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FOREIGN NEWS

Estonian Foreign Minister Wants Closer Relations with Israel

Jan 10 - **Estonian Foreign Minister Urmis Paet, on an official visit to Israel, confirmed the two countries' good relations and found they should be further deepened.**

Paet met with Israeli Deputy Prime Minister Shimon Peres, the Minister for Industry and Trade Eli Yishai and Infrastructure Minister Benjamin Ben-Eliezer.

Paet said that in order to deepen relations between the two countries Estonia was planning to dispatch a diplomat to Tel Aviv this year. He said there were good relations between the two countries' parliaments where friendship groups have been set up.

Speaking about economic relations, satisfaction was expressed at the activation of trade, but it was also stated that there were still many unused opportunities in the development of economic relations.

Paet said that there was a good contractual basis between Estonia and Israel but no treaty on the mutual avoidance of double taxation. He expressed the hope that the talks over it would start this spring.

Estonia is also interested in the application of Israel's oil shale and technology as well as scientific achievements, and would willingly cooperate in the oil shale energy sphere.

Paet proposed that Estonia could share its experience of applying IT achievements to everyday life. "Use of mobile communication services in parking and paying for public transport tickets are some examples of opportunities development of information technology offers us," the foreign minister said.

During his meeting with Peres also the situation in the Middle East as well as developments in Iran and Iraq were discussed.

Paet said that the temporary international mechanism launched last June had played an important role in giving the necessary aid to a large proportion of the people of Palestine and international humanitarian aid to them should continue.

Speaking about Iran Paet said that Estonia is following the United Nations sanctions in relations with that country.

He expressed the satisfaction that the international community had given a clear and united message to Iran and expressed the hope that this would continue in the future.



Israeli Deputy Prime Minister Shimon Peres and Estonian Foreign Minister Urmis Paet in Jerusalem on 10 January 2007.

Estonian Foreign Minister Supports Moderate Forces in Palestine

Jan 11 - **Estonian Foreign Minister Urmis Paet said moderate political forces of Palestine should be supported to regulate the Middle East conflict.**

Paet met with Israeli Foreign Minister Tzipi Livni and discussed with her bilateral relations and the situation in the Middle East and Iran.

The two foreign ministers expressed satisfaction with the state of bilateral relations. Both found, however, that although the two countries' contractual basis was good, it would be necessary to sign treaties on the avoidance of double taxation and on social insurance.

Paet extended to the Israeli foreign minister an invitation to visit Estonia and Livni accepted the invitation.

Livni explained at the meeting Israel's positions on regulation of the Middle East conflict. Both agreed that it was necessary to support moderate political forces of Palestine.

Paet said the international public could work more effectively if Palestine recognized the state of Israel. "Talks can be opened when partners recognize each other," said Paet, adding that the EU must support moderate political forces led by Mahmoud Abbas.

Livni expressed concern that the arms embargo as required by the UN resolution 1701 is not fully observed on the Lebanese-Syrian border. Paet underlined that Estonia supported the full implementation of the resolution, including the arms embargo. "The sovereignty, independence and territorial integrity of Lebanon must be ensured," said Paet and expressed the hope that efforts by the Lebanese prime minister would lead to the restoration of order and stability.

Paet also visited the biggest Israeli investment company IDB Group and met with former residents of Estonia now living in Israel.



Israeli Foreign Minister Tzipi Livni and her Estonian colleague Urmas Paet in Tel Aviv on 11 January 2007

Estonia, Ukraine Sign Agreement on Economic and Scientific Cooperation

Jan 16 - Estonian Prime Minister Andrus Ansip and his Ukrainian counterpart Viktor Yanukovich signed an agreement on the advancement of economic, scientific and technical cooperation between the two countries.

During the meeting of the two heads of government in the Ukrainian capital, bilateral relations between Estonia and Ukraine, Ukraine's EU aspirations and cooperation with NATO were discussed.

The parties signed an agreement on the advancement of economic, scientific and technical cooperation between Estonia and Ukraine. Ansip said the agreement serves as a confirmation of the already very good relations between the two countries.

"If two countries wish to work closely together with each other, offer their people better opportunities for communication and facilitate interaction between businesspeople, possibilities for that will always be found," the Estonian premier said.

Under the agreement, an intergovernmental commission will be set up that will work toward achieving the established goals. Estonia is very interested in the early formation of a high-level commission, since this will provide the opportunity to discuss topics of mutual interest and solve potential problems between Estonian and Ukrainian businesspeople.

Ansip voiced recognition of Ukraine's rapid economic success. He also said that Estonia offers

all-round support for Ukraine in accession to the European Union and NATO, adding however that the prerequisite for that must be Ukrainians' clear wish to move toward concrete goals.

The Ukrainian head of government observed that the fears that Estonia's entry to the EU and termination of the free trade treaty between the countries would cut back trade had proved ungrounded. As a matter of fact, interaction between the businesspeople of the two countries has significantly intensified in recent years and trade has soared, he added.

Also a business seminar arranged jointly by the chambers of commerce and industry of the two countries took place.

Ukrainian President Thanks Estonian Prime Minister for Support

Jan 16 - Ukrainian President Viktor Yushchenko thanked visiting Estonian Prime Minister Andrus Ansip for support of Ukraine's Euro-integration aspirations.

During the meeting in Kiev the political situation in Estonia and Ukraine, bilateral relations, cooperation in the field of European and Euro-Atlantic integration as well as multilateral regional cooperation were talked about.

The Ukrainian president underlined that there were no changes in the foreign policy course of Ukraine and thanked Estonia for its support for Ukraine's Euro-integration aspirations.

Yushchenko said that in order to further deepen cooperation in economy, Ukraine and Estonia should pay greater attention to working out and implementing concrete projects in the fields of energy, transport and other areas.

Estonia Gives EUR 59,000 to Support Congolese Children, Control of Bird Flu

Jan 9 - The Estonian Foreign Ministry has decided to give more than 900,000 kroons (EUR 59,000) to support humanitarian aid for controlling the spread of bird flu and improve the situation of children in the Democratic Republic of the Congo.

Foreign Minister Urmas Paet signed an order to allocate 918,956 kroons from the development and humanitarian aid fund in the ministry's budget.

The project of controlling the spread of bird flu is directed at the residents of developing countries, the aim of the project being lowering of the risk of bird flu and its socio-economic consequences, as well as prevention of the possibility of a global pandemic outbreak.

Paet said the bird flu still constituted a danger, and forestalling was the best means of controlling its spread. He said support to the fight against bird flu in the developing countries directly reduced the opportunity of the virus reaching Estonia.

The other project of the United Nations children's Fund, UNICEF, was directed at strengthening of the educational system and improvement of the situation of children in the Democratic Republic of the Congo, where nearly 4,7 million school age children do not go to school and a large proportion of schools had been destroyed. Paet said that strong support of the international community was needed

to improve the living conditions of the population in the Democratic Republic of the Congo.

Estonia Gives EUR 32,000 to Help Chart Environmental Situation of Dniester River

Jan 15 - The Estonian Foreign Ministry gave 501,850 kroons (EUR 32,000) for a project to chart the state of the environment and the problems of the river Dniester.

The project in development cooperation directed toward Moldova seeks to raise public awareness about the state of the environment of the river that flows through several countries and to include the public in the decision-making process.

The money is taken from the means earmarked in the ministry's budget for development cooperation and humanitarian aid.

The minister of foreign affairs, Urmas Paet, said that environmental hazards related to the Dniester required the attention of the people living in the area.

"The Dniester flows through several countries and its water is used by more than seven million people. Involvement of the public and presenting of a lifestyle saving the environment are needed in order to prevent possible hazards," he said.

The task of the project by MTÜ Peipsi Koostöö Keskus, an Estonian NGO set up for the advancement of cooperation on the shores of the border lake Peipsi, is to chart the state of the environment and the problems of the Dniester and offer solutions.

As part of the project two local roundtables will be convened and training for specialists will be arranged.

Also a visit to Estonia will be organized to meet with activists at environmental organizations and officials at the Ministry of Environment as well as municipalities.

Moldova is one of the four priority partners for Estonia in development cooperation.

Estonia's Kallas Can Not See Breakthrough on EU Constitution During German Presidency

Jan 12 - Siim Kallas, a vice president of the European Commission, doubts that a breakthrough on the European Union's shelved Constitutional Treaty will be achieved during the German presidency of the union.

During the German presidency the Berlin declaration on the European Constitution will probably be adopted, Kallas said.

"At the same time I don't believe anything will be done about the Constitutional Treaty during the German presidency," he said.

According to Kallas, Estonia that is worried about the so-called two-speed Europe should before the adoption of the Berlin declaration prepare the ground and actively publicize its views.

The European Commission is opposed to the emergence of dividing lines and does not back the formation of a "core" Europe, the vice president said.

Another vice president of the EU executive, Margot Wallström, said the progress of the Constitutional Treaty depends on political will and it remains to be seen what Germany that took over the EU's rotating presidency at the beginning of this year is going to do about the matter.

Estonian President Toomas Hendrik Ilves voiced already in spring 2006, then as a member of the European Parliament, concern that the bogging-down of the EU charter could lead to the emergence of a core Europe including countries of the euro zone and that countries which have not yet adopted the common currency could remain outside it.

The Estonian parliament ratified the EU charter in May 2006.

Europe's Division Does Not Serve Estonia's Interest - MP

Jan 12 - Europe's division into two parts developing at different speeds is not in Estonia's interest, chairwoman of the parliamentary European Affairs Committee Kristiina Ojuland says.

If some countries work more closely, then other countries are in danger of becoming the periphery in some areas, Ojuland said at the meeting of the standing European and Foreign Affairs committees with European Commission vice presidents Margot Wallström and Siim Kallas.

"Europe needs above all a common vision of the future. Once it exists, agreements can be improved," Ojuland said.

According to Wallström, the European Commission's common position is that a two-speed Europe has to be avoided and the block has to steer clear of solutions which divide Europe into different groups, the parliamentary press service reports.

Wallström voiced her conviction that solutions for the future development of the EU have to be found in the context of the European Constitutional Treaty.

She noted that with this end in view the EU's executive arm recently met with German Chancellor Angela Merkel whose country took over the block's rotating presidency at the beginning of this year to ascertain that the process goes ahead.

Expectations are high and work is in progress for all member states to make an effort to come up with solutions, Wallström added. "The idea is to come out in March with the Berlin declaration to elucidate what member states' common values are, what we have achieved and what problems the European Union is facing. Issues relating to the Constitutional Treaty have not gone away, they're even more clearly at the fore after the accession of two new countries."

Kallas pointed out that if a two-speed Europe is a matter of importance to Estonia then Estonia could choose it for a priority in the planned Berlin declaration and express its concern.

The commissioner at the same time ruled out the possibility that a policy of two-speed Europe could be carried out officially.

"Even if someone somewhere decided that there's going to be a two-speed Europe this could not be formalized," he said. "And if it's said that there are two speeds one of which is based on the Eurozone then to my mind the Eurozone is at present based on slowness and the speed is working outside the Eurozone."

Estonia to Join West-European Countries' Police Cooperation Agreement

Jan 11 - The Estonian government has endorsed Estonia's accession to the West European countries' Prüm agreement that will raise international police cooperation to a new level.

The government authorized Interior Minister Kalle Laanet to sign the agreement at an unofficial meeting of the EU justice and interior ministers on January 15-16.

Minister of Justice Rein Lang said that the agreement would allow countries exchange, for example, DNA information and fingerprint catalogues.

"When people move freely, goods and services move freely and the capital moves freely, then also scoundrels and criminals move freely and they have to be tracked down together," Lang said.

Lang said the Prüm agreement was signed by the Benelux countries, Germany, Italy and Spain and last year Estonia, too, received the proposal to accede to the agreement. Of the countries that acceded to the European Union in 2004 Estonia will be the first to accede to the cooperation agreement.

Lang expressed the hope that police cooperation embracing the whole European Union, which we do not have at present, will develop on the basis of the agreement.

"The old member countries opted for such in-depth cooperation because the European Union as a whole did not manage to agree on such an instrument," Lang said.

DEFENCE NEWS

Baltic States to Form Joint Infantry Battalion

Jan 12 - **Defence ministers of the Baltic states have decided to contribute a joint infantry battalion to NATO's rapid response force NRF.**

The Estonian, Latvian and Lithuanian defence ministers decided at a meeting in Panevezys, Lithuania to form a joint infantry battalion that would join the NRF in 2010, spokespeople for the Defence Ministry in Tallinn said.

"Although that is a serious effort, the Baltic states' joint battalion represents a considerable military capacity that NATO can use and which is a new level of Baltic defence cooperation," Estonian Defence Minister Jürgen Ligi said.

The ministers further agreed to seek continuation of the alliance's Baltic airspace guarding mission until 2018 and look for ways to reduce the expenses of allies participating in the policing of Baltic skies.

Ligi said the Baltic states should shoulder a bigger part of the financial responsibility for the airspace patrolling mission. The ministers also underlined the necessity of continued cooperation in procuring weapons and equipment.

The ministers confirmed the appointment of Brig. Gen. Gundars Abols of Latvia for the next chief of the Tartu, Estonia-based Baltic Defense College starting from 2008. The college is at present headed by Lithuanian Brig. Gen. Algis Vaiceliunas.

Estonian and Finnish Defence Ministers Confirm Good Cooperation

Jan 10 - **Finnish Defense Minister Seppo Kääriäinen and his Estonian colleague Jürgen Ligi gave a good opinion of the two countries' defence cooperation; the meeting also focused on decisions passed at NATO's Riga summit.**

"Although the role of Finland has changed after Estonia's accession to NATO, cooperation with Finland could be regarded as brilliant on the level of general political, cultural and bilateral defence cooperation levels," Ligi said. "Finland has very high

quality standards. For example, Finland observes NATO standards much more closely than several members of the alliance."

In addition to the two countries' relations the defence ministers also discussed security and defence policy of the European Union (EU) and participation in international operations. Both expressed satisfaction with the preparatory cooperation in the Nordic battle group until the present.

The defence ministers found that it was necessary to improve cooperation between the EU and NATO.

Kääriäinen gave an overview of the Finnish experience as presidency of the European Union and further plans of taking part in EU battle groups and the mission in Afghanistan.

Kääriäinen's opinion about NATO and EU crisis regulation was that dubbing of the two systems should be avoided.

"NATO is a military alliance and provides the military crisis regulation component," he said. "The EU is a political and economic organization and its role is to provide the civilian component of crisis regulation."

The Finnish minister said the aim must be effective combination of these two components in crisis regulation and no dubbing could be permitted in it.

Discussing the issue of giving defence assistance to third countries Ligi and Kääriäinen found that above all it was necessary to focus on countries situated in Europe's close vicinity, such as Western Balkan countries, Ukraine, Moldova and Georgia.

Ligi thanked Kääriäinen for support to the Baltic Defence College in Tartu until the present. The Finnish contribution to that institution is one of the highest. "Finland's presence in the Baltic Defence College is highly valued and important in preserving the internationally high level of the institution," Ligi said.

It was a regular meeting of the two countries' defence ministers aimed at working for closer relations between the two countries and discussing defence issues of interest to both the sides.

Wounded Estonian Soldiers in Afghanistan Return to Unit

Jan 10 - **Two Estonian soldiers, one of whom received a bullet and the other injured in a traffic accident in Southern Afghanistan, have returned to their unit but are not taking part of operations for the time being.**

Both soldiers have returned to their unit. Neither is taking part of operations but are doing administrative work during recovery.

Both would continue to serve in Afghanistan and would start taking part in operations soon.

The ESTCOY-3 infantry company and the EOD-10 ordnance disposal team are taking part in a major anti-Taliban operation in southern Afghanistan. Aside from Dutch, Canadian, British, Danish and Estonian troops also the Afghanistan army and police are taking part in the operation.

There are currently 132 Estonians serving in the NATO forces in Afghanistan, which makes it the largest foreign mission for the Estonian defence forces. Estonia has taken part in the operation in Afghanistan since 2003.

Apart from the 81-strong ESTCOY-3 and the 15-strong EOD-10 there is a 10-member Estonian

logistical support team serving in Afghanistan, along with officers and NCOs serving at various staffs.

Estonian Army Commander Meets with Chief of NATO Operations' Command

Jan 15 - **Commander of the Estonian defence forces Maj. Gen. Ants Laaneots and Gen. John Craddock, chief of Allied Command Operations (ACO), during their meeting spoke about NATO operations and Estonia's contribution to them.**

Discussed were the NATO air policing mission in the Baltics, NATO operations and development plans, as well as NATO's energy security. The two generals also spoke about participation of the Baltic states' joint infantry battalion in the NATO Response Force and Estonian units' participation in NATO operations.

Laaneots was offered an overview of the cooperation between the military dimensions of NATO and the EU.

During the official welcoming ceremony at the allied headquarters in Europe the commander of the Estonian defence forces was welcomed by chiefs of departments of the headquarters as well as by military representatives. For the chief of ACO, who took over the duties from Gen. James L. Jones in December 2006, this was the first time to welcome the commander of the defence forces of an alliance member.

Laaneots also met with the Estonian personnel serving at the allied headquarters in Europe. Right now 13 officers and NCOs from Estonia are serving there.

The new Estonian armed forces chief visited the Allied Joint Force Command in Brunssum, Holland, which is in charge of the NATO operations in Afghanistan.

Laaneots will meet with the outgoing commander of the Allied Joint Force Command, Gen. Gerhard Back, and the new commander, Gen. Egon Ramms.

Gen. Ramms previously served as commander of Multinational Corps Northeast. Estonia has its officers serving at the headquarters of that corps since fall 2002.

Defense Forces Commander to Discuss Cooperation with Baltic Colleagues

Jan 11 - **Estonian defence forces commander Maj. Gen. Ants Laaneots had his first meeting with his Latvian and Lithuanian colleagues in Lithuania.**

In their discussions the commanders of the Estonian, Latvian and Lithuanian defence forces will plan further development of joint defence projects.

The three generals will discuss the Baltic countries' potential joint contribution to the NATO response force NRF-14 by a joint infantry battalion and air space security. Besides, issues connected with the Baltic Defence College will be discussed.

The three Baltic countries' delegations will also visit the Lithuanian Zokniai air base where the fighters providing provisional NATO air space security are stationed.

The delegations will also take part in the remembrance ceremony of the January 1991 events at the Vilnius TV tower where Soviet tanks crushed several civilians under their caterpillars.

Estonia Sending Arms Inspectors to Macedonia on OSCE Mission

Jan 16 - **The arms control group of the Estonian defence forces will conduct an inspection in Macedonia under the Vienna document of the Organization for Security and Cooperation in Europe (OSCE).**

The inspectors will look at Macedonia's 1st Mechanized Infantry Brigade, stationed at Stip some 100 kilometres from the capital Skopje.

According to data submitted by Macedonia, the brigade has 1,124 personnel, 85 armoured personnel carriers and 18 units of 120-millimeter mortars. Macedonia's defence forces have approximately 10,000 members overall.

"In addition to traditional checking of data we are keen to learn about the process of Macedonia's integration with NATO and primarily what changes are taking place on the unit's level in connection with that aspiration," said the chief of the arms control group at the Estonian General Staff, Maj. Villu Tamul.

The purpose of the inspection is to ensure a relationship of trust and security between member countries of the OSCE. The inspectors will check whether the data about weapons, above all heavy weapons, submitted by the OSCE member state to its OSCE partners is correct and whether the published coordinates of the locations of military units are correct.

Estonia has never before conducted inspections in countries of the Balkans on its own, but its arms control experts have participated in OSCE missions there as part of teams led by officers from other OSCE member states.

DOMESTIC NEWS

Parliament Passes War Graves Protection Act

Jan 10 - **The Estonian parliament has passed the War Graves Protection Act, that stipulates the protection of all war graves, as Estonia has bilateral agreements on this subject only with Germany and Finland.**

The act, based on the respective Geneva convention, creates the possibility of the reburial of remains of fallen soldiers and removal of respective grave monuments and stones if the graves are situated in unsuitable places or if reburial of the remains is necessary for other reasons in public interests.

According to the act unsuitable places are mainly parks and gardens, built-up areas and places where mass events take place on graves. If the war graves commission declares the place of a grave to be unsuitable, the defence minister will decide which remains will be reburied to which cemetery.

Until the present there was no act or other regulation concerning the issue of the protection of war graves in Estonia. Care of German and Finnish war graves in Estonia is regulated by agreements between the Estonian and German and Estonian and Finnish governments.

Almost All Russian-Language Schools Teach Some Subjects in Estonian

Jan 10 - **Over the past two years the attitude and readiness of transition to partial instruction in Estonian has improved in the**

country's Russian-medium schools and partial teaching of subjects in Estonian is already being practiced in nearly all schools, a recent TNS Emor poll revealed.

According to the poll, at least one subject was being taught in Estonian in 62 schools out of 65 involved in the poll and 68 percent of the schools said they were planning to increase the volume of instruction in Estonian.

Also the teachers' assessment of their command of Estonian and readiness to teach their subject in Estonian has improved. The number of teachers teaching their subject in Estonian has increased while that of teachers teaching in Russian alone has declined.

Opinions in the schools of the need of partial instruction in Estonian have increased as well. If in 2004 83 percent of principals found it was very important to teach some subjects in Estonian, then now 94 percent of the principals gave such an answer.

In the principals' opinion teaching of subjects in Estonian improves the Estonian proficiency of the students, raises the competitiveness of Russian school leavers on the labor market and widens their opportunities of continuing their education.

Estonian Ministry Draws up Marine Pollution Control Plan

Jan 11 - **Estonian Interior Minister Kalle Laanet presented to the Cabinet a recently completed state marine pollution control plan.**

The plan describes different ministries', institutions' and organizations' duties and activity in pollution control.

Laanet underlined that although pollution control was coordinated by the Interior Ministry, responsibility for the protection of the marine environment lay on a considerably wider circle of agencies and organizations of the state.

The state marine pollution control plan is built up in accordance with danger analysis and bears in mind terms and recommendations of international conventions.

"It took one and a half years to draw up the pollution control plan. This time is long enough, but it was important for us to take into consideration as many different aspects as possible and involve into this complicated sphere all agencies and organizations connected with the protection of the marine environment," the minister said.

The marine pollution control plan serves as the basis to relevant institutions and organizations in drawing up and renewal of action plans. Treatment of pollution control in the interior security development plan, to be completed by the end of this year, will be built up on the basis of this document.

The Number of Persons with No Citizenship Has Fallen

Jan 9 - **The number of persons without citizenship has been declining fast in Estonia.**

There were 125,799 people with no citizenship, 9 percent of the country's permanent population, in Estonia as of December 31, during the year the number has fallen by 10,201.

In 1992 people without citizenship constituted 32 percent, in 1999 13 percent and last year 9 percent of Estonia's permanent population.

The rate of contraction has been steady in the past few years. In the period from 2003 to 2006 it fell from 172,325 persons to 125,799 persons, by 46,526 persons over the four years.

ECONOMIC NEWS

Currency rates in kroons

(Bank of Estonia)

Positive Economic Climate Due to Continue in Estonia - Experts

Jan 10 - **Experts interviewed by the Estonian Institute of Economic Research (EKI) at the end of last year unanimously saw the situation of the economy as being good and expected upbeat sentiments to continue also in 2007.**

Of the experts interviewed by EKI in December, 88 percent described the situation regarding investments as good while 12 percent saw it as satisfactory.

The situation with private consumption was regarded as good by all respondents.

Six percent of respondents said they believe that the situation of the Estonian economy after six months will be better than at the end of 2006, 70 percent believed that the situation will remain as it is and 24 percent forecast deterioration.

Experts believe that Estonia's exports and imports are set to increase over the next six months. Interest rates for short-term loans in the meantime are about to move higher.

For stock prices analysts generally held out a prospect of moderate rise.

The experts were optimistic in what regards developments in construction compared with overall economic growth, with 64 percent estimating that the construction sector will grow faster this year than the economy on the whole and the rest believing that development of the construction sector will be about as fast as that of the economy in general, or slower.

Experts' expectations overall have nevertheless become somewhat less optimistic, which is reflected in a lower index of economic climate, the institute said.

Revenue of Estonia's State Budget Surpasses Expenditure by EUR 332 Mln

Jan 10 - **Revenues of the Estonian state budget in 2006 rose to 67.8 billion kroons (EUR 4.33 b), which makes up 101.4 percent of the target set out in the state budget and the supplementary budget, according to preliminary figures by the Finance Ministry.**

As of the end of December revenue exceeded expenditures by 5.2 billion kroons (EUR 332 mln).

In comparison with 2005 the intake of budget revenue improved by 22.2 percent, with 55.5 billion kroons taken in by the end of 2005.

Expenditures grew at a slower pace than revenues. The year-on-year increase in expenditures was 18.8 percent, and expenditures reached 62.6 billion kroons in 2006.

Tax revenue came to 55.2 billion kroons as of the end of the year, which corresponds to 102 percent of the target.

Intake of tax revenue in December totalled 5.3 billion kroons. Non-tax revenue totalled 1.09 billion

kroons during December and 12.6 billion kroons during the year, making up 99.1 percent of the target.

The executed expenditures in the amount of 62.6 billion kroons as of year-end made up 93.4 percent of the figure set out in the budget law.

Of external means, 4.2 billion kroons or 75 percent of the amount planned for 2006 had been received by the end of December.

Registered Jobless Rate 1.4 Pct in Estonia at Turn of the Year

Jan 9 - **At the beginning of January 12,029 people were registered as jobless in Estonia, making up 1.4 percent of the country's population from age 16 to pension age.**

Compared with Dec. 1, there were 174 unemployed residents less registered with the Labor Market Board. Compared with Jan. 1, 2006, the number had decreased by 46 percent.

In December 13,607 people looked for work via the Labor Market Board and 1,620 people were registered as new unemployed. As of Jan. 1, the Labor Market Board had 1,274 young unemployed persons aged 16-24 on their books while those aged over 50 numbered 4,005.

The level of unemployment remains the highest in the north-eastern Ida-Viru County where 3.4 percent of the working-age population was registered as jobless. The Valga County bordering Latvia was second with 3.2 percent, whereas the lowest ratios were reported in Harju County (0.8 percent) and the Rapla and Tartu counties (both 0.9 percent).

During December the Labor Market Board had 9,033 vacancies to offer to job-seekers and as of Jan. 1 jobs on offer numbered 7,110.

Estonian IT Company Eyeing United States as Market for its Mobile Parking Service

Jan 9 - **In marketing its mobile parking service, the Estonian IT company Helmes has apart from Belgium set its sights on the US state of Maryland, Catalonia of Spain, and cities of Northern Italy.**

Kalju Rütli, member of the supervisory board of Helmes, told Eesti Päevaleht that the list of potential markets was longer still, as negotiations were being held with about 30 cities simultaneously.

Offering good prospects for Helmes for expansion in Europe is its cooperation with Europe's largest parking operator APCOA, which operates some 800,000 parking places in 13 countries across Europe. APCOA and Helmes have set up a joint venture in Belgium called Mobile4, which is offering payment of parking fares by mobile phone in the cities of Antwerp and Mortsel. Helmes is working closely in Belgium with the mobile operator Proximus, a company of the Vodafone group.

"We've been doing well beyond expectations in Belgium,"

Rütli said. In Antwerp Mobile4 has a market share of approximately 10 percent. Proximus meanwhile has five million customers across Belgium. Helmes is striving to serve at least a tenth of them in a couple of years' time.

"Parking business is a local and political business, therefore we presume that our partner in the country of operation is a company which has

experience in parking and relations on the level of the city government, and is able to present the advantages of our system," Rütli was quoted by the newspaper as saying.

Estonian Co-creators of Skype Invest EUR 1.6 Mln in Biotech Company

Jan 10 - **Ambient Sound Investments (ASI), an investment company set up by the Estonian co-creators of the Internet telephony solution Skype, is about to invest 1.6 million euros in the Estonian biotechnology company Celecure.**

That will give ASI a 26 percent shareholding in the biotech venture that focuses on developing anti-cancer and other drugs.

Right now Celecure is working on a drug which according to the company's CEO Tarmo Kivi may mark an important breakthrough in the treatment of cancer.

Celecure is seeking patents for the drug in the EU, United States, Canada, Australia, Japan, China and India, and has entered into negotiations with several international drug manufacturers.

Jaan Tallinn, partner to ASI, said the investment company will continue with the same strategy and that the acquisition adds a promising sector to their portfolio.

"Biotechnology and development of anti-cancer drugs has very big potential worldwide," Tallinn aid.

ASI is an investment group set up by four Estonian creators of Skype in 2003. The four -- Toivo Annus, Jaan Tallinn, Ahti Heinla and Priit Kasesalu -- own the company in equal shares and are all members of the management board.

Estonia on a 12th Place in Economic Freedom Index

Jan 16 - **Estonia is in the Index of Economic Freedom of the Heritage Foundation and Wall Street Journal, on a 12th place in 2007.**

Estonia is ranked 5th out of 41 countries in the European region.

According to 2007 assessment, Estonia's overall score based on 10 indicators was 78.1 out of a possible 100. Last year Estonia scored 75.9 points.

Estonia scored highly in fiscal freedom, investment freedom, financial freedom and property rights. The lowest score was recorded in labour freedom.

Of Estonia's neighbours, Lithuania ranked 22nd and Latvia 41st in this year's index. Finland placed 16th. At the top of the index as the world's freest economies were Hong Kong, Singapore and Australia.

Estonian Energy CEO: Poland's Involvement in Nuclear Plant Requires Agreement on Conditions

Jan 10 - **While there are advantages in Poland's participation in the nuclear power plant project of the Baltic states' energy companies, there are also some conditions which need to be negotiated with Poland, Eesti Energia (Estonian Energy) CEO Sandor Liive said.**

Heads of the three Baltic power utilities met in Warsaw to learn more about the Polish energy company PSE (Polskie Sieci Elektroenergetyczne)

and discuss possibilities how to involve Poland in the nuclear project, spokespeople for Eesti Energia said.

"Definitely, there are advantages in Polish participation in the already started nuclear project. Nevertheless, there are some conditions which have to be agreed upon with Poland," Liive added.

"The nuclear project would benefit if the new plant would supply electricity to a market bigger than the Baltic states," said Liive.

An important issue that has to be solved concerns the exact size of PSE's ownership in the project. PSE's interest to participate in the project is definitely different from that of the Baltic States, who take the new nuclear plant as the key to ensuring security of supply.

Estonian Government Allots EUR 8.56 mln for Partial Payment of EU Sugar Penalty

Jan 11 - The Estonian government decided to give 134.03 million kroons (EUR 8.56 mln) from its contingency reserve to the Tax and Customs Board to pay an instalment of the EU sugar penalty.

The European Commission has slapped a penalty of 45.7 million euros or 715 million kroons on Estonia for having had excessive stocks of sugar in the amount of 91,464 tons at the moment of accession to the EU in 2004.

The penalty can be paid over a period of several years.

Before accession, new member states were ordered to ensure that parties in their territory do not accumulate speculative stocks of subsidized produce which could then upset balance of the EU market.

In addition to Estonia also Cyprus, Latvia, Slovakia and Malta were fined for having possessed sugar stocks deemed as excessive. In all, these countries must pay the EU 57 million euros over four years.

Since the penalties are treated as the EU's own funds, the countries involved can keep one-fourth of the sum and the payments can be carried out in four parts.

Estonia has contested the penalty at the European Court of Justice. The government originally expected to recover a part of the sum from the companies that speculated in sugar, yet it has lost in all legal proceedings against the businesses so far because of deficiencies in the respective law.

Before joining the EU sugar in Estonia cost about half its price today.

Estonian Railway Earned EUR 11.5 Mln Profit in 2005

Jan 9 - According to reports endorsed by the supervisory board of Eesti Raudtee (Estonian Railway), the company earned a profit of 180 million kroons (EUR 11.5 mln) on sales of 1.8 billion kroons in 2005 without revaluation of assets.

When taking into consideration the revaluation of assets carried out by the previous majority owner Baltic Rail Services (BRS), the outcome for 2005 would be a loss of 40 million kroons.

Representatives of the state and Baltic Rail Services (BRS) signed documents under which the state again became the owner of 100 percent of the shares of Eesti Raudtee

Also held was an extraordinary general meeting of shareholders of Eesti Raudtee to approve the annual reports for 2004 and 2005.

The state paid 2.35 billion kroons (EUR 150 mln) for the 66 percent majority shares in Eesti Raudtee.

Edelaraudtee Carries 6 pct More Passengers in 2006

Jan 9 - Edelaraudtee, the operator of domestic passenger trains in Estonia, carried 1.9 million passengers during 2006, which marks a 6 percent improvement on the preceding year.

The number of passengers grew for the fifth year in a row. Kalvi Pukka, member of the management board, said the volume target for this year in accordance with the operating agreement concluded with the state is 1.8 million train-kilometers, or 12 percent more than last year.

"I think that the increase in the popularity of trains is attributable to increased speeds, high service culture, road traffic's getting ever more intense, and the more and more widespread recognition that rail transport is stable and safe," Pukka said.

Edelaraudtee may well carry over two million passengers this year, Pukka said.

As its main achievement since privatization, Edelaraudtee has named increasing traffic volume on a number of routes under circumstances where the subsidies per train-kilometer and per passenger remain effectively the same as five years ago.

Edelaraudtee stands to get a subsidy of 165.6 million kroons (EUR 105.8 mln) from the state this year, compared with 152 million kroons in 2006.

Estonian Rail Company Planning to Invest EUR 56 Mln This Year

Jan 9 - Eesti Raudtee (Estonian Railway), which again became a 100 percent state-owned company, plans to make investments worth 868 million kroons (EUR 56 mln) this year.

Eesti Raudtee invested approximately 500 million kroons last year.

The invested money will be spent mostly for increasing efficiency and safety, Economy and Communications Minister Edgar Savisaar said.

In order to boost efficiency, Eesti Raudtee is carrying out major repairs on track in several parts of Estonia. The minister specifically highlighted works being planned at the railway station of Tartu. As regards safety, the company is investing in barrier fences, noise barriers and road crossings.

EU to Back Enlargement of Estonia's Muuga Port with EUR 23 Mln

Jan 9 - The European Commission signed a financing decision at the end of December under which the EU will provide 361 million kroons (EUR 23 mln) in support for the enlargement of the eastern part of the Muuga port just outside the capital Tallinn.

The estimated cost of the project consisting of three stages is 2.72 billion kroons, the Estonian Finance Ministry said. Muuga is the largest port in Estonia.

Renaldo Mändmets, deputy general secretary of the ministry, said the EU would support the first phase of enlargement works at Muuga via the

Cohesion Fund. "The works to be carried out are extensive. With the expansion of the eastern part of Muuga port a possibility will be created for the port to make use of market opportunities in the future," Mändmets said.

Expansion of the eastern part of Muuga port is the last project financed from the Cohesion Fund in the EU's 2004-2006 budget period. During the entire period Estonia has been allotted funds in the amount of 428 million euros, which were entirely covered with liabilities as of the end of 2006.

Estonian Banks' Assets Grow by EUR 3.48 Billion in 2007

Jan 16 - **Assets of Estonian commercial banks increased by 54.42 billion kroons (EUR 3.48 billion) in 2007, totaling 239.52 billion kroons at the end of the year.**

In December the banks' assets grew by 7.67 billion kroons, the central bank said.

Of banks' consolidated assets at the end of December, claims to clients made up 177.69 billion, claims to credit institutions 22.13 billion and claims to the central bank 17.09 billion kroons.

Claims to clients grew by 5.71 billion kroons, to credit institutions, by 1.17 billion kroons, and to the central bank, by 1.54 billion kroons during the month.

Commercial banks' loans to the government stood at 2.79 billion kroons, to financing institutions at 9.66 billion kroons, to companies at 83.43 billion kroons, and to individuals at 79.06 billion kroons.

Loans to individuals grew by 2.82 billion kroons and loans to businesses, by 2.85 billion kroons during December.

Banks' liabilities to credit institutions totalled 65.09 billion kroons and to customers, 122.96 billion kroons at the end of last month.

Companies' deposits increased to 58.25 billion kroons from 55.84 billion kroons at the end of November. Individuals' deposits grew from 43.92 billion kroons to 44.76 billion kroons.

Estonia's Moonfish Media Buys Largest Real Estate Portal in Lithuania

Jan 10 - **Edomus UAB, subsidiary of the Estonian Internet company Moonfish Media in Lithuania, bought 100 percent of the shares of Lithuania's most-visited real estate portal arudas.lt.**

Edomus UAB also owns the edomus.lt portal, which ranks second by the number of visits among real estate portals in Lithuania.

"With that purchase we emerged as one of the largest players on the Internet landscape in Lithuania," Moonfish Media board member Raivo Hein said.

"The real estate market in Lithuania is only acquiring the kind of size that the Estonian market did during last year, and that will allow us to multiply turnovers and retain our leader's position," he said.

For the time being the two portals will continue as separate entities, but will be united into a single environment later. Which of the two brands remains will become clear after the portals are merged, Hein added.

Estonian e-document Service Provider Telema Expanding to Latvia, Lithuania

Jan 11 - **Telema, an Estonian provider of e-document administration services and IT solutions to corporate customers, is about to make its services available also in Latvia and Lithuania.**

The goal is to win a market share of at least 50 percent in the electronic traffic of business documents between retail chains and suppliers in Latvia and Lithuania by the end of 2008.

The managing director of Telema, Maiko Kalvet, said expansion into neighbouring markets was a logical step since many of Telema's clients were active also in Latvia and Lithuania and wished to exchange electronic documents with their partners there.

E-services by Telema allow its customers to send and receive invoices, delivery notes, offers, orders, reports and other commercial documents by electronic means. More than 400 trade enterprises and suppliers have joined the Telema system in Estonia.

Tallink Passenger Number up 123 pct in December

Jan 15 - **The Estonian shipping company Tallink Grupp said the number of passengers on shipping routes served by the company increased by 123 percent to 523,103 against the same month in 2005.**

Tallink said that the growth in the number of cargo units increased by 125 percent to 25,106 in December. In Estonian-Finnish traffic Tallink carried 195,151 passengers, 56,180 passengers in Estonian-Swedish traffic, 12,423 in the Latvian-Swedish traffic and 250,608 passengers in the Finnish-Swedish traffic in December.

The total number of cars carried by Tallink totalled 36,234 in December.

Tallink has a total of 21 ships, and the company operates on seven different shipping routes.

Estonian Air Reports 7.3 pct Increase in Number of Passengers in 2006

Jan 11 - **The total number of passengers carried by Estonian Air increased by 7.3 percent year-on-year to 689,800 in 2006.**

The fastest growing business area was charter operations. The load factor was 62 percent, up by one percentage point from 2005. The number of charter passengers grew by 34 percent compared to 2005, reaching 91,700.

Estonian Air operated 9,070 flights in 2006, an increase by just 0.2 percent over the preceding year.

Estonian Air offers regular flights from Tallinn to 15 destinations throughout Europe. It is owned by the Estonian state, SAS Group and the Cresco investment bank.

Estonia has Widest Male Female Wage Gap in EU

Jan 12 - **The wage gap between men and women in Estonia has expanded to 25 percent, a new record for the current century, which puts Estonia in the top place of the respective EU table along with Cyprus.**

If an average Estonian man brings home 10,000 kroons (EUR 640) a month, then the average sum for women is 7,500 kroons, it appears from figures on 2005 published by Eurostat. The size of the gap in 2004 was 24 percent.

Kadi Viik, chief of the department for gender equality at the Ministry of Social Affairs, said the wage gap in Estonia was unusually big for a member state of the EU and that in order to make it narrower one had to fight with discrimination arising from people's attitudes.

"The assumption is that men have to earn more because they are the breadwinners of the family," Viik said, adding that usually colleagues do not reveal to each other the size of their wages and thus the lower-paid employees have no grounds to file demands for a rise.

The gap was the narrowest in public governance, national defense and social security, where the average hourly pay of women made up 92.4 percent of that of men.

The biggest difference was reported in financial sector, where women earned on the average 54.1 percent of the hourly pay of men.

Kristina Tamberg, chief spokesperson for Hansabank, said the reason for that lay in job hierarchy, as in banking top executives most often were men while women dominated in customer service jobs.

"Definitely there is no gap of that kind in jobs of the same degree of complexity and responsibility," Tamberg said.

CULTURAL NEWS

First Volume of National Classic by Estonian Writer Tammsaare to Appear in English

Jan 15 - **Two Estonian-Americans, Inna Feldbach and Alan Trei, have translated into English the first volume of "Truth and Justice," a national classic by Estonian writer Anton Hansen Tammsaare.**

They have sent some sample chapters of what they call the "sprawling, rambunctious" epic, and a literary journal is publishing one of them. The others are now with Random House in New York, and Arcadia Press in London, the report said.

A representative of the Anton Hansen Tammsaare Museum in Tallinn, speaking to , recalled that Feldbach had talked about translating of the literary work briefly during a conference last year dedicated to the 80th anniversary of the publication of the first volume, which came out in 1926.

The author in The Economist describes "Truth and Justice" as a terrific tale, in five volumes, spanning rural farm life in Tsarist-era Estonia, the Russian revolution and the creation of an independent Estonia. Rumor has it that there was once a translation into English, but it perished during a wartime shipwreck.

"Truth and Justice" or parts of it have been earlier translated into Finnish, German, Lithuanian, Latvian, Russian, Polish, Hungarian, Czech, Dutch, and French. Overall, works by Tammsaare, who lived in 1878-1940, have been translated into approximately 30 languages.

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