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BALTIC DEVELOPMENT FORUM IN TALLINN



Foreign Minister Urmas Paet and the Chairman of the Baltic Development Forum, Ufe Elleman-Jensen in Tallinn, 6 November.

Paet: The Baltic Sea Region Could Become One of the Most Competitive Regions in the World

Nov 6 - Estonian Foreign Minister Urmas Paet presented a speech at the Baltic Development Forum (BDF) in Tallinn.

In his speech, Foreign Minister Paet focused on further development of the Baltic Sea region. "We must shape our region to be part of a strong Europe, while preserving our uniqueness as a region," said Paet.

According to the foreign minister, implementation of a European Union Baltic Sea region strategy would promote successful development in the region. "With a strategy, we could turn the Baltic Sea region into one of the most competitive regions in the world," Paet said. "A key objective of the strategy could be long-term planning in areas crucial for economic growth, such as infrastructural and environmental projects."

Foreign Minister Paet emphasized energy and infrastructure as areas in which the Baltic Sea nations must pool resources in order to meet the needs of both the environment and the economy. "We must build a firm network of energy production and transmission, that responds to market requirements and is efficient in the using of renewables," said Paet. "Within this vicinity, we have the enormous potential of northern natural resources, which we can use in a sensible way."

The foreign minister also mentioned co-operation between governments and business communities in the Baltic Sea region. "We should draw from the strong features of our region—advanced information and communication technology, know-how, logistical capability and skilled and mobile work force," noted Paet.

Ansip Urges Baltic Sea Countries to Engage in Closer Cooperation

Nov 5 - Addressing the Baltic Development Forum in Tallinn, Prime Minister Andrus Ansip called on Baltic Sea countries to step up cooperation in conditions of global competition.

The nations of the Baltic Sea region should work hand in hand to motivate enterprises to invest more in research and development and create favorable conditions for truly new initiatives, because success in global competition can be achieved together, Ansip said.

"For instance, we could establish joint grants in different fields of research, foster intraregional group policies and think together about how to make our industry and our region the most attractive region in the world," Ansip said. According to Ansip, universities could work more efficiently together in the field of research and in the exchange of researchers and students.

Scandinavian universities have a strong position on the global stage, Ansip said. "This position could be further improved through more intensive regional cooperation in joint research and development programs," he added.

The prime minister said it is very important to enable talented people to work in our economic space. At present all countries on the Baltic rim are threatened by the outflow of talented people to American and lately also Asian universities and businesses. Therefore, the development of an attractive economic and living environment must be one of our key priorities.

Ansip is convinced that the Baltic states' and Poland's accession to the European Union's borderless Schengen area will make the Baltic region more attractive and create new opportunities for stronger economic integration.

The Prime Minister also stressed, that more and more emphasis should be put on the development of a common information and communication technology policy as well as a research and innovation policy.

FOREIGN NEWS

Estonian President Met with Croatian Head of State

Nov 6 - **President Toomas Hendrik Ilves received Stjepan Mesić, the President of Croatia, who was on an official visit to Estonia.**

"The success of your homeland in building a stable, open, democratic, and rapidly developing country should be a positive and encouraging signal to the other West-Balkan states," said President Ilves.

The President of the Republic confirmed Estonia's support for Croatia's aspirations to join the European Union and NATO.

"Croatia is worthy of receiving an invitation to join the NATO alliance at next year's Bucharest summit," confirmed the Estonian Head of State.

He acknowledged Croatia's activity in international military missions, especially in Afghanistan, where Croatia is a supporter of the comprehensive approach—in addition to participating in the NATO-led mission, equal emphasis is placed on civil and developmental aid, which focuses on increasing administrative capabilities and projects related to human rights.

President Ilves called the negotiations conducted by Croatia to join the European Union impressive, but emphasized the need to shape public opinion both at home and among the European Union member states, in order to substantiate Croatia's aspirations and explain its plans for the future.



President of Croatia Stjepan Mesić and Estonian President Toomas Hendrik Ilves in Kadriorg, 6 November.

"Once all the criteria are fulfilled, you will be standing at the threshold of the European Union, and I believe this may be soon, if you continue your homework with courage and dedication and at the present tempo," said the Estonian Head of State.

President Ilves and Mesić noted with satisfaction that relations between Estonia and Croatia have consolidated, especially in the field of tourism, which was helped by the opening of an air route between Tallinn and Dubrovnik last year.

"I am pleased that during the last few years Estonian investors' interest in Croatia has increased, because our economic relations are to a great extent like an undiscovered island," said President Ilves, recalling that Estonian companies invested almost 116 million kroons in Croatia last year.

In the evening, President Ilves and Mrs. Evelin Ilves hosted an official dinner in honor of Croatian Head of State Stjepan Mesić.

UN Approves Resolution Related to Cyber Attacks

Nov 1 - **The United Nations Disarmament and International Security Committee in New York accepted a resolution which addresses developments in the fields of information technology and telecommunication in the context of international security.**

The resolution expresses concern that the security of states can be compromised by means of information or telecommunication technology.

The European Union Presidency Portugal made a statement upon the approval of the resolution in which they highlighted potential threats to cyber security, which can originate from organized criminals, terrorists, or co-ordinated attacks by individuals influenced by political propaganda.

According to Estonian ambassador to the UN Tiina Intelmann, the Presidency's speech was largely motivated by the cyber attacks on Estonian government establishment, media and bank web pages in the spring.

Intelmann said that one possibility for combating malicious or illegal use of information technology would be to declare such actions criminal. "For this, an international legal framework must be created," said Intelmann.

Intelmann confirmed that both Estonia and the EU have called upon all UN member nations to join the Council of Europe's Convention on Cybercrime, which came into effect in 2004 and was initiated by Estonia, among other nations.

On the basis of the resolution, a group of government experts will be formed in 2009. The group will be responsible for researching both existing and potential threats to information safety, and to for making proposals as to how preventive measures could be taken.

In addition, the group of government experts could also study occurrences of attacks on critical national information infrastructures, and consider suggestions as to how these attacks could be investigated and declared criminal. This would include how to facilitate the tracing of an attack back to its source and reporting the information to the relevant nations.

Foreign Minister Introduces Development Plan for Honorary Consulates to Government

Nov 1 - **Estonian Foreign Minister Urmas Paet introduced the development plan for the honorary consulates for 2008-2011 to the government.**

The development plan describes the priorities and requirements related to expanding the honorary consulates by countries and regions.

According to Foreign Minister Urmas Paet, the first priority of expanding the network of honorary consulates is advancing tourism and economic relations. More attention will be given to the nations in which Estonia does not yet have diplomatic representation. "Honorary consuls are Estonia's calling cards to the world, and in the long run, the goal of expanding the network will be to have Estonian representation in every country in the world," said Paet.

The main responsibility of honorary consuls is providing consular services and consular aid for Estonian citizens abroad. An honorary consul does not give visas. Honorary consuls are noteworthy for helping to create contacts and advancing economic, cultural and educational relations. An honorary consul operates in a consular region, which is defined by the Estonian Foreign Minister with the consent of the nation the consul is in.

Honorary consuls are well-known and respected in their local area for their involvement in community life, economics, or other important areas. Honorary consuls are not compensated by the Estonian government for their work. The maintenance of consular establishments overseen by the honorary consul and expenses tied to representing Estonia are covered by the honorary consul's own funding resources.

In 2006, Estonia opened 8 new honorary consulates. There have been 4 opened so far this year, and in 2007 and 2008, another 4 are expected to be opened. At the moment, there are 101 Estonian honorary consuls operating in 49 countries.

Prime Minister Ansip: Energy Security is Important Everywhere

Nov 05 - **European energy policy and security was discussed at the Prime Minister's meetings with his Finnish and Swedish colleagues.**

Estonian Prime Minister Andrus Ansip received at the government residence Stenbock House his Finnish and Swedish counterparts, Matti Vanhanen and Fredrik Reinfeldt, who visited Tallinn to attend the Baltic Development Forum.

The conversations focused on European energy policy. From Estonia's point of view, it is essential to solve all energy market problems in an all-inclusive manner, Ansip said.

"It is equally important to take into account all aspects of the internal market, competition policy, trade in greenhouse gas emissions, foreign trade, and security," he said.

Ansip also observed that in developing the internal energy market the ability to control electricity supplies from third countries plays an important role. "They must be based on the same rules of fair competition and environmental and safety standards that exist in the European Union," Ansip said.

Ansip and his Finnish colleague talked about, among other things, Estonia's forthcoming accession to the Schengen visa space. Estonia has by now passed all the evaluations necessary for joining the EU's borderless area and implemented most of the recommendations made in evaluation reports. Estonia and eight other EU countries will become part of enter the Schengen zone already by the end of this year.

A key topic at Ansip's meeting with his Swedish colleague Reinfeldt was the priorities of the Swedish EU presidency. The Swedish prime minister singled out climate change issues. Under discussion were also the EU's reform treaty and the situation of the Estonian economy. With regards to the latter, Reinfeldt acknowledged Estonia's budget surplus policy and small foreign debt of the government sector.

Group for Ties with Denmark Set up in Estonian Parliament

Nov 6 - **Members of Estonian Parliament formed a group for promoting ties with Denmark and elected Social Democrat Indrek Saar its chairman.**

Other members of the group are Jaan Kundla (vice-chairman) from the Center Party, Reformist Meelis Atonen, Social Democrat Kalvi Kõva, and Erki Nool from Pro Patria and Res Publica Union.

Estonia's Riigikogu has more than 50 interparliamentary groups. The largest, that for ties with the United States, has 35 members or more than one-third of the 101 members of parliament.

Estonian Ambassador Unveils Commemorative Stone in Karelia Dedicated to Estonian Victims of Repression

Nov 3 - **The Estonian ambassador to the Russian Federation Marina Kaljurand unveiled a commemorative stone in Sandarmohh (Karhumäki region) in Karelia.**

The memorial is dedicated to Estonians killed by Stalin's repressions during the years 1937-1938, and the stone bears the inscription in Estonian and Russian, "Here rest Estonians, the innocent victims of Stalinist repression 1937-1938."

"Yesterday candles were lit in Estonia for All Souls' Day. Today, we light candles in Sandarmohh, in memory of all the victims of political repression in Russia," Kaljurand said at the unveiling.

Representatives of the Karelian government and the Russian Foreign Ministry placed flowers on the Estonian memorial. Other participants included representatives from the consulate general in St. Petersburg, the Petroskoi Estonian Friendship Society and representatives from many other friendship organisations. The pastor of the Petroskoi Lutheran church read a prayer at the ceremony.

Sandarmohh was the site of the largest mass killings in Karelia. Historians estimate that seven to nine thousand people were murdered there, and according to existing records, this number includes 48 Estonians.

The commemorative stone was completed with the financial support of the Ministry of Foreign Affairs.

DOMESTIC NEWS

Estonian Capital Elected Among World's Most Intelligent Communities

Oct 31 - **The international Intelligent Community Forum (ICF) has elected Tallinn as one of the 21 most intelligent communities of the world and will pick the seven most intelligent communities from among them in December.**

Last year Tallinn became the first East-European city to be elected among the seven most intelligent communities of the world. Besides Tallinn the title went to Waterloo, Canada, Dundee, Scotland, the Gangnam borough of Seoul, South Korea, Issy-les-Moulineaux, France, Ottawa-Gatineau, Canada and Sunderland, England.

Tallinn was elected among the world's most intelligent communities thanks to its e-school project, the ID public transport ticket and mobile parking.

DEFENCE NEWS

Estonian Troops to Take Part in Final Exercise of Nordic Battle Group

Nov 6 - **Forty-three members of the Estonian defence forces are going to take part in the final exercise of the European Union's Nordic Battle Group in northern Sweden.**

Codenamed Nordic Resolution 2007 and running from Nov. 7 through 11, the exercise is designed to simulate a crisis containment operation in an environment with poor infrastructure.

The Estonian platoon is formed on the basis of the Kaitseliit (Defence League) voluntary corps, a military police close defence team, and includes staff officers, a non-com officer and a civilian official. All of them will also participate in the exercise.

"The task of the Estonian units is defence of the headquarters and the military police close defence team will be protecting the command of the battle group," Capt. Andres Rekker from the operations division of the General Staff said.

Nordic Resolution is for the Swedish-led battle group the first exercise in which all units will be operating together. The Nordic Battle Group is made up of units from the leading country, Sweden, as well as from Norway, Finland, Ireland and Estonia.

ECONOMIC NEWS

Currency rates in kroons:

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

(Bank of Estonia)

Takeover Offer for Kalev Shares Launched

Nov 5 - **AS Rubla launched a takeover bid for all shares in the listed real estate and media company AS Kalev still not belonging to Rubla.**

The offer is valid for 28 days and Rubla is offering 29 kroons for each share in Kalev. The settlement date is Dec. 7.

Kalev has issued more than 23.6 million shares. To buy all the remaining shares, Rubla would need to spend approximately 280 million kroons (EUR 18 mln).

Under law, a person who has acquired dominating influence over a company must make a mandatory takeover bid for the remaining shares.

Sales by Garment Company Baltika up by Third on Year

Nov 2 - **Consolidated sales revenue of the Estonian garment group AS Baltika in the first 10 months of this year totaled 951 million kroons (EUR 60.77 mln), an increase of 33 percent over the same period last year.**

Retail sales grew by 41 percent year on year, amounting to 797 million kroons, whereas wholesale declined by 2 percent to 134 million kroons, the company said.

Consolidated sales in October, at 106.6 million kroons, represent a year-on-year increase of 13 percent. Retail sales increased by 23 percent from October 2006, totalling 94.6 million kroons. Wholesale at the same time shrank by 32 percent to 11.4 million kroons.

Ekspress Grupp Q3 Net Profit Soar 42 Percent on Year

Nov 2 - **The consolidated net profit of the Estonian media company Ekspress Grupp grew in the third quarter by 42 percent year-on-year, reaching 19.3 million kroons (EUR 1.23 mln).**

Sales revenue was 257.6 million kroons, up by 19.2 percent against the third quarter of 2006.

Nine-month sales of the group, at 784.6 million kroons, showed a year-on-year increase of 18.2 percent. Net profit of the January-September period totalled 70.5 million kroons which is 17 percent more than at the same time last year.

"The third-quarter results show primarily that online media are becoming an increasingly important outlet and the growth pace of Internet advertising will remain strong -- this trend is irreversible," Ekspress Grupp CEO Priit Leito said.

Ekspress Grupp is listed on the Tallinn stock exchange. Its majority owner is Hans H. Luik with a holding of 66.68 percent.

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