



Doing Business in Finland:

2009 Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business in Finland](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

Chapter 1: Doing Business in Finland

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

- Finland joined the European Union (EU) in 1995 and has continued to grow as a market for international business.
- Finland shares with Russia a 900-mile long border, the longest contiguous land border in the EU. Finland has a unique position as the center of a rapidly developing marketplace formed by northwestern Russia, the Scandinavian countries, and the Baltic States, with more than 80 million prospective consumers.
- Finland is the only Nordic country to replace its national currency, the Finnish mark, with the euro (in 2002). Contrary to popular misconception, Finland is not a part of Scandinavia.
- Finland has a largely homogeneous population of about 5.3 million. There are about 5,000 Americans resident in Finland, and some 50,000 visit the country each year.
- Finland has a highly developed industrial economy and is a global leader in telecommunications and high-technology applications. Finland routinely ranks among the top in international surveys of research and development, or R&D, funding, competitiveness, transparency, literacy, and education. Per capita income was about \$46,300 in 2008.
- Two-way trade between the U.S. and Finland was about \$8.8 billion in 2007, chiefly in the electronics, paper, medical equipment, and telecommunications industries.
- The United States remains an important trading partner for Finland outside of Europe. With Finnish imports of American goods and services in 2007 valued at around \$2.9 billion, the United States was Finland's eighth largest supplier after Russia, Germany, Sweden, China, the United Kingdom, the Netherlands, and France.
- In 2007, the United States was Finland's fourth largest customer after Germany, Sweden, and Russia, with Finnish exports of goods and services to the United States valued at about \$5.9 billion.
- Nokia, headquartered in Espoo, has grown to become a multi-national giant representing a relatively small country in population size. Its contribution to the Finnish economy continues to be significant.
- As an EU member state bordering Russia, Finland remains vital as a trans-shipment channel to the Russian market, especially in the northwestern regions. About 40 percent of the EU's road shipments to Russia are shipped from Finland or arrive via Finland. Russia is currently Finland's biggest trading partner. Finland's excellent infrastructure and its geographical proximity to Russia and the Baltic countries, especially Estonia, give Finland an advantage as a gateway to these expanding markets.

Market Challenges

[Return to top](#)

- Finland's import climate is open and receptive to U.S. products and investments. There are no significant trade barriers.
- The domestic market is small, but the country can serve as a base for business operations in the Nordic, Baltic, and/or Western Russian markets.

Market Opportunities

[Return to top](#)

- Excellent opportunities exist in the sectors of computers and related software, environmental technologies, telecommunications, medical equipment, biotechnology, safety/security, and franchising.

Market Entry Strategy

[Return to top](#)

- U.S. exporters seeking general export information and assistance or country-specific commercial information should consult with their nearest Export Assistance Center or visit the U.S. Department of Commerce's Web site, <http://www.export.gov>.
- Information about services offered by the U.S. Commercial Service in Helsinki, Finland, can be found at <http://www.buyusa.gov/finland>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3238.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

One exclusive agent/distributor is usually appointed to cover commercial activities throughout Finland, mainly due to the relatively small size of the country's market. Finnish importers often represent many different product lines. In selecting a representative, the exporter should ascertain whether that company handles competing products. Consumer goods and similar merchandise requiring maintenance of stock are often imported through wholesalers or trading houses. Such products may also be sold directly to retail chains, department stores, and other retail outlets.

Contacting local trade associations for a list of importers is a good way of finding a distributor in Finland. Finnish importers attend major trade fairs in Europe and in the United States in order to find new products and ideas, but also to find new representation. The Commercial Section of the American Embassy also assists in finding agents/distributors for U.S. exporters through an International Partner Search (IPS), a matching Gold Key Service (GKS), or other networking activity.

Establishing an Office

[Return to top](#)

Please visit <http://www.investinfinland.fi/> for information on establishing an office in Finland.

Franchising

[Return to top](#)

The Finnish franchising market is estimated to be over \$6 billion in 2008. There are close to 200 franchising systems in Finland operating over 6,000 units around the country. Over one-quarter of the franchising systems are foreign-owned. Franchising has increased in popularity during the past few years, as investors better understand the business concept; e.g. franchising involves lower risks for companies expanding their operations. There are no specific statutes regulating franchises, but as with distribution agreements, a number of statutes impact on them indirectly. For more information on franchising see Chapter 4: Leading Sectors for U.S. Export and Investment.

Direct Marketing

[Return to top](#)

In 2007, the total amount spent on direct marketing (direct mail) in Finland was \$760 million, up by 2 percent from 2006. The share of Addressed Bulk Mail increased more than Un-addressed Delivery. In average, the share of direct mail as a marketing media in advertising is 20 percent. Direct marketing campaigns are becoming more diversified and the size of consignments is becoming smaller. Advertising is being more precisely segmented and special media is used to reach new target groups. The use of electronic messaging for marketing purposes is also growing briskly. The direct marketing channels most commonly used in Finland are:

- Direct mail
- Telemarketing
- Face-to-face selling
- Internet marketing
- Direct-response advertising
- Catalogs

Joint Ventures/Licensing

[Return to top](#)

Joint ventures serve as an option for setting up a business in Finland. Issues that need to be addressed include possible tax implications, local legal systems, accounting principles, special permits and registration procedures.

Several U.S. companies have established themselves in the Finnish market with subsidiaries or joint ventures, with an interest in access to Finnish-Russian joint ventures. A number of Finnish firms are interested in using their long-established contacts in the former Soviet Union and the Baltic countries to market U.S. goods. Due to its physical proximity and Finland's network of railroad and air connections, there are many strong selling features regarding access to Russia. In addition to unique access, Finland possesses profound expertise about the Russian market.

Product Licensing agreements are quite common in Finland because of the good quality of Finnish manufacturing, the small size of the market and the relatively high cost of transporting goods to the country. Royalties and licensing fees may be freely transferred out of Finland.

Selling to the Government

[Return to top](#)

The annual total amount of public procurement is estimated at around \$30.8 (€22.5) billion, approximately 15% of Finland's GDP.

Finnish procurement agencies follow the procurement procedures of the EU and the World Trade Organization (WTO). The EU rules of procurement and the WTO's GPA agreement only apply to procurements above the threshold value. National legislation requires procurement units to submit competitive tenders for procurements that fall below the threshold value. This is done by sending requests for tenders to a number of potential suppliers or by publishing an announcement. For more information on Government tenders, please see Ministry of Employment and the Economy <http://www.tem.fi> and TED - Tenders Electronic Daily: <http://ted.europa.eu/>

Distribution and Sales Channels

[Return to top](#)

Distribution channels in Finland are similar to those in the United States. Goods may be sold through an agent, distributor, established wholesaler, or selling directly to retail organizations. Most of the larger importers, wholesalers, and trading houses are members of the Federation of Finnish Commerce (www.suomenkauppa.fi), which is a central organization of 10,000 companies as well as trade associations covering the bulk of foreign goods sold to Finnish trade and industry.

The Finnish Foreign Trade Agents' Federation (www.agenttiliitto.fi) is an association of commercial agents, distributors, and importers. It has 18 divisions for different products. Its members are relatively small, private companies, most of them operating in sectors such as textiles, apparel, furnishings, and raw materials.

Selling Factors/Techniques

[Return to top](#)

Selling factors and techniques are very similar in Finland to those in the United States. Terms generally applied to international trade with industrialized countries apply to selling in Finland. When selling to the Finnish market, it is recommended that a local agent/distributor that has a sales network covering the whole of Finland be appointed. Only one local distributor is needed to cover the whole country, as Finland's market is small; but, because distances are long, a distributor with a countrywide network is most desirable. Consumer goods and similar merchandise requiring maintenance of stock are often imported through wholesalers or trading houses. These products can also be sold directly to retail chains, department stores, and other retail outlets. U.S. suppliers should provide the local distributor with English language product literature and export prices. Strong promotion efforts are very important to introduce new products into the Finnish market.

Electronic Commerce

[Return to top](#)

Online shopping in Finland is increasing rapidly. According to an online shopping index published by Gagar Oy that includes a third of all active on-line shopping sites in Finland, online shopping has increased almost sevenfold in the last three years. The growth has slightly slowed, but is still rapid.

According to Statistics Finland's data collected in spring 2008, 83% of 16-74 year-old Finns had used the Internet during the three months preceding the interview. The Internet is most commonly used for e-mail (90% of the respondents), for finding information on goods and services (86%), for using online bank services (84%), for finding information on travel and accommodation services (71%), and for reading online magazines and newspapers (63%). The use of online bank services, online shopping, and travel service browsing have increased significantly. In spring 2008, the survey also included questions on the use of instant messaging (Skype, Messenger). 37% of the respondents had used instant messaging service during the three months prior to the survey.

Also, gender differences in on-line shopping have disappeared, with women constituting approximately 50% of all Internet users and of those who had bought commodities via the Internet.

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules are currently set to expire at the end of 2009.

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

Trade Promotion and Advertising

[Return to top](#)

EU General Legislation

Laws against misleading advertisements differ widely from Member State to Member State within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a Directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member States can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. From 2009 the rules will allow for US-style product placement on television and the three-hour/day maximum of advertising will be lifted. However, a 12-minute/hour maximum will remain. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are now considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These new rules will outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission plans to present a new framework for information to patients on medicines in 2008. The framework would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

Key Link:

http://ec.europa.eu/enterprise/pharmaceuticals/patients/patients_key.htm

Local Fair Authorities:

The Finnish Fair Corporation/Helsinki Fair Center, www.finnexpo.fi

Helsinki Fair Ltd./Wanha Satama, www.wanhasatama.com

Jyvaskyla Congress Center Ltd, Jyvaskyla Fair Ltd, and the Keskimaa Group/Jyvaskyla Paviljonki, www.jklfairs.fi

The Turku Fair and Congress Center Ltd., www.turunmessukeskus.fi

Lahti Fair Ltd., www.lahdenmessut.fi

Tampere Trade Fairs Ltd., www.tampereenmessut.fi

Local Newspapers:

Helsingin Sanomat, www.hs.fi

Hufvudstadsbladet (Swedish daily), www.hbl.fi
Aamulehti, www.aamulehti.fi
Iltalehti, www.iltalehti.fi
Iltasanomat, www.iltasanomat.fi
Kaleva, www.kaleva.fi
Keskisuomalainen, www.ksml.fi
Savon Sanomat, www.savonsanomat.fi
Turun Sanomat, www.turunsanomat.fi

Business Magazines/Journals:

Kauppalehti (Business daily), www.kauppalehti.fi
Talouselama (Business weekly), www.talouselama.fi
Tekniikka & Talous (Business weekly), www.tekniikkatalous.fi
Tietoviikko TIVI (Business weekly), www.tietoviikko.fi

Radio/TV:

Metroradio Finland Oy (Classic Radio Oy, www.classicradio.fi, Groove FM, www.groovefm.fi, MetroFM, www.metrofm.fi, SuomiPOP, www.radiosuomipop.fi)
MTV Media Radio Group (Radio Nova, www.radionova.fi)
SBS Finland Oy (Iskelma-ketju, www.iskelma.fi, Radio 957, www.radio957.fi, Radio Sata, www.sata.fi, Radio Jyvaskyla, www.radiojkl.fi, Radio Mega, www.radiomega.fi, and Voice, www.voice.fi)
Sanoma Corporation (Radio Helsinki, www.radiohelsinki.fi)
Finnish Broadcasting Company YLE Radio (YLE Radio 1, YLEX, YLE Radio Suomi, YLE Radio Peili, Radio Extrem, Radio Vega), and TV (YLE TV1, TV2, Teema, Swedish Language Television FST5) Center, www.yle.fi
MTV OY (Commercial TV www.mtv3.fi, and SubTV www.sub.fi)
NELONEN (Channel Four Finland), www.nelonen.fi
WELHO (SW Television OY / Welho), www.welho.fi

U.S. Commercial Service Finland services: Business Service Providers (BSP), Featured U.S. Exporters (FUSE), and Single Company Promotion (SCP), www.buyusa.gov/finland/en

Pricing

[Return to top](#)

All goods and services are subject to a value-added tax (VAT), which ranges from 8 percent on books, drugs, and pharmaceuticals, 17 percent on foodstuffs and feeds, to 22 percent on industrial goods. Excise taxes are levied on fuel, alcohol, beer, tobacco, soft drinks, and mineral water.

Finland is an EU country. Imports from the other EU countries enter Finland duty-free and without customs formalities. The EU also has free trade agreements with a large number of non-EU countries (e.g., countries that belong to the Pan-European Cumulation and the European Free Trade Association, or EFTA). Imports from these countries, with some exceptions, enter Finland duty-free if the products have been manufactured in one of these countries. However, import duties are levied on imports

from countries such as the United States, Australia, Japan, and Canada, depending on specific product lines.

Sales Service/Customer Support

[Return to top](#)

As a rule, one exclusive agent/distributor is appointed to cover the entire country. Finnish importers often represent several different product lines. Importers may serve large customers themselves, while dealers work with smaller customers, often located outside the Helsinki metropolitan area. Dealers are often specialized in supplying a specific industry area. Training, usually organized and carried out by dealers, is an important aspect. Service points should cover the whole country rather than just the southern parts.

Conscious of the discrepancies among EU Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

Product Liability

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link: http://ec.europa.eu/enterprise/regulation/goods/liability_en.htm

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);

- A price reduction; or
- Rescission of the sales contract.

Key link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm

Protecting Your Intellectual Property

[Return to top](#)

Introduction

Several general principles are important for effective management of intellectual property rights in Finland. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in Finland than in the U.S. Third, rights must be registered and enforced in Finland, under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can often provide a list of local lawyers upon request.

It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Finland. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Finland require constant attention. Work with legal counsel familiar with Finnish laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both Finland or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)

- Biotechnology Industry Organization (BIO)

IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: 1-800-786-9199.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: 1-202-707-5959.
- For US small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.
- For an in-depth examination of IPR requirements in specific markets, toolkits are currently available in the following countries/territories: Brazil, Brunei, China, Egypt, European Union, India, Italy, Malaysia, Mexico, Paraguay, Peru, Russia, Taiwan, Thailand, and Vietnam.
- For assistance in developing a strategy for evaluating, protecting, and enforcing IPR, use the free Online IPR Training Module on www.stopfakes.gov.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Finland at: <http://www.buyusa.gov/europeanunion>

IPR Climate in Finland

See Investment Climate Statement.

The Finnish legal system protects property rights, including intellectual property, and Finland adheres to numerous international agreements concerning intellectual property. Finland has joined the most important copyright agreements. For further information, please see <http://www.prh.fi> (National Board of Patents and Registration of Finland Industrial Property Office), and <http://www.minedu.fi> (Ministry of Education and Culture Copyright Office).

Dun & Bradstreet Finland Oy and Suomen Asiakastieto Oy offer a variety of business and credit information services. For further information, please contact:

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<http://www.asiakastieto.fi/en/index.shtml>

U.S. Commercial Service Finland offers U.S. Companies International Company Profile (ICP) reports. The ICPs are designed to help U.S. companies enter international business relationships with confidence. ICPs provide background checks on overseas companies that provide U.S. firms with information to help assess foreign firms as business partners. For further information please visit <http://www.buyusa.gov/finland/en>

Local Professional Services

[Return to top](#)

Please visit U.S. Commercial Service Finland's website - Local Business Service Providers: <http://www.buyusa.gov/finland/en/bsn.html>

Web Resources

[Return to top](#)

The Finnish Franchising Association: <http://www.franchising.fi>

The Finnish Direct Marketing Association (Finnish DMA): <http://www.asml.fi>

Local government authorities:

Ministry of Employment and the Economy: <http://www.tem.fi>

Tenders Electronic Daily: <http://ted.europe.eu/>

U.S. Commercial Service Finland services: Business Service Providers (BSP), Featured U.S. Exporters (FUSE), and Single Company Promotion (SCP), <http://www.buyusa.gov/finland/en>

The Federation of Finnish Commerce, www.suomenkauppa.fi

The Finnish Foreign Trade Agents' Federation www.agentiliitto.fi

Trade Promotion and Advertising:

General Legislation (EU),

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

Medicine (EU), http://ec.europa.eu/enterprise/pharmaceuticals/patients/patients_key.htm

Local Fair Authorities:

The Finnish Fair Corporation/Helsinki Fair Center, www.finnexpo.fi

Helsinki Fair Ltd., www.wanhasatama.com

Jyvaskyla Fair Ltd., www.jklfairs.fi

The Turku Fair and Congress Center Ltd., www.turunmessukeskus.fi

Lahti Fair Ltd., www.lahdenmessut.fi

Tampere Trade Fairs Ltd., www.tampereenmessut.fi

Local Newspapers:

Helsingin Sanomat, www.hs.fi

Hufvudstadsbladet (Swedish daily), www.hbl.fi

Aamulehti, www.aamulehti.fi

Iltalehti, www.iltalehti.fi

Iltasanomat, www.iltasanomat.fi

Kaleva, www.kaleva.fi

Keskisuomalainen, www.ksml.fi

Savon Sanomat, savonsanomat.fi

Turun Sanomat, www.turunsanomat.fi

Business Magazines/Journals:

Kauppalehti (Business daily), www.kauppalehti.fi

Talouselama (Business weekly), www.talouselama.fi

Tekniikka & Talous (Business weekly), www.tekniikkatalous.fi

Tietoviikko TIVI (Business weekly), www.tietoviikko.fi

Radio/TV:

Metroradio Finland Oy (Classic Radio Oy, www.classicradio.fi, Groove FM, www.groovefm.fi, MetroFM, www.metrofm.fi, SuomiPOP, www.radiosuomipop.fi)

MTV Media Radio Group (Radio Nova, www.radionova.fi)

SBS Finland Oy (Iskelma-ketju, www.iskelma.fi, Radio 957, www.radio957.fi, Radio Sata, www.sata.fi, Radio Jyvaskyla, www.radiojkl.fi, Radio Mega, www.radiomega.fi, and Voice, www.voice.fi)

Sanoma Corporation (Radio Helsinki, www.radiohelsinki.fi)

Finnish Broadcasting Company YLE Radio (YLE Radio 1, YLEX, YLE Radio Suomi, YLE Radio Peili, Radio Extrem, Radio Vega), and TV (YLE TV1, TV2, Teema, Swedish Language Television FST5) Center, www.yle.fi

MTV OY (Commercial TV www.mtv3.fi, and SubTV www.sub.fi)

NELONEN (Channel Four Finland), www.nelonen.fi

WELHO (SW Television OY / Welho), www.welho.fi

Product Liability (EU), http://ec.europa.eu/enterprise/regulation/goods/liability_en.htm

Product Safety (EU), http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service (EU),
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [Franchising](#)
- [Travel and Tourism Services](#)
- [Medical Equipment](#)
- [Telecommunications Services and Equipment](#)
- [Computers and Peripherals](#)
- [Environmental Technologies](#)
- [Computer Software](#)
- [Energy](#)
- [Safety and Security](#)
- [Biotechnology](#)

Franchising (FRA)

Overview

[Return to top](#)

Data Table - \$ Millions	2006	2007	2008 (estimated)
Total Market Size	5219	5685	6219
Total Local Production	3914	4264	4664
Total Exports	N/A	N/A	N/A
Total Imports	1305	1421	1555
Imports from the U.S.	392	426	467

Exchange Rate: \$1=€ 0.73 (year 2007 average)

Source: The Finnish Franchising Association, University of Kuopio, Dept. Business & Management, (the statistics are unofficial estimates).

The total market for franchising in Finland is estimated to be over \$6 billion in 2008 with a steady annual growth rate of 8-10 percent. There are close to 200 franchising systems in Finland operating over 6,000 units around the country.

The growth potential for franchising businesses continues to be strong in Finland. Population density in urban areas and changes in economic and social factors indicate that franchising will continue expanding into new business areas. Growing demand in the services sector along with increased interest in self-employment will foster many new franchising opportunities.

Domestic franchises dominate the market. Just over one-quarter of the franchising systems are foreign. U.S. franchise companies in Finland are mostly fast food restaurants and automotive service businesses. U.S. franchises tend to have high brand recognition among the general public.

Best Products/Services

[Return to top](#)

Franchising opportunities exist in all market sectors – retail, restaurant and services. The services sector, which includes consumer and Business-to-Business services, is the fastest growing and offers the best market potential for new franchise businesses.

U.S. franchise companies in Finland are concentrated in automotive services (car rental) and fast food. Most of these companies have strong brand recognition and are considered old-timers in the market. The U.S. companies currently in the market are: Avis, Budget, Hertz, National, McDonald's, Subway, Pizza Hut, Novus (car windshield repair), RE/MAX real estate, TOYS"R"US, and Home Instead Senior Care.

Opportunities

[Return to top](#)

The best opportunities for new franchises are in the undeveloped areas of Business-to-Business (B2B) and consumer services. B2B services, such as personnel, building repair/maintenance, training, and Information Technology (IT) offer great opportunities for U.S. companies. Demand is also increasing for consumer services such as cleaning services, interior design, nursing, and other personal welfare services such as beauty, health/exercise, and general well being.

The retail sector offers new franchising opportunities in the field of consumer electronics, consumer durables, and giftware. Apparel, food, and personal care products continue to be good prospects for U.S. franchises.

The franchise-based restaurant sector is currently made up of mostly coffee shops and fast food restaurants. The "casual dining" concept offers potential for U.S. restaurant chains.

Resources

[Return to top](#)

The Finnish Franchising Association, <http://www.franchising.fi>
mia.maki@mail.doc.gov (local contact)

Travel and Tourism Services (TRA)

Overview

[Return to top](#)

Data Table - \$Millions	2006	2007	2008 (estimated)
Total Market Size	4420	4673	4855
Total Local Production	5460	5730	6015
Total Exports	2363	2818	3100
Total Imports	3403	3875	4260
Imports from the U.S.	206	226	250

Exchange rate: \$1=€0.73 (year 2007 average)

Source: Statistics Finland, Balance of Payments (travel). Domestic travel and 2008 figures are unofficial estimates.

The United States is one of the main long-haul destinations for Finns. In 2007, over 96,000 Finns traveled to the United States. Florida, California, and New York continue to be the best prospects for the U.S. travel industry. First time travelers, families with children, and senior citizens favor Florida, whereas younger people and experienced travelers favor New York and the West Coast.

A growing interest in travel has increased the number of Finns traveling abroad. Finns favor long-haul travel and Mediterranean destinations. Majority of Finns traveling abroad favor "sun and sand" followed by city destinations. However, a growing number of travelers are looking for activity holidays. Local culture, golf, fishing, diving, sailing, skiing and many other activities have become important for Finns when traveling abroad. Therefore, Finns have shown interest in other destinations such as Alaska, Arizona, Hawaii, Nevada, and New Mexico.

Finns made 31,000 business trips to the United States in 2007. This number is expected to increase in the future. New York City, Chicago, Boston, Los Angeles, Atlanta, and Las Vegas are the most important destinations for Finnish business people.

Finnair, the national air carrier is the only airline based in and operating flights from Finland to the United States. During the high season, Finnair has daily non-stop flight service to New York. During winter 2008-2009, it will also operate direct flights from Helsinki to Fort Lauderdale once a week. Out of U.S. air carriers, Delta Air Lines is represented by Yellow Sky Oy Ltd, Continental Airlines by Matkantekijat Oy, and Northwest Airlines by KLM Royal Dutch Airlines. American Airlines, which has codeshare arrangement with Finnair, is represented through a sales office in Stockholm, Sweden.

There are no restrictions on the Finnish foreign travel. Since October 1, 1991, Finland has been included in the visa waiver program for visits up to 90 days in length. Machine-readable passports were introduced in Finland in 1987, and biometric passports in August 2006.

Best Prospects/Services

[Return to top](#)

Florida, California and New York continue to be the best sales prospects for the U.S. travel industry. Chicago, Boston, Los Angeles, Atlanta, Las Vegas, and New York City are the most popular destinations for Finnish business travelers.

Resources

[Return to top](#)

www.finnexpo.fi (Helsinki Fair Center)
www.smal.fi (Association of Finnish Travel Agents)
www.discoveramerica.fi (Discover America Committee Finland)
www.mek.fi (The Finnish Tourist Board)
www.fbta.net (Finnish Business Travel Association)
www.sayl.fi (League of Finnish American Societies)
merja.poikolainen@mail.doc.gov (local contact)

Medical Equipment (MED)

Data Table - \$Millions	2006	2007	2008 (estimated)
Total Market Size	900	740	760
Total Local Production	1335	1103	1135
Total Exports	1075	1050	1080
Total Imports	635	685	720
Imports from the U.S.	170	178	185

Exchange rate: \$1=€0.73 (year 2007 average)

Sources: The Finnish Healthcare Technology Association, National Board of Customs Finland, and local sources. Local production and 2008 figures are unofficial estimates.

In Finland, the total market for medical equipment was estimated at \$760 million in 2008 by the Finnish Healthcare Technology Association. The operating costs of Finnish hospitals have been reduced, and major hospital procurement is mainly replacing older equipment and buying some new. However, investments in new medical equipment within the private health care sector are expected to increase.

With an import market share of 26 percent, the United States is the most important external supplier of medical equipment in Finland. Other important external supplier countries are Germany, Sweden, France, Japan, and Switzerland. High quality and technically sophisticated medical equipment has the best market potential in Finland, especially equipment that increases efficiency and reduces occupancy rates in hospitals. Products, such as the following, have the best sales potential in Finland:

- Patient monitoring systems
- Mini invasive surgery (MIS)
- Day surgery equipment
- Magnetic resonance imaging (MRI) equipment
- Video endoscopes
- Digital image processing
- Picture archiving

Finland joined the European Union (EU) in 1995. As a member of the EU, Finland's local legislation concerning medical devices complies with EU directives. Please see www.nam.fi/legislation for further information on both local and EU legislation.

Medical trade is duty-free within the European Union. Import duties are collected from production coming from non-EU countries. The amount of duty for medical equipment exported from the United States fluctuates according to a specific product, ranging from 5-12 percent.

Local production was estimated at \$1.1 billion in 2008, consisting mainly of dental equipment, anesthesia monitors, specialized x-ray equipment, and chemical analyzers. Local production and imports do not overlap, as they do not compete with each other. About 95 percent of local production is exported because of the small domestic market size.

Best Products/Services

[Return to top](#)

Products such as patient monitoring systems, mini invasive surgery (MIS), day surgery equipment, magnetic resonance imaging (MRI) equipment, video endoscopes, digital image processing, and picture archiving.

Opportunities

[Return to top](#)

Please see the Supplement to the Official Journal of the European Union:
<http://ted.europa.eu>

Resources

[Return to top](#)

www.sailab.fi (Association of Laboratory and Health Care Products Suppliers – SAI-LAB)
www.finnexpo.fi (Helsinki Fair Center)
www.stm.fi (Ministry of Social Affairs and Health)
www.nam.fi (National Agency for Medicines, Medical Devices)
www.vtt.fi (VTT Industrial Systems, Medical Device Technology Group)
merja.poikolainen@mail.doc.gov (local contact)

Telecommunications Services and Equipment (TEL, TES)

Overview

[Return to top](#)

Telecommunications equipment market

Data Table - \$Millions	2006	2007	2008 (estimated)
Total Market Size	9625	9220	7755
Total Local Production	13480	13100	11135
Total Exports	6495	6380	5500
Total Imports	2640	2500	2120
Imports from the U.S.	270	268	255

Exchange Rate: \$1=€0.73 (Year 2007 average)

Source: Statistics Finland and local contacts.

Although with only 5.3 million people the Finnish market is small, Finnish consumers and companies have proven to be quick to adopt new technologies. The telecommunications market in Finland is fully liberalized – no licenses are needed, except for digital television networks and building mobile networks. Finland's Ministry of Transport and Communications is responsible for licensing.

The fact that Finland was among the first to open its telecommunications market has resulted in low mobile tariffs; according to a recent Organization for Economic Cooperation and Development (OECD) study comparing average mobile phone charges across the OECD countries, in 2007, Finland ranked number one for the third year in a row. Finland has been a pioneer in popularizing mobile phones. At the beginning of 2000 it was the country with the highest penetration rate in the world: 65% of Finns were already using mobile phones. The penetration rate now stands at 100% and there are nearly 5.2 million subscribers.

Since July 2003, mobile customers have been able to switch operators while preserving their mobile numbers. This has made switching operators more attractive to customers, and thus substantially increased competition between service providers, in the already highly competitive telecommunications market. With an Internet penetration rate of 79%, Finland is among the top nations in Internet use. It is also the world's leading country in electronic banking.

The two major operators in the fixed-line telecommunications market are Elisa Communications and TeliaSonera. Most smaller Finnish telephone companies operate under the Finnet group, which is the third largest player in the fixed line market. The major players are facing increasingly strong competition from newer providers of fixed-line, mobile, and Internet services. Third-generation mobiles are foreseen to become more widespread in Finland. One of the reasons is the ending of the ban on "tie-in" sales of phones and services.

On June 22, 2005, the Government granted an operating license at 450 MHz to Digita Oy to build a new digital mobile communications network, using Flash-OFDM (Fast Low-latency Access with Seamless Handoff, Orthogonal Frequency Division Multiplexing) technology. In April 2007, Digita launched the mobile broadband service "@450", which, by the summer of 2008, covered 90% of populated areas in Finland. Digita leases its network to operators who sell the service to consumers. The network achieves 1 Mbit/s downlink speed and 512 kbit/s uplink speed.

The goal of national broadband strategy is to allow every Finn to have access to high-speed, easy-to-use, and affordable data transfer connections and to make Finland a European leader in availability and use of high-speed telecommunications. In 2006, the growth rate was 22%, and by the end of the year, Finland had a total of 1.428,000 broadband subscriptions, including households and corporate customers. By the end of September 2007, the number of broadband subscriptions had reached 1.574,000. A new government resolution, made on December 4, 2008, aims to further spread and enhance the availability and quality of broadband in Finland. In the first stage, by the end of 2010, every permanent home as well as business and government building will have a broadband connection of at least 1 Mb/s. In the second stage, by the end of 2015 at the latest, a minimum of 100 Mb/s broadband should be available to nearly everyone in the country.

Best Prospects/Services

[Return to top](#)

Although highly competitive, the telecommunications sector is also growing fast, with high demand for Internet and mobile services and content expected to continue. With the increasing numbers of broadband Internet connections, e-commerce is expected to benefit.

Due to high technical standards and the liberalized telecommunications market, Finland serves as an excellent test base for new technologies for U.S. Information technology (IT) companies. U.S. IT companies wishing to enter the Baltic markets and Russia (especially St. Petersburg) should view Finland as a natural gateway and Finnish companies as experienced partners in any such effort.

Opportunities

[Return to top](#)

Please see the Supplement to the European Union Official Journal
<http://ted.europa.eu>.

See also www.e-finland.fi (e-business projects).

Resources

[Return to top](#)

Helsinki Fair Center www.finnexpo.fi

Ministry of Transport and Communications www.mintc.fi

Finnish Federation for Communications and Teleinformatics www.ficom.fi

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Computers and Peripherals (CPT)

Overview

[Return to top](#)

Data Table - \$Millions	2006	2007	2008 (estimated)
Total Market Size	3360	3390	3220
Total Local Production	800	810	770
Total Exports	700	710	675
Total Imports	3260	3290	3125
Imports from the U.S.	290	293	278

Exchange rate: \$1=€0.73 (Year 2007 average)

Source: National Board of Customs and local contacts.

Note: The table figure “Imports from the U.S.” does not include U.S. computer hardware exported from plants located in the European Union (EU) countries.

Finland’s population of 5.3 million people comprises a highly sophisticated market for computer hardware and software. This is illustrated by the fact that Finland has one of the highest numbers of computers per capita connected to the Internet. Presently, a majority of Finnish homes have computers as well as access to the Internet either at home, at work, or through a local institution, such as a library.

The United States is Finland’s leading external source of computers and peripherals. There are about 4,200 local computer-related companies in Finland. About 3,700 companies have less than five employees, and the five largest companies cover about 60 percent of the industry sector’s sales volume.

After several years of growth, the computer market in Finland is expected to decline in 2009, as individuals and companies postpone computer hardware investments, because of the global downturn. According to local sources, the value of the computer equipment market will decline in 2009 by nearly five percent, compared to 2008.

Cheap and portable mini laptops are expected to sell well, however, and the demand for video conferencing systems is expected to rise with improving technology, and because of the savings they allow companies to achieve in travel expenses. Laptop and mini

laptop sales in Finland greatly surpass desktop sales – only one in five consumers choose a desktop over a laptop. Mini laptop sales make up 10 % of all laptop sales.

Finland's import climate is very open and receptive to U.S. products. Because Finland is a member of the European Union (EU), products manufactured in the EU are not subject to import duty if manufactured within the common market. However, since the beginning of 1999, computer hardware imported to Finland from third countries, such as the United States, has also entered Finland duty-free. Regardless of the origin of production, Finland applies a value-added tax of 22 percent to all imported goods.

Best Prospects/Services

[Return to top](#)

Products on the cutting edge of technology dominate the Finnish hardware market. Currently, the demand for computers and peripherals is being dampened by the financial decline, but certain products, such as cheap mini laptops and video conferencing equipment are expected to sell well.

Best future prospects are likely to come from new innovation and advances in existing technology.

Opportunities

[Return to top](#)

Please see the Supplement to the European Union Official Journal

<http://ted.europa.eu>.

Resources

[Return to top](#)

Helsinki Fair Center www.finnexpo.fi

Ministry of Transport and Communications www.mintc.fi

Finnish Federation for Communications and Teleinformatics www.ficom.fi

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Environmental Technologies (ENV)

Overview

[Return to top](#)

Data Table - \$Millions	2006	2007	2008 (estimated)
Total Market Size	4370	4605	4835
Total Local Production	5483	6151	6766
Total Exports	4569	5126	5638
Total Imports	3456	3580	3687
Imports from the U.S.	191	156	132

Exchange Rate: \$1=€0.73 (year 2007 average)

Source: National Board of Customs.

The market for environmental technology is estimated to be over \$4 billion in 2008, including professional services. The market growth is likely to slow down mostly due to

the economic downturn having a heavy impact on the metals and the pulp and paper industry, the two major investors in environmental technology. The primary technology investments for these industries have been air pollution and water protection technologies.

The environmental sector in Finland has evolved into a dynamic area where production of new technologies is gaining international prominence. Both individuals and leaders of industry have become highly conscious of the high standards of environmental protection and preservation. In Finland, the necessity for utilizing the best available technology is included in the Water Act, Air Pollution Control Act, Waste Act and Sea Protection Act. In addition, the producer responsibility principle in waste management has increased reuse and recycling, offering new business opportunities.

Demand for air pollution control equipment continues to be strong in Finland due to increasing environmental concerns in the surrounding countries (i.e. in Russia the Kola Peninsula, St. Petersburg and the Baltic States). Given the U.S. reputation for providing high quality air pollution control equipment, these products have good potential in Finland.

The key competitive factors in selling environmental technology in Finland are quality and level of technology, with price as a secondary factor. Using a distributor / importer is highly recommended as they have direct distribution channels to the end users, strong relations with various industry representatives, and direct access to the municipalities.

There are over 2,000 environmental technology companies in Finland operating in different segments of the market. About 20 percent of the companies have operations abroad. The majority of the companies are small-to-medium size companies but there are a few big global players as well.

To support Finnish environmental technologies know-how in the field, the government-funded technology centers Tekes (Technology Development Center) and VTT (Technical Research Center of Finland) support and enhance R&D in environmental technologies. As a result of a national environmental business development program in 2007, Cleantech Finland concept was launched with an objective to make Finland the leading country in the environmental business, thus creating a market with increased local competition.

Best Products/Services

[Return to top](#)

The following products offer best potential for U.S. companies:

- Air and water pollution: Monitoring, measuring and sampling instruments for detection of air and water pollution.
- Sulphur dioxide emissions removal: All types of advanced air cleaning technologies that are used in the pulp and paper, chemical, and heavy metal industry, as well as in municipal energy and power plants. Given the high level of demand, competition within this market sector is strong.

- Nitrogen oxide emissions: The demand for nitrogen oxide emission removal equipment is growing, which includes catalytic converters and low nitrogen oxide combustion technology for burners and boilers.
- Small particles and dust reduction equipment: Products such as dynamic and electrostatic precipitators; fabric filters; centrifugal fans and blowers.
- Waste management: Equipment to improve waste management processes, in particular closed systems for lumber companies and for the prevention of phosphorous discharges.
- Municipal waste recycling and recovery: New technical advances for the entire recycling logistics chain, including sensors, separators, monitoring, optic handling device for metal recycling, crushers, and bio waste separation equipment.

Opportunities

[Return to top](#)

Please see the Supplement to the Official Journal of the European Union
<http://ted.europa.eu/>

Tekes, the National Technology Agency is the main public financing and expert organization for research and technological development in Finland. Tekes finances industrial R&D projects as well as projects in research institutes. Tekes especially promotes innovative, risk-intensive projects. <http://www.tekes.fi>

VTT, Technical Research Center of Finland is the biggest contract research organization in Northern Europe. VTT provides high-end technology solutions and innovation services and offers opportunities through its international scientific and technology network. VTT operates as a research and development partner in several fields of technology, the environment included. <http://www.vtt.fi>

Resources

[Return to top](#)

<http://www.environment.fi>
<http://ted.europa.eu/>
<http://www.tekes.fi>
<http://www.vtt.fi>
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Computer Software (CSF)

Note: Current statistics not available.

Overview

The software industry is one of Finland's most prominent industry sectors. The industry - along with software entrepreneurship - has grown rapidly since the early 1990s. At the end of 2007, there were about 1050 software companies in Finland. Their business

ranges from infrastructure software and data security solutions to various Internet and wireless applications, with strong technology forming the basis for innovative products. An increasing number of Finnish software companies seek to expand their operations to global markets and welcome contacts from U.S. companies.

The United States is the number one supplier of standard, non-customized application software. Competition for new-to-market computer software companies is strong and comes from previously established U.S. companies, such as Microsoft, Novell etc.

The Finnish software industry is characterized by the following trends:

- Expanding focus and application areas beyond traditional information and communications technology (ICT) software market (convergence)
- Fast-growing number of new start-up software companies
- Increasing role of Web-related software
- Fast-growing role of embedded software
- Increase in software exports
- Consolidation of software industry (mergers and acquisitions)
- Increase in mobile software

More than two out of three Finnish software companies develop and produce traditional ICT software. International software vendors have, however, rapidly increased their shares in the Finnish market. Finland's most common exporting countries are Sweden, the United States, and Germany.

Best Prospects/Services

[Return to top](#)

The software market is less affected by the financial downturn, and quality products in Business Intelligence, offering clear value to the customer, may do well in the market. Although competitive, the security market also offers opportunities for high-quality products. The Finnish market is small, and large companies are few in number - they tend to have established software systems. Therefore, software market opportunities for U.S. companies are mostly within the small and medium-sized enterprises (SME) market.

Finland has expertise in developing computer software products and is looking for U.S. partners that can provide funding.

Opportunities

[Return to top](#)

Please see the Supplement to the European Union Official Journal <http://ted.europa.eu>.

See also www.e-finland.fi (E-business projects).

Due to changes in recent years in Russia and the Baltic countries, Finland also serves as an excellent gateway to these emerging markets.

Resources

[Return to top](#)

Helsinki Fair Center www.finnexpo.fi

Ministry of Transport and Communications www.mintc.fi
Finnish Federation for Communications and Teleinformatics www.ficom.fi
Finnish Software Business Cluster www.swbusiness.fi
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Energy (ELP, REQ)

Overview

[Return to top](#)

Total Energy Consumption by Energy Source (2007)

Oil	24%
Wood Fuel	20%
Nuclear Energy	17%
Coal	13%
Natural Gas	10%
Peat	7%
Hydro Power	3%
Net Imports of Energy	3%
Others	3%
Total Energy Consumption:	1,481 PJ

Source: Statistics Finland

Energy Consumption by Sector (2007)

Industry and Construction	53%
Households and Agriculture	25%
Services and Public Sector	19%
Transmission and Distribution	
Losses	3%

Source: Statistics Finland

A Nordic country, Finland shares a long border with Russia. In Finland, an advanced, industrialized nation, energy consumption per capita is high. This is due to the cold, severe climate, long distances, high standard of living, and structure of Finnish industry.

Finland's energy consumption has increased more than 50 percent since the early 1970s. During the same period, industrial output and the total volume of construction have more than doubled. On an international scale, energy production and usage in Finland are quite efficient, corresponding to resource availability, production structure, and geographical location.

Finland is the fifth largest country in Europe, but has a population of only 5.3 million, mostly concentrated in urban areas. The share of forestland in Finland is the highest in Europe (about 70 percent). More than two-thirds of Finns live in urban areas; only 1.6 percent north of the Arctic Circle. Finland does not have its own fossil fuels - coal, oil or natural gas - but does have bio fuels, rich reserves of peat, and extensive wood resources.

Energy-intensive industries play a large role in the Finnish economy, which has spurred the development of efficient energy systems. The pulp and paper industry supplies over two-fifths of heat and electricity needs by utilizing solid and liquid wood residues. In Finland, peat has been defined as slowly renewing biomass fuel. It has a substantial share, 6 percent, of Finland's energy balance. As indigenous fuel, peat has a considerable effect on regional policy. It increases employment and security of the energy supply.

Finland has four nuclear power plants and is currently building a fifth. In December 2003, the power utility Teollisuuden Voima Oy (see www.tvo.fi) placed an order for a new nuclear power plant - Finland's fifth commercial reactor - from the French-German company Framatome ANP and a turbine plant from German Siemens. The Framatome ANP-Siemens consortium will supply the nuclear power plant unit as a turnkey delivery. The new nuclear power plant will cost about 3 billion euros, which makes it the largest single investment ever in Finland.

The location of the power plant is in Olkiluoto, located at Eurajoki, some 150 miles northwest of Helsinki. Its power output will be about 1,600 megawatts (MW). Building of the plant begun in the beginning of 2004. Additional nuclear capacity will be used to meet increased electricity demand, to replace aging and decommissioned production capacity, and to accommodate growing electricity imports.

The new power plant was expected to start up in 2009. However, completion of Finland's fifth commercial nuclear reactor will be delayed. The consortium formed by the French Areva and Germany's Siemens announced to the electric utility TVO that a further delay in construction means that the plant will not be ready for use until 2011. Recently, this estimate was pushed back still further, to June 2012.

The need for a sixth nuclear plant has also been under debate in Finland. In the spring of 2008, Teollisuuden Voima TVO was the first to submit a request to the Finnish government for a preliminary approval for the building of the sixth nuclear reactor, and Fennovoima followed suit in January 2009. This has started the political process, though a decision on the matter is still a long way off.

Finland is actively expanding the role of renewable energy in energy production, in accordance with the Finnish Action Plan for Renewable Energy, launched by the Ministry of Employment and the Economy in 1999 and updated in 2002. The goal is to double the utilization of renewable energy sources by 2025, relative to 2001, when the share of renewable energy was about 23 percent - 317 petajoules (PJ) or 7.6 Mtoe - of total energy consumption. The increase will be achieved primarily from increased utilization of bio energy. Wind power is rapidly gaining popularity worldwide and is an emerging form of power generation in Finland.

Best Prospects/Services

[Return to top](#)

Finnish energy companies use open tenders according to European Union regulations. The development of renewable energy in Finland is expected to offer opportunities for U.S. companies in introduction of innovative renewable energy source equipment technology. U.S. companies can also participate, in cooperation with Finnish companies, in TEKES (National Technology Agency) funded projects (see www.tekes.fi). The U.S. Department of Energy and Finland's Ministry of Employment and the Economy

have also an implementing arrangement for cooperation in energy research and development.

Opportunities for U.S. companies also exist in the following areas:

- Technology used for pellet production
- Heat pumps for heating of private houses
- Heat exchangers and heat meters
- Controls, pumps, piping
- Boilers for district heating
- Forest chippers
- Generators, gas engines
- Technology used in agricultural biomass
- Small scale hydro turbines
- Technology to upgrade existing hydro power plants
- Heat panels for oil heating systems

Opportunities

[Return to top](#)

Finnish energy companies use open tenders according to European Union regulations. Please see the Supplement to the European Union Official Journal <http://ted.europa.eu>.

Resources

[Return to top](#)

Finnish Energy Industries www.energia.fi
Invest in Finland Bureau www.investinfinland.fi
Finnish Funding Agency for Technology and Innovation www.tekes.fi
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Safety and Security (SEC)

Overview

[Return to top](#)

Note: Current statistics not available.

The safety and security market is estimated to be over \$1 billion in 2008. The market has grown constantly in the last ten years and the annual market growth rate is estimated to be close to 10 percent. General interest in private security products and services, public funding cutbacks in law enforcement resources, and outsourcing of safety and security related services by private and public entities have increased the market demand.

There are over 400 companies in the market, mostly ranging from small to middle-size companies. The largest security companies represent less than 2 percent of the companies in the market; however, these employ 77 percent of the industry's personnel, and generate over 70 percent of the Finnish security and safety sector's turnover.

Guarding services, structural security products, and information security products and services are the largest sub-sectors. The largest industries contracting security services are the manufacturing industry, real estate and construction, and trade in general. U.S. made safety and security products have a good reputation and are considered to be of high quality. On the downside, some products are also seen as expensive and not necessarily up to EU product standards.

There are no trade barriers for safety and security equipment. The customs duties vary between two to five percent. Products that are imported or exported within the EU must have CE marking.

Best Products/Services

[Return to top](#)

Structural security products, electronic security systems, home security and personal safety accessories such as burglar alarm systems and fire detection equipment, and data security are considered best prospects in the Finnish safety and security market.

The public government sector, especially on municipal level, along with private residences are becoming more and more interested in safety and security solutions available in the market.

Opportunities

[Return to top](#)

The bi-annual, local security industry trade fair FinnSec will be held in Helsinki, October 7-9, 2009. FinnSec is the most important safety and security event in the Nordic countries and the best possible forum to present products and services in the field. It attracts large numbers of decision makers responsible for safety and security at companies and other organizations.

Resources

[Return to top](#)

Finnsecurity ry <http://www.finnsecurity.fi>
FinnSec Trade Fair <http://www.finnexpo.fi/exhibition.asp?Id=1689>
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Biotechnology (BTC)

Overview

[Return to top](#)

Finland can be considered a biotechnology intensive country. Currently there are about 200 biotechnology companies in Finland. More than half of them operate in the health sector conducting research and development or manufacturing drugs, diagnostics or biomaterials. The Finnish companies constitute almost seven percent of the biotechnology companies in the European Union (EU). The number is considerable compared to Finland's population of 5.3 million.

Characteristic of a Finnish biotechnology company is that it is closely connected to universities, biocenters, and technology centers. Cooperation is highly intensive. The main areas of strength are pharmaceuticals, biomaterials, diagnostics, and enzymes.

The past has seen a dynamic bioscience industry emerge around Finland's universities and science parks.

The European Union represents the major foreign region of collaboration for Finnish biotechnology companies, followed by the United States. About 30% of Finnish biotechnology companies have R&D partners in the U.S. In particular, firms that are active in equipment development, drug development, and contract production have established partnerships in North America. Enzymes, food and feeds, and diagnostic services follow closely.

International research cooperation and participation in joint research projects has made Finnish know-how well known, and increased the interest of European and American companies and investors in Finnish biotechnology research. A growing number of biotechnology companies are collaborating with large international companies. Many international companies have also established a business in Finland. International capital investors have shown growing interest in Finnish biotechnology companies.

Note: No statistics available.

Best Products/Services

[Return to top](#)

The overall high level of public and private investment in biotechnology, and available infrastructure as well as technical know-how offer excellent opportunities for U.S. biotechnology companies, as well as venture capital firms to engage in joint ventures and strategic alliances. Also, some Finnish biotechnology companies that focus on research and product development do not have the required marketing and selling skills which offers cooperation possibilities for U.S. companies.

Resources

[Return to top](#)

www.finnexpo.fi (Helsinki Fair Center)

www.finbio.net (Finnish Bioindustries FIB)

www.biocenter.helsinki.fi/bi (Institute of Biotechnology, Viikki Biocenter, University of Helsinki)

www.sciencepark.helsinki.fi (Helsinki Business and Science Park HBSP)

www.biomedicum.fi (Biomedicum Helsinki)

merja.poikolainen@mail.doc.gov (local contact)

Agricultural Sectors

Overview

[Return to top](#)

Data Table - \$Millions	2006	2007	2008 (estimated)
#Total Market Size	20596	24726	25000
Total Local Production	31717	36482	36000
*Total Exports	16793	18891	18000
*Total Imports	5672	7135	7000
*Imports from the US	72	56	55

Exchange Rate: \$1=€0.73 (year 2007 average)

Source: *Finnish Customs and #Statistics Finland (<http://www.stat.fi>)

*Note: The above statistics are unofficial estimates

Due to the severe Nordic winters and relatively short growing season, Finland relies heavily on imported food and agricultural products. Finland's geographical proximity and long-established connections to the Baltic States and Russia offers an ideal business base in Northern Europe. Increased demand for consumer goods, agribusiness opportunities, food industry investments and tourism in the region has been generated by structural reforms and development of market economies in the Baltic countries and Russia.

Best Products/Services

[Return to top](#)

Best prospects: wine, beer, healthy snacks, dried fruits and nuts, ethnic foods, organic foods, health and diet foods, convenience foods, frozen juices, TexMex items, sauces/seasonings, rice, seafood, pet food, canned fruits and vegetables, and fresh fruits: apples, pears, grape fruits, grapes, cherries.

Opportunities

[Return to top](#)

Finland is a sophisticated market with a high standard of living, a well-educated workforce and growing incomes. The Finnish consumer has a high acceptance of new products and concepts. U.S. products are considered high quality and trendy. There is growing consumer demand for value-added products, convenience foods and functional foods as well as a proliferation of "healthy" and "greener" foods.

For current data on agricultural trade prospects with Finland, the reader is referred to the following Internet website: www.usemb.se/Agriculture. The USDA office in Stockholm, which has regional responsibility for Sweden, Finland and Norway, maintains this site. Its content includes an analytical overview of agricultural marketing opportunities and reports, marketing activities of possible interest to U.S. firms, an array of exporter/importer services, and links to sites containing a detailed current breakdown of individual country imports/exports of agricultural products subdivided into several product categories (bulk, intermediate, consumer-oriented, forestry and fishery).

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Duties and other import taxes are levied on the customs value of the goods at the point of importation. The customs value is based on the transaction value of the goods imported. In practice, the C.I.F. (cost, insurance, freight) value is commonly used as the customs value. To assess customs value, the place of importation must be indicated. In the case of sea and air cargo, the place of importation is the unloading location. In surface transportation, it is the Customs Office at the frontier. The customs value is determined according to the GATT Valuation Agreement and the Community Customs Code (Council regulation 2913/92), and the Regulation Laying Down Provisions for Implementation of the Customs Code (Commission regulation 2454/93). Depending on the product and excluding the foodstuff, the import tariff ranges from 0-17 percent.

For further information, please visit www.tulli.fi (Finnish Customs).

Trade Barriers

[Return to top](#)

Finland's adoption of EU internal market practices in 1995 defines Finland's trade relations both inside the EU and with non-EU countries.

Finland replaced its turnover tax with a value-added tax in June 1994. The government has kept the basic VAT rate at the same level as the old turnover tax, which is 22 percent. Food products are taxed at 17 percent. Sport facilities usage, medicines, books, cinemas, passenger transport services, hotel and other accommodation, entertainment performances, sporting events, zoos, museums, and other such events or institutions are taxed at eight percent. Other services, including health care, education, insurance, newspaper & periodical subscriptions and rentals are not subject to VAT. Agricultural and forestry products continue to be subject to different forms of taxation outside the VAT.

In March 1997 EU commitments required the establishment of a tax border between the autonomously governed, but territorially Finnish, Aland Islands and the rest of Finland. As a result, the trade of goods and services between the rest of Finland and Aland Islands is now treated as if it were trade with a non-EU area. Even though the Aland Islands are part of the EU, just as Finland is, Aland does not belong to the Union's tax area. This exception was drafted in order to protect the important shipping traffic and the tax-free sales when EU countries abandoned duty-free sales. The trade effect of this treatment is minimal since the Aland Islands are part of the EFTA tariff area.

For further information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:

http://www.ustr.gov/assets/Document_Library/Reports_Publications/2008/2008_NTE_Report/asset_upload_file991_14650.pdf

Import Requirements and Documentation

[Return to top](#)

Certain import/export items need to meet with special requirements and certifications set by the European Union or national standards. These are mostly articles that might damage health, welfare or country's economy, or result in the spread of animal and plant diseases.

The following items, among others, are subject to restrictions:

Foodstuffs, fodder and fertilizers, alcoholic beverages and other products containing alcohol, pharmaceuticals, narcotics and dangerous drugs, some chemicals, nuclear and radioactive substances, explosives, blade knives, firearms and ammunition, obscene publications, and pressure vessels.

For further information, please visit www.tulli.fi (Finnish Customs).

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Many EU Member States maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law. For information relevant to Member State import licenses, please consult the relevant Member State Country Commercial Guide.

Key Link: http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

Import Documentation

Non-agricultural Documentation

The official model for written declarations to customs is the Single Administrative Document (SAD). European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. However, other forms may be used for this purpose. Information on import/export forms is contained in Title VII, of Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations, and Articles 225 through 229 provide for oral declarations.

Additional information on import/export documentation can be found in Title III, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code (Articles 37 through 57). Goods brought into the customs territory of the Community are, from the time of their entry, subject to customs supervision until customs formalities are completed.

Goods presented to customs are covered by a summary declaration, which is lodged once the goods have been presented to customs. The customs authorities may, however, allow a period for lodging the declaration, which cannot be extended beyond the first working day following the day on which the goods are presented to customs. The summary declaration can be made on a form corresponding to the model prescribed by the customs authorities. However, the customs authorities may permit the use, as a summary declaration, of any commercial or official document that contains the particulars necessary for identification of the goods. It is encouraged that the summary declaration be made in computerized form.

The summary declaration is to be lodged by:

- The person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- The person in whose name the person referred to above acted.

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension of the period.

The Modernized Customs Code (MCC) of the European Union is expected to be passed into law in the first half of 2008. The MCC will replace the existing Regulation 2913/92 and simplify various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm.

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The updated Directive applies to all batteries and accumulators put on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. EU Member States must implement the EU Directive into their national law by September 26, 2008. For more information, see our market research report: http://www.buyusainfo.net/docs/x_8086174.pdf

REACH

REACH is a major reform of EU chemicals policy that was adopted in December 2006 and became national law in the 27 EU Member States in June 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by the new policy. REACH stands for the "Registration, Evaluation and Authorization and Restriction of Chemicals." Starting June 1 2008, REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year per to be registered with a central European Chemicals Agency (ECHA), including information on their properties, uses and safe ways of handling them. Chemicals pre-registered before December 1 2008, benefit from extended registration deadlines, from three to eleven years depending on the volume of the substance and its hazard properties. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives can be found on the website of the U.S. Mission to the EU: <http://www.buyusa.gov/europeanunion/reach.html>. U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of substances of very high concern. Substances on that list are subject to communication requirements and may at a later stage require Authorization for the EU market. For more information, see the ECHA website: http://echa.europa.eu/doc/press/pr_08_38_candidate_list_20081028.pdf

WEEE & RoHS

EU rules on waste electrical and electronic equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. They require U.S. exporters to register the products with a national WEEE authority, or arrange for this to be done by a local partner. Similarly, related rules for EEE restricting the use of the hazardous substances (RoHS) lead, cadmium, mercury, hexavalent chromium, PBBs, and PBDEs, do not entail customs or importation

paperwork. However, U.S. exporters may be asked by a European RoHS enforcement authority or by a customer to provide evidence of due diligence in compliance with the substance bans on a case-by-case basis. Work is underway to revise the WEEE and RoHS Directives; some new rules could take effect as early as 2011. U.S. exporters seeking more information on WEEE and RoHS regulations should visit: <http://www.buyusa.gov/europeanunion/weee.html>

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). Many of these certificates are uniform throughout the EU, but the harmonization process has not been finalized yet. During this transition period, certain Member State import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://useu.usmission.gov/agri/certificates-overview.html>.

Sanitary Certificates (Fisheries): In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. Commission Decision 2006/199/EC places specific conditions on imports of fishery products from the U.S. Sanitary certificates for live shellfish are covered by Commission Regulation (EC) 1664/2006 and must be used for gastropods, bivalve mollusks, tunicates and echinoderms. The two competent Authorities for issuing sanitary certificates are the FDA and the U.S. Department of Commerce, National Marine Fisheries Service (NMFS/NOAA/USDC).

Since May 1, 2007, with the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate covered by Regulation (EC) 1664/2006. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@mail.doc.gov) or visit the following FDA dedicated web site: <http://www.cfsan.fda.gov/>.

U.S. Export Controls

[Return to top](#)

A booklet on Finland's export controls is available from the Ministry for Foreign Affairs, Export Controls Unit <http://formin.finland.fi> - E-mail: heikki.yrjola@formin.fi

Temporary Entry

[Return to top](#)

Temporary exemption from duty can be granted, for instance, to the following:

- Goods intended for public displays at exhibitions and fairs
- Commercial samples
- Professional tools and equipment

If the goods are put to unauthorized use or are not exported within the prescribed time they must go through normal customs clearance, and become liable for relevant duties and taxes.

In Finland, the ATA-Carnet, the international customs documentation for temporary duty-free admission, is issued by the Chamber of Commerce. The ATA-Carnets are frequently used for temporary imports, e.g. samples, exhibition materials, and professional equipment (laptop computers, software), and are valid for one year.

Labeling and Marking Requirements

[Return to top](#)

Labeling and marking requirements in Finland are based on the Act on Product Safety, which was enacted in accordance with the EU directive on general product safety. Mandatory information must be provided in Finnish and Swedish. The following information should be included in retail packaging, or otherwise marked on the product (a sticker, label, etc.):

- The name of the manufacturer or supplier, which the consumer or authority can contact if necessary
- The name and purpose of the product (for example hair color)
- Instructions for use if these are necessary for safety
- Washing, cleaning and care instructions if these are necessary
- Instructions for disposing of the product if these are necessary

Finland has precise labeling requirements for foodstuff. A retail-size food package must show the name and address of the manufacturer, packer or importer, commercial name of the product, net metric weight or volume, ingredients in descending order of weight, last recommended date of sale, and storage instructions if perishable or intended for infants. More information on labeling and marking requirements, please visit The Finnish Consumer Agency www.kuluttajavirasto.fi and www.evira.fi (Finnish Food Safety Authority).

Prohibited and Restricted Imports

[Return to top](#)

The Finnish law, based on the EU legislation, prohibits or restricts import of the following products:

- PCB and PCT chemicals used in transformers and condensers causing problem waste products

- CFC chemicals
- Whale meat (CITES – Convention on International Trade in Endangered Species of Wild Flora and Fauna)

For more information, please see <http://www.tulli.fi>, <http://www.sttv.fi>, <http://www.ymparisto.fi>

Customs Regulations and Contact Information

[Return to top](#)

National Board of Customs: <http://www.tulli.fi>

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

The central body for standardization in Finland is the Finnish Standards association - SFS (www.sfs.fi). SFS and its standards writing bodies, SESKO Standardization in Finland (www.sesko.fi) and Finnish Communications Regulatory Authority (www.ficora.fi) are members of the European standards organizations CEN, CENELEC and ETSI.

National SFS Standards are sold in Finland only by SFS. National ISO member bodies abroad handle distribution of SFS standards. SFS and SESKO are the Finnish sources for all international standards and drafts of the International Organization for Standardization (ISO), for European standards and drafts of CEN and for publications of ISO member bodies. SFS also distributes other foreign standards and technical regulations.

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union standards created under the New Approach are harmonized across the 27 EU Member States and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to www.newapproach.org. This list shows that not all products are covered by EU legislation calling for CE marking.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations and technical standards might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://useu.usmission.gov/agri/>.

Standards Organizations

[Return to top](#)

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

- CENELEC, European Committee for Electro technical Standardization (<http://www.cenelec.org/Cenelec/Homepage.htm>)
- ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
- CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cenorm/index.htm>)

The only organization that develops standards in Finland is the Finnish Standards Association (www.sfs.fi).

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's "business domain" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU Regulations, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: <http://www.cenorm.be/cenorm/workarea/sectorfora/index.asp>

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. You can find conformity assessment bodies in individual Member State country in this list by the European Commission.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Key mark, the CENCER mark, CEN workshop agreements (CWA) and the European Standard Agreement Group. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

List of Finland's main conformity assessment bodies working with Finnish Standards Association (see www.ytl.fi):

- Kemianteollisuus ry (Chemical Industry Federation) – (see www.chemind.fi)
- Oy Keskuslaboratorio Central Laboratorium Ab (KLC Finland) – (see www.klc.fi)
- MTT/Maa – ja elintarviketalouden tutkimuskeskus (Agrifood Research Finland) – (see www.mtt.fi)
- Metsäteollisuus ry (Finnish Forest Industries Federation) – (see www.forestindustries.fi)
- Muoviteollisuus ry (Finnish Plastics Industries Federation) – (see www.plastics.fi)
- Rakennusteollisuus RT ry (Confederation of Finnish Constructions Industries) – (see www.rakennusteollisuus.fi)
- SESKO ry (SESKO Standardization in Finland) – (see www.sesko.fi)
- Standardoimisyhdistys TEVASTA ry (Standards Association of Textiles and Clothing Industry) – (see www.finatex.fi)
- Suomen Ympäristökeskus, SYKE (Finnish Environmental Association) – (see www.ymparisto.fi/syke)
- Teknologiateollisuus ry (Technology Industries of Finland) – (see www.teknologiateollisuus.fi)
- Tiehallinto (Finnish Road Administration) – (see www.tiehallinto.fi)
- Viestintävirasto (Finnish Communications Regulatory Authority) – (see www.ficora.fi)
- Yleinen Teollisuusliitto, YTL (General Industry Federation) – (see www.ytl.fi)
- Oljy – ja Kaasualan Keskusliitto (Finnish Oil and Gas Federation) – (see www.oil-gas.fi)

Product certification is voluntary in Finland.

To sell products on the EU market of 27 Member States as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by Member State inspectors, the consumer may well perceive it as a quality mark.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

[Return to top](#)

Independent certification bodies, known as notified bodies, have been officially accredited by competent authorities to test and certify to EU requirements. However, under U.S.-EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, are allowed to test in the United States to EU specifications, and vice versa. The costs are significantly lower which results in U.S. products becoming more competitive. At this time, the U.S.-EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in transition), pharmaceutical (on hold), recreational craft (in force) and marine equipment (in force). The U.S. Department of Commerce, National Institute of Standards and Technology (NIST), has a link on its website to American and European Conformity Assessment bodies operating under a mutual recognition agreement.

Key Link: <http://ts.nist.gov/Standards/Global/mra.cfm>

Accreditation is handled at Member State level. "European Accreditation" (http://www.european-accreditation.org/default_flash.htm) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

Please contact the Finnish Accreditation Service (FINAS) for further information (see <http://www.mikes.fi/frameset.aspx?url=finas.aspx%3fpageID=0%26categoryID=2&langID=uk>)

Publication of Technical Regulations

[Return to top](#)

The Official Journal is the official gazette of the European Union. It is published daily on the Internet and consists of two series covering draft and adopted legislation as well as case law, studies by committees, and more (<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (<http://ec.europa.eu/enterprise/newapproach/standardization/harmstds/whatsnew.html>). National technical Regulations are published on the Commission's website <http://ec.europa.eu/comm/enterprise/tris/> to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT) Agreement to report to the WTO all proposed technical regulations that could affect trade with other member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect access to international markets. Register online at Internet URL: <http://tsapps.nist.gov/notifyus/data/index/index.cfm>

Labeling and Marking

[Return to top](#)

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable until end of December 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of Member States to require the use of language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC, to replace 80/232/EC in April 2009, harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link: http://ec.europa.eu/enterprise/prepack/packsiz/packsiz_en.htm

[The Eco-label](#)

EU legislation in 1992, revised in 2000, distinguishes environmentally friendly products and services through a voluntary labeling scheme called the Eco-label. Currently, the scheme applies to 28 product types in 7 categories: cleaning products, appliances, paper products, clothing, lubricants, home and garden products, and tourism services. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than similar products. This "green label" also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental Standards and Regulations.

The EU Eco-label is a costly scheme (up to EUR 1,300 for registration and up to EUR 25,000/year for the use of the label, with a reduction of 25% for SMEs) and has therefore not been widely used so far. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

Key Links: http://buyusainfo.net/docs/x_4284752.pdf
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm
<http://www.eco-label.com/default.htm>

The Swan Label

Besides the CE Mark, which is required across the European Union, the Swan Label is a neutral and reliable Nordic Environmental Label. It directs products, their production and consumption into a more environmentally friendly direction. The Swan Label indicates that the products burden the environment less than other corresponding products - without compromising performance characteristics.

<http://www.ymparistomerkki.fi/en>

Contacts

[Return to top](#)

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Cenelec, European Committee for Electrotechnical Standardization:
<http://www.cenelec.org/Cenelec/Homepage.htm>

ETSI, European Telecommunications Standards Institute: <http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:
<http://www.cen.eu/cenorm/homepage.htm>

Trade Agreements

[Return to top](#)

Membership in Free Trade Arrangements

Finland joined the European Union on January 1, 1995, which means that Finland complies with trade agreements that the EU has made with third countries. Finland is also a member of the European Free Trade Association, and the European Economic Area.

Bilateral Investment Agreements

Finland has concluded bilateral investment agreements with the following 62 countries: Azerbaijan, Albania, Algeria, Argentina, Armenia, Belarus, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, the Czech Republic, the Dominican Republic, Egypt, El Salvador, Estonia, Ecuador, Ethiopia, Georgia, Guatemala, Hungary, India, Indonesia, Iran, Jordan, Kazakhstan, Kirghizia, Kuwait, Latvia, Lithuania, Macedonia, Malaysia, Mauritius, Mongolia, Morocco, Mozambique, Mexico, Namibia, Nigeria, Oman, Oriental Republic of Uruguay, Peru, Philippines, Poland, Qatar, Republic of Korea, Republic of Lebanon, Republic of Moldova, Republic of Slovenia, Romania, Russia, Slovakia, South Africa, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan, and Vietnam.

In September 1989, Finland and the U.S. signed a convention (TIAS 12101) for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. The convention entered into force December 30, 1990.

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp.

Web Resources

[Return to top](#)

National Board of Customs, <http://www.tulli.fi>

The Finnish Consumer Agency & Ombudsman, <http://www.kuluttajavirasto.fi>

Finnish Food Safety Authority, <http://www.evira.fi>

USTR Reports, Document library; reports & publications, <http://www.ustr.gov>

National Product Control Agency for Welfare and Health, <http://www.sttv.fi>

Environmental Administration, <http://www.ymparisto.fi>

Finnish Customs, www.tulli.fi

EU websites:

Online customs tariff database (TARIC):

http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

EU's Customs website:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm.

Batteries: http://www.buyusainfo.net/docs/x_8086174.pdf

REACH: <http://www.buyusa.gov/europeanunion/reach.html>.

ECHA: http://echa.europa.eu/doc/press/pr_08_38_candidate_list_20081028.pdf

WEEE & RoHS: <http://www.buyusa.gov/europeanunion/weee.html>

Agricultural Documentation: <http://useu.usmission.gov/agri/certificates-overview.html>.

<http://www.cfsan.fda.gov/>

ECHA: http://echa.europa.eu/doc/press/pr_08_38_candidate_list_20081028.pdf

Taxation and Customs Union:

http://ec.europa.eu/taxation_customs/customs/index_en.htm

Legislation related to the Electronic Customs Initiative:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

What is Customs Valuation?

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm

Customs and Security:

Two communications and a proposal for amending the Community Customs Code

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code:

Regulation (EC) n° 648/2005 of 13 April 2005

Pre Arrival/Pre Departure Declarations: [Pre Arrival / Pre Departure Declarations](#)

AEO: [Authorized Economic Operator](#)

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/common/links/customs/index_en.htm

Standardisation – Mandates: http://ec.europa.eu/enterprise/standards_policy/mandates/.

ETSI – Portal – E-Standardisation : http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector For a: <http://www.cenorm.be/cenorm/workarea/sectorfora/index.asp>

Nando (New Approach Notified and Designated Organizations) Information System:
<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):
<http://ts.nist.gov/Standards/Global/mra.cfm>

European Co-operation for Accreditation:
http://www.european-accreditation.org/default_flash.htm

Eur-Lex – Access to European Union Law:
<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>

Standards Reference Numbers linked to Legislation:
<http://ec.europa.eu/enterprise/newapproach/standardization/harmstds/whatsnew.html>

National technical Regulations: <http://ec.europa.eu/comm/enterprise/tris/>

NIST - Notify us: <http://tsapps.nist.gov/notifyus/data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/prepack/packsize/packsiz_en.htm

European Union Eco-label Homepage:
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm

Eco-Label Catalogue: <http://www.eco-label.com/default.htm>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/assets/Document_Library/Reports_Publications/2008/2008_NTE_Report/asset_upload_file991_14650.pdf

Agricultural Trade Barriers: <http://useu.usmission.gov/agri/>

Trade Compliance Center: <http://www.trade.gov/tcc>

U.S. Mission to the European Union: <http://www.buyusa.gov/europeanunion>

The New EU Battery Directive: http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH: <http://www.buyusa.gov/europeanunion/reach.html>.

WEEE and RoHS in the EU: <http://www.buyusa.gov/europeanunion/weee.html>

Overview of EU Certificates:

<http://useu.usmission.gov/agri/certificates-overview.html>

Center for Food Safety and Applied Nutrition: <http://www.cfsan.fda.gov/>

EU Marking, Labeling and Packaging – An Overview

http://www.buyusainfo.net/docs/x_4171929.pdf.

The European Union Eco-Label: http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements: http://tcc.export.gov/Trade_Agreements/index.asp

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

The Finnish Government is open to direct foreign investment. There are no general regulatory limitations relating to acquisitions. Legislative control of mergers and acquisitions is mainly governed by domestic and EU competition rules. Certain acquisitions of large Finnish companies may require follow-up clearance from the Ministry of Employment and the Economy in accordance with the Act on the Control of Foreign Acquisitions of Finnish Companies. The purpose of the clearance is to protect essential national interests.

Unlike many other countries, however, Finland does not "positively" discriminate in favor of foreign-owned firms by giving them tax holidays or other subsidies not available to other firms in the economy. Instead, Finland relies on "condition-providing policies" which means pursuing policies that offer all firms in the economy appropriate conditions and sufficient pools of advanced factors of production, including an educated labor force and well-functioning infrastructure.

There are some legal requirements for non-European Economic Area (EEA) residents (persons or companies) to conduct business in Finland. In certain areas involving specific safety or health hazards or financial risks, specific conditions must be met to conduct trade. A non-EEA (person or company) operating in Finland must obtain a license or a notification when starting a business in the "regulated" forms of trade. Licensed trades are governed by acts and decrees.

Licensed trades include (the licensing authority is in brackets):

- Inspection of motor vehicles (Finnish Vehicle administration AKE)
- Production, import, export, wholesale, special sale and usage subjected to the licensing of alcohol beverages and spirits (Products Control Center of Social Welfare and Health)
- Production, import, distribution and selling of medicines; pharmaceutical companies, pharmaceutical wholesalers and pharmacies engaged in the aforementioned activities. Hospital pharmacies and medicine centers in health centers and hospitals engaged in the production and distribution of medicines. Selling of pharmaceutical, veterinary and drug preparations (National Agency of Medicines)
- Stock exchanges, central securities depositories, option institutions, clearing houses (Ministry of Finance)
- Production and import of precious metal products. exception: gold/platinum products weighing less than 1g and silver products weighing less than 10g (Safety Technology Authority TUKES)
- Mining operations and prospecting: applications for mining claims and patents (Ministry of Employment and the Economy)
- Production of synthetic fertilizers and manufactured feeds and trade in seeds (Finnish Food Safety Authority EVIRA)
- Commercial Airline Operations(scheduled and charter airline traffic), Air operator certificates and operating licenses (Civil Aviation Administration, Flight safety Authority)
- Collection of debts on behalf of others (State Provincial Office of Southern Finland)
- Postal services (weighing less than 2kg). Courier services, distribution and delivery operations concerning minor postal matters do not require a license. (Government)
- Credit institutions, pawn broking institutions, investment service companies, mutual fund companies and custodians (Financial Supervision Authority RATA)
- Electrical contracting (electrician activities, repair of electrical appliances) (TUKES and Henkilo- ja Yritysarviointi SETI Oy)
- Design, construction, manufacture, repairing, servicing and using of electrical appliances , production and transport of electricity for other than personal use (TUKES and Henkilo- ja Yritysarviointi SETI Oy)
- Telecommunications activities (Ministry of Transport and Communications)
- Handling and storage of chemicals hazardous to health and the environment (TUKES)
- Large-scale handling (TUKES)
- Small-scale handling (Local Chief Fire Officer or Chemicals Control Authority)
- Insurance brokering (Insurance Supervision Authority)
- Insurance Agencies (Ministry of Social Affairs and Health)
- Package tour agencies (Consumer Agency)
- Security companies (Ministry of the Interior)

Providers of investment advisory services need authorization (RATA) in compliance with The Markets in Financial Instruments Directive (MiFID), which entered into force in November 2007.

In certain areas of trade, new entrepreneurs are required to register or file a separate notification of starting the business. These include:

- Housing agencies, real estate agents and housing rental agencies (State Provincial Office)
- Staff hire services (Industrial Safety Districts)

Other Notifications:

- Notifications complying with the Freedom of the Press Act (City Administrative Court)
- Public events such as entertainments, competitions etc open to the public (Police)

The Aland Islands are an exception to common Finnish practice. Based on international agreements dating from 1921, property ownership and the right to conduct business are limited to only those individuals with right of domicile in the Aland Islands. However, the Aland Government can, occasionally, grant exemptions from the requirement of right of domicile for those wishing to acquire real property or conduct a business in Aland.

Since the beginning of the 1990s, the Finnish state has renewed its ownership policies and started to privatize fully state-owned companies. The Finnish state has holdings in 53 major companies. Of these, 31 are state-owned companies in which the State is the majority shareholder and 22 are associated companies in which the State has a minority shareholding. The State has holdings in 12 listed companies. As of May 2007, ownership steering of state-owned companies has been centralized in a corporate ownership steering unit in the Prime Minister's Office.

Responding to the global financial crisis, the GOF announced in October 2008, a decision to concentrate the Finnish state's eight non-strategic share portfolio into a separate holding company, Solidium, aiming at receiving the highest possible yield from its holdings. Solidium can both increase and decrease GOF's equity investments, and when necessary, acquire holdings in other companies as well. The decision will affect state holdings in the following Finnish companies: Kemira, Metso, Outokumpu, Rautaruukki, Sampo, Sponda, Stora Enso and TeliaSonera. The new arrangement will give GOF more flexibility in intervening directly to protect Finnish ownership of key companies.

Taxes: The corporate tax rate was lowered in 2005 from 29 to 26 percent, and the tax rate on capital gains from 29 percent to 28 percent. The effective tax rate for dividends received from quoted companies is 19.6 percent as 30 percent of the dividend is regarded as tax exempt and 70 percent as taxable. The company distributing dividend pays 26 percent corporate income tax on its profit. Interest income is either subject to withholding tax (28 percent) at source or taxable as capital income. The net wealth tax was abolished in 2006.

In 2006, the United States and Finland signed a protocol amending the existing bilateral income tax treaty significantly reducing tax-related barriers to trade and investment flows between the countries. For more information, see A12 Bilateral Investment Agreements.

The salary and fringe benefits paid to qualifying foreign key employees, such as employees with special knowledge or competence, are taxed at the rate of 35 percent during a maximum of 48 months of the assignment in Finland provided that the employee has a special tax card (which must be applied for separately).

For more detailed tax guidance see Finnish Tax Administration's Doing Business in Finland Tax Guide

http://www.vero.fi/default.asp?language=ENG&domain=VERO_ENGLISH and the Finnish Foundation for Share Promotion's Tax Guide
<http://www.porssisaatio.fi/en/articles/tax-guide-for-investors-2007>

Conversion and Transfer Policies

[Return to top](#)

Except for those relating to money laundering, there are practically no legal obstacles to direct foreign investment in Finnish securities and exchange control regarding payments into and out of Finland. There is no limit on dividend distributions, as long as they correspond to a company's official earnings records. Payments to or from Finland must, however, be made through authorized banks in Finland.

Finland implemented the EU regulation on controls of cash being transported over the EU Community Border in June 2007. According to the regulation persons carrying \$14,500 (10,000 euros) or more will be required to declare cash upon entering or leaving EU territory. The regulation only imposes an obligation to declare, it is not a restriction or prohibition regarding imports and export of cash.

Finland adopted the single currency (the Euro) on 1 January, 1999. The Euro replaced the Finnish Markka (FIM) at the end of a three-year transition period on January 1, 2002. One Euro equals FIM 5.94573.

Expropriation and Compensation

[Return to top](#)

Private property rights are well protected in Finland. Private property is only expropriated for public purposes (eminent domain), in a non-discriminatory manner, with reasonable compensation, and in accordance with established principles of international law.

Dispute Settlement

[Return to top](#)

There is no record of any significant investment dispute in Finland in recent years. Finland has a civil law system. Swedish law and Nordic tradition have influenced statutory law and jurisprudence. EC law is directly applicable in Finland and takes precedence over national legislation. Finland has written and consistently applied commercial and bankruptcy laws, and secured interest in property are recognized and enforced.

Finland has signed the Convention on the Settlement of Investment Disputes between States and National of other States (also known as the ICSID Convention or the Washington Convention) on July 14, 1967 and deposited its instrument of ratification on January 9, 1969. Finland has attained status as Contracting State to the ICSID Convention on February 8, 1969. Finland signed the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards in December 1958. The convention entered into force in Finland in April 1962.

The Arbitration Institute of the Central Chamber of Commerce of Finland, established in 1911, promotes as an impartial body the settlement of business disputes by arbitration. The Institute appoints arbitrators both to domestic and international arbitration proceedings.

The Finnish legislation on arbitration was reformed in 1992. The main purpose of the reform was to modernize the then existing arbitration act (dating from 1928) and adapt it to international standards. The Arbitration Act (967/1992) is divided into two sections: Section one (Articles 2-50) applies to all arbitral proceedings having their seat in Finland, i.e. irrespective of whether related to a national or an international dispute, and Section two (Articles 51-55) applies to all "foreign awards", i.e. arbitral awards having been rendered outside of Finland. Arbitral awards in redemption cases under the Companies Act have to be registered with [the National Board of Patents and Registration](#).

The Market Court was established in 2002 as a special court for rulings in market law, competition and public procurement cases.

Major revisions to the Finnish competition legislation took effect in May 2004. The Act on Competition Restrictions was harmonized with EU competition rules.

Performance Requirements and Incentives

[Return to top](#)

There are no performance requirements or commitments imposed on foreign investment in Finland. However, to conduct business in Finland, some residency requirements must be met; the intent being to ensure that persons liable for the company's acts can be brought to court if necessary.

In 2003, the Finnish Parliament has adopted legislation which relaxed the domicile requirements in Finnish company law. According to the amendment, the managing director and at least one member of the board of directors (and the supervisory board, if any) of a Finnish limited liability company must be domiciled within the EEA. The nationality of the founder is thus irrelevant.

Foreign-owned companies are eligible for government incentives on an equal footing with Finnish-owned companies. Support is given in the forms of cash grants, loans, tax benefits, equity participation, guarantees, and employee training.

Business aid: In Finland, government-administered aid to business (investment aid, aid to business development, start-up subsidies, transport aid, energy subsidies, employee training, tax relief) is mainly aimed at improving the long term competitiveness of small and medium-sized enterprises (SMEs). Business aid to companies is coordinated by Employment and Economic Development Centers (T&E Centers), whose 15 regional offices provide consulting and training as well as financial aid. The centers are also a significant channel for EU finance. Public funding is allocated to projects expected to contribute considerably to project implementation, business success and employment.

Loans and guarantees by Finnvera: The state-owned financing company Finnvera plc improves and diversifies the financing possibilities of companies by granting loans and guarantees and by export financing services. Finnvera serves its clients through 15

regional offices and through the Representative Office (Finnish-Russian Innovation Center) in St. Petersburg.

R&D incentives by Finnish Funding Agency for Technology and Innovation (Tekes): Funding by Tekes is intended for challenging and innovative projects potentially leading to global success stories. Tekes funding is aimed at companies and other organizations operating in Finland and actively developing their technology, services and business operations. The funding also supports the establishment and expansion of start-up companies.

EU-funded support: The EU-funded programs aim to diversify the economic and business structure and to improve employment. This is done by supporting the establishment and development of small and medium-sized enterprises and the expansion of their activities. Financing is directed to projects developing the competitiveness, know-how and operating environment of the SME sector, with a special emphasis on start-up businesses and service sector companies.

For more detailed information see Invest in Finland's investment incentives document http://www.investinfinland.fi/why_finland/businessenv/en_GB/businessenvironment/

Right to Private Ownership and Establishment

[Return to top](#)

Private ownership and entrepreneurship is normal in Finland. In most fields of business activity, participation by foreign companies or individuals is unrestricted. As the government pursues privatization of state-owned companies, both private and foreign participation is welcome except in some enterprises operating in sectors related to national security.

Competitive equality is the official standard applied to private enterprises in competition with public enterprises. Private companies do not face discrimination. With the end of the Restriction Act in January 1993, Finland removed most restrictions on foreign ownership of property in Finland. Restrictions, such as requirements to obtain permission of the local government in order to purchase a vacation home in Finland were abolished January 1, 2000, bringing Finland fully in line with EU norms.

Protection of Property Rights

[Return to top](#)

Secured interest in property, both movable and real, are recognized and enforced. The Finnish legal system protects property rights, including intellectual property, and Finland adheres to numerous international agreements concerning intellectual property. Finland has joined the most important copyright agreements. Patent rights are consistent with international standards. In Finland a granted patent applies for 20 years. The time of validity of patents can under certain conditions be prolonged through a Supplementary Protection Certificate. In 1996, Finland joined the European Patent Convention (EPC) and the European Patent Organization (EPO). Finland is a member of WIPO, and participates primarily through its membership in the EU. The idea of protection of intellectual property is well developed.

Finland Joined WIPO's Patent Law Treaty (PLT) in March 2006.

Pharmaceutical Patents: In 2008, the Finnish government approved a pharmaceutical reference pricing system, a provision of which undermines the patent protection of medicines created and manufactured by non-Finnish pharmaceutical companies. Previously, under Subsection 2 of Section 57(c) of Finland's Medicines Act, pharmaceuticals were excluded from the Government's generic substitution system if they were protected by an analogous process patent in Finland and they enjoyed product patent protection in at least five other countries in the European Economic Area. Section 57 recognized in a balanced and fair manner, the intellectual property of process patent holders in Finland.

The reference pricing scheme passed by the Finnish parliament in November 2008 ended the 57(c) arrangement. By subjecting products protected by process patents to the reference pricing restrictions applicable to generic products, the new law deprives pharmaceutical process patent holders in Finland of appropriate compensation for the value of the intellectual property they created in the original products.

Information on copying and copyright infringement is provided by the following copyright holder interest organizations: the Copyright Information and Anti-Piracy Center (CIAPC), The Finnish Copyright Society, The Finnish Copyright Institute, the Copyright Information Centre, and The IPR University Centre. The Business Software Alliance (BSA), a worldwide software anti-piracy organization, began operations in Finland in January 1994.

Finland has been a member of the Paris Convention for the Protection of Industrial Property since 1921, the Berne Convention for the Protection of Literary and Artistic works since 1928 and the Rome International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations since 1983.

Finnish copyright legislation was amended in 2005 to meet the demands of the digital environment and the Internet. The amendments to the Copyright Act and the amended section 49 of the Criminal Code came into force from the beginning of 2006. This reform implemented the Copyright Directive adopted by the EU in 2001. The amendments also addressed a number of national issues, such as the prohibition of importation of pirate recordings for personal use.

The Finnish Copyright Act, which also grants protection to authors, performing artists, record producers, broadcasting organizations and catalog producers, has been adjusted to comply with EU directives. As part of this harmonization, the period of copyright protection was extended from 50 years to 70 years. Protection for database producers (currently a part of catalog producer rights) has been defined consistent with EU practice. The Finnish Copyright Act provides for sanctions ranging from fines to imprisonment for up to two years. Search and seizure are authorized in the case of criminal piracy, as is the forfeiture of financial gains. The Copyright Act has covered computer software since 1991.

Finland signed the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) in May 1997, and the Finnish Parliament adopted the treaties in autumn 2005.

Finland has been a member and signatory to the TRIPS Agreement since 1995.

Recent amendments to the Finnish Penal Code have enhanced the position of employers in regard to the protection of their business secrets, with employees now required to keep a former employer's business secrets confidential for two years after termination of employment.

The Trade Mark Act, which came into force in March 2000, brought Finnish Trade Mark Law into line with the Trade Mark Treaty (TMT). Finland signed the Singapore Treaty on the Law of Trademarks in October 2006.

The significance of mortgage banks has remained minor as deposit banks have traditionally handled housing loans in Finland. The Mortgage Society of Finland is operating in accordance with designated special legislation.

Transparency of Regulatory System

[Return to top](#)

The legal and enforcement framework for competition conforms to European Community praxis. Finland brought its law into full conformity with the prohibition-based system of EC competition law in May 2004.

The Securities Market Act (SMA) contains regulations on corporate disclosure procedures and requirements, responsibility for flagging share ownership, insider regulations and offenses, the issuing and marketing of securities, and trading. The law defines and takes into account new instruments, which have become common in financial markets, such as securities lending and repurchase agreements. Finnish legislation recognizes the same internationally common financial market contractual arrangements as legislation elsewhere in the EU. Regulations concerning clearing of securities trades have been incorporated in the law since 1998. Clearing has become subject to licensing, and is supervised by the Financial Supervision Authority, which oversees the financial markets.

Finnish tax, labor, health and safety, and related laws and policies are largely neutral towards the efficient mobilization and allocation of investment. Finnish legislation does not normally influence regional distribution of investment except when specifically designed to do so, such as through regional incentive programs.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Credit is allocated on market terms and is made available to foreign investors in a non-discriminatory manner. The private sector has access to a variety of credit instruments. Legal, regulatory, and accounting systems are transparent and consistent with international norms.

The Helsinki Stock Exchange is part of the OMX Nordic Exchange division within the NASDAQ OMX Group, together with the stock exchanges in Stockholm, Copenhagen, Reykjavik, Tallinn, Riga, and Vilnius.

Compared to the international average, the number of banks in Finland is high. The reason for this is the high number of savings banks, Local Cooperative Banks and banks in OP-Pohjola Group. At the end of 2007, there were 338 banks operating in Finland, 323 of them domestic. The total assets of the domestic banking groups and branches of foreign banks (Nordea Bank Finland, OP-Pohjola Group, Aktia Group, Savings Banks, Local co-operative Banks, Bank of Aland, Tapiola Bank Group, Hypo Group, Glitnir Corporation), and largest Nordic banking groups (Danske Bank Group- including Sampo Bank, SEB Group, Handelsbanken, DnB NOR Bank Group, Swedbank, and Kaupthing Bank) amounted to 1.9 billion euros in 2007. For more info see Federation of Finnish Financial Services "Banks financial statements 2007" report http://www.pankkiyhdistys.fi/asp/ida/download.asp?prm1=wwwuser_fkl&docid=23305&sec=&ext=.pdf

Increased mergers and alliances have been shaping the Finnish banking sector in recent years. The banking and finance market has become increasingly international, with Scandinavian banks particularly active in cross-border mergers and acquisitions. Finnish banks' profitability, efficiency, and capital adequacy are all at a healthy level.

Hostile takeovers have not in the past been part of the Finnish business culture and Finnish law does not distinguish between friendly and hostile takeovers. Finnish legislation does not expressly address takeover defenses. In Finnish law, the legality of takeover defenses is evaluated primarily in light of the leading principles of the Security Markets Act (SMA), the principle of equal treatment of all shareholders, and general principles of company law. If challenged, the legality of the defensive measures is subject to review by the courts.

Finland changed over to the Single Euro Payments Area (SEPA) in January 2008. The system began with credit transfers and cards, and direct debit will be taken into use in 2009, replacing 31 national payment systems in Europe with one single European system working with uniform standards and regulations.

Political Violence

[Return to top](#)

There have been no instances of political violence since the struggle for independence in 1918.

Corruption

[Return to top](#)

Corruption in Finland is covered by the Criminal Code and provides for sanctions ranging from fines to imprisonment for up to four years, depending on the seriousness of the crime. Both giving and accepting a bribe is considered a criminal act under the Criminal Code. Finland has statutory tax rules concerning non-deductibility of bribes.

Over the past decade, Finland repeatedly has placed first or second on Transparency International's Corruption Perceptions Index (CPI), indicating extraordinarily low perceived levels of corruption, as determined by expert assessments and opinion surveys.

In December 2007, the Council of Europe's Group of States against Corruption (GRECO) recommended in its evaluation report Finland to sharpen its present control over political financing, and to increase the transparency of donations to political parties and election candidates.

In 2008, Finland's Transparency International CPI score decreased from 9.4 in 2007 to 9.0 in 2008, ranking Finland fifth on the list of least corrupt countries, mostly due to a lack of transparency in election campaign finance.

GOF acknowledged that there was a need for reform in this area and the 2004 Act on the Disclosure of Election Financing was amended, it entered into force in September, 2008. The reporting threshold for individual campaign contributions in municipal elections was cut from \$1,420(1,700 euros) to \$2,410 (1,000 euros). Campaign expenses must also now be publicly disclosed.

Finland is a signatory to the OECD Convention of Anti-Bribery. The instruments of ratification of the convention were deposited in December 1998. The amended Penal Code entered into force in January 1999. The convention entered into force in February 1999.

Finland ratified the UN Convention against Corruption in July, 2006.

Finland ratified the Council of Europe Civil Law Convention on Corruption in October 2001, it entered into force in November 2003, and signed the UN Convention against Corruption in December 2003. The Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime entered into force in Finland in July 1994. The UN Convention against Transnational Organized Crime was ratified in February 2003.

Finland ratified the Criminal Law Convention on Corruption (EST 173) in October 2002, and the Convention entered into force in February 2003. Finland made reservations in respect of Article 12 (trading in influence) and Article 17 (jurisdiction).

Finland is a party to the 1957 European Convention on Extradition. Finland has ratified the 1959 European Convention on Mutual Legal Assistance in Criminal Matters and its 1978 Additional Protocol. Finland is a party to the 1996 Convention on Extradition between EU member States as well the 1995 Convention on Simplified Extradition Procedure between EU.

The U.S and Finland have an extradition treaty, signed in June 1976; it entered into force in May 1980. The U.S. and Finland signed a bilateral extradition and mutual legal assistance treaty (MLAT) in December 2004. The U.S. and the EU signed bilateral extraditions and mutual legal assistance (MLAT) treaties in December 2003. The Finnish Parliament ratified the agreements (HE 85/2005) and approved the necessary implementing bilateral instruments in December 2007.

Bilateral Investment Agreements

[Return to top](#)

Finland has concluded bilateral investment agreements with the following 62 countries: Azerbaijan, Albania, Algeria, Argentina, Armenia, Belarus, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, the Czech Republic, the Dominican Republic, Egypt, El

Salvador, Estonia, Ecuador, Ethiopia, Georgia, Guatemala, Hungary, India, Indonesia, Iran, Jordan, Kazakhstan, Kirghizia, , Kuwait, Latvia, Lithuania, Macedonia, Malaysia, Mauritius, Mongolia, Morocco, Mozambique, Mexico, Namibia, Nigeria, Oman, Oriental Republic of Uruguay, Peru, Philippines, Poland, Qatar, Republic of Korea, Republic of Lebanon, Republic of Moldova, Republic of Slovenia, Romania, Russia, Slovakia, South Africa, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan, and Vietnam.

In September 1989, Finland and the U.S. signed a convention (TIAS 12101) for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. The convention entered into force December 30, 1990. The tax convention was amended on 31 May 2006 under a protocol signed in Helsinki. The protocol changes the rules that apply to people falling within the area to which the convention applies, domicile, taxation of dividends, interest and royalties, restrictions on benefits, a method for eliminating double taxation and an exchange of tax information.

Among other things, the protocol eliminates the source-country withholding tax on many intercompany dividends and on dividends paid to pension funds, updates the dividend article to incorporate policies reflected in the U.S. Model provision, such as those regarding real estate investment trusts (REITs), eliminates source-country withholding royalties payment regardless of type of intellectual property, bringing the convention in line with the U.S. Model treaty. The protocol has been passed by the Finnish Parliament, and U.S. signed the instruments of ratification in December 2007.

OPIC and Other Investment Insurance Programs

[Return to top](#)

In January 1996, OPIC and Finnvera (the former Finnish Guarantee Board FGB) signed an agreement to encourage joint U.S. - Finnish private investments in Russia and the Baltic States. The 1996 agreement was preceded, in 1992, by a Principles of Cooperation Agreement between OPIC and the Finnish Fund for Industrial Cooperation (Finnfund).

Finland has been a member of the Multilateral Investment Guarantee Agency (MIGA) since 1988.

Labor

[Return to top](#)

The Finnish labor force is highly skilled and well educated. Of the 2.5 million persons employed, 4.5 percent are employed in the primary sector, 25.5 percent in industry and construction, and 70 percent in services.

Finland has a high unionization rate of around 75 percent, and a long tradition of social dialogue. Wage formation and labor market institutions are based on legislation and agreements. The working life legislation has been prepared on a tripartite basis by government and social partners. Collective bargaining and collective labor agreements are generally binding in nature. Finland adheres to most ILO conventions; enforcement of worker rights is effective.

Regulation of the labor market – minimum wages, working hours, working conditions etc – to a large extent takes place through collective agreements instead of parliamentary legislation. In recent years, labor market partners at the local level have been given more flexibility in enforcing the stipulations of the collective agreements e.g. concerning working time arrangements. The Act on Employment Contracts is the main regulating act applied to employment relationships. It includes the minimum conditions regarding working hours, annual leave, safety conditions, etc.

The unemployment rate in November 2008 was 6.0 percent, against 6.1 percent a year earlier. The unemployed are granted compensation (labor market subsidy) which, if linked to earnings, as has been the case for about 60 percent of the unemployed, guarantees moderate income for a period up to 500 working days. Since January 2006, the labor market subsidy has had restrictions placed upon it. People without jobs after 500 days need to demonstrate that they are actively pursuing employment in order to continue receiving the benefit.

Finland is participating in an experiment taking place in the European Community, the purpose being to find out what impact a targeted reduction in value added tax has on employment and the grey economy. The value added tax rate on hairdressing services and certain small repair services (bicycle, shoe, leather product, clothes, and linen repairs) has been reduced from 22 percent to 8 percent for 2007-2010.

The temporary limits on the free movement of workers from eight EU member states were not renewed, and the restrictions applied to work permits ended in Finland in May 2006. Parliament adopted the amendments to the Aliens Act fully incorporating the directive on free movement of EU citizens into national law. The Act came into force in April 2007.

Due to the aging population in Finland, all sectors of the economy are estimated to face labor shortages in the future.

Foreign-Trade Zones/Free Ports

[Return to top](#)

Finland has four Free Zones and four Free Warehouse areas. The four designated Free Zones are located in Hanko (Southern Customs District); Hamina and Lappeenranta (Eastern Customs District); and Turku (Western Customs District). The four Free Warehouses are located in Helsinki (Southern Customs District); Naantali, (Western Customs District); and Kemi and Oulu (Northern Customs District).

In Finland, the duty-free free zone and warehouse licenses have in most cases been granted to municipalities or cities, but one or several commercial operators, approved by the customs districts, are usually in charge of warehousing operations within the area. The duty-free storage areas are available to both domestic and foreign-owned companies. The free zone area regulations have been harmonized in the EU by the Community Customs Code.

See Finnish Board of Customs (www.tulli.fi), for more information.

In 2007, there was a net inflow of direct investment to Finland, in the amount of 3.1 billion euros: outward direct investment totaled 5.2 billion euros and inward direct investment 8.3 billion euros. At the end of 2007, the value of the stock of outward direct investment was 77.6 billion euros and the value of the stock of inward direct investment was 60.2 billion euros. Finnish companies' income on foreign direct investment totaled 8.0 billion euros and foreign investors' income on direct investment in Finland totaled 7.0 billion euros.

No policies exist that govern the export of capital and outward direct investment. Holders of capital, Finnish and foreign, can move funds at will.

For more FDI statistical info See Bank of Finland's "Finland's balance of payments, annual review 2007", 10/6/2008 "- report
http://www.bof.fi/NR/ronlyres/A0318027-FE2D-4E57-960D-FB58A1FDEC69/0/Mtvuosi0810_en.pdf

Major U.S. investors, in terms of turnover, in Finland in 2007, include: Hewlett-Packard (552 million euros), Valtra/AGCO Corp (529 million euros), Paroc Group (*462 million euros), IBM (*460 million euros), Foster Wheeler Energia/Foster wheeler Corp (*423 million euros), John Deere Forestry (*380 million euros), Ford (332 million euros), GE Healthcare Finland (329 million euros) Tellabs (295 million euros), and DOW Suomi (273 million euros). * = consolidated turnover.

Web Resources

Finnish Tax Administration:

http://www.vero.fi/default.asp?language=ENG&domain=VERO_ENGLISH

Finnish Foundation for Share Promotion's Tax Guide:

<http://www.porssisaatio.fi/en/articles/tax-guide-for-investors-2007>

Federation of Finnish Financial Services:

http://www.pankkiyhdistys.fi/asp/ida/download.asp?prm1=wwwuser_fkl&docid=23305&sec=&ext=.pdf

Finnish Board of Customs: www.tulli.fi

Bank of Finland, "Finland's balance of payments, annual review 2007", 10/6/2008 "- report: http://www.bof.fi/NR/ronlyres/A0318027-FE2D-4E57-960D-FB58A1FDEC69/0/Mtvuosi0810_en.pdf

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

Finland ranks among the most advanced countries in the world when it comes to banking technology. Where banks have devised services drawing on new technologies, customers have welcomed the new ways of banking and innovative solutions. This approach plays a key role behind the widespread use of the novel services in Finland.

Finnish banking is different from banking elsewhere in Europe in many ways. In Finland, payments are transmitted electronically up to 96 percent and payment processing has been reduced at bank branches by not only tele-banking services, which have been readily adopted by both businesses and households, but also by “EFTPOS” terminals and increased use of cards for payment of shopping. Payment transmission between businesses is almost entirely automatic. In practice, the paper vouchers are disposed and a significant part of corporate account statements are in electronic format.

Currently, Finnish banks are in the process of changing over to a Single Euro Payments Area, SEPA created by European banks, the European Central Bank, and the European Commission. The new system will comprise credit transfers, card payments, and direct debits. In practice, the change means that 31 national payment systems will be replaced by a new system, operating according to uniform rules and common standards. Since the beginning of 2008, banks operating in Finland have been able to offer their customers SEPA payment transfer and SEPA payment card. For further information on SEPA, please see <http://www.fkl.fi>

How Does the Banking System Operate

[Return to top](#)

At the end of 2007, there were a total of 338 banks in Finland, 15 of which are branches of foreign banks accepting deposits. The banks had a total of 1,687 branches in Finland at the end of the year.

The Finnish banking system is dominated by three major groups of deposit banks: OP-Pohjola Group, Nordea Bank Finland, and Sampo Bank which is part of Danske Bank A/S, the largest foreign branch operating in Finland. Operating since 1982, Citibank International plc was the first foreign branch in Finland.

Mergers and consortiums have formed the Finnish banking sector. Banks and insurance companies have sought new forms of co-operation, and the operations of banks have extended to many sectors of financing and investment. The financial and banking markets are international, and it is almost impossible to draw a boundary between national and international banking.

The most important piece of legislation governing banking in Finland is the Act on Credit Institutions. From the beginning of January 2009, Finanssivalvonta (FIVA), or the Financial Supervisory Authority (FIN-FSA) is the new authority for supervision of Finland's financial and insurance sectors and responsible for most of the supervisory functions previously undertaken by its predecessors, the Financial Supervision Authority, and the Insurance Supervisory Authority. The Financial Supervision Authority oversees the compliance with the laws and regulations, and ensures that banks' capital adequacy is kept at a sound level.

The Federation of Finnish Financial Services is a trade body that represents its member companies who engage in the financial services industry in Finland. The Federation was formed at the start of 2007 when the Finnish Bankers' Association, the Federation of Finnish Insurance Companies, the Finnish Finance Houses Association, and the Employers' Association of Finnish Financial Institutions joined forces. In the beginning of 2009, the Finnish Association of Securities Dealers also joined the Federation.

For further information on banks and the Finnish banking system, please see <http://www.fkl.fi>

Foreign-Exchange Controls

[Return to top](#)

Finnish foreign exchange controls have been abolished.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

All principal Finnish banks have extensive correspondent relationships with U.S. banks, maintaining relationships with banks in every state as well as with all of the larger financial center banks. Further information on correspondent relationships can be obtained from the Federation of Finnish Financial Services, Bulevardi 28, FI-00120 Helsinki; Tel: +358 20 7934200, Fax: +358 20 7934202 (web site: www.fkl.fi).

Project Financing

[Return to top](#)

The Finnish financial market is typical of European countries where banks and financing institutions have a dominant role. A project finance package usually includes financing from a variety of sources, different types of collateral arrangements, guarantees, escrow accounts, project sponsor commitments, etc. Development banks, such as the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) often play an important role in co-financing large-scale projects.

Major Finnish government and other programs are detailed below.

Finnfund - The Finnish Fund for Industrial Cooperation: Similar to the U.S. government-sponsored OPIC, Finnfund promotes investments in developing countries. Apart from co-investing with Finnish companies it finances ventures that use Finnish technology, cooperate with Finnish partners on a long-term basis or generate major environmental or social benefits. Finnfund acts as an agent in Finland for EU programs for the financing of investment in emerging continents. Finnfund provides equity capital as well as long-term investment loans and also participates in guarantee arrangements. In addition to financing, the corporation offers a broad range of fund-management and advisory services. Finnfund is owned by the State of Finland, Finnvera, and the Confederation of Finnish Industries.

NIB - Nordic Investment Bank: The Nordic Investment Bank (NIB) is a multilateral financial institution headquartered in Helsinki. NIB promotes sustainable growth of its eight member countries (Finland, Sweden, Norway, Denmark, Iceland, Estonia, Latvia, and Lithuania) by providing long-term complementary financing, based on sound banking principles, to projects that strengthen competitiveness and enhance the environment. Loans and guarantees are given to investments that assure energy supply, improve infrastructure or support research and development. NIB finances investment projects and project exports, both in and outside the member countries. The bank has lending operations both in its member countries and in emerging markets. High priority is given to investments furthering economic cooperation between the member countries.

Finnvera plc - A specialized financing company owned by the State of Finland, Finnvera plc provides services to supplement the Finnish financial market. Finnvera's task is to promote the development of enterprise, regions and the exports of Finnish companies. Finnvera carries out this task by improving the range and versatility of financing options available to enterprises through loans, guarantees, capital investments, and export credit guarantees. Finnvera grants loans to enterprises and entrepreneurs, and issues guarantees and export credit guarantees to enterprises and financiers. Through its special loans and guarantees, Finnvera also acts as an intermediary between the European Union's financing programs and Finnish SMEs. Finnvera acts as Finland's official Export Credit Agency (ECA), providing export guarantees and insurance.

Finnish Export Credit Ltd (FEC) - FEC is an internationally notified official Export Credit Agency and a wholly owned subsidiary of Finnvera plc. FEC administers on behalf of the Finnish Government the interest equalization scheme for officially supported export credits and domestic ship financing at CIRRs (Commercial Interest Reference Rate) in accordance with the OECD Arrangement. FEC also provides export credits when a withholding tax benefit can be achieved.

SITRA and TEKES: SITRA (the Finnish National Fund for Research and Development) and TEKES (the Technology Development Center) are independent public financing institutions with the purpose of strengthening the role of research in economic life and promoting new products. The aim is to introduce internationally competitive high-technology products and production methods. Traditionally, SITRA has made venture-capital investments mainly in Finnish start-ups in the medical and technology sectors. However, since 2006, SITRA's focus is to make its new venture-capital investments in

selected program areas. The venture-capital investments by these programs are carried out in co-operation with the investment directors of the program and SITRA Ventures. The aim of the market-based investments is to create and develop competitive and profitable businesses.

TEKES funds industrial projects as well as project in research organizations, and especially promotes innovative, risk-intensive projects. TEKES offers partners from abroad a gateway to the key technology players in Finland. Activities should diversify production structures, increase production and exports, and create a foundation for employment and well-being.

Ministry of Employment and the Economy: The ministry and its regional Employment and Economic Development centers (T&E Centers) offer subsidies for investment in the form of regional investment aid, aid for small businesses or development aid for small and medium-size enterprises (SMEs). Special investment and start-up aid is available for small companies in the whole country, especially in rural areas and structural adjustment areas. SMEs can obtain special development aid for improving their competitiveness in the long run or operations increasing internationalization. Please see <http://www.te-keskus.fi>

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Federation of Finnish Financial Services: <http://www.fkl.fi>

The Financial Supervisory Authority (FIN-FSA): <http://www.fiva.fi>

Finnfund: <http://www.finnfund.fi>

Nordic Investment Bank: <http://www.nib.int>

Finnvera plc: <http://www.finnvera.fi>

Finnish Export Credit Ltd: <http://www.fec.fi>

Finnish National Fund for Research and Development: <http://www.sitra.fi>

Technology Development Center: <http://www.tekes.fi>

Ministry of Employment and the Economy: <http://www.tem.fi>

T&E Centers: <http://www.te-keskus.fi>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

Finland is a modern, commercially mature country that enjoys close relations with its Nordic neighbors. Social and business protocol is similar to that in the United States. It is worth noting that relationships are important within the social and business world, as Finns prefer to deal with people they know and trust.

Travel Advisory

[Return to top](#)

U.S. Department of State Consular Information Sheet – Finland:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1115.html

Visa Requirements

[Return to top](#)

Finland is a party to the Schengen agreement. As such, U.S. citizens may enter Finland for up to 90 days for tourist or business purposes without a visa. The passport should be valid for at least three months beyond the period of stay. Visa applications should be submitted to a Finnish diplomatic mission before entry into Finland.

A foreigner needs a residence permit in order to stay in Finland for a longer period of time. However, residence permits are also needed for short stays of less than three months if the purpose of the stay is to work in Finland. Residence permits require either a valid passport or a travel document. Foreigners must have work permits if they intend to work in Finland. Exceptions are citizens of the Nordic countries or citizens of EU/EEA countries. EU-citizens outside the Nordic countries need to apply for an EEA-card from the local police for stays exceeding 90 days. An EEA-card is a combined work and residence permit.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Embassy Helsinki, Finland Consular Section website:

<http://finland.usembassy.gov/cons.html>

Telecommunications

[Return to top](#)

Finland's telecommunications environment is one of the most advanced in Europe. According to Statistics Finland, in 2005, 100 percent of households had at least one mobile phone. Finland has also one of the highest numbers of computers per capita worldwide connected to the Internet and is the world's leading country in electronic banking. Also high-speed Internet connections are available at all business hotels.

Voice communication services have largely moved to mobile networks in Finland. Today, data services are also increasingly changing over from dial-up connections offered in the fixed telephone network to broadband connections. At the same time the number of fixed telephone network subscriptions is diminishing. The popularity of mobile broadband is growing rapidly. For information on telecommunications in Finland, please visit www.expats-finland.com/telecommunications_and_media/index.html

Transportation

[Return to top](#)

Finland has a well-developed infrastructure. Finland's transportation system is based on an efficient rail and road network, supported by a wide network of freight forwarders and trucking companies. Finland's domestic distribution system for goods and services is efficient. The well-functioning transportation system and the fact that Finland's rail gauge is the same as Russia's make the country a good transshipment point for Russian trade. Among other projects, Finland is developing the "gateway" concept further by maintaining and extending a highway in southern Finland that would reach the Russian border at the southern Vaalimaa border crossing point. The E18 road, from Kristiansand, Norway, through Sweden and Finland, to St. Petersburg, Russia, is part of the European Union Trans European Road Network system, connecting EU-member Nordic capitals with efficient roads. The E18 highway project is estimated to be ready in 2015 according to the Finnish Road Administration (Tiehallinto).

Finland has over 50 merchant shipping ports, of which more than 10 are located on inland waterways connected to the Baltic Sea by the Saimaa Canal. Twenty-three seaports are open year round. Finnish ports, 15 of which deal with transit traffic through Finland, can handle a wide range of cargo. The 10 biggest ports handle more than 75 percent of all sea-borne cargo traffic. The ports near the Russian border (Hamina, Kotka, and Mustola) concentrate on forestry goods, bulk cargo, and free zone activities. Ports are secure and automated; loading and unloading operations are consistently quick and trouble-free.

Language

[Return to top](#)

The two official languages in Finland are Finnish and Swedish. About 91.5 percent of the population speaks Finnish and 5.5 percent Swedish as their native language. Both languages are compulsory at school. English is widely spoken in Finland, especially among younger people and in major cities.

Health

[Return to top](#)

Medical facilities are widely available. The public hospital system will not honor foreign credit cards and/or U.S. insurance coverage. However, private hospitals and clinics that accept major credit cards are widely available. Travelers have found that, in some cases, a letter from their carrier describing supplemental medical insurance with specific overseas coverage has proved useful.

A foreigner is usually covered by the Finnish social security after moving to Finland, with health care as one of the benefits. Services are provided within each municipality. The quality of public health care is equivalent to care given by private doctors. In addition, the employers subsidize occupational health care.

Local Time, Business Hours, and Holidays

[Return to top](#)

The standard time zone in Finland is EET (Eastern European Time), which is UTC (Coordinated Universal Time) + 2 hours.

Business hours in Finland are generally 08.00 AM to 04.00 PM. The average Finnish workweek is 40 hours per week, with annual leave of 25 days, 12.5 free days, and 9 paid holidays. Part-time employment averages to 17.8 hours per week.

The national holidays in 2009 are:

- New Year's Day (January 1)
- Epiphany (January 6)
- Good Friday (April 10)
- Easter Monday (April 13)
- May Day (May 1)
- Ascension Day (May 21)
- Mid-Summer (June 20)
- All Saints' Day (October 31)
- Independence Day (December 6)
- Christmas (December 25-26)

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Please see Chapter 5: Trade Regulations and Standards – Temporary entry

Web Resources

[Return to top](#)

U.S. Department of State Consular Information Sheet – Finland:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1115.html

Finnish Road Administration:
<http://www.tiehallinto.fi/>

Finnish Immigration Service Website:
<http://www.migri.fi/netcomm/content.asp?path=8,2471>

Ministry for foreign affairs of Finland:
<http://formin.finland.fi/public/default.aspx?nodeid=15716&contentlan=2&culture=en-US>

FinnishPolice:
<http://www.poliisi.fi/poliisi/home.nsf/pages/CCCAC60A96939016C2256EF4002D9058?OpenDocument>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

U.S. Embassy Trade Personnel

Commercial Service of the United States
Embassy of the United States of America
Itainen Puistotie 14 B
FIN-00140 Helsinki, Finland

or

PSC 78, Box H
APO AE 09723

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E-mail: Helsinki.Office.Box@mail.doc.gov

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Ms. Merja Poikolainen, Commercial Specialist

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Colonel Joy Shasteen, Defense & Air Attaché/Chief, Security Assistance Office

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Jon Olson, Naval Attaché/SAO Officer

Foreign Agricultural Service
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Fax: (46-8) 662 8495

Email: agstockholm@fas.usda.gov

Mr. Steve Huete, Agricultural Counselor (for the Netherlands, Belgium, Luxembourg, Denmark, Iceland, Sweden, Finland and Norway), resides in The Hague.

Ms. Åsa Lexmon, Agricultural Specialist

Ms. Bettina Dahlbacka, Agricultural Specialist

Chambers of Commerce

American Chamber of Commerce in Finland

<http://www.amcham.fi/>

Central Chamber of Commerce

www.keskuskauppakamari.fi

International Chamber of Commerce (ICC)

www.iccfin.fi

Helsinki Chamber of Commerce

www.helsinki.chamber.fi

Finnish-American Chamber of Commerce*

<http://www.facc-ny.com/>

*Not affiliated with the American Chamber of Commerce

World Trade Center Helsinki

www.wtc.fi

Country Trade Associations

Federation of Finnish Commerce and Trade

www.kaupankl.fi

Finnish Foreign Trade Agents' Federation

www.agentiliitto.fi

Finnish Direct Marketing Association

<http://www.ssml.fi>

Confederation of Finnish Industries (EK)

<http://www.ek.fi/>

Technology Industries of Finland

<http://www.teknologiateollisuus.fi/>

Finnish Forest Industries' Federation
www.forestindustries.fi

Finpro
www.finpro.fi

Invest in Finland Bureau
www.investinfinland.fi

Country Government Offices

Ministry of Agriculture and Forestry
www.mmm.fi

Employment and Economic Development Center
www.te-keskus.fi

National Food Agency
www.evira.fi

The National Board of Customs
www.tulli.fi

Statistics Finland
www.stat.fi

Office of Data Protection Ombudsman
Ministry of Justice
www.tietosuoja.fi

Finnish Standardization Association (SFS)
www.sfs.fi

Finnish Electrotechnical Standard Association (SESKO)
www.sesko.fi

National Board of Patents and Registration of Finland
www.prh.fi/

National Consumer Administration
www.kuluttajavirasto.fi

Country Market Research Firms

Research International Finland Oy
www.research-int.fi

A.C. Nielsen Finland Oy
www.acnielsen.fi

MTT Economic Research

www.mtt.fi/mttl/

TNS Radar Research Consulting Oy
www.tns-radar.fi

Country Commercial Banks

Nordea Bank Finland
www.nordea.com or www.nordea.fi

OP-Pohjola group
www.pohjola.fi

Sampo Pankki Oyj (Sampo Bank Plc.)
www.sampopankki.com

Citibank International Plc - Finland Branch
www.citibank.com

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

[Return to top](#)

Please click on the links below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

<http://www.buyusa.gov/finland/en/europetradeshows.html>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

http://www.buyusa.gov/finland/en/american_companies.html

[Return to table of contents](#)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.