

INVEST IN FINLAND

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FINLAND

TECHNOLOGY | SUPERPOWER



Invest in Finland – We help you grow your business

Take the fast track to Finland and explore business opportunities for your company with us. Working with Invest in Finland means you will receive the most relevant and up-to-date industry insights and professional recommendations to meet your needs.

Our industry experts provide not only hard facts about Finland, but also insight into industry sectors, Finnish companies, research institutes and universities. Our comprehensive services are confidential and complimentary. We work nationally and in close cooperation with our regional partners.

Invest in Finland is part of the Business Finland, the Finnish innovation funding, trade, investment, and travel promotion organization, headquartered in Helsinki. Business Finland is fully owned by the Finnish Government. Business Finland employs 600 experts in 40 offices globally and in 20 regional offices around Finland. Business Finland is part of the Team Finland network. www.businessfinland.com

"I have been impressed by Finland's good workforce, stability, infrastructure, education system and quality of life.

We established our Nordic headquarters in Espoo, Finland, in 2011. Starting with a balance sheet of just over €300 million, we hit €1 billion in 2016."

– Oliver Rittgen, Head of Corporate Finance, Bayer AG, CEO of Bayer Nordic SE, 2011-2017

10+ REASONS TO EXPAND TO FINLAND

Best country for
expatriates.

The Family Life Index 2018

The best **business environment** in the world.

Global Innovation Index 2016

The most **stable country** in the world.

Fund for Peace, Fragile States Index 2017

Happiest country in the world.

World Economic Forum, World Happiness Report 2018

The best in the world in **innovation.**

The Consumer Technology Association (CTA)[™] 2018: CTA 2018

The best destination in the EU for international **business expansion.**

FDI attractiveness scoreboard, Copenhagen Economics 2016

3rd best **economic environment** for business growth in the world.

Grant Thornton, Global Dynamism Index 2015

The 5th **best English skills** among the adults in the world.

Education First (EF), the world's largest ranking of countries by English skills

3rd highest number of professionals working in **research and development** relative to the population.

Bloomberg, Bloomberg 2017 Innovation Index

The best **Human capital & research** in the world.

Global Innovation Index 2017

The best **primary education** in the world.

World Economic Forum, Global Competitiveness Report 2017-2018: Primary Education

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Our technology superpowers are yours to use

Follow the success path of **GE Healthcare, Google, Huawei, Rolls-Royce** and **Zalando** – all of these companies have chosen Finland as a hub for digitalizing their business.

These companies are inspired by Finnish innovativeness. **Nokia** kicked off the global mobile phone industry revolution in Finland. While mobile technologies from Finland continue to connect billions of people, our booming datacentre industry is connecting things in the era of IoT.

Finnish forests – our green gold – have been transformed into multiple bioeconomy innovations, such as biofuels, cross-laminated timber and textile fibres. Our genomic databanks storing over a hundred years of genetic history are the modern goldmines for drug discovery and real world evidence-based health research.

The scarcity of our resources has made us pioneers in innovation. Do you know Linux, the open source code that was developed by the Finn Linus Torvalds? Today Linux is used to run some of the world's most popular sharing platforms, including Facebook.

We invite you to explore the rich variety of business opportunities Finland has to offer.

In Finland you will benefit from the best business environment in the European Union, according to the 2016 FDI Attractiveness Scoreboard. In addition to comfortable corporate tax levels, you will

find highly skilled talent that has gone through our top PISA-ranked education system and has become cosmopolitan, fluent in several different languages.

The operating environment in Finland is stable and predictable; the business culture straightforward and non-corrupt. For companies doing business in Finland, this means easy access to the right people and smooth business operations.

Let us help you grow your business in Finland!





Business opportunities in several industries

Finland offers growth potential and opportunities for international companies in several industry sectors. We welcome you to come and start your next Big Thing in Finland.

ICT & DIGITALISATION –

Inspiring high-tech ecosystems

Finland has a long history of information technology. The global success of Nokia spurred the development of the software and electronics cluster in Finland. Currently half of the world's population uses mobile technologies developed in Finland. Today, the vibrant startup scene and a highly competitive business culture boost innovation.

Gaming

Finland is home to world-leading mobile gaming companies, such as **Supercell**, **Rovio** and **Fingersoft**. Industry revenues have been the world's highest in relation to the population. In total, there are some 300 game studios in Finland.

Wearables

The first wearable fitness trackers were developed in Finland. Finnish companies, such as Polar and Suunto, are industry trailblazers. Finnish wearables solutions cover everything from augmented reality glasses and smart jewellery to smart clothes and smart fabrics.

IoT

The IoT (Internet of Things) makes things more efficient and enables new disruptive business models. Finland boasts excellent data engineering and business intelligence competencies. A world-class cluster of machinery companies, such as **Kone**, **Metso**, **Valmet** and **Wärtsilä**, combined with a high concentration of IT professionals, has enabled Finland to become a pioneer of the industrial Internet.

DID YOU KNOW?

Finland is the second most advanced digital economy in the EU.

(Digital Economy and Society Index 2017)

Finland ranks no. 1 in terms of availability of the latest technologies.

(WEF Global Competitiveness Report 2017–2018)

Finland ranks no. 2 in terms of quality of maths and science education.

(WEF Global Competitiveness Report 2017–2018)

Slush

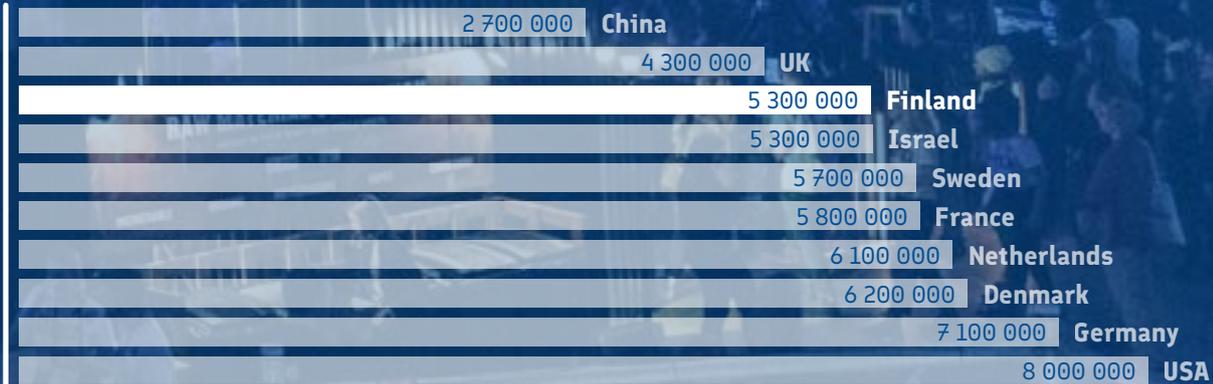
Slush began in 2008 as a startup and tech event organised annually in Helsinki. Slush is Europe's biggest startup event. In 2017, 20,000 attendees, over 2,600 startups, 1,600 investors and 600 journalists from over 130 countries gathered at Slush to drive business and experience the phenomenal atmosphere. In total, the 75 events at Slush 2017 brought together more than 45,000 people from all around the world, from South Africa to Tokyo.

|| The autonomous shipping ecosystem in Finland provides compelling and international capabilities for Rolls-Royce: research partners like VTT Technical Research Centre of Finland and Tampere University of Technology, top level ICT experts, a viable ICT startup ecosystem specializing in innovative technologies, continuous support from the Finnish Funding Agency for Innovation (former Tekes), and the testing site to boost piloting."

– Asbjørn Skaro, Rolls-Royce, Director, Digital & Systems – Marine

Talent at reasonable cost

Labour costs (salary + additional costs) of a 100-employee software development centre



All costs shown in EUR. Source: fDi Benchmark from Financial Times Ltd 2017.

FINLAND'S STRONGHOLDS FOR DATA CENTERS

- Save over 50% on energy costs compared to other European locations.
- Data centers in Finland have further reduced their energy costs by up to 20% by selling the heat generated by their server units to energy companies.
- Low operational costs.
- Excellent connectivity with an ultra-fast optic cable from Finland to Germany.
- A superior regulatory environment.
- Over 50 investment-ready locations and co-location available.
- Co-location operators are highly competitive.

Finland is a prime location for data centers.

Finland has attracted major data center investments from companies like **Google**, **Equinix** and **Yandex**, thanks to its cool climate, highly-skilled IT professionals and well-functioning infrastructure. The low electricity tax rate boosts Finland as a cost-effective location for data centers.

The ultra-fast and cyber-secure submarine cable connection between Helsinki and Rostock, Germany establishes a new digital highway between Finland and countries

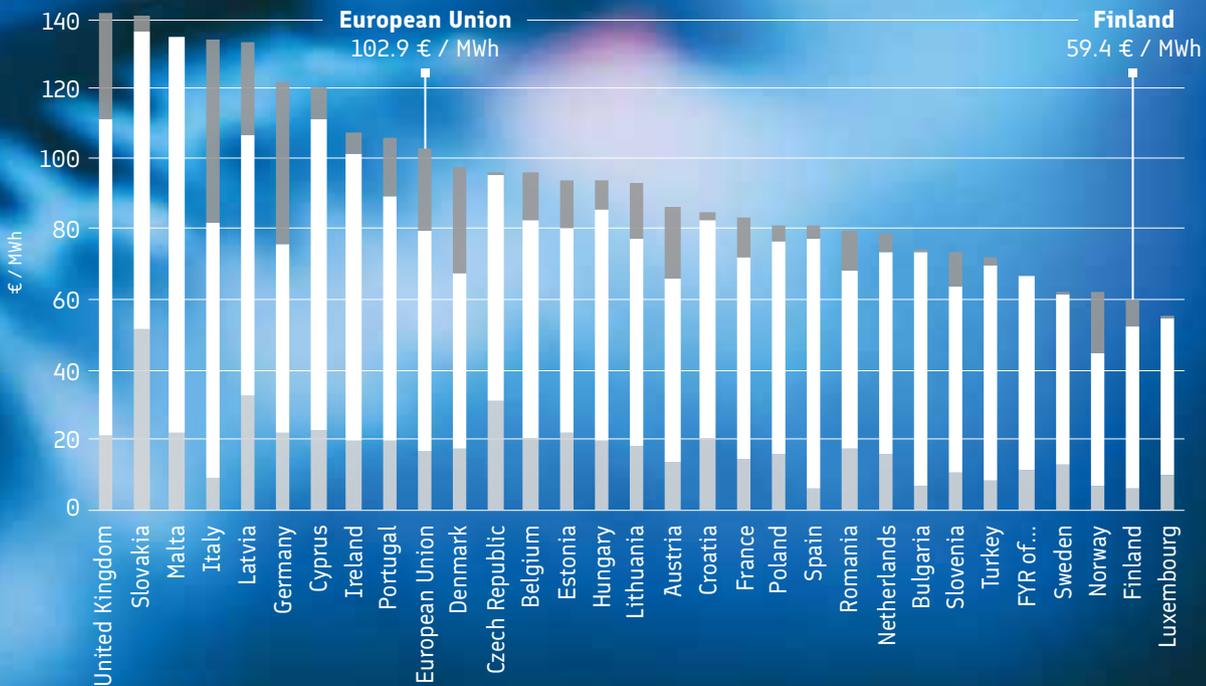
in Central and Eastern Europe. Already, 80% of all internet traffic between Western Europe and Russia goes through Finland, and the connection literally bridges Western and Eastern European markets. In addition, it serves as an existing backbone for the upcoming cable connection via the Northeast Passage. From the perspective of global connectivity, Finland is becoming a branching point for intercontinental communications. Connectivity combined with exceptionally low operation costs on a global scale make Finland an ideal location for any data center, but especially for hyperscale data centers.

|| Finland is amongst the most active and vibrant markets in Europe for digital transformation and the adoption of cloud infrastructure."

– Orlando Bayer, CEO, Ormucio

Total Cost of Electricity for Industrial Consumers 2016

■ Transmission cost ■ Price of electricity ■ Non-recoverable taxes and levies



(20 000 MWh < Consumption < 70 000 MWh)
Source: Eurostat - Statistical office of the European Union Data extracted 24.10.2017

HEALTH & WELLBEING –

The world's best ecosystem for health R&D

The combination of a long-standing tradition in efficient healthcare and the digitalisation of health data has made Finland the premier location for health R&D.

"Finland has all the keys for success: quality education, smart and honest people, and a well-functioning society."

– Didier Deltort, the former general manager at GE Healthcare Finland



Pharmaceutical R&D

Finland is a goldmine for drug discovery and real world evidence-based research. This is a result of the systematic work started by the Finnish government in the 1960s. Today, the health, social and welfare data stored in digital registries, combined with 100% population penetration in electronic health records (EHR), make our health data unique in terms of breadth and depth.

What's more, all the electronic health data can be combined with the biological samples and phenotype data stored in Finnish biobanks. The scientific and commercial application of the biobanks is further boosted by the globally unique Finnish Biobank Act of 2012 that allows for the recalling of persons who have given their sample to the biobank.

For these reasons, many global pharmaceutical companies, including **Pfizer**, **Merck** and **Roche**, have already partnered up with Finnish biobanks and research institutions.

Medical technology R&D

Finnish health technology is globally renowned. Finland is one of only seven countries in the world that exports more health technology than it imports. The annual exports of Finnish health technologies were more than €2 billion in 2016, with a compound annual growth rate (CAGR) of 10% between 2011 and 2016.

Many leading global health technology companies have identified Finland as a health technology forerunner and have established R&D sites and centers of excellence in Finland, including **GE Healthcare**, **Thermo Fisher Scientific**, **Danaher**, **PerkinElmer** and **Bayer**.

Digital Health

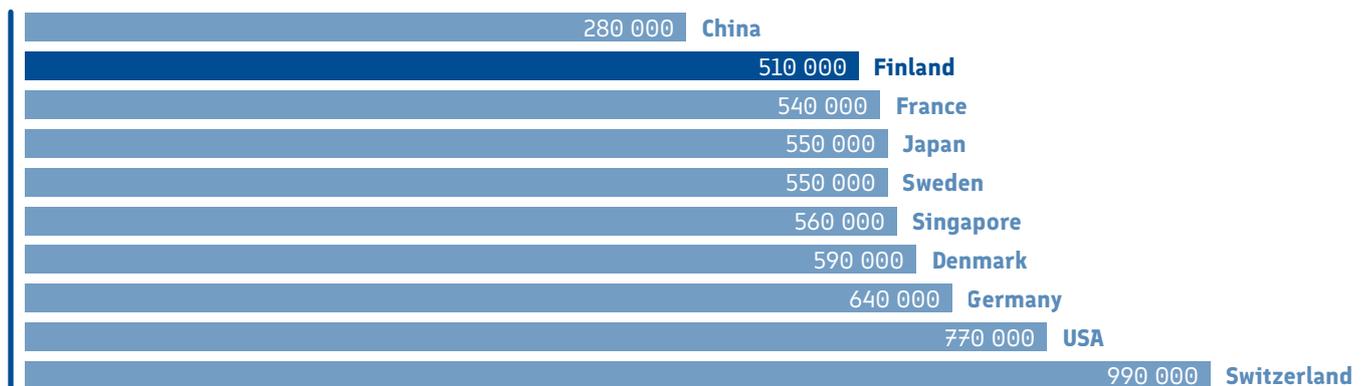
According to the 2017 Digital Economy and Society Index, Finland is the second most advanced digital economy in the EU. This also extends to healthcare. One example of pioneering virtual patient care is Helsinki University Central Hospital's Digital Mental Health Hub, where patients can receive consultations and therapy in the comfort of their own homes. The clinic also provides tools for medical professionals. The virtual clinic model is rapidly extending into other therapeutic areas such as brain disorders, rare diseases, pain management, cardiovascular diseases and weight management.

Health startups

Finland boasts a rapidly growing ecosystem of health startups. Many of these companies work in the areas of medical devices, health ICT, medical data analytics and artificial intelligence.

International investors have identified the potential of Finnish startups, and the amount of venture capital they and growth companies have obtained is the highest in Europe in relation to GDP.

Cost of a clinical research R&D team



Job title (Head count): Assistant Scientist (1), Clinical Research Associate (1), Facilities/Office Services Specialist (1), Head of Research and Development (1), Laboratory Specialist (1), Laboratory Technician (1), R&D Team Leader (1), Scientist (1), Senior Scientist (1)

All costs shown in EUR. Source: fDi Benchmark from Financial Times Ltd 2017

DID YOU KNOW?

There are approximately 4,000 cleantech companies in Finland. Hundreds of top-notch companies are looking for international partners.

Finland is the greenest country in the world.
(EPI 2016)

Foreign investors own 31% of Finnish wind capacity.
(Finnish Wind Power Association)

CLEANTECH –

The greenest eco-systems in the world

Energy-intensive industries, the cold climate and the lack of domestic fossil fuel resources have turned Finns into global leaders in clean technologies. The products and competence for renewable energy include different-size power plants, gasifiers, pyrolysis plants, fermentation and digesting plants, solar collectors, wind power generators, and components and materials for all of the above.

Renewable energy

Already a remarkable share – over 40% – of Finnish energy is produced with renewables such as biomass, hydro, wind and solar power. One of our strongholds is the co-production of electricity and heat (CHP), which makes the extensive and energy-efficient use of bio-based fuels possible.

Today, we have some of the lowest energy prices in Europe, both for industry and consumers.

We have the largest energy cluster in Northern Europe. Industry leaders like **ABB** and **Wärtsilä** have their roots in the long tradition of the Finnish energy sector. Yet the Finnish cleantech sector offers great greenfield opportunities, for instance in the fields of biofuels and smart grids.

Finland has huge demand for biofuels. The country's new national energy and climate strategy outlines that by 2030, the share of biofuels in transport will have increased to 30%. The need for additional capacity in biofuels production is 600,000 toe/a.

Smart grid

For smart grid development, Finland offers an ideal test bed with advanced smart grid functionalities. Finland was the first country in the world to roll out smart meters registering electricity consumption data on an hourly basis to all residential customers. As a result, Finland is unique in having several years' worth of detailed household level consumption data to be used for innovative value-added service development as well as for tariff structure development.

"Due to the supply of wind, the stable country rating and very transparent structures, Finland is an attractive market for investments in the onshore wind sector."

– Michael Ebner, Managing Director, KGAL Investment Management

BIOECONOMY –

The epicentre of the bioeconomy revolution

"We see the extraordinarily high quality of the sawn timber produced in Northern Karelia, Finland as an excellent starting material for all further value-added stages, which we plan to establish over the next few years."

– Hans Binder, Owner of the company Binderholz

II Finland is a world leader in the bioeconomy sector, offering great opportunities and potential. That's why we are determined to build the biorefinery project in Kemijärvi."

– Mr. Yuhang Wang, Vice President of China CAMC Engineering Co., Ltd

Finland is the global epicentre of the bioeconomy revolution, and has huge growth potential. Currently, the worth of projects, both in operation and in planning, is over €4 billion. For centuries, Finland has lived off its forests. It is Europe's most heavily treed country, with 86% of its land area under forest. Annual growth is 100 Million m³. 86% of the Finnish forests are PEFC-certified.

This Finnish green gold has created several bioeconomy value chains. Globally operating forest industry companies, such as **UPM**, **StoraEnso**, **Metsä Group**, **SCA** and **Sappi** have major production facilities in Finland. Today, there are 50 pulp and paper mills and over 240 wood product production sites in Finland. Several fore-runner technology companies, such as **Andritz**, **AMEC Foster Wheeler**, **Outotec** and **Valmet** are based in Finland. At the same time, Finland is home to world-leading forest machinery providers such as **John Deere**, **Ponsse** and **Timberjack**.

The major chemical producers operating in Finland, such as **Arizona Chemicals**, **CP Kelco** and **Forchem**, focus strongly on bio-based raw materials and processes. The use of transport biofuels is rapidly increasing in Finland, and this development is led by major forest and energy companies. In early 2017, the Finnish company **Neste** launched a renewable diesel made entirely from waste and residues. New startups, such as **Metgen**, **Paptic** and **Spinnova**, develop and commercialise technologies based on novel Finnish innovations like dissolving pulp for textiles.

Biorefineries

Recent major investments by the leading domestic companies have paved the way for the bioeconomy growth. The world's first wood-based renewable diesel biorefinery started commercial production in Lappeenranta, Finland in 2014. The main raw material of the UPM biorefinery is crude tall oil. Metsä Group is building a next-generation bioproduct mill in Äänekoski. The total investment will amount to approximately €1.2 billion. The Japanese firm **Itochu** has also invested in the mill. In 2016, the Chinese company **Sunshine Kaidi** and **China CAMC Engineering** announced their intentions to invest in bioeconomy projects in Finland, with a total worth of over €1 billion.

However, additional competence and resources are needed, particularly in further refinement, product formulation and the production of high value added products, such as biochemicals and advanced biomaterials. Flexible screens, sound systems, car parts, biodegradable packaging materials, adhesives, paints, cosmetics, medicines, textiles – wood is likely to serve many new markets in the future.

DID YOU KNOW?

By 2030, Finland will increase its share of renewable energy to 50% and coal will no longer be used in energy consumption.

The growth potential for sustainable harvesting is currently 60% in Finland.

We are currently experiencing a pulp boom – there are four new mills under planning or construction in Finland.

5 KEY REASONS WHY FINLAND IS A UNIQUE TOURISM INVESTMENT LOCATION

1. Exceptional growth creates demand for new concepts and services.
2. The safest travel destination in the world (WEF Report 2017).
3. A hub that is easily accessible from both the East and West.
4. Unique, clean and unspoilt nature with high sustainability standards.
5. Four distinct seasons.



TRAVEL & TOURISM –

World's safest destination for your business

The outlook for the Finnish travel industry looks very positive. The safe and sustainable business environment creates a strong foundation for travel businesses.

Comparing a total of 136 countries, the 2017 WEF Travel & Tourism Competitiveness Report focuses on the sustainable development of the travel and tourism sector. Those looking for green values should definitely head to Finland; the country also ranks highest for environmental sustainability.

In 2017, international travel to Finland increased to a total of 8.3 million visits.

Nights spent by international visitors increased in Finland by 14% in 2017. Besides being safe and fairly new destination, Finland offers qualities like easy access to wilderness, open spaces, peace and quiet. More over, as more and more people move to big cities, Finland's qualities are even more meaningful.

Russian visitors form the most prominent tourist group in Finland. Finland has also started to attract Chinese travellers, with a 32% increase in one year, totalling 359,000 in 2017. Of all the nationalities, Chinese visitors spent the most per visit (€1200).

Other interesting industry sectors in Finland

"Our investment in a high-end production facility in Finland is an additional step forward in the execution of our growth strategy. The location in southern Finland will allow us to serve the growing demand in Finland, Sweden, Norway, Denmark and the Baltic Countries for high performance thermal insulation materials."

– Olivier Chapelle, CEO of Recticel

Smart Maritime

Finns know how to break ice. Sixty per cent of all the ice breakers in the world are built and 80% are designed in Finland. The first LNG-powered ice breaker in the world was built in Finland. The majority of the largest luxury cruise ships in the world are built or designed in Finland.

Finland has the largest ship building sub-contractor network in the world with over 1,000 suppliers, and is on a steady course to become a global forerunner in the development of next-generation shipping solutions. Finland is a great environment for both testing and developing autonomous shipping technologies due to the expertise it has in optical sensors, wireless communications, software development, the industrial internet and artificial intelligence.

Retail

The current positive economic outlook predicts more buying power in Finland. Over the last 15 years, the retail sector in Finland has grown significantly. Steady population growth, rising disposable income and extended opening hours explain the trend. Finland's increasing demand for luxury products and discounter sales and its central location combined between Russia, the Nordic and Baltic countries are also reasons behind this growth. Other additional boosters are the many ongoing shopping centre projects and extensions plans.

Chemical industry

Chemicals account for Finland's second largest industry sector. It provides 20% of Finnish industrial output and exports. Finnish chemical companies drive and create growth through the introduction of new, innovative products and services. Chemicals are a vital enabler of other Finnish industrial sectors, notably machinery and metal products, electronics and pulp and paper.

Smart manufacturing

Finns are hard-working builders with world-class know-how and productivity. Quality components from metal to digital, for a mobile phone, a wind turbine or a cruise ship, are manufactured to high standards. Consider Finland as a good test bed for product development and trial manufacturing in cooperation with companies in the Finnish manufacturing cluster. Finnish companies are ideal partners when connecting physical industrial assets via Internet of Things (IoT) networks, cloud and building applications and services.

Business services

Within the business services sector, opportunities are expected to develop markedly. One factor boosting the trend is outsourcing, a field that is gaining ground as economic activities are becoming more and more diversified. Year after year, the sector attracts most foreign investments to Finland.

Smart Logistics

Finland is the logistics hub for tracking freight between Northern Europe, Russia and Asia. A new rail freight route between Kouvola, Finland, and Zhengzhou, China opened in November 2017. This will reduce transit times from China to Europe by four days, compared to the current route that takes 14 days. Finland already offers the fastest flight connections between Europe and Asia. Sea freight is handled in over 30 Finnish ports.

Mining

Finland has excellent geological databases, good infrastructure, readily available exploration services and significant potential for new discoveries as many commodities are still largely under-explored. Finland has been ranked as the world's most attractive jurisdiction for mining investment by Fraser Institute's Annual Survey of Mining Companies. Current mining activity is concentrated on gold, platinum-group metals, base metals, diamonds and industrial minerals. Finland has become the largest producer of gold in the European Union.



DID YOU KNOW?

Finland's higher education and training ranks no. 2 in the world.

(WEF Global Competitiveness Report 2017-2018)

Education in Finland is 100% free for residents until doctorate degree level.

Finland has the best availability of scientists and engineers in the world.

(World Economic Forum Competitiveness Index 2017-2018)

Over 90% of Finns under the age of thirty speak English. (Statistics Finland)

Workforce

Finnish engineers are a rare breed. Their cultural imprint is problem solving from a young age. Combined with the world's best education system, Finnish development teams are deeply experienced in global projects that are razor-focused on ROI and quality and carry a sense of personal responsibility at all levels.

If you are looking for well-educated professionals with high productivity and competitive costs, you should consider Finland.

The Finnish talent pool continues to grow, thanks to its superior educational programmes. Finland repeatedly ranks among the best nations in the world in PISA surveys, which measure young people's knowledge and skills in mathematics, reading and science.

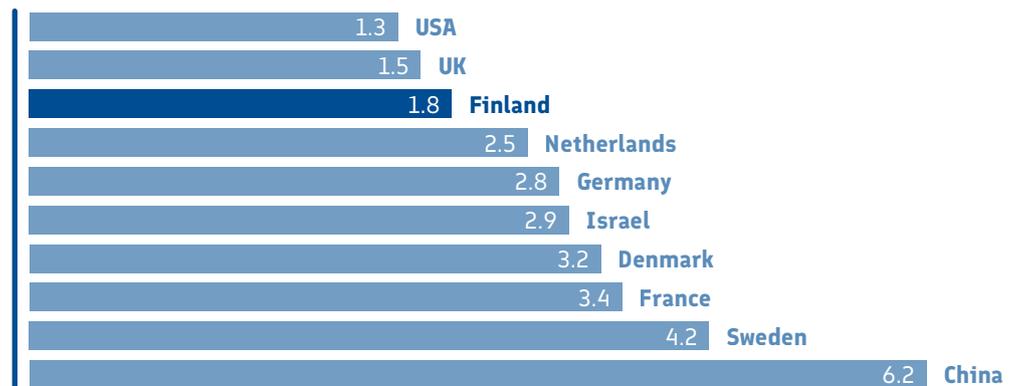
According to the OECD, Finland has one of the highest levels of educational attainment.

Finns know global business and are used to working in a multicultural environment across different time zones in English. An educated, experienced workforce is very cost-competitive in international comparison.

Finnish engineers are experienced in delivering high quality results in global, multi-site product development projects across all areas of software and hardware design and integration.

In 2016, national consensus-oriented decision-making resulted in the Competitiveness Pact, which aims to reduce unit labour costs, and is widely supported by labour unions and politicians.

Only moderate labour costs increase expected



Labour costs, forecast growth

Description: Forecast – average annual growth in labour costs over the period 2017-2021. Unit type: Percentage

Source: FDI Intelligence from the Financial Times based on Economist Intelligence Unit

Innovation

Finland is a valued location for efficient, international R&D centers. In 2016 alone, global giants like **Fujitsu**, **Huawei**, **IBM**, **Microsoft** and **Rolls-Royce** enhanced and expanded their operations in Finland to further digitalize their business, speed up product creation and boost innovation.

In Finland, innovation thrives. Innovation-driven and economically successful Finland has already brought to the world the first wearable fitness tracker, the first messaging app, the Linux operating system, SSH security protocol, Clash of Clans and Angry Birds – just to name a few.

Knowledge transfer between businesses and universities has been one of the key

factors in Finland's track record of innovation and economic success. The outcome illustrates efficient and strong collaboration among Finnish industries, research institutes, university centers of innovation and government delivering disruptive technologies and innovative design.

According to FVCA (Finnish Venture Capital Association) statistics for 2015, the amount of venture capital obtained from startups and growth companies in Finland, in relation to the GDP, was the highest in Europe that year. The volume of investments exceeded to more than twice the average investment volume in Europe. Smart money follows smart people.

DID YOU KNOW?

Finland is no. 1 in knowledge and innovation capacity among EU member states.

(FDI attractiveness scoreboard 2016)

R&D expenditure in Finland totalled 2.9% of the GDP 2015. This share was the one of the highest in Europe. (Eurostat 2016)

Finland is no. 1 in university and industry research collaboration. (Global Innovation Index 2016)



"We selected Finland for recent R&D investment because of the good availability of talented software developers and hardware engineers as well as the high levels of safety, stability, education and research here."

– Brian Quinn, Director Business Strategy, Intel Labs Europe

Venture Capital availability, comparison of 10 locations

This table shows all information related to the underlying data for venture capital availability across 10 locations. The average across the 10 locations is 4.4 out of 7. Data: Access to Venture Capital for innovative but risky projects (1= very difficult to access, 7= very easy to access). Unit type: Rating from 1 to 7.

LOCATION	RANK	DATA	AVG %		LOCATION	RANK	DATA	AVG %	
USA	1st	5.2	18.87%	↑	India	6th	4.3	-2.22%	↓
Finland	2nd	4.8	8.89%	↑	Switzerland	7th	4.2	-4.95%	↑
Germany	3rd	4.6	4.58%	↑	Norway	8th	4.1	-7.21%	↓
Sweden	4th	4.5	2.99%	↑	Belgium	9th	4.0	-10.39%	↑
China	5th	4.4	0.27%	↑	Netherlands	10th	3.9	-10.84%	↑

Global Competitiveness Report, World Economic Forum, Switzerland, 2017/18

Operating environment

The Finnish operating environment is stable and predictable. Finland is the only Nordic country which is a member of the European Union and part of the Eurozone. In addition, in Finland, political stability and economic continuity are at a level not experienced in most countries.

Transparency of the system eliminates any unpredicted business risks. Among other factors minimizing business risks are Finland's banks, ranked the soundest in the world, and the most independent judicial system in the world.

According to BMI Research, Finland will remain one of the most politically stable countries globally over the course of our 10-year forecast period (2016–2025). The main reasons for this are Finland's well established and functioning state bureaucracy, an effective rule of law, and various personal freedoms and civil liberties, such as one of the world's most progressive gender equality legislations.

A safe environment saves you money

Business costs of terrorism



(1=terrorism imposes significant cost on business, 7=terrorism does not impose significant costs)
Source: Global Competitiveness Report, World Economic Forum, Switzerland, 2016/2017

DID YOU KNOW, THAT FINLAND IS:

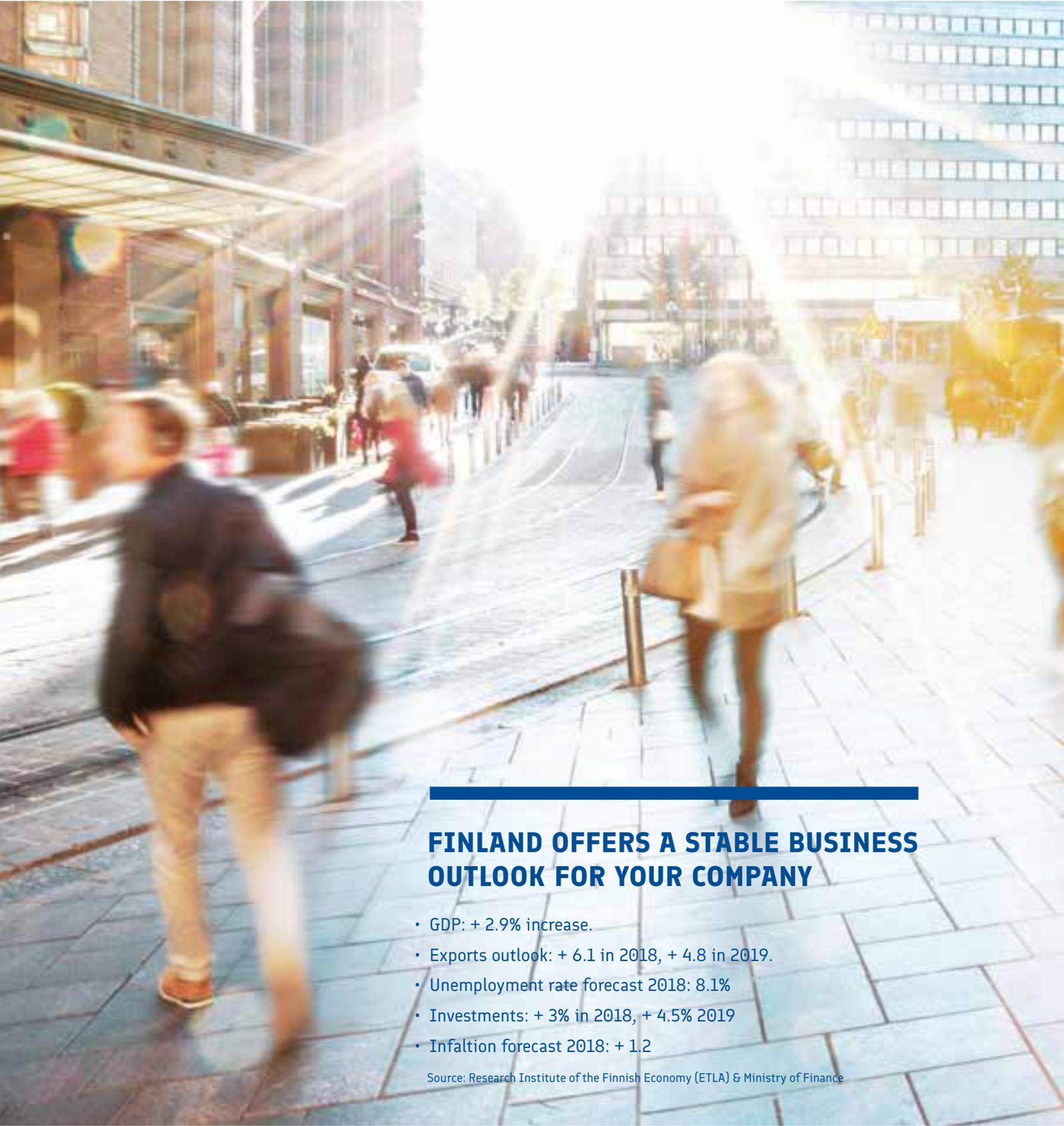
**The most stable country in the world, and
has been for seven years in succession.**
(Fund for Peace 2017)

The 3rd least corrupt nation in the world.
(Transparency International 2016)

**Finland has the least organised crime
in the world.**
(WEF Global Competitiveness Report 2016–2017)

Key facts about Finland

- Independence 1917
- Population 5.5. million
- Business languages:
Finnish, English, Swedish
- Neighbouring countries:
Sweden, Norway, Russia, Estonia
- Multi-party democracy
- Member of the European Union since 1995
- Member of the Eurozone
- Corporate tax 20%
- Credit rankings:
Fitch (AA+), Moody's (Aa),
Standard & Poor's (AA+)



FINLAND OFFERS A STABLE BUSINESS OUTLOOK FOR YOUR COMPANY

- GDP: + 2.9% increase.
- Exports outlook: + 6.1 in 2018, + 4.8 in 2019.
- Unemployment rate forecast 2018: 8.1%
- Investments: + 3% in 2018, + 4.5% 2019
- Inflation forecast 2018: + 1.2

Source: Research Institute of the Finnish Economy (ETLA) & Ministry of Finance

Business climate

Economic growth in Finland has been achieved through globalisation, openness and a functioning market. Industry infrastructure is excellent and the business environment is very international.

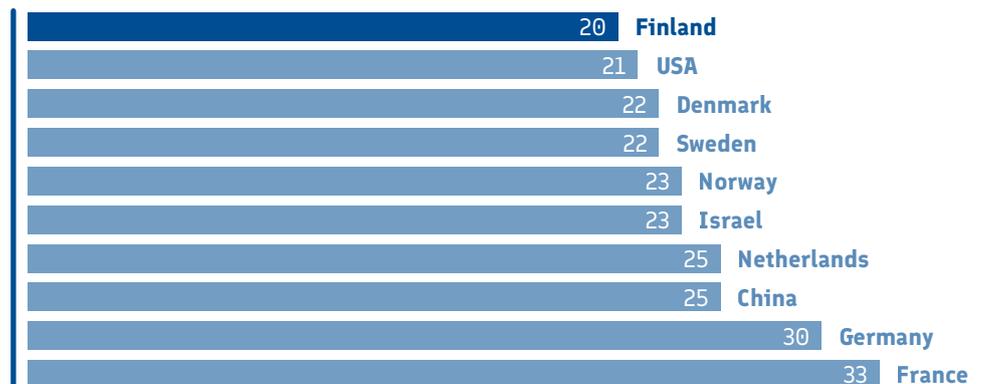
Finland is one of the world's most developed nations that keeps creating success stories. Recent structural changes in different industries have brought new opportunities, and new innovations are blooming in Finnish startups. Export is expected to increase with a 6% growth.

Setting up a business in Finland is quick and easy. Opening a legal entity takes

one to two weeks. You can find detailed information about setting up a business from our Business Guide on our website at www.investinfinland.fi/publications.

For companies, Finland offers very favourable corporate taxation rates. Furthermore, the 2016 FDI Attractiveness Scoreboard notes that Finland is the EU country that has improved its cost competitiveness position the most due to an increase in its relative wage competitiveness combined with reductions in corporate tax rates. It ranks highest in this factor in the Nordic countries and significantly higher than Germany, the Netherlands and Switzerland.

Corporate tax rates 2018



Source: Deloitte 2018

Incentives

Incentives available for several phases of corporate expansion

Foreign-owned companies in Finland are eligible for a wide range of government and EU incentives on an equal footing with Finnish-owned companies. Invest in Finland and our national network can help you to find out more information about the different forms of incentives and the contacts you need to apply for them.

"Some European countries have similar government funding schemes in place, but there are big differences from country to country, and in certain aspects Finland can be significantly more beneficial to foreign companies. The fact that companies are treated fairly and impartially regardless of their origin has been very appealing and important to us from day one."

– Dr. Guoping Luo, Director of the Reliability Competence Center, Huawei Finland

INVESTMENT, LAND & INFRASTRUCTURE INCENTIVES

Business aid from ELY Centers

Business aid to companies operating in Finland is coordinated by the Centers for Economic Development, Transport and the Environment (ELY Centers), whose 15 regional offices provide advisory, training and expert services and funding for investment and development projects. Foreign-owned companies in Finland can benefit from several different types of aid, especially for certain regions of Finland (Development areas 1 and 2).

Growth capital from TESI

TESI (Finnish Industry Investment) is a 100% state-owned equity investor. TESI's mission is to invest in growth and develop Finland's venture capital industry. It is a profit-seeking limited liability company with an independent Board of Directors responsible for investment decisions. In an investment project, TESI's share of the total investment is up to 50%. The private investors' share must be at least 50%. The investment criteria are the same as private venture capital and private equity investors' criteria.

Loans and guarantees from FINNVERA

Finnvera is a specialised financing company owned by the State of Finland and is also the official Export Credit Agency (ECA) of Finland. Finnvera strengthens the operating potential and competitiveness of enterprises in Finland by offering loans, domestic guarantees, export credit guarantees and other services associated with the financing of exports. The risks included in financing are shared between Finnvera and other financiers.

TRAINING AND EMPLOYMENT INCENTIVES

Training & employment services from ELY Centers' TE Services

The services offered by ELY Centers cover recruitment, improvement of business efficiency and management skills, updating of staff skills, and training of new employees.

Employment services

Regional TE Offices can help you with recruiting. TE offices know the labour force and the job market in the area and can help you find a skilled employee who is just right for you.

Training

TE Services plan and implement vocational training in cooperation with employers. In the joint training projects, the TE Centre and the employer share financing and the employer participates in the selection of students. With joint training, the company can:

- seek skilled workers when the skills required by the company are not completely acquired through other education
- provide tailor-made basic or advanced vocational training for your staff
- assist and support workers who have been laid off to find a new profession

R&D INCENTIVES

R&D and innovation incentives by Business Finland

Business Finland's innovation funding provides low-interest loans and grants to challenging and innovative projects potentially leading to global success stories. The organisation offers funding for research and development work carried out by companies, research organisations, and public sector service providers in Finland. Besides funding technological breakthroughs, Business Finland also emphasises service-related, design, business and social innovations. Startups as well as SMEs and large companies can benefit from these incentives.



Photo: Jussi Helstén

Infrastructure

Finland has an outstanding infrastructure. Whether you are talking about IT networks, electricity supply or transport, it just works in Finland. Even the world's most northern metro, located in Helsinki, runs with 99% reliability.

Practical Finns show a strong commitment to functional infrastructure. Finland was a forerunner in rolling out 3G networks, and has recently launched the most advanced 5G test network in the world. We also have some surprising infrastructure advantages, such as a stable rock-based ground formation and cool weather that are ideal elements for establishing data centers.

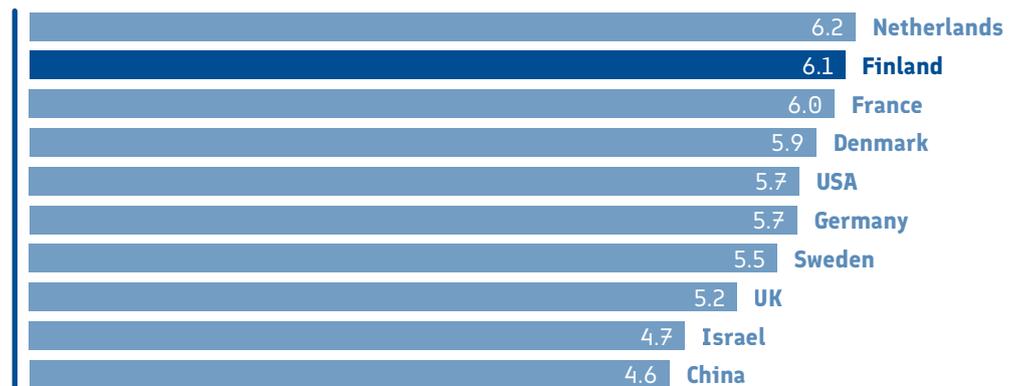
Companies in Finland can depend on a highly reliable and cost-effective power supply to run their business with maximum efficiency. Finland's power generation, transmission and distribution systems are highly efficient and the price of electricity is among the lowest in Europe.

Power generation is decentralised across more than 400 power stations, which use several different production technologies and raw materials. The diversified approach ensures a very stable energy supply and has kept the price of electricity, natural gas, wood and peat at a competitive level.

The recently completed, ultra-fast and cyber-secure submarine cable connection between Helsinki and Rostock, Germany, establishes a new digital highway between Finland and countries in Central and Eastern Europe. Already 80% of all internet traffic between Western Europe and Russia goes through Finland. As a result, the cable literally bridges Western and Eastern European markets. It also serves as an existing backbone for the upcoming cable connection via the Northeast Passage.

Functional infrastructure lowers your overall business cost

Overall infrastructure quality



Description: Assessment of the quality of general infrastructure (e.g., transport, telephony and energy) in the country (1=extremely underdeveloped, 7=extensive and efficient by international standards)

Source: Global Competitiveness Report, World Economic Forum, Switzerland, 2016/2017

Foreign direct investments (FDI) to Finland

As one of the most competitive and open economies in the world, Finland has a great deal to offer international companies.

Foreign direct investment in Finland is often related to knowledge-driven business. Finland has several high-tech clusters with many small technology companies that have cutting-edge expertise but lack capital and have limited access to the global markets.

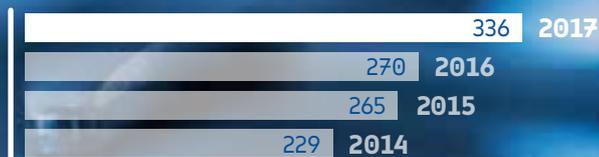
Important reasons for coming to Finland include safety, the clean environment, and the small scale of bureaucracy and absence of corruption. Finland's modern infrastructure, logistics and communications networks are also attractive to many companies.

Many firms that invest in Finland use it also as a base to manage their business in Northern Europe, the Baltic region and Russia. A significant share of the transit trade from the EU to Russia passes through Finland. The country also offers by far the fastest air route from Europe to Asia.

For example, in 2016, **Microsoft**, **Fujitsu**, **IBM**, **Rolls-Royce** and **Huawei** enhanced and expanded their operations to further digitalize their business, speed up product creation, and boost innovation. All of the companies located new R&D competencies in Finland using Finnish brainpower.

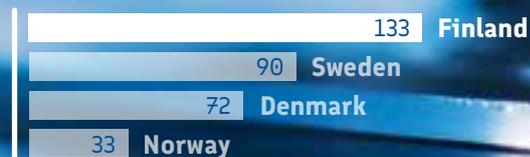
FOREIGN DIRECT INVESTMENTS

Number of new foreign-owned companies coming to Finland



Invest in Finland, 2017

FDI greenfield projects in the Nordics 2016



Source: EY's Attractiveness Program, Nordics 2017

Growth in European FDI projects in 2016



Source: EY's Attractiveness Survey Europe, 2017

The most popular sectors for investments 2017

- Business Services
- ICT & Digitalization
- Health & Wellbeing
- Retail
- Cleantech

Invest in Finland, 2018



Photo: Riku Isohella



Meeting Finns in business

Finnish manners are clearly European, but Finns also have a strong sense of national identity. The Finnish style of communication is polite, straightforward and informal. At meetings, the usual procedure is to get straight down to business after greeting everyone. Meetings are preferably short and to the point, with everyone being well prepared. Appointments with Finns should be set up in advance.

In Finland, all people are equal in the eyes of the law regardless of age, sex or occupation. Equality in Finnish working life is evident, for example, in the relatively high number of women holding advanced positions, but also in the way everyone calls each other by their first name, regardless of position.

Respecting agreements is important. Official contracts are always written for more significant agreements like rental, employment and co-operation agreements.

Smaller arrangements can be handled via email or phone. Legally, a spoken agreement is usually as binding as a written one.

The internet and e-mail have radically changed how people find information and keep in touch. Use of email is very common in Finnish business communication. Many company processes are performed via electronic services (i.e. invoicing, newsletters, marketing, recruiting and customer service) and payments/money transfers are handled via online bank services. Public authorities also offer electronic services that require electronic identification.

FACTS ABOUT

FINLAND



POPULATION

5.5 million

BIGGEST CITIES:

Helsinki Metropolitan (Helsinki, Espoo, Vantaa)	1,200,000
Tampere	230,000
Oulu	200,000
Turku	190,000
Jyväskylä	140,000



TIME ZONE

UTC +2 (EET)



DISTANCES

1,160 km from north to south
540 km from west to east



NATURAL RESOURCES

Forests
Copper
Iron ore
Other minerals
Fresh water



AVERAGE FLIGHT TIMES TO HELSINKI

New York	8 h 45 min	Stockholm	55 min	Singapore	11 h 45 min
London	3 h	Moscow	1 h 30 min	Beijing	7 h 40 min
Brussels	2 h 40 min	Delhi	6 h 30 min	Shanghai	9 h 45 min
Frankfurt	2 h 35 min	Seoul	8 h 50 min	Hong Kong	9 h 50 min
Copenhagen	1 h 40 min	Tokyo	9 h 40 min		
Berlin	2 h	Bangkok	9 h 45 min		