

# Estonian Review

E E S T I R I N G V A A D E

VOLUME 17 NO 49 DEC 5- 11, 2007

## FOREIGN NEWS

### Paet: EU Enlargement must Continue to Follow Guidelines Previously Agreed upon

Dec 10 - **Estonian Foreign Minister Urmas Paet participated in a meeting of the European Union General Affairs and External Relations Council (GAERC) in Brussels.**

Preparations for the European Council meeting being held at the end of this week and EU enlargement were discussed. In the external relations session, the foreign ministers discussed issues related to the European Neighbourhood Policy (ENP) and the situation in Kosovo and Iran.

The foreign ministers discussed draft conclusions for the European Council. According to Foreign Minister Urmas Paet, Estonia is satisfied with the conclusions by the presidency. "Of the topics Estonia suggested, both the reference to cybercrime and the stronger wording of the European Neighbourhood Policy were included," said Paet. He added that Estonia was a strong supporter of the proposal to mention the Baltic Sea Region Strategy in the conclusions, which is also included.

The European Union foreign policy leaders also talked about EU enlargement. According to the Estonian foreign minister, the EU must adhere to the promises it made at last year's Council in December. "Enlargement must continue to follow the same guidelines for enlargement strategy that were agreed upon in December 2006," said Paet.

European Commissioner for External Relations Benita Ferrero-Waldner gave an overview of the Commission's report "A Strong European Neighbourhood Policy", which was published at the beginning of December. According to Foreign Minister Urmas Paet, the Neighbourhood Policy has produced some very good results, but the EU must contribute even more. "A profitability study of free trade agreements should be done and a subcommittee dealing with justice, freedom and security issues should be created, so that a dialogue on migration can begin between the European Union and Georgia," said Paet. The foreign minister acknowledged that it is not possible to endlessly delay the action plans, which are starting to become out-of-date. It sends the wrong message to the partners that are making an effort to complete the action plans on time. "Estonia supports the potential start of a discussion over how to continue communicating with ENP nations," said Paet. "We hope that the next presidencies and the European Commission continue to further develop the Neighbourhood Policy."

At the foreign ministers' working lunch, the EU's part in the Kosovo status question and the situation in Iran were discussed. The EU Representative in the Troika Ambassador Wolfgang Ischinger gave an overview of the situation in the Western Balkans to the foreign ministers. According to Foreign Minister Urmas Paet, it is in everybody's best interest to find a solution to the situation as quickly as possible. "Preserving the unity of the EU and western nations is essential to this process," said Paet. The Estonian foreign minister also said that it is necessary for the EU to maintain its leading role in the process, and that a European Security and Defence Policy (ESDP) mission should be sent to Kosovo as soon as possible.

On the topic of finding a solution to the issues in Iran, Foreign Minister Paet said it is important that all EU member states work together to ensure that Iran does not become a nation with nuclear weapons. "In order to regain the trust of the international community, Iran must bring its nuclear program up to the standards of the International Atomic Energy Agency (IAEA) and the UN Security Council," said Paet.

## QUOTATION OF THE WEEK

*"It was you who created the understanding of obligations and the essence of allied relations for re-independent Estonia,"*

**President Toomas Hendrik Ilves in his speech held in honour of the Estonian volunteers who participated in the Finnish wars in 1939-1944**

## FOREIGN NEWS

### Estonia Financially Supports European Union Police Mission in Afghanistan

Dec 10 - **The Foreign Ministry of Estonia is giving 469,400 kroons (30,000 euros) to support the European Union Police mission EUPOL in Afghanistan. The money has been allocated from the Foreign Ministry's civilian mission budget for 2007.**

According to Foreign Minister Urmas Paet, Estonia has consistently supported the implementation of the EUPOL mission. "Along with the military stabilisation and development of local armed forces in Afghanistan, the development of the domestic security sector and the training of police are also essential. The European Union Police mission is therefore a necessary initiative," said Paet. "By allocating money, Estonia can help the police mission in the most practical and useful way," he added.

The police mission EUPOL Afghanistan helps to build up the police forces in Afghanistan. The mission advises, observes and trains on various levels, from the Afghan Ministry of the Interior to the provincial and regional level. There are 23 European Union member states and 4 non-EU countries participating in the police mission.

## FOREIGN NEWS

### Estonia Becomes Member of Task Force for International Cooperation on Holocaust Education, Remembrance and Research

Dec 5 - **Estonia became a member of the Task Force for International Cooperation on Holocaust Education, Remembrance and Research (ITF).**

In her speech at the task force's meeting in Prague, head of the Estonian delegation Aino Leppik von Wirén emphasized the importance of the international task force in Holocaust education and remembrance. "International co-operation is essential in protecting common values and fighting against blind hatred," Wirén said.

Estonia submitted its request to join the international task force on 25 September of this year.

The ITF was initiated in 1998 by Sweden's Prime Minister at the time, Göran Persson. It is a Holocaust-related co-operation forum for both governments and independent organizations. Currently, the members of the ITF are Argentina, Austria, Belgium, Croatia, the Czech Republic, Denmark, France, Germany, Great Britain, Greece, Holland, Hungary, Israel, Italy, Latvia, Lithuania, Luxembourg, Norway, Poland, Romania, Slovakia, Sweden, Switzerland, and the United States.

### Paet: Prospect of Joining NATO is Stimulus for Carrying out Reforms



Dec 7 - **Estonian Foreign Minister Urmas Paet participated in a meeting of NATO foreign ministers in Brussels.**

The main topics discussed at the meeting were the NATO-led operation in Afghanistan, the situation in Kosovo and in the Western Balkans in general, and issues related to NATO enlargement and relations with partner countries. A meeting of the NATO-Russia Council and NATO Ukraine-Commission also took place, as did a meeting between NATO allies and the Mediterranean Dialogue countries.

In speaking about the operation in Afghanistan, Foreign Minister Urmas Paet emphasized that success can not be achieved by using military means alone. "The situation in Afghanistan demands the implementation of more civil measures. Primarily, international organizations like the UN and the European Union should increase their contributions and expand their activities alongside NATO," said Paet. The foreign minister also mentioned the importance of involving Afghanistan's neighbours more in the stabilising process.

In their joint communiqué the foreign ministers of the alliance called upon the parties involved in the Kosovo Status Talks not to take steps which could worsen the security situation in the region. Estonia believes that the sustainability of the Kosovo status solution depends on the ongoing presence of the international community and the coordination and unity of activities there.

The foreign policy leaders also discussed matters related to NATO enlargement. At the moment, Croatia, Macedonia and Albania are preparing to become members of the alliance within the framework of the NATO Membership Action Plan (MAP). An invitation to join may be issued to these nations at the next NATO summit in April 2008, depending on how successfully the countries do their "homework" of implementing reforms. According to Foreign Minister Urmas Paet, the results-based enlargement process will increase the security of the entire Euro-Atlantic region. "The prospect of acceding to NATO is a motivator for all European nations to move forward on the path to reforms, integration and democracy," said Paet. The foreign ministers will continue to discuss the potential expansion of NATO at their next meeting in March of next year.

### Senior US Official Confirms Good Progress of Technical Visa Talks with Estonia

Dec 5 - **Judy Garber, US Deputy Assistant Secretary of State at the Bureau of European and Eurasian Affairs, said technical visa waiver consultations with Estonia have made very good progress.**

Garber said that after the political decision made by Congress in the summer, it was necessary to solve certain technical issues in order for Estonia to accede to the visa waiver program.

In the course of the consultations the parties will agree, among other things, on how letters with diacritical marks in Estonian names will be transcribed and on the procedure of exchanging delicate personal data.

"The time when we are ready to invite Estonia to accede to the visa waiver program will depend on how these talks are going," Garber said. She noted that the United States would have to do its homework as well. Even if Estonia had met all the requirements by a certain moment, the accession invitation could not be given before the United States had also solved all the necessary technical issues.

### Estonia and Sweden Sign Agreement for Estonian Diplomat to be Posted to the Embassy of Sweden in Cairo

Dec 10 - **Estonian Foreign Minister Urmas Paet and Swedish Foreign Minister Carl Bildt signed an agreement on posting an Estonian diplomat to the Embassy of Sweden in Cairo.**

The agreement expires after 1 year and it will be renewable for another year if both parties agree to do so. The foreign ministers also signed a separate agreement regarding the distribution of the costs of shared premises and joint arrangements.

Estonian diplomat Kadri Jõgi started working in the premises of Swedish Embassy in Egypt already on 22 November of this year. Her assignment is to prepare for the opening of an Estonian embassy in Cairo. Jõgi is the first Estonian diplomat to be sent to the African continent.

## **Estonian Ambassador to New Zealand Presents Credentials**

**Dec 5 - Estonian Ambassador to New Zealand Peeter Miller presented his credentials to Governor-General of New Zealand Anand Satyanand. Peeter Miller is the first Estonian ambassador to New Zealand. The ambassador resides in Tokyo.**

In the discussions following the credential presenting ceremony, the status of bilateral relations and opportunities for cooperation were discussed. Some time was also spent talking about Estonia's experiences with e-government and e-voting.

Peeter Miller has been the ambassador to Japan since 8 December 2006 and the ambassador to Australia since 30 November 2007.

## **Germany's Border Police and Estonian Border Guard Sign Cooperation Accord**

**Dec 11 - The heads of the border guard authorities of Estonia and Germany signed a cooperation agreement between the two departments.**

The director general of the Federal Police of Germany, Udo Burkholder, and the director general of the Estonian Border Guard Board, Border Guard Col. Roland Peets, discussed the guarding of the European Union's external border in the Schengen area and signed a cooperation agreement that deals with exchanges of information and experience in various areas related to the guarding of the border.

On the basis of the agreement, the sides will arrange joint training programs and exercises on the land, sea and airspace border, and also work closely in combating cross-border crime.

## **President Ilves Congratulates Finnish Colleague**

**Dec 6 - Estonian President Toomas Hendrik Ilves sent a message of congratulations to Finnish President Tarja Halonen on the occasion of the 90th anniversary of the Republic of Finland.**

Ilves said that language has bound Estonians together with Finns closer than with any other nation or people.

The president said this togetherness could be measured in thousands of close occupational or human relations.

"We measure it in decades, even in centuries," Ilves wrote. "It is a pleasure for me to congratulate the whole Finnish people and wish them happiness and success from all my heart."

## **Estonian Consulate General in St. Petersburg Celebrates 85th Anniversary**

**Dec 11 - The Estonian Consulate General in St. Petersburg celebrated the passing of 85 years since the beginning of its activities.**

In honour of the occasion, a concert featuring Mart Sander and his band was held in the consulate general. After the concert there was a formal reception, which will be attended by Estonian Ambassador to the Russian Federation Marina Kaljurand.

The consulate general began its activities on 6 December 1922. On 5 August 1923, the consulate general was opened with an official flag-raising at 59

Bolshaya Morskaja Street, in the luxurious former residence of Erik von Pistolkohrs, Colonel of the guard forces and adjutant to His Imperial Highness the Grand Duke Vladimir Alexandrovitch. On 1 January 1923, there were 8 officials and 11 servants working at the consulate general.

On 10 January 1938, the People's Commissariat for Foreign Affairs issued a note with the proposal to liquidate the Estonian Consulate General in Leningrad within two months. The liquidation of the Estonian Consulate General was completed on 31 March 1938.

Consular work was resumed on 26 January 1993 at 14 Bolshaya Monetnaja Street. The current Estonian consul general in St. Petersburg is Kristen Lahtein.

## **DOMESTIC NEWS**

### **President Ilves: the Finnish Boys Created the Estonian Republic's Understanding of Allied Relations**

**Dec 10 - At a conference organized in honor of the Estonian volunteers that participated in the Finnish wars in 1939-1944, President Toomas Hendrik Ilves spoke about the contribution and role of the Finnish Boys in the formation of today's Estonia.**

"Before 1940, we could have called them the luckiest sons of the Estonian nation," said the Estonian Head of State. "They received their education in the Republic of Estonia. They had grown up in an independent country. Their education was apparently the best that any Estonian generation before or since has received."

In his speech, President Ilves noted that the Finnish Boys could even be called a remarkable generation, if we examine what those who survived the war and escaped to the West have achieved.

"Let's also think about the fact that it is only now in 2007 that young Estonians, graduating from secondary school, have advantages and qualifications similar to those of the Finnish Boys 65 years ago—to be born, grow up and be educated in a democratic and independent Estonia," the Head of State added.

"For years, or rather decades, I have wanted to do something to highlight the contribution of the Finnish Boys. Therefore, I am especially pleased that I can say what I have just said as the Estonian Head of State," said President Ilves. "You did the right thing. You sacrificed yourselves in the name of the right thing. Today, we thank you not only with words, but with the knowledge that it was you who created the understanding of obligations and the essence of allied relations for re-independent Estonia," the Head of State concluded.

### **Ansip Describes Accession to Schengen as Event of the Year**

**Dec 11 - Prime Minister Andrus Ansip singled out the country's becoming a member of the Schengen area from Dec. 21 as the event of the year 2007 for Estonia.**

Enlargement of the Schengen area will enable citizens of Estonia to freely travel in the entire European Union, without having to wait in queues on the border or get a visa, Ansip said.

The prime minister also described as positive the rapid economic growth of the past year as well as the deceleration of growth that has started.

"The cooling can be seen as a positive phenomenon too, since that's what we wanted," Ansip said. "You can't go on at a growth rate of 11 percent for a long time, but 6.4 percent is already good," he added.

The most negative phenomenon in the outgoing year, according to Ansip, was the high inflation recorded in Estonia and elsewhere in the world.

## DEFENCE NEWS

### NATO's Defence Policy Committee Met in Tallinn

Dec 10 - **NATO's senior committee dealing with matters of defence policy is meeting in the Estonian capital Tallinn on Dec. 10 and 11.**

Among other things, members of the committee will look at the NATO Centre of Excellence in Cooperative Cyber Defence being set up in Tallinn.

The head of the work group, Jiri Sedivy, NATO Assistant Secretary General for Defence Policy and Planning, is also to meet with the secretary general of the Estonian Defence Ministry, Lauri Almann, to speak about cyber security, prospects of the NATO Response Force and preparations for the NATO summit to take place next year.

### Estonia and Azerbaijan Sign an Agreement on Defence Co-operation

Dec 5 - **The Estonian Minister of Defence, Mr. Jaak Aaviksoo, and the Minister of Defence of Azerbaijan, Lieutenant General Safar Abijev, signed a memorandum of understanding concerning defence co-operation.**

The memorandum of understanding specifies different spheres of defence co-operation between the two countries and also provides solid ground for future enhanced co-operation.

"I am happy to say that this Memorandum will also provide a legitimate basis for defence co-operation between Estonian and Azerbaijan," said Mr. Aaviksoo.

Lieutenant General Abijev provided a short overview of Azerbaijan's NATO aspirations and reforms, whilst also shedding some light on the tense security situation in Transcaucasia, including Nagorno-Karabakh.

"The training of the Azerbaijan armed forces and officers is completed in accordance with NATO standards," Lieutenant General Abijev said.

Minister of Defence Abijev also provided an overview of Azerbaijan's peace-securing operations in Kosovo, Afghanistan and Iraq.

Estonian Minister of Defence Aaviksoo described the lack of resolution in the Nagorno-Karabakh conflict, like the 'frozen' conflicts in Abkhazia, Ossetia and Transnistria, as unacceptable.

"It is regrettable that international organisations have not given sufficient attention to these sources of tension," Mr. Aaviksoo stated. "We do hope that the international public can impose pressure on those countries who are still interested in prolonging such tension."

At the meeting, the parties also briefly discussed the Gabala radar station in Azerbaijan, which, according to Mr. Abijev, is being rented by Russia until 2012.

## ECONOMIC NEWS

### Currency rates in kroons:

[http://www.eestipank.info/dynamic/erp/erp\\_en.jsp](http://www.eestipank.info/dynamic/erp/erp_en.jsp)

(Bank of Estonia)

### Morgan Stanley to Involve Estonia in New Indices

Dec 6 - **MSCI Barra, the provider of investment decision support tools majority owned by the global financial services firm Morgan Stanley, is about to launch Frontier Markets Indices that will cover also Estonia.**

The MSCI Frontier Markets Indices cover 19 countries. From Central and Eastern Europe and CIS (Commonwealth of Independent States) the indices cover Bulgaria, Croatia, Estonia, Kazakhstan, Romania, Slovenia and Ukraine.

In addition the indices cover Kenya, Mauritius, Nigeria and Tunisia from Africa, Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates and Lebanon Asia from the Middle East, and Sri Lanka and Vietnam from Asia.

MSCI Barra said it will continue to monitor potential markets that may qualify for the MSCI Frontier Markets Indices on a semi-annual basis, during the May and November index reviews. Additional markets that could be considered during the May review include, among others, Georgia, Latvia, Lithuania and Serbia from central and eastern Europe and CIS, Morgan Stanley said.

"Our decision to launch the MSCI Frontier Markets Indices reflects the growing interest from international investors in these equity markets, as they look beyond existing developed and emerging markets in their search for new investment opportunities," said Henry Fernandez, chairman and CEO of MSCI Barra.

### Viru Õlu Brewery to Launch Beer Export to Italy

Dec 10 - **One of the smallest Estonian breweries, Viru Õlu AS, launched the export of its Frederik Pilsner brand to Italy in December.**

Frederik Pilsner will mainly be on sale in the Sogegrossi stores in Piemonte, Liguria, Toscana, Emilia and Valle d'Aosta; the chain has a total of nearly 80 stores. Besides, the company exports beer and soft drinks also to Latvia, Lithuania, Denmark and Germany.

AS Viru Õlu operates in Haljala in the Laane-Viru County since 1975. The major shareholder in the company is the Danish group Harboe.

### Estonian Economy Grows 6.4 Percent in Q3

Dec 10 - **According to preliminary information the Estonian gross domestic product (GDP) grew by 6.4 percent in Q3 against the same period last year, the Statistical Office said.**

The GDP growth rate has been slowing down every quarter this year. In Q1 this year the growth rate in GDP was 10.1 percent in stable prices and 7.6 percent on Q2.

An earlier express estimate of the economic growth in Q1 also put the economic growth in Q3 at 6.4 percent.

### Tallink Accounts for 57 Percent of Port of Tallinn's Passenger Flow

Dec 11 - **Of the 461,773 passengers who passed through the port of Tallinn in November, 262,041 or 57 percent were shipper Tallink's customers.**

By the number of passengers, Viking Line followed with 82,698 passengers and an 18 percent market share. Next came Eckero Line with 62,732 customers and a 14 percent market share.

SuperSeaCat was used by 7 percent of passengers or 32,621 people, and Nordic Jet Line was preferred by 4 percent or 19,518 passengers.

Other shipping companies served 2,163 passengers passing through the port of Tallinn last month.

The port was used by a total of more than six million passengers in the first 11 months of this year. Of them almost three million were Tallink's customers, Viking Line carried 988,682, Eckero Line 788,021, SuperSeaCat 627,792 and Nordic Jet Line 397,423 people. The port of Tallinn also received 292,970 cruise passengers during the 2007 season.

### EMT Seeks to Cover All Regional Capitals with 3.5G Mobile Network by Year-end

Dec 7 - **The Estonian mobile operator EMT said it intends to have its 3.5G network enabling high-speed data communication and video calls cover all of Estonia's county capitals by year-end.**

Currently EMT's 3.5G network is available in Tallinn and its close environs, Tartu, Parnu, Narva, Haapsalu, Kuressaare, Rakvere, Johvi, Viljandi, Paide, Keila, Jogevea, Otepaa, Voru, Polva, Rapla, Saue and Saku.

EMT's 3.5G network now also supports a maximum download speed of up to 7.2 megabits per second and a maximum upload speed of up to 1.5 megabits per second.

The first modems enabling such speeds have been available from the EMT retail network since the beginning of December, it said.

Previously the maximum download speed in EMT's 3.5G network was 3.6 Mbps.

EMT is the mobile communication subsidiary of the listed Eesti Telekom group.

### Public WiFi Covered Areas Number 1,151 in Estonia

Dec 7 - **There are currently 1,151 WiFi wireless Internet covered areas meant for public use in Estonia, data available from the wifi.ee portal shows.**

Harju County, which includes the capital Tallinn, has 418 wifi covered areas cleared as public by the portal, 365 of which are situated in Tallinn.

The first public WiFi covered area was opened in Estonia in May 2001. WiFi (Wireless Fidelity) is the only standard of wireless data communication that has been integrated into the Linux, Windows and Apple operating systems.

### IT Company Smartlink Expands to South Africa

Dec 6 - **The terminal computing solutions developer Smartlink has bought a shareholding in the South African business of another Estonian IT company, Revnetek.**

The CEO of Smartlink, Henrik Pöder, said the expansion to South Africa largely happened by chance.

"A KredEx guarantee allowed us to get additional finance from a bank and thus to implement the idea. I must say that South Africa has turned out to be the most successful foreign market for us so far," he said.

"Whether or not there will be a breakthrough must become clear in 2008-2009," Pöder added.

The company offers terminal workplaces with full service for a fixed monthly fee. The offer includes all the necessary hardware (server, terminals and monitors), software (browser, e-mail, office and anti-virus solutions), as well as services such as data hosting and system administration.

In addition to Estonia Smartlink has sold its products to Poland and the United States.

#### ESTONIAN REVIEW (ISSN 1023-1951)

Is issued by the

Press and Information Department, Ministry of Foreign Affairs  
ISLANDI VÄLJAK 1, TALLINN, ESTONIA 15049

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