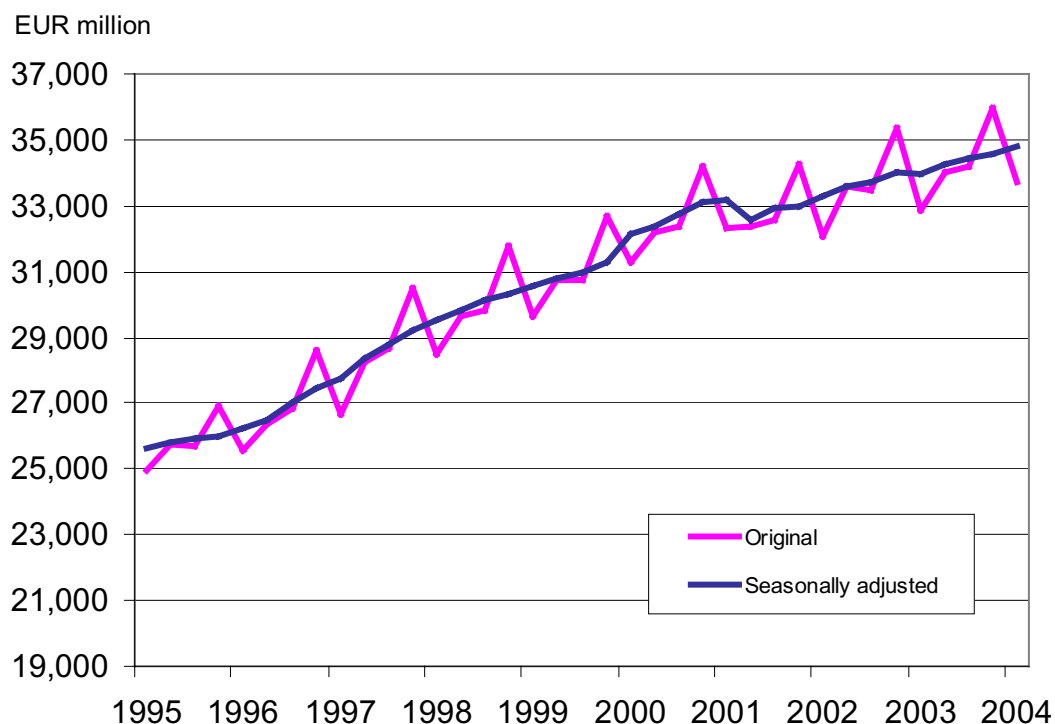


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GDP grew in the first quarter of the year

In the first quarter of 2004, the volume of Finland's gross domestic product grew by 0.7 per cent from the last quarter of 2003. Compared with the first quarter of 2003, GDP was up by 2.7 per cent. The growth was strongest in service industries. This is indicated by the preliminary National Accounts data compiled by Statistics Finland.

GDP by quarter at 2000 prices



Both household consumption and net exports supported growth of the national economy. In the first quarter of 2004 households' final consumption expenditure went up by 5 per cent. Especially purchases of durable consumer goods, such as cars and home furnishings, were plentiful. Investments were of the same magnitude as twelve months before. Investments in machinery and equipment have been declining for two years already; the fall recorded now was 7 per cent. The volume of exports grew by 4 per cent and imports decreased by just short of 4 per cent.

Primary production increased by 4 per cent. Output in the service industries grew by 3.5 per cent, and the growth in trade amounted to as much as 8 per cent. In the processing industries output went up by less than one per cent from last year. In the wood and paper industry output grew by 6 per cent. Output in the metal industry contracted by 2 per cent in the first quarter of the year. Construction increased by over

2 per cent. More dwellings but slightly fewer other buildings were built than twelve months previously.

In the first quarter of 2004, the wages and salaries bill of the national economy was 4.8 per cent greater than twelve months before. Operating surplus, which in business bookkeeping roughly corresponds to business profit and households' entrepreneurial income, grew by 2.5 per cent over the same time period.

According to the Flash estimate of GDP compiled by Eurostat, the Statistical Office of the European Communities, in the first quarter of 2004 GDP grew in the EU area by 0.6 per cent from the previous quarter and was 1.5 per cent up on the corresponding time period of the year before.

Demand and supply of national economy 2004, 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	+2.7	+0.7
Imports	-3.8	-3.0
Exports	+4.1	+1.9
Consumption	+3.7	+0.9
Investments	+0.1	-0.6

*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 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.

Statistics Finland will introduce into use the Tramo/Seats seasonal adjustment method, and in special cases Reg-X12-Arima, in the course of 2004 and 2005. Tramo/Seats is an ARIMA model-based seasonal adjustment method derived from the time series analysis, and is the standard method used in the European Union. The national accounts data published here are the first to have been seasonally adjusted with the Tramo/Seats method.

Source: National Accounts 2004, 1st quarter. Statistics Finland