2.2 per cent year-on-year. In the metal industry (excl. electrical and electronics industry) value added decreased by 1.9 per cent from the previous quarter but increased by 4.8 per cent from one year back. Value added in the electrical and electronics industry grew by 3.7 per cent from the quarter before and by six per cent year-on-year.

In the April to June period, output in construction increased by 1.5 per cent from the previous quarter and by four per cent from one year back.

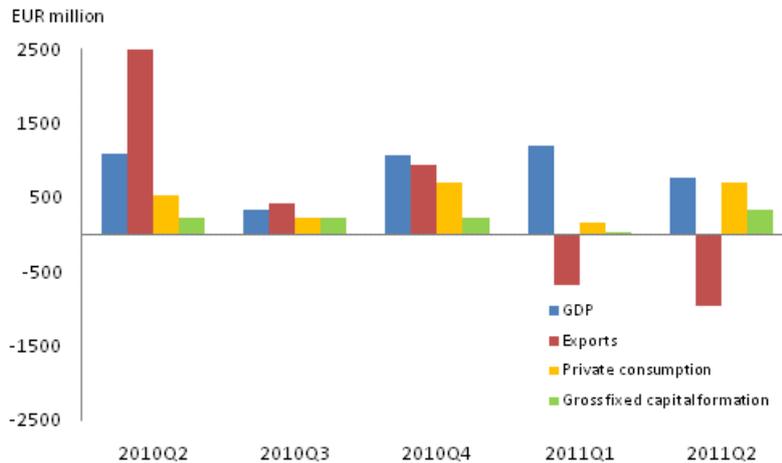
Value added in services went up by 0.7 per cent from the previous quarter and by 2.7 per cent year-on-year. In trade value added was two per cent up on the previous quarter and 4.7 per cent up year-on-year.

The volume of total value added generated by all industries grew by 0.9 per cent from the previous quarter and by 2.7 per cent from twelve months back.

1.2. Imports, exports, consumption and investments

In the second quarter, total demand decreased by 0.7 per cent from the previous quarter but increased by 1.1 per cent year-on-year. Private consumption and investments increased demand, but exports diminished.

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



In April to June, the volume of exports fell by 7.1 per cent from the previous quarter and was 6.8 per cent lower than twelve months earlier. Exports of goods contracted by 2.9 per cent and those of services by 12.8 per cent from the previous quarter. The volume of imports remained on level with the previous quarter and was 1.1 per cent up year-on-year. Imports of goods decreased by 0.5 per cent but imports of services grew by 2.6 per cent from the previous quarter.

The volume of private consumption grew by 1.4 per cent from the previous quarter and by 4.6 per cent from twelve months back. The volume of public consumption expenditure fell by 0.1 per cent from the previous quarter but grew by 0.5 per cent year-on-year.

In the second quarter, the volume of investments increased by 2.1 per cent from the quarter before and by 7.4 per cent year-on-year. Construction investments went up by 0.7 per cent from the previous quarter and by 4.7 per cent from one year back. The volume of investments in machinery, equipment and transport equipment increased by eight per cent from the previous quarter and by 18.7 per cent year-on-year. Private investments increased by 2.9 per cent but public investments fell by 7.8 per cent from the quarter before.

1.3. Employment, wages and salaries and national income

In the second quarter, the number of employed persons went up by 1.1 per cent from the previous quarter and was 1.3 per cent higher than one year previously. The number of hours worked in the national economy increased by 1.6 per cent from the previous quarter and by two per cent from one year back.

According to Statistics Finland's Labour Force Survey, the unemployment rate for the April to June period was 8.8 per cent. In the corresponding period of 2010 it stood at 9.6 per cent.

In the April to June period, the nominal wages and salaries bill of the national economy grew by 1.6 per cent from the previous quarter and by 5.8 per cent year-on-year. The large year-on-year increase in wages and salaries is partly explained by private sector bonuses, which grew substantially from the low levels of spring 2010. The operating surplus (net), which in business bookkeeping corresponds roughly with business profit, grew by 11 per cent at current prices from twelve months back. Gross national income calculated at current prices was 7.1 per cent higher one year previously.

1.4. The available data

These preliminary data on the second quarter of 2011 are based on the source information on economic development that had become available by 26 August 2011.

The annual level data for 1990 to 2010 correspond with the National Accounts data released on 14 July 2011. Data on the third quarter of 2011 will be released on 5 December 2011, when the data for previous 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 3rd quarter	2010 4th quarter	2011 1st quarter	2011 2nd quarter
Seasonally adjusted quarter-on-quarter change, %	3 June 2011	0,4	1,8	0,8	.
	5 September 2011	0,3	1,6	0,3	0,6
Working day adjusted year-on-year change, %	3 June 2011	3,1	5,5	5,5	.
	5 September 2011	3,4	5,6	4,8	2,9

Appendix table 2. Revision of volume changes in export

		2010 3rd quarter	2010 4th quarter	2011 1st quarter	2011 2nd quarter
Seasonally adjusted quarter-on-quarter change, %	3 June 2011	0,5	6,4	-4,8	.
	5 September 2011	-0,3	5,9	-5,1	-7,1
Working day adjusted year-on-year change, %	3 June 2011	10,8	6,0	15,9	.
	5 September 2011	14,6	10,2	13,3	-6,8

Appendix table 3. Revision of volume changes in import

		2010 3rd quarter	2010 4th quarter	2011 1st quarter	2011 2nd quarter
Seasonally adjusted quarter-on-quarter change, %	3 June 2011	6,1	-4,1	2,2	.
	5 September 2011	5,9	-0,6	-4,0	-0,0
Working day adjusted year-on-year change, %	3 June 2011	7,9	3,6	11,9	.
	5 September 2011	13,2	12,6	8,7	1,1

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Source: National Accounts 2011, 2nd quarter. Statistics Finland