



Finland

Overview

EIB INVESTMENT SURVEY

2021

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EIB Investment Survey Country Overview: 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 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and 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 firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom 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

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports 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.

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Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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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. Our research makes a difference for decision makers and communities.

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EIBIS 2021 – Finland

KEY RESULTS

Investment Dynamics and Focus

EIBIS 2021 shows that Finnish firms have become more optimistic for 2021, with more firms expecting to increase rather than decrease investment. This represents a substantial positive shift from EIBIS 2020.

Of the six investment areas considered, the largest share of investment by Finnish firms was in machinery and equipment (49%), followed by research and development (14%) and software, data, IT and website activities and land, business buildings and infrastructure (13%). The investment pattern in EIBIS 2021 is broadly in line with the EIBIS 2020 findings.

Impact of COVID-19

COVID-19 hit firms in various ways. Around one in two firms in Finland (47%) report a decline in sales or turnover due to COVID-19 compared to the beginning of 2020, while only 16% report an increase. COVID-19 has also affected firms' investment strategies for 2021, with nearly one in three firms (30%) reporting that they invested less than planned. The majority (65%) of Finnish firms, however, have not revised their investment plans.

When asked about the short-term actions due to COVID-19, digitalisation stood out, with more than one in two (54%) Finnish firms reporting that they became more digital as a response to COVID-19, well above the EU average (46%).

Investment Needs and Priorities

COVID-19 will undeniably have a long-term impact on needs and priorities. Again, digitalisation stands out, with around two thirds of firms (67%) in Finland expecting that, in the long-term, COVID-19 will lead to an increased use of digital technologies, well above the EU average (55%).

Forty per cent of Finnish firms report that they are operating at or above maximum capacity in 2020, a similar share to that reported in 2019 (44%) but well below the EU average (49%). Nevertheless, and in spite of difficult circumstances, the vast majority of firms do not perceive gaps in their investment activities. 81% consider that their investment over the last three years was about the right amount.

Innovation Activities

Innovation activity remained fairly stable: more than one in two firms (56%) in Finland claim to have developed or introduced new products, processes or services, similar to EIBIS 2020 (61%) but well above the EU average (36%). Overall, 71% of Finnish firms claim to have implemented at least one out of four advanced digital technologies. The uptake is well above the EU average (61%).

Drivers and Constraints

Matching the EU average, on balance more firms in Finland expect the political and regulatory climate to deteriorate than improve in the next twelve months, but to a slightly lesser extent than in EIBIS 2020. However, across the remaining outlook measures there is increased optimism. More Finnish firms expect business sector prospects, the availability of finance, and the economic climate, to improve than deteriorate. This is in line with the EU average and marks a considerable shift from EIBIS 2020, when the short-term outlook was negative. The most frequently cited long-term barriers to investment are availability of skilled staff (77%) and uncertainty about the future (73%).

Investment Finance

9% of all firms in Finland can be considered finance constrained, a slightly higher share compared to the one reported in EIBIS 2020, and also higher than the EU average of 5%. Firms using external finance report on balance to be satisfied. The main source of dissatisfaction are cost of finance, as reported by 15% of Finnish firms.

In response to COVID-19, 14% of firms report to have increased their debt and more than half of all firms (57%) report having received financial support. The most common form of support came via subsidies and other financial support that do not need to be paid back in the future (40%).

Climate Change and Energy Efficiency

More than half (55%) of Finnish firms say that climate change is having an impact on their business. What is more, firms stating that the transition to stricter climate standards and regulation will have an impact on their business are more likely to see this as an opportunity than a risk (35% compared to 19%). Overall, Finnish firms are more likely to view this transition as an opportunity compared to EU firms (35% versus 28%).

Around one in two (54%) Finnish firms state to have already invested to deal with climate change, and 59% have investment plans for the coming three years. In addition, more Finnish firms report to have invested in energy efficiency than in the EU (47% versus 37%). Finally, around one in two (51%) firms set and monitored internal targets on carbon emissions and energy consumption.

Firm management, gender balance and employment

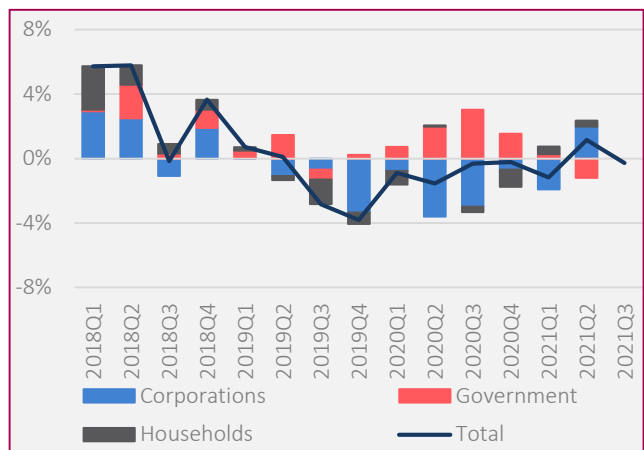
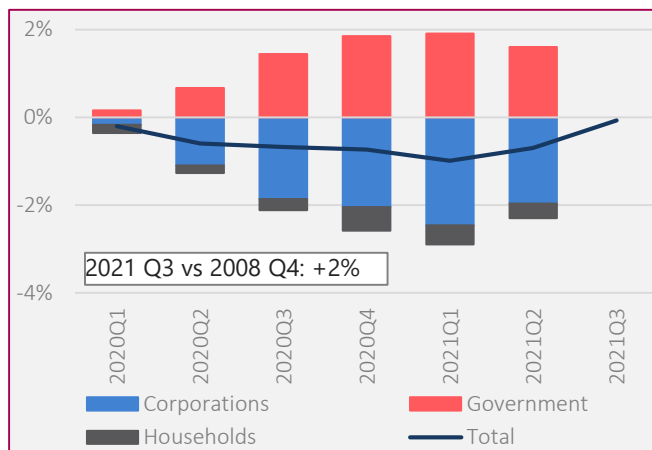
Firms in Finland were far more likely to use a strategic monitoring system in 2020 than their EU peers (91% against a EU average of 55%). Finnish firms are in line with the EU average for the other management practices they were asked about: 69% linked individual performance to pay and 64% strove for gender balance. Employment in Finland has worsened slightly more than in the EU as a whole, with an average 2% decrease in employment in 2020 compared to the stable employment observed EU-wide.

Investment Dynamics and Focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

With the COVID-19 crisis abruptly affecting the economy, investment declined but never fell more than 1% below the pre-crisis 2019 level (Q4 2019). The main reason was the increase in government investment, mitigating the decline in private

investment by households and corporations. The growth in household investment in Q1 2021 and in corporate investment in Q2 2021 compared to the same quarters of 2020 brought total investment almost back to pre-pandemic levels in Q3 2021.



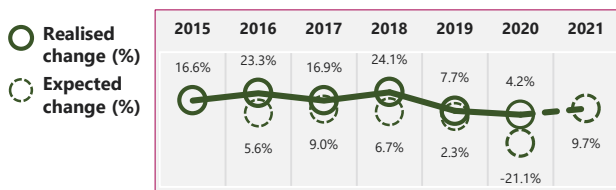
The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat

The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

EIBIS 2021 shows that Finland moved back to a positive phase of the investment cycle. Despite this, the share of firms investing has slightly declined, from 94% to 91%. The outlook is much more positive in EIBIS 2021 compared to EIBIS 2020, with 10% of firms expecting to increase rather than decrease investment. However, the investment outlook of Finnish firms is less positive than the one for firms across the EU as a whole (net balance of 18%).

Firms in the manufacturing sector have more positive investment expectations than firms in other sectors.



'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: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021.

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

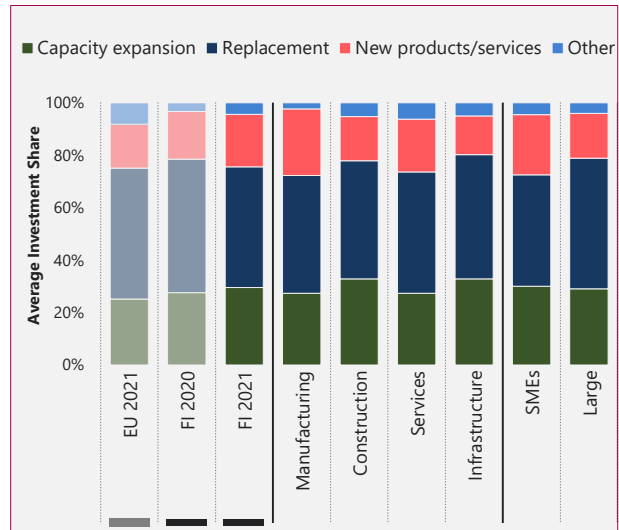
Investment Dynamics and Focus

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

The largest share of investment by firms in Finland in 2020 was driven by the need to replace existing buildings, machinery, equipment and IT (46%) - in line with the EU average (50%).

Investment in capacity expansion accounted for more than a quarter (30%) of the total investment spending by firms in Finland, with firms allocating a further 20% of their total investment spent to developing and introducing new products or services. These average share of investment in both capacity expansion and development and introduction of new products or services are higher than in the EU overall (25% and 17% respectively).

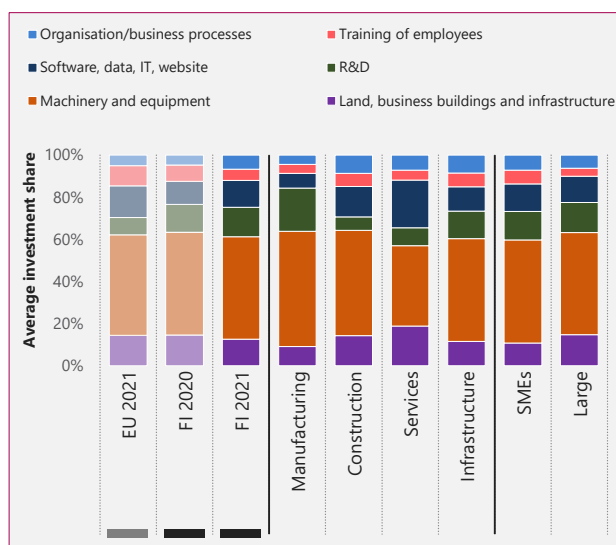
The pattern of investment purposes is broadly similar across sector and size classes.



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



Of the six investment areas considered, the largest share of investment in 2020 by Finnish firms was in machinery and equipment (49%), followed by research and development (14%) and software, data, IT and website activities (13%) and land, business buildings and infrastructure (13%). The investment pattern in EIBIS 2021 is broadly in line with the EIBIS 2020 findings.

Firms in Finland allocated a larger share of their investment to research and development than EU firms (14% versus 8%). The larger share of investment, in Finland, allocated to research and development was mainly driven by the manufacturing sector (21%).

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?

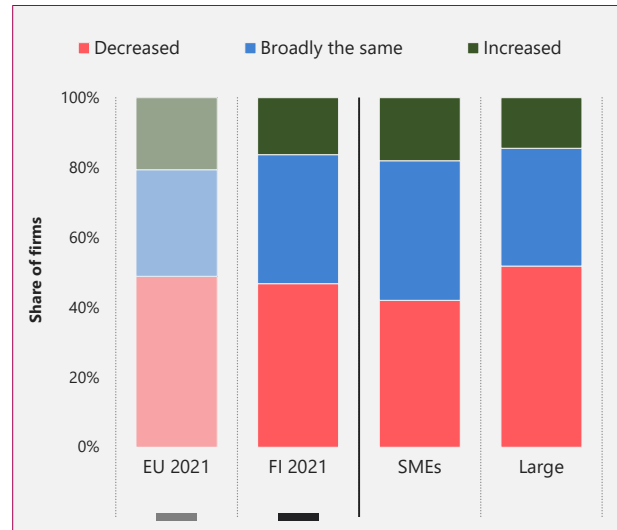
Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES

COVID-19 hit firms in various ways. When asked about the impact on sales, around one in two firms in Finland (47%) report a decline in sales or turnover due to COVID-19 compared to the beginning of 2020, while 16% report an increase. This is similar to the EU average (49% and 21% respectively).

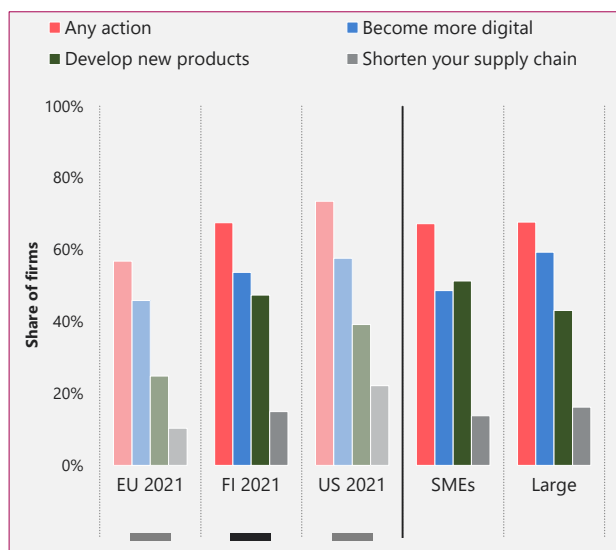
Although at a relatively high level overall, noticeably more large firms than SMEs report a decline in sales or turnover (52% versus 42%).



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

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

SHORT-TERM ACTIONS AS A RESULT OF COVID-19



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)

The majority of firms in Finland (68%) have taken short-term action(s) or made investments as a result of COVID-19, well above the EU average (57%).

The most cited area of action or investment in response to COVID-19 is to become more digital, as reported by just above half of firms in Finland (54%), a higher share than the EU average (46%).

Around one in two firms (47%) claim to have developed new products, which is almost twice the share of EU firms (25%) and higher than what is reported by US firms (39%).

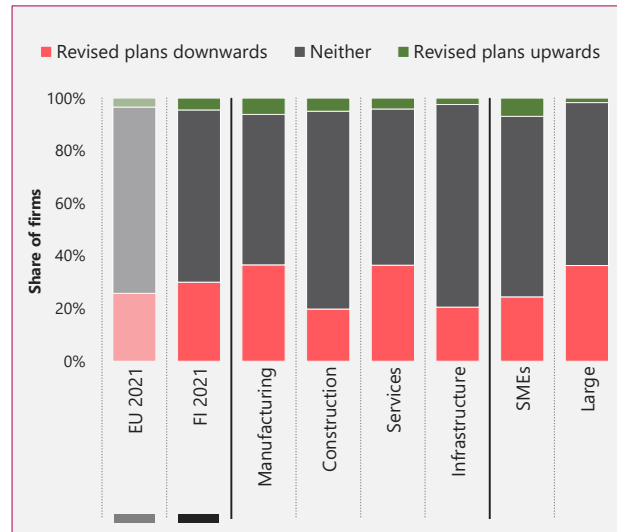
Looking at firm size, large firms are more likely to state that they have become more digital as a response to COVID-19 than SMEs (59% versus 49%). Instead, SMEs are more likely to state that they developed new products than large firms (51% versus 43%).

Impact of COVID-19

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 has affected firms' investment strategies, with nearly 30% of Finnish firms reporting that they have invested less than planned. The majority of Finnish firms, however, have not revised their investment plans.

Overall there is large heterogeneity across the sectors and size classes. Firms in the manufacturing and services sectors, along with large firms, have the highest share of firms revising their investment plans downwards.

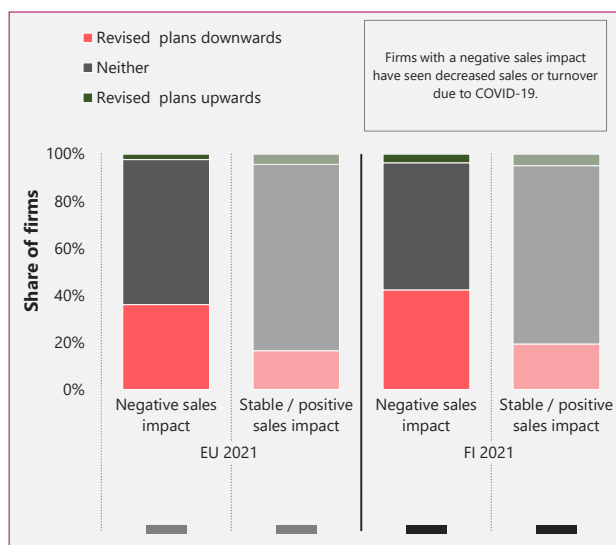


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

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

DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



Firms in Finland having experienced a negative impact on sales due to COVID-19 are more likely to report to have revised their investment plans downwards compared to firms reporting a stable or positive sales impact.

42% of Finnish firms that have experienced a negative sales impact due to COVID-19 have revised their investment plans downwards, comparable to the EU average (36%).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

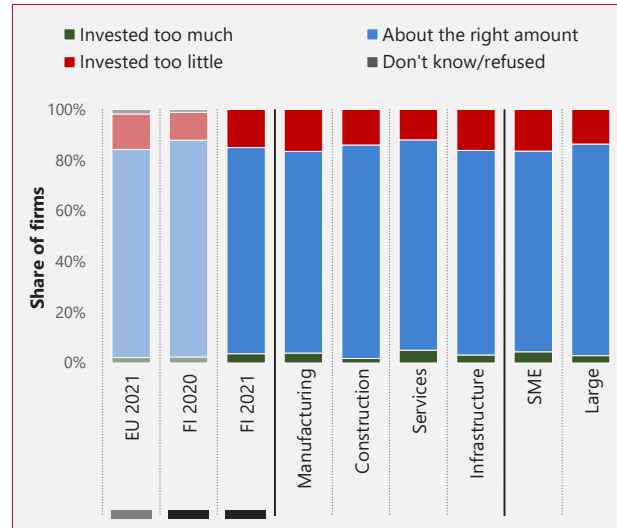
Base: All firms (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

The majority of Finnish firms do not perceive gaps in their investment activities. In spite of the difficult circumstances, the vast majority of firms consider their investment over the last three years to have been about the right amount (81%), similar to the share reported in EIBIS 2020 (85%) and similar to the EU average. 15% of Finnish firms report they have invested too little, slightly more than what was reported in EIBIS 2020 (11%) and in line with the EU average of 14%.

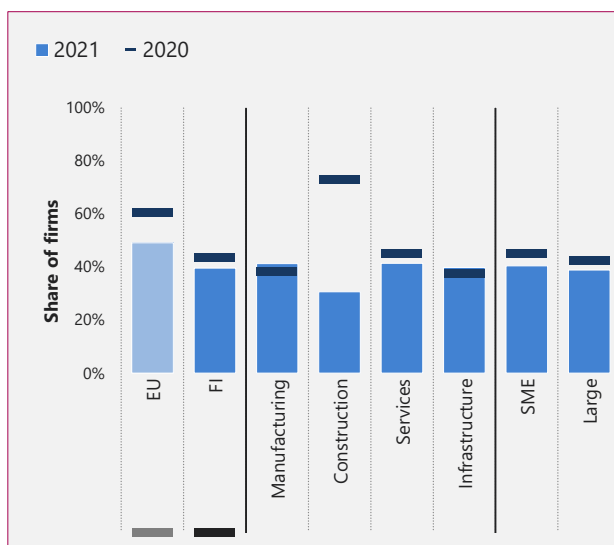
The investment pattern is broadly similar across sector and size classes, and in line with the EU average.



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)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



The share of firms in Finland reporting operations at or above full capacity in 2020 amounts to 40%. This is in line with the share reported in EIBIS 2020 (44%) but below the EU average (49%).

In comparison to all other sectors and size classes of firms, the share of construction firms reporting to have operated at or above full capacity in 2020 is the lowest (31%).

Compared to the previous wave, firms in the construction sector have seen the largest drop in firms reporting that they operated at or above full capacity (down 42 percentage points).

Full capacity is the maximum capacity attainable e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

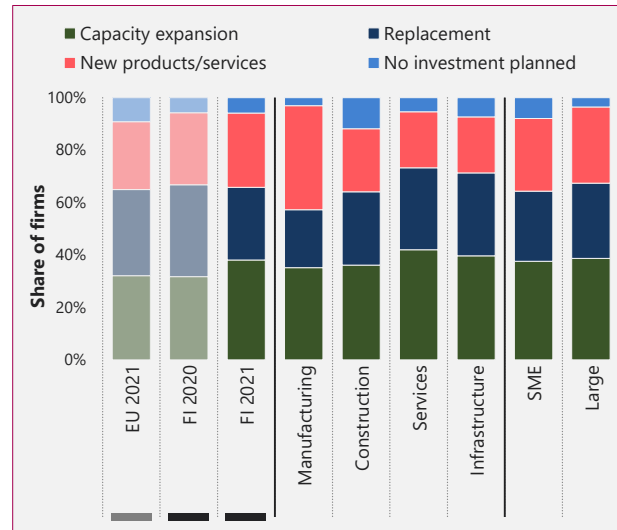
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Capacity expansion for existing products and services is the most commonly cited investment priority among Finnish firms for the next three years (38%), followed by investment in new products and services (28%). The overall pattern of investment priorities is broadly similar to EIBIS 2020 and the EU average.

Firms in the manufacturing sector are more likely to report investment in new products or services than firms in other sectors as a future priority (40% versus other sectors ranging from 21% to 24%).

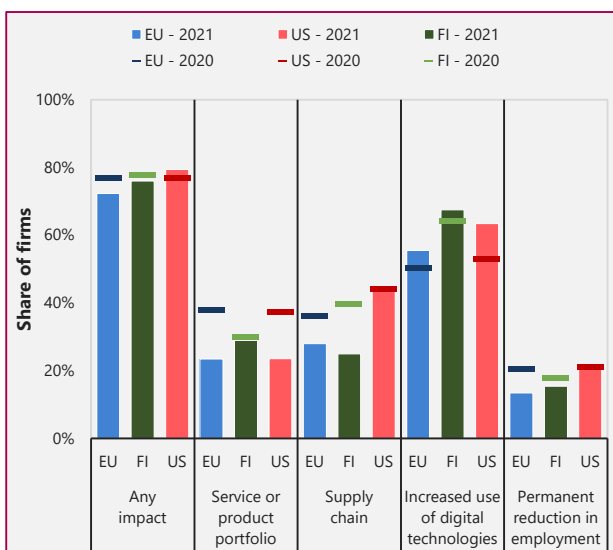
Firms in the construction are the most likely to state they have no investments planned (12%) for the coming three years.



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing 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)

COVID-19 LONG-TERM IMPACT



COVID-19 will undeniably have a long-term impact on needs and priorities, as reported by 76% of Finnish firms. This is in line with the EU average (72%).

The most frequently cited long-term impact of COVID-19 on firms in Finland is the increased use of digital technologies (67%), more than among EU firms (55%).

Finnish firms are also more likely than EU firms to think that there will be a long-term impact on their service or product portfolio (29% versus 23% respectively).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Base: All firms

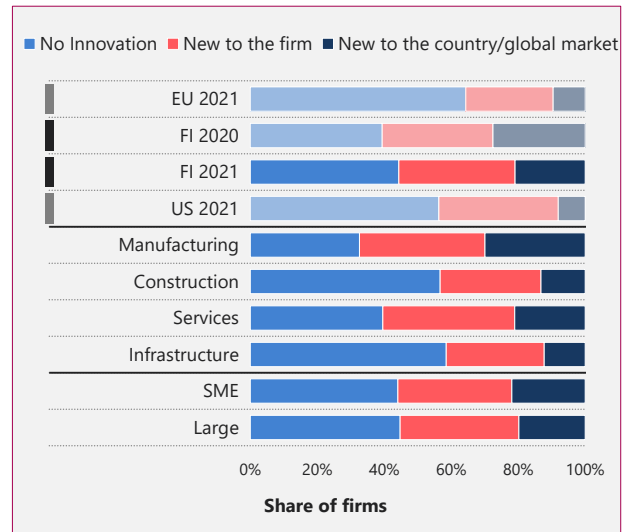
Innovation Activities

INNOVATION ACTIVITY

More than one in two firms (56%) in Finland claim to have developed or introduced new products, processes or services in 2020, similar to EIBIS 2020 (61%) but well above the EU average (36%).

More than one in five firms (21%) claim to have undertaken innovations that are new to the national or global markets, which is more than twice the share of EU firms (10%).

Manufacturing firms are more likely to have reported innovations new to the national or global markets (30%) than firms in other sectors, especially construction and infrastructure sectors.

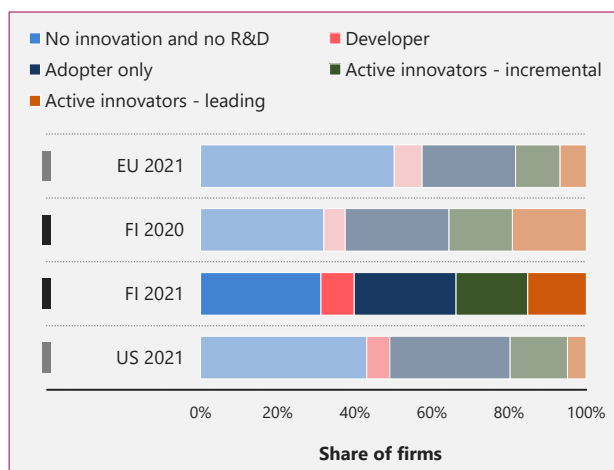


Q. What proportion of total investment was for developing or introducing new products, processes, services?

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



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)

When firms' innovation and research and development behavior is profiled more widely, one in three firms (34%) in Finland can be classified as 'active innovators' (both leading and incremental) and a further 9% as 'developers'.

The share of Finnish firms classified as 'active innovators – leading' is with 15%, more than double the EU and the US shares (7% and 5% respectively).

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

IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

Overall, 71% of Finnish firms have implemented at least one out of four advanced digital technologies they were asked about. Digital adoption rates thus remain well above the EU average (61%).

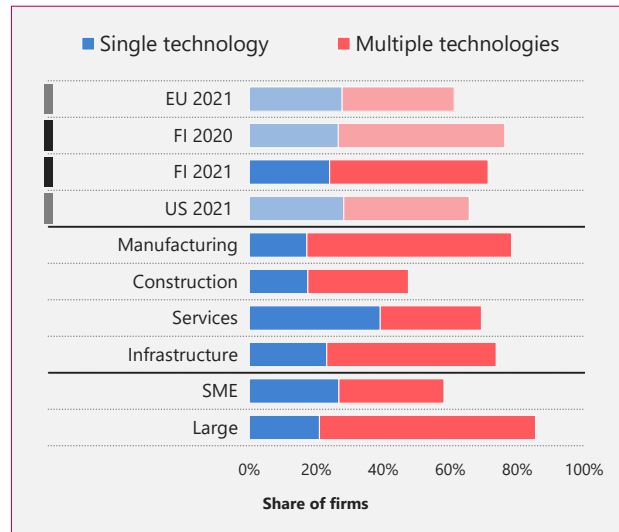
Firms in the construction sector are the least likely to have implemented advanced digital technologies within their business (48%).

Zooming in on different size classes, large firms are more likely than SMEs to have implemented multiple advanced digital technologies (65% versus 31%).

Finnish firms report a relatively higher uptake of all the advanced technologies they were asked about compared to the EU average. Compared to the US, Finish firms are more likely to have implemented robotics, platforms and big data / AI.

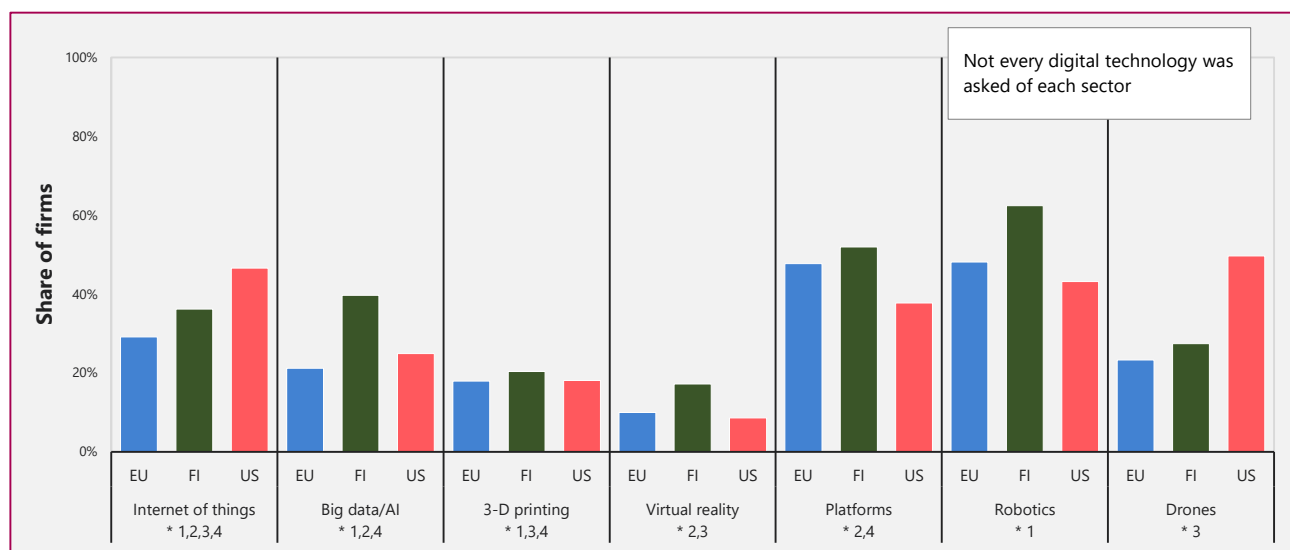
Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

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



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

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. 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?

Reported shares combine implemented 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 (121); Construction (114); Services (121); Infrastructure (119)

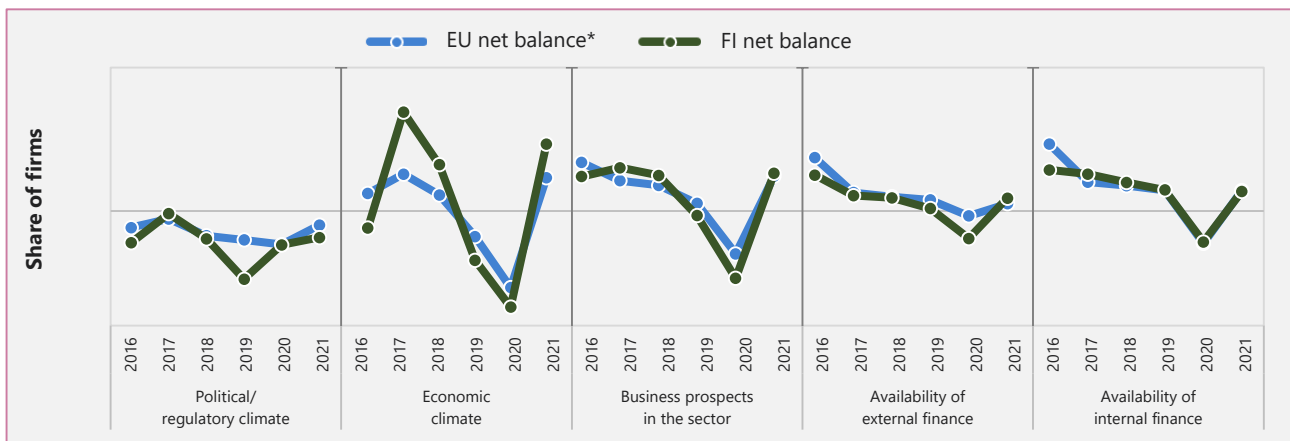
Drivers And Constraints

SHORT-TERM FIRM OUTLOOK

Matching the EU average, more firms in Finland expect the political and regulatory climate to deteriorate than improve in the coming twelve months, but to a slightly lesser extent than in EIBIS 2020.

However, across the remaining four outlook measures

there is increased optimism. More Finnish firms expect business sector prospects, the availability of finance (internal as well as external), and the economic climate, to improve rather than deteriorate in the next twelve months. This is in line with the EU average and marks a considerably positive shift from EIBIS 2020.

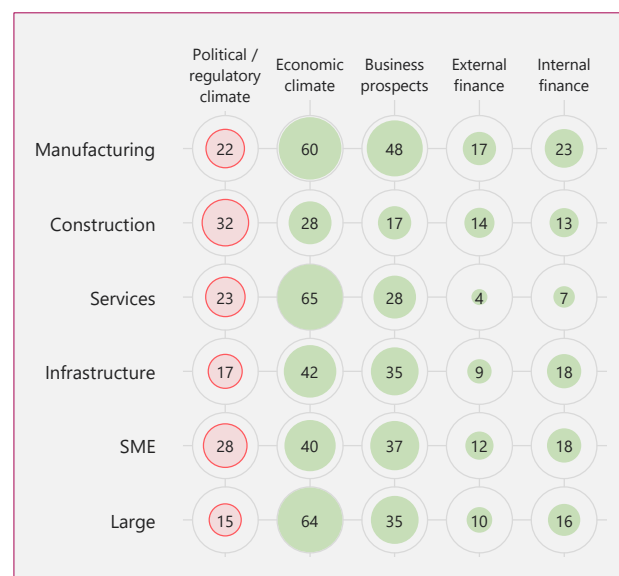


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

*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 in Finland are consistently more negative than positive about the political/regulatory climate. SMEs are particularly pessimistic whereas large firms are slightly less so (on balance -28% versus -15%).

Looking at sectorial differences, firms in the manufacturing sector are more positive about their sector's business prospects than firms in other sectors.

Expectations regarding the economic climate are generally optimistic across all types of firms. However, large firms and those in the services and manufacturing sector are most likely to be positive.

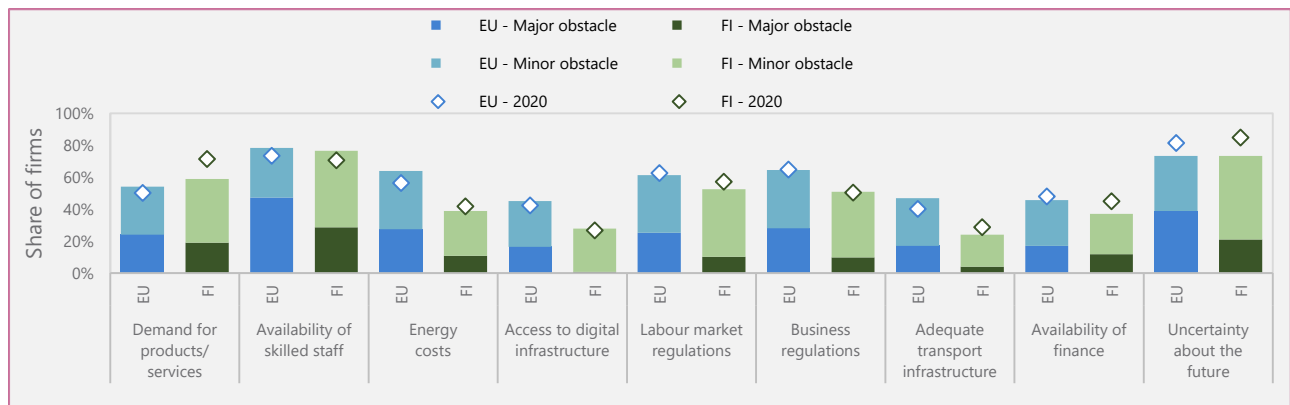
As far as prospects on finance are concerned, firms in the services sector have the least optimistic outlook, contrary to firms in the manufacturing sector, which are the most optimistic.

Drivers And Constraints

LONG-TERM BARRIERS TO INVESTMENT

Overall, Finnish firms seem to perceive fewer obstacles to investment in 2021 than in 2020. The most frequently cited long-term barriers to investment are availability of skilled staff (77%) and uncertainty about the future (73%). The former has increased 7 percentage points, while the latter has decreased by 11 percentage points since EIBIS 2020.

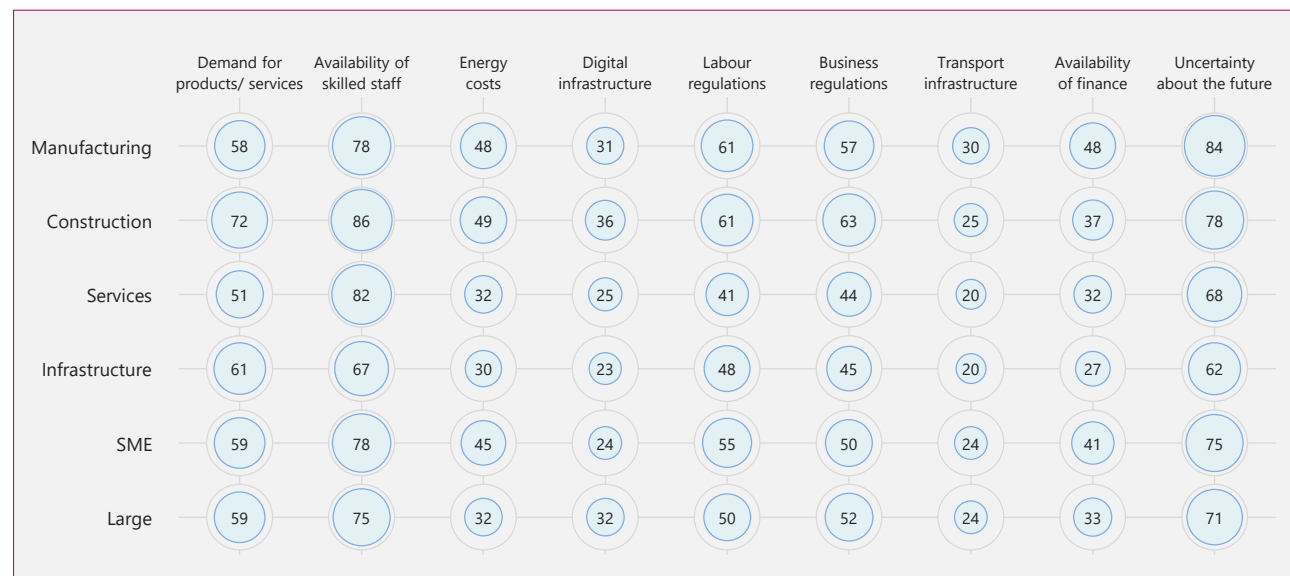
With the exception of availability of skilled staff, demand for products or services and uncertainty about the future, Finnish firms are less likely than EU firms to cite any of the other six measures as a barrier to investment.



Q. Thinking about your investment activities in Finland, 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



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

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

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

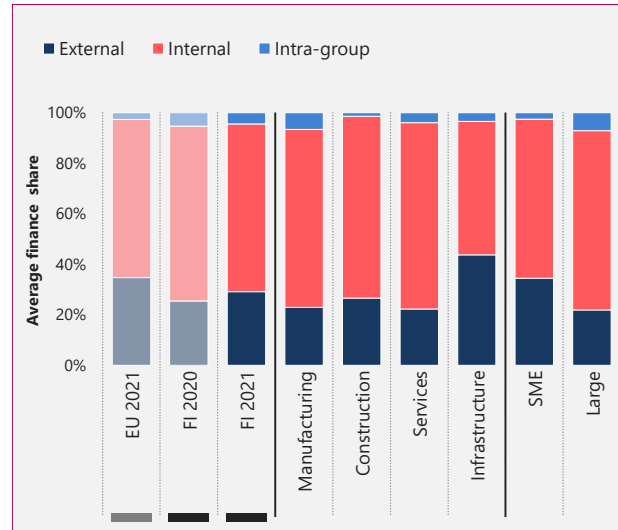
Investment Finance

SOURCE OF INVESTMENT FINANCE

Internal funds accounted for the majority share of investment finance (66%) for Finnish firms in 2020. This is consistent with the EU average (63%), and in line with what was reported in EIBIS 2020 (69%).

External finance made up more than a quarter of investment finance (29%) which is below the EU average (35%).

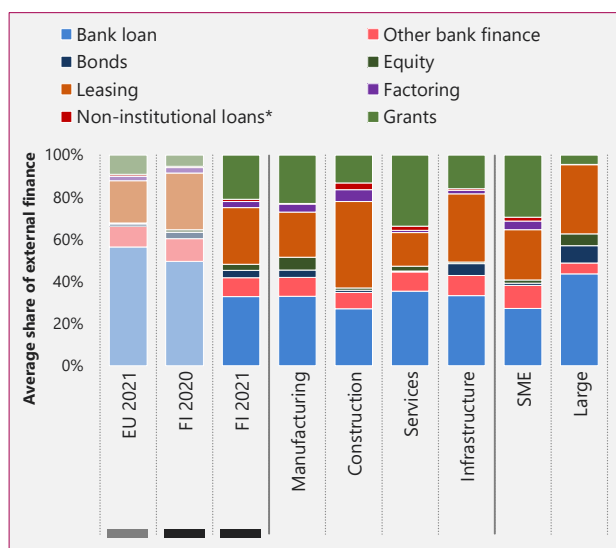
When looking at sectorial differences, firms in the infrastructure sector were more likely to use external funds than firms in other sectors (44% versus between 22- 27%).



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)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



In Finland, bank loans continued to make up the largest share of external finance (33%), a lower share than the one reported in EIBIS 2020 (49%) and lower than the EU average (56%).

Leasing or hire purchase accounted for the second highest share of external finance (27%), which is above the current EU average (20%). Construction firms were most likely to use leasing (41%) to finance their investment activities compared to firms operating in other sectors.

Overall, grants became a more important type of finance in 2020, as they accounted for around one fifth of external finance (21% versus 5% in EIBIS 2020). Grants were more used by SMEs and firms in the services sector (30% and 34% respectively).

Q. Approximately what proportion of your external finance does each of the following represent?

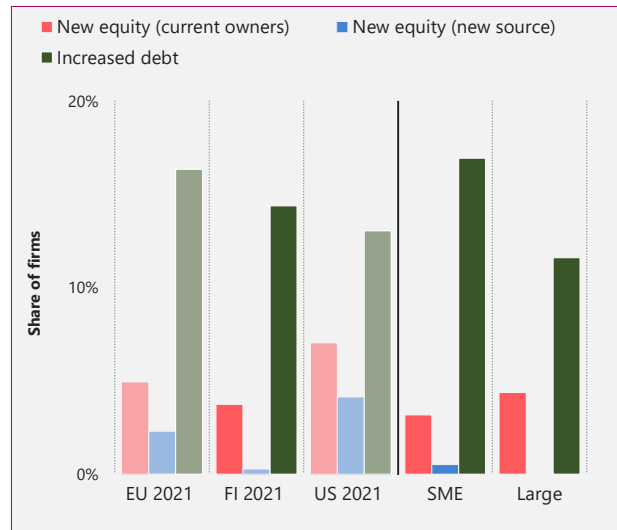
*Loans from family, friends or business partners

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

Investment Finance

ACTIONS TAKEN AS A RESULT OF COVID-19

As a result of the crisis, 14% of Finnish firms state to have increased their debt and 4% to have received new equity from current owners. This is broadly in line with the EU average and broadly the same across firm size classes.



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

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

SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Public support was substantial in Finland: more than half (57%) of all firms report to have received financial support in response to COVID-19, which is in line with the EU average (56%). The most common form of support came via subsidies and other financial support that do not need to be paid back in the future (40%).

Around a third (32%) of firms in Finland state that they obtained a deferral of payments as a result of the pandemic, twice as many as among EU firms (16%).

Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

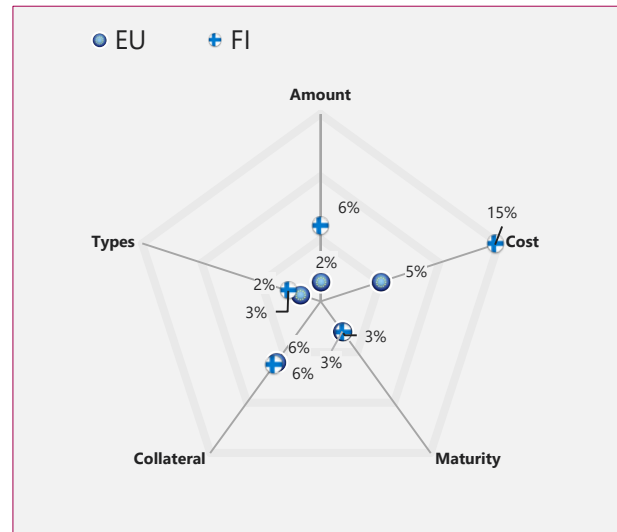
Base: All firms (excluding don't know/refused responses)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Overall, levels of dissatisfaction are low: Finnish firms receiving external finance in 2020 are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

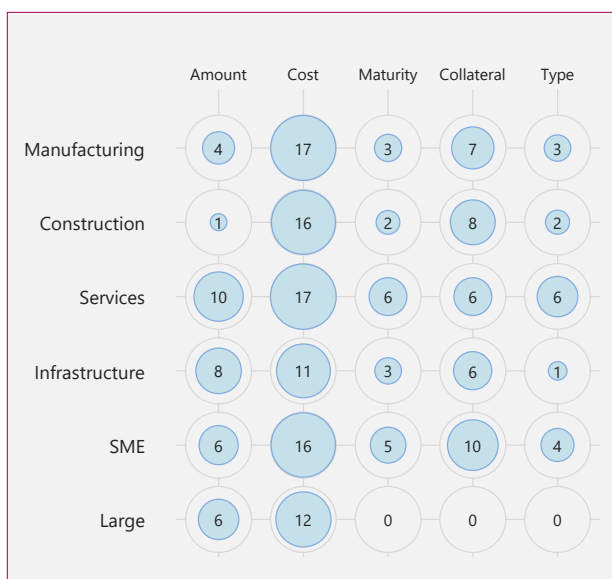
The highest levels of dissatisfaction are expressed with respect to the cost of finance (15% of Finnish firms), well above the EU average (5%).



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 (%)



As mentioned above, overall dissatisfaction levels are low, the highest levels of dissatisfaction mentioned are regarding the cost, across all sectors and size classes.

For SMEs and firms across all sectors collateral is also a source of dissatisfaction. The amount received is a source of dissatisfaction mostly for firms in the services and infrastructure sectors.

Type and maturity of the external finance are the least likely reasons for firms to express dissatisfaction.

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

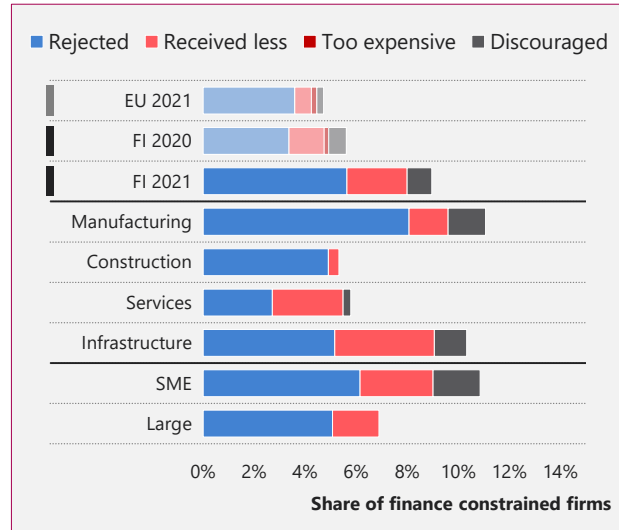
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

9% of all firms in Finland can be considered finance constrained, which is above the EU average of 5% and an increase compared to what was reported in EIBIS 2020 (6%).

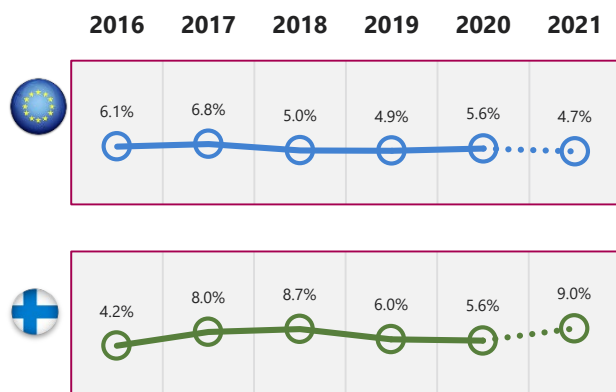
Despite the cost of external finance being the most cited source of dissatisfaction, none of the firms sampled mention having been deterred from seeking external finance due to the belief that the borrowing costs would be too high. Similarly, none of the firms in the construction sector or large firms state to have been discouraged from seeking finance because they thought they would be turned down.



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)

FINANCING CONSTRAINTS OVER TIME



The share of finance-constrained firms in Finland has slightly increased compared to EIBIS 2020 (9% versus 6%), but matches EIBIS 2018.

After the increase in the share of finance-constrained firms in EIBIS 2021, Finland is again above the EU average, as it has been in EIBIS 2017-2019.

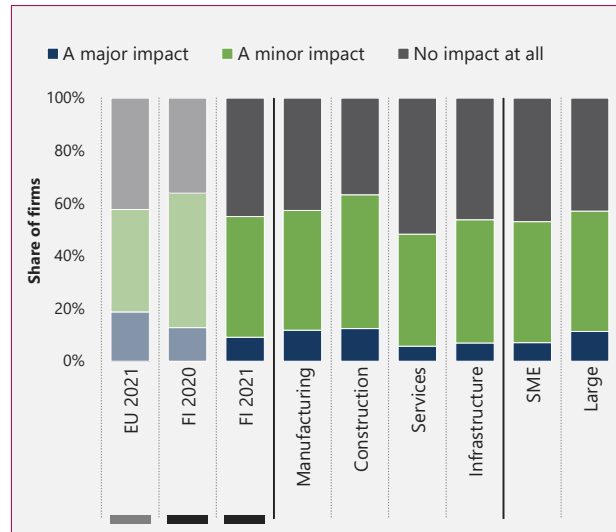
Base: All firms (excluding don't know/refused responses)

Climate Change and Energy Efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

Around half (55%) of Finnish firms report they have been impacted by climate change and the related changes in weather patterns – similar to what was reported in EIBIS 2020 (64%) and the EU average (58%). However, fewer firms in Finland report their business to have been majorly impacted than their EU peers do (9% versus 19%).

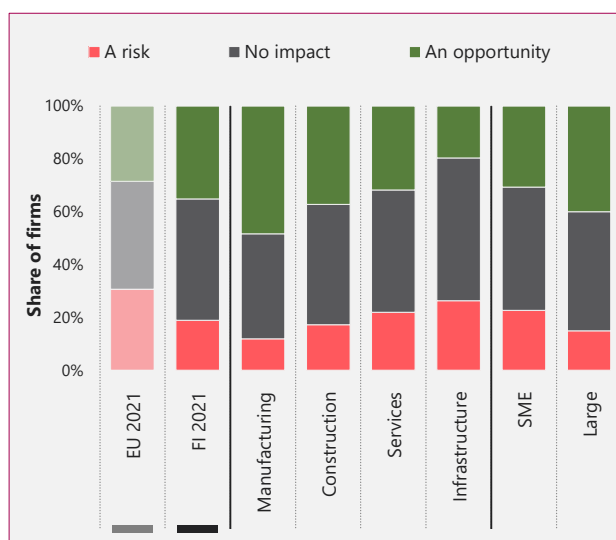
When zooming in sectorial differences, firms in the construction sector are the most likely to say that climate change is currently having an impact on their business (63%).



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

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

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



Almost half (46%) of firms in Finland think that the transition to stricter climate standards and regulations will have no impact on their company over the next 5 years, in-line with the EU average (41%).

Firms thinking it will have an impact are more likely to see this transition as an opportunity than a risk (35% compared to 19%). Finnish firms are also more likely to view this transition as an opportunity than EU firms (28%).

Firms in the manufacturing sector (48%) and large firms (40%) are the most likely to think the transition will bring opportunities.

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?

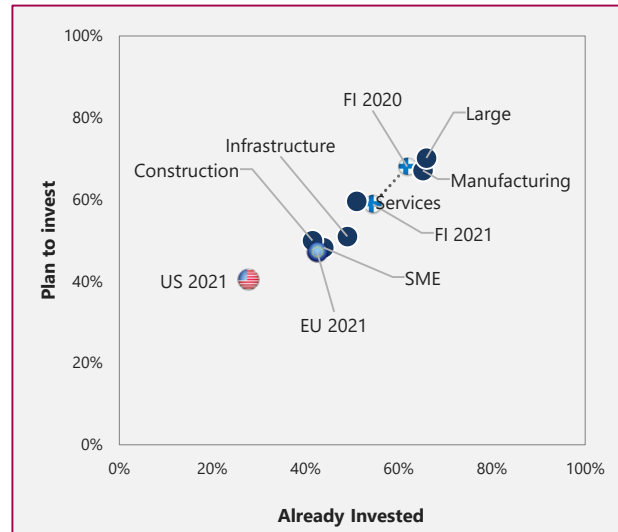
Base: All firms (excluding don't know / refused responses)

Climate Change and Energy Efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

On average, 54% of firms in Finland report they have already invested to deal with climate change, and 59% have plans to invest in the next three years. The shares of firms stating they have already invested or are planning to invest is lower than in EIBIS 2020 (62% and 68% respectively) but well above the EU averages (43% and 47% respectively).

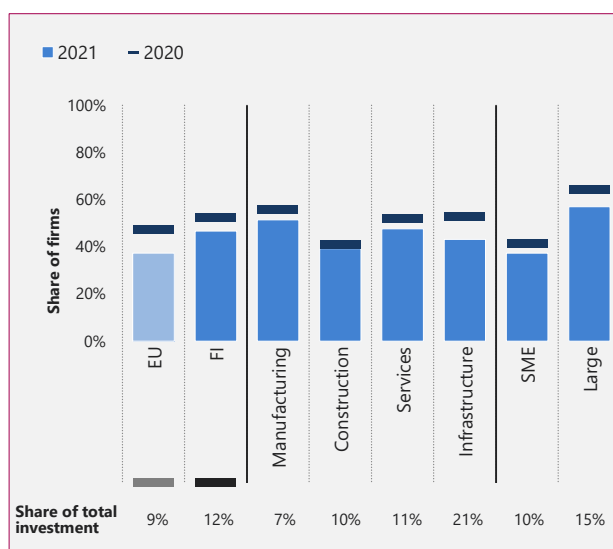
SMEs are less likely to report having invested or plan to invest than large firms.



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?

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

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



Investment in energy efficiency is rather widespread among Finnish firms. Around one in two (47%) firms in Finland have invested in measures to improve energy efficiency in 2020, similar to what was reported in EIBIS 2020 (52%), but well above the EU average (37%).

Large firms are more likely than SMEs to have invested in energy efficiency (57% versus 37% respectively).

Firms in the construction sector are the least likely to have invested in energy efficiency in 2020 (39%).

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 (for share of firms investing)

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

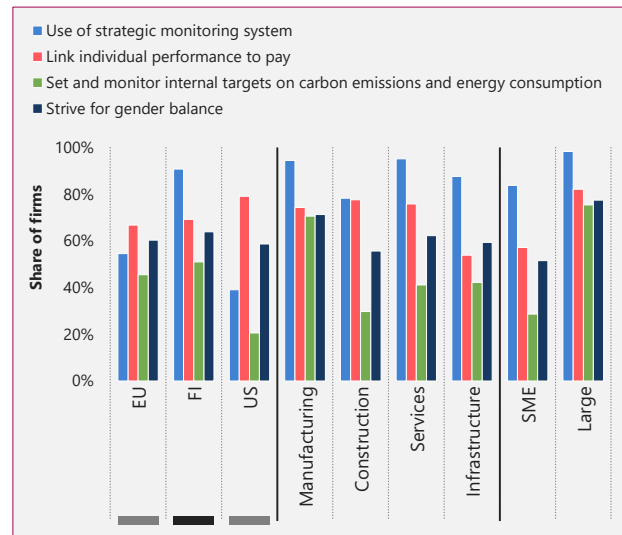
Firm management, climate targets, gender balance and employment

FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

Firms in Finland are far more likely to report having used a strategic monitoring system in 2020 than their EU peers (91% against a EU average of 55%). On the rest of the management practices, Finnish firms are in line with the EU average: 69% linked individual performance to pay and 64% strove for gender balance.

Large firms are far more likely to report having implemented each of the four practices than SMEs.

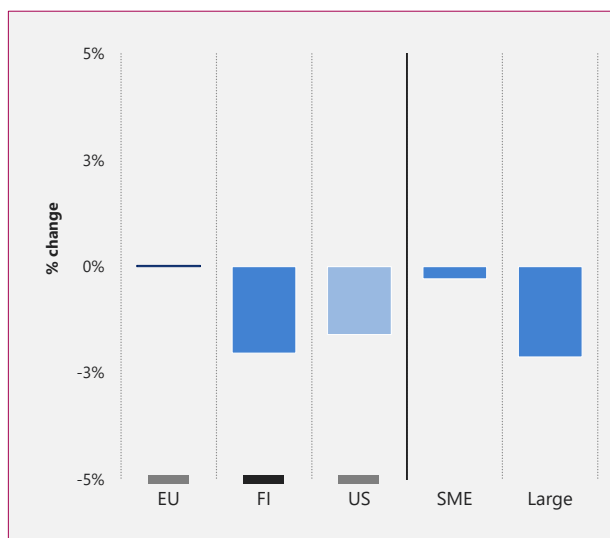
Around one in two (51%) firms set and monitored internal targets on carbon emissions and energy consumption. Firms in the construction sector and SMEs are the least likely to report so (30% and 29% respectively).



Q. In 2020, did your company...?

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

CHANGE IN EMPLOYMENT DURING COVID-19



Employment in Finland has worsened more than in the EU as a whole, with a 2% decrease in employment in 2020 versus stable employment for the EU on average.

Large firms are more likely than SMEs to report a negative change in employment (-2.1% versus -0.3%).

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 2020, before the COVID-19 pandemic?

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

EIBIS 2021 – 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	Constr vs Manuf	SME vs Large
	(11920)	(802)	(480)	(121)	(114)	(121)	(119)	(413)	(67)	(11920 vs 480)	(114 vs 121)	(413 vs 67)
10% or 90%	1.1%	3.5%	3.2%	5.9%	6.2%	6.3%	6.4%	2.6%	6.1%	3.4%	8.5%	6.6%
30% or 70%	1.7%	5.3%	5.0%	9.0%	9.5%	9.6%	9.7%	4.0%	9.4%	5.2%	13.0%	10.2%
50%	1.8%	5.8%	5.4%	9.8%	10.3%	10.5%	10.6%	4.4%	10.2%	5.7%	14.2%	11.1%

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 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.

EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Finland (carried out between March and July 2021).

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




Base definition and page reference	EU 2021/2020	US 2021	FI 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	480/480	121	114	121	119	413	67
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	480/480	121	114	121	119	413	67
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	475/480	120	113	120	118	412	63
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	477/NA	121	114	121	116	410	67
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	479/NA	121	114	121	118	413	66
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	474/480	119	113	121	116	410	64
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	471/0	119	113	121	113	407	64
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	473/476	119	113	119	117	410	63
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	474/479	121	113	119	116	408	66
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	440/451	112	106	109	108	382	58
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	480/479	121	114	121	119	413	67
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	479/NA	121	114	121	118	413	66
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	479/NA	121	114	121	118	413	66
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	476/478	118	114	120	119	411	65
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	479/478	121	113	121	119	412	67
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	475/NA	120	113	121	116	408	67
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	480/477	121	114	121	119	413	67
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	475/NA	118	112	119	118	410	65
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	473/470	120	113	119	117	411	62
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	451/454	114	107	114	111	388	63
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	454/460	114	110	113	112	394	60
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	405/398	97	101	101	102	360	45
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	480/480	121	114	121	119	413	67
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284	214/182	50	45	51	65	197	17
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	205/176	46	45	49	63	187	18



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Finland

Overview

EIB INVESTMENT SURVEY

2022

1