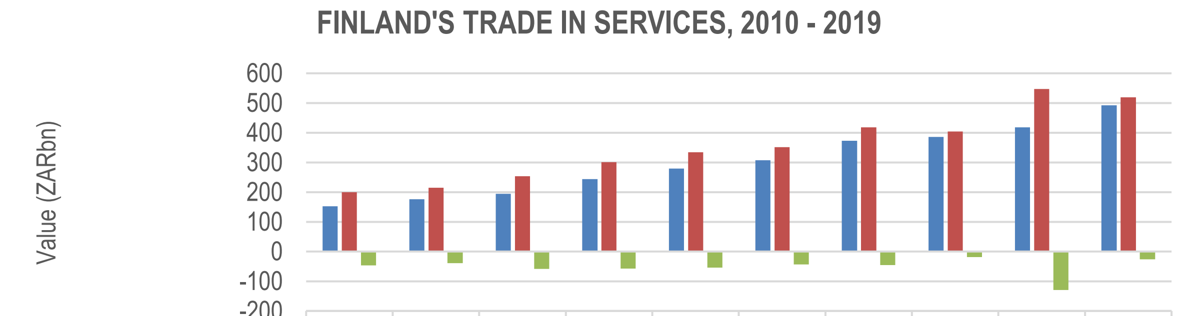
Finland Trade and Investment May 2021

1. Trade

1.1 Finland's Trade in Services

The graph below shows Finland's trade of services from 2010 to 2019. Finland imports of services have been greater than its exports. Finland is therefore a net importer of services and has maintained a trade deficit for the period shown below.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Exports (ZARbn)	152.2	176.26	194.77	243.47	279.32	307.27	373	385.27	418.21	492.83
Total Imports (ZARbn)	199.23	214.92	253.18	301.09	333.87	351.03	418.5	403.91	547.66	519.14
Trade balance (ZARbn)	-47.03	-38.66	-58.41	-57.62	-54.55	-43.76	-45.5	-18.64	-129.45	-26.31

Source: TradeMap, 2021

The table below shows Finland's global trade in services in 2019. Commercial services were the largest service export valued at ZAR490.91bn, followed by telecommunications, computer and information services valued at ZAR172.95bn, and other business services valued at ZAR98.08bn.

Likewise, commercial services were the largest import service into Finland valued at ZAR518.56bn. Imports of other business services (ZAR188.02bn), and transport services (ZAR95.69bn) were the second and third largest imports, respectively.

TOP 10 SERVICES EXPORTED BY FINLAND, 2019			TOP 10 SERVICES IMPORTED BY FINLAND, 2019		
Code	**Service label**	**Value in 2019 (ZARbn)**	**Code**	**Service label**	**Value in 2019 (ZARbn)**
SOX	Memo item: Commercial services	490.91	SOX	Memo item: Commercial services	518.56
9	Telecommunications, computer, and information services	172.95	10	Other business services	188.02
10	Other business services	98.08	3	Transport	95.69
3	Transport	71.42	4	Travel	82.09
4	Travel	51.69	9	Telecommunications, computer, and information services	68.13
8	Charges for the use of intellectual property n.i.e.	51.35	1	Manufacturing services on physical inputs owned by others	24.72

1	Manufacturing services on physical inputs owned by others	24.11	7	Financial services	17.86
2	Maintenance and repair services n.i.e.	6.00	8	Charges for the use of intellectual property n.i.e.	16.34
7	Financial services	5.25	11	Personal, cultural, and recreational services	9.56
5	Construction	4.15	5	Construction	6.25
TOTAL EXPORTS (SERVICES)		492.83	**TOTAL IMPORTS (SERVICES)**		519.14

Source: Trademap, 2021

1.2 Finland's Global Trade in Products

The graph below shows that Finland has not reported a surplus in products traded since 2010. Although total trade rose consistently over the period reviewed, the country recorded a trade deficit of ZAR36.43bn in 2011, with this shortfall narrowing to ZAR12.71bn by 2019. Total exports increased by 76.14% over the period, from ZAR511.01bn in 2010 to ZAR1051.30bn in 2019. Similarly, imports increased by 70.97% over the period analysed, from a cost of ZAR 501.17bn incurred in 2010, to ZAR1064.01bn by 2019.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Exports (ZARbn)	511.01	566.58	596.84	714.89	804.83	757	840.15	895.09	990.97	1051.3
Total Imports (ZARbn)	501.17	603.01	622.31	745.06	831.19	763.24	886.69	932.61	1031.6	1064.01
Trade Balance (ZARbn)	9.84	-36.43	-25.47	-30.17	-26.36	-6.24	-46.54	-37.52	-40.63	-12.71

Source: TradeMap, 2021

Germany is the leading export market for Finland, followed closely by Sweden, with the United States in third position. The German export market was valued at ZAR150.70bn in 2019, with a growth rate of 10.18% over the five-year period from 2015 to 2019, with the country holding a 14.33% share of total exports from Finland in 2019. Total exports to the Swedish market were valued at 107.86bn with a 4.58% growth over the five-year period, and 10.26% export share in 2019, while total exports to the United States was valued at ZAR75.05bn with an average annual growth rate of 7.64% over the five0-year period, and accounting for a 7.14% of total Finland exports in 2019. Moreover, for the five-year period from 2015 to 2019, Italy showed the highest growth at 17.30%, followed by growth in Germany (10.18%) and China (9.33%). In 2019, South Africa was Finland's 32nd largest export market valued at ZAR4.96bn.

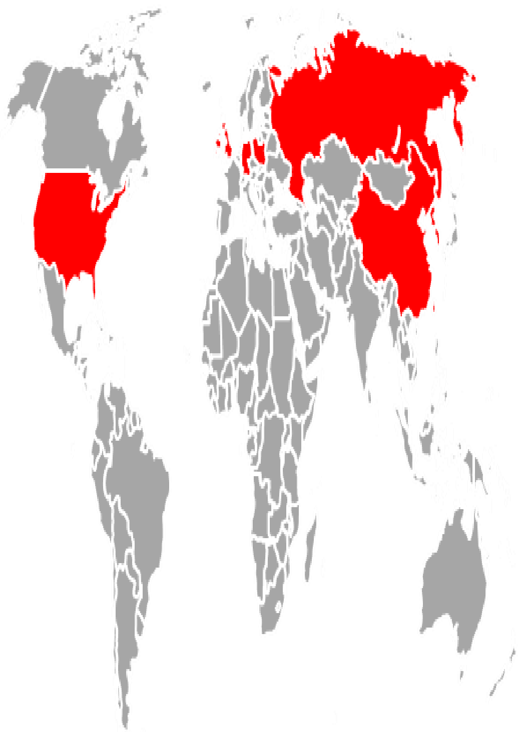
TOP 10 MARKETS FOR FINLAND EXPORT GOODS, 2019				
RANK	COUNTRY	Value (ZARbn), 2019	% Growth, 2015 - 2019	% Share in 2019
1	Germany	150.70	10.18%	14.33%
2	Sweden	107.86	4.58%	10.26%
3	United States of America	75.05	7.64%	7.14%
4	Netherlands	62.60	5.84%	5.95%
5	Russian Federation	57.97	-0.75%	5.51%
6	China	55.46	9.33%	5.28%
7	United Kingdom	41.53	0.39%	3.95%
8	Italy	37.41	17.30%	3.56%
9	Belgium	32.48	6.96%	3.09%
10	France	30.63	7.82%	2.91%
TOTAL EXPORTS		1051.30	5.68%	100%

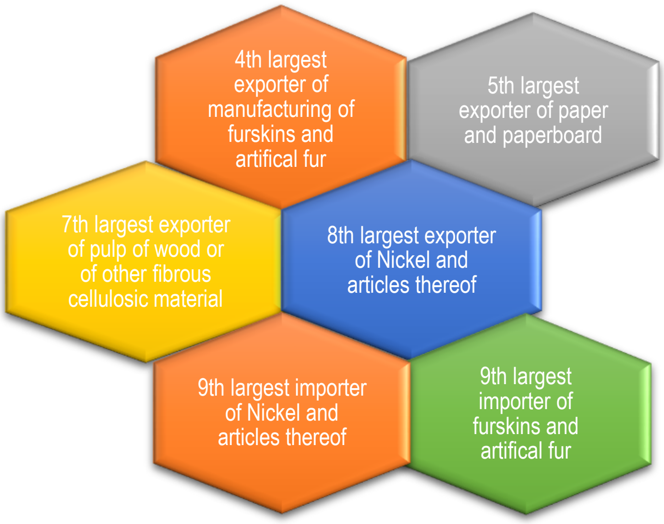
Source: Trademap, 2021

Germany imported ZAR164.85bn worth of goods from Finland in 2019 and it is ranked as the top source market for Finland with a 15.49% share of Finnish imports. Second with a market share of 13.57% was Russia, followed by Sweden in third position with a 11.06% share of all products imported into Finland in 2019.
South Africa was Finland's 41st largest import market in 2019 valued at ZAR2.41bn.

TOP 10 MARKETS FOR FINLAND IMPORT GOODS, 2019				
RANK	COUNTRY	Value (ZARbn), 2019	% Growth, 2015 - 2019	% Share in 2019
1	Germany	164.85	8.47%	15.49%
2	Russia	144.43	5.58%	13.57%
3	Sweden	117.70	5.01%	11.06%
4	Netherlands	47.43	2.36%	4.46%
5	China	79.30	8.28%	7.45%
6	Denmark	25.48	-1.33%	2.40%
7	Estonia	32.15	8.19%	3.02%
8	Belgium	22.17	6.19%	2.08%
9	France	34.03	6.02%	3.20%
10	Poland	30.19	10.47%	2.84%
TOTAL IMPORTS		1064.01	5.39%	100%

Source: Trademap, 2021





- Finland's imports represented 0.4% of world imports in 2019, ranking it 44th in world imports.
- Finland's exports represented 0.4% of world exports in 2019, ranking it 42nd in world exports.

**The above analysis was done on HS: 2 level*

Source: Trademap, 2021

The top Finnish export products are shown below, indicating that refined petroleum oils were the top export product valued at ZAR84.63bn in 2019, followed by paper and paperboard valued at ZAR62.84bn. Motor cars and motor vehicles principally for the transport of persons were ranked third in 2019, reaching a value of ZAR49.08bn.

Furthermore, crude oil was largest Finnish import product in 2019, at a cost of ZAR83.75bn, followed by motor cars and motor vehicles principally for the transport of persons at ZAR46.78bn. Refined petroleum oils ranked third, valued at ZAR40.07bn. For the period 2015 to 2019, cruise ships, ferry boats, cargo ships and similar vessels showed the highest growth in exports, while nickel and articles thereof showed the highest growth in imports for the same period under review.

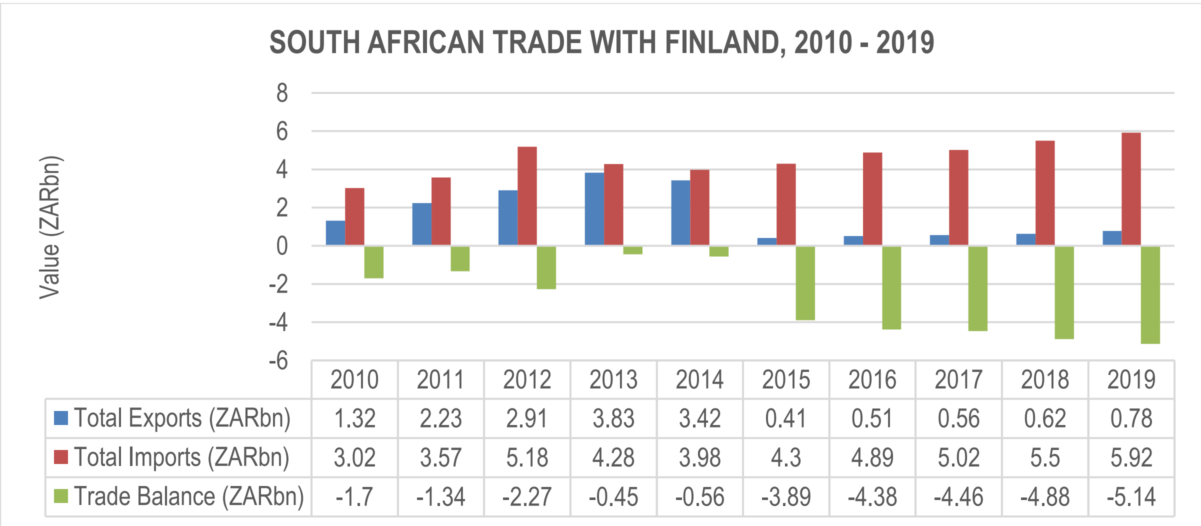
TOP EXPORTS FROM FINLAND, 2019					TOP IMPORTS FROM FINLAND, 2019				
RANK	PRODUCT: HS4	Value (ZARm), 2019	% Growth, 2015 - 2019	% Share in 2019	RANK	PRODUCT: HS4	Value (ZARbn), 2019	% Growth, 2015 - 2019	% Share in 2019
1	Petroleum oils and oils obtained from bituminous minerals (excluding crude)	84.63	3.91%	8.05%	1	Petroleum oils and oils obtained from bituminous minerals, crude	83.75	2.39%	7.87%
2	Paper and paperboard, coated on one or both sides with kaolin "China clay" or other inorganic	62.84	2.85%	5.98%	2	Motor cars and other motor vehicles principally designed for the transport of persons	46.78	10.56%	4.40%
3	Motor cars and other motor vehicles principally designed for the transport of persons.	49.08	31.71%	4.67%	3	Petroleum oils and oils obtained from bituminous minerals	40.07	-1.24%	3.77%
4	Flat-rolled products of stainless steel, of a width of >= 600 mm, hot-rolled or cold-rolled	34.37	2.64%	3.27%	4	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	29.03	21.27%	2.73%
5	Chemical wood pulp, soda, or sulphate (excluding dissolving grades)	35.12	12.46%	3.34%	5	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	22.61	2.48%	2.12%
6	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed	27.95	5.11%	2.66%	6	Telephone sets, incl. telephones for cellular networks or for other wireless networks	21.38	7.18%	2.01%

7	Instruments and appliances used in medical, surgical, dental, or veterinary sciences	21.30	8.30%	2.03%	7	Automatic data-processing machines and units thereof; magnetic or optical readers	20.37	8.19%	1.91%
8	Cruise ships, excursion boats, ferryboats, cargo ships, barges, and similar vessels	26.37	47.49%	2.51%	8	Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy	13.00	53.21%	1.22%
9	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper	12.79	17.87%	1.22%	9	Copper ores and concentrates	9.94	4.16%	0.93%
10	Electrical transformers, static converters, e.g., rectifiers, and inductors; parts thereof	15.54	1.86%	1.48%	10	Motor vehicles for the transport of goods, incl. chassis with engine and cab	12.81	14.55%	1.20%
TOTAL EXPORTS		**1051.30**	**5.68%**	**100.00%**	**TOTAL IMPORTS**		**1064.01**	**5.39%**	**100.00%**

Source: Trademap, 2021

1.3 South Africa's Trade with Finland

Trade between the two nations has been skewed towards Finland for the past ten years with Finnish imports by South African companies outpacing local exports throughout the period analysed. Accordingly, South Africa recorded a trade deficit with Finland throughout the period analysed, as represented below.



Source: Quantec, 2021

The leading export product to Finland from South in 2019 Africa were motor vehicles principally designed for the transport of goods (ZAR194.22m). Exports of this good accounted for 24.86% of all South African exports to Finland. Flat-rolled products of stainless steel were the second largest export (ZAR117.24m), followed by wine of fresh grapes (ZAR106.19m). In the period 2015 to 2019, flat-rolled products of stainless steel experienced the highest average annual export growth of 831.58% over the period.

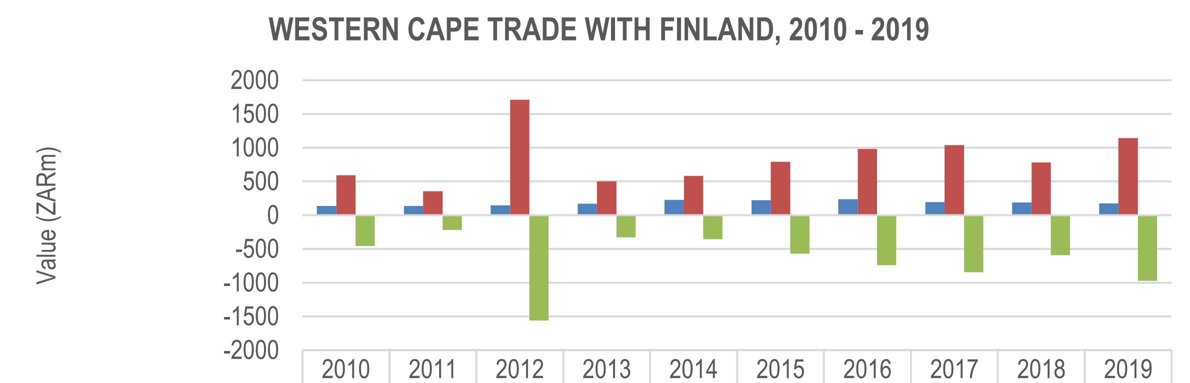
The leading import products into South Africa from Finland were refined petroleum oils valued at ZAR729.14m and accounting for 12.31% of total imports from Finland in 2019. Paper and paperboard were the second largest import product in 2019, valued at ZAR541.57. Moreover, refined petroleum oils experienced the highest average growth over the period, growing at an average annual rate of 5,577.49% from 2015 to 2019.

TOP 10 EXPORTS FROM SA TO FINLAND, 2019					TOP IMPORTS TO SA FROM FINLAND, 2019				
RANK	**PRODUCT: HS4**	**Value (ZARm), 2019**	**% Growth, 2015 - 2019**	**% Share in 2019**	**RANK**	**PRODUCT: HS4**	**Value (ZARm), 2019**	**% Growth, 2015 - 2019**	**% Share in 2019**
1	Motor vehicles for the transport of goods	194.22	72.22%	24.86%	1	Petroleum oils and oils obtained from bituminous minerals, other than crude	729.14	5577.49%	12.31%
2	Flat-rolled products of stainless steel, of a width of 600 mm or more	117.24	831.58%	15.01%	2	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder	541.57	1.30%	9.14%
3	Wine of fresh grapes	106.19	-3.75%	13.59%	3	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snowploughs and snow- blowers	411.88	19.32%	6.95%
4	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases	69.00	701.11%	8.83%	4	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and non-perforated punch- cards and punch tape paper, in rolls or rectangular (including square) sheets	345.30	6.14%	5.83%
5	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs	49.51	#DIV/0!	6.34%	5	Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms	319.02	34.72%	5.39%
6	Citrus fruit, fresh or dried	38.10	9.90%	4.88%	6	Uncoated kraft paper and paperboard, in rolls or sheets	193.91	41.21%	3.27%
7	Grapes, fresh or dried	32.04	20.83%	4.10%	7	Parts suitable for use solely or principally with the machinery	190.12	2.28%	3.21%
8	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower; chicory plants and roots other than roots of heading 12.12	21.01	6.22%	2.69%	8	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface-coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets	166.94	2.41%	2.82%
9	Ferro-alloys	20.57	202.13%	2.63%	9	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network	162.55	798.32%	2.74%
10	Chromium ores and concentrates	11.71	43.81%	1.50%	10	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard	161.04	60.99%	2.72%
TOTAL EXPORTS		**781.22**	**-3.72%**	**100.00%**	**TOTAL IMPORTS**		**5923.09**	**8.33%**	**100.00%**

Source: Quantec, 2021

1.4 Western Cape's Trade with Finland

For the period 2010 to 2019, the Western Cape recorded a trade deficit with Finland. The highest trade deficit recorded was in 2012 at a value of USD1563.34bn. In 2013, the trade deficit narrowed dramatically in line with a steep drop in imports, before steadily widening thereafter to a shortfall of ZAR971.16m in 2019.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Exports (ZARm)	137.56	135.97	145.96	172.04	226.56	222.70	238.06	194.80	187.88	172.55
Total Imports (ZARm)	592.12	355.08	1709.30	501.50	582.58	791.59	980.29	1038.95	781.72	1143.71
Trade Balance (ZARm)	-454.56	-219.11	-1563.34	-329.46	-356.02	-568.89	-742.23	-844.15	-593.84	-971.16

Source: Quantec; 2021

The table below shows the top 10 traded products between the Western Cape and Finland. Wine of fresh grapes were the Western Cape's largest export in 2019 accounting for 49.20% of the province's exports (valued at ZAR84.89m). In second position was citrus fruit valued at ZAR26.22m accounting for 15.20% of exports in 2019. In third position was grapes valued at ZAR25.15m in 2019. Apples, pears and quinces has shown the highest export growth (124.41%) of the top 10 products for the 2015 to 2019 period.

Refined oils and oils obtained from bituminous minerals (ZAR389.69m) was the largest import from Finland in 2019. Uncoated paper and paperboard (ZAR226.38m), and flat-rolled products of stainless steel (ZAR149.24m) ranked second and third, respectively. The import of uncoated kraft paper and paperboard from Finland recorded the highest average growth for the period 2015 to 2019 of 275.82% per annum.

TOP 10 EXPORTS FROM WC TO FINLAND, 2019					TOP IMPORTS TO WC FROM FINLAND, 2019				
RANK	PRODUCT: HS4	Value (ZARm), 2019	% Growth, 2015 - 2019	% Share in 2019	RANK	PRODUCT: HS4	Value (ZARm), 2019	% Growth, 2015 - 2019	% Share in 2019
1	Wine of fresh grapes, including fortified wines	84.89	-7.65%	49.20%	1	Petroleum oils and oils obtained from bituminous minerals, other than crude	389.69	-	34.07%
2	Citrus fruit, fresh or dried	26.22	1.50%	15.20%	2	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and non perforated punch- cards and punch tape paper, in rolls or rectangular (including square) sheets	226.38	5.62%	19.79%
3	Grapes, fresh or dried	25.15	15.68%	14.57%	3	Flat-rolled products of stainless steel, of a width of 600 mm or more	149.24	18.43%	13.05%
4	Discs, tapes, solid-state non-volatile storage devices, smart cards and other media for the recording of sound or of other phenomena, whether or not recorded, including	7.96	-	4.61%	4	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface-decorated or printed, in rolls or rectangular	102.60	-1.16%	8.97%

	matrices and masters for the production of discs								
5	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics	7.31	-12.47%	4.24%	5	Newsprint, in rolls or sheets	63.07	#DIV/0!	5.51%
6	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations	6.80	5.91%	3.94%	6	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	50.83	#DIV/0!	4.44%
7	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other spirituous beverages	3.02	-0.75%	1.75%	7	Uncoated kraft paper and paperboard, in rolls or sheets	42.25	275.82%	3.69%
8	Apples, pears and quinces, fresh	1.92	124.41%	1.11%	8	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof	19.18	17.15%	1.68%
9	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety Cichorium intybus sativum)	1.76	-	1.02%	9	Parts suitable for use solely or principally with machines	14.60	#DIV/0!	1.28%
10	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers	1.56	-	0.91%	10	Enzymes; prepared enzymes	13.25	8.02%	1.16%
TOTAL EXPORTS		**172.55**	**-4.94%**	**100.00%**	**TOTAL IMPORTS**		**1143.71**	**17.45%**	**100.00%**

Source: Quantec, 2021

1.5 Trade regulations, Customs and Standards

Import Requirements and Documentation

- The official model for written declarations to customs is the Single Administrative Document (SAD).
- The SAD describes goods and their movement around the world and is essential for trade outside the EU, or of non-EU goods.

- Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed.
- Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The Summary Declaration is filed by the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry or the person in whose name the person referred to above acted.
- The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.
- Since July 1, 2009, all companies established outside of the EU are required to have an EORI number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. An EORI number must be formally requested from the customs of the specific member state to which the company exports.
- Member state custom authorities may request additional documents to be submitted alongside a formal request for an EORI number.
- Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number. Once an operator holds an EORI number s/he can request the Authorized Economic Operator status, which can give quicker access to certain simplified customs procedures.
- Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.
- Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country.
- This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research).
- According to a European Commission memo published in December 2012, around 98 percent of food legislation is harmonized at the EU level.
- The Belgian Food and Drugs Law is called “de Wet betreffende de bescherming van de gezondheid van de gebruikers op het stuk van de voedingsmiddelen en andere produkten / Loi relative à la protection de la santé des consommateurs en ce qui concerne les denrées alimentaires et les autres produits”. This law from 1977 provides the Belgian regulatory framework for all food products. It applies to domestically produced and imported food and other products including tobacco and cosmetic products. The main objective of this law is (1) health protection, (2) product safety, (3) ensuring that consumers have adequate and correct information and (4) promotion of fair trade.

Labelling and Marking Requirements

- The first step in investigating the marking, labelling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary.
- It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors and end-users with information concerning safety, health, energy efficiency and/or environmental issues relating to a product.
- Labels, on the other hand, appear in the form of written text or numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).
- Some of the mandatory marks and labels that are required are with respect to: textiles; cosmetics; dangerous substances; explosive atmosphere; electrical & electronic equipment; household appliances; pricing; footwear; units of measurement; automotive; tyre labelling; maritime; materials in contact with food; noise emissions; wood packaging and energy efficiency.
- The most widely used and recognized marking required by the EU is the CE marking. Found in all “New Approach” legislation with a few exceptions, the CE marking demonstrates that a product meets all essential requirements

(typically related to safety, health, energy efficiency and/or environmental concerns). CE marking is required for the some of the following products/product families: gas appliances; lifts; hot water boilers; machinery etc.

Prohibited and Restricted Imports

- Endangered species, some live animals and plants, as well as derived products may belong to endangered species. Those are protected by the CITES convention and subsequent European legislation (e.g., a parrot, or a wooden figure made out of Dalbergia nigra).
- The importer, when ordering online sensitive products should first be aware of these restrictions, so that required permits and/or notifications are issued before the product arrives.
- Dangerous chemicals - **s**ome dangerous chemicals are also strictly prohibited or restricted. Some examples are mercury thermometers, pesticide DDT, pre-charged air conditioners containing HCFCs.
- Counterfeit or pirated goods - If customs officers suspect that goods bought on Internet and imported from third countries infringe an intellectual property right, they may detain the goods and inform the declarant or holder of the goods as well as the holder of an intellectual property right. The latter may decide to bring the case to the court.

1.6 Trade Agreements

The EU and South Africa signed a Trade, Development and Co-operation Agreement (TDCA) in October 1999. It aims to encourage the expansion and liberalisation of trade, and increased co-operation. Under TDCA, the EU provides duty-free access for about 99% of South African industrial products and around 75% of its agricultural products. The Agreement also contains provisions on services, government procurement, intellectual property, and competition policies.

South Africa also signed an Economic Partnership Agreement with the European Union in 2014 together with other SACU member states as well as Mozambique and Angola. The benefits included improved market access for 32 agricultural products, with a significant improvement in access to the EU market for wine (110-million litres duty-free), sugar (150,000 tons duty-free) and ethanol (80,000 tons duty-free). There was also improved access to EU markets for South African exports of flowers, dairy, and fruit products. Geographic indicator status has also been given to rooibos, honey bush, Karoo lamb and certain wines.

In terms of trade, South Africa has been offered unilateral preferences under the GSP (Generalised System of Preferences) arrangements of the WTO. These preferential market access provisions apply to specified industrial and agricultural products (DTI, 2017).

1.7 Tariffs

Tariffs imposed by Belgium on South African exports are listed below.

TARIFFS ON SOUTH AFRICAN EXPORTS TO FINLAND		
Product Code	Product Label	Equivalent ad valorem tariff faced by South Africa (%)
'17	Sugars and sugar confectionery	29
'02	Meat and edible meat offal	15
'11	Products of the milling industry; malt; starches; inulin; wheat gluten	10
'01	Live animals	9
'20	Preparations of vegetables, fruit, nuts or other parts of plants	6

'19	Preparations of cereals, flour, starch or milk; pastrycooks' products	5
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	5
'07	Edible vegetables and certain roots and tubers	4
'16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	4
'22	Beverages, spirits and vinegar	3
'21	Miscellaneous edible preparations	3
'08	Edible fruit and nuts; peel of citrus fruit or melons	3
'10	Cereals	3
'35	Albuminoidal substances; modified starches; glues; enzymes	2
'76	Aluminium and articles thereof	2
'13	Lac; gums, resins and other vegetable saps and extracts	1
'06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	1

Source: TradeMap, 2021

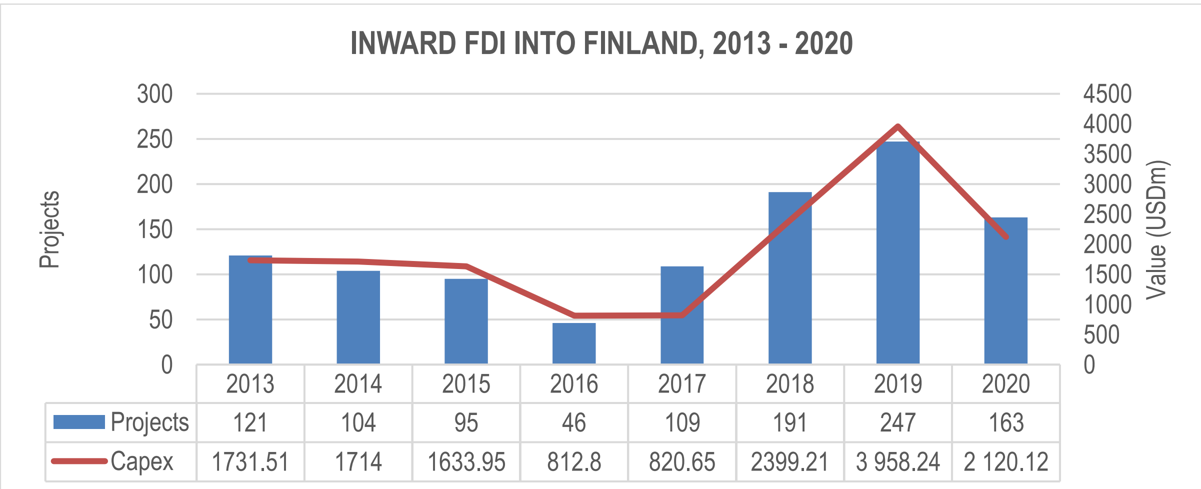
NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6

2 Foreign Direct Investment

2.1 Global FDI into Finland

Between January 2013 and December 2020, there were a total of 1076 FDI projects recorded in Finland. These projects represented a total of USD15.19bn, which is an average investment of USD14.12m per project. During this period, a total of 38 956 jobs were created.

From the graph below, it is evident that there has been a downward trend in the number of projects invested into Finland between 2013 and 2016, with the lowest number of 46 projects invested in 2016. Hereafter, investment projects increased exponentially to its highest point of 247 projects (with a capex of USD3.95bn) in 2019 before declining and settling at 163 projects worth a total capex of USD2.12bn in 2020.



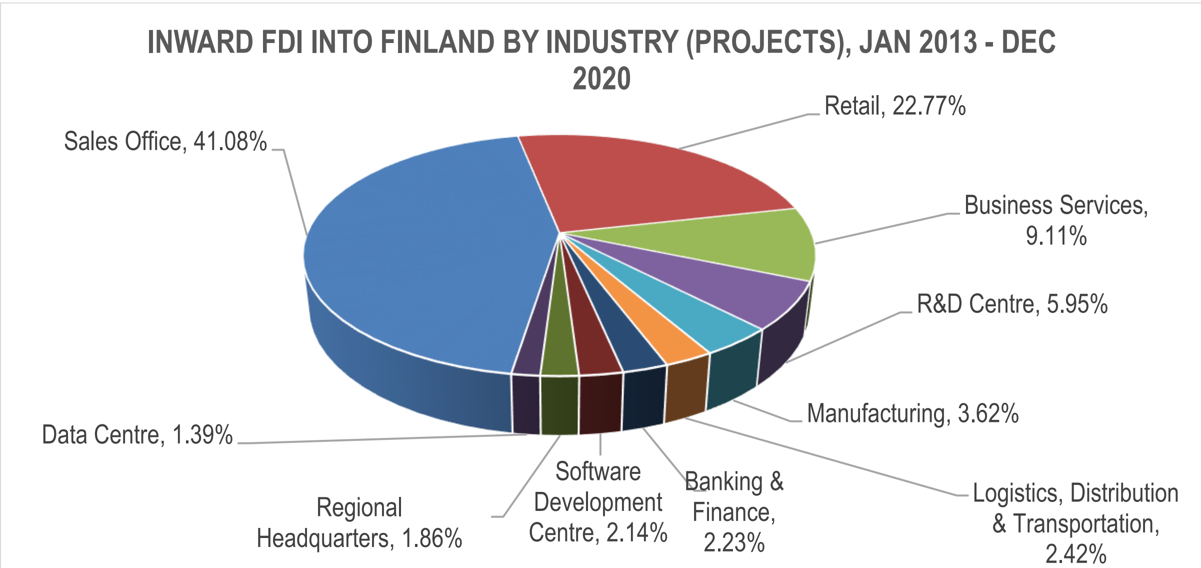
Source: Orbis Crossborder Investment, 2021

Sweden was the leading source market for FDI into Finland in terms of projects, with 227 projects accounting for 21.10% of all projects invested over the period 2013 to 2020. Second and third position is held by the United States (133 projects accounting for 12.36%) and Germany (with 98 projects invested accounting for 9.11%), respectively as shown in the table below. European countries are the top source markets for investment in Belgium – of the top 10 countries listed below, eight countries are European. Furthermore, the United States was the leading source market in terms of capex, with a total capital investment reaching USD3.89bn (or 25.62%) over the period 2013 to 2020. Sweden had the second highest capex, reaching USD2.05bn (16.51%), followed by Germany with a total capex of USD1.54bn which accounted for 10.20% of total capex into Finland over the period under review.

TOP 10 SOURCE MARKETS FOR FDI INTO FINLAND JAN 2013 - DEC 2020							
Rank	**Country**	**Projects**	**% Projects**	**Capex (USDm)**	**% Capex**	**Companies**	**% Companies**
1	Sweden	227	21.10%	2 507.48	16.51%	174	20.84%
2	United States of America	133	12.36%	3 891.38	25.62%	116	13.89%
3	Germany	98	9.11%	1 549.09	10.20%	60	7.19%
5	United Kingdom	61	5.67%	632.70	4.17%	55	6.59%
4	Norway	86	7.99%	934.37	6.15%	41	4.91%
6	Denmark	55	5.11%	265.60	1.75%	40	4.79%
7	Finland	40	3.72%	204.37	1.35%	38	4.55%
8	Estonia	35	3.25%	149.05	0.98%	35	4.19%
9	China	32	2.97%	741.86	4.88%	19	2.28%
10	Switzerland	29	2.70%	526.20	3.46%	24	2.87%
	Total	1076	100.00%	15 190.47	100.00%	835	100.00%

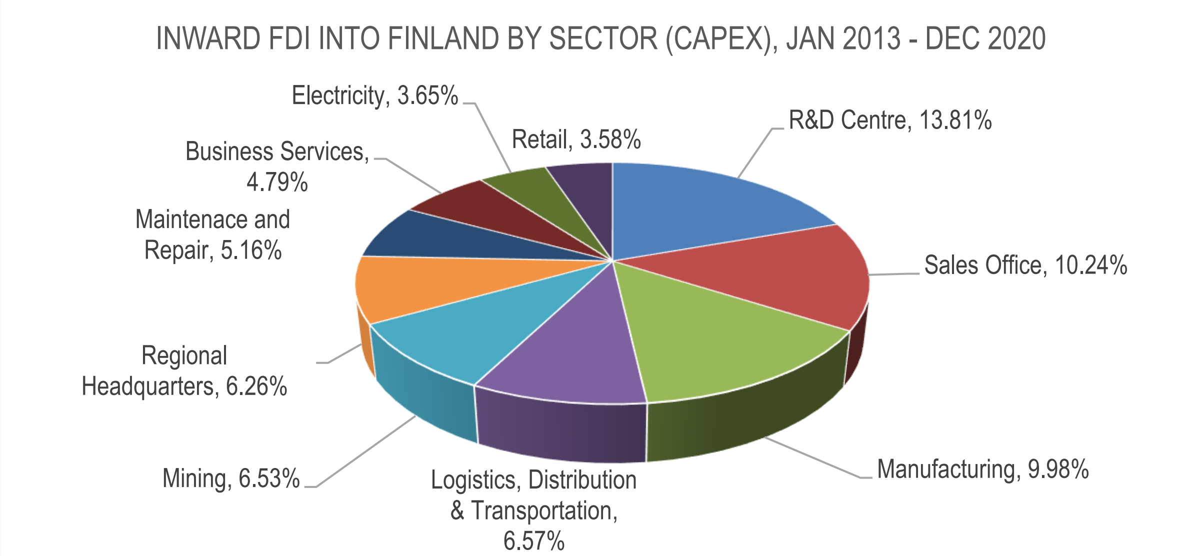
Source: Orbis Crossborder Investments, 2021

The two diagrams below depict which business project function in Finland have been invested in from a projects and capex perspective. The highest number of investments (based on projects) has been the establishment of sales offices in the country (41.08%), followed by investments in the retail sector (22.77%), and business services sector (8%) in second and third place, respectively.



Source: Orbis Crossborder Investment, 2021

In terms of capital expenditure, R&D centres was the top business function (13.81%), followed by the coal, sales offices (10.24%), and the manufacturing sector (9.98%) in second and third place, respectively.



Source: Orbis Crossborder Investment, 2021

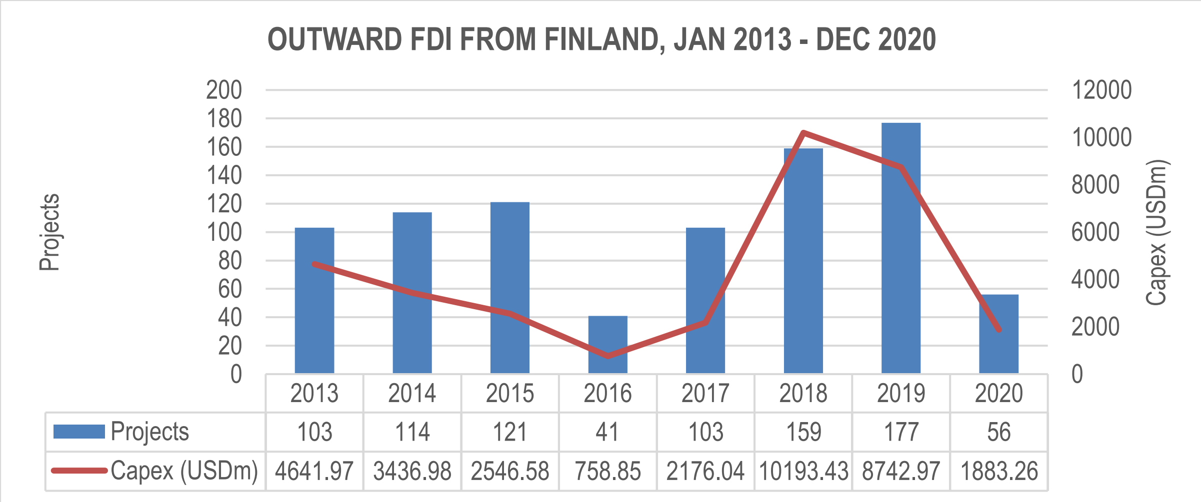
The table below shows the largest companies investing in Finland from January 2013 to December 2020.

TOP 10 COMPANIES INVESTING INTO FINLAND JAN 2013 - DEC 2020						
Rank	**Investing Company**	**Source Country**	**Industry**	**Sector**	**Projects**	**Capex (USDm)**
1	LIDL HOLDING SUOMI OY	Germany	Retail	Retail	15	32.06
2	VARNER GRUPPEN AS	Norway	Retail	Retail	13	18.01
3	HENNES & MAURITZ AB	Sweden	Retail	Retail	12	33.34
4	CLAS OHLSON AB	Sweden	Retail	Retail	12	33.34
5	EXPERT AS	Norway	Retail	Retail	10	67.88
6	POWER FINLAND OY	Norway	Retail	Retail	9	57.92
7	PEMAJO AS	Norway	Retail	Retail	8	10.64
8	LIDL STIFTUNG & CO. KG	Germany	Retail	Retail	7	68.74
9	CLAS OHLSON OY	Sweden	Retail	Retail	7	68.74
10	JYSK A/S	Denmark	Retail	Retail	7	68.74
Other companies					976	14731.06
Total					1076	15190.47

Source: Orbis Crossborder Investments, 2021

2.2. Global FDI from Finland

Between January 2013 and December 2020, a total of 874 outward FDI projects were recorded from Finland into the global economy. These projects represent a total capital investment of USD34.38bn, which is an average investment of USD39.33m per project. During the period, a total of 9 302 jobs were created.



Source: Orbis Crossborder Investments, 2021

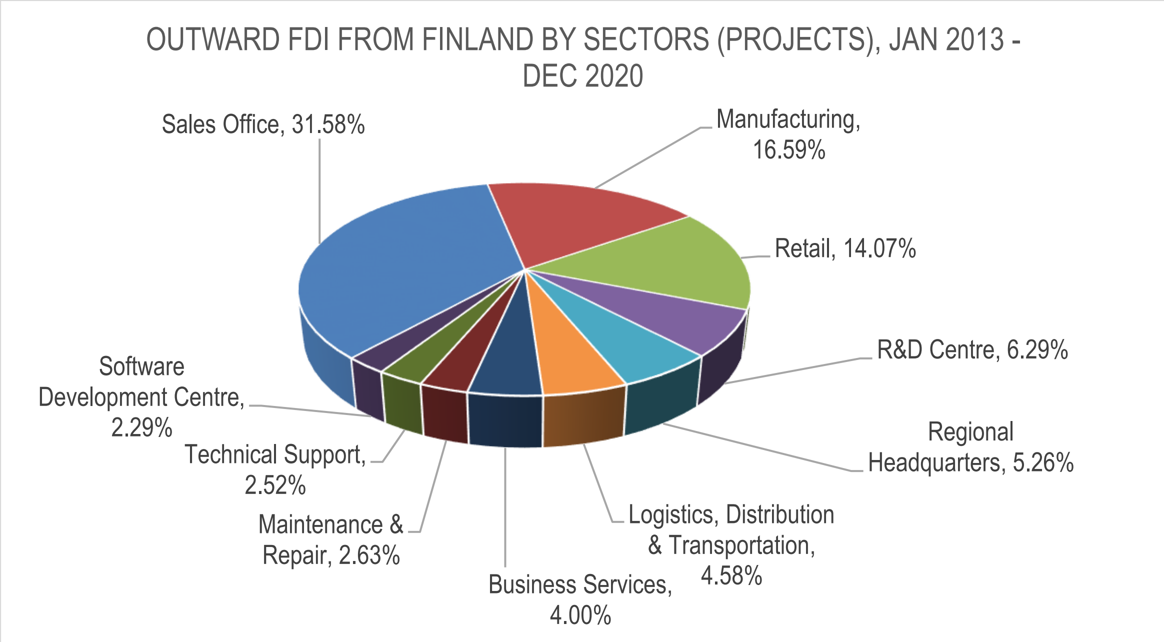
The top destination markets for foreign direct investment from Finland (in terms of projects) are shown in the table below. Germany was the top destination country, with 119 projects accounting for 13.62% of total projects worth USD1.39bn, followed by the United States (116 projects worth USD3.17bn), and Sweden (with 69 projects worth USD1.76bn) in second and third place, respectively. Of the top ten destination markets shown below, six of these are European countries.

TOP 10 DESTINATION MARKETS FOR FDI FROM FINLAND JAN 2013 - DEC 2020							
Rank	**Destination market**	**Projects**	**Projects %**	**Capex**	**% Capex**	**Companies**	**% Companies**
1	Germany	119	13.62%	1389.95	4.04%	74	18.88%
2	United States of America	116	13.27%	3172.94	9.23%	76	19.39%
3	Sweden	69	7.89%	1758.78	5.12%	37	9.44%
4	China	51	5.84%	3394.22	9.87%	33	8.42%
5	Russian Federation	49	5.61%	2082.21	6.06%	30	7.65%
6	Finland	46	5.26%	392.41	1.14%	44	11.22%
7	United Kingdom	44	5.03%	800.25	2.33%	35	8.93%
8	Singapore	29	3.32%	2427.98	7.06%	16	4.08%
9	India	26	2.97%	1574.76	4.58%	15	3.83%
10	Poland	21	2.40%	521.94	1.52%	17	4.34%
TOTAL		874	100.00%	34380.08	100.00%	392	100.00%

Source: Orbis Crossborder Investment

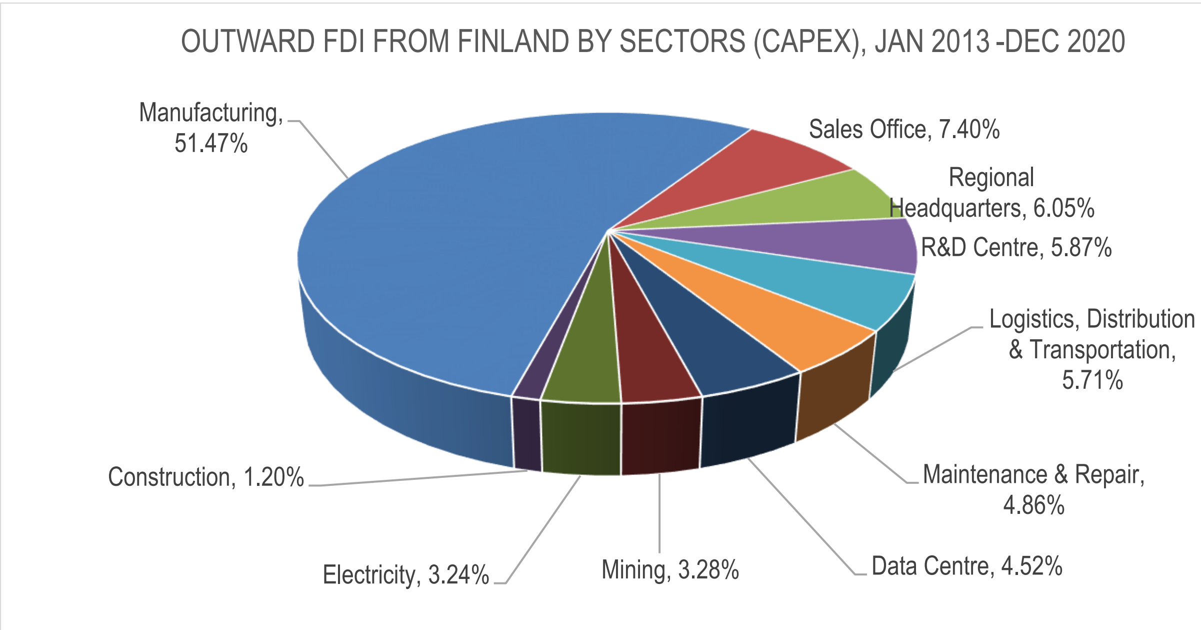
The two diagrams below depict which sectors Finland has invested in from a projects and capex perspective.

The highest number of foreign direct investments (based on projects), has been the establishment of sales offices (31.58%), followed by investments in the manufacturing sector (16.59%) and the retail sector (12%) in second and third place, respectively.



Source: Orbis Crossborder Investment

The highest number of outward foreign direct investments (based on capital expenditure) has been in the manufacturing sector (51.47%), followed by investments in the establishment of sales offices (7.40%), and regional headquarters (6.05%) in second and third place, respectively.



Source: Orbis Crossborder Investment

The table below shows the top Finland companies investing globally for the period January 2013 to December 2020.

TOP 10 COMPANIES INVESTING FROM FINLAND, JAN 2013 - DEC 2020				
Rank	**Investing Company**	**Industry**	**Projects**	**Capex (USDm)**
1	METSO OYJ	Sales Office	28	1708.43
2	NOKIA OYJ	Software Development Centre	25	1072.32
3	WARTSILA OYJ ABP	Sales Office	16	1976.1

4	UPCLOUD OY	Technical Support	15	1052.43
5	KEMIRA OYJ	Manufacturing	14	854.94
6	LINDEX AB	Retail	13	18.22
7	STORA ENSO OYJ	Manufacturing	13	1147.18
8	HALTON GROUP OY	Retail	13	546.53
9	MARIMEKKO OYJ	Retail	12	17.18
10	UPM-KYMMENE OYJ	Business Services	11	7915.87
Other Companies			714	18070.88
TOTAL			874	34380.08

Source: Orbis Crossborder Investment

2.3 FDI Relations from Finland

2.3.1 Foreign Direct Investment from Finland to South Africa

Between January 2013 and December 2020, a total of 4 FDI projects were recorded from Finland to South Africa. These projects represent a total capital investment of USD59.55m, which is an average investment of USD14.89m per project. During the period, a total of 275 jobs were created. The substantial investment in 2018 was by the UPM RAFLATAC SOUTH AFRICA (PTY) LTD, which relocated its distribution centre to Johannesburg.

OFDI FROM FINLAND INTO SOUTH AFRICA, 2013 - 2020							
Project headline	**Last project status date**	**Investing company name**	**Destination market – Country**	**Investing company BvD Sector primary code description**	**Project business function**	**Capital expenditure m USD**	**Project jobs created**
UPM Raflatac relocates its sales office in Durban, South Africa	08/02/2019	UPM RAFLATAC SOUTH AFRICA (PTY) LTD	South Africa	Wood, Furniture & Paper Manufacturing / Paper	Sales Office	4.54	25
UPM Raflatac South Africa relocates its distribution centre in Johannesburg, South Africa	31/12/2018	UPM RAFLATAC SOUTH AFRICA (PTY) LTD	South Africa	Wood, Furniture & Paper Manufacturing / Paper	Logistics, Distribution & Transportation	45.8	200
Peikko Group has opened a sales office in Johannesburg, South Africa	18/09/2018	PEIKKO GROUP OY	South Africa	Metals & Metal Products / Metal Products & Manufacturing	Sales Office	4.67	25
LM Information Delivery opens sales office in South Africa	19/10/2015	LM INFORMATION DELIVERY UK LTD	South Africa	Computer Software / Web Hosting & Internet	Sales Office	4.54	25

Source: Orbis Crossborder Investment

2.3.2 Foreign Direct Investment from South Africa to Finland

Between January 2013 and December 2020, one FDI project was recorded from South Africa to Finland. This project represented a total capital investment of USD4.69m. During the period, 25 jobs were created as shown in the table below:

FDI FROM SOUTH AFRICA INTO FINLAND, 2013 - 2020							
Project headline	**Last project status date**	**Investing company name**	**Destination market – Country**	**Investing company BvD Sector primary code description**	**Project business function**	**Capital expenditure m USD**	**Project jobs created**
Aspen Pharma has opened a sales office in Helsinki, Finland	25/05/2018	ASPEN PHARMA IRELAND LTD, SUOMEN SIVULIIKE	Finland	Wholesale	Sales Office	4.69	25

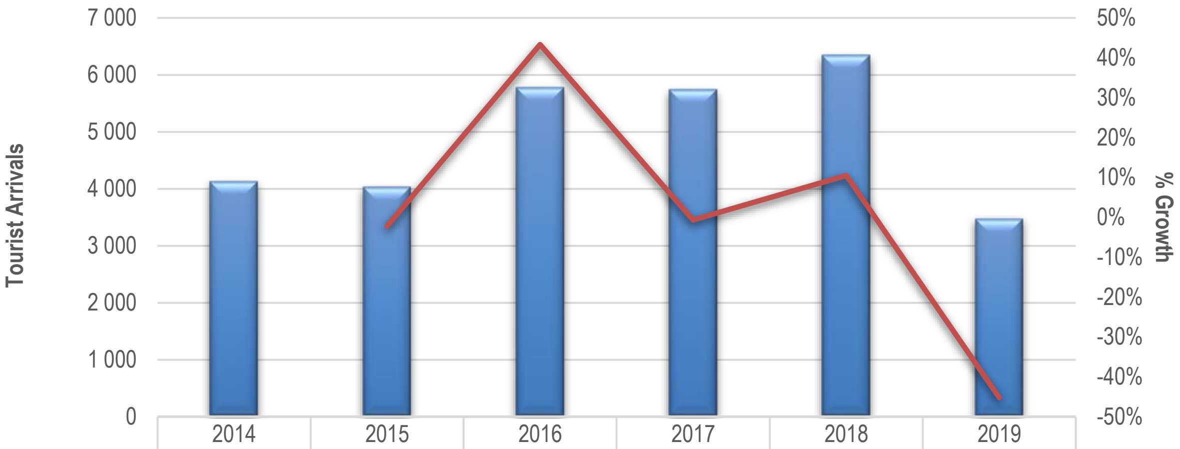
Source: Orbis Crossborder Investment

7. Tourism

Tourist arrivals from Finland reached a total of 9,918 in 2019, a decline of 4.9% when compared to the 10,430 welcomed in 2018.
South Africa experienced a consecutive growth in Finnish tourists between 2016 and 2018, with the highest increase achieved in 2016 (10.5%).
In 2018 a total of 10 430 arrivals were recorded from the Finnish nation, the highest arrivals achieved over the 6-year period, translating into a 3.0% year-on-year growth when compared to 2017.

Source: SATourism, 2020

- Finnish tourist arrivals into the Western Cape declined by a significant 45% in 2019, with arrivals falling to 3,475, down from 6,343 in 2018.
- The Western Cape recorded the highest number of Finnish tourists in 2018 (6,343) and the strongest increase was achieved in 2016, with a double-digit growth of 43% year-on-year.



	2014	2015	2016	2017	2018	2019
Arrivals	4 123	4 032	5 778	5 740	6 343	3 475
Growth		-2%	43%	-1%	11%	-45%

Source: SATourism, 2020

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