

# FINLAND FACT PACK 2020

## WHY INVEST IN FINLAND



AUGUST



# Foreword

- Finland Fact Pack 2020 is created for leaders of international businesses operating in Finland and of businesses looking to invest or establish themselves in Finland.
- The idea of the Finland Fact Pack originated from multiple discussions between **Amcham Finland** and international business leaders. Executives need facts and insights to help sell the Finland's strength as a business environment and an investment destination.
- As a result, AmCham Finland and its trusted partner **August Associates**, a leading local consulting firm in Finland, decided to create the first version of Finland Fact Pack in 2017 and update it annually.
- August provides knowledge of the Finnish business environment and expertise in helping companies succeed in this market, integral in putting this Fact Pack together.
- Please contact us if you have any questions regarding Finland as a business location (see the last page for contact details).





# **FINLAND OVERVIEW & UPDATES ON COVID-19**

# Finland is a large country with a small but highly educated population – over one fifth lives in the capital region

## General facts

- Area: 340 000 km<sup>2</sup>
- Capital: Helsinki
- Currency: Euro
- Official language: Finnish & Swedish



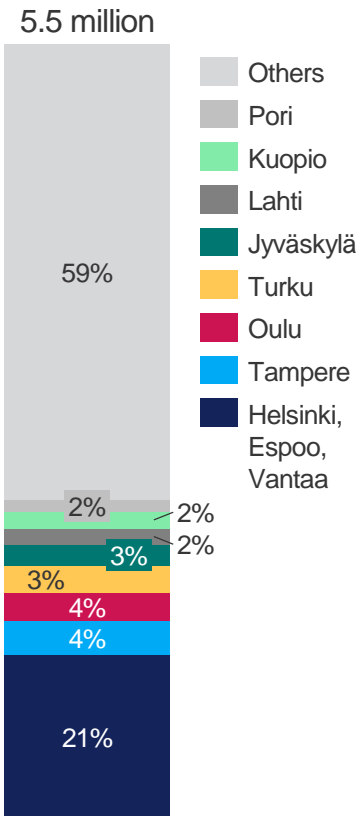
Rest of the country

Other top cities

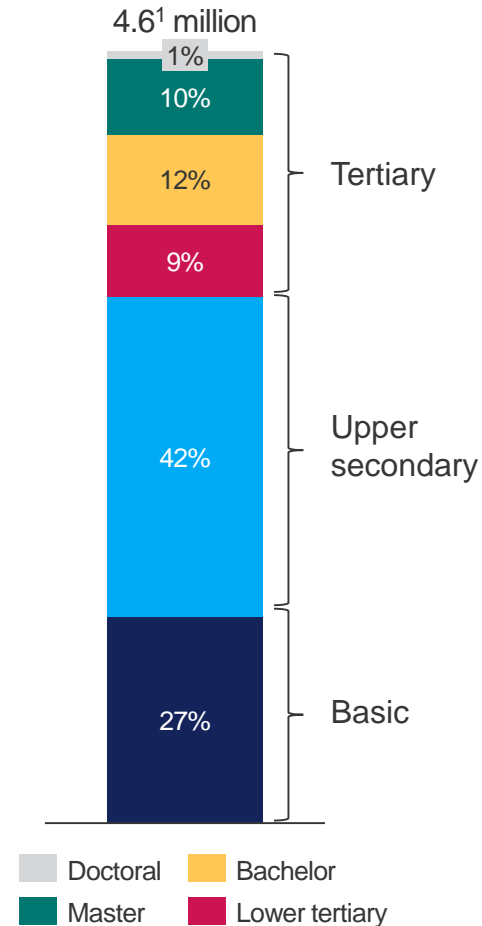
Helsinki region

## Population statistics

### By city (2019)



### By education (2018)



## Comments

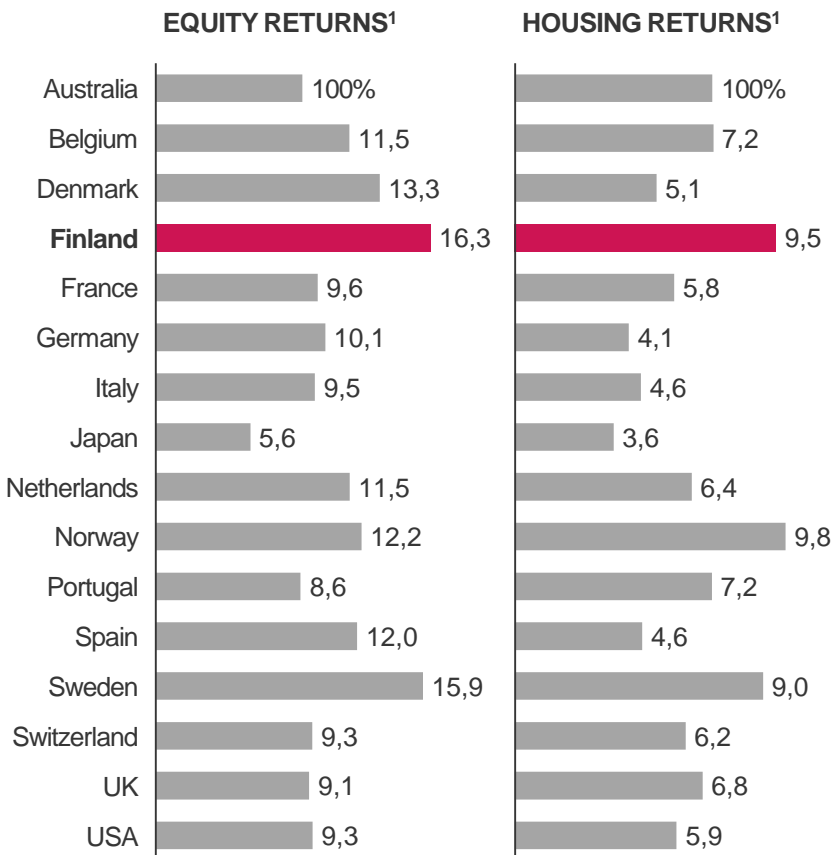
- Finland is the only Nordic country that adopted the euro as its official currency (in 2002)
- Its capital region, including the cities Helsinki, Espoo and Vantaa, is the most densely populated area thanks to the accelerating urbanization trend
- All Finns aged 15 or above complete basic education and over 30% of them obtain tertiary qualifications – Finland is especially known for its pool of highly educated engineers in ICT fields
- The highly educated population is the result of a free educational system offered at all levels, from kindergarten to higher education

Source: European Commission, Statistics Finland – Data as of 07.08.2020

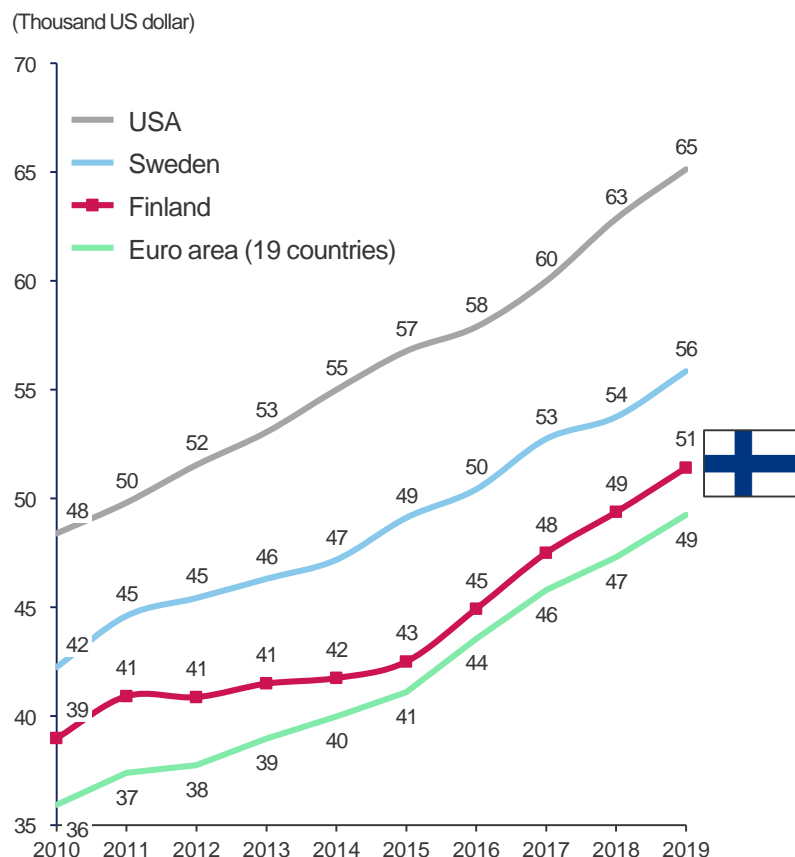
1) Including only population aged 15 or over

# Finland has a long history of being a good home for investments - before COVID-19, the Finnish economy experienced steady growth

## Long term returns (1980-2015)



## GDP per capita<sup>2</sup> development



## Comments

- The Finnish economy had experienced rapid growth since 2015, driven by e.g. increased exports, improved cost competitiveness, increasing employment rate, improving household income, and favorable financing conditions
- According to research<sup>1</sup>, Finland has provided some of the highest rates of real return on equity and housing investments over a long period of time

Source: OECD, Research "The Rate of Return on Everything, 1870–2015" – Data as of 07.08.2020

1) Average annual real rates of return by country. Research by Deutsche Bundesbank, University of Bonn, University of California

2) GDP per capita indicator at current prices and PPPs – Forecast is provided with real GDP annual growth rate

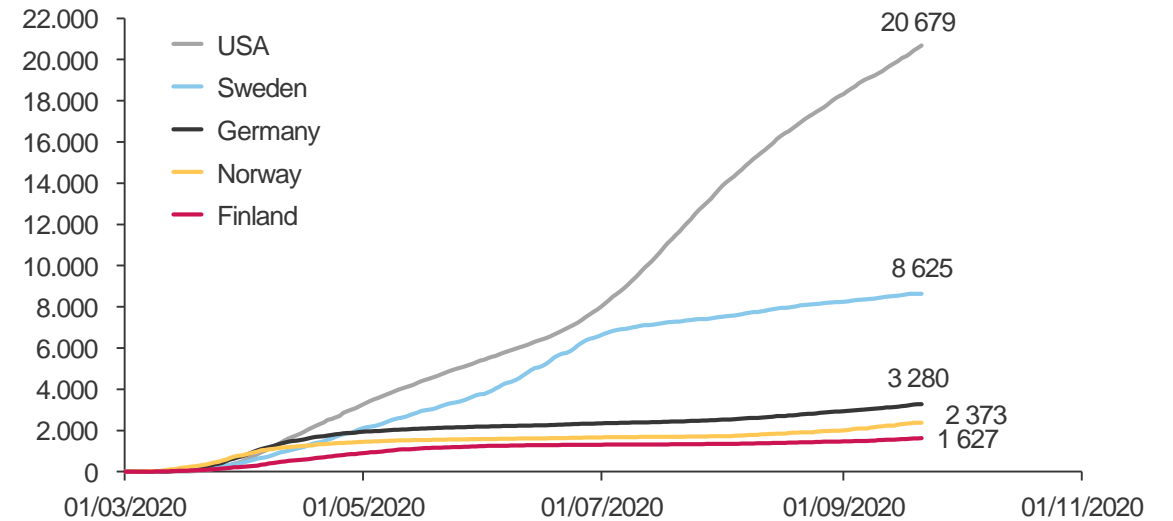
# During the first wave of COVID-19 Finland succeeded well in protecting people with timely and effective restrictions

## Finnish Government actions

- 12.3 Restrictions starts with e.g. public gatherings limited to 500 people and remote work recommendations
- 16.3 More strict restrictions, e.g. schools and other municipal buildings closures, public gatherings limited to 10 persons
- 17.3 Declaration of a state of emergency and Emergency Power Act enforced
- 25.3 Uusimaa district (around Helsinki) was closed for 3 weeks for non-work travel
- 4.4 Closure of restaurants except take-away
- 14.5 Schools re-opened
- 1.6 Most restrictions removed e.g. restaurants open, gatherings allowed for 50 persons
- 11.6 Borders to Nordics and Baltics (except Sweden) opened again
- 16.6 State of emergency removed
- 13.7 Free travelling enabled to countries with less than 8 new Covid-19 cases per 100 000 residents in past 14 days
- 1.8 Gatherings up to 500 people allowed
- 1.9 National COVID-19 tracking application launched with quickly 2 million users
- 19.9 Free travelling enabled to countries with less than 25 new Covid-19 cases per 100 000 residents in past 14 days

## COVID-19 health effect

Cumulative number of cases per million people from 1<sup>st</sup> of March onwards



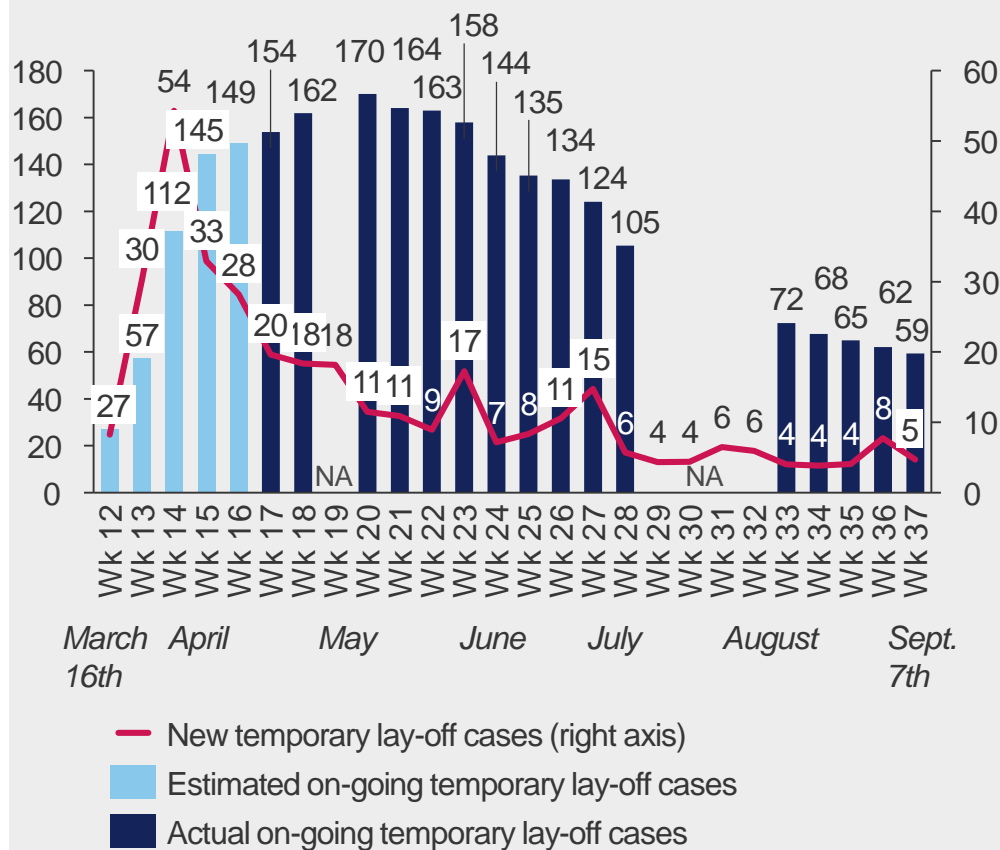
## Comments on the situation in Finland

- Finland has in total 9 046 cases and 341 deaths as of 21.9.2020
- Perhaps the sparse population as well as obedient and persevering Finnish mentality are among the factors that support the willingness to follow the lock-down restrictions during the peak of the pandemic

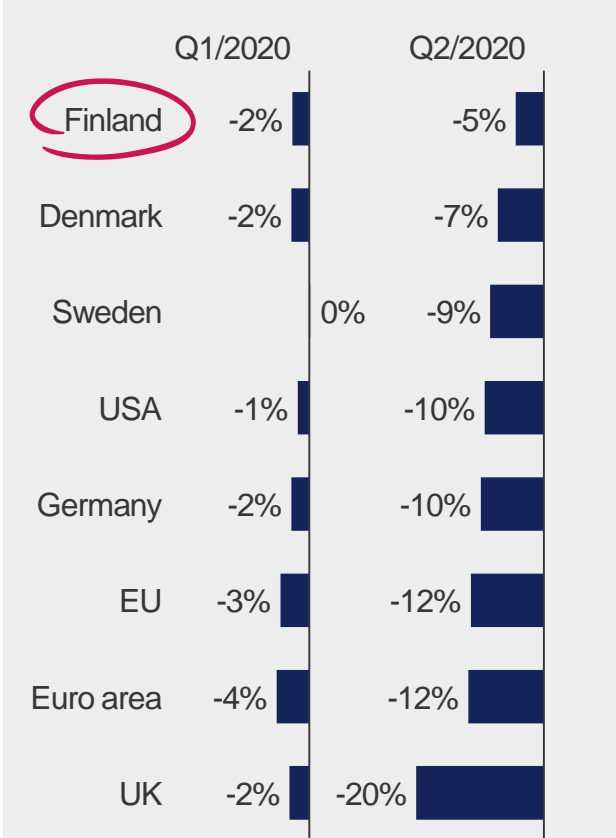
# The Finnish economy has suffered from those restrictions but their negative impact so far has been less severe than in most countries

## Economic impact of COVID-19

### Temporary layoffs in Finland, March 16th – September 7th ('000s)



### Growth rate of GDP<sup>1</sup> vs. previous quarter



## Comments

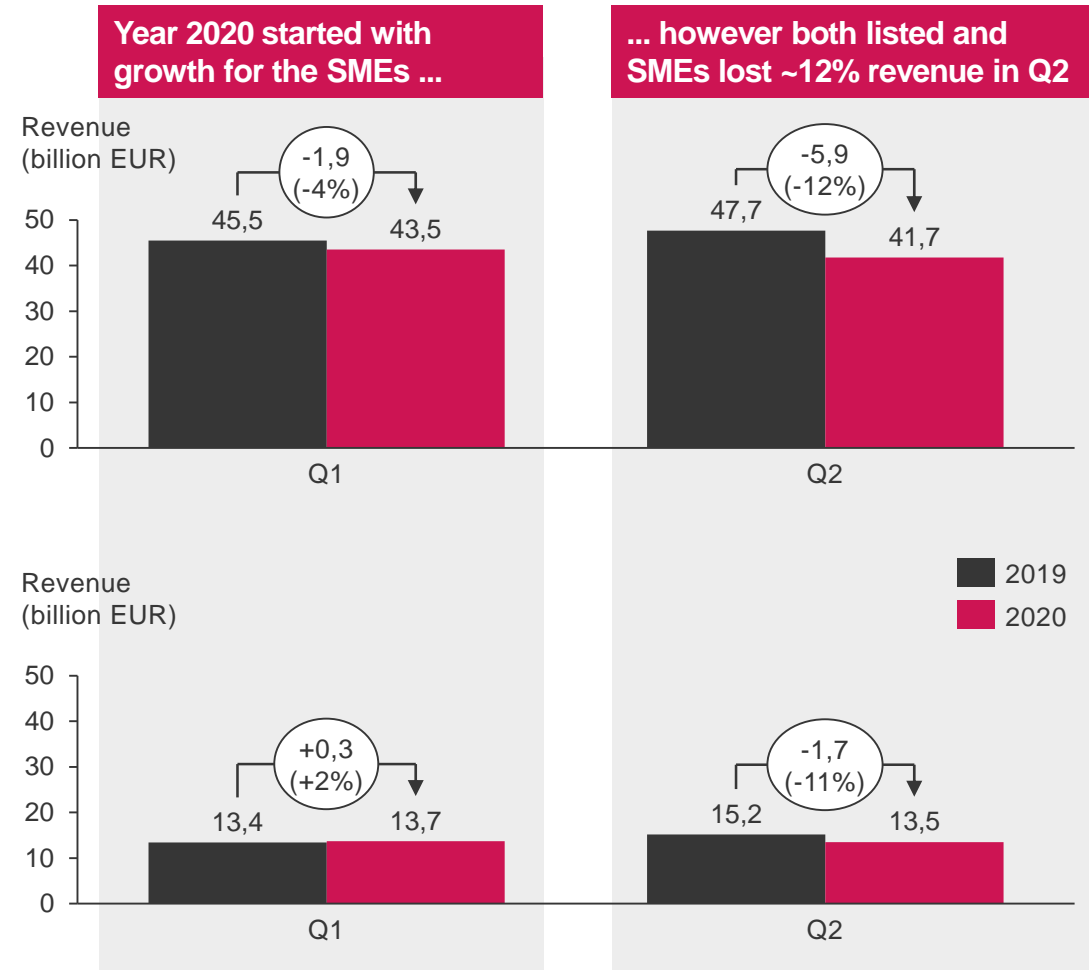
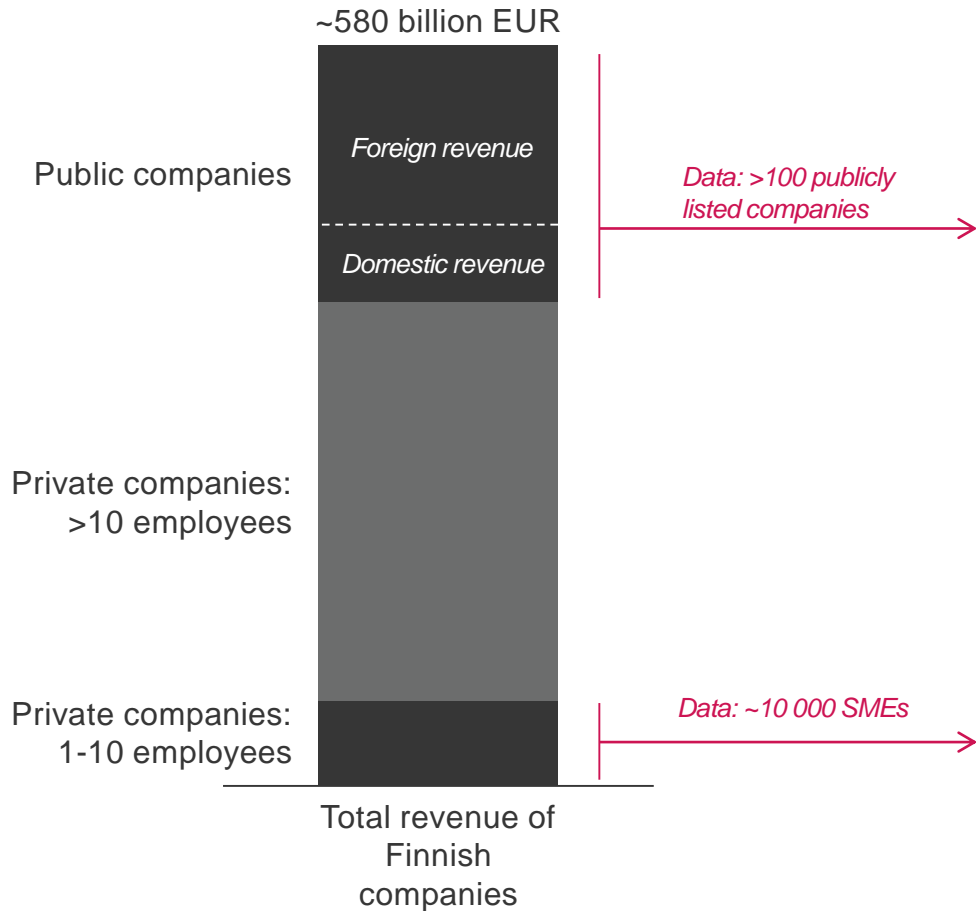
- Temporary lay-off cases increased dramatically since mid-March after restrictions were put in place but have decreased since then
- As the Finnish economy is heavily dependent on industrial manufacturing (see pages 12-13), the long lead times for industrial order deliveries have softened the impact to industry and exports
- Finland is praised by the Country Managers in AmCham network to have managed the COVID-19 crisis well: Their companies stayed almost fully operational during the first wave with very few logistics challenges compared to other countries. Some were able to expand their operations in Finland during the crisis
- This reinforces how stable and reliable Finland is as a business environment and investment destination

Source: Ministry of Economic Affairs and Employment of Finland, Eurostat, Bank of Finland – Data as of 21.9.2020

1) Growth rates are based on chain-linked volumes. Data is seasonally adjusted

# Finnish companies suffered approximately -12% revenue loss in Q2; both large and small companies alike were affected

## Revenue of Finnish companies



Source: SMEs: August analysis based on Accountor financial management data as of 9.9.2020, covering ~10 000 randomly selected small & medium-sized companies, from which finance and energy industries are excluded due to small sample size. Public companies: August analysis of 115 publicly listed companies



# Despite the situation, some industries have grown in the first half of 2020 – rapid revenue recovery is visible e.g. in SME hotels & restaurants

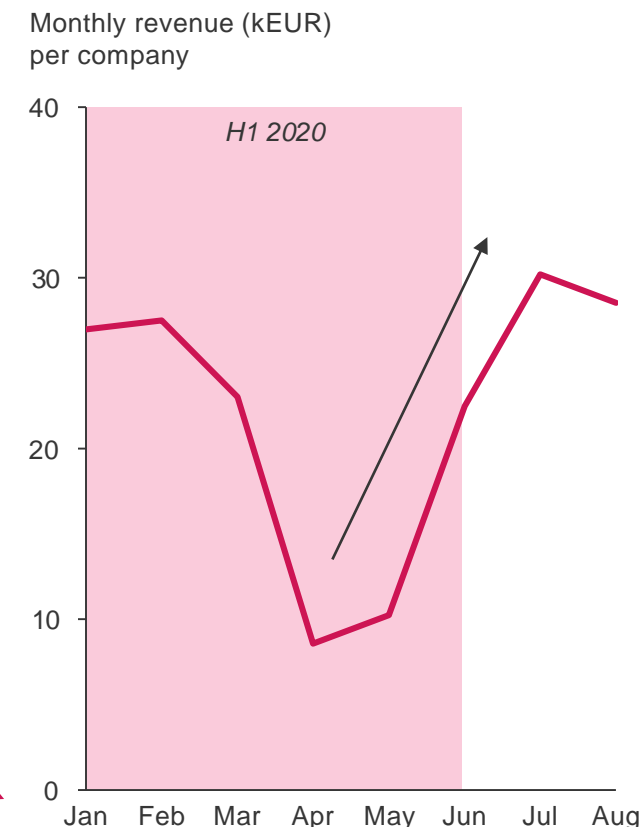
## Examples of government support measures

- Direct support via Business Finland and ELY Centers, 200 MEUR (until 15<sup>th</sup> of June)
- Additional guaranteed loan for businesses through Finnvera, 10 BEUR
- Support of business cost for companies suffering from >30% revenue decrease in an industry affected by COVID-19
- Shortened legal process for temporary and permanent layoffs and reductions in corporate pension payments

## Revenue development H1 2020 for selected industries

Industry	Public companies	SMEs
Retail & wholesale	+3%	-7%
Telecommunications	+3%	N/A
Healthcare	+3%	+3%
Media	+1%	+7%
Construction	+0%	+2%
IT	-1%	N/A
Banks and finance	-4%	N/A
Consumer products	-5%	N/A
Manufacturing	-10%	-4%
Energy	-23%	N/A
Hotels & restaurants	-52%	-33%
Travel	-55%	N/A

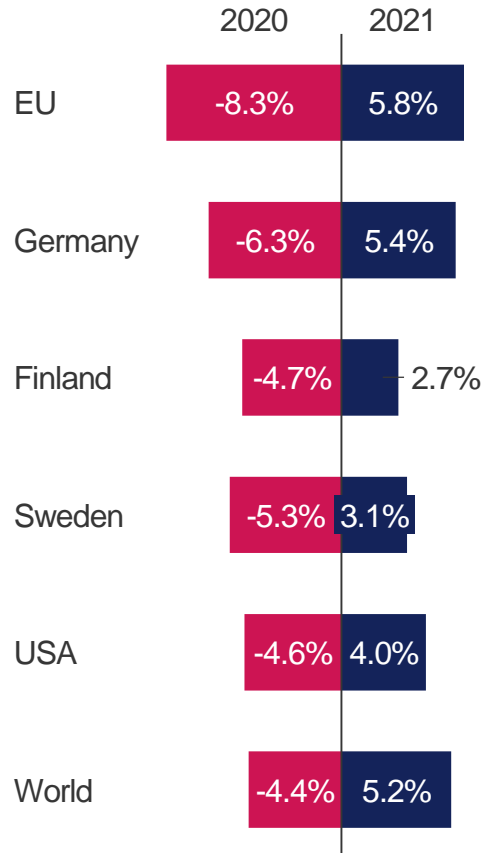
## SME hotels & restaurants: Average revenue per company



Source: SMEs: Accountant's financial data for randomly selected ~10 000 companies. Public companies: Revenue analysis for Q1-Q2 2020 for 115 publicly listed companies

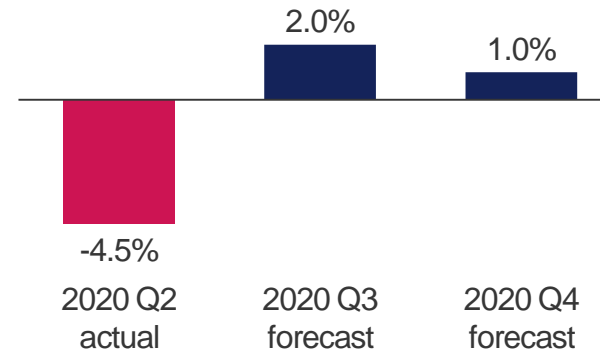
# Looking forward, positive signs have shown after summer, economic recovery is expected in Q3 onwards in Finland

## Real GDP growth forecast



## Short term GDP forecast for Finland

Growth rate of GDP vs. previous quarter



## Comments

- Finnish GDP is expected to drop drastically 4.7% this year which is on the same level than drop in USA but better than EU average (8.3%)
- Positive signs towards recovery in Finland are visible from summer onwards. Bank of Finland forecasts a significant growth in GDP in Q3, followed by slower growth in Q4 and in upcoming years
- However, the Finnish economy is estimated to be among the slowest recoveries in EU in 2021 – One reason is its dependence on industrial manufacturing: the decline of new orders this year will affect next year's production due to the lag time in order deliveries
- Still, most country managers in the AmCham network share a positive outlook for the future, embracing the opportunities risen from the crisis to rebuild their organizations for this new environment

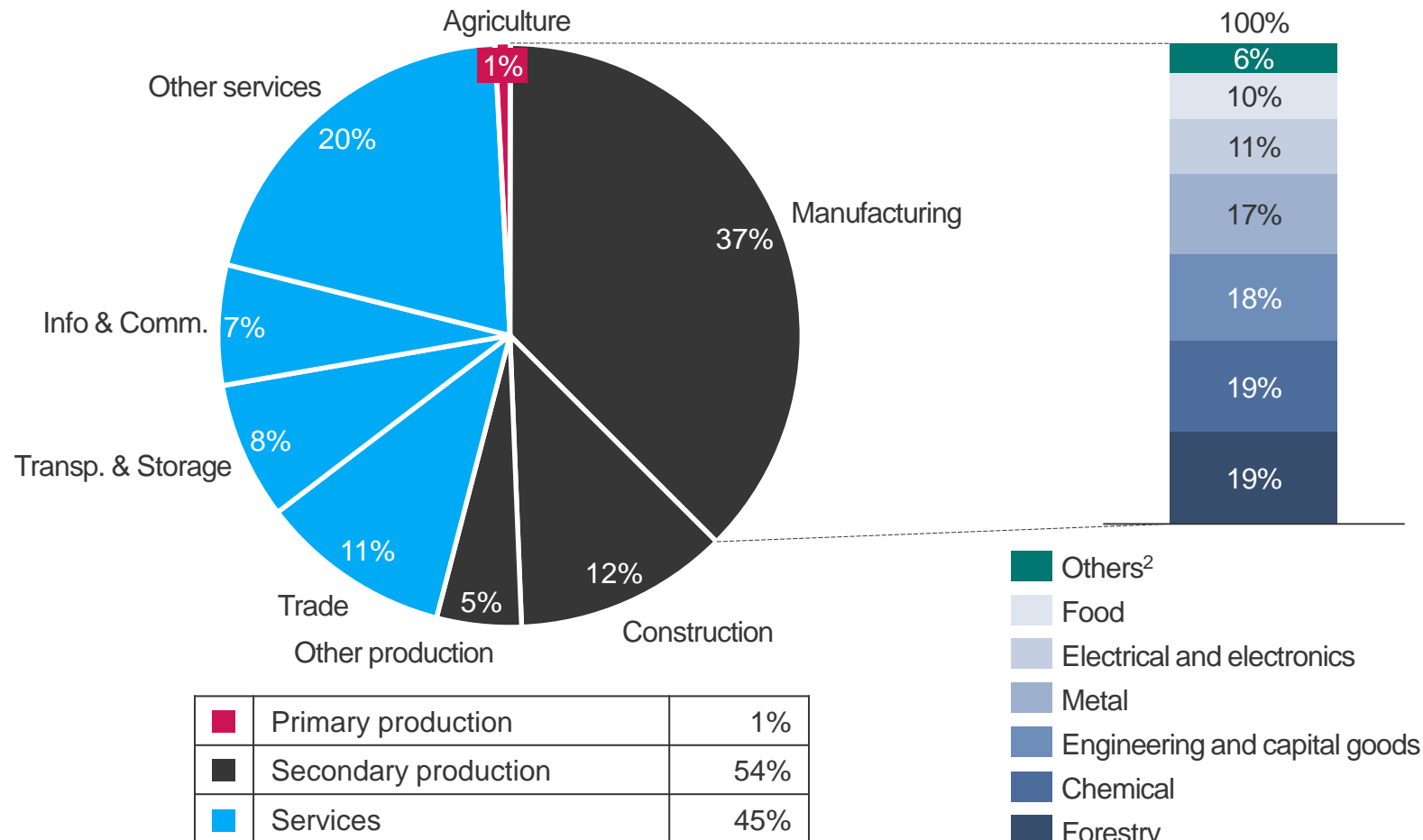
Source: Summer 2020 European Economic Forecast (EU, Sweden); Bank of Finland (Finland); Fitch Ratings (Germany, USA, world), Ministry of Economic Affairs and Employment of Finland, AmCham Finland – Data as of 21.9.2020



# FINNISH ECONOMY

# Manufacturing accounts for ~40% of Finland's gross value added – the largest industries are forestry, chemical and engineering & capital goods

Gross value added<sup>1</sup> by industry, 2018



Comments

- Finland is rich in its forests and lakes – also known as ‘land of a thousand lakes’ – yet the Finnish economy is not driven by its natural resources, rather by its strong industrial and technological know-how, which is considered the backbone of the economy and trading activities (*see next page*)
- Many Finnish manufacturing companies are taking this technological know-how into use as an advantage - in order to maintain and strengthen competitiveness, they are investing in new technologies to develop smart products and services

Source: Statistics Finland – Data as of 15.09.2020

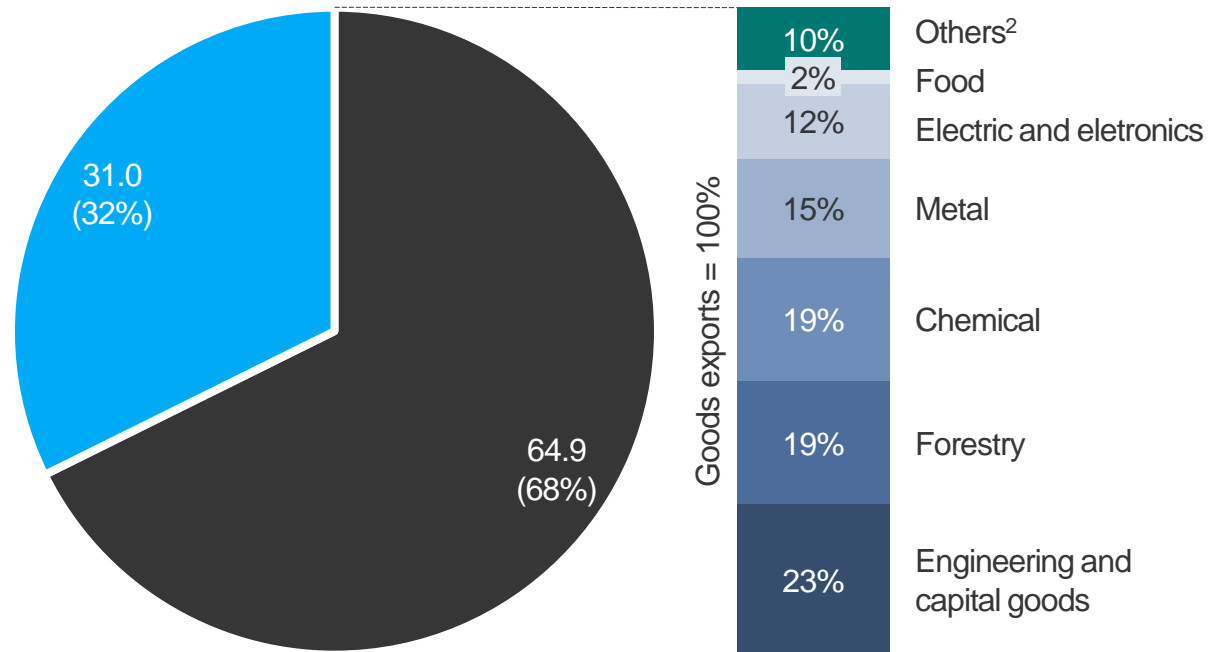
1) Measuring the actual production output of an establishment

2) Others = Printing, Mineral products, Textile & Clothing, Furniture and other manufacturing



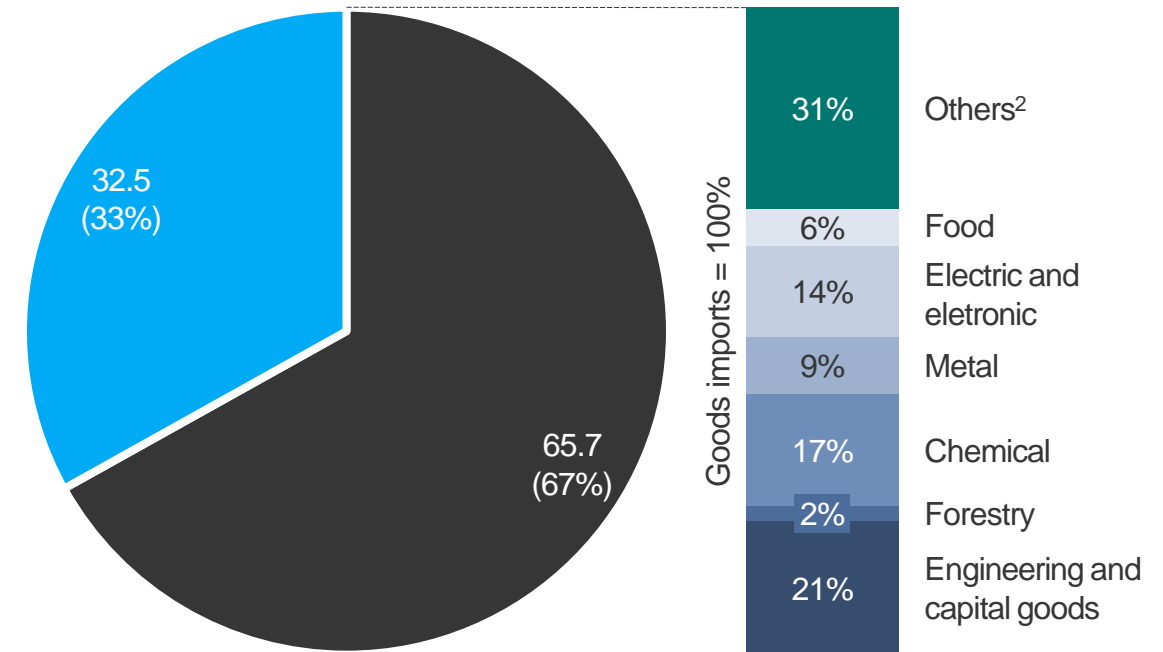
# Goods represent two thirds of Finnish trading activities, with engineering & capital goods being the largest category in both exports and imports

Finnish exports (billion EUR), 2019



**Total exports = 95.9 billion EUR**  
 (+5% growth compared to 2018)

Finnish imports (billion EUR), 2019



**Total imports = 98.2 billion EUR**  
 (+2% growth compared to 2018)

■ Goods  
 ■ Services<sup>1</sup>

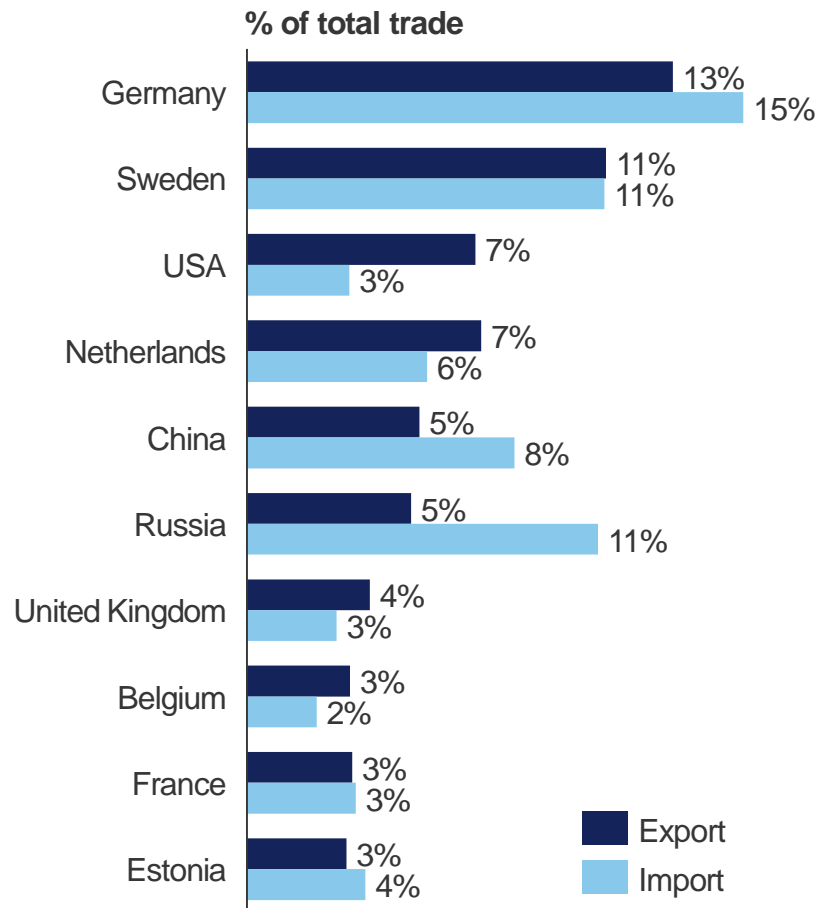
Source: Confederation of Industries – Data as of 15.09.2020

1) The largest exported service is information technology services

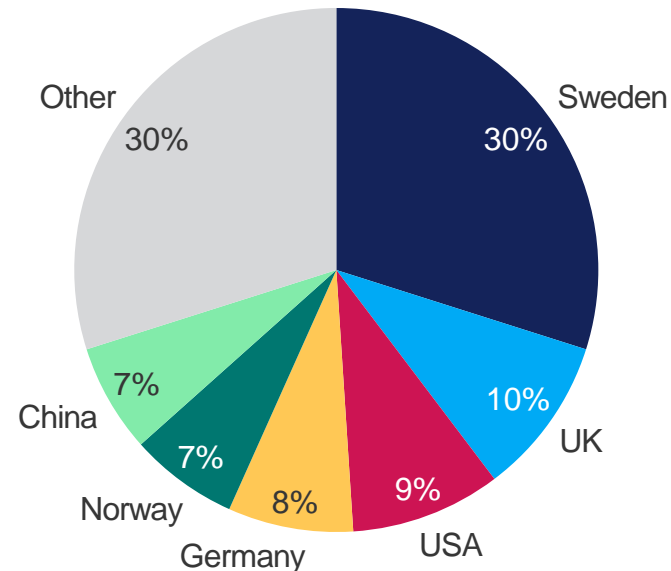
2) Including printing, Mineral products, Textile & Clothing, Furniture and other manufacturing

# Sweden, Germany, US and UK are among the key partners of Finland in both international trade activities as well as FDI projects

Top 10 trading partners with Finland  
(trade in goods), Jan-May 2020



Number of FDI<sup>1</sup> projects in Finland by  
countries of origin, 2018



Comments

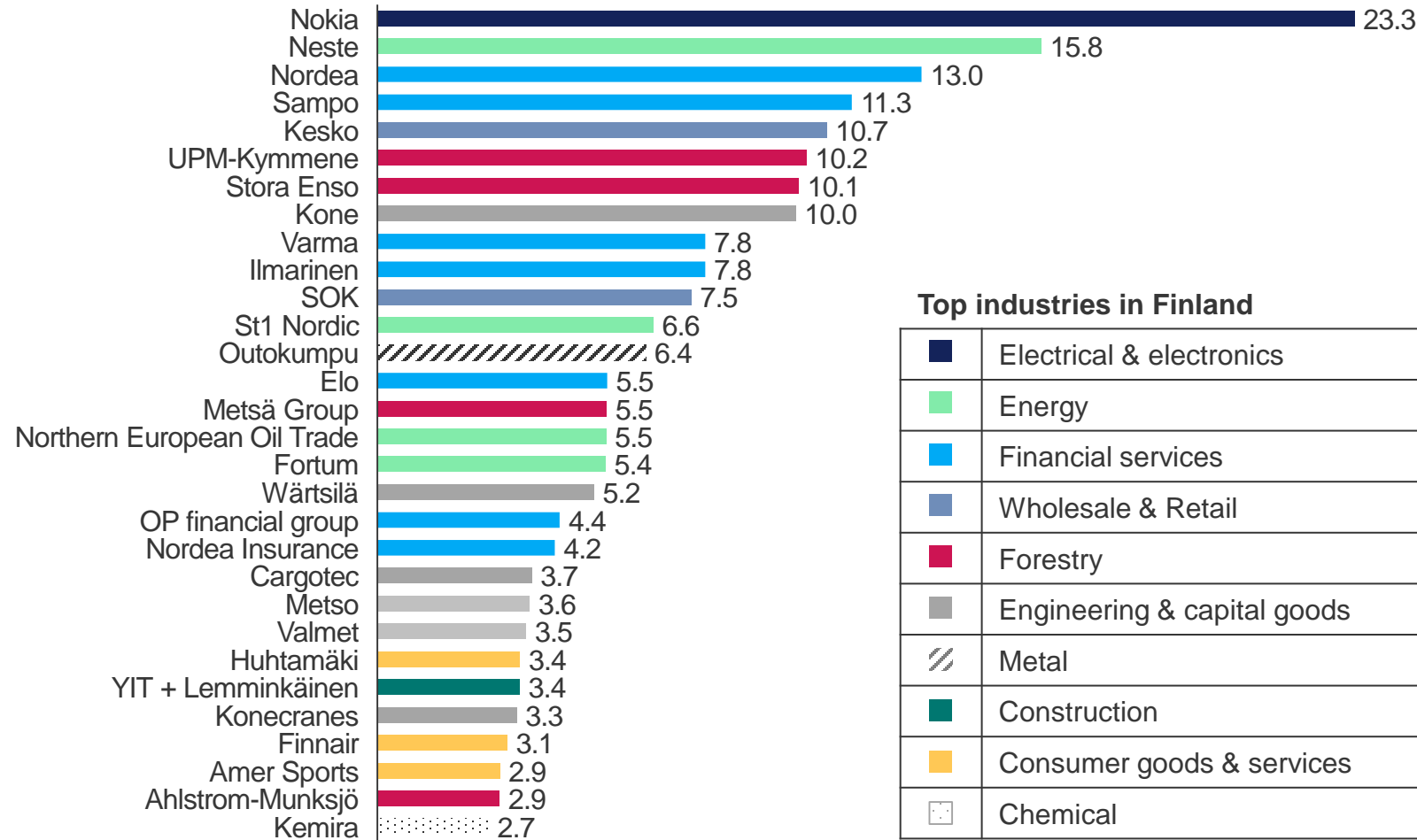
- Germany and Sweden are the most important countries in trading of goods for Finland – In addition, Russia accounts for a large part of goods import to Finland, mainly of raw materials (e.g. crude oil, wood, metals)
- In 2018 Finland was the most attractive Nordic country in terms of number of FDI projects – The dominant activities of these projects were sales & marketing, manufacturing and R&D
- In 2018, Finland attracted **record high number of FDI projects: 194** (Helsinki alone captured 95 projects) – higher than that achieved by all the other Nordic countries combined

Source: Finnish national board of customs, EY – Data as of 15.09.2020

1) Foreign Direct Investment

# The top Finnish companies operate in a wide variety of industries – some, such as Nokia and Kone are globally known brands

Top 30 Finnish<sup>1</sup> companies by revenue (billion EUR), 2019



Top industries in Finland

	Electrical & electronics
	Energy
	Financial services
	Wholesale & Retail
	Forestry
	Engineering & capital goods
	Metal
	Construction
	Consumer goods & services
	Chemical

## Comments

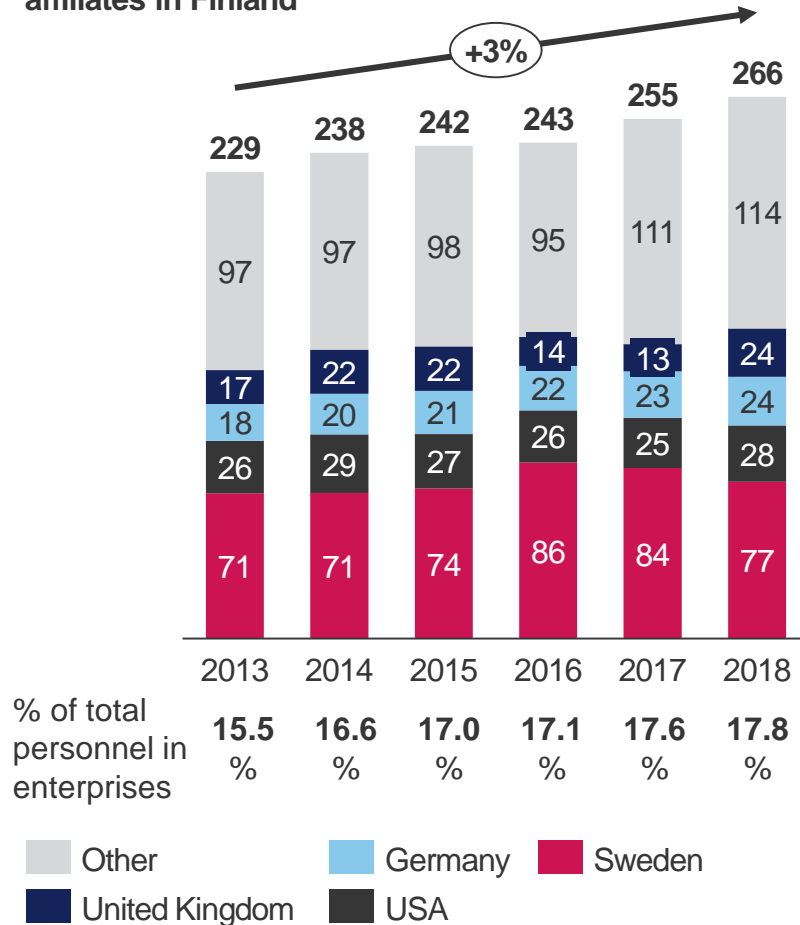
- Nokia, Kone and Wärtsilä have existed for over 100 years and are well-known companies all over the world – Nokia still maintains its top position by expanding into network infrastructure, location services and other new telecom technologies
- Finland's competitive edge in the world is its strong foundation of ICT know-how that has been highly integrated into various industries, e.g. mechanical engineering, to boost efficiency – Companies like Kone, Wärtsilä, Valmet, and Metso are examples of the world-class machinery cluster
- Top Finnish paper companies like Stora Enso, UPM and Metsä Group did not only survive digitalization, but they have leveraged digital solutions to achieve growth in new packaging materials and other innovations

Source: Companies' websites – Data as of 15.09.2020

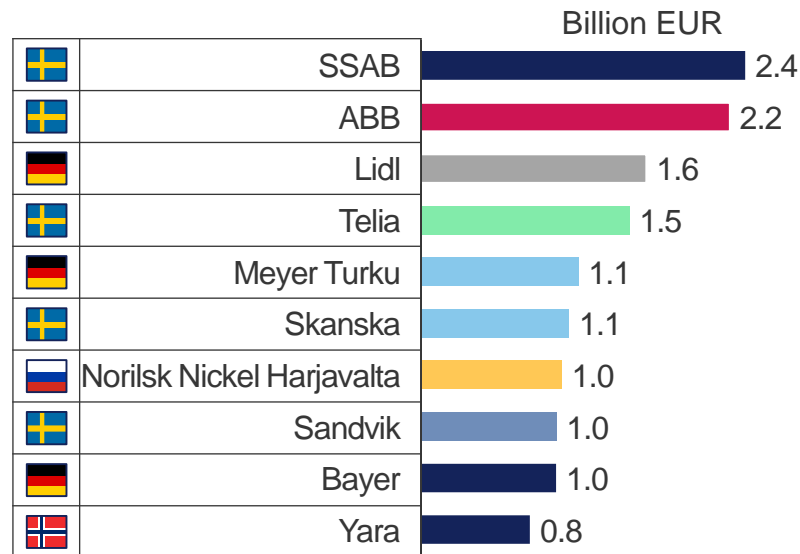
1) Originated from Finland or headquartered in Finland

# Employment by foreign companies has grown steadily pre-COVID – the top industries being engineering & capital goods, basic materials and construction

Growth in employment by foreign affiliates in Finland



Top 10 foreign affiliates in Finland by revenue, 2018



Top industries

Metal
Electrical and electronics
Wholesale and retail
Telecoms
Engineering and capital goods
Chemical
Constructions

Comments

- Employment by foreign affiliates in Finland was significant and growing to 17.8% in 2018
- Although foreign affiliates only accounted for 1% of all enterprises in Finland, they generated over 20% of value added in Finland in 2018
- The largest foreign companies are from Sweden and Germany, reflecting their importance as the dominant trading partners with Finland
- The most attractive industries to foreign companies were metal, electrical & electronics, engineering & capital goods

Source: Companies' websites, Statistics Finland– Data as of 15.09.2020

1) Basic materials refer to forestry, chemical and metal products



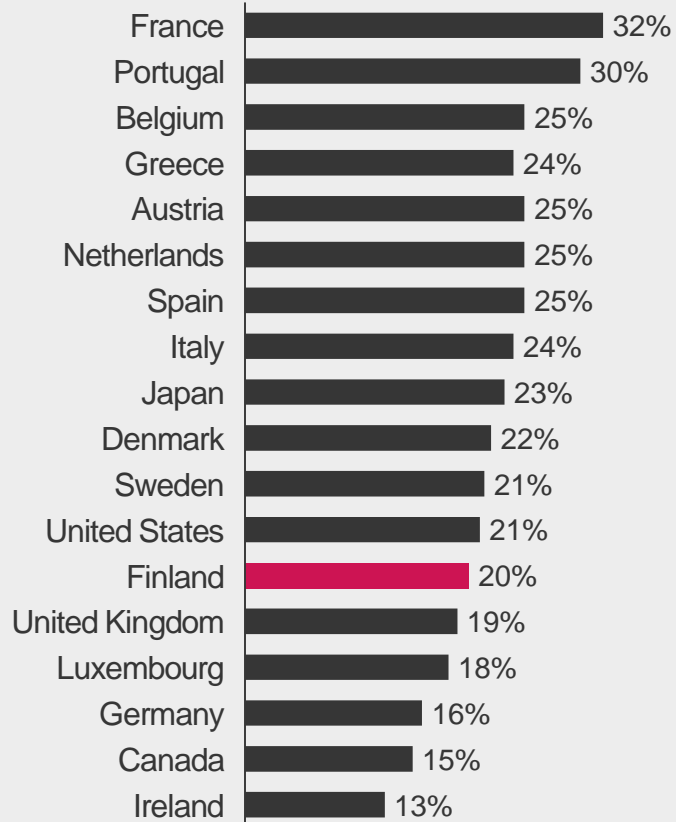


# DOING BUSINESS IN FINLAND

# Finland is an attractive country for business investments thanks to e.g. its low corporate income tax and relatively low annual average wage

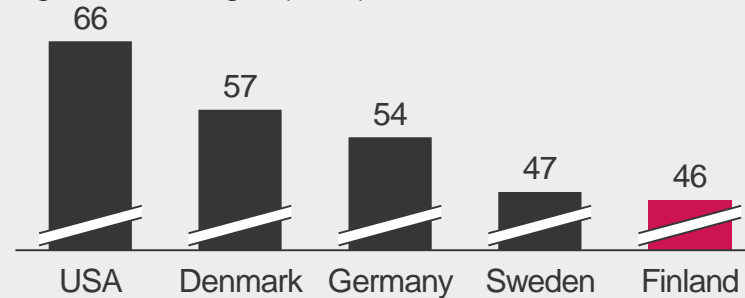
## Examples of actions taken to boost economic growth

### Corporate income tax rate, 2020

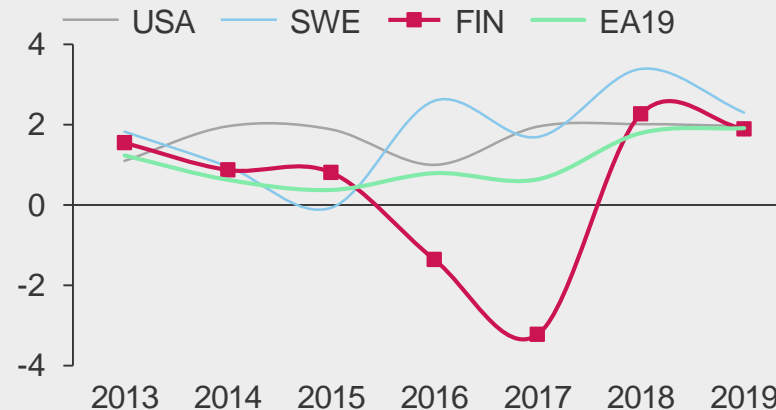


### Labor cost comparison

Average annual wage<sup>1</sup> (USD), 2019



Annual % change in unit labor costs



## Comments

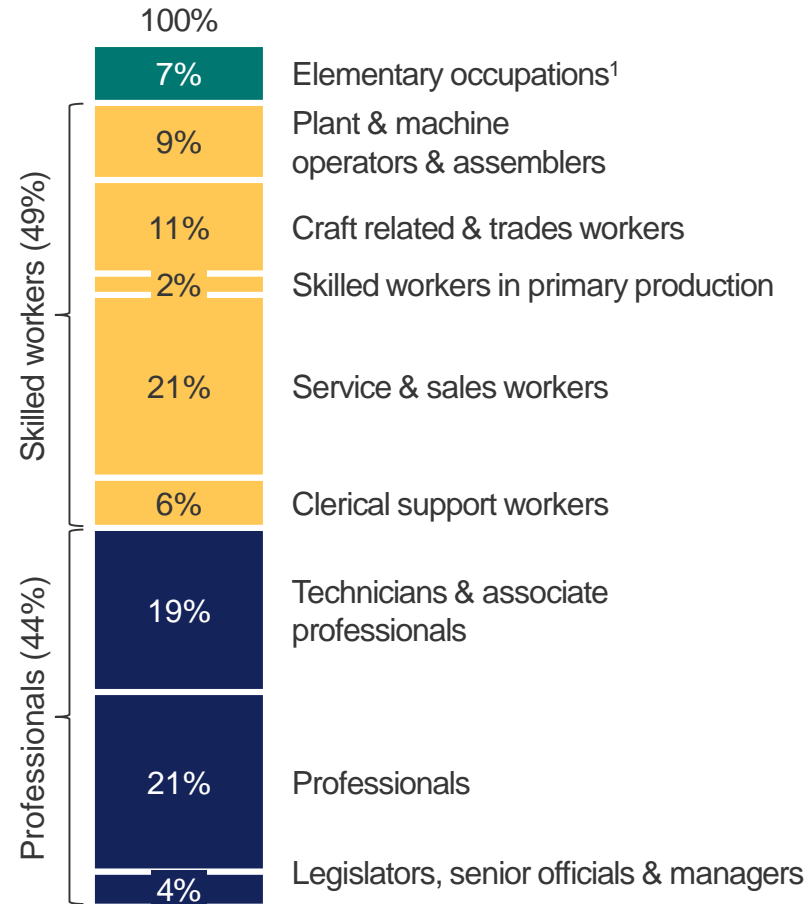
- Finland has maintained its corporate tax rate at 20% since 2013, positioning itself among the G7 and EU15 countries with low corporate tax rates
- Finland's average annual wage is also low among other benchmark countries
- Finland has controlled its unit labor cost via e.g. the competitiveness pact in 2016
- As a result, Finland has become an attractive country for investment. In 2019, Finland received yet another all-time high investment for its start-ups (see page 21)
- Finland ranked 11<sup>th</sup> in the 2019 global competitiveness index with full score in macro-economic stability

Source: OECD, Finnish Ministry of Finance, World Economic Forum – Data as of 10.08.2020

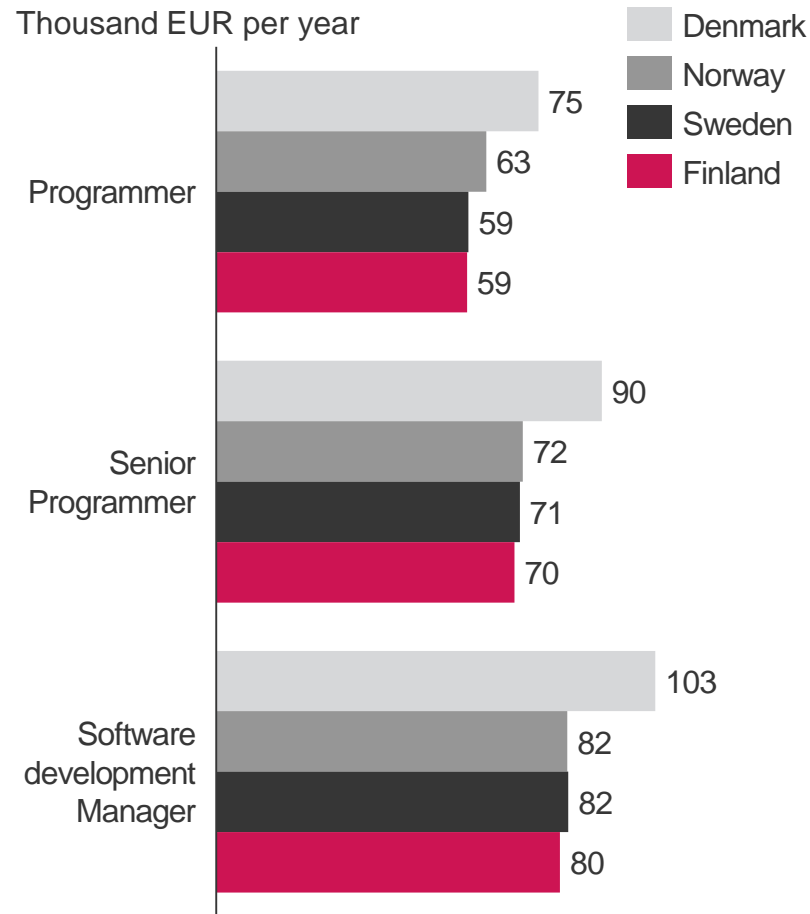
1) In 2019 constant prices at 2019 USD PPPs

# >90% of Finnish workforce are skilled workers & professionals – some top skills are offered at modest labor costs compared to other Nordic countries

Employment by occupation in Finland, 2017



Examples of labor cost by technical skills in Nordic countries, 2020



Comments

- Finland has a talented workforce, 93% of which are skilled workers and professionals
- Almost 45% of the Finnish workforce has managerial and professional positions, which generally require tertiary educational qualifications
- The talented workforce is the result of high-quality education that is offered for free to everyone at all qualification levels, including post-graduate researchers
- Furthermore, compared to other Nordic countries, Finland's top IT skills are offered at the most competitive labor costs

Source: Statistics Finland, Helsinki Business Hub, fDI benchmark by Financial Times – Data as of 14.9.2020

1) Elementary occupations include cleaners, laborers in agriculture, forestry & fishery, mining, construction, manufacturing and transport, food preparation assistants, and other elementary workers

# Prior to COVID-19, Helsinki airport has been a fast-growing air travel hub that offers smooth and fast transfer connections from Europe and America to Asia

Note: Situation before COVID-19



Source: August  
Data from SABRE Origin & Destination  
(Examples of most popular routes to Helsinki)

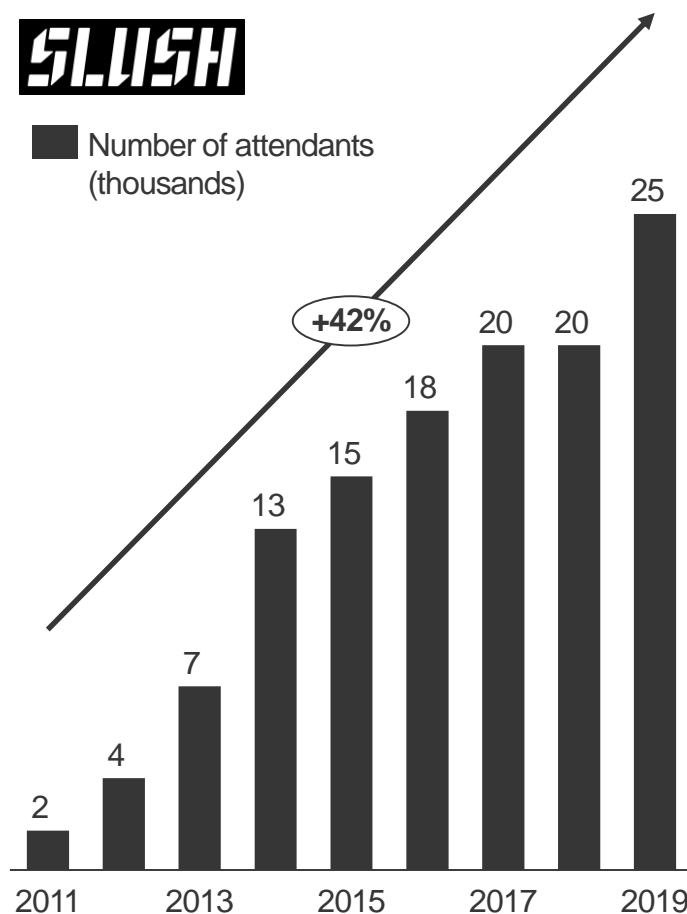


# Finland hosts one of the world's biggest start-up events Slush, and has increasingly attracted investments to its active start-up ecosystem

## Slush expansion



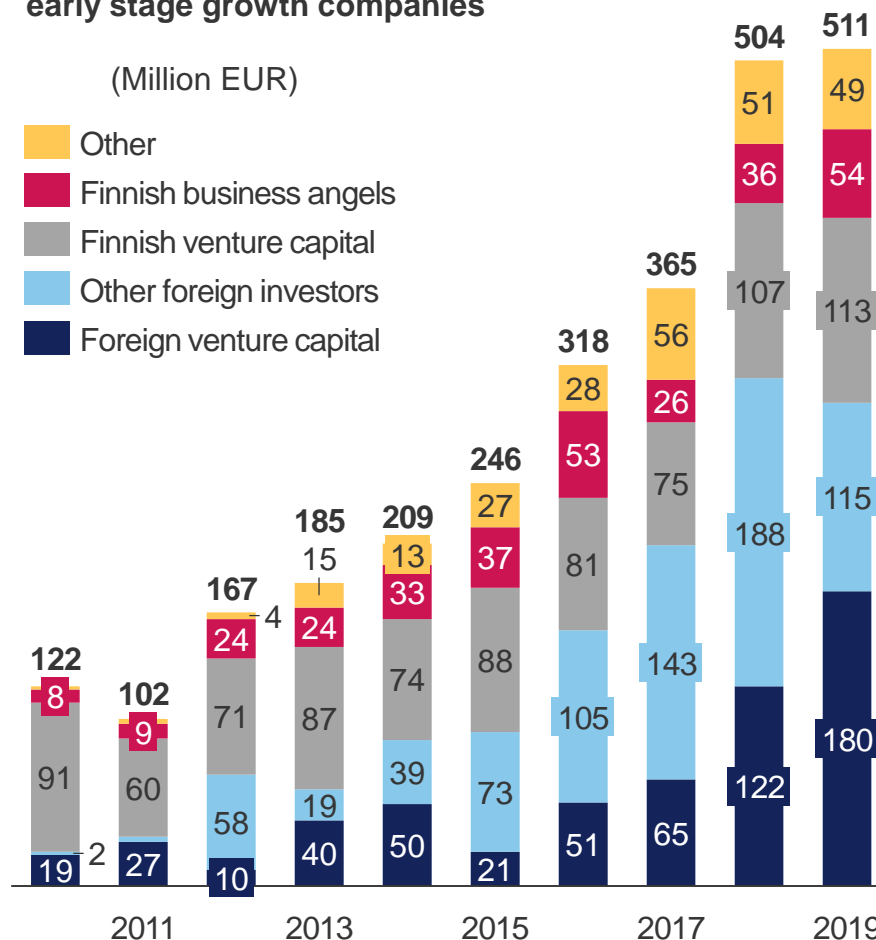
■ Number of attendants (thousands)



## Investment in Finnish start-ups & early stage growth companies

(Million EUR)

■ Other  
■ Finnish business angels  
■ Finnish venture capital  
■ Other foreign investors  
■ Foreign venture capital



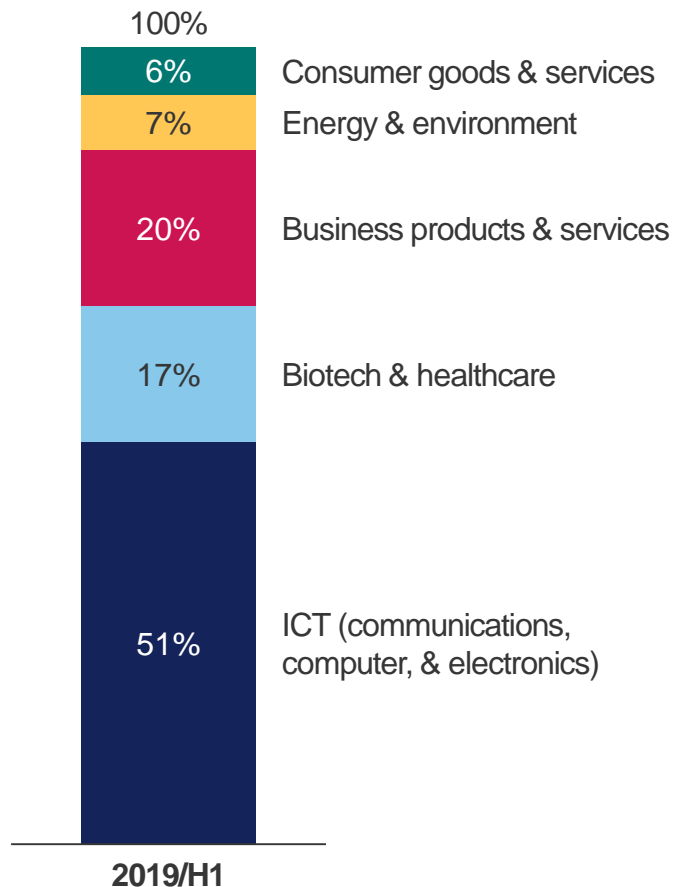
## Comments

- “Helsinki is the hotbed for world-conquering innovations and an ideal testing ground for bold new ideas” (Scale Cities)
- With the original aim to showcase European technological skills to the world, the Finnish start-up event Slush had remarkably grown its participation more than ten folds during the first 5 years to become the biggest of its kind in the Nordics
- Finland has increasingly attracted investment from abroad, showing global confidence in Finnish start-ups and growth companies at early stage

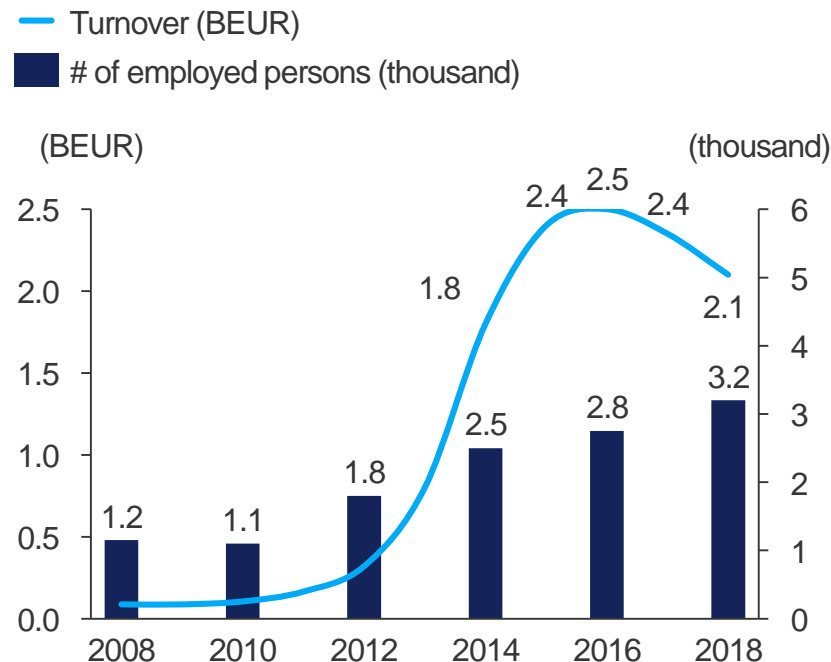
Source: Slush, Finnish Business Angels Network (FiBAN), Finnish Venture Capital Association (FVCA) – Data as of 14.08.2020

# Most VC investment goes to Finnish start-ups in tech – for example, Finland is considered a gaming superpower in the world

Finnish & foreign VC investment in Finnish companies by industry



Revenue of the gaming industry core<sup>1</sup>



Finland has recently attracted ~20% of its game developers from foreign countries – The proportion is expected to increase as a lot of effort is being made to simplify the process of hiring foreign talents

Comments

- In the Finnish bustling start-up scene, ICT is the most attractive industry for both entrepreneurs and VC investors owing to strong know-how in advanced mobile technologies, which started with Nokia
- Unsurprisingly, the most popular gaming start-ups like Rovio and Supercell were founded by former Nokia employees
- Although the industry's revenue has recently declined after its peak of 2.5 BEUR in 2016, the Finnish gaming industry is still one of the three biggest game developer countries in Europe with increasing employment power, especially of foreign talents

Source: Finnish Venture Capital Association, Neogames, – Data as of 14.08.2020

1) Including revenues of companies providing game development and gaming services

# Competitive incentives offered by Finnish government and EU are widely available for companies investing in Finland

## Investing in Finland

- 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”, the official investment promotion agency, and their national network help companies to find out more information about the different forms of incentives and the contacts they need to apply for them
- To illustrate the magnitude of these investments, in the state budget for 2020, the total appropriations for R&D activities are more than 2 BEUR, 0.83% of the Finnish GDP
- For more information, please visit [businessfinland.fi](https://businessfinland.fi)

## Examples of incentives

### Investment, land & infrastructure incentives



- Growth Capital by **TESI** (Finnish Industry Investment), a 100% state-owned equity investor with a mission to invest in growth and develop Finland's venture capital industry
- Loans and guarantees by **Finnvera**, a specialized financing company owned by the State of Finland as well as the official **Export Credit Agency (ECA)** of Finland

### Research & Development incentives



- **Business Finland** provides various types of R&D funding with low interest and grants to companies (from start-ups to large corporates), research organizations, and public sector service providers in Finland
- Funding includes e.g. R&D and piloting fund, innovation voucher, innovative public procurements to enable companies to develop products or services, production methods, and business models

### Training and employment incentives



- Training and employment services are offered by **TE Centers**, the Employment and Economic Development centers of Finland
- Examples: recruitment, improvement of business efficiency and management skills, updating of staff skills, new employee training

# In recent years, we have witnessed several companies successfully expanding their operations to Finland

## Examples of success stories about foreign companies in Finland

### Google will expand its data center operations in Southern Finland (2019)

Google (2019) will double the EUR 600 million investment to expand its data center operations in Hamina, southern Finland, which was announced in May 2019. Google is also investing €247 in two Finnish wind power projects that will produce a total of 250 MW of electricity.

### Siemens pilots virtual power plants in Finland (2019)

Siemens, a German multinational conglomerate company, pilots virtual power plants in Finland by developing Vibeco (Virtual Buildings Ecosystem), an innovative approach where buildings are connected in a microgrid to support the decentralized energy systems of the future.

### Schaeffler, the leading global supplier to the automotive and industrial sectors, expands Solutions Center in Central Finland (2019)

German company Schaeffler, ~14 BEUR of revenue and over 90,000 employees, is already recruiting more staff to its Solutions Center in Jyväskylä, launched in March 2019 as part of the Industry 4.0 unit focused on the development and testing of systems and embedded devices for Industrial Internet projects.

### Telia Company and the Finnish energy company Fortum plan to recover waste heat from Telia's new data center in Helsinki (2018)

Opened for business in June 2018, Telia's EUR 160 million facility is the largest open data center in Finland and provides services for Finnish and international companies and organizations. The ambitious plan aims to heat 20,000+ homes from the waste heat of the data center.

### The start-up Third space auto chose Finland as an R&D location for its ecosystem thanks to Finnish capabilities in machine learning, robotics and Artificial Intelligence (2018)

UK start-up Third Space Auto specializes in creating AI.OS, a proprietary platform that acts as an operating system for autonomous vehicles powering the mobility nodes of tomorrow. "The Invest in Finland team has been instrumental in us making the decision to transition our core R&D activities to Finland. We've found Invest in Finland incredibly well connected into the global mobility ecosystem, [providing us with] exposure that has been invaluable to us as a start-up," says Arshia Gratiot, CEO, Third Space Auto.

### Bayer's acquired R&D facilities in Turku (Western Finland) created Mirena, the intrauterine contraceptive device, which has generated over 1BEUR in sales (2017)

Bayer's operations in Finland go all the way back to the 1960s but it was the acquisition of its manufacturing and R&D facilities in Turku in 2006 that provided the script for its blockbuster Mirena. Launched in the Nordics in the 1990s, it is now exported to >130 countries. "[This is] a good example of a product which combines Finnish innovation and inter-disciplinary know-how with the sales and marketing strength of an international company. Turku is the only production site for the Mirena contraceptive family, so it is also an important location for us globally," says Miriam Holstein, Managing Director, Bayer Nordic SE.

Finland has it all for  
your next big venture

Strong ICT know-how &  
innovation culture

Competitively priced,  
talented workforce

Vibrant start-up scene

Well-functioning public  
sector

Source: Business Finland



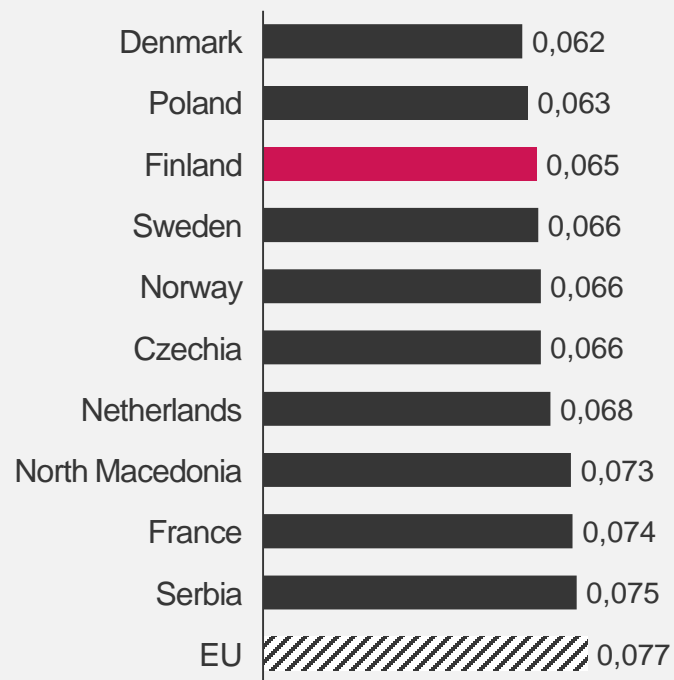


# FINNISH SOCIETY AND PEOPLE

# Finland has outstanding public infrastructure to smoothly facilitate daily economic activities and enhance the Finns' standard of living

## Finland has reliable and cost-effective energy supply for companies

Example indicator – Top 10 countries in Europe with lowest electricity prices<sup>1</sup> for industrial consumers (H2/2019, EUR)



## Finland has excellent transportation services and highly efficient mobility

Example indicator – Rating based on a survey by the World Economic Forum evaluating frequency, punctuality, speed and price of train services



### Finland #2

Other top-5: Netherlands, Denmark, Spain, Austria



### Finland #2

Other top-5: Netherlands, Denmark, Sweden, UK



### Finland #2

Other top-5: Netherlands, Denmark, Estonia, Belgium

## Finland has exceptional digital performance and competitiveness

Example indicator – Finland ranks highest in the “Digital Economy and Society Index”, aggregated from the below five elements

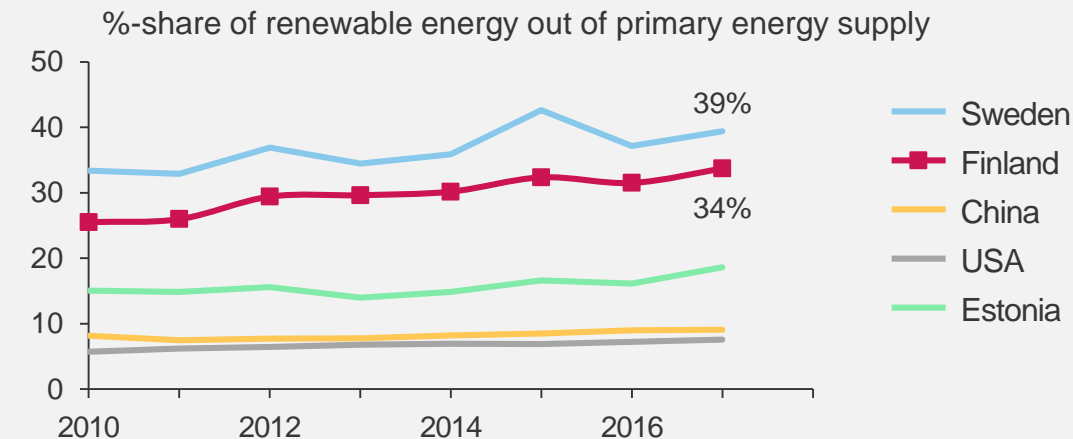
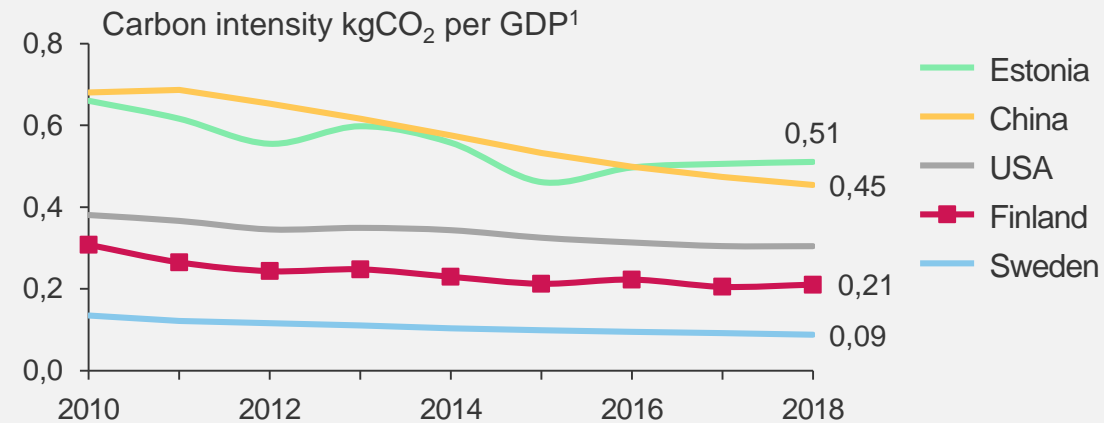


Source: Eurostat, World Economic Forum, Eurostat

1) The price includes electricity's basic price, transmission, system services, meter rental, distribution and other services, and excludes taxes and levies

# Finland promotes a clean and sustainable environment as well as a just and equal society

## Finland has low emission rate and a high share of renewable energy

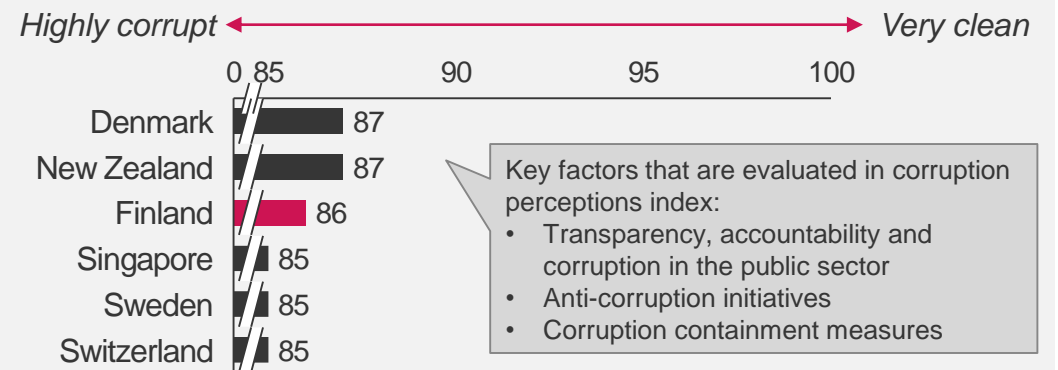


Source: Global Carbon Atlas, OECD, Transparency International, World Economic Forum – Data as of 11.08.2020

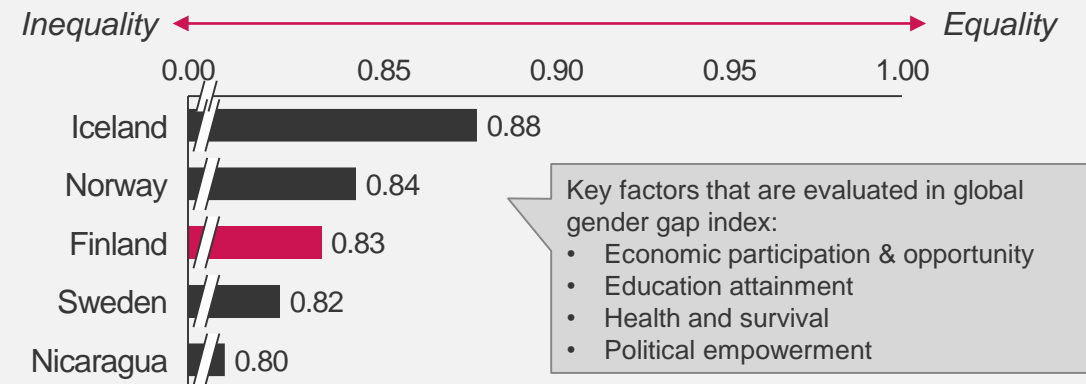
1) Measured in USD at Purchasing Power Parity rates

## Finland is a country of social justice and equality

World's top countries with lowest corruption perceptions index, 2019



World's top-5 countries based on global gender gap index, 2020



# The current government aims to further establish a socially, economically and ecologically sustainable Finland by 2030

## Parliamentary elections

- **Social Democratic Party** became the biggest party with 17.7% of the votes in the last Parliamentary elections in April 2019.
- Also in these elections, the **Green League** made the biggest gains (+3%).
- In December 2019, Finland's new government entered the history books by appointing the **world's youngest serving prime minister**, 34-year-old Social Democrat Sanna Marin.
- Finland now has a broad center-left ruling coalition consisting of five political parties, all led by women, serving as a world's inspirational example of **more women in power**.

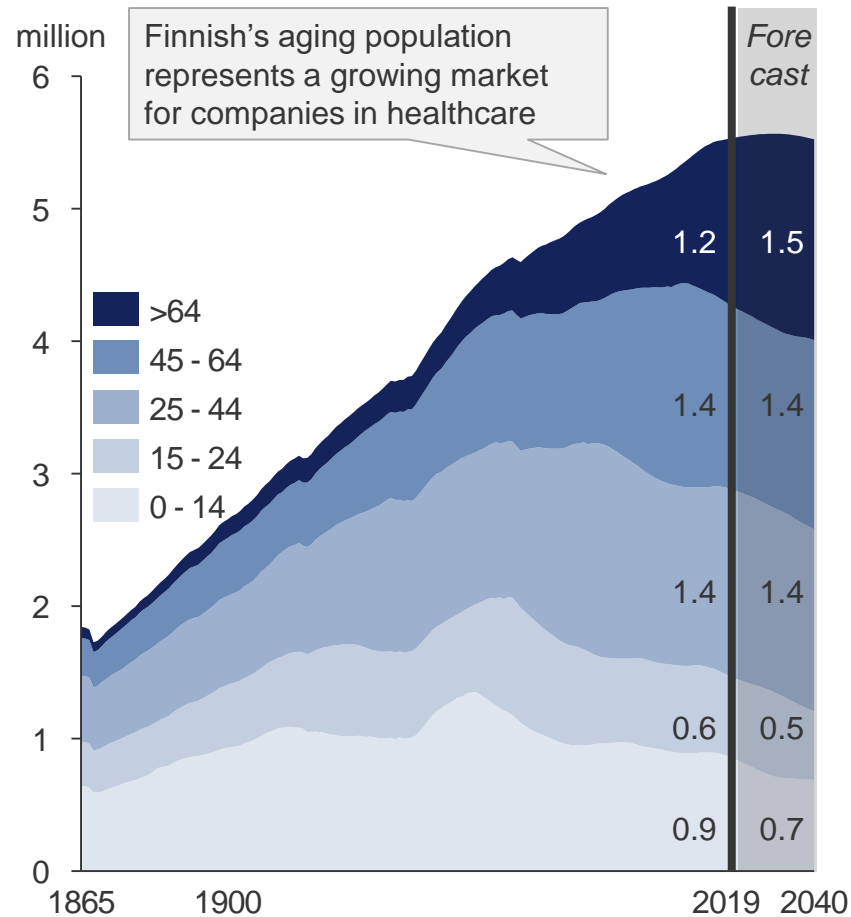
## Values and government program

- The aim of the first government for the new decade is a “**socially, economically and ecologically sustainable Finland by 2030**”. Finland aims to **become carbon neutral by 2035** and **encourages clean investments**. For example, the government is lowering the electricity tax to the minimum allowed by the EU, a measure that it hopes will support manufacturing industries and the establishment of more data centers in Finland.
- The level of employment in Finland has been a strong focus of Prime Minister Sanna Marin's government from the onset. It aims to create over 30,000 new jobs before the end of 2021.
- Social policy, including **social services and social security**, is also a top priority for this coalition. Notable examples are the HX Fighter Program, SOTE (social and healthcare reformation), and policy for government-owned corporations.

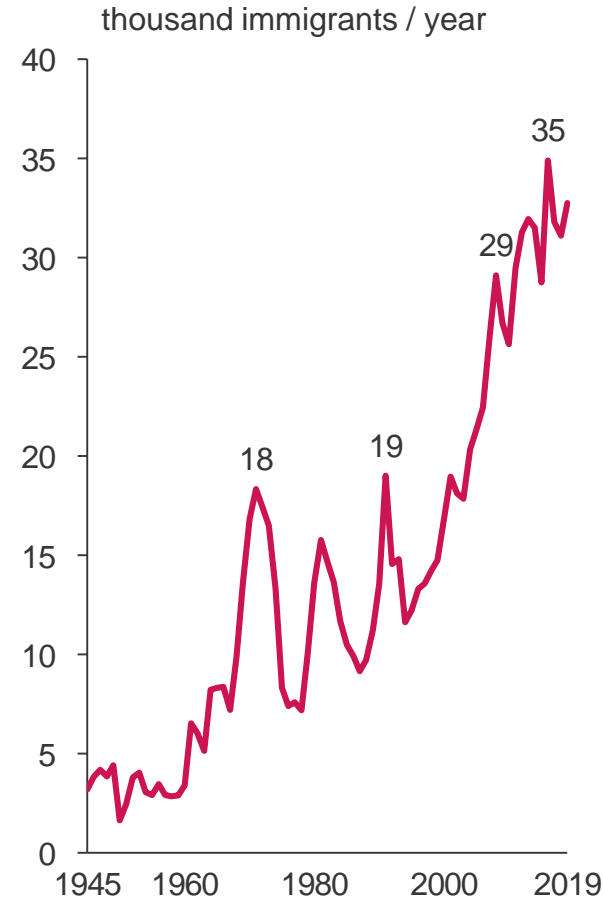
Source: Kantar, AmCham's point of view

# The Finnish population is getting older, immigration is on the rise and urbanization is increasing in the Helsinki region

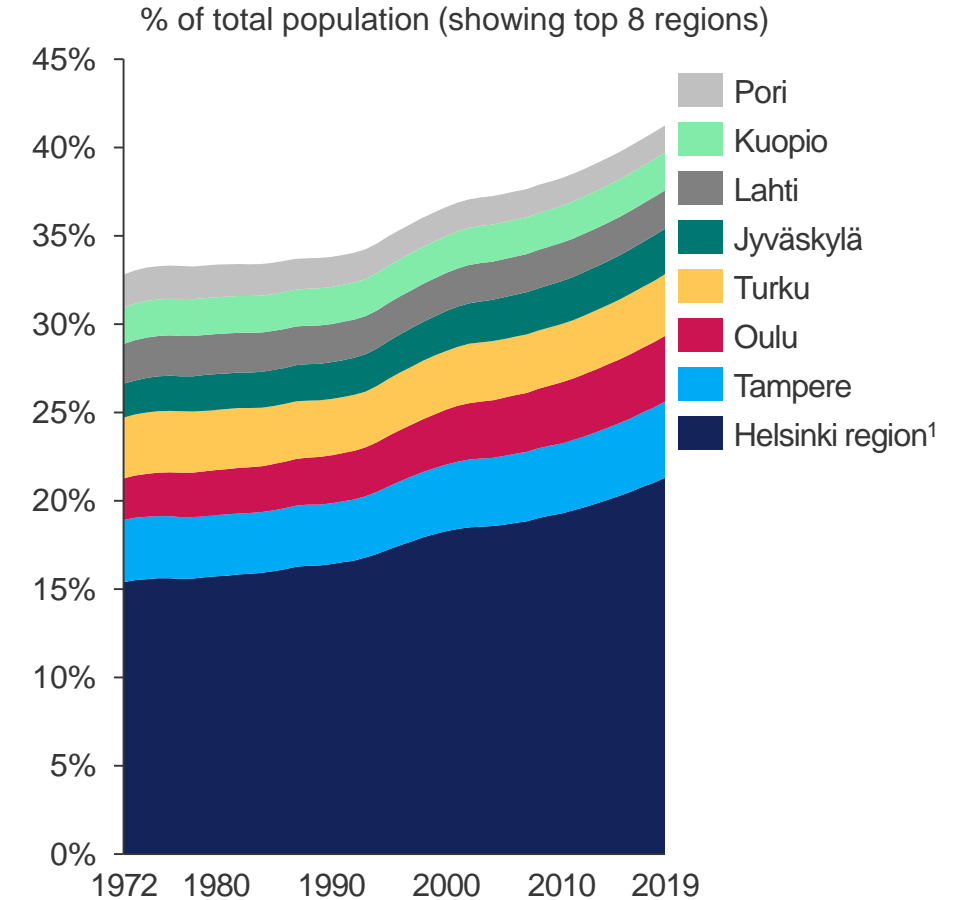
Population development by age group



Immigration development



Population development by region

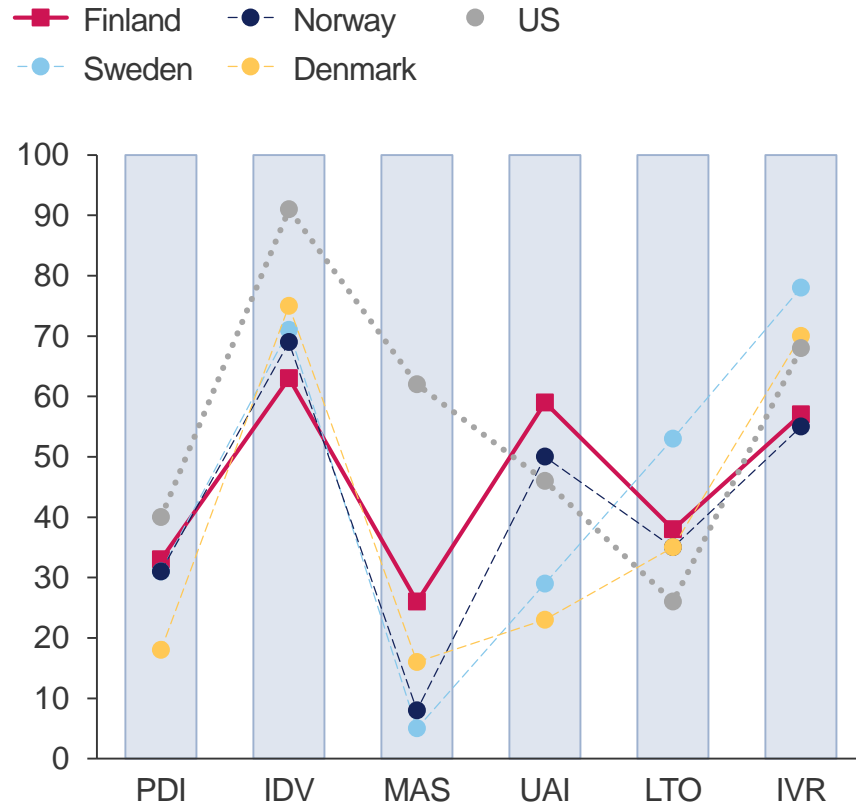


Source: Statistics Finland – Data as of 14.08.2020

1) Including Helsinki, Espoo and Vantaa

# Finns are rather individualistic and independent with little regard to hierarchy – Finns prefer structure and norms but also tend to act as they please

Hofstede's cultural dimensions of Nordic countries and USA



Source: Hofstede Insights

Finns in a nutshell

**Power Distance Index (PDI)**

**Independent, and non-hierarchical** – Power is decentralized, and hierarchy is for convenience only. Superiors are accessible. Attitude towards managers are informal and on first name basis. Managers facilitate and empower their team members. Communication is direct and participative.

**Individualism (IDV)**

**Rather individualistic** – High preference for a loosely-knit social framework. Individuals are expected to take care of themselves and their immediate families only. The employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only.

**Masculinity (MAS)**

**Rather consensus driven (sympathy for the underdog)** – Finns value equality, solidarity and quality in their working lives. Incentives such as free time and flexibility are favored. Focus is on well-being while status is not shown. Finns are considered too masculine for their Nordic neighbors but too feminine for Americans.

**Uncertainty avoidance index (UAI)**

**Preference for structured approach** – Finns prefer predictability and security in their life and career in general. Time is money, people have inner urge to be busy and work hard. Precision and punctuality are the norm. Sudden changes are not appreciated.

**Long term orientation (LTO)**

**Rather normative** – Finns tend to have a strong concern with establishing the absolute Truth; they are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results.

**Indulgence (IVR)**

**Relatively indulgent** – Finns generally exhibit a willingness to realize their impulses and desires regarding enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish.



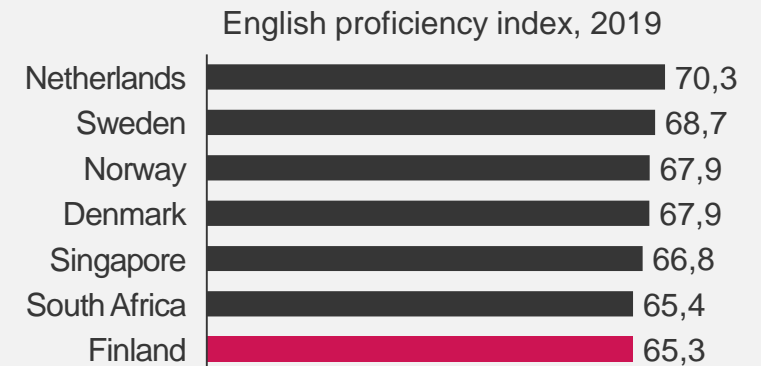
# A typical Finn visits public libraries, speaks English, craves for mobile data and drinks a lot of coffee

## Finns are avid readers and library users

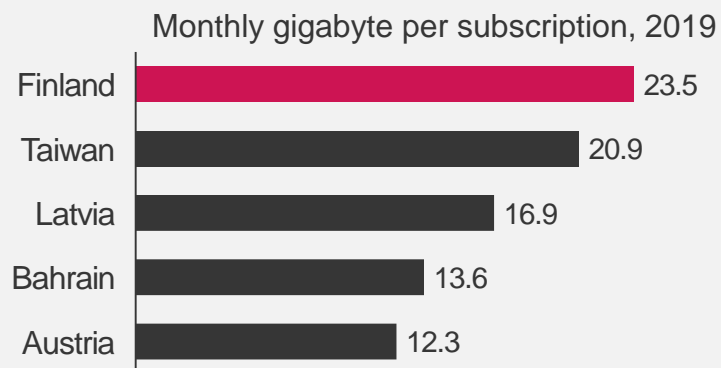


Population: 5.5 million (all figures in 2019)

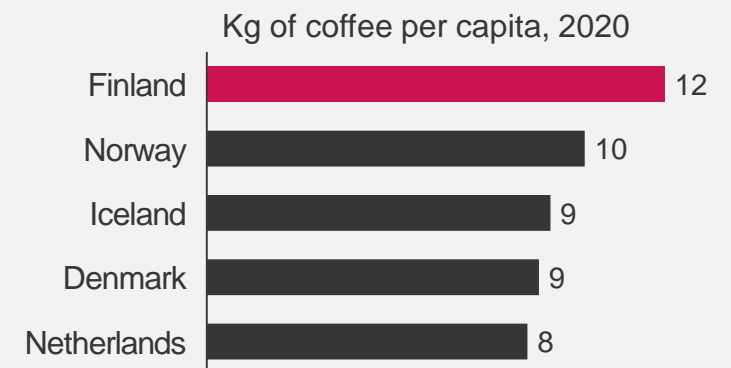
## Finns speak English fluently



## Finns use the most mobile data

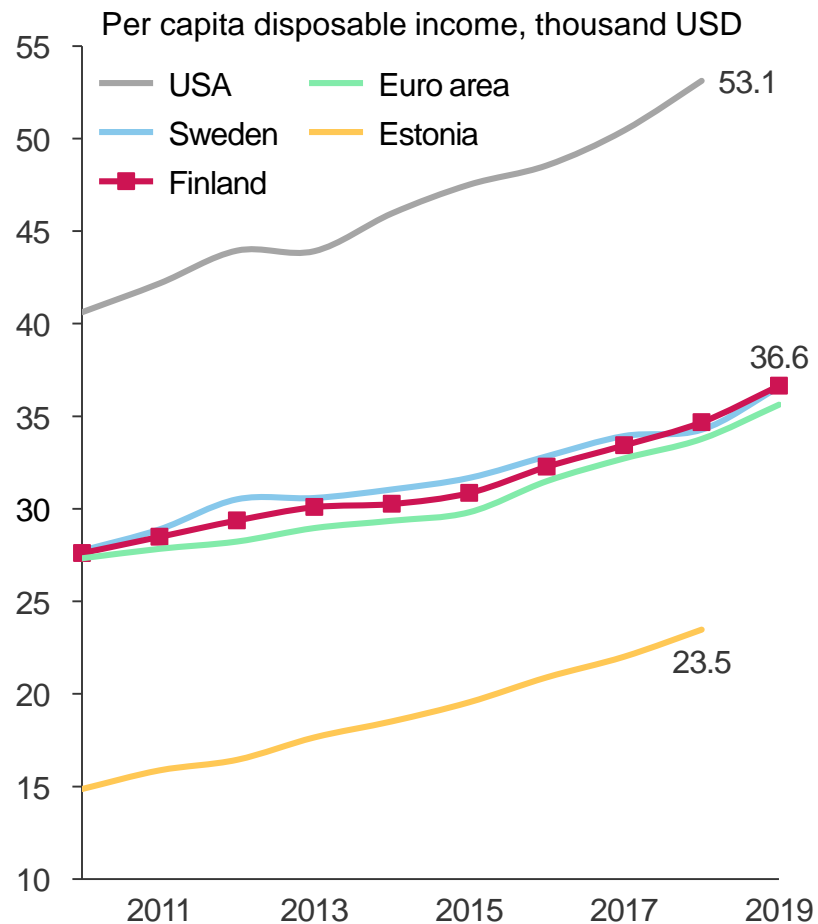


## Finns consume the most coffee in the world

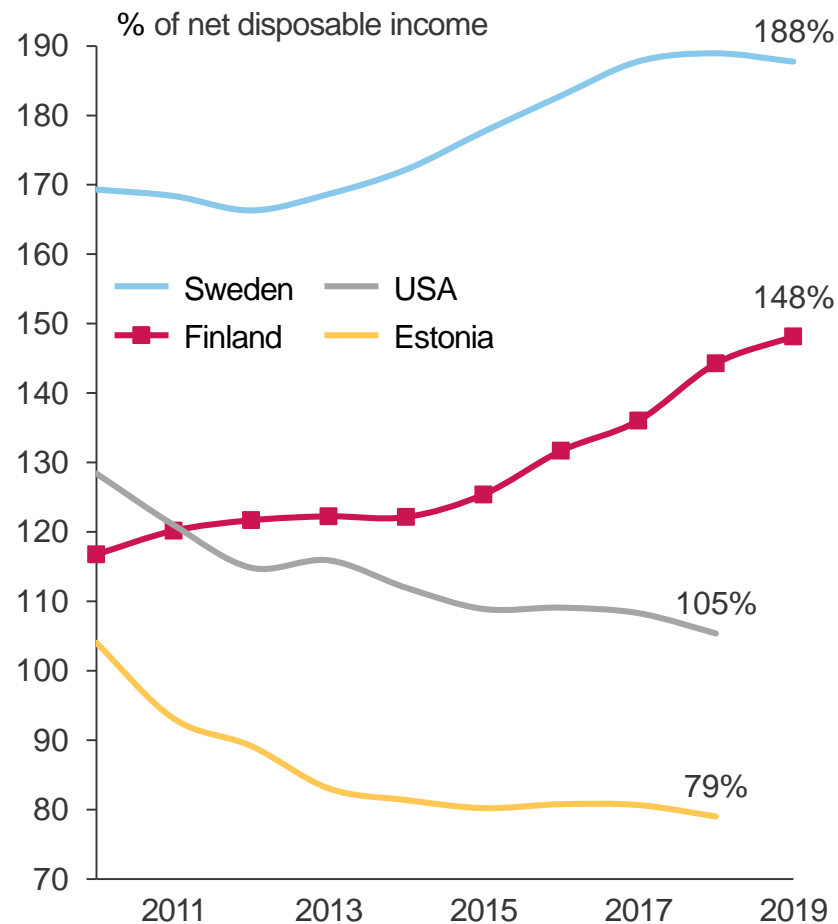
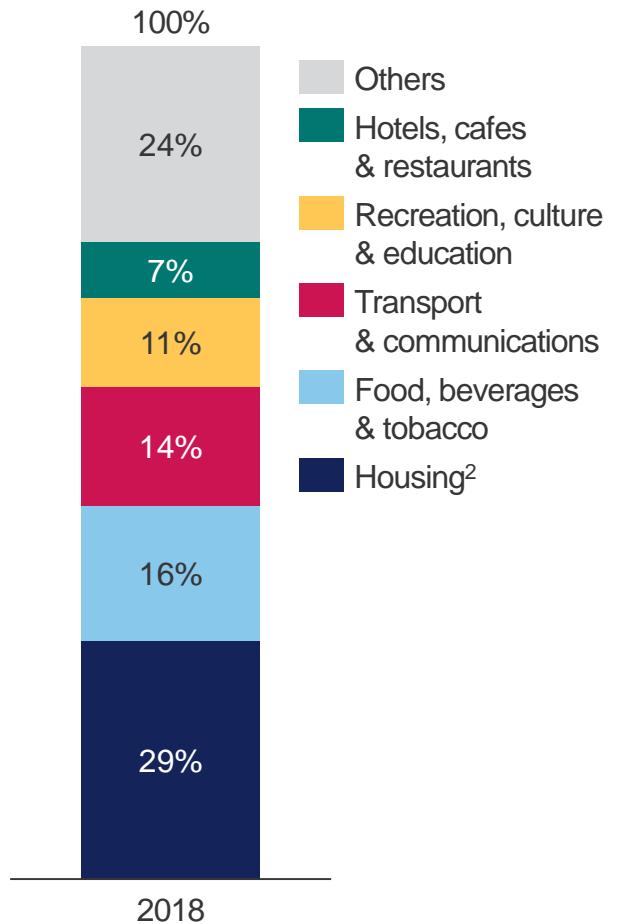


Source: Finnish Ministry of Education and Culture (2019 statistics), OECD, Education First, WorldAtlas – Data as of 11.08..2020

# A typical Finnish consumer earns ~33500 USD, is indebted for ~140% of disposable income and spends ~30% of total expenditure on housing annually

Household income<sup>1</sup> of benchmark countries

Household debt of benchmark countries

Finnish household's consumption<sup>2</sup>

Source: OECD, Statistics Finland – Data as of 11.08.2020

1) Gross adjusted at current prices and Purchasing Power Parity rates

2) Including rent, maintenance, water, power and dwelling related services

 **LIVING IN FINLAND**

# Finland is highly praised for life quality and competitiveness in the world

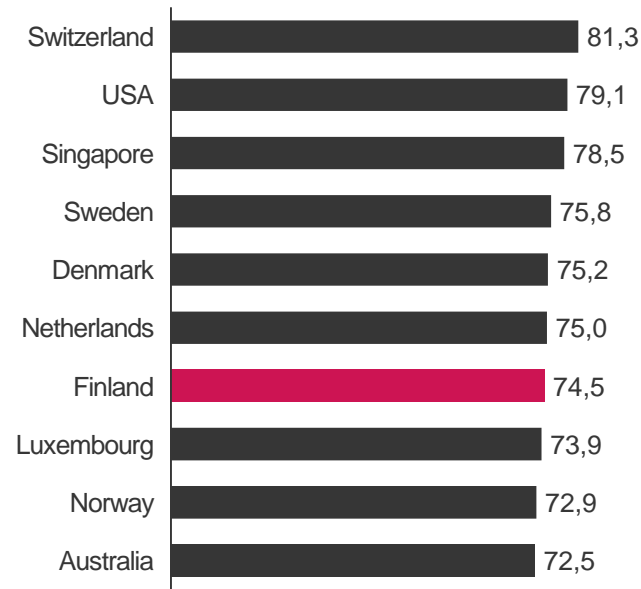
## Finland's Better life index<sup>1</sup> (out of 10)



### Key drivers in OECD Better life index (2019)

- Education: years in education, educational skills & attainment
- Life satisfaction: country's own evaluation
- Environment: water quality and air pollution
- Safety: safety at night, homicide rate
- Community: social support network

## Global talent competitiveness index



### Key drivers in global talent competitiveness index (2019)

- Enabling of R&D and ICT
- Attractive quality of life and environment
- Growth in education and employment
- Retaining by social welfare and healthcare
- Utilization of workforce skills
- Ability to build global knowledge

## Examples of expats' views about Finland

"... three weeks paid paternity leave to free health care to free higher education, ... as if I've moved to a different planet..." *(American expat in Pedagogy)*

"... Finland is beautiful and safe, and Finns are super friendly... Also, the second-best thing in Finland is the surrounding innovation environment..." *(German expat in med-tech)*

"... Finns are naturally well-mannered and quiet ... I admire that aspect of their national character. Cultures like mine have a lot to learn from Finland!" *(English expat in Education)*

"... The country's highly educated workforce, a world-renowned education system and the government's thrust on promoting entrepreneurship are some of the reasons to rejoice. These are, however, just a few wonders of Finland, I am sure my list could go on ..." *(Indian expat in Media industry)*

...

Source: OECD, Insead, Adecco & HCLI, Hel.fi, Taught by Finland, Kauppalehti, Helsinki Times

1) Does not include all the indices from OECD better life index

# Life in Finland is exciting, modern, and yet peaceful and close to nature

*Without any sky-scrapers, Helsinki is still considered a modern city where life is enhanced by advances in science and technologies*



*Wandering in the forests is something that everybody living in Finland does – it's the best place to meditate and appreciate all the gifts from Finland's generous nature*



*Life in the summer cottage is essential to Finns – it is the place to relax in the quiet of the forest, connect with families and friends, swim in the lake, eat barbequed food and enjoy the magical white nights... And the list goes on*



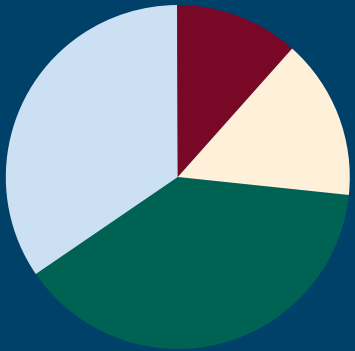
*The mesmerizing aurora borealis and the mythical Santa Claus village in Northern Finland are only a few of the wonders that Finland has to offer*



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... we know the Finnish market inside out

... we possess top-notch expertise in doing business in Finland

... we are locally rooted and strongly positioned in the Finnish business network

... we work with leading Finnish companies to keep them on top



**AMCHAM IS YOUR LOCAL BUSINESS  
NETWORK**

# Amcham Finland

Amcham Finland is a non-profit, member-funded and politically independent business community.

## OUR MISSION

To build a better tomorrow by creating sustainable transatlantic business ties through diverse networks, superior quality programs, and cross-industry advocacy.



## WE SUPPORT



Finland's economic growth and competitiveness by creating jobs, fostering innovation, and building networks.

## WE ADVOCATE



For the fair and equal treatment of foreign affiliates and the value of FDI to Finland's decision-makers.

## WE PROMOTE



Transatlantic trade and investment, the positive impact of our member companies on Finland's economy, and foreign direct investment.



# Thrive in Finland

Thrive in Finland is a program dedicated to promoting the interests of the international business community in Finland.



We are experienced in understanding the challenges and roadblocks of international companies for over 15 years. Ask us for a reference or testimonial.



We provide you with reliable insights and information regarding international business best practice and policy in Finland.



We care about the interests of Finland's international business community, and we make your voice and priorities heard in government.



We involve you in our Country Manager Network, a highly specialized network of fellow country managers, managing directors and executive-level business leaders. Meet new people, share your challenges, give your perspective, receive feedback, and surround yourself with the best.

## Why am I a member?

"I have found the Amcham Country Managers Network a useful forum for exchanging ideas, discussing opportunities and challenges with my peers."

Maria Sanmark  
Country Manager  
Chubb





# Thrive in Finland

Join the most diverse international business network in Finland, and access the following exclusive benefits designed to help your business succeed:

Country Manager Network sessions every 3 months. Admittance is limited and vetted.

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Expand your influence at bi-annual meetings and briefings with ministers and government committees.

Engage and build your profile in constructive high-level discussions with policymakers in Finland.

Education and inspiration from subject-matter experts and thought-leaders at around 30 Amcham exclusive events, briefings, and CEO roundtables annually.

Increase your business and personal visibility by attending our events, speaking at an event, or being featured in a blog or our social media channels.

Support other international leaders with tailor-made crash courses by local insiders to navigate the world of Finnish politics and business culture.

Receive valuable resources, such as exclusive interviews with country manager and newsletters covering FDI and relevant policy.



## Why am I a member?

“As foreign business person in Finland, it can feel lonely at times. It is at times difficult to get your voice across as foreigner and benefit from the same infrastructure offered to Finnish business. **Amcham Finland is the perfect amplifier.**”

Egbert Schram  
CEO | Hofstede Insights

# Thank you for your interest in Finland – we would love to hear from you!

At August Associates and Amcham Finland, it is our desire to ensure that businesses have the knowledge, know-how and support available to succeed!

This material may be used for any promotional and presentation needs you may have. If you need a PowerPoint version, or have any questions or comments, please contact one of us below.

Contact me if you have any comments or questions about the material



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