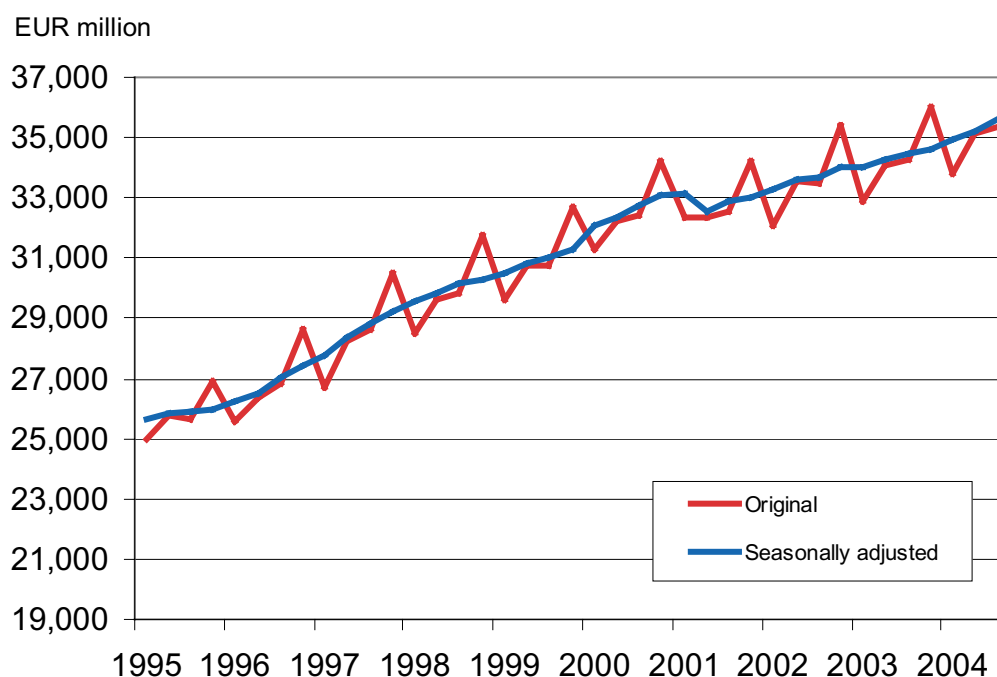


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GDP grew in the third quarter of the year

In the third quarter of 2004, the volume of Finland's gross domestic product grew by 1.1 per cent from the previous quarter. Compared with the third quarter of 2003, GDP was up by 3.2 per cent. According to revised data, in the second quarter of 2004 GDP also grew by 3.2 per cent from the corresponding quarter of 2003, and GDP for the January to September period was altogether 3.1 per cent greater than twelve months previously. This is indicated by the preliminary National Accounts data compiled by Statistics Finland.

GDP by quarter at 2000 prices



Growth of the national economy was supported by exports and household consumption. Investments also boosted the economy. In the third quarter of 2004 households' final consumption expenditure went up by good 2 per cent. Purchases of durable consumer goods and furniture were plentiful, whereas those of new cars decreased. Investments went up by 4 per cent. For the second successive quarter, investments in machinery and equipment increased by over 10 per cent, having contracted for two years prior to this. The volume of imports was of the same magnitude as twelve months earlier. The volume of exports increased by over 3 per cent.

Primary production contracted by 9 per cent. In the processing industries output went up by 6 cent from last year. In the wood and paper industry output grew by just short of 8 per cent and in the metal industry by as much as 12 per cent. Construction increased by one per cent. More dwellings but slightly fewer other buildings were built than twelve months previously. Output in the service industries grew by 3 cent, and the growth in trade amounted to nearly 5 per cent.

In the third quarter of 2004, the wages and salaries bill of the national economy was 4.3 per cent greater than twelve months before. Operating surplus, which in business bookkeeping roughly corresponds to business profit and households' entrepreneurial income, went up by 7 per cent over the same time period.

There were equally many working days as one year previously. Adjusted seasonally as well as for working days, the change in GDP from twelve months before was 3.3 per cent.

According to the Flash estimate of GDP compiled by Eurostat, the Statistical Office of the European Communities, in the third quarter of 2004 GDP grew in the EU area by 0.3 per cent from the previous quarter and was 2.1 per cent up on the corresponding time period of the year before.

Demand and supply of national economy 2004, 3rd 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	+3.2	+1.1
Imports	+0.4	-1.4
Exports	+3.5	+5.6
Consumption	+1.9	+0.6
Investments	+4.3	+0.3

*Change calculated from seasonally adjusted data

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.

The data on the previous quarters are also checked against the newest available revised data. At the annual level, data are always revised to correspond to the latest annual accounts data. Final data are released with a time lag of approximately two years.

Change from the pervious 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 by holiday periods, seasonal weather, etc., has been removed. Seasonally adjusted series become revised as new observations become available. The data on 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. National accounts data are seasonally adjusted with the Tramo/Seats method.

Source: National Accounts 2004, 3rd quarter. Statistics Finland