

Estonian Review

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PRESIDENT OF EUROPEAN COUNCIL IN ESTONIA



President Toomas Hendrik Ilves with President of the European Council Herman Van Rompuy, 9 December.

Head of State Met With President of European Council

9 December - **Common energy policy and promoting the free movement of services for the better functioning of the internal market are among the greatest challenges facing the European Union in the near future, President Toomas Hendrik Ilves told Herman Van Rompuy, the recently designated President of the European Council who was on a visit in Estonia.**

Estonia's greatest challenge, President Ilves said, is the adoption of the euro, the European Union's common currency, in 2011. This would strengthen Estonia's internal self-confidence and external trustworthiness, as well as demonstrate that the European Union's enlargement process is open to every country that fulfils the requirements.

"After all, we want the European Union to be trustworthy, intelligible and transparent for the Community's citizens – for all of us," the Estonian head of state said.

President Ilves considered it important that the European Union be truly uniform and not be divided into new and old or small and large, but be comprised of Community member states that are equal. "This equality must be visible and perceptible in the European Union on a daily basis," the Estonian head of state stressed. "Unfortunately, only a few representatives of the countries that joined the European Union six years ago have currently been appointed to high positions, either in the Community's foreign service or the European Commission. We require a very significant change in attitude in this regard."

President Ilves recalled that support for the European Union continues to be strong in Estonia, and nearly 80% of the population feels that membership in the Community is beneficial for the country.

Ansip and Van Rompuy Discuss Joining Euro-zone

9 December - **Today Prime Minister Andrus Ansip met at Stenbock House with President of the European Council Herman Van Rompuy.**

The Estonian prime minister congratulated Van Rompuy for receiving the position and wished him much success in achieving the forthcoming objectives. "There are several important topics on the agenda of the European Union for which a strong co-ordinating president is needed – a person who is able to overcome possible contradictions and tie together loose ends – in order to reach good solutions," said Ansip. He expressed conviction that Van Rompuy also represents, in every way, Estonia's vision of the role of the President.

At the meeting held during lunch, several topics that are of importance to Estonia as well as to the European Union as a whole were discussed – the economic situation and increasing of competitiveness, climate policy, energy security, etc.

During the conversation, Ansip emphasised Estonia's wish to join the euro-zone at the beginning of 2011 as one of the main priorities of Estonia's European Union policy. He said that Estonia's state budget for 2010 was prepared by the principle that it would meet the budget criterion requirement of the Maastricht Treaty.

"Estonia sees accession to the euro-zone, strict budgetary policy and sustainable state finance as the prerequisites for the creation of an environment supporting the development of the economy," said Ansip.

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DEAR READERS!
The Review team wishes you Merry Christmas and a Happy New Year!
The next issue will be published in January.

Ansip and Van Rompuy

(continued from page 1)

In speaking of the challenges facing the European Union, Ansip and Van Rompuy recognised the need to increase Europe's competitiveness in the world. Ansip confirmed that Estonia supports continuing an ambitious strategy in that area.

"The priority areas for Estonia are research and development, innovation and education, and the development of the skills of employees. Estonia has increased investments in research and development, which means that those in total would reach 2% of Estonia's gross domestic product by 2011," noted Ansip while introducing Estonia's positions.

In addressing on the energy issue, Ansip and Van Rompuy shared the opinion that the development of the energy supply is an important priority for the European Union as a whole. Prime Minister Ansip emphasised that it is necessary to establish additional energy connections and put in place an actually functioning common energy market in the European Union.

As the president of the European Council, Van Rompuy promised that in the future he would continue to attach importance to activities that facilitate the fight against climate change. Prime Minister Andrus Ansip said that Estonia's wish would be to enter into an efficient climate agreement at the ongoing UN climate conference in Copenhagen. He repeated the promise that Estonia would support less-developed states in their climate policy with one million euros a year within three years.

Prime Minister Andrus Ansip and Herman Van Rompuy also expressed their pleasure at the entry into force of the Lisbon Treaty which, according to their words, will make the functioning of the European Union more efficient.



Prime Minister Andrus Ansip with President of the European Council Herman Van Rompuy, 9 December.

FOREIGN NEWS

Estonia Opens Seventh Honorary Consulate in Italy

11 December - Foreign Ministry Secretary General Marten Kokk opened the Estonian Honorary Consulate in Bari in southern Italy. The Estonian honorary consul in Bari is Giuseppe Iazeolla. The consular region of the new Estonian

Honorary Consulate is the region of Apulia.

According to Foreign Ministry Secretary General Marten Kokk, Estonia-Italy relations are becoming livelier all the time, and Kokk expressed hope that opening an honorary consulate would give them even more momentum. "There are still many untapped opportunities for intensifying business and cultural ties on the practical level, especially in southern Italy. Good conditions already exist for co-operation between businesses in Estonia and the region of Apulia," stated Secretary General Kokk.

Kokk noted that this is Estonia's seventh honorary consulate in Italy. "Expanding the network of honorary consuls is important for Estonia, because the honorary consuls play an essential role in deepening bilateral contacts in the economic, cultural, educational, and tourism sectors. Honorary consuls also provide Estonian citizens with consular aid," said Kokk.

The honorary consulate is located in Bari at Corso Vittorio Emanuele II n. 60, 70122. The honorary consul can be reached by phone and faxes can also be sent at the number +39 080 521 6007.

Giuseppe Iazeolla was born in Foggia in 1952. He has studied telecommunications and law. Iazeolla has worked as a lawyer since 1980. He actively participates in the activities of the Bari Lawyers' Society. The honorary consul is also active in humanitarian activities. For example, he is involved in the Bari-Triggiano Marina Lions Club, which is part of the International Lions Club, and served as the president of the organisation from 1999-2000. Honorary Consul Iazeolla speaks Italian and English.

President of the Republic Accepted Credentials from Ambassadors of USA, Brazil and Portugal

10 December - Today in Kadriorg, President Toomas Hendrik Ilves met with the ambassadors of the United State, Brazil and Portugal, who presented their credentials to the head of state.

Credentials were presented by Michael C. Polt, the Ambassador of the United States of America, and Maria de Fátima de Pina Perestrello, the Ambassador of Portugal, who both reside in Tallinn, as well as Armando Vitor Boisson Cardoso, the Ambassador of Brazil, who resides in Helsinki.



President Toomas Hendrik Ilves accepting the credentials of Ambassador of the United States Michael C. Polt, 10 December.

Estonia, Canada Sign Youth Mobility Agreement

14 December (BNS) - **Estonia's Education Minister Tõnis Lukas and Canadian Ambassador R. Scott Heatherington signed a youth mobility agreement between the two countries.**

The agreement will facilitate youth exchanges by making it easier for Canadian and Estonian youths to travel and work in each other's country.

Eligible to join the programme are young citizens of Estonia and Canada between the ages of 18 and 35 who wish to receive on-the-job training to promote their career, as well as registered students and enrolled university students who wish to spend a training period or on-the-job training period in the other country, spokespeople for the Estonian Ministry of Education and Research said.

The agreement also concerns young people of ages 18-35 who wish to travel in the other country and work there on a short-term basis to finance their travel.

The agreement needs the approval of the parliaments of both countries.

The Canadian embassy said in a press release that Canada currently has bilateral arrangements on youth mobility in effect with 20 countries.

DOMESTIC NEWS

Internet Penetration in Estonia Among Highest in European Union

9 December (BNS) - **According to a fresh Eurostat study, the share of Internet users in Estonia is above the European Union average, but when it comes to e-commerce the Baltic nation places at the lower end of the scoreboard.**

At the beginning of this year 88% of young Estonians aged 16-24 used the Internet practically every day. The indicator was the same in Denmark and only one EU country -- the Netherlands -- recorded a higher figure or 90%. The EU average was 73%.

More broadly, of people aged 16-74, daily Internet users made up 54% in Estonia compared to 48% in the 27-nation bloc on the average.

At the same time, only 17% of Estonians had purchased goods or services for themselves online, it appears from the survey. The EU average was 37% and the figures recorded in leading countries were above 60%.

Estonian Youths Most Active Concertgoers in EU

11 December (BNS) - **Young Estonians are the most active concertgoers in the European Union, according to a fresh Eurostat study released Thursday.**

The study states that 71% of Estonians aged 16-29 have been to at least one concert during the past year, which is the highest percentage among European Union nations.

Young people in Portugal and Slovakia are also active concertgoers, as 70% of youths in each of those countries have attended a concert within the past year.

The fewest young people attend concerts in Malta (29%) and Bulgaria (32%).

On average in the European Union, 54% of young people attend at least one concert each year. In its study, Eurostat included rock concerts as well as opera, ballet and other musical performances.

DEFENCE NEWS

Aaviksoo Awarded Participants in Foreign Operations

10 December - **Yesterday Minister of Defence Jaak Aaviksoo awarded Medals of Participation in International Military Operations to Defence Forces members who mainly served in various international headquarters and at Kabul airport.**

Among the recipients of the awards were the staff officers and staff-NCOs who served in Afghanistan, Kosovo, Bosnia and Herzegovina, Iraq and in the Middle East, also the members of the Air Force who served in the cross service team at Kabul International Airport and the military policemen who protected the Estonian diplomat in Kabul.

Minister of Defence Aaviksoo noted that for obvious reasons the larger mission units of the Defence Forces stand out the most to the public – the infantry companies operating in Afghanistan and the reconnaissance platoons serving in Kosovo.

"At the same time, the success of these units greatly depends on you – staff officers and NCOs who in international staffs and headquarters support the activity of both Estonia and our allies," the minister of defence said.

"Many people probably do not know yet that our Air Force successfully participated in maintaining the operation of Kabul International Airport or that the members of the Estonian Defence Forces in NATO Training Mission-Iraq contribute to the training of Iraq's own security forces," Aaviksoo added.

The national defence development plan for 2009-2018, approved by the government in January, foresees the contribution of Estonia's capabilities and units in foreign missions carried out by NATO, by the European Union and/or in case of a coalition of the willing. Its contribution to foreign operations helps Estonia to reach security policy goals and is also a significant catalyst for the EDF and the Defence League.



Defence Minister Jaak Aaviksoo presenting awards to Defence Forces members who participated in foreign operations, 10 December.

Estonian Soldier Killed in Afghanistan

15 December (BNS) - **An Estonian soldier, 1st Sgt Kristjan Jalakas, 19, fell in the explosion of an IED in Afghanistan Tuesday morning, Defence Forces headquarters said.**

According to the Defence Forces, anti-government rebels Tuesday morning attacked an Estonian infantry unit with an improvised explosive device in the Nad-e-Ali area of Helmand Province in Southern Afghanistan. 1st Sgt. Kristjan Jalakas, assistant to the squad commander, fell when his unit was occupying a group of buildings less than two kilometers from the Wahid patrol base with the aim of posting an observer. No other soldiers were wounded in the attack.

The 1st Infantry Brigade has informed the fallen soldier's relatives.

The Defence Forces expressed condolences to Kristjan Jalakas' relatives and asks everyone to respect the grief of the fallen soldiers' family and friends.

1st Sgt. Kristjan Jalakas began his service in the Guard Battalion in 2008. After his compulsory military service, 1st Sgt Jalakas continued his service as a professional soldier in the Scouts Battalion and in the Kalev Infantry Battalion, where he served as assistant to the squad commander.

At present the Estonian contingent in Southern Afghanistan consists of the ESTCOY-9 infantry company, the logistic support element NSE-9, staff officers and staff non-commissioned officers. ESTCOY-9 serves in the composition of the Helmand grouping under British command.

Estonia is taking part in the mission in Afghanistan since 2003 and has lost seven men until the present.

Soldier Injured in Afghanistan Blast to be Taken to UK

14 December (BNS) - **The Estonian soldier who sustained serious injuries in the explosion of an improvised explosive device in Afghanistan's southern Helmand province on Saturday is to be airlifted to Britain for treatment.**

The military's chief spokesman Maj. Peeter Tali told BNS on Sunday evening that the injured member of the Defence Forces was still in Afghanistan but plans were for him to be taken to Britain soon.

Estonian military personnel injured on the Afghanistan mission have previously been treated at the centre for defence medicine in Birmingham.

The soldier was wounded when insurgents attacked a foot patrol of the Estonian infantry company ESTCOY-9 in the area of Nad-e-Ali on Saturday.

The wounded soldier was given first aid and evacuated to the field hospital of Camp Bastion. He underwent surgery and his life is not in danger, medics said.

ESTCOY-9 continued the operation in its area of responsibility. The British 1st Infantry Brigade to which the company is attached has informed the wounded soldier's next of kin of the incident.

ECONOMIC NEWS

New York Times Publishes Overview of Estonia's Euro Endeavours

15 December (BNS) - **In its Tuesday issue, The New York Times contained an overview of the euro aspirations of Estonia and the other Baltic countries and of the problems connected with it.**

The paper finds that Estonia has fared better in the financial crisis than its two fellow former Soviet republics Latvia and Lithuania because it was more prudent about foreign borrowing and fiscal discipline in the boom years.

The New York Times writes that the decision regarding Estonia's accession to the euro zone would be made next summer and it would also send a powerful political signal about a country that used to be part of the Soviet Union, at a time when many Eastern Europeans are worried about Russian muscle-flexing.

Privately, some Western European officials and central bankers say the euro area has enough problems, "notably the huge fiscal deficits of countries like Greece, Ireland and Spain", without taking in poorer new members.

The New York Times writes that many Eastern European governments complain that the economic criteria of the Maastricht Treaty, which laid down the rules for the euro zone, have been applied more stringently to the newcomers who joined in 2004 and 2007 than they were to the euro zone's founders.

The paper writes that Estonia intends to have an impeccable case to present and has made additional progress on inflation, even in the past month, when analysts forecast the country would not join until 2012.

"It is probable that we will fulfil all the Maastricht criteria already in 2009," Finance Minister Jürgen Ligi of Estonia said last week.

The article, by Reuters columnist Paul Taylor, quotes the opinion of EU Economic and Monetary Affairs Commissioner Joaquín Almunia in an interview to the Austrian magazine Profil that Estonia, which will be formally assessed by the European Commission in May, was well on its way to membership.

"This country has made good progress towards fulfilling the criteria," he said. "If everything goes well, we could in June 2010 give the green light for the 17th member."

The paper points out that while the admission of Estonia would bolster morale in the other Baltic states, which face at least two more years of sharp austerity before they can hope to qualify, some economists say the E.U. should be bolder and admit all three now.

The paper also mentions the opinion of Zsolt Darvas, a fellow at Bruegel, a research institute in Brussels, who argued that the E.U. should re-interpret the euro criteria to admit the three Baltic states immediately with compensatory economic measures, because together they account for less than 1% of the euro-zone's economy, so the effect of any adjustment problems on the other members would be minuscule.

Estonian Budget 90.2 Percent Full After 11 Months

17 December (BNS) - **By the end of November revenues in the amount of 76.7 billion kroons (EUR 4.9 b) had been paid into Estonia's state budget, which makes up 90.2% of the target for the full year, Finance Ministry data show.**

Expenditures made during the period totalled 78 billion kroons, corresponding to 85.4% of the outlays planned for the year, the ministry said on Thursday.

In the ministry's judgment, the government sector shortfall will probably not exceed 3% of the gross domestic product.

External aid excluded, the state budget has boasted a cash-based surplus in the last five months and the government sector showed in October an accrual-based surplus for the second consecutive month. These two trends are likely to continue till the end of the year which bodes well for fulfilment of the Maastricht budget deficit criterion.

In November 9.4 billion kroons flowed into the state budget of which 5.5 billion kroons was tax revenue and 3.8 billion kroons non-tax revenue.

Receipts from almost all taxes are expected to exceed expectations by the end of the year. The inflow of non-tax revenue too has been fairly good, but when it comes to income from property sale underperformance is on the cards, the Finance Ministry observed.

Outlays made in November totalled 7.4 billion kroons.

Parliament Approves Implementation of EU Services Directive

10 December (BNS) - **The Riigikogu on Thursday adopted the law on the implementation of the EU Services Directive in Estonia.**

The bill submitted by the government was passed in the 101-seat chamber with 77 votes.

The EU Services Directive will make it easier for service providers to offer their services to customers in other EU countries, whether establishing elsewhere in the EU or providing services remotely from the country where they are domiciled.

The directive sets out three important changes in the EU services market, the first of which is "freedom of establishment" and the second the "country of origin principle," facilitating the free movement of service providers on a temporary basis to encourage cross-border competition and encouraging them to test other markets without first having to establish. The third principle is mutual assistance between the member states.

One of the most visible benefits of the directive is the setting up in each member state of so-called "points of single contact," which aim to facilitate life for particularly small and medium sized enterprises in their daily dealings with administrations.

They will allow service providers to obtain all relevant information and complete the required procedures through a single access point, without having to contact a whole range of administrative bodies.

Furthermore, according to the directive, completion of these procedures must be possible by electronic means and across borders.

Adopted by the Commission and the European Parliament in 2006, the directive is aimed at creating a single market for services within the EU,

similar to the single market for goods already present. Member states are required to implement the directive by 28 December 2009.

Estonian Air Confirms Plans to Begin Direct Flights to Nice, Athens

15 December (BNS) - **The national carrier Estonian Air has confirmed plans to launch direct flights from Tallinn to Nice in France and the Greek capital city Athens.**

The airline is to start flying to Nice on 1 May and to Athens on 5 July.

Flights to Nice will be made on Saturdays, taking off from Tallinn at 7 a.m. and from Nice at 10:05 local time, Estonian Air said.

Flights to Athens are scheduled for Mondays, departing from Tallinn at 12:10 p.m. and from Athens at 4:40 p.m. local time.

Estonian Air spokeswoman Ilona Eskelinen said earlier in connection with the opening of new routes that the airline plans to make further changes in its summer timetable depending on where customers want to fly at the moment.

Eurolines to Bring 5 000 Tourists from St. Petersburg to Estonia During Holidays

14 December (BNS) - **The Estonian bus company Eurolines has added more than 50 additional departures of the Tallinn-St. Petersburg line to its schedule in the period from 25 December until 10 January; in all the company is planning to bring more than 5 000 tourists from St. Petersburg to Tallinn.**

Due to the additional departures, the number of seats of the Eurolines Lux Express will be nearly 60% higher than usual, the company said.

Eurolines justified the extra departures with Russian tourists' increasing interest in Tallinn as a New Year and Christmas holiday destination.

The company has estimated that the 5 000 passengers will leave nearly 20 million kroons (1.28 mln) into the local tourist industry during the holiday season.

In the first months of 2010, Eurolines is planning to replace a large proportion of its buses serving the St. Petersburg route. The total investment into the buses will be more than 22 million kroons.

Mootorrei AS and its subsidiaries operate regular international bus services under the Eurolines Lux Express trade mark.

The main offices of the company along with bases of operation and sales networks are situated in Tallinn, Riga, Vilnius, Klaipeda and St. Petersburg.

Number of Foreigners in Accommodation Establishments Up Three Percent on Year in October

10 December (BNS) - **A total of 113 000 foreign tourists stayed at accommodation establishments in Estonia during October, 3% more than in the same month a year ago, Statistics Estonia said on Thursday.**

Overall, 174 000 tourists stayed at accommodation establishments in Estonia during October. Foreign tourists accounted for 65% of them.

Compared to October 2008, the number of tourists from Finland and Russia using the services

of accommodation establishments increased by 15% and 22% respectively.

Of the major partner countries, the number of tourists from only these two increased. The number of tourists from Latvia dropped by about a quarter, Germans were down by one-fifth and Swedes by 7%. With almost 7 000 tourists, Sweden came in second as a partner country for the Estonian hospitality industry in terms of accommodated tourists, after Finland.

Like in the previous months of the year, the number of domestic tourists using the services of accommodation establishments decreased in October compared to the same month of 2008.

During the month, 61 000 Estonian residents stayed at accommodation establishments, 12% less than in October of the previous year. The number of domestic tourists on holiday trips decreased by 11% and that of tourists on business trips by 18%.

In October 732 accommodation establishments with 17 100 rooms and 37 000 beds were available for tourists in Estonia. The average cost of a guest night was 424 kroons (EUR 27.1), 80 kroons less than in October 2008.

CULTURAL NEWS

Estonian-Canadian Psychologist Earns "Nobel" of Psychology

9 December - **Professor Endel Tulving, the well-known Canadian psychologist of Estonian descent, was awarded the 2009 Pasteur-Weizmann/Servier International Prize for his work on the neuropsychology of memory in Paris on 26 November.** The distinguished award is considered the "Nobel" of psychology.

Endel Tulving is one of the world's most influential cognitive psychologists. Throughout his life, his work has made him a worldwide authority on the functioning of human memory. His ideas and discoveries have influenced theories in this field as well as clinical practice relating to the diagnosis and treatment of subjects presenting memory disorders.

His research has thrown light on the ways in which the mechanisms of memory govern our lives. In 1995, he posited a model of the organisation of the memory based on five systems: working memory, episodic memory, semantic memory, procedural memory and perceptive memory.

The Pasteur-Weizmann/Servier International Prize is given out every three years. It comes with a 150 000 euro prize.

Estonian Capital to Host European Movie Awards Gala in 2010

12 December (BNS) - **An Estonian delegation will be present at the European Film Academy awards gala in Essen, Germany on Saturday to take over the baton as hosts of the event in a year's time in Tallinn.**

The awards ceremony of the European Film Academy at the end of 2010 will be held at the Solaris Centre in Tallinn, chief producer of the event Peeter Rebane told BNS.

The annual awards gala is held in Berlin every other year and in other cities in between. Essen in western Germany is hosting the event this year instead of Berlin by way of exception.

The team of the non-profit organisation EFA 2010 organising the Tallinn gala includes, beside Rebane,

the director of the Black Nights Film Festival Tiina Lökk, CEO Kristo Tohver, and television producer Tarmo Krimm.

Tallinn was awarded the right to host the 2010 EFA awards gala at the 20th gala held in Berlin in December 2007. In addition to the famous film stars, EFA members and around 300 journalists the event will attract, the awards ceremony will be broadcast from the Estonian capital directly to the homes of viewers in more than 50 countries.

The European Film Academy was founded in 1989 to promote Europe's cinema art. Its first president was the Swedish director Ingmar Bergman.

Music Group RAISK to Give Concert in Estonian Virtual Embassy in Second Life

14 December - **On the initiative of the Foreign Ministry, Estonia's first-ever virtual punk rock concert will take place on Wednesday, 16 December beginning at 21.00.** The animated avatars of the members of the band RAISK will perform before the public in Estonia's virtual embassy. The broadcast of the concert will take place from the club Tapper, where a live audience is also welcome. Video screens will allow those present at both the virtual and live concerts to see what is going on in the other venue.

Preparations for the concert are underway. A virtual stage has been constructed near the embassy building, close to the seashore. The avatars of the band members are being designed as true to life as possible, including their virtual instruments and the accompanying animation.

On 16 December when RAISK takes the stage, five avatar controllers will reproduce the musicians' performance through computer animation in the virtual environment Second Life. It will be possible to see what is going on at the club Tapper through screens positioned by the virtual stage. The concert audience in Tapper will also be able to see the virtual band and audience.

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