

## India - Finland Relations

Finland and India have traditionally enjoyed warm and friendly relations. Finland sees in India a large market for its products and a favourable investment destination for its high technology industries whereas India views Finland as an important member of the EU and a repository of modern technology.

### Important Bilateral Visits

Prime Minister of Finland H.E. Mr. JuhaSipilä visited India from 12 to 14 February, 2016 to participate in the "Make in India Week" in Mumbai. He was accompanied by senior officials and a business delegation. During the visit he met Prime Minister of India, Shri Narendra Modi and held bilateral discussions. He also had meetings with Shri DavendraFadnavis, Chief Minister of Maharashtra, Smt. Anandiben Patel, Chief Minister of Gujarat, Shri ArunJaitley, Minister of Finance, Smt. Nirmala Sitharaman, MOS(IC) for Commerce and Industry and Shri Piyush Goyal, MOS(IC) for Power, Coal, New and Renewable Energy. The Finnish Prime Minister also met several top Indian businessmen during his visit to Mumbai. He also addressed the "Make in India Week" inaugural function along with Indian Prime Minister Shri Narendra Modi and Swedish Prime Minister Mr. Stefan Löfven.

Hon'ble Rashtrapatiji, Shri Pranab Mukherjee, paid a State Visit to Finland on 14-16 October 2014. He was accompanied by a high level delegation including Minister of State for Heavy Industries and Public Enterprises, Shri P. Radhakrishnan, Honourable Members of Parliament Shri Rajeev Shukla, Shri Anant Kumar DattatreyaHegde, Dr.KiritPremjibhaiSolanki and Shri Babul SupriyoBaral, Senior Officials, Senior academicians from IITs and IISERs and businessmen. During the visit, Rashtrapatiji had meetings with President H.E. Mr.SauliNiinisto, Prime Minister H.E. Mr.AlexanderStubb, Foreign Minister H.E. Dr.ErkkiTuomioja and Speaker of the Parliament H.E. Mr.EeroHeinoluoma. Hon'ble Rashtrapatiji addressed a Business Seminar in Helsinki. He also visited Rovaniemi and crossed the Arctic Circle, in addition to visiting Santa Claus Village, the 'Arktikum' museum and Arctic Science Centre. A total of 19 Agreements for cooperation in the fields of New and Renewable Energy, Biotechnology, Civil Nuclear Research, Meteorology, Healthcare and Education were signed during the visit.

In the recent past, there has been a perceptible increase in the level of engagements, both political and commercial, which saw the exchange of the visits of the Prime Ministers of the two countries during the same calendar year (2006). This was followed by visits by the President of Finland H.E. Mrs. TarjaHalonen in January 2007, February 2009, February 2011 and February 2012 and Finnish Prime Minister H.E. Mr. MattiVanhanen in February 2008 and February 2010(to attend the Delhi Sustainable Development Summit organized by TERI).

### **Bilateral Agreements:**

India and Finland have signed the following agreements:

- i. Trade Agreement (1967); replaced by the Economic Cooperation Agreement signed in March 2010.
- ii. Setting up of the India-Finland Joint Commission (1974).
- iii. Agreement on Avoidance of Double Taxation (1983); last amended in January 2010.
- iv. Cultural Agreement (1983).
- v. Memorandum of Understanding on Textiles (1993).

- vi. Air Services Agreement was signed in 1995, modified in May 2006.
- vii. Bilateral agreement on Promotion & Protection of Investments was signed in 2002.
- viii. Agreement for Cooperation in the Fields of Science & Technology in 2008.
- ix. Memorandum of Understanding for cooperation on Information Security in January 2010.
- x. Memorandum of understanding for Cooperation in the field of Road Transport on May 10, 2010.
- xi. The Social Security Agreement was signed in June 2012, ratified by the President of India in June 2012 and implemented w.e.f. August 1, 2014.
- xii. Arrangement for Cooperation in the field of Nuclear and Radiation Safety Regulation in October 2014.
- xiii. Memorandum of Understanding for cooperation in the field of Renewable Energy in October 2014.
- xiv. Memorandum of Understanding for cooperation in the field of Biotechnology in October 2014.
- xv. Implementing Arrangement for cooperation in the field of Atmospheric Environment in October 2014.

### **Economic and Commercial Relations**

India's bilateral trade with Finland reached US\$ 2,417.91 million in 2011-12 as compared to US\$ 1,907.94 million in 2010-11. However, there has been a gradual decline in recent years due to the closure of Nokia mobile handset plant in Chennai and recession in Europe. The trade during the past three financial years has been as follows:

<b>In US\$ million</b>				
Financial Year (April-March)	2012-13	2013-14	2014-15	2015-16 (Apr. - Dec. 2015) 9 months
Exports to Finland	317.27	415.52	330.18	179.41
Imports from Finland	1,106.85	1,054.09	917.48	777.62
Total Trade	1,424.12	1,469.51	1,247.66	957.03

*Source: Ministry of Commerce, Government of India*

Main export items from India have been electronic goods, mineral fuels and mineral oils, ready-made garments, cotton including accessories, pharmaceuticals & fine chemicals, articles of iron and steel, machinery and instrument, coffee, rubber, iron and steel, organic chemicals and nuclear reactors, boilers, machinery and mechanical appliances and parts thereof. Major imports of India from Finland include electrical machinery and equipment, nuclear reactors, boilers, machinery and mechanical appliances, paper and paper board, iron and steel, pulp of wood or of other fibrous cellulosic material, pulp and waste paper, vehicles and transport equipment etc.

### **Investments:**

Finnish companies have shown increasing interest in investing in India. Large manufacturers like Nokia, Kone, Wartsila, UPM, Lindstrom, Fortum, Ahlstrom, Elcoteq, etc. have already set-up their manufacturing facilities in different parts of India.

Nokia Siemens' Networks has also set up its main Product Development Centre in Bangalore. Over 130 Finnish companies now have operations in India.

About 30 Indian companies, mainly in the software and consultancy sector are active in Finland. Among them are TCS, WIPRO, Infosys, L&T Infotech, Tech-Mahindra, HCL Technologies and others. Investment flow from India have also started, including through acquisitions route. The latest investment was by an Indian company Trivitron Healthcare, which has acquired two Finnish companies, Ani Labsystems and Ani Biotech. These companies manufacture medical testing equipment. Mahindra Holidays and Resorts has been taken over the Finnish company in the sector 'Holiday Club Resorts Oy' last year. The total FDI from Finland into India amounts to over US\$ 400 million. As per FDI statistic released by DIPP, Finnish companies had invested US\$ 388 million between March, 2000 to August, 2015.

### **Cultural Relations:**

There are several Indian dance schools and training centres for Yoga in Finland. Cultural functions are organised frequently which include Indian dances (both classical as well as modern) and Indian music. There are many Yoga and Meditation groups affiliated to various Indian schools in these disciplines. There are many followers of various Indian Spiritual Gurus (and Ashrams) who have set up their own branches in Finland. A Finnish-India Cultural Society has been active in Finland since 1956.

### **Tourism:**

Favoured Finnish tourist destinations in India are Goa and Kerala, though other destinations are also becoming increasingly popular. With the commencement of direct Finnair flights from Helsinki to New Delhi in 2006 the number of Finnish visitors has increased. E- Tourist Visa scheme has been made applicable w.e.f. 1st January 2010 for the Finnish citizens. India Tourist Office organises Road Shows in Helsinki regularly and participates in the Helsinki Tourism Fair every year.

### **Indian Community:**

There are about 4,500 Indians PIOs and NRIs in Finland. Most of them live in the capital Helsinki and the surrounding regions. Majority of the Indians who had settled during 1980s and 1990s in Finland were from Punjab and are mainly engaged in the restaurant business.

In recent years, a number of young Indians, mainly computer professionals, have joined Finnish high- tech and IT companies. Presently there are about 700 Indian professionals working in Finland for high-tech companies like Nokia, Microsoft and Indian software companies like TCS, WIPRO, L&T, Infosys, HCL, Mahindra Infotech and others based in Finland.

There are also a small number of Indian/PIO academics working in Finnish universities. The number of Indian students at Finnish universities has grown in recent years and currently about 350 Indian students are pursuing higher education in Finland.

### **Useful Resources:**

Embassy of India, Finland website:

[www.indianembassy.fi](http://www.indianembassy.fi)

\*\*\*\*\*

**February 2016**

