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2001

PRICES AND WAGES REVIEW

- Development of producer and consumer prices in 1995–2000
- Finland's price level seventh highest in the OECD
- Rents up by 3.7 per cent in the year
- Rise in real earnings slowed down in the 1990s from previous decades
- Change in labour costs in 1995–1999
- 1999 – A qiet year on the labour dispute front

Prices and Wages Review 2001

PRICES

WAGES AND LABOUR COSTS

LABOUR DISPUTES

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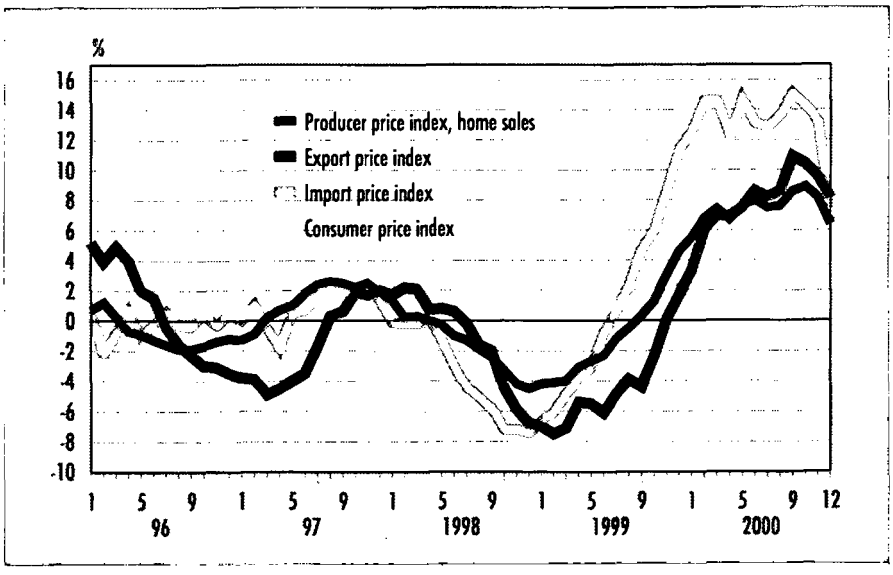
Layout: *Liisa Kotilainen*

Inquiries
(09) 17 341
Seppo Kouvonen/Wages
Timo Koskimäki/Prices

DEVELOPMENT OF PRODUCER AND CONSUMER PRICES IN 1995–2000

The following table shows the development of the Producer Price Index, Home Sales 1995=100 and that of the Export, Import and Consumer Price Indices 1995=100 and of the Harmonised Index of Consumer Prices 1996=100, from 1995 to 2000.

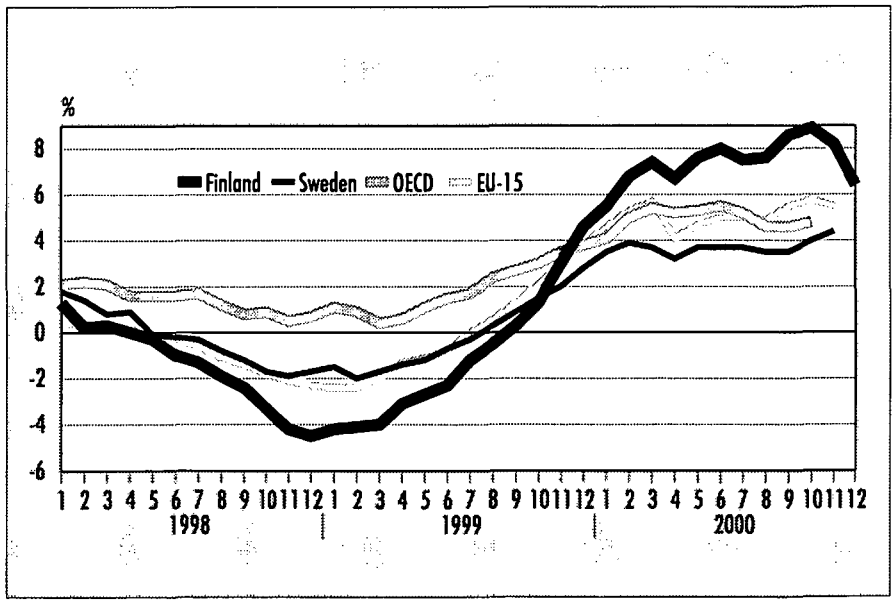
Year/ month	Producer price index, home sales 1995=100		Export price index 1995=100		Import price index 1995=100		Consumer price index 1995=100		Harmonised index of consumer prices 1995=100	
		Change, % from previous year		Change, % from previous year		Change, % from previous year		Change, % from previous year		Change, % from previous year
1995	100.0		100.0		100.0		100.0		98.9	
1996	99.1	–0.9	100.6	0.6	99.8	–0.2	100.6	0.6	100.0	1.1
1997	100.4	1.3	98.9	–1.7	100.7	0.9	101.8	1.2	101.2	1.2
1998	99.0	–1.4	97.8	–1.1	97.2	–3.5	103.2	1.4	102.6	1.4
1999	97.8	–1.1	93.5	–4.4	97.7	0.6	104.4	1.2	103.9	1.3
2000	105.1	7.5	100.9	7.9	110.5	13.1	108.0	3.4	107.0	3.0
2000										
1	101.4	5.5	96.1	3.3	104.9	12.6	105.5	2.2	104.8	2.3
2	102.3	6.8	98.2	6	107	14.6	106.2	2.7	105.6	2.7
3	103.1	7.4	99.3	7	107.9	14.6	106.9	3.1	106.3	3.2
4	103.1	6.7	100.0	6.9	107.2	12.2	107.2	2.7	106.5	2.5
5	104.4	7.6	100.5	7.5	110.0	14.7	107.7	2.9	107.0	2.7
6	105.0	8.0	100.6	8.6	109.4	13.1	108.2	3.5	107.4	3.1
7	105.5	7.5	101.4	8.2	110.6	12.9	108.3	3.7	106.9	2.9
8	105.9	7.6	102.1	8.6	112.4	13.6	108.5	3.8	107.0	2.9
9	107.3	8.6	103.2	10.9	115.5	15.1	109.3	4.2	108.1	3.4
10	107.9	8.9	103.5	10.4	114.8	14.3	109.4	4.1	108.2	3.4
11	108.1	8.2	103.6	9.6	116.0	13.2	109.3	4.0	108.1	3.3
12	107.4	6.4	102.8	8.1	110.9	6.5	109.1	3.5	107.9	2.9



YEAR-ON-YEAR CHANGES OF DIFFERENT INDICES, PERCENTAGE, 1996–2000

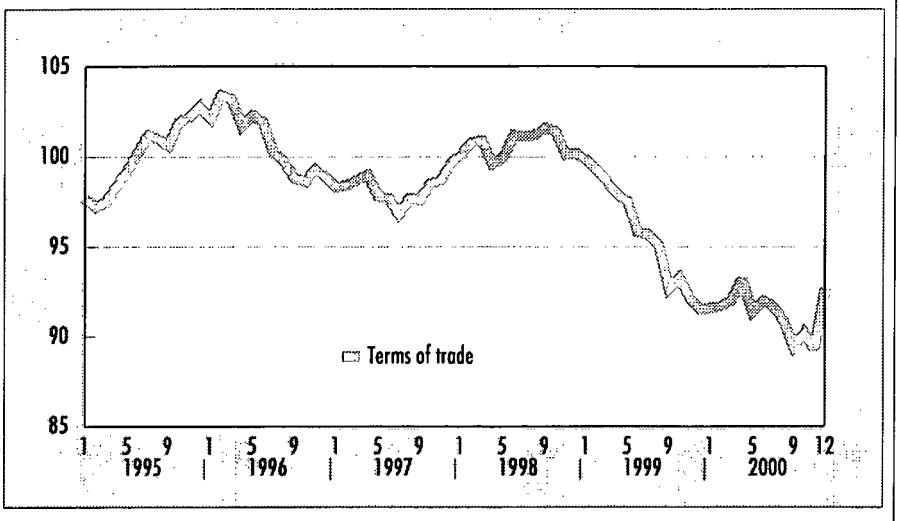
DEVELOPMENT OF PRODUCER PRICE INDICES AND TERMS OF TRADE IN 1995-2000

Year/ month	Producer price index, home sales 1995=100	Change, % from previous year	Export price index 1995=100	Change, % from previous year	Import price index 1995=100	Change, % from previous year	Terms of trade 1995=100	Change, % from previous year
1995	100.0		100.0		100.0		100.0	
1996	99.1	–0.9	100.6	0.6	99.8	–0.2	100.8	0.8
1997	100.4	1.3	98.9	–1.7	100.7	0.9	98.2	–2.6
1998	99.0	–1.4	97.8	–1.1	97.2	–3.5	100.7	2.5
1999	97.8	–1.1	93.5	–4.4	97.7	0.6	95.7	–5
2000	105.1	7.5	100.9	7.9	110.5	13.1	91.3	–4.6
2000								
1	101.4	5.5	96.1	3.3	104.9	12.6	91.6	–8.2
2	102.3	6.8	98.2	6.0	107.0	14.6	91.7	–7.5
3	103.1	7.4	99.3	7.0	107.9	14.6	92.0	–6.6
4	103.1	6.7	100.0	6.9	107.2	12.2	93.2	–4.7
5	104.4	7.6	100.5	7.5	110.0	14.7	91.4	–6.3
6	105.0	8.0	100.6	8.6	109.4	13.1	92.0	–4.0
7	105.5	7.5	101.4	8.2	110.6	12.9	91.7	–4.2
8	105.9	7.6	102.1	8.6	112.4	13.6	90.9	–4.5
9	107.3	8.6	103.2	10.9	115.5	15.1	89.4	–3.6
10	107.9	8.9	103.5	10.4	114.8	14.3	90.2	–3.3
11	108.1	8.2	103.6	9.6	116.0	13.2	89.3	–3.0
12	107.4	6.4	102.8	8.1	110.9	6.5	92.7	1.3



YEAR-ON-YEAR CHANGE OF THE PRODUCER PRICE INDEX, HOME SALES IN FINLAND, SWEDEN, OECD COUNTRIES AND EU MEMBER STATES, ON AVERAGE, IN 1998–2000

DEVELOPMENT OF TERMS OF TRADE 1995=100 FROM 1995 TO 2000

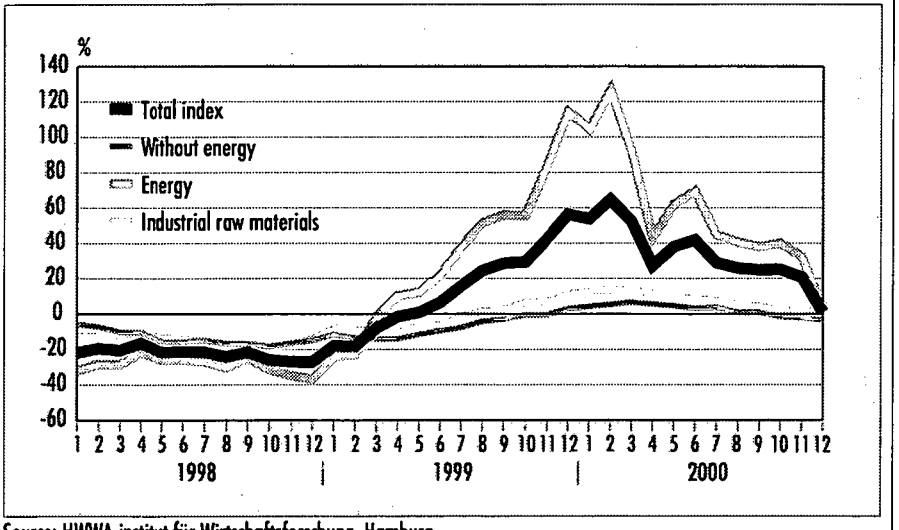


DEVELOPMENT OF TERMS OF TRADE IN FINLAND IN 1995–2000

The change in the terms of trade, that is, the ratio between the Export and Import Price Indices between 1995 and 2000.

The rise in the price of crude oil and the fall in the export prices of technical products have accelerated the weakening of the terms of trade.

WORLD MARKET PRICES OF RAW MATERIALS AND RETAIL SALE PRICES OF CERTAIN ENERGY PRODUCTS IN 1995–2000



Source: HWWA-institut für Wirtschaftsforschung, Hamburg

WORLD MARKET PRICES OF RAW MATERIALS

The following shows the year-on-year changes of the world market prices of raw materials – the HWWA Index – from the beginning of 1998 to December 2000.

Year/ month	Crude oil FIM/tonne	Petrol 95E FIM/l	Diesel oil FIM/l	Light fuel oil FIM/l	Electricity FIM 0.01/kWh [1]	District heating FIM/MWh [2]
1995:9	714	4.83	3.57	1.41	55.9	183
1996:9	929	5.52	3.8	1.66	58.9	185
1997:9	747	5.69	3.9	1.72	60.1	191
1998:9	509	5.48	3.7	1.54	59.5	194
1999:9	941	6.15	4.16	1.91	56.6	196
2000:12	1150	6.50	5.34	2.81	56.3	205

[1] Dwelling in a block of flats
[2] Block of flats

PRICES OF CERTAIN ENERGY PRODUCTS IN 1995–2000

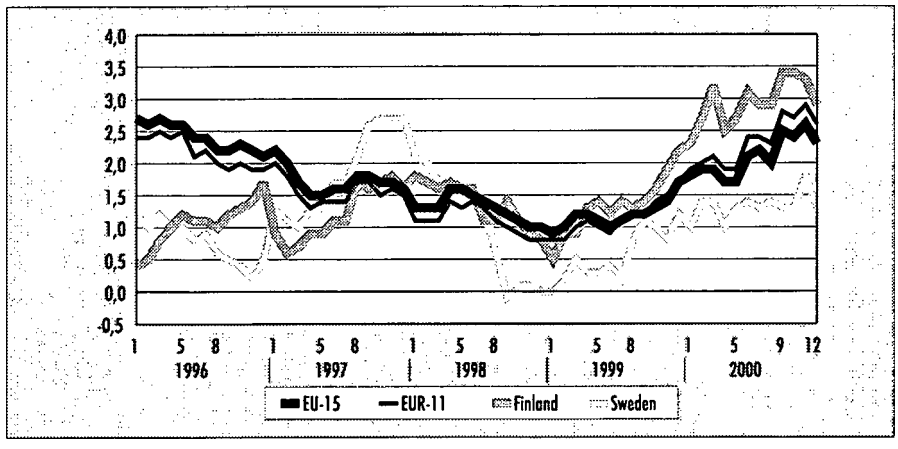
This table shows the prices of certain energy products from September 1995 to December 2000.

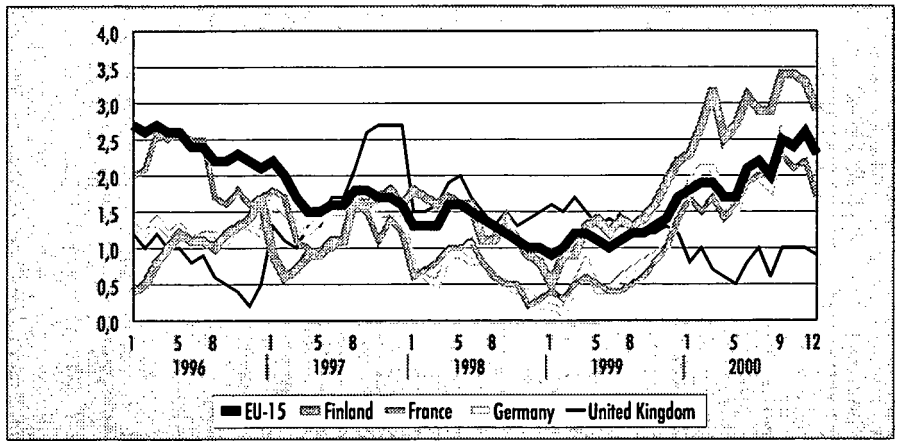
The price of crude oil is the import price; the other prices are retail sale prices in Finland.

DEVELOPMENT OF THE HARMONISED INDEX OF CONSUMER PRICES 1996=100 IN EU MEMBER STATES IN 1995–2000

Year/ month	EU-15		EUR-11		Finland		Sweden		Germany		France		United Kingdom	
		Change, % from previous year		Change, % from previous year		Change, % from previous year		Change, % from previous year		Change, % from previous year		Change, % from previous year		Change, % from previous year
1995	97.7		97.9		98.9		99.2		98.8		98.0		97.6	
1996	100.0	2.4	100.0	2.2	100.0	1.1	100.0	0.8	100.0	1.2	100.0	2.1	100.0	2.5
1997	101.7	1.7	101.6	1.6	101.2	1.2	101.9	1.8	101.5	1.5	101.3	1.3	101.8	1.8
1998	103.0	1.3	102.7	1.1	102.6	1.4	102.9	1.0	102.1	0.6	102.0	0.7	103.4	1.6
1999	104.3	1.2	103.8	1.1	103.9	1.3	103.4	0.6	102.8	0.6	102.5	0.6	104.8	1.3
2000	106.4	2.0	106.3	2.4	107.0	3.0	104.8	1.4	104.9	2.0	104.4	1.9	105.6	0.8
2000														
1	105.0	1.8	104.8	1.9	104.8	2.3	103.5	1.0	103.8	1.9	103.3	1.7	104.5	0.8
2	105.4	1.9	105.2	2.0	105.6	2.7	104	1.4	104.2	2.1	103.5	1.5	104.9	1.0
3	105.8	1.9	105.6	2.1	106.3	3.2	104.6	1.4	104.4	2.1	104.0	1.7	105.1	0.7
4	106.0	1.7	105.7	1.9	106.5	2.5	104.4	1.0	104.3	1.6	104.0	1.4	105.5	0.6
5	106.1	1.7	105.8	1.9	107.0	2.7	105.0	1.3	104.2	1.5	104.2	1.6	105.7	0.5
6	106.5	2.1	106.3	2.4	107.4	3.1	105.0	1.4	104.9	2.0	104.5	1.9	105.9	0.8
7	106.5	2.2	106.5	2.4	106.9	2.9	104.4	1.3	105.4	2.0	104.3	2.0	105.4	1.0
8	106.5	2.0	106.5	2.3	107.0	2.9	104.5	1.4	105.2	1.8	104.5	2.0	105.4	0.6
9	107.1	2.5	107.0	2.8	108.1	3.4	105.4	1.3	105.7	2.6	105.1	2.3	106.2	1.0
10	107.2	2.4	107.0	2.7	108.2	3.4	105.6	1.3	105.4	2.4	105.0	2.1	106.1	1.0
11	107.5	2.6	107.3	2.9	108.1	3.3	105.7	1.8	105.7	2.6	105.2	2.2	106.4	1.0
12	107.5	2.3	107.4	2.6	107.9	2.9	105.5	1.3	105.8	2.3	105.2	1.7	106.4	0.9

YEAR-ON-YEAR CHANGE OF THE HARMONISED INDEX OF CONSUMER PRICES 1996=100 IN EU MEMBER STATES IN 1996–2000





DIFFERENT VERSIONS OF THE CONSUMER PRICE INDEX (CPI)

The Consumer Price Index can be divided into the following subindices:

- Harmonised Index of Consumer Prices (HICP)
- Net Price Index (NET)
- Indicator of Underlying Inflation (IUI)
- Indicator of Underlying Inflation-2 (IUI-2)
- Indicator of Underlying Inflation-3 (IUI-3)
- CPI-domestic
- Consumer Price Index without oil

Commodity	Weight ‰	
Depreciation and interest on housing loans (capital expenditure)	66.5	
Real estate tax	2.7	
Dwelling renovation	20,6	
General hospital fee	3.1	
Car use fee, diesel tax, registration	4.8	
Lottery expenses	20.5	
Membership fees	24.9	
Interests on consumer credits	9.0	
Redemption of documents	4.2	
Fines	0.8	
Single family house fire insurance	1.8	
Others	0.7	159.5

1. Consumer Price Index (CPI)

The Consumer Price Index measures the price development of goods and services bought by private households in Finland. In addition to private consumption expenditure used in the national accounts, it includes certain tax-like charges such as vehicle and real estate tax. It also contains redemption of documents, fines, interests on consumer credits and membership fees.

2. Harmonised Index of Consumer Prices (HICP)

The Harmonised Index of Consumer Prices measures the price development of private consumption in Finland. In addition to the target group of the Consumer Price Index (962.1‰), this index includes so-called institutional households (2.7‰) and consumption of tourists (35.2‰). The concept of private consumption is in principle the same as in the national accounts. Certain commodities have so far been left out of the index. Commodities that are included in the CPI but not in the HICP (2000):

The value weight of the HICP accounts for 84 per cent of the Consumer Price Index. From the beginning of 2001 the HICP will also contain hospital fees. At the moment it is being considered whether capital expenditure of owner-occupied housing is to be included in the HICP as well.

3. Net Price Index (NET)

Removing the effect of indirect taxes (VAT, alcohol tax) and subsidies from the Consumer Price Index (CPI) will produce the Net Price Index (NET). Indirect taxes and subsidies account for 21 per cent of the Consumer Price Index, which means that the value weight of the Net Price Index makes up 79 per cent of the Consumer Price Index.

4. Indicator of Underlying Inflation (IUI)

The Indicator of Underlying Inflation is derived by deducting from the Consumer Price Index capital expenditure of owner-occupied housing in addition to taxes and subsidies. The IUI's value weight accounts for 72.3 per cent of the Consumer Price Index.

5. IUI-2

The IUI-2 is arrived at by removing from the Indicator of Underlying Inflation public education and health care expenditure and interests on consumer credits and membership fees, that is, all non-market price services. The value weight of

WEIGHTS OF DIFFERENT VERSIONS OF THE CONSUMER PRICE INDEX, 1995=100

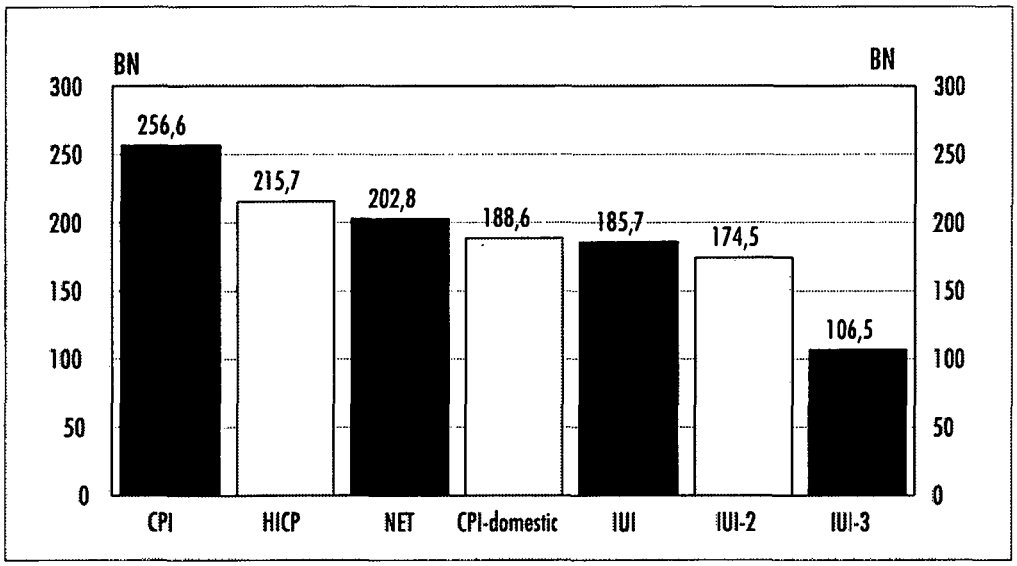


TABLE 1.

Year/ month	CPI	HICP	NET	CPI-domestic	IUI	IUI-2	IUI-3	CPI without oil
1996	0.6	1.1	–0.2	0.9	0.4	0.6	1.0	0.2
1997	1.2	1.2	0.9	1.5	0.8	0.9	1.2	2.2
1998	1.4	1.4	1.3	2.3	1.0	1.0	2.4	1.1
1999	1.2	1.3	1.1	1.9	1.3	1.4	2.8	0.8
2000	3.4	3.0	5.1	2.0	4.3	4.1	0.1	1.9
2000:12	3.5	2.9	4.9	4.0	4.0	4.0	4.0	2.7

CPI without oil = CPI from which the direct and indirect price effects of oil on private consumption have been eliminated.

the IUI-2 accounts for 67.9 per cent of the Consumer Price Index.

6. IUI-3

When the proportion of imports is removed from the IUI-2, the IUI-3 is obtained. The value weight of the IUI-3 makes up 41.5 per cent of the Consumer Price Index.

7. CPI-domestic

The CPI-domestic is derived by eliminating the direct and indirect effects of imports on private consumption from the Consumer Price Index. The proportion of imports is estimated to be altogether 26.5 per cent, which means that the value weight of the CPI-domestic is 73.5 per cent of the Consumer Price Index.

8. Consumer Price Index without oil

The Consumer Price Index without oil is obtained by removing the direct and indirect effects of oil products from the Consumer Price Index. Likewise, it is possible to eliminate the direct and indirect effects of any of the included 450 commodities.

Table 1 describes the year-on-year changes of different indices from 1996 to 2000 and the point figures for December 2000.

For further details, please contact:
Ilkka Lehtinen, tel. +358 9 1734 3478

EARTH CONSTRUCTION INDICES REVISED

The Earth Construction Cost Index and the Cost Index for Earthmovers have been revised. The weight structures of the indices correspond to production realised in 1999. The base year of the index, marked with the figure 100, is 1995.

New subindex for service and maintenance

The Earth Construction Cost Index is a fixed-weight input price index calculated by type of work. The structure of the index is influenced by the fact that it is mainly used for revisions made to the cost level of contract prices. Partial contracting and subcontracting on the basis of type of work are typical of earth construction production.

Since the 1990=100 revision, the types of work included in the Earth Construction Cost Index have been as follows: foundation, earthworks, rock construction, crushing, road surfacing, water supply and bridge construction. Now this group was supplemented with the subindex for service and maintenance, which is produced separately from the total index.

More index clause subindices

In addition to the point figures according to input headings and cost variables for types of work, the M, K and S special indices applicable to the index clause are also produced from the subindices of the Earth Construction Cost Index. Now a so-called H index applicable to the index clause will be produced on service and maintenance. The H index does not include workers' and supervisors' wages and salaries and indirect wages and salaries.

Small changes to the weight structure

Of the types of work, the proportion of foundation, rock construction and crushing work among the total costs of earth construction rose in the 1995=100 revision compared to the old 1990=100 index. The weight proportion of other types of work, especially that of water supply, correspondingly fell (Table 1).

Of the input groups, the weight proportions of purchased machinery services and materials went up. Material costs are considerably large in earth construction, as their proportion of total costs is good 32 per cent in the new index (Table 2). The material input includes all materials retained in the finished product and those needed for work, such as purchased and refined rock materials in earth construction work, concrete and cement in foundation work, bitumen in road surfacing, and shuttering and concrete steel in bridge construction.

The weight proportions of labour costs, own equipment, purchased transport services and joint site costs fell slightly compared to the 1990=100 index. The costs of labour inputs contain driver costs of own machinery and transport equipment in total, that is, wages and salaries, indirect wages and salaries, and travel and daily allowances. Supervisors' expenses are included in joint site costs together with office expenses.

Own equipment includes costs of machinery, equipment and transport equipment, such as capital depreciation, interest expenditure, and costs of financing, appliances and wearing parts. Own equipment also comprises costs of energy, fuels and purchased transfer services.

TABLE 1. WEIGHTS OF TYPES OF WORK IN THE EARTH CONSTRUCTION COST INDEX 1990=100 AND 1995=100, % OF TOTAL INDEX

Type of work	1990=100	1995=100
Foundation	5	7
Earthworks	35	34
Rock construction	10	12
Crushing	10	12
Road surfacing	12	12
Water supply	17	13
Bridge construction	11	10
Total	**100**	**100**

TABLE 2. WEIGHTS OF INPUT HEADINGS IN THE EARTH CONSTRUCTION COST INDEX 1995=100, % OF TOTAL INDEX

Input heading	1990=100	1995=100
Labour force	22.5	21.2
Own equipment	21.6	20.9
Purchased machinery services	7.2	8.7
Purchased transportation services	11.5	9.8
Materials	29.2	32.1
Joint site costs	7.9	7.2
Total	**100.0**	**100.0**

Structural changes to the Cost Index for Earthmovers

Considerable structural changes were made to the Cost Index for Earthmovers in addition to rendering it more up-to-date and changing the base year. The conventional earthmovers in the index now include crawler-mounted and wheel-mounted excavators, tractor excavators and wheel loaders, while the cost monitoring of tractor dumpers and bulldozers was discontinued. Only one uniform index is produced for conventional earthmovers and separate indices are no longer produced for different types of machinery.

Another considerable change was the addition of heavy trucks and auxiliary equipment to maintenance machinery. Their weight proportion of maintenance machinery is 40 per cent, while that of other maintenance machinery, such as special tractors, road graders and sweepers is 60 per cent. Of the total index, maintenance machinery now accounts for 30 per cent, whereas their proportion of the old 1990=100 index was good 10 per cent.

Chaining of old indices

Publication of old indices is continued by chaining them to the new index. In the Earth Construction Cost Index the chaining month is January 2000 and in the Cost Index for Earthmovers March 2000. Production of the indices according to the old input groups or cost factors will not be continued.

TABLE 3. WEIGHT STRUCTURE OF THE COST INDEX FOR EARTHMOVERS 1995=100, %

Cost factors	Earthmovers	Maintenance machinery	Total	Vehicle cranes
Wages and salaries	20.6	26.0	22.2	14.3
Indirect wages and salaries	15.3	13.5	14.7	10.6
Travel and daily allowances	2.5	0.2	1.8	4.3
Maintenance and repair	9.4	11.8	10.1	12.7
Fuels	8.1	7.6	8.0	6.1
Insurances	1.5	3.6	2.1	4.2
Transfers	0.6	–	0.4	–
Capital depreciation	22.7	22.6	22.7	20.7
Financing costs	11.4	8.3	10.5	12.0
Administration	7.9	6.5	7.5	15.1
Total	**100.0**	**100.0**	**100.0**	**100,0**

FIGURE 1. YEAR-ON-YEAR CHANGES OF THE EARTH CONSTRUCTION COST INDEX 1990=100 AND 1995=100 FROM JANUARY 1996 TO JULY 2000

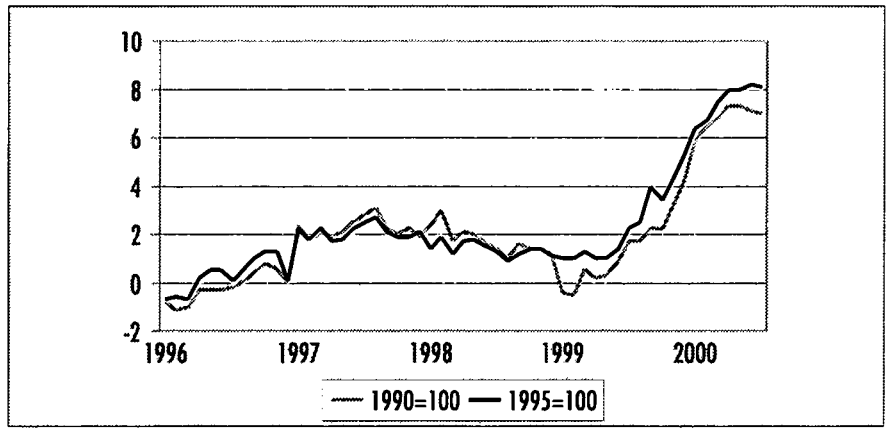
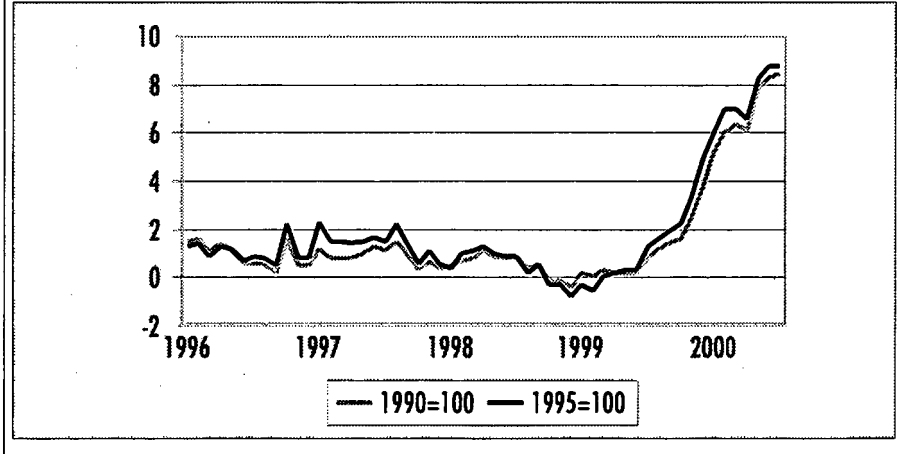


FIGURE 2. YEAR-ON-YEAR CHANGES OF THE COST INDEX FOR EARTHMOVERS 1990=100 AND 1995=100 FROM JANUARY 1996 TO JULY 2000



Sources

Earth Construction Cost Index 1995= 100, Cost Index for Earthmovers 1995=100

For further information, please contact:

Pirkko Hemmilä, tel. +358 9 1734 3470

E-mail:

pirkko.hemmila@stat.fi

FINLAND'S PRICE LEVEL SEVENTH HIGHEST IN THE OECD

Experiences of how expensive life is in Finland are supported by a price level comparison study published by the OECD. If total price levels in private consumption are adjusted by July 2000 changes in rates of exchange and inflation, Finland is ranked as the seventh most expensive country in the OECD. Some changes have taken place, however, since still ten years ago, Finland was the most expensive country in Europe and the OECD in terms of the overall price levels of private consumption.

Other Nordic countries, Japan and Switzerland were more expensive than Finland, as was the case one year previously. The least expensive countries in Europe are still the Mediterranean countries (Portugal, Greece, Spain and Turkey) and Poland, Hungary and the Czech Republic. With reference to expensive private consumption, especially alcoholic beverages, tobacco, vehicles, book and magazines are expensive in Finland compared to most other EU countries.

Where do the results come from?

Finland joined the price comparison co-ordinated by the OECD in 1980. From 1992 Finland has participated in the price comparison survey of Eurostat, the Statistical Office of the European Union.

Comparative price surveys study the prices of equivalent products in different countries. For private consumption, the weight structure of the commodity basket is formed on the basis of household consumption. Because consumption habits vary from one country to another, the items in the basket for each country are determined in co-operation with the national statistical offices, the OECD and Eurostat. Prices of about 3,500 commodities and services are surveyed.

The price data of the survey are collected by product category during a period of three years. Recent information is added to the material continuously and old data are updated by exchange rates and inflation coefficients.

The value ratios, i.e. the purchasing power parities between currencies, are calculated by price comparisons between the countries. This so-called PPP rate represents the real purchasing power of the currencies. When converting a certain sum of money into other countries' currencies by means of the purchasing power parity, an equal amount of goods and services will be obtained by that sum of money in the countries in question.

The price level index is calculated by dividing the purchasing power parity by the corresponding exchange rate. The index gives a tourist's point of view: if my purchases in Finland cost FIM 100, how many Finnish marks would I need to buy the same commodities in some other country? In July 2000, that 'commodity basket' covering private consumption would have cost FIM 112 in Norway and FIM 63 in Portugal.

Big Mac index as alternative?

The Economist has calculated alternative purchasing power parity with a so-called Big Mac index. As the name indicates, the index is calculated by comparing the price of a Big Mac hamburger in different countries. It is easy to compare a hamburger: its composition is standardised and it is available in many countries. Comparability problems between the East and the West, the South and the North are thus minimised. It is a different matter entirely whether a hamburger provides a sufficient basis for international price comparisons. For the sake of comparison, the adjacent table presents the price level indices of some countries as calculated by means of the Big Mac index and those produced by the OECD.

Good to remember

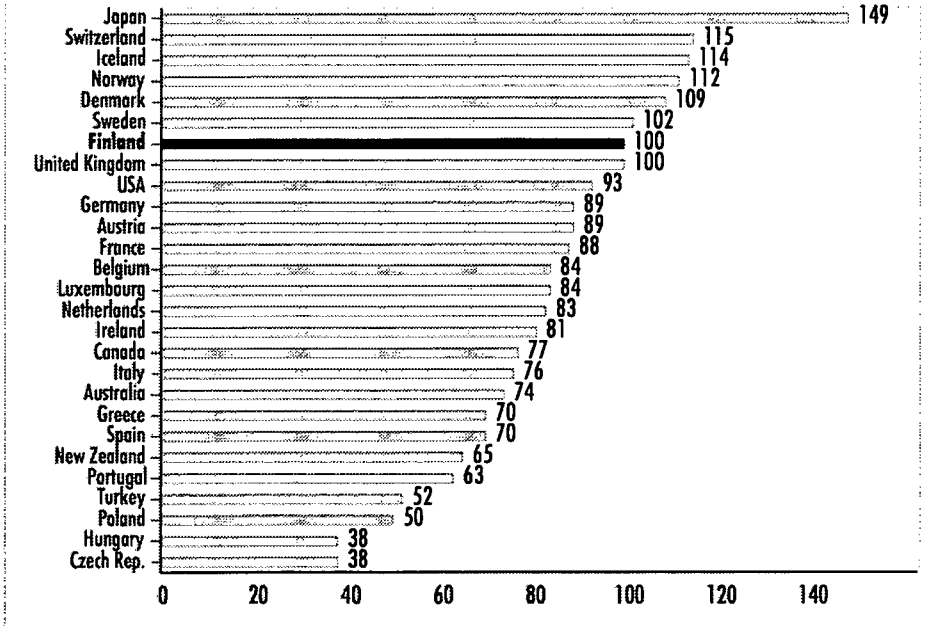
It should be borne in mind when examining the levels of prices that the indices say nothing about people's purchasing power. Such a comparison would require infor-

mation on wages, taxation, social security and public sector services funded from tax revenues.

Even if Finland is ranked among the most expensive countries in this price comparison, its place will fall considerably when people's purchasing power is taken under examination.

For further details, please contact:
Harri Kananoja or Arja Seittenranta, tel. +358 9 17341

OVERALL PRICE LEVEL OF PRIVATE CONSUMPTION IN JULY 2000, FINLAND=100



Source: OECD/Main Economic Indicators 7/2000

Country	Big Mac $	Big Mac index (Finland=100)	OECD price level index 7/00 (Finland=100)
Netherlands	–	–	83
Spain	2.09	68.3	70
United Kingdom	3.00	98.0	100
Italy	2.16	70.6	76
Japan	2.78	90.8	149
Canada	1.94	63.4	77
France	2.62	85.6	88
Sweden	2.71	88.6	102
Germany	2.37	77.5	89
Finland	**3.06**	**100.0**	**100**
Switzerland	3.48	113.7	115
Denmark	3.08	100.7	109
USA	2.51	82.0	93

The international price level indices of private consumption were calculated on the basis of the 1997 purchasing power parities by correcting them by changes in exchange rates and by inflation coefficients.

GROWTH IN HOUSING TRANSACTIONS CONTINUED IN 1999

The number of housing transactions continued to grow in 1999. Transactions amounted to FIM 32.7 billion. The total price was up by about FIM four billion from the previous year. The growth is attributable to higher housing prices. The data are based on Statistics Finland's price statistics of housing companies from 1999 compiled from the taxation authority's asset transfer tax statements.

The statistics cover a total of 75,000 housing transactions, up by about 2,000 from the previous year. Transactions of old non-subsidised dwellings numbered 65,500. One third of them were made in the region of Uusimaa.

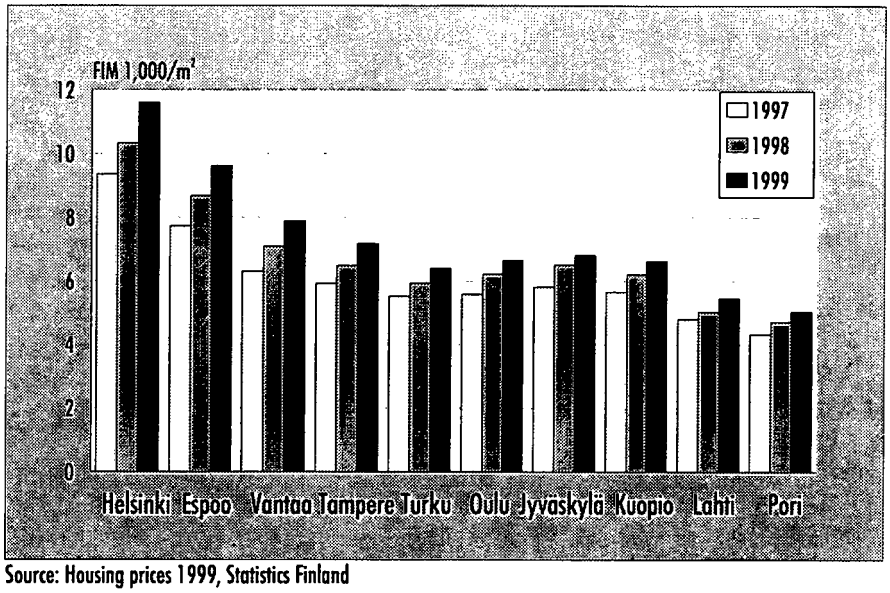
In 1999, the average price for old non-subsidised dwellings was FIM 6,990 per square metre, which is 9.8 per cent higher than in 1998. In the Greater Helsinki area, the average price per square metre rose by 11.5 per cent, to FIM 10,493.

The rate of increase was fastest in the region of Uusimaa, at 11.9 per cent. The annual rise in average prices was slowest in Central Ostrobothnia, up by 2.3 per cent.

For further details, please contact:
Eugen Koev, tel. +358 9 1734 3397,
Petri Kettunen, tel. +358 9 1734 3558

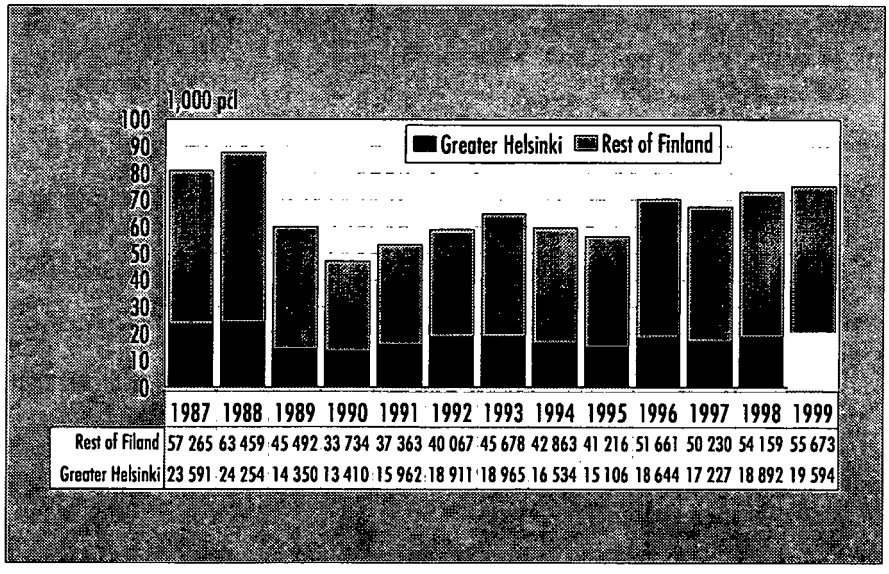
Source:
Housing prices 1999. Statistics Finland

AVERAGE UNENCUMBERED SELLING PRICES PER SQUARE METRE FOR OLD NON-SUBSIDISED DWELLINGS IN HOUSING COMPANIES IN FINLAND'S LARGEST TOWNS, 1997–1999



Source: Housing prices 1999, Statistics Finland

NUMBER OF HOUSING TRANSACTIONS IN 1987–1999



	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Rest of Filand	57 265	63 459	45 492	33 734	37 363	40 067	45 678	42 863	41 216	51 661	50 230	54 159	55 673
Greater Helsinki	23 591	24 254	14 350	13 410	15 962	18 911	18 965	16 534	15 106	18 644	17 227	18 892	19 594

AVERAGE UNENCUMBERED SELLING PRICES FOR OLD1) NON-SUBSIDISED DWELLINGS IN HOUSING COMPANIES (FIM/M²) AND NUMBER OF TRANSACTIONS IN 1999. AND CHANGE IN AVERAGE PRICE FROM 1998 TO 1999

AREA	FIM/m²	Change, % 1998–1999	No.
Whole country	**6 990**	**9.8**	**65 519**
Greater Helsinki	10 493	11.5	17 381
Rest of Finland	5 725	8.4	48 138
BY REGION			
Uusimaa	9 679	11.9	22 038
Helsinki	11 600	12.2	10 387
Espoo	9 626	11.1	3 638
Vantaa	7 882	11.2	3 232
Itä-Uusimaa	6 364	11.8	720
Porvoo	6 689	13.0	538
Varsinais-Suomi	5 851	8.1	6 890
Turku	6 393	7.9	3 993
Satakunta	4 813	5.0	2 321
Pori	5 031	6.8	1 019
Kanta-Häme	5 451	6.8	2 099
Hämeenlinna	6 231	6.6	905
Pirkanmaa	6 452	10.7	6 898
Tampere	7 175	10.6	4 417
Päijät-Häme	5 171	7.6	2 966
Lahti	5 453	8.5	1 908
Kymenlaakso	4 568	6.0	2 281
Kotka	4 594	5.3	891
South Karelia	5 909	8.2	1 427
Lappeenranta	6 623	6.5	835
Etelä-Savo	4 953	2.9	1 629
Mikkeli	5 989	4.3	556
Pohjois-Savo	5 651	6.1	2 933
Kuopio	6 626	6.7	1 661
North Karelia	5 064	3.5	1 634
Joensuu	5 725	4.5	1 014
Central Finland	5 853	8.0	3 064
Jyväskylä	6 802	8.2	1 632
South Ostrobothnia	4 875	5.3	1 088
Seinäjoki	5 567	5.9	517
Ostrobothnia	5 799	8.8	1 525
Vaasa	6 501	9.1	979
Central Ostrobothnia	4 705	2.3	505
Kokkola	5 070	3.9	373
North Ostrobothnia	5 962	6.4	3 283
Oulu	6 645	6.9	2 094
Kainuu	5 267	6.2	685
Kajaani	5 401	5.4	556
Lapland	5 091	8.4	1 453
Rovaniemi	5 680	7.8	642

1) Completed before 1998.

RENTS UP BY 3.7 PER CENT IN THE YEAR

The rents of dwellings rose, on average, by 3.7 per cent from April 1999 to April 2000. The rents of government-subsidised rental dwellings went up by two per cent and those of non-subsidised dwellings by 4.9 per cent. In Greater Helsinki, the rents of non-subsidised dwellings rose by six per cent in the year. The data are based on Statistics Finland's rent statistics.

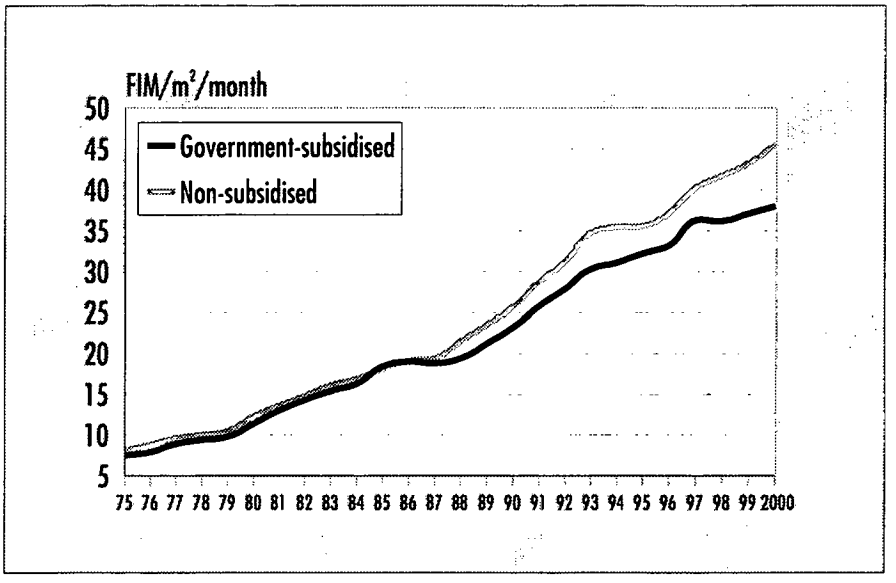
The mean rent was FIM 38 per square metre for a government-subsidised dwelling and FIM 45.6 for a non-subsidised dwelling in April 1999.

In new tenancies of non-subsidised dwellings the rents went up, on average, by about 4.6 per cent in the whole country from April 1999. In Greater Helsinki the rise was recorded at 5.7 per cent. A new tenancy refers to change of tenants within the past 12 months.

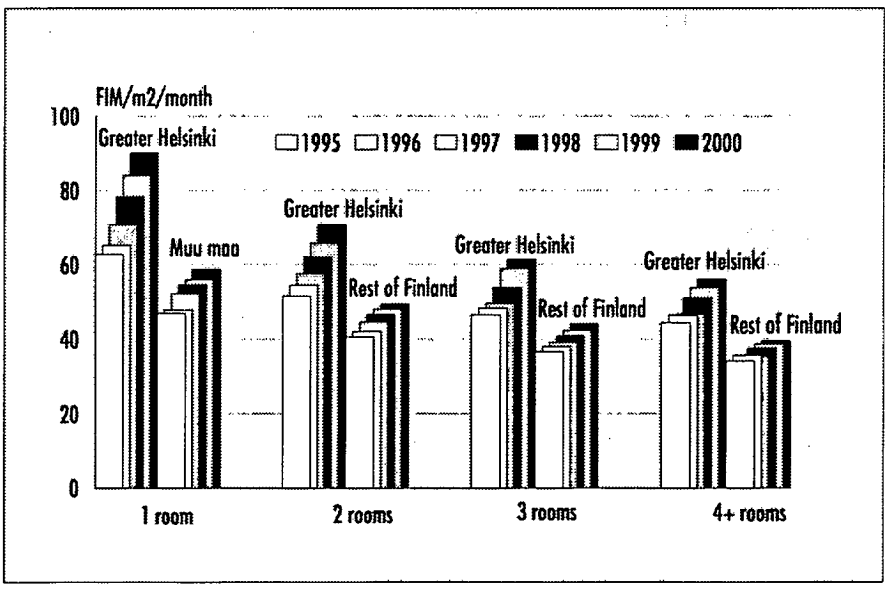
The data on rents were obtained from Statistics Finland's inquiry and the Social Insurance Institute's rental subsidy register. The data on rental dwellings are from the population information system.

For further details, please contact:
Eugen Koev, tel. +358 9 1734 3397

MEAN RENTS PER SQUARE METRE IN 1975-2000



MEAN RENTS PER SQUARE METRE BY NUMBER OF ROOMS (KITCHEN COUNTED AS A ROOM, KITCHENETTE NOT) IN GREATER HELSINKI AND THE REST OF FINLAND IN 1995-2000, NEW TENANCIES IN NON-SUBSIDISED RENTAL DWELLINGS



MEAN MONTHLY RENTS BY AREA IN APRIL 2000, FIM/M²

AREA	Whole stock of rental dwellings				New non-subsidised tenancies	
	Non-subsidised		Government-subsidised			
	Rent, FIM/m²/month	Change, % 4/99–4/00	Rent, FIM/m²/month	Change, % 4/99–4/00	Rent, FIM/m²/month	Change, % 4/99–4/00
Whole country	**45.6**	**4.9**	**38.0**	**2.0**	**49.2**	**4.6**
Greater Helsinki	58.5	6.0	42.8	1.3	65.5	5.7
Rest of Finland	41.1	4.3	36.1	2.3	44.7	4.2
Espoo	54.5	4.4	42.7	1.0	57.6	5.7
Helsinki	60.9	6.0	42.9	0.8	70.1	5.3
Hämeenlinna	44.6	5.6	38.5	2.9	49.5	6.9
Joensuu	46.5	2.8	37.5	1.2	49.5	2.3
Jyväskylä	48.9	5.5	38.9	3.7	53.2	5.3
Kotka	41.7	5.0	35.0	1.9	46.0	3.6
Kouvola	42.3	1.9	34.8	1.3	44.5	2.3
Kuopio	47.3	3.8	35.6	2.2	50.7	3.9
Lahti	43.1	5.0	36.2	2.2	47.3	3.7
Lappeenranta	46.6	3.5	37.8	1.6	49.8	4.8
Oulu	47.6	3.8	37.3	3.6	51.5	3.6
Pori	41.2	3.8	35.2	1.3	45.3	3.9
Rovaniemi	45.1	2.9	38.8	2.1	48.3	2.3
Seinäjoki	42.1	2.9	35.8	2.1	44.8	3.7
Tampere	49.6	4.7	38.4	3.9	53.6	4.6
Turku	47.7	4.3	36.6	2.7	50.4	4.0
Vaasa	45.3	3.5	37.8	3.6	49.9	4.5
Vantaa	52.1	8.5	42.7	3.2	57.0	7.4
Surrounding districts[1]	44.7	5.2	39.2	3.0	49.0	4.9
By the number of inhabitants in the municipality						
over 100,000 inhabitants	54.9	5.5	41.4	1.8	59.5	5.0
60,000–100,000 inhabitants	45.2	4.6	36.7	2.5	49.3	4.3
20,000–59,999 inhabitants	42.5	4.4	36.9	2.1	46.1	4.1
under 20,000 inhabitants	35.4	4.2	34.6	1.8	37.5	4.2

1 Surrounding districts include Hyvinkää, Järvenpää, Kerava, Riihimäki, Kirkkonummi, Sipoo, Tuusula and Vihti.
The change percentages were calculated from the index of all comparable dwellings, not directly from mean rents.

Source: Rent statistics 2000. Housing 2000:3. Statistics Finland

For further details, please contact: Eugen Koev, tel. +358 9 1734 3397.
More information on the Internet at **http://tilastokeskus.fi/tk/hp/ashin_vuokrat.html**

RISE IN REAL EARNINGS SLOWED DOWN IN THE 1990S FROM PREVIOUS DECADES

Calculations can be made about the development of wage and salary earners' real earnings by deflating the Index of Wage and Salary Earnings by the Consumer Price Index. When the development of real earnings is calculated in this way, the effect of overtime work and non-recurrent items and changes in taxation are not taken into consideration. Taxes on earned income became somewhat more stringent in Finland in the 1990s, although taxation was slightly alleviated towards the latter part of the decade. Therefore, the rise in the purchasing power of wages and salaries was to some extent slower in the 1990s than the development of the real gross income.

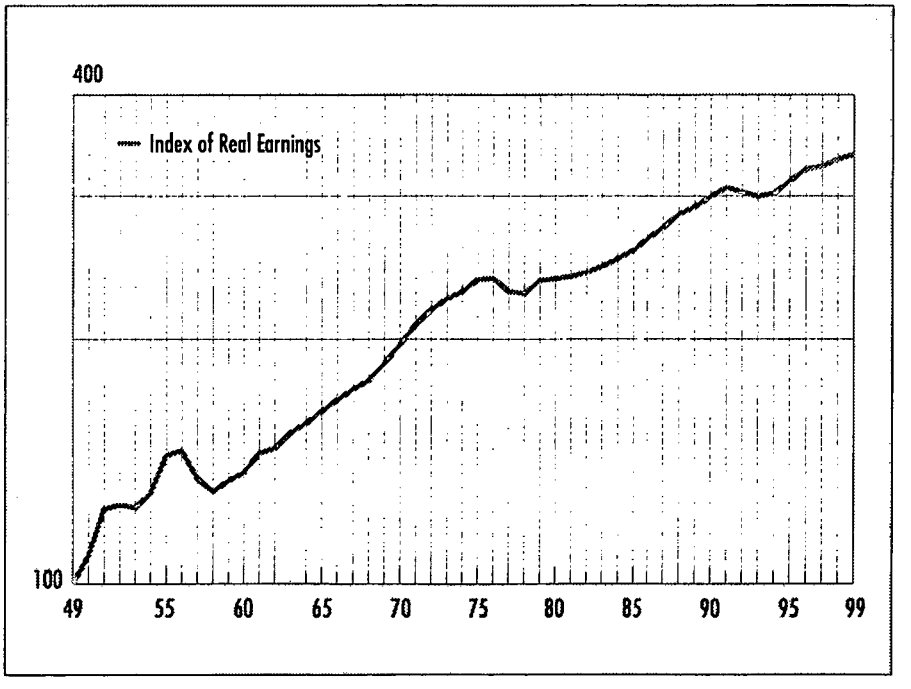
On the basis of the Index of Wage and Salary Earnings and the Consumer Price Index, real earnings of wage and salary earners rose by 14 per cent from the last quarter of 1989 to the last quarter of 1999. The average rise in real earnings was 1.3 per cent per year. In fifty years real earnings have increased about 3.4-fold, which makes about two and a half per cent per year.

In the late 1990s the growth of real earnings slowed down, since real earnings rose by about 34 per cent in the 1950s, by 39 per cent in the 1960s, by 27 per cent in the 1970s, and by 23 per cent in the 1980s. The main reason for the slower than average development in the 1990s was the economic recession in the early part of the decade, during which real earnings fell slightly in 1992 and 1993. Before this, real earnings have fallen during the post-World War Two period both in the 1950s and in the 1970s. In the 1990s the rise was fastest in 1995 and 1996, when the growth was over three per cent. However, these increases were low compared to the previous decades' figures, since in 1951 and 1955, for example, real growth exceeded ten per cent. Due to faster inflation, for example, real earnings declined in the latter half of the 1950s. Changes in the development of nominal earnings have been more dramatic in the past decades.

Real earnings in manufacturing rose fastest in the 1990s

In the 1990s, there were considerable differences in the development of real earnings in different branches. Most of these differences arose during the recession at the beginning of the decade and the economic boom after it in the mid-1990s. Of the key branches of industry, the growth of real earnings was fastest in manufacturing, almost 20 per cent. The growth was faster than average in financing and trade as well. The development of real earnings was clearly weak-

DEVELOPMENT OF REAL EARNINGS IN 1949–1999
1949=100, LOGARITHMIC SCALE



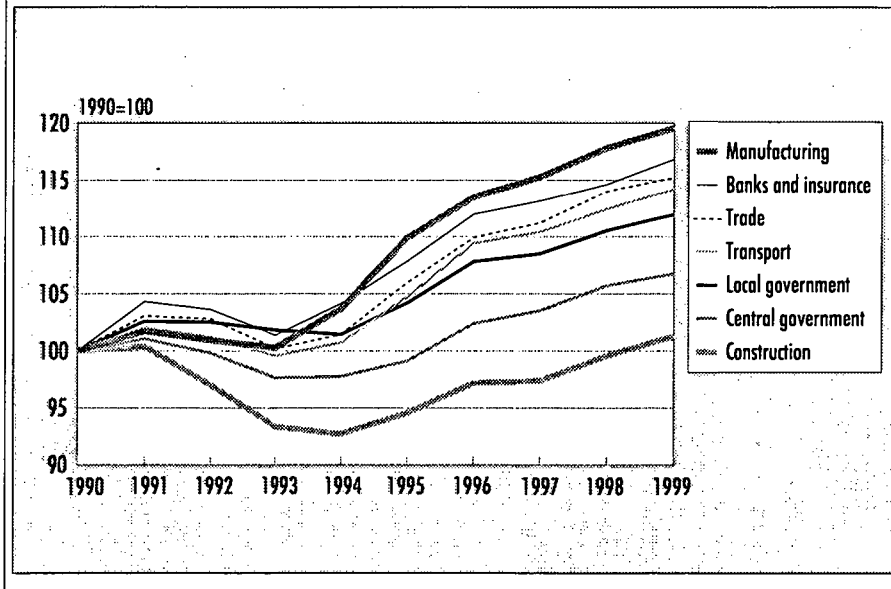
est in construction, where the level of 1990 was not attained until at the end of the decade. At highest, in 1994, real earnings of construction were over seven per cent lower than in 1990. Public sector employees, particularly those employed by central government, lagged clearly behind the average real earnings development. The difference between central and local government was already created in the early 1990s.

Progressive taxation in Finland levels off the differences in the development of real earnings in different branches. The faster the development of earnings, the faster the average income tax rate will rise, provided that the change in earnings exceeds the inflation adjustment of tax schedules. For example, the average tax rate of construction workers probably fell in the 1990s. Therefore, measured by the purchasing power the differences in the development of real earnings in different branches were not as large as calculated from the gross income.

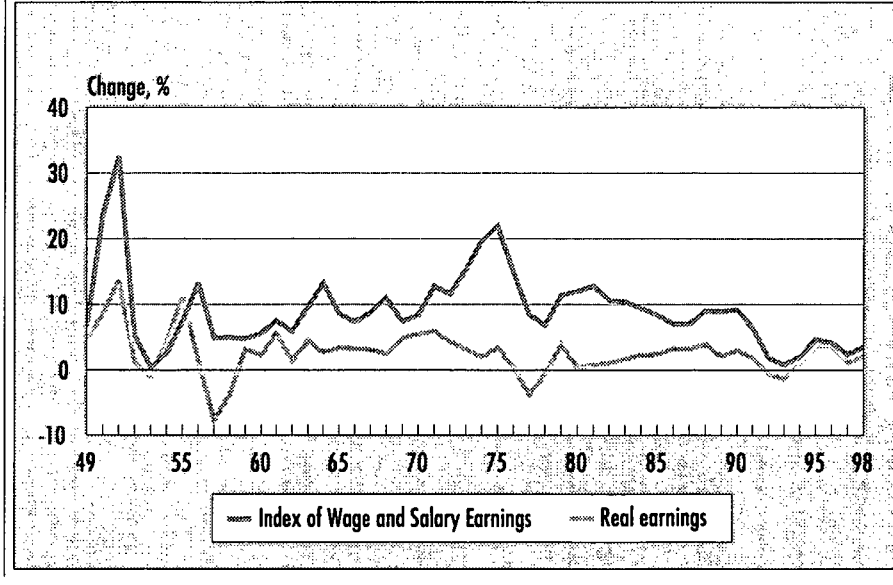
Source:
Index of Wage and Salary Earnings

For further details, please contact:
Harri Nummila, tel. +358 9 1734 3235

DEVELOPMENT OF REAL EARNINGS IN CERTAIN BRANCES AND IN CENTRAL AND LOCAL GOVERNMENT IN THE 1990S



INDEX OF WAGE AND SALARY EARNINGS AND REAL EARNINGS IN 1949–1998



HOURLY WAGES IN INDUSTRY UP BY 3.6 PER CENT

The average hourly earnings of an industrial worker for regular working hours were FIM 63.84 in the fourth quarter of 1999. The average earnings rose by 3.6 per cent from the corresponding quarter in the previous year. The average hourly earnings for men were FIM 66.42, up by 3.4 per cent, and for women FIM 55.53, up by 4.0 per cent.

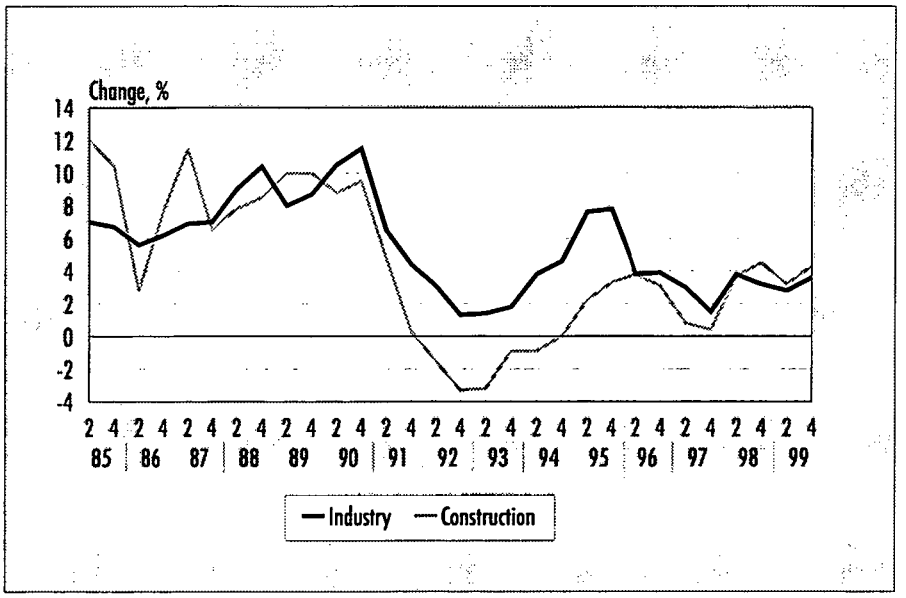
Including overtime and Sunday rates, the average hourly wage was FIM 68.59. The total hourly earnings were up by 3.9 per cent from the corresponding quarter in the previous year.

From 1991 onwards, data have not been collected from the food, beverage and tobacco industries for all the recorded quarters. If the food, beverage and tobacco industries, with about 13,000 employees in the fourth quarter of 1999, had been included in the statistics, the hourly wages for regular working hours for men and women would have been FIM 63.44 and the total hourly wages FIM 68.03.

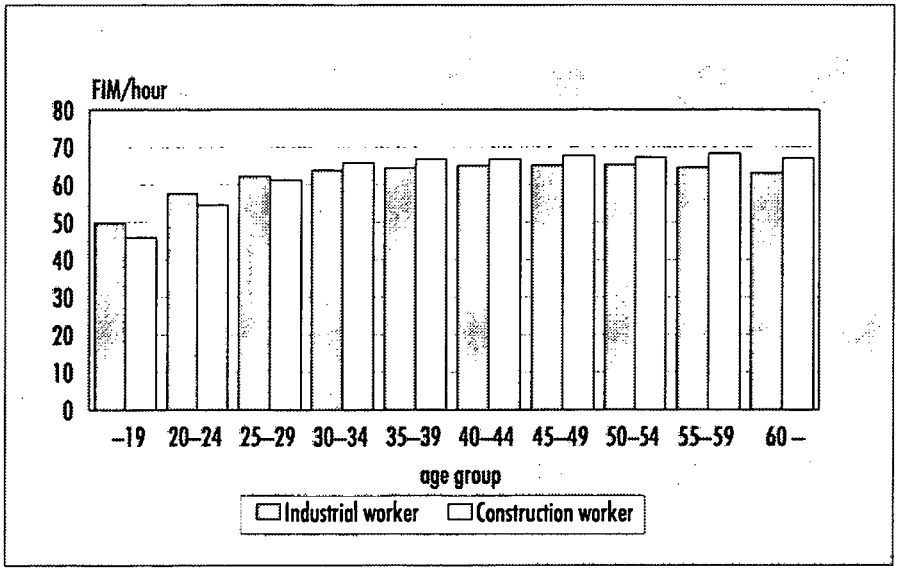
Hourly wages in construction up by 4.3 per cent

The average hourly earnings for regular working hours of a construction worker were FIM 65.23 in the fourth quarter of 1999, those for men being FIM 65.55, and for women FIM 50.23. The earnings were up by a total of 4.3 per cent on the corresponding quarter in the previous year. For men, the increase on last year's corresponding

CHANGES FROM THE PREVIOUS YEAR'S CORRESPONDING QUARTER IN HOURLY WAGES FOR REGULAR WORKING HOURS OF WORKERS IN INDUSTRY AND CONSTRUCTION IN 1985–1999, 4TH QUARTER.



HOURLY WAGES BY AGE GROUP FOR REGULAR WORKING HOURS IN INDUSTRY AND CONSTRUCTION IN THE 4TH QUARTER OF 1999



NUMBERS OF WORKERS EMPLOYED IN INDUSTRY AND CONSTRUCTION AND THEIR HOURLY EARNINGS FOR REGULAR WORKING HOURS IN THE 4TH QUARTER OF 1999

Branch	No.	% women	Hourly earnings, FIM			Change,%	Change,%
			Men	Women	Total	IV/98–IV/99	II/99 –IV/99
Manufacturing industry, total	**147 929**	**24.4**	**66.42**	**55.53**	**63.84**	**3.6**	**1.1**
Mining and quarrying	375	6.4	79.85	51.98	78.21	11.4	5.3
Peat production	237	6.8	51.46	43.21	51.00	5.2	0.4
Textiles	3 753	65.6	57.19	47.94	51.19	3.6	0.5
Clothing, leather and footwear	3 410	82.7	49.07	44.10	44.99	3.1	0.8
Timber	10 690	22.8	62.52	58.28	61.60	4.0	1.5
Paper	24 601	15.6	72.78	65.14	71.63	3.8	1.3
Graphics	7 740	34.2	64.88	55.95	61.93	3.5	1.6
Furniture	4 684	27.2	55.13	51.52	54.17	4.6	1.0
Chemicals	14 216	28.5	63.16	70.78	59.79	2.7	–1.2
Glass, pottery and stone	8 608	17.6	62.04	55.94	61.02	4.3	0.8
Basic metals	7 816	10.1	73.80	67.69	73.21	3.5	3.0
Metal products and vehicles	55 654	23.6	66.49	57.52	64.43	3.3	2.0
Other manufacturing	1 972	43.5	61.81	53.02	58.07	0.9	0.9
Power generation	4 173	6.1	65.62	54.04	65.06	2.1	1.8
Construction, total	**24 580**	**2.8**	**65.55**	**50.23**	**65.23**	**4.3**	**3.0**
House building	13 182	3.5	63.52	49.34	63.11	3.8	2.7
Electrical installation	2 558	0.4	75.07	61.87	75.04	4.3	4.6
Plumbing	2 374	0.5	73.07	53.73	73.04	4.9	4.3
Painting and decorating	2 018	5.4	65.16	54.99	64.65	4.4	2.6
Metalwork	281	2.1	60.12	.	59.96	4.9	2.1
Industrial insulation	522	2.3	57.74	47.49	57.55	1.1	–0.8
Road surfacing	910	2.9	62.93	45.24	62.60	10.3	6.1
Waterproofing	703	0.4	69.54	.	69.51	4.7	–3.6
Civil engineering	2 032	1.0	58.34	44.98	58.23	4.5	0.6

quarter was 4.4 per cent, and for women, 2.3 per cent. Including overtime and Sunday rates, the average hourly earnings in the quarter under review were FIM 66.73. The total hourly earnings rose by 4.4 per cent from the corresponding quarter in the previous year.

Concepts of wages and earnings

Statistics on hourly wages in industry and construction refer to earnings for hours worked. Hourly earnings for regular working hours include wages paid for work performed on time, contract and commission basis and related compensations for shift work and special circumstances and basic parts of overtime and Sunday pay without increments.

In addition to the above, overtime and Sunday increments are also included in earnings for hours worked, i.e. total earnings.

Source:
Wages of industrial and construction workers in the 4th quarter of 1999

For further details, please contact:
Anne Suhtala, tel. +358 9 1734 3489

E-mail:
anne.suhtala@stat.fi

CHANGE IN LABOUR COSTS IN 1995–1999

One hour worked cost an employer, on average, 11.7 per cent more in 1999 than in 1995. The rise in costs varied depending on the branch of industry. The increase was greatest in construction (15.1 per cent) and lowest in the branches of trade, hotels and restaurants (9.7 per cent).

The rate of change in average hourly costs has varied during the period under review: while the change was two per cent from 1995 to 1996, the change between 1997 and 1998 was as high as about four per cent. In 1999 the rise in costs slowed down somewhat, to three per cent.

About 60 per cent of the gross rise in costs was based on agreement increments and almost 40 per cent on drifts and structural factors. The fall in the proportion of remuneration paid for other than hours worked and social security contributions decelerated the increase in costs by almost three percentage points in the early part of the period under review.

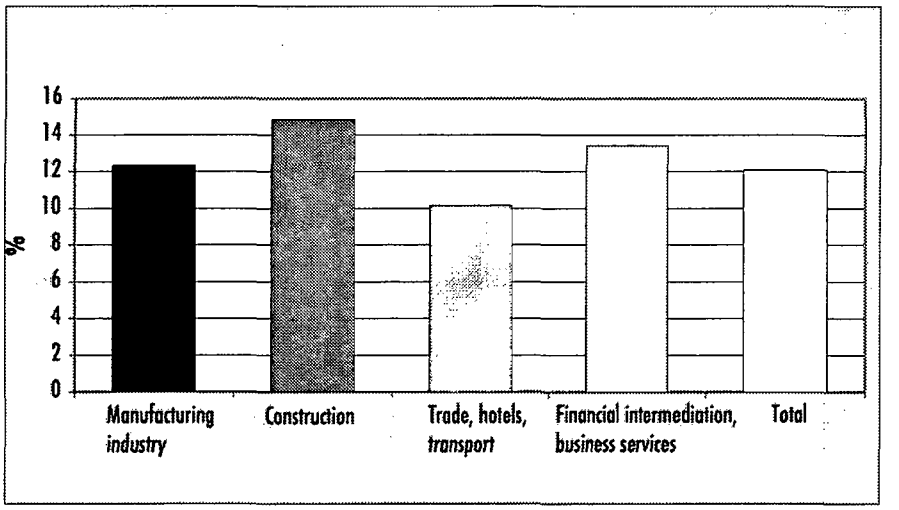
The collective incomes policy agreement of autumn 1995 raised the price of hour worked by good four per cent during the next two years compared to the average cost level of 1995. The proportion of wage drifts remained at about three per cent at the same time. The average labour input of wage and salary earners increased during the upward trend, which reduced the proportion of remuneration paid for other than hours worked. In 1996, the rise in costs was also curbed by fall in social cost rates. The cost per hour worked was only two per cent higher in 1996 than in the previous year, although the average earnings rose by over four per cent during the same period.

The two-year incomes policy agreement made in December 1997 raised costs altogether by approximately four and a half per cent in 1998 and 1999. The proportion of drifts and structural factors remained almost unchanged from the previous years. The average earnings for regular working hours went up by about four per cent in 1998 – roughly the same as in 1996.

TABLE 1. CALCULATION OF FACTORS CONTRIBUTING TO CHANGE IN LABOUR COSTS IN 1995–1999, PRIVATE SECTOR

Cost factor	Effect on change in costs, percentage points				
	1995/96	1996/97	1997/98	1998/99	1995–99
Agreement increments	3.0	1.3	2.6	1.8	9.0
Drifts and structural factors	1.2	1.6	1.3	1.5	6.1
Av. change in labour input, incentive payments, overtime pay	–1.0	–0.4	0.2	–0.2	–1.5
Social costs	–1.2	–0.4	0.0	–0.1	–1.9
Total	**2.0**	**2.1**	**4.1**	**3.0**	**11.7**

FIGURE 1.CHANGE IN COSTS PER HOUR WORKED FROM 1995 TO 1999, PER CENT



In 1999 the rise in average earnings slowed down to three per cent. Both in 1998 and 1999 the average working hours of wage and salary earners and social cost rates were more or less on the same level as the year before. Thus the real rise in labour costs closely corresponded to the change in average earnings.

The factors contributing to the rise in costs were emphasised differently in secondary production and services. In 1995-1999, average earnings rose by 15.1 per cent in secondary production[1] and by 14.4 per cent in services[2]. Due to the equality and low-wage items connected to the collective incomes policy agreements and due to the form of the agreements, the cost effect of agreement increments was larger in the service sector (9.7 per cent) than in secondary production (8.2 per cent). On the other hand, the effect of drifts and structural factors on the average cost per hour worked was more than one percentage point lower in the service sector than in secondary production. This was partly due to improved employment. The proportion of new jobs was larger in the service sector than in manufacturing, and new jobs were predominantly at a lower cost level than average.

The number of hours worked per full-time employee in the service sector was over two per cent higher in 1996 than the year before. The number of overtime hours declined in the branch[3] at the same time. Increase in labour input made within normal hours in the service sector has probably checked the rise in costs by over one percentage point from 1995 to 1999.

The number of hours worked by an industrial worker went up especially in 1997. The growth was partly due to increase in paid overtime, in which case overtime compensations raised the average labour costs of the manufacturing industry. The growth of labour input other than that caused by overtime may at the same time have controlled the rise in costs. Incentive payments becoming more general raised the cost level of manufacturing to some degree, especially towards the end of the review period.

The growth of costs has risen most in the service sector. In the second quarter of 2000 the cost per hour worked grew by almost two per cent from the corresponding period the year before.

The data for 2000 are based exclusively on the preliminary data on the Index of Wage and Salary Earnings. There is as yet no empirical data on the earnings development in 2000 but the data are based on estimates regarding the effect of drifts and structural changes.

For further details, please contact:
Pekka Haapala, tel. +358 9 1734 3460.

1 Mining and quarrying; manufacturing industry; electricity, gas and water supply; construction.

2 Wholesale and retail trade; hotels and restaurants; transport, storage and communications; financial intermediation; real estate, renting and business activities.

3 Source: Official Statistics of Finland: Labour Market 1999:5; Labour Force Statistics 1997.

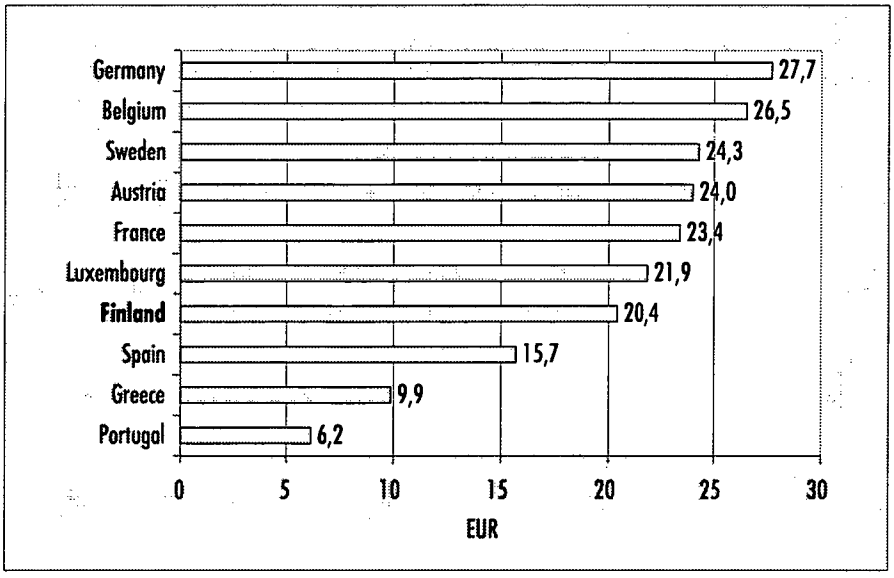
LEVEL OF LABOUR COSTS IN CERTAIN EU COUNTRIES AT THE END OF THE 1990S

Labour costs per hour worked calculated with the help of the Labour Cost Index were obtained only from a few EU Member States. In 1998 and 1999, labour costs in the manufacturing industry were highest in Germany and Sweden and in 1998 also in Belgium, EUR 24 to 28. Finland's labour costs were considerably lower than in the top countries, about EUR 20 per hour worked. South European countries, Greece and Portugal had the lowest labour costs, EUR 6 to 10 per hour worked in 1998 and Spain about EUR 16 in both years.

In the service sectors information was available for the past years from even fewer countries than in the manufacturing industry. The order and differences by country were mainly similar as in manufacturing in 1996 and 1999. Labour costs were highest in Denmark (in 1996) and Germany, EUR 15 per hour worked. They were followed by a few Central European countries before Finland, where costs were on level with the manufacturing industry, about EUR 20 per hour worked. Costs were clearly lower in South European countries and Ireland (in 1996).

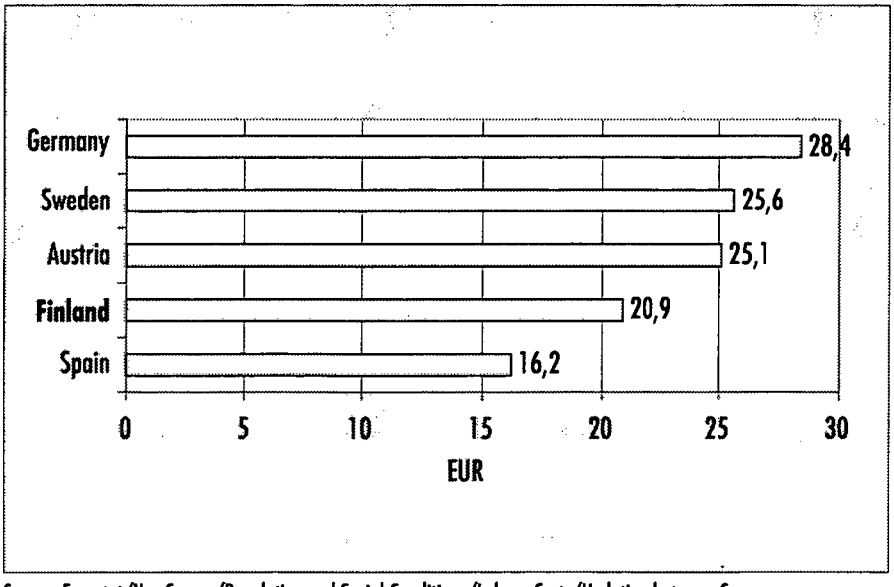
For further details, please contact:
Pentti Jonninen, tel. +358 9 1734 3581

LABOUR COSTS PER HOUR WORKED IN MANUFACTURING IN CERTAIN EU COUNTRIES IN 1998



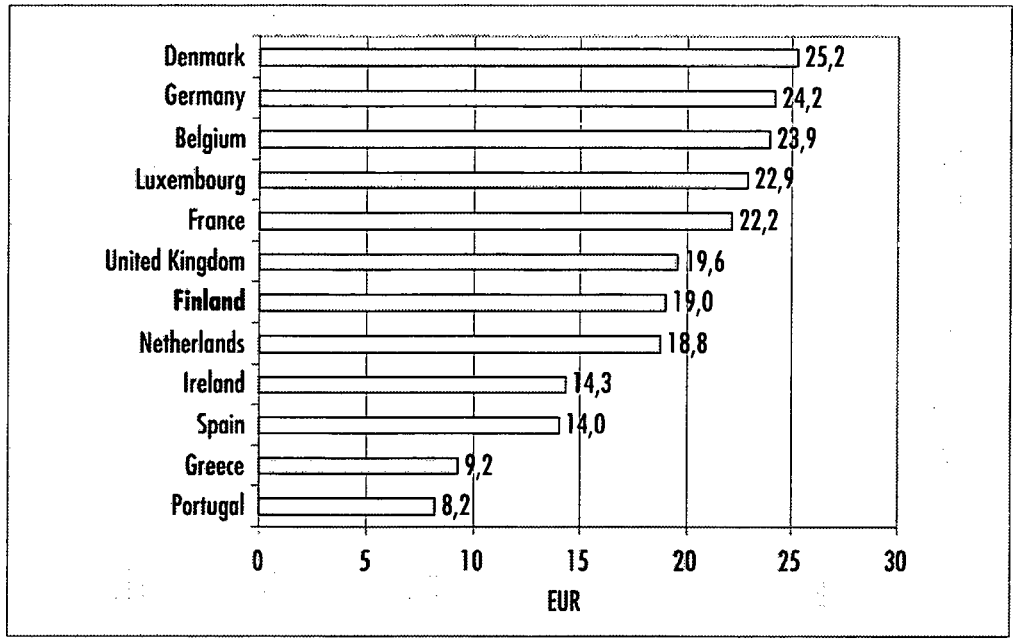
Source: Eurostat/NewCronos/Population and Social Conditions/Labour Costs/Updating between Surveys

LABOUR COSTS PER HOUR WORKED IN MANUFACTURING IN CERTAIN EU COUNTRIES IN 1999



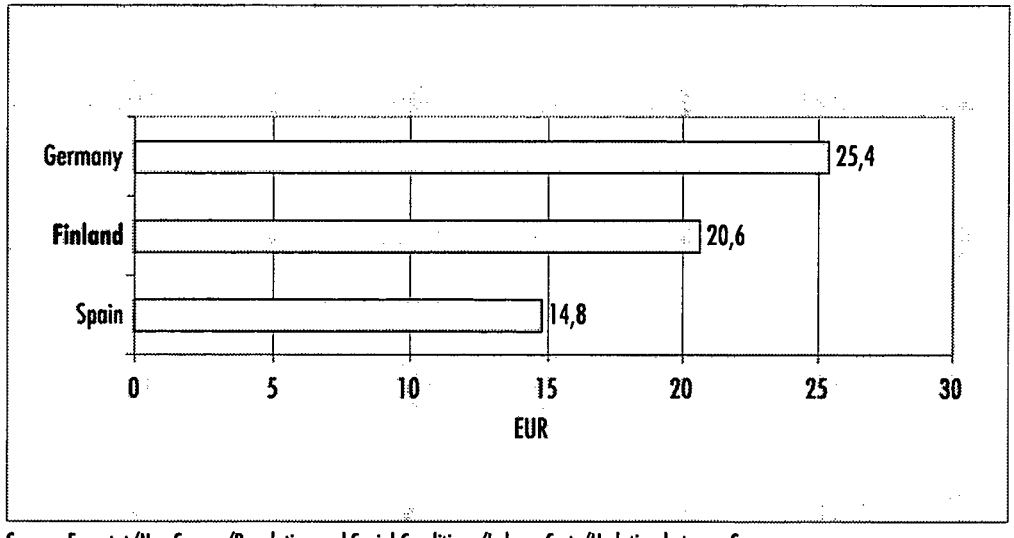
Source: Eurostat/NewCronos/Population and Social Conditions/Labour Costs/Updating between Surveys

LABOUR COSTS PER HOUR WORKED IN SERVICES IN CERTAIN EU COUNTRIES IN 1996



Source: Eurostat/NewCronos/Population and Social Conditions/Labour Costs/Updating between Surveys

LABOUR COSTS PER HOUR WORKED IN SERVICES IN CERTAIN EU COUNTRIES IN 1999



Source: Eurostat/NewCronos/Population and Social Conditions/Labour Costs/Updating between Surveys

1999
A QUIET YEAR ON THE LABOUR DISPUTE FRONT

According to preliminary data of Statistics Finland, there were 65 labour disputes in Finland in 1999. When the final data are completed, the number can increase slightly. The number is clearly smaller than the year before, when there were 98 stoppages. The number of labour disputes was lowest since the 1960s. The validity of the two-year incomes policy agreement had a lowering effect on the number of strikes. Workers participating in labour disputes numbered nearly 15,000, while the number of participants the year before was 35,400. The number of working days lost fell from 133,000 one year previously to 19,000. In 1999, the most significant labour dispute was the air traffic controllers' strike, where about 5,500 thousand working days were lost. The strike paralysed domestic air traffic for over one month.

As normal, the number of labour disputes was highest in the manufacturing sectors. The metal industry had 39 disputes, which is 60 per cent of the total. Of the sub-branches of the metal industry, the manufacture of machinery and equipment experienced 11 stoppages, the manufacture of base metals eight and the manufacture of metal products six. There were in practice no strikes in the forest industry. There were four labour disputes in financial intermediation,

LABOUR DISPUTES IN 1960–1999

Year	Disputes	Workers			Working days lost	
		No.	No. per dispute	% of workforce	No.	No. per participant
1960	44	19 300	439	0.9	96 200	5.0
1961	51	45 200	886	2.1	41 400	0.9
1962	46	7 000	152	0.3	33 000	4.7
1963	66	104 600	1 585	4.8	1 380 300	13.2
1964	76	26 900	354	1.2	58 400	2.2
1965	29	7 000	241	0.3	16 000	2.3
1966	150	66 100	441	3.0	122 900	1.9
1967	43	26 600	619	1.2	320 700	12.1
1968	68	26 800	394	1.2	282 300	10.5
1969	158	83 200	527	3.9	161 100	1.9
1970	240	201 600	840	9.3	233 200	1.2
1971	838	403 300	481	18.6	271 110	6.7
1972	849	239 700	282	11.0	473 100	2.0
1973	1 009	678 200	672	30.6	2 496 900	3.7
1974	1 778	370 700	208	16.3	434 800	1.2
1975	1 530	215 100	141	9.7	284 200	1.3
1976	3 282	512 700	156	23.8	1 325 500	2.6
1977	1 673	743 800	445	35.2	2 374 700	3.2
1978	1 237	164 600	133	7.9	132 400	0.8
1979	1 753	228 690	130	10.7	243 400	1.1
1980	2 238	413 140	185	18.8	1 605 600	3.9
1981	1 612	492 960	306	22.0	659 100	1.3
1982	1 240	167 500	135	7.0	207 600	1.2
1983	1 940	421 840	217	17.7	719 700	1.7
1984	1 710	562 480	329	23.3	1 526 900	2.7
1985	848	171 350	202	7.0	174 300	1.0
1986	1 225	602 730	492	24.8	2 787 600	4.6
1987	802	99 290	124	4.1	130 890	1.3
1988	1 353	244 070	180	10.0	179 820	0.7
1989	629	158 480	252	6.4	204 210	1.3
1990	455	244 760	538	9.9	935 150	3.8
1991	284	166 779	587	7.1	458 340	2.7
1992	168	103 510	616	4.8	76 090	0.7
1993	126	23 190	184	1.1	17 310	0.7
1994	171	70 540	413	3.5	525 700	7.5
1995	112	127 039	1 134	6.3	869 422	6.8
1996	94	43 113	459	2.1	20 077	0.5
1997	91	28 402	312	1.3	103 712	3.7
1998	98	35 380	361	1.6	133 203	3.8
1999	65	14 993	231	0.7	18 953	1.3
I	23	7 078	308	0.3	12 508	1.8
II	17	1 607	95	0.1	1 775	1.1
III	8	818	102	0.0	874	1.1
IV	17	5 490	323	0.2	3 796	0.7

which, as in previous years, were connected with the banks' plans to reduce their personnel.

Of the 63 local labour disputes last year, 27 were carried out in the Province of Western Finland, where stoppages were held on shipyards and in the mechanical engineering industry, for example. The number of strikes was also high in the Provinces of Southern Finland and Oulu. There were only a few labour disputes in the other provinces.

The liveliest months in respect of labour disputes were March and November. Labour disputes were distributed fairly evenly throughout the year. Of the disputes, 37 lasted at most one day and three over five days.

Of the labour disputes, 25 concerned reductions of labour force or a threat thereof. Sixteen labour disputes were motivated by pay demands. In 13 stoppages workers were protesting against work rearrangements or organisational changes.

For further details, please contact:
Harri Nummila, tel. +358 9 1734 3235

LABOUR DISPUTES BY INDUSTRY IN 1999

Branch		Disputes	Participants	Working days lost	Gross wages lost (FIM 1,000)
D151	Manufacturing	3	1 814	1 814	852
D159	Manufacture of food products	1	195	296	142
D180	Manufacture of beverages	2	123	361	133
D211	Manufacture of wearing apparel	4	393	490	274
D270	Manufacture of pulp, paper and paperboard	8	400	363	201
D280	Manufacture of metal products	6	485	417	192
D290	Manufacture of machinery and equipment	11	2 003	2 008	1 073
D310	Manufacture of electrical machinery and apparatus n.e.c.	6	1 072	2 021	1 130
D 320	Manufacture of radio, television and communication equipment	1	100	53	22
D351	Building and repairing of ships and boats	5	3 228	2 390	1 284
D352	Manufacture of other transport equipment n.e.c.	2	792	1 039	620
Manufacturing total		**49**	**10 605**	**11 251**	**5 923**
E410	Collection, purification and distribution of water	1	80	80	38
F451	Civil engineering	4	100	74	39
IF452	Building of complete constructions	1	150	219	112
I553	Restaurants	1	10	10	4
I602	Other land transport (602--603)	1	24	27	13
I630	Supporting and auxiliary transport activities	1	227	5 562	6 828
I641	Post and courier activities	1	1 795	582	268
J650	Financial intermediation	4	461	526	309
J660	Insurance and pension funding	1	1 500	500	320
O900	Sewage and refuse disposal, sanitation and similar activities	1	41	123	59
Total		**65**	**14 993**	**18 958**	**13 913**

LABOUR DISPUTES BY PROVINCE IN 1999

Province	Labour disputes	Participants	Working days lost	Gross wages lost (FIM 1,000)
Province of Southern Finland	20	4 332	2 889	1 514
Province of Western Finland	27	7 028	8 203	4 320
Province of Eastern Finland	4	691	1 151	613
Province of Oulu	11	728	470	316
Province of Lapland	1	192	96	54
National	2	2 022	6 144	7 096
Total	**65**	**14 993**	**18 958**	**13 913**

TABLE OF INDICES

	IV/2000*	Annual change %
• **Index of wage and salary earnings 1995 = 100***	118.8	4.1
Hourly paid employees	119.6	4.4
Monthly paid employees	118.6	4.0
Manufacturing	120.5	4.4
Blue-collar workers	120.5	4.3
White-collar workers	120.5	4.5
Building construction workers	119.2	4.2
Wholesale and retail trading	118.0	4.1
Transport	118.6	4.5
Finance	122.0	4.1
Local government	116.3	3.6
Hourly paid employees	115.3	3.6
Monthly paid employees	116.3	3.6
Central government	118.0	3.9
Monthly paid employees	118.0	3.9
Private sector	119.8	4.3
Hourly paid employees	119.8	4.4
Monthly paid employees	119.8	4.2
• **Index of real earnings 1995 = 100***	108.7	0.2
• **Dwelling price index 1983 = 100**	218.6	–0.2
Helsinki conurbation	227.5	0.7
Rest of Finland	215.5	–0.7
	December 2000	
• **Consumer price index 1995 = 100**	109.1	3.5
Food and non-alcoholic beverages	102.7	2.7
Housing, heating and lighting	114.1	5.9
Transportation	113.7	2.6
• **Cost of living index 1951:10 = 100**	1 517	
• **Wholesale price index 1995 = 100**	109.1	6.0
Domestic goods	108.7	5.8
Imported goods	109.9	6.4
• **Export price index 1995 = 100**	102.8	8.1
• **Import price index 1995 = 100**	110.9	6.5
• **Producer price index, home sales 1995 = 100**	107.4	6.4
• **Basic price index for domestic supply 1995 = 100**	109.1	6.1
• **Building cost index 1995 = 100**	109.5	3.3
Labour	116.6	3.7
Materials	108.8	3.5
• **Cost index of civil engineering works 1995 = 100**	117.5	7.1
• **Cost index for road transport of goods 1995 = 100**	118.1	6.0
• **Cost index of bus and motor-coach traffic 1995 = 100**	116.4	4.9

* Preliminary figure

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INQUIRIES

Seppo Kouvonen/Wages
Timo Koskimäki/Prices
(09) 17 341

Tilastokeskus, myyntipalvelu
PL 4V
00022 TILASTOKESKUS
puh. (09) 1734 2011
faksi (09) 1734 2500
myynti.tilastomyynti@tilastokeskus.fi
www.tilastokeskus.fi

Statistikcentralen, försäljningstjänsten
PB 4V
00022 Statistikcentralen
tfn (09) 1734 2011
fax (09) 1734 2500
myynti.tilastomyynti@stat.fi
www.stat.fi

Statistics Finland/Sales Services
P.O.Box 4V
FIN-00022 Statistics Finland
Finland
Tel + 358-9-1734 2011
Fax +358-9-1734 2500
myynti.tilastokeskus@stat.fi
www.stat.fi

POSTAL ADDRESS

Työpajakatu 13
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