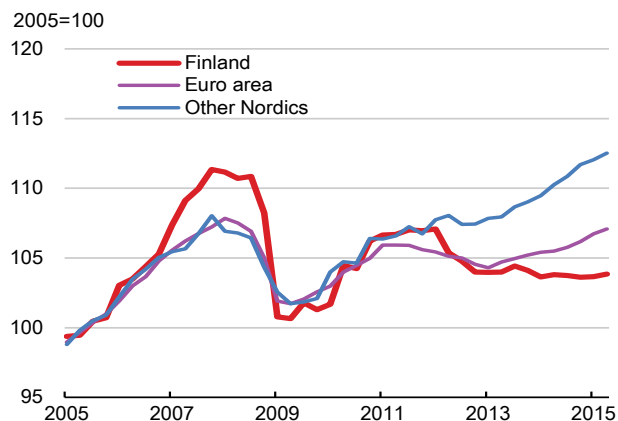


OECD Economic Survey of Finland 2016

Boosting productivity and employment

Structural reforms to restart growth

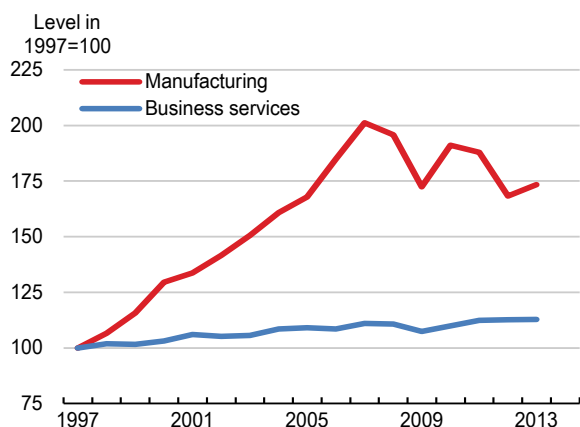
Output is stagnating at a low level



Finland enjoys a high level of income and well-being. Nevertheless, output has been dragged down by the global downturn, the decline of the electronics and paper industries and the Russian recession. Unemployment is rising rapidly, but social safety nets keep income inequality low. The general government deficit is above 3% of GDP and gross debt will rise above 60% of GDP in 2015. The government has an ambitious programme to restore competitiveness and fiscal sustainability through budgetary measures and structural reforms.

Productivity needs to be revived and competitiveness restored

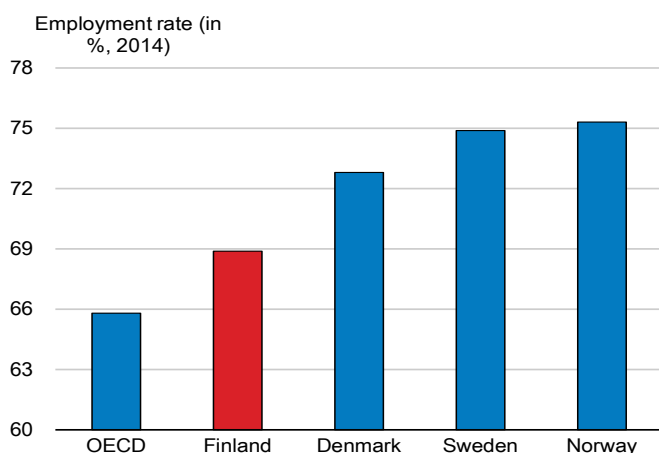
Labour productivity growth has stalled



Productivity has fallen in manufacturing and has hardly increased in business services. Rising labour costs and a loss of non-cost advantages have eroded international competitiveness. The government programme to streamline regulations, promote competition and encourage entrepreneurship will support growth. Continuing to invest in innovation is essential to raise well-being.

Reforms to raise employment, growth and equity

Boosting employment is essential



High hurdles for the low-skilled in the labour market call for further enhancing education and life-long learning. Leaner employment regulations, better work incentives and more flexible wage setting are essential to boost employment and productivity.

