

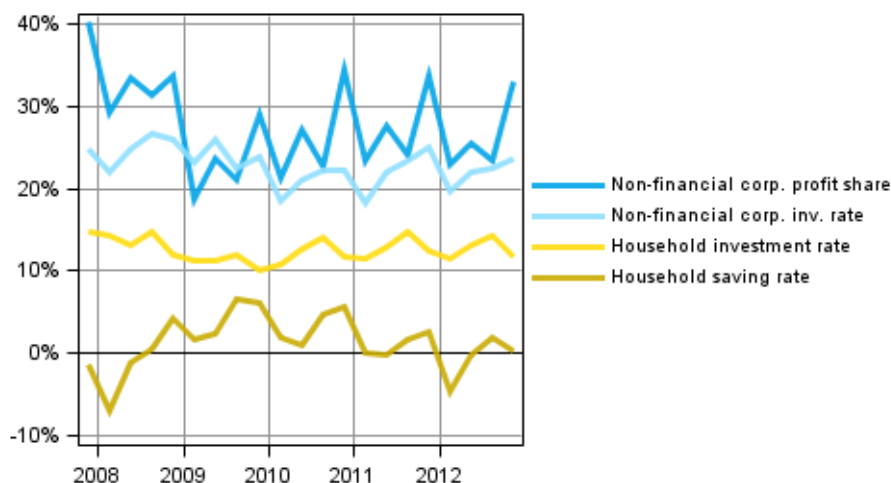
Quarterly sector accounts

2012, 4th quarter

Households saved less in the fourth quarter of 2012 than a year ago

Of the principal household indicators, the saving rate was somewhat lower than a year ago and the investment rate also decreased slightly. Households' adjusted disposable income grew marginally, but not by much. The principal enterprise sector indicators fell in the last quarter. Both the profit share and investment rate of enterprises were lower than one year ago. Net lending that describes enterprises' financial position has grown over the year, largely due to destocking. These data derive from Statistics Finland's quarterly sector accounts.

Key indicators for households and non-financial corporations



Households' saving rate was 0.3 per cent in the last quarter of 2012. One year previously, the figure was 2.6 per cent. Saving rate refers to the proportion of savings in disposable income. In the fourth quarter, the investment rate of households accounted for 11.8 per cent of disposable income. One year previously, the corresponding figure was 12.3 per cent. Most of households' investments were investments in dwellings.

Household adjusted disposable income, the indicator recommended by the OECD for measuring economic well-being, grew in nominal terms by 2.2 per cent from the corresponding quarter of last year. Adjusted

disposable income is derived by adding services produced by the public sector, such as education, health and social services, to the disposable income of the household sector.

In the last quarter of 2012, the profit share of non-financial corporations, or the share of profits in value added, was 32.9 per cent. One year previously, the corresponding figure was 33.7 per cent. The investment rate of non-financial corporations, or the proportion of investments in value added, was 23.6 per cent in the fourth quarter of 2012. One year ago, the investment rate was 25.1 per cent.

A sector account contains only figures at current prices. Profit share, saving rate and investment rate are calculated from net figures. Households do not include non-profit institutions serving households.

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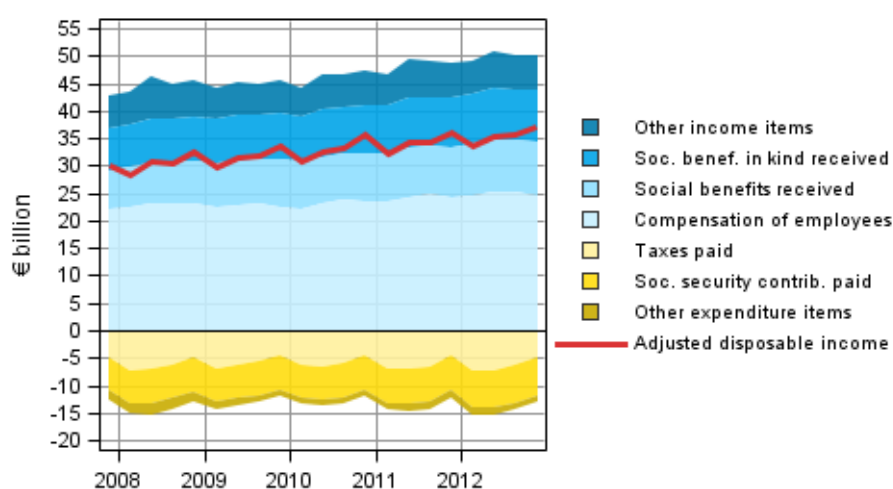
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1. Sector-specific review on the data for the fourth quarter of 2012

1.1. Households' disposable income has grown slightly

The disposable income of households grew in the fourth quarter of 2012 by EUR 0.5 billion, or nearly two per cent compared to the corresponding quarter in 2011. The key components of disposal income on the income side are wages, salaries, entrepreneurial income and property income and social benefits received. The biggest expense items are taxes paid and social contributions.

Figure 1. Components of household sector adjusted disposable income

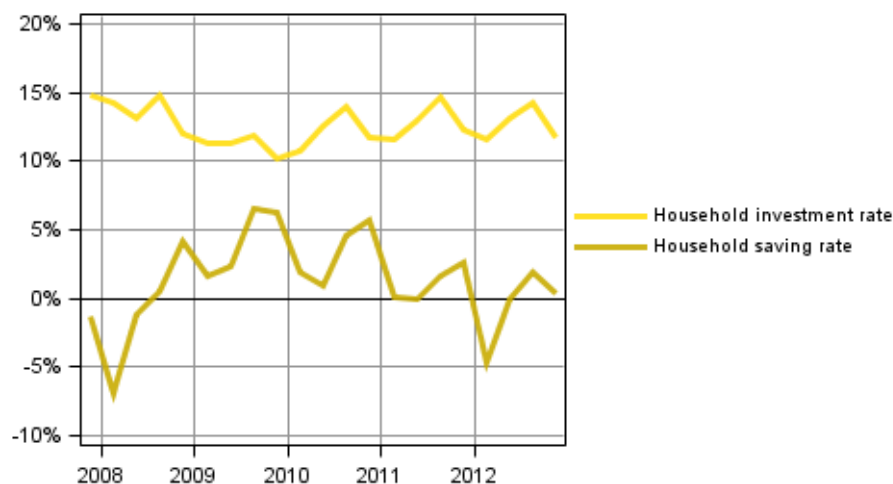


Compared to the figures one year ago, the income improved in particular due to a EUR 0.5 billion increase in wages and salaries and a EUR 0.6 billion increase in social benefits. The single expense item that had grown most was income taxes, EUR 0.6 billion more was paid in income taxes than one year ago.

When received social benefits in kind are added to the disposable income of households, the household adjusted disposable income is derived, which is the indicator recommended by the OECD for measuring economic well-being. Social benefits in kind refer, for instance, to education, health and social services. The adjusted disposable income grew by 2.2 per cent compared to the corresponding quarter last year. One-third of this is explained by growth in social transfers in kind.

In the last quarter of 2012, households' saving rate was 0.3 per cent of the disposable income. One year ago, the saving rate was 2.6 per cent. The saving rate is derived by deducting consumption expenditure from disposable income. The saving rate can be negative if households' consumption expenditure is higher than the disposable income. In the fourth quarter of 2012, the investment rate of households accounted for 11.8 per cent of disposable income. One year ago, the investment rate was 12.3 per cent. Most of households' investments were investments in dwellings.

Figure 2. Households' indicators



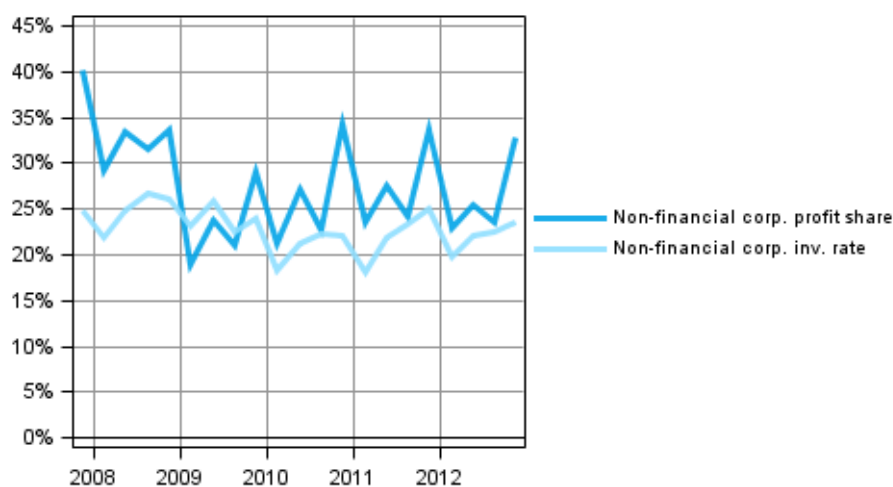
Wages and salaries paid by non-profit institutions serving households decreased by half-a-per-cent from one year ago.

In this statistics, the households sector only covers the actual households sector S14. Sector S15, non-profit institutions serving households is calculated and published separately. The households sector in Eurostat's publications also includes the data for sector S15. Another difference is that Eurostat publishes investment and savings rates as gross figures, i.e. including consumption of fixed capital. This statistics uses net data, i.e. consumption of fixed capital has been removed from the figures.

1.2. Enterprises' profit share and investment rate contracted

In the last quarter of 2012, the profit share of non-financial corporations, or the share of profits in value added, was 32.9 per cent. One year previously, the corresponding figure was 33.7 per cent. Compared to the figures from last year, the profit share of non-financial corporations has been 1-2 percentage points lower in 2012 in all quarters. The profit share is mainly determined based on the development of value added. Compensation of employees develop more evenly so the fluctuations in value added are visible in profits.

Figure 3. Non-financial corporations' indicators



The investment rate of non-financial corporations, or the proportion of fixed capital investments in value added, also decreased in the last quarter of 2012. In the fourth quarter of 2012, the investment rate was 23.6 per cent while the corresponding figure one year ago was 25.1 per cent.

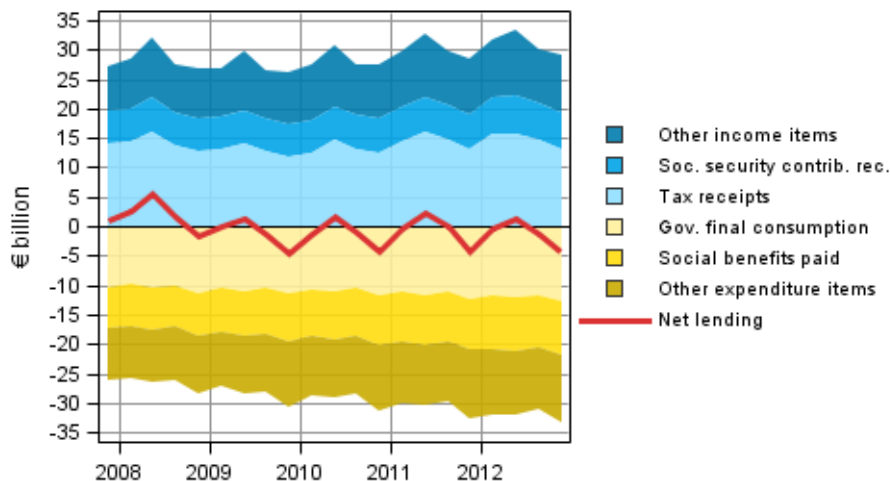
The low general level of interest rates still affects the financial and insurance sector. The property income in the sector were 23 per cent lower in the last quarter and property expenditure was 17 per cent lower than one year ago. Low interest rates weaken credit institutions' net interest income. Even though the weakened net interest income has been compensated through other financial services, the gross value added of the sector decreased by nearly one per cent from last year. As nearly three per cent more compensation of employees were paid than last year, the operating surplus that depicts profits was slightly under 10 per cent lower than a year ago. Holding gains and losses generated through own securities trading are not visible in the operating surplus and profit share; they describe the income that is generated from offering financial services to the public.

Net lending by enterprises and financial institutions has been positive over the past few years. This means that the sectors as a whole have financed their investments with their own surplus and also granted credits to other sectors. When reviewing moving averages, net lending of the non-financial corporations sector has been around three per cent of GDP and net lending of the financial corporations sector has been around one per cent of GDP. During 2012, net lending of the non-financial corporations sector has grown clearly. This is primarily due to destocking.

1.3. General government deficit was as high as one year previously in the fourth quarter

General government unconsolidated total revenue was EUR 0.7 billion higher than a year ago. Total expenditure also grew by EUR 0.7 billion. General government is comprised of central government, local government and social security funds. Unconsolidated total revenue and expenditure refers to flows from which mutual sub-sector items have not been eliminated.

Figure 4. Components of general government sector net lending



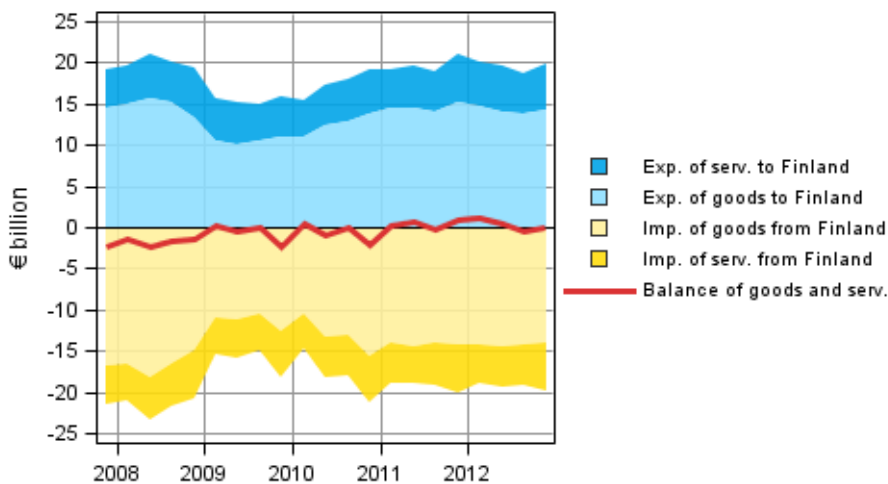
The general government deficit (net lending) formed as a difference between the total revenue and expenditure was at the same level as one year previously. On the revenue side, the financial position of general government was improved by the income tax revenue which was EUR 0.2 billion higher. EUR 0.6 billion more was paid in social benefits than one year ago, while only EUR 0.3 billion more was collected in social security contributions. Of the sub-sectors, central government deficit was lower than one year previously while the deficit of local government increased. The surplus of social security funds decreased. More detailed statistics, where the sub-sectors are specified, is published in the quarterly sector accounts of general government: http://www.stat.fi/til/jtume/index_en.html.

In general government, the calculation method for social security contributions received by employment pension schemes (D61R) was changed in order to better achieve accrual basis in the quarterly distribution of the contributions. The methodological change affects the quarterly distribution of the time series but not the annual level data.

1.4. Foreign trade showed a deficit in the fourth quarter

The essential items for the rest of the world sector are the exports and imports of goods and services. Exports of goods and services at current prices amounted to EUR 19.8 billion in the fourth quarter of 2012. Exports of goods decreased by EUR 0.1 billion and that of services went down EUR 0.2 billion from the corresponding quarter last year.

Figure 5. Components of the balance of goods and services in foreign trade (from the perspective of the rest-of-the-world sector)



Note: Figures may differ from Bank of Finland's balance of payments figures due to differences in compilation schedules. This regards especially the latest quarters.

Imports to Finland at current prices were EUR 19.9 billion in the last quarter. In total, the value of imports fell by EUR 1.2 billion from the fourth quarter in 2011. Imports of goods fell by EUR 0.9 billion and imports of services went down EUR 0.3 billion.

The balance for goods and services, which is the difference between imports and exports, showed a deficit of approximately EUR 0.1 billion in the last quarter of 2012.

1.5. Data and methods used

The quarterly data become revised as source data are updated. The biggest revision will take place for the last 2-3 years, because the data in the annual accounts are still preliminary. The data in the publication are based on the data sources available by 20 March 2013. The data for 1999 to 2011 correspond with the annual sector accounts of the National Accounts. The central government data for 2012 will be slightly revised during March which will cause small differences in the annual accounts data release from 1 March 2013.

The savings rate, profit share and investment rate in the quarterly publication of sector accounts are net amounts, i.e. consumption of fixed capital has been removed from the figures. The key indicators in this statistics have been calculated as follows:

$$\text{Households' saving rate} = B8N / (B6N + D8R)$$

$$\text{Households' investment rate} = P51K / (B6N + D8R)$$

$$\text{Profit share of non-financial corporations} = B2N / B1NPH$$

$$\text{Investment rate of non-financial corporations} = P51K / B1NPH$$

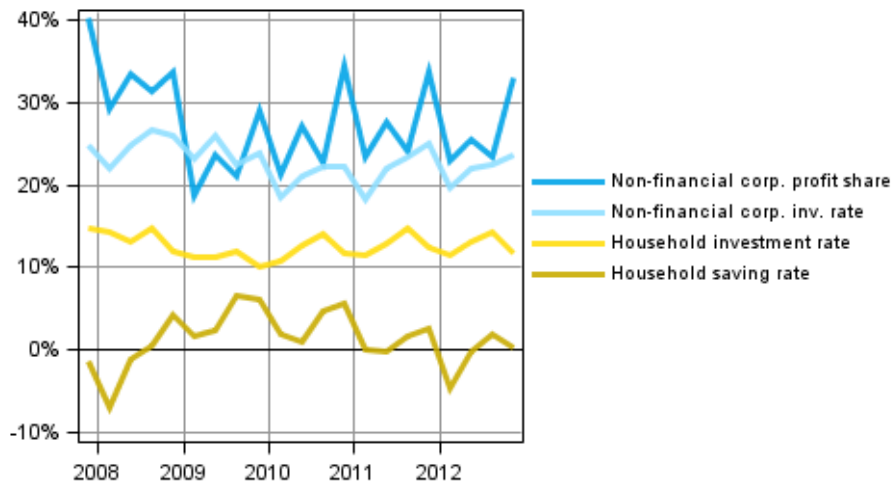
Appendix tables

Appendix table 1. Key indicators from sector accounts

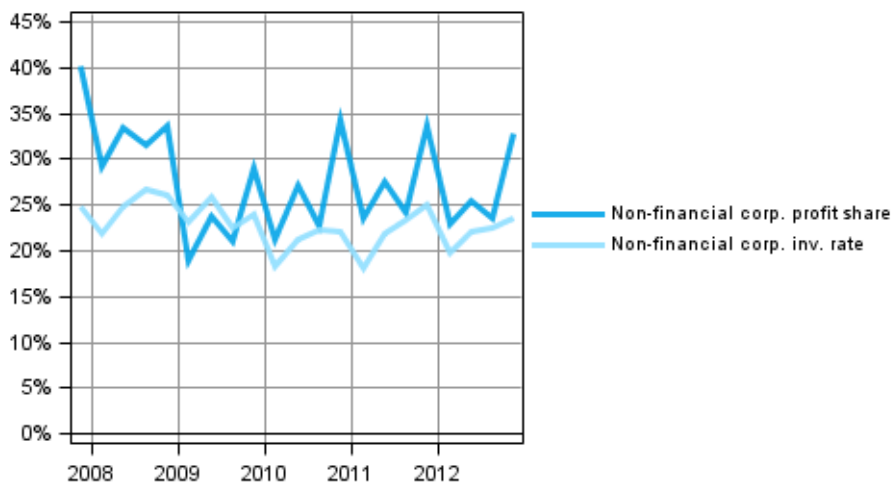
	Non-financial corporations (S11) profit share, %	Non-financial corporations (S11) investment rate, %	Household (S14) saving rate, %	Household (S14) investment rate, %
2009Q1	18.9	23.2	1.7	11.3
2009Q2	23.7	25.9	2.4	11.3
2009Q3	21.0	22.6	6.5	11.9
2009Q4	29.0	23.9	6.3	10.2
2010Q1	21.4	18.4	1.9	10.7
2010Q2	27.2	21.2	0.9	12.6
2010Q3	22.6	22.3	4.7	14.0
2010Q4	34.3	22.2	5.7	11.7
2011Q1	23.5	18.2	0.1	11.6
2011Q2	27.5	22.0	-0.1	13.0
2011Q3	24.1	23.3	1.6	14.7
2011Q4	33.7	25.1	2.6	12.3
2012Q1	23.0	19.8	-4.6	11.6
2012Q2	25.5	22.1	-0.1	13.2
2012Q3	23.5	22.4	2.0	14.3
2012Q4	32.9	23.6	0.3	11.8

Appendix figures

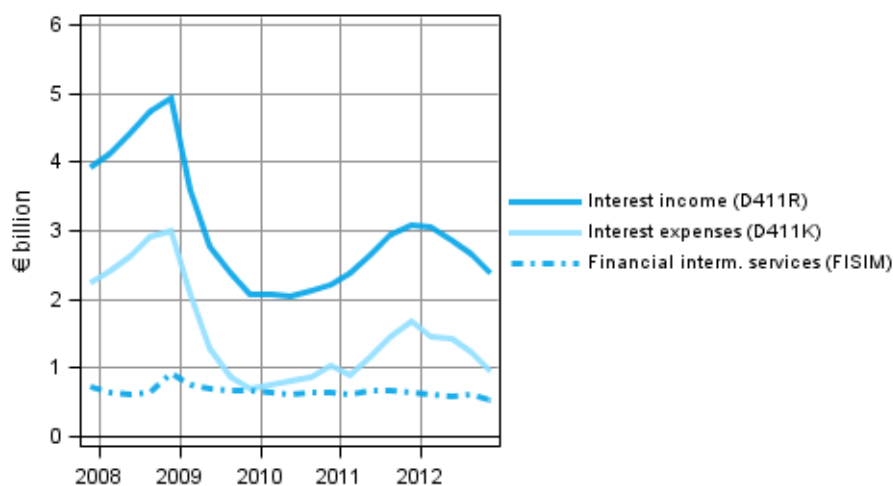
Appendix figure 1. Key indicators



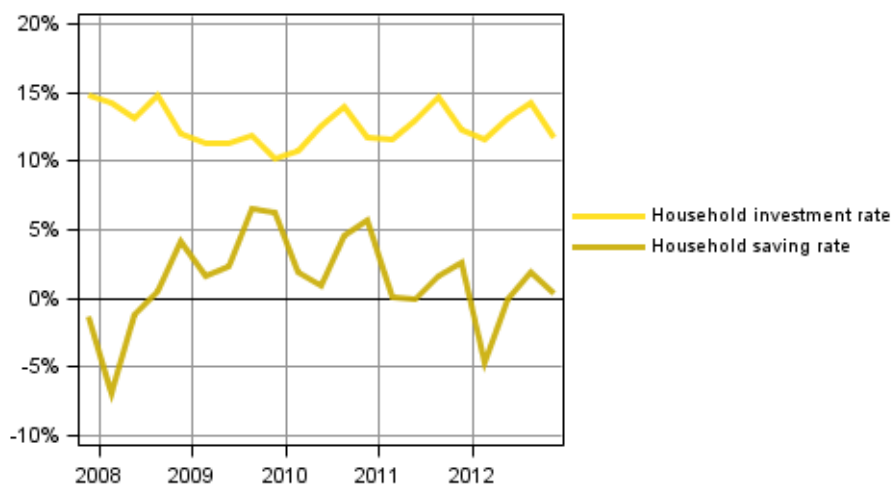
Appendix figure 2. Non-financial corporations' indicators



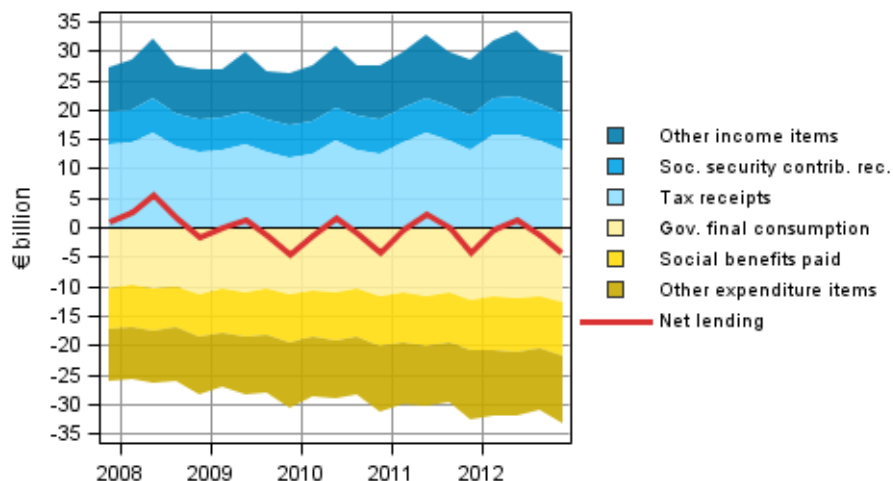
Appendix figure 3. Financial corporations' interest income and interest expenses



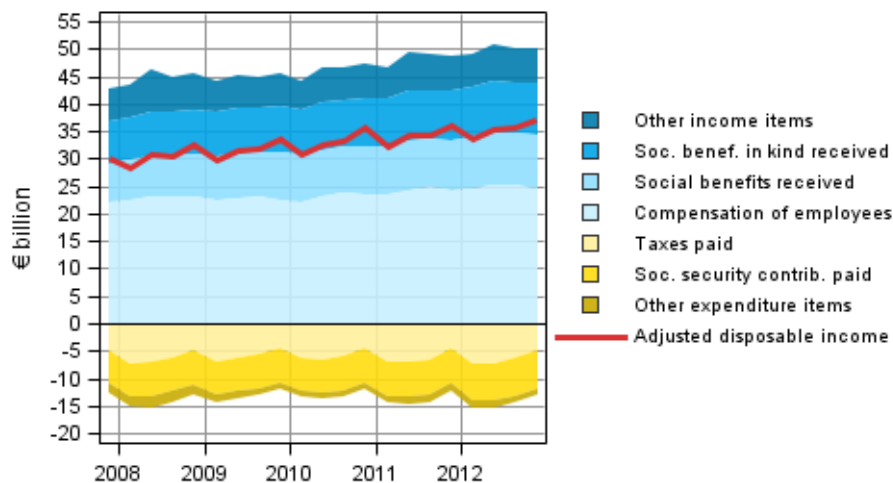
Appendix figure 4. Households' indicators



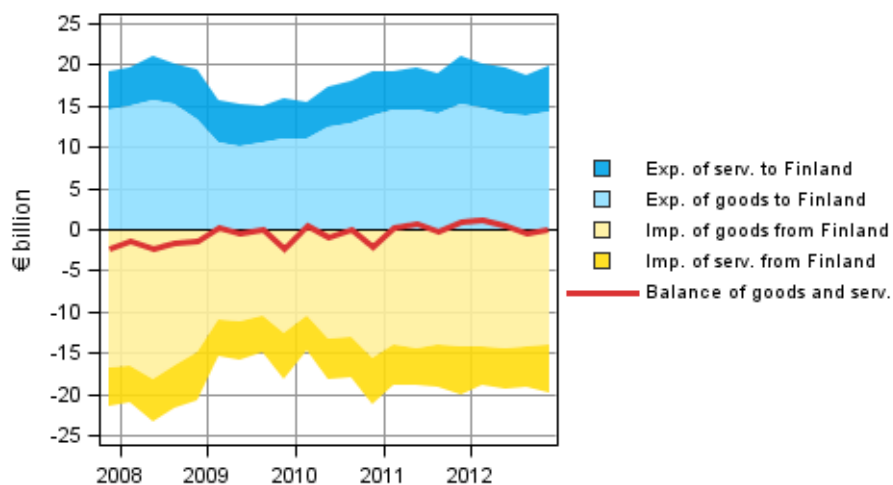
Appendix figure 5. Components of general government sector net lending



Appendix figure 6. Components of household sector adjusted disposable income

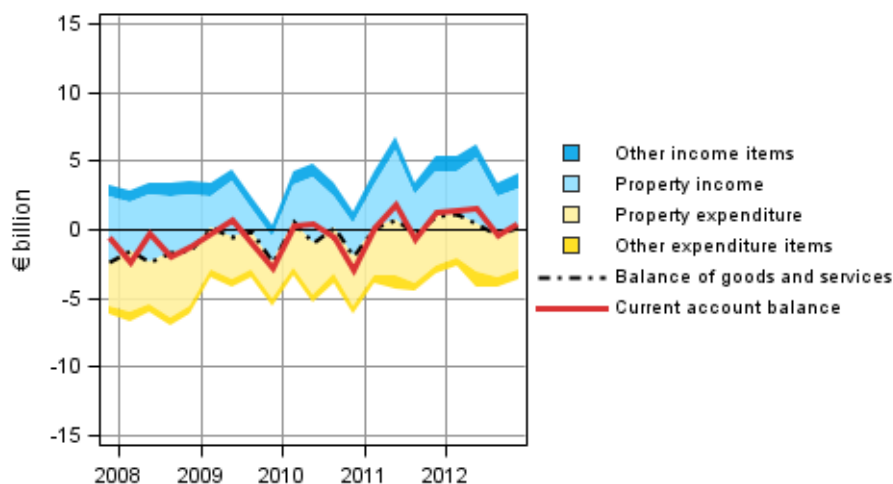


Appendix figure 7. Components of the balance of goods and services in foreign trade (from the perspective of the rest-of-the-world sector)



Note: Figures may differ from Bank of Finland's balance of payments figures due to differences in compilation schedules. This regards especially the latest quarters.

Appendix figure 8. Components of the current account balance in foreign trade (from the perspective of the rest of the world sector)



Note: Figures may differ from Bank of Finland's balance of payments figures due to differences in compilation schedules. This regards especially the latest quarters.

Revisions in these statistics

Revisions to the latest quarters' key indicators since their initial publications

		1st release (%)	Latest release (28.3.2012) (%)	Revision (% pts)
Non-financial corporations (S11) profit share	2011Q4	33.8	33.7	-0.1
	2012Q1	22.2	23.0	0.8
	2012Q2	24.7	25.5	0.8
	2012Q3	22.5	23.5	1.0
Non-financial corporations (S11) investment rate	2011Q4	24.7	25.1	0.4
	2012Q1	19.9	19.8	-0.1
	2012Q2	21.9	22.1	0.2
	2012Q3	22.6	22.4	-0.2
Household (S14) saving rate	2011Q4	0.3	2.6	2.3
	2012Q1	-3.8	-4.6	-0.8
	2012Q2	0.8	-0.1	-0.9
	2012Q3	1.7	2.0	0.3
Household (S14) investment rate,	2011Q4	12.6	12.3	-0.3
	2012Q1	11.5	11.6	0.1
	2012Q2	13.6	13.2	-0.4
	2012Q3	14.2	14.3	0.1

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