



**Vlaanderen**  
is internationaal  
ondernemen

# Finnish shipyards: Orders are record high



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## Introduction

Ship construction and maritime industry as a whole is an important part of the Finnish economy. A lot of efforts and investments are put into the industry in order to keep it profitable for the country. While the industry had a downturn in the past decade, the last years it has been growing fast. Currently, there are more orders at the key shipyards than in the previous years. The projects provide work for almost a decade from now, most likely for even longer. This exceptional growth offers business for subcontractors and companies in other industries (from interior decoration specialists to technology manufacturers), as well.

## Overview of the Finnish market

Finland has a long history in the shipyard and ship building industry. Finland was a significant centre for ship construction for over 500 years. The world's largest cruise ships and ferries were built in Finland. While the industry suffered from the recent recession and almost disappeared completely, it now enjoys growth, as never seen before. Currently, the whole industry worldwide is doing better than before in the number of orders and Finland receives its fair share of these ship orders. The biggest risk for Finland is the lack of competent workforce that can handle projects in an industry of this size, especially when it comes to international projects. There is also a need for competent subcontractors.

For example, Flemish companies in the interior design and special components sector, can find opportunities here.

Often the Finnish people believe that shipyards and ship construction is a big part of our maritime business, but there is actually a complex and versatile industry behind the most visible business of shipyards. In comparison to other countries (especially Asian countries), Finland does not build a lot of ships. Still, Finnish shipyards are well-known for their high quality and therefore the largest luxury cruise ships are built here. Quality is the competitive edge for the Finnish shipyards and it is strategically important for them to become the best in their field, because they cannot compete in quantity.



Photo: Company 'Meyer Turku'

## Financial situation

The turnover of all maritime business in Finland is about 7.9 billion euro a year. Approximately 85 to 90% comes from outside the shipyard activity. Currently there are 5 shipyards in Finland that focus on building large ships. While shipyards are only a small part of the maritime business in Finland, they are important for the network of the whole industry.

When customers from other countries order their ships in Finland, they will also employ several other (smaller) companies in the maritime industry. Businesses in the maritime industry employ a lot of subcontractors from various industries, such as interior design and architecture. Some people say, the Finnish maritime sector cannot function without the others due to the tight network and the cooperation of the businesses practice.

The success of maritime business has turned the industry into an important part of the Finnish economy.

It is important for the Finnish government to support shipyards. This can be done through subsidies or other kinds of financial support. Regardless of how the support is given, it is vital in order to build the ships as they are enormous projects and Finland is a relatively small country with limited resources. Another possibility for the shipyard business is to improve Finland's loan cost competitiveness. One way to enhance it is to remove the general binding of collective bargains negotiated by the workers' unions and to let the companies make local agreements with the workforce in order to determine more competitive wages.

## Projects

The Finnish shipyard company 'Meyer Turku' has received multiple large orders. The size of the orders is likely to double the jobs of the ship building industry in Southwest Finland. The workforce at Meyer Turku is likely to grow to approximately 1,600 employees and the projects might even give a job to 7,000 people through subcontractors. Within 5 years the projects might give a job to 16,000 people. The growth is due to the multiple large ships that will be built, either at the same time or in a row. The peak of production and employment is expected in 2021. The company is planning to invest 75 million euro.

The projects should last at least till 2024 and the total value of the projects is estimated at 7 to 8 billion euro. This is extremely good for both the shipyard as well as for the subcontractors. Because so many ships have been ordered to be built in a row, the subcontractors can deliver their work faster and can increase their cost-effectiveness by doing so. The fact that the projects last so long makes the subcontractors confident that they will have work, which in turn increases reliability of their contribution, because the financing is already confirmed. Many subcontractors 'll have to finish these large ship projects till the end.



Photo: Company 'Meyer Turku'

Because new workforce is needed to complete the ship projects, the company has had difficulties to find enough capable workers. This is partially because many young people have not studied for the appropriate degrees because of the low employment in the industry a few years ago. Another possible challenge is the use of a new type of fuel cell technology. Currently no other cruise ships utilize this type of technology, but they are expected to be a new dramatic advancement in the ship construction business.

Another upcoming project to the Finnish shipyards is the upgrade and maintenance of the Finnish navy's fleet. Currently the Finnish navy is negotiating an agreement with a Finnish defence industry company called 'Patria'. After the two sides have come to an agreement, Patria will issue a call for bids. The shipyard that gets the project will have to upgrade the weapon systems of the ships and do general maintenance to the structures of the ships. This project is a prelude to a larger project that aims to build 4 new warships for the Finnish navy fleet. The warship construction project is expected to be done by a company called 'Rauma Marine Constructions'.

In May 2017, the Japanese company 'Peace Boat' signed a letter of intent with 'Arctech Helsinki Shipyard Inc.' to construct the greenest cruise ship of the world. The actual contract is expected to be signed soon.

## Shipyards

### **Meyer Turku**

Contact list: [www.meyerturku.fi/en/meyerturku\\_com/kontakt\\_4/kontakt\\_4.jsp](http://www.meyerturku.fi/en/meyerturku_com/kontakt_4/kontakt_4.jsp)

Website: [www.meyerturku.fi/en/meyerturku\\_com/index.jsp](http://www.meyerturku.fi/en/meyerturku_com/index.jsp)

### **Arctech Helsinki Shipyard Inc.**

Email: [info@arctech.fi](mailto:info@arctech.fi)

Website: <http://arctech.fi/>

**Rauma Marine Constructions**

Email: [info@RMCfinland.fi](mailto:info@RMCfinland.fi)

Website: <http://rmcfinland.fi/>

**Oy Western Shipyard Ltd**

Website: [www.wsy.fi/in-english](http://www.wsy.fi/in-english)

**Turku Repair Yard Ltd**

Contact list: [www.turkurepairyard.com/index.php?pageID=7&langID=1](http://www.turkurepairyard.com/index.php?pageID=7&langID=1)

Website: [www.turkurepairyard.com/](http://www.turkurepairyard.com/)

**Hopeasalmen telakka**

Email: [info@hopeasalmentelakka.fi](mailto:info@hopeasalmentelakka.fi)

Website: [www.hopeasalmentelakka.fi/hopeasalmi-etusivu.html](http://www.hopeasalmentelakka.fi/hopeasalmi-etusivu.html)

**Ablemans**

Contact list: [www.ablemans.fi/en/contact-information/](http://www.ablemans.fi/en/contact-information/)

Website: [www.ablemans.fi/en/shipbuilding/](http://www.ablemans.fi/en/shipbuilding/)

## Some subcontractors in the interior decoration of cruise ships

**Merima** (currently a subcontractor for Turku Meyer)

Contact list: [www.merima.fi/contact-us/](http://www.merima.fi/contact-us/)

Website: [www.merima.fi/](http://www.merima.fi/)

**Huuhka** (currently a subcontractor for Turku Meyer)

Contact list: [www.huuhkaoy.com/en/contact/](http://www.huuhkaoy.com/en/contact/)

Website: [www.huuhkaoy.com/en/home/](http://www.huuhkaoy.com/en/home/)

**Europlan Engineering** (currently a subcontractor for Turku Meyer)

Contact list: [www.europlan.fi/contact/](http://www.europlan.fi/contact/)

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**Parmarine**

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**Hermann's**

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**Dsign**

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Website: <http://dsign.fi/laivat-risteilijat/>

For more industry and product specific information and contacts, please contact Flanders Investment & Trade Finland ([helsinki@flanderstrade.com](mailto:helsinki@flanderstrade.com)).

## Associations

- Meriteollisuus Ry – Finnish Marine Industries
- An association for all the companies in the maritime industries in Finland. They promote the sector and lead the research and development in the industry.
- Website: <http://meriteollisuus.teknologiateollisuus.fi/en/finnish-marine-industries-0>

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- [www.talouselama.fi/uutiset/meyerin-turun-telakan-rohkea-askel-6590363](http://www.talouselama.fi/uutiset/meyerin-turun-telakan-rohkea-askel-6590363)

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