

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

Dated : 10/01/2024

India-Finland Bilateral Relations

A. Introduction

1. 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.

2. There are around 15,469 (end of 2020) persons of Indian origin (7231 NRIs and 8232 OCIs) in Finland primarily residing 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

3. As a trading country partner of India, Finland belonging to EU falls under Region 16 as for Trade Classifications and as per latest compiled and available statistics with DGCI&S, India's exports to Finland during April'23-January'24 have been recorded at INR 398385 lakhs and India's imports from Finland during the same reference period stands at INR 648557 lakhs with a resultant trade balance deficit of INR 250172 lakhs.

4. 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 2018-19 to 2022-23 are as under:

**The Export-Import statistics as per India's Ministry of Commerce data bank
from 2018-19 to 2022-23 are as follows :**

		(US Dollar Million)				
S.No		2018-19	2019-20	2020-21	2021-22	2022-23
1.	Export	256.42	268.72	284.85	344.46	532.64
2.	Import	1124.80	625.65	713.20	876.28	1491.62
3.	Total Trade	1381.22	894.37	998.05	1220.74	2024.26

(Source: Doc, Ministry of Commerce & Industry)

5. Total exports from India to Finland was recorded at US \$ 344.46 million in 2021-22 which is a substantial leap from 2020-21 level of US \$ 284.85 million and the trend continued with exports increasing to US \$ 532.64 million in 2022-23. The main exports from India to Finland includes Medicinal & Pharmaceutical products, Articles of apparel and clothing accessories, Textile yarn, fabrics, made up articles, manufactures of metals

and Electric machinery & parts.

6. Total imports from Finland during the period under review experienced a major fall in 2019-20 and has gradually bounced back to US\$ 1491.62 million in 2022-23. The main imports from Finland to India includes Machinery for special industries, Electric machinery and parts, Paper, paper board and articles thereof, Metalliferous ores and metal scrap and General industrial machinery etc.

7. Finland ranks 37th in terms of country-wise FDI Equity Inflows into India. Total FDI Inflows from Finland till June 2021 are US\$ 518.25 million. Percentage share of total FDI Inflows is 0.09%. Investment flows from India to Finland have started, including through acquisitions and have crossed one billion US\$ mark.

C. Other Major Areas of Co-operation:

- India and Finland have signed multiple Agreements/MoUs covering areas such as Education, R&D, Tourism, Defence Production, Environment, Cooperation in Geology/Mining. The two nations also have successful partnerships in the domain of meteorology, environment & climate change.
- 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 4th Joint Committee meeting on S&T, 5G was identified as one of the three areas for future collaboration between India and Finland.

Source: [Prepared based on MEA's August, 2023 Report.](#)