



# Investing in Finland:

Unlocking Opportunities in the Nordic Innovation Hub



## STATISTICS

- **Gross Domestic Product (GDP):** Approximately \$271 billion USD (2020 estimate).
- **GDP Growth Rate:** Projected growth of 2.5% for 2021 and 3.0% for 2022.
- **Population:** Over 5.5 million people.
- **Official Languages:** Finnish and Swedish.
- **Currency:** Euro (EUR).
- **Foreign Direct Investment (FDI):** FDI stock reached approximately \$83 billion USD (2020).
- **Memberships:**
  - European Union (EU)
  - Eurozone
  - Schengen Area
  - Organisation for Economic Co-operation and Development (OECD)
  - World Trade Organization (WTO)
  - Nordic Council
  - United Nations (UN)
  - Council of Europe
- **Ease of Doing Business Ranking:** 20th out of 190 countries (World Bank Doing Business Report 2020).
- **Literacy Rate:** Approximately 100%.
- **Time Zone:** Eastern European Time (EET), UTC+2; Eastern European Summer Time (EEST), UTC+3 (Daylight Saving Time).
- **Innovation Ranking:** 3rd in the Global Innovation Index 2020.

## INTRODUCTION

Finland, known as the "Land of a Thousand Lakes," is a Nordic country celebrated for its stunning natural landscapes, high standard of living, and cutting-edge innovation. As a member of the European Union and the Eurozone, Finland offers a stable and prosperous economy with seamless access to the European Single Market. The country's commitment to education, technology, and sustainable development has positioned it as a global leader in various high-tech industries. With a highly skilled workforce, transparent business environment, and supportive government policies, Finland presents a wealth of opportunities for investors seeking to expand into Europe and engage with a dynamic and forward-thinking market.

## BACKGROUND

Finland has transformed from a resource-based economy to a knowledge-driven economy, emphasizing innovation, research, and development. The country boasts one of the world's best education systems, contributing to a highly competent and adaptable workforce. Finland's economy is characterized by strong sectors such as information and communications technology (ICT), clean technologies, bioeconomy, health and wellbeing, and advanced manufacturing.

The Finnish government's pro-business stance is evident through its policies that encourage entrepreneurship, foreign investment, and sustainable economic growth. Finland's strategic location in Northern Europe serves as a gateway between the East and West, offering logistical advantages for businesses looking to access both European and Asian markets.

### Disclaimer:

*This article is an independent thought piece published by the International Trade Council. It does not represent the official position of all International Trade Council members, nor that of its Board of Directors. The views expressed are those of the author and are intended for informational purposes only. This article contains forward-looking statements based on current assumptions, projections, and available information, which may be subject to change. These statements should not be relied upon as specific advice or a guarantee of future performance. Readers are encouraged to consult professional advisors for tailored guidance based on their individual circumstances.*

## BENEFITS OF INVESTING IN FINLAND

### Highly Skilled Workforce

- » **Education Excellence:**
  - » Finland's education system is ranked among the best globally, ensuring a competent workforce.
  - » Emphasis on continuous learning and professional development.
- » **Multilingual Population:**
  - » High proficiency in English, Finnish, and Swedish.
  - » Many Finns also speak additional languages, facilitating international business operations.

### Innovation and Technology Leadership

- » **Global Innovation Leader:**
  - » Ranked 3rd in the Global Innovation Index 2020.
  - » Strong focus on R&D, with over 3% of GDP invested in research and development.
- » **Advanced ICT Infrastructure:**
  - » High broadband penetration and cutting-edge telecommunications networks.
  - » Pioneering in 5G technology and digital solutions.

### Stable and Transparent Business Environment

- » **Ease of Doing Business:**
  - » Ranked 20th globally by the World Bank for ease of doing business.
  - » Efficient administrative procedures and minimal bureaucracy.
- » **Strong Legal Framework:**
  - » Protection of property rights and intellectual property.
  - » Transparent regulations aligned with EU standards.

### Strategic Location and Market Access

- » **Gateway to Europe and Asia:**
  - » Proximity to major markets in Europe, Russia, and Asia.
  - » Excellent logistics and transportation networks, including ports, airports, and railways.
- » **EU Membership:**
  - » Access to the European Single Market with over 450 million consumers.
  - » Benefits from EU trade agreements and regulations.

### Competitive Operating Costs

- » **Efficient Business Practices:**
  - » High productivity and advanced technologies reduce operational costs.
- » **Favorable Taxation:**
  - » Competitive corporate tax rate of 20%.
  - » Various tax incentives and deductions available for businesses.

### Commitment to Sustainability and Quality of Life

- » **Environmental Stewardship:**
  - » Leader in renewable energy and sustainable practices.
  - » Government support for green technologies and circular economy initiatives.
- » **High Quality of Life:**
  - » Safe and clean environment with excellent healthcare and education systems.
  - » Vibrant cultural scene and outdoor recreational opportunities.

### Government Support and Incentives

- » **Pro-Investment Policies:**
  - » Financial incentives for foreign investors.
  - » Support services to ease market entry and expansion.



## RELEVANT AGENCIES

### Business Finland

- » **Role:** Government organization for innovation funding and trade, travel, and investment promotion.
- » **Services:**
- » Provides guidance on investment opportunities and market information.
- » Offers funding for R&D projects and business development.
- » Facilitates connections with local partners and networks.
- » **Website:** [www.businessfinland.fi](http://www.businessfinland.fi)
- » **Contact:**
- » **Email:** [info@businessfinland.fi](mailto:info@businessfinland.fi)
- » **Phone:** +358 29 50 55000

### Invest in Finland (Part of Business Finland)

- » **Role:** Specializes in assisting foreign companies in establishing operations in Finland.
- » **Services:**
- » Offers personalized advisory services and information on investment opportunities.
- » Assists with site selection, regulatory processes, and networking.
- » **Website:** [www.investinfinland.fi](http://www.investinfinland.fi)
- » **Contact:**
- » **Email:** [investinfinland@businessfinland.fi](mailto:investinfinland@businessfinland.fi)
- » **Phone:** +358 29 50 55000

### Finnish Patent and Registration Office (PRH)

- » **Role:** Handles patents, trademarks, design rights, and company registrations.
- » **Services:**
- » Provides services related to intellectual property protection and business registration.
- » Offers guidance on legal requirements for operating in Finland.
- » **Website:** [www.prh.fi](http://www.prh.fi)
- » **Contact:**
- » **Email:** [registry@prh.fi](mailto:registry@prh.fi)
- » **Phone:** +358 29 509 5000

### Ministry of Economic Affairs and Employment

- » **Role:** Develops policies to promote economic growth, employment, and entrepreneurship.
- » **Services:**
- » Provides information on regulations, incentives, and economic policies.
- » Supports innovation and internationalization efforts.
- » **Website:** [www.tem.fi](http://www.tem.fi)
- » **Contact:**
- » **Email:** [kirjamo@tem.fi](mailto:kirjamo@tem.fi)
- » **Phone:** +358 29 516 001

### Finnvera

- » **Role:** State-owned financing company specializing in loans, guarantees, and export credits.
- » **Services:**
- » Offers financing solutions to businesses, including startups and SMEs.
- » Provides export financing and guarantees to support international trade.
- » **Website:** [www.finnvera.fi](http://www.finnvera.fi)
- » **Contact:**
- » **Email:** [asiakaspalvelu@finnvera.fi](mailto:asiakaspalvelu@finnvera.fi)
- » **Phone:** +358 29 460 2580

## INCENTIVES FOR INVESTORS

### Financial Incentives

- » **Innovation Funding:**
- » Grants and loans for R&D projects through Business Finland.
- » Funding programs for startups, SMEs, and large companies developing innovative products and services.
- » **Investment Grants:**
- » Regional investment aid for projects that promote economic development in specific areas.
- » Support for investments in renewable energy, environmental protection, and infrastructure.

### Tax Incentives

- » **R&D Tax Deductions:**
- » Enhanced tax deductions for research and development expenses.
- » Incentives for collaboration with Finnish research institutions.
- » **No Withholding Tax on Royalties:**
- » Exemption from withholding tax on royalties paid to foreign companies in certain cases.
- » **Competitive Corporate Tax Rate:**
- » Flat corporate tax rate of 20%, one of the lowest in the EU.

### Ease of Establishment

- » **Fast Track Business Setup:**
- » Efficient procedures allow company registration within 1-3 days.
- » Online services streamline administrative processes.
- » **Talent Attraction:**
- » Programs to facilitate the recruitment of skilled workers from abroad.
- » Startup Permit for entrepreneurs from non-EU countries to establish innovative businesses.

### Support Services

- » **Customized Advisory Services:**
- » Invest in Finland provides tailored assistance for market entry.
- » **Networking Opportunities:**
- » Access to clusters, innovation ecosystems, and collaboration platforms.
- » **Infrastructure and Facilities:**
- » Availability of modern office spaces, research facilities, and industrial sites.

## OPPORTUNITIES FOR INVESTORS

### Information and Communications Technology (ICT)

- » **Software and Digital Services:**
- » Development of mobile applications, gaming, and cybersecurity solutions.
- » Opportunities in artificial intelligence, big data, and cloud computing.
- » **5G and Connectivity:**
- » Pioneering advancements in 5G technology and IoT applications.
- » **Finnish Tech Ecosystem:**
- » Vibrant startup scene with events like Slush, Europe's leading startup conference.

### Clean Technologies and Renewable Energy

- » **Renewable Energy Projects:**
- » Investments in wind, biomass, and solar energy generation.
- » Government targets for carbon neutrality by 2035 create demand for sustainable solutions.
- » **Circular Economy:**
- » Innovative recycling, waste management, and resource efficiency technologies.
- » **Environmental Technologies:**
- » Water treatment, air purification, and sustainable materials development.

### Bioeconomy and Forestry

- » **Sustainable Forestry:**
- » Finland is heavily forested, offering opportunities in timber, pulp, and paper industries.
- » **Biomaterials and Biofuels:**
- » Development of bio-based products and renewable energy sources.
- » **Agtech Innovations:**
- » Technologies enhancing agricultural productivity and sustainability.

### Health and Wellbeing

- » **Healthcare Technologies:**
- » Medical devices, diagnostics, and digital health solutions.
- » **Pharmaceuticals and Biotechnology:**
- » Research and development of new therapies and biotech applications.
- » **Wellness Services:**
- » Opportunities in preventive healthcare, nutrition, and fitness technologies.

### Advanced Manufacturing and Engineering

- » **Robotics and Automation:**
- » Integration of advanced robotics in manufacturing processes.

- » **3D Printing and Materials Science:**
- » Innovations in additive manufacturing and new material development.
- » **Aerospace and Defense:**
- » Collaboration in aircraft technology, satellite systems, and security solutions.

#### Tourism and Hospitality

- » **Experiential Tourism:**
- » Investment in unique experiences like Northern Lights viewing, Arctic expeditions, and Finnish sauna culture.
- » **Sustainable Tourism:**
- » Development of eco-friendly accommodations and services.
- » **Infrastructure Development:**
- » Opportunities in hotels, resorts, and transportation services.

#### Logistics and Supply Chain Management

- » **Transport Hub Development:**
- » Leveraging Finland's position as a logistics gateway between Europe and Asia.
- » **Cold Chain Logistics:**
- » Specialized services for perishable goods and pharmaceuticals.
- » **E-commerce Fulfillment:**
- » Establishment of distribution centers for online retail operations.

## CONCLUSION

Finland presents a compelling destination for investors seeking a stable, innovative, and forward-looking environment. The country's commitment to education, technological advancement, and sustainability creates a unique ecosystem where businesses can thrive. With robust government support, a transparent legal framework, and a highly skilled workforce, Finland offers the ideal platform for companies aiming to expand their global footprint.

Investing in Finland means tapping into a market that values innovation, quality, and environmental responsibility. The opportunities are vast and varied, spanning from cutting-edge technology sectors to traditional industries reinvented through sustainability initiatives. By choosing Finland, investors align themselves with a nation poised for continued growth and global impact.

Embrace the possibilities Finland offers and join a community dedicated to shaping the future through collaboration, innovation, and excellence.

## REFERENCES

- » Business Finland
- » **Website:** [www.businessfinland.fi](http://www.businessfinland.fi)
- » **Email:** [info@businessfinland.fi](mailto:info@businessfinland.fi)
- » **Phone:** +358 29 50 55000
- » Invest in Finland
- » **Website:** [www.investinfinland.fi](http://www.investinfinland.fi)
- » **Email:** [investinfinland@businessfinland.fi](mailto:investinfinland@businessfinland.fi)
- » **Phone:** +358 29 50 55000
- » Finnish Patent and Registration Office (PRH)
- » **Website:** [www.prh.fi](http://www.prh.fi)
- » **Email:** [registry@prh.fi](mailto:registry@prh.fi)
- » **Phone:** +358 29 509 5000
- » Ministry of Economic Affairs and Employment
- » **Website:** [www.tem.fi](http://www.tem.fi)
- » **Email:** [kirjaamo@tem.fi](mailto:kirjaamo@tem.fi)
- » **Phone:** +358 29 516 001
- » Finnvera
- » **Website:** [www.finnvera.fi](http://www.finnvera.fi)
- » **Email:** [asiakaspalvelu@finnvera.fi](mailto:asiakaspalvelu@finnvera.fi)
- » **Phone:** +358 29 460 2580
- » Statistics Finland
- » Provides statistical data on economic indicators and demographics.
- » **Website:** [www.stat.fi](http://www.stat.fi)
- » World Bank - Finland Overview
- » **Website:** [www.worldbank.org/en/country/finland](http://www.worldbank.org/en/country/finland)

- » International Monetary Fund (IMF) - Finland
- » **Website:** [www.imf.org/en/Countries/FIN](http://www.imf.org/en/Countries/FIN)
- » Global Innovation Index 2020
- » **Website:** [www.globalinnovationindex.org](http://www.globalinnovationindex.org)
- » Enterprise Europe Network Finland
- » Provides support for SMEs to innovate and grow internationally.
- » **Website:** [www.een.fi](http://www.een.fi)