

Estonian Review

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FOREIGN NEWS



Foreign Minister Urmas Paet during his visit to Afghanistan in March 2009, with Deputy Governor of Helmand Province Abdul Satar Mirzakwal and chief doctor of Bost Hospital Dr. Enaytullah Ghafary.

Estonia Helping to Treat the Sick in Afghanistan

2 August - **The oxygen delivery system of the central hospital of Helmand Province in Afghanistan, which Estonia helped the hospital procure, began functioning this week.** Bost Hospital is the best and biggest hospital in Helmand Province, with beds for 150 patients and 34 doctors on staff. Together with out-patients, the hospital helps almost 300 people a day. The first patient to be treated with the oxygen delivery system was a small Afghan boy.

The Estonian health care expert Anu Raisma stated that Estonia's aid to the Helmand Province central hospital was urgently needed, and the newly installed oxygen delivery system will significantly raise the quality of treatment. "The medical equipment that Estonia procured is very important for the people of Afghanistan. It will help to create more decent conditions for the impoverished patients and make medical care accessible for more and more Afghans," said Anu Raisma.

Foreign Minister Urmas Paet said that Afghanistan is the primary destination for Estonia's development co-operation and that developing the health care sector is a priority for aid projects. "Helping to develop the health care system can allow the Afghans to truly improve their standard of living," said Paet. "Our goal is to help medical care in Helmand evolve, so that it would be possible to do a better job saving the lives of the sick or those injured in accidents or attacks. However, there is still a lot to be done. For example, the mortality rate for mothers and children is, regardless of the progress made so far, still tragically high," said Foreign Minister Paet.

Within the framework of a project of the non-profit organisation Mondo in 2008, the Foreign Ministry supported the acquisition of an oxygen delivery system, an autoclave, gurneys, wheelchairs, aspirators, throat masks, sterilisers, splints, crutches, and an ultrasound machine for the central hospital of Helmand Province.

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FOREIGN NEWS

Estonian Foreign Minister Pleased with Inclusion of Baltic Candidate in NATO Group of Wise Men

4 August - **Estonian Foreign Minister Urmas Paet has expressed satisfaction over the inclusion of the Baltic states' common candidate, Latvian diplomat Aivis Ronis, in the NATO Group of Wise Men tasked with developing the alliance's new strategy.**

"Preparing a new strategic concept for NATO is an important process that involves many issues of significance for the Baltic states. For this reason, the inclusion of the Baltic nations' common candidate in NATO's so-called 'Group of wise men' is a significant event that creates a wonderful situation for Estonia, Latvia and Lithuania to continue close co-operation and NATO-themed consultations," the minister said.

Ronis has previously served as Latvia's ambassador to the United States and NATO.

The alliance's new strategy will be developed by a panel of 12 members headed by former U.S. Secretary of State Madeleine Albright.

Other members of the group come from Britain, Canada, France, Germany, Greece, Italy, Poland, Spain and Turkey.

The current NATO strategy was approved in 1999, before the expansion in 2004. The group will start work in September and the new strategy plan is to be ready by spring 2010.

Afghanistan

(continued from page 1)

Estonia supported the paediatric ward of the Helmand central hospital in 2007 with 1.1 million kroons, which was used to purchase portable oxygen generators and warming beds for underweight and premature infants. At the beginning of 2008, Estonia helped obtain diesel fuel for Bost Hospital's electrical generator, which allowed for hospital rooms to be lit and heated and for medical equipment to continue running during the winter months.

Since March 2008, an Estonian health care expert has been working in the city of Lashkar Gah in Helmand Province. The expert implements Estonia's development co-operation project on location and consults with the board of the United Kingdom's development team and Helmand's provincial government about developing the health care system.

Afghanistan is one of the poorest countries in the world. A large part of the country's population lives in extreme poverty. Close to 70% of the people are illiterate and 46% of Afghan children lack access to education.

Afghanistan is one of Estonia's priority partner countries for development co-operation.

Estonian Charge d'Affaires to Start Work in Minsk Next Week

4 August (BNS) - **Harry Lahtein is to start work as Estonia's charge d'affaires in the Belarusian capital of Minsk next week.**

Lahtein will start work at the Minsk embassy on 10 August.

The diplomat served as charge d'affaires in Georgia from July 2006. On 18 September 2008 Ambassador Toomas Lukk presented his credentials in Tbilisi.

The government decided in January to open an embassy in Minsk. Up until now Estonia has had a consulate general in Belarus headed by Consul Jurgo Loo.

Interior Minister Appeals for Efforts to Land IT Agency Headquarters in Estonia

30 July (BNS) - **Estonian Interior Minister Marko Pomerants said Estonia should make a serious effort to become the host country of the European Union's IT agency, which is now in the process of creation.**

At the government press conference on Thursday the minister recalled that on Midsummer Day the European Commission made public its plans to establish an EU information agency in the interior affairs and justice sphere.

According to plans, the agency would administer the Schengen information system SIS-2, the visa information system and the database of asylum seekers' fingerprints.

In the bills of the Commission the location of the headquarters of the agency has been left open. The Estonian government has already decided that it would apply for it being located in Estonia.

Pomerants said that if we want the headquarters in Estonia we will have to make serious efforts towards that end.

At present the databases are in France and their security reserves in Austria.

The Interior Ministry said that Estonia would be prepared to behave in a similar way and permit the security reserves to be located in some other country if it gets the headquarters.

Ambassador Presents Terra Mariana Cross to Japanese Linguist

31 July (BNS) - **Estonian Ambassador to Japan Peeter Miller presented the Cross of Terra Mariana IV Class to a devoted scholar of the Estonian language, Kazuto Matsumura.**

President Toomas Hendrik Ilves recognised Matsumura's contribution to the study and underlining relevance of the Estonian language, the Foreign Ministry said.

"As a result of Kazuto Matsumura's decades-long work, contacts between creative people in the two nations have constantly strengthened. This is very important, as understanding is born in the course of that process, bringing the two peoples closer together," Miller said while presenting the decoration on Wednesday.

Over more than 30 years Kazuto Matsumura has studied the Estonian language and translated and published books about the Estonian language. As a result of Matsumura's work an Estonian grammar book and an Estonian-Japanese dictionary have been published.

The Ellerhein Girls' Choir, which performed a song both in Estonian and in Japanese, was present at the ceremony in the Estonian Embassy.

DOMESTIC NEWS

Estonian Birth Rate Last Year Above EU Average

3 August (BNS) - **According to data released by Eurostat on Monday, 5.4 million children were born in the European Union last year, which makes the birth rate 10.9 children per 1 000 residents. In Estonia the birth rate was 12.**

With this number, Estonia was third in the European Union, being preceded only by Ireland (16.9) and the United Kingdom (12.9).

Other countries with high birth rates were Sweden (11.9) and Finland (11.2). Our southern neighbours had rates below the EU average—in Latvia the birth rate was 10.6 and in Lithuania 10.4.

The smallest birth rate, 8.2, was attributed to Germany; in Austria it was 9.3, in Italy 9.6, and in Portugal 9.8.

As recently as the year 2000 Estonia's birth rate was 9.5.

As of 1 January of this year, 499.8 million people were living in the European Union.

Number of People Crossing Estonian Border up Sharply This Year

29 July (BNS) - **The number of people crossing the Estonian border has sharply risen against last year, particularly in terms of people who crossed the external border of the European Union, it appears from Estonian Border Guard statistics.**

This year the Estonian Border Guard registered 3 425 836 people crossing the external border of the European Union, 26.4% more than last year. The number of people crossing the internal border of the European Union totalled 4 666 892, 7% more than last year.

The growth in the number of persons crossing the border between Estonia and Russia was considerable, with 2 994 298 people crossing the border during the six months from January to June, 56% more than last year.

In ports the Border Guard registered 4 351 753 border crossings, 4.2% more than last year.

Transportation vehicles crossed the Estonian national border in 952 090 cases and this figure was 1.9% lower than last year.

On the Estonian-Russian border the Border Guard registered 429 229 vehicles crossing the border, a figure that was 0.8% lower than last year.

Toivo Suuder, acting chief of staff of the Border Guard Board, said the number of people crossing the border could have been influenced by the complicated economic situation, which made people look for opportunities of better subsistence and bring cheaper goods in from the other side of the border.

DEFENCE NEWS

Extra Estonian Unit to Operate in Afghanistan's Garmshir Region

4 August (BNS) - **The Estonian infantry company sent to Afghanistan to secure the presidential election will operate together with U.S. troops in the Garmshir region that was until recently totally controlled by Taliban.**

The information officer of the Estonian contingent in Afghanistan, Capt. Tanel Rutman, told BNS that the 134-strong ESTCOY-E will be operating in the ranks of the 2nd Battalion, 8th Regiment of the U.S. 2nd Marine Brigade in the Garmshir area of the southern province of Helmand.

The allies had practically no control over this region before June when the U.S. marines moved in, Rutman said. The territory is crossed by smuggling routes to the neighbouring Beluchistan province of Pakistan that are of high importance to the Taliban, he added.

ESTCOY-E is at present in training at the Camp Leatherneck military base and preparing equipment for moving into the area of operation. It is possible that the unit will be taking part in combat operations if the need arises.

The company consists of three infantry platoons, a three-member evacuation team, signallers, pioneers and a logistics element. It is equipped with armoured personnel carriers Pasi and armoured trucks.

ESTCOY-E left Estonia on 8 July.

The company was formed of members of the Scouts Battalion. In the first half of 2010 it will be assigned to the NATO Response Force NRF-14 as part of the joint Baltic Battalion.

Estonia currently has 289 personnel serving in Afghanistan.

Defence Ministry Permanent Undersecretary to Open Monument in Canada

31 July (BNS) - **Riho Terras, Permanent Undersecretary of the Estonian Defence Ministry, will open a monument to the Estonian soldier Johan Pitka in Fort St. James, Canada on Monday.**

One side of the monument has Pitka's bas-relief in bronze with a brief English text and a ship's screw. Another side will have a metal tablet with a longer text about Pitka, and there are plans to fasten a tablet with the donors' names on the third side.

The author of the monument was the architect Emil Urbel and the bronze bar-relief was made by the sculptor Aivar Simson. The Defence Ministry paid 150 000 kroons (EUR 96 000) of the cost of the monument.

Pitka settled in Fort St. James along with a group of Estonians in 1924 and is one of the founders of the Estonian community at Lake Stuart. Pitka returned to Estonia in 1929.

Johan Pitka was born on 19 February 1872 in Estonia's Järva County. In Tallinn in 1917 he called into existence the Omakaitse, a civic organisation of self-defence that became the forerunner of the Estonian paramilitary Defence League. In the same year he organised the assembly of Estonian soldiers in the motherland for defending the country in the War of Independence. Pitka also organised the building of armoured trains and cars and laid the basis for the Estonian Navy, of which he was first commander.

In 1919 Pitka was promoted to Rear Admiral and was awarded the Cross of Liberty, Class I/Rank 1. The place and time of Pitka's death are unknown, but he probably died in western Estonia in September 1944 while fighting against Red Army troops occupying Estonia.

ECONOMIC NEWS

Estonian Government Hoping to Attract Major Investments to North-East Estonia

29 July (BNS) - **The Estonian government is planning to establish an industrial park of thousands of hectares in size in the north-eastern East Viru County, by which it is hoping to attract billions of kroons' worth of investments to the area and create thousands of jobs, the daily Postimees wrote.**

According to the bill, born in the Ministry for Economic Affairs and Communications, the government along with local governments will give nearly 900 hectares of state land, which has so far stood idle between industrial areas, to a new foundation, the East Viru Industrial Parks Development (IVTA). In the opinion of the government, the undertaking should attract investments to the tune of about 12 billion kroons (EUR 770 mln) and create more than 4 000 new jobs.

"Several large companies, for example from Germany, have failed to come into the area, since the state has large areas of unreformed land there without a clear purpose," Regina Raukas, chief economic policy specialist from the ministry, told Postimees.

She said local governments have been forced to simply say no to businessmen, as there was no reformed land in the area.

Raukas said the lands in question did not pertain to residential and green areas.

Nearly 200 million kroons is required for the planning and building of infrastructure necessary for industrial companies, and most of it should come from the structural and regional development funds of the European Union. A respective bill has received the approval of the government.

Narva, Jõhvi, Kohtla-Järve and Kiviõli will join the foundation established by the state, and co-operation agreements will also be signed with Sillamäe and Püssi. The Jõhvi Industrial Park, Narva Industrial Park and Püssi Industrial Area Development will also join the scheme.

Net Profit of Estonian Power Company Soars 180 Percent

31 July (BNS) - **Net profit of Estonia's national power company Eesti Energia in the first quarter of the 2009-2010 financial year ending in June soared 180.2% year on year to 337 million kroons (EUR 21.53 mln).**

The three-month revenues totalled 2 284 million kroons and operating profit reached 451 million kroons, up by 4.8% and almost twofold, respectively, in comparison with the same period last year, the group reported today.

Eesti Energia sold 929 gigawatt-hours of electricity to corporate customers, which marks a year-on-year drop of 12.8%. Sales to grid operators declined by 5.4% to 168 GWh.

At the same time, sales to households increased by 4.8% to 393 GWh.

Quarterly sales on the domestic market totalled 1 490 GWh, down by 7.9% in annual comparison. The amount of electricity sold for export, at 482 GWh, was 18% bigger than in the first quarter of the previous financial year.

Lower price on the Nordic electricity market Nord Pool reduced sales to Finland by 152 GWh. The drop was offset by export into **Latvia** which increased by 203 GWh.

The company sold 161 GWh of thermal energy in the three months, a year-on-year drop of 41.8%.

In the first three months of the new financial year Eesti Energia made investments in the sum of 752 million kroons, the majority of which or 328 million kroons went into grids.

Tallink's July Passenger Numbers Reach over 1 Million

4 August (BNS) - **Tallink Group carried 1 054 087 passengers in July, which is the first time ever that the monthly passenger number of the listed Estonian shipper passes the one million mark.**

The figure represents an improvement of 16.3% on July 2008, Tallink said.

The number of passengers travelling between Finland and Estonia shot up 23.3% year on year to 433 384. Passengers between Finland and Sweden numbered 424 233 in July, marking an annual rise of 11.1%. An increase was recorded also on the Estonia-Sweden and Latvia-Sweden routes, whereas a drop of 30.5% took place in the number of passengers between Finland and Germany.

The number of cars carried went up 27% compared with July 2008 to 132 577 units.

Cargo units numbered 18 962, which is 21.5% less than in July 2008.

AS Tallink Grupp operates on seven Baltic Sea ship routes under the Tallink and Silja Line brands.

The company's fleet consists of 20 ships and it employs about 6 900 people in Estonia, Finland, Sweden, Latvia, Russia and Germany.

Renewable Energy Company Nelja Energia Almost Doubles Revenues

30 July (BNS) - **Estonian renewable energy developer and power producer Nelja Energia posted revenues of 30.4 million kroons (EUR 1.94 mln) for 2008 compared to 16.5 million kroons a year earlier.**

The company last year earned a profit of 14.8 million kroons, up by 29% against 2007, the annual report shows.

More than 80% of the turnover was generated in Estonia. The company also has operations in Lithuania, Latvia, Norway and Finland.

Nelja Energia had a staff of six in 2008 and their wages added up to 2.1 million kroons.

In 2008 Nelja Energia founded and bought several associated firms and subsidiaries in Estonia, Latvia and Lithuania.

The company's undistributed profit stood at the end of last year at 20.2 million kroons. It was proposed to pay a dividend of 11.6 million kroons.

Nelja Energia shareholders are Solarcom, Freenergy and Atradius that are registered in Estonia and the Norway-registered Vardar Eurus, which is 70% owned by the Norwegian energy company Vardur and 30% by the Nordic environmental investment fund NEFCO.

Estonian Electricity Export up 75 Percent on Year in June

31 July (BNS) - **Estonian electricity exports surged in June by 75% in comparison with the same month a year earlier to 261 gigawatt-hours, data by the national statistics office show.**

Exports in the first half of 2009 totalled 1 320 GWh, an increase of 67% year on year.

Imports decreased by 39% in June to 110 GWh but six-month imports showed a year-on-year growth of 49%, reaching 1 111 GWh.

Estonian power plants produced last month 724 GWh of electric energy, 21% more than in June 2008.

Businesses consumed 71% and households 29% of the electricity sold on the domestic market.

The output of wind and hydroenergy was 18 GWh in June, up by 11 GWh in annual comparison. Thermal energy production was 271 GWh, a drop of 13% against June 2008.

Estonian Telecoms to Set up Foundation to Build Nationwide Broadband Network

30 July (BNS) - **Estonian telecommunications companies will establish a foundation to build a new generation broadband internet network under the EstWin project, the minister of economy and communications said today.**

"The founders include practically all telecommunications and communications companies

operating on the Estonian market, including those engaged in digital distribution," Juhan Parts said at the governmental news conference.

The name of the future foundation is yet open, the minister told BNS. Plans are to shed more light on matters relating to the foundation in the second week of August when its establishment should take place, he said.

The state's contribution to building sustainable nationwide infrastructure supporting broadband Internet access should be of the order of one billion kroons (EUR 64 mln), the minister said.

According to Parts, so far funds in the amount of 350 million kroons have been found, most of which comes from European Union support. Earlier information put the price tag of the private-public partnership project at six billion kroons.

Telecom businesses plan to develop the network offering speeds of up to 100 megabits and covering the whole territory of Estonia by the year 2015.

A full switch to a broadband network in Estonia means that all homes, apartments and offices will be linked up to the broadband network.

Results of Port of Tallinn Improve in H1

30 July (BNS) - **Financial results of Estonia's state-owned Tallinna Sadam (Port of Tallinn) improved in the first half of 2009 compared to the same period a year ago.**

The company's consolidated net profit according to preliminary figures was 276 million kroons (EUR 17.64 mln), which marks an improvement of 9% against the first half of 2008, Tallinna Sadam said.

Consolidated sales totalled 657 million kroons, up by nearly 42 million kroons or 7%.

Freight throughput in the six months reached 15.4 million tons, 4% more than during the same period last year. Tallinna Sadam was one of the few ports in the eastern part of the Baltic Sea that saw freight flows grow in the January-June period, as cargo volumes of competing ports declined by 8%, the company observed.

The port also regained the third position in the region in terms of freight volumes.

The number of passengers passing through the ports of Tallinna Sadam remained on last year's level, totalling 3.4 million in the six months.

Investments in new and existing infrastructure during the reporting period totalled 545 million kroons, which is 349 million kroons more during the same period of 2008.

Over 540 000 Estonians Take Trips Abroad Through Travel Agencies in 2008

31 July (BNS) - **Last year 542 000 Estonians travelled abroad through travel agencies, which marks a 5% increase compared to the previous year.**

At least one out of every three Estonians used the services of a domestic travel company to make a trip abroad, it appears from data in the fresh statistical yearbook.

Estonians' favourite destination was Finland, which was visited by 17% of all the people who used the services of travel companies. Next came Egypt, Spain and Sweden. Four percent of all travellers headed to Turkey, Greece, Germany, the United States or Russia.

Domestic tourism was less dependent on travel companies, with 94 000 people having their trip arranged by a company.

Last year 325 travel companies were providing tourist services in Estonia.

Tarmel Furniture Enters Norwegian Market and Boosts Sales

4 August (BNS) - **The Estonian mattress and bed manufacturer Tarmel Furniture OÜ managed to increase its turnover in July by entering the Norwegian market, despite a 30% slump in core market sales.**

The turnover of 16.4 million kroons (EUR 1.05 mln) posted for July is 34% higher than the monthly peak from last October and 59% more than in July a year ago, Tarmel Furniture said.

The company said there were several one-off projects contributing to the upsurge in sales in July.

The year 2009 started for Tarmel with a 27% drop in turnover. After the first six months the annual rate of decline was 5%, and right now the result for the corresponding period of 2008 is surpassed by 7%.

The company has set itself the goal of surpassing last year's turnover figure and breaking into the black.

Tarmel sells 90% of its output in the Nordic countries and 10% in Estonia. It employs 110 people in two shifts.

Horizon Paper Mill in Kehra Gets Large Order from Dutch Paper Chain

29 July (BNS) - **The Estonian Horizon paper mill situated in the town of Kehra, east of the capital Tallinn, has received a large order from the Dutch retail chain C1000 and will start exporting 19-20 million rolls of toilet paper to the Netherlands annually.**

A representative of the company said the order equals 30% of the annual consumption of toilet paper in Estonia.

Horizon Tissue OÜ said getting the order from the Dutch retailer is remarkable primarily because toilet paper is usually a product that is competitive within a radius of up to 700 kilometers.

Horizon Tissue plans to build a waste paper recycling centre at its Kehra facility. The 320 million kroon (EUR 20.4 mln) plant would be the only one of its kind in Estonia, the company said.

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