

Estonian Review

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GREETING OF THE PRESIDENT OF THE REPUBLIC ON THE EVE OF 2010

Dear people of Estonia,

As we gaze into the sky now darkened by night, we can sense that the days are growing longer, little by little. The darkness is starting to dissipate.

We leave behind a complicated year, brimming with confusion and even chagrin. So many things have happened, and so very fast, which have changed trends both in Estonia and throughout the world.

However, this has also been a year of recognition and learning. We saw that personal success cannot be measured by a loan balance. We experienced that a position in the economic growth ranking does not represent the success of a country. We realised that the size of a gross domestic product may convey a rather deceptive picture under changing conditions.

The development of a society is neither a sports nor a song competition. The satisfaction of people and their faith in the future – these are the benchmarks of our success. Satisfaction may be expressed in a variety of ways: inner peace and confidence; a wish to our future and our children's future with Estonia. This satisfaction can also become apparent in the credibility and reliability of our country. In the general understanding that Estonia is an extremely pleasant and attractive place to live.

We should all strive for this target, this benchmark. This will help us to keep our heads cool when the economy begins growing again – possibly even in this very year that is about to begin.

Dear fellow citizens,

It is not the depth of the crisis but rather our behaviour during the crisis that will show us who we truly are. Shortcuts to happiness often result in dead ends. In most cases, we find ourselves on a twisting and turning path if there is no secure ground under our feet. An individual or a family can seldom find a direct road to happiness; the government and the state are no better off. Quite often, we are dissatisfied and angry with our politicians – the decision-makers. Today, I would like to give them some praise.

Once the difficulties arrived, it would have been easy – and rather enticing – to say that the rules of the games were all wrong. That everything should be blamed on democratic policy, which has served us loyally now for almost twenty years.

None of our political parties suggested abandoning the liberal market economy or restricting civil rights to overcome the economic difficulties.

Estonia made such a mistake during the 1930s when it reached the peak of an economic crisis. We are wiser than that today. We have also realised that as we are not alone, and we will not be able to snap out of it on our own – only with the support of others.

The retaining of our constitutional order and solving problems through negotiation is the only reasonable and sensible way to overcome difficulties.

Dear friends,

We – as a nation and as a people – must not think of ourselves as failures as we look back on the year that is about to come to an end. But we must recognise and admit that we have suffered some losses. One hundred thousand unemployed means a tough struggle for Estonia. These people will definitely need help from the state and local authorities. Many of these jobs will never be realised again in the way they were. Every good thing we have lost will return, little by little, in a new form. Estonian entrepreneurs have not been defeated by difficulties. They are ready for innovations, a new beginning.

In these last minutes of the year, I would like to thank you all – my dear countrymen – from the very depth of my heart, for remaining swift and for maintaining your faith in tomorrow, regardless of the setbacks and everything we have had to give up. For encouraging and helping those in need.

Valuables in the form of objects come and go. We should not see them as anything else. Skills for cultivating integrity of heart and determination are much more important, as is the skill to appreciate all this in fellow people.

One can always develop integrity, regardless of age. This can be expressed in any job and position.

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Here, in this small country, we are all important and necessary for each other. Let us never forget that.

Integrity begins with respect for ourselves, our home, our village, our people. Therefore, dear friends – let us wish each other a Happy New Year, sincerely and with warmth. These are not merely words, if we really believe and feel what we say.

Let us look at our family members, our next of kin, our friends. Let us agree, right now, on the first tasks we will undertake and complete in the New Year. Let us look at the light shed by the candlelight and the shine in the eyes of those we care for. And we will see the breaking of the dawn in the black skies above.

Happy New Year, dear Estonia!

FOREIGN NEWS

Tallinn-Istanbul Airline Will Help to Intensify Relations Between Estonia and Turkey

18 December - **At Foreign Minister Urmas Paet's meeting with Turkish Foreign Minister Ahmet Davutoğlu in Ankara, the latter stated that Turkey is very interested in further intensifying ties with Estonia and that in the spring a direct flight between Tallinn and Istanbul will be opened.**

Foreign Minister Paet stated that relations between Estonia and Turkey are good and close. "In the near future we anticipate the opening of the direct flight connection and many joint cultural projects. Turkey's decision in the summer of 2008 to allow visa-free travel for Estonian citizens has also had a positive effect," Paet added.

Paet confirmed Estonia's support for Turkey's desire to join the European Union. "Turkey has made progress in implementing reforms. However, there is still much to be done, and so it is a good thing that the environmental chapter of European Union-Turkey accession negotiations will be opened on Monday," Paet noted. "Resolving the issues with Cyprus is also of key importance."

One chapter of negotiations that is currently frozen is the energy chapter. According to Paet, Turkey is one of the most important energy transit countries and source of alternatives for the EU, and it plays a vital role in increasing the energy security of the European Union. "Increasing energy-related co-operation is in the interests of both the European Union and Turkey," stated Foreign Minister Paet.

The foreign ministers also discussed Estonia's co-operation with Turkey within the framework of NATO, which Foreign Minister Paet said has gone very well. "Turkey was the first NATO member from the Mediterranean region who guarded the airspace of Estonia and the other Baltic nations, and they did it for a longer period than usual. Our views on NATO's new strategic concept are the same as well," asserted Paet. The Estonian foreign minister also welcomed Turkey's participation in the NATO Co-operative Cyber Defence Centre of Excellence.

The foreign ministers also addressed the situation in the South Caucasus. Foreign Minister Paet stated that the normalisation of relations between Turkey and Armenia will open new opportunities for

important developments in the entire region. "We should also use all possible opportunities to gradually reach a peaceful solution to the Nagorno-Karabakh conflict," said Paet.

Being European Capitals of Culture Will Strengthen Estonia-Turkey Cultural Ties

19 December - **During their meeting in Ankara, Foreign Minister Urmas Paet and Turkish Cultural Minister Ertugrul Günay discussed co-operation opportunities related to Istanbul and Tallinn being European Capitals of Culture in 2010 and 2011 respectively, and acknowledged that this will strengthen cultural ties between the two nations even more.**

Foreign Minister Urmas Paet stated that co-operation between Istanbul and Tallinn will give each city the chance to introduce its culture across Europe during the other city's time as the Capital of Culture. In 2010, when Istanbul is the European Capital of Culture, many events introducing Estonian theatre, film and music will take place there. Among other events, there will be the world premiere of a musical piece by Arvo Pärt.

In February of the coming year, the Estonian Embassy in Ankara will organise a ski marathon in Anatolia for the third year in a row.

Foreign Minister Urmas Paet also met with Turkish Minister for European Affairs and chief European Union negotiator Egemen Bagis.

Paet emphasised that all European nations that want to join the European Union and that fulfil all of the fixed criteria must have the opportunity to do so. Paet noted that it is also important to move forward with opening other chapters.

Bagis gave an overview of the most recent developments in the implementation of European integration reforms in Turkey. Paet added that Estonia is prepared to share its accession experiences with Turkey.

Estonia Contributing to International Civil Mission in Kosovo

4 January - **The Foreign Ministry is supporting the International Civilian Office (ICO) in Kosovo with one million kroons.** Foreign Minister Urmas Paet stated that the goal of the civil mission is to monitor the implementation of Martti Ahtisaari's plan, which first and foremost means support for the building up of a multi-national society and the protection of cultural heritage in Kosovo.

Foreign Minister Paet stated that Kosovo is still in need of thorough restructuring. "Kosovo must move forward with establishing the principle of rule of law, integrating Kosovar Serbs into society, and decentralisation," said Foreign Minister Paet. "Kosovo has an elevated need for experts with reform experience," emphasised Foreign Minister Paet, adding that with the help of the international fund for Kosovo it will be possible to send the necessary experts to Kosovo, who will help with restructuring and implementing reforms.

In 2008 the European Union sent the EULEX (European Rule of Law Mission) to Kosovo, which began to supervise and monitor the activities of Kosovo's authorities in restructuring the country's legal system, police and customs services, border

guard, and corrections facilities. Estonia contributes six experts to the EULEX Kosovo mission.

The international civil mission has been active in Kosovo since 2008. The ICO is led by Pieter Feith, who is also the European Union's special representative and the highest political representative of the EU in Kosovo. The civil mission works in close co-operation with the European Union's special envoy to Kosovo, the European Commission's local office, and EULEX.

Ambassador to Netherlands Opened Honorary Consulate in Amsterdam

21 December - **Estonian Ambassador to the Netherlands Gita Kalmet opened the Estonian Honorary Consulate in Amsterdam on Saturday, 19 December.** The Estonian honorary consul in Amsterdam is Marcel van den Heuvel.

The ambassador stated that Amsterdam's popularity among Estonians has grown rapidly and more and more Estonian tourists want to visit the capital of the Kingdom of the Netherlands. "Increasingly more Estonians are studying in Amsterdam's reputable universities, and the interest in Estonian business circles towards contacts in Amsterdam and the province of North Holland has grown remarkably," said Ambassador Kalmet. The ambassador noted that opening an honorary consulate in Amsterdam is a logical step for expanding Estonia's network of honorary consuls, and she expressed hope that the newly opened honorary consulate will join the Estonian Embassy in The Hague as a base for Estonian business diplomacy in the Kingdom of the Netherlands.

The service area of the new Estonian Honorary Consulate is the city of Amsterdam and the province of North Holland. The honorary consulate is located at Oude Spiegelstraat 4, 1016 BM Amsterdam, Kingdom of the Netherlands. The honorary consul can be reached by phone at 020 422 6777, fax at 020 422 6775, or email at marcel.vandenheuvel@me.com.

Marcel van den Heuvel was born in 1961. He graduated from the University of Amsterdam with a degree in history and continued his education at the same university in the law department. Van den Heuvel has worked for the city government of Amsterdam and worked as a consultant and project manager in the Netherlands and in many international projects. The honorary consul has been closely tied to Estonia since 2005, when he became one of the co-owners of Pädaste Manor on the Estonian island of Muhu.

In addition to the honorary consul in Amsterdam, Estonia has three other honorary consuls in the Kingdom of the Netherlands, in Rotterdam, Zwolle and the Netherlands Antilles.

Afghan and Palestinian Diplomats to Receive Supplementary Training in Estonia

30 December - **Next year the Foreign Ministry will support the training of 10 Afghan and 15 Palestinian diplomats in a two-week programme at the Estonian School of Diplomacy.** Foreign Minister Urmas Paet said that the goal of the training is to share Estonia's experiences with building up state institutions and a foreign service, thereby helping to increase the capability of the Afghan government and Palestinian

Authority to communicate with the international community.

In its civil co-operation with Afghanistan, Estonia has prioritised the areas of health care, education, and the establishment of good governing practices. Foreign Minister Paet stated that in order to successfully achieve the development of its nation, Afghanistan must be able to depend on an effective foreign service. "Developing a foreign service is one of the key elements during a period that is becoming a crucial time for the future of Afghanistan and its neighbouring countries," said the foreign minister.

Foreign Minister Paet stated that Estonia's co-operation with the Palestinian Authority is becoming more and more active. "In October of 2009, within the framework of Estonia's first development co-operation project with Palestine, 20 officials from the Palestinian Authority were introduced to the experiences of developing Estonia's e-government," Paet noted, expressing hope that the training designed for the diplomats of the Palestinian Authority would be as successful as the previous project. Contacts formed within the course of the training help to intensify co-operation between the nations even more.

The diplomats from Afghanistan and Palestine will gain knowledge about diplomacy, international relations, and communicating with the EU and NATO. They will also be introduced to the principles of the operative functioning of the EU and NATO and Estonia's experiences in building up its own foreign service. The visitors to Estonia will also meet with representatives from various Estonian institutions.

The Estonian School of Diplomacy (ESD) has had multi-faceted co-operation with Ukraine, Moldova, Georgia and Armenia since 2003. Scholarship programmes and training courses have been organised for the diplomats and state officials of these countries. The ESD has also provided training for the diplomats of Iraq and Kosovo.

Funding for the training for Afghan and Palestinian diplomats is being allocated from the Foreign Ministry's budget for development and humanitarian aid.

Estonia Prepares to Open Embassy in Cairo

2 January - **Foreign Ministry Secretary General Marten Kokk and Ambassador of the Republic of Latvia to Estonia Kārlis Eihensbaums will sign a memorandum of mutual understanding on 5 January, according to which the Estonian and Latvian embassies in Cairo will be located in the same building and will, in addition to their own embassy rooms, also both have the use of shared rooms.**

Foreign Minister Urmas Paet stated that Estonia will open its embassy in Cairo in the upcoming spring. "The interest of Estonian entrepreneurs towards this area is constantly growing, and Egypt is an important travel destination for Estonians. The existence of an Estonian representation in Cairo is also necessary from the standpoint of developing the European Union's common foreign policy," stated Paet. Foreign Minister Paet said that the opening of the embassy will also allow for visas to be issued for travel to Estonia.

According to Foreign Ministry Secretary General Marten Kokk, the co-operation of the Estonian and Latvian foreign ministries in Cairo is an initiative that helps to reduce the maintenance cost of an embassy

and also to share work responsibilities. "Co-operation among nations in developing a foreign service is extremely important, and our co-operation with our southern neighbours is a good example of how it is possible to accomplish practical solutions," said Kokk. Secretary General Kokk added that if the project is successful, similar endeavours could be considered elsewhere as well. "Currently Estonia has had similar co-operation with Sweden in Cairo, with the Netherlands in Tel Aviv, and with Finland in New Delhi," Kokk noted.

Estonia to Develop Closer Relations with Francophone Countries

28 December (BNS) - **At the beginning of the new year the Estonian government will start discussing the application for observer status in the International Francophone Organization (OIF), which would provide an opportunity for closer relations with francophone countries and give them a better idea of Estonia.**

The Foreign Ministry points out that the observer status would also widen political co-operation with OIF countries, and the increasing number of information channels would make it possible to strengthen economic co-operation with French-speaking countries. It would also create new opportunities for participation in French-language educational programs.

Observer status does not yet mean accession to the organisation, but will give Estonia the opportunity of attending OIF meetings without the right of vote or of speech, including summits and ministerial conferences.

Established in 1970, OIF unites countries where the official or traditional language is French. The organisation has 56 full members of 14 observer countries, including Latvia and Lithuania.

DOMESTIC NEWS

Record Snow Cover Registered in Tallinn

31 December (BNS) - **Workers of the Tallinn-Harku weather station Thursday morning measured a snow cover of 43 centimeters, a new December record in the Estonian capital.**

According to the Estonian Institute of Meteorology and Hydrology the previous record was 36 centimeters and dates from 31 December 1965. Tallinn's all-time record, however, is from 18 March 1968 when the snow cover was of 59 centimeters.

Last night 20 centimeters of snow was also added in Jõhvi in East-Viru County, where a snow cover of 42 centimetres was measured. Jõhvi's record is 49 centimeters and it dates from 15 December 1965. The absolute snow cover record in Jõhvi is 64 centimeters, which was measured on 12 March 1968.

DEFENCE NEWS

Baltic Battalion Joins NATO Response Force

3 January (BNS) - **A joint Baltic infantry battalion to which Estonia contributed close to 200 personnel becomes part of the 14th rotation of the NATO Response Force on Monday.**

Estonia has assigned to the Baltic Battalion one infantry company, a reconnaissance unit, staff officers, military police, and some explosives disposal experts, around 200 personnel altogether. This is the largest ever Estonian contribution to NRF. The steering country of the battalion is Lithuania. The commander of the unit is Lithuanian Lt. Col. Remigijus Baltrenas and his deputy is Estonian Maj. Rain Jano.

The infantry company Estonia assigned to NRF-14 is the same unit that was temporarily deployed to Afghanistan last year to secure the presidential election.

Latvia, which has been hit hard by the economic crisis, is contributing staff officers to the joint battalion after the reduction of its contingent. Lithuania and Estonia have made up the lacking personnel.

The budget of the Defence Ministry earmarks 9.1 million kroons (EUR 0.58 mln) for Estonia's participation in the NATO Response Force. If the unit is sent on a military operation the ministry will cover the extra outlays at the expense of other projects. Estonia has previously contributed to different rotations of NRF naval vessels, an explosive ordnance disposal team, a movement coordination unit and a military police unit.

Estonian Troops in Afghanistan Welcome New Year on Operation

2 January (BNS) - **The Estonian infantry company ESTCOY-9 stationed in Afghanistan saw in the new year on operation and returned to base by the night of 1 January.**

The purpose of the operation that started early on 31 December was to expand the control of Afghan security forces and NATO allies around Patrol Base Wahid, drive out the anti-government insurgents and increase the security of the local population, the General Staff said.

"The operation went as planned and was a success. Fighters of the company put up a good show, the company fulfilled all the tasks set," the chief of the Estonian contingent, Lt. Col. Kajari Klettenberg, said. "Now that all the boys are back in their patrol bases, they can finally get in touch with their families back at home and wish them a happy New Year," he added.

ESTCOY-9 started service in Afghanistan in November 2009. The unit spent Christmas at the Wahid patrol base.

Beside ESTCOY-9 that is attached to the British-led Task Force Helmand, Estonia has the logistics unit NSE-8 and staff officers serving in the restless province of Helmand.

ECONOMIC NEWS

Eesti Energia Currently Exporting Electricity to Finland, Lithuania

4 January (BNS) - **Estonia's Eesti Energia power utility has exported electricity to both Finland and Lithuania in the first days of the new year.**

Eesti Energia CFO Margus Kaasik told BNS that a contract had been signed with Lithuania for a concrete amount. In addition to Lithuania, Eesti Energia is currently also selling electricity on the Nordpool electricity exchange in Finland, but amounts depend on the market price of the concrete hour.

"In some hours we sell more to Finland than to Lithuania and in another hour less," Kaasik said.

In connection with the closure of the Ignalina nuclear power plant, Eesti Energia wants to increase export and win 10-15% of the Lithuanian energy market.

Eesti Energia board chairman Sandor Liive has said that Eesti Energia is hoping to sell electricity for one billion kroons (EUR 64 mln) to Lithuania during the year.

Export of electricity to Lithuania will help Eesti Energia compensate the fall in production volumes due to demand of the domestic market and the fall in production volumes connected with it. Eesti Energia has more than ten terawatt-hours of generation capacity.

In the first six months of the Eesti Energia financial year its export of electrical energy totalled 1 115 gigawatt-hours. Electricity was exported via the Estlink cable to Finland and the Nordic countries and to Latvia, where a subsidiary of Eesti Energia has a 5-percent market share.

Value of Listed Estonian Companies Grows 32 Percent in 2009

31 December (BNS) - **The market capitalisation of the companies listed on the Tallinn stock exchange grew 32% during 2009 to 28.94 billion kroons.**

During 2008, the companies' market capitalisation dropped 2.93-fold to 21.96 billion kroons.

The star performer in 2009 was Harju Elekter, which saw the value of its share more than double.

Retailer Tallinna Kaubamaja soared 74%, builder Merko Ehitus 79% and Olympic 57%.

Losing the most, or 37% of its value, was the garment company Baltika.

The OMXT index put on 47.21% during the year to finish at 404.58 points. The Lithuanian market showed almost equal performance with a 46.04% rise in the index to 261.77 points.

The OMXR index of the Riga stock exchange moved up by just 2.82% and the joint Baltic index finished the year 37.83% higher at 314.42 points.

The total turnover of the Tallinn stock exchange generated in 84 547 transactions during 2009 was 4.17 billion kroons.

Port Company's Estimated Freight Handling Volume 31.5 Million Tons This Year

31 December (BNS) - **Ports of the state company Tallinna Sadam (Port of Tallinn) handled an estimated 31.5 million tons of cargoes during 2009, the company said on Thursday.**

In 2008, the ports' freight volume was 29.077 million tons.

More than 7.2 million passengers are estimated to have passed through the ports during 2009. The number last year was 7.247 million.

Precise figures for 2009 will be published by the company at the beginning of the new year.

Estonian Carrier Avies to Launch Flights Between Tallinn, St. Petersburg

29 December (BNS) - **The Estonian air carrier Avies is about to open a regular flight between Tallinn and the Russian city of St. Petersburg**

from 30 December, with flights taking place four times a week.

Allan Soll, board member of Avies, said the number of people travelling between the two cities was growing on a permanent basis and the necessity clearly existed to open an air route as an alternative to land routes.

Avies will operate the route with 18-seat JetStream turboprops. A flight between the two cities lasts 1 hour and 10 minutes.

The special one-way fare valid until is 999 kroons (EUR 64). After 11 January the price of a one-way ticket will start at 1 467 kroons.

The flights operated from the Tallinn airport will take place on Mondays, Wednesdays, Fridays and Sundays. Departures from Tallinn will be at 9:20 a.m. on Mondays, Wednesdays and Fridays, and at 2:20 p.m. on Sundays. Departures from St. Petersburg will be at 12:10 on Mondays and on Wednesdays, at 5:00 p.m. on Fridays and at 5:15 p.m. on Sundays.

In addition to charter flights, Avies also currently operates domestic flights between Tallinn and the island capital K rdla, as well as P rnu and the Gulf of Riga island of Kihnu.

Microsoft Estonia Posts Stable FY Result

30 December (BNS) - **Microsoft Estonia OU, seller and marketer of Microsoft products in Estonia, kept its last financial year's revenues and profit roughly on a par with the preceding 12-month period.**

Revenues in the last financial year amounted to 59.7 million kroons, compared with 61 million kroons in the year before. The company said the result was satisfactory given the overall economic situation.

Profit for the period was 7.4 million kroons, nearly a million kroons more than a year ago.

The company employed 25 people and paid out 18.3 million kroons in wages and salaries. Two members of its management board received a little more than a million kroons combined.

The Estonian subsidiary of Microsoft Corporation is about to pay a dividend of 7.6 million kroons.

CULTURAL NEWS

Foreign Ministry Gave Valuable 17th Century Dutch Painting to Art Museum of Estonia

5 January - **Foreign Minister Urmas Paet presented the Art Museum of Estonia with an oil painting by Dutch artist Govert Dircksz Camphuysen entitled "Chicken in its nest" in honour of the museum's 90th anniversary.** Previously the painting, which was restored by the Art Museum of Estonia, belonged to the Estonian Embassy in Moscow.

Foreign Minister Urmas Paet stated that Estonian ambassadors throughout time have valued and collected art, making valuable acquisitions on both the state and personal levels. "Some of our embassies have impressive art collections. Passing rare works of art to the Art Museum allows for the works to be displayed for a wider audience of art enthusiasts," said Foreign Minister Paet. Paet also emphasised that Estonia's foreign representations should be adorned first and foremost with the works of Estonian artists, and therefore it is appropriate to

exhibit the paintings of foreign artists in Estonian museums.

The histories of the Art Museum of Estonia and Estonian diplomacy are closely tied. The passionate art collector Peeter Tauk, who was the consul of the Republic of Estonia in St. Petersburg, was so dedicated to art that he became the director of the Art Museum of Estonia in 1930. Another individual who possessed an impressive collection of old European paintings was Julius Seljamaa, who was the Estonian ambassador to Moscow from 1928-1933.

The oil painting "Chicken in its nest" by Dutch artist Govert Dircksz Camphuysen (1624-1672) was painted between 1645 and 1650. The authenticity and authorship of the painting has been confirmed by international specialists. Govert Camphuysen, who was born in Gorkum, studied portrait art in Amsterdam, later specialising in the painting of farm interiors, from which grew the sub-genre of fowl "portraits". In 1652 Camphuysen went to work for the Gottorf court in Schleswig-Holstein, and in 1652 he moved on to the Stockholm court in the employ of Queen Hedvig Eleanora. The artist died in Amsterdam in 1672.

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