

REDDAL15

CEO FORUM

KEYNOTE SPEECH

FINNISH STATE'S VIEW ON ADAPTABILITY
AND COMPETITIVENESS

DELIVERED BY



Petri Peltonen

Under-Secretary of State
Ministry of Economic Affairs and
Employment of Finland

Finland's vision in adaptability and competitiveness

Petri Peltonen



Työ- ja elinkeinoministeriö
Arbets- och näringsministeriet

...the future ain't what it used to be...



...Four futures: Global scenarios for the 2030s...

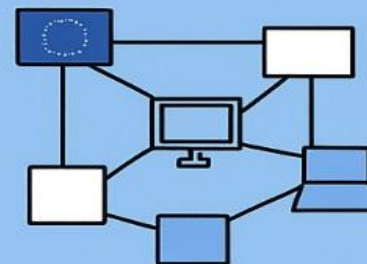


Scenario of Cooperation



Societal and global problems have been solved

World of Blocs



Competition over resource control, and geopolitics has global impact

World of Techno Giants



The economic and political power of technology giants is substantial

Balance between state and non-state actors is unstable

A Collapsing World



Ecological and security threats collapse social and economic stability

...the (new) EU Commission faces unprecedented challenges...



The European Commission today unveiled the '**Clean Industrial Deal**' – an ambitious plan that combines industry, climate action and competitiveness. The aim is to drive decarbonisation while strengthening Europe's manufacturing base.

Finland's competitiveness policy in the tense geopolitical situation



Työ- ja elinkeinoministeriö
Arbets- och näringsministeriet

...R&D policy aims at 4%/GDP... ...industrial policy is back...



Industrial Policy Strategy has been published

Ministry of Economic Affairs and Employment

4.12.2024 15.45 PRESS RELEASE

Tesi to become an even stronger promoter of growth, renewal and investment

Key issues

Attracting investments to Finland

Renewal of established industries

Fostering new growth sectors

Ensuring availability of skilled labour

Objectives
We develop the competitiveness of the operating environment to attract investments

We enhance public funding to leverage private funding

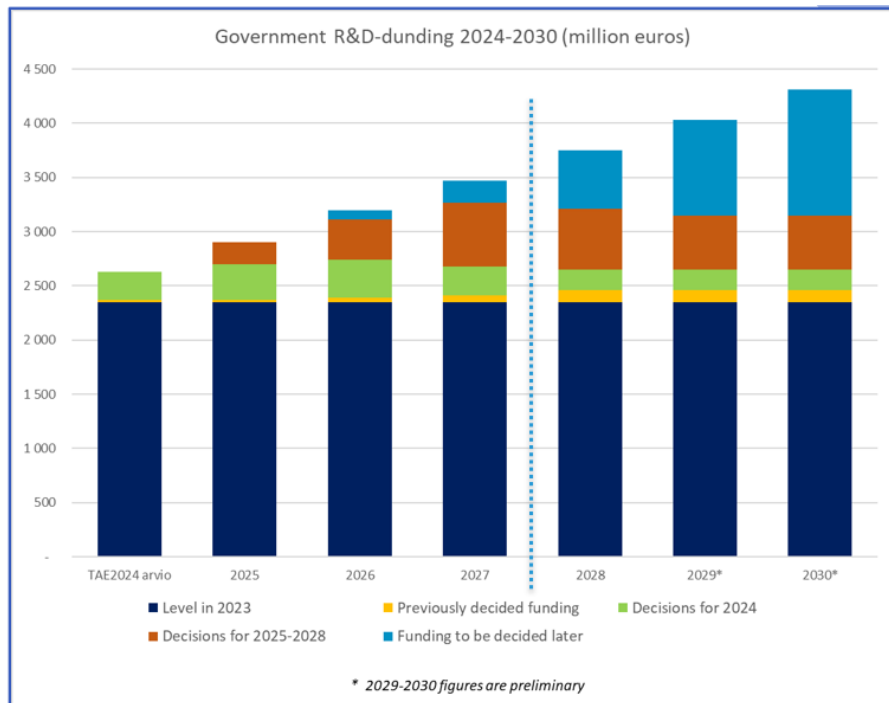
We increase value added and productivity by investing in intangible capital

We create growth from research, innovations and international networks

We exploit the opportunities offered by the clean transition, bioeconomy and circular economy

We invest in logistics, infrastructure and industrial hubs

We ensure the availability of skilled labour



...Finland's clean electricity potential drives green transition...

Power-to-X

Companies developing hydrogen or its derivatives, including alternative fuels such as methanol, methane and ammonia.



Metals

Companies developing alternatives to energy-intensive metal production, such as green steel.



Biomaterials

Companies developing biofuels and biomaterials, such as biocoal, as well as those involved in the refining of biomass.

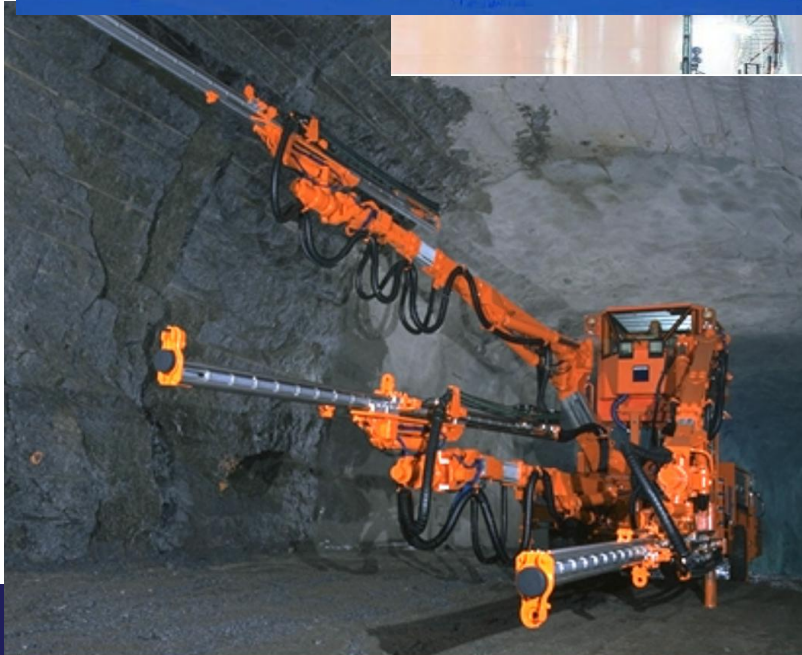


Other

Companies including industrial technology scale-ups, developing solutions for climate tech, alternative materials, sustainable food, or other similar categories.



...back to basics...



...back to the future...



...Reinforcing military strength...ReArm Europe...



Why Finland? - ICE Pact

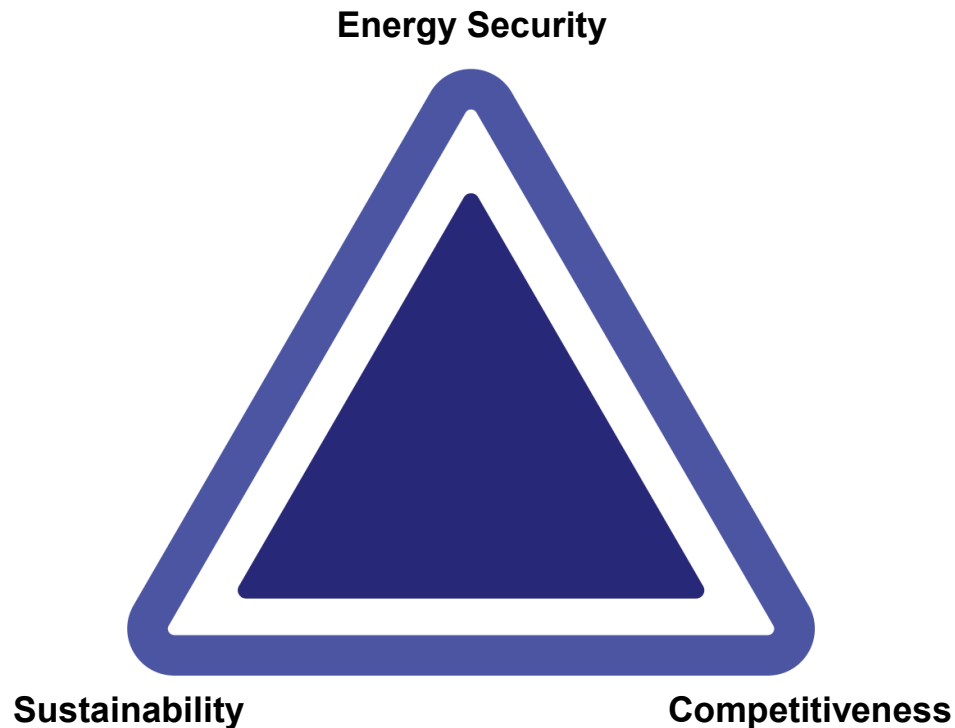


Finland's energy policy in the tense geopolitical situation



Työ- ja elinkeinoministeriö
Arbets- och näringsministeriet

Energy policy fulfils three goals



- **Well-functioning markets** are key to modest prices, security of supply and energy security.
- **Cost-effective ways to cut emissions** are important for competitiveness.
- Finland aims at **climate neutrality by 2035**. However, big challenges with land-use (forest) sinks.
- **Technological neutrality**: all clean technologies are necessary for climate targets.
- **Development of new low-carbon technologies** is needed to reduce emissions in the long run.

Electrification take-off

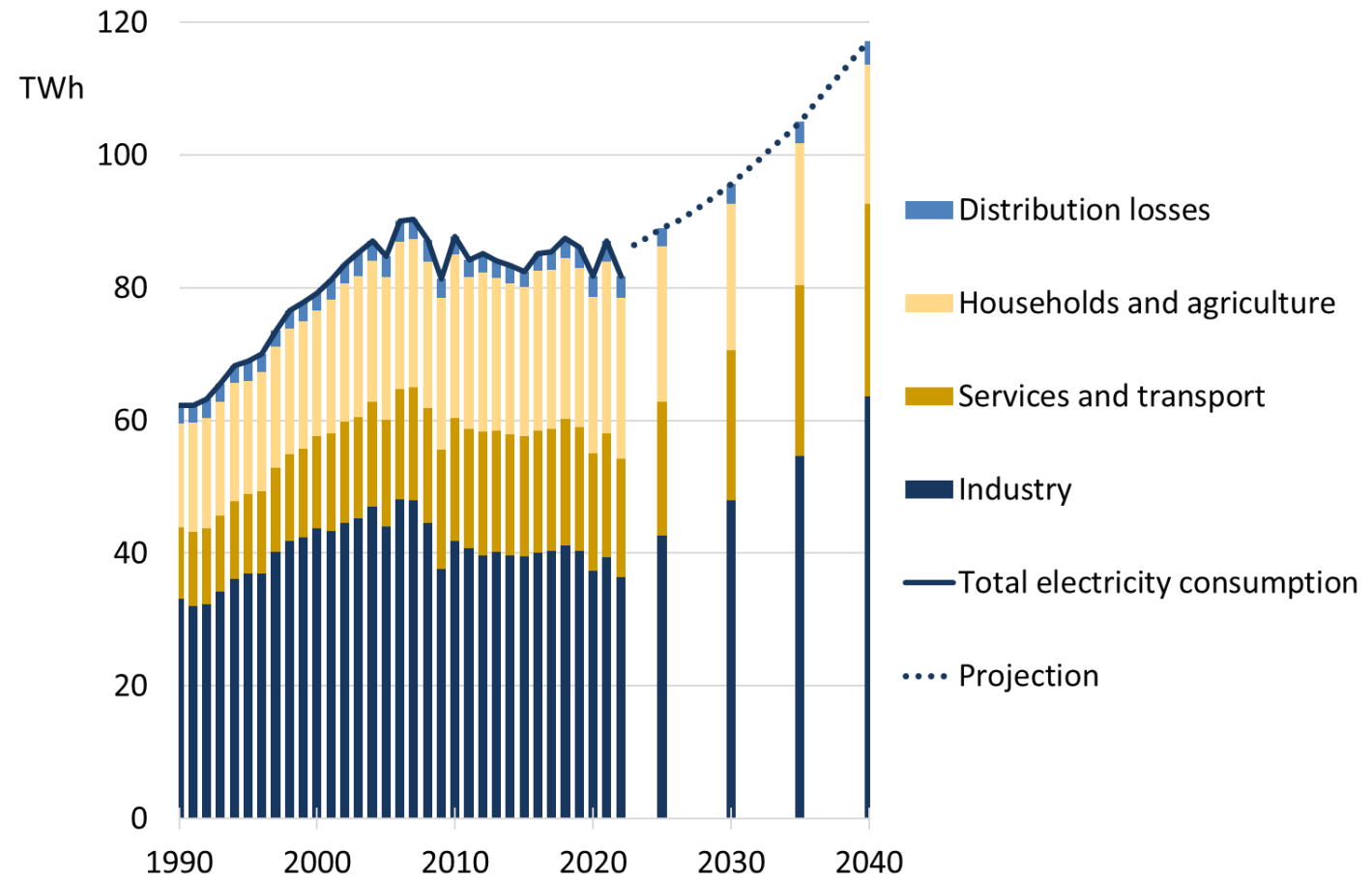


Electrification throughout the society

- Replacement of fossil fuels
- Decarbonisation of industrial processes
- Waste heat recovery with heat pumps
- Electric boilers (district heat and industry)
- Heat pumps for space heating
- Electric vehicles
- Clean hydrogen

Drivers

- EU emissions allowances (EU ETS)
- Climate change awareness
- Energy efficiency ambitions
- New technologies available/developing
- Flexible demand can make use of zero and negative electricity prices



Source: Statistics Finland, draft NECP

Critical Subsea Energy Infrastructure



- **Balticconnector** gas pipeline breach 8 October 2023 (Newnew Polar Bear)
- **Estlink 2** electricity cable breach 25 December 2024 (Eagle S)
- Energy connections take months to repair (data cables are easier to repair)
- We need cooperation in
 - Monitoring
 - Protection
 - Repair



Resilience and security of supply in Finland



Työ- ja elinkeinoministeriö
Arbets- och näringsministeriet

Threats and risks

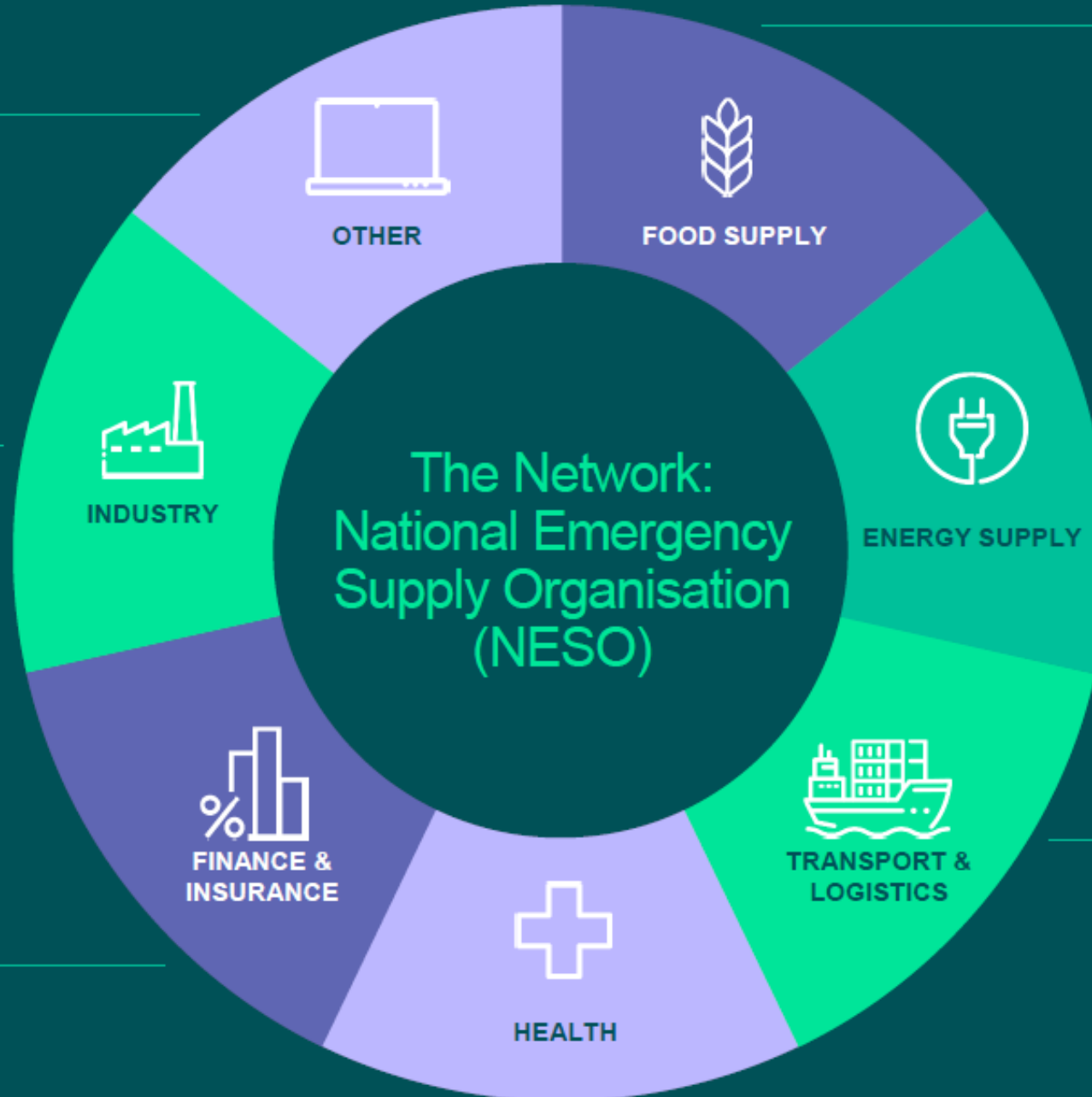


Public-private cooperation in security of supply

- Media
- Private security
- Digital services and infrastructure
- (Culture)

- Technology
- Forestry
- Defence
- Plastic and rubber
- Chemistry and textile
- Construction

- Finance
- Insurance
- Financial administration



- Primary production
- Food industry
- Retail and distribution
- Food service
- Household preparedness commission

- Gas
- Heat
- Liquid fuels
- Electricity

- Air
- Land
- Sea
- Ports

- Health care
- Water management
- Waste management



Kiitos!