





Helsinki

Helsinki is the capital of Finland and the centre of the country's administrative, economic and cultural life. Over 1.1 million people, a fifth of the national population, live in the metropolitan region.

Helsinki is in the heart of a growing new market – which we call the New Northern Europe - comprising north-western Russia, the Baltic States and the Nordic countries and with a total of 75 million people. The city is fast becoming an operational base for international companies in this region.

Helsinki offers:

- good availability of efficient business services
- high-quality infrastructure
- good logistics
- a competitive costs structure
- a well-educated workforce
- exceptional high-tech resources and capabilities
- a green and safe living environment and good quality of services

Helsinki has been a member of Eurocities since 1993.

Finland joined the European Union in 1995 and was in the first wave of countries to enter the third stage of EMU and adopt the Euro at the beginning of 1999.



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A Message from the Lord Mayor



Helsinki is approaching the new millennium in a mood of optimism. We can feel satisfaction when we look at the work done in the past year. Our main concentration in it has been and remains to ensure that residents of the city are guaranteed

basic services of a high quality. Education, health and social welfare services, the quality of the urban environment and technical services are matters for which we have a great responsibility. Although the population has been continuing to grow, we have discharged this responsibility well. The various sectoral reviews in this report reveal the details of how this has been achieved.

Preparation for the turn of the millennium also means getting ready for Helsinki's own 450th birthday and role as one of the nine European Cities of Culture in the year 2000. The special themes assigned to Helsinki within the Cities of Culture network are science, technology and the future. They are ideally reflected in the strategic emphases to which we are committed in our work. We want our year as a City of Culture to leave a permanent mark on Helsinki and shape its future. That is why we are concentrating so strongly on children and making such a determined effort to bring the arts to residential areas, where they will be within reach of

everyone. Naturally, we also want to highlight the importance of culture as a community resource and the wealth that international interaction brings.

Economic development is, of course, the essential prerequisite for success in all other work. The Finnish economy has been doing well ever since 1994. Growth approached 5% last year, inflation remained low and unemployment continued to fall. Also as a city, we have been working hard to stimulate employment and promote the economic sector. We have enjoyed good success in that and can be satisfied with economic development in Helsinki.

On the economic front, the most important milestone during the year was our entry into the third stage of economic and monetary union. Finland was the only Nordic country to join the Euro Zone in the first wave. I believe that the common European currency will add to the credibility of our own economy and enhance stability also globally.

Our country has been busy with preparations to assume the Presidency of the EU for the first time on 1 July 1999. For Helsinki this means an opportunity to host gatherings at which decisions significantly affecting the future of our continent will be taken. In general, too, European cooperation has become an increasingly prominent aspect of our work. The Committee of the Regions and the Eurocities organisation provide frameworks within which cities are working together to ensure that more importance is attached to the development of urban areas. Traditional Nordic cooperation, in common with cooperation between the various environmental areas in

the Baltic Sea region, are a natural foundation for international interaction.

The latter half of the past year saw the re-opening in the heart of our city of the former bus station building Lasipalatsi ("Glass Palace"), now splendidly refurbished as a film and media centre. Many topical themes that matter greatly to us are brought together in this project. The new media centre represents advanced technology, which is of vital importance for the success of our industrial and commercial sectors. In addition to that, its operations are based on the Nordic ideal of equality and it gives everyone unimpeded access to information technology, enabling them to gain familiarity with it and avail themselves of the opportunities that it offers. Partial funding from the EU Urban Pilot programme makes it part of a European innovations chain.

"Cities as engines of growth" is a frequently-used expression, which imposes an obligation on us as city representatives. Growth can be created only by a community that is economically, physically, socially and culturally strong, prepared to renew itself and capable of cooperation. I am happy to note that both the decision-makers and the personnel of the City of Helsinki have embraced these principles and I hope our success will continue in this spirit.

Eva-Riitta Siitonen



East and west in Helsinki's empire architecture

Finland's northern geopolitical situation is that of a border country. Is it a Western outpost on the interface with the East or the East's furthestmost point of contact with the West? This debate has taken place in the sectors of genetics, linguistics and archaeology, but has also crossed into the domain of architecture at times. The question then has been whether it is at home in the West or in the East.

Our architecture in Helsinki is above all young. Indeed, we share with Reykjavik and St. Petersburg the honour of being the youngest in Europe. Our oldest architecture is both well-preserved and dominant in the city centre. There, original buildings from the first half of the 19th century proclaim that Helsinki is a capital. We achieved that position after an agreement between Alexander I and Napoleon I, which assigned Finland to Russia's geopolitical sphere of interest. Sweden had ruled Finland for centuries, but was destined to cede the eastern half of her realm to Russia after the war of 1808-09.

Alexander granted Finland autonomy within his empire and allowed the country to retain the laws that had been in force until then. We acquired our own banking system and a distinctive currency unit, the markka, instead of the Russian rouble. Swedish remained the principal language of administration until the early 20th century, when Finnish took over

the leading role. Russian never became the main official language.

The Czar was determined that Helsinki should stand out as the capital of an important part of his empire and he commanded that its architecture and layout should possess the grandeur that this status called for.

It was a Prussian, C.L. Engel (1778-1840) from the Bauakademi in Berlin, who was entrusted with the task of creating both the monumental and the everyday image of the city, and he did it almost single-handedly. Engel designed more than thirty monumental stone buildings, nearly all of which have been preserved to the present day.

The inspiration for Engel's architecture can easily be traced, via Palladio, back to Greek Hellenism and the Roman Empire, with the emphasis on the first century. In the Senate Building (1818), one can see clear allusions to the Pantheon in Rome. The University (1832) opposite it clearly draws inspiration from the Athens of Plato. The Lutheran Cathedral, between the two and soaring above both, features four identical Corinthian temple gables.

Engel trained gifted artisans to produce a distinctive wooden architecture in a stone-imitating Classical style. As a result, a completely uniform Neo-Antique city that would have 15,000 inhabitants in 1850 was built within a short period. There were once nearly 500 wooden buildings in the variant of Neoclassical called Empire, but only a few fragments - long since transferred to other sites - now remain.

Is this architecture Western from Berlin or Eastern from St. Petersburg? There is no doubt that the two years Engel spent in the imperial capital in 1812-14 left a great impression on him. The protruding centre piece of the Senate Building could have been copied from a St. Petersburg bank designed by Giacomo Quarenghi. The side wing of the magnificent Maritime Barracks (1836) on the peninsula of Katajanokka closely resembles that of the Admiralty beside the River Neva. The delightful Orthodox Church of the Trinity (1824) is in its basic composition a miniature of Trezzini's Church of Peter and Paul.

On the other hand, the dome of the Lutheran Cathedral, still the linchpin of the city centre ensemble, draws its inspiration more from the Gendarmenmarkt in Berlin. It bears a strong resemblance to C.G. von Gotthardt's symmetrical clock tower (1785) and Engel's earliest designs from 1818. The completed central tower most closely resembles K.F. Schinkel's conversion of the cathedral tower in Berlin.

At the same time, the Engel architecture that we call "Empire" differs in significant respects from St. Petersburg Classicism. Monumental features on a superhuman scale are rare in his architecture. The use of columns never goes to the same theatrical level of pomposity as it did in the imperial capital. Engel's buildings talk in quieter tones than what is heard in St. Petersburg. His buildings such as the Observatory (1834) could be done with such Spartan simplicity that their decoration was limited to a few

carefully considered friezes. Engel's architecture in Helsinki could, perhaps, be characterised as chamber music in comparison with the monumental symphonies of St. Petersburg.

Like Schinkel, Engel found it fairly easy to interpret the Palladian tradition in a creative and personal way. The plainness of relief in his architecture brings him closer to the almost plate-like character of Berlin avantgarde. At the same time, however, he was critical of Schinkel's inclination towards the Neo-Gothic.

Clearly, the question of East and West in the 19th-century capital is not one that allows itself to be answered in simple terms. What is, by contrast, certain is that Engel - who never left Finland after he first set foot in the country - is our first master of architecture. We can regard him as first and foremost one of our own. Our peripheral borderland position was able to function as the growth substrate for a distinctive architectural identity between East and West.

It is this tradition that forms the background to masters like Eliel Saarinen and Alvar Aalto. It may also explain some of the vitality in the constructivism that still characterises the avantgarde of architecture in Helsinki.

Mikael Sundman



Senate Square



Helsinki turns its face seawards

Helsinki is very much a maritime city, in addition to being a point of contact between Western Europe and Russia and a key centre of business operations for the whole Nordic region.

When we in Finland look towards Western Europe, it is easy to imagine that we are living on an island. Efficient harbours and regular shipping services are a vital requirement. The City of Helsinki is busily developing its port facilities.

When we look in Russia's direction, we see that Finland is no island, but rather part of a huge land mass. Finland's eastern border - over 1,000 km long - is likewise the only land frontier between the EU and Russia. Helsinki is the easternmost effectively-functioning and safe logistics centre for companies with operations in St. Petersburg, Moscow and elsewhere in Russia.

Helsinki-Vantaa Airport is being expanded. A third runway there will be completed in 2003. A weekday flight from Helsinki to Brussels takes only 2 hours and 40 minutes. For most Japanese the airport is the first place they land when they arrive in Europe.

A growing metropolis

The population of Helsinki has been growing at 7,000-9,000 annually in recent years. The total increase since the beginning of the decade has been about 55,600. The city had 546,300 inhabitants at the



Pikku-Huopalahti

beginning of 1999. This is forecast to increase to 580,000 by 2020.

Pattern of urban building transformed

Helsinki has been undergoing the same process of change as in other large European cities. Smokestack industries have disappeared. Instead, modern factories and warehouses have been built in the urban fringe areas, for example along the outer ring motorway. Industrial and warehouse areas close to the

centre have been redeveloped as residential districts.

A similar transformation can be seen in, for example, Stockholm, Malmö, Copenhagen, Rotterdam, Amsterdam and London. Urban planners from Helsinki have learned much from these and many other cities.

New seaside residential districts

Redevelopment of the inner city area has created several new residential districts in the 1990s. They are:



Ruoholahti

Pikku-Huopalahti

Pikku-Huopalahti is a post-modern district with seaside squares and clear urban spaces. It is multi-storey and romantic in character and the city blocks there have been built on a human scale.

Ruoholahti

With its canals and open views of the sea, Ruoholahti is rationalist in its architecture. The blocks there are on a large scale and some of them have a character resembling that of the inner city. Its courtyards are safe places for children to play. The large building that was once the Nokia Cable Factory serves the area as a cultural centre. Ruoholahti contains an important concentration of high technology.

Herttoniemi

Unpretentious and undemonstrative in its architecture, Herttoniemi is a quiet suburb with a view of the sea spreading away to the south-west. The blocks are fairly large in scale and some of them have the character of those in the inner city. A sub-



Viikki

stantial proportion of the total parking places are in a rock cavern in the centre of the area.

Arabianranta

The core of the new Arabianranta district will be built around the University of Industrial Art and Design, institutes concentrating on pop and jazz and art and communications as well as the renowned Arabia ceramics factory. The premises housing the University of Art and Design are being expanded. The construction programme in the area also includes TV and film studios with auditoria.

The U-shaped residential blocks in Arabianranta open towards the sea to catch the morning sun. The way in which the building are arranged in masses is intended to accomplish a variety of street and square layouts, thereby creating an urban milieu that is sophisticated in its manner of articulation.

Viikki

A new university district is currently being built in Viikki. It will contain housing for about 8,000 people

and work facilities for 6,000 or so employees. The intention is to create a garden city environment in close touch with nature. Its core will be the University of Helsinki's agriculture and forestry faculty and its experimental plots.

The dwellings in the district will be built following principles of ecology and sustainable development. Every effort will be made to minimise consumption of energy and water and wood will be used wherever possible.

Vuosaari

The old part of Vuosaari is a garden city area dating from the 1960s. The next additions were the Meri-rastila and Kallahti developments on the site of an old sand harbour. The Metro was extended to Vuosaari in 1990-98. The functional centre is now the Vuosaari metro station and the new Columbus shopping centre.



Herttoniemi



Development in the hands of the City Council



Ms. Suvi Rihtniemi (in the middle) chairs the City Council, with Ms. Tuula Haatainen (on the left) and Ms. Tuija Brax her deputies.

Under the division of powers between central and local government in Finland, municipalities enjoy autonomy in the administration of many of their affairs. Certain basic tasks are stipulated in the Local Government Act, and in addition to them municipalities may voluntarily assume others. The only way in which the tasks entrusted to municipalities can be altered is by amending the Local Government Act or related pieces of legislation.

The City Council

The most important decision-making body in Helsinki is the City Council, the 85 members of which are elected by direct popular vote every four years. The City Council elects its own Chair and two Deputy Chairs, the members of the City Board as well as the members of the various committees in proportion to the relative strengths of the various parties represented on it. The other main tasks of the City Council include deliberating budgets and balancing accounts, in addition to setting the general goals to be striven for by the City.

The next local-government elections in Finland will be in 2000.

City Council 1998

85 members representing the following political parties:
 National Coalition (Conservative) 26
 Social Democratic Party 21
 Greens 16
 Swedish People's Party of Finland 8
 Left-Wing Alliance 5
 Young Finns 3
 Centre Party of Finland 2
 Christian League of Finland 2
 Metropolitan Area Independents 1
 Change 99 1

Audit Committee
 Elected auditors

City Board 1998

15 members representing the following political parties:
 National Coalition (Conservative) 4
 Social Democratic Party 4
 Greens 3
 Swedish People's Party of Finland 1
 Left-Wing Alliance 1
 Centre Party of Finland 1
 Christian League of Finland 1

24 committees

with 9 – 13 members each; selected by City Council



City Board

The City Board is responsible for

- administration and financial management
- preparatory processing of business to be dealt with by the City Council
- implementation of Council decisions
- examining the legality of Council decisions

The fifteen members of the City Board are elected by the City Council for two-year terms and in proportion to the Council's political composition.

Lord Mayor and Deputy-Mayors

The Mayor and the four Deputy-Mayors are each responsible for distinct sectors of work and report to the City Board. They follow activities in their respective segments and oversee the implementation of decisions. They are also responsible for preparatory processing of business within their remits and for reporting to the City Board on these matters.



Ms. Rakel Hiltunen (in the middle) chairs the City Board, with Mr. Pekka Sauri (on the left) and Mr. Harry Bogomoloff as deputy chairmen.

Departments and Offices

Lord Mayor	Deputy Mayor for Cultural and Personnel Affairs	Deputy Mayor for Social Affairs and Public Health	Deputy Mayor for City Planning and Real Estate	Deputy Mayor for Technical Services
City Office Audit Department Finlandia Hall Centre of the Environment Fire and Rescue Department	Educational Department Finnish Adult Education Centre Swedish Adult Education Centre Helsinki Urban Facts City Library Cultural Centre City Museum Bureau of the Helsinki Philh. Orch. City Art Museum Youth Department Sports Department Helsinki Zoo Training and Development Centre Occupational Health Centre	Social Service Department Health Department Bureau of Official Guardianship	City Planning Department Building Regulation Department Real Estate Department Housing Production Bureau	Public Works Department Helsinki Energy Helsinki Water Port of Helsinki City Transport Department Helsinki Catering Helsinki Wholesale Market Helsinki Textile Services Supplies Department



The Lord Mayor's Sector



Lord Mayor of Helsinki

Eva-Riitta Siitonen

- General planning and management
- The Budget
- Environmental affairs
- Fire and rescue services
- International affairs
- Information services and promotion of tourism

Key figures

Budget, total € 3.582 million

(€ = euro; 1€ = 5,946 FIM)

Lord Mayor's sector

Income € 21.5 million

Expenditure € 93.3 million

per inhabitant € 172

Investment € 15.7 million

Personnel strength 1,174

% of total city employees 3.0

The City's responsibility for residents' everyday lives

The Lord Mayor is responsible for financial and operational planning. The budget adopted each year and the associated financial plan for the two following years set the general outlines that the City follows in its work. As is usual in the Nordic region, the City of Helsinki bears very comprehensive responsibility for providing residents with basic services and ensuring that they have a good living environment. Over half of the more than 40,000 municipal employees are busy providing social-welfare and health services. Educational and cultural services are another major employer. Effective and moderately-priced public transport is another important component of the pattern of services that we provide. The same applies to technical services, such as energy and water. A large proportion of the technical services are nowadays provided by City-owned utilities operating on commercial principles. The most important of them are Helsinki Energy, Helsinki Water, the Port of Helsinki. And Helsinki City Transport.

Accounts in surplus

Tax receipts are the main constituent in the foundation on which Helsinki's finances are based. The proceeds from the 16.5% municipal income tax and the City's share of corporate taxes totalled about € 1,850 million, representing an increase of 8.6% on the pre-

vious year. Growth in corporate tax receipts was a clear indication of positive development in the economic sector. Tax revenues will continue to be of overriding importance. Profits earned by City-owned utilities and user fees constitute a second important share of our income. State contributions have further declined and their level is now only € 53 million, compared with € 420 million at their peak 5 years ago. The level of investment remained high at over € 505 million, of which total € 125 million was the price paid for a stake in the electricity utility of the neighbouring city Vantaa. Personnel strengths increased considerably in the education, day-care and health-care sectors, reflecting population growth. The population of the city increased to 546,000 and was thus 6,800 greater than a year earlier.

Revised working methods

Good governance has become a central success factor in European urban policy and is a constant challenge in the City's organisation. The past year has seen good progress in evaluating and developing functions. The largest-scale example of this was the work done to restructure the health-care system. The goal is to accomplish a new and more comprehensive health-care framework, which would make it easier to direct those needing it to effective treatment on the right level.

The onward march of the information society, the associated opportunities and the abilities that it



Lasipalatsi

requires are another important development trend. Because Helsinki boasts the world's highest density of both Internet connections and cellular phones, it is only natural to use this to advantage in administration.

The Mayor's area of responsibility also includes dealing with economic policy and the City's international relations, in addition to environmental questions and fire and rescue services.

Economic policy finalised

The City Council adopted a new Helsinki trade and industry policy programme, which is a broad compilation of the range of means that will be applied to promote Helsinki's competitiveness and vitality and

ensure good conditions in which the economy can prosper and the employment situation improve.

Environmental affairs explored within local agenda work

Helsinki is participating together with more than 400 other European cities in a campaign, launched after the adoption of the so-called Aalborg Document, to promote sustainable development in urban areas. The goal is to harmonise city functions with the requirements of the natural environment.

Cooperation in the metropolitan region

The importance of Greater Helsinki in the development of the Finnish economy as a whole has further increased. A globalising economy demands a pooling of resources and closer cooperation. The cities in the Helsinki region have intensified their cooperation and actively developed their partnership with various actors there. They have cooperated with universities and other institutions of higher learning, the business sector and various non-governmental organisations in such fields as promoting employment, developing suburban communities and marketing the region as a business location.

Urban policy and European networks

Based as it is on growth centres, Finland's regional policy has further increased the importance of urban policy. Helsinki has, accordingly, been active in its efforts to strengthen national urban policy. Its participation in the Centre of Expertise Programme for the region, which has the aim of promoting social inclusion, as well as its strengthening of urban research are central practical measures in this sector.



Lasipalatsi

Helsinki is also taking part in European cooperation by contributing to various international projects and helping to defend the interests of cities throughout the continent. The main frameworks within which this cooperation takes place are the Eurocities organisation, the EU Committee of the Regions and the Union of Capitals of the Union of Europe.

The pattern of the work done by the City has acquired new dimensions. International contacts, new kinds of activities and new forms of work founded on partnership between different actors are, nevertheless, only instruments for furthering the wellbeing of residents. And that is the City's central task.



Education and Culture



Deputy Mayor

Antti Viinikka

Cultural and Personnel Affairs

- General and vocational education and training
- Adult education services
- City library services
- Cultural affairs
- Sports
- Youth activities
- Personnel policy

Key figures

(€ = euro; 1€ = 5,946 FIM)

Income € 39.0 million

Expenditure € 425.5 million

per inhabitant € 784

Investment € 75.6 million

Personnel strength 8,542

% of total city employees 21.6

A very wide range of high-quality educational, cultural and leisure services is guaranteed in Helsinki and the level of learning among the inhabitants is high. The general, vocational and adult education services provided by the City are of acknowledged high quality. There are 207 comprehensive schools and upper secondary schools. Although education in most is through the medium of Finnish, there are 28 schools for Swedish-speakers and several others using English, German, Russian, French or any of several other languages. Education and school meals are free, as are books and other classroom material in comprehensive schools. Adult Education Centres offer an impressively wide range of possibilities for people wishing to develop abilities in different subjects and fields. Provision has also been made to meet the needs of immigrants.

The City Library has a network of 35 well-stocked branches offering both traditional printed material and computer services and Internet stations for the use of residents. The latest library is Kirjakaapeli ("Cable Book"), which was opened last year in the new Lasipalatsi Media Centre. Located in the heart of the city, it offers excellent opportunities to use powerful computers and gain fast access to the Internet. There are also two libraries exclusively for children.

The City is also proud to offer residents a large variety of cultural events and activities. The Helsinki City Museum comprises several separate institutions, each specialising in a different area. Helsinki also has its own art museum, which boasts a considerable collection of Finnish contemporary work. The

latest additions to the impressive range of cultural services are the Museum of Contemporary Art opened in May 1998 and the Museum of Cultures, which opened in the first half of 1999. It is located in the Tennispalatsi entertainment and cultural complex, where the City Art Museum has likewise acquired additional exhibition space.

The Helsinki City Theatre and the Helsinki Philharmonic Orchestra are well-known institutions, which offer an impressive palette of cultural events meeting high international standards. The Opera House is likewise a source of civic pride.

The Helsinki Zoo presents a wide variety of species in conditions corresponding as closely as possible to their natural habitats.

Among the other amenities provided by the City are sports fields, recreation areas, sports halls, tennis courts and indoor swimming pools. Sports events for both young and old are organised by the City, which also runs youth centres and clubs and arranges a wide variety of leisure activities.

Cultural and recreational services will continue to be developed at a very lively pace. The use of information technology will increase in all sectors and the range of cultural services will be broadened and improved. This will be done by means of numerous measures that include providing new physical facilities, in addition to which there will be all the benefits that flow from Helsinki's being a European City of Culture and celebrating its own 450th anniversary in 2000. The city is also a contender to host the 2006 Winter Olympics.



Information technology storming schools

The Helsinki school system's information technology project is intended to provide general schools with the resources they need to ensure that students acquire the basic skills they need to cope with the demands of the information society.

Special focus on employment

Unemployment remains a problem. Special measures have been launched to tackle long-term joblessness and the high rate of unemployment among immigrants. These include training programmes, workshops, rehabilitation and, in the case of immigrants, a special concentration on teaching Finnish.



Helsinki's Educational Department has been chosen as the coordinator of the European Netd@ys project to be implemented in autumn 1999.



Social Affairs and Public Health



Deputy Mayor

Timo Honkala

Social Affairs and Public Health

Social Affairs

- Children's day care
- Social welfare services
- Services for the elderly and the handicapped
- Immigration affairs

Public Health Care

- Municipal health services
- Municipal hospital services

Key figures

(€ = euro; 1€ = 5.946 FIM)

Income € 157.8 million

Expenditure € 1,206.6 million

per inhabitant € 2223

Investment € 46.5 million

Personnel strength 21,763

% of total city employees 55.2

Social Affairs and Public Health is the largest sector of services provided by the City. It affects practically every resident and accounts for more than half of the City's labour force. It comprises children's day care, care for the elderly and the entire municipal health care system.

Supporting people in their everyday lives

Helsinki provides day care for all pre-school children. Most children attend activities at day-care centres, but parents also have the option of receiving financial support to help them care for children under the age of three at home. Due to the long maternity leave to which women are statutorily entitled, most children under the age of one are cared for at home.

Care for the elderly and services for the handicapped include:

- housing services and homes for the elderly
- service and recreation centres
- home-help services
- transport assistance

Central challenges on the social affairs side relate to ensuring that the residents of Helsinki are provided with statutory basic services and at least a minimum level of livelihood. The features emphasised in services are preventive measures, customer-centricity, flexibility and efficiency.

The public health care system includes

- maternity and children's clinics
- dental clinics
- mental health clinics
- school nurses and doctors
- various hospital services

Municipal health centres provide residents with services either free of charge or on payment of very moderate fees.

Basic services being developed

A central current goal is to accomplish a complete overhaul of health care services. In particular, efforts are being made to balance the overall structure by strengthening the availability of basic services on an outpatient basis, at the same time reducing the relative shares of special medical treatment and institutional care. In the area of special nursing, three separate units are being merged to form a large joint authority that will provide services in the combined territory of all the municipalities (Helsinki and 31 others) in the province of Uusimaa, which as a population of 1.3 million.

A comprehensive assessment of the state of health care services for the elderly was conducted in Helsinki. This led to recommendations concerning development of those services and the launch of a programme to develop long-term health care for the elderly.

The year also saw the development of scenarios



There are 328 day-care centres in the city.

for social welfare and health care in the period up to 2010. This involved outlining strategic cooperation areas and laying a foundation for joint strategic planning in social welfare and health care.



City Planning and Infrastructure



Deputy Mayor

Pekka Korpinen

City Planning and Real Estate

- Urban and traffic planning
- Land purchases and transfers
- City survey
- Real-estate management
- Municipal housing - production and repair
- Building regulation

Key figures

(€ = euro; 1€ = 5.946 FIM)

Income € 142.1 million
 Expenditure € 136.6 million
 per inhabitant € 252
 Investment € 67.4 million

Personnel strength 1,056
 % of total city employees 2.7

The City of Helsinki owns two-thirds of the land inside its boundaries and is also a considerable landowner in the surrounding municipalities. The City acquires and sells land in order to ensure ideal conditions for its development. It also leases land to companies, for housing production, to industry as well as to private persons. Ecological thinking and environmental consciousness play an important role

in urban planning. These principles are applied in regulating construction, developing and maintaining the street network as well as in keeping parks and recreation areas in good condition.

The City's general plan 2002 is under preparation. The general plan is intended to provide solutions that will enable the City to respond to the population growth and preserve its vitality and competitiveness. Environmental aspects feature prominently in all planning arrangements and will be even more strongly in evidence in the future. The environment in which the City functions will be a more international one than it has been up to now.

The principles to be observed in sales of real estate are intended to support the City's active business-promotion policy. Construction of workplaces on sites provided by the City has picked up again. Examples include the Töölönlahti and Ruoholahti areas in the heart of the city. The latter has acquired a distinct profile as a location offering very advanced standards of technology and research. The biotechnology centre and science park in Viikki on the outskirts of the city as well as the Arabianranta art and design centre add substantially to Helsinki's know-how potential.



Tennispalatsi

A More attractive townscape

Several of the buildings that strongly stamp the character of the capital emerged from the scaffolding that had shrouded them during major newbuilding and refurbishment projects in the centre. They included the new national Museum of Contempo-

rary Art Kiasma, the Functionalist Lasipalatsi ("Glass palace") building, which was thoroughly renovated with the help of EU regional funding as part of the Urban Pilot project, and the Tennispalatsi ("Tennis Palace") building, which is beginning a new lease of life as an entertainment and cultural centre. The biggest building projects commenced on the science

and research side were the Biomedicum complex and an extension to the University of Helsinki's Kumpula campus. Beneath the ground, an unprecedented number of pedestrian underpasses and car parks were built.





Municipal Business Enterprises and Technical Services



Deputy Mayor

Martin Meinander

Technical services

- Energy supply
- The Port of Helsinki: harbour services for freight and passenger traffic
- Public transport services
- Water supply and sewage treatment
- Municipal engineering and maintenance services

Key figures

(€ = euro; 1€ = 5,946 FIM)

Income € 1033 million
 Expenditure € 999 million
 per inhabitant € 1840
 Investment € 378 million

Personnel strength 6,907
 % of total city employees 17.5

Transport Facilities

Effective public traffic ensures efficient and safe movement of people and goods.

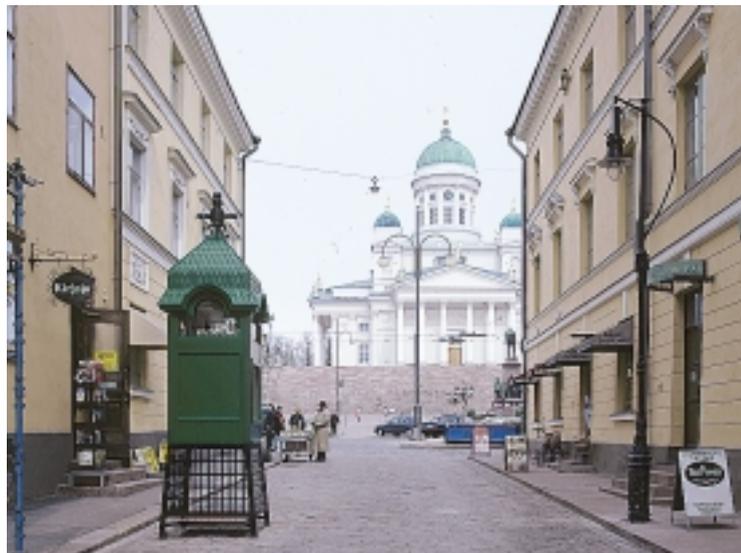
The City has excellent harbour facilities and the flow of goods through the Port of Helsinki is constantly increasing. For cargo traffic the 1990s have been a period of strong growth, but 1998 brought something of a slowdown in this trend. By contrast, passenger traffic developed faster than had been expected. Structural alterations were carried out to improve the efficiency of cargo ports. Progress was made in planning for the new port facility in Vuosaari.

Helsinki City Transport has its own fleet of buses, trams and underground trains, in addition to which it outsources services. Public transport accounts for a high proportion of total passenger movement, close to 70% in the central areas of the city during the rush hours. In particular, there has been a significant increase in the number of people using trams in the past few years.

Energy and Water Works

City-owned utilities offer electricity, district heating and related services to companies and private users. With more than 300,000 clients, Helsinki Energy is one of the largest producers and distributors of electricity and district heating. Over 90% of the City's housing is connected to the district-heating network.

Helsinki Water serves nearly one million inhabitants as well as industries in the Helsinki Metropolitan Area. Helsinki collaborates with several municipalities in raw water supply. About 30% of the water produced in Helsinki is sold to the cities of Espoo and Vantaa. Cooperation also covers sewage treatment.



Street Museum in Sofiankatu

The Environment and International Contacts

Efforts to protect the environment and promote sustainable development continued. The Port of Helsinki's environmental programme was completed in all but a few details. Helsinki Water likewise published its environmental report.

Helsinki Water signed a new cooperation agreement, covering the period 1999-2003, with the St. Petersburg authority responsible for water supply and sewage treatment. Cooperation with Tallinn Water in Estonia has produced good results; in wastewater treatment, for example, the Estonian capital has now come close to the same effectiveness level as Helsinki.

Getting ready for the jubilee

The City's building programme proceeded at a record level of intensity. The most important project on the transport side was an eastward extension of the Metro, the total length of which is now 21 kilometres.

Two building projects of national importance were completed during the year under review: the new Museum of Contemporary Art and a thorough renovation of the Lasipalatsi, both close to each other in the centre of the city. Several old parks in the centre were refurbished. Representing the very latest in urban technology, parts of the streets Sofiankatu and Pohjoisesplanadi were provided with sub-surface heating. A "Street Museum" was likewise laid out in Sofiankatu.



Underground trains are very popular



Finances

The Finnish economy has been developing favourably for several years. In 1998 it grew by 4.9%, inflation was only 1.4% and the short-term interest rate 3.6%. The participation in labour market rose to 64.1% and unemployment continued to fall. The pace of economic growth has several years exceeded the European average. It is forecast at 3-4% for the next few years. The main forces driving it at the moment are the success of the electronics industry and vigorous domestic demand.

The composition of municipal revenues varies greatly from region to region. In Helsinki, tax receipts are exceptionally large. About 63% of the total collected comes from income tax levied on wage-earners. A second important income category is the share of corporation tax returned by the State to the municipality in which a company is domiciled. By contrast, the property tax introduced in 1993 is of lesser significance.

Municipalities receive resources from the State to enable them to produce basic services. The level of State contributions is linked to the demographic structure and the financial resources available to the municipality in question. In Helsinki, the relative importance of State financial contributions has declined to a tenth of what it was as recently as 1993.

The City's finances stand on a solid foundation. This positive state of affairs is due above all to growth in tax receipts, especially corporate tax, and the good success that City-owned businesses have enjoyed. On the other hand, population growth, long-term unemployment and the rising cost of health care services have heightened pressure to increase spending.

The final accounts followed a pattern similar to the previous year's and showed a clear surplus. The annual coverage for the year was € 446 million. This was due mainly to an increase in corporate tax

receipts and also to the fact that spending was lower than expected. The favourable financial position enables the City to make provision for loan repayments that will soon fall due.

Growth in operational revenues was 8.3% and in operational costs 5.9 % compared with the previous year. Tax receipts increased by nearly 9 %. State contributions declined further. Indebtedness declined and amounted to € 754 per inhabitant at the end of the year. The level of investment remained high. The working capital as provided for in the financial statement declined by € 72 million. Nevertheless, liquidity remained good, with cash on hand and deposits at the end of the year corresponding to 84 days' outgoings.

All of the City-owned businesses except Helsinki City Transport made profits, which are included in the City's final accounts figures.

Breakdown of revenue and expenditure (€ mill.) ¹⁾

Revenue		
Tax revenue	60 %	1,850
Operating income	35 %	1,076
State subsidies	2 %	53
Financial income	2 %	65
Other income	1 %	43
Total	100 %	3,087

Expenditure		
Social affairs and public health	43 %	1,207
Technical services	28 %	806
Cultural and personnel affairs	15 %	425
City Planning and Real Estate	5 %	137
General administration	3 %	93
Financial expenditure	3 %	73
Other expenditure	3 %	79
Total	100 %	2,820

Personnel by sector		
Social affairs and public health	55 %	21,763
Technical services	17 %	6,907
Cultural and personnel affairs	22 %	8,542
City planning and real estate	3 %	1,056
General administration	3 %	1,174
Total	100%	39,442

¹⁾ Investments of the City of Helsinki incl. municipal business enterprises were € 583 million.



THE INCOME STATEMENT OF THE CITY OF HELSINKI (€ mill.)

	31.12.1997 € mill.	31.12.1998 € mill.
OPERATING INCOME		
Sales proceeds	617.6	677.8
Fees and charges	122.6	128.3
Subsidies and grants	26.2	23.2
Rents	149.4	163.3
Other income	45.1	30.1
Changes in inventories	0	0
Production for own use	33.3	53.3
Total operating income	994.2	1,076.1
OPERATING EXPENSES		
Personnel costs	-1,207.9	-1,252.7
Purchased services	-511.8	-586.5
Materials and supplies		
purchases during financial year	-271.1	-299.2
decrease in inventories	-10.4	-4.2
Grants	-205.7	-199.8
Rents	-89.5	-89.1
Other expenses	-12.8	-14.8
Total operating expenses	-2,309.2	-2,446.3
GROSS MARGIN	-1,315.0	-1,370.2
Taxes and State subsidies		
Tax revenues	1,702.9	1,850.1
State subsidies	95.5	53.0
VAT refunds	-71.3	-77.9
Total taxes and State subsidies	1,727.1	1,825.2
OPERATING PROFIT	412.1	455.0

	31.12.1997 € mill.	31.12.1998 € mill.
Financial income and expenses		
Interest income	63.4	60.2
Other financial income	2.0	4.4
Interest expenses	-32.6	-35.8
Other financial expenses	-28.9	-37.8
Total financial income and expenses	3.9	-9.0
ANNUAL COVERAGE	416.0	446.0
Depreciation on fixed assets and other long-term expenditure	-202.2	-221.3
Extraordinary income and expenses		
Extraordinary income	56.5	42.9
Extraordinary expenses	-95.0	-0.8
Total extraordinary income and expenses	-38.5	42.1
PROFIT/LOSS FOR FINANCIAL YEAR	175.3	266.8
Changes in reserves and funds		
Change in depreciation difference	-58.2	-5.9
Change in reserves	30.6	-31.5
Change in funds	-125.8	-170.2
Total change in reserves and funds	-153.4	-207.6
SURPLUS FOR THE FINANCIAL YEAR	21.9	59.2

THE BALANCE SHEET OF THE CITY OF HELSINKI (€ mill.)

	31.12.1997 € mill.	31.12.1998 € mill.
ASSETS		
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		
Intangible assets		
Intangible rights	24.0	32.8
Other long-term expenditure	9.9	11.4
Advance payments	0	0
	33.9	44.2
Tangible assets		
Land and water areas	2,186.8	2,231.0
Buildings	1,001.6	1,073.9
Fixed structures and fittings	1,435.8	1,643.7
Machinery and equipment	117.0	135.1
Other tangible assets	4.4	4.9
Advance payments and works in progress	334.2	168.5
	5,079.8	5,257.1
Shares in fixed assets and other long-term investments		
Shares and participations	347.5	487.4
Bonds	30.3	0.5
Loans due	536.7	550.0
	914.5	1,037.9
VALUATION ITEMS	8.2	5.5
FUNDS FOR COMMISSIONED TASKS		
Assigned by the State	259.5	278.0
Assigned by other instances	413.4	428.7
	672.9	706.7
INVENTORIES AND FINANCIAL ASSETS		
Inventories		
Materials and supplies	58.2	54.2
Incomplete products	1.3	5.0
Completed products	0.2	0
Other inventories	2.0	2.2
Advance payments	0	0
	61.7	61.4
Receivables		
Sales receivables	96.9	88.0
Investments in financial instruments.	814.4	741.9
Loans duet	15.3	15.5
Accrued income	69.8	104.3
Other receivables	22.9	25.0
	1,019.3	974.7
Cash in hand and at banks	5.2	7.9
TOTAL ASSETS	7,795.5	8,095.4

	31.12.1997 € mill.	31.12.1998 € mill.
LIABILITIES		
OWN CAPITAL		
Basic capital	2,972.4	2,972.4
Other equity capital	634.6	810.0
Surplus/Deficit for previous years	74.5	96.4
Surplus/Deficit for financial year	21.8	59.2
	3,703.3	3,938.0
RESERVES		
Accumulated depreciation difference	118.2	123.9
Voluntary reserves		
Reserves for investments	41.5	75.2
Other voluntary reserves	20.4	18.1
Obligatory reserves	533.3	521.6
	713.4	738.8
VALUATION ITEMS	1,861.0	1,859.1
CAPITAL FOR COMMISSIONED TASKS		
Assigned by the State	262.7	280.4
Assigned by other instances	427.9	432.6
	690.6	713.0
BORROWED CAPITAL		
Long-term		
Bonds	330.5	244.9
Loans from financial and insurance institutions	97.7	94.4
Loans from public-sector bodies	3.9	2.8
Advances received	1.2	1.2
Other long-term liabilities	0	1.0
	433.3	344.3
Short term		
Bonds	-	67.3
Loans from financial and insurance institutions	3.5	3.5
Loans from public-sector bodies	1.0	1.0
Advances received	14.5	11.9
Accounts payable	95.5	104.9
Deferred credits and accrued charges	264.7	297.5
Other short-term liabilities	14.6	16.0
	393.9	502.2
TOTAL LIABILITIES	7,795.5	8,095.4

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (€ mill.)

	1997 € mill.	1998 € mill.
Operating income		
Annual coverage	415.9	446.0
Extraordinary items	-36.3	42.0
Change in obligatory reserves	-4.0	-11.8
Other correction items	-	3.0
Investments		
Investment in fixed assets	-393.6	-582.9
Share of investment expenditure	21.4	36.3
Proceeds from the sale of fixed assets	1.3	0.7
Change in long-term receivables		
Decrease in granted loans	30.4	28.3
Increase in granted loans	-26.1	-41.9
Increase in long term receivables	-29.9	29.8
Decrease in long-term debt	-4.2	-22.9
Financing surplus/deficit	-25.1	-73.4
Increase in long-term debt	-	1.2
Change in working capital	-25.1	-72.2
Change in working capital		
Inventories, decrease	-9.1	-0.5
Short-term receivables, increase	12.6	-44.7
Cash in hand and at bank, increase	1.0	2.8
Funds for commissioned tasks, increase	149.5	33.6
Capital for commissioned tasks, increase	-159.1	-22.4
Interest-free short-term debt, increase	-20.0	-41.0
	-25.1	-72.2

MUNICIPAL BUSINESS ENTERPRISES INCOME STATEMENT (€ mill.)

	Helsinki Energy		Water Works		Port of Helsinki		Helsinki City Transport		Helsinki Textile Service
	1997	1998	1997	1998	1997	1998	1997	1998	1998
Income	412.5	435.4	87.1	83.6	67.8	71.5	174.9	180.8	5.2
Expenses	-266.7	-275.8	-23.0	-24.6	-31.1	-34.0	-144.0	-148.0	-4.5
OPERATING PROFIT	145.8	159.6	64.1	59.0	36.7	37.5	30.9	32.8	0.7
Depreciation	-58.0	-69.6	-23.2	-23.2	-10.8	-10.4	-22.3	-23.7	-0.2
OPERATING SURPLUS	87.8	90.0	40.9	35.8	25.9	27.1	8.6	9.1	0.5
Financial income and expenses	1.8	0.1	0.8	-	-	1.7	-0.7	0.7	0
Interest income and expenses	-30.6	-29.4	-21.4	-19.8	-1.5	-2.2	-	-1.5	-
Surplus on basic capital	-47.4	-47.4	-12.9	-12.9	-6.2	-6.4	-9.2	-9.2	-0.2
Extraordinary income and expenses	0.3	-	1.5	-	-	-	2.5	-0.6	-
SURPLUS BEFORE RESERVES	11.9	13.3	8.9	3.1	18.2	20.2	1.2	-1.5	0.3
Change in depreciation	-47.6	-3.2	0.3	0.3	-	-	-10.9	-2.9	-
Change in reserves	39.5	8.4	-6.0	-1.7	-11.8	-16.8	9.7	3.7	-
PROFIT FOR FINANCIAL YEAR	3.8	18.5	3.2	1.7	6.4	3.4	0	-0.7	0.3

MUNICIPAL BUSINESS ENTERPRISES

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (€ mill.)

	Helsinki Energy		Water Works		Port of Helsinki		Helsinki City Transport		Helsinki Textile Service
	1997	1998	1997	1998	1997	1998	1997	1998	1998
Operating income									
Operating margin	145.8	159.4	64.1	59.0	36.7	37.5	31.1	32.8	0.7
Financial income and expenses	-76.2	-76.5	-33.5	-32.8	-7.7	-6.9	-9.9	-9.9	-0.2
Extraordinary income and expenses	0.3	-	1.5	-	-	-	2.5	-0.7	-
Investments									
Investments in fixed assets and change in other long-term investment	-95.5	-210.0	-24.2	-20.3	-6.7	-8.2	-39.8	-62.7	-0.2
Amortization of loans granted by the City	-7.0	-7.9	-7.2	-7.4	-1.9	-1.9	-	-	-
FINANCING SURPLUS/DEFICIT	-32.6	-135.0	0.7	-1.5	20.4	20.5	-16.1	-40.5	0.3
Connection fees	3.2	3.5	-	1.7	-	-	-	-	-
Change in long-term and short-term debt	-	-	-	-	-	-	-	1.0	-
Increase in basic capital	-	-	-	-	-	-	11.6	19.7	-
CHANGE IN WORKING CAPITAL	-29.4	-131.5	0.7	0.2	20.4	20.5	-4.5	-19.8	0.3

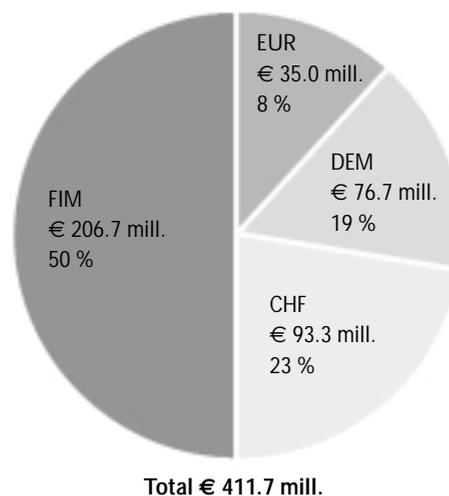
CONSOLIDATED BALANCE SHEET

	31.12.1997 € mill.	31.12.1998 € mill.
ASSETS		
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		
Intangible assets	52.8	66.1
Tangible assets	6,925.0	7,273.2
Shares in fixed assets and other long-term investments	424.3	454.8
VALUATION ITEMS	8.9	6.2
FUNDS FOR COMMISSIONED TASKS	384.6	249.4
INVENTORIES AND FINANCIAL ASSETS		
Inventories	64.6	64.8
Receivables	1,031.2	1,002.7
Financial asset securities	6.6	7.7
Cash in hand and at banks	71.8	82.2
	8,969.8	9,207.1
LIABILITIES		
OWN CAPITAL	3,686.2	3,794.8
MINORITY INTEREST	21.3	25.2
RESERVES	767.1	805.3
VALUATION ITEMS	1,861.0	1,859.2
CAPITAL FOR COMMISSIONED TASKS	568.5	452.3
BORROWED CAPITAL		
Long-term	1,555.4	1,625.0
Short-term	510.3	645.3
	8,969.8	9,207.1

Assets of the funds

	31.12. 1997 € mill.	31.12. 1998 € mill.
Insurance fund	47.3	49.0
Housing loan fund	67.9	70.0
Housing production fund	77.9	81.7
Sports and recreation fund	24.7	25.4
Kamppi-Töölönlahti area investment fund	13.0	10.3
Emergency fuel supply fund	52.6	52.6
Loan repayment fund	101.9	243.5
Total	385.3	532.5

Breakdown of loan capital 1998



BRIEF FACTS ABOUT HELSINKI

Founded in 1550
The Finnish Capital since 1812

Environment

Total area 686 sq. km
Land 185 sq. km
green areas and parks 31%
Population density
inhabitants per sq. km 2,950
Shoreline 98 km
Islands 315

Mean temperature in 1998

whole year 5.4 °C
warmest month, July 16.4 °C
coldest month, February, -3.6 °C

Population

Total population 1998/1999 546,317

Age groups

0–6	7.7 %
7–15	8.6 %
16–64	70.2 %
65–74	7.2 %
75+	6.3 %

Finnish nationality 95.3 %

Other nationalities 4.7 %

Household structure

average size 1.9
1-member households 47 %
>5-member households 3.5 %

Housing

Dwellings total 285,700
Owner-occupied dwellings 47.0 %
Rented dwellings owned by the city 55,000

Cost of housing

Average rent for two-room flat, FIM/month 2,650
(€446)proportion of rent is 18 % of average income

Labour market

Jobs 1997	307,514
primary production (SIC A – B)	0.1 %
processing (SIC C – F)	14.3 %
services (SIC G – Q)	84.1 %
- trade, finance, transport (SIC G – K)	47.4 %
- community services (SIC L – Q)	36.7 %

Employment rate as a percentage

of total population 48 %

Persons (15 – 74 year olds)

not in labour force 124,000 (30 %)

Number of unemployed (IV/1998) 20,900 (7.2 %)

Level of participation of women

in the labour market 67.8 %

Transport and communications

Registered cars per 1000 inhabitants 316

Public transports within the city,

total journeys, 197 millions

Telephone connections per 100 inhabitants 77

Number of mobile phones per 100 inhabitants 42

Number of Internet extensions per 1000 inhabitants 97

Health care

Sub-district health centres of the city 32

Hospitals of the city 12

Primary health care:

Out-patient visits total 2.5 mill.

visits per inhabitant 4.6

Specialised medical care:

Out-patient visits total 0.6 mill

visits per inhabitant 1.1

Patient days in hospitals total 1.6 mill.
per inhabitant 2.9

Social welfare

Child day care: places per 100 1– 6 years olds 66

Care for the elderly:

places in sheltered housing 3,369

places at old people's homes 2,410

Training and education

Rate of school drop-outs at primary
and secondary school level is 0.07 %

Level of education in the population,
broken down by sex:

	male	female
	%	%
The first level	36	38
The second level	42	41
The third level	22	21

Number of educational institutions in Helsinki

Universities and university-level institutions 8

Comprehensive schools and

senior secondary schools 207

Vocational and professional

education institutions 39

Culture and leisure

City Library

loans per inhabitant 16.7

Recreation areas and parks, hectares 5,351

Recreational trails and jogging tracks, km 395

Sports halls, swimming halls eq. 55

Outdoor sports grounds eq. 404



General Information:

Helsinki City Information Office
Aleksanterinkatu 20
FIN-00170 Helsinki, Finland
Telephone +358-9-169 3713
Fax +358-9-655 354

Financial Information:

City of Helsinki, Treasury
Pohjoisesplanadi 15-17
FIN-00170 Helsinki, Finland
Telephone +358-9-169 2525
Telefax +358-9-634 360

Layout planning and map design by
Pertti Nuortimo/Green Beast Ltd
Photos by Pertti Nisonen; pages 1, 3, 4,
7, 10–15, 17–21, Jussi Kautto; pages 8–9,
Nasakuva; page 16 and Seyyar Nasretidin/
Studio 13; pages 5, 12, 20
Printed by Oulurepro/Painomestarit 1999
ISSN 1237-5063
