European Investment Bank

Finland

Overview

EIB INVESTMENT SURVEY

2023

EIB INVESTMENT SURVEY 2023

Finland

Overview

European Investment Bank

EIB Investment Survey Country Overview 2023: Finland

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 Members 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.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at 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.

Main contributors to this publication
Matteo Gatti, Sini Liukkonen, Julie Delanote and Marco Zeppi.

Disclaimer
The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.
To accommodate scheduling limitations, the content of this publication has not been subject to standard EIB copyediting or proofreading.

About Ipsos Public Affairs
Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

Published by the European Investment Bank.
Printed on FSC® Paper.

pdf: QH-BL-23-012-EN-N ISBN 978-92-861-5661-8 ISSN 2599-8005 doi: 10.2867/39589

EIBIS 2023 – Finland overview

KEY RESULTS

Investment dynamics and focus

Ninety-four per cent of Finnish firms invested in 2022, more than what is reported on average in the EU (85%), but a decline compared to what was reported in EIBIS 2022. In addition, the investment outlook of Finnish firms turned negative on balance, with a net negative of -2% of firms expecting to decrease instead of expecting to increase investment. This marks a shift from EIBIS 2022, when a net balance of 13% of firms were still expecting to increase rather than decrease investment. It also differs from the EU where currently a positive net balance of 14% of firms are expecting to increase investment.

Investment needs and priorities

Firms in Finland do not, however, report major investment gaps. Eight in ten (78%) believe having invested about the right amount over the last three years, similar to what is reported by firms in EIBIS 2022 and broadly aligned with the EU average (82%). Looking ahead to investment priorities over the next three years, firms in Finland are prioritizing investment in replacing existing capacity (37%), while the share of firms prioritizing capacity expansion and investment in new products or services is lower (33% and 23%, respectively). Future investment priorities for Finnish firms are broadly in line with the EU average.

When asked about short-term drivers and constraints to investment, firms in Finland hold pessimistic views in net balance terms. While expectations for the political and regulatory climate have turned positive (rising from a net negative of -40% to a net positive balance of +13%), there are concerns especially about the economic climate, despite an improvement since EIBIS 2022 (rising from -60% to -38%). Perceptions of business prospects have continued a downward trend (declining from +3% to -30% on balance), as well as the expectations for the availability of internal and external finance.

Energy market developments

The energy crisis hit Finnish firms somewhat less strongly than firms across the EU as a whole. The key concerns were energy prices (89%) and uncertainty (86%) and while levels of overall concern were in line with the EU averages, Finnish firms were less likely to cite these as major concerns. While a majority of firms in Finland had concerns about the availability of energy (58%) and regulatory frameworks (66%), levels of major concern were lower than those seen across the EU as a whole.

Finnish firms are equally as likely as those across the EU (93% versus 95%) to have responded to the energy shock by adopting one or more relevant strategies. The strategies most frequently reported by Finnish firms are to pass increased costs to customers (70%), seek energy savings/efficiencies (69%) and to renegotiate their energy contracts (60%). Exceeding the EU average (24%), four in ten Finnish firms mention that stopping or reducing production of certain goods is a strategy or priority (40%).

International trade

Almost all Finnish firms faced disruptions to international trade, while six in ten (60%) changed or are planning to change their sourcing strategy, which is higher than the EU average (49%). Firms in Finland are more inclined than those across the EU to have increased or plan to increase stocks and inventory (40% versus 31%) and to have invested in digital inventory and inputs tracking or have plans to do so (26% versus 20%). While around one in eight Finnish importers (13%) reduced or plan to reduce the share of goods or services imported from abroad (almost in line with the EU average of 10%), they are more inclined to diversify or increase the countries they import from or have plans to do so than firms across the EU (31% versus 24%).

EIBIS 2023 – Finland overview

Climate change and energy efficiency

Climate change is gradually being perceived as bearing tangible effects by Finnish firms, with 57% reporting that weather events have impacted their business. This is broadly in line with EIBIS 2022 (52%) and the EU average (64%). However, just four in ten Finnish firms (41%) have developed or invested in measures to build resilience against these risks, above the EU average (36%). One in four Finnish firms report having invested in solutions to avoid or reduce the exposure to physical risks (25%).

The share of Finnish firms seeing the transition to stricter climate standards and regulations as a risk is lower than the proportion regarding it as an opportunity (23% and 38%, respectively). This is similar to EIBIS 2022. Finnish firms are more likely to see the transition as an opportunity than the EU average (38% versus 29%). Almost half of firms in Finland (47%) set and monitor targets for their own Greenhouse Gas (GHG) emissions with almost all (97%) taking actions to reduce them (higher than the EU average of 89%). The main action taken is waste minimization and recycling (90%), followed by investments in energy efficiency (73%), sustainable transport options (59%) and investment in less polluting business/technology (58%). Compared to the EU average, Finnish firms are more likely to be investing in all measures except onsite/offsite renewable energy generation, where investment is at a similar level to the EU average.

In Finland, 71% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions, much higher than the EU average (56%). Seven in ten (72%) of Finnish firms have plans to invest in these areas in the next three years, more than the current EU average (54%).

Innovation activities

Half (50%) of Finnish firms developed or introduced new products, processes or services as part of their investment activities in 2022, similar to EIBIS 2022 and higher than the EU average of 39%. A fifth of Finnish firms (21%) report the development/introduction of products, processes or services new to either the country or global market, exceeding the EU average (13%).

Eight in ten (81%) firms in Finland used at least one advanced digital technology, higher than the EU average (70%). More firms in Finland than in the EU implemented digital platforms (68% versus 50%), automation via robotics (65% versus 53%) and big data/AI (57% versus 29%).

Investment impediments

Looking into the long-term impediments to Finnish firms' investment, the most frequently mentioned barriers are availability of skilled staff (82%) and uncertainty about the future (80%). These are also among the main barriers for firms across the EU. Firms in Finland are less likely than the EU average to mention energy costs (62% versus 82% respectively).

Access to finance

The proportion of Finnish firms that are finance constrained has decreased since EIBIS 2022, from 9.9% to 5.6% which is broadly in line with the EU average (6.1%). Dissatisfaction with external finance in Finland is particularly sizeable in relation to the cost of finance (27%), which is double that seen across the EU as a whole (14%).

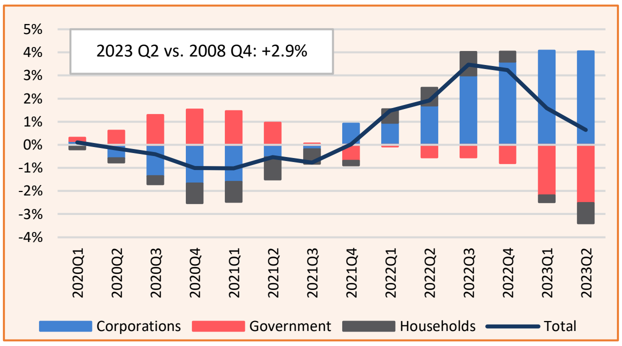
Note on how to read the results:

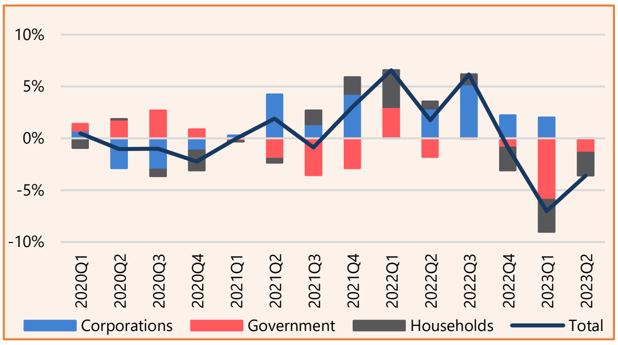
EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to "last financial year" (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- During the first year of the pandemic, aggregate investment levels in Finland declined slightly with respect to Q4 2019. Government investment mitigated 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 recovered to their pre-pandemic level in Q4 2021.
- The trend in private investment has been positive since Q1 2021, mainly driven by corporate and household investment. Instead, aggregate investment has slowed down in the first half of 2023 due to a decline in government investment.
- As of Q2 2023, aggregate investment is getting back down to the pre-pandemic level and is also only 3% higher than in 2008 Q4 (12% in the EU).

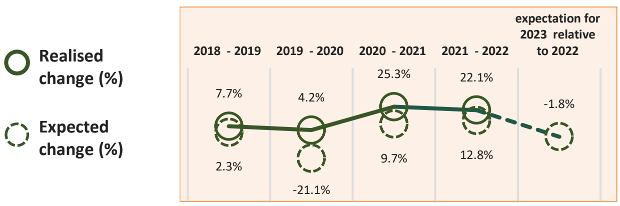




The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). 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.

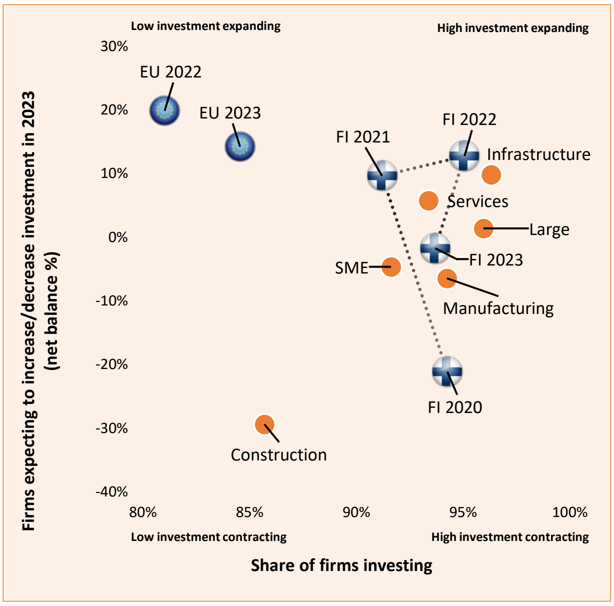
INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Firms operating in Finland hold an, on balance, pessimistic investment outlook in 2023, with a net negative balance of -2% of firms expecting to decrease rather than increase investment. This marks a shift from EIBIS 2022, when a net positive balance of 13% of firms were expecting to increase rather than decrease investment. It also differs from the EU where a net balance of 14% of firms are expecting to increase investment.
- Infrastructure firms are the most likely to expect an increase rather than a decrease in their 2023 investment (net balance of 10%).
- Overall, the share of Finnish firms having invested is higher than in the EU as a whole (94% versus 85%).



'Realised change' is the share of firms that invested more minus those that invested less; 'Expected change' is the share of firms that expect(ed) to invest more minus those that 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 €500.

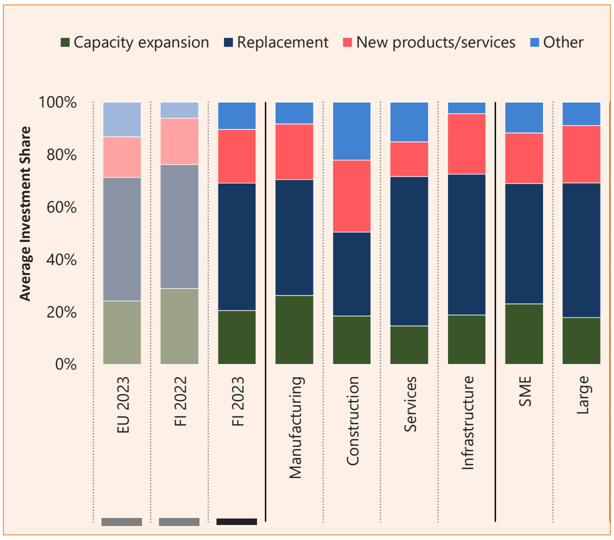
Base for share of firms investing: All firms (excluding don't know/refused responses)

Base for expected and realised change: All firms

Investment dynamics and focus

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

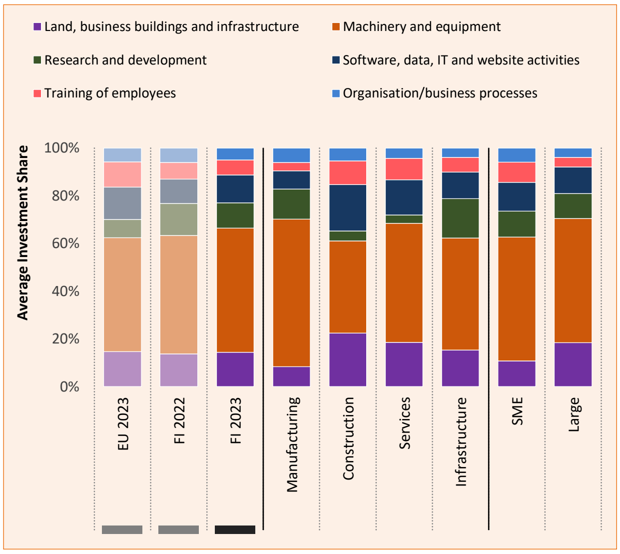
- In terms of investment purpose, firms were asked what proportion of their total investment was spent for developing new products, expanding capacity and replacing existing capacity.
- On average, firms in Finland spent 49% of their investment on replacing existing capacity in 2022, similar to the proportion reported in EIBIS 2022 (47%) and in line with the EU average.
- Investment in capacity expansion accounted for a fifth of total investment (21%), which is in line with the EU average (24%).
- Investment in new products and services accounted for a further fifth of the total expenditure (21%), with the lowest share in the services sector (13%).
- Large firms and small and medium sized companies (SMEs) had a similar profile in terms of their purposes for investment in the last financial year.



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

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

INVESTMENT AREAS



- Firms were also asked to report the share of investments in different areas.
- Investment in intangible assets (R&D, software, training and business processes) by firms in Finland accounted for 34%, in line with both EIBIS 2022 and the EU average.
- Investment areas within intangibles varied depending on the business sector. Manufacturing (13%) and infrastructure (16%) firms were the most likely to invest in R&D while firms in construction and services focused more on software.
- Large firms were slightly more likely than SMEs to have invested in tangible assets (70% versus 63%).

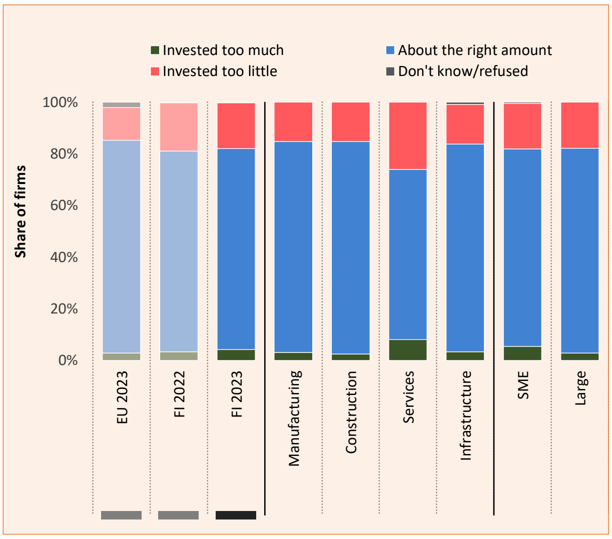
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

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

Investment needs and priorities

PERCEIVED INVESTMENT GAP

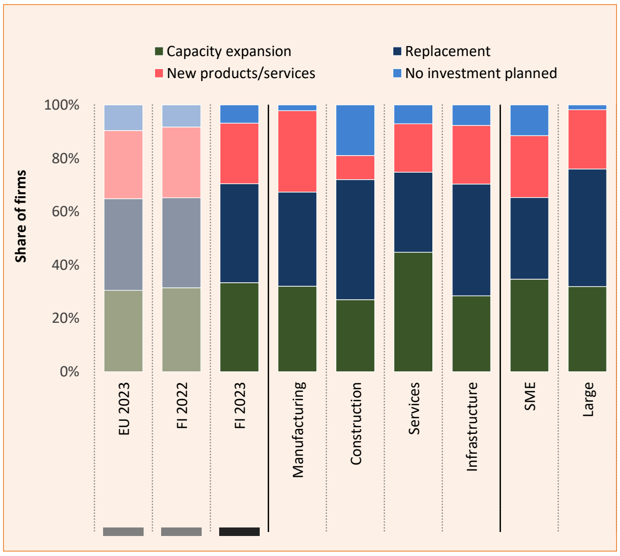
- Finnish firms did not perceive major gaps in terms of investment. Despite difficult circumstances, more than three in four firms (78%) believe that their investment activities over the last three years were about the right amount, similar to the share reported in EIBIS 2022.
- Almost one in five (18%) firms in Finland report that they invested too little, in line with EIBIS 2022. The share of firms reporting to have invested too little was highest in the services sector.
- Firms in Finland are broadly similar to the EU average in their perceptions of the investment gap.



Q. Looking back at your investment over the last three 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



- Investment in replacing capacity is the most cited priority for the next three years (37%) by firms in Finland.
- Comparing EIBIS 2023 and EIBIS 2022, the share of firms prioritizing capacity expansion (33% versus 31%) and investment in new products or services (23% versus 27%) has slightly decreased. The share of firms with no investment stands at 7%, in line with EIBIS 2022.
- Future investment priorities for Finnish firms are broadly in line with the EU average.
- Investment in replacement is a particular priority for construction (45%) and infrastructure (42%) firms in Finland. Notably almost a fifth of construction firms (19%) have no investment planned.
- The services sector has the biggest share of firms reporting to prioritize investing in capacity expansion (45%).

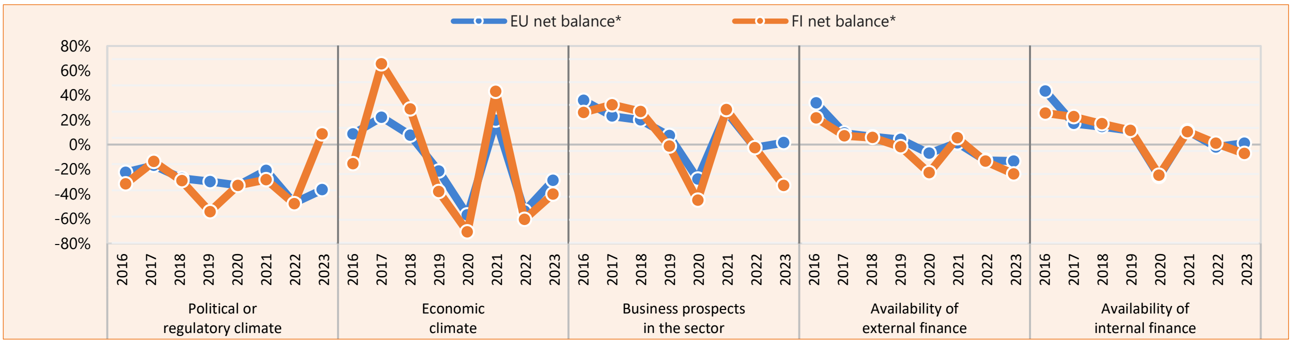
Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes or services?

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

Investment needs and priorities

SHORT-TERM DRIVERS AND CONSTRAINTS

- Finnish firms' outlook is, on balance, pessimistic in terms of investment conditions for the next year. While expectations for the political and regulatory climate have turned positive again (rising from a net negative of -40% to a net positive of +13%), there are concerns especially about the economic climate, despite improvements since EIBIS 2022 (rising from -60% to -38%, on balance).
- The perception of business prospects in the sector have continued a downward trend (declining from + 3% to -30%), as did expectations for the availability of internal and external finance.
- While trends relating to the economic climate and the availability of internal and external finance were in line with the EU average, firms in Finland were more positive regarding the political or regulatory climate (a net balance of +13% versus -30% in the EU), but much more negative about business prospects in the sector (-30% versus -7% in the EU).



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

Base: All firms

** Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration.*

SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)

	Political / regulatory climate	Economic climate	Business prospects	External finance	Internal finance
Finland	13%	38%	30%	20%	2%
Manufacturing	1%	45%	39%	17%	1%
Construction	7%	45%	53%	20%	2%
Services	14%	46%	32%	27%	2%
Infrastructure	30%	18%	8%	19%	4%
SME	13%	46%	31%	17%	2%
Large	13%	28%	29%	23%	3%

Please note: green figures represent a positive net balance, while red figures represent a negative net balance.

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

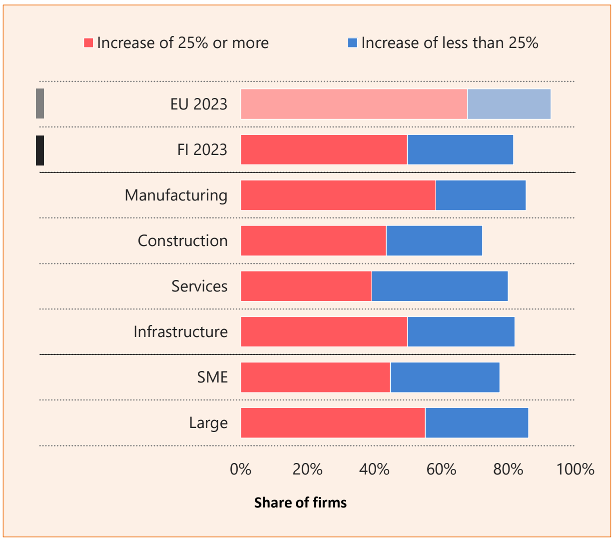
Base: All firms

- Finnish firms are consistently more likely to have a negative than a positive view about economic climate, business prospects and the availability of external and internal finance. Construction firms are particularly negative, on balance, about business prospects (-53%), while infrastructure firms are less negative in this area (-8%) as well as in economic climate (-18%).
- Finnish companies are more likely to expect an overall improvement in the political and regulatory climate on balance, and this holds across all sectors and all business sizes, and is particularly pronounced in the infrastructure sector (30%).
- Large firms have similar perceptions to SMEs. The one exception is views on the economic climate, where SMEs are more negative (-46% versus -28%, respectively).

Energy market developments

INCREASED SPENDING ON ENERGY

- Firms in Finland were less likely than those across the EU to have faced increases in energy costs (82% versus 93%).
- Construction firms were the least likely to face increasing energy costs (72%), while manufacturing firms (58%) were the most likely to have faced an increase of 25% or more.
- Large firms were more likely than SMEs to have faced increases in energy costs (86% versus 77%), with 55% of large firms reporting an increase of 25% or more in energy spending.



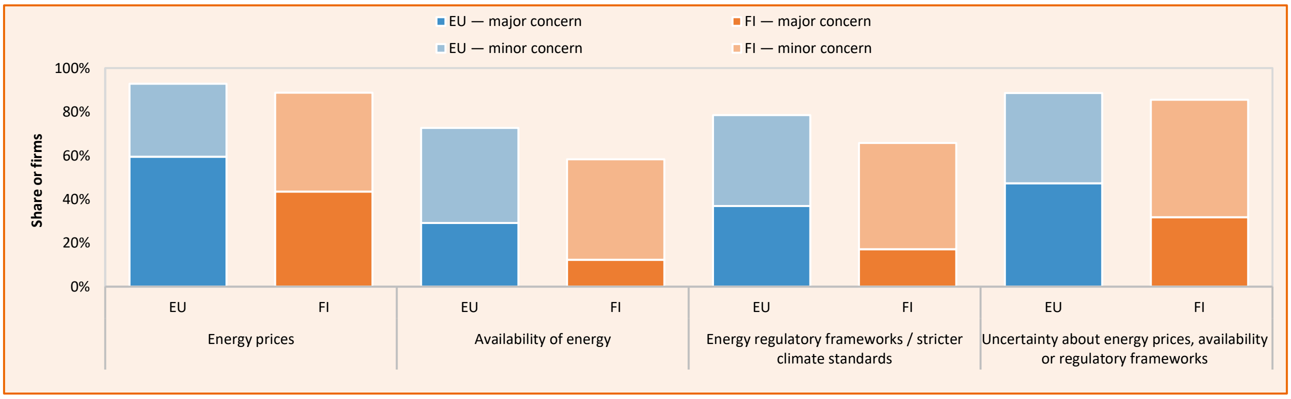
Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

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

IMPACT OF ENERGY SHOCK

- The energy crisis hit Finnish firms somewhat less strongly than across the EU as a whole. The biggest concerns were energy prices (89%) and the uncertainty related to the energy markets (86%). The levels of overall concern in these two areas were in line with the EU averages.
- While a majority of firms in Finland had concerns about the availability of energy (58%) and regulatory frameworks (66%), levels of major concern were lower than those seen across the EU as a whole.



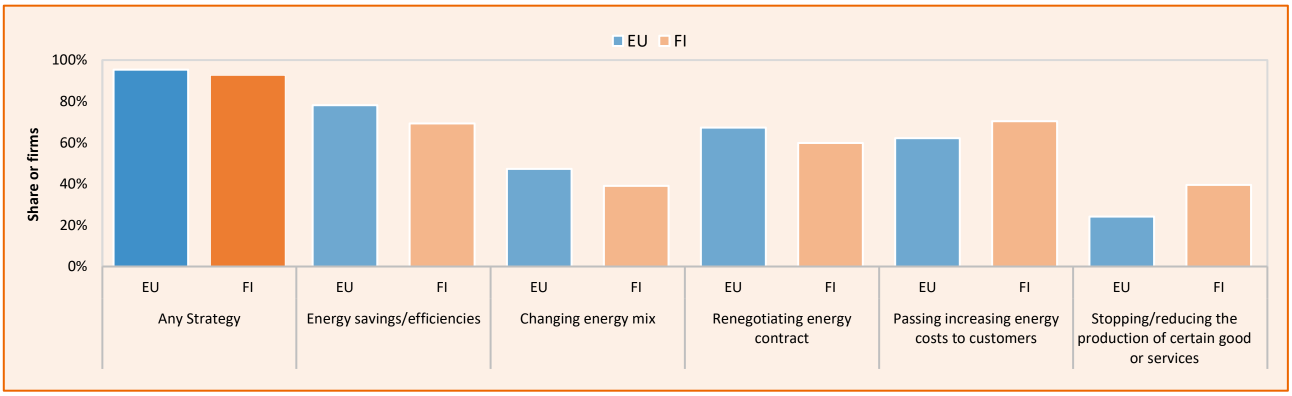
Q. Thinking about the energy shock, to what extent is your company concerned about …?

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

Energy market developments

STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- The majority of Finnish firms (93%) report that they implemented some strategies as a response to the energy shock.
- In Finland, the most frequently adopted strategies or priorities were passing on increasing energy costs to customers (70%), seeking energy savings/efficiencies (69%) and renegotiating energy contracts (60%).
- Four in ten (39%) Finnish firms mention changing their energy mix as a strategy. A similar proportion (40%) reports stopping or reducing the production of certain goods, higher than the EU average of 24%.

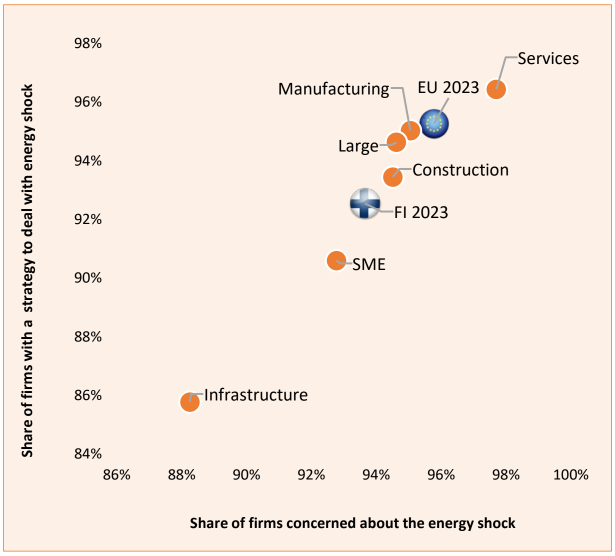


Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

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

IMPACT AND STRATEGIES TO DEAL WITH ENERGY SHOCK

- The proportion of firms in Finland concerned about the energy shock is similar to the EU average (94% versus 96%). A similar proportion adopted strategies to help deal with recent developments in the energy market (93% versus 95%).
- Concern regarding the energy shock varied by sector, with infrastructure firms much less concerned than other sectors (88% versus at least 95% in other sectors). Concern was very high among both large firms and SMEs.
- Service firms (96%) were the most likely to have adopted strategies in response to the energy shocks, while infrastructure were the least likely (86%), in line with the levels of concern.
- A higher proportion of large firms than SMEs adopted strategies to deal with the recent developments in the energy market (95% versus 91%).



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

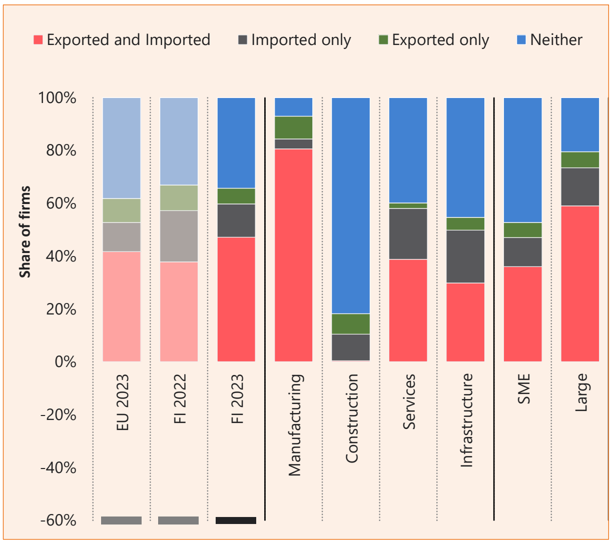
Q. Thinking about the energy shock, to what extent is your company concerned about …

Base: All firms for 'share of firms concerned about the energy shock'
Base: All firms (excluding don't know/refused responses) for 'share of firms with a strategy to deal with the energy shock'

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Overall, 66% of Finnish firms report that they were engaged in international trade in 2022, with around half of firms exporting goods or services in 2022 (53%) and 60% importing goods or services. Both figures are in line with the EU average (51% for exporting and 54% for importing).
- In Finland, the majority of firms in manufacturing are engaged in both exporting and importing (81%), reflecting their integration to global value chains.
- Large firms are more likely than SMEs to be engaged in both exporting and importing activities (59% versus 36%).

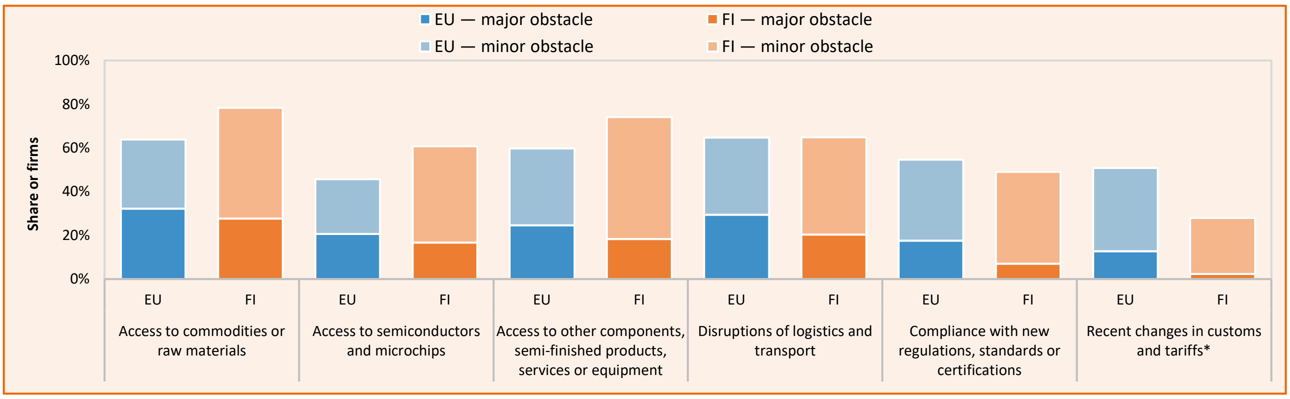


Q. In 2022, did your company export or import goods and/or services?

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

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- With the exception of disruption due to changes in customs and tariffs, each of the obstacles to international trade covered by the survey is affecting at least half of Finnish firms.
- Reduced access to commodities or raw materials (78%) and to components/semi-finished products, services and equipment (74%) were the main obstacles faced, and these proportions were higher than the EU average (64% and 60% respectively).
- Finnish firms were also more likely than EU firms to face obstacles accessing semiconductors and microchips (61% versus 46%). The proportions facing disruption to logistics and transport (65%) or issues around compliance with new regulations (49%) were broadly in line with the EU average.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

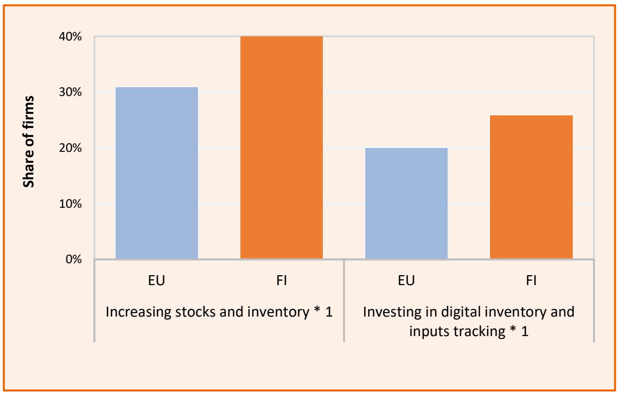
Base: All firms (excluding don't know/refused/not applicable responses)
**Base: All importers and exporters (excluding don't know/refused/not applicable responses)*

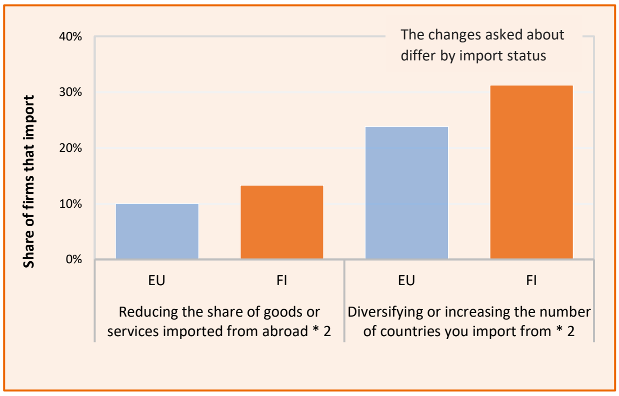
International trade

SOURCING STRATEGY

- When considering potential changes to their sourcing strategy, firms in Finland were more likely than those across the EU to have already been, or have plans for, increasing stocks and inventory (40% versus 31%) and investing in digital inventory and inputs tracking (26% versus 20%).

- Finnish importers are relatively as likely as those across the EU to have reduced or plan to reduce the share of goods or services imported from abroad (13% versus 10%) but they are more inclined to diversify or increase the number of countries they import from or have plans to do so (31% versus 24%).





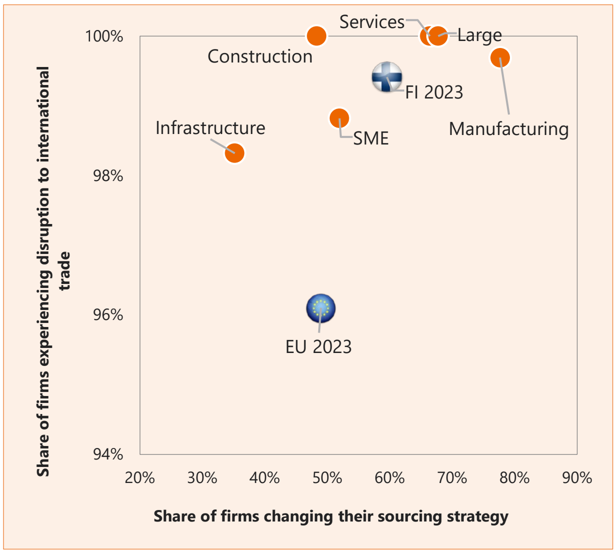
*** 1 = Asked to all, 2 = Asked to all importers**

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

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

DISRUPTIONS AND SOURCING STRATEGY

- Almost all firms faced at least disruption to international trade (99%), while six in ten (60%) have changed their sourcing strategy or are planning to change it. The proportion changing or planning to change their sourcing strategy is higher than the EU average (49%).
- Firms in manufacturing and services sectors and large firms are most likely to have changed or have plans to change their sourcing strategy (78%, 66% and 68% respectively). Infrastructure firms (35%) are the least likely.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

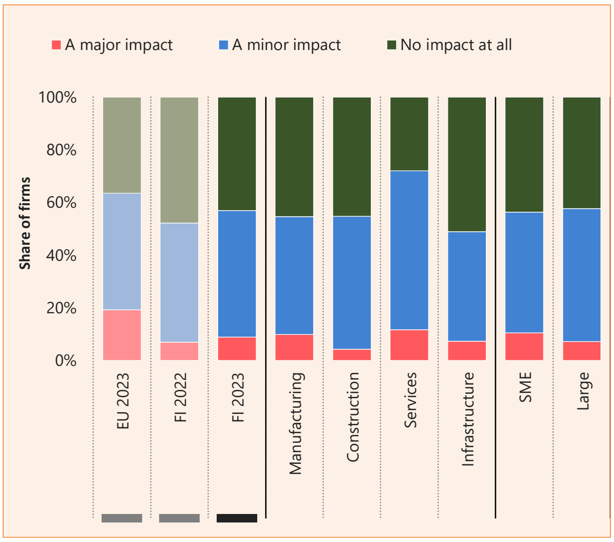
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

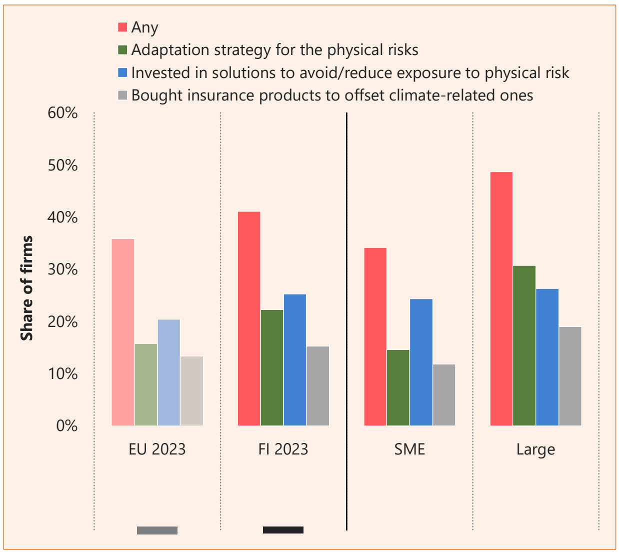
- Climate change is gradually being perceived as more of a reality, as almost six in ten (57%) firms in Finland report that weather events are currently having an impact on their business. This is slightly higher than what firms reported in EIBIS 2022 (52%) but below the EU average (64%).
- Firms in the service sector are most likely to report that weather events are impacting their business (71%).



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?

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

BUILDING RESILIENCE TO PHYSICAL RISK



- Four in ten (41%) Finnish firms have already developed or have already invested in measures to build resilience to the physical risks caused by climate change, more than the EU average (36%).
- Finnish firms mainly invested in solutions to avoid or reduce the exposure to physical risks (25%), a share that is little higher than the EU average (20%).
- Compared to the EU overall, firms in Finland were more likely to develop an adaptation strategy (22% versus 16%).
- Large firms were more likely than SMEs to develop or invest in any measures (49% versus 34%). Twice as many large firms as SMEs had developed an adaptation strategy (31% versus 15%).

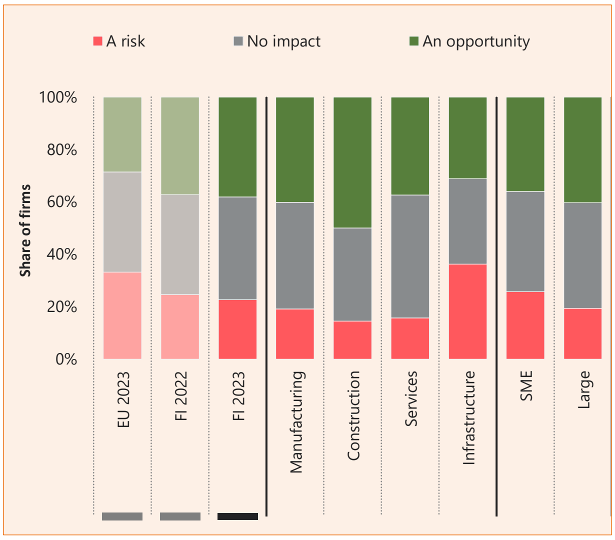
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

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

- The share of Finnish firms seeing the transition to stricter climate standards and regulations as a risk is lower than the share seeing it as an opportunity (23% and 38%, respectively). This is similar to EIBIS 2022. Moreover, Finnish firms are more likely to see the transition as an opportunity than firms across the EU as a whole (38% versus 29%).
- Firms in the construction sector are the most likely to see the transition to a net zero emission economy over the next five years as an opportunity (50%), while infrastructure firms are most likely to see it as a risk (36%).
- The perceptions of large firms and SMEs are broadly similar.

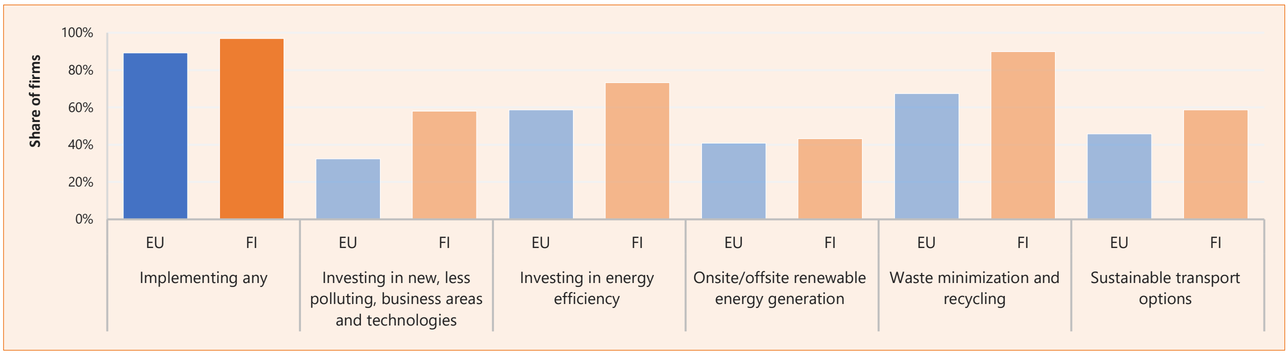


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

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

ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- Almost all Finnish firms (97%) are taking actions to reduce Greenhouse Gas (GHG) emissions, and this is higher than the EU average (89%).
- The main actions in Finland include waste minimization and recycling (90%), followed by investments in energy efficiency (73%), sustainable transport options (59%) and investment in less polluting business/ technology (58%).
- Compared to the EU overall, Finnish firms are more likely to be investing in all areas except onsite/offsite renewable energy generation, where investment is at a similar level than the EU average (43% versus 41% EU).



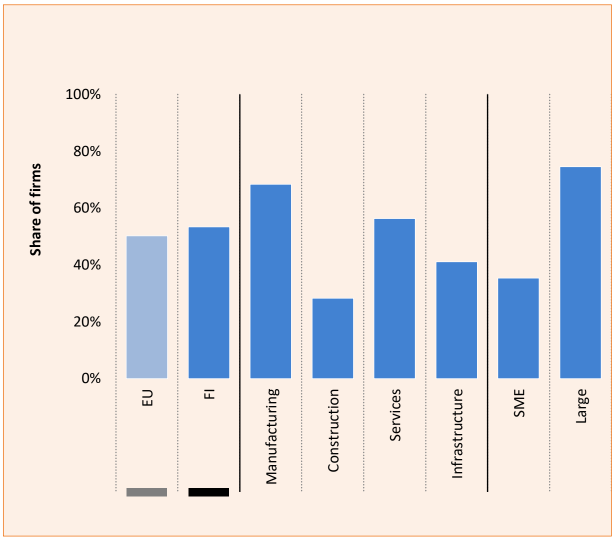
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

ENERGY AUDIT

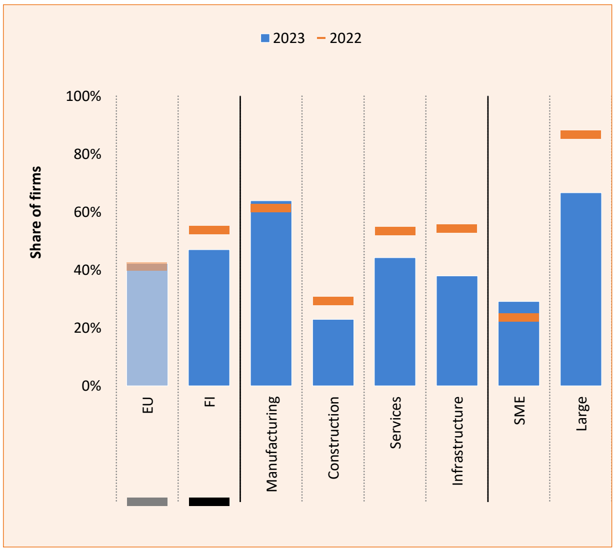
- Just over half (53%) of Finnish firms have conducted an energy audit in the past three years and this is in line with the EU average of 50%.
- Among firms in Finland, those in the manufacturing sector (68%) were the most likely to have conducted an energy audit, while construction firms were the least likely to be doing so (28%).
- Large firms were over twice as likely as SMEs to have conducted an energy audit in the past 3 years (75% versus 35%).



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company's building or buildings?

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

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS



- Just under half of Finnish firms (47%) report that they set and monitor targets for their own GHG emissions, which is broadly in line with the EU average (42%) and a little lower than EIBIS 2022 (54%).
- Large firms are more likely than SMEs to say that they set and monitor targets for their own GHG emissions (67% versus 29%).
- By sector, construction firms (23%) are the least likely to set and monitor these targets.

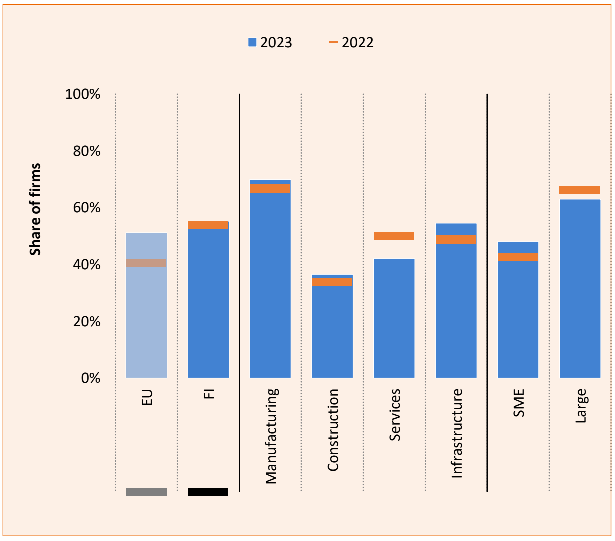
Q. Does your company… sets and monitors targets for its own greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- Over half (55%) of Finnish firms invested in measures to improve energy efficiency in 2022, in line with EIBIS 2022 and the EU average (51%).
- Among firms in Finland, large firms (63%) and those in the manufacturing sector (70%) were the most likely to be investing in energy efficiency.

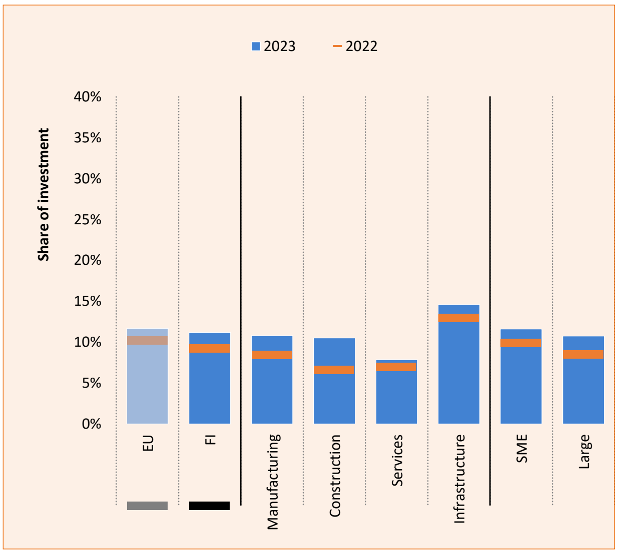


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- Overall, the average share of investment in measures to improve energy efficiency in Finland was 11% in 2022.
- This is broadly consistent with EIBIS 2022 (9%) and in line with the EU average (12%).
- Firms in the infrastructure sector (15%) made the highest share of their investment on energy efficiency. All sectors, except services, had increased their share of investment on energy efficiency year-on-year.

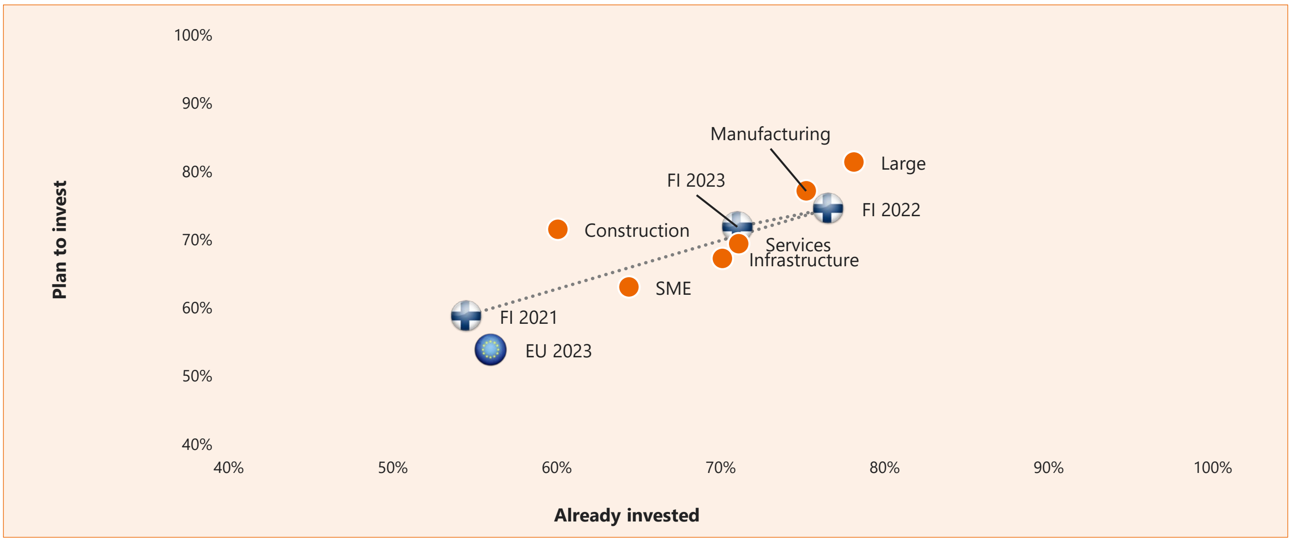


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

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

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022/2023:
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?
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?

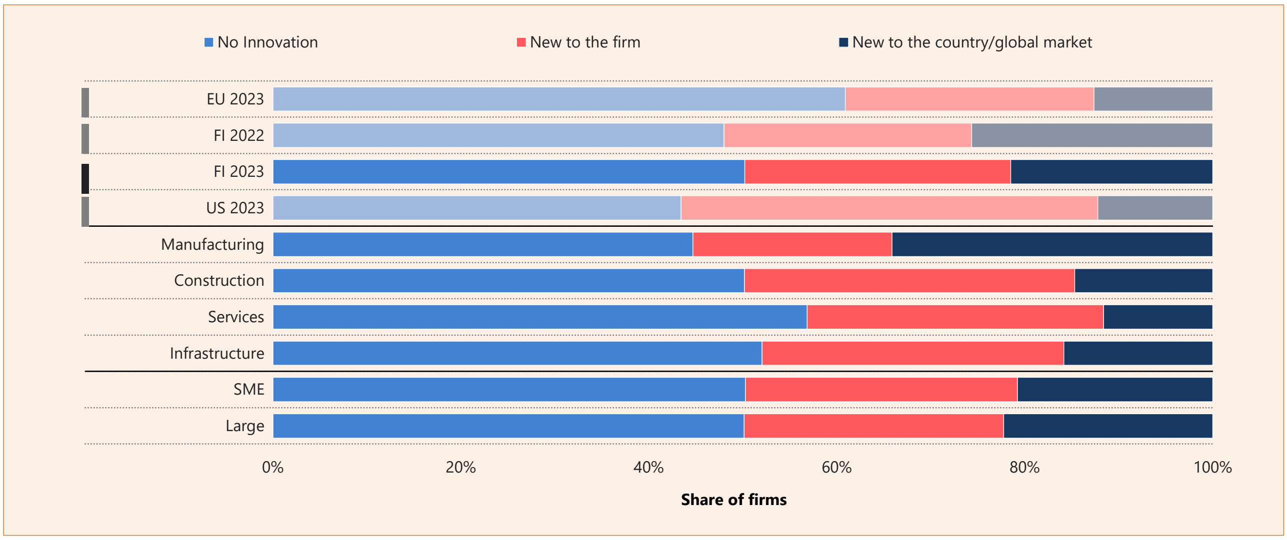
Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

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

- In Finland, 71% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. This is much higher than the EU average (56%).
- Seven in ten (72%) Finnish firms have plans to invest in these areas in the next three years, which, again, is much higher than the EU average (54%).
- Large firms are more likely than SMEs to have already invested (78% versus 64%) and to have plans to invest (81% versus 63%).
- Firms in the manufacturing sector have the highest share of firms who have already invested and plan to do so.

Innovation activities

INNOVATION ACTIVITY



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

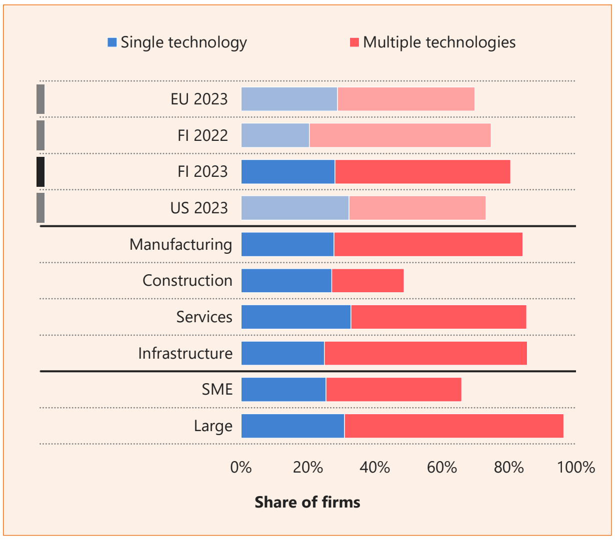
Base: All firms (excluding don't know/refused responses)

- Half (50%) of Finnish firms developed or introduced new products, processes or services as part of their investment activities in 2023, similar to EIBIS 2022 and higher than the EU average of 39%.
- 21% of firms in Finland report the development/ introduction of products, processes or services that were new to either the country or global market in EIBIS 2023, again above the EU average (13%).
- In Finland, levels of innovation were highest among manufacturing firms (55%). Levels of innovation were similar among large firms and SMEs.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 81% of firms in Finland used at least one advanced digital technology, higher than the EU average (70%) and the US average (73%).
- Firms in the construction sector are the least likely to have adopted technologies (49%).
- Almost all large firms (96%) are implementing at least one digital technology, while 65% adopted multiple technologies.
- Firms in Finland are stronger than firms in the EU in the implementation of digital platforms (68% versus 50%), automation via robotics (65% versus 54%) and big data/AI (57% versus 29%). Notably firms in the US are stronger than those in Finland and the EU as a whole regarding drone technology.



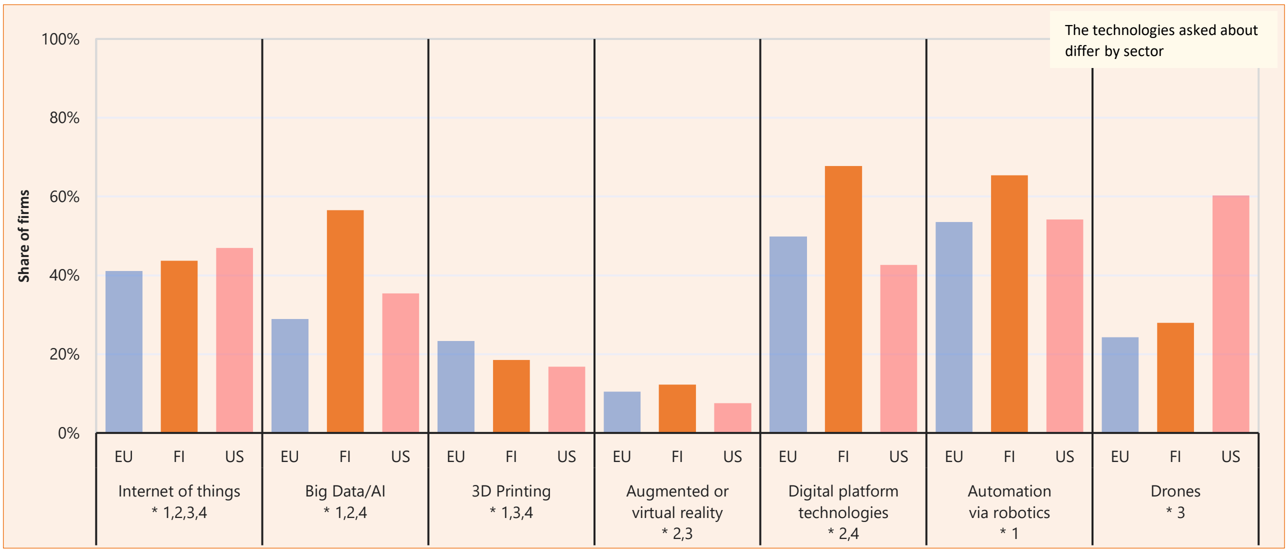
Reported shares combine "used" the technology "in parts of business" and "entire business organised around it."

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.

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.

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

ADVANCED DIGITAL TECHNOLOGIES



*** Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to 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.

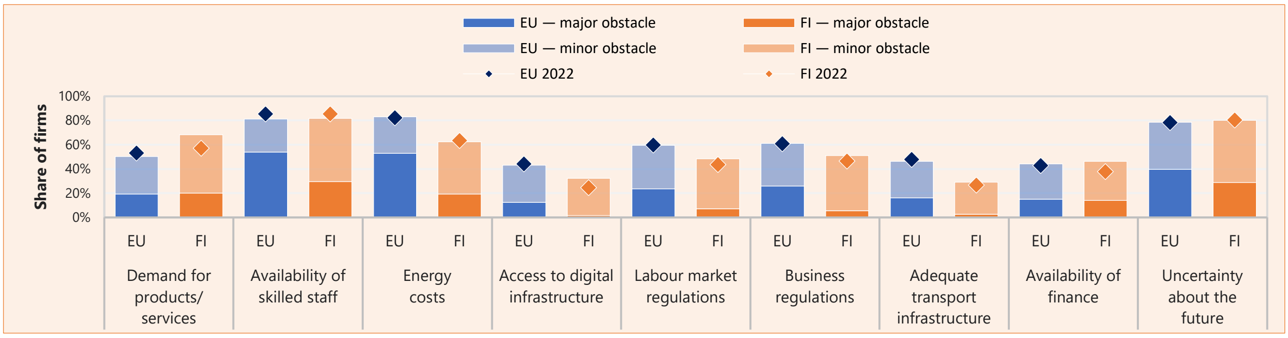
Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses);
Sample size FI: Manufacturing (153); Construction (95); Services (107); Infrastructure (119).

Investment impediments

LONG-TERM BARRIERS TO INVESTMENT

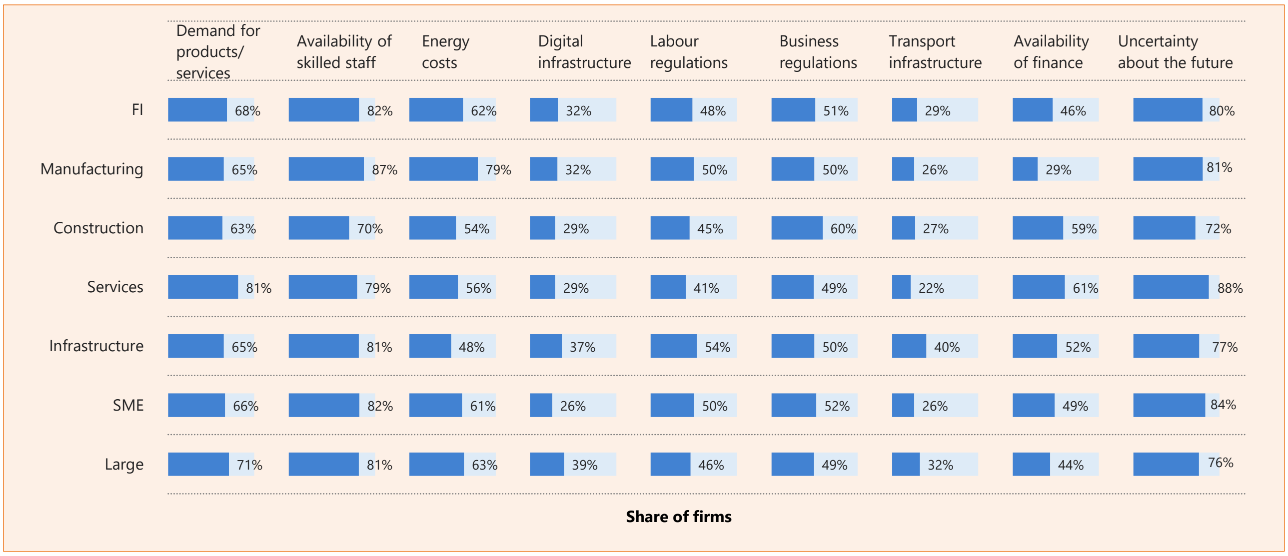
- The most frequently mentioned long-term barriers to investment in Finland are the availability of skilled staff (82%) and uncertainty about the future (80%). This pattern is similar to the EU as a whole, but notably Finnish firms are less likely than EU firms to mention energy costs as a barrier (62% versus 82%, respectively).
- Another area in which Finland and the EU as a whole differ markedly is the transport infrastructure, which is reported less frequently as a barrier by firms in Finland than in the EU overall (51% versus 61%).
- Finnish firms report to be more concerned about demand for products/services than the EU average (68% versus 50%).
- Similar barriers were faced by Finnish firms in all sectors and size classes.



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 that 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

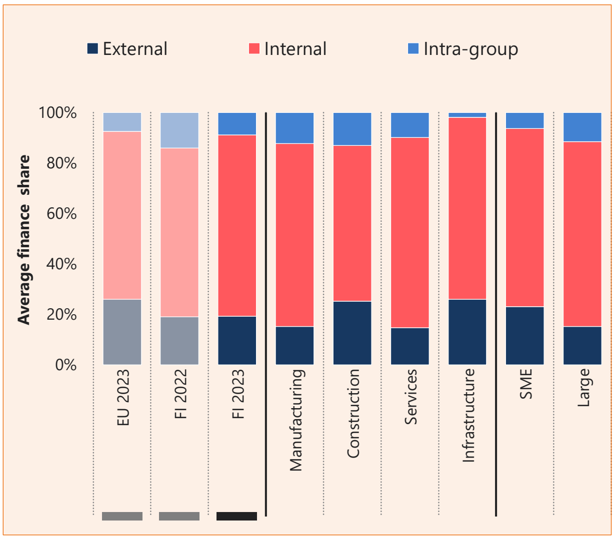
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

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

Access to finance

SOURCE OF INVESTMENT FINANCE

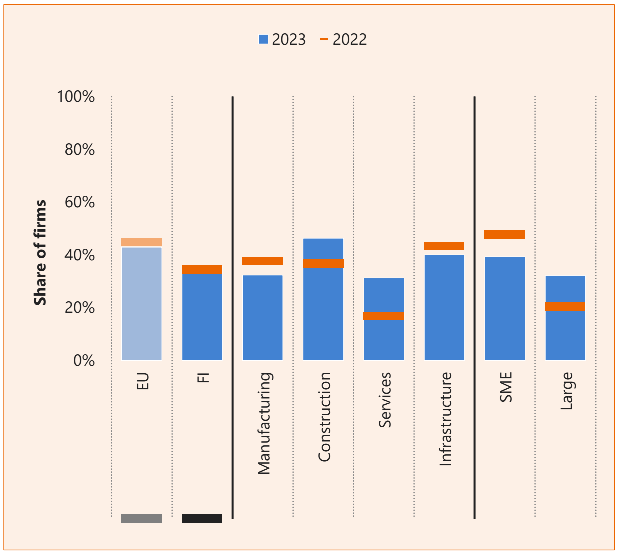
- Internal financing accounted for the largest share of finance for firms in Finland in EIBIS 2023 (72%), followed by external finance (19%) and then intra-group finance (9%). The picture is broadly the same as that seen in EIBIS 2022.
- Sources of finance were also broadly similar to those reported by firms across the EU as a whole.
- For firms of all sizes and sectors, internal finance formed the largest share of all sources, and those in the construction and manufacturing sectors and SMEs were the most likely to be accessing external sources of finance.



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

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

USE OF EXTERNAL FINANCE



- Just over a third of firms in Finland (36%) that invested in the last financial year, had financed at least some of their investment through external finance. This is in line with EIBIS 2022 (34%) but is lower than the EU average (43%).
- The picture is mixed across sectors, with construction and services firms more likely to have accessed external finance compared to EIBIS 2022. While more SMEs used external finance compared to large firms, the proportion has decreased for SMEs and increased for large firms since EIBIS 2022.

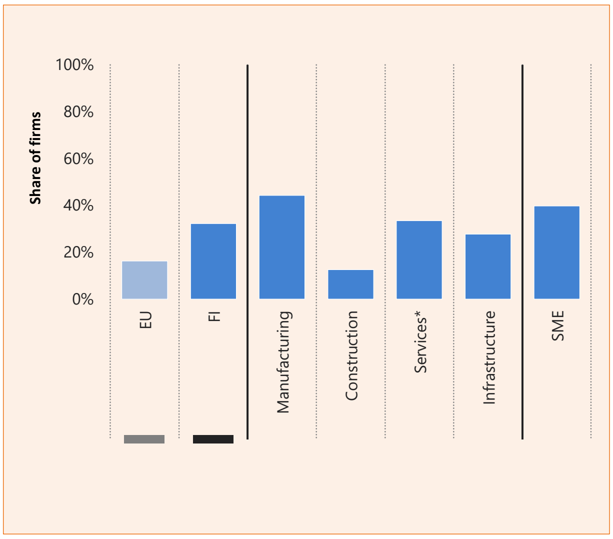
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

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

Access to finance

SHARE OF FIRMS WITH FINANCE FROM GRANTS

- Just over a third of firms using external finance in Finland received grants (32%), higher than the average across the EU (16%).
- Manufacturers (44%) were more likely than firms in other sectors to receive grants.

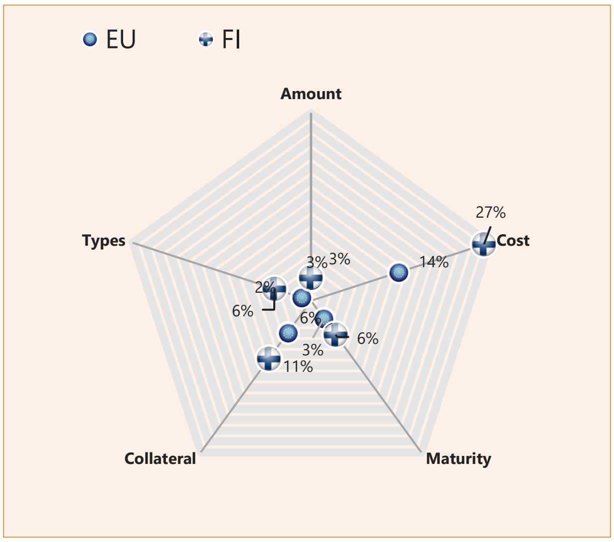


Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)
**Caution very low base size less than 30*
Data for large firms not shown due to very low base size

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Dissatisfaction with external finance in Finland is particularly sizeable in relation to the cost of finance (27%) - almost double the EU average (14%). The second most common area for dissatisfaction is collateral (11%).
- Firms in Finland are more likely than the EU average to express dissatisfaction with the types of external finance available (6% versus 2%).



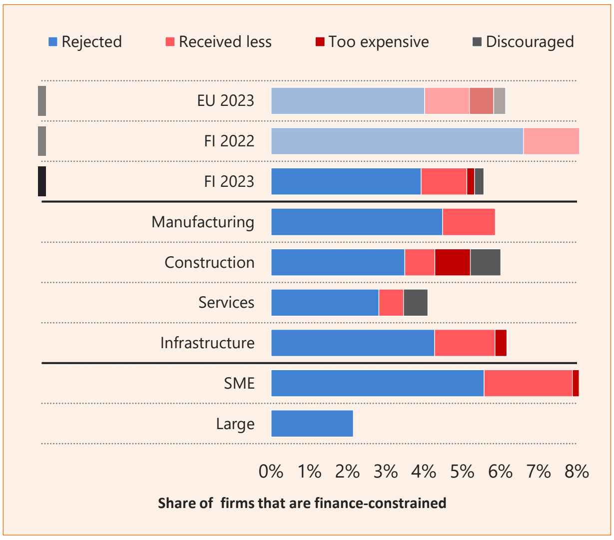
Q. How satisfied or dissatisfied are you with …?

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

Access to finance

SHARE OF FINANCE-CONSTRAINED FIRMS

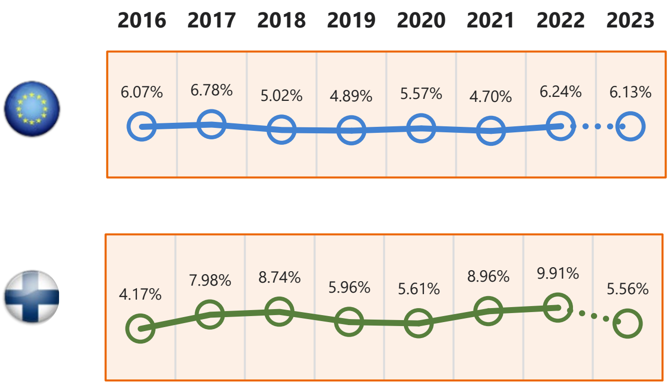
- The share of financially constrained firms in Finland (5.6%) is similar to the EU average (6.1%).
- The main constraint reported by firms in Finland is rejection (3.9%), followed by an insufficient amount of finance received (1.2%).
- The share of finance-constrained firms in Finland is largest among SMEs (8.7%).



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 that 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)

FINANCING CONSTRAINTS OVER TIME

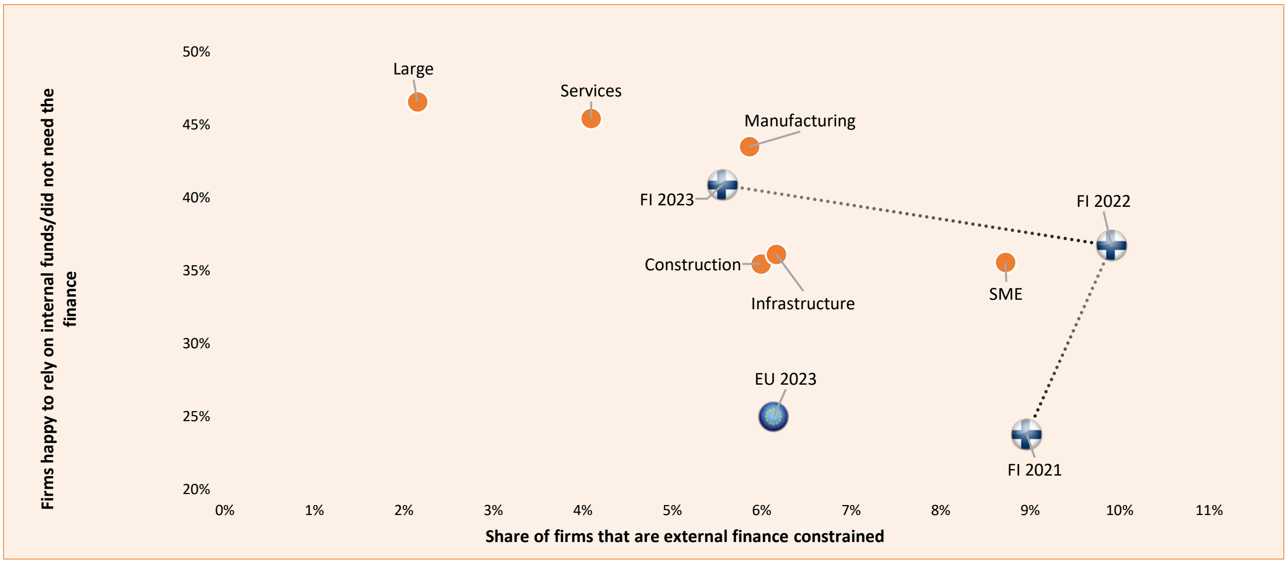


- The proportion of Finnish firms that are finance constrained has decreased since EIBIS 2022, from 9.9% to 5.6%.
- In EIBIS 2022 the proportion of finance constrained firms in Finland was higher than the EU average. It is now slightly lower (5.6% versus 6.1%).

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

Access to finance

FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

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

- While 5.6% of Finnish firms can be considered finance constrained in EIBIS 2023, two-fifths (41%) are happy to rely on internal finance, which is almost similar to EIBIS 2022 (37%).
- While slightly fewer Finnish firms are financially constrained than across the EU as whole (5.6% versus 6.1%), more are happy to rely on internal finance (41% versus 25%).
- In Finland, SMEs tend to be more constrained than large firms (8.7% versus 2.1%), but also they are less content about relying on internal finance (36% versus 47%).

EIBIS 2023 – 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
	(12030)	(802)	(481)	(155)	(96)	(108)	(119)	(440)	(41)	(12030 vs 481)	(155 vs 96)	(440 vs 41)
10% or 90%	1.1%	3.9%	4.0%	6.6%	8.8%	8.3%	8.1%	2.5%	7.9%	4.1%	11.0%	8.2%
30% or 70%	1.8%	6.0%	6.1%	10.1%	13.5%	12.7%	12.4%	3.8%	12.0%	6.3%	16.8%	12.6%
50%	1.9%	6.5%	6.7%	11.0%	14.7%	13.9%	13.5%	4.2%	13.1%	6.9%	18.3%	13.7%

GLOSSARY

Investment	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.
Investment cycle	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.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	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).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2023 country overview refers interchangeably to 'the past/last financial year' or to '2022'. Both refer to results collected in EIBIS 2023, where the question is referring to the past financial year, with the majority of the financial year in 2022 in case the financial year is not overlapping with the calendar year 2022.

EIBIS 2023 – Country technical details

The country overview presents selected findings based on telephone interviews with 481 firms in Finland (carried out between April and July 2023).

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

Base definition and page reference	EU 2023/2022	US 2023	Finland 2023/2022	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 5 (bottom left), p. 8 (top), p. 8 (bottom), p. 16 (top)	12030/12021	802	481/480	155	96	108	119	440	41
All firms (excluding don't know/refused responses), p. 5 (bottom right)	11624/11682	776	480/479	155	95	108	119	440	40
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (top)	10147/9704	692	452/449	144	91	104	110	413	39
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (bottom)	9948/9501	704	454/445	145	92	104	110	416	38
All firms (excluding 'Company didn't exist three years ago' responses), p. 7 (top)	12015/12005	802	480/480	155	96	107	119	439	41
All firms (excluding don't know/refused responses), p. 7 (bottom)	11880/11814	794	478/476	153	95	108	119	437	41
All firms (excluding don't know/refused responses), p. 9 (top)	11812/NA	782	480/NA	154	96	108	119	439	41
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 9 (bottom)	12030/NA	802	481/NA	155	96	108	119	440	41
All firms (excluding don't know/refused responses), p. 10 (top)	11739/NA	786	478/NA	154	96	107	117	437	41
All firms (excluding don't know/refused responses), p. 10 (bottom)	11739/NA	786	478/NA	154	96	107	117	437	41
All firms (excluding don't know/refused responses) p. 11 (top)	11978/11975	800	480/478	155	96	108	118	439	41
All firms (excluding don't know/refused/not applicable responses), p. 11 (bottom)	6692/NA	284	241/NA	102	9	56	42	209	30
All firms (excluding Don't know/refused responses), p. 12 (top left)	11918/NA	797	480/NA	155	95	108	119	439	41
All firms that import (excluding don't know/refused responses), p. 12 (top right)	6151/NA	240	226/NA	117	7	64	37	196	30
All firms (excluding don't know/refused responses), p. 12 (bottom)	10139/NA	717	436/NA	148	82	99	106	396	40
All firms (excluding Don't know / refused responses) p. 13 (top)	11930/11911	797	481/479	155	96	108	119	440	41
All firms (excluding Don't know / refused responses), p. 13 (bottom)	11944/11909	789	478/475	153	95	108	119	438	40
All firms (excluding don't know/refused responses), p. 14 (top)	11433/11172	771	472/469	151	95	107	116	432	40
All firms (excluding don't know/refused responses), p. 14 (bottom)	11956/11964	800	480/479	154	96	108	119	439	41
All firms (excluding don't know/refused responses), p. 15 (top)	11549/NA	766	461/NA	150	94	101	114	425	36
All firms (excluding don't know/refused responses), p. 15 (bottom)	11836/11712	791	479/476	153	96	108	119	439	40
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 16 (bottom)	10210/9752	707	447/443	142	88	104	110	409	38
All firms (excluding don't know/refused responses), p. 17	11721/11685	770	480/477	154	96	108	119	439	41
All firms (excluding don't know/refused responses), p. 18	11738/11735	780	474/468	153	94	106	118	433	41
All firms (excluding don't know/refused responses), p. 19 (top)	12009/11980	801	481/479	155	96	108	119	440	41
All firms (excluding don't know/refused responses), p. 19 (bottom)	11916/11844	800	477/477	153	95	107	119	438	39
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (top)	12030/12021	802	481/480	155	96	108	119	440	41
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (bottom)	12030/12021	802	481/480	155	96	108	119	440	41
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (top)	10517/10051	697	461/454	148	92	105	113	421	40
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)	10517/10051	697	461/454	148	92	105	113	421	40
All firms using external finance (excluding don't know/refused responses), p. 22 (top)	4269/4107	265	177/197	54	40	25	57	164	13
All firms that used external finance in the last financial year (excluding don't know/refused responses), p. 22 (bottom)	4184/3988	264	173/192	52	39	24	55	161	12
All firms (excluding don't know/refused responses), p. 23 (top)	11544/11504	729	480/477	154	96	108	119	439	41
All firms (excluding don't know/refused responses), p. 23 (bottom)	11544/11504	729	480/477	154	96	108	119	439	41
All firms (excluding don't know/refused responses), p. 24	11544/11473	729	480/476	154	96	108	119	439	41

European
Investment Bank

Economics Department
economics@eib.org
www.eib.org/economics

Information Desk
+352 4379-22000
info@eib.org

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
+352 4379-1
www.eib.org

twitter.com/EIB
facebook.com/EuropeanInvestmentBank
youtube.com/EIBtheEUbank

 PDF: ISBN 978-92-861-5661-8

Finland
Overview

EIB INVESTMENT SURVEY
2023