

CANADA - FINLAND TRADE AND ECONOMIC RELATIONS

MEDIA BACKGROUNDER

Finland is one of Europe's most prosperous countries, holding firm to its policy of neutrality, while it pursues close economic ties with both East and West.

A democracy with a free market economy, it is one of the largest countries in Europe with one of the smallest populations.

Canadian - Finnish economic relations have been steadily expanding in recent years and total trade has been increasing. Canada is now a favoured location for Finnish overseas investment, ranking fifth in 1989. Finnish companies have an increasingly important presence in the Canadian economy. More than 90 companies employ well over 6000 Canadians.

Canadian exports to Finland increased by 35% in 1989 to Cdn \$255 million, according to Finnish statistics. Canada's main exports are zinc ore, wood pulp and a growing variety of end products and food products.

Finland's exports to Canada rose by 22% to Cdn \$375 million in 1989 and included paper, wood and paper machinery, stainless steel and end products.

Favourable expansion in the Finnish national economy has occurred for 12 consecutive years at an average growth rate of 3.8 per cent annually. This fact combined with Finland's special relationship with the USSR and the countries of Eastern and Central Europe make it an excellent export market.

Export opportunities exist in Finland for Canada in communications and informatics, sea, agriculture and food products and consumer and defence products. Opportunities for Canadian exporters to work with Finnish firms for sales to the Soviet Union are good.

As a highly innovative OECD country with world class technology in forestry, shipbuilding, metals, telecommunications, electronics, informatics, consumer goods and construction, Finland's economic wellbeing depends on keeping up with new developments. Its similarity with the Canadian economy has resulted in a keen interest in expanding scientific and technology cooperation with Canada.