

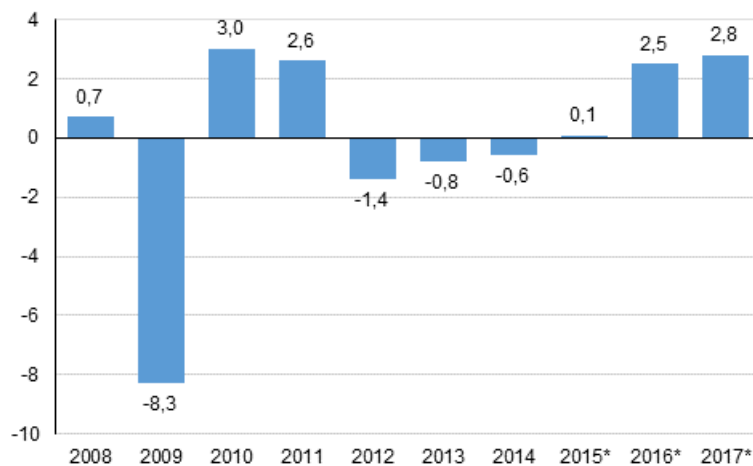
# National Accounts 2017

## Gross domestic product grew by 2.8 per cent last year

**Corrected on 12 July 2018 at 14:00.** The corrections are indicated in red.

According to Statistics Finland's revised preliminary data, the volume of Finland's GDP grew by 2.8 per cent in 2017. The initial preliminary data released in March put the rate of growth at 2.6 per cent. Gross domestic product, or the value added created in the production of goods and services, amounted to EUR 224 billion.

### Annual change in the volume of gross domestic product, per cent



## Value added grew in nearly all main industries in 2017

Examined at current prices, value added grew strongly in nearly all main industries. Growth was strongest in mining and quarrying, energy supply, administrative and support services, accommodation and food service activities, and construction. Among major industries, value added decreased slightly in human health and social work activities, public administration and education.

The volume of value added increased most in business activities, energy and water supply, manufacturing and technical activities. Volume growth was also strong in accommodation and food service activities, transport, construction, and financial and insurance activities. The volume of value added decreased in human health and social work activities.

## Exports, private investments and households' consumption increased demand

Demand in the national economy was mainly boosted by investments, the volume of which grew by 4.0 per cent. The volume of households' consumption grew by 1.4 per cent, in turn, the volume of public consumption expenditure declined by 0.5 per cent.

Private investments grew by 4.6 per cent and government investments by 1.8 per cent. Especially construction investments in machinery and equipment increased. By contrast, investments in research and development and in computer software decreased slightly.

The volume of exports increased by 7.5 per cent in 2017 and that of imports grew by 3.5 per cent. Measured at current prices, the export of goods increased more than the import of goods. Although the export of services increased clearly more than imports, service exports were still around EUR one billion lower than imports. Current account turned into surplus.

Last year, net national income grew by 2.9 per cent in real terms. The terms of trade or the ratio between export and import prices weakened slightly. Import prices rose by more than export prices.

## Non-financial corporations' profits grew

Non-financial corporations' operating surplus describing profits from their actual operations went up by **21** per cent from the previous year. Non-financial corporations' entrepreneurial income increased by **nine** per cent as property income decreased and property expenditure grew somewhat. Entrepreneurial income also takes into consideration property income and paid interests and rents, and corresponds roughly with profit before payment of taxes and dividends.

Non-financial corporations' net lending, or financial position, showed a surplus of EUR 10.7 billion, as against EUR 9.5 billion in the previous year. The financial position improved as profits increased even if non-financial corporations' investments also grew.

General government's net lending, or financial position, showed a deficit of EUR 1.5 billion, while the deficit was EUR 3.7 billion in the previous year. Last year, the deficit was 0.7 per cent relative to GDP, which was clearly below the three per cent reference value of the European Union.

Last year, the financial position of central government showed a notable deficit for the ninth successive year. The deficit (net borrowing) was EUR 4.0 billion, while one year before it was EUR 5.7 billion. The deficit or net borrowing of local government (municipalities and joint municipal boards, etc.) was EUR 0.3 billion. The surplus of occupational pension funds' net lending diminished to EUR 2.0 billion from the previous year. The surplus does not include holding gains in assets. Other social security funds were EUR 0.8 billion in surplus, the surplus in 2016 was EUR 0.5 billion.

The size of the public economy is described by general government's share of the gross value added, which was 18.5 per cent in 2017, having been 19.5 per cent one year earlier.

Households' disposable income grew by 0.8 per cent in real terms. Households' adjusted disposable income grew by 0.5 per cent in real terms. Adjusted income also takes into consideration welfare services, i.e. the individual services that general government and organisations produce for households, such as educational, health and social services.

Households' wage and salary income went up by 2.2 per cent and social benefits by 0.9 per cent. Wage and salary income increased as employment grew. Households' property and entrepreneurial income went up by 2.1 per cent.

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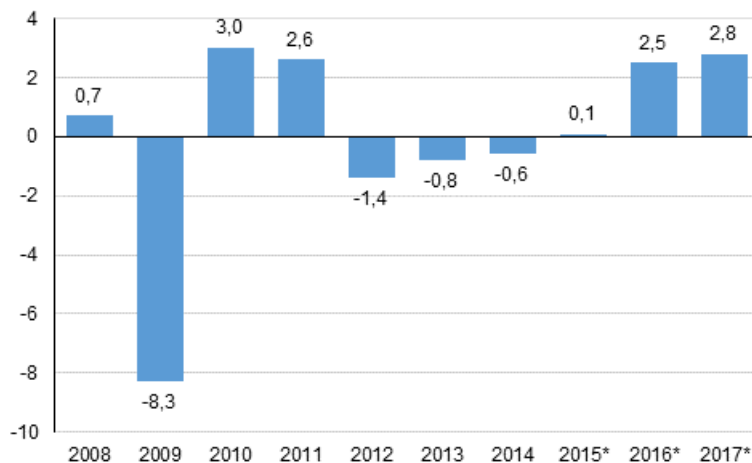
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# 1. Gross domestic product grew by 2.8 per cent last year

**Corrected on 12 July 2018 at 14:00.** The corrections are indicated in red.

According to Statistics Finland's revised preliminary data, the volume of Finland's GDP increased by 2.8 per cent in 2017. The initial preliminary data released in March put the rate of growth at 2.6 per cent. Finland's national economy grew for the second year in a row after four years of downturn. The national accounts for 2016 were also revised, the volume of GDP grew slightly more than had been estimated previously.

**Figure 1. Annual change in the volume of gross domestic product, per cent**



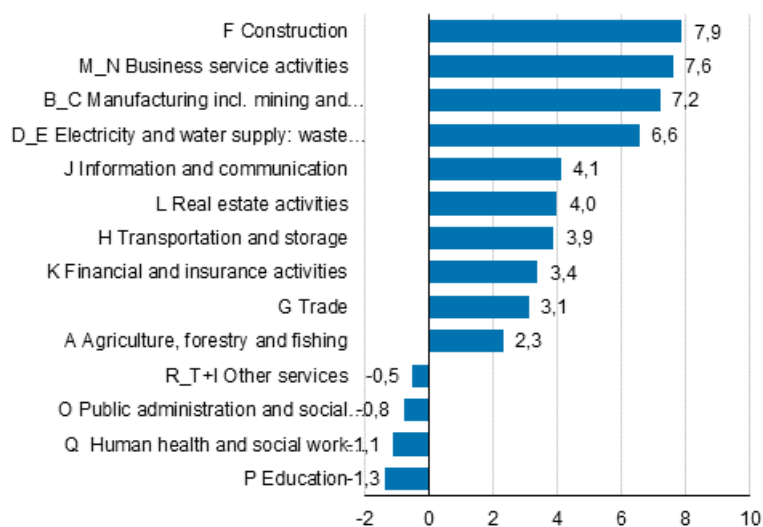
Gross domestic product, or the value added created in the production of goods and services, amounted to EUR 224 billion in 2017 at current prices. GDP per capita was EUR 40,600.

Households' adjusted disposable income describing their economic well-being increased by 0.5 per cent in real terms in 2017. In addition to net income, adjusted income also takes into consideration welfare services produced by the public sector and organisations for households, such as educational, health and social services.

## 1.1 Production development varied by industry

Examined at current prices, value added grew strongly in nearly all main industries. Growth was strongest in mining and quarrying, energy supply, administrative and support services, accommodation and food service activities and construction. Among major industries, value added decreased slightly in human health and social work activities, public administration and education.

**Figure 2. Change in value added at current prices in 2017, per cent.**



The volume of value added increased most in administrative and support service activities, energy and water supply, manufacturing and technical activities. Volume growth was also strong in accommodation and food service activities, transport, construction, financial and insurance activities and information and communication activities. The volume of value added decreased in human health and social work activities.

## 1.2 Exports, private investments and households' consumption increased demand

Demand in the national economy was mainly boosted by investments, the volume of which grew by 4.0 per cent. The volume of households' consumption grew by 1.4 per cent, in turn, the volume of public consumption expenditure declined by 0.5 per cent. The proportion of consumption expenditure to GDP was 77.3 per cent.

Private investments grew by 4.6 per cent and government investments by 1.8 per cent. Especially construction investments in machinery and equipment increased. By contrast, investments in research and development and in computer software decreased slightly. The investment rate or the proportion of investments of gross domestic product grew to 22.1 per cent.

The volume of exports increased by 7.5 per cent in 2017 and that of imports grew by 3.5 per cent. Import prices rose by more than export prices, both imports and exports increased measured at current prices. The export of goods increased more than the import of goods. The export of services increased clearly more than imports, service exports were still around EUR one billion lower than imports. The share of exports of gross domestic product increased to 38.5 per cent and the share of imports to 38.2 per cent.

## 1.3 Work input increased last year

According to the National Accounts, the number of employed persons grew by 29,700 or 1.2 per cent last year. Jobs increased most in business activities and construction. Jobs decreased most in financial and insurance activities. Hours worked increased by 39 million hours or 0.9 per cent.

The productivity of labour in the whole national economy, i.e. gross value added at constant prices divided by number of hours worked improved by 2.1 per cent last year.

## 1.4 Prices rose slightly

The economy's overall price level rose by 0.8 per cent last year as measured by the GDP price index. By contrast, price changes in individual products may have been large.

Last year, the Consumer Price Index rose by 0.7 per cent, but the price index of household consumption expenditure in National Accounts went up by 1.2 per cent. In National Accounts, the prices of housing services are measured with changes in market rents, whereas the Consumer Price Index also takes into consideration the expenditure on owner-occupied housing. The methods used in National Accounts and in the Consumer Price Index for measuring development in the prices of insurance and financial intermediation services also deviate from each other.

The terms of trade weakened by 0.4 per cent because import prices grew by 3.5 per cent but export prices only by 3.1 per cent.

### 1.5 National income grew by 2.9 per cent in real terms

Net national income grew by 3.7 per cent in nominal terms last year, and stood at EUR 33,700 per capita. In real terms, net national income grew by 2.9 per cent, which was slightly more than the gross domestic product. Finland's gross national income amounted to EUR 226 billion last year. It was slightly higher than gross domestic product because property income from abroad was higher than property expenditure to abroad.

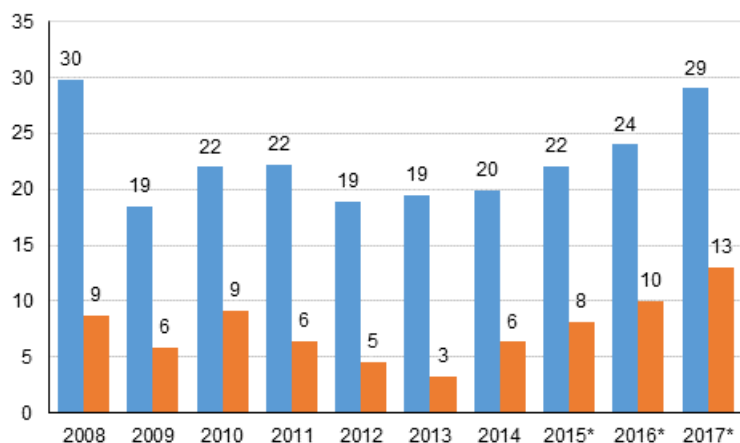
Households' wage and salary income increased by 2.2 per cent but employers' social insurance contributions decreased by 5.5 per cent in 2017. In all, the share of compensation of employees of national income was 56.7 per cent. The respective proportion in the previous year was 58.3 per cent. Property and entrepreneurial income in the national economy increased by 11.7 per cent and its share of the national income rose to 27.7 per cent. The respective proportion in the previous year was 25.8 per cent.

### 1.6 Non-financial corporations' profits grew

Non-financial corporations' operating surplus describing profits from their actual operations went up by 21 per cent from the previous year. Non-financial corporations' entrepreneurial income also increased by nine per cent as property income decreased and property expenditure grew somewhat. Entrepreneurial income also takes into consideration property income and paid interests and rents, and corresponds roughly with profit before payment of taxes and dividends.

Non-financial corporations paid 23 per cent more direct taxes last year than in the previous year. Non-financial corporations are estimated to have paid eight per cent less dividends. The net saving of non-financial corporations increased by EUR 2.9 billion from the previous year.

**Figure 3. Non-financial corporations, operating profit from the operations proper (= operating surplus, left column) and net saving (right column), EUR billion**



Non-financial corporations' net lending, or financial position, showed a surplus of EUR 10.7 billion, as against EUR 9.5 billion in the previous year. The financial position improved as profits increased even if non-financial corporations' investments also grew.

The financial position of financial and insurance corporations was EUR 0.1 billion in surplus and their operating surplus was EUR 0.3 billion higher than in 2016. Financial corporations' commission income grew by good one per cent and their interest income (financial intermediation services indirectly measured) remained at the level of the previous year. The operating surplus of financial corporations increased by EUR 0.4 billion, which was mainly affected by decreased intermediate consumption. The value added of financial corporations grew by EUR 0.3 billion, the value added of insurance corporations increased by EUR 0.1 billion year-on-year.

## 1.7 General government deficit 0.7 per cent relative to GDP

General government's net lending, or financial position, showed a deficit of EUR 1.5 billion, while the deficit was EUR 3.7 billion in the previous year. Last year, the deficit was 0.7 per cent relative to GDP, which was clearly below the three per cent reference value of the European Union.

Last year, the financial position of central government showed a notable deficit for the ninth successive year. The deficit (net borrowing) was EUR 4.0 billion, while one year before it was EUR 5.7 billion.

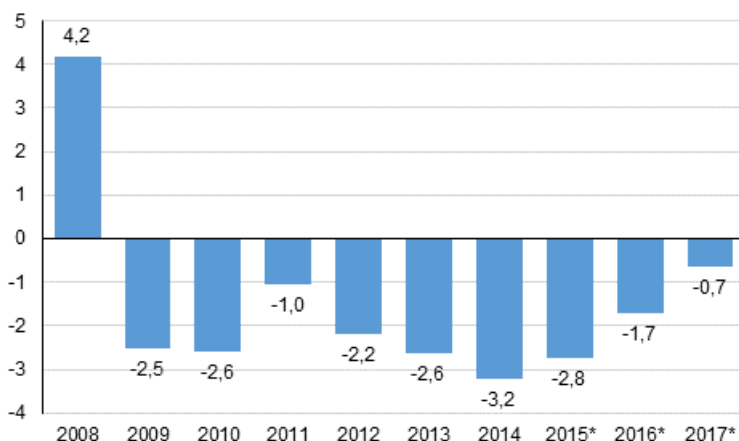
State revenues from taxes went up by 3.6 per cent. Revenue grew most from income taxes and value added taxes.

Current transfers to local government (incl. repayments of value added tax) declined by 2.7 per cent. Current transfers to social security funds grew by 10.7 per cent. Central government's consumption expenditure fell by 3.8 per cent and gross fixed capital formation by 2.3 per cent.

The deficit or net borrowing of local government (municipalities and joint municipal authorities, etc.) was EUR 0.3 billion, having been EUR 0.9 billion in the year before. Municipalities' tax revenues increased by EUR 0.8 billion. Final consumption expenditure went up by 0.5 per cent in nominal terms, and gross fixed capital formation is estimated to have grown by 4.7 per cent.

The surplus of employment pension schemes' net lending decreased from the previous year. The surplus was now EUR 2.0 billion, while one year before it was EUR 2.4 billion. The surplus was lowered by growth in paid pension benefits. The surplus does not include holding gains in assets. Revenues from pension contributions grew by 1.5 per cent and employment pensions paid by employment pension funds by 4.1 per cent. Other social security funds were EUR 0.8 billion in surplus, the surplus in 2016 was EUR 0.5 billion.

**Figure 4. General government surplus/deficit, per cent of GDP**



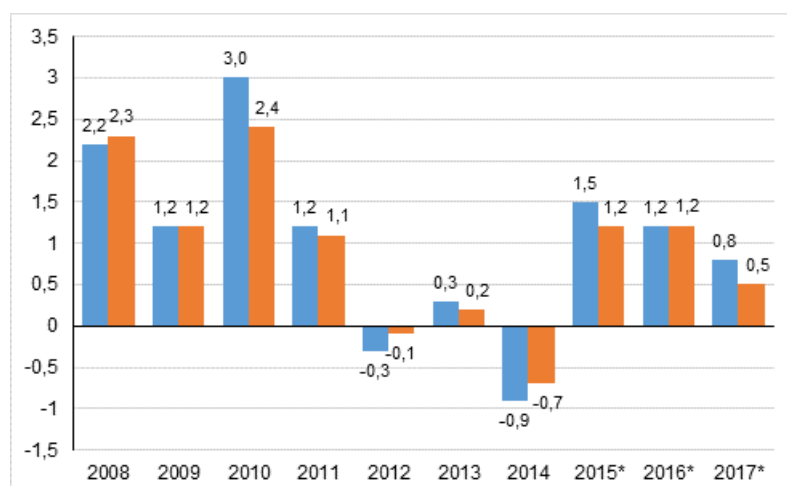
The size of the public economy is described by general government's share of the gross value added, which was 18.5 per cent in 2017, having been 19.5 per cent one year earlier. The proportion of total public expenditure to GDP dropped to 54.0 per cent. In the previous year, the proportion was 55.9 per cent. Total public expenditure includes a notable amount of internal public sector expenses that are included in the calculations twice.

The tax ratio, or the ratio of taxes and statutory social security contributions to GDP, was 43.3 per cent last year. The tax ratio declined by 0.7 percentage points from the previous year.

## 1.8 Households' real income grew by nearly one per cent

In 2017, households' disposable income increased by 1.9 per cent in nominal terms and by 0.8 per cent in real terms. Households' adjusted disposable income increased by 1.4 per cent in nominal terms and by 0.5 per cent in real terms. Adjusted income also takes into consideration welfare services, i.e. the individual services that general government and organisations produce for households, such as educational, health and social services.

**Figure 5. Annual change in households' disposable real income (left column) and household's adjusted real income (right column), per cent.**



Households' wage and salary income went up by 2.2 per cent and social benefits by 0.9 per cent. The wages and salaries sum increased as employment grew. Households' property and entrepreneurial income went up by 2.0 per cent. Direct taxes paid by households and compulsory social security contributions increased by 0.9 per cent.

In 2017, households' consumption expenditure increased by 2.6 per cent in nominal terms and by 1.4 per cent in real terms. The share of housing of the consumption expenditure continued growing reaching 28.8 per cent. Households' savings rate, i.e. the ratio of savings to disposable income, was negative for the second year in a row, at -1.3 per cent. In the previous year, it was -0.7 per cent.

Households' fixed investments primarily in dwellings increased by 8.0 per cent in nominal terms. The financial position of households showed a deficit of EUR 7.5 billion, while the deficit in the previous year was EUR 5.9 billion.

Households' indebtedness ratio grew further and stood at 128.9 per cent at the end of 2017, which was 2.6 percentage points higher than one year earlier. The indebtedness ratio expresses the ratio between the loans and annual disposable net income in accordance with financial accounts.



## 1.9 Current account surplus EUR 1.4 billion

Last year, Finland's current account turned to a surplus of EUR 1.4 billion after six years of being in deficit. When imports are also valued at FOB price (at the border of the exporting country) and not at CIF price (at the border of the importing country), as is done in the foreign trade statistics of Finnish Customs, the goods trade showed a surplus of EUR 1.8 billion. However, the balance of services trade showed a deficit of EUR 1.0 billion.

EUR 2.0 billion more property income was received from the rest of the world than was paid there. The current transfer outflow was clearly higher than the received income transfers. Data on property income and expenditure are still extremely preliminary.

## 1.10 Next revision in January 2019

National Accounts for 2016 and 2017 will next be revised in January 2019.

These revised preliminary data are based on the information on economic development that was available by 5 July 2018. The coverage and quality of the source data concerning the non-financial corporations sector was slightly lower than normal and may affect the distribution of added value at detailed levels of industrial classifications.

The recording of factoryless goods production was changed in the National Accounts one year ago starting from the statistical reference year 2014. The margin of factoryless goods production or net sales from abroad to abroad was recorded as goods exports instead of service exports and now the corresponding revision was made for the statistical reference years 2006 to 2013 (see: Changes in these statistics).

More information on the national accounts methods can be found on Statistics Finland's website at: [http://tilastokeskus.fi/til/vtp/men\\_en.html](http://tilastokeskus.fi/til/vtp/men_en.html)

# Appendix tables

**Appendix table 1. Gross domestic product (GDP) at market prices 1975-2017\***

Year	At current prices, million EUR	At reference year 2010 prices, million EUR	Change in value, %	Change in volume, %	Change in prices, %	GDP per capita, EUR
1975	18 154	78 581	.	.	.	3 853
1976	20 615	78 988	13,6	0,5	13,0	4 362
1977	22 627	79 268	9,8	0,4	9,4	4 775
1978	25 065	81 759	10,8	3,1	7,4	5 274
1979	29 070	87 630	16,0	7,2	8,2	6 101
1980	33 682	92 601	15,9	5,7	9,6	7 047
1981	38 094	93 799	13,1	1,3	11,7	7 936
1982	42 831	96 695	12,4	3,1	9,1	8 873
1983	47 790	99 714	11,6	3,1	8,2	9 842
1984	53 498	102 918	11,9	3,2	8,5	10 959
1985	58 285	106 558	8,9	3,5	5,2	11 890
1986	62 740	109 463	7,6	2,7	4,8	12 757
1987	67 751	113 359	8,0	3,6	4,3	13 737
1988	76 754	119 265	13,3	5,2	7,7	15 517
1989	85 929	125 333	12,0	5,1	6,5	17 309
1990	91 010	126 181	5,9	0,7	5,2	18 252
1991	86 962	118 717	-4,4	-5,9	1,6	17 345
1992	84 852	114 771	-2,4	-3,3	0,9	16 829
1993	85 748	113 928	1,1	-0,7	1,8	16 925
1994	90 768	118 416	5,9	3,9	1,8	17 839
1995	98 556	123 399	8,6	4,2	4,2	19 295
1996	102 060	127 913	3,6	3,7	-0,1	19 916
1997	110 738	135 911	8,5	6,3	2,1	21 545
1998	120 382	143 288	8,7	5,4	3,1	23 359
1999	126 923	149 656	5,4	4,4	0,9	24 571
2000	136 261	158 089	7,4	5,6	1,6	26 325
2001	144 437	162 170	6,0	2,6	3,3	27 841
2002	148 289	164 895	2,7	1,7	1,0	28 514
2003	151 569	168 183	2,2	2,0	0,2	29 075
2004	158 477	174 786	4,6	3,9	0,6	30 312
2005	164 387	179 646	3,7	2,8	0,9	31 335
2006	172 614	186 930	5,0	4,1	0,9	32 777
2007	186 584	196 623	8,1	5,2	2,8	35 280
2008	193 711	198 040	3,8	0,7	3,1	36 457
2009	181 029	181 664	-6,5	-8,3	1,9	33 908
2010	187 100	187 100	3,4	3,0	0,4	34 885
2011	196 869	191 910	5,2	2,6	2,6	36 536
2012	199 793	189 173	1,5	-1,4	3,0	36 903
2013	203 338	187 738	1,8	-0,8	2,6	37 385
2014	205 474	186 552	1,1	-0,6	1,7	37 615
2015*	209 604	186 804	2,0	0,1	1,9	38 245
2016*	216 111	191 432	3,1	2,5	0,6	39 327
2017*	223 843	196 787	3,6	2,8	0,8	40 638

# Revisions on these statistics

## Revision of annual volume change, %

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross domestic product	1. release	5,5	4,4	0,9	-7,8	3,1	2,9	-0,2	-1,4	-0,1	0,4	1,6	3,0
	Previous release	4,1	5,2	0,7	-8,3	3,0	2,6	-1,4	-0,8	-0,6	0,1	2,1	2,6
	Latest release	4,1	5,2	0,7	-8,3	3,0	2,6	-1,4	-0,8	-0,6	0,1	2,5	2,8
	Revision, %-points (latest minus first)	-1,4	0,8	-0,2	-0,5	-0,1	-0,3	-1,2	0,6	-0,5	-0,3	0,9	-0,2
Imports	1. release	5,4	4,1	-1,3	-22,3	2,6	0,1	-3,7	-1,8	-1,4	-1,2	2,0	2,6
	Previous release	6,7	7,4	7,9	-16,9	6,5	6,0	1,6	0,5	-1,3	3,2	5,7	3,5
	Latest release	6,7	7,4	7,9	-16,9	6,5	6,0	1,6	0,5	-1,3	3,2	5,6	3,5
	Revision, %-points (latest minus first)	1,3	3,3	9,2	5,4	3,9	5,9	5,3	2,3	0,1	4,5	3,6	0,9
Exports	1. release	10,7	4,8	-1,1	-24,3	5,1	-0,8	-1,4	0,3	-0,4	0,4	0,7	8,3
	Previous release	10,1	9,1	6,6	-20,1	6,2	2,0	1,2	1,1	-2,7	0,9	3,5	7,8
	Latest release	10,1	9,1	6,6	-20,1	6,2	2,0	1,2	1,1	-2,7	0,9	3,9	7,5
	Revision, %-points (latest minus first)	-0,6	4,3	7,7	4,2	1,1	2,8	2,6	0,8	-2,4	0,6	3,2	-0,8
Final consumption expenditure	1. release	2,3	2,8	1,9	-1,3	1,9	2,6	1,4	-0,3	-0,1	0,8	1,4	1,4
	Previous release	3,2	2,8	2,0	-1,4	2,1	2,0	0,4	0,0	0,4	1,3	1,8	1,5
	Latest release	3,2	2,8	2,0	-1,4	2,1	2,0	0,4	0,0	0,4	1,3	1,9	0,8
	Revision, %-points (latest minus first)	0,9	0,0	0,1	-0,1	0,2	-0,6	-1,0	0,3	0,4	0,4	0,5	-0,7
Gross fixed capital formation	1. release	5,1	7,6	1,0	-13,4	0,8	4,6	-2,9	-4,6	-5,1	-1,1	5,2	6,3
	Previous release	1,3	10,0	0,3	-12,5	1,1	4,1	-1,9	-4,9	-2,6	0,7	7,4	6,3
	Latest release	1,3	10,0	0,3	-12,5	1,1	4,1	-1,9	-4,9	-2,6	0,7	8,5	4,0
	Revision, %-points (latest minus first)	-3,8	2,4	-0,7	0,9	0,3	-0,5	1,0	-0,3	2,5	1,8	3,3	-2,3

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Source: National Accounts.