



U.S. Department of State FY 2001 Country Commercial Guide: Estonia

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CHAPTER I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Estonia's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

Since regaining independence in 1991, Estonia's economic reform policy has led to a liberalized, nearly tariff-free, open market economy with generally healthy growth rates. Although Estonian GDP decreased by about 1.1% in 1999 due to the fallout from the Russian financial crisis (this followed an 11% increase in 1997 and a 4% increase in 1998), many experts predict that the economy will regain its growth at the 2.5% rate in 2000. In 1998 Estonia began accession negotiations with the European Union (EU).

Estonia's liberal foreign trade regime, which contains few tariff or non-tariff barriers, is virtually unique in Europe. Estonia also boasts of a national currency which is freely convertible at a fixed exchange rate, and conservative fiscal and monetary policies. Estonia has free trade regimes with EU and EFTA countries and also with Latvia, Lithuania, Ukraine, Slovakia, Slovenia and Czech Republic. Estonia became a member of the WTO in 1999.

Estonia's business attitude towards the United States is positive, and business relations between the U.S. and Estonia are increasing significantly. The primary competition for American companies in the Estonian marketplace are European suppliers, especially Finnish and Swedish companies.

Total U.S. exports to Estonia in 1999 were USD \$181.8 million, a decrease of 17% compared with 1998 exports, reflecting the contraction of the Estonian economy. In 1999 the principal imports from the United States were electrical machinery and equipment, food products, and chemical products. This pattern is expected to continue through the year 2000. U.S. imports from Estonia rose 16% in 1999 (from USD \$62.3 to \$72.0 million), and were mainly composed of cotton and textile products, organic chemicals and wood products. The United States is not one of Estonia's top ten trading partners.

While Estonia's future membership in the EU is not expected to have major bilateral trade implications for the United States, the membership will disadvantage the U.S. to a certain extent. Since January 2000 Estonia has imposed import tariffs on certain agricultural products from third countries, including the U.S., in response to EU harmonization requirements.

Estonia's greatest natural asset is its location at the cross-roads of East and West. Estonia lies just south of Finland and across the Baltic Sea from Sweden - the European Union's newest members. To the east are the huge potential markets of northwest Russia. Having been a

member of the former Soviet Union, Estonians know how to do business in Russia and in other former Soviet block countries. Estonia's modern transportation and communication links provide a safe and reliable bridge for trade with both its eastern and northern neighbors.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at [HTTP://WWW.STAT-USA.GOV](http://www.stat-usa.gov), [HTTP://WWW.STATE.GOV/](http://www.state.gov/), and [HTTP://WWW.MAC.DOC.GOV](http://www.mac.doc.gov). They can also be ordered in hard copy or on diskette from the national Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD(E) or by fax at 1-202-482-4473.

CHAPTER II. ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

Largely as a fallout of the Russian financial crisis, economic growth that was nearly 11 percent in 1997, fell to 4 percent in 1998 and declined to -1.1 percent in 1999. However, statistical data from the first quarter of the current year indicate that Estonia's economy has bottomed out, and forecast a reasonable and sustainable GDP growth of 2.5 percent in 2000.

Estonia's economic downturn over the last years also had a positive effect. It forced companies and consumers to recognize that slowdowns are inevitable, especially in small economies that have little control over external economic and political developments.

Despite these developments, Estonia's economic outlook in the medium- and long-terms remains quite good. In the few years since regaining independence, Estonia has established and remained committed to some of the most radical economic and market reforms in Central and Eastern Europe.

Principal Growth Sectors

Services, especially IT, transportation and construction services, will be the principal growth sectors for the next few years.

Transportation: Estonia's main ports are modern and relatively well-managed, enjoy low labor costs, are sufficiently deep for the berthing of the largest ships capable of operating in the Baltic Sea, and are generally ice-free. The privatization of the railroad linking Estonia's ports to Russia's Great October railroad is expected in 2000. New management and significant investment should bring a sharp increase in the railroad's capacity.

Government Role in the Economy

The economic reforms put in place in Estonia have limited the government's role in the economy to an extraordinary degree. Because of a constitutional balanced budget requirement and the use of a currency board system, the government has an extremely restricted range of instruments with which to influence the economy. With the Estonia kroon pegged to the German mark at a ratio of eight to one, the size of Estonia's money supply is directly determined by the amount of foreign exchange it can attract through exports, loans or investments. Beyond the constraints imposed by the legally mandated balanced budget, the government has been extremely reluctant to issue sovereign guarantees from international financial institutions, so much so that Estonia has an international public debt burden of about 5 percent of GDP.

In November 1999 Estonia became a member of the WTO. Starting from January 1, 2000 Estonia began imposing customs duties on agricultural imports from third countries (including the United States) in response to EU harmonization requirements. Nevertheless, the government has restricted its role by avoiding import tariffs on other goods and limiting excise taxes to a small range of products.

The legal requirement for a balanced budget has prompted Estonia to establish an off-shore stabilization fund where it has deposited income above its expenditures and much of the revenue from privatization. Despite periodic budget shortfalls, the government has been extremely reluctant to draw on the stabilization reserves. Instead, it has opted to deal with revenue shortfalls by deferring investments, preparing negative supplementary budgets that cut spending, and by taking additional steps to cut expenditures.

Estonia has largely completed its privatization with only a few infrastructure enterprises still remaining under government control. In 2000, the privatizations of the railroad, the power generating company, and several associated oil shale mines are all due to be concluded. Virtually all other state-owned enterprises engaged in productive activities have been privatized. A small number of municipal-owned enterprises have yet to be privatized but these constitute a tiny fraction of the overall economy.

Balance of Payments

Estonia's small, open economy is constrained by its currency board system and can only grow by attracting foreign capital. In the mid-90s, Estonia's strong economic growth coupled with the need to extensively rebuild its economy resulted in current account deficits that reached as high as 12-13 percent of GDP. While the economic slowdown has narrowed this significantly, the current account deficits remain a concern, forming 6.3% of GDP in 1999. While imports have continued to decline, so too have exports. Income from services and capital inflows in the form of foreign direct investment have remained strong.

Infrastructure

Telecommunications: While controversial, the long distance telephone concession agreement the government made with a consortium of Swedish and Finnish firms has served the country well, with modern -- in many cases digital -- phone lines extended throughout the country. In areas where the population density was too low to warrant installation of fixed line systems, other wireless systems were installed. In addition to its fixed line system, Estonia has three mobile phone service providers; the country has the highest number of mobile phone users per capita in Central and Eastern Europe. The largest of the mobile phone service providers, Estonian Mobile Telephone (EMT), also launched a mobile positioning system that automatically pinpoints the location of any person calling from the EMT network to an emergency number.

IT: Information technology has progressed quickly; Estonia has one of the highest number of Internet users in Central and Eastern Europe. Two mobile phone services operators also provide Internet services via mobile phones. The government has undertaken a major commitment to provide all schools in the country with Internet access.

Transportation: Surface transportation is satisfactory, although the road system is becoming increasingly taxed by the growing number of vehicles. The railroads handle a steadily increasing amount of transit trade bound for Russia via Estonia's modern ports.

The bulk of transit cargo passes through Tallinn's expanding port system, which includes the four ports of Mugga, Old Town, Paljassaare, and Paldiski South. Unlike in Latvia where the majority of petroleum products are transported from Russia via pipeline, nearly all of the petroleum transiting Estonia is hauled in railcars.

Energy: Estonia is self-sufficient in electrical power; its two large oil-shale fired power plants have a generating capacity of about 3,000 Megawatts, twice Estonia's domestic demand. Because of its oil shale reserves, Estonia does not need to rely on other sources for fuel. The power plants formerly produced and exported energy to Russia and Latvia, but these markets have largely disappeared. Negotiations are currently underway with a U.S. energy company to form a joint venture to renovate and operate the two plants, and to bring them into compliance with international environmental standards. In May 2000, a protocol for further cooperation on the Baltic energy market was signed by Estonian Energy and Latvian Latvenergo.

CHAPTER III. POLITICAL ENVIRONMENT

Brief Synopsis of Political System

Estonia is an independent and sovereign democratic republic, wherein the supreme power is vested in its people. Estonia's government is divided into four branches: a president, the Riigikogu (a unicameral parliament), the Government (cabinet -- led by the prime minister), and

the courts. There is universal suffrage for Estonian citizens over 18 years of age residing in Estonia or abroad. Additionally, all non-citizen legal residents over the age of 18 may vote in local, although not national, elections.

The party spectrum during election campaigns ranges from single issue parties to others that provide a complete political, social and economic program. Estonian citizens may be members of political parties formed in Estonia. Currently, there are about thirteen political parties registered in Estonia.

All governments to hold power since the 1992 general elections have proclaimed the development of an open market economy to be the main principle of economic reform.

Nature of Bilateral Relationship with the United States

In general, Estonian - U.S. bilateral trade and investment relations are of a strategic nature; the bilateral economic relations are closely linked to foreign policy and national security objectives. The strategic interests primarily rest with Estonia since it is significantly more interested in security policy considerations vis-à-vis economic integration with the West. As economic prosperity encourages stability, the economic relations between Estonia and the United States play a significant role in the development of a stable and prosperous Europe as a whole. This in turn benefits the United States with a stable market for U.S. companies and a friendly co-operative international partner.

The U.S. has implemented several sound policies aimed at strengthening a prosperous trading relationship. Economic policies which have helped guide U.S. - Estonian co-operation include the most favored nation regime, the general preference system, and the financing programs of OPIC, U.S. TDA and the USA Export - Import Bank.

To date seven economic agreements have been concluded between the U.S. and Estonia, five of which are ratified and in effect.

CHAPTER IV. MARKETING U.S. PRODUCTS AND SERVICES

Distribution Channels

Distribution channels in Estonia are similar to the United States market. Goods may be sold through an agent, distributor, established wholesaler, or by selling directly to retail organizations.

Privately-owned wholesale and trading houses are particularly strong in certain specialized sectors, such as electronics, electrical components and instruments, pharmaceutical and health care products, technical products and machinery, raw materials and chemicals.

Use of Agents and Distributors; Finding a Partner

One exclusive agent/distributor is usually appointed to cover the entire country. Estonian importers often represent several different product lines. In selecting a representative, the exporter should check whether that company handles competing products.

There is no clearinghouse of information for finding a partner in Estonia. It is recommended that U.S. companies seeking agents, distributors, or partners in Estonia either contact local trade associations for a list of importers, purchase the Agent Distributor Service (ADS) from their nearest U.S. Department of Commerce District Office, or contact the Estonian Investment Agency or the Commercial Section of U.S. Embassy Tallinn.

Direct Marketing

Direct Marketing is both a media and a way of selling. Direct marketing as a media includes direct mail and direct response advertising (press, radio and television). As a way of selling it covers mail order, direct selling and telemarketing. Both direct sales and mail order sales are showing a steady growth in Estonia.

Joint Ventures/Licensing

Joint ventures and licensing arrangements with foreign manufactures are allowed and encouraged. Several U.S. companies have established themselves in the Estonian market with subsidiaries and joint ventures. A number of Estonian firms are interested in using their long-established contacts in the former Soviet Union to market U.S. goods. The Estonians cite a number of selling points for using Estonia as a gateway to Russia.

Steps to Establishing an Office

Commercial operations in Estonia may be performed either as a “physical person” or a “legal person,” and may be divided into four forms: 1) general partnership; 2) limited partnership; 3) limited company; and 4) a public limited company. Descriptions of the different forms and English-language guidelines on how to establish such firms in Estonia are available on the websites of either the Estonian Investment Agency (www.eia.ee) or the Estonian Chamber of Commerce and Industry (www.koda.ee).

Selling Factors/Techniques

Selling factors and techniques are very similar in Estonia to those in the United States. Terms generally applied to international trade with industrial countries apply to selling in Estonia. When selling through a local distributor financing is covered in mutual agreements.

Advertising and Trade Promotion

The 1998 Law on Advertising prohibits advertisements that are offensive to minorities (ethnic groups, gender, etc.) There are special provisions on advertisements aimed at children. Advertising of tobacco and tobacco products is prohibited. Advertising of alcohol is strictly regulated.

The volume of Estonia's media advertising market in 1999 was 639 million kroons (USD 39.37 mln). Newspapers accounted for 47.8 percent of the total spending on advertising. The share of magazines was 12.7 percent, television -- 20.4 percent, radio -- 12 percent, outdoor advertising -- 6.5 percent, and Internet advertising 0.7 percent.

In the last two years the share of Internet advertising has grown the most, followed by advertising in magazines and via the radio. The volume of television and outdoor advertising, on the other hand, has dropped slightly.

Trade Promotion

Most of the international fairs take place at Estonian Fairs Ltd., located in Tallinn. See section E for a list of contacts.

Pricing Products

Products in Estonia are priced using the following method:

CIF price + excise tax + profit + value added tax (18%)

Excise tax is levied on tobacco products (raw tobacco and cigarettes, cigars, cigarillos), alcohol and beer, certain petroleum products (petrol, diesel oil, jet fuel, lubricating engine oil), private passenger vehicles (cars, motorcycles and yachts motor vehicles), and package types. Tobacco and tobacco products imported to Estonia are assessed when the excise tax tags are bought. The rate of excise duty is the price of the tax tag. Enterprises which have obtained a national license for producing, importing and exporting tobacco products have the right to buy the tax tags. The excise tax is imposed on spirits, alcoholic beverages and beer. Synthetic spirits, distilled spirits, and by-products of the distilling process are not subject to the excise tax.

Nearly all imports, as well as domestic-origin products, are subject to the Value Added Tax (VAT). Exemptions from the VAT include medicines, medical goods and equipment for funeral services, goods imported for non-profit purpose and other specific goods and services.

There are no price controls in Estonia.

Sales Service/Customer Support

Major suppliers normally establish sales offices in Estonia that are supported by dealers. There are also importers/distributors who use a network of dealers to support their marketing efforts. As a rule, one exclusive agent/distributor is appointed to cover the entire country. Estonian importers often represent several different product lines. Importers may serve large customers themselves while dealers work with smaller customers and those located outside Tallinn. Training of sales office personnel, usually arranged and carried out by dealers, is important.

Service points should cover the whole territory and not be limited to the capital.

Selling to the Government

Government procurement is governed by the Public Procurement law (January 1, 1996; amended July 1998). Conducted through open tender, government procurement may take place in one of two ways: 1) limited bidding with negotiations, or 2) a government tender open to all bidders. The law regulates public procurement that exceeds \$14,500, new construction which exceeds \$144,300, or the preparation of a construction site or construction services for more than \$36,100. In case of differences between an international agreement signed by the Republic of Estonia and the public procurement law, the provisions of the international agreement prevail.

Sources of Information - Announcements concerning public procurement are through the Public Procurement Office and published in daily newspapers. See section E. for a list of contacts.

Protecting Your Product from IPR Infringement

The Estonian legal system protects property rights, including intellectual property. The Copyright Law was established in 1992. The Trademark Law, the Patent Law, and the Utility Model Law were all established in 1994. Estonia adheres to the Bern Convention, the Geneva Convention on the Protection of Phonograms, the Paris Convention, the Patent Cooperation Treaty, the NICE Agreement, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms, WIPO, TRIPS and the Rome Convention. A law amending the copyright law, criminal code and the code of administrative offences was adopted in 1998. It complies with the EU directives granting protection to authors, performing artists, record producers, and broadcasting organizations.

It is recommended that U.S. firms desiring to register their patent or trademark seek the assistance of a reputable attorney experienced in IPR issues. The Association of Estonian Patent Attorneys (EPS) has a list of 25 certified patent attorneys. See section E. for a list of contacts.

Copyrights: Copyrights are valid for the lifetime of the artist plus 50 years. There is no application process for nor formal bestowal of copyrights -- it is automatic upon creation of the work.

Patents: Patents are granted for 20 years. Application is made at the Estonian Patent Office.

Estonia also accepts patent applications (translated into Estonian) from abroad.

Trademarks: Applications must be made to the Estonian Patent Office. English language guidelines to apply for a trademark are available from the Estonian Patent Office (see Appendix E).

Utility Models: Only a device can serve as a subject of a utility model. An application for the registration of utility model can be based on a pending patent application. English language information for registering a utility model may be obtained from the Estonian Patent Office (see Appendix E).

Need for Local Attorney

The use of local attorneys is recommended for U.S. firms planning to operate in Estonia or enter into contracts with Estonian companies. An updated list of Estonian attorneys can be obtained from the American Embassy, Consular Section, Kentmanni 20, 15099 Tallinn, Estonia, tel: 372 6312 021, fax: 372 6312 025.

CHAPTER V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

Best Prospects for Non-Agricultural Goods and Services

1. Telecommunications
2. Maritime transportation services, port management.
3. Construction and related services

Rank of sector: 1

Name of sector: Telecommunications

ITA industry code: TEL

Telecommunications is one of the fastest growing markets in Estonia, as the country modernizes the antiquated telecommunications infrastructure inherited from its socialist period. The privatization and deregulation of the Estonian telecommunications market began in 1991 with the separation of operative functions (enterprises) from the regulatory bodies (ministries) and continued through the creation of companies with foreign capital participation. The telecommunications and postal services sector is virtually open. One important exception is that the national telephone service provider, AS Eesti Telefon, was granted special rights in telephone communications until 2001. The state sold its participation in Eesti Telekom via an open tender to a consortium of Swedish and Finnish firms in January 1999.

The results of these investments can be seen today - Estonia tops the list of Internet users, as well as the total number of computers per 10,000 inhabitants in Central and Eastern Europe.

Connection rates to the Internet are even higher than in some Western European countries. Rising living standards and fierce competition among Internet services providers is keeping the numbers of users increasing at a rapid pace. With official policies and innovative initiatives, the Estonian Government is helping companies to make the information technology sector one of the fastest growing in the country. To foster growth, the Estonian government has initiated a number of programs, including the innovative Tiger Leap program which ensures that every Estonian school is wired to the Internet. Also Public Internet Access Points have been created all over the country in order to make the Internet available to every Estonian.

Virtually the entire country has mobile phone coverage, with three operators providing GSM services. Due to the close proximity of the Nordic countries - the world leaders in many of the new wireless telecommunication technologies - Estonia has become a country where mobile phones are not only manufactured but are also widely used. Today about 29 percent of the population uses GSM services. Estonian mobile operators are among the first in the world to introduce WAP services to their customers.

Rank of sector: 2

Name of sector: Maritime transportation services, port management

ITA industry code: TRN

Estonia has become a transit center between the East and the West as well as the North and the South. Its location is ideal for the creation of efficient transportation links and distribution chains of goods and services for companies in Europe and in other parts of the world. The Estonian transportation and logistics sector is comprised of a successful combination of transportation services, transit trade, distribution centers and value-added logistics. The major part of transportation income comes from international transit and port services.

Located in the Baltic Sea region, Estonia has captured an increasing share of the rapidly growing Baltic Sea trade. Its three major cargo ports - the Port of Tallinn (which includes the harbors of Mugga, Old Town, Paljassaare and Paldiski South), the Port of Pärnu and the Port of Kunda - offer easy navigational access, deep waters, and good ice conditions. Overall, Estonian ports provide excellent opportunities for value-added logistics services and can serve as distribution centers for the Baltic Sea Region. The Port of Tallinn is the biggest cargo and passenger port in Estonia, and has been expanding at an annual rate of 20 percent during the past two years. Tallinn's Mugga Harbor holds a leading position in the handling of cargo flows between Russia (as well as other CIS countries) and Western Europe.

The ever-growing traffic through the ports reflects the increasing activity in the Baltic Sea Region. Cargo and passenger traffic through the Port of Tallinn has doubled since 1994. In 1999 the Port of Tallinn handled over 26.4 million tons of cargo and about 6 million passengers. This relatively high passenger activity creates ample expansion opportunities in the passenger transportation sector. Transit volume comprises 73 percent of the total cargo turnover. Estonia's

sea transportation system is connected to other European ports. There are daily ferry links from Tallinn to Helsinki and Stockholm, as well as frequent cargo ferries to Antwerp, Copenhagen, Hamburg, Kiel, and Harwich, etc.

The Port of Muuga Free Zone is designed to increase competitiveness of the transit sector in Estonia by granting more flexible customs procedures for companies offering transit and distribution services. The Port of Muuga in the free zone regime is especially attractive to high value container distribution operators. Procedures in the zone, such as simplified customs paper handling, easy transfer of ownership rights, and value-added operations, are designed to foster the development of distribution centers. Continuous investment into new infrastructure provides additional expansion opportunities in Muuga Port, which is one of the deepest and most modern ports in the Baltic Sea region. Construction of a new container terminal, started in 1999, is expected to boost free zone activity.

Estonia's location on the crossroads between East and West is attracting an increasing number of foreign companies, illustrated by massive investment flows into the transportation and communications sectors. Foreign investments in transportation and communication have substantially risen in recent years and currently constitute 17 percent of the total FDI stock in Estonia.

Rank of sector: 3

Name of sector: Construction and related services

ITA industry code: CON

The construction industry has successfully grown in recent years. It is an important branch of the Estonian economy; construction contributes about 5.5 percent to the total GDP.

The share of subcontracting activity in the construction market has been increasing constantly, from 23 percent in 1994 to 32 percent in 1998. The increase is caused by the high level of competitiveness in the market, which forces companies to specialise in a selected field. Specialisation is also driven by the fact that many new construction materials require special training for the installation. Subcontracting is likely to continue increasing in the future as the number of construction projects performed solely by the main contractor is reduced.

Construction projects performed abroad have made up about 8 percent of the total construction market during past years, although these projects constituted only 6 percent of the market in 1998. Major overseas markets for Estonian construction companies include Russia, Ukraine, Latvia and Lithuania, where the Estonian firms are known for their quality (compared to local firms) and competitive price (compared to western firms). Few construction projects are undertaken in western markets due to the difficulties associated with obtaining work permits.

A decrease in construction volume in 1999 reduced the profit margins of construction firms and halted the rise in wages of workers in the industry; only the best workers have sustained their

former level of wages. The labor costs of construction workers in Estonia are still modest compared to more developed countries of the Baltic Sea Region.

Construction engineers are trained at Tallinn Technical University (specializations include construction engineering, environmental engineering, and transport engineering) and at Estonian Agricultural University (the specialization is rural construction engineering). Construction specialists are trained in 18 different vocational schools. A rise in the construction market is expected in 2001 or 2002, although residential building could increase before then due to the easing of requirements for obtaining mortgages and loans. Since living space per capita in developed countries exceeds the Estonian figure almost twofold, residential construction offers great potential.

There are about 2,700 firms and sole proprietorships involved in construction activities in Estonia. Of the total firms, 7 are subsidiaries of foreign enterprises, and 170 employ more than 50 people.

Although involvement of foreign capital in Estonian construction industry is still relatively modest, there is excellent potential in the industry. Larger companies have successfully penetrated the civil engineering market, but need additional financing for development of new technologies and/or new markets.

Best Prospects for Agricultural Products

High priority: Live stock genetics, dairy related agricultural equipment, feed grains, feed supplements; pet food;

Medium priority: snack food: health snacks, nuts; convenience foods;

Estonia's agricultural sector has still not recovered from half a century of forced socialism, and is struggling both to modernize and adjust to free market competition at the same time it readies itself to enter the EU. Additionally, the financial crisis in Russia weakened one of the Estonian agricultural sector's largest export markets.

The most successful U.S. agricultural export to Estonia is meat -- nearly USD 12 million of meat was imported by Estonia in 1999 from the United States. Other significant U.S. exports include vegetables and fruits (7.7 percent of Estonian agricultural goods imported for a free circulation), beverages and alcohol (7.4 percent), fish and fish products (5.6 percent).

In January 2000, Estonia began imposing tariffs on some agricultural imports from certain third countries, including the U.S., in response to EU harmonization requirements. These tariffs are not levied on agricultural imports from Ukraine, Latvia and Lithuania, and members of either the EU, or EFTA, all of which Estonia has free trade agreements. The levied tariffs fall within the limits allowed by the WTO.

CHAPTER VI. TRADE REGULATIONS AND STANDARDS

Trade Barriers, Including Tariffs, Non-Tariff Barriers and Import Taxes

Under Estonian law all companies, regardless of their ownership structure, may engage in foreign trade. State-owned enterprises have neither exclusive rights nor special privileges in their purchases or sales involving exports or imports.

Estonia's liberal foreign trade regime includes few tariff or non-tariff barriers. Since January 2000, Estonia has imposed import tariffs on certain agricultural products originating in certain third countries, including the U.S. The continued success of the external trade regime depends heavily on restructuring and revitalization of companies in the agricultural and industrial sectors.

Having started accession negotiations with the European Union, Estonia is in the process of adopting EU internal market procedures. U.S. firms may be confident that future Estonian trade practices will resemble those of the EU.

It is expected that more tariffs will be imposed as Estonia makes progress in harmonizing its tariff regime with that of the EU.

Customs Valuation

Goods imported into or exported from Estonia must be cleared through Estonian Customs. It collects the following duties and taxes:

A. procedure fee – a monetary fee of about USD 14.50.

B. Value added tax - VAT is levied ad valorem. Products exempted from VAT include medicines, medical goods and equipment, equipment for funeral services, goods imported for non-profit purposes, and some other specific goods and services. VAT is collected by customs upon clearance of the imported goods. For customs purposes, the value is defined as the transaction value of the good plus certain other costs, such as insurance and freight, up to the Estonian border.

Import/Export Licenses

Licenses are required for importing and exporting metals, fuel, spirits, tobacco and tobacco goods, pharmaceuticals, weapons, ammunition, explosives, lottery tickets, and private passenger vehicles. The license requirement applies equally to domestic and foreign firms, and are issued to those firms that apply and that fulfill the application requirements. The licenses do not establish quantitative restrictions. Licenses are obtained from the Ministry of Economy. See section E for a list of contacts.

Import/Export Documentation Requirements

Imports/exports must be cleared in writing, using the forms provided by the National Customs Board of Estonia. The customs declaration must be filled out by the holder of the goods or by a declarant who has been granted adequate authority by the Customs Board.

Temporary Entry

Duties are not levied on goods transiting Estonian territory. It is possible to obtain temporary exemption from duty for items such as commercial samples and for goods intended for public displays at exhibitions and fairs. If the goods are put to any unauthorized use or are not reexported within the prescribed time period (maximum one year) they must go through normal customs clearance and are then liable for relevant duties and taxes.

Labeling/Marking Requirements

The following information, in Estonian, is required on the retail packaging, or otherwise marked on the product (a sticker, label, etc.):

- Name of product (indicating clearly the contents of the package)
- Name of the manufacturer or the name of the company that had the product manufactured
- Amount of contents (in metric volume or weight).

If warranted, the following information should also be included on the retail packaging or otherwise clearly identified on the product: contents of the product, care instructions, operating instructions, and a warning of possible danger related to the use or disposal of the product.

A retail-size food package must show the same name of the manufacturer, packer or importer, commercial name of the product, net metric weight or volume, ingredients in descending order of weight, last recommended date of sale, and storage instructions if perishable or intended for infants. This information described above must be provided in Estonian.

Prohibited Imports

There are no prohibited imports. See Special Import Provisions.

Standards

Estonian standards for imported goods are being developed and are based on those of the ISO (International Standards Organization). It is highly recommended that U.S. products imported into Estonia meet European standards.

The central body for standardization in Estonia is the National Standards Board of Estonia. See section E for a list of contacts.

Free Trade Zones/Warehouses

There are three free trade zones in Estonia; at Muuga Port (one of the four harbors that form the Port of Tallinn complex), in Sillamae (an industrial area in Estonia's northeast), and in Valga (located in southern Estonia, near the Latvian border). At this time, only the Muuga Port and the Sillamae zones are actively working.

There are a number of bonded warehouses located in border areas. The free storage areas are available equally to all firms, whether domestic or foreign. Goods may be stored in the warehouses for up to a year, free from import or export duties. The term of storage may be extended by the Customs Board. While the processing of warehoused goods is prohibited, repackaging, and preparing goods for sale and transport is not considered to be processing.

Special Import Provisions

The import and export of plant and plant products is permitted only with an accompanying phytosanitary certificate issued by the Estonian Plant Guarantee Inspection Board or competent foreign authorities. These goods may be imported or exported only at specified border crossings.

The import and export of livestock, fish, fowl, aquatic organisms, animal and poultry products, animal feed and its components and veterinary and biopreparations, are subject to state control and enforced by the Estonian Veterinary Control Border Inspection.

Special conditions exist for importing or exporting the following products: cultural artifacts; precious metals and stones (and articles containing these); medicinal products; weapons; explosives; radio broadcast equipment; rare species of plant and animals; goods subject to veterinary, food and phytosanitary control; plant preservatives; narcotic drugs and psychotropic substances; foreign currency and securities; equipment and means for recording of audiovisual production; lottery tickets; strategic goods; radioactive radiation sources; motor vehicles; building cement; and dangerous and other waste.

Membership in Free Trade Arrangements

Estonia has entered into free trade agreements with: Switzerland, Latvia, Lithuania, Norway, Ukraine, the Czech Republic, the Slovak Republic, Turkey, Slovenia, Denmark, the Faro Islands, and Poland. Free trade negotiations have been started with Bulgaria and Romania.

Because it is in EU accession negotiations, Estonia will comply with those trade agreements that the EU has made with third countries.

CHAPTER VII. INVESTMENT CLIMATE

OPENNESS TO FOREIGN INVESTMENT

Estonia's government maintains a highly favorable attitude toward foreign direct investment. Foreign investment in Estonia is governed by the law on foreign investments, enacted in 1991 shortly after regaining independence. The law's intent is to affirm the liberal treatment of foreign investments in Estonia and to provide potential investors with detailed information on investing in Estonia. The government has sought to maintain liberal policies and establish free trade agreements in order to attract investments that could produce exports directed to the European Union, the developing markets of central and Eastern Europe and the newly independent states of the former Soviet Union.

In 1998 as part of the "first tranche," Estonia began discussions with the European Union on EU accession. In its efforts to harmonize with the EU, Estonia is adjusting its laws and regulations in line with EU practices, and has opened negotiation talks with the EU in all the chapters including agriculture.

Estonia's government does not screen foreign investments. It does, however, establish requirements for certain sectors. These are not intended to restrict foreign ownership but only to regulate it and clearly establish ownership responsibilities. Licenses are required for a foreign investor to become involved in: mining, energy, gas and water supply, railroad and transport, waterways, ports, dams and other water-related structures, and telecommunications and communication networks. The Estonian Central Bank issues licenses for foreign interests seeking to invest in or establish a bank. Government review and licensing have proven to be routine and non-discriminatory.

Estonia's openness to foreign direct investment has extended to its nearly complete privatization program. As of mid-2000, only a handful of state-owned enterprises -- mainly the railroad and two power plants -- have yet to be privatized by the national government. Additional enterprises owned by municipalities and local governments remain to be privatized but they are few in number and account for only a small percentage of economic activity. All of the infrastructure enterprises slated for privatization are being vigorously pursued by foreign investors.

Estonia has mutual investment promotion and protection agreements with the United States, Greece, Italy, Spain, Turkey, Ukraine, Austria, the Czech Republic, Great Britain, Germany and Switzerland.

Established in 1994, the Estonian Investment and Trade Development Foundation (originally called the Estonian Investment Agency) is a publicly funded agency under the administration of the Ministry of Economic Affairs. The aim of the foundation is to develop the Estonian economy by promoting foreign direct investment and trade development.

Conversion and Transfer Policies

The Estonian currency, the kroon, is a free currency with no restrictions on its transfer or conversion. Thus there are no restrictions, limitations or delays involved in converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, or lease payments) into a hard currency at a market rate. There is no limit on dividend distributions, as long as they correspond to a company's official earnings records. If a foreign company ceases operating in Estonia, all of its assets may be repatriated without restriction. These policies are all long-standing; there is no indication that they will be altered in any way. Foreign exchange is readily available for any purpose.

Expropriation and Compensation

Private property rights are observed in Estonia. There have been no cases of expropriation or nationalization since the country regained its independence in 1991. There are no outstanding investment disputes involving the government.

Dispute Settlement

Disputes concerning investments have not been a problem since Estonia regained independence in 1991. However, a dispute involving a U.S. investor and the Estonian Central Bank has been pending in the international center for the settlement of disputes in Washington, D.C. since 1999 (a claim by the investor against the Central Bank was dismissed by the Estonian Supreme Court in 1998).

Estonia has been forced in a few short years to create a legal system from the remnants of the soviet legal system, a task which, even with extensive foreign assistance, remains a work in progress. Drafting and implementing legislation, and training and retraining court officials and law enforcement personnel has proven difficult. The Estonian government commits substantial resources to this effort but acknowledges that much remains undone.

Despite the problems, Estonia's judiciary is independent and insulated from government influence. Property rights and contracts are enforced by the courts although, in increasingly infrequent instances, judicial decisions in these and other matters can be arbitrary and indifferent to the law.

Estonia's commercial law has proven extremely effective, and is often cited as one of the key factors that has contributed to Estonia's successful economic reforms. The commercial code is consistently applied, as is the law on bankruptcy (amended in March 2000). Assets of bankrupt enterprises are liquidated and distributed among the creditors.

Performance Requirements/Incentives

A fundamental principle of Estonia's economic policy is that foreign and domestic capital are treated identically. No special investment incentives are available to foreign investors, nor is any favored treatment accorded them. Similarly, there are no specific performance requirements identified with foreign investment that differ from domestic investments.

Estonia continues to refine its immigration policies and practices. A December 1999 amendment to the Aliens Law exempted U.S. citizens from the quota regulating immigration and residence permits. This same treatment is also afforded to all EU citizens.

Estonia imposes few import tariffs except for those on a number of agricultural products originating in non-EU countries, including the U.S. However, it is expected that more tariffs will be imposed as Estonia makes progress in harmonizing its tariff regime with that of the EU. Additionally, a uniform value added tax is levied on imports. In cases where these imports are directly re-exported or used as inputs in products that are then exported, the tax is refundable. Excise taxes are also levied on a limited range of goods including motor vehicles, boats and various luxury goods.

Estonia's recent abolition of corporate income tax on reinvested profits is a strategy designed to promote business and accelerate economic growth by making additional funds available for investments for both resident and non-resident "legal persons." It also helps to avoid the use of offshore companies and therefore prevents tax-free profit transfers. Estonia's economy is arguably the most open in Europe with respect to market access for imports.

Right to Private Ownership and Establishment

Private ownership and entrepreneurship are respected in Estonia. In most fields of business participation by foreign companies or individuals is unrestricted. As provided for by the law on foreign investments, foreign investors have the same rights and obligations as Estonian citizens. Foreign investors may purchase buildings and land for production purposes, and establish, buy and fully own companies.

Government approval is required for foreign investment and participation in only a handful of sectors. These include banking, mining and telecommunications.

Competitive equality is the official standard applied to private enterprises in competition with public enterprises. Private companies do not face discrimination vis-à-vis state-owned companies.

Protection of Property Rights

Secured interests in property, both chattel and real, is recognized and enforced. Mortgages are quite common for both residential and commercial property, and leasing as a means of financing is widespread and efficient.

The legal system protects and facilitates acquisition and disposition of all property rights, including land, buildings and mortgages. The current Estonian government, as past ones, remains committed to restoring property to its pre-soviet occupation owners. This has been a long, complicated process that remains uncompleted, especially for non-residential real properties.

The Estonian legal system protects property rights, including intellectual property. Estonia adheres to the Berne convention, WIPO, TRIPS, the Rome convention and the Geneva convention on the protection of the rights of producers. The law amending the Copyright law, the Code of Administrative Offences, the Criminal Code, the Consumer Protection law and the Customs law (all jointly referred to as the “Anti-Piracy Act”) was adopted in 1998. It fully complies with the EU directives granting protection to authors, performing artists, record producers, and broadcasting organizations.

Transparency of the Regulatory System

The government has set out transparent policies and effective laws to foster competition and establish “clear rules of the game.” With Estonia’s commercial community as small as it is, instances of favoritism are not uncommon despite regulations and procedures that are designed to limit it.

Given the legacy of over 50 years of occupation and the challenges of creating a civil society and modern bureaucracy in a short time, it is not surprising that vestiges of the former system remain, especially at the lower levels of the bureaucracy. Despite the policy commitment to eradicate unnecessary procedures and regulations, the practical challenges of doing so are daunting. The government is working to end them, although it is also recognizes that many of the practices are deeply rooted and will only change slowly. Nevertheless, Estonia’s reforms have permeated the bureaucracy to the point where many procedures are far more streamlined and transparent than in other countries in the region.

Tax, labor health and safety laws and policies have been crafted to encourage investment. While there is much room for improvement, the level of foreign direct investment per capita suggests that Estonia has been successful in crafting a legal framework that attracts rather than discourages foreign investment.

Efficient Capital Markets and Portfolio Investment

Estonia’s financial sector is modern and efficient. Government and Central Bank policies facilitate the free flow of financial resources, thereby supporting the flow of resources in the product and factor markets. Credit is allocated on market terms and foreign investors are able to

obtain credit on the local market although they often look elsewhere in search of better terms. The private sector has access to an expanding range of credit instruments similar in variety to those offered by banks in Estonia's Nordic neighbors.

Legal, regulatory and accounting systems are transparent and consistent with international norms.

Estonia's small stock exchange has been self-regulating. The new Securities Market law complies with EU requirements and enables EU securities brokerage firms to deal on the market without establishing a local subsidiary.

Estonia's banking system has consolidated far faster than those in many other countries in the region. There are six licensed commercial banks operating and one branch of a foreign bank. The two largest banks, which together constitute over 80 percent of the market, have substantial investments from leading Swedish banks. Estonia's commercial banking system is regarded as sound and well-regulated.

Increasing numbers of Estonian firms have been purchased by foreign interests. Many locally owned enterprises have recognized that due to the Estonian economy's small size and openness, the only way they can be regionally and internationally competitive is to bring in foreign capital and management expertise.

Political Violence

Estonia has not experienced any politically motivated damage to projects or installations.

Corruption

Although Estonia has laws, regulations and penalties to combat corruption, it generally has not been a problem faced by foreign investors. Instead, foreign companies have often found it difficult to insinuate themselves into the local commercial community where many Estonian executives know one another and often help one another out in ways that make it difficult for outsiders to compete effectively.

Both offering and taking bribes are criminal offenses and uncommon. However, more frequent are "payments" that exceed the services rendered. Surveys of American and other non-Estonian businesses have shown that issues of corruption and/or protection rackets are not a concern for these companies.

B. Bilateral investment agreements

Estonia has concluded bilateral investment agreements with: Switzerland, Germany, the USA, Great Britain, Austria, Ukraine, Belgium, Luxembourg, Belgium, Turkey, Italy, Spain and Greece.

A bilateral taxation treaty with the u.s. was signed in 1998, ratified by both the Estonian parliament and the u.s. senate in 1999, and came into force on January 1, 2000.

Opic and Other Investment Insurance Programs

Estonia is the member of the multilateral investment guarantee agency.

In September 1998 OPIC announced that it was expanding its support of u.s. investments in the Baltic States. OPIC considers helping to mobilize American private capital to support regional growth in the Baltic states a priority for the organization.

Labor

Estonian labor force is highly skilled and well-educated. There are 10 universities, 25 higher education colleges and 114 technical secondary institutions, producing graduates with adequate managerial and technical skills and fluent in English, Russian, German and other languages. Over 14 percent of the population has received post-secondary education -- a number which is growing rapidly.

Despite high labor force skills, the average Estonian salary in 1999 was \$302 a month (\$280 a month in the manufacturing sector) - a fraction of the rate elsewhere in Scandinavia or in Germany.

The unemployment rate is around 14 percent, ensuring the availability of a technically skilled labor pool. Trade unions have limited influence and take a co-operative approach to industrial relations. Industrial disputes are extremely rare.

With a negative population growth and an aging population, Estonia, like many other countries of central and Eastern Europe, faces serious demographic challenges that affect labor supply. Many labor practices are inefficient, and improving efficiency is a key focus for Estonia's efforts in the near- and mid-term for increasing the productivity of its work force.

Foreign Trade Zones/Free Ports

There is no free port in Estonia. However, there are eighty public bonded warehouses and eighteen private bonded warehouses. The free storage areas, which are run either by municipal or private corporations, are available to all companies, both domestic and foreign- owned. In addition to these warehouses there are three foreign trade zones in which warehousing, processing and assembly are allowed.

Foreign Direct Investment Statistics

Estonia received last year 4,468 million kroons (USD 304 mln) in foreign direct investments. Investments in fixed assets and reinvested profits accounted for three fourths of the total. One half of the direct investments was channeled into industry and the sector of transportation, storage and communications. Substantial investments were also made in the finance sector. Major foreign investors came similarly to earlier years from Finland and Sweden, accounting for two thirds of all direct investments.

The two remaining large-scale infrastructure privatizations, the power generation plants and the main freight railroad, are both expected to involve large foreign investments.

Foreign investors commonly acquire control of a local plant or factory with a relatively small investment, then upgrade existing production by investing in capital goods. In this way, the investor is able to bring in a more substantial investment.

Large greenfield projects have been limited to certain sectors, mainly forest products and wood processing, aimed at producing goods for Nordic and Western European markets.

CHAPTER VIII. TRADE AND PROJECT FINANCING

Description of Banking System

Estonia has the strongest, most developed banking system in the Baltic States. This is partially due to the autonomy accorded to the Central Bank and its supervision over the country's commercial banks. Estonia's banking sector is closely monitored by the IMF and international risk rating agencies. The country has adopted a universal banking model that allows banks to participate in other financial activities including operating, leasing, insurance, and brokerage firms.

There have been no recent bank failures. In 1998 and 1999 there were some bank failures, some of which were the probable result of bank management malfeasance. Currently the Estonian banking system is dominated by two banking groups: Hansa Bank, the result of the recent merger of Hansa Bank and Hoiupank (Saving Bank), and Union Bank, the result of the merger of Union Bank and Tallinn Bank. In all, there are seven licensed commercial banks, including a branch of Finnish MeritaNordbanken.

Major Estonian commercial banks service the whole country through their branch networks. They also manage individual subsidiaries that engage in mortgage banking, finance company activities, credit card business, and investment operations etc. Commercial banks have extensive foreign networks of branch offices, subsidiaries, consortium banks and representative offices via which foreign trade payments are effected.

Foreign Exchange Controls Affecting Trading

There are no foreign exchange controls in Estonia.

General Availability of Financing

The Estonian financial market is a typically European environment where banks and financing institutions play dominant roles.

How to Finance Exports/Methods of Payment

Financing and guarantees for exports are provided by the Government-owned Foundation for Export Credits and Guarantees. Depending on the nature of the goods exported and on the risks of the trading partners, a portion of the export costs must be provided by the company in question. In addition to government activities, commercial banks provide financing for exports, when possible, with guarantees. The banks advise their customers on bank loans as well as on loans granted by other credit institutions.

Banks with Correspondent U.S. Banking Arrangements

All Estonian commercial banks have extensive correspondent relationships with U.S. banks -- in every U.S. state as well as in most of the larger financial centers. Further information on correspondent relationship can be obtained from the Estonian Bankers' Association.

CHAPTER IX. BUSINESS TRAVEL

Business Customs

Estonia is a modern, post-Soviet country that enjoys close relations with Nordic and other Baltic countries. Social and business protocol is similar to that in northern Europe.

Travel Advisory and Visas

U.S. citizens do not need to obtain a visa for visits of less than 90 days.

To live and work in Estonia, a foreigner needs both a residence permit and a work permit, both of which may be obtained from the local Migration Departments. English-language instructions on how to apply are available from the Migration Department. Alternatively, instructions are posted in English on the web page of the Estonian Chamber of Commerce and Industry (www.koda.ee).

Holidays

The national holidays in Estonia for 2000 are:

New Year's Day	January 1
Independence Day	February 24
Good Friday	April 21
Easter	April 23
May Day	May 1
Whitsunday	June 11
Victory Day	June 23
Midsummer Day	June 24
Restoration of Independence	August 20
Christmas	December 25
Christmas	December 26

Business Infrastructure

Transportation: Estonia has a relatively well-developed transportation infrastructure. The density of Estonia's road network is comparable to that of the Nordic countries. Public transportation in major cities is efficient and reliable. The government is currently in the process of privatizing the Estonian Railway. There are five passenger-serving airports in Estonia. However, all international flights take place via the recently renovated Tallinn Airport.

Language: The official language in Estonia is Estonian. English is increasingly spoken, especially in the capital city. Russian is still the most-widely spoken second language, although less so among younger Estonians.

Communications: Telecommunications is one of the fastest growing sectors in the Estonian economy. International phone calls can be made from Estonia to almost 100 countries. Mobile phone networks, which cover the entire territory of Estonia, are undergoing a phase of intense development.

Housing: Most people in Estonia own their own housing. About 30 per cent of the population live in rental housing. The rent of an apartment depends on its location, size, condition and age. Rents are relatively high and prices for apartments and houses are also high. Apartments are rented both furnished and unfurnished.

Health: While medical facilities are available throughout Estonia, medical standards are still uneven. Private clinics are service-friendly, but not always equipped for emergencies.

Estonian Food: Typical Estonian dishes rely heavily on pork, potatoes and garden vegetables. Spicy Estonian foods are unheard of. However the variety of available cuisine is expanding rapidly.

Temporary Entry of Goods

Please refer to the Temporary Entry section of Chapter VI.

CHAPTER X. ECONOMIC AND TRADE STATISTICS

Appendix A: Country Data

- Population	1 439 000
- Population growth rate	-1.1 annual average
- Religion:	Lutheran, Orthodox, other
- Government system:	Republic
- Language:	Estonian
- Work week:	Five-days work week

Appendix B: Domestic Economy

Domestic Economy in USD millions	1997	1998	1999 (estimate)
- GDP	4615.27	5213.49	5128
- GDP growth rate	10.6	4.7	-1.1
- Inflation per cent	11.2	8.2	3.3
- Unemployment per cent	9.7	9.6	14

Note: Exchange rates used:

- 1997 - 1US\$ = 13.867 EEK
- 1998 - 1US\$ = 14.064 EEK
- 1999 - 1US\$ = 14.695 EEK

Appendix C: Trade

<u>USD millions</u>	1997	1998	1999
Total country exports	2277	2669.6	2437.1
Total country imports	3520.6	3925.7	3435
U.S. exports	164.4	219.5	181.8
U.S. imports	55.2	62.3	72

Source: Bank of Estonia

Appendix D: Investment Statistics

STOCK OF FOREIGN DIRECT INVESTMENT INTO ESTONIA PER CAPITA, 1996, 1997, 1998 - NINE MONTHS

Year	FDI	Population	FDI per capita	mil US\$	Mill	US\$
1997	266.1	1.5	177.4			
1998	573.9	1.5	382.6			
1999	304	1.45	209.7			

(Note: Large FDI increase in 1998 was due to a one-time influx of investment into the banking industry.)

Source: Bank of Estonia

STOCK OF FOREIGN DIRECT INVESTMENT IN ESTONIA (THOUSAND OF EEKs) as of end 1999

<u>Country</u>	<u>Stock</u>	<u>%</u>	<u>Position</u>
Sweden	15 600 757	41.1	1
Finland	11 434 844	30.1	2
Denmark	1 552 269	4.1	3
United States of America	1 493 564	3.9	4
Norway	1 304 617	3.4	5
United Kingdom	1 050 846	2.8	6
Germany	936 013	2.5	7
Netherlands	621 772	1.6	8
Liechtenstein	607 809	1.6	9
Switzerland	561 370	1.5	10
Total	37 992 300	100	

Source: Bank of Estonia

STOCK OF FOREIGN DIRECT INVESTMENT INTO ESTONIA (THOUSAND OF EEKs)
As of end 1999

x - not possible to publish because of confidentiality principles

<u>Field of Activity</u>	<u>Stock</u>	<u>%</u>
Transports, storage, communication	10 092 279	26.6
Finance	8 944 386	23.5
Manufacturing	8 658 296	22.8
Wholesale, retail trade	5 955 212	15.7
Real estate, renting activities	1 903 096	5
Electricity, gas and water supply	665 228	1.8
Agriculture, hunting, forestry	465 935	1.2
Construction	391 474	1
Hotels, restaurants	371 574	1
Total	37 992 300	100

Source: Bank of Estonia

CHAPTER XI. U.S. AND COUNTRY CONTACTS

Appendix E: U.S. Embassy Trade Personnel

Foreign Commercial Service

United States Embassy

Kentmanni 20

15099 Tallinn

Estonia

or

Foreign Commercial Service, AmEmbassy Stockholm

PSC 78,Box H

APO AE 09723

Tel: 372-6466 355

Fax: 372-6312 025

Ms. Karen Pilmanis, SCO (the Senior Commercial Specialist for the Baltics in resident in Stockholm)

Ms. Reene Sepp, Commercial Specialist (Tallinn)

U.S. Embassy, Economic Section

Kentmanni 20

15099 Tallinn

Estonia
or
PSC 78, Box H
APO AE 09723
Tel: 372-6312 021
Fax: 372-6312 025

Mrs. Nancy Nelson, Economic/Commercial Officer

Foreign Agricultural Service
Dag Hammarskjolds Vag 31
115 89 Stockholm, Sweden
Tel: 46-8-783 5389
Fax: 46-8-662 8495

Mr. Robert Tetro, Agricultural Counselor
Ms. Asa Lexmon, Agricultural specialist

Foreign Agricultural Service
7, Raina Boulevard
Riga, LV-1510, Latvia
Tel: 371 721 0006
Fax: 371 722 7390

Ms. Jolanta Andersone

Chambers of Commerce

Estonian Chamber of Commerce and Industry
Toom-Kooli 17
10130 Tallinn
Estonia
Tel: 372 646 0244
Fax: 372 646 0245
E-mail: koda@koda.ee

Estonian Chamber of Commerce of Agriculture (CCA)
J.Vilmsi 53B,
10147 Tallinn
Estonia
Tel: 372 641 9007

Fax: 372 641 9008
E-mail: info@epakk.ee

ECCA Office in Netherlands
P.O. Box 1030
8900 CA Leeuwarden
Netherlands
Tel: 31 582 941 600
Fax: 31 582 941 666
E-mail: eatc@tref.nt

American Chamber of Commerce
Harju 6
10130 Tallinn
Estonia
Tel: 372 631 0522
Fax: 372 631 0521
E-mail: acce@datanet.ee
E-mail: www@acce.ee

WTC Tallinn Ltd.
Ahtri 8
10151 Tallinn
Estonia
Tel: 372 6261 020
Fax: 372 6261 019
E-mail: www@wtc.ee

Country Trade Associations

Association of Construction Material Producers of Estonia
Jaama 1a
11615 Tallinn
Estonia
Tel: 372 2512230
Fax: 372 26506178
E-mail: www.ehitusnet.ee

Association of Estonian Food Industry
Gonsiori 29
10147 Tallinn
Estonia
Tel: 372 2 422 246

Fax: 372 6 312 718

Association of Estonian Fruit and Vegetable Wholesalers

Pärnu mnt. 139c-513

11317 Tallinn

Estonia

Tel: 372 50 66 339

Fax: 372 556 974

E-mail: epkhl@anet.ee

BSA (Business Software Alliance)

Mustamae tee 55

10621 Tallinn

Estonia

tel: 372 656 4220

web site: www.bsa.ee

Estonian Authors Society

Toompuiestee 7

10142 Tallinn

Estonia

Tel: 372 2 453 788

Fax: 372 6 460 273

E-mail: www.eauthors.ee

Association of Estonian Patent Attorneys

Lai 10

10133 Tallinn

Estonia

Tel: 372 6406 600

Fax. 372 6406 604

E-mail: lasvet@online.ee

Estonian Banking Association

Ahtri 12

10151 Tallinn

Estonia

Tel: 372 611 6567

Fax: 372 611 6568

Estonian Fairs Ltd.

Pirita tee 28

10127 Tallinn

Tel: 372 6137 337
Fax: 372 6137 447
E-mail: fair@fair.ee

Country Government Offices

Ministry of Economic Affairs
Harju 11
15072 Tallinn
Estonia
Tel: 372 625 6304
Fax: 372 631 3660
E-mail: info@mineco.ee

Ministry of Agriculture
Lai 39/41
15056 Tallinn
Estonia
Tel: 372 625 6101
Fax: 372 625 6200

Estonian Investment Agency
Roosikrantsi 11
10119 Tallinn
Estonia
Tel: 372 627 9420
Fax: 372 627 9427
E-mail: info@eia.ee

National Customs Board
Lõkke 5
15175 Tallinn
Estonia
Tel: 372 696 7711
Fax: 372 696 7727
E-mail: info@keskus.customs.ee

Statistical Office of Estonia
Endla 15
15174 Tallinn
Estonia
Tel: 372 625 9202
Fax: 372 245 3923

E-mail: stat@stat.ee

Consumer Protection Board

Kiriku 4

15071 Tallinn

Estonia

Tel: 372 620 1700

Fax: 372 620 1701

E-mail: consumer@online.ee

Estonian Patent Office

Toompuiestee 7

15041 Tallinn

Estonia

Tel: 372 627 7900

Fax: 372 645 1342

Public Procurement Office

Kiriku 2/4

10130 Tallinn

Estonia

Tel: 372 620 1810

Fax: 372 631 1602

National Standards Board

Aru 10

10317 Tallinn

Estonia

Tel: 372 2493 572

Fax: 372 6541 330

E-mail: info@evs.ee

Country Commercial Banks

Hansapank

Liivalaia 8

15040 Tallinn

Estonia

Tel: 372 631 0311

Fax: 372 631 0410

Eesti Ühispank

Union Bank of Estonia

Tartu mnt. 13
15010 Tallinn
Estonia
Tel: 372 610 4100
Fax: 372 610 4202

Optiva Pank
Narva mnt. 11
10151 Tallinn
Estonia
Tel: 372 6310 311
Fax: 372 6310 410

Eesti Krediidipank
Estonian Credit Bank
Narva mnt. 4
15014 Tallinn
Estonia
Tel. 372 6405 000
Fax: 372 6313 533

Tallinn Äripank
Tallinn Business Bank
Estonia pst 3/5
15097 Tallinn
Estonia
Tel: 372 645 5349
Fax: 372 660 4868

Merita Bank, Plc Tallinna Filiaal
Merita Bank, Tallinn Branch
Hobujaama 4
10151 Tallinn
Tel: 372 628 3200
Fax: 372 628 3201

Washington based USG Country Contacts

Mr. Lauren Drake
Baltic Desk Officer
U.S. Department of Commerce
Ronald Reagan Building
Washington, D.C. 20230

Tel: (202)

Fax: (202)

CHAPTER XI. MARKET RESEARCH AND TRADE EVENTS

Appendix F: Country Market Research Firms

Saar Poll OU

Veetorni 4

10119 Tallinn

Estonia

Tel: 372 631 1302

Fax. 372 631 2486

E-mail: www@infoatlas.ee

BMF-Baltic Media Facts

Ahtri 12

10151 Tallinn

Estonia

Tel: 372 626 8400

Fax: 372 626 8401

E-mail: info@bmf.ee

EMOR

Ahtri 12

6th floor

10151 Tallinn

Estonia

Tel: 372 626 8500

Fax: 372 626 8501

E-mail: emor@emor.ee

Appendix G: Trade Event Schedule 2000/2001

2000

September 14-16 Tourest

International travel and tourism trade fair.

Organizer: Estonian Association of Travel Agents

Tel: 372 6313 013; Fax: 372 6313 622;

E-mail: info@etfl.travelnet.ee

September 27-29 Medifar

International Exhibition on Medical Equipment and Pharmaceutical Products Main product Groups/Sectors: pharmaceuticals; consumer health care products; hospital equipment; surgical equipment; laboratory supplies; medical equipment and accessories; medical supplies; general practitioner supplies; computer software; medical literature

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6 137 447; E-mail: fair@fair.ee

October 4-6 Packaging 2000

Main product Groups/Sectors: packing and packaging, food-processing, industrial machinery, laboratory equipment. Show management: Expo Balticum Ltd.

Tel: 372 6286 680; Fax: 372 6285 690; E-mail: info@expobalticum.ee

October 20-22 Beauty Word

Main product Groups/Sectors: prophylactic, hygienic and decorative cosmetic, perfumery and hair care; exclusive cosmetic and perfumery; beauty services (cosmetologists, hairdressers, manicurists, pedicurists, masseurs, make-up artists, solariums); producers of cosmetic, perfumery and hair care products; cosmetology (treatment and prevention of hair and skin diseases and defects, beauty surgery, aroma therapy); style analysis; education; linen; jewellery, fashion accessories, leatherwear

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6 137 447; E-mail: fair@fair.ee

November 1-3 Food Fair Tallinn

Main product Groups/Sectors: foodstuffs, non-alcoholic and alcoholic beverages, tobacco products, shop and restaurants fitting, technology of food processing industry, packaging equipment and materials.

Show Management: Profexpo Ltd.

Tel: 372 6261 347; Fax: 372 6261 348; E-mail: foodfair@profexpo.ee

November 15-17 Instrutec

Main product Groups/Sectors: manufacturing equipment and accessories, industrial automatics; hand and cutting tools, dies and moulds; welding machines and accessories; subcontracting and industrial materials (metal processing, machine building, rubber and plastics processing, electrical and electronical engineering); measurement and control devices; maintenance; material handling equipment.

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

2001

February 28-March 2 Enerex' 2001

Main product Groups/Sectors: energetic, electric field, automatics, electronics, heating and ventilation

Organizer: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

March 14-18 Motorex

Cars, trucks, buses, trailers, motorcycles, spare parts, accessories.

Organizer: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

<http://www.motorex.as.ee/>

March 23-24 Dentistry

Main product Groups/Sectors: dental equipment and materials.

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

April 11-14 Estbuild'2001

5-th international building fair

Organiser: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

April 26-28 Infocom 2001 Estonia

Main product Groups/Sectors: information and communication technology, broadcasting, consumer electronic, advertising and media

Show Management: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

Homepage: <http://www.infocom.ee>

May 10-13 Ideal Home

Interior design products, home electronics and appliances.

Organiser: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

May 10-13 Garden'2001

Seeds, plants, fertilisers, gardening tools, furniture.

Organiser: Estonian Fairs Ltd.

Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

May 17-18 Maintenance'2001

Technical services and energy fair.

Organiser: Expomark OY (Finland)
Tel: 358 14 33 90 300

September 20-22 Tourest

International travel and tourism trade fair.
Organizer: Estonian Association of Travel Agents
Tel: 372 6313 013; Fax: 372 6313 622;
E-mail: info@etfl.travelnet.ee

October 3-5 Medifair

Medical equipment and pharmaceutical products.
Show management: Estonian Fairs Ltd.
Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

October 8-10 Beauty World

Cosmetic, perfumery and hair care products, beauty services.
Show Management: Estonian Fairs Ltd.
Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee

October 30- November 1 Tallinn Food Fair

Main product Groups/Sectors: foodstuffs, non-alcoholic and alcoholic beverages, tobacco products, shop and restaurants fitting, technology of food processing industry, packaging equipment and materials.
Show Management: Profexpo Ltd.
Tel: 372 6261 347; Fax: 372 6261 348
E-mail: foodfair@profexpo.ee

November 14-16 Instrutec

Main product Groups/Sectors: manufacturing equipment and accessories, industrial automatics; hand and cutting tools, dies and moulds; welding machines and accessories; subcontracting and industrial materials (metal processing, machine building, rubber and plastics processing, electrical and electronical engineering);
measurement and control devices; maintenance; material handling equipment
Show Management: Estonian Fairs Ltd.
Tel: 372 6137 337; Fax: 372 6137 447; E-mail: fair@fair.ee