

# **Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.**

## **India-Finland Bilateral Relations**

### **A. Introduction**

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report depicting the Embassy of Finland.
2. India and Finland have traditionally enjoyed warm and friendly relations. In recent years, bilateral relations have acquired diversity with collaboration in research, innovation, and investments by both sides. The Indian community in Finland is vibrant and well-placed. Indian culture and yoga are gaining popularity in Finland.
3. There are around 15,469 (end of 2020) persons of Indian origin (7231 NRIs and 8232 OCIs) in Finland. Most live in the capital Helsinki and surrounding regions. Most Indians who settled during 1980s and 1990s were from Punjab and are engaged mostly in the restaurant business. In recent years, Indian professionals are being employed in high-tech companies. With the encouragement from the Embassy, 18 Indian organizations are under an informal umbrella called 'Friends of India Finland' to bring more synergy to their effort to promote India-Finland relations.

### **B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures**

4. As a trading country partner of India, and as per latest compiled and available statistics with DGCI&S, India's exports to Finland during 2023-24 have been recorded at 582.65 Million USD and India's imports from Finland during the same reference period stands at INR 913.48 Million USD (with a resultant trade balance deficit of 330.83 Million USD).
5. There has been growth in economic and commercial relations between India and Finland in recent years, especially in areas such as medicinal & pharmaceutical products, Electric machinery and parts, renewable energy, off-shore projects and service sectors. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

**The Export-Import statistics as per India's Ministry of Commerce data bank  
from 2019-20 to 2023-24 are as follows :**

#### **The Export-Import statistics from 2019-20 to 2023-24**

**(US Dollar Million)**

S.No		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Export	268.72	284.85	344.46	532.64	582.65
2.	Import	625.65	713.20	876.28	1491.62	913.48
3.	Total Trade	894.37	998.05	1220.74	2024.26	1496.13

*(Source: Doc, Ministry of Commerce & Industry)*

## 6. Finland's top imported goods from India:

- Medicinal, pharmaceutical products.
- Articles of apparel and clothing accessories.
- Textile yarn, fabrics, made up articles.
- Manufactures of metals.
- Electric machinery and parts.

## 7. India's top imported goods from Finland:

- Machinery for special industries.
- Electric machinery and parts.
- Paper, paper board and articles thereof.
- Metalliferous ores and metal scrap.
- General industrial machinery.

8. Finland ranks 40th in terms of country-wise FDI Equity Inflows into India. Total FDI Inflows from Finland till September 2023 are US\$567 million. Percentage share of total FDI Inflows is 0.08%. Actual investment will be higher as many Finnish companies have been in India since 1980s or 1990s and further expansion are not accounted as FDI.

9. India's investments in Finland have crossed US\$ 1 billion, including acquisitions. About 30 Indian companies, mainly in the software and consultancy sector are active in Finland. Motherson Sumi Systems (MSSL) acquired PKC Group (\$ 620 million). Trivitron Healthcare, acquired Ani Labsystems. Mahindra Holidays and Resorts invested in the 'Holiday Club Resorts Oy'. Infosys, India acquired Finland's Fluido Oy. Epsilon Advanced Material from India has signed an MoU with Finnish company Grafintec Oy, a graphite-based supply chain to establish an anode material production factory in Vaasa at an investment of around €100 million. Cyient, an Indian technology solutions company acquired Citec, a Finnish plant and product engineering services company for €100 mn in June 2023. In September 2023, Tech Mahindra inaugurated an Innovation Centre in Espoo, Finland.

10. A 14-member NASSOM delegation visited Finland to explore business opportunities in Finland in June 2023.

## C. Other Major Areas of Co-operation:

- India and Finland have signed multiple Agreements/MoUs covering areas such as Education, R&D, Tourism, Defense Production, Environment, co-operation in Geology/Mining.
- Finland is a global leader in education scoring consistently on several parameters. There have been tie-ups between private firms for exchange of best practices in early childhood and K-12 education. During the Virtual Summit, both sides agreed to hold a High-Level Dialogue on education to identify elements of cooperation. The HLD is taking place on 31 January 2024 at the level of Secretary.

- There have been tie-ups between private firms for exchange of best practices in early childhood and K-12 education. A few States in India, Kerala & Karnataka, are collaborating with Finland to adopt the best practices in early childhood education. There is an MoU between a Consortium of ten Finnish Universities and twenty-three Indian Institutes of Technology (IITs) for the period 2020-2025 for cooperation in higher education sector. Finland is also emerging as a favourable destination for vocational and higher education for Indian students.
- Finland is a leader in 5G/6G technology and Nokia is a world leader in providing the associated infrastructure. Top Indian IT companies are looking to collaborate in this sector. During the 4<sup>th</sup> Joint Committee meeting on S&T, 5G was identified as one of the three areas for future collaboration between India and Finland. Wipro Limited, signed an MoU with the University of Oulu, Finland, to collaborate in wireless communications in 5G/6G. University's 6G flagship program, is the world's first major 6G research program which also supports industry in identifying new 5G-enabled business opportunities. Together, Wipro and Oulu University will create technology pilots to address industry and customer requirements.
- There are successful partnerships between Finnish Meteorological Institute (FMI), India Meteorological Department (IMD) and The Energy and Resources Institute (TERI) in air quality including capacity building. The Ministries of Environment of India and Finland signed an MoU for Cooperation in November 2020.
- A life size statue of Mahatma Gandhi gifted by ICCR to Government of Finland was unveiled by EAM and Foreign Minister Pekka Haavisto on 20 September 2019 to mark Gandhi's 150th anniversary.

*Source:* [www.mea.gov.in](http://www.mea.gov.in)