



## Finland

### Chemical Industry Federation of Finland

Number of companies

**400**

Capital spending

**€851 million**

R&D investment

**€429 million**

Turnover

**€19.7 billion**

Direct employees

**33,400**

National contact



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## CHEMICAL INDUSTRY SNAPSHOT

### A growing industry

With revenues of €19.7 billion in 2016 and €11.4 billion of exports in 2017, the chemical industry is Finland's second largest. It provides 20% of Finnish industrial output and exports.

### Driven by innovation

Finnish chemical companies drive and create growth through the introduction of new, innovative products and services. And the sector has become relatively more important as other industries, such as electronics and forest products, have declined.

### Ranging from oil refining to cosmetics

Output of the Finnish chemical industry ranges from chemicals and chemicals products, oil refining, pharmaceuticals, plastics and rubber products, paints and coatings, to detergents and cosmetics. Basic chemicals include water treatment chemicals, fertilizers, titanium dioxide and polyolefins.

### **Underpinning other sectors**

Chemicals are a vital enabler of other Finnish industrial sectors, notably machinery and metal products, electronics, and pulp and paper.

### **Clustering in the south and west**

The Finnish chemical industry directly employs approximately 33,400 people. There are major chemical clusters in Southern and Western Finland, in Porvoo (oil refining and petrochemicals), and the Turku area (pharmaceuticals, oil refining), while a high-tech chemical cluster is found further north at Kokkola.

### **Investing in renewal**

R&D spending hovers around €400 million and averages 2.0% of revenues.

Investment in the chemical industry, largely replacement investment, totalled approximately €851 million in 2017, making up 17% of Finnish manufacturing investment.

## **HOW ARE WE DOING?**

### **Strengths**

- Well-educated and highly skilled labour force
- Good collaboration with universities
- Very good research and university structure
- Good physical and social infrastructure
- Operational efficiency and safety
- Ability to satisfy sophisticated consumer demands
- Specialisation
- Strong mining industry potential
- Location next to Russian markets, knowledge of Russia
- Location next to Arctic sea routes, knowledge of the Arctic
- Small and compact market for testing
- Positive public attitude towards the industry

### **Weaknesses**

- High energy and logistics prices
- Location on the Northern edge of Europe
- Lack of road connection to Central Europe/reliance on sea transport
- Strong reliance on imported raw materials
- Pressure to increase taxes and fees due to public sector financial deficit

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## OUR CONTRIBUTION TO A COMPETITIVE EUROPE

### Developing sustainability

Finland does not follow sectoral industrial policies. However, the chemical industry benefits from a national bio-economy strategy and growth strategies for health sector research, development and innovation activities (RDI), published in 2013. A roadmap for circular economy development is being prepared.

As an enabler of all other industrial sectors, the chemical industry is highly integrated into other sectors, and smart specialisation is a natural way for a small country such as Finland to compete and succeed amid global competition.

### Going green

Low-emission and renewable fuels, water treatment, closed industrial processes and use of waste- based raw materials all offer growth opportunities.

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Landscape of the European Chemical Industry Website:

<http://www.chemlandscape.cefic.org/country/finland/>