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FOREIGN NEWS



Secretary General of Foreign Ministry Matti Maasikas, Foreign Minister Urmas Paet, Undersecretary in Economic and Development Affairs Mart Laanemäe, director of International Co-operation division Kairi Saar and OECD Secretary General Angel Gurría.

Paet: Estonia would Like to Join the OECD as Quickly as Possible

Feb 11 - Foreign Minister Urmas Paet met with Secretary General of the Organisation for Economic Co-operation and Development (OECD) Angel Gurría.

At the meeting, the two discussed the next round of OECD expansion and Estonia's accession talks. According to Foreign Minister Paet, Estonia is interested in a quick accession to the OECD. "Our goal is to achieve membership as quickly as possible," said Paet.

Secretary General Gurría recommended that Estonia should pay greater attention to flexibility of the labour market. "Of course workers need to have guarantees too, but in order to maintain competitiveness Estonia must make moves toward a more flexible labour market," Gurría said.

The OECD secretary general added that all the countries in the world are competitors to each other, and that in order to stay competitive one has to put in effort all the time. "When everyone else is running and you are walking fast, you will not be fast enough," he said. He recalled that it took Mexico and South Korea two years to attain OECD membership, for instance. Estonia, in Gurría's view, is better prepared and may complete the negotiations in a shorter time.

During his two-day visit Gurría also met with Estonian President Toomas Hendrik Ilves, speaker of the parliament Ene Ergma, Prime Minister Andrus Ansip, Minister of Finance Ivari Padar and Minister of Economic Affairs Juhán Parts. He also gave a lecture on innovation policy and economic development at the Tallinn University of Technology.

Estonia was invited to begin accession negotiations with the OECD in May of 2007, along with Israel, Slovenia, Chile, and Russia.

FOREIGN NEWS

Estonia Helps Tajikistan Cope with Cold Front

Feb 11 - The Estonian Foreign Ministry helped support Tajikistan, which is suffering as a result of a cold front, with 500,000 kroons donated through the United Nations Children's Fund (UNICEF).

According to Foreign Minister Urmas Paet, the situation in Tajikistan right now is dire. "The coldest winter in decades has created a humanitarian catastrophe in Tajikistan," said Paet. Initial estimates indicate that the cold front may have caused economic damages in the amount of almost 245 million USA dollars.

UNICEF is providing Tajikistan with extra generators, blankets, and other necessities. It is estimated that Tajikistan requires aid equalling about 720,000 USA dollars in value.

Millions of people in Tajikistan are currently without electricity and heat. The nation's energy supplies, which can only supply consumers with 1-2 hours of power a day, are running out. The situation is further complicated by the sudden drop in the water level of the reservoir that feeds the Nurek hydroelectric power station. Heavy snowfall has blocked many traffic intersections and made it difficult to obtain food supplies.

Tajikistan is the poorest nation in the Commonwealth of Independent States (CIS). 57% of the population lives below the poverty line. The nation is completely dependent on humanitarian aid.

FOREIGN NEWS

Paet: Afghanistan Must Increase its Own Efforts to Rebuild the State

Feb 6 - **Estonian Foreign Minister Urmas Paet met with Defence Minister of Afghanistan Abdul Rahim Wardak in Tallinn.**

At their meeting, topics of discussion were the NATO operation in Afghanistan, the European Union police mission, and development co-operation between the two nations. They also discussed the Afghani journalist Sayed Pervez Kambaksh's trial, in which the lower court has sentenced the journalist to death.

Foreign Minister Paet believes that death penalty is reprehensible, and he expressed hope that Kambaksh's trial will continue in the higher court objectively and in accordance with the rules of legal proceedings. "The Afghani judicial system should be given a chance to correct its mistakes and to reach a verdict that does not involve the death of a journalist," said Paet.

The Afghani defence minister thanked Estonia for its contributions in building up Afghanistan and acknowledged the fact that the nation still has a great need for international aid and civil contributions. Foreign Minister Paet confirmed that Estonia plans to send a police officer to the European Union police mission soon, and that a health care expert will be sent to Helmand province. "Estonia is prepared to stay in Afghanistan for as long as our help is needed. At the same time, the effort that the Afghanis themselves are putting in alongside the foreign aid must increase," said Paet. Estonia's priorities in development co-operation with Afghanistan are supporting health care and education, as well as promoting democracy and good administrative practices. Estonia also donated 500,000 kroons to support the population census that will be carried out this summer.

Another topic at the ministers' meeting was Afghanistan's war refugees. There are an estimated 4 million Afghani refugees altogether in the neighbouring nations of Iran and Pakistan. The ministers agreed that their return to their homes should be supported. "However, the refugees should not be sent back to where the proper conditions for receiving them do not exist," Paet said.

Afghanistan is Estonia's largest military mission, with almost 120 soldiers stationed there. The Estonian Defence Forces operate alongside the Great British and Danish contingents, and their current mandate lasts until the end of this year.

Estonia Contributes 780,000 kroons to Council of Europe's Anti-cybercrime Efforts

Feb 11 - **The Estonian Foreign Ministry is supporting the Council of Europe's anti-cybercrime project with 782,330 kroons (50,000 euros).**

The goal of the project is to introduce the Council of Europe's Convention on Cybercrime, to support nations in acceding to the convention, and to help them make the necessary changes in their legislation. The project also aims to spread and support the principles of the convention globally.

"The fight against cybercrime is a priority area for us. By contributing to this project, we are directly supporting the spread of the principles held in the Council's convention throughout the whole world," said Foreign Minister Urmas Paet. "We have also actively called upon nations to join the convention and to use it as a base for legislation. Estonia's support of the Council of Europe's project confirms our governmental involvement in this area," he added.

In 2004, the Council of Europe's Convention on Cybercrime came into force in Estonia, and Estonia began to work out additional protocols along with the other nations in the convention.

Estonia Supports Raising Awareness of Euro-Atlantic Integration in Ukraine

Jan 12 - **The Estonian Foreign Ministry is supporting a project to promote democracy, the development of a civil society, and Euro-Atlantic integration to the public in Ukraine with 666,240 kroons.**

According to Foreign Minister Urmas Paet, multifaceted support for Ukraine is extremely important. "Estonia has the opportunity to make its contribution towards the formation of a democratic society in Ukraine," said Paet. The foreign minister added that public dialogue and the advancement of good management practices are extremely necessary for Ukraine to move in the direction of the European Union and NATO.

The goal of the project is to increase awareness of democratic processes, good management practices, and Euro-Atlantic integration among public-law institutions and non-governmental organisations in Ukraine. It also aims to increase Ukrainian opinion leaders' knowledge of the European Union and NATO.

Within the framework of the project, Estonian experts will share their knowledge of and experiences with adapting and reforming society. In addition, the publication "NATO A and O" will be given to Ukraine's civil society movements, journalists, municipal government officials, libraries, and universities. The book recounts Estonia's experiences while acceding to the European Union and NATO.

The project of the Estonian Atlantic Treaty Foundation is being carried out in co-operation with the Foreign Ministry, Tallinn University, the Ukrainian Embassy in Tallinn, the Ukrainian Democratic Initiative Foundation, and the NATO-Ukraine Civic League.

Finnish, Latvian Missions to Issue Estonian Visas

Feb 7 - **The Estonian government endorsed visa representation agreements with Finland and Latvia, on the basis of which representations of those countries will start issuing Estonian visas.**

On the basis of the agreement, Finland will in the future represent Estonia in visa issues in Indonesia, Namibia, Peru, the Philippines, Serbia, Syria, Thailand, Tanzania, Tunisia and the United Arab Emirates.

Latvia will represent Estonia in Azerbaijan, Kazakhstan and Uzbekistan.

Estonia does not have a wide network of foreign missions and most of the existing ones are in the European Union and Schengen countries. As a result, the representation agreements are of vital importance in the name of widening opportunities for travelling to Estonia.

On the basis of the representation agreements, citizens of the above countries can apply for Estonian visas from either the Finnish or Latvian embassies.

Estonia Backs Harmonization of EU Farming Subsidies

Feb 7 - The government confirmed the Estonia's positions on planned changes in the agricultural policy of the European Union.

The key standpoint concerns tying the amount of a direct subsidy to the number of hectares of farming land in actual use, rather than the volume of production, the governmental press service said.

Estonia is also in favour of harmonizing support levels of EU member countries and setting ceilings for support levels.

In addition, Estonia backs a speedy elimination of the milk quota system and the development of an agricultural sector less dependent on outside support.

DOMESTIC NEWS

Parliament Endorses Teder as Chancellor of Justice

Feb 12 - The Parliament voted in favour of a proposal from President Toomas Hendrik Ilves to appoint barrister Indrek Teder as Estonia's next chancellor of justice.

The motion was passed in the 101-seat chamber with votes 80 to 3 and one abstention.

Teder, 50, is a member of the board of the Teder, Glikman ja Partnerid law office and sits on the professional suitability assessment committee of the Bar.

The chancellor of justice is appointed by the Parliament with a simple majority of votes.

In nominating Teder for consideration as a candidate by the parliamentary groups, Ilves said Teder was a renowned lawyer who knew the Estonian legal system and Estonian legal practice very well, and whose professional activity has constantly dealt with problems of constitutional supervision and the protection of fundamental rights.

Teder's appointment takes effect on March 7, when the seven-year term of incumbent chancellor of justice Allar Jõks expires.

DEFENCE NEWS

NATO Centre of Excellence in Cyberdefence to be Set Up in Estonia in May

Feb 11 - The agreement establishing the NATO Co-operative Centre of Excellence in Cyber Defence will presumably be signed in May and after that the new entity will be able to officially start working, Estonian Defence Minister Jaak Aaviksoo said.

A conference of representatives of countries interested in taking part in the centre's work took place in Tallinn at the end of January, during which the documents necessary for the establishment of the centre of excellence were scrutinized, Aaviksoo said.

The agreement due to be signed in May is to be drawn up on the basis of the memorandum of understanding. After that the new entity will take legal shape as an international organization headquartered in Estonia, Aaviksoo added.

At this point, from seven to nine countries have expressed interest in joining the agreement establishing the centre of excellence. It is not Estonia's main interest to get as many countries as possible to sign up, the minister said.

"Our main goal is to have a strong action plan, and to have this plan work in conjunction with the NATO policy on cyber defence. So that the centre will indeed be a centre from which NATO as an organization will benefit," said Aaviksoo.

The creation of the centre of excellence in cyber defence is one components of the activities launched to develop NATO's web-based capabilities. The centre will develop standards and capabilities of co-operative cyber defence and offer expertise in cyber defence to alliance members.

Aaviksoo pointed out that the structure is not something that will engage directly in defensive actions or other similar activities.

"The centre of excellence is not a military unit or a cyber battle group that will destroy the enemy, but a centre for research and co-ordination set up at Estonia's initiative that will bring together member countries' expertise in the corresponding area and seek -- just like its name states -- to give recommendations and make proposals regarding national policies, as well as the policies and solutions of NATO as a whole, in the domain of cyber security," the Estonian minister said.

"So it will rather be an advisory organisation that helps NATO plan a stronger policy in cyber defence along with the corresponding structures. But it will not directly engage in cyber defence itself," he added.

NATO Ministers in Vilnius Discuss Future of Afghanistan

Feb 7 - The NATO defence ministers' meeting in Vilnius mainly focused on the operation of the alliance in Afghanistan.

It was stated at the meeting that considerable success had been achieved in the development of the Afghanistani security forces and the civilian sector with support of the international community, the Defence Ministry said.

Defence Minister Jaak Aaviksoo said that maintaining the results and developing them further would require long-term contributions and devotion.

"Allied forces do not today control the whole territory of Afghanistan. But the planned dispatch of additional troops, and the NATO member countries', the European Union's and the United Nations' contributions into civilian structures should make success irreversible," Aaviksoo said.

The minister said that the Parliament's mandate permitted dispatch of up to 150 members of the Defence Forces to Afghanistan. "We have no intention of increasing that number and no one is asking it of us," he added. "After all, Estonia has the fourth largest contingent in ratio to the population."

However, it is necessary to increase civilian contributions to building up Afghanistan.

Aaviksoo said that at the same time it is necessary to trust Afghanistani authorities and involve Afghans more than before in the construction of their democracy.

Another topic discussed at the Vilnius meeting was an all-embracing military-political strategic program of action, which is scheduled to be endorsed at the NATO summit in Bucharest at the beginning of April.

The defence ministers also addressed the situation in Kosovo where NATO forces still retain the key role in providing local security even after Kosovo's independence declaration, which is expected soon. As a new assignment, NATO will start supporting the construction of Kosovo's future security structures.

ECONOMIC NEWS

Currency rates in kroons:

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

(Bank of Estonia)

Estonian Air to Launch Flights to Munich, Rome

Feb 11 - **Estonian Air will launch flights from Tallinn to Munich on March 30 and to Rome on April 4.**

"Estonian Air hopes that clients will take the new destination as granted - we can see this from the number of passengers on the first flight which the company has good reason to be fully satisfied with," said Andrus Aljas, acting board chairman of Estonian Air.

Eesti Ehitus Construction Co Boosts FY Profit 60 Percent to EUR 19 Million

Feb 6 - **The consolidated unaudited net profit of the Estonian construction group AS Eesti Ehitus in 2007 totalled 302 million kroons (EUR 19 mln), an annual increase of 60 percent.**

Consolidated revenues during the year amounted to 3.77 billion kroons, a 51 percent higher figure than in 2006.

Revenues in the fourth quarter doubled in comparison with the same period in 2006 to 1.11 billion kroons. Net profit for the quarter grew 28 percent year on year to 93.4 million kroons.

Just like in 2006, the residential and non-residential segment contributed 53 percent and the civil engineering segment 47 percent of total revenue. The growth ratios in the respective segments were 49 percent and 58 percent.

Commercial buildings remained the residential and non-residential segment's largest sub-segment, mainly on account of strong demand in the home market. Compared to 2006, the highest growth rate was posted by the public buildings sub-segment.

In civil engineering, the largest sub-segment was port construction, which contributed 580 million kroons, or 15 percent of total construction contract revenues. A year ago, the contribution of port construction was 157 million kroons, or 14 percent.

Road construction and maintenance generated revenues of 730 million kroons, 19 percent of total

construction contract revenues, against 584 million kroons (23 percent) a year ago.

As of Dec. 31, the group's order backlog was nearly 2.59 billion kroons against 2.45 billion kroons a year ago.

Companies of the group employed on the average 1,103 people in 2007.

Eesti Ehitus has operations in Estonia, Latvia, Lithuania and Ukraine.

Eesti Telekom's Revenues up 8.6 Percent on Year

Feb 6 - **Consolidated revenues of the listed Estonian Telecom group AS Eesti Telekom totalled 6.26 billion kroons (EUR 400.2 mln), in 2007, up 8.6 percent over 2006.**

Net profit increased 15 percent in annual comparison to 1.51 billion kroons while net profit per share climbed 14.9 percent from 9.49 kroons to 10.91 kroons, Eesti Telekom told the stock exchange.

Operating profit grew 11.8 percent year on year to 1.84 billion kroons and the operating margin was 29.4 percent.

Net profit grew 16.4 percent in comparison with the fourth quarter of 2006 to 455 million kroons.

Number of Tallink's Passengers on Finnish Route up by 45 Percent

Feb 11 - **The Estonian shipping line Tallink Grupp carried 184,868 passengers on the Estonia - Finland route, nearly 45 percent more than last January.**

Tallink finds that the growth has been positively influenced by the shuttle service boat Star.

The total number of Tallink's passengers fell by 13 percent on year in January, amounting to 431,458 passengers, Tallink informed the stock exchange.

A total of 43,103 cars were carried on board Tallink ships in January, 47.3 percent more than the year before. The biggest growth against January 2007 was on the Estonia-Finland route, where Tallink carried 26,600 passenger cars, more than double the number carried last January.

Between Estonia and Sweden the company carried 3,549, between Latvia and Sweden 3,068, between Finland and Germany 2,125 and between Finland and Sweden 7,761 passenger cars.

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