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ANNUAL PUBLICATION: detailed data

VOLUME OF EXPORTS FELL BY FOUR PER CENT IN 2016

Minor increase in export prices

According to Finnish Customs' foreign trade statistics, the value of Finland's goods exports went down by four per cent in 2016. The value of exports amounted to 51.8 billion euros. The fall in the value of exports was all due to a decrease of four per cent in export volumes. Export prices increased by 0.4 per cent. The value of imports remained almost level with the year before and amounted to 54.7 billion euros. In terms of volume, imports grew by only 0.1 per cent in 2016, while import prices increased by 0.5 per cent. In 2015, the value of exports also fell by four per cent and the volume of imports decreased by 4.7 per cent. Export prices increased by 0.7 per cent that year. The value of imports fell by six per cent due to the drop of 4.7 per cent in volume and 0.8 per cent in prices.

Compared to the previous year, there was a significant increase in the trade deficit last year. The trade balance showed a deficit of almost 2.9 billion euros in 2016. The deficit was the largest since 2011, when the trade deficit amounted to 3.7 billion euros. The deficit in the trade with EU countries increased to more than 3.3 billion euros last year. In the trade with non-EU countries, however, there was a surplus of 459 million euros. In 2015, the trade deficit was only 613 million euros, and the trade with EU countries showed a deficit of 2.3 billion euros that year, but the trade with non-EU countries was in surplus by almost 1.7 billion euros. The deficit in 2014 amounted to almost 1.8 billion euros. That year, the extra-EU trade deficit amounted to 70 million euros and that of EU trade to 1.7 billion euros.

Exports were lagging in almost all the main sectors in 2016. Exports of forest industry products fell by two per cent. Exports of machinery and equipment decreased by four per cent. Exports of transport equipment saw the steepest decline of the main sectors, 18 per cent, but there was also a drop in exports of metal industry products, which fell by seven per cent. By contrast, the value of exports of oil products saw a rise of 11 per cent, but exports from the rest of the chemical industry went down by five per cent. Exports of instruments and meters went up by four per cent, and exports of mobile technology networking devices by 14 per cent. Last year, total imports remained at the same level as the previous year. In 2016, imports of capital goods grew by six per cent. Imports of consumer goods increased by four per cent. There was a six per cent decline in imports of energy products, whereas imports of intermediate goods went down by two per cent.

The value of exports to the EU countries decreased by four per cent in 2016. Exports to the euro area also fell by four per cent. Exports to non-EU countries likewise shrank by four per cent. In 2015, exports to EU countries decreased by one per cent, while exports to non-EU countries decreased by eight per cent. In 2016, imports from all EU countries were at the same level as the year before. In 2015, imports from the EU increased by one per cent. Imports from non-EU countries increased by one per cent in 2016. In 2015, imports from outside the EU went down by 15 per cent.

The EU countries' share of Finland's exports grew slightly in 2016, from 59.0 per cent in the previous year to 59.2 per cent. As for imports, the EU countries' share decreased slightly, from 62.6 per cent in the previous year to 62.2 per cent. The shares in the trade with countries outside the EU changed correspondingly. Last year, the extra-EU trade had a 40.8 per cent share of exports and a 37.8 per cent share of imports, while the corresponding shares for the previous year were 41.0 per cent of exports and 37.4 per cent of imports.

Overall development of international trade, million euros

	2015	2016	Change %
Exports (fob)	53 880	51 780	-4
Imports (cif)	54 493	54 669	0
Trade balance	- 613	- 2 889	

Foreign trade indexes	Point figure * 2015	Point figure * 2016	Change %
Volume index			
Exports	99.3	90.9	-4.0
Imports	99.1	98.4	+0.1
Unit value index			
Exports	105.8	107.0	+0.4
Imports	110.3	105.6	+0.5

* Moving 12-month average

Figure 1. Exports, imports and trade balance in Finland by month 2014–2016, million euros

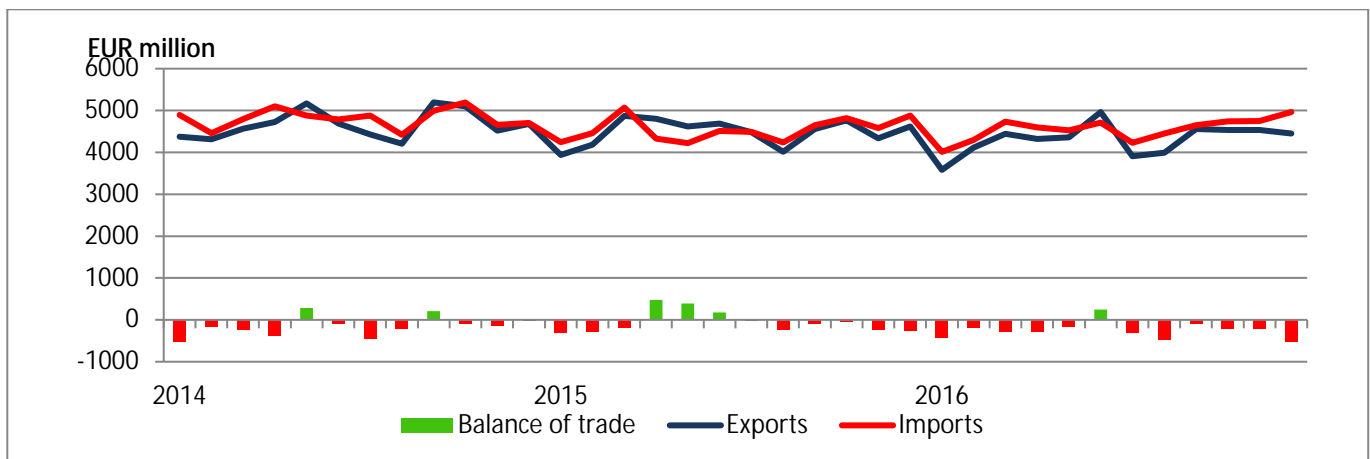
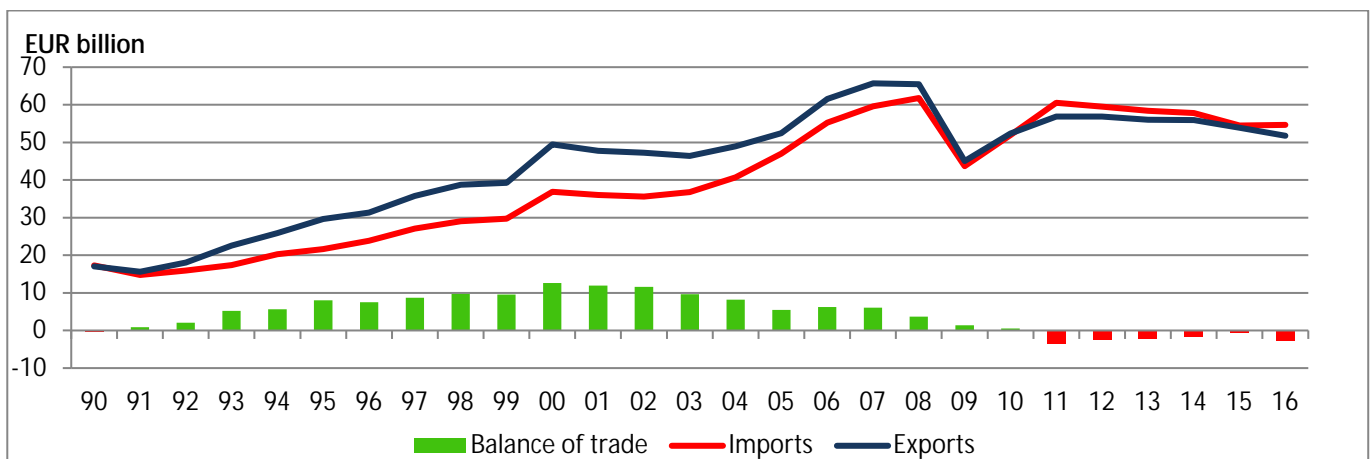


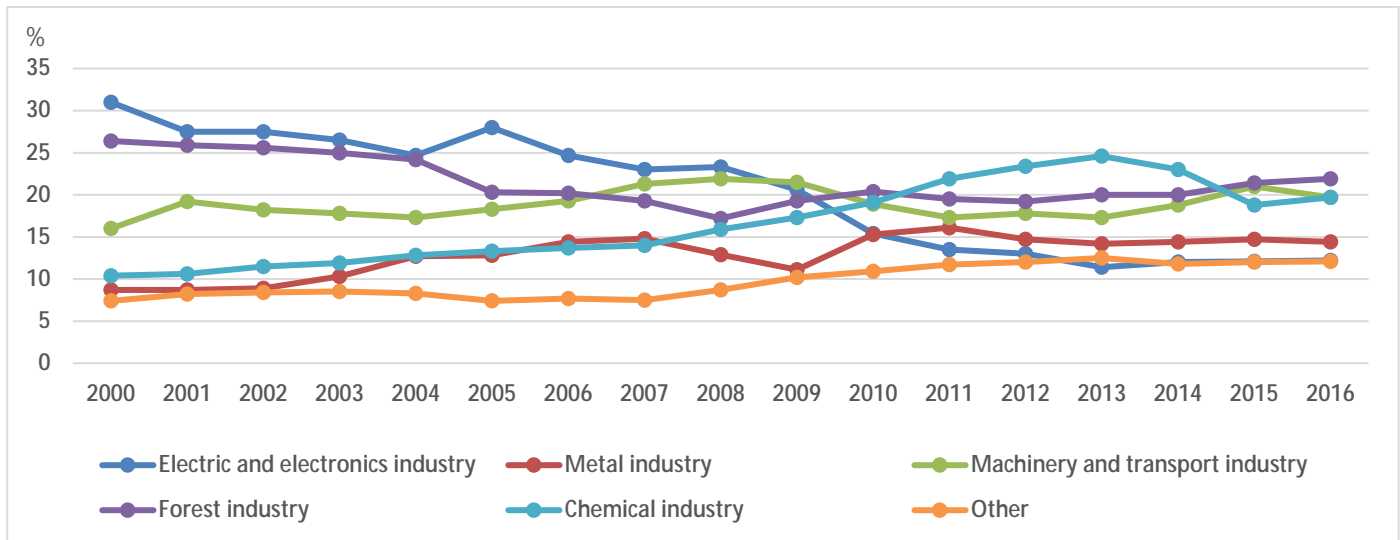
Figure 2. Exports, imports and trade balance in Finland by year 1990–2016, billion euros



Forest industry had greatest share of total exports

The share of forest industry products of total exports according to the CPA classification increased to 21.9 per cent last year. The forest industry was our biggest export sector just as in the previous year. The share of the machinery and vehicles industry decreased somewhat, while the share of the chemical industry increased by almost one percentage point. Both sectors had an equal share of total exports last year, 19.7 per cent. The share of the metal industry was 14.4 per cent and the electric and electronic industry's 12.2 per cent. The changes in the shares of the various sectors were very small compared to the previous year.

Figure 3. Different industrial sectors' (CPA) share of Finland's total exports 2000–2016, per cent



Exports were lagging in almost all the main sectors last year

Total exports from the forest industry sector went down by two per cent in 2016. In 2015, exports of forest industry products still grew by three per cent. The share of paper and paperboard of total exports was 13.5 per cent last year, being thus by far the biggest export product of the forest industry. There was a decline of four per cent in paper and paperboard exports last year. Exports from the product group to Germany, which was the biggest export country with a share of 18.7 per cent, went down by two per cent last year. The United States was second with a share of 10.4 per cent, with a growth of one per cent in exports of paper and paperboard to the country. By contrast, exports to the United Kingdom went down by 17 per cent last year, the country being the third biggest buyer of Finnish paper and paperboard. The value of exports of pulp decreased by two per cent, and pulp had a 3.4 per cent share of total exports. The decrease in the value of exports was due to a 11.9 per cent drop in the export prices of pulp. Export volumes went up by 10.9 per cent. With a share of almost 31 per cent, China was by far the biggest buyer of pulp. Last year, exports of pulp to the country grew by 13 per cent. Germany was the second largest export country for pulp, with a share of 18 per cent. Last year, pulp exports to Germany grew by three per cent. Italy was third with a share of 10.7 per cent, seeing a downturn of 15 per cent in pulp exports last year. Exports of timber increased by five per cent and its a share of total exports was equal to that of pulp. The biggest buyers of timber were Japan and China, with shares of about 12 per cent, followed by the United Kingdom and Egypt with shares of almost 11 per cent. Timber exports to China saw the highest increase, 58 per cent, while exports to Japan also showed an upturn of 10 per cent. Exports to the United Kingdom and Egypt, on the other hand, took a downturn. Exports of wood products went up by one per cent, as the product group had 1.6 per cent share of total exports.

Exports of machinery and transport equipment took a downward turn of seven per cent last year. Exports of industrial machinery and equipment went down by six per cent, reaching a 15.8 per cent share of total exports last year. Exports of general industrial machinery and equipment saw the biggest decrease, 14 per cent, followed by exports of power-generating machinery and equipment, which fell by five per cent. Exports of machinery specialised for particular industries remained at the previous year's level. The United States was the biggest export country in industrial machinery and equipment, with a share of 8.1 per cent; however, exports still went down by 14 per cent last year. China was second with a share of 7.8 per cent. Exports from the product group to China increased by four per cent last year. There was a slight decrease in exports to Sweden, Russia and Germany, whereas exports to France grew by 14 per cent.

Last year, exports of electrical machinery and equipment decreased by only one per cent. The growth of 14 per cent in exports of mobile technology networking devices made up for the drop in exports in other product groups. Most exports of mobile technology networking devices went to the Netherlands; the country's share of total exports was close to 28 per cent. Exports to second-placed China more than doubled last year. The product group's exports to India also went up by more than one fifth.

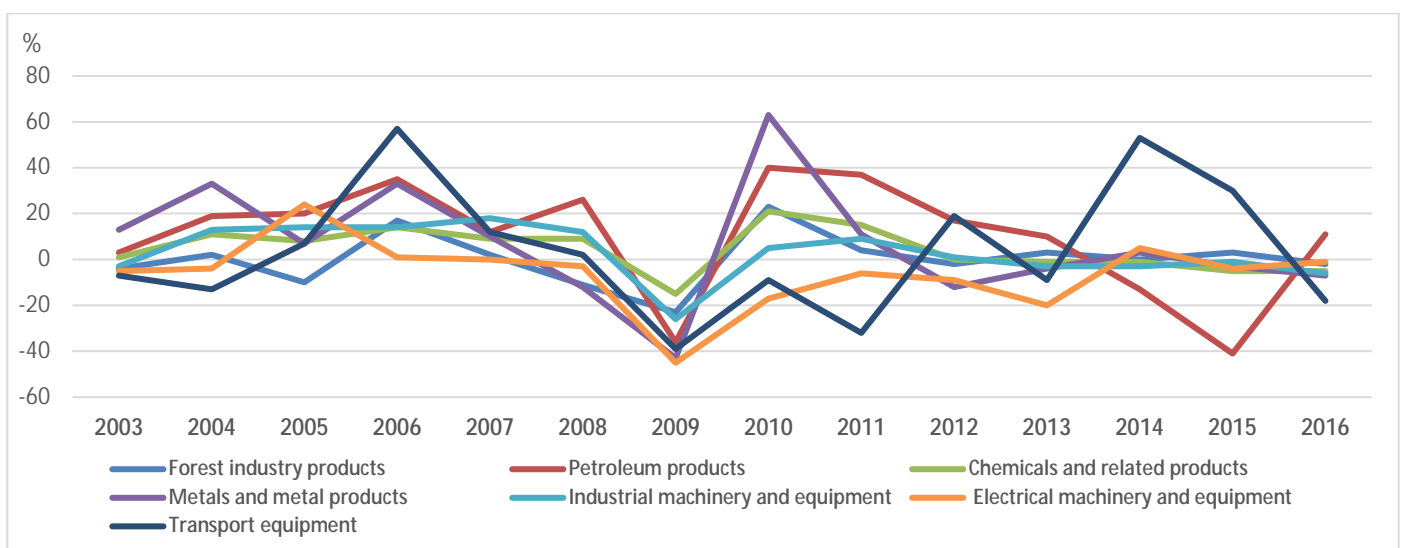
Exports of transport equipment saw a steep slump of 18 per cent last year. The dramatic decline in exports was mainly caused by the fact that the value of exports of passenger cars fell by 32 per cent. The previous year, exports of passenger cars had grown by 52 per cent. Last year, 74.8 per cent of exports of passenger cars went to Germany. Exports of passenger cars to the country fell by 38 per cent last year. Estonia was second with a share of 5.5 per cent. Exports of trucks and vans increased by five per cent, exports of ships and boats by one per cent.

In 2016, the value of exports of oil products took an upward turn of 11 per cent. The year before, the value of exports of oil products had fallen by 41 per cent, due to a sharp decrease in both export prices and export volumes. The export prices of oil products went down by 16 per cent last year, but at the same time, export volumes rose by 32 per cent compared to the previous year. The share of oil products of total exports went up from 6.4 per cent in 2015 to 7.4 per cent. Sweden was the biggest buyer of oil products last year with a share of 26.7 per cent. The Netherlands had a share of 14.5 per cent and the United States 12.3 per cent. By contrast, exports of other chemical industry products saw a decline of five per cent last year. Exports of both basic chemical industry products and plastics also decreased by five per cent. Exports of pharmaceutical industry products went down by one per cent.

The total exports of metal industry products declined by seven per cent in 2016. Exports of iron and steel took a downturn of nine per cent. The Netherlands and Germany had the biggest shares of total iron and steel exports: 30.5 per cent and 15.4 per cent, respectively. Exports to the Netherlands went down by one tenth, and exports to Germany by almost one fifth. Exports to third-placed Sweden increased by three per cent. Sweden's share was 13.9 per cent. Exports of non-ferrous metals shrank by five per cent. The Netherlands and Germany were also the biggest export countries for non-ferrous metals. Copper was the most exported non-ferrous metal, although exports of the metal declined by two per cent. The export prices of copper fell by almost ten per cent, while the export volumes went up by nine per cent. Zinc exports decreased by four per cent, nickel exports by five per cent. There was also a notable decline in the export prices of these metals, which was made up for by the growth in export volumes. Exports of metal products decreased by six per cent last year.

Last year, there was a four per cent increase from the previous year in exports of instruments and meters, and their share of total exports was 3.6 per cent. The United States was by far the biggest export market for instruments and meters, accounting for nearly 36 per cent of total exports from the product group. Exports to the country went up by more than one fifth last year. Germany was the second largest export country for instruments and meters, with a share of 7.4 per cent. There was a decline of 11 per cent in exports to the country last year. Exports to China of goods in this product group went up by one tenth, placing the country in third place. Exports of medical instruments and appliances grew by 11 per cent, whereas exports of measuring, checking, analysing and controlling instruments and apparatus declined by three per cent.

Figure 4. Change in exports of main export sectors 2003–2016, per cent.



Continued rise in imports of machinery and transport equipment

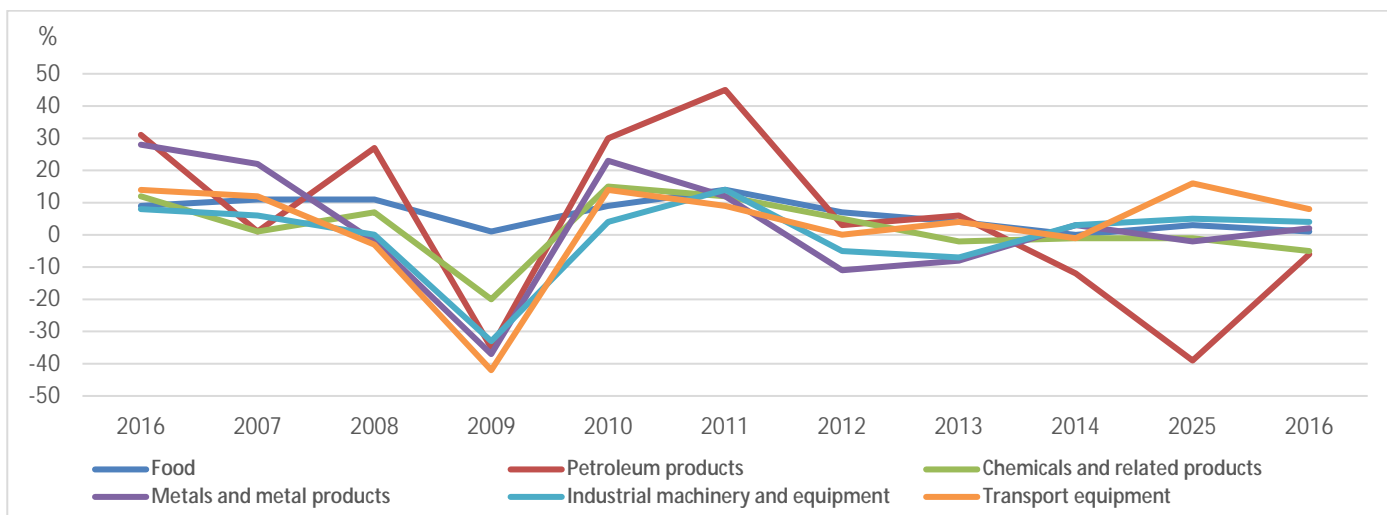
The biggest product group in imports was machinery and transport equipment with a 32.6 per cent share of total imports. Imports of these products went up by five per cent in 2016. Imports of industrial machinery and equipment grew by three per cent, and imports of electrical machinery and equipment by five per cent. There was an eight per cent rise in imports of transport equipment last year. Imports of passenger cars rose by one tenth and imports of motor vehicles for the transport of goods by 27 per cent. However, there was a 14 per cent drop in imports of motor vehicle chassis and parts. Most of the imports of machinery and transport equipment came from Germany; the country's share of total imports was 20.8 per cent last year. The second biggest import country for these products was China, with a share of 11.6 per cent, followed by Sweden in third place with a share of 9.5 per cent.

Imports of chemicals and related products declined by five per cent. The group's share of total imports was 11.8 per cent last year. The biggest decline, 14 per cent, was seen in imports of basic chemical industry products. Imports of pharmaceuticals and plastics, on the other hand, declined by only 1–2 per cent. Germany was also the biggest supplier of chemicals and related products with a share of 20.2 per cent. Next were the Netherlands and Russia, both with a share of about eight per cent.

Imports of crude oil shrank by five per cent. This was due to a close to 15 per cent fall in import prices. At the same time, import volumes went up by almost 12 per cent. Crude oil was mainly imported from Russia – the country's share was 86.9 per cent of total crude oil imports. Imports from Norway accounted for 8.5 per cent. The value of imports of oil products decreased by almost one tenth as prices dropped by one fifth, while import volumes grew by 15 per cent. Sweden was the biggest supplier of oil products with a share of 38.9 per cent, and Russia the second biggest with a share of 30.6 per cent.

Imports of metals and metal products went up by two per cent from the previous year. Imports of iron and steel decreased by seven per cent, but imports of non-ferrous metals increased by five per cent and imports of metal products by ten per cent. Germany and Sweden were the biggest import countries in this product group. Foodstuffs had a 6.9 per cent share of total imports in 2016, growing by only one per cent. Imports of dairy products went down by seven per cent, but there was an increase of five per cent in imports of fruit and vegetables. Germany was also the biggest import country in foodstuffs, with a share of 14.7 per cent. Sweden was second with a share of 12.6 per cent, and the Netherlands third (9.2%). The forest industry's share of total imports was only 2.7 per cent. Imports of these products saw a three per cent decline last year. Russia and Sweden were the main import countries for forest industry products.

Figure 5. Change in imports of main export sectors 2003–2016, per cent.

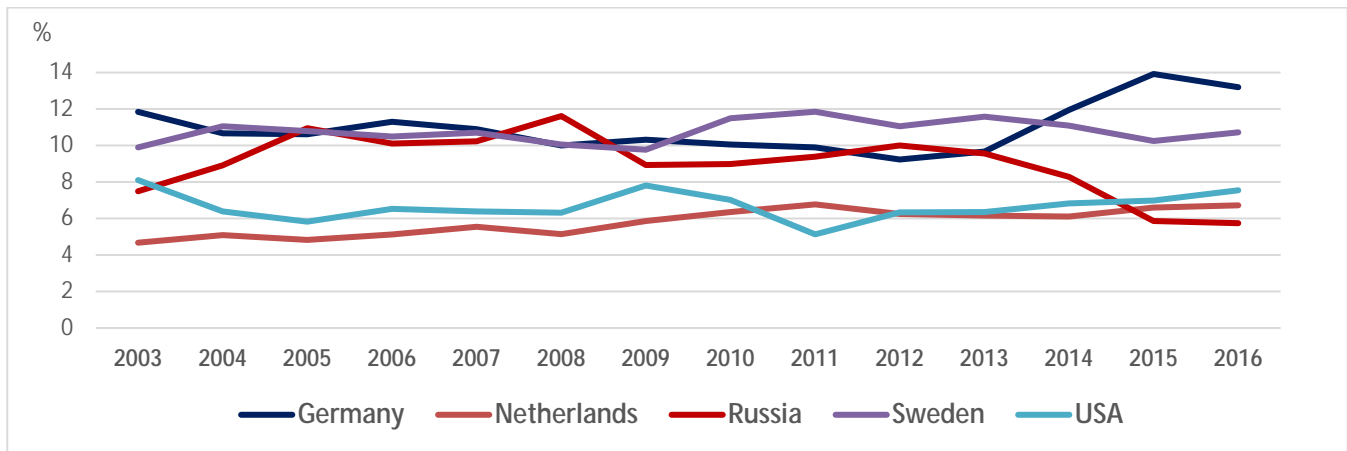


Germany was still our biggest trading partner

Sweden was for many years our biggest export country and Russia our biggest trading 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 trading partner. Germany retained this position in 2016, although its share of total exports went down by 0.7 percentage points, amounting to 13.2 per cent. Sweden was still our second biggest export country, with a share of 10.7 per cent, and also our

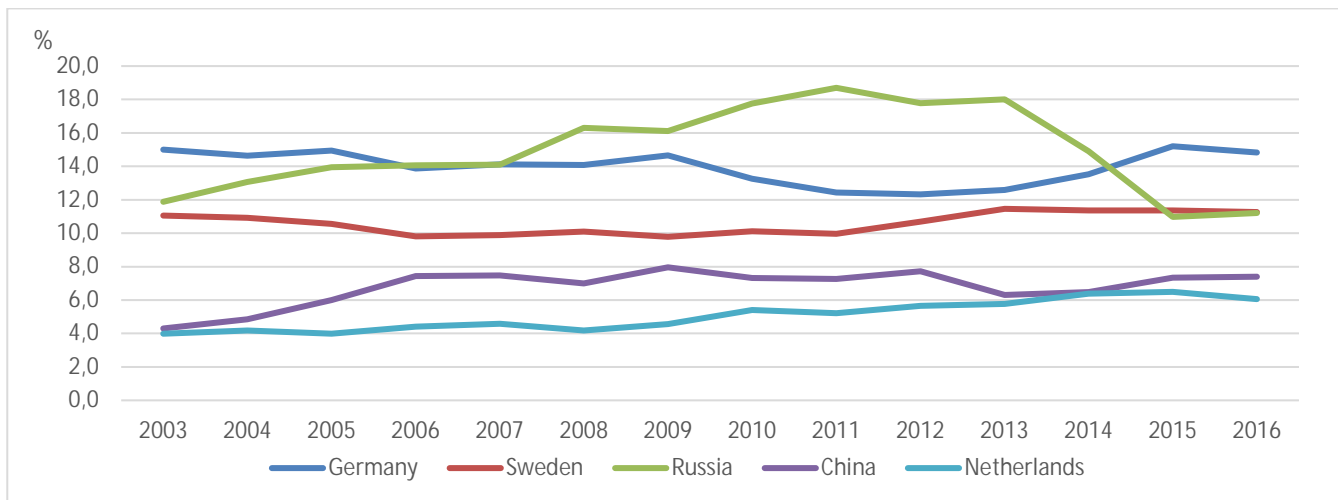
second biggest trading partner. The United States kept its position as our third biggest export country with a share of 7.6 per cent, and the Netherlands was fourth biggest (6.7%). Russia was still the fifth biggest export country with a share that diminished to 5.7 per cent last year, compared to 5.9 per cent the year before. In 2014, the share had been 9.8 per cent.

Figure 6. Share of total Finnish exports of Germany, the Netherlands, the United States, Russia and Sweden 2003–2016, per cent.



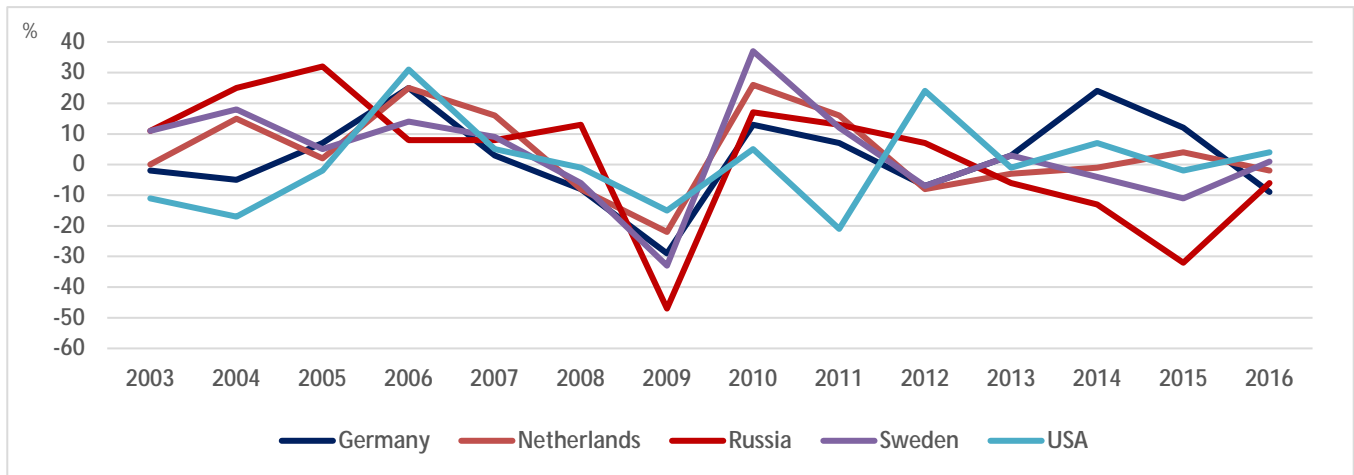
Russia was our biggest import country from 2003 to 2015, when the country dropped to third biggest import country with a share of 11 per cent. In 2014, Russia's share of total imports was almost 15 per cent, and as high as 18 per cent in 2013. Last year, Russia was still the third biggest import country with a share of 11.2 per cent. Germany remained our biggest import country with a share of 14.8 per cent of total imports. Sweden was second with a share of 11.3 per cent. China was the fourth biggest import country with a share of 7.4 per cent, and the Netherlands was fifth with a 6.1 per cent share last year.

Figure 7. Share of total Finnish imports of Germany, the Netherlands, China, Russia and Sweden 2003–2016, per cent.



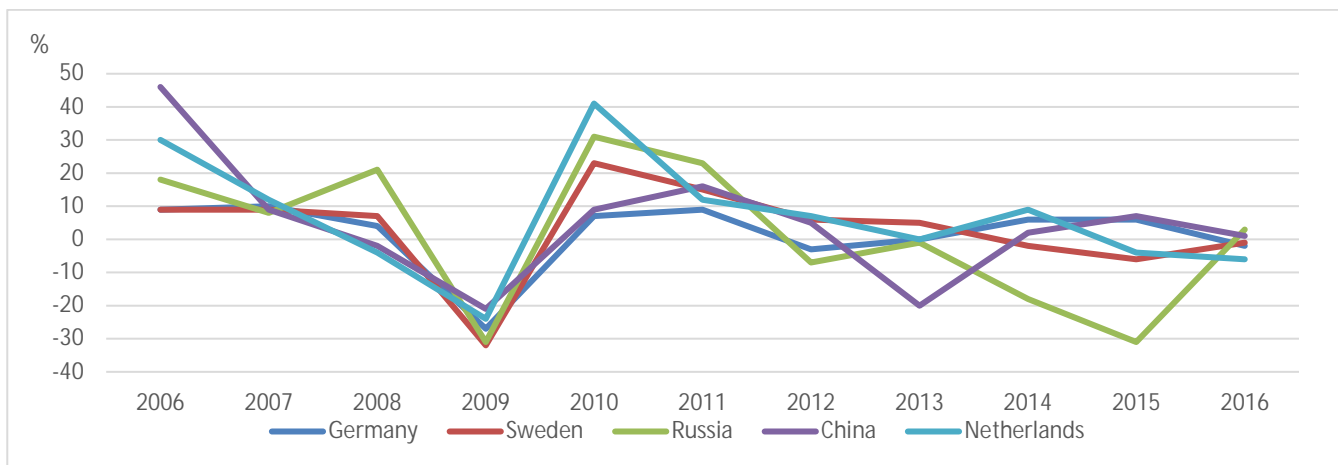
In 2016, exports to Germany declined by nine per cent and exports to Sweden went up by one per cent compared to the previous year. Exports to the United States grew in turn by four per cent, whereas exports to the Netherlands decreased by two per cent. Exports to Russia decreased by six per cent last year.

Figure 8. Change in Finland's exports to Germany, the Netherlands, the United States, Russia and Sweden 2003–2016, per cent.



Imports from Russia took an upward turn of three per cent last year. Imports from Sweden went down by one per cent over the same period. Imports from Germany decreased by two per cent. Imports from the United States saw an increase of four per cent, whereas imports from the Netherlands went down by six per cent. Imports from China went up by one per cent while imports from France, the sixth biggest import country, grew by eight per cent.

Figure 9. Change in Finland's imports from Germany, the Netherlands, China, Russia and Sweden 2003–2016, per cent.



The fall in the trade with Russia was more moderate in 2016

There was a slump in the growth of exports to Russia already in 2011, even though the following year still saw a growth of seven per cent. The decline in exports to Russia started in 2013 with a downturn of six per cent. In 2014, the decrease in exports was already 13 per cent, and in 2015, exports plummeted by 32 per cent. The fall in exports in 2015 did not, however, reach the level of the crisis year 2009, when exports dropped by 47 per cent. In 2016, the fall in exports was more moderate, six per cent. There was a decrease in exports to Russia in almost all the main product groups, but the drop was more moderate compared to the year before. Exports of oil products went up by three per cent, and exports of instruments and meters by five per cent. Of the main sectors, exports of chemicals and related products showed the biggest decline, 14 per cent. There was a two per cent decrease in exports to Russia of forest industry products as well as of machinery and transport equipment. Exports of metal industry products decreased by five per cent.

The growth in imports from Russia took a negative turn already in 2012, when imports 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 2015, imports

also plummeted, by 31 per cent. This was as much as in 2009, which was the previous year when imports fell drastically. In 2016, imports from Russia took an upward turn of three per cent. Last year, 71 per cent of imports from Russia were energy products, of which almost 83 per cent was crude oil. The import prices of crude oil from Russia fell by only 14 per cent last year, and as import volumes increased by 18 per cent, the value of imports of crude oil grew by two per cent. Imports of gas decreased by 29 per cent, but imports of electricity grew by 52 per cent. Imports of metals and metal products grew by one third, whereas imports of machinery and transport equipment only increased by five per cent. Imports of forest industry products also grew, reaching a growth of two per cent.

The combined exports from the EU countries to Russia fell by two per cent last year, while imports from Russia fell by 13 per cent.¹ That is, Finnish exports to Russia declined by more than the total exports from the EU countries. By contrast, in imports, the total figures for the EU went down whereas Finland's imports from Russia went up.

Figure 10. Change in exports to Russia and in imports from Russia, 2003–2016 (1–11), per cent



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¹ Source: Eurostat news release 28/2017