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President Toomas Hendrik Ilves and Danish Prime Minister Anders Fogh Rasmussen, 7th September.

FOREIGN NEWS

President Ilves: Both Estonia and Denmark Place Great Importance on Strengthening Transatlantic Cooperation

Sep 7 - **President Toomas Hendrik Ilves, who was on an official visit to the Kingdom of Denmark, met with Christian Mejdahl, Speaker of the Danish Parliament, and Prime Minister Anders Fogh Rasmussen.**

At the meeting with Prime Minister, transatlantic cooperation between the European Union and the United States was discussed at length, especially in the fields of energy security and climate preservation. President Ilves affirmed that Estonia and Denmark share a common understanding regarding these questions.

"The European Union is strong when its relations with the United States are strong," said the Estonian Head of State, agreeing with the Danish Prime Minister, who stressed the need for a transatlantic free trade agreement, "We share common values on both sides of the Atlantic Ocean, why not also unite our forces."

Speaking about energy security, both President Ilves and Prime Minister Rasmussen stated that reliable cooperation is important, along with a guarantee of independence from unstable energy suppliers. In this connection, new directions for climate preservation and renewable energy should be implemented. "The liberalization of energy markets and their opening to competition must be regarded as preconditions," noted the Estonian Head of State.

President Ilves affirmed Estonia's wish to continue defence cooperation, which has functioned successfully to date. "The contribution of Denmark has been notable, for example, in the development of the Baltic Defence College, which is today attended by young people from many countries. Estonia has also cooperated closely with Denmark both bilaterally as well as in international missions," said the Estonian Head of State.

FOREIGN NEWS

Foreign Minister Paet: EU Must Talk Frankly with Russia

Sep 10 - **The European Union must talk frankly with Russia, Estonian Foreign Minister Urmas Paet said at a meeting with visiting British MPs.**

"The European Union must continue a straightforward and frank dialogue with Russia on all topics," Paet said.

The minister spoke about the need to agree about the mandate for a new partnership and cooperation agreement with Russia and to start the negotiations.

Paet also touched upon the topic of the readmission treaty signed together with the EU-Russia visa facilitation agreement.

Speaking about Estonian-British relations, the minister and members of the delegation led by Malcolm Bruce, chairman of the House of Commons' committee on development aid, stressed the importance of cooperation between the country groups in the two parliaments and shared the opinion that this cooperation could be more active and contacts more numerous. The British Liberal Democrats were also interested in Estonian economy and tax system.

Paet offered an overview of Estonia's military missions in Iraq, Kosovo and Bosnia, speaking at greater length about the mission in Afghanistan, the country's largest peacekeeping mission.

The other members of the visiting British parliamentary delegation are House of Commons members Annette Brooke, Lembit Öpik, John Leech and Stephen Williams, as well as Susan Thomas and Lord Dholakia from the House of Lords. The members of the British parliament also met with the Estonian parliament's deputy chair Kristiina Ojuland and members of the Foreign Affairs Committee.

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During the meeting with the latter committee and its chairman Sven Mikser, the guests wanted to know Estonia's opinion as regards the developments in Russia, the gas pipeline to be built on the bottom of the Baltic Sea and the dangers related to it, among other things.

Also discussed were relations between the EU and Russia, with both parties saying that Europe is effective only if its member states speak the same language.

Another topic dealt with was the agreement on changes to the fundamental EU treaties and issues related to its ratification by Britain.

Kristiina Ojuland and the British MPs spoke about education and the problem of Kosovo.

They stated that a peaceful solution to the issue of Kosovo is a prerequisite for Serbia's accession to the EU.

Ojuland and the British MPs found that the plan presented by Finland's former head of state Martti Ahtisaari, which has been rejected, was good, and expressed the hope that the ongoing negotiations will lead closer to a settlement.

They voiced the opinion that unity of the EU will allow to fend off attempts to destabilize the situation on ethnic grounds, the initiative for which may come from outside the EU, and aide to Ojuland said.

Too Much Emotion in Estonian-Russian Relations

Sep 11 - **There is too much emotion in the relations between Estonia and Russia, secretary general of the Estonian Foreign Ministry Matti Maasikas said during a meeting in Moscow.**

"We need to deal with practical things, such as problems at border checkpoints and a new bridge in Narva," Maasikas said in a meeting with Russia's Deputy Foreign Minister Vladimir Titov.

The secretary general of the Estonian Foreign Ministry was in Moscow to attend a roundtable meeting hosted by the Carnegie Endowment.

Apart from relations between the two countries, the meeting dealt with Russia's accession to the World Trade Organization (WTO) and the situation in Kosovo and North-Korea.

Maasikas and Titov spoke about matters related to the real estate of embassies, specifically an agreement on diplomatic real estate between Estonia and Russia.

"We want to be ready for the signing of the agreement next spring," Maasikas said.

He presented to the Russian side plans as regards further development of the Estonian consular office in the Russian regional capital Pskov.

Also, Maasikas and Estonian Ambassador Marina Kaljurand attended a memorial service at the American Orthodox Church in Moscow to remember the Sept. 11 terror attacks.

Foreign Minister Paet: EU Must Be United on Kosovo

Sep 8 - **The European Union must be unanimous on the topic of Kosovo, Estonian Foreign Minister Urmas Paet said at an informal meeting of EU foreign ministers in Portugal.**

The EU ministers spoke about the talks between Kosovo and Serbia, with Paet stressing that internal unity of the EU is extremely important both during the negotiations as well as after they have ended.

"We must be ready for what happens after the negotiations have ended. Unity must be preserved also in a situation where the parties fail to agree on the status of Kosovo," Paet said.

The EU foreign policy leaders expressed their support to the activity of the troika leading the negotiations, made up of the EU, the United States and Russia.

Paet said that united and coordinated activity on the part of the international community, particularly the EU, NATO and the United States, is very important from the point of view of sustainability of the final status of Kosovo.

The EU ministers also discussed the Middle East peace process and the situation in Lebanon.

Prime Minister Ansip Confirms Estonia's Interest in Finnish Nuclear Reactor, Estlink 2

Sep 11 - **The head of the Estonian government confirmed Estonia's interest in Finland's sixth nuclear reactor and Estlink 2 power cable at a meeting with his Finnish counterpart in the island of Saaremaa.**

Estonia is interested in energy cooperation and the launch of the Estlink 2 power cable, Andrus Ansip told reporters after the meeting. "We are naturally interested in participating in the construction of Finland's sixth nuclear reactor," the prime minister said.

The prime minister of Finland, Matti Vanhanen said that while the Finnish nuclear project might be open to other parties, the final decisions regarding the development of the project and possible partners would be made after a public discussion of the topic of energy supply, the Estonian government's press office said.

Ansip said that the Estonian and Finnish ministers in charge of energy will meet in the near future to hold a more in-depth discussion of the same topics.

Vanhanen said that in the future Estonia and Finland will apparently make up a single energy market and that therefore the ministers would speed up the discussion.

Finland generates approximately one-fourth of its electricity in nuclear power stations and is at present building the world's largest, 1,600-megawatt nuclear reactor at Olkiluoto.

Energy trade via the undersea power cable Estlink connecting Estonia and Finland started on Jan. 4. Estlink partners are Eesti Energia, Latvenergo, Lietuvos Energija and two Finnish power companies -- Pohjolan Voima and Helsingin Energia.

The Estonian and Finnish prime ministers meet regularly twice a year.

Estonian MPs Talk to EU Commissioner About Truck Queues on Border

Sep 10 - **Meeting with visiting EU Transport Commissioner Jacques Barrot, members of the Estonian parliament's EU affairs committee and economics committee raised the issue of long queues of trucks on the Estonian-Russian border.**

The long queues are not a problem of Estonia alone but relate to the entire EU, said Reform Party MP Urmas Klaas, chairman of the economics committee.

"It is definitely in the interest of the European Union too that we pursue a common policy on that issue," Klaas said.

Declaring the EU's solidarity with Estonia, Barrot said that he is about to meet with Russia's Transport Minister Igor Levitin in Moscow on Nov. 16 to sign an accord on civil aviation. The commissioner said he would ask Levitin what commitments Russia will take to facilitate border-crossing.

Also talked about were the Rail Baltica and Via Baltica projects and liberalization of cargo transportation within the EU.

Speaking about North-South connection routes in the EU, Barrot stressed that the Commission considers it important to develop rail transport and Rail Baltica to reduce emissions from road transport.

Therefore, road transport and Via Baltica will have to be financed via structural funds, he said.

President Ilves Met with the Vice-President of the European Commission

Sep 11 - **"Traffic safety—one of the most important topics in Europe—is becoming a burning issue in Estonia," stated President Toomas Hendrik Ilves at a meeting with Vice-President of the European Commission and Commissioner for Transport, Jacques Barrot.**

The Estonian Head of State repeated the facts, which he stated in his television appearance on September 1st, that during the last 16 years, over 4,000 people have been killed on the country's roads and streets, which is equal to the number of residents in the town of Põltsamaa.

"Positive changes depend on every driver, his or her attitudes, but also on governmental intervention—I mean supervision, corrective policies, as well as safe infrastructure," said President Ilves.

Transport Commissioner Barrot thanked the Estonian Head of State for raising the issue of traffic safety, adding, "Estonia must make serious efforts in this field."

President Ilves and Transport Commissioner Barrot also spoke about the extremely long queues of vehicles on the Estonian-Russian border caused by the Russian customs. "This is a problem that must be emphatically included in the agenda for the transport dialogue between Europe and Russia," said the Estonian Head of State, while acknowledging Transport Commissioner Barrot's affirmation that he has focused his attention on the question of the vehicle queues.

The future of the Via Baltica and Rail Baltica were also discussed at the meeting.

The Prime Minister Met with the Israeli Business Delegation

Sep 7 - **Prime Minister Andrus Ansip met with the business delegation from Israel which was on a two-day visit to Estonia.**

At the meeting, Andrus Ansip expressed his delight about the strengthening relations between Estonia and Israel. On 20 August, Estonian diplomat Marin Mõttus started work in Israel. As the next step, Estonia wishes to open an embassy in Tel Aviv. Amongst other things, this will allow for the strengthening of business contacts between the two countries.

Andrus Ansip noted that although the Jewish community in Estonia is not large, it plays a significant role in Estonia's economy, science, and culture. "I am delighted that this summer a synagogue was opened in Tallinn and that its opening was attended by Israel's Chief Rabbi Yona Metzger and current President Shimon Peres," the Prime Minister noted.

During the meeting, Andrus Ansip introduced Estonia's economic status, tax policies, and the E-government system to the Israeli business delegation. An overview was given about the use of IT solutions in the public- and private sectors, which is also of great significance in Israel. The delegation was also interested in Estonia's future perspectives, its educational system, oil shale, and merging with the euro currency.

During their Estonian visit, the delegation will also visit the Trigon Capital investment bank, Elion, Webmedia, the BLRT Group, Ülemiste City, and Enterprise Estonia.

In the region, the Israeli business delegation has also visited the Finnish economic environment, visiting, amongst others, such enterprises as Nokia, TeliaSonera, and Fiskars.

Estonia Expecting to Start Visa Talks with United States

Sep 10 - **Estonia expects to start consultations with the United States on visa-free travel soon, yet a few technical matters must be agreed first.**

Estonian and US departments have held general exchanges of opinions on the topic of visa-free travel for Estonian nationals and that Estonia hopes to start with the consultations in the near future.

First, technical questions arising from US and Estonian laws need to be settled and also some technical solutions related to the visa waiver program have yet to be worked out.

US President George W. Bush at the beginning of August signed homeland security legislation that may open the way for Estonians for visa-free travel to the United States.

Estonia's Foreign Minister Urmas Paet hailed the signing of the law and voiced the hope that the Visa Waiver Program will soon be extended to all the member states of the European Union that do not yet enjoy visa-freedom with the United States.

"This is a very long step in the right direction," Paet said.

"We've covered 99 percent of the road, now only technical questions remain to be settled," he added.

Political Consultations between Estonia and Indonesia Held in Jakarta

Sep 10 - **The first ever political consultations between the foreign ministries of Estonia and Indonesia were held in Jakarta.**

The Estonian delegation for the consultations was made up of Simmu Tiik, director general of the Third Political Department at the ministry, and Andres Talvik, director of the Asia, Australia and Oceania division.

In the course of the consultations a memorandum of understanding was signed.

Indonesia is one of the founders and a key member of ASEAN (Association of Southeast Asian Nations) and the region's largest country.

DOMESTIC NEWS

President Ilves: The Resolutions of the Riigikogu Should Help Estonia Successfully Cope With the Problems That Have Already Risen, or Are Rising, on the Horizon

Sep 11 - **In his speech to the opening meeting of the fall session of the Riigikogu, President Toomas Hendrik Ilves stressed that the gauge for measuring the success of the parliament's work is not the number of hours spent sitting in the hall, nor the number of laws that have been passed; the voters have a reason to be satisfied with the work of the Riigikogu only when the legislators' current and future resolutions help Estonia to successfully cope with the problems that have already risen, or are rising, on the horizon.**

"Therefore, in the upcoming year, I see the key obligation of the Riigikogu to be dealing with fields in which the solutions will affect the welfare of the Estonian people and nation in 15-20 years," said the Head of State. "Principally, I mean educational and research policies, population and health care policies, integration policies and energy. Success in these fields will guarantee an increased sense of security for our people accompanied by stable development for Estonia."

Sustained action plans are also a question of political culture, and more narrowly, of the communications between the political parties represented in the parliament, said President Ilves, and recommended that the leaders of the parliamentary factions, and why not also the leaders of the parties, find opportunities for regular consultations, "This would be a serious attempt at achieving long-term solutions. This would also help to improve the reputations of the Riigikogu and politicians; some political intrigues might be avoided and some needlessly mean words might remain unsaid in the parliamentary hall."

The President also touched upon cyber defence issues. According to the President, it has become apparent that a strong legal base for combating cyber crime and cyber terrorism is lacking throughout the world, but especially in the European Union.

"Why shouldn't Estonia become a spokesperson in this field? We are vigorously moving in that direction, because the NATO cyber defence centre will be established in Estonia," said President Ilves. "In exactly the same way, the Estonian government,

in cooperation with the Estonian parliament, could demonstrate initiative in the development of international legislation related to cyber defence. Dealing with tomorrow's problems is the sign of a mature state."

President of the Republic: The Estonian Constitution Has Functioned Very Well

Sep 6 - **"Looking back on the fifteen years that the Constitution has been in force, I think we can be satisfied that the Constitution has provided a secure foundation for fulfilling the goals set after the restoration of statehood," President Toomas Hendrik Ilves said at an international scientific conference entitled, "Issues of a Political Nature in Constitutional Review."**

"However, from time to time, one hears the question, 'Does Estonia need a new Constitution?'" said President Ilves. "If we treat the Constitution primarily as a legislative act, the value of which must be assessed according to purely legal criteria, then one can understand those who think that the Constitution needs extensive repairs. I am not among them. I think that the Constitution belongs not only to lawyers, but to all of us, and when measuring its value, legal perfection is only one, but far from the only, possible scale for assessment."

The Estonian Constitution has not hindered progress, affirmed the Head of State, adding, "My assessment is that our Constitution is a wisely drafted document that allows the system of government and legal order to develop in conjunction with developments in the society and legal principles."

The full text of the speech of the President of the Republic is available at www.president.ee.

Majority of Russian-speakers in Favour of Teaching Subjects in Estonian

Sep 8 - **According to the survey by pollster Faktum & Ariko, 56 percent of Russian-speakers are in favour of the gradual transition to Estonian-language tuition in high schools, 26 percent are against and 17 percent are unable to say.**

Commenting on the outcome of the survey, Minister of Education and Science Tõnis Lukas said that the community speaking a different language was beginning to understand that one has to be able to speak Estonian when living in Estonia and that the teaching of a number of subjects in Estonian will help Russian-speaking young people obtain better command of the language.

One of the reasons behind the positive attitude certainly is the consistent manner in which the state is acting and carrying out what it has pledged to do, Lukas said.

"Also in our everyday work we can see support from pupils, parents and the schools alike. The propaganda claiming that all Russian-language schools starting from Grade One will be simultaneously closed and Russians turned into Estonians against their own will no longer works very much either," the minister said.

The plan is that during five years the number of subjects taught in Estonian in Russian-medium high schools (grades 10-12) will be gradually increased to make up 60 percent of total teaching time at the end of the period.

In addition to Estonian literature, which must be taught in Estonian starting from the 2007/2008 academic year, the other mandatory subjects will be civic studies, music, Estonian history, and geography. Schools can choose further subjects of their own to be taught in Estonian.

ECONOMIC NEWS

Currency rates in kroons (Bank of Estonia)

Estonia Ranks World's Eighth in Terms of Economic Freedom

Sep 5 - **According to the world economic freedom index drawn up by the Fraser Institute of Canada, Estonia ranks eighth in the list on the basis of data for 2005.**

In the previous study drawn up on the basis of data for 2004 Estonia ranked 12th together with Austria, Finland, the Netherlands and the United Arab Emirates.

This year the institute assessed the level of Estonia's economic freedom with 8.0 points, 0.3 percent higher than last year.

Hong Kong, the leading country in the list, was given 8.9 points by the institute. Singapore and New Zealand follow it with respectively 8.8 and 8.5 points, Switzerland is No 4 with 8.3 points, with the USA, Great Britain and Canada ranking as No 5.

Finance Minister: Government Sector to Have Surplus of at Least One Percent of GDP

Sep 7 - **In a comment on the state budget talks Estonian Finance Minister Ivari Padar said the surplus of the next year's government sector budget would be at least one percent of the gross domestic product (GDP).**

"It is clear the budget will be drawn up with a surplus that is at least twice higher than the 0.5 percent of GDP promised in the spring," Padar said. "We proceed from the financial plan agreed on concerning the budget strategy in the spring and a certain amount of additional funds can also be expected from sums to flow in according to the summer forecast."

The minister said it would be irresponsible to put the free money to full use. "We know after all that domestic demand has not died down significantly, as a result of which consumption both by households and the public sector has to be curbed. This means that a large proportion of the extra money must be saved, not spent," he said.

Padar said that it would appear soon, when the last rounds of talks have been held with the ministries and agreements have been concluded, how much additional expenses would be added to the budget in comparison with the spring plan.

The state is now planning the next year's state budget revenue at 96.4 billion kroons (EUR 6.16 b). In the spring budget strategy the state set the target at 90.6 billion kroons.

Mobile TV May be Implemented in Estonia Within This Year

Sep 11 - **The partly state-owned telecommunications company Levira aims to**

bring to the market a mobile television service before the end of this year.

"We're quietly hatching those mobile television plans and running for ourselves different technical trials," board member Indrek Lepp said. "We'd like to get the service off the ground before the end of this year."

"The question right now is not so much about the senders as the input signal -- what form it's going to take," Lepp said commenting on the technical solution problems. "In mobile television reception needs to be secured with a relatively small terminal that is not backed by a large antenna."

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