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FOREIGN NEWS



Foreign Minister Urmass Paet meeting with Foreign Secretary David Miliband in London, 3 March 2008

Foreign Minister Paet Met Foreign Secretary Miliband in London

Mar 03 - Estonian Foreign Minister Urmass Paet, in London on a visit, met with Foreign Secretary David Miliband.

The UK Foreign Secretary began their meeting by congratulating the Estonian people on the 90th anniversary of the Republic of Estonia. The meeting focused on joint activities in Afghanistan and the upcoming NATO summit in Bucharest.

The foreign ministers confirmed that Estonia and the United Kingdom will continue to participate in creating stability and security for Afghanistan and will increase their contributions for building up the nation.

The Estonian foreign minister believes that the UN and the European Union need to provide more help alongside NATO for building up Afghanistan. The EU's current contribution is substantial, but not enough. "The European Union is not yet taken seriously as a partner of Afghanistan, because it has not been acknowledged on the highest political level," said Paet. "The role of the European Union police mission could also be greater than originally planned, as Afghanistan needs a lot of help with organising its police forces," he added.

The Estonian Foreign Minister emphasised the international organisations active in Afghanistan need to intensify co-operation and co-ordination amongst themselves. "We need a uniform and comprehensive approach as how to help reconstruct Afghanistan," he stressed.

Thanks to Estonia's initiative, the EU foreign ministers will discuss issues related to Afghanistan at their regular meeting in April. Meetings between representatives of the nations that are active in southern Afghanistan have become a valuable co-operation format. These meetings were also initiated by Estonia.

Estonia began military co-operation with the United Kingdom in July of 2005, when an Estonian mine-clearing team and military observers participated in the team to rebuild Mazar-e-Sharif. Following the United Kingdom's lead in southern Afghanistan, the Estonian contingent joined the ranks of the UK-led PRT in Helmand in 2006.

FOREIGN NEWS

Paet: Estonia and Japan Share the Same Set of Values

Feb 28 - Estonian Foreign Minister Urmass Paet met with his Japanese colleague Masahiko Komura.

The two ministers discussed bilateral relations and the situations in Afghanistan and Iraq, as well as Russia and North Korea.

The foreign ministers agreed that Estonia and Japan are tied first and foremost by their shared set of values. "Both nations have similar views in many international questions: we are allies in the Iraq coalition, and we support the process of building up Afghanistan," said the Estonian foreign minister.

Paet and Komura also exchanged ideas on development co-operation and talked about each nation's priorities in that area. "Estonia currently has four primary development co-operation partners: Afghanistan, Georgia, Ukraine, and Moldova," Paet stated. "However, we have looked towards nations in Africa, where Japan has already worked actively," he added. Estonia's development co-operation in Africa to date has primarily been through the unified efforts of the European Union.

The foreign ministers also talked about Russia. Both Estonia and Japan consider good neighbourly relations with Russia to be essential, regardless of existing problems.

Paet also met with the Japan-Estonia Parliamentary Group.

Both the Japanese foreign minister and members of Parliament said that many people in Japan know Estonia because of the famous Estonian sumo wrestler Baruto.

FOREIGN NEWS



Foreign Minister of Montenegro Milan Roćen and Estonian Foreign Minister Urmass Paet in Tallinn, 4 March

Paet: The Door to NATO must Remain Open to Balkan Countries

Mar 04 - **Estonian Foreign Minister Urmass Paet met with Foreign Minister of Montenegro Milan Roćen, in Estonia on a visit.**

At the meeting, the two discussed bilateral relations, Montenegro's efforts to integrate into NATO and the European Union, and issues related to Kosovo and the Western Balkans in general. Paet and Roćen signed a protocol for co-operation between their foreign ministries.

Foreign Minister Urmass Paet emphasised that Estonia is a strong supporter of further enlargement of the European Union and NATO. The Estonian foreign minister expressed hope that Montenegro can very soon move past its Individual Partnership Action Plan (IPAP) to more intensive dialogue, which would count as a step towards a NATO Membership Action Plan (MAP). "This would be a clear signal to Montenegro and the other Balkan countries that NATO will continue its open-door policy, and that these nations do have a chance to become members of the alliance in the future," said Paet.

The Montenegrin foreign minister gave an overview of his country's efforts towards European integration. "The European Union must keep its promises and continue the enlargement process," Paet emphasised. "It is equally important for the aspiring nations to do their homework and fulfil all requirements and criteria," he added. According to Foreign Minister Milan Roćen, Montenegro would like to utilise Estonia's reforms experiences on its own path towards European Union and NATO membership.

The ministers also discussed consular matters. The Estonian foreign minister expressed his pleasure over the fact that Slovenia will begin to represent Estonia for issuing Estonian visas in Montenegro (in Podgorica). "Hopefully this will mean more people travelling between Estonia and Montenegro," said Foreign Minister Paet. "If everything goes smoothly, we believe that the first Montenegrin can get an Estonian visa from the visa centre within the next few months," he added. Paet noted that bilateral relations would also be facilitated if Montenegro established a representation in Tallinn. Foreign Minister Paet added that Estonia is prepared to

share its information technology experiences with Montenegro.

Paet: the Free World has not Forgotten Belarus

Mar 04 - **Estonian Foreign Minister Urmass Paet gave a speech at the first congress of the new Belarusian Diaspora of Europe and the United States of America in Tallinn.**

The foreign minister expressed hope that the conference will create a basis for co-operation between various public organisations both within and outside of Belarus. "The congress proves that Belarusians haven't lost hope for a democratic Belarus, and that they are prepared to work for it," said Paet.

The foreign minister also recalled the role of the Estonian diaspora in Estonia's re-independence. "Estonia knows from firsthand experience the role a diaspora can play in shaping the future of the homeland," Paet stated.

Foreign Minister Paet said that along with many Belarusians, all of Europe, including Estonia, would like to see the development of a free and democratic Belarus. "I can affirm that Belarus, which has been named the 'last European dictatorship', has not been abandoned or forgotten by the free world," said Paet.

The first congress of new Belarusian Diaspora of Europe and the USA took place in Tallinn from 1-4 March.

Estonia Posted Medical Expert to Afghanistan

Feb 29 - **Argo Parts, a medical emergency response specialist, started working as Estonia's medical expert in Afghanistan's Helmand Province.**

"My primary task in Helmand will be to assess the current medical situation and, proceeding from that, carry on and co-ordinate development co-operation projects together with allies," Parts said.

Parts has been to Afghanistan before - he was a member of a European Union election monitoring team in Feizabad three years ago.

Helmand Province in the south of Afghanistan, where also 120 Estonian soldiers are serving, is one of the most unstable regions of that country. Estonia has been entrusted with developing medical services there and also sending an expert to co-ordinate international aid.

Parts is a member of Estonia's international rescue team as well as of the UN disaster assessment and co-ordination team. He has participated in missions to Iran, Indonesia, Pakistan, Suriname, and Sudan's Darfur region.

Foreign Minister Urges Yerevan to Refrain from Violence

Mar 03 - **Estonian Foreign Minister Urmass Paet expressed regret over the violent events that occurred in Yerevan and caused many deaths.**

"Please accept sympathy from me and the entire Estonian people for the loved ones of those lost," said Paet.

Foreign Minister Paet is calling upon both the Armenian government and the opposition to refrain

from further violence. "All disputes in society, including controversy over election results, should be resolved calmly and with the proper legal means," said Paet.

President Ilves: an Open Market is a Precondition for a Common EU Energy Policy

Feb 28 - **President Toomas Hendrik Ilves met with Charlie McCreevy, European Commissioner in charge of the Internal Market and Services.**

As a main topic at the meeting, the Estonian head of state raised the issue of the free movement of services in the European Union, which he definitely feels must be further liberalised.

Commissioner McCreevy introduced the *Review of the European Single Market*, which deals with how to make the European domestic market more competitive and operate more effectively.

The topic of the common European Union energy policy and the need to create a common energy market was also discussed at length. "If the European Union domestic market is not open and competition does not function, the community cannot have a common energy policy," President Ilves remarked.

Parliament Speaker Ergma Discusses Energy Issues with Belgian Colleague

Feb 27 - **Speaker of the Estonian Parliament Ene Ergma, meeting with her Belgian colleague, discussed relations between the two countries and energy issues.**

Ergma discussed relations between the two countries and outlooks of the European Union in the globalising economic environment with Chairman of the Belgian Senate Armand de Decker.

Ergma and de Decker found it necessary to start taking joint measures based on competent analyses in the name of maintaining the extremely sensitive ecosystem of the Baltic Sea.

The speaker also discussed issues of energy and participation in space exploration programs. Ergma extended an invitation to the chairman of the Belgian Senate to pay an official visit to Estonia and de Decker accepted it.

Agriculture Minister Visiting Finland

Mar 04 - **Estonia's Agriculture Minister Helir-Valdor Seeder is in Finland on a two-day visit, meeting with his Finnish counterpart Sirkka-Liisa Anttila.**

Seeder presented to the Finnish minister Estonia's positions as regards changes to the European Common Agriculture Policy (CAP).

The Estonian minister will also visit the Neste Oil biodiesel refineries in Porvoo and the Finnish Food Safety Board.

The Estonian Ministry of Agriculture said that contacts between the two countries on the topic of bio energy have also taken place earlier. In January 2007, a meeting on biomass was held in Helsinki that brought together representatives from the two ministries and the bioenergy company VAPO.

DEFENCE NEWS

Estonian Defence Ministry, NATO Official Discuss Cyber Defence

Feb 27 - **Estonian Defence Ministry Secretary General Lauri Almann and NATO Assistant Secretary General for Defence Investment Peter Flory mainly focused on cyber defence during their meeting.**

Almann said that the main issues under discussion during the meeting were cyber defence and present and future developments in that sphere in NATO.

"Meanwhile, there have been very many achievements. An understanding by both the allies and NATO about what we should do next in the cyber defence sphere is crystallising," the secretary general said. He said that in the relatively short eight months since the cyber attack against Estonia, a good basis had been built to deal with dangers from cyberspace.

Almann said that issues of legal regulation in connection with cyber defence were also discussed during the meeting. He underlined the need to ensure co-operation between lawyers and legal experts of different spheres, as the cyber defence sphere comprises extremely different areas, from international military law to private law problems.

The secretary general said that the allies were very much interested in co-operation memorandums signed between representatives of the Estonian public and private sectors, as other member countries of the alliance want to use them as examples.

The establishment of the NATO co-operative cyber defence centre in Tallinn was also discussed during the meeting.

Non-NATO Countries Interested in Participating in Cyber Defence Centre

Feb 29 - **Non-NATO countries, Finland and Sweden among them, have shown interest in participating in the activity of the cyber defence centre to be set up in Estonia.**

Estonia's representative in the cyber defence centre lead committee, Defence Ministry adviser Johannes Kert, said that some countries that do not belong to the alliance are interested in taking part in the work of the future NATO Centre of Excellence in Cyber Defence. Some Nordic countries are among them. Kert explained that those countries would like to participate on the level of experts.

Of Nordic countries, Finland and Sweden are not members of the alliance. The concept of NATO centres of excellence includes a procedure for taking aboard non-members, Kert observed. "I hope Finland will be welcome when the time is ripe for this," he said.

Finland is one of the countries that helped Estonia get ready for entry into NATO and the European Union, Kert noted.

Preparations for setting up the centre are proceeding according to plan, he stated. "We are on schedule and I don't see any particular problems right now," he said.

According to current plans, the cyber defence centre should be fully operational in the second half of this year. By that time the specialists sent by participating nations will have arrived in Estonia. As well an international agreement is supposed to be signed in May.

The tentative plan is for the centre to have about 20 jobs, with the final number depending on the agreement between the participating countries and their possibilities.

The preconditions for the accreditation of the centre of excellence are official participation in it by three alliance member states and the signing of an agreement.

ECONOMIC NEWS

Currency rates in kroons:

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

(Bank of Estonia)

Foreign Minister Invites Japanese to Invest in Estonia

Feb 27 - **Estonian Foreign Minister Urmass Paet met with CEO of the Japan External Trade Organisation (JETRO) Yasuo Hayashi.**

At the meeting, the two discussed opportunities for economic co-operation, tourism, and Estonia's ongoing accession negotiations with the Organisation for Economic Co-operation and Development (OECD).

Foreign Minister Paet provided an introduction to Estonia's economic environment and invited Japanese entrepreneurs to invest in Estonia. "Estonia-Japan economic relations have a lot of potential," said Paet. "In any case, Japanese entrepreneurs are welcome in the Estonian market," the foreign minister emphasised.

According to Foreign Minister Paet, advancements should definitely be made in tourism co-operation between Estonia and Japan. "Japanese tourists frequently travel to Scandinavia," said Paet. "At the same time, Estonia could become the destination for even more Japanese tourists," he added.

Both parties acknowledged that it is necessary to increase the base of contractual agreements between the two nations and to sign an agreement for the avoidance of double taxation.

According to Yasuo Hayashi, Japan is interested in information and biotechnology development in Estonia.

On 27 February there was a concert and reception to celebrate the 90th anniversary of the Republic of Estonia in Tokyo.

Size Gives Estonia Advantage in EU Internal Market

Feb 28 - **"Being a small country, Estonia possesses an advantage in the European Union's internal market as far as equal opportunities are concerned," visiting EU Internal Market Commissioner Charlie McCreevy said.**

Speaking at a meeting with members of Estonian parliamentary committees, McCreevy said it was difficult to find the best regulations for the arrangement of the EU internal market because of the complex political compromises between member states that were always required.

Small countries like Estonia, and McCreevy's native Ireland, have the possibility to react to changes rapidly, which provides them with an advantage over Europe's internal market, he said.

Urmass Klaas, chairman of the parliamentary economic affairs committee, said it is very important for Estonia that an internal market develops within the EU in which all member states are equal and free movement of goods and people really works.

Also talked about were problems related to the European register of chemical products, which fail to take into account the specifics of Estonia's oil shale based chemical industry.

Furthermore, the Estonian side raised the necessity to work together in the area of energy security.

Net Sales by Estonian Companies up by 16.8 Percent

Feb 29 - **Net sales by Estonian companies in the final quarter of last year grew by 16.8 percent over the same period a year ago to 171.4 billion kroons, the Statistical Office said.**

Net sales moved up in all branches of the economy. In wholesale and retail, net sales in the fourth quarter totalled 72.3 billion kroons and the annual rate of increase was 21 percent. In manufacturing, net sales increased 12 percent to 33.2 billion kroons.

Mining posted the highest annual rate of growth at 35 percent. In agriculture and hunting, net sales grew 32 percent and in forestry 31 percent. Growth was slowest in the sphere of energy.

The average number of people employed by Estonian companies in the final quarter of the year was 451,836, marking an increase of 4.9 percent over the same period a year ago.

The highest rate of growth - 21 percent - was reported by hotels and restaurants. In construction and real estate employment grew 11 percent. An increase also took place in transport, storage, communications, real estate and health care. Fishery reported the biggest decline - 13 percent.

Fashion Group Silvano Almost Quadruples Sales

Feb 29 - **Annual sales by Silvano Fashion Group in 2007 amounted to 1.54 billion kroons, having grown nearly fourfold over 2006.**

Operating profit in 2007 amounted to 333.6 million kroons, compared to 88.5 million kroons in 2006. The net profit of the group amounted to 186.9 million kroons, compared to 45 million kroons last year. The net profit margin was 12.1 percent, against 10.7 percent in the preceding year.

The outstanding improvement in the company's results and profit is attributable to the acquisition of Silvano Fashion Group by the former PTA Grupp AS in 2006, it said.

Lingerie sales accounted for 87.4 percent of the group's total sales revenue. As the sale of lingerie is a new business line for the group, comparable figures for previous periods are not available.

Wholesale operations amounted to 1.22 billion kroons last year, giving 79.3 percent of the group's total revenue.

Shares of the company are listed on the stock exchanges of Tallinn and Warsaw.

Shipper Planning to Launch Ferry Traffic between Sillamäe and Kotka

Feb 29 - **Stella Company Group, a shipper mainly known for its cargo operation between Germany, Finland, and the Russian city of St. Petersburg, is planning to open a ferry line between the Estonian town of Sillamäe and Kotka, Finland, in May.**

Manager Kari Juvas said that according to plans the ship would sail between the two port towns daily. An additional technical check-up has to be performed on the vessel, which is expected to happen next week.

Narva Line OÜ, the Saaremaa Laevakompanii subsidiary that started operation between Kotka and Sillamäe in May 2006, wound up business for a variety of reasons last October.

Estonian Water Systems Builder Water Ser Wins Contract in Latvia

Feb 29 - **The Estonian construction company Water Ser AS is about to launch the reconstruction of the water and sewerage system of the Latvian town Ikskile in a 93.2 million kroon project in March.**

The chairman of the management board of Water Ser Group, Rein Reitalu, said Water Ser's position on the Latvian construction market kept strengthening.

"We've been able to successfully build synergy via our local subsidiary," Reitalu said.

Established in Estonia in 1991, Water Ser has subsidiaries in Latvia and Lithuania.

Estonian Cheese Seller Estover's Profit Grew to 25 Million Kroons

Mar 03 - **The Estonian cheese seller Estover saw its profit grow to 25 million kroons last year from 200,000 kroons a year earlier.**

The firm's 2007 sales, at 318 million kroons, increased by a fifth year-on-year, Estover said.

"We managed to multiply profit thanks to marketing and a rise in efficiency in all stages of operations," manager Kai Rimmel said. "The profit growth was supported by the overall rise in the price of dairy products."

"We sold 3,621 tons of Estonian products altogether, of which the output of Põltsmaa Meierei Juustutööstus makes up the biggest part. As Estover is the largest supplier of mould-ripened cheeses in Estonia, various mould-ripened cheeses account for the largest part of imports," Rimmel observed.

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