

**F**inland's defence budget for was \$1.54 billion, the fourth highest military expenditure in the European Union. In 2002, the Finnish government is proposing to raise the proportion of defence spending from 4.51% of the state budget to 4.87%.

Calling on Canadian exporters to

# Finland - and defence

## Market overview

Procurement of matériel accounts for 30% of military spending, and 85% of matériel is imported. Government programs are underway to develop Finland's domestic military industry and reduce its imports of matériel to 10%.

During the 1990's, the Air Force was upgraded with the addition of new C/D fighters and the associated weapon systems. The first decade of the new millennium will be reserved for the refurbishment of the Navy and the Army.

The Navy 2000 programme, worth \$1.7 billion, calls for new craft and weapons systems. The new fleet will comprise two missile Fast Attack Craft (FACs) and four combat hovercraft.

The development of Army Rapid Deployment Forces, worth \$500 million, will entail new transport helicopter ground transport vehicles and associated weapons systems. In September 2001, Finland, Norway and Sweden reached a joint decision to purchase NH-90 transport helicopters from NH-Industrie. Finland will buy 20 helicopters, which will be delivered between 2004-2006. The first two will be assembled at the Finnish Patria Finavitec in Jämsä. A decision to purchase combat helicopters is expected in 2004.

In 2000, the overall Finnish market for aircraft and parts was valued at approximately \$972 million. Imports accounted for \$746 million, or 75%

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**Joanne Lemay**  
Trade Commissioner  
Canadian Embassy  
Warsaw, Poland  
T: (011-48-22) 584-3352  
F: (011-48-22) 584-3195

### Romania

**Claude Charland**  
Trade Commissioner  
Canadian Embassy  
Bucharest, Romania  
T: (011-401) 307-5093  
F: (011-401) 307-5015

### Spain

**Amaya Jauregui**  
Commercial Officer  
Canadian Embassy  
Madrid, Spain  
T: (011-34) 91-423-32-29  
F: (011-34) 91-423-32-52

### Turkey

**François Lasalle**  
Trade Commissioner  
Canadian Embassy  
Ankara, Turkey  
T: (011-90-312) 459-9278  
F: (011-90-312) 459-9365

### United Kingdom

**George Edwards**  
Commercial Officer  
Canadian High Commission  
London, United Kingdom  
T: (011-44-20) 7258-6680  
F: (011-44-20) 7258-6384

# Central Europe

AN UNDERDEVELOPED MARKET JUST WAITING FOR YOU

**T**his supplement highlights a vibrant, aggressive, forward-looking region that is full of opportunities for Canadian companies, exporters and investors. Poland, Hungary, the Czech Republic and Slovakia, the "Visegrád Four (V4)," form the core of Central Europe, and this market of 65-million people is getting ready to join the 375-million-strong European Union (EU) as early as 2004. The governments of this region are working very hard to co-ordinate domestic policies with those of the EU, thereby putting in place, or improving, an already very promising business and investment climate for foreign companies.

In addition to the V4 countries, our embassies in Prague, Budapest and Warsaw cover several other markets (Slovenia, Croatia, Bosnia-Herzegovina, Belarus) and work together to boost Canadian trade and investment in the region. These and other nearby regional markets will enable you to reach nearly 100-million consumers. One of the chief motivations for Canadian exporters or investors to do business in Central

Europe is to have access not only to the regional market, but also to use it as a base for further expansion in the region and, often onwards to Western, Northern and Southern Europe. Because of its strategic location, the region is a gateway to Russia, the Baltic States, and the republics of the former Soviet Union.

Central Europe is not well-known to Canadian exporters, so this supplement should help you to make export or investment decisions in an informed manner — in a region that is stable, democratic, advanced, preparing for EU accession, and has business practices that are rapidly approaching those of Western Europe. These V4 countries have already been the target of Team Canada trade-promotion missions, and Canadian companies have already led the way and are now successful in the region. Sectors of opportunity outlined below include agri-food, automotive, construction and building materials, environment, health care, and information and communication technology.

## CENTRAL EUROPE AT A GLANCE

	POLAND	HUNGARY	CZECH REPUBLIC	SLOVAKIA	SLOVENIA
Population (millions)	38.6	10.0	10.3	5.4	2.0
GDP <sup>1</sup> - 2000 (US\$)	157.7	45.5	50.8	19.2	18.1
Real GDP Growth <sup>2</sup> (2002) (%)	3.8	2.7	4.1	3.4	3.6
FDI <sup>3</sup> - 2000 (US\$ billions)	9.3	1.9	4.5	2.0	0.2
Imports - All Sources 2000 <sup>2</sup> (US\$ billions)	41.4	27.5	32.2	12.7	9.9
Canadian Exports <sup>1</sup> - Jan-Nov 2001 (C\$ millions)	128.0	38.0	48.0	9.0	35.0

Sources:

- 1 Actual
- 2 The Economist Intelligence Unit, forecast
- 3 Foreign Direct Investment: European Bank for Reconstruction and Development