



Amcham Finland Recommendations to The Prime Minister's Room For Growth Project

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Driving Economic Growth Through Foreign Investments



As the **Voice for International Business** and the host of Finland's largest network of foreign multinationals (100+), **Amcham Finland** has compiled the following recommendations and best practices from its member companies. These actionable insights aim to further improve Finland's investment climate, attract and retain more foreign direct investment (FDI), and maximize its positive economic impact.

The Finnish government's ambitious vision to make Finland “**the world's most interesting place to invest**” by 2031 is both timely and commendable. Achieving this goal requires a strategic focus on FDI, which plays a critical role in fostering sustainable economic growth, innovation, and competitiveness.

Driving Economic Growth Through Foreign Investments



Why FDI Matters for Finland

Foreign-owned companies are indispensable to Finland's economy. Despite accounting for just 1% of all companies, they generate:

- 23% of turnover,**
- 27% of R&D,**
- 39% of exports,** and
- 16% of private sector employment.**

These figures underline the transformative power of foreign investment in driving R&D, job creation, and innovation across industries.

The Untapped Potential

Finland has room to significantly expand its share of FDI. According to the OECD, Finland's inward FDI stock was **32.5% of GDP** in 2020—well below the Nordic-Baltic average and significantly trailing Sweden (71.2%) and Estonia (110.1%). This gap represents a clear opportunity to further boost Finland's absorptive capacity for foreign investment.

Recommendations from the Amcham Finland Business Community

1. Permitting processes
2. Life science investments
3. Data center clusters
4. Attracting R&D investments Through Modernized Employee Monitoring Laws
5. Investor Aftercare & Re-establishing the Foreign Investors' Council (FIC)
6. About Amcham Finland

1. Permitting Processes



Environmental permitting reform is central to the government's investment strategy. The program includes changes such as the adoption of a one-stop-shop principle, voluntary ecological compensation, and industrial parks as a method of speeding up investments to Finland. This language closely aligns with the [recommendations](#) of Amcham's Environmental Permitting Working Group, which were published in June 2022.

The one-stop-shop model and prioritization on green transition projects will not as a whole expedite permit timelines for investment projects, as certain green transition projects are prioritized ahead of other projects.

Amcham's proposals on removing bottlenecks between land use planning and permits would speed up permit processes with up to 2 years. Currently it seems that the Government will not remove these bottlenecks.

Amcham's proposal on industrial parks as go-to areas has been watered down. The Government doesn't seem to prepare legislation to enable, for example, possibilities to license operations in advance. Other proposals made for ways to make Finnish industrial parks more competitive in an international comparison are also lacking preparation for legislation.

2. Life Science Investments



Establish a Finnish Clinical Trial Partnership Modeled on Denmark's Trial Nation: Launch a coordinated public-private partnership bringing together government ministries, welfare counties, universities, patient organizations, and life science companies to streamline clinical trial processes. This partnership would enhance patient care, support research, and position Finland as a leading European hub for clinical trials. Key features include:

- ✓ Rapid feasibility assessments and quick response times (5 days)
- ✓ National recruitment strategies
- ✓ Access to data and registries
- ✓ Support of ongoing trials focusing on performance
- ✓ Identification of relevant clinical researchers and specialists
- ✓ Efficient site collaboration led by medical professionals

Life Science Investments Continued



Recommendations:

- **Strengthen R&D in Welfare Regions:** Separate R&D funding from welfare counties' core budgets to safeguard essential services while incentivizing innovation. Incentivize R&D by providing additional funding and encouraging welfare regions to seek external support from Business Finland, the EU, and royalties from co-development projects.
- **Encourage University Innovation:** Establish mechanisms for universities to generate revenue from spin-off initiatives and incentivize academic institutions to participate actively in the commercialization of research and development efforts.

3. Data Center Clusters

Finland possesses many of the strengths sought by data center investors, from reliable energy infrastructure to a skilled workforce. Data center investments not only boost local economies but also serve **as anchors for technology clusters that attract businesses, talent, and international investment.**

Recognizing the strategic importance of data centers is essential for Finland's future economic growth and autonomy in data infrastructure, particularly in light of evolving international security dynamics.

Positioning Data Centers as a National Priority

Data centers should be elevated as a core focus of Finland's economic strategy, alongside investments in battery materials, green hydrogen, and other emerging industries. Their potential to drive innovation, create jobs, and support industries like R&D, quantum computing, and heat-dependent businesses (e.g., agriculture) cannot be overlooked.

3. Data Center Clusters Continued

Key Actions for Growth:

1. Streamline Land Use Planning: Accelerate land-use planning processes and enable enforcement despite appeals, building on Amcham's 2022 proposals.

2. Ensure Stability in Taxation and Regulation: Maintain predictable tax policies and energy regulation to attract long-term investments.

3. Enhance Grid Infrastructure: Invest in energy grid capacity to support the establishment and expansion of data centers.

4. Foster Ecosystems Around Data Centers: Develop clusters around data centers, including service businesses, quantum computing, heat recovery systems, and R&D initiatives.

By prioritizing data centers, Finland can position itself as a global leader in this critical sector, driving sustainable growth and bolstering its international competitiveness.

4. Attracting R&D Investments Through Modernized Employee Monitoring Laws



Finland's restrictive legal framework on employee data monitoring poses significant barriers to attracting research and development (R&D) investments. Striking the right balance between organizational security and respecting employee privacy rights has become a nearly insurmountable challenge for companies operating in Finland.

Key Challenges:

- Finland's monitoring regulations are more restrictive than those in the EU, UK, and US, creating an uneven playing field.
- Non-compliance exposes companies to severe financial and criminal penalties.
- High-value industries, including finance, data centers, and pharmaceuticals, often opt against establishing branch offices or R&D centers in Finland due to these stringent laws.

4. Attracting R&D Investments Through Modernized Employee Monitoring Laws



Proposed Reforms:

To position Finland as a competitive destination for R&D investment, the legal framework should be updated:

- 1. Streamline Advance Notification Requirements:** Simplify processes for notifying employees about monitoring activities.
- 2. Allow Conditional Manual Processing:** Enable manual review of flagged data with additional notice, ensuring compliance and security.
- 3. Harmonize with EU Standards:** Align Finland's regulations with broader European best practices to ensure fairness and competitiveness.

Modernizing these laws in line with European best practices would reduce barriers to entry for businesses, mitigate risks, and make Finland a more attractive location for research, innovation, and high-value R&D investments.

5. Maximizing Foreign Direct Investment Through Investor Aftercare



In 2022, nearly 50% of foreign direct investments (FDI) to Finland originated from companies and investors already established in the country (4,0bn EUR vs 4,6bn in FDI flow). With over 4,500 foreign companies operating in Finland, retaining and expanding these investments can often be achieved more cost-effectively through targeted and effective investor aftercare.

The Finnish government should recognize the critical role of investor aftercare in fostering further foreign investment. To this end, **we recommend re-establishing the Foreign Investors' Council** under the Ministry of Economic Affairs and Employment.

This council would serve as a platform for regular, constructive dialogue to address challenges and bottlenecks in Finland's investment environment. Such an initiative could not only encourage foreign companies to maintain their presence in Finland but also incentivize them to expand their operations, enhance their local activities, and move further up the value-added ladder—strengthening Finland's position as a premier investment destination.

6. About Amcham Finland



We're a non-profit, 100% member-funded, and politically independent business community promoting a strong transatlantic economy and a healthy business environment in Finland.



**Voice of
International Business**



**Home of
Transatlantic Success**



**Your Community
Making a Difference**

~200
Members

20
Industries

16
Nationalities

50+
**Events
Annually**

2+
**Publications
Annually**



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Contact Details:



Alexandra Pasternak-Jackson

CEO

Amcham Finland

Alexandra@amcham.fi

+358 45 1366303

Rosa Thurman

Director of Foreign Affiliate Services & Sustainability

Amcham Finland

Rosa.Thurman@amcham.fi

+358 45 6995997