

**Technology Industries
of Finland**



Finnish Technology industries - from COVID crisis to growth

16.12.2020

Jaakko Hirvola, CEO, Technology Industries of Finland

Finnish Technology Industry

- **50 % of total Finnish exports**
- **70 %** of private-sector R&D investment.
- **320,000** employed directly, **675,000** in total
- Five subsectors:
 - Mechanical engineering (Kone, Wärtsilä...)
 - Electrotechnical (Nokia, Ensto...)
 - Metals (Outokumpu, SSAB...)
 - IT (TietoEVRY, IBM...)
 - Consulting engineering (AFRY, Ramboll...)
- 1600 member companies, >90% SME's



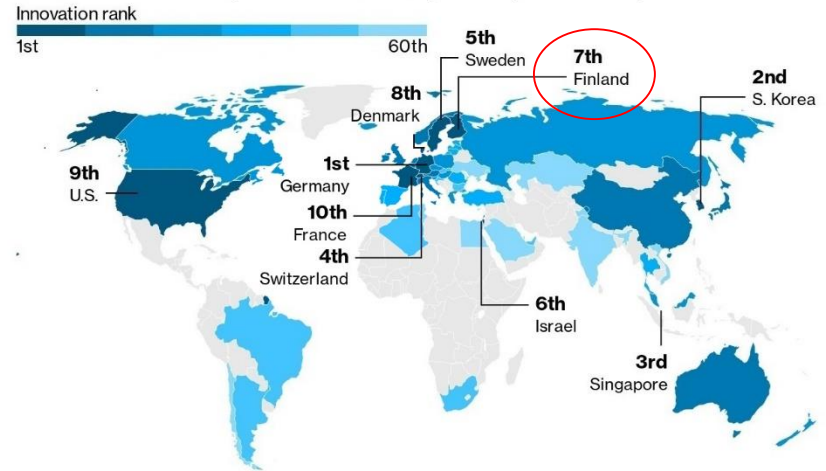


State of the Tech Industries before the hit

- Cost competitiveness getting worse again
- Decent productivity development
- Long decrease in RDI investments
- Flat trend in fixed investments
- Finland 7th most innovative economy (but moving down)

World's 60 Most Innovative Economies

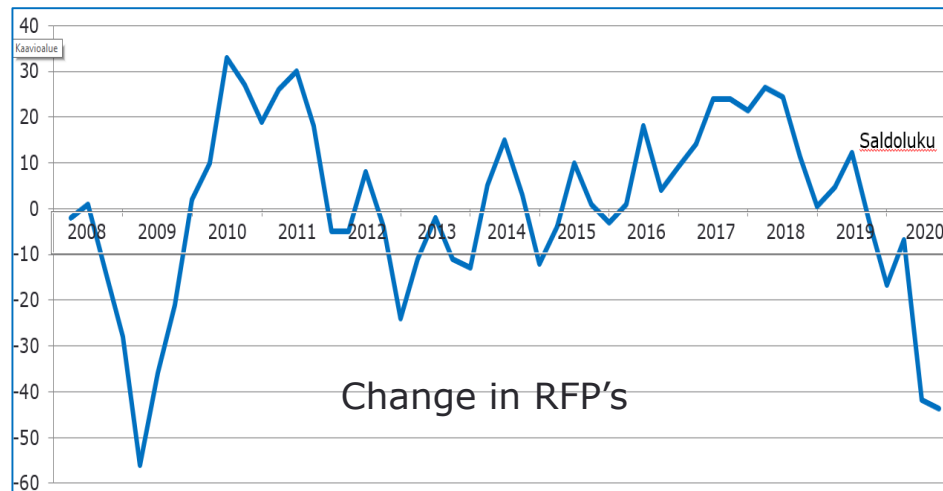
China inches into top 15 in 2020 as Japan drops out of top 10



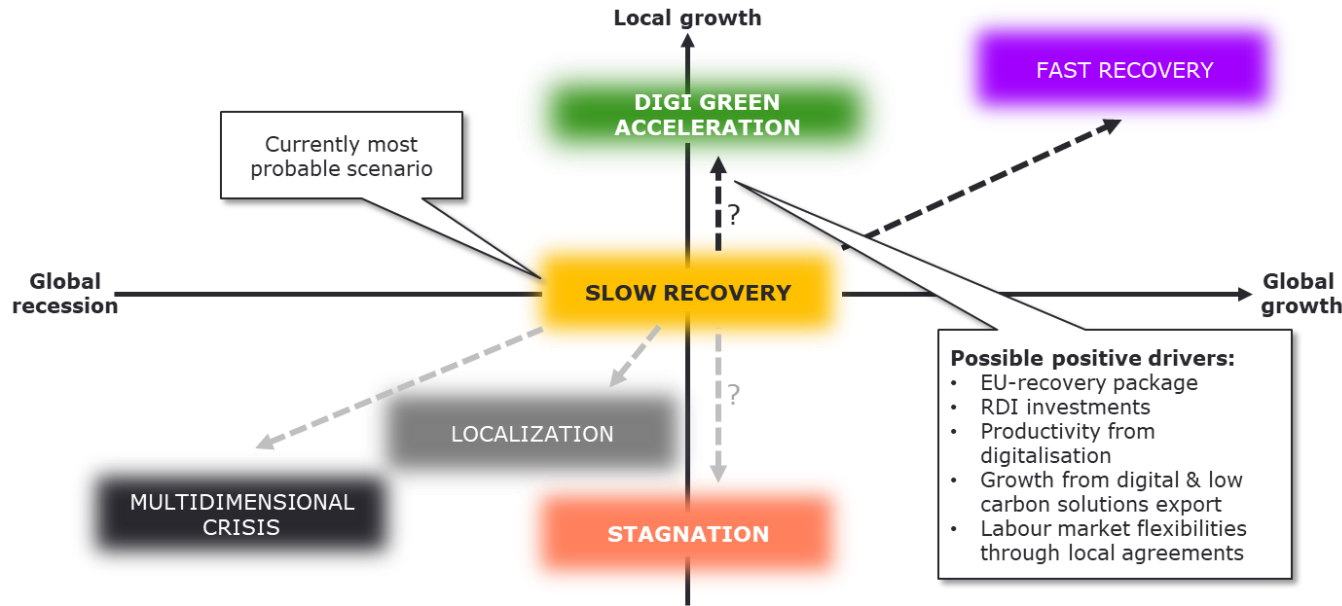


COVID-19 impact on Finnish Tech Industry

- Demand collapsed across Europe and the globe
- 40% say worst is yet to come
- 40% temporary layoffs
- Revenue decline expected to continue to 2021



Let us choose wisely

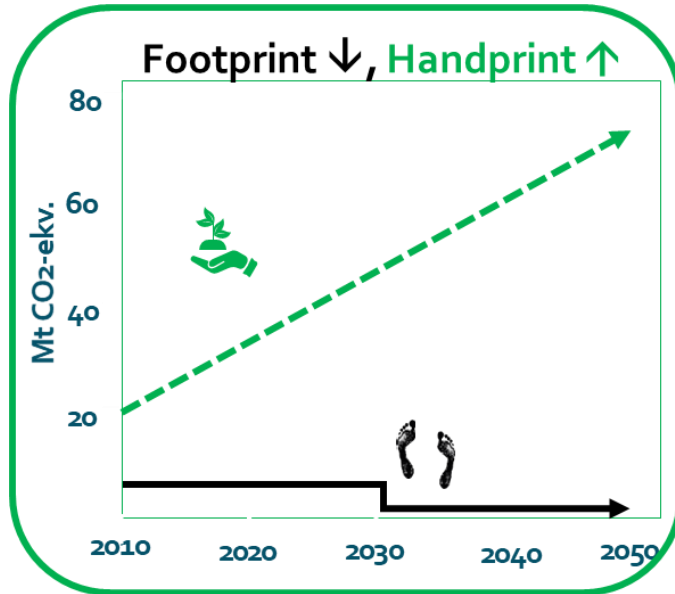


Post Covid19 priorities:

- Digitalisation
 - Smart industrial processes and value chains
 - Recovery package allocation with impact
- Green transition
 - Carbon neutral target 2035 supported by industry
 - Recovery package allocation with impact
- Resilience
 - Rethink supply chains



Green transition is an opportunity



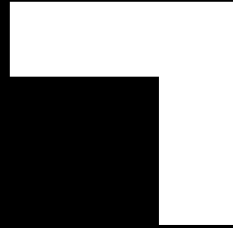
- Footprint 6- > 1 Mt
 - Zero carbon steel
- Handprint 20- > 70Mt
 - Clean energy
 - Electrification
 - Material efficiency
 - Clean tech
 - Smart processes
- Digitalisation is a key driver



What can we do together?

- Positive relationship with balanced but limited trade
 - FI → LT oil products, machinery, motor vehicles, paper, ...
 - LT → FI subcontracting, electric appliances, consumer goods, ...
 - 200 FI companies operate in LT
 - Both countries dependent on EU trade
- Opportunities?
 - Resilience of supply chains, near-shoring?
 - Manufacturing industry?
- Key contacts: Team Finland (Vilnius)





**Technology Industries
of Finland**