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FOREIGN NEWS

President Ilves: Estonia, Latvia Have a Special Relationship

Jul 12 - **Estonia and Latvia enjoy a special relationship, Estonian president Toomas Hendrik Ilves said.**

"I am very glad that your first foreign visit as Latvia's new head of state is to Estonia," Toomas Hendrik Ilves told his counterpart Valdis Zatlers who paid a working visit in Tallinn. "This characterizes our relations which can sincerely be described as special. We think in the same key."

It suffices to look at the two countries' economic relations which keep developing on an upward course, Ilves said. Latvia is constantly among the top five trade partners of Estonia and both the trade volume and mutual investments keep growing steadily.

The heads of state emphasized the importance of cross-border cooperation and expressed the hope that it will intensify after Jan. 1, 2008 when both countries will join the borderless Schengen space.

Speaking about energy, the presidents focused on the new nuclear power plant to be built in Ignalina, Lithuania, underscoring the necessity of reaching binding agreements between the Baltic States and Poland as soon as possible.

Stopping on European Union issues, Ilves said Estonia wishes a speedy and effective intergovernmental conference.

"It would be wrong to reopen political questions," he said. "Estonia cannot support this because it would jeopardize the whole compromise reached with such difficulty at the June council."

Looking into the future, the bloc's enlargement plans must not be jettisoned, Ilves added.

"This means that future expansion of the alliance should not be blocked or, in a manner of speaking, final borders of Europe drawn on the pretext of negative public opinion," he said. "True, we have to take account of public opinion; it's also true that we see Europe today struggling with the consequences of the last round of enlargement; but what we have to do now is to patiently and considerably more widely explain the success story of enlargement to the public at large."

The Latvian president who was sworn in on 8 July announced already in mid-June his first foreign visit after taking office would be to Estonia.



Foreign ministers Frank-Walter Steinmeier and Urmas Paet in Tallinn, 11 July.

FOREIGN NEWS

Estonian, German Foreign Ministers Discussed Relations with Russia, EU Issues

Jul 11 - **Foreign ministers of Estonia and Germany indicated both the European Union's and Estonia's wish to maintain good relations with Russia.**

During the German presidency of the EU in the first half of this year some complex situations developed in EU-Russia relations, the German minister, Frank-Walter Steinmeier, recalled, naming open but difficult talks at the Samara summit as well as the problems with a new partnership and cooperation agreement due to Polish meat exports into the East. Nevertheless, work to hammer out a deal must continue, Steinmeier said,

Urmas Paet expressed support for the principle that relations with Russia must be governed by the bloc's solidarity. "The EU's common foreign and security policy should be applied to Russia as well," he said.

The minister repeated several times that Estonia wished for normal and good neighborly relations with Russia. "But this requires will from both sides," he observed.

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The foreign ministers also spoke about EU issues, including the reform of underlying documents. Steinmeier said he was pleased that a large part of the content of the discarded Constitutional Treaty has been preserved even if under a new name.

Paet mentioned the timetable according to which the Portuguese presidency hopes to clinch the reform deal within this year so the member states can ratify it in 2008 for implementation at the start of 2009. "Let us hope this is what will happen," he said. Steinmeier too expressed the hope the reform treaty will not run into any difficulties at the intergovernmental conference.

The ministers also touched on the Kosovo issue. Both stated that the solution lies in a UN Security Council resolution for which serious effort is needed.

Steinmeier also met with Estonian president Toomas Hendrik Ilves. Estonia's future plans for increasing cyber security and developing a cyber security center were discussed during the meeting.

Ilves expressed the hope that the cyber security center set up in Tallinn would get NATO's official accreditation next year.

"I am pleased that Germany was the first country that promised to join Estonia in this project," the head of state said. In his words, Estonia's aim is to arrive at an assessment of whether the present European Union regulations are sufficient to ensure cyber security and fight cyber crime.

"In Estonia's view, it is essential to address information and network security issues on the European Union level and form a general policy in this sphere," the president said. "Estonia is seeking regulation of EU electronic communications, organizational structures and cooperation processes in a way that will in the future help better safeguard the infrastructure of the information society from attacks."

Ilves and Steinmeier also discussed the future of the EU, the war in Afghanistan, Moldovan and Georgian developments, the natural gas pipeline Russia and Germany are going to build under the Baltic Sea, and relations with Russia.

Paet: Russia's Pullout from CFE Treaty is Regretful

Jul 14 - Russia's decision to pull out of the Conventional Forces in Europe (CFE) treaty is regretful and it is hoped that this step will not lead to another spell of arms race in Europe, the Estonian foreign minister Urmas Paet said.

In Paet's words, Estonia views the CFE Treaty as a cornerstone of Europe's security and therefore considers its undermining to be extremely regrettable.

Estonia has repeatedly reaffirmed at the highest level its willingness to join the adapted CFE after it takes effect, he stated.

Russia has not complied with the Istanbul agreement which requires it to withdraw its troops from regions of frozen conflicts such as Georgia and Moldova, Paet observed. This in turn has prevented

West European countries from ratifying the adapted treaty and the Baltic states, from joining it.

The minister pointed out that the existing treaty does not provide for the admission of new members and the adapted one won't be open to new countries wishing to join it until it takes effect.

The decision is bad news to both Estonia that has a common border with Russia and other European countries, Paet stated.

Estonian-Latvian Cooperation Report Will Bring Countries Closer Together - Estonian Foreign Minister

Jul 12 - Foreign Minister Urmas Paet who met with Latvia's new President Valdis Zatlers in Tallinn congratulated the president on taking office and expressed his conviction that Latvian-Estonian cooperation will deepen.

Speaking about strengthening bilateral cooperation, the two stated that drawing up a report on Estonia and Latvia as members of the European Union and NATO will be an essential cornerstone of collaboration.

"Implementation of the report will bring our countries closer together and reinforce regional cooperation," Paet said.

The minister said he was happy with Zatlers' choice of Estonia as the destination of his first foreign visit.

Other topics discussed in the meeting included relations with Russia, the situation in Afghanistan and Kosovo, and the Latvian presidency of the Council of the Baltic Sea States.

Paet also inquired about the Latvian-Russian border treaty and voiced the hope that the foreign affairs committee of the Russian State Duma will endorse the ratification bill before the start of summer vacations.

The president and the minister discussed at length the Kosovo situation, agreeing that it is vital to maintain a consolidated position within the European Union.

"The future UN Security Council resolution must provide the framework necessary for Kosovo's independence and ensure international legitimacy for the settlement of the Kosovo issue," Paet said. "Serbia's democratic forces meanwhile should have the unequivocal support of the EU."

Latvian President and Estonian Prime Minister Agreed on Nuclear Power Plant Project

Jul 12 - Latvian President Valdis Zatlers and the head of the Estonian government, Andrus Ansip, confirmed a common stance on the Ignalina nuclear power plant project.

Of major joint projects, the Ignalina plant came under discussion at the president's and prime minister's meeting in Tallinn.

Both parties stated that their positions coincided. For instance, both consider it important to move ahead with the project as quickly as possible, settle questions relating to the construction of the nuclear power plant by consensus, and protect the interests of minority stakeholders.

Estonia and Russia Held Consultations on Consular Issues

Jul 13 - **Foreign ministries of Estonia and Russia held another round of regular consular consultations in Tallinn.**

The meeting on 16 and 17 July mainly dealt with the implementation of the European Union-Russia visa facilitation agreement.

Matters related to the EU-Russia readmission treaty and cross-border movement of people were also discussed.

The Estonian delegation at the talks was headed by the director-general of the ministry's consular department, Jaanus Kirikmäe.

Estonia Established Diplomatic Relations with Gabon

Jul 13 - **The Estonian and Gabonese ambassadors to France signed in Paris a joint communiqué on the establishment of diplomatic relations between the two countries.**

After the ceremony the diplomats discussed relations between European Union and Africa and regional policies.

Opportunities for bilateral cooperation were also under discussion and the ambassadors agreed that a way to enliven contacts is the institution of honorary consul through which tourism and economic and cultural ties could be developed in the future.

The Estonian ambassador, Margus Rava, thanked Gabon for supporting Estonia's bid for membership in the UNESCO intangible heritage committee in June 2006.

Estonia has for some time maintained relations with Gabon within the Cotonou Treaty.

Estonia now has diplomatic relations with 194 countries of the world.

DEFENCE NEWS

Estonian Defence Forces Want to Lease Training Jets

Jul 11 - **Estonia's defence forces want to lease through a public procurement tender jet planes to train ground intercept controllers.**

The airspace surveillance division wishes to lease two jet aircrafts for a period of two years and 460-615 flight hours.

The lessor must be able to supply a replacement for maintenance periods or for when a possible fault has to be put right.

The lessor is also required to arrange aircraft type training for at least three pilots unless the planes offered are of the L-39 type the defence forces are using at present.

The defence forces have also earlier leased aircrafts to train ground intercept controllers but only for one year at a time. A public procurement tender announced in spring 2006 was won by the aviation company Musket that offered the airspace surveillance division L-39 aircraft.

DOMESTIC NEWS

Two-third of Estonians Consider EU Membership as Positive

Jul 13 - **The share of Estonian nationals who regard membership in the European Union as a**

good thing has grown from last fall's 56 percent to 66 percent, the latest standard Eurobarometer survey reveals.

The Estonian figure is nearly 20 percent higher than the EU average.

The opinion that EU membership increases security was shared by 70 percent of Estonian citizens compared to 56 percent last fall.

More and more people believe that EU membership brings economic stability. Compared to the EU average of 51 percent, Estonian citizens are considerably more positively minded as 71 percent perceive growth of economic stability.

The same applies to political stability. In the spring poll 66 percent of respondents or 10 percent more than previously named this as one of the benefits of EU membership.

Besides the 27 member states of the EU, the survey covered two candidate countries -- Turkey and Croatia -- and Northern Cyprus.

Estonia Naturalizes Nearly 400 Individuals

Jul 12 - **The Estonian government granted at the Interior Ministry's proposal citizenship to 377 individuals.**

All of the applicants had fulfilled the requirements prescribed by the Citizenship Act and there were no grounds to turn down their citizenship applications.

At the beginning of June 317 people were naturalized in Estonia. Prime Minister Andrus Ansip then said that since restoration of independence in 1991, Estonian citizenship by naturalization had been granted to 144,726 persons. Last year 10 201 people were naturalized.

The ratio of people having undetermined citizenship has contracted at a rapid rate. If in 1992 such people formed 32 percent of the population then in 1999 they made up 13 percent.

Action plans of Estonia's national integration program for 2004-2007 set the target at naturalizing at least 5,000 people annually.

ECONOMIC NEWS

Currency rates in kroons (Bank of Estonia)

Estonia Already Meets EU's Future Requirements for Renewable Energy

Jul 12 - **Estonia already now meets the 20-percent minimum requirement as regards the use of energy produced from renewable sources, set out in the European Commission's guidelines for the development of renewable energy.**

The draft paper seeks the above average ratio to be achieved in the EU by 2020.

Einari Kisel, chief of the energy department at the Estonian Ministry of Economy and Communications, said that in the basic guidelines to be completed by the Commission soon the ratio is calculated exclusively on the basis of actual final consumption, leaving aside exports of electricity and other kinds of energy as well as losses in networks and power generating plants.

"It's a matter of numbers -- in Estonia one usually talks only about the share of renewable [sources] in the production of electricity, but actually one should look at the overall picture -- electricity, heat and fuel, but also home heating and transport," Kisel said.

"From this it comes out that in Estonia the share of renewable energy is close to 20 percent already today," he said.

Judging by the same standards Estonia also ranks among the five countries using renewable energy the most in the EU.

"Ahead of us come Latvia, Finland and Sweden -- Estonia is approximately at the same level with Austria, ranking fourth or fifth," Kisel said.

"Latvia has a wide lead thanks to the production of hydro energy -- their ratio [of renewable energy] is about 40 percent," Kisel said. Finland and Sweden have it somewhere close to 30 percent, and Estonia and Austria at close to 20 percent.

Since on the basis of these calculations Estonia effectively has already surpassed the goal set by the EU for 2020, the country will in great probability set its goal higher than the targeted EU average for that period, the official added.

Half-year Sales by Estonian Retailer Tallinna Kaubamaja up 47 Percent

Jul 13 - **Consolidated unaudited sales by Tallinna Kaubamaja Group in the first six months of 2007 totalled 2.8 billion kroons (EUR 178.2 mln), a year-on-year increase of 47 percent, the company announced in its sales report.**

Sales in the comparable period in 2006 came to 1.9 billion kroons (EUR 121.1 mln). The rising sales were mostly the result of growing purchasing power, Kaubamaja said.

The figure for the first six months of 2006 does not include sales by the car selling business segment.

Sales by Kaubamaja's subsidiary, the A-Selver chain of supermarkets accounted for nearly two-thirds of group sales in the first half of this year. Sales by A-Selver during the six months totaled 1.7 billion kroons, a 32 percent higher figure than in the year before. Average monthly sales per square meter of sales area at A-Selver came to 7,200 kroons per month, which is 26 percent more than a year ago.

Sales by the department store business segment totaled 693.5 million kroons, an increase of 23 percent over the same period last year.

Sales by the car selling business segment during the six months were 374 million kroons, with 1,429 new cars sold.

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