

Estonian Review

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USA ASSISTANT SECRETARY VISITS TALLINN



Foreign Minister Urmass Paet with USA Assistant Secretary for European and Eurasian Affairs Philip H. Gordon in Tallinn, 13 August.

Paet: USA is Essential Partner for Estonia

13 August - **Foreign Minister Urmass Paet and USA Assistant Secretary for European and Eurasian Affairs Philip H. Gordon discussed Estonia-USA co-operation, the future of NATO, and other current international topics during their meeting in Tallinn.** Foreign Minister Paet emphasised NATO's irreplaceable role in the security of its allies and for ensuring strong transatlantic co-operation. "Collective defence is NATO's primary function, which must be visible and evident both within the alliance and outside of it," said Foreign Minister Paet.

Paet and Gordon discussed contributing to the stabilisation and reconstruction of Afghanistan, including within the framework of NATO's ISAF operation. Estonia sent an additional infantry company, Estcoy-E, to Afghanistan to provide security for the presidential election taking place on 20 August. It is under the command of the USA's 2nd Marine Expeditionary Brigade and is working in the southern part of Helmand Province. Paet mentioned the excellent co-operation between the USA and Estonia in international operations. "Considering our earlier successful co-operation, we would certainly like to continue military co-operation with the United States in various operations," stated Foreign Minister Paet. "Preparations are currently going on for the creation of a USA-Estonia Operational Mentor and Liaison Team (OMLT)," Paet added.

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FOREIGN NEWS

Agreement for Reciprocal Storage of Crude Oil and Petroleum Products Between Estonia and Latvia Signed

6 August - **Estonian Ambassador to Latvia Jaak Jõerüüt and Latvian Minister of Economics Artis Kampars signed an agreement for the reciprocal storage of crude oil and petroleum products between the Government of the Republic of Estonia and the Government of the Republic of Latvia.**

The goal of the agreement is to guarantee access to Estonian fuel supplies potentially held in Latvia if difficulties arise with the liquid fuel supply. In accordance with the signed agreement, neither party to the agreement may inhibit the other nation from transporting fuel supplies out of the country.

The agreement does not require Estonia to store its supplies in Latvia, but it does increase opportunities for storing liquid fuel there. The agreement does not bring with it any financial costs. Expenses will be incurred if Estonia chooses to store its fuel supply in Latvia. In that case, separate agreements will be concluded with the storage facilities.

The agreement came into force on the date that it was signed.

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The Estonian Review
will not appear next
week. The next issue
will appear on 29
August.**

USA Assistant Secretary

(continued from page 1)

Foreign Minister Paet and USA Assistant Secretary Gordon also addressed the creation of a new strategic concept for NATO. Paet said that Article 5, which is NATO's primary responsibility, and NATO's readiness to fulfil this responsibility are important to Estonia. "The primary idea behind NATO is ensuring the indivisible of the security of its allies, and this must be backed up by NATO's strategic concept," he added. Paet stated that Estonia is pleased to be organising next spring's NATO foreign ministers' meeting in Tallinn.

The two also addressed further NATO enlargement at the meeting. The Estonian foreign minister emphasised the importance of continuing NATO's open-door policy and noted his support for the integration of Georgia and Ukraine with NATO. According to Assistant Secretary Gordon, the United States continues to support NATO enlargement.

Gordon and Paet discussed the situation in Georgia. Foreign Minister Paet emphasised the significant contribution of the European Union Monitoring Mission to supporting security in Georgia. "After the missions of other international organisations have ended, the European Union Monitoring Mission plays a very important role in stabilising the security situation in Georgia," asserted the Estonian foreign minister. Paet and Gordon stated that a long-term solution must honour Georgia's territorial integrity and sovereignty.

In talking about the security architecture of Europe, the representatives of Estonia and the United States emphasised that it is important that responsibilities taken on as a result of previous agreements must be fulfilled and that progress is made in resolving existing crises.

They also discussed supporting the transition states in Eastern Europe and the role of European Union Eastern Partnership in this endeavour.

While discussing the USA's relations with Europe, the Estonian foreign minister noted that the development of EU-USA co-operation and strong relations are very essential. "It is important for a wide range of issues, from the development of Eastern Partnership and supporting reforms in Ukraine, Moldova, Georgia, Armenia, Azerbaijan and Belarus to opportunities for opening up the Western Balkan countries," Paet said. "It is also very important to intensify co-operation between the European Union and the United States in the field of energy security," he added. Paet stated that an EU-USA energy council should be established as soon as possible.

When they spoke about relations between Estonia and the United States, Foreign Minister Paet emphasised that they have always been very good. "The USA is an essential partner for Estonia. Our co-operation takes place in many areas, as we share the same values," said Paet. The meeting was also preparation for Foreign Minister Urmast Paet's visit to the United States in the fall, when he will meet with US Secretary of State Hillary Clinton.

NATO Foreign Ministers' Meeting to Take Place in Estonia in Spring

7 August - **In spring of next year, 2010, Estonia will host the NATO foreign ministers' meeting in Tallinn. The meeting, which takes place every spring, will be on 22-23 April.**

Foreign Minister Paet emphasised that next spring's NATO foreign ministers' meeting will be one of the biggest foreign policy events to ever have taken place in Estonia. "For Estonia and the Estonian Foreign Ministry, the organisation of the NATO foreign ministers' meeting is a very significant undertaking. The foreign ministers of all 28 NATO member states will come to Estonia," said Paet.

He added that preparations for the upcoming major event have already begun.

Estonia, Ukraine to Renew Social Security Accord

5 August (BNS) - **The Estonian government is expected to approve a new social security agreement with Ukraine and authorise Social Affairs Minister Hanno Pevkur to sign it on 6 August.**

The agreement needs to be updated because new types of benefits have been introduced in both Ukraine and Estonia since the signing of the effective pact in 1997. For instance, when the 1997 accord was drawn up neither unemployment insurance benefits nor the parental benefit scheme existed in Estonia. Ukraine has likewise changed its social insurance schemes.

The new agreement would be in accordance with both countries' social insurance systems.

It allows both parties signatory to continue paying pensions and benefits to persons who under one side's legislation are entitled to benefits when settling in the other country.

In the first quarter of this year 298 persons in Estonia received Ukrainian pensions while Estonia paid pension to 212 residents of Ukraine. Estonia is also paying benefits related to workplace accidents and vocational diseases to eight persons in Ukraine.

DOMESTIC NEWS

Estonians Consider EU Membership to be Positive Thing

13 August (BNS) - **A recent Eurobarometer poll showed that 59% of respondents found Estonia's membership in the European Union to be good; this attitude is more positive than in the European Union in general and also in the other countries that acceded to the bloc in 2004.**

According to the poll carried out this summer, 59% of those interviewed found that it was good that Estonia was in the European Union and only 9% found it to be bad. In the opinion of 31% of the respondents it was neither good nor bad.

The attitude of Estonian citizens is somewhat more positive than in other member countries. In the EU as a whole, 53% of the respondents found that their country's membership in the EU was good. The percentage of support in the ten countries that acceded to the EU in 2004 was the same.

Sociologist Aivar Voog from Emor mainly put it down to the circumstance that Estonia's accession to the EU fell into an economic rise period. Besides, financial support from different EU funds was felt, and sometimes clearly seen in various parts of the country.

At the same time, the positive attitude towards membership in the EU has somewhat declined in the recent years. In spring 2007, 66% of the respondents found that Estonia's membership in the EU was good and 22% that it was neither good nor bad.

Early this summer Emor interviewed 1 006 citizens in Estonia. The poll was carried out in 27 countries and covered about 30 000 respondents.

Estonian Banks Have 1.67 Million Internet Banking Clients

7 August (BNS) - **Estonian commercial banks had 1 666 134 internet banking clients as of the end of July, the number of the banks' telephone banking clients totalled 751 126 as of the end of the month.**

Swedbank's internet bank had 827 492 clients as of the end of July, 897 more than at the end of June.

SEB Bank's internet bank, U-Net, had 508 421 and U-Net Business 52 441 users. Against June the number of users grew by respectively 1 907 and 574.

Sampo Bank had 180 386 internet banking and 162 386 telephone banking clients. During the last month the number of users grew by 635 and 876 respectively.

Broadband Development Foundation to Focus on Rural Areas

11 August (BNS) - **The Estonian Broadband Development Foundation, set up by information and telecommunications sector companies on Tuesday, is going to build a fiberoptic network in the country's rural regions that will reach all developed areas by 2015.**

The board chairman of the foundation, Olev Harju, said during a press event at the Ministry of Economic Affairs and Communications that no household will remain at a distance of more than 1.5 kilometers from the cable.

"All communications enterprises and the state will have equal conditions for using the network," Harjo said. The network will be built project by project and planning will start in the near future.

Tõnu Grunberg, vice president of the Estonian Association of Information Technology and Telecommunications (ITL), told reporters that the broadband network covering all of Estonia will support tele-working and the broader use of various existing e-solutions such as e-State, e-Education and e-School.

It will provide a signal to the outside that it is comfortable to do business in Estonia, thus giving a boost to foreign investment.

Minister of Economic Affairs and Communications Juhan Parts described the establishment of the foundation as "more than timely". Parts said that in Europe, Internet with a speed of 64 kilobites per second was regarded as universal, which he called "ridiculous". The minister said universal service should offer a speed of 100 megabits per second.

The agreement on the establishment of the foundation for building the network's basic infrastructure was signed on Tuesday by ITL members AS Elion Ettevõtte, AS Elisa Eesti, AS EMT, AS Eitel Networks, AS Ericsson Eesti, AS Tele2 Eesti and Televõrgu AS. A representative from the Ministry of Economic Affairs and Communications sits on the foundation's supervisory board.

The network, EstWin, should bring Internet access with speeds of 100 Mbps to even the most distant rural areas. In the first stage, 6 640 kilometers of fiberoptic cable will be laid out complete with 1 400 network access points.

The project costs an estimated 1.5 billion kroons (EUR 96 mln), most of which is expected to be received from EU structural funds.

The first stage of the project will give work to 400 people.

According to Ericsson representative Seth Lackmann, from 50 to 60% of Estonian households currently have broadband Internet.

DEFENCE NEWS

Minister of Defence Aaviksoo Opened Erna Raid

6 August (BNS) - **Minister of Defence Jaak Aaviksoo said today at the opening ceremony of the Erna Raid reconnaissance competition that the best soldiering skills are elicited by commitment to a higher goal.**

According to Aaviksoo, the Erna Raid is a unifying event that put members of both the Defence Forces and the Defence League to the test, as well as the members of foreign teams.

"The best soldiering skills are elicited by commitment to a higher goal, higher than mere participation in a competition. By replicating the selfless mission of the original Erna Raid, the participants will have to accept a challenge that involves coping on a difficult trail, using for this the simplest means and above all one's own wits and physical and mental stamina," the Minister of Defence said.

"The erstwhile Erna group, too, carried in themselves this commitment to a higher goal, when they landed in Estonia, occupied by the Red Army 68 years ago," Aaviksoo added.

At today's ceremony, the Minister of Defence also handed medals of the Erna Society over to the boys and girls of the Defence League youth organisations who had won the Mini-Erna and Ernake competitions.

Yesterday evening, Minister of Defence Aaviksoo laid a wreath at the memorial to the soldiers killed and civilians massacred at Kautla in 1941.

Held since 1994, the Erna Raid is one of the world's longest and most difficult reconnaissance competitions, commemorating the activities of the Erna reconnaissance group in 1941. 25 teams are participating in this year's competition.

The competition commences today, with the traditional landing on the beach at Salmistu.

Erna Raid Competition Winners Announced

8 August (BNS) - **Team One of the Tartu Company of the Estonian paramilitary Defence League was declared the winner of this year's Erna Raid military-athletic competition.**

The team won the title for the second year running.

According to Urmas Reitelmann, press officer of the competition, Team Two of the Tartu Company of the Defence League came in second and Team Two of the Estonian National Defence College third. The best foreign team was the second Finnish team, which finished 10th.

Of women, the Saaremaa NKK finished 15th and Võrumaa NKK 20th among 25 competing teams.

Teams of the Northeast Defence Region, Germany, and the first and third Dutch teams did not finish.

The Erna Raid was opened with the traditional landing on Salmistu beach on the northern coast, which was open for viewing by the public. Twenty-five teams entered the race, of these 18 from Estonia and seven foreign teams from Finland, Germany, Denmark and the Netherlands.

This year's Erna Raid ran until 8 August. The base camp of the competition was situated not at Kautla as in previous years but at Lasna, where the competition also ended, the organisers said.

The Erna Society has been organising the event together with its co-operation partners, the Defence Forces and the Kaitseliit (Defence League) voluntary corps, since 1994. Over the years, foreign teams from 21 countries have taken part in it.

The competition marks an event in the summer of 1941 when a group of Estonians who had fled to Finland from the Soviet occupation and participated in the Finnish Winter War returned to Estonia.

The group landed at Salmistu on the northern coast in the rear of the Red Army. On 31 July 1941 Erna fighters engaged in a fierce battle with Red Army soldiers that made it possible for thousands of civilians hiding in the Kautla woods to escape.

Danish Defence Minister Visits Estonian Mine-Hunter

13 August (BNS) - **Danish Defence Minister Soren Gade visited the Estonian mine-hunter Sakala, which is now serving in the NATO Response Forces in Spain.**

The Danish defence minister visited the Estonian ship at the Spanish port of Vigo where the ship stopped along with the other vessels of the NATO Response Forces, the Defence Forces headquarters said.

"It is impressive that Estonia has a very modern mine-hunter whose crew functions effectively and economically," Gade said. He said that in addition to Danish ships he also visited the Estonian mine-hunter because there are long-term good co-operation relations between the two countries in all defence spheres, including in foreign operations.

The commander of the mine-hunting group is Cmdr. Henrik Rasmussen from Denmark and the flagship of the group is a Danish vessel.

The commander of the Sakala, 1st Lt. Ain Pärna, gave the Danish defence minister an overview of the mine-hunter's service up to the present as well as an overview of the mine hunting systems and underwater robots used on the ship.

In memory of the visit, the Danish defence minister received a mine-hunter Sakala cap.

The Sakala is one of three Sandown Class mine-hunters bought from the United Kingdom. The Sakala began its service in the NATO mine-hunting group at the end of July, belonging at the same time also to the NATO Response Forces.

Earlier the flagship of the Estonian navy Admiral Pitka, the mine-hunter Admiral Cowan and the mine-hunter Sulev have served in NATO Response Forces.

ECONOMIC NEWS

Skype's Profit in Estonia Grows 22.8 Percent on Year

13 August (BNS) - **Skype Technologies OÜ, the Estonian development arm of the free VoIP telephony provider Skype, earned a profit of 28 million kroons (EUR 1.8 mln) in 2008, 22.8% more than in the year before.**

Revenues during the year totalled 319.3 million kroons, up 16.5% year on year, it appears from the annual report.

The Skype operation in Estonia provides services to other companies of the Skype Group, thus its entire revenue was generated in in-group transactions.

During 2008 the company employed on the average 303 people and pay costs totalled 204.8 million. At the end of the year the number of employees was 318.

In 2009 Skype Technologies OU expects the number of personnel to grow primarily in the field of software development. Continued growth in the number of employees is most of all hindered by the shortage of qualified engineers on the Estonian labour market, the company said.

Skype Technologies OÜ is 100% owned by the Luxembourg registered holding firm Skype Technologies S.A.

Airbaltic to Launch Flights Between Tallinn and Turku in October

12 August (BNS) - **The Latvian airline Airbaltic said on Wednesday it will open an air route between the Estonian capital Tallinn and the Western Finnish city of Turku on 1 October.**

Flights will take place daily and the fare, inclusive of all taxes, will be 591 kroons (EUR 38), the company said.

The route will be the first air connection between Estonia and Finland operated by Airbaltic.

The CEO of Airbaltic, Bertolt Flick, said the Estonian market was very important for the airline. He said the importance of the Estonian market for Airbaltic was demonstrated by the increase in the number of flights on the Tallinn-Riga route, the launch of flights between Tartu and Riga, and the new air route between Tallinn and Turku to be opened in October.

"We hope that the new routes will bring many tourists to Estonia and thus liven up the Estonian economy," Flick said.

In the first seven months of 2009, 99 055 people from Estonia flew on Airbaltic flights, which is 68% more than during the same period a year ago. Airbaltic has opened 11 new air routes from Riga this year.

The company is offering direct flights from two Baltic capitals -- Riga and Vilnius. Its fleet currently consists of 31 aircraft.

Established in 1995, Airbaltic belongs to the Latvian state and Baltijas Aviācijas Sistēmas SIA with ownership stakes of 52.6% and 47.2% respectively.

Sales of Koduapteek Pharmacy Chain Soar 27 Percent in 2008

13 August (BNS) - **The sales of the Estonian pharmacy chain OÜ Koduapteek totalled 495 million kroons (EUR 31.63 mln) in 2008, an increase of 27% year on year.**

The company ended the year with a loss of 6.4 million kroons, compared with a profit of 1.3 million kroons made in 2007, it appears from the annual report.

At the end of March 2008 OÜ Koduapteek merged with the regional pharmacy operators Rapla Apteek, Loksa Apteek and Apstel. In October Koduapteek acquired 100% of the shares in Ravana Apteek OÜ.

As of the end of January 2009, Koduapteek held stakes in seven subsidiaries and two affiliates.

The average number of employees last year was 236 and wage costs totalled 56 million kroons.

The parent company of Koduapteek, through the company Medinord Oy, is Tamro Oy of Finland, a company of the pan-European Phoenix group.

Saku Brewery Investing EUR 4.47 Million in Brewing Equipment, Products

12 August (BNS) - **Investments by Saku Õlletehas (Saku Brewery) in brewing equipment, including in crystal filtering technology and products, will total 70 million kroons (EUR 4.47 mln) this summer, the beverage house said.**

Sales Director Margus Kastein said the company has gradually expanded the use of crystal filtering to cover more and more products as feedback from customers has been more positive than awaited.

Investments in technology have by now reached the stage where the first ever low calorie "lite" type of beer, Saku Lite, is about to hit the shelves, the company said.

Estonia's Grain Growing Area 6 Percent Bigger Than Last Year

11 August - **The size of the growing area of grain in Estonia this year is 328 800 hectares, which marks an increase of 6% compared with 2008, Statistics Estonia said.**

The growing area of rye totals 65 500 hectares, of winter wheat 15 400 hectares and of summer wheat 78 300 hectares. Barley is grown on 141 500 hectares and oats on 39 300 hectares this year.

The growing area of potato is 9 200 hectares, also an increase of about 6% over last year.

The growing area of forage crops expanded by almost a quarter to 235 600 hectares.

The growing area of all arable crops taken together is 661 300 hectares, 14.6% more than last year.

SPORTS NEWS

Estonia Loses Football Match with Brazil 0:1

12 August (BNS) - **The Estonian national football team lost 0:1 in a friendly with Brazil, called the match of the century, at Tallinn's Lilleküla Stadium on Wednesday.**

The only goal struck under the eyes of an audience of 8 500 was by Luis Fabiano in the 43rd minute.

The Estonian team remained one man short in the 87th minute when the referee sent off substitute defender Dmitri Kruglov because of a foul against Daniel Alves and the ensuing scuffle. The match was extraordinarily fierce, with the Swedish referee showing the yellow card on a total of ten occasions – six times to the guests and four to the hosts.

At the press conference after the match Dunga, the Brazilian head coach, described the Estonians as "a strong team that attempts to stop all the balls in the air".

Tarmo Rütli, head coach of the Estonian team, said the opponents had not been ready for such a fight. He praised his team's dignified resistance to the five-time world champions, but said the goal that was not struck remained pricking in his mind.

Midfielder Sander Puri earned special praise from the head coach.

The Estonian team: Sergei Pareiko - Enar Jaager, Alo Barengrub, Raio Piiroja, Ragnar Klavan - Sander Puri (89. Ats Purje), Aleksandr Dmitrijev (61. Martin Vunk), Konstantin Vassiljev, Joel Lindpere (61. Dmitir Kruglov) - Tarmo Kink (72. Kristen Viikmae), Sergei Zenjov (61. Vladimir Voskoboinikov).

The Brazilian team: Julio Cesar - Maicon (60. Daniel Alves), Lucio (68. Miranda), Luisao, Felipe Melo - Andre Santos, Kleberson (38. Elano), Gilberto Silva - Luis Fabiano (66. Nilmar), Kaka (60. Julio Baptista), Robinho (60. Diego Tardelli).

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