

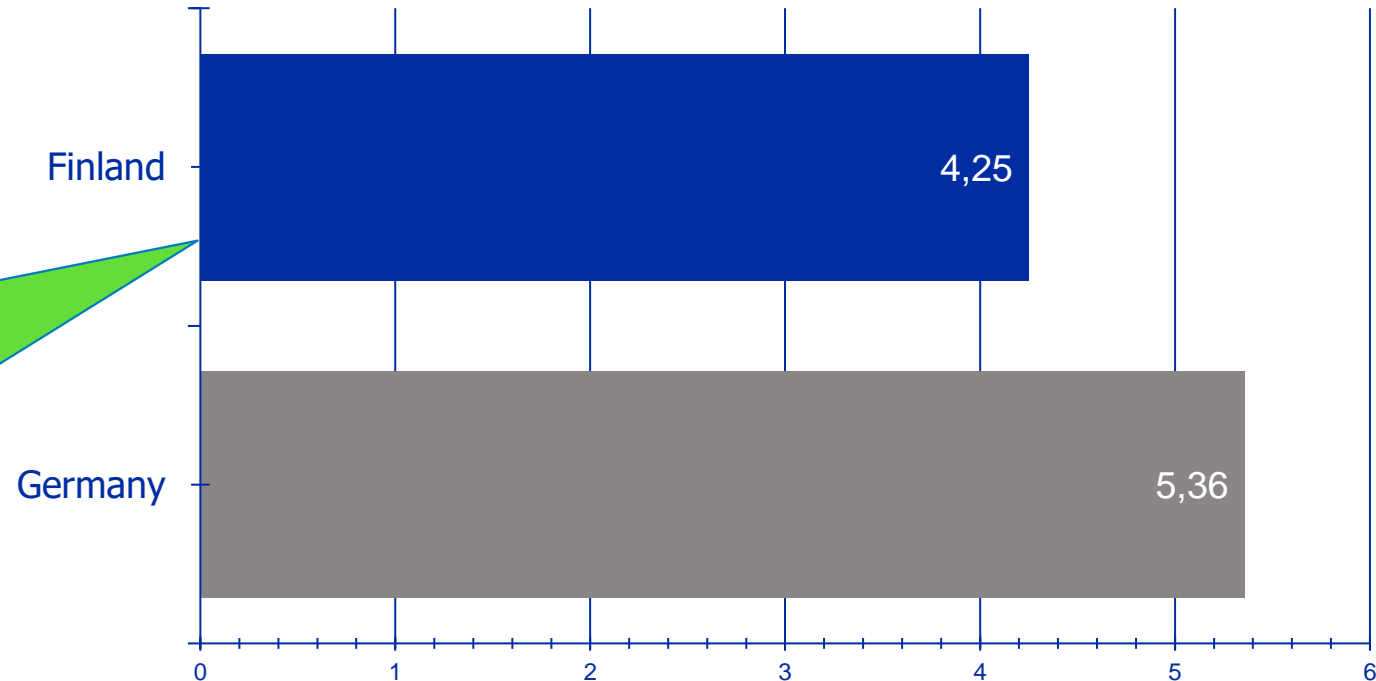
**BUSINESS
FINLAND**

**INVEST IN
FINLAND**

**IN FINLAND YOUR
BUSINESS IS COST
EFFECTIVE WITH TALENTED
AND LOYAL STAFF**

FINLAND REMAINS COMPETITIVE ALSO IN COMING YEARS WITH LOW LABOUR COST GROWTH

Finnish Technology and Chemical Industries has agreed only **2,0%** salary increase for 2022. **This is lower than forecasted.**

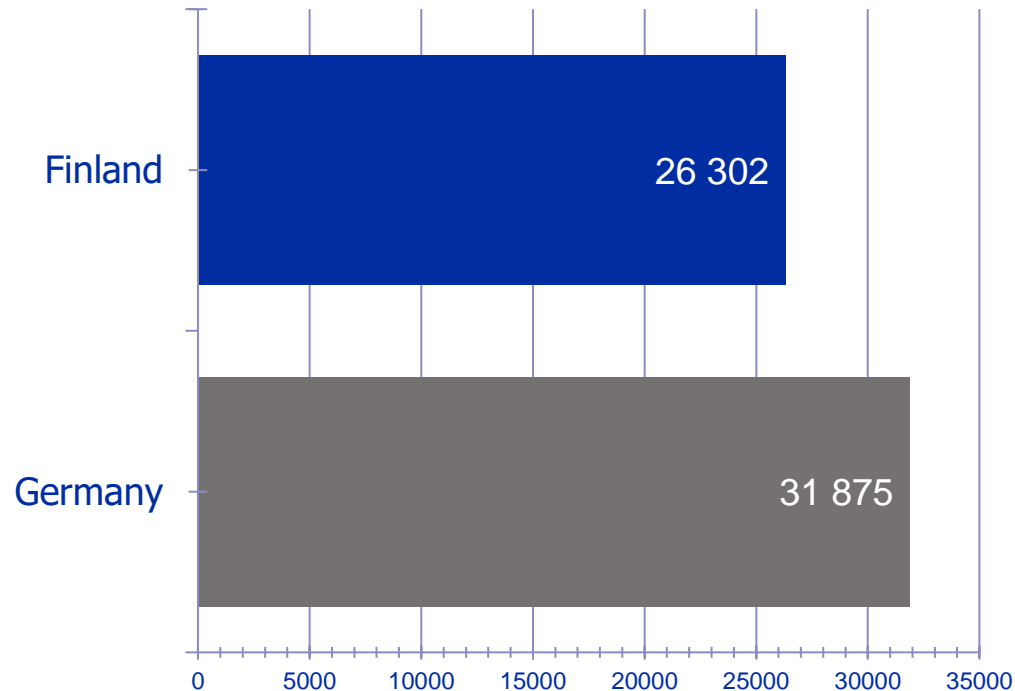


This chart shows **Labour costs, forecast growth (p.a.)** across the 2 locations, expressed as Percentage, years 2022-2024. This is an estimate by fDi Intelligence from the Financial Times based on International Monetary Fund and World Bank World Development Indicators

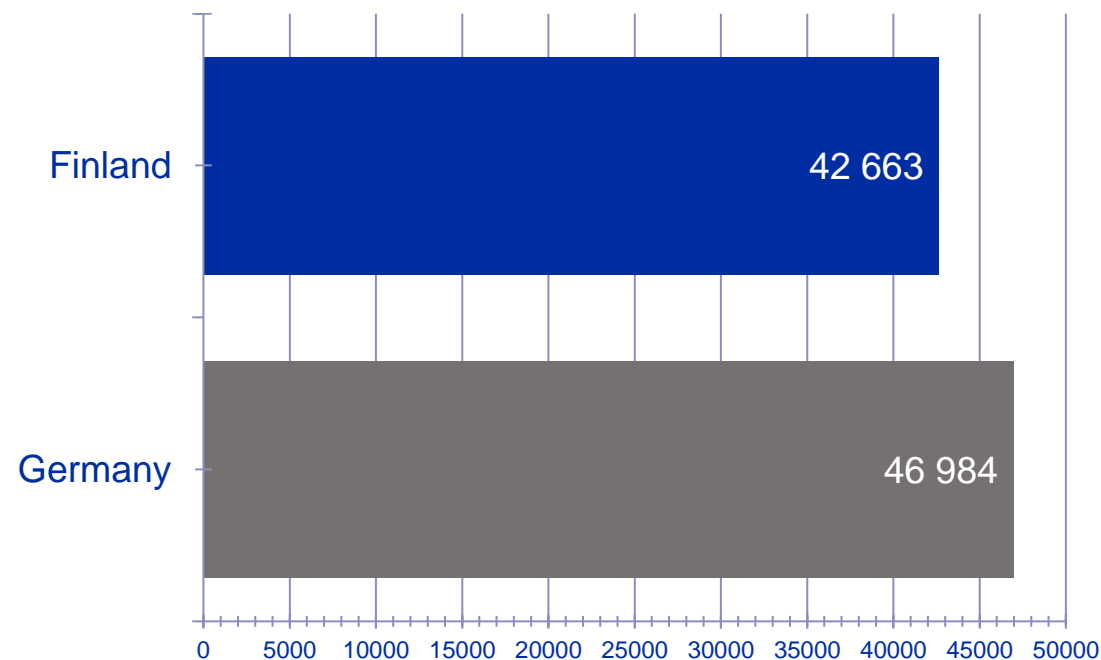
LABOR COST COMPARISON

ANNUAL TOTAL COSTS (SALARY + ADDITIONAL), EUR

Production Operative (Unskilled)



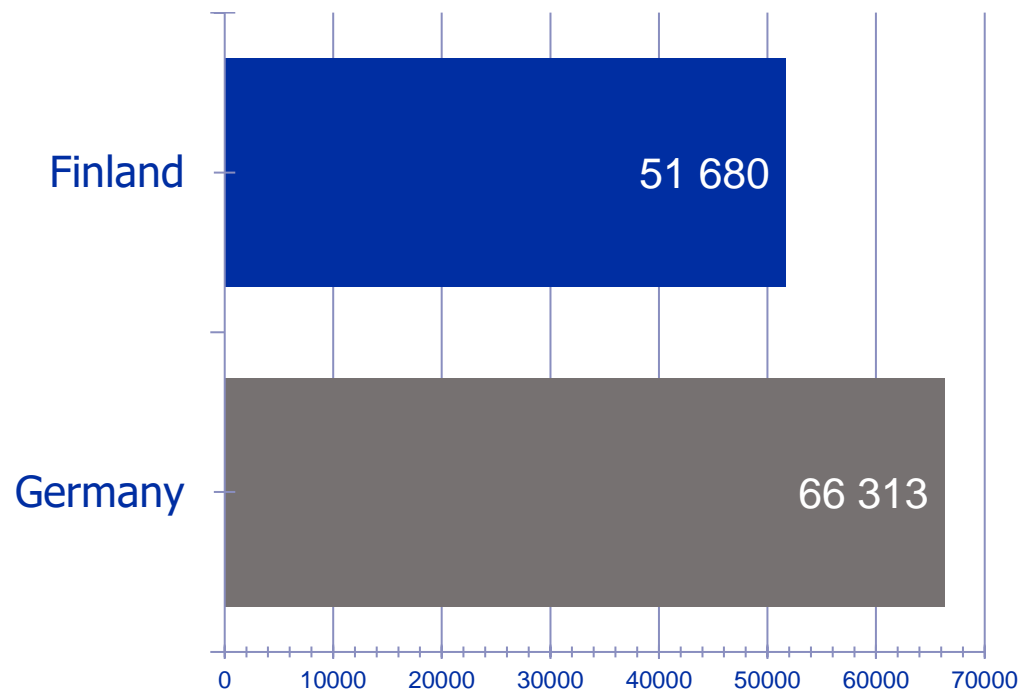
Production Operative (Skilled)



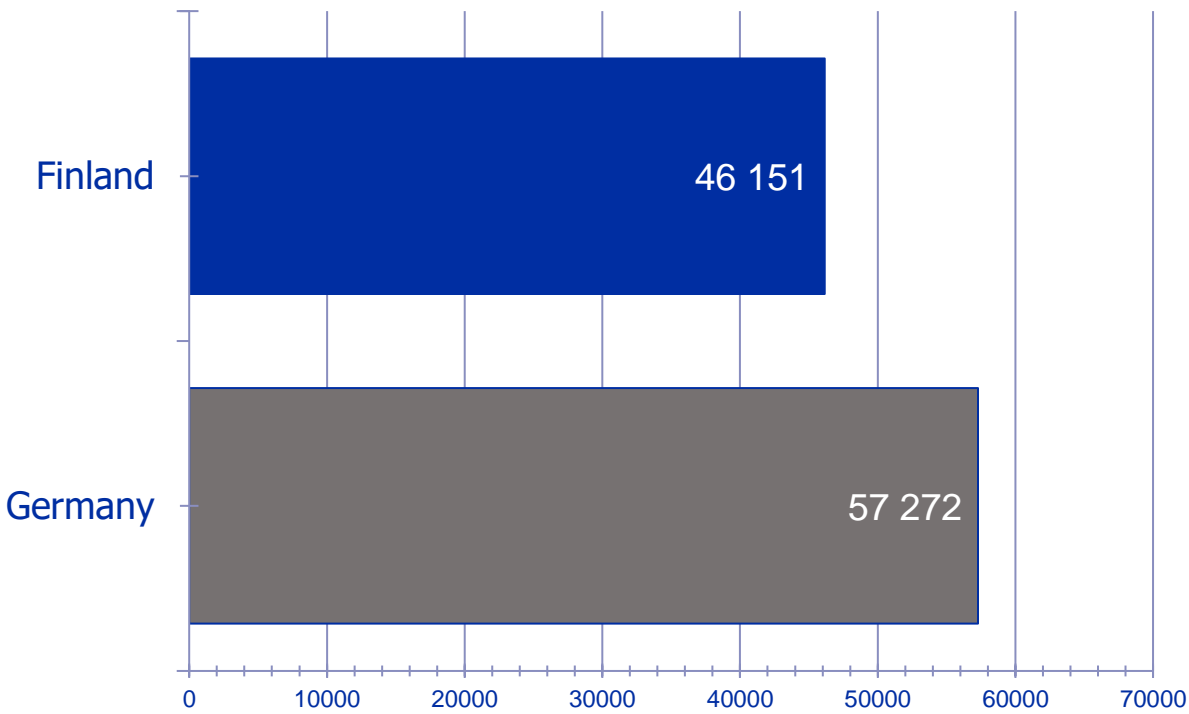
LABOR COST COMPARISON

ANNUAL TOTAL COSTS (SALARY + ADDITIONAL), EUR

Production Operative (Highly Skilled)



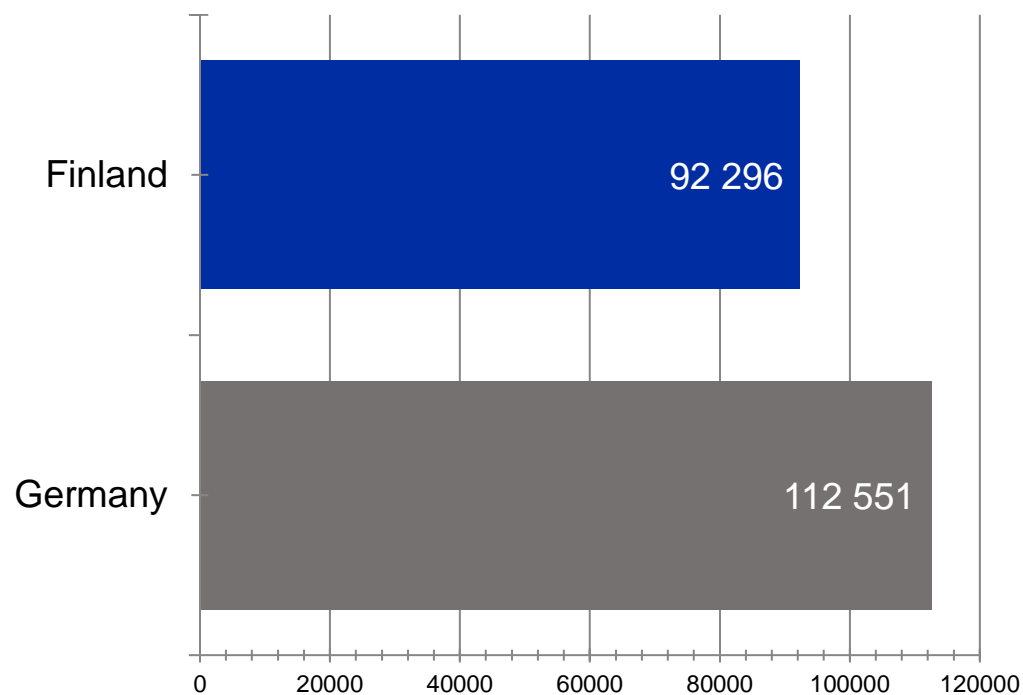
Quality Control Specialist



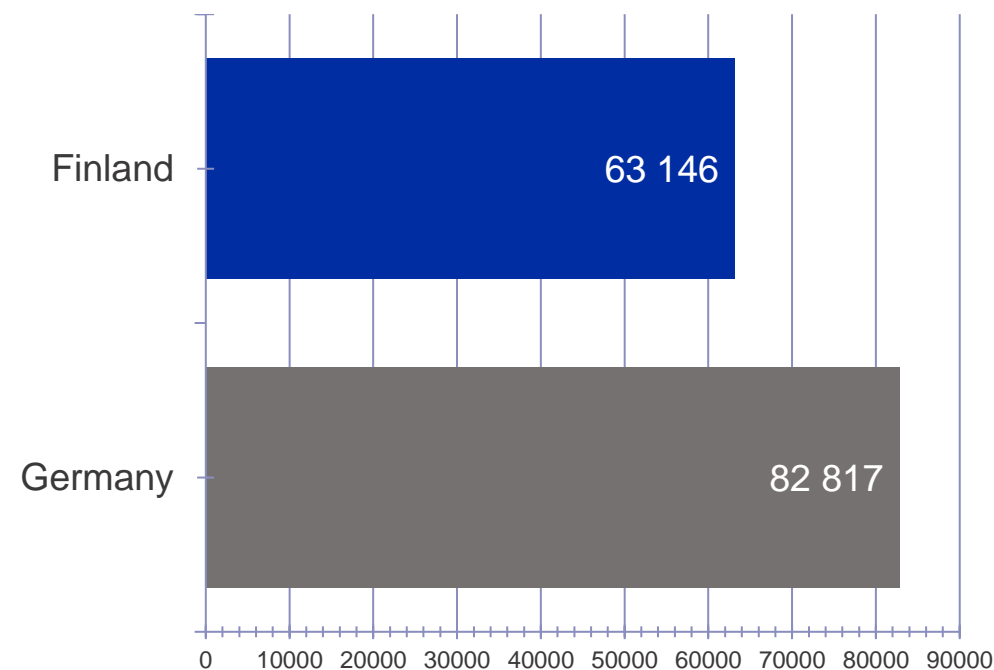
LABOR COST COMPARISON

ANNUAL TOTAL COSTS (SALARY + ADDITIONAL), EUR

Head of Manufacturing



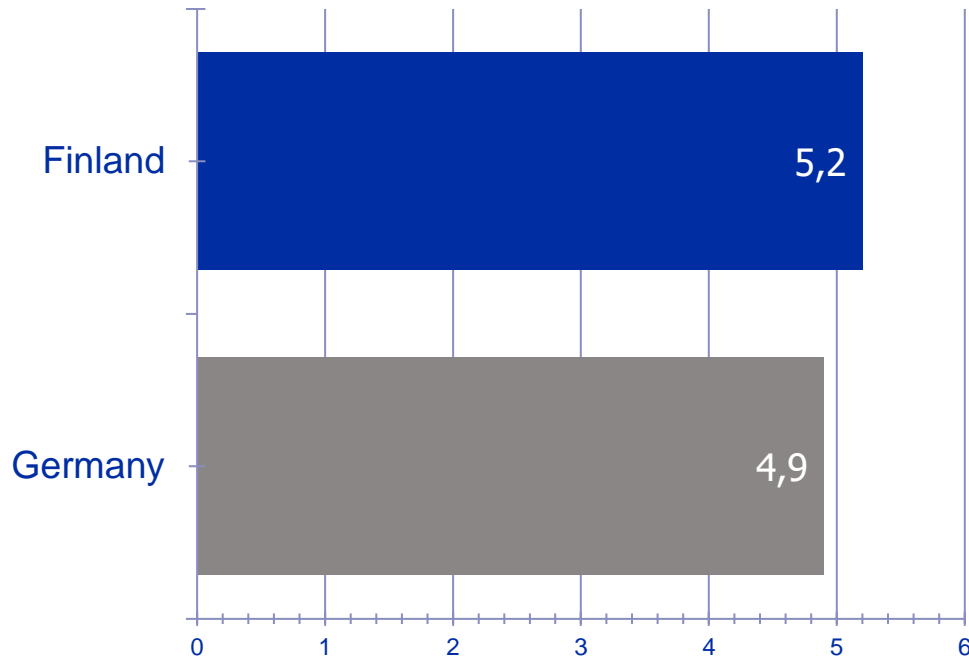
Production Manager



FINLAND HAS LOYAL EMPLOYEES IN MANUFACTURING SECTOR

Ease of finding skilled employees

[1 = not at all; 7 = to a great extent]



fDi Benchmark from the Financial Times Ltd 2022

According to the Confederation of Finnish Industries, employee turnaround is 11,8% in manufacturing in Finland which is the **smallest percentage across different industries.**

Over 65% of employees report working more than **5 years** for the same employer in the manufacturing industry.

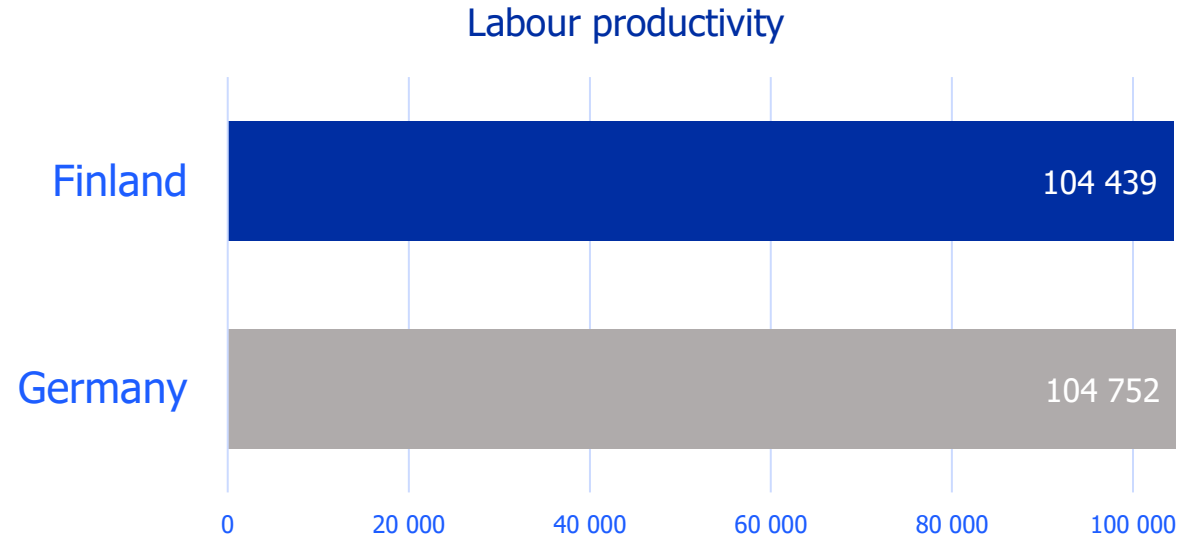
In the Finnish low hierarchy organizations, an employee's level of responsibility in the organization is higher, and thus there tends to be more engagement.

Confederation of Finnish Industries 2020

LABOUR PRODUCTIVITY IS HIGH IN FINLAND

FINLAND'S WORKFORCE IS EXCEPTIONALLY WELL EDUCATED, SKILLED AND EXPERIENCED, AND KNOWN FOR ITS HIGH LEVEL OF PRODUCTIVITY AND COMMITMENT.

Finns know global business and are used to working in a multicultural environment across different time zones in English. Over 90% of Finns under 30 speak English.

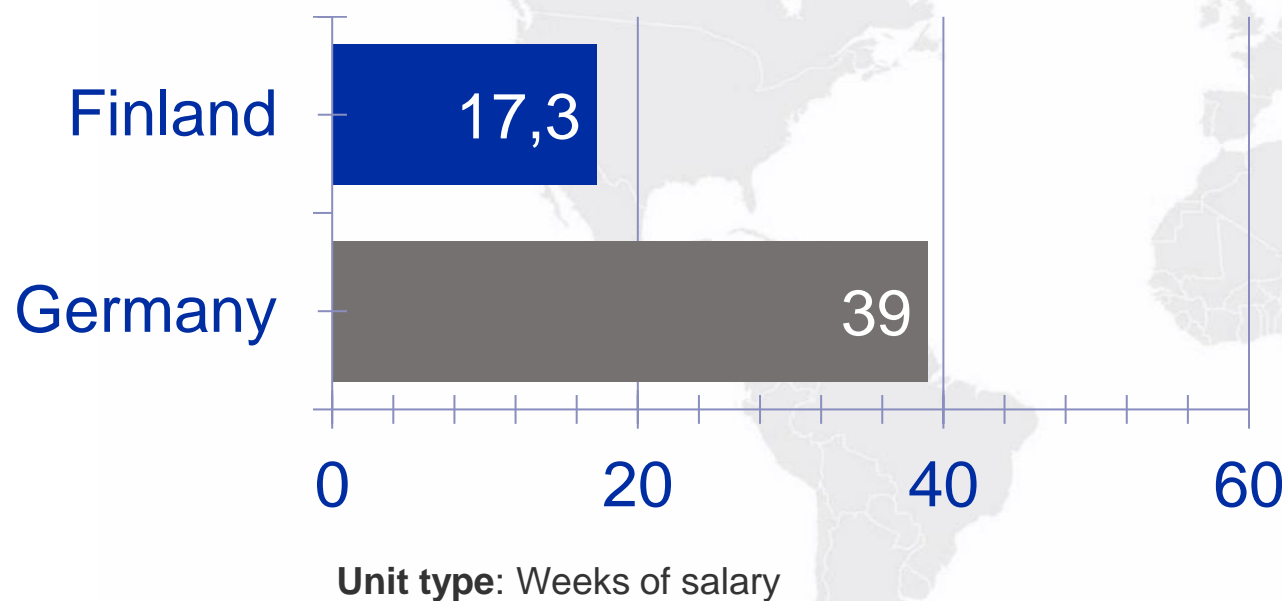


Labour productivity in Germany and Finland is almost at the same level. Output per worker expressed as Constant 2011 US dollars, this is the latest available data from 2019.

REDUNDANCY COSTS

Description: Calculation based on notice period for redundancy and severance pay for redundancy dismissal (for a worker with 10 years of tenure).

Source: fDi Intelligence from the Financial Times based on World Bank Doing Business



Source: fDi Benchmark from the Financial Times Ltd 2021

Finland:

Periods of notice according to the Employment Contracts Act

When the contract is terminated by the employer:

Length of employment	Period of notice
Up to 1 year	14 days
1 to 4 years	1 month
4 to 8 years	2 months
8 to 12 years	4 months
12+ years	6 months

When the contract is terminated by the employee:

Length of employment	Period of notice
Up to 5 years	14 days
5+ years	1 month

GOOD AMOUNT OF NEW TALENTS GRADUATES ANNUALLY

Finland has good availability of engineers and IT professionals:

existing pool of **517 000** highly educated and experienced engineers and IT professionals.

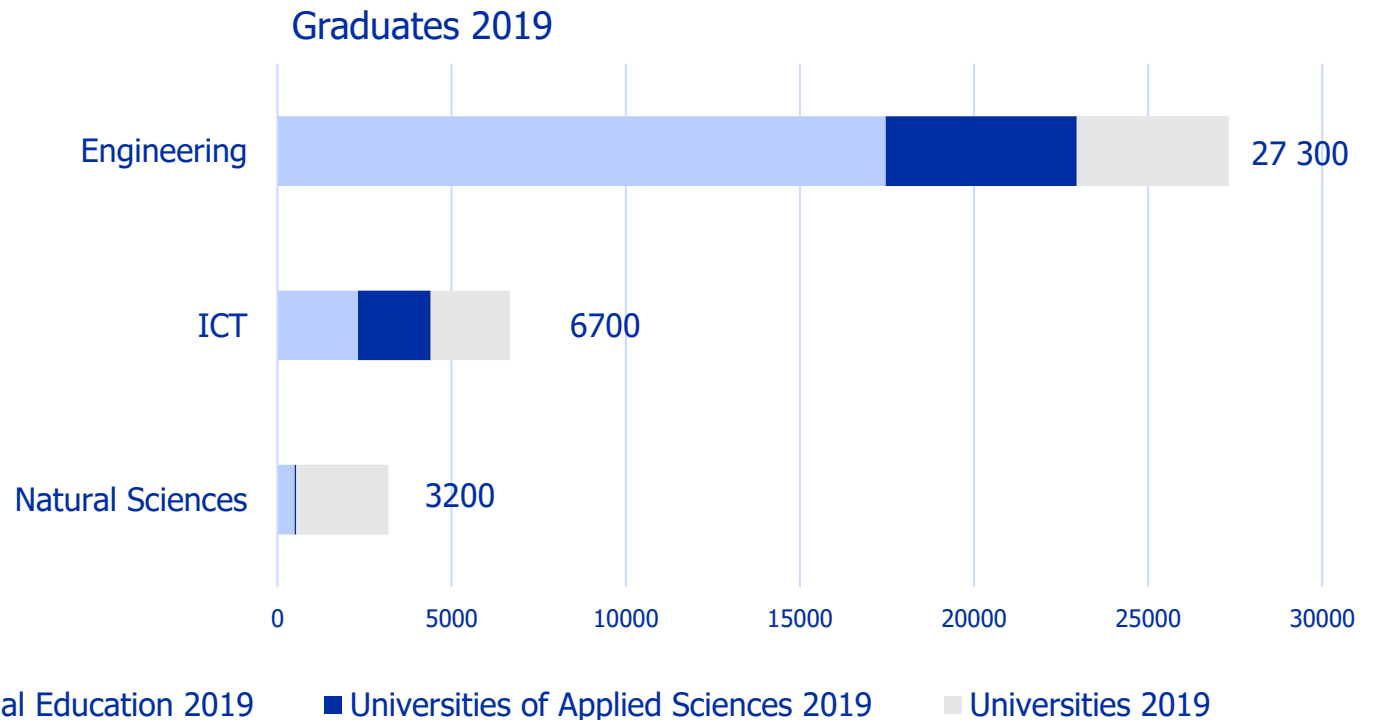
Additionally there is a flow of **34 000** IT and engineering students graduating with the latest tech know-how annually.

#1

Education Systems

- Educational attainment
- Student skills
- Average years in education

Source: OECD Better Life Index 2021



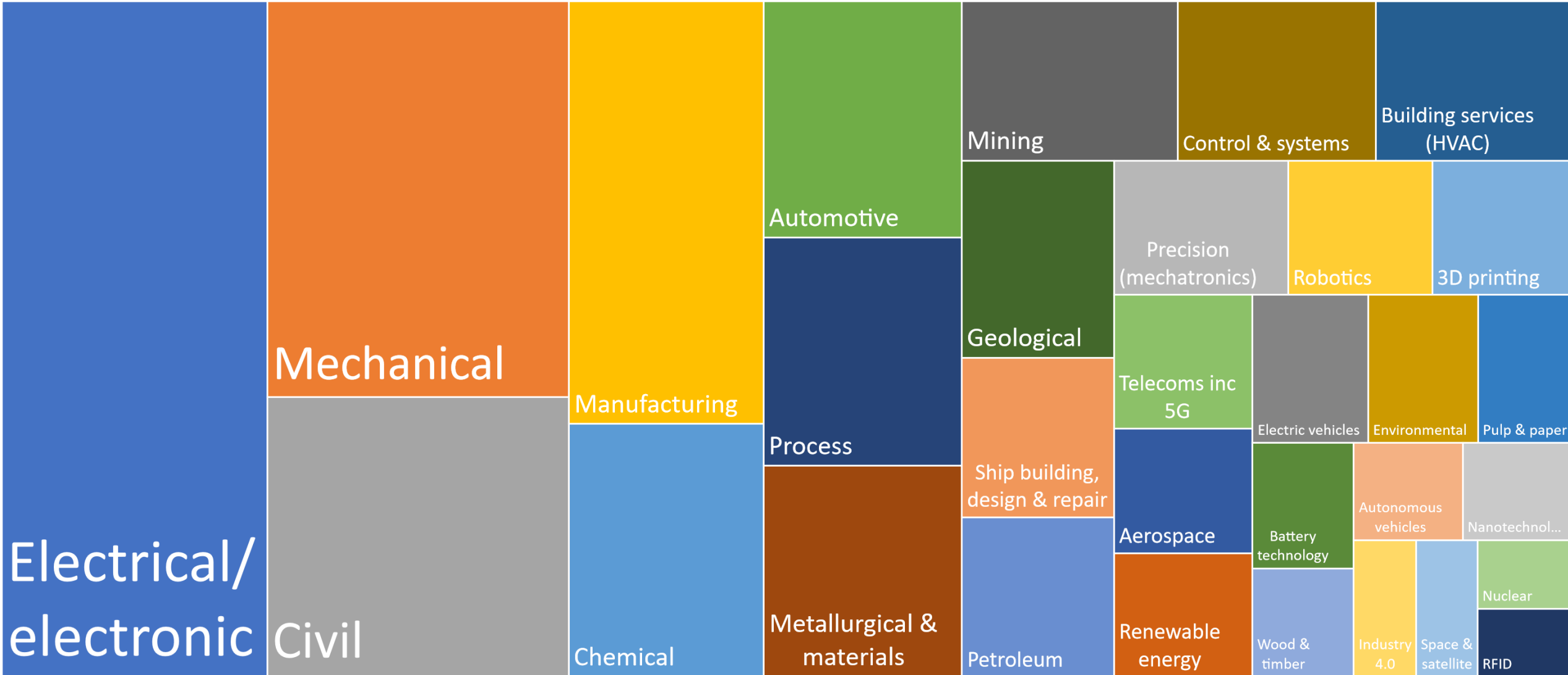
Source: Statistics Finland 2021

NAME THE ENGINEER TALENT YOU NEED - WE GOT IT

Talent Pool of
280,000
engineers

Source: 

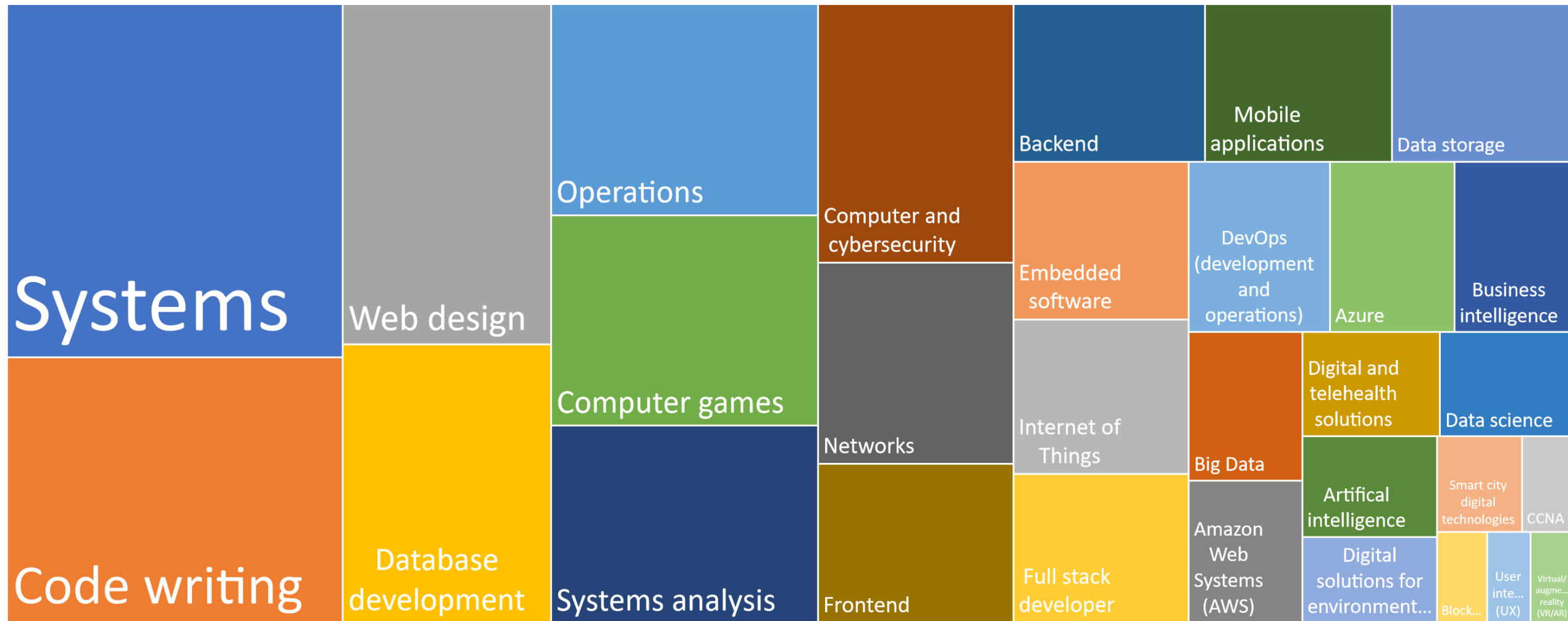

Specialist engineering expertise - core professionals - Finland



Finland ticks all the digital talent boxes

Specialist IT skills expertise - Finland

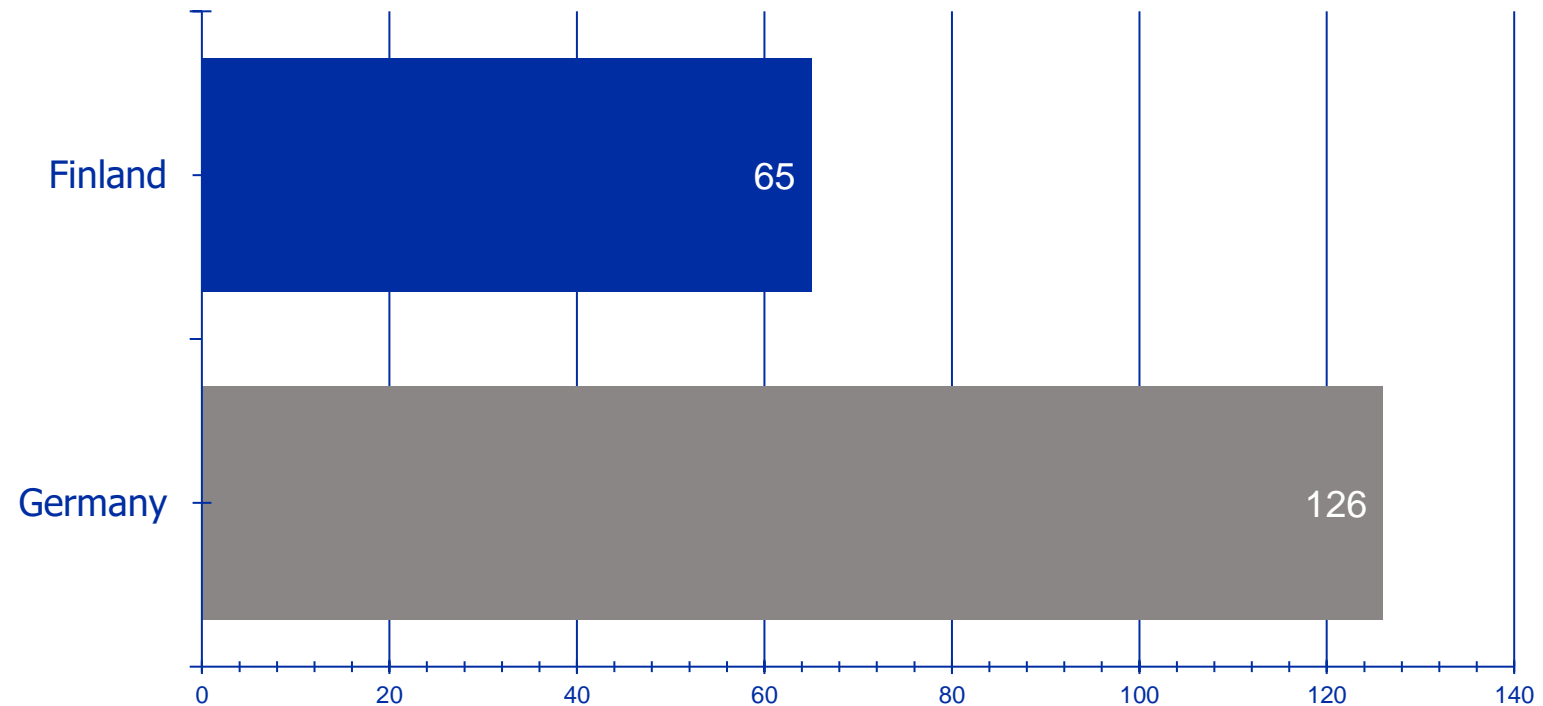
237,000
technical IT
professionals



THINGS ARE DONE FAST AND EFFECTIVELY IN FINLAND

Time required to build a warehouse

This chart shows **Time required to build a warehouse** across the 2 locations, expressed as **Days**.



**BUSINESS
FINLAND**

**INVEST IN
FINLAND**

TAXATION, INCENTIVES & FUNDING



IN FINLAND COMPANIES DO NOT HAVE UNWANTED SURPRISES IN TAXATION

Finnish Tax Administration has unique business friendly, predictable approach:

1

The Finnish Tax Administration can provide advance ruling on tax matters

2

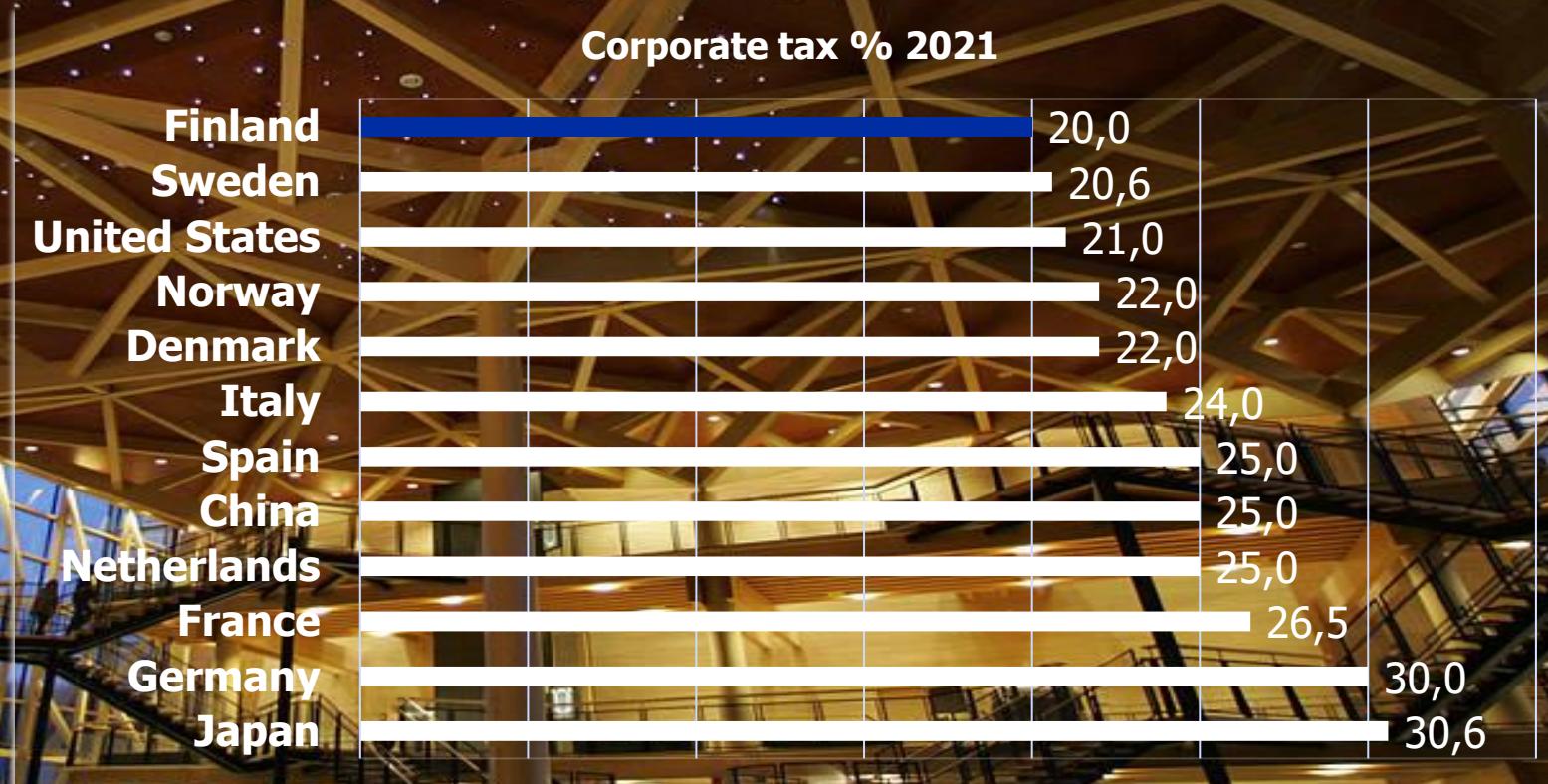
Dedicated team helping companies in tax matters, free of charge

3

The Finnish Tax Administration strongly focuses on modern pre-emptive approach instead of retrospective traditional tax audits

MORE INFO: [VERO.FI](https://vero.fi)

FINLAND HAS THE LOWEST CORPORATE TAX RATE AMONG THE NORDIC COUNTRIES AND ONE OF THE LOWEST IN THE EU



ELECTRICITY PRICE IN FINLAND AMONG THE LOWEST IN EUROPE

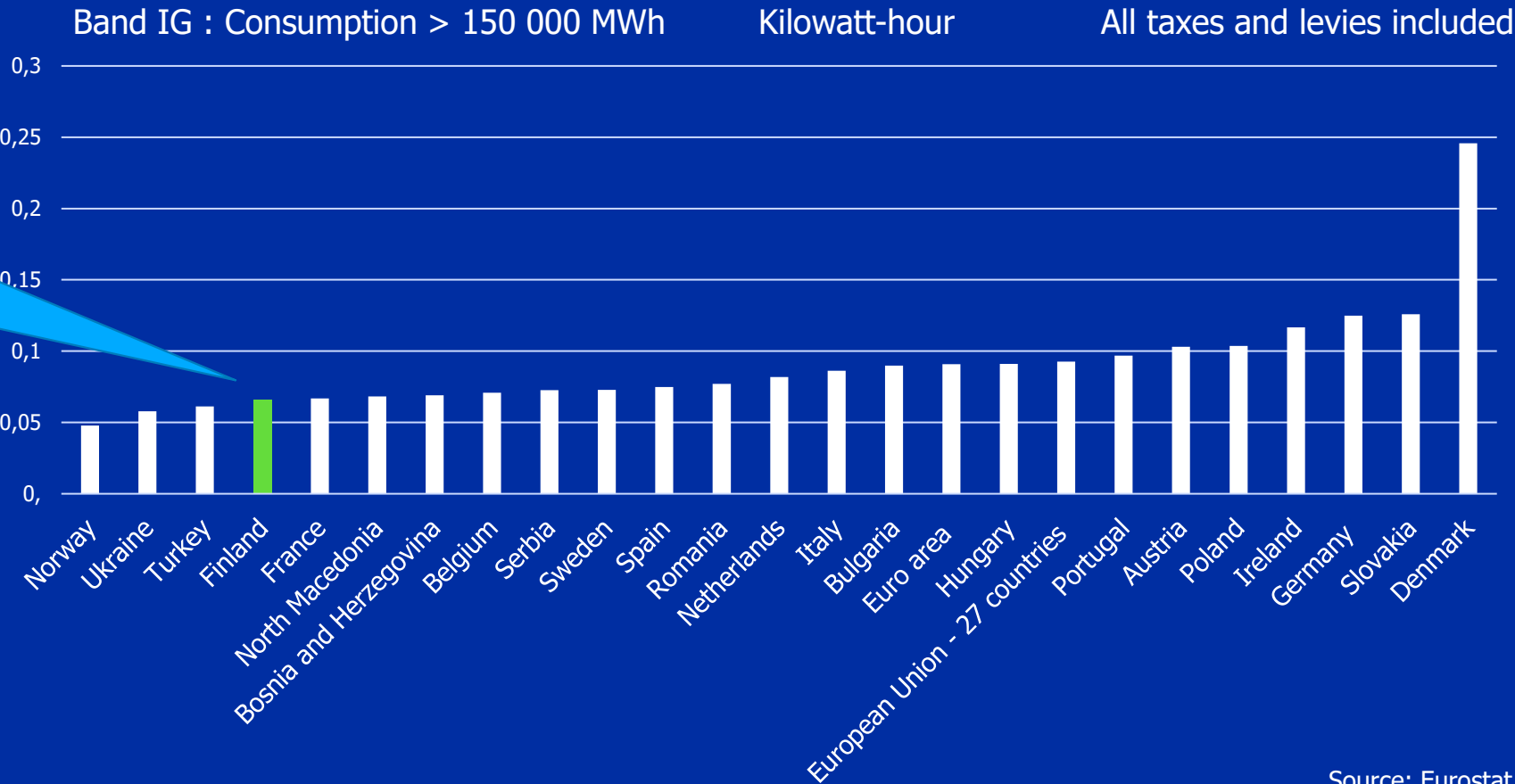
NOTE:

From the beginning of 2021, the industrial electricity tax was reduced to the EU minimum level in Finland, 0,05 snt

In terms of electricity supply, Finland outshines even the closest competitors. The transmission reliability rate in 2020 was the best ever 99.99995%!

Source: Fingrid

Electricity prices for non-household consumers, first half of 2021



Source: Eurostat

NEW MACHINERY INVESTMENTS

DOUBLE TAX DEPRECIATION NOW AVAILABLE

- Machinery, equipment and comparable movable property may be depreciated up to a maximum of 25% per annum. However, for tax years 2020 to 2023, Finland has provided that the depreciation for such assets may be doubled (50%).
- The Finnish Government has additionally made budget proposal for [extending the temporary double depreciation rules for machinery and equipment to 2024–2025](#)
- The machinery and equipment must be newly acquired and put into service after 1 Jan 2020. The acquisition cost of second-hand machinery or equipment is not eligible
- If you have both new and old machines, the machine or device that is the subject of the increased depreciation will form its separate depreciation destination
- READ MORE: [VERO.FI](#)



SUPER DEDUCTION FOR R&D SUB-CONTRACTING 2021-2027

WHAT?

- Additional tax deduction of 50% (normally 100%) on the costs of research and innovation projects carried out in collaboration with universities and research institutes.
- Straightforward and simple incentive form that makes the whole concept easy to understand (which is not the case in many countries - in some cases difficult to understand even by a tax professional)
- In a Finnish way targeted to a very wide range of businesses and business forms with equal terms

HOW?

- Multiply your R&D sub-contracting invoice by 1,5
 - Eg. If your Finnish corporate unit has paid 100 000 euros for a R&D project to a University or Research institute inside European Economic Area (EEA), multiply that $1,5 \times 100\,000 = 150\,000$ euros. This is what you can deduct from your taxable income.
 - If your year was negative, possibility to carry forward and deduct the costs in following 10 years in loss making situation
 - The minimum threshold for tax deductible costs per fiscal year is EUR 10,000 and the maximum limit is one million euro, meaning that the actual additional tax deduction is between EUR 5,000-500,000 per fiscal year.

TO WHOM?

- The super-deduction is available for all companies operating in Finland, both domestic and international.

INCENTIVES AND FUNDING SOURCES

R&D&I INCENTIVES

by Business Finland

FUNDING CALL FOR INDUSTRIAL PROJECTS RELATED TO LOW-CARBON CIRCULAR ECONOMY, DIGITALIZATION, AND SERVICE EXPORTS

BUSINESS AID

from ELY Centres

LOANS AND GUARANTEES

by Finnvera

DEVELOPMENT RESEARCH FUNDING

Academy of Finland

CAPITAL INVESTMENTS

from Finnish Industry Investment

EU-FUNDED SUPPORT FROM VARIOUS SOURCES

COMPLIMENTARY ADVISOR SERVICES FOR COMPANY EXPANSIONS TO AND FROM FINLAND

by Business Finland

TRAINING & EMPLOYMENT INCENTIVES

from ELY Centres



REGIONAL AID PROVIDED BY ELY CENTRES

Investment aid can be granted especially small and medium enterprises (SMEs). Large companies may also qualify if they have a major employment impact in the region.

Aid to business development can be granted to improve or facilitate the company's establishment and operation, know-how, internationalisation, product development or process enhancement.

Support area I Eastern and Northern Finland, Support area II Salo sub-region, Saarijärvi-Viitasaari sub-region and Konnevesi

Support area III Rest of Finland

DEVELOPMENT AREAS IN FINLAND

- Development area I
- Development area II
- Development area III



MAXIMUM LEVEL OF INVESTMENT AID FOR ENTERPRISES

Development area I

LARGE COMPANIES 15%

MIDDLE 25%

SMALL 35%

Development area II

LARGE COMPANIES 10%

MIDDLE 20%

SMALL 30%

Development area III

MIDDLE 10%

SMALL 20%

Source:
Ministry of Economic Affairs and Employment

RECRUITMENT & TRAINING SERVICES

Provided by local [TE Services](#)

RECRUITMENT SERVICES

- Services like [TE-live - interactive recruitment](#)

TRAINING SERVICES

- Finland supports retraining and reskilling and it can be **tailored** for individual company's purposes.
- In some cases, up to 70% of the recruitment training can be subsidized.
- Read more [Training New or current employees](#)

Recruitment Training is tailored to your business needs

- usually lasts 3-9 months; minimum duration is 10 training days
- teaches students professional skills required in their work with the employer
- can also be planned in cooperation with several employers
- People who have successfully completed the training will be employed in the company. Graduates of Recruitment Training can also get employed in a hired-labour agency or as an entrepreneur contracted by the employer.
- Recruitment Training aims to answer the demands of working life. The goal can be additional or supplementary training or training to prepare for a change of career.
- The training includes both theory lessons and supervised on-the-job learning and practice.

BUSINESS FINLAND RESEARCH AND DEVELOPMENT FUNDING FOR COMPANIES

Business Finland funds companies' projects that seek to increase their competitive advantage internationally.

PROJECT TYPES AND FUNDING LEVELS FOR COMPANIES	COMPANIES' RESEARCH PROJECTS Create new knowledge and competence	DEVELOPMENT AND PILOTING Develop or renew products, services and business model. Demonstrate the functionality of your solution
SME's Targeted competitive advantage at a selected international level.	Grant max. 50 %	Loan 50 % / 70 %
MIDCAP COMPANIES turnover max. 300 M€ Targeted competitive advantage at a selected international level.	Grant max. 40 %	Loan 50 % / 70 %
LARGE CORPORATIONS Targeted competitive advantage at a global level.	Grant max. 40 %*	Loan 50 %**

EU LEVEL FUNDING PROGRAMS AVAILABLE

COVID RECOVERY AND RESILIENCE FACILITY

https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

HORIZON EUROPE

https://ec.europa.eu/info/horizon-europe_en

Finnish National points for Horizon programme:

<https://www.businessfinland.fi/en/for-finnish-customers/services/funding/horizon-2020/horizon-contacts>



FINNVERA - FINANCING EXPORT RELATED INVESTMENTS

FINNVERA – Specialized, State owned Financing Company

Eligibility

- Large corporates' investments which promote exports from Finland
- No public sector investments, nor refinancings

Domestic content

- 30% in equipment supplies or Finnish interest in a broader context

State aid rules and OECD-arrangement

Product offering: Finance Guarantee

- (FEC funding not applicable)

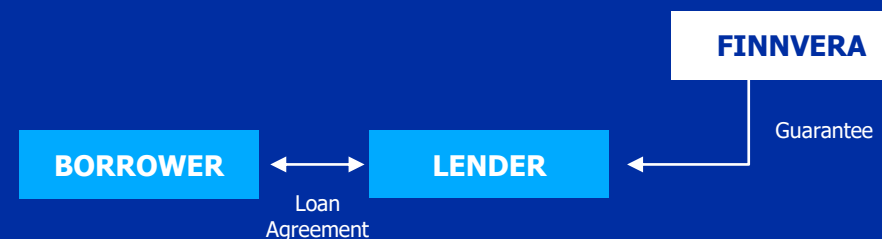
Premium

- Market based – same risk premium as the banks

Risk policy

- A maximum of 50% of the senior debt
- Pro rata pari passu with other Senior Lenders
- Repayment period max 8.5 years (commercial facility could be shorter)
- Maximum cover of 80% (state aid rule)

Finnvera Guarantee structure



<https://www.finnvera.fi/eng>