

The competitive and absolute advantages of finland



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World region: northern Europe, sharing its western border with Sweden, its northern border with Norway, and its eastern border with Russia

Population: 5, 367, 188

Capital city: Helsinki

Language(s) spoken: Finnish, Swedish

Currency: EURO

GDP per capita: cad\$ 47, 247. 0769

Time: when it is noon in Ottawa, it is 7: 00 a. m. in Helsinki

Climate: varies from temperate in south to subarctic and arctic in north

Labour force: 2. 678 million

Typical occupation of labour force: agriculture and forestry: 4. 5% industry: 18. 2% construction: 7. 3%commerce: 15. 9% finance, insurance, and business services: 14. 5% transport and communications: 6. 9% public services: 32. 7% (2008)

Type of government: republic

Chapter3

The competitive and absolute advantages of Finland

The quality and quantity of natural resources in Finland

Finland has unique marine life, dozens of water bird species nest on the

shores of the Gulf, as well as black backed gull, also home to grey seals and
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ringed seals which have been protected in national parks. Finland also has important commercial fisheries in Gulf. On the other hand, Finland has a high quality of energy resources, it has the cheaper price and provided competitive prices compared to other EU countries.

Three best known products in Finland

Products

Competitive or absolute advantage

Metsä Tissue

Offer a suitable package size for all consumers

As small a burden on the environment

One roll corresponds to two rolls of standard

Leading mainstream brand in the market

Nokia (mobile phone)

Recovery and recycling of old mobile phones

Rich experience, innovation and technology, easy to use and safe and reliable

Stora Enso (pulp and paper manufacturer)

29 000 employees in more than 35 countries worldwide

Selected paper grades

Cost-competitive plantation-based pulp

Advantages of doing business in Finland

In the EU Finland has sought an active profile, even a place in the very core of the Union. Finnish foreign policy is an intriguing blend of pragmatism and idealism. We can call them national interests if you like - that it seeks to promote.

Finland provides opportunities for Canadian business as a way to go through into the market of Europe and Russia. Also, Inflation was low in Finland which will more efficient for a Canadian exports from this country.

Chapter4

Working in Finland

The work area facilities provided in airports, airlines, and hotels

The work area facilities provided in airports of Finland is Finavia. It is one of the Finland's networks of airports and the air navigation system and they do provide and develop safe, competitive airport and air navigation services as well as their supporting commercial operations, to an internationally high standard. They do offered shop and cafeteria facilities, available for rental. They choose the partners will basis of tenders, negotiations and predefined selection criteria. They choose the companies that have a good reputation, and high-quality customer services. On the other hand, they also provide

advertisers with an international, modern and high-quality media environment. They also have free wireless internet and meeting place (conference room, included Video and DVD projector) provide to their business customs.

Recent change in Finland

The euro was introduced in 2002 and Finland changed the common side of their coins.

Finland had become European Union member states which have adopted the euro currency as its sole legal tender. It could help to fixed rate tenders and take into account the linked structures of their economies, which could help to stable the economics of Finland.

Growth in the Finnish economy will slow to 2. 3% in 2009 as a result of the global financial crisis

This graph has show the percent rate of services or industries in Finland:

Possible office spaces currently available (included rent, equipment, supplies, phone lines)

a) Serviced offices in Helsinki at Pasilanraitio

It is located in the Lansi-Pasila district of the city close to Sokos Hotel and Pasila Railway Station. The public transport in the area is excellent with train, bus and tram all within reach.

Facilities include a gym and sauna as well as meeting rooms and an attractive external terrace.

Office Facilities

Meeting room

Video Conferencing

Virtual offices

Reception

Admin Support

Manned Reception

Telephone Answering

Communication/ IT

Broadband Access

Telephone System

Amenities

Gymnasium

b) Rent serviced offices in Helsinki at Itämerenkatu

It is located in the heart of an already established high tech business area, close to all public transport links.

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It has a range of office accommodation with air conditioning and high speed internet as standard, meeting room use and kitchen, available along with full business support.

Office Facilities

Furnished

Lounge Areas

Meeting Rooms

Reception

Admin Support

Manned Reception

Communication/ IT

Broadband Access

Amenities

Air Conditioning

c) Serviced offices in Helsinki at Valimotie

It is located within the Pitäjänmäki district of Helsinki close to the Vihdintie Road and next to Valimo commuter train station

There are a number of services included such as break out rooms and kitchens plus a lunch restaurant with cafe facilities.

Office Facilities

Virtual Offices

Video Conferencing

Meeting Rooms

Reception

Telephone Answering

Communication/ IT

Broadband Access

Telephone System

Chapter 5

Canada is one of the European Union's oldest and closest partners. What started out in the 1950s as a purely economic relationship has evolved over the years to become a close strategic partnership.

a.)

Title

Framework Agreement for commercial and economic cooperation between the European Communities and Canada

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Date of Signature

06/07/1976

Objective of Agreement

To strengthen their relations and to contribute together to international economic cooperation.

Remarks

Non-preferential agreement. It is the first formal agreement of its kind between the EEC and an industrialized third country. Under this 1976 Framework Agreement for Commercial and Economic Co-operation, Canada and the EEC committed “ to develop and diversify their reciprocal commercial exchanges and to foster economic co-operation”.

The EU and Canada have concluded several agreements covering a wide range of economic activities ranging from fisheries and wines and spirits to veterinary issues, atomic energy and nuclear research as well as customs co-operation.

b.) The EU is in negotiations for a comprehensive economic and trade agreement with Canada. The last round of negotiations took place in Brussels in July 2010 and the next round is expected to take place in Ottawa in October 2010.

Nokia

In the 1970s, Nokia opened offices in Canada, the first international operation outside its worldwide headquarters in Finland. Since then, Nokia has transformed itself from an industrial conglomerate to a focused telecommunications company.

Nokia's history in the Canadian wireless community stretches back a number of years. In 1995, Nokia and the University of Sherbrooke in Quebec jointly developed the EFR Voice Codec, a major advancement in voice sound quality. It is now the industry standard for GSM 1900, GSM 900 and the TDMA systems.

Today, Nokia is one of the market leaders in Canada with a wide portfolio of product and services. Nokia's devices are available through all major Canadian carriers. The majority of Nokia's business units are present in Canada, including Devices, services, Markets, and also Nokia's sister company, the Nokia Siemens Networks.

Organization for Economic Cooperation and Development

World Trade Organization

Finland

BASIC INDICATORS

Population (thousands, 2009)

5 338

Rank in world trade, 2009

Exports

Imports

GDP (million current US\$, 2009)

237 512

Merchandise

37

39

GDP (million current PPP US\$, 2009)

184 975

excluding intra-EU trade

—

—

Current account balance (million US\$, 2009)

3 445

Commercial services

32

33

Trade per capita (US\$, 2007-2009)

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39 376

excluding intra-EU trade

—

—

Trade to GDP ratio (2007-2009)

83. 4

Annual percentage change

2009

2000-2009

2008

2009

Real GDP (2000= 100)

116

2

1

-8

Exports of goods and services (volume, 2000= 100) a

143

5

-1

...

Imports of goods and services (volume, 2000= 100) a

148

5

-1

...

TRADE POLICY

WTO accession

1 January 1995

Contribution to WTO budget (% , 2010)

0. 646

Trade Policy Review

6, 8 April 2009

Import duties collected

GPA accession

1 January 1996

in total tax revenue

...

Tariffs and duty free imports

to total imports

...

Tariff binding coverage (%)

100

Number of notifications to WTO and measures in force

MFN tariffs

Final bound

Applied 2009

Outstanding notifications in WTO Central Registry

20

Simple average of import duties

Goods RTAs - services EIAs notified to WTO

30 - 9

All goods

5. 2

5. 3

Anti-dumping (30 June 2009)

144

Agricultural goods (AOA)

13.5

13.5

Countervailing duties (30 June 2009)

10

Non-agricultural goods

3.9

4.0

Safeguards (19 October 2009)

0

Non ad-valorem duties (% total tariff lines)

4.8

4.6

Number of disputes (complainant - defendant)

MFN duty free imports (% , 2008)

Requests for consultation

82 - 70

in agricultural goods (AOA)

41. 3

Original panel / Appellate Body (AB) reports

33 - 27

in non-agricultural goods

54. 8

Compliance panel / AB reports (Article 21. 5 DSU)

4 - 4

Services sectors with GATS commitments

99

Arbitration awards (Article 22. 6 DSU)

4 - 3

MERCHANDISE TRADE

Value

Annual percentage change

2009

2000-2009

2008

2009

Merchandise exports, f. o. b. (million US\$)

62 798

3

7

-35

Merchandise imports, c. i. f. (million US\$)

60 753

7

12

-34

2009

2009

Share in world total exports

0. 50

Share in world total imports

0. 48

Breakdown in economy's total exports

Breakdown in economy's total imports

By main commodity group (ITS)

By main commodity group (ITS)

Agricultural products

6. 6

Agricultural products

9. 6

Fuels and mining products

10. 1

Fuels and mining products

21. 9

Manufactures

78. 2

Manufactures

67. 0

By main destination

By main origin

1. European Union (27)

55. 5

1. European Union (27)

55. 9

2. Russian Federation

9. 0

2. Russian Federation

16. 2

3. United States

7. 8

3. China

7. 9

4. China

4. 1

4. United States

3. 4

5. Norway

3. 0

5. Norway

2. 3

COMMERCIAL SERVICES TRADE

Value

Annual percentage change

2009

2000-2009

2008

2009

Commercial services exports (million US\$)

24 984

14

36

-21

Commercial services imports (million US\$)

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22 701

12

34

-25

2009

2009

Share in world total exports

0. 75

Share in world total imports

0. 72

Breakdown in economy's total exports

Breakdown in economy's total imports

By principal services item

By principal services item

Transportation

12. 6

Transportation

20. 4

Travel

11. 3

Travel

19. 3

Other commercial services

76. 2

Other commercial services

60. 3

INDUSTRIAL PROPERTY

Patent grants by patent office, 2008

Trademark registrations by office, 2008

Residents

Non-residents

Total

Direct residents

Direct non-residents

Madrid

Total

738

259

997

2 730

546

2 581

5 857

Chapter 6

direct exporting- Overseas sales in which a producer or supplier controls all activities and collects all drawbacks.

management consulting- The work done by a consulting firm which focuses on advising companies on the best ways to manage and operate their business. The firm will give advice on concepts like their business strategy and operational techniques, and also skills like time management, depending upon the needs of the company.

Licensing- The granting of permission to use intellectual property rights, such as trademarks, patents, or technology, under defined conditions.

Franchising- Arrangement where one party (the franchiser) grants another party (the franchisee) the right to use its trademark or trade-name as well as

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certain business systems and processes, to produce and market a good or service according to certain specifications. The franchisee usually pays a one-time franchise fee plus a percentage of sales revenue as royalty, and gains (1) immediate name recognition, (2) tried and tested products, (3) standard building design and decor, (4) detailed techniques in running and promoting the business, (5) training of employees, and (6) ongoing help in promoting and upgrading of the products. The franchiser gains rapid expansion of business and earnings at minimum capital outlay

joint venture- New firm formed to achieve specific objectives of a partnership like temporary arrangement between two or more firms. JVs are advantageous as a risk reducing mechanism in new-market penetration, and in pooling of resource for large projects. They, however, present unique problems in equity ownership, operational control, and distribution of profits (or losses). Research indicates that two out of five JV arrangements last less than four years, and are dissolved in acrimony. See also strategic alliance.

foreign direct investment- Ownership of a country's businesses or properties by entities not domiciled there.

wholly owned subsidiary- Firm whose all (or nearly all) voting shares are owned by another (parent) firm.

economic development- Qualitative measure of progress in an economy. It refers to development and adoption of new technologies, transition from agriculture based to industry based economy, and general improvement in living standards.

Chapter 7

Standards and regulations

Standards are set by the Finnish Standards Association (SFS), according to the international standard.

SFS - certification is a major certification body in Finland. Its certification program covers both product and system certification. The SFS Mark is used to indicate products or services that meet the requirements of SFS standards. Articles regulated by the SFS directives that are not properly marked when imported are subject to delay in customs and may not be cleared for consumption.

Labeling, Marking Requirements

Country of Origin Marking

Every article entering Finland must be marked with the name of the country of origin in any official language, preferably in Finnish, unless an exception of marking is provided for in the law. The country of origin is the country of manufacture, production, or growth of the article. The requirement applies to each unit unless exempted. The phrase "made in" is required only in the case where the name of any locality other than the country or locality in which the article was manufactured appears on the article or its container. The marking "made in (country)", "product of (country)", or other words of similar meaning must appear in close proximity to and in comparable size letters of the other locality to avoid possible confusion. When marking is not feasible, such as when the article is too small or marking would in some way

damage the merchandise, then the packaging or container that will reach the final consumer must be marked.

The following are specific categories of goods, for which marking, labeling, and/or testing requirements are applicable in Finland:

Foodstuffs: The Ministry of Agriculture and Forestry sets human consumption standards for the preparation, residual content and storage media for virtually all classes of foodstuffs. The labels on the container must include the product designation, a list of ingredients, the weight or volume, dates (manufacturing, packing, minimum shelf life, and expiration dates), directions for food preservation (if applicable), identification of the firm involved (manufacturer, packer, or importer) and the country of origin. If the original label is not in Finnish, a similar one must be prepared in Finnish and be firmly affixed to the container. Milk products, margarine, chocolate and soaps have other, more technical labeling requirements. Wines and other alcoholic beverages must meet Finnish standards.

Textiles: Customs and point of sale regulations require that all textile goods and ready-made clothing have a Finnish label. Standard Finnish textile nomenclature and content requirements must be stated on the label. Requirements relating to textile content, labeling and packaging are specific and extensive. Royal Decree 928/1987, dated June 5, 1987, regulates them. Manufacturers' trademarks, duly registered, are permitted on textile products.

Drugs, Pharmaceutical and Cosmetics: These goods are subject to technical inspection and registration by the National Agency for Medicines. There are <https://assignbuster.com/the-competitive-and-absolute-advantages-of-finland/>

also detailed marking and labeling requirements, somewhat similar to those for foodstuffs, which include detailed chemical composition.

Fertilizers and Fungicides: Imported fertilizers must be registered with the local Agriculture Ministry Office. Inspection and analysis will be performed prior to customs clearance. The Ministry of Agriculture must approve all printed advertising and publicity materials, and labels must be in Finnish and include detailed precautions.

Firearms: The Ministry of Interior must clear all firearms, and they must bear a stamp of certification.

Metals: Precious metal products to be sold in Finland must be inspected and stamped in accordance with the stipulations set forth in the Decree on Precious Metal Products.

Motor Vehicles: Each vehicle will be inspected for engraved serial numbers on both the engine and chassis. If one of these is not available, Finnish customs levies a special charge for stamping the number.

Tires and Tubes: All tires and inner tubes must be marked with a serial number.

For agricultural products, labeling requirements are fully harmonized with the EU labeling system; however, the labels must be in Finnish.

CE Marking

The CE (Conformité Européenne) Marking is required to be displayed on regulated products offered for commercial sale on the European market. It

indicates that a product complies with applicable European Directives related to health, safety, environment and consumer protection. Because the CE Marking identifies products that meet a common set of criteria established and adopted by the 15 CE members, the CE Marking on your products will permit them to move freely in commerce throughout the European market. The manufacturer, or authorized representative, is responsible for placing the CE Marking on compliant products. The common CE Marking logo is placed on the product, product literature or packaging as described in each Directive. Articles regulated under the European Directives that are not properly marked when imported are subject to delay in customs and may not be cleared for consumption.

Sample commodities requiring CE Marking are:

Electric equipment, machines, toys, pressure vessels and personal protective equipment.

Eco-labels

In March of 1992, the EU Council approved law 880/92 establishing a community-wide system for granting Eco-labels (green label) to products that voluntarily satisfy environmental standards.

The EU's objectives in setting up a system for issuing green labels are twofold. The labels inform consumers of products that are environmentally safer than others in all aspects of a product's life cycle. Furthermore, they improve the design, production and marketing as well as increase the use of products that have low or non-adverse effects on the environment and that use natural resources wisely.

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The EU hopes that these objectives will increase the standards of health, security and the condition of the environment of the EU countries. Products imported into the EU that wish to obtain a green label must follow the same strict criteria as EU members.

Chapter 8

Do's and don'ts in Finland

Don't:

- Make the mistake of asking if Finland once was a Communist country, like Estonia, Poland, or Hungary. End of conversation, right then and there.
- Keep your shoes on if you are invited to someone's home. First thing after entering a house or an apartment: shoes off. Also, don't even think about leaving before kahvi and pulla (coffee and bun) have been served.
- Tip. People are not used to tips and don't always know how to react.

Do:

Use a fork and a knife when eating. No food is finger food in Finland if the silverware is available.

- Learn a few words in Finnish, even though it's hard. It's an ego-booster for a Finn to hear a foreigner speak his language.
- Remember that Finnish women are independent and believe in e quality.

Canada

Finland

geography

Occupying most of the northern portion of North America, Canada is the world's second largest country in total area. Canada spans an immense territory between the Pacific Ocean to the west and the Atlantic Ocean to the east and the Arctic Ocean to the north, with the United States to the south and northwest, and the Arctic Ocean to the north; Greenland is to the northeast. Off the southern coast of Newfoundland lies Saint-Pierre and Miquelon, an overseas collectivity of France.

Finland is the northernmost country on the European continent. Although other countries have points extending north, virtually all of Finland is north of 60 degrees north latitude; nearly a quarter of the land area and fully one-third of the latitudinal extent of the country lie north of the Arctic Circle.

history

Beginning in the late 15th century, French and British expeditions explored, and later settled, along the Atlantic coast. France ceded nearly all of its colonies in North America to Britain in 1763 after the Seven Years' War. In 1867, with the union of three British North American colonies through Confederation, Canada was formed as a federal dominion of four provinces. This began an accretion of provinces and territories and a process of increasing autonomy from the British Empire, which became official with the Statute of Westminster of 1931 and finalized in the Canada Act of 1982, which severed the vestiges of legal dependence on the British parliament.

Over centuries, elements of Aboriginal, French, British and more recent immigrant customs have combined to form a Canadian culture. Canada has also been strongly influenced by that of its linguistic, geographic and economic neighbour, the United States. Since the conclusion of the Second World War, Canada has been committed to multilateralism abroad and socioeconomic development domestically. Canada currently consists of ten provinces and three territories, and is governed as a parliamentary democracy and a constitutional monarchy with Queen Elizabeth II as its head of state.

In 1917, Finland declared independence. A civil war between the Finnish Red Guards and the White Guard ensued a few months later with the “Whites” gaining the upper hand. After the internal affairs stabilized, the still mainly agrarian economy grew relatively fast. Relations with the West, especially Sweden and the United Kingdom, were strong but the pre-World War II relations with the socialist Soviet Union remained weaker. During the Second World War, Finland fought twice against the Soviet Union, and had to cede most of Karelia to the USSR, but remained an independent democracy.

During the Cold War an Agreement of Friendship, Cooperation, and Mutual Assistance existed between the Soviet Union and Finland and such phenomena as finlandization and radical socialism such as “taistolaisuus” were part of internal affairs. President Urho Kekkonen’s tenure lasted 25 years, from 1956 until 1981.

Throughout its independent history, Finland has maintained a capitalist economy. Its GDP per capita has been among the world’s highest since the 1970s. Between 1970 and 1990, the number of public sector employees and <https://assignbuster.com/the-competitive-and-absolute-advantages-of-finland/>

the tax burden increased more than nearly any other Western country. In 1992 Finland simultaneously faced economic overheating and depressed Western, Soviet and local markets. The country joined the European Union in 1995. According to a 2005 poll, most Finns are reluctant to join NATO.[]

religion

Religion in Canada

Religion

Percent

Christianity

â€%o

77%

None

â€%o

16. 2%

Islam

â€%o

2. 0%

Judaism

â€%o

1. 1%

Hinduism

â€%o

1. 0%

Buddhism

â€%o

1. 0%

Sikhism

â€%o

0. 9%

Religion in Canada encompasses a wide range of groups. The preamble to the Canadian Charter of Rights and Freedoms references “ God”, and the monarch carries the title of “ Defender of the Faith”. However Canada has no official religion and support for religious pluralism is an important part of Canada’s political culture

Religion in Finland is still primarily Christian. Prior to Christianisation, Finnish paganism was the primary religion.

Chapter 9

Managing International Risk

Finland’s risk assessment in the following areas: Using scale of 1- 10, which 10 has the highest risk and 1 has the lowest risk.

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Political risk

Political system risk: Very low (level 1)

Finland is the only Nordic country to have adopted the euro.

Finland is a member of the European Union and one of the original 11 countries to adopt the euro as its currency in 1999.

The European Central Bank cut interest rates to spur demand in the economy and the Finnish government is using expansionary fiscal policy to the same end. Finland's sound government balances have positioned the country to afford this level of economic stimulus without large deficits.

Economic/ financial risk (currency)

Financial System Risk: Very Low (level 1)

They have using the hard currency- euro.

The Insurance Supervisor Authority regulates the Finnish insurance industry and is part of the Ministry of Social Affairs and Health.

As the financial crisis spreads the Finnish government has laid out plans to support the banking system through this period.

As the global economy slows, the declining demand for Finnish exports is having a negative effect on the country's economic performance.

Social/cultural risk

Social/ Culture risk: low (level 2)

The citizen of Finland has a high and stable employee rate

Finland has a high market income and people have high education

Finland has lots of skilled manual labour, high education and most of them were employed.

Technical/ commercial risk

Technical/ commercial risk: Median (level 4)

Most of the people in Finland, Finnish people (92 percent) speak Finnish as their mother tongue

The second official language is Swedish spoken by 5.6 percent of the population

Not everyone speak English and not everyone is understand English

Natural/ Physical risk

Natural/ Physical risk: Low (level 3)

Finnish weather is the warmest in July and the coldest in February. February is also the driest month in Finland, while August weather is the wettest time of year.

The we