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Shareownership in Finland 2000

This study documents patterns in the ownership of Finnish shares on June 1, 2000 and changes in these patterns since the beginning of 1995. It utilizes a unique database which consists of the shareholdings of approximately half a million individuals and institutions. The data originate from the Finnish Central Securities Depository (FCSD) which keeps track of the registered shareholdings of all Finnish investors having invested in the stocks represented in FCSD. Practically all Finnish companies have joined the register, and it covers more than 99.99% of the total market capitalization of Finnish stocks.

Our main findings are as follows:

* Foreign investors are by far the largest investor category with a 69.9% share of the market capitalization. Foreigners' predominant role is largely due to their almost 90% ownership stake in Nokia which accounts for about two-thirds of the market capitalization on the Helsinki Stock Exchange; without Nokia, foreigners would have a 32% ownership stake in Finnish stocks. After foreigners, the largest shareholders in terms of their fraction of total market capitalization are general government (10.1%), households (7.2%), non-financial corporations (4.8%), financial and insurance institutions (2.8%), and non-profit institutions (2.2%).

* The role of foreign ownership has steadily increased over time. Households and, to less extent, non-profit institutions have experienced a surge in ownership fraction after January 1999, whereas the ownership fractions of non-financial corporations, finance and insurance institutions, and the general government have decreased.

* 15.7% of Finnish males and 12.7% of females own shares directly. Males own 63% and females 37% of individuals' combined investment wealth. The median investment wealth for individuals who own shares is 31,200 FIM whereas the mean is more than seven times as large as that, 223,800 FIM.

* The Greater Helsinki Area accounts for the majority, 54.6%, of shareownership wealth. Pirkanmaa and Varsinais-Suomi represent the second- and third-most important concentrations of shareownership wealth with 7.0% and 6.1% of aggregate shareownership wealth, respectively. The Greater Helsinki Area has tended to increase its share of shareownership wealth over time.

* Individual investors living in the headquarters municipality of a median company are 12 times more likely to own the stock of that company than the stock of other companies, provided that the company is headquartered outside of the Greater Helsinki Area. Greater Helsinki Area headquartered companies display much less of this distance effect than other companies.

* There are 18,398 investors with at least one million FIM of shareownership wealth and 4006 investors with at least 5 million FIM worth of shares. Excluding ownership in Nokia would reduce the number of millionaires to about one-half, 9530.

* The richest 0.1% of individual investors owns 32.6% and the richest 1% 59.4% of the total investment wealth of individuals. Individuals' ownership has become more concentrated over time. Although it is not possible to unambiguously compare the concentration of shareownership in Finland to that in the U.S., concentration of shareownership in Finland appears to be large compared with that in the U.S.