



THE ECONOMY IN THE TAMPERE REGION

The current state and the outlook
for business sectors

2006



THE TAMPERE REGION

- the second largest region in Finland
- one of the three most rapidly growing regions of Finland
- a population of 471,000 (5.2 million inhabitants in Finland)
- an innovative, multidisciplinary and co-operative atmosphere
- a modern concentration of industry, trade, services, research, and education
- two universities and three polytechnics: 40,000 students
- an attractive living environment

THE CITY OF TAMPERE

- the most attractive place to live and study in Finland
- a central location and easy access to international flights
- two thirds of Finns within a two-hour journey from Tampere

Leading products for world markets

The industrial structure of the Tampere Region is versatile. The areas of special expertise are mechanical engineering and automation, information and communication technologies, and health and bio technology. Also, the pulp and paper industry is strong in the Tampere Region.

■■■ The best-known Finnish brand, Nokia, was born in the Tampere Region, in the town of Nokia, next to Tampere, at the end of the 19th century. Today Tampere is one of Nokia's main R&D locations, with 4,000 employees.

High level of expertise and product development are characteristic of the industries and services in the Tampere Region. More than 10 companies are global technology and market leaders, especially in selected B-to-B niche areas. For example, the following companies have their main R&D or manufacturing units in the Tampere Region: Avant Tecno • Bronto Skylift • Elematic • Fastems • Gardner Denver • John Deere Forestry • Kalmar Industries • Kvaerner Power • Metso Automation • Metso Minerals • Sandvik Mining and Construction • Tamglass

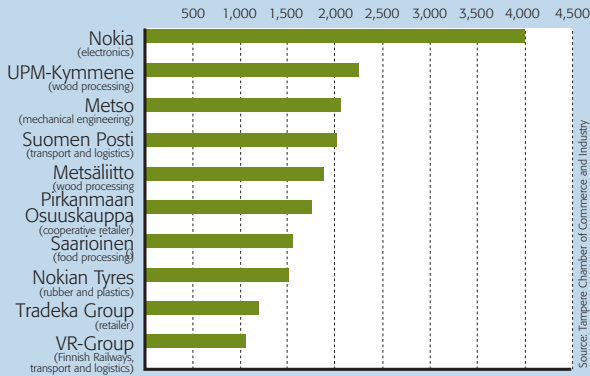


Tampere, Finland

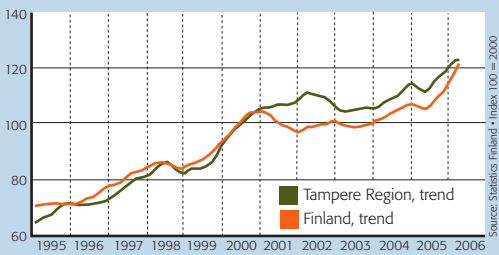


Tampere International
Business Office

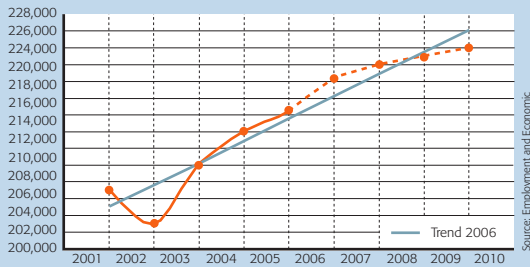
BUSINESSES THAT EMPLOY more than 1,000 people in the Tampere Region 31.12.2005



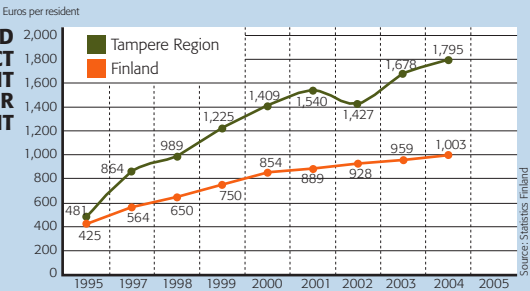
DEVELOPMENT IN TURNOVER
All industries



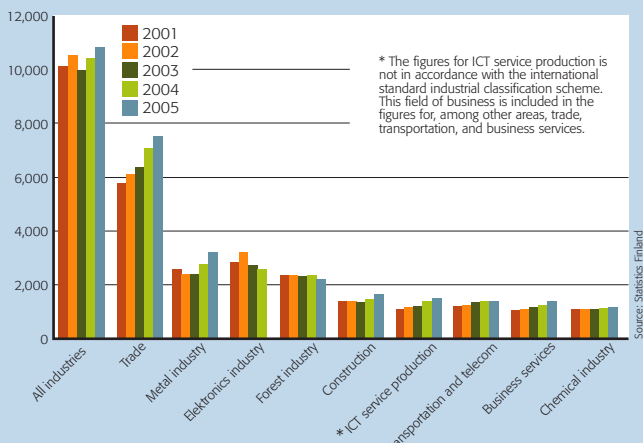
DEVELOPMENT IN NUMBERS OF PEOPLE EMPLOYED
in the Tampere Region



RESEARCH AND PRODUCT DEVELOPMENT INPUT PER RESIDENT



DEVELOPMENT IN TURNOVER
key sectors, the Tampere Region
M€



The economy in the Tampere Region continues to be strong

Mechanical engineering and services in the foreground

The Tampere Region's economy grew rapidly in 2005. The growth continued throughout the first half of 2006, at times even more rapidly than the year before. Leading this growth were the mechanical engineering, trade, and construction industries.

The greatest growth in the region was achieved by the mechanical engineering, its turnover increasing 16.5% in 2005. Of the increase in turnover, 80% consisted of increase in exports. Exports accounted for 53.4% of the field's turnover.

The economic situation of the metal industry is expected to remain good until at least the end of 2006, although expectations diminished slightly during summer 2006. Orders were, nonetheless, still better, and stocks ready for shipment were smaller than usual.

Economic expectations for construction also decreased slightly in summer 2006. The economic situation for service fields was considered better than normal, and players in this area look to the near future with confidence.

Improvement in employment figures

The economic growth was discernible also in the positive development of employment figures and in an increase in the number of job vacancies. Unemployment in the Tampere Region has been decreasing constantly. Business services, the technology industry and trade are the biggest employers in the private sector in the Tampere Region.

Migration accelerating growth

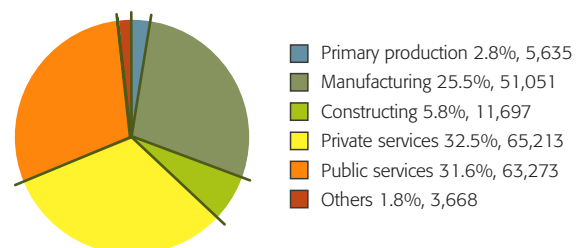
In recent years, the Tampere Region has been one of Finland's most 'magnetic' regions. Population growth has been especially rapid in the Tampere city area. Two out of three people moving to the area are under 30 years of age.

Development prospects create a strong and promising vision of the future of the region's economic development. The maintaining of the industry's strong position, diversification of services, and especially growth of commercial opportunities are clearly discernible in the development already realised.

THE TAMPERE REGION 2005

- RESIDENTS: 471,018 (31 July 2006)
- INCREASE IN VALUE PER RESIDENT: EUR 24,726 (2004)
- PEOPLE IN EMPLOYMENT: 218,500
- UNEMPLOYMENT RATE: 10.8% (31 July 2006)
- TURNOVER, all sectors: EUR 23,904 million
- TURNOVER, industry: EUR 10,837 million
- TURNOVER, trade: EUR 7,507 million

JOBS in the Tampere Region 31.12.2004



Technology industry

Metal and electronics industry

- **TURNOVER, metal industry: EUR 3,226 million**
- **EXPORTS AS A PERCENTAGE OF TURNOVER: 53.4%**
- **PEOPLE IN EMPLOYMENT: 27,200 (Q2/2006)**
- **NUMBER OF BUSINESSES, metal industry: 1,069 (December 2005)**

■ ■ ■ The metal industry in the Tampere Region consists largely of mechanical engineering with a high degree of processing and automation, as well as of system suppliers and subcontractors serving the industry.

The halt in the growth of the metal industry that was discernible in early 2005 proved to be temporary. In 2005, the metal industry's turnover increased 16.5% in comparison with 2004 figures. The growth continued in the first quarter of 2006 at a rate of approximately 17%.

In comparison to 2004, mechanical engineering's exports in the Tampere Region grew 28% in 2005 and continued at the same rate in early 2006.

The electronics industry in the Tampere Region concentrates strongly on product development. The overview does not include figures for the electronics industry for 2005, Statistics Finland does not publish recent regional turnover information for this field.

Information sector

Service and content production

- **TURNOVER, ICT service production: EUR 1,523 million**
- **TURNOVER, ICT content production: EUR 339 million**
- **NUMBER OF BUSINESSES, ICT service production: 607 (December 2005)**
- **NUMBER OF BUSINESSES, ICT content production: 696 (December 2005)**

■ ■ ■ The turnover for the ICT service production business group has been growing significantly more rapidly in the Tampere Region than in other parts of Finland. In 2005, the turnover in the Tampere Region increased by slightly under 10%. In the first quarter of 2006, the Tampere Region saw 14.5% growth.

For ICT content production, the turnover in the Tampere Region increased approximately 3.4% in 2005 and 5.2% during the first quarter of 2006.

The Tampere Region's areas of greatest strength are software products associated with wireless communication technology, as well as control and automation systems for mechanical engineering. Health care technology, data-security-related business, and the development of electronic services also show promise.

According to the Tampere Chamber of Commerce's ICT barometer, the field should expect continuing growth in the latter half of 2006.

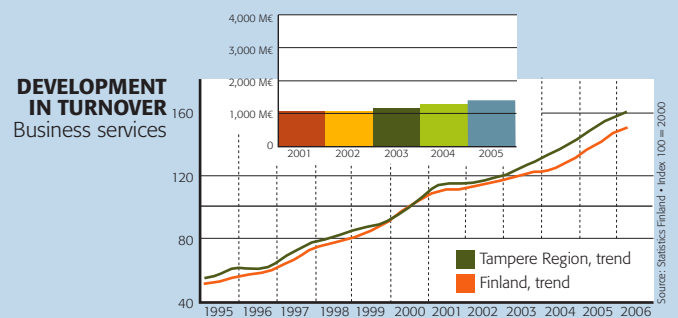
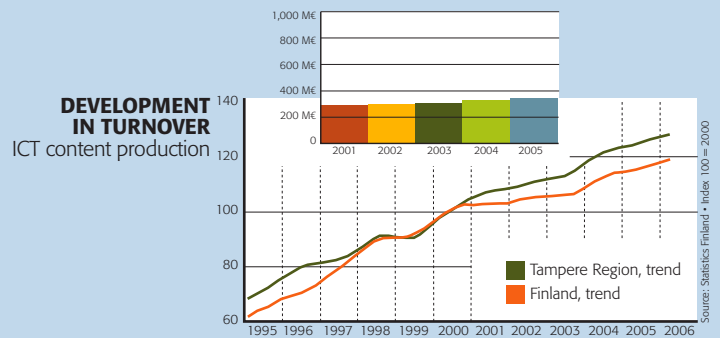
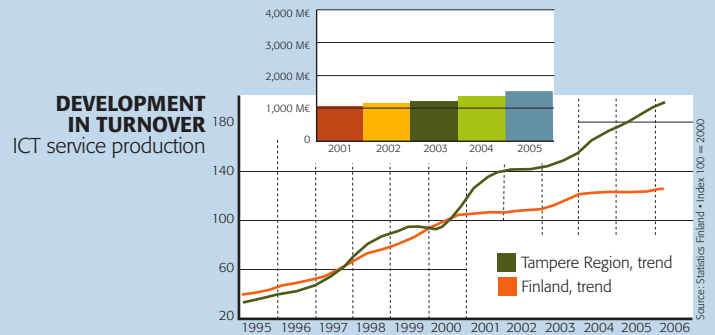
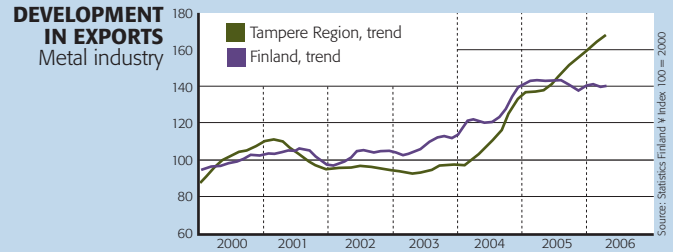
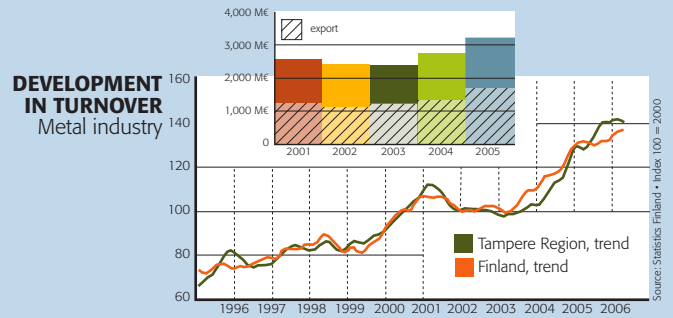
Services provided for business life

Data processing, auditing, legal and advertising services, personnel hire, and management consultation, among other areas

- **TURNOVER: EUR 1,409 million**
- **PEOPLE IN EMPLOYMENT: 30,900 (Q2/2006)**
- **NUMBER OF BUSINESSES: 1,541 (December 2005)**

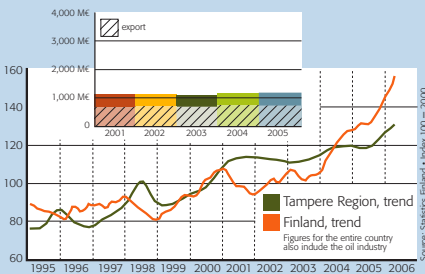
■ ■ ■ The annual growth rate of the field was slightly over 10% in both the Tampere Region and Finland as a whole. The growth seems to be continuing. For the first quarter of 2006, the growth was approximately 12% over the figure for the first quarter of 2005. The rapid growth of business services is due in part to companies in various fields outsourcing non-core operations to external service providers.

According to a trend survey carried out in late summer 2006, the economic situation in July was unusually good. The near future is viewed with confidence. Both the turnover and numbers of employees are expected to grow during autumn 2006.



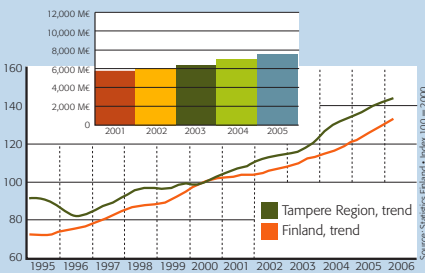
DEVELOPMENT IN TURNOVER

Chemical industry



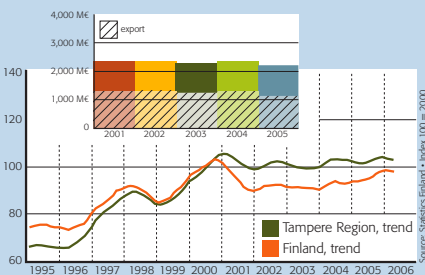
DEVELOPMENT IN TURNOVER

Trade



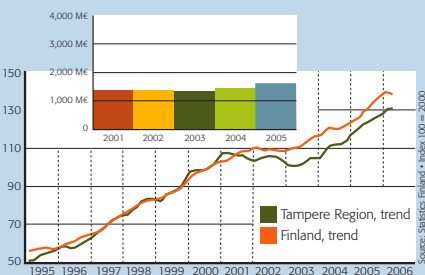
DEVELOPMENT IN TURNOVER

Forest industry



DEVELOPMENT IN TURNOVER

Construction



Chemical industry

Manufacture of chemicals, and rubber and plastic products

- **TURNOVER: EUR 1,172 MILLION**
- **EXPORTS AS PERCENTAGE OF TURNOVER: 61.8%**
- **PEOPLE IN EMPLOYMENT: 6,400 (Q2/2006)**
- **NUMBER OF BUSINESSES: 158 (December 2005)**

Trade

- **TURNOVER: EUR 7,507 MILLION**
- **PEOPLE IN EMPLOYMENT: 24,800 (Q1/2006)**
- **NUMBER OF BUSINESSES: 4,927 (December 2005)**

Forest industry

Wood and paper industry, publishing, and printing

- **TURNOVER: EUR 2,210 MILLION**
- **EXPORTS AS PERCENTAGE OF TURNOVER: 51.5%**
- **PEOPLE IN EMPLOYMENT: 11,000 (Q2/2006)**
- **NUMBER OF BUSINESSES: 598 (December 2005)**

Construction

- **TURNOVER: EUR 1,643 MILLION**
- **PEOPLE IN EMPLOYMENT: 15,900 (Q2/2006)**
- **NUMBER OF BUSINESSES: 2,534 (December 2005)**

Food industry

- **TURNOVER: EUR 499 MILLION**
- **PEOPLE IN EMPLOYMENT: 3,200 (Q2/2006)**
- **NUMBER OF BUSINESSES: 148 (December 2005)**

Textiles, clothing, leather, and shoe industries

- **TURNOVER: EUR 317 MILLION**
- **EXPORTS AS PERCENTAGE OF TURNOVER: 33.7%**
- **NUMBER OF BUSINESSES: 453 (December 2005)**

Accommodation and catering field

- **TURNOVER: EUR 417 MILLION**
- **PEOPLE IN EMPLOYMENT: 6,100**
- **NUMBER OF BUSINESSES: 1,168 (December 2005)**

Transportation and telecom

- **TURNOVER: EUR 1,411 MILLION**
- **PEOPLE IN EMPLOYMENT: 12,500 (Q2/2006)**
- **NUMBER OF BUSINESSES: 1,888 (December 2005)**

Welfare services

- **TURNOVER: EUR 597 MILLION**
(Figure only includes private services.)
- **PEOPLE IN EMPLOYMENT: 64,700 (Q2/2006)**
- **NUMBER OF BUSINESSES: 1,343 (December 2005)**

Manufacture of non-metallic mineral products

- **TURNOVER: EUR 263 MILLION**
- **PEOPLE IN EMPLOYMENT: 1,900 (Q2/2006)**
- **NUMBER OF BUSINESSES: 122 (December 2005)**

THE ECONOMY IN THE TAMPERE REGION Current state and the outlook for business sectors

■ The overview, published annually, reports the current state of, and outlook for, various fields in the business life of the Tampere Region. The sources used for the overview include turnover and wage statistics from Statistics Finland, economic situation barometers from the Confederation of Finnish Industries, the ICT barometer and member questionnaires from the Tampere Chamber of Commerce, and employment statistics and cluster analyses from the Employment and Economic Development Centre.

Contacts:

Tampere International Business Office TIBO
www.investintampere.com
 Tel. +358 50 570 2329

**City of Tampere
 Business Development Centre**
www.tamperebusiness.com
www.tampere.fi
 Tel. +358 20 711 00

**Tampere Chamber of
 Commerce & Industry**
www.tampereenkauppamari.fi
 Tel. +358 3 230 0555

**Employment and Economic
 Development Centre for Pirkanmaa**
www.te-keskus.fi/pirkanmaa
 Tel. +358 10 602 5500

**The Confederation of
 Finnish Industries, Tampere**
www.ek.fi
 Tel. +358 3 213 7712