

Warm ties from Finland's cold climes

Finland's ambassador to Singapore, Ari Heikkinen, speaks to **VINCENT WEE** about the good ties that exist between Finland and the Republic and on potential areas for further cooperation

SINGAPORE and Finland enjoy a warm political relationship, with diplomatic relations going back to 1973. "Economic ties can be characterised as reasonably tight and economic activity is vivid, but more importantly rich in opportunities. There are many areas of cooperation underway and even more in the stage of planning," says Finland's ambassador to Singapore Ari Heikkinen.

Among notable recent milestones have been the Singapore-EU Free Trade Agreement (FTA) which was signed in September. Meanwhile, in October, Finland's Minister of Economic Affairs Jan Vapaavuori made a ministerial visit to Singapore where he had a bilateral meeting with his Singapore counterpart S Iswaran.

Among topics of discussion were tourism trends, energy issues and bilateral trade and investment relations between Finland and Singapore. Other areas where there is potential for bilateral cooperation include education, innovation, taxation, and investment relations.

"Education is a theme that has gained a lot of attention recently. Both Finland and Singapore rate high in international surveys on education, but the schooling systems behind the success differ in many ways. It is evident that no one system is clearly superior to the other, but closer analysis and benchmarking is fertile in developing both systems," notes Mr Heikkinen.

Indeed, there are many benefits to be gained by collaboration in the field of education. For example, Finland's Minister of Education and Science Krista Kiuru said during her visit to Singapore earlier this year that Finland could collaborate with Singapore in several areas, such as the sharing of Finnish educational technology expertise and exchanging tips on teacher training and group work in the classroom.

Trade, FDIs and FTA

In terms of trade, Singapore is Finland's most important trade partner among Asean countries and the volume of trade is growing. Finnish companies have also invested heavily in Singapore, with around 100 Finnish companies currently operating in the Republic. The most prominent of these is Neste Oil's biodiesel refinery in Tuas which is the largest of its kind in the world.

Finland and Singapore are both high in international rankings for being among the most competitive and least corrupt countries in the world, as well as one of 11 countries globally with the highest AAA credit rating. Plus factors include a skilled work-

force, reliable legislation, stable political environment and worldclass education.

However, while Finland has tried to attract more foreign direct investment (FDI) and has been very successful with investments – such as Google's 450 million euro (S\$763.5 million) investment in a data centre in Hamina among the latest achievements – there are currently very few Singapore companies operating in Finland.

"There have been recent discussions at ministerial level on bilateral trade and investment relations between Singapore and Finland, which will hopefully help to change the course. Finland provides extraordinary possibilities for foreign investments, both in terms of business environment and location," points out Mr Heikkinen.

"As Singapore is a gateway to South-east Asia, Finland's strategic location and excellent relations with both east and west makes it a notable gateway to European and Russian markets," he adds.

Mr Heikkinen expresses hope that the FTA will increase trade between EU and Singapore and give a boost to EU's FTA negotiations with other Asean countries.

ICT and R&D

Finland and Singapore share a reputation for being among the most advanced countries in infocomms technology (ICT) in the world. The ICT sector has accounted for over half of Finland's gross productivity increase over the last 50 years. This has led to rapid development and ICT now reaches all parts of society, making Finland the number one country in ICT readiness, just ahead of Singapore.

In addition, Finland is also the leading country in the global innovative-based competitiveness, availability of Science and Technology Researchers, private investment in R&D (as a percentage of GDP) and government investment in R&D (as a percentage of GDP).

Investments in R&D are crucial to promote ICT-based innovations and both countries place significant emphasis on this, Mr Heikkinen notes. Finland's public expenditure on R&D of around one per cent last year was above the EU average of 0.7 per cent.

With increasing investments on R&D from the Singapore side, there has been mutual interest, which led to cooperation in this area. For example A*Star has cooperation agreements with Finland's VTT (Technical Research Centre of Finland and the Agency for Science) and Tekes (the

Finnish funding agency for technology and innovation) to promote R&D and investments and scientific collaboration between the two countries.

Mr Heikkinen says that there has been active cooperation in developing technological improvements to healthcare for example. One of these areas is remote healthcare services, designed especially for elderly people. Both countries face similar problems because of an aging population. This presents challenges for the healthcare systems and increases costs. ICT innovations play a key role in tackling the challenges in the future, such that further and even more comprehensive co-operation is needed and likely to take place.

Start-ups and innovation

An emphasis on start-ups is also important, Mr Heikkinen says. "Start-ups are a major source of innovation. The capital of Finland, Helsinki has developed into a start-up hub and it has been referred as one of the hottest start-up capitals in Europe," he says.

Among the many successful start-ups arising from Finland in recent years have been Supercell and Rovio (the maker of the Angry Birds game), which have gone on to become big players internationally. Business accelerators and universities have made invaluable efforts to encourage and help start-ups to grow.

For example, recently Espoo-based Startup Sauna was named the top young university business incubator in the world by UBI Networks. Government also plays a big role in providing financial support for start-ups through programmes such as Tekes and Finnvera (a specialised financing company owned by the State of Finland).

"Singapore is fast becoming a start-up hub as well and its efforts haven't gone unnoticed in Europe. Business friendly environment, low taxation, educated people and efforts to boost innovation make it an ideal location for start-ups, especially to those aiming for fast growth in Asian markets," notes Mr Heikkinen. Finnish start-up companies, especially those in the gaming industry have looked towards Singapore, he adds.

Other areas of cooperation

There are many other potential areas for future cooperation between Finland and Singapore, some of which are already ongoing. These include in energy and the environment, construction technology, shipyard and port terminal development and the brave new world of Arctic sea trade routes.

Both countries share concerns

about the climate and environment, says Mr Heikkinen. While Singapore needs more energy security, Finland has a strong history and deep know-how in renewable energy, he notes.

The need to focus on renewable resources and energy efficiency is a top priority in Singapore which Finland, as the leading country in the EU in energy solutions, can help with. It has a national plan to generate 38 per cent of all energy from renewable resources by 2020, Mr Heikkinen says.

With Finland's expertise in energy efficiency and Singapore's desire in its Sustainable Development Blueprint to set a target of achieving a 35 per cent reduction in energy intensity by 2030 compared to its 2005 level, there is certainly a convergence in goals. "These similar agendas have already led to joint public projects between Finnish and Singaporean institutions and universities, but there is still room for deeper cooperation," said Mr Heikkinen.

For example, in the area of cleantech, where products, services and processes are geared to promote sustainable use of natural resources and reduce harmful effects to environment.

"Both Finland and Singapore acknowledge the opportunities in cleantech. Finland is the leading country in Europe in eco-innovations and cleantech related R&D. Singapore has provided substantial funding to support and attract more medical and clean technology start-ups. Start-ups are in an increasingly important role in cleantech, although the significance of big companies is not to be underestimated," he adds.

Mr Heikkinen notes that there is huge potential for cleantech start-ups. Cooperation between Singaporean and Finnish start-ups and investors creates synergy and increases the odds of succeeding internationally, he said.

Another area where Singapore can use Finnish expertise is in construction technology. Although the city-state is widely known for its skyscrapers, in the future challenges will arise as these proliferate. An essential part of making high buildings functional is enabling people to move comfortably, safely and fast between and within different parts of the buildings.

Mr Heikkinen highlights the fact that Finnish companies such as Kone are helping in this area. A world leading elevator and escalator manufacturer, Kone's latest innovation – the UltraRope elevator hoisting technology, which enables future elevators to travel heights of 1,000 metres in a sin-



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– Mr Heikkinen

gle run, has already been installed in Marina Bay Sands. Kone has invested heavily in Asia in recent years and is a market leader in new elevators and escalators in China and India also.

Mr Heikkinen notes that as Singapore searches for solutions to house its growing population, a vision has arisen of a network of underground tunnels, malls, public spaces and even science cities.

"Building underground creates new opportunities, but doesn't come without challenges. It requires a lot of research and is costly. Although Singapore's visions of building underground are exceptional in scope, making use of international expertise is essential," he says.

Mr Heikkinen points out how Finland's VTT is carrying out a unique research project (SmartSpace) with Lawrence Berkeley National Laboratory and University of California which focuses on measuring technology for the maintenance of urban underground infrastructure. "Consequently, with expertise like this, Finland and Finnish companies have a lot to offer to Singapore when innovative solutions are needed. Whether it means going up or underground," he added.

Yet another opportunity for cooperation is in the area of shipyard, port and terminal solutions. Here, Finland has great speciality in producing innovative solutions to improve operations and companies such as Cargotec

and Konecranes have a long history of engineering works and providing the latest IT solutions.

They have also invested in Singapore and are reaching out to the fast growing Asian region from there. Cargotec for example, established a global competence center for container terminals in Singapore in 2011 to better serve its customers in the whole Asia-Pacific region. Meanwhile, Konecranes, which specialises in lifting equipment and services, recently had a multimillion dollar order from Indonesian government and maintains a strong presence in South-east Asia.

Finally, while it may seem ironic for Singapore to cooperate with Finland on the groundbreaking Northern Sea Route, changes in global trade flows and the movement of information and technology make it possible. "As the Northern Sea Route's significance is going to grow in the future, so is the demand for arctic expertise," said Mr Heikkinen.

With more direct trade between Asia and Europe, this will definitely be a trend to look out for. He noted that as a permanent observer in the Arctic Council, Singapore has expressed its interest in the developments in the Arctic and the Northern Sea Route. A bilateral Arctic cooperation could ensure a competitive edge to Singapore and Finland, especially when the importance of the Northern Sea Route grows.

Singapore as Pan-Asian base for Finnish companies

KONECRANES president and CEO Pekka Lundmark relocated to Singapore to build up business in the region. Vincent Wee speaks to him about his thoughts on the country and moving here.

Question: Having moved specifically to Singapore to boost relationships and contacts with key clients, how has that worked out for you? Has Singapore been a good base to do this?

Pekka Lundmark: Singapore is a very good Pan-Asian hub for building relationships across the region. This was definitely a good choice. In addition to meeting a lot of customers in the middle of the growth markets, it is a very healthy experience for a multinational company CEO to observe from the field how one's own company operates.

Q: What is the advantage of Singapore for European companies wanting to develop their operations and presence in emerging markets?

Mr Lundmark: Good infrastructure, transparency, safe for the family, excellent schools, competitive taxation, fast in and out through a fantastic airport.

Q: Have you found it easy moving from the more Scandinavian business culture of Finland to Singapore? What challenges and benefits have you found?

Mr Lundmark: Of course there are cultural differences, for example in leadership and communication styles but there are also interesting connection points.

Both countries have understood the critical importance of education as a source for competitiveness for a nation. Singapore and Finland are both small countries

with only 5.3 million people, surrounded by superpowers. This has created certain cultural adaptability and ability to deal with multiple business styles and operational cultures.

As a result, both countries are perceived as neutral and able to deal with multiple large countries that often have difficult issues with one another. Without this cultural sensitivity it would not be possible for small nations to make it.

Q: If I can ask you to extend it a little, what are the thoughts of other Finnish companies that have set up in Singapore or are considering doing so? Is there a clear demand for this do you think? Why?

Mr Lundmark: There is a clear demand from Finnish companies to build positions in Asia. Of course all companies make their own decisions, but I believe that Singapore will be a natural choice for many. The key concern to watch is that the cost level does not get too high. As long as that stays under control, there is only one way: up!

Q: What are your thoughts on the cross flow of investments between the two countries and how can they help to build better ties? Would and should there be more such investments and what would you say to other Finnish companies as well as Singapore companies perhaps considering investing in Finland?

Mr Lundmark: I think there are multiple complementary interests between Singaporean and Finnish companies and I believe we could benefit more from each other. We need to do more reciprocal marketing so that companies become aware of the possibilities. It would also be good to further intensify contacts between public sector leaders.



'Both countries are perceived as neutral and able to deal with multiple large countries that often have difficult issues with one another. Without this cultural sensitivity it would not be possible for small nations to make it.'



SPOTLIGHT ON FINNISH COMPANIES - A Special Report produced by Synergy Media Specialists

Building a Pipeline to Success in Asia

Recognized as the global leader in non-welded piping solutions, GS-Hydro is committed to delivering high quality projects, service and product solutions to customers and suppliers worldwide.

The basic principle of a piping system has always been to transfer fluids from one location to another. In the marine and offshore industries, high pressure piping systems are subject to challenging environmental conditions, extreme weather and high physical stress. There are stringent requirements for

hydraulic and other high pressure systems when it comes to materials and how the installation work is executed.

"Considering the challenging nature of the offshore industries, it is vital that companies use durable, high quality equipment and piping systems in their offshore drilling and production installations," says Pekka Frantti, President and CEO of GS-Hydro Corporation. "We have developed into a highly experienced service provider with a wealth of knowledge regarding the offshore industry. Our projects include deliver-



'Through our office in Singapore, we intend to develop our Singaporean and Asia Pacific customer base.'

Pekka Frantti, President & CEO, GS-Hydro

ing solutions to over 200 drilling rigs and numerous gas platforms around the world," he says.

Established in 1974, the Finnish company is today a world-leading supplier of non-welded piping systems which utilize innovative flange connection technology developed in-house by the company. "The benefits of non-welded piping solutions include superior cleanliness, substantial time savings at the installation site and environmental friendliness. Notably, 'leak-free' reliable piping systems are becoming essential to an increasing variety of industries," says Frantti.

While the offshore industry represents half of the company's business, GS-Hydro is also engaged in marine and land-based installations. The company has fitted their systems in more than 6,000 ships

and thousands of other piping systems have been installed in land-based industries such as metals and mining, automotive, pulp and paper and recycling.

Today, GS-Hydro has a global presence in seventeen locations around the world including Singapore, where continued investments are being made to service the emerging economies of Southeast Asia. "Singapore is a hub for business in the region. We established our office there in 2007 to be close to our strategic regional customers in nearby markets," says Frantti.

"With Singapore's role as a maritime and logistics hub, we are looking forward to delivering more offshore service projects.



Through our office in Singapore, we intend to develop our Singaporean and Asia Pacific customer base to ensure our future growth in the region," adds Terho Hoskonen, Vice President of Sales and Marketing. www.gshydro.com



GS-Hydro technology is often used in the offshore segment

A leader in Arctic offshore and supply vessels

As a permanent member of the Arctic Council and one of eight countries with territory extending beyond the 66th parallel north, Finland has a vested interest in the Arctic region. Helsinki has a long history of building Arctic Ocean-going vessels and through innovation and technology, the tradition continues today.

Russia and will serve as supply vessels for Exxon Neftegas' platform. The vessels will supply the gas production platform while protecting the installation from ice sheets."

try continue to drive the growth of our business," says Mustamäki. "As we move forward, we intend to secure orders from Asian customers. As a maritime hub, Singapore



'As we move forward, we intend to secure orders from Asian customers.'

Esko Mustamäki, Managing Director, Arctech

Helsinki's shipyard has delivered sixty per cent of the world's icebreakers in operation and is home to Arctech Helsinki Shipyard Inc., a joint venture between STX Finland Oy and Russia's United Shipbuilding Corporation.

"We are a world leader in the development of technological innovations for Arctic Ocean icebreakers and special offshore vessels," says Esko Mustamäki, Managing Director of Arctech.

Research and development and material and production technology are crucial to delivering vessels which can withstand the harsh Arctic conditions. In the offshore industry, the latest ice-breaking vessels are often built to perform additional tasks such as oil recovery.

"We recently delivered ahead of schedule two multifunctional icebreaking supply vessels to Sovcomflot in Russia," explains Mustamäki. "The vessels were built for the Sakhalin-1 Arkutun-Dagi gas field in Far East

The company is building two vessels for the Russian Ministry of Transport. The first is a 16 megawatt icebreaker able to withstand temperatures as low as -40°C. The second is the NB-508, an



emergency and rescue icebreaker. In addition to being used in icebreaking operations, this vessel is equipped with a highly advanced oil recovery system and is capable of emergency towing of vessels and floating facilities. "Russia's interests in the Arctic region and huge offshore oil and gas indus-

continues to express an interest in the Arctic region and we can offer our expertise and knowledge of the industry to customers."

With the Northern Sea Route across the Arctic shortening trade routes and the region's rich mineral wealth, the international maritime and offshore industries continue to look north.

"Arctic icebreaking is in our DNA," says Mustamäki. "We are committed to delivering first-class vessels and as Asian and Singaporean companies pursue interests in the Arctic region, we are in a strong position to be their partner of choice." www.arctech.fi



The state-of-the-art arctic offshore vessel Vitus Bering in Saint Petersburg, Russia in January 2013.

Delivering Finnish telecom expertise to Asia

Finland is building on its reputation as a global leader in information and communication technology. The country invests almost 3.5 per cent of gross domestic product into research and development initiatives. Finnish companies are exporting innovative, cutting edge solutions to international markets, including emerging economies in Asia Pacific where markets for telecom and information technology systems continue to show strong signs of growth.

The Asia Pacific region's global external spending for telecom IT systems is the second highest in the world after Western Europe. Rather than developing in-house solutions, Asian telecom-

cations industry, we have established ourselves as a leading global provider of information technology solutions," says Tatu Tahkokallio, Group Marketing Director of Tecnotree.

our business in partnership with our clients," explains Tahkokallio. "We have already designed and delivered solutions for over one hundred ser-

Ireland, Argentina and India.

"Singapore is a key regional hub in the Asia Pacific region and we are committed to strengthening our operations and service offering across the region from our Singapore office," says Tahkokallio.

As communication service providers shift from telecom-only services to total solution providers – or Digital Marketplaces, Tecnotree is continuing to support its clients as they monetize their bundled fixed, mobile and broadband services to include media and entertainment content, mobile applications and internet services.

"On-going developments within the global telecommunications industry present numerous challenges for companies and as a niche solutions provider, we have the necessary expertise and competence to support the larger companies within the industry," says Tahkokallio. www.tecnotree.com



communications companies are purchasing software and services from external suppliers and are increasingly partnering with Finnish technology companies.

"With over three decades of experience within the telecommuni-

"Our solutions enable our clients to successfully manage products, customers and revenue across all the markets in which they are active".

With its convergent Tecnotree Agility™ suite of products, the company partners with leading communication service providers. Tecnotree's innovative business support IT-solutions enable clients to monetise their service bundles, provide a customized user experience and create value within the customer lifecycle. The company's services include solution design, systems integration and deployment, maintenance, support and managed services.

"Our vision is to grow



Tatu Tahkokallio, Group Marketing Director, Tecnotree

vice providers in over seventy countries and work with tier one companies including Celcom in Malaysia and Indosat in Indonesia."

Tecnotree has over 1,100 telecom professionals in fourteen countries including Singapore and research and development centres in Finland,



Tecnotree office in Bagmane Tridib, Bagmane Tech Park, Bangalore India

Fifty years of Icebreaking Solutions

With the country's reputation as a centre of excellence for innovation and its northern most territories reaching the Arctic Circle, Finland has successfully combined its knowledge based economy with its desire to continue to develop its maritime sector.



Mikko Niini, Managing Director, Aker Arctic Technology Inc

conditions."

Aker Arctic is behind many new innovative ship concepts, such as the Aker Arctic DAS™ "Endeavour" class Swire Pacific Offshore operated support icebreakers, the supply icebreaker "SCF Sakhalin" and the Aframax tankers "Tempera" and "Mastera". The company is currently involved in developing new logistic systems for liquefied natural gas projects (LNG) in the Arctic region which will supply Siberian gas to China and South-East Asia via the Northeast Passage. New propulsion solutions have also been introduced like the Multi-Screw-DAS™ concept which for the first time is

being used in the latest Offshore patrol vessel of the Finnish Border Guard. "A portfolio of ice going ships, especially for the offshore market, under the ARC brand is also available for shipowners and shipyards," says Niini.

Currently, Aker Arctic is designing new Polar icebreakers for the Canadian Coast Guard, a polar research icebreaker for the Chinese Polar Research Institute and the next generation icebreaker for the Government of Finland.

With an international portfolio of 100 clients from more than 20 countries around the world, the company regards Singapore as a key maritime centre. "As one of the largest shipping hubs in the

world, Singapore is also actively involved in the development of the Arctic maritime sector," says Niini. "We have developed partnerships and contacts in Singapore and will continue to do so as we grow our global clients based on our experience in developing and designing icebreakers and ice-going vessels," says Niini. "Our main goal is to enable new sustainable businesses in the Arctic by



our business in the Asian and Arctic regions." Government agencies, coast guards, navies, shipping and oil companies, research facilities and universities continue to rely on AARC's expertise and the company intends to continue developing its international business.

"We are dedicated to providing solutions to

developing advanced, economical solutions for the cold environments. Just as the innovations we deliver today have been developed over several decades, and as we move into the future, we will continue to develop our people, our tools and our technologies in order to create superior products and solutions." www.akerarctic.fi



Aker Arctic is designing a polar research icebreaker for the Chinese Polar Research Institute

Finnish Pioneer in Data Erasure Expands to SE Asia

Secure data erasure management is becoming more critical around the world according to Kim Väisänen, CEO and Co-Founder of Blancco, the global leader in data erasure and computer reuse solutions.

making its solutions available to a broadening user base worldwide.

Data erasure is a software based method that completely destroys electronic data residing on a hard drive or other digital media. It removes all in-

formation while leaving electronics operable, preserving IT assets and the environment. "The digital universe doubles every 18 months while the spectrum of device platforms becomes more fragmented, so secure data erasure will become more challeng-



formation while leaving electronics operable, preserving IT assets and the environment.

While beginning as a small start-up in Joensuu, Finland in 1997, Blancco has grown into a multinational company erasing

theft and fraud has also contributed."

"The digital universe doubles every 18 months while the spectrum of device platforms becomes more fragmented, so secure data erasure will become more challeng-



Kim Väisänen, CEO and Co-Founder, Blancco Oy Ltd.

"In Southeast Asia there is an increasing demand for secure data erasure as awareness grows and legislative initiatives focus on the use of personal information for commercial purposes." The Singapore Personal Data Protection Act was passed in 2012, became effective in January of 2013 and will come into force in July 2014 to regulate the collection, use, disclosure and retention of personal data and to impose obligations on how businesses manage that data, how long they keep it and how they dispose of it.

Against this backdrop of legislative reform, effective data erasure is becoming a key component of data protection practices, and Blancco is responding by

tens of thousands of IT assets worldwide each day with offices in 15 countries. A Southeast Asia office opened early this year in Kuala Lumpur, Malaysia.

"We've seen a growing need for permanent data erasure as electronic de-

ing. But, Blancco is committed to working together with organizations to help them manage these challenges. In particular, our Southeast Asia office is ready to serve customers in Singapore." www.blancco.com