

Estonian Review

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FOREIGN NEWS

Bush to visit Estonia for first time in November

U.S. President George W. Bush will travel to Estonia in November 2006 "to support the advance of freedom and to strengthen the NATO alliance:"

The President will have a bilateral program in Tallinn, Estonia on November 28, including meetings with the President and Prime Minister of Estonia.

On his first visit to Estonia, and the first visit by any sitting US President to the country, Bush will underscore the importance of the alliance in fostering a Europe whole and free by highlighting new allies that have successfully made the transition to free market democracies, contribute to the war on anti-Western elements in the Middle East and offer lessons learned and expertise to others pursuing liberty.

Estonian President Arnold Rüütel said: "I have met with President Bush several times and we have always had very pleasant discussions. Estonia highly values those long-term and close partnership relations that link us with the United States of America. I believe that the visit of President Bush will create additional opportunities for further broadening of bilateral relations between the two countries and for multilateral cooperation in various fields, including cooperation as NATO allies, but also cooperation for strengthening democracy in other states."

Bush will also travel to Riga, Latvia, to participate in the NATO summit on November 28 and 29.

In Riga, the President will discuss with NATO leaders how to improve Alliance capabilities to ensure it can meet the challenges of the 21st century.

This trip is part of a series of presidential trips which underscore the commitment of the United States and Europe to "to advance democracy, security, and prosperity in Europe, its neighborhood, and beyond."

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Baltic-US Presidential Summit in Riga, May 2005.
Valdas Adamkus, President of Lithuania, George W. Bush, President of the United States, Vaira Vike-Freiberga, President of Latvia, Arnold Rüütel, President of Estonia (from left to right)

FOREIGN NEWS

Estonia supports Latvian President for UN secretary general

Sep 15 - **Estonia has joined the other Baltic States in deciding to nominate Latvian President Vaira Vike-Freiberga for UN secretary general.**

Foreign Minister Urmas Paet said: "Considering her experience, she is a very strong candidate. It is also important that all three states are nominating her together."

UN Secretary General Kofi Annan's second five-year term in this office is up at the end of the year.

Estonia sends diplomat to Afghanistan

Sep 17 - **Toomas Kahur, representative of the Estonian Foreign Ministry, left for Afghanistan's southern Helmand province to brief the Estonian government about developments in this problematic province.**

Kahur will also coordinate Estonia's participation in civilian projects in the provincial capital of Laskargah.

Kahur will remain in the area until next spring, when another Estonian diplomat will take over. An Estonian diplomat will stay in the area for at least as long as Estonian military personnel are on a mission there.

"It is unthinkable that the Estonian government didn't have a civilian official next to the country's largest military mission, who would observe, evaluate and analyze both the political and humanitarian situation and send home reports which would help the government make the next decisions," he said.

Kahur, who joined the foreign service in 1992, has among other positions served as liaison official of the OSCE Kosovo Verification Mission between the Albanian community and the mission from

FOREIGN NEWS

Estonia sends three observers to western Balkans elections

Sep 7 - **Estonia sent one observer to the parliamentary elections in Montenegro and two observers to the elections in Bosnia and Herzegovina.**

Estonia deployed one observer with the election observation mission of the OSCE Office for Democratic Institutions and Human Rights (ODIHR) in Montenegro and two with the ODIHR mission in Bosnia and Herzegovina.

Estonia considers it important that observance of international democratic standards would be ensured in the parliamentary elections in Montenegro and Bosnia and Herzegovina.

Estonia called on Bosnia and Herzegovina to carry out constitutional and police reforms and implement rule of law and principles of a law-based state.

Estonia also expressed hope that negotiations on the Stabilization and Association Agreement and signing of the agreement will motivate Bosnia and Herzegovina to fulfill the Copenhagen criteria and requirements of the stabilization and association process.

New ambassadors around the globe

A number of new Estonian ambassadors presented credentials or were appointed in the last fortnight:

- **Estonian Ambassador to France**

Sep 8 - Estonia's Ambassador to France Margus Rava presented his letter of credence to President Jacques Chirac.

Chirac acknowledged Estonia's fast economic development and strong growth of the economy.

The president and the ambassador touched on Estonia's accession to the euro zone. Rava said Estonia observes the rules relating to the adoption of the common currency and explained the circumstances behind the delay of the transition.

Chirac and Rava also exchanged thoughts about the EU Constitutional Treaty and its future.

Rava thanked the president for help and support in solving the question of the Estonian embassy building in Paris.

The new head of Estonia's diplomatic representation in France was born in 1964 in Tallinn. In 1989 he graduated from the then Tallinn Polytechnic Institute as an electronics engineer and in 1992, from the Estonian School of Diplomacy.

He joined the diplomatic service in 1991, taking a job at the Foreign Ministry's press and information department.

In 1994-97 Rava served at the embassy in Riga and in 2000-02, at the embassy in London. Rava was director general of the ministry's foreign economy and development cooperation department in 2002-06.

- **Estonian Ambassador to Croatia**

Sep 11 - Miko Haljas, who resides in Budapest, presented his credentials to President Stjepan Mesic in Zagreb.

Estonia and Croatia have much similar experience from the past and hopes for the future, despite being located in different corners of Europe.

Issues include the need to intensify economic relations and intercommunication on the grassroots level as in his words the Adriatic and the Baltic are not just two distant seas but areas with excellent potential for cooperation.

Haljas, 39, graduated from the Tallinn Technical University in 1994 and the Estonian School of Diplomacy in 1995. He joined the foreign service in 1995. In 1999-2000 he served as second secretary at the Estonian embassy in Helsinki and in 2000-2002 held the same position at the embassy in Washington D.C.

Haljas took office as Estonia's ambassador to Hungary last month.

- **Estonian Ambassador to Japan**

Sep 11 - President Arnold Rüütel signed a resolution to appoint Peeter Miller Estonia's extraordinary and plenipotentiary Ambassador to Japan.

Miller will reside in Tokyo.

- **Estonian Ambassador to Ukraine**

Sep 12 - Jaan Hein presented his credentials to President Victor Yushchenko in Kyiv.

The relationship between the two countries is good, although there is much unused potential for economic cooperation.

Estonia hopes Ukraine's new government, led by Victor Yanukovich, will ensure stable development in the country and carry on political and economic reforms.

Estonia is also ready to continue sharing with Ukraine its experience of EU and NATO accession, as Ukraine remains a priority of the Baltic state's foreign policy and development cooperation, the ambassador said.

Ukraine appreciates Estonia's "understanding and supportive" attitude toward the Ukrainian community in Estonia.

Hein, 45, graduated from the philosophy department of the Leningrad State University in 1984, continued postgraduate studies at the same university in 1987-1990 and finished his thesis at the Mainz, Germany-based Institute of European History in 1990-91.

He joined the foreign service in 1992, worked as adviser for political and defence matters at the Estonian embassy in Moscow in 1994-97, and served as charge d'affaires in Prague in 2000-03.

Hein is married with three daughters.

- **Estonian Ambassador to Portugal**

Sep 15 - Mart Tarmak presented his credentials to President António Cavaco Silva.

Good relations in the cultural field were highlighted in the discussions that followed the ceremony. President Cavaco Silva gave recognition to Estonia's rapid economic growth and was interested in Estonian accession to the euro zone. The importance of the new Portuguese embassy in Tallinn was also emphasized.

Mart Tarmak was born in 1955 in Tallinn. He graduated in 1978 from the University of Tartu in chemistry in from the University of Vliunius in

Lithuanian language studies and journalism. From 1991-1992 Tarmak studied Portuguese at the University of Lisbon. From 1990-1992 Tarmak was Estonia's temporary charge d'affaires in Vilnius, from 1992-1993 a Foreign Ministry adviser. From 1995-1997 Tarmak worked in the Ministry of Defence as an adviser. From 2000-2003 Tarmak was a freelance interpreter. From 2003 he worked in the Foreign Ministry's policy department.

Mart Tarmak is married with a son. He is fluent in five languages.

New Dutch Ambassador presents credentials

Sep 7 - **The new Dutch ambassador to Estonia, Henk van der Zwan, presented his credentials to Estonian President Arnold Rüütel.**

The president said Estonian-Dutch relations have been "very good and businesslike" over the years, and there is close cooperation and exchange of information both in the context of bilateral relations as well as in different international matters, spokespeople for the president said.

"We see extensive opportunities as still existing in maritime transport and transit, ports and shipbuilding, as well as in the field of high technology. Estonia is also interested in cooperation in tourism, first of all in accepting tourists from the Netherlands," Rüütel said.

The Dutch ambassador spoke of his country's interest in working together with Estonia in international organizations and his wish to contribute to the development of bilateral relations between Estonia and the Netherlands.

Estonia earmarks supplementary budget funds for new embassy buildings

Sep 14 - **The Estonian government plans to allocate from this year's supplementary budget about 300 million kroons (€19.17 mln) for the acquisition of buildings for embassies; the biggest investment is the purchase of a new embassy in London.**

The purchase of embassy buildings can be viewed as a significant reserve and economy, Prime Minister Andrus Ansip said.

According to Finance Minister Aivar Sõerd, the supplementary budget earmarks 160 million kroons for the London embassy, 35 million for the embassies in Budapest and Beijing each, 20 million for the embassy in Tbilisi, and 35 million kroons for the seat of the permanent representation at the European Union in Brussels.

Sõerd noted that a large part of the 160 million kroons intended for the London embassy can be offset by the sale of the existing building which is expected to fetch about 100 million kroons.

"The purchase of a new embassy building in London thus means an about 60-million-kroon extra outlay from the budget," the minister said.

The state is about to invest many times bigger sums in embassy buildings than ever before, Sõerd said. In previous years investments in embassies have averaged 20-30 million kroons a year.

The government further intends to invest 20 million kroons in the Copenhagen embassy, 7.5 million kroons in the Moscow embassy, and 9.4 million kroons in the Paris embassy next year.

Ansip: Asia represents opportunity for Estonia

Sep 11 - **Asia means new opportunities for Estonia, said Prime Minister Andrus Ansip attending the 6th summit of Asian and European countries in Helsinki.**

"For Estonia, Asian countries represent, above all, opportunities," Ansip said. "Our companies are developing rapidly and I would encourage them to set sights on more distant markets."

According to the premier, looking to the East does not mean solely Russia. "One could look farther," he said. "There are very many opportunities for business."

In view of limited fossil fuel reserves and rising prices, energy-related topics were of special importance to Estonia in the meeting.

Estonia backed Vietnam's initiative to hold a forum on energy security to promote the development of a stable, efficient and transparent energy market.

Ansip met the head of the Thai government, Thaksin Shinawatra. "There is potential in the areas of research, technology and information technology, as well as development of tourism," the head of the Estonian government observed.

The prime ministers spoke about the signing of further bilateral agreements, above all an agreement on avoiding double taxation and another on cultural cooperation.

Estonia and Portugal, countries on the edge of the EU, share experiences

Sep 12 - **Estonian Foreign Minister Urmas Paet and visiting Deputy Foreign Minister of Portugal Manuel Lobo Antunes see economic cooperation and their common status as border states of the European Union as the most important aspects of bilateral cooperation.**

Paet said that next to cultural and economic relations, topics such as immigration and cooperation with non-EU countries are important for the bilateral relationship of the two countries on the borders of the bloc.

"Neither of us is a very big state so the concerns of small states are similar to us," said Paet.

Paet also touched on the fact that Portugal would have the presidency of the EU in the latter half of 2007 and that next year, Portugal would be helping to patrol the skies over Estonia.

"I am glad that Portugal will be taking part in guarding Estonian airspace next year," said Paet.

From the point of view of development of bilateral relations, the opening of the Portuguese embassy in Tallinn on Sep 12 was also vital, Paet said.

DEFENSE NEWS

Operations chiefs of Estonian, British armed forces discuss Afghanistan

Sep 8 - **Britain's deputy chief of joint operations, Maj. Gen. Peter A. Wall, and Estonian defence forces' Chief of Staff Brig. Gen. Alar Laneman discussed Estonian-British cooperation and the mission in Afghanistan.**

During the meeting at the Estonian armed forces' headquarters, Wall presented plans of the British armed forces in Afghanistan.

Lt. Col. Leo Kunnas, chief of the operations and training department, talked about Estonian participation in the missions.

"It was a meeting oriented to the future, where Estonian and British officers in charge of operations exchanged information about operations and discussed action plans for the ISAF mission in Afghanistan," Kunnas said.

The main topics of the meeting were the rotation of Estonian troops, training, and cooperation with British armed forces. Communications and logistics were also discussed.

"Estonian units are esteemed combatants in Afghanistan for their good training, technology, discipline, flexibility and lack of additional limitations. Maj. Gen. Wall very highly valued the activity of our troops," Kunnas said.

Wall has served as deputy chief of joint operations at the British defence headquarters since last February.

Estonian military are taking part in the International Security Assistance Force (ISAF) mission in Afghanistan's southern Helmand province as part of the British battle group, which is subordinated to the ISAF multinational brigade.

Consisting of 78 personnel, the Estonian contingent is set to increase to 120 by the end of the year.

The biggest Estonian unit, the 37-strong ESTCOY-2, started service in southern Afghanistan at the end of May. Currently the unit's servicemen are in Estonia on holiday.

The unit has been commended by the chief of the British contingent for the operations it has carried out.

Estonian military have taken part in the Afghanistan operation since 2003.

Mine hunter deal finalized with Britain

Sep 15 - Estonia signed with Britain a mine hunter procurement agreement worth 800 million kroons (€51.1m).

The agreement was signed by Defense Minister Jürgen Ligi and Lord Paul Drayson, Britain's minister for defense procurement, on board Admiral Nelson's flagship *Victory* in the Royal Navy base at Portsmouth.

Estonia is buying from Britain three Sandown-class mine hunters formerly used by the Royal Navy. The price of the deal is 800 million kroons, which makes it one of the biggest armaments procurements in Estonian history.

"This purchase is value added in the relations between Estonia and United Kingdom which go back to the British naval support to our struggle for independence and last till the present day as Estonian and British units are together participating in the Afghan peacekeeping mission," Ligi said.

Under the agreement, the vessels will undergo repairs and be equipped with modern military equipment. A new mine disposal system Seafox will be installed and the sonar systems modernized. The ships will be equipped with a tactical command system and the necessary training will be provided to crew members.

The first of the three mine hunters will be delivered to Estonia in April 2007, the second in March 2008 and the third, in February or March 2009.

Besides traditional mine hunting, the ships can be used in sea rescue operations and for checking

underwater structures and identifying sunken objects by means of submerged robots.

The procurement was prepared by a work group of Defense Ministry and defense forces officials and experts. In the final stage, US mine hunters of the Osprey type and the British Sandown were shortlisted.

Estonia seeks Canada's help for officer training

Sep 11 - Estonia wants to cooperate with Canada in military education; the Baltic state's primary interest is in Canadian support for officer training.

Estonian-Canadian cooperation in training was under discussion at outgoing defence forces' commander Vice Adm. Tarmo Kõuts's meeting with the head of the Canadian Defence Academy, Maj. Gen. Paul Hussey, the general headquarters of the defence forces reports.

Kõuts and Hussey talked about bilateral cooperation in training and the developments and trends of military education.

According to the defence headquarters, Estonia is interested in Canadian support for the preparation and training of officers.

Estonian military personnel have for years been attending various level English courses held in Canada, and many non-commissioned officers too have been prepared in that country.

Hussey, who became commander of the Canadian Defence Academy in June 2004, also met with Defence Minister Jürgen Ligi. He visited the Tartu, eastern Estonia-based Baltic Defence College on Sep 12.

DOMESTIC NEWS

Government endorses 2007 budget in principle

Sep 7 - The Estonian government gave its nod to the draft of the state budget for 2007 and decided to send the bill to parliament.

The budget bill shows the state's revenues next year at 75.757 billion kroons (EUR 4.84bn), of which tax revenue makes up 60 billion and non-tax revenue 15.7 billion kroons.

Expenditures will total 74.6 billion kroons, according to the bill.

Estonia also will repay 1.8 billion kroons of its foreign debt next year.

In comparison with this year revenues next year are planned to grow approximately 23 percent and expenditures 21 percent. The priorities of the budget, according to the government, are an educated and active population, interior security and balanced development of different regions.

To grow relatively the most in comparison with this year are the budgets of the ministries of education, interior, justice, defense, and agriculture.

EU experts finish evaluation of Estonia's land border

Sep 15 - European Union experts evaluating the conformity of Estonia's land border to the requirements of the bloc's common security and justice area finished inspection of border checkpoints.

The Border Guard Administration believes that shortage of border guards could be the only problem

noted but is full of confidence it will not prevent accession to the border-free Schengen area.

Estonia's Schengen accession was postponed for a year due to a separate technical problem with SIS II.

The evaluation report is expected in about a month's time.

Over a period of four days the inspectors visited six patrol stations and five crossing points, and scrutinized all procedures related to checking people and border crossing.

The land border evaluation is the fifth and last but one EU mission to Estonia. Draft reports on the inspections of the air and maritime borders carried out in July are already available and officials here say they are mostly positive, containing only a few recommendations and remarks.

"Regarding the sea border, for instance, the issue of an agreement on maritime border areas with Russia is raised," the Interior Ministry's Schengen coordinator Piret Lillevali said. The draft report at the same time concedes that lack of such an agreement does not hamper day-to-day practical work.

A new team of EU experts will arrive next week to examine data protection.

Baltics boast EU's highest numbers of female scientists, technology specialists

Sep 11 - **The Baltic states boast the highest numbers of women working in science and technology, according to data released by the EU's statistics agency, Eurostat.**

Female workers account for over 50 percent of employees in the science and technology sector, while making up only 44 percent of the total workforce. In some countries, however, the number of female professionals is above the average level. Of the people employed in science and technology in Estonia, Latvia and Lithuania, for instance, women make up 69.2 percent, 65.7 percent and 65.6 percent respectively.

The three Baltic states are also the only EU members where most of leading posts in science and technology are held by women.

Lithuania is the leader in this respect with 55.5 percent. Latvia follows with 51.4 percent and Estonia with 51 percent.

The Eurostat report says female specialists face higher unemployment risks than men. In 2004, for example, the number of unemployed scientists and engineers amounted to 1.4 million against 1.2 million unemployed male specialists.

The report indicates though that the gender gap in unemployment among scientists and engineers had shrunk in 2004 from 2000.

PM: Estonia will have less than 100,000 stateless residents by 2010

Sep 7 - **Provided that naturalization of stateless residents continues at the present rate, the number of residents with undetermined citizenship will drop below 100,000 in Estonia by the year 2010, Prime Minister Andrus Ansip said.**

The number of such residents was approximately 136,000 at the beginning of this year, Ansip said

During 2005, Estonia naturalized 7,072 citizens who previously were not citizens of any country, compared with 6,523 in 2004.

The action plan of Estonia's national integration program for 2004-2007 sets out the goal to grant Estonian citizenship to at least 5,000 people annually. In all over 140,000 people have become naturalized citizens since Estonia regained independence in 1991.

In 1992, there were 492,000 people with undetermined citizenship living in Estonia, making up 32 percent of the population. As of Aug. 1 this year the number was 130,349, or 10 percent of the population. By the same date, 141,306 people had been granted Estonian citizenship.

ECONOMIC NEWS

Currency Rates in Kroons (Bank of Estonia)

Estonia's fiscal revenues surpass outlays by €236 million in eight months

Sep 12 - **Revenue received in the Estonian state budget during the first eight months of this year amounted to 42.7 billion kroons (€2.73bn), 69.6 percent of the planned 12-month revenue.**

Revenues as of the end of August surpassed budgetary expenditure by approximately 3.7 billion kroons (€236m).

Revenue intake in the eight months was 17.9 percent greater than the figure for the same period in 2005, when revenues amounted to 36.6 billion kroons.

Tax revenue stood at 34.9 billion kroons, or 71.1 percent of the planned annual amount. Tax revenue received during August totalled 4.8 billion kroons.

Tax revenue increased by 4.9 billion kroons or 16.5 percent in comparison with the January-August period of 2005.

External funds had been received in the amount of 2.39 billion kroons, making up 35.3 percent of the planned sum for 2006.

Estonian government decides to renationalize railway

Sep 14 - **The Estonian government decided to start negotiations to terminate the agreement on the privatization of Eesti Raudtee (Estonian Railway) and acquire majority stocks in the company by mutual agreement of the parties.**

"If the negotiations bring a result, means need to be found in the supplementary budget to repurchase Eesti Raudtee," Prime Minister Andrus Ansip said at a news conference.

Economy and Communications Minister Edgar Savisaar described the offer made by Suprema, adviser to the owner of the rail company's majority shares, as considerable

"We've got price calculations of how much the shares of Eesti Raudtee could cost, but we don't want to make them public," Savisaar said. "Specific sums can be talked about after we've reached agreement," he said.

Savisaar said the Ministry of Economy and Communications was holding talks on termination of the privatization agreement together with the Ministry of Finance and that results of the talks were due to be discussed in the government one month from now.

Estonia one step closer to World Bank donor country status

Sep 17 - **Estonia's Finance Minister Aivar Sõerd, attending the annual conference of the World Bank and the International Monetary Fund in Singapore, signed a document certifying that Estonia has graduated from borrower status and taken a step closer to becoming a donor country.**

The document was inked by Sõerd and World Bank Vice President Shiego Katsu.

The minister said that formal shedding of the status of borrower at World Bank is a natural landmark on Estonia's path of rapid development. "Estonia was in the 1990s a customer of the World Bank but in the near future we shall become a donor. Our aim is also to join the International Development Association."

"Thanks to rapid development, the Estonian economy is beginning to do well enough for us to be able to provide more aid to developing economies of the world," Sõerd said.

Estonian companies' Q2 sales up 20%

Sep 15 - **Net sales by Estonian enterprises in the second quarter of 2006, at 136.3 billion kroons (€8.71bn), were 21% bigger than in the same period of 2005.**

The annual increase in net sales was faster than in the year before, as in the second quarter of 2005 sales increased over the same quarter of 2004 by 17.4 billion kroons or 18 percent.

Net sales by trade enterprises accounted for 41 percent of total net sales, net sales by manufacturing enterprises for 21 percent and net sales by transport, storage and communication enterprises for 13 percent.

Undersea cable installation begins

Sep 11 - **Laying of the submerged part of the Estlink undersea electricity cable between Estonia and Finland started in Kakumäe Bay near the Estonian capital Tallinn.**

Near the coast the cable will be linked up to the land cable, whose installation in Estonia has been finished and is due to end in Finland in the near future. Works at the converter stations linking the direct-current power cable with the power grids of the two countries are also about to end soon.

Construction work is to be completed in September and the first tests are due to be carried out in October. The cable must be operational in late November or in early December.

The overall length of the 350-megawatt power link is more than 100 kilometers and the project costs some 1.7 billion kroons (€108.6m).

The partners in the Estlink project are the Baltic energy companies Eesti Energia, Latvenergo and Lietuvos Energija, and Pohjolan Voima and Helsingin Energia of Finland.

4th 3G tender announced

Sep 15 - **The Estonian Communications Board announced a tender for the fourth license to operate a 3G mobile communications network in Estonia.**

According to the law, the license is issued for one year and extended annually after payment by the operator of the corresponding state fee.

The starting price of the license in the tender is 70 million kroons (EUR 4.47 mln). In the seventh year at the latest the operator must have an operational 3G network that covers at least 30 percent of the Estonian population.

Announcement of the tender was adjourned so far because of a complaint by the Bravocom company arguing that the terms of the tender contravene the law and that all participants are not treated on an equal footing.

Only operators which do not have a 3G license yet can take part in the tender. The mobile operators EMT, Elisa and Tele2 each hold a 3G license in Estonia already. EMT launched its 3G network in last November.

CULTURAL NEWS

Estonian's film screened at NYC festival

Jaak Kilm's film *Revolution of Pigs* will be shown at the European Dream film festival in New York on 23 September.

The film will be screened in the Youth of Europe Film Series part of the programme.

With an honorary board led by John Malkovich and Adrien Brody, the six-week festival runs at prime NY venues.

Kilm's film will be shown at the French Institute in Florence Gould Hall at 22 E. 60th St.

The film's blurb: "In the summer of 1986, hundreds of young Estonians are gathering in a Soviet-era student brigade camp—three days of adventures, falling in love and partying. But as the totalitarian system is trying to suppress the energy of youth, it leads to a revolt."