



Newsletter

Embassy of the Kingdom of the Netherlands Helsinki

September 2009

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Embassy of the Kingdom of the Netherlands Helsinki publishes monthly economic newsletter at the end of each month, summarizing economic news from Finnish publications, ongoing events and activities related to the Netherlands. Should you or anyone of your acquaintances be interested in receiving the newsletter, please contact the Embassy by e-mail: hel-ea@minbuza.nl. The newsletter can also be read via the Internet, from www.netherlands.fi
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GROWTH IN WIND POWER SPURS FINNISH HIGH TECH

Last spring the Finnish Government appointed a working group to make proposals for feed-in tariff for renewable energy production methods in Finland. The working group proposes a market-based guaranteed price for wind power of €83.5/MWh, with a kick-off bonus of €90,2/MWh for 12 years for projects that start the electricity production in the next two or three years. Turbines or wind farms with less than 1 MW are excluded from the system. The target of the Finnish Government is to have 2000 MW of installed wind energy capacity by 2020, providing 6 TWh electricity. The 0.15 TWh target set for biogas energy is less significant for the Finnish overall electricity supply.

The total installed wind power capacity in Finland is 144 MW, including 119 wind turbines. Wind power production in 2008 was

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260 GWh, which is about 0.3 % of the Finnish electricity consumption. There are two wind projects under construction, in Pori and in Hamina. In addition to this there are some twenty onshore and ten offshore wind turbines planned in 2010-2013 and feasibility studies made for an additional 35 projects.

The Netherlands Ambassador Nicolaas Beets recently visited Lappeenranta for the opening of the second factory of The Switch, a Finnish technology leader for electrical power conversion in renewable energy and energy conserving applications. During the visit, problems encountered in the construction of offshore wind turbines and the availability of Dutch expertise in this field were discussed. The Switch signalled interest in new partners and product suppliers. At the moment the company is looking for suppliers of automated aluminium welded assemblies for cooling products. More information at www.theswitch.com.

Source: Ministry of Employment and the Economy 29.9.2009



FINNISH STATE-OWNED COMPANIES FOR SALE WHEN TIME IS RIPE

According to Minister Jyrki Häkämies, the Finnish Government will place its ownership in non-strategic companies for sale as the economic turbulence calms down. He doesn't want to speculate on which companies would be up for sale, but notes that potentials are found in a few non-listed companies. Finnish economic newspaper Kauppalehti and Balance Consulting have listed a few options: Destia (road and land construction), Raskone (leasing and maintenance of vehicles and machines), Altia (alcohol production) and Edita (publishing). Solidium, umbrella of Finnish State-owned companies, handles all sale and purchase transactions of the Finnish government.

Source: Kauppalehti 10.8.2009





NEWS

FINLAND AND NETHERLANDS AMONG TEN MOST COMPETITIVE COUNTRIES

According to World Economic Forum's (WEF) global competitiveness report 2009/2010, economies with a large focus on financial services such as USA, UK or Iceland have been the losers of the present economic crisis. Switzerland knocked USA off the position as the world's most competitive economy as the crash of the US banking system left it more exposed to some long-standing weaknesses. Among the top-ten, Singapore moved up to 3rd from 5th, swapping positions with Denmark, which fell behind fellow-Nordic country Sweden. Finland as 6th and Germany 7th stayed put while Japan and Canada overtook the Netherlands, rated 10th. Leading emerging markets Brazil, India and China improved their competitiveness despite the crisis, while Russia saw one of the steepest declines among the 133 countries assessed, falling back 12 places to 63, as worries about government efficiency and judicial independence rose. African countries Zimbabwe and Burundi were seen as the world's least competitive economies. WEF bases its assessment on a range of factors, including economic data such as growth but also health data or the number of internet users. The study also factors in a survey among business leaders, assessing for example the government's efficiency or the flexibility of the labour market. Looking at individual factors, Finland achieved first position in basic requirements, health and education and higher education and training. Together with Sweden and Denmark, Finland ranked in the top15 with regard to macro-economic stability, low level of public indebtedness, high national savings and narrow interest rate spreads. The three Nordic countries have also some of the best-functioning and most transparent institutions in the world. Most problematic factors for doing business in Finland are tax rates, restrictive labour regulations and access to financing. The Netherlands' strengths lie in high business sophistication, technological readiness (2nd best after Sweden), excellent education system and efficient factor markets. The country is also characterized by a comparatively stable macroeconomic environment. The drop in rankings was mainly traced to a weaker assessment in Dutch financial markets. Other negative factors are inefficient government bureaucracy and restrictive labour regulations. Source: Finnish News Agency 8.9.2009 and WEF www.weforum.org



FINLAND'S EXPORT STRUCTURE HAMPERS ECONOMIC RECOVERY

Bank of Finland lowered its 2009 growth forecast for the Finnish economy. One of the main reasons is the weaker-than-expected performance of the economy in the first half of the year. Indicator data shows that downward trend should come to an end during the third quarter. The recovery will, however, be slow, and there is also the possibility of temporary setbacks. According to the forecast, annual GDP volume will contract by 7.2% in 2009, remain unchanged in 2010 and grow 1.6% in 2011. As an industrial economy dependent on exports, the collapse in world trade has hit Finland particularly hard. The collapse itself, and particularly its timing, is related to events in autumn 2008 on the financial markets. The scale of the slump in Finnish exports was partly due to the fact that Finland's export industry specialises in the production of capital goods and their components. For the same reason, Finland will recover later and more slowly than many other countries. Low capacity utilisation rates will subdue investment in many traditional Finnish export sectors. Finnish exports and industrial output will, however, begin to grow gradually, provided the global economy recovers as expected. When investment activities in the rest of the world finally take off, it is by no means certain the structure of investment will be the same as before. Times of upheaval in the global economy have a tendency to accelerate structural change, also requiring readiness to make structural changes in Finland. This, in turn, will require investment in developing new products and seeking new markets. The employment situation will continue to deteriorate even after exports and industrial output begin to strengthen as the global economy recovers. The greater risk of unemployment will increase household caution, moderating any increase in private consumption. As in other countries, the accumulation of debt by the public sector in Finland is justified. It has made it possible to soften the impact of the recession. Fortunately, the financial position of general government in Finland at the beginning of the recession was strong, at least relative to many other countries. More information at http://www.bof.fi/en/julkaisut/bulletin/economic_outlook/2009/BEO_2_2009.htm Source: Bank of Finland 29.9.2009





NEWS

FINLAND HOLDS TENDER FOR WIRELESS BROADBAND FREQUENCIES

Government of Finland has shown green light for the country's first spectrum auction to be held in November 2009. The frequency range up for auction, between 2500-2690 megahertz, is primarily reserved for wireless broadband and suitable for technologies like UMTS and mobile WiMAX. According to a bill recently approved by Finnish Parliament, more than 50 megahertz can be granted to any single business or organisation. The aim is to ensure sufficient frequencies for at least four different businesses, thus preventing monopolisation. Licenses will be issued for a maximum of twenty years. The primary principle is that the licence holder can sell or lease the user rights to a third party by government approval. Companies and organisations entering the auction will be charged a € 50,000 participation fee to cover the administrative costs of the Finnish Communications Regulatory Authority (FICORA). The starting price is specified at € 15,000 per megahertz.

Source: Invest in Finland 18.9.2009



FINNISH GOVERNMENT SETS NEW VAT RATES

The VAT on food products sold in shops in Finland will be reduced from 17% to 12%, starting 1 October 2009. In July 2010 the tax will be raised to 13% at the same time as VAT on food sold in restaurants drops from 22% to 13%. Finnish government has also decided to simultaneously increase the VAT for other products and services by one percentage point. Current VAT is 22 % for most products and services.

Finnish Grocery Trade Association promises that supermarkets will pass on food VAT cut to consumers, reducing retail prices by 4.3 %.

Source: Invest in Finland 7.9.2009



FINNISH CLOTHING AND SHOE PRICES HIGHEST IN EU

According to Eurostat, price levels for consumer goods and services differed widely across member states in 2008. Denmark had the highest price level (141% of EU27 average), followed by Ireland (127%) and Finland (125%). Netherlands was rated eleventh (103% above average). Lowest prices were

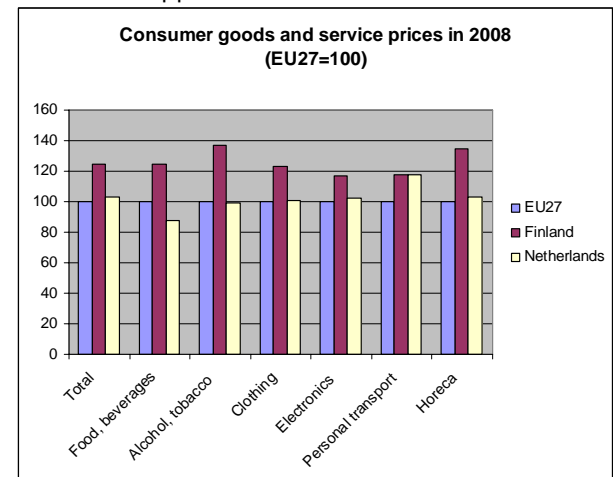
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found in Bulgaria (51%), Romania (62%), Lithuania (67%) and Poland (69%). Denmark has the highest prices in food and non-alcoholic beverages, Finland is 3rd and Netherlands 17th. Highest alcohol and tobacco prices are found in Ireland, Finland is 3rd and Netherlands 9th. Finns pay most for their clothing and shoes (23% and 21% above EU average) while lowest prices are found in UK (83% of EU27), Netherlands shares 17th position with Cyprus. Most expensive consumer electronics are sold on Malta, Finland is 4th and Netherlands 20th together with Hungary. Highest prices on personal transport are registered in Denmark while Finland and Netherlands share 5th position. Denmark has the most expensive hotels and restaurant prices, followed by Ireland and Finland, Netherlands holds 9th position together with Great Britain and Cyprus.

Source: Kauppalehti and Eurostat 18.9.09



FINNISH BUILDING SECTOR GLOOMY

Finnish building sector companies posted sharp drops in second-quarter earnings as the slowdown slammed the brakes on projects, and firms said their near-term outlook was grim. Second quarter operating profit of builder SRV and machinery rental firm Ramirent slumped 62 % versus a year ago.

According to SRV, start-up decisions and housing sales, in particular, face uncertainties, with its 2009 revenue and operating profit to weaken year-on-year. Ramirent, said that as its customers' order intake is low and long-term projects are being finalised, it "foresees worsened market conditions in the Nordic countries and also in Central Europe during the second half of 2009."

Source: Finnish News Agency, reporting by Yegor Paanukoski, 13.8.2009





SCIENCE & TECHNOLOGY NEWS

ASSESSMENT TOOL

Renewable energy production is a quickly growing field of business all over the world. Forest biomass is one of the most efficient means to produce renewable energy in a large scale. It gives new opportunities to utilize forest resources, but it has increased the need of new efficient tools for decision makers who deal with the forest issues. Previous research on sustainable use of natural resources has often looked at the issue from one perspective, for instance that of ecological sustainability. A new approach for assessment of sustainability in renewable energy production, being developed by the Finnish Environment Institute, the University of Joensuu and the Finnish Forest Research Institute, combines several perspectives, for instance the aspects of economical profitability and environmental issues.

The new tool is developed by means of four case studies:

- local heat production enterprises based on woodchips,
- production and export of wood pellets for the domestic and foreign markets,
- direct combustion of woodchips and peat at a CHP plant (combined heat and power production plant) and
- production of biodiesel using wood and peat.

The tool will be ready for use in 2011. It is developed within the frame of the Tekes funded research project BioSus (Multidimensional sustainability framework to evaluate forest and wood energy production). The project is carried out jointly by the Finnish Environment Institute (SYKE); the University of Joensuu (JoY) and the Finnish Forest Research Institute (Metla). The project started 1 July 2009 and it will be completed by 31 December 2011. Source:

Teke News, <http://www.tekes.fi> (28.9.2009)



NO 1 NOKIA

Nokia is the world's most sustainable technology company according to the 2009 -10 edition of the prestigious Dow Jones Sustainability Indexes that went live on the 21st of September. Already rated for several years as the leader within the Europe and Communications categories, this year Nokia

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was also chosen as "World Technology Supersector Leader" making it number one across the entire global technology sector. The Dow Jones Indexes are globally respected rankings of how well the world's leading corporations are integrating sustainability into their businesses. Selecting components from 2,500 companies in over 50 countries, the indexes are relied upon by leading institutional investors. Source: *Nokia Press release (21.9.2009)*



FINLAND AT TOP OF IT WORLD

An extensive study, carried out by the Economist Intelligence Unit and commissioned by Business Software Alliance (BSA), ranks Finland as the best business environment in the world and the second-most competitive operating environment for IT businesses. The study, benchmarking the competitiveness of the IT industry, was carried out for the third time, with 66 countries included. It was found that the Finnish business and operating environments are strong and that the support measures for developing the IT industry have been focused efficiently. Finnish legal environment, IT infrastructure and human capital were also ranked among the top ten in the world. Among west European countries, the top scorers in the competitiveness index are Finland (score 73.6), Sweden (71.5), the Netherlands (70.7), the United Kingdom (70.2) and Denmark (68.6). Source: *Teke News, <http://www.tekes.fi> (22.9.2009)*



FIDI PRO WEBSITE RENEWED

The website of the Finland Distinguished Professor (FiDiPro) programme has been renewed. On the new FiDiPro website www.fidipro.fi you can get information about the application guidelines, find out more about the research carried out in Finland by FiDiPro Professors and read about their experiences. The website also provides a comprehensive list of FiDiPro Professors and their research projects. As a new element, the website also provides an introduction to Finland as a place for research and links to other websites with more detailed information on related topics. Source: *Academy of Finland, <http://www.aka.fi> (7.9.2009)*





ACTIVITIES AND EVENTS



Pharma

The seminar **Medical Innovation and Governmental Interventions of Public Health in Finland and USA** will be arranged by the Tekes' Pharma innovation programme on the 11th of October, 2009. The venue will be the room 'Postimestari' in Fazer Amica Pääposti, Mannerheiminaukio 1 B, Helsinki. The seminar is dealing with public health care issues and recommendations for optimal industry performance. Prominent speakers at this seminar are presenting parts of their new book "Medical Innovation and Government Intervention – Reconciling Interests to Create Stakeholder Value" during the day. The book is an outcome of several years' cooperation between Kellogg School of Management, ETLA and Tekes. More information and registration at the [Pharma website](#)



The **12th Annual Global Conference on Learning Clusters** will be arranged in Jyväskylä on 12-16 October, 2009. The conference will be designed as an interactive learning process, gathering an international group of developers, researchers, business leaders and policy-makers to jointly create new solutions for enhancing the competitiveness of businesses, regions and clusters. More information at <http://www.clusters2009.com/index.php>



Cleantech Venture Day'09 will be arranged in Lahti on the 26th of November. The Venture day gathers international investors and Nordic cleantech growth companies for the fifth year in a row. Cleantech Venture Day'09 offers an excellent opportunity to learn and discuss on Clean Energy investment opportunities in the rapidly changing global market. Cleantech Venture Day'09 is organized by Lahti Science and Business Park in co-operation with Cleantech Scandinavia and Cleantech Invest.

More information and registration at http://www.lahtisbp.fi/en/conferences_and_seminars/cleantech_venture_day_09



The **27th EuroChrie 2009 Annual Conference** (European Council on Hotel, Restaurant & Institutional Education) will be arranged in Helsinki on 22-24 October, 2009. The host of the event is the Haaga-Helia University of Applied Sciences. The theme of the conference is "From Services to Experiences in Tourism and the Hospitality Industry and Education". Conference one-day Pre-Tours will be organized to Lapland, Stockholm, St. Petersburg and Tallinn on 19-21 October. More information and registration at <http://www.eurochrie2009.fi/home>





INFORMATION ON FAIRS



Fashion Fair

13-15 November 2009

Helsinki Fair Centre

A stylish event for people who take interest in fashion and their looks. See trends and top brands in the biggest fashion shows in Finland.

The renewed product groups show fashion styles in separate areas: Fashion Now!, Trends, Classics, with style, Shopping Street and Street Fashion.

More information at
www.finnexpo.fi



DO IT YOURSELF

6 - 8 November 2009

Helsinki Fair Centre

Do It Yourself, the new event for home renovators and handymen, is part of the Green Weekend, which brings together four different events; the **ELMA Helsinki Food and Countryside Show**, the **Forest Fair** and the **Helsinki Arts & Crafts Fair** will be held at the same time. With the same ticket all four fairs.

More information at
www.finnexpo.fi





INFORMATION ON FAIRS

Programme Helsinki Fair 2009 – 2011	2009	2010	2011
American Car Show			
Annual Veterinary Meeting	29 – 30 Oct		
Arena – Sports Trade Fair		October	
AudioVisual	7 – 9 Oct		
Auto & Korjaamo – Automotive Sector Process and Factory Automation			November
Automaatio - Fair for automation sector			September
BoardExpo	30 Oct – 1 Nov		
Business Presents	20 – 21 Oct		
Caravan - New camping cars and caravans		January	January
ChemBio Finland – Laboratory products, biotech, chemical industry		May	May
Child – Event for the whole family		March	May
Cleaning Service	7 – 9 Oct		October
Colour and Surface	7 – 9 Oct		October
DigiExpo – Digital entertainment and consumer electronics	30 Oct – 1 Nov	November	November
Do It Yourself – the event for home renovators and handymen	6 – 8 Nov	November	November
Educa - Education Fair		January	January
Elkom – Professional Electronics			September
ELMA – Helsinki Food and Agriculture Show	6 – 8 Nov	November	November
Eltek – industrial electricity solutions			September
Environmental Technology		October	
European Congress of Clinical Microbiology and Infectious Diseases			
Exhibition for Secretaries & Assistants	20 – 21 Oct		
Fashion+Beauty	13 – 15 Nov	November	November
Fastfood & Café – easyFairs trade show			
Fillari – the biggest bike fair in Finland		March	March
FinnBuild – Building and building services		October	
Finnish Cardiac Society	14 – 16 Oct		
Finnish Dental Congress and Exhibition	19 – 21 Nov	November	November
Finnish Medical Convention and Exhibition		January	January
Finnish Nursing Congress and Exhibition		March	March
Finnish Societies of Surgery and Anaesthesiology	11 – 13 Nov		
FinnSec – Safety and Security Fair	7 – 9 Oct		October
FinnTec - Finnish International Technical Fair		April	
Fishing – Fishing fair		March	March
FoodTec – Food Processing Technology		October	
Forest - for forest owners and the forest sector	6 – 8 Nov	November	November
Forma Autumn – Gift Articles and Interior Decoration			
Forma Spring – Gift Articles and Interior Decoration			
Gastro - Catering, Restaurants and Hotels		March	
GIS expo - Geographic Information	3 – 4 Nov		
More information on these fairs at: www.finnexpo.fi			



INFORMATION ON FAIRS

Programme Helsinki Fair 2009 - 2011	2009	2010	2011
Habitare – Furniture and Interior Decoration		September	September
Handicraft – Helsinki Arts & Crafts Fair	6 – 8 Nov	November	November
Health and Safety Conference	20 – 21 Oct		
Health	13 – 15 Nov	November	November
Helsinki Book Fair	22 – 25 Oct	October	October
Helsinki Chemicals Forum		May	May
Helsinki Motor Show	29 – 29 Nov	November	November
Helsinki Music Fair		October	October
Housing Markets – Arena for better living		April	April
Hydraulics and Pneumatics			September
International Congress on Nursing Informatics			
Job Forum – Career and job opportunities for young people	2 – 3 Dec	October	October
Kunto – the biggest fitness fair in Finland		March	
Light, Electricity and Tele	7 – 9 Oct		October
Logistics - Transport			
Matka - International Travel Fair		January	January
Maxpo – earth construction and environmental maintenance machines			
MecaTec – Mechanical Engineering and Machine Components			September
Model Expo – the largest hobby show in Scandinavia		March	March
MP Motorcycle Exhibition		February	February
OMA – Open Mobile Alliance			
Own Home - Home building and renovation fair		April	April
Own Cabin - Leisure time living fair		April	April
Own Yard – Construction, equipment and maintenance of yards		April	
Packaging – easyFairs trade show			
PacTec - Packaging and materials handling		October	
ParkTec – Trade fair for landscaping and gardening professionals	7 – 9 Oct		October
PetExpo		March	March
Pharmacy Days	22 – 22 Nov		
PlasTec – international trade fair for the plastics industry		April	
PulPaper – Intl Exhibition for Suppliers of Pulp and Paper Industry		June	
Real Estate	7 – 9 Oct		October
Retki – Annual outdoor fair		March	March
Shop – easyFairs retail market trade show			
Sisusta! Interior decoration fair		April	April
Skiexpo – the largest wintersport fair in the Nordic Countries	30 Oct – 1 Nov	November	November
Snowmobile & ATV	26 – 29 Nov		
Spring Garden – horticultural fair			April
Studia – education fair	2 – 3 Dec	October	October
Swingi – golf fair		March	March
ToolTec - Industrial tools for professionals		April	
More information on these fairs at: www.finnexpo.fi			



INFORMATION ON FAIRS

Programme Helsinki Fair 2009 – 2011	2009	2010	2011
Vene – Helsinki International Boat Show		February	February
Wedding&Love		November	November
Wine, Food & Good Living	22 – 25 Oct	October	October
WineExpo – Wine fair		March	
Winner – International Dog Show and Petfair	12 – 13 Dec		
Wound Management - EWMA conference			
More information on these fairs at: www.finnexpo.fi			