Transnational business between Latvia and Finland.

Silver Enterpreneurs

22.05.2024

Co–operation between countries

BUSINESS FINLAND

Investment and Development Agency of Latvia

team FINLAND

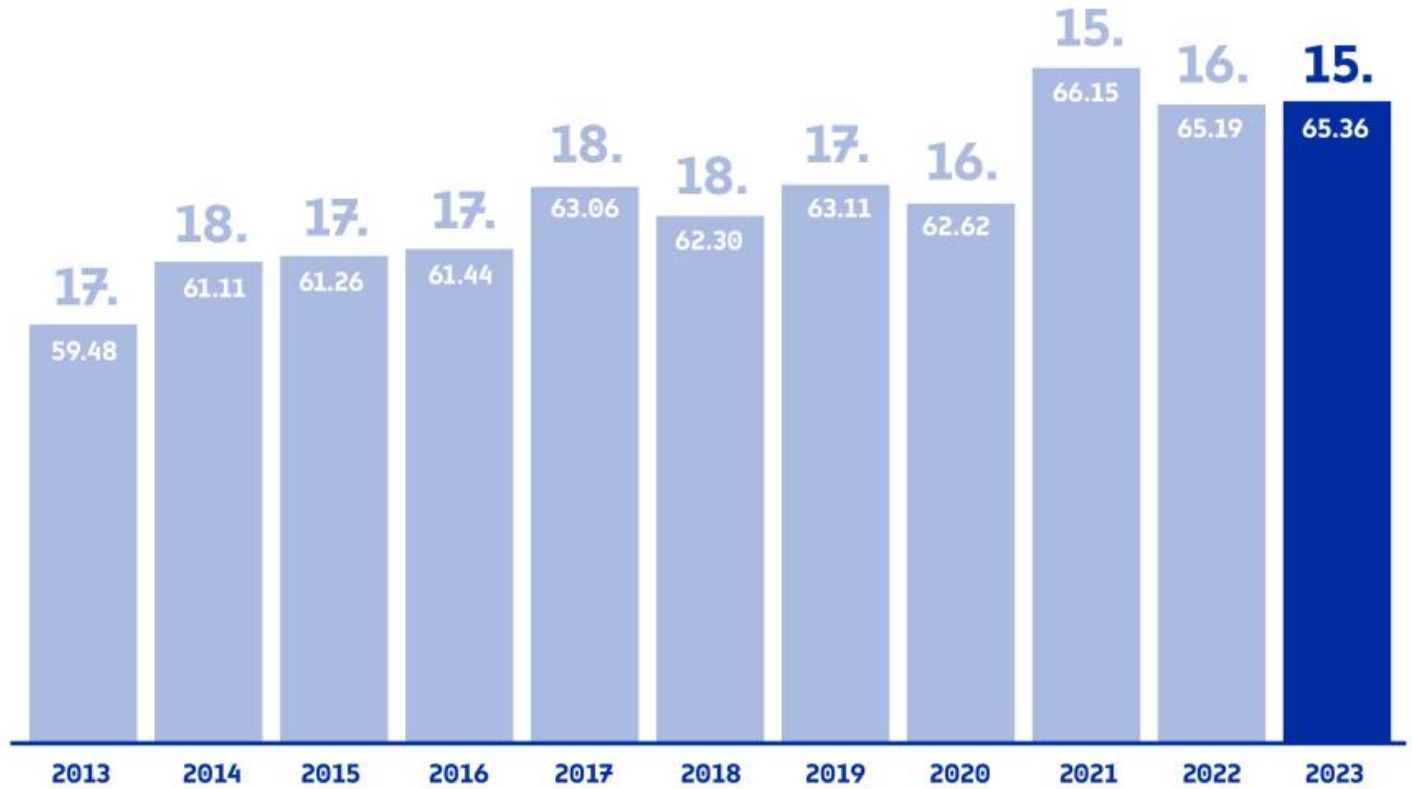
HOW THE WORLD VIEWS FINLAND 2024

The image of Finland in research and the media

Finland has risen from 18th to 15th place in the principal survey of country image over the last decade. Last year, Finland gained ground in particular as a place to live and visit.

SUOMI
FINLAND

The image of Finland: Progress 2013–2023



Ranking and score of Finland in the principal survey of country image 2013–2023
Source: Anholt-Ipsos Nation Brands Index

The image of Finland has brightened in recent years

- As in surveys conducted in previous years, Finland is especially esteemed for **equality and environmental** protection.
- Finland also ranks among the top ten countries for indicators related to **fair treatment of citizens**, **competence and honesty in governance**, **global peace and security**, **quality of life** and **global poverty reduction**.
- The most favourable change compared to the previous year has occurred in impressions related to **living and working** in Finland.
- Finland also shows above-average improvement in **tourism** indicators.

SUOMI
FINLAND

Latvia's economic cooperation with Finland

SUMMARY OF FOREIGN TRADE AND INVESTMENT

Latvia / Country		2022 million EUR	2023 million EUR	CHANGES, %	PROPORTION, %	Place
Common	Export	1177.9	883.7	-25	3.3	9
	Import	1054.9	1051.5	-0.3	3.7	6
	Turnover	2232.8	1935.2	-13	3.5	8
Goods	Export	1008.9	691.7	-31	3.7	9
	Import	910.9	925.5	2	4.0	6
Services	Export	169	192	14	2.6	13
	Import	144	126	-13	2.4	10
Direct Investment (DI) and investment	in Latvia	429	418	-3	1.7	12
	in the share capital of Latvian companies	211.0	214.1	298 companies		12
	of Latvia	9	17	89	0.3	28

- **In 2023,** Latvia's total **trade turnover of goods and services** with Finland was **EUR 1.94 billion,** which ranked Finland 8th among Latvia's foreign trade partners. **The total export of goods and services** to Finland was **883.7 million. EUR,** which makes up 3.3% of Latvia's total export, while **the import of goods and services – 1.05 milliards EUR,** which makes up 3.7% of Latvia's imports. Compared to 2022, exports have decreased by 25%, imports have decreased by 0.3%. In 2023, Finland was Latvia's **9th most important export** and **6th most important import** partner. **The trade balance** with Finland was **negative (-167.8 million EUR).**
- **In 2023,** Latvia's **export of goods** to Finland was **EUR 691.7,** which is 31% less than in 2022, while import **of goods from Finland** was **EUR 925.5 million. EUR,** increasing by 2% compared to the previous year.
- **In 2023,** Latvia's **export of services** to Finland was **192 million. EUR,** growing by 14%, while **import of services – 126 million. EUR,** which decreased by 13% compared to 2022.
- **At the end of 2023, Finland's accumulated direct investments** in Latvia were **418 million. EUR,** while **Latvia's accumulated direct investments** in Finland were **17 million. EUR.**
- **At the end of 2023** Finland ranks **12th** in terms of **foreign investments in the share capital of companies registered in Latvia** with a total investment amount **of 214.1 million. EUR** and **298** for companies.

In 2023, Finland was Latvia's 9th largest goods export and 6th largest goods import partner. In 2023, Latvia's **export of goods** to Finland was **691.7 million. EUR,** which is by 31% or 317.2 million. EUR less than in 2022, but **the import of goods** from Finland – **925.5 million. EUR,** which increased by 2% compared to the previous year. In 2023, Latvia's **foreign trade balance** with Finland was **negative (-233.8 million EUR).** In 2023, the export of goods to Finland made up **3.7%** of the total export of goods of Latvia, while the import - **4.0%** of the total import of goods.

The most important export goods of Latvia to Finland are mineral products and wood products. Finland imports the most mineral products, machines, equipment and electrical goods, vehicles.

EXPORT OF GOODS BY PRODUCT GROUP (THOUSAND EUR)

Source: Central Statistical Office

Product group	2019	2020	2021	2022	2023*	Changes (%)
Mineral products	17416	42783	78590	574619	203149	-65
Wood and its products	84368	81209	90561	150017	158823	6
Machines, mechanisms; electrical equipment	22299	24156	26791	31830	61829	94
Metals and their products	62698	62350	80067	77076	54048	-30
Production of the chemical industry	7814	26951	10311	25734	45571	77
Products of the plant kingdom	29205	16640	26392	30048	36723	22
Food industry products	20636	21005	20714	24169	32337	34
Vehicles	11797	13970	17728	16498	17641	7
Plastic and rubber products	11736	13239	12061	15431	16553	7
Paper products	12695	12341	14554	17392	16104	-7
Textiles	13230	14289	13282	13533	14803	9
Animals and livestock products	5165	6876	7879	11051	12436	13
Various industrial goods	6971	6944	7662	8294	9170	11
Optical devices and apparatus	1672	1923	2685	2833	4858	72
Building materials	7135	6516	6276	8181	4116	-50
Shoes, headgear and other items	1570	1863	1503	1945	2941	51
Precious stones and precious metals	24	1	1	1	411	42442
Leather products	1784	470	411	165	113	-32
Other goods	191	121	79	66	50	-23
Weapons and ammunition	19	0	36	30	29	-2
Fats and oils	39	222	31	20	24	21
IN TOTAL	**318464**	**353868**	**417615**	**1008933**	**691732**	**-31**

The most important goods in Latvia's export to Finland in 2023 (KN in 8 characters)

Source: Central Statistical Office

Product Name	million EUR	% of exports
Natural gas in gaseous state	172	24.9
Other rapeseed or rapeseed, whether or not split, low in erucic acid, yielding a fixed oil	31	4.5
Other portland cement	30	4.3
Monoalkyl esters of fatty acids containing =>96.5% by weight of esters (FAMAE)	28	4.0
Other softwood chips or shavings	27	3.9
Other unworked birch (Betula spp.) wood, whether or not without bark or sapwood, or four-sided sawdust, of a minimum cross-section of => 15 cm	23	3.4
Telephones for cellular networks (mobile phones) or other wireless networks	18	2.6
Plywood of wood sheets, each layer <= 6 mm thick, with at least one outer layer of birch (Betula spp.)	14	2.0
Other metal structures of iron or steel and parts thereof	13	1.9
Other chipboard, whether or not agglomerated with resins or other organic binders, covered with paper impregnated with melamine resin	12	1.7

In 2023, Finland was Latvia's 13th largest service export and 10th largest service import partner. Latvia's **export of services** to Finland was **192 million. EUR** , which **increased by 14%** , while **the import of services – 126 million. EUR** , which decreased **by 13%** compared to 2022. The export of services to Finland constitutes 2.6% of the total export of services of Latvia, while the import of services from Finland was 2.4% of the total import of services.

SERVICES BY TYPE OF SERVICE (MILLION EUR)

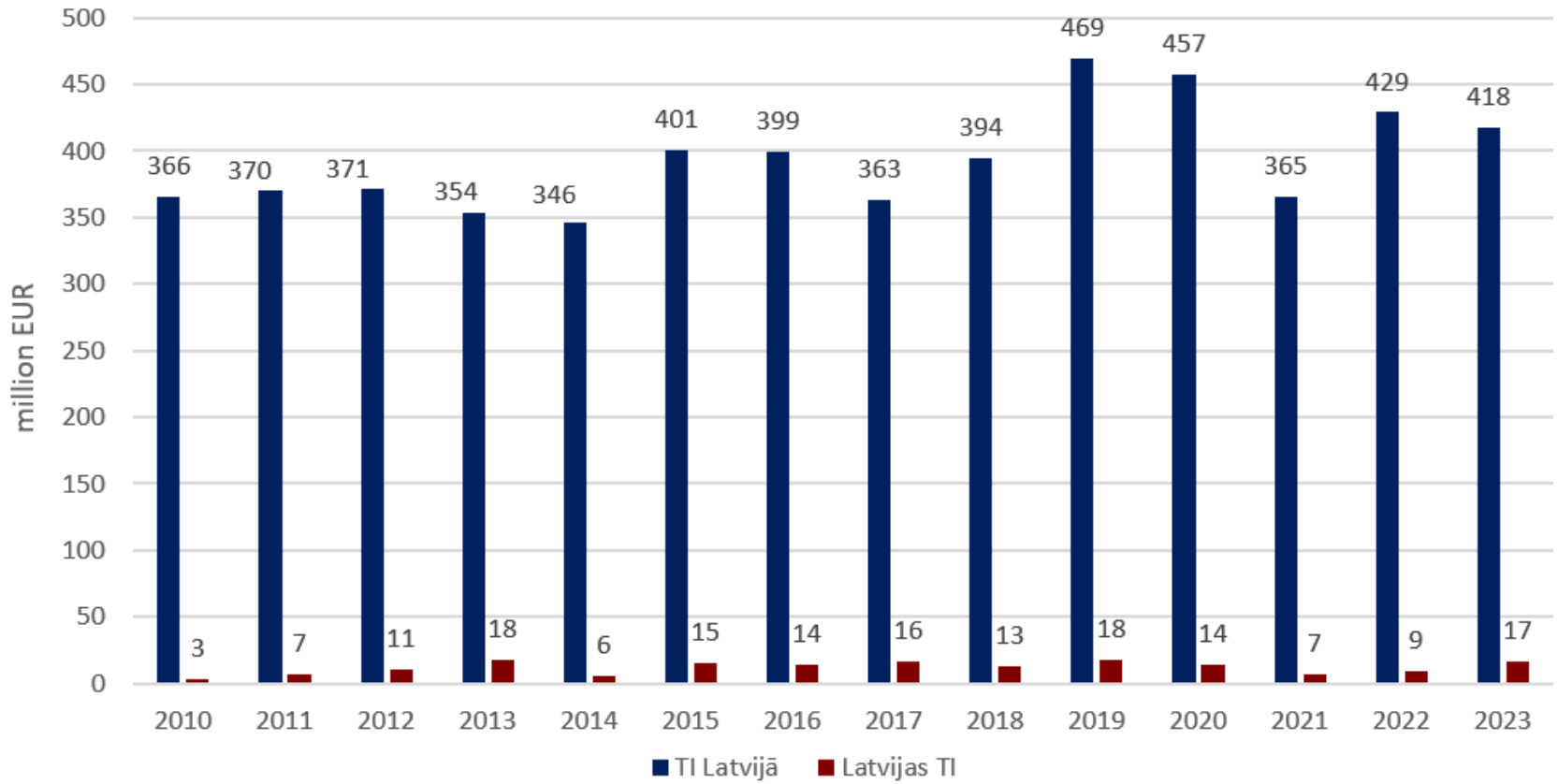
Source: Bank of Latvia

Type of services	Export			Import		
	2021	2022	2023	2021	2022	2023
Transportation services	22	47	50	26	44	46
Tourism	22	56	70	22	31	29
Other services	71	66	72	64	69	51
In total	**115**	**169**	**192**	**112**	**144**	**126**

INVESTMENTS

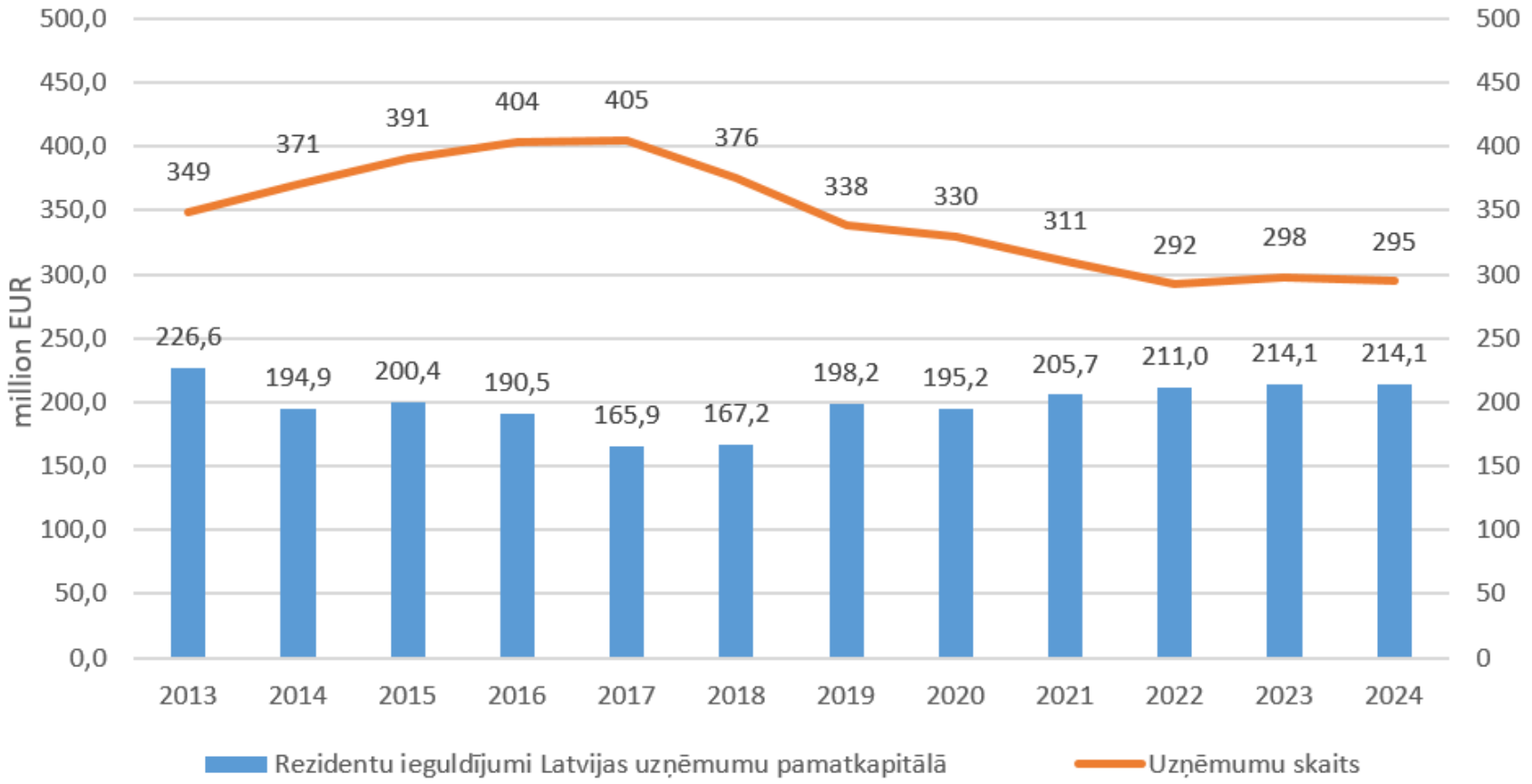
ACCUMULATED DIRECT INVESTMENT (DI) OF FINLAND – LATVIA BY YEAR (MILLION EUR)

Source: Bank of Latvia



INVESTMENTS BY FINNISH INVESTORS IN THE SHARE CAPITAL OF LATVIAN COMPANIES (MILLION EUR)

Source: Lursoft (Data updated on 07.03.2024)



<u>on March 7, 2024</u> Finland ranks 13th in terms of foreign investments in the share capital of companies registered in Latvia with a total investment **of 214.1 million. EUR** and **295** for companies.

Biggest investors are YIT, Nasdaq nordic, Hesburger, Fazer, Olvi, Linde Gas etc.

- Latvians respect quality of Finnish product
- Finland and Finns are often pointed as example
- Great transport connections: 8 HEL, 1 TKU, 1TMP
- Again growing tourism between both countries
- Around 300 active Finnish companies

team FINLAND

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Finnish companies in Latvia.

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