

## 7 Tables based on the national medium-term fiscal-structural plan<sup>19</sup>

### 7.1 Macroeconomic forecasts<sup>20</sup>

**Table 0.i).** Basic assumptions

	2023	2024	2025
3-month EURIBOR	3.4	3.7	2.5
Bond interest rate (10 years)	3.0	2.9	2.7
USD/EUR exchange rate	1.1	1.1	1.1
Nominal effective exchange rate (Finland)	4.1	1.2	0.6
World GDP growth (excluding EU)	3.6	3.5	3.6
EU GDP growth	0.5	0.7	1.5
GDP growth in key export markets	-2.7	0.7	4.2
World trade growth	-1.8	1.5	4.6
Crude oil price (USD/barrel)	82.0	81.6	75.4

19 <http://urn.fi/URN:ISBN:978-952-367-864-4>

20 The Draft Budgetary Plan forecast, which was also the basis for the preparation of the Budget Proposal, has been prepared by the Economics Department of the Ministry of Finance. The forecast is independent and its formal independence is based on the Fiscal Policy Act (Act on the Implementation of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (EMU), the implementation of Treaty provisions of a legislative nature as well as the amendment of the Act on requirements concerning multi-annual budgetary frameworks, 79/2015)

**Table 1a.** Macroeconomic outlook

	2023	2023	2024	2025
	level	amount, %		
<b>1. Real GDP</b>	230.9	-1.2	-0.2	1.7
of which				
1.1. Attributable to the estimated impacts of aggregated budgetary measures on economic growth	-	-	-	-
<b>2. Potential GDP</b>	236.8	1.4	1.2	1.0
contributions:		0.5	0.4	0.3
- labour input		0.2	0.2	0.3
- capital		-0.1	0.0	0.1
- total factor productivity	-	-	-	-
<b>3. Nominal GDP</b>	274.9	2.7	1.5	3.9
<b>4. Private consumption expenditure</b>	123.4	0.2	0.9	1.4
<b>5. Public consumption expenditure</b>	58.3	3.4	0.5	-0.5
<b>6. Capital formation</b>	48.9	-8.8	-1.3	5.7
<b>7. Change in inventories (% of GDP)</b>	0.0	0.0	0.0	0.0
<b>8. Exports of goods and services</b>	92.9	-0.1	-1.1	4.0
<b>9. Imports of goods and services</b>	91.5	-6.6	0.2	4.4
<b>Contribution to GDP growth, pp</b>				
<b>10. Final domestic demand</b>	241.0	-1.2	0.3	1.9
<b>11. Change in inventories</b>	0	-3.1	0.0	0.0
<b>12. Net exports</b>	1.3	3.1	-0.5	-0.2

**Table 1b.** Price trends

	2023	2024	2025
	change, %		
1. GDP deflator	3.9	1.7	2.1
2. Private consumption deflator	4.4	1.3	2.0
3. Harmonised consumer price index	4.3	1.2	2.2
4. Public consumption deflator	5.9	3.0	3.5
5. Investment deflator	4.9	1.2	0.8
6. Export price deflator	-4.8	-0.7	1.9
7. Import price deflator	-2.7	-0.8	1.7

**Table 1c.** Labour market trends

	2023	2023	2024	2025
	level	change, %		
1. Employment, 1,000 persons	2 628	0.3	-0.5	0.7
2. Employment, 1,000,000 hours worked	433.3	0.3	-1.0	0.6
3. Unemployment rate (%)	204	7.2	8.0	7.6
4. Labour productivity, persons	87.9	-1.5	0.3	1.0
5. Labour productivity, hours worked	533.0	-1.5	0.8	1.1
6. Employee compensations	131.9	4.9	1.2	4.7
7. Employee compensations per employee	50.2	4.6	1.7	4.0

**Table 1d.** Sector-specific balances

	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>% of GDP</b>		
<b>1. Finland's net lending to the rest of the world</b>	-1.2	-1.1	-1.1
<b>of which:</b>			
- Balance of goods and services	-0.3	-0.7	-0.8
- Factor incomes and income transfers, net	-0.8	-0.2	-0.2
- Capital transfers, net	-1.1	-0.9	-1.0
<b>2. Private sector net lending</b>	1.3	2.2	1.7
<b>3. Public sector net lending</b>	-2.9	-3.7	-3.2
<b>4. Statistical discrepancy</b>	0.4	0.4	0.4

## 7.2 Targets for general government finances

**Table 2.a** General government budgetary targets broken down by subsector

	2024	2025
<b>Net lending by subsector</b>	<b>% of GDP</b>	
<b>1. General government total</b>	-3.7	-2.9
<b>2. Central government</b>	-3.2	-3.6
<b>3. -</b>	-	-
<b>4. Local government</b>	-1.1	-0.7
<b>5. Social security funds</b>	0.6	1.4
<b>6. Interest expenses</b>	1.3	1.5
<b>7. Primary balance</b>	-2.4	-1.4
<b>8. One-off measures</b>	0.0	0.0
<b>9. Real GDP growth, % change</b>	-0.2	1.2
<b>10. Potential GDP growth, % change</b>	0.9	0.9
contributions:		
- labour input	0.6	-
- capital input	0.4	-
- total factor productivity	0.0	-
<b>11. Output gap</b>	-3.5	-3.2
<b>12. Financial balance cyclical component</b>	-2.0	-1.9
<b>13. Cyclically adjusted financial balance</b>	-1.6	-1.1
<b>14. Cyclically adjusted primary balance</b>	-0.4	0.4
<b>15. Structural balance</b>	-1.6	-1.1

**Table 2.b** General government debt trends

	2024	2025
	% of GDP	
<b>1. Gross debt</b>	81.7	83.2
<b>2. Change in gross debt, pp</b>	5.1	1.5
<b>Factors contributing to change in gross debt, pp</b>		
<b>3. Primary balance</b>	2.4	1.4
<b>4. Interest expenses</b>	1.3	1.5
<b>5. Stock-flow adjustment items</b>	1.4	-1.4
of which:		
- Differences between cash-based and accrual-based statistics	0.8	0.5
- Net acquisition of financial assets	1.0	1.4
- of which:		
- privatisation proceeds	-0.2	-0.1
- valuation effects and other	-0.3	-3.3
<b>Implicit interest rate on debt</b>	1.7	1.9
Other relevant variables	-	-
<b>6. Liquid financial assets</b>	-	-
<b>7. Net financial debt</b>	-	-
<b>8. Central government write-offs (existing bonds)</b>	-	-
<b>9. Percentage of foreign-currency loans</b>	-	-
<b>10. Average maturity of government debt</b>	-	-

## 7.3 Expenditure and revenue projections under the no-policy-change scenario

**Table 3.** General government expenditure and revenue projections under the no-change scenario broken down by main components

	2024	2025
<b>General government</b>	<b>% of GDP</b>	
<b>1. Total revenue under the no-change scenario</b>	54.0	54.2
of which:		
1.1. Taxes on production and imports	13.1	13.3
1.2. Income taxes	16.7	16.7
1.3. Taxes on capital income	0.4	0.3
1.4. Social security contributions	11.6	11.9
1.5. Property income	4.5	4.5
1.5. Other revenue	7.6	7.5
of which: tax rate	42.0	42.4
<b>2. Total expenditure under the no-change scenario</b>	57.7	57.5
of which:		
2.1. Employee compensations (wages + employer's social security contributions)	13.2	13.1
2.2. Intermediate consumption	12.7	12.6
2.3. Social income transfers	22.5	21.9
of which unemployment benefits	1.6	1.5
2.4. Interest expenses	1.3	1.5
2.5. Subsidies	1.0	1.0
2.6. Gross fixed capital formation	4.2	4.9
2.7. Capital transfers	0.3	0.1
2.8. Other expenditure	2.5	2.5

## 7.4 Expenditure and revenue targets; general government expenditure by task

**Table 4.** General government revenue and expenditure broken down by main components.

	2024	2025
<b>General government</b>	<b>% of GDP</b>	
<b>1. Total revenue</b>	54.0	54.7
of which:		
1.1. Taxes on production and imports	13.1	13.3
1.2. Income taxes	16.7	16.7
1.3. Taxes on capital income	0.4	0.3
1.4. Social security contributions	11.6	11.9
1.5. Property income	4.5	4.7
1.5. Other revenue	7.6	7.8
of which: tax rate	42.0	42.4
<b>2. Total expenditure</b>	57.7	57.6
of which:		
2.1. Employee compensations	13.2	13.1
2.2. Intermediate consumption	12.7	12.6
2.3. Social income transfers	22.5	22.0
of which unemployment benefits	1.6	1.5
2.4. Interest expenses	1.3	1.5
2.5. Subsidies	1.0	1.0
2.6. Gross fixed capital formation	4.2	4.8
2.7. Capital transfers	0.3	0.1
2.8. Other expenditure	2.5	2.5



## 7.5 Discretionary measures contained in the Budget proposal

**Table 5.a** Discretionary general government measures

List of measures*	Detailed description	Objective	Accounting principle	Status	Budgetary impacts		
					2023	2024	2025
					% of GDP		
Personal income tax	Personal income tax		accrual-based	majority approved**	-	-	0.0
Corporate income tax	Corporate income tax		accrual-based	majority approved**	-	-	0.0
Indirect taxes	Indirect taxes		accrual-based	majority approved**	-	-	0.3
Social security contributions	Social security contributions		accrual-based	proposed***	-	-	0.3
Expenditure measures	Expenditure measures		accrual-/ cash-based	majority approved**	-	-	-0.4

\*Many of the measures do not meet the size criterion (at least 0.05% of the GDP) and for this reason, the measures are combined and only the aggregate effect of the measures is reported. Some of the measures are temporary but the majority of them are permanent.

\*\*Parliament will decide on this in autumn 2024

\*\*\*Ministry of Social Affairs and Health will decide on this in autumn 2024

**Table 5.b** Discretionary state measures

List of measures*	Detailed description	Objective	Accounting principle	Status	Budgetary impacts		
					2023	2024	2025
					% of GDP		
Personal income tax	Personal income tax		accrual-based	majority approved**	-	-	0.0
Corporate income tax	Corporate income tax		accrual-based	majority approved**	-	-	0.0
Indirect taxes	Indirect taxes		accrual-based	majority approved**	-	-	0.3
Expenditure measures	Expenditure measures		accrual-/ cash-based	majority approved**	-	-	-0.4

\*Many of the measures do not meet the size criterion (at least 0.05% of the GDP) and for this reason, the measures are combined and only the aggregate effect of the measures is reported. Some of the measures are temporary but the majority of them are permanent.

\*\*Parliament will decide on this in autumn 2024

## 7.6 Net expenditure growth

**Table 6.** Net expenditure growth

	2023 (level)	2023 (% of GDP)	2024 (% of GDP)	2025 (% of GDP)
<b>1. Total expenditure</b>	155.0	56.4	57.7	57.6
<b>2. Interest expenditure</b>	3.2	1.2	1.3	1.5
<b>3. Cyclical unemployment expenditure</b>	0.3	0.1	0.2	0.2
<b>4. Expenditure funded by transfers from the EU</b>	1.0	0.4	0.4	0.4
4a. Of which: Investments (GFCF)	0.2	0.1	0.0	0.0
<b>5. National co-financing of EU programmes</b>	0.6	0.2	0.2	0.2
<b>6. One-off expenditure (levels, excl. EU funded)</b>	0.0	0.0	0.0	0.0
<b>7. Net nationally financed primary expenditure (before DRM) (ne = 1-2-3-4-5-6)</b>	149.9	54.5	55.5	55.3
<b>8. DRM (excl. one-off revenue, incremental impact)</b>	-	-	-0.2	0.7
<b>9. Net nationally financed primary expenditure (after DRM) (ne - drm = 7 - 8)</b>	-	-	55.7	54.6
			<b>2024 (rate of change)</b>	<b>2025 (rate of change)</b>
<b>10. Nominal GDP growth (g) (growth rate)</b>	-	-	1.5	3.4
<b>11. Net expenditure growth (growth rate)</b>	-	-	3.7	1.7