

COUNTRY  
PROFILE

**FINLAND**



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# WORLD COMPETITIVENESS RANKING **2022**

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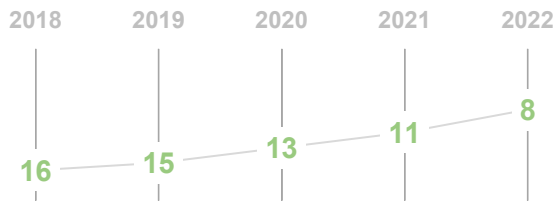
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# Finland

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (63 countries)



### CHALLENGES IN 2022

- Managing geopolitical risks and their economic impact.
- Decreasing the general budget deficit and lowering the public-debt-to-GDP ratio.
- Reforming social benefit system to decrease disincentives to work.
- Promoting R&D to improve quality competitiveness of the business sector.
- Reaching wage agreements that support international price competitiveness of exports.

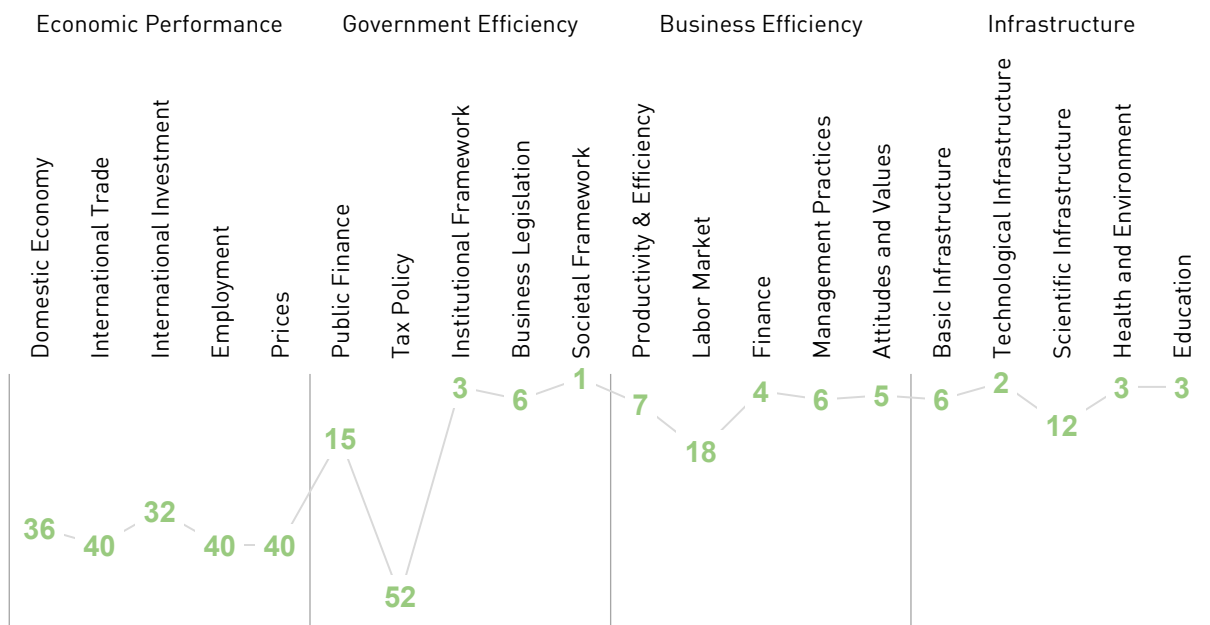
### BASIC FACTS

Rank

	Helsinki	
Capital	Helsinki	
Land area (square km '000)	338	2021
Exchange Rate (per \$)	0.845	2021
Population - market size (millions)	5.53	2021 46
Gross Domestic Product (GDP) (US\$ billions)	299.2	2021 39
GDP (PPP) per capita (US\$)	53,755	2021 19
Real GDP growth (%)	3.5	2021 51
Consumer price inflation (%)	2.07	2021 18
Unemployment rate (%)	7.80	2021 46
Labor force (millions)	2.77	2021 48
Current account balance (% of GDP)	0.71	2021 29
Direct investment stocks inward (\$bn)	96.9	2020 46
Direct investment flows inward (% of GDP)	-0.87	2020 53

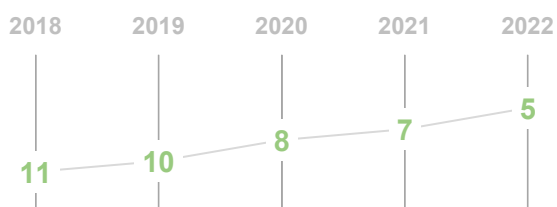
PROVIDED BY: ETLA Economic Research

### COMPETITIVENESS LANDSCAPE

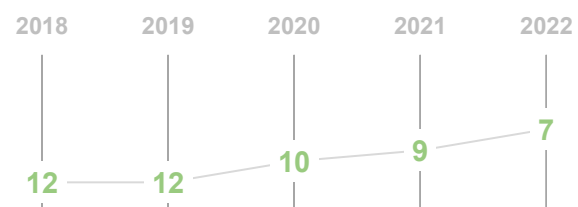


### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (40 countries)



#### POPULATIONS < 20 MILLION (36 countries)



# Finland

## Competitiveness Evolution & Attractiveness Indicators

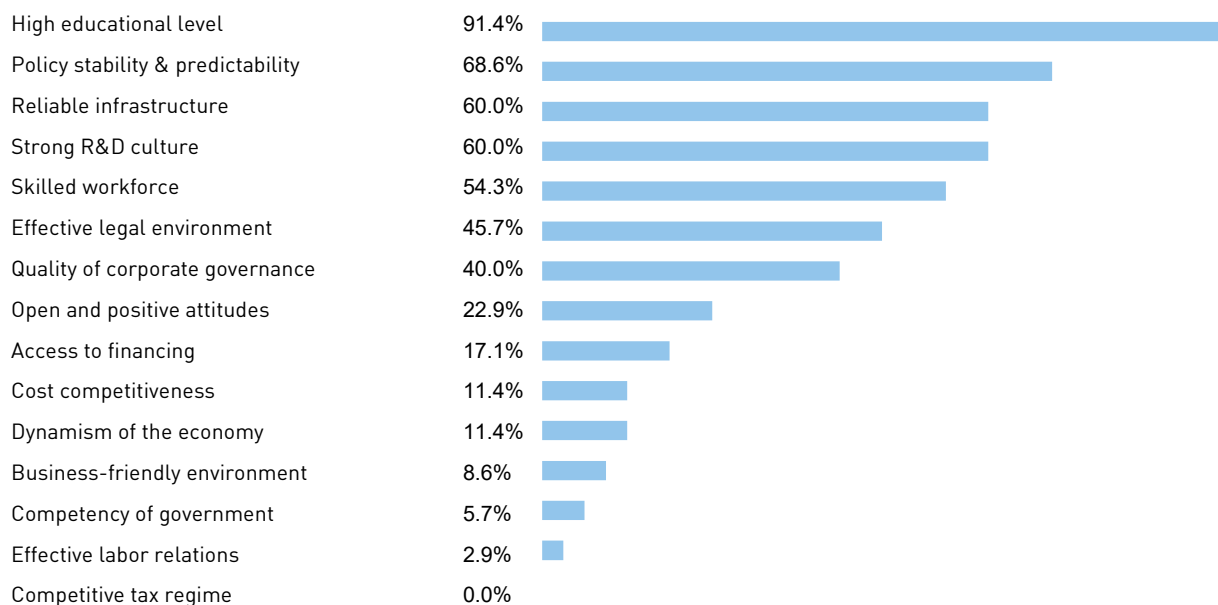
### COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY 2021	WCY 2022	DECLINES	WCY 2021	WCY 2022
1.1.14 Real GDP growth	-2.8	3.5	1.5.01 Consumer price inflation	0.38	2.07
1.1.15 Real GDP growth per capita	-2.94	3.31	1.2.25 Tourism receipts	1.39	0.48
1.1.18 Gross fixed capital formation - real growth	-3.14	1.21	1.4.08 Long-term unemployment	1.20	1.80
1.2.02 Current account balance	0.30	0.71	2.3.08 Exchange rate stability	0.017	0.024
2.1.02 Government budget surplus/deficit (%)	-5.44	-2.58	4.4.14 Water use efficiency	113.34	74.19
3.2.14 Labor force - long-term growth	1.43	2.04	1.4.04 Employment - long-term growth	3.23	2.57
2.3.10 Adaptability of government policy	4.35	5.83	1.5.06 Gasoline prices	1.55	1.86
2.2.11 Real personal taxes	3.50	4.46	3.4.13 Entrepreneurial fear of failure	37.55	44.53
2.3.09 Legal and regulatory framework	6.00	7.60	3.2.18 Skilled labor	6.66	5.77
2.3.07 Foreign currency reserves per capita	2,438	3,026	1.4.10 Youth exclusion	8.2	9.2
2.4.12 New business density	4.3	5.3	1.2.23 Trade to GDP ratio	81.76	72.14
1.2.08 Exports of goods (\$bn)	66.06	81.60	3.2.01 Compensation levels	25.81	28.27
2.1.09 Pension funding	6.08	7.49	3.3.01 Banking sector assets	184.22	167.66
1.4.09 Youth unemployment	21.40	17.10	4.1.20 Electricity costs for industrial clients	0.072	0.078
2.4.06 Investment incentives	5.92	7.09	1.2.18 Export concentration by product	43.2	46.1

### KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



# WORLD COMPETITIVENESS DIGITAL RANKING **2022**

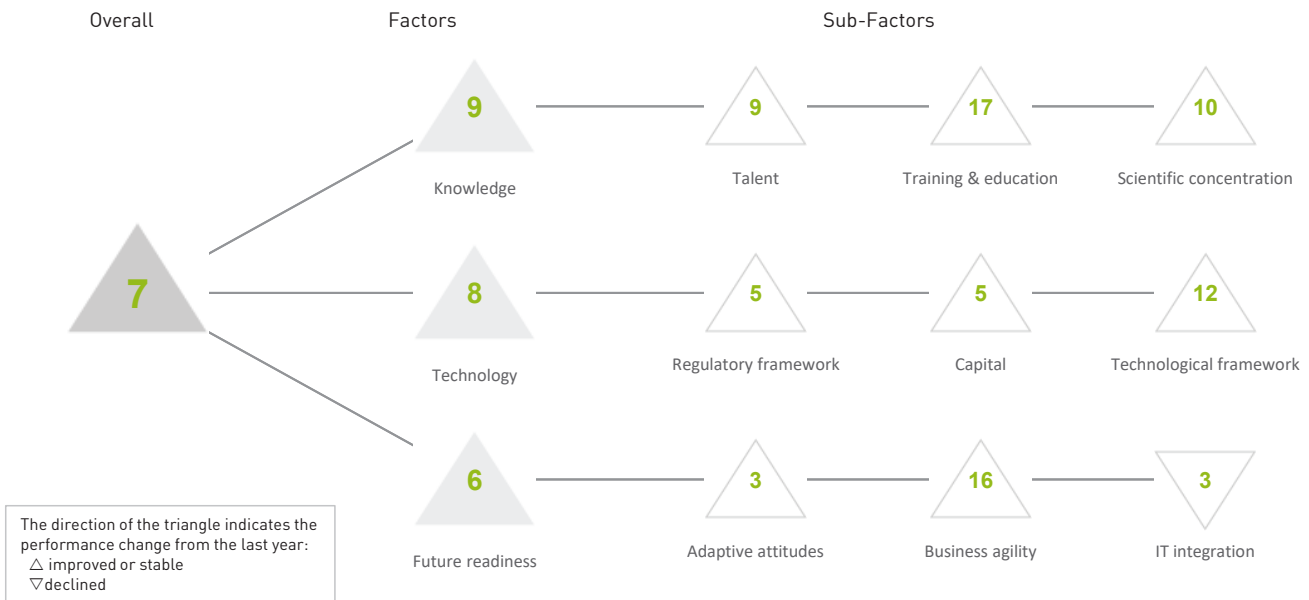
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# FINLAND

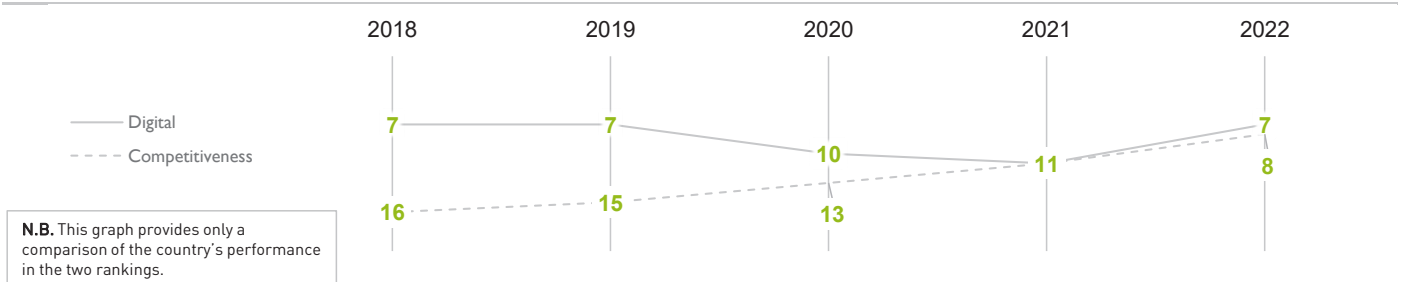
## OVERALL PERFORMANCE (63 countries)



## OVERALL & FACTORS - 5 years

	2018	2019	2020	2021	2022
OVERALL	07	07	10	11	07
Knowledge	09	09	15	09	09
Technology	04	08	10	12	08
Future readiness	08	07	09	09	06

## COMPETITIVENESS & DIGITAL RANKINGS



## PEER GROUPS RANKINGS

### EUROPE - MIDDLE EAST - AFRICA (40 countries)



### POPULATIONS < 20 MILLION (36 countries)



## FINLAND

▶ Overall Top Strengths

▷ Overall Top Weaknesses

## KNOWLEDGE

Sub-Factors	2018	2019	2020	2021	2022
Talent	13	09	11	10	09
Training & education	09	16	20	19	17
Scientific concentration	09	10	12	10	10

Talent	Rank	Training & education	Rank	Scientific concentration	Rank
Educational assessment PISA - Math	15	Employee training	09	Total expenditure on R&D (%)	12
International experience	15	Total public expenditure on education	16	Total R&D personnel per capita	05
▷ Foreign highly-skilled personnel	42	Higher education achievement	29	Female researchers	36
Management of cities	03	▷ Pupil-teacher ratio (tertiary education)	45	▷ R&D productivity by publication	48
Digital/Technological skills	03	Graduates in Sciences	13	Scientific and technical employment	11
Net flow of international students	18	Women with degrees	05	High-tech patent grants	09
				Robots in Education and R&D	22

## TECHNOLOGY

Sub-Factors	2018	2019	2020	2021	2022
Regulatory framework	04	09	13	11	05
Capital	09	11	06	10	05
Technological framework	06	13	10	14	12

Regulatory framework	Rank	Capital	Rank	Technological framework	Rank
Starting a business	18	IT & media stock market capitalization	16	▶ Communications technology	01
Enforcing contracts	33	▶ Funding for technological development	01	Mobile Broadband subscribers	12
Immigration laws	30	Banking and financial services	02	Wireless broadband	07
▶ Development & application of tech.	02	Country credit rating	12	Internet users	15
Scientific research legislation	03	Venture capital	02	Internet bandwidth speed	30
▶ Intellectual property rights	01	▷ Investment in Telecommunications	56	▷ High-tech exports (%)	43

## FUTURE READINESS

Sub-Factors	2018	2019	2020	2021	2022
Adaptive attitudes	06	06	10	07	03
Business agility	22	27	22	21	16
IT integration	01	02	02	02	03

Adaptive attitudes	Rank	Business agility	Rank	IT integration	Rank
E-Participation	14	Opportunities and threats	15	E-Government	04
Internet retailing	13	World robots distribution	33	Public-private partnerships	04
Tablet possession	08	Agility of companies	15	Cyber security	03
Smartphone possession	22	Use of big data and analytics	15	Software piracy	13
▶ Attitudes toward globalization	02	Knowledge transfer	05	Government cyber security capacity	34
		Entrepreneurial fear of failure	24	Privacy protection by law content	14

# WORLD TALENT RANKING **2022**

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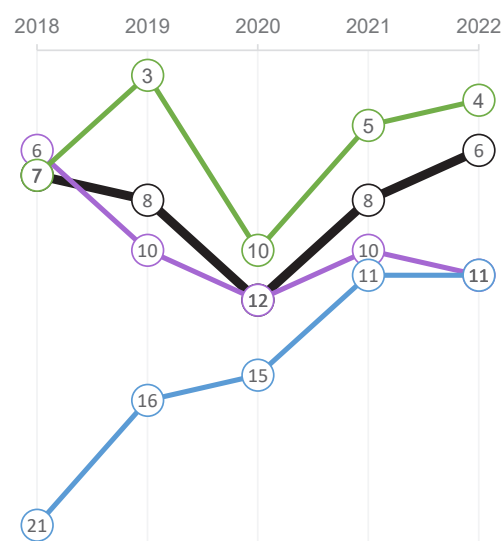
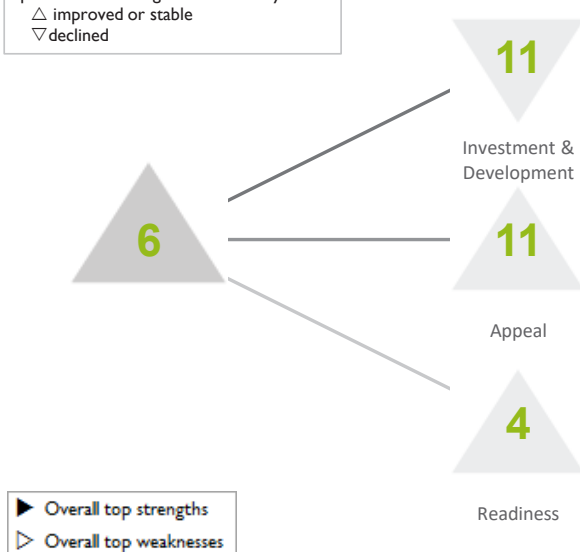
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## FINLAND

## OVERALL PERFORMANCE (63 countries)

The direction of the triangle indicates the performance change from the last year:  
 ▲ improved or stable  
 ▼ declined



## INVESTMENT &amp; DEVELOPMENT

		Value	2022 Rank
Total public expenditure on education	Percentage of GDP	5.8 %	16
Total public exp. on education per student	Spending per enrolled pupil/student, all levels	11,195 US\$	14
Pupil-teacher ratio (primary education)	Ratio of students to teaching staff	13.11 ratio	24
Pupil-teacher ratio (secondary education)	Ratio of students to teaching staff	12.63 ratio	37
Apprenticeships	are sufficiently implemented	5.94 Survey [0..10]	12
Employee training	is a high priority in companies	7.09 Survey [0..10]	9
Female labor force	Percentage of total labor force	47.79 %	10
Health infrastructure	meets the needs of society	8.63 Survey [0..10]	3

## APPEAL

		Value	2022 Rank
▷ Cost-of-living index	Index of a basket of goods & services in the main city, including housing (New York City = 100)	81.50 index	38
▷ Attracting and retaining talents	is a priority in companies	7.54 Survey [0..10]	17
▷ Worker motivation	in companies is high	7.60 Survey [0..10]	4
▷ Brain drain	(well-educated and skilled people) does not hinder competitiveness in your economy	6.80 Survey [0..10]	9
▶ Quality of life	is high	9.77 Survey [0..10]	1
▷ Foreign highly-skilled personnel	are attracted to your country's business environment	4.91 Survey [0..10]	42
▷ Remuneration in services professions	Gross annual income including supplements such as bonuses, US\$	40,528 US\$	16
▷ Remuneration of management	Total base salary plus bonuses and long-term incentives, US\$	177,937 US\$	28
▷ Collected personal income tax	On profits, income and capital gains, as a percentage of GDP	12.55 %	60
▶ Justice	is fairly administered	9.37 Survey [0..10]	1
▶ Exposure to particle pollution	Mean population exposure to PM2.5, Micrograms per cubic metre	5.64 micrograms	1

## READINESS

		Value	2022 Rank
▶ Labor force growth	Percentage change	2.29 %	17
▶ Skilled labor	is readily available	5.77 Survey [0..10]	27
▶ Finance skills	are readily available	7.09 Survey [0..10]	11
▶ International experience	of senior managers is generally significant	6.51 Survey [0..10]	15
▶ Competent senior managers	are readily available	6.46 Survey [0..10]	16
▶ Primary and secondary education	meets the needs of a competitive economy	9.09 Survey [0..10]	1
▶ Graduates in Sciences	% of graduates in ICT, Engineering, Math & Natural Sciences	27.94 %	16
▶ University education	meets the needs of a competitive economy	8.63 Survey [0..10]	3
▶ Management education	meets the needs of the business community	8.23 Survey [0..10]	3
▶ Language skills	are meeting the needs of enterprises	8.34 Survey [0..10]	9
▶ Student mobility inbound	Foreign tertiary-level students per 1000 inhabitants	4.27 number	22
▶ Educational assessment - PISA	PISA survey of 15-year olds	516 Average	9

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