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VALUE OF GOODS EXPORTS INCREASED BY 15 PER CENT IN 2017

Trade deficit lower than the year before

According to Finnish Customs' preliminary data, the value of Finnish goods exports increased by 15 per cent in 2017. The value of exports amounted to 59.5 billion euros. The value of imports increased also, by 13 per cent. The value of imports amounted to 62.0 billion euros. In 2016, exports decreased by four per cent, whereas imports increased by one per cent. The last time exports increased on a yearly basis was in 2011.

Compared to the previous year, there was a decrease in the trade deficit last year. According to the preliminary data, the trade deficit for 2017 was almost 2.5 billion euros. The deficit in the trade with EU countries decreased to 1.9 billion euros last year. The trade with non-EU countries also showed a deficit in 2017. The deficit amounted to 615 million euros. The 2016 trade balance had a deficit of 3.1 billion euros. The trade with EU countries showed a deficit of 3.6 billion euros that year, but the trade with non-EU countries showed a surplus of 434 million euros. The 2015 trade balance had a deficit of only 613 billion euros. That year, the extra-EU trade surplus amounted to 1.7 billion euros, but the EU trade showed a deficit of 2.3 billion euros. The deficit in 2014 amounted to 1.8 billion euros.

The export in virtually all main sectors took an upward turn in 2017. Exports of transport equipment increased the most of the main sectors, but there was also a considerable increase in exports of metal industry products. The value of petroleum product exports also increased in line with the increased export prices. Other chemical industry exports increased moderately, except for medicine exports, which decreased. Finnish Customs will publish detailed country and goods statistics on the foreign trade in goods for the whole of last year on 28 February 2018.

Overall imports also showed a rapid growth in 2017. The import of transport equipment, especially their spare parts and accessories, also increased significantly. The value of imports of industrial production supplies as well as of fuels and lubricants also increased rapidly. The increase in the value of imports of investment goods and foodstuffs remained somewhat subdued. Imports of consumer goods, on the other hand, decreased.

Exports to EU Member States increased by 17 per cent in 2017. Exports to the euro area increased by 20 per cent. Exports to non-EU countries increased by 12 per cent. Imports from EU countries rose by 10 percent and from other countries by 17 percent. In 2016, exports to EU countries as well as to non-EU countries decreased by four per cent. In 2016, imports from all EU countries were at the same level as the year before, but imports from non-EU countries increased by two per cent.

Overall development, million euros (the figures for 2017 are based on preliminary statistics)

	Change %		
	2016	2017	2017
Exports (fob)	51 878	59 525	15
Imports (cif)	55 003	62 010	13
Trade balance	- 3 125	- 2 485	

Figure 1. Exports, imports and trade balance in Finland by month 2015–2017, million euros

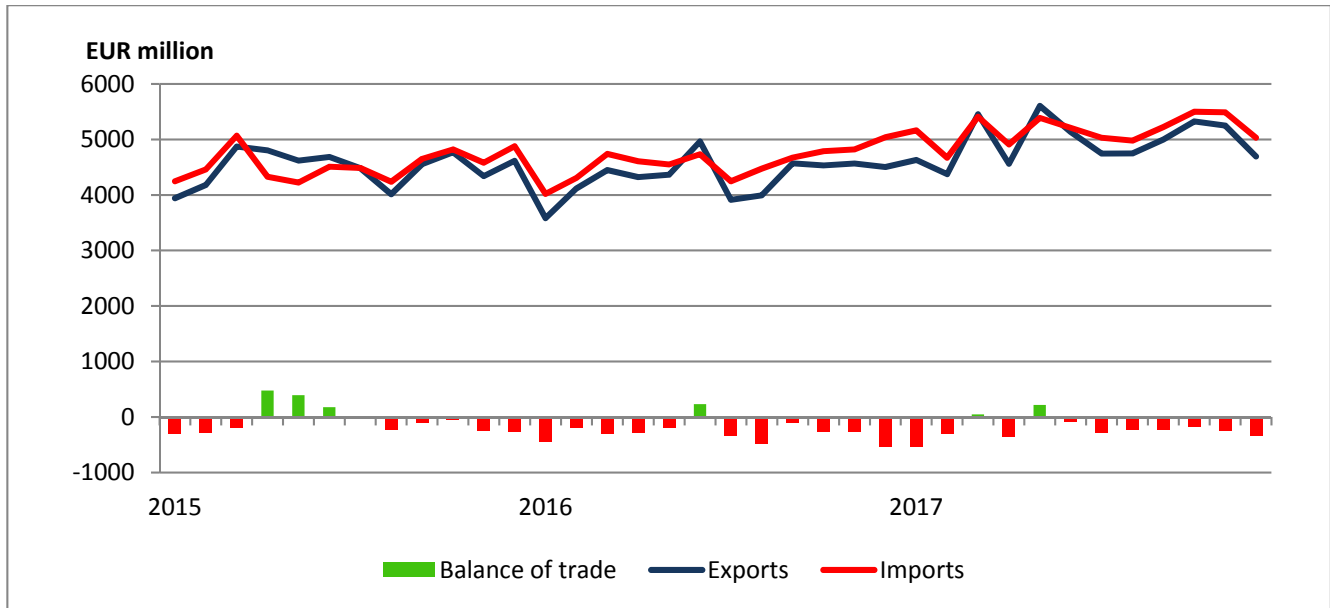
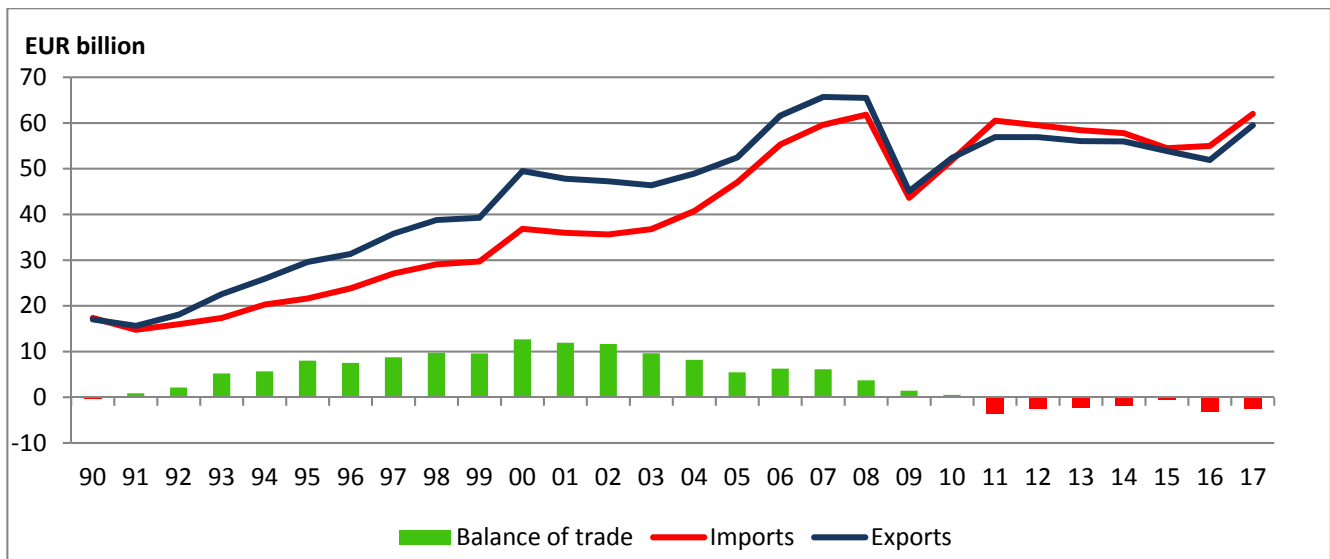


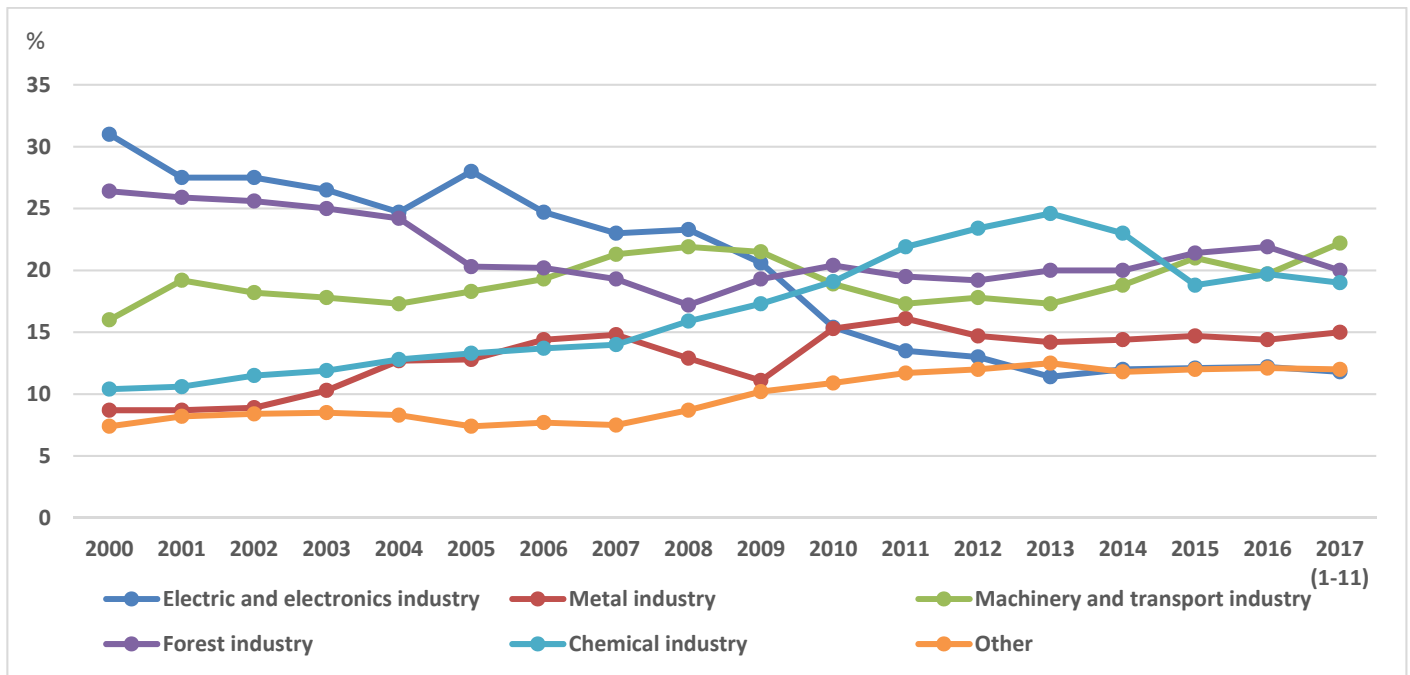
Figure 2. Exports, imports and trade balance in Finland by year 1990–2017, billion euros



The machinery and vehicles industry - the greatest share of total exports

The share of machinery and vehicle industry products of total exports increased to 22.2 per cent, according to data from January–November 2017. Therefore, it was again after an eight-year break, the largest export sector. The share of forest industry products of total exports decreased to 20 per cent last year. It was our second largest export sector. The share of the entire chemical industry decreased slightly last year, being almost level with the machinery and vehicles industry with a share of almost one fifth. The share of the metal industry was 15 per cent and the electric and electronic industry’s 11,8 per cent. However, the changes were rather small compared to the year before.

Figure 3. Different industrial sectors' (CPA) share of Finland's total exports 2000–2017 (1–11), per cent



Exports increased in all the main sectors last year

Exports of machinery and transport equipment took a swift upward turn in January–November 2017, with an increase of 25 per cent. In 2016 the value of exports of this group decreased by seven per cent. The transport sector was the biggest growth sector of the main export groups with a growth of 74 per cent. The exports of motor vehicles increased by 68 per cent and the value of vessel exports more than doubled compared to the same time the year before. Exports of industrial machinery and equipment increased by thirteen per cent and exports of electrical machinery and equipment by eleven per cent. The value of exports of mobile technology networking devices increased by 24 per cent.

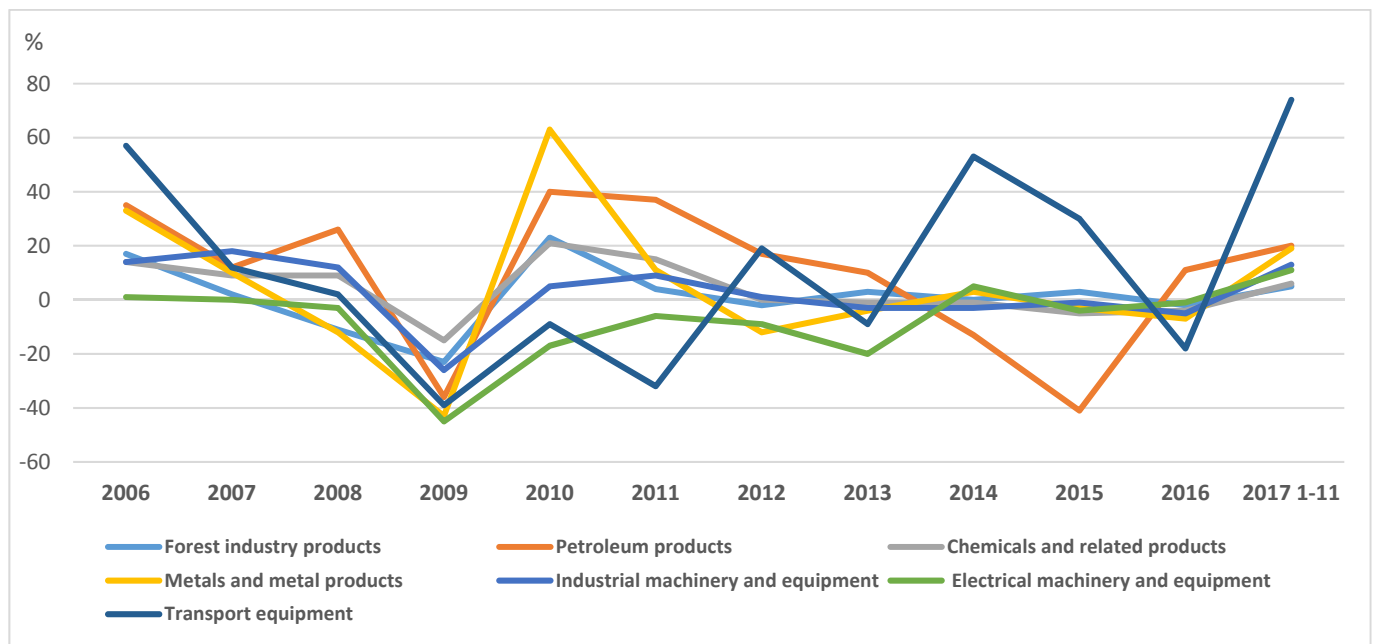
The total value of exports by the forest industry sector increased by five per cent in January–November 2017. Exports of forest industry products fell by two per cent in 2016. The increase in exports by the mechanical forest sector and of pulp was around one tenth, but the value of exports of paper and cardboard only increased by one per cent.

In January–November 2017, the value of exports of petroleum products increased by one fifth. The year before, the value of exports of petroleum products rose by 11 per cent. The export prices of petroleum products increased by one quarter in January–November last year, but at the same time, export volumes decreased by four per cent compared to the corresponding period the previous year. The share of petroleum products of total exports increased slightly from 7.2 per cent in 2016 to 7.3 per cent. The exports of other chemical products took an upward turn of six per cent last year, even though the exportation of medicines decreased by 12 per cent.

The overall exports of the metal industry products also took a swift upward turn in January–November 2017; a growth of almost one fifth. The increase in exports of iron and steel was 18 per cent and the export on non-ferrous metals 28 per cent. Exports of metalliferous ores and metal scrap also increased quickly by 80 per cent. Exports of instruments and meters went up by eleven per cent in January–November, and exports of foodstuffs by 13 per cent.

The import of industry production supplies contributed the most to the overall imports; a growth of nearly a quarter in January–November. The imports of fuels and lubricants also increased by nearly a quarter. Imports of crude oil increased by 31 per cent. The growth was almost entirely due to the increase in import prices. The import volumes only rose by three per cent. The import prices of petroleum products rose by 29 per cent and the import volumes decreased by 12 per cent during this time. The imports of transport equipment and their spare parts and accessories increased by 22 per cent overall where the imports of spare parts and accessories increased by 44 per cent. The imports of investment goods rose by six per cent in January–November last year and the imports of foodstuffs by five per cent. Imports of consumer goods decreased by five per cent.

Figure 4. Change in exports of main export sectors 2006–2017 (1-11), per cent.

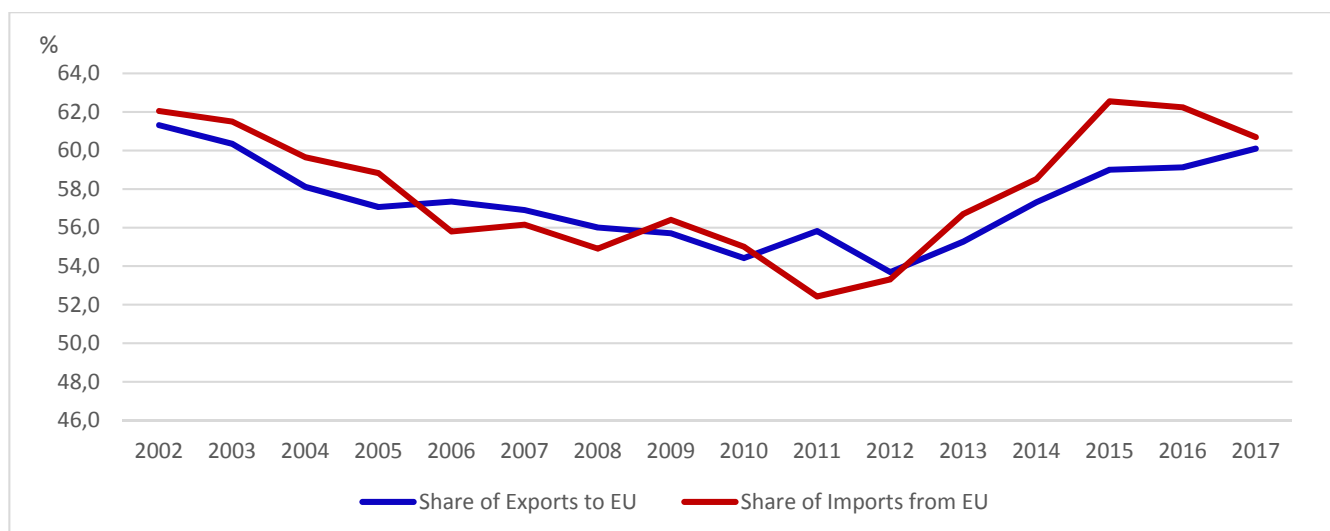


EU countries' share of Finland's exports over 60 per cent

The EU countries' share of Finland's exports increased slightly in 2017, from 59.1 per cent in the previous year to 60.1 per cent. As for imports, the EU countries' share decreased slightly, from 62.2 per cent in the previous year to 60.7 per cent.

The shares in the trade with countries outside the EU changed correspondingly. Last year, the extra-EU trade had a 39.9 per cent share of exports and a 39.3 per cent share of imports, while the corresponding shares for the previous year were 40.9 per cent of exports and 37.8 per cent of imports.

Figure 5. Share of EU exports and EU imports of Finland's total foreign trade 2002–2017



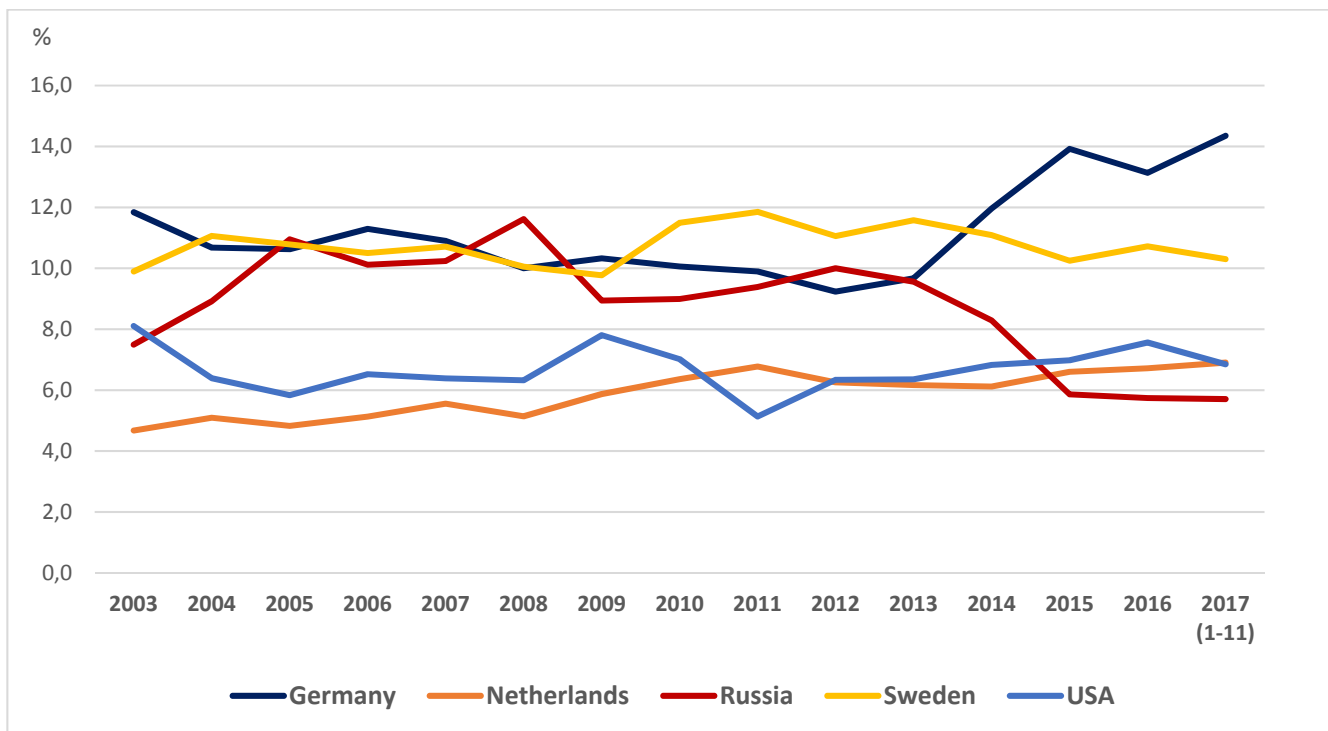
Note: scale of vertical axis begins at 45 per cent.

Germany is 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. This situation changed in 2014. Germany rose to become both our biggest export country and our biggest trading partner. Germany retained this position in 2017, its share of total exports rose to 14.4 per cent based on the figures for January–November. Sweden was once again our second biggest export country, with a share of 10.3 per cent, and our second biggest trading partner. Last year, the Netherlands and the United States had almost an equal share of Finland’s exports, 6.9 per cent. However, the Netherlands sprinted with a small margin past the United States to become the third biggest export country. Russia was still the fifth biggest export country last year with a share of 5.7 per cent as the year before.

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 2016, the country’s share was 11.2 per cent of the total exports. In 2014, Russia’s share was almost 15 per cent, and as high as 18 per cent in 2013. In terms of imports, Russia became the second biggest import country in January–November last year, with a share of 13.3 per cent. Germany remained our biggest import country with a share of 15.5 per cent of total imports. Sweden was third with a share of 11 per cent. China was the fourth biggest import country with a share of 7.3 per cent, and the Netherlands was fifth with a 5.5 per cent share in January–November last year.

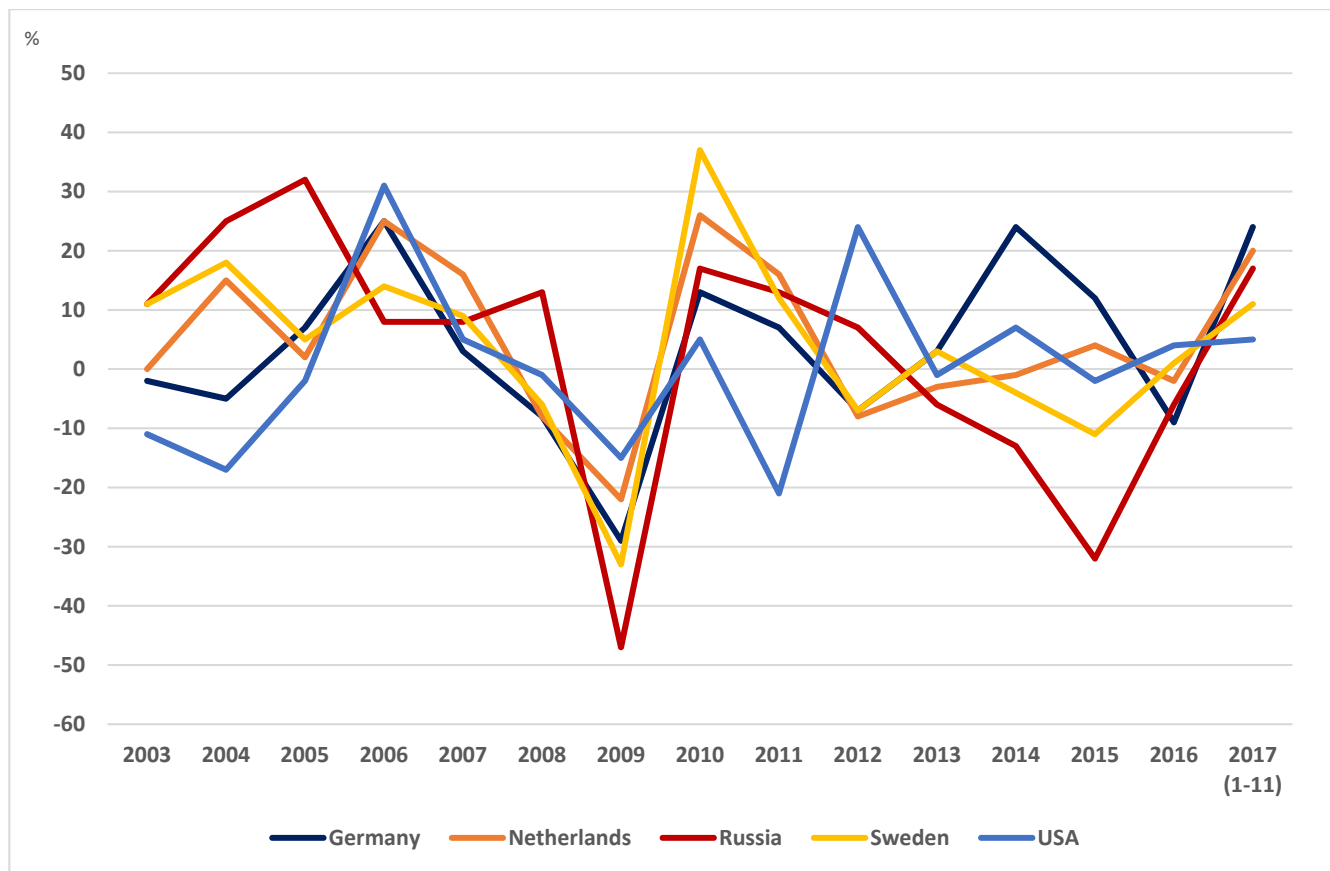
Figure 6. Share of total Finnish exports to Germany, the Netherlands, the United States, Russia and Sweden 2003–2017 (1–11), per cent.



Exports to Germany increased by 24 per cent in January–November last year and exports to Sweden by 11 per cent. Exports to the United States increased by five per cent and exports to the Netherlands by 20 per cent during this time. Exports to Russia increased by 17 per cent in January–November last year.

Imports from Russia increased by 39 per cent in January–November last year. Imports from Germany increased during this time by 18 per cent and imports from Sweden by 12 per cent. The imports from the Netherlands increased by three per cent. Imports from China went up by 12 per cent while imports from France, the sixth biggest import country, went up by five per cent. Imports from the United States dropped by five per cent. Finnish Customs will publish country-specific data on foreign trade for the whole of 2017 on 27 February 2018.

Figure 7. Change in Finland’s exports to Germany, the Netherlands, the United States, Russia and Sweden 2003–2017 (1–11), per cent.



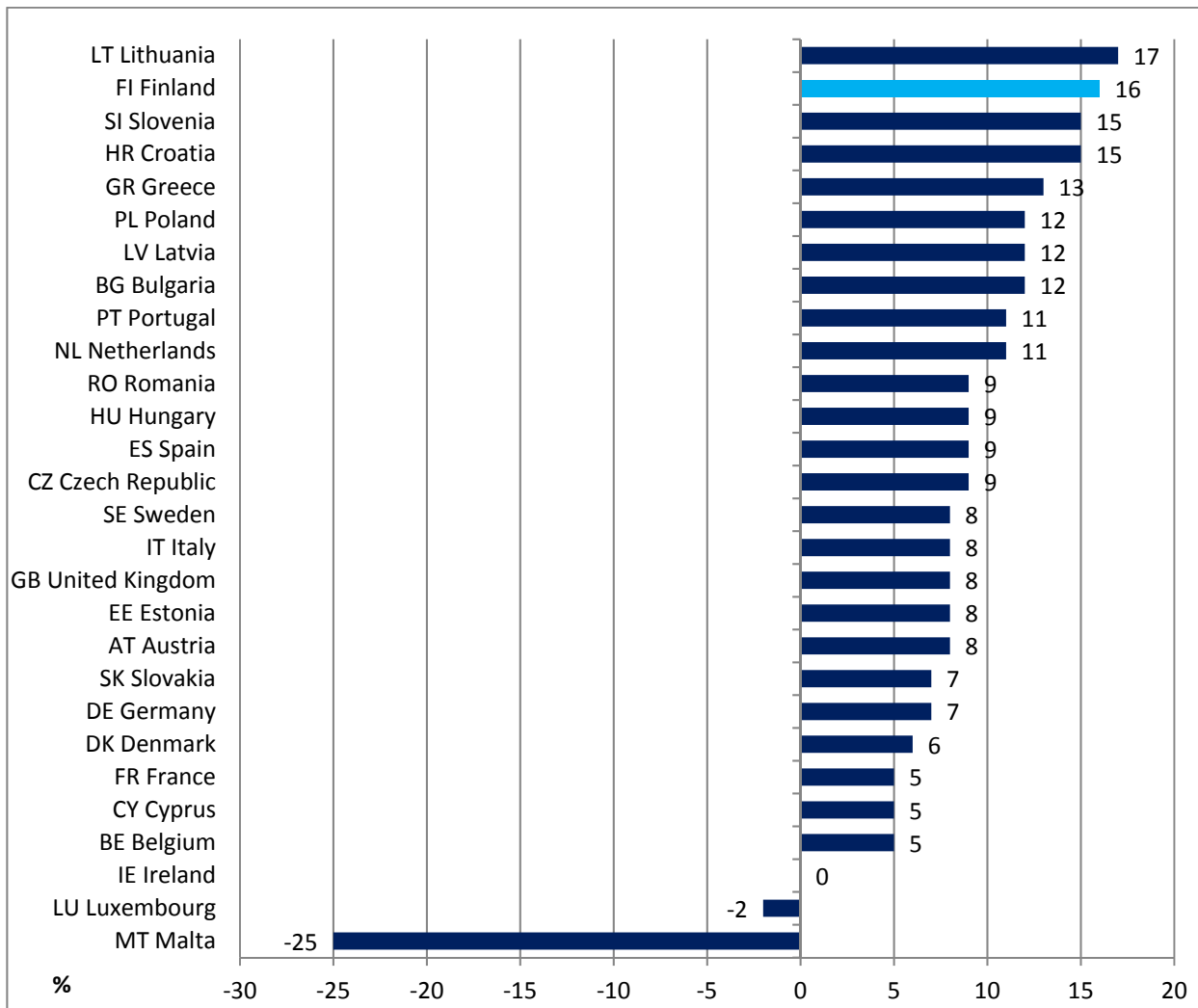
Development of EU countries’ exports in 2017

The combined exports of the EU countries (EU28) increased by eight per cent in January–October 2017.¹ Finnish exports increased by 16 per cent over the corresponding period. The growth of Finnish exports by 16 per cent also in January–November of 2017 was the second highest of the EU countries, only Lithuania’s exports increased more, by 17 per cent. Yet, Finland’s exports showed the third weakest trend of all the EU countries the previous year during the same period (-3%).

Excluding Malta and Luxembourg, the exports showed growth or remained at the level of the previous year in all EU countries. In addition to Finland, nine other EU countries reached a growth of more than ten per cent. The growth of exports in Finland’s biggest trade partner countries did not exceed ten per cent, except in the Netherlands. Germany’s exports increased by seven per cent, in Sweden, Estonia and the United Kingdom the exports increased by eight per cent and in Spain nine per cent. In France and Belgium exports increased by five per cent.

¹ Source: Eurostat, Comext database, latest data January–October.

Figure 8. Change in exports in different EU countries in 2017 (01–11), per cent



Source: Eurostat news release 9/2018

Trade with Russia recovered in 2017

Exports to Russia turned rapidly upward by 17 per cent in January–November 2017. Exports had declined for four consecutive years. 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 only six per cent.

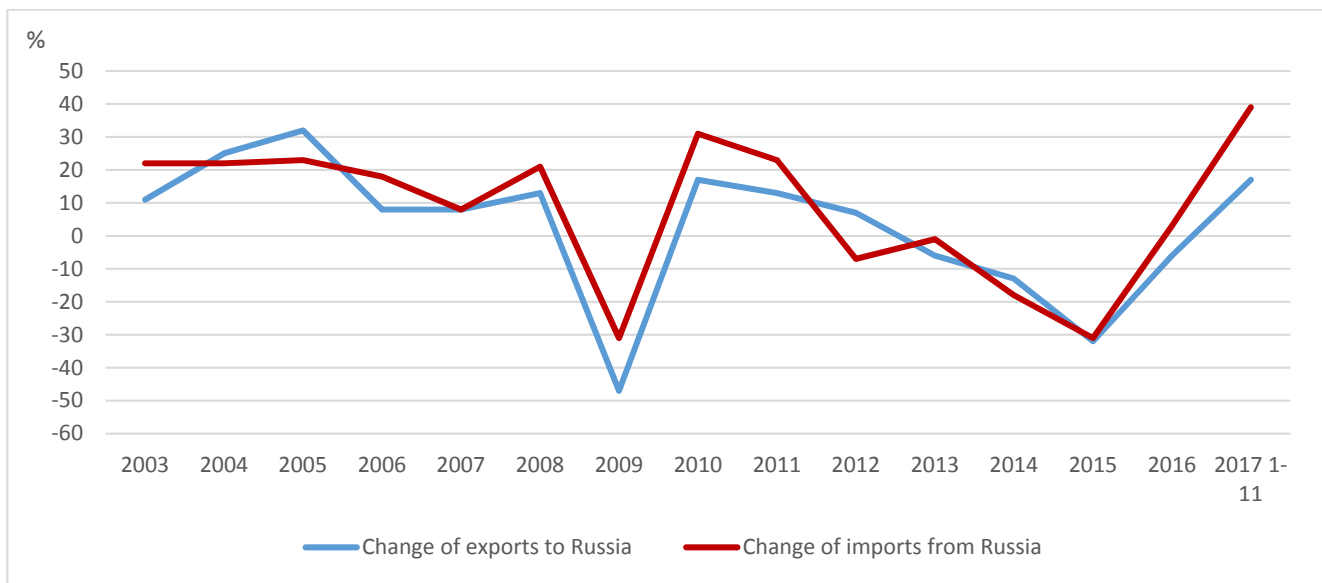
The growth in the value of exports to Russia was, above all, the result of the rapid growth of exports of machinery, transport equipment and metal industry products. Exports of industrial machinery and equipment increased by 44 per cent in January–November and exports of electrical machinery and equipment by seven per cent. The exports of transport equipment increased by 137 per cent. The increase in exports of metals and metal products was almost a quarter. Exports of petroleum products rose by 27 per cent and exports of instruments and meters by eight per cent. Of the main sectors, exports of chemicals and related products showed a decline in January–November. The exports of forest industry exports stayed at the same level as the year before.

Imports from Russia increased by 39 per cent in January–November 2017. The increase 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 time when imports fell drastically. In 2016, imports took an upward turn of three per cent.

In January–November last year, 61 per cent of imports from Russia were energy products, of which almost 71 per cent were petroleum products. The increase in the prices of crude oil from Russia was 22 per cent last year and the import volumes remained almost unchanged. The value of imports of energy products from Russia increased by more than one fifth in January–November last year. The share of the total imports of energy products from Russia dropped by ten percentage points in 2017, because the share of imports of metals and metal products increased from 4.1 per cent in 2016 to 14,7 per cent last year. The imports of metal pipes from Russia increased sharply in the beginning of 2017, which in turn explains the high growth percentage of total imports of goods. The imports of chemical industry products increased by 28 per cent. Imports of machinery and transport equipment increased by seven per cent and imports of forest industry products by five per cent.

The combined exports from the EU countries to Russia increased by one fifth in January–November last year, while imports from Russia rose by 23 per cent.² That is, Finnish exports to Russia increased less than the total exports from the EU countries to Russia. Regarding imports however, the total figures for the EU rose significantly less than Finland’s imports.

Figure 9. Change in exports to Russia and in imports from Russia, 2003–2017 (1–11), per cent

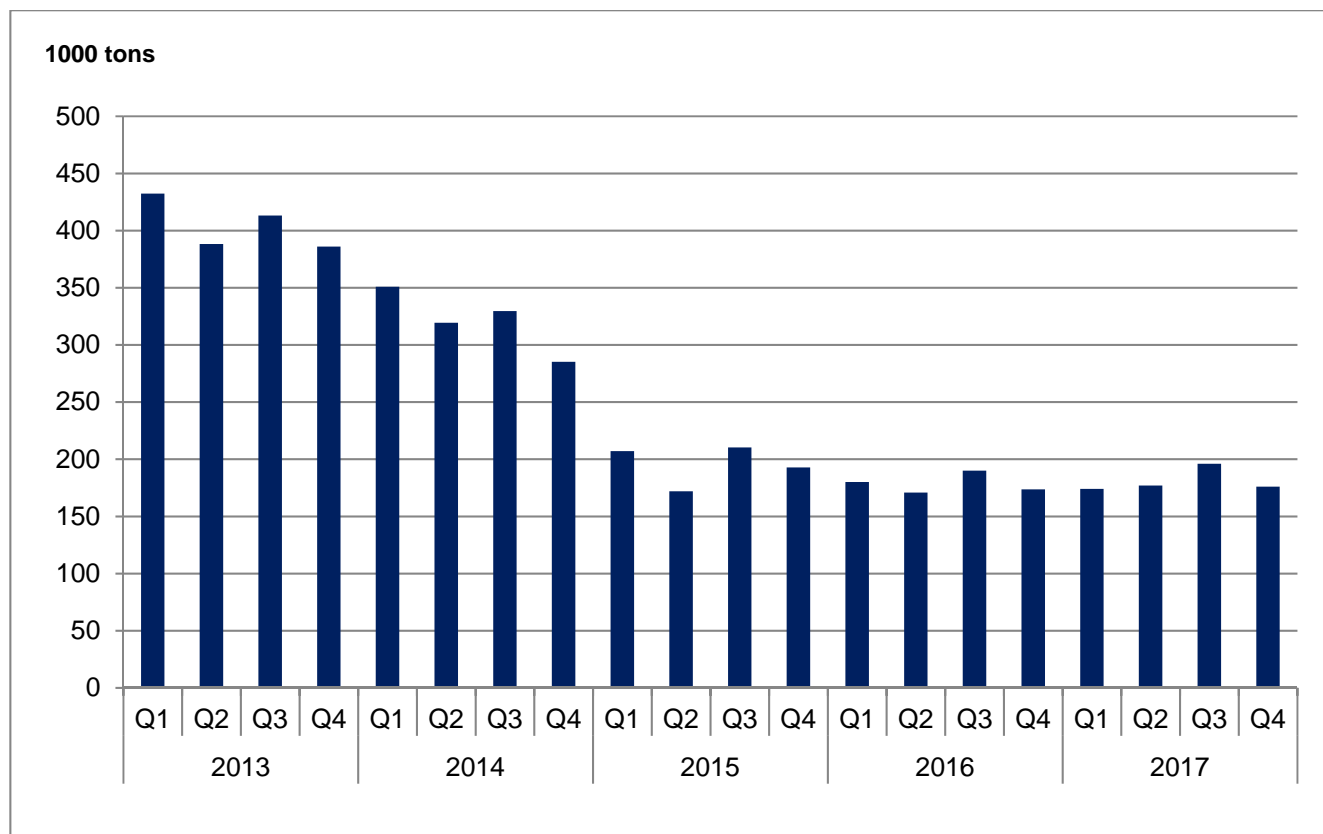


Eastbound transit road transports

According to Finnish Customs’ statistics on eastbound transit road transports, 723 thousand tons of transit goods were exported as transit transports from Finland to Russia in 2017. The volume of goods transported under transit took a slight upward turn after several years of decline. The year before, transit transports declined by nine per cent. In 2015, the total volume of transit transports fell by 39 per cent. The transit transport volumes had been declining every year since 2011. 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 international trade of goods statistics.

² Source: Eurostat news release 9/2018

Figure 10. Eastbound transit road transports 2013–2017 (1000 tons), by quarter



Enquiries

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