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VALUE OF EXPORTS FELL BY FOUR PER CENT IN 2015

Significant decrease in the trade deficit due to surplus in extra-EU trade

According to Finnish Customs' preliminary data, the value of Finland's goods exports declined by four per cent in 2015. The value of exports amounted to 53.5 billion euros. The value of imports went down by six per cent, dropping to 54.2 billion euros. In 2014, exports stayed level with the previous year and imports decreased by one per cent.

Compared to recent years, there was a significant reduction in the trade deficit last year. According to preliminary data, the trade balance showed a deficit of 690 million euros in 2015. The deficit amounted to 1.8 billion euros in 2014, and in 2013, the deficit was 2.4 billion euros. In 2015, the deficit in the trade with EU countries rose, however, and was close to 2.5 billion euros, but in extra-EU trade there was a surplus of almost 1.8 billion euros. In 2014, the extra-EU trade deficit amounted to 70 million euros and that of EU trade to 1.7 billion euros.

The decline in total exports was mainly influenced by two factors: a steep downturn in the value of exports of oil products and a considerable slump in exports to Russia. The value of exports of oil products fell by 41 per cent already in January–November, while exports to Russia declined by 34 per cent over the same period. When excluding oil products and exports to Russia, there was a slight increase in overall exports according to the data for January–November. Other exports from the chemical industry, as well as exports from the metal industry, also decreased slightly. Transport equipment was the most important growth sector in exports in 2015, just as the year before, but there was also a moderate rise in exports of forest industry products last year. Finnish Customs will publish detailed statistics on the foreign trade in goods for the whole of last year on 29 February 2016.

Total imports showed a decline of six per cent in 2015, again due to a steep fall in the value of imports of energy products. There was also a slight decline in imports of intermediate goods. Imports of capital goods and durable consumer goods, however, increased to some extent.

Exports to the EU-countries decreased by two per cent in 2015. Exports to the euro zone, on the other hand, went up by two per cent. Exports to non-EU countries shrank by eight per cent. In 2014, exports to EU countries increased by four per cent, while exports to non-EU countries decreased by five per cent. Imports from all EU countries stayed at the same level in 2015 as in the year before, when there had been an increase of two per cent. A decrease of 15 per cent in the value of imports from outside the EU brought down the overall imports again in 2015. In 2014, imports in extra-EU trade went down by five per cent.

Overall development, million euros (the figures for 2015 are based on preliminary statistics)

	2014	2015	Change % 2015
Exports (fob)	55 973	53 525	-4
Imports (cif)	57 769	54 215	-6
Trade balance	- 1 796	- 690	

Figure 1. Exports, imports and trade balance in Finland by month 2013–2015, million euros

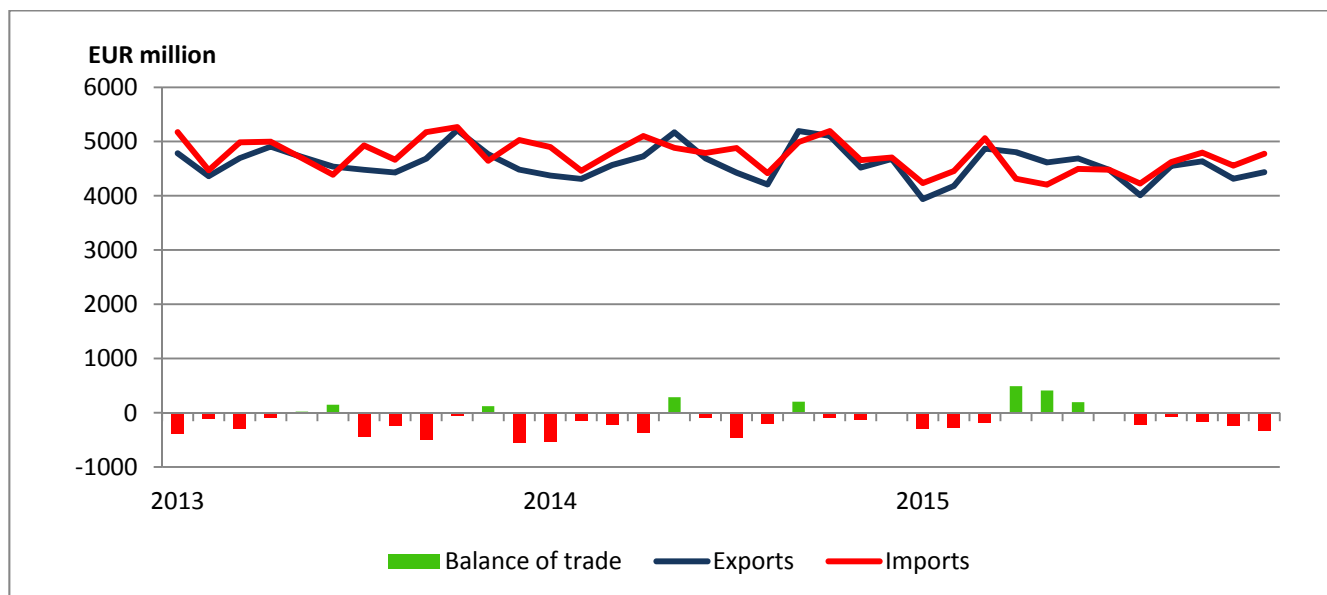
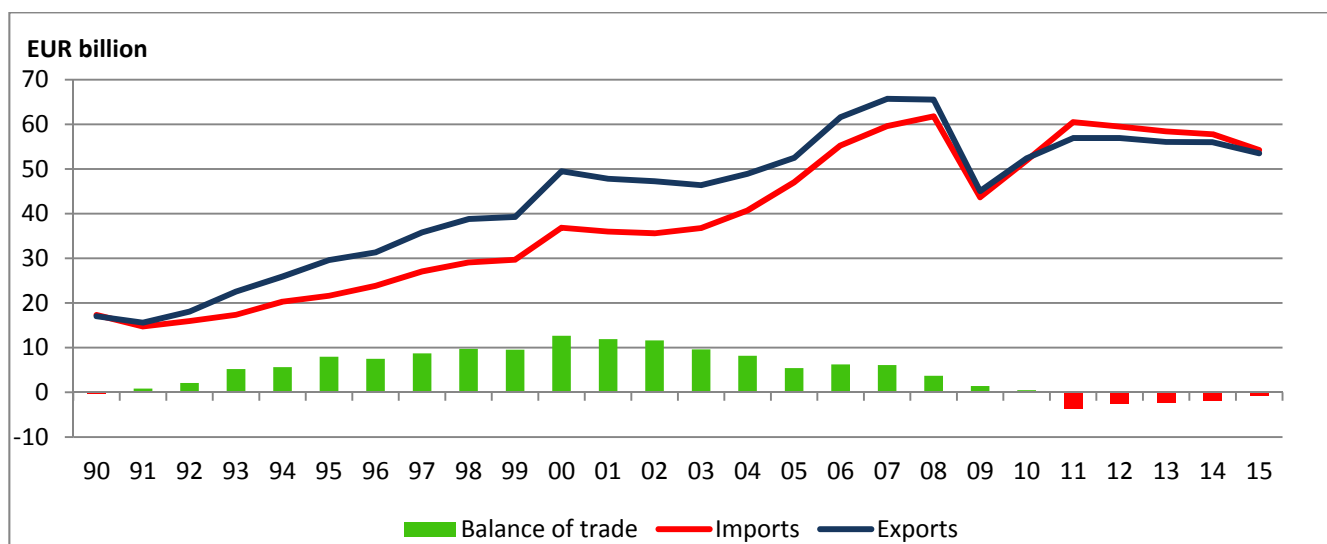


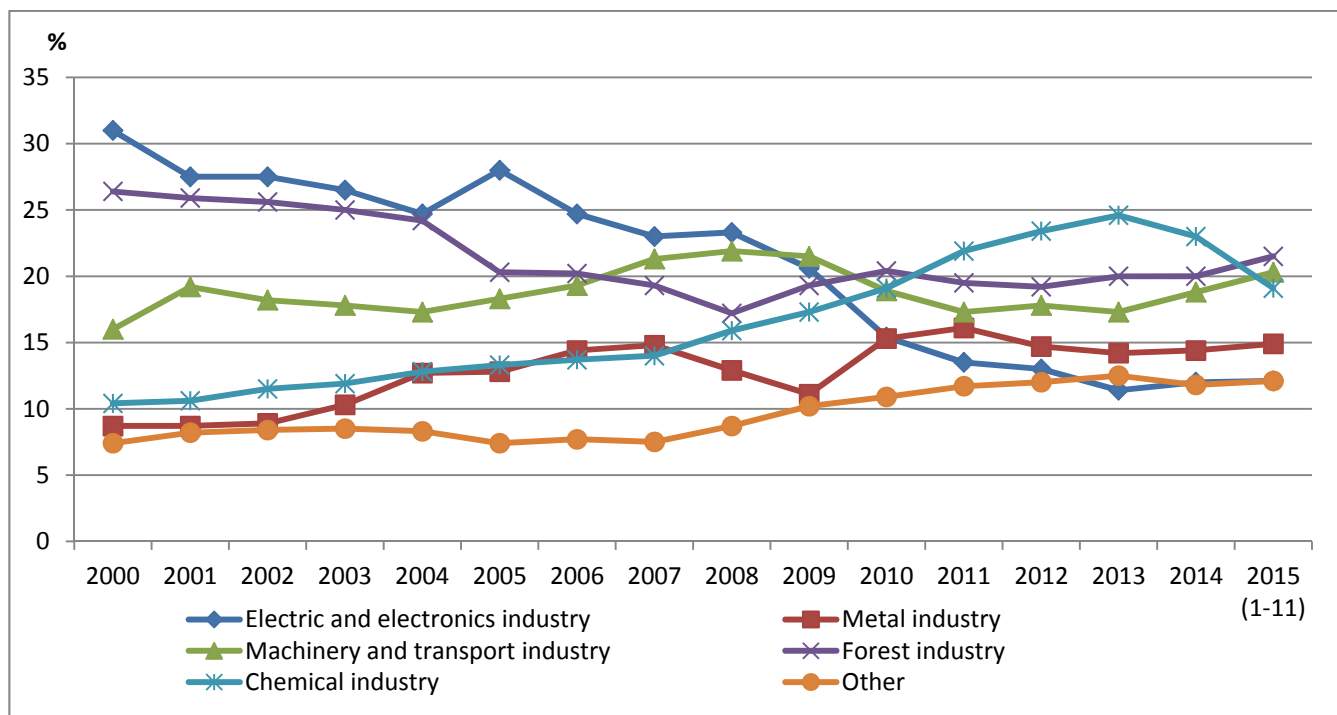
Figure 2. Exports, imports and trade balance in Finland by year 1990–2015, billion euros



The decline in the value of exports of oil products had a considerable impact on the decrease in overall exports

The dramatic decrease in the value of exports of oil products changed the structure of Finland's exports based on the figures for January–November. For the past four years, the chemical industry has been the biggest sector in exports, but in 2015, it fell to third position. Its share was 19 per cent last year, compared to 23 per cent the previous year. The share of forest industry products of overall exports increased to more than a fifth last year, thereby assuming once again its position as the top export sector after a respite of six years. The share of the machinery and vehicles industry also grew last year by more than a fifth, making it the second biggest export sector. The decline in exports of communication equipment has reduced the electric and electronic industry's share of total exports to around 12 per cent. At the start of the millennium, the figure was around 30 per cent, and by the turn of the decade, it had sunk to approximately 20 per cent. On the other hand, Finland's export structure has evened out considerably, and none of the product groups has had a clearly dominant position in exports in recent years.

Figure 3. Different industrial sectors' (CPA) share of Finland's total exports 2000–2015 (1–11), per cent



In January–November 2015, the value of exports of oil products had already declined by over 40 per cent. The export prices of oil products went down by almost 28 per cent compared to the corresponding period in 2014. The export volumes diminished by almost one fifth over the same period. The share of oil products of total exports went down from more than 10 per cent in 2014 to 6.6 per cent. In 2013, the share was 12 per cent. Similarly, exports of basic chemical industry products also declined last year compared to the year before. There was a moderate downturn in exports of pharmaceutical industry products last year, but the decline in exports of basic chemical industry products was more pronounced.

Exports from the forest industry sector took a slight upward turn last year, reaching a growth of three per cent in January–November. There was no growth in 2014. The biggest rise, about one tenth, was seen in exports of pulp. Exports of paper and paperboard also increased somewhat in 2015, having been in decline the year before. There was also a slight increase in mechanical forest industry exports.

Exports of machinery and transport equipment grew last year, but less than the year before when they rose by six per cent. Exports of industrial machinery and equipment stayed more or less level with the year before, but exports of electrical machinery and equipment took a downturn. Transport equipment was the biggest growth sector in exports in 2015, just as it was the year before. Exports of motor vehicles increased considerably. Exports of vessels remained largely unchanged from 2014.

The total exports of metal industry products declined slightly in 2015. Exports of iron and steel as well as non-ferrous metals nearly managed to stay level with the year before, but exports of metal products saw a clear decline.

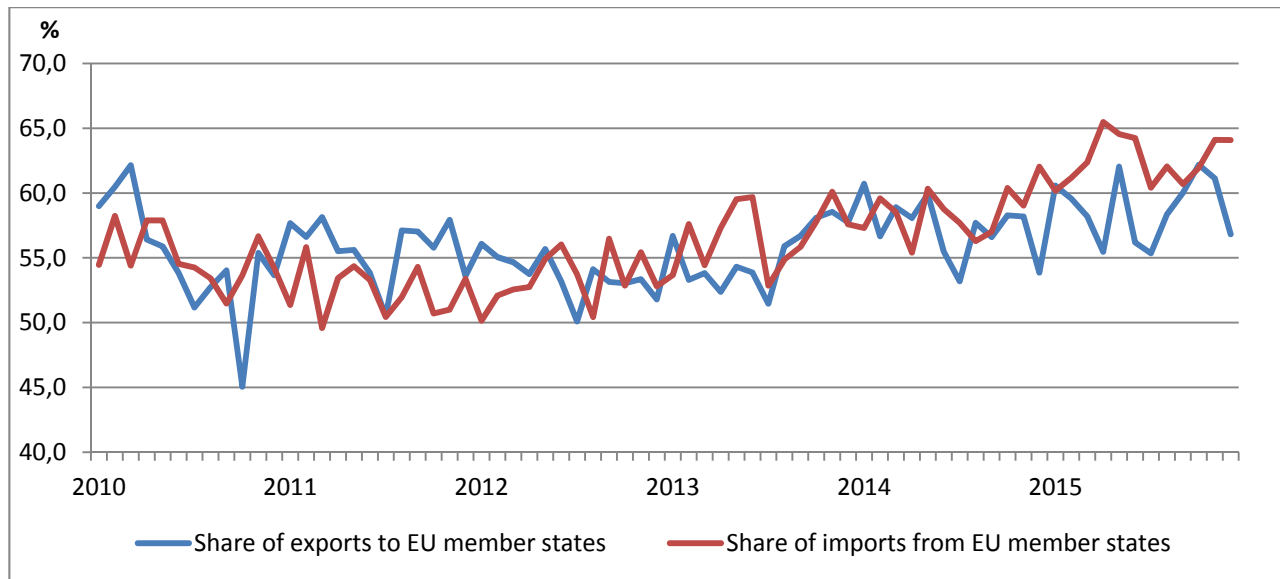
The decline in the value of imports of energy products had a marked effect on the overall decline in imports. Based on the figures for January–November, the import prices of crude oil went down by 40 per cent, while the import volumes only declined by 7 per cent. The import prices for oil products also fell, but only by less than 25 per cent. Imports of intermediate goods declined slightly last year, as imports of metal industry products dwindled. However, imports of capital goods took a moderate upward turn. There was also a moderate increase in imports of consumer goods last year.

EU countries' share of Finland's foreign trade continued to grow in 2015

The EU countries' share of Finland's exports grew in 2015 from 57.3 per cent in the previous year to 58.8 per cent. There was also a rise in the EU countries' share of imports. Last year the share was 62.6 per cent, up from the 58.5 per cent seen the previous year.

Correspondingly, the shares of the trade with countries outside the EU dropped. Last year, the extra-EU trade had a 41.2 per cent share of exports and a 37.4 per cent share of imports, while the corresponding shares for the previous year were 42.7 per cent of exports and 41.5 per cent of imports.

Figure 4. Share of EU exports and EU imports of Finland's total foreign trade 2010–2015 by month.



Note: scale of vertical axis begins at 40 per cent.

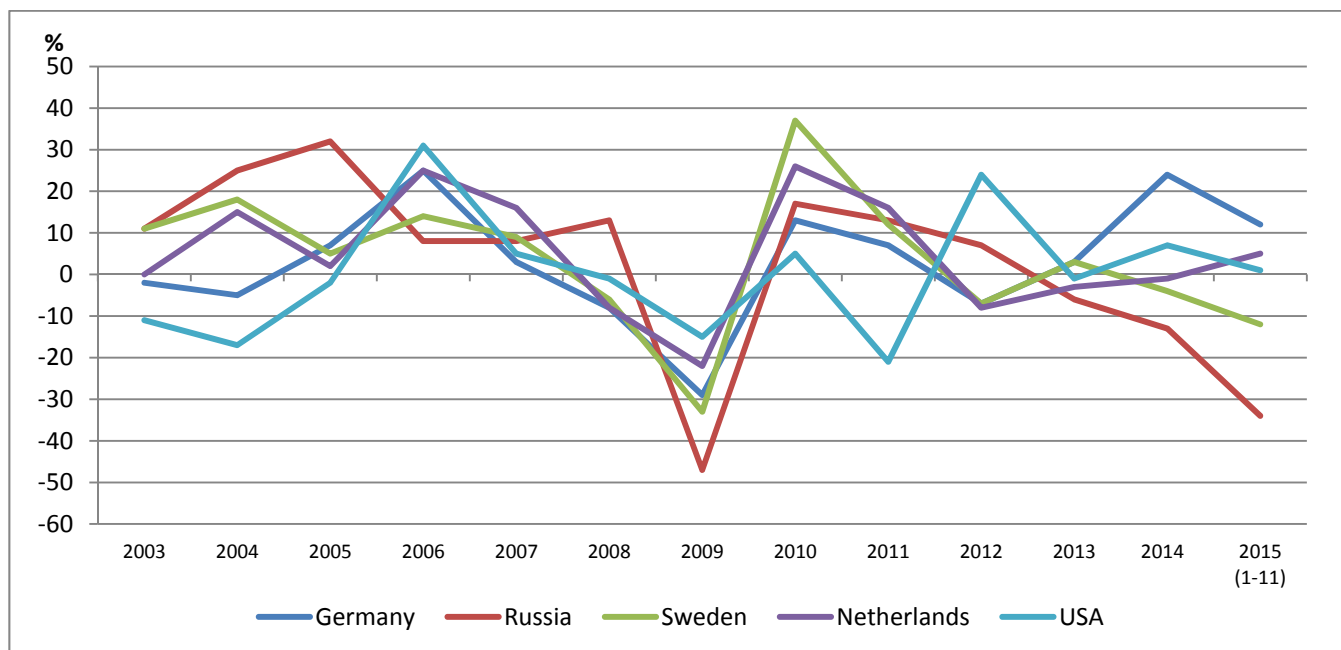
Russia dropped to fifth biggest export country

Sweden was for many years our biggest export country and Russia our biggest trade partner when measured by total trade volume. There was a change in this order in 2014. Germany rose to become both our biggest export country and our biggest trade partner. Germany retained this position in 2015 and its share of total exports grew slightly, surpassing 14 per cent based on the figures for January–November. Sweden remained our second biggest export country with a share of ten per cent. The United States rose to become our third biggest export country with a share of seven per cent, and the Netherlands was fourth biggest (6.6%). Russia was only the fifth biggest export country with a share that fell to 5.8 per cent last year, compared to 8.3 per cent the year before, and 9.6 per cent in 2013.

Exports to Russia fell by 34 per cent in January–November last year, while exports to Sweden fell by 12 per cent. Exports to Germany grew by 12 per cent over the corresponding period, exports to the Netherlands by five per cent and exports to the United States by one per cent. Exports to the United States grew by seven per cent the previous year, and therefore, the country's share of total exports has grown. Finnish Customs will publish country-specific data on foreign trade for the whole of 2015 on 29 February 2016.

Russia has been our biggest import country since 2003. In 2015, the country dropped to third biggest import country with a share of 11 per cent. In 2014, Russia's share of total imports was almost 15 per cent, and as high as 18 per cent in 2013. Germany rose to become our biggest import country with a share of 15 per cent of total imports. Sweden was the second biggest import country with a share of almost 12 per cent. Imports from Russia decreased by 32 per cent in January–November last year. Imports from Sweden went down by six per cent over the same period. Imports from Germany rose by seven per cent.

Figure 5. Change in Finland's exports to Germany, the Netherlands, the United States, Russia and Sweden 2003–2015 (1–11), per cent.

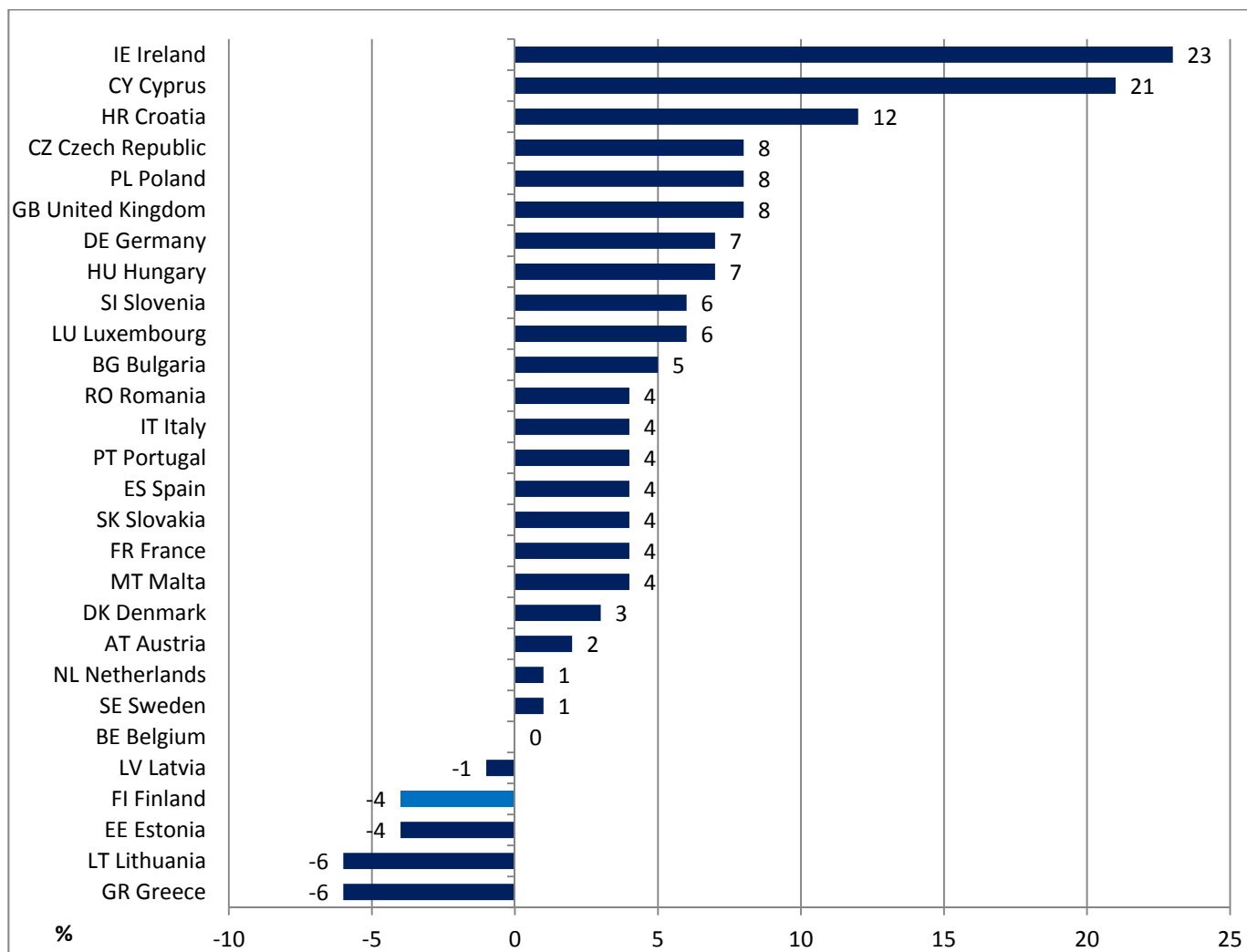


Development of EU countries' exports in 2015

The combined exports of the EU countries (EU28) grew by five per cent in 2015 (January–October).¹ Finland's exports fell by four per cent over the corresponding period. Finland's exports showed the weakest trend of the EU countries last year. Only in Lithuania and Greece did exports fall more than in Finland, and in Estonia, they fell by the same amount. Exports were only in decline in the Baltic countries, Greece and Finland. However, the change in exports varied largely in different EU countries. Exports grew the most in Ireland, Cyprus and Croatia. Among Finland's major trading partners, Sweden's exports increased by one per cent, Germany's by seven per cent and the Netherlands' by one per cent. Exports grew by four per cent in France and eight per cent in the United Kingdom. Belgium's exports stayed level with the previous year.

¹ Source: Eurostat Comext database, latest figures are from January–October.

Figure 6. Change in exports in different EU countries in 2015 (01–11), per cent



Source: Eurostat news release 9/2016

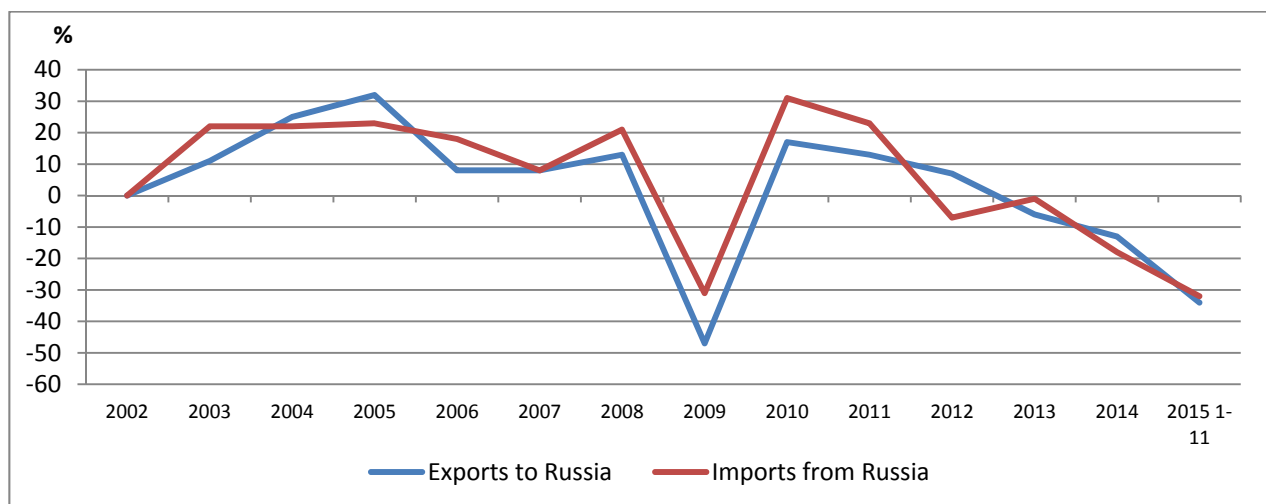
The slump in the trade with Russia continued in 2015

There was a slowdown in the growth of exports to Russia already in 2011, even though the following year showed a growth of seven per cent. The decline in exports to Russia started in 2013 with a downturn of 6 per cent. In 2014, exports fell by 13 per cent and by January–November last year, the decline already amounted to 34 per cent. The fall in exports last year did not, however, reach the level of the crisis year 2009, when exports dropped by 47 per cent. Exports of all product groups to Russia fell dramatically. The steepest decline in January–November was in exports of foodstuffs (-67%), transport equipment (-56%) and industrial machinery (-38%).

Imports from Russia took a negative turn in 2012 when they fell by seven per cent. The following year, imports declined moderately, diminishing by one per cent, but in 2014, the decline was already at 18 per cent. In January–November last year, imports fell by 32 per cent. This is more than in 2009 when imports fell by 31 per cent. More than 73 per cent of imports from Russia in January–November last year were energy products, and almost 60 per cent of this was made up of oil and oil products. The fall in the price of oil had particularly marked effect on the decline in the value of imports from Russia. There was also a decline in imports of gas and coal, whereas imports of electricity went up. Imports of metals and metal products also saw a rise.

The combined exports from the EU countries to Russia fell by 29 per cent in January–November last year, while imports from Russia fell by 26 per cent.² In other words, Finland's trade with Russia has fallen more than the EU average.

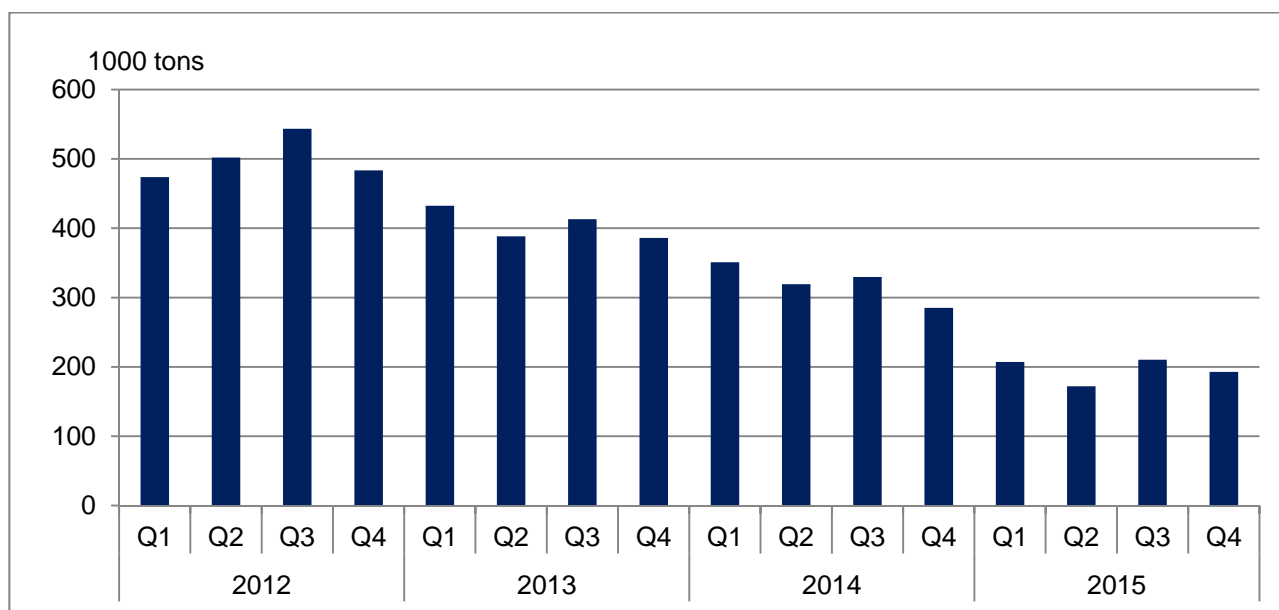
Figure 7. Change in exports to Russia and in imports from Russia, 2002–2015 (1–11), per cent



Transit transports

According to Finnish Customs' statistics on transit transports, less than 782 thousand tons of transit goods were exported as transit transports from Finland to Russia in 2015. The number of transit tons fell by 39 per cent compared to the previous year. The volume of transit transports has been shrinking since 2011. Last year, the volume of transit goods declined particularly over the second quarter. The transit statistics contain information on road transports transited through Finland and across the Finnish-Russian border through the most important border crossing points. The transit goods arrive at the customs border of Finland, from where they are transited by road to Russia without customs clearance in the customs territory of Finland. The goods contained in the road transit statistics are not included in Finland's foreign trade statistics.

Figure 8. Transit transports 2012–2015 (1000 tons), by quarter

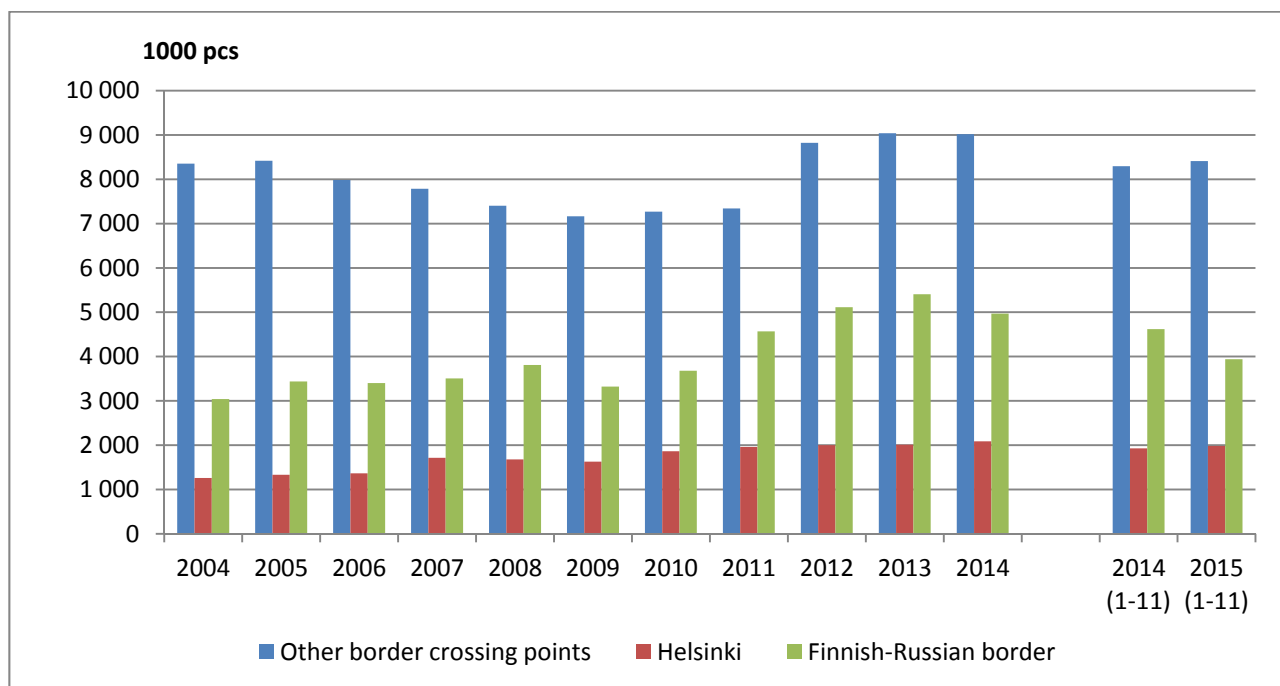


² Source: Eurostat news release 9/2016

Border traffic

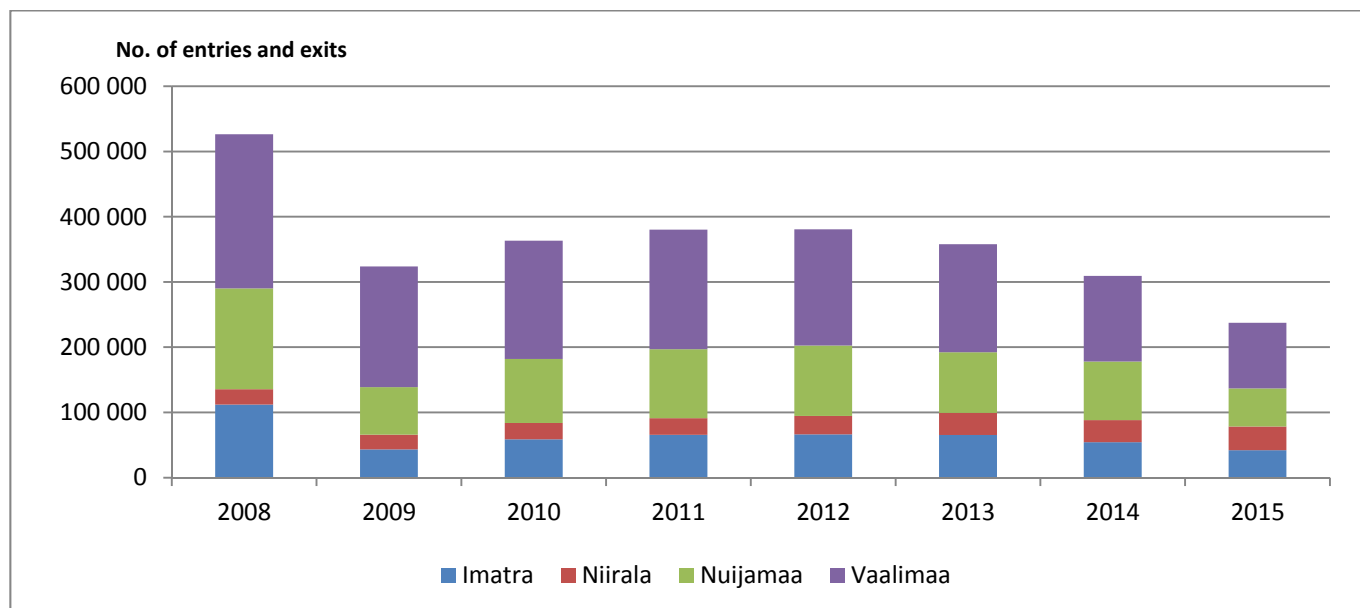
Border traffic statistics produced by Finnish customs indicate the volumes of Finland's border traffic according to vehicle and border crossing point. The total border traffic volumes in Finland went down by three per cent in January–November last year. The traffic at the crossing points at the Finnish-Russian border diminished by 15 per cent altogether, but the border traffic volumes through the other border crossing points increased by more than one per cent. Helsinki border crossing point saw a three-per-cent rise over the same period.

Figure 9. Border traffic at Helsinki, the Finnish-Russian border and the other border crossing points 2004–2015 (1–11), thousand vehicles



The majority of the road transports in the trade with Russia pass through the four biggest border crossing points on the Finnish-Russian border. The diagram below shows the number of loaded trucks that have arrived in or left the country each year. Vaalimaa is the biggest border crossing point; its share was 42 per cent in January–November last year. Vaalimaa's share stayed level with the previous year. The traffic volumes passing through Imatra were also similar to the year before. By contrast, Nuijamaa's share of the traffic went down while Niirala's went up. The number of loaded trucks took a downward turn in 2013 after three years of growth. In 2014, there was a decline of 14 per cent and in January–November last year, traffic volumes decreased by more than 23 per cent.

Figure 10. Number of loaded trucks by year 2008–2015 (1–11) and by border crossing point, total entries and exits



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