



TAMPERE REGION ECONOMY 2021

Financial review of the selected business sectors

TAMPERE.
FINLAND

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Photo: Laura Vanzo



ECONOMY IS GROWING, BUT CHALLENGES LIE AHEAD

EDITORIAL
Pasi Mäkinen | Managing Director
Pirkanmaa Federation of Entrepreneurs

Things are looking up. Restrictions imposed during covid times are now being lifted, revitalisation has boosted things, and the economy has started to recover. When comparing things on a national level, our region fared well during the epidemic - as you will see in this review. The worst-case scenarios that many developed in the spring of 2020 never became reality.

The economic indicators for businesses are now looking positive across the country, and that is a good thing. Still, it makes sense to weigh matters in a larger timeframe too, and ponder, for example, what will happen in a few years after the current revitalisations and the honeymoon period of newly found regrowth are over. Structural challenges remain in our economy, and we need to find solutions to them – both in the Tampere region and in Finland.

Then there is the question of availability of skilled workforce. Of the SMEs in the Tampere region, as many as one company in five saw workforce availability an obstacle to operational development. It is a tricky situation, as on the other hand unemployment rates are still high. One suggested solution is to bring skilled workers in from abroad, but in the short run this conflicts with the job market's mismatch issues. Yet in the long run, acquiring foreign workforce seems inevitable, and not least due to our country's aging population. Entrepreneurs are getting older too. Judging solely by

the age of our entrepreneurs, about half of the businesses in the Tampere region are likely to experience a change of ownership in the next 10 years.

According to a recent SME survey, over 40 % of Finnish companies wish to grow either rapidly or to the extent possible. It would be good to increase the share of rapidly growing companies in Tampere regions as well. Growth companies provide lots of new jobs, make investments and internationalise. They also invest heavily in research and development. In other words, they create new dynamics in the economy and, by adding new know-how, often make the whole region more attractive.

There is also a major structural transformation underway in working life, and one that has received far too little attention: significant growth of sole entrepreneurship. Since 1997, the number of sole entrepreneurs has increased by almost 70,000 businesses, and it continues to grow still. This is a notable social change, as the number of employer companies has remained almost the same in the same time period. It seems undeniable that an even larger number of Finns will employ themselves as entrepreneurs in the future. This adds its own challenges to the equation, but at the same time, new opportunities as well.

TAMPERE REGION'S TURNOVER BY BUSINESS SECTOR IN 2020

	2020	2021*
Turnover all industries	35,034 M€	17,986 M€
Change in turnover	-0.4 %	7.3 %
Turnover, industry	12,069 M€	6,312 M€
Change in turnover industry	-1.7 %	7.6 %
Export, industry	7,176 M€	3,839 M€
Change in industrial export	-1.4 %	8.5 %
Residents	526,190 (June 2021)	
Unemployment rate	13.4 %	
Places of business	34,315	

* 1st half of 2021



% of total industry turnover

EXPERIENCE SERVICE BUSINESS GREW THEIR TURNOVER BY 90 % IN MIDST OF THE PANDEMIC

With operations in Pälkäne and Tampere, Amazing City Oy bases its growth on reacting quickly to change.

– Covid dropped the number of company gigs to zero. We had been contemplating ideas for new products but did not have the time to carry them out. Covid changed all this, says adventure director and entrepreneur **Heikki Närvänen**.

We created the Amazing Walks city tour that enables, with the help of an application, getting to know Tampere on your own, and for instance going through control points with your family. The adventure offers variations for both tourists and locals with options such as nature and city walks, or an agent test.

Another popular novelty was the rooftop walks, started on the 200th celebratory year of the Finlayson area, where you get to see Tampere from a whole new perspective. Developing new products paid off. The domestic travel boom we saw last summer boosted Amazing City's turnover to climb a staggering 90 % in 2020.

Worthwhile investments in online store and application development

From the start, Amazing City has been closely involved in digitalisation. We have purposefully made investments in developing our online store, and all the reservations are handled automatically for our products aimed at private individuals.

The world of digital applications was adopted by the company already eight years ago. Compared to materials on paper, the application simplifies matters in the city adventures. Live tours are also a cost factor.

– Modern technologies bring lots of additional possibilities to tourism. Yet from the get-go, my principle has been that the mobile is a tool and a means. The core of my company is making people experience things together, Närvänen tells us.

Company growth aided by daughter and extensive networks

Heikki Närvänen's daughter, **Anni Närvänen**, has recently worked closely in the company as a part-time employee. Anni has a degree in tourism and a specialised vocational degree in product development.

– We have done a considerable amount of development work for our current products and diversified our repertoire. Anni's skills have had a major role in this, says Närvänen.

Officially, Närvänen is a sole entrepreneur, and he has wanted things to stay that way. Via subcontractor networks all sorts of special know-how can be incorporated.

– Although maintaining such a network also creates additional work, I feel that this way my company can put a bit of food on the table for several other companies as well. Marketing is one area where external agents are used.

Operations are now scaling to a level where another key person will soon be needed to work alongside Närvänen if the company is to continue growing.

– Ideally this would be someone with know-how different from mine.

Looking forward to near future

Amazing City is looking forward to the autumn and hoping to see covid take a back seat as pent-up demand for workplace health promotion events is filling up their calendars.

– We have never had this many bookings for the autumn. Of course, we won't attain a 90 % growth each year, but we will keep seeking growth as much as we can, says Närvänen.

Expanding operations in the Tampere region and Helsinki is being planned. Närvänen believes that domestic travel will take a small plunge as restrictions are lifted, but it will remain at a higher level than before covid hit us.

– There has been a lot of commentary on social media regarding how wonderful experiences Finland has to offer.

TURNOVER (2020): 220,000
NO. OF PERSONNEL: 1-2. EXTENSIVE
SUBCONTRACTOR NETWORK.
FUN FIGURE: 90 % GROWTH IN TURNOVER
IN 2020.

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“ We have done a considerable amount of development work for our current products and diversified our repertoire.

Heikki Närvänen

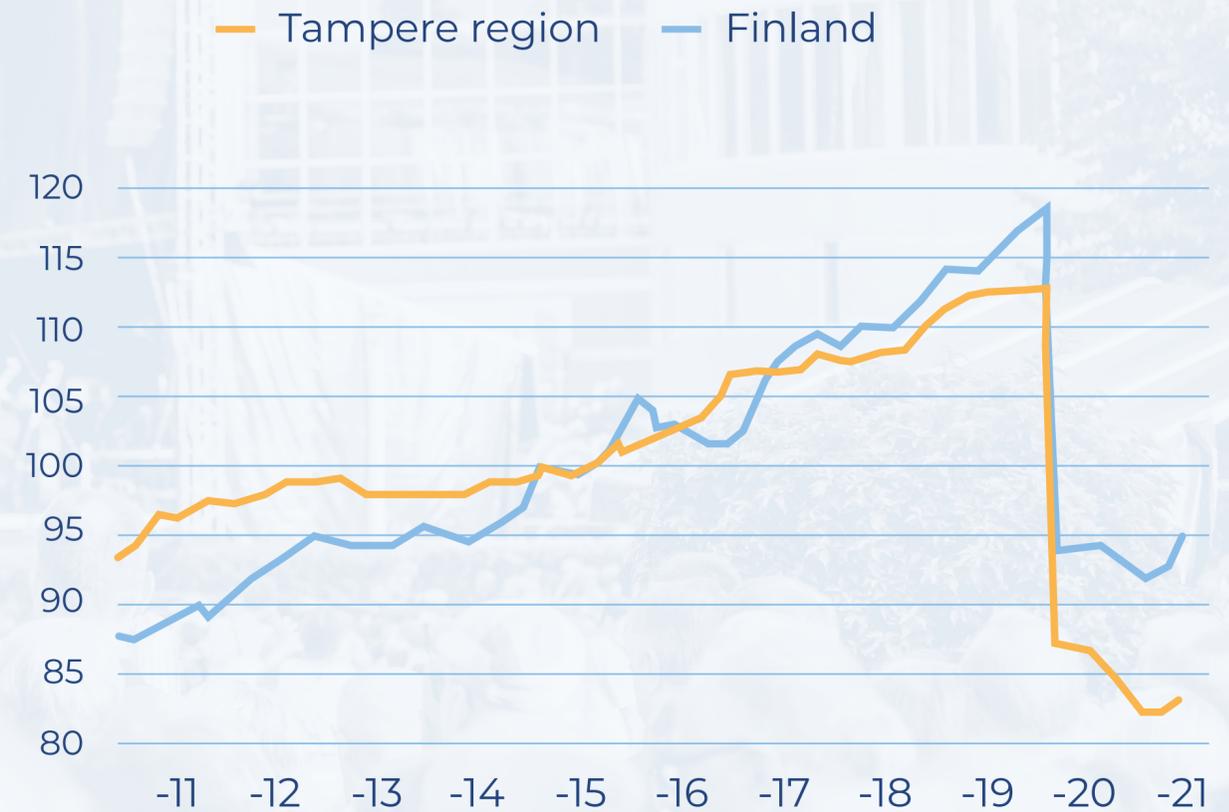


After this interview, Heikki Närvänen was rewarded the National Entrepreneur of the Year 2021 award by the Award Committee for the Federation of Finnish Enterprises.

EXPERIENCE INDUSTRY

Turnover 2020	1,559 M€
Change in turnover	-19.8 %
Places of business 2020	5,683
Change in turnover 1st half of 2021	2.9 %

Turnover trend comparison 2015=100



MAJOR CHANGES IN THE FOOD INDUSTRY – SAARIOINEN HAS ITS EYE ON THE FUTURE

Due to covid, food has travelled along new routes to reach Finnish plates. Home delivery services and ready-to-eat servings sold at markets are a thing of today. In this situation, what is the current status of fresh ready-made meals that Saarioinen has manufactured in the Tampere region ever since 1957?

– The popularity of ready-made meals has clearly been increasing for a long time now, even though remote work has increased demand for cooking utensils rather than for pre-cooked food, tells Saarioinen CEO **Matti Karppinen**.

In 2013, one third of Finns bought pre-cooked food weekly. Last year this grew to half of the population. Karppinen believes that both the selection and quality of ready-made meals, as well as consumer attitudes, have changed.

Less mega-popular products, more variety on the plate

Fragmentation prevails at the core of the food industry: Less and less often, all-time national favourites such as the liver casserole are born and product lifecycles shorten.

– People want variety on their plates. They may buy a certain product a few times, but then it's time to try something new.

The demand for pre-cooked food also attracts new competition in the field. At Saarioinen, product development is key.

– We invest, even more systematically than before, in further improving the level of taste. We do serious groundwork in product development and testing, and set the bar high for any new product, Karppinen says.

Among new Saarioinen products, Finnish consumers have really liked the five-product series of "Italy on a plate" designed in collaboration with Finnish tv-chef Sikke Sumari. One of the most popular dishes in the series is Perch rissoles with spinach risotto in Venetian style, where the rissoles are made of domestic perch from the Finnish Archipelago Sea.

Large investments in the Tampere region and courage to experiment

Last year, Saarioinen invested over 20 million euros in Sahalahti, Kangasala. Karppinen tells us that more investments will be made soon.

– The Tampere region is a good place for operations. The logistical situation is excellent and circumstances for business operations are great.

Karppinen is aware that long traditions may sometimes hinder the company's ability to renew itself. However this is not the case in Saarioinen. The company - with long traditions and a reputation based on 'food made by mothers' - has adopted a strategy of continuous renewal that is actively measured and aims for more growth.

– The greatest threat to the ability to reform is lack of courage – it is important to encourage people to try even though not all experiments can be total successes.

At Saarioinen, reaching the strategic goals is constantly measured. Karppinen says it is the only means of finding out whether the things they do actually match the intended objectives.

World after covid

One issue that affects the food industry is the question of remote work: is it here to stay, and what will happen to, for example, the lunch culture. Reopening restaurants also has an impact on the grocery shops.

Karppinen believes that people will continue to remain cautious, maybe permanently, as we have dealt with unprecedented times and happenings on a global scale.

– But I also believe that most people are basically social animals and like working with other people at the workplace. There, lunch breaks will also often provide better structure to your workday compared to working from home, Karppinen sums up.

TURNOVER (2020): 240 MILLION EUROS.
NO. OF PERSONNEL: 1,221
FUN FIGURE: IN FINLAND, 60,000 KILOS OF RAISINS ARE SOLD ANNUALLY AS PART OF LIVER CASSEROLE.

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“ The greatest threat to the ability to reform is lack of courage – it is important to encourage people to try even though not all experiments can be total successes.

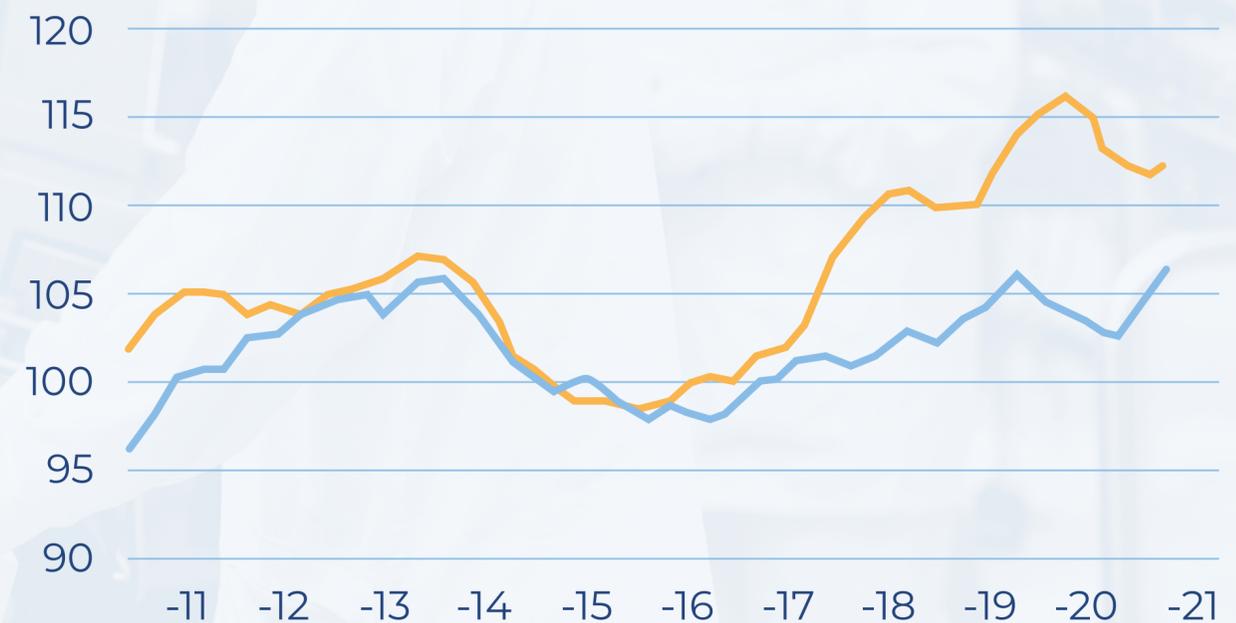
Matti Karppinen

FOOD INDUSTRY

Turnover 2020	566 M€
Change in turnover	1.0 %
Export 2020	71 M€
Change in export	45.8 %
Places of business 2020	156
Change in turnover 1st half of 2021	0.9 %

Turnover trend comparison 2015=100

— Tampere region — Finland



TOL 10-12: manufacture of food, beverages and tobacco products

FACING INCREASED COMPETITION FOR INNOVATIONS AFTER THE COVID CRISIS

The wide-ranging impact of the covid crisis on domestic and international economy will emerge gradually. The innovation snapshot that reflects Tampere region's survival of the crisis sheds light on interesting observations on changes with future effects.

In dealing with the crisis, a key political tool in Finland was the disruption financing provided by Business Finland. Tampere region's share of this aid approx. 114 million euros. Financing targeted at development activities has been criticised for unsuccessful allocation to companies that suffered the most from the crisis. It is obvious, however, that significant additional development investments in selected, reform-capable companies have both maintained a dynamic company base and boosted some companies into the sphere of innovation financing and activities. In the coming years, the desired broadening of the innovation base may exhibit itself as even more versatile value creation and diversification of the economic structure - things essential to new, sustainable growth.

The crisis has concretised the digital transformation and made it advance in leaps and bounds socially. For companies, increased development funding has enabled taking longer digital leaps than only the generally required minimum towards new operational models - a good sign for future competitiveness.

What is noteworthy is that in the Tampere region, the start-up ecosystem crucial for business reform has continued to gain momentum despite the crisis. The

number of start-ups in the area has increased and the positive trend of growth funding has not wilted even in these times of hardship.

The university sector faces financial challenges due to decreased core funding from the state. Yet development is, in many ways, in good shape in terms of content as evidenced by universities' continually improving success in highly competitive research funding. In particular, the Academy of Finland's funding for high-level research is continuously strengthened, which creates an even better foundation for future innovations based on research and top-level expertise.

The cautiously optimistic innovation situation in the Tampere region after the acute crisis must be studied in relation to the global operational environment. According to the Global Innovation Index 2021 report, global investments in innovations made in 2019 reached a record high: R&D investments grew by 8.5 %. Public R&D allowances kept growing in 2020. The largest R&D companies in the world increased their R&D funding by about 10 % in 2020. Of R&D-intensive corporations, 60 % reported increasing their R&D funding.

Thus, the crisis has significantly boosted global innovation. For us to keep up with the competitors and continue as part of the renewing networks, Tampere region's R&D investment level must reach the target growth level of the national 4 %. In terms of euros, in the Tampere region this would approximately mean a growth target of additional funding of 20 M€ public, 40 M€ private, and 10 M€ international money for R&D activities annually. Can we do this?

Innovation snapshot



TECHNOLOGY COMPANY MAKES VEGETABLES GROW EVEN IN THE DESERT

It all started with tomatoes that Johanna Kivioja's father had been cultivating in Honkajoki for 25 years. Gradually, the whole family grew into greenhouses and got into business. How did they end up in Pirkkala, the year 2007, and Netled - the tech company that is now attracting international interest?

– Our aim was to tackle the challenges of lighting and energy consumption in greenhouses. The price of electricity was high and LED technology was advanced, and we saw the underlying potential there. Netled was originally set up as a product development unit, Johanna Kivioja explains.

The first innovation was LED curtains for greenhouses. Later they developed lighting fixtures with aluminium structures, also for vertical farming. The feedback from abroad was excited, but many wondered where to get the other required technology for vertical farming.

– We realised that we need to develop the technology as a whole. Otherwise, we will run into compatibility issues. This describes our operations well: we have developed our business operations based on the signals coming from our customers.

What emerged as the flagship product was VERA, "Vertical Farming Technology", a cultivation solution for the new age launched in 2018. In this concept, the plantation's lighting, climate control, growing lines, and process automation are designed as a complete system, where lettuce and herbs can grow even in the most arid of deserts.

Tampere region has the people, the networks, and a natural approach

How come a family business from Honkajoki ended up setting up shop in Pirkkala?

– My brother was studying in Tampere, and we rented product development facilities from Technopolis in Hermia. If finding labour is challenging in the Tampere region, it is even harder in the countryside. There were people and networks here that we needed, Kivioja reasons.

The networks proved crucial: Netled has its own CTO and team of engineers, but subcontracting is needed all the time. More employees are also sought after as the company is growing at a fast pace: last summer, a huge order came in from Sweden, and this will require nine new people to join the workforce.

– There are a few international operators in this field with some sort of an overall solution, but most companies only offer parts of a complete system. One of our advantages is also the fact that sometimes Finland is cold, dark, and has short summers – so we can test our products in the most demanding environment!

Lots of foreign visitors come to see the company premises in Pirkkala. At the demo farm's testing plantation, we experiment with cultivation methods and verify the benefits of the VERA solution.

– Operating in Pirkkala is easy and natural. Every time we call someplace, we are warmly welcomed, the aid awarding authorities have been helpful from the start, and we also got invited to the Hiedanranta pilot project that has brought about all sorts of things, Kiviranta enthuses.

Local food soon to grow in supermarkets

The Netled market is in North America, Europe, United Arab Emirates, and Japan. Their customers include greenhouse and food companies, wholesalers, and funds that focus on infrastructure. And the giant order? It involves a 15 M€ comprehensive agreement for the delivery of an industrial-scale VERA unit near Stockholm. Last year the first shop plantation was delivered to Gothenburg, in the fruits and vegetables section of an ICA Fokus grocery.

– Supermarkets have been added to the mix in the past few years. I cannot see all Finnish supermarkets having their own greenhouses anytime soon, but some of them will. This is food that cannot get any more local, and the trend of responsible consumption is not going away.

TURNOVER (2020): 767,000 €

FOUNDED: 2007

TURNOVER FORECAST FOR 2022: +600 %

NO. OF PERSONNEL: 15 (LOOKING FOR 9 NEW EMPLOYEES)

FUN FIGURE: 24.8 USD BILLION: FORECAST TOTAL SIZE OF INDOOR GROWING TECHNOLOGY IN 2026

[www](#) [f](#) [t](#) [i](#) [v](#) [i](#)

Video: [Netled Company Story](#)

Photo: Netled



“Benefits of the Vera technology:
95 % decrease in water consumption
60 % decrease in energy consumption
crops that are 2.5 times bigger

BUILDING A SMART CITY INVOLVES EVERYONE

When a city is smart, its residents lead good, effortless, and safe lives. Companies are essential in the creation of smart cities, as they possess the latest technological know-how that intelligent systems require.

The Ecosystem Program of Smart Tampere has worked towards this specific aim. It has opened up the urban environment as a testing platform and invited companies to try their solutions together with the city. Close to one hundred needs oriented co-development initiatives have been launched during Smart Tampere.

– We have managed to bring a new kind of culture of experimentation to the Tampere region, where the public sector, companies, and other cooperative parties are joined for fruitful collaboration. We are at a good point to continue concrete experiments to develop the smart city further, says programme director **Seppo Haataja** of Business Tampere.

We've done quick trials in the themes of, among others, traffic, analytics, and safety. We have developed street condition monitoring, remote monitoring for drainage water pipelines, automated tracking of bicycle and pedestrian traffic, and numerous other solutions.

The trials provide both the city and the company with information regarding the technology's functionality and further development potential. If the solution works, the company also gets a fine reference – the aim is, naturally, scalability. Smart products and services interest a large number of towns and cities globally.

An IoT platform is a bridge to the future

The City of Tampere completed their procurement process for an IoT platform late last year. In terms of smart city development, this is a significant procurement as the platform is a means of bringing together various measurement data from the urban environment and utilising it to arrange service provisioning.

– Safety, efficiency, and usability will improve in several different ways. We are heading towards an interactive environment where sensor-equipped artificial intelligence can even communicate with individuals, says CEO **Pasi Tuominen** of the IoT platform providing company Wapice.

The IoT platform enables automating functions, forecasting maintenance requirements, and acquiring more accurate data to support planning, decision-making, and leadership.

The first service trials are already underway. The CityIoT2 project has urged companies to provide ideas for piloting with the purpose of utilising the data collected on the IoT platform, camera data in particular.

Every Tampere resident is welcome to come and learn about smart city development during Tampere Smart City Week between January 29 – February 4, 2022. The week culminates in the TSCW conference and exhibition with themes such as sustainable development, intelligent work machines, digital solutions, city transportation, data management, and knowledge management.

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wapice.com

**BUSINESS
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SMART WASTE CONTAINERS FROM YLÖJÄRVI TAKING OVER EUROPE

This summer, Lehtovuori Oy from Ylöjärvi will deliver more than a hundred City Solar smart bins to Southern France. This is a significant order worth nearly one million. For the company, this will pave the way to the European market and bring employment to Ylöjärvi worth several man-years.

– This was a great way to enter Central Europe. It has a lot of potential for growth. We established an affiliate company in Sweden in 2018, which was another way of expanding our operations, says Lehtovuori CEO **Eero Ojanen**.

Lehtovuori Oy has a long history in urban furnishing. In addition to various outdoor and indoor containers for waste and recycling materials, the company manufactures, for instance, bicycle and bus shelters, bike parking facilities, green canopies, and lightings.

– We are delivering a lot of cycling-related furnishings to Sweden. In Finland, Helsinki and Turku have already invested heavily in City Solar smart bins. There is also a test bin in Tampere Central Square, says Ojanen.

Significant 4.5 million investment in Ylöjärvi

Lehtovuori is seeking intense growth and will invest a total of 4.5 million euros in development between 2021–2022. We are talking about the largest development investment in the company's history.

As a result, a new facility of roughly the same size will be constructed next to the old one in Ylöjärvi. In addition, investments will be made in production machinery, laser cutting, squaring, and painting production line.

– High quality has always been one of our basic elements. Now the new powder coating line will produce even better surface treatment results. We will also be able to shorten our product delivery times thanks to the new factory.

Carbon footprint and costs to decrease by 90 %

Compared to traditional waste containers, the benefits of smart bins are considerable. City Solar smart bins achieve more than 90 % savings in costs and carbon footprint.

– So far, the test bin in Tampere has been emptied four times this year, while the other 70 regular bins in the square are emptied daily, Ojanen tells us.

The benefits of the City Solar bins are based on several features: the bins operate on solar energy and feature a compression mechanism that brings their capacity to about 1,200–1,500 litres - compared to a normal bin with an average capacity of 60 litres. The smart bin self-monitors its own degree of fullness and sends a collection request to the cloud service once needed.

– This also decreases the noise and other pollution caused by frequent collection. In my view, the smart bins are a win-win solution for both the city and its residents.

Low-cost production is no match for quality from the Tampere region

The story of Lehtovuori began in 1945, in a small metal workshop in Eastern Finland. They have travelled a long way in the decades since, but there are certain things they refuse to compromise on: product quality and lifecycle. This has not gone unnoticed by their customers, and Asian low-cost production has failed to overrun the Finnish expertise.

– Sure, we have competition coming from Asia, but our customers have realised that a product's lifecycle equals its true cost and buying cheap is not worthwhile if the scope extends beyond a year or two, Ojanen sums up. With urban furnishings, changing weather conditions and, at times rough handling, make choosing a high-quality product with a long lifecycle the more affordable option.

Ojanen sees the Tampere region as a good place for business activities as the area offers industry - and with it, partners, subcontractors, and skilled workers.

– The location is quite central here in Finland. There is easy access, either by train or car, to the Helsinki-Vantaa airport and from there to any European customer.

NO. OF PERSONNEL: CA. 55
FUN FIGURE: CITY SOLAR SMART BINS
ACHIEVE MORE THAN 90 PER CENT SAVINGS
IN COSTS AND CARBON FOOTPRINT.

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”
With urban furnishings, changing weather conditions and, at times rough handling, make choosing a high-quality product with a long lifecycle the more affordable option.

Eero Ojanen



TECHNOLOGY INDUSTRY

Turnover 2020	6,228 M€
Change in turnover	1.5 %
Export 2020	3,705 M€
Change in export	2.1 %
Places of business 2020	959
Change in turnover 1st half of 2021	7.1 %

Turnover trend comparison 2015=100

— Tampere region — Finland



GEMILO DEVELOPS NEW-GENERATION ERP

Gemilo Oy in Tampere has forged their own path. The company's new product agilely solves ERP problems for expert companies.

Gemilo, employing five workers and CEO-entrepreneur **Katri Lietsala**, represents an innovative and long-range approach to work.

– For a small company like ours, it has been quite an effort to produce a new-generation software package. Next, we will see how the investment pays off.

Loyal customers have been our salvation in the challenging covid times: No jobs were lost at Gemilo and there was even no need to resort to lay-offs.

– Luckily, we have a great staff and long-term customerships with whom joint development is a breeze, says Lietsala.

The company invests their returns in product development, and they also received covid support from the Centre for Economic Development to increase their productivity.

– The support made it possible for the team to come up with a more efficient way of producing and maintaining the cloud service, Lietsala tells us.

Lietsala encourages entrepreneurs considering product development to take the first step – and to boldly change direction in case the original idea fails to take wing.

12 years with no need for internal emails

According to Lietsala, their ERP software package is a total solution that provides the customer with the required modern tools: the CRM side to support sales, ERP, HR, and intranet all in one neat package. Accounting and invoicing will continue as before with the software the client company already uses. With the help of interfaces, data travels seamlessly between systems. Gemilo is a happy user of their own product.

– Less workload from routine tasks, overall picture at a glance, and ease of use. We haven't had the need for internal email for the past 12 years, says Lietsala happily.

The ERP system makes everyday life in the company easier. There's less lost revenue due to invoicing, as all performed work is readily visible and billable. There's no more need for cumbersome data transfers between systems.

– Work planning gets easier when all of it becomes visible, Lietsala lists some of the software's benefits.

On the road to an ERP giant

The market for ERP systems is highly competed both in Finland and abroad. Lietsala thinks Gemilo has all it takes to become a giant in the field of ERP systems, but it is not easy to make a growth forecast.

– Finally, it will be the customer experience, marketing, and sales that dictate the outcome. The technology is in order.

Thanks to the long-term development of their own product, Gemilo can implement many kinds of solutions on top of the same platform. This way the product development company in Tampere can keep the price for the customer reasonable and the development costs low. The products are scalable whether there are three users or thousands of them.

Fierce competition for employees in the Tampere region

For software companies, the Tampere region is an appealing hub where workers are fought over. Lietsala drops a hint for entrepreneurs struggling to find employees.

– The labour policy education programme organised by the Pirkanmaa Centre for Economic Development has provided me with good, permanent workers.

The entrepreneur rates the Tampere region high. Tampere is just the right size - not too small nor too big.

– I like having my company where my employees feel at home.

FOUNDED: 2007

TURNOVER (2020): 229,000

GROWTH TARGET: TO DOUBLE THE TURNOVER

FUN FIGURE: THEY STOPPED USING EMAIL INTERNALLY 12 YEARS AGO.

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“ For a small company like ours, it has been quite an effort to produce a new-generation software package. Next, we will see how the investment pays off.

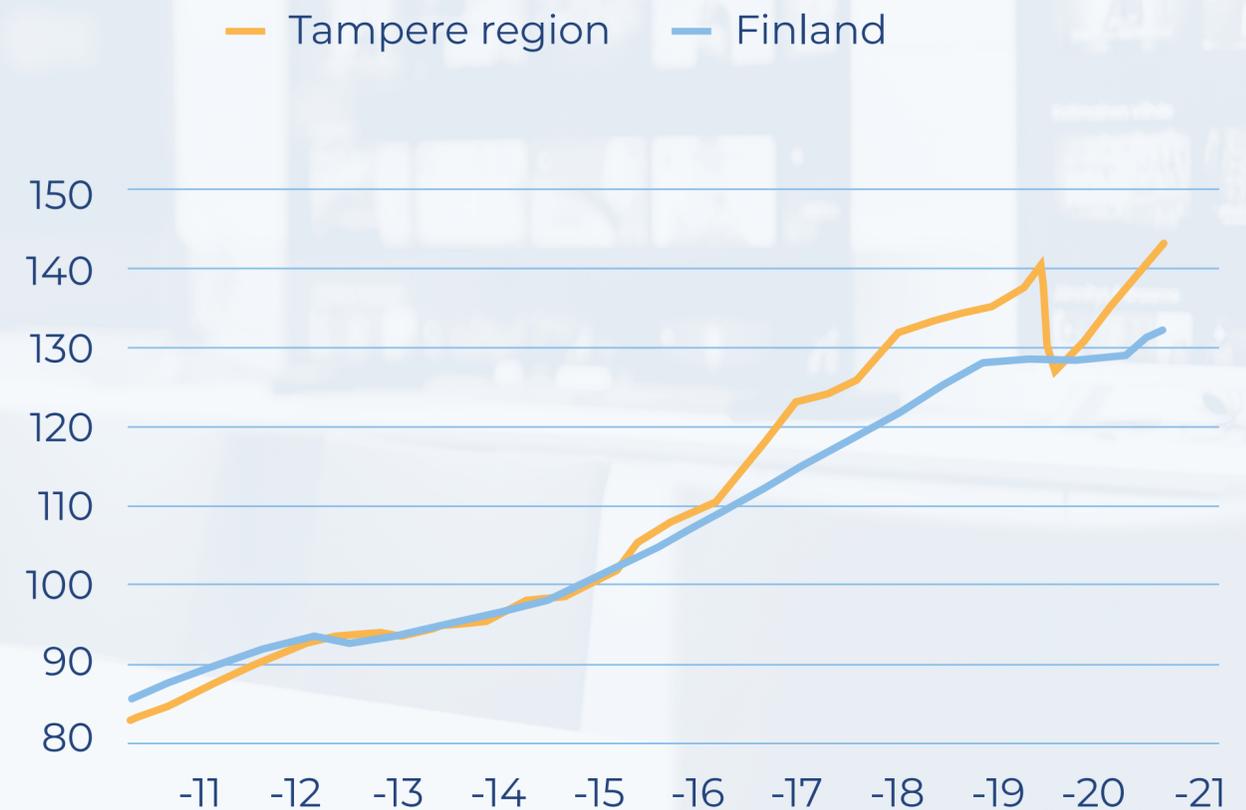
Katri Lietsala

BUSINESS SERVICES

Turnover 2020	3,384 M€
Change in turnover	-0.3 %
Places of business 2020	7,877
Change in turnover 1st half of 2021	5.0 %

Business services include e.g (64-66): financial service and insurance activities, TOL L (68): real estate operations, TOL M (69-75): professional, scientific, and technical activities, TOL N (77-82): administrative and other business support activities

Turnover trend comparison 2015=100



SUSTAINABLE DEVELOPMENT IS A STRATEGIC CHOICE

Metso Outotec Oyj was born as the technology company Outotec merged with Metso's Minerals business in July 2020. At the same time, Metso transferred their valve business operations to form the independent corporation of Neles. In its first year of operations, the global company already managed to achieve great things: it was ranked 8th on the Corporate Knights 2021 Global 100 Index of most sustainable companies in the world. Responsibility is a strategic choice in business.

Kimmo Vesamäki is the local director of Metso Outotec's Tampere unit. The year 2021 has been a good one in many ways: although 2021 was marked by covid, it has also yielded opportunities.

– Our office staff has done a lot of remote work, and on the other hand, our production personnel have been working on-site the whole time. The whole staff has done excellent cooperation in ensuring safety and maintained an extremely professional attitude to the situation, Vesamäki enthuses.

Another leading theme has been sustainable development: The company is committed to the Paris climate change treaty, and the placement near the peak on the Top 100 list is concrete proof of this. The technology centre currently being planned in Lahdesjärvi will be the next step towards sustainable production once it's completed.

New tech centre to support environmental goals

The project for a technology centre in Lahdesjärvi in Tampere was launched in 2020 with the aim of moving the current functions in Lokomonkatu to the new

location, along with the research, product development, and production centres. Gradually, the roughly 900 employees in Tampere would also move there.

What are all the things the new technology centre would enable?

– Our goal is to set up a new, state of the art technology centre that enables modern production activities in line with sustainable development. In our context, technology means both developing and implementing new things. The facilities created in Lahdesjärvi will comply with all the requirements of health, safety, economic efficiency, environmental friendliness, and functionality.

At the same time, this would mean tackling the current logistical challenges: crushers and mobile crushing and screening equipment manufactured by the company are exported abroad via ports, making smooth delivery crucial. This also enables decreasing traffic in the city areas and thus supports the company's climate goals.

Good connections and logistical services needs to be in order

Vesamäki feels that the Tampere region serves the technology industry well: the region has long industrial traditions and a forward-moving attitude.

– Mobile work machinery equipment, which is important to us, is represented well, cooperation with educational institutions is smooth on all fronts, and there are plenty of specialist businesses around. We also have content-based decision-making processes here, and this facilitates progress.

As to logistics, Vesamäki has a clear message for decision makers.

– In addition to a good road network, good connections both on the aerial and rail side must be ensured in the Tampere region. Another issue is competitive workforce: we should, for example, make it easier for experts to move in from abroad, as we simply cannot make it on our own in the years to come, Vesamäki estimates.

Experts and career paths

As in most industrial sectors, acquiring competent people is a must. Metso Outotec employs an active method when it comes to schools.

– We cooperate actively with educational institutions and take in both summer trainees and those who work along their studies every year. Students get to see the working life and it is also an important recruiting channel for us.

The corporation's operations require competent people for several roles: development, design, maintenance, and production. Emerging, new roles are also coming up.

– There is particular demand for experts in automation, electrification, digitalisation. One of our key objectives is, indeed, moving from diesel-powered engines to electrical work machinery, Vesamäki implies.

FOUNDED: 2020 IN A MERGER BETWEEN METSO AND OUTOTEC
 TURNOVER: 3.9 BILLION EUROS (2020)
 NO. OF PERSONNEL: 15,000 EMPLOYEES IN 50 COUNTRIES
 FUN FIGURE: THE FIRST CRUSHERS WERE COMPLETED ONE HUNDRED YEARS AGO IN LOKOMONKATU, TAMPERE.

www f t in



“The machine was started and sizable boulders were thrown into the jaws of the main contraption, the crusher proper. There was an annoying grating noise, and all the beast's organs seemed to work at once.

--- article in Aamulehti on August 1, 1921

SUSTAINABILITY BECOMING ALL THE MORE EVIDENT IN EXPORT COMPANIES IN THE TAMPERE REGION

The covid times have brought along many changes to companies' everyday operations and business activities. In recent years, being flexible and inventing completely new operational methods have been essential, and reflecting on the company values has also become important. Despite circumstances that have created many challenges in a number of business areas, more and more companies have found ways to act responsibly and join climate work in doing so.

The Tampere region has maintained its status as one of the main export regions in Finland. In 2020, the ca. 1,600 export companies in the region exported goods with a combined turnover of 7.2 billion. During the first half of this year (2021), export revenue has experienced a steady growth of 8.5 %. The covid pandemic and related travel restrictions have imposed their own challenges, yet many export companies have come up with new operational methods. Companies that carry out large scoped projects and equipment deliveries hope, however, that travel would be freed as quickly as possible.

Industry in the Tampere region has also taken a major role in combating climate change.

During 2021, Tampere Chamber of Commerce initiated a project called "Industry as part of regional climate work" together with local operators. This project studies the role of industry in regional climate efforts. According to the recent report, obvious climate action has already been taken in the Tampere region industries. Many companies

have set a target year for decreasing emissions or set an emission abatement target for themselves.

– In this project, the industrial member companies of the Tampere Chamber of Commerce took part in an online survey and eleven companies were interviewed. Of those who took the online survey, a clear majority had either decreased in the past three years or are planning to decrease in the next five years, their use of fossil fuels; or, alternatively, switched to lower-carbon electricity or heat. Most of the respondents had streamlined their use of energy, says **Teuvo Aro**, one of the project's key figures.

From the climate perspective, industry does not have a simple role. It is expected to decrease emissions and, at the same time, produce technology, systems, and services that enable further decreases in the industry and elsewhere in society. Energy consumption follows people's needs, and as needs change, industrial emission figures vary, which shows in the financial indicators.

In a larger timeframe, significant change has already taken place: industrial energy statistics indicate that energy consumption in the Tampere region industry has decreased by about 50 % between 2007–2019. When analysing energy use and emissions, the greatest changes have occurred in the forestry industry that covers one half of the total industrial energy consumption.

– Technology industry has a strong role in the Tampere region. It is not energy intensive, and mostly uses electricity and heat. From the viewpoint of climate goals, it is hardly a problem. There is also energy-intensive industry in the Tampere region and in Finland, and their products and raw materials are needed by the non-energy-intensive fields. One is not better than the other, it is all about the big picture, Teuvo Aro states.

EXPORT KEY FIGURES

Industry turnover for exports

7.2 B €

Change in export turnover

2020	1st half of 2021
-1.4 %	8.5 %

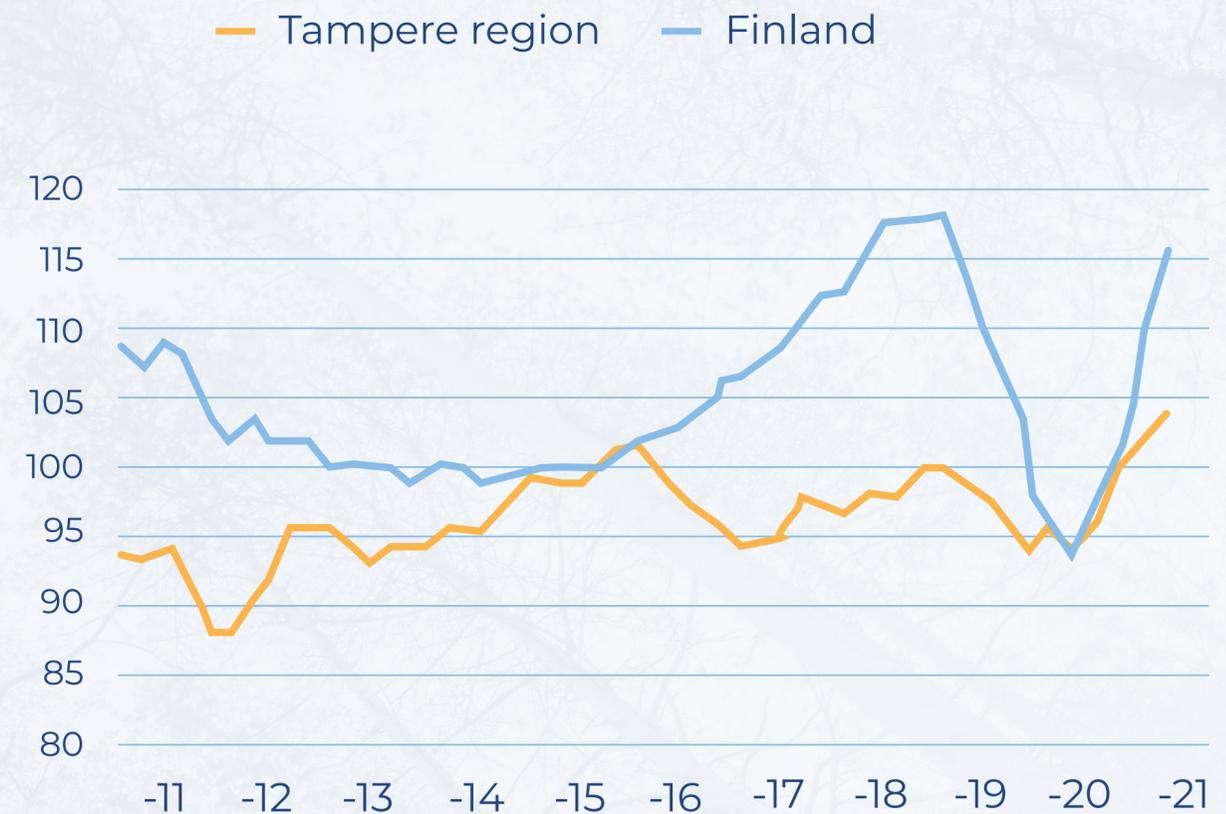
Export companies	Companies that export to outside of EU
1,618	955

FORESTRY

Turnover 2020	2,515 M€
Change in turnover	-2.7 %
Export 2020	2,020 M€
Change in export	-2.1 %
Places of business 2020	355
Change in turnover 1st half of 2021	8.6 %

TOL 16-18

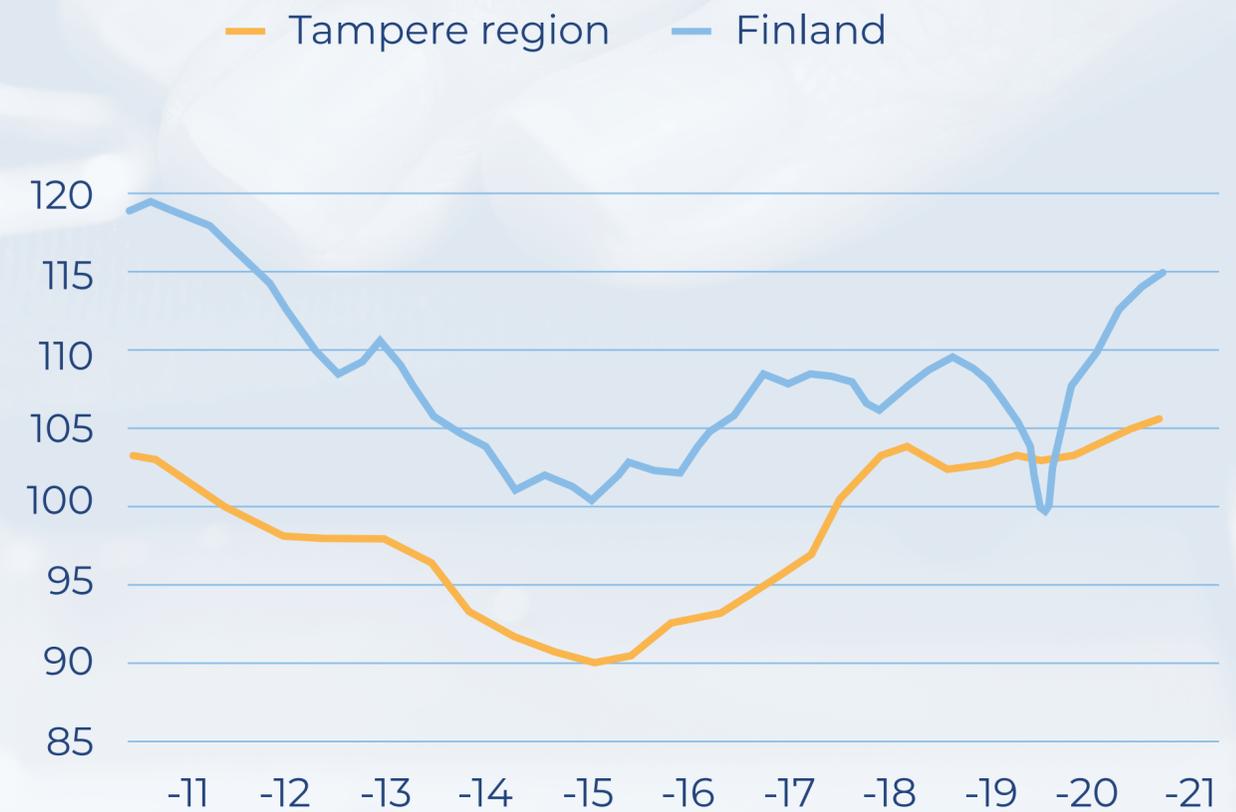
Turnover trend comparison 2015=100



TEXTILE INDUSTRY

Turnover 2020	281 M€
Change in turnover	2.2 %
Export 2020	152 M€
Change in export	5.3 %
Places of business 2020	333
Change in turnover 1st half of 2021	12.8 %

Turnover trend comparison 2015=100

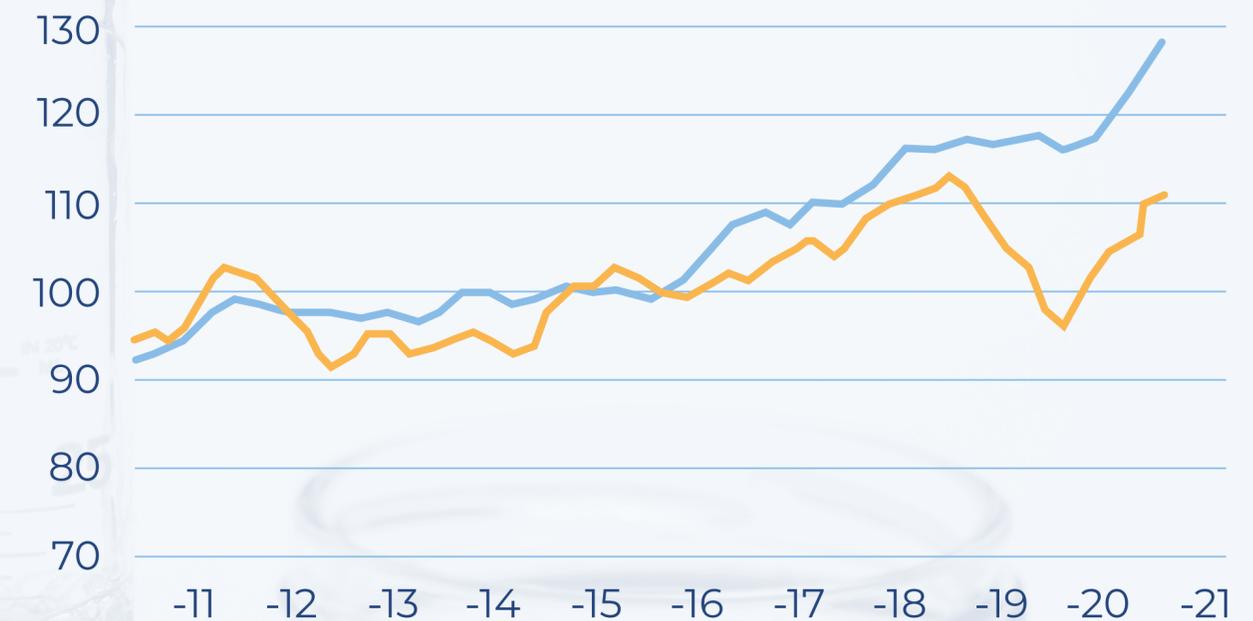


CHEMICALS, RUBBER AND PLASTIC

Turnover 2020	1,732 M€
Change in turnover	-7.6 %
Export 2020	990 M€
Change in export	-7.4 %
Places of business 2020	139
Change in turnover 1st half of 2021	11.6 %

Turnover trend comparison 2015=100

— Tampere region — Finland



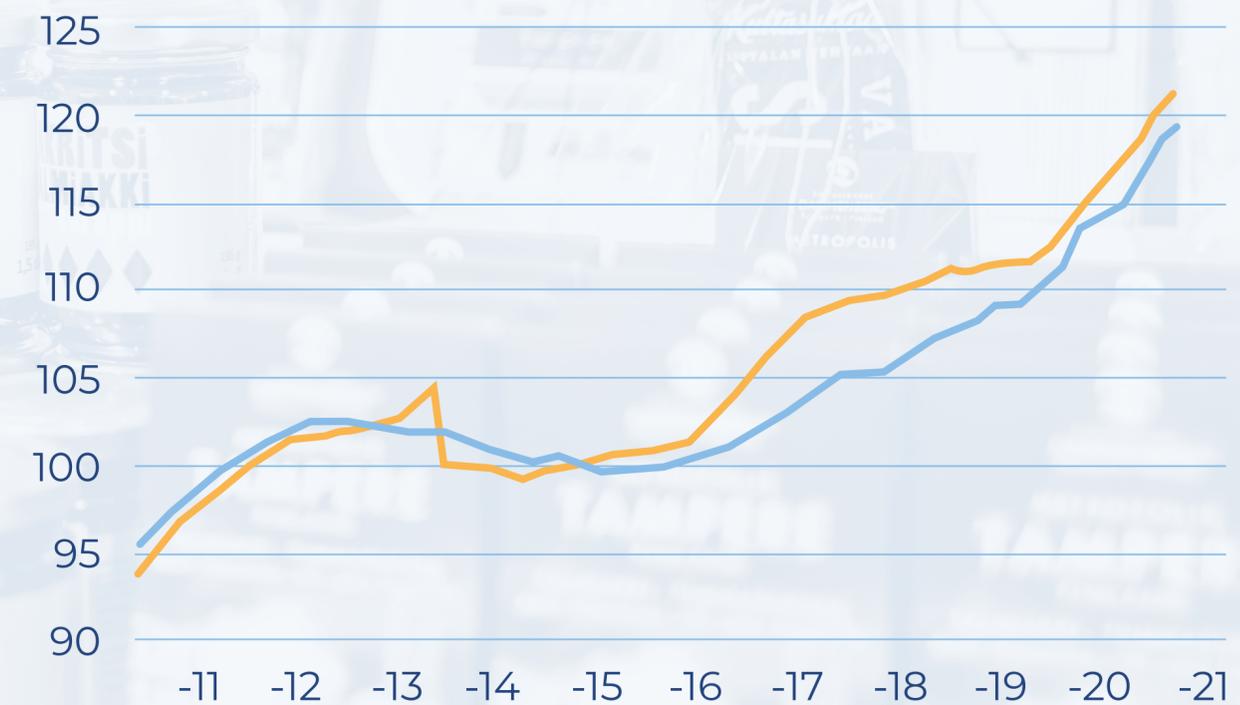
RETAIL

Turnover 2020	3,702 M€
Change in turnover	2.6 %
Places of business 2020	2,548
Change in turnover 1st half of 2021	6.8 %

TOL 47

Turnover trend comparison 2015=100

— Tampere region — Finland



WHOLESALE

Turnover 2020	5,769 M€
Change in turnover	2.0 %
Places of business 2020	2,453
Change in turnover 1st half of 2021	8.3 %

Turnover trend comparison 2015=100

— Tampere region — Finland



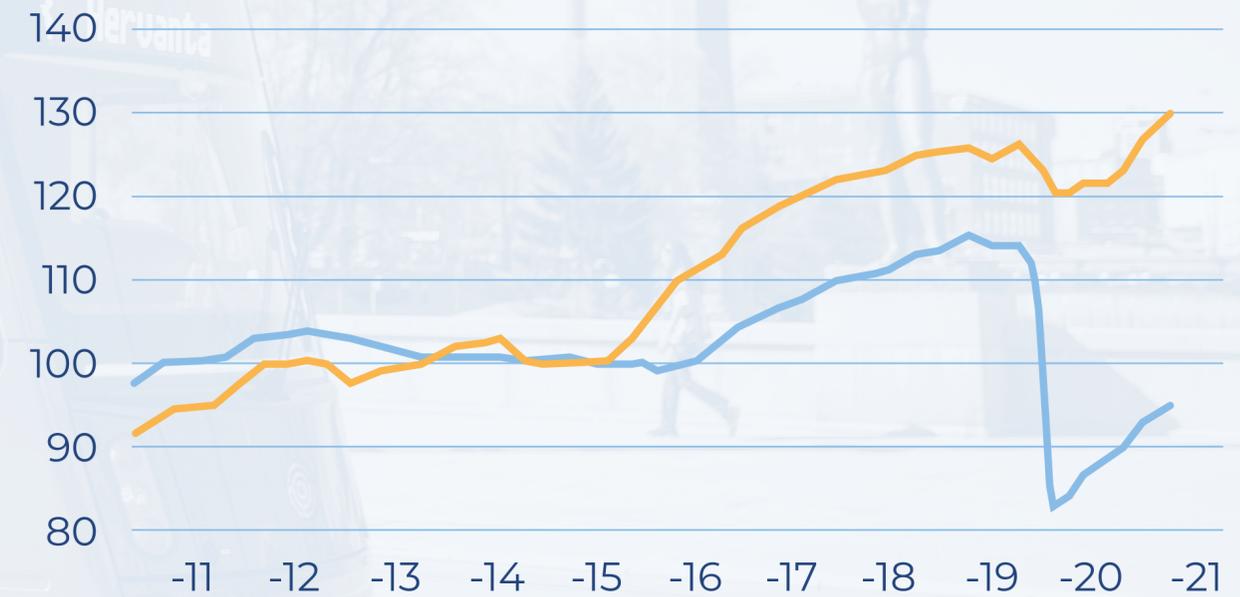
TRANSPORTATION AND STORAGE

Turnover 2020	1,428 M€
Change in turnover	-5.5 %
Places of business 2020	1,633
Change in turnover 1st half of 2021	8.9 %

TOL 49-53: Land transport and pipeline transport, water and air transport, warehousing and transport services.

Turnover trend comparison 2015=100

— Tampere region — Finland

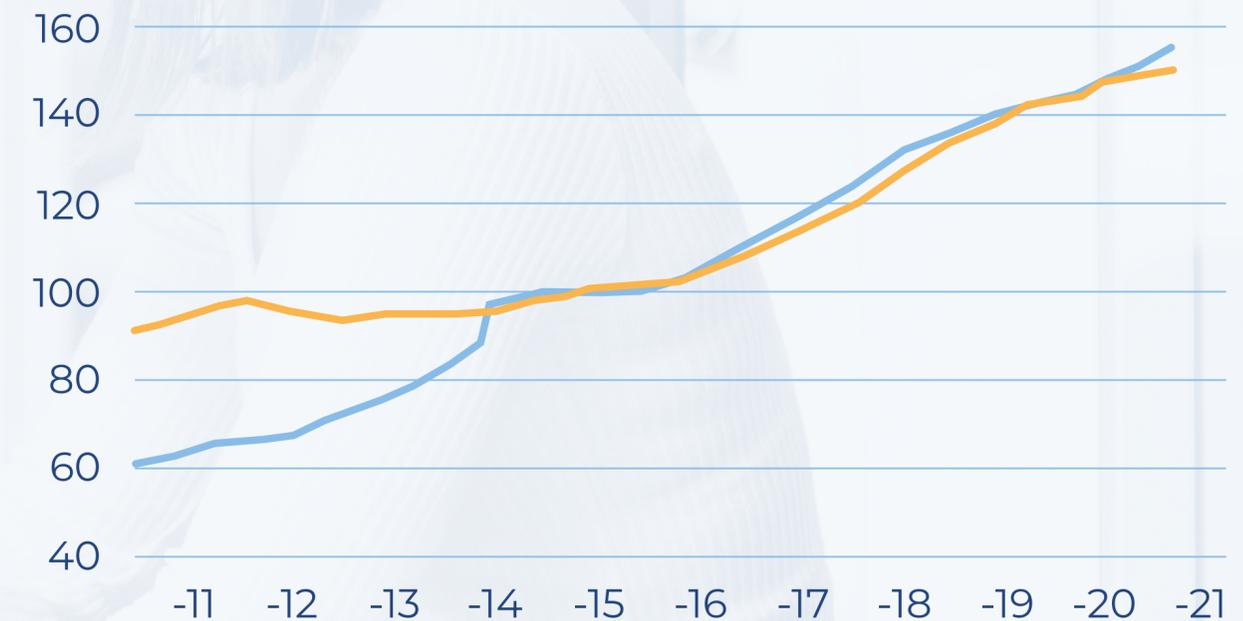


DATA PROCESSING SERVICE

Turnover 2020	1,156 M€
Change in turnover	7.0 %
Places of business 2020	992
Change in turnover 1st half of 2021	4.7 %

Turnover trend comparison 2015=100

— Tampere region — Finland

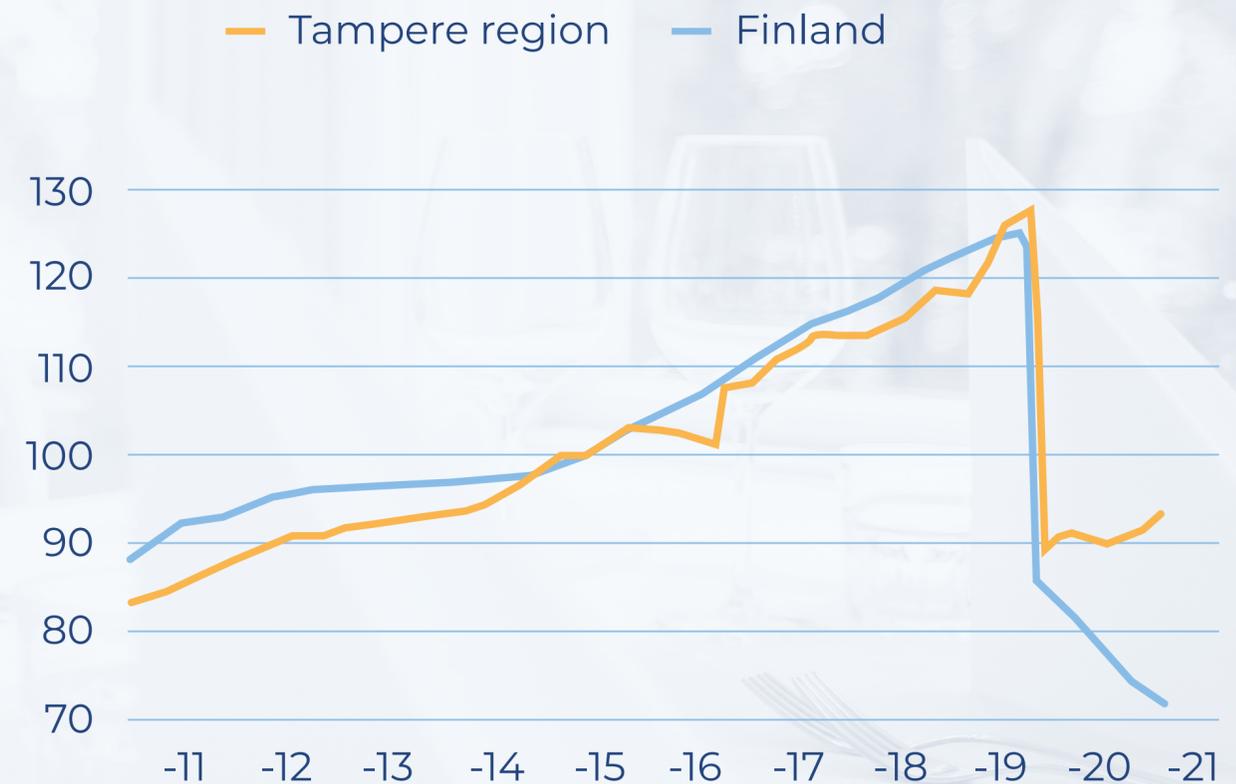


ACCOMMODATION AND CATERING

Turnover 2020	567 M€
Change in turnover	-25.7 %
Places of business 2020	1,531
Change in turnover 1st half of 2021	-0.4 %

TOL I (55-56): accommodation and catering activities

Turnover trend comparison 2015=100

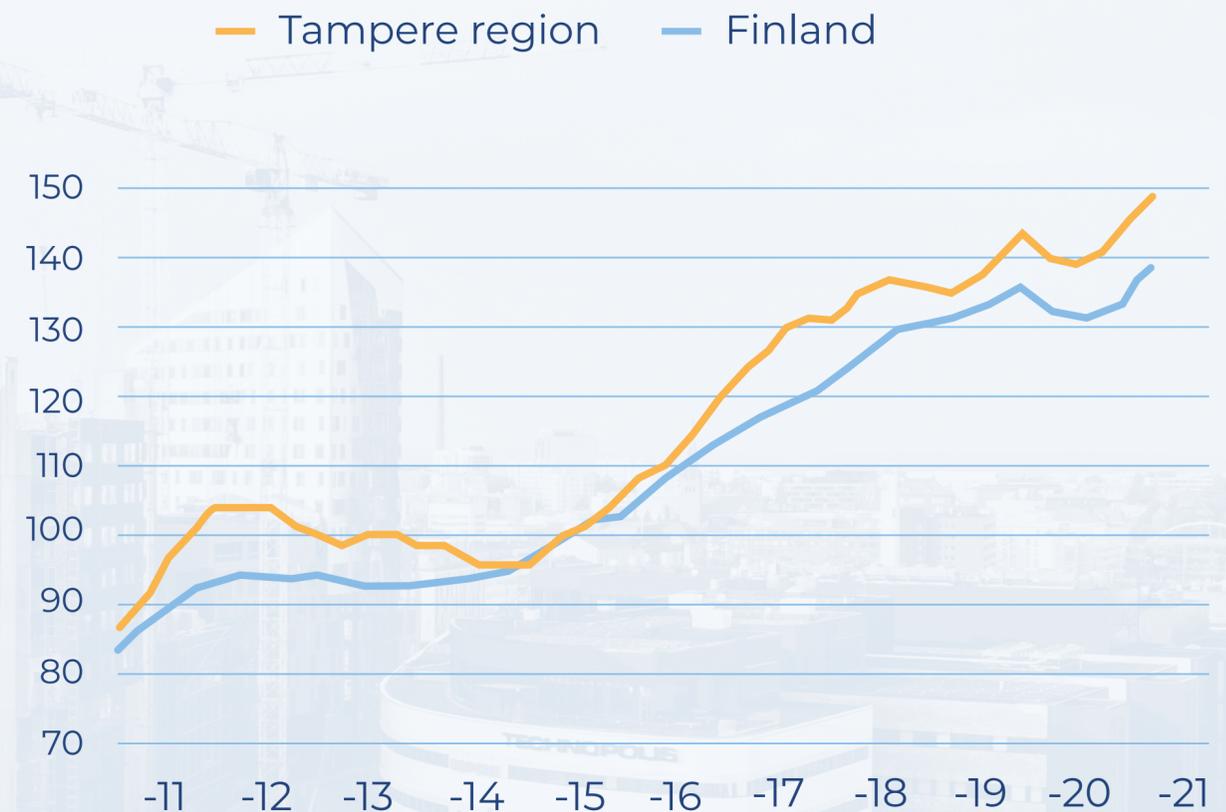


CONSTRUCTION

Turnover 2020	3,600 M€
Change in turnover	4.3 %
Places of business 2020	3,891
Change in turnover 1st half of 2021	3.2 %

TOL F (41-43): construction of buildings, civil engineering, and specialised construction activities

Turnover trend comparison 2015=100

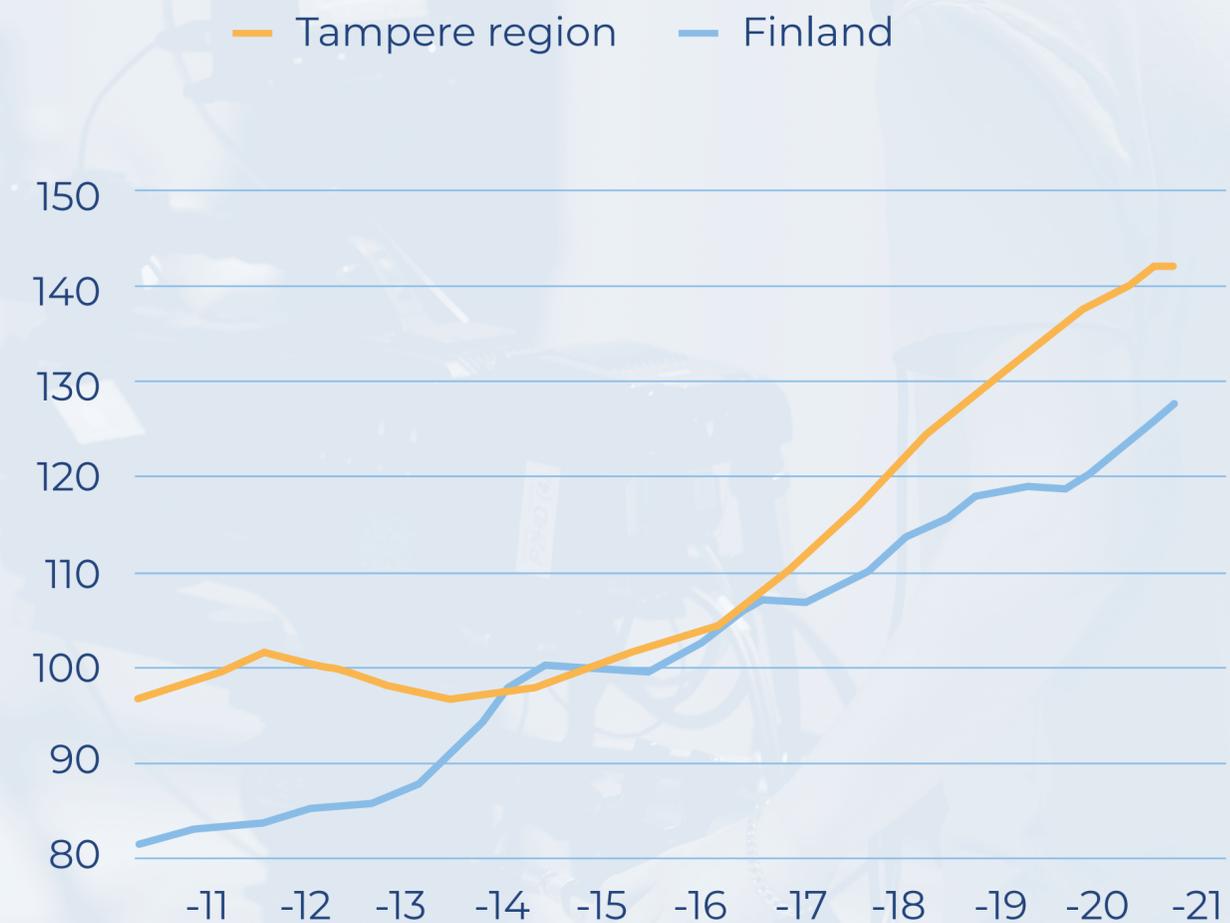


ICT

Turnover 2020	1,764 M€
Change in turnover	7.2 %
Places of business 2020	1,385
Change in turnover 1st half of 2021	3.8 %

TOL J (58-63): publishing; film, video and television program production and recording of phonograms and music; radio and television activities; telecommunications; software, consultancy and related activities; information service activities.

Turnover trend comparison 2015=100





TAMPERE REGION ECONOMY REVIEW 2021

PUBLISHERS

Business Tampere
www.businesstampere.com

Council of Tampere Region
www.pirkanmaa.fi

Pirkanmaa Federation of Entrepreneurs
www.yrittajat.fi/pirkanmaa

Tampere Chamber of Commerce
www.tampereenkauppakamari.fi

SOURCES

Statistics Finland
Tailored trend indicator service

LAYOUT AND EDITORIAL STAFF

Creative Crue
www.crue.fi

Cover image: Laura Vanzo

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www.pirkanmaantalous.fi

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