

Introduction

Finland is a country located in Northern Europe bordering the Baltic Sea, Gulf of Bothnia, and the Gulf of Finland. Neighboring countries include Sweden, Russia, and



Norway, with Estonia lying to its south across the Gulf of Finland. Finland is a republic; the chief of state is the president, and the head of government is the prime minister. Finland has a largely free-market

economy in which the economy includes a variety of private freedom, combined with centralized economic planning and government regulation. Finland is a member of the European Union (EU).



Location: Northern Europe

Capital City: Helsinki (+2 GMT)

Chief of State: President Sauli Niinistö

Head of Govt.: Prime Minister Petteri Orpo

Currency: Euro (EUR)

Major Languages: <p>Finnish (official) 87.6%, Swedish (official) 5.2%, Russian 1.4%, other 5.8% (2018 est.)</p>

Primary Religions: <p>Lutheran 69.8%, Greek Orthodox 1.1%, other 1.7%, unspecified 27.4% (2018 est.)</p>

Calling Code: 358

Voltage: 230

Key Websites

Main Government Page: valtioneuvosto.fi

Commerce Ministry: tem.fi

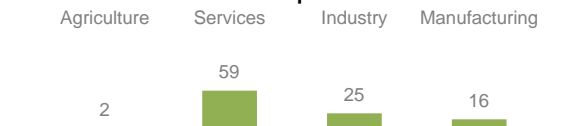
Export Promotion Agency: businessfinland.fi

Investment Promotion Agency: investinfinland.fi

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$328.00 billion (2022)
GDP growth (annual %):	2.08% (2022)
GDP per capita, PPP (current international \$):	\$59,026.71 (2022)
Manufacturing, value added (% of GDP):	15.85% (2022)
Current account balance (BoP, current US\$):	-\$11.06 billion (2022)
Inflation, consumer prices (annual %):	7.12% (2022)
Labor force, total:	2,823,107 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	6.80% (2022)
Imports of goods and services (current US\$):	\$133.80 billion (2022)
Exports of goods and services (current US\$):	\$126.07 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	1 / 178
EY Globalization Index	13 / 60
Global Competitiveness Index	11 / 141
Global Enabling Trade Index	6 / 136
Global Manufacturing Competitiveness Index (GMCI)	24 / 40
Global Services Location Index	58 / 60
Index of Economic Freedom	11 / 176
International Logistics Performance Index (LPI)	10 / 160
Inward FDI Potential Index	14 / 139
KOF Index of Globalization	12 / 185
Networked Readiness Index (NRI)	2 / 139

Risk Assessment (Provided by Coface)

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- Generally prudent economic policy, which leads to low interest rates for government bonds
- Favorable business climate and strong institutions
- High standard of living
- Economic growth not dependent on foreign tourists (Finland has a negative structural tourism service balance)
- Strong ICT sector that is rapidly adapting to global changes
- High green capital thanks to forests covering 65% of land

Weaknesses

- Highly vulnerable to international economic conditions (goods & services exports = 40% of GDP in 2019, before the pandemic)
- Direct neighbor of Russia (common border is around 1,340 km long); Finland was part of the Russian empire between 1809 and 1917
- Dependence of the Finnish banking on the Swedish and Danish financial sectors, despite the return of a major institution in 2017
- Ageing population (33% of the population were pensioners at the end of 2021)
- Labor market inflexibility leads to relatively high structural unemployment (a 6% unemployment rate is considered as full employment)

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