

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-Finland Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report for 16.04.2025 depicting the Embassy of Finland.
2. Finland appointed a resident Ambassador to India in 1949. Their Embassy in India was their first in Asia. Embassy of India was opened in Helsinki in 1968. Finland has Honorary Consulates in Chennai, Kolkata, Bangalore and Hyderabad. Finland has opened a Consulate in Mumbai since November 2022 and the first Consul General has assumed office from 1 January 2023.
3. India and Finland have traditionally enjoyed warm and friendly relations. In recent years, bilateral relations have acquired diversity with collaboration in research, innovation, and investments by both sides. The Indian community in Finland is vibrant and well-placed. Indian culture and yoga are gaining popularity in Finland.
4. There are around 21359 (Dec, 2022) persons of Indian origin (8245 NRIs and 13114 OCIs) in Finland primarily residing in the capital Helsinki and surrounding regions. Most Indians who settled during 1980s and 1990s were from Punjab and are engaged mostly in the restaurant business. In recent years, Indian professionals are being employed in high-tech companies. With the encouragement from the Embassy, 18 Indian organizations are under an informal umbrella called 'Friends of India Finland' to bring more synergy to their effort to promote India-Finland relations.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

5. As a trading country partner of India, Finland belonging to EU falls under Region 16 as for Trade Classifications and as per latest compiled and available statistics with DGCI&S, India's exports to Finland during 2023-24 have been recorded at 582.65 USD (million) and India's imports from Finland during the same reference period stands at 913.48 USD (million) with a resultant trade balance deficit of 330.83 USD (million).
6. There has been growth in economic and commercial relations between India and Finland in recent years, especially in areas such as medicinal & pharmaceutical products, Electric machinery and parts, renewable energy, off-shore projects and service sectors. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

(US Dollar Million)						
S. No		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Export	268.72	284.85	344.46	532.64	582.65
2.	Import	625.65	713.20	876.28	1491.62	913.48
3.	Total Trade	894.37	998.05	1220.74	2024.26	1496.13

(Source: Doc, Ministry of Commerce & Industry)

7. Total exports from India to Finland was recorded at US \$ 344.46 million in 2021-22 which is a substantial leap from 2020-21 level of US \$ 284.85 million and the trend continued with exports increasing to US \$ 532.64 million in 2022-23. The main exports from India to Finland includes Medicinal & Pharmaceutical products, Articles of apparel and clothing accessories, Textile yarn, fabrics, made up articles, manufactures of metals and Electric machinery & parts.

8. Total imports from Finland during the period 2019-20 is US\$ 625.65 million and has gradually bounced back to US\$ 1491.62 million in 2022-23. The main imports from Finland to India includes Machinery for special industries, Electric machinery and parts, Paper, paper board and articles thereof, Metalliferous ores and metal scrap and General industrial machinery etc.

9. Finland ranks 40th in terms of country-wise FDI Equity Inflows into India. Total FDI Inflows from Finland till September 2023 are US\$ 567 million and Percentage share of total FDI Inflows is 0.08%. Actual investment will be higher as many Finnish companies have been in India since 1980s or 1990s and further expansion are not accounted as FDI.

10. Over 100 Finnish companies have operations in India. Large Finnish companies like Nokia, Kone Elevators, Metso Outotec, Wartsila, UPM, Lindstrom, Fortum, Ahlstrom, Elcoteq, etc. have manufacturing facilities in India. India is one of Nokia's most strategic markets since 1995 and one of its 10 high growth regions. Nokia has global delivery centres in Noida & Chennai; and is India's largest international telecom infrastructure manufacturer. A JV between Numaligarh Refinery Ltd., Finnish companies, Fortum and Chempolis is building a biorefinery in Assam.

11. India's investments in Finland have crossed US\$ 1 billion, including acquisitions. About 30 Indian companies, mainly in the software and consultancy sector are active in Finland. Motherson Sumi Systems (MSSL) acquired PKC Group (\$ 620 million). Triviron Healthcare, acquired Ani Labsystems. Mahindra Holidays and Resorts invested in the 'Holiday Club Resorts Oy'. Infosys, India acquired Finland's Fluido Oy. Epsilon Advanced Material from India has signed an MoU with Finnish company Grafintec Oy, a graphite-based supply chain to establish an anode material production factory in Vaasa at an investment of around €100 million. Cyient, an Indian technology solutions company acquired Citec, a Finnish plant and product engineering services company for €100 mn in June 2023. In September 2023, Tech Mahindra inaugurated an Innovation Centre in Espoo, Finland.

Information Technology

12. A Joint Declaration of Intent signed between MEITY and Minister of Economy in Finland on cooperation in the field of Digitalization was signed in November 2019. Both sides have nominated a coordinator for the purpose of implementing the JDI. ICT companies from India and Finland came together for a B-to-B session under 'Digital Finland meets Digital India' event under 'India Meets Finland' series on 10 March 2021. MEITY Minister Shri Ravi Shankar Prasad and Finnish Minister for Development Cooperation and Foreign Trade attended the event.

13. A Virtual Round Table with Indian IT companies based in Finland was organised on 25 May 2021 to identify the elements of the Digital Partnership. There are opportunities for collaboration in startup ecosystem, Digital Communications, Cyber Security, industry-academia collaboration, digital solutions for sustainability and circular economy and SMEs.

14. Minister of Science and Culture of Finland Mr Petri Honkonen attended the 25th edition of the Bengaluru Tech Summit in November 2021. Minister met Dr. Jitendra Singh, Minister of Science and Technology and discussed cooperation in areas like 5G/6G, Environment and Clean Technologies and Climate Change.

15. A 14-member NASSOM delegation visited Finland to explore business opportunities in Finland in June 2023.

C. Other Major Areas of Co-operation:

- India and Finland have signed multiple Agreements/MoUs covering areas such as Education, R&D, Tourism, Defence Production, Environment, Cooperation in Geology/Mining. The two nations also have successful partnerships in the domain of meteorology, environment & climate change.
- Finland is a leader in 5G/6G technology and Nokia is a world leader in providing the associated infrastructure. Top Indian IT companies are looking to collaborate in this sector. During the 4th Joint Committee meeting on S&T, 5G was identified as one of the three areas for future collaboration between India and Finland. Wipro Limited, signed an MoU with the University of Oulu, Finland, on 19 November 2019 to collaborate in wireless communications in 5G/6G. The University of Oulu in Finland announced its 6G collaboration with Reliance Jio on 20 January 2022 to explore digital opportunities. In addition, Tech Mahindra and Business Finland signed an MoU for research and development in 5G and 6G, on 21 November 2019. Nokia has won a major contract to supply 5G hardware to telecom firms in India. Nokia launched its first of its kind 6G Lab in Bangalore in October 2023 to undertake research in foundational 6G technologies like Network as a Sensor, Network Exposure and Automation
- Finland is very receptive to Indian culture. There are several Indian dance schools and Yoga schools. Cultural events are organised regularly by Indian Associations and other cultural organisations promoting Indian dance and music (both classical as well as contemporary). Friends of India & Finland, a not-for-profit platform bringing all Indian community association together has been at the forefront of promoting Indian culture in Finland. Embassy has been organising International Day of Yoga and annual cultural festival “India Day” since 2016. The 7th edition held on 20 August 2023 attracted 30,000 people.
- International Day of Yoga was organised on 21 June 2023 in four different cities in Finland with enthusiastic participation by more than 400 participants. The main event took place at the Senate Square in front of the Helsinki Cathedral.
- Ayurveda Day is being organised by the Embassy every year in November in cooperation with Finnish Ayurveda Federation and Ayurveda practitioners. 8th Ayurveda Day celebration on 8 November 2023 was a well-attended event reflecting the growing popularity of Ayurveda in Finland.
- A life-size statue of Mahatma Gandhi gifted by ICCR to Government of Finland was unveiled by EAM and Foreign Minister Pekka Haavisto on 20 September 2019 to mark Gandhi’s 150th anniversary.
- The favourite destinations of Finnish tourists are Goa, Kerala, and the Golden Temple, though other destinations are also becoming popular. E-visa’ facility has boosted tourism from Finland. There is a daily direct flight between Helsinki and New Delhi which has encouraged travel between both countries. About 3000 tourist visas were issued in 2022.

Source: www.mea.gov.in