

Estonian Review

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TOP NEWS



German Chancellor Angela Merkel and Estonian Prime Minister Andrus Ansip in Lisbon on 18 October. The Council of the European Union

The European Union Reform Treaty was Approved in Lisbon

Oct 19 - Prime Minister Andrus Ansip expressed his satisfaction with the European Union Reform Treaty that was approved at the informal European Council summit in Lisbon.

"It is great that the leaders of the European Union were able to reach a consensus on such an important treaty," Ansip said. With the Reform Treaty, the existing host contracts will be amended – the Treaty of the European Union and the Treaty establishing the European Community. The aim of amending valid treaties is to intensify the activities of the European Union and make decision-making process more democratic.

"As a result of the Reform Treaty, decision making in the European Union will be made easier, faster and more citizen-oriented," Ansip noted. The Prime Minister referred to the growing role of the European Parliament in the decision-making process of the Union, as well as the increasing opportunities of the Parliaments of the Member States to participate in the work of the European Union.

The Treaty allows the Union to take new initiatives on climate change and energy policy. The charter of fundamental rights will be legally binding, and for the first time, the public will have the right to request that the Union proposes legislation on a specific area.

Changes include the new position of a president of the European Council and a high representative of the Commission who is also the vice-president of the Commission, thus enabling the Union to speak on external affairs with one clear voice.

As planned, the Reform Treaty will be festively signed at the European Council in December. After that, all twenty-seven Member States must ratify the Treaty for it to come into force. The leaders of the European Union have expressed hope that the Reform Treaty will come into force before the next European Parliament elections in June 2009. Foreign Minister Urmas Paet has expressed hope that the government could present the Reform Treaty for ratification to the Riigikogu in January.

FOREIGN NEWS

Paet: EU Must Demonstrate Genuine Support for Serbia

Oct 18 - Estonian Foreign Minister Urmas Paet attended a session within the framework of the European Council where the situation in Serbia, Lebanon and the Middle East were discussed.

Speaking about Serbia, the foreign ministers of the EU noted that although the technical discussions of the Stabilisation and Association Agreement (SAA) are finished, the agreement cannot be signed until Serbia has established itself in full cooperation with the International Crime Tribunal for the Former Yugoslavia.

According to Foreign Minister Paet, Serbia must continue to fulfil the responsibilities it took upon itself, and must also have a clear European Union perspective. "I believe we need to show Serbia our real, genuine support," Paet said. "This is the best opportunity to help Serbia overcome the shadows of its past and to foster economic and social development, provided that Serbia begins to fully co-operate with the ICTY," the foreign minister added.

The EU foreign policy leaders emphasized their support of the activities of Lebanon's legitimate government, and they expressed hope that the presidential elections are held peacefully and without violence. The foreign ministers condemn the murders of parliament members and politicians that have occurred in the past few years. Since February 2005, six political figures have been assassinated in Lebanon. The most recent of these was parliament member Antoine Ghanin in September of this year.

In discussions about the Middle-East, the EU foreign ministers supported the organization of a Middle East peace conference for November of this year.

FOREIGN NEWS

Paet: Turkey Should Intensify Counterterrorism Co-operation with Iraq

Oct 19 - **The situation in Burma and increasing tension in the situation between Turkey and Iraq were discussed in a meeting of foreign ministers that was held within the framework of the European Council.**

The foreign policy leaders of the EU found that Turkey and Iraq should find a solution to their increasingly tense situation together, and that they must co-operate more extensively in the fight against terrorism. "Turkey has the right to protect its citizens against attacks, but it should be done first and foremost through intense co-operation with Iraq," Estonian Foreign Minister Paet said.

Kurdish separatist guerrillas have confirmed that their combatants head from bases in northern Iraq over the border into Turkey, where they have organized and continue to organize attacks on Turkish authorities. On Wednesday, the Turkish parliament approved cross-border raids into northern Iraq, where rebellious Kurdish separatists are sheltered.

The foreign ministers also discussed Sweden's proposals for further steps the EU could take in regards to Burma. According to Foreign Minister Paet, the proposal to establish a contact group in Burma is worth supporting. "We are in favour of steps taken towards negotiations and dialogue for resolving the Burma conflict, because then we can prevent the loss of lives," Paet said.

Sweden proposed establishing a contact group at the EU and Association of South East Asian Nations (ASEAN) Summit being held in November in Singapore. The EU, ASEAN, China, India, Japan, the USA, and the UN would be included in the group. The assignment of the contact group would be to coordinate international actions towards Burma, and to find workable opportunities for political change in the state.

DEFENCE NEWS

Baltic Military Committee Discussed Joint Projects

Oct 17 - **The Baltic military committee made up of the chiefs of the Estonian, Latvian and Lithuanian armed forces gathered for a working meeting to discuss joint defence projects.**

Estonia's Maj. Gen. Ants Laaneots, Latvia's Brig. Gen. Juris Maklakovs and Lithuania's Maj. Gen. Valdas Tutkus discussed the present state of joint defence projects and future plans during a meeting in Latvia.

The projects discussed included the air surveillance system BALTNET, mine countermeasures unit BALTRON and the Baltic Defence College based in Tartu, Estonia.

The army chiefs also pondered questions relating to the formation of a joint mechanized infantry battalion for the NATO rapid response force NRF.

Control of the Baltic airspace was also on the agenda.

Estonia reported on its participation in the NATO-led International Security Assistance Force in Afghanistan.

The Baltic military committee meets regularly twice a year. The previous meeting was held in Estonia's southern Valgamaa region in April.

Estonian Soldiers Find Large Weapons Hideout in Iraq

Oct 22 - **During an operation on Sunday the Estonian ESTPLA-15 light infantry platoon found a large weapons hideout and detained a suspected terrorist.**

In a combined patrol and search of buildings in their new area of responsibility west of the city of Sab al Bor, Estonian soldiers found a large amount of material used for improvised bombs, five AK47 automatic rifles, six SKS sniper rifles, five bolt lock rifles and a number of F-1 hand grenades.

The platoon detained a person suspected of making of bombs and organizing attacks against allied forces and handed him over to prison workers.

Commander of the platoon Lt. Kaido Kivistik said the successful operation showed Estonian soldiers' good training and creatively implemented experience.

ESTPLA-15 belongs to the Ironhorse battle group of the First Brigade of the First US Mounted Division. The platoon carries out operations in cooperation with US and Iraq units.

The platoon usually carries out foot and motorized patrols both in the daytime and during the night, as well as searches and ambushes.

The Estonian defense forces are taking part in the mission in Iraq since June 2003.

DOMESTIC NEWS

Activities of Estonian Institute's Foreign Branches Discussed in the Ministry of Foreign Affairs

Oct 23 - **The director of the Estonian Institute, Mart Meri, Minister of Culture Laine Jänes and Foreign Minister Urmas Paet met in the Estonian Ministry of Foreign Affairs.**

The activities of the Estonian Institute, the future of the Institute's branch-offices, and the introducing of Estonia's culture and country abroad were discussed.

According to Foreign Minister Paet, the Estonian Institute plays an essential role in displaying and introducing Estonia's culture abroad and the Institute's activities should definitely receive more support. "The branches of the Estonian Institute abroad should be as attractive and lively as possible," said Paet. "Only then will the Estonian Institute be able to most effectively fulfil its task of introducing our culture."

At the meeting, the three also discussed the estonica.ee web encyclopedia project, the activities of Estonian lecturers at foreign universities, and the Institute's co-operation with cultural diplomats at Estonian embassies.

Minister of Culture Laine Jänes believes that Estonia's culture export should become increasingly more vigorous, which will require the dedicated co-operation of many parties. "The Estonian Institute is a key institution here, and therefore the Institute's work on the level of foreign representations should certainly be improved. The Ministry of Culture is expecting the creation of an Estonian Institute action

plan for 2008-2012, as well as vigorous developments in the estonica.ee project," said Jänes.

At the meeting, it was agreed that a working group would be created, which will be made up of representatives from the Estonian Institute and the ministries.

ECONOMIC NEWS

Currency rates in kroons:

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

(Bank of Estonia)

Georgia Interested in Estonian Experience in Financial Sphere

Oct 21 - **Attending the World Bank and IMF annual meeting in Washington, Estonian Finance Minister Ivari Padar met with representatives of Georgia who are interested in Estonia's experience in the financial sphere.**

The main issue discussed at the meeting with Georgian Finance Ministry representatives was sharing of Estonian reform experience. Among other things Georgia was interested in were the establishment of a currency board, guarantees to the stability of investments and customs issues.

The possibility of Georgian officials' internships at the Estonian Finance Ministry and its institutions and the signing of a respective cooperation memorandum in the future was discussed.

Padar also met with his Baltic and Nordic colleagues and representatives of commercial banks. "Like Estonia, Latvia and Lithuania are also becoming donors of the International Development Association. Meeting with our Baltic colleagues we discussed how to ensure the quality of expenses at the rapidly growing volume of development aid," Padar said.

Economic development and outlooks of the region were mainly addressed at meetings with leaders of SEB and Swedbank. "Our assessments of the situation and the future were similar," the minister said.

In the discussions the parties also treated the effect of fluctuations on the world financial markets in the region, which the parties found had been small. The minister said that it was in Estonia's interest to carefully observe the situation and improve cooperation between EU countries and institutions.

Finance Minister Ivari Padar and Bank of Estonia Governor Andres Lipstok attended the World Bank and IMF annual congress in Washington from October 18 to 22 October.

Estonian Entrepreneurs Attended Roundtable Meeting in Hong Kong

Oct 23 - **Executives from Port of Tallinn, Estonian Railway, Tallinn Airport, the Enterprise Estonia foundation and other transport and logistics companies from Estonia took part in a roundtable meeting in Hong Kong.**

On 23 October, visiting Estonian Minister of Economy and Communications Juhan Parts met with Hong Kong's Minister for Housing and Transport, Eva

Cheng, and the Deputy Permanent Secretary for Trade and Economic Development, Luke au Yeung.

Parts said that both regions are characterized by an open economic environment, which provides a favourable soil for successful cooperation. Now it is time to intensify the cooperation that has already started on the level of companies, the Estonian minister said.

James Thompson, from the Hong Kong Trade Development Council, mentioned ever increasing interest in concrete cooperation. Trade between Estonia and Hong Kong, for instance, has increased by one-third over the past four years.

Estonia's Mobi Solutions Expands to Scandinavia

Oct 23 - **A portal for do-it-yourself mobile services created by the Tartu-based company Mobi Solutions expanded to the markets of Finland, Sweden, Denmark and Norway.**

In Scandinavia the portal was launched under the new trade mark Fortumo.com.

"Fortumo lets everyone create a mobile service in five minutes without having any skills," Rain Rannu, partner with Mobi Solutions, said.

The service under the name Igaühe m-äri (Everyone's m-business) is available in Estonia since 2002 and was launched in Latvia and Lithuania in spring 2007.

The service has been joined by approximately 2,500 service providers from Estonia, Latvia and Lithuania, who have created more than 6,000 SMS services. More than 500,000 short messages have been sent over Igaühe m-äri.

"The typical user of Fortumo is an online business, no matter whether small or big, who has a web page or a portal of its own and who wishes to offer SMS services via the page," Fortumo's marketing chief Martin Koppel said.

Estonian Garment Group Baltika to Enter Czech Market

Oct 23 - **The Estonian garment group Baltika intends to enter the Czech market by opening a Monton store in the Palladium shopping center in Prague at the end of October, Baltika said in its report for the first nine months of 2007.**

In 2007 Baltika began expanding the Ivo Nikkolo brand to the other Baltic countries. In addition to Estonia, two stores have been opened in Lithuania to date. According to plans, the Latvian market will be penetrated in 2008.

In the fourth quarter of the year the group plans to open 2-4 stores, which would bring the total number of its stores to 127-129 by the end of the year.

In the first nine months of 2007 the group opened 20 stores, including four stores that were relocated to larger premises. The largest number of stores -- eight -- was opened in Lithuania. Five stores were opened in Latvia and three in Russia. Two stores were opened in Estonia and Ukraine each. Three stores were closed.

At the end of September 2007 the group had 125 stores with a total sales area of 23,339 square meters.

Eesti Telekom's Quarterly Profit up by 7.8 Percent on Year

Oct 19 - **The net profit of the Estonian telecommunication group Eesti Telekom was 509 million kroons (EUR 32.3 mln) in third quarter, 7.8 percent higher than in the same period last year.**

The group's sales proceeds grew by one tenth in Q3 against the same quarter in 2006, totaling 1,612 million kroons, the company informed the stock exchange. All the main spheres of activity made a positive contribution to the growth in the sales.

The operating profit of the group before depreciation of fixed assets was 627 million kroons, nearly 7 percent more than the year before. In all, Eesti Telekom last year invested 209 million kroons; last year at the same time the figure was 196 million kroons.

In the first nine months of this year, the telecom group earned 1.06 billion kroons of net profit, nearly 15 percent more than in the same period last year. Sales proceeds of the group amounted to 4.69 billion kroons during the quarter, 11.3 percent more than the year before.

At the end of the quarter TeliaSonera, owning 59.25 percent of the shares, was the biggest owner of the company. The Estonian state controlled 24.17 percent and the Estonian Development Fund 3 percent.

Milk Procurement Price in Estonia up 16.4 Percent on Year in September

Oct 23 - **The average procurement price of a ton of raw milk in Estonia was 4,374 kroons (EUR 279.5) in September, 16.4 percent higher than in the same month a year ago, it appears from data provided by the Statistical Office.**

Compared to August, the average procurement price rose by 6.6 percent.

In September dairies bought 48,600 tons of raw milk, a drop by 2,400 tons compared to September 2006 and by 3,300 tons compared to August 2007.

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