

# Estonian Review

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

VOLUME 18 NO 2-3 JAN 2- 15, 2007

## TOP NEWS



**Estonian Ambassador to Moscow Marina Kaljurand.**

Photo: Mihkel Maripuu/Postimees

## Ambassador Marina Kaljurand Named as Person of the Year

Jan 2 - **The daily Postimees named Marina Kaljurand, the Estonian ambassador to Moscow who continued performing her duties under the conditions of a violent siege of the embassy by young pro-Kremlin activists last spring, as Person of the Year 2007.**

Ambassador Kaljurand noted that the award was a recognition of the efforts of the Estonian diplomatic service. "And more important, during the events in April we felt the support of the Estonian people," she said.

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## QUOTATION OF THE WEEK

***Complaints about young people being spoiled are probably as old as mankind. Moreover, it is good to know that this continues not to be true***

*President Toomas Hendrik Ilves at an education forum in Võru County*

## FOREIGN NEWS

### Estonia Supports Afghanistan Population Census with Half a Million Kroons

Jan 14 - **The Estonian Foreign Ministry is supporting the population census in Afghanistan with 500,000 kroons, by way of the United Nations Population Fund (UNFPA).**

According to Foreign Minister Urmas Paet, it is necessary for Afghanistan to have data on the size and concentration of the population in order to reconstruct the nation. "The lack of information has hindered Afghanistan from establishing what is actually needed," said Paet. The foreign minister added that the existence of data would simplify the creation of policies and aid programmes to support the development of Afghanistan.

The UN Population Fund will help the Afghan government carry out a census this year. The Afghanistan statistics office will supervise and carry out the census. A vital component of the UNFPA project is improving the administrative capabilities of Afghanistan's national statistics system, by training officials, compiling instruction manuals and databases, etc.

The last census taken in Afghanistan, which occurred in 1979, was incomplete and yielded no official results. Currently the nation has no proper population database, and it lacks exact information about the size, composition, and concentration of the population.

The UNFPA is one of the most experienced organisations for carrying out population census projects in developing nations, with over 30 years of experience in the field.

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The editor-in-chief of Postimees, Merit Kopli, said that Kaljurand endured a more than week-long blockade and attacks by rampaging young people in Moscow during the crisis of last spring.

"She could have withdrawn, but the Estonian embassy in Moscow stayed, together with its employees and the ambassador who, breaking through raging adolescents and defying their curses, kept giving press conferences and interviews, explaining the Estonian stance and fending off false attacks," Kopli said.

Kopli added that thanks to Kaljurand's work to explain the matters related to the relocation of the Bronze Soldier monument in Tallinn, Estonia emerged as the winner from the diplomatic war.

The Estonian embassy in Moscow was kept under a siege for more than a week last spring by crowds of young people from such pro-Kremlin youth organizations as Nashi and Young Russia.

### **New Swedish Honorary Consul to Start Work in Estonia's Narva in February**

**Jan 9 - Ahti Puur has been appointed the new honorary consul of Sweden in Narva and the north-eastern Ida-Virumaa region, the Swedish embassy in Tallinn reports.**

Puur, who works as the manager of VKG Elektrivõrgud, the second-largest power distribution company in Estonia, was born in Ida-Virumaa in 1964 and is a graduate of the Faculty of Economics of Tartu University.

He belongs to expert panels set up at Enterprise Estonia, the Ministry of Economy and Communications and the Estonian Power and Heat Association to address energy and regional development issues.

Sweden has had an honorary consul in Narva and Ida-Virumaa since 2000. The first consul was Meelis Virkebau, then chief of the Narva-based Kreenholm textile factory.

In 2005-07 the position was held by former director of the Narva College, Katri Raik, whose mandate ended as she left Narva to take a job in Tartu.

In fall 2006, Sweden opened an honorary consulate in Tartu as well. The consul is Madis Kanarbik, head of the branch office of the Nordic Council of Ministers' representation in Estonia.

## **DEFENCE NEWS**

### **Estonian Border Guard Acquires New Radars**

**Jan 15 - The Estonian border guard has acquired radars for 47.3 million kroons (EUR 3 mln) in order to better spot border violations.**

The new radar positions were established on the bank of Lake Lämmijärv and between Narva-Jõesuu and Narva. The equipment derives from different countries with the Estonian company AS Cybernetica as the main contractor.

The radar setup at Lake Lämmijärv cost 30.6 million kroons and the other 16.6 million kroons, plus value-added tax.

Besides the radars, the Border Guard Board tested an 8.8 million kroon camera system built by

Viking Security AS. The radar positions and the camera system were financed in the framework of the Schengen Facility Program.

### **Estonian Unit of EU Battle Group Leaves for Sweden**

**Jan 7 - The 34-member staff defence unit Estonia has assigned to the Nordic Battle Group of the European Union left for Sweden and will be ready to participate in operations.**

The unit is headed by Capt. Venno Slugen. In addition Estonia is contributing staff officers and a military police team to the force.

The four staff officers and five military police will be on standby in Estonia.

In all, Estonia is contributing 43 defence forces personnel to the battle group. The parliament has given permission for up to 55 troops to be used in possible operations of the battle group.

The Nordic Battle Group is made up of units from the lead country of the force, Sweden, as well as from Norway, Finland, Ireland and Estonia, comprising more than 2,500 soldiers in all.

The force is on 15-day standby from Jan. 1 to June 30. The EU will simultaneously have on standby a battle group under Spanish command in which France and Germany also take part.

## **DOMESTIC NEWS**

### **President Ilves: The Learning-capable Estonian People are Ready for a New Education Strategy**

**Jan 12 - "Estonian young people have always been capable, smart and enterprising. Complaints about young people being spoiled are probably as old as mankind. Moreover, it is good to know that this continues not to be true," President Toomas Hendrik Ilves said at the education forum held at the Võru County Vocational Education Center in Väimela.**

According to the Estonian Head of State, the recent PISA survey shows that Estonian education has a strong foundation and we are on the right track. "These results are not achieved in just a few years. This is backed by the proper attitude in Estonian homes, the determination and diligence of Estonian children, and the professionalism of Estonian teachers," President Ilves said, expressing his approval and adding that we must now look to the future and think about how to move on.

"How can we make sure that we don't lose a single talent in our small country? How, with the support of various politicians, can we guarantee that the children will receive the world's best education in Tapa as well as Tarvastu, in Tõrva as well as Toila? How do we make sure that in the future every child and young person in Estonia will cope successfully regardless of his or her native language or language of instruction," the President listed the questions that should definitely be considered in the course of the education forum in Väimela, as well as by the Ministry of Education and Research, the Riigikogu,



**President Toomas Hendrik Ilves and Minister of Education Tõnis Lukas at the Võru County Vocational Education Centre in Väimela**

the political parties, the Office of the President, national and city governments, and county education departments.

The Estonian Head of State welcomed the education forum's initiative to start working out the springboard and content for Estonia's new education strategy. "It seems to me that the learning-capable Estonian people are ready for this," the President expressed his conviction.

President Ilves is of the opinion that it is possible for Estonia to learn from the experiences of other countries and brought Denmark, with its flexible job market, as an example. "If we speak of Denmark's example in respect to job market flexibility, then we must also remember that Denmark is at the forefront of organizing retraining and in-service training," said the Head of State.

"The world around us is changing very rapidly. The knowledge that we acquire in secondary school, university or even in doctoral studies will not suffice in ten years. The acquisition of knowledge last continuously throughout one's life," said President Ilves in conclusion.

### Foreign Ministry Announces Estonia-Themed Video Clip Contest

**Jan 15 - The Estonian Foreign Ministry has announced a contest for amateur video clips that introduce Estonia. The contest will be conducted on the internet site YouTube.**

Undersecretary in Administrative Affairs Marten Kokk says that anybody interested is welcome to participate. "The video clip should be between 30 seconds and five minutes long," Kokk said. "It could be theatrical or documentary, and it should convey something interesting about Estonia to the rest of the world," he added.

The video clips will be judged by a jury of media experts and representatives from the Foreign Ministry. Ratings given by YouTube viewers will also be taken into consideration.

Three prizes will be given out: first place will receive 5000 kroons, second prize is 3000 kroons and third prize is 1000 kroons. The contest will occur four times a year. The first deadline for submitting video clips is 20 March.

## 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)

### China's Ningbo Port Container Terminal at Muuga to Cost EUR 149 Million

**Jan 11 - Estonia's Tallinna Sadam (Port of Tallinn) signed a cooperation agreement with Ningbo Port of China, one of the world's biggest ports, on the basis of which the companies will jointly build a 2.33 billion kroon (EUR 149 mln) container terminal and Chinese goods distribution center at Muuga.**

The total investment will amount to 220 million dollars and the new terminal should be completed at the end of 2010 or at the beginning of 2011, board chairman of Tallinna Sadam Ain Kaljurand said.

Kaljurand said that the agreement was important not just for Tallinna Sadam but for the whole region, as there had so far not been any such direct link between China and Baltic rim countries.

Economic Affairs Minister Juhan Parts said that according to the agreement Ningbo port would not plan any other projects in the Baltic Sea region, so the Muuga project could certainly get off the ground during that year.

Parts said the plans were to make important investment decisions this year and to decide whether it was necessary to establish any new companies and how to operate the facilities that are to be built.

The minister added that because of the agreement signed today it was probably necessary to revise the Tallinna Sadam investments budget.

According to the joint protocol of intent the new container terminal will be built in the eastern part of Muuga Port. In the first phase the capacity of the terminal will be nearly one million TEU containers a year, the Ministry for Economic Affairs said.

The new terminal will be the first major distribution centre of Chinese goods in the Baltic Sea area and will serve markets of Northwestern Russia, Scandinavia and the Baltic countries.

### Estonia Keeps its 12th Place in Table of Economic Freedom

**Jan 15 - Estonia placed 12th for the second straight year in the table of the world's freest economies published by the US-based Heritage Foundation, after being seventh in the table for 2006.**

Also just like in 2007, Estonia was ranked 5th out of 41 countries in the European region, whereas its overall score was much higher than the regional average.

The study pointed out that the top income and corporate tax rates in Estonia are low, and business regulation is efficient. Investment is easy but subject to government licensing in some areas of the economy. Estonia's financial sector is the most developed among the Baltic States.

Lithuania was ranked 26th and Latvia 38th in the index for 2008. Finland was in place 16.

Hong Kong was ranked the world's freest economy for the 14th year in a row, while second-placed Singapore was catching up.

Half of the world's top 20 freest economies are in Europe, led by Ireland in third place. Switzerland, the United Kingdom, and Denmark followed just behind.

### **Olympic's 2007 Revenues Exceed Forecast by EUR 12.1 Million**

Jan 15 - **Olympic Entertainment Group (OEG) earned an annual revenue of 2.49 billion kroons (EUR 159.1 mln) in 2007, which is 189 million kroons (EUR 12.1 mln) more than forecast in the third quarter of 2007.**

The better-than-expected outcome is the result of the group's good performance in the fourth quarter. The final quarter of the year was especially successful for OEG in the Polish market, the group announced.

The revenue figure was also influenced by the opening of seven new casinos during the fourth quarter -- three Olympic casinos were opened in Lithuania, two in Romania, and one each in Belarus and Ukraine.

### **Tallink's Monthly Passenger Number up 1.8 Percent in December**

Jan 15 - **The Estonian shipping group Tallink carried 532,739 passengers in the final month of 2007, 1.8 percent more than in December 2006.**

The number of transported cargo units was 24,545 and the number of passenger vehicles was 46,570 in December.

Tallink said in an announcement to the stock exchange that the effect from the introduction of its new shuttle vessel, Star, and its weather reliability were noticeable, as the passenger numbers between Estonia and Finland increased by 17.8 percent, the number of cargo units increased by 27.7 percent and the number of passenger vehicles increased by 64.8 percent.

### **Assets of Estonian Guarantee Fund up 39 Percent Last Year**

Jan 11 - **The total assets of the Estonian Guarantee Fund stood at 1.83 billion kroons (EUR 117 mln) at the end of December on the basis of non-audited results for 2007, 39 percent more than at the end of 2006.**

Of the assets the deposit guarantee sectoral fund was the biggest, with assets of a total of 1.82 billion kroons, manager of the fund Andres Penjam said.

The investor protection sectoral fund had 4.9 million kroons and the pension protection sectoral fund 8.8 million kroons of assets.

### **Competitor Considering Acquisition of Puls Brewery**

Jan 11 - **Meelis Pihel, managing director of the Pärnu-based Puls Brewery, the fourth biggest in Estonia, said there was no danger of closure of the brewery yet, while its closest competitor, Viru Õlu, is considering its purchase.**

"We are holding talks with several major groups. I cannot give a closer comment until any agreements have been signed. I forecast that there

will be a press release to that effect in the next few months. But there will certainly be no press release about closure of the brewery, and Puls is not going to disappear from shop counters," Pihel said.

Ott Licht, managing director of the brewery Viru Õlu, said their owner, the Danish group Harboe, had been holding talks for the acquisition of Puls Brewery and the acquisition decision was now being weighed. Licht said all the breweries could be interested in the purchase of Puls, if the Competition Board permitted it. "I believe they would all plan to buy, but the Competition Board will give no permission because A. Le Coq, for example, has too large a market share," Licht said.

### **Fashion Company Baltika Sees Sales Grow by 28 Percent in 2007**

Jan 4 - **Unaudited sales revenue of the Tallinn-based garment group Baltika reached 1.152 billion kroons (EUR 73.61 mln) in 2007, an increase of 28 percent over 2006.**

Retail sales surged by 34 percent year-on-year to 987 million kroons while wholesale decreased by 4 percent to 145 million kroons, the company informed the stock exchange.

Consolidated sales in December came in at 108 million kroons, up by 8 percent compared to the final month of 2006.

By markets, December's retail sales grew by 19 percent year-on-year in Russia, 15 percent in Latvia, 12 percent in Ukraine, and 6 percent in Lithuania. On the domestic market sales dropped by 2 percent and in Poland, by 9 percent.

At the end of 2007 the Baltika group had 128 stores with a total sales area of 24,290 square meters. A multi-brand store in Russia was closed in December. The net growth of the retail system in 2007 was 16 stores and 4,700 square meters of sales area.

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

Is issued by the  
Press and Information Department, Ministry of Foreign Affairs  
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