

## Very strong growth in Finland in Q3

GDP grew by an impressive 1.1% QoQ and 3.6% YoY, making Finland one of the fastest growing economies in Europe at the moment.



### Now in recovery mode

Like many of the countries to experience a severe or prolonged recession over recent years, Finland is now in full recovery mode. Even though Statistics Finland has not released any specifics so far, the monthly Trend Indicator of Output shows that solid growth in most sectors has continued over the third quarter. Growth in the private and public service sector came in at 4% YoY in September, while manufacturing and construction grew by 3%.

### Constrained employment growth

Employment is estimated to have grown by just 0.5% YoY, notable in a country growing output so quickly, but indicative of the labour market issues that Finland is troubled by. Still, this results in strong productivity gains and as wage growth is constrained by the recent Competitiveness Pact, there seems some scope for competitiveness improvements. These improvements come on the back of already positive developments in net exports as growth for major trade partners such as Sweden, Russia and the rest of the Eurozone have surprised on the upside. With net exports improving and domestic demand being in full recovery mode, Finland will likely end 2017 with a growth rate of above 3%.

## Author

**Bert Colijn**

Chief Economist, Netherlands

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).