



Digital Game Changers national growth project for European market leadership

The global coronavirus pandemic has brought a major upheaval for business and industry. The way we work, optimised value chains and established market positions have changed overnight. The crisis has also altered customer expectations and behaviours.

The change is not only due to the coronavirus: the maturing of new technologies plays a part. The transition has been amplified by the coronavirus crisis and recovery package investments will further accelerate this development.

The old playing field and modes of operation are becoming obsolete as new business is being developed and the markets are redistributed. We will see new winners. We have a unique opportunity in our hands that must not be wasted. Pioneering businesses and countries grasping the opportunities created by a transition are best positioned to succeed, grow and create jobs.

In Finland, the coronavirus crisis has brought out a unique shared national spirit of collaboration. Leading Finnish businesses, each one in its own field, are ready for deep-level collaboration in the six growth areas described in this paper. These fields are well matched to the growth areas that have been widely identified in Europe. With the

extensive recovery packages targeting these specific aspects that will help renew European business life, the result will be a substantial new growth market for new and future competences.

Many of these potential future growth areas are based in Finland. Finland has many factors in its favour. Strengths that we take for granted are gaining global pull.

Finland will make its own national choices. These decisions should fully support the efforts of business and industry to firmly seize the new opportunities arising from the crisis. In practice, the national recovery plan must be in line with the policies of our European partners and the national growth, education and innovation policy choices must allocate resources to the six growth areas. This will stimulate investments in Finland and create new high-value-added jobs in the digital industries.



Six key growth areas:

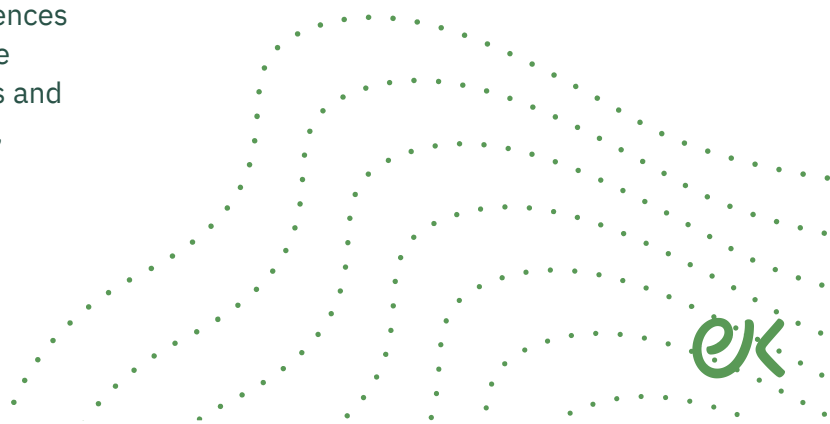
- 1** Making Europe carbon neutral as the first continent in the world. We are facing a major shift into the green economy, with digitalisation adding a whole new dimension. This presents Finland with a major opportunity as the prevention of climate change and the attainment of climate targets creates a massive demand for effective solutions and requires large investments, new ways of working and flexibility in policy-making. In the EU's financial framework and recovery fund, 30% (EUR 550 billion) is allocated to promoting the green transition.

Finnish businesses have already established their globally leading position as providers of the solutions necessary for such a massive shift. The position is further consolidated by Finland's ambitious national goals to be carbon neutral by 2035 and the detailed roadmaps adopted by different industries for the practical attainment of these goals. The coronavirus pandemic has served as a catalyst to make Finland a global model for smart green development and digital transition.
- 2** Industrial 5G network technology is making a breakthrough. The new technological innovations enabled by 5G will pave the way for the large-scale digitalisation of critical infrastructure, industry, transport, healthcare and logistics. The economic structure and business environment in Finland form the basis for the country to be a global pioneer in the introduction of industrial 5G. The solutions will bring a substantial increase in productivity with automation and, for example, more centralised remote control, improved energy efficiency and capability for rapid response during disruptions.
- 3** Self-steering and carbon-neutral maritime logistics. Maritime logistics have adopted a goal of halving its emissions, which requires new technology and new operative models. The success of the European green transition depends partly on shifting the focus from road transport to rail and waterways. The coronavirus recovery budgets create substantial demand for integrated autonomous zero-emission logistics. Finland is home some of the leading technology providers for the maritime industries and port operators. Attainment of the European climate targets depends on the technologies countries adopt to achieve these targets.



- 4 Sufficient resilience can only be achieved through robust nationwide cybersecurity. As automation and digitalisation gain a foothold, societies will be increasingly dependent on the reliability of digital systems. Cybersecurity will no longer be a separate, independent function and instead it must be treated as an integral feature of all business operations on all levels of an organisation. Finland holds leading capabilities in cybersecurity, and this resource should be fully utilised throughout the business community and society at large. Finland's ability to recover from the coronavirus pandemic is a testimony to our capabilities and the strengths of our policies. Cybersecurity should become part of our success story.
- 5 Digital work means virtual environments, new leadership and management culture, new division of labour and resolving practical problems related to remote working. Companies need new skills and new talent. Completely new professional roles will be created. Such changes will place new pressures on the education system and employment legislation. The increasingly common remote operations and autonomous AI solutions will create a new opportunity for Finland to attract the best international talent. Finland has every chance to turn its strengths into a competitive advantage in the post-pandemic world where countries will face tough competition for talent and new jobs.
- 6 Companies developing solutions for sustainable, responsible and health-based solutions will be spearheading the new global trend. The coronavirus has speeded up the growth in this field as customers' focus on sustainability and wellbeing were clearly sharpened as a result of the crisis. Finland's country brand as the happiest nation in the world forms a natural backdrop for the development and global marketing of relevant services.

” Besides the six named growth areas, the pioneering companies have also identified key capabilities that are necessary to achieve globally attractive digital customer experiences and jobs: customer-orientation and service design, business-driven platform solutions and ecosystemic thinking, high-tech talent (AI, speech recognition, cybersecurity), brand building and global marketing.





What can policy-makers do to help achieve the growth targets?

The policy-makers' support is crucial: the upcoming autumn budget negotiations are the main venue for decisions that could secure the vitality of business and industry during the recovery from the coronavirus crisis and form a foundation for new growth.

Our key messages are:

- 1** Recovery investments in Finland should be targeted at the identified growth areas that generate new business. To achieve the necessary impact, investments must be sufficiently large and therefore selective.
- 2** To safeguard national interests, EU-level programmes should be equally ambitious and progressive.
- 3** National public innovation funding should be substantially increased and targeted at improving the capabilities within specific business-driven growth areas. This will help repatriate EU funds while ensuring growth, regeneration and jobs.
- 4** In addition to the green transition, more investments are needed to boost the digital leap and cybersecurity. Improving digital skills among businesses as well as individuals must be supported to avoid the emergence of a digital divide and drive sustainable growth.

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