



# Finland

Overview

**EIB INVESTMENT SURVEY**

**2022**



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Overview

## **EIB Investment Survey Country Overview 2022: Finland**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

### **About this publication**

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

**Download the findings of the EIB Investment Survey for each EU country or explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).**

### **About the Economics Department of the EIB**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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# EIBIS 2022 – Finland Overview

## KEY RESULTS

### Investment Dynamics and Focus

EIBIS 2022 shows that on average, at the time of interviews (April-July 2022), Finnish firms were exiting from COVID-19 in a relatively good shape and, on balance, had a positive outlook. The share of Finnish firms having invested in 2021 is very high (95%). Finnish firms have positive expectations on investment for 2022, with 13% more firms expecting to increase rather than decrease investment, comparable to EIBIS 2021 (10%). However, Finnish firms' investment expectations are below the EU average (20%).

### Investment Needs and Priorities

Finnish firms did not signal major investment gaps, with eight in ten Finnish firms (78%) reporting that they invested the right amount over the past three years - similar to EIBIS 2021. Looking ahead to the next three years, Finnish firms are equally likely to prioritise investment in capacity replacement (34%) and capacity expansion (31%), followed by investment in new products or services (27%). The overall pattern of investment priorities is broadly similar to both EIBIS 2021 and the EU average.

### Covid-19 Impact

The pandemic was a major shock for EU firms, but policy support was sizable and helped them to survive and transform. However, the impact was uneven across firms and sectors. Nearly one in two firms in Finland (48%) were negatively impacted by COVID-19, with 31% of firms expecting to return to at least their 2019 levels in 2022. Four in ten Finnish firms never saw a year-on-year sales loss and expected higher sales in 2022 than in 2019 (41%), higher than the EU average (33%). Nearly 17% of firms still did not expect to recover from pandemic-era loss of business in 2022.

Overall, 56% of Finnish firms have received some form of financial support in response to COVID -19, mostly in the form of subsidies or some type of financial support that does not need to be paid back, in line with the EU average (60%). Fewer than one in ten (7%) firms report to still be receiving financial support.

### Firms' Transformation, Innovation and Digitalisation

Possibly helped by the support received, 75% of Finnish firms have taken at least one action in response to COVID-19. This is higher than EIBIS 2021 (68%) and above the EU average (63%). Compared to EIBIS 2021 (54%) and the EU average (53%, EIBIS 2022), more firms reported to have made investments to become more digital (62%).

Exceeding the EU average (69%), three-quarters of Finnish firms (75%) are using at least one advanced digital technology. Compared to the EU average of 34%, far more Finnish firms (52%) have developed or introduced new products, processes or services as part of their investment activities, in line with EIBIS 2021 (56%).

### International Trade

Matching the EU average, nine in ten Finnish firms (89%) have faced disruption associated with international trade. About 84% of Finnish firms were impacted by at least one of the external factors disrupting international trade, this is slightly higher than the share for the EU average (78%). COVID-19 and the Russia-Ukraine conflict have had similar levels of impact. Among firms facing trade disruptions, nearly two-thirds of Finnish firms report to have taken actions to mitigate the impact of these disruptions.

### Drivers and Constraints

At the time of interviews, Finnish firms were already expecting a deterioration in the economic and political climate, with prospects in their own sector worsening. Economic climate expectations have turned very negative in net terms (declining from +52% to -60%). Many more firms in Finland see energy cost as a deterrent to investment planning. The share of firms citing energy costs as a barrier has risen 24 points since EIBIS 2021. Skills availability is still worsening, with 85% of Finnish firms reporting it as a barrier to investment, and uncertainty remains with 80% high.

# EIBIS 2022 – Finland Overview

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## **Investment Finance**

One in ten Finnish firms can be considered as financially constrained (9.9%) which exceeds the EU average (6.2%) and is the highest level recorded in Finland's EIBIS series.

## **Climate Change and Energy Efficiency**

Half of Finland's firms (52%) see themselves as affected by physical climate change risks, which is in line with EIBIS 2021 (55%) and the EU average (57%). In the EU, Finland has the highest share of firms who have already invested in tackling climate change (77%) as well as those planning to invest (75%) over the next three years, (EU average 53% and 51%, respectively). And about one in two Finnish firms (54%) is investing in measures to improve energy efficiency, above the EU average (40%).

More Finnish firms regard the transition to stricter climate standards and regulations as an opportunity (37%) rather than a risk (25%). This contrasts with the EU average where opinion is evenly balanced (29% versus 32%). Since EIBIS 2021, the share of Finnish firms regarding this as a risk has increased from 19% to 25%.

Almost every Finnish firm is taking action to reduce its Greenhouse Gas (GHG) emissions (97%) and most (54%) set and monitor targets for their own emissions, well above the EU average (88% and 41%).

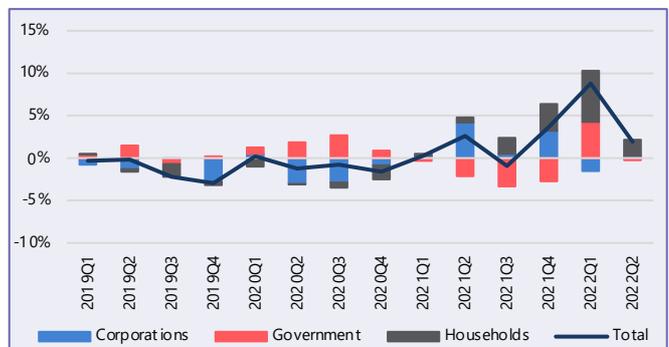
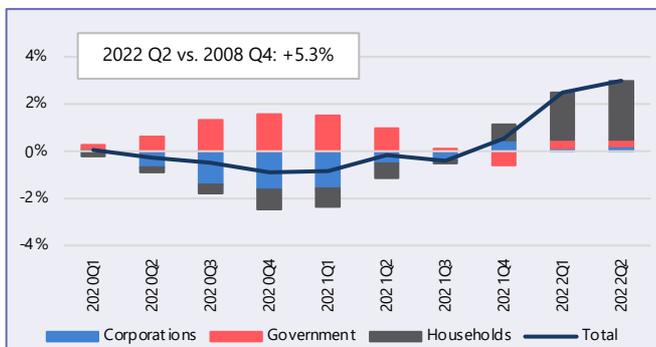
## **Firm Management, Gender Balance and Employment**

Finland has the largest share of firms that are using strategic business monitoring: almost nine in ten Finnish firms (86%). This is far higher than the EU average (51%) and the US (44%). The share of Finnish firms striving for gender balance in their business (72%) is also higher than the EU average (58%) and US (62%).

# Investment dynamics and focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- During the first year of the pandemic, aggregate investment levels in Finland declined slightly but never fell more than 0.9% below pre-pandemic level. The main reason was the increase in government investment, mitigating the decline in private investment by households and corporations.
- As private investment began to recover at the start of 2021, aggregate investment levels rose and more than recovered their pre-pandemic level in Q4 2021.
- The impact of the war in Ukraine on investment in Finland was still relatively contained in the first half of 2022, with investment still above the pre-COVID19 level. However, corporate investment remained subdued.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

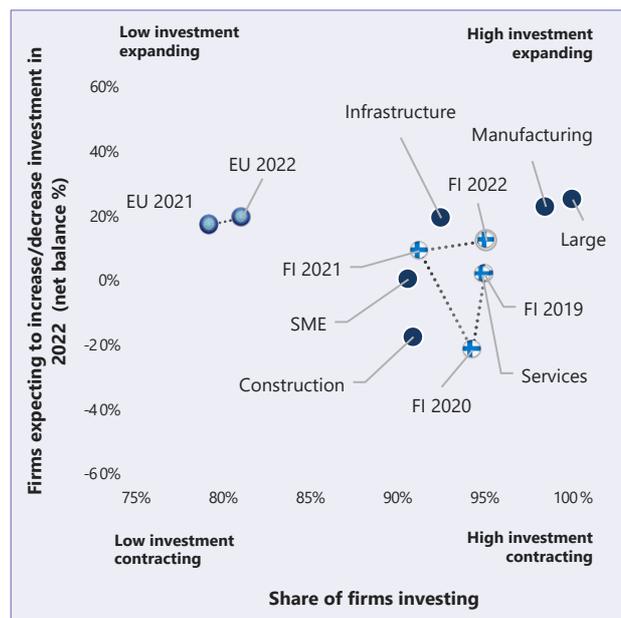
## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- EIBIS 2022 shows that Finland is despite multiple crises in a positive phase of the investment cycle. Almost all Finnish firms were investing in 2021 (95%) and the investment outlook is comparable to the previous year, with more firms expecting to increase rather than decrease investment (net balance of 13%). However, the investment outlook of Finnish firms is less positive than the one for firms across the EU as a whole (net balance of 20%).
- Firms in the manufacturing sector have a more positive investment expectation than firms in other sectors. And large firms (26%) have a more positive expectation than SMEs (1%).



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base for expected and realised change: All firms



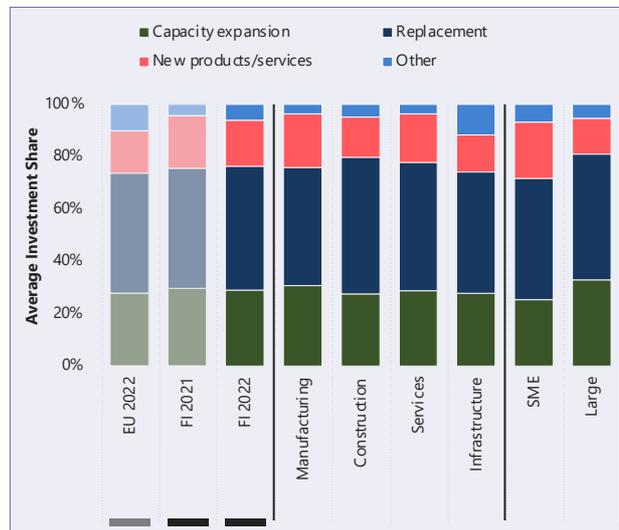
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

# Investment dynamics and focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

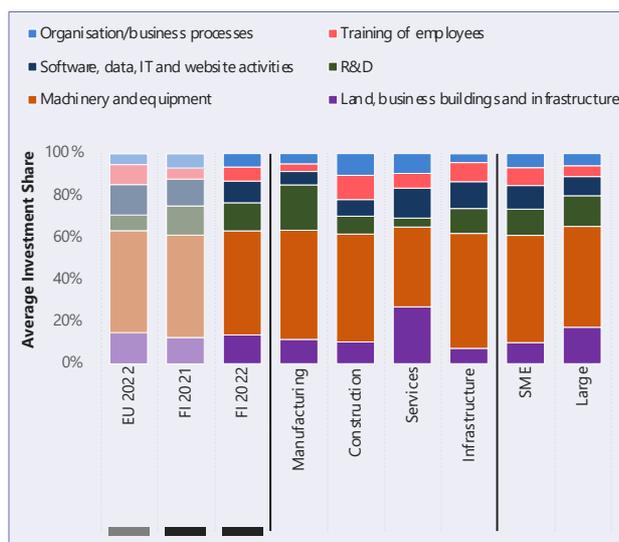
- The largest share of investment by Finnish firms in 2021 was directed towards capacity replacement (47%). Investment in capacity expansion accounted for more than a quarter (29%) of total investment spending, with firms allocating a further 18% of their total investment spend to developing or introducing new products of services. These figures are similar to both EIBIS 2021 and the EU average.
- The pattern of investment purposes is broadly similar across sector classes.
- Finnish SMEs report to direct a larger share of their investment towards new products/services than large firms (22% versus 14%). Meanwhile large firms report to be more focussed on capacity expansion (33% versus 25%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

## INVESTMENT AREAS



- As previously, of the six investment areas considered, the largest share of investment in 2021 by Finnish firms was in machinery and equipment (50%).
- Finnish firms allocated a larger share of their investment to research and development (R&D) compared to the average EU firm (13% versus 7%), mainly driven by the manufacturing sector (21%)
- All sectors direct a comparable share of investment (37%) towards intangible assets (R&D, software, training and business processes).
- SMEs and large firms are directing a comparable share of their investment towards intangible assets (39% and 34% respectively).

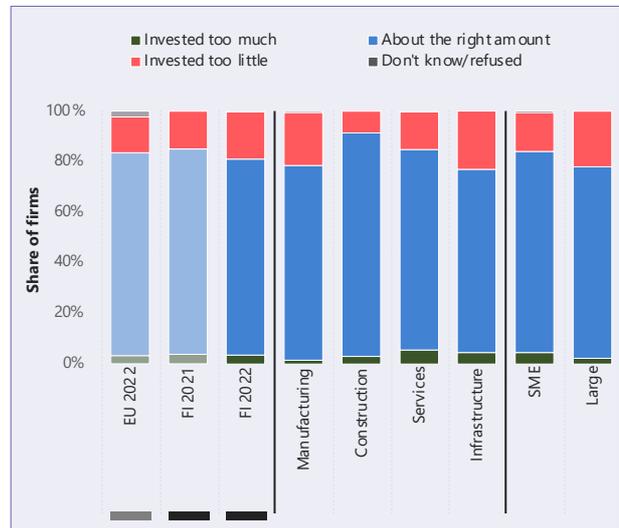
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

# Investment needs and priorities

## PERCEIVED INVESTMENT GAP

- In spite of difficult circumstances due to the pandemic, eight in ten Finnish firms (78%) consider their investment over the past three years to have been about the right amount. About two in ten (19%) firms say they invested too little, comparable to EIBIS 2021 (15%) and the in line with the current EU average (14%).
- Fewer than one in ten (9%) construction firms report to have invested too little. This compares to almost a quarter of infrastructure firms (23%).
- SMEs and large firms have broadly similar views on whether they invested an appropriate amount over the past three years.

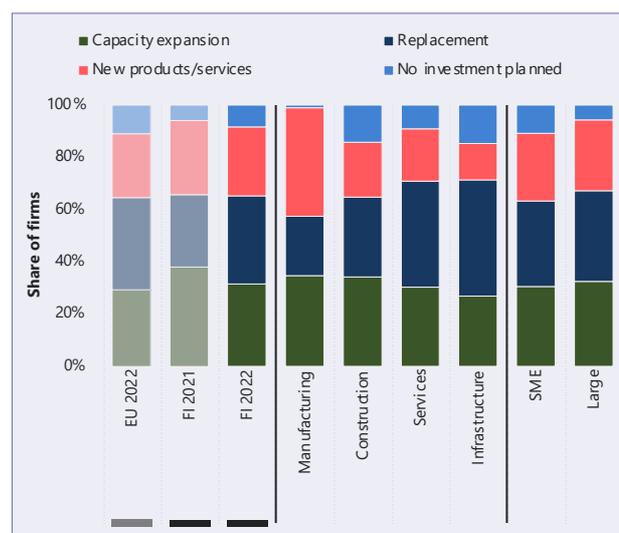


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## FUTURE INVESTMENT PRIORITIES

- Over the next three years, a roughly equal share of Finnish firms says that it will prioritise investment in capacity replacement (34%) and capacity expansion (31%), followed by investment in new products or services (27%). The overall pattern of investment priorities is broadly similar to both EIBIS 2021 and the EU average.
- Firms in the manufacturing sector are more likely to report investing in new products or services than firms in other sectors as a future priority (42% versus other sectors ranging from 14% to 21%).
- Firms in the infrastructure and construction sectors were most likely to state having no investments planned (15% and 14%) for the coming three years.
- The investment priorities for SMEs and large firms over the next three years are broadly the same.

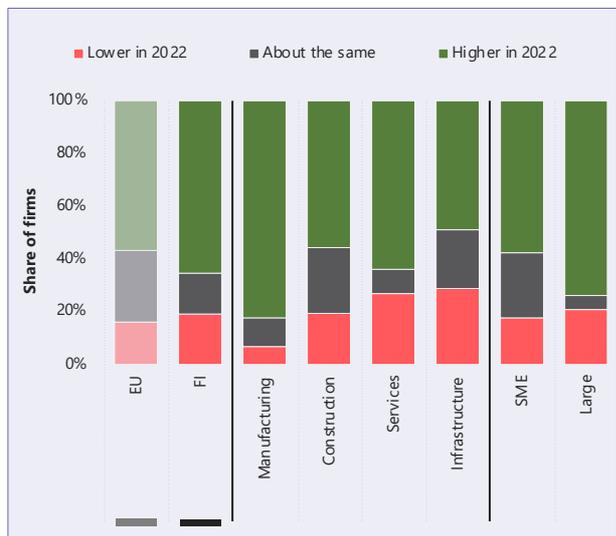


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

# Impact of COVID-19

## IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



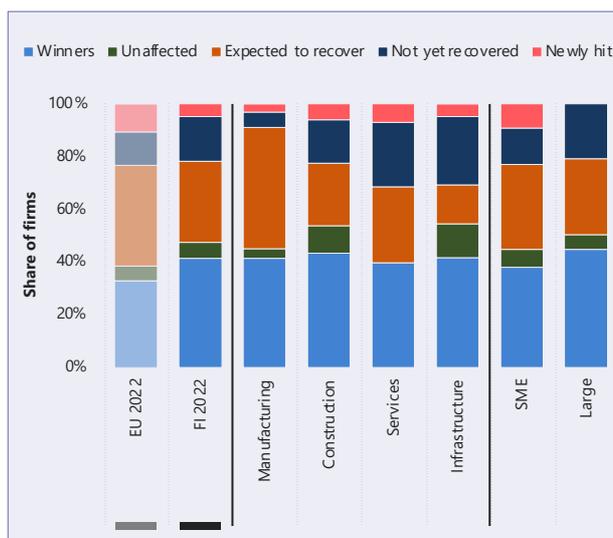
- COVID-19 has affected the sales of firms. Compared to the EU average, more Finnish firms expected their 2022 sales to exceed those achieved in 2019 (65% versus 57%). Relatively few Finnish firms (19%) expected sales to be lower.
- While eight in ten firms in the manufacturing sector (82%) expected their 2022 sales to exceed those of 2019, only one in two firms in the infrastructure sector (49%) shared the positive outlook. Large firms are more likely to expect higher sales levels in 2022 compared to pre-COVID-19 levels than smaller firms (74% versus 58%).
- Firms in the infrastructure and services sectors have the highest share of firms reporting that they expected lower sales in 2022 compared to 2019 (29% and 27% respectively).

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

## IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- Nearly one in two firms in Finland (48%) were negatively impacted by COVID-19, but most managed a turnaround. 31% of firms were hit by the pandemic but expected to return to at least their 2019 levels in 2022.
- Four in ten Finnish firms never saw a year-on-year sales loss and expected higher sales in 2022 than before the pandemic (41% "winners"), higher than the EU average (33%).
- Nearly 17% of firms still did not expect to recover from pandemic-era loss of business in 2022. A very small group of Finnish firms is newly hit - 5% of Finnish firms were little affected by the pandemic but nevertheless expected sales to be hit in 2022.



Q. Compared to 2019, before the pandemic started, did your company's sales and turnover in 2020 decline, increase or stay the same?

Q. Compared to 2020, did your company's sales and turnover in 2021 decline, increase or stay the same?

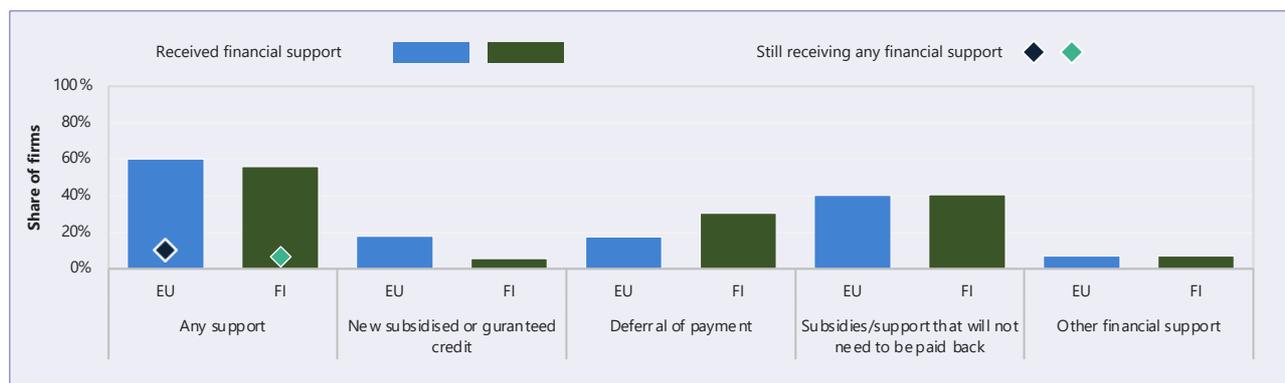
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

# Impact of COVID-19

## FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

- Public support was substantial in Finland: in line with the EU average of 60%, the majority of Finnish firms (56%) received some form of financial support as a response to COVID-19. Fewer than one in ten firms (7%) is still receiving it. The most common support came via subsidies and other support that do not need to be paid back (41%), in line with the EU average (40%).
- Greatly exceeding the EU average of 17%, almost a third of Finland's firms benefited from deferred payments (31%) but relatively few received new subsidised or guaranteed credit (5% versus 18%).



Q. Since the start of the pandemic, have you received any financial support?  
Q. Are you still receiving (any of) this financial support?

Base: All firms (excluding don't know/refused responses)

## ACTIONS AS A RESULT OF COVID-19



- Three-quarters of Finnish firms (75%) say they have taken at least one action in response to COVID-19. This is higher than EIBIS 2021 (68%) and remains above the EU average (63%).
- The most cited area of action or investment as response to COVID-19 is to become more digital, as reported by 62% of Finnish firms, a higher share than the EU average (53%).
- In contrast to many other EU countries, Finland's SMEs (74%) are just as likely as its large firms (76%) to report having taken action in response to COVID-19. The main response of large firms has been to become more digital (69%). SMEs are equally as likely to state that they have developed new products or services as to have become more digital (55% and 56% respectively).

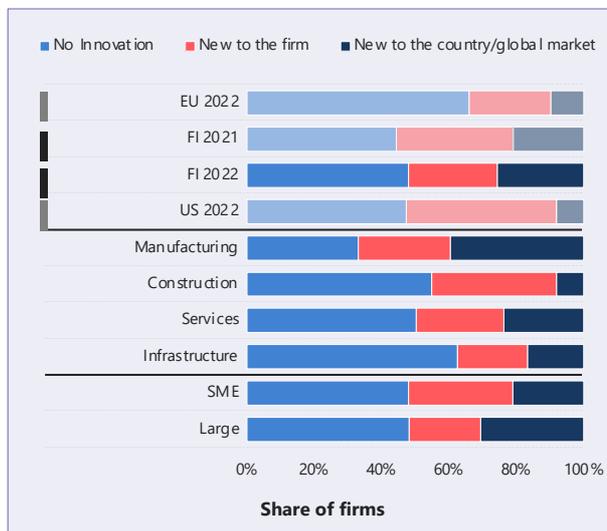
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

# Innovation activities

## INNOVATION ACTIVITY

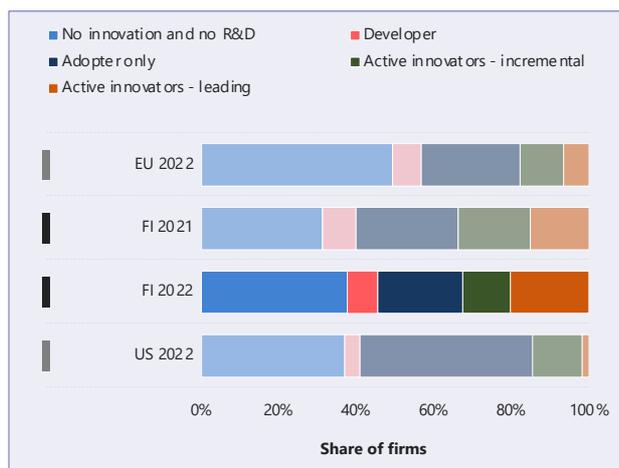
- Compared to the EU average of 34%, far more Finnish firms (52%) claim to have developed or introduced new products, processes or services as part of their investment activities, similar to EIBIS 2021 (56%).
- Finland's manufacturing firms (67%) are more likely to have reported investment in innovation than firms in other sectors, especially infrastructure sectors.
- A quarter (26%) of Finnish firms report to have undertaken innovations that are new to the national or global market, which is much higher than the share of EU firms (10%) and is particularly high among manufacturing firms (40%). Finland's large firms are more likely than its SMEs to report having innovations new to the country or global market (31% versus 21%).



- Q. What proportion of total investment was for developing or introducing new products, processes, services?  
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

## INNOVATION PROFILE



- When firms' innovation and research development behaviour is profiled more widely, around a third of Finnish firms (33%) can be classified as 'active innovators' — firms that invested significantly in research and development and introduced a new product, process or service.
- The share of Finnish firms classified as 'active innovators – leading' is with 20% nearly three times the EU share (7%) and much higher than the US share (2%).

- Q. What proportion of total investment was for developing or introducing new products, processes, services?  
Q. Were the products, processes or services new to the company, new to the country, new to the global market?  
Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

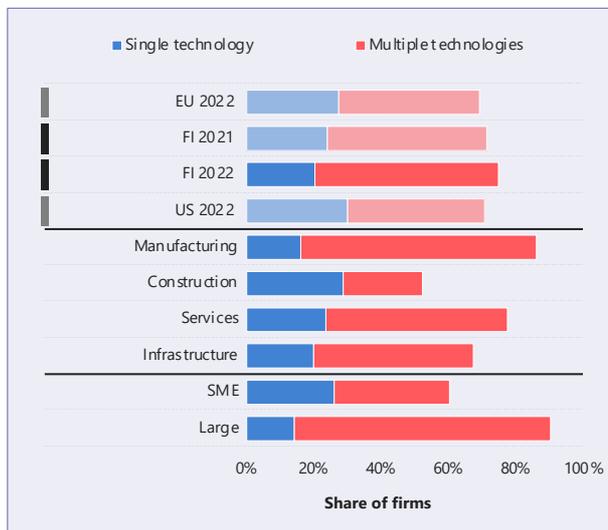
Base: All firms (excluding don't know/refused responses)

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

# Innovation activities

## USE OF ADVANCED DIGITAL TECHNOLOGIES

- Three-quarters of Finnish firms (75%) are using at least one out of four advanced digital technologies they were asked about. Digital adoption rates thus remain again well above EU average (69%).
- Firms in the construction sector (52%) are the least likely to be using advanced digital technologies. It accounts for at least 67% in all other sectors rising to 86% for firms in manufacturing.
- Zooming in on different firm size classes, large firms are more likely than SMEs to have used advanced digital technologies (90% versus 60%).
- Finnish firms are strong in the implementation of advanced robotics (67%) and Big Data and Artificial Intelligence (52%), when compared to the EU and US average.



EIBIS 2022

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

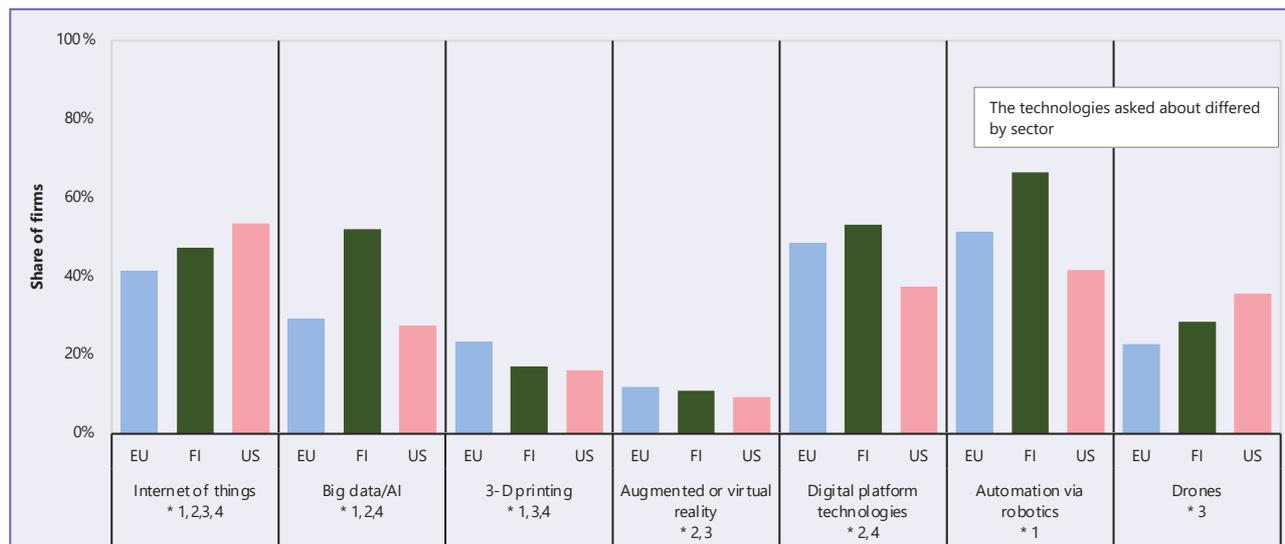
Base: All firms (excluding don't know/refused responses)

Please note: question wording and definitions changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

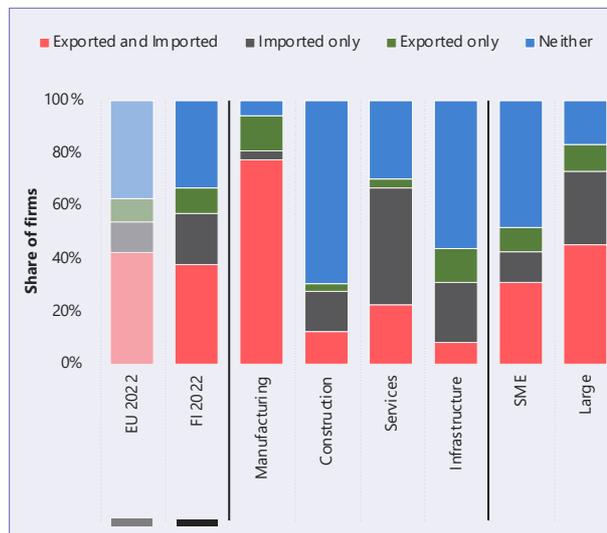
Base: All firms (excluding don't know/refused responses);  
Sample size FI: Manufacturing (138); Construction (95); Services (121); Infrastructure (121)

Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

# International trade

## ENGAGEMENT IN INTERNATIONAL TRADE

- The majority of Finnish firms are engaged in international trade (67%), comparable to the EU average (63%).
- While almost all firms in manufacturing (94%) trade outside their home market, only 44% of infrastructure firms and 31% of construction firms do likewise.
- A higher share of large firms than SMEs are trading internationally (83% versus 52%).

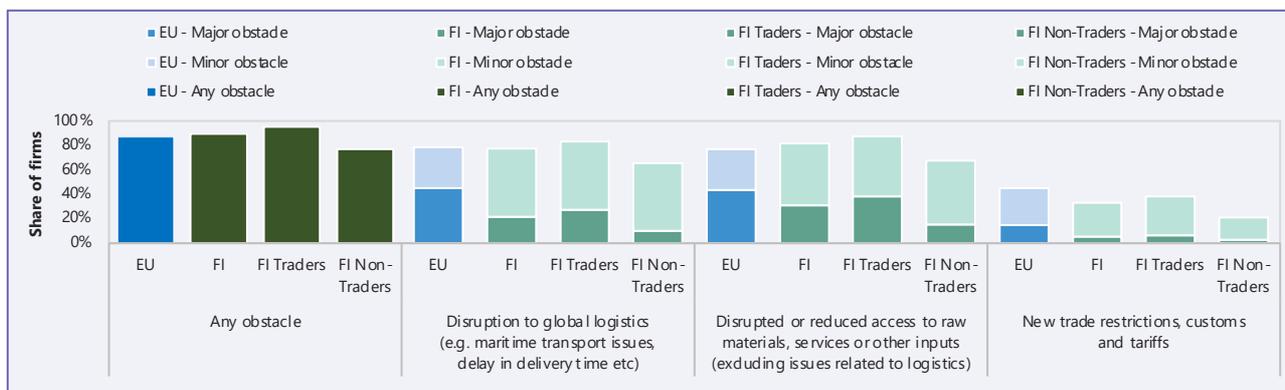


Q. In 2021, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

## DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Similar to the EU average (87%), nine in ten Finnish firms are facing disruptions associated with international trade (89%). Such disruptions have impacted 95% of Finland's traders.
- Reduced access to raw materials, services or other inputs (82%) and disruption to global logistics (78%) are the main trade-related obstacles for Finnish firms and comparable to the EU average (77% and 78% respectively). New trade restrictions, customs and tariffs were less of an obstacle.
- Unsurprisingly, Finland's traders perceived all factors as a greater obstacle to their activities than those without international trading interests.



Q. Since 2021, did any of the following present an obstacle to your business's activities?

Any obstacle combines 'minor' and 'major' obstacles into one category

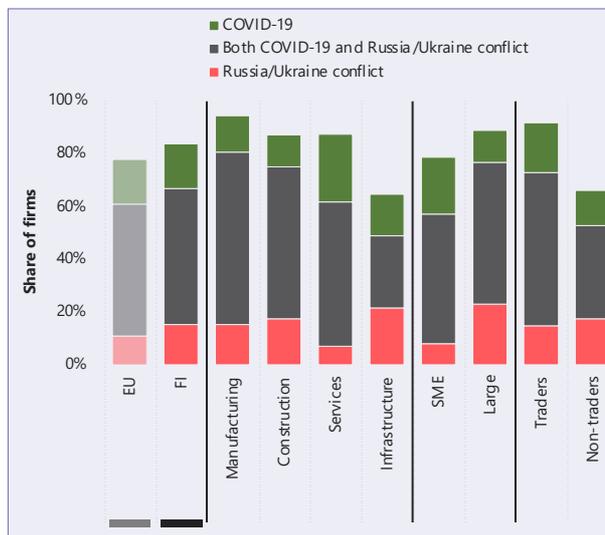
Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)

Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

# International trade

## EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

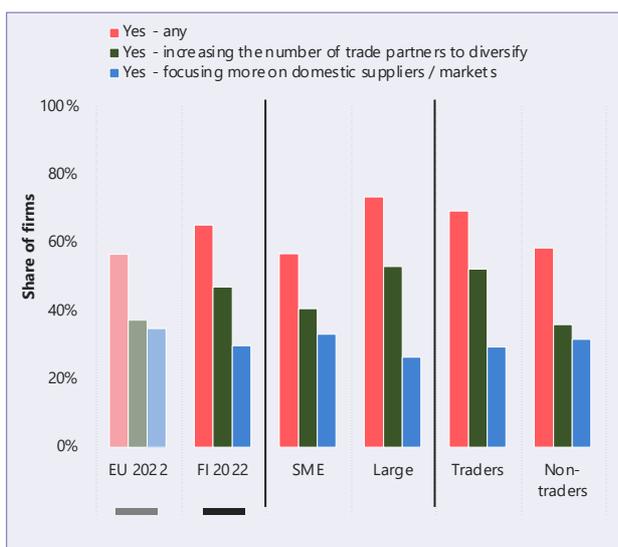
- About 84% of Finnish firms were impacted by at least one of the external factors disrupting international trade. This is slightly higher than the share for the EU average (78%). COVID-19 and the Russia-Ukraine conflict have had similar levels of impact.
- Except for firms in the infrastructure sector (65%), at least 87% of firms in each sector report to have been impacted by one or both of these external factors.
- Around 58% of Finnish firms that are traders state that both COVID-19 and the Russia-Ukraine conflict contributed to the international trade obstacles faced, versus 35% of non-traders.



Q. You have just said that you experienced (an obstacle/obstacles) to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

Base: All firms (excluding don't know/refused not applicable responses)

## ACTIONS TO MITIGATE INTERNATIONAL TRADE DISRUPTIONS



- Two-thirds of Finnish firms (65%) are taking action to mitigate the impact of international trade disruptions. This is higher than the EU average (57%).
- More large firms than SMEs have taken steps to mitigate the impact of international trade disruptions (74% versus 57% respectively).
- Finnish firms are more likely to focus on increasing or diversifying trading partners than EU firms (47% versus 37%)
- Across all size classes and for both traders and non-traders, a minority of Finnish firms has focussed on domestic suppliers or markets.

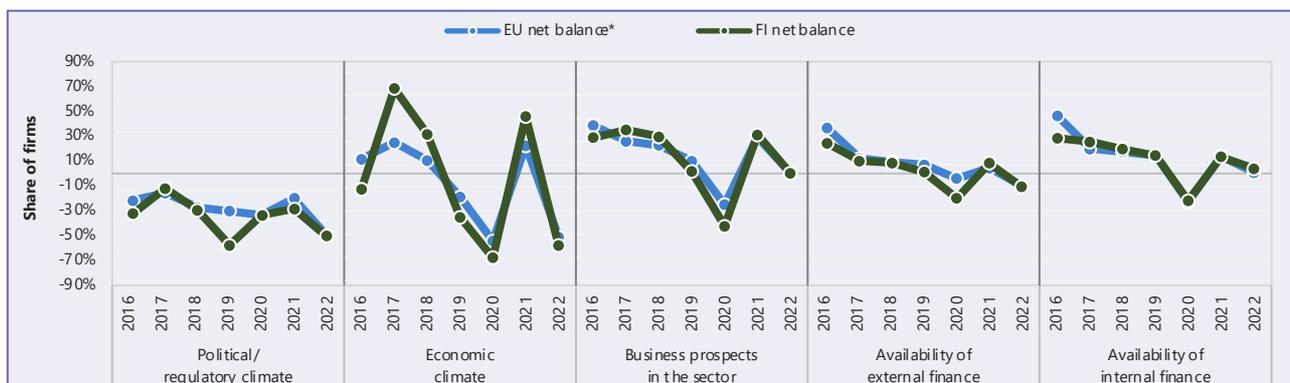
Q. Is your company taking any actions to mitigate the impact of these disruptions?

Base: All firms facing trade disruptions (excluding don't know/refused responses)

# Drivers and constraints

## SHORT-TERM FIRM OUTLOOK

- In mid-2022, Finnish firms already foresaw a sharply deteriorating economic and political climate, with prospects in their own sector also worsening.
  - Economic climate expectations have turned very negative in net terms (declining from +52% to -60%). Only in EIBIS 2020 were Finnish firms more pessimistic than they are now about the economic climate (-71%).
  - Overall, the short-term outlook in Finland follows a similar pattern to that in the EU.
- climate (-71%). The perception of business prospects also reversed its trend (declining from +36% to +3%), as well as the availability of external finance (declining from +11% to -9%).



Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance %)



Please note: green figures are positive, red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

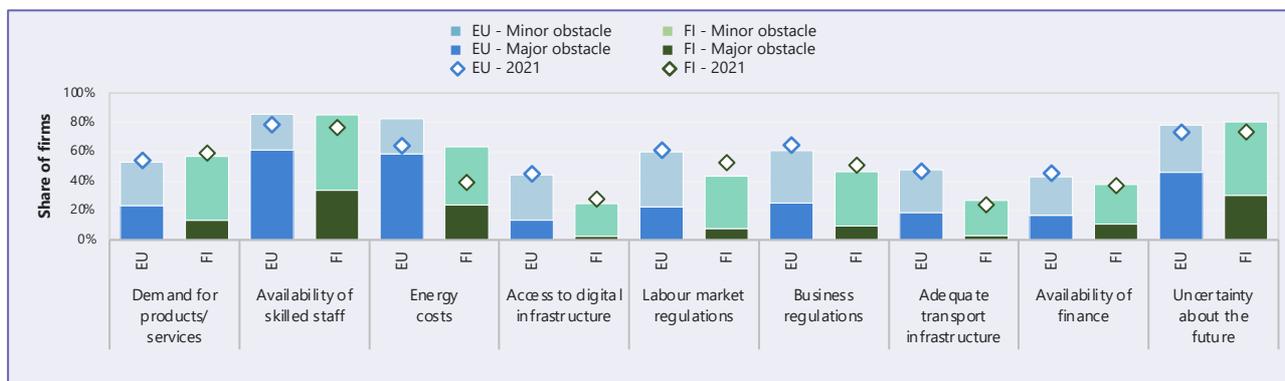
Base: All firms

- Firms are consistently more negative than positive about the political and regulatory climate, economic climate and the availability of external finance across different sectors and firm sizes. Construction and manufacturing firms are especially pessimistic.
- In spite of a negative picture in EIBIS 2022, firms still expect an overall improvement in business prospects and internal finance. These tendencies are comparable across sectors, with only the construction sector being negative.
- As far as firm size is concerned, large firms are more pessimistic than SMEs about the political and regulatory climate, but hold, otherwise, more optimistic expectations.

# Drivers and constraints

## LONG-TERM BARRIERS TO INVESTMENT

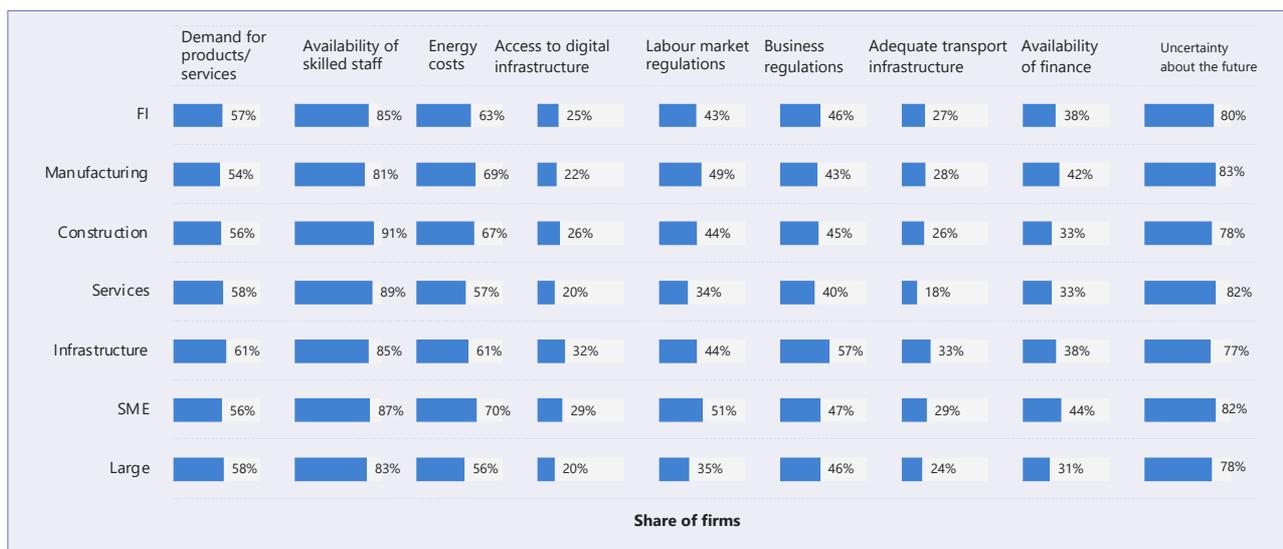
- Many more firms in Finland see energy costs as a deterrent to investment planning. The share of firms citing energy costs as a barrier has risen 24 points since EIBIS 2021, but is lower than the EU average (63% versus 82%).
- Skills availability is still worsening, with 85% of Finnish firms reporting it as a barrier to investment, and uncertainty remains high, with 80%.
- Fewer than four in ten Finnish firms consider the digital and transport infrastructure or the availability of finance to be an obstacle to investment (25%, 27% and 38% respectively).
- Similar to EIBIS 2021, one of the main differences between Finland and the EU is the access to digital and transport infrastructure, which is reported more frequently as a barrier by EU than Finnish firms.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

## LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

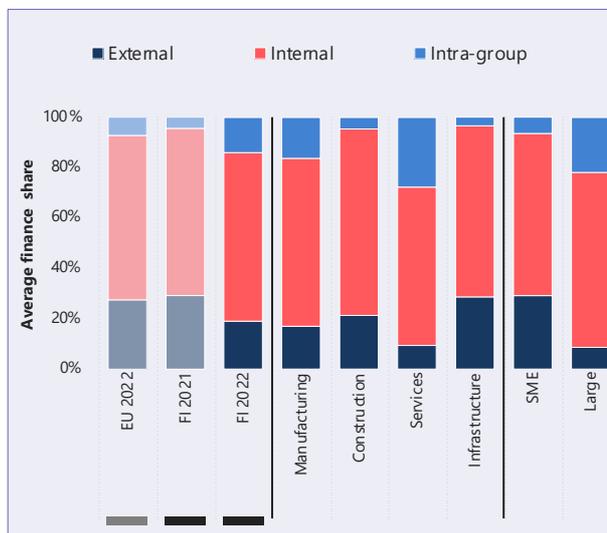
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

# Access to finance

## SOURCE OF INVESTMENT FINANCE

- As in EIBIS 2022, internal sources currently account for the largest share of Finnish firms' investment finance (67%) followed by external finance (19%). The latter is lower than last year (29%) and the EU average (28%).
- In Finland, firms relied to a greater extent on intra-group finance (14% of total investment).
- The share of intra-group finance is highest for firms in the services sector (28%) and lowest for firms in the infrastructure sector (3%).
- Sources of finance differ across firm size, with large firms financing a higher share of their investment via intra-group funding than SMEs (22% versus 6%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

## USE OF EXTERNAL FINANCE



- Just over a third (34%) of Finnish firms that invested in the last financial year has financed at least some of their investment via external finance, which is lower than EIBIS 2021 (50%) and the current EU average (45%).
- In every sector, the share of firms using external finance has fallen since EIBIS 2021.
- The infrastructure sector had the highest share of firms that used external finance in the last financial year (44%).
- Nearly one in two SMEs has financed at least some of their investment through external finance (48%).

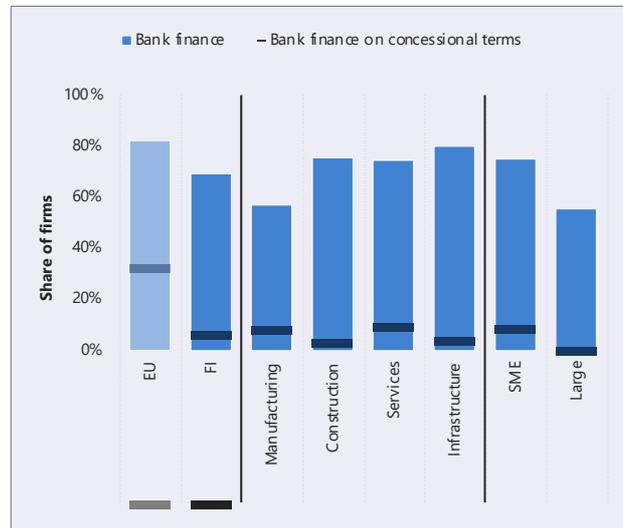
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

# Access to finance

## ACCESS TO BANK FINANCE AND CONDITIONS

- Over two-thirds of Finnish firms (69%) received bank finance in the last financial year, a share that is well below the EU average (82%).
- About 6% of Finnish firms using external finance received bank finance on concessional terms. This is considerably less than for the EU average, where 32% of firms using external finance received bank finance on concessional terms.
- At least 74% of firms in each sector accessed bank finance, except for firms in the manufacturing sector (57%).
- A greater share of Finland's SMEs than its large firms received external finance from a bank (75% versus 55%).

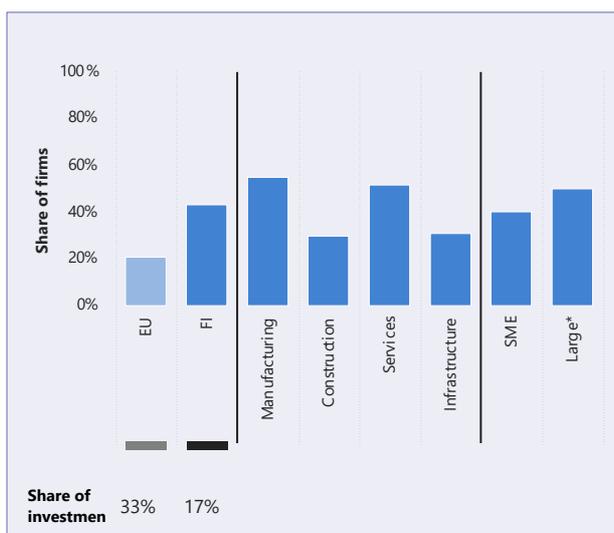


Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)

## SHARE OF FIRMS WITH FINANCE FROM GRANTS



- More than four in ten Finnish firms using external finance received grants (43%). That is financial support or subsidies from regional and national government or funding provided by the European Commission. This is much higher than the EU average (21%).
- The large share of firms receiving grants is likely driven by firms having received financial support in the context of COVID-19.
- Most of the manufacturing and services firms received grants (55% and 52% respectively), but only three in ten construction and infrastructure firms (30% and 31% respectively).

Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)

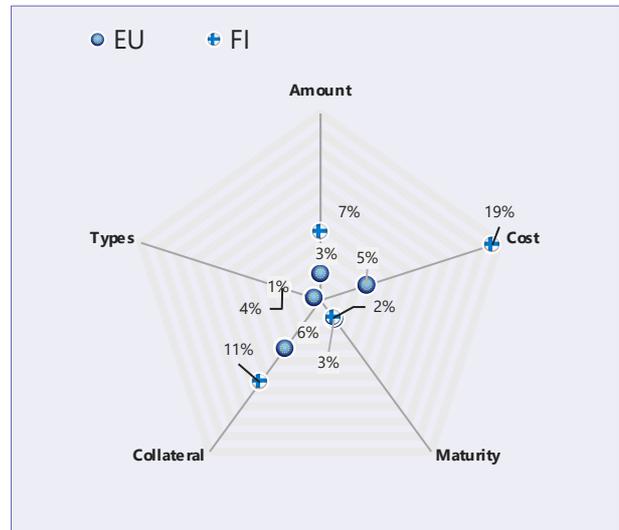
Base: All firms that received grants (excluding don't know/refused responses)

\* Caution base size <30

# Access to finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Overall, levels of dissatisfaction are low: Finnish firms that have used external finance in 2021 are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.
- The highest levels of dissatisfaction are expressed with respect to costs (19% of Finnish firms) and the collateral requirements (11% of Finnish firms).
- The level of dissatisfaction with cost (19%) is higher than any other country in the survey and four times above the EU average (5%).



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

## DISSATISFACTION BY SECTOR AND SIZE (% of firms)



- Levels of dissatisfaction are generally low across sector and firm size classes. However, there are some notable exceptions and the cost of external finance is an issue for many.
- Except for firms in the services sector (10%), one in five firms are dissatisfied with the cost of finance. More than one in ten manufacturing firms (15%) and construction firms (12%) are dissatisfied with collateral requirements.

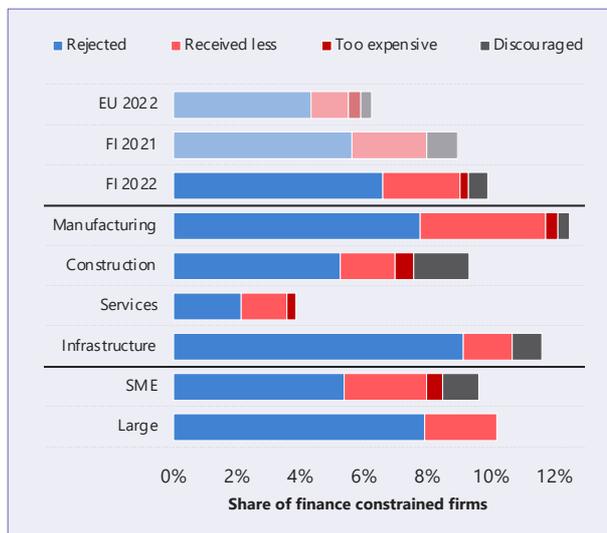
Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

# Access to finance

## SHARE OF FINANCE CONSTRAINED FIRMS

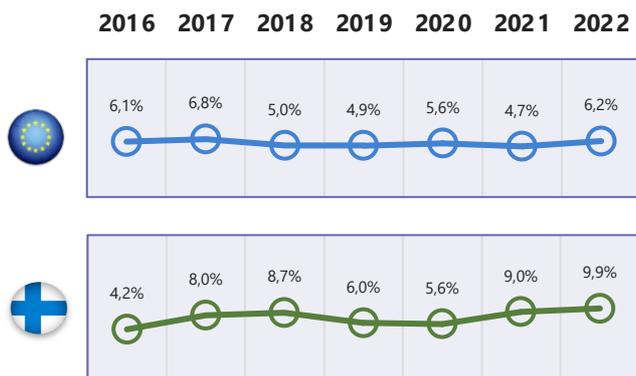
- The share of financially constrained firms in Finland (9.9%) is similar to that seen in EIBIS 2021 (9.0%) and above the EU average (6.2%)
- The main constraint reported by Finnish firms is rejection (7.8%), followed by an insufficient amount received (2.4%).
- Manufacturing and infrastructure firms are the most finance constrained.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

## SHARE OF FINANCE CONSTRAINED FIRMS OVER TIME



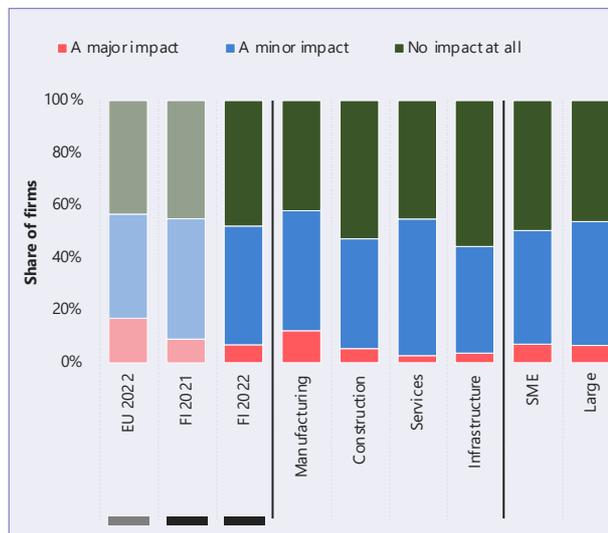
- The share of Finnish firms that are finance constrained (9.9%) is the highest yet recorded in the EIBIS series.
- Since EIBIS 2017, the share of finance constrained firms in Finland has been similar or higher than the EU average.

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- Climate change is being perceived as a risk by more than a half of firms: around one in two Finnish firms report that weather events are currently having an impact on their business (52%). This is similar to EIBIS 2021 (55%) and the EU average (57%).
- As in EIBIS 2021 (9%), fewer than one in ten Finnish firms say weather events are having a major impact (7%). This figure is lower than the EU average (17%).
- Firms in the manufacturing and services sectors are most likely to report that weather events are impacting their business.

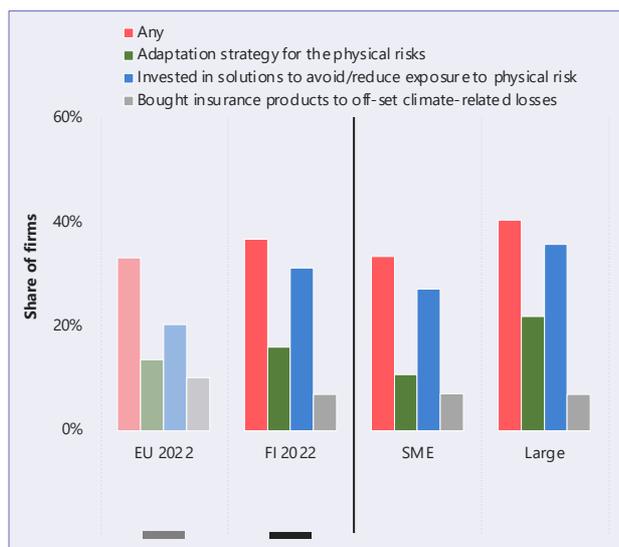


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

Base: All firms (excluding don't know/refused responses)

## BUILDING RESILIENCE TO PHYSICAL RISK



- Just over a third of Finnish firms (37%) have already developed or invested in measures to build resilience to the physical risks caused by climate change. This is similar to the EU average (33%).
- Finnish firms mainly invested in solutions to avoid or reduce exposure to physical risk (31%), followed by having adapted their business strategy (16%). Finnish firms are more likely than the average EU firm to report to have invested in solutions to avoid or reduce exposure to physical risk (31% versus 20%).
- Relatively few Finnish firms report to have bought insurance products to off-set climate-related losses (7%).

Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- More Finnish firms regard the transition to stricter climate standards and regulations as an opportunity (37%) rather than considering it a risk (25%). This contrasts slightly with the EU average where opinion is fairly balanced (29% versus 32%).
- Since EIBIS 2021, the share of Finnish firms regarding the transition as a risk has increased from 19% to 25%.
- Firms in the infrastructure sector see the transition as a risk rather than an opportunity (35% versus 20%). Positive sentiment is strongest in construction where nearly three times as many regard this as an opportunity rather than a risk (44% versus 16%).
- Large firms are more inclined than SMEs to regard the impact of the transition to stricter climate standards and regulations as an opportunity (44% versus 31%).

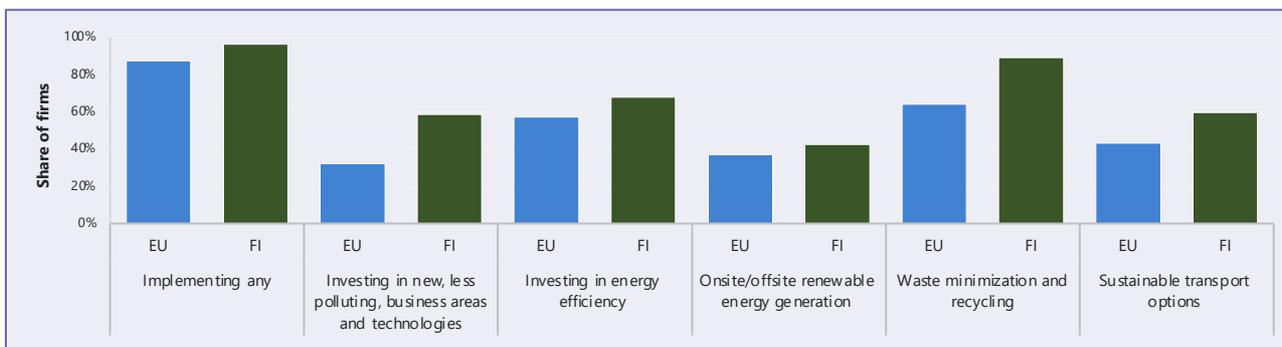


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

## ACTIONS TO REDUCE GHG EMISSIONS

- Almost all Finnish firms have taken action to reduce Greenhouse Gas (GHG) emissions, even higher than the EU average (97% versus 88%).
- The main actions being taken in Finland are investments in waste minimization and recycling (89%) and energy efficiency (68%). Both figures are above the EU average (64% and 57% respectively).
- A majority of Finnish firms also invested in sustainable transport options (60%) and new, less polluting business areas and technologies (59%). Both figures are higher than the EU average (43% and 32% respectively).



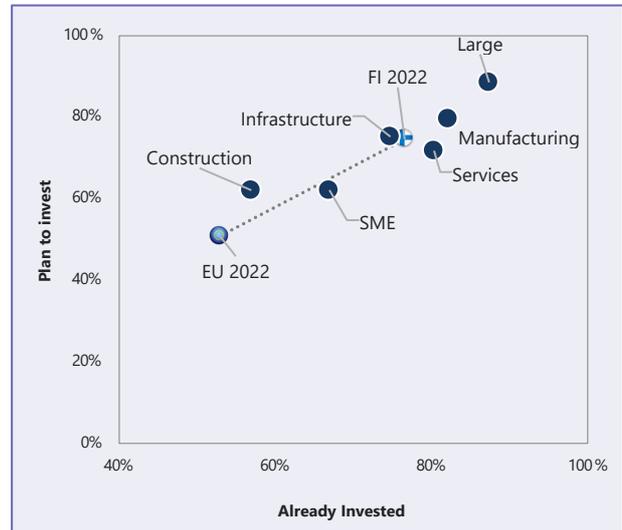
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- Over three-quarters (77%) of Finnish firms have already invested in measures to tackle the impacts of weather events and reducing carbon emissions. A similar proportion (75%) plans to invest in the next three years, well above the EU average (53% and 51% respectively).
- In the EU, Finland has the highest share of firms who have already invested in tackling climate change as well as those planning to invest over the next three years.
- Large firms and firms in the manufacturing sector are most likely to have already invested, and are also the most likely to have plans to invest.



EIBIS 2022

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

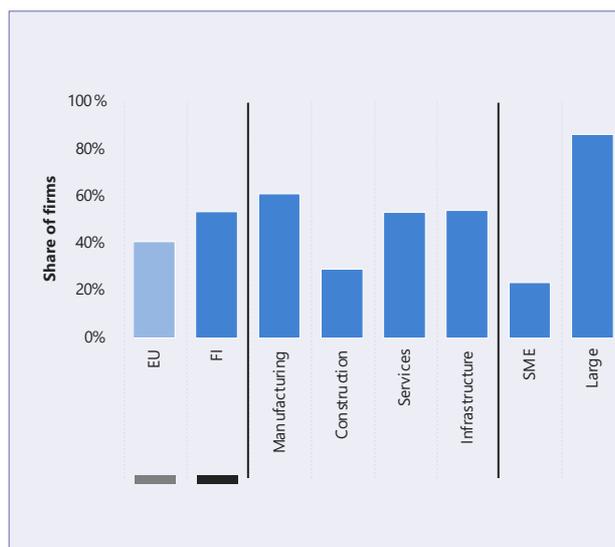
Base: All firms (excluding don't know/refused responses)

EIBIS 2021

Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

## CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- Most Finnish firms (54%) report that they set and monitor targets for their own GHG emissions. This is higher than the EU average (41%).
- Firms in the construction sector and SMEs (29% and 24%, respectively) are the least likely to set and monitor targets.
- Finland has, after Sweden, the highest share of firms setting and monitoring targets for their own Greenhouse Gas emissions.

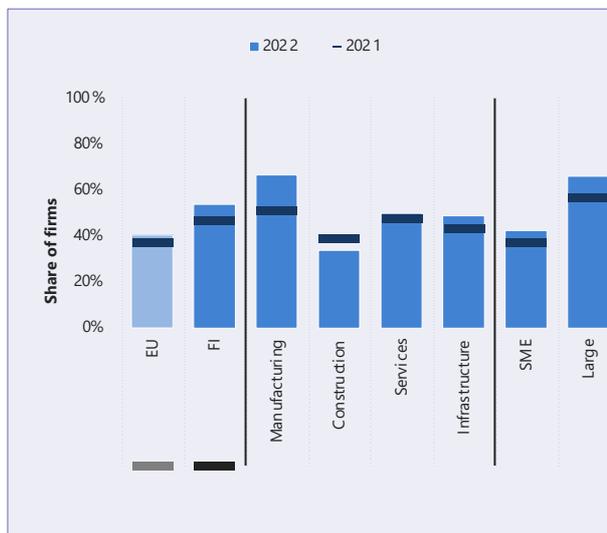
Q. Does your company... set and monitor targets for its own Greenhouse Gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

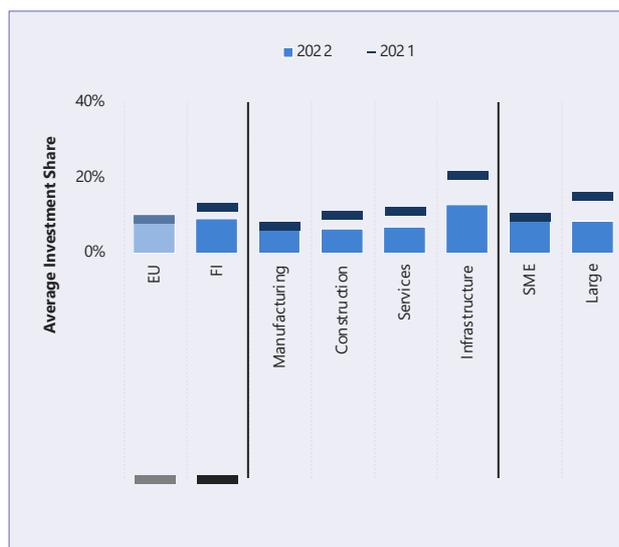
- The share of Finnish firms investing in measures to improve energy efficiency in 2021 has slightly increased compared to 2020 (from 47% in EIBIS 2021 to 54% in EIBIS 2022).
- Finland has the largest share of firms that invest in energy efficiency, followed by Austria.
- This pattern is mirrored for the EU overall, where the share of firms investing in energy efficiency (40%) remains below the Finnish average.
- Having increased from 51% in EIBIS 2021, Finland's manufacturing firms (67%) are the most likely to be investing in energy efficiency. The figure has fallen among construction firms (from 39% to 34%) and these are the least likely businesses to be investing in such initiatives.
- Large firms (66%) are far more likely than SMEs (43%) to be investing in energy efficiency.



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

## AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



- The average share of Finnish firms' investment directed primarily towards improving energy efficiency is 9%. This is in line with the current EU average (10%).
- Although dropping sharply since EIBIS 2021 (21%), infrastructure firms (13%) are directing the highest share of their investment towards energy efficiency, compared to 7% or 8% in other sectors.
- SMEs and large firms are directing similar shares of their investment primarily towards energy efficiency improvements (10% versus 8%).

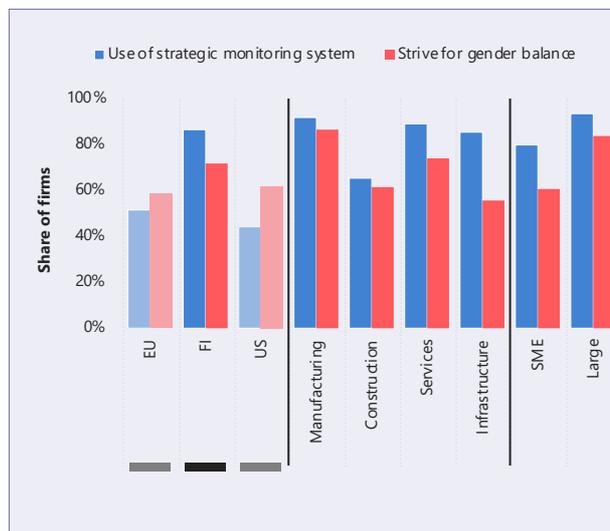
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

# Firm management, gender balance and employment

## FIRM MANAGEMENT AND GENDER BALANCE

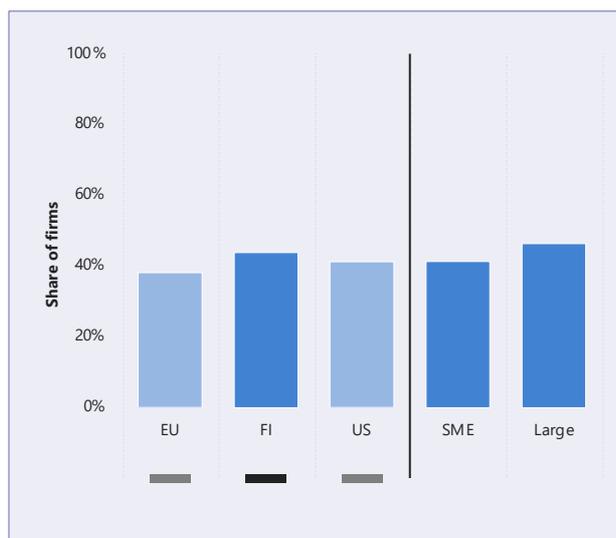
- Finland has the largest share of firms that are using strategic business monitoring: almost nine in ten Finnish firms (86%). This is far higher than the EU average (51%) and the US (44%).
- The proportion of Finnish firms striving for gender balance within their business (72%) is also higher than the EU average (58%) and the US (62%).
- Except for construction firms (65%), at least 85% of businesses in every sector use strategic monitoring systems. While most infrastructure (56%) and construction firms (61%) are also working to achieve gender balance, this is being pursued by a far higher proportion of services (74%) and manufacturing firms (86%).
- Large firms are even more likely than SMEs to have implemented strategic monitoring systems (93% versus 80%), and to be working towards gender balance (84% versus 61%).



Q Does your company...?

Base: All firms (excluding don't know/refused responses)

## FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- Just over four in ten Finnish firms (44%) have increased their employee numbers since 2019. This is in line with both the EU average (38%) and the US (41%).
- At least 40% of SMEs and large firms have increased employee numbers since 2019 (41% and 46% respectively).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

# EIBIS 2022 – Country technical details

## SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Finland, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	FI	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs FI	Manuf vs Constr	SME vs Large
	(12021)	(800)	(480)	(139)	(95)	(121)	(121)	(438)	(42)	(12021 vs 480)	(139 vs 95)	(438 vs 42)
10% or 90%	1.1%	4.1%	3.9%	6.8%	8.2%	7.8%	7.9%	2.5%	7.7%	4.1%	10.7%	8.1%
30% or 70%	1.7%	6.2%	6.0%	10.4%	12.6%	12.0%	12.0%	3.8%	11.8%	6.2%	16.3%	12.4%
50%	1.8%	6.8%	6.6%	11.4%	13.7%	13.0%	13.1%	4.1%	12.9%	6.8%	17.8%	13.5%

## GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (Manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (Construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

# EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 480 firms in Finland (carried out between April and July 2022).

## BASE SIZES (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2022/2021	US 2022	FI 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	480/480	139	95	121	121	438	42
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (top)	9704/9670	668	449/451	133	87	114	111	409	40
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	445/454	135	86	110	111	405	40
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	468/474	136	94	118	116	427	41
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	476/473	139	94	120	119	435	41
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	479/NA	139	95	121	120	437	42
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	477/NA	139	95	119	120	435	42
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	477/479	139	94	119	121	436	41
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	480/479	139	95	121	121	438	42
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	468/474	136	94	118	116	427	41
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	426/440	129	83	107	104	388	38
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	479/NA	138	95	121	121	437	42
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	478/NA	139	95	120	120	437	41
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	467/NA	138	93	120	112	425	42
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	403/NA	135	80	110	75	364	39
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	401/NA	134	81	110	73	362	39
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	454/405	136	89	112	113	413	41
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	197/217	65	38	35	58	189	8
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	198/218	65	38	35	59	190	8
Base: All firms that received grants (excluding don't know/refused responses) p. 15 (bottom)	925/NA	NA	80/NA	NA	NA	NA	NA	NA	NA
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 16	3988/3964	270	192/205	61	38	34	58	185	7
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	477/476	139	94	119	121	436	41
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	479/479	139	95	121	120	437	42
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	475/NA	137	93	120	121	435	40
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	469/475	137	92	118	118	428	41
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	479/NA	139	95	120	121	438	41
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	477/NA	139	95	119	120	437	40
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	476/NA	138	95	119	120	435	41
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	443/449	132	87	108	112	404	39
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	472/475	137	94	118	119	430	42
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	469/477	137	91	118	119	428	41





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# Finland

Overview

**EIB INVESTMENT SURVEY**

**2022**