

**5** Finland is a high-income country that usually has a higher value of exports than imports. It has a strong commercial banking sector which has increased its lending in recent years. The country has an ageing population, with more than a quarter of its population aged over 65. In 2022, Finland's Government had a budget deficit with government spending exceeding tax revenue.

**(a)** Identify a difference between an export and an import. [2]

**(b)** Explain why commercial banks may increase their lending. [4]

**(c)** Analyse how an ageing population may affect a country's economic growth rate. [6]

**(d)** Discuss whether supply-side policy measures will reduce a government's budget deficit. [8]