



General Description

China is the second largest economy in the world and continues to grow. Despite the COVID-19 pandemic slowing down the business activities, China's long term market outlook remains positive. Finnish businesses continue to prosper and grow in China. New areas of opportunities are emerging as China is shifting investments from traditional industries and infrastructure into green transition and health. China's middle class is growing fast, and young generations especially in the east and south are increasingly following global trends in their consumer behavior. Chinese people were active travelers during pre-pandemic times and tourism from China to Finland is expected to recover starting from 2023.

China has a total of 34 provincial-level administrative regions, including 23 provinces, 5 autonomous regions, 4 municipalities (Beijing, Shanghai, Tianjin, Chongqing) directly under the Central Government and 2 special administrative regions. Biggest concentration of foreign companies is in the Shanghai area, but growth is moving also towards central and western provinces of China. Capital Beijing is the cultural and political center and also the main business hub in the north. Besides the provinces in mainland China, the region includes the Special Administrative Regions of Hong Kong and Macao, which integrate into the fast-growing Greater Bay Area with Guangdong in the south. Taiwan is a vibrant modern market of 20+ million people with an attracting location in East Asia.

The 14th Five-Year Plan of China focus on innovation-driven growth, low-carbon development, and population aging. It highlights high-quality green development and emphasizes innovation as the core of modern development, relying on the dual circulation strategy as the growth paradigm. This provides an increasing amount of collaboration opportunities for Finnish companies.

Investments between Finland and China remain numerous despite the pandemic. Chinese investors mainly focus on strong industries in Finland: ICT and Digitalization, Cleantech, Bio and Circular Economy, Health and Wellbeing, and Travel related industries.

Chinese overnight stays in Finland ranked No. 5 among all the nationalities and China was the biggest long-haul source market for Finland before the pandemic. Visit Finland promotes Finland as a travel destination in China and has been working in the market for more than 15 years.

China

Each area of the Greater China has different economic conditions and cultural situations for Finnish companies to confront when doing business here.

[Doing Business in Mainland China](#)

[Doing Business in Greater Bay Area](#)

Key Industries in Greater China

China is striving for high-quality development and growth in many industry areas. Promoting green transition is one of the key targets to China. Finnish know-hows in different industries can help China in transforming economy. 2022 is the 2nd year of 14th Five Year Plan, which gives detailed information on where investment focus in China will be until 2025.

FINNISH STRONGHOLDS:

ICT (Digitalisation) is one of China's strategic industry sectors: it amounts over EUR 700 billion market (in 2023, YoY +3.7%) and continues growing. Growth opportunities are not only in connectivity and mobility, but increasingly also in building digital transformation and development systems for industry. Industrial digitalization become the main driving force for the growth. Finnish offering and experiences have significant advantage in the integration of latest digital technologies (5G, AI, industrial internet, industrial software, data analytics, etc.,) and industry knowhow, which will help Finnish companies to have more opportunities in China market.

China is the global manufacturing hub and the manufacturing industry added value, taking 30% of the global manufacturing industry in 2021. China is transforming manufacturing towards higher level automation with sustainable and intelligent solutions. Opportunities for Finnish companies are in digitalization, energy efficiency, utilization of new renewable energy sources, environmental protection and automation.

China is the biggest shipbuilding country in the world with a strong demand for smart and green solutions for new and refurbished ships, as well as shipbuilding and supply chain in whole maritime industry. Finnish maritime companies continue being highly relevant in Chinese market especially in smart and bioenergy efficient vessel and port technology as well as arctic sea technology. Chinese shipyards hold almost half of global new shipbuilding orders and many with production schedules up to 2027/2028.

EMERGING INDUSTRIES:

Health: The Chinese healthcare industry is a large and growing market. The industry is evolving with strong emphasis on higher quality of care, prevention and early diagnostics, digital health, and the ageing population. Finland has strong and relevant experiences to share in particular in the areas of medtech innovations, early diagnosis, cancer prevention and treatment, digital health, and agetech. The Greater Bay Area (GBA) and Yangtze River Delta regions host strong cluster of companies in above priority areas. The GBA and Hainan also provide opportunities for medtech innovations to fast access the Chinese market prior to regulatory registration with the National Medical Products Administration.

Energy: China has the world's largest energy market. China also bears a key role in mitigating climate change. Transition to greener energy is recognized at the highest political level. In 2023, China investment in key energy projects accumulated to approximately 0.4 trillion Euro, with a year-on-year growth rate of 1.6%. While the investment in new energy increased by over 34% comparing with last year. Finland is well-placed for China with clean and smart energy solutions, in e.g. smart district heating & cooling, distributed and flexible energy production, waste to energy and bioenergy.

Food and other consumer goods: China hosts the second largest consumer goods markets in the world. The robust market, increasing demand from growing middle class, new value consumption from new generations as well as improving e-commerce and cross-border e-

commerce infrastructure provide largely untapped potential for consumer and food business. Finland National Pavilion at JD.COM is an important e-commerce project to help Finnish consumer and food companies access Chinese consumers faster and easier without complex market registration process.

Circular Economy: The Chinese government attaches great importance to the development of the circular economy and has introduced a series of policies and plans, such as the "14th Five Year Plan on Development of Circular Economy", which clarifies the development goals, key tasks, and guarantee measures of the circular economy, providing policy guarantees for the development of the circular economy industry. China's circular economy industry is rapidly developing. It is expected that by 2025, the output value of the resource recycling industry will reach 5 trillion yuan, becoming an important force in promoting high-quality development of the Chinese economy.

Business Finland in China

Internationalization Services

Internationalization Services helps Finnish companies with global growth ambitions. Our Greater China has 4 offices based in Beijing, Shanghai, Guangzhou and Taiwan. Our top experts and the latest research data enable companies to seize market opportunities and turn them into success stories. We offer services for internationalization, investments and tourism promotion, and offer funding for innovation activities. We also introduce you to relevant contacts from our local expert's networks. The high-level delegations and business visits that we organize help you to open the right doors to grow your business globally.

Invest in Finland

Invest in Finland creates awareness about growth opportunities in Finland, attracts companies that can foster job creation and productivity growth to Finland, facilitates their establishment and expansion in Finland. More information, please access our website at [Invest in Finland - Business Finland](#)

Visit Finland

We help Finland's destinations and travel companies operating within them to network and to develop, sell and market competitive and high-quality travel products. We offer assistance to companies and organizations that are starting to internationalize and taking their first steps in international markets. As the national expert organization and an active player in the travel industry, Visit Finland is responsible for promoting travel from abroad to Finland. [Travel in brief - Business Finland](#)

Innovation Collaboration

Business Finland has established numerous frameworks and joint innovation calls to support Finland-China innovation collaboration. We also support companies and collaborate with different [Accelerator Programs](#). Furthermore, our [FinChi Innovation Center](#) located in Shanghai provides a soft-landing platform for those companies who want to test whether their business and innovative approach can fly in China. Innovation work in Business Finland China is done in close collaboration with the other functions, especially with the internationalization function. For more information, see [Finland-China joint Innovation calls and Innovation Collaboration](#) page.