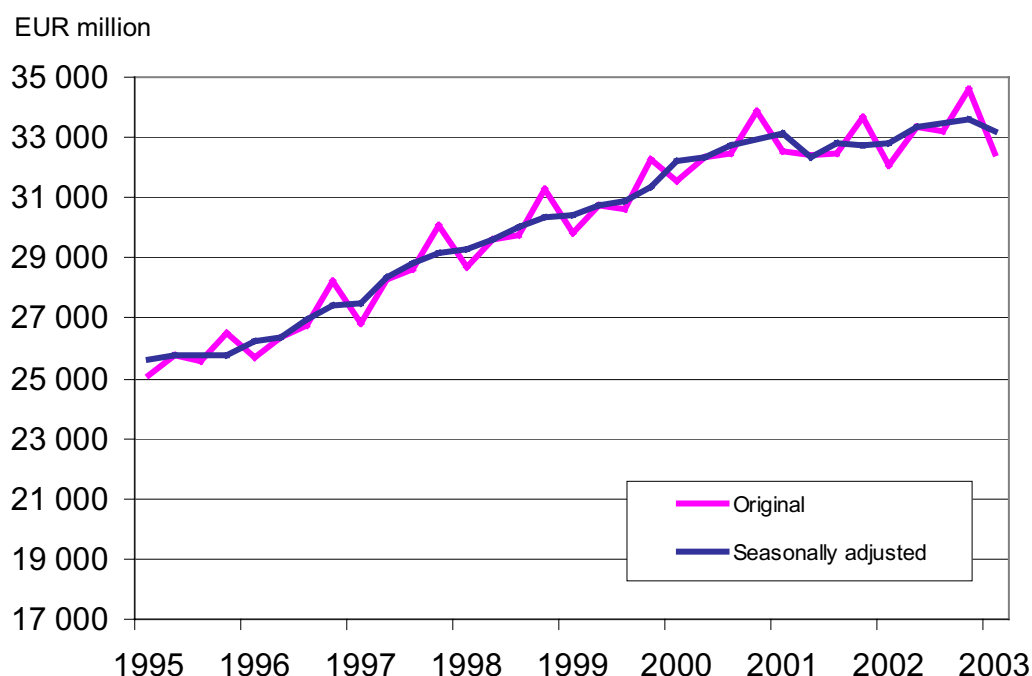


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GDP contracted in the first quarter of the year

In the first quarter of 2003, the volume of Finland's gross domestic product contracted by 1.3 per cent from the end of 2002. Compared to the first quarter of 2002, GDP was still up by 1.2 per cent. GDP last fell in the second quarter of 2001. This is indicated by the preliminary National Accounts data compiled by Statistics Finland.

GDP at market prices by quarter calculated at 2000 prices



Development in the national economy has been curbed by falling investments. In the January to March period, investments decreased by close on 4 per cent from twelve months back. Exports increased by just short of 5 per cent and imports by 3 per cent. Nevertheless, the income from exports remained unchanged, as export prices fell. Households' final consumption expenditure grew by over 2 per cent. Purchases of durable consumer goods, such as cars, were especially plentiful.

Service industries grew by 2 per cent, whereas primary production contracted by 2 per cent. Output in the processing industries remained unchanged from last year. In the metal industry, output remained unchanged in the first quarter while output in the wood and paper industry grew by one per cent. Construction decreased by 3 per cent.

In the first quarter of the year, the wages and salaries bill of the national economy was 2.9 per cent greater than twelve months before. Operating surplus went up by 4 per cent over the same time period.

According to preliminary data compiled by Eurostat, the Statistical Office of the European Communities, gross domestic product grew by 1.0 per cent in the EU area in the first quarter of 2003 when compared to the same period of the year before.

Demand and supply of national economy 2003, 1st 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	+1.2	-1.3
Imports	+3.0	+1.3
Exports	+4.6	-1.0
Consumption	+2.0	-0.3
Investments	-3.6	-1.5

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. Change from the previous 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.

Source: National Accounts 2003, 1st quarter. Statistics Finland