

FINLAND TRADE AND INVESTMENT BRIEFING

Gauteng Growth and Development Agency
Macro Business Intelligence

What to expect in this briefing note:

- Snapshot of Finnish Economy
- Trade between South Africa and Finland
- Trade between Gauteng and Finland identifying key products
- Opportunities for partnership and collaboration

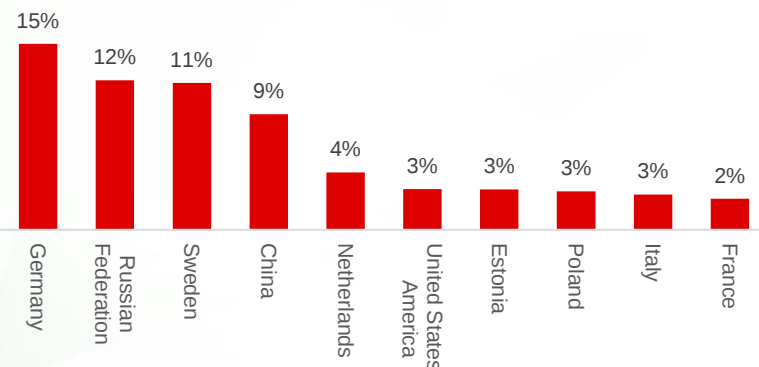


SNAPSHOT OF THE FINLAND ECONOMY

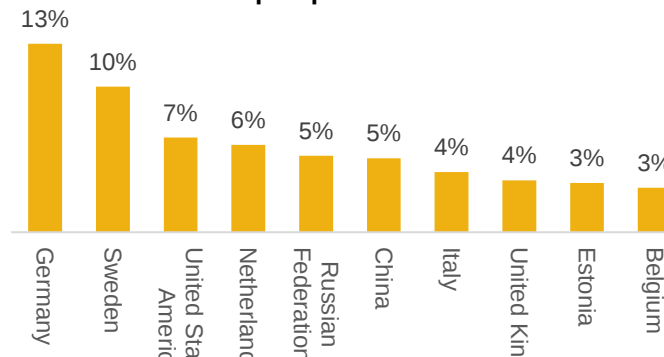
One Team, One Shared Vision

- The **46th** largest economy by nominal GDP in the world,
 - It has the 13 largest GDP per Capita
 - It is a highly integrated and highly industrialized country
 - South Africa is Finland's **43rd-largest** export partner
- Whilst Finland is our **74th** largest destination market
 - Finland's key export sectors are transportation, electronics, forestry, machinery, and chemicals
 - Trade policy is managed by the European Union,

Top Import Partners



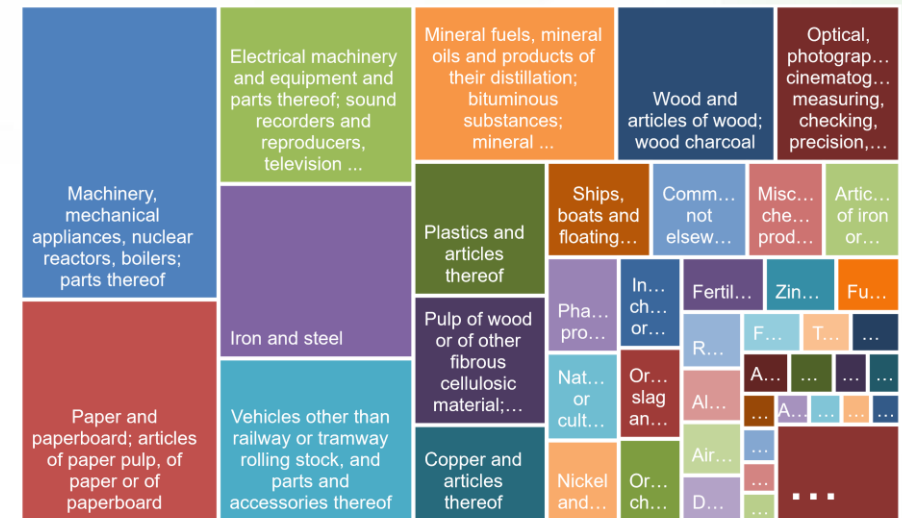
Top Export Partners



Top 10 Countries in Finland

Rank	Name	Industry
1	Nordea	Finance
2	Fortum	Electricity
3	Nokia	Technology
4	Kone	Industrials
5	Neste	Oil and gas
6	Sampo Group	Finance
7	Stora Enso	Pulp and paper
8	UPM	Pulp and paper
9	Kesko	Retail

Structure of Finland's Exports

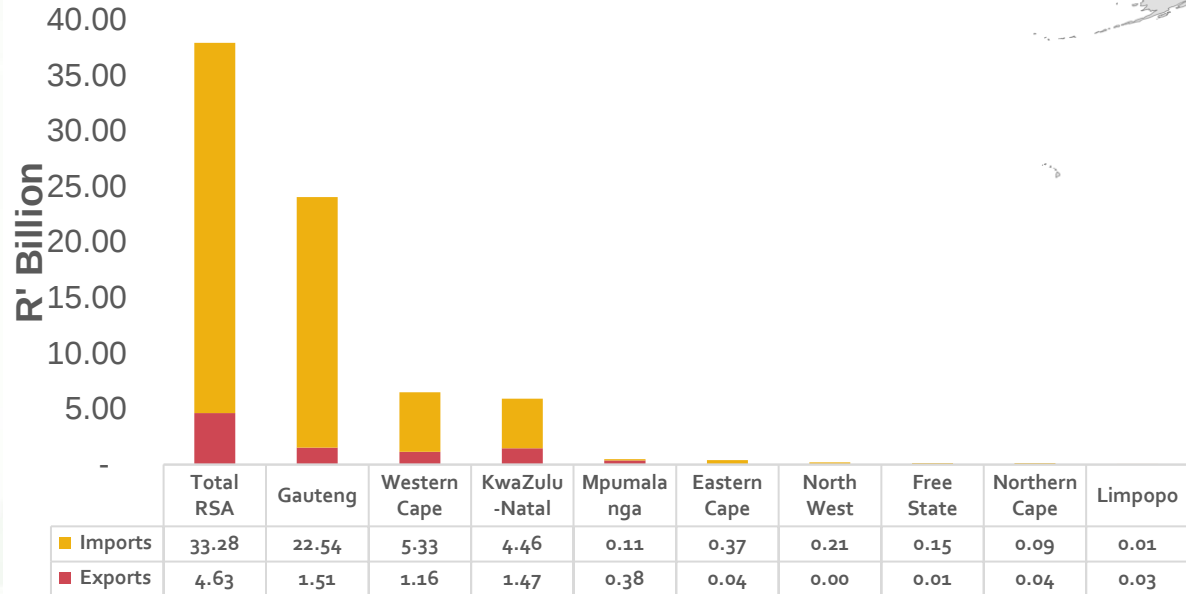


Structure of Finland's Imports



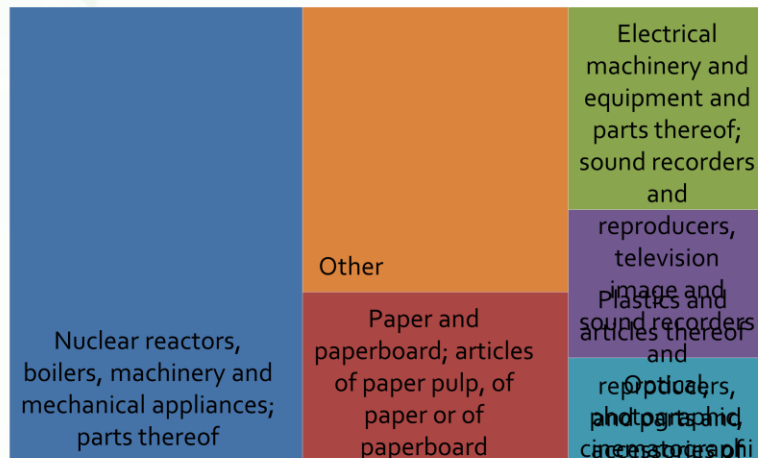


SA Trade with Finland

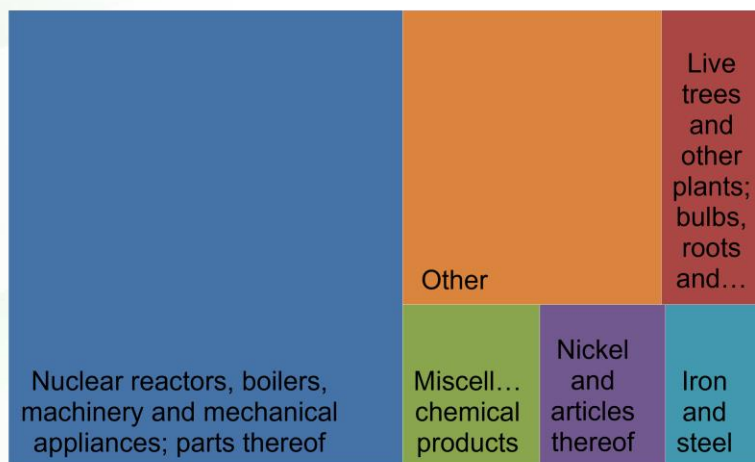


- Since 2016, total trade between South Africa and Finland has amounted to R37.9 billion worth of goods and services.
- Between 2016-2021 South Africa exported R4.6 billion worth of goods and services to Finland.
- Over the same period the Gauteng City Region exported R1.5 billion worth of goods and services to Finland, accounting for 32.7% of goods and services exported from South Africa to Finland

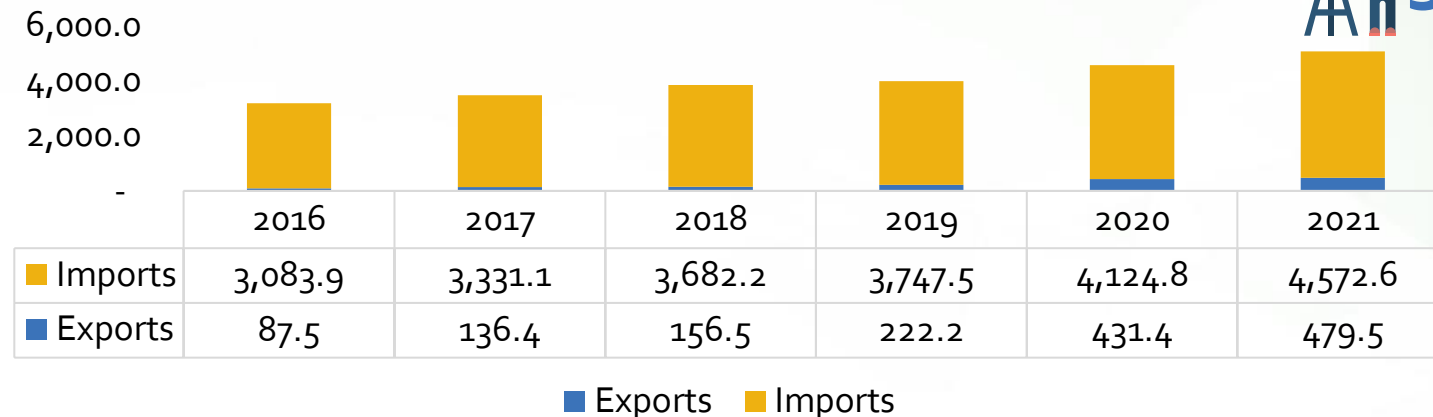
Top 5 Imports from Finland to Gauteng



Top 5 Exports from Gauteng to Finland



Gauteng Trade with Finland



It is a key destination market for Gauteng's value-added products :

- Live trees
- Capital Equipment
- Miscellaneous Chemical products

Finland is Gauteng's 95th largest export partner.

- Since 2016, Gauteng has exported R1.5 billion worth of goods to Finland
- Annual growth in Finland-bound exports from Gauteng has grown by 32.77 % per annum from R0.09 billion to R0.43 billion.
- Gauteng exports to Finland account for 0.04 % of all Gauteng exports

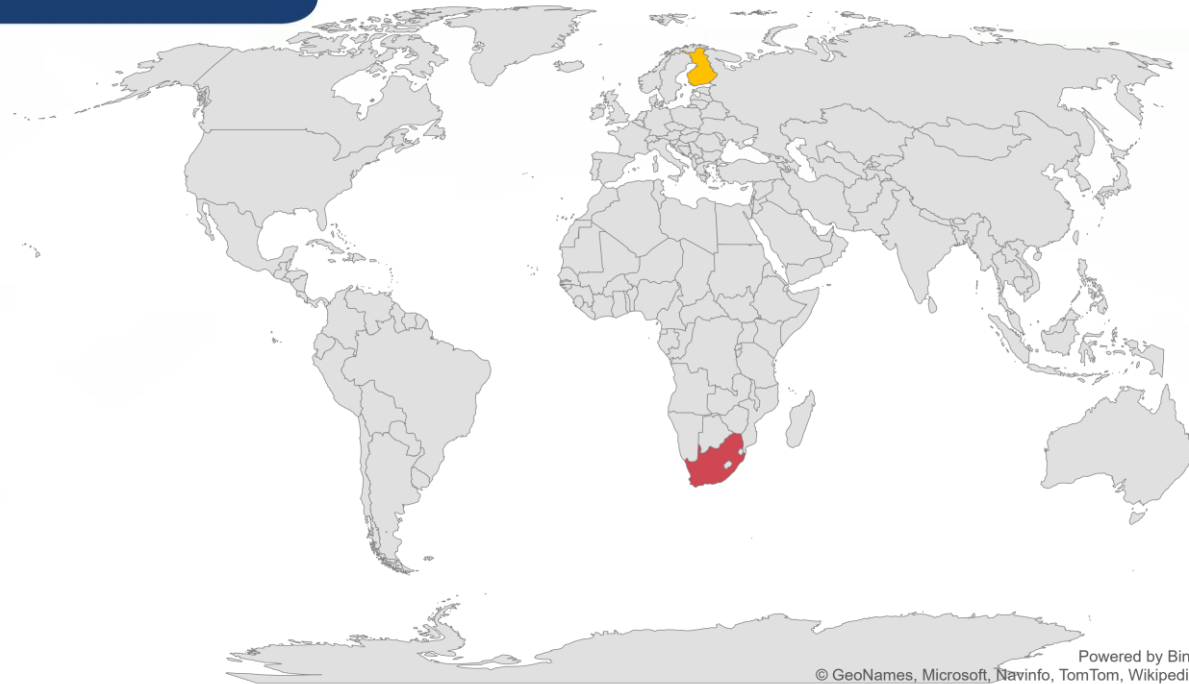
It is a key source market for Gauteng in :

- For paper and paperboard articles (4%)
- Accounts for 2% of Cement imports
- 1% of capital equipment
- 1 % of our fertilizers

Finland is Gauteng's 38th largest import partner.

- Since 2016, Gauteng enterprises have received 22.5 billion worth of goods from Finland
- Growth in Finland-sourced imports to Gauteng has grown by 6.79 % per annum since 2016
- Growth in imports shows a significant appetite for Finland goods and services in Gauteng as well as the rest of the country
- Additionally, Gauteng-bound imports from Finland account for 0.47 % of all imports into Gauteng





- Since 2014, the GGDA has identified **R740 million** worth of foreign direct investment in South Africa from Finland enterprises.
- FDI from Finland have created **100 direct jobs** in South Africa
- Key investing sectors include *Paper, printing & packaging, Agribusiness, Logistics, Distribution & Transportation*
- Notable companies include :
 - Huhtamaki
 - UPM Raflatac
 - Peikko

Renewable Energy,

- In light of our ambitions, Finland is one of the world leaders in the utilization of renewable sources of energy, especially bioenergy. The key target in promoting renewable energy is to reduce greenhouse gas emissions and move away from an energy system based on fossil fuels. Driven by the need to conserve scarce energy resources, Finland has been involved in the development of low-energy and eco-efficient construction alternatives since the late 1980s. Growth in Finland's cleantech sector has been driven by smaller firms operating in the areas of new materials, smart grids, recycling, and measurement technologies.

Possible opportunities between Gauteng and Finland enterprises

- **Investment, Skills development and transfer** : there is an opportunity through agencies **EcoSMR**: An internationally networked Finnish ecosystem dedicated to the development of small modular reactors (SMRs) to assist Gauteng's microgrid rollout programme. This could particularly be deployed in Townships, SEZs and Other industrial nodes
- **Possible Trade Mission**: There is an opportunity for a Premier-led mission **to Energy Week, March 20-24, 2023 in Vaasa** focuses on renewable energy, smart energy, and gas energy. Focus on digitalization, batteries and storage, circular economy, future smart cities, energy regulation, business, and innovation. This mission should include the Gauteng Energy Office, GGDA leads as well as Vaal and West Rand SEZ leads

Other Opportunities:

- Finland offers opportunities for investment and collaboration in several industry sectors and has a vibrant start-up scene highlighting high-growth companies with Information and Communication (ICT) and eHealth solutions. The following developments represent market opportunities for partnership with the Gauteng city region:
- Finland has many companies with expertise in developing software solutions in multiple applications that could provide innovative solutions to our challenges.
 - For example, The Finnish healthcare sector is open to state-of-the-art medical equipment and eHealth solutions.
- Finland routinely ranks at the very top of international surveys on education, quality of life, competitiveness, and transparency. It sits at the epicentre of Europe's "New North" – a unique intersection of geography, infrastructure, education, good governance, and high-technology industries. This presents a learning opportunity for Gauteng on how best to leapfrog its adaptation of these best practices



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