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FOREIGN NEWS



Estonian Minister Urmas Paet and his Afghan Colleague Rangeen Dadfar Spanta in New York, 25th September.

Estonia will Support Afghanistan as Long as Needed

Sep 25 - **Estonia will continue supporting Afghanistan as long as it is necessary, Foreign Minister Urmas Paet told his Afghan colleague Rangeen Dadfar Spanta at a meeting in New York.**

The ministers spoke about developments in Afghanistan and the region more broadly and ways in which Estonia could help reconstruction.

Spanta thanked Estonia for cooperation, friendship and solidarity. In the minister's words, his country can learn a great deal from Estonia, especially, how to build a democratic, stable and prosperous country.

Estonian support for Afghanistan will continue as long as it is necessary and welcome, Paet said. "The Afghanistan concept adopted by the government does not set down a deadline by which Estonia's military or civilian mission in Afghanistan should be completed," he said.

In Paet's words, Estonia is ready to participate in the stabilization and reconstruction of Afghanistan until the goals set by the Afghan government and the international community have been achieved.

The parties agreed to talk about future areas of cooperation more specifically during the Estonian minister's visit to Afghanistan early next year. This summer Estonia donated medical equipment to the central hospital of the Helmand province to reduce newborn and infant mortality.

Paet was in New York for the EU foreign ministers' meeting on the sidelines of the UN 62nd General Assembly which traditionally includes meetings with foreign ministers of the United States and Russia. Several bilateral meetings are also on his agenda

FOREIGN NEWS

Paet: More Assistance is Needed for the Development of Afghanistan

Sep 28 - **Estonian Foreign Minister Urmas Paet attended a meeting in New York of nations that are involved in missions in the southern regions of Afghanistan.**

Foreign Minister Paet said that operating within the complicated security situations in southern Afghanistan has been a powerful unifying factor. "We all depend on one another; the departure of one nation would put the others at risk," Paet said. "This is why we need to support those nations that are debating whether to extend the mandate for the mission," he added.

Paet expressed hope that extending the Afghanistan mission mandate will not become a problem for Estonia. "We're concerned about the fact that most of the narcotics found in Nordic countries come from Afghanistan," he noted.

According to Paet, NATO as well as other international organizations—especially the UN and the European Union—should broaden their contribution. "We need to urge the UN to step into the leading role for coordinating development efforts," Paet said. "The UN should also take more responsibility in arranging for refugees to return to their homes."

The nations involved in missions in southern Afghanistan as members of the ISAF are Estonia, Great Britain, Holland, Denmark, Romania, Canada, Australia and the USA.

Foreign Minister Attended Chemical Weapons Convention Meeting

Sep 27 - **Estonian Foreign Minister Urmas Paet attended a high-level meeting in New York marking the 10th anniversary of the Chemical Weapons Convention (CWC).**

Foreign Minister Paet said that 182 is a considerable number of nations to have ratified the CWC. "This exceptionally high number clearly proves that the convention is a successful means of arms control," Paet said. "We urge all the nations that have not yet joined the convention to do so in the near future."

Paet found it reassuring that more and more nations are adopting measures to control chemical weapons. "Those nations that are still developing their methods of control should utilize international experience and co-operation in this area as much as possible," he noted. The Foreign Minister also drew attention to the fact that member nations of the CWC must keep up with technological developments and prevent terrorists from accessing chemical weapons. Estonia has been a member nation of the Chemical Weapons Convention since 25. June, 1999.

FOREIGN NEWS

Foreign Minister Hopes for Agreement on Status of Kosovo

Sep 28 - **Estonian Foreign Minister Urmass Paet expressed hope on that Kosovo and Serbia will reach an agreement in the negotiations ending in December.**

The issue of the status of Kosovo was under discussion at a meeting of the foreign ministers of the European Union and Russia in New York.

Relations between the EU and Russia were not dealt with at the meeting, as they will be taken under discussion at a summit in Mafra in October.

Speaking about Kosovo, both the EU and Russia expressed hope that the parties will reach an agreement by the end of the negotiations.

"I believe that the parties recognize the fact that both will lose if no agreement is reached," the Estonian minister said. The new talks between Kosovo and Serbia that started in this August are scheduled to end by December 10.

Foreign Minister Paet Met with Mexican Deputy Foreign Minister

Sep 28 - **Foreign Minister Urmass Paet met with Maria de Lourde Aranda, the deputy foreign minister of Mexico, to discuss cooperation in international organizations and bilateral relations.**

Paet thanked Mexico for strong support in the adoption of a declaration on the rights of indigenous people in the United Nations. The declaration was adopted by the UN General Assembly on 13th September. The document emphasizes the rights of indigenous peoples to maintain and strengthen their own institutions, cultures and traditions and to pursue their development in keeping with their own needs and aspirations. It addresses both individual and collective rights, cultural rights and identity, rights to education, health, employment, language, and other rights.

Speaking about cooperation in tourism, the parties found that tourism in both countries had increased thanks to the mutual abolition of visas and Paet invited Mexican tourism companies to take part in the international tourism fair next February in Tallinn.

Estonia Supports Turkey's Aspirations towards the EU

Sep 28 - **Estonian Foreign Minister Urmass Paet met with his Turkish counterpart Ali Babacan in New York on 28th September.**

Turkish Foreign Minister Ali Babacan gave an overview of the status of Turkey's accession negotiations and of the implementation of their internal reforms.

Foreign Minister Paet affirmed Estonia's support for Turkey's aspirations to join the EU. Paet expressed hope that after the elections in the summer, reform process in Turkey will once again pick up momentum. "We feel that accession negotiations should continue without a delay," said Paet. "At the same time, the success of the negotiation talks depends on the effectiveness of Turkey's national reforms," he emphasized.

Paet also added that at the current moment, the enlargement process should not be politicized.

PACE Legal Committee to Discuss Estonian MP's Initiative

Oct 1 - **Bureau of the Parliamentary Assembly of the Council of Europe (PACE) discussed an initiative handed in by the Estonian MP Kristiina Ojuland.**

Ms. Ojuland is asking the assembly to revise the present international law regulating the fight against cyber crime.

"At present, there is no notion of cyber space as a characteristic of a sovereign country in international law," Ojuland explained her initiative. "Besides, it is necessary to create an effective international political cooperation network in the framework of which it would be possible to urgently react to cyber attacks and oppose cyber terrorism."

The bureau decided to send Ojuland's initiative to the PACE legal and human rights committee who must decide whether a draft of the suggestion should be taken in PACE involving official discussion in the assembly.

Estonia Interested in Opening Talks with Australia

Sep 29 - **Meeting with his Australian colleague Alexander Downer in New York, Estonian Foreign Minister Urmass Paet said that Estonia wanted to open talks with Australia over a social insurance and an avoidance of double taxation agreements.**

Paet said that an effective social insurance agreement would help level out differences of the Estonian and Australian social systems, which in turn would simplify and increase the security to Estonians residing in Australia.

Australia has the fifth biggest expatriate Estonian community with more than 7,500 members. The two foreign ministers also spoke about the situation in Afghanistan and cooperation in international organizations.



Australian Foreign Minister Alexander Downer and Estonian Foreign Minister Urmass Paet in New York, 29th September.

President Ilves Thanked George Soros for Promoting Democracy and Free Thought

Sep 26 - **President Toomas Hendrik Ilves met with George Soros in New York and thanked him for his contribution to democratic reforms and the promotion of free thought in the world and in Estonia.**

"Without your personal role, a large number of Eastern European countries would not have progressed as far as they have, and there would be less democracy in the world," said the Estonian Head of State.

President Ilves and George Soros spoke of the latter's plans to open a European Council on Foreign Relations, the goal of which is to shape more uniform foreign policy concepts in Europe.

At the meeting, the efforts of George Soros and Estonia to help Georgia on the road to democracy were discussed. President Ilves and George Soros were both also worried about the developments in Russia during the last few years.

Estonian Ambassador to China Presented Credentials

Sep 30 - **Estonian ambassador to China, Andres Unga, presented his credentials to Chinese President Hu Jintao.**

Following the ceremony, Ambassador Unga passed along congratulations from the Estonian President and government to President Hu Jintao on the People's Republic of China's recent 58th anniversary. President Hu Jintao thanked him for the kind words.

Both sides noted that relations between the two nations are good. The People's Republic of China was among the first to recognize the Republic of Estonia in 1991, and after that bilateral political and economic relations were established.

Andres Unga was born on 29. April, 1966 in Viljandi, finished Viljandi 5. high school in 1984, and graduated from Tallinn University of Technology and The Estonian School of Diplomacy in 1991. After graduating from college, Unga went to work in the protocol department of the Ministry of Foreign Affairs, and stayed in that department until 1996 as an assistant, a director and then as head director. From 1996 to 2000, Unga was the ambassador to Sweden, and after that he worked as the head director of the Ministry's human resources department. Before assuming his position in China, Unga was ambassador to Greece.

Hungarian Ambassador Presents Credentials to Estonian President

Oct 2 - **Hungarian Ambassador Jozef Vig, appointed for a second term of office in Estonia, handed over his credentials to President Toomas Hendrik Ilves.**

Receiving the credentials, the president said that relations between Hungary and Estonia had been close and warm through the years, particularly in cultural cooperation. "But I can see that there is room for development and potential to speed up trade and economic relations," he added.

Vig underlined that as ambassador he would make his contribution to deepening the two countries' economic relations.

The president and the ambassador also spoke about working for closer cooperation between

Hungary and Estonia in the European Union and marking of the 70th anniversary of the two countries' cultural cooperation this November in Estonia. Vig was also accredited to Estonia in the years 1999-2000.

President Ilves Opened the Gothenburg Book Fair in Sweden

Sep 28 - **"To date nothing has appeared that could truly replace books as we know them," said President Toomas Hendrik Ilves, as he opened the largest book fair in the Nordic countries in Gothenburg, where this year's guest of honour was Estonia.**

"One can find out "everything" faster through the Internet. More precisely, one can find something about everything," said the Estonian Head of State. "But books continue to embody that which is indispensable to spiritual and intellectual life—time. Time that is spent on reading, concentrating, learning, and understanding. Also learning to know each other, to understand who are the people whose language we do not understand, but with whom we are building this great shrunken world and small enlarged Europe."

According to the Estonian Head of State, nations knew each other through books long before they learned to trust each other in life or politics.

"Books, those outwardly even-tempered and obedient little things, have time and again turned out to be more wilful and insubordinate than some despot could have anticipated," said President Ilves.

At the same time, he recognized the rulers who understood the sovereign power of books and tried to harness this power in the service of enlightening people. According to the President, it was the Protestant kings of Sweden in their day that made the country people in their Livonian province into the Estonian nation with their own written language and into a book nation. As opposed to the local Baltic lords of the country, the Swedish rulers viewed things from a distance and so the first truly Estonian-language books were born.

In his opening speech at the book fair, the President also recognized translators, who since the dawn of written culture have reminded people of the great richness and integrity of this culture.

DEFENCE NEWS

Prime Minister Ansip Underlines Need to Continue Foreign Missions

Oct 1 - **"Now that we are capable of offering assistance, it is our obligation, because by helping others we are helping also ourselves," Prime Minister Andrus Ansip said at the opening of Senior Courses in National Defence at Roosta.**

Prime minister Ansip underlined that Estonia would meet its obligation to bring defence expenditure up to two percent of the gross domestic product. "Promises given to allies have to be met, but equally it is necessary to take care for the development of our own country's defence potential," he said.

He pointed out the great potential of the Defence League both in raising Estonia's defence potential as well as in the readiness to deal with possible civilian catastrophes.

Ansip found it important to support President Toomas Hendrik Ilves's constitutional amendment

concerning appointment of the defence forces commander. The prime minister also expressed pleasure that the bill on the defence forces organization was ripe to go on its round of endorsements and would be very soon discussed by members of parliament.

Speaking about Afghanistan, the prime minister said that the progress there was slow but the general situation in Afghanistan was considerably better than five to six years ago. Ansip said that it was necessary to be patient concerning Afghanistan. "We cannot say that Afghanistan is far away. Security is indivisible and being in Afghanistan we consolidate also Estonian security," Ansip said. The prime minister also said it was necessary to continue the mission in Iraq because the presence of Estonian soldiers increase security of ordinary citizens there.

DOMESTIC NEWS

Estonia Has Completed Schengen Facility Program

Oct 2 - **Estonia has used all its 1.2 billion kroons (EUR 77 mln) allocated by the Schengen Facility program; the last payments will be made within this year.**

The European Commission allocated to Estonia 77 million euros under the Schengen Facility program. The aim of the program was to help new member countries of the European Union prepare for accession to the Schengen legal space. In Estonia the program was led by the Interior Ministry.

The program was completed in September. As of October 1, payments had been made to the tune of 83.3 percent of the Schengen Facility program. The rest of the procurements are covered with contracts, and payments for them can be made until the end of this year.

In all, 76 procurements were made under the Schengen Facility program. Of these the Interior Ministry organized one, the Border Guard Board 52, the Citizenship and Migration Board ten, the Police Board two, the Central Criminal Police six and the Foreign Ministry five procurements.

The contracts for the use of Schengen Facility means were signed on December 22 last year.

ECONOMIC NEWS

Currency rates in kroons:

http://www.eestipank.info/dynamic/erp/erp_en.jsp

(Bank of Estonia)

Estonia for Rapid Opening of EU Postal Market

Oct 2 - **Estonia continues to be in favor of opening the European Union's postal market as early and as simultaneously as possible, Minister of Economy and Communications Juhan Parts said in a speech in Luxembourg.**

Healthy competition is the best driving force of progress, the Estonian minister said. As a compromise, Estonia accepts setting out additional transition periods in the directive for some EU member states because of the special nature of their postal market, Parts added.

EU transport, telecommunications and energy ministers reached a political agreement during their

meeting as regards the opening of the postal market. Under the agreement, the providers of universal postal service will lose their monopoly after Dec. 31, 2010 on domestic mail weighing up to 50 grams.

A transition period was sought by Cyprus, the Czech Republic, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Greece and Luxembourg.

Like most of the old member states, Estonia is ready to open its postal market from 2011 and doesn't need a transition period.

Monthly Container Shipments by Eesti Raudtee Double in One Year

Oct 2 - **According to the state-owned Eesti Raudtee (Estonian Railway Co.), container shipments of transit goods routed through Estonia almost doubled in September compared to the same month a year ago.**

The monthly number of containers handled by Eesti Raudtee was 867 in September 2006 and 1,645 in September this year.

In the first nine months of this year Eesti Raudtee shipped 11,563 containers, which is a bigger number than in the 12 months of 2006.

Rene Varek, marketing director and member of the management board of Eesti Raudtee, said there was still a lot of room for growth in container shipments.

"Less than eight percent of the containers passing through Estonia are shipped by rail today. Most of the containers with transit goods are shipped via Estonia on trucks, which burden and clog our roads and border checkpoints," Varek said.

Eesti Raudtee expects the steep increase in container shipments to continue in Russian and Central Asian shipments alike, largely as a result of a shorter shipping time and more competitive pricing.

"Negotiations with partners in both the west and the east as regards new projects and volumes are being held on a constant basis," Varek said.

Nearly 60 percent of the container shipments passing through Estonia are headed to Russia. Starting from June a special container train is dispatched to Moscow every week.

The rest of the shipments are headed to Kazakhstan and other countries of Central Asia, where a growth trend can be observed as well.

Shares in Estonia's Olympic Casino Available for Trading in Warsaw

Sep 26 - **Shares in Estonia's casino operator Olympic Entertainment Group (OEG) are listed on Warsaw Stock Exchange as of 28 September.**

On the Warsaw stock exchange shares in OEG can be traded by a larger number of foreign investors and shares in the group will also be readily available to Polish pension funds, which have restrictions concerning the sale of securities listed outside their domestic market.

Olympic Entertainment Group has operated on the Polish market since this April when a deal on the acquisition of the leading local casino operator Casino Polonia entered into force. The group owns eight casinos in four Polish cities.

Major Estonian Newspapers' Advertising Turnover Swells by One-third in September

Oct 1 - The advertising turnover of five major Estonian newspapers in September grew by 30 percent year on year to 41 million kroons (EUR 2.62 mln), it appears from a study by media analyst Toomas Leito.

The papers' advertising volume increased by 10 percent compared to September 2006.

Both the volume and the turnover increased mainly on account of Internet advertising, a rise in the cost of advertising space and the end of summery discounts, Leito said.

The turnover from Internet advertising surpassed 3.3 times the result recorded in September 2006. The business daily Äripäev made history with an online advertising turnover of 1.3 million kroons (EUR 83,100), which is an all-time record for newspapers, the analyst said. The online edition of another daily, Postimees, likewise reported a turnover in excess of one million kroons.

For the first time, the five major newspapers earned almost as much money from Internet advertising as the Delfi portal, Leito observed.

August Retail Sales up 13 Percent on Year

Oct 2 - Retail sales by retail trade enterprises in Estonia grew 13 percent in constant prices in August compared to the same month of 2006 but were unchanged from July of this year, the Statistical Office said.

Retail sales by retail trade enterprises amounted to 4.6 billion kroons (EUR 294 mln) in August.

Like before, a big increase took place in stores selling manufactured goods (plus 15 percent), yet compared to the preceding months the rate of growth slowed down.

Sales by food stores grew 12 percent year on year, and due to their large share, food stores accounted for nearly 50 percent of the annual increase in sales by retail trade enterprises.

A positive trend continued in textiles, clothes and footwear, and these stores posted an annual increase of 31 percent. Demand continued to be high at other specialized stores as well, which saw a rise of 25 percent year on year.

Retail sales of goods accounted for approximately 85 percent of the 5.6 billion kroon sales revenue of retail enterprises in August. The latter figure was 16 percent higher in constant prices than in August but did not change significantly from July.

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