

Good morning and welcome to Finland!

It is my honour to welcome you in Helsinki for the Montreal Group's annual meeting. We are delighted to have you here. Biggest economies around the world, Brazil, France, Canada, China, Mexico, India, Russia, Saudi Arabia – and Finland! - are here today. To me, it is only natural that Finland is part of this group. We are so proud of what we have achieved in hundred years that we almost believe that we are as big as China. I am happy that you have chosen to hold your meeting here in Finland in this particular year. Finland has been an independent state for 100 years and we celebrate it together the whole year. Hundred years ago, Finland was a small and poor state in the North. The First World War was still ongoing. 70 percent of the Finns got their income from agriculture and forestry. We realized soon that the only way forward for a small nation was to invest in education and its people's welfare. Today we are one of the richest, most liberal and stable countries in the world. We are part of the European Union and the international community. We are proud of being among the top countries in terms of equality and opportunities for girls. This transformation didn't happen by itself. It required hard work and a bit of luck, but also a vision for better future and the will to make that happen. Today, we are one of the most advanced nations, but in order to keep it that way, we need to find new solutions to new challenges. In terms of economic growth, Finland was the sick man of Europe for many years. Now the Finnish economy is growing faster than it has for a long time. Still, we are not off the hook yet. Growth is still fragile and we need to do everything we can to foster it. That brings me to the main topic of today, Micro, Small and Medium-sized Enterprises.

The most well-known Finnish business success stories like Nokia, Angry Birds or Marimekko have started as micro or small enterprises. They gradually or rapidly grew into major brands. We would like to see more and more companies to turn into that kind of international success stories. SMEs generate new jobs and thereby support employment and, more generally, the economy as a whole. That's why increasing the level of Finland's competitiveness is one of the key priorities of the Finnish Government. We created a "competitiveness pact" for the home market. The pact reduces unit labour costs and creates 30 000 new jobs. As part of the pact, the Government agreed to tax concessions. Reducing the regulatory burden on companies has been another key priority. Shops' opening hours were liberalised as part of deregulation.

When it comes to new sources of economic growth and activity, Finland could be the world's leading country in clean solutions. Sustainable use of natural resources will create new jobs and market for cleantech companies. Forestry has always been one of our key sectors. Our goal is to diversify and increase the use of wood, in order to foster new business, jobs and exports. I have noted that the Montreal Group has focused on similar topics such as green financing, innovations and digitalization. In

order to foster new business, jobs and exports, there needs to be enough different sorts of finance available for SMEs. Finland's financial system is dominated by the banking sector, and SMEs are particularly dependent on bank-based finance. According to recent survey, SMEs have been frustrated by the availability and terms of financing. Despite some conditions that have tightened, the availability of bank funding for SMEs in Finland remains one of the best in Europe. 80 percent of applicants were granted loans either equal or close to the full amount requested. Increased competition within the banking sector as well as more versatile funding sources would improve access to corporate finance. Therefore, the Government's objective is to improve companies' financial positions. Growth funding will be provided by increasing the resources available from public financial institutions, such as Finnvera. We also need to take full advantage of the EU growth funding. Government also supports the European Commission's efforts to create a Capital Market Union which will improve access to financing by Finnish SMEs.

We Finns know very well that our economic success lies on exports. It is essential that the world economy is doing well and growing. Yet, there is again a new level of uncertainty despite the better economic outlook in the US and in Europe. The US, which was regarded as the leader of world trade, does not seem to be interested in leading the global efforts anymore. This means that all of us others have to cooperate more to create predictability. For Finland, the obvious partners are other EU member states, and through the EU, other major markets in the world. We strongly believe that it is in everyone's interest to promote multilateral cooperation and rules-based system instead of bilateral agreements. Multilateral system brings predictability which we believe is essential for companies seeking to go to international markets. Greater benefits can be achieved through international co-operation.

To conclude, private sector involvement is crucial in achieving economic growth. The seeds for innovation are in small firms. I hope that you will enjoy your time in Helsinki and I wish you a successful meeting. I also hope that you will have the chance to get to know our beautiful capital city in which the summer has just begun.