

# Estonian Review

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## FOREIGN NEWS



**Presidents Toomas Hendrik Ilves, Valdis Zatlers, and Dalia Grybauskaitė at the international foreign and security policy conference in Riga, 23 October.**

### President Ilves Met With Baltic Heads of State

24 October - **The economic situation in the region was the main focus of the work meeting of the presidents of Estonia, Latvia and Lithuania, which took place in Riga.** The heads of state also discussed the future of the European Union, the Baltic Sea Region Strategy, the development of NATO's new strategic concept and trans-Atlantic relations.

The presidents, Mr. Toomas Hendrik Ilves, Mr. Valdis Zatlers, and Ms. Dalia Grybauskaitė, acknowledged that regardless of the possible easing of the financial and economic crisis, all the states must continue to adopt a highly conservative approach to the development of their budget policies and cut their expenses.

"None of us – not Estonia, Latvia nor Lithuania – has any other opportunity than to remain highly responsible and just cope with the situation," said President Ilves. "We must cope. And this is the best possible way to help each other."

When discussing the future of the European Union, the presidents of the Baltic states considered it important to determine, as soon as possible, when the ratification of the Lisbon Treaty will be completed, as the time schedule for all the institutional changes is dependent on this benchmark.

President Ilves also mentioned the establishment of the European Union foreign service as an issue of high priority, which is to be accomplished by focusing on two main tasks: increasing the uniformity of the foreign policy of the European Union and improving the co-ordination of its foreign efforts.

The Estonian head of state expressed his pleasure over the fact that the Baltic Sea Strategy will be adopted in the European Union next week as the very first macro-regional programme.

"Estonia has strived for years to accomplish this task; however, adoption of the strategy is not the end, but just one of the many steps, as now all the countries within the region are responsible for shaping the nature of the Baltic Sea Strategy," said President Ilves. "The states must be active and understand that the Baltic Sea Strategy is meant for all of us."

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## FOREIGN NEWS

**Paet: European Union Foreign Ministers Want Lisbon Treaty to Come into Force Soon**

27 October - **Foreign Minister Urmas Paet participated in the meeting of European Union foreign ministers in Luxembourg, where the foreign ministers discussed preparations for this week's European Council.** They also talked about the situation in the Western Balkans.

One essential topic to be addressed at the European Council being held this week will be institutional issues involving the completion of required preparations ahead of the entry into force of the Treaty of Lisbon. "We hope that the European Council reaches an agreement on the Lisbon Treaty ratification process, as the entire schedule for institutional changes and the new European Commission assuming office are both dependent on it," said Foreign Minister Paet.

"We have to find a solution that will allow the Czech Republic to complete the Treaty of Lisbon ratification process as soon as possible, while preventing a situation that would require the European Union member states to ratify it again," Paet stressed.

Urmas Paet stated that the European Union presidency Sweden will present reports to the European Council about preparations made for the implementation of the Lisbon Treaty, including those for the European Union foreign service that is to be created. These preparations determine the reach, legal status, and personnel and financing issues of the European foreign service, and the process to implement the foreign service will also be described. "Estonia strongly supports a High Representative for the Common Foreign and Security Policy in the union, as well as a Council chairman in a co-ordinating role," noted Foreign Minister Paet.

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## Baltic Presidents

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When speaking about NATO's new strategic concept, the Estonian head of state mentioned visibility, credibility, and clearly expressed capabilities as the backbone of NATO's collective defence.

"Cyber security, combined with energy security and terrorism, are the subjects which will definitely be mentioned in the new strategic concept," said President Ilves. "These are the spheres to consider for the purposes of devising NATO collective defence."

The Estonian, Latvian and Lithuanian heads of state emphasised the importance of relations between Europe and the United States of America. "The close and diversified partnership between the European Union and the United States of America, based on shared values, must be strengthened, as this is one of the cornerstones of both European and global security and stability," President Ilves said.

## Lisbon Treaty

(continued from page 1)

"The leading role in preparing for Councils should remain with the general affairs council, where an interior debate could take place, leaving the European Council the chance to focus on the most complicated political issues," Paet added.

Foreign Minister Paet confirmed that the European Council agenda includes adopting the Strategy for the Baltic Sea States. "This sort of regional strategy covering so many different sectors, along with a concrete action plan, will give member states a good opportunity to find solutions to regional problems through co-operation," noted Foreign Minister Paet. "Estonia will be co-ordinating the European Union interior market sector," Paet specified. The foreign minister stated that there are plans to use the experience of compiling and implementing the Strategy for the Baltic Sea Region in other European Union regions in the future, for example in the planning of an EU Danube strategy.

Another essential topic for the European Council is climate change and financial questions regarding the international climate policy. "The European Union must agree on its common position prior to the international negotiations taking place at the Copenhagen climate conference," said Foreign Minister Paet.

In talking about the situation in the Western Balkans, the EU foreign policy leaders focused on Bosnia and Herzegovina. The foreign minister of the EU presidency Carl Bildt gave an overview of the most recent developments in negotiations between Bosnia's political party leaders, the USA, and the European Union. Foreign Minister Paet stated that the functioning of Bosnia and Herzegovina and its integration with Euro-Atlantic structures is an essential factor for the stability of the Western Balkans, which is why it is crucial to reach an agreement on important reforms as soon as possible.

## Unified European Union Action Needed in Afghanistan

27 October - **On Tuesday, 27 October, Foreign Minister Urmaz Paet participated in the**

**meeting of European Union foreign ministers in Luxembourg, where the foreign ministers adopted the practical action plan for the European Union's future activity in Afghanistan and Pakistan.** "This strategy shows that the European Union is striving for better co-ordination and a more coherent approach in its activities," said Foreign Minister Paet.

Foreign Minister Paet stated that the Afghanistan and Pakistan action plan marks a new step in the EU's common foreign policy, containing concrete goals and joint courses of action in essential sectors like rule of law, administrative capability, economics, and human rights. "One area of critical importance is increasing administrative capacity," said Foreign Minister Paet. "The European Union, in co-operation with other international contributors, must find a solution for how to increase Afghanistan's administrative capability on both the regional and local level," Paet added. The Estonian foreign minister stated that the EU's support is of the utmost importance in enlivening economic and trade relations between Afghanistan and Pakistan and in border patrol issues. "Effective co-operation between Pakistan and Afghanistan and the EU and NATO and continued support for UNAMA are essential, since the stability of Afghanistan and Pakistan's border areas and the resulting security situation are closely related," Paet acknowledged.

Foreign Minister Paet confirmed that the new strategy for Afghanistan and Pakistan consists of three main sections. The first part of the action plan addresses regional co-operation, co-ordination and transatlantic relations, the second part addresses the European Union's activity in Afghanistan, and the third part developments in Pakistan.

While talking about the situation in Afghanistan, the EU foreign policy leaders expressed regret that the first round of presidential elections in Afghanistan was marked by fraud. They expressed hope that the Afghans could avoid such problems in the second round and organise trustworthy and safe elections on 7 November. "After the successful completion of the second round of presidential elections, the new Afghan government must begin to carry out its campaign promises and the nation must accept greater responsibility in resolving problems that have lasted for years," noted Foreign Minister Paet.

The EU foreign ministers discussed Moldova's domestic political and economic situation and potentially giving additional financial aid. Foreign Minister Urmaz Paet thinks it is in Europe's interest for Moldova to come out of the critical financial and economic situation. Foreign Minister of the EU Presidency Carl Bildt gave an overview of the European Union Troika's visit to Moldova. Paet stated that the European Union's relations with Moldova are becoming tighter and the European Union is ready to begin negotiations for a new European Union-Moldova framework agreement.

The foreign ministers' council also discussed the situation in Sri Lanka in relation to the complicated humanitarian situation following the military conflict and adopted conclusions that place primary focus on the situation of internally displaced refugees in closed camps under the control of the Sri Lankan military.

## Ilves to Zatlers: Latvia is Not Alone With Its Worries

24 October - **"The reforms and budgetary cuts that many countries are addressing, under pressure from and with the support of international organisations, are essential for improving the financial state of these countries, for their own future," President Toomas Hendrik Ilves said at his meeting with Latvian Head of State Valdis Zatlers.**

"It is only the purposeful and decisive action of the government and parliament that can help the societies that have fallen into economic crisis to emerge from this crisis and improve their economic situations. Therefore, it is important that agreements are adhered to – both domestically and internationally," the Estonian head of state said. Presidents Ilves and Zatlers recognised that the financial and economic situations in the Baltic countries differ and the problems of the three countries are dissimilar, although the successes and failures of each country affect the reputation of the entire region.

"Of course, while we are responsible primarily for resolving our own problems, we are also responsible for all three Baltic countries," President Ilves said. "I am sure that Latvia will be able to solve its own problems. I believe in Latvia. Latvia is not alone with its worries. Estonia and Lithuania, as well as the entire European Union, stand by it as firm allies." Speaking of the future of the European Union, Presidents Ilves and Zatlers stressed the importance of enacting the Lisbon Treaty, so that we can continue as a more dynamic, more integrated and stronger Europe.

## Prime Minister Ansip Attended NB8 Summit in Stockholm

26 October - **At the meeting of the Nordic and Baltic Prime Ministers held today, the heads of government of eight countries discussed the UN Climate Change Conference to be held in December and the economic situation currently prevailing in the region and in the world.** Issues related to energy security were also discussed.

When speaking about preparations for the UN Climate Change Conference in Copenhagen, Prime Minister Ansip stressed that Estonia regards the achievement of the efficient and large-scale post-Kyoto climate agreement to be important. "In addition to environmental protection, the new international climate agreement is important from the viewpoint of economic recovery as well," he said. Ansip pointed out that this could be seen as an opportunity to give a new boost to the sustainable growth of the economy via eco-efficient technologies.

The heads of government discussed the economic situation of the region and also exchanged information about the efficiency of the measures implemented for economic recovery in their countries and discussed future steps.

Prime Minister Ansip noted that during the course of the global crisis that started last autumn, Estonia has quickly adapted to the new circumstances. This year, the Estonian government has improved the budget position of the government sector by BEEK 19.1 or 9% of GDP. Also, the loan burden of the Estonian government sector is one of the smallest in the region as well as in the European Union.

Ansip also pointed out that if Estonia can meet all Maastricht criteria, mainly the budget deficit criterion, it will be possible to adopt the Euro in Estonia already in 2011. "Joining the Euro-zone gives Estonia the best conditions for the new growth cycle of the economy," he said.

When discussing the energy topic, Ansip noted that the establishment of energy communities in the region and the establishment of a single Nordic-Baltic energy market continue to be important steps for ensuring the energy security of the region.

The NB8 co-operation format includes Sweden, Finland, Norway, Iceland, Denmark, Estonia, Latvia and Lithuania. The meeting will take place simultaneously with the session of the Nordic Council.

## Estonia Concluded Agreement for the Protection and Facilitation of Investments with Belarus

21 October - **Foreign Minister Urmus Paet stated that the Foreign Ministry would like to support Estonian entrepreneurs in finding new markets and increase the security of Estonian entrepreneurs.** "The agreement concluded between Estonia and Belarus today for the facilitation and reciprocal protection of investments helps to increase the feeling of security for entrepreneurs," stated the foreign minister. Belarus is one of Estonia's top 20 trade partners.

At the opening of an Estonia-Belarus business forum in Minsk, Foreign Minister Paet said that the interest of Estonian entrepreneurs towards trade with Belarus is rapidly growing. "The base for future investments and the growth of trade is strong," asserted Foreign Minister Paet. "There is great potential on the Belarusian market, which is looking for and expecting foreign investors. Estonian entrepreneurs are very interested," he added. A 30-member Estonian business delegation is participating in the Estonia-Belarus business forum.

Foreign Minister Paet stated that the participation of a 30-member business delegation in his visit pays testament to the fact that Estonian businesses have an active interest in Belarus. "Estonian businessmen can offer Belarus information technology solutions and opportunities for transit co-operation, or contribute to the developing Belarusian construction market and offer various services," said Paet.

In 2005, Estonian export to Belarus totalled 219 million kroons, and in 2008 it was 850 million kroons.

## Paet Met With State Leaders and Representatives of Civil Society in Belarus

21 October - **Foreign Minister Urmus Paet, who is currently on a visit to Belarus, met with President of Belarus Alexander Lukashenko, Foreign Minister Sergei Martynov, and representatives of civil society and the opposition.**

At their meeting, Foreign Minister Urmus Paet and President Alexander Lukashenko discussed relations between Belarus and the European Union, including Eastern Partnership. Paet stated that the Eastern Partnership Programme is a good way to develop EU-Belarus relations and to continue to get Belarus to open up to co-operation with the European Union.

Paet and Lukashenko also discussed energy security and opportunities to diversify energy channels. Paet stated that Belarus is also critical to the Nord Stream project, as he believes it should run along the mainland. "The environmental risks are still too great for the line to run under the sea," he added. Belarus is an important energy transit country for the European Union—20% of natural gas imported from Russia comes through Belarus.

The Estonian foreign minister also discussed Estonia-Belarus economic relations with the Belarusian president. Trade with Belarus has increased significantly over the past few years, and opportunities for finding new markets remain. Paet said it would also be positive if Belarus joined the World Trade Organisation (WTO).

At his meeting with Belarusian Foreign Minister Sergei Martynov, Foreign Minister Paet discussed matters related to the EU-Belarus visa facilitation agreement and co-operation in the UN and the Council of the Baltic Sea States. Paet emphasised that the EU-Belarus visa facilitation agreement would be an important step for advancing contacts between individuals in both the economic and political sectors. "In order to continue growing closer to the EU, Belarus must continue making reforms," said Paet.

While talking about bilateral relations, the foreign ministers agreed that strengthening economic ties and cultural relations was of interest to both countries. Paet and Martynov signed an agreement for the facilitation and reciprocal protection of investments between Estonia and Belarus today.

Last night Urmas Paet met with representatives of civil society and the opposition, who gave an overview of the human rights and citizen freedom situation in Belarus. Representatives of Belarusian NGOs stated that operating freedoms have not increased very much recently.

Estonia has supported many projects geared towards developing Belarusian civil society. For example, Estonia supports the studies of Belarusian students at the Belarusian European Humanitarian University in Estonia and Vilnius.

### Foreign Minister Paet in Riga: We Must Use Crises and Come Out Stronger

24 October - **At the foreign and security policy conference that took place in Riga today, Foreign Minister Urmas Paet emphasised that the strategic position of Northern European nations in the world is better now than it ever has been earlier.** "Our common challenge is to cooperate closely and come out the global crisis stronger than we were before," said Paet.

Paet mentioned that Estonia and the Baltic nations are participating, for the first time in history, in the formulation of a new NATO strategic concept through their common representative. "Estonia's strategic feeling of security has not wavered due to the economic crisis. For example, we are actively participating in the formulation of NATO's new strategic concept," said Paet. "In addition, we will soon be joining the Organisation for Economic Co-operation and Development (OECD) and we are close to meeting the Maastricht criteria and joining the euro-zone," he asserted.

Paet emphasised that energy security issues are strategically important to all nations in the Northern European region. "One factor that would facilitate the common Nordic-Baltic energy market is the

completion of the Estlink 2 connection between Estonia and Finland," he added.

During the Riga conference, there was a panel focused on strategic reassurance in Northern Europe that included Estonian Foreign Minister Urmas Paet and Latvian Foreign Minister Maris Riekstins, Luxembourgish Foreign Minister Jean Asselborn, acting director of the Brussels branch of the German Marshall Fund Ronald Asmus, senior analyst of the Swedish Defence Research Agency Rober Daisjö, and senior researcher of the Danish Institute for International Studies Pertti L. Joenniemi.

The high-level international conference in Riga entitled "Economic Recovery in a Changing Security Environment: Transatlantic Agenda 2010" is taking place for the fourth time and is this time focusing on regional economic development and issues related to the effects of a changing security environment.

### Netherlands Will Represent Estonia for Issuing Visas in Jordan

22 October - **The government approved an agreement by which the Kingdom of the Netherlands will begin to represent Estonia in visa matters in Amman in the Hashemite Kingdom of Jordan.** The agreement will come into force on 1 November.

Foreign Minister Urmas Paet noted that the ministry works continually to find new opportunities for issuing Schengen visas for travel to Estonia in areas where Estonia does not yet have its own representation. "We would like for Estonia to be represented as much as possible all over the world. People visiting Estonia with a visa use our tourism and other services, thereby making a contribution to the development of Estonia's economy," said Paet.

"On the basis of this agreement concluded with the Netherlands, in the future citizens of Jordan can apply for a visa to travel to Estonia at the Dutch representation in Amman," he added.

When applying for a visa, it is generally required to present an application in person at the representation. In order to do this, applicants must frequently travel from their country of residence to a third country, which is expensive for people and also frequently requires applying for a visa to the third country.

The Netherlands already represents Estonia in Kenya and Nigeria, and when the new agreement comes into effect it will also represent Estonia in the Hashemite Kingdom of Jordan. Estonia represents the Netherlands in Pskov. Estonia has concluded representation agreements for the issuing of Schengen visas with Austria, Spain, the Netherlands, Lithuania, Latvia, Germany, Finland, Slovenia and Hungary. As of 1 November, these countries will be representing Estonia in 58 nations.

Consular matters that are important to Estonia and issues related to the development of the foreign service are regularly discussed within the framework of various meetings. Negotiations for representation agreement are currently going on with several Schengen member states.

### Estonia Chosen as Member of UNESCO World Heritage Committee

27 October - **Late in the evening on Monday, 27 October, Estonia was chosen to be a member of the UNESCO World Heritage Committee by the General Assembly of the UNESCO World**

## **Heritage Convention, which includes 186 countries.**

Foreign Minister Urmas Paet stated that Estonia wishes to have increasingly more participation in discussions in the UN and its sub-organisations. "Estonia's priorities in UNESCO are tied to appreciating and protecting the world's physical and spiritual heritage. Becoming a member of the UNESCO World Heritage Committee gives us a very good opportunity to do this," stated Paet.

The primary responsibility of the UNESCO World Heritage Committee is to ensure the preservation of the world's cultural and natural heritage. Estonia will participate in the work of the UNESCO World Heritage Committee for four years with an expert group, which will be led by Academy of Arts professor Mart Kalm and Urve Sinijärv of the Ministry of the Environment. Professor Mart Kalm said, "It is wonderful that other countries feel that Estonia has knowledge and skills related to protecting cultural heritage that can be utilised all over the world. This is a challenge for Estonia."

Estonia was chosen out of 30 candidates along with 10 other new members as part of the rotation made every two years in the 21-member committee. The other new members are Ethiopia, Iraq, Cambodia, the Republic of South Africa, Mali, Mexico, France, Switzerland, Thailand and Russia. The new members were chosen to replace the committee members whose membership period is ending.

As of September 2009, there are 890 objects in 141 nations on the World Heritage list. Estonia has been on the list since 1997 for Tallinn's Old Town and since 2005 for the Struve geodetic arc, which was proposed by ten countries in co-operation.

Estonia's candidacy was organised by the Foreign Ministry and the Estonian embassies, the Ministry of Culture, and Ministry of the Environment, and the Estonian National Commission for UNESCO.

The General Assembly of the countries belonging to the Convention concerning the Protection of the World Cultural and Natural Heritage is taking place in Paris from 23-28 October.

## **US Giving 800 000 USD to Upgrade Estonian Border Guard Helicopter Landing Pads**

21 October (BNS) - **A project to upgrade two helicopter landing pads near Estonia's eastern border stands to get 800 000 US dollars (EEK 8.4 mln, EUR 537 000) from the United States European Command in Counter Narcotics Terrorism Funds.**

Nine companies participated in the bidding process for the border guard improvement projects. The winner was AS Koger & Partnerid, James G. Land, spokesman for the US Embassy in Tallinn, told BNS on Wednesday.

The main priority of the projects is to provide the capability to refuel aircraft at the Narva and Värsk border stations. The funds will be used to improve the existing helicopter landing pads and lighting, as well as to build a maintenance structure at Narva.

The winning bidder now has until 31 October to submit a detailed design and construction plan for the work to be done in Narva and Värsk. After that, the Army Corps has 15 days to review and make suggestions. Construction can begin as early as in mid-November.

Spokespeople for the Estonian Border Guard have said earlier that the co-operation project between the US Embassy, the Interior Ministry and the Border Guard is the first of its kind in Estonia. With the renewal of the landing pads, better conditions for landing and refuelling capability will be created for helicopters, which will increase the Border Guard's response capability in those areas.

## **Estonian, Spanish Interior Ministers Speak About EU IT Agency**

23 October (BNS) - **Estonian Interior Minister Marko Pomerants, in a meeting with his Spanish colleague Alfredo Perez Rubalcaba, spoke about the priorities for the Spanish presidency of the European Union and the future of the IT agency for justice and interior affairs.**

The two ministers met in Luxembourg on the sidelines of a session of the EU justice and interior affairs council. At the meeting, the Spanish minister outlined Spain's priorities in the sphere of interior security for the period of the country's EU presidency, spokespeople for the Interior Ministry in Tallinn said on Friday.

Pomerants said that Estonia's interests overlap with the vision of the future president in many areas. The Spanish minister shared Estonia's positions regarding cyber security and closer EU-US relations.

"It is good to know that Spain, as the future president, supports the creation of a separate agency," said Pomerants.

In the meeting of the interior affairs council, the EU ministers discussed matters related to the development of the Schengen information system and the European visa information system. The launch of the visa information system that should have been put to work in May this year has been postponed until 2010. The completion of the second generation Schengen information system is delayed by more than five years.

"The delay with these systems is a telling indicator of how necessary the launch of an IT agency and more effective co-ordination of development activities are," Pomerants said.

## **Estonian Ambassador to Cyprus Presents Credentials**

21 October - **Ambassador of the Republic of Estonia to the Republic of Cyprus Andres Talvik presented his credentials to President of Cyprus Demetris Christofias on Tuesday, 20 October.**

In the discussion following the credentials-presenting ceremony, Ambassador Andres Talvik and Cypriot President Demetris Christofias discussed Estonia-Cyprus bilateral relations and agreed that relations are very good. Ambassador Talvik passed greetings from President of the Republic of Estonia Toomas Hendrik Ilves along to the Cypriot president. While talking about bilateral relations, Talvik and Christofias emphasised the importance of active reciprocal contacts and holding close ties. Ambassador Talvik stated that contacts have been established between Estonia and Cyprus on the governmental, ministerial, and local municipal levels. "Signs that indicate our common interests and desire to exchange experiences are the existence of an Estonia-Cyprus parliamentary group

in Riigikogu and the Cyprus-Estonia parliamentary group in the Cypriot Parliament," said Ambassador Talvik.

Ambassador Talvik and President Christofias also agreed that economic contacts and tourism-based co-operation between the nations should be advanced. Ambassador Andres Talvik stated that a great many contacts between Estonian and Cypriot businessmen and enterprises have already been established, but much can still be done to develop closer ties. "As the Estonian ambassador to Cyprus, I will try to foster this potential in any way possible and help the development of economic and tourism contacts between the two nations," said Talvik.

Ambassador Andres Talvik was born in 1947 in Tallinn. Talvik graduated from the architecture department of Tallinn University of Technology and began working at the Foreign Ministry in 1992. He has been a division director in the foreign economic policy department, worked at the Estonian embassies in Brussels and Paris, and been the Estonian ambassador to France. Before assuming his current position, Andres Talvik was the director general of the Foreign Ministry's department for Asia, Australia and Oceania. Talvik became the Estonian Ambassador to Greece in 2009. Ambassador Andres Talvik speaks French, English and Russian. Talvik is married and has two children. The ambassador resides in Athens.

## DOMESTIC NEWS

### Swedish Locate Wreck of British WWI Sub Off Estonia's Coast

23 October (BNS) - **The wreck of a British naval submarine lost for more than 90 years has been found in the Baltic Sea off the coast of Estonia's Hiiumaa Island by a Swedish expedition, reported The Local, an English-language news portal of Sweden.**

The HMS E18 – with its complement of three officers and 28 ratings – went out on patrol in May 1916 and was never seen again. The submarine was one of six subs sent to the Baltic during World War I by Winston Churchill, the First Lord of the Admiralty, to disrupt German shipments of iron ore from Sweden and support the Russian navy.

The E18 left its base in the then Russian port of Reval – now Tallinn – on the evening of May 25, 1916 and headed west, according to the BBC. The following day she was reported to have engaged and torpedoed a German ship. A few days later, possibly 2 June, she is believed to have struck a German mine and sunk with all hands.

Following the submarine's loss, Tsar Nicholas of Russia gave posthumous medals to the crew.

The Swedish survey vessel, the MV Triad, deployed a remote-operated vehicle and obtained the first pictures showing the 55-meter submarine in remarkably good condition. Photographs from the seabed show the submarine with its hatch open, suggesting that it was sailing on the surface when it hit the mine.

The owner of the survey company, Carl Douglas, said the discovery was the fruition of almost a decade of work. "We will now complete our mission to document this wreck and inform the relevant authorities," he was quoted by BBC as saying.

"We want to investigate the exact cause of the sinking – and to honour the fallen by telling their story."

The Estonian regional newspaper Meie Maa reported in June that the Australian maritime researcher Darren Brown was planning to launch a search for the E18 that was believed to have sunk not far from the coast of the Estonian island of Saaremaa in 1916.

Vello Mass, an Estonian maritime archaeologist, told the paper that the Estonian Maritime Museum has for a long time been in contact with the Australian with British roots who is keen to find the ship that probably sank 20-25 nautical miles to the west of Saaremaa.

"The Australian has done a lot of work to find that ship, searched for materials and forwarded them to us as well," Mass said.

## DEFENCE NEWS

### President Ilves: Operation in Afghanistan Also Means Ensuring Our Own Security

21 October - **President of Estonia Toomas Hendrik Ilves met yesterday with infantry company ESTCOY-9 and the support unit, NSE-8, which will soon depart for Afghanistan to participate in a NATO operation.**

"To leave now before the required stability has been achieved and to hand the security situation over to the control of the Afghan army and police would result in an explosive outburst of violence in Afghanistan. But not only that. It would mean the same in Pakistan, a country with a nuclear arsenal, which, if overtaken by extremist fanatics, would mean a catastrophe for the whole western world. Furthermore, the violence would probably spread to many other countries as well, and extremism would spread to Central Asia and beyond," said President Ilves. "We do not want a world like that. Therefore, the operation in Afghanistan is also an operation that will ensure the security of ourselves, of Estonia."

"All of us – both military men and civil servants – must learn from the previous eight years and introduce changes both in the military sphere and in promoting the development of the country under civil plans and programmes," President Ilves added, listing the key words, which could be the foundation of NATO's success: "Patience. Innovation. Courage. Understanding of the local situation. Trust wherever possible. The continued contribution to both the military and civil spheres, enhancing, above all, the sustainable initiatives of the Afghan people and providing them with support. Relieving the Afghan authorities of both the acquired and learned dependency on assistance. An uncompromising attitude towards corruption, which spreads its roots and undermines the faith of local people in Kabul and the provinces. And, especially – what is very appropriate at the moment – stressing the unwavering obligation to have honest elections."

According to the head of state, Estonia must do everything possible – and even more – to ensure maximum protection for our soldiers in Afghanistan. "All the members of ESTCOY-9 are equipped with night vision equipment. And I am glad to hear it. I am also glad of the decision to supply our soldiers with ground penetrating radars, which help to detect

mines with low metal content," said the head of state.



**President Toomas Hendrik Ilves with the members of ESTCOY-9 and NSE-8, 21 October.**

### **Aaviksoo Opened Cyber Panel at High-Level Security Conference**

**22 October - Yesterday Minister of Defence Jaak Aaviksoo opened the discussion panel on cyber threats during the security conference held in Bratislava prior to the meeting of NATO defence ministers.**

In his speech, Aaviksoo admitted that every form of technology and every type of system are imperfect and subject to manipulation. "The development of technology brings with it new threats, and an attacker who is aware of these is always one step ahead of the defenders. This poses a great challenge for us," the defence minister said.

According to Aaviksoo, cyber space is often controversial – it is hard for us to know with sufficient certainty the motivation of the attacker, specific persons, what they achieved and whether they wanted anything at all. "Without knowing the actual motives and goals, it is hard to distinguish between an innocent joke, organised crime, or an attempt to overthrow the constitutional order of the country. When profiling and analysing attacks, to a great extent, we fall into the world of speculation," Minister of Defence Aaviksoo said.

Aaviksoo also raised the question of whether cyber deterrence is actually achievable against cyber attacks. "The nature of cyber space, which allows for controversies and deep anonymity, fraudulent manoeuvres and manipulation, almost excludes the moment of deterrence. A real countermeasure from the viewpoint of policy continues to be cyber defence — this requires domestic co-operation between the private and public sector, as well as co-operation between countries," said the minister of defence.

Among others, NATO Secretary General Anders Fogh Rasmussen, columnist for the Economist Edward Lucas, and the defence ministers of several NATO member countries will take the floor at the two-day conference "New Challenges. Better Capabilities" organised by the Slovak Atlantic Commission.

### **NATO Defence Ministers Reach Consensus Regarding NRF and Missile Defence**

**23 October - At the meeting of the NATO ministers of defence in Bratislava, the ministers voiced their support for the new**

**vision for missile defence in Europe that was initially presented by the US, and discussed the future of the NATO Response Force (NRF).**

US Secretary of Defence Robert Gates presented the ministers with the new Europe-wide missile defence plan, which received general approval by the ministers and the detailed proposals of which will be discussed over the coming year.

"Reaching a consensus on the missile defence question is important for all NATO member states and the door for co-operation is also open for Russia, which can now affirm its willingness to co-operate with actions," said Minister of Defence Jaak Aaviksoo.

The NATO ministers of defence also discussed questions relating to the NRF. According to NATO's Supreme Allied Commander Europe, Admiral James G. Stavridis, the adopting of the new NRF model has proven successful and it is hoped to be implemented completely in 2010. According to the new model, a unit of about 13 000 men will form the core of the NRF, which can be deployed to a crisis region within five to ten days. In addition to that, member states will appoint additional military units with a preparedness of 10 to 30 days. In coming years Estonia plans to contribute up to a 40-man unit to the NRF.

"The success achieved through the re-design of the Response Force is extremely important for Estonia and forms part of Estonia's collective defence," said Aaviksoo.

The ministers of defence also discussed the financing of NATO activities, since increased operation costs have become a critical budget factor. The ministers approved the proposal by Secretary General Anders Fogh Rasmussen to create an official workgroup, which will have to present proposals for resolving the budget issues.

At the meeting, the conclusions and proposals from the report by Commander of the International Security Assistance Force (ISAF) Stanley A. McChrystal were also approved and the ministers concluded that the decision to increase the number of forces operating in Afghanistan would have to be made soon.

## **ECONOMIC NEWS**

### **IMF: Estonian Financial Sector is Stable and Strong**

**23 October (BNS) - The Estonian financial sector is stable and strong, the head of the visiting IMF delegation Christoph B. Rosenberg said in a meeting with President Toomas Hendrik Ilves on Wednesday.**

The meeting focused on Estonia's responsible budgetary policy and its continuation, which is a key to recovering from the crisis and achieving the goal of joining the euro zone, the president's office said.

The IMF is carrying out a regular analysis of Estonia's economy, financial policy and financial stability, and will present its preliminary findings at a press conference on Monday.

### **Passenger Numbers of Shipper Tallink Grow 15 Percent on Year**

**26 October (BNS) - The listed Estonian shipping group Tallink served during the 2008-2009 financial year ended August a total of 8.1**

**million passengers, 14.9% more than during the preceding financial year.**

The group's passenger-related revenues increased by 806 million kroons (EUR 51.5 mln) in comparison with the 2007-2008 financial year, it appears from the unaudited figures Tallink reported to the stock exchange.

Cargo volumes decreased by nearly 24% in annual comparison to 252 026 units. As a result of the contraction, revenues declined by 815 million kroons year on year.

In the fourth quarter of the past financial year (June-August) the group carried 2.7 million passengers which marks a year-on-year increase of 14.3%.

Revenues increased by 8% on the 12-month basis, reaching 3.99 billion kroons. Net profit at the same time grew by 11% to 496 million kroons.

Tallink Grupp operates under the Tallink and Silja Line trademarks. During the financial year the group employed an average of 6 853 people, an increase of about 300 in comparison with the preceding financial year.

### Card Maker Trub Baltic Sees Profit Soar 82 Percent in 2008

26 October (BNS) - **The profit of the bankcard, ID card and driver's license maker Trub Baltic surged 82% year on year in 2008, reaching 11.2 million kroons (EUR 0.72 mln).**

Sales revenue, at close to 78 million kroons, marks a year-on-year growth of 7.8%, the company's annual report shows.

Trub described the results as excellent, singling out its success in the Estonian public procurement tender for tachograph cards.

The company earned most of the revenue or 59.2 million kroons in Estonia, with Lithuania contributing 7.9 million and Latvia 5.5 million kroons. By areas of operation, sale of ID cards, bankcards, driver's licenses and tachograph cards generated respectively 30.2 million, 24.5 million, 7.5 million and 9.1 million kroons.

Labour costs inclusive of social taxes and remuneration of board members added up to 5.8 million kroons. The company invested close to three million kroons in equipment last year.

### Estonia to Promote Itself as Travel Destination in St. Petersburg

23 October (BNS) - **Enterprise Estonia (EAS) will launch a publicity campaign in St. Petersburg, Russia on Monday to promote itself as a destination for winter holiday travel.**

The main Estonian destinations featured in the four-million-kroon (EUR 0.26 mln) campaign are Tallinn, Tartu and Pärnu. "Tallinn is a popular venue for spending the New Year Holiday for Russians, but at the start of the season you need new reminders. We'll also present the opportunities offered by our smaller cities: spas, concerts and places to eat, in order to help develop local tourism," said Tarmo Mutso, director of the tourism development centre at EAS.

Russia is a rapidly growing tourism market for Estonia. During 2008 about 82 000 Russian tourists stayed at accommodation facilities in Estonia, spending on the average 2.5 days here, or more than tourists from any other foreign country.

Year-on-year, the number of Russian tourists increased 46% in 2008. In the first half of this year the growth continued, but at a lower rate.

The campaign will run from 26 October to 30 November.

### Q3 Profit of Tallinna Vesi Up 15 Percent on Year

23 October (BNS) - **Tallinna Vesi, the listed water company of the Estonian capital Tallinn, earned a net profit of 102.6 million kroons (EUR 6.6 mln) in the third quarter of this year, 15% more than during the same period last year.**

The net profit earned in the first nine months of 2009 increased by 5.5% year on year to 214.4 million kroons.

Third-quarter revenues showed 8.6% growth on 12-month basis, reaching 189 million kroons, and revenues of the January-September period grew by 6.2% to 570.7 million kroons. CEO Ian Plenderleith described the third-quarter results as satisfactory.

Sales to households increased by 9.1% to 91.4 million kroons and sales to commercial customers climbed 1.3% to 65.9 million kroons.

In the first nine months of 2009 the company made investments in the amount of 149.9 million kroons of which 118.5 million kroons was spent on network extension and upgrading.

### LHV Bank Earns EUR 172 500 in profit in Q3

23 October (BNS) - **Estonia's LHV Bank earned in the third quarter of this year a profit of 2.7 million kroons (EUR 172 500) and its assets grew to 600 million kroons by the end of the period.**

Net revenues increased by 16% in comparison with the third quarter of 2008, the bank said. The amount of deposits increased by 249.1 million kroons, reaching 488.8 million kroons by the end of September. Demand deposits made up 191.5 million and term deposits 297.3 million kroons of the total.

Slightly more than half, or 52%, of the deposits were in Estonian kroons, 34% were euro-denominated and the rest in other currencies.

The bank's loan portfolio swelled by 59.1 million kroons, amounting to 95.5 million kroons by the end of the period. LHV group has close to 35 000 customers.

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