

DEFENSE INDUSTRY GROWTH OUTLOOK - BUSINESS FINLAND PERSPECTIVE

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BUSINESS FINLAND DRIVES TO A LEAP IN THE LEVEL OF AMBITION AND INNOVATION COLLABORATION

STRATEGIC THEMATIC CHOICES



DIGITAL PIONEERING

Artificial intelligence
Immersive technologies
Robotics and automation
High performance computing
Data center ecosystems
Photonics
Radio and network technologies
Quantum technology



SECURITY

Space technology
Defense industry
Cybersecurity
Semiconductor Industry
Maritime industry and arctic expertise
Critical raw materials and minerals



CLEAN TRANSITION

Energy systems and technologies

- hydrogen
- modular reactors
- battery value chains
- renewable energy

Mobile machinery



GOOD LIFE

Creative industry
Travel
Health technologies
Food technology
Biomaterials
Biochemicals



BUSINESS COMPETENCE

Customer understanding and intangible value creation
Commercialization and international growth

GROWTH IN DEFENSE MARKETS OFFER MAJOR OPPORTUNITIES IN THE COMING YEARS

- Defense markets are expected to continue growing for years to come, while the geopolitical environment remains highly unpredictable.
- The meaning of Trust – co-operation and alliances with like-minded countries and partners are becoming increasingly important.
- Defense industry is the core of Finland's comprehensive security model, where other aspects of security appeal to some countries, too.
- A long-term strategy, international partnerships, and Finland's NATO membership have strengthened the appeal of established defense companies and driven double-digit growth and order books for many companies.
- Traditionally, Finland has particular strengths in tactical and secure radio communications, command-and-control systems, and military mobility solutions designed for harsh and Arctic conditions.

Turnover of PIA
members
2025 -> +42%
(n. 4,2 mrd €)

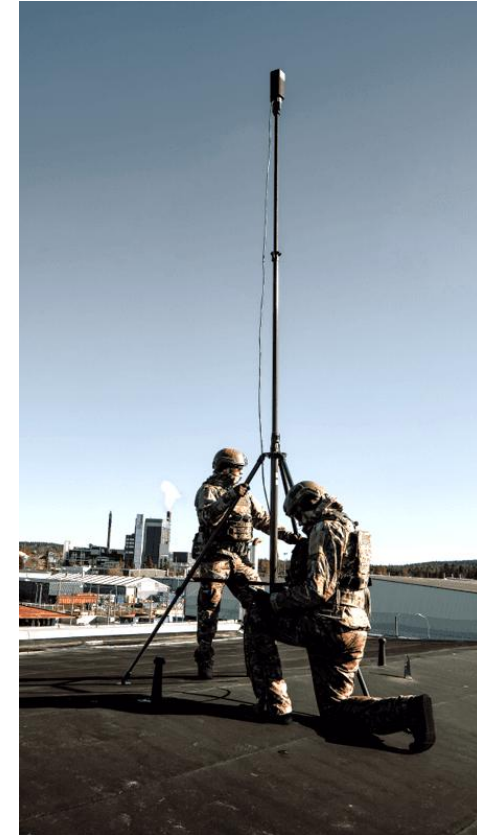
Share of export
55%

RDI share
15%

Employment
14000 –
indirect
impact to
employment
35000

NEW AREAS AND AVENUES FOR GROWTH

- New **digital and disruptive technologies** are a major opportunity for Finland. Key areas include space, AI, AR/VR/XR, cybersecurity, advanced sensing technologies and automation and robotics (drones, anti-drone systems), and even quantum technologies.
- Up-to-date solutions that can be scaled and manufactured when needed
- **Finnish defense innovation ecosystems** have brought together dozens of companies and research organisations. E.g. Patria eAlliance, Bittium Seamless and Secure Connectivity, Nokia's leading company initiatives, and the Digital Defence Ecosystem (DDE).
- The **European Defence Fund** - for funding and valuable international networks. European Competitiveness Fund will provide new tools for financing defense and security innovations from 2028 onward.
- Business Finland's funding for defence and dual-use technology projects has increased significantly since 2023, reaching approximately **€75 million in 2025**.



Picture: Saab Finland Sirius Compact

THE MAIN FINNISH CLUSTERS IN DEFENCE AND DUAL-USE

- Capital area – emerging technologies e.g. in New Space, AI, quantum. NATO Diana Accelerator (VTT)
- Turku – maritime and naval, automation, hybrid threats
- Riihimäki – DEFINE network, arms manufacturing
- Pirkanmaa cluster (Tampere) – ICT and manufacturing (e.g. Saab's factory)
- Central Finland Jyväskylä – cybersecurity and health tech
- Eastern Finland – Borderland & Savo Defence, e.g. arctic and border security
- Northern Finland, Oulu – 5G/6G, NATO Diana test center
- Vaasa region – energy cluster
- Activities in several other areas in Finland



BF FUNDING FOR DEFENSE AND DUAL-USE

Research, development and innovation funding from 1 January 2026			
Companies under 5 years	SMEs (under 50 employees, turnover max. 10M€)	All companies	Research organisations
Deeptech Accelerator			
NIY			
Sprint			
Research, development and piloting			
Co-Innovation			
			Co-Creation
			Co-Research
			Research to Business

IN ADDITION

- European Defense Fund
 - Co-funding up to 20% national top-up funding
- Innovation cluster funding
- Innovative Public Procurement
- Rise to Challenge for research
- Leading company funding and ecosystem members' projects
- <https://www.businessfinland.fi/en/services/funding/>

VETURI ECOSYSTEMS FUNDED BY BF 2020-2025

**Fortum &
Metsä Group**
ExpandFibre

Neste
Transportation
and chemicals

Nokia
Unlock
Industrial 5G

KONE
Flow of
Urban Life

ABB
Green
Electrification

Sandvik
SHIFT'25

Borealis
Polymers
Spirit

Nokia
Competitive
EDGE

TietoEvy
Trusted Digital
Societies

Valmet
Beyond
circularity

Wärtsilä
Zero Emission
Marine

Meyer
NEcOLEAP

Danfoss
Fossil Free
Future

Mirka
SHAPE

Picosun
Chip Zero

Ponsse & Epec
Forward'27

Bittium
Seamless and
Secure
connectivity

Konecranes
ZERO4

Orion
Virtual
BigPharma

Valio
Food 2.0

Wärtsilä
WIDE

Kempower
HETE

Patria
eAlliance

Nokia
LEAD

ABB
H2 Springboard

Nokian Renkaat
Futureproof

ANDRITZ
BioCircleToZero

Canatu
Carbon Age

Kalmar
Move2Green

AMD Silo AI
Compute to
Impact

BOOSTING THE GROWTH OF INTERNATIONAL BUSINESS

- **Defense and Digital Resilience Program** (2024-end 2026) brings together BF services to drive the goals in defense.
 - Planning of a BF Defense Growth project is ongoing, aim to start 1.1.2027
- Funding of RDI – now with a dedicated team in BF agency
- BF international growth advisory services and selected delegations abroad
- Bespoke market studies and webinars
- Inbound visits to Finland - a platform for international engagement
- Invest-in – companies from like-minded countries to the Finnish ecosystem and vice versa – e.g. Ukraine
- Marketing and communication to highlight Finnish expertise in international media



Business and Minister delegation to Japan 19-21.5.

THANK YOU

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Comprehensive Defense and Security from Finland video

https://www.youtube.com/watch?v=LpU6q_xLVFO



Comprehensive Defence and Resilience from Finland