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## **DECLINE IN EXPORT PRICES PULLED EXPORT VALUE BELOW ZERO IN 2013** **The trade deficit amounted to 2.3 billion euros**

According to Finnish Customs' foreign trade statistics, the value of Finland's goods exports went down by two per cent in 2013 when compared to the previous year. The value of exports amounted to 55.9 billion euros. The decline in export value was mainly caused by the fall in export prices. The export volume decreased by 0.6 per cent, and export prices went down by 1.9 per cent. Last year the value of imports also decreased by two per cent and amounted to 58.1 billion euros. The decrease in the volume of import had the biggest effect on the value of import. Import prices reduced by one per cent, whereas the volume of import decreased by 1.8 per cent.

The trade deficit decreased somewhat in comparison with the previous year. The trade balance showed a deficit of 2.3 billion euros in 2013. The deficit in 2012 amounted to 2.6 billion euros. The deficit in trade with EU countries was just over two billion euros and 221 million euros in external trade in 2013. In 2012, the external trade deficit was 1.4 billion euros and that of EU trade was 1.2 billion euros.

Exports of machinery and transport equipment and of electric and electronic products went down last year and caused a decrease in overall exports. However, chemical industry exports increased in 2013. Oil products comprised the most significant branch of growth within exports, but there was also a slight increase in the exports of chemical substances and chemical industry products. Forest industry exports also increased, with the exception of paper industry products.

Due to decreased imports of intermediate goods and capital goods, overall imports took a downturn of two per cent last year. Imports of energy products, however, increased to some extent. Imports of consumer goods remained almost at the level of the previous year.

The weakened foreign trade into non-EU countries caused a decrease in both overall exports and total imports in 2013. Exports to non-EU countries decreased by five per cent, and imports from non-EU countries decreased by nine per cent. The volume index of foreign trade exports declined by 4.3 per cent, but the export prices decreased only by 1.2 per cent. The volume index of foreign trade imports went down by 6.5 per cent and import prices decreased by three per cent.

The value of export to EU countries rose by one per cent in 2013. In late 2013, however, exports to EU countries increased distinctly in comparison with the start of the year. The volume of export to EU countries expanded by 2.3 per cent in 2013, even though the export prices went down by two per cent at the same time. Last year, exports to the EU territory increased slightly more than exports to the entire EU territory, by two per cent. In 2012, exports to EU countries decreased by four per cent, whereas exports to non-EU countries increased by five per cent. In 2013 the value of imports from all EU countries increased by four per cent and exports from the Eurozone rose by one per cent. Last year the volume of import from EU countries expanded by 2.4 per cent and import prices increased by 0.6 per cent.

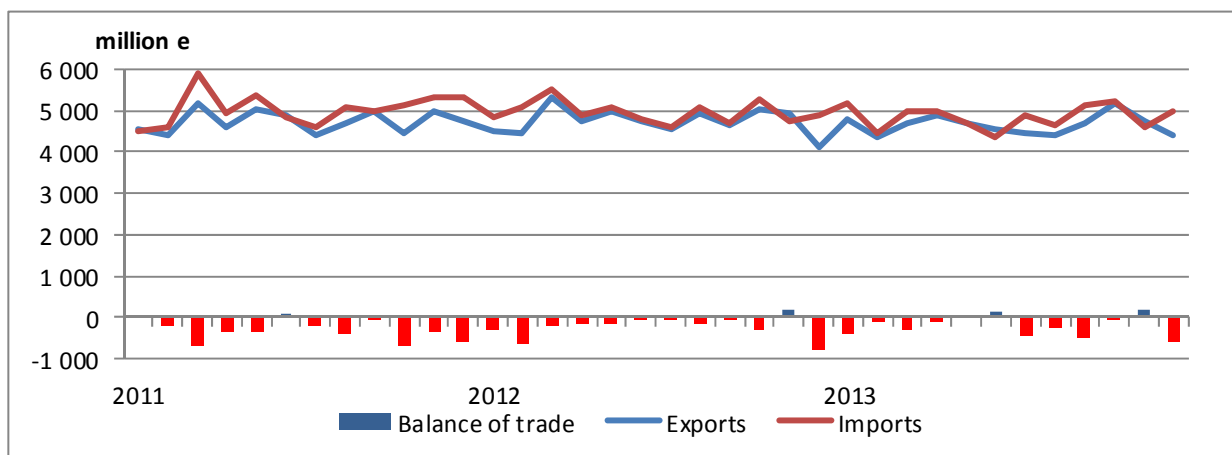
### Total development 2013

	Million e 2012	Million e 2013	Change % 2013
<b>Exports</b> (fob)	56 878	55 903	-2
<b>Imports</b> (cif)	59 517	58 168	-2
<b>Balance</b>	-2 639	-2 265	

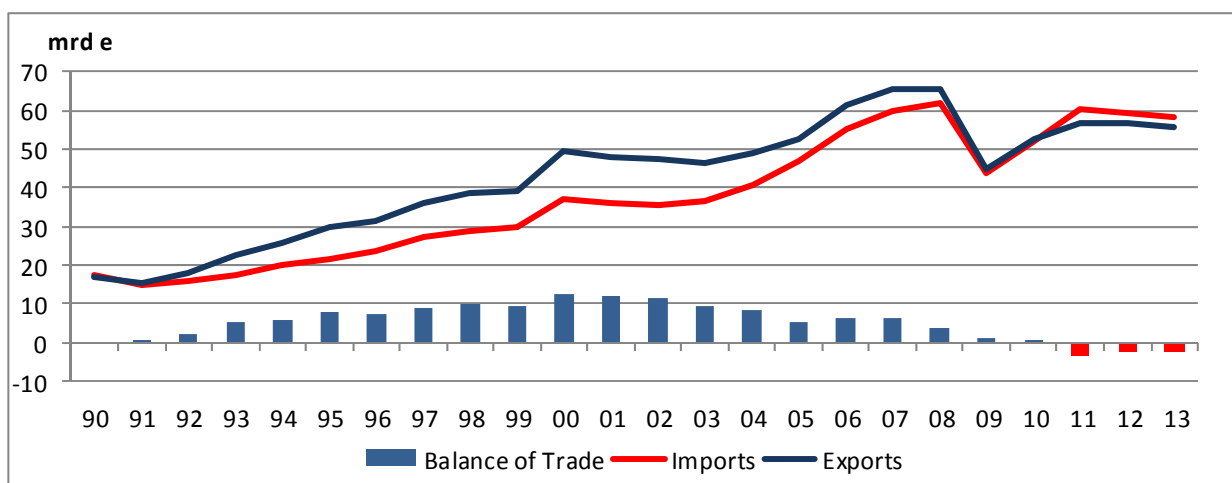
### Foreign trade indexes

	Point figure	Point figure	Change %
<b>Volume index</b>			
Exports	97,7	97,1	-0,6
Imports	99,4	97,5	-1,8
<b>Unit value index</b>			
Exports	110,0	107,9	-1,9
Imports	114,6	113,5	-1,0

### Exports, imports and trade balance in Finland by month 2011–2013, million euros



### Exports, imports and trade balance in Finland by year 1990–2013, billion euros



## Chemical industry and forest industry exports increased in 2013

In recent years, the chemical industry has grown to become the biggest product category in exports with its one quarter share, as dwindling exports of communication equipment have reduced the electric and electronic industry's share of total exports to around 11 per cent. As recently as at the start of the decade, the figure was around 30 per cent. Forest industry products accounted for one fifth of exports last year, while the share of the machinery and vehicles industry was around 17 per cent. In ten years, the structure of Finland's exports has evened out considerably, and none of the product groups has a clearly dominant position in exports.

In 2013, the increase in chemical industry exports was less distinct than in the previous year. The growth in chemical industry exports remained down at four per cent due to the 15 percent decrease of exports of pharmaceutical industry products. The total value of chemical industry exports was 13.8 billion euros last year. The value of exports of oil products rose less last year than in the previous year, because there was a significant drop in the value of exports towards the end of 2013. The decline in the value of exports was due to a drop in the export prices for oil products (-7%), as export volumes went up by one fifth. The value of exports of oil products grew by ten per cent in 2013 and oil products remained as the most important growth area in exports. The export of chemical substances and chemical products was slightly growing (+2%) last year. Export of plastics increased by five per cent in 2013, after decreasing only the year before.

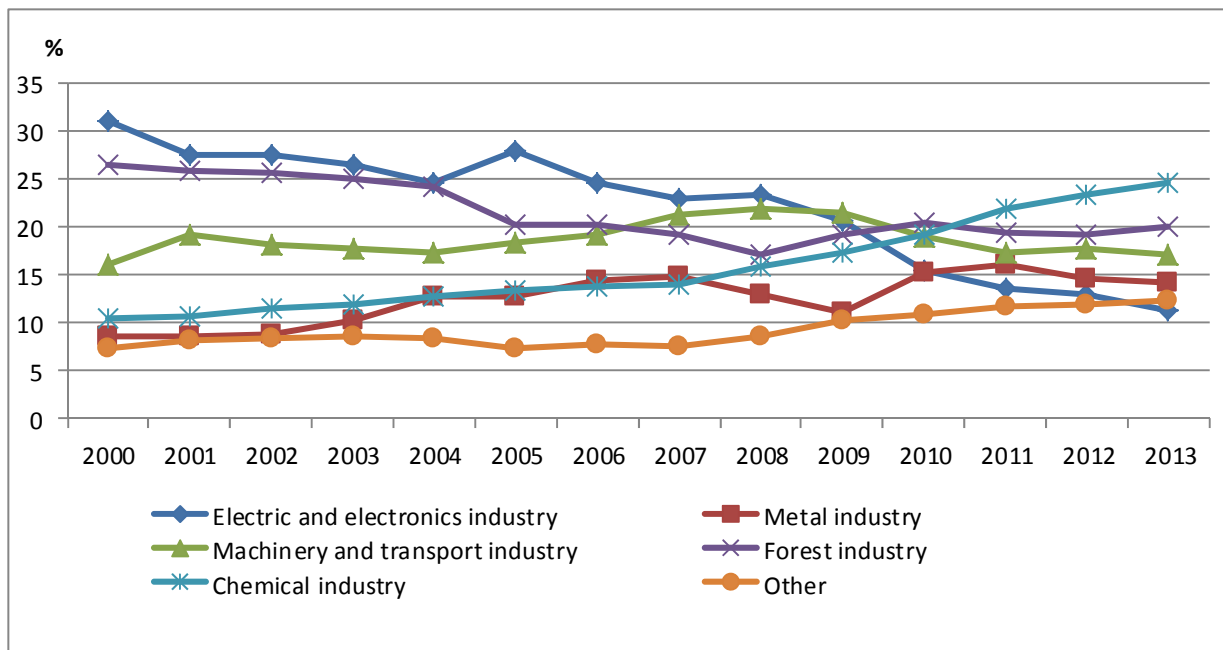
Exports in the forest industry sector saw a slight upward trend of three per cent last year. The value of exports amounted to 11.2 billion euros. In 2012 exports shrank by two per cent. Exports of timber increased by 14 per cent and the export of wooden products grew by five per cent. Exports of pulp also went up by 15 per cent. By contrast, there was a decline in paper and paperboard exports last year. The decline was about the same as the previous year, when it amounted to two per cent.

Last year the export of machinery and equipment decreased by five per cent. The value of exports amounted to 7.5 billion euros. In 2012, the exports still reached the previous year's level. Exports of special machinery, such as paper machinery (-16%), earth-moving and excavation machinery (-17%) declined significantly last year. By contrast, exports of motors increased slightly. Last year the export of transport equipment decreased by four per cent. Export of passenger cars rose by ten per cent, whereas exports of trucks and vans declined by nine per cent. Exports of buses decreased as much as 45 per cent. There was a fall in exports of electric and electronic industry products in 2013 by 13 per cent. The value of exports amounted to almost 6.4 billion euros. The decline was largely caused by a fall in exports of communication and computer equipment.

Exports of metal industry products decreased by five per cent, the export value was over 7.9 billion euros in 2013. The drop in exports of iron and steel was four per cent and the export on non-ferrous metals decreased by 13 per cent. The value of copper exports declined by 14 per cent, but there was also a decrease in the export values of nickel (-18%) and zinc (-4%). On the other hand, there was an increase in exports of aluminium. The export of metal products increased by one tenth.

Imports of raw materials and industrial goods decreased slightly, when the value of metals imports diminished as a result of falls in both volumes and prices. The value of import of energy products rose by three per cent, although the value of crude oil import declined by two per cent from the previous year. The import volume of crude oil increased by five per cent, but import prices decreased over six per cent. The biggest change in imports was that the imports of capital goods decreased by seven percent. This was mainly due to a drop in imports of machinery and equipment. Imports of durable consumer goods were at almost the same level as the previous year. Last year's drop of import of passenger cars by 16 per cent changed to a four per cent increase in 2013.

## Different industrial sectors' (CPA) share of Finland's total exports 2000–2013

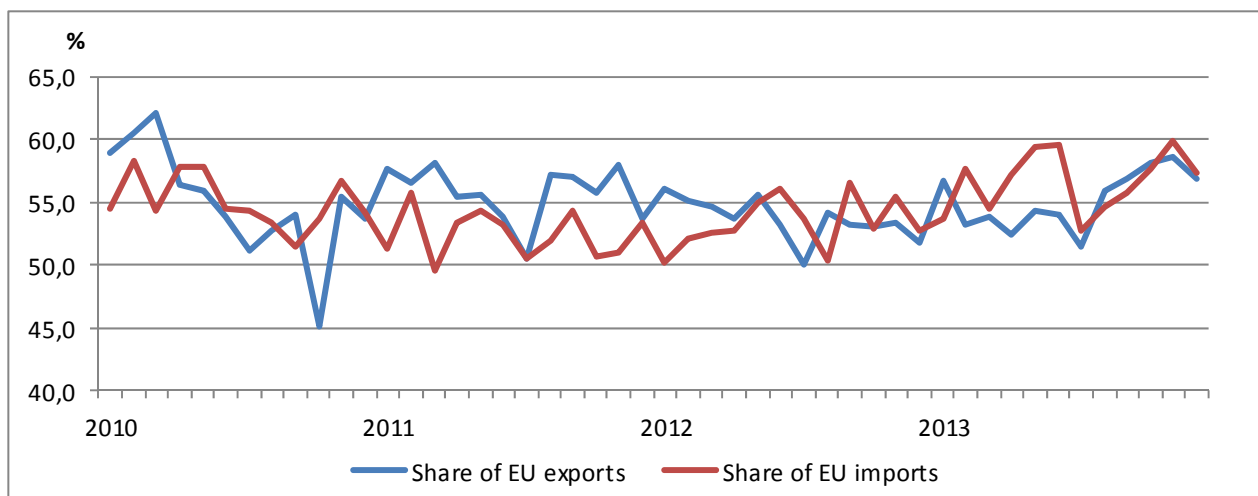


## EU countries' share of Finland's foreign trade grew in 2013

The EU countries' share of Finnish exports grew last year from 53.7 per cent in the previous year to 55.2 per cent. There was also a rise in the EU countries' share of imports. Last year the share was 56.6 percent, up from the 53.3 per cent seen the previous year. The increase in the share was due to quickened growth in EU exports in the latter part of 2013.

Correspondingly, the share of the trade with countries outside the EU dropped. Last year, external trade had a 44.8 per cent share of exports and a 43.4 per cent share of imports, while the corresponding shares for the previous year were 46.3 per cent of exports and 46.7 per cent of imports.

## Share of EU exports and EU imports of Finland's total foreign trade 2010–2013 by month



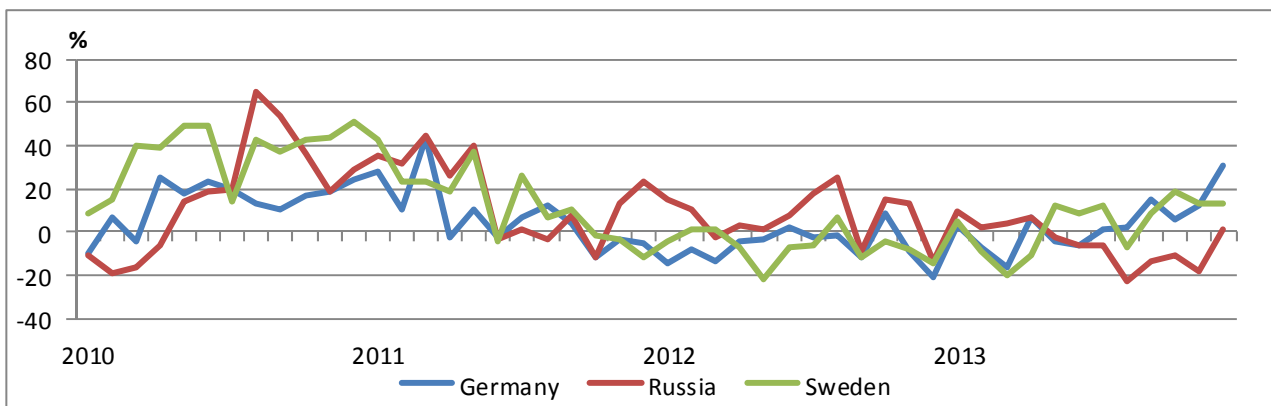
Note: scale of vertical axel begins at 40

## Sweden is our largest export country

Sweden was again our largest export country in 2013, with a share of the total exports that rose to 11.6 per cent. Exports to Sweden grew by three per cent last year compared to 2012, when it fell by seven per cent. Germany climbed up to become our second largest export country once again, with a share of 9.7 per cent. Last year the export to Germany increased by three per cent. In 2012, Germany was only our third largest export country. Russia was our third largest export country in 2013, dropping from the second place it held in the previous year. Exports to Russia decreased by six per cent last year. Among other important EU countries, exports to Belgium (+11%) and France (+5%) increased the most. Canada (+24%), South Korea (21%) and China (+6%) showed growth in terms of external trade. Among the EU countries, exports took a downward turn in the case of the Netherlands (-3%) and Poland (-3%). In external trade, there was a decrease in exports to Switzerland (-13%), Norway (-9%) and Japan (-7%).

In imports Russia was the largest import country with a share of 18.1%, as it was in the previous years. Germany came second with a share of 12.6 per cent, and Sweden was third with a share of 11.4 per cent. The import from Russia decreased by one per cent last year. Imports from Germany stayed on the level of the previous year and imports from Sweden grew by five per cent last year. Among the other EU countries imports increased most from Denmark (+29%), Spain (+17%) and Poland (+11%), but dropped from Italy (-4%) and Belgium (-3%). In external trade, imports from Norway showed the biggest decline (-45%), while imports from China and Brazil decreased by one fifth.

## Change in Finland's exports to Germany, Russia and Sweden 2010–2013, month by month, per cent



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