

The Employment Fund considers issuance of bonds

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Employment Fund
Press Release
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The sharp increase in temporary lay-offs and unemployment caused by the coronavirus pandemic will lead to a significant increase in unemployment benefit expenses. The Employment Fund estimates that the total amount of unemployed persons in Finland will increase by 60-130 % in 2020 compared to an increase of a few percent in the budget for 2020. The estimate includes both unemployed and temporarily laid-off people. Due to the aforementioned developments, the Employment Fund's budget for 2020 will need to be increased by approximately 1.9 billion euros.

In accordance with the statement published on 9 April 2020, the Employment Fund has continued to take measures in order to safeguard the fund's liquidity and the payment of unemployment allowances. As part of the planned measures, the Employment Fund has started preparations for potential bond issuances. In addition to accrued business cycle buffer, financing of the increased unemployment benefit expenses would comprise of bonds, short-term funding under the commercial paper programme established in 2010, as well as the in total of EUR 800 million revolving credit facilities signed on 9 April 2020 to secure the fund's liquidity. The issuance of the contemplated bonds is expected to take place by the summer of 2020.

The Employment Fund has mandated Danske Bank A/S, Nordea Bank Abp and Swedbank AB (publ) to act as the lead managers in the contemplated bond issuances.

Additional information:
Janne Metsämäki, Managing Director. tel. +358 40 522 3614
Tapio Oksanen, CFO tel. +358 40 539 4651

About Työllisyysrahasto

The Employment Fund brings comfort in the changes of the working life. We collect the unemployment insurance contributions that are among other things financing the earnings-related unemployment benefits and urging forward the innovation of learning with the adult education allowance.

Attachments

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