# FINNISH PRESIDENCY **OF THE COUNCIL OF THE** EUROPEAN UNION EU2019.F Finland's Presidency of the Council of the European Union

ERSTE LESUNG



## **GENERAL INFORMATION**

Finland has been populated since the end of the last lce Age. It was part of the Kingdom of Sweden from the 13th century until 1809 when it became part of the Russian Empire as an autonomous duchy. It declared independence in 1917.

Finland is a parliamentary republic; the head of government is Prime Minister Antti Rinne, while head of state is President Sauli Niinistö. With its capital Helsinki, Finland's local governments are divided into 311 municipalities (towns and cities). Overall, Finland is divided into 19 regions and 70 sub-regions. Since becoming independent in 1917, the country has had 73 governments, 43 prime ministers and more than 600 ministers, the majority being centre and centre-left coalitions.

Finland joined the European Union in 1995, adopted the Euro as its currency in 1999 and joined the Schengen Zone in 2001. For its third Presidency of the Council, Finland has a budget of €70 million.

The new government led by Prime Minister Rinne was appointed on 6 June 2019 and consists of a coalition between the Social Democratic Party, the Centre Party, the Greens, the Left Alliance and the Swedish People's Party of Finland. On 4 June 2019, the designated Finnish government announced that it would nominate Jutta Urpilainen as the country's candidate for the European Commission. Urpilainen would be Finland's first female Commissioner. ■

## ECONOMY

Finland has a GDP of €232 billion (2018), a growth of more than 1.7 percent compared to the previous year. With a population of 5.5 million inhabitants, this makes the per capita GDP to be at €42.100. In May 2019, Finland's unemployment rate stood at 8.8 percent while its youth unemployment remains at 29.4 percent. Finland has benefited above average from globalisation due to its high dependence on exports - 80 percent of which are from the wood, paper, chemical, electrical and metal industry. In return, it has also been affected more severely by the financial crisis in 2008. Around 60 percent of Finland's exports go to other EU member states, e.g. to Germany (15 percent), Sweden (ten percent), or the Netherlands (seven percent). In terms of imports, 60 percent came from the EU member states, while the largest importers outside the EU were Russia with 14 percent and China with 7 percent. Hence, inter-EU trade is of great importance for the Finnish economy.

Finland reported a €1.8 billion government deficit in 2018, which is 0.8 percent relative to GDP. Also relative to the GDP, Finland's debt rate was at 59.8 by the end of 2018. The Finnish government contributed 18.8 percent to the country's GDP last year. ■



## PRIORITIES

The slogan of the Finnish Presidency highlights its aim: "Sustainable Europe – Sustainable Future".

The EU's global leadership in climate change is one of the Presidency's key priorities. It strives for the EU to become the most competitive and socially inclusive low-carbon economy in the world.

With an active industrial policy, the development of the service sector and the digital economy, it aims to lay the foundations for the future. It wants to increase citizens' well-being, the EU's public acceptance and gender equality, while also creating sustainable growth and strengthening security. The Presidency's efforts will concentrate on the following four priorities.

## COMMON VALUES AND THE RULE OF LAW

The Presidency wants to fully protect and develop common values. To this end, the EU's rule of law toolbox is to be improved and strengthened in order to find the best possible ways for ensuring respect for the EU's core values in the Member States. This will involve evaluating the dialogue on the rule of law in the Council in order to steer it in a more structured and targeted direction. It wants to establish a well-balanced and efficient mechanism linking EU funding to respect for the rule of law. With inequalities leading to a severe loss of potential, it advocates a gender equality strategy both at national and EU level.

## A COMPETITIVE AND SOCIALLY INCLUSIVE EU

To deepen the single market and achieve sustainable economic growth, it aims to bring together internal market policy, the digital revolution, industrial policy and trade policy. At the same time, the further development of the European Pillar of Social Rights is considered important. No human potential should be wasted, and the availability of skilled workers needs to be increased. Compliance with modern employment and social standards throughout the EU is to be ensured and labour law and social protection systems assessed. The Presidency will support an open, rule-based and sustainable trade policy.

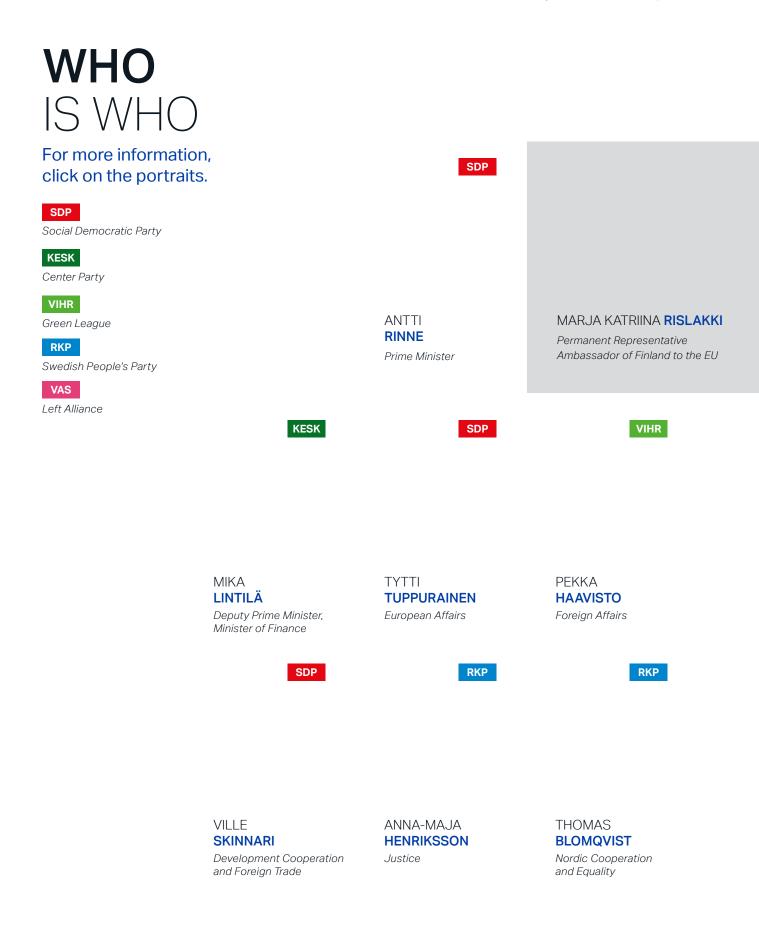
## THE EU AS A GLOBAL LEADER IN CLIMATE ACTION

One of the Presidency's main priorities is to foster the EU's global leading role in climate action. It will continue the process of defining the key points of the EU's longterm climate strategy by the end of 2019, enabling it to become CO2-neutral by 2050. Integrating climate aspects in all policy areas is also a central objective. It wants the EU to become a bio economy and fulfil the prerequisites for a circular economy thus curbing the loss of biodiversity. This should ensure the transition to a socially just, carbon-neutral society.

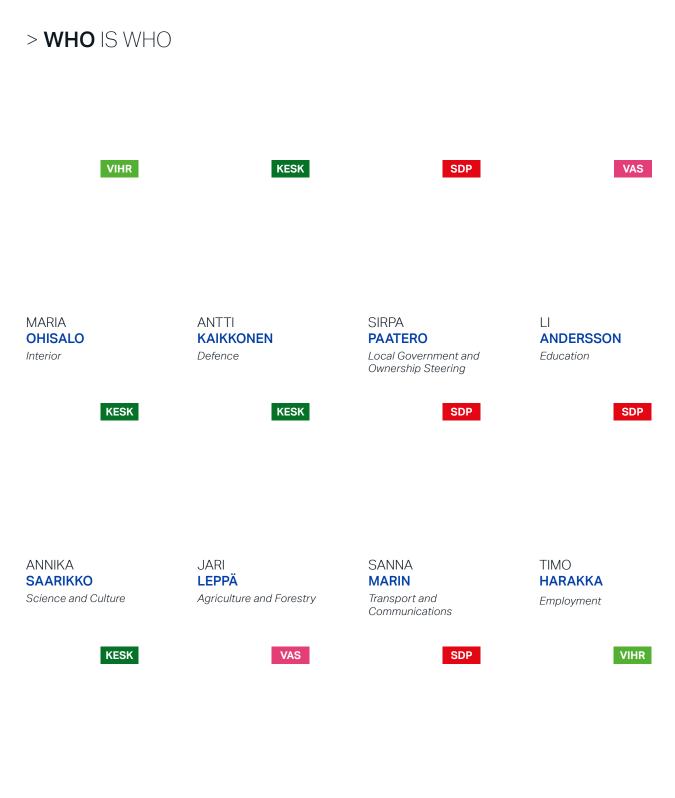
## PROTECTING THE SECURITY OF CITIZENS COMPREHENSIVELY

To fully ensure the security of citizens, the EU must promote multilateral solutions and strengthen its contribution to conflict prevention and mediation. Strong security and defence partnerships as well as cooperation are considered to be important, particularly in areas such as hybrid and cyber threats. The EU's internal security will be addressed, and the respective strategy assessed. Strong and joint EU foreign policy action and rapid decision-making are also essential to maintain the EU's leading role in development policy and to implement the 2030 Sustainable Development Agenda and the Paris Agreement in the EU and globally.









KATRI **KULMUNI** Economic Affairs AINO-KAISA **PEKONEN** Social Affairs and Health KRISTA **KIURU** 

Family Affairs and Social Services

### KRISTA **MIKKONEN**

Environment and Climate Change



## POLICY FIELDS

## **GENERAL AFFAIRS**

As the first Presidency in the new legislative period of the European Parliament and the first in charge of implementing the priorities of the Strategic Agenda 2019-2024, Finland is determined to work closely with all institutional actors, in particular with regard to the finalisation of the next multiannual financial framework and the Brexit negotiations. The Presidency strives to uphold the rule of law in the entire European Union. Transparency, better regulation, involvement of citizens and respect for the principles of subsidiarity and proportionality are important points on the Presidency's agenda. In addition, Finland is committed to fight corruption and promote inclusiveness and equality in the EU.

## **FOREIGN AFFAIRS**

The Presidency is determined to strengthen the EU's role as key global player. For this reason, the Presidency intends to increase the effectiveness of the EU's external action instruments. The Finnish Presidency is committed to a rulebased multilateral system. A close partnership with the USA is intended and the EU-Africa partnership is to be intensified. The Presidency wants to reflect on the EU's relationship with China and maintain the EU's current stance on Russia. A realistic enlargement perspective for the Western Balkans is a priority for the Finnish Presidency. Another focus is an Arctic policy that positively contributes to the region's geopolitical significance.

## ECONOMIC AND FINANCIAL AFFAIRS

The Finnish Presidency strives to create a long-term strategy for growth, competitiveness and job creation, including a functioning single market, a promotion of the service sector, gender equality and the protection of a rule-based system for international trade. Finland prioritises a healthy banking sector and a well-functioning financial single market as the basis for any economic growth. Tools include a fully-fledged banking union, a crisis management system, a common deposit insurance and the diversification of risks in the capital markets. Green finance and instru-

markets. Green finance and instruments to tackle tax evasion/competition are also in the Finnish focus.

## JUSTICE AND HOME AFFAIRS

The EU must comprehensively protect and enhance common values like freedom, democracy, the rule of law and human rights. Autonomous and independent courts as well as new tools and mechanisms of improvement of enforcement are key to this end. In Home Affairs, the EU Internal Security Strategy will be re-evaluated and the EU-NATO cooperation will be enhanced, especially in areas such as military mobility and in countering hybrid and cyber threats. The EU must also fight corruption, cross-border crime and terrorism together. Cooperation in security and defence strengthens solidarity among and equality between the Member States.

## EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER AFFAIRS

With the European economy expanding and employment increasing, the EU is facing a new challenge: shortages of skilled workers. Thus, the EU needs a future-oriented strategy for continuous learning, taking into account the transformation of work. Employment legislation and social protection systems must also be adapted. The longterm goal is to create a European "super-university" model. In addition, the Presidency will pay special attention to the social inclusion of young people. Finland wants to ensure equal opportunities in learning digital skills regardless of social or economic background. Equality and inclusiveness should be promoted in all policy sectors.



## > **POLICY** FIELDS

## COMPETITIVENESS

The Presidency recognises that economic growth is key for the European welfare model. The crucial basis for this is a functioning internal market based on binding rules and the highest standards. Modern competition, trade and digital policies are essential. The service sector has the highest growth potential. The Presidency supports the development of innovative and data-based technologies and business models. EU-internal trade barriers are to be removed to strengthen the services sector as a whole. The Presidency is committed to bolstering the EU's trade agreements to improve access to supply chains and global value creation for companies.

## TRANSPORT, TELECOMMUNICATIONS AND ENERGY

The transport sector is a crucial growth market. Integrated digital solutions and business models are to be promoted in order to increase the efficiency of the system and reduce emissions. The goal must be a functioning, modern network that is CO2-free and contributes to meeting the climate targets. In addition, the Presidency intends to promote technologies such as autonomous driving as well as Mobility as a Service (MaaS).

## AGRICULTURE AND FISHERIES

The Finnish Presidency calls for a Common Agricultural Policy which can better respond to the challenges of climate change. Moreover, it is determined to push ahead with the implementation of the UN Convention on Biological Diversity and the promotion of the sustainable use of natural resources and foster animal welfare. The Presidency emphasises that a reformed and modernised Common Agricultural Policy must respond to the challenges of food safety, food security, climate change and environmental protection. Rural development funding should be based on these criteria.

## **ENVIRONMENT**

The Finnish Presidency is determined to further combat climate change under the Paris Agreement. It emphasises that this will promote economic and sustainable growth, the protection of the environment and competitiveness in Europe. It will continue to facilitate the process and define the key elements of the EU's long-term climate strategy in the European Council by the end of 2019. A key objective is the integration of climate aspects in all policy sectors. A focus will be on the work on plastics and waste avoidance, while also taking into

account other sectors. Moreover, the circular economy is to be advanced. ■

## **DIGITAL POLICY**

The EU should become a global leader of the digital economy. Al, digitalisation as well as big data and the platform economy serve as the driving forces behind European productivity, growth, and welfare. Economic growth and prosperity can only be maintained in the future, if businesses and industry can use the full potential offered by digital technologies, e.g. in the health and mobility sector. Efforts must be intensified in order to create a competitive, human-driven data economy through the availability, interoperability and the use of data. Data economy is seen as a crucial basis for the development of digital services, digital businesses and new technologies.



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