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FOREIGN NEWS

Estonia Wants More Effective EU Neighbourhood Policy

Sep 3 - **Speaking at a conference on European Neighbourhood Policy (ENP) in Brussels, Estonian Foreign Minister Urmas Paet said it was important that the neighbourhood policy as one of the strongest external instruments of the EU would be developed further.**

"ENP should be flexible to the highest possible extent. Individual approach and differentiation are integral elements of the policy," Paet said.

"ENP countries making faster progress should be rewarded for their achievements, offering an advanced level of cooperation and also increased financing from the EU side. This will stimulate all ENP countries to pursue the reform agenda, thus contributing to the development of the neighbourhood as a whole," the Estonian foreign minister said.

The EU should focus on the possibilities of expanding the four freedoms in its relations with the ENP countries, he said.

"The presidency report approved in June rightly highlights the importance of deeper economic integration, first of all improved access of ENP countries to the EU markets. In this context the prospect of free trade agreements is very important," Paet said.

He named visa facilitation as another area where further progress was desirable, as easier travel to the EU would be a visible improvement for many citizens of the neighbourhood countries and lead to enhanced people-to-people contacts.

The European Union should also find ways to increase its engagement in the resolution of the conflicts of the neighbourhood, which pose a long-term threat to stability.

"And finally, the ENP remains an important means to advance horizontal cooperation. Here I would especially highlight the need to work closely together in the sphere of energy. We need an effective multilateral dialogue on the security of supply and on related environmental issues," Paet said.

Speaking about relations between Estonia and ENP countries, Paet said that Estonia had for the first time appointed its diplomatic representatives to reside in southern ENP countries -- Egypt and Israel. This, he added, increases our possibility to develop ties with ENP countries to the south of the Mediterranean.

During the conference, foreign ministers from EU member states and ENP partner countries spoke about ways to make economic integration more efficient and financing of the neighbourhood policy. Also talked about were matters related to climate change, energy cooperation and security.

The EU launched the neighbourhood policy in 2004 to back its neighbours' political, economic and social reforms and intensify bilateral relations.

The partner countries to ENP are Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Moldova, Morocco, the Palestinian authority, Syria, Tunisia and Ukraine.

FOREIGN NEWS



Chairman on Moldova's Parliament Marian Lupu and Estonian President Toomas Hendrik Ilves in Kadriorg, Tallinn, 2nd September.

President Ilves: The Greater the Success You Achieve, the More the European Union Will Want to Support You

Sep 2 - **"For Estonia, Moldova is one of the priority countries in respect to the European Union Neighborhood Policy, as well as bilateral and multilateral developmental cooperation," said President Toomas Hendrik Ilves at a meeting with Marian Lupu, the Chairman of Moldova's Parliament in Kadriorg.**

President Ilves confirmed that Estonia is ready to share its support and reform experiences with Moldova to help it move in the direction of Europe, although he emphasized that "the strongest motor for Moldova's development is still the steps that Moldova must take itself."

"The European Union can provide Moldova with a specific outlook for the future, but your relations with the European Union depend more on your homework and capabilities than on your location or historical affiliation," said the Estonian Head of State. "Therefore, dedicate yourselves primarily to the promotion of the Moldovan state and society, the achievement of economic success, and increase your exports to the European Union member states. The greater the success you achieve, the more the European Union and the member states will want to help and support you."

Continues on page 2

FOREIGN NEWS

Continues from page 1

President Ilves stressed that transparency, good administrative practices and a contemporary management style are important for the strengthening of Moldova's statehood, which means that the electorate must not be promised what the European Union cannot provide in the near future.

"Moldova should use the existing opportunities for approaching the European Union, and the meaningful implementation of the Neighbourhood Policy plan is very important," said President Ilves.

According to the Estonian Head of State, the resolution of the situation in separatist Transnistria must be dealt with actively and effectively, and in this regard, Estonia supports greater involvement on the part of the European Union in the search for solutions.

"The continuation of frozen conflicts is a serious threat to security and stability in both Moldova and South Caucasia," declared President Ilves. "The persistence of the status quo "freezes" these conflicts even further and may unfortunately prompt the parties to undertake unexpected steps."

Ivles announced that Estonia, which has sent three border guards and two customs officials to the Moldova-Ukraine border, supported the extension of the EUBAM border mission for the next two years.

Paet: Visa-Free Travel to Armenia Would Strengthen Ties Between Estonia and Armenia

Sep 3 - Meeting with his Armenian counterpart, Estonian Foreign Minister Urmas Paet suggested that Armenia could abolish the visa requirement for Estonian nationals.

"Giving up the visa requirement would definitely be good for economic contacts between the two countries as well as for relations in tourism," Paet said when meeting Armenia's Foreign Minister Vartan Oskanian on the sidelines of a conference of EU neighbourhood policy in Brussels.



Estonian Foreign Minister Urmas Paet and his Armenian Colleague Vartan Oskanian in Brussels, 3rd September.

The ministers talked about relations between Estonia and Armenia, cooperation within the framework of the EU neighbourhood policy and the situation in Nagorno Karabakh.

Paet and Oskanian stated that relations between Estonia and Armenia are good, but definitely there is more room for development and cooperation in different areas.

Paet made a proposal to his Armenian colleague to visit Estonia in the near future. A similar invitation was extended to the Estonian minister by Oskanian.

The Armenian minister thanked Estonia for the assistance received as part of development cooperation and stressed the importance of Estonia's sharing its experience in the field of information technology.

Paet asked the Armenian minister in which field Armenia would like to promote cooperation in the future.

Oskanian gave a brief overview of the developments in Armenia's fulfilling of its neighbourhood policy action plan and said that relations with the EU and successful implementation of the neighbourhood policy action plan were very important.

Nine Countries Move Closer to Joining EU no Borders Zone

Sep 4 - Nine new EU member states, including the Baltic countries of Estonia, Latvia and Lithuania, are now connected to a massive European police database, fulfilling a key condition for them to join the Schengen border-free area.

Nine of the 10 countries that joined the EU in 2004 have been connected to the Schengen Information System (SIS) since Sept. 1.

The database currently contains some 17 million pieces of information and guides police officers on what action to take against people they may be questioning whose details appear on it.

The 15 nations signed up to the Schengen Treaty -- the 15 oldest EU members minus Britain and Ireland plus non-EU nations Norway and Iceland -- are due to decide in November whether to start opening up internal borders with the nine newcomers.

Land borders would be opened on Dec. 31 this year, with airports joining the zone from the end of March 2008.

Apart from hooking up to the SIS database, the nine countries -- the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia -- must also be deemed to have secure external borders.

Estonia, Latvia Sign Maritime Rescue Accord

Sep 3 - Cabinet ministers from Estonia and Latvia signed an agreement on cooperation in maritime search and rescue between the two countries.

The agreement was signed in Tallinn by Estonia's Minister of Economy and Communications Juhana Part and Latvian Transport Minister Ainars Slesers.

The accord sets out an efficient arrangement of work of the authorities of the two countries in

searching for and helping of persons in distress at sea. The parties have the obligation to immediately exchange information about citizens in distress at sea and seek the other party's help.

The agreement also pays a lot of attention to prevention. According to the document, the parties will conduct joint exercises in search and rescue, check channels of communication, arrange visits by specialists and exchanges of information and know-how.

Besides, the agreement defines the borders of the countries' respective maritime search and rescue areas.

Estonia already has similar agreements with Finland and Sweden.

Estonia's Foreign Minister Urmas Paet has previously said that after the signing of the accord with Latvia Estonia wishes to conclude a similar accord with Russia, after which Estonia would have maritime rescue agreements with all neighbouring countries.

Russia's St. Petersburg University Starts Offering Major in Estonian

Sep 3 - The St. Petersburg State University has become the first university in Russia to institute a major in Estonian language.

The Finno-Ugric chair of the university's Department of Philology launched the course with seven people this year, who were picked in a competition with nearly 2.5 contestants for each seat, the chief of the university's unit for Estonian language and literature, Larissa Mutkovskaya said.

Estonian was never taught as a major in Russia during the Soviet years, nor has it been taught in Russia afterwards, said Mutkovskaya, one of the creators of the new specialty.

She pointed out the special relationship that St. Petersburg has always had with Estonia and the lasting good relationship between the St. Petersburg State University and Tartu University of Estonia.

It was decided at the Chair of Finno-Ugric Studies of the university that all the three Finno-Ugric languages that are official languages of the respective countries would be taught as majors.

"We did have Finnish and Hungarian as majors before, now it's time for Estonian," she said.

Students for these specialties are not accepted every year but with 2 or 3-year intervals.

It was not immediately clear with how long an interval the prospective majors in Estonian would be admitted.

The classes in the first year include practical Estonian, Estonian grammar, history and literature. Practical Estonian will be taught by a visiting teacher from Estonia, paid by the Estonian Institute. The students will be taught Finnish as a side subject.

Estonian has been taught as an elective course at the St. Petersburg University since 2000, being one of 165 languages taught there.

Foreign Embassies Preparing for Independence Anniversary

Aug 29 - Preparations to marking the 90th anniversary of the Republic of Estonia have taken an important place in the cultural work of Estonia's foreign embassies.

Estonian Ambassador to Germany Clyde Kull, who discussed various problems at an ambassadors' conference in Tallinn, said that preparations to

marking the anniversary had started one and a half years ago.

Kull added that a series of cultural events marking the independence anniversaries of Estonia, Latvia and Lithuania would proceed under the common name of German-Baltic Spring featuring music, folk dancing and art.

Estonian Ambassador to Turkey Märt Volmer said that Turks were very friendly with respect to Estonia and that also the Estonian embassy in that country was making anniversary preparations.

The ambassador's conference devoted to cultural diplomacy took place in the Great Guild House of the Estonian History Museum on Wednesday.

Estonia's Ambassador to NATO Presented Credentials

Sep 4 - The Estonian ambassador to NATO, Jüri Luik, on Monday presented his credentials to the alliance's Secretary General Jaap de Hoop Scheffer.

During the conversation that followed, important matters of European security were talked about, including the recent events in Georgia, the state of affairs regarding the Conventional Forces in Europe (CFE) Treaty, and matters related to the future of NATO.

Scheffer thanked Estonia for its participation in the NATO operations in Afghanistan and Kosovo and in the training mission in Iraq, describing Estonia as a good ally.

The ambassador and the NATO secretary general also spoke about cyber defence, which in the words of Scheffer has become an important topic for the whole alliance.

Luik, 41, was appointed Estonia's envoy to NATO in December 2006.

In 1991-1992 Luik served as director-general of the political department at the Foreign Ministry. He was Member of Parliament since 1992, served as defence minister in 1993-1994 and as foreign minister in 1995. He was Estonian ambassador to NATO in 1996-1998 and again defence minister in 1999-2002.

Before his appointment as Estonian ambassador to the United States, Canada and Mexico in 2003 Luik was adviser to the Foreign Ministry.

He ended his tenure as ambassador to the United States this summer.

The President of Estonia Received Credentials From the Ambassador of Australia

Aug 30 - Howard Craig Brown, the Ambassador of Australia presented his credentials to President Toomas Hendrik Ilves.

According to the Estonian Head of State, the relations between Estonia and Australia are very good and the attitude of the citizenry of the two countries is enhanced by the memorandum regarding work visas, which came into force in May 2005. "There is certainly more room for improvement in the promotion of bilateral economic relations and the development of tourism," said President Ilves to the Ambassador, and wished him success in representing Australia in Estonia.

At the meeting, the Ambassador emphasized that, since the restoration of Estonian independence, Australia has followed the development of Estonia's democracy and economy with admiration, while

Estonians in Australia stand out as an active and progressive community. Ambassador Brown highlighted Estonia's contribution to securing the peace in Iraq and Afghanistan.

Australian Ambassador Howard Brown resides in Stockholm.

The Ambassador of Cyprus Presented Her Credentials to the President of the Republic

Aug 30 - **President Toomas Hendrik Ilves received Thalia Petrides, the Ambassador of Cyprus, who presented her credentials.**

The Estonian Head of State expressed his sense of satisfaction regarding the decision of Cyprus to open an embassy in Estonia in 2008. Currently, Ambassador Thalia Petrides resides in Helsinki.

The economic relations between Estonia and Cyprus have been helped by the signing of an economic, scientific, technical, and industrial cooperation agreement, although there is still undoubtedly room for development. Estonia also wishes to promote cooperation in the field of tourism.

At the meeting with the Ambassador, questions relevant to the European Union were discussed at length. President Ilves noted that, similarly to Cyprus, Estonia supports the continued enlargement of the European Union, since previous enlargements have been successful in every possible way. However, Estonia stands firm on the position that accession criteria must be applied to all candidates equally and they must fully comply with these criteria.

President Ilves said that Estonia, similarly to the rest of Europe, is awaiting a resolution to the Cyprus question. He stated, "We wish to see a united and developing Cyprus, and an end to the division of the island that has existed since 1975."

ECONOMIC NEWS

Currency rates in kroons (Bank of Estonia)

Estonian Insurance Market Grows by 22 Percent In the First Six Months

Sep 3 - **According to the Estonian Statistical Office insurance companies collected 2.8 billion kroons (EUR 179 mln) of premiums in the first six months of 2007, 21.7 percent more than in the same period last year.**

The companies paid out indemnities to the tune of 1.2 billion kroons, 26.6 percent more than in the same period in 2006.

In all the indemnities made up 44 percent of the premiums while last year the respective figure was 42 percent.

Of insurance premiums life assurance continues to generate the biggest part; in the first six months this year it accounted for one third or 933.2 million kroons.

Of the indemnities paid third party liability (traffic) insurance accounted for 32.6 percent (398.4 million kroons) and voluntary insurance of a legal person's property for 28.8 percent (352.8 million kroons).

Baltika's Sales Proceed in August Pass 100 Million Kroons Line

Sep 4 - **Sales proceeds of the Estonian Baltika Grupp fashion company totalled 101.3 million kroons (EUR 6.47 mln) in August, with the monthly sales proceeds of the group passing the 100 million krown line for the first time.**

Baltika board chairman Meelis Milder said that he could see successful discounts and well-selling fall collections behind the good sales figures for August.

Retail sales of the group grew by 52 percent compared with the same period last year.

In the breakdown by country Baltika's retail sales grew the fastest in Russia, by 143 percent. In Latvia the growth was by 54 percent, in Lithuania by 50 percent, in Estonia by 42 percent and in Ukraine by 26 percent.

The group's sales proceeds over eight months totalled 727 million kroons, up by 36 percent against the same period last year. The group's retail turnover was 607 million kroons, 43 percent more than in the same period last year, while wholesale added up to 104 million kroons, 5 percent more than in the same period last year.

As of the end of August Baltika had 125 stores with a floor area of 23,270 square meters.

Russian Customs Blacklist Estonian Carriers

Sep 4 - **The customs officers of the Russian north-western region have drawn up a black list of 29 Estonian transport companies that are given unfair treatment at border crossing.**

The companies in the "black list" of which the paper has a copy, are subject to special treatment at border checkpoints and their vehicles can only move to the destination escorted by a rapid reaction forces' special convoy.

Being in the TIR system, which simplifies international motor traffic and gives Russia a guarantee of up to 50,000 dollars against potential violations of the customs regulations, does not help the companies.

Additional measures consisting of the inspection of all the goods have been established for Estonian transport companies. And even if the goods are in keeping with the documents, we can only move on escorted by a convoy.

The convoy escorts the vehicles to their destination, a bonded station. According to the carriers the costs of escorting from Ivangorod to St. Petersburg rose from 4,000 to 8,000 roubles (EUR 229) a few days ago. The cost of escorting to Moscow is said to be 600 to 800 euros.

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