

2003

PRICES AND

WAGES

REVIEW

■ **Consumer Price Index revised**

■ **Purchasing power of finnish wage and salary earners below average for the EU**

■ **Finland's price level sixth highest in the OECD**

■ **Total average earnings of monthly paid local government employees EUR 2,050 in October 2001**

■ **Rents up by 3.7 per cent in the year**

■ **Doctors' strike the most significant labour dispute in 2001**

Prices and Wages Review 2003

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Prices and Wages Review provides concise statistical data on wages, prices and labour disputes.

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CONSUMER PRICE INDEX REVISED

Statistics Finland has revised the Consumer Price Index. The contents of the index basket were renewed to correspond better to the present consumption structure, by which around 25 per cent of the commodities under price monitoring were changed. At the same time, the weight structure of the index was amended to be in line with private consumption in 2000. The new weight structure is based on National Accounts data. The base year of the revised index is 2000.

As a result of the change in consumption structure, the proportion of food and housing in the index basket decreased slightly. The proportion of other groups grew. The commodity basket of the previous index 1995=100 also contained membership fees of non-profit institutions, mainly of various associations. This item is no longer included in the Consumer Price Index 2000=100. As a result of the change the proportion of the group "other goods and services" is smaller in the index. Furthermore, consumption of tourists and institutional population is now contained in the index.

The changes in the weight structure and commodity selection af-

ected somewhat the month-on-month changes of the index, in particular. In December 2001, inflation, or the year-on-year change in consumer prices, was 1.8 per cent according to the 2000=100 index. By the 1995 index inflation was 1.6 per cent in December 2001. The average inflation in 2001 (the change in consumer prices from 2000 to 2001) is 2.6 per cent according to both the revised index 2000=1000 and the previous index 1995=100.

Introduction of the euro had little impact on inflation

From the beginning of January 2002, Finland started to use the euro in cash transactions as well. Most enterprises already marked their prices in euro in 2001. From the start of January 2002, euro-denominated prices have been official sale prices. The prices for the Consumer Price Index in January were collected in euro. The comparison to the December 2001 prices was made by converting the used Finnish markka prices into euro by the official conversion rate.

In January around one third of the prices collected for the Consumer Price Index changed. Under normal circumstances about 15 per

cent of the prices collected change monthly.

It is difficult to separate the effect of the introduction of the euro from other factors influencing price rises. For example, several charges collected by the public sector rose in January. Adjusting the prices to the used monetary standard and other rounding of euro-denominated prices have raised or lowered prices in individual cases, but their overall effect on inflation is probably small.

The clearest single price change that may be connected to the introduction of the euro was the risen prices of some gambling games. The minimum stakes in gambling games rose, on average, by 1.8 per cent from December to January. Prices of restaurant services, health care and cultural and leisure services also went up slightly faster than other prices (see p. 4).

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CONSUMER PRICE INDEX 2000=1000 BY COMMODITY GROUP

		Total index												
		01	02	03	04	05	06	07	08	09	10	11	12	
Weight ‰	1000	138	60	50	195	50	43	156	35	124	6	76	69	
2000		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
2001		102.6	104.4	101.8	100.9	103.0	102.4	102.3	100.9	99.8	103.1	103.3	102.3	104.4
2000	I	98.0	98.4	98.9	92.5	96.5	99.3	99.1	97.6	102.6	98.7	98.3	99.9	98.8
	II	98.8	99.8	99.3	95.7	97.3	99.4	99.3	98.2	102.9	99.2	98.3	99.9	99.0
	III	99.3	99.7	99.4	100.7	97.5	99.7	99.2	99.8	102.7	99.4	98.3	99.8	99.2
	IV	99.6	100.0	99.4	102.1	98.2	99.2	99.5	99.2	102.8	99.8	99.1	100.1	99.7
	V	99.9	100.2	100.1	102.6	99.0	99.7	99.5	99.8	100.0	99.7	99.1	100.1	100.0
	VI	100.1	100.5	100.1	101.9	99.7	99.8	99.5	101.7	93.3	100.0	99.1	100.2	100.2
	VII	99.8	100.3	100.3	94.9	100.6	99.5	100.2	101.1	91.6	100.2	99.1	99.5	100.5
	VIII	100.2	100.2	100.4	100.1	101.2	99.9	100.3	100.3	97.3	99.8	99.1	99.3	100.6
	IX	101.1	100.7	100.5	102.2	102.2	100.3	100.4	101.5	102.2	100.2	102.4	100.0	100.2
	X	101.1	99.6	100.5	102.7	102.6	100.7	101.2	100.9	101.9	101.2	102.4	100.2	100.6
	XI	101.1	100.1	100.5	102.7	102.7	101.2	101.0	100.4	101.6	100.7	102.4	100.5	100.7
	XII	101.0	100.4	100.5	101.9	102.5	101.3	100.8	99.5	101.0	101.1	102.4	100.6	100.7
2001	I	100.9	102.3	101.5	93.2	102.0	101.4	101.2	99.3	100.6	101.0	102.4	101.4	102.5
	II	101.5	102.3	101.6	95.1	102.9	101.5	101.5	100.2	100.2	101.6	102.4	101.9	103.7
	III	102.1	102.7	101.6	101.7	102.8	101.8	101.7	100.2	100.0	102.6	102.4	102.1	103.8
	IV	102.5	102.8	101.7	103.3	102.8	102.2	101.6	101.4	100.1	103.5	102.4	102.4	104.7
	V	103.2	104.9	101.7	103.0	103.2	102.6	101.7	103.2	100.4	103.2	102.4	102.8	104.7
	VI	103.2	105.6	101.7	101.8	103.8	102.6	101.8	102.8	96.3	103.5	102.4	103.1	104.7
	VII	102.4	105.5	101.8	94.6	103.7	102.3	102.5	101.1	94.6	103.0	102.4	102.4	104.7
	VIII	102.8	105.4	101.8	101.2	103.6	102.2	102.4	100.7	98.2	102.7	102.4	102.6	104.8
	IX	103.5	105.7	101.8	103.7	103.9	102.6	102.6	101.6	101.8	103.9	105.1	103.1	105.2
	X	103.3	105.2	101.8	104.4	103.1	103.0	103.6	100.8	101.8	104.4	105.1	102.7	104.9
	XI	102.8	104.9	101.8	104.4	102.4	103.3	103.7	100.2	101.7	103.6	105.1	102.0	104.5
	XII	102.8	105.9	102.7	103.9	101.7	103.4	103.9	99.5	101.6	103.9	105.1	101.8	104.5
2002	I	103.2	109.4	103.4	94.1	102.1	103.2	105.5	99.6	101.3	104.3	105.1	103.5	105.2
Month-on-month change, %														
2001:12 – 2002:1		0.4	3.4	0.7	-9.4	0.4	-0.2	1.6	0.2	-0.2	0.4	0.0	1.7	0.7
12 month changes. %														
2001:1 – 2002:1		2.3	7.0	1.9	1.0	0.1	1.7	4.3	0.3	0.7	3.3	2.6	2.1	2.7

COMMODITY GROUPS

01. Food and non-alcoholic beverages
02. Alcoholic beverages and tobacco
03. Clothing and footwear
04. Housing, water, electricity, gas and other fuels
05. Furnishings, household equipment and routine maintenance of the house
06. Health
07. Transport
08. Communication
09. Recreation and culture
10. Education
11. Restaurants and hotels
12. Miscellaneous goods and services

FINLAND'S PRICE LEVEL SIXTH HIGHEST IN THE OECD

According to a price level comparison study published by the OECD, Finland can be regarded as an expensive country. When total price levels in private consumption are adjusted by the July 2002 changes in rates of exchange and inflation, Finland is ranked as the sixth most expensive country in the OECD. Some changes have taken place, however, since still about ten years ago, Finland was the most expensive country in Europe and the OECD in terms of the overall price levels of private consumption.

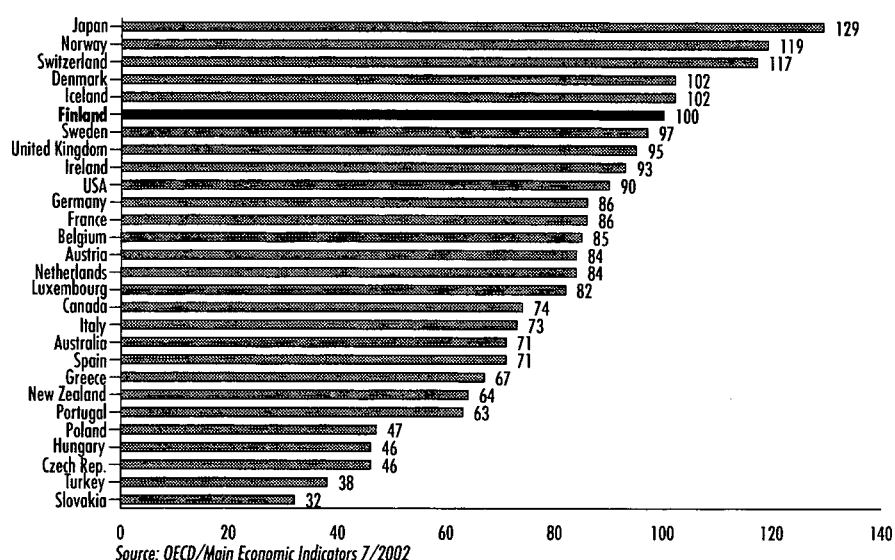
Norway, Denmark and Iceland of the other Nordic countries as well as Japan and Switzerland are now more expensive than Finland. This was also the case one year previously. The least expensive countries in Europe are still Mediterranean countries (Spain, Greece, Portugal, Turkey) and Poland, Hungary, the Czech Republic and Slovakia. With reference to expensive private consumption, especially alcoholic beverages, motor vehicles, books 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 pri-

OVERALL PRICE LEVEL OF PRIVATE CONSUMPTION IN JULY 2002, FINLAND=100



The international price level indices of private consumption were calculated on the basis of the 1999 purchasing power parities by adjusting them with exchange rates and inflation coefficients.

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 3,000 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 repre-

sents 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 EUR 100, how many euros would I need to buy the same commodities in some other country? In July 2002, that 'commodity basket' covering the whole private consumption would have cost EUR 119 in Norway and EUR 63 in Portugal.

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HOUSING TRANSACTIONS REMAINED ON LEVEL WITH THE PREVIOUS YEAR IN 2001

The number of housing transactions remained almost unchanged in 2001 compared to the year before. The value of transactions amounted to EUR 5.46 billion (FIM 32.5 billion), which is about EUR 66 million more than the year before. The total sum of transactions was pushed up by more lively housing transactions in the Greater Helsinki area than the year before. In the Greater Helsinki area around 1,400 more housing transactions took place than in 2000, while outside that area about 1,200 fewer transactions were made than the previous year. The data are based on Statistics Finland's price statistics of housing companies from 2001 compiled from the taxation authority's asset transfer tax statements. The statistics cover the whole country.

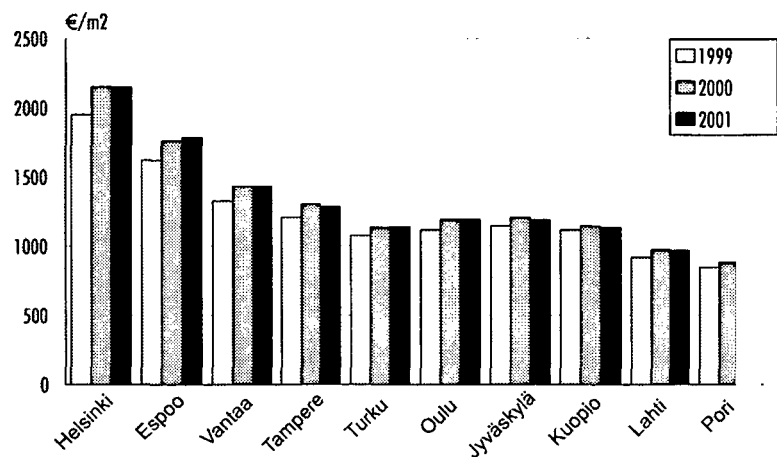
The average price for old non-subsidised dwellings per square metre remained nearly unchanged compared to the year before. In the Greater Helsinki area, the average price per square metre was EUR 1,941 and in the rest of the country EUR 1,018.

The statistics cover a total of 68,700 housing transactions, up by about 200 from the previous year. Over one third of them were made in the region of Uusimaa, generating nearly one half of the total sum.

Source: *Housing prices 2001*.
Statistics Finland

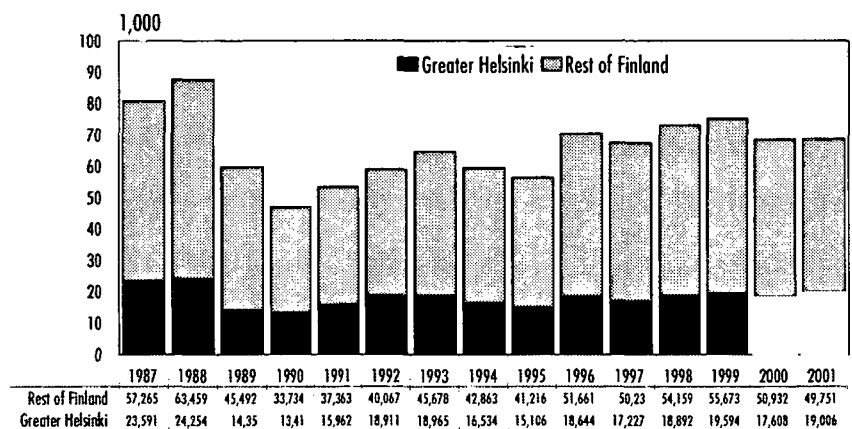
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AVERAGE UNENCUMBERED SELLING PRICES FOR OLD NON-SUBSIDISED DWELLINGS IN HOUSING COMPANIES IN FINLAND'S LARGEST TOWNS, 1999-2001



Source: *Housing prices 2001*, Statistics Finland

NUMBER OF HOUSING TRANSACTIONS IN 1987-2001



AVERAGE UNENCUMBERED SELLING PRICES FOR OLD1) NON-SUBSIDISED DWELLINGS IN HOUSING COMPANIES (EUR/M²) AND NUMBER OF TRANSACTIONS IN 2001 AND CHANGE IN AVERAGE PRICE FROM 2000 TO 2001

AREA	EUR/m ²	Change, % 2000–2001	No.
Whole country	1,270	1.0	60,366
Greater Helsinki	1,941	-0.2	16,511
Rest of Finland	1,018	0.4	43,855
BY REGION			
Uusimaa	1,787	0.2	20,996
Helsinki	2,146	-0.4	9,945
Espoo	1,784	1.3	3,482
Vantaa	1,432	0.1	2,978
Itä-Uusimaa	1,194	0.3	663
Porvoo	1,287	1.7	481
Varsinais-Suomi	1,041	0.7	6,220
Turku	1,140	0.3	3,610
Satakunta	848	-0.7	2,093
Pori	873	-1.2	933
Kanta-Häme	990	0.4	1,975
Hämeenlinna	1,108	-0.1	890
Pirkanmaa	1,152	-0.6	6,195
Tampere	1,284	-1.3	3,927
Päijät-Häme	925	-0.2	2,831
Lahti	968	-0.6	1,968
Kymenlaakso	801	0.1	2,147
Kotka	808	0.5	834
South Karelia	1,035	2.0	1,300
Lappeenranta	1,135	0.7	803
Etelä-Savo	859	-0.3	1,499
Mikkeli	1,035	-0.8	582
Pohjois-Savo	979	1.2	2,631
Kuopio	1,135	-0.6	1,510
North Karelia	902	1.7	1,474
Joensuu	1,040	2.1	913
Central Finland	1,030	-0.4	2,665
Jyväskylä	1,188	-1.5	1,385
South Ostrobothnia	853	-0.8	1,026
Seinäjoki	952	-1.5	506
Ostrobothnia	992	-1.0	1,130
Vaasa	1,107	-2.1	672
Central Ostrobothnia	831	-1.8	337
Kokkola	873	-1.6	280
North Ostrobothnia	1,068	1.2	3,169
Oulu	1,192	0.0	2,036
Kainuu	865	-4.5	653
Kajaani	888	-5.2	512
Lapland	851	-1.4	1,302
Rovaniemi	920	-2.5	605

1) Completed before 2000.

RENTS UP BY 3.7 PER CENT IN THE YEAR

The rents of residential dwellings rose, on average, by 3.7 per cent from April 2001 to April 2002. The rents of government-subsidised rental dwellings went up by 3.9 per cent and those of non-subsidised dwellings by 3.6 per cent. In Greater Helsinki, the rents of non-subsidised dwellings rose by 5.2 per cent in the year. The data are based on Statistics Finland's rent statistics.

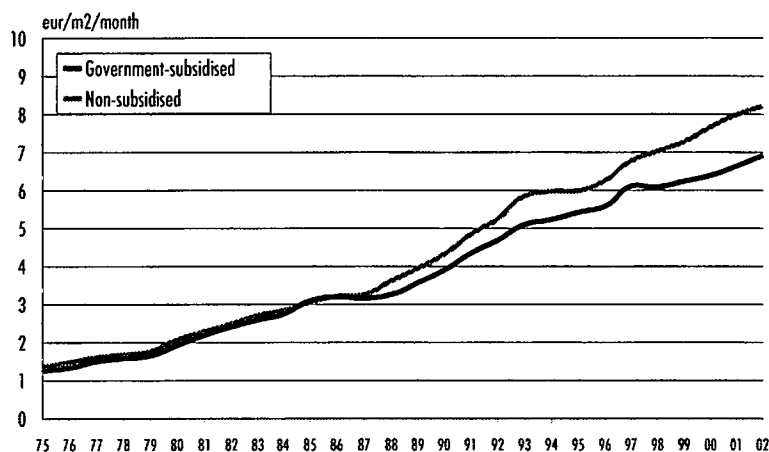
In April 2002 the mean rent was EUR 6.92 per square metre for a government-subsidised dwelling and EUR 8.21 for a non-subsidised dwelling.

The rise in rents of new tenancies of non-subsidised dwellings has clearly slowed down. The rents of new tenancies rose, on average, by 1.3 per cent in the whole country from April 2001. In Greater Helsinki a rise of 1.7 per cent was recorded. A new tenancy refers to change of tenants within the past 12 months.

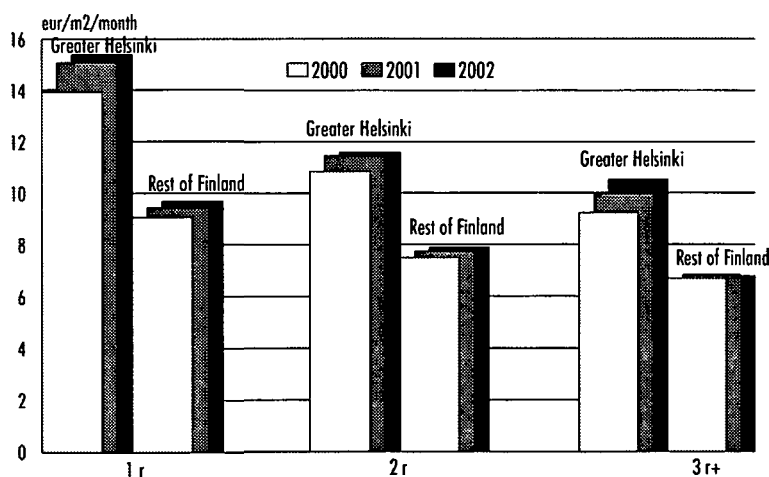
The data on rents were obtained from Statistics Finland's inquiry and the Social Insurance Institute's rental subsidy register. The data on rental dwellings are derived from the Population Information System.

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DEVELOPMENT OF MEAN RENTS PER SQUARE METRE IN 1975–2002



MEAN RENTS PER SQUARE METRE BY NUMBER OF ROOMS (WITHOUT KITCHEN) IN GREATER HELSINKI AND THE REST OF FINLAND IN 2000–2002, NEW TENANCIES IN NON-SUBSIDISED RENTAL DWELLINGS



MEAN MONTHLY RENTS BY AREA IN APRIL 2002, EUR/M²

AREA	Whole stock of rental dwellings				New non-subsidised tenancies	
	Non-subsidised		Government-subsidised		Rent, eur /m ² /month	Change, % 4/01–4/02
	Rent, eur /m ² /month	Change, % 4/01–4/02	Rent, eur /m ² /month	Change, % 4/01–4/02		
Whole country	8.21	3.6	6.92	3.9	8.77	1.3
Greater Helsinki	10.90	5.2	7.87	4.8	11.92	1.7
Rest of Finland	7.29	2.8	6.57	3.6	7.71	1.0
Espoo	10.13	4.9	8.23	7.5	10.45	3.8
Helsinki	11.36	5.7	7.73	4.0	12.62	1.0
Hämeenlinna	8.20	6.2	7.14	5.9	8.68	–0.2
Joensuu	8.24	3.6	6.88	2.8	8.75	4.1
Jyväskylä	8.62	3.4	7.23	4.7	9.39	4.0
Kotka	7.32	0.3	6.45	2.9	7.86	3.4
Kouvola	7.38	2.3	6.45	2.9	7.61	2.3
Kuopio	8.59	1.1	6.56	3.6	8.91	1.2
Lahti	7.89	5.5	6.46	3.4	8.35	2.4
Lappeenranta	8.32	2.4	6.91	4.1	9.09	1.4
Oulu	8.66	4.5	6.95	3.7	8.96	1.9
Pori	7.37	2.8	6.27	2.8	7.88	2.8
Rovaniemi	8.21	1.6	6.90	2.2	8.33	–1.8
Seinäjoki	7.97	5.8	6.43	5.1	7.95	1.7
Tampere	8.85	3.2	7.00	4.0	9.53	2.2
Turku	8.56	3.4	6.83	3.2	9.15	2.9
Vaasa	7.99	2.6	6.95	5.2	8.58	2.1
Vantaa	9.66	3.0	8.01	4.6	10.44	3.0
Surrounding districts ¹	8.12	6.0	7.39	5.5	8.72	2.2
By the number of inhabitants in the municipality						
over 100,000	10.11	4.7	7.60	4.5	10.96	1.9
60,000 – 100,000	8.15	3.3	6.67	3.8	8.67	2.7
20,000 – 59,999	7.56	2.4	6.76	4.0	7.95	1.0
under 20,000	6.10	2.6	6.18	2.9	6.43	–0.6

¹ Surrounding districts include Hyvinkää, Järvenpää, Kerava, Riihimäki, Kirkkonummi, Sipoo, Tuusula and Vihti.

The change percentages were calculated from the index of comparable dwellings, not directly from mean rents.

PRICES OF DETACHED HOUSES ROSE BY 0.4 PER CENT FROM JULY TO SEPTEMBER

In the third quarter of 2002, the prices of detached houses rose in the whole of Finland, on average, by 0.4 per cent from the previous quarter. Compared to the corresponding period the year before, the prices of detached houses rose by 9.8 per cent. These data appear from Statistics Finland's real estate price index, which is compiled on the basis of the market price register for real estate maintained by the Land Survey of Finland.

In the Greater Helsinki area, the prices of detached houses rose by 1.2 per cent and in the rest of Finland by 0.3 per cent in the third quarter of last year. From July to September 2001, the prices of detached houses have risen by nearly 13 per cent in the Helsinki area.

The prices of detached house plots fell by 3.7 per cent in the third quarter of 2002 compared to the previous quarter. In the year, the prices have gone up by 6.2 per cent, however.

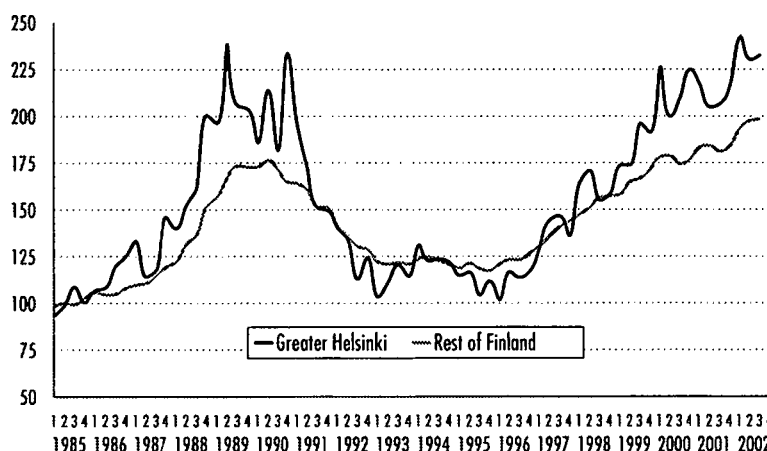
The index series of detached houses have now been totally updated because the effect of age of detached houses is taken into account in the calculation of the index in a different way than earlier.

Source: Real estate price index, Statistics Finland

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PRICE DEVELOPMENT OF DETACHED HOUSES 1985 – 3/2002



REAL ESTATE PRICE INDEX 1985=100

	Index point figure 3/2002	Change in index, % 2/2002–3/2002	Change in index, % 3/2001–3/2002	Average price EUR/m ² 3/2002	Number of sales recorded
• DETACHED HOUSES					
Area					
Whole country	201.3	0.4	9.8	901	2.724
Greater Helsinki	232.7	1.2	12.7	2 034	102
Rest of Finland	198.1	0.3	9.5	856	2.622
Municipalities with over 100,000 inhabitants	232.1	2.0	11.1	1 646	222
Municipalities with 60,000 to 100,000 inhabitants	184.4	-14.2	-1.8	887	123
Municipalities with 20,000 to 59,999 inhabitants	207.6	0.1	10.9	983	1.362
Municipalities with under 20,000 inhabitants	191.5	1.6	9.9	764	1.643
• PLOTS FOR DETACHED HOUSES					
Area					
Whole country	229.6	-3.7	6.2	7.0	1.352
Greater Helsinki	198.2	-5.0	13.3	71.1	80
Rest of Finland	239.6	-3.4	4.3	5.5	1.272
Municipalities with over 100,000 inhabitants	214.3	3.6	15.2	41.0	112
Municipalities with 20,000 to 100,000 inhabitants	223.4	-6.7	-3.1	9.1	388
Municipalities with under 20,000 inhabitants	249.1	-6.4	9.0	4.0	852

¹⁾ The unweighted price per square metre. In detached houses EUR per floor area, in plots EUR per total area.

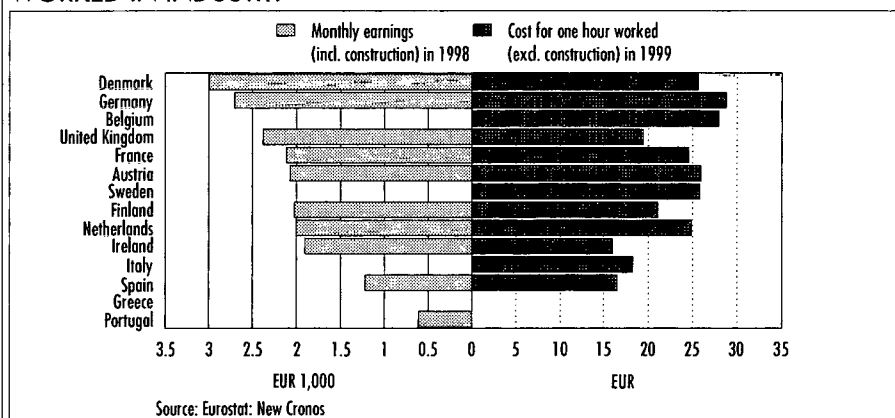
PURCHASING POWER OF FINNISH WAGE AND SALARY EARNERS BELOW AVERAGE FOR THE EU

International earnings and purchasing power comparisons involve several problems and the results are often not unambiguous. The comparability of wage and salary statistics is affected by differences in pay formation, industrial and labour force structure and financing of social security, for example. Harmonisation of statistical practices is also hindered by the fact that statistics are mainly compiled for national use. The proportion of services produced with public sector tax revenues varies much in different countries, which in part impedes international comparisons of the purchasing power of wages and salaries. The relative position of a Finnish wage earner in international comparisons is highly dependent on the viewpoint chosen - whether we examine the earnings level as such or the purchasing power of the take-home pay.

In Finland the earnings level and labour costs of industry are average for the EU (Figure 1). For example, Denmark's clearly higher wage level compared to Finland is partly due to the different financing methods of social security. In most countries, as in Finland, the average earnings of the private service sector follow the earnings gained in industry. Official statistical sources do not contain comparable data on the public sector earnings level.

The high price level lowers the relative purchasing power of Finns'

FIGURE 1. MONTHLY EARNINGS AND COST FOR ONE HOUR WORKED IN INDUSTRY



earned income (before taxes) against the EU average by around nine per cent. A Finnish industrial worker earns with one year's labour input approximately the same purchasing power as in Sweden, Ireland and Austria.

The high direct taxation and high price level of private consumption (20 per cent over the EU average) impair considerably the position of Finnish wage and salary earners in the purchasing power comparison. The purchasing power left to wage and salary earners' own use is thus clearly lower than the EU average in Finland. On the other hand, inclusion of free or subsidised services (e.g. education and health care) produced by the public sector for all households would significantly raise Finns' relative position in the purchasing power comparison. It is not possible to use statistics to describe how these services are allocated to different households. If

they were evenly divided, Finland's purchasing power adjusted by the value of social services would be about average for the EU in hourly paid industrial work, but at least 20 per cent lower than in Norway, Denmark, the Netherlands and the United Kingdom.

The combined proportion of direct taxes and other such payments in the earnings of a medium income industrial worker in Finland was the sixth highest in the EU in 1999. The structure of income transfers differs considerably in different EU countries. The proportion of direct taxes is high in Finland, similarly as in Sweden and Denmark. However, the proportion of social security payments withheld from wages and salaries is markedly lower in Finland than in Central Europe.

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COST PER ONE HOUR WORKED ROSE BY 3.8 PER CENT

One hour worked cost an employer, on average, 3.8 per cent more in August to September 2002 than in the corresponding period the year before. The rate of rise in costs varied depending on the branch of industry. The growth was fastest in services (4.4%) and slowest in construction (3.2%). These data appear from the statistics on the labour cost index 1996=100 compiled by Statistics Finland.

About 60 per cent of the gross rise in labour costs is based on agreement increments and almost 40 per cent on drifts and structural factors. The most important factor contributing to the change in costs per hour worked is the development of earnings for regular working hours. It is described by the average earnings for the index of wage and salary earnings, calculated with varying number weights. The index of wage and salary earnings was 3.5 per cent higher in the third quarter of 2002 than in the corresponding period in 2001. Changes in social costs were measured in the labour cost index by their wage bill portion. Social costs per hour worked rose by 3.7 per cent in the third quarter of 2002 compared to the same period the year before. The weight of social costs in total costs is clearly smaller than that of labour costs, for which reason not even relatively major rate changes cause any dramatic jumps in the labour cost index. Changes in the relative proportions

FIGURE 1. CHANGE IN COST PER HOUR WORKED FROM THE 3RD QUARTER 2001 TO THE 3RD QUARTER 2002

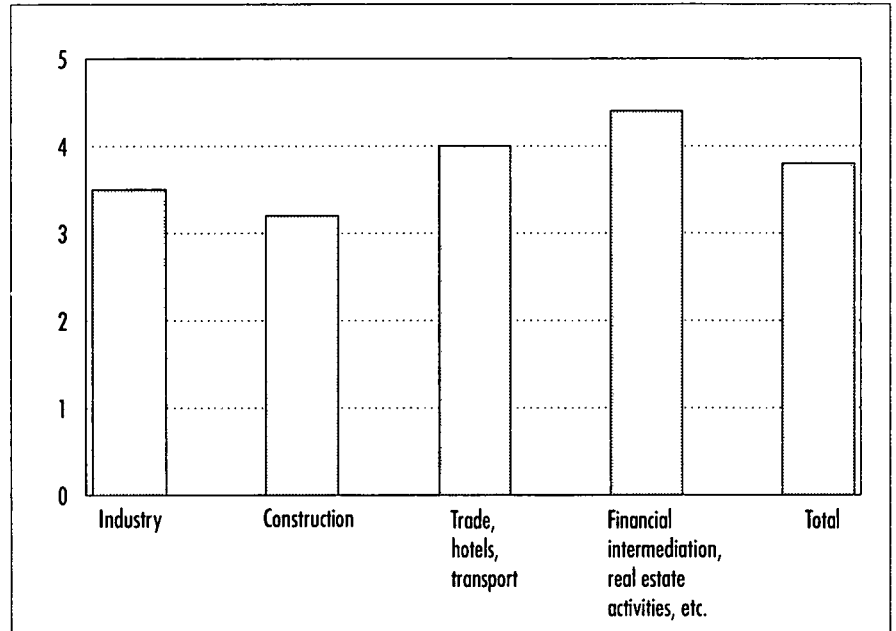
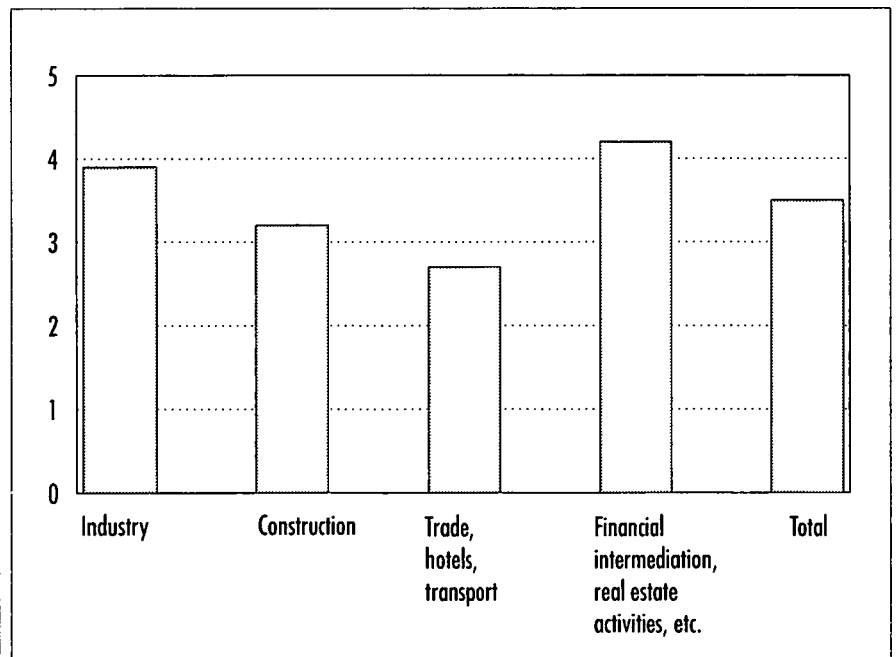


FIGURE 2. CHANGE IN EARNINGS FOR REGULAR WORKING HOURS FROM THE 3RD QUARTER 2001 TO THE 3RD QUARTER 2002



of social security contributions have, however, slowed down the rise in costs per hour worked.

The labour cost index can be divided into the wage index, social cost index and overall index. The year-on-year change in the wage cost index is based on the average change in hourly earnings. Hourly earnings of both hourly and monthly paid employees are derived from the monthly earnings for regular working hours described by the index of wage and salary earnings. In addition to earnings for regular working hours, the labour cost per one hour worked is influenced by the amount of additional and overtime work and the earnings received from it, changes in regular working hours, the number of paid and unpaid absences, and lump-sum items (e.g. incentive payments and holiday pay). The change in the amount of labour input is taken into account by adjusting the calculated monthly earnings to the average number of hours worked by a full-time employee. The National Accounts data on proportions of social costs in the wage bill are used in the calculation of social costs. The social cost index is derived by combining the wage cost index and the proportions of social costs in the wage bills. The index describing the change in total labour costs is formed by summing up labour costs and social costs per one hour worked.

The labour cost index covers almost all industrial and service branches in the private sector. The figures are preliminary.

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TABLE 1. LABOUR COST INDEX 1996=100 AND PERCENTAGE CHANGES COMPARED TO THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

Year/quarter	Industry	Manu- facturing		Construction		Trade, hotels, transport		Financial intermedia- -tion, services, etc.		Total			
1995		96.6	96.6	97.0	99.4	99.8	98.0						
I		95.4	95.4	95.8	98.2	97.9	96.7						
II		96.7	96.7	96.6	98.8	98.7	97.7						
III		95.4	95.4	96.6	99.1	100.0	97.4						
IV		99.0	99.0	99.0	101.3	102.6	100.3						
1996		100.0	3.5	100.0	3.5	100.0	3.1	100.0	0.6	100.0	0.2	100.0	2.0
I		99.1	3.9	99.1	3.8	99.6	4.0	99.2	1.0	99.0	1.1	99.2	2.5
II		99.3	2.8	99.3	2.7	99.6	3.2	99.5	0.7	99.2	0.4	99.4	1.8
III		99.2	4.0	99.2	4.0	99.5	3.0	99.4	0.3	99.3	-0.7	99.3	1.9
IV		102.4	3.4	102.4	3.4	101.3	2.3	101.8	0.5	102.6	-0.1	102.1	1.8
1997		101.4	1.4	101.5	1.5	101.9	1.9	102.7	2.7	102.7	2.7	102.1	2.1
I		101.1	2.0	101.2	2.1	101.2	1.6	102.5	3.3	101.4	2.4	101.6	2.4
II		101.1	1.8	101.2	1.9	101.2	1.6	102.6	3.1	101.9	2.8	101.7	2.3
III		101.2	2.0	101.3	2.2	102.1	2.6	102.7	3.3	102.4	3.2	102.0	2.7
IV		102.3	-0.1	102.4	0.0	103.1	1.8	103.1	1.3	105.2	2.6	103.1	1.0
1998		105.6	4.1	105.5	3.9	107.0	5.0	106.4	3.6	107.2	4.3	106.3	4.1
I		105.3	4.2	105.2	4.0	106.1	4.8	106.4	3.8	107.3	5.8	106.1	4.4
II		105.2	4.1	105.2	3.9	106.1	4.9	106.4	3.7	107.0	5.0	106.0	4.2
III		105.3	4.1	105.3	3.9	106.6	4.4	106.4	3.5	106.7	4.2	106.0	3.9
IV		106.6	4.2	106.5	4.0	109.1	5.9	106.5	3.3	107.8	2.5	107.0	3.8
1999		109.1	3.3	109.2	3.5	110.2	3.0	108.9	2.3	113.4	5.8	109.8	3.4
I		108.4	3.0	108.5	3.1	110.5	4.1	108.5	2.0	112.5	4.9	109.3	3.1
II		108.7	3.3	108.8	3.5	110.4	4.0	108.8	2.3	112.8	5.4	109.6	3.4
III		109.0	3.5	109.1	3.7	111.1	4.2	108.8	2.3	113.1	6.0	109.8	3.6
IV		110.2	3.4	110.4	3.7	108.9	-0.2	109.4	2.7	115.1	6.7	110.6	3.4
2000		114.4	4.9	114.1	4.5	113.1	2.6	111.1	2.0	118.9	4.9	114.0	3.8
I		112.7	3.9	112.4	3.6	111.3	0.8	109.4	0.8	117.1	4.1	112.3	2.7
II		113.9	4.8	113.6	4.4	112.5	1.9	111.5	2.5	119.1	5.6	113.9	3.9
III		114.6	5.1	114.3	4.7	113.5	2.1	111.6	2.5	119.4	5.6	114.4	4.1
IV		116.4	5.6	116.1	5.2	115.2	5.9	111.9	2.3	120.0	4.3	115.5	4.4
2001*													
I*		119.8	4.7	119.4	4.7	119.1	5.2	117.2	5.5	124.8	5.0	119.8	5.1
II*		118.2	4.9	117.9	4.9	117.5	5.6	115.9	6.0	123.0	5.1	118.3	5.4
III*		119.6	5.0	119.3	5.0	119.1	5.8	117.5	5.5	124.7	4.7	119.8	5.2
IV*		119.9	4.7	119.6	4.7	119.6	5.4	117.8	5.6	125.1	4.7	120.1	5.0
		121.3	4.3	121.0	4.2	120.1	4.2	117.4	4.9	126.5	5.4	120.9	4.7
2002*													
I*		121.9	3.1	121.5	3.1	121.1	3.1	120.2	3.7	128.0	4.1	122.3	3.4
II*		123.8	3.5	123.4	3.5	123.2	3.4	122.3	4.1	130.4	4.5	124.4	3.9
III*		124.1	3.5	123.7	3.4	123.4	3.2	122.4	4.0	130.6	4.4	124.6	3.8

*) Preliminary data

TOTAL AVERAGE EARNINGS OF MONTHLY PAID LOCAL GOVERNMENT EMPLOYEES EUR 2,050 IN OCTOBER 2001

In October 2001, the average monthly earnings of full-time employees in the local government sector were EUR 2,050. The corresponding amounts for regular working hours were EUR 1,970 in total. On the annual level, both the total average earnings and the average earnings for regular working hours rose by 3.4 per cent.

Local government employees are divided by agreement branch into very diverging groups both in numbers and earnings levels. The general municipal collective agreement covers all local government employees except for teachers, doctors and 25,000 persons belonging to the technical branch agreement. Apart from technical professionals, the technical branch agreement includes employees of fire and rescue services, real estate management and harbour service. Teachers' lower rise in earnings for regular working hours than that of others is partly caused by that some of the agreement increments of teachers were directed to wage factors, which are visible only in total earnings. The higher earnings development of doctors than that of other agreement branches is attributable to the doctors' higher pay increases than the general agreement, which concluded the doctors' strike and came into effect in September 2001. All municipalities had not had time to pay the increases in full in accordance with the doctors' agreement

TABLE 1. DEVELOPMENT OF THE NUMBER AND EARNINGS OF FULL-TIME EMPLOYEES IN THE LOCAL GOVERNMENT SECTOR IN OCTOBER 2001 COMPARED TO OCTOBER 2000.

Agreement branch	Number		Regular earnings		Total earnings	
	Persons	change %	EUR	change %	EUR	change %
General agreement	250 000	3,1	1 780	3,4	1 790	3,3
Teachers	60 000	1,3	2 360	2,9	2 620	3,3
Technical branch	25 000	-0,8	2 090	4,2	2 200	4,2
Doctors	12 000	0,5	3 900	7,0	4 510	5,6

in October 2001 and this can be particularly seen in the development of doctors' total earnings.

When calculating changes in earnings level the previously published figures for October 2000 are not wholly comparable because for part of employees evening and weekend supplements were included in the wage data in double, which produced an earnings level that was, on average, 0.7 per cent too high. The change has been corrected to the index of wage and salary earnings. We apologise for the

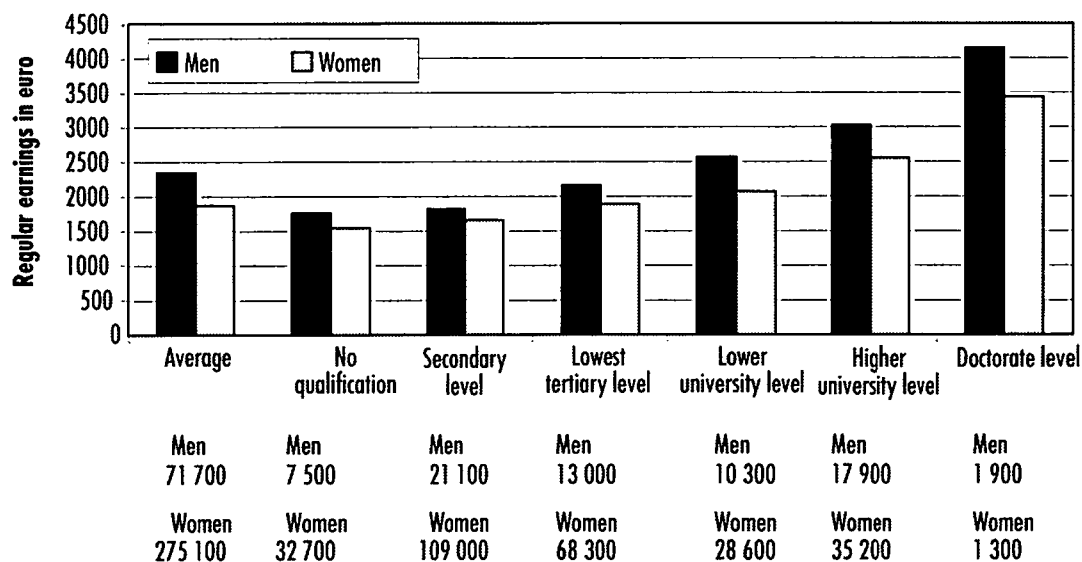
inconveniences possibly caused by this correction.

The agreement effects were most clearly reflected in the basic salary and wage factors paid on the basis of work experience and length of employment relationship. Earnings for regular working hours and total earnings contain wage factors that also have plenty of variation regardless of agreements. Changes in the structure of wage and salary earners are, in turn, particularly reflected in wage changes whichever wage concepts they are

TABLE 2. FULL-TIME EMPLOYEES IN THE LOCAL GOVERNMENT SECTOR BY NATURE OF EMPLOYMENT RELATIONSHIP IN OCTOBER 2001 COMPARED TO OCTOBER 2000.

Employment relationship	Number of personnel			Total earnings	
		Change %	Proportion %	EUR	change %
Permanent	264 000	1,6	76,2	2 100	3,4
Fixed-term	79 000	4,9	23	1 930	3,5
Employed with subsidised methods	3 000	2,2	0,8	1 360	3,0

MEN'S AND WOMEN'S REGULAR EARNINGS IN EURO AND NUMBERS BY LEVEL OF EDUCATION IN OCTOBER 2001



measured with and the more easily the smaller employee group it concerns.

The number of full-time employees in the local government personnel register was 346,000, which is about 82 per cent of all monthly paid employees in municipalities and joint municipal authorities. The number of full-time employees has grown by 2.4 per cent compared to the previous year. Municipalities and joint municipal authorities employed a total of 48,000 part-time workers, a decrease of 2.1 per cent. In addition to the above, 3,000 persons had a secondary occupation in local government and 24,000 were on leave of absence in October 2001.

The number of fixed-term employees has clearly increased more than that of permanent ones in the local government sector. The total earnings of permanent employees

were higher than those of fixed-term workers, but earnings have developed more or less at the same rate for both groups.

Earnings of full-time employees by gender and level of education

The average earnings for regular working hours were EUR 2,340 for men and EUR 1,870 for women, that is, around 80 per cent of men's earnings. The comparison is made more difficult and also partly explained by the very different educational and occupational structures of men and women in the local government sector.

In the local government sector men still have, on average, slightly higher education than women. Twenty-seven per cent of men and 14 per cent of women had at least a higher university degree. Around 50 per cent of women had at most

secondary qualifications while for men this proportion was 40 per cent.

Standardisation of the level of education raises the earnings proportion of women to over 85 per cent and inclusion of the agreement branch to the standardisation also raises women's earnings for regular working hours to over 90 per cent of men's earnings. Even without standardisation women's earnings are 88 and 93 per cent of men's earnings in the agreement branches of doctors and teachers.

Source: Local government monthly wages and salaries 2001

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HOURLY PAY IN THE MUNICIPAL SECTOR EUR 9.94

The average hourly earnings of hourly paid local government employees for regular working hours were EUR 9,94 in October 2001. The earnings rose by 3.8 per cent compared to the previous year's October. Men's earnings amounted to EUR 10.11 and women's to EUR 8.78.

Women's average hourly earnings have gone up by 3.3 per cent from the previous year, which is lower than men's corresponding change percentage, i.e. 3.9 per cent in 2001. This is partly attributable to structural changes and reduction in the numbers of employees and working hours. At the same time, there has been a visible shift towards time-rate payment. Especially women in pay bracket II have clearly moved from fee payment towards payment by the hour. In 2000 the proportion of this time-rate group was 80 per cent, while in 2001 it had risen to 90 per cent. The proportion of piece-rate work paid by the hour has remained more or less unchanged for both men and women. For women the proportion of time-rate hours was 88 per cent, which is one percentage point more than the year before. For men this same proportion was 77 per cent, which marks only a two percentage point growth on the previous year.

The inquiry covered around 19,000 wage and salary earners in different pay groups, around 15 per cent of them women. The inquiry also included 2,200 fixed-term agricultural holiday relief workers,

TABLE 1. HOURLY PAID LOCAL GOVERNMENT EMPLOYEES BY PAY GROUP AND GENDER IN OCTOBER 2001

Pay group	Number	Year-on-year change % 2000-2001 ¹⁾	Percentage of remuneration form			eur/h Regular earnings ²⁾	Year-on-year change % 2000-2001 ¹⁾
			Time rate	Fee rate	Piece rate		
Total	19,185	-2.2	79	10	11	9.94	3.8
Men	16,365	-2.8	77	10	12	10.11	3.9
I	11,925	-1.3	75	12	13	10.63	3.7
II	2,879	-6.6	82	5	13	9.20	3.6
III	978	-3.6	88	5	8	7.87	3.2
IV	583	-10.7	89	8	3	6.86	4.1
Women	2,820	0.9	88	9	3	8.78	3.3
I	869	1.5	81	17	2	9.67	2.7
II	1,217	-3.3	90	5	5	8.85	3.6
III	456	4.8	93	5	2	7.72	3.3
IV	278	13.5	93	7	0	6.78	5.6
Fixed-term agricultural holiday relief workers	2,189	-3.5				7.18	3.7
Sheltered workers	568	-37.3				5.97	4.2
Young people	174	-22.3				7.28	2.9

1) Change compared to October 2000

2) Incl. evening and weekend supplements

NUMBERS OF HOURLY PAID LOCAL GOVERNMENT EMPLOYEES AND AVERAGE HOURLY EARNINGS FOR REGULAR WORKING HOURS IN CERTAIN OCCUPATIONS IN OCTOBER 2001 AND CHANGES FROM THE PREVIOUS YEAR

Occupation	Number	Change in number, %	Hourly earnings	Change in earnings, %
Carpenter	1 358	-5.1	10.45	4.2
Lorry driver	575	-3.8	10.14	4.1
Park and garden worker	1 249	7.7	7.95	4.1
Plumber	809	-4.2	10.88	3.9
Electrician, senior	502	-3.6	11.68	3.6
Unskilled and temporary worker	776	-21.9	8.63	5.2
Cleaning worker	472	-7.4	8.57	4.3

whose average earnings for regular working hours were EUR 7.18, and 700 students and persons doing sheltered work.

Table 2 shows that the numbers of employees have decreased in all other occupational groups apart from park and garden workers. The same trend is visible in the number of all hourly paid local government employees, which went down by 3.8 per cent from the previous year, to 22,100 persons in 2001. The numbers

of part-time workers declined in particular.

Numbers of hourly paid local government employees and average hourly earnings for regular working hours in certain occupations in October 2001 and changes from the previous year.

Source: Hourly earnings in the local government sector 2001

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THE NUMBER OF MONTHLY PAID CENTRAL GOVERNMENT EMPLOYEES FELL FROM THE YEAR BEFORE

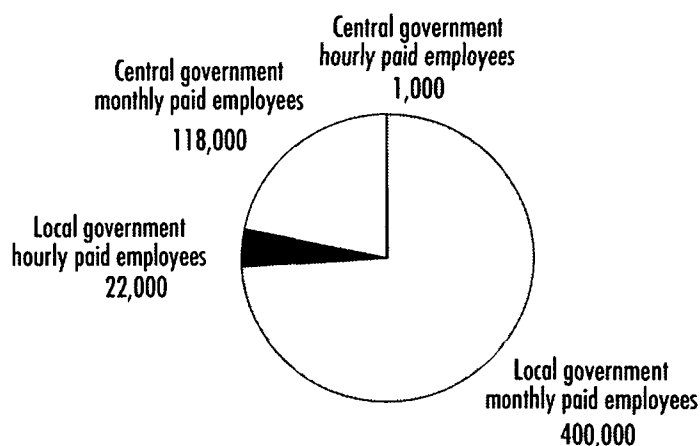
In November 2001, monthly paid central government employees numbered 119,000, of whom 99,000 had a public service employment contract and 20,000 monthly and daily paid employees held a regular employment contract. The personnel contracted by 2.7 per cent from the previous year, because of the forming the Finnish Road Administration into a joint-stock company.

In November 2001, the average earnings of monthly paid central government employees for regular working hours were EUR 2,310, EUR 2,329 for those with a public service employment contract and EUR 2,209 for those with a regular employment contract. The total earnings per month amounted to EUR 2,350, EUR 2,370 for public service contract holders and EUR 2,239 for those with a regular employment contract. Measured by the index of wage and salary earnings, the earnings of monthly paid central government employees working in Finland rose by 4.9 per cent from the previous year.

Central government has lost some of its meaning as a public sector employer

In November 2001, a total of 540,600 persons were employed by central and local government, of whom 517,800 were monthly paid and 22,800 hourly paid employees. Central government accounted for 23 per cent of all public sector employees.

PUBLIC SECTOR EMPLOYEES IN 2001



The position of the State as an employer changed significantly in the 1990s. The State incorporated some of its major services, such as the postal service, railways, the cleaning service, the Finnish State Computing Centre and the Government Purchasing Centre. State educational institutions have also been

transferred into municipal ownership. The number of central government personnel went down by one third from 180,000 to 119,000 persons. In 1990, 55,000 employees worked in State enterprises.

About 27 per cent of the employees whose salaries are paid out of the national budget work in the

TABLE 1. MONTHLY PAID CENTRAL GOVERNMENT PERSONNEL IN 2000–2001

Form of remuneration	2000	2001
In Finland, total	120,080	117,270
– full-time	111,259	108,348
– part-time	8,821	8,922
Overseas, full-time	991	759

educational sector, including university personnel, for example. Approximately 15 per cent of all employees belong to the administrative sector of the Ministry of Defence, around 9,000 of whom are soldiers. The sector of the Ministry of the Interior includes 7,500 policemen and about 3,700 legal employees. The Ministry for Foreign Affairs and the Ministry of the Environment are smaller administrative sectors.

Gender and education

Thirty-nine per cent of central government employees have tertiary level education, while around 82 per cent have vocational qualifications.

In November 2001 the average earnings of women for regular working hours were EUR 2,044, which is about 80 per cent of men's earnings. When women's level of education is standardised to men's, women's earnings rise to EUR 2,127, that is, to 84 per cent of men's earnings.

Source: Central government monthly wages and salaries 2001, Statistics Finland (Wages 2002:4)

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TABLE 2. MONTHLY PAID CENTRAL GOVERNMENT EMPLOYEES BY ADMINISTRATIVE SECTOR IN NOVEMBER 2001

Administrative sector	Total personnel	Earnings for regular working hours in Finland, EUR	
		%	2001
Total	118,032	100.0%	2,310
21. Office of the President of the Republic	67	0.1%	2,397
22. Parliament	766	0.6%	2,641
23. Council of State	259	0.2%	2,648
24. Ministry for Foreign Affairs	1,646	1.4%	2,629
25. Ministry of Justice	9,503	8.1%	2,420
26. Ministry of the Interior	16,437	13.9%	2,263
27. Ministry of Defence	17,365	14.7%	2,190
28. Ministry of Finance	10,601	9.0%	2,190
29. Ministry of Education	31,780	26.9%	2,350
30. Ministry of Agriculture and Forestry	5,332	4.5%	2,219
31. Ministry of Transport and Communications	4,294	3.6%	2,615
32. Ministry of Trade and Industry	6,489	5.5%	2,679
33. Ministry of Social Affairs and Health	3,618	3.1%	2,440
34. Ministry of Labour	5,673	4.8%	1,840
35. Ministry of the Environment	2,513	2.1%	2,435

TABLE 3. CENTRAL GOVERNMENT FULL-TIME PERSONNEL BY LEVEL OF EDUCATION IN NOVEMBER 2001.

	Number of persons			Earnings for regular working hours, EUR		
	Men	Women	Women %	Men	Women	Women/Men
TOTAL, women's earnings standardised	57,491	50,857	47%	2,544	2,127	84%
Lower basic level	2,805	2,496	58%	1,898	1,682	89%
Higher basic level	2,030	3,379	62%	2,004	1,748	87%
Secondary level	17,937	13,403	43%	2,032	1,742	86%
Lowest tertiary level	12,183	14,189	54%	2,315	1,785	77%
Lower university level	3,683	3,456	48%	2,726	2,174	80%
Higher university level	13,994	11,269	45%	3,042	2,585	85%
Doctorate level	5,859	2,665	31%	3,626	3,160	87%

HOURLY WAGES IN INDUSTRY UP BY 3.4 PER CENT

The average hourly earnings of industrial workers for regular working hours were EUR 12.04 in the second quarter of 2002. The average earnings rose by 3.4 per cent from the corresponding quarter of the previous year. The average hourly earnings for men were EUR 12.48 and for women EUR 10.50.

Including overtime and Sunday rates, the average hourly wage was EUR 13.26 in the second quarter of 2002. The total hourly earnings were up by 2.8 per cent from the corresponding quarter of the previous year.

Hourly wages in construction up by 3.1 per cent

The average hourly earnings for regular working hours of a construction worker were EUR 12.22 in the second quarter of 2002, those for men being EUR 12.30, and for women EUR 9.25. The earnings were up by a total of 3.1 per cent on the corresponding quarter in the previous year. Including overtime and Sunday rates, the average hourly earnings in the quarter under review were EUR 12.59. The total hourly earnings rose by 3.0 per cent from this quarter in 2001.

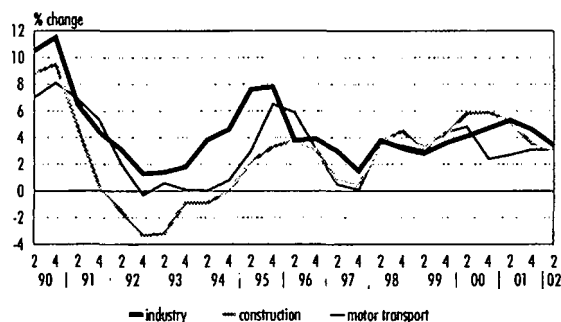
Concepts of earnings

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

NUMBERS OF WORKERS EMPLOYED IN INDUSTRY AND CONSTRUCTION AND THEIR HOURLY EARNINGS FOR REGULAR WORKING HOURS AND CHANGE FROM THE PREVIOUS YEAR'S CORRESPONDING QUARTER BY BRANCH IN THE 2ND QUARTER OF 2002

Branch	No.	% of women	Hourly earnings for regular working hours, EUR			Change,% II/01-II/02
			Men	Women	Total	
Industry, total	149,961	23.2	12.48	10.50	12.04	3.4
Mining and quarrying	374	6.7	14.57	10.01	14.31	1.2
Peat production	192	7.3	10.31	10.05	10.30	10.5
Textiles	3,626	64.1	11.05	9.30	9.95	4.0
Clothing, leather and footwear	3,090	80.4	9.15	8.23	8.41	2.4
Timber	10,753	22.4	11.68	11.09	11.55	2.9
Paper	27,534	16.3	13.84	12.42	13.63	3.7
Printing	7,183	34.5	12.03	10.24	11.43	2.8
Furniture	4,704	27.2	10.09	9.50	9.94	1.4
Chemicals	12,852	25.7	12.24	9.79	11.65	4.4
Rubber	1,878	30.2	12.60	11.19	12.19	3.3
Glass, pottery and stone	9,109	16.8	11.66	10.75	11.51	4.2
Base metals	8,067	10.2	13.58	12.61	13.49	1.4
Metal products and vehicles	54,385	22.0	12.29	10.61	11.94	3.3
Other manufacturing	2,175	40.0	11.71	10.16	11.14	4.2
Power plants	4,039	4.7	12.54	10.33	12.46	2.9
Construction, total	28,559	3.2	12.30	9.25	12.22	3.1
House building	13,463	4.0	11.93	9.18	11.83	3.4
Electrical installation	3,203	1.0	14.24	10.54	14.21	5.3
Plumbing	2,882	0.4	13.34	9.78	13.33	2.7
Painting and decorating	2,535	6.6	12.48	9.94	12.32	1.7
Metalwork	689	4.8	10.77	9.21	10.71	0.8
Industrial insulation	527	2.5	10.79	9.49	10.76	3.4
Road surfacing	1,553	3.5	11.70	7.91	11.62	2.6
Waterproofing	759	1.1	13.45		13.43	3.9
Civil engineering	2,948	1.9	10.99	8.01	10.96	4.2

CHANGES IN HOURLY EARNINGS OF INDUSTRIAL, CONSTRUCTION AND TRANSPORT WORKERS FOR REGULAR WORKING HOURS FROM THE PREVIOUS YEAR'S CORRESPONDING QUARTER 1990-2002, 2ND QUARTER



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 total earnings.

Source: Wages of industrial, construction and transport workers in the 2nd quarter of 2002. Wages 2002:15. Statistics Finland.

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DAILY WAGES OF FOREST WORKERS IN TIMBER PREPARATION EUR 98.52

Timber preparation employed 1,275 forestry workers in the second half of 2002. Their average daily earnings in piece-rate, fee and partial piece-rate work were EUR 98.52, including motor saw costs. The rise from the previous quarter was 4.4 per cent, 3.0 per cent for permanent employees and 0.7 per cent for identical persons. The corresponding daily earnings excluding motor saw costs were EUR 73.63. The motor saw costs are defined in accordance with the collective agreement of the forest sector. Of remuneration forms, the proportion of actual piece-rate work has declined and that of partial piece-rate and time-rate work has increased. The number of employees was largest in the age group of 50 to 54-year-olds, i.e. 362.

In the second half of 2002, 2,346 forest workers were employed in silvicultural work. Their average daily earnings in piece-rate, fee and partial piece-rate work were EUR 77.42, not including motor saw costs.

Concepts of wages and earnings

The earnings concept for forestry workers includes earnings for hours worked without overtime. Daily earnings are published for piece-rate, fee, partial piece-rate and day-rate work, which contains for piece-rate workers in timber preparation the earnings adjustment in accordance with the earnings adjustment system.

TRENDS IN EARNINGS OF FORESTRY WORKERS IN SILVICULTURAL WORK FROM 1995:2ND QUARTER TO 2002:2ND QUARTER

Year	Workers, total	Piece-rate, fee and partial piece-rate work				Day-rate work	
		Number of days worked	Average daily earnings, EUR without tool costs	Year-on-year change %	Index 1984=100	Real index 1984=100	Number of days worked
1995	3,539	42,892	62.92	9.8	174.5	115.6	13 094
1996	2,855	32,027	62.71	-0.3	173.9	114.4	9 491
1997	2,776	25,912	62.79	0.1	174.1	113.3	11 946
1998	2,591	24,538	65.32	4.0	181.1	116.2	13 485
1999	2,420	23,081	66.00	1.0	183.0	116.0	21 263
2000	2,563	30,510	65.24	-1.2	180.9	111.3	17 012
2001	2,502	29,329	72.17	10.6	200.1	119.2	22 384
2002	2,436	27,529	72.42	0.3	200.8	118.0	24 725

*) EUR = FIM 5.94573

**) Average daily earnings in silvicultural work without tool costs

TRENDS IN EARNINGS OF FORESTRY WORKERS IN TIMBER PREPARATION FROM 1995:2ND QUARTER TO 2002:2ND QUARTER

Year	Workers, total	Piece-rate, fee and partial piece-rate work				Day-rate work	
		Number of days worked	Average daily earnings, EUR without tool costs	Year-on-year change %	Index 1984=100	Real index 1984=100	Number of days worked
1995	2,733	56,312	86.73	5.9	194.6	128.9	681
1996	2,317	52,544	89.71	3.4	201.3	132.4	427
1997	2,164	51,202	94.38	5.2	211.8	137.9	747
1998	2,069	48,196	91.43	-3.1	205.1	131.6	1,550
1999	1,990	36,805	91.82	0.4	206.0	130.5	7,506
2000	1,706	30,052	92.19	0.4	206.8	127.3	4,869
2001	1,668	29,103	94.41	2.4	211.8	126.2	6,014
2002	1,275	19,012	98.52	4.4	221.0	129.9	6,022

*) EUR = FIM 5.94573

Source: *Wages of agricultural and forestry workers 2002, 2nd quarter*

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DOCTORS' STRIKE THE MOST SIGNIFICANT LABOUR DISPUTE IN 2001

According to Statistics Finland's data, there were 84 labour disputes in Finland in 2001. The number went down slightly from the year before. The number of labour disputes was average for the last few years. Workers participating in labour disputes numbered around 21,700, while the number of participants the year before was 84,000. The number of working days lost decreased to around 49,000 from the previous year's 61,000.

The biggest labour disputes were generally associated with the ongoing incomes policy negotiations. In 2001 the general incomes policy settlement was brought back after the previous year's union-level agreements. The majority of the labour market organisations accepted the incomes policy settlement without any industrial action, while the year before disputes of union-level negotiations had led to strikes in various branches.

The only major union-level labour dispute was the strike of doctors employed by municipalities and joint municipal authorities, which was also the biggest industrial action in 2001. Municipal doctors, dissatisfied with the level of the pay increase in the incomes policy agreement, started a strike in March when their negotiations for an agreement ran aground. The over five-month labour dispute became the longest strike in Finland for fifteen years. The strike was arranged so that doctors were on

LABOUR DISPUTES IN 1960-2001

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
2000	96	84,092	876	3.7	253,838	3.0
2001	84	21,715	259	1.1	60,645	2.8
I	13	7,388	568	0.4	49,095	6.6
II	20	5,554	278	0.3	1,627	0.3
III	25	4,304	172	0.2	4,513	1.0
IV	26	4,469	172	0.2	5,410	1.2

strike alternatingly in different wards of different hospitals. Thus hospital wards were not closed for long at a time.

The rotation of the doctors' strike by hospital made production of statistics very difficult. Data were not obtained from all hospitals on the hours and wages lost and they are thus employers' estimates.

As normal, the number of labour disputes was highest in the metal industry. The manufacture of machinery and equipment had 15 stoppages, the manufacture of base metals 14 and the manufacture of other transport vehicles eight. The paper industry experienced fewer labour disputes than normal. Outside manufacturing, there were labour disputes in energy supply, real estate and television activities, for example.

Examined by area, the number of labour disputes was highest, as usual, in the Province of Western Finland, 33. The number of strikes was 26 in the Province of Southern Finland and 12 in the Province of Oulu. There were only a few labour disputes in the other provinces.

The liveliest months in respect of labour disputes were September (16) and November (13). Labour disputes were centred on the latter half of the year. Of the disputes, 40 lasted at most one day and three over one month. Of the labour disputes, 23 were motivated by decreases in labour force, 21 concerned labour management and 19 pay demands.

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LABOUR DISPUTES BY INDUSTRY IN 2001

Branch	Disputes	Parti- pants	Working days lost	Gross wages lost, EUR
Total	84	21,715	60,645	8,124,205
D Manufacturing	63	9,828	8,819	870,995
15 Manufacture of food products and beverages	1	1,000	400	37,674
17 Manufacture of textiles	2	84	42	3,187
20 Manufacture of wood products	2	78	78	6,963
21 Manufacture of paper	3	1,746	989	107,557
24 Manufacture of chemicals	5	415	503	48,185
25 Manufacture of rubber and plastic products	2	228	402	36,395
27 Manufacture of base metals	14	2,243	2,271	223,354
28 Manufacture of metal products	6	357	315	32,931
29 Manufacture of machinery and equipment	15	2,630	3,166	307,248
29 Manufacture of metal products	1	68	32	4,894
32 Manufacture of radio, television and communication equipment	2	209	169	19,507
34 Manufacture of motor vehicles	1	68	32	4,892
35 Manufacture of other transport equipment	8	659	419	38,207
36 Manufacture of other transport equipment	1	43	—	—
E Electricity, gas and water supply	4	311	289	29,797
40 Energy supply	4	244	255	26,822
41 Collection, purification and distribution of water	—	67	34	2,975
F Construction	—	10	4	293
45 Construction	—	10	4	293
G Wholesale and retail trade	—	22	8	644
50 Sale, maintenance and repair of motor vehicles	—	22	8	644
I Transport, storage and communication	6	2,950	3,679	321,252
60 Land transport	2	472	1,323	76,861
62 Air transport	1	14	14	1,985
63 Supporting and auxiliary transport activities	2	2,223	2,223	230,922
64 Post and telecommunications	1	241	119	11,485
K Real estate, renting and business activities	4	381	754	73,134
70 Real estate activities	3	31	54	4,177
741 Consultancy activities	1	350	700	68,957
N Health and social work	2	3,452	46,339	6,748,955
851 Human health activities	1	3,000	46,000	6,727,517
853 Social work activities	1	452	339	21,438
O Other community, social and personal service activities	5	4 761	753	79 136
90 Sewage and refuse disposal	1	135	203	20 183
92 Recreational, cultural and sporting activities	4	4 626	550	58 954

TABLE OF INDICES

	IV/2002*	Annual change %
• Index of wage and salary earnings 1995 = 100*	128.4	3.2
Hourly paid employees	129.3	3.2
Monthly paid employees	128.1	3.2
Manufacturing	131.0	3.3
Blue-collar workers	130.3	3.2
White-collar workers	132.0	3.5
Building construction workers	130.1	3.2
Wholesale and retail trading	127.5	3.4
Transport	126.7	3.1
Finance	135.8	2.6
Local government	123.7	3.0
Hourly paid employees	122.7	2.8
Monthly paid employees	123.7	3.0
Central government	128.4	3.6
Monthly paid employees	128.4	3.6
Private sector	130.0	3.2
Hourly paid employees	129.5	3.2
Monthly paid employees	130.4	3.3
• Index of real earnings 1995 = 100*	113.7	1.6
• Dwelling price index 2000 = 100	109.1	9.3
Greater Helsinki	111.5	11.1
Rest of Finland	107.1	7.9
	January 2003	
• Consumer price index 2000 = 100	104.6	1.4
Food and non-alcoholic beverages	107.8	-1.5
Housing, heating and lighting	104.5	2.3
Transportation	102.8	3.1
• Cost of living index 1951:10 = 100	1 569	
• Wholesale price index 2000 = 100	98.5	0.9
Domestic goods	100.2	0.3
Imported goods	95.9	1.7
• Export price index 2000 = 100	88.9	-2.7
• Import price index 2000 = 100	95.3	1.8
• Producer price index, home sales 2000 = 100	99.9	0.0
• Basic price index for domestic supply 2000 = 100	99.2	0.9
• Building cost index 2000 = 100	104.2	1.9
Labour	105.4	2.5
Materials	104.4	2.2
• Cost index of civil engineering works 1995 = 100	122.6	3.7
• Cost index for road transport of goods 1995 = 100	121.5	3.2
• Cost index of bus and motor-coach traffic 2000 = 100	105.3	3.2

* Preliminary figure

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