

Foreword

This report examines Finland's recent foreign direct investment (FDI) trends and how the country's domestic regulatory landscape may affect its ability to attract foreign investors. The report compares different sources of FDI activity in Finland to those in other Nordic-Baltic economies, benchmarks Finland's regulatory environment and broader investment climate against those of its neighbours and explores the link between regulatory frameworks and FDI flows. It brings novel, granular evidence on FDI flows towards Finland through an analysis of transaction-level data and gathers businesses' views on the country as a destination for FDI, adding new perspectives to the OECD's analysis of Finnish policies in the areas of international trade and investment.

The work leading to this publication was undertaken in the context of and co-financed by the European Commission's Structural Reform Support Programme, which seeks to advance institutional, administrative and growth-sustaining reforms in EU Member States across a variety of policy areas. A steering group, composed of representatives from the Ministry of Economic Affairs and Employment of Finland, the Ministry for Foreign Affairs of Finland, Business Finland, the European Commission and the OECD, provided support and oversight of the project from start to completion. The role of the steering group in the preparation of this report was limited to advisory functions to ensure the independence of the analytical work and results.

The research and analysis were jointly carried out by the OECD Directorate for Financial and Enterprise Affairs and Trade and Agriculture Directorate, using in-house indicators, such as the OECD Services Trade Restrictiveness Index and the OECD International Direct Investment Statistics database, as well as various other data sources. Stakeholder consultations, consisting of a business questionnaire and a series of interviews, were held in October 2020 to complement the quantitative assessment. In addition to interviews with senior executives of foreign-owned companies in Finland, additional comments were sought from Finnish authorities, business organisations and research institutes (such as Amcham Finland, the Confederation of Finnish Industries, Helsinki Business Hub and VATT Institute for Economic Research).

The purpose of this report is to contribute to a better understanding of what drives FDI towards Finland and which regulatory aspects may act as impediments to foreign investment flows into the country. It identifies areas where Finland could consider reviewing its domestic regulation to further improve its investment climate. The set of policy conclusions put forward in this report are intended to support Finnish policy makers in the development and implementation of measures that will strengthen the country's attractiveness as a destination for FDI. The proposed policy actions have potential to also benefit existing players in the Finnish economy, by improving the country's general business environment and reinforcing the positive impact of FDI in Finland.

Acknowledgements

The report was prepared by a team led by Francesca Spinelli and comprising Polina Knutsson and Laura Kuusela from the OECD Investment Division, under the overall guidance of Ana Novik, Head of OECD Investment Division. The authors would like to thank Liisa Lundelin-Nuortio and Satu Vasamo-Koskinen from the Finnish Ministry of Economic Affairs and Employment; Kimmo Sinivuori from the Finnish Ministry for Foreign Affairs; Antti Aumo, Annabella Polo and Kaija Laitinen from Business Finland; and Enrico Pesaresi, Iulia-Mirela Serban, Stratis Kastrissianakis and Akis Kyriacou from the European Commission for their excellent support and advice as part of the Steering Group overseeing the project. The authors are also grateful to Mike Gestrin and Cecilia Caliandro for all their work in the early stages of this project. Edward Smiley prepared the report for publication. Kany Ondzotto and Marie-Laure Garcia provided administrative assistance.

Comments and inputs were received from Ana Novik, Stephen Thomsen, Fernando Mistura, Joachim Pohl, Martin Wermelinger, Emilie Kothe and Perla Ibarlucea Flores from the Investment Division; John Drummond, Janos Ferencz, Frédéric Gonzales and Inese Rozensteine from the Trade and Agriculture Directorate; Florentin Blanc, Mike Pfister and Daniel Trnka from the Directorate for Public Governance; and Alexandre Georgieff from the Directorate for Employment, Labour and Social Affairs. Comments from Finnish ministries were collected and received with the assistance of the Cooperative working group for improving law drafting, chaired by the Ministry of Justice. The report also benefitted from inputs by Ari Grönroos and Annamari Soikkeli from Business Finland, and exchanges with the Finnish Competition and Consumer Authority (Mika Maliranta), VATT (Elina Berghäll, Seppo Kari and Janne Tukiainen), EK (Sami Pakarinen), Yrittäjät (Mika Kuismanen) and Statistics Finland (Petri Kinnarinen). Valuable insights on the business environment were provided by Marja-Liisa Niinikoski and Laine Valkama from Helsinki Business Hub, and in particular by Rosa Thurman from Amcham Finland, who further supported the authors in reaching out to a broader audience of international companies. Lastly, the authors are also grateful to CEOs and senior officials of several foreign-owned companies based in Finland, who contributed to enrich this report by sharing their experiences on the overall business climate in Finland.

The report was carried out with funding by the European Union via the Structural Reform Support Programme and in cooperation with the European Commission's DG REFORM.



From:
**The Impact of Regulation on International
Investment in Finland**

Access the complete publication at:

<https://doi.org/10.1787/b1bf8bee-en>

Please cite this chapter as:

OECD (2021), "Foreword", in *The Impact of Regulation on International Investment in Finland*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/cb1906fa-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.