



ESTONIA
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Estonia is a safe and dynamic country in which to invest, with a business climate very similar to the United States. As a member of the EU, the Government of Estonia (GOE) maintains liberal policies in order to attract investments and export-oriented companies. Creating favorable conditions for FDI and openness to foreign trade has been the foundation of Estonia's economic strategy.

Estonia is among the leading countries in Eastern and Central Europe regarding foreign direct investment per capita. At the end of 2014, Estonia had attracted in total USD 19.2 billion of investment, of which 27% was made into the financial sector, 16% into real estate, 15% into wholesale and retail trade, and 9% into professional, scientific and technical activities.

The overall freedom to conduct business in Estonia is well protected under a transparent regulatory environment.

The Estonian income tax system, with its flat rate of 21%, is considered one of the simplest tax regimes in the world. Deferral of taxation shifts the time of taxation from the moment of earning the profits to that of their distribution. Undistributed profits are not subject to income taxation, regardless of whether these are reinvested or merely retained.

Estonia offers key opportunities for businesses in a number of economic sectors like information and communication technology (ICT), chemicals, wood processing, and biotechnology. Estonia has strong trade ties with Finland, Sweden and Germany.

Starting December 1, 2014, Estonia offered foreigners an e-residency option. An e-resident is a person who has received the e-resident's digital identity (smart ID-card) from the Republic of Estonia. This does not entail full legal residency, citizenship or right of entry to Estonia, but gives secure access to Estonia's digital services such as business registration and an opportunity to use digital signatures in an electronic environment. Such digital identification and signing is the legal equivalent to face-to-face identification and handwritten signatures in the European Union. More info: <https://e-estonia.com/e-residents/about/>

Estonia suffers a shortage of labor, both skilled and unskilled. The GOE has recently amended its immigration law to allow easier hiring of highly qualified foreign workers.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

Estonia is open for FDI and foreign investors are treated on an equal footing with local investors.

Other Investment Policy Reviews

The overview of the Estonian Investment Agency reviews can be found <http://www.investinestonia.com/en/>

Laws/Regulations of Foreign Direct Investment

Estonia's judiciary is independent and insulated from government influence. Estonia is part of the Continental European legal system (civil law system). The most important sources of law are legal instruments such as the Constitution, European Union law, international agreements and Acts and Regulations. Major laws affecting incoming foreign investment include: the Commercial Code, Taxation Act, Income Tax Act, Value Added Tax Act, Social Tax Act, Unemployment Insurance Payment Act. More information is available at <https://www.riigiteataja.ee/en/>.

Overview of the investment regulations can be found: <http://www.investinestonia.com/en/>

Industrial Promotion

The Estonian government is promoting investments into ICT, shared services, electronics, mechanical engineering, logistics and wood industry. More info: <http://www.investinestonia.com/en/business-opportunities>

Limits on Foreign Control

Estonia's government has not set limitations on foreign ownership. Licenses are required for foreign investors to enter the following sectors: mining, energy, gas and water supply, railroad and transport, waterways, ports, dams and other water-related structures and telecommunications and communication networks. The Estonian Financial Supervision Authority issues licenses for foreign interests seeking to invest in or establish a bank. Additionally, the Estonian Competition Authority reviews transactions for anti-competition concerns. Government review and licensing have proven to be routine and non-discriminatory.

Privatization Program

Estonia's privatization program is now complete. Only a small number of enterprises remain wholly state-owned. Examples include the country's main port, national air carrier, power plants, the postal system, and the national lottery.

Screening of FDI

Estonia's government does not screen foreign investment. As a member of the EU, the Government of Estonia (GOE) maintains liberal policies in order to attract investment and export-oriented companies. Creating favorable conditions for FDI and openness to foreign trade has been the foundation of Estonia's economic strategy. These requirements are not intended to restrict foreign ownership but rather to regulate it and establish clear ownership responsibilities.

Competition Law

The Estonian Competition Authority reviews transactions for anti-competition concerns. Government review and licensing have proven to be routine and non-discriminatory. More info: <http://www.konkurentsiamet.ee/?lang=en>

Investment Trends

FDI inflows into Estonia are trending towards cross-border acquisitions; greenfield investments are increasingly rare.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	26 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	17 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	24 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	17,690	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

Estonia has been a member of the euro currency area since 2011. There are no restrictions on currency transfers or conversion.

Remittance Policies

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 other currencies at market rates. There is no limit on dividend distributions as long as they correspond to a company's official earnings records. If a foreign company ceases to operate in Estonia, all its assets may be repatriated without restriction. These policies are long-standing; there is no indication that they will be altered in the future. Foreign exchange is readily available for any purpose.

According to the 2014 International Narcotics Control Strategy Report (INCSR) on Money Laundering and Financial Crimes Country Database, Estonia is not listed as a country of concern. (<http://www.state.gov/j/inl/rls/nrcrpt/2014/vol2/>). Estonia is a member of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), a Financial Action Task Force-style regional body. Its most recent mutual evaluation can be found here: http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Estonia_en.asp.

3. Expropriation and Compensation

Private property rights are observed in Estonia. The government has the right to expropriate for public interest related to policing the borders, public ports and airports, public streets and roads, supply to public water catchments, etc. Compensation is offered based on market value. Cases of expropriation are extremely rare in Estonia, and the Embassy is not aware of any expropriation cases involving discrimination against foreign owners.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Estonia's commercial law has proven extremely effective and is often cited as one of the most successful components of Estonia's economic reforms. The Commercial Code, the central part of the overall commercial law system, is consistently applied. The Law of Obligation Act, enacted in 2002, is the basis for all commercial agreements. A Bankruptcy Act was adopted in 2004. The full text of these laws can be found at <https://www.riigiteataja.ee/tutvustus.html?m=3>. The EBRD Insolvency Sector Assessment (the "Assessment") completed in 2009 rated Estonia as being in "high compliance" with international best standards.

The legal system in Estonia is based on the Continental European civil law model and has been influenced by the German legal system. In contrast to common law countries, Estonia has detailed codifications.

Estonian law is basically divided into private and public law. Generally private law consists of civil law and commercial law. Public law consists of international law, constitutional law, administrative law, criminal law, financial law and procedural law.

Bankruptcy

A Bankruptcy Act was adopted in 2004. The full text of these laws can be found at <https://www.riigiteataja.ee/tutvustus.html?m=3>

The EBRD Insolvency Sector Assessment (the "Assessment") completed in late 2009 rated Estonia as being in "high compliance" with international best standards.

More info on bankruptcy procedures: <http://www.lawyersestonia.com/bankruptcy-procedures-in-estonia>

Investment Disputes

Investment disputes concerning U.S. or other foreign investors in Estonia are rare. Estonia's judiciary is independent and insulated from government influence; however, some business leaders complain the courts are overburdened and too slow. Property rights and contracts are enforced by the courts.

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International Arbitration

The Arbitration Court of the Estonian Chamber of Commerce and Industry is a permanent arbitration court which settles disputes arising from contractual and other civil law relationships, including foreign trade and other international economic relations.

Recognition of court rulings of EU Member States is regulated by EU legislation.

ICSID Convention and New York Convention

Estonia has been a member of the International Center for the Settlement of Investment Disputes (ICSID) since 1992 and a member of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards since 1993, meaning local courts are obliged to enforce international arbitration awards that meet certain criteria.

Duration of Dispute Resolution

It takes approximately 425 days to obtain a resolution on an investment/commercial dispute in Estonian courts system.

The Arbitration Court of the Estonian Chamber of Commerce and Industry is a permanent arbitration court which settles disputes arising from contractual and other civil law relationships, including foreign trade and other international economic relations.

More info: <http://www.koda.ee/index.php?id=11674>

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Estonia has been a member of WTO since 1999.

Investment Incentives

A fundamental principle of Estonia's economic policy is equal treatment of foreign and domestic capital. No special investment incentives are available to foreign investors, nor is any favored treatment accorded them.

Estonia has a long-standing system of low, simple, flat-rate taxes, including a flat 21 percent income tax. To encourage companies to expand their operations in Estonia, all reinvested profits are exempted from corporate income tax. However, any distributed profits, such as dividends, are taxed at 21 percent. This tax strategy was designed to promote business and accelerate economic growth by making additional funds available for investment.

Generally, the government does not impose "offset" requirements on major procurements.

Research and Development

Foreign entities registered in Estonia have the same access to government financed research and development programs as the local companies. More on R&D here:

<http://researchinestonia.eu/funding/>

Performance Requirements

There is no specific performance requirements for foreign investments that differ from those required of domestic investments.

On 13 June 2013, the parliament approved amendments to the Aliens Act. The new regulations mean that the process of hiring foreign highly skilled specialists will take a week, instead of the three to six months that it took previously. The new regulations make it possible for a foreign national to begin work as soon as they have a short-term visa and the company hiring them has informed the police and the border guard agency. Employees can then submit an application for a long-term permit to live and work in Estonia and can bring their spouses and any children to live with them while the application is pending. This simpler process is intended to motivate more foreign specialists to move to Estonia with their families.

Estonia continues to refine its immigration policies and practices. U.S. citizens are exempt from the quota regulating the number of immigration and residence permits issued, as are citizens of the EU and Switzerland.

Information on the free movement of labor within the EU is available at:

<http://ec.europa.eu/social/main.jsp?catId=458>

Data Storage

Estonia has implemented the EU Data Protection Directive 95/46 EC through the Estonian Personal Data Protection Act 2007 (EPDPA). The EPDPA applies to both the public and private sector but is not applicable where personal data is processed by natural persons for personal purposes or where personal data is transmitted through Estonian territory without any other processing of the data in Estonia.

Data protection matters are also regulated by the Electronic Communications Act 2004, which implements the EU Directive on Privacy and Electronic Communications 02/58 EC.

There is also some relevant sector specific regulation in fields such as insurance and credit providers, security authorities and advertising.

Restrictions on transfer of data offshore:

Transfer of personal data from Estonia is permitted only to a country which has a sufficient level of data protection. Members of the EEA and White Listed countries are deemed to provide a sufficient level of data protection. Data can therefore be transferred within these areas without restriction.

Personal data may also be transferred to US data importers with EU/US Safe Harbor certificates. This does not require the authorization of the Estonian Data Protection Inspectorate.

Data can be exported to a third country outside the EEA, the White Listed countries and organizations with US Safe Harbor certification if: the data subject explicitly consents to the transfer or the Estonian Data Protection Inspectorate authorizes the transfer.

6. Right to Private Ownership and Establishment

Private ownership and entrepreneurship are respected in Estonia. In most commercial fields, 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.

7. Protection of Property Rights

Real Property

Secured interests in property are 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 long and complicated process of property restitution (begun when the Principles of Ownership Reform Act came into force June 20, 1991) is almost complete, including the area of non-residential real properties. More info <http://www.doingbusiness.org/data/exploreeconomies/estonia/registering-property/>

Intellectual Property Rights

Companies should recognize that IP is protected differently in Estonia than in the U.S. and your U.S. trademark and patent registrations will not protect you in Estonia. Registration of patents and trademarks is on a first-in-time, first-in-right basis, so companies should consider applying for trademark and patent protection even before selling products or services in the Estonian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Estonia. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Estonian law.

With all that said, Estonia maintains a robust IPR regime. The quality of IP protection in legal structures is strong, enforcement is good and infringements and theft are uncommon. Estonia is not listed in USTR's Special 301 report or in the Notorious Market report. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

IP rights, except for copyright, must be registered and enforced in Estonia under local laws. Estonia adheres to the Berne Convention, WIPO and TRIPS, the Rome Convention, and the Geneva Convention on the Protection of the Rights of Producers. Estonian legislation fully complies with EU directives granting protection to authors, performing artists, record producers, and broadcasting organizations. Equal protection against unauthorized use is provided via international conventions and treaties to foreign and Estonian authors. The level of IP enforcement has not changed in the past year.

Estonian customs tracks and reports periodically on seizures of counterfeit goods. In 2014, the Estonian Tax and Customs Board seized 12 442 items of counterfeit goods. The largest trademark infringed commodity groups are electronic products, primarily cellular phones and spare parts, but also clothing/accessories and perfumes. Counterfeit goods are not prevalent in the local market.

At the time of printing (April 2015) Estonia was undergoing a major structural IPR reform which involves re-codification of all IPR laws. The draft language of the new Copyright and Related Rights Acts has been completed and is open for public comments, to be followed by completion of the Industrial Property Act. Adhering to all international treaties and EU directives, the new laws will improve protection of IP rights in Estonia.

Major amendments to the penal code aimed at systematic synchronization of penalty provisions, proportionality and to avoid over-criminalization, entered into force in January 2015.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/details.jsp?country_code=EE

Resources for Rights Holders

Contact at Mission:

Brett Makens

Economic/Commercial Officer

+372 6688107

MakensB@state.gov

General reference list of attorneys is available on the embassy website at http://estonia.usembassy.gov/local_attorneys.html.

8. Transparency of the Regulatory System

The Government of Estonia has set transparent policies and effective laws to foster competition and establish "clear rules of the game." However, due to the small size of Estonia's commercial community, instances of favoritism are not uncommon despite regulations and procedures designed to limit these practices.

All proposed laws and regulations are published for public comment on the website <http://eelnoud.valitsus.ee>. Also, the public can comment on draft laws and propose changes to

government regulations at www.osale.ee.

Estonia's widely-praised "e-governance" solutions and other bureaucratic procedures are generally far more streamlined and transparent than those of other countries in the region and are among the easiest to use globally.

International institutions and organizations give Estonia's economic policies high marks. The U.S.-based Wall Street Journal/Heritage Foundation's 2015 Index of Economic Freedom ranked Estonia 8th in the world. The index is a composite of scores in monetary policy, banking and finance, black markets, wages and prices. Estonia scores highly on this scale for investment freedom, fiscal freedom, financial freedom, property rights, business freedom, and monetary freedom.

9. 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 capital markets. Credit is allocated on market terms and foreign investors are able to obtain credit on the local market. 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 Finland and Sweden.

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

The Security Market Law complies with EU requirements and enables EU securities brokerage firms to deal in the market without establishing a local subsidiary. The NASDAQ OMX stock exchanges in Tallinn, Riga and Vilnius form the Baltic Market, which facilitates cross-border trading and attracting more investments to the region. This includes sharing the same trading system and harmonizing rules and market practices, all with the aim of reducing the costs of cross-border trading in the Baltic region.

In 2001, the Estonian government created a consolidated Financial Supervisory Authority (FSA) under the auspices of the Central Bank. The FSA conducts financial supervision independently on behalf of the state and has a separate budget. The FSA was established to enhance the stability, reliability, transparency, and efficiency of the financial sector, to reduce systemic risks, and to prevent the use of the financial sector for criminal purposes.

Money and Banking System, Hostile Takeovers

Estonia's banking system has consolidated rapidly. Total assets of the commercial banks were approximately EUR 21.3 billion in early 2015. More information is available at: <http://www.fi.ee/?lang=en>.

The Scandinavian-owned Estonian banking system is modern and efficient, encompassing the strongest and best-regulated banks in the region. These provide both domestic and international services (including internet and mobile banking) at very competitive rates. Both local and

international firms provide a full range of financial, insurance, accounting, and legal services. Estonia has a highly advanced internet banking system: currently 98% of banking transactions are conducted via the internet. In Estonia over 80 percent of the population between the ages of 16-74 uses the internet.

The Central Bank and the government hold no shares in the banking sector.

Takeovers in Estonia are regulated by the EU Takeover Directive 2004/25/EC.

10. Competition from State-Owned Enterprises

Public enterprises operate on the same legal basis as private enterprises, without any advantages. There are 27 SOEs in Estonia. The full list of SOEs is available at: https://www.eesti.ee/eng/contacts/riigi_osalusega_ariuhingud_1/riigi_osalusega_ariuhingud_2.

OECD Guidelines on Corporate Governance of SOEs

SOE Management in Estonia report to independent supervisory boards consisting of government officials, politically-affiliated individuals and also prominent members of the business community.

The OECD has a positive overall view of Estonia's corporate governance framework in relation to the core corporate governance features and to the recommendations in both the OECD Corporate Governance Principles and OECD Guidelines for State-owned Enterprises. More info: <http://browse.oecdbookshop.org/oecd/pdfs/product/2611071e.pdf>.

Sovereign Wealth Funds

There are no sovereign wealth funds in Estonia.

11. Corporate Social Responsibility

The majority of OECD Guidelines for Multinational Enterprises are incorporated into Estonian legislation. The non-profit organization, Responsible Business Forum in Estonia, aims to further CSR in Estonia, and is a partner in the CSR360 Global Partner Network. CSR360 (www.csr360gpn.org) is a network of independent organizations, which work as the interface of business and society to mobilize business for good. More info on CSR in Estonia: <http://www.csr.ee/estonian-context/>. The American Chamber of Commerce in Estonia also maintains a Corporate Social Responsibility committee.

Government in general enforces the labor, employment rights, consumer protection, and environmental protection related laws effectively and these requirements cannot be waived to attract foreign investment.

OECD Guidelines for Multinational Enterprises

Estonia has adhered to the OECD Guidelines for Multinational Enterprises since 2001. The National Contact Point can be accessed here: <https://mneguidelines.oecd.org/ncps/estonia.htm>

12. Political Violence

Civil unrest generally is not a problem in Estonia, and there have been no incidents of terrorism. Large public gatherings and demonstrations may occur on occasion in response to political issues, but these have proceeded, with few exceptions, without incident in the past.

13. Corruption

Estonia has laws, regulations, and penalties to combat corruption and while corruption is not unknown, it has generally not been a major problem faced by foreign investors. Both offering and taking bribes are criminal offenses which can bring imprisonment of up to five years. While “payments” that exceed the services rendered are not unknown, and “conflict of interest” is not a well-understood issue, surveys of American and other non-Estonian businesses have shown the issue of corruption is not a serious concern. In 2014, Transparency International (TI) ranked Estonia 26th out of 175 countries on its Corruption Perceptions Index.

The anti-corruption policy and the implementation of the strategy are coordinated by the Ministry of Justice and the strategy will be implemented by all ministries and local governments.

The Security Police Board has shown its capacity to deal with corruption offences and criminal misconduct, leading to the conviction of several high-ranking state officials.

Estonia co-operates in fighting corruption at the international level and is a member of GRECO (Group of States Against Corruption). Estonia is a party to both the Council of Europe (CoE) Criminal Law Convention on Corruption and the Civil Law Convention. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

The UN Anticorruption Convention entered into force in Estonia in 2010. Estonia has been a full participant in the OECD Working Group on Bribery in International Business since 2004; the underlying Convention entered into force in Estonia in 2005. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Anti-bribery Convention through the U.S. Foreign Corrupt Practices Act.

Resources to Report Corruption

+372 6121500 Security Police corruption hotline or
+372 6123657 Central Criminal Police corruption hotline
Or e-mail: korruptsioonivihje@politsei.ee

Transparency International in Estonia:
http://www.transparency.org/whoweare/contact#O_nc_estonia

14. Bilateral Investment Agreements

Estonia has investment promotion and protection agreements with the Belgium-Luxembourg Economic Union, Azerbaijan, China, Czech Republic, Denmark, Finland, Greece, Israel, Italy, Jordan, Latvia, Lithuania, Moldova, Montenegro, Netherlands, Norway, Poland, Spain, Sweden, Switzerland, Turkey, Ukraine, UK and the United States.

More info on bilateral agreements with US: <http://vm.ee/en/countries/united-states-america?display=relations#agreements>

Bilateral Taxation Treaties

A Bilateral Taxation Treaty with the U.S. came into force on January 1, 2000. The U.S. and Estonia signed a Foreign Account Tax Compliance Act (FATCA) agreement in April 2014.

15. OPIC and Other Investment Insurance Programs

Estonia has bilateral agreement with OPIC.

16. Labor

The most important statutes and rules regulating the activities in the labor market are the Constitution of Estonia, Conventions of International Labor Organization, Employment Contracts Act, Collective Agreements Act, Trade Unions Act and several enactments of the Government and Ministries of Estonia.

Estonia has a small population - 1.31 million people. The average monthly Estonian salary at the end of 2014 was about USD 1,260 and is expected to increase in the coming two years by 5-6 percent annually. At the end of 2014, the unemployment rate was 6.3%. Unemployment is forecast to remain below 7% in coming years. Despite the relatively high level of unemployment, employers report difficulty finding workers in a number of sectors. More on labor market: <http://www.eestipank.ee/en/publications/series/labour-market-review>

Trade union membership remains low compared to most countries in the EU. However, the influence of trade unions, which tend to take a cooperative approach to industrial relations, is increasing. Estonia has ratified all eight ILO Core Conventions.

With an aging population and a negative birth rate, Estonia, like many other countries of Central

and Eastern Europe, faces demographic challenges affecting its long term supply of labor. Improving labor efficiency is a key focus for Estonia in the short-to-mid-term.

In 2013 the Aliens Act was amended. The new regulations reduce the process of hiring foreign highly skilled specialists to a week, from the three to six months that it took previously. The new regulations make it possible for foreign nationals to begin work as soon as they have a short-term visa and the company hiring them has informed the police and the border guard agency. Employees can then submit an application for a long-term permit to live and work in Estonia and can bring their spouse and children with them while the application is pending. This simpler process is intended to motivate more foreign specialists to move to Estonia with their families.

Information on the free movement of labor within the EU is available at:
<http://ec.europa.eu/social/main.jsp?catId=458>

Estonian labor regulations on labor abuses, health and safety standards, labor disputes etc. are effectively monitored by the Estonian Labor Inspectorate.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Estonia's Customs Act permits the government to establish free trade zones. Goods in a free trade zone are considered to be outside the customs territory. VAT, excise, import and export duties (as well as possible fees for customs services) do not have to be paid on goods brought into free trade zones for later re-export.

In Estonia, there are four zones including Muuga port (near Tallinn), Sillamae port (northeast Estonia), Paldiski north port (northwest Estonia) and in Valga (southern Estonia). All free trade zones are open for FDI on the same terms as Estonian investments.

The main supervisory authority responsible for monitoring the movement of goods in or out of free trade zones is the Estonian Tax and Customs Board (governed by the Ministry of Finance). There are ID requirements for companies and individuals using the zone. The U.S. Department of Homeland Security (Coast Guard) has inspected Estonia's ports and determined that the Republic of Estonia has substantially implemented the International Ship and Port Facility Security (ISPS) Code at all facilities visited.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2014	25900	2014	25900	http://ec.europa.eu/eurostat/tgm/refreshTableAction.do;jsessionid=eFdqACZNbUwOPlvaPxeeSzFXPls3HmkEq5BDdU6MW6gNJKQmN3xc!-1700085361?tab=table&plugin=1&pcode=tec00001&language=en
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2014	456	2012	439	https://stats.oecd.org/Index.aspx?DataSetCode=FDI_FLOW_PARTNER
Host country's FDI in the United States (\$M USD, stock positions)	2014	139	2013	-5	https://stats.oecd.org/Index.aspx?DataSetCode=FDI_FLOW_PARTNER
Total inbound stock of FDI as % host GDP	2014	NA	2012	25.6	http://ec.europa.eu/eurostat/web/products-datasets/-/tec00047

http://statistika.eestipank.ee/?lng=en#treeMenu/MAKSEBIL_JA_INVPOS/146

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	20985	100%	Total Outward	6718	100%
Sweden	5617	27%	Cyprus	1895	28%
Finland	4682	22%	Lithuania	1418	21%
Netherlands	2338	11%	Latvia	1192	18%
Russia	1076	5%	Ukraine	357	5%
Norway	959	5%	Russia	297	4%

"0" reflects amounts rounded to +/- USD 500,000.

Source: IMF Coordinated Direct Investment Survey

Data is consistent with the Bank of Estonia data (data is in euros):

http://statistika.eestipank.ee/?lng=en#treeMenu/MAKSEBIL_JA_INVPOS/146

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	8237	100%	All Countries	3501	100%	All Countries	4736	100%
Luxembourg	1251	15%	Luxembourg	1231	35%	France	934	20%
France	1018	12%	Ireland	781	22%	Netherlands	804	17%
Germany	849	10%	Finland	287	8%	Germany	794	17%
Ireland	816	10%	U.S.	191	5%	Italy	309	7%
Netherlands	802	10%	Sweden	166	5%	Belgium	290	6%

Source: IMF Coordinated Portfolio Investment Survey

19. Contact for More Information

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